

Consolidated Financial Results for Fiscal Year 2015 (April 1, 2015 – March 31, 2016)

28/4/2016

Name of registrant: ShinMaywa Industries, Ltd.

Stock Exchange Listed: Tokyo

Code number: 7224

(URL: <http://www.shinmaywa.co.jp>)

Representative: Yoshihiro Onishi, President and Chief Executive Officer

Contact: Taku Takeuchi, Manager, Corporate Communications Section (Phone: 0798-56-5002)

Date of the general meeting of shareholders: June 29, 2016

Date of the dividends pay start planned: June 30, 2016

Date of filing annual security report: June 29, 2016

1. Consolidated Financial Results for FY 2015 (April 1, 2015 – March 31, 2016)

(1) Consolidated Results of Operations

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2015	203,917	5.6	15,260	11.9	15,596	8.5	10,281	12.3
FY2014	193,131	11.0	13,635	25.4	14,375	25.6	9,159	23.0

	Net income per share	Fully diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	yen	yen	%	%	%
FY2015	103.15	—	9.4	8.5	7.5
FY2014	91.88	—	9.1	8.2	7.1

Note: Equity in earnings of affiliates and non-consolidated subsidiaries: FY2015: 237 million yen FY2014: 300 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio (Ratio of net assets to total assets)	Net assets per share
	million yen	million yen	%	yen
FY2015	186,780	113,079	60.5	1,133.65
FY2014	182,167	105,958	58.1	1,062.04

Note: Shareholders' equity: FY2015 112,993 million yen FY2014 105,865 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
FY2015	14,767	(6,458)	(4,023)	17,085
FY2014	9,485	(5,817)	(3,503)	12,920

2. Dividends

	Dividends per share			Dividends total (Full-Year)	Dividends payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	Interim	Year-end	Full-year			
	yen	yen	yen	million yen	%	%
FY2014	6	8	14	1,395	15.2	1.4
FY2015	7	7	14	1,395	13.6	1.3
FY2016 (Forecast)	7	7	14		18.6	

3. Consolidated Financial Results Forecast for FY 2016 (April 1, 2016 – March 31, 2017)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Half Year	94,500	(0.4)	4,000	(57.6)	4,200	(55.4)	2,700	(56.0)	27.09
Full Year	197,000	(3.4)	10,500	(31.2)	10,900	(30.1)	7,500	(27.1)	75.25

Consolidated Balance Sheets

	Millions of Yen		Millions of Yen	
	FY2015	FY2014	FY2015	FY2014
Assets				
Current assets				
Cash and deposits	17,085	12,920		
Notes and accounts receivable – trade	76,642	77,519		
Merchandise and finished goods	2,865	2,635		
Work in process	20,702	23,274		
Raw materials and supplies	15,066	12,955		
Deferred tax assets	5,436	5,227		
Other	2,585	2,172		
Allowance for doubtful accounts	(19)	(38)		
Total current assets	140,366	136,664		
Non-current assets				
Property, plant and equipment				
Buildings and structures, net	11,883	11,874		
Machinery, equipment and vehicles, net	7,058	6,706		
Land	7,079	7,031		
Construction in progress	1,667	760		
Other, net	1,441	1,468		
Total property, plant and equipment	29,131	27,841		
Intangible assets	2,402	2,164		
Investments and other assets				
Investment securities	5,917	6,527		
Long-term loans receivable	245	270		
Net defined benefit asset	2,641	3,568		
Deferred tax assets	2,529	1,778		
Other	3,605	3,412		
Allowance for doubtful accounts	(58)	(61)		
Total investments and other assets	14,879	15,496		
Total non-current assets	46,413	45,502		
Total assets	186,780	182,167		
Liabilities				
Current liabilities				
Notes and accounts payable – trade	31,472	32,214		
Short-term loans payable	—	188		
Current portion of long-term loans payable	2,000	2,000		
Accrued expenses	12,481	10,917		
Income taxes payable	3,070	4,253		
Provision for directors' bonuses	239	211		
Provision for product warranties	27	45		
Provision for loss on construction contracts	3,200	2,628		
Other	7,111	7,997		
Total current liabilities	59,603	60,457		
Non-current liabilities				
Long-term loans payable	—	2,000		
Deferred tax liabilities	26	95		
Deferred tax liabilities for land revaluation	47	49		
Net defined benefit liability	11,063	10,166		
Other	2,961	3,438		
Total non-current liabilities	14,097	15,750		
Total liabilities	73,700	76,208		
Net assets				
Shareholders' equity				
Capital stock	15,981	15,981		
Capital surplus	15,737	15,737		
Retained earnings	81,522	72,736		
Treasury shares	(154)	(145)		
Total shareholders' equity	113,088	104,310		
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities	1,717	2,095		
Revaluation reserve for land	(376)	(378)		
Foreign currency translation adjustment	420	692		
Remeasurements of defined benefit plans	(1,856)	(854)		
Total accumulated other comprehensive income	(94)	1,554		
Non-controlling interests	85	93		
Total net assets	113,079	105,958		
Total liabilities and net assets	186,780	182,167		

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Consolidated Statements of Income

	Millions of Yen	
	FY2015	FY2014
Net sales	203,917	193,131
Cost of sales	166,985	158,131
Gross profit	36,932	35,000
Selling, general and administrative expenses	21,671	21,365
Operating income	15,260	13,635
Non-operating income		
Interest income	17	15
Dividend income	101	79
Share of profit of entities accounted for using equity method	237	300
Rent income	21	20
Dividend income of insurance	178	171
Foreign exchange gains	—	125
Other	126	141
Total non-operating income	682	855
Non-operating expenses		
Interest expenses	27	38
Sales discounts	12	11
Foreign exchange losses	208	—
Cost of inactive noncurrent assets	23	26
Commission for syndicate loan	18	16
Other	56	22
Total non-operating expenses	346	115
Ordinary income	15,596	14,375
Extraordinary income		
Gain on sales of investment securities	24	123
Total extraordinary income	24	123
Extraordinary losses		
Loss on sales of non-current assets	—	13
Loss on disposal of non-current assets	233	268
Loss on valuation of investment securities	15	—
Total extraordinary losses	248	282
Profit before income taxes	15,372	14,216
Income taxes – current	5,458	5,571
Income taxes – deferred	(366)	(503)
Total income taxes	5,091	5,067
Profit	10,281	9,148
Loss attributable to non-controlling interests	(0)	(10)
Profit attributable to owners of parent	10,281	9,159

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Consolidated Statements of Comprehensive Income

	Millions of Yen	
	FY2015	FY2014
Profit	10,281	9,148
Other comprehensive income		
Valuation difference on available-for-sale securities	(377)	708
Revaluation reserve for land	2	5
Foreign currency translation adjustment	(219)	273
Remeasurements of defined benefit plans, net of tax	(1,001)	259
Share of other comprehensive income of entities accounted for using equity method	(61)	123
Total other comprehensive income	(1,656)	1,369
Comprehensive income	8,624	10,518
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,632	10,517
Comprehensive income attributable to non-controlling interests	(8)	0

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Consolidated Statements of Cash Flows

	Millions of Yen	
	FY2015	FY2014
Cash flows from operating activities		
Profit before income taxes	15,372	14,216
Depreciation	4,362	4,093
Increase (decrease) in net defined benefit liability	603	517
Increase (decrease) in allowance for doubtful accounts	(22)	(2)
Interest and dividend income	(119)	(95)
Interest expenses	27	38
Share of (profit) loss of entities accounted for using equity method	(237)	(300)
Loss (gain) on sales of non-current assets	—	13
Loss (gain) on disposal of non-current assets	233	268
Decrease (increase) in notes and accounts receivable – trade	745	(8,912)
Decrease (increase) in inventories	218	(2,334)
Increase (decrease) in notes and accounts payable – trade	(596)	3,924
Increase (decrease) in other non-current liabilities	(364)	(291)
Other, net	984	3,650
Subtotal	21,207	14,784
Interest and dividend income received	253	201
Interest expenses paid	(27)	(37)
Income taxes paid	(6,665)	(5,462)
Net cash provided by (used in) operating activities	14,767	9,485
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	72	—
Purchase of property, plant and equipment	(5,441)	(4,575)
Proceeds from sales of property, plant and equipment	11	89
Purchase of intangible assets	(941)	(924)
Purchase of investment securities	(2)	(2)
Payments for transfer of business	—	(195)
Other, net	(156)	(208)
Net cash provided by (used in) investing activities	(6,458)	(5,817)
Cash flows from financing activities		
Increase in short-term loans payable	287	225
Decrease in short-term loans payable	(449)	(37)
Repayments of long-term loans payable	(2,000)	(2,000)
Purchase of treasury shares	(9)	(10)
Cash dividends paid	(1,495)	(1,295)
Repayments of finance lease obligations	(357)	(385)
Other, net	0	—
Net cash provided by (used in) financing activities	(4,023)	(3,503)
Effect of exchange rate change on cash and cash equivalents	(120)	176
Net increase (decrease) in cash and cash equivalents	4,165	340
Cash and cash equivalents at beginning of period	12,920	12,550
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	28
Cash and cash equivalents at end of period	17,085	12,920

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