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February 04, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Under Japanese GAAP]

Company name: ShinMaywa Industries, Ltd.

Listing: Tokyo Stock Exchange

Securities code: 7224

URL: <https://www.shinmaywa.co.jp/>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 01, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	187,242	5.4	8,319	32.0	8,448	38.5	4,932	35.3
December 31, 2023	177,627	10.6	6,300	4.9	6,100	(9.3)	3,644	(19.2)

Note: Comprehensive income For the nine months ended December 31, 2024: ¥ 5,160 million [(18.7) %]
For the nine months ended December 31, 2023: ¥ 6,345 million [(4.4) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	74.68	-
December 31, 2023	55.26	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	256,335	108,344	41.9
March 31, 2024	260,102	108,734	41.1

Reference : Equity As of December 31, 2024: ¥ 107,322 million
As of March 31, 2024: ¥ 107,008 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	22.50	-	24.50	47.00
Fiscal year ending March 31, 2025	-	25.00	-		
Fiscal year ending March 31, 2025 (Forecast)				25.00	50.00

Note: Revisions to the forecast of cash dividends most recently announced : None

3. Consolidated financial results forecast for the fiscal year ending March 31, 2025 (from April 01, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	265,000	3.1	13,000	10.5	12,200	0.8	7,500	3.0	113.48

Note: Revisions to the financial results forecast most recently announced: Yes

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name:)
Excluded: - (Company name:)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024: 70,000,000 shares

As of March 31, 2024: 70,000,000 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024: 3,908,975 shares

As of March 31, 2024: 4,029,045 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024: 66,043,062 shares

Nine months ended December 31, 2023: 65,947,845 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including earnings forecasts, contained in this document are based on the information currently available to the Company and certain assumptions that it deems to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ materially from these projections due to various factors.

(How to obtain supplementary briefing material on financial results)

Supplementary briefing material on financial results is disclosed on TDnet on the same day.

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Qualitative Information of the Quarterly Consolidated Results

(1) Operating Results

During the nine months ended December 31, 2024, the Japanese economy continued to show a moderate recovery trend, with an improvement in the employment and income environment. The economic outlook, though, remained uncertain amid soaring resource prices, the rising cost of living, future policy trends in the U.S., and fluctuations in financial and capital markets.

Amid these circumstances, the Group has formulated [SG-2026] – a Medium-term management plan corresponding to Phase 2 of its [SG-Vision2030] Long-term management plan which has an end date of 2030 – and is promoting various measures designed to enhance its corporate value.

The financial results for the nine months ended December 31, 2024 were as follows: orders received of 209,149 million yen, up 1.0% year-on-year, and net sales of 187,242 million yen, up 5.4% year-on-year. The outstanding orders as of December 31, 2024 were 314,788 million yen, up 9.7% year-on-year.

As for profits and losses, with an increase in revenue, operating profit was 8,319 million yen, up 32.0% year-on-year, ordinary profit was 8,448 million yen, up 38.5% year-on-year, profit attributable to owners of parent was 4,932 million yen, up 35.3% year-on-year.

The overview of the Group's operating results by segment is as follows.

(Special Purpose Truck)

For manufacture and sales of vehicle frames, etc., both orders received and net sales increased.

Also, for maintenance and repair business, both orders received and net sales increased.

In addition to this, for forestry machinery, etc., orders received decreased and net sales increased.

As a result, for this segment, orders received were 90,252 million yen, up 6.8% year-on-year, net sales were 78,950 million yen, up 9.3% year-on-year, and operating profit was 3,698 million yen, up 146.2% year-on-year.

The outstanding orders as of December 31, 2024 were 123,288 million yen, up 4.5% year-on-year.

(Parking Systems)

For mechanical car parking systems, both orders received and net sales increased.

For aircraft passenger boarding bridges, orders received decreased and net sales increased compared to the previous fiscal year, when orders for large projects were received.

As a result, for this segment, orders received were 33,945 million yen, down 10.1% year-on-year, net sales were 32,438 million yen, up 13.4% year-on-year, and operating profit was 2,603 million yen, up 35.2% year-on-year.

The outstanding orders as of December 31, 2024 were 60,855 million yen, up 10.3% year-on-year.

(Industrial Machinery & Environmental Systems)

For mechatronics products, both orders received and net sales decreased in vacuum products. As a result, for the entire business area, orders received and net sales decreased.

For environment-related business, orders received decreased and net sales increased compared to the previous fiscal year, when orders for large projects were received.

As a result, for this segment, orders received were 24,038 million yen, down 22.0% year-on-year, net sales were 23,746 million yen, down 18.3% year-on-year, and operating profit was 1,196 million yen, down 34.8% year-on-year.

The outstanding orders as of December 31, 2024 were 55,048 million yen, up 19.7% year-on-year.

(Fluid)

With demand steadily increasing both in Japan and overseas, orders received and net sales increased. As a result, for this segment, orders received were 23,947 million yen, up 12.3% year-on-year, net sales were 16,201 million yen, up 2.1% year-on-year, and operating profit was 1,431 million yen, down 3.5% year-on-year.

The outstanding orders as of December 31, 2024 were 14,862 million yen, up 18.1% year-on-year.

(Aircraft)

For the Ministry of Defense, orders received increased and net sales were at the same level as the same period of the previous fiscal year.

Also, for civilian demand-related production, both orders received and net sales increased.

As a result, for this segment, orders received were 24,780 million yen, up 64.8% year-on-year, net sales were 22,973 million yen, up 1.7% year-on-year, and operating profit was 1,553 million yen, down 11.5% year-on-year.

The outstanding orders as of December 31, 2024 were 45,771million yen, up 28.4% year-on-year.

(Others)

For construction business, orders received decreased and net sales increased. As a result, for this segment, orders received were 12,184 million yen, down 31.1% year-on-year, net sales were 12,932 million yen, up 39.7% year-on-year, and operating profit was 855 million yen, up 107.2% year-on-year.

The outstanding orders as of December 31, 2024 were 14,961 million yen, down 23.3% year-on-year.

(2) Financial Position

1) Assets, liabilities, and net assets

(Assets)

Total assets at the end of the third quarter decreased 3,767 million yen from the end of the previous consolidated fiscal year to 256,335 million yen, mainly due to a decrease in trade receivables, despite increases in inventories and property, plant and equipment.

(Liabilities)

Liabilities decreased 3,377 million yen from the end of the previous consolidated fiscal year to 147,990 million yen, mainly due to decreases in trade payables and payment of income taxes.

(Net assets)

Net assets decreased 389 million yen from the end of the previous consolidated fiscal year to 108,344 million yen due to dividend payments, despite the recording of profit attributable to owners of parent. As a result, equity-to-asset ratio increased to 41.9% from 41.1% at the previous fiscal year-end.

2) Cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) at the end of the third quarter of this consolidated fiscal year amounted to 23,229 million yen, up 338 million yen from the end of the previous consolidated fiscal year. Following is the state of each cash flow and the contributing factors during this third quarter.

(Cash flows from operating activities)

Funds earned from operating activities in the third quarter amounted to 10,945 million yen (compared to funds used in the same period of the previous fiscal year of 19,849 million yen). This was mainly due to a profit before income taxes of 8,331 million yen and decrease in trade receivables of 14,575 million yen, despite an increase in inventories of 8,649 million yen and income taxes paid of 5,072 million yen.

(Cash flows from investing activities)

Funds used in investing activities in the third quarter amounted to 8,326 million yen (compared to 5,574 million yen used in the same period of the previous fiscal year). This was mainly due to the purchase of property, plant and equipment of 7,510 million yen.

(Cash flows from financing activities)

Funds used in financing activities in the third quarter amounted to 2,972 million yen (compared to 21,467 million yen earned from the same period of the previous fiscal year). This was due to repayments of interest-bearing debt, mainly long-term borrowings, of 14,872 million yen, dividends paid of 3,268 million yen, and the purchase of shares of subsidiaries not resulting in a change in the scope of consolidation of 1,733 million yen, despite proceeds from short-term borrowings of 17,097 million yen.

(3) Consolidated Financial Results Forecasts

In consideration of the financial results for the nine months ended December 31, 2024 and the future outlook, the full-year financial results forecasts, released on October 31, 2024, are revised as follows. For a breakdown of net sales and operating profit by segment, please refer to the supplementary briefing material on financial results disclosed at the same time as this financial report.

Revisions to the consolidated financial results forecast (from April 01, 2024 to March 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	yen
Previous forecast (A)	270,000	13,000	12,200	7,500	113.48
Current forecast (B)	265,000	13,000	12,200	7,500	113.48
Amount of change (B-A)	(5,000)	0	0	0	0
Percentage change (%)	(1.9)	0	0	0	0
(Reference) Results for the previous fiscal year (FY2023)	257,060	11,765	12,106	7,279	110.38

* The assumed exchange rate is 140 yen to the US dollar for February onwards.

Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	23,382	23,424
Notes and accounts receivable - trade, and contract assets	83,163	66,234
Electronically recorded monetary claims - operating	7,977	10,989
Merchandise and finished goods	5,405	6,097
Work in process	24,147	33,016
Raw materials and supplies	29,131	28,723
Other	5,052	4,718
Allowance for doubtful accounts	(203)	(284)
Total current assets	178,056	172,918
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,713	19,933
Other, net	25,295	27,866
Total property, plant and equipment	45,008	47,800
Intangible assets	2,619	2,746
Investments and other assets		
Other	34,432	32,883
Allowance for doubtful accounts	(14)	(13)
Total investments and other assets	34,417	32,869
Total non-current assets	82,046	83,417
Total assets	260,102	256,335

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,166	31,573
Current portion of bonds payable	800	200
Short-term borrowings	7,580	22,850
Current portion of long-term borrowings	29,235	18,300
Income taxes payable	4,223	932
Provision for loss on construction contracts	3,351	3,115
Other	43,056	42,665
Total current liabilities	122,415	119,637
Non-current liabilities		
Long-term borrowings	13,000	12,000
Retirement benefit liability	13,336	14,157
Other	2,616	2,196
Total non-current liabilities	28,952	28,353
Total liabilities	151,367	147,990
Net assets		
Shareholders' equity		
Share capital	15,981	15,981
Capital surplus	15,660	14,844
Retained earnings	74,445	75,388
Treasury shares	(5,753)	(5,582)
Total shareholders' equity	100,333	100,632
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,889	2,439
Revaluation reserve for land	(376)	(376)
Foreign currency translation adjustment	3,027	3,535
Remeasurements of defined benefit plans	1,134	1,091
Total accumulated other comprehensive income	6,675	6,690
Non-controlling interests	1,725	1,021
Total net assets	108,734	108,344
Total liabilities and net assets	260,102	256,335

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	177,627	187,242
Cost of sales	150,609	157,213
Gross profit	27,017	30,029
Selling, general and administrative expenses	20,717	21,710
Operating profit	6,300	8,319
Non-operating income		
Interest income	86	106
Dividend income	233	260
Dividend income of insurance	183	197
Foreign exchange gains	158	272
Other	161	135
Total non-operating income	824	971
Non-operating expenses		
Interest expenses	325	311
Share of loss of entities accounted for using equity method	92	91
Cost of inactive noncurrent assets	111	74
Borrowing fees	6	8
Loss on securitization of receivables	241	180
Other	247	176
Total non-operating expenses	1,024	842
Ordinary profit	6,100	8,448
Extraordinary income		
Gain on sale of non-current assets	76	-
Total extraordinary income	76	-
Extraordinary losses		
Loss on disposal of non-current assets	42	61
Provision for loss on Anti-Monopoly Act	-	55
Total extraordinary losses	42	116
Profit before income taxes	6,134	8,331
Income taxes - current	1,735	1,897
Income taxes - deferred	457	1,302
Total income taxes	2,193	3,199
Profit	3,941	5,131
Profit attributable to non-controlling interests	296	199
Profit attributable to owners of parent	3,644	4,932

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	3,941	5,131
Other comprehensive income		
Valuation difference on available-for-sale securities	1,176	(449)
Foreign currency translation adjustment	944	501
Remeasurements of defined benefit plans, net of tax	76	(43)
Share of other comprehensive income of entities accounted for using equity method	206	20
Total other comprehensive income	2,404	29
Comprehensive income	6,345	5,160
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,973	4,947
Comprehensive income attributable to non-controlling interests	372	213

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,134	8,331
Depreciation	3,846	4,128
Decrease (increase) in trade receivables	(17,684)	14,575
Decrease (increase) in inventories	(11,554)	(8,649)
Increase (decrease) in trade payables	4,131	(2,675)
Other, net	(1,300)	271
Subtotal	(16,428)	15,980
Interest and dividends received	320	376
Interest paid	(327)	(338)
Income taxes paid	(3,413)	(5,072)
Net cash provided by (used in) operating activities	(19,849)	10,945
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,129)	(7,510)
Proceeds from sale of property, plant and equipment	400	21
Purchase of intangible assets	(440)	(656)
Loan advances to subsidiaries and associates	(1,154)	-
Other, net	(250)	(180)
Net cash provided by (used in) investing activities	(5,574)	(8,326)
Cash flows from financing activities		
Proceeds from short-term borrowings	28,111	17,097
Repayments of short-term borrowings	(444)	(2,336)
Repayments of long-term borrowings	(1,908)	(11,935)
Redemption of bonds	(600)	(600)
Purchase of treasury shares of subsidiaries	(295)	-
Dividends paid	(3,066)	(3,268)
Dividends paid to non-controlling interests	(140)	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(1,733)
Other, net	(188)	(196)
Net cash provided by (used in) financing activities	21,467	(2,972)
Effect of exchange rate change on cash and cash equivalents	297	(69)
Net increase (decrease) in cash and cash equivalents	(3,658)	(422)
Cash and cash equivalents at beginning of period	22,535	22,891
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	760
Cash and cash equivalents at end of period	18,876	23,229

(4) Explanatory Notes to Quarterly Consolidated Financial Statements

(Notes on segment Information)

For the nine months ended December 31, 2023 (April 01, 2023 - December 31, 2023)

1. Information regarding the amount of net sales, gain and loss by reportable segment

(Millions of yen)

	Reportable segments						Others	Total	Adjustments	Consolidated Financial Statements amount
	Special Purpose Truck	Parking Systems	Industrial Machinery and Environmental Systems	Fluid	Aircraft	Subtotal				
Net Sales:										
Japan	68,693	26,964	10,699	11,490	11,864	129,712	9,257	138,970	—	138,970
Asia	1,152	1,634	5,411	3,011	—	11,210	—	11,210	—	11,210
North America	—	—	11,998	870	10,102	22,971	—	22,971	—	22,971
Other areas	2,410	—	947	494	622	4,474	—	4,474	—	4,474
Revenue from contracts with customers	72,257	28,599	29,056	15,867	22,588	168,369	9,257	177,627	—	177,627
Other revenue	—	—	—	—	—	—	—	—	—	—
External sales	72,257	28,599	29,056	15,867	22,588	168,369	9,257	177,627	—	177,627
Intersegment sales or transfer	9	8	2	10	—	31	2,897	2,929	(2,929)	—
Total	72,266	28,607	29,059	15,878	22,588	168,400	12,155	180,556	(2,929)	177,627
Segment profit	1,502	1,925	1,836	1,483	1,754	8,502	412	8,915	(2,615)	6,300

(Note 1) "Others" comprises businesses not included in the reportable segments, such as construction, real estate, and software development.

(Note 2) The adjustment under segment profit (2,615) million yen includes the elimination of inter-segment transactions (87) million yen and corporate expenses unallocated to each reportable segment (2,527) million yen. Corporate expenses are mainly unallocated general and administrative expenses and basic experiment and research expenses.

(Note 3) Segment profit is the adjusted operating profit reported on consolidated statements of profit.

2. Information on impairment loss on noncurrent assets and goodwill for each reportable segment

None

For the nine months ended December 31, 2024 (April 01, 2024 - December 31, 2024)

1. Information regarding the amount of net sales, gain and loss by reportable segment

(Millions of yen)

	Reportable segments						Others	Total	Adjustments	Consolidated Financial Statements amount
	Special Purpose Truck	Parking Systems	Industrial Machinery and Environmental Systems	Fluid	Aircraft	Subtotal				
Net Sales:										
Japan	75,732	28,771	12,689	11,374	11,878	140,447	12,932	153,379	—	153,379
Asia	957	3,666	3,852	3,226	—	11,703	—	11,703	—	11,703
North America	—	—	5,965	891	10,157	17,014	—	17,014	—	17,014
Other areas	2,259	—	1,238	708	937	5,144	—	5,144	—	5,144
Revenue from contracts with customers	78,950	32,438	23,746	16,201	22,973	174,310	12,932	187,242	—	187,242
Other revenue	—	—	—	—	—	—	—	—	—	—
External sales	78,950	32,438	23,746	16,201	22,973	174,310	12,932	187,242	—	187,242
Intersegment sales or transfer	7	9	0	17	—	34	4,720	4,754	(4,754)	—
Total	78,957	32,448	23,746	16,219	22,973	174,345	17,652	191,997	(4,754)	187,242
Segment profit	3,698	2,603	1,196	1,431	1,553	10,483	855	11,338	(3,019)	8,319

(Note 1) "Others" comprises businesses not included in the reportable segments, such as construction, real estate, and software development.

(Note 2) The adjustment under segment profit (3,019) million yen includes the elimination of inter-segment transactions (262) million yen and corporate expenses unallocated to each reportable segment (2,757) million yen. Corporate expenses are mainly unallocated general and administrative expenses and basic experiment and research expenses.

(Note 3) Segment profit is the adjusted operating profit reported on consolidated statements of profit.

2. Information on impairment loss on noncurrent assets and goodwill for each reportable segment

None

(Notes in the Event of Significant Changes in Shareholders' Equity)

None

(Notes on the Assumption of a Going Concern)

None