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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 09, 2023

Company name: ShinMaywa Industries, Ltd.

Stock exchange listing: Tokyo

Code number: 7224

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

Representative: Tatsuyuki Isogawa, President and Chief Executive Officer

Contact: Toshiaki Kume, Director, Member of the Board, Managing Executive Officer

Phone: 0798-56-5010

Scheduled date of Annual General Meeting of Shareholders: June 27, 2023

Scheduled date of commencing dividend payments: June 28, 2023

Scheduled date of filing annual securities report: June 27, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	225,175	3.9	9,293	(12.1)	9,902	(16.2)	7,313	5.9
March 31, 2022	216,823	3.6	10,569	0.9	11,821	5.7	6,907	25.9

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 9,787 million [34.9%]
Fiscal year ended March 31, 2022: ¥ 7,258 million [(6.1)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	111.00	-	7.6	4.4	4.1
March 31, 2022	104.96	-	7.7	5.5	4.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 337 million
Fiscal year ended March 31, 2022: ¥ 335 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2023	226,907	100,439	43.5	1,498.16
March 31, 2022	221,206	94,261	41.8	1,404.53

(Reference) Equity: As of March 31, 2023: ¥ 98,747 million
As of March 31, 2022: ¥ 92,465 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	6,404	(7,164)	(4,108)	22,535
March 31, 2022	15,998	(7,221)	(5,203)	26,549

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	-	19.00	-	23.00	42.00	2,765	40.0	3.1
March 31, 2023	-	21.00	-	24.00	45.00	2,966	40.5	3.1
Fiscal year ending March 31, 2024 (Forecast)	-	22.50	-	22.50	45.00		40.6	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	270,000	19.9	12,000	29.1	11,700	18.2	7,300	(0.2)	110.75

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:)
Exclusion:	-	(Company name:)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2023:	70,000,000 shares
March 31, 2022:	70,000,000 shares

2) Number of treasury shares at the end of the period:

March 31, 2023:	4,087,841 shares
March 31, 2022:	4,166,255 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023:	65,889,008 shares
Fiscal Year ended March 31, 2022:	65,806,405 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 01, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	127,247	(2.2)	207	(89.1)	4,299	(6.4)	4,798	91.4
March 31, 2022	130,082	(2.8)	1,904	(32.0)	4,594	7.6	2,507	89.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	72.83	-
March 31, 2022	38.10	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2023	156,441	51,423	32.9	780.19
March 31, 2022	158,668	49,787	31.4	756.26

(Reference) Equity: As of March 31, 2023: ¥ 51,423 million
As of March 31, 2022: ¥ 49,787 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	26,600	22,745
Notes and accounts receivable - trade, and contract assets	62,114	62,812
Electronically recorded monetary claims - operating	8,831	8,604
Merchandise and finished goods	4,067	4,805
Work in process	21,619	24,122
Raw materials and supplies	21,238	24,874
Other	4,266	4,920
Allowance for doubtful accounts	(121)	(395)
Total current assets	148,615	152,491
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,185	19,030
Machinery, equipment and vehicles, net	7,196	6,397
Land	13,237	13,796
Construction in progress	775	1,135
Other, net	2,034	2,129
Total property, plant and equipment	42,430	42,488
Intangible assets	2,876	2,702
Investments and other assets		
Investment securities	11,588	11,170
Long-term loans receivable	231	405
Retirement benefit asset	3,711	4,542
Deferred tax assets	6,703	7,533
Other	5,076	5,590
Allowance for doubtful accounts	(26)	(17)
Total investments and other assets	27,284	29,224
Total non-current assets	72,590	74,415
Total assets	221,206	226,907

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,898	27,310
Current portion of bonds payable	800	800
Short-term borrowings	2,891	6,372
Current portion of long-term borrowings	2,443	2,210
Accrued expenses	12,786	10,990
Income taxes payable	2,527	2,337
Provision for bonuses for directors (and other officers)	281	267
Provision for product warranties	42	58
Provision for loss on construction contracts	3,194	3,168
Other	15,036	15,007
Total current liabilities	65,903	68,522
Non-current liabilities		
Bonds payable	1,600	800
Long-term borrowings	44,519	42,234
Deferred tax liabilities	154	104
Deferred tax liabilities for land revaluation	47	47
Retirement benefit liability	12,962	12,973
Other	1,758	1,786
Total non-current liabilities	61,041	57,945
Total liabilities	126,945	126,467
Net assets		
Shareholders' equity		
Share capital	15,981	15,981
Capital surplus	15,737	15,657
Retained earnings	65,852	70,236
Treasury shares	(5,954)	(5,838)
Total shareholders' equity	91,617	96,037
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,096	633
Revaluation reserve for land	(376)	(376)
Foreign currency translation adjustment	821	2,116
Remeasurements of defined benefit plans	(694)	335
Total accumulated other comprehensive income	847	2,709
Non-controlling interests	1,795	1,692
Total net assets	94,261	100,439
Total liabilities and net assets	221,206	226,907

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	216,823	225,175
Cost of sales	181,709	189,245
Gross profit	35,114	35,929
Selling, general and administrative expenses	24,544	26,635
Operating profit	10,569	9,293
Non-operating income		
Interest income	60	78
Dividend income	175	183
Share of profit of entities accounted for using equity method	335	337
Rental income	68	55
Dividend income of insurance	166	165
Foreign exchange gains	721	535
Other	278	124
Total non-operating income	1,807	1,481
Non-operating expenses		
Interest expenses	205	273
Cost of inactive noncurrent assets	164	126
Borrowing fees	11	29
Loss on securitization of receivables	39	135
Other	134	306
Total non-operating expenses	555	872
Ordinary profit	11,821	9,902
Extraordinary income		
Gain on sale of non-current assets	-	291
Gain on sale of investment securities	-	399
Gain on bargain purchase	486	-
Total extraordinary income	486	690
Extraordinary losses		
Loss on disposal of non-current assets	209	220
Loss on valuation of investment securities	165	-
Loss on valuation of investments in capital of subsidiaries and associates	243	64
Loss on liquidation of business	-	104
Total extraordinary losses	619	389
Profit before income taxes	11,689	10,203
Income taxes - current	3,659	3,586
Income taxes - deferred	815	(1,144)
Total income taxes	4,474	2,441
Profit	7,214	7,762
Profit attributable to non-controlling interests	307	448
Profit attributable to owners of parent	6,907	7,313

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	7,214	7,762
Other comprehensive income		
Valuation difference on available-for-sale securities	(490)	(462)
Foreign currency translation adjustment	438	1,335
Remeasurements of defined benefit plans, net of tax	(163)	1,030
Share of other comprehensive income of entities accounted for using equity method	259	122
Total other comprehensive income	43	2,025
Comprehensive income	7,258	9,787
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,934	9,175
Comprehensive income attributable to non-controlling interests	323	612

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,981	15,780	61,445	(6,082)	87,125
Changes during period					
Dividends of surplus			(2,499)		(2,499)
Profit attributable to owners of parent			6,907		6,907
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(43)		128	85
Change in scope of equity method					-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	(43)	4,407	128	4,492
Balance at end of period	15,981	15,737	65,852	(5,954)	91,617

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,587	(376)	139	(530)	820	893	88,838
Changes during period							
Dividends of surplus							(2,499)
Profit attributable to owners of parent							6,907
Purchase of treasury shares							(0)
Disposal of treasury shares							85
Change in scope of equity method							-
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes in items other than shareholders' equity	(490)	-	681	(163)	27	902	930
Total changes during period	(490)	-	681	(163)	27	902	5,422
Balance at end of period	1,096	(376)	821	(694)	847	1,795	94,261

For the fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,981	15,737	65,852	(5,954)	91,617
Changes during period					
Dividends of surplus			(2,898)		(2,898)
Profit attributable to owners of parent			7,313		7,313
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		(0)	(30)	116	85
Change in scope of equity method			(0)		(0)
Change in ownership interest of parent due to transactions with non-controlling interests		(79)			(79)
Net changes in items other than shareholders' equity					
Total changes during period	-	(80)	4,384	115	4,419
Balance at end of period	15,981	15,657	70,236	(5,838)	96,037

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,096	(376)	821	(694)	847	1,795	94,261
Changes during period							
Dividends of surplus							(2,898)
Profit attributable to owners of parent							7,313
Purchase of treasury shares							(1)
Disposal of treasury shares							85
Change in scope of equity method							(0)
Change in ownership interest of parent due to transactions with non-controlling interests							(79)
Net changes in items other than shareholders' equity	(462)	-	1,294	1,030	1,862	(102)	1,759
Total changes during period	(462)	-	1,294	1,030	1,862	(102)	6,178
Balance at end of period	633	(376)	2,116	335	2,709	1,692	100,439

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	11,689	10,203
Depreciation	5,564	5,321
Increase (decrease) in retirement benefit liability	308	904
Increase (decrease) in allowance for doubtful accounts	8	252
Interest and dividend income	(235)	(261)
Interest expenses	205	273
Share of loss (profit) of entities accounted for using equity method	(335)	(337)
Loss (gain) on disposal of non-current assets	209	220
Decrease (increase) in trade receivables	4,046	275
Decrease (increase) in inventories	(2,008)	(6,477)
Increase (decrease) in trade payables	1,122	939
Increase (decrease) in other non-current liabilities	(8)	96
Other, net	(867)	(1,380)
Subtotal	19,698	10,031
Interest and dividends received	324	455
Interest paid	(211)	(255)
Income taxes paid	(3,812)	(3,827)
Net cash provided by (used in) operating activities	15,998	6,404
Cash flows from investing activities		
Payments into time deposits	(101)	(260)
Proceeds from withdrawal of time deposits	484	101
Purchase of property, plant and equipment	(4,485)	(4,251)
Proceeds from sale of property, plant and equipment	11	311
Purchase of intangible assets	(819)	(624)
Purchase of investment securities	(411)	(462)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,429)	(1,995)
Other, net	(469)	16
Net cash provided by (used in) investing activities	(7,221)	(7,164)
Cash flows from financing activities		
Proceeds from short-term borrowings	788	3,312
Repayments of short-term borrowings	(85)	(70)
Proceeds from long-term borrowings	29	-
Repayments of long-term borrowings	(2,350)	(2,548)
Redemption of bonds	(800)	(800)
Purchase of treasury shares	(0)	(1)
Dividends paid	(2,499)	(2,898)
Dividends paid to non-controlling interests	-	(24)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(770)
Repayments of finance lease liabilities	(285)	(308)
Net cash provided by (used in) financing activities	(5,203)	(4,108)
Effect of exchange rate change on cash and cash equivalents	308	854
Net increase (decrease) in cash and cash equivalents	3,881	(4,013)
Cash and cash equivalents at beginning of period	22,667	26,549
Cash and cash equivalents at end of period	26,549	22,535

Segment Information

For the fiscal year ended March 31, 2022 (April 01, 2021 - March 31, 2022)

(Million 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	93,022	36,271	12,626	17,217	10,615	169,753	16,047	185,800	—	185,800
Asia	1,580	1,828	9,394	2,400	—	15,203	—	15,203	—	15,203
North America	4	—	2,199	683	7,854	10,742	—	10,742	—	10,742
Other areas	2,582	—	1,340	486	667	5,076	—	5,076	—	5,076
Revenue from contracts with customers	97,190	38,099	25,560	20,787	19,137	200,776	16,047	216,823	—	216,823
Other revenue	—	—	—	—	—	—	—	—	—	—
External sales	97,190	38,099	25,560	20,787	19,137	200,776	16,047	216,823	—	216,823
Intersegment sales or transfer	15	32	2	8	—	58	2,059	2,118	(2,118)	—
Total	97,205	38,131	25,562	20,796	19,137	200,834	18,107	218,941	(2,118)	216,823
Segment profit (loss)	5,354	3,066	1,724	3,151	(875)	12,422	955	13,378	(2,808)	10,569
Segment assets	77,289	22,926	25,990	19,581	34,012	179,800	24,566	204,367	16,838	221,206
Others:										
Depreciation	2,328	618	486	546	940	4,920	243	5,164	400	5,564
Increase in property, plant and equipment and intangible assets	1,706	344	487	442	144	3,125	229	3,354	1,428	4,782

For the fiscal year ended March 31, 2023 (April 01, 2022 - March 31, 2023)

(Million 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	85,755	36,102	12,479	18,451	11,815	164,604	14,188	178,793	—	178,793
Asia	2,047	2,524	14,124	4,331	—	23,027	—	23,027	—	23,027
North America	5	—	1,506	984	10,239	12,736	—	12,736	—	12,736
Other areas	3,503	—	5,315	718	1,081	10,617	—	10,617	—	10,617
Revenue from contracts with customers	91,311	38,627	33,425	24,485	23,136	210,987	14,188	225,175	—	225,175
Other revenue	—	—	—	—	—	—	—	—	—	—
External sales	91,311	38,627	33,425	24,485	23,136	210,987	14,188	225,175	—	225,175
Intersegment sales or transfer	23	18	1	11	—	56	2,690	2,746	(2,746)	—
Total	91,335	38,646	33,427	24,497	23,136	211,043	16,878	227,922	(2,746)	225,175
Segment profit	707	2,686	2,923	3,916	1,397	11,632	739	12,371	(3,078)	9,293
Segment assets	76,983	24,649	30,413	20,585	33,967	186,599	25,563	212,162	14,744	226,907
Others:										
Depreciation	2,198	570	480	566	778	4,594	244	4,838	482	5,321
Increase in property, plant and equipment and intangible assets	1,648	374	356	786	141	3,306	914	4,221	244	4,465