

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

April 25, 2024

Company name: SHINKO ELECTRIC INDUSTRIES CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6967 URL <https://www.shinko.co.jp>
 Representative: Representative Director of Board, President Susumu Kurashima
 Inquiries: General Manager, Corporate Planning Div. Takahiro Kiyono TEL 026-283-1000
 Scheduled date of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	209,972	(26.7)	24,810	(67.7)	27,257	(65.4)	18,609	(65.8)
Year ended March 31, 2023	286,358	5.3	76,712	7.4	78,755	3.9	54,488	3.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	137.73	–	7.2	7.0	11.8
Year ended March 31, 2023	403.32	–	24.1	22.3	26.8

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	393,750	264,977	67.3	1,961.09
As of March 31, 2023	386,934	251,014	64.9	1,857.90

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	45,464	(73,273)	(6,886)	82,475
Year ended March 31, 2023	118,223	(65,199)	(7,197)	115,592

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	25.00	–	25.00	50.00	6,755	12.4	3.0
Year ended March 31, 2024	–	25.00	–	0.00	25.00	3,377	18.2	1.3
Year ending March 31, 2025 (Forecast)	–	0.00	–	0.00	0.00	–	–	–

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	115,000	9.4	16,000	39.5	16,000	13.7	11,000	12.5	81.41
Full year	250,000	19.1	44,000	77.3	45,000	65.1	30,000	61.2	222.03

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	135,171,942 shares	As of March 31, 2023	135,171,942 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	54,462 shares	As of March 31, 2023	65,449 shares
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Average number of shares during the period

Year ended March 31, 2024	135,114,166 shares	Year ended March 31, 2023	135,101,481 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	116,325	82,807
Notes receivable - trade	222	240
Accounts receivable - trade	62,134	56,475
Merchandise and finished goods	10,397	8,583
Work in process	13,755	14,245
Raw materials and supplies	11,014	7,963
Other	12,231	14,150
Allowance for doubtful accounts	(6)	(6)
Total current assets	226,075	184,459
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,885	78,118
Machinery, equipment and vehicles, net	45,434	38,317
Tools, furniture and fixtures, net	3,184	3,814
Land	7,687	10,255
Construction in progress	59,876	71,478
Total property, plant and equipment	154,068	201,984
Intangible assets	876	1,175
Investments and other assets		
Investment securities	48	53
Retirement benefit asset	2,005	2,524
Deferred tax assets	3,446	2,459
Other	419	1,102
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	5,912	6,131
Total non-current assets	160,858	209,291
Total assets	386,934	393,750

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	24,565	28,164
Short-term borrowings	30,000	30,000
Accounts payable - other	13,483	17,306
Income taxes payable	12,073	3,366
Accrued expenses	10,245	10,053
Contract liabilities	41,535	35,912
Other	1,642	2,143
Total current liabilities	133,545	126,946
Non-current liabilities		
Retirement benefit liability	1,847	1,101
Other	526	725
Total non-current liabilities	2,374	1,826
Total liabilities	135,919	128,773
Net assets		
Shareholders' equity		
Share capital	24,223	24,223
Capital surplus	24,173	24,222
Retained earnings	203,882	215,736
Treasury shares	(74)	(61)
Total shareholders' equity	252,205	264,119
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	4
Deferred gains or losses on hedges	14	(103)
Foreign currency translation adjustment	(612)	513
Remeasurements of defined benefit plans	(594)	443
Total accumulated other comprehensive income	(1,190)	857
Total net assets	251,014	264,977
Total liabilities and net assets	386,934	393,750

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	286,358	209,972
Cost of sales	194,664	171,070
Gross profit	91,693	38,902
Selling, general and administrative expenses	14,980	14,091
Operating profit	76,712	24,810
Non-operating income		
Interest income	432	686
Compensation income	209	789
Foreign exchange gains	1,233	600
Miscellaneous income	266	454
Total non-operating income	2,142	2,530
Non-operating expenses		
Interest expenses	64	67
Miscellaneous expenses	34	16
Total non-operating expenses	99	83
Ordinary profit	78,755	27,257
Extraordinary income		
Subsidy income	–	784
Total extraordinary income	–	784
Extraordinary losses		
Loss on retirement of non-current assets	1,295	842
Loss on tax purpose reduction entry of non-current assets	–	784
TOB related expenses	–	500
Total extraordinary losses	1,295	2,126
Profit before income taxes	77,460	25,915
Income taxes - current	23,041	6,750
Income taxes - deferred	(69)	555
Total income taxes	22,971	7,305
Profit	54,488	18,609
Profit attributable to owners of parent	54,488	18,609

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	54,488	18,609
Other comprehensive income		
Valuation difference on available-for-sale securities	0	2
Deferred gains or losses on hedges	429	(117)
Foreign currency translation adjustment	704	1,125
Remeasurements of defined benefit plans, net of tax	424	1,037
Total other comprehensive income	1,558	2,048
Comprehensive income	56,047	20,657
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	56,047	20,657
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	24,223	24,129	156,486	(92)	204,746
Changes during period					
Dividends of surplus			(7,092)		(7,092)
Profit attributable to owners of parent			54,488		54,488
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		44		18	62
Net changes in items other than shareholders' equity					
Total changes during period	–	44	47,395	18	47,458
Balance at end of period	24,223	24,173	203,882	(74)	252,205

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	0	(414)	(1,316)	(1,019)	(2,749)	201,997
Changes during period						
Dividends of surplus						(7,092)
Profit attributable to owners of parent						54,488
Purchase of treasury shares						(0)
Disposal of treasury shares						62
Net changes in items other than shareholders' equity	0	429	704	424	1,558	1,558
Total changes during period	0	429	704	424	1,558	49,017
Balance at end of period	1	14	(612)	(594)	(1,190)	251,014

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	24,223	24,173	203,882	(74)	252,205
Changes during period					
Dividends of surplus			(6,755)		(6,755)
Profit attributable to owners of parent			18,609		18,609
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		48		12	61
Net changes in items other than shareholders' equity					
Total changes during period	–	48	11,854	12	11,914
Balance at end of period	24,223	24,222	215,736	(61)	264,119

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1	14	(612)	(594)	(1,190)	251,014
Changes during period						
Dividends of surplus						(6,755)
Profit attributable to owners of parent						18,609
Purchase of treasury shares						(0)
Disposal of treasury shares						61
Net changes in items other than shareholders' equity	2	(117)	1,125	1,037	2,048	2,048
Total changes during period	2	(117)	1,125	1,037	2,048	13,963
Balance at end of period	4	(103)	513	443	857	264,977

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	77,460	25,915
Depreciation	34,750	27,639
Increase (decrease) in retirement benefit liability	(354)	(171)
Interest and dividend income	(436)	(691)
Interest expenses	64	67
Foreign exchange losses (gains)	(300)	(478)
Subsidy income	–	(784)
Loss on retirement of property, plant and equipment	1,294	842
Loss on tax purpose reduction entry of non-current assets	–	784
TOB related expenses	–	500
Decrease (increase) in trade receivables	15,193	7,116
Decrease (increase) in inventories	(193)	4,528
Increase (decrease) in trade payables	(13,538)	1,874
Increase (decrease) in accrued expenses	(569)	(261)
Increase (decrease) in contract liabilities	36,108	(5,623)
Other, net	(1,251)	(1,612)
Subtotal	148,226	59,644
Interest and dividends received	430	695
Interest paid	(64)	(65)
Income taxes refund (paid)	(30,368)	(15,094)
Subsidies received	–	784
TOB related expenses paid	–	(500)
Net cash provided by (used in) operating activities	118,223	45,464
Cash flows from investing activities		
Payments into time deposits	(1,505)	(875)
Proceeds from withdrawal of time deposits	1,503	1,341
Purchase of property, plant and equipment	(63,697)	(71,928)
Purchase of intangible assets	(255)	(503)
Decrease(Increase) in investments and long-term loans receivable	(188)	(822)
Other, net	(1,054)	(485)
Net cash provided by (used in) investing activities	(65,199)	(73,273)
Cash flows from financing activities		
Dividends paid	(7,092)	(6,755)
Other, net	(104)	(130)
Net cash provided by (used in) financing activities	(7,197)	(6,886)
Effect of exchange rate change on cash and cash equivalents	1,006	1,578
Net increase (decrease) in cash and cash equivalents	46,833	(33,116)
Cash and cash equivalents at beginning of period	68,758	115,592
Cash and cash equivalents at end of period	115,592	82,475