

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

April 27, 2021

Company name: SHINKO ELECTRIC INDUSTRIES CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6967 URL <https://www.shinko.co.jp>  
 Representative: President and Representative Director Masami Fujita  
 Inquiries: General Manager, Corporate Planning Div. Takahiro Kiyono TEL 026-283-1000  
 Scheduled date of ordinary general meeting of shareholders: June 25, 2021  
 Scheduled date to file Securities Report: June 28, 2021  
 Scheduled date to commence dividend payments: June 28, 2021  
 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, 2021 (from April 1, 2020 to March 31, 2021)

#### (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, 2021	188,059	26.8	23,328	622.7	26,507	450.7	18,018	569.7
Year ended March 31, 2020	148,332	4.3	3,227	(33.4)	4,813	(37.1)	2,690	6.5

	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, 2021	133.38	–	12.4	11.9	12.4
Year ended March 31, 2020	19.92	–	1.9	2.5	2.2

#### (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, 2021	240,977	153,393	63.7	1,135.49
As of March 31, 2020	203,979	137,658	67.5	1,019.01

#### (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, 2021	33,801	(32,148)	538	42,508
Year ended March 31, 2020	12,696	(35,591)	16,939	40,046

### 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, 2020	–	12.50	–	12.50	25.00	3,377	125.5	2.4
Year ended March 31, 2021	–	12.50	–	17.50	30.00	4,052	22.5	2.8
Year ending March 31, 2022 (Forecast)	–	17.50	–	17.50	35.00		20.3	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	108,900	–	18,000	–	18,100	–	12,600	–	93.27
Full year	227,300	–	33,400	–	33,700	–	23,300	–	172.48

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(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, 2021	135,171,942 shares	As of March 31, 2020	135,171,942 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	81,928 shares	As of March 31, 2020	81,848 shares
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Average number of shares during the period

Year ended March 31, 2021	135,090,082 shares	Year ended March 31, 2020	135,090,094 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	40,557	42,940
Notes and accounts receivable - trade	41,745	51,767
Securities	125	116
Merchandise and finished goods	1,852	2,214
Work in process	11,018	13,372
Raw materials and supplies	3,692	6,179
Other	5,670	7,949
Allowance for doubtful accounts	(5)	(6)
Total current assets	104,656	124,534
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,883	34,441
Machinery, equipment and vehicles, net	20,264	32,278
Tools, furniture and fixtures, net	1,930	1,896
Land	6,740	6,960
Construction in progress	30,547	34,973
Total property, plant and equipment	93,365	110,551
Intangible assets	1,167	1,130
Investments and other assets		
Investment securities	44	45
Retirement benefit asset	906	1,266
Deferred tax assets	3,465	3,108
Other	380	356
Allowance for doubtful accounts	(7)	(16)
Total investments and other assets	4,789	4,761
Total non-current assets	99,322	116,443
Total assets	203,979	240,977

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	23,464	29,544
Short-term borrowings	21,000	25,000
Accounts payable - other	8,235	10,655
Income taxes payable	294	7,575
Accrued expenses	7,682	8,999
Other	1,097	2,697
<b>Total current liabilities</b>	<b>61,774</b>	<b>84,471</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	3,649	2,572
Other	896	540
<b>Total non-current liabilities</b>	<b>4,546</b>	<b>3,112</b>
<b>Total liabilities</b>	<b>66,320</b>	<b>87,584</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	24,223	24,223
Capital surplus	24,129	24,129
Retained earnings	94,312	108,953
Treasury shares	(92)	(92)
<b>Total shareholders' equity</b>	<b>142,572</b>	<b>157,213</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(0)	0
Deferred gains or losses on hedges	21	(245)
Foreign currency translation adjustment	(2,308)	(1,970)
Remeasurements of defined benefit plans	(2,626)	(1,604)
<b>Total accumulated other comprehensive income</b>	<b>(4,914)</b>	<b>(3,820)</b>
<b>Total net assets</b>	<b>137,658</b>	<b>153,393</b>
<b>Total liabilities and net assets</b>	<b>203,979</b>	<b>240,977</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	148,332	188,059
Cost of sales	132,771	152,059
Gross profit	15,561	36,000
Selling, general and administrative expenses	12,333	12,671
Operating profit	3,227	23,328
Non-operating income		
Interest income	294	90
Foreign exchange gains	831	2,569
Miscellaneous income	513	591
Total non-operating income	1,639	3,251
Non-operating expenses		
Interest expenses	24	54
Miscellaneous expenses	29	18
Total non-operating expenses	54	72
Ordinary profit	4,813	26,507
Extraordinary losses		
Loss on retirement of non-current assets	873	875
Total extraordinary losses	873	875
Profit before income taxes	3,940	25,631
Income taxes - current	731	7,570
Income taxes - deferred	517	42
Total income taxes	1,249	7,612
Profit	2,690	18,018
Profit attributable to owners of parent	2,690	18,018

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	2,690	18,018
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Deferred gains or losses on hedges	21	(266)
Foreign currency translation adjustment	(396)	338
Remeasurements of defined benefit plans, net of tax	(479)	1,021
Total other comprehensive income	(855)	1,094
Comprehensive income	1,834	19,112
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,834	19,112
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(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	94,999	(92)	143,259
Changes during period					
Dividends of surplus			(3,377)		(3,377)
Profit attributable to owners of parent			2,690		2,690
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(686)	–	(686)
Balance at end of period	24,223	24,129	94,312	(92)	142,572

	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	–	(1,912)	(2,146)	(4,058)	139,200
Changes during period						
Dividends of surplus						(3,377)
Profit attributable to owners of parent						2,690
Net changes in items other than shareholders' equity	(0)	21	(396)	(479)	(855)	(855)
Total changes during period	(0)	21	(396)	(479)	(855)	(1,542)
Balance at end of period	(0)	21	(2,308)	(2,626)	(4,914)	137,658

Fiscal year ended March 31, 2021

(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	94,312	(92)	142,572
Changes during period					
Dividends of surplus			(3,377)		(3,377)
Profit attributable to owners of parent			18,018		18,018
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	14,641	(0)	14,640
Balance at end of period	24,223	24,129	108,953	(92)	157,213

	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)	21	(2,308)	(2,626)	(4,914)	137,658
Changes during period						
Dividends of surplus						(3,377)
Profit attributable to owners of parent						18,018
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	0	(266)	338	1,021	1,094	1,094
Total changes during period	0	(266)	338	1,021	1,094	15,734
Balance at end of period	0	(245)	(1,970)	(1,604)	(3,820)	153,393



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	3,940	25,631
Depreciation	14,317	17,634
Increase (decrease) in retirement benefit liability	(479)	(555)
Interest and dividend income	(298)	(92)
Interest expenses	24	54
Foreign exchange losses (gains)	136	(115)
Loss on retirement of property, plant and equipment	873	845
Decrease (increase) in trade receivables	(5,081)	(9,839)
Decrease (increase) in inventories	(940)	(5,166)
Increase (decrease) in trade payables	4,010	5,908
Increase (decrease) in accrued expenses	(340)	1,406
Other, net	(1,683)	(1,640)
Subtotal	14,477	34,071
Interest and dividends received	299	95
Interest paid	(22)	(53)
Income taxes refund (paid)	(2,058)	(311)
Net cash provided by (used in) operating activities	12,696	33,801
Cash flows from investing activities		
Payments into time deposits	(1,123)	(835)
Proceeds from withdrawal of time deposits	1,423	982
Purchase of property, plant and equipment	(34,985)	(31,519)
Purchase of intangible assets	(222)	(263)
Decrease(Increase) in investments and long-term loans receivable	(105)	(71)
Other, net	(578)	(440)
Net cash provided by (used in) investing activities	(35,591)	(32,148)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	20,400	4,000
Dividends paid	(3,377)	(3,377)
Other, net	(83)	(84)
Net cash provided by (used in) financing activities	16,939	538
Effect of exchange rate change on cash and cash equivalents	(314)	271
Net increase (decrease) in cash and cash equivalents	(6,269)	2,462
Cash and cash equivalents at beginning of period	46,315	40,046
Cash and cash equivalents at end of period	40,046	42,508