

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 27, 2022

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 to file Quarterly Securities Report: February 10, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(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, 2021	200,821	48.2	52,496	252.6	54,837	240.1	37,857	246.1
Nine months ended December 31, 2020	135,498	26.0	14,887	–	16,122	–	10,937	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	280.24		–	
Nine months ended December 31, 2020	80.97		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	291,807	186,785	64.0
As of March 31, 2021	240,977	153,393	63.7

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	12.50	–	17.50	30.00
Year ending March 31, 2022	–	17.50	–		
Year ending March 31, 2022 (Forecast)				27.50	45.00

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
Full year	270,000	43.6	68,000	191.5	70,000	164.1	49,000	171.9	362.72

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

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

As of December 31, 2021	81,948 shares	As of March 31, 2021	81,928 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	135,089,998 shares	Nine months ended December 31, 2020	135,090,094 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	42,940	55,659
Notes and accounts receivable - trade	51,767	–
Notes and accounts receivable - trade, and contract assets	–	70,687
Securities	116	–
Merchandise and finished goods	2,214	5,228
Work in process	13,372	15,631
Raw materials and supplies	6,179	7,997
Other	7,949	10,016
Allowance for doubtful accounts	(6)	(6)
Total current assets	124,534	165,213
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,441	36,438
Machinery, equipment and vehicles, net	32,278	55,026
Tools, furniture and fixtures, net	1,896	2,667
Land	6,960	6,969
Construction in progress	34,973	20,473
Total property, plant and equipment	110,551	121,576
Intangible assets	1,130	849
Investments and other assets		
Investment securities	45	46
Retirement benefit asset	1,266	1,555
Deferred tax assets	3,108	2,245
Other	356	328
Allowance for doubtful accounts	(16)	(7)
Total investments and other assets	4,761	4,168
Total non-current assets	116,443	126,594
Total assets	240,977	291,807

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	29,544	35,064
Short-term borrowings	25,000	30,000
Accounts payable - other	10,655	8,342
Income taxes payable	7,575	11,949
Accrued expenses	8,999	7,606
Other	2,697	8,945
<b>Total current liabilities</b>	<b>84,471</b>	<b>101,907</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	2,572	2,582
Other	540	531
<b>Total non-current liabilities</b>	<b>3,112</b>	<b>3,114</b>
<b>Total liabilities</b>	<b>87,584</b>	<b>105,022</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	24,223	24,223
Capital surplus	24,129	24,129
Retained earnings	108,953	141,715
Treasury shares	(92)	(92)
<b>Total shareholders' equity</b>	<b>157,213</b>	<b>189,975</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	0	0
Deferred gains or losses on hedges	(245)	(46)
Foreign currency translation adjustment	(1,970)	(1,767)
Remeasurements of defined benefit plans	(1,604)	(1,375)
<b>Total accumulated other comprehensive income</b>	<b>(3,820)</b>	<b>(3,189)</b>
<b>Total net assets</b>	<b>153,393</b>	<b>186,785</b>
<b>Total liabilities and net assets</b>	<b>240,977</b>	<b>291,807</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	135,498	200,821
Cost of sales	111,330	137,705
Gross profit	24,167	63,116
Selling, general and administrative expenses	9,279	10,619
Operating profit	14,887	52,496
Non-operating income		
Interest income	68	39
Foreign exchange gains	737	1,744
Other	484	612
Total non-operating income	1,290	2,396
Non-operating expenses		
Interest expenses	39	46
Other	15	9
Total non-operating expenses	54	55
Ordinary profit	16,122	54,837
Extraordinary losses		
Loss on retirement of non-current assets	547	856
Total extraordinary losses	547	856
Profit before income taxes	15,575	53,981
Income taxes - current	3,945	15,266
Income taxes - deferred	691	857
Total income taxes	4,637	16,123
Profit	10,937	37,857
Profit attributable to owners of parent	10,937	37,857

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	10,937	37,857
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Deferred gains or losses on hedges	(21)	198
Foreign currency translation adjustment	(82)	202
Remeasurements of defined benefit plans, net of tax	303	228
Total other comprehensive income	199	630
Comprehensive income	11,137	38,487
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,137	38,487
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	15,575	53,981
Depreciation	11,927	20,427
Increase (decrease) in retirement benefit liability	(323)	(278)
Interest and dividend income	(70)	(43)
Interest expenses	39	46
Foreign exchange losses (gains)	294	(169)
Loss on retirement of property, plant and equipment	517	673
Decrease (increase) in trade receivables	(4,417)	(21,448)
Decrease (increase) in inventories	(3,628)	(5,047)
Increase (decrease) in trade payables	4,456	5,226
Increase (decrease) in accrued expenses	(400)	(1,399)
Other, net	(185)	4,854
Subtotal	23,783	56,821
Interest and dividends received	70	42
Interest paid	(38)	(46)
Income taxes refund (paid)	(208)	(10,960)
Net cash provided by (used in) operating activities	23,607	45,857
Cash flows from investing activities		
Payments into time deposits	(652)	(1,079)
Proceeds from withdrawal of time deposits	512	692
Purchase of property, plant and equipment	(22,128)	(33,368)
Purchase of intangible assets	(150)	(99)
Other, net	(354)	(404)
Net cash provided by (used in) investing activities	(22,773)	(34,259)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,000	5,000
Dividends paid	(3,377)	(4,728)
Other, net	(63)	(70)
Net cash provided by (used in) financing activities	559	201
Effect of exchange rate change on cash and cash equivalents	(417)	404
Net increase (decrease) in cash and cash equivalents	975	12,203
Cash and cash equivalents at beginning of period	40,046	42,508
Cash and cash equivalents at end of period	41,021	54,712