

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 28, 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 of ordinary general meeting of shareholders: June 28, 2022  
 Scheduled date to file Securities Report: June 29, 2022  
 Scheduled date to commence dividend payments: June 29, 2022  
 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, 2022 (from April 1, 2021 to March 31, 2022)

#### (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, 2022	271,949	44.6	71,394	206.0	75,820	186.0	52,628	192.1
Year ended March 31, 2021	188,059	26.8	23,328	622.7	26,507	450.7	18,018	569.7

	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, 2022	389.58	—	29.6	27.1	26.3
Year ended March 31, 2021	133.38	—	12.4	11.9	12.4

#### (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, 2022	319,461	201,997	63.2	1,495.28
As of March 31, 2021	240,977	153,393	63.7	1,135.49

#### (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, 2022	67,173	(42,162)	177	68,758
Year ended March 31, 2021	33,801	(32,148)	538	42,508

### 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, 2021	—	12.50	—	17.50	30.00	4,052	22.5	2.8
Year ended March 31, 2022	—	17.50	—	27.50	45.00	6,079	11.6	3.4
Year ending March 31, 2023 (Forecast)	—	25.00	—	25.00	50.00		11.4	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	152,000	20.7	40,000	33.0	40,000	26.7	28,000	29.0	207.27
Full year	317,000	16.6	85,000	19.1	85,000	12.1	59,000	12.1	436.75

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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: Yes

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, 2022	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 March 31, 2022	81,948 shares	As of March 31, 2021	81,928 shares
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Average number of shares during the period

Year ended March 31, 2022	135,089,997 shares	Year ended March 31, 2021	135,090,082 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	42,940	69,475
Notes and accounts receivable - trade	51,767	–
Notes receivable - trade	–	244
Accounts receivable - trade	–	76,389
Securities	116	–
Merchandise and finished goods	2,214	6,565
Work in process	13,372	18,791
Raw materials and supplies	6,179	9,531
Other	7,949	11,836
Allowance for doubtful accounts	(6)	(6)
Total current assets	124,534	192,828
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,441	37,164
Machinery, equipment and vehicles, net	32,278	55,668
Tools, furniture and fixtures, net	1,896	3,010
Land	6,960	7,202
Construction in progress	34,973	16,953
Total property, plant and equipment	110,551	119,999
Intangible assets	1,130	861
Investments and other assets		
Investment securities	45	47
Retirement benefit asset	1,266	1,644
Deferred tax assets	3,108	3,755
Other	356	332
Allowance for doubtful accounts	(16)	(7)
Total investments and other assets	4,761	5,771
Total non-current assets	116,443	126,632
Total assets	240,977	319,461

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	29,544	36,961
Short-term borrowings	25,000	30,000
Accounts payable - other	10,655	8,569
Income taxes payable	7,575	19,662
Accrued expenses	8,999	10,816
Other	2,697	8,817
<b>Total current liabilities</b>	<b>84,471</b>	<b>114,826</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	2,572	2,087
Other	540	548
<b>Total non-current liabilities</b>	<b>3,112</b>	<b>2,636</b>
<b>Total liabilities</b>	<b>87,584</b>	<b>117,463</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	156,486
Treasury shares	(92)	(92)
<b>Total shareholders' equity</b>	<b>157,213</b>	<b>204,746</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	0	0
Deferred gains or losses on hedges	(245)	(414)
Foreign currency translation adjustment	(1,970)	(1,316)
Remeasurements of defined benefit plans	(1,604)	(1,019)
<b>Total accumulated other comprehensive income</b>	<b>(3,820)</b>	<b>(2,749)</b>
<b>Total net assets</b>	<b>153,393</b>	<b>201,997</b>
<b>Total liabilities and net assets</b>	<b>240,977</b>	<b>319,461</b>

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	188,059	271,949
Cost of sales	152,059	185,891
Gross profit	36,000	86,057
Selling, general and administrative expenses	12,671	14,663
Operating profit	23,328	71,394
Non-operating income		
Interest income	90	55
Foreign exchange gains	2,569	3,744
Miscellaneous income	591	696
Total non-operating income	3,251	4,496
Non-operating expenses		
Interest expenses	54	62
Miscellaneous expenses	18	9
Total non-operating expenses	72	71
Ordinary profit	26,507	75,820
Extraordinary losses		
Loss on retirement of non-current assets	875	1,076
Total extraordinary losses	875	1,076
Profit before income taxes	25,631	74,743
Income taxes - current	7,570	22,739
Income taxes - deferred	42	(624)
Total income taxes	7,612	22,115
Profit	18,018	52,628
Profit attributable to owners of parent	18,018	52,628

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	18,018	52,628
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Deferred gains or losses on hedges	(266)	(169)
Foreign currency translation adjustment	338	654
Remeasurements of defined benefit plans, net of tax	1,021	585
Total other comprehensive income	1,094	1,070
Comprehensive income	19,112	53,698
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,112	53,698
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2022

(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	108,953	(92)	157,213
Cumulative effects of changes in accounting policies			(366)		(366)
Restated balance	24,223	24,129	108,586	(92)	156,846
Changes during period					
Dividends of surplus			(4,728)		(4,728)
Profit attributable to owners of parent			52,628		52,628
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	47,900	(0)	47,900
Balance at end of period	24,223	24,129	156,486	(92)	204,746

	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	(245)	(1,970)	(1,604)	(3,820)	153,393
Cumulative effects of changes in accounting policies						(366)
Restated balance	0	(245)	(1,970)	(1,604)	(3,820)	153,026
Changes during period						
Dividends of surplus						(4,728)
Profit attributable to owners of parent						52,628
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	0	(169)	654	585	1,070	1,070
Total changes during period	0	(169)	654	585	1,070	48,970
Balance at end of period	0	(414)	(1,316)	(1,019)	(2,749)	201,997

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	25,631	74,743
Depreciation	17,634	30,278
Increase (decrease) in retirement benefit liability	(555)	(460)
Interest and dividend income	(92)	(60)
Interest expenses	54	62
Foreign exchange losses (gains)	(115)	(458)
Loss on retirement of property, plant and equipment	845	892
Decrease (increase) in trade receivables	(9,839)	(26,972)
Decrease (increase) in inventories	(5,166)	(11,014)
Increase (decrease) in trade payables	5,908	6,612
Increase (decrease) in accrued expenses	1,406	1,779
Other, net	(1,640)	2,871
Subtotal	34,071	78,273
Interest and dividends received	95	58
Interest paid	(53)	(61)
Income taxes refund (paid)	(311)	(11,097)
Net cash provided by (used in) operating activities	33,801	67,173
Cash flows from investing activities		
Payments into time deposits	(835)	(1,255)
Proceeds from withdrawal of time deposits	982	1,119
Purchase of property, plant and equipment	(31,519)	(41,298)
Purchase of intangible assets	(263)	(175)
Decrease(Increase) in investments and long-term loans receivable	(71)	(78)
Other, net	(440)	(474)
Net cash provided by (used in) investing activities	(32,148)	(42,162)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,000	5,000
Dividends paid	(3,377)	(4,728)
Other, net	(84)	(93)
Net cash provided by (used in) financing activities	538	177
Effect of exchange rate change on cash and cash equivalents	271	1,061
Net increase (decrease) in cash and cash equivalents	2,462	26,249
Cash and cash equivalents at beginning of period	40,046	42,508
Cash and cash equivalents at end of period	42,508	68,758