

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 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: November 11, 2022  
 Scheduled date to commence dividend payments: November 29, 2022  
 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 six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended September 30, 2022	157,005	24.7	50,952	69.5	54,649	73.2	37,873	74.4
Six months ended September 30, 2021	125,922	49.1	30,067	314.8	31,559	278.4	21,710	289.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	280.34		-	
Six months ended September 30, 2021	160.71		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	376,092	237,545	63.2
As of March 31, 2022	319,461	201,997	63.2

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, 2022	-	17.50	-	27.50	45.00
Year ending March 31, 2023	-	25.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	25.00	50.00

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
Full year	322,000	18.4	93,000	30.3	97,000	27.9	67,000	27.3	495.92

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(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: No
- 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 September 30, 2022	135,171,942 shares	As of March 31, 2022	135,171,942 shares
--------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of September 30, 2022	65,420 shares	As of March 31, 2022	81,948 shares
--------------------------	---------------	----------------------	---------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	135,096,478 shares	Six months ended September 30, 2021	135,090,001 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	69,475	94,401
Notes and accounts receivable - trade, and contract assets	76,634	80,957
Merchandise and finished goods	6,565	14,611
Work in process	18,791	16,605
Raw materials and supplies	9,531	11,208
Other	11,836	17,397
Allowance for doubtful accounts	(6)	(6)
Total current assets	192,828	235,175
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,164	37,422
Machinery, equipment and vehicles, net	55,668	54,069
Tools, furniture and fixtures, net	3,010	3,659
Land	7,202	7,715
Construction in progress	16,953	31,396
Total property, plant and equipment	119,999	134,263
Intangible assets	861	876
Investments and other assets		
Investment securities	47	47
Retirement benefit asset	1,644	1,784
Deferred tax assets	3,755	3,583
Other	332	370
Allowance for doubtful accounts	(7)	(8)
Total investments and other assets	5,771	5,777
Total non-current assets	126,632	140,917
Total assets	319,461	376,092

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	36,961	35,273
Short-term borrowings	30,000	30,000
Accounts payable - other	8,569	8,507
Income taxes payable	19,662	16,721
Accrued expenses	10,816	10,567
Other	8,817	34,871
<b>Total current liabilities</b>	<b>114,826</b>	<b>135,942</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	2,087	2,045
Other	548	559
<b>Total non-current liabilities</b>	<b>2,636</b>	<b>2,605</b>
<b>Total liabilities</b>	<b>117,463</b>	<b>138,547</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	24,223	24,223
Capital surplus	24,129	24,173
Retained earnings	156,486	190,644
Treasury shares	(92)	(74)
<b>Total shareholders' equity</b>	<b>204,746</b>	<b>238,967</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	0	0
Deferred gains or losses on hedges	(414)	(353)
Foreign currency translation adjustment	(1,316)	(175)
Remeasurements of defined benefit plans	(1,019)	(893)
<b>Total accumulated other comprehensive income</b>	<b>(2,749)</b>	<b>(1,421)</b>
<b>Total net assets</b>	<b>201,997</b>	<b>237,545</b>
<b>Total liabilities and net assets</b>	<b>319,461</b>	<b>376,092</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	125,922	157,005
Cost of sales	88,850	98,349
Gross profit	37,071	58,656
Selling, general and administrative expenses	7,004	7,703
Operating profit	30,067	50,952
Non-operating income		
Interest income	25	115
Foreign exchange gains	1,016	3,458
Other	494	159
Total non-operating income	1,536	3,733
Non-operating expenses		
Interest expenses	31	32
Other	13	4
Total non-operating expenses	44	36
Ordinary profit	31,559	54,649
Extraordinary losses		
Loss on retirement of non-current assets	583	627
Total extraordinary losses	583	627
Profit before income taxes	30,976	54,022
Income taxes - current	9,280	16,054
Income taxes - deferred	(14)	94
Total income taxes	9,265	16,149
Profit	21,710	37,873
Profit attributable to owners of parent	21,710	37,873

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

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	21,710	37,873
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Deferred gains or losses on hedges	63	60
Foreign currency translation adjustment	1	1,140
Remeasurements of defined benefit plans, net of tax	152	126
Total other comprehensive income	217	1,327
Comprehensive income	21,928	39,200
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,928	39,200
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	30,976	54,022
Depreciation	11,649	16,248
Increase (decrease) in retirement benefit liability	(224)	(185)
Interest and dividend income	(30)	(119)
Interest expenses	31	32
Foreign exchange losses (gains)	(48)	(604)
Loss on retirement of property, plant and equipment	403	627
Decrease (increase) in trade receivables	(11,597)	(2,635)
Decrease (increase) in inventories	(2,706)	(7,382)
Increase (decrease) in trade payables	4,192	(3,747)
Increase (decrease) in accrued expenses	480	(281)
Other, net	457	20,699
Subtotal	33,585	76,673
Interest and dividends received	29	119
Interest paid	(30)	(32)
Income taxes refund (paid)	(7,170)	(18,897)
Net cash provided by (used in) operating activities	26,414	57,862
Cash flows from investing activities		
Payments into time deposits	(768)	(665)
Proceeds from withdrawal of time deposits	415	395
Purchase of property, plant and equipment	(19,201)	(30,274)
Purchase of intangible assets	(54)	(138)
Other, net	(194)	(612)
Net cash provided by (used in) investing activities	(19,803)	(31,296)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,000	–
Dividends paid	(2,364)	(3,714)
Other, net	(47)	(48)
Net cash provided by (used in) financing activities	2,588	(3,763)
Effect of exchange rate change on cash and cash equivalents	111	1,839
Net increase (decrease) in cash and cash equivalents	9,311	24,641
Cash and cash equivalents at beginning of period	42,508	68,758
Cash and cash equivalents at end of period	51,819	93,399