

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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 13, 2023  
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	232,543	15.8	71,160	35.6	72,887	32.9	50,506	33.4
Nine months ended December 31, 2021	200,821	48.2	52,496	252.6	54,837	240.1	37,857	246.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	373.85	–
Nine months ended December 31, 2021	280.24	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	366,560	246,805	67.3
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	Yen	Yen	Yen	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 nine months ended December 31, 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 December 31, 2022	135,171,942 shares	As of March 31, 2022	135,171,942 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	65,420 shares	As of March 31, 2022	81,948 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, 2022	135,099,838 shares	Nine months ended December 31, 2021	135,089,998 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	69,475	92,578
Notes and accounts receivable - trade, and contract assets	76,634	78,056
Securities	–	2,400
Merchandise and finished goods	6,565	10,627
Work in process	18,791	14,927
Raw materials and supplies	9,531	12,453
Other	11,836	12,895
Allowance for doubtful accounts	(6)	(6)
Total current assets	192,828	223,932
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,164	37,528
Machinery, equipment and vehicles, net	55,668	49,416
Tools, furniture and fixtures, net	3,010	3,512
Land	7,202	7,693
Construction in progress	16,953	38,803
Total property, plant and equipment	119,999	136,955
Intangible assets	861	873
Investments and other assets		
Investment securities	47	48
Retirement benefit asset	1,644	1,843
Deferred tax assets	3,755	2,501
Other	332	414
Allowance for doubtful accounts	(7)	(8)
Total investments and other assets	5,771	4,799
Total non-current assets	126,632	142,627
Total assets	319,461	366,560

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	36,961	28,142
Short-term borrowings	30,000	30,000
Accounts payable - other	8,569	8,076
Income taxes payable	19,662	9,626
Accrued expenses	10,816	8,251
Other	8,817	33,035
<b>Total current liabilities</b>	<b>114,826</b>	<b>117,133</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	2,087	2,059
Other	548	561
<b>Total non-current liabilities</b>	<b>2,636</b>	<b>2,621</b>
<b>Total liabilities</b>	<b>117,463</b>	<b>119,754</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	199,900
Treasury shares	(92)	(74)
<b>Total shareholders' equity</b>	<b>204,746</b>	<b>248,223</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	0	1
Deferred gains or losses on hedges	(414)	–
Foreign currency translation adjustment	(1,316)	(588)
Remeasurements of defined benefit plans	(1,019)	(830)
<b>Total accumulated other comprehensive income</b>	<b>(2,749)</b>	<b>(1,417)</b>
<b>Total net assets</b>	<b>201,997</b>	<b>246,805</b>
<b>Total liabilities and net assets</b>	<b>319,461</b>	<b>366,560</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, 2021	Nine months ended December 31, 2022
Net sales	200,821	232,543
Cost of sales	137,705	149,874
Gross profit	63,116	82,669
Selling, general and administrative expenses	10,619	11,508
Operating profit	52,496	71,160
Non-operating income		
Interest income	39	281
Foreign exchange gains	1,744	1,199
Other	612	299
Total non-operating income	2,396	1,780
Non-operating expenses		
Interest expenses	46	48
Other	9	5
Total non-operating expenses	55	53
Ordinary profit	54,837	72,887
Extraordinary losses		
Loss on retirement of non-current assets	856	871
Total extraordinary losses	856	871
Profit before income taxes	53,981	72,016
Income taxes - current	15,266	20,516
Income taxes - deferred	857	993
Total income taxes	16,123	21,509
Profit	37,857	50,506
Profit attributable to owners of parent	37,857	50,506

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

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	37,857	50,506
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Deferred gains or losses on hedges	198	414
Foreign currency translation adjustment	202	727
Remeasurements of defined benefit plans, net of tax	228	189
Total other comprehensive income	630	1,331
Comprehensive income	38,487	51,838
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	38,487	51,838
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	53,981	72,016
Depreciation	20,427	25,231
Increase (decrease) in retirement benefit liability	(278)	(230)
Interest and dividend income	(43)	(285)
Interest expenses	46	48
Foreign exchange losses (gains)	(169)	(278)
Loss on retirement of property, plant and equipment	673	870
Decrease (increase) in trade receivables	(21,448)	(567)
Decrease (increase) in inventories	(5,047)	(3,023)
Increase (decrease) in trade payables	5,226	(9,855)
Increase (decrease) in accrued expenses	(1,399)	(2,564)
Other, net	4,854	23,699
Subtotal	56,821	105,059
Interest and dividends received	42	282
Interest paid	(46)	(48)
Income taxes refund (paid)	(10,960)	(30,070)
Net cash provided by (used in) operating activities	45,857	75,223
Cash flows from investing activities		
Payments into time deposits	(1,079)	(1,378)
Proceeds from withdrawal of time deposits	692	975
Purchase of property, plant and equipment	(33,368)	(42,450)
Purchase of intangible assets	(99)	(194)
Other, net	(404)	(860)
Net cash provided by (used in) investing activities	(34,259)	(43,908)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	5,000	–
Dividends paid	(4,728)	(7,092)
Other, net	(70)	(76)
Net cash provided by (used in) financing activities	201	(7,169)
Effect of exchange rate change on cash and cash equivalents	404	929
Net increase (decrease) in cash and cash equivalents	12,203	25,075
Cash and cash equivalents at beginning of period	42,508	68,758
Cash and cash equivalents at end of period	54,712	93,834