

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 27, 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: August 10, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	49,206	(38.0)	3,695	(85.8)	5,601	(80.1)	3,653	(81.3)
Three months ended June 30, 2022	79,383	36.7	26,017	87.1	28,189	93.5	19,548	93.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	27.04	–
Three months ended June 30, 2022	144.71	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	385,805	251,934	65.3
As of March 31, 2023	386,934	251,014	64.9

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, 2023	–	25.00	–	25.00	50.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	25.00	–	25.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	112,000	(28.7)	8,000	(84.3)	8,000	(85.4)	6,000	(84.2)	44.41
Full year	261,000	(8.9)	35,000	(54.4)	35,000	(55.6)	24,000	(56.0)	177.63

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023  
 (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 June 30, 2023	135,171,942 shares	As of March 31, 2023	135,171,942 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	65,449 shares	As of March 31, 2023	65,449 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	135,106,493 shares	Three months ended June 30, 2022	135,089,965 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	116,325	114,210
Notes and accounts receivable - trade, and contract assets	62,356	56,540
Merchandise and finished goods	10,397	8,422
Work in process	13,755	14,830
Raw materials and supplies	11,014	9,446
Other	12,231	8,386
Allowance for doubtful accounts	(6)	(6)
Total current assets	226,075	211,831
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,885	48,799
Machinery, equipment and vehicles, net	45,434	44,418
Tools, furniture and fixtures, net	3,184	3,499
Land	7,687	7,714
Construction in progress	59,876	64,031
Total property, plant and equipment	154,068	168,463
Intangible assets	876	883
Investments and other assets		
Investment securities	48	50
Retirement benefit asset	2,005	2,055
Deferred tax assets	3,446	2,092
Other	419	437
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	5,912	4,627
Total non-current assets	160,858	173,973
Total assets	386,934	385,805

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	24,565	25,968
Short-term borrowings	30,000	30,000
Accounts payable - other	13,483	22,267
Income taxes payable	12,073	381
Accrued expenses	10,245	7,518
Contract liabilities	41,535	41,063
Other	1,642	4,386
<b>Total current liabilities</b>	<b>133,545</b>	<b>131,584</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	1,847	1,853
Other	526	432
<b>Total non-current liabilities</b>	<b>2,374</b>	<b>2,286</b>
<b>Total liabilities</b>	<b>135,919</b>	<b>133,871</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	24,223	24,223
Capital surplus	24,173	24,173
Retained earnings	203,882	204,158
Treasury shares	(74)	(74)
<b>Total shareholders' equity</b>	<b>252,205</b>	<b>252,481</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1	2
Deferred gains or losses on hedges	14	(210)
Foreign currency translation adjustment	(612)	186
Remeasurements of defined benefit plans	(594)	(524)
<b>Total accumulated other comprehensive income</b>	<b>(1,190)</b>	<b>(546)</b>
<b>Total net assets</b>	<b>251,014</b>	<b>251,934</b>
<b>Total liabilities and net assets</b>	<b>386,934</b>	<b>385,805</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	79,383	49,206
Cost of sales	49,531	42,078
Gross profit	29,851	7,128
Selling, general and administrative expenses	3,833	3,432
Operating profit	26,017	3,695
Non-operating income		
Interest income	39	155
Foreign exchange gains	1,974	1,320
Other	175	448
Total non-operating income	2,188	1,924
Non-operating expenses		
Interest expenses	16	16
Other	1	1
Total non-operating expenses	17	18
Ordinary profit	28,189	5,601
Extraordinary losses		
Loss on retirement of non-current assets	320	380
Total extraordinary losses	320	380
Profit before income taxes	27,869	5,220
Income taxes - current	6,837	201
Income taxes - deferred	1,482	1,365
Total income taxes	8,320	1,566
Profit	19,548	3,653
Profit attributable to owners of parent	19,548	3,653

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	19,548	3,653
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Deferred gains or losses on hedges	233	(225)
Foreign currency translation adjustment	864	798
Remeasurements of defined benefit plans, net of tax	63	69
Total other comprehensive income	1,161	643
Comprehensive income	20,709	4,297
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,709	4,297
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	27,869	5,220
Depreciation	7,825	6,299
Increase (decrease) in retirement benefit liability	(70)	(43)
Interest and dividend income	(42)	(159)
Interest expenses	16	16
Foreign exchange losses (gains)	(384)	(305)
Loss on retirement of property, plant and equipment	320	380
Decrease (increase) in trade receivables	(5,210)	6,756
Decrease (increase) in inventories	(4,037)	2,569
Increase (decrease) in trade payables	(970)	314
Increase (decrease) in accrued expenses	(2,857)	(2,771)
Increase (decrease) in contract liabilities	12,163	(472)
Other, net	867	5,491
Subtotal	35,486	23,295
Interest and dividends received	42	158
Interest paid	(16)	(16)
Income taxes refund (paid)	(18,569)	(11,324)
Net cash provided by (used in) operating activities	16,942	12,112
Cash flows from investing activities		
Payments into time deposits	(377)	(350)
Proceeds from withdrawal of time deposits	123	368
Purchase of property, plant and equipment	(18,493)	(11,896)
Purchase of intangible assets	(53)	(60)
Other, net	(336)	(213)
Net cash provided by (used in) investing activities	(19,137)	(12,152)
Cash flows from financing activities		
Dividends paid	(3,390)	(3,079)
Other, net	(24)	(27)
Net cash provided by (used in) financing activities	(3,414)	(3,106)
Effect of exchange rate change on cash and cash equivalents	1,204	1,001
Net increase (decrease) in cash and cash equivalents	(4,404)	(2,145)
Cash and cash equivalents at beginning of period	68,758	115,592
Cash and cash equivalents at end of period	64,353	113,446