

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 31, 2024

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, 2024  
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	156,638	(32.6)	17,996	(74.7)	19,718	(72.9)	13,381	(73.5)
Nine months ended December 31, 2022	232,543	15.8	71,160	35.6	72,887	32.9	50,506	33.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	99.04	–
Nine months ended December 31, 2022	373.85	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	378,171	258,515	68.4
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	–	25.00	–		
Year ending March 31, 2024 (Forecast)				0.00	25.00

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
Full year	230,000	(19.7)	35,000	(54.4)	35,000	(55.6)	24,000	(56.0)	177.63

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2023	54,430 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)

Nine months ended December 31, 2023	135,113,064 shares	Nine months ended December 31, 2022	135,099,838 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	116,325	74,321
Notes and accounts receivable - trade, and contract assets	62,356	56,612
Merchandise and finished goods	10,397	9,376
Work in process	13,755	13,045
Raw materials and supplies	11,014	8,544
Other	12,231	16,576
Allowance for doubtful accounts	(6)	(5)
Total current assets	226,075	178,471
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	37,885	48,955
Machinery, equipment and vehicles, net	45,434	39,662
Tools, furniture and fixtures, net	3,184	3,673
Land	7,687	10,231
Construction in progress	59,876	91,413
Total property, plant and equipment	154,068	193,936
Intangible assets	876	1,130
Investments and other assets		
Investment securities	48	51
Retirement benefit asset	2,005	2,145
Deferred tax assets	3,446	1,859
Other	419	584
Allowance for doubtful accounts	(8)	(7)
Total investments and other assets	5,912	4,631
Total non-current assets	160,858	199,699
Total assets	386,934	378,171

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	24,565	27,743
Short-term borrowings	30,000	30,000
Accounts payable - other	13,483	11,115
Income taxes payable	12,073	266
Accrued expenses	10,245	8,291
Contract liabilities	41,535	37,687
Other	1,642	2,054
<b>Total current liabilities</b>	<b>133,545</b>	<b>117,159</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	1,847	1,876
Other	526	619
<b>Total non-current liabilities</b>	<b>2,374</b>	<b>2,495</b>
<b>Total liabilities</b>	<b>135,919</b>	<b>119,655</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	24,223	24,223
Capital surplus	24,173	24,222
Retained earnings	203,882	210,508
Treasury shares	(74)	(61)
<b>Total shareholders' equity</b>	<b>252,205</b>	<b>258,892</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1	2
Deferred gains or losses on hedges	14	–
Foreign currency translation adjustment	(612)	5
Remeasurements of defined benefit plans	(594)	(384)
<b>Total accumulated other comprehensive income</b>	<b>(1,190)</b>	<b>(376)</b>
<b>Total net assets</b>	<b>251,014</b>	<b>258,515</b>
<b>Total liabilities and net assets</b>	<b>386,934</b>	<b>378,171</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, 2022	Nine months ended December 31, 2023
Net sales	232,543	156,638
Cost of sales	149,874	128,150
Gross profit	82,669	28,488
Selling, general and administrative expenses	11,508	10,491
Operating profit	71,160	17,996
Non-operating income		
Interest income	281	521
Compensation income	60	656
Foreign exchange gains	1,199	255
Other	238	352
Total non-operating income	1,780	1,786
Non-operating expenses		
Interest expenses	48	50
Other	5	14
Total non-operating expenses	53	64
Ordinary profit	72,887	19,718
Extraordinary losses		
Loss on retirement of non-current assets	871	676
TOB related expenses	-	500
Total extraordinary losses	871	1,176
Profit before income taxes	72,016	18,542
Income taxes - current	20,516	3,710
Income taxes - deferred	993	1,449
Total income taxes	21,509	5,160
Profit	50,506	13,381
Profit attributable to owners of parent	50,506	13,381

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

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	50,506	13,381
Other comprehensive income		
Valuation difference on available-for-sale securities	0	1
Deferred gains or losses on hedges	414	(14)
Foreign currency translation adjustment	727	617
Remeasurements of defined benefit plans, net of tax	189	209
Total other comprehensive income	1,331	814
Comprehensive income	51,838	14,196
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	51,838	14,196
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	72,016	18,542
Depreciation	25,231	20,003
Increase (decrease) in retirement benefit liability	(230)	(108)
Interest and dividend income	(285)	(526)
Interest expenses	48	50
Foreign exchange losses (gains)	(278)	(222)
Loss on retirement of property, plant and equipment	870	676
Decrease (increase) in trade receivables	(567)	6,460
Decrease (increase) in inventories	(3,023)	4,285
Increase (decrease) in trade payables	(9,855)	2,347
Increase (decrease) in accrued expenses	(2,564)	(1,990)
Increase (decrease) in contract liabilities	25,460	(3,848)
Other, net	(1,760)	(3,719)
Subtotal	105,059	41,949
Interest and dividends received	282	529
Interest paid	(48)	(50)
Income taxes refund (paid)	(30,070)	(14,955)
Net cash provided by (used in) operating activities	75,223	27,473
Cash flows from investing activities		
Payments into time deposits	(1,378)	(817)
Proceeds from withdrawal of time deposits	975	843
Purchase of property, plant and equipment	(42,450)	(62,433)
Purchase of intangible assets	(194)	(408)
Other, net	(860)	(622)
Net cash provided by (used in) investing activities	(43,908)	(63,439)
Cash flows from financing activities		
Dividends paid	(7,092)	(6,755)
Other, net	(76)	(87)
Net cash provided by (used in) financing activities	(7,169)	(6,843)
Effect of exchange rate change on cash and cash equivalents	929	782
Net increase (decrease) in cash and cash equivalents	25,075	(42,027)
Cash and cash equivalents at beginning of period	68,758	115,592
Cash and cash equivalents at end of period	93,834	73,564