#### Translation

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# Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

July 25, 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 commence dividend payments:

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 three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	53,358	8.4	7,254	96.3	6,935	23.8	4,958	35.7
Three months ended June 30, 2023	49,206	(38.0)	3,695	(85.8)	5,601	(80.1)	3,653	(81.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	36.70	-
Three months ended June 30, 2023	27.04	=

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	397,348	270,394	68.0
As of March 31, 2024	393,750	264,977	67.3

#### 2. Cash dividends

		Annual dividends per share  1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end Total						
	1st quarter-end							
	Yen	Yen	Yen	Yen	Yen			
Year ended March 31, 2024	-	25.00	_	0.00	25.00			
Year ending March 31, 2025	_							
Year ending March 31, 2025 (Forecast)		0.00	_	0.00	0.00			

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	115,000	9.4	16,000	39.5	16,000	13.7	11,000	12.5	81.41
Full year	250,000	19.1	44,000	77.3	45,000	65.1	30,000	61.2	222.03

#### 4. Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2024:

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: Yes Changes in accounting policies due to other reasons: No No Changes in accounting estimates: 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)

Total number of issued shares at the char	of the period (mending treas	sury situres)					
As of June 30, 2024	135,171,942 shares	135,171,942 shares					
Number of treasury shares at the end of the	ne period		<u> </u>				
As of June 30, 2024	54,515 shares	As of March 31, 2024	54,462 shares				
Average number of shares during the period (cumulative from the beginning of the fiscal year)							
Three months ended June 30, 2024	135.117.469 shares	Three months ended June 30, 2023	135.106.493 shares				

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

(Millions of yen)

		(Willing of yell)
	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	82,807	76,724
Notes and accounts receivable - trade, and contract assets	56,716	58,292
Merchandise and finished goods	8,583	7,510
Work in process	14,245	16,263
Raw materials and supplies	7,963	8,334
Other	14,150	13,073
Allowance for doubtful accounts	(6)	(6)
Total current assets	184,459	180,192
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	78,118	78,704
Machinery, equipment and vehicles, net	38,317	39,647
Tools, furniture and fixtures, net	3,814	4,169
Land	10,255	10,276
Construction in progress	71,478	77,846
Total property, plant and equipment	201,984	210,644
Intangible assets	1,175	1,183
Investments and other assets		
Investment securities	53	54
Retirement benefit asset	2,524	2,572
Deferred tax assets	2,459	1,409
Other	1,102	1,299
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	6,131	5,327
Total non-current assets	209,291	217,155
Total assets	393,750	397,348
-	<u> </u>	<u> </u>

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	28,164	28,920
Short-term borrowings	30,000	30,000
Accounts payable - other	17,306	18,891
Income taxes payable	3,366	1,160
Accrued expenses	10,053	8,003
Contract liabilities	35,912	33,768
Other	2,143	4,537
Total current liabilities	126,946	125,281
Non-current liabilities		
Retirement benefit liability	1,101	1,103
Other	725	568
Total non-current liabilities	1,826	1,671
Total liabilities	128,773	126,953
Net assets		
Shareholders' equity		
Share capital	24,223	24,223
Capital surplus	24,222	24,222
Retained earnings	215,736	220,694
Treasury shares	(61)	(62)
Total shareholders' equity	264,119	269,077
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	4
Deferred gains or losses on hedges	(103)	(260)
Foreign currency translation adjustment	513	1,100
Remeasurements of defined benefit plans	443	472
Total accumulated other comprehensive income	857	1,316
Total net assets	264,977	270,394
Total liabilities and net assets	393,750	397,348
Total liabilities and net assets	393,750	397,3

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

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

Total income taxes

Profit attributable to owners of parent

Profit

		(Millions of yen)
	Three months ended	Three months ended
	June 30, 2023	June 30, 2024
Net sales	49,206	53,358
Cost of sales	42,078	42,390
Gross profit	7,128	10,968
Selling, general and administrative expenses	3,432	3,713
Operating profit	3,695	7,254
Non-operating income		
Interest income	155	141
Foreign exchange gains	1,320	-
Other	448	12:
Total non-operating income	1,924	26
Non-operating expenses		
Interest expenses	16	26
Foreign exchange losses	_	555
Other	1	3
Total non-operating expenses	18	583
Ordinary profit	5,601	6,93
Extraordinary losses		
Loss on retirement of non-current assets	380	62
Total extraordinary losses	380	62
Profit before income taxes	5,220	6,873
Income taxes - current	201	914
Income taxes - deferred	1,365	1,00

1,566

3,653

3,653

1,915 4,958

4,958

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	771 41 1.1	T1 4 1 1
	Three months ended	Three months ended
	June 30, 2023	June 30, 2024
Profit	3,653	4,958
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Deferred gains or losses on hedges	(225)	(157)
Foreign currency translation adjustment	798	586
Remeasurements of defined benefit plans, net of tax	69	29
Total other comprehensive income	643	459
Comprehensive income	4,297	5,417
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,297	5,417
Comprehensive income attributable to non-controlling		
interests	_	_

### Consolidated statements of cash flows

(Millions of yen)

Profit before income taxes         5,220         6,4           Depreciation         6,299         5,5           Increase (decrease) in retirement benefit liability         (43)           Interest and dividend income         (159)         (           Interest expenses         16         (           Foreign exchange losses (gains)         (305)         (           Loss on retirement of property, plant and equipment         380         (           Decrease (increase) in trade receivables         6,756         (1,           Decrease (increase) in irrade payables         314         .           Increase (decrease) in incentories         2,569         (1,           Increase (decrease) in ocontract liabilities         (2,771)         (2,0           Increase (decrease) in contract liabilities         (472)         (2,0           Other, net         5,491         3,           Subtotal         23,295         9,           Interest and dividends received         158         1           Interest paid         (16)         1           Increase refund (paid)         (11,324)         (2,7           Net cash provided by (used in) operating activities         (350)           Proceeds from withdrawal of time deposits         368 <th></th> <th>Three months ended</th> <th>Three months ended</th>		Three months ended	Three months ended
Profit before income taxes         5,220         6,4           Depreciation         6,299         5,5           Increase (decrease) in retirement benefit liability         (43)           Interest and dividend income         (159)         (           Interest expenses         16         (           Foreign exchange losses (gains)         (305)         (           Loss on retirement of property, plant and equipment         380         (           Decrease (increase) in trade receivables         6,756         (1,           Decrease (increase) in irrade payables         314         .           Increase (decrease) in incentories         2,569         (1,           Increase (decrease) in ocontract liabilities         (2,771)         (2,0           Increase (decrease) in contract liabilities         (472)         (2,0           Other, net         5,491         3,           Subtotal         23,295         9,           Interest and dividends received         158         1           Interest paid         (16)         1           Increase refund (paid)         (11,324)         (2,7           Net cash provided by (used in) operating activities         (350)           Proceeds from withdrawal of time deposits         368 <th></th> <th>June 30, 2023</th> <th>June 30, 2024</th>		June 30, 2023	June 30, 2024
Depreciation   6,299   5,1     Increase (decrease) in retirement benefit liability   (43)     Interest and dividend income   (159)   (159)     Interest expenses   16   (305)     Increase (spains)   (305)     Loss on retirement of property, plant and equipment   380     Decrease (increase) in trade receivables   6,756   (1,	Cash flows from operating activities		
Increase (decrease) in retirement benefit liability   (159)	Profit before income taxes	5,220	6,873
Interest and dividend income	Depreciation	6,299	5,855
Interest expenses   16	Increase (decrease) in retirement benefit liability	(43)	(47)
Foreign exchange losses (gains)	Interest and dividend income	(159)	(146)
Loss on retirement of property, plant and equipment   380     Decrease (increase) in trade receivables   6,756   (1,      Decrease (increase) in inventories   2,569   (1,      Increase (decrease) in trade payables   314        Increase (decrease) in accrued expenses   (2,771)   (2,      Increase (decrease) in contract liabilities   (472)   (2,      Other, net   5,491   3,      Subtotal   23,295   9,      Interest and dividends received   158      Interest paid   (16)      Income taxes refund (paid)   (11,324)   (2,      Net cash provided by (used in) operating activities   12,112   6,      Cash flows from investing activities   (350)     Proceeds from withdrawal of time deposits   368      Purchase of property, plant and equipment   (11,896)   (12,      Purchase of intangible assets   (60)     Other, net   (213)   (7,      Net cash provided by (used in) investing activities   (12,152)   (13,      Cash flows from financing activities   (27)      Net cash provided by (used in) financing activities   (3,079)     Other, net   (27)      Net cash provided by (used in) financing activities   (3,106)     Effect of exchange rate change on cash and cash equivalents   1,001	Interest expenses	16	26
Decrease (increase) in trade receivables         6,756         (1, Decrease (increase) in inventories         2,569         (1, Increase (decrease) in inventories         2,569         (1, Increase (decrease) in inventories         314         (1, Increase (decrease) in accrued expenses         (2,771)         (2, Increase (decrease) in accrued expenses         (2,771)         (2, Increase (decrease) in contract liabilities         (472)         (2, Other, net         5,491         3, Subtotal         33, Subtotal         23,295         9, Interest and dividends received         158         Interest paid         (16)         Increase refund (paid)         (11,324)         (2, Net cash provided by (used in) operating activities         12,112         6, Other, net operation operation activities         6,0	Foreign exchange losses (gains)	(305)	(51)
Decrease (increase) in inventories         2,569         (1, Increase (decrease) in trade payables         314 <td< td=""><td>Loss on retirement of property, plant and equipment</td><td>380</td><td>62</td></td<>	Loss on retirement of property, plant and equipment	380	62
Increase (decrease) in trade payables	Decrease (increase) in trade receivables	6,756	(1,125)
Increase (decrease) in accrued expenses	Decrease (increase) in inventories	2,569	(1,257)
Increase (decrease) in contract liabilities	Increase (decrease) in trade payables	314	309
Other, net 5,491 3, Subtotal 23,295 9, Interest and dividends received 158 Interest paid (16) Income taxes refund (paid) (11,324) (2, Net cash provided by (used in) operating activities 12,112 6, Cash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits 368 Purchase of property, plant and equipment (11,896) (12, Purchase of intangible assets (60) Other, net (213) (2 Net cash provided by (used in) investing activities (12,152) (13, Cash flows from financing activities Dividends paid (3,079) Other, net (27) Net cash provided by (used in) financing activities (3,106) Effect of exchange rate change on cash and cash equivalents 1,001	Increase (decrease) in accrued expenses	(2,771)	(2,081)
Subtotal         23,295         9,3           Interest and dividends received         158           Interest paid         (16)           Income taxes refund (paid)         (11,324)         (2,4)           Net cash provided by (used in) operating activities         12,112         6,6           Cash flows from investing activities         (350)         Posceeds from withdrawal of time deposits         368         Purchase of property, plant and equipment         (11,896)         (12,7)           Purchase of intangible assets         (60) <td>Increase (decrease) in contract liabilities</td> <td>(472)</td> <td>(2,143)</td>	Increase (decrease) in contract liabilities	(472)	(2,143)
Interest and dividends received Interest paid Interest paid Income taxes refund (paid) Net cash provided by (used in) operating activities Payments into time deposits Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment Purchase of intangible assets Other, net Net cash provided by (used in) investing activities  Cash flows from financing activities  Purchase of intangible assets Interest paid Interest	Other, net	5,491	3,123
Interest paid (16) Income taxes refund (paid) (11,324) (2,4) Net cash provided by (used in) operating activities 12,112 6,6  Cash flows from investing activities  Payments into time deposits Proceeds from withdrawal of time deposits 368  Purchase of property, plant and equipment (11,896) (12,7)  Purchase of intangible assets (60) Other, net (213) (213)  Net cash provided by (used in) investing activities (12,152) (13, 13)  Cash flows from financing activities  Dividends paid (3,079) Other, net (27) Net cash provided by (used in) financing activities (3,106)  Effect of exchange rate change on cash and cash equivalents 1,001	Subtotal	23,295	9,397
Income taxes refund (paid)  Net cash provided by (used in) operating activities  Cash flows from investing activities  Payments into time deposits  Purchase of property, plant and equipment  Purchase of intangible assets  Other, net  Net cash provided by (used in) investing activities  Dividends paid  Other, net  Net cash provided by (used in) financing activities  Effect of exchange rate change on cash and cash equivalents  (11,324)  (2,9  (3,50)  12,112  (350)  (350)  (11,386)  (12,7  (40)  (11,896)  (12,7  (41)  (42)  (43)  (43)  (43)  (43)  (44)  (45)  (46)  (47)  (47)  (47)  (48)  (48)  (48)  (49)  (49)  (49)  (49)  (40)  (40)  (41)  (41)  (42)  (42)  (43)  (43)  (44)  (44)  (45)  (46)  (47)  (47)  (47)  (48)  (	Interest and dividends received	158	145
Net cash provided by (used in) operating activities  Cash flows from investing activities  Payments into time deposits  Purchase of property, plant and equipment  Purchase of intangible assets  Other, net  Cash provided by (used in) investing activities  Dividends paid  Other, net  Cash provided by (used in) financing activities  Effect of exchange rate change on cash and cash equivalents  12,112  6,0  (350)  11,896  (11,896)  (12,7  (60)  (12,3)  (7)  (13,079)  (3,079)  (3,079)  (3,106)	Interest paid	(16)	(21)
Cash flows from investing activities Payments into time deposits Proceeds from withdrawal of time deposits Purchase of property, plant and equipment Purchase of intangible assets Other, net Vet cash provided by (used in) investing activities Other, net	Income taxes refund (paid)	(11,324)	(2,908)
Payments into time deposits  Proceeds from withdrawal of time deposits  Purchase of property, plant and equipment  Purchase of intangible assets  Other, net  Net cash provided by (used in) investing activities  Dividends paid Other, net  Net cash provided by (used in) financing activities  Dividends paid Other, net  Net cash provided by (used in) financing activities  Effect of exchange rate change on cash and cash equivalents  (350)  (11,896) (12,7) (213) (213) (3,079) (3,079) (3,079) (3,079) (3,106)	Net cash provided by (used in) operating activities	12,112	6,613
Proceeds from withdrawal of time deposits  Purchase of property, plant and equipment  Purchase of intangible assets  (60)  Other, net  (213)  Net cash provided by (used in) investing activities  Dividends paid  Other, net  (27)  Net cash provided by (used in) financing activities  Effect of exchange rate change on cash and cash equivalents  368  (11,896)  (212,'  (213)  (213)  (22)  (13,-213)  (3,079)  (3,079)  (3,106)	Cash flows from investing activities		
Purchase of property, plant and equipment (11,896) (12,7 Purchase of intangible assets (60)  Other, net (213) (213) (213)  Net cash provided by (used in) investing activities (12,152) (13,7 Cash flows from financing activities  Dividends paid (3,079)  Other, net (27)  Net cash provided by (used in) financing activities (3,106)  Effect of exchange rate change on cash and cash equivalents 1,001	Payments into time deposits	(350)	(97)
Purchase of intangible assets  Other, net  Other, net  Net cash provided by (used in) investing activities  Cash flows from financing activities  Dividends paid  Other, net  Net cash provided by (used in) financing activities  Effect of exchange rate change on cash and cash equivalents  (60)  (213)  (3,079)  (3,079)  (3,106)	Proceeds from withdrawal of time deposits	368	97
Other, net (213) (223)  Net cash provided by (used in) investing activities (12,152) (13, 223)  Cash flows from financing activities  Dividends paid (3,079)  Other, net (27)  Net cash provided by (used in) financing activities (3,106)  Effect of exchange rate change on cash and cash equivalents 1,001	Purchase of property, plant and equipment	(11,896)	(12,790)
Net cash provided by (used in) investing activities  Cash flows from financing activities  Dividends paid  Other, net  (27)  Net cash provided by (used in) financing activities  Effect of exchange rate change on cash and cash equivalents  (12,152)  (13,079)  (3,079)  (3,106)	Purchase of intangible assets	(60)	(59)
Cash flows from financing activities  Dividends paid (3,079)  Other, net (27)  Net cash provided by (used in) financing activities (3,106)  Effect of exchange rate change on cash and cash equivalents 1,001	Other, net	(213)	(267)
Dividends paid (3,079) Other, net (27) Net cash provided by (used in) financing activities (3,106)  Effect of exchange rate change on cash and cash equivalents 1,001	Net cash provided by (used in) investing activities	(12,152)	(13,117)
Other, net (27)  Net cash provided by (used in) financing activities (3,106)  Effect of exchange rate change on cash and cash equivalents 1,001	Cash flows from financing activities		
Other, net (27)  Net cash provided by (used in) financing activities (3,106)  Effect of exchange rate change on cash and cash equivalents 1,001	Dividends paid	(3,079)	=
Effect of exchange rate change on cash and cash equivalents 1,001		(27)	(41)
	Net cash provided by (used in) financing activities	(3,106)	(41)
	Effect of exchange rate change on cash and cash equivalents	- <del></del>	451
inclinicities (uccitast) in cash and cash equivalents (2,143)	Net increase (decrease) in cash and cash equivalents	(2,145)	(6,094)
	Cash and cash equivalents at beginning of period		82,475
· · · · · · · · · · · · · · · · · · ·	Cash and cash equivalents at end of period	<del></del>	76,380