

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

January 31, 2025

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 nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	159,891	2.1	19,121	6.2	19,115	(3.1)	13,598	1.6
Nine months ended December 31, 2023	156,638	(32.6)	17,996	(74.7)	19,718	(72.9)	13,381	(73.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	100.64	–
Nine months ended December 31, 2023	99.04	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	386,167	279,051	72.3
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
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	25.00	–	0.00	25.00
Year ending March 31, 2025	–	0.00	–	–	–
Year ending March 31, 2025 (Forecast)	–	–	–	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
Full year	215,000	2.4	25,600	3.2	25,600	(6.1)	18,000	(3.3)	133.22

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 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
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|--|-----|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes |
| 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, 2024	135,171,942 shares	As of March 31, 2024	135,171,942 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	54,550 shares	As of March 31, 2024	54,462 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, 2024	135,117,424 shares	Nine months ended December 31, 2023	135,113,064 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	82,807	57,053
Notes and accounts receivable - trade, and contract assets	56,716	58,195
Securities	–	74
Merchandise and finished goods	8,583	9,438
Work in process	14,245	17,185
Raw materials and supplies	7,963	8,007
Other	14,150	16,224
Allowance for doubtful accounts	(6)	(6)
Total current assets	184,459	166,171
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	78,118	76,817
Machinery, equipment and vehicles, net	38,317	35,306
Tools, furniture and fixtures, net	3,814	4,168
Land	10,255	10,266
Construction in progress	71,478	87,074
Total property, plant and equipment	201,984	213,633
Intangible assets	1,175	1,198
Investments and other assets		
Investment securities	53	54
Retirement benefit asset	2,524	2,661
Deferred tax assets	2,459	1,207
Other	1,102	1,248
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	6,131	5,163
Total non-current assets	209,291	219,996
Total assets	393,750	386,167

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	28,164	28,344
Short-term borrowings	30,000	30,000
Accounts payable - other	17,306	5,154
Income taxes payable	3,366	1,108
Accrued expenses	10,053	7,756
Contract liabilities	35,912	29,472
Other	2,143	3,660
Total current liabilities	126,946	105,496
Non-current liabilities		
Retirement benefit liability	1,101	1,119
Other	725	500
Total non-current liabilities	1,826	1,619
Total liabilities	128,773	107,115
Net assets		
Shareholders' equity		
Share capital	24,223	24,223
Capital surplus	24,222	24,222
Retained earnings	215,736	229,335
Treasury shares	(61)	(62)
Total shareholders' equity	264,119	277,717
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	4
Deferred gains or losses on hedges	(103)	–
Foreign currency translation adjustment	513	797
Remeasurements of defined benefit plans	443	531
Total accumulated other comprehensive income	857	1,333
Total net assets	264,977	279,051
Total liabilities and net assets	393,750	386,167

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, 2023	Nine months ended December 31, 2024
Net sales	156,638	159,891
Cost of sales	128,150	129,828
Gross profit	28,488	30,062
Selling, general and administrative expenses	10,491	10,940
Operating profit	17,996	19,121
Non-operating income		
Interest income	521	432
Compensation income	656	540
Foreign exchange gains	255	–
Other	352	218
Total non-operating income	1,786	1,191
Non-operating expenses		
Interest expenses	50	109
Foreign exchange losses	–	1,071
Other	14	17
Total non-operating expenses	64	1,198
Ordinary profit	19,718	19,115
Extraordinary income		
Subsidy income	–	128
Total extraordinary income	–	128
Extraordinary losses		
Loss on retirement of non-current assets	676	234
Loss on tax purpose reduction entry of non-current assets	–	128
TOB related expenses	500	–
Total extraordinary losses	1,176	362
Profit before income taxes	18,542	18,880
Income taxes - current	3,710	4,224
Income taxes - deferred	1,449	1,057
Total income taxes	5,160	5,281
Profit	13,381	13,598
Profit attributable to owners of parent	13,381	13,598

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	13,381	13,598
Other comprehensive income		
Valuation difference on available-for-sale securities	1	0
Deferred gains or losses on hedges	(14)	103
Foreign currency translation adjustment	617	283
Remeasurements of defined benefit plans, net of tax	209	88
Total other comprehensive income	814	475
Comprehensive income	14,196	14,074
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,196	14,074
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	18,542	18,880
Depreciation	20,003	19,331
Increase (decrease) in retirement benefit liability	(108)	(117)
Interest and dividend income	(526)	(437)
Interest expenses	50	109
Foreign exchange losses (gains)	(222)	(35)
Subsidy income	–	(128)
Loss on retirement of property, plant and equipment	676	234
Loss on tax purpose reduction entry of non-current assets	–	128
Decrease (increase) in trade receivables	6,460	(1,209)
Decrease (increase) in inventories	4,285	(3,824)
Increase (decrease) in trade payables	2,347	(122)
Increase (decrease) in accrued expenses	(1,990)	(2,317)
Increase (decrease) in contract liabilities	(3,848)	(6,439)
Other, net	(3,719)	90
Subtotal	41,949	24,143
Interest and dividends received	529	441
Interest paid	(50)	(96)
Income taxes refund (paid)	(14,955)	(6,257)
Subsidies received	–	128
Net cash provided by (used in) operating activities	27,473	18,358
Cash flows from investing activities		
Payments into time deposits	(817)	(699)
Proceeds from withdrawal of time deposits	843	714
Purchase of property, plant and equipment	(62,433)	(43,192)
Purchase of intangible assets	(408)	(180)
Other, net	(622)	(840)
Net cash provided by (used in) investing activities	(63,439)	(44,197)
Cash flows from financing activities		
Dividends paid	(6,755)	–
Other, net	(87)	(117)
Net cash provided by (used in) financing activities	(6,843)	(117)
Effect of exchange rate change on cash and cash equivalents	782	305
Net increase (decrease) in cash and cash equivalents	(42,027)	(25,651)
Cash and cash equivalents at beginning of period	115,592	82,475
Cash and cash equivalents at end of period	73,564	56,823