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August 4, 2022

Summary of Financial Statements for the Three Months Ended June 30, 2022 (Japanese GAAP) (Consolidated)

Name of listed company: SINFONIA TECHNOLOGY CO., LTD.
Exchange for listed company: Tokyo Stock Exchange
Securities Code: 6507
URL: https://www.sinfo-t.jp/eng/index_a.htm
Representative: Shinichi Hirano, Representative Director and President

(Rounded down to the nearest million yen)

1. Consolidated financial results for the three months ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative) (Percentage (%) indicates the rate of year-over-year increase or decrease)

	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, 2022	20,136	18.6	923	-	1,448	-	1,011	-
June 30, 2021	16,981	(2.5)	(198)	-	(176)	-	(94)	-

Note: Comprehensive income Three months ended June 30, 2022 ¥730 million -%
Three months ended June 30, 2021 ¥(156) million -%

	Profit per share		Diluted profit per share	
	Yen		Yen	
Three months ended June 30, 2022	35.90		-	
June 30, 2021	(3.21)		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
As of	Millions of yen	Millions of yen	%
June 30, 2022	115,290	53,402	46.3
March 31, 2022	116,801	54,090	46.3

(Reference) Equity capital

As of June 30, 2022 ¥53,402 million
As of March 31, 2022 ¥54,090 million

2. Cash dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of period	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2022	-	0.00	-	50.00	50.00
Fiscal year ending March 2023	-	-	-	-	-
Fiscal year ending March 2023 (Forecast)	-	0.00	-	50.00	50.00

Note: Revisions to the most recently announced dividend forecast: No

3. Consolidated operating results forecast for fiscal year ending March 2023 (April 1, 2022 to March 31, 2023)

(Percentage (%) indicates the rate of year-over-year increase or decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	100,000	5.7	8,000	6.5	8,000	1.3	5,600	0.1	195.21

Note: Revisions to the most recently announced consolidated operating results forecast: No

*Notes

- (1) Transfer of key subsidiaries during the three months ended June 30, 2022
(transfer of specific subsidiaries that involve any changes in the scope of consolidation): None
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and/or restatements
- (i) Changes in accounting policies associated with any amendments in accounting standards, etc. No
 - (ii) Other changes in accounting policies: No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatements: No

(4) Number of issued shares (common shares)

a Number of issued shares at the end of the period (including treasury shares)

As of June 30, 2022	29,789,122 shares	As of March 31, 2022	29,789,122 shares
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b Number of treasury shares at the end of the period

As of June 30, 2022	1,601,069 shares	As of March 31, 2022	1,600,948 shares
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c Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	28,188,135 shares	Three months ended June 30, 2021	29,486,471 shares
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Note: Number of treasury shares at the end of the period includes Sinfonia Technology's shares held by the Board Benefit Trust (BBT) (175,200 shares in three months ended June 2022 and 175,200 shares in fiscal year ended March 2022). Sinfonia Technology's shares held by the Board Benefit Trust (BBT) are included in the treasury shares deducted in the calculation of the average number of shares during the period (175,200 shares in three months ended June 2022 and 177,300 shares in three months ended June 2021).

*Summary of Financial Statements is not subject to the audit of a certified public accountant or an auditing firm.

*Explanation of proper use of financial results forecast and other special notes

The financial results forecast is based on information available as of the date of the announcement of this document. The actual results may differ from this forecast due to different future factors.

Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Unit: Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	8,734	8,321
Notes and accounts receivable - trade, and contract assets	34,844	27,731
Merchandise and finished goods	2,053	2,642
Work in process	10,336	13,763
Raw materials and supplies	11,187	12,839
Other	689	1,053
Allowance for doubtful accounts	(43)	(46)
Total current assets	67,803	66,305
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,973	10,846
Land	14,573	14,604
Other, net	4,810	5,704
Total property, plant and equipment	30,356	31,155
Intangible assets	2,015	1,855
Investments and other assets		
Investment securities	11,015	10,303
Other	5,770	5,830
Allowance for doubtful accounts	(159)	(159)
Total investments and other assets	16,626	15,973
Total non-current assets	48,998	48,984
Total assets	116,801	115,290

(Unit: Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,894	21,555
Short-term borrowings	7,170	8,470
Current portion of long-term borrowings	3,335	3,161
Income taxes payable	1,794	82
Provision for product warranties	411	425
Provision for loss on orders received	545	692
Other	9,110	10,931
Total current liabilities	45,261	45,318
Non-current liabilities		
Long-term borrowings	11,278	10,207
Provision for retirement benefits for directors (and other officers)	137	114
Provision for share awards for directors (and other officers)	59	70
Provision for environmental measures	3	4
Retirement benefit liability	2,779	2,835
Other	3,190	3,336
Total non-current liabilities	17,449	16,569
Total liabilities	62,710	61,888
Net assets		
Shareholders' equity		
Share capital	10,156	10,156
Capital surplus	452	452
Retained earnings	33,562	33,156
Treasury shares	(1,963)	(1,963)
Total shareholders' equity	42,209	41,802
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,214	4,711
Revaluation reserve for land	3,913	3,913
Foreign currency translation adjustment	376	653
Remeasurements of defined benefit plans	2,377	2,320
Total accumulated other comprehensive income	11,881	11,599
Total net assets	54,090	53,402
Total liabilities and net assets	116,801	115,290

Quarterly consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Quarterly consolidated statements of income (cumulative)

(Unit: Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	16,981	20,136
Cost of sales	13,907	15,532
Gross profit	3,073	4,603
Selling, general and administrative expenses	3,272	3,680
Operating profit (loss)	(198)	923
Non-operating income		
Interest and dividend income	109	173
Foreign exchange gains	–	376
Other	57	41
Total non-operating income	166	591
Non-operating expenses		
Interest expenses	35	33
Other	109	32
Total non-operating expenses	144	66
Ordinary profit (loss)	(176)	1,448
Profit (loss) before income taxes	(176)	1,448
Income taxes	(82)	436
Profit (loss)	(94)	1,011
Profit (loss) attributable to owners of parent	(94)	1,011

Quarterly consolidated statements of comprehensive income (cumulative)

(Unit: Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	(94)	1,011
Other comprehensive income		
Valuation difference on available-for-sale securities	(100)	(503)
Foreign currency translation adjustment	73	277
Remeasurements of defined benefit plans, net of tax	(34)	(56)
Total other comprehensive income	(61)	(281)
Comprehensive income	(156)	730
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(156)	730
Comprehensive income attributable to non-controlling interests	—	—

**Supplementary Information of the Financial Results for the Three Months Ended
June 30, 2022 [Fiscal 2022] (Consolidated)**

August 4, 2022
SINFONIA TECHNOLOGY CO., LTD.

1. Summary of operating results (Unit: Millions of yen)

		Three months ended June 30, 2021	Three months ended June 30, 2022	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Net sales		16,981	20,136	3,154	18.6%
Operating profit	(%)	(1.2) %	4.6%	5.8%	/
		(198)	923	1,122	-
Ordinary profit	(%)	(1.0) %	7.2%	8.2%	/
		(176)	1,448	1,625	-
Profit attributable to owners of parent	(%)	(0.6) %	5.0%	5.6%	/
		(94)	1,011	1,106	-

2. Information by segment

(1) Net sales and operating profit (Unit: Millions of yen)

		Three months ended June 30, 2021	Three months ended June 30, 2022	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Motion Equipment	Net sales	6,187	6,878	690	11.2%
	Operating profit	24	(24)	(48)	-
Power Electronics Equipment	Net sales	7,137	10,020	2,883	40.4%
	Operating profit	(386)	1,110	1,497	-
Support & Engineering	Net sales	3,656	3,237	(419)	(11.5)%
	Operating profit	154	(149)	(304)	-
Adjustment amount	Net sales	-	-	-	-
	Operating profit	9	(13)	(22)	-
Total	Net sales	16,981	20,136	3,154	18.6%
	Operating profit	(198)	923	1,122	-

(2) Orders received (Unit: Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	YOY increase/decrease	Increase/Decrease rate
	(A)	(B)	(B) - (A)	
Motion Equipment	9,272	9,846	573	6.2%
Power Electronics Equipment	10,319	23,578	13,259	128.5%
Support & Engineering	5,930	5,501	(429)	(7.2)%
Total	25,522	38,926	13,403	52.5%

(3) Balance of orders received

(Unit: Millions of yen)

	As of June 30, 2021	As of June 30, 2022	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Motion Equipment	29,580	34,559	4,978	16.8%
Power Electronics Equipment	21,054	41,436	20,381	96.8%
Support & Engineering	9,661	10,446	785	8.1%
Total	60,296	86,442	26,145	43.4%

3. Overseas net sales

(Unit: Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Overseas net sales	4,320	6,009	1,689	39.1%
Overseas net sales ratio (%)	25.4%	29.8%	4.4%	

4. Capital expenditures, depreciation, and research and development expenses

(Unit: Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Capital expenditures	324	1,327	1,003	309.5%
Depreciation	798	790	(7)	(1.0)%
Research and development expenses	579	902	323	55.9%