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November 8, 2022

Summary of Financial Statements for the Six Months Ended September 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 six months ended September 30, 2022 (April 1, 2022 to September 30, 2022)

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

Six months ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2022	49,054	22.7	3,709	129.7	4,360	160.7	3,047	174.8
September 30, 2021	39,992	0.5	1,614	3.0	1,672	14.6	1,109	(11.8)

Note: Comprehensive income Six months ended September 30, 2022 ¥2,807 million 150.0 %
Six months ended September 30, 2021 ¥1,123million (46.2)%

Six months ended	Profit per share	Diluted profit per share
	Yen	Yen
September 30, 2022	108.11	-
September 30, 2021	38.10	-

(2) Consolidated financial position

As of	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
September 30, 2022	118,913	55,488	46.7
March 31, 2022	116,801	54,090	46.3

(Reference) Equity capital

As of September 30, 2022 ¥55,488 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	-	0.00	-	-	-
Fiscal year ending March 2023 (Forecast)	-	-	-	60.00	60.00

Note: Revisions to the most recently announced dividend forecast: Yes

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)

Full year	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
	105,000	11.0	9,500	26.4	10,000	26.6	6,700	19.8	237.66

Note: Revisions to the most recently announced consolidated operating results forecast: Yes

*Notes

- (1) Transfer of key subsidiaries during the six months ended September 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 September 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 September 30, 2022	1,593,458 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)

Six months ended September 30, 2022	28,191,367 shares	Six months ended September 30, 2021	29,115,862 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) (167,500 shares in six months ended September 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 (171,900 shares in six months ended September 2022 and 176,400 shares in six months ended September 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 September 30, 2022
Assets		
Current assets		
Cash and deposits	8,734	7,846
Notes and accounts receivable - trade, and contract assets	34,844	33,105
Merchandise and finished goods	2,053	2,278
Work in process	10,336	12,954
Raw materials and supplies	11,187	12,950
Other	689	688
Allowance for doubtful accounts	(43)	(117)
Total current assets	67,803	69,706
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,973	11,014
Land	14,573	14,626
Other, net	4,810	6,056
Total property, plant and equipment	30,356	31,697
Intangible assets	2,015	1,687
Investments and other assets		
Investment securities	11,015	10,185
Other	5,770	5,947
Allowance for doubtful accounts	(159)	(310)
Total investments and other assets	16,626	15,822
Total non-current assets	48,998	49,206
Total assets	116,801	118,913

(Unit: Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,894	19,964
Short-term borrowings	7,170	9,473
Current portion of long-term borrowings	3,335	3,144
Income taxes payable	1,794	1,291
Provision for product warranties	411	394
Provision for loss on orders received	545	603
Other	9,110	11,007
Total current liabilities	45,261	45,880
Non-current liabilities		
Long-term borrowings	11,278	11,606
Provision for retirement benefits for directors (and other officers)	137	113
Provision for share awards for directors (and other officers)	59	68
Provision for environmental measures	3	16
Retirement benefit liability	2,779	2,852
Other	3,190	2,886
Total non-current liabilities	17,449	17,544
Total liabilities	62,710	63,424
Net assets		
Shareholders' equity		
Share capital	10,156	10,156
Capital surplus	452	452
Retained earnings	33,562	35,192
Treasury shares	(1,963)	(1,955)
Total shareholders' equity	42,209	43,847
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,214	4,635
Revaluation reserve for land	3,913	3,913
Foreign currency translation adjustment	376	828
Remeasurements of defined benefit plans	2,377	2,264
Total accumulated other comprehensive income	11,881	11,641
Total net assets	54,090	55,488
Total liabilities and net assets	116,801	118,913

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

Quarterly consolidated statements of income (cumulative)

(Unit: Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	39,992	49,054
Cost of sales	31,682	37,600
Gross profit	8,310	11,454
Selling, general and administrative expenses	6,695	7,744
Operating profit (loss)	1,614	3,709
Non-operating income		
Interest and dividend income	135	206
Foreign exchange gains	3	544
Transfer of rights income	99	-
Other	102	73
Total non-operating income	340	823
Non-operating expenses		
Interest expenses	72	68
Other	210	104
Total non-operating expenses	282	173
Ordinary profit (loss)	1,672	4,360
Profit (loss) before income taxes	1,672	4,360
Income taxes	562	1,312
Profit (loss)	1,109	3,047
Profit (loss) attributable to owners of parent	1,109	3,047

Quarterly consolidated statements of comprehensive income (cumulative)

(Unit: Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit (loss)	1,109	3,047
Other comprehensive income		
Valuation difference on available-for-sale securities	59	(579)
Foreign currency translation adjustment	23	452
Remeasurements of defined benefit plans, net of tax	(69)	(112)
Total other comprehensive income	13	(239)
Comprehensive income	1,123	2,807
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,123	2,807
Comprehensive income attributable to non-controlling interests	—	—

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

November 8, 2022
SINFONIA TECHNOLOGY CO., LTD.

1. Summary of operating results

(Unit: Millions of yen)

		Six months ended September 30, 2021	Six months ended September 30, 2022	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Net sales		39,992	49,054	9,061	22.7%
Operating profit	(%)	4.0%	7.6%	3.6%	
		1,614	3,709	2,094	129.7%
Ordinary profit	(%)	4.2%	8.9%	4.7%	
		1,672	4,360	2,687	160.7%
Profit attributable to owners of parent	(%)	2.8%	6.2%	3.4%	
		1,109	3,047	1,938	174.8%

2. Information by segment

(1) Net sales and operating profit

(Unit: Millions of yen)

		Six months ended September 30, 2021	Six months ended September 30, 2022	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Motion Equipment	Net sales	14,214	17,276	3,062	21.5%
	Operating profit	416	659	242	58.2%
Power Electronics Equipment	Net sales	17,959	24,146	6,186	34.4%
	Operating profit	774	3,313	2,539	328.0
Support & Engineering	Net sales	7,818	7,631	(186)	(2.4)%
	Operating profit	448	(185)	(633)	-
Adjustment amount	Net sales	-	-	-	-
	Operating profit	(25)	(78)	(53)	-
Total	Net sales	39,992	49,054	9,061	22.7%
	Operating profit	1,614	3,709	2,094	129.7%

(2) Orders received

(Unit: Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	YOY increase/decrease	Increase/Decrease rate
	(A)	(B)	(B) - (A)	
Motion Equipment	17,596	19,993	2,396	13.6%
Power Electronics Equipment	23,742	36,632	12,889	54.3%
Support & Engineering	9,988	11,970	1,982	19.9%
Total	51,327	68,596	17,269	33.6%

(3) Balance of orders received

(Unit: Millions of yen)

	As of September 30, 2021	As of September 30, 2022	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Motion Equipment	29,880	34,308	4,427	14.8%
Power Electronics Equipment	23,659	40,364	16,704	70.6%
Support & Engineering	9,566	12,521	2,955	30.9%
Total	63,107	87,194	24,087	38.2%

3. Overseas net sales

(Unit: Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Overseas net sales	10,299	14,278	3,978	38.6%
Overseas net sales ratio (%)	25.8%	29.1%	3.3%	

4. Cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Operating cash flow	1,955	(647)	(2,602)	-
Investing cash flow	(750)	(1,351)	(601)	-
Free cash flow	1,204	(1,998)	(3,203)	-
Financing cash flow	(4,656)	1,014	5,670	-
Cash and cash equivalents at the end of the period	8,916	7,846	(1,069)	(12.0)%

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

(Unit: Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Capital expenditures	756	2,443	1,687	223.2%
Depreciation	1,596	1,585	(11)	(0.7)%
Research and development expenses	1,251	1,898	647	51.8%