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February 7, 2023

Summary of Financial Statements for the Nine Months Ended December 31, 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 nine months ended December 31, 2022 (April 1, 2022 to December 31, 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	%
Nine months ended								
December 31, 2022	71,656	15.0	6,044	90.2	6,510	93.5	4,628	99.5
December 31, 2021	62,297	7.8	3,178	123.6	3,363	162.9	2,320	115.0

Note: Comprehensive income
 Nine months ended December 31, 2022 ¥4,698 million 121.7 %
 Nine months ended December 31, 2021 ¥2,119million (23.8)%

	Profit per share	Diluted profit per share
Nine months ended	Yen	Yen
December 31, 2022	164.16	-
December 31, 2021	80.46	-

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	122,021	57,378	47.0
March 31, 2022	116,801	54,090	46.3

(Reference) Equity capital

As of December 31, 2022 ¥57,378 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: 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	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: No

*Notes

- (1) Transfer of key subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2022	1,593,653 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)

Nine months ended December 31, 2022	28,192,629 shares	Nine months ended December 31, 2021	28,837,591 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 nine months ended December 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 (170,580 shares in nine months ended December 2022 and 176,040 shares in nine months ended December 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	8,734	8,467
Notes and accounts receivable - trade, and contract assets	34,844	29,542
Merchandise and finished goods	2,053	2,811
Work in process	10,336	13,640
Raw materials and supplies	11,187	15,887
Other	689	1,180
Allowance for doubtful accounts	(43)	(78)
Total current assets	67,803	71,451
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,973	10,945
Land	14,573	14,621
Other, net	4,810	7,010
Total property, plant and equipment	30,356	32,577
Intangible assets	2,015	1,526
Investments and other assets		
Investment securities	11,015	10,879
Other	5,770	5,732
Allowance for doubtful accounts	(159)	(144)
Total investments and other assets	16,626	16,467
Total non-current assets	48,998	50,570
Total assets	116,801	122,021

(Unit: Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,894	22,214
Short-term borrowings	7,170	8,727
Current portion of long-term borrowings	3,335	3,009
Income taxes payable	1,794	340
Provision for product warranties	411	406
Provision for loss on orders received	545	384
Other	9,110	11,075
Total current liabilities	45,261	46,158
Non-current liabilities		
Long-term borrowings	11,278	11,940
Provision for retirement benefits for directors (and other officers)	137	118
Provision for share awards for directors (and other officers)	59	83
Provision for environmental measures	3	8
Retirement benefit liability	2,779	2,834
Other	3,190	3,498
Total non-current liabilities	17,449	18,484
Total liabilities	62,710	64,643
Net assets		
Shareholders' equity		
Share capital	10,156	10,156
Capital surplus	452	452
Retained earnings	33,562	36,772
Treasury shares	(1,963)	(1,955)
Total shareholders' equity	42,209	45,427
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,214	5,120
Revaluation reserve for land	3,913	3,913
Foreign currency translation adjustment	376	709
Remeasurements of defined benefit plans	2,377	2,208
Total accumulated other comprehensive income	11,881	11,951
Total net assets	54,090	57,378
Total liabilities and net assets	116,801	122,021

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

Quarterly consolidated statements of income (cumulative)

(Unit: Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	62,297	71,656
Cost of sales	48,851	54,229
Gross profit	13,446	17,426
Selling, general and administrative expenses	10,267	11,382
Operating profit (loss)	3,178	6,044
Non-operating income		
Interest and dividend income	213	324
Foreign exchange gains	98	251
Transfer of rights income	99	-
Other	138	106
Total non-operating income	549	682
Non-operating expenses		
Interest expenses	108	105
Other	255	110
Total non-operating expenses	364	216
Ordinary profit (loss)	3,363	6,510
Profit (loss) before income taxes	3,363	6,510
Income taxes	1,043	1,882
Profit (loss)	2,320	4,628
Profit (loss) attributable to owners of parent	2,320	4,628

Quarterly consolidated statements of comprehensive income (cumulative)

(Unit: Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit (loss)	2,320	4,628
Other comprehensive income		
Valuation difference on available-for-sale securities	(67)	(94)
Foreign currency translation adjustment	(30)	333
Remeasurements of defined benefit plans, net of tax	(103)	(169)
Total other comprehensive income	(201)	70
Comprehensive income	2,119	4,698
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,119	4,698
Comprehensive income attributable to non-controlling interests	—	—

**Supplementary Information of the Financial Results for the Nine Months Ended
December 31, 2022 [Fiscal 2022] (Consolidated)**

February 7, 2023
SINFONIA TECHNOLOGY CO., LTD.

1. Summary of operating results

(Unit: Millions of yen)

		Nine months ended December 31, 2021	Nine months ended December 31, 2022	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Net sales		62,297	71,656	9,358	15.0%
Operating profit	(%)	5.1%	8.4%	3.3%	
		3,178	6,044	2,865	90.2%
Ordinary profit	(%)	5.4%	9.1%	3.7%	
		3,363	6,510	3,146	93.5%
Profit attributable to owners of parent	(%)	3.7%	6.5%	2.8%	
		2,320	4,628	2,307	99.5%

2. Information by segment

(1) Net sales and operating profit

(Unit: Millions of yen)

		Nine months ended December 31, 2021	Nine months ended December 31, 2022	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Motion Equipment	Net sales	21,679	26,357	4,677	21.6%
	Operating profit	448	1,278	829	185.1%
Power Electronics Equipment	Net sales	12,421	12,373	(48)	(0.4)%
	Operating profit	(975)	183	1,159	-
Clean Transport System	Net sales	16,341	21,521	5,179	31.7%
	Operating profit	2,892	4,693	1,800	62.2%
Engineering & Service	Net sales	11,854	11,403	(451)	(3.8)%
	Operating profit	847	(9)	(857)	-
Adjustment amount	Net sales	-	-	-	-
	Operating profit	(35)	(101)	(66)	-
Total	Net sales	62,297	71,656	9,358	15.0%
	Operating profit	3,178	6,044	2,865	90.2%

Note: From the third quarter of the fiscal year ending March 31, 2023, because of the structure change on October 1, 2022, "Clean Transport System", which was previously included in "Power Electronics Equipment", is now reported as one separate segment, and "Support & Engineering" is renamed to "Engineering & Service". As a result, the number of reportable segments has been changed from three ("Motion Equipment", "Power Electronics Equipment" and "Support & Engineering") to four ("Motion Equipment", "Power Electronics Equipment", "Clean Transport System" and "Engineering & Service"). The segment information for the third quarter of the fiscal year ended March 31, 2022 is reported by reflecting this change of reportable segments.

(2) Orders received

(Unit: Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	YOY increase/decrease	Increase/Decrease rate
	(A)	(B)	(B) - (A)	
Motion Equipment	27,421	29,766	2,345	8.6%
Power Electronics Equipment	15,630	24,472	8,842	56.6%
Clean Transport System	22,024	22,759	734	3.3%
Engineering&Service	14,264	16,221	1,956	13.7%
Total	79,341	93,219	13,878	17.5%

(3) Balance of orders received

(Unit: Millions of yen)

	As of December 31, 2021	As of December 31, 2022	YOY increase/decrease	Increase/Decrease rate
	(A)	(B)	(B) - (A)	
Motion Equipment	32,240	35,000	2,760	8.6%
Power Electronics Equipment	18,109	30,698	12,588	69.5%
Clean Transport System	8,659	10,516	1,857	21.5%
Engineering&Service	9,806	13,000	3,193	32.6%
Total	68,815	89,215	20,400	29.6%

3. Overseas net sales

(Unit: Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	YOY increase/decrease	Increase/Decrease rate
	(A)	(B)	(B) - (A)	
Overseas net sales	16,505	20,603	4,097	24.8%
Overseas net sales ratio (%)	26.5%	28.8%	2.3%	

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

(Unit: Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	YOY increase/decrease	Increase/Decrease rate
	(A)	(B)	(B) - (A)	
Capital expenditures	1,286	4,017	2,730	212.2%
Depreciation	2,392	2,382	(10)	(0.4)%
Research and development expenses	1,980	2,800	820	41.4%