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August 4, 2023

Summary of Financial Statements for the Three Months Ended June 30, 2023 (Japanese GAAP) (Consolidated)

Name of listed company: SINFONIA TECHNOLOGY CO., LTD.
Exchange for listed company: Tokyo Stock Exchange
Securities Code: 6507
URL: https://hibiki.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, 2023 (April 1, 2023 to June 30, 2023)

(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, 2023	19,178	(4.8)	615	(33.4)	1,018	(29.7)	710	(29.8)
June 30, 2022	20,136	18.6	923	-	1,448	-	1,011	-

Note: Comprehensive income Three months ended June 30, 2023 ¥2,183 million 199.2 %
Three months ended June 30, 2022 ¥730 million -%

	Profit per share	Diluted profit per share
	Yen	Yen
Three months ended June 30, 2023	25.20	-
June 30, 2022	35.90	-

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	126,853	62,665	49.4
March 31, 2023	127,321	62,608	49.2

(Reference) Equity capital

As of June 30, 2023 ¥62,665 million
As of March 31, 2023 ¥62,608 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 2023	-	0.00	-	75.00	75.00
Fiscal year ending March 2024	-				
Fiscal year ending March 2024 (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 2024(April 1, 2023 to March 31, 2024)

(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	(8.1)	8,000	(31.2)	8,000	(33.3)	5,600	(30.8)	198.63

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, 2023
(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, 2023	29,789,122 shares	As of March 31, 2023	29,789,122 shares
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b Number of treasury shares at the end of the period

As of June 30, 2023	1,594,035 shares	As of March 31, 2023	1,593,904 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, 2023	28,195,144 shares	Three months ended June 30, 2022	28,188,135 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 three months ended June 2023 and 167,500 shares in fiscal year ended March 2023). 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 (167,500 shares in three months ended June 2023 and 175,200 shares in three months ended June 2022).

*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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	9,494	10,582
Notes and accounts receivable - trade, and contract assets	37,331	28,944
Merchandise and finished goods	2,467	2,393
Work in process	9,582	12,757
Raw materials and supplies	14,725	15,044
Other	777	990
Allowance for doubtful accounts	(80)	(77)
Total current assets	74,297	70,635
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,936	13,125
Land	14,619	14,633
Other, net	7,278	6,448
Total property, plant and equipment	32,834	34,207
Intangible assets	1,366	1,241
Investments and other assets		
Investment securities	12,039	14,044
Other	6,913	6,851
Allowance for doubtful accounts	(130)	(126)
Total investments and other assets	18,822	20,769
Total non-current assets	53,024	56,218
Total assets	127,321	126,853

(Unit: Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,820	18,488
Short-term borrowings	7,360	11,170
Current portion of long-term borrowings	2,981	2,857
Income taxes payable	1,955	63
Provision for product warranties	395	380
Provision for loss on orders received	324	332
Other	12,255	11,755
Total current liabilities	46,093	45,047
Non-current liabilities		
Long-term borrowings	11,617	11,335
Provision for retirement benefits for directors (and other officers)	123	125
Provision for share awards for directors (and other officers)	100	115
Provision for environmental measures	8	7
Retirement benefit liability	3,056	3,043
Other	3,712	4,513
Total non-current liabilities	18,619	19,140
Total liabilities	64,713	64,188
Net assets		
Shareholders' equity		
Share capital	10,156	10,156
Capital surplus	452	452
Retained earnings	40,242	38,826
Treasury shares	(1,955)	(1,955)
Total shareholders' equity	48,896	47,479
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,933	7,337
Deferred gains or losses on hedges	(3)	(15)
Revaluation reserve for land	3,913	3,913
Foreign currency translation adjustment	683	849
Remeasurements of defined benefit plans	3,185	3,099
Total accumulated other comprehensive income	13,712	15,185
Total net assets	62,608	62,665
Total liabilities and net assets	127,321	126,853

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, 2022	Three months ended June 30, 2023
Net sales	20,136	19,178
Cost of sales	15,532	14,826
Gross profit	4,603	4,352
Selling, general and administrative expenses	3,680	3,737
Operating profit (loss)	923	615
Non-operating income		
Interest and dividend income	173	200
Foreign exchange gains	376	215
Other	41	53
Total non-operating income	591	469
Non-operating expenses		
Interest expenses	33	36
Other	32	30
Total non-operating expenses	66	66
Ordinary profit (loss)	1,448	1,018
Profit (loss) before income taxes	1,448	1,018
Income taxes	436	307
Profit (loss)	1,011	710
Profit (loss) attributable to owners of parent	1,011	710

Quarterly consolidated statements of comprehensive income (cumulative)

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	1,011	710
Other comprehensive income		
Valuation difference on available-for-sale securities	(503)	1,404
Deferred gains or losses on hedges	–	(12)
Foreign currency translation adjustment	277	166
Remeasurements of defined benefit plans, net of tax	(56)	(85)
Total other comprehensive income	(281)	1,473
Comprehensive income	730	2,183
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	730	2,183
Comprehensive income attributable to non-controlling interests	–	–

**Supplementary Information of the Financial Results for the Three Months Ended
June 30, 2023 [Fiscal 2023] (Consolidated)**

August 4, 2023
SINFONIA TECHNOLOGY CO., LTD.

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

		Three months ended June 30, 2022	Three months ended June 30, 2023	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Net sales		20,136	19,178	(957)	(4.8)%
Operating profit	(%)	4.6%	3.2%	(1.4)pt	
		923	615	(308)	(33.4)%
Ordinary profit	(%)	7.2%	5.3%	(1.9) pt	
		1,448	1,018	(430)	(29.7)%
Profit attributable to owners of parent	(%)	5.0%	3.7%	(1.3) pt	
		1,011	710	(301)	(29.8)%

2. Information by segment

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

		Three months ended June 30, 2022	Three months ended June 30, 2023	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Motion Equipment	Net sales	6,878	7,925	1,047	15.2%
	Operating profit	(24)	330	355	-
Power Electronics Equipment	Net sales	3,462	3,388	(73)	(2.1)%
	Operating profit	(148)	(278)	(129)	-
Clean Transport System	Net sales	6,558	4,302	(2,256)	(34.4)%
	Operating profit	1,259	509	(750)	(59.6)%
Engineering & Service	Net sales	3,237	3,562	324	10.0%
	Operating profit	(149)	50	200	-
Adjustment amount	Net sales	-	-	-	-
	Operating profit	(13)	2	15	-
Total	Net sales	20,136	19,178	(957)	(4.8)%
	Operating profit	923	615	(308)	(33.4)%

Note: Because of a structure change on October 1, 2022, the Clean Transport System business, which was previously included in the Power Electronics Equipment business, is now a reportable segment. In addition, the Support & Engineering business is renamed to the Engineering & Service business. As a result, the Company has changed its business classification from the three segments of the Motion Equipment business, Power Electronics Equipment business and Support & Engineering business to the four segments of Motion Equipment business, Power Electronics Equipment business, Clean Transport System business and Engineering & Service business.
Segment information for the first quarter of the fiscal year ended March 31, 2023 is based on the reportable segment classification after the change.

(2) Orders received

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Motion Equipment	9,846	6,186	(3,660)	(37.2)%
Power Electronics Equipment	13,545	4,566	(8,979)	(66.3)%
Clean Transport System	10,032	4,684	(5,348)	(53.3)%
Engineering&Service	5,501	6,695	1,194	21.7%
Total	38,926	22,132	(16,794)	(43.1)%

(3) Balance of orders received

(Unit: Millions of yen)

	As of June 30, 2022	As of June 30, 2023	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Motion Equipment	34,559	33,470	(1,088)	(3.2)%
Power Electronics Equipment	28,683	31,880	3,196	11.1%
Clean Transport System	12,753	8,320	(4,433)	(34.8)%
Engineering&Service	10,446	13,221	2,775	26.6%
Total	86,442	86,892	450	0.5%

3. Overseas net sales

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Overseas net sales	6,009	5,478	(531)	(8.8)%
Overseas net sales ratio (%)	29.8%	28.6%	(1.2)pt	

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

(Unit: Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Capital expenditures	1,327	2,051	723	54.5%
Depreciation	790	852	62	7.9%
Research and development expenses	902	768	(133)	(14.8)%