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February 7, 2024

Summary of Financial Statements for the Nine months Ended December 31, 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 nine months ended December 31, 2023 (April 1, 2023 to December 31, 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	%
Nine months ended								
December 31, 2023	68,619	(4.2)	4,634	(23.3)	5,155	(20.8)	3,580	(22.6)
December 31, 2022	71,656	15.0	6,044	90.2	6,510	93.5	4,628	99.5

Note: Comprehensive income
 Nine months ended December 31, 2023 ¥5,606 million 19.3%
 Nine months ended December 31, 2022 ¥4,698 million 121.7%

	Profit per share	Diluted profit per share
	Yen	Yen
Nine months ended		
December 31, 2023	127.00	-
December 31, 2022	164.16	-

(2) Consolidated financial position

	Total assets	Net assets	Equity capital ratio
	Millions of yen	Millions of yen	%
As of			
December 31, 2023	126,521	66,087	52.2
March 31, 2023	127,321	62,608	49.2

(Reference) Equity capital

As of December 31, 2023 ¥66,087 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	-	0.00	-		
Fiscal year ending March 2024 (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 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)	8,700	(25.2)	9,000	(25.0)	6,200	(23.4)	219.90

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, 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 December 31, 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 December 31, 2023	1,594,413 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)

Nine months ended December 31, 2023	28,195,012 shares	Nine months ended December 31, 2022	28,192,629 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 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 nine months ended December 2023 and 170,580 shares in nine months ended December 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	9,494	7,824
Notes and accounts receivable - trade, and contract assets	37,331	29,906
Merchandise and finished goods	2,467	2,526
Work in process	9,582	13,277
Raw materials and supplies	14,725	14,094
Other	777	795
Allowance for doubtful accounts	(80)	(82)
Total current assets	74,297	68,342
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,936	13,705
Land	14,619	15,130
Other, net	7,278	6,603
Total property, plant and equipment	32,834	35,439
Intangible assets	1,366	1,054
Investments and other assets		
Investment securities	12,039	14,878
Other	6,913	6,930
Allowance for doubtful accounts	(130)	(123)
Total investments and other assets	18,822	21,685
Total non-current assets	53,024	58,179
Total assets	127,321	126,521

(Unit: Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,820	16,884
Short-term borrowings	7,360	9,170
Current portion of long-term borrowings	2,981	2,987
Income taxes payable	1,955	44
Provision for product warranties	395	508
Provision for loss on orders received	324	278
Other	12,255	9,419
Total current liabilities	46,093	39,292
Non-current liabilities		
Long-term borrowings	11,617	13,037
Provision for retirement benefits for directors (and other officers)	123	-
Provision for share awards for directors (and other officers)	100	137
Provision for environmental measures	8	-
Retirement benefit liability	3,056	3,065
Other	3,712	4,900
Total non-current liabilities	18,619	21,141
Total liabilities	64,713	60,434
Net assets		
Shareholders' equity		
Share capital	10,156	10,156
Capital surplus	452	452
Retained earnings	40,242	41,696
Treasury shares	(1,955)	(1,956)
Total shareholders' equity	48,896	50,349
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,933	7,918
Deferred gains or losses on hedges	(3)	(18)
Revaluation reserve for land	3,913	3,913
Foreign currency translation adjustment	683	995
Remeasurements of defined benefit plans	3,185	2,929
Total accumulated other comprehensive income	13,712	15,738
Total net assets	62,608	66,087
Total liabilities and net assets	127,321	126,521

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, 2022	Nine months ended December 31, 2023
Net sales	71,656	68,619
Cost of sales	54,229	52,494
Gross profit	17,426	16,125
Selling, general and administrative expenses	11,382	11,490
Operating profit (loss)	6,044	4,634
Non-operating income		
Interest and dividend income	324	359
Foreign exchange gains	251	261
Other	106	110
Total non-operating income	682	732
Non-operating expenses		
Interest expenses	105	112
Other	110	98
Total non-operating expenses	216	210
Ordinary profit (loss)	6,510	5,155
Extraordinary losses		
Restructuring loss	-	123
Total extraordinary losses	-	123
Profit (loss) before income taxes	6,510	5,031
Income taxes	1,882	1,450
Profit (loss)	4,628	3,580
Profit (loss) attributable to owners of parent	4,628	3,580

Quarterly consolidated statements of comprehensive income (cumulative)

(Unit: Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	4,628	3,580
Other comprehensive income		
Valuation difference on available-for-sale securities	(94)	1,985
Deferred gains or losses on hedges	–	(15)
Foreign currency translation adjustment	333	311
Remeasurements of defined benefit plans, net of tax	(169)	(255)
Total other comprehensive income	70	2,025
Comprehensive income	4,698	5,606
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,698	5,606
Comprehensive income attributable to non-controlling interests	–	–

**Supplementary Information of the Financial Results for the Nine Months Ended
December 31, 2023 [Fiscal 2023] (Consolidated)**

February 7, 2024
SINFONIA TECHNOLOGY CO., LTD.

1. Summary of operating results

(Unit: Millions of yen)

		Nine Months ended December 31, 2022	Nine Months ended December 31, 2023	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Net sales		71,656	68,619	(3,036)	(4.2)%
Operating profit	(%)	8.4%	6.8%	(1.6)pt	
		6,044	4,634	(1,410)	(23.3)%
Ordinary profit	(%)	9.1%	7.5%	(1.6) pt	
		6,510	5,155	(1,354)	(20.8)%
Profit attributable to owners of parent	(%)	6.5%	5.2%	(1.3) pt	
		4,628	3,580	(1,047)	(22.6)%

2. Information by segment

(1) Net sales and operating profit

(Unit: Millions of yen)

		Nine Months ended December 31, 2022	Nine Months ended December 31, 2023	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Clean Transport System	Net sales	21,521	15,721	(5,799)	(26.9)%
	Operating profit	4,693	2,250	(2,442)	(52.0)%
Motion Equipment	Net sales	26,357	25,291	(1,066)	(4.0)%
	Operating profit	1,278	1,346	68	5.4%
Power Electronics Equipment	Net sales	12,373	14,316	1,942	15.7%
	Operating profit	183	148	(34)	(19.0)%
Engineering& Service	Net sales	11,403	13,290	1,886	16.5%
	Operating profit	(9)	893	903	-
Adjustment amount	Net sales	-	-	-	-
	Operating profit	(101)	(5)	96	-
Total	Net sales	71,656	68,619	(3,036)	(4.2)%
	Operating profit	6,044	4,634	(1,410)	(23.3)%

(2) Orders received

(Unit: Millions of yen)

	Nine Months ended December 31, 2022	Nine Months ended December 31, 2023	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Clean Transport System	22,759	14,604	(8,155)	(35.8)%
Motion Equipment	29,766	29,646	(119)	(0.4)%
Power Electronics Equipment	24,472	18,605	(5,867)	(24.0)%
Engineering&Service	16,221	16,406	185	1.1%
Total	93,219	79,263	(13,956)	(15.0)%

(3) Balance of orders received

(Unit: Millions of yen)

	As of December 31, 2022	As of December 31, 2023	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Clean Transport System	10,516	6,820	(3,696)	(35.1)%
Motion Equipment	35,000	39,565	4,565	13.0%
Power Electronics Equipment	30,698	34,991	4,293	14.0%
Engineering&Service	13,000	13,204	204	1.6%
Total	89,215	94,582	5,366	6.0%

3. Overseas net sales

(Unit: Millions of yen)

	Nine Months ended December 31, 2022	Nine Months ended December 31, 2023	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Overseas net sales	20,603	19,967	(635)	(3.1)%
Overseas net sales ratio (%)	28.8%	29.1%	0.3 pt	

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

(Unit: Millions of yen)

	Nine Months ended December 31, 2022	Nine Months ended December 31, 2023	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Capital expenditures	4,017	4,744	727	18.1%
Depreciation	2,382	2,568	186	7.8%
Research and development expenses	2,800	2,490	(310)	(11.1)%