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May 12, 2023

Summary of Financial Statements of Fiscal Year Ended March 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 of fiscal year ended March 2023 (April 1, 2022 to March 31, 2023)

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

Fiscal year 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	%
March 31, 2023	108,808	15.0	11,625	54.7	11,997	51.9	8,098	44.8
March 31, 2022	94,585	8.3	7,514	53.6	7,898	64.2	5,593	52.1

Note: Comprehensive income Fiscal year ended March 2023 ¥9,928 million 83.7%
Fiscal year ended March 2022 ¥5,403 million (40.1)%

Fiscal year ended	Profit per share	Diluted profit per share	Return on equity	Return on assets	Return on net sales
	Yen	Yen	%	%	%
March 31, 2023	287.24	–	13.9	9.8	10.7
March 31, 2022	194.99	–	10.6	7.0	7.9

(Reference) Equity in net income of affiliates
Fiscal year ended March 2023 ¥ - million
Fiscal year ended March 2022 ¥ - million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity capital ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	127,321	62,608	49.2	2,220.55
March 31, 2022	116,801	54,090	46.3	1,918.91

(Reference) Equity capital
As of March 31, 2023 ¥62,608 million
As of March 31, 2022 ¥54,090 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	6,034	(4,057)	(1,276)	9,493
March 31, 2022	2,951	(1,847)	(4,761)	8,733

2. Cash dividends

	Annual dividends per share					Total amount of dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of period	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 2022	–	0.00	–	50.00	50.00	1,418	25.6	2.7
Fiscal year ended March 2023	–	0.00	–	75.00	75.00	2,127	26.1	3.6
Fiscal year ending March 2024 (forecast)	–	0.00	–	50.00	50.00		25.2	

Note: Total amount of dividends includes the dividends for Sinfonia Technology's shares held by the Board Benefit Trust (BBT) (¥8 million for fiscal year ended March 2022 and ¥12 million for fiscal year ended March 2023).

3. Consolidated operating results forecast of 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

*** Notes**

- (1) Transfer of key subsidiaries during the fiscal year
(transfer of specific subsidiaries that involve any changes in the scope of consolidation): None
- (2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2023	29,789,122 shares
As of March 31, 2022	29,789,122 shares

b Number of treasury shares at the end of the period

As of March 31, 2023	1,593,904 shares
As of March 31, 2022	1,600,948 shares

c Average number of shares during the period

Fiscal year ended March 2023	28,193,235 shares
Fiscal year ended March 2022	28,687,734 shares

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 fiscal year ended March 2023 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 (169,869 shares in fiscal year ended March 2023 and 175,846 shares in fiscal year ended March 2022).

Reference: Non-consolidated financial results of fiscal year ended March 2023

(April 1, 2022 to March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	84,265	16.9	9,420	72.5	10,537	68.1	7,687	67.8
March 31, 2022	72,093	10.9	5,462	92.9	6,267	82.8	4,580	54.5

	Profit per share	Diluted profit per share
Fiscal year ended	Yen	Yen
March 31, 2023	272.67	—
March 31, 2022	159.67	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity capital ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	yen
March 31, 2023	109,847	50,786	46.2	1,801.23
March 31, 2022	103,101	43,823	42.5	1,554.67

(Reference) Equity capital

As of March 31, 2023

¥50,786 million

As of March 31, 2022

¥43,823 million

* 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. For information related to the financial results forecast, please read “1. Operating Results and Financial Position, etc. (4) Future Outlook” on page 3 of the attachment.

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1. Operating Results and Financial Position

(1) Analysis of Operating Results

The business environment surrounding the Sinfonia Technology Group (the “Group”) during this fiscal year remained generally solid throughout the year, although capital investment in the previously robust semiconductor industry entered an adjustment phase in the second half of the fiscal year. In addition, price surges in resources and raw materials, and parts and materials shortages continued, due to factors including the protracted impact of the Russia-Ukraine situation, weakening of the yen and supply chain instability.

Under such economic conditions, the Group recorded orders received in the amount of ¥125,095 million (up 13.2% year-over-year) and net sales of ¥108,808 million (up 15.0% year-over-year). As for gains and losses, the operating profit was ¥11,625 million (up 54.7% year-over-year), the ordinary profit was ¥11,997 million (up 51.9% year-over-year), and the profit attributable to owners of parent was ¥8,098 million (up 44.8% year-over-year).

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 new reportable segment. In addition, the Support & Engineering business is renamed to the Engineering & Service business. Figures shown for the previous year for comparative analysis have been reclassified into the new reportable segments.

Our business performance by business segment is as follows:

[Motion Equipment business]

Orders received amounted to ¥42,299 million (up 13.7% year-over-year) due to increases in actuators for textile machines, controllers for industrial vehicles, and electromagnetic clutches and brakes for industrial machines, as well as a recovery in demand for aerospace-related equipment and printers for amusement. Accompanying the increase in orders received, net sales were ¥38,680 million (up 20.5% year-over-year). As for gains and losses, increased net sales contributed to an operating profit of ¥2,501 million (up 81.6% year-over-year).

[Power Electronics Equipment business]

Orders received amounted to ¥33,087 million (up 33.8% year-over-year) due to increases in electrical equipment for waterworks and sewer system, power supplies for aircraft maintenance and vacuum melting furnaces, despite a decrease in orders for vibrating equipment for the electronic components industry. Net sales basically remained parallel with the previous fiscal year at ¥20,984 million (down 0.2% year-over-year). As for gains and losses, improved profitability of social infrastructure projects led to an operating profit of ¥1,400 million (compared to an operating loss of ¥33 million in the previous fiscal year).

[Clean Transport System business]

Orders received were ¥28,582 million (down 4.3% year-over-year), but net sales were ¥29,923 million (up 27.0% year-over-year), as capital investment demand in the semiconductor industry entered an adjustment phase in the second half of the fiscal year. As for gains and losses, the impact of increased net sales and foreign exchange led to operating profit of ¥6,346 million (up 40.4% year-over-year).

[Engineering & Service business]

Orders received amounted to ¥21,125 million (up 13.1% year-over-year) and net sales were ¥19,220 million (up 7.4% year-over-year) due to an increase in facility construction, etc. As for gains and losses, operating profit was ¥1,386 million (down 20.6% year-over-year) due to reduced profitability of construction projects, despite an increase in net sales.

(2) Analysis of Financial Position

(Assets)

The total assets as of the end of this fiscal year were ¥127,321 million, which is a year-over-year increase of ¥10,520 million. This is primarily the result of an increase in inventories, in notes and accounts receivable - trade, and contract assets, and in property, plant and equipment by ¥3,197 million, ¥2,486 million, and ¥2,478 million, respectively.

(Liabilities)

The liabilities as of the end of this fiscal year were ¥64,713 million, which is year-over-year increase of ¥2,002 million. This is primarily the result of an increase in other current liabilities, in deferred tax liabilities, in accrued consumption taxes and in accrued expenses by ¥2,549 million, ¥489 million, ¥309 million and ¥286 million, respectively, as well as a decrease in notes and accounts payable - trade by ¥1,880 million.

(Net assets)

The net assets as of the end of this fiscal year were ¥62,608 million, which is year-over-year increase of ¥8,518 million. This is the result of increases in retained earnings by ¥6,679 million due to recording the profit attributable to owners of parent, and in remeasurements of defined benefit plans by ¥807 million, respectively.

(3) Cash Flows

The cash and cash equivalents (the “funds”) of this fiscal year on a consolidated basis was ¥9,493 million as of the end of this fiscal year, increasing by ¥759 million compared to that as of the end of the previous fiscal year.

The status of cash flows by activity and the factors thereof are as follows:

(Cash flows from operating activities)

The amount of increase in funds from operating activities in this fiscal year was ¥6,034 million. This is the result of increases in inventories by ¥3,001 million and in trade receivables by ¥2,367 million, and a decrease in trade payables by ¥2,260 million, together with the recording of profit before income taxes of ¥10,807 million, and the recording of depreciation of ¥3,233 million.

(Cash flows from investing activities)

The amount of decrease in funds from investing activities in this fiscal year was ¥4,057 million. This is the result of the purchase of property, plant and equipment in the amount of ¥3,801 million.

(Cash flows from financing activities)

The amount of decrease in funds from financing activities in this fiscal year was ¥1,276 million. This is the result of a payout of dividends of ¥1,407 million.

(4) Future Outlook

Regarding the outlook for the future, the Group expects conditions to remain challenging in the short term because the timing of capital investment recovery in the semiconductor industry is uncertain and the impact of surging material prices and rising logistics costs is forecast to continue. However, there are signs of a recovery in demand for electronics for industrial use related to clean energy, testing equipment for the automotive industry due to the shift to EVs, and to items such as vibrating equipment.

As semiconductor capital investment is expected to recover in the medium-term, the Group is increasing production capacity for clean transport systems and moving forward in development of new products for semiconductor manufacturing equipment. The Group continues working toward achieving the goals of the medium-term management plan, SINFONIA NEW STAGE 2024.

The forecast for the fiscal year ending March 2024 as of this date is as follows:

Future prospects for consolidated business performance

(Unit: Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated full-year financial results forecast of fiscal year ending March 2024	100,000	8,000	8,000	5,600
Consolidated full-year financial results of fiscal year ended March 2023 (Reference)	108,808	11,625	11,997	8,098
Increase/Decrease rate	(8.1)%	(31.2)%	(33.3)%	(30.8)%

Note: 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.

2. Mid-to-long term management strategies and issues to be addressed

The Group has formulated a three-year group medium-term management plan starting from fiscal 2022 and is currently working on the implementation of efforts.

[Overview of the medium-term management plan]

To achieve continuous growth, we will focus on the development of new products and cultivating new businesses, thereby transforming our product portfolio and contributing to corporate growth at a higher level as well as sustainable development of society.

I. Name of plan: SINFONIA NEW STAGE 2024

II. Basic policy of the medium-term management plan

During the period from fiscal 2022 to 2024, with strengthening technological development capability and new product/business creation activities as our top-priority theme, we will focus our efforts on semiconductor-related area to increase its share of overall sales and to solidify its position as a growth driver.

We will also pursue a transformation of our product portfolio by actively engaging in the development of new products related to logistics, regenerative medicine, and decarbonization.

(i) Transformation of product composition by means of improving technological development capability

We will pursue expansion in the areas of motor drives, power electronics, and system control technologies. In particular, we will actively seek M&A and collaborations with academia to make a change in our product portfolio in the areas related to semiconductor transfers, logistics transportation robot systems, and energy management.

(ii) Efforts toward decarbonization and reduction of environmental burdens

Toward the sustainable growth of the society and the Group, we will endeavor to reduce GHG emissions, furthermore, we will shift to products that lead to a reduction in GHG emissions for our end customers.

(iii) Expansion of global business

To realize swift response to our customers across the globe, we will pursue expansion of global business by enhancing the functions of our group companies in Asia and North America.

(iv) Improvement of product competitiveness and production capacity

We will actively work on digitalization of products and automation of production in order to step up our product competitiveness and production capacity, thereby improving our earning power.

(v) Organizational and cultural reform

To build a sustainable corporate culture and with a view to medium-to-long term growth, we seek to transform into an enterprise that supports people who can and will take on challenges, through enhancement of employee education/assessment system and organizational reform to flexibly respond to the business environment.

III. Targets of the medium-term management plan

(1) Quantitative targets

	Fiscal 2022 results	Fiscal 2024 targets
Net sales	108.8 billion yen	110 billion yen
Operating profit margin	10.7%	9.0% or higher
ROE	13.9%	10.0% or higher

ROE = Profit attributable to owners of parent / Net assets (average of net assets at the beginning and end of fiscal year)

(2) Basic policy for shareholder return

Our basic policy is to offer a dividend payout of 25% or higher, aiming at a transformation of product portfolio, investment for growth to step up production capacity, sound finances, and a stable shareholder return.

3. Basic concept for the selection of accounting standard

The Group will continue to prepare consolidated financial statements based on Japanese standards for the time being in order to ensure the possibility of comparison of financial statements between companies and over time.

We intend to appropriately deal with the application of the International Financial Reporting Standards (IFRS) upon considering domestic and international affairs.

4. Consolidated financial statements and major notes

(1) Consolidated balance sheet

(Unit: Millions of yen)

	Previous fiscal year (March 31, 2022)	Current fiscal year (March 31, 2023)
Assets		
Current assets		
Cash and deposits	8,734	9,494
Notes and accounts receivable - trade, and contract assets	34,844	37,331
Merchandise and finished goods	2,053	2,467
Work in process	10,336	9,582
Raw materials and supplies	11,187	14,725
Other	689	777
Allowance for doubtful accounts	(43)	(80)
Total current assets	67,803	74,297
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,973	10,936
Machinery, equipment and vehicles, net	3,040	3,197
Tools, furniture and fixtures, net	1,303	1,403
Land	14,573	14,619
Leased assets, net	63	56
Construction in progress	403	2,620
Total property, plant and equipment	30,356	32,834
Intangible assets		
Investments and other assets		
Investment securities	11,015	12,039
Retirement benefit asset	3,004	4,026
Deferred tax assets	781	1,011
Other	1,984	1,876
Allowance for doubtful accounts	(159)	(130)
Total investments and other assets	16,626	18,822
Total non-current assets	48,998	53,024
Total assets	116,801	127,321

(Unit: Millions of yen)

	Previous fiscal year (March 31, 2022)	Current fiscal year (March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,151	12,270
Electronically recorded obligations - operating	8,742	8,549
Short-term borrowings	7,170	7,360
Current portion of long-term borrowings	3,335	2,981
Accrued expenses	5,389	5,675
Income taxes payable	1,794	1,955
Accrued consumption taxes	519	828
Provision for product warranties	411	395
Provision for loss on orders received	545	324
Other	3,202	5,751
Total current liabilities	45,261	46,093
Non-current liabilities		
Long-term borrowings	11,278	11,617
Deferred tax liabilities	769	1,258
Deferred tax liabilities for land revaluation	1,669	1,669
Provision for retirement benefits for directors (and other officers)	137	123
Provision for share awards for directors (and other officers)	59	100
Provision for environmental measures	3	8
Retirement benefit liability	2,779	3,056
Other	751	784
Total non-current liabilities	17,449	18,619
Total liabilities	62,710	64,713
Net assets		
Shareholders' equity		
Share capital	10,156	10,156
Capital surplus	452	452
Retained earnings	33,562	40,242
Treasury shares	(1,963)	(1,955)
Total shareholders' equity	42,209	48,896
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,214	5,933
Deferred gains or losses on hedges	-	(3)
Revaluation reserve for land	3,913	3,913
Foreign currency translation adjustment	376	683
Remeasurements of defined benefit plans	2,377	3,185
Total accumulated other comprehensive income	11,881	13,712
Total net assets	54,090	62,608
Total liabilities and net assets	116,801	127,321

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Unit: Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Net sales	94,585	108,808
Cost of sales	73,146	82,076
Gross profit	21,439	26,731
Selling, general and administrative expenses	13,924	15,106
Operating profit	7,514	11,625
Non-operating income		
Interest and dividend income	234	347
Foreign exchange gains	310	243
Transfer of rights income	99	–
Other	167	152
Total non-operating income	811	742
Non-operating expenses		
Interest expenses	146	144
Donations	5	44
Other	274	181
Total non-operating expenses	427	370
Ordinary profit	7,898	11,997
Extraordinary losses		
Loss on liquidation of non-current assets	–	530
Retirement benefit expenses	–	659
Total extraordinary losses	–	1,189
Profit before income taxes	7,898	10,807
Income taxes - current	2,326	3,101
Income taxes - deferred	(21)	(391)
Total income taxes	2,304	2,709
Profit	5,593	8,098
Profit attributable to owners of parent	5,593	8,098

(Consolidated statement of comprehensive income)

(Unit: Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Profit	5,593	8,098
Other comprehensive income		
Valuation difference on available-for-sale securities	(403)	718
Deferred gains or losses on hedges	–	(3)
Foreign currency translation adjustment	116	307
Remeasurements of defined benefit plans, net of tax	97	807
Total other comprehensive income	(189)	1,830
Comprehensive income	5,403	9,928
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,403	9,928
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated statement of changes in equity

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,156	452	29,007	(333)	39,283
Changes during period					
Dividends of surplus			(1,038)		(1,038)
Profit attributable to owners of parent			5,593		5,593
Purchase of treasury shares				(1,632)	(1,632)
Disposal of treasury shares		0		2	2
Net changes in items other than shareholders' equity					
Total changes during period	–	0	4,555	(1,629)	2,925
Balance at end of period	10,156	452	33,562	(1,963)	42,209

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,617	–	3,913	259	2,280	12,071	51,354
Changes during period							
Dividends of surplus							(1,038)
Profit attributable to owners of parent							5,593
Purchase of treasury shares							(1,632)
Disposal of treasury shares							2
Net changes in items other than shareholders' equity	(403)	–	–	116	97	(189)	(189)
Total changes during period	(403)	–	–	116	97	(189)	2,736
Balance at end of period	5,214	–	3,913	376	2,377	11,881	54,090

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,156	452	33,562	(1,963)	42,209
Changes during period					
Dividends of surplus			(1,418)		(1,418)
Profit attributable to owners of parent			8,098		8,098
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				8	8
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,679	7	6,687
Balance at end of period	10,156	452	40,242	(1,955)	48,896

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,214	–	3,913	376	2,377	11,881	54,090
Changes during period							
Dividends of surplus							(1,418)
Profit attributable to owners of parent							8,098
Purchase of treasury shares							(0)
Disposal of treasury shares							8
Net changes in items other than shareholders' equity	718	(3)	–	307	807	1,830	1,830
Total changes during period	718	(3)	–	307	807	1,830	8,518
Balance at end of period	5,933	(3)	3,913	683	3,185	13,712	62,608

(4) Consolidated statement of cash flows

(Unit: Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	7,898	10,807
Depreciation	3,203	3,233
Increase (decrease) in provision for product warranties	207	(16)
Increase (decrease) in provision for loss on orders received	(326)	(220)
Increase (decrease) in net defined benefit asset and liability	17	402
Increase (decrease) in provision for retirement benefits for directors (and other officers)	12	(13)
Increase (decrease) in provision for share awards for directors (and other officers)	34	41
Increase (decrease) in provision for environmental measures	(294)	5
Increase (decrease) in allowance for doubtful accounts	(5)	7
Interest and dividend income	(234)	(347)
Interest expenses	146	144
Loss on liquidation of non-current assets	–	530
Decrease (increase) in trade receivables	(5,188)	(2,367)
Decrease (increase) in inventories	(7,353)	(3,001)
Increase (decrease) in trade payables	5,877	(2,260)
Increase (decrease) in accrued consumption taxes	(710)	362
Other	1,057	1,523
Subtotal	4,340	8,831
Interest and dividends received	234	347
Interest paid	(148)	(145)
Income taxes paid	(1,475)	(2,998)
Net cash provided by (used in) operating activities	2,951	6,034
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,379)	(3,801)
Purchase of intangible assets	(227)	(279)
Purchase of investment securities	(15)	(11)
Other	(224)	34
Net cash provided by (used in) investing activities	(1,847)	(4,057)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,000)	187
Proceeds from long-term borrowings	2,700	3,320
Repayments of long-term borrowings	(2,706)	(3,335)
Purchase of treasury shares	(1,632)	(0)
Dividends paid	(1,036)	(1,407)
Other	(85)	(39)
Net cash provided by (used in) financing activities	(4,761)	(1,276)
Effect of exchange rate change on cash and cash equivalents	32	59
Net increase (decrease) in cash and cash equivalents	(3,625)	759
Cash and cash equivalents at beginning of period	12,358	8,733
Cash and cash equivalents at end of period	8,733	9,493

(5) Notes on consolidated financial statements

(Notes on going concern)

Not applicable.

(Additional information)

(Retirement benefit liability)

One of the Company's consolidated subsidiaries has changed its method of calculating retirement benefit obligations from the simplified method to the principle method effective as of the end of this fiscal year. This change was made to calculate periodic retirement benefit expenses more appropriately in accordance with the increase in the number of employees. As a result of this change, retirement benefit liability increased by ¥659 million at the end of this fiscal year, and the same amount was recorded as retirement benefit expenses under extraordinary losses.

(Introduction of the Board Benefit Trust (BBT) for directors, etc.)

Based on a resolution at the 95th annual shareholders' meeting held on June 27, 2019, the Company has introduced the Board Benefit Trust (BBT), which is a performance share system targeting directors who are not outside directors and executive officers who are not also directors (collectively, the "Directors, etc.>").

1. Outline of transactions

The BBT is a performance share system that uses the money contributed by the Company as a fund to acquire the Company's shares through a trust (the "Trust," as established based on the BBT) to provide the Directors, etc. with the Company's shares and the money equivalent to the amount obtained by converting the Company's shares using market value (the "Company's Shares, etc.>") through the Trust according to the regulations for share awards for directors and other officers formulated by the Company. In principle, Directors, etc. will receive their payment of the Company's Shares, etc. at the time of their resignation as Directors, etc.

2. Company's shares remaining with the Trust

The Company's shares remaining with the Trust are recorded as treasury shares in the net assets, based on the book value given by the Trust (excluding the amount of ancillary expenses). The book value and the number of the said treasury shares as of the end of the previous fiscal year were ¥197 million and 175,200 shares, and as of the end of the current fiscal year were ¥188 million and 167,500 shares.

(Segment information)

1. Information on the respective amounts of net sales, gain or loss, assets, and other items for each reportable segment

Previous fiscal year (From April 1, 2021 to March 31, 2022)

(Unit: Millions of yen)

	Reportable segment					Adjustment amount (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Motion Equipment	Power Electronics Equipment	Clean Transport System	Engineering & Service	Total		
Net sales							
Net sales to external customers	32,094	21,033	23,558	17,899	94,585	–	94,585
Internal net sales or transfer between segments	245	795	–	4,406	5,446	(5,446)	–
Total	32,339	21,828	23,558	22,306	100,032	(5,446)	94,585
Segment gain or loss	1,377	(33)	4,519	1,746	7,611	(96)	7,514
Segment assets	41,007	27,540	18,560	15,190	102,298	14,503	116,801
Other items							
Depreciation	1,452	1,025	541	183	3,203	–	3,203
Increase in property, plant and equipment and intangible assets	783	469	725	114	2,091	–	2,091

Notes:

1. The major details on the adjustment amount are as follows:
 - (1) The adjustment amount for the segment gain or loss is based on inter-segment transaction eliminations, etc.
 - (2) The adjustment amount for segment assets includes the company-wide assets of ¥18,275 million, which does not belong to any reportable segment, and the inter-segment eliminations, etc. ¥(3,772) million. The company-wide assets include the Company's surplus funds (cash and deposits) and long-term investment funds (investment securities).
2. The segment gain or loss is adjusted with the operating profit or loss in the consolidated statement of income.

Current fiscal year (From April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

	Reportable segment					Adjustment amount (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Motion Equipment	Power Electronics Equipment	Clean Transport System	Engineering & Service	Total		
Net sales							
Net sales to external customers	38,680	20,984	29,923	19,220	108,808	–	108,808
Internal net sales or transfer between segments	302	900	–	4,594	5,798	(5,798)	–
Total	38,983	21,885	29,923	23,814	114,606	(5,798)	108,808
Segment gain or loss	2,501	1,400	6,346	1,386	11,635	(9)	11,625
Segment assets	44,307	27,507	21,695	17,616	111,127	16,194	127,321
Other items							
Depreciation	1,438	1,040	584	171	3,233	–	3,233
Increase in property, plant and equipment and intangible assets	1,948	1,190	1,877	148	5,165	–	5,165

Notes:

1. The major details on the adjustment amount are as follows:

- (1) The adjustment amount for the segment gain or loss is based on inter-segment transaction eliminations, etc.
 - (2) The adjustment amount for segment assets includes the company-wide assets of ¥19,544 million, which does not belong to any reportable segment, and the inter-segment eliminations, etc. ¥(3,349) million. The company-wide assets include the Company's surplus funds (cash and deposits) and long-term investment funds (investment securities).
2. The segment gain or loss is adjusted with the operating profit or loss in the consolidated statement of income.

2. Matters related to changes in reportable segment

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 previous fiscal year is based on the reportable segment classification after the change.

(Per-share information)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Amount of net assets per share	1,918.91 yen	2,220.55 yen
Profit per share or loss per share	194.99 yen	287.24 yen

Notes:

1. Diluted profit per share is not listed due to there being no potential shares.
2. The Company's shares remaining with the Board Benefit Trust (BBT) that are recorded as treasury shares in the shareholders' equity are included in the number of treasury shares deducted from the number of shares issued at end of period for the calculation of the amount of net assets per share. These shares are also included in the treasury shares deducted in the calculation of the average number of shares during the period.

for the calculation of profit or loss per share. For the calculation of the amount of net assets per share, the number of the said deducted treasury shares at end of period was 175,200 shares in the previous fiscal year and 167,500 shares in the current fiscal year. For the calculation of the profit or loss per share, the average number of the said deducted treasury shares during the period was 175,846 shares in the previous fiscal year and 169,869 shares in the current fiscal year.

3. The basis of calculation for the profit or loss per share is as follows:

Item	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Profit (loss) attributable to owners of parent (Millions of yen)	5,593	8,098
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit (loss) attributable to owners of parent for common shares (Millions of yen)	5,593	8,098
Average number of common shares during the period (Thousands of shares)	28,687	28,193

(Significant subsequent events)

Not applicable.

Supplementary Information for the Financial Results of Fiscal Year Ended
March 2023 [Fiscal 2022] (Consolidated)

May 12, 2023
SINFONIA TECHNOLOGY CO., LTD.

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

		Fiscal 2021	Fiscal 2022	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Net sales		94,585	108,808	14,222	15.0%
Operating profit	(%)	7.9%	10.7%	2.8pt	
		7,514	11,625	4,111	54.7%
Ordinary profit	(%)	8.4%	11.0%	2.6pt	
		7,898	11,997	4,098	51.9%
Profit attributable to owners of parent	(%)	5.9%	7.4%	1.5pt	
		5,593	8,098	2,504	44.8%

2. Information by segment

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

		Fiscal 2021	Fiscal 2022	YOY increase/decrease	Increase/Decrease rate
		(A)	(B)	(B) - (A)	
Motion Equipment	Net sales	32,094	38,680	6,586	20.5%
	Operating profit	1,377	2,501	1,123	81.6%
Power Electronics Equipment	Net sales	21,033	20,984	(48)	(0.2)%
	Operating profit	(33)	1,400	1,434	–
Clean Transport System	Net sales	23,558	29,923	6,364	27.0%
	Operating profit	4,519	6,346	1,826	40.4%
Engineering & Service	Net sales	17,899	19,220	1,320	7.4%
	Operating profit	1,746	1,386	(360)	(20.6)%
Adjustment amount	Net sales	–	–	–	–
	Operating profit	(96)	(9)	87	–
Total	Net sales	94,585	108,808	14,222	15.0%
	Operating profit	7,514	11,625	4,111	54.7%

(2) Orders received

(Unit: Millions of yen)

	Fiscal 2021	Fiscal 2022	YOY increase/decrease	Increase/Decrease rate
	(A)	(B)	(B) - (A)	
Motion Equipment	37,186	42,299	5,112	13.7%
Power Electronics Equipment	24,731	33,087	8,356	33.8%
Clean Transport System	29,861	28,582	(1,278)	(4.3)%
Engineering & Service	18,686	21,125	2,439	13.1%
Total	110,465	125,095	14,629	13.2%

(3) Balance of orders received

(Unit: Millions of yen)

	Fiscal 2021	Fiscal 2022	YOY increase/decrease	Increase/Decrease rate
	(A)	(B)	(B) - (A)	
Motion Equipment	31,591	35,210	3,618	11.5%
Power Electronics Equipment	18,599	30,702	12,103	65.1%
Clean Transport System	9,278	7,937	(1,340)	(14.5)%
Engineering & Service	8,182	10,088	1,905	23.3%
Total	67,652	83,939	16,286	24.1%

3. Overseas net sales

(Unit: Millions of yen)

	Fiscal 2021	Fiscal 2022	YOY increase/decrease	Increase/Decrease rate
	(A)	(B)	(B) - (A)	
Overseas net sales	23,221	27,990	4,768	20.5%
Overseas net sales ratio (%)	24.6%	25.7%	1.1pt	

4. Cash flows

(Unit: Millions of yen)

	Fiscal 2021	Fiscal 2022	YOY increase/decrease	Increase/Decrease rate
	(A)	(B)	(B) - (A)	
Operating cash flow	2,951	6,034	3,083	104.5%
Investing cash flow	(1,847)	(4,057)	(2,210)	–
Free cash flow	1,103	1,976	873	79.1%
Financing cash flow	(4,761)	(1,276)	3,484	–
Cash and cash equivalents at end of period	8,733	9,493	759	8.7%

5. Capital expenditures, depreciation, and research and development expenses (Unit: Millions of yen)

	Fiscal 2021	Fiscal 2022	YOY increase/decrease	
	(A)	(B)	(B) - (A)	Increase/Decrease rate
Capital expenditures	2,091	5,165	3,073	146.9%
Depreciation	3,203	3,233	30	1.0%
Research and development expenses	2,888	3,894	1,005	34.8%