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February 14, 2024

## Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)

Company name: MIDAC HOLDINGS CO., LTD.  
 Listing: Tokyo Stock Exchange, Nagoya Stock Exchange  
 Securities code: 6564  
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 Scheduled date to file quarterly securities report: February 14, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	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	6,895	19.8	2,451	26.4	2,399	26.6	1,251	9.3
December 31, 2022	5,757	23.8	1,939	8.8	1,894	8.4	1,144	15.8

Note: Comprehensive income For the nine months ended December 31, 2023: ¥1,252 million [9.4%]  
 For the nine months ended December 31, 2022: ¥1,144 million [15.8%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	45.29	45.29
December 31, 2022	41.51	41.50

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	25,893	12,127	46.7
March 31, 2023	21,607	10,983	50.7

Reference: Equity  
 As of December 31, 2023: ¥12,100 million  
 As of March 31, 2023: ¥10,965 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	0.00	–	5.00	5.00
Fiscal year ending March 31, 2024	–	0.00	–		
Fiscal year ending March 31, 2024 (Forecast)				8.00	8.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	9,307	19.8	3,354	21.7	3,196	18.7	1,728	2.6	62.57

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes  
Newly included: 2 companies (ENSHU CRUSHED STONE CO., LTD., FRIEND SANITARY CO., LTD.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	27,773,500 shares
As of March 31, 2023	27,773,500 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2023	115,162 shares
As of March 31, 2023	170,001 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	27,633,591 shares
Nine months ended December 31, 2022	27,573,586 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

The forward-looking statements including business results forecasts in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors. For the suppositions that form the assumptions for earnings forecasts and points to note concerning the use thereof, please refer to “1. Qualitative information regarding financial results for the nine months ended December 31, 2023 (3) Explanation regarding consolidated earnings forecasts and other forward-looking statements” on page 3 of the attached materials.

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## 1. Qualitative information regarding financial results for the nine months ended December 31, 2023

### (1) Explanation regarding operating results

In the nine months ended December 31, 2023, the Japanese economy, moving toward normalization of economic activities, showed a gradual recovery trend. On the other hand, the outlook remains uncertain given factors including soaring resource prices due to the unstable political situation globally and significant depreciation of the yen.

Under these circumstances, the MIDAC HOLDINGS Group (the “Group”) has been promoting proactive M&A investments to accelerate the reinforcement of the growth foundation as well as to strengthen the profitability of existing businesses.

As for the current business situation, in accordance with the first phase of the medium-term management plan through the fiscal year ending March 31, 2027, the Group has been focused on achieving organic growth, working to secure contracted waste volume at the controlled landfill site “Okuyama-No-Mori Clean Center” in particular. As a result, contracted volumes at the “Okuyama-No-Mori Clean Center” and other landfill sites remained strong, mainly due to a pick-up in private sector capital investment in response to the recovery trend in the external environment. Furthermore, the Group enhanced profitability by continuing to promote the passing on of prices in response to increasing treatment expenses associated with the sharp rise in raw material prices, etc.

Since ENSHU CRUSHED STONE CO., LTD. (crushed stone manufacturing business) and FRIEND SANITARY CO., LTD. (human raw waste collection and transportation business, general waste collection and transportation business) were deemed acquired at the end of the six months ended September 30, 2023, their results started being reflected in operating results from the nine months ended December 31, 2023.

As a result of the above, for the nine months ended December 31, 2023, net sales amounted to 6,895 million yen (+19.8% year-on-year), operating profit amounted to 2,451 million yen (+26.4%), ordinary profit amounted to 2,399 million yen (+26.6%), and profit attributable to owners of parent amounted to 1,251 million yen (+9.3%), meaning that both sales and profits increased, and the Group achieved its highest ever net sales and profit at each stage of profit for the third quarter.

Business performance by segment was as follows.

#### (i) Waste treatment business

The contracted waste volume, primarily large-scale transactions with the construction industry, increased significantly due to expanding the acceptance quota at the controlled landfill site “Okuyama-No-Mori Clean Center” by MIDAC CO., LTD., a consolidated subsidiary that operates landfill sites. As a result of the above, net sales amounted to 5,958 million yen (+16.1%) and segment profit amounted to 3,217 million yen (+27.4%).

#### (ii) Collection and transportation business

In the industrial waste business, unit prices per contract improved and net sales remained stable as a result of the implementation of price revisions due to soaring prices. In the area of general waste, the volume of contracts increased as a result of our efforts to cultivate new customers in addition to the collection volume of general waste created by restaurants, etc. showing a growth trend due to the shift in classification of COVID-19 under the Infectious Diseases Act. Net sales increased on the prior period, given they also reflect the results of FRIEND SANITARY CO., LTD., which became a consolidated subsidiary in September 2023. As a result of the above, net sales amounted to 831 million yen (+56.8%) and segment profit amounted to 141 million yen (+119.8%).

#### (iii) Intermediary management business

Intermediary services for partner companies was also stable due to factors such as large-scale construction projects. As a result of the above, net sales amounted to 91 million yen (-1.6%) and segment profit amounted to 63 million yen (+13.1%).

**(2) Explanation regarding financial position***(Assets)*

Current assets as of December 31, 2023 amounted to 9,448 million yen, an increase of 1,614 million yen from the end of the previous fiscal year. This was mainly due to an increase in cash and deposits of 1,352 million yen. In addition, non-current assets amounted to 16,445 million yen, an increase of 2,671 million yen from the end of the previous fiscal year. This was mainly due to a 1,915 million yen increase in property, plant and equipment including land, and a 341 million yen increase in intangible assets including goodwill.

As a result, total assets amounted to 25,893 million yen, an increase of 4,286 million yen from the end of the previous fiscal year.

*(Liabilities)*

Current liabilities as of December 31, 2023 amounted to 6,454 million yen, an increase of 2,524 million yen from the end of the previous fiscal year. This was mainly due to an increase in short-term borrowings of 2,800 million yen. In addition, non-current liabilities amounted to 7,311 million yen, an increase of 617 million yen from the end of the previous fiscal year. This was mainly due to an increase in provision for retirement benefits for directors (and other officers) of 758 million yen and a decrease in long-term borrowings of 282 million yen.

As a result, total liabilities amounted to 13,765 million yen, an increase of 3,142 million yen from the end of the previous fiscal year.

*(Net assets)*

Total net assets as of December 31, 2023 amounted to 12,127 million yen, an increase of 1,143 million yen from the end of the previous fiscal year. This was mainly due to factors such as an increase in retained earnings of 1,114 million yen as a result of the recording of profit attributable to owners of parent of 1,251 million yen, etc.

**(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements**

The consolidated earnings forecasts have been revised from the forecasts announced on May 12, 2023. For details, please refer to “Notice Regarding Revisions to Earnings Forecasts” announced today (February 14, 2024) (in Japanese only).

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,540,406	7,893,287
Notes and accounts receivable - trade	968,534	1,248,916
Inventories	92,548	77,907
Other	233,865	231,002
Allowance for doubtful accounts	(1,384)	(2,798)
Total current assets	7,833,970	9,448,315
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,070,317	1,080,996
Machinery, equipment and vehicles, net	604,867	725,495
Landfill site, net	5,175,517	4,951,614
Land	2,851,551	4,581,169
Construction in progress	1,898,153	2,177,653
Other, net	73,625	72,823
Total property, plant and equipment	11,674,033	13,589,752
Intangible assets		
Goodwill	934,520	1,287,663
Facility installation right	120,300	90,225
Other	33,405	51,610
Total intangible assets	1,088,225	1,429,499
Investments and other assets		
Deferred tax assets	280,499	624,997
Other	730,834	801,019
Total investments and other assets	1,011,334	1,426,017
Total non-current assets	13,773,592	16,445,269
Total assets	21,607,562	25,893,584

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	52,449	56,759
Short-term borrowings	1,290,000	4,090,000
Current portion of bonds payable	16,000	–
Current portion of long-term borrowings	994,657	986,046
Income taxes payable	489,389	382,010
Accounts payable - other	525,731	457,168
Provision for bonuses	98,582	59,975
Other	462,891	422,558
Total current liabilities	3,929,701	6,454,517
Non-current liabilities		
Bonds payable	200,000	200,000
Long-term borrowings	5,528,913	5,246,657
Deferred tax liabilities	–	85,772
Retirement benefit liability	–	1,561
Provision for retirement benefits for directors (and other officers)	–	758,000
Provision for maintenance of landfill site	795,238	857,919
Asset retirement obligations	112,505	112,530
Other	57,306	48,820
Total non-current liabilities	6,693,963	7,311,261
Total liabilities	10,623,664	13,765,778
<b>Net assets</b>		
Shareholders' equity		
Share capital	90,000	90,000
Capital surplus	4,934,175	4,905,514
Retained earnings	6,093,745	7,208,097
Treasury shares	(152,190)	(103,286)
Total shareholders' equity	10,965,730	12,100,326
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	457
Total accumulated other comprehensive income	–	457
Share acquisition rights	18,167	27,021
Total net assets	10,983,897	12,127,805
Total liabilities and net assets	21,607,562	25,893,584



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

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	5,757,107	6,895,404
Cost of sales	2,404,702	2,709,404
Gross profit	3,352,405	4,185,999
Selling, general and administrative expenses	1,412,405	1,734,780
Operating profit	1,939,999	2,451,219
Non-operating income		
Interest income	110	315
Rental income from real estate	9,753	11,012
Gain on sale of non-current assets	8,079	6,021
Other	8,783	6,663
Total non-operating income	26,727	24,013
Non-operating expenses		
Interest expenses	61,484	63,602
Other	10,396	12,027
Total non-operating expenses	71,881	75,629
Ordinary profit	1,894,845	2,399,602
Profit before income taxes	1,894,845	2,399,602
Income taxes	750,202	1,147,940
Profit	1,144,643	1,251,662
Profit attributable to owners of parent	1,144,643	1,251,662

**Consolidated statement of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,144,643	1,251,662
Other comprehensive income		
Valuation difference on available-for-sale securities	-	457
Total other comprehensive income	-	457
Comprehensive income	1,144,643	1,252,119
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,144,643	1,252,119

**(3) Notes to quarterly consolidated financial statements**  
**(Notes on premise of going concern)**

Not applicable.

**(Notes on significant changes in the amount of shareholders' equity)**

Based on the resolution of the Board of Directors meeting held on June 29, 2023, 49,305 shares of treasury stock were disposed of on July 28, 2023 as restricted shares based compensation to the Company's directors. Based on the resolution of the Board of Directors meeting held on August 30, 2023, 5,850 shares of treasury stock were disposed of on September 22, 2023 as restricted shares based compensation to the directors of subsidiaries of the Company. As a result, capital surplus decreased by 28,660 thousand yen and treasury shares decreased by 48,904 thousand yen during the nine months ended December 31, 2023, including the increase due to the purchase of odd-lot shares.

As a result of the above, capital surplus and treasury shares amounted to 4,905,514 thousand yen and 103,286 thousand yen, respectively, at the end of the nine months ended December 31, 2023.

**(Segment information)****Segment information**

I Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

Information on the amounts of net sales, profit or loss and information on disaggregation of revenue by reportable segment

(Thousands of yen)

	Reportable segments				Adjustments Note: 1	Amount recorded on quarterly consolidated statement of income Note: 2
	Waste treatment	Collection and transportation	Intermediary management	Total		
Net sales						
Revenue from contracts with customers	5,133,730	530,423	92,952	5,757,107	–	5,757,107
Sales to external customers	5,133,730	530,423	92,952	5,757,107	–	5,757,107
Intersegment sales or transfers	176,189	6,993	7,449	190,632	(190,632)	–
Total	5,309,920	537,417	100,402	5,947,739	(190,632)	5,757,107
Segment profit	2,525,894	64,450	55,963	2,646,308	(706,308)	1,939,999

Notes: 1. The adjustments to segment profit of (706,308) thousand yen are mainly corporate expenses that are not allocated to each reportable segment.

2. Segment profit is adjusted with operating profit in the consolidated statement of income.

II Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

Information on the amounts of net sales, profit or loss and information on disaggregation of revenue by reportable segment

(Thousands of yen)

	Reportable segments				Other Note: 1	Adjustments Note: 2	Amount recorded on quarterly consolidated statement of income Note: 3
	Waste treatment	Collection and transportation	Intermediary management	Total			
Net sales							
Revenue from contracts with customers	5,958,723	831,443	91,476	6,881,642	13,761	–	6,895,404
Sales to external customers	5,958,723	831,443	91,476	6,881,642	13,761	–	6,895,404
Intersegment sales or transfers	266,118	7,089	11,923	285,132	103	(285,235)	–
Total	6,224,841	838,532	103,400	7,166,774	13,865	(285,235)	6,895,404
Segment profit	3,217,833	141,642	63,311	3,422,786	(10,334)	(961,232)	2,451,219

Notes: 1. The “Other” category is a business segment that is not included in the reportable segment.

2. The adjustments to segment profit of (961,232) thousand yen are mainly corporate expenses that are not allocated to each reportable segment.

3. Segment profit is adjusted with operating profit in the consolidated statement of income.