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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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MEMBERSHIP

October 29, 2021

## Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2022 <under Japanese GAAP>

Company name: **MEISEI INDUSTRIAL CO., LTD.**  
Listing: First Section of Tokyo Securities Exchange  
Securities code: 1976  
URL: <https://www.meisei-kogyo.co.jp/en/>  
Representative: Toshiteru Otani, Representative Director, Chairman and Chief Executive Officer (CEO)  
Inquiries: Susumu Yamamoto, General Manager of Finance Division  
TEL: +81-6-6447-0275

Scheduled date to file quarterly securities report: November 11, 2021  
Scheduled date to commence dividend payments: November 18, 2021  
Preparation of supplementary material on quarterly financial results: None  
Holding of quarterly financial results presentation meeting: None

(Note: Millions of yen with fractional amounts discarded, unless otherwise noted)

### 1. Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2022 (from April 1, 2021 to September 30, 2021)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Six months 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	%
September 30, 2021	22,323	(4.8)	1,962	(19.1)	2,167	(16.3)	1,423	(18.5)
September 30, 2020	23,441	(2.5)	2,426	(10.0)	2,589	(9.7)	1,746	(10.2)

Note: Comprehensive income  
Six months ended September 30, 2021: ¥1,566 million [(13.4)%]  
Six months ended September 30, 2020: ¥1,809 million [(0.2)%]

Six months ended	Net income per share	Diluted net income per share
	Yen	Yen
September 30, 2021	27.76	—
September 30, 2020	34.07	—

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
September 30, 2021	69,265	55,037	78.9	1,066.18
March 31, 2021	68,920	54,365	78.3	1,053.19

Reference: Shareholders' equity  
As of September 30, 2021: ¥54,665 million  
As of March 31, 2021: ¥53,999 million

## 2. Cash Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2021	–	10.00	–	20.00	30.00
Fiscal year ending					
March 31, 2022	–	10.00			
Fiscal year ending					
March 31, 2022 (Forecast)			–	14.00	24.00

Note: Revisions to the cash dividend forecasts most recently announced: None

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending									
March 31, 2022	50,000	(1.1)	5,100	(20.3)	5,300	(21.4)	3,550	(22.8)	69.24

Note: Revisions to the 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): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements after error corrections
  - a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatements of prior period financial statements after error corrections: None

### (4) Number of issued shares (common shares)

#### a. Total number of issued shares at end of period (including treasury shares)

As of September 30, 2021	59,386,718 shares
As of March 31, 2021	59,386,718 shares

#### b. Number of treasury shares at end of period

As of September 30, 2021	8,114,612 shares
As of March 31, 2021	8,114,323 shares

#### c. Average number of outstanding shares during period

Six months ended September 30, 2021	51,272,279 shares
Six months ended September 30, 2020	51,267,805 shares

Note: The figures stated for the number of treasury shares at end of period include shares of the Company that are held by a trust established to distribute shares to officers (Officers' Share Distribution Trust). The calculation used to calculate the average number of outstanding shares during period excludes treasury shares, which include shares of the Company held by the Officers' Share Distribution Trust.

\* The quarterly financial results are not subject to quarterly review.

\* Proper use of earnings forecasts and other special notes

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport to be a promise by the Company to realize such statements. Actual business and other results may differ substantially due to various factors.

## Quarterly Consolidated Financial Statements

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	22,484	27,878
Notes receivable, accounts receivable from completed construction contracts and other	22,151	17,891
Securities	400	300
Costs on construction contracts in progress	1,655	1,312
Merchandise and finished goods	251	298
Raw materials and supplies	166	181
Other	339	252
Allowance for doubtful accounts	(20)	(18)
Total current assets	47,428	48,097
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,031	10,022
Machinery and vehicles	4,805	4,838
Land	11,150	11,150
Other	2,037	2,103
Accumulated depreciation	(12,589)	(12,947)
Total property, plant and equipment	15,436	15,168
Intangible assets	86	79
Investments and other assets		
Investment securities	3,492	3,487
Investment property	2,053	2,030
Retirement benefit asset	31	31
Deferred tax assets	45	27
Other	432	432
Allowance for doubtful accounts	(86)	(88)
Total investments and other assets	5,969	5,920
Total non-current assets	21,491	21,168
Total assets	68,920	69,265

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	5,810	5,732
Accounts payable - trade	405	135
Short-term borrowings	60	990
Income taxes payable	1,261	678
Advances received on construction contracts in progress	560	1,473
Provision for bonuses	432	437
Provision for bonuses for directors (and other officers)	82	—
Provision for warranties for completed construction	74	44
Provision for loss on construction contracts	—	15
Other	1,465	1,300
<b>Total current liabilities</b>	<b>10,153</b>	<b>10,808</b>
Non-current liabilities		
Long-term borrowings	960	—
Retirement benefit liability	336	272
Provision for retirement benefits for directors (and other officers)	163	160
Provision for share awards for directors (and other officers)	75	93
Deferred tax liabilities	1,886	1,944
Deferred tax liabilities for land revaluation	483	483
Asset retirement obligations	16	16
Other	480	448
<b>Total non-current liabilities</b>	<b>4,401</b>	<b>3,419</b>
<b>Total liabilities</b>	<b>14,555</b>	<b>14,227</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,889	6,889
Capital surplus	1,179	1,179
Retained earnings	47,116	47,650
Treasury shares	(3,345)	(3,345)
<b>Total shareholders' equity</b>	<b>51,840</b>	<b>52,374</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	896	881
Revaluation reserve for land	958	958
Foreign currency translation adjustment	240	388
Remeasurements of defined benefit plans	63	62
<b>Total accumulated other comprehensive income</b>	<b>2,158</b>	<b>2,290</b>
Non-controlling interests	366	372
<b>Total net assets</b>	<b>54,365</b>	<b>55,037</b>
<b>Total liabilities and net assets</b>	<b>68,920</b>	<b>69,265</b>

**(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income****Quarterly consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales of completed construction contracts	23,441	22,323
Cost of sales of completed construction contracts	18,788	18,182
Gross profit on completed construction contracts	4,653	4,141
Selling, general and administrative expenses	2,226	2,178
Operating profit	2,426	1,962
Non-operating income		
Interest income	15	8
Dividend income	76	76
Rental income from real estate	127	117
Other	114	93
Total non-operating income	333	295
Non-operating expenses		
Interest expenses	2	2
Rental costs on real estate	71	69
Foreign exchange losses	73	6
Other	23	13
Total non-operating expenses	171	91
Ordinary profit	2,589	2,167
Profit before income taxes	2,589	2,167
Income taxes - current	808	648
Income taxes - deferred	25	83
Total income taxes	834	732
Profit	1,754	1,434
Profit attributable to non-controlling interests	8	11
Profit attributable to owners of parent	1,746	1,423

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

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	1,754	1,434
Other comprehensive income		
Valuation difference on available-for-sale securities	190	(15)
Foreign currency translation adjustment	(142)	148
Remeasurements of defined benefit plans, net of tax	6	(0)
Total other comprehensive income	55	131
Comprehensive income	1,809	1,566
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,801	1,555
Comprehensive income attributable to non-controlling interests	8	11

**(3) Quarterly consolidated statements of cash flows**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,589	2,167
Depreciation	376	421
Increase (decrease) in allowance for doubtful accounts	24	0
Increase (decrease) in provision for loss on construction contracts	(6)	15
Increase (decrease) in provision for retirement benefits for directors (and other officers)	9	(3)
Increase (decrease) in provision for share awards for directors (and other officers)	10	18
Increase (decrease) in other provisions	(38)	(107)
Decrease (increase) in retirement benefit asset	(4)	(0)
Increase (decrease) in retirement benefit liability	(50)	(65)
Interest and dividend income	(91)	(85)
Interest expenses	2	2
Foreign exchange losses (gains)	17	(1)
Decrease (increase) in trade receivables	3,225	5,018
Decrease (increase) in costs on construction contracts in progress	(1,326)	(276)
Decrease (increase) in inventories	47	(62)
Increase (decrease) in advances received on construction contracts in progress	641	912
Increase (decrease) in trade payables	(923)	(373)
Other, net	(240)	(363)
Subtotal	4,261	7,215
Interest and dividends received	90	86
Interest paid	(2)	(2)
Income taxes paid	(1,002)	(1,093)
Net cash provided by (used in) operating activities	3,347	6,206
<b>Cash flows from investing activities</b>		
Payments into time deposits	(84)	(84)
Proceeds from withdrawal of time deposits	84	84
Purchase of investment securities	(133)	(107)
Proceeds from sale and redemption of investment securities	—	200
Purchase of property, plant and equipment	(503)	(68)
Proceeds from distributions from investment partnerships	117	28
Other, net	89	90
Net cash provided by (used in) investing activities	(430)	142



(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Proceeds from long-term borrowings	800	—
Repayments of long-term borrowings	(710)	(30)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	6	—
Dividends paid	(1,027)	(1,027)
Dividends paid to non-controlling interests	(8)	(5)
Other, net	(1)	—
Net cash provided by (used in) financing activities	(940)	(1,063)
Effect of exchange rate change on cash and cash equivalents	(92)	106
Net increase (decrease) in cash and cash equivalents	1,883	5,392
Cash and cash equivalents at beginning of period	19,381	22,471
Cash and cash equivalents at end of period	21,264	27,863

## Segment information

### I. Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

Information on sales and income on each reportable segment

	(Millions of yen)				
	Construction	Boiler	Total	Adjustment (Note 1)	Amounts on the consolidated statement of income (Note 2)
Net sales:					
Sales to external customers	20,460	2,981	23,441	—	23,441
Intersegment sales or transfers	80	95	176	(176)	—
Total	20,540	3,077	23,618	(176)	23,441
Segment profit	2,334	87	2,421	5	2,426

Notes:

1. Adjustment for segment profit represents eliminations of intersegment sales or transfers.
2. Segment profit is adjusted to be consistent with operating profit in the quarterly consolidated statements of income.

### II. Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

Information on sales and income on each reportable segment, and information on disaggregation of revenue

	(Millions of yen)				
	Construction	Boiler	Total	Adjustment (Note 1)	Amounts on the consolidated statement of income (Note 2)
Net sales:					
Japan	18,626	2,061	20,688	—	20,688
Asia	1,617	16	1,634	—	1,634
Other	0	—	0	—	0
Revenue from contracts with customers	20,245	2,078	22,323	—	22,323
Sales to external customers	20,245	2,078	22,323	—	22,323
Intersegment sales or transfers	6	68	74	(74)	—
Total	20,251	2,147	22,398	(74)	22,323
Segment profit	1,918	39	1,958	4	1,962

Notes:

1. Adjustment for segment profit represents eliminations of intersegment sales or transfers.
2. Segment profit is adjusted to be consistent with operating profit in the quarterly consolidated statements of income.

**Status of Orders Received, Sales and Balance of Orders****Orders received**

Segment	Six months ended September 30, 2020		Six months ended September 30, 2021		Increase (decrease)	Fiscal year ended March 31, 2020	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Construction	24,208	94.8	20,938	84.1	(3,269)	44,366	89.5
Boiler	1,328	5.2	3,944	15.9	2,615	5,214	10.5
Total	25,537	100.0	24,882	100.0	(654)	49,581	100.0

**Net sales**

Segment	Six months ended September 30, 2020		Six months ended September 30, 2021		Increase (decrease)	Fiscal year ended March 31, 2021	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Construction	20,460	87.3	20,245	90.7	(214)	45,518	90.1
Boiler	2,981	12.7	2,078	9.3	(902)	5,014	9.9
Total	23,441	100.0	22,323	100.0	(1,117)	50,533	100.0

**Balance of orders**

Segment	Six months ended September 30, 2020		Six months ended September 30, 2021		Increase (decrease)	Fiscal year ended March 31, 2021	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Construction	17,096	90.6	12,890	70.1	(4,206)	12,197	77.0
Boiler	1,782	9.4	5,500	29.9	3,717	3,634	23.0
Total	18,879	100.0	18,390	100.0	(488)	15,831	100.0