

Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

November 12, 2021

Company name: MIRAIT Holdings Corporation Stock exchange listing: TSE
Code Number: 1417 URL: <https://www.mirait.co.jp/>
Representative: Toshiki Nakayama, President and CEO
Contact: Masakazu Tsukamoto, Director and CFO Phone +81-3-6807-3124
Scheduled date for filing of quarterly report: November 12, 2021
Scheduled date for commencement of dividend payment: November 30, 2021
Supplementary briefing materials on quarterly results: Available
Quarterly results briefing: Scheduled (for analysts and institutional investors)

(Amounts are rounded down to the nearest one million)

1. Consolidated Financial Results for the Six Months Ended September 30, 2021

(April 1, 2021 to September 30, 2021)

(1) Consolidated Operating Results (cumulative)

(% indicates change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2021	211,851	10.5	11,071	64.2	11,700	51.0	7,810	62.7
Six months ended September 30, 2020	191,788	4.8	6,744	36.0	7,748	38.7	4,799	43.2

(Note) Comprehensive income: Six months ended September 30, 2021 8,467 million yen (123.5%)
Six months ended September 30, 2020 3,788 million yen (-10.7%)

	Net income per share	Diluted net income per share
	yen	yen
Six months ended September 30, 2021	77.48	—
Six months ended September 30, 2020	44.69	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of September 30, 2021	336,023	234,762	68.4
As of March 31, 2021	358,751	231,323	63.1

(Reference) Equity: As of September 30, 2021 229,736 million yen
As of March 31, 2021 226,389 million yen

2. Dividends

	Annual dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	yen	yen	yen	yen	Yen
Fiscal year ended March 31, 2021	—	22.50	—	22.50	45.00
Fiscal year ending March 31, 2022	—	25.00			
Fiscal year ending March 31, 2022 (forecast)			—	30.00	55.00

(Note) Revision of dividend forecasts from recently announced figures: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022
(April 1, 2021 to March 31, 2022)

(% indicates change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	Yen
Full year ending March 31, 2022	480,000	3.5	32,000	6.2	33,500	5.5	22,500	(7.0)	224.09

(Note) Revision of financial results forecasts from recently announced figures: Yes

* Notes:

- (1) Significant changes in subsidiaries during the period under review: None
- (2) Application of specific accounting practices for preparing consolidated quarterly financial statements: Yes
- (3) Changes in accounting principles and changes or restatements of accounting estimates:
- 1) Changes in accounting principles due to revision of accounting standards: Yes
 - 2) Changes in accounting principles other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None

(4) Total number of issued shares (common stock)

- 1) Total number of issued shares at the end of the period (including treasury stock):

September 30, 2021	108,325,329 shares	March 31, 2021	108,325,329 shares
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- 2) Total number of treasury stock at the end of the period

September 30, 2021	8,331,246 shares	March 31, 2021	6,907,718 shares
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- 3) Average number of shares outstanding during the period

September 30, 2021	100,812,462 shares	September 30, 2020	107,386,848 shares
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(Note) Total number of treasury stock includes the Company's stock held by the Board Incentive Plan trust under the Company's performance-linked stock remuneration program for directors and executive officers.

* Implementation status of quarterly review processes

- This quarterly summary of consolidated financial results is not subject to the quarterly review procedures stipulated under the Financial Instruments and Exchange Act.

* Explanation regarding the appropriate use of performance forecasts, and other items warranting special mention

- The performance forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Accordingly, actual performance may differ materially depending on various factors.

Consolidated Quarterly Financial Statements and Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Fiscal Year Ended March 31, 2021	Six Months Ended September 30, 2021
Assets		
Current assets		
Cash and deposits	44,764	48,187
Notes receivable, accounts receivable from completed construction contracts and other	147,605	112,740
Costs on construction contracts in progress	30,789	35,393
Investments in leases	5,460	4,873
Other	4,902	7,800
Allowance for doubtful accounts	(26)	(11)
Total current assets	233,494	208,983
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,546	41,385
Land	32,891	33,392
Construction in progress	5,602	4,537
Other, net	9,614	9,582
Total property, plant and equipment	86,655	88,897
Intangible assets		
Customer related assets	2,523	2,554
Goodwill	3,094	2,972
Software	1,620	2,254
Other	311	289
Total intangible assets	7,549	8,071
Investments and other assets		
Investment securities	22,562	20,426
Retirement benefit asset	2,988	3,960
Deferred tax assets	2,504	2,680
Leasehold and guarantee deposits	1,425	1,437
Other	1,798	1,778
Allowance for doubtful accounts	(227)	(213)
Total investments and other assets	31,052	30,069
Total non-current asset	125,256	127,039
Total assets	358,751	336,023

(Millions of yen)

	Fiscal Year Ended March 31, 2021	Six Months Ended September 30, 2021
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	63,213	49,436
Short-term borrowings	186	186
Income taxes payable	8,086	2,031
Lease obligations	3,347	3,412
Advances received on construction contracts in progress	3,150	4,538
Provision for loss on construction contracts	1,299	1,013
Provision for bonuses	8,023	7,572
Provision for bonuses for directors (and other officers)	101	55
Provision for warranties for completed construction	10	11
Other	15,599	8,201
Total current liabilities	103,018	76,459
Non-current liabilities		
Long-term accounts payable - other	1,324	1,304
Lease obligations	6,592	6,098
Deferred tax liabilities	1,139	1,120
Deferred tax liabilities for land revaluation	41	41
Provision for retirement benefits for directors (and other officers)	122	74
Provision for share-based compensation	310	325
Retirement benefit liability	13,974	15,035
Asset retirement obligations	189	190
Other	714	609
Total non-current liabilities	24,409	24,800
Total liabilities	127,428	101,260
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	69,571	69,601
Retained earnings	155,239	160,971
Treasury shares	(10,888)	(13,842)
Total shareholders' equity	220,922	223,731
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,660	4,292
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	(1,126)	(191)
Remeasurements of defined benefit plans	2,031	2,002
Total accumulated other comprehensive income	5,466	6,004
Non-controlling interests	4,934	5,026
Total net assets	231,323	234,762
Total liabilities and net assets	358,751	336,023

(2) Consolidated Quarterly Statements of Income and Comprehensive Income

Six Months Ended September 30, 2021

(Millions of yen)

	Six Months Ended September 30, 2020	Six Months Ended September 30, 2021
Net sales of completed construction contracts	191,788	211,851
Cost of sales of completed construction contracts	170,377	184,244
Gross profit on completed construction contracts	21,411	27,606
Selling, general and administrative expenses	14,666	16,535
Operating profit	6,744	11,071
Non-operating income		
Interest income	37	24
Dividend income	577	384
Foreign exchange gains	217	—
Surrender value of insurance policies	87	49
Share of profit of entities accounted for using equity method	—	112
Other	230	252
Total non-operating income	1,151	823
Non-operating expenses		
Interest expenses	21	24
Share of loss of entities accounted for using equity method	78	—
Foreign exchange losses	—	101
Other	46	68
Total non-operating expenses	146	194
Ordinary profit	7,748	11,700
Extraordinary income		
Gain on sales of non-current assets	9	12
Gain on sales of investment securities	485	1,172
Gain on revision of retirement benefit plan	275	—
Other	—	34
Total extraordinary income	770	1,219
Extraordinary losses		
Loss on revision of retirement benefit plan	—	34
Loss on sale of non-current assets	0	27
Loss on retirement of non-current assets	71	59
Loss on sales of investment securities	5	—
Loss on valuation of investment securities	58	0
Business restructuring expenses	—	55
Other	38	66
Total extraordinary losses	174	244
Profit before income taxes	8,344	12,675
Income taxes	3,381	4,752
Profit	4,963	7,923
Profit attributable to		
Profit attributable to owners of parent	4,799	7,810
Profit attributable to non-controlling interests	164	112

(Millions of yen)

	Six Months Ended September 30, 2020	Six Months Ended September 30, 2021
Other comprehensive income		
Valuation difference on available-for-sale securities	(264)	(368)
Foreign currency translation adjustment	(912)	929
Remeasurements of defined benefit plans, net of tax	1	(29)
Share of other comprehensive income of entities accounted for using equity method	(0)	12
Total other comprehensive income	(1,175)	544
Comprehensive income	3,788	8,467
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,624	8,349
Comprehensive income attributable to non-controlling interests	163	118