

Translation

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Summary of Consolidated Financial Results for the Year Ended March 20, 2022 (Based on Japanese GAAP)

April 27, 2022

Company name: MIRAI INDUSTRY CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7931 URL <https://www.mirai.co.jp/>
 Representative: President Masahiro Yamada
 Inquiries: Managing Director Yasushi Nakashima TEL 0584-68-1200
 Scheduled date of ordinary general meeting of shareholders: June 15, 2022
 Scheduled date to file Securities Report: June 16, 2022
 Scheduled date to commence dividend payments: May 30, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 20, 2022 (from March 21, 2021 to March 20, 2022)

(1) Consolidated operating results

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	%
Year ended March 20, 2022	36,905	2.3	4,044	(3.3)	3,954	(4.0)	2,531	(10.4)
Year ended March 20, 2021	36,069	(4.0)	4,184	(0.6)	4,121	(3.7)	2,826	0.1

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 20, 2022	147.32	—	5.4	6.6	11.0
Year ended March 20, 2021	164.58	—	6.4	7.1	11.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 20, 2022	61,024	47,783	77.5	2,750.10
As of March 20, 2021	58,785	46,208	77.9	2,665.06

(3) Consolidated cash flows

	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
Year ended March 20, 2022	6,036	(1,910)	(937)	20,538
Year ended March 20, 2021	5,022	(1,918)	(821)	17,350

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 20, 2021	—	20.00	—	20.00	40.00	720	24.3	1.6
Year ended March 20, 2022	—	25.00	—	25.00	50.00	900	33.9	1.8
Year ending March 20, 2023 (Forecast)	—	25.00	—	25.00	50.00		35.3	

3. Forecast of consolidated financial results for the year ending March 20, 2023 (from March 21, 2022 to March 20, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 20, 2022	19,232	5.7	1,380	(28.9)	1,432	(25.1)	978	(23.8)	56.92
Full year	39,223	6.3	3,448	(14.7)	3,548	(10.3)	2,435	(3.8)	141.65

4. Notes

(1) Changes in significant subsidiaries during the year ended March 20, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 20, 2022	25,607,086 shares	As of March 20, 2021	25,607,086 shares
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Number of treasury shares at the end of the period

As of March 20, 2022	8,415,700 shares	As of March 20, 2021	8,426,790 shares
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Average number of shares during the period

Year ended March 20, 2022	17,187,136 shares	Year ended March 20, 2021	17,174,922 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 20, 2021	As of March 20, 2022
Assets		
Current assets		
Cash and deposits	19,064	21,895
Notes and accounts receivable - trade	7,907	6,991
Electronically recorded monetary claims - operating	3,023	3,352
Merchandise and finished goods	3,783	4,068
Raw materials and supplies	1,140	1,274
Other	807	1,485
Allowance for doubtful accounts	(13)	(5)
Total current assets	35,713	39,062
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,420	17,532
Accumulated depreciation	(11,483)	(12,037)
Buildings and structures, net	5,936	5,494
Machinery, equipment and vehicles	18,516	18,876
Accumulated depreciation	(15,405)	(15,968)
Machinery, equipment and vehicles, net	3,111	2,907
Land	4,753	4,643
Construction in progress	496	492
Other	21,839	22,234
Accumulated depreciation	(21,131)	(21,614)
Other, net	707	619
Total property, plant and equipment	15,004	14,158
Intangible assets	286	181
Investments and other assets		
Investment securities	1,257	1,062
Deferred tax assets	1,079	1,199
Retirement benefit asset	1,024	1,006
Long-term time deposits	4,000	4,000
Other	595	455
Allowance for doubtful accounts	(176)	(100)
Total investments and other assets	7,781	7,622
Total non-current assets	23,072	21,962
Total assets	58,785	61,024

(Millions of yen)

	As of March 20, 2021	As of March 20, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,533	2,748
Electronically recorded obligations - operating	3,399	3,766
Short-term borrowings	65	45
Current portion of long-term borrowings	295	192
Income taxes payable	655	744
Other	3,349	3,347
Total current liabilities	10,297	10,845
Non-current liabilities		
Long-term borrowings	160	116
Deferred tax liabilities for land revaluation	64	60
Provision for Employee Stock Ownership Plan Trust	949	1,056
Provision for retirement benefits for directors (and other officers)	113	116
Retirement benefit liability	659	657
Other	331	387
Total non-current liabilities	2,279	2,396
Total liabilities	12,577	13,241
Net assets		
Shareholders' equity		
Share capital	7,067	7,067
Capital surplus	9,538	9,538
Retained earnings	45,124	46,855
Treasury shares	(15,935)	(15,918)
Total shareholders' equity	45,796	47,543
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	268	111
Revaluation reserve for land	(591)	(600)
Remeasurements of defined benefit plans	312	223
Total accumulated other comprehensive income	(9)	(265)
Non-controlling interests	422	505
Total net assets	46,208	47,783
Total liabilities and net assets	58,785	61,024

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 20, 2021	Fiscal year ended March 20, 2022
Net sales	36,069	36,905
Cost of sales	22,118	23,111
Gross profit	13,951	13,794
Selling, general and administrative expenses		
Freight costs	2,272	2,285
Provision of allowance for doubtful accounts	0	(7)
Remuneration for directors (and other officers)	288	281
Salaries and allowances	3,517	3,542
Retirement benefit expenses	144	111
Provision for Employee Stock Ownership Plan Trust	60	58
Provision for retirement benefits for directors (and other officers)	15	14
Other	3,467	3,462
Total selling, general and administrative expenses	9,767	9,749
Operating profit	4,184	4,044
Non-operating income		
Interest income	12	13
Dividend income	30	28
Commission for insurance office work	6	6
Gain on sale of scraps	14	23
Other	95	49
Total non-operating income	159	121
Non-operating expenses		
Interest expenses	5	4
Sales discounts	178	180
Loss on retirement of non-current assets	31	19
Other	7	6
Total non-operating expenses	222	210
Ordinary profit	4,121	3,954
Extraordinary income		
Gain on sale of non-current assets	287	–
Subsidy income	36	30
Reversal of special suspense account for tax purpose reduction entry	62	–
Total extraordinary income	386	30
Extraordinary losses		
Impairment losses	144	136
Loss on tax purpose reduction entry of non-current assets	98	30
Total extraordinary losses	243	166
Profit before income taxes	4,264	3,818
Income taxes - current	1,197	1,246
Income taxes - deferred	165	(43)
Total income taxes	1,362	1,203
Profit	2,901	2,615
Profit attributable to non-controlling interests	75	83
Profit attributable to owners of parent	2,826	2,531

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 20, 2021	Fiscal year ended March 20, 2022
Profit	2,901	2,615
Other comprehensive income		
Valuation difference on available-for-sale securities	263	(157)
Remeasurements of defined benefit plans, net of tax	572	(89)
Total other comprehensive income	836	(246)
Comprehensive income	3,738	2,368
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,663	2,285
Comprehensive income attributable to non-controlling interests	75	83

Consolidated statements of changes in equity

Fiscal year ended March 20, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,067	9,538	42,924	(15,951)	43,578
Changes during period					
Dividends of surplus			(720)		(720)
Profit attributable to owners of parent			2,826		2,826
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				17	17
Reversal of revaluation reserve for land			93		93
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,200	16	2,217
Balance at end of period	7,067	9,538	45,124	(15,935)	45,796

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5	(497)	(260)	(752)	346	43,173
Changes during period						
Dividends of surplus						(720)
Profit attributable to owners of parent						2,826
Purchase of treasury shares						(0)
Disposal of treasury shares						17
Reversal of revaluation reserve for land						93
Net changes in items other than shareholders' equity	263	(93)	572	742	75	817
Total changes during period	263	(93)	572	742	75	3,035
Balance at end of period	268	(591)	312	(9)	422	46,208

Fiscal year ended March 20, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,067	9,538	45,124	(15,935)	45,796
Changes during period					
Dividends of surplus			(810)		(810)
Profit attributable to owners of parent			2,531		2,531
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				17	17
Reversal of revaluation reserve for land			9		9
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,730	16	1,747
Balance at end of period	7,067	9,538	46,855	(15,918)	47,543

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	268	(591)	312	(9)	422	46,208
Changes during period						
Dividends of surplus						(810)
Profit attributable to owners of parent						2,531
Purchase of treasury shares						(0)
Disposal of treasury shares						17
Reversal of revaluation reserve for land						9
Net changes in items other than shareholders' equity	(157)	(9)	(89)	(255)	83	(172)
Total changes during period	(157)	(9)	(89)	(255)	83	1,574
Balance at end of period	111	(600)	223	(265)	505	47,783

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 20, 2021	Fiscal year ended March 20, 2022
Cash flows from operating activities		
Profit before income taxes	4,264	3,818
Depreciation	2,365	2,444
Subsidy income	(37)	(30)
Loss on tax purpose reduction entry of non-current assets	98	30
Impairment losses	144	136
Increase (decrease) in allowance for doubtful accounts	(0)	(83)
Increase (decrease) in provision for employee stock ownership plan trust	108	106
Increase (decrease) in provision for retirement benefits for directors (and other officers)	15	3
Increase (decrease) in retirement benefit liability	17	7
Decrease (increase) in retirement benefit asset	(50)	(19)
Interest and dividend income	(43)	(41)
Interest expenses	5	4
Loss (gain) on sale of non-current assets	(288)	(3)
Decrease (increase) in trade receivables	100	587
Decrease (increase) in inventories	32	(418)
Increase (decrease) in trade payables	(620)	582
Other, net	67	(78)
Subtotal	6,179	7,046
Interest and dividends received	44	41
Interest paid	(5)	(4)
Income taxes paid	(1,333)	(1,176)
Subsidies received	137	130
Net cash provided by (used in) operating activities	5,022	6,036
Cash flows from investing activities		
Payments into time deposits	(375)	(360)
Proceeds from withdrawal of time deposits	218	216
Purchase of property, plant and equipment	(2,577)	(1,740)
Proceeds from sale of property, plant and equipment	898	49
Other, net	(83)	(76)
Net cash provided by (used in) investing activities	(1,918)	(1,910)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6)	(20)
Proceeds from long-term borrowings	350	280
Repayments of long-term borrowings	(468)	(427)
Proceeds from issuance of bonds	97	146
Redemption of bonds	(82)	(114)
Purchase of treasury shares	(0)	(0)
Dividends paid	(720)	(810)
Other, net	9	8
Net cash provided by (used in) financing activities	(821)	(937)
Net increase (decrease) in cash and cash equivalents	2,282	3,187
Cash and cash equivalents at beginning of period	15,068	17,350
Cash and cash equivalents at end of period	17,350	20,538