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 ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 <under Japanese GAAP>



May 10, 2022

Company name: **MEISEI INDUSTRIAL CO., LTD.**
 Listing: Tokyo Stock 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 of annual general meeting of shareholders: June 23, 2022
 Scheduled date to commence dividend payments: June 24, 2022
 Scheduled date to file annual securities report: June 24, 2022
 Preparation of supplementary results briefing material on financial results: Yes
 Holding of financial results presentation meeting: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

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, 2022	48,389	(4.2)	5,339	(16.6)	5,641	(16.3)	3,793	(17.5)
March 31, 2021	50,533	(4.8)	6,399	(0.7)	6,742	(3.6)	4,600	(2.3)

Note: Comprehensive income
 For the fiscal year ended March 31, 2022: ¥4,063 million [(20.5) %]
 For the fiscal year ended March 31, 2021: ¥5,113 million [16.3 %]

Fiscal year ended	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2022	74.63	—	6.9	8.1	11.0
March 31, 2021	89.74	—	8.8	10.0	12.7

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2022: —
 For the fiscal year ended March 31, 2021: —

(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
March 31, 2022	71,149	55,924	78.1	1,116.33
March 31, 2021	68,920	54,365	78.3	1,053.19

Reference: Shareholders' equity
 As of March 31, 2022: ¥55,562 million
 As of March 31, 2021: ¥53,999 million

(3) Consolidated cash flows

Fiscal year ended	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	7,171	(9)	(2,661)	27,183
March 31, 2021	5,165	(532)	(1,469)	22,471

2. Cash Dividends

	Cash dividends per share					Total cash dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2021	–	10.00	–	20.00	30.00	1,542	33.4	2.9
March 31, 2022	–	10.00	–	20.00	30.00	1,514	40.2	2.8
Fiscal year ending March 31, 2023 (Forecast)	–	10.00	–	16.00	26.00		35.5	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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
Six months ending September 30, 2022	24,000	7.5	2,400	22.3	2,500	15.4	1,700	19.4	34.16
Fiscal year ending March 31, 2023	52,000	7.5	5,400	1.1	5,500	(2.5)	3,650	(3.8)	73.33

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements
 - 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: None
- (3) Number of issued shares (common shares)
 - a. Total number of issued shares at end of period (including treasury shares)

As of March 31, 2022	56,386,718 shares
As of March 31, 2021	59,386,718 shares
 - b. Number of shares of treasury shares at end of period

As of March 31, 2022	6,614,632 shares
As of March 31, 2021	8,114,323 shares
 - c. Average number of outstanding shares during the period

For the fiscal year ended March 31, 2022	50,838,602 shares
For the fiscal year ended March 31, 2021	51,270,094 shares

Note: 1. 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.

(Reference) Overview of Non-consolidated operating results1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2022
(from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2022	34,054	(8.5)	4,170	(21.6)	5,470	(8.6)	3,989	(3.7)
March 31, 2021	37,215	(0.7)	5,322	10.2	5,988	4.0	4,143	2.9

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended		
March 31, 2022	78.48	—
March 31, 2021	80.82	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2022	52,441	43,649	83.2	876.98
March 31, 2021	51,676	42,141	81.5	821.90

Reference: Shareholders' equity

As of March 31, 2022: ¥43,649 million

As of March 31, 2021: ¥42,141 million

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2023
(from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending									
September 30, 2022	17,000	9.9	1,800	15.4	2,050	5.8	1,400	5.6	28.13
Fiscal year ending									
March 31, 2023	37,000	8.6	4,500	7.9	4,900	(10.4)	3,350	(16.0)	67.31

* Consolidated Financial Results are not subject to auditing.

* 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.

Consolidated Financial Statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	22,484	27,192
Notes receivable - trade	2,173	1,421
Electronically recorded monetary claims - operating	1,689	1,837
Accounts receivable from completed construction contracts	18,288	15,346
Contract assets	—	2,597
Securities	400	300
Costs on construction contracts in progress	1,655	554
Merchandise and finished goods	251	278
Raw materials and supplies	166	190
Other	339	143
Allowance for doubtful accounts	(20)	(16)
Total current assets	47,428	49,847
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,031	10,040
Machinery and vehicles	4,805	4,798
Land	11,150	11,200
Other	2,037	2,212
Accumulated depreciation	(12,589)	(13,148)
Total property, plant and equipment	15,436	15,102
Intangible assets	86	74
Investments and other assets		
Investment securities	3,492	3,731
Investment property	2,053	2,007
Retirement benefit asset	31	30
Deferred tax assets	45	15
Other	432	431
Allowance for doubtful accounts	(86)	(91)
Total investments and other assets	5,969	6,124
Total non-current assets	21,491	21,301
Total assets	68,920	71,149

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable - trade	1,217	1,577
Electronically recorded obligations - operating	859	870
Accounts payable for construction contracts	3,733	4,135
Accounts payable - trade	405	181
Short-term borrowings	60	960
Income taxes payable	1,261	847
Advances received on construction contracts in progress	560	—
Contract liabilities	—	1,201
Provision for bonuses	432	432
Provision for directors' bonuses (and other officers)	82	85
Provision for warranties for completed construction	74	94
Other	1,465	1,490
Total current liabilities	10,153	11,876
Non-current liabilities		
Long-term borrowings	960	—
Retirement benefit liability	336	175
Provision for retirement benefits for directors (and other officers)	163	168
Provision for share awards for directors (and other officers)	75	112
Deferred tax liabilities	1,886	1,948
Deferred tax liabilities for land revaluation	483	483
Asset retirement obligations	16	16
Other	480	442
Total non-current liabilities	4,401	3,348
Total liabilities	14,555	15,224
Net assets		
Shareholders' equity		
Share capital	6,889	6,889
Capital surplus	1,179	999
Retained earnings	47,116	48,317
Treasury shares	(3,345)	(3,071)
Total shareholders' equity	51,840	53,134
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	896	932
Revaluation reserve for land	958	958
Foreign currency translation adjustment	240	427
Remeasurements of defined benefit plans	63	108
Total accumulated other comprehensive income	2,158	2,427
Non-controlling interests	366	362
Total net assets	54,365	55,924
Total liabilities and net assets	68,920	71,149

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales of completed construction contracts	50,533	48,389
Cost of sales of completed construction contracts	39,633	38,464
Gross profit on completed construction contracts	10,899	9,925
Selling, general and administrative expenses	4,500	4,585
Operating profit	6,399	5,339
Non-operating income		
Interest income	24	15
Dividend income	96	99
Rental income from real estate	255	232
Foreign exchange gains	-	32
Gain on investments in investment partnerships	75	62
Reversal of allowance for doubtful accounts	27	4
Other	127	106
Total non-operating income	607	554
Non-operating expenses		
Interest expenses	4	4
Rental costs on real estate	142	134
Foreign exchange losses	63	-
Litigation settlement	-	40
Other	53	73
Total non-operating expenses	264	252
Ordinary profit	6,742	5,641
Profit before income taxes	6,742	5,641
Income taxes - current	2,122	1,831
Income taxes - deferred	3	14
Total income taxes	2,125	1,846
Profit	4,617	3,795
Profit attributable to non-controlling interests	16	1
Profit attributable to owners of parent	4,600	3,793

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	4,617	3,795
Other comprehensive income		
Valuation difference on available-for-sale securities	456	35
Foreign currency translation adjustment	(111)	187
Remeasurements of defined benefit plans, net of tax	151	45
Total other comprehensive income	495	268
Comprehensive income	5,113	4,063
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,096	4,062
Comprehensive income attributable to non-controlling interests	16	1

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,889	1,179	44,058	(3,350)	48,776
Changes during period					
Dividends of surplus			(1,542)		(1,542)
Profit attributable to owners of parent			4,600		4,600
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				6	6
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,058	5	3,063
Balance at end of period	6,889	1,179	47,116	(3,345)	51,840

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	440	958	352	(88)	1,662	—	344	50,783
Changes during period								
Dividends of surplus								(1,542)
Profit attributable to owners of parent								4,600
Purchase of treasury shares								(0)
Disposal of treasury shares								6
Net changes in items other than shareholders' equity	456	—	(111)	151	495	—	22	518
Total changes during period	456	—	(111)	151	495	—	22	3,582
Balance at end of period	896	958	240	63	2,158	—	366	54,365

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,889	1,179	47,116	(3,345)	51,840
Cumulative effects of changes in accounting policies			96		96
Restated balance	6,889	1,179	47,213	(3,345)	51,937
Changes during period					
Dividends of surplus			(1,542)		(1,542)
Profit attributable to owners of parent			3,793		3,793
Purchase of treasury shares				(1,053)	(1,053)
Disposal of treasury shares		30		44	74
Cancellation of treasury shares		(209)	(1,147)	1,357	—
Purchase of treasury shares by stock benefit trust				(74)	(74)
Net changes in items other than shareholders' equity					
Total changes during period	—	(179)	1,103	273	1,197
Balance at end of period	6,889	999	48,317	(3,071)	53,134

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	896	958	240	63	2,158	—	366	54,365
Cumulative effects of changes in accounting policies								96
Restated balance	896	958	240	63	2,158	—	366	54,462
Changes during period								
Dividends of surplus								(1,542)
Profit attributable to owners of parent								3,793
Purchase of treasury shares								(1,053)
Disposal of treasury shares								74
Cancellation of treasury shares								—
Purchase of treasury shares by stock benefit trust								(74)
Net changes in items other than shareholders' equity	35	—	187	45	268	—	(3)	265
Total changes during period	35	—	187	45	268	—	(3)	1,462
Balance at end of period	932	958	427	108	2,427	—	362	55,924

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	6,742	5,641
Depreciation	810	761
Increase (decrease) in allowance for doubtful accounts	19	0
Increase (decrease) in provision for loss on construction contracts	(6)	-
Increase (decrease) in provision for retirement benefits for directors (and other officers)	18	5
Increase (decrease) in provision for share awards for directors (and other officers)	28	37
Increase (decrease) in other provisions	41	23
Decrease (increase) in retirement benefit asset	(7)	0
Increase (decrease) in retirement benefit liability	(76)	(95)
Interest and dividend income	(121)	(115)
Interest expenses	4	4
Foreign exchange losses (gains)	(1)	(45)
Loss (gain) on valuation of investment securities	-	0
Decrease (increase) in trade receivables	788	1,706
Decrease (increase) in costs on construction contracts in progress	(53)	481
Decrease (increase) in other inventories	115	(51)
Increase (decrease) in advances received on construction contracts in progress	435	640
Increase (decrease) in trade payables	(1,792)	513
Other, net	81	(271)
Subtotal	7,027	9,238
Interest and dividends received	121	116
Interest paid	(4)	(4)
Income taxes paid	(1,978)	(2,178)
Net cash provided by (used in) operating activities	5,165	7,171
Cash flows from investing activities		
Payments into time deposits	(307)	(307)
Proceeds from withdrawal of time deposits	307	307
Purchase of investment securities	(308)	(307)
Proceeds from sale and redemption of investment securities	100	200
Purchase of property, plant and equipment	(788)	(251)
Proceeds from distributions from investment partnerships	183	62
Other, net	281	286
Net cash provided by (used in) investing activities	(532)	(9)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	800	-
Repayments of long-term borrowings	(740)	(60)
Purchase of treasury shares	(0)	(1,128)
Proceeds from disposal of treasury shares	6	74
Dividends paid	(1,541)	(1,542)
Dividends paid to non-controlling interests	(8)	(5)
Other, net	13	-
Net cash provided by (used in) financing activities	(1,469)	(2,661)
Effect of exchange rate change on cash and cash equivalents	(72)	211
Net increase (decrease) in cash and cash equivalents	3,090	4,712
Cash and cash equivalents at beginning of period	19,381	22,471
Cash and cash equivalents at end of period	22,471	27,183

Segment Information

I. The fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

Information on sales and income on each reportable segment

(Millions of yen)

	Construction Business	Boiler Business	Total	Adjustment (Notes 1, 2 and 3)	Amounts on the consolidated statement of income (Note 4)
Net sales:					
Sales to external customers	45,518	5,014	50,533	–	50,533
Intersegment sales or transfers	95	241	337	(337)	–
Total	45,614	5,256	50,870	(337)	50,533
Segment profit	6,232	156	6,389	10	6,399
Segment assets	39,748	6,319	46,068	22,852	68,920
Other items:					
Depreciation and amortization	700	40	741	68	810
Increase in property, plant and equipment and intangible assets	867	34	901	–	901

Notes:

1. Adjustment for segment income represents eliminations of intersegment sales or transfers.
2. Adjustment for segment assets consists of negative ¥197 million of adjustment of intersegment transactions and ¥23,050 million of corporate assets, which are primarily surplus funds (cash and deposits) of the Company, long-term investment funds (investment securities and investments in capital), and headquarters buildings.
3. Adjustments for other items represent the amounts of adjustments related to corporate assets (headquarters buildings and others).
4. Segment profit is adjusted to be consistent with operating profit in the consolidated statements of income.

II. The fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

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

(Millions of yen)

	Construction Business	Boiler Business	Total	Adjustment (Notes 1, 2 and 3)	Amounts on the consolidated statement of income (Note 4)
Net sales:					
Japan	39,873	4,670	44,543	–	44,543
Asia	3,761	79	3,840	–	3,840
Other	2	2	4	–	4
Revenue from contracts with customers	43,637	4,751	48,389	–	48,389
Sales to external customers	43,637	4,751	48,389	–	48,389
Intersegment sales or transfers	37	332	369	(369)	–
Total	43,674	5,084	48,758	(369)	48,389
Segment profit	4,961	367	5,329	9	5,339
Segment assets	37,814	7,620	45,435	25,714	71,149
Other items:					
Depreciation and amortization	655	37	692	68	761
Increase in property, plant and equipment and intangible assets	324	7	332	1	333

Notes:

1. Adjustment for segment income represents eliminations of intersegment sales or transfers.
2. Adjustment for segment assets consists of negative ¥194 million of adjustment of intersegment transactions and ¥25,908 million of corporate assets, which are primarily surplus funds (cash and deposits) of the Company, long-term investment funds (investment securities and investments in capital), and headquarters buildings.
3. Adjustments for other items represent the amounts of adjustments related to corporate assets (headquarters buildings and others).
4. Segment profit is adjusted to be consistent with operating profit in the consolidated statements of income.

Status of Orders Received, Sales and Balance of Orders

Orders received

Segment	fiscal year ended March 31, 2021		fiscal year ended March 31, 2022		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction Business	44,366	89.5	47,901	88.8	3,534	8.0
Boiler Business	5,214	10.5	6,019	11.2	804	15.4
Total	49,581	100.0	53,921	100.0	4,339	8.8

Net sales

Segment	fiscal year ended March 31, 2021		fiscal year ended March 31, 2022		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction Business	45,518	90.1	43,637	90.2	(1,880)	(4.1)
Boiler Business	5,014	9.9	4,751	9.8	(263)	(5.3)
Total	50,533	100.0	48,389	100.0	(2,143)	(4.2)

Balance of orders

Segment	fiscal year ended March 31, 2021		fiscal year ended March 31, 2022		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction Business	12,197	77.0	16,461	77.1	4,264	35.0
Boiler Business	3,634	23.0	4,902	22.9	1,267	34.9
Total	15,831	100.0	21,363	100.0	5,531	34.9