

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

Company name: MIDAC HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6564 URL <https://www.midac.jp>
 Representative: President Keiko Kato
 Director
 Inquiries: Department Manager Hiroaki Takada TEL 053-488-7173
 Planning Department
 Scheduled date of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 30, 2022
 Scheduled date to commence dividend payments: June 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 31, 2022 (from April 1, 2021 to March 31, 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 31, 2022	6,381	11.9	2,264	20.2	2,188	18.4	1,301	27.7
Year ended March 31, 2021	5,701	9.4	1,883	26.0	1,848	27.8	1,018	28.0

	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 31, 2022	48.59	48.58	17.3	12.8	35.5
Year ended March 31, 2021	38.45	—	20.6	14.1	33.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	20,056	9,537	47.5	345.66
As of March 31, 2021	14,222	5,522	38.8	207.58

(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 31, 2022	1,823	(3,908)	3,685	5,894
Year ended March 31, 2021	1,773	(2,063)	827	4,293

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 31, 2021	—	0.00	—	5.00	5.00	66	6.5	1.3
Year ended March 31, 2022	—	0.00	—	5.00	5.00	137	10.3	1.8
Year ending March 31, 2023 (Forecast)	—	0.00	—	3.50	3.50		5.4	

3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	3,794	24.3	1,283	11.4	1,244	10.0	696	8.4	26.03
Full year	7,844	22.9	2,962	30.8	2,885	31.9	1,750	34.5	65.38

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 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: Yes

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 31, 2022	27,773,500 shares	As of March 31, 2021	26,773,500 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2022	200,667 shares	As of March 31, 2021	179,200 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2022	26,774,743 shares	Year ended March 31, 2021	26,499,147 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	4,293,770	5,894,217
Notes and accounts receivable - trade	718,665	676,330
Inventories	46,085	63,817
Other	271,192	512,101
Allowance for doubtful accounts	(1,727)	(1,288)
Total current assets	5,327,987	7,145,177
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,510,776	2,013,291
Accumulated depreciation	(1,007,424)	(1,215,349)
Buildings and structures, net	503,351	797,941
Machinery, equipment and vehicles	3,337,719	3,855,420
Accumulated depreciation	(2,874,926)	(3,174,736)
Machinery, equipment and vehicles, net	462,792	680,684
Final disposal site	1,609,173	6,075,819
Accumulated depreciation	(965,749)	(1,117,574)
Final disposal site, net	643,423	4,958,244
Land	1,845,610	2,484,755
Construction in progress	3,414,256	1,788,486
Other	229,904	290,461
Accumulated depreciation	(191,828)	(226,188)
Other, net	38,076	64,272
Total property, plant and equipment	6,907,511	10,774,385
Intangible assets		
Goodwill	1,147,805	1,175,467
Facility installation right	200,500	160,400
Other	21,616	39,744
Total intangible assets	1,369,921	1,375,611
Investments and other assets		
Deferred tax assets	132,071	262,457
Other	484,788	498,872
Total investments and other assets	616,860	761,330
Total non-current assets	8,894,293	12,911,328
Total assets	14,222,281	20,056,505

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	56,270	68,086
Short-term borrowings	4,337,500	4,883,500
Current portion of bonds payable	28,000	30,000
Current portion of long-term borrowings	567,228	619,879
Income taxes payable	485,090	489,857
Accounts payable - other	254,965	1,051,810
Provision for bonuses	78,531	86,300
Other	340,357	236,221
Total current liabilities	6,147,943	7,465,656
Non-current liabilities		
Bonds payable	46,000	216,000
Long-term borrowings	1,725,572	1,955,519
Deferred tax liabilities	14,583	–
Provision for maintenance of final disposal site	649,019	699,605
Asset retirement obligations	108,596	110,922
Other	7,645	71,372
Total non-current liabilities	2,551,417	3,053,418
Total liabilities	8,699,360	10,519,075
Net assets		
Shareholders' equity		
Share capital	752,971	2,149,871
Capital surplus	1,499,772	2,896,672
Retained earnings	3,327,635	4,562,244
Treasury shares	(60,018)	(77,940)
Total shareholders' equity	5,520,360	9,530,847
Share acquisition rights	2,559	6,582
Total net assets	5,522,920	9,537,430
Total liabilities and net assets	14,222,281	20,056,505

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

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	5,701,605	6,381,147
Cost of sales	2,372,969	2,451,154
Gross profit	3,328,635	3,929,993
Selling, general and administrative expenses	1,444,642	1,665,126
Operating profit	1,883,993	2,264,866
Non-operating income		
Interest income	320	1,751
Gain on sale of non-current assets	9,774	8,612
Rental income from real estate	14,838	13,259
Insurance claim income	–	4,430
Subsidy income	–	8,408
Other	7,169	4,660
Total non-operating income	32,104	41,124
Non-operating expenses		
Interest expenses	55,425	68,618
Share issuance costs	–	18,138
Rental costs on real estate	9,637	10,250
Other	2,527	20,339
Total non-operating expenses	67,590	117,346
Ordinary profit	1,848,506	2,188,644
Profit before income taxes	1,848,506	2,188,644
Income taxes - current	859,709	954,546
Income taxes - deferred	(30,170)	(66,996)
Total income taxes	829,538	887,549
Profit	1,018,967	1,301,095
Profit attributable to owners of parent	1,018,967	1,301,095

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,018,967	1,301,095
Comprehensive income	1,018,967	1,301,095
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,018,967	1,301,095

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	752,971	1,385,576	2,374,550	(130,900)	4,382,197	–	4,382,197
Changes during period							
Issuance of new shares							
Dividends of surplus			(65,883)		(65,883)		(65,883)
Profit attributable to owners of parent			1,018,967		1,018,967		1,018,967
Purchase of treasury shares				(7,160)	(7,160)		(7,160)
Disposal of treasury shares		114,196		78,042	192,239		192,239
Net changes in items other than shareholders' equity						2,559	2,559
Total changes during period	–	114,196	953,084	70,882	1,138,163	2,559	1,140,723
Balance at end of period	752,971	1,499,772	3,327,635	(60,018)	5,520,360	2,559	5,522,920

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	752,971	1,499,772	3,327,635	(60,018)	5,520,360	2,559	5,522,920
Changes during period							
Issuance of new shares	1,396,900	1,396,900			2,793,800		2,793,800
Dividends of surplus			(66,485)		(66,485)		(66,485)
Profit attributable to owners of parent			1,301,095		1,301,095		1,301,095
Purchase of treasury shares				(17,922)	(17,922)		(17,922)
Disposal of treasury shares							–
Net changes in items other than shareholders' equity						4,022	4,022
Total changes during period	1,396,900	1,396,900	1,234,609	(17,922)	4,010,486	4,022	4,014,509
Balance at end of period	2,149,871	2,896,672	4,562,244	(77,940)	9,530,847	6,582	9,537,430

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,848,506	2,188,644
Depreciation	379,400	413,979
Amortization of goodwill	250,425	254,576
Share-based payment expenses	43,078	44,534
Share issuance costs	–	18,138
Increase (decrease) in allowance for doubtful accounts	(2,849)	(802)
Increase (decrease) in provision for bonuses	3,709	7,046
Increase(decrease) in provision for maintenance of final disposal site	74,519	50,585
Interest and dividend income	(351)	(1,783)
Interest expenses	55,425	68,618
Loss (gain) on sale of non-current assets	(9,453)	(8,419)
Loss on tax purpose reduction entry of non-current assets	–	10,916
Decrease (increase) in trade receivables	(106,146)	100,445
Decrease (increase) in inventories	3,428	(15,462)
Decrease (increase) in other current assets	(5,091)	(3,912)
Increase (decrease) in trade payables	4,671	(18,504)
Decrease (increase) in consumption taxes refund receivable	–	(234,876)
Increase (decrease) in other current liabilities	22,668	(56,566)
Other, net	6,992	16,874
Subtotal	2,568,933	2,834,032
Interest and dividends received	351	1,783
Interest paid	(53,429)	(66,615)
Income taxes paid	(742,270)	(945,952)
Net cash provided by (used in) operating activities	1,773,585	1,823,247
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,070,544)	(2,919,248)
Proceeds from sale of property, plant and equipment	23,694	24,638
Purchase of intangible assets	(2,520)	(8,010)
Payments of leasehold and guarantee deposits	–	(41,076)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(950,886)
Other, net	(14,627)	(13,853)
Net cash provided by (used in) investing activities	(2,063,998)	(3,908,435)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,216,000	546,000
Proceeds from long-term borrowings	300,000	1,067,378
Repayments of long-term borrowings	(567,252)	(784,780)
Proceeds from issuance of bonds	–	193,782
Redemption of bonds	(48,000)	(28,000)
Proceeds from issuance of shares	–	2,775,661
Dividends paid	(65,883)	(66,485)
Purchase of treasury shares	(7,160)	(17,922)
Net cash provided by (used in) financing activities	827,704	3,685,634
Net increase (decrease) in cash and cash equivalents	537,291	1,600,446
Cash and cash equivalents at beginning of period	3,756,479	4,293,770
Cash and cash equivalents at end of period	4,293,770	5,894,217