

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 20, 2022 (Based on Japanese GAAP)

October 25, 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 to file Quarterly Securities Report: November 1, 2022
 Scheduled date to commence dividend payments: November 28, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 20, 2022 (from March 21, 2022 to September 20, 2022)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 20, 2022	19,141	5.2	1,821	(6.2)	1,875	(1.9)	1,241	(3.3)
Six months ended September 20, 2021	18,193	4.0	1,942	18.6	1,912	18.2	1,284	27.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 20, 2022	72.17		-	
Six months ended September 20, 2021	74.72		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 20, 2022	62,338	48,579	77.1
As of March 20, 2022	61,024	47,783	77.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 20, 2022	-	25.00	-	25.00	50.00
Year ending March 20, 2023	-	25.00	-	-	-
Year ending March 20, 2023 (Forecast)	-	-	-	25.00	50.00

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
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 six months ended September 20, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

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

As of September 20, 2022	8,400,750 shares	As of March 20, 2022	8,415,700 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 20, 2022	17,197,599 shares	Six months ended September 20, 2021	17,184,026 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 20, 2022	As of September 20, 2022
Assets		
Current assets		
Cash and deposits	21,895	22,347
Notes and accounts receivable - trade	6,991	–
Notes and accounts receivable - trade, and contract assets	–	7,335
Electronically recorded monetary claims - operating	3,352	3,683
Merchandise and finished goods	4,068	4,136
Raw materials and supplies	1,274	1,481
Other	1,485	1,482
Allowance for doubtful accounts	(5)	(3)
Total current assets	39,062	40,463
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,494	5,310
Machinery, equipment and vehicles, net	2,907	2,846
Land	4,643	4,643
Construction in progress	492	550
Other, net	619	678
Total property, plant and equipment	14,158	14,030
Intangible assets	181	162
Investments and other assets		
Investment securities	1,062	1,038
Deferred tax assets	1,199	1,260
Retirement benefit asset	1,006	1,024
Long-term time deposits	4,000	4,000
Other	455	461
Allowance for doubtful accounts	(100)	(103)
Total investments and other assets	7,622	7,681
Total non-current assets	21,962	21,874
Total assets	61,024	62,338
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,748	3,065
Electronically recorded obligations - operating	3,766	3,811
Short-term borrowings	45	45
Current portion of long-term borrowings	192	283
Income taxes payable	744	719
Other	3,347	3,360
Total current liabilities	10,845	11,284
Non-current liabilities		
Long-term borrowings	116	83
Deferred tax liabilities for land revaluation	60	60
Provision for Employee Stock Ownership Plan Trust	1,056	1,097
Provision for retirement benefits for directors (and other officers)	116	88
Retirement benefit liability	657	674
Other	387	468
Total non-current liabilities	2,396	2,473
Total liabilities	13,241	13,758

(Millions of yen)

	As of March 20, 2022	As of September 20, 2022
Net assets		
Shareholders' equity		
Share capital	7,067	7,067
Capital surplus	9,538	9,538
Retained earnings	46,855	47,621
Treasury shares	(15,918)	(15,896)
Total shareholders' equity	47,543	48,331
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	111	92
Revaluation reserve for land	(600)	(600)
Remeasurements of defined benefit plans	223	213
Total accumulated other comprehensive income	(265)	(294)
Non-controlling interests	505	543
Total net assets	47,783	48,579
Total liabilities and net assets	61,024	62,338

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 20, 2021	Six months ended September 20, 2022
Net sales	18,193	19,141
Cost of sales	11,230	12,266
Gross profit	6,963	6,875
Selling, general and administrative expenses		
Freight costs	1,140	1,124
Provision of allowance for doubtful accounts	(0)	1
Remuneration for directors (and other officers)	142	130
Salaries and allowances	1,783	1,801
Retirement benefit expenses	55	62
Provision for Employee Stock Ownership Plan Trust	29	29
Provision for retirement benefits for directors (and other officers)	7	6
Other	1,861	1,896
Total selling, general and administrative expenses	5,020	5,053
Operating profit	1,942	1,821
Non-operating income		
Interest income	6	6
Dividend income	17	18
Commission for insurance office work	3	2
Gain on sale of scraps	12	8
Other	25	30
Total non-operating income	65	67
Non-operating expenses		
Interest expenses	2	2
Bond issuance costs	3	5
Sales discounts	87	–
Other	2	6
Total non-operating expenses	95	13
Ordinary profit	1,912	1,875
Profit before income taxes	1,912	1,875
Income taxes - current	640	637
Income taxes - deferred	(51)	(40)
Total income taxes	588	596
Profit	1,323	1,278
Profit attributable to non-controlling interests	39	37
Profit attributable to owners of parent	1,284	1,241

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 20, 2021	Six months ended September 20, 2022
Profit	1,323	1,278
Other comprehensive income		
Valuation difference on available-for-sale securities	(71)	(19)
Remeasurements of defined benefit plans, net of tax	(20)	(9)
Total other comprehensive income	(91)	(29)
Comprehensive income	1,231	1,249
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,192	1,211
Comprehensive income attributable to non-controlling interests	39	37

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 20, 2021	Six months ended September 20, 2022
Cash flows from operating activities		
Profit before income taxes	1,912	1,875
Depreciation	1,129	982
Increase (decrease) in allowance for doubtful accounts	(7)	0
Increase (decrease) in provision for employee stock ownership plan trust	52	40
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(3)	(27)
Increase (decrease) in retirement benefit liability	4	16
Decrease (increase) in retirement benefit asset	(63)	(31)
Interest and dividend income	(24)	(25)
Interest expenses	2	2
Decrease (increase) in trade receivables	274	–
Decrease (increase) in trade receivables and contract assets	–	(675)
Decrease (increase) in inventories	(50)	(275)
Increase (decrease) in trade payables	(50)	360
Other, net	87	16
Subtotal	3,262	2,260
Interest and dividends received	20	25
Interest paid	(2)	(2)
Income taxes paid	(577)	(667)
Subsidies received	100	100
Net cash provided by (used in) operating activities	2,804	1,716
Cash flows from investing activities		
Payments into time deposits	(184)	(186)
Proceeds from withdrawal of time deposits	136	128
Purchase of property, plant and equipment	(953)	(984)
Proceeds from sale of property, plant and equipment	2	2
Other, net	(16)	(15)
Net cash provided by (used in) investing activities	(1,016)	(1,055)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(20)	–
Proceeds from long-term borrowings	280	230
Repayments of long-term borrowings	(250)	(172)
Proceeds from issuance of bonds	146	194
Redemption of bonds	(62)	(87)
Purchase of treasury shares	(0)	(0)
Dividends paid	(360)	(450)
Other, net	6	18
Net cash provided by (used in) financing activities	(260)	(267)
Net increase (decrease) in cash and cash equivalents	1,527	394
Cash and cash equivalents at beginning of period	17,350	20,538
Cash and cash equivalents at end of period	18,878	20,932