

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 31, 2022

Company name: MEIJI ELECTRIC INDUSTRIES CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 3388 URL <https://www.meijidenki.co.jp/>
 Representative: President and Representative Director Hiroki Sugiwaki
 Inquiries: Administration General Manager Yoshihide Atsumi TEL 052-451-7661
 Scheduled date to file Quarterly Securities Report: November 14, 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: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 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 30, 2022 | 30,541 | (4.2) | 586 | (34.2) | 808 | (29.6) | 574 | (32.6) |
| Six months ended September 30, 2021 | 31,879 | 9.6 | 891 | 35.4 | 1,147 | 47.9 | 851 | 60.7 |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended September 30, 2022 | 45.37 | | - | |
| Six months ended September 30, 2021 | 74.18 | | - | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of September 30, 2022 | 42,692 | 27,867 | 64.8 |
| As of March 31, 2022 | 44,666 | 27,328 | 60.7 |

2. Cash dividends

| | Annual dividends per share | | | | |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | | | | |
| Year ended March 31, 2022 | - | 20.00 | - | 27.00 | 47.00 |
| Year ending March 31, 2023 | - | 20.00 | - | - | - |
| Year ending March 31, 2023 (Forecast) | - | - | - | 28.00 | 48.00 |

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 |
| Full year | 73,500 | 8.5 | 2,710 | 34.9 | 2,870 | 17.7 | 2,000 | 12.3 | 173.04 |

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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: Yes
- (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: No
- 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 30, 2022 | 12,717,120 shares | As of March 31, 2022 | 12,717,120 shares |
|--------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|--------------------------|---------------|----------------------|---------------|
| As of September 30, 2022 | 65,771 shares | As of March 31, 2022 | 65,771 shares |
|--------------------------|---------------|----------------------|---------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Six months ended September 30, 2022 | 12,651,349 shares | Six months ended September 30, 2021 | 11,481,920 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of March 31, 2022 | As of September 30, 2022 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,749,181 | 5,660,208 |
| Notes and accounts receivable - trade | 16,252,930 | 14,112,901 |
| Electronically recorded monetary claims - operating | 8,527,181 | 7,979,653 |
| Merchandise and finished goods | 4,095,061 | 5,478,837 |
| Work in process | 342,209 | 630,456 |
| Raw materials and supplies | 46,338 | 44,424 |
| Other | 509,507 | 1,070,033 |
| Allowance for doubtful accounts | (32,235) | (61,626) |
| Total current assets | 37,490,176 | 34,914,890 |
| Non-current assets | | |
| Property, plant and equipment | 3,662,614 | 4,223,355 |
| Intangible assets | 240,850 | 408,453 |
| Investments and other assets | 3,272,517 | 3,145,306 |
| Total non-current assets | 7,175,983 | 7,777,116 |
| Total assets | 44,666,159 | 42,692,006 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 8,756,239 | 6,685,101 |
| Electronically recorded obligations - operating | 5,667,843 | 5,355,847 |
| Short-term borrowings | 225,658 | 209,784 |
| Income taxes payable | 479,206 | 279,708 |
| Provision for bonuses | 481,571 | 434,026 |
| Provision for bonuses for directors (and other officers) | 2,240 | 37,648 |
| Other | 1,344,064 | 1,474,138 |
| Total current liabilities | 16,956,824 | 14,476,254 |
| Non-current liabilities | | |
| Provision for retirement benefits for directors (and other officers) | 3,550 | 3,550 |
| Other | 377,442 | 344,782 |
| Total non-current liabilities | 380,992 | 348,332 |
| Total liabilities | 17,337,817 | 14,824,587 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,624,866 | 1,624,866 |
| Capital surplus | 1,957,909 | 1,957,909 |
| Retained earnings | 22,204,363 | 22,436,795 |
| Treasury shares | (32,756) | (32,756) |
| Total shareholders' equity | 25,754,383 | 25,986,815 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,340,636 | 1,216,281 |
| Foreign currency translation adjustment | 13,725 | 387,118 |
| Remeasurements of defined benefit plans | 23,703 | 51,245 |
| Total accumulated other comprehensive income | 1,378,066 | 1,654,645 |
| Non-controlling interests | 195,892 | 225,959 |
| Total net assets | 27,328,342 | 27,867,419 |
| Total liabilities and net assets | 44,666,159 | 42,692,006 |

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

Consolidated statements of income (cumulative)

(Thousands of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|--|--|--|
| Net sales | 31,879,881 | 30,541,927 |
| Cost of sales | 27,541,548 | 26,254,221 |
| Gross profit | 4,338,332 | 4,287,705 |
| Selling, general and administrative expenses | 3,446,824 | 3,700,915 |
| Operating profit | 891,508 | 586,790 |
| Non-operating income | | |
| Interest income | 1,249 | 1,367 |
| Dividend income | 35,293 | 47,044 |
| Purchase discounts | 60,182 | 73,815 |
| Foreign exchange gains | 34,011 | 83,910 |
| Subsidy income | 113,538 | 4,000 |
| Other | 19,932 | 16,898 |
| Total non-operating income | 264,208 | 227,036 |
| Non-operating expenses | | |
| Interest expenses | 2,519 | 4,284 |
| Loss on valuation of derivatives | 2,671 | 1,361 |
| Other | 2,798 | – |
| Total non-operating expenses | 7,989 | 5,646 |
| Ordinary profit | 1,147,727 | 808,180 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 657 | 7,992 |
| National subsidies | 1,173 | 1,156 |
| Total extraordinary income | 1,830 | 9,148 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 32 | 51 |
| Total extraordinary losses | 32 | 51 |
| Profit before income taxes | 1,149,525 | 817,277 |
| Income taxes | 284,028 | 237,613 |
| Profit | 865,496 | 579,663 |
| Profit attributable to non-controlling interests | 13,735 | 5,646 |
| Profit attributable to owners of parent | 851,761 | 574,017 |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|--|--|--|
| Profit | 865,496 | 579,663 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 431,554 | (124,355) |
| Foreign currency translation adjustment | 142,797 | 397,813 |
| Remeasurements of defined benefit plans, net of tax | 19,130 | 27,541 |
| Total other comprehensive income | 593,481 | 300,999 |
| Comprehensive income | 1,458,978 | 880,663 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,445,439 | 850,596 |
| Comprehensive income attributable to non-controlling interests | 13,538 | 30,066 |