

Translation

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Summary of Consolidated Financial Results for the Year Ended March 20, 2023 (Based on Japanese GAAP)

April 27, 2023

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, 2023
 Scheduled date to file Securities Report: June 16, 2023
 Scheduled date to commence dividend payments: May 29, 2023
 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, 2023 (from March 21, 2022 to March 20, 2023)

(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, 2023	39,568	7.2	4,044	0.0	4,152	5.0	2,742	8.3
Year ended March 20, 2022	36,905	2.3	4,044	(3.3)	3,954	(4.0)	2,531	(10.4)

	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, 2023	159.40	–	5.7	6.6	10.2
Year ended March 20, 2022	147.32	–	5.4	6.6	11.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 20, 2023	64,226	49,963	76.9	2,869.36
As of March 20, 2022	61,024	47,783	77.5	2,750.10

(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, 2023	4,000	(1,974)	(979)	21,584
Year ended March 20, 2022	6,036	(1,910)	(937)	20,538

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, 2022	–	25.00	–	25.00	50.00	900	33.9	1.8
Year ended March 20, 2023	–	25.00	–	25.00	50.00	900	31.4	1.8
Year ending March 20, 2024 (Forecast)	–	50.00	–	64.00	114.00		50.3	

3. Forecast of consolidated financial results for the year ending March 20, 2024 (from March 21, 2023 to March 20, 2024)

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, 2023	21,391	11.8	2,673	46.8	2,736	45.9	1,845	48.7	107.25
Full year	43,128	9.0	5,644	39.6	5,773	39.0	3,897	42.1	226.45

4. Notes

(1) Changes in significant subsidiaries during the year ended March 20, 2023

(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 20, 2023	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 March 20, 2023	8,397,265 shares	As of March 20, 2022	8,415,700 shares
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Average number of shares during the period

Year ended March 20, 2023	17,202,981 shares	Year ended March 20, 2022	17,187,136 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 20, 2022	As of March 20, 2023
Assets		
Current assets		
Cash and deposits	21,895	23,094
Notes and accounts receivable - trade	6,991	–
Notes and accounts receivable - trade, and contract assets	–	7,531
Electronically recorded monetary claims - operating	3,352	4,236
Merchandise and finished goods	4,068	4,418
Raw materials and supplies	1,274	1,498
Other	1,485	1,590
Allowance for doubtful accounts	(5)	(4)
Total current assets	39,062	42,366
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,532	17,619
Accumulated depreciation	(12,037)	(12,549)
Buildings and structures, net	5,494	5,069
Machinery, equipment and vehicles	18,876	19,098
Accumulated depreciation	(15,968)	(16,471)
Machinery, equipment and vehicles, net	2,907	2,627
Land	4,643	4,643
Construction in progress	492	675
Other	22,234	22,814
Accumulated depreciation	(21,614)	(22,185)
Other, net	619	628
Total property, plant and equipment	14,158	13,644
Intangible assets	181	146
Investments and other assets		
Investment securities	1,062	1,155
Deferred tax assets	1,199	1,225
Retirement benefit asset	1,006	1,278
Long-term time deposits	4,000	4,000
Other	455	509
Allowance for doubtful accounts	(100)	(99)
Total investments and other assets	7,622	8,069
Total non-current assets	21,962	21,860
Total assets	61,024	64,226

(Millions of yen)

	As of March 20, 2022	As of March 20, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,748	3,118
Electronically recorded obligations - operating	3,766	4,212
Short-term borrowings	45	45
Current portion of long-term borrowings	192	184
Income taxes payable	744	873
Other	3,347	3,454
Total current liabilities	10,845	11,888
Non-current liabilities		
Long-term borrowings	116	19
Deferred tax liabilities for land revaluation	60	60
Provision for Employee Stock Ownership Plan Trust	1,056	1,154
Provision for retirement benefits for directors (and other officers)	116	95
Retirement benefit liability	657	648
Other	387	396
Total non-current liabilities	2,396	2,374
Total liabilities	13,241	14,263
Net assets		
Shareholders' equity		
Share capital	7,067	7,067
Capital surplus	9,538	9,538
Retained earnings	46,855	48,672
Treasury shares	(15,918)	(15,891)
Total shareholders' equity	47,543	49,387
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	111	193
Revaluation reserve for land	(600)	(600)
Remeasurements of defined benefit plans	223	400
Total accumulated other comprehensive income	(265)	(6)
Non-controlling interests	505	582
Total net assets	47,783	49,963
Total liabilities and net assets	61,024	64,226

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

(Millions of yen)

	Fiscal year ended March 20, 2022	Fiscal year ended March 20, 2023
Net sales	36,905	39,568
Cost of sales	23,111	25,606
Gross profit	13,794	13,961
Selling, general and administrative expenses		
Freight costs	2,285	2,246
Provision of allowance for doubtful accounts	(7)	1
Remuneration for directors (and other officers)	281	253
Salaries and allowances	3,542	3,611
Retirement benefit expenses	111	128
Provision for Employee Stock Ownership Plan Trust	58	55
Provision for retirement benefits for directors (and other officers)	14	12
Other	3,462	3,607
Total selling, general and administrative expenses	9,749	9,917
Operating profit	4,044	4,044
Non-operating income		
Interest income	13	13
Dividend income	28	30
Commission for insurance office work	6	5
Gain on sale of scraps	23	22
Commission income	9	21
Other	40	41
Total non-operating income	121	135
Non-operating expenses		
Interest expenses	4	4
Sales discounts	180	–
Loss on retirement of non-current assets	19	10
Bond issuance costs	3	5
Other	2	7
Total non-operating expenses	210	26
Ordinary profit	3,954	4,152
Extraordinary income		
Subsidy income	30	–
Total extraordinary income	30	–
Extraordinary losses		
Impairment losses	136	25
Loss on tax purpose reduction entry of non-current assets	30	–
Total extraordinary losses	166	25
Profit before income taxes	3,818	4,126
Income taxes - current	1,246	1,409
Income taxes - deferred	(43)	(101)
Total income taxes	1,203	1,307
Profit	2,615	2,818
Profit attributable to non-controlling interests	83	76
Profit attributable to owners of parent	2,531	2,742

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 20, 2022	Fiscal year ended March 20, 2023
Profit	2,615	2,818
Other comprehensive income		
Valuation difference on available-for-sale securities	(157)	81
Remeasurements of defined benefit plans, net of tax	(89)	177
Total other comprehensive income	(246)	258
Comprehensive income	2,368	3,077
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,285	3,000
Comprehensive income attributable to non-controlling interests	83	76

Consolidated statements of changes in equity

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

Fiscal year ended March 20, 2023

(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	46,855	(15,918)	47,543
Cumulative effects of changes in accounting policies			(24)		(24)
Restated balance	7,067	9,538	46,830	(15,918)	47,518
Changes during period					
Dividends of surplus			(900)		(900)
Profit attributable to owners of parent			2,742		2,742
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				27	27
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,841	27	1,869
Balance at end of period	7,067	9,538	48,672	(15,891)	49,387

	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	111	(600)	223	(265)	505	47,783
Cumulative effects of changes in accounting policies						(24)
Restated balance	111	(600)	223	(265)	505	47,758
Changes during period						
Dividends of surplus						(900)
Profit attributable to owners of parent						2,742
Purchase of treasury shares						(0)
Disposal of treasury shares						27
Net changes in items other than shareholders' equity	81	–	177	258	76	335
Total changes during period	81	–	177	258	76	2,205
Balance at end of period	193	(600)	400	(6)	582	49,963

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 20, 2022	Fiscal year ended March 20, 2023
Cash flows from operating activities		
Profit before income taxes	3,818	4,126
Depreciation	2,444	2,158
Subsidy income	(30)	–
Loss on tax purpose reduction entry of non-current assets	30	–
Impairment losses	136	25
Increase (decrease) in allowance for doubtful accounts	(83)	(3)
Increase (decrease) in provision for employee stock ownership plan trust	106	98
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	(21)
Increase (decrease) in retirement benefit liability	7	32
Decrease (increase) in retirement benefit asset	(19)	(59)
Interest and dividend income	(41)	(44)
Interest expenses	4	4
Decrease (increase) in trade receivables	587	–
Decrease (increase) in trade receivables and contract assets	–	(1,424)
Decrease (increase) in inventories	(418)	(573)
Increase (decrease) in trade payables	582	816
Other, net	(82)	(0)
Subtotal	7,046	5,135
Interest and dividends received	41	44
Interest paid	(4)	(4)
Income taxes paid	(1,176)	(1,275)
Subsidies received	130	100
Net cash provided by (used in) operating activities	6,036	4,000
Cash flows from investing activities		
Payments into time deposits	(360)	(362)
Proceeds from withdrawal of time deposits	216	209
Purchase of property, plant and equipment	(1,740)	(1,788)
Proceeds from sale of property, plant and equipment	49	7
Other, net	(76)	(39)
Net cash provided by (used in) investing activities	(1,910)	(1,974)
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	(427)	(335)
Proceeds from issuance of bonds	146	194
Redemption of bonds	(114)	(160)
Purchase of treasury shares	(0)	(0)
Dividends paid	(810)	(900)
Other, net	8	(8)
Net cash provided by (used in) financing activities	(937)	(979)
Net increase (decrease) in cash and cash equivalents	3,187	1,046
Cash and cash equivalents at beginning of period	17,350	20,538
Cash and cash equivalents at end of period	20,538	21,584