

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]

May 15, 2023

Company name: MIRAIT One Corporation

Stock exchange listing: TSE

Code number: 1417

URL: <https://www.mirait-one.com/english/>

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Scheduled date of Ordinary General Meeting of Shareholders: June 27, 2023

Scheduled date of commencing dividend payments: June 28, 2023

Scheduled date of filing annual securities report: June 28, 2023

Availability of supplementary briefing material on annual results: Available

Schedule of annual results briefing session: Scheduled (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2023	483,987	2.9	21,803	(33.5)	22,384	(34.5)	14,781	(41.3)
Fiscal year ended March 31, 2022	470,385	1.4	32,804	8.9	34,152	7.6	25,163	4.0

(Note) Comprehensive income: Fiscal year ended March 31, 2023: 16,517 million yen [(35.1)%]
Fiscal year ended March 31, 2022: 25,469 million yen [1.3%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	yen	yen	%	%	%
Fiscal year ended March 31, 2023	151.20	–	6.0	5.1	4.5
Fiscal year ended March 31, 2022	250.84	–	10.7	8.6	7.0

(Reference)

Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: (67) million yen
Fiscal year ended March 31, 2022: 206 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal Year Ended March 31, 2023	436,752	254,305	56.5	2,573.50
Fiscal Year Ended March 31, 2022	435,785	249,237	55.6	2,446.54

(Reference)

Equity: Fiscal year ended March 31, 2023: 246,818 million yen
Fiscal year ended March 31, 2022: 242,120 million yen

(3) Consolidated Cash Flows

	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
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2023	5,315	(12,314)	(12,571)	30,399
Fiscal year ended March 31, 2022	12,972	(46,204)	38,395	48,901

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2022	—	25.00	—	30.00	55.00	5,490	21.9	2.4
Fiscal year ended March 31, 2023	—	30.00	—	30.00	60.00	5,830	39.7	2.4
Fiscal year ending March 31, 2024 (Forecast)	—	30.00	—	35.00	65.00		34.1	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	520,000	7.4	26,000	19.2	26,500	18.4	18,000	21.8	190.79

* Notes:

(1) Changes in significant subsidiaries during the period under review: Yes

(Changes in specified subsidiaries associated with changes in the scope of consolidation)

2 companies excluded: MIRAIT Corporation

MIRAIT Technologies Corporation

(2) Changes in accounting policies, changes in accounting estimates and corrections of errors

1) Changes in accounting policies due to the revision of accounting standards, etc.: Yes

2) Any changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Corrections of errors: None

(3) Total number of issued shares (common stock)

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

March 31, 2023	103,325,329 shares	March 31, 2022	108,325,329 shares
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2) Total number of treasury stock at the end of the period:

March 31, 2023	7,417,752 shares	March 31, 2022	9,360,821 shares
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3) Average number of shares outstanding during the period:

March 31, 2023	97,762,150 shares	March 31, 2022	100,316,351 shares
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(Note) Total number of treasury stock includes the Company's stock held by the Board Incentive Plan trust under the Company's performance-linked stock remuneration program for directors who are not Audit and Supervisory Committee members and executive officers.

* Status of execution of the audit of financial statements

- This consolidated financial report is not subject to the audit of the financial statements under the Financial Instruments and Exchange Act.

*Explanation for the appropriate use of financial forecasts and other special notes

- While descriptions in this report regarding financial prospects and other future events are based on the information available at the time this report was prepared, and based on certain assumptions considered to be reasonable. Accordingly our actual business performance may differ significantly from the prospects due to a number of factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Assets		
Current assets		
Cash and deposits	50,929	32,482
Notes receivable - trade	1,273	1,979
Accounts receivable from completed construction contracts	179,275	188,152
Costs on construction contracts in progress	30,916	31,717
Prepaid expenses	1,224	1,163
Accounts receivable - other	3,902	5,127
Investments in leases	4,376	4,803
Other	4,252	7,091
Allowance for doubtful accounts	(15)	(12)
Total current assets	276,135	272,506
Non-current assets		
Property, plant and equipment		
Buildings and structures	66,344	67,585
Machinery, vehicles, tools, furniture and fixtures	19,531	22,691
Land	35,445	35,862
Leased assets	9,373	9,975
Construction in progress	629	1,788
Accumulated depreciation	(39,772)	(44,432)
Total property, plant and equipment	91,552	93,470
Intangible assets		
Customer related assets	12,723	12,315
Goodwill	20,576	20,687
Software	1,502	1,490
Software in progress	1,850	4,031
Other	258	197
Total intangible assets	36,912	38,723
Investments and other assets		
Investment securities	16,224	17,833
Retirement benefit asset	7,708	7,097
Deferred tax assets	3,651	4,004
Leasehold and guarantee deposits	1,813	1,592
Other	2,119	1,869
Allowance for doubtful accounts	(331)	(346)
Total investments and other assets	31,186	32,051
Total non-current assets	159,650	164,246
Total assets	435,785	436,752

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Liabilities		
Current liabilities		
Notes payable - trade	2,096	1,079
Accounts payable for construction contracts	65,693	66,628
Short-term borrowings	50,107	21,505
Accounts payable - other	5,552	5,404
Income taxes payable	5,077	3,595
Advances received on construction contracts in progress	7,341	5,302
Lease obligations	3,537	3,305
Provision for loss on construction contracts	1,406	809
Provision for bonuses	8,336	8,532
Provision for bonuses for directors (and other officers)	93	120
Provision for warranties for completed construction	204	94
Other	9,235	8,688
Total current liabilities	158,683	125,066
Non-current liabilities		
Long-term borrowings	–	30,011
Lease obligations	6,302	6,290
Long-term accounts payable - other	798	105
Deferred tax liabilities	3,738	3,486
Deferred tax liabilities for land revaluation	41	41
Provision for retirement benefits for directors (and other officers)	79	89
Provision for share-based compensation	390	355
Retirement benefit liability	15,356	15,782
Asset retirement obligations	617	887
Other	538	329
Total non-current liabilities	27,865	57,380
Total liabilities	186,548	182,446
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	69,652	61,280
Retained earnings	175,815	184,041
Treasury shares	(15,844)	(12,329)
Total shareholders' equity	236,623	239,993
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,011	2,729
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	236	2,555
Remeasurements of defined benefit plans	2,347	1,638
Total accumulated other comprehensive income	5,497	6,824
Non-controlling interests	7,116	7,487
Total net assets	249,237	254,305
Total liabilities and net assets	435,785	436,752

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales of completed construction contracts	470,385	483,987
Cost of sales of completed construction contracts	404,169	423,491
Gross profit on completed construction contracts	66,216	60,495
Selling, general and administrative expenses	33,411	38,692
Operating profit	32,804	21,803
Non-operating income		
Interest income	49	122
Dividend income	623	419
Share of profit of entities accounted for using equity method	206	–
Foreign exchange gains	176	–
Rental income from real estate	240	287
Surrender value of insurance policies	99	280
Other	281	318
Total non-operating income	1,677	1,427
Non-operating expenses		
Interest expenses	40	179
Share of loss of entities accounted for using equity method	–	67
Foreign exchange losses	–	126
Commission expenses	121	173
Infectious disease control costs	59	12
Other	107	287
Total non-operating expenses	329	846
Ordinary profit	34,152	22,384
Extraordinary income		
Gain on sale of non-current assets	647	124
Gain on sale of investment securities	3,256	1,104
Other	45	240
Total extraordinary income	3,949	1,469
Extraordinary losses		
Loss on sale of non-current assets	28	14
Loss on retirement of non-current assets	111	70
Impairment losses	154	–
Loss on sale of investment securities	–	25
Business restructuring expenses	165	317
Loss on revision of retirement benefit plan	34	–
Other	102	183
Total extraordinary losses	597	610
Profit before income taxes	37,504	23,243

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Income taxes - current	13,153	8,272
Income taxes - deferred	(1,083)	(231)
Total income taxes	12,070	8,041
Profit	25,433	15,201
Profit attributable to		
Profit attributable to non-controlling interests	270	420
Profit attributable to owners of parent	25,163	14,781
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,649)	(281)
Foreign currency translation adjustment	1,361	2,370
Remeasurements of defined benefit plans, net of tax	315	(723)
Share of other comprehensive income of entities accounted for using equity method	8	(49)
Total other comprehensive income	35	1,315
Comprehensive income	25,469	16,517
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	25,193	16,108
Comprehensive income attributable to non-controlling interests	275	408

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,000	69,571	155,239	(10,888)	220,922
Cumulative effects of changes in accounting policies			63		63
Restated balance	7,000	69,571	155,303	(10,888)	220,986
Changes during period					
Dividends of surplus			(4,801)		(4,801)
Profit attributable to owners of parent			25,163		25,163
Purchase of treasury shares				(5,003)	(5,003)
Disposal of treasury shares		0		47	47
Cancellation of treasury shares					–
Increase by merger			62		62
Change in scope of consolidation			87		87
Change in ownership interest of parent due to transactions with non-controlling interests		81			81
Fluctuation resulting from exclusion of equity method affiliates					–
Net changes in items other than shareholders' equity					
Total changes during period	–	81	20,512	(4,955)	15,637
Balance at end of period	7,000	69,652	175,815	(15,844)	236,623

	Accumulated other comprehensive income					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	4,660	(98)	(1,126)	2,031	5,466	4,934	231,323
Cumulative effects of changes in accounting policies							63
Restated balance	4,660	(98)	(1,126)	2,031	5,466	4,934	231,387
Changes during period							
Dividends of surplus							(4,801)
Profit attributable to owners of parent							25,163
Purchase of treasury shares							(5,003)
Disposal of treasury shares							47
Cancellation of treasury shares							–
Increase by merger							62
Change in scope of consolidation							87
Change in ownership interest of parent due to transactions with non-controlling interests							81
Fluctuation resulting from exclusion of equity method affiliates							–
Net changes in items other than shareholders' equity	(1,648)	–	1,363	315	30	2,182	2,212
Total changes during period	(1,648)	–	1,363	315	30	2,182	17,850
Balance at end of period	3,011	(98)	236	2,347	5,497	7,116	249,237

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,000	69,652	175,815	(15,844)	236,623
Cumulative effects of changes in accounting policies					—
Restated balance	7,000	69,652	175,815	(15,844)	236,623
Changes during period					
Dividends of surplus			(5,924)		(5,924)
Profit attributable to owners of parent			14,781		14,781
Purchase of treasury shares				(4,998)	(4,998)
Disposal of treasury shares		(0)		118	118
Cancellation of treasury shares		(8,394)		8,394	—
Increase by merger					—
Change in scope of consolidation					—
Change in ownership interest of parent due to transactions with non-controlling interests		23			23
Fluctuation resulting from exclusion of equity method affiliates			(630)		(630)
Net changes in items other than shareholders' equity					
Total changes during period	—	(8,371)	8,226	3,514	3,369
Balance at end of period	7,000	61,280	184,041	(12,329)	239,993

	Accumulated other comprehensive income					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	3,011	(98)	236	2,347	5,497	7,116	249,237
Cumulative effects of changes in accounting policies							—
Restated balance	3,011	(98)	236	2,347	5,497	7,116	249,237
Changes during period							
Dividends of surplus							(5,924)
Profit attributable to owners of parent							14,781
Purchase of treasury shares							(4,998)
Disposal of treasury shares							118
Cancellation of treasury shares							—
Increase by merger							—
Change in scope of consolidation							—
Change in ownership interest of parent due to transactions with non-controlling interests							23
Fluctuation resulting from exclusion of equity method affiliates ⁷							(630)
Net changes in items other than shareholders' equity	(281)	—	2,318	(709)	1,327	371	1,698
Total changes during period	(281)	—	2,318	(709)	1,327	371	5,068
Balance at end of period	2,729	(98)	2,555	1,638	6,824	7,487	254,305

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	37,504	23,243
Depreciation	6,865	8,030
Impairment losses	154	–
Amortization of goodwill	514	1,426
Share of loss (profit) of entities accounted for using equity method	(206)	67
Increase (decrease) in allowance for doubtful accounts	(60)	11
Increase (decrease) in provision for bonuses	309	196
Increase (decrease) in provision for loss on construction contracts	(559)	(597)
Increase (decrease) in other provisions	32	(107)
Remeasurements of defined benefit plans	315	(709)
Increase (decrease) in net defined benefit asset and liability	(281)	1,037
Interest and dividend income	(672)	(541)
Interest expenses	40	179
Foreign exchange losses (gains)	(176)	126
Loss (gain) on sale of investment securities	(3,256)	(1,078)
Loss (gain) on sale and retirement of non-current assets	(507)	(40)
Decrease (increase) in trade receivables	(4,303)	(7,982)
Decrease (increase) in costs on construction contracts in progress	486	(984)
Increase (decrease) in trade payables	(3,142)	(147)
Increase (decrease) in advances received on construction contracts in progress	345	(2,385)
Increase (decrease) in accrued consumption taxes	(4,666)	(323)
Decrease (increase) in consumption taxes refund receivable	(1,533)	(309)
Increase/decrease in other assets/liabilities	(827)	(4,383)
Other, net	351	273
Subtotal	26,727	15,001
Interest and dividends received	715	594
Interest paid	(40)	(179)
Income taxes paid	(14,429)	(10,100)
Net cash provided by (used in) operating activities	12,972	5,315

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Payments into time deposits	(1,377)	(1,276)
Proceeds from withdrawal of time deposits	1,296	1,269
Purchase of property, plant and equipment	(8,592)	(5,595)
Proceeds from sale of property, plant and equipment	785	363
Purchase of intangible assets	(2,346)	(2,241)
Purchase of investment securities	(259)	(4,704)
Proceeds from sale of investment securities	8,617	3,001
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(43,410)	–
Net decrease (increase) in short-term loans receivable	(734)	(103)
Payments for acquisition of businesses	–	(3,266)
Proceeds from cancellation of insurance funds	101	231
Other, net	(284)	9
Net cash provided by (used in) investing activities	(46,204)	(12,314)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	49,920	(28,602)
Proceeds from long-term borrowings	–	29,826
Repayments of long-term borrowings	(26)	(24)
Purchase of treasury shares	(5,003)	(4,998)
PaymentsForDepositToPurchaseOfTreasuryShares	–	(1,005)
Dividends paid	(4,794)	(5,924)
Dividends paid to non-controlling interests	(112)	(115)
Repayments of finance lease obligations	(1,470)	(1,659)
Other, net	(117)	(67)
Net cash provided by (used in) financing activities	38,395	(12,571)
Effect of exchange rate change on cash and cash equivalents	810	1,068
Net increase (decrease) in cash and cash equivalents	5,973	(18,501)
Cash and cash equivalents at beginning of period	42,851	48,901
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	75	–
Cash and cash equivalents at end of period	48,901	30,399