

## Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 10, 2023

Company name: MIRAIT ONE Corporation  
 Stock exchange listing: TSE  
 Code number: 1417  
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 Scheduled date of filing quarterly report: August 10, 2023  
 Scheduled date of commencing dividend payments: —  
 Availability of supplementary briefing material on quarterly results: Available  
 Schedule of quarterly results briefing session: Not scheduled

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

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 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	%
Three months ended June 30, 2023	100,524	5.4	889	—	1,511	—	(580)	—
Three months ended June 30, 2022	95,336	(5.2)	(1,147)	—	(691)	—	(815)	—

(Note) Comprehensive income: Three months ended June 30, 2023: 601 million yen [607.5%]  
 Three months ended June 30, 2022: 85 million yen [(97.6)%]

	Net income per share	Diluted net income per share
	yen	yen
Three months ended June 30, 2023	(6.09)	—
Three months ended June 30, 2022	(8.25)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2023	386,830	250,493	62.8
As of March 31, 2023	436,752	254,305	56.5

(Reference)

Equity: As of June 30, 2023: 242,971 million yen  
 As of March 31, 2023: 246,818 million yen

### 2. Dividends

	Annual dividends per share				
	1 <sup>st</sup> quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> quarter-end	Year-end	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2023	—	30.00	—	30.00	60.00
Fiscal year ending March 31, 2024	—	—	—	—	—
Fiscal year ending March 31, 2024 (Forecast)	—	30.00	—	35.00	65.00

(Note) Revision of dividend forecasts from recently announced figures: None

### 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

(Note) Revision of financial results forecasts from recently announced figures: None

\* Notes:

- (1) Changes in significant subsidiaries during the period during under review: None
- (2) Application of specific accounting practices for preparing consolidated quarterly financial statements: Yes
- (3) 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.: None
  - 2) Any changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Corrections of errors: None

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

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

June 30, 2023	103,325,329 shares	March 31, 2023	103,325,329 shares
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- 2) Total number of treasury stock at the end of the period:

June 30, 2023	8,304,012 shares	March 31, 2023	7,417,752 shares
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- 3) Average number of shares outstanding during the period:

June 30, 2023	95,335,701 shares	June 30, 2022	98,761,902 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.

\* Implementation status of quarterly review processes

- This quarterly summary of consolidated financial results is not subject to the quarterly review procedures stipulated 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.

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## 1. Overview of Operating Results and Financial Position

### (1) Overview of Operating Results for the Period under Review

During the first three months of the current consolidated period (from April 1, 2023 to June 30, 2023), the Japanese economy showed a moderate recovery as economic activity moved toward normalization following the easing of various restrictions put in place to combat the novel coronavirus disease (COVID-19). However, the economic outlook remains uncertain due to factors that include the prolonged situation in Ukraine, hikes in raw materials and energy costs, rises in prices, exchange rate fluctuations, and global monetary tightening.

With regard to the business environment surrounding the MIRAIT ONE Group (“the Group”), there is an expectation that the following will be attained: promoting regional decarbonization to contribute to regional development, as well as for renewable energy, energy conservation, electric vehicle usage and other components that fit well with regional characteristics and climates, and realizing a green transformation (GX), toward achieving carbon neutrality by 2050. There is also a need to improve resilience against natural disasters, which have been becoming increasingly severe in recent years. In addition, there are also promoting the development of digital infrastructure across the nation toward realizing the Vision for a Digital Garden City Nation, and digital transformation (DX) in local regions.

Against this backdrop, the Group aims to evolve into a corporate group that can contribute more than ever before to the resolution of social issues across a wide range of social infrastructure areas under its purpose and mission redefined in the previous year. The Group has formulated the MIRAIT ONE Group Vision 2030 as its business vision toward 2030 and the fifth Medium-term Management Plan for the five-year period started in the fiscal year ended March 31, 2023 or FY 2022. The Group has identified its growth areas, which are urban and regional development, corporate DX and GX, green energy business, software business, and global business, as the “MIRAI (future) Domains” that it will focus on in the future.

With this year being the year we start to achieve business expansion driven by the growth of our human resources, we are accelerating the shift of business to “MIRAI (future) Domains,” putting in place a flexible system for human resources that supports strategic personnel development and challenges, as our growth strategy for human talent, while pushing forward MIRAIT ONE Smart Work/Life reforms. In addition, we are engaged in activities to promote DX and further enhance productivity in existing businesses, generate synergies with SEIBU CONSTRUCTION, strengthen sales capabilities and broaden our customer base in growth fields, and reinforce our management foundation.

Following our efforts to develop effective measures toward creating a “strong foundation for ESG management,” in June 2023, we selected as a constituent of FTSE Blossom Japan Sector Relative Index, which was constructed by global index provider FTSE Russell. This index is used by Japan’s Government Pension Investment Fund (GPIF) as a benchmark for passive ESG investment management..

As for the consolidated financial results for the first three months ended June 30, 2023, there was a decrease in CATV and some 5G maintenance work in the Multi-carrier business; however, there were increases in green-energy related works, building construction works and civil engineering works in the Environmental and Social Innovation business and an increase in LAN and other works in the ICT Solutions business. As a result, orders received increased by 10.1% year-on-year to 141,790 million yen and net sales increased by 5.4% year-on-year to 100,524 million yen. On the profit front, operating profit came in at 889 million yen (operating loss was 1,147 million yen in the same period of the previous fiscal year), ordinary profit came in at 1,511 million yen (ordinary loss was 691 million yen in the same period of the previous fiscal year). However, loss attributable to owners of parent stood at 580 million yen (loss attributable to owners of parent was 815 million yen in the same period of the previous fiscal year) owing to the impact of the calculation of tax expense applying specific accounting practices for preparing consolidated quarterly financial statements.

## (2) Overview of Financial Position for the Period under Review

Total assets at the end of the first quarter of the current consolidated period amounted to 386,830 million yen, a decrease of 49,921 million yen from the end of the previous fiscal year, mainly due to a decrease in accounts receivable including accounts receivable from completed construction contracts and other.

Total liabilities decreased by 46,109 million yen to 136,337 million yen, mainly due to a decrease in accounts payable for construction contracts and other, and repayment of short-term borrowings.

Net assets decreased by 3,812 million yen to 250,493 million yen, mainly due to dividends paid of 2,886 million yen and share repurchase of 2,025 million yen.

As a result of the above, the equity ratio at the end of the first quarter stood at 62.8% (compared with 56.5% at the end of the previous fiscal year).

## (3) Future Outlook

The consolidated financial results forecast for the fiscal year ending March 31, 2024, as announced on May 15, 2023, remains unchanged.

## 2. Notes to Summary Information (Explanatory Notes)

### (1) Changes in Important Subsidiaries during the Period under Review

Not applicable.

### (2) Application of Specific Accounting Practices for Preparing Consolidated Quarterly Financial Statements

#### Calculation of tax expense

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting against income before income taxes for the current fiscal year, including the first quarter ended June 30, 2023, and then multiplying income before income taxes for the three months with the said estimated effective tax rate.

The statutory tax rate is applied if the tax expense calculated using the estimated effective tax rate lacks rationality to a significant degree.

### 3. Consolidated Quarterly Financial Statements and Notes

#### (1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	32,482	40,210
Notes receivable, accounts receivable from completed construction contracts and other	190,131	120,237
Investments in leases	4,803	4,377
Costs on construction contracts in progress	31,717	40,498
Other	13,382	16,144
Allowance for doubtful accounts	(12)	(11)
Total current assets	272,506	221,457
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	43,006	43,206
Land	35,862	35,940
Construction in progress	1,788	1,740
Other, net	12,814	12,711
Total property, plant and equipment	93,470	93,598
Intangible assets		
Customer related assets	12,315	12,161
Goodwill	20,687	20,355
Software	1,490	1,465
Software in progress	4,031	4,137
Other	197	181
Total intangible assets	38,723	38,300
Investments and other assets		
Investment securities	17,833	19,202
Retirement benefit asset	7,097	7,115
Deferred tax assets	4,004	3,979
Leasehold and guarantee deposits	1,592	1,595
Other	1,869	1,929
Allowance for doubtful accounts	(346)	(348)
Total investments and other assets	32,051	33,473
Total non-current assets	164,246	165,373
<b>Total assets</b>	436,752	386,830

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	67,708	46,823
Short-term borrowings	21,505	4
Lease obligations	3,305	3,097
Income taxes payable	3,595	1,287
Advances received on construction contracts in progress	5,302	6,376
Provision for loss on construction contracts	809	577
Provision for bonuses	8,532	4,657
Provision for bonuses for directors (and other officers)	120	61
Provision for warranties for completed construction	94	45
Other	14,092	16,051
Total current liabilities	125,066	78,982
Non-current liabilities		
Long-term borrowings	30,011	30,005
Lease obligations	6,290	5,813
Deferred tax liabilities	3,486	3,688
Deferred tax liabilities for land revaluation	41	41
Provision for retirement benefits for directors (and other officers)	89	91
Provision for share-based compensation	355	382
Retirement benefit liability	15,782	16,030
Asset retirement obligations	887	889
Other	434	411
Total non-current liabilities	57,380	57,354
Total liabilities	182,446	136,337
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	61,280	61,290
Retained earnings	184,041	180,575
Treasury shares	(12,329)	(13,846)
Total shareholders' equity	239,993	235,019
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,729	3,674
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	2,555	2,815
Remeasurements of defined benefit plans	1,638	1,560
Total accumulated other comprehensive income	6,824	7,952
Non-controlling interests	7,487	7,522
Total net assets	254,305	250,493
Total liabilities and net assets	436,752	386,830

(2) Consolidated Quarterly Statements of Income and Comprehensive Income  
Three Months Ended June 30

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales of completed construction contracts	95,336	100,524
Cost of sales of completed construction contracts	86,301	89,873
Gross profit on completed construction contracts	9,035	10,651
Selling, general and administrative expenses	10,182	9,761
Operating profit (loss)	(1,147)	889
Non-operating income		
Interest income	14	59
Dividend income	241	201
Foreign exchange gains	104	257
Share of profit of entities accounted for using equity method	11	–
Other	178	286
Total non-operating income	551	805
Non-operating expenses		
Interest expenses	44	35
Share of loss of entities accounted for using equity method	–	83
Other	50	64
Total non-operating expenses	95	182
Ordinary profit (loss)	(691)	1,511
Extraordinary income		
Gain on sale of non-current assets	4	3
Gain on sale of investment securities	1,060	13
Other	30	0
Total extraordinary income	1,095	17
Extraordinary losses		
Loss on retirement of non-current assets	3	67
Loss on liquidation of subsidiaries	53	–
Business restructuring expenses	86	–
Other	36	1
Total extraordinary losses	179	69
Profit before income taxes	223	1,460
Income taxes	1,048	1,999
Loss	(824)	(539)
Profit (loss) attributable to		
Loss attributable to owners of parent	(815)	(580)
Profit (loss) attributable to non-controlling interests	(9)	41



(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Other comprehensive income		
Valuation difference on available-for-sale securities	(412)	959
Foreign currency translation adjustment	1,191	133
Remeasurements of defined benefit plans, net of tax	119	(78)
Share of other comprehensive income of entities accounted for using equity method	10	125
Total other comprehensive income	909	1,140
Comprehensive income	85	601
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	92	547
Comprehensive income attributable to non-controlling interests	(7)	54

(3) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes to shareholders' equity)

On November 11, 2022 and March 1, 2023, the Board of Directors of the Company resolved to repurchase its own shares in the market pursuant to Article 156 of the Companies Act of Japan, applied pursuant to Paragraph 3, Article 165 of the Companies Act, following which the Company purchased 603,500 shares of its common stock of an amount of 1,003 million yen. As a result, the Company's treasury stock increased by the same amount. Also, the Board of Directors of the Company resolved on May 15, 2023 to repurchase its own shares in the market pursuant to Article 156 of the Companies Act of Japan, applied pursuant to Paragraph 3, Article 165 of the Companies Act, following which the Company purchased 282,600 shares of its common stock of an amount of 503 million yen. As a result, the Company's treasury stock increased by the same amount. The total amount of treasury stock at the end of the first quarter of the current consolidated fiscal period was 13,846 million yen.