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August 10, 2023

## Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

Company name: MIDAC HOLDINGS CO., LTD.  
 Listing: Tokyo Stock Exchange, Nagoya Stock Exchange  
 Securities code: 6564  
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 Scheduled date to file quarterly securities report: August 10, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: No

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

#### (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	%
Three months ended June 30, 2023	2,134	7.6	827	8.7	812	9.3	499	16.3
June 30, 2022	1,984	26.9	761	17.2	743	15.3	429	21.3

Note: Comprehensive income For the three months ended June 30, 2023: ¥499 million [16.3%]  
 For the three months ended June 30, 2022: ¥429 million [21.3%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	18.09	18.09
June 30, 2022	15.58	15.57

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	21,070	11,349	53.8
March 31, 2023	21,607	10,983	50.7

Reference: Equity  
 As of June 30, 2023: ¥11,329 million  
 As of March 31, 2023: ¥10,965 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	0.00	–	5.00	5.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		0.00	–	5.00	5.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	4,044	6.9	1,212	(3.5)	1,173	(4.2)	660	(9.9)	23.92
Fiscal year ending March 31, 2024	8,454	8.8	3,013	9.4	2,875	6.8	1,731	2.7	62.71

Note: Revisions to the consolidated earnings forecasts most recently announced: None

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2023	27,773,500 shares
As of March 31, 2023	27,773,500 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2023	170,181 shares
As of March 31, 2023	170,001 shares

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

Three months ended June 30, 2023	27,603,452 shares
Three months ended June 30, 2022	27,558,738 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

**\* Proper use of earnings forecasts, and other special matters**

The forward-looking statements including business results forecasts in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors. For the suppositions that form the assumptions for earnings forecasts and points to note concerning the use thereof, please refer to “1. Qualitative information regarding financial results for the three months ended June 30, 2023 (3) Explanation regarding consolidated earnings forecasts and other forward-looking statements” on page 3 of the attached materials.

**Accompanying Materials – Contents****Index**

1. Qualitative information regarding financial results for the three months ended June 30, 2023 .....	2
(1) Explanation regarding operating results .....	2
(2) Explanation regarding financial position .....	3
(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements .....	3
2. Quarterly consolidated financial statements and significant notes thereto .....	4
(1) Consolidated balance sheet .....	4
(2) Consolidated statement of income (cumulative) and consolidated statement of comprehensive income (cumulative) .....	6
Consolidated statement of income (cumulative) .....	6
Consolidated statement of comprehensive income (cumulative) .....	7
(3) Notes to quarterly consolidated financial statements .....	8
(Notes on premise of going concern) .....	8
(Notes on significant changes in the amount of shareholders' equity) .....	8
(Segment information) .....	9

## 1. Qualitative information regarding financial results for the three months ended June 30, 2023

### (1) Explanation regarding operating results

In the three months ended June 30, 2023, the Japanese economy continued to face an uncertain outlook due to prolonged geopolitical risk from the situation in Russia and Ukraine, the continuation of high commodity prices associated with the progression of yen depreciation, and other factors despite consumer confidence showing signs of recovery due to an increase in opportunities to go out following the shift in classification of COVID-19 under the Infectious Diseases Act.

Under these circumstances, the MIDAC HOLDINGS Group (the “Group”) set the fiscal year ending March 31, 2027 as the end of the first period of the medium-term management plan, and began the second year of the first period of the medium-term management plan this fiscal year. This fiscal year, the Group worked to practice organic growth in order to “build a foundation for accelerated growth,” and worked to secure the contracted waste volume at the controlled landfill site “Okuyama-No-Mori Clean Center” in particular. Specifically, the contracted waste volume, primarily large-scale transactions focused on the construction industry, increased significantly due to increased space for reception at landfill sites, which are the final receptacles for waste. Additionally, the Group worked to enhance profitability by further strengthening cooperation with landfill sites at intermediate treatment facilities and shifting to in-house production of waste created following volume reduction within the Group.

Furthermore, the Group worked to enhance profitability by continuing to promote the passing on of prices from the previous fiscal year in response to increasing treatment expenses associated with the sharp rise in raw material prices, etc.

As a result of the above, for the three months ended June 30, 2023, net sales amounted to 2,134 million yen (+7.6% year-on-year), operating profit amounted to 827 million yen (+8.7%), ordinary profit amounted to 812 million yen (+9.3%), and profit attributable to owners of parent amounted to 499 million yen (+16.3%), meaning that both sales and profits increased, and the Group achieved its highest ever net sales and profit at each stage of profit for the first quarter.

Business performance by segment was as follows.

#### (i) Waste treatment business

The contracted waste volume, primarily large-scale transactions with the construction industry, increased significantly due to the increase of space for reception at the controlled landfill site “Okuyama-No-Mori Clean Center” by MIDAC CO., LTD., a consolidated subsidiary that operates landfill sites. As a result of the above, net sales amounted to 1,919 million yen (+8.0%) and segment profit amounted to 1,082 million yen (+13.1%).

#### (ii) Collection and transportation business

In the industrial waste business, although the Group worked to increase the volume of contracts, such as by handling disaster waste associated with torrential rain, etc., the volume of contracts decreased year on year due to the switch of some transactions to the intermediary management business, decrease of large projects and other factors. In the area of general waste, the volume of contracts increased year on year as a result of our efforts to cultivate new customers in addition to the collection volume of general waste created by restaurants, etc. showing a growth trend due to the shift in classification of COVID-19 under the Infectious Diseases Act.

As a result of the above, net sales amounted to 182 million yen (+1.5%) and segment profit amounted to 21 million yen (+19.3%).

#### (iii) Intermediary management business

Intermediary services for partner companies was favorable due to factors such as large-scale construction projects. As a result of the above, net sales amounted to 32 million yen (+20.8%) and segment profit amounted to 20 million yen (+13.2%).

**(2) Explanation regarding financial position***(Assets)*

Current assets as of June 30, 2023 amounted to 7,079 million yen, a decrease of 754 million yen from the end of the previous fiscal year. This was mainly due to a decrease in cash and deposits of 772 million yen. In addition, non-current assets amounted to 13,991 million yen, an increase of 217 million yen from the end of the previous fiscal year. This was mainly due to an increase in land of 311 million yen.

As a result, total assets amounted to 21,070 million yen, a decrease of 536 million yen from the end of the previous fiscal year.

*(Liabilities)*

Current liabilities as of June 30, 2023 amounted to 3,247 million yen, a decrease of 681 million yen from the end of the previous fiscal year. This was mainly due to a decrease in accounts payable - other of 203 million yen and a decrease in income taxes payable of 489 million yen.

In addition, non-current liabilities amounted to 6,473 million yen, a decrease of 220 million yen from the end of the previous fiscal year. This was mainly due to a decrease in long-term borrowings payable of 235 million yen.

As a result, total liabilities amounted to 9,720 million yen, a decrease of 902 million yen from the end of the previous fiscal year.

*(Net assets)*

Total net assets as of June 30, 2023 amounted to 11,349 million yen, an increase of 366 million yen from the end of the previous fiscal year. This was mainly due to factors such as an increase in retained earnings of 361 million yen as a result of the recording of profit attributable to owners of parent of 499 million yen, etc.

**(3) Explanation regarding consolidated earnings forecasts and other forward-looking statements**

No revisions have been made to the consolidated earnings forecasts announced in “Consolidated Financial Results for the Fiscal Year Ended March 31, 2023” on May 12, 2023.

## 2. Quarterly consolidated financial statements and significant notes thereto

### (1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,540,406	5,767,905
Notes and accounts receivable - trade	968,534	954,742
Inventories	92,548	70,979
Other	233,865	287,033
Allowance for doubtful accounts	(1,384)	(1,413)
Total current assets	7,833,970	7,079,247
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,070,317	1,067,052
Machinery, equipment and vehicles, net	604,867	622,026
Landfill site, net	5,175,517	5,075,188
Land	2,851,551	3,162,704
Construction in progress	1,898,153	1,929,336
Other, net	73,625	78,880
Total property, plant and equipment	11,674,033	11,935,189
Intangible assets		
Goodwill	934,520	874,283
Facility installation right	120,300	110,275
Other	33,405	33,462
Total intangible assets	1,088,225	1,018,021
Investments and other assets		
Deferred tax assets	280,499	302,028
Other	730,834	736,284
Total investments and other assets	1,011,334	1,038,312
Total non-current assets	13,773,592	13,991,523
Total assets	21,607,562	21,070,770

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	52,449	44,869
Short-term borrowings	1,290,000	1,290,000
Current portion of bonds payable	16,000	9,000
Current portion of long-term borrowings	994,657	979,668
Income taxes payable	489,389	–
Accounts payable - other	525,731	321,804
Provision for bonuses	98,582	50,353
Other	462,891	552,042
Total current liabilities	3,929,701	3,247,738
Non-current liabilities		
Bonds payable	200,000	200,000
Long-term borrowings	5,528,913	5,293,099
Provision for maintenance of landfill site	795,238	813,108
Asset retirement obligations	112,505	112,513
Other	57,306	54,400
Total non-current liabilities	6,693,963	6,473,121
Total liabilities	10,623,664	9,720,860
<b>Net assets</b>		
Shareholders' equity		
Share capital	90,000	90,000
Capital surplus	4,934,175	4,936,698
Retained earnings	6,093,745	6,455,143
Treasury shares	(152,190)	(152,499)
Total shareholders' equity	10,965,730	11,329,343
Share acquisition rights	18,167	20,567
Total net assets	10,983,897	11,349,910
<b>Total liabilities and net assets</b>	<b>21,607,562</b>	<b>21,070,770</b>



**(2) Consolidated statement of income (cumulative) and consolidated statement of comprehensive income (cumulative)****Consolidated statement of income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	1,984,208	2,134,944
Cost of sales	746,361	780,676
Gross profit	1,237,846	1,354,268
Selling, general and administrative expenses	476,292	526,336
Operating profit	761,553	827,931
Non-operating income		
Interest income	87	153
Rental income from real estate	2,427	3,839
Gain on sale of non-current assets	1,913	1,090
Other	1,663	739
Total non-operating income	6,091	5,822
Non-operating expenses		
Interest expenses	20,385	18,699
Other	3,839	2,790
Total non-operating expenses	24,224	21,490
Ordinary profit	743,420	812,263
Profit before income taxes	743,420	812,263
Income taxes	314,140	312,848
Profit	429,280	499,415
Profit attributable to owners of parent	429,280	499,415

**Consolidated statement of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	429,280	499,415
Comprehensive income	429,280	499,415
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	429,280	499,415

**(3) Notes to quarterly consolidated financial statements**

**(Notes on premise of going concern)**

Not applicable.

**(Notes on significant changes in the amount of shareholders' equity)**

Not applicable.

**(Segment information)****Segment information**

I Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

Information on the amounts of net sales, profit or loss and information on disaggregation of revenue by reportable segment

(Thousands of yen)

	Reportable segments				Adjustments Note: 1	Amount recorded on quarterly consolidated statement of income Note: 2
	Waste treatment	Collection and transportation	Intermediary management	Total		
Net sales						
Revenue from contracts with customers	1,777,436	179,614	27,157	1,984,208	–	1,984,208
Sales to external customers	1,777,436	179,614	27,157	1,984,208	–	1,984,208
Intersegment sales or transfers	37,029	202	4,457	41,689	(41,689)	–
Total	1,814,465	179,817	31,614	2,025,897	(41,689)	1,984,208
Segment profit	956,590	17,726	17,754	992,070	(230,517)	761,553

Notes: 1. The adjustments to segment profit of (230,517) thousand yen are mainly corporate expenses that are not allocated to each reportable segment.

2. Segment profit is adjusted with operating profit in the consolidated statement of income.

II Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

Information on the amounts of net sales, profit or loss and information on disaggregation of revenue by reportable segment

(Thousands of yen)

	Reportable segments				Adjustments Note: 1	Amount recorded on quarterly consolidated statement of income Note: 2
	Waste treatment	Collection and transportation	Intermediary management	Total		
Net sales						
Revenue from contracts with customers	1,919,916	182,220	32,807	2,134,944	–	2,134,944
Sales to external customers	1,919,916	182,220	32,807	2,134,944	–	2,134,944
Intersegment sales or transfers	87,669	5,051	229	92,951	(92,951)	–
Total	2,007,586	187,272	33,036	2,227,895	(92,951)	2,134,944
Segment profit	1,082,278	21,139	20,094	1,123,513	(295,581)	827,931

Notes: 1. The adjustments to segment profit of (295,581) thousand yen are mainly corporate expenses that are not allocated to each reportable segment.

2. Segment profit is adjusted with operating profit in the consolidated statement of income.