

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 20, 2023 (Based on Japanese GAAP)

October 26, 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 to file Quarterly Securities Report: November 1, 2023
 Scheduled date to commence dividend payments: November 27, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 20, 2023 (from March 21, 2023 to September 20, 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	%
Six months ended September 20, 2023	21,689	13.3	3,253	78.6	3,323	77.2	2,252	81.5
Six months ended September 20, 2022	19,141	5.2	1,821	(6.2)	1,875	(1.9)	1,241	(3.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 20, 2023	130.89	–
Six months ended September 20, 2022	72.17	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 20, 2023	64,959	52,090	79.2
As of March 20, 2023	64,226	49,963	76.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 20, 2023	–	25.00	–	25.00	50.00
Year ending March 20, 2024	–	50.00	–	–	–
Year ending March 20, 2024 (Forecast)	–	–	–	64.00	114.00

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
Full year	43,477	9.9	5,911	46.2	6,048	45.7	4,112	50.0	238.87

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 20, 2023
(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: No
- (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: Yes
- 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 20, 2023	25,607,086 shares	As of March 20, 2023	25,607,086 shares
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Number of treasury shares at the end of the period

As of September 20, 2023	8,388,079 shares	As of March 20, 2023	8,397,265 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 20, 2023	17,213,420 shares	Six months ended September 20, 2022	17,197,599 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 20, 2023	As of September 20, 2023
Assets		
Current assets		
Cash and deposits	23,094	22,360
Notes and accounts receivable - trade, and contract assets	7,531	8,013
Electronically recorded monetary claims - operating	4,236	4,387
Merchandise and finished goods	4,418	4,412
Raw materials and supplies	1,498	1,634
Other	1,590	1,609
Allowance for doubtful accounts	(4)	(2)
Total current assets	42,366	42,414
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,069	4,945
Machinery, equipment and vehicles, net	2,627	2,624
Land	4,643	4,643
Construction in progress	675	1,212
Other, net	628	655
Total property, plant and equipment	13,644	14,082
Intangible assets	146	127
Investments and other assets		
Investment securities	1,155	1,553
Deferred tax assets	1,225	1,108
Retirement benefit asset	1,278	1,285
Long-term time deposits	4,000	4,000
Other	509	487
Allowance for doubtful accounts	(99)	(100)
Total investments and other assets	8,069	8,334
Total non-current assets	21,860	22,544
Total assets	64,226	64,959
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,118	3,152
Electronically recorded obligations - operating	4,212	2,200
Short-term borrowings	45	45
Current portion of long-term borrowings	184	249
Income taxes payable	873	1,101
Other	3,454	3,654
Total current liabilities	11,888	10,404
Non-current liabilities		
Long-term borrowings	19	16
Deferred tax liabilities for land revaluation	60	60
Provision for Employee Stock Ownership Plan Trust	1,154	1,140
Provision for retirement benefits for directors (and other officers)	95	90
Retirement benefit liability	648	659
Other	396	495
Total non-current liabilities	2,374	2,463
Total liabilities	14,263	12,868

(Millions of yen)

	As of March 20, 2023	As of September 20, 2023
Net assets		
Shareholders' equity		
Share capital	7,067	7,067
Capital surplus	9,538	9,538
Retained earnings	48,672	50,475
Treasury shares	(15,891)	(15,877)
Total shareholders' equity	49,387	51,204
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	193	485
Revaluation reserve for land	(600)	(600)
Remeasurements of defined benefit plans	400	375
Total accumulated other comprehensive income	(6)	260
Non-controlling interests	582	625
Total net assets	49,963	52,090
Total liabilities and net assets	64,226	64,959

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 20, 2022	Six months ended September 20, 2023
Net sales	19,141	21,689
Cost of sales	12,266	13,198
Gross profit	6,875	8,490
Selling, general and administrative expenses		
Freight costs	1,124	1,155
Provision of allowance for doubtful accounts	1	(0)
Remuneration for directors (and other officers)	130	128
Salaries and allowances	1,801	1,847
Retirement benefit expenses	62	60
Provision for Employee Stock Ownership Plan Trust	29	–
Provision for retirement benefits for directors (and other officers)	6	5
Other	1,896	2,040
Total selling, general and administrative expenses	5,053	5,236
Operating profit	1,821	3,253
Non-operating income		
Interest income	6	6
Dividend income	18	29
Commission for insurance office work	2	2
Gain on sale of scraps	8	8
Commission income	7	12
Other	22	20
Total non-operating income	67	80
Non-operating expenses		
Interest expenses	2	1
Bond issuance costs	5	6
Other	6	3
Total non-operating expenses	13	11
Ordinary profit	1,875	3,323
Profit before income taxes	1,875	3,323
Income taxes - current	637	1,003
Income taxes - deferred	(40)	23
Total income taxes	596	1,027
Profit	1,278	2,296
Profit attributable to non-controlling interests	37	43
Profit attributable to owners of parent	1,241	2,252

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 20, 2022	Six months ended September 20, 2023
Profit	1,278	2,296
Other comprehensive income		
Valuation difference on available-for-sale securities	(19)	292
Remeasurements of defined benefit plans, net of tax	(9)	(25)
Total other comprehensive income	(29)	267
Comprehensive income	1,249	2,564
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,211	2,520
Comprehensive income attributable to non-controlling interests	37	43

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 20, 2022	Six months ended September 20, 2023
Cash flows from operating activities		
Profit before income taxes	1,875	3,323
Depreciation	982	928
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for employee stock ownership plan trust	40	(13)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(27)	(4)
Increase (decrease) in retirement benefit liability	16	5
Decrease (increase) in retirement benefit asset	(31)	(37)
Interest and dividend income	(25)	(36)
Interest expenses	2	1
Decrease (increase) in trade receivables and contract assets	(675)	(632)
Decrease (increase) in inventories	(275)	(129)
Increase (decrease) in trade payables	360	(1,978)
Other, net	16	98
Subtotal	2,260	1,524
Interest and dividends received	25	36
Interest paid	(2)	(1)
Income taxes paid	(667)	(783)
Subsidies received	100	–
Net cash provided by (used in) operating activities	1,716	775
Cash flows from investing activities		
Payments into time deposits	(186)	(285)
Proceeds from withdrawal of time deposits	128	126
Purchase of property, plant and equipment	(984)	(1,257)
Proceeds from sale of property, plant and equipment	2	1
Other, net	(15)	10
Net cash provided by (used in) investing activities	(1,055)	(1,404)
Cash flows from financing activities		
Proceeds from long-term borrowings	230	260
Repayments of long-term borrowings	(172)	(197)
Proceeds from issuance of bonds	194	193
Redemption of bonds	(87)	(73)
Purchase of treasury shares	(0)	(0)
Dividends paid	(450)	(450)
Other, net	18	3
Net cash provided by (used in) financing activities	(267)	(264)
Net increase (decrease) in cash and cash equivalents	394	(893)
Cash and cash equivalents at beginning of period	20,538	21,584
Cash and cash equivalents at end of period	20,932	20,691