

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 13, 2023

Company name: MEIWA ESTATE Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8869 URL <https://www.meiwajisyo.co.jp/corp/>
 Representative: President & CEO Hideaki Harada
 Inquiries: Executive Officer Motomi Shimazu TEL 03(5489)0111
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	30,048	69.9	1,723	–	1,188	–	1,110	–
Six months ended September 30, 2022	17,684	(25.7)	71	(93.6)	(527)	–	(421)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	47.37	–
Six months ended September 30, 2022	(18.00)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	117,225	30,311	25.9	1,292.74
As of March 31, 2023	116,538	29,998	25.7	1,279.38

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 31, 2023	–	0.00	–	45.00	45.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	50.00	50.00

3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	83,000	33.2	6,300	6.0	5,200	4.2	3,800	(13.9)	162.06

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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: No
- 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 30, 2023	23,447,684 shares	As of March 31, 2023	23,447,684 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	– shares	As of March 31, 2023	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	23,447,684 shares	Six months ended September 30, 2022	23,447,684 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	34,147	32,690
Notes and accounts receivable - trade	195	137
Real estate for sale	7,015	6,361
Real estate for sale in process	61,371	66,930
Operating loans	401	399
Income taxes refund receivable	3	–
Other	1,107	1,039
Allowance for doubtful accounts	(0)	(0)
Total current assets	104,242	107,558
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,202	2,027
Land	5,170	4,412
Other, net	172	459
Total property, plant and equipment	7,544	6,899
Intangible assets		
Software	59	58
Goodwill	12	10
Other	179	171
Total intangible assets	251	240
Investments and other assets		
Investment securities	1,932	48
Deferred tax assets	1,107	1,023
Retirement benefit asset	255	256
Other	1,262	1,257
Allowance for doubtful accounts	(59)	(59)
Total investments and other assets	4,499	2,526
Total non-current assets	12,295	9,666
Total assets	116,538	117,225

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,586	3,853
Electronically recorded obligations - operating	15,448	12,653
Short-term borrowings	8,887	10,774
Current portion of long-term borrowings	7,649	12,950
Accrued expenses	232	266
Income taxes payable	524	62
Advances received	4,250	3,977
Provision for bonuses	444	455
Provision for bonuses for directors (and other officers)	122	53
Provision for shareholder benefit program	69	4
Other	2,009	1,143
Total current liabilities	44,225	46,193
Non-current liabilities		
Long-term borrowings	41,321	39,689
Provision for retirement benefits for directors (and other officers)	243	226
Retirement benefit liability	211	224
Other	537	580
Total non-current liabilities	42,314	40,719
Total liabilities	86,539	86,913
Net assets		
Shareholders' equity		
Share capital	3,537	3,537
Capital surplus	5,395	5,395
Retained earnings	21,245	21,380
Total shareholders' equity	30,178	30,314
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(175)	-
Remeasurements of defined benefit plans	(4)	(2)
Total accumulated other comprehensive income	(180)	(2)
Total net assets	29,998	30,311
Total liabilities and net assets	116,538	117,225

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	17,684	30,048
Cost of sales	13,190	23,200
Gross profit	4,493	6,847
Selling, general and administrative expenses	4,422	5,123
Operating profit	71	1,723
Non-operating income		
Interest income	0	0
Penalty income	31	42
Subsidy income	9	6
Reversal of allowance for doubtful accounts	2	0
Other	22	21
Total non-operating income	64	71
Non-operating expenses		
Interest expenses	404	491
Consumption taxes	187	–
Other	71	115
Total non-operating expenses	662	606
Ordinary profit (loss)	(527)	1,188
Extraordinary income		
Gain on sale of non-current assets	–	78
Gain on sale of investment securities	–	66
Gain on sale of golf club membership	6	–
Total extraordinary income	6	144
Extraordinary losses		
Loss on retirement of non-current assets	2	0
Loss on valuation of investment securities	–	71
Total extraordinary losses	2	71
Profit (loss) before income taxes	(522)	1,261
Income taxes - current	19	66
Income taxes - deferred	(120)	83
Total income taxes	(100)	150
Profit (loss)	(421)	1,110
Profit (loss) attributable to owners of parent	(421)	1,110

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit (loss)	(421)	1,110
Other comprehensive income		
Valuation difference on available-for-sale securities	–	175
Remeasurements of defined benefit plans, net of tax	7	2
Total other comprehensive income	7	178
Comprehensive income	(414)	1,288
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(414)	1,288

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	(522)	1,261
Depreciation	102	120
Amortization of goodwill	2	2
Increase (decrease) in allowance for doubtful accounts	(2)	(0)
Increase (decrease) in retirement benefit liability	9	12
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(4)	(17)
Increase (decrease) in provision for shareholder benefit program	–	(65)
Increase (decrease) in provision for bonuses	(73)	10
Increase (decrease) in provision for bonuses for directors (and other officers)	(60)	(68)
Interest and dividend income	(0)	(0)
Interest expenses	404	491
Loss (gain) on sale of investment securities	–	(66)
Loss (gain) on valuation of investment securities	–	71
Loss (gain) on sale of non-current assets	–	(78)
Loss on retirement of non-current assets	2	0
Loss (gain) on sale of golf club membership	(6)	–
Decrease (increase) in trade receivables	304	61
Decrease (increase) in inventories	(11,180)	(4,931)
Decrease (increase) in retirement benefit asset	(8)	(1)
Decrease (increase) in other assets	172	314
Decrease (increase) in consumption taxes refund receivable	(161)	144
Increase (decrease) in trade payables	(4,920)	(3,528)
Increase (decrease) in other liabilities	424	(1,343)
Increase (decrease) in accrued consumption taxes	(99)	74
Other, net	72	68
Subtotal	(15,544)	(7,467)
Interest and dividends received	0	0
Interest paid	(473)	(461)
Income taxes refund (paid)	(162)	(336)
Other, net	(62)	(65)
Net cash provided by (used in) operating activities	(16,243)	(8,329)
Cash flows from investing activities		
Payments into time deposits	(264)	(232)
Proceeds from withdrawal of time deposits	180	249
Purchase of property, plant and equipment	(130)	(398)
Proceeds from sale of property, plant and equipment	–	1,046
Purchase of intangible assets	(16)	(4)
Proceeds from sale of investment securities	–	1,673
Purchase of shares of subsidiaries	–	(9)
Other, net	(35)	9
Net cash provided by (used in) investing activities	(267)	2,334

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	826	1,887
Proceeds from long-term borrowings	12,329	11,566
Repayments of long-term borrowings	(5,713)	(7,897)
Dividends paid	(819)	(974)
Repayments of finance lease liabilities	(18)	(26)
Net cash provided by (used in) financing activities	6,603	4,555
Net increase (decrease) in cash and cash equivalents	(9,907)	(1,440)
Cash and cash equivalents at beginning of period	27,452	33,810
Cash and cash equivalents at end of period	17,544	32,370