

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

This is an English translation of the original Japanese-language document and is provided for convenience only. In all cases, the Japanese-language original shall take precedence.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 <under Japanese GAAP>



May 10, 2024

Company name: **MEISEI INDUSTRIAL CO., LTD.**
Listing: Tokyo Stock Exchange, Prime
Securities code: 1976
URL: <https://www.meisei-kogyo.co.jp/en/>
Representative: Toshiteru Otani, Representative Director, Chairman and Chief Executive Officer (CEO)
Inquiries: Susumu Yamamoto, Executive Officer, General Manager of Finance Division
TEL: +81-6-6447-0275

Scheduled date of annual general meeting of shareholders: June 20, 2024
Scheduled date to commence dividend payments: June 21, 2024
Scheduled date to file annual securities report: June 21, 2024
Preparation of supplementary results briefing material on financial results: Yes
Holding of financial results presentation meeting: Yes

(Note: Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	60,377	8.0	8,061	18.0	8,548	17.8	6,243	33.4
March 31, 2023	55,890	15.5	6,830	27.9	7,258	28.7	4,680	23.4

Note: Comprehensive income

Fiscal year ended March 31, 2024: ¥7,477 million [47.0%]

Fiscal year ended March 31, 2023: ¥5,088 million [25.2%]

Fiscal year ended	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	126.06	-	10.2	10.6	13.4
March 31, 2023	94.00	-	8.2	9.8	12.2

Reference: Share of profit (loss) of entities accounted for using equity method

Fiscal year ended March 31, 2024: -

Fiscal year ended March 31, 2023: -

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	84,432	63,868	75.1	1,299.12
March 31, 2023	77,508	59,448	76.2	1,185.84

Reference: Shareholders' equity

As of March 31, 2024: ¥63,387 million

As of March 31, 2023: ¥59,053 million

(3) Consolidated cash flows

Fiscal year ended	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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	7,126	(1,889)	(3,088)	31,371
March 31, 2023	4,068	(827)	(1,739)	29,004

2. Cash Dividends

	Cash dividends per share					Total cash dividends (Annual) Millions of yen	Dividend payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	First quarter-end Yen	Second quarter-end Yen	Third quarter-end Yen	Fiscal year-end Yen	Annual Yen			
Fiscal year ended								
March 31, 2023	–	12.00	–	24.00	36.00	1,800	38.3	3.1
March 31, 2024	–	14.00	–	41.00	55.00	2,707	43.6	4.4
Fiscal year ending March 31, 2025 (Forecast)	–	15.00	–	26.00	41.00		38.5	

Note: The year-end dividend for the year ended March 31, 2024 comprises an ordinary dividend of 34.00 yen and a commemorative dividend of 7.00 yen.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	26,400	2.6	2,880	2.9	3,050	(2.2)	2,120	0.1	43.45
Fiscal year ending March 31, 2025	58,000	(3.9)	7,200	(10.7)	7,450	(12.9)	5,200	(16.7)	106.57

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements after error corrections
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatements of prior period financial statements after error corrections: None
- (3) Number of issued shares (common shares)

a. Total number of issued shares at end of period (including treasury shares)

As of March 31, 2024	56,386,718 shares
As of March 31, 2023	56,386,718 shares

b. Number of treasury shares at end of period

As of March 31, 2024	7,594,300 shares
As of March 31, 2023	6,587,371 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2024	49,529,984 shares
Fiscal year ended March 31, 2023	49,789,806 shares

Notes: 1. For the number of shares used for the calculation of consolidated net income per share, please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Per-share Information” on page 16.

4. The figures stated for the number of treasury shares at end of period include shares of the Company that are held by a trust established to distribute shares to officers (Officers’ Share Distribution Trust). The calculation used to calculate the average number of outstanding shares during period excludes treasury shares, which include shares of the Company held by the Officers’ Share Distribution Trust.

(Reference) Overview of Non-consolidated operating results1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024
(from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	39,105	2.3	5,176	(3.4)	5,894	(1.8)	4,221	1.3
March 31, 2023	38,214	12.2	5,360	28.5	6,000	9.7	4,165	4.4

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2024	85.22	—
March 31, 2023	83.67	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	59,066	48,061	81.4	985.01
March 31, 2023	56,739	46,329	81.7	930.33

Reference: Shareholders' equity

As of March 31, 2024: ¥48,061 million

As of March 31, 2023: ¥46,329 million

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025
(from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending									
September 30, 2024	19,200	13.0	2,250	32.1	2,700	22.4	1,930	14.6	39.56
Fiscal year ending									
March 31, 2025	41,000	4.8	5,250	1.4	5,800	(1.6)	4,100	(2.9)	84.03

Consolidated Financial Results are not subject to auditing.

* Proper use of earnings forecasts and other special notes

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport to be a promise by the Company to realize such statements. Actual business and other results may differ substantially due to various factors.

Please refer to “1. Overview of Results of Operations, (3) Outlook” on page 4 for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	2
(3) Outlook	4
(4) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years	4
2. Basic Approach for the Selection of Accounting Standards	4
3. Consolidated Financial Statements and Notes	5
(1) Consolidated Balance Sheet	5
(2) Consolidated Statement of Income and Consolidated Statements of Comprehensive Income	7
(3) Consolidated Statement of Changes in Equity	9
(4) Consolidated Statement of Cash Flows	11
(5) Notes to Consolidated Financial Statements	12
Going Concern Assumption	12
Significant Changes in Shareholders' Equity	12
Additional Information	12
Segment and Other Information	12
Revenue Recognition	15
Per-share Information	16
Omission of Disclosure	17
Status of Orders Received, Net Sales and Balance of Orders	17
Material Subsequent Events	17

1. Overview of Results of Operations

(1) Results of Operations

1) Overview

During the current fiscal year ended March 31, 2024, the Japanese economic and social activities slowly returned to normal. The outlook remains uncertain because of the tensions in the Middle-East, concerns about the Chinese economy, high inflation including rising prices of raw materials, and prolonged inflation.

Orders received by the Meisei Industrial Group decreased 3.7% from the previous fiscal year to 57,955 million yen. This was the result of a large volume of orders in the construction business in Japan and a decline in orders in operations outside Japan and in the boiler business. Net sales increased 8.0% to 60,377 million yen due to progress at large projects in the construction business and boiler business.

Earnings increased because of sales growth and an improvement in profitability as work progressed at large projects outside Japan and in the clean room sector in Japan. As a result, operating profit increased 18.0% to 8,061 million yen and ordinary profit increased 17.8% to 8,548 million yen, and profit attributable to owners of parent up 33.4% to 6,243 million yen.

2) Business segment overview

Construction Business

Net sales increased 8.3% to 53,449 million yen because of strong performance at large projects in Japan and overseas and maintenance work. Segment profit up 22.6% to 7,622 million yen due to sales growth and an improvement in the profitability of large projects outside Japan and in the clean room sector in Japan.

Boiler Business

Net sales increased 5.6% to 6,927 million yen because of steady progress at large projects in Japan and maintenance work. Segment profit was down 29.6% to 429 million yen because of the higher cost of labor and raw materials.

(2) Financial Position

Overview

1) Assets, liabilities, and net assets

Total assets at the end of the current fiscal year increased by 6,924 million yen from the end of the previous fiscal year to 84,432 million yen.

Current assets totaled 60,083 million yen, an increase of 4,409 million yen from the end of the previous fiscal year. The main factors include increases of 2,372 million yen in cash and deposits, 859 million yen in electronically recorded monetary claims – operating, 618 million yen in contract assets, and a decrease of 190 million yen in notes receivable. Non-current assets totaled 24,348 million yen, an increase of 2,514 million yen from the end of the previous fiscal year. The main factors include increases of 1,373 million yen in property, plant and equipment and 1,006 million yen in investment securities.

Current liabilities totaled 16,956 million yen, an increase of 2,900 million yen from the end of the previous fiscal year. The main factors include increases of 1,428 million yen in contract liabilities, 700 million yen in current portion of long-term borrowings, 332 million yen in accounts payable for construction contracts, and a decrease of 202 million yen in income taxes payable. Non-current liabilities totaled 3,607 million yen, a decrease of 396 million yen. The main factors include an increase of 317 million yen in deferred tax liabilities and a decrease of 700 million yen in long-term borrowings.

As a result, total liabilities increased 2,504 million yen to 20,564 million yen.

Net assets totaled 63,868 million yen, an increase of 4,420 million yen from the end of the previous fiscal year. This was mainly due to an increase of 6,243 million yen in profit attributable to owners of parent and decreases of 1,901 million yen due to dividends of surplus and 1,200 million yen due to the purchase of treasury shares.

Consequently, the capital adequacy ratio was 75.1% (compared with 76.2% at the end of the previous fiscal year).

2) Cash Flows

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Change
Cash flows from operating activities	4,068	7,126	3,057
Cash flows from investing activities	(827)	(1,889)	(1,061)
Cash flows from financing activities	(1,739)	(3,088)	(1,349)
Cash and cash equivalents at end of period	29,004	31,371	2,367

Net cash provided by operating activities was 7,126 million yen, compared with net cash provided of 4,068 million yen in the previous fiscal year.

Major positive factors include profit before income taxes of 8,548 million yen and a 1,428 million yen increase in contract liabilities. Major negative factors include income taxes paid of 2,470 million yen and a 1,471 million yen increase in trade receivables.

Net cash used in investing activities was 1,889 million yen, compared with net cash used of 827 million yen in the previous fiscal year.

Major positive factors include proceeds from withdrawal of time deposits of 307 million yen and proceeds from distributions from investment partnerships of 236 million yen. Major negative factors include purchase of property, plant and equipment of 1,907 million yen and payments into time deposits of 307 million yen.

Net cash used in financing activities was 3,088 million yen, compared with net cash used of 1,739 million yen in the previous fiscal year.

Major positive factors include proceeds from disposal of treasury shares of 17 million yen. Major negative factors include dividends paid of 1,900 million yen and purchase of treasury shares of 1,200 million yen.

As a result, cash and cash equivalents at the end of the fiscal year increased 2,367 million yen from the end of the previous fiscal year to 31,371 million yen.

Reference: Cash flow indicators

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Equity ratio (%)	76.0	78.3	78.1	76.2	75.1
Equity ratio based on market value (%)	56.7	57.7	48.3	49.7	75.9
Interest-bearing debt to cash flow ratio (years)	1.0	0.2	0.1	0.2	0.1
Interest coverage ratio (times)	164.1	1,070.1	1,647.7	919.4	1,495.9

Notes: Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

* All indicators are calculated based on consolidated figures.

* Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.

* Interest-bearing debt includes all debts on the consolidated balance sheet that incur interest.

* Operating cash flows are the figures for operating cash flows in the consolidated statement of cash flows.

* Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.

* For the fiscal year when operating cash flow was negative, the ratio of interest-bearing liabilities to cash flow and interest coverage ratio are not stated.

(3) Outlook

Although there are increasing expectations for an economic recovery, the economic outlook for Japan and other countries is likely to remain uncertain. The main reason is the large number of uncertainties about numerous factors that may affect the economy, including rising prices of resources and energy and exchange rate volatility.

Currently, we expect consolidated net sales of 58,000 million yen, operating profit of 7,200 million yen, ordinary profit of 7,450 million yen, and profit attributable to owners of parent of 5,200 million yen for the fiscal year ending March 31, 2025. In addition, we forecast non-consolidated net sales of 41,000 million yen, operating profit of 5,250 million yen, ordinary profit of 5,800 million yen, and profit of 4,100 million yen.

(4) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

We believe that increasing earnings while maintaining financial soundness will result in the growth of corporate value. Distributing earnings to shareholders is one of our highest priorities. The basic policy for profit distributions is to pay a stable dividend of 20 yen per share or an amount equivalent to a payout ratio of about 30% to 40%, whichever is higher. In addition, we will distribute earnings to shareholders by repurchasing stock at times determined by cash flows, the efficient use of equity and other applicable considerations.

We plan to pay a fiscal year-end dividend of 41 yen per share, which is the sum of an ordinary dividend of 34 yen and a commemorative dividend of 7 yen to mark our 80th anniversary on April 1, 2024.

With the 14 yen interim dividend (ordinary dividend), this will result in a fiscal year dividend of 55 yen, which is the sum of an ordinary dividend of 48 yen and a commemorative dividend of 7 yen.

In accordance with this basic policy, we plan to pay a dividend per share of 41 yen for the fiscal year ending in March 2025.

2. Basic Approach to the Selection of Accounting Standards

The Meisei Industrial Group has a policy of preparing its consolidated financial statements using Japanese GAAP for the time being to facilitate comparisons with prior-year performance and the performance of other companies in Japan.

We will consider the use of International Financial Reporting Standards (IFRS) in the future based on changes in foreign ownership of our stock, the growth of our overseas operations and other factors.

3. Consolidated Financial Statements and Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	29,017	31,390
Notes receivable - trade	888	697
Electronically recorded monetary claims - operating	2,787	3,647
Accounts receivable from completed construction contracts	16,275	16,458
Contract assets	5,121	5,740
Securities	300	300
Costs on construction contracts in progress	559	536
Merchandise and finished goods	312	337
Raw materials and supplies	223	196
Other	206	783
Allowance for doubtful accounts	(17)	(4)
Total current assets	55,674	60,083
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,129	10,290
Machinery and vehicles	4,968	5,064
Land	11,433	11,433
Construction in progress	116	1,589
Other	2,330	2,592
Accumulated depreciation	(13,596)	(14,215)
Total property, plant and equipment	15,381	16,754
Intangible assets	62	92
Investments and other assets		
Investment securities	3,805	4,812
Investment property	1,961	1,915
Retirement benefit asset	—	360
Deferred tax assets	92	79
Other	630	449
Allowance for doubtful accounts	(100)	(116)
Total investments and other assets	6,389	7,501
Total non-current assets	21,833	24,348
Total assets	77,508	84,432

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable - trade	2,283	2,362
Electronically recorded obligations - operating	1,344	1,529
Accounts payable for construction contracts	4,955	5,288
Accounts payable - trade	288	283
Current portion of long-term borrowings	—	700
Income taxes payable	1,436	1,234
Contract liabilities	1,109	2,537
Provision for bonuses	454	518
Provision for bonuses for directors (and other officers)	96	67
Provision for warranties for completed construction	25	56
Other	2,061	2,377
Total current liabilities	14,056	16,956
Non-current liabilities		
Long-term borrowings	800	100
Retirement benefit liability	116	133
Provision for retirement benefits for directors (and other officers)	143	146
Provision for share awards for directors (and other officers)	122	100
Deferred tax liabilities	1,943	2,260
Deferred tax liabilities for land revaluation	483	483
Asset retirement obligations	16	16
Other	378	366
Total non-current liabilities	4,003	3,607
Total liabilities	18,060	20,564
Net assets		
Shareholders' equity		
Share capital	6,889	6,889
Capital surplus	1,000	1,000
Retained earnings	51,396	55,739
Treasury shares	(3,051)	(4,201)
Total shareholders' equity	56,234	59,426
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,017	1,738
Revaluation reserve for land	958	958
Foreign currency translation adjustment	757	1,008
Remeasurements of defined benefit plans	86	253
Total accumulated other comprehensive income	2,819	3,960
Non-controlling interests	394	480
Total net assets	59,448	63,868
Total liabilities and net assets	77,508	84,432

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated statements of income (cumulative)**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales of completed construction contracts	55,890	60,377
Cost of sales of completed construction contracts	44,309	47,551
Gross profit on completed construction contracts	11,580	12,826
Selling, general and administrative expenses	4,750	4,764
Operating profit	6,830	8,061
Non-operating income		
Interest income	34	98
Dividend income	110	133
Rental income from real estate	237	215
Foreign exchange gains	73	61
Gain on investments in investment partnerships	57	74
Reversal of allowance for doubtful accounts	4	—
Other	96	101
Total non-operating income	613	686
Non-operating expenses		
Interest expenses	4	4
Rental costs on real estate	134	132
Loss on investments in investment partnerships	19	11
Commission for purchase of treasury shares	—	27
Other	26	22
Total non-operating expenses	185	199
Ordinary profit	7,258	8,548
Extraordinary losses		
Impairment losses	356	—
Total extraordinary losses	356	—
Profit before income taxes	6,901	8,548
Income taxes - current	2,316	2,274
Income taxes - deferred	(110)	(62)
Total income taxes	2,205	2,212
Profit	4,696	6,336
Profit attributable to non-controlling interests	16	92
Profit attributable to owners of parent	4,680	6,243

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	4,696	6,336
Other comprehensive income		
Valuation difference on available-for-sale securities	84	721
Foreign currency translation adjustment	329	251
Remeasurements of defined benefit plans, net of tax	(22)	167
Total other comprehensive income	391	1,141
Comprehensive income	5,088	7,477
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,071	7,385
Comprehensive income attributable to non-controlling interests	16	92

(3) Consolidated Statements of Changes in Equity**Fiscal year ended March 31, 2023**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,889	999	48,317	(3,071)	53,134
Changes during period					
Dividends of surplus			(1,600)		(1,600)
Profit attributable to owners of parent			4,680		4,680
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Disposal of treasury shares by stock benefit trust				20	20
Net changes in items other than shareholders' equity					
Total changes during period	—	0	3,079	20	3,100
Balance at end of period	6,889	1,000	51,396	(3,051)	56,234

	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	932	958	427	108	2,427	362	55,924
Changes during period							
Dividends of surplus							(1,600)
Profit attributable to owners of parent							4,680
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Disposal of treasury shares by stock benefit trust							20
Net changes in items other than shareholders' equity	84	—	329	(22)	391	31	422
Total changes during period	84	—	329	(22)	391	31	3,523
Balance at end of period	1,017	958	757	86	2,819	394	59,448

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,889	1,000	51,396	(3,051)	56,234
Changes during period					
Dividends of surplus			(1,901)		(1,901)
Profit attributable to owners of parent			6,243		6,243
Purchase of treasury shares				(1,200)	(1,200)
Disposal of treasury shares by stock benefit trust				49	49
Net changes in items other than shareholders' equity					
Total changes during period	—	—	4,342	(1,150)	3,191
Balance at end of period	6,889	1,000	55,739	(4,201)	59,426

	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	1,017	958	757	86	2,819	394	59,448
Changes during period							
Dividends of surplus							(1,901)
Profit attributable to owners of parent							6,243
Purchase of treasury shares							(1,200)
Disposal of treasury shares by stock benefit trust							49
Net changes in items other than shareholders' equity	721	—	251	167	1,141	86	1,228
Total changes during period	721	—	251	167	1,141	86	4,420
Balance at end of period	1,738	958	1,008	253	3,960	480	63,868

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	6,901	8,548
Depreciation	568	618
Impairment losses	356	—
Increase (decrease) in allowance for doubtful accounts	10	3
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(25)	3
Increase (decrease) in provision for share awards for directors (and other officers)	25	9
Increase (decrease) in other provisions	(36)	67
Decrease (increase) in retirement benefit asset	30	(360)
Increase (decrease) in retirement benefit liability	(91)	259
Interest and dividend income	(145)	(232)
Interest expenses	4	4
Foreign exchange losses (gains)	(30)	(109)
Loss (gain) on valuation of investment securities	(3)	—
Decrease (increase) in trade receivables	(3,869)	(1,471)
Decrease (increase) in costs on construction contracts in progress	(4)	22
Decrease (increase) in other inventories	(66)	1
Increase (decrease) in contract liabilities	(91)	1,428
Increase (decrease) in trade payables	2,076	644
Other, net	83	(66)
Subtotal	5,692	9,371
Interest and dividends received	144	230
Interest paid	(4)	(4)
Income taxes paid	(1,764)	(2,470)
Net cash provided by (used in) operating activities	4,068	7,126
Cash flows from investing activities		
Payments into time deposits	(307)	(307)
Proceeds from withdrawal of time deposits	307	307
Purchase of investment securities	(142)	(140)
Proceeds from sale and redemption of investment securities	154	—
Purchase of property, plant and equipment	(935)	(1,907)
Proceeds from distributions from investment partnerships	77	236
Other, net	19	(77)
Net cash provided by (used in) investing activities	(827)	(1,889)
Cash flows from financing activities		
Proceeds from long-term borrowings	800	—
Repayments of long-term borrowings	(960)	—
Purchase of treasury shares	(0)	(1,200)
Proceeds from disposal of treasury shares	5	17
Dividends paid	(1,600)	(1,900)
Dividends paid to non-controlling interests	—	(6)
Other, net	15	—
Net cash provided by (used in) financing activities	(1,739)	(3,088)
Effect of exchange rate change on cash and cash equivalents	319	219
Net increase (decrease) in cash and cash equivalents	1,820	2,367
Cash and cash equivalents at beginning of period	27,183	29,004
Cash and cash equivalents at end of period	29,004	31,371

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Purchase of treasury shares

On February 5, 2024, the repurchase of treasury shares based on the resolution of the Board of Directors held on October 31, 2023 was completed. As a result, Meisei Industrial repurchased 1,071,400 treasury shares in the current fiscal year, resulting in an increase in treasury shares of 1,199 million yen.

Additional Information

Distribution of stock to directors using a trust

Meisei Industrial has a stock remuneration program using a trust for directors (excluding directors who are Audit & Supervisory Board members and outside directors). The purpose of this remuneration is to give the directors an added incentive to contribute to the medium to long-term growth of sales and earnings and of corporate value.

The accounting method used for trust contracts with directors is based on Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

(1) Summary

Meisei Industrial makes monetary contributions to the director remuneration trust and the trust uses the funds to purchase Meisei Industrial stock. This stock is subsequently distributed from the trust to directors when they leave the Board of Directors based on points granted in accordance with stock distribution rules established by the Board of Directors.

(2) Stock held by the trust

The trust book value (excluding associated expenses) of Meisei Industrial stock held by the trust is included in treasury shares in net assets. The book value and number of shares of stock in the trust were 173 million yen and 227,900 shares and 124 million yen and 163,100 shares as of March 31, 2023 and 2024, respectively.

Segment and Other Information

Segment Information

1. Overview of reportable segment

The Meisei Industrial Group's segments used for financial reporting are the constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The main activities of the group are the construction business, which primarily involves thermal insulation, and the boiler business, which primarily involves the manufacture and installation of boilers.

As a result, the Meisei Industrial Group has two reportable segments: the Construction Business and the Boiler Business.

2. Calculation methods for net sales, profit or loss, assets, liabilities, and other items of each reportable segment

The accounting method used for reportable operating segments is generally the same as the methods adopted in the preparation of consolidated financial statements.

Profits for reportable segments are operating profit figures.

Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit or loss, assets, liabilities and other items of each reportable segment

I. The fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Information on net sales and profit on each reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Construction	Boiler	Total	Adjustment (Notes 1, 2 and 3)	Amounts on the consolidated statement of income (Note 4)
Net sales:					
Japan	43,618	6,501	50,119	—	50,119
Asia	5,713	46	5,759	—	5,759
Other	—	11	11	—	11
Revenue from contracts with customers	49,331	6,559	55,890	—	55,890
Sales to external customers	49,331	6,559	55,890	—	55,890
Intersegment sales or transfers	43	311	354	(354)	—
Total	49,374	6,870	56,245	(354)	55,890
Segment profit	6,214	609	6,824	5	6,830
Segment assets	41,828	8,023	49,852	27,656	77,508
Other items:					
Depreciation	448	52	500	68	568
Impairment losses	—	356	356	—	356
Increase in property, plant and equipment and intangible assets	470	656	1,127	—	1,127

Notes: 1. Adjustment for segment profit represents eliminations of intersegment sales or transfers.

2. Adjustment for segment assets consists of negative 224 million yen of adjustment of intersegment transactions and 27,880 million yen of corporate assets, which are primarily surplus funds (cash and deposits) of the Company, long-term investment funds (investment securities and investments in capital), and headquarters buildings.

3. Adjustments for other items represent the amounts of adjustments related to corporate assets (headquarters buildings and others).

4. Segment profit is adjusted to be consistent with operating profit in the consolidated statements of income.

5. Net sales are based on the construction site and are categorized by country or region.

II. The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Information on net sales and profit on each reportable segment, and information on disaggregation of revenue
(Millions of yen)

	Construction	Boiler	Total	Adjustment (Notes 1, 2 and 3)	Amounts on the consolidated statement of income (Note 4)
Net sales:					
Japan	46,953	6,700	53,653	—	53,653
Asia	6,495	210	6,706	—	6,706
Other	—	16	16	—	16
Revenue from contracts with customers	53,449	6,927	60,377	—	60,377
Sales to external customers	53,449	6,927	60,377	—	60,377
Intersegment sales or transfers	25	291	317	(317)	—
Total	53,474	7,219	60,694	(317)	60,377
Segment profit	7,622	429	8,051	10	8,061
Segment assets	48,024	8,729	56,753	27,678	84,432
Other items:					
Depreciation	486	64	551	67	618
Increase in property, plant and equipment and intangible assets	416	1,554	1,971	0	1,971

Notes: 1. Adjustment for segment profit represents eliminations of intersegment sales or transfers.

2. Adjustment for segment assets consists of negative 241 million yen of adjustment of intersegment transactions and 27,920 million yen of corporate assets, which are primarily surplus funds (cash and deposits) of the Company, long-term investment funds (investment securities and investments in capital), and headquarters buildings.

3. Adjustments for other items represent the amounts of adjustments related to corporate assets (headquarters buildings and others).

4. Segment profit is adjusted to be consistent with operating profit in the consolidated statements of income.

5. Net sales are based on the construction site and are categorized by country or region.

Related information

The fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Information by product and service

This information is omitted since the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted since the same information is presented in segment information.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted since no external client accounts for more than 10% of operating revenue on the consolidated statement of income.

The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Information by product and service

This information is omitted since the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted since the same information is presented in segment information.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted since no external client accounts for more than 10% of operating revenue on the consolidated statement of income.

Information related to impairment of non-current assets for each reportable segment

The fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

This information is omitted since the same information is presented in segment information.

The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

Information related to goodwill amortization and the unamortized balance for each reportable segment

The fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Not applicable.

The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

Information related to gain on bargain purchase for each reportable segment

The fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Not applicable.

The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

Revenue Recognition

Information on revenue from contracts with customers broken down is described in the Segment Information.

Per-share Information

(Yen)

	Fiscal year ended March 31, 2023 (Apr. 1, 2022 – Mar. 31, 2023)	Fiscal year ended March 31, 2024 (Apr. 1, 2023 – Mar. 31, 2024)
Net assets per share	1,185.84	1,299.12
Net income per share	94.00	126.06

Notes: 1. Diluted net income per share is not presented because there are no potentially dilutive shares.

2. The basis for calculating net income per share is as follows.

	Fiscal year ended March 31, 2023 (Apr. 1, 2022 – Mar. 31, 2023)	Fiscal year ended March 31, 2024 (Apr. 1, 2023 – Mar. 31, 2024)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	4,680	6,243
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent applicable to common shareholders (Millions of yen)	4,680	6,243
Average number of common shares outstanding during period (Thousand shares)	49,789	49,529

Note: Meisei Industrial stock held by a trust established to distribute shares to officers (Officers' Share Distribution Trust) is included in treasury shares and is thus deducted from the number of shares issued at the end of each fiscal year that was used to calculate net assets per share (deductions of 227,000 shares and 163,000 shares in the fiscal years ended March 31, 2023 and 2024, respectively).

In addition, this trust stock is included in treasury shares that was deducted from the average number of shares outstanding during the period that was used to calculate net income per share (deductions of 237,000 shares and 191,000 shares in the fiscal years ended March 31, 2023 and 2024, respectively).

Omission of Disclosure

Disclosure of the notes other than the above was omitted due to the minor necessity of disclosure.

Status of Orders Received, Sales and Balance of Orders**(1) Orders received**

Segment	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction	52,722	87.6	52,015	89.8	(707)	(1.3)
Boiler	7,486	12.4	5,939	10.2	(1,546)	(20.7)
Total	60,209	100.0	57,955	100.0	(2,254)	(3.7)

(2) Net sales

Segment	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction	49,331	88.3	53,449	88.5	4,117	8.3
Boiler	6,559	11.7	6,927	11.5	368	5.6
Total	55,890	100.0	60,377	100.0	4,486	8.0

(3) Balance of orders

Segment	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction	19,852	77.3	18,418	79.2	(1,433)	(7.2)
Boiler	5,829	22.7	4,841	20.8	(988)	(17.0)
Total	25,682	100.0	23,260	100.0	(2,421)	(9.4)

Material Subsequent Events

Not applicable.