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Non-consolidated Financial Results for the Year Ended March 31, 2020 [Japanese GAAP]

May 15, 2020

Company name: Meiho Facility Works Ltd.

Stock exchange listing: Tokyo

Code number: 1717

URL: <https://www.meiho.co.jp/>

Representative: Yoshi Onuki

Contact: Kazuo Oshima

Phone: 03-5211-0066

Scheduled date of Annual General Meeting of Shareholders: June 24, 2020

Scheduled date of commencing dividend payments: June 08, 2020

Scheduled date of filing annual securities report: June 24, 2020

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: No

President and Representative Director
Executive Director
General Manager of Corporate Planning Division

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

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 01, 2019 to March 31, 2020)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2020	4,353	(22.2)	902	16.6	906	16.2	639	13.8
March 31, 2019	5,598	(7.7)	774	27.9	780	27.7	561	30.2

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2020	52.98	51.99	16.7	16.1	20.7
March 31, 2019	47.27	46.36	16.7	14.2	13.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2020: ¥ - million
Fiscal year ended March 31, 2019: ¥ - million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2020	5,519	4,127	73.5	333.97
March 31, 2019	5,715	3,654	62.9	300.32

(Reference) Equity: As of March 31, 2020: ¥ 4,055 million
As of March 31, 2019: ¥ 3,597 million

(3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended				
March 31, 2020	(146)	(143)	(252)	1,834
March 31, 2019	244	(114)	(151)	2,376

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2019	-	0.00	-	21.00	21.00	251	44.4	7.4
March 31, 2020	-	0.00	-	21.50	21.50	261	40.6	6.8
Fiscal year ending								
March 31, 2021 (Forecast)	-	0.00	-	12.00	12.00		35.5	

(Note) Breakdown of the tear-end dividend for the fiscal year ended March 31, 2019:

Common dividend 16.00 yen

Commemorative dividend for the 40th term 5.00 yen

Breakdown of the tear-end dividend for the fiscal year ended March 31, 2020:

Common dividend 16.50 yen

Commemorative dividend for listing on the first section of the Tokyo Stock Exchange 5.00 yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 01, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2020	1,861	(11.1)	227	(41.6)	227	(42.1)	146	(46.3)	11.96
Full year	3,945	(9.4)	616	(31.8)	616	(32.0)	415	(35.1)	33.81

* Notes:

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(2) Total number of issued shares (common shares)

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

March 31, 2020: 12,775,900 shares

March 31, 2019: 12,775,900 shares

2) Total number of treasury shares at the end of the period:

March 31, 2020: 631,970 shares

March 31, 2019: 798,225 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2020: 12,071,698 shares

Fiscal Year ended March 31, 2019: 11,884,469 shares

*This Financial Results is not subject to audit procedures.

1. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	2,376,148	1,834,097
Notes receivable - trade	117,180	99,360
Accounts receivable from completed construction contracts	2,418,545	2,793,408
Accounts receivable - trade	171	40
Costs on construction contracts in progress	20,099	9,536
Prepaid expenses	68,860	67,939
Other	122,096	4,824
Total current assets	5,123,102	4,809,206
Non-current assets		
Property, plant and equipment		
Buildings	77,694	78,154
Accumulated depreciation	(51,105)	(55,528)
Buildings, net	26,589	22,625
Tools, furniture and fixtures	131,982	151,121
Accumulated depreciation	(96,091)	(108,503)
Tools, furniture and fixtures, net	35,891	42,618
Construction in progress	2,730	-
Total property, plant and equipment	65,210	65,244
Intangible assets		
Patent right	967	775
Software	13,516	14,901
Telephone subscription right	1,467	1,467
Total intangible assets	15,951	17,144
Investments and other assets		
Investment securities	-	100,000
Deferred tax assets	329,398	327,969
Guarantee deposits	20,302	19,800
Leasehold deposits	125,047	125,153
Insurance funds	36,432	55,077
Total investments and other assets	511,182	628,000
Total non-current assets	592,344	710,389
Total assets	5,715,447	5,519,596

(Thousand yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable for construction contracts	624,009	32,030
Accounts payable - trade	83	22
Accounts payable - other	110,343	47,174
Accrued expenses	104,719	83,930
Income taxes payable	193,115	149,573
Accrued consumption taxes	64,153	104,277
Advances received on construction contracts in progress	1,572	4,252
Deposits received	37,384	31,096
Provision for bonuses	392,200	355,728
Provision for loss on construction contracts	871	-
Total current liabilities	1,528,454	808,086
Non-current liabilities		
Long-term accounts payable - other	199,841	199,841
Provision for retirement benefits	332,635	384,625
Total non-current liabilities	532,476	584,466
Total liabilities	2,060,931	1,392,553
Net assets		
Shareholders' equity		
Share capital	543,404	543,404
Capital surplus		
Legal capital surplus	349,676	349,676
Other capital surplus	109,779	157,681
Total capital surpluses	459,455	507,358
Retained earnings		
Legal retained earnings	6,159	6,159
Other retained earnings		
General reserve	300,000	300,000
Retained earnings brought forward	2,396,508	2,784,577
Total retained earnings	2,702,667	3,090,737
Treasury shares	(108,365)	(85,776)
Total shareholders' equity	3,597,162	4,055,723
Share acquisition rights	57,353	71,319
Total net assets	3,654,515	4,127,042
Total liabilities and net assets	5,715,447	5,519,596

(2) Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Net sales	5,598,521	4,353,631
Cost of sales	3,371,853	2,062,726
Gross profit	2,226,668	2,290,904
Selling, general and administrative expenses	1,451,941	1,387,941
Operating profit	774,726	902,962
Non-operating income		
Interest income	204	38
Gain on forfeiture of unclaimed dividends	1,303	593
Insurance return	919	1,542
Gain on reversal of subscription rights to shares	2,190	981
Other	1,378	1,005
Total non-operating income	5,995	4,160
Non-operating expenses		
Loss on retirement of non-current assets	196	360
Other	250	340
Total non-operating expenses	447	701
Ordinary profit	780,274	906,422
Profit before income taxes	780,274	906,422
Income taxes - current	269,200	265,392
Income taxes - deferred	(50,732)	1,429
Total income taxes	218,468	266,821
Profit	561,806	639,600

(3) Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2019

(Thousand yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	543,404	349,676	63,627	413,303	6,159	300,000	1,987,806	2,293,966
Changes during period								
Exercise of share acquisition rights			46,152	46,152				
Dividends of surplus							(153,104)	(153,104)
Profit							561,806	561,806
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	46,152	46,152	-	-	408,701	408,701
Balance at end of period	543,404	349,676	109,779	459,455	6,159	300,000	2,396,508	2,702,667

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(135,282)	3,115,392	64,606	3,179,998
Changes during period				
Exercise of share acquisition rights	26,928	73,080		73,080
Dividends of surplus		(153,104)		(153,104)
Profit		561,806		561,806
Purchase of treasury shares	(11)	(11)		(11)
Net changes in items other than shareholders' equity			(7,253)	(7,253)
Total changes during period	26,916	481,770	(7,253)	474,516
Balance at end of period	(108,365)	3,597,162	57,353	3,654,515

For the fiscal year ended March 31, 2020

(Thousand yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	543,404	349,676	109,779	459,455	6,159	300,000	2,396,508	2,702,667
Changes during period								
Exercise of share acquisition rights			47,902	47,902				
Dividends of surplus							(251,531)	(251,531)
Profit							639,600	639,600
Purchase of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	-	-	47,902	47,902	-	-	388,069	388,069
Balance at end of period	543,404	349,676	157,681	507,358	6,159	300,000	2,784,577	3,090,737

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(108,365)	3,597,162	57,353	3,654,515
Changes during period				
Exercise of share acquisition rights	22,616	70,519		70,519
Dividends of surplus		(251,531)		(251,531)
Profit		639,600		639,600
Purchase of treasury shares	(27)	(27)		(27)
Net changes in items other than shareholders' equity			13,965	13,965
Total changes during period	22,588	458,561	13,965	472,527
Balance at end of period	(85,776)	4,055,723	71,319	4,127,042

(4) Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2019	For the fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	780,274	906,422
Depreciation	24,060	29,155
Increase (decrease) in provision for bonuses	91,772	(36,472)
Increase (decrease) in provision for retirement benefits	46,856	51,989
Interest and dividend income	(204)	(38)
Decrease (increase) in trade receivables	(234,671)	(356,911)
Decrease (increase) in costs on construction contracts in progress	7,836	10,563
Increase (decrease) in trade payables	(277,535)	(592,040)
Increase (decrease) in advances received on construction contracts in progress	(10,304)	2,679
Increase (decrease) in provision for loss on construction contracts	565	(871)
Other, net	9,759	145,484
Subtotal	438,410	159,960
Interest received	3	38
Income taxes paid	(193,847)	(306,097)
Net cash provided by (used in) operating activities	244,565	(146,098)
Cash flows from investing activities		
Purchase of property, plant and equipment	(50,296)	(23,043)
Purchase of intangible assets	(8,998)	(7,700)
Purchase of investment securities	-	(100,000)
Payments of leasehold deposits	(40,533)	(591)
Proceeds from refund of leasehold deposits	226	-
Payments of guarantee deposits	-	(19,800)
Proceeds from refund of guarantee deposits	10,040	20,302
Other, net	(25,066)	(12,901)
Net cash provided by (used in) investing activities	(114,628)	(143,733)
Cash flows from financing activities		
Proceeds from exercise of employee share options	141	101
Dividends paid	(151,554)	(252,292)
Other, net	(11)	(27)
Net cash provided by (used in) financing activities	(151,424)	(252,218)
Net increase (decrease) in cash and cash equivalents	(21,487)	(542,050)
Cash and cash equivalents at beginning of period	2,397,635	2,376,148
Cash and cash equivalents at end of period	2,376,148	1,834,097