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Non-consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Company name: Meiho Facility Works Ltd.

Stock exchange listing: Tokyo

Code number: 1717

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

Representative: Yoshi Onuki

President and Representative Director

Contact: Kazuo Oshima

Executive Director General Manager of Corporate Planning Division

Phone: +81-3-5211-0066

Scheduled date of Annual General Meeting of Shareholders: June 23, 2023

Scheduled date of commencing dividend payments: June 6, 2023

Scheduled date of filing annual securities report: June 23, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes(Scheduled to be distributed as a video)

(Amounts of less than one millions of yen are rounded down.)

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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

	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, 2023	4,761	11.8	958	10.8	960	11.0	651	7.4
March 31, 2022	4,260	0.5	865	(4.9)	865	(5.0)	606	(2.3)

	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, 2023	56.53	56.18	14.7	15.6	20.1
March 31, 2022	52.99	52.45	14.8	15.4	20.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million
Fiscal year ended March 31, 2022: ¥ - million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	6,620	4,624	69.6	399.63
March 31, 2022	5,718	4,283	74.7	371.54

(Reference) Equity: As of March 31, 2023: ¥ 4,607 million
As of March 31, 2022: ¥ 4,270 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	210	(210)	(336)	1,598
March 31, 2022	971	(166)	(308)	1,935

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	Millions of yen	%	%
March 31, 2022	-	0.00	-	28.00	28.00	336	52.8	7.8
March 31, 2023	-	0.00	-	31.50	31.50	380	55.7	8.2
Fiscal year ending								
March 31, 2024 (Forecast)	-	0.00	-	32.00	32.00		55.3	

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	2,158	(0.8)	410	(11.4)	410	(11.6)	284	(11.1)	24.62
Full year	4,800	0.8	970	1.2	970	1.0	670	2.9	57.88

* 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, 2023:	12,775,900 shares
March 31, 2022:	12,775,900 shares

2) Number of treasury shares at the end of the period:

March 31, 2023:	1,247,340 shares
March 31, 2022:	1,281,903 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023:	11,518,925 shares
Fiscal Year ended March 31, 2022:	11,440,938 shares

(Note) We have introduced a stock benefit trust for employees (J-ESOP). Since the shares owned by the trust are shown as treasury stock, they are included in the treasury stock in the calculation of the average number of shares during the period.

*This Financial Results is not subject to audit procedures.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,935,404	1,598,566
Accounts receivable - trade	1,212,091	1,224,877
Contract assets	1,548,855	2,495,375
Securities	-	20,000
Work in process	8,149	9,390
Supplies	1,200	-
Prepaid expenses	67,778	76,410
Other	6,914	47,688
Total current assets	4,780,394	5,472,308
Non-current assets		
Property, plant and equipment		
Buildings	123,225	127,325
Accumulated depreciation	(66,392)	(72,595)
Buildings, net	56,832	54,730
Tools, furniture and fixtures	163,711	166,506
Accumulated depreciation	(129,839)	(137,092)
Tools, furniture and fixtures, net	33,871	29,413
Total property, plant and equipment	90,704	84,144
Intangible assets		
Patent right	1,064	778
Trademark right	854	766
Software	6,805	46,263
Total intangible assets	8,724	47,809
Investments and other assets		
Investment securities	220,000	300,000
Deferred tax assets	330,141	423,902
Guarantee deposits	39,112	23,241
Leasehold deposits	154,431	152,814
Insurance funds	95,416	116,583
Total investments and other assets	839,101	1,016,543
Total non-current assets	938,530	1,148,497
Total assets	5,718,924	6,620,805

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	26,553	28,720
Accounts payable - other	108,436	139,563
Accrued expenses	113,333	115,907
Income taxes payable	108,182	307,841
Accrued consumption taxes	54,037	102,063
Contract liabilities	28,040	3,659
Deposits received	31,445	39,627
Provision for bonuses	276,259	478,890
Provision for bonuses for directors (and other officers)	-	16,000
Provision for share awards	-	30,527
Provision for loss on project contracts	3,986	269
Total current liabilities	750,275	1,263,071
Non-current liabilities		
Long-term accounts payable - other	198,092	198,092
Provision for retirement benefits	486,830	535,629
Total non-current liabilities	684,922	733,722
Total liabilities	1,435,197	1,996,793
Net assets		
Shareholders' equity		
Share capital	543,404	543,404
Capital surplus		
Legal capital surplus	349,676	349,676
Other capital surplus	316,569	323,350
Total capital surplus	666,245	673,027
Retained earnings		
Legal retained earnings	6,159	6,159
Other retained earnings		
General reserve	300,000	300,000
Retained earnings brought forward	3,440,471	3,754,731
Total retained earnings	3,746,630	4,060,890
Treasury shares	(685,801)	(670,157)
Total shareholders' equity	4,270,479	4,607,164
Share acquisition rights	13,248	16,848
Total net assets	4,283,727	4,624,012
Total liabilities and net assets	5,718,924	6,620,805

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	4,260,273	4,761,955
Cost of sales	1,978,776	2,228,606
Gross profit	2,281,496	2,533,349
Selling, general and administrative expenses	1,416,105	1,574,792
Operating profit	865,391	958,556
Non-operating income		
Interest income	3	63
Gain on forfeiture of unclaimed dividends	589	850
Gain on reversal of subscription rights to shares	873	-
Administrative service fee income	605	635
Subsidy income	-	500
Other	150	133
Total non-operating income	2,222	2,181
Non-operating expenses		
Foreign exchange losses	-	0
Loss on retirement of non-current assets	2,046	15
Total non-operating expenses	2,046	16
Ordinary profit	865,567	960,721
Profit before income taxes	865,567	960,721
Income taxes - current	239,634	403,271
Income taxes - deferred	19,661	(93,761)
Total income taxes	259,296	309,509
Profit	606,270	651,211

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Thousands of 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	303,788	653,464	6,159	300,000	3,143,964	3,450,123
Changes during period								
Exercise of share acquisition rights			3,052	3,052				
Dividends of surplus							(309,763)	(309,763)
Profit							606,270	606,270
Purchase of treasury shares								
Disposal of treasury shares			9,728	9,728				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	12,780	12,780	-	-	296,506	296,506
Balance at end of period	543,404	349,676	316,569	666,245	6,159	300,000	3,440,471	3,746,630

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(739,935)	3,907,058	59,617	3,966,675
Changes during period				
Exercise of share acquisition rights	42,536	45,589		45,589
Dividends of surplus		(309,763)		(309,763)
Profit		606,270		606,270
Purchase of treasury shares				
Disposal of treasury shares	11,596	21,324		21,324
Net changes in items other than shareholders' equity			(46,369)	(46,369)
Total changes during period	54,133	363,420	(46,369)	317,051
Balance at end of period	(685,801)	4,270,479	13,248	4,283,727

For the fiscal year ended March 31, 2023

(Thousands of 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	316,569	666,245	6,159	300,000	3,440,471	3,746,630
Changes during period								
Exercise of share acquisition rights								
Dividends of surplus							(336,951)	(336,951)
Profit							651,211	651,211
Purchase of treasury shares								
Disposal of treasury shares			6,781	6,781				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	6,781	6,781	-	-	314,259	314,259
Balance at end of period	543,404	349,676	323,350	673,027	6,159	300,000	3,754,731	4,060,890

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(685,801)	4,270,479	13,248	4,283,727
Changes during period				
Exercise of share acquisition rights				
Dividends of surplus		(336,951)		(336,951)
Profit		651,211		651,211
Purchase of treasury shares	(29)	(29)		(29)
Disposal of treasury shares	15,673	22,455		22,455
Net changes in items other than shareholders' equity			3,600	3,600
Total changes during period	15,643	336,685	3,600	340,285
Balance at end of period	(670,157)	4,607,164	16,848	4,624,012

Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	865,567	960,721
Depreciation	31,538	30,858
Increase (decrease) in provision for bonuses	(58,665)	202,630
Increase (decrease) in provision for bonuses for directors (and other officers)	-	16,000
Increase (decrease) in provision for retirement benefits	48,171	48,799
Increase (decrease) in provision for share awards	-	30,527
Increase (decrease) in provision for loss on project contracts	3,986	(3,717)
Interest and dividend income	(3)	(63)
Decrease (increase) in notes and accounts receivable-trade and contract assets	399,379	(959,305)
Decrease (increase) in inventories	(649)	(40)
Increase (decrease) in trade payables	(11,216)	2,167
Increase (decrease) in contract liabilities	(29,612)	(24,380)
Other, net	51,797	116,900
Subtotal	1,300,292	421,097
Interest received	3	63
Income taxes paid	(328,796)	(210,758)
Net cash provided by (used in) operating activities	971,499	210,402
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,989)	(18,498)
Purchase of intangible assets	(1,183)	(44,900)
Purchase of investment securities	(120,000)	(100,000)
Payments of leasehold deposits	(500)	(2,601)
Proceeds from refund of leasehold deposits	108	2,841
Payments of guarantee deposits	(19,312)	(15,424)
Other, net	(16,145)	(31,749)
Net cash provided by (used in) investing activities	(166,025)	(210,331)
Cash flows from financing activities		
Proceeds from exercise of employee share options	93	-
Purchase of treasury shares	-	(29)
Dividends paid	(308,998)	(336,879)
Net cash provided by (used in) financing activities	(308,904)	(336,908)
Net increase (decrease) in cash and cash equivalents	496,570	(336,838)
Cash and cash equivalents at beginning of period	1,438,834	1,935,404
Cash and cash equivalents at end of period	1,935,404	1,598,566