Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 [Japanese GAAP]

May 14, 2021

Company name: MIRAIT Holdings Corporation
Stock exchange listing: TSE
Code number: 1417
URL: https://www.mirait.co.jp/
Representative: Toshiki Nakayama, President and CEO
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Scheduled date of Ordinary General Meeting of Shareholders: June 24, 2021
Scheduled date of commencing dividend payments: June 25, 2021
Scheduled date of filing annual securities report: June 25, 2021
Availability of supplementary briefing material on annual results: available
Schedule of quarterly results briefing session: scheduled (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2021	463,744	5.1	30,129	37.0	31,739	36.8	24,205	59.0
Fiscal year ended March 31, 2020	441,166	17.4	21,993	6.3	23,207	5.5	15,220	(40.8)

(Note) Comprehensive income: Fiscal year ended March 31, 2021: 25,138 million yen (46.5%)
Fiscal year ended March 31, 2020: 17,156 million yen (-25.8%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
Fiscal year ended March 31, 2021	229.59	—	11.0	8.9	6.5
Fiscal year ended March 31, 2020	149.93	—	7.4	6.8	5.0

(Reference)
Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: (164) million yen
Fiscal year ended March 31, 2020: 47 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
Fiscal Year Ended March 31, 2021	358,751	231,323	63.1	2,232.25
Fiscal Year Ended March 31, 2020	352,134	218,710	61.2	2,006.42

(Reference)
Equity: Fiscal year ended March 31, 2021: 226,389 million yen
Fiscal year ended March 31, 2020: 215,423 million yen

(3) Consolidated Cash Flows

	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
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2021	41,602	1,869	(32,200)	42,851
Fiscal year ended March 31, 2020	7,936	(9,176)	(2,814)	31,632

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended March 31, 2020	—	20.00	—	20.00	40.00	4,081	26.7	2.0
Fiscal year ended March 31, 2021	—	22.50	—	22.50	45.00	4,717	19.6	2.1
Fiscal year ending March 31, 2022 (Forecast)	—	25.00	—	25.00	50.00		23.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	470,000	1.3	30,500	1.2	32,000	0.8	21,000	(13.2)	208.92

* Notes:

(1) Changes in significant subsidiaries during the period under review : None
(Changes in specified subsidiaries associated with changes in the scope of consolidation)

(2) Changes in accounting policies, changes in accounting estimates and corrections of errors
1) Changes in accounting policies due to the revision of accounting standards, etc.: None
2) Any changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Corrections of errors: None

(3) Total number of issued shares (common stock)

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

March 31, 2021	108,325,329 shares	March 31, 2020	108,325,329 shares

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

March 31, 2021	6,907,718 shares	March 31, 2020	958,390 shares

3) Average number of shares outstanding during the period:

March 31, 2021	105,429,897 shares	March 31, 2020	101,517,965 shares

(Note) Total number of treasury stock includes the Company's stock held by the Board Incentive Plan trust under the Company's performance-linked stock remuneration program for directors and executive officers.

* Status of execution of the audit of financial statements

- This consolidated financial report is not subject to the audit of the financial statements under the Financial Instruments and Exchange Act.

*Explanation for the appropriate use of financial forecasts and other special notes

- While descriptions in this report regarding financial prospects and other future events are based on the information available at the time this report was prepared, and based on certain assumptions considered to be reasonable. Accordingly our actual business performance may differ significantly from the prospects due to a number of factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Assets		
Current assets		
Cash and deposits	33,543	44,764
Notes receivable - trade	1,412	1,458
Accounts receivable from completed construction contracts	137,914	126,862
Accounts receivable - trade	8,257	19,283
Costs on construction contracts in progress	32,758	30,789
Prepaid expenses	1,230	1,166
Accounts receivable - other	1,776	2,307
Investments in leases	6,123	5,460
Other	2,791	1,428
Allowance for doubtful accounts	(96)	(26)
Total current assets	225,712	233,494
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,618	58,190
Machinery, vehicles, tools, furniture and fixtures	16,997	17,946
Land	32,806	32,891
Leased assets	7,064	7,466
Construction in progress	1,383	5,602
Accumulated depreciation	(32,274)	(35,442)
Total property, plant and equipment	82,596	86,655
Intangible assets		
Customer related assets	1,943	2,523
Goodwill	2,921	3,094
Software	1,729	1,620
Other	118	311
Total intangible assets	6,711	7,549
Investments and other assets		
Investment securities	30,139	22,562
Retirement benefit asset	1,967	2,988
Deferred tax assets	2,081	2,504
Leasehold and guarantee deposits	1,385	1,425
Other	1,687	1,798
Allowance for doubtful accounts	(147)	(227)
Total investments and other assets	37,114	31,052
Total non-current assets	126,422	125,256
Total assets	352,134	358,751

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Liabilities		
Current liabilities		
Notes payable - trade	1,538	2,507
Accounts payable for construction contracts	57,199	60,705
Short-term borrowings	16,789	186
Accounts payable - other	3,405	4,076
Income taxes payable	3,281	8,086
Advances received on construction contracts in progress	4,670	3,150
Lease obligations	3,371	3,347
Provision for loss on construction contracts	959	1,299
Provision for bonuses	7,515	8,023
Provision for bonuses for directors (and other officers)	120	101
Provision for warranties for completed construction	7	10
Other	5,878	11,523
Total current liabilities	104,738	103,018
Non-current liabilities		
Long-term accounts payable - other	213	1,324
Lease obligations	7,607	6,592
Deferred tax liabilities	1,650	1,139
Deferred tax liabilities for land revaluation	41	41
Provision for retirement benefits for directors (and other officers)	128	122
Provision for share-based compensation	282	310
Retirement benefit liability	17,635	13,974
Asset retirement obligations	172	189
Other	953	714
Total non-current liabilities	28,685	24,409
Total liabilities	133,424	127,428
Net assets		
Shareholders' equity		
Share capital	7,000	7,000
Capital surplus	69,399	69,571
Retained earnings	135,546	155,239
Treasury shares	(1,386)	(10,888)
Total shareholders' equity	210,559	220,922
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,967	4,660
Revaluation reserve for land	(98)	(98)
Foreign currency translation adjustment	(281)	(1,126)
Remeasurements of defined benefit plans	276	2,031
Total accumulated other comprehensive income	4,863	5,466
Non-controlling interests	3,287	4,934
Total net assets	218,710	231,323
Total liabilities and net assets	352,134	358,751

(2) Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales of completed construction contracts	441,166	463,744
Cost of sales of completed construction contracts	388,991	402,953
Gross profit on completed construction contracts	52,174	60,790
Selling, general and administrative expenses	30,181	30,661
Operating profit	21,993	30,129
Non-operating income		
Interest income	158	50
Dividend income	906	971
Surrender value of insurance policies	175	132
Share of profit of entities accounted for using equity method	47	—
Foreign exchange gains	—	344
Other	427	501
Total non-operating income	1,716	2,001
Non-operating expenses		
Interest expenses	54	48
Foreign exchange losses	262	—
Share of loss of entities accounted for using equity method	—	164
Provision of allowance for doubtful accounts	0	45
Other	183	132
Total non-operating expenses	501	390
Ordinary profit	23,207	31,739
Extraordinary income		
Gain on sale of non-current assets	406	20
Gain on sale of investment securities	56	4,642
Gain on revision of retirement benefit plan	—	271
Other	—	4
Total extraordinary income	463	4,938
Extraordinary losses		
Compensation for damage	14	—
Loss on sale of non-current assets	4	2
Loss on retirement of non-current assets	106	185
Impairment losses	3	117
Loss on sale of investment securities	62	5
Loss on valuation of investment securities	40	55
Business restructuring expenses	41	4
Other	64	64
Total extraordinary losses	338	436
Profit before income taxes	23,332	36,242

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Income taxes - current	8,325	13,479
Income taxes - deferred	(574)	(1,765)
Total income taxes	7,751	11,713
Profit	15,581	24,528
Profit attributable to		
Profit attributable to non-controlling interests	360	322
Profit attributable to owners of parent	15,220	24,205
Other comprehensive income		
Valuation difference on available-for-sale securities	1,925	(304)
Foreign currency translation adjustment	208	(821)
Remeasurements of defined benefit plans, net of tax	(560)	1,755
Share of other comprehensive income of entities accounted for using equity method	0	(19)
Total other comprehensive income	1,574	610
Comprehensive income	17,156	25,138
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,811	24,808
Comprehensive income attributable to non-controlling interests	344	329

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,000	71,559	124,287	(9,684)	193,163
Changes during period					
Dividends of surplus			(3,962)		(3,962)
Profit attributable to owners of parent			15,220		15,220
Purchase of treasury shares				(10,883)	(10,883)
Disposal of treasury shares		(2,221)		19,112	16,891
Increase by merger					—
Changes by share exchanges		53		69	122
Change in ownership interest of parent due to transactions with non-controlling interests		7			7
Net changes in items other than shareholders' equity					
Total changes during period	—	(2,159)	11,258	8,298	17,396
Balance at end of period	7,000	69,399	135,546	(1,386)	210,559

	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	3,028	(98)	(493)	836	3,272	3,123	199,559
Changes during period							
Dividends of surplus							(3,962)
Profit attributable to owners of parent							15,220
Purchase of treasury shares							(10,883)
Disposal of treasury shares							16,891
Increase by merger							—
Changes by share exchanges							122
Change in ownership interest of parent due to transactions with non-controlling interests							7
Net changes in items other than shareholders' equity	1,939	—	212	(560)	1,590	163	1,754
Total changes during period	1,939	—	212	(560)	1,590	163	19,151
Balance at end of period	4,967	(98)	(281)	276	4,863	3,287	218,710

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,000	69,399	135,546	(1,386)	210,559
Changes during period					
Dividends of surplus			(4,583)		(4,583)
Profit attributable to owners of parent			24,205		24,205
Purchase of treasury shares				(9,574)	(9,574)
Disposal of treasury shares		(0)		72	72
Increase by merger			71		71
Changes by share exchanges					—
Change in ownership interest of parent due to transactions with non-controlling interests		171			171
Net changes in items other than shareholders' equity					
Total changes during period	—	171	19,693	(9,501)	10,362
Balance at end of period	7,000	69,571	155,239	(10,888)	220,922

	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	4,967	(98)	(281)	276	4,863	3,287	218,710
Changes during period							
Dividends of surplus							(4,583)
Profit attributable to owners of parent							24,205
Purchase of treasury shares							(9,574)
Disposal of treasury shares							72
Increase by merger							71
Changes by share exchanges							—
Change in ownership interest of parent due to transactions with non-controlling interests							171
Net changes in items other than shareholders' equity	(307)	—	(844)	1,755	603	1,646	2,250
Total changes during period	(307)	—	(844)	1,755	603	1,646	12,613
Balance at end of period	4,660	(98)	(1,126)	2,031	5,466	4,934	231,323

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	23,332	36,242
Depreciation	5,897	6,298
Impairment losses	3	117
Amortization of goodwill	499	648
Share of loss (profit) of entities accounted for using equity method	(47)	164
Increase (decrease) in allowance for doubtful accounts	51	10
Increase (decrease) in provision for bonuses	479	507
Increase (decrease) in provision for loss on construction contracts	442	339
Increase (decrease) in other provisions	5	5
Remeasurements of defined benefit plans	(560)	1,755
Increase (decrease) in net defined benefit asset and liability	888	(4,681)
Interest and dividend income	(1,065)	(1,022)
Interest expenses	54	48
Foreign exchange losses (gains)	225	(373)
Loss (gain) on sale of investment securities	6	(4,636)
Loss (gain) on sale and retirement of non-current assets	(295)	168
Decrease (increase) in trade receivables	(13,738)	331
Decrease (increase) in costs on construction contracts in progress	(4,300)	1,950
Increase (decrease) in trade payables	7,361	4,362
Increase (decrease) in advances received on construction contracts in progress	(825)	(1,481)
Increase (decrease) in accrued consumption taxes	(775)	4,541
Decrease (increase) in consumption taxes refund receivable	381	1,279
Increase/decrease in other assets/liabilities	(1,433)	2,964
Other, net	(297)	87
Subtotal	16,290	49,627
Interest and dividends received	1,141	1,090
Interest paid	(54)	(49)
Income taxes paid	(9,440)	(9,066)
Net cash provided by (used in) operating activities	7,936	41,602

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from investing activities		
Payments into time deposits	(1,276)	(1,370)
Proceeds from withdrawal of time deposits	2,017	1,309
Purchase of property, plant and equipment	(9,729)	(8,383)
Proceeds from sale of property, plant and equipment	716	72
Purchase of intangible assets	(677)	(534)
Purchase of investment securities	(633)	(133)
Proceeds from sale of investment securities	479	11,369
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(15)	(271)
Proceeds from cancellation of insurance funds	208	118
Other, net	(264)	(307)
Net cash provided by (used in) investing activities	(9,176)	1,869
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	13,154	(16,611)
Repayments of long-term borrowings	(108)	(19)
Purchase of treasury shares	(10,802)	(9,574)
Proceeds from disposal of treasury shares	340	0
Dividends paid	(3,953)	(4,579)
Dividends paid to non-controlling interests	(170)	(84)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(72)	(5)
Repayments of finance lease obligations	(1,203)	(1,324)
Other, net	1	—
Net cash provided by (used in) financing activities	(2,814)	(32,200)
Effect of exchange rate change on cash and cash equivalents	4	(202)
Net increase (decrease) in cash and cash equivalents	(4,049)	11,068
Cash and cash equivalents at beginning of period	35,657	31,632
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	24	150
Cash and cash equivalents at end of period	31,632	42,851