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November 9, 2023

## Consolidated Financial Results for the Six Months Ended September 30, 2023 [J-GAAP]



Company name: MIYAJI ENGINEERING GROUP, INC.  
 Listing: Tokyo Stock Exchange  
 Securities code: 3431  
 URL: <https://www.miyaji-eng.com/>  
 Representative: Shigetoshi Aota, President and Representative Director  
 Inquiries: Akinobu Endo, Operating Officer and General Manager, Planning and Management Department  
 E-mail: [meg.IR@miyaji-eng.co.jp](mailto:meg.IR@miyaji-eng.co.jp)  
 Scheduled date to file quarterly securities report: November 10, 2023  
 Scheduled date to commence dividend payments: December 4, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 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	31,694	13.4	2,951	(7.3)	3,089	(6.5)	1,776	(7.1)
September 30, 2022	27,951	6.2	3,184	15.6	3,304	15.9	1,911	24.1

Note: Comprehensive income

For the six months ended September 30, 2023: ¥2,887 million [22.4 %]  
 For the six months ended September 30, 2022: ¥2,359 million [13.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2023	130.51	-
September 30, 2022	140.45	-

Note: The Company has conducted a two-for-one share split of its common shares, effective October 1, 2023. The amount of basic earnings per share has been calculated assuming that the share split had been conducted at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of			
September 30, 2023	66,952	43,763	55.8
March 31, 2023	63,051	41,568	56.3

Reference: Equity

As of September 30, 2023: ¥37,391 million  
 As of March 31, 2023: ¥35,508 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	60.00	-	80.00	140.00
Fiscal year ending March 31, 2024	-	170.00			
Fiscal year ending March 31, 2024 (Forecast)			-	75.00	-

Note: Revisions to the cash dividends forecasts most recently announced: None

Note: Breakdown of dividends at the end of the second quarter of the fiscal year ending March 31, 2024

Ordinary dividend: ¥150.00

Commemorative dividend: ¥20.00

The Company has conducted a two-for-one share split of its common shares, effective October 1, 2023.

The dividends at the end of the second quarter of the fiscal year ending March 31, 2024 (forecast) is the amount before the share split, and the dividends at the end of the fiscal year is the amount after the share split.

The annual total is not shown because a simple comparison is not possible due to the share split.

The annual dividend per share assuming that the share split had been conducted at the beginning of the previous fiscal year would be as follows:

Fiscal year ended March 31, 2023: ¥70.00

Fiscal year ending March 31, 2024: ¥160.00

## 3. Consolidated financial result forecasts for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	71,000	17.8	7,100	38.5	7,000	30.3	3,600	17.0	264.52

Note: Revisions to the financial result forecasts most recently announced: Yes

The Company has conducted a two-for-one share split of its common shares, effective October 1, 2023.

Consolidated financial result forecasts for the full year of the fiscal year ending March 31, 2024 has been calculated assuming that the share split had been conducted at the beginning of the current fiscal year.

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly included: - companies ( )  
Excluded: - companies ( )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes, (4) Notes to Quarterly Consolidated Financial Statements, (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)” on page 11 of the Attachment.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2023	13,838,908 shares
As of March 31, 2023	13,838,908 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2023	229,266 shares
As of March 31, 2023	228,762 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	13,609,759 shares
Six months ended September 30, 2022	6,805,335 shares

Note: The Company has conducted a two-for-one share split of its common shares, effective October 1, 2023. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period have been calculated assuming that the share split had been conducted at the beginning of the previous fiscal year.

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* The earnings forecasts and other forward-looking statements presented in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable and do not represent a commitment from the Company that they will be achieved. Actual results may differ significantly due to various factors. For preconditions for the earnings forecasts and notes on the use of the earnings forecasts, please refer to “1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Information” on page 3 of the Attachment.

(How to obtain supplementary material on financial results)

The Company plans to hold a financial results briefing for institutional investors and analysts on Wednesday, November 22, 2023. The financial results briefing materials will be posted on the Company website on the same day.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

During the six months ended September 30, 2023, the Japanese economy has been expected to gradually recover, partly due to the efforts of various policies. However, there is a risk that a downturn in overseas economies could put downward pressure on the economy due to the effects of global monetary tightening and concerns about the outlook of the Chinese economy, and we need to pay close attention to the effects of rising prices, volatility in financial and capital markets, and other factors.

In the current fiscal year, the general account budget is ¥114,381.2 billion, the highest ever recorded for two consecutive years, and the Ministry of Land, Infrastructure, Transport and Tourism's budget is ¥5,871.4 billion, which is the same as the previous fiscal year. Meanwhile, the projected scale of orders for this fiscal year for the Group's mainstay bridge segment, which includes highway and railway bridges, is ¥270 billion for new construction-related projects and ¥290 billion for maintenance-related projects (based on our estimates), indicating a slight downward trend, but sufficient budget has been secured. The total volume of orders received for the six months ended September 30, 2023 was about 33% on a contract basis and 55% on a public announcement basis, indicating that although some orders have been delayed, orders are being placed at a faster pace than in the previous fiscal year.

In this environment, orders received totaled ¥34,287 million (up 12.7% year on year) due to orders for large-scale expressway renovation projects and other large-scale projects, and the order backlog once again exceeded ¥100 billion.

Net sales were ¥31,694 million (up 13.4% year on year), slightly above the forecast, due to steady progress in large-scale renovation projects and other large projects.

As a result of efforts to improve profitability and reduce costs in each construction-related project, profit improved from the forecast at the beginning of the year, despite being lower than in the same period of the previous year, when it had been strong due to bringing forward improvement measures. Operating profit was ¥2,951 million (down 7.3% year on year) and ordinary profit was ¥3,089 million (down 6.5% year on year). Profit attributable to owners of parent was ¥1,776 million (down 7.1% year on year). Although it was also lower year on year, it greatly exceeded the forecast at the beginning of the year (¥1,200 million), due to the gain on sales of investment securities following a reduction of cross-shareholdings.

Segment results are as follows.

#### (MIYAJI ENGINEERING)

Order received was ¥19,916 million (up 14.1% year on year).

Net sales were ¥18,991 million (up 18.4% year on year), due to the progress of existing projects as planned.

Operating profit was ¥1,564 million (down 30.2% year on year).

#### (MM BRIDGE)

Order received was ¥14,369 million (up 10.8% year on year).

Net sales were ¥12,720 million (up 6.9% year on year), due to the progress of existing projects as planned.

Operating profit was ¥1,384 million (up 48.4% year on year).

### (2) Explanation of Financial Position

#### 1) Status of assets, liabilities, and net assets

Total assets increased by ¥3,900 million from the end of the previous fiscal year to ¥66,952 million. This was due mainly to increases of ¥1,027 million in cash and deposits, ¥3,587 million in notes receivable, accounts receivable from completed construction contracts and other, and ¥819 million in investment securities collectively surpassing decrease of ¥1,730 million in accounts receivable - other included in other under current assets.

Total liabilities increased by ¥1,704 million from the end of the previous fiscal year to ¥23,188 million. This was due mainly to increases of ¥868 million in notes payable, accounts payable for construction contracts and other, ¥197 million in income taxes payable, ¥244 million in advances received on construction

contracts in progress, ¥228 million in accounts payable included in other under current liabilities, and ¥249 million in deferred tax liabilities included in other under non-current liabilities.

Total net assets increased by ¥2,195 million from the end of the previous fiscal year to ¥43,763 million. This was due mainly to increases of ¥1,231 million in retained earnings, ¥654 million in valuation difference on available-for-sale securities and ¥312 million in non-controlling interests.

## 2) Status of cash flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the second quarter under review increased by ¥1,027 million from the end of the previous fiscal year to ¥14,643 million.

The status of cash flows and reasons for their changes are as follows.

(Cash Flows from Operating Activities)

Cash flows provided by operating activities totaled ¥2,132 million (an inflow of ¥3,239 million in the comparable period in the previous fiscal year). This was due mainly to the recording of profit before income taxes of ¥3,280 million.

(Cash Flows from Investing Activities)

Cash flows used in investing activities totaled ¥377 million (an outflow of ¥216 million in the comparable period in the previous fiscal year). This was due mainly to outlay through purchase of property, plant and equipment at ¥680 million surpassing proceeds from sale of investment securities at ¥308 million.

(Cash Flows from Financing Activities)

Cash flows used in financial activities totaled ¥727 million (an outflow of ¥1,583 million in the comparable period in the previous fiscal year). This was due mainly to dividends paid at ¥541 million, dividends paid to non-controlling interests at ¥145 million.

## (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Information

With regard to the outlook for the Japanese economy, a gradual recovery is expected, partly due to the effects of various policies. Public investment in Japan is expected to continue to grow steadily in the future. The Ministry of Land, Infrastructure, Transport and Tourism (MLIT) is continuing to take budgetary measures for disaster prevention and mitigation, promotion of national land resilience, and other measures related to the safety and security of citizens. The MLIT’s budget base remains almost unchanged from the previous fiscal year at ¥5,871.4 billion and the budget estimate for the next fiscal year is ¥7,038.9 billion (up 19% year on year).

The projected scale of orders for this fiscal year in the Group’s mainstay highway and railway bridges, is ¥270 billion for new construction-related projects and ¥290 billion for maintenance-related projects (based on our estimates), indicating a slight downward trend, but sufficient budget has been secured. Orders on the same scale are expected to continue in the future, due to the promotion of road improvements financed by the charging for expressway road use until the year 2115 in accordance with revisions to the Road Special Measures Act. Furthermore, we expect to receive ongoing orders for large-scale expressway renovation and repair projects with a project size of ¥7 trillion, which require high technical and construction capabilities both in terms of quality and quantity, and plans for highly difficult, large-scale projects, such as the western extension of the Wangan (Osaka Bay) Route and the Wangan (Meishin Bay) Connecting Bridge of the Hanshin Expressway are moving forward, creating a business environment in which the Group can be expected to make major advances in the medium term. In railroad-related, buildings with large interior spaces and special building projects too, many projects are planned including terminal station redevelopment projects which are highly difficult to construct, continuous grade separation projects and medium- and large-scale redevelopment projects in urban areas. We believe that these will enable the Group to demonstrate its safe and secure technical capabilities.

In this business environment, the Group will further strengthen our management control system as a Group based on the Medium-Term Business Plan (FY2022 to FY2026) formulated in the previous fiscal year, strive to firmly establish a stable profit structure, and work as one team with MIYAJI ENGINEERING CO.,

LTD. and MM BRIDGE CO., LTD., which form the core of the Group, to achieve sustainable growth and business development. In addition, we will focus on allocating management resources to new construction-related, large-scale renovation and maintenance-related, and private-sector projects (including railroad-related, buildings with large interior spaces and special buildings, and coastal structures projects), aligning with shifts and trends in the domestic steel bridge market. We will also strive to improve productivity through technology development and digital transformation (DX), secure and train human resources, promote the career advancement of women, and carry out work style reforms.

The consolidated earnings forecast for the full year has been revised from the forecast announced on May 15, 2023 as follows. This is due to an expected increase in forecast net sales as a result of the steady progress of existing construction projects, an accompanying increase in profit, as well as the expecting the effects of improved profitability and cost reduction activities in each construction project to exceed the forecast.

Revision to consolidated financial result forecasts for the full year of the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	69,000	6,600	6,700	3,500	257.17
Revised forecast (B)	71,000	7,100	7,000	3,600	264.52
Increase/decrease (B-A)	2,000	500	300	100	-
Change (%)	2.9	7.6	4.5	2.9	-
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2023)	60,279	5,127	5,373	3,077	226.11

Note: The Company has conducted a two-for-one share split of its common shares, effective October 1, 2023.

Basic earnings per share has been calculated assuming that the share split had been conducted at the beginning of the previous fiscal year.

#### (4) Shareholder Returns During the Medium-Term Business Plan (FY2022 to FY2026)

With regard to shareholder returns during the Medium-Term Business Plan (FY2022 to FY2026), from a medium- to long-term perspective, the Group considers the establishment of a highly sustainable corporate structure, the enhancement of corporate value, and the return of profits to shareholders as important management policies, while at the same time we have a basic policy of implementing a well-balanced capital policy, including investments for sustainable growth, a concept shared by all shareholders and stakeholders.

Based on this policy, on August 9, 2023 the Company announced “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” and revised the dividend payout ratio to 60%, and announced an interim dividend of ¥170 per share (increase of ¥110 year on year) for the fiscal year ending March 31, 2024, which includes a commemorative dividend of ¥20. In addition, in order to improve the liquidity of the Company’s shares and expand its investor base, we decided to conduct a two-for-one stock split of our common shares with a record date of September 30, 2023, and to present commemorative QUO cards to shareholders holding one or more unit of shares, as recorded in the final shareholder registry on the same date, to commemorate the 20th anniversary of the our establishment (the 115th anniversary since the foundation of the former MIYAJI IRON WORKS CO., LTD. in 1908).

We will continue to implement the following measures during the Medium-Term Management Plan

(FY2022 to FY2026) and maintain and increase shareholder returns with a target total return ratio of 60%.

- 1) We will steadily implement plans involving the well-balanced investment of management resources in large construction projects for new bridges, large-scale expressway renovation projects, highly difficult construction projects in the private sector, and other undertakings and investment plans to improve efficiency and optimize plant production and on-site construction capacity.
- 2) We will promote active investor relations activities.
- 3) We will consider it buying back shares under special circumstances, such as another party's release of the Company's shares due to a reduction in cross-shareholdings.
- 4) We will promote reducing cross-shareholdings and reduce the ratio of cross-shareholdings against consolidated net assets to 10% or less on a book value basis, as early as possible in the period under the Medium-Term Business Plan.



## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	13,615	14,643
Notes receivable, accounts receivable from completed construction contracts and other	26,520	30,107
Costs on construction contracts in progress	369	527
Other	2,681	992
Total current assets	43,185	46,315
Non-current assets		
Property, plant and equipment		
Land	7,660	7,563
Other, net	5,307	5,431
Total property, plant and equipment	12,968	12,994
Intangible assets	372	378
Investments and other assets		
Investment securities	5,156	5,975
Other	1,397	1,313
Allowance for doubtful accounts	(29)	(25)
Total investments and other assets	6,524	7,263
Total non-current assets	19,866	20,636
Total assets	63,051	66,952
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	7,508	8,377
Income taxes payable	943	1,140
Advances received on construction contracts in progress	4,225	4,469
Provision for warranties for completed construction	543	543
Provision for loss on construction contracts	2,528	2,422
Provision for bonuses	792	895
Other	854	1,099
Total current liabilities	17,395	18,947
Non-current liabilities		
Deferred tax liabilities for land revaluation	1,639	1,639
Provisions	117	95
Retirement benefit liability	2,247	2,202
Other	82	303
Total non-current liabilities	4,087	4,240
Total liabilities	21,483	23,188

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	3,000	3,000
Capital surplus	3,746	3,746
Retained earnings	23,298	24,530
Treasury shares	(232)	(233)
Total shareholders' equity	29,812	31,043
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,404	3,058
Revaluation reserve for land	3,240	3,240
Remeasurements of defined benefit plans	51	48
Total accumulated other comprehensive income	5,695	6,348
Non-controlling interests	6,059	6,372
Total net assets	41,568	43,763
Total liabilities and net assets	63,051	66,952

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
(Quarterly Consolidated Statements of Income)  
(For the Six Months Ended September 30, 2023)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales of completed construction contracts	27,951	31,694
Cost of sales of completed construction contracts	22,888	26,752
Gross profit on completed construction contracts	5,063	4,942
Selling, general and administrative expenses	1,878	1,990
Operating profit	3,184	2,951
Non-operating income		
Interest income	1	0
Dividend income	105	106
Rental income	12	11
Gain on sale of scraps	4	14
Other	20	23
Total non-operating income	144	155
Non-operating expenses		
Interest expenses	1	0
Guarantee commission for advances received	19	12
Other	2	5
Total non-operating expenses	24	17
Ordinary profit	3,304	3,089
Extraordinary income		
Gain on sale of investment securities	-	189
Other	-	4
Total extraordinary income	-	193
Extraordinary losses		
Loss on retirement of non-current assets	5	3
Total extraordinary losses	5	3
Profit before income taxes	3,299	3,280
Income taxes	1,105	1,047
Profit	2,193	2,233
Profit (loss) attributable to non-controlling interests	282	456
Profit attributable to owners of parent	1,911	1,776

(Quarterly Consolidated Statements of Comprehensive Income)  
(For the Six Months Ended September 30, 2023)

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	2,193	2,233
Other comprehensive income		
Valuation difference on available-for-sale securities	155	654
Remeasurements of defined benefit plans, net of tax	9	(0)
Total other comprehensive income	165	654
Comprehensive income	2,359	2,887
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,073	2,428
Comprehensive income attributable to non-controlling interests	286	458

## (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,299	3,280
Depreciation	492	450
Increase (decrease) in provision for loss on construction contracts	(35)	(105)
Interest and dividend income	(106)	(106)
Interest expenses	1	0
Loss (gain) on sale of investment securities	-	(189)
Decrease (increase) in trade receivables	826	(3,587)
Decrease (increase) in costs on construction contracts in progress	(153)	(157)
Increase (decrease) in trade payables	(643)	867
Increase (decrease) in advances received on construction contracts in progress	1,248	244
Other	(906)	1,877
Subtotal	4,024	2,573
Interest and dividends received	106	106
Interest paid	(1)	(0)
Income taxes (paid) refund	(889)	(547)
Net cash provided by (used in) operating activities	3,239	2,132
Cash flows from investing activities		
Purchase of property, plant and equipment	(184)	(680)
Proceeds from sale of property, plant and equipment	-	99
Proceeds from sale of investment securities	-	308
Other	(31)	(104)
Net cash provided by (used in) investing activities	(216)	(377)
Cash flows from financing activities		
Repayments of long-term borrowings	(300)	-
Dividends paid	(946)	(541)
Dividends paid to non-controlling interests	(298)	(145)
Other	(38)	(39)
Net cash provided by (used in) financing activities	(1,583)	(727)
Net increase (decrease) in cash and cash equivalents	1,439	1,027
Cash and cash equivalents at beginning of period	15,979	13,615
Cash and cash equivalents at end of period	17,418	14,643

(4) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Tax expenses have been calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year including the second quarter of the fiscal year under review, and multiplying profit before income taxes by this effective tax rate.

(Segment information, etc.)

[Segment information]

I. For the six months ended June 30, 2022 (from April 1, 2022 to September 30, 2022)

Information on net sales and profit (loss) by reporting segment

(Millions of yen)

	Reportable segment		Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	MEC	MMB				
Net sales						
Net sales to outside customers	16,039	11,896	1	27,937	14	27,951
Inter-segment net sales or transfers	939	-	1,133	2,073	(2,073)	-
Total	16,979	11,896	1,135	30,010	(2,058)	27,951
Segment profit	2,242	932	1,022	4,198	(1,013)	3,184

(Notes) 1. The "Other" category refers to the Company (a pure holding company), which is not attributable to any reportable segment.

2. The details of the adjustment are as follows:

(1) The adjustment for net sales represents progress rate adjustments for inter-segment transactions and eliminations of inter-segment transactions.

(2) The adjustment for segment profit represents effects from progress rate adjustments for inter-segment transactions of ¥13 million, eliminations of inter-segment transactions of negative ¥913 million, and corporate expenses of negative ¥113 million. Corporate expenses are mainly general and administrative expenses not attributable to any reportable segment.

3. Segment profit is adjusted to operating profit on the quarterly consolidated statements of income.

II. For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)  
Information on net sales and profit (loss) by reporting segment

(Millions of yen)

	Reportable segment		Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	MEC	MMB				
Net sales						
Net sales to outside customers	18,991	12,720	2	31,714	(19)	31,694
Inter-segment net sales or transfers	222	-	1,327	1,550	(1,550)	-
Total	19,213	12,720	1,329	33,264	(1,569)	31,694
Segment profit	1,564	1,384	1,192	4,142	(1,190)	2,951

(Notes) 1. The “Other” category refers to the Company (a pure holding company), which is not attributable to any reportable segment.

2. The details of the adjustment are as follows:

- (1) The adjustment for net sales represents progress rate adjustments for inter-segment transactions and eliminations of inter-segment transactions.
- (2) The adjustment for segment profit represents effects from progress rate adjustments for inter-segment transactions of negative ¥0 million, eliminations of inter-segment transactions of negative ¥1,052 million, and corporate expenses of negative ¥137 million. Corporate expenses are mainly general and administrative expenses not attributable to any reportable segment.

3. Segment profit is adjusted to operating profit on the quarterly consolidated statements of income.

### 3. Supplementary Information

#### Status of Production, Orders Received, and Sales (Consolidated)

##### 1) Status of production

Segment name	For the six months ended September 30, 2022		For the six months ended September 30, 2023		For the fiscal year ended March 31, 2023	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
MEC	16,007	57.0	19,011	59.5	34,471	57.0
MMB	12,056	42.9	12,937	40.5	26,146	43.2
Other	1	0.0	2	0.0	3	0.0
Adjustment	14	0.1	(19)	(0.0)	(107)	(0.2)
Total	28,080	100.0	31,931	100.0	60,514	100.0

##### 2) Status of orders received

###### (Orders received)

Segment name	For the six months ended September 30, 2022		For the six months ended September 30, 2023		For the fiscal year ended March 31, 2023	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
MEC	17,450	57.4	19,916	58.1	38,721	58.1
MMB	12,973	42.6	14,369	41.9	27,925	41.9
Other	1	0.0	2	0.0	3	0.0
Total	30,425	100.0	34,287	100.0	66,650	100.0

###### (Order backlogs)

Segment name	As of September 30, 2022		As of September 30, 2023		As of March 31, 2023	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
MEC	54,408	56.2	58,187	56.4	57,262	56.9
MMB	42,448	43.9	45,018	43.6	43,369	43.1
Other	-	-	-	-	-	-
Adjustment	(95)	(0.1)	45	0.0	25	0.0
Total	96,760	100.0	103,250	100.0	100,658	100.0

##### 3) Status of sales

Segment name	For the six months ended September 30, 2022		For the six months ended September 30, 2023		For the fiscal year ended March 31, 2023	
	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)
MEC	16,039	57.4	18,991	59.9	34,455	57.2
MMB	11,896	42.6	12,720	41.0	25,927	43.0
Other	1	0.0	2	0.0	3	0.0
Adjustment	14	0.0	(19)	(0.0)	(107)	(0.2)
Total	27,951	100.0	31,694	100.0	60,279	100.0