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ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
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January 31, 2025

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2025 <under Japanese GAAP>

Company name: **MEISEI INDUSTRIAL CO., LTD.**
Listing: Tokyo Stock Exchange, Prime
Securities code: 1976
URL: https://www.meisei-kogyo.co.jp/en/
Representative: Tetsuji Yanase, Representative Director, President
Inquiries: AtsuoTanaka, Executive Officer, General Manager of Finance Division
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: None
Holding of financial results presentation meeting: None

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

1. Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	47,294	11.2	6,010	26.1	6,504	28.5	4,471	20.4
December 31, 2023	42,549	6.7	4,768	11.8	5,063	9.8	3,714	27.3

Note: Comprehensive income
Nine months ended December 31, 2024: ¥5,963 million [32.4%]
Nine months ended December 31, 2023: ¥4,504 million [30.8%]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2024	91.88	—
December 31, 2023	74.68	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	83,515	65,152	77.4	1,357.67
March 31, 2024	84,432	63,868	75.1	1,299.12

Reference: Shareholders' equity
As of December 31, 2024: ¥64,618 million
As of March 31, 2024: ¥63,387 million

2. Cash Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
Fiscal year ended/ending	Yen	Yen	Yen	Yen	Yen
March 31, 2024	—	14.00	—	41.00	55.00
March 31, 2025	—	21.00	—		
March 31, 2025 (Forecast)				26.00	47.00

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

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
Fiscal year ending March 31, 2025	63,000	4.3	7,800	(3.2)	8,350	(2.3)	6,000	(3.9)	122.85

Note: Revisions to the earnings forecasts most recently announced: None

* Notes

(1) Significant changes in scope on consolidation during the period: None

(2) Application of special accounting for preparing quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of December 31, 2024	55,117,218 shares
As of March 31, 2024	56,386,718 shares

b. Number of treasury shares at end of period

As of December 31, 2024	7,521,865 shares
As of March 31, 2024	7,594,300 shares

c. Average number of outstanding shares during period

Nine months ended December 31, 2024	48,664,901 shares
Nine months ended December 31, 2023	49,740,926 shares

Note: 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.

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* 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) Consolidated Earnings Forecasts and Other Forward-looking Statements” on page 3 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations

(1) Explanation of Results of Operations

In the first nine months of the current fiscal year, the Japanese economy has been on a gradual recovery trend, but at the same time, the outlook remains uncertain because of rising prices, exchange rate fluctuations and other factors.

Orders received by the Meisei Industrial Group decreased in both the construction business and the boiler business, totaling 44,717 million yen (down 3.6% from the same period of the previous fiscal year). Net sales increased 11.2% to 47,294 million yen mainly due to strong performance in the construction business.

Operating profit increased 26.1% to 6,010 million yen due to sales growth, ordinary profit increased 28.5% to 6,504 million yen, and profit attributable to owners of parent was up 20.4% to 4,471 million yen.

Business segment performance was as follows.

1) Construction Business

Net sales increased 12.6% to 42,095 million yen because of strong performance at maintenance work in Japan and large projects. Segment profit was up 24.8% to 5,696 million yen due to higher sales.

2) Boiler Business

Net sales increased 0.7% to 5,198 million yen because of steady progress at projects in Japan. Segment profit increased 54.5% to 305 million yen due to cost reduction.

(2) Explanation of Financial Position

Assets

At the end of the third quarter of the current fiscal year, current assets totaled 55,410 million yen, a decrease of 4,673 million yen from the end of the previous fiscal year. The main factors include decreases of 4,487 million yen in cash and deposits, and 636 million yen in notes receivable, accounts receivable from completed construction contracts and other. Non-current assets totaled 28,105 million yen, an increase of 3,756 million yen from the end of the previous fiscal year. The main factors include increases of 1,847 million yen in property, plant and equipment and 1,787 million yen in investment securities.

As a result, total assets decreased 916 million yen to 83,515 million yen.

Liabilities

At the end of the third quarter of the current fiscal year, current liabilities totaled 13,672 million yen, a decrease of 3,283 million yen from the end of the previous fiscal year. The main factors include decreases of 1,073 million yen in notes payable, accounts payable for construction contracts and other, 870 million yen in contract liabilities, 600 million yen in current portion of long-term borrowings and 494 million yen in income taxes payable. Non-current liabilities totaled 4,689 million yen, an increase of 1,082 million yen. The main factors include increases of 753 million yen in deferred tax liabilities and 600 million yen in long-term borrowings.

As a result, total liabilities decreased 2,201 million yen to 18,362 million yen.

Net assets

At the end of the third quarter of the current fiscal year, net assets totaled 65,152 million yen, an increase of 1,284 million yen from the end of the previous fiscal year. This was mainly due to an increase of 4,471 million yen in profit attributable to owners of parent and a decrease of 3,035 million yen due to dividends of surplus.

Consequently, the capital adequacy ratio was 77.4% (compared with 75.1% at the end of the previous fiscal year).

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

The Company maintains its consolidated forecasts for the fiscal year ending on March 31, 2025 that were announced on October 31, 2024.

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and actual results may differ due to various factors. We will make an announcement promptly if there is a need to revise this forecast.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	31,390	26,903
Notes receivable, accounts receivable from completed construction contracts and other	26,544	25,907
Securities	300	300
Costs on construction contracts in progress	536	863
Merchandise and finished goods	337	332
Raw materials and supplies	196	188
Other	783	919
Allowance for doubtful accounts	(4)	(4)
Total current assets	60,083	55,410
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,290	12,209
Machinery and vehicles	5,064	6,204
Land	11,433	11,433
Other	4,182	2,697
Accumulated depreciation	(14,215)	(13,942)
Total property, plant and equipment	16,754	18,601
Intangible assets	92	188
Investments and other assets		
Investment securities	4,812	6,599
Investment property	1,915	1,880
Retirement benefit asset	360	441
Deferred tax assets	79	51
Other	449	390
Allowance for doubtful accounts	(116)	(49)
Total investments and other assets	7,501	9,314
Total non-current assets	24,348	28,105
Total assets	84,432	83,515

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	9,180	8,107
Accounts payable - trade	283	151
Current portion of long-term borrowings	700	100
Income taxes payable	1,234	739
Contract liabilities	2,537	1,667
Provision for bonuses	518	183
Provision for bonuses for directors (and other officers)	67	—
Provision for warranties for completed construction	56	84
Provision for loss on construction contracts	—	1
Other	2,377	2,638
Total current liabilities	16,956	13,672
Non-current liabilities		
Long-term borrowings	100	700
Retirement benefit liability	133	140
Provision for retirement benefits for directors (and other officers)	146	122
Provision for share awards for directors (and other officers)	100	60
Deferred tax liabilities	2,260	3,013
Deferred tax liabilities for land revaluation	483	483
Asset retirement obligations	16	16
Other	366	152
Total non-current liabilities	3,607	4,689
Total liabilities	20,564	18,362
Net assets		
Shareholders' equity		
Share capital	6,889	6,889
Capital surplus	1,000	999
Retained earnings	55,739	56,375
Treasury shares	(4,201)	(4,996)
Total shareholders' equity	59,426	59,267
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,738	3,001
Revaluation reserve for land	958	958
Foreign currency translation adjustment	1,008	1,159
Remeasurements of defined benefit plans	253	230
Total accumulated other comprehensive income	3,960	5,351
Non-controlling interests	480	533
Total net assets	63,868	65,152
Total liabilities and net assets	84,432	83,515

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales of completed construction contracts	42,549	47,294
Cost of sales of completed construction contracts	34,422	37,746
Gross profit on completed construction contracts	8,127	9,548
Selling, general and administrative expenses	3,359	3,537
Operating profit	4,768	6,010
Non-operating income		
Interest income	73	83
Dividend income	128	201
Rental income from real estate	162	172
Gain on investments in investment partnerships	—	72
Other	71	112
Total non-operating income	436	642
Non-operating expenses		
Interest expenses	3	4
Rental costs on real estate	98	105
Foreign exchange losses	7	3
Other	32	34
Total non-operating expenses	141	148
Ordinary profit	5,063	6,504
Extraordinary income		
Gain on sale of investment securities	—	29
Total extraordinary income	—	29
Profit before income taxes	5,063	6,534
Income taxes - current	1,195	1,708
Income taxes - deferred	91	253
Total income taxes	1,286	1,961
Profit	3,776	4,573
Profit attributable to non-controlling interests	62	101
Profit attributable to owners of parent	3,714	4,471

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	3,776	4,573
Other comprehensive income		
Valuation difference on available-for-sale securities	358	1,263
Foreign currency translation adjustment	381	150
Remeasurements of defined benefit plans, net of tax	(12)	(23)
Total other comprehensive income	727	1,390
Comprehensive income	4,504	5,963
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,442	5,861
Comprehensive income attributable to non-controlling interests	62	101

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

I. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. Purchase of treasury shares

The Board of Directors of the Company approved a resolution on October 31, 2023 to repurchase its own shares pursuant to Article 156 which is applicable in lieu of Article 165, Paragraph 3 of the Companies Act. Following the resolution, the Company is proceeding with the repurchase of up to 1,500,000 treasury shares, during the period from November 1, 2023 to March 22, 2024, to a total of 1,200 million yen. As a result, treasury shares increased 721 million yen (651,300 shares) in the first nine months to 3,723 million yen as of the end of the third quarter of the current fiscal year.

II. Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

1. Purchase of treasury shares

On November 22, 2024, the repurchase of treasury shares based on the resolution of the Board of Directors meeting held on November 21, 2024 was completed. As a result, the Company repurchased 1,269,500 treasury shares in the first nine months of the current fiscal year, resulting in an increase in treasury shares of 1,650 million yen.

2. Retirement of treasury shares

The Board of Directors of the Company approved a resolution on November 21, 2024 to retire shares in accordance with Article 178 of the Companies Act. the Company retired 1,269,500 treasury shares on December 27, 2024. As a result, there were decreases of 836 million yen in treasury shares, 36 million yen in capital surplus and 800 million yen in retained earnings.

Notes to Quarterly Consolidated Statements of Cash Flows

The quarterly consolidated statements of cash flows have not been prepared for the first nine months. Deprecation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first nine months are as follows.

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	474	492
Amortization of goodwill	—	18

Segment Information

I. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

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

(Millions of yen)

	Construction	Boiler	Total	Adjustment (Note 1)	Amounts on the quarterly consolidated statements of income (Note 2)
Net sales:					
Japan	32,495	5,117	37,613	—	37,613
Asia	4,891	29	4,920	—	4,920
Other	—	15	15	—	15
Revenue from contracts with customers	37,387	5,162	42,549	—	42,549
Sales to external customers	37,387	5,162	42,549	—	42,549
Intersegment sales or transfers	3	167	170	(170)	—
Total	37,390	5,329	42,720	(170)	42,549
Segment profit	4,563	197	4,760	7	4,768

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

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

II. Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

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

(Millions of yen)

	Construction	Boiler	Total	Adjustment (Note 1)	Amounts on the quarterly consolidated statements of income (Note 2)
Net sales:					
Japan	38,080	5,127	43,208	—	43,208
Asia	4,015	71	4,086	—	4,086
Other	—	—	—	—	—
Revenue from contracts with customers	42,095	5,198	47,294	—	47,294
Sales to external customers	42,095	5,198	47,294	—	47,294
Intersegment sales or transfers	6	170	177	(177)	—
Total	42,102	5,369	47,471	(177)	47,294
Segment profit	5,696	305	6,002	8	6,010

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

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

Revenue Recognition

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

3. Supplementary Information

(1) Status of Orders Received, Net Sales and Balance of Orders

a. Orders received

Segment	Nine months ended December 31, 2023		Nine months ended December 31, 2024		Increase (decrease)	Fiscal year ended March 31, 2024	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Construction	41,073	88.6	40,496	90.6	(577)	52,015	89.8
Boiler	5,291	11.4	4,221	9.4	(1,069)	5,939	10.2
Total	46,364	100.0	44,717	100.0	(1,647)	57,955	100.0

b. Net sales

Segment	Nine months ended December 31, 2023		Nine months ended December 31, 2024		Increase (decrease)	Fiscal year ended March 31, 2024	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Construction	37,387	87.9	42,095	89.0	4,708	53,449	88.5
Boiler	5,162	12.1	5,198	11.0	36	6,927	11.5
Total	42,549	100.0	47,294	100.0	4,745	60,377	100.0

c. Balance of orders

Segment	Nine months ended December 31, 2023		Nine months ended December 31, 2024		Increase (decrease)	Fiscal year ended March 31, 2024	
	Millions of yen	%	Millions of yen	%	Millions of yen	Millions of yen	%
Construction	23,538	79.8	16,819	81.3	(6,719)	18,418	79.2
Boiler	5,958	20.2	3,864	18.7	(2,094)	4,841	20.8
Total	29,497	100.0	20,683	100.0	(8,814)	23,260	100.0