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Non-consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 14, 2024

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

Senior Managing Director General Manager of Corporate Planning Division

Phone: +81-3-5211-0066

Scheduled date of Annual General Meeting of Shareholders: June 25, 2024

Scheduled date of commencing dividend payments: June 10, 2024

Scheduled date of filing annual securities report: June 25, 2024

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 million yen are rounded down.)

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

(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, 2024	5,266	10.6	1,068	11.5	1,070	11.4	790	21.4
March 31, 2023	4,761	11.8	958	10.8	960	11.0	651	7.4

	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, 2024	68.29	67.85	16.3	15.4	20.3
March 31, 2023	56.53	56.18	14.7	15.6	20.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - 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, 2024	7,323	5,084	69.2	436.77
March 31, 2023	6,620	4,624	69.6	399.63

(Reference) Equity: As of March 31, 2024: ¥ 5,065 million
As of March 31, 2023: ¥ 4,607 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, 2024	738	(250)	(379)	1,707
March 31, 2023	210	(210)	(336)	1,598

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, 2023	-	0.00	-	31.50	31.50	380	55.7	8.2
March 31, 2024	-	0.00	-	37.50	37.50	453	54.9	9.0
Fiscal year ending								
March 31, 2025 (Forecast)	-	0.00	-	38.00	38.00		55.3	

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% 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, 2024	2,430	0.9	555	1.8	555	1.5	407	1.2	35.01
Full year	5,300	0.6	1,090	2.0	1,090	1.8	800	1.2	68.67

* 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, 2024:	12,775,900 shares
March 31, 2023:	12,775,900 shares

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

March 31, 2024:	1,177,199 shares
March 31, 2023:	1,247,340 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024:	11,578,831 shares
Fiscal Year ended March 31, 2023:	11,518,925 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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,598,566	1,707,531
Accounts receivable - trade	1,224,877	1,867,797
Contract assets	2,495,375	2,126,525
Securities	20,000	-
Work in process	9,390	21,359
Prepaid expenses	76,410	91,964
Other	47,688	57,474
Total current assets	5,472,308	5,872,652
Non-current assets		
Property, plant and equipment		
Buildings	127,325	127,325
Accumulated depreciation	(72,595)	(78,841)
Buildings, net	54,730	48,483
Tools, furniture and fixtures	166,506	181,778
Accumulated depreciation	(137,092)	(152,986)
Tools, furniture and fixtures, net	29,413	28,792
Total property, plant and equipment	84,144	77,276
Intangible assets		
Patent right	778	505
Trademark right	766	678
Software	46,263	95,051
Software in progress	-	11,100
Total intangible assets	47,809	107,335
Investments and other assets		
Investment securities	300,000	450,000
Deferred tax assets	423,902	498,243
Guarantee deposits	23,241	35,878
Leasehold deposits	152,814	152,210
Insurance funds	116,583	130,346
Total investments and other assets	1,016,543	1,266,678
Total non-current assets	1,148,497	1,451,290
Total assets	6,620,805	7,323,942

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	28,720	103,784
Accounts payable - other	139,563	217,022
Accrued expenses	115,907	130,490
Income taxes payable	307,841	173,371
Accrued consumption taxes	102,063	100,763
Contract liabilities	3,659	10,008
Deposits received	39,627	46,213
Provision for bonuses	478,890	621,151
Provision for bonuses for directors (and other officers)	16,000	26,000
Provision for share awards	30,527	34,486
Provision for loss on project contracts	269	-
Total current liabilities	1,263,071	1,463,291
Non-current liabilities		
Long-term accounts payable - other	198,092	198,092
Provision for retirement benefits	535,629	577,614
Total non-current liabilities	733,722	775,706
Total liabilities	1,996,793	2,238,997
Net assets		
Shareholders' equity		
Share capital	543,404	543,404
Capital surplus		
Legal capital surplus	349,676	349,676
Other capital surplus	323,350	333,436
Total capital surplus	673,027	683,113
Retained earnings		
Legal retained earnings	6,159	6,159
Other retained earnings		
General reserve	300,000	300,000
Retained earnings brought forward	3,754,731	4,165,326
Total retained earnings	4,060,890	4,471,485
Treasury shares	(670,157)	(632,019)
Total shareholders' equity	4,607,164	5,065,984
Share acquisition rights	16,848	18,960
Total net assets	4,624,012	5,084,944
Total liabilities and net assets	6,620,805	7,323,942

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	4,761,955	5,266,180
Cost of sales	2,228,606	2,494,931
Gross profit	2,533,349	2,771,249
Selling, general and administrative expenses	1,574,792	1,702,484
Operating profit	958,556	1,068,764
Non-operating income		
Interest income	63	380
Gain on forfeiture of unclaimed dividends	850	868
Administrative service fee income	635	635
Subsidy income	500	-
Other	133	186
Total non-operating income	2,181	2,070
Non-operating expenses		
Foreign exchange losses	0	-
Loss on retirement of non-current assets	15	0
Loss on cancellation of insurance policies	-	475
Other	-	0
Total non-operating expenses	16	476
Ordinary profit	960,721	1,070,359
Profit before income taxes	960,721	1,070,359
Income taxes - current	403,271	353,944
Income taxes - deferred	(93,761)	(74,340)
Total income taxes	309,509	279,604
Profit	651,211	790,755

Non-consolidated Statements of Changes in Equity

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

For the fiscal year ended March 31, 2024

(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	323,350	673,027	6,159	300,000	3,754,731	4,060,890
Changes during period								
Exercise of share acquisition rights			888	888				
Dividends of surplus							(380,159)	(380,159)
Profit							790,755	790,755
Purchase of treasury shares								
Disposal of treasury shares			9,198	9,198				
Net changes in items other than shareholders' equity								
Total changes during period	-	-	10,086	10,086	-	-	410,595	410,595
Balance at end of period	543,404	349,676	333,436	683,113	6,159	300,000	4,165,326	4,471,485

	Shareholders' equity		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity		
Balance at beginning of period	(670,157)	4,607,164	16,848	4,624,012
Changes during period				
Exercise of share acquisition rights	2,718	3,606		3,606
Dividends of surplus		(380,159)		(380,159)
Profit		790,755		790,755
Purchase of treasury shares		-		-
Disposal of treasury shares	35,420	44,618		44,618
Net changes in items other than shareholders' equity			2,112	2,112
Total changes during period	38,138	458,820	2,112	460,932
Balance at end of period	(632,019)	5,065,984	18,960	5,084,944

Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	960,721	1,070,359
Depreciation	30,858	37,195
Loss on retirement of non-current assets	15	0
Increase (decrease) in provision for bonuses	202,630	142,260
Increase (decrease) in provision for bonuses for directors (and other officers)	16,000	10,000
Increase (decrease) in provision for retirement benefits	48,799	41,984
Increase (decrease) in provision for share awards	30,527	25,110
Increase (decrease) in provision for loss on project contracts	(3,717)	(269)
Interest and dividend income	(63)	(380)
Decrease (increase) in accounts receivable - trade, and contract assets	(959,305)	(274,069)
Decrease (increase) in inventories	(40)	(11,969)
Increase (decrease) in trade payables	2,167	75,063
Increase (decrease) in contract liabilities	(24,380)	6,349
Other, net	116,884	103,270
Subtotal	421,097	1,224,905
Interest received	63	380
Income taxes paid	(210,758)	(486,288)
Net cash provided by (used in) operating activities	210,402	738,997
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,498)	(15,799)
Purchase of intangible assets	(44,900)	(74,055)
Purchase of investment securities	(100,000)	(150,000)
Proceeds from sale of investment securities	-	20,000
Payments of leasehold deposits	(2,601)	(801)
Proceeds from refund of leasehold deposits	2,841	30
Payments of guarantee deposits	(15,424)	(14,597)
Other, net	(31,749)	(14,967)
Net cash provided by (used in) investing activities	(210,331)	(250,189)
Cash flows from financing activities		
Proceeds from exercise of employee share options	-	6
Purchase of treasury shares	(29)	-
Dividends paid	(336,879)	(379,849)
Net cash provided by (used in) financing activities	(336,908)	(379,843)
Net increase (decrease) in cash and cash equivalents	(336,838)	108,964
Cash and cash equivalents at beginning of period	1,935,404	1,598,566
Cash and cash equivalents at end of period	1,598,566	1,707,531