



February 6, 2017

Consolidated Financial Results (Japanese Accounting Standards) for the Nine Months Ended December 31, 2016

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 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 6005
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 Scheduled date for filing of quarterly securities report: February 14, 2017
 Scheduled date of commencement of dividend payment: -
 Supplementary documents for quarterly financial results: None
 Quarterly financial results briefing: None

(Units of less than 1 million yen have been omitted)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2016 (April 1, 2016 – December 31, 2016)

(1) Consolidated Operating Results (Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2016	71,378	0.8	7,316	0.4	8,325	5.3	5,528	2.3
December 31, 2015	70,841	14.2	7,285	21.7	7,909	9.0	5,402	18.9

(Note) Comprehensive income

Nine months ended December 31, 2016 : ¥5,072 million (-14.1%)

Nine months ended December 31, 2015 : ¥5,906 million (-6.2%)

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2016	49.12	49.01
December 31, 2015	48.03	47.91

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2016	138,063	109,627	79.0	969.55
March 31, 2016	135,861	107,044	78.4	947.00

(Reference) Shareholders' equity

As of December 31, 2016 : ¥109,119 million

As of March 31, 2016 : ¥106,540 million

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
Fiscal year ended March 31, 2016	Yen —	Yen 10.00	Yen —	Yen 11.00	Yen 21.00
Fiscal year ending March 31, 2017	—	10.00	—		
Fiscal year ending March 31, 2017 (Forecasts)				12.00	22.00

(Note) Revisions to the dividend forecasts most recently announced: None

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages show the rate of increase or decrease 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	104,000	5.0	10,400	1.8	11,400	4.7	7,800	4.3	69.34

(Note) Revisions to the consolidated forecasts most recently announced: None

* Notes

(1) Changes in Scope of Significant Consolidated Subsidiaries during the Period (Changes of Specified Subsidiaries in Accordance with Changes in the Scope of Consolidation) : Yes

Newly consolidated company : MIURA BOILER DO BRASIL LTDA.

MIURA SOUTH EAST ASIA HOLDINGS PTE. LTD.

(Note)For details, please refer to “2. Matters Regarding Summary Information (Notes), (1) Changes in Scope of Significant Consolidated Subsidiaries during the Period” on page 4 of the Attached Materials.

(2) Adoption of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements: Yes

(Note)For details, please refer to “2. Matters Regarding Summary Information (Notes), (2) Adoption of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements” on page 4 of the Attached Materials.

(3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections

(i) Changes in accounting policies caused by revision of accounting standards: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement of corrections: None

(Note)For details, please refer to “2. Matters Regarding Summary Information (Notes), (3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections” on page 4 of the Attached Materials.

(4) Numbers of Outstanding Shares (Common Shares)

(i) Number of shares outstanding at the end of the period (including treasury shares)

As of December 31, 2016: 125,291,112 shares

As of March 31, 2016: 125,291,112 shares

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

As of December 31, 2016: 12,744,432 shares

As of March 31, 2016: 12,788,321 shares

(iii) Weighted-average number of common shares outstanding for the period

Nine months ended December 31, 2016: 112,532,193 shares

Nine months ended December 31, 2015: 112,491,007 shares

* Statement Relating to the Execution Status for Quarterly Review Procedures

This quarterly financial report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial report, the quarterly review procedures in accordance with the Financial Instruments and Exchange Act are in progress.

* Explanation of the Proper Use of Financial Results Forecast and Other Notes

The forward-looking statements herein are based on the information currently available to the Company and certain assumptions which are regarded as legitimate. The Company makes no warranty as to the achievability of what is described in the statements. Actual results may differ significantly from these forecasts due to various factors. For the assumptions underlying the forecasts and precautions when using the forecasts, please refer to “1. Qualitative Information Regarding Results for the Nine Months Ended December 31, 2016, (3) Explanation of Consolidated Forecasts and Other Forward-Looking Statements” on page 3 of the Attached Materials.

Attached Materials

Index

1. Qualitative Information Regarding Results for the Nine Months Ended December 31, 2016.....	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecasts and Other Forward-Looking Statements.....	3
2. Matters Regarding Summary Information (Notes).....	4
(1) Changes in Scope of Significant Consolidated Subsidiaries during the Period.....	4
(2) Adoption of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements.....	4
(3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections.....	4
(4) Additional information.....	4
3. Quarterly Consolidated Financial Statements.....	5
(1) Quarterly Consolidated Balance Sheets.....	5
(2) Quarterly Consolidated Statements of (Comprehensive) Income	7
(Quarterly Consolidated Statements of Income)	7
(Quarterly Consolidated Statements of Comprehensive Income)	8
(3) Notes Concerning Quarterly Consolidated Financial Statements	9
(Note Related to Premise of Going Concern)	9
(Notes When There is Significant Changes in Amounts of Equity).....	9
(Segment Information)	9

1. Qualitative Information Regarding Results for the Nine Months Ended December 31, 2016

(1) Explanation of Operating Results

Looking back on the state of the Japanese economy during the nine months ended December 31, 2016, robust capital investment and other factors helped the economy slowly expand despite unstable conditions such as a volatile exchange rate market since the presidential election in the United States. Meanwhile, the outlook of overseas economies and energy situations remained obscure, mainly owing to the United Kingdom's withdrawal from the European Union and the direction of policies of the President of the United States, while a mild recovery of the Chinese economy and of crude oil prices was seen.

In these circumstances, the Miura Group has continuously made "Total solutions" proposals that address various challenges faced by customers, under our slogan of "To bring products with the best price and quality in the world in the fields of energy, water, and the environment," aiming at the realization of our corporate philosophy of "Helping customers all over the world in energy conservation and environmental preservation."

In the domestic market, we actively proposed Multiple Installation (MI) Systems of our mainstay high-efficiency gas-fired boilers, unutilized heat recovery system and other systems. Also, following the official decision that the Ballast Water Management Convention will go into effect in September 2017, the sales activity of ballast water management systems has been accelerated.

Outside Japan, we focused on employee training and education in each country, aiming to enhance sales and maintenance skills of our overseas employees. We also strived to strengthen our solution proposal and maintenance service businesses, which are based on energy conservation and environmental preservation.

Consequently, net sales for the nine months ended December 31, 2016 grew to a new record high of ¥71,378 million, a year-on-year increase of 0.8% from the same period of the previous fiscal year (¥70,841 million).

On the profit front, our overseas business went into decline, with business in the United States going into the red, etc. and our domestic business experienced increases in personnel and research expenses due to an increase in the number of personnel, the development of new products and other factors, but there was a boost from the growth in net sales. As a result, operating income for the nine months ended December 31, 2016 increased to ¥7,316 million, up 0.4% from the same period of the previous fiscal year (¥7,285 million). Ordinary income for the nine months ended December 31, 2016 amounted to ¥8,325 million, up 5.3% from the same period of the previous fiscal year (¥7,909 million). Profit attributable to owners of parent for the nine months of the fiscal year under review stood at ¥5,528 million, up 2.3% from the same period of the previous fiscal year (¥5,402 million).

Overview of the business performance for each business segment is as follows.

(i) Domestic Manufacturing and Sales of Products

In the Domestic Manufacturing and Sales of Products business, sales of small once-through boilers and related equipment grew mainly due to the increase in replacement of the Company's old boilers in the food industry. Sales of ballast water management systems were strong as well. As a result, net sales in this business were ¥37,746 million, up 7.8% from the same period of the previous fiscal year (¥35,027 million). In terms of segment profit, personnel expenses increased due to the implementation of increases in the pay scale and an increase in the number of personnel, while there were increases in other costs including research expenses for new products, such as a ballast water management system and fuel cells. However, there was also a boost from the growth in net sales. As a result, segment profit was ¥2,049 million, up 57.0% from the same period of the previous fiscal year (¥1,305 million).

(ii) Domestic Maintenance

In the Domestic Maintenance business, sales grew due to a continued increase in the number of installations and aggressive activity to secure paid maintenance contracts. As a result, net sales in this business were ¥20,814 million, up 4.1% from the same period of the previous fiscal year (¥20,000 million). In terms of segment profit, personnel expenses rose mainly due to increases in the number of personnel and provision for bonuses. As a result, segment profit was ¥4,722 million, down 1.7% from the same period of the previous fiscal year (¥4,804 million).

(iii) Overseas Manufacturing and Sales of Products

In the Overseas Manufacturing and Sales of Products business, sales were subdued owing to intensified price competition with industry peers in China and South Korea in addition to yen's appreciation. Sales in North America fell as well because of a decline in large projects. As a result, net sales in this business were ¥9,625 million, a decrease of 24.8% from the same period of the previous fiscal year (¥12,799 million). Due to a decrease in units sold in the United States and an increase in personnel expenses resulting from the increased number of personnel in each country, segment profit was ¥285 million, down 73.5% from the same period of the previous fiscal year (¥1,076 million).

(iv) Overseas Maintenance

In the Overseas Maintenance business, maintenance network was expanded and activity was undertaken to secure paid maintenance contracts with large users. As a result, net sales in this business were ¥3,154 million, up 4.7% from the same period of the previous fiscal year (¥3,013 million). In terms of segment profit, although expenses increased due to the expansion of the maintenance network in each country, there was a boost from the growth in net sales, resulting in profit of ¥17 million, an upturn from the same period of the previous fiscal year (loss of ¥223 million).

(2) Explanation of Financial Position

With regard to the financial position at the end of the third quarter of the fiscal year under review, total assets as of December 31, 2016 were ¥138,063 million, an increase of ¥2,202 million compared to the previous fiscal year-end. This was mainly due to increases in notes and accounts receivable - trade, electronically recorded monetary claims - operating and inventories such as merchandise and finished goods, in spite of decreases in cash and deposits and investment securities. Liabilities were ¥28,435 million, a decrease of ¥380 million compared to the previous fiscal year-end. This was mainly due to an increase in advances received from both domestic and overseas manufacturing and sales of products despite decreases in income taxes payable and provision for bonuses. Net assets as of December 31, 2016 stood at ¥109,627 million, up by ¥2,582 million compared to the previous fiscal year-end. As a result, equity ratio as of December 31, 2016 was 79.0%.

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

The full-year consolidated forecasts for the fiscal year ending March 31, 2017 that the Company announced on May 13, 2016 remain unchanged.

2. Matters Regarding Summary Information (Notes)

(1) Changes in Scope of Significant Consolidated Subsidiaries during the Period

During the first quarter of the fiscal year ending March 31, 2017, MIURA BOILER DO BRASIL LTDA., MIURA ENVIRONMENTAL MANAGEMENT CO.,LTD. and MIURA SA CO.,LTD. were included in the scope of consolidation due to the increased materiality.

In addition, during the first quarter of the fiscal year ending March 31, 2017, MIURA SOUTH EAST ASIA HOLDINGS PTE.LTD. was newly established and therefore included in the scope of consolidation.

MIURA BOILER DO BRASIL LTDA. is qualified as specified subsidiary of the Company.

In addition, MIURA SOUTH EAST ASIA HOLDINGS PTE.LTD. is qualified as specified subsidiary of the Company effective from the second quarter of the fiscal year ending March 31, 2017, due to an increase in its capital.

(2) Adoption of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements

The Company calculates tax expenses by multiplying profit before income taxes by an effective tax rate that was reasonably estimated by applying tax effective accounting to estimated profit before income taxes for the fiscal year including the third quarter of the fiscal year under review.

Consolidated subsidiaries use the simplified method based on the effective statutory tax rate.

(3) Changes in Accounting Policies, Accounting Estimates and Restatement of Corrections

Changes in Accounting Policies

(Application of Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016)

Following the revision to the Corporation Tax Act, the Company has applied the Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016 (ASBJ PITF No. 32, June 17, 2016) from the first quarter of the fiscal year ending March 31, 2017, and changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining balance method to the straight line method.

The effect of this change on profit and loss was immaterial.

(4) Additional information

(Application of ASBJ Guidance on Recoverability of Deferred Tax Assets)

Effective from the first quarter ended June 30, 2016, the Company has applied the Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016).

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	30,813	28,191
Notes and accounts receivable - trade	23,693	23,978
Electronically recorded monetary claims - operating	1,976	3,079
Lease investment assets	2,014	1,913
Securities	5,073	6,100
Merchandise and finished goods	4,425	6,566
Work in process	3,117	4,077
Raw materials and supplies	6,239	6,743
Deferred tax assets	2,103	2,131
Other	784	999
Allowance for doubtful accounts	(98)	(84)
Total current assets	80,142	83,697
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,133	22,302
Machinery, equipment and vehicles, net	3,268	3,104
Land	11,685	11,678
Construction in progress	627	1,005
Other, net	1,572	1,492
Total property, plant and equipment	39,286	39,584
Intangible assets	685	768
Investments and other assets		
Investment securities	13,437	11,117
Net defined benefit asset	1,031	1,508
Other	1,311	1,427
Allowance for doubtful accounts	(34)	(40)
Total investments and other assets	15,746	14,013
Total non-current assets	55,718	54,365
Total assets	135,861	138,063

(Million yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,499	3,660
Short-term loans payable to subsidiaries and associates	30	—
Income taxes payable	2,172	1,099
Advances received	8,296	10,460
Provision for product warranties	700	690
Provision for bonuses	3,709	2,364
Asset retirement obligations	6	6
Other	7,869	7,815
Total current liabilities	26,284	26,097
Non-current liabilities		
Deferred tax liabilities	1,777	1,597
Provision for directors' retirement benefits	65	74
Net defined benefit liability	385	429
Other	302	237
Total non-current liabilities	2,531	2,338
Total liabilities	28,816	28,435
Net assets		
Shareholders' equity		
Capital stock	9,544	9,544
Capital surplus	10,097	10,122
Retained earnings	91,212	94,384
Treasury shares	(7,042)	(7,019)
Total shareholders' equity	103,811	107,030
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,221	2,095
Foreign currency translation adjustment	1,381	1,242
Remeasurements of defined benefit plans	(1,874)	(1,248)
Total accumulated other comprehensive income	2,728	2,088
Subscription rights to shares	246	253
Non-controlling interests	258	255
Total net assets	107,044	109,627
Total liabilities and net assets	135,861	138,063

(2) Quarterly Consolidated Statements of (Comprehensive) Income

(Quarterly Consolidated Statements of Income)

(Million yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	70,841	71,378
Cost of sales	41,617	41,649
Gross profit	29,223	29,728
Selling, general and administrative expenses	21,937	22,412
Operating income	7,285	7,316
Non-operating income		
Interest income	146	151
Dividend income	158	147
Rent income	302	295
Foreign exchange gains	—	151
Other	215	302
Total non-operating income	824	1,047
Non-operating expenses		
Foreign exchange losses	157	—
Other	42	37
Total non-operating expenses	200	37
Ordinary income	7,909	8,325
Extraordinary income		
Gain on sales of non-current assets	140	4
Total extraordinary income	140	4
Extraordinary losses		
Loss on sales of non-current assets	1	1
Loss on retirement of non-current assets	34	28
Total extraordinary losses	35	29
Profit before income taxes	8,014	8,300
Income taxes	2,611	2,760
Profit	5,402	5,539
Profit attributable to non-controlling interests	—	11
Profit attributable to owners of parent	5,402	5,528

(Quarterly Consolidated Statements of Comprehensive Income)

(Million yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	5,402	5,539
Other comprehensive income		
Valuation difference on available-for-sale securities	757	(1,126)
Foreign currency translation adjustment	(646)	30
Remeasurements of defined benefit plans, net of tax	393	628
Total other comprehensive income	504	(467)
Comprehensive income	5,906	5,072
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,909	5,060
Comprehensive income attributable to non-controlling interests	(2)	11

(3) Notes Concerning Quarterly Consolidated Financial Statements

(Note Related to Premise of Going Concern)

Not applicable

(Notes When There is Significant Changes in Amounts of Equity)

Not applicable

(Segment Information)

I. Information about Sales and Profit or Loss by Reportable Segment For the Nine Months Ended December 31, 2015

(Million yen)

	Domestic (Note 1)		Overseas (Note 1)		Total	Adjustment (Note 2)	Consolidated (Note 3)
	Manufacturing and sales of products	Maintenance	Manufacturing and sales of products	Maintenance			
Net sales							
Sales to external customers	35,027	20,000	12,799	3,013	70,841	—	70,841
Intersegment sales or transfers	1,612	64	129	28	1,835	(1,835)	—
Total	36,639	20,065	12,929	3,042	72,676	(1,835)	70,841
Segment profit (loss)	1,305	4,804	1,076	(223)	6,963	322	7,285

(Notes)

1. The “Domestic” and “Overseas” categories among the reportable segments pertain to the business activities of domestic consolidated companies and overseas consolidated companies, respectively.
2. Adjustment of segment profit (loss) include the elimination of internal transactions among segments.
3. Segment profit (loss) is adjusted for operating income on the consolidated financial statements.

II. Information about Sales and Profit or Loss by Reportable Segment For the Nine Months Ended December 31, 2016

(Million yen)

	Reportable segments					Others (Note 2)	Total	Adjustment (Note 3)	Consolidated (Note 4)
	Domestic (Note 1)		Overseas (Note 1)		Subtotal				
	Manufacturing and sales of products	Maintenance	Manufacturing and sales of products	Maintenance					
Net sales									
Sales to external customers	37,746	20,814	9,625	3,154	71,341	37	71,378	—	71,378
Intersegment sales or transfers	1,618	106	119	29	1,874	320	2,194	(2,194)	—
Total	39,364	20,921	9,745	3,183	73,215	357	73,573	(2,194)	71,378
Segment profit (loss)	2,049	4,722	285	17	7,074	15	7,090	226	7,316

(Notes)

1. The “Domestic” and “Overseas” categories among the reportable segments pertain to the business activities of domestic consolidated companies and overseas consolidated companies, respectively.
2. The “Others” category consists of business that is not included in reportable segments. It includes Real estate management business and Enterprise and personal non-life insurance and life insurance agent business.
3. Adjustment of segment profit (loss) include the elimination of internal transactions among segments.
4. Segment profit (loss) is adjusted for operating income on the consolidated financial statements.