FASF

May 15, 2019

Consolidated Financial Results
for the FY2018 Ended March 31, 2019 (IFRS)

Company name:	MIURA CO.,LTD.
Stock exchange listing:	Tokyo Stock Exchange
Stock code:	6005
URL:	http://www.miuraz.co.jp
Representative:	Daisuke Miyauchi, President & CEO
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Scheduled date of ordinary shareholders' meeting	June 27, 2019
Scheduled date of commencement of dividend payment:	June 28, 2019
Scheduled date for filing of annual securities report:	June 28, 2019
Supplementary documents for financial results:	Yes
Financial results briefing:	Yes (for analysts and institutional inventors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

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

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of parent		Comprehensive income (loss)	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2019	138,880	11.2	16,682	20.3	17,130	20.8	12,330	18.5	12,280	18.5	11,018	(2.9)
March 31, 2018	124,883	22.0	13,868	11.8	14,183	10.0	10,404	15.6	10,363	15.0	11,342	63.6

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2019	109.10	108.80	10.1	10.0	12.0
March 31, 2018	92.09	91.85	9.2	9.2	11.1

(Reference) Share of profit (loss) in investments accounted for using the equity method:
Fiscal year ended March 31, 2019:－ Fiscal year ended March 31, 2018:－

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Million yen	Million yen	Million yen	%	%
March 31, 2019	174,161	125,298	125,262	71.9	1,112.71
March 31, 2018	167,083	117,723	117,482	70.3	1,043.92

(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 the end of the year
Year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2019	17,134	(2,552)	(7,064)	34,258
March 31, 2018	9,028	(13,870)	505	26,699

2. Dividends

	Dividends per share					Total amount of dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million Yen	%	%
March 31, 2018	—	11.00	—	17.00	28.00	3,151	30.4	2.8
March 31, 2019	—	14.00	—	19.00	33.00	3,714	30.2	3.1
Fiscal year ending March 31, 2020 (Forecasts)	—	16.00	—	19.00	35.00		30.8	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019 – March 31, 2020)

(Percentages show the rate of increase or decrease from the previous corresponding period)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	68,000	3.6	8,300	3.5	8,400	1.1	6,100	2.8	54.19
Full-year	144,000	3.7	17,500	4.9	17,800	3.9	12,800	4.2	113.71

* Notes

(1) Changes of significant subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation) : Yes

Excluded consolidated company : 1 Inax Inamoto Holdings Co., Ltd.

Inax Inamoto Holding Co., Ltd. was merged into Inax Corporation, the surviving company, as of April 1, 2018 and was out of scope of consolidation.

(2) Changes in Accounting Policies and Accounting Estimates

(i) Changes in accounting policies required by IFRS: Yes
(ii) Changes in accounting policies other than (i): None
(iii) Changes in accounting estimates: None

(3) Numbers of Outstanding Shares (Common Shares)

(i) Number of shares outstanding at the end of the period (including treasury shares)
As of March 31, 2019: 125,291,112 shares
As of March 31, 2018: 125,291,112 shares
(ii) Number of treasury shares at the end of the period
As of March 31, 2019: 12,717,425 shares
As of March 31, 2018: 12,751,387 shares
(iii) Weighted-average number of common shares outstanding for the period
Fiscal year ended March 31, 2019: 112,565,998 shares
Fiscal year ended March 31, 2018: 112,538,613 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

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

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2019	95,611	5.6	10,446	6.5	12,965	7.6	9,265	6.7
March 31, 2018	90,516	6.2	9,812	20.8	12,045	16.1	8,684	20.9

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2019	82.31	82.08
March 31, 2018	77.16	76.96

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2019	145,538	115,096	78.8	1,018.90
March 31, 2018	134,754	110,771	81.9	981.15

(Reference) Shareholders' equity
As of March 31, 2019 : ¥114,700 million
As of March 31, 2018 : ¥110,425 million

* Financial summaries are not required to be audited.

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

(Notes on forward-looking statements)

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. Overview of Operating Results etc., (4) Forecasts" on page 4 of the attached materials.

Attached Materials

Index

1. Overview of Operating Results etc.

(1) Overview of Operating Results

(i) Operating Results for the Current Fiscal Year

Looking back on the state of the Japanese economy during the fiscal year ended March 31, 2019, the economy continued its trend of gradual recovery backed by the solid corporate performance and steady capital investment, despite some impact on economic activities due to the natural disasters such as earthquakes and heavy rain. As for the global economy, although the U.S. economy continued to be firm, a state of uncertainty is intensifying such as gradually affecting the global economy due to the protectionism in each country and the trade friction between the U.S. and China.
In these circumstances, the Miura Group has built up its technological strengths to optimize energy and minimize the burden to the environment by its consolidated activities of engineering, sales, and maintenance divisions. Furthermore, as part of our efforts to advance the development of new services and energy-saving products, making use of the latest information technology including IoT, we are strengthening our “Total Solutions” proposal-type activities. At our Miura Showroom, which opened in June 2018, we strive to present our continually evolving “Total Solutions” to the world, in the most easy-to-understand way by introducing the Group’s progress up until now, the present situation, and initiatives aimed at the future.

The Company also launched in October 2018 a new advertising campaign under the slogan, “Does our inspiration have love?”, as it celebrates the 60th anniversary of establishment on May 1, 2019. We aim to establish the Miura brand which is loved and chosen by anyone through the activities of all employees demonstrating this slogan by their practices.

Regarding the consolidated results for the fiscal year ended March 31, 2019, domestically, our mainstay small once-through boilers and the Domestic Laundry business performed well against the backdrop of solid capital investment. Overseas, our efforts to offer solutions for energy saving and reduction of the burden on the environment yielded strong sales of boilers.

On the profit front, despite an increase in depreciation costs associated with personnel expenses and capital investment, as well as an increase in research costs, profits increased to a boost in revenue.
Revenue was ¥138,880 million, up 11.2% from the previous fiscal year, operating profit was ¥16,682 million, up 20.3% from the previous fiscal year, profit before income taxes was ¥17,130 million, up 20.8% from the previous fiscal year, and profit attributable to owners of parent was ¥12,280 million, up 18.5% from the previous fiscal year, reaching a record high respectively.

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

(ii) Overview of Each Business Segment

[Domestic Manufacturing and Sales of Products]
In the Domestic Manufacturing and Sales of Products business, sales of small once-through boilers were strong mainly in the field of food production and in chemical industries, supported by the demand for maintenance and renewal of existing facilities and for the expansion of plants. Further, sales of ballast water management systems in marine equipment were also strong. Moreover, our efforts to offer total solutions have been further strengthened due to the restructuring of our organizations focused on geographic area instead of the different business lines.
As a result, the business posted revenue of ¥61,490 million, up 5.7% from the previous fiscal year (¥58,194 million). In terms of segment profit, the segment saw an increase in personnel expenses, attributable to a rise in pay-scale as well as higher numbers of employees, an increase in trial costs for obtaining USCG (United States Coast Guard) compliance certification for our ballast water management systems, IoT related expenses, and showroom construction related costs. Nevertheless, the segment achieved a profit of ¥4,899 million, up 7.9% from the previous fiscal year (¥4,539 million), thanks to a boost from revenue.

[Domestic Maintenance]
In the Domestic Maintenance business, sales grew due to an increase in the number of boiler installations, larger-capacity boilers, and aggressive activity to secure paid maintenance contracts. In addition, by strengthening coordination with our maintenance bases, which we started in the previous fiscal year, we were able to gain further trust from our customers, which in turn contributed to sales.
As a result, revenue in this business was ¥31,562 million, up 6.6% from the previous fiscal year (¥29,609 million). Segment profit was ¥8,278 million, up 4.8% from the previous fiscal year (¥7,896 million).

[Domestic Laundry]
Concerning the Domestic Laundry business, in the hotel linen industry, investments are made in large-scale projects for building new plants and extending facilities to respond to the increase in demand for linen products against the backdrop of rising occupancy rates in accommodation facilities due to the recent increase in foreign guests in Japan and the continuing high rate of hotel openings. In addition, rising costs, such as personnel expenses and distribution costs are driving an increasing demand for labor-saving and automation to improve overall facility operational efficiency. To respond to this, companies are carrying out overall inspections of linen plant costs and actively refitting facilities, which also includes changing utilities.
As a result, sales of tunnel washers—a major product—and sales of related peripheral equipment were strong and revenue in this business was ¥20,005 million, a record-high result. Segment profit was ¥1,306 million due to various costs resulting from business combinations and amortization of intangible assets. As this segment was newly added from the second quarter of the fiscal year ended March 31, 2018, the comparison with the same period of the previous fiscal year is omitted.

[Overseas Manufacturing and Sales of Products]
In the Overseas Manufacturing and Sales of Products business, although the economic growth in China is moderately slowing down due to the trade friction between the U.S. and China, sales of boilers marked strong growth in other countries and regions driven by the awareness of saving energy and minimizing the burden to the environment.
As a result, revenue in this business was ¥20,251 million, up 12.1% from the previous fiscal year (¥18,065 million). In terms of segment profit, despite overall expenses being swelled by higher personnel expenses (partly due to an increase in employees) and costs associated with expanding the sales network in China, the boost from revenue led to a segment profit of ¥1,651 million, up 49.5% from the previous fiscal year (¥1,104 million).

[Overseas Maintenance]
The Overseas Maintenance business made aggressive efforts to obtain secure paid maintenance contracts, resulting in the higher number of contracts in all target countries. Sales in China grew in response to environmental regulations.
As a result, revenue in this business was ¥5,503 million, up 8.4% from the previous fiscal year (¥5,075 million). In terms of segment profit, although expenses rose following higher personnel expenses (partly due to an increase in employees), the boost from revenue led to a segment profit of ¥384 million, up 31.2% from the previous fiscal year (¥292 million).

(2) Overview of Financial Position

Total assets as of March 31, 2019, were ¥174,161 million, an increase of ¥7,077 million compared to the previous fiscal year-end. Current assets increased by ¥7,810 million, mainly due to increases in, cash and cash equivalents by ¥7,558 million as well as trade and other receivables by ¥1,408 million, while other financial assets decreased by ¥1,751 million. Non-current assets decreased by ¥732 million, mainly due to a decrease in other financial assets of ¥2,303 million and an increase in retirement benefit asset of ¥704 million.
Total liabilities were ¥48,863 million, a decrease of ¥497 million compared to the previous fiscal year-end. This was mainly due to a decrease in other financial liabilities in current liabilities of ¥2,749 million and an increase in trade and other payables of ¥1,774 million.
Total equity was ¥125,298 million, an increase of ¥7,574 million compared to the previous fiscal year-end. This was mainly due to an increase in retained earnings of ¥9,238 million and a decrease in other components of equity of ¥1,760 million.
As a result, the ratio of equity attributable to owners of parent to total assets comes to 71.9%.

(3) Cash Flows for the Period under Review

The following outlines the state of cash flows by category for the fiscal year under review.

Net cash provided by operating activities for totaled ¥17,134 million, an increase of ¥8,105 million from the previous fiscal year. This was mainly due to an increase in profit before income taxes and a decrease in trade and other receivables.
Net cash used in investing activities totaled ¥2,552 million, a decrease of ¥11,318 million from the previous fiscal year. This was mainly due to a decrease in payments for acquisition of business and investments as well as a decrease in cash outflows for the purchase of property, plant and equipment.
Net cash used in financing activities totaled ¥7,064 million, an increase of ¥7,570 million from the previous fiscal year. This was due mainly to a decrease in short-term borrowings and an increase in cash dividends paid.
As a result of the above, cash and cash equivalents as of March 31, 2019, were ¥34,258 million, an increase of ¥7,558 million compared to the previous fiscal year-end.

(4) Forecasts

Regarding the business environment surrounding the Miura Group in the fiscal year ending March 31, 2020, considering a downturn in consumption to be caused by a consumption tax hike and given that production and logistics costs have risen amid staff shortages and soaring raw materials costs, the business outlook remains far from certain. However, with the economy remaining on modest recovery track, we expect to see a stable demand for capital investment for maintaining or renewing existing facilities. In the overseas business environment, we expect to see a gradual rise in awareness regarding energy-saving practices and reducing the burden on the environment in China, South Korea and other regions in Asia, and to respond to this, we will further strengthen the local product and sales system.

As for the Group's outlook, in Japan, with capital investment remaining buoyant, we expect steady rise in sales of boilers and laundry equipment. In marine equipment, we expect strong performance in sales of ballast water management systems. In addition, we will step up efforts to offer total solutions through such sales and maintenance organizations focused on geographic area instead of the different business lines that are organized starting from this fiscal year.
Overseas, we expect that China's imposition of environmental regulations will continue to drive the shift in demand toward high-efficiency gas-fired boilers and the solutions we offer for the response to the regulations. In other countries and regions, we expect that our efforts to expand the customer base and to improve the way we offer solutions will lead to strong sales in the manufacturing and sales of products. Regarding the Maintenance business, with a view to further developing our network of overseas offices, we will focus on training local employees and securing paid maintenance contracts at an even higher rate.

As a result, for the full fiscal year ending March 31, 2020, we expect both revenue and profits to grow from the fiscal year under review.

[Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2020]

	Fiscal year ending March 31, 2020
	Amount (Million yen)
Revenue	144,000
Operating profit	17,500
Profit before income taxes	17,800
Profit attributable to owners of parent	12,800

We plan to pay an annual dividend of ¥35 per share, consisting of an interim dividend of ¥16 per share and a year-end dividend of ¥19 per share.

(5) Basic Policies Concerning the Allocation of Profits, and Dividends for the Period under Review and the Next Period

With respect to the allocation of profits, in keeping with the basic policy to ensure the continuous and stable dividends distribution, we believe that the Company should engage in appropriate return of profits to shareholders in line with the Company's performance, while also working to strengthen our management foundation and increase our internal reserves in preparation for future business expansion. In accordance with this guideline, we will make efforts to improve our dividend payout ratio by comprehensively taking into account our consolidated performance and financial situation and setting a payout ratio of 30% as our target.

The Company will utilize internal reserves primarily for investments to strengthen our competitiveness and our business foundation, including the research and development of new technologies and new products, and the establishment of production and sales systems. We will also use internal reserves for the purposes of investments to enhance environmental protection, safety, and quality, and the reconstruction of information systems for productivity improvement, in order to increase our corporate value.

With regard to dividends for the period under review, we plan to pay a year-end dividend of ¥19 per share, and as a result, the annual dividend will be ¥33 per share including an interim dividend of ¥14 per share. Accordingly, we expect a consolidated dividend payout ratio to be 30.2% for the period under review.

Taking into account the Company's consolidated performance forecasts, for the next period we plan to pay an annual dividend of ¥35 per share, consisting of an interim dividend of ¥16 per share and a year-end dividend of ¥19 per share.

2. Management Policies

(1) Basic Policies for Corporate Management

As a Group, we have made it our core principle “We will contribute to creating a society that is environmentally friendly and ways of living that are clean and comfortable through our work in the field of the Energy, Water, and Environment.” In order to achieve this, the Miura Group creates beneficial new products and provides services in fields related to the environment and effective utilization of energy, and thus help customers all over the world.

We will also strive for transparent and efficient management with the aim of maximizing our corporate value, will live up to the expectations and trust of our shareholders and other stakeholders, and at the same time, will work toward sound growth and will fulfill our social responsibilities as a company.

The Miura Group aims to create open workplaces that tie people with trust, solidarity, and pride under the motto “Let’s create a workplace that makes it easy and conductive to work.” We will engage in the creation of a motivating corporate culture and in human resources development, and will work to strengthen our foundations for continued growth.

(2) Management Indicators as Targets

The Miura Group believes that steadily expanding profits, regardless of the market environment, will lead to the enhancement of our corporate value and the increase of shareholder return.
Therefore, the Group has set further increase of operating profit and ROE (return on equity) of 10% as management targets. We will work toward improved profitability in the fiscal year ending March 31, 2020, with ¥17,500 million in operating profit and ¥12,800 million in profit attributable to owners of parent for the period as our management targets.

(3) Medium- and Long-Term Corporate Management Strategy

In Japan, the Group aims to expand business in the fields of energy, water, and environment, providing total solutions drawn from our technological prowess and channel the collective energies of the Group to continually refine these solutions.

Outside Japan, we will strive to expand the business model we have built up over many years in Japan, including solutions for energy conservation and environmental preservation, and will strengthen our business foundation and improve our earning power. We will also strive for development of new products that meet the needs from the global market and quality improvement sought throughout the design and production processes to promote our company brand.

In addition, we will continue with our effort for ESG management in order to improve the corporate value in the medium-to-long-term. Furthermore, we will strengthen our foundation for growth, through IT technology, to achieve work place reform and increase productivity.

As a medium-term plan, we will conduct management with the following as our aims. We will draft our medium-term plan using a “rolling method,” by which we review the plan in accordance with changes in the management environment every year.

(Million yen)

	Fiscal year ending March 31, 2020	Fiscal year ending March 31, 2021	Fiscal year ending March 31, 2022
Revenue	144,000	152,000	161,500
Operating profit	17,500	18,500	19,500

(4) Issues to be Addressed by the Company

(i) Development of New Products

In Japan, we will continue to proactively develop new products that provide solutions to maximize added value for our customers in addition to our existing lineup of boilers, laundry equipment, marine equipment, water treatment equipment, food processing equipment, medical equipment, unutilized heat recovery systems, environmental analysis equipment and fuel cells.

(ii) Expansion of Our Japanese Business Model to Overseas Markets

In order to offer the same level of services as we provide in Japan to customers around the world, we will focus efforts on the global expansion of production sites, the enhancement of site networks in each country, and employee education.

(iii) Expansion of our business with total solutions

As part of our medium-to-long-term management strategy, we are committed to driving forward with total solutions. Specifically, with our key product, boilers, at the core, we will link this core product with peripheral devices. In this way, we will solve the problems that affect our customers' facilities in an all-encompassing manner to deliver an environment that further improvement at customer's end. To expand and refine our total solutions, we will continue to explore possible joint ventures and M&A opportunities.

(iv) Work Style Reform

Accumulating experience and providing high quality services is paramount to winning the trust of customers. This is only possible with a positive work environment that enables our employees to communicate with each other effectively. Until now, we have improved our personnel frameworks and promoted a healthy work-life balance. As part of these efforts, we have explored ways of supporting our employees with child or elder care needs. Since our Group now includes many non-Japanese employees and employees with disabilities, we intend to go even further to pursue workplace diversity, recognize individual differences and perspectives, and ensure that every one of our employees can flourish.

3. Basic Concepts Concerning the Selection of Accounting Standards

The Miura Group aims to further advance our global management through improvement in our ability to make international comparisons of financial information in capital markets, and through the unification of accounting practices within the Group. We have voluntarily applied International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ended March 31, 2018.

4. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Million yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and cash equivalents	26,699	34,258
Trade and other receivables	40,066	41,474
Other financial assets	9,897	8,146
Inventories	18,656	19,179
Other current assets	663	735
Total current assets	95,983	103,793
Non-current assets		
Property, plant and equipment	39,645	40,499
Goodwill and intangible assets	14,348	13,838
Other financial assets	12,910	10,607
Net defined benefit asset	1,336	2,041
Deferred tax assets	2,462	2,990
Other non-current assets	396	390
Total non-current assets	71,099	70,367
Total assets	167,083	174,161

(Million yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	13,632	15,406
Other financial liabilities	4,561	1,812
Income taxes payable	2,594	3,314
Provisions	1,103	1,093
Contract liabilities	—	9,982
Other current liabilities	21,790	12,601
Total current liabilities	43,682	44,212
Non-current liabilities		
Other financial liabilities	2,715	2,003
Net defined benefit liability	393	370
Provisions	1	1
Deferred tax liabilities	2,179	1,966
Other non-current liabilities	388	309
Total non-current liabilities	5,678	4,651
Total liabilities	49,360	48,863
Equity		
Capital stock	9,544	9,544
Capital surplus	10,489	10,772
Retained earnings	101,905	111,144
Treasury shares	(7,019)	(7,000)
Other components of equity	2,562	801
Total equity attributable to owners of parent	117,482	125,262
Non-controlling interests	241	35
Total equity	117,723	125,298
Total liabilities and equity	167,083	174,161

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

(Million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Revenue	124,883	138,880
Cost of revenue	75,946	84,369
Gross profit	48,936	54,511
Selling, general and administrative expenses	35,551	38,500
Other income	575	799
Other expenses	91	127
Operating profit	13,868	16,682
Finance income	380	486
Finance costs	66	39
Profit before income taxes	14,183	17,130
Income tax expenses	3,778	4,799
Profit	10,404	12,330
Profit attributable to:		
Owners of parent	10,363	12,280
Non-controlling interests	40	50
Profit	10,404	12,330
Earnings per share		
Basic (Yen)	92.09	109.10
Diluted (Yen)	91.85	108.80

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	10,404	12,330
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	955	(1,519)
Remeasurement of defined benefit plans	271	447
Total items that will not be reclassified to profit or loss	1,226	(1,071)
Items that will be reclassified to profit or loss		
Translation adjustments of foreign operations	(288)	(240)
Total items that will be reclassified to profit or loss	(288)	(240)
Other comprehensive income (loss), net of taxes	938	(1,312)
Comprehensive income (loss)	11,342	11,018
Comprehensive income (loss) attributable to		
Owners of parent	11,302	10,967
Non-controlling interests	40	50
Profit	11,342	11,018

(3) Consolidated Statements of Changes in Equity

For the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(Million yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Financial assets measured at FVTOCI	Translation adjustments of foreign operations
As of April 1, 2017	9,544	10,406	93,859	(7,020)	1,950	(55)
Profit	–	–	10,363	–	–	–
Other comprehensive income (loss)	–	–	–	–	955	(287)
Comprehensive income (loss)	–	–	10,363	–	955	(287)
Compensation costs related to stock options	–	78	–	–	–	–
Sales of treasury shares upon exercise of stock options	–	–	–	–	–	–
Dividends	–	–	(2,588)	–	–	–
Changes in the ownership interest in subsidiaries without loss of control	–	2	–	–	–	–
Acquisition of treasury shares	–	–	–	(0)	–	–
Disposal of treasury shares	–	2	–	1	–	–
Transfer from other components of equity to retained earnings	–	–	271	–	–	–
Other	–	–	–	–	–	–
Total transactions with the owners	–	82	(2,317)	0	–	–
As of March 31, 2018	9,544	10,489	101,905	(7,019)	2,906	(343)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity				
	Remeasurement of defined benefit plans	Total	Total		
As of April 1, 2017	–	1,894	108,685	203	108,888
Profit	–	–	10,363	40	10,404
Other comprehensive income (loss)	271	938	938	(0)	938
Comprehensive income (loss)	271	938	11,302	40	11,342
Compensation costs related to stock options	–	–	78	–	78
Sales of treasury shares upon exercise of stock options	–	–	–	–	–
Dividends	–	–	(2,588)	(0)	(2,589)
Changes in the ownership interest in subsidiaries without loss of control	–	–	2	(3)	(1)
Acquisition of treasury shares	–	–	(0)	0	(0)
Disposal of treasury shares	–	–	3	1	4
Transfer from other components of equity to retained earnings	(271)	(271)	–	–	–
Other	–	–	–	–	–
Total transactions with the owners	(271)	(271)	(2,505)	(2)	(2,507)
As of March 31, 2018	–	2,562	117,482	241	117,723

For the Fiscal Year Ended March 31, 2019 (April 1, 2018 – March 31, 2019)

(Million yen)

	Equity attributable to owners of parent					
					Other components of equity	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Financial assets measured at FVTOCI	Translation adjustments of foreign operations
As of April 1, 2018	9,544	10, 489	101,905	(7,019)	2,906	(343)
Profit	—	—	12,280	—	—	—
Other comprehensive income (loss)	—	—	—	—	(1,519)	(241)
Comprehensive income (loss)	—	—	12,280	—	(1,519)	(241)
Compensation costs related to stock options	—	81	—	—	—	—
Sales of treasury shares upon exercise of stock options	—	(15)	—	15	—	—
Dividends	—	—	(3,489)	—	—	—
Changes in the ownership interest in subsidiaries without loss of control	—	207	—	—	—	—
Acquisition of treasury shares	—	—	—	(2)	—	—
Disposal of treasury shares	—	9	—	5	—	—
Transfer from other components of equity to retained earnings	—	—	447	—	—	—
Other		0	(0)	—	—	—
Total transactions with the owners	—	283	(3,042)	18	—	—
As of March 31, 2019	9,544	10,772	111,144	(7,000)	1,386	(584)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity				
	Remeasurement of defined benefit plans	Total	Total		
As of April 1, 2018	—	2,562	117,482	241	117,723
Profit	—	—	12,280	50	12,330
Other comprehensive income (loss)	447	(1,313)	(1,313)	0	(1,312)
Comprehensive income (loss)	447	(1,313)	10,967	50	11,018
Compensation costs related to stock options	—	—	81	—	81
Sales of treasury shares upon exercise of stock options	—	—	0	—	0
Dividends	—	—	(3,489)	(3)	(3,492)
Changes in the ownership interest in subsidiaries without loss of control	—	—	207	(253)	(46)
Acquisition of treasury shares	—	—	(2)	—	(2)
Disposal of treasury shares	—	—	15	7	22
Transfer from other components of equity to retained earnings	(447)	(447)	—	—	—
Other	—	—	—	(7)	(7)
Total transactions with the owners	(447)	(447)	(3,187)	(256)	(3,443)
As of March 31, 2019	—	801	125,262	35	125,298

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	14,183	17,130
Depreciation and amortization	3,649	3,678
Impairment loss	—	349
Interest and dividend income	(364)	(384)
Foreign exchange losses (gains)	8	(38)
Decrease (increase) in trade and other receivables	(5,681)	(1,407)
Decrease (increase) in inventories	(1,501)	(590)
Increase (decrease) in trade and other payables	1,159	1,701
Increase (decrease) in accrued bonuses	(222)	821
Decrease (increase) in retirement benefit assets	(129)	(61)
Increase (decrease) in retirement benefit liabilities	(21)	(13)
Increase (decrease) in contract liabilities	—	(157)
Increase (decrease) in advance received	461	—
Other	1,330	109
Subtotal	12,871	21,137
Interest and dividends received	366	384
Interest paid	(22)	(24)
Income taxes paid	(4,186)	(4,362)
Net cash provided by (used in) operating activities	9,028	17,134
Cash flows from investing activities		
Payments into time deposits	(12,465)	(11,395)
Proceeds from withdrawal of time deposits	12,936	11,331
Purchase of property, plant and equipment	(4,797)	(3,841)
Purchase of intangible assets	(586)	(442)
Purchase of securities	(6,417)	(5,404)
Proceeds from sale or redemption of securities	6,707	7,208
Payments for acquisition of business	(8,902)	—
Other	(345)	(8)
Net cash provided by (used in) investing activities	(13,870)	(2,552)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,900	(2,900)
Proceeds from long-term borrowings	3,000	—
Repayment of long-term borrowings	(3,675)	(500)
Dividends paid	(2,585)	(3,485)
Dividends paid to non-controlling interests	(0)	(3)
Acquisition of subsidiary shares without changes in scope of consolidation	—	(46)
Other	(133)	(130)
Net cash provided by (used in) financing activities	505	(7,064)
Foreign currency transaction adjustments on cash and cash equivalents	(170)	42
Net increase (decrease) in cash and cash equivalents	(4,506)	7,558
Cash and cash equivalents at the beginning of the year	31,205	26,699
Cash and cash equivalents at the end of the year	26,699	34,258

5. Notes on Consolidated Financial Statements

(Segment Information)

(1) General Information on Reporting Segments

Financial information which is broken down within each component unit is available for the Miura Group's reporting segments. The information is subject to regular review by the Board of Directors in order to make decisions about resources to be allocated and to assess performance.

The Miura Group is engaged primarily in the manufacture, sales, and maintenance of boilers, laundry machines and related equipment. The Company and domestic affiliated companies undertake our domestic business, and our overseas affiliated companies undertake our overseas business. Each of our local subsidiaries is an independent management unit that proposes comprehensive strategy for the products it handles in each region and engages in business activities.

Accordingly, the Miura Group is composed of domestic and overseas segments founded upon a manufacturing, sales, and maintenance framework, with Domestic Manufacturing and Sales of Products, Domestic Maintenance, Domestic Laundry, Overseas Manufacturing and Sales of Products, and Overseas Maintenance as our reporting segments.

(2) Segment revenue and performance

Revenue and performance of each reportable segment of the Miura Group are as follows.
Intersegment revenue and transfers are based on current market values.

For the Fiscal Year Ended March 31, 2018 (Million yen)

	Reportable segments						Others (Note 2)	Total	Adjustment (Note 3)	Consolidated
	Domestic (Note 1)			Overseas (Note 1)		Subtotal				
	Manufacturing and sales of products	Maintenance	Laundry	Manufacturing and sales of products	Maintenance					
Revenue										
Revenue to external customers	58,194	29,609	13,880	18,065	5,075	124,824	59	124,883	—	124,883
Intersegment revenue and transfers	3,400	175	9	269	30	3,885	428	4,313	(4,313)	—
Total	61,594	29,784	13,889	18,334	5,105	128,709	487	129,197	(4,313)	124,883
Segment profit (loss)	4,539	7,896	55	1,104	292	13,887	39	13,927	(58)	13,868
Finance income	—	—	—	—	—	—	—	—	—	380
Finance costs	—	—	—	—	—	—	—	—	—	66
Profit before income taxes	—	—	—	—	—	—	—	—	—	14,183
Other items										
Depreciation and amortization	1,647	253	824	304	22	3,053	1	3,055	594	3,649
Impairment losses	—	—	—	—	—	—	—	—	—	—
Capital expenditures	3,656	497	172	205	18	4,551	12	4,564	686	5,250

(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 "Laundry" segment in "Domestic" category includes the establishment-related expenses of MLE Co.,Ltd (39 Million Yen), the acquisition-related costs (122 Million Yen) and the depreciation cost of acquired intangible assets (590 Million Yen).
3. 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 and so on.
4. Adjustment of segment profit (loss) includes the elimination of internal transactions among segments.
   The adjustment amount for the "Other items" primarily includes corporate expenses not attributable to reportable segments.

For the Fiscal Year Ended March 31, 2019 (Million yen)

	Reportable segments						Others (Note 3)	Total	Adjustment (Note 4)	Consolidated
	Domestic (Note 1)			Overseas (Note 1)		Subtotal				
	Manufacturing and sales of products	Maintenance	Laundry (Note 2)	Manufacturing and sales of products	Maintenance					
Revenue										
Revenue to external customers	61,490	31,562	20,005	20,251	5,503	138,814	66	138,880	—	138,880
Intersegment revenue and transfers	3,359	198	17	278	49	3,903	480	4,384	(4,384)	—
Total	64,850	31,761	20,023	20,530	5,552	142,718	546	143,264	(4,384)	138,880
Segment profit	4,899	8,278	1,306	1,651	384	16,519	62	16,581	100	16,682
Finance income	—	—	—	—	—	—	—	—	—	486
Finance costs	—	—	—	—	—	—	—	—	—	39
Profit before income taxes	—	—	—	—	—	—	—	—	—	17,130
Other items										
Depreciation and amortization	1,725	297	876	287	24	3,211	3	3,214	463	3,678
Impairment losses	—	—	—	349	—	349	—	349	—	349
Capital expenditures	2,380	299	229	511	57	3,477	1	3,479	999	4,478

(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 and so on.
3. Adjustment of segment profit includes the elimination of internal transactions among segments.
   The adjusted amount for the "Other items" primarily includes corporate expenses not attributable to reportable segments.

(Per Share Information)

The basis for calculating basic profit per share and diluted profit per share is as follows.

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Basis for calculating basic earnings per share Profit attributable to owners of parent (Million yen)	10,363	12,280
Profit used in calculating basic earnings per share (Million yen)	10,363	12,280
Average number of common stock shares during the period (Thousand shares)	112,538	112,565
Basis for calculating diluted earnings per share Profit used in calculating basic earnings per share (Million yen)	10,363	12,280
Profit used in calculating diluted earnings per share (Million yen)	10,363	12,280
Average number of common stock shares during the period (Thousand shares)	112,538	112,565
Effect of dilutive shares (Thousand shares)	293	306
Average number of common stock shares after adjustment for dilution (Thousand shares)	112,832	112,872

(Important Subsequent Events)

(Introduction of restricted share remuneration plan)
At a meeting of the Board of Directors held on April 26, 2019, the Company reviewed its director remuneration plan and determined to introduce a restricted share remuneration plan. The Company will seek shareholder approval for the plan at the 61st Annual General Meeting of Shareholders scheduled to be held on June 27, 2019.
For details on the plan, please refer to the news release dated April 26, 2019 (Japanese only) “Notice Concerning Introduction of Restricted Share Remuneration Plan.”