



August 5, 2020

Consolidated Financial Results for the Three Months Ended June 30, 2020 (IFRS)

Company name: MIURA CO.,LTD.
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 6005
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 Scheduled date for filing of quarterly securities report: August 7, 2020
 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 Three Months Ended June 30, 2020 (April 1, 2020 – June 30, 2020)

(1) Consolidated Operating Results (cumulative)

(Percentages show year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2020	27,646	1.4	2,531	(1.2)	2,640	(0.2)	1,785	(6.8)
June 30, 2019	27,264	(5.2)	2,561	(17.4)	2,646	(19.8)	1,916	(20.6)

	Profit attributable to owners of parent		Comprehensive income (loss)		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Yen	Yen
Three months ended June 30, 2020	1,783	(7.5)	2,863	336.4	15.82	15.79
June 30, 2019	1,927	(19.3)	656	(67.3)	17.12	17.08

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Million yen	Million yen	Million yen	%
As of June 30, 2020	183,667	133,802	133,765	72.8
March 31, 2020	187,241	133,305	133,272	71.2

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, 2020	Yen —	Yen 16.00	Yen —	Yen 21.00	Yen 37.00
Fiscal year ending March 31, 2021	—	—	—	—	—
Fiscal year ending March 31, 2021 (Forecasts)	—	14.00	—	16.00	30.00

(Note) Revisions to the dividend forecasts most recently announced: Yes

For details, please refer to the “Notice Regarding the First-half Consolidated Forecast for the Fiscal Year Ending March 31, 2021 and the Dividend Forecast for the End of the second quarter for the Fiscal Year Ending March 31, 2021” announced today (August 5, 2020).

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

(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	63,000	(7.0)	6,800	(22.1)	7,000	(20.9)	4,900	(23.3)	43.49
Full-year	139,000	(3.2)	15,000	(19.1)	15,300	(18.4)	11,000	(20.0)	97.63

(Note) Revisions to the consolidated forecasts most recently announced: Yes

* Notes

(1) Changes of significant subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation) : None

(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 June 30, 2020: 125,291,112 shares
 - As of March 31, 2020: 125,291,112 shares
- (ii) Number of treasury shares at the end of the period
 - As of June 30, 2020: 12,595,022 shares
 - As of March 31, 2020: 12,594,917 shares
- (iii) Weighted-average number of common shares outstanding for the period
 - Three months ended June 30, 2020: 112,696,090 shares
 - Three months ended June 30, 2019: 112,573,648 shares

* 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. Qualitative Information Regarding Results for the Three Months Ended June 30, 2020, (2) Explanation of Consolidated Forecasts and Other Forward-Looking Statements” on page 3 of the attached materials.

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1. Qualitative Information Regarding Results for the Three Months Ended June 30, 2020

(1) Explanation of Operating Results

During the first three months ended June 30, 2020, uncertainty over the future is still growing with regard to the Japanese economy, which is due to the declaration and lifting of a state of emergency because of the novel coronavirus disease (COVID-19), concerns, such as those about a second wave of COVID-19, and disastrous torrential downpours, and the impact of COVID-19 overseas.

Under these circumstances, the Miura Group regards ensuring the safety and security of its employees as its priority, and is providing products and services to customers upon implementing measures to prevent the spread of infection.

Regarding the consolidated results for the three months ended June 30, 2020, although the Maintenance business, marine equipment and specialized boilers were solid in Japan, laundry equipment was sluggish due to the impact of COVID-19. Overseas, boiler sales were favorable in China, and the Maintenance business was solid. In terms of profits, although a portion of expenses decreased due to restrictions on activities, the increase in personnel expenses as well as other factors resulted in decreased profit.

As a result, revenue increased to ¥27,646 million, up 1.4% from the same period of the previous fiscal year, operating profit was ¥2,531 million, down 1.2%, profit before income taxes amounted to ¥2,640 million, down 0.2% and profit attributable to owners of parent stood at ¥1,783 million, down 7.5%.

Operating results 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 ballast water management systems were strong in marine equipment, and sales of exhaust gas boilers were strong in specialized boilers. Sales of small once-through boilers and related equipment were in line with the previous fiscal year.

As a result, revenue in this business was ¥11,573 million, up 10.5% from the same period of the previous fiscal year (¥10,472 million). Segment profit was ¥67 million, down 66.4% from the same period of the previous fiscal year (¥202 million), due to the impact of changes in the product sales mix.

(ii) Domestic Maintenance

In the Domestic Maintenance business, there were impacts from restrictions on activities due to the declaration of a state of emergency, but sales grew as the number of paid maintenance contracts increased.

As a result, revenue in this business was ¥7,912 million, up 2.9% from the same period of the previous fiscal year (¥7,690 million). Segment profit was ¥2,206 million, up 10.7% from the same period of the previous fiscal year (¥1,992 million).

(iii) Domestic Laundry

In the Domestic Laundry business, there was a significant decline in motivation to make capital investments and sales decreased as a result of lower demand for linen supplies, such as those for hotels, hospitals and uniforms, due to COVID-19.

As a result, revenue in this business was ¥2,988 million, down 35.0% from the same period of the previous fiscal year (¥4,594 million). Segment loss was ¥78 million (¥335 million in segment profit in the same period of the previous fiscal year) due to decreased sales and the amortization of intangible assets.

(iv) Overseas Manufacturing and Sales of Products

In the Overseas Manufacturing and Sales of Products business, boiler sales were strong in China, the Americas, Korea and Thailand.

As a result, revenue in this business was ¥3,587 million, up 12.0% from the same period of the previous fiscal year (¥3,202 million). Segment profit was ¥93 million (¥66 million in segment loss in the same period of the previous fiscal year).

(v) Overseas Maintenance

In the Overseas Maintenance business, the number of contracts increased due to low NOx compliance in China and our proactively securing paid maintenance contracts in all target countries.

As a result, revenue in this business was ¥1,572 million, up 21.7% from the same period of the previous fiscal year (¥1,292 million). Segment profit was ¥279 million, up 356.4% from the same period of the previous fiscal year (¥61 million).

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

The full-year consolidated forecast for the fiscal year ending March 31, 2021 that the Company announced on May 15, 2020 remain unchanged. However, the performance forecasts for the first half of the year have been added. The impact of the spread of COVID-19, when it will be brought under control, etc. are currently unclear, but there have been no material changes to the assumptions presented at the time of the previous performance forecasts.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Million yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and cash equivalents	32,828	33,474
Trade and other receivables	42,743	35,052
Other financial assets	12,957	12,636
Inventories	20,135	22,772
Other current assets	773	824
Total current assets	<u>109,439</u>	<u>104,759</u>
Non-current assets		
Property, plant and equipment	41,185	41,544
Right-of-use assets	7,564	7,765
Goodwill and intangible assets	13,463	13,362
Other financial assets	10,972	11,965
Net defined benefit asset	1,903	1,909
Deferred tax assets	2,528	2,156
Other non-current assets	184	202
Total non-current assets	<u>77,802</u>	<u>78,908</u>
Total assets	<u>187,241</u>	<u>183,667</u>

(Million yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Lease liabilities	2,540	2,635
Trade and other payables	15,896	14,445
Other financial liabilities	1,037	1,035
Income taxes payable	2,424	948
Provisions	1,042	1,048
Contract liabilities	11,842	12,943
Other current liabilities	11,468	9,204
Total current liabilities	46,253	42,261
Non-current liabilities		
Lease liabilities	4,840	4,940
Other financial liabilities	350	225
Net defined benefit liability	311	305
Provisions	1	1
Deferred tax liabilities	1,793	1,747
Other non-current liabilities	385	383
Total non-current liabilities	7,681	7,603
Total liabilities	53,935	49,865
Equity		
Capital stock	9,544	9,544
Capital surplus	10,800	10,800
Retained earnings	120,836	120,252
Treasury shares	(6,933)	(6,934)
Other components of equity	(973)	102
Total equity attributable to owners of parent	133,272	133,765
Non-controlling interests	33	37
Total equity	133,305	133,802
Total liabilities and equity	187,241	183,667

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

(Million yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Revenue	27,264	27,646
Cost of revenue	15,995	16,318
Gross profit	11,269	11,328
Selling, general and administrative expenses	8,966	8,766
Other income	289	192
Other expenses	30	221
Operating profit	2,561	2,531
Finance income	146	150
Finance costs	61	41
Profit before income taxes	2,646	2,640
Income tax expenses	729	854
Profit	1,916	1,785
Profit attributable to:		
Owners of parent	1,927	1,783
Non-controlling interests	(10)	2
Profit	1,916	1,785
Earnings per share		
Basic (Yen)	17.12	15.82
Diluted (Yen)	17.08	15.79

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	1,916	1,785
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(363)	812
Total items that will not be reclassified to profit or loss	(363)	812
Items that will be reclassified to profit or loss		
Translation adjustments of foreign operations	(897)	265
Total items that will be reclassified to profit or loss	(897)	265
Other comprehensive income (loss), net of taxes	(1,260)	1,077
Comprehensive income (loss)	656	2,863
Comprehensive income (loss) attributable to:		
Owners of parent	667	2,859
Non-controlling interests	(10)	4
Comprehensive income (loss)	656	2,863

(3) Condensed Consolidated Statements of Changes in Equity

For the Three Months Ended June 30, 2019 (April 1, 2019 – June 30, 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
As of April 1, 2019	9,544	10,772	111,144	(7,000)	1,386
Cumulative effect of accounting change	—	—	(15)	—	—
Restated balance	9,544	10,772	111,128	(7,000)	1,386
Profit	—	—	1,927	—	—
Other comprehensive income (loss)	—	—	—	—	(363)
Comprehensive income (loss)	—	—	1,927	—	(363)
Compensation costs related to stock options	—	20	—	—	—
Dividends	—	—	(2,138)	—	—
Acquisition of treasury shares	—	—	—	(0)	—
Total transactions with the owners	—	20	(2,138)	(0)	—
As of June 30, 2019	9,544	10,793	110,917	(7,000)	1,023

For the Three Months Ended June 30, 2019 (April 1, 2019 – June 30, 2019)

(Million yen)

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Total	Total		
	Translation adjustments of foreign operations	Total				
As of April 1, 2019	(584)	801	125,262	35	125,298	
Cumulative effect of accounting change	—	—	(15)	—	(15)	
Restated balance	(584)	801	125,246	35	125,282	
Profit	—	—	1,927	(10)	1,916	
Other comprehensive income (loss)	(897)	(1,260)	(1,260)	0	(1,260)	
Comprehensive income (loss)	(897)	(1,260)	667	(10)	656	
Compensation costs related to stock options	—	—	20	—	20	
Dividends	—	—	(2,138)	—	(2,138)	
Acquisition of treasury shares	—	—	(0)	—	(0)	
Total transactions with the owners	—	—	(2,118)	—	(2,118)	
As of June 30, 2019	(1,482)	(458)	123,794	25	123,819	

For the Three Months Ended June 30, 2020 (April 1, 2020 – June 30, 2020)

(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
As of April 1, 2020	9,544	10,800	120,836	(6,933)	1,346
Cumulative effect of accounting change	—	—	—	—	—
Restated balance	9,544	10,800	120,836	(6,933)	1,346
Profit	—	—	1,783	—	—
Other comprehensive income (loss)	—	—	—	—	812
Comprehensive income (loss)	—	—	1,783	—	812
Compensation costs related to stock options	—	—	—	—	—
Dividends	—	—	(2,366)	—	—
Acquisition of treasury shares	—	—	—	(0)	—
Total transactions with the owners	—	—	(2,366)	(0)	—
As of June 30, 2020	9,544	10,800	120,252	(6,934)	2,158

For the Three Months Ended June 30, 2020 (April 1, 2020 – June 30, 2020)

(Million yen)

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity		Total			
	Translation adjustments of foreign operations	Total				
As of April 1, 2020	(2,319)	(973)	133,272	33	133,305	
Cumulative effect of accounting change	—	—	—	—	—	
Restated balance	(2,319)	(973)	133,272	33	133,305	
Profit	—	—	1,783	2	1,785	
Other comprehensive income (loss)	263	1,076	1,076	1	1,077	
Comprehensive income (loss)	263	1,076	2,859	4	2,863	
Compensation costs related to stock options	—	—	—	—	—	
Dividends	—	—	(2,366)	—	(2,366)	
Acquisition of treasury shares	—	—	(0)	—	(0)	
Total transactions with the owners	—	—	(2,367)	—	(2,367)	
As of June 30, 2020	(2,055)	102	133,765	37	133,802	

3. Notes on Condensed 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 Three Months Ended June 30, 2019

(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	10,472	7,690	4,594	3,202	1,292	27,251	13	27,264	—	27,264
Intersegment revenue and transfers	729	32	0	70	33	866	120	986	(986)	—
Total	11,202	7,722	4,595	3,272	1,325	28,117	133	28,251	(986)	27,264
Segment profit (loss)	202	1,992	335	(66)	61	2,525	9	2,534	26	2,561
Finance income	—	—	—	—	—	—	—	—	—	146
Finance costs	—	—	—	—	—	—	—	—	—	61
Profit before income taxes	—	—	—	—	—	—	—	—	—	2,646

(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 (loss) includes the elimination of internal transactions among segments.

For the Three Months Ended June 30, 2020

(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	11,573	7,912	2,988	3,587	1,572	27,634	12	27,646	—	27,646
Intersegment revenue and transfers	724	42	3	54	14	839	130	969	(969)	—
Total	12,298	7,955	2,991	3,642	1,586	28,474	142	28,616	(969)	27,646
Segment profit (loss)	67	2,206	(78)	93	279	2,567	19	2,587	(55)	2,531
Finance income	—	—	—	—	—	—	—	—	—	150
Finance costs	—	—	—	—	—	—	—	—	—	41
Profit before income taxes	—	—	—	—	—	—	—	—	—	2,640

(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 (loss) includes the elimination of internal transactions among segments.