



November 5, 2020

## Consolidated Financial Results for the Six Months Ended September 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: November 13, 2020  
 Scheduled date of commencement of dividend payment: December 1, 2020  
 Supplementary documents for quarterly financial results: Yes  
 Quarterly financial results briefing: Yes (for analysts and institutional investors)

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

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2020 (April 1, 2020 – September 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	%
Six months ended								
September 30, 2020	61,579	(9.1)	8,020	(8.1)	8,109	(8.4)	5,763	(9.7)
September 30, 2019	67,714	3.2	8,726	8.8	8,848	6.5	6,383	6.9

	Profit attributable to owners of parent		Comprehensive income (loss)		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Yen	Yen
Six months ended						
September 30, 2020	5,762	(9.9)	7,090	49.4	51.12	51.03
September 30, 2019	6,392	7.7	4,745	(20.8)	56.75	56.62

#### (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				
September 30, 2020	184,589	138,091	138,057	74.8
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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	16.00	—	21.00	37.00
Fiscal year ending March 31, 2021	—	14.00			
Fiscal year ending March 31, 2021 (Forecasts)			—	16.00	30.00

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

### 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
Full-year	131,000	(8.8)	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 September 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 September 30, 2020: 12,553,921 shares
  - As of March 31, 2020: 12,594,917 shares
- (iii) Weighted-average number of common shares outstanding for the period
  - Six months ended September 30, 2020: 112,716,764 shares
  - Six months ended September 30, 2019: 112,635,332 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 Six Months Ended September 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 Six Months Ended September 30, 2020

### (1) Explanation of Operating Results

The outlook for the Japanese economy during the six months ended September 30, 2020, remains uncertain due to the effects of the novel coronavirus disease (COVID-19) in Japan and overseas, heavy rain disasters, etc.

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 six months ended September 30, 2020, although the maintenance business and marine equipment were solid in Japan, boiler sales and 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, decreased sales as well as other factors resulted in decreased profit.

As a result, revenue decreased to ¥61,579 million, down 9.1% from the same period of the previous fiscal year, operating profit was ¥8,020 million, down 8.1%, profit before income taxes amounted to ¥8,109 million, down 8.4% and profit attributable to owners of parent stood at ¥5,762 million, down 9.9%.

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. Sales of small once-through boilers and related equipment were sluggish largely due to the impact of COVID-19.

As a result, revenue in this business was ¥26,498 million, down 11.6% from the same period of the previous fiscal year (¥29,977 million). Segment profit was ¥1,621 million, down 32.9% from the same period of the previous fiscal year (¥2,417 million), due to the impact of decreased sales.

#### (ii) Domestic Maintenance

In the Domestic Maintenance business, sales grew as the number of paid maintenance contracts increased.

As a result, revenue in this business was ¥16,829 million, up 3.9% from the same period of the previous fiscal year (¥16,197 million). Segment profit was ¥5,060 million, up 6.4% from the same period of the previous fiscal year (¥4,757 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 and cleaning, such as those for hotels and hospitals, due to COVID-19.

As a result, revenue in this business was ¥5,860 million, down 36.6% from the same period of the previous fiscal year (¥9,243 million). Segment profit was ¥12 million, down 97.7% from the same period of the previous fiscal year (¥528 million), 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, but were sluggish in other countries and regions due to the effect of COVID-19.

As a result, revenue in this business was ¥8,992 million, down 3.6% from the same period of the previous fiscal year (¥9,332 million). Segment profit was ¥734 million, down 5.1% from the same period of the previous fiscal year (¥773 million).

#### (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 ¥3,373 million, up 14.8% from the same period of the previous fiscal year (¥2,939 million). Segment profit was ¥610 million, up 108.4% from the same period of the previous fiscal year (¥293 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 has been revised as follows as it assumes that the difficulties in the business environment will continue going forward due to the impact of COVID-19.

The Company will revise the forecast for revenue downward ¥8.0 billion from the previous forecast to ¥131.0 billion as boiler sales and laundry equipment sales are expected to fall below initial forecasts by ¥5.0 billion and ¥1.5 billion, respectively, despite the Maintenance business being strong.

However, profit, such as operating profit, will not be revised from previous forecasts as the Company is working to reduce expenses by continuing to control expenditures in the second half while being under restrictions on activities due to COVID-19.

Furthermore, in light of the consolidated forecast for the fiscal year ending March 31, 2021 and the Miura Group's situation, directors' remuneration will be reduced (10% reduction of basic monthly remuneration) for the Company's Directors excluding Directors who are Audit and Supervisory Committee Members (excluding Outside Directors). The Company plans for the applicable period of this reduction to last from October 2020 until March 2021.

Revised figures of the consolidated forecasts for the fiscal year ending March 31, 2021(April 1, 2020 to March 31, 2021)

	Revenue	Operating Profit	Profit before income taxes	Profit attributable to owners of parent	Basic earnings per share
Previous forecasts (A)	Million yen 139,000	Million yen 15,000	Million yen 15,300	Million yen 11,000	Yen 97.63
Revised forecasts (B)	131,000	15,000	15,300	11,000	97.63
Increase (decrease) (B-A)	(8,000)	—	—	—	—
Rate of change (%)	(5.8)	—	—	—	—
(Reference) Results of the previous fiscal year (Fiscal year ended March 31, 2020)	143,645	18,540	18,756	13,746	122.01

## 2. Condensed Consolidated Financial Statements

### (1) Condensed Consolidated Statements of Financial Position

(Million yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and cash equivalents	32,828	32,113
Trade and other receivables	42,743	34,138
Other financial assets	12,957	17,309
Inventories	20,135	21,718
Other current assets	773	691
Total current assets	<u>109,439</u>	<u>105,970</u>
Non-current assets		
Property, plant and equipment	41,185	41,307
Right-of-use assets	7,564	7,320
Goodwill and intangible assets	13,463	13,208
Other financial assets	10,972	12,675
Net defined benefit asset	1,903	1,937
Deferred tax assets	2,528	1,961
Other non-current assets	184	206
Total non-current assets	<u>77,802</u>	<u>78,618</u>
Total assets	<u>187,241</u>	<u>184,589</u>

(Million yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Lease liabilities	2,540	2,476
Trade and other payables	15,896	11,352
Other financial liabilities	1,037	1,030
Income taxes payable	2,424	2,214
Provisions	1,042	933
Contract liabilities	11,842	12,476
Other current liabilities	11,468	8,903
Total current liabilities	46,253	39,387
Non-current liabilities		
Lease liabilities	4,840	4,639
Other financial liabilities	350	100
Net defined benefit liability	311	289
Provisions	1	1
Deferred tax liabilities	1,793	1,703
Other non-current liabilities	385	376
Total non-current liabilities	7,681	7,110
Total liabilities	53,935	46,498
Equity		
Capital stock	9,544	9,544
Capital surplus	10,800	10,839
Retained earnings	120,836	124,231
Treasury shares	(6,933)	(6,911)
Other components of equity	(973)	353
Total equity attributable to owners of parent	133,272	138,057
Non-controlling interests	33	33
Total equity	133,305	138,091
Total liabilities and equity	187,241	184,589

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

(Million yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Revenue	67,714	61,579
Cost of revenue	40,471	36,212
Gross profit	27,243	25,366
Selling, general and administrative expenses	18,762	17,557
Other income	322	446
Other expenses	76	235
Operating profit	8,726	8,020
Finance income	201	202
Finance costs	79	112
Profit before income taxes	8,848	8,109
Income tax expenses	2,465	2,346
Profit	6,383	5,763
Profit attributable to:		
Owners of parent	6,392	5,762
Non-controlling interests	(9)	0
Profit	6,383	5,763
Earnings per share		
Basic (Yen)	56.75	51.12
Diluted (Yen)	56.62	51.03



## (Consolidated Statements of Comprehensive Income)

(Million yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	6,383	5,763
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(202)	1,053
Total items that will not be reclassified to profit or loss	(202)	1,053
Items that will be reclassified to profit or loss		
Translation adjustments of foreign operations	(1,434)	273
Total items that will be reclassified to profit or loss	(1,434)	273
Other comprehensive income (loss), net of taxes	(1,637)	1,327
Comprehensive income (loss)	4,745	7,090
Comprehensive income (loss) attributable to:		
Owners of parent	4,754	7,089
Non-controlling interests	(8)	0
Comprehensive income (loss)	4,745	7,090

## (3) Condensed Consolidated Statements of Changes in Equity

For the Six Months Ended September 30, 2019 (April 1, 2019 – September 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	—	—	6,392	—	—
Other comprehensive income (loss)	—	—	—	—	(202)
Comprehensive income (loss)	—	—	6,392	—	(202)
Compensation costs related to stock options	—	20	—	—	—
Sales of treasury shares upon exercise of stock options	—	(54)	—	55	—
Restricted share-based remuneration	—	62	—	12	—
Dividends	—	—	(2,138)	—	—
Acquisition of treasury shares	—	—	—	(0)	—
Total transactions with the owners	—	27	(2,138)	67	—
As of September 30, 2019	9,544	10,800	115,382	(6,933)	1,183

For the Six Months Ended September 30, 2019 (April 1, 2019 – September 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	—	—	6,392	(9)	6,383	
Other comprehensive income (loss)	(1,435)	(1,638)	(1,638)	0	(1,637)	
Comprehensive income (loss)	(1,435)	(1,638)	4,754	(8)	4,745	
Compensation costs related to stock options	—	—	20	—	20	
Sales of treasury shares upon exercise of stock options	—	—	0	—	0	
Restricted share-based remuneration	—	—	74	—	74	
Dividends	—	—	(2,138)	—	(2,138)	
Acquisition of treasury shares	—	—	(0)	—	(0)	
Total transactions with the owners	—	—	(2,043)	—	(2,043)	
As of September 30, 2019	(2,019)	(836)	127,957	27	127,984	

For the Six Months Ended September 30, 2020 (April 1, 2020 – September 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	—	—	5,762	—	—
Other comprehensive income (loss)	—	—	—	—	1,053
Comprehensive income (loss)	—	—	5,762	—	1,053
Compensation costs related to stock options	—	—	—	—	—
Sales of treasury shares upon exercise of stock options	—	(15)	—	15	—
Restricted share-based remuneration	—	54	—	7	—
Dividends	—	—	(2,366)	—	—
Acquisition of treasury shares	—	—	—	(0)	—
Total transactions with the owners	—	39	(2,366)	21	—
As of September 30, 2020	9,544	10,839	124,231	(6,911)	2,399

For the Six Months Ended September 30, 2020 (April 1, 2020 – September 30, 2020)

(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, 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	—	—	5,762	0	5,763	
Other comprehensive income (loss)	273	1,327	1,327	0	1,327	
Comprehensive income (loss)	273	1,327	7,089	0	7,090	
Compensation costs related to stock options	—	—	—	—	—	
Sales of treasury shares upon exercise of stock options	—	—	0	—	0	
Restricted share-based remuneration	—	—	61	—	61	
Dividends	—	—	(2,366)	—	(2,366)	
Acquisition of treasury shares	—	—	(0)	—	(0)	
Total transactions with the owners	—	—	(2,305)	—	(2,305)	
As of September 30, 2020	(2,045)	353	138,057	33	138,091	

### 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 Six Months Ended September 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	29,977	16,197	9,243	9,332	2,939	67,689	25	67,714	—	67,714
Intersegment revenue and transfers	1,821	86	2	115	54	2,081	243	2,324	(2,324)	—
Total	31,798	16,283	9,245	9,448	2,994	69,770	268	70,038	(2,324)	67,714
Segment profit	2,417	4,757	528	773	293	8,769	7	8,776	(50)	8,726
Finance income	—	—	—	—	—	—	—	—	—	201
Finance costs	—	—	—	—	—	—	—	—	—	79
Profit before income taxes	—	—	—	—	—	—	—	—	—	8,848

##### (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.

For the Six Months Ended September 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	26,498	16,829	5,860	8,992	3,373	61,555	24	61,579	—	61,579
Intersegment revenue and transfers	1,508	86	28	141	35	1,802	263	2,065	(2,065)	—
Total	28,007	16,916	5,889	9,134	3,409	63,357	287	63,645	(2,065)	61,579
Segment profit	1,621	5,060	12	734	610	8,040	31	8,071	(51)	8,020
Finance income	—	—	—	—	—	—	—	—	—	202
Finance costs	—	—	—	—	—	—	—	—	—	112
Profit before income taxes	—	—	—	—	—	—	—	—	—	8,109

(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.