



November 13, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (IFRS)

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 Stock code: 6005
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 Scheduled date for filing of semi-annual securities report: November 14, 2024
 Scheduled date of commencement of dividend payment: December 2, 2024
 Supplementary documents for financial results: Yes
 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, 2024 (April 1, 2024 – September 30, 2024)

(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, 2024	111,374	58.8	12,433	26.1	13,591	13.2	10,422	15.7
September 30, 2023	70,147	1.3	9,862	5.7	12,001	16.8	9,006	20.8

	Profit attributable to owners of parent		Comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Yen	Yen
Six months ended September 30, 2024	10,343	16.3	(3,262)	—	93.80	93.75
September 30, 2023	8,896	19.4	13,509	38.5	80.07	80.02

(Reference) Share of profit in investments accounted for using the equity method:

Six months ended September 30, 2024: ¥1,393 million

Six months ended September 30, 2023: ¥1,039 million

(Note) In the third quarter ended December 31, 2023, provisional accounting treatment for the conversion of JENSEN-GROUP NV into an equity-method affiliate company was finalized.

Therefore, the figures used for comparison reflect the finalization of the provisional accounting treatment.

(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, 2024	392,798	175,704	174,137	44.3
March 31, 2024	240,962	181,515	180,695	75.0

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, 2024	—	23.00	—	30.00	53.00
Fiscal year ending March 31, 2025	—	24.00			
Fiscal year ending March 31, 2025 (Forecasts)			—	31.00	55.00

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

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(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	257,000	60.9	—	—	—	—	—	—	—

(Notes)

- Revisions to the consolidated forecasts most recently announced: Yes
- Operating profit, profit before income taxes, profit attributable to owners of parent and basic earnings per share are difficult to calculate in a reasonable manner at this time. Therefore, forecasts for these figures have been left to be determined as of this time.

* Notes

- Significant changes in the scope of consolidation during the period: Yes

Number of new companies is 21 including CBE ENTERPRISES, INC. and its 20 subsidiaries.

- Changes in accounting policies and accounting estimates

- Changes in accounting policies required by IFRS: None
- Changes in accounting policies other than (i): None
- Changes in accounting estimates: None

- Numbers of outstanding shares (Common shares)

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

As of September 30, 2024: 125,291,112 shares

As of March 31, 2024: 125,291,112 shares

- Number of treasury shares at the end of the period

As of September 30, 2024: 15,001,315 shares

As of March 31, 2024: 15,041,593 shares

- Weighted-average number of common shares outstanding for the period

Six months ended September 30, 2024: 110,269,768 shares

Six months ended September 30, 2023: 111,102,306 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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. (3) Explanation of Consolidated Forecasts and Other Forward-Looking Statements” on page 3 of the attached materials.

Index

1. Overview of Operating Results, etc.....	2
(1) Overview of Operating Results	2
(2) Overview of Financial Position	3
(3) Explanation of Consolidated Forecasts and Other Forward-Looking Statements	3
2. Condensed Consolidated Financial Statements	4
(1) Condensed Consolidated Statements of Financial Position	4
(2) Condensed Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	6
(3) Condensed Consolidated Statements of Changes in Equity	8
(4) Condensed Consolidated Statements of Cash Flows	12
3. Notes on Condensed Consolidated Financial Statements	13
(Notes on Going Concern Assumptions)	13
(Material Accounting Policies)	13
(Changes in Methods of Presentation).....	13
(Segment Information).....	13
(Investments Accounted for Using the Equity Method).....	15
(Subsequent Events)	16

1. Overview of Operating Results, etc.

(1) Overview of Operating Results

Looking back on the state of the Japanese economy during the six months ended September 30, 2024, the economy has been slowly recovering due to the normalization of economic activities.

On the other hand, the economic outlook remains uncertain due to ongoing concerns such as increasing energy and logistics prices, and geopolitical issues.

Under these circumstances, the Miura Group is working on reducing environmental load in order to achieve carbon neutrality utilizing Miura's comprehensive strength of "technology and production," "sales and marketing" and "maintenance," by promoting optimal energy proposals and developing energy-saving products as a first step.

Regarding the consolidated results for the six months ended September 30, 2024, in the Domestic Manufacturing and Sales of Products business, sales of food processing equipment, marine equipment, boiler and related equipment were solid, despite sluggish sales of laundry equipment. Furthermore, the Domestic Maintenance business also performed steadily due to an increase in paid maintenance contracts for boilers.

Overseas, sales in the Overseas Manufacturing and Sales of Products business and Overseas Maintenance business increased significantly due to the acquisition of The Cleaver-Brooks Company, Inc. (hereinafter referred to as "Cleaver-Brooks, Inc.").

In terms of profits, profits increased due to the impact of increased profit due to the acquisition, despite M&A expenses.

As a result, revenue was ¥111,374 million, up 58.8% from the same period of the previous fiscal year, operating profit was ¥12,433 million, up 26.1%, profit before income taxes amounted to ¥13,591 million, up 13.2% and profit attributable to owners of parent stood at ¥10,343 million, up 16.3%.

Operating results for each business segment are as follows.

(i) Domestic Manufacturing and Sales of Products

In the Domestic Manufacturing and Sales of Products business, sales increased due to sales of the large project on food processing equipment and solid sales of marine equipment and boiler, although sales of laundry equipment decreased due in part to the large project in the same period of the previous fiscal year.

As a result, revenue in this business was ¥35,878 million, up 8.9% from the same period of the previous fiscal year (¥32,938 million). Segment profit was ¥2,121 million, down 20.6% from the same period of the previous fiscal year (¥2,670 million), due to an impact of low gross margin projects and an increase in SG&A expenses related to hosting private fairs, despite the impact of increased sales.

(ii) Domestic Maintenance

In the Domestic Maintenance business, sales grew due to increases in the number of paid maintenance contracts for boilers and promoting energy-saving activities.

As a result, revenue in this business was ¥21,463 million, up 8.0% from the same period of the previous fiscal year (¥19,871 million). Segment profit was ¥6,237 million, up 10.6% from the same period of the previous fiscal year (¥5,639 million), due to the impact of increased sales, despite increases such as personnel expenses.

(iii) Overseas Manufacturing and Sales of Products

In the Overseas Manufacturing and Sales of Products business, sales increased due to the acquisition of Cleaver-Brooks, Inc. Moreover, sales of boiler were solid in Korea.

As a result, revenue in this business was ¥35,508 million, up 194.4% from the same period of the previous fiscal year (¥12,059 million). Segment profit was ¥3,489 million, up 244.7% from the same period of the previous fiscal year (¥1,012 million).

(iv) Overseas Maintenance

In the Overseas Maintenance business, sales increased due to the acquisition of Cleaver-Brooks, Inc. In each country and region, sales grew due to our proactively securing paid maintenance contracts.

As a result, revenue in this business was ¥18,497 million, up 252.1% from the same period of the previous fiscal year (¥5,253 million). Segment profit was ¥3,203 million, up 335.6% from the same period of the previous fiscal year (¥735 million).

(2) Overview of Financial Position

(i) Overview of Assets, Liabilities and Equity

(Million yen)

	As of March 31, 2024	As of September 30, 2024	Change
Total assets	240,962	392,798	151,836
Total liabilities	59,446	217,094	157,647
Total equity	181,515	175,704	(5,811)

Total assets as of September 30, 2024, were ¥392,798 million, an increase of ¥151,836 million compared to the previous fiscal year-end. Current assets increased by ¥33,255 million, mainly due to increases in trade and other receivables by ¥15,443 million and inventories by ¥14,840 million, as a result of the acquisition of Cleaver-Brooks, Inc. Non-current assets increased by ¥118,581 million, mainly due to increases in, goodwill and intangible assets by ¥99,610 million, right-of-use assets by ¥13,637 million as well as property, plant and equipment by ¥6,298 million, as a result of the acquisition of Cleaver-Brooks, Inc.

Total liabilities were ¥217,094 million, an increase of ¥157,647 million compared to the previous fiscal year-end. Current liabilities increased by ¥132,634 million, mainly due to increases in, other financial liabilities by ¥116,490 million, contract liabilities by ¥9,366 million as well as trade and other payables by ¥4,896 million, as a result of the acquisition of Cleaver-Brooks, Inc. Non-current liabilities increased by ¥25,013 million, mainly due to increases in, lease liabilities by ¥13,549 million, other financial liabilities by ¥9,995 million, and deferred tax liabilities by ¥962 million, as a result of the acquisition of Cleaver-Brooks, Inc.

Total equity was ¥175,704 million, a decrease of ¥5,811 million compared to the previous fiscal year-end. This was mainly due to a decrease in other components of equity by ¥14,068 million, while retained earnings increased by ¥7,446 million.

As a result, the ratio of equity attributable to owners of parent to total assets comes to 44.3%.

(ii) Cash Flows for the Period under Review

The following outlines the state of cash flows by category during the six months ended September 30, 2024, under review.

Net cash provided by operating activities totaled ¥8,475 million (¥6,552 million provided in the same period of the previous year). The increase was mainly due to profit before income taxes of ¥13,591 million, as well as depreciation and amortization of ¥4,174 million. The decrease was mainly due to income taxes paid of ¥4,822 million.

Net cash used in investing activities totaled ¥120,118 million (¥2,008 million provided in the same period of the previous year). This was mainly due to proceeds from withdrawal of time deposits of ¥17,403 million, payments into time deposits of ¥9,184 million, and purchase of subsidiary or other business of ¥125,327 million.

Net cash provided by financing activities totaled ¥121,399 million (¥10,302 million used in the same period of the previous year). This was mainly due to net increase in short-term borrowings of ¥116,500 million, and proceeds from long-term borrowings of ¥10,000 million.

As a result of the above, cash and cash equivalents as of September 30, 2024, were ¥46,277 million, an increase of ¥8,990 million compared to the previous fiscal year-end.

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

The full-year consolidated forecast for the fiscal year ending March 31, 2025, that the Company announced on May 14, 2024, has been changed.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	37,287	46,277
Trade and other receivables	47,934	63,377
Other financial assets	20,511	11,993
Inventories	30,087	44,928
Other current assets	2,360	4,859
Total current assets	138,181	171,436
Non-current assets		
Property, plant and equipment	40,590	46,888
Right-of-use assets	6,936	20,573
Goodwill and intangible assets	4,017	103,628
Investments accounted for using the equity method	33,630	33,540
Other financial assets	15,658	13,192
Net defined benefit asset	404	412
Deferred tax assets	1,435	2,217
Other non-current assets	108	908
Total non-current assets	102,780	221,362
Total assets	240,962	392,798

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Lease liabilities	2,599	2,911
Trade and other payables	14,263	19,159
Other financial liabilities	70	116,561
Income taxes payable	4,640	3,840
Provisions	899	3,573
Contract liabilities	17,256	26,622
Other current liabilities	14,815	14,510
Total current liabilities	54,544	187,179
Non-current liabilities		
Lease liabilities	4,045	17,594
Other financial liabilities	4	10,000
Net defined benefit liability	135	618
Provisions	57	60
Deferred tax liabilities	99	1,061
Other non-current liabilities	560	579
Total non-current liabilities	4,902	29,915
Total liabilities	59,446	217,094
Equity		
Capital stock	9,544	9,544
Capital surplus	12,445	12,464
Retained earnings	163,926	171,373
Treasury shares	(16,686)	(16,641)
Other components of equity	11,465	(2,602)
Total equity attributable to owners of parent	180,695	174,137
Non-controlling interests	819	1,566
Total equity	181,515	175,704
Total liabilities and equity	240,962	392,798

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

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Revenue	70,147	111,374
Cost of revenue	40,174	68,382
Gross profit	29,973	42,992
Selling, general and administrative expenses	20,536	30,841
Other income	517	576
Other expenses	92	293
Operating profit	9,862	12,433
Finance income	1,541	652
Finance costs	440	888
Share of profit of investments accounted for using the equity method	1,039	1,393
Profit before income taxes	12,001	13,591
Income tax expenses	2,995	3,169
Profit	9,006	10,422
Profit attributable to:		
Owners of parent	8,896	10,343
Non-controlling interests	110	78
Profit	9,006	10,422
Earnings per share		
Basic (Yen)	80.07	93.80
Diluted (Yen)	80.02	93.75

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	9,006	10,422
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,588	(736)
Share of other comprehensive income of investments accounted for using the equity method	(120)	(68)
Total items that will not be reclassified to profit or loss	1,467	(804)
Items that may be reclassified to profit or loss		
Translation adjustments of foreign operations	2,973	(12,813)
Share of other comprehensive income of investments accounted for using the equity method	62	(66)
Total items that may be reclassified to profit or loss	3,035	(12,880)
Other comprehensive income, net of taxes	4,503	(13,684)
Comprehensive income	13,509	(3,262)
Comprehensive income attributable to:		
Owners of parent	13,394	(3,345)
Non-controlling interests	114	82
Comprehensive income	13,509	(3,262)

(3) Condensed Consolidated Statements of Changes in Equity

For the six months ended September 30, 2023 (April 1, 2023 – September 30, 2023)

(Million yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Financial assets measured at FVTOCI	Translation adjustments of foreign operations
As of April 1, 2023	9,544	12,403	150,912	(10,787)	2,312	3,742
Profit	—	—	8,896	—	—	—
Other comprehensive income (loss)	—	—	—	—	1,588	2,968
Comprehensive income (loss)	—	—	8,896	—	1,588	2,968
Disposal of treasury stock accompanying stock option exercise	—	(9)	—	—	—	—
Restricted stock	—	52	—	—	—	—
Dividends	—	—	(2,910)	—	—	—
Acquisition of treasury shares	—	—	—	(5,411)	—	—
Disposal of treasury shares	—	—	—	27	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	—
Other	—	—	(132)	—	—	—
Total transactions with the owners	—	42	(3,042)	(5,384)	—	—
As of September 30, 2023	9,544	12,445	156,765	(16,172)	3,901	6,711

For the six months ended September 30, 2023 (April 1, 2023 – September 30, 2023)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Share of other comprehensive income of investments accounted for using equity method	Total	Other comprehensive income related to disposal groups held for sale			
As of April 1, 2023	221	6,276	(0)	168,348	564	168,912
Profit	—	—	—	8,896	110	9,006
Other comprehensive income (loss)	(58)	4,498	—	4,498	4	4,503
Comprehensive income (loss)	(58)	4,498	—	13,394	114	13,509
Disposal of treasury stock accompanying stock option exercise	—	—	—	(9)	—	(9)
Restricted stock	—	—	—	52	—	52
Dividends	—	—	—	(2,910)	—	(2,910)
Acquisition of treasury shares	—	—	—	(5,411)	—	(5,411)
Disposal of treasury shares	—	—	—	27	—	27
Increase (decrease) by business combination	—	—	—	—	149	149
Transfer from other components of equity to retained earnings	—	—	0	0	—	0
Other	—	—	—	(132)	—	(132)
Total transactions with the owners	—	—	0	(8,384)	149	(8,235)
As of September 30, 2023	162	10,775	—	173,358	828	174,186

For the six months ended September 30, 2024 (April 1, 2024 – September 30, 2024)

(Million yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Financial assets measured at FVTOCI	Translation adjustments of foreign operations
As of April 1, 2024	9,544	12,445	163,926	(16,686)	4,021	7,312
Profit	—	—	10,343	—	—	—
Other comprehensive income (loss)	—	—	39	—	(736)	(12,817)
Comprehensive income (loss)	—	—	10,382	—	(736)	(12,817)
Disposal of treasury stock accompanying stock option exercise	—	(22)	—	22	—	—
Restricted stock	—	41	—	21	—	—
Dividends	—	—	(3,307)	—	—	—
Acquisition of treasury shares	—	—	—	(0)	—	—
Disposal of treasury shares	—	—	—	—	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	340	—	(361)	—
Other	—	—	31	—	—	—
Total transactions with the owners	—	19	(2,935)	44	(361)	—
As of September 30, 2024	9,544	12,464	171,373	(16,641)	2,923	(5,504)

For the six months ended September 30, 2024 (April 1, 2024 – September 30, 2024)

	Equity attributable to owners of parent					
	Other components of equity		Other comprehensive income related to disposal groups held for sale	Total	Non-controlling interests	Total equity
	Share of other comprehensive income of investments accounted for using equity method	Total				
As of April 1, 2024	131	11,465	—	180,695	819	181,515
Profit	—	—	—	10,343	78	10,422
Other comprehensive income (loss)	(174)	(13,728)	—	(13,689)	4	(13,684)
Comprehensive income (loss)	(174)	(13,728)	—	(3,345)	82	(3,262)
Disposal of treasury stock accompanying stock option exercise	—	—	—	0	—	0
Restricted stock	—	—	—	63	—	63
Dividends	—	—	—	(3,307)	—	(3,307)
Acquisition of treasury shares	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	—	—	—	—
Increase (decrease) by business combination	—	—	—	—	663	663
Transfer from other components of equity to retained earnings	21	(340)	—	—	—	—
Other	—	—	—	31	—	31
Total transactions with the owners	21	(340)	—	(3,212)	663	(2,548)
As of September 30, 2024	(21)	(2,602)	—	174,137	1,566	175,704

(4) Condensed Consolidated Statements of Cash Flows

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	12,001	13,591
Depreciation and amortization	3,286	4,174
Shares of profit on equity method	(1,039)	(1,393)
Interest and dividend income	(458)	(602)
Interest expenses	39	779
Foreign exchange losses (gains)	(60)	(55)
Decrease (increase) in trade and other receivables	252	3,859
Decrease (increase) in inventories	(2,786)	(2,589)
Increase (decrease) in trade and other payables	(681)	(2,846)
Increase (decrease) in accrued bonuses	(540)	(3,045)
Decrease (increase) in retirement benefit assets	(779)	(17)
Increase (decrease) in retirement benefit liabilities	7	51
Increase (decrease) in contract liabilities	57	3,300
Other	(978)	(3,065)
Subtotal	8,320	12,140
Interest and dividends received	1,182	1,937
Interest paid	(39)	(779)
Income taxes paid	(2,910)	(4,822)
Net cash provided by (used in) operating activities	6,552	8,475
Cash flows from investing activities		
Payments into time deposits	(16,928)	(9,184)
Proceeds from withdrawal of time deposits	22,103	17,403
Purchase of property, plant and equipment	(1,209)	(4,032)
Purchase of intangible assets	(337)	(271)
Purchase of securities	(1,002)	(44)
Proceeds from sale or redemption of securities	1,000	1,217
Purchase of subsidiary or other business	(185)	(125,327)
Purchase of investments accounted for using equity method	(1,619)	—
Other	188	120
Net cash provided by (used in) investing activities	2,008	(120,118)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(300)	116,500
Proceeds from long-term borrowings	—	10,000
Repayments of long-term borrowings	(176)	(6)
Repayments of lease liabilities	(1,506)	(1,781)
Purchase of treasury shares	(5,411)	(0)
Dividends paid	(2,908)	(3,312)
Other	0	0
Net cash provided by (used in) financing activities	(10,302)	121,399
Foreign currency transaction adjustments on cash and cash equivalents	887	(765)
Net increase (decrease) in cash and cash equivalents	(854)	8,990
Cash and cash equivalents at the beginning of the year	32,051	37,287
Cash and cash equivalents at the end of the year	31,196	46,277

3. Notes on Condensed Consolidated Financial Statements

(Notes on Going Concern Assumptions)

None

(Material Accounting Policies)

Material accounting policies adopted in the condensed consolidated financial statements for the six months ended September 30, 2024, basically remain the same as those adopted in the consolidated financial statements for the previous fiscal year. In addition, income tax expenses for the six months ended September 30, 2024, are calculated based upon an estimated annual effective tax rate.

Temporary Exception for Recognition and Disclosure of Deferred Tax Assets and Liabilities Related to “International Tax Reform – Pillar Two Model Rules”

IAS 12 Income Taxes introduces a temporary exception that makes recognition and disclosure of deferred tax assets and liabilities related to “International Tax Reform – Pillar Two Model Rules” unnecessary. Therefore, the Miura Group has adopted this temporary exception and has not recognized deferred tax assets and liabilities related to “International Tax Reform – Pillar Two Model Rules.”

(Changes in Methods of Presentation)

Condensed Consolidated Statements of Cash Flows

“Interest expenses,” which was included in “Other” under “Net cash provided by (used in) operating activities,” and “Purchase of subsidiary or other business,” which was included in “Other” under “Net cash provided by (used in) investing activities,” for the six months ended September 30, 2023, are separately presented for the six months ended September 30, 2024, due to their increased materiality in terms of amount.

In order to reflect these changes in presentation, condensed consolidated statements of cash flows for the six months ended September 30, 2023, has been reclassified. Consequently, “Other” of ¥ (938) million included in “Net cash provided by (used in) operating activities” has been reclassified as “Interest expenses” of ¥39 million and “Other” of ¥ (978) million. And “Other” of ¥2 million included in “Net cash provided by (used in) investing activities” has been reclassified as “Purchase of subsidiary or other business” of ¥ (185) million and “Other” of ¥188 million.

(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 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, Overseas Manufacturing and Sales of Products, and Overseas Maintenance as our reporting segments.

Furthermore, regarding segment profit, the Miura Group has deducted “Amortization of intangible assets recognized through acquisitions” and “Expenses related to M&A (e.g., financial advisory fees, etc.)” from operating profit in order to better clarify the contribution of the acquired company to the overall earnings of the Group from the first quarter ended June 30, 2024. However, we have made the provisional accounting treatment because the allocation of the acquisition cost of the assets and liabilities due to the acquisition carried out in the first quarter ended June 30, 2024, has not been completed.

In addition, the segment information for the six months ended September 30, 2023, has been prepared based on the classification after the change.

(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, 2023

(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	Manufacturing and sales of products	Maintenance					
Revenue									
Revenue to external customers	32,938	19,871	12,059	5,253	70,122	24	70,147	—	70,147
Intersegment revenue and transfers	1,511	134	87	58	1,791	299	2,090	(2,090)	—
Total	34,449	20,005	12,147	5,311	71,914	324	72,238	(2,090)	70,147
Segment profit	2,670	5,639	1,012	735	10,057	24	10,082	(166)	9,915
Amortization of intangible assets recognized through acquisitions	—	—	—	—	—	—	—	—	37
Expenses related to M&A	—	—	—	—	—	—	—	—	16
Operating profit	—	—	—	—	—	—	—	—	9,862
Finance income	—	—	—	—	—	—	—	—	1,541
Finance costs	—	—	—	—	—	—	—	—	440
Share of profit on equity method	—	—	—	—	—	—	—	—	1,039
Profit before income taxes	—	—	—	—	—	—	—	—	12,001

(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, 2024

(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	Manufacturing and sales of products	Maintenance					
Revenue									
Revenue to external customers	35,878	21,463	35,508	18,497	111,347	27	111,374	—	111,374
Intersegment revenue and transfers	1,691	177	175	55	2,099	327	2,426	(2,426)	—
Total	37,570	21,640	35,683	18,552	113,447	354	113,801	(2,426)	111,374
Segment profit	2,121	6,237	3,489	3,203	15,052	44	15,097	(78)	15,018
Amortization of intangible assets recognized through acquisitions	—	—	—	—	—	—	—	—	26
Expenses related to M&A	—	—	—	—	—	—	—	—	2,559
Operating profit	—	—	—	—	—	—	—	—	12,433
Finance income	—	—	—	—	—	—	—	—	652
Finance costs	—	—	—	—	—	—	—	—	888
Share of profit on equity method	—	—	—	—	—	—	—	—	1,393
Profit before income taxes	—	—	—	—	—	—	—	—	13,591

(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.

(Investments Accounted for Using the Equity Method)

Retrospective Adjustment in Accordance with the Finalization of Provisional Accounting Treatment

In the third quarter ended December 31, 2023, provisional accounting treatment for the conversion of JENSEN-GROUP NV into an equity-method affiliate company was finalized. Therefore, the figures for six months ended September 30, 2023, the previous fiscal year reflect the finalization of the provisional accounting treatment. As a result, “Share of profit of investments accounted for using the equity method” decreased by ¥75 million, compared with the amount before retrospective adjustment.

(Subsequent Events)

(Capital and Business Alliance and Disposal of Treasury Shares through Third-party Allotment of New Shares)

The Company and Daikin Industries, Ltd. (hereinafter referred to as Daikin Industries), resolved to enter a capital and business alliance (hereinafter referred to as the “Capital and Business Alliance”) at a board of directors meeting of both companies held on May 30, 2024.

In addition to implementing the acquisition of Daikin Industries’ subsidiary shares, as Daikin Applied Systems Co., Ltd. (hereinafter referred to as Daikin Applied Systems), the Company allocates its common stock shares to Daikin Industries through a disposal of treasury shares (hereinafter referred to as the “Disposal of Treasury Shares”).

At the board of directors meeting held on the same day, the Company also resolved to carry out the disposal of treasury shares through third-party allotment to Daikin Industries. Furthermore, the acquisition of Daikin Applied Systems shares and the disposal of treasury shares through third-party allotment have been completed as of October 1, 2024.

(1) Becoming a Joint Venture of a Wholly Owned Subsidiary of Daikin Industries

The Company acquired 49% shares of Daikin Applied Systems by way of subscribing to a third-party allotment of new shares (hereinafter referred to as the “Share Acquisition”) and Daikin Applied Systems became a joint venture between Daikin Industries and the Company. As a result, Daikin Applied Systems became an equity-method affiliate company of the Company.

Furthermore, a capital contribution to Daikin Applied Systems by the Company was ¥14,700 million, which was allocated, as described in “(2) Overview of Disposal of Treasury Shares through Third-party Allotment” below, by the funds paid to the Company from the disposal of treasury shares through third-party allotment to Daikin Industries produced by the acceptance of Daikin Industries.

(2) Overview of Disposal of Treasury Shares through Third-party Allotment

(i) Date of disposal (Date of payment)	October 1, 2024
(ii) Number of shares to be disposed of	5,400,000 shares of common stock of the Company
(iii) Disposal price	¥2,754 per share
(iv) Amount of funding	¥14,871,600,000
(v) Method of offering or disposal (allottee)	By way of third-party allotment (Daikin Industries)
(vi) Other	Regarding the Disposal of Treasury Shares, the Company has submitted securities registration statement in accordance with financial instruments and exchange act.

(3) Purpose and Reason for the Disposal of Treasury Shares

The Company has been seeking to utilize its treasury shares. At this time, the Company has determined that it is desirable to dispose of treasury shares for the purpose of contributing to the enhancement of corporate value, such as the Capital and Business Alliance and carried out negotiations with Daikin Industries. As a result, Daikin Industries subscribed the Disposal of Treasury Shares and made an investment in the Company. The Company allocated the funds paid to the Company to a capital contribution for Daikin Applied Systems.

(4) Specific Use of Funds Raised

The funds raised by the Disposal of Treasury Shares were totally allocated as a portion of the funds that the Company invested in terms of third-party allotment implemented by Daikin Applied Systems at the same day with the funding through the Disposal of Treasury Shares in accordance with a capital contribution agreement between the Company and Daikin Industries. Furthermore, the estimated issue costs have been deducted from the total amount of the disposal price of treasury shares.

Specific use	Price
Capital contribution in conjunction with third-party allotment of new shares of Daikin Applied Systems	¥14,700,000,000

(Conclusion of Loan Agreement)

For ¥116,000 million out of the ¥122,000 million associated with funding for the acquisition of The Cleaver-Brooks Company, Inc., excluding the ¥6,000 million that has been paid, the Company concluded loan agreements with the following financial institutions and refinanced the loan to long-term funds as of October 31, 2024.

Overview of loan

(1) Lenders	Sumitomo Mitsui Banking Corporation, The Iyo Bank, Ltd., The Ehime Bank, Ltd., Resona Bank, Limited
(2) Loan amount	¥116,000 million
(3) Loan rate	Based on market interest rate
(4) Drawdown date	October 31, 2024
(5) Loan period	4 to 7 years
(6) Remarks	Unsecured and unguaranteed