

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (IFRS)

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 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 6005
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 Scheduled date of commencement of dividend payment: —
 Supplementary documents for financial results: None
 Financial results briefing: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 – December 31, 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	%
Nine months ended December 31, 2024	175,220	62.3	22,965	46.2	26,245	41.9	18,908	37.4
December 31, 2023	107,957	2.1	15,702	5.1	18,496	13.5	13,761	14.9

	Profit attributable to owners of parent		Comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Yen	Yen
Nine months ended December 31, 2024	18,790	37.3	20,068	21.2	167.65	167.57
December 31, 2023	13,687	14.3	16,553	35.8	123.52	123.44

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

Nine Months Ended December 31, 2024: ¥3,105 million

Nine Months Ended December 31, 2023: ¥1,598 million

(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 December 31, 2024	431,978	211,300	209,605	48.5
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
Full-year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	247,500	55.0	25,000	8.4	29,200	9.0	21,400	10.5	190.93

(Notes)

- Revisions to the consolidated forecasts most recently announced: Yes
- The Company disposed treasury shares based on the resolution of the Board of Directors meeting held on May 30, 2024. The impact from the disposal of treasury shares was taken into account when calculating basic earnings per share in the consolidated forecast for the fiscal year ending March 31, 2025.

* 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 December 31, 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 December 31, 2024: 9,601,315 shares
As of March 31, 2024: 15,041,593 shares
- Weighted-average number of common shares outstanding for the period
Nine Months Ended December 31, 2024: 112,083,014 shares
Nine Months Ended December 31, 2023: 110,817,039 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* 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.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results

Looking back on the state of the Japanese economy during the nine months ended December 31, 2024, the economy has continued to be on the path of gradual recovery.

On the other hand, the outlook remains uncertain mainly due to increasing energy and logistics prices, and geopolitical issues.

Under these circumstances, the Miura Group is working on promoting optimal energy proposals and developing energy-saving products by “total solutions” to solve customers’ problems for the challenge of reducing environmental load.

Regarding the consolidated results for the nine months ended December 31, 2024, in the Domestic Manufacturing and Sales of Products business, sales of food processing equipment, marine equipment, boiler and related equipment were solid. 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 ¥175,220 million, up 62.3% from the same period of the previous fiscal year, operating profit was ¥22,965 million, up 46.2%, profit before income taxes amounted to ¥26,245 million, up 41.9% and profit attributable to owners of parent stood at ¥18,790 million, up 37.3%. However, the amortization was not recorded in the consolidated financial results for the nine months ended December 31, 2024, because the allocation of the acquisition cost of the assets and liabilities due to the acquisition carried out in the current fiscal year has not been completed.

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.

As a result, revenue in this business was ¥57,180 million, up 12.7% from the same period of the previous fiscal year (¥50,731 million). Segment profit was ¥4,758 million, up 1.8% from the same period of the previous fiscal year (¥4,675 million), due to the impact of increased sales, despite an impact of low gross margin projects and an increase in SG&A expenses related to hosting private fairs.

(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 ¥32,785 million, up 7.7% from the same period of the previous fiscal year (¥30,438 million). Segment profit was ¥9,743 million, up 11.8% from the same period of the previous fiscal year (¥8,713 million).

(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 ¥55,372 million, up 199.0% from the same period of the previous fiscal year (¥18,518 million). Segment profit was ¥5,927 million, up 327.9% from the same period of the previous fiscal year (¥1,385 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 ¥29,842 million, up 262.7% from the same period of the previous fiscal year (¥8,229 million). Segment profit was ¥5,206 million, up 326.7% from the same period of the previous fiscal year (¥1,220 million).

(2) Overview of Financial Position

(i) Overview of Assets, Liabilities and Equity

(Million yen)

	As of March 31, 2024	As of December 31, 2024	Change
Total assets	240,962	431,978	191,016
Total liabilities	59,446	220,677	161,231
Total equity	181,515	211,300	29,784

Total assets as of December 31, 2024, were ¥431,978 million, an increase of ¥191,016 million compared to the previous fiscal year-end. Current assets increased by ¥42,440 million, mainly due to increases in trade and other receivables by ¥20,150 million and inventories by ¥18,308 million, as a result of the acquisition of Cleaver-Brooks, Inc. Non-current assets increased by ¥148,575 million, mainly due to increases in, goodwill and intangible assets by ¥110,173 million, right-of-use assets by ¥14,683 million as well as property, plant and equipment by ¥6,864 million, as a result of the acquisition of Cleaver-Brooks, Inc., in addition to an increase in investments accounted for using the equity method by ¥16,676 million, as a result of the conversion of Daikin Applied Systems Co., Ltd. into an equity-method affiliate company.

Total liabilities were ¥220,677 million, an increase of ¥161,231 million compared to the previous fiscal year-end. Current liabilities increased by ¥29,576 million, mainly due to increases in, contract liabilities by ¥11,627 million, other financial liabilities by ¥8,266 million, trade and other payables by ¥5,552 million as well as provisions by ¥3,060 million, as a result of the acquisition of Cleaver-Brooks, Inc. Non-current liabilities increased by ¥131,655 million, mainly due to increases in, other financial liabilities by ¥115,213 million, lease liabilities by ¥14,765 million, and deferred tax liabilities by ¥1,126 million, as a result of the acquisition of Cleaver-Brooks, Inc.

Total equity was ¥211,300 million, an increase of ¥29,784 million compared to the previous fiscal year-end. This was mainly due to an increase in retained earnings by ¥13,212 million and, as a result of the disposal of treasury shares, an increase in capital surplus by ¥8,900 million and a decrease in treasury shares by ¥6,035 million.

As a result, the ratio of equity attributable to owners of parent to total assets comes to 48.5%.

(ii) Cash Flows for the Period under Review

The following outlines the state of cash flows by category during the nine months ended December 31, 2024, under review.

Net cash provided by operating activities totaled ¥15,904 million (¥9,458 million provided in the same period of the previous year). The increase was mainly due to profit before income taxes of ¥26,245 million, as well as depreciation and amortization of ¥6,408 million. The decrease was mainly due to income taxes paid of ¥9,080 million.

Net cash used in investing activities totaled ¥138,365 million (¥1,806 million used in the same period of the previous year). This was mainly due to proceeds from withdrawal of time deposits of ¥24,924 million, payments into time deposits of ¥18,594 million, purchase of subsidiary or other business of ¥125,784 million, and purchase of investments accounted for using equity method of ¥14,851 million.

Net cash provided by financing activities totaled ¥129,569 million (¥14,319 million used in the same period of the previous year). This was mainly due to proceeds from long-term borrowings of ¥126,000 million, proceeds from sales of treasury shares of ¥14,871 million, and dividends paid of ¥5,974 million.

As a result of the above, cash and cash equivalents as of December 31, 2024, were ¥45,081 million, an increase of ¥7,794 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, and the medium-term management plan for the fiscal year 2025-2027, that the Company announced on November 13, 2024, have been changed.

2. Condensed Consolidated Financial Statements

(1) Condensed Consolidated Statements of Financial Position

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	37,287	45,081
Trade and other receivables	47,934	68,084
Other financial assets	20,511	14,383
Inventories	30,087	48,395
Other current assets	2,360	4,676
Total current assets	138,181	180,621
Non-current assets		
Property, plant and equipment	40,590	47,454
Right-of-use assets	6,936	21,619
Goodwill and intangible assets	4,017	114,190
Investments accounted for using the equity method	33,630	50,306
Other financial assets	15,658	13,647
Net defined benefit asset	404	605
Deferred tax assets	1,435	2,610
Other non-current assets	108	922
Total non-current assets	102,780	251,356
Total assets	240,962	431,978

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Lease liabilities	2,599	2,864
Trade and other payables	14,263	19,816
Other financial liabilities	70	8,336
Income taxes payable	4,640	4,342
Provisions	899	3,959
Contract liabilities	17,256	28,883
Other current liabilities	14,815	15,916
Total current liabilities	54,544	84,120
Non-current liabilities		
Lease liabilities	4,045	18,811
Other financial liabilities	4	115,218
Net defined benefit liability	135	670
Provisions	57	60
Deferred tax liabilities	99	1,225
Other non-current liabilities	560	571
Total non-current liabilities	4,902	136,557
Total liabilities	59,446	220,677
Equity		
Capital stock	9,544	9,544
Capital surplus	12,445	21,345
Retained earnings	163,926	177,139
Treasury shares	(16,686)	(10,651)
Other components of equity	11,465	12,227
Total equity attributable to owners of parent	180,695	209,605
Non-controlling interests	819	1,695
Total equity	181,515	211,300
Total liabilities and equity	240,962	431,978

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

(Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	107,957	175,220
Cost of revenue	61,093	107,092
Gross profit	46,863	68,128
Selling, general and administrative expenses	31,717	46,256
Other income	662	1,168
Other expenses	106	74
Operating profit	15,702	22,965
Finance income	1,657	1,485
Finance costs	461	1,310
Share of profit of investments accounted for using the equity method	1,598	3,105
Profit before income taxes	18,496	26,245
Income tax expenses	4,735	7,337
Profit	13,761	18,908
Profit attributable to:		
Owners of parent	13,687	18,790
Non-controlling interests	73	117
Profit	13,761	18,908
Earnings per share		
Basic (Yen)	123.52	167.65
Diluted (Yen)	123.44	167.57

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	13,761	18,908
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,091	(465)
Share of other comprehensive income of investments accounted for using the equity method	(112)	(84)
Total items that will not be reclassified to profit or loss	979	(549)
Items that may be reclassified to profit or loss		
Translation adjustments of foreign operations	1,886	1,567
Share of other comprehensive income of investments accounted for using the equity method	(74)	142
Total items that may be reclassified to profit or loss	1,812	1,709
Other comprehensive income, net of taxes	2,792	1,159
Comprehensive income	16,553	20,068
Comprehensive income attributable to:		
Owners of parent	16,474	19,928
Non-controlling interests	78	139
Comprehensive income	16,553	20,068

(3) Condensed Consolidated Statements of Changes in Equity

For the nine months ended December 31, 2023 (April 1, 2023 – December 31, 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	—	—	13,687	—	—	—
Other comprehensive income (loss)	—	—	—	—	1,091	1,881
Comprehensive income (loss)	—	—	13,687	—	1,091	1,881
Disposal of treasury stock accompanying stock option exercise	—	(9)	—	9	—	—
Restricted stock	—	52	—	17	—	—
Dividends	—	—	(5,449)	—	—	—
Acquisition of treasury shares	—	—	—	(5,932)	—	—
Disposal of treasury shares	—	—	—	—	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(0)	—	—	—
Other	—	—	(132)	—	—	—
Total transactions with the owners	—	42	(5,582)	(5,905)	—	—
As of December 31, 2023	9,544	12,445	159,017	(16,692)	3,404	5,624

For the nine months ended December 31, 2023 (April 1, 2023 – December 31, 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	—	—	—	13,687	73	13,761
Other comprehensive income (loss)	(186)	2,786	—	2,786	5	2,792
Comprehensive income (loss)	(186)	2,786	—	16,474	78	16,553
Disposal of treasury stock accompanying stock option exercise	—	—	—	0	—	0
Restricted stock	—	—	—	69	—	69
Dividends	—	—	—	(5,449)	—	(5,449)
Acquisition of treasury shares	—	—	—	(5,932)	—	(5,932)
Disposal of treasury shares	—	—	—	—	—	—
Increase (decrease) by business combination	—	—	—	—	149	149
Transfer from other components of equity to retained earnings	—	—	0	—	—	—
Other	—	—	—	(132)	—	(132)
Total transactions with the owners	—	—	0	(11,444)	149	(11,295)
As of December 31, 2023	34	9,063	—	173,378	792	174,170

For the nine months ended December 31, 2024 (April 1, 2024 – December 31, 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	—	—	18,790	—	—	—
Other comprehensive income (loss)	—	—	36	—	(465)	1,545
Comprehensive income (loss)	—	—	18,826	—	(465)	1,545
Disposal of treasury stock accompanying stock option exercise	—	(22)	—	22	—	—
Restricted stock	—	41	—	21	—	—
Dividends	—	—	(5,954)	—	—	—
Acquisition of treasury shares	—	—	—	(0)	—	—
Disposal of treasury shares	—	8,881	—	5,990	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	340	—	(361)	—
Other	—	—	—	—	—	—
Total transactions with the owners	—	8,900	(5,614)	6,035	(361)	—
As of December 31, 2024	9,544	21,345	177,139	(10,651)	3,194	8,857

For the nine months ended December 31, 2024 (April 1, 2024 – December 31, 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	—	—	—	18,790	117	18,908
Other comprehensive income (loss)	21	1,101	—	1,137	22	1,159
Comprehensive income (loss)	21	1,101	—	19,928	139	20,068
Disposal of treasury stock accompanying stock option exercise	—	—	—	0	—	0
Restricted stock	—	—	—	63	—	63
Dividends	—	—	—	(5,954)	—	(5,954)
Acquisition of treasury shares	—	—	—	(0)	—	(0)
Disposal of treasury shares	—	—	—	14,871	—	14,871
Increase (decrease) by business combination	—	—	—	—	735	735
Transfer from other components of equity to retained earnings	21	(340)	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with the owners	21	(340)	—	8,980	735	9,716
As of December 31, 2024	174	12,227	—	209,605	1,695	211,300

(4) Condensed Consolidated Statements of Cash Flows

(Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	18,496	26,245
Depreciation and amortization	4,974	6,408
Shares of profit on equity method	(1,598)	(3,105)
Interest and dividend income	(722)	(931)
Interest expenses	61	1,201
Foreign exchange losses (gains)	66	(479)
Decrease (increase) in trade and other receivables	(225)	1,706
Decrease (increase) in inventories	(7,285)	(4,239)
Increase (decrease) in trade and other payables	(677)	(2,658)
Increase (decrease) in accrued bonuses	(2,481)	(4,651)
Decrease (increase) in retirement benefit assets	(877)	(220)
Increase (decrease) in retirement benefit liabilities	9	50
Increase (decrease) in contract liabilities	2,390	4,459
Other	1,482	107
Subtotal	13,614	23,893
Interest and dividends received	1,443	2,285
Interest paid	(61)	(1,194)
Income taxes paid	(5,537)	(9,080)
Net cash provided by (used in) operating activities	9,458	15,904
Cash flows from investing activities		
Payments into time deposits	(25,169)	(18,594)
Proceeds from withdrawal of time deposits	27,392	24,924
Purchase of property, plant and equipment	(1,854)	(4,943)
Purchase of intangible assets	(412)	(436)
Purchase of securities	(1,074)	(45)
Proceeds from sale or redemption of securities	1,000	1,217
Purchase of subsidiary or other business	(185)	(125,784)
Purchase of investments accounted for using equity method	(1,619)	(14,851)
Other	116	148
Net cash provided by (used in) investing activities	(1,806)	(138,365)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(300)	—
Proceeds from long-term borrowings	—	126,000
Repayments of long-term borrowings	(334)	(2,509)
Repayments of lease liabilities	(2,305)	(2,818)
Proceeds from sales of treasury shares	0	14,871
Purchase of treasury shares	(5,932)	(0)
Dividends paid	(5,446)	(5,974)
Net cash provided by (used in) financing activities	(14,319)	129,569
Foreign currency transaction adjustments on cash and cash equivalents	534	686
Net increase (decrease) in cash and cash equivalents	(6,132)	7,794
Cash and cash equivalents at the beginning of the year	32,051	37,287
Cash and cash equivalents at the end of the year	25,919	45,081

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 nine months ended December 31, 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 nine months ended December 31, 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 nine months ended December 31, 2023, are separately presented for the nine months ended December 31, 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 nine months ended December 31, 2023, has been reclassified. Consequently, “Other” of ¥1,543 million included in “Net cash provided by (used in) operating activities” has been reclassified as “Interest expenses” of ¥61 million and “Other” of ¥1,482 million. And “Other” of ¥(68) 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 ¥116 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 nine months ended December 31, 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 nine months ended December 31, 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	50,731	30,438	18,518	8,229	107,918	38	107,957	—	107,957
Intersegment revenue and transfers	2,347	211	137	73	2,769	447	3,217	(3,217)	—
Total	53,079	30,650	18,655	8,302	110,688	486	111,175	(3,217)	107,957
Segment profit	4,675	8,713	1,385	1,220	15,993	30	16,023	(170)	15,852
Amortization of intangible assets recognized through acquisitions	—	—	—	—	—	—	—	—	50
Expenses related to M&A	—	—	—	—	—	—	—	—	100
Operating profit	—	—	—	—	—	—	—	—	15,702
Finance income	—	—	—	—	—	—	—	—	1,657
Finance costs	—	—	—	—	—	—	—	—	461
Share of profit on equity method	—	—	—	—	—	—	—	—	1,598
Profit before income taxes	—	—	—	—	—	—	—	—	18,496

(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 nine months ended December 31, 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	57,180	32,785	55,372	29,842	175,180	39	175,220	—	175,220
Intersegment revenue and transfers	2,650	265	220	72	3,207	487	3,695	(3,695)	—
Total	59,831	33,050	55,592	29,915	178,388	527	178,915	(3,695)	175,220
Segment profit	4,758	9,743	5,927	5,206	25,635	64	25,699	(223)	25,476
Amortization of intangible assets recognized through acquisitions	—	—	—	—	—	—	—	—	34
Expenses related to M&A	—	—	—	—	—	—	—	—	2,476
Operating profit	—	—	—	—	—	—	—	—	22,965
Finance income	—	—	—	—	—	—	—	—	1,485
Finance costs	—	—	—	—	—	—	—	—	1,310
Share of profit on equity method	—	—	—	—	—	—	—	—	3,105
Profit before income taxes	—	—	—	—	—	—	—	—	26,245

(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.

(Business Combination and Related Transactions)

Business Combination by Acquisition

At the Board of Directors meeting held on March 29, 2024, the Company resolved to acquire The Cleaver-Brooks Company, Inc. (hereinafter referred to as “Cleaver-Brooks”) (hereinafter referred to as the “Acquisition”). Accordingly, the Company acquired all shares of CBE ENTERPRISES, INC., the ultimate parent company of Cleaver-Brooks through MIURA INTERNATIONAL AMERICAS, INC. (hereinafter referred to as “MIA”), a consolidated subsidiary of the Company, effective May 15, 2024 (U.S. time).

(1) Outline of Business Combination

(i) Company name and business description of acquired company

Company name: CBE ENTERPRISES, INC.

Business description: Management and operation of group companies

(ii) Date of acquisition

May 15, 2024 (U.S. time)

(iii) Percentage of voting equity interests acquired

100%

(iv) Reason for business combination

Cleaver-Brooks manufactures, sells, maintains, and engineers small to large boilers, and has a strong business foundation in the United States.

Through this transaction, in addition to the business of Miura America Co., Ltd. (a subsidiary of MIA), which is already engaged in once-through steam boiler business, maintenance and boiler water treatment business in the United States, we will acquire the manufacturing, sales and engineering business of a wide range of steam and hot water-related equipment of Cleaver-Brooks and utilize the sales and maintenance service network of both companies. In this way, we will accelerate the expansion of our total solutions for energy conservation and environmental preservation in the United States and develop our business while expanding our contribution to the marketplace based on our philosophy.

(v) Legal form of business combination

Acquisition of shares for cash

(vi) Primary basis for determining acquiring company

MIA acquired the shares in exchange for cash consideration.

(2) Consideration Paid and Breakdown

Consideration Paid	126,461 million yen
Cash	126,461 million yen

(3) Acquisition-Related Costs

Acquisition-related costs amounted to ¥505 million for the previous fiscal year, and ¥2,330 million for the nine months ended December 31, 2024. These costs have been recorded in “selling, general and administrative expenses” in the consolidated statements of income and condensed consolidated statements of income.

(4) Fair Value of Assets and Liabilities due to the Acquisition as well as Goodwill

(Million yen)

	Amount
Current assets	
Cash and cash equivalents	6,440
Trade and other receivables (Note 1)	20,417
Inventories	12,924
Others	2,991
Non-current assets	
Property, plant and equipment	4,493
Right-of-use assets	14,950
Intangible assets	23
Others	428
Assets acquired	62,668
Current liabilities	24,108
Non-current liabilities	16,248
Liabilities assumed	40,357
Total	22,311
Non-controlling interests (Note 2)	727
Goodwill (Note 3)	104,877

(Notes)

1. With respect to the fair value of the acquired trade and other receivable, the contractual amounts receivable is ¥14,983 million and the estimated uncollectible amount is ¥217 million.
2. Non-controlling interests are measured by applying the post-business combination interest ratio to fair value of the identifiable net assets of the acquired company as of the date on which control was acquired, excluding the portion individually attributable to non-controlling shareholders.
3. The goodwill primarily arises from a reasonable estimate of the anticipated future excess earnings capacity. Furthermore, no portion of this goodwill is expected to be deductible for tax purposes. The goodwill is recorded in “goodwill and intangible assets” in the condensed consolidated statements of financial position.
4. With respect to the assets and liabilities due to the acquisition, we have made the provisional accounting treatment based on information currently available, because the allocation of the acquisition cost has not been completed as of December 31, 2024.

(5) Cash Flows Related to Acquisition

(Million yen)

	Amount
The cash and cash equivalents paid in relation to the acquisition	126,461
The cash and cash equivalents that were held by the acquired company at the date on which control was acquired.	(6,440)
The amount of cash paid for the acquisition of a subsidiary	120,020

The impact of the acquisition of the subsidiary on the condensed consolidated statements of cash flows for the nine months ended December 31, 2024, is included in “purchase of subsidiary or other business.”

(6) Profit or Loss Information After the Acquisition Date and Pro Forma Profit or Loss Information

The revenue and profit or loss of the acquired company after the acquisition date, recognized in the condensed consolidated statements of income, are as follows.

(Million yen)

Revenue	52,778
Profit	5,976

As the profit or loss information assuming that the business combination had been conducted at the beginning of the fiscal year is immaterial to the condensed consolidated statements of income, such information has been omitted. In addition, the profit or loss information assuming that the business combination had been conducted at the beginning of the fiscal year has not been reviewed by the audit firm.