

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 15, 2023

Company name: MEIJI ELECTRIC INDUSTRIES CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 3388 URL <https://www.meijidenki.co.jp/>  
 Representative: President and Representative Director Hiroki Sugiwaki  
 Inquiries: Administration General Manager Yoshihide Atsumi TEL 052-451-7661  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023  
 Scheduled date to file Securities Report: June 27, 2023  
 Scheduled date to commence dividend payments: June 6, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	70,947	4.7	2,724	35.6	3,050	25.1	2,191	23.1
Year ended March 31, 2022	67,749	6.0	2,008	6.1	2,439	12.8	1,780	17.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	173.23	—	7.8	6.4	3.8
Year ended March 31, 2022	154.08	—	6.9	5.6	3.0

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	51,351	29,411	56.8	2,306.54
As of March 31, 2022	44,666	27,328	60.7	2,144.63

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	(3,820)	(897)	1,661	4,875
Year ended March 31, 2022	1,136	(710)	489	7,749

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	—	20.00	—	27.00	47.00	571	30.5	2.3
Year ended March 31, 2023	—	20.00	—	32.00	52.00	657	30.0	2.3
Year ending March 31, 2024 (Forecast)	—	20.00	—	33.00	53.00	—	—	—

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	35,600	16.6	1,140	94.3	1,250	54.7	860	49.8	67.98
Full year	76,000	7.1	2,960	8.6	3,180	4.2	2,200	0.4	173.89

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	12,717,120 shares	As of March 31, 2022	12,717,120 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	65,771 shares	As of March 31, 2022	65,771 shares
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Average number of shares during the period

Year ended March 31, 2023	12,651,349 shares	Year ended March 31, 2022	11,557,748 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,749,181	4,875,795
Notes and accounts receivable - trade	16,252,930	19,927,577
Electronically recorded monetary claims - operating	8,527,181	9,823,015
Merchandise and finished goods	4,095,061	6,448,144
Work in process	342,209	1,025,611
Raw materials and supplies	46,338	63,494
Other	509,507	940,062
Allowance for doubtful accounts	(32,235)	(63,530)
<b>Total current assets</b>	<b>37,490,176</b>	<b>43,040,171</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	2,885,137	3,796,063
Accumulated depreciation	(1,681,484)	(1,496,348)
Buildings and structures, net	1,203,652	2,299,715
Machinery, equipment and vehicles	247,883	269,775
Accumulated depreciation	(193,004)	(206,124)
Machinery, equipment and vehicles, net	54,878	63,650
Land	1,631,929	1,523,466
Construction in progress	686,093	64,218
Other	626,816	773,616
Accumulated depreciation	(540,755)	(555,743)
Other, net	86,060	217,873
<b>Total property, plant and equipment</b>	<b>3,662,614</b>	<b>4,168,923</b>
Intangible assets	240,850	590,600
<b>Investments and other assets</b>		
Investment securities	2,787,025	3,001,257
Retirement benefit asset	279,227	323,418
Deferred tax assets	15,430	17,436
Other	202,700	221,219
Allowance for doubtful accounts	(11,866)	(11,866)
<b>Total investments and other assets</b>	<b>3,272,517</b>	<b>3,551,464</b>
<b>Total non-current assets</b>	<b>7,175,983</b>	<b>8,310,989</b>
<b>Total assets</b>	<b>44,666,159</b>	<b>51,351,160</b>

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	8,756,239	10,302,900
Electronically recorded obligations - operating	5,667,843	5,911,011
Short-term borrowings	225,658	2,496,297
Income taxes payable	479,206	557,559
Provision for bonuses	481,571	559,466
Provision for bonuses for directors (and other officers)	2,240	4,300
Other	1,344,064	1,594,038
<b>Total current liabilities</b>	<b>16,956,824</b>	<b>21,425,575</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	375,979	449,009
Provision for retirement benefits for directors (and other officers)	3,550	3,550
Other	1,463	61,556
<b>Total non-current liabilities</b>	<b>380,992</b>	<b>514,116</b>
<b>Total liabilities</b>	<b>17,337,817</b>	<b>21,939,691</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,624,866	1,624,866
Capital surplus	1,957,909	1,957,909
Retained earnings	22,204,363	23,801,342
Treasury shares	(32,756)	(32,756)
<b>Total shareholders' equity</b>	<b>25,754,383</b>	<b>27,351,362</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,340,636	1,469,730
Foreign currency translation adjustment	13,725	256,588
Remeasurements of defined benefit plans	23,703	103,140
<b>Total accumulated other comprehensive income</b>	<b>1,378,066</b>	<b>1,829,459</b>
<b>Non-controlling interests</b>	<b>195,892</b>	<b>230,647</b>
<b>Total net assets</b>	<b>27,328,342</b>	<b>29,411,469</b>
<b>Total liabilities and net assets</b>	<b>44,666,159</b>	<b>51,351,160</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	67,749,042	70,947,149
Cost of sales	58,743,920	60,692,789
Gross profit	9,005,122	10,254,359
Selling, general and administrative expenses	6,996,387	7,529,914
Operating profit	2,008,734	2,724,444
Non-operating income		
Interest income	2,873	4,794
Dividend income	64,428	83,450
Purchase discounts	125,375	158,332
Foreign exchange gains	105,832	53,912
Subsidy income	115,658	9,912
Other	38,568	28,576
Total non-operating income	452,737	338,979
Non-operating expenses		
Interest expenses	7,435	11,149
Share issuance costs	10,414	–
Other	4,527	1,735
Total non-operating expenses	22,377	12,884
Ordinary profit	2,439,094	3,050,538
Extraordinary income		
Gain on sale of non-current assets	1,127	117,883
Gain on sale of investment securities	81,812	–
Other	1,173	2,656
Total extraordinary income	84,112	120,539
Extraordinary losses		
Loss on retirement of non-current assets	295	45,670
Total extraordinary losses	295	45,670
Profit before income taxes	2,522,911	3,125,407
Income taxes - current	763,022	927,939
Income taxes - deferred	(39,380)	(7,381)
Total income taxes	723,641	920,557
Profit	1,799,270	2,204,849
Profit attributable to non-controlling interests	18,463	13,257
Profit attributable to owners of parent	1,780,807	2,191,591

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,799,270	2,204,849
Other comprehensive income		
Valuation difference on available-for-sale securities	226,393	129,093
Foreign currency translation adjustment	223,342	264,359
Remeasurements of defined benefit plans, net of tax	61,633	79,436
Total other comprehensive income	511,369	472,890
Comprehensive income	2,310,640	2,677,740
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,293,119	2,642,985
Comprehensive income attributable to non-controlling interests	17,521	34,754

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,311,778	1,382,176	21,112,277	(298,707)	23,507,525
Cumulative effects of changes in accounting policies					–
Cumulative effects of changes in accounting policies	1,311,778	1,382,176	21,112,277	(298,707)	23,507,525
Changes during period					
Issuance of new shares	313,088	313,088			626,177
Dividends of surplus			(688,720)		(688,720)
Profit attributable to owners of parent			1,780,807		1,780,807
Disposal of treasury shares		262,644		265,950	528,595
Net changes in items other than shareholders' equity					
Total changes during period	313,088	575,732	1,092,086	265,950	2,246,858
Balance at end of period	1,624,866	1,957,909	22,204,363	(32,756)	25,754,383

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,114,243	(210,559)	(37,929)	865,753	178,371	24,551,650
Cumulative effects of changes in accounting policies				–		–
Cumulative effects of changes in accounting policies	1,114,243	(210,559)	(37,929)	865,753	178,371	24,551,650
Changes during period						
Issuance of new shares						626,177
Dividends of surplus						(688,720)
Profit attributable to owners of parent						1,780,807
Disposal of treasury shares						528,595
Net changes in items other than shareholders' equity	226,393	224,285	61,633	512,312	17,521	529,833
Total changes during period	226,393	224,285	61,633	512,312	17,521	2,776,691
Balance at end of period	1,340,636	13,725	23,703	1,378,066	195,892	27,328,342

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,624,866	1,957,909	22,204,363	(32,756)	25,754,383
Cumulative effects of changes in accounting policies					–
Cumulative effects of changes in accounting policies	1,624,866	1,957,909	22,204,363	(32,756)	25,754,383
Changes during period					
Issuance of new shares					–
Dividends of surplus			(594,613)		(594,613)
Profit attributable to owners of parent			2,191,591		2,191,591
Disposal of treasury shares					–
Net changes in items other than shareholders' equity					
Total changes during period			1,596,978		1,596,978
Balance at end of period	1,624,866	1,957,909	23,801,342	(32,756)	27,351,362

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,340,636	13,725	23,703	1,378,066	195,892	27,328,342
Cumulative effects of changes in accounting policies				–		–
Cumulative effects of changes in accounting policies	1,340,636	13,725	23,703	1,378,066	195,892	27,328,342
Changes during period						
Issuance of new shares						–
Dividends of surplus						(594,613)
Profit attributable to owners of parent						2,191,591
Disposal of treasury shares						–
Net changes in items other than shareholders' equity	129,093	242,863	79,436	451,393	34,754	486,148
Total changes during period	129,093	242,863	79,436	451,393	34,754	2,083,126
Balance at end of period	1,469,730	256,588	103,140	1,829,459	230,647	29,411,469



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,522,911	3,125,407
Depreciation	233,462	220,216
Increase (decrease) in allowance for doubtful accounts	(3,436)	29,197
Increase (decrease) in provision for bonuses	(1,403)	77,513
Decrease(increase)in retirement benefit asset and liabilities	(15,127)	69,223
Interest and dividend income	(67,301)	(88,245)
Interest expenses	7,435	11,149
Loss (gain) on sale of investment securities	(81,812)	–
Loss (gain) on sale of property, plant and equipment	(1,127)	(117,883)
Loss on retirement of property, plant and equipment	295	45,670
Decrease (increase) in trade receivables	(517,970)	(4,825,036)
Decrease (increase) in inventories	(763,241)	(3,010,772)
Increase (decrease) in trade payables	(153,945)	1,699,085
Decrease (increase) in accounts receivable - other	(23,644)	(5,768)
Decrease (increase) in advance payments to suppliers	569,855	(150,178)
Other, net	(270,904)	(79,852)
Subtotal	1,434,046	(3,000,273)
Interest and dividends received	67,298	88,258
Interest paid	(5,226)	(11,194)
Income taxes paid	(359,412)	(897,056)
Net cash provided by (used in) operating activities	1,136,705	(3,820,267)
Cash flows from investing activities		
Purchase of property, plant and equipment	(711,094)	(687,639)
Proceeds from sale of property, plant and equipment	1,186	226,962
Purchase of intangible assets	(75,100)	(357,917)
Proceeds from sale of investment securities	98,876	–
Other, net	(24,340)	(79,290)
Net cash provided by (used in) investing activities	(710,472)	(897,884)
Cash flows from financing activities		
Proceeds from issuance of shares	614,077	–
Net increase (decrease) in short-term borrowings	86,962	2,256,020
Dividends paid	(688,352)	(594,840)
Repayments of lease liabilities	(4,609)	–
Proceeds from disposal of treasury shares	481,675	–
Net cash provided by (used in) financing activities	489,752	1,661,180
Effect of exchange rate change on cash and cash equivalents	147,886	183,585
Net increase (decrease) in cash and cash equivalents	1,063,873	(2,873,386)
Cash and cash equivalents at beginning of period	6,685,308	7,749,181
Cash and cash equivalents at end of period	7,749,181	4,875,795