

[Translation for reference only]

ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 <under Japanese GAAP>



May 9, 2025

Company name: **MEISEI INDUSTRIAL CO., LTD.**
Listing: Tokyo Stock Exchange, Prime
Securities code: 1976
URL: <https://www.meisei-kogyo.co.jp/en/>
Representative: Tetsuji Yanase, Representative Director, President
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Scheduled date of annual general meeting of shareholders: June 26, 2025
Scheduled date to commence dividend payments: June 27, 2025
Scheduled date to file annual securities report: June 25, 2025
Preparation of supplementary results briefing material on financial results: Yes
Holding of financial results presentation meeting: Yes

(Note: Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	66,283	9.8	10,613	31.6	11,235	31.4	8,454	35.4
March 31, 2024	60,377	8.0	8,061	18.0	8,548	17.8	6,243	33.4

Note: Comprehensive income

Fiscal year ended March 31, 2025: ¥10,018 million [34.0%]

Fiscal year ended March 31, 2024: ¥7,477 million [47.0%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	174.68	—	12.8	13.0	16.0
March 31, 2024	126.06	—	10.2	10.6	13.4

Reference: Share of profit (loss) of entities accounted for using equity method

Fiscal year ended March 31, 2025: -

Fiscal year ended March 31, 2024: -

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	88,583	69,206	77.4	1,440.69
March 31, 2024	84,432	63,868	75.1	1,299.12

Reference: Shareholders' equity

As of March 31, 2025: ¥68,570 million

As of March 31, 2024: ¥63,387 million

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	6,937	(500)	(4,692)	33,449
March 31, 2024	7,126	(1,889)	(3,088)	31,371

2. Cash Dividends

	Cash dividends per share					Total cash dividends (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	–	14.00	–	41.00	55.00	2,707	43.6	4.4
March 31, 2025	–	21.00	–	39.00	60.00	2,889	34.3	4.4
Fiscal year ending March 31, 2026 (Forecast)	–	20.00	–	40.00	60.00		46.1	

Note: The year-end dividend for the year ended March 31, 2024 comprises an ordinary dividend of 34.00 yen and a commemorative dividend of 7.00 yen.

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026
(from April 1, 2025 to March 31, 2026)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Six months ending September 30, 2025	28,000	(11.3)	3,300	(15.9)	3,450	(19.0)	2,400 (18.4)	50.43
Fiscal year ending March 31, 2026	60,000	(9.5)	7,750	(27.0)	8,000	(28.8)	6,200 (26.7)	130.26

*** Notes**

- (1) Significant changes in scope on consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements after error corrections
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
- b. Changes in accounting policies due to other reasons: None
- c. Changes in accounting estimates: None
- d. Restatements of prior period financial statements after error corrections: None

(3) Number of issued shares (common shares)**a. Total number of issued shares at end of period (including treasury shares)**

As of March 31, 2025	55,117,218 shares
As of March 31, 2024	56,386,718 shares

b. Number of treasury shares at end of period

As of March 31, 2025	7,521,865 shares
As of March 31, 2024	7,594,300 shares

c. Average number of outstanding shares during the period

Fiscal year ended March 31, 2025	48,401,177 shares
Fiscal year ended March 31, 2024	49,529,984 shares

Notes: 1. For the number of shares used for the calculation of consolidated net income per share, please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Per-share Information” on page 17.

2. The figures stated for the number of treasury shares at end of period include shares of the Company that are held by a trust established to distribute shares to officers (Officers’ Share Distribution Trust). The calculation used to calculate the average number of outstanding shares during period excludes treasury shares, which include shares of the Company held by the Officers’ Share Distribution Trust.

(Reference) Overview of Non-consolidated operating results**1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2025**
(from April 1, 2024 to March 31, 2025)**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	45,858	17.3	7,860	51.9	9,546	61.9	6,994	65.7
March 31, 2024	39,105	2.3	5,176	(3.4)	5,894	(1.8)	4,221	1.3

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2025	144.51	—
March 31, 2024	85.22	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	62,940	51,376	81.6	1,079.44
March 31, 2024	59,066	48,061	81.4	985.01

Reference: Shareholders' equity

As of March 31, 2025: ¥51,376 million

As of March 31, 2024: ¥48,061 million

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026
(from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	19,500	(13.1)	2,350	(25.2)	3,450	(24.2)	2,450	(27.8)	51.48
Fiscal year ending March 31, 2026	42,500	(7.3)	5,550	(29.4)	6,750	(29.3)	5,400	(22.8)	113.46

* Consolidated Financial Results are not subject to auditing.

* Proper use of earnings forecasts and other special notes

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport to be a promise by the Company to realize such statements.

Actual business and other results may differ substantially due to various factors.

Please refer to “1. Overview of Results of Operations, (3) Outlook” on page 4 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations

(1) Results of Operations

1) Overview

During the current fiscal year ended March 31, 2025, the Japanese economic and social activities slowly returned to normal backed by improvements in employment and personal income. At the same time, the outlook for a full-fledged economic recovery remains uncertain due to factors such as future policy developments in the United States and continued volatility in the financial and capital markets.

Orders received by the Meisei Industrial Group increased 7.4% from the previous fiscal year to 62,271 million yen. This was the result of successful activities for receiving orders in the construction business in Japan and other countries. Net sales increased 9.8% to 66,283 million yen because of steady progress at maintenance work and large projects in both the construction business and the boiler business.

Earnings increased mainly because of sales growth and an improvement in profitability of the construction business as work was completed. As a result, operating profit increased 31.6% to 10,613 million yen and ordinary profit increased 31.4% to 11,235 million yen, and profit attributable to owners of parent was up 35.4% to 8,454 million yen.

2) Business segment overview

Construction Business

Net sales increased 10.3% to 58,944 million yen because of strong performance at maintenance work in Japan and large projects in Japan and other countries. Segment profit was up 32.5% to 10,102 million yen due to higher sales and an improvement in the profitability due to completion of maintenance work and large projects.

Boiler Business

Net sales increased 5.9% to 7,338 million yen because of steady progress at large projects and maintenance work in Japan. Segment profit was up 16.2% to 499 million yen because of higher sales.

(2) Financial Position

Overview

1) Assets, liabilities, and net assets

Total assets at the end of the current fiscal year increased by 4,151 million yen from the end of the previous fiscal year to 88,583 million yen.

Current assets totaled 61,236 million yen, an increase of 1,152 million yen from the end of the previous fiscal year. The main factors include increases of 1,868 million yen in cash and deposits and 394 million yen in contract assets and a decrease of 1,095 million yen in electronically recorded monetary claims – operating. Non-current assets increased 2,999 million yen from the end of the previous fiscal year to 27,347 million yen. The main factors include increases of 1,484 million yen in investment securities and 1,459 million yen in property, plant and equipment.

Current liabilities totaled 14,631 million yen, a decrease of 2,324 million yen from the end of the previous fiscal year. The main factors include an increase of 686 million yen in income taxes payable, and decreases of 2,049 million yen in contract liabilities, 676 million yen in notes payable – trade and 600 million yen in current portion of long-term borrowings. Non-current liabilities totaled 4,745 million yen, an increase of 1,138 million yen. The main factors include increases of 765 million yen in deferred tax liabilities and 600 million yen in long-term borrowings.

As a result, total liabilities decreased 1,186 million yen to 19,377 million yen.

Net assets totaled 69,206 million yen, an increase of 5,338 million yen from the end of the previous fiscal year. This was mainly due to an increase of 8,454 million yen in profit attributable to owners of parent and a decrease of 3,035 million yen due to dividends of surplus.

Consequently, the capital adequacy ratio was 77.4% (compared with 75.1% at the end of the previous fiscal year).

2) Cash Flows

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025	Change
Cash flows from operating activities	7,126	6,937	(188)
Cash flows from investing activities	(1,889)	(500)	1,388
Cash flows from financing activities	(3,088)	(4,692)	(1,603)
Cash and cash equivalents at end of period	31,371	33,449	2,078

Net cash provided by operating activities was 6,937 million yen, compared with net cash provided of 7,126 million yen in the previous fiscal year.

Major positive factors include profit before income taxes of 11,855 million yen and an 846 million yen decrease in trade receivables. Major negative factors include income taxes paid of 2,337 million yen and a 2,049 million yen decrease in contract liabilities.

Net cash used in investing activities was 500 million yen, compared with net cash used of 1,889 million yen in the previous fiscal year.

Major positive factors include proceeds from sale of property, plant and equipment of 549 million yen, proceeds from collection of loans receivable of 389 million yen and proceeds from withdrawal of time deposits of 307 million yen. Major negative factors include purchase of property, plant and equipment of 2,000 million yen.

Net cash used in financing activities was 4,692 million yen, compared with net cash used of 3,088 million yen in the previous fiscal year.

Major negative factors include dividends paid of 3,028 million yen and purchase of treasury shares of 1,714 million yen.

As a result, cash and cash equivalents at the end of the fiscal year increased 2,078 million yen from the end of the previous fiscal year to 33,449 million yen.

Reference: Cash flow indicators

	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Equity ratio (%)	78.3	78.1	76.2	75.1	77.4
Equity ratio based on market value (%)	57.7	48.3	49.7	75.9	69.5
Interest-bearing debt to cash flow ratio (years)	0.2	0.1	0.2	0.1	0.1
Interest coverage ratio (times)	1,070.1	1,647.7	919.4	1,495.9	1,197.9

Notes: Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

- * All indicators are calculated based on consolidated figures.
- * Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.
- * Interest-bearing debt includes all debts on the consolidated balance sheet that incur interest.
- * Operating cash flows are the figures for operating cash flows in the consolidated statement of cash flows.
- * Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.
- * For the fiscal year when operating cash flow was negative, the ratio of interest-bearing liabilities to cash flow and interest coverage ratio are not stated.

(3) Outlook

Regarding the outlook, while a moderate economic recovery is expected to continue, uncertainty is likely to persist due to numerous unpredictable factors that could impact both domestic and global economies, including future policy developments in the United States and ongoing volatility in the financial and capital markets.

Currently, we expect consolidated net sales of 60,000 million yen, operating profit of 7,750 million yen, ordinary profit of 8,000 million yen, and profit attributable to owners of parent of 6,200 million yen for the fiscal year ending March 31, 2026. In addition, we forecast non-consolidated net sales of 42,500 million yen, operating profit of 5,550 million yen, ordinary profit of 6,750 million yen, and profit of 5,400 million yen.

(4) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

We believe that increasing earnings while maintaining financial soundness will result in the growth of corporate value. Distributing earnings to shareholders is one of our highest priorities. In addition, we will distribute earnings to shareholders by repurchasing stock at times determined by cash flows, the efficient use of equity and other applicable considerations.

We plan to pay a fiscal year-end dividend of 39 yen per share.

With the 21 yen interim dividend, this will result in a fiscal year dividend of 60 yen.

With regard to our basic policy on profit distribution, we will partially revise our dividend policy starting from the next fiscal year. To further demonstrate our commitment to stable shareholder returns, we plan to set a DOE (Dividend on Equity) target of 4% or higher and aim for a dividend payout ratio of approximately 30% to 40% during the period of the Medium-term Management Plan (FY2024-FY2026).

In accordance with this basic policy, we plan to pay a dividend per share of 60 yen for the fiscal year ending in March 2026.

2. Basic Approach for the Selection of Accounting Standards

The Meisei Industrial Group has a policy of preparing its consolidated financial statements using Japanese GAAP for the time being to facilitate comparisons with prior-year performance and the performance of other companies in Japan.

We will consider the use of International Financial Reporting Standards (IFRS) in the future based on changes in foreign ownership of our stock, the growth of our overseas operations and other factors.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	31,390	33,258
Notes receivable - trade	697	346
Electronically recorded monetary claims - operating	3,647	2,552
Accounts receivable from completed construction contracts	16,458	16,662
Contract assets	5,740	6,135
Securities	300	399
Costs on construction contracts in progress	536	647
Merchandise and finished goods	337	461
Raw materials and supplies	196	144
Other	783	633
Allowance for doubtful accounts	(4)	(4)
Total current assets	60,083	61,236
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,290	12,246
Machinery and vehicles	5,064	6,280
Land	11,433	10,986
Construction in progress	1,589	74
Other	2,592	2,729
Accumulated depreciation	(14,215)	(14,103)
Total property, plant and equipment	16,754	18,214
Intangible assets	92	188
Investments and other assets		
Investment securities	4,812	6,297
Investment property	1,915	1,638
Retirement benefit asset	360	467
Deferred tax assets	79	41
Other	449	545
Allowance for doubtful accounts	(116)	(46)
Total investments and other assets	7,501	8,944
Total non-current assets	24,348	27,347
Total assets	84,432	88,583

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable - trade	2,362	1,685
Electronically recorded obligations - operating	1,529	1,594
Accounts payable for construction contracts	5,288	5,282
Accounts payable - trade	283	227
Current portion of long-term borrowings	700	100
Income taxes payable	1,234	1,920
Contract liabilities	2,537	488
Provision for bonuses	518	540
Provision for bonuses for directors (and other officers)	67	65
Provision for warranties for completed construction	56	109
Provision for loss on construction contracts	—	1
Other	2,377	2,615
Total current liabilities	16,956	14,631
Non-current liabilities		
Long-term borrowings	100	700
Retirement benefit liability	133	157
Provision for retirement benefits for directors (and other officers)	146	126
Provision for share awards for directors (and other officers)	100	65
Deferred tax liabilities	2,260	3,025
Deferred tax liabilities for land revaluation	483	498
Asset retirement obligations	16	12
Other	366	159
Total non-current liabilities	3,607	4,745
Total liabilities	20,564	19,377
Net assets		
Shareholders' equity		
Share capital	6,889	6,889
Capital surplus	1,000	999
Retained earnings	55,739	60,358
Treasury shares	(4,201)	(4,996)
Total shareholders' equity	59,426	63,251
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,738	2,797
Revaluation reserve for land	958	944
Foreign currency translation adjustment	1,008	1,332
Remeasurements of defined benefit plans	253	244
Total accumulated other comprehensive income	3,960	5,319
Non-controlling interests	480	636
Total net assets	63,868	69,206
Total liabilities and net assets	84,432	88,583

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income (cumulative)**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales of completed construction contracts	60,377	66,283
Cost of sales of completed construction contracts	47,551	50,543
Gross profit on completed construction contracts	12,826	15,739
Selling, general and administrative expenses	4,764	5,125
Operating profit	8,061	10,613
Non-operating income		
Interest income	98	111
Dividend income	133	206
Rental income from real estate	215	231
Foreign exchange gains	61	24
Gain on investments in investment partnerships	74	136
Reversal of allowance for doubtful accounts	—	28
Other	101	100
Total non-operating income	686	839
Non-operating expenses		
Interest expenses	4	5
Rental costs on real estate	132	147
Loss on investments in investment partnerships	11	14
Commission for purchase of treasury shares	27	1
Other	22	49
Total non-operating expenses	199	217
Ordinary profit	8,548	11,235
Extraordinary income		
Gain on sale of non-current assets	—	81
Subsidy income	—	523
Gain on sale of investment securities	—	29
Total extraordinary income	—	635
Extraordinary losses		
Loss on sale of non-current assets	—	15
Total extraordinary losses	—	15
Profit before income taxes	8,548	11,855
Income taxes - current	2,274	2,912
Income taxes - deferred	(62)	283
Total income taxes	2,212	3,195
Profit	6,336	8,660
Profit attributable to non-controlling interests	92	205
Profit attributable to owners of parent	6,243	8,454

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	6,336	8,660
Other comprehensive income		
Valuation difference on available-for-sale securities	721	1,058
Foreign currency translation adjustment	251	323
Remeasurements of defined benefit plans, net of tax	167	(9)
Revaluation reserve for land	—	(14)
Total other comprehensive income	1,141	1,358
Comprehensive income	7,477	10,018
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,385	9,813
Comprehensive income attributable to non-controlling interests	92	205

(3) Consolidated Statements of Changes in Equity**Fiscal year ended March 31, 2024**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,889	1,000	51,396	(3,051)	56,234
Changes during period					
Dividends of surplus			(1,901)		(1,901)
Profit attributable to owners of parent			6,243		6,243
Purchase of treasury shares				(1,200)	(1,200)
Disposal of treasury shares by stock benefit trust				49	49
Net changes in items other than shareholders' equity					
Total changes during period	—	—	4,342	(1,150)	3,191
Balance at end of period	6,889	1,000	55,739	(4,201)	59,426

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,017	958	757	86	2,819	394	59,448
Changes during period							
Dividends of surplus							(1,901)
Profit attributable to owners of parent							6,243
Purchase of treasury shares							(1,200)
Disposal of treasury shares by stock benefit trust							49
Net changes in items other than shareholders' equity	721	—	251	167	1,141	86	1,228
Total changes during period	721	—	251	167	1,141	86	4,420
Balance at end of period	1,738	958	1,008	253	3,960	480	63,868

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,889	1,000	55,739	(4,201)	59,426
Changes during period					
Dividends of surplus			(3,035)		(3,035)
Profit attributable to owners of parent			8,454		8,454
Purchase of treasury shares				(1,650)	(1,650)
Disposal of treasury shares		36		27	63
Cancellation of treasury shares		(36)	(800)	836	—
Treasury stock possession of stock ownership plan trust				(63)	(63)
Disposal of treasury shares by stock benefit trust				55	55
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	4,619	(795)	3,824
Balance at end of period	6,889	999	60,358	(4,996)	63,251

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,738	958	1,008	253	3,960	480	63,868
Changes during period							
Dividends of surplus							(3,035)
Profit attributable to owners of parent							8,454
Purchase of treasury shares							(1,650)
Disposal of treasury shares							63
Cancellation of treasury shares							—
Treasury stock possession of stock ownership plan trust							(63)
Disposal of treasury shares by stock benefit trust							55
Net changes in items other than shareholders' equity	1,058	(14)	323	(9)	1,358	155	1,514
Total changes during period	1,058	(14)	323	(9)	1,358	155	5,338
Balance at end of period	2,797	944	1,332	244	5,319	636	69,206

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	8,548	11,855
Depreciation	618	732
Amortization of goodwill	—	25
Subsidy income	—	(523)
Increase (decrease) in allowance for doubtful accounts	3	(70)
Increase (decrease) in provision for loss on construction contracts	—	1
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	(19)
Increase (decrease) in provision for share awards for directors (and other officers)	9	(26)
Increase (decrease) in other provisions	67	73
Decrease (increase) in retirement benefit asset	(360)	(107)
Increase (decrease) in retirement benefit liability	259	14
Interest and dividend income	(232)	(318)
Interest expenses	4	5
Foreign exchange losses (gains)	(109)	11
Loss (gain) on sale of investment securities	—	(29)
Decrease (increase) in trade receivables	(1,471)	846
Decrease (increase) in costs on construction contracts in progress	22	(110)
Decrease (increase) in other inventories	1	(70)
Increase (decrease) in contract liabilities	1,428	(2,049)
Increase (decrease) in trade payables	644	(695)
Other, net	(66)	(867)
Subtotal	9,371	8,676
Subsidies received	—	285
Interest and dividends received	230	319
Interest paid	(4)	(5)
Income taxes paid	(2,470)	(2,337)
Net cash provided by (used in) operating activities	7,126	6,937

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(307)	(107)
Proceeds from withdrawal of time deposits	307	307
Purchase of investment securities	(140)	(40)
Proceeds from sale and redemption of investment securities	—	40
Purchase of property, plant and equipment	(1,907)	(2,000)
Proceeds from sale of property, plant and equipment	0	549
Proceeds from collection of loans receivable	—	389
Proceeds from sale of investment property	—	219
Proceeds from distributions from investment partnerships	236	161
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	—	5
Payments for acquisition of businesses	—	(130)
Other, net	(78)	103
Net cash provided by (used in) investing activities	(1,889)	(500)
Cash flows from financing activities		
Proceeds from long-term borrowings	—	700
Repayments of long-term borrowings	—	(700)
Purchase of treasury shares	(1,200)	(1,714)
Proceeds from disposal of treasury shares	17	110
Dividends paid	(1,900)	(3,028)
Dividends paid to non-controlling interests	(6)	(59)
Net cash provided by (used in) financing activities	(3,088)	(4,692)
Effect of exchange rate change on cash and cash equivalents	219	308
Net increase (decrease) in cash and cash equivalents	2,367	2,053
Cash and cash equivalents at beginning of period	29,004	31,371
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	24
Cash and cash equivalents at end of period	31,371	33,449

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Purchase of treasury shares

On February 5, 2024, the repurchase of treasury shares based on the resolution of the Board of Directors held on October 31, 2023 was completed. As a result, Meisei Industrial repurchased 1,071,000 treasury shares in the fiscal year ended March 31, 2024, resulting in an increase in treasury shares of 1,199 million yen.

The fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Purchase of treasury shares

On November 22, 2024, the repurchase of treasury shares based on the resolution of the Board of Directors meeting held on November 21, 2024 was completed. As a result, Meisei Industrial repurchased 1,269,000 treasury shares in the fiscal year ended March 31, 2025, resulting in an increase in treasury shares of 1,650 million yen.

2. Cancellation of treasury shares

The Board of Directors of Meisei Industrial approved a resolution on November 21, 2024 to cancel shares in accordance with Article 178 of the Companies Act. Meisei Industrial cancelled 1,269,000 treasury shares on December 27, 2024. As a result, there were decreases of 836 million yen in treasury shares, 36 million yen in capital surplus and 800 million yen in retained earnings.

Additional Information

Distribution of stock to directors using a trust

Meisei Industrial has a stock remuneration program using a trust for directors (excluding directors who are Audit & Supervisory Committee members and outside directors). The purpose of this remuneration is to give the directors an added incentive to contribute to the medium to long-term growth of sales and earnings and of corporate value.

The accounting method used for trust contracts with directors is based on Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

(1) Summary

Meisei Industrial makes monetary contributions to the director remuneration trust and the trust uses the funds to purchase Meisei Industrial stock. This stock is subsequently distributed from the trust to directors when they leave the Board of Directors based on points granted in accordance with stock distribution rules established by the Board of Directors.

(2) Stock held by the trust

The trust book value (excluding associated expenses) of Meisei Industrial stock held by the trust is included in treasury shares in net assets. The book value and number of shares of stock in the trust were 124 million yen and 163,000 shares and 132 million yen and 140,000 shares as of March 31, 2024 and 2025, respectively.

Segment and Other Information

Segment Information

1. Overview of reportable segment

The Meisei Industrial Group's segments used for financial reporting are the constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The main activities of the group are the construction business, which primarily involves thermal insulation, and the boiler business, which primarily involves the manufacture and installation of boilers.

As a result, the Meisei Industrial Group has two reportable segments: the Construction Business and the Boiler Business.

2. Calculation methods for net sales, profit or loss, assets, liabilities, and other items of each reportable segment

The accounting method used for reportable operating segments is generally the same as the methods adopted in the preparation of consolidated financial statements.

Profits for reportable segments are operating profit figures.

Inter-segment sales and transfers are based on market prices.

3. Information related to net sales, profit or loss, assets, liabilities and other items of each reportable segment, and information on disaggregation of revenue

I. The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Information on net sales and profit or loss on each reportable segment, and information on disaggregation of revenue
(Millions of yen)

	Construction	Boiler	Total	Adjustment (Notes 1, 2 and 3)	Amounts on the consolidated statements of income (Note 4)
Net sales:					
Japan	46,953	6,700	53,653	—	53,653
Asia	6,495	210	6,706	—	6,706
Other	—	16	16	—	16
Revenue from contracts with customers	53,449	6,927	60,377	—	60,377
Sales to external customers	53,449	6,927	60,377	—	60,377
Intersegment sales or transfers	25	291	317	(317)	—
Total	53,474	7,219	60,694	(317)	60,377
Segment profit	7,622	429	8,051	10	8,061
Segment assets	48,024	8,729	56,753	27,678	84,432
Other items:					
Depreciation	486	64	551	67	618
Increase in property, plant and equipment and intangible assets	416	1,554	1,971	0	1,971

Notes: 1. Adjustment for segment profit represents eliminations of intersegment sales or transfers.

2. Adjustment for segment assets consists of negative 241 million yen of adjustment of intersegment transactions and 27,920 million yen of corporate assets, which are primarily surplus funds (cash and deposits) of Meisei Industrial, long-term investment funds (investment securities and investments in capital), and headquarters buildings.

3. Adjustments for other items represent the amounts of adjustments related to corporate assets (headquarters buildings and others).

4. Segment profit is adjusted to be consistent with operating profit in the consolidated statements of income.

5. Net sales are based on the construction site and are categorized by country or region.

II. The fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Information on net sales and profit or loss on each reportable segment, and information on disaggregation of revenue
(Millions of yen)

	Construction	Boiler	Total	Adjustment (Notes 1, 2 and 3)	Amounts on the consolidated statements of income (Note 4)
Net sales:					
Japan	52,642	7,262	59,904	—	59,904
Asia	6,302	71	6,373	—	6,373
Other	—	4	4	—	4
Revenue from contracts with customers	58,944	7,338	66,283	—	66,283
Sales to external customers	58,944	7,338	66,283	—	66,283
Intersegment sales or transfers	10	315	326	(326)	—
Total	58,955	7,653	66,609	(326)	66,283
Segment profit	10,102	499	10,602	11	10,613
Segment assets	48,323	8,506	56,830	31,753	88,583
Other items:					
Depreciation	513	152	665	67	732
Increase in property, plant and equipment and intangible assets	587	2,001	2,589	—	2,589

Notes: 1. Adjustment for segment profit represents eliminations of intersegment sales or transfers.

2. Adjustment for segment assets consists of negative 233 million yen of adjustment of intersegment transactions and 31,986 million yen of corporate assets, which are primarily surplus funds (cash and deposits) of Meisei Industrial, long-term investment funds (investment securities and investments in capital), and headquarters buildings.

3. Adjustments for other items represent the amounts of adjustments related to corporate assets (headquarters buildings and others).

4. Segment profit is adjusted to be consistent with operating profit in the consolidated statements of income.

5. Net sales are based on the construction site and are categorized by country or region.

Related information

The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Information by product and service

This information is omitted since the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted since the same information is presented in segment information.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheets.

3. Information by major client

This information is omitted since no external client accounts for more than 10% of net sales on the consolidated statements of income.

The fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by product and service

This information is omitted since the same information is presented in segment information.

2. Information by region

(1) Net sales

This information is omitted since the same information is presented in segment information.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheets.

3. Information by major client

This information is omitted since no external client accounts for more than 10% of net sales on the consolidated statements of income.

Information related to impairment of non-current assets for each reportable segment

The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

The fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

Information related to goodwill amortization and the unamortized balance for each reportable segment

The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

The fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

	(Millions of yen)			
	Construction	Boiler	Elimination or corporate	Total
Amortization for the period	25	—	—	25
Balance at end of period	100	—	—	100

Information related to gain on bargain purchase for each reportable segment

The fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

The fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

Revenue Recognition

Information on revenue from contracts with customers broken down is described in Segment Information.

Per-share Information

(Yen)

	Fiscal year ended March 31, 2024 (Apr. 1, 2023 – Mar. 31, 2024)	Fiscal year ended March 31, 2025 (Apr. 1, 2024 – Mar. 31, 2025)
Net assets per share	1,299.12	1,440.69
Net income per share	126.06	174.68

Notes: 1. Diluted net income per share is not presented because there are no potentially dilutive shares.

2. The basis for calculating net income per share is as follows.

	Fiscal year ended March 31, 2024 (Apr. 1, 2023 – Mar. 31, 2024)	Fiscal year ended March 31, 2025 (Apr. 1, 2024 – Mar. 31, 2025)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	6,243	8,454
Profit not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent applicable to common shareholders (Millions of yen)	6,243	8,454
Average number of common shares outstanding during period (Thousand shares)	49,529	48,401

Note: Meisei Industrial stock held by a trust established to distribute shares to officers (Officers' Share Distribution Trust) is included in treasury shares and is thus deducted from the number of shares issued at the end of each fiscal year that was used to calculate net assets per share (deductions of 163,000 shares and 140,000 shares in the fiscal years ended March 31, 2024 and 2025, respectively).

In addition, this trust stock is included in treasury shares that was deducted from the average number of shares outstanding during the period that was used to calculate net income per share (deductions of 191,000 shares and 134,000 shares in the fiscal years ended March 31, 2024 and 2025, respectively).

Omission of Disclosure

Disclosure of the notes other than the above was omitted due to the minor necessity of disclosure.

Status of Orders Received, Net Sales and Balance of Orders**(1) Orders received**

Segment	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction	52,015	89.8	56,778	91.2	4,762	9.2
Boiler	5,939	10.2	5,493	8.8	(446)	(7.5)
Total	57,955	100.0	62,271	100.0	4,316	7.4

(2) Net sales

Segment	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction	53,449	88.5	58,944	88.9	5,495	10.3
Boiler	6,927	11.5	7,338	11.1	410	5.9
Total	60,377	100.0	66,283	100.0	5,906	9.8

(3) Balance of orders

Segment	Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025		Increase (decrease)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Construction	18,418	79.2	16,252	84.4	(2,166)	(11.8)
Boiler	4,841	20.8	2,996	15.6	(1,844)	(38.1)
Total	23,260	100.0	19,249	100.0	(4,011)	(17.2)

Material Subsequent Events

Not applicable.