

# The 1st Quarter FY2022 Summary of Financial Results

August 5, 2022

 **三機工業株式会社**



## ☆Key Points of Financial Results

Plant & Machinery Systems Business orders declined due to a fallback from orders for large projects for Environmental Systems in 1Q FY2021, but Facilities Construction Business orders rose YoY  
Sales and profit both declined due to delayed progress on construction work  
However, the balance carried forward rose YoY due to large work volumes secured by Industrial HVAC and Electrical Systems in particular

<Orders> 46.974 billion yen (56.023 billion yen in the same period of the previous fiscal year)

- Orders declined overall due to a fallback from orders for large projects for Environmental Systems in 1Q FY2021
- Orders for the Facilities Construction Business rose YoY due to strong orders for Industrial HVAC and Facility Systems

<Net sales> 33.450 billion yen (38.737 billion yen in the same period of the previous fiscal year)

- Net sales in the Facilities Construction Business rose YoY due to sales for large projects in HVAC and Plumbing for Buildings. Industrial HVAC and Electrical Systems sales declined, but the balance carried forward rose sharply YoY, and Industrial HVAC in particular is expected to contribute to sales in FY2022
- Net sales in Plant & Machinery Systems Business were flat YoY

<Gross profit> Gross profit amounted to 3.948 billion yen (4.661 billion yen in the same period of the previous fiscal year)

- Gross profit fell YoY due to the decline in net sales
- Gross profit margin remains elevated, but fell YoY because the decline in net sales increased the ratio of construction overhead costs  
Gross profit margin is expected to improve from 2Q as sales are secured along with progress on construction

<FY2022 consolidated results forecasts>

- Orders received of 200 billion yen, net sales of 200 billion yen, and ordinary income of 10 billion yen (no change from initial forecast)

<Shareholder returns>

- Conducted shareholder returns according to medium-term management plan “Century 2025” Phase 3 financial and capital policies
- Forecast interim dividend: 35 yen, year-end dividend: 35 yen, annual dividend: 70 yen (no change from initial forecast)
- 1,500,000 shares of treasury stock to be acquired by the end of FY2022.  
Plan to retire 1,500,000 shares of treasury stock on August 15, 2022
- Expected payout ratio: 56.7%, total return ratio: 92.9%

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# THE 1ST QUARTER FY2022 RESULTS

## FY2022 1Q Results (Consolidated)

(Millions of yen)

	June FY2020	June FY2021	June FY2022	Year on year	Rate of Change (%)
Orders received	47,660	56,023	46,974	(9,048)	(16.2)
Balance carried forward	145,569	158,962	164,262	5,299	3.3
Net sales	38,253	38,737	33,450	(5,287)	(13.6)
Completed construction contracts	37,654	38,121	32,814	(5,306)	(13.9)
Real estate business and others	599	616	635	19	3.2
Gross profit	5,120	4,661	3,948	(713)	(15.3)
Completed construction contracts	4,875	4,381	3,670	(710)	(16.2)
Real estate business and others	244	280	277	(2)	(0.9)
Gross profit margin (%)	13.4	12.0	11.8	(0.2) <sub>pt</sub>	—
Selling, general and administrative expenses	5,274	4,940	5,209	268	5.4
Operating profit (loss)	(154)	(278)	(1,260)	(982)	—
Non-operating profit and loss	221	264	399	135	51.2
Ordinary profit (loss)	66	(13)	(860)	(846)	—
Extraordinary profit and loss	(82)	(1)	25	27	—
Profit attributable to owners of parent (loss)	11	(35)	(637)	(602)	—

## Quarterly Results (Consolidated)

(Millions of yen)

	FY2020				FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Orders received	47,660	55,575	43,211	49,132	56,023	40,482	49,288	56,456	46,974
Net sales	38,253	42,611	48,351	60,851	38,737	45,332	51,652	57,466	33,450
Gross profit	5,120	5,637	7,414	10,582	4,661	6,396	8,901	10,264	3,948
Gross profit margin (%)	13.4	13.2	15.3	17.4	12.0	14.1	17.2	17.9	11.8
Selling, general and administrative expenses	5,274	4,976	5,064	5,939	4,940	5,092	4,976	6,101	5,209
Operating profit (loss)	(154)	660	2,350	4,642	(278)	1,303	3,924	4,162	(1,260)
Operating profit margin (%)	(0.4)	1.5	4.9	7.6	(0.7)	2.9	7.6	7.2	(3.8)
Ordinary profit (loss)	66	776	2,527	4,826	(13)	1,324	4,233	4,272	(860)
Extraordinary profit and loss	(82)	(243)	(40)	(33)	(1)	11	(97)	(215)	25
Profit attributable to owners of parent (loss)	11	809	1,647	3,431	(35)	899	2,820	2,805	(637)

## Orders Received by Segment (Consolidated)

(Millions of yen)

Segment	June FY2020	June FY2021	June FY2022	Year on year	Rate of Change (%)
HVAC and Plumbing for Buildings	14,235	13,889	12,848	(1,041)	(7.5)
Industrial HVAC	18,054	11,228	13,080	1,851	16.5
Electrical Systems	3,125	10,756	9,528	(1,227)	(11.4)
Facility Systems	2,645	2,147	3,410	1,262	58.8
<b>Total of Facilities Construction Business</b>	<b>38,062</b>	<b>38,022</b>	<b>38,867</b>	<b>844</b>	<b>2.2</b>
Machinery Systems	2,016	3,096	2,445	(650)	(21.0)
Environmental Systems	7,066	14,393	5,136	(9,256)	(64.3)
<b>Total of Plants &amp; Machinery Systems Business</b>	<b>9,082</b>	<b>17,490</b>	<b>7,582</b>	<b>(9,907)</b>	<b>(56.6)</b>
<b>Sub-total</b>	<b>47,144</b>	<b>55,512</b>	<b>46,450</b>	<b>(9,062)</b>	<b>(16.3)</b>
Real Estate Business	582	595	614	18	3.1
Others	133	128	117	(10)	(8.3)
Adjustments*	(200)	(213)	(207)	5	—
<b>Total</b>	<b>47,660</b>	<b>56,023</b>	<b>46,974</b>	<b>(9,048)</b>	<b>(16.2)</b>

\* “Adjustments” eliminate inter-segment transactions included in each segment.

## Net Sales by Segment (Consolidated)

(Millions of yen)

Segment	June FY2020	June FY2021	June FY2022	Year on year	Rate of Change (%)
HVAC and Plumbing for Buildings	10,847	10,792	11,126	333	3.1
Industrial HVAC	14,288	13,956	9,730	(4,226)	(30.3)
Electrical Systems	5,068	5,037	3,880	(1,157)	(23.0)
Facility Systems	2,016	2,034	1,779	(254)	(12.5)
<b>Total of Facilities Construction Business</b>	<b>32,220</b>	<b>31,820</b>	<b>26,516</b>	<b>(5,304)</b>	<b>(16.7)</b>
Machinery Systems	2,262	2,192	1,498	(693)	(31.7)
Environmental Systems	3,298	4,120	4,815	695	16.9
<b>Total of Plants &amp; Machinery Systems Business</b>	<b>5,560</b>	<b>6,312</b>	<b>6,314</b>	<b>1</b>	<b>0.0</b>
<b>Sub-total</b>	<b>37,781</b>	<b>38,133</b>	<b>32,830</b>	<b>(5,302)</b>	<b>(13.9)</b>
Real Estate Business	582	595	614	18	3.1
Others	170	114	114	(0)	(0.5)
Adjustments*	(280)	(106)	(108)	(2)	—
<b>Total</b>	<b>38,253</b>	<b>38,737</b>	<b>33,450</b>	<b>(5,287)</b>	<b>(13.6)</b>

\* "Adjustments" eliminate inter-segment transactions included in each segment.



## Gross Profit by Segment (Consolidated)

(Millions of yen)

Segment		June FY2020	June FY2021	June FY2022	Year on year	Rate of Change (%)
Gross Profit by segment	HVAC and Plumbing for Buildings/Industrial HVAC /Electrical Systems	4,103	3,526	2,740	(785)	(22.3)
	Facility Systems	183	255	223	(32)	(12.7)
	<b>Total of Facilities Construction Business</b>	<b>4,286</b>	<b>3,782</b>	<b>2,964</b>	<b>(818)</b>	<b>(21.6)</b>
	Machinery Systems	427	331	172	(158)	(47.9)
	Environmental Systems	248	313	600	286	91.3
	<b>Total of Plants &amp; Machinery Systems Business</b>	<b>675</b>	<b>645</b>	<b>773</b>	<b>127</b>	<b>19.8</b>
	<b>Sub-total</b>	<b>4,962</b>	<b>4,428</b>	<b>3,737</b>	<b>(690)</b>	<b>(15.6)</b>
	Real Estate Business	232	259	258	(0)	(0.3)
	Others	4	4	(0)	(4)	—
	Adjustments*	(78)	(29)	(46)	(16)	—
<b>Total</b>	<b>5,120</b>	<b>4,661</b>	<b>3,948</b>	<b>(713)</b>	<b>(15.3)</b>	

\* "Adjustments" eliminate inter-segment transactions included in each segment.



**THE 1ST QUARTER FY2022  
BALANCE SHEET AND STATEMENT OF CASH FLOWS**

## Balance Sheet (Consolidated)

(Millions of yen)

	End of FY2021 A	June FY2022 B	Diff. B-A	Rate of change (%)	June FY2021
<b>Current assets</b>	125,742	106,119	(19,623)	(15.6)	105,256
Cash and deposits	42,779	42,465	(313)	(0.7)	39,951
Securities	5,999	5,999	—	—	2,999
Notes receivable – trade, electronically recorded monetary claims –operating, accounts receivable from completed construction contracts and other, and contract assets	66,761	46,821	(19,940)	(29.9)	53,901
<b>Non-current assets</b>	57,866	57,805	(61)	(0.1)	55,441
Investment securities	30,447	30,507	60	0.2	28,911
<b>Current liabilities</b>	79,210	62,695	(16,514)	(20.8)	59,545
Electronically recorded obligations - operating	2,588	2,268	(319)	(12.3)	956
Accounts payable on construction contracts	37,932	27,374	(10,558)	(27.8)	33,844
<b>Non-current liabilities</b>	10,121	10,161	39	0.4	11,883
<b>Total net assets</b>	94,278	91,067	(3,210)	(3.4)	89,268
Treasury shares	(5,243)	(5,095)	147	—	(3,804)
<b>Total liabilities and net assets</b>	183,609	163,924	(19,685)	(10.7)	160,697
<b>Book-value per share (yen)</b>	1,685.20	1,626.41	(58.79)	(3.5)	1,568.48
<b>Equity ratio (%)</b>	51.2	55.4	4.2 <sub>Pt</sub>	—	55.4
<b>Interest-bearing liabilities (consolidated)</b>	9,205	8,087	(1,118)	(12.1)	9,472

## Statement of Cash Flows (Consolidated)

- The balance of cash and cash equivalents decreased from the end of previous fiscal year
- The increase in cash flows from operating activities is due to progress in recovery of receivables
  - The decrease in cash flows from investment activities is due to the acquisition of property, plant and equipment and of intangible assets
  - The decrease in cash flows from financing activities is mainly due to the repayment of short- and long-term borrowings and the payment of dividends

(Millions of yen)

	FY2018	FY2019	FY2020	FY2021	June FY2022	June FY2021
Cash flows from operating activities	6,786	11,940	(483)	18,529	3,585	7,939
Cash flows from investing activities	(3,775)	(303)	(1,423)	(3,384)	(24)	(390)
Cash flows from financing activities	(5,215)	(8,955)	(6,974)	(7,518)	(3,931)	(3,724)
Cash and cash equivalents at end of period	42,612	45,946	37,087	44,779	44,465	40,951



# **FY2022 FORECAST**

# 【Overall Forecast】

## FY2022 Full-Year Forecast (Consolidated)

(Millions of yen)

	FY2018	FY2019	FY2020	FY2021	FY2022 forecast (Initial forecast) A	FY2022 forecast (Interim forecast from August 5) B	Increase/ Decrease B-A	Rate of change (%)
Orders received	217,096	194,018	195,580	202,250	200,000	200,000	—	—
Balance carried forward	149,495	136,163	141,676	150,737	150,737	150,737	—	—
Net sales	212,314	207,684	190,067	193,189	200,000	200,000	—	—
Gross profit	31,684	32,110	28,754	30,223	31,500	31,500	—	—
Gross profit margin (%)	14.9	15.5	15.1	15.6	15.8	15.8	—	—
Operating profit	10,637	10,674	7,498	9,112	9,500	9,500	—	—
Ordinary profit	11,204	11,224	8,196	9,817	10,000	10,000	—	—
Profit attributable to owners of parent	9,046	7,576	5,901	6,489	6,900	6,900	—	—

## FY2022 Forecast of Orders Received and Net Sales by Segment (Consolidated)

(Millions of yen)

Segment		FY2022 Orders Received Forecast	FY2022 Net sales Forecast
	HVAC and Plumbing for Buildings	58,000	57,000
	Industrial HVAC	70,000	65,000
	Electrical Systems	26,000	27,000
	Facility Systems	11,000	11,000
Total of Facilities Construction Business		165,000	160,000
	Machinery Systems	13,000	12,000
	Environmental Systems	20,000	26,000
Total of Plants & Machinery Systems Business		33,000	38,000
Sub Total		198,000	198,000
Real Estate Business		2,400	2,400
Others		500	500
Adjustments*		(900)	(900)
Total		200,000	200,000

\* "Adjustments" eliminate inter-segment transactions included in each segment.

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## SHAREHOLDER RETURNS

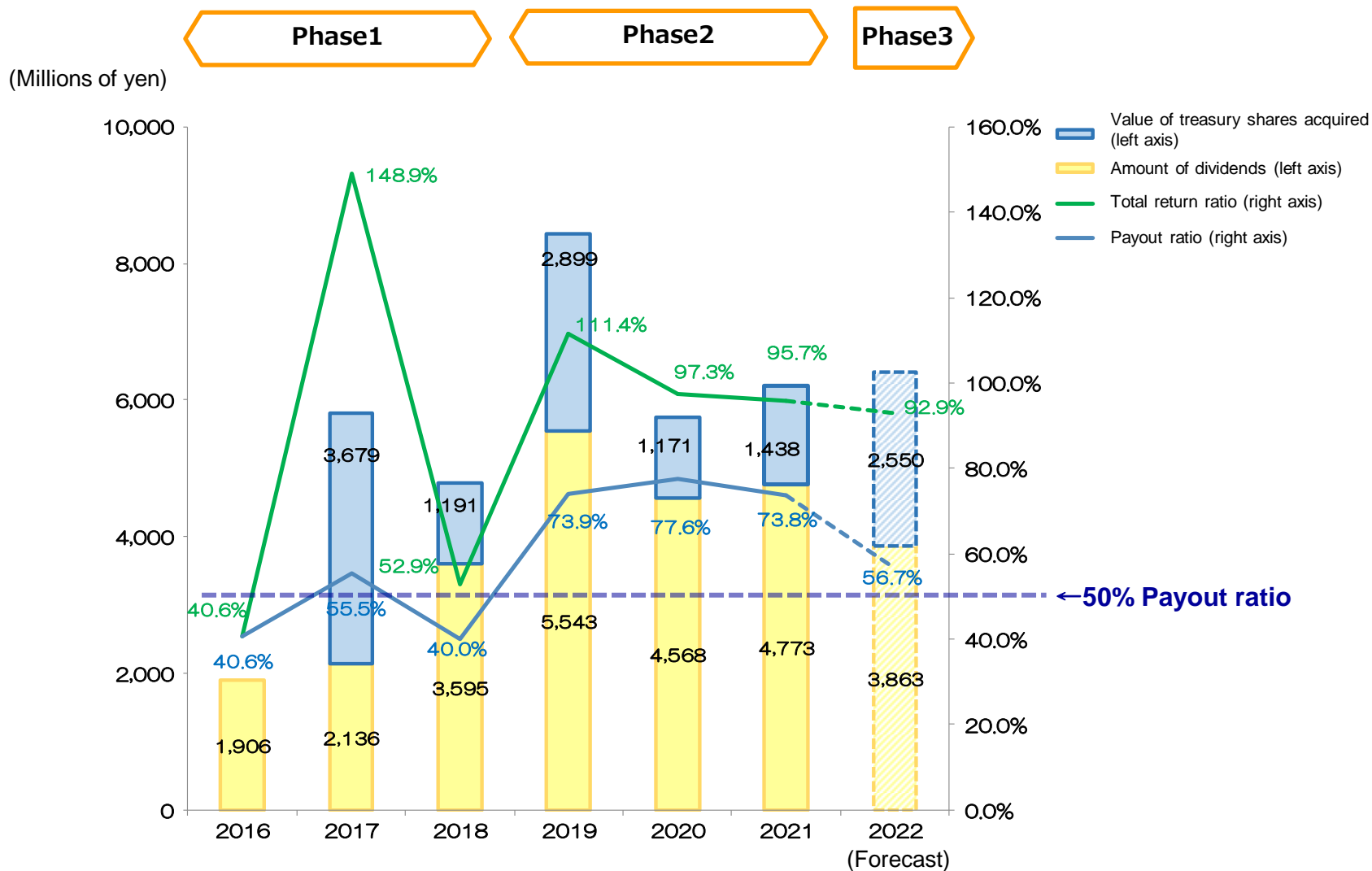


## Dividends and Others

- Conducted shareholder returns according to medium-term management plan “Century 2025” Phase 3 financial and capital policies
- Forecast interim dividend: 35 yen, year-end dividend: 35 yen, annual dividend: 70 yen (no change from initial forecast)
- 1,500,000 shares of treasury stock to be acquired by the end of FY2022.  
Plan to retire 1,500,000 shares of treasury stock on August 15, 2022
- Expected payout ratio: 56.7%, total return ratio: 92.9%

	FY2018	FY2019	FY2020	FY2021	FY2021 (Forecast)
Earnings per share (yen)	150.02	128.51	103.12	115.13	123.41
Cash dividends per share: regular dividends (yen)	40	70	70	70	70
Cash dividends per share: extra dividends (yen)	20	25	10	15	—
Cash dividends per share (yen)	60	95	80	85	70
Payout ratio (consolidated) (%)	40.0	73.9	77.6	73.8	56.7
Total return ratio (%)	52.9	111.4	97.3	95.7	92.9
Number of shareholders at end of FY	3,381	4,216	14,861	14,524	—
Share price at end of FY (yen)	1,210	1,211	1,453	1,398	—
Acquisition of treasury shares (thousand shares)	1,000	1,958	1,000	1,000	1,500
Retirement of treasury shares (thousand shares)	1,000	2,000	1,000	—	1,500

# 【Shareholder Returns】





# **SUPPLEMENTARY MATERIALS**

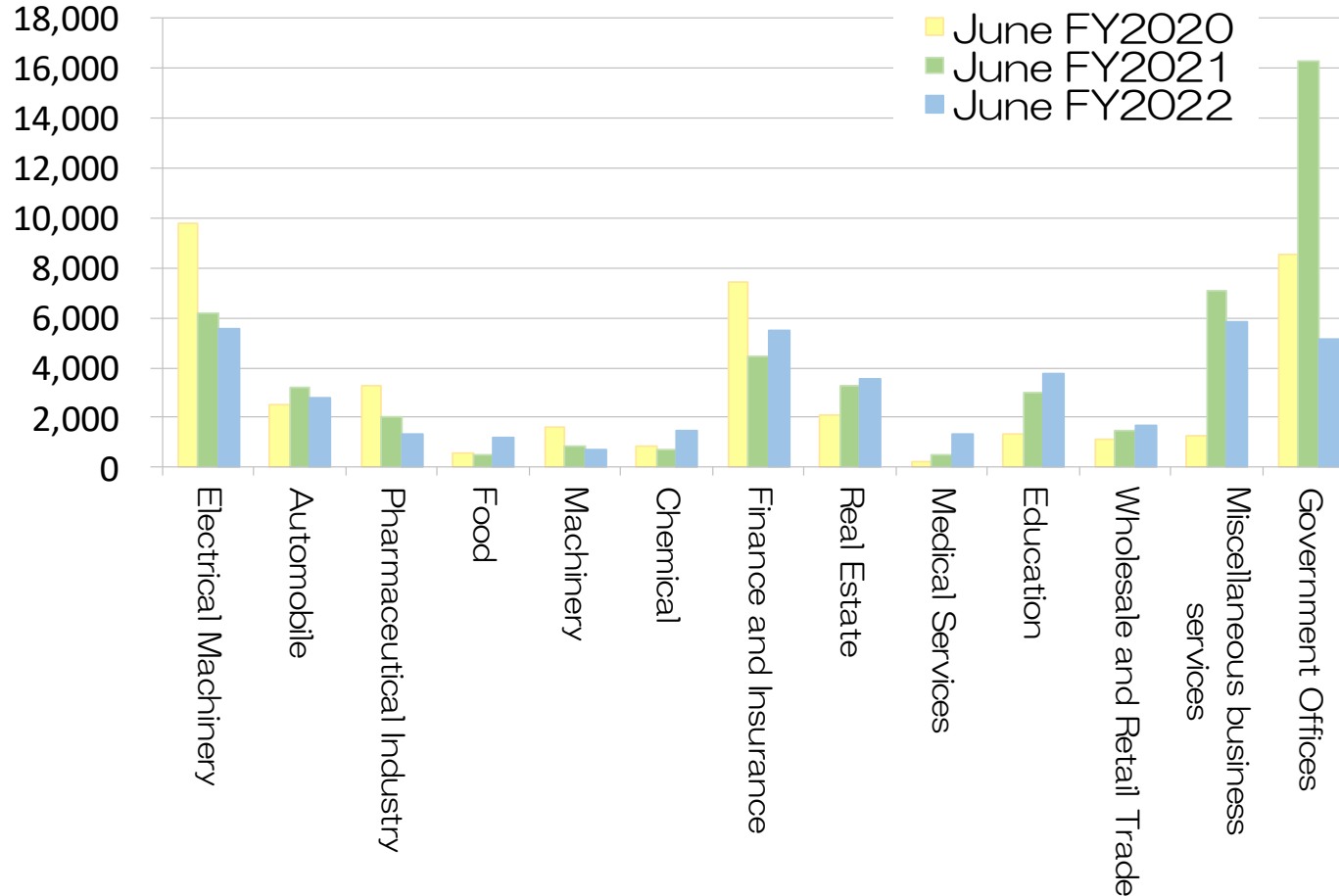
## Orders Received by Type

(Millions of yen)

	FY2019 Full-year	FY2020 Full-year	FY2021 Full-year	June FY2021 A	June FY2022 B	Diff. B-A
Orders received (Non-consolidated: Facilities Construction Business)	147,191	149,278	151,747	35,938	36,829	891
Orders received from general contractors (Non-consolidated: Facilities Construction Business)	48,238	63,544	62,299	13,105	11,236	(1,868)
Rate of orders received from general contractors (Non-consolidated: Facilities Construction Business) (%)	32.8	42.6	41.1	36.5	30.5	(6.0) pt.
Orders received (Consolidated)	194,018	195,580	202,250	56,023	46,974	(9,048)
Orders received from overseas projects (Consolidated)	3,143	2,789	4,283	989	787	(201)
Rate of orders received from overseas projects (Consolidated) (%)	1.6	1.4	2.1	1.8	1.7	(0.1) pt.
Orders received for renewal construction (Consolidated)	112,909	109,585	108,561	22,891	31,471	8,580
Rate of orders received for renewal construction (Consolidated) (%)	58.2	56.0	53.7	40.9	67.0	26.1 pt.
<Ref.> Net sales for renewal construction (Consolidated)	114,208	101,147	107,855	20,297	18,903	(1,394)

## Orders Received by Industry (Consolidated)

(Millions of yen)



## Main Large-Scale Projects Received and Large-Scale Completed Construction Projects

### ○Main Large-Scale Projects Received

Three projects (Property names undisclosed)

### ○Main Large-Scale Completed Construction Projects

Three projects

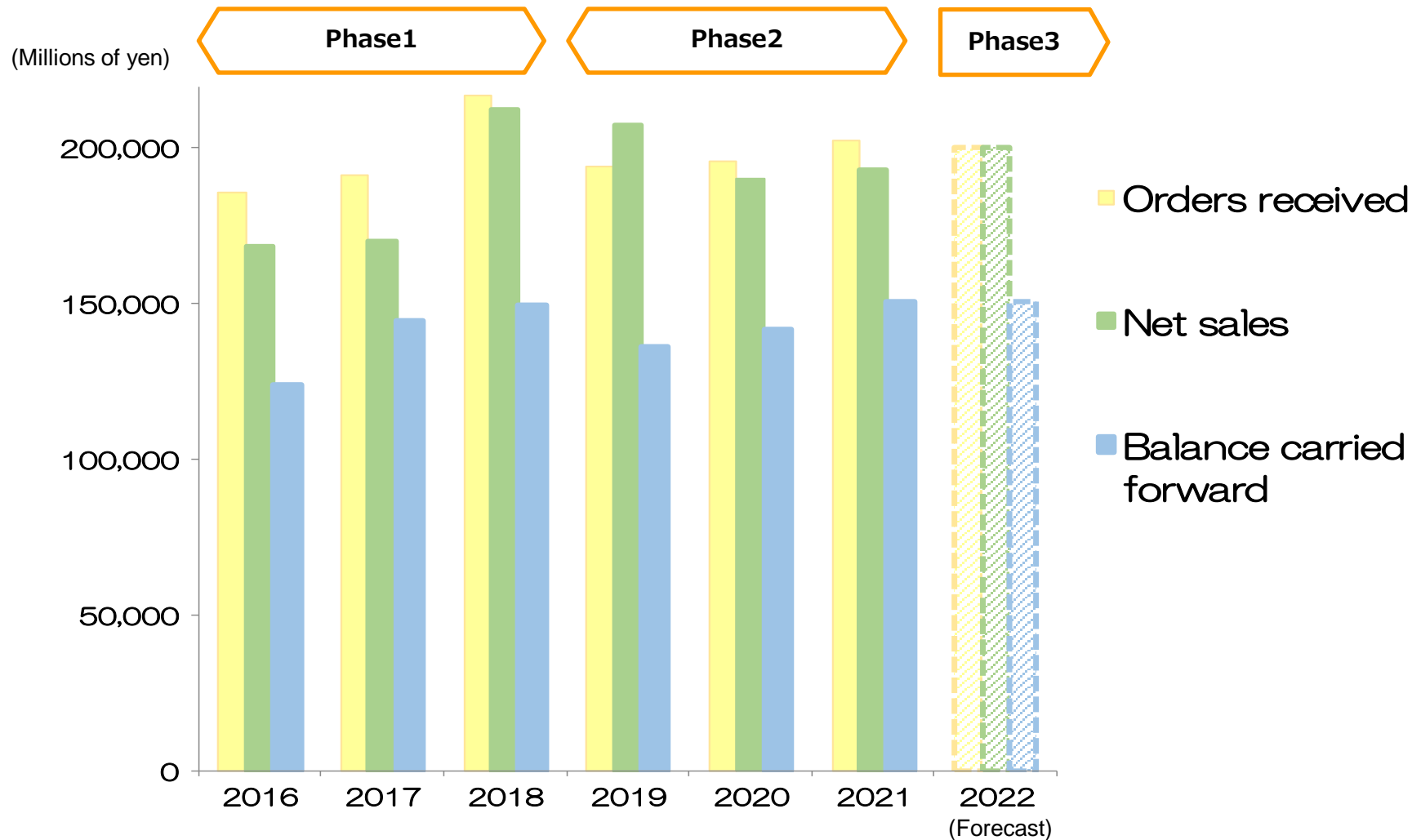
Property name	Item of construction	Type of construction	Location
Nidec Corporation Mukomachi Project C Building Construction and Other Works	HVAC and plumbing systems	New construction work	Kyoto
Kawanishi City General Medical Center	Plumbing systems	New construction work	Hyogo
Oochi Clean Center New Combustible Waste Joint Treatment Facility Construction Project	Waste treatment facility	New construction work	Shimane

\* The property name is the name being used by the Company. This may differ from the name used on the construction contract.

## Main Large-Scale Projects Received over 1 Billion Yen (by Building Use)

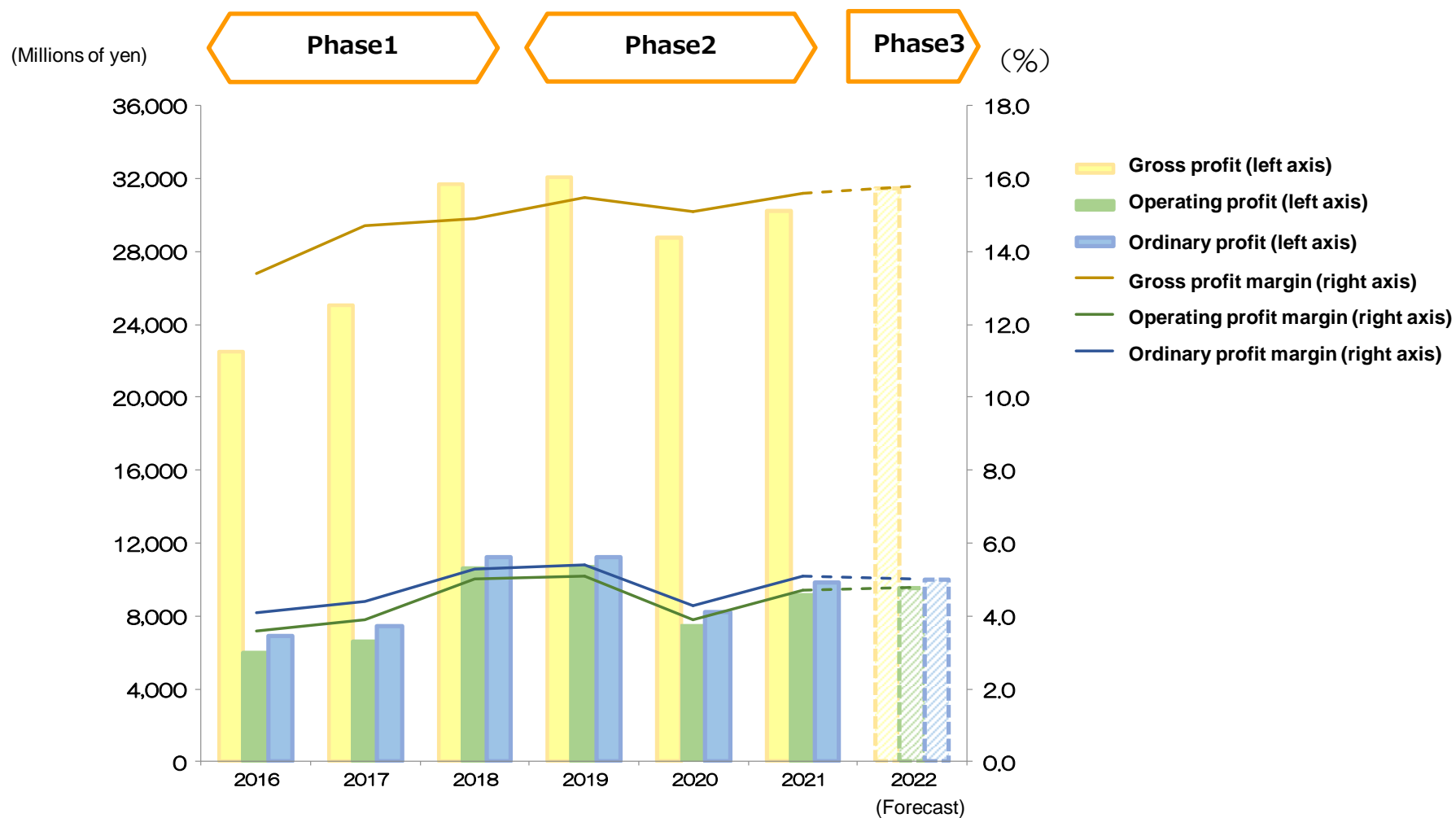
	June FY2020		June FY2021		June FY2022	
Office	1	<b>4 Projects</b> (7,917 million yen) * Orders received from customers: 2 projects * Orders received from general contractors: 2 projects	—	<b>4 Projects</b> (15,651 million yen) * Orders received from customers: 3 projects * Orders received from general contractors: 1 project	—	<b>3 Projects</b> (5,792 million yen) * Orders received from customers: 1 project * Orders received from general contractors: 2 projects
Factory	1		—		1	
Research institute	1		—		—	
Other building interiors	—		1		1	
Water treatment plants and sewage plants	1		1		—	
Hospital	—		1		—	
School building and auditoriums	—		—		1	
Water treatment plants and sewage plants	—		1		—	

## Century 2025 Results (Consolidated) <Orders Received and Net Sales>





## Century 2025 Results (Consolidated) <Profit>



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Statements about the future, such as results forecasts included in these materials, are based on judgments made according to the information available to the Company as of August 5. Actual results may differ from the figures contained herein due to a number of factors.

For inquiries, please contact:  
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