

Expands business performance through M&A of community-based companies

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[7369 Meiho Holdings Sector : Services]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Jun. 2019	4,691	-	232	-	262	-	126	-	105.5	431.8	0.0
Jun. 2020	5,233	11.6	286	23.3	322	22.9	210	66.7	175.3	607.0	0.0
Jun. 2021 f	5,292	1.1	331	15.7	369	14.6	255	21.4	208.4	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending June 2021 are the company's forecasts.
It conducted 1-to-2,000 stock split on December 2, 2020. Per share indices are adjusted retroactively.

Develops Four Businesses

Meiho Holdings Group is comprised of Meiho Holdings, which conducts corporate management as a holding company, and 13 subsidiaries. Its operations are segmentalized into the construction-related service business, the personnel-related service business, the construction business and the nursing care business.

Figure1: Net Sales Breakdown

	Fiscal year ended Jun. 2020		Nine months to Mar. 2021	
	Net sales (mn yen)	Composition (%)	Net sales (mn yen)	Composition (%)
Construction-related service business	2,569	49.1	2,052	52.5
Personnel-related service business	990	18.9	791	20.2
Construction business	1,108	21.2	625	16.0
Nursing care business	564	10.8	439	11.2
Total	5,233	100.0	3,909	100.0

Note: Figures may not add up to the totals due to rounding.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

Construction-Related Service Business

In the construction-related service business, the main customers are national and local public entities. It provides traffic volume and other various research, design, survey work, consultation on compensation and construction management in public construction work and various other services to support customers. In addition to Gifu Prefecture where the company is based, it provides services in Aichi, Shiga, Fukui, Saga and Fukushima prefectures.

Personnel-Related Service Business

In the personnel-related service business, the main businesses are dispatching construction engineers to major general contractors and dispatching personnel to various manufacturers. In addition, its Cambodian subsidiary, MEIHO APHIVAT, conducts recruitment and education of candidates to be technical interns along with making arrangements for sending them to Japan.

Construction Business and Nursing Care Business

In the construction business, the company mainly conducts construction work, national route maintenance/management work and greening/slope construction for national and local public entities. In particular, it provides prompt services for national route maintenance/management work such as disaster recovery under a 24 hour 365 day system. In the nursing care business, it provides day care and long-term in-home care support at four visiting care facilities in Gifu City and one in Tokoname City, Aichi Prefecture.

Meiho Holdings (7369-TSE Mothers) ----- June 4 2021**Figure2: Financial Statements**

Statement of income	Fiscal Year	Jun. 2019		Jun. 2020		Nine months to Mar. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		4,691	100.0	5,233	100.0	3,909	100.0
Cost of sales		3,331	71.0	3,800	72.6	2,700	69.1
Gross profit		1,360	29.0	1,433	27.4	1,208	30.9
Selling, general and administrative expenses		1,127	24.0	1,147	21.9	832	21.3
Operating profit		232	4.9	286	5.5	376	9.6
Non-operating income		42	-	47	-	30	-
Non-operating expenses		12	-	11	-	5	-
Ordinary profit		262	5.6	322	6.2	400	10.2
Profit before income taxes		240	5.1	314	6.0	401	10.3
Net profit		126	2.7	210	4.0	259	6.6

Balance sheet	Fiscal Year	Mar. 2019		Mar. 2020		Nine months to Mar. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,264	55.6	1,484	59.8	2,246	69.8
Cash and deposits		411	18.1	240	9.7	441	13.7
Accounts receivable-trade		762	33.5	1,107	44.6	1,650	51.3
Inventories		33	1.5	48	1.9	63	2.0
Non-current assets		1,009	44.4	999	40.2	972	30.2
Property, plant and equipment		728	32.0	721	29.0	700	21.7
Intangible assets		94	4.1	95	3.8	80	2.5
Investments and other assets		187	8.2	181	7.3	191	5.9
Total assets		2,273	100.0	2,483	100.0	3,219	100.0
Current liabilities		1,191	52.4	1,252	50.4	1,847	57.4
Accounts payable-trade		105	4.6	170	6.8	195	6.1
Short-term borrowings		254	11.2	251	10.1	670	20.8
Current portion of long-term borrowings		91	4.0	111	4.5	111	3.4
Non-current liabilities		563	24.8	502	20.2	385	12.0
Long-term borrowings		387	17.0	329	13.3	245	7.6
Net assets		518	22.8	728	29.3	985	30.6
Owners' equity		518	22.8	728	29.3	985	30.6

Statement of cash flows	Fiscal Year	Mar. 2019		Mar. 2020	
		(mn yen)	(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		361	-99		
Depreciation		73	54		
Amortization of goodwill		28	21		
Cash flows from investing activities		24	6		
Cash flows from financing activities		-232	-47		
Dividends paid		-	-		
Net increase in cash and cash equivalents		153	-140		
Cash and cash equivalents		379	239		

Note: Consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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