

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2016 (Based on Japanese GAAP)

April 28, 2016

Company name: MITANI SANGYO CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8285 URL <http://www.mitani.co.jp/>
 Representative: President & CEO Tatsuya Aiba
 Inquiries: Managing Director Seiji Nishino TEL 076-233-2151
 Scheduled date of ordinary general meeting of shareholders: June 16, 2016
 Scheduled date to file Securities Report: June 17, 2016
 Scheduled date to commence dividend payments: June 2, 2016
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2016	67,735	0.5	1,953	41.7	2,170	13.3	1,353	(17.2)
Year ended March 31, 2015	67,412	(0.9)	1,378	(6.7)	1,915	9.6	1,635	58.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	24.18	–	5.5	3.7	2.9
Year ended March 31, 2015	29.50	–	7.1	3.3	2.0

(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, 2016	57,593	25,952	42.9	441.66
As of March 31, 2015	58,623	25,427	41.5	434.61

(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, 2016	2,936	(874)	(496)	5,420
Year ended March 31, 2015	3,705	(1,945)	(2,103)	3,940

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, 2015	–	3.00	–	3.00	6.00	332	20.3	1.4
Year ended March 31, 2016	–	3.00	–	3.00	6.00	335	24.8	1.4
Year ending March 31, 2017 (Forecast)	–	3.00	–	3.00	6.00		21.1	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		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, 2016	31,500	5.5	530	1.7	630	7.9	260	4.9	4.64
Full year	71,000	4.8	2,300	17.8	2,500	15.2	1,590	17.5	28.40

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(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, 2016	56,176,000 shares	As of March 31, 2015	56,176,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2016	199,859 shares	As of March 31, 2015	199,686 shares
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Average number of shares during the period

Year ended March 31, 2016	55,976,212 shares	Year ended March 31, 2015	55,440,170 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	4,194	5,699
Notes and accounts receivable - trade	16,932	16,949
Accounts receivable from completed construction contracts	2,869	3,395
Merchandise and finished goods	1,633	1,974
Work in process	3,472	1,818
Costs on uncompleted construction contracts	36	34
Raw materials and supplies	647	649
Deferred tax assets	343	312
Other	1,179	936
Allowance for doubtful accounts	(3)	(2)
Total current assets	31,304	31,768
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,759	14,989
Accumulated depreciation	(7,633)	(8,029)
Buildings and structures, net	7,126	6,959
Machinery, equipment and vehicles	3,807	3,818
Accumulated depreciation	(2,032)	(2,394)
Machinery, equipment and vehicles, net	1,774	1,424
Tools, furniture and fixtures	1,076	1,138
Accumulated depreciation	(848)	(891)
Tools, furniture and fixtures, net	227	246
Land	3,852	3,785
Leased assets	1,419	1,269
Accumulated depreciation	(676)	(708)
Leased assets, net	742	560
Construction in progress	296	185
Total property, plant and equipment	14,021	13,162
Intangible assets		
Software	527	569
Leased assets	153	145
Telephone subscription right	36	36
Other	24	36
Total intangible assets	741	787
Investments and other assets		
Investment securities	10,582	9,885
Guarantee deposits	1,098	1,134
Deferred tax assets	7	16
Other	868	839
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	12,555	11,874
Total non-current assets	27,318	25,825
Total assets	58,623	57,593

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,763	10,594
Accounts payable for construction contracts	1,324	1,001
Short-term loans payable	11,060	11,478
Lease obligations	331	285
Income taxes payable	248	535
Accrued consumption taxes	208	512
Advances received on uncompleted construction contracts	13	19
Provision for directors' bonuses	28	38
Provision for loss on order received	206	21
Provision for warranties for completed construction	23	22
Provision for shareholder benefit program	–	18
Other	3,883	2,708
Total current liabilities	28,092	27,238
Non-current liabilities		
Long-term loans payable	1,546	1,247
Deposit received for guarantee	134	134
Lease obligations	629	491
Deferred tax liabilities	2,014	1,670
Provision for directors' retirement benefits	499	550
Net defined benefit liability	124	153
Asset retirement obligations	147	154
Other	7	–
Total non-current liabilities	5,103	4,403
Total liabilities	33,196	31,641
Net assets		
Shareholders' equity		
Capital stock	3,832	3,832
Capital surplus	2,832	2,832
Retained earnings	14,636	15,654
Treasury shares	(42)	(42)
Total shareholders' equity	21,258	22,275
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,342	2,887
Deferred gains or losses on hedges	0	(7)
Foreign currency translation adjustment	(242)	(391)
Remeasurements of defined benefit plans	(31)	(42)
Total accumulated other comprehensive income	3,069	2,446
Non-controlling interests	1,099	1,229
Total net assets	25,427	25,952
Total liabilities and net assets	58,623	57,593

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

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	67,412	67,735
Cost of sales	55,630	55,811
Gross profit	11,782	11,924
Selling, general and administrative expenses		
Commission Charges	820	807
Traveling and transportation expenses	507	537
Directors' compensations	434	437
Employees' salaries	3,090	3,066
Employees' bonuses	724	833
Retirement benefit expenses	152	159
Provision for directors' bonuses	28	36
Provision for directors' retirement benefits	48	49
Welfare expenses	889	909
Rent expenses	813	811
Depreciation	637	580
Provision of allowance for doubtful accounts	1	0
Provision for shareholder benefit program	–	18
Other	2,255	1,722
Total selling, general and administrative expenses	10,404	9,971
Operating income	1,378	1,953
Non-operating income		
Interest income	15	14
Dividend income	140	153
Share of profit of entities accounted for using equity method	204	55
Gain on investments in partnership	9	–
Purchase discounts	67	57
Rent income	159	155
Other	202	85
Total non-operating income	798	522
Non-operating expenses		
Interest expenses	86	75
Loss on investments in partnership	–	9
Rent expenses	114	112
Sales discounts	15	7
Other	44	99
Total non-operating expenses	261	305
Ordinary income	1,915	2,170

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Extraordinary income		
Gain on sales of non-current assets	61	4
Gain on donation of non-current assets	–	6
Gain on sales of investment securities	70	92
Gain on change in equity	48	–
Subsidy income	275	6
Gain on extinguishment of tie-in shares	–	16
Total extraordinary income	455	125
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	6	4
Loss on valuation of investment securities	–	2
Settlement package	–	33
Total extraordinary losses	6	39
Profit before income taxes	2,364	2,256
Income taxes - current	458	777
Income taxes - deferred	135	(13)
Total income taxes	594	763
Profit	1,769	1,492
Profit attributable to non-controlling interests	134	139
Profit attributable to owners of parent	1,635	1,353

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	1,769	1,492
Other comprehensive income		
Valuation difference on available-for-sale securities	755	(441)
Deferred gains or losses on hedges	(0)	(7)
Foreign currency translation adjustment	201	(156)
Share of other comprehensive income of entities accounted for using equity method	57	(26)
Total other comprehensive income	1,014	(631)
Comprehensive income	2,783	861
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,640	730
Comprehensive income attributable to non-controlling interests	143	130

Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,702	2,702	13,340	(41)	19,702
Cumulative effects of changes in accounting policies			(8)		(8)
Restated balance	3,702	2,702	13,331	(41)	19,693
Changes of items during period					
Issuance of new shares	130	130			260
Dividends of surplus			(329)		(329)
Profit attributable to owners of parent			1,635		1,635
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					-
Net changes of items other than shareholders' equity					
Total changes of items during period	130	130	1,305	(0)	1,564
Balance at end of current period	3,832	2,832	14,636	(42)	21,258

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,561	1	(437)	(60)	2,064	885	22,652
Cumulative effects of changes in accounting policies							(8)
Restated balance	2,561	1	(437)	(60)	2,064	885	22,644
Changes of items during period							
Issuance of new shares							260
Dividends of surplus							(329)
Profit attributable to owners of parent							1,635
Purchase of treasury shares							(0)
Disposal of treasury shares							-
Net changes of items other than shareholders' equity	781	(0)	195	28	1,004	213	1,218
Total changes of items during period	781	(0)	195	28	1,004	213	2,782
Balance at end of current period	3,342	0	(242)	(31)	3,069	1,099	25,427

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,832	2,832	14,636	(42)	21,258
Cumulative effects of changes in accounting policies					–
Restated balance	3,832	2,832	14,636	(42)	21,258
Changes of items during period					
Issuance of new shares					–
Dividends of surplus			(335)		(335)
Profit attributable to owners of parent			1,353		1,353
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	–	0	1,017	(0)	1,017
Balance at end of current period	3,832	2,832	15,654	(42)	22,275

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,342	0	(242)	(31)	3,069	1,099	25,427
Cumulative effects of changes in accounting policies							–
Restated balance	3,342	0	(242)	(31)	3,069	1,099	25,427
Changes of items during period							
Issuance of new shares							–
Dividends of surplus							(335)
Profit attributable to owners of parent							1,353
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	(455)	(7)	(149)	(10)	(622)	130	(492)
Total changes of items during period	(455)	(7)	(149)	(10)	(622)	130	525
Balance at end of current period	2,887	(7)	(391)	(42)	2,446	1,229	25,952

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	2,364	2,256
Depreciation	1,674	1,630
Amortization of negative goodwill	(12)	–
Share of (profit) loss of entities accounted for using equity method	(204)	(55)
Loss (gain) on investments in partnership	(9)	9
Loss (gain) on valuation of investment securities	–	2
Increase (decrease) in allowance for doubtful accounts	(3)	(1)
Increase (decrease) in provision for directors' bonuses	(1)	9
Increase (decrease) in provision for directors' retirement benefits	37	51
Increase (decrease) in net defined benefit liability	14	32
Increase (decrease) in provision for loss on order received	111	(185)
Increase (decrease) in provision for shareholder benefit program	–	18
Interest and dividend income	(155)	(168)
Interest expenses	86	75
Loss (gain) on sales of investment securities	(70)	(92)
Loss (gain) on extinguishment of tie-in shares	–	(16)
Loss (gain) on sales of non-current assets	(61)	(4)
Loss on retirement of non-current assets	6	4
Loss (gain) on change in equity	(48)	–
Settlement package	–	33
Decrease (increase) in notes and accounts receivable - trade	1,618	(599)
Decrease (increase) in inventories	(2,255)	1,287
Increase (decrease) in notes and accounts payable - trade	(484)	(449)
Other, net	1,820	(468)
Subtotal	4,428	3,370
Interest and dividend income received	164	177
Interest expenses paid	(84)	(74)
Settlement package paid	–	(33)
Income taxes paid	(802)	(503)
Net cash provided by (used in) operating activities	3,705	2,936
Cash flows from investing activities		
Payments into time deposits	(131)	(41)
Proceeds from withdrawal of time deposits	12	–
Purchase of property, plant and equipment	(1,460)	(621)
Proceeds from sales of property, plant and equipment	162	125
Purchase of intangible assets	(258)	(266)
Purchase of investment securities	(295)	(126)
Proceeds from sales of investment securities	116	139
Purchase of shares of subsidiaries and associates	(63)	–
Payments of loans receivable	(4)	(8)
Collection of loans receivable	13	4
Other, net	(36)	(80)
Net cash provided by (used in) investing activities	(1,945)	(874)

(Millions of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,305)	740
Repayments of finance lease obligations	(338)	(341)
Proceeds from long-term loans payable	925	–
Repayments of long-term loans payable	(381)	(559)
Proceeds from issuance of common shares	258	–
Proceeds from share issuance to non-controlling shareholders	69	–
Cash dividends paid by the parent company	(329)	(335)
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	–	0
Net cash provided by (used in) financing activities	(2,103)	(496)
Effect of exchange rate change on cash and cash equivalents	121	(108)
Net increase (decrease) in cash and cash equivalents	(221)	1,457
Cash and cash equivalents at beginning of period	4,161	3,940
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	22
Cash and cash equivalents at end of period	3,940	5,420