

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 26, 2019

Company name: MITANI SANGYO CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8285 URL <https://www.mitani.co.jp/>
 Representative: President & CEO Tadateru Mitani
 Inquiries: Senior Managing Director & CFO Seiji Nishino TEL 076-233-2151
 Scheduled date to file Quarterly Securities Report: August 2, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2019	15,981	(12.7)	31	(59.8)	235	(17.8)	27	(69.7)
Three months ended June 30, 2018	18,300	6.2	77	2,318.7	286	91.1	90	64.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	0.45		–	
Three months ended June 30, 2018	1.57		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2019	67,984	34,547	48.3	533.70
As of March 31, 2019	72,356	35,817	47.2	554.48

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2019	–	4.00	–	4.50	8.50
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	4.00	–	4.50	8.50

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	36,000	(10.3)	750	0.4	1,000	(6.6)	500	1.2	8.12
Full year	77,000	(10.2)	2,600	11.3	3,100	5.1	2,020	0.7	32.81

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) 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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2019	61,772,500 shares	As of March 31, 2019	61,772,500 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	200,742 shares	As of March 31, 2019	200,615 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	61,571,853 shares	Three months ended June 30, 2018	57,975,550 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	6,051	5,393
Notes and accounts receivable - trade	20,018	17,611
Accounts receivable from completed construction contracts	2,806	2,675
Merchandise and finished goods	1,998	2,657
Work in process	2,326	3,848
Costs on construction contracts in progress	26	51
Raw materials and supplies	741	943
Other	3,379	1,028
Allowance for doubtful accounts	(2)	(1)
Total current assets	37,346	34,209
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,804	7,900
Land	3,818	3,818
Other, net	2,936	2,748
Total property, plant and equipment	14,560	14,468
Intangible assets		
Software	712	699
Other	194	180
Total intangible assets	906	879
Investments and other assets		
Investment securities	17,474	16,296
Other	2,067	2,129
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	19,542	18,426
Total non-current assets	35,009	33,774
Total assets	72,356	67,984

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,130	11,589
Accounts payable for construction contracts	1,126	1,143
Short-term borrowings	13,957	11,527
Income taxes payable	679	165
Provision for bonuses for directors (and other officers)	139	24
Provision for loss on order received	5	4
Provision for warranties for completed construction	34	35
Provision for shareholder benefit program	35	35
Other	3,898	4,883
Total current liabilities	32,008	29,408
Non-current liabilities		
Long-term borrowings	210	182
Provision for retirement benefits for directors (and other officers)	633	657
Retirement benefit liability	186	188
Asset retirement obligations	176	176
Other	3,323	2,822
Total non-current liabilities	4,530	4,028
Total liabilities	36,539	33,437
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	3,769	3,769
Retained earnings	20,529	20,279
Treasury shares	(42)	(42)
Total shareholders' equity	29,064	28,814
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,554	4,626
Deferred gains or losses on hedges	(1)	(1)
Foreign currency translation adjustment	(463)	(568)
Remeasurements of defined benefit plans	(13)	(10)
Total accumulated other comprehensive income	5,075	4,045
Non-controlling interests	1,677	1,686
Total net assets	35,817	34,547
Total liabilities and net assets	72,356	67,984

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	18,300	15,981
Cost of sales	15,303	12,965
Gross profit	2,997	3,016
Selling, general and administrative expenses	2,919	2,985
Operating profit	77	31
Non-operating income		
Interest income	13	5
Dividend income	103	121
Share of profit of entities accounted for using equity method	56	47
Rent income on real estate and facilities	42	45
Foreign exchange gains	15	13
Other	63	59
Total non-operating income	294	293
Non-operating expenses		
Interest expenses	33	23
Rent expenses on real estate and facilities	28	31
Other	23	34
Total non-operating expenses	85	88
Ordinary profit	286	235
Extraordinary income		
Gain on sales of non-current assets	0	0
Subsidy income	–	5
Total extraordinary income	0	5
Extraordinary losses		
Loss on sales of non-current assets	1	–
Loss on retirement of non-current assets	4	0
Office relocation expenses	1	–
Total extraordinary losses	8	0
Profit before income taxes	278	240
Income taxes	200	200
Profit	78	39
Profit (loss) attributable to non-controlling interests	(12)	11
Profit attributable to owners of parent	90	27

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	78	39
Other comprehensive income		
Valuation difference on available-for-sale securities	491	(922)
Deferred gains or losses on hedges	8	(0)
Foreign currency translation adjustment	220	(104)
Share of other comprehensive income of entities accounted for using equity method	1	(3)
Total other comprehensive income	722	(1,031)
Comprehensive income	800	(992)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	746	(1,002)
Comprehensive income attributable to non-controlling interests	53	10