

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 28, 2022

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 of ordinary general meeting of shareholders: June 14, 2022
 Scheduled date to file Securities Report: June 13, 2022
 Scheduled date to commence dividend payments: May 30, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	84,427	4.8	1,140	(55.6)	1,966	(41.3)	1,424	(37.0)
Year ended March 31, 2021	80,541	3.8	2,567	1.3	3,349	1.6	2,261	37.4

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	23.14	–	3.6	2.4	1.4
Year ended March 31, 2021	36.73	–	6.3	4.5	3.2

(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, 2022	85,036	40,279	47.2	652.32
As of March 31, 2021	81,683	41,135	47.7	632.43

(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, 2022	1,086	(2,091)	993	5,806
Year ended March 31, 2021	3,611	(4,632)	1,302	5,640

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, 2021	–	4.50	–	4.50	9.00	554	24.5	1.5
Year ended March 31, 2022	–	4.50	–	4.50	9.00	554	38.9	1.4
Year ending March 31, 2023 (Forecast)	–	4.50	–	4.50	9.00		34.6	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Full year	87,000	3.0	2,000	75.4	2,600	32.2	1,600	12.3	25.99

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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, 2022	61,772,500 shares	As of March 31, 2021	61,772,500 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	201,995 shares	As of March 31, 2021	201,873 shares
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Average number of shares during the period

Year ended March 31, 2022	61,570,564 shares	Year ended March 31, 2021	61,571,569 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	6,679	6,915
Notes and accounts receivable - trade	18,104	17,208
Electronically recorded monetary claims - operating	3,073	3,384
Accounts receivable from completed construction contracts	4,588	7,253
Merchandise and finished goods	2,532	3,527
Work in process	2,123	628
Costs on construction contracts in progress	54	98
Raw materials and supplies	1,248	1,280
Other	1,435	1,896
Allowance for doubtful accounts	(1)	(2)
Total current assets	39,837	42,189
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,548	19,714
Accumulated depreciation	(10,120)	(10,530)
Buildings and structures, net	9,427	9,184
Machinery, equipment and vehicles	6,649	7,056
Accumulated depreciation	(4,729)	(5,471)
Machinery, equipment and vehicles, net	1,920	1,584
Tools, furniture and fixtures	1,641	1,755
Accumulated depreciation	(1,213)	(1,320)
Tools, furniture and fixtures, net	427	434
Land	3,762	3,996
Leased assets	1,425	1,651
Accumulated depreciation	(643)	(796)
Leased assets, net	781	854
Construction in progress	48	464
Total property, plant and equipment	16,367	16,519
Intangible assets		
Software	717	698
Leased assets	66	147
Telephone subscription right	36	36
Other	56	67
Total intangible assets	875	949
Investments and other assets		
Investment securities	22,341	22,830
Guarantee deposits	1,272	1,363
Deferred tax assets	201	230
Other	788	952
Total investments and other assets	24,603	25,377
Total non-current assets	41,846	42,846
Total assets	81,683	85,036

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,716	10,042
Electronically recorded obligations - operating	1,852	1,570
Accounts payable for construction contracts	1,332	2,119
Short-term borrowings	11,361	14,323
Lease liabilities	295	338
Income taxes payable	636	300
Accrued consumption taxes	317	563
Advances received on construction contracts in progress	38	238
Provision for bonuses for directors (and other officers)	162	84
Provision for loss on orders received	4	2
Provision for warranties for completed construction	44	41
Provision for shareholder benefit program	38	47
Other	3,976	3,295
Total current liabilities	30,776	32,968
Non-current liabilities		
Long-term borrowings	4,422	6,075
Deposit received for guarantee	130	148
Lease liabilities	656	780
Deferred tax liabilities	3,216	3,207
Provision for retirement benefits for directors (and other officers)	737	875
Retirement benefit liability	227	341
Asset retirement obligations	237	236
Other	141	122
Total non-current liabilities	9,771	11,788
Total liabilities	40,547	44,757
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	3,768	3,357
Retained earnings	23,302	24,354
Treasury shares	(42)	(42)
Total shareholders' equity	31,836	32,476
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,552	7,640
Deferred gains or losses on hedges	0	3
Foreign currency translation adjustment	(437)	46
Remeasurements of defined benefit plans	(13)	(4)
Total accumulated other comprehensive income	7,102	7,686
Non-controlling interests	2,196	115
Total net assets	41,135	40,279
Total liabilities and net assets	81,683	85,036

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	80,541	84,427
Cost of sales	64,390	69,099
Gross profit	16,150	15,327
Selling, general and administrative expenses		
Commission Charges	1,090	1,257
Freight and incidental costs	949	1,034
Travel and transportation expenses	258	285
Remuneration for directors (and other officers)	548	572
Employees' salaries	3,794	3,977
Employees' bonuses	1,246	1,136
Retirement benefit expenses	197	205
Provision for bonuses for directors (and other officers)	162	84
Provision for retirement benefits for directors (and other officers)	72	99
Welfare expenses	1,201	1,238
Rent expenses	1,148	1,221
Depreciation	572	635
Other	2,340	2,437
Total selling, general and administrative expenses	13,583	14,187
Operating profit	2,567	1,140
Non-operating income		
Interest income	53	53
Dividend income	257	315
Gain on investments in investment partnerships	9	16
Share of profit of entities accounted for using equity method	292	262
Purchase discounts	57	81
Rent income	182	183
Foreign exchange gains	60	37
Other	109	162
Total non-operating income	1,022	1,113
Non-operating expenses		
Interest expenses	64	86
Rent expenses	128	124
Other	47	76
Total non-operating expenses	240	286
Ordinary profit	3,349	1,966

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary income		
Gain on sale of non-current assets	1	2
Gain on sale of investment securities	5	56
Subsidy income	77	147
Gain on bargain purchase	–	305
Total extraordinary income	84	511
Extraordinary losses		
Loss on sale of non-current assets	5	2
Loss on retirement of non-current assets	17	6
Loss on sale of investment securities	–	0
Loss on valuation of investment securities	48	38
Impairment losses	–	246
Provision for retirement benefits for directors (and other officers)	–	88
Total extraordinary losses	70	382
Profit before income taxes	3,364	2,095
Income taxes - current	1,084	765
Income taxes for prior periods	(117)	–
Income taxes - deferred	(138)	(103)
Total income taxes	828	661
Profit	2,536	1,433
Profit attributable to non-controlling interests	274	8
Profit attributable to owners of parent	2,261	1,424

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	2,536	1,433
Other comprehensive income		
Valuation difference on available-for-sale securities	4,247	76
Deferred gains or losses on hedges	(2)	3
Foreign currency translation adjustment	141	483
Share of other comprehensive income of entities accounted for using equity method	28	20
Total other comprehensive income	4,414	583
Comprehensive income	6,950	2,017
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,675	2,008
Comprehensive income attributable to non-controlling interests	274	8

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,808	3,768	21,595	(42)	30,129
Cumulative effects of changes in accounting policies					–
Restated balance	4,808	3,768	21,595	(42)	30,129
Changes during period					
Dividends of surplus			(554)		(554)
Profit attributable to owners of parent			2,261		2,261
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,707	(0)	1,707
Balance at end of period	4,808	3,768	23,302	(42)	31,836

	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 period	3,281	3	(578)	(17)	2,688	1,922	34,740
Cumulative effects of changes in accounting policies							–
Restated balance	3,281	3	(578)	(17)	2,688	1,922	34,740
Changes during period							
Dividends of surplus							(554)
Profit attributable to owners of parent							2,261
Purchase of treasury shares							(0)
Purchase of shares of consolidated subsidiaries							–
Net changes in items other than shareholders' equity	4,271	(2)	141	4	4,414	274	4,688
Total changes during period	4,271	(2)	141	4	4,414	274	6,395
Balance at end of period	7,552	0	(437)	(13)	7,102	2,196	41,135

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,808	3,768	23,302	(42)	31,836
Cumulative effects of changes in accounting policies			180		180
Restated balance	4,808	3,768	23,483	(42)	32,017
Changes during period					
Dividends of surplus			(554)		(554)
Profit attributable to owners of parent			1,424		1,424
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		(411)			(411)
Net changes in items other than shareholders' equity					
Total changes during period	–	(411)	870	(0)	459
Balance at end of period	4,808	3,357	24,354	(42)	32,476

	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 period	7,552	0	(437)	(13)	7,102	2,196	41,135
Cumulative effects of changes in accounting policies							180
Restated balance	7,552	0	(437)	(13)	7,102	2,196	41,316
Changes during period							
Dividends of surplus							(554)
Profit attributable to owners of parent							1,424
Purchase of treasury shares							(0)
Purchase of shares of consolidated subsidiaries							(411)
Net changes in items other than shareholders' equity	87	3	483	8	583	(2,080)	(1,496)
Total changes during period	87	3	483	8	583	(2,080)	(1,037)
Balance at end of period	7,640	3	46	(4)	7,686	115	40,279

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	3,364	2,095
Depreciation	2,049	2,200
Impairment losses	–	246
Gain on bargain purchase	–	(305)
Share of loss (profit) of entities accounted for using equity method	(292)	(262)
Loss (gain) on investments in investment partnerships	(9)	(16)
Loss (gain) on valuation of investment securities	48	38
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses for directors (and other officers)	38	(78)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	32	137
Increase (decrease) in retirement benefit liability	18	25
Increase (decrease) in provision for loss on orders received	(3)	(1)
Increase (decrease) in provision for shareholder benefit program	4	9
Interest and dividend income	(310)	(369)
Interest expenses	64	86
Loss (gain) on sale of investment securities	(5)	(55)
Loss (gain) on sale of non-current assets	3	(0)
Loss on retirement of non-current assets	17	6
Decrease (increase) in trade receivables	(2,301)	(846)
Decrease (increase) in inventories	(750)	(785)
Increase (decrease) in trade payables	1,071	(327)
Other, net	1,319	86
Subtotal	4,356	1,884
Interest and dividends received	323	390
Interest paid	(64)	(84)
Income taxes paid	(1,004)	(1,103)
Net cash provided by (used in) operating activities	3,611	1,086

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Payments into time deposits	(353)	(21)
Proceeds from withdrawal of time deposits	–	68
Purchase of property, plant and equipment	(2,732)	(1,416)
Proceeds from sale of property, plant and equipment	5	76
Purchase of intangible assets	(327)	(302)
Purchase of investment securities	(999)	(137)
Proceeds from sale of investment securities	8	62
Purchase of shares of subsidiaries and associates	(70)	–
Purchase of shares of subsidiaries and associates resulting in change in scope of consolidation	–	(358)
Payments for investments in capital of subsidiaries and associates	–	(120)
Loan advances	(65)	(2)
Proceeds from collection of loans receivable	2	288
Other, net	(99)	(229)
Net cash provided by (used in) investing activities	(4,632)	(2,091)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,098)	1,946
Repayments of finance lease liabilities	(284)	(310)
Proceeds from long-term borrowings	4,422	2,953
Repayments of long-term borrowings	(143)	(473)
Repayments of installment payables	(38)	(67)
Purchase of shares of subsidiaries and associates not resulting in change in scope of consolidation	–	(2,500)
Dividends paid	(554)	(554)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	1,302	993
Effect of exchange rate change on cash and cash equivalents	48	177
Net increase (decrease) in cash and cash equivalents	329	165
Cash and cash equivalents at beginning of period	5,311	5,640
Cash and cash equivalents at end of period	5,640	5,806