

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 (Based on Japanese GAAP)

October 25, 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 to file Quarterly Securities Report: November 4, 2016  
 Scheduled date to commence dividend payments: December 2, 2016  
 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 six months ended September 30, 2016 (from April 1, 2016 to September 30, 2016)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2016	29,833	(0.1)	524	0.5	758	29.9	475	91.9
Six months ended September 30, 2015	29,867	(4.3)	521	227.2	583	82.6	247	7.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2016	8.50		-	
Six months ended September 30, 2015	4.43		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2016	54,352	26,069	45.6	442.61
As of March 31, 2016	57,593	25,952	42.9	441.66

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, 2016	-	3.00	-	3.00	6.00
Year ending March 31, 2017	-	3.00	-	-	-
Year ending March 31, 2017 (Forecast)	-	-	-	3.00	6.00

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
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 six months ended September 30, 2016  
(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: Yes
- 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 September 30, 2016	56,176,000 shares	As of March 31, 2016	56,176,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2016	200,165 shares	As of March 31, 2016	199,859 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2016	55,976,097 shares	Six months ended September 30, 2015	55,976,234 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	5,699	5,260
Notes and accounts receivable - trade	16,949	14,715
Accounts receivable from completed construction contracts	3,395	1,858
Merchandise and finished goods	1,974	1,575
Work in process	1,818	3,213
Costs on uncompleted construction contracts	34	66
Raw materials and supplies	649	764
Other	1,249	1,162
Allowance for doubtful accounts	(2)	(2)
Total current assets	31,768	28,614
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,959	7,070
Land	3,785	3,785
Other, net	2,417	1,961
Total property, plant and equipment	13,162	12,818
Intangible assets		
Software	569	588
Other	218	188
Total intangible assets	787	776
Investments and other assets		
Investment securities	9,885	10,011
Other	1,989	2,130
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,874	12,142
Total non-current assets	25,825	25,737
Total assets	57,593	54,352

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	10,594	9,560
Accounts payable for construction contracts	1,001	1,088
Short-term loans payable	11,478	9,024
Income taxes payable	535	227
Provision for directors' bonuses	38	17
Provision for loss on order received	21	7
Provision for warranties for completed construction	22	15
Provision for shareholder benefit program	18	18
Other	3,526	4,275
Total current liabilities	27,238	24,235
Non-current liabilities		
Long-term loans payable	1,247	1,000
Provision for directors' retirement benefits	550	548
Net defined benefit liability	153	200
Asset retirement obligations	154	164
Other	2,296	2,133
Total non-current liabilities	4,403	4,047
Total liabilities	31,641	28,282
Net assets		
Shareholders' equity		
Capital stock	3,832	3,832
Capital surplus	2,832	2,832
Retained earnings	15,654	15,961
Treasury shares	(42)	(42)
Total shareholders' equity	22,275	22,583
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,887	2,798
Deferred gains or losses on hedges	(7)	(6)
Foreign currency translation adjustment	(391)	(561)
Remeasurements of defined benefit plans	(42)	(38)
Total accumulated other comprehensive income	2,446	2,191
Non-controlling interests	1,229	1,294
Total net assets	25,952	26,069
Total liabilities and net assets	57,593	54,352

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	29,867	29,833
Cost of sales	24,322	24,170
Gross profit	5,545	5,662
Selling, general and administrative expenses	5,023	5,138
Operating income	521	524
Non-operating income		
Interest income	4	5
Dividend income	77	76
Share of profit of entities accounted for using equity method	–	170
Rent income on real estate and facilities	77	77
Other	78	60
Total non-operating income	238	390
Non-operating expenses		
Interest expenses	38	29
Share of loss of entities accounted for using equity method	17	–
Rent expenses on real estate and facilities	55	55
Other	64	71
Total non-operating expenses	175	156
Ordinary income	583	758
Extraordinary income		
Gain on sales of non-current assets	4	2
Gain on sales of investment securities	16	8
Gain on extinguishment of tie-in shares	16	–
Total extraordinary income	37	11
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	2	4
Loss on valuation of investment securities	1	4
Settlement package	33	–
Total extraordinary losses	37	9
Profit before income taxes	583	760
Income taxes	282	205
Profit	300	554
Profit attributable to non-controlling interests	52	78
Profit attributable to owners of parent	247	475

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Profit	300	554
Other comprehensive income		
Valuation difference on available-for-sale securities	(366)	(91)
Deferred gains or losses on hedges	(2)	0
Foreign currency translation adjustment	(60)	(178)
Share of other comprehensive income of entities accounted for using equity method	15	3
Total other comprehensive income	(413)	(264)
Comprehensive income	(113)	289
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(164)	221
Comprehensive income attributable to non-controlling interests	50	68

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from operating activities		
Profit before income taxes	583	760
Depreciation	810	731
Share of (profit) loss of entities accounted for using equity method	17	(170)
Loss (gain) on investments in partnership	(0)	7
Loss (gain) on valuation of investment securities	1	4
Increase (decrease) in allowance for doubtful accounts	(0)	(1)
Increase (decrease) in provision for directors' bonuses	(15)	(21)
Increase (decrease) in provision for directors' retirement benefits	26	(2)
Increase (decrease) in net defined benefit liability	2	51
Increase (decrease) in provision for loss on order received	18	(13)
Interest and dividend income	(82)	(81)
Interest expenses	38	29
Loss (gain) on sales of investment securities	(16)	(8)
Loss (gain) on extinguishment of tie-in shares	(16)	–
Loss (gain) on sales of non-current assets	(4)	(2)
Loss on retirement of non-current assets	2	4
Settlement package	33	–
Decrease (increase) in notes and accounts receivable - trade	2,271	3,692
Decrease (increase) in inventories	(1,619)	(1,181)
Increase (decrease) in notes and accounts payable - trade	(528)	(893)
Other, net	1,583	965
Subtotal	3,105	3,869
Interest and dividend income received	93	94
Interest expenses paid	(38)	(28)
Settlement package paid	(33)	–
Income taxes paid	(297)	(592)
Net cash provided by (used in) operating activities	2,830	3,342

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Cash flows from investing activities		
Payments into time deposits	(10)	(15)
Proceeds from withdrawal of time deposits	–	1
Purchase of property, plant and equipment	(393)	(401)
Proceeds from sales of property, plant and equipment	51	9
Purchase of intangible assets	(58)	(87)
Purchase of investment securities	(111)	(108)
Proceeds from sales of investment securities	23	14
Collection of loans receivable	2	10
Other, net	(52)	(213)
Net cash provided by (used in) investing activities	(549)	(791)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,026)	(2,315)
Repayments of finance lease obligations	(179)	(143)
Repayments of long-term loans payable	(280)	(255)
Cash dividends paid	(167)	(167)
Dividends paid to non-controlling interests	–	(4)
Purchase of treasury shares	(0)	–
Proceeds from sales of treasury shares	0	–
Net cash provided by (used in) financing activities	(1,654)	(2,886)
Effect of exchange rate change on cash and cash equivalents	(40)	(94)
Net increase (decrease) in cash and cash equivalents	586	(431)
Cash and cash equivalents at beginning of period	3,940	5,420
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	22	–
Cash and cash equivalents at end of period	4,548	4,989