

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended September 30, 2020
(Based on Japanese GAAP)**

October 22, 2020

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: November 4, 2020
 Scheduled date to commence dividend payments: December 2, 2020
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2020 (from April 1, 2020 to September 30, 2020)

(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	%
Six months ended September 30, 2020	34,054	(8.9)	552	(47.8)	818	(41.1)	423	(46.5)
Six months ended September 30, 2019	37,365	(6.9)	1,059	41.7	1,390	29.8	791	60.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	6.87		-	
Six months ended September 30, 2019	12.85		-	

(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, 2020	72,916	37,527	48.7	577.15
As of March 31, 2020	68,716	34,740	47.8	533.00

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, 2020	-	4.50	-	4.50	9.00
Year ending March 31, 2021	-	4.50			
Year ending March 31, 2021 (Forecast)			-	4.50	9.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	80,000	3.1	2,000	(21.1)	2,500	(24.2)	1,400	(15.0)	22.74

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2020
(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 September 30, 2020	61,772,500 shares	As of March 31, 2020	61,772,500 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	200,842 shares	As of March 31, 2020	200,782 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, 2020	61,571,678 shares	Six months ended September 30, 2019	61,571,812 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	5,969	5,975
Notes and accounts receivable - trade	16,597	14,418
Electronically recorded monetary claims - operating	2,051	2,480
Accounts receivable from completed construction contracts	4,761	3,512
Merchandise and finished goods	2,532	3,411
Work in process	1,629	2,600
Costs on construction contracts in progress	34	54
Raw materials and supplies	991	1,134
Other	1,302	1,570
Allowance for doubtful accounts	(2)	(2)
Total current assets	35,868	35,155
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,717	8,946
Land	3,701	3,762
Other, net	3,406	3,325
Total property, plant and equipment	14,825	16,034
Intangible assets		
Software	711	706
Other	178	170
Total intangible assets	889	877
Investments and other assets		
Investment securities	14,911	18,706
Other	2,222	2,141
Allowance for doubtful accounts	(0)	—
Total investments and other assets	17,133	20,848
Total non-current assets	32,848	37,760
Total assets	68,716	72,916

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,841	9,675
Electronically recorded obligations - operating	1,581	1,328
Accounts payable for construction contracts	1,378	1,314
Short-term borrowings	13,423	13,359
Income taxes payable	621	423
Provision for bonuses for directors (and other officers)	123	45
Provision for loss on order received	7	6
Provision for warranties for completed construction	48	49
Provision for shareholder benefit program	33	33
Other	3,546	4,398
Total current liabilities	30,605	30,636
Non-current liabilities		
Long-term borrowings	152	134
Provision for retirement benefits for directors (and other officers)	705	713
Retirement benefit liability	206	221
Asset retirement obligations	178	179
Other	2,127	3,503
Total non-current liabilities	3,370	4,752
Total liabilities	33,975	35,388
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	3,768	3,768
Retained earnings	21,595	21,741
Treasury shares	(42)	(42)
Total shareholders' equity	30,129	30,275
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,281	5,887
Deferred gains or losses on hedges	3	(0)
Foreign currency translation adjustment	(578)	(614)
Remeasurements of defined benefit plans	(17)	(12)
Total accumulated other comprehensive income	2,688	5,260
Non-controlling interests	1,922	1,991
Total net assets	34,740	37,527
Total liabilities and net assets	68,716	72,916

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, 2019	Six months ended September 30, 2020
Net sales	37,365	34,054
Cost of sales	30,249	27,489
Gross profit	7,116	6,565
Selling, general and administrative expenses	6,056	6,012
Operating profit	1,059	552
Non-operating income		
Interest income	15	13
Dividend income	129	130
Share of profit of entities accounted for using equity method	117	29
Rent income on real estate and facilities	91	91
Foreign exchange gains	23	31
Other	88	92
Total non-operating income	466	388
Non-operating expenses		
Interest expenses	44	31
Rent expenses on real estate and facilities	62	62
Other	28	29
Total non-operating expenses	135	122
Ordinary profit	1,390	818
Extraordinary income		
Gain on sales of non-current assets	2	0
Gain on sales of investment securities	–	2
Subsidy income	5	–
Total extraordinary income	7	3
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	1	1
Total extraordinary losses	1	2
Profit before income taxes	1,395	819
Income taxes	498	326
Profit	897	493
Profit attributable to non-controlling interests	106	70
Profit attributable to owners of parent	791	423

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	897	493
Other comprehensive income		
Valuation difference on available-for-sale securities	(444)	2,605
Deferred gains or losses on hedges	6	(3)
Foreign currency translation adjustment	(85)	(35)
Share of other comprehensive income of entities accounted for using equity method	(2)	5
Total other comprehensive income	(525)	2,571
Comprehensive income	371	3,064
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	267	2,995
Comprehensive income attributable to non-controlling interests	104	69

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	1,395	819
Depreciation	761	966
Share of loss (profit) of entities accounted for using equity method	(117)	(29)
Loss (gain) on investments in investment partnerships	2	1
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses for directors (and other officers)	(89)	(78)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	42	8
Increase (decrease) in retirement benefit liability	5	16
Increase (decrease) in provision for loss on order received	6	(1)
Interest and dividend income	(144)	(143)
Interest expenses	44	31
Loss (gain) on sales of investment securities	–	(2)
Loss (gain) on sales of non-current assets	(2)	(0)
Loss on retirement of non-current assets	1	1
Decrease (increase) in trade receivables	1,683	2,986
Decrease (increase) in inventories	(587)	(2,022)
Increase (decrease) in trade payables	(1,417)	(473)
Other, net	(14)	594
Subtotal	1,568	2,675
Interest and dividends received	166	162
Interest paid	(45)	(27)
Income taxes paid	(710)	(647)
Net cash provided by (used in) operating activities	980	2,161

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from investing activities		
Payments into time deposits	(185)	(289)
Purchase of property, plant and equipment	(566)	(1,455)
Proceeds from sales of property, plant and equipment	8	4
Purchase of intangible assets	(127)	(163)
Purchase of investment securities	(246)	(49)
Proceeds from sales of investment securities	–	3
Purchase of shares of subsidiaries and associates	(126)	–
Proceeds from sales of investments in capital of subsidiaries and associates	1,656	–
Loan advances	(0)	(8)
Collection of loans receivable	675	2
Other, net	(125)	7
Net cash provided by (used in) investing activities	961	(1,950)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,212)	(39)
Repayments of finance lease obligations	(112)	(138)
Proceeds from long-term borrowings	–	59
Repayments of long-term borrowings	(125)	(66)
Repayments of installment payables	(16)	(16)
Dividends paid	(277)	(277)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of treasury shares	–	(0)
Other, net	(1)	–
Net cash provided by (used in) financing activities	(2,744)	(480)
Effect of exchange rate change on cash and cash equivalents	(33)	(11)
Net increase (decrease) in cash and cash equivalents	(836)	(280)
Cash and cash equivalents at beginning of period	5,604	5,311
Cash and cash equivalents at end of period	4,768	5,031