

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 25, 2019

Company name: MITANI SANGYO CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8285 URL: <http://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: February 4, 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

(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	%
Nine months ended December 31, 2018	60,491	2.9	962	(22.7)	1,467	(13.4)	761	(33.6)
Nine months ended December 31, 2017	58,799	26.0	1,245	26.2	1,695	23.2	1,146	16.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	12.67		–	
Nine months ended December 31, 2017	20.12		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2018	74,845	35,253	43.0	523.25
As of March 31, 2018	71,814	33,246	42.0	529.26

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, 2018	–	4.00	–	4.00	8.00
Year ending March 31, 2019	–	4.00	–		
Year ending March 31, 2019 (Forecast)				4.00	8.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	83,000	2.7	2,350	(2.2)	2,750	(7.5)	1,640	(22.8)	28.78

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(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 December 31, 2018	61,772,500 shares	As of March 31, 2018	57,176,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	200,615 shares	As of March 31, 2018	200,305 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	60,133,360 shares	Nine months ended December 31, 2017	56,975,747 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	6,441	6,027
Notes and accounts receivable - trade	19,960	20,097
Accounts receivable from completed construction contracts	3,221	2,373
Merchandise and finished goods	2,333	2,839
Work in process	2,422	4,635
Costs on uncompleted construction contracts	28	62
Raw materials and supplies	1,486	1,645
Other	1,201	1,366
Allowance for doubtful accounts	(2)	(2)
Total current assets	37,093	39,046
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,423	8,160
Land	3,861	3,786
Other, net	3,908	4,773
Total property, plant and equipment	16,192	16,720
Intangible assets		
Software	704	747
Other	255	231
Total intangible assets	960	979
Investments and other assets		
Investment securities	15,502	16,023
Other	2,064	2,074
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	17,567	18,097
Total non-current assets	34,720	35,798
Total assets	71,814	74,845

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,007	13,222
Accounts payable for construction contracts	1,442	1,022
Short-term loans payable	15,057	13,809
Income taxes payable	429	249
Provision for directors' bonuses	116	37
Provision for loss on order received	2	5
Provision for warranties for completed construction	33	32
Provision for shareholder benefit program	23	23
Other	3,822	5,361
Total current liabilities	32,936	33,766
Non-current liabilities		
Long-term loans payable	1,134	927
Provision for directors' retirement benefits	594	620
Net defined benefit liability	485	491
Asset retirement obligations	174	175
Other	3,242	3,610
Total non-current liabilities	5,631	5,825
Total liabilities	38,567	39,591
Net assets		
Shareholders' equity		
Capital stock	4,018	4,808
Capital surplus	2,996	3,786
Retained earnings	18,997	19,284
Treasury shares	(42)	(42)
Total shareholders' equity	25,969	27,837
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,795	4,839
Deferred gains or losses on hedges	(4)	0
Foreign currency translation adjustment	(585)	(444)
Remeasurements of defined benefit plans	(20)	(15)
Total accumulated other comprehensive income	4,185	4,380
Non-controlling interests	3,092	3,035
Total net assets	33,246	35,253
Total liabilities and net assets	71,814	74,845

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	58,799	60,491
Cost of sales	49,118	50,682
Gross profit	9,681	9,808
Selling, general and administrative expenses	8,435	8,845
Operating profit	1,245	962
Non-operating income		
Interest income	17	29
Dividend income	169	208
Share of profit of entities accounted for using equity method	201	210
Rent income on real estate and facilities	123	127
Foreign exchange gains	41	30
Other	121	144
Total non-operating income	674	751
Non-operating expenses		
Interest expenses	60	106
Rent expenses on real estate and facilities	89	89
Other	75	49
Total non-operating expenses	225	246
Ordinary profit	1,695	1,467
Extraordinary income		
Gain on sales of non-current assets	1	75
Gain on sales of investment securities	0	5
Gain on liquidation of subsidiaries and associates	2	–
Gain on sales of land use rights	4	–
Total extraordinary income	8	81
Extraordinary losses		
Loss on sales of non-current assets	2	29
Loss on retirement of non-current assets	53	5
Loss on valuation of investment securities	0	–
Other	1	1
Total extraordinary losses	57	36
Profit before income taxes	1,646	1,512
Income taxes	451	576
Income taxes for prior periods	–	285
Profit	1,195	650
Profit (loss) attributable to non-controlling interests	49	(110)
Profit attributable to owners of parent	1,146	761

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	1,195	650
Other comprehensive income		
Valuation difference on available-for-sale securities	1,291	46
Deferred gains or losses on hedges	3	4
Foreign currency translation adjustment	113	213
Share of other comprehensive income of entities accounted for using equity method	7	4
Total other comprehensive income	1,415	269
Comprehensive income	2,611	920
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,509	956
Comprehensive income attributable to non-controlling interests	102	(36)