

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

January 26, 2018

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 5, 2018
 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, 2017 (from April 1, 2017 to December 31, 2017)

(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, 2017	58,799	26.0	1,245	26.2	1,695	23.2	1,146	16.0
Nine months ended December 31, 2016	46,653	4.2	987	55.8	1,376	64.7	988	137.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	20.12		–	
Nine months ended December 31, 2016	17.66		–	

(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, 2017	72,916	32,724	40.7	520.69
As of March 31, 2017	58,216	29,091	47.5	485.04

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, 2017	–	3.00	–	4.00	7.00
Year ending March 31, 2018	–	4.00	–		
Year ending March 31, 2018 (Forecast)				4.00	8.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	82,500	23.4	2,800	20.1	3,100	10.8	1,800	(10.5)	31.59

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 2017	57,176,000 shares	As of March 31, 2017	57,176,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	200,285 shares	As of March 31, 2017	200,225 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, 2017	56,975,747 shares	Nine months ended December 31, 2016	55,976,007 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	5,541	5,943
Notes and accounts receivable - trade	16,754	20,698
Accounts receivable from completed construction contracts	2,988	3,073
Merchandise and finished goods	1,758	2,249
Work in process	1,501	4,475
Costs on uncompleted construction contracts	20	79
Raw materials and supplies	674	1,549
Other	1,232	1,813
Allowance for doubtful accounts	(1)	(2)
Total current assets	30,470	39,881
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,975	7,793
Land	3,856	3,940
Other, net	2,074	4,150
Total property, plant and equipment	12,907	15,885
Intangible assets		
Software	675	699
Other	162	255
Total intangible assets	838	954
Investments and other assets		
Investment securities	11,870	14,139
Other	2,129	2,055
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	14,000	16,195
Total non-current assets	27,746	33,035
Total assets	58,216	72,916

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,602	13,043
Accounts payable for construction contracts	1,353	1,801
Short-term loans payable	9,775	13,891
Income taxes payable	338	156
Provision for directors' bonuses	106	22
Provision for loss on order received	3	3
Provision for warranties for completed construction	23	24
Provision for shareholder benefit program	19	19
Other	2,646	5,329
Total current liabilities	24,868	34,292
Non-current liabilities		
Long-term loans payable	784	1,036
Provision for directors' retirement benefits	571	596
Net defined benefit liability	211	507
Asset retirement obligations	165	173
Other	2,523	3,585
Total non-current liabilities	4,256	5,899
Total liabilities	29,125	40,191
Net assets		
Shareholders' equity		
Capital stock	4,018	4,018
Capital surplus	3,018	2,996
Retained earnings	17,329	18,019
Treasury shares	(42)	(42)
Total shareholders' equity	24,322	24,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,762	5,053
Deferred gains or losses on hedges	(0)	3
Foreign currency translation adjustment	(418)	(357)
Remeasurements of defined benefit plans	(30)	(23)
Total accumulated other comprehensive income	3,312	4,675
Non-controlling interests	1,455	3,057
Total net assets	29,091	32,724
Total liabilities and net assets	58,216	72,916

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, 2016	Nine months ended December 31, 2017
Net sales	46,653	58,799
Cost of sales	37,853	49,118
Gross profit	8,800	9,681
Selling, general and administrative expenses	7,813	8,435
Operating profit	987	1,245
Non-operating income		
Interest income	9	17
Dividend income	148	169
Share of profit of entities accounted for using equity method	238	201
Rent income on real estate and facilities	115	123
Foreign exchange gains	–	41
Other	113	121
Total non-operating income	626	674
Non-operating expenses		
Interest expenses	45	60
Rent expenses on real estate and facilities	83	89
Foreign exchange losses	62	–
Other	45	75
Total non-operating expenses	237	225
Ordinary profit	1,376	1,695
Extraordinary income		
Gain on sales of non-current assets	3	1
Gain on sales of investment securities	9	0
Gain on liquidation of subsidiaries and associates	–	2
Subsidy income	116	–
Gain on sales of land use rights	–	4
Total extraordinary income	128	8
Extraordinary losses		
Loss on sales of non-current assets	0	2
Loss on retirement of non-current assets	8	53
Loss on valuation of investment securities	4	0
Other	–	1
Total extraordinary losses	13	57
Profit before income taxes	1,491	1,646
Income taxes	361	451
Profit	1,130	1,195
Profit attributable to non-controlling interests	141	49
Profit attributable to owners of parent	988	1,146

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	1,130	1,195
Other comprehensive income		
Valuation difference on available-for-sale securities	665	1,291
Deferred gains or losses on hedges	21	3
Foreign currency translation adjustment	37	113
Share of other comprehensive income of entities accounted for using equity method	7	7
Total other comprehensive income	732	1,415
Comprehensive income	1,862	2,611
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,721	2,509
Comprehensive income attributable to non-controlling interests	141	102