

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

January 25, 2017

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: February 3, 2017
 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, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	46,653	4.2	987	55.8	1,376	64.7	988	137.5
Nine months ended December 31, 2015	44,751	(5.3)	633	174.6	835	23.5	416	(26.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	17.66		–	
Nine months ended December 31, 2015	7.44		–	

(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, 2016	58,761	27,474	44.4	466.41
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 nine months ended December 31, 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 December 31, 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 December 31, 2016	200,205 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)

Nine months ended December 31, 2016	55,976,007 shares	Nine months ended December 31, 2015	55,976,228 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	5,699	6,409
Notes and accounts receivable - trade	16,949	15,969
Accounts receivable from completed construction contracts	3,395	1,887
Merchandise and finished goods	1,974	1,784
Work in process	1,818	3,274
Costs on uncompleted construction contracts	34	73
Raw materials and supplies	649	723
Other	1,249	1,396
Allowance for doubtful accounts	(2)	(2)
Total current assets	31,768	31,515
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,959	7,095
Land	3,785	3,803
Other, net	2,417	1,944
Total property, plant and equipment	13,162	12,843
Intangible assets		
Software	569	612
Other	218	177
Total intangible assets	787	789
Investments and other assets		
Investment securities	9,885	11,479
Other	1,989	2,132
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	11,874	13,611
Total non-current assets	25,825	27,245
Total assets	57,593	58,761

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,594	10,703
Accounts payable for construction contracts	1,001	921
Short-term loans payable	11,478	11,177
Income taxes payable	535	136
Provision for directors' bonuses	38	26
Provision for loss on order received	21	11
Provision for warranties for completed construction	22	15
Provision for shareholder benefit program	18	18
Other	3,526	3,901
Total current liabilities	27,238	26,911
Non-current liabilities		
Long-term loans payable	1,247	1,002
Provision for directors' retirement benefits	550	559
Net defined benefit liability	153	214
Asset retirement obligations	154	164
Other	2,296	2,433
Total non-current liabilities	4,403	4,375
Total liabilities	31,641	31,286
Net assets		
Shareholders' equity		
Capital stock	3,832	3,832
Capital surplus	2,832	2,832
Retained earnings	15,654	16,306
Treasury shares	(42)	(42)
Total shareholders' equity	22,275	22,928
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,887	3,555
Deferred gains or losses on hedges	(7)	14
Foreign currency translation adjustment	(391)	(354)
Remeasurements of defined benefit plans	(42)	(35)
Total accumulated other comprehensive income	2,446	3,179
Non-controlling interests	1,229	1,366
Total net assets	25,952	27,474
Total liabilities and net assets	57,593	58,761

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, 2015	Nine months ended December 31, 2016
Net sales	44,751	46,653
Cost of sales	36,618	37,853
Gross profit	8,133	8,800
Selling, general and administrative expenses	7,499	7,813
Operating income	633	987
Non-operating income		
Interest income	9	9
Dividend income	147	148
Share of profit of entities accounted for using equity method	24	238
Rent income on real estate and facilities	116	115
Other	102	113
Total non-operating income	401	626
Non-operating expenses		
Interest expenses	57	45
Rent expenses on real estate and facilities	84	83
Foreign exchange losses	18	62
Other	39	45
Total non-operating expenses	199	237
Ordinary income	835	1,376
Extraordinary income		
Gain on sales of non-current assets	4	3
Gain on donation of non-current assets	6	-
Gain on sales of investment securities	16	9
Gain on extinguishment of tie-in shares	16	-
Subsidy income	-	116
Total extraordinary income	43	128
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	3	8
Loss on valuation of investment securities	1	4
Settlement package	33	-
Total extraordinary losses	38	13
Profit before income taxes	840	1,491
Income taxes	363	361
Profit	476	1,130
Profit attributable to non-controlling interests	60	141
Profit attributable to owners of parent	416	988

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	476	1,130
Other comprehensive income		
Valuation difference on available-for-sale securities	97	665
Deferred gains or losses on hedges	(2)	21
Foreign currency translation adjustment	(55)	37
Share of other comprehensive income of entities accounted for using equity method	17	7
Total other comprehensive income	56	732
Comprehensive income	533	1,862
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	474	1,721
Comprehensive income attributable to non-controlling interests	58	141