

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2019
(Based on Japanese GAAP)**

April 26, 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 of ordinary general meeting of shareholders: June 18, 2019
 Scheduled date to file Securities Report: June 18, 2019
 Scheduled date to commence dividend payments: June 3, 2019
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

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	%
Year ended March 31, 2019	85,732	6.1	2,335	(2.9)	2,948	(0.8)	2,006	(5.6)
Year ended March 31, 2018	80,819	20.9	2,403	3.1	2,972	6.3	2,123	5.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	33.18	—	6.2	4.1	2.7
Year ended March 31, 2018	37.28	—	7.4	4.6	3.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	72,356	35,817	47.2	554.48
As of March 31, 2018	71,814	33,246	42.0	529.26

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2019	4,153	(4,163)	(784)	5,604
Year ended March 31, 2018	1,636	(5,389)	4,935	6,321

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2018	—	4.00	—	4.00	8.00	455	21.5	1.6
Year ended March 31, 2019	—	4.00	—	4.00	8.00	492	24.1	1.5
Year ending March 31, 2020 (Forecast)	—	4.00	—	4.00	8.00		24.4	

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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
Six months ending September 30, 2019	36,000	(10.3)	750	0.4	1,000	(6.6)	500	1.2	8.12
Full year	77,000	(10.2)	2,600	11.3	3,100	5.1	2,020	0.7	32.81

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2019	61,772,500 shares	As of March 31, 2018	57,160,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	200,615 shares	As of March 31, 2018	200,305 shares
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Average number of shares during the period

Year ended March 31, 2019	60,465,327 shares	Year ended March 31, 2018	56,975,735 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	6,441	6,051
Notes and accounts receivable - trade	19,960	20,018
Accounts receivable from completed construction contracts	3,221	2,806
Merchandise and finished goods	2,333	1,998
Work in process	2,422	2,326
Costs on uncompleted construction contracts	28	26
Raw materials and supplies	1,486	741
Other	1,201	3,379
Allowance for doubtful accounts	(2)	(2)
Total current assets	37,093	37,346
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,190	16,852
Accumulated depreciation	(8,766)	(9,047)
Buildings and structures, net	8,423	7,804
Machinery, equipment and vehicles	4,856	4,973
Accumulated depreciation	(3,453)	(3,755)
Machinery, equipment and vehicles, net	1,402	1,217
Tools, furniture and fixtures	1,271	1,313
Accumulated depreciation	(992)	(1,046)
Tools, furniture and fixtures, net	279	267
Land	3,861	3,818
Leased assets	885	1,043
Accumulated depreciation	(425)	(492)
Leased assets, net	459	550
Construction in progress	1,765	901
Total property, plant and equipment	16,192	14,560
Intangible assets		
Software	704	712
Leased assets	162	133
Telephone subscription right	36	36
Goodwill	29	-
Other	28	24
Total intangible assets	960	906
Investments and other assets		
Investment securities	15,502	17,474
Guarantee deposits	1,135	1,127
Deferred tax assets	128	144
Other	800	796
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	17,567	19,542
Total non-current assets	34,720	35,009
Total assets	71,814	72,356

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,007	12,130
Accounts payable for construction contracts	1,442	1,126
Short-term loans payable	15,057	13,957
Lease obligations	212	238
Income taxes payable	429	679
Accrued consumption taxes	83	279
Advances received on uncompleted construction contracts	8	38
Provision for bonuses for directors (and other officers)	116	139
Provision for loss on order received	2	5
Provision for warranties for completed construction	33	34
Provision for shareholder benefit program	23	35
Other	3,517	3,340
Total current liabilities	32,936	32,008
Non-current liabilities		
Long-term loans payable	1,134	210
Deposit received for guarantee	137	131
Lease obligations	469	511
Deferred tax liabilities	2,204	2,523
Provision for retirement benefits for directors (and other officers)	594	633
Retirement benefit liability	485	186
Asset retirement obligations	174	176
Other	431	156
Total non-current liabilities	5,631	4,530
Total liabilities	38,567	36,539
Net assets		
Shareholders' equity		
Capital stock	4,018	4,808
Capital surplus	2,996	3,769
Retained earnings	18,997	20,529
Treasury shares	(42)	(42)
Total shareholders' equity	25,969	29,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,795	5,554
Deferred gains or losses on hedges	(4)	(1)
Foreign currency translation adjustment	(585)	(463)
Remeasurements of defined benefit plans	(20)	(13)
Total accumulated other comprehensive income	4,185	5,075
Non-controlling interests	3,092	1,677
Total net assets	33,246	35,817
Total liabilities and net assets	71,814	72,356

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	80,819	85,732
Cost of sales	67,166	71,458
Gross profit	13,653	14,274
Selling, general and administrative expenses		
Commission Charges	1,022	1,186
Traveling and transportation expenses	561	582
Remuneration for directors (and other officers)	465	468
Employees' salaries	3,225	3,403
Employees' bonuses	934	1,022
Retirement benefit expenses	163	157
Provision for bonuses for directors (and other officers)	113	136
Provision for retirement benefits for directors (and other officers)	59	71
Welfare expenses	1,045	1,129
Rent expenses	901	945
Depreciation	570	569
Other	2,185	2,266
Total selling, general and administrative expenses	11,249	11,939
Operating profit	2,403	2,335
Non-operating income		
Interest income	39	43
Dividend income	176	216
Share of profit of entities accounted for using equity method	277	251
Purchase discounts	60	70
Rent income	165	172
Foreign exchange gains	49	43
Other	100	136
Total non-operating income	868	935
Non-operating expenses		
Interest expenses	87	148
Loss on investments in partnership	43	1
Rent expenses	119	119
Other	49	52
Total non-operating expenses	300	321
Ordinary profit	2,972	2,948

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Extraordinary income		
Gain on sales of non-current assets	3	74
Gain on sales of investment securities	0	5
Compensation for transfer	163	–
Gain on sales of investments in capital of subsidiaries and affiliates	–	254
Other	6	–
Total extraordinary income	174	334
Extraordinary losses		
Loss on sales of non-current assets	52	29
Loss on retirement of non-current assets	73	9
Loss on valuation of investment securities	0	0
Other	1	1
Total extraordinary losses	128	40
Profit before income taxes	3,018	3,242
Income taxes - current	765	998
Income taxes for prior periods	–	285
Income taxes - deferred	(57)	(29)
Total income taxes	708	1,254
Profit	2,310	1,988
Profit attributable to non-controlling interests	186	(17)
Profit attributable to owners of parent	2,123	2,006

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	2,310	1,988
Other comprehensive income		
Valuation difference on available-for-sale securities	1,040	762
Deferred gains or losses on hedges	(3)	2
Foreign currency translation adjustment	(217)	196
Share of other comprehensive income of entities accounted for using equity method	4	5
Total other comprehensive income	823	966
Comprehensive income	3,133	2,955
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,996	2,896
Comprehensive income attributable to non-controlling interests	136	58

Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,018	3,018	17,329	(42)	24,322
Changes of items during period					
Issuance of new shares					–
Payments for investments in capital of subsidiaries and associates		(21)			(21)
Dividends of surplus			(455)		(455)
Profit attributable to owners of parent			2,123		2,123
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(21)	1,668	(0)	1,646
Balance at end of current period	4,018	2,996	18,997	(42)	25,969

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,762	(0)	(418)	(30)	3,312	1,455	29,091
Changes of items during period							
Issuance of new shares							–
Payments for investments in capital of subsidiaries and associates							(21)
Dividends of surplus							(455)
Profit attributable to owners of parent							2,123
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	1,033	(3)	(167)	9	872	1,636	2,509
Total changes of items during period	1,033	(3)	(167)	9	872	1,636	4,155
Balance at end of current period	4,795	(4)	(585)	(20)	4,185	3,092	33,246

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,018	2,996	18,997	(42)	25,969
Changes of items during period					
Issuance of new shares	790	790			1,580
Payments for investments in capital of subsidiaries and associates		(17)			(17)
Dividends of surplus			(474)		(474)
Profit attributable to owners of parent			2,006		2,006
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	790	773	1,531	(0)	3,095
Balance at end of current period	4,808	3,769	20,529	(42)	29,064

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	4,795	(4)	(585)	(20)	4,185	3,092	33,246
Changes of items during period							
Issuance of new shares							1,580
Payments for investments in capital of subsidiaries and associates							(17)
Dividends of surplus							(474)
Profit attributable to owners of parent							2,006
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	758	2	122	6	890	(1,415)	(524)
Total changes of items during period	758	2	122	6	890	(1,415)	2,570
Balance at end of current period	5,554	(1)	(463)	(13)	5,075	1,677	35,817

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	3,018	3,242
Depreciation	1,608	1,696
Amortization of goodwill	7	7
Share of loss (profit) of entities accounted for using equity method	(277)	(251)
Loss (gain) on investments in partnership	43	1
Loss (gain) on valuation of investment securities	0	0
Increase (decrease) in allowance for doubtful accounts	2	(0)
Increase (decrease) in provision for bonuses for directors (and other officers)	10	22
Increase (decrease) in provision for retirement benefits for directors (and other officers)	22	39
Increase (decrease) in retirement benefit liability	1	(16)
Increase (decrease) in provision for loss on order received	(0)	2
Increase (decrease) in provision for shareholder benefit program	4	11
Interest and dividend income	(215)	(260)
Interest expenses	87	148
Loss (gain) on sales of investment securities	(0)	(5)
Loss (gain) on sales of non-current assets	48	(44)
Loss on retirement of non-current assets	73	9
Compensation for removal	(163)	–
Loss (gain) on sales of investments in capital of subsidiaries and affiliates	–	(254)
Decrease (increase) in notes and accounts receivable - trade	(1,751)	(586)
Decrease (increase) in inventories	(1,023)	(687)
Increase (decrease) in notes and accounts payable - trade	288	1,048
Other, net	217	962
Subtotal	2,002	5,086
Interest and dividend income received	228	276
Interest expenses paid	(88)	(147)
Income taxes paid	(669)	(1,061)
Proceeds from compensation for removal	163	–
Net cash provided by (used in) operating activities	1,636	4,153

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from investing activities		
Payments into time deposits	(0)	(390)
Proceeds from withdrawal of time deposits	184	67
Purchase of property, plant and equipment	(2,992)	(2,463)
Proceeds from sales of property, plant and equipment	55	409
Purchase of intangible assets	(245)	(283)
Proceeds from sales of land use rights	156	–
Purchase of investment securities	(1,909)	(590)
Proceeds from sales of investment securities	0	13
Purchase of shares of subsidiaries and associates	–	(60)
Payments for investments in capital of subsidiaries and associates	(590)	–
Payments for sales of shares of subsidiaries and affiliates resulting in change in scope of consolidation	–	(803)
Collection of loans receivable	5	5
Other, net	(52)	(67)
Net cash provided by (used in) investing activities	(5,389)	(4,163)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	5,462	(1,066)
Repayments of finance lease obligations	(227)	(248)
Proceeds from long-term loans payable	790	54
Repayments of long-term loans payable	(518)	(418)
Repayments of installment payables	(115)	(175)
Proceeds from issuance of common shares	–	1,564
Cash dividends paid by the parent company	(455)	(474)
Dividends paid to non-controlling interests	(0)	(20)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	4,935	(784)
Effect of exchange rate change on cash and cash equivalents	(83)	76
Net increase (decrease) in cash and cash equivalents	1,098	(716)
Cash and cash equivalents at beginning of period	5,222	6,321
Cash and cash equivalents at end of period	6,321	5,604