

**Translation**

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**Summary of Consolidated Financial Results  
for the Six Months Ended September 30, 2018  
(Based on Japanese GAAP)**

October 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: November 5, 2018  
 Scheduled date to commence dividend payments: December 4, 2018  
 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, 2018 (from April 1, 2018 to September 30, 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	%
Six months ended September 30, 2018	40,124	6.9	747	0.2	1,070	6.5	494	(20.5)
Six months ended September 30, 2017	37,552	25.9	746	42.3	1,005	32.6	621	30.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2018	8.30		-	
Six months ended September 30, 2017	10.92		-	

(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, 2018	74,702	36,717	45.0	546.39
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 six months ended September 30, 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 September 30, 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 September 30, 2018	200,585 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)

Six months ended September 30, 2018	59,516,849 shares	Six months ended September 30, 2017	56,975,755 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	6,441	6,121
Notes and accounts receivable - trade	19,960	19,226
Accounts receivable from completed construction contracts	3,221	3,130
Merchandise and finished goods	2,333	2,595
Work in process	2,422	3,520
Costs on uncompleted construction contracts	28	44
Raw materials and supplies	1,486	1,546
Other	1,201	1,174
Allowance for doubtful accounts	(2)	(2)
Total current assets	37,093	37,357
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,423	8,297
Land	3,861	3,786
Other, net	3,908	4,455
Total property, plant and equipment	16,192	16,540
Intangible assets		
Software	704	740
Other	255	248
Total intangible assets	960	989
Investments and other assets		
Investment securities	15,502	17,749
Other	2,064	2,066
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	17,567	19,815
Total non-current assets	34,720	37,345
Total assets	71,814	74,702

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	12,007	12,208
Accounts payable for construction contracts	1,442	1,485
Short-term loans payable	15,057	12,655
Income taxes payable	429	681
Provision for directors' bonuses	116	23
Provision for loss on order received	2	5
Provision for warranties for completed construction	33	31
Provision for shareholder benefit program	23	23
Other	3,822	4,489
Total current liabilities	32,936	31,603
Non-current liabilities		
Long-term loans payable	1,134	1,042
Provision for directors' retirement benefits	594	606
Net defined benefit liability	485	502
Asset retirement obligations	174	175
Other	3,242	4,055
Total non-current liabilities	5,631	6,381
<b>Total liabilities</b>	<b>38,567</b>	<b>37,984</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,018	4,808
Capital surplus	2,996	3,786
Retained earnings	18,997	19,263
Treasury shares	(42)	(42)
Total shareholders' equity	25,969	27,816
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,795	6,193
Deferred gains or losses on hedges	(4)	3
Foreign currency translation adjustment	(585)	(352)
Remeasurements of defined benefit plans	(20)	(18)
Total accumulated other comprehensive income	4,185	5,825
Non-controlling interests	3,092	3,075
<b>Total net assets</b>	<b>33,246</b>	<b>36,717</b>
<b>Total liabilities and net assets</b>	<b>71,814</b>	<b>74,702</b>

**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, 2017	Six months ended September 30, 2018
Net sales	37,552	40,124
Cost of sales	31,216	33,519
Gross profit	6,335	6,604
Selling, general and administrative expenses	5,589	5,857
Operating profit	746	747
Non-operating income		
Interest income	10	25
Dividend income	88	110
Share of profit of entities accounted for using equity method	99	146
Rent income on real estate and facilities	82	84
Foreign exchange gains	26	20
Other	76	101
Total non-operating income	383	488
Non-operating expenses		
Interest expenses	36	70
Rent expenses on real estate and facilities	59	59
Other	27	34
Total non-operating expenses	124	165
Ordinary profit	1,005	1,070
Extraordinary income		
Gain on sales of non-current assets	0	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	52	5
Loss on valuation of investment securities	0	–
Other	–	1
Total extraordinary losses	55	36
Profit before income taxes	957	1,115
Income taxes	308	437
Income taxes for prior periods	–	295
Profit	649	383
Profit (loss) attributable to non-controlling interests	27	(111)
Profit attributable to owners of parent	621	494

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	649	383
Other comprehensive income		
Valuation difference on available-for-sale securities	552	1,399
Deferred gains or losses on hedges	9	7
Foreign currency translation adjustment	101	345
Share of other comprehensive income of entities accounted for using equity method	4	2
Total other comprehensive income	668	1,755
Comprehensive income	1,317	2,138
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,241	2,134
Comprehensive income attributable to non-controlling interests	76	3

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	957	1,115
Depreciation	815	841
Amortization of goodwill	3	3
Share of loss (profit) of entities accounted for using equity method	(99)	(146)
Loss (gain) on investments in partnership	2	(1)
Loss (gain) on valuation of investment securities	0	–
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for directors' bonuses	(86)	(93)
Increase (decrease) in provision for directors' retirement benefits	12	11
Increase (decrease) in net defined benefit liability	1	(4)
Increase (decrease) in provision for loss on order received	(1)	3
Interest and dividend income	(98)	(135)
Interest expenses	36	70
Loss (gain) on sales of investment securities	(0)	(5)
Loss (gain) on sales of non-current assets	1	(46)
Loss on retirement of non-current assets	52	5
Loss (gain) on sales of land use rights	(4)	–
Loss (gain) on liquidation of subsidiaries and associates	(2)	–
Decrease (increase) in notes and accounts receivable - trade	(1,594)	997
Decrease (increase) in inventories	(2,690)	(1,310)
Increase (decrease) in notes and accounts payable - trade	1,273	125
Other, net	1,912	1,019
Subtotal	493	2,450
Interest and dividend income received	110	153
Interest expenses paid	(38)	(70)
Income taxes paid	(350)	(485)
Net cash provided by (used in) operating activities	216	2,047

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Cash flows from investing activities		
Payments into time deposits	(0)	(363)
Proceeds from withdrawal of time deposits	14	–
Purchase of property, plant and equipment	(1,216)	(1,064)
Proceeds from sales of property, plant and equipment	8	410
Purchase of intangible assets	(132)	(158)
Proceeds from sales of land use rights	166	–
Purchase of investment securities	(249)	(48)
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)	–
Collection of loans receivable	2	2
Other, net	(68)	(25)
Net cash provided by (used in) investing activities	(2,065)	(1,293)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,103	(2,559)
Repayments of finance lease obligations	(112)	(123)
Proceeds from long-term loans payable	–	55
Repayments of long-term loans payable	(210)	(172)
Repayments of installment payables	(52)	(84)
Proceeds from issuance of common shares	–	1,564
Cash dividends paid	(227)	(227)
Dividends paid to non-controlling interests	(0)	(20)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	2,500	(1,567)
Effect of exchange rate change on cash and cash equivalents	35	125
Net increase (decrease) in cash and cash equivalents	686	(688)
Cash and cash equivalents at beginning of period	5,222	6,321
Cash and cash equivalents at end of period	5,909	5,633