

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 29, 2021

Company name: MITANI SANGYO CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 8285 URL <https://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 9, 2021
 Scheduled date to commence dividend payments: December 2, 2021
 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, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	39,753	16.7	351	(36.3)	692	(15.4)	298	(29.4)
Six months ended September 30, 2020	34,054	(8.9)	552	(47.8)	818	(41.1)	423	(46.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	4.85		-	
Six months ended September 30, 2020	6.87		-	

(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, 2021	79,247	39,627	49.9	641.81
As of March 31, 2021	81,683	41,135	47.7	632.43

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, 2021	-	4.50	-	4.50	9.00
Year ending March 31, 2022	-	4.50	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	4.50	9.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	80,000	(0.7)	1,900	(26.0)	2,500	(25.4)	1,600	(29.3)	25.99

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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 September 30, 2021	61,772,500 shares	As of March 31, 2021	61,772,500 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	201,955 shares	As of March 31, 2021	201,873 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, 2021	61,570,591 shares	Six months ended September 30, 2020	61,571,678 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	6,679	6,061
Notes and accounts receivable - trade	18,104	13,771
Electronically recorded monetary claims - operating	3,073	3,265
Accounts receivable from completed construction contracts	4,588	6,519
Merchandise and finished goods	2,532	3,090
Work in process	2,123	740
Costs on construction contracts in progress	54	111
Raw materials and supplies	1,248	1,263
Other	1,435	1,405
Allowance for doubtful accounts	(1)	(1)
Total current assets	39,837	36,228
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,427	9,331
Land	3,762	3,880
Other, net	3,177	3,146
Total property, plant and equipment	16,367	16,359
Intangible assets		
Software	717	725
Other	158	151
Total intangible assets	875	877
Investments and other assets		
Investment securities	22,341	23,428
Other	2,262	2,355
Total investments and other assets	24,603	25,783
Total non-current assets	41,846	43,019
Total assets	81,683	79,247

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,716	8,754
Electronically recorded obligations - operating	1,852	1,502
Accounts payable for construction contracts	1,332	2,159
Short-term borrowings	11,361	10,910
Income taxes payable	636	423
Provision for bonuses for directors (and other officers)	162	58
Provision for loss on order received	4	10
Provision for warranties for completed construction	44	43
Provision for shareholder benefit program	38	38
Other	4,627	3,890
Total current liabilities	30,776	27,791
Non-current liabilities		
Long-term borrowings	4,422	6,155
Provision for retirement benefits for directors (and other officers)	737	756
Retirement benefit liability	227	248
Asset retirement obligations	237	241
Other	4,145	4,425
Total non-current liabilities	9,771	11,828
Total liabilities	40,547	39,620
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	3,768	3,357
Retained earnings	23,302	23,505
Treasury shares	(42)	(42)
Total shareholders' equity	31,836	31,627
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,552	8,236
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	(437)	(338)
Remeasurements of defined benefit plans	(13)	(11)
Total accumulated other comprehensive income	7,102	7,888
Non-controlling interests	2,196	111
Total net assets	41,135	39,627
Total liabilities and net assets	81,683	79,247

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, 2020	Six months ended September 30, 2021
Net sales	34,054	39,753
Cost of sales	27,055	32,495
Gross profit	6,999	7,258
Selling, general and administrative expenses	6,446	6,906
Operating profit	552	351
Non-operating income		
Interest income	13	15
Dividend income	130	163
Share of profit of entities accounted for using equity method	29	52
Rent income on real estate and facilities	91	94
Foreign exchange gains	31	33
Other	92	116
Total non-operating income	388	475
Non-operating expenses		
Interest expenses	31	41
Rent expenses on real estate and facilities	62	64
Other	29	29
Total non-operating expenses	122	135
Ordinary profit	818	692
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	2	5
Total extraordinary income	3	6
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	1	3
Loss on valuation of investment securities	–	1
Total extraordinary losses	2	4
Profit before income taxes	819	694
Income taxes	326	391
Profit	493	302
Profit attributable to non-controlling interests	70	4
Profit attributable to owners of parent	423	298

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	493	302
Other comprehensive income		
Valuation difference on available-for-sale securities	2,605	667
Deferred gains or losses on hedges	(3)	1
Foreign currency translation adjustment	(35)	99
Share of other comprehensive income of entities accounted for using equity method	5	17
Total other comprehensive income	2,571	786
Comprehensive income	3,064	1,088
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,995	1,084
Comprehensive income attributable to non-controlling interests	69	4

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	819	694
Depreciation	966	1,035
Share of loss (profit) of entities accounted for using equity method	(29)	(52)
Loss (gain) on investments in investment partnerships	1	(1)
Loss (gain) on valuation of investment securities	–	1
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for bonuses for directors (and other officers)	(78)	(103)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	8	18
Increase (decrease) in retirement benefit liability	16	19
Increase (decrease) in provision for loss on order received	(1)	6
Interest and dividend income	(143)	(178)
Interest expenses	31	41
Loss (gain) on sale of investment securities	(2)	(5)
Loss (gain) on sale of non-current assets	(0)	(0)
Loss on retirement of non-current assets	1	3
Decrease (increase) in trade receivables	2,986	3,286
Decrease (increase) in inventories	(2,022)	(750)
Increase (decrease) in trade payables	(473)	(1,545)
Other, net	594	38
Subtotal	2,675	2,505
Interest and dividends received	162	204
Interest paid	(27)	(40)
Income taxes paid	(647)	(656)
Net cash provided by (used in) operating activities	2,161	2,013

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from investing activities		
Payments into time deposits	(289)	(53)
Proceeds from withdrawal of time deposits	–	64
Purchase of property, plant and equipment	(1,455)	(721)
Proceeds from sale of property, plant and equipment	4	1
Purchase of intangible assets	(163)	(151)
Purchase of investment securities	(49)	(72)
Proceeds from sale of investment securities	3	7
Loan advances	(8)	(1)
Proceeds from collection of loans receivable	2	0
Other, net	7	(75)
Net cash provided by (used in) investing activities	(1,950)	(1,001)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(39)	(1,034)
Repayments of finance lease obligations	(138)	(146)
Proceeds from long-term borrowings	59	2,545
Repayments of long-term borrowings	(66)	(240)
Repayments of installment payables	(16)	(26)
Purchase of shares of subsidiaries and associates not resulting in change in scope of consolidation	–	(2,500)
Dividends paid	(277)	(277)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	(480)	(1,680)
Effect of exchange rate change on cash and cash equivalents	(11)	35
Net increase (decrease) in cash and cash equivalents	(280)	(632)
Cash and cash equivalents at beginning of period	5,311	5,640
Cash and cash equivalents at end of period	5,031	5,008