

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

April 28, 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 of ordinary general meeting of shareholders: June 15, 2021
 Scheduled date to file Securities Report: June 14, 2021
 Scheduled date to commence dividend payments: May 31, 2021
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	80,541	3.8	2,567	1.3	3,349	1.6	2,261	37.4
Year ended March 31, 2020	77,595	(9.5)	2,534	8.5	3,296	11.8	1,646	(17.9)

	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, 2021	36.73	–	6.3	4.5	3.2
Year ended March 31, 2020	26.74	–	4.9	4.7	3.3

(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, 2021	81,683	41,135	47.7	632.43
As of March 31, 2020	68,716	34,740	47.8	533.00

(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, 2021	3,611	(4,632)	1,302	5,640
Year ended March 31, 2020	1,789	(674)	(1,385)	5,311

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, 2020	–	4.50	–	4.50	9.00	554	33.7	1.7
Year ended March 31, 2021	–	4.50	–	4.50	9.00	554	24.5	1.5
Year ending March 31, 2022 (Forecast)	–	4.50	–	4.50	9.00		34.6	

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 year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(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, 2021	61,772,500 shares	As of March 31, 2020	61,772,500 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2021	201,873 shares	As of March 31, 2020	200,782 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2021	61,571,569 shares	Year ended March 31, 2020	61,571,777 shares
---------------------------	-------------------	---------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	5,969	6,679
Notes and accounts receivable - trade	16,597	18,104
Electronically recorded monetary claims - operating	2,051	3,073
Accounts receivable from completed construction contracts	4,761	4,588
Merchandise and finished goods	2,532	2,532
Work in process	1,629	2,123
Costs on construction contracts in progress	34	54
Raw materials and supplies	991	1,248
Other	1,302	1,435
Allowance for doubtful accounts	(2)	(1)
Total current assets	35,868	39,837
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,261	19,566
Accumulated depreciation	(9,543)	(10,138)
Buildings and structures, net	7,717	9,427
Machinery, equipment and vehicles	5,242	6,649
Accumulated depreciation	(4,072)	(4,729)
Machinery, equipment and vehicles, net	1,170	1,920
Tools, furniture and fixtures	1,426	1,662
Accumulated depreciation	(1,135)	(1,234)
Tools, furniture and fixtures, net	291	427
Land	3,701	3,762
Leased assets	1,074	1,409
Accumulated depreciation	(598)	(627)
Leased assets, net	476	781
Construction in progress	1,468	48
Total property, plant and equipment	14,825	16,367
Intangible assets		
Software	711	717
Leased assets	98	66
Telephone subscription right	36	36
Other	43	56
Total intangible assets	889	875
Investments and other assets		
Investment securities	14,911	22,341
Guarantee deposits	1,217	1,272
Deferred tax assets	165	201
Other	838	788
Allowance for doubtful accounts	(0)	—
Total investments and other assets	17,133	24,603
Total non-current assets	32,848	41,846
Total assets	68,716	81,683

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,841	10,716
Electronically recorded obligations - operating	1,581	1,852
Accounts payable for construction contracts	1,378	1,332
Short-term borrowings	13,423	11,361
Lease obligations	229	295
Income taxes payable	621	636
Accrued consumption taxes	262	317
Advances received on construction contracts in progress	37	38
Provision for bonuses for directors (and other officers)	123	162
Provision for loss on order received	7	4
Provision for warranties for completed construction	48	44
Provision for shareholder benefit program	33	38
Other	3,016	3,976
Total current liabilities	30,605	30,776
Non-current liabilities		
Long-term borrowings	152	4,422
Deposit received for guarantee	130	130
Lease obligations	396	656
Deferred tax liabilities	1,469	3,216
Provision for retirement benefits for directors (and other officers)	705	737
Retirement benefit liability	206	227
Asset retirement obligations	178	237
Other	131	141
Total non-current liabilities	3,370	9,771
Total liabilities	33,975	40,547
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	3,768	3,768
Retained earnings	21,595	23,302
Treasury shares	(42)	(42)
Total shareholders' equity	30,129	31,836
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,281	7,552
Deferred gains or losses on hedges	3	0
Foreign currency translation adjustment	(578)	(437)
Remeasurements of defined benefit plans	(17)	(13)
Total accumulated other comprehensive income	2,688	7,102
Non-controlling interests	1,922	2,196
Total net assets	34,740	41,135
Total liabilities and net assets	68,716	81,683

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

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	77,595	80,541
Cost of sales	62,804	65,339
Gross profit	14,790	15,201
Selling, general and administrative expenses		
Commission Charges	1,204	1,090
Travel and transportation expenses	572	258
Remuneration for directors (and other officers)	504	548
Employees' salaries	3,519	3,794
Employees' bonuses	1,070	1,246
Retirement benefit expenses	184	197
Provision for bonuses for directors (and other officers)	122	162
Provision for retirement benefits for directors (and other officers)	72	72
Welfare expenses	1,110	1,201
Rent expenses	1,042	1,148
Depreciation	538	572
Other	2,313	2,340
Total selling, general and administrative expenses	12,256	12,634
Operating profit	2,534	2,567
Non-operating income		
Interest income	42	53
Dividend income	246	257
Gain on investments in investment partnerships	–	9
Share of profit of entities accounted for using equity method	346	292
Purchase discounts	69	57
Rent income	181	182
Foreign exchange gains	34	60
Other	111	109
Total non-operating income	1,031	1,022
Non-operating expenses		
Interest expenses	83	64
Loss on investments in investment partnerships	1	–
Rent expenses	125	128
Other	58	47
Total non-operating expenses	268	240
Ordinary profit	3,296	3,349

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Extraordinary income		
Gain on sale of non-current assets	2	1
Gain on sale of investment securities	0	5
Subsidy income	12	77
Total extraordinary income	14	84
Extraordinary losses		
Loss on sale of non-current assets	0	5
Loss on retirement of non-current assets	7	17
Loss on valuation of investment securities	157	48
Impairment losses	203	—
Other	0	—
Total extraordinary losses	368	70
Profit before income taxes	2,942	3,364
Income taxes - current	1,072	1,084
Income taxes for prior periods	58	(117)
Income taxes - deferred	(82)	(138)
Total income taxes	1,048	828
Profit	1,894	2,536
Profit attributable to non-controlling interests	248	274
Profit attributable to owners of parent	1,646	2,261

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	1,894	2,536
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,268)	4,247
Deferred gains or losses on hedges	4	(2)
Foreign currency translation adjustment	(115)	141
Share of other comprehensive income of entities accounted for using equity method	(10)	28
Total other comprehensive income	(2,389)	4,414
Comprehensive income	(494)	6,950
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(740)	6,675
Comprehensive income attributable to non-controlling interests	245	274

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,808	3,769	20,529	(42)	29,064
Changes during period					
Dividends of surplus			(554)		(554)
Profit attributable to owners of parent			1,646		1,646
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			(25)		(25)
Change in ownership interest of parent due to transactions with non-controlling interests		(1)			(1)
Net changes in items other than shareholders' equity					
Total changes during period	–	(1)	1,066	(0)	1,064
Balance at end of period	4,808	3,768	21,595	(42)	30,129

	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 period	5,554	(1)	(463)	(13)	5,075	1,677	35,817
Changes during period							
Dividends of surplus							(554)
Profit attributable to owners of parent							1,646
Purchase of treasury shares							(0)
Change in scope of consolidation							(25)
Change in ownership interest of parent due to transactions with non-controlling interests							(1)
Net changes in items other than shareholders' equity	(2,272)	4	(115)	(3)	(2,387)	245	(2,141)
Total changes during period	(2,272)	4	(115)	(3)	(2,387)	245	(1,077)
Balance at end of period	3,281	3	(578)	(17)	2,688	1,922	34,740

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,808	3,768	21,595	(42)	30,129
Changes during period					
Dividends of surplus			(554)		(554)
Profit attributable to owners of parent			2,261		2,261
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation					-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,707	(0)	1,707
Balance at end of period	4,808	3,768	23,302	(42)	31,836

	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 period	3,281	3	(578)	(17)	2,688	1,922	34,740
Changes during period							
Dividends of surplus							(554)
Profit attributable to owners of parent							2,261
Purchase of treasury shares							(0)
Change in scope of consolidation							-
Change in ownership interest of parent due to transactions with non-controlling interests							-
Net changes in items other than shareholders' equity	4,271	(2)	141	4	4,414	274	4,688
Total changes during period	4,271	(2)	141	4	4,414	274	6,395
Balance at end of period	7,552	0	(437)	(13)	7,102	2,196	41,135

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	2,942	3,364
Depreciation	1,577	2,049
Impairment losses	203	–
Share of loss (profit) of entities accounted for using equity method	(346)	(292)
Loss (gain) on investments in investment partnerships	1	(9)
Loss (gain) on valuation of investment securities	157	48
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for bonuses for directors (and other officers)	(15)	38
Increase (decrease) in provision for retirement benefits for directors (and other officers)	71	32
Increase (decrease) in retirement benefit liability	21	18
Increase (decrease) in provision for loss on order received	1	(3)
Increase (decrease) in provision for shareholder benefit program	(2)	4
Interest and dividend income	(288)	(310)
Interest expenses	83	64
Loss (gain) on sale of investment securities	(0)	(5)
Loss (gain) on sale of non-current assets	(2)	3
Loss on retirement of non-current assets	7	17
Decrease (increase) in trade receivables	(629)	(2,301)
Decrease (increase) in inventories	(107)	(750)
Increase (decrease) in trade payables	(429)	1,071
Other, net	(499)	1,319
Subtotal	2,747	4,356
Interest and dividends received	309	323
Interest paid	(84)	(64)
Income taxes paid	(1,182)	(1,004)
Net cash provided by (used in) operating activities	1,789	3,611
Cash flows from investing activities		
Payments into time deposits	(226)	(353)
Purchase of property, plant and equipment	(1,641)	(2,732)
Proceeds from sale of property, plant and equipment	7	5
Purchase of intangible assets	(285)	(327)
Purchase of investment securities	(511)	(999)
Proceeds from sale of investment securities	0	8
Purchase of shares of subsidiaries and associates	(95)	(70)
Proceeds from sales of investments in capital of subsidiaries and associates	1,656	–
Loan advances	(21)	(65)
Proceeds from collection of loans receivable	678	2
Other, net	(235)	(99)
Net cash provided by (used in) investing activities	(674)	(4,632)

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(333)	(2,098)
Repayments of finance lease obligations	(228)	(284)
Proceeds from long-term borrowings	60	4,422
Repayments of long-term borrowings	(296)	(143)
Repayments of installment payables	(29)	(38)
Dividends paid	(554)	(554)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of treasury shares	(0)	(0)
Other, net	(1)	–
Net cash provided by (used in) financing activities	(1,385)	1,302
Effect of exchange rate change on cash and cash equivalents	(45)	48
Net increase (decrease) in cash and cash equivalents	(315)	329
Cash and cash equivalents at beginning of period	5,604	5,311
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	21	–
Cash and cash equivalents at end of period	5,311	5,640