

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 29, 2020

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: February 5, 2020
 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, 2019 (from April 1, 2019 to December 31, 2019)

(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	%
Nine months ended December 31, 2019	55,354	(8.5)	1,408	46.3	2,011	37.1	1,240	62.9
Nine months ended December 31, 2018	60,491	2.9	962	(22.7)	1,467	(13.4)	761	(33.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	20.15	–
Nine months ended December 31, 2018	12.67	–

(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, 2019	73,523	36,505	47.2	563.55
As of March 31, 2019	72,356	35,817	47.2	554.48

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	4.00	–	4.50	8.50
Year ending March 31, 2020	–	4.50	–		
Year ending March 31, 2020 (Forecast)				4.50	9.00

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
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 nine months ended December 31, 2019
(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 December 31, 2019	61,772,500 shares	As of March 31, 2019	61,772,500 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	200,762 shares	As of March 31, 2019	200,615 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, 2019	61,571,790 shares	Nine months ended December 31, 2018	60,133,360 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	6,051	7,225
Notes and accounts receivable - trade	20,018	17,697
Accounts receivable from completed construction contracts	2,806	3,761
Merchandise and finished goods	1,998	2,767
Work in process	2,326	3,526
Costs on construction contracts in progress	26	72
Raw materials and supplies	741	832
Other	3,379	1,348
Allowance for doubtful accounts	(2)	(2)
Total current assets	37,346	37,228
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,804	7,880
Land	3,818	3,818
Other, net	2,936	3,409
Total property, plant and equipment	14,560	15,109
Intangible assets		
Software	712	698
Other	194	174
Total intangible assets	906	872
Investments and other assets		
Investment securities	17,474	18,137
Other	2,067	2,175
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	19,542	20,313
Total non-current assets	35,009	36,295
Total assets	72,356	73,523

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,130	12,053
Accounts payable for construction contracts	1,126	1,250
Short-term borrowings	13,957	14,292
Income taxes payable	679	212
Provision for bonuses for directors (and other officers)	139	70
Provision for loss on order received	5	13
Provision for warranties for completed construction	34	47
Provision for shareholder benefit program	35	35
Other	3,898	4,680
Total current liabilities	32,008	32,656
Non-current liabilities		
Long-term borrowings	210	137
Provision for retirement benefits for directors (and other officers)	633	690
Retirement benefit liability	186	196
Asset retirement obligations	176	177
Other	3,323	3,158
Total non-current liabilities	4,530	4,361
Total liabilities	36,539	37,018
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	3,769	3,768
Retained earnings	20,529	21,215
Treasury shares	(42)	(42)
Total shareholders' equity	29,064	29,749
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,554	5,452
Deferred gains or losses on hedges	(1)	5
Foreign currency translation adjustment	(463)	(501)
Remeasurements of defined benefit plans	(13)	(6)
Total accumulated other comprehensive income	5,075	4,949
Non-controlling interests	1,677	1,806
Total net assets	35,817	36,505
Total liabilities and net assets	72,356	73,523

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, 2018	Nine months ended December 31, 2019
Net sales	60,491	55,354
Cost of sales	50,682	44,822
Gross profit	9,808	10,531
Selling, general and administrative expenses	8,845	9,123
Operating profit	962	1,408
Non-operating income		
Interest income	29	18
Dividend income	208	239
Share of profit of entities accounted for using equity method	210	246
Rent income on real estate and facilities	127	138
Foreign exchange gains	30	30
Other	144	125
Total non-operating income	751	797
Non-operating expenses		
Interest expenses	106	64
Rent expenses on real estate and facilities	89	93
Other	49	36
Total non-operating expenses	246	194
Ordinary profit	1,467	2,011
Extraordinary income		
Gain on sales of non-current assets	75	2
Gain on sales of investment securities	5	–
Subsidy income	–	12
Total extraordinary income	81	14
Extraordinary losses		
Loss on sales of non-current assets	29	0
Loss on retirement of non-current assets	5	7
Other	1	0
Total extraordinary losses	36	7
Profit before income taxes	1,512	2,018
Income taxes	576	646
Income taxes for prior periods	285	–
Profit	650	1,371
Profit (loss) attributable to non-controlling interests	(110)	130
Profit attributable to owners of parent	761	1,240

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	650	1,371
Other comprehensive income		
Valuation difference on available-for-sale securities	46	(94)
Deferred gains or losses on hedges	4	7
Foreign currency translation adjustment	213	(38)
Share of other comprehensive income of entities accounted for using equity method	4	(1)
Total other comprehensive income	269	(126)
Comprehensive income	920	1,244
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	956	1,114
Comprehensive income attributable to non-controlling interests	(36)	130