

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 Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 14, 2022

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 14, 2022
 Scheduled date to commence dividend payments: December 2, 2022
 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, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	43,545	9.5	(42)	–	351	(49.3)	96	(67.8)
Six months ended September 30, 2021	39,753	16.7	351	(36.3)	692	(15.4)	298	(29.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	1.56		–	
Six months ended September 30, 2021	4.85		–	

(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, 2022	83,378	40,194	48.1	650.86
As of March 31, 2022	85,036	40,279	47.2	652.32

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, 2022	–	4.50	–	4.50	9.00
Year ending March 31, 2023	–	4.50	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	4.50	9.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	87,000	3.0	2,000	75.4	2,600	32.2	1,600	12.3	25.99

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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, 2022	61,772,500 shares	As of March 31, 2022	61,772,500 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2022	202,035 shares	As of March 31, 2022	201,995 shares
--------------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	61,570,476 shares	Six months ended September 30, 2021	61,570,591 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	6,915	6,512
Notes and accounts receivable - trade	17,208	16,441
Electronically recorded monetary claims - operating	3,384	3,019
Accounts receivable from completed construction contracts	7,253	6,262
Merchandise and finished goods	3,527	4,358
Work in process	628	575
Costs on construction contracts in progress	98	163
Raw materials and supplies	1,280	1,452
Other	1,896	1,988
Allowance for doubtful accounts	(2)	(2)
Total current assets	42,189	40,771
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,184	9,615
Land	3,996	3,996
Other, net	3,338	3,120
Total property, plant and equipment	16,519	16,732
Intangible assets		
Software	698	750
Other	251	238
Total intangible assets	949	989
Investments and other assets		
Investment securities	22,830	22,333
Other	2,547	2,552
Total investments and other assets	25,377	24,885
Total non-current assets	42,846	42,607
Total assets	85,036	83,378

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,042	10,245
Electronically recorded obligations - operating	1,570	1,172
Accounts payable for construction contracts	2,119	2,034
Short-term borrowings	14,323	14,619
Income taxes payable	300	288
Provision for bonuses for directors (and other officers)	84	53
Provision for loss on orders received	2	6
Provision for warranties for completed construction	41	48
Provision for shareholder benefit program	47	47
Other	4,436	4,120
Total current liabilities	32,968	32,637
Non-current liabilities		
Long-term borrowings	6,075	5,487
Provision for retirement benefits for directors (and other officers)	875	479
Retirement benefit liability	341	391
Asset retirement obligations	236	237
Other	4,259	3,949
Total non-current liabilities	11,788	10,546
Total liabilities	44,757	43,184
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	3,357	3,357
Retained earnings	24,354	24,173
Treasury shares	(42)	(42)
Total shareholders' equity	32,476	32,295
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,640	7,103
Deferred gains or losses on hedges	3	12
Foreign currency translation adjustment	46	664
Remeasurements of defined benefit plans	(4)	(2)
Total accumulated other comprehensive income	7,686	7,777
Non-controlling interests	115	121
Total net assets	40,279	40,194
Total liabilities and net assets	85,036	83,378

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, 2021	Six months ended September 30, 2022
Net sales	39,753	43,545
Cost of sales	32,495	35,911
Gross profit	7,258	7,634
Selling, general and administrative expenses	6,906	7,676
Operating profit (loss)	351	(42)
Non-operating income		
Interest income	15	16
Dividend income	163	180
Share of profit of entities accounted for using equity method	52	156
Rent income on real estate and facilities	94	82
Foreign exchange gains	33	–
Other	116	139
Total non-operating income	475	574
Non-operating expenses		
Interest expenses	41	64
Rent expenses on real estate and facilities	64	55
Foreign exchange losses	–	17
Other	29	42
Total non-operating expenses	135	180
Ordinary profit	692	351
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	5	42
Total extraordinary income	6	43
Extraordinary losses		
Loss on sale of non-current assets	–	0
Loss on retirement of non-current assets	3	11
Loss on sale of investment securities	–	0
Loss on valuation of investment securities	1	–
Total extraordinary losses	4	11
Profit before income taxes	694	383
Income taxes	391	281
Profit	302	101
Profit attributable to non-controlling interests	4	5
Profit attributable to owners of parent	298	96

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	302	101
Other comprehensive income		
Valuation difference on available-for-sale securities	667	(528)
Deferred gains or losses on hedges	1	8
Foreign currency translation adjustment	99	618
Share of other comprehensive income of entities accounted for using equity method	17	(6)
Total other comprehensive income	786	91
Comprehensive income	1,088	192
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,084	187
Comprehensive income attributable to non-controlling interests	4	5

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	694	383
Depreciation	1,035	1,106
Share of loss (profit) of entities accounted for using equity method	(52)	(156)
Loss (gain) on investments in investment partnerships	(1)	(27)
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)	(103)	(30)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	18	(396)
Increase (decrease) in retirement benefit liability	19	37
Increase (decrease) in provision for loss on orders received	6	3
Interest and dividend income	(178)	(196)
Interest expenses	41	64
Loss (gain) on sale of investment securities	(5)	(42)
Loss (gain) on sale of non-current assets	(0)	(1)
Loss on retirement of non-current assets	3	11
Decrease (increase) in trade receivables	3,286	2,357
Decrease (increase) in inventories	(750)	(876)
Increase (decrease) in trade payables	(1,545)	(437)
Other, net	38	(421)
Subtotal	2,505	1,377
Interest and dividends received	204	223
Interest paid	(40)	(65)
Income taxes paid	(656)	(315)
Net cash provided by (used in) operating activities	2,013	1,219

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from investing activities		
Payments into time deposits	(53)	–
Proceeds from withdrawal of time deposits	64	407
Purchase of property, plant and equipment	(721)	(641)
Proceeds from sale of property, plant and equipment	1	0
Purchase of intangible assets	(151)	(207)
Purchase of investment securities	(72)	(142)
Proceeds from sale of investment securities	7	83
Loan advances	(1)	(14)
Proceeds from collection of loans receivable	0	76
Other, net	(75)	(16)
Net cash provided by (used in) investing activities	(1,001)	(455)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,034)	(394)
Repayments of finance lease liabilities	(146)	(169)
Proceeds from long-term borrowings	2,545	200
Repayments of long-term borrowings	(240)	(493)
Repayments of installment payables	(26)	(53)
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	(1,680)	(1,189)
Effect of exchange rate change on cash and cash equivalents	35	286
Net increase (decrease) in cash and cash equivalents	(632)	(137)
Cash and cash equivalents at beginning of period	5,640	5,806
Cash and cash equivalents at end of period	5,008	5,668