

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

April 28, 2023

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 13, 2023
 Scheduled date to file Securities Report: June 12, 2023
 Scheduled date to commence dividend payments: May 29, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	90,416	7.1	978	(14.2)	1,716	(12.8)	960	(32.6)
Year ended March 31, 2022	84,427	4.8	1,140	(55.6)	1,966	(41.3)	1,424	(37.0)

	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, 2023	15.60	–	2.4	2.0	1.1
Year ended March 31, 2022	23.14	–	3.6	2.4	1.4

(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, 2023	86,309	41,612	48.1	673.81
As of March 31, 2022	85,036	40,279	47.2	652.32

(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, 2023	3,661	(1,445)	(1,539)	6,624
Year ended March 31, 2022	1,086	(2,091)	993	5,806

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, 2022	–	4.50	–	4.50	9.00	554	38.9	1.4
Year ended March 31, 2023	–	4.50	–	4.50	9.00	554	57.7	1.4
Year ending March 31, 2024 (Forecast)	–	4.50	–	4.50	9.00		55.4	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	92,000	1.8	1,050	7.3	1,550	(9.7)	1,000	4.1	16.24

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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:

Yes

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, 2023	61,772,500 shares	As of March 31, 2022	61,772,500 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	202,055 shares	As of March 31, 2022	201,995 shares
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Average number of shares during the period

Year ended March 31, 2023	61,570,465 shares	Year ended March 31, 2022	61,570,564 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	6,915	7,531
Notes and accounts receivable - trade	17,208	16,399
Electronically recorded monetary claims - operating	3,384	3,151
Accounts receivable from completed construction contracts	7,253	6,974
Merchandise and finished goods	3,527	3,834
Work in process	628	631
Costs on construction contracts in progress	98	135
Raw materials and supplies	1,280	1,518
Other	1,896	2,141
Allowance for doubtful accounts	(2)	(22)
Total current assets	42,189	42,296
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,714	20,785
Accumulated depreciation	(10,530)	(11,230)
Buildings and structures, net	9,184	9,554
Machinery, equipment and vehicles	7,056	7,507
Accumulated depreciation	(5,471)	(6,049)
Machinery, equipment and vehicles, net	1,584	1,457
Tools, furniture and fixtures	1,755	1,951
Accumulated depreciation	(1,320)	(1,487)
Tools, furniture and fixtures, net	434	464
Land	3,996	4,041
Leased assets	1,651	1,674
Accumulated depreciation	(796)	(911)
Leased assets, net	854	763
Construction in progress	464	28
Total property, plant and equipment	16,519	16,310
Intangible assets		
Software	698	707
Leased assets	147	261
Telephone subscription right	36	36
Other	67	98
Total intangible assets	949	1,103
Investments and other assets		
Investment securities	22,830	24,014
Guarantee deposits	1,363	1,376
Deferred tax assets	230	284
Other	952	989
Allowance for doubtful accounts	-	(65)
Total investments and other assets	25,377	26,599
Total non-current assets	42,846	44,013
Total assets	85,036	86,309

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,042	9,925
Electronically recorded obligations - operating	1,570	1,693
Accounts payable for construction contracts	2,119	2,276
Short-term borrowings	14,323	14,971
Lease liabilities	338	347
Income taxes payable	300	367
Accrued consumption taxes	563	262
Advances received on construction contracts in progress	238	189
Provision for bonuses for directors (and other officers)	84	128
Provision for loss on orders received	2	11
Provision for warranties for completed construction	41	19
Provision for shareholder benefit program	47	63
Other	3,295	3,586
Total current liabilities	32,968	33,842
Non-current liabilities		
Long-term borrowings	6,075	5,104
Deposit received for guarantee	148	139
Lease liabilities	780	782
Deferred tax liabilities	3,207	3,572
Provision for retirement benefits for directors (and other officers)	875	508
Retirement benefit liability	341	395
Asset retirement obligations	236	273
Other	122	78
Total non-current liabilities	11,788	10,853
Total liabilities	44,757	44,696
Net assets		
Shareholders' equity		
Share capital	4,808	4,808
Capital surplus	3,357	3,357
Retained earnings	24,354	24,760
Treasury shares	(42)	(42)
Total shareholders' equity	32,476	32,882
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,640	8,246
Deferred gains or losses on hedges	3	8
Foreign currency translation adjustment	46	336
Remeasurements of defined benefit plans	(4)	13
Total accumulated other comprehensive income	7,686	8,604
Non-controlling interests	115	125
Total net assets	40,279	41,612
Total liabilities and net assets	85,036	86,309

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	84,427	90,416
Cost of sales	69,099	74,057
Gross profit	15,327	16,358
Selling, general and administrative expenses		
Commission Charges	1,257	1,353
Freight and incidental costs	1,034	1,164
Travel and transportation expenses	285	473
Remuneration for directors (and other officers)	572	582
Employees' salaries	3,977	4,112
Employees' bonuses	1,136	1,140
Retirement benefit expenses	205	247
Provision for bonuses for directors (and other officers)	84	130
Provision for retirement benefits for directors (and other officers)	99	60
Welfare expenses	1,238	1,268
Rent expenses	1,221	1,337
Depreciation	635	689
Other	2,437	2,819
Total selling, general and administrative expenses	14,187	15,380
Operating profit	1,140	978
Non-operating income		
Interest income	53	43
Dividend income	315	376
Gain on investments in investment partnerships	16	9
Share of profit of entities accounted for using equity method	262	198
Purchase discounts	81	87
Rent income	183	159
Foreign exchange gains	37	15
Other	162	153
Total non-operating income	1,113	1,043
Non-operating expenses		
Interest expenses	86	156
Rent expenses	124	109
Other	76	40
Total non-operating expenses	286	306
Ordinary profit	1,966	1,716

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Extraordinary income		
Gain on sale of non-current assets	2	3
Gain on sale of investment securities	56	42
Subsidy income	147	61
Gain on bargain purchase	305	–
Total extraordinary income	511	107
Extraordinary losses		
Loss on sale of non-current assets	2	1
Loss on retirement of non-current assets	6	14
Loss on sale of investment securities	0	30
Loss on valuation of investment securities	38	14
Impairment losses	246	12
Provision for retirement benefits for directors (and other officers)	88	–
Total extraordinary losses	382	73
Profit before income taxes	2,095	1,749
Income taxes - current	765	728
Income taxes - deferred	(103)	50
Total income taxes	661	779
Profit	1,433	970
Profit attributable to non-controlling interests	8	10
Profit attributable to owners of parent	1,424	960

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,433	970
Other comprehensive income		
Valuation difference on available-for-sale securities	76	592
Deferred gains or losses on hedges	3	4
Foreign currency translation adjustment	483	289
Share of other comprehensive income of entities accounted for using equity method	20	31
Total other comprehensive income	583	917
Comprehensive income	2,017	1,888
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,008	1,877
Comprehensive income attributable to non-controlling interests	8	10

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(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	23,302	(42)	31,836
Cumulative effects of changes in accounting policies			180		180
Restated balance	4,808	3,768	23,483	(42)	32,017
Changes during period					
Dividends of surplus			(554)		(554)
Profit attributable to owners of parent			1,424		1,424
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries		(411)			(411)
Net changes in items other than shareholders' equity					
Total changes during period	–	(411)	870	(0)	459
Balance at end of period	4,808	3,357	24,354	(42)	32,476

	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	7,552	0	(437)	(13)	7,102	2,196	41,135
Cumulative effects of changes in accounting policies							180
Restated balance	7,552	0	(437)	(13)	7,102	2,196	41,316
Changes during period							
Dividends of surplus							(554)
Profit attributable to owners of parent							1,424
Purchase of treasury shares							(0)
Purchase of shares of consolidated subsidiaries							(411)
Net changes in items other than shareholders' equity	87	3	483	8	583	(2,080)	(1,496)
Total changes during period	87	3	483	8	583	(2,080)	(1,037)
Balance at end of period	7,640	3	46	(4)	7,686	115	40,279

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,808	3,357	24,354	(42)	32,476
Changes during period					
Dividends of surplus			(554)		(554)
Profit attributable to owners of parent			960		960
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	406	(0)	406
Balance at end of period	4,808	3,357	24,760	(42)	32,882

	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	7,640	3	46	(4)	7,686	115	40,279
Changes during period							
Dividends of surplus							(554)
Profit attributable to owners of parent							960
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	605	4	289	17	917	10	927
Total changes during period	605	4	289	17	917	10	1,333
Balance at end of period	8,246	8	336	13	8,604	125	41,612

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,095	1,749
Depreciation	2,200	2,169
Impairment losses	246	12
Gain on bargain purchase	(305)	–
Share of loss (profit) of entities accounted for using equity method	(262)	(198)
Loss (gain) on investments in investment partnerships	(16)	(9)
Loss (gain) on valuation of investment securities	38	14
Increase (decrease) in allowance for doubtful accounts	0	85
Increase (decrease) in provision for bonuses for directors (and other officers)	(78)	44
Increase (decrease) in provision for retirement benefits for directors (and other officers)	137	(367)
Increase (decrease) in retirement benefit liability	25	48
Increase (decrease) in provision for loss on orders received	(1)	8
Increase (decrease) in provision for shareholder benefit program	9	15
Interest and dividend income	(369)	(419)
Interest expenses	86	156
Loss (gain) on sale of investment securities	(55)	(11)
Loss (gain) on sale of non-current assets	(0)	(1)
Loss on retirement of non-current assets	6	14
Decrease (increase) in trade receivables	(846)	1,427
Decrease (increase) in inventories	(785)	(520)
Increase (decrease) in trade payables	(327)	90
Other, net	86	(212)
Subtotal	1,884	4,096
Interest and dividends received	390	439
Interest paid	(84)	(151)
Income taxes paid	(1,103)	(723)
Net cash provided by (used in) operating activities	1,086	3,661
Cash flows from investing activities		
Payments into time deposits	(21)	(448)
Proceeds from withdrawal of time deposits	68	712
Purchase of property, plant and equipment	(1,416)	(1,250)
Proceeds from sale of property, plant and equipment	76	27
Purchase of intangible assets	(302)	(334)
Purchase of investment securities	(137)	(210)
Proceeds from sale of investment securities	62	100
Purchase of shares of subsidiaries and associates resulting in change in scope of consolidation	(358)	–
Payments for investments in capital of subsidiaries and associates	(120)	–
Loan advances	(2)	(15)
Proceeds from collection of loans receivable	288	76
Other, net	(229)	(103)
Net cash provided by (used in) investing activities	(2,091)	(1,445)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,946	(498)
Repayments of finance lease liabilities	(310)	(335)
Proceeds from long-term borrowings	2,953	1,850
Repayments of long-term borrowings	(473)	(1,889)
Repayments of installment payables	(67)	(111)
Purchase of shares of subsidiaries and associates not resulting in change in scope of consolidation	(2,500)	–
Dividends paid	(554)	(554)
Dividends paid to non-controlling interests	(0)	(0)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	993	(1,539)
Effect of exchange rate change on cash and cash equivalents	177	141
Net increase (decrease) in cash and cash equivalents	165	817
Cash and cash equivalents at beginning of period	5,640	5,806
Cash and cash equivalents at end of period	5,806	6,624