

Translation

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

December 12, 2019

Company name: Mitsui High-tec, Inc.  
 Stock exchange listing: Tokyo, Fukuoka  
 Stock code: 6966 URL <https://www.mitsui-high-tec.com/>  
 Representative: President and Representative Director Yasunari Mitsui  
 Director  
 Inquiries: Senior General Manager General Kozo Mitsui TEL 093-614-1111  
 Administration Div.  
 Scheduled date to file Quarterly Securities Report: December 12, 2019  
 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 October 31, 2019 (from February 1, 2019 to October 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 October 31, 2019	64,465	3.7	(104)	–	(22)	–	(317)	–
Nine months ended October 31, 2018	62,170	6.9	766	(61.0)	1,205	(38.7)	983	(54.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended October 31, 2019	(8.53)		–	
Nine months ended October 31, 2018	25.88		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2019	90,380	46,564	51.3
As of January 31, 2019	85,000	48,333	56.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended January 31, 2019	–	4.00	–	2.00	6.00
Year ending January 31, 2020	–	2.00	–		
Year ending January 31, 2020 (Forecast)				4.00	6.00

3. Forecast of consolidated financial results for the year ending January 31, 2020 (from February 1, 2019 to January 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	86,000	4.9	(200)	–	(100)	–	(500)	–	(13.55)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended October 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: No
- (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 October 31, 2019	39,466,865 shares	As of January 31, 2019	39,466,865 shares
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Number of treasury shares at the end of the period

As of October 31, 2019	2,561,214 shares	As of January 31, 2019	1,802,530 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended October 31, 2019	37,168,167 shares	Nine months ended October 31, 2018	38,015,091 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of January 31, 2019	As of October 31, 2019
Assets		
Current assets		
Cash and deposits	16,343	19,274
Notes and accounts receivable - trade	10,788	12,062
Electronically recorded monetary claims - operating	2,032	2,342
Securities	3,400	3,600
Merchandise and finished goods	3,306	3,293
Work in process	2,111	2,185
Raw materials and supplies	1,868	1,980
Other	2,084	1,881
Allowance for doubtful accounts	(11)	(11)
Total current assets	41,924	46,608
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,888	34,756
Accumulated depreciation	(22,770)	(23,178)
Buildings and structures, net	12,118	11,578
Machinery, equipment and vehicles	56,166	57,695
Accumulated depreciation	(39,791)	(42,137)
Machinery, equipment and vehicles, net	16,374	15,557
Tools, furniture and fixtures	21,561	22,748
Accumulated depreciation	(19,202)	(20,305)
Tools, furniture and fixtures, net	2,358	2,443
Land	7,705	7,714
Right of use assets	–	1,380
Accumulated depreciation	–	(786)
Right of use assets, net	–	593
Construction in progress	1,864	3,709
Total property, plant and equipment	40,421	41,596
Intangible assets	378	396
Investments and other assets		
Investment securities	837	826
Deferred tax assets	429	363
Net defined benefit asset	230	287
Other	779	301
Total investments and other assets	2,275	1,778
Total non-current assets	43,076	43,771
Total assets	85,000	90,380

(Millions of yen)

	As of January 31, 2019	As of October 31, 2019
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	5,088	5,837
Current portion of long-term loans payable	1,679	1,879
Income taxes payable	255	181
Provision for directors' bonuses	–	0
Other	3,111	3,758
Total current liabilities	10,134	11,658
Non-current liabilities		
Long-term loans payable	26,230	31,770
Provision for directors' retirement benefits	182	178
Provision for loss on business liquidation	47	–
Net defined benefit liability	72	73
Lease obligations	–	134
Total non-current liabilities	26,532	32,157
Total liabilities	36,667	43,815
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,403	16,403
Capital surplus	14,661	14,661
Retained earnings	19,607	19,141
Treasury shares	(1,556)	(2,414)
Total shareholders' equity	49,115	47,792
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	268	260
Foreign currency translation adjustment	(1,175)	(1,634)
Remeasurements of defined benefit plans	(77)	(76)
Total accumulated other comprehensive income	(984)	(1,450)
Non-controlling interests	201	222
Total net assets	48,333	46,564
Total liabilities and net assets	85,000	90,380

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended October 31, 2018	Nine months ended October 31, 2019
Net sales	62,170	64,465
Cost of sales	54,641	57,763
Gross profit	7,529	6,701
Selling, general and administrative expenses	6,762	6,806
Operating profit (loss)	766	(104)
Non-operating income		
Interest income	65	76
Foreign exchange gains	328	–
Rent income of real estate	30	80
Other	101	91
Total non-operating income	525	248
Non-operating expenses		
Interest expenses	38	66
Foreign exchange losses	–	39
Loss on sales and retirement of non-current assets	30	22
Other	17	37
Total non-operating expenses	87	166
Ordinary profit (loss)	1,205	(22)
Extraordinary income		
Subsidy income	212	38
Reversal of provision for loss on business liquidation	27	–
Total extraordinary income	240	38
Profit before income taxes	1,445	16
Income taxes	439	306
Profit (loss)	1,006	(290)
Profit attributable to non-controlling interests	22	26
Profit (loss) attributable to owners of parent	983	(317)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended October 31, 2018	Nine months ended October 31, 2019
Profit (loss)	1,006	(290)
Other comprehensive income		
Valuation difference on available-for-sale securities	(107)	(8)
Foreign currency translation adjustment	(153)	(459)
Remeasurements of defined benefit plans, net of tax	17	0
Total other comprehensive income	(243)	(466)
Comprehensive income	763	(757)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	740	(783)
Comprehensive income attributable to non-controlling interests	22	26