

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended July 31, 2020 (Based on Japanese GAAP)

September 11, 2020

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  
 Executive Managing Director  
 Inquiries: Senior General Manager Kozo Mitsui TEL 093-614-1111  
 General Administration Unit  
 Scheduled date to file Quarterly Securities Report: September 11, 2020  
 Scheduled date to commence dividend payments: October 15, 2020  
 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 July 31, 2020 (from February 1, 2020 to July 31, 2020)

(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 July 31, 2020	44,041	4.2	726	–	786	–	530	–
Six months ended July 31, 2019	42,285	2.1	(60)	–	(6)	–	(232)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2020	14.52		–	
Six months ended July 31, 2019	(6.23)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2020	92,758	45,323	48.6
As of January 31, 2020	89,507	45,859	51.0

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, 2020	–	2.00	–	4.00	6.00
Year ending January 31, 2021	–	3.00	–	–	–
Year ending January 31, 2021 (Forecast)	–	–	–	3.00	6.00

3. Forecast of consolidated financial results for the year ending January 31, 2021 (from February 1, 2020 to January 31, 2021)

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	–	–	–	–	–	–	–	–	–

4. Notes

- (1) Changes in significant subsidiaries during the six months ended July 31, 2020  
 (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: 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 July 31, 2020	39,466,865 shares	As of January 31, 2020	39,466,865 shares
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Number of treasury shares at the end of the period

As of July 31, 2020	2,911,876 shares	As of January 31, 2020	2,911,768 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended July 31, 2020	36,555,068 shares	Six months ended July 31, 2019	37,301,576 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of January 31, 2020	As of July 31, 2020
Assets		
Current assets		
Cash and deposits	15,793	15,100
Notes and accounts receivable - trade	12,203	13,464
Electronically recorded monetary claims - operating	2,312	1,961
Securities	3,700	2,800
Merchandise and finished goods	3,333	3,405
Work in process	1,965	2,090
Raw materials and supplies	2,093	2,091
Other	2,011	2,720
Allowance for doubtful accounts	(12)	(11)
Total current assets	43,402	43,621
Non-current assets		
Property, plant and equipment		
Buildings and structures	35,287	36,394
Accumulated depreciation	(23,450)	(23,628)
Buildings and structures, net	11,836	12,765
Machinery, equipment and vehicles	59,319	62,792
Accumulated depreciation	(42,973)	(44,166)
Machinery, equipment and vehicles, net	16,345	18,626
Tools, furniture and fixtures	22,794	23,249
Accumulated depreciation	(20,265)	(20,557)
Tools, furniture and fixtures, net	2,529	2,692
Land	7,634	7,604
Right of use assets	1,441	1,393
Accumulated depreciation	(817)	(803)
Right of use assets, net	624	589
Construction in progress	4,439	4,426
Total property, plant and equipment	43,410	46,705
Intangible assets	449	411
Investments and other assets		
Investment securities	1,060	826
Deferred tax assets	296	264
Retirement benefit asset	318	361
Other	570	566
Total investments and other assets	2,245	2,018
Total non-current assets	46,104	49,136
Total assets	89,507	92,758

(Millions of yen)

	As of January 31, 2020	As of July 31, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	5,806	7,051
Current portion of long-term borrowings	1,979	2,456
Income taxes payable	357	245
Provision for bonuses for directors (and other officers)	–	7
Lease obligations	27	16
Other	3,794	3,374
Total current liabilities	11,965	13,152
Non-current liabilities		
Long-term borrowings	31,250	33,826
Provision for retirement benefits for directors (and other officers)	183	183
Retirement benefit liability	98	96
Lease obligations	150	147
Other	–	27
Total non-current liabilities	31,682	34,282
Total liabilities	43,648	47,434
<b>Net assets</b>		
Shareholders' equity		
Share capital	16,403	16,403
Capital surplus	14,661	14,661
Retained earnings	18,833	19,218
Treasury shares	(3,033)	(3,033)
Total shareholders' equity	46,864	47,249
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	214	51
Deferred gains or losses on hedges	–	5
Foreign currency translation adjustment	(1,367)	(2,147)
Remeasurements of defined benefit plans	(80)	(70)
Total accumulated other comprehensive income	(1,233)	(2,161)
Non-controlling interests	227	235
Total net assets	45,859	45,323
Total liabilities and net assets	89,507	92,758

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended July 31, 2019	Six months ended July 31, 2020
Net sales	42,285	44,041
Cost of sales	37,871	38,683
Gross profit	4,414	5,358
Selling, general and administrative expenses	4,474	4,631
Operating profit (loss)	(60)	726
Non-operating income		
Interest income	52	29
Rent income of real estate	52	53
Subsidies for employment adjustment	–	69
Other	60	92
Total non-operating income	165	245
Non-operating expenses		
Interest expenses	43	48
Foreign exchange losses	31	3
Loss on sales and retirement of non-current assets	14	21
Non recurring loss	–	82
Other	23	30
Total non-operating expenses	112	186
Ordinary profit (loss)	(6)	786
Extraordinary income		
Subsidy income	19	88
Total extraordinary income	19	88
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	–	88
Total extraordinary losses	–	88
Profit before income taxes	12	786
Income taxes	226	242
Profit (loss)	(213)	544
Profit attributable to non-controlling interests	18	13
Profit (loss) attributable to owners of parent	(232)	530

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended July 31, 2019	Six months ended July 31, 2020
Profit (loss)	(213)	544
Other comprehensive income		
Valuation difference on available-for-sale securities	(42)	(163)
Deferred gains or losses on hedges	–	5
Foreign currency translation adjustment	(296)	(780)
Remeasurements of defined benefit plans, net of tax	0	9
Total other comprehensive income	(339)	(928)
Comprehensive income	(552)	(384)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(571)	(397)
Comprehensive income attributable to non-controlling interests	18	13