

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended October 31, 2020 (Based on Japanese GAAP)

December 10, 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: December 10, 2020
 Scheduled date to commence dividend payments: –
 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 nine months ended October 31, 2020 (from February 1, 2020 to October 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	%
Nine months ended October 31, 2020	69,501	7.8	1,884	–	2,014	–	1,481	–
Nine months ended October 31, 2019	64,465	3.7	(104)	–	(22)	–	(317)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended October 31, 2020	40.53		–	
Nine months ended October 31, 2019	(8.53)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2020	95,451	46,232	48.2
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)				9.00	12.00

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	95,000	9.2	2,600	–	2,700	–	1,900	–	51.98

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended October 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 October 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 October 31, 2020	2,912,217 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)

Nine months ended October 31, 2020	36,554,999 shares	Nine months ended October 31, 2019	37,168,167 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of January 31, 2020	As of October 31, 2020
Assets		
Current assets		
Cash and deposits	15,793	16,003
Notes and accounts receivable - trade	12,203	14,090
Electronically recorded monetary claims - operating	2,312	2,780
Securities	3,700	2,800
Merchandise and finished goods	3,333	3,901
Work in process	1,965	2,264
Raw materials and supplies	2,093	2,132
Other	2,011	2,572
Allowance for doubtful accounts	(12)	(12)
Total current assets	43,402	46,533
Non-current assets		
Property, plant and equipment		
Buildings and structures	35,287	36,434
Accumulated depreciation	(23,450)	(23,894)
Buildings and structures, net	11,836	12,540
Machinery, equipment and vehicles	59,319	64,513
Accumulated depreciation	(42,973)	(45,191)
Machinery, equipment and vehicles, net	16,345	19,322
Tools, furniture and fixtures	22,794	22,729
Accumulated depreciation	(20,265)	(19,703)
Tools, furniture and fixtures, net	2,529	3,025
Land	7,634	7,601
Right of use assets	1,441	1,409
Accumulated depreciation	(817)	(816)
Right of use assets, net	624	592
Construction in progress	4,439	3,350
Total property, plant and equipment	43,410	46,432
Intangible assets	449	434
Investments and other assets		
Investment securities	1,060	911
Deferred tax assets	296	218
Retirement benefit asset	318	368
Other	570	551
Total investments and other assets	2,245	2,050
Total non-current assets	46,104	48,917
Total assets	89,507	95,451

(Millions of yen)

	As of January 31, 2020	As of October 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	5,806	7,586
Current portion of long-term borrowings	1,979	2,331
Income taxes payable	357	191
Provision for bonuses for directors (and other officers)	–	12
Lease obligations	27	26
Other	3,794	5,112
Total current liabilities	11,965	15,261
Non-current liabilities		
Long-term borrowings	31,250	33,423
Provision for retirement benefits for directors (and other officers)	183	198
Retirement benefit liability	98	98
Lease obligations	150	135
Other	–	100
Total non-current liabilities	31,682	33,957
Total liabilities	43,648	49,219
Net assets		
Shareholders' equity		
Share capital	16,403	16,403
Capital surplus	14,661	14,661
Retained earnings	18,833	20,059
Treasury shares	(3,033)	(3,034)
Total shareholders' equity	46,864	48,089
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	214	110
Deferred gains or losses on hedges	–	12
Foreign currency translation adjustment	(1,367)	(2,152)
Remeasurements of defined benefit plans	(80)	(66)
Total accumulated other comprehensive income	(1,233)	(2,096)
Non-controlling interests	227	238
Total net assets	45,859	46,232
Total liabilities and net assets	89,507	95,451

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, 2019	Nine months ended October 31, 2020
Net sales	64,465	69,501
Cost of sales	57,763	60,431
Gross profit	6,701	9,070
Selling, general and administrative expenses	6,806	7,186
Operating profit (loss)	(104)	1,884
Non-operating income		
Interest income	76	36
Foreign exchange gains	–	12
Rent income of real estate	80	80
Subsidies for employment adjustment	–	111
Other	91	117
Total non-operating income	248	358
Non-operating expenses		
Interest expenses	66	74
Foreign exchange losses	39	–
Loss on sales and retirement of non-current assets	22	31
Non recurring loss	–	82
Other	37	38
Total non-operating expenses	166	227
Ordinary profit (loss)	(22)	2,014
Extraordinary income		
Subsidy income	38	98
Total extraordinary income	38	98
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	–	88
Total extraordinary losses	–	88
Profit before income taxes	16	2,024
Income taxes	306	522
Profit (loss)	(290)	1,502
Profit attributable to non-controlling interests	26	20
Profit (loss) attributable to owners of parent	(317)	1,481

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended October 31, 2019	Nine months ended October 31, 2020
Profit (loss)	(290)	1,502
Other comprehensive income		
Valuation difference on available-for-sale securities	(8)	(104)
Deferred gains or losses on hedges	–	12
Foreign currency translation adjustment	(459)	(784)
Remeasurements of defined benefit plans, net of tax	0	13
Total other comprehensive income	(466)	(862)
Comprehensive income	(757)	639
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(783)	618
Comprehensive income attributable to non-controlling interests	26	20