

Translation

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Summary of Consolidated Financial Results for the Year Ended January 31, 2021 (Based on Japanese GAAP)

March 15, 2021

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 of ordinary general meeting of shareholders: April 23, 2021
 Scheduled date to file Securities Report: April 26, 2021
 Scheduled date to commence dividend payments: April 26, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended January 31, 2021 (from February 1, 2020 to January 31, 2021)

(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 January 31, 2021	97,351	11.9	3,790	–	3,907	–	2,592	–
Year ended January 31, 2020	86,970	6.1	19	(96.1)	153	(81.2)	(624)	–

	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 January 31, 2021	70.92	–	5.6	4.2	3.9
Year ended January 31, 2020	(16.86)	–	(1.3)	0.2	0.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of January 31, 2021	96,256	47,782	49.4	1,300.44
As of January 31, 2020	89,507	45,859	51.0	1,248.29

(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 January 31, 2021	8,957	(12,505)	1,705	17,373
Year ended January 31, 2020	6,453	(10,426)	3,660	19,111

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 January 31, 2020	–	2.00	–	4.00	6.00	220	–	0.5
Year ended January 31, 2021	–	3.00	–	18.00	21.00	767	29.6	1.6
Year ending January 31, 2022 (Forecast)	–	9.00	–	18.00	27.00		29.9	

3. Forecast of consolidated financial results for the year ending January 31, 2022 (from February 1, 2021 to January 31, 2022)

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	110,000	13.0	4,700	24.0	4,700	20.3	3,300	27.3	90.28

4. Notes

(1) Changes in significant subsidiaries during the year ended January 31, 2021

(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: No

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 January 31, 2021	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 January 31, 2021	2,912,905 shares	As of January 31, 2020	2,911,768 shares
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Average number of shares during the period

Year ended January 31, 2021	36,554,832 shares	Year ended January 31, 2020	37,058,219 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of January 31, 2020	As of January 31, 2021
Assets		
Current assets		
Cash and deposits	15,793	14,748
Notes and accounts receivable - trade	12,203	14,767
Electronically recorded monetary claims - operating	2,312	3,079
Securities	3,700	3,000
Merchandise and finished goods	3,333	4,100
Work in process	1,965	2,453
Raw materials and supplies	2,093	2,094
Other	2,011	2,633
Allowance for doubtful accounts	(12)	(14)
Total current assets	43,402	46,863
Non-current assets		
Property, plant and equipment		
Buildings and structures	35,287	36,761
Accumulated depreciation	(23,450)	(24,153)
Buildings and structures, net	11,836	12,607
Machinery, equipment and vehicles	59,319	66,213
Accumulated depreciation	(42,973)	(46,127)
Machinery, equipment and vehicles, net	16,345	20,085
Tools, furniture and fixtures	22,794	22,435
Accumulated depreciation	(20,265)	(20,049)
Tools, furniture and fixtures, net	2,529	2,385
Land	7,634	7,616
Right of use assets	1,441	1,424
Accumulated depreciation	(817)	(835)
Right of use assets, net	624	589
Construction in progress	4,439	3,690
Total property, plant and equipment	43,410	46,975
Intangible assets	449	480
Investments and other assets		
Investment securities	1,060	1,022
Deferred tax assets	296	293
Retirement benefit asset	318	175
Other	570	444
Total investments and other assets	2,245	1,936
Total non-current assets	46,104	49,392
Total assets	89,507	96,256

(Millions of yen)

	As of January 31, 2020	As of January 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	5,806	7,679
Current portion of long-term borrowings	1,979	2,341
Provision for bonuses for directors (and other officers)	–	80
Income taxes payable	357	640
Lease obligations	27	26
Other	3,794	4,286
Total current liabilities	11,965	15,054
Non-current liabilities		
Long-term borrowings	31,250	32,886
Retirement benefit liability	98	99
Provision for retirement benefits for directors (and other officers)	183	212
Lease obligations	150	127
Deferred tax liabilities	–	61
Other	–	32
Total non-current liabilities	31,682	33,419
Total liabilities	43,648	48,473
Net assets		
Shareholders' equity		
Share capital	16,403	16,403
Capital surplus	14,661	14,661
Retained earnings	18,833	21,170
Treasury shares	(3,033)	(3,036)
Total shareholders' equity	46,864	49,198
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	214	187
Deferred gains or losses on hedges	–	(3)
Foreign currency translation adjustment	(1,367)	(1,661)
Remeasurements of defined benefit plans	(80)	(184)
Total accumulated other comprehensive income	(1,233)	(1,662)
Non-controlling interests	227	246
Total net assets	45,859	47,782
Total liabilities and net assets	89,507	96,256

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

(Millions of yen)

	Fiscal year ended January 31, 2020	Fiscal year ended January 31, 2021
Net sales	86,970	97,351
Cost of sales	77,929	83,939
Gross profit	9,040	13,411
Selling, general and administrative expenses	9,020	9,621
Operating profit	19	3,790
Non-operating income		
Interest income	97	49
Dividend income	27	36
Rent income of real estate	107	105
Subsidies for employment adjustment	–	168
Other	149	94
Total non-operating income	381	454
Non-operating expenses		
Interest expenses	89	100
Foreign exchange losses	10	34
Loss on sales and retirement of non-current assets	83	78
Non recurring loss	–	82
Other	62	42
Total non-operating expenses	247	337
Ordinary profit	153	3,907
Extraordinary income		
Subsidy income	569	152
Total extraordinary income	569	152
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	31	142
Impairment loss	700	414
Total extraordinary losses	731	557
Profit (loss) before income taxes	(7)	3,502
Income taxes - current	426	753
Income taxes - deferred	153	128
Total income taxes	579	881
Profit (loss)	(587)	2,620
Profit attributable to non-controlling interests	37	27
Profit (loss) attributable to owners of parent	(624)	2,592

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended January 31, 2020	Fiscal year ended January 31, 2021
Profit (loss)	(587)	2,620
Other comprehensive income		
Valuation difference on available-for-sale securities	(54)	(26)
Deferred gains or losses on hedges	–	(3)
Foreign currency translation adjustment	(192)	(293)
Remeasurements of defined benefit plans, net of tax	(2)	(104)
Total other comprehensive income	(249)	(428)
Comprehensive income	(837)	2,191
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(874)	2,163
Comprehensive income attributable to non-controlling interests	37	27

Consolidated statements of changes in equity

Fiscal year ended January 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,403	14,661	19,607	(1,556)	49,115
Changes during period					
Dividends of surplus			(149)		(149)
Profit (loss) attributable to owners of parent			(624)		(624)
Purchase of treasury shares				(1,476)	(1,476)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(774)	(1,476)	(2,250)
Balance at end of period	16,403	14,661	18,833	(3,033)	46,864

	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	268	–	(1,175)	(77)	(984)	201	48,333
Changes during period							
Dividends of surplus							(149)
Profit (loss) attributable to owners of parent							(624)
Purchase of treasury shares							(1,476)
Net changes in items other than shareholders' equity	(54)		(192)	(2)	(249)	26	(223)
Total changes during period	(54)	–	(192)	(2)	(249)	26	(2,474)
Balance at end of period	214	–	(1,367)	(80)	(1,233)	227	45,859

Fiscal year ended January 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,403	14,661	18,833	(3,033)	46,864
Changes during period					
Dividends of surplus			(255)		(255)
Profit (loss) attributable to owners of parent			2,592		2,592
Purchase of treasury shares				(3)	(3)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,336	(3)	2,333
Balance at end of period	16,403	14,661	21,170	(3,036)	49,198

	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	214	–	(1,367)	(80)	(1,233)	227	45,859
Changes during period							
Dividends of surplus							(255)
Profit (loss) attributable to owners of parent							2,592
Purchase of treasury shares							(3)
Net changes in items other than shareholders' equity	(26)	(3)	(293)	(104)	(428)	18	(410)
Total changes during period	(26)	(3)	(293)	(104)	(428)	18	1,923
Balance at end of period	187	(3)	(1,661)	(184)	(1,662)	246	47,782

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended January 31, 2020	Fiscal year ended January 31, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	(7)	3,502
Depreciation	7,155	7,578
Impairment loss	700	414
Increase (decrease) in provision for bonuses for directors (and other officers)	–	80
Changes in asset or liability for employees' retirement benefits	(62)	144
Increase (decrease) in provision for retirement benefits for directors (and other officers)	0	29
Increase (decrease) in provision for loss on business liquidation	(47)	–
Interest and dividend income	(124)	(86)
Interest expenses	89	100
Foreign exchange losses (gains)	(34)	(142)
Loss (gain) on sales and retirement of non-current assets	79	72
Decrease (increase) in trade receivables	(1,741)	(3,360)
Decrease (increase) in inventories	(125)	(1,304)
Increase (decrease) in trade payables	743	1,854
Decrease/increase in consumption taxes receivable/payable	582	(324)
Loss on tax purpose reduction entry of non-current assets	–	142
Subsidy income	(569)	(152)
Other, net	(140)	629
Subtotal	6,498	9,178
Interest and dividends received	126	88
Interest paid	(89)	(78)
Income taxes paid	(322)	(482)
Income taxes refund	70	–
Subsidies received	169	252
Net cash provided by (used in) operating activities	6,453	8,957
Cash flows from investing activities		
Net decrease (increase) in time deposits	(9)	(1)
Purchase of property, plant and equipment	(9,901)	(12,330)
Proceeds from sales of property, plant and equipment	19	2
Purchase of intangible assets	(222)	(174)
Loan advances	(0)	(8)
Collection of loans receivable	2	5
Other, net	(314)	0
Net cash provided by (used in) investing activities	(10,426)	(12,505)
Cash flows from financing activities		
Proceeds from long-term borrowings	7,000	4,000
Repayments of long-term borrowings	(1,679)	(2,002)
Purchase of treasury shares	(1,476)	(3)
Dividends paid	(149)	(255)
Repayments of lease obligations	(22)	(23)
Other, net	(10)	(9)
Net cash provided by (used in) financing activities	3,660	1,705
Effect of exchange rate change on cash and cash equivalents	51	104
Net increase (decrease) in cash and cash equivalents	(261)	(1,738)
Cash and cash equivalents at beginning of period	19,372	19,111
Cash and cash equivalents at end of period	19,111	17,373