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(Securities code: 6966)

Ultra-precision technology to shape tomorrow



**Mitsui  
High-tec  
Inc.**

# Mitsui High-tec Inc.

## Financial Results for the Second Quarter of the Fiscal Year Ending January 31, 2025

September 10, 2024

**Save energy. Save earth. Save life.**



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**➤ Business Report for the Second Quarter of the Fiscal Year Ending January 31, 2025**

<b>Net Sales</b>	<b>JPY 103,969 million ( up 11.1% or JPY 10,354 million YoY )</b>
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<b>Operating Profit</b>	<b>JPY 7,850 million ( down 6.9% or JPY 577 million YoY )</b>
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- Overall sales increased due to the strong demand for motor cores for electric vehicles and the impact of the yen's depreciation. On the other hand, operating income decreased due to the decline in orders in the electronic parts business and the increase in upfront investment costs in the electrical parts business.
- In the electrical parts business, sales increased due to the increased orders for existing products and the start of mass production of new products driven by solid demand despite the impact of production adjustments by major customers. Operating income decreased slightly due to increased depreciation and other costs resulting from upfront investments.
- In the electronic parts business, sales increased slightly due to the yen's depreciation although orders remained weak due to the sluggish final demand for semiconductors and the prolonged adjustment of some inventories. Operating income decreased due to lower numbers of orders and higher depreciation.

**➤ Revised Earnings Forecast for the Current Fiscal Year**

- In the electrical parts business, orders are expected to decrease due to production adjustments at major customers and a decline in sales volume of Japanese automakers in the Chinese market.
- In the electronic parts business, demand is not expected to recover in the second half of the year, and orders are expected to decrease from initial expectations due to the sluggish final demand for various semiconductors and prolonged inventory adjustments for some.
- In light of the above situation, we revised downward our earnings forecasts for the current fiscal year for both sales and operating income. The dividend forecast remains unchanged from that of the post-split dividend forecast, in line with our policy of stable and continuous dividend payments.

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## **Financial Results for the Second Quarter of the Fiscal Year Ending January 31, 2025**



## ■ Financial Results (FY2024 2Q vs FY2025 2Q)

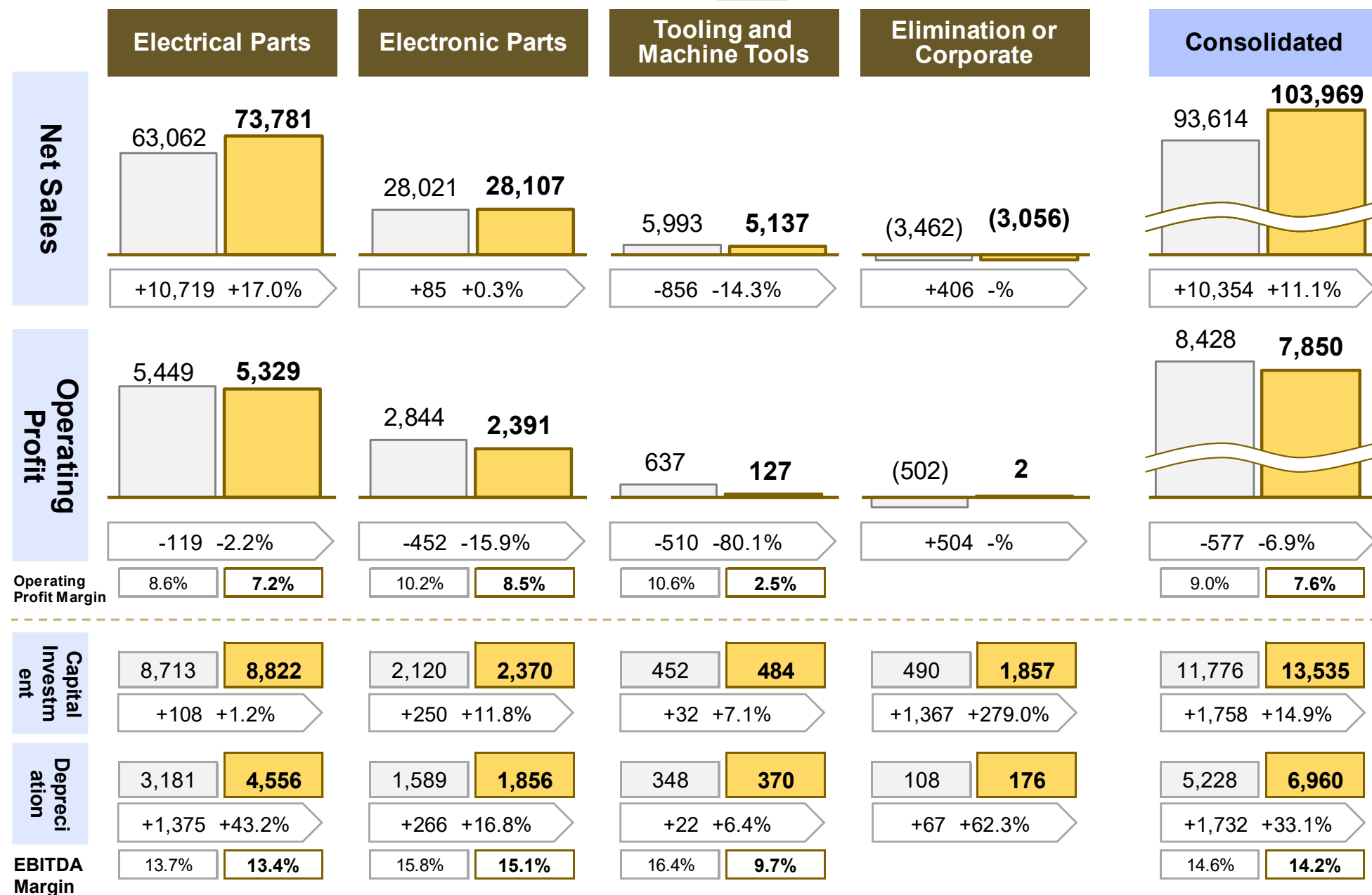
[Unit: million yen]	Previous Period (2023/2-2023/7)	Current Period (2024/2-2024/7)	Change	Percentage Change
Net Sales	93,614	<b>103,969</b>	+10,354	+11.1%
Operating Profit	8,428	<b>7,850</b>	-577	-6.9%
Operating Profit Margin	9.0%	<b>7.6%</b>	-1.5pts	
Ordinary Profit	10,739	<b>9,431</b>	-1,307	-12.2%
Net Profit *1	7,707	<b>7,075</b>	-631	-8.2%
Net Profit Margin	8.2%	<b>6.8%</b>	-1.4pts	
Capital Investment	11,776	<b>13,535</b>	+1,758	+14.9%
Depreciation	5,228	<b>6,960</b>	+1,732	+33.1%
EBITDA	13,656	<b>14,811</b>	+1,154	+8.5%
EBITDA Margin	14.6%	<b>14.2%</b>	-0.3pts	
FOREX Rates US \$ *2	136.68yen	<b>154.16yen</b>	-17.48yen	

\*1 Profit Attributable to Owners of Parent

\*2 Average Rate for the Period

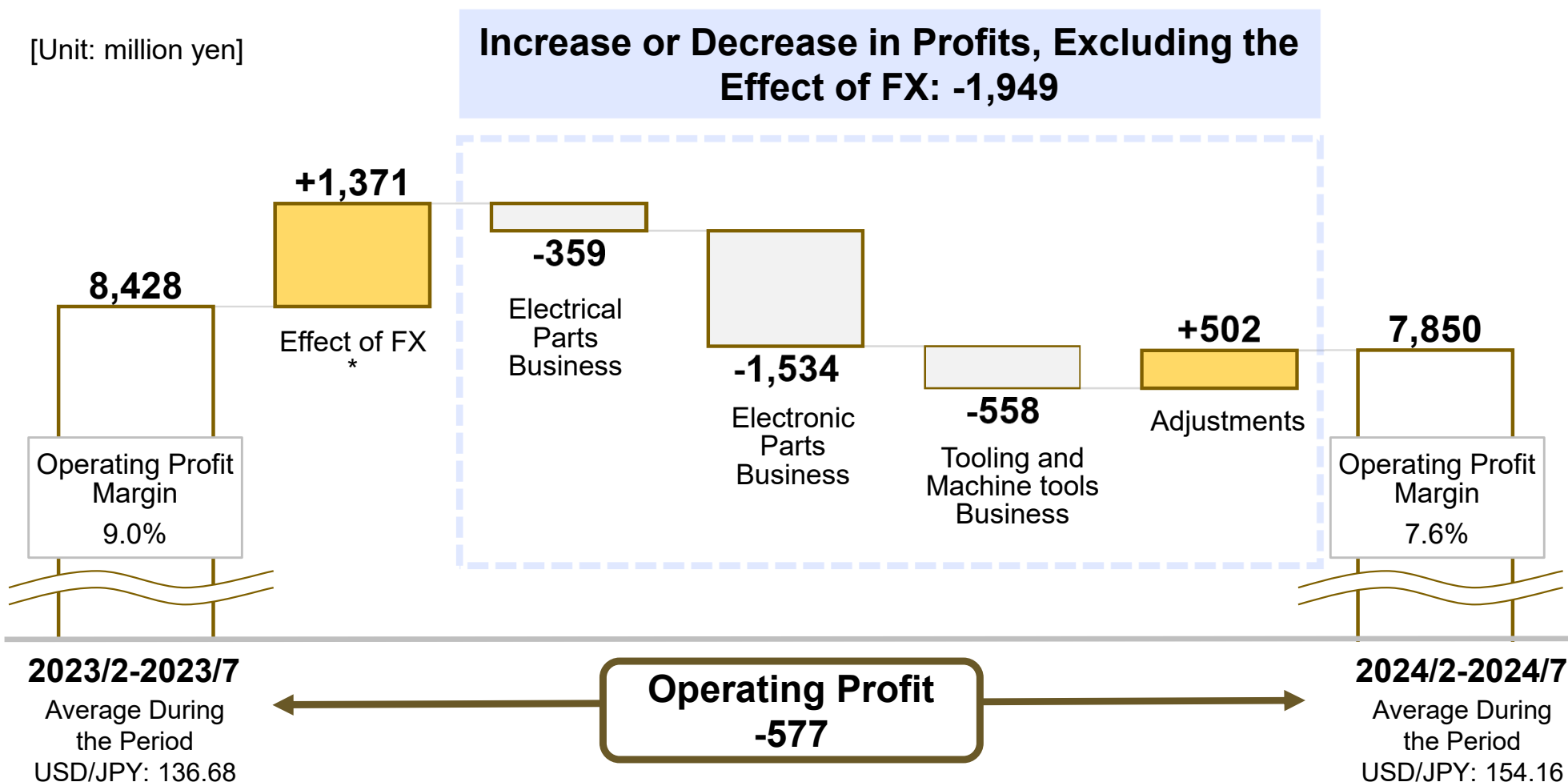
# ■ Financial Results by Segment (FY2024 2Q vs FY2025 2Q)

[Unit: million yen]  Previous Period (2023/2-2023/7)  Current Period (2024/2-2024/7)



# ■ Factors of Changes in Consolidated Operating Profit (FY2024 2Q vs FY2025 2Q)

[Unit: million yen]



* Effect of FX	[Unit: million yen]
Electrical Parts Business	+240
Electronic Parts Business	+1,082
Tooling and Machine tools Business	+48

## ■ Financial Results (3 months, FY2025 1Q vs FY2025 2Q)

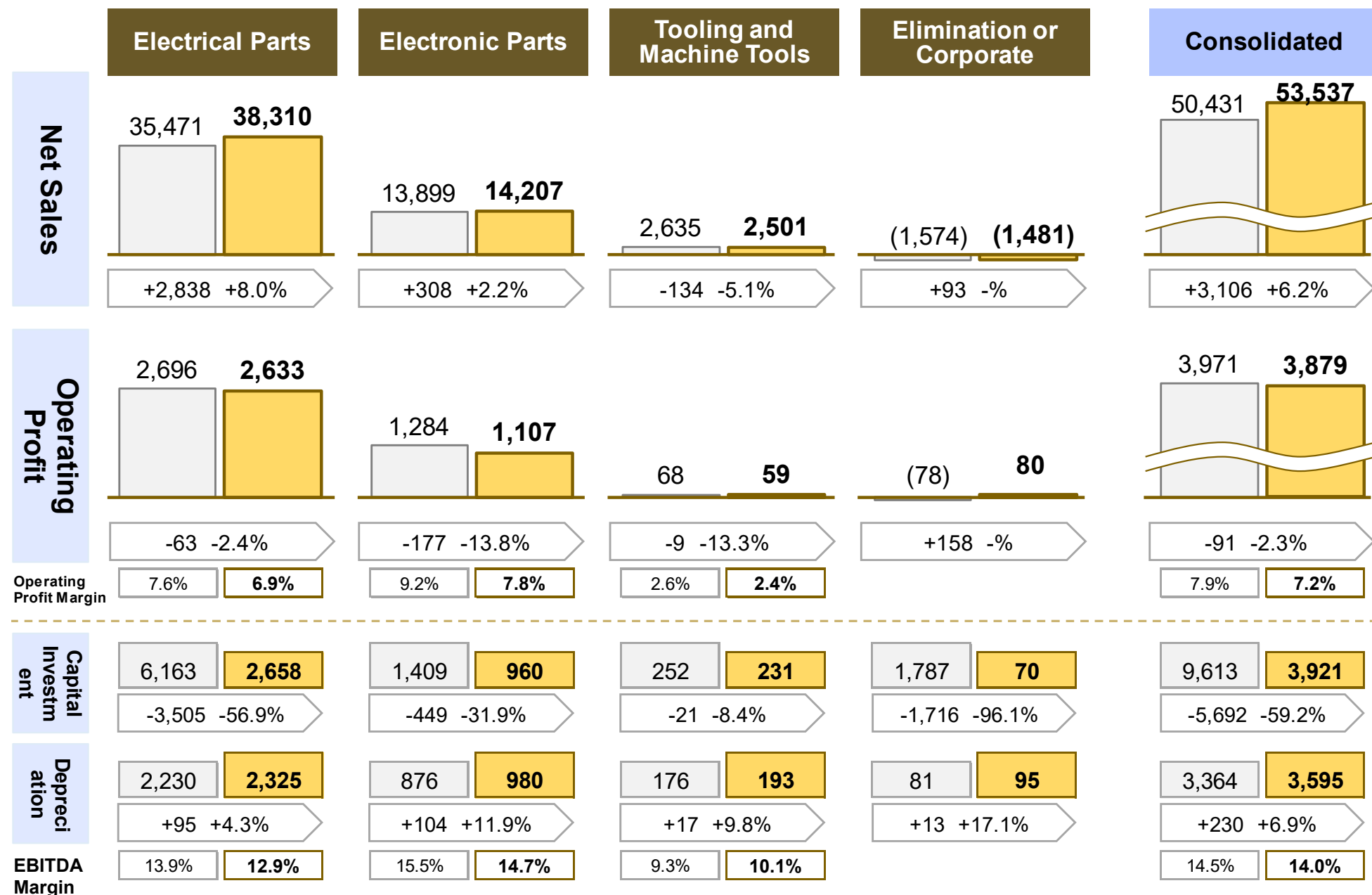
[Unit: million yen]	FY 2025/1 Q1 (2024/2-2024/4)	FY 2025/1 Q2 (2024/5-2024/7)	Change	Percentage Change
Net Sales	50,431	<b>53,537</b>	+3,106	+6.2%
Operating Profit	3,971	<b>3,879</b>	-91	-2.3%
Operating Profit Margin	7.9%	<b>7.2%</b>	-0.6pts	
Ordinary Profit	6,462	<b>2,969</b>	-3,493	-54.1%
Net Profit *1	4,777	<b>2,298</b>	-2,478	-51.9%
Net Profit Margin	9.5%	<b>4.3%</b>	-5.2pts	
Capital Investment	9,613	<b>3,921</b>	-5,692	-59.2%
Depreciation	3,364	<b>3,595</b>	+230	+6.9%
EBITDA	7,335	<b>7,475</b>	+139	+1.9%
EBITDA Margin	14.5%	<b>14.0%</b>	-0.6pts	
FOREX Rates US \$ *2	150.89yen	<b>157.43yen</b>	-6.54yen	

\*1 Profit Attributable to Owners of Parent

\*2 Average Rate for the Period

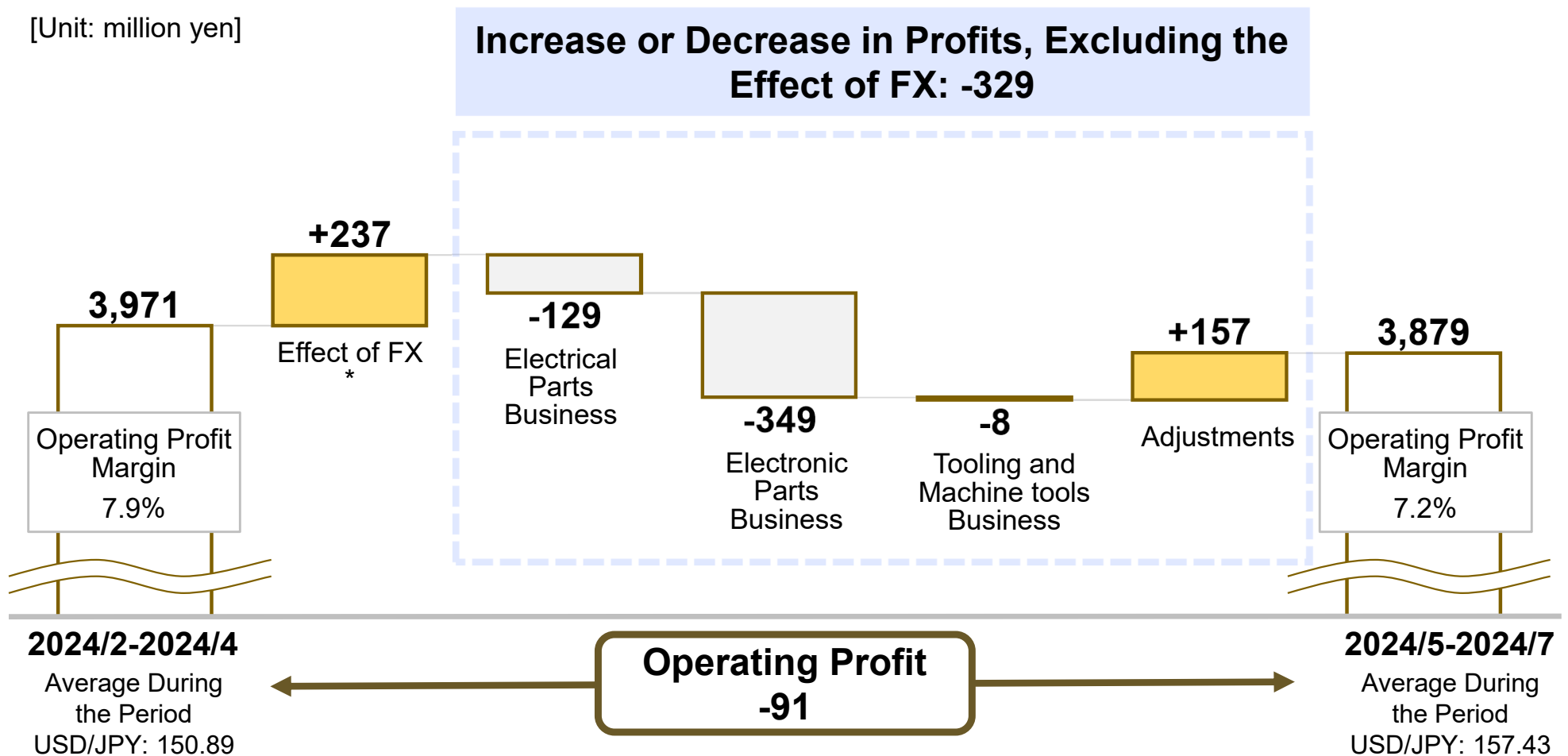
# Financial Results by Segment (3 months, FY2025 1Q vs FY2025 2Q)

[Unit: million yen]  FY2025/1 Q1(2024/2-2024/4)  FY2025/1 Q2(2024/5-2024/7)



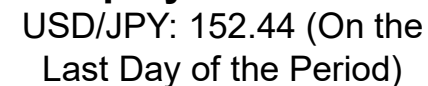
## ■ Factors of Changes in Consolidated Operating Profit (3 months, FY2025 1Q vs FY2025 2Q)

[Unit: million yen]



* Effect of FX	[Unit: million yen]
Electrical Parts Business	+66
Electronic Parts Business	+172
Tooling and Machine tools Business	±0

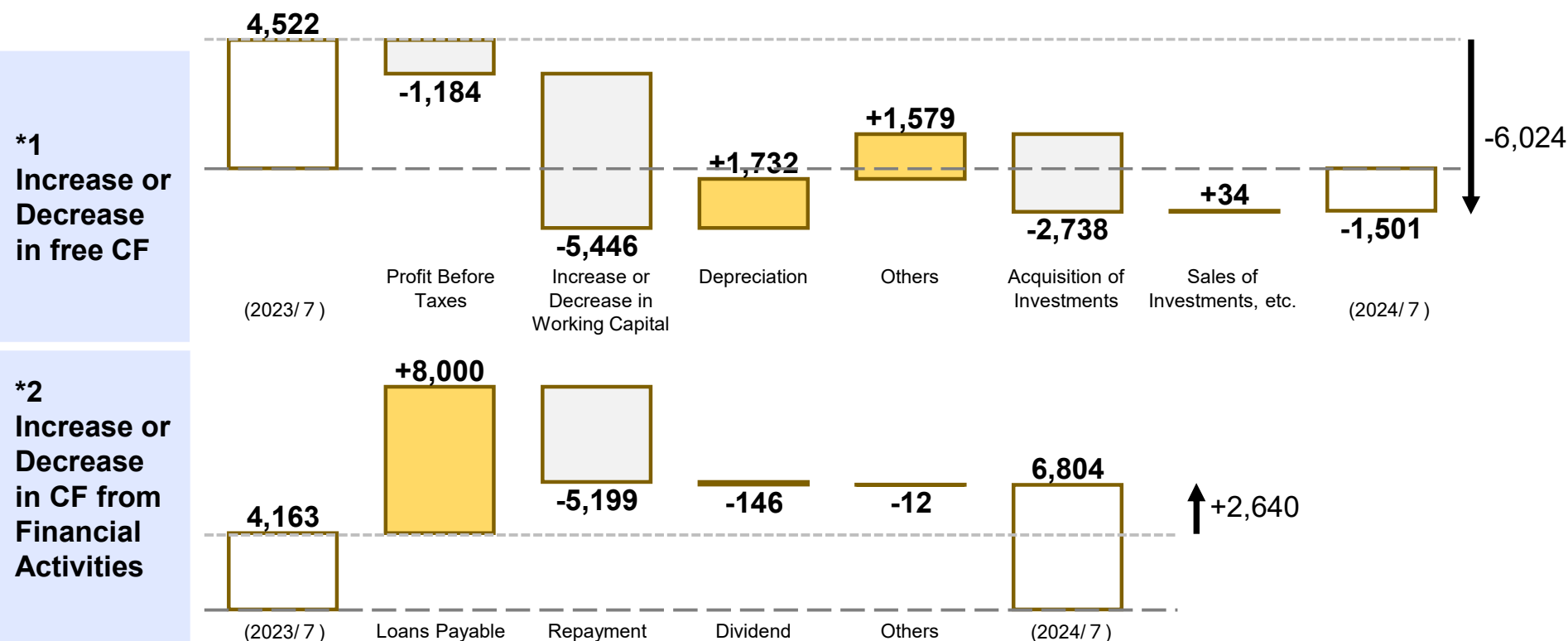
At the End of  
FY2025/1  
2Q



## ■ Consolidated Cash Flow (YoY)

[Unit: million yen]

[Unit: million yen]	Previous Period (2023/2-2023/7)	Current Period (2024/2-2024/7)	Change	
Cash Flows from Operating Activities	16,527	13,207	-3,319	
Cash Flow from Investment Activities	-12,004	-14,708	-2,704	
<b>Free Cash Flow</b>	<b>4,522</b>	<b>-1,501</b>	<b>-6,024</b>	*1
<b>Cash Flows from Financing Activities</b>	<b>4,163</b>	<b>6,804</b>	<b>+2,640</b>	*2
Increase or Decrease in Cash and Cash Equivalents	+8,686	+5,302	-3,383	
Effect of Exchange Rate Changes on Cash and Cash Equivalents	+1,210	+1,876	+666	
Closing Balance of Cash and Cash Equivalents	43,780	46,372	+2,591	



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# **Revisions to Earnings Forecasts for the Fiscal Year Ending January 31, 2025**

# ■ Revisions to Earnings Forecasts for the Fiscal Year Ending January 31, 2025

[Unit: million yen]

'25/1 Comparison of Initial Forecast and Revised Forecast

Comparison of Revised Forecasts and Results for the Previous Fiscal Year

	Initial Forecast	Revised Forecast	Change	Percentage Change	FY 2024/1	Change	Percentage Change
Net Sales	237,000	<b>214,000</b>	-23,000	-9.7%	195,881	+18,119	+9.2%
Operating Profit	21,000	<b>13,000</b>	-8,000	-38.1%	18,119	-5,119	-28.3%
Operating Profit Margin	8.9%	<b>6.1%</b>	-2.8pts		9.3%	-3.2pts	
Ordinary Profit	20,000	<b>13,500</b>	-6,500	-32.5%	21,733	-8,233	-37.9%
Net Profit <sup>*1</sup>	14,000	<b>9,500</b>	-4,500	-32.1%	15,545	-6,045	-38.9%
Net Profit Margin	6.0%	<b>4.4%</b>	-1.6pts		7.9%	-3.5pts	
Capital Investment	36,000	<b>32,300</b>	-3,700	-10.3%	37,562	-5,262	-14.0%
Depreciation	16,600	<b>16,000</b>	-600	-3.6%	11,572	+4,428	+38.3%
EBITDA	37,600	<b>29,000</b>	-8,600	-22.9%	29,691	-691	-2.3%
EBITDA Margin	15.9%	<b>13.6%</b>	-2.3pts		15.2%	-1.6%	
FOREX Rates US \$ <sup>*2</sup>	142.00yen	<b>150.00yen</b> <sup>*3</sup>	+8.00yen		141.91yen	+8.09yen	

\*1 Profit Attributable to Owners of Parent    \*2 Average Rate for the Period    \*3 Average Exchange Rate for the Second Half is 145.00 yen

## Reason for the Revision

- In the electrical parts business, orders are expected to be lower due to production adjustments by major customers and lower sales volumes by Japanese automakers in the Chinese market.
- In the electronic parts business, orders are expected to decline due to sluggish final demand for semiconductors and the prolonged adjustment of some inventories.

As a result of the above, both net sales and profits were lower than initially projected, and the consolidated earnings forecast has been revised.

# ■ Revisions to Earnings Forecasts for the Fiscal Year Ending January 31, 2025 (by Segment)

[Unit: million yen]

'25/1 Comparison of Initial Forecast and Revised Forecast

Comparison of Revised Forecasts and Results for the Previous Fiscal Year

		Initial Forecast	Revised Forecast	Change	Percentage Change	FY 2024/1	Change	Percentage Change
Electrical Parts Business	Net Sales	162,000	152,000	-10,000	-6.2%	133,882	+18,118	+13.5%
	Operating Profit	11,500	9,500	-2,000	-17.4%	11,466	-1,966	-17.1%
	Operating Profit Margin	7.1%	6.3%	-0.8pts		8.6%	-2.3pts	
	Capital Investment	23,600	22,200	-1,400	-5.9%	30,445	-8,245	-27.1%
	Depreciation	10,400	10,000	-400	-3.8%	7,151	+2,849	+39.8%
	EBITDA Margin	13.5%	12.8%	-0.7pts		13.9%	-1.1pts	
Electronic Parts Business	Net Sales	69,000	56,000	-13,000	-18.8%	56,675	-675	-1.2%
	Operating Profit	9,000	3,500	-5,500	-61.1%	5,745	-2,245	-39.1%
	Operating Profit Margin	13.0%	6.3%	-6.7pts		10.1%	-3.8pts	
	Capital Investment	7,400	6,500	-900	-12.2%	5,020	+1,480	+29.5%
	Depreciation	4,400	4,200	-200	-4.5%	3,453	+747	+21.6%
	EBITDA Margin	19.4%	13.8%	-5.6pts		16.2%	-2.4pts	
Tooling and Machine Tools Business	Net Sales	13,500	11,000	-2,500	-18.5%	11,977	-977	-8.2%
	Operating Profit	1,500	500	-1,000	-66.7%	1,308	-808	-61.8%
	Operating Profit Margin	11.3%	4.5%	-6.8%		10.9%	-6.4pts	
	Capital Investment	1,500	1,100	-400	-26.7%	957	+143	+14.9%
	Depreciation	900	700	-200	-22.2%	723	-23	-3.2%
	EBITDA Margin	17.9%	10.9%	-7.0%		17.0%	-6.1pts	

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# Shareholder Return Policy and Dividend

# Shareholder Return Policy and Dividend

## Shareholder Return Policy

- For three years from FY 2023/1 to FY 2025/1, the Company will increase investments for strengthening competitiveness and winning opportunities for growth and pay stable and continuous dividends.
- The Company will use DOE, implement shareholder return with the DOE goal of 3.0% or more, taking into account consolidated business results, capital efficiency and dividend amount.

## Dividend Forecast for FY 2025/1

**Interim dividend per share: ¥28<sup>\*1</sup>**

**/ Year-end dividend: ¥12<sup>\*2</sup>**

<sup>\*1</sup> Interim dividend of ¥28

<sup>\*2</sup> Effective August 1, 2024, the Company split its shares at a ratio of five shares per share.

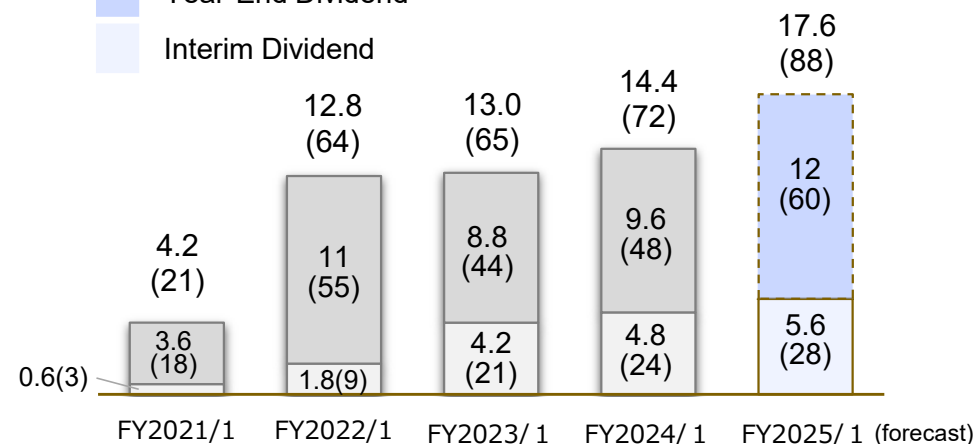
<sup>\*2</sup> Due to the stock split, the year-end dividend will be increased from the initially announced ¥56 to ¥60 on a pre-stock split basis.

### Dividend [Unit: JPY]

■ Year-End Dividend  
■ Interim Dividend

The amount retroactively adjusted (dividend before split × 1/5) is shown.

Amounts in parentheses do not include stock splits.



### Total dividend [Unit: million yen]

	FY2021/1	FY2022/1	FY2023/1	FY2024/1	FY2025/1 (Before Split)	FY2025/1 (After Split)
Interim	109	328	768	878	1,024	1,024
Year-end	657	2,010	1,610	1,757	2,049	2,196 *
Annual	767	2,339	2,379	2,635	3,074	3,221 *
DOE	1.6%	4.3%	3.4%	3.0%	3.0%	3.2% *

\*This is based on the current business environment forecast and earnings forecast.

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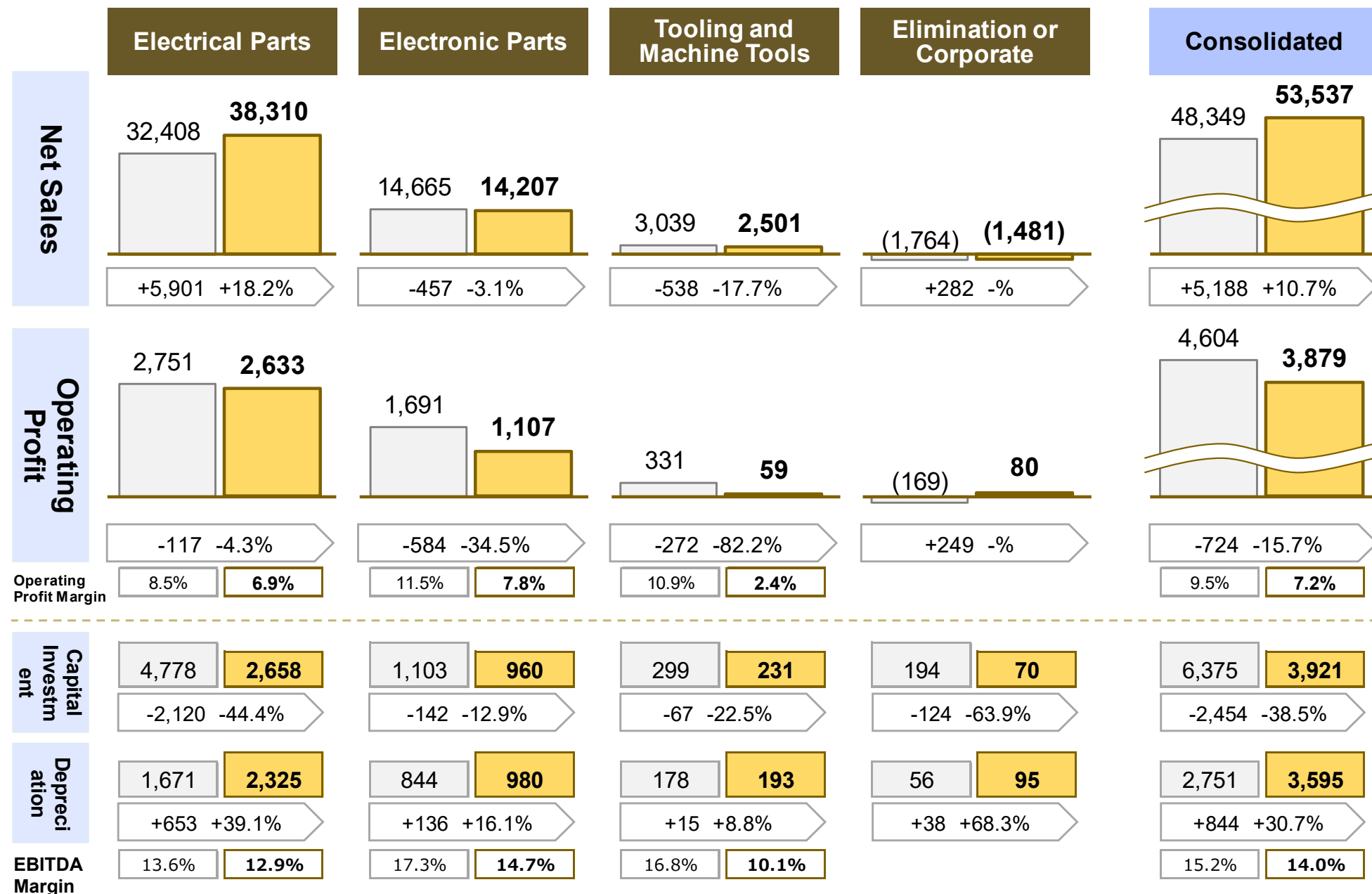


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## Reference Materials

# Financial Results by Segment (3 months, FY2024 2Q vs FY2025 2Q)

[Unit: million yen] FY2024/1 Q2(2023/5-2023/7) FY2025/1 Q2(2024/5-2024/7)



## ■ Financial Highlights

[Unit: million yen]

	FY 2020/1	FY 2021/1	FY 2022/1	FY 2023/1	FY 2024/1
Net Sales	86,970	97,351	139,429	174,615	195,881
Operating Profit	19	3,790	14,959	22,586	18,119
Net Profit or Loss	-624	2,592	11,778	17,581	15,545
Gross Assets	89,507	96,256	134,036	159,803	195,696
Net Assets	45,859	47,782	61,383	80,607	96,993
Net Profit or Loss per Share *	-3.37 (-16.86)	14.18 (70.92)	64.45 (322.24)	96.20 (480.99)	85.06 (425.30)
Capital Investment	10,510	11,925	19,529	21,045	37,562
Depreciation	7,155	7,578	8,603	9,531	11,572
Interest-Bearing Liabilities	33,408	35,381	48,885	51,046	62,476
Net Interest-Bearing Liabilities	13,914	17,632	17,575	17,107	23,228
EBITDA	7,175	11,368	23,563	32,118	29,691
Equity Ratio	51.0%	49.4%	45.6%	50.3%	49.4%
ROE	-1.3%	5.6%	21.7%	24.9%	17.6%
D/E Ratio (Multiple)	0.71	0.72	0.80	0.64	0.65
Net D/E Ratio (Multiple)	0.30	0.36	0.29	0.21	0.24

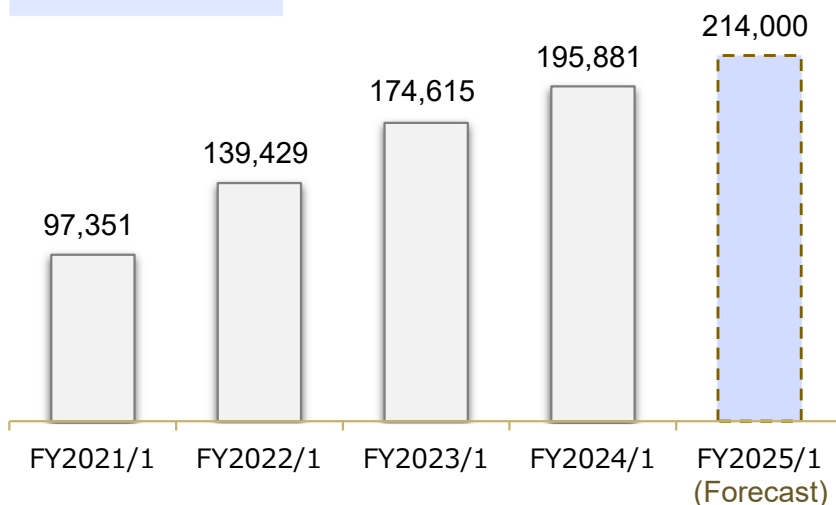
\*Retrospective adjustment (number of shares before split x 1/5). Amounts in parentheses do not include stock splits.

## Trend in Consolidated Financial Results (Fiscal Year)

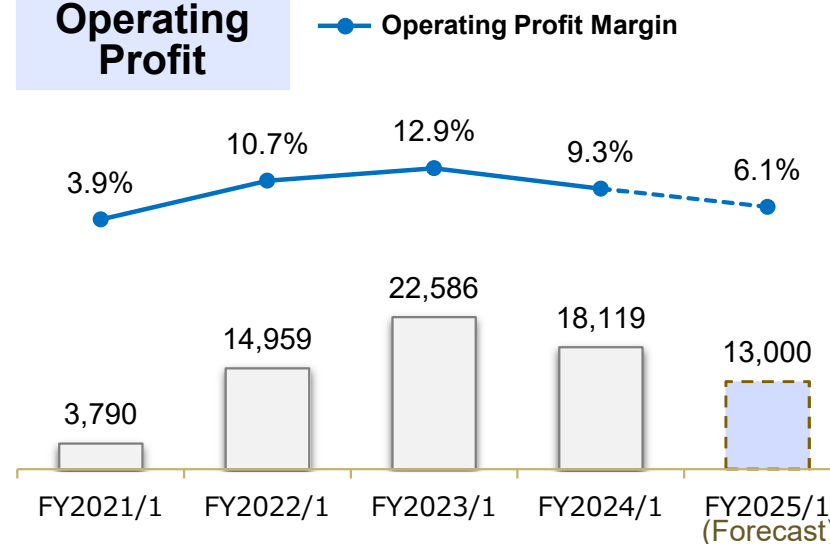
### Consolidated

[Unit: million yen]

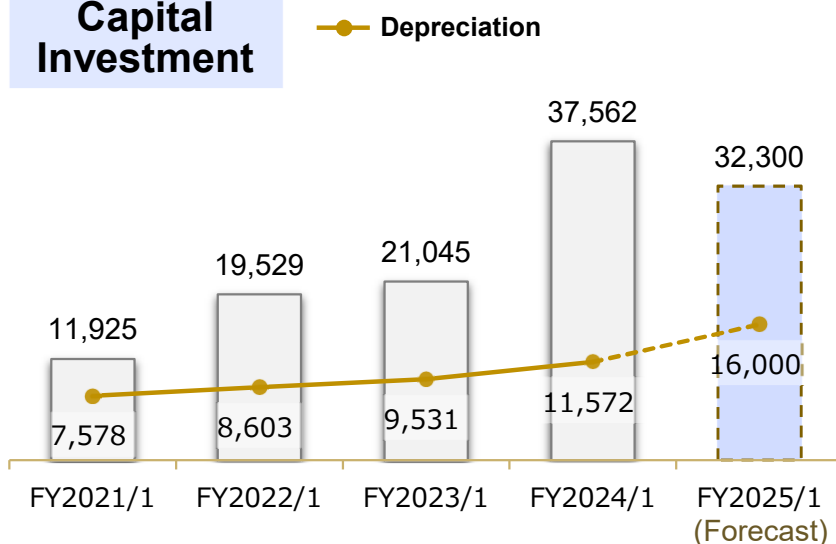
#### Net Sales



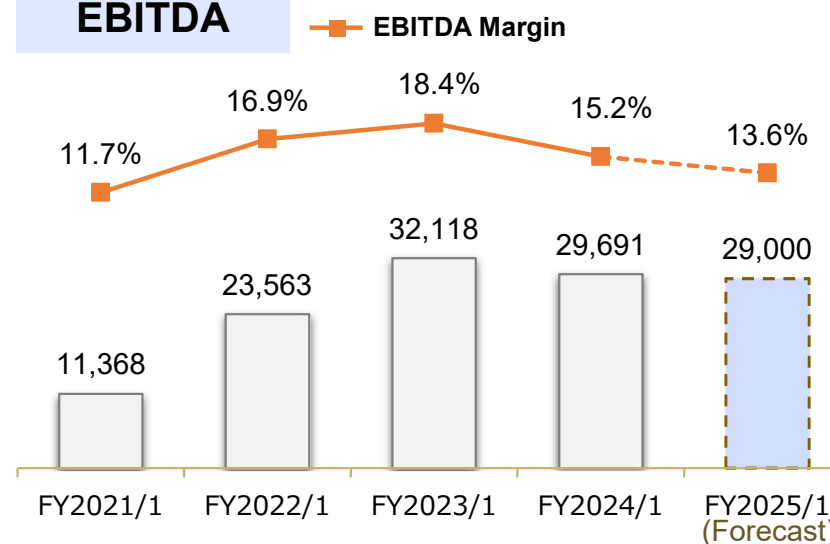
#### Operating Profit



#### Capital Investment



#### EBITDA

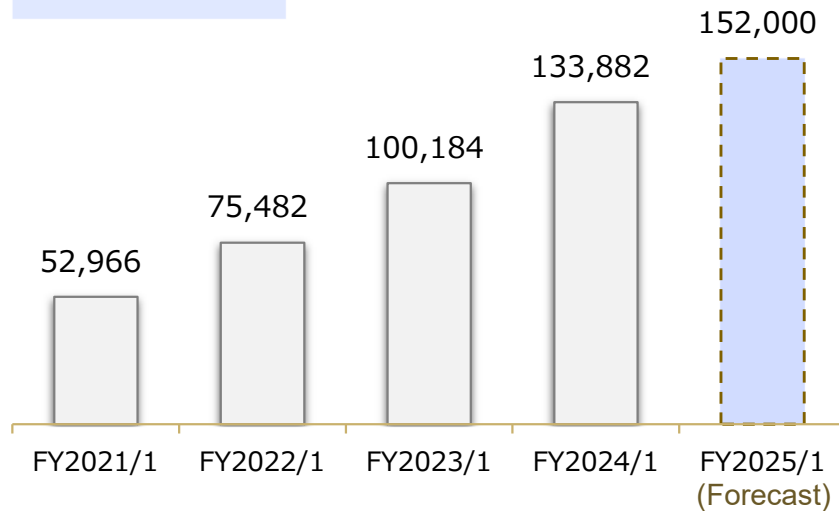


# Trend in Consolidated Financial Results of Electrical Parts Business (Fiscal Year)

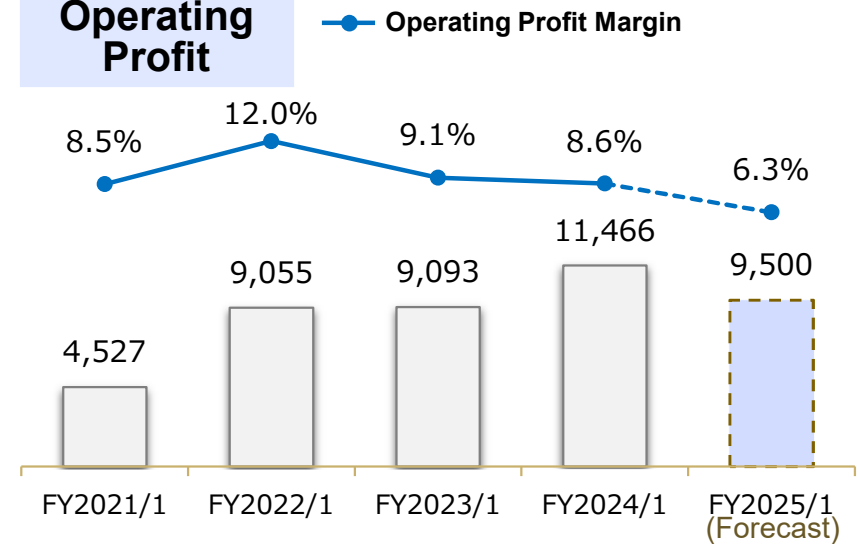
## Electrical Parts Business

[Unit: million yen]

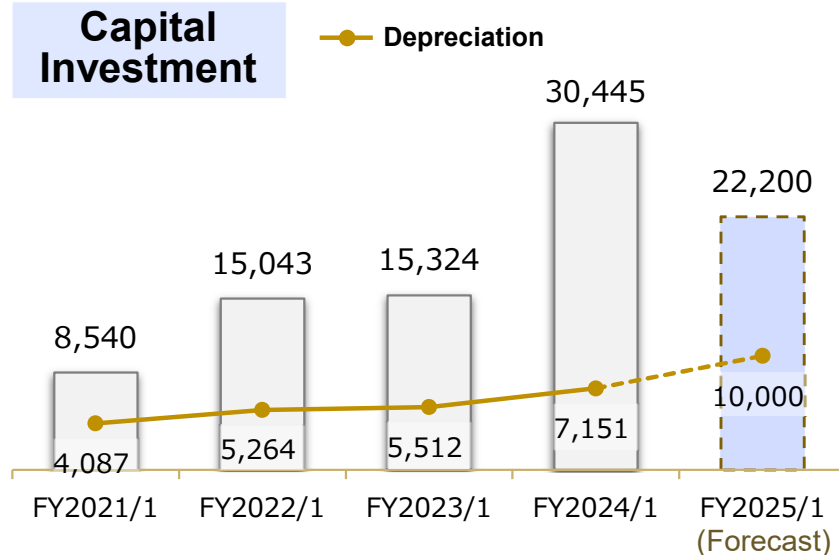
### Net Sales



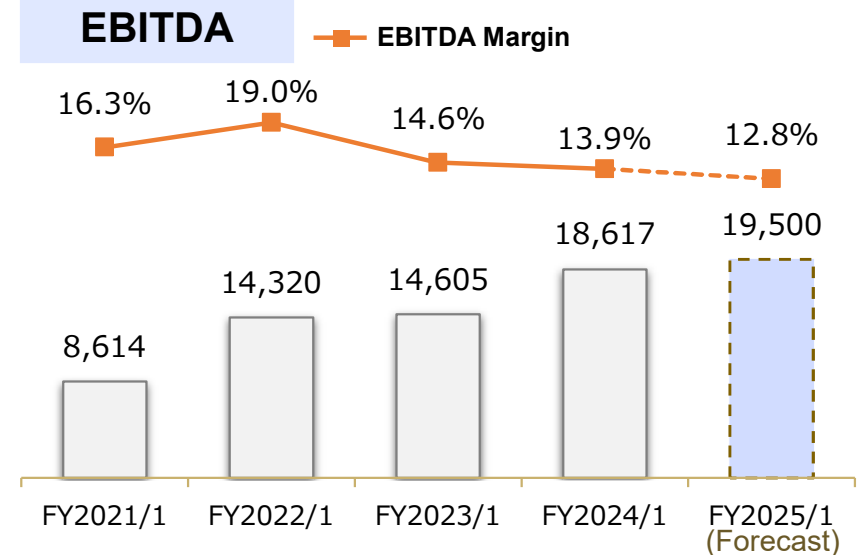
### Operating Profit



### Capital Investment



### EBITDA

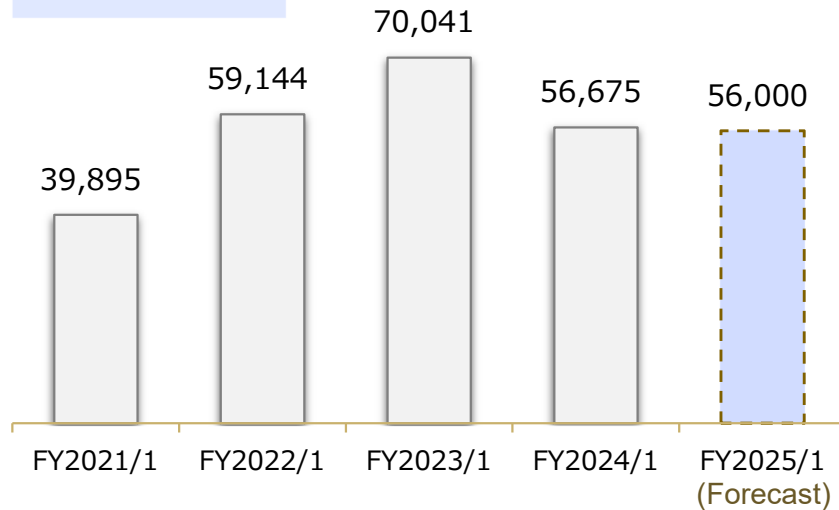


# Trend in Consolidated Financial Results of Electronic Parts Business (Fiscal Year)

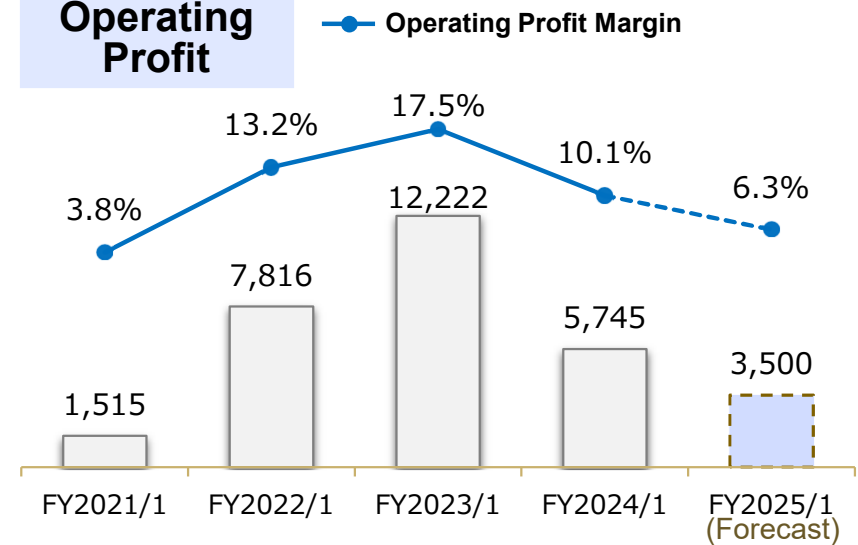
## Electronic Parts Business

[Unit: million yen]

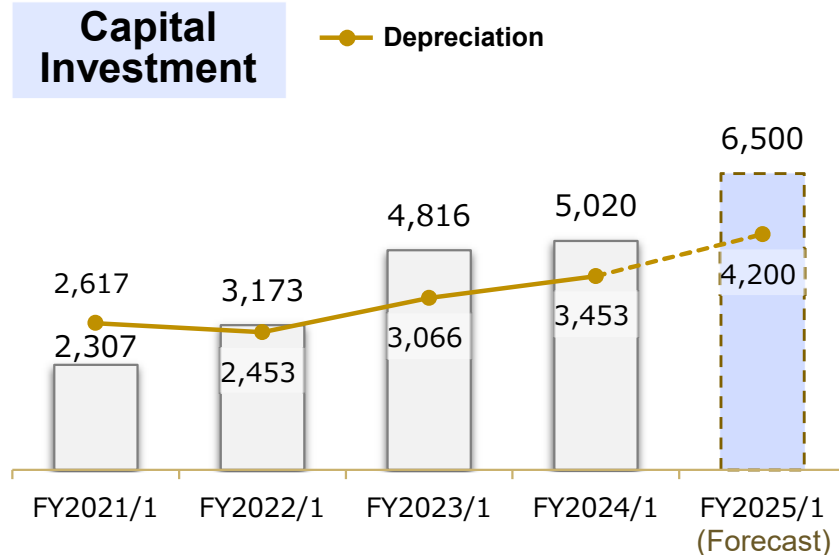
### Net Sales



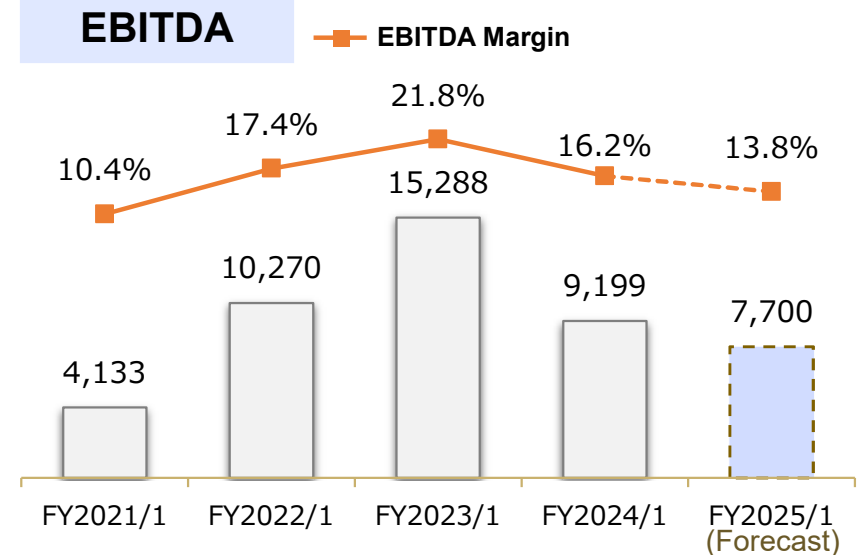
### Operating Profit



### Capital Investment



### EBITDA

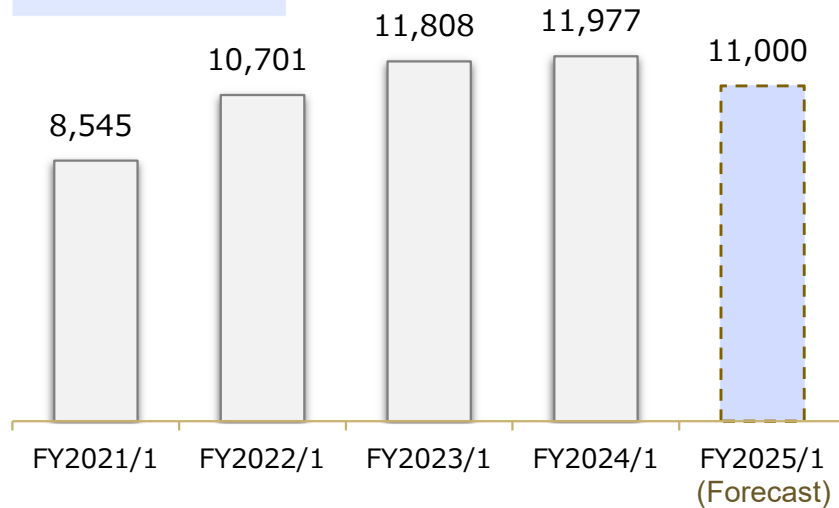


# Trend in Consolidated Financial Results of Tooling and Machine Tools Business (Fiscal Year)

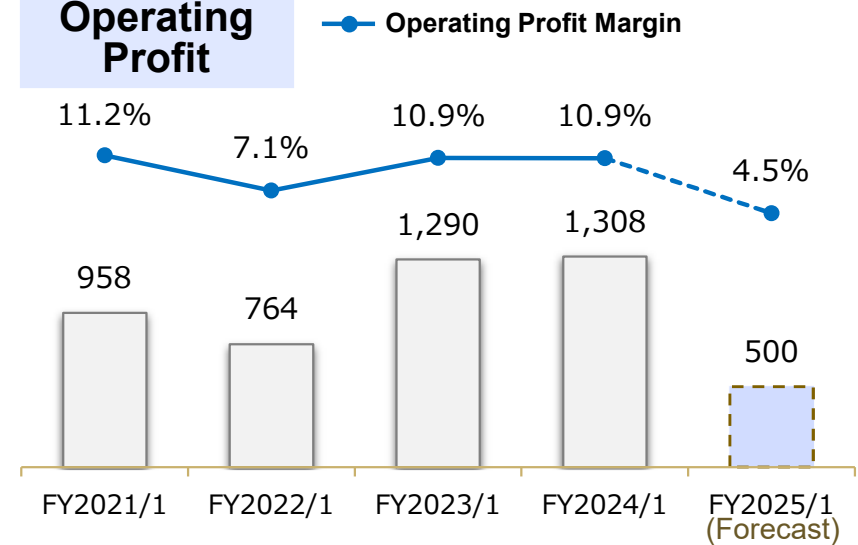
## Tooling and Machine Tools Business

[Unit: million yen]

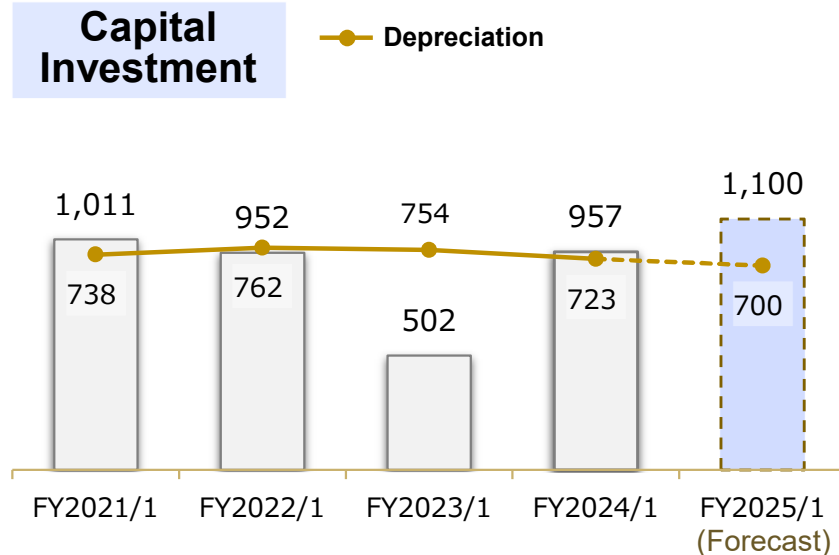
### Net Sales



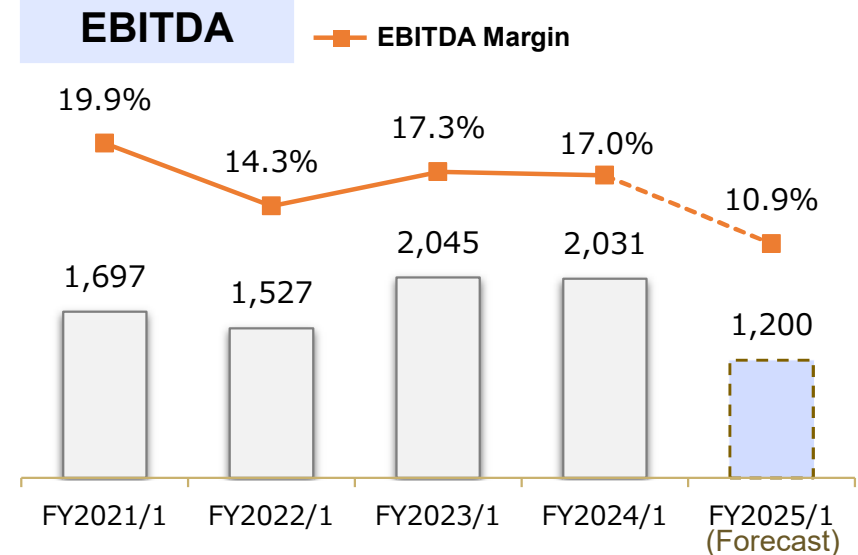
### Operating Profit



### Capital Investment

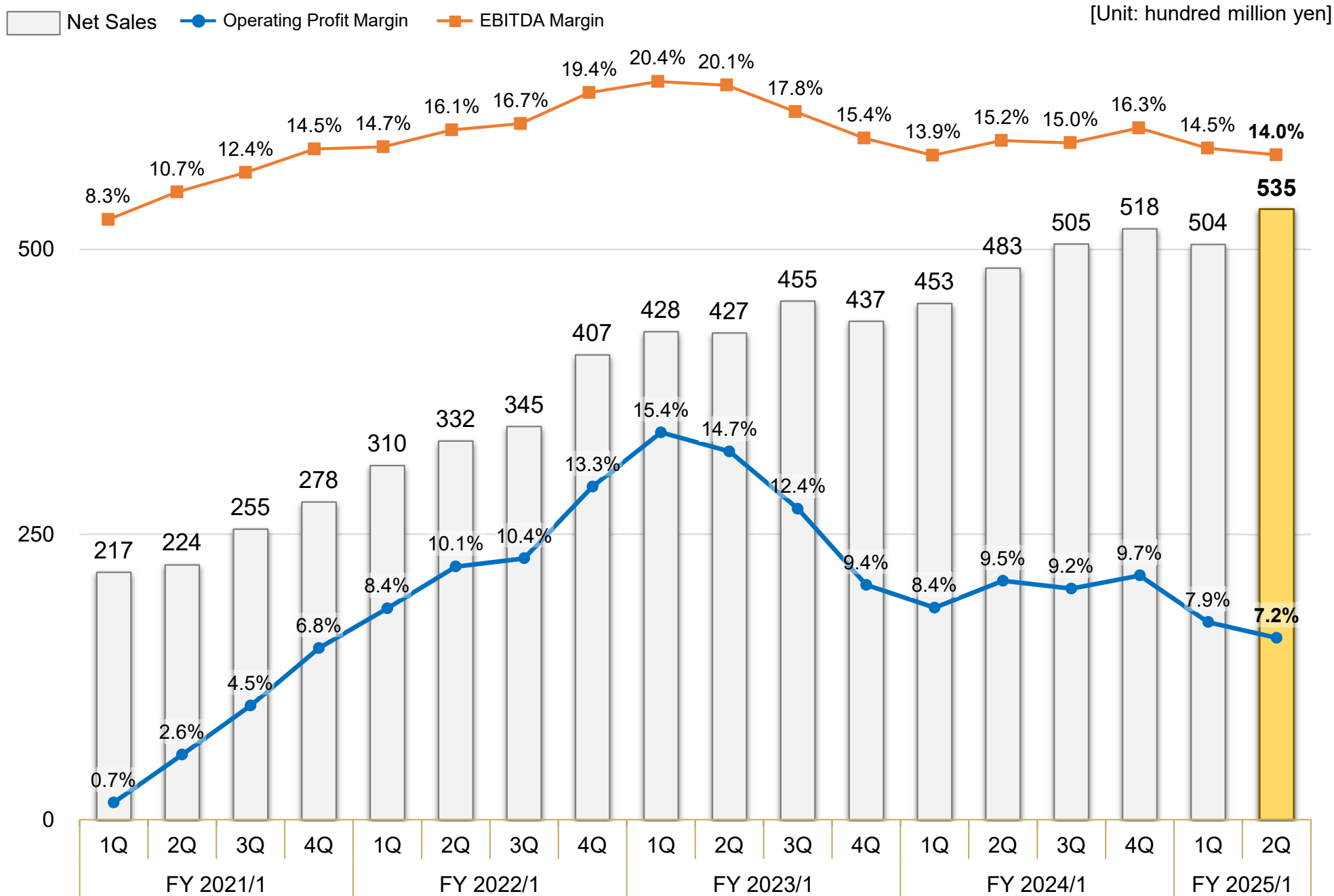


### EBITDA



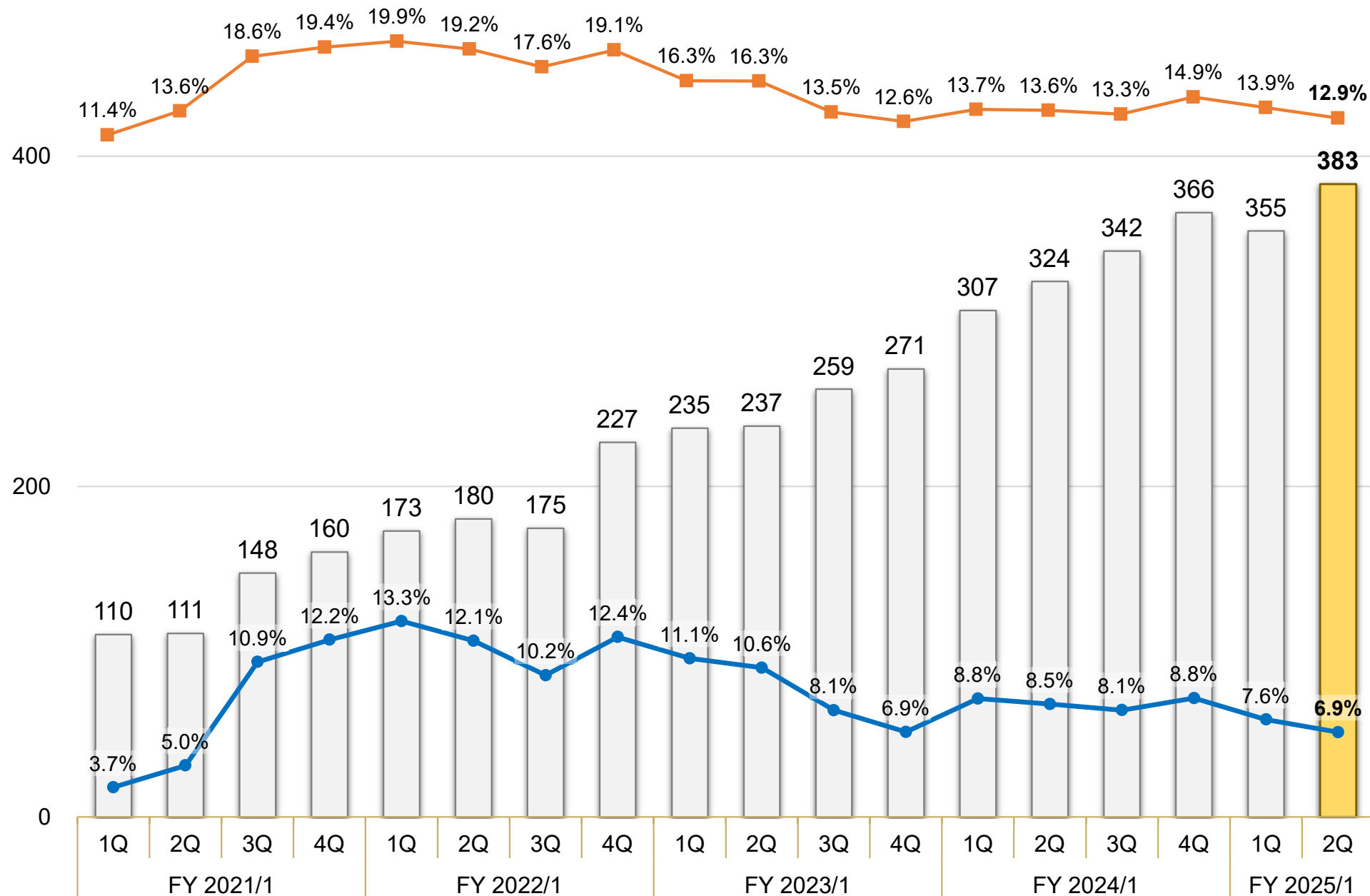


## Trend in Consolidated Financial Results (Quarterly)



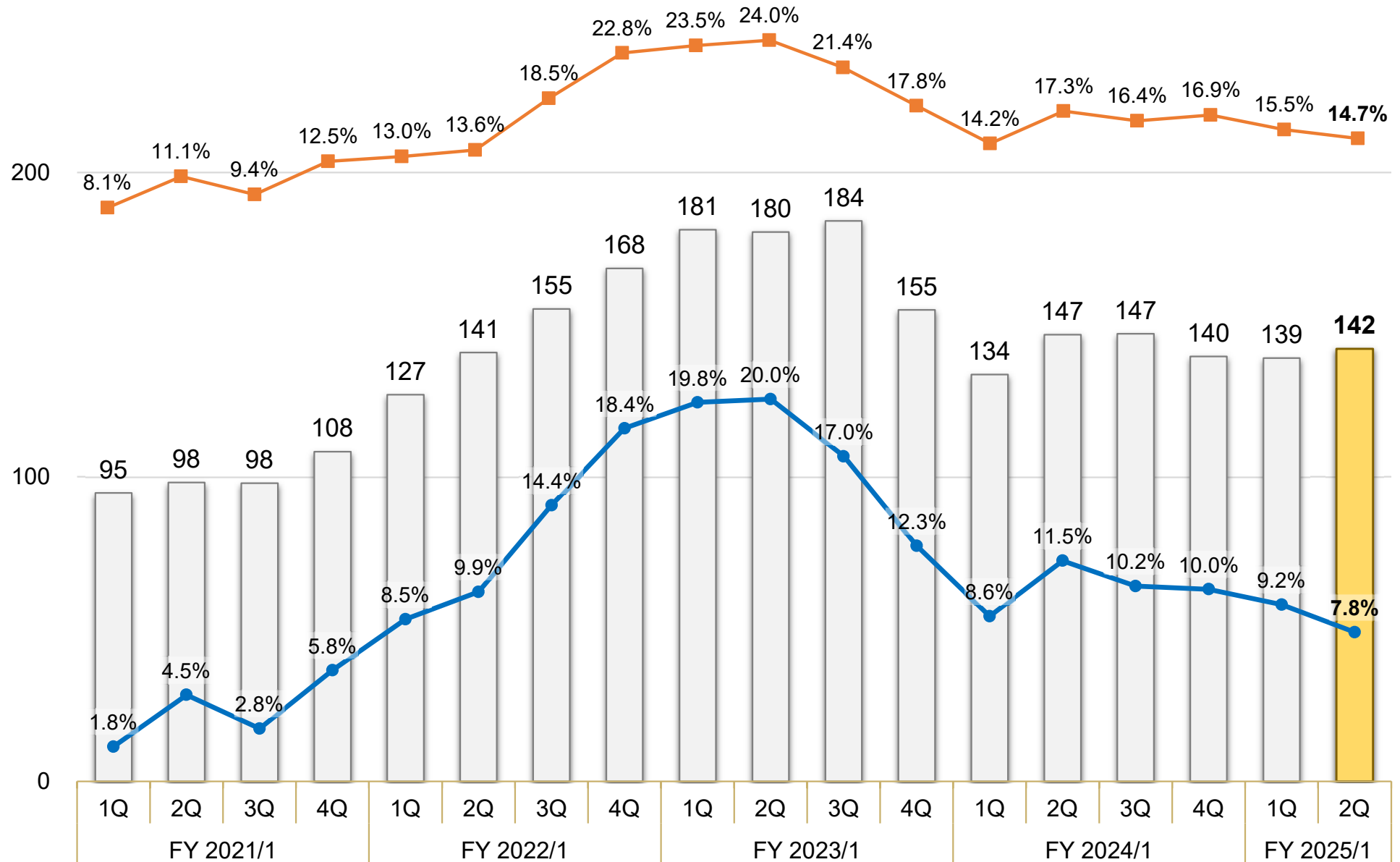
# Trend in Consolidated Financial Results of Electrical Parts Business (Quarterly)

Net Sales
  Operating Profit Margin
  EBITDA Margin
 [Unit: hundred million yen]



# Trend in Consolidated Financial Results of Electronic Parts Business (Quarterly)

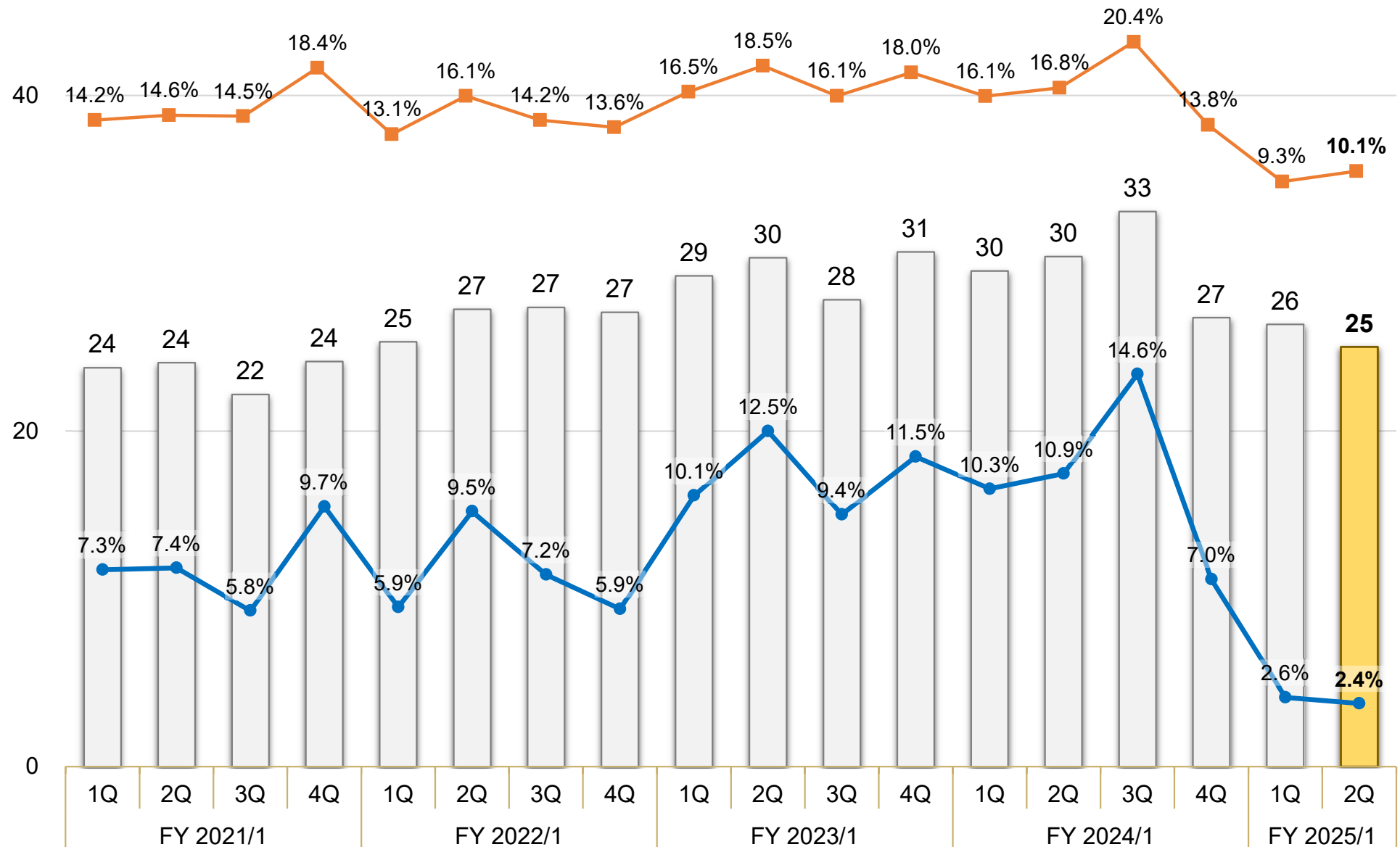
Net Sales Operating Profit Margin EBITDA Margin [Unit: hundred million yen]



# Trend in Consolidated Financial Results of Tooling and Machine Tools Business (Quarterly)

Net Sales Operating Profit Margin EBITDA Margin

[Unit: hundred million yen]





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