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September 10, 2024

## Consolidated Financial Results for the Six Months (Interim Period) Ended July 31, 2024 (Under Japanese GAAP)

Company name: Mitsui High-tec, Inc.  
 Listing: Tokyo Stock Exchange / Fukuoka Stock Exchange  
 Securities code: 6966  
 URL: <https://www.mitsui-high-tec.com/>  
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 Scheduled date to file semi-annual securities report: September 10, 2024  
 Scheduled date to commence dividend payments: October 10, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the six months (interim period) ended July 31, 2024 (from February 1, 2024 to July 31, 2024)

#### (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, 2024	103,969	11.1	7,850	(6.9)	9,431	(12.2)	7,075	(8.2)
July 31, 2023	93,614	9.5	8,428	(34.5)	10,739	(25.0)	7,707	(30.2)

Note: Comprehensive income For the six months ended July 31, 2024: ¥11,261 million [6.0%]  
 For the six months ended July 31, 2023: ¥10,625 million [(33.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
July 31, 2024	38.72	—
July 31, 2023	42.17	—

Note: The Company conducted a 5-for-1 stock split of common shares with an effective date of August 1, 2024. Basic earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
July 31, 2024	214,780	106,475	49.4
January 31, 2024	195,696	96,993	49.4

Reference: Equity  
 As of July 31, 2024: ¥106,122 million  
 As of January 31, 2024: ¥96,633 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended January 31, 2024	Yen —	Yen 24.00	Yen —	Yen 48.00	Yen 72.00
Fiscal year ending January 31, 2025	—	28.00			
Fiscal year ending January 31, 2025 (Forecast)			—	12.00	—

- Notes: 1. Revisions to the forecast of cash dividends most recently announced: None
2. The forecast of the year-end dividend per share for the fiscal year ending January 31, 2025 shows the amount that takes into account the effect of the stock split due to conducting a 5-for-1 stock split of common shares with an effective date of August 1, 2024. The forecast of the year-end dividend per share for the fiscal year ending January 31, 2025 without taking into account the stock split would be ¥60.

## 3. Consolidated earnings forecasts for the fiscal year ending January 31, 2025 (from February 1, 2024 to January 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending January 31, 2025	214,000	9.2	13,000	(28.3)	13,500	(37.9)	9,500	(38.9)	51.98

- Notes: 1. Revisions to the forecast of financial results most recently announced: Yes
2. Basic earnings per share in the forecast for the fiscal year ending January 31, 2025 (full year) takes into account the effect of the stock split. Without taking into account the effect of the stock split, basic earnings per share in the forecast for the fiscal year ending January 31, 2025 (full year) would be ¥259.92.

**\* Notes**

- (1) Significant changes in scope of consolidation during the interim period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2024	197,334,325 shares
As of January 31, 2024	197,334,325 shares

- (ii) Number of treasury shares at the end of the period

As of July 31, 2024	14,584,205 shares
As of January 31, 2024	14,582,520 shares

- (iii) Average number of shares outstanding during the period (interim period)

Six months ended July 31, 2024	182,750,717 shares
Six months ended July 31, 2023	182,756,062 shares

- Notes: 1. The Company introduced a Board Benefit Trust (BBT), and the number of treasury shares at the end of the period includes the shares of the Company held by the Board Benefit Trust (BBT) (277,500 shares as of July 31, 2024 and 278,500 shares as of January 31, 2024). Furthermore, treasury shares excluded for the calculation of the average number of shares outstanding during the period (interim period) include the shares of the Company held by the Board Benefit Trust (BBT) (278,126 shares as of July 31, 2024 and 278,500 shares as of July 31, 2023).
2. The Company conducted a 5-for-1 stock split of common shares with an effective date of August 1, 2024. Total number of issued shares at the end of the period, number of treasury shares at the end of the period and average number of shares outstanding during the period are calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

- \* Financial results reports for the six months (interim period) are exempt from requiring a review conducted by certified public accountants or an audit corporation.

- \* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including consolidated earnings forecasts, contained in this document are based on information currently available to the Company. Actual earnings results may differ from the forecasts due to various factors.

For the suppositions that form the assumptions for earnings forecasts, please refer to “1. Overview of business results, etc., (2) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 3 of the attached material.

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## 1. Overview of business results, etc.

### (1) Overview of business results for the six months ended July 31, 2024

The economic environment surrounding the Group during the six months ended July 31, 2024 was on a gradual recovery trend overall, but the outlook remained uncertain due to monetary tightening mainly in Europe and the U.S., unstable conditions in the Middle East, a deterioration in the Chinese economy and other factors.

With regard to the Group's major customers, in the automotive industry, electric vehicle-related demand remained strong. In the semiconductor industry, the overall recovery has been gradual, but there is a delay in the recovery of final demand for some semiconductors.

Under this business environment, with ultra-precise processing technology as its core, the Group sought to expand orders received for products and parts that contribute to resource and energy saving while strengthening its global supply system to respond to customer needs. Additionally, the entire Group worked to enhance productivity and to reduce costs.

As a result, for the six months ended July 31, 2024, net sales amounted to ¥103,969 million (up 11.1% year on year), operating profit amounted to ¥7,850 million (down 6.9% year on year), ordinary profit amounted to ¥9,431 million (down 12.2% year on year) mainly due to the impact of foreign exchange gains for foreign currency denominated financial assets, and profit attributable to owners of parent amounted to ¥7,075 million (down 8.2% year on year).

The demand trends remain unpredictable for both the automotive and semiconductor industry, but the entire Group will work together to continue increasing profit.

Operating results by segment are as follows.

#### Tooling and Machine Tools

In the Tooling and Machine Tools Business, due to a decline in orders received for tooling, net sales amounted to ¥5,137 million (down 14.3% year on year) and operating profit amounted to ¥127 million (down 80.1% year on year).

#### Electronic Parts

In the Electronic Parts Business, net sales amounted to ¥28,107 million (up 0.3% year on year) mainly due to yen depreciation, despite the delayed recovery in final demand for semiconductors. Operating profit amounted to ¥2,391 million (down 15.9% year on year) mainly due to the impact of the timing of the price pass-on of soaring costs for main raw materials.

#### Electrical Parts

In the Electrical Parts Business, net sales amounted to ¥73,781 million (up 17.0% year on year) due to the response to firm demand for motor cores for drive and power generation applications for electric vehicles. However, operating profit amounted to ¥5,329 million (down 2.2% year on year) as a result of increases in various costs in response to upfront investment.

Net sales for the above segment are presented including ¥3,056 million in intersegment net sales or transfers.

**(2) Explanation of consolidated earnings forecasts and other forward-looking statements**

Regarding the consolidated earnings forecasts for the fiscal year ending January 31, 2025, please refer to the “Notice Concerning Revisions to Full-Year Consolidated Earnings Forecasts” (in Japanese only) announced today (September 10, 2024).

## 2. Semi-annual consolidated financial statements and significant notes thereto

### (1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of January 31, 2024	As of July 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	39,248	46,431
Notes and accounts receivable - trade, and contract assets	29,452	31,079
Electronically recorded monetary claims - operating	3,782	3,689
Merchandise and finished goods	7,605	7,917
Work in process	2,989	3,232
Raw materials and supplies	3,662	4,222
Other	5,362	4,883
Allowance for doubtful accounts	(13)	(13)
Total current assets	92,089	101,442
Non-current assets		
Property, plant and equipment		
Buildings and structures	50,271	55,578
Accumulated depreciation	(26,938)	(28,216)
Buildings and structures, net	23,333	27,361
Machinery, equipment and vehicles	112,667	118,871
Accumulated depreciation	(64,367)	(69,585)
Machinery, equipment and vehicles, net	48,300	49,286
Tools, furniture and fixtures	26,551	28,444
Accumulated depreciation	(21,451)	(22,858)
Tools, furniture and fixtures, net	5,099	5,585
Land	7,408	8,158
Right-of-use assets	1,963	2,092
Accumulated depreciation	(1,283)	(1,390)
Right-of-use assets, net	679	702
Construction in progress	13,470	16,702
Total property, plant and equipment	98,290	107,796
Intangible assets	1,524	1,620
Investments and other assets		
Investment securities	1,451	1,558
Retirement benefit asset	870	969
Deferred tax assets	1,283	1,211
Other	186	180
Total investments and other assets	3,791	3,920
Total non-current assets	103,607	113,338
<b>Total assets</b>	<b>195,696</b>	<b>214,780</b>

(Millions of yen)

	As of January 31, 2024	As of July 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	21,000	21,867
Short-term borrowings	* 4,000	—
Current portion of long-term borrowings	9,563	8,876
Income taxes payable	2,983	2,418
Provision for bonuses for directors (and other officers)	—	23
Lease liabilities	44	50
Other	9,140	9,873
Total current liabilities	46,733	43,110
Non-current liabilities		
Long-term borrowings	48,726	62,023
Retirement benefit liability	144	143
Provision for share awards for directors (and other officers)	42	—
Lease liabilities	145	130
Deferred tax liabilities	1,820	2,089
Long-term advances received	387	336
Long-term accounts payable - other	703	421
Other	—	50
Total non-current liabilities	51,970	65,194
Total liabilities	98,703	108,305
<b>Net assets</b>		
Shareholders' equity		
Share capital	16,403	16,403
Capital surplus	15,251	15,251
Retained earnings	60,631	65,949
Treasury shares	(3,655)	(3,657)
Total shareholders' equity	88,630	93,947
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	546	621
Deferred gains or losses on hedges	(3)	21
Foreign currency translation adjustment	7,601	11,647
Remeasurements of defined benefit plans	(141)	(115)
Total accumulated other comprehensive income	8,003	12,174
Non-controlling interests	359	353
Total net assets	96,993	106,475
Total liabilities and net assets	195,696	214,780



**(2) Semi-annual consolidated statement of income and consolidated statement of comprehensive income****Semi-annual consolidated statement of income**

(Millions of yen)

	Six months ended July 31, 2023	Six months ended July 31, 2024
Net sales	93,614	103,969
Cost of sales	78,101	88,233
Gross profit	15,512	15,735
Selling, general and administrative expenses	7,083	7,884
Operating profit	8,428	7,850
Non-operating income		
Interest income	193	461
Foreign exchange gains	2,215	1,198
Other	169	187
Total non-operating income	2,578	1,847
Non-operating expenses		
Interest expenses	81	135
Loss on sale and retirement of non-current assets	182	70
Other	3	60
Total non-operating expenses	267	266
Ordinary profit	10,739	9,431
Extraordinary income		
Subsidy income	92	263
Total extraordinary income	92	263
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	38	87
Total extraordinary losses	38	87
Profit before income taxes	10,792	9,607
Income taxes	3,052	2,517
Profit	7,740	7,090
Profit attributable to non-controlling interests	32	14
Profit attributable to owners of parent	7,707	7,075

**Semi-annual consolidated statement of comprehensive income**

(Millions of yen)

	Six months ended July 31, 2023	Six months ended July 31, 2024
Profit	7,740	7,090
Other comprehensive income		
Valuation difference on available-for-sale securities	161	74
Deferred gains or losses on hedges	22	25
Foreign currency translation adjustment	2,668	4,045
Remeasurements of defined benefit plans, net of tax	32	25
Total other comprehensive income	2,885	4,171
Comprehensive income	10,625	11,261
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,592	11,246
Comprehensive income attributable to non-controlling interests	32	14

**(3) Notes to semi-annual consolidated financial statements****Notes on premise of going concern**

Not applicable.

**Notes to semi-annual consolidated balance sheet****\* Overdraft agreement**

The Company has executed an overdraft agreement with transactional financial institutions in order to enhance funding stability.

Unused lines of credit based on the agreements as of July 31, 2024 are as follows:

	As of January 31, 2024	As of July 31, 2024
Total overdraft limit	¥12,000 million	¥12,000 million
Drawn balance	4,000	—
Available balance	8,000	12,000

**Notes on segment information, etc.**

[Segment information]

Six months ended July 31, 2023

Information on the amounts of net sales and profit or loss by reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Tooling and Machine Tools	Electronic Parts	Electrical Parts	Total	Adjustments (Note) 1	Amount recorded in the semi- annual consolidated statement of income (Note) 2
Net sales						
Revenue from contracts with customers	2,531	28,021	63,062	93,614	—	93,614
Net sales to external customers	2,531	28,021	63,062	93,614	—	93,614
Intersegment net sales or transfers	3,462	0	—	3,462	(3,462)	—
Total	5,993	28,021	63,062	97,077	(3,462)	93,614
Segment profit	637	2,844	5,449	8,930	(502)	8,428

Notes: 1. Adjustment to segment profit of negative ¥502 million is mainly internal income in intersegment transaction eliminations.

2. Segment profit is adjusted to operating profit in the semi-annual consolidated statement of income.

Six months ended July 31, 2024

Information on the amounts of net sales and profit or loss by reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Tooling and Machine Tools	Electronic Parts	Electrical Parts	Total	Adjustments (Note) 1	Amount recorded in the semi- annual consolidated statement of income (Note) 2
Net sales						
Revenue from contracts with customers	2,080	28,107	73,781	103,969	—	103,969
Net sales to external customers	2,080	28,107	73,781	103,969	—	103,969
Intersegment net sales or transfers	3,056	—	—	3,056	(3,056)	—
Total	5,137	28,107	73,781	107,025	(3,056)	103,969
Segment profit	127	2,391	5,329	7,848	2	7,850

Notes: 1. Adjustment to segment profit of ¥2 million is mainly internal income in intersegment transaction eliminations.

2. Segment profit is adjusted to operating profit in the semi-annual consolidated statement of income.

**Notes when there are significant changes in amounts of shareholders' equity**

Not applicable.

**Significant events after the period**

(Stock split and partial amendments to the Articles of Incorporation in connection with the stock split)

At a meeting of the Board of Directors held on June 14, 2024, the Company passed a resolution to conduct a stock split and partial amendment to the Articles of Incorporation in connection with the stock split, which became effective on August 1, 2024.

**1. Purpose of stock split**

By reducing the trading unit of the Company's shares, the Company aims to increase share liquidity, create an environment in which many investors, including individual investors, can easily invest, and expand its investor base.

**2. Overview of stock split****(1) Method of stock split**

The Company conducted a 5-for-1 stock split of common shares held by shareholders of record as of July 31, 2024 (Wednesday) whereby each share held by shareholders is split into five.

**(2) Number of shares to be increased by the stock split**

Total number of issued shares before the stock split:	39,466,865 shares
Number of shares to be increased by this stock split:	157,867,460 shares
Total number of issued shares after the stock split:	197,334,325 shares
Total number of shares authorized to be issued after the stock split:	472,978,500 shares

**(3) Schedule of the stock split**

Public notice of record date:	Tuesday, July 16, 2024
Record date:	Wednesday, July 31, 2024
Effective date:	Thursday, August 1, 2024

**3. Partial amendments to the Articles of Incorporation in connection with the stock split****(1) Reason for the amendments**

In connection with this stock split, pursuant to the provisions of Article 184, paragraph (2) of the Companies Act, the total number of shares authorized to be issued stipulated in Article 6 of the Company's Articles of Incorporation was amended effective August 1, 2024.

**(2) Details of the amendment**

The details of the amendment are as follows.

(Amended portions are underlined.)

Current Articles of Incorporation	After the amendment
Article 6 Total number of shares authorized to be issued The total number of shares authorized to be issued by the Company shall be <u>94,595,700 shares</u> .	Article 6 Total number of shares authorized to be issued The total number of shares authorized to be issued by the Company shall be <u>472,978,500 shares</u> .

(3) Schedule of the amendment

Date of resolution of the Board of Directors:	Friday, June 14, 2024
Effective date:	Thursday, August 1, 2024