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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 Third Quarter of the Fiscal Year Ending January 31, 2025

December 12, 2024

Save energy. Save earth. Save life.



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■ Summary

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

Net Sales	JPY 158,208 million (up 9.8% or JPY 14,130 million YoY)
Operating Profit	JPY 11,465 million (down 12.3% or JPY 1,610 million YoY)

- In the entire business, Net Sales increased due to solid demand for motor cores for electric vehicles and the effect of the yen depreciation. On the other hand, Operating Profit fell mainly due to decreased orders in the Electronic Parts Business and the increased cost of up-front growth investment in the Electrical Parts Business.
- In the Electrical Parts Business, Net Sales rose from increased orders in regions that included North America, the price pass-on of a gain of raw material costs, and the effect of the yen depreciation despite production adjustments by the main customers. Operating Profit slightly decreased due to increased expenses that included depreciation related to up-front investments. The effect of the price pass-on, in addition, reduced the operating margin, but the EBITDA margin remained almost flat.
- In the Electronic Parts Business, orders received decreased because demand partially bounced back for semiconductors for information terminals while final demand was weak for automotive and consumer products semiconductors. Therefore, Net Sales slightly decreased despite the effect of the yen depreciation. Operating Profit decreased mainly due to decreased orders and a deviation in the price pass-on timing of increased major raw material costs.

➤ Earnings Forecast for the Current Fiscal Year

- Net Sales and Operating Profit are expected to achieve the forecast, partially due to the effect of the yen depreciation.
- The Electrical Parts Business is expected to outperform the forecast due to the continuing solid demand. The Electronic Parts Business is expected to remain almost flat to the budget due to the reduction of costs although final demand for automobile-mounted semiconductors remains weaker than assumed.
- The dividend forecast is unchanged from that after the stock split under the policy of paying stable and continuous dividends.

超精密加工でしあわせな未来を



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



■ Financial Results (FY2024 3Q vs FY2025 3Q)

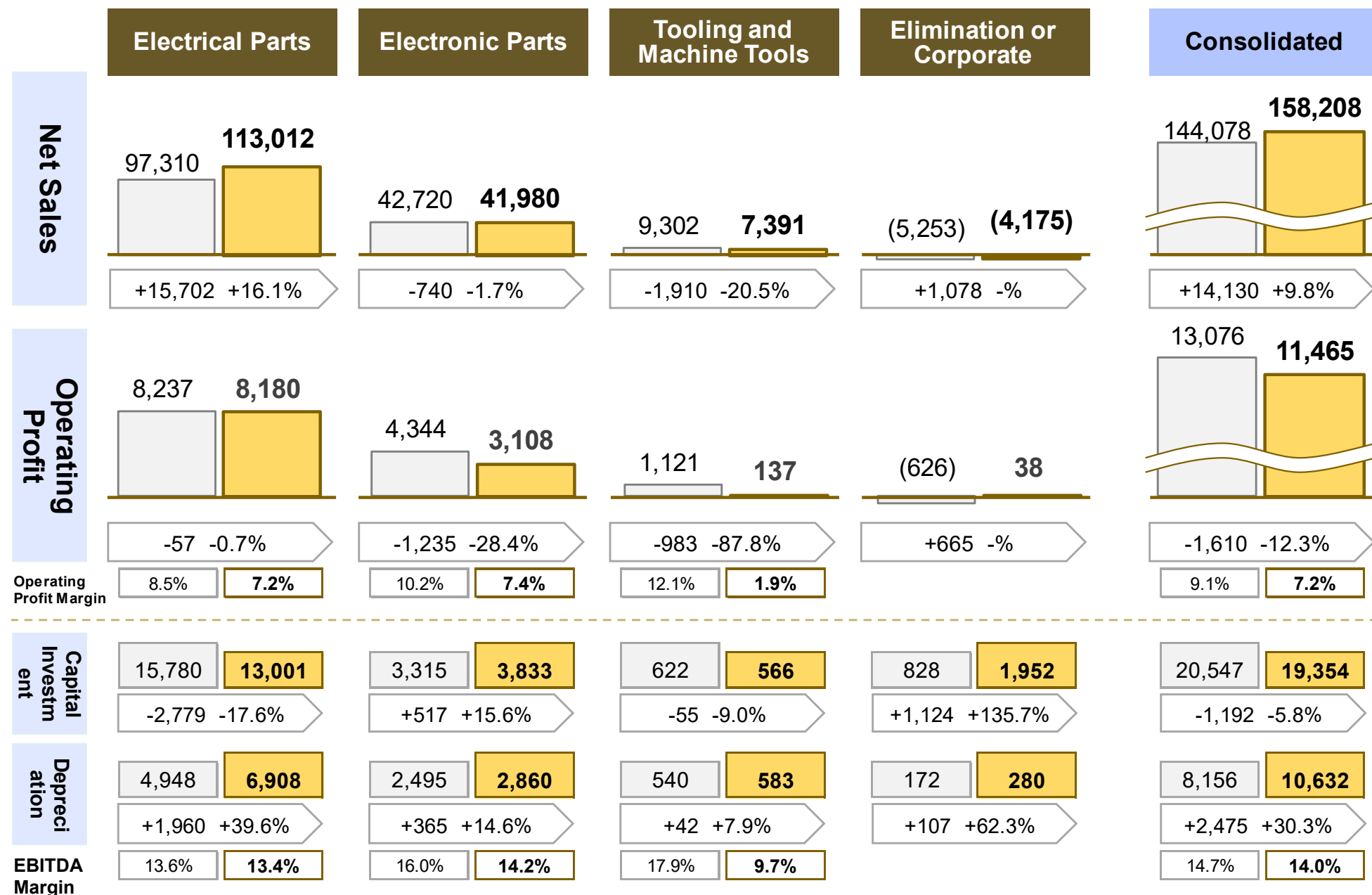
[Unit: million yen]	Previous Period (2023/2-2023/10)	Current Period (2024/2-2024/10)	Change	Percentage Change
Net Sales	144,078	158,208	+14,130	+9.8%
Operating Profit	13,076	11,465	-1,610	-12.3%
Operating Profit Margin	9.1%	7.2%	-1.8pts	
Ordinary Profit	16,749	12,976	-3,772	-22.5%
Net Profit *1	11,765	9,346	-2,418	-20.6%
Net Profit Margin	8.2%	5.9%	-2.3pts	
Capital Investment	20,547	19,354	-1,192	-5.8%
Depreciation	8,156	10,632	+2,475	+30.3%
EBITDA	21,233	22,097	+864	+4.1%
EBITDA Margin	14.7%	14.0%	-0.8pts	
FOREX Rates US \$ *2	140.25yen	151.62yen	+11.37yen	

*1 Profit Attributable to Owners of Parent

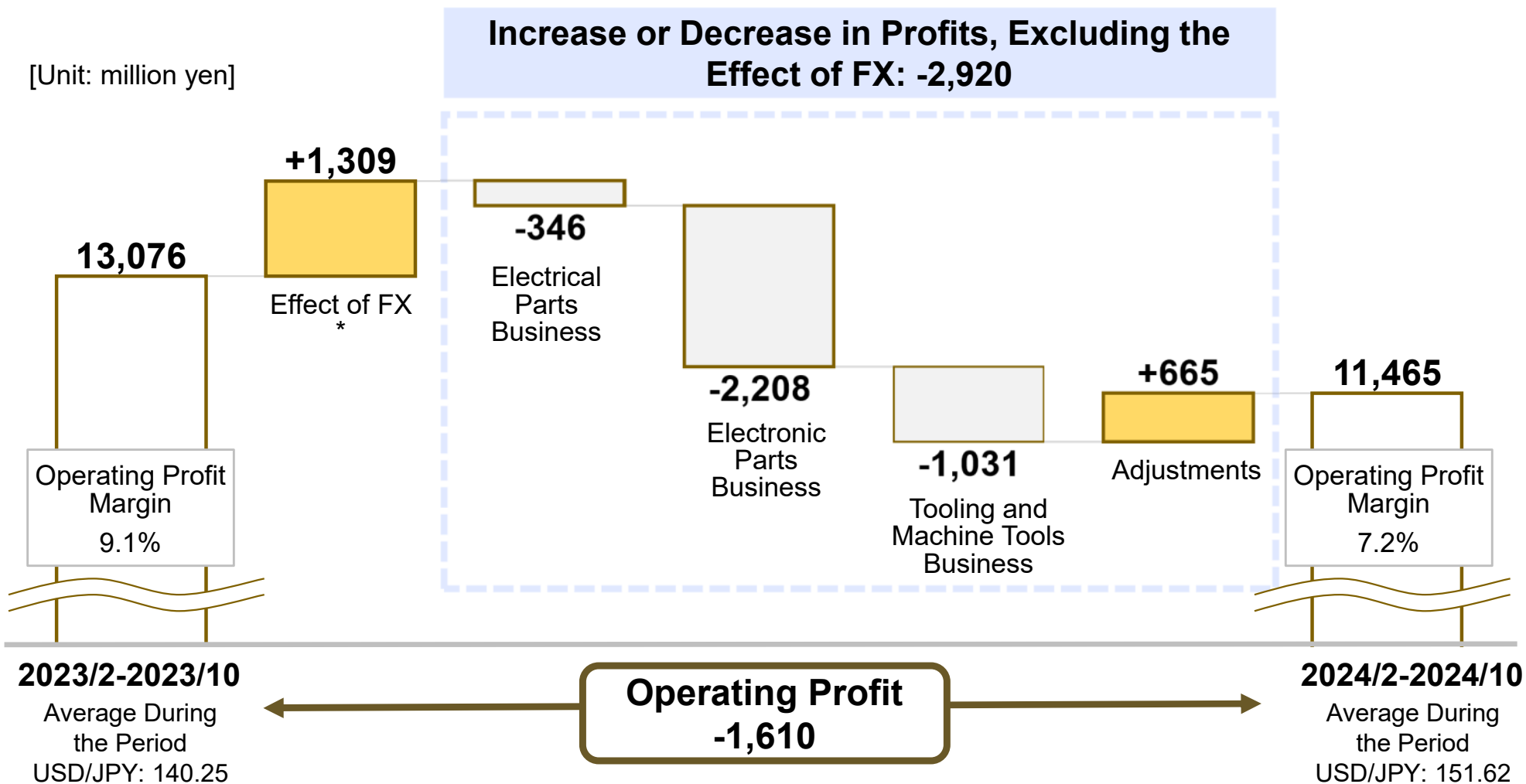
*2 Average Rate for the Period

■ Financial Results by Segment (FY2024 3Q vs FY2025 3Q)

[Unit: million yen]  Previous Period (2023/2-2023/10)  Current Period (2024/2-2024/10)



■ Factors of Changes in Consolidated Operating Profit (FY2024 3Q vs FY2025 3Q)



* Effect of FX	[Unit: million yen]
Electrical Parts Business	+288
Electronic Parts Business	+973
Tooling and Machine tools Business	+47

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

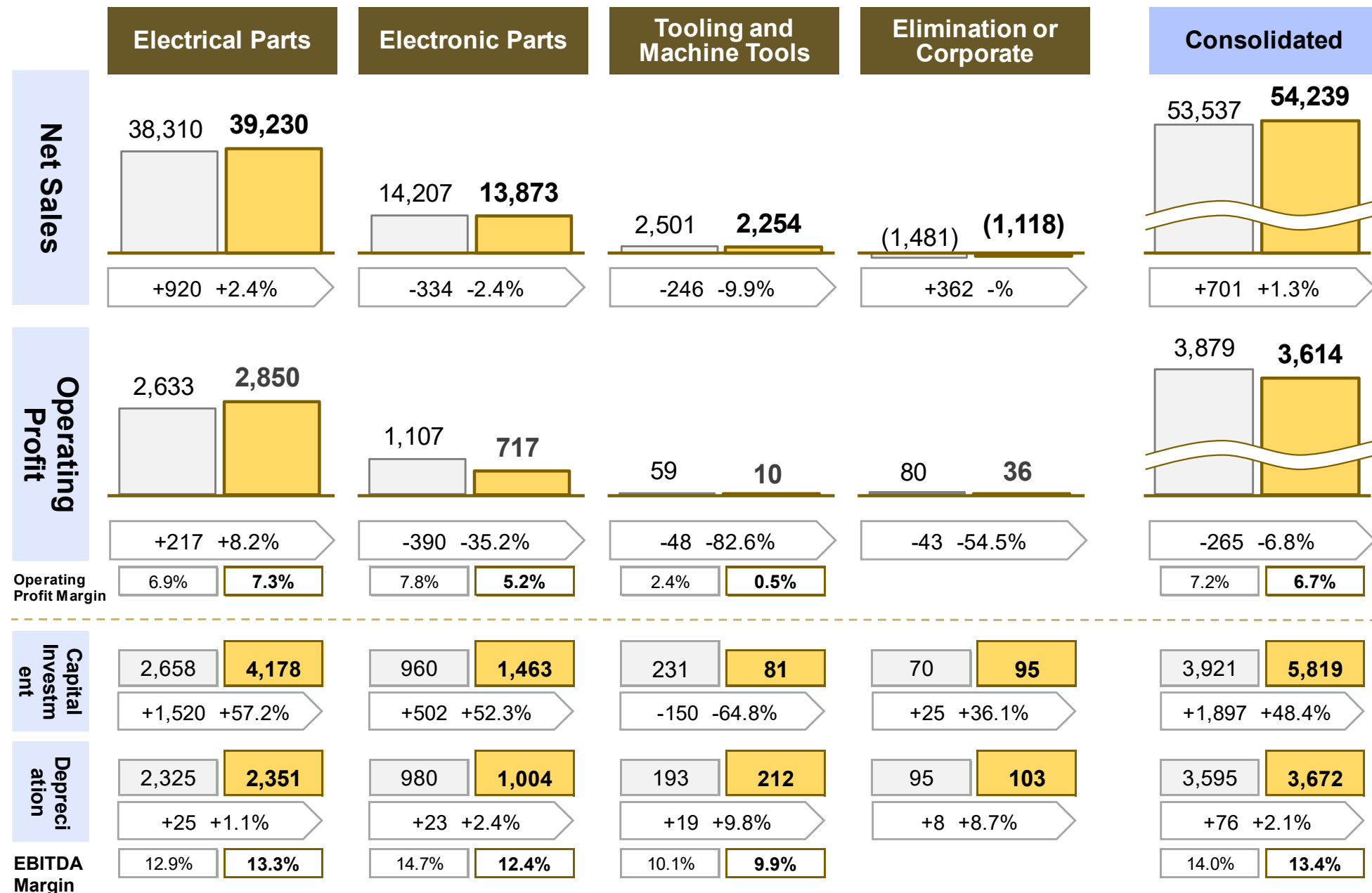
[Unit: million yen]	FY 2025/1 Q2 (2024/5-2024/7)	FY 2025/1 Q3 (2024/8-2024/10)	Change	Percentage Change
Net Sales	53,537	54,239	+701	+1.3%
Operating Profit	3,879	3,614	-265	-6.8%
Operating Profit Margin	7.2%	6.7%	-0.6pts	
Ordinary Profit	2,969	3,544	+575	+19.4%
Net Profit *1	2,298	2,271	-27	-1.2%
Net Profit Margin	4.3%	4.2%	-0.1pts	
Capital Investment	3,921	5,819	+1,897	+48.4%
Depreciation	3,595	3,672	+76	+2.1%
EBITDA	7,475	7,286	-188	-2.5%
EBITDA Margin	14.0%	13.4%	-0.5pts	
FOREX Rates US \$ *2	157.43yen	146.52yen	-10.91yen	

*1 Profit Attributable to Owners of Parent

*2 Average Rate for the Period

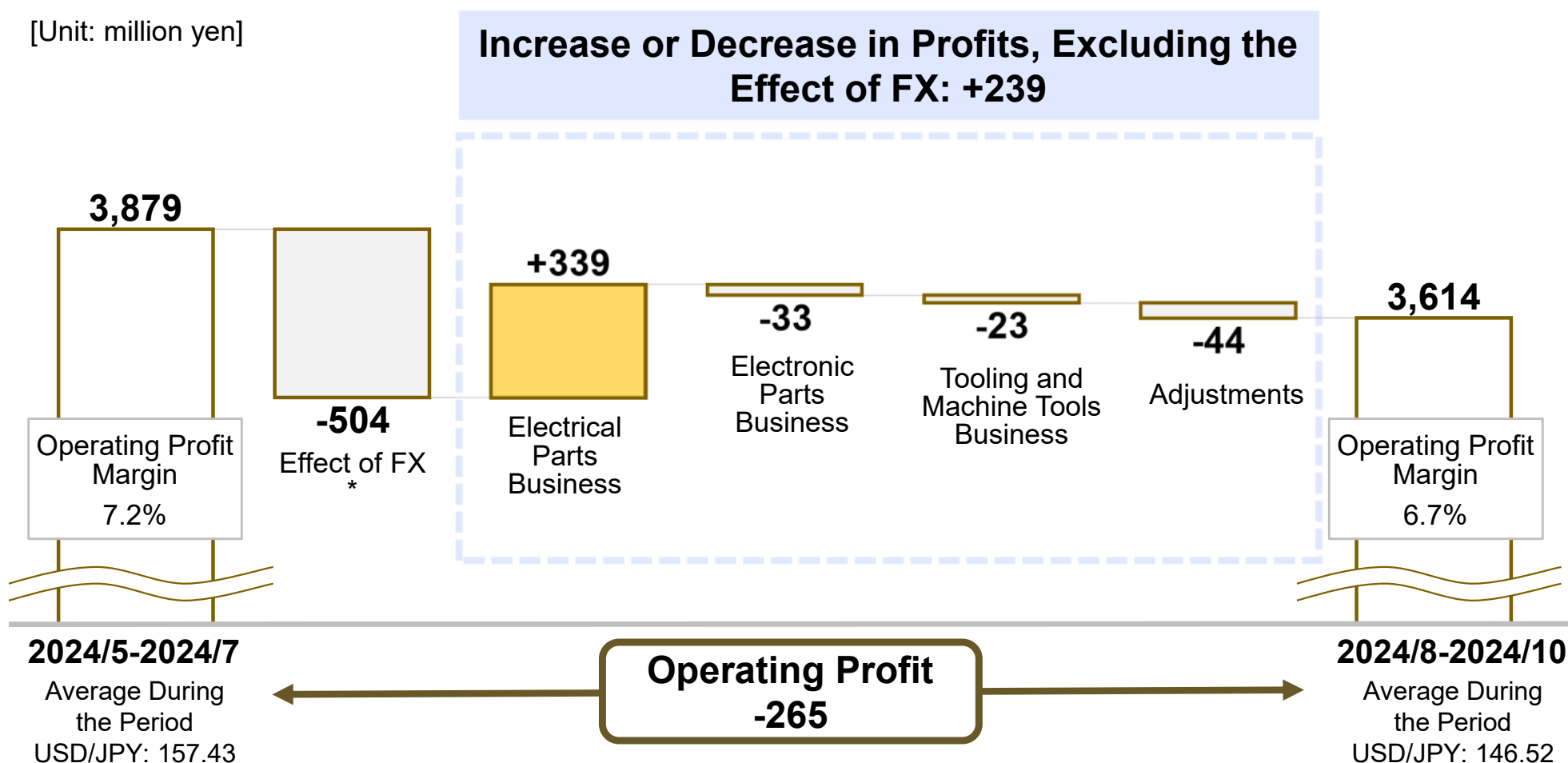
■ Financial Results by Segment (3 months, FY2025 2Q vs FY2025 3Q)

[Unit: million yen] FY2025/1 Q2(2024/5-2024/7) FY2025/1 Q3(2024/8-2024/10)



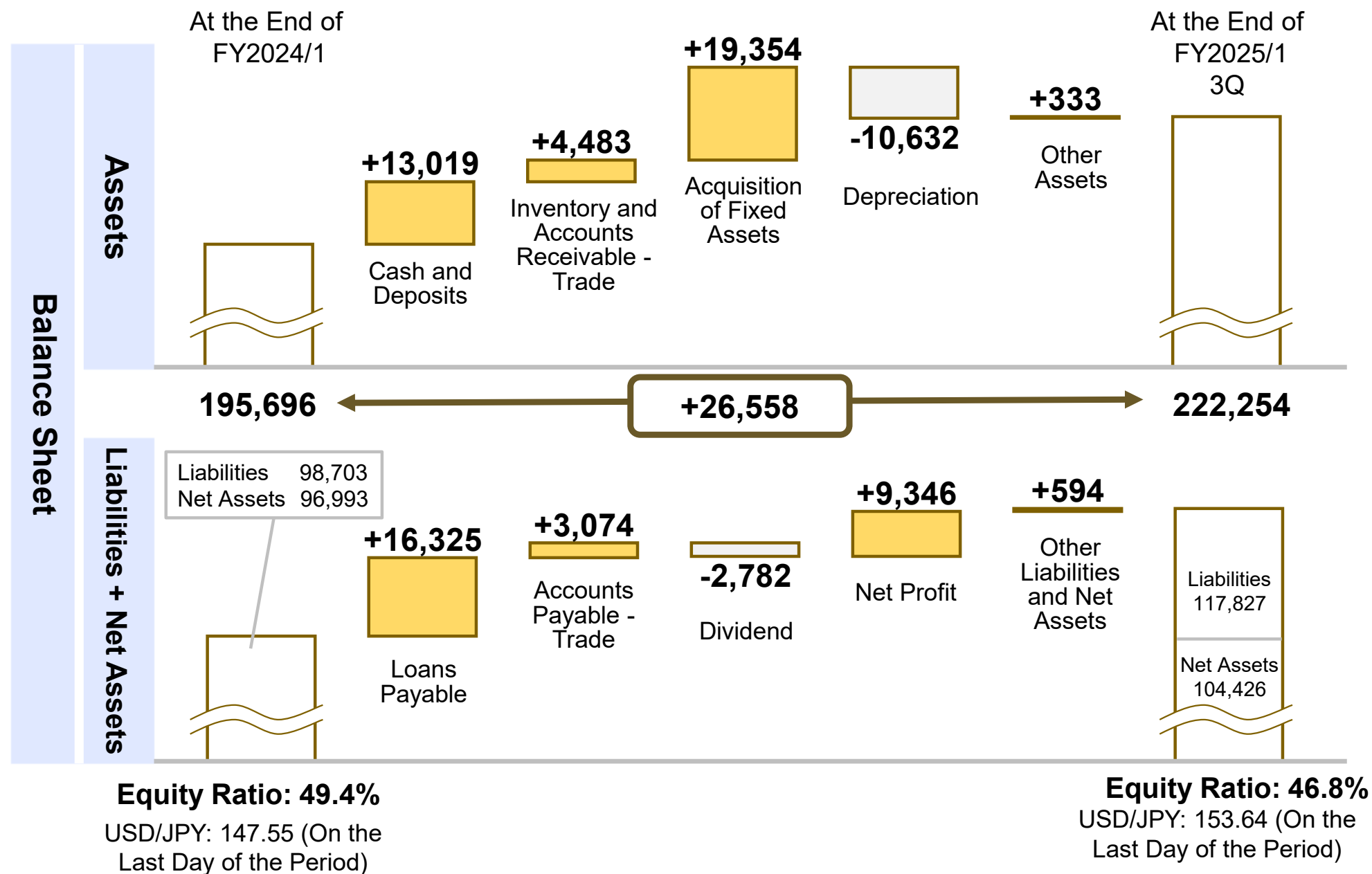
■ Factors of Changes in Consolidated Operating Profit (3 months, FY2025 2Q vs FY2025 3Q)

[Unit: million yen]



* Effect of FX	[Unit: million yen]
Electrical Parts Business	-122
Electronic Parts Business	-356
Tooling and Machine tools Business	-25

[Unit: million yen]



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Reference Materials

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

[Unit: million yen] FY2024/1 Q3(2023/8-2023/10) FY2025/1 Q3(2024/8-2024/10)

	Electrical Parts	Electronic Parts	Tooling and Machine Tools	Elimination or Corporate	Consolidated
Net Sales	<div> <div>34,247</div> <div>39,230</div> <div>+4,982 +14.5%</div> </div>	<div> <div>14,699</div> <div>13,873</div> <div>-826 -5.6%</div> </div>	<div> <div>3,308</div> <div>2,254</div> <div>-1,053 -31.8%</div> </div>	<div> <div>(1,791)</div> <div>(1,118)</div> <div>+672 -%</div> </div>	<div> <div>50,464</div> <div>54,239</div> <div>+3,775 +7.5%</div> </div>
Operating Profit	<div> <div>2,788</div> <div>2,850</div> <div>+61 +2.2%</div> <div>8.1% 7.3%</div> </div>	<div> <div>1,499</div> <div>717</div> <div>-782 -52.2%</div> <div>10.2% 5.2%</div> </div>	<div> <div>483</div> <div>10</div> <div>-473 -97.9%</div> <div>14.6% 0.5%</div> </div>	<div> <div>(124)</div> <div>36</div> <div>+160 -%</div> </div>	<div> <div>4,647</div> <div>3,614</div> <div>-1,033 -22.2%</div> <div>9.2% 6.7%</div> </div>
Capital Investment	<div> <div>7,066</div> <div>4,178</div> <div>-2,888 -40.9%</div> </div>	<div> <div>1,195</div> <div>1,463</div> <div>+267 +22.4%</div> </div>	<div> <div>169</div> <div>81</div> <div>-88 -51.9%</div> </div>	<div> <div>338</div> <div>95</div> <div>-242 -71.8%</div> </div>	<div> <div>8,770</div> <div>5,819</div> <div>-2,951 -33.6%</div> </div>
Depreciation	<div> <div>1,766</div> <div>2,351</div> <div>+584 +33.1%</div> </div>	<div> <div>905</div> <div>1,004</div> <div>+98 +10.9%</div> </div>	<div> <div>192</div> <div>212</div> <div>+20 +10.6%</div> </div>	<div> <div>63</div> <div>103</div> <div>+39 +62.2%</div> </div>	<div> <div>2,928</div> <div>3,672</div> <div>+743 +25.4%</div> </div>
EBITDA Margin	<div> <div>13.3%</div> <div>13.3%</div> </div>	<div> <div>16.4%</div> <div>12.4%</div> </div>	<div> <div>20.4%</div> <div>9.9%</div> </div>		<div> <div>15.0%</div> <div>13.4%</div> </div>

■ Consolidated Earnings Forecasts for FY 2025/1

[Unit: million yen]	Actual Results for FY 2024/1 (2023/2-2024/1)	Forecast for FY 2025/1 (2024/2-2025/1)	Change	Percentage Change
Net Sales	195,881	214,000	+18,119	+9.2%
Operating Profit	18,119	13,000	-5,119	-28.3%
Operating Profit Margin	9.3%	6.1%	-3.2pts	
Ordinary Profit	21,733	13,500	-8,233	-37.9%
Net Profit *1	15,545	9,500	-6,045	-38.9%
Net Profit Margin	7.9%	4.4%	-3.5pts	
Capital Investment	37,562	32,300	-5,262	-14.0%
Depreciation	11,572	16,000	+4,428	+38.3%
EBITDA	29,691	29,000	-691	-2.3%
EBITDA Margin	15.2%	13.6%	-1.6pts	
FOREX Rates US \$ *2	141.91yen	150.00yen *3	+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

■ Consolidated Earnings Forecasts for FY 2025/1 (by Segment)

[Unit: million yen]		Actual Results for FY 2024/1 (2023/2-2024/1)	Forecast for FY 2025/1 (2024/2-2025/1)	Change	Percentage Change
Electrical Parts Business	Net Sales	133,882	152,000	+18,118	+13.5%
	Operating Profit	11,466	9,500	-1,966	-17.1%
	Operating Profit Margin	8.6%	6.3%	-2.3pts	
	Capital Investment	30,445	22,200	-8,245	-27.1%
	Depreciation	7,151	10,000	+2,849	+39.8%
	EBITDA Margin	13.9%	12.8%	-1.1pts	
Electronic Parts Business	Net Sales	56,675	56,000	-675	-1.2%
	Operating Profit	5,745	3,500	-2,245	-39.1%
	Operating Profit Margin	10.1%	6.3%	-3.8pts	
	Capital Investment	5,020	6,500	+1,480	+29.5%
	Depreciation	3,453	4,200	+747	+21.6%
	EBITDA Margin	16.2%	13.8%	-2.4pts	
Tooling and Machine Tools Business	Net Sales	11,977	11,000	-977	-8.2%
	Operating Profit	1,308	500	-808	-61.8%
	Operating Profit Margin	10.9%	4.5%	-6.4pts	
	Capital Investment	957	1,100	+143	+14.9%
	Depreciation	723	700	-23	-3.2%
	EBITDA Margin	17.0%	10.9%	-6.1pts	

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^{*1}

/ Year-end dividend: ¥12^{*2}

^{*1} Interim dividend of ¥28

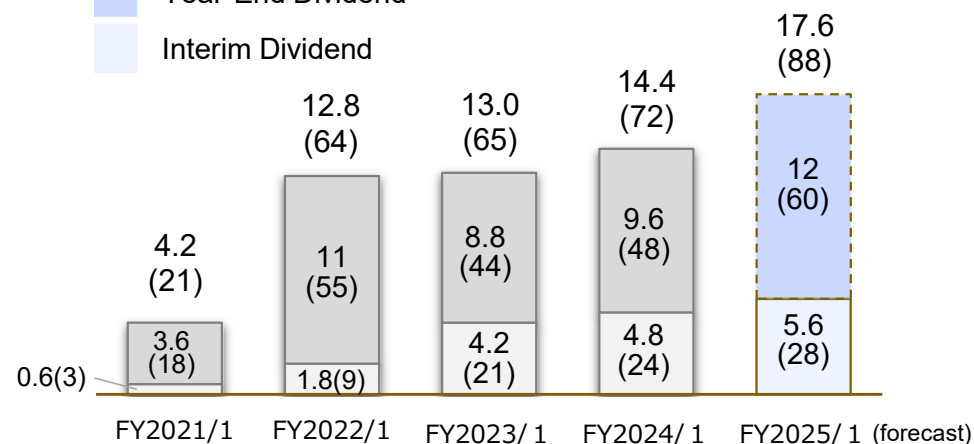
^{*2} Effective August 1, 2024, the Company split its shares at a ratio of five shares per share.

^{*2} 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]

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.

■ 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

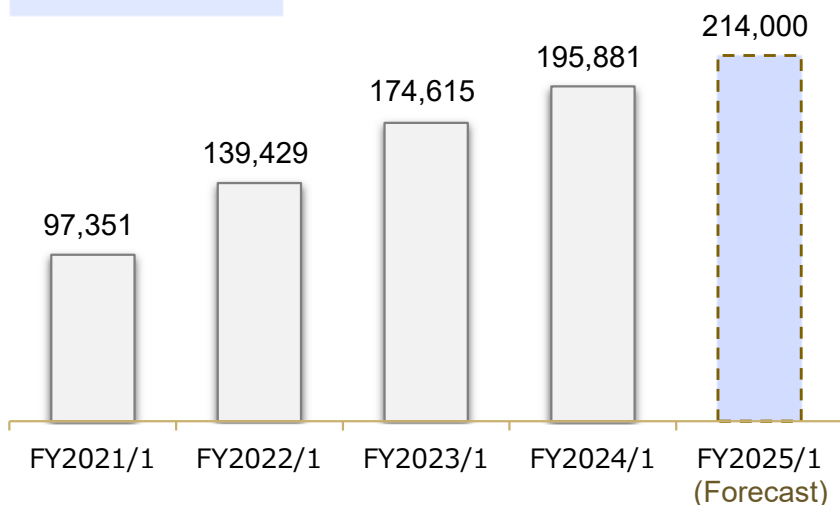
*Retrospective adjustment (number of shares before split x 1/5). Amounts in parentheses do not include stock splits.

Trend in Consolidated Financial Results (Fiscal Year)

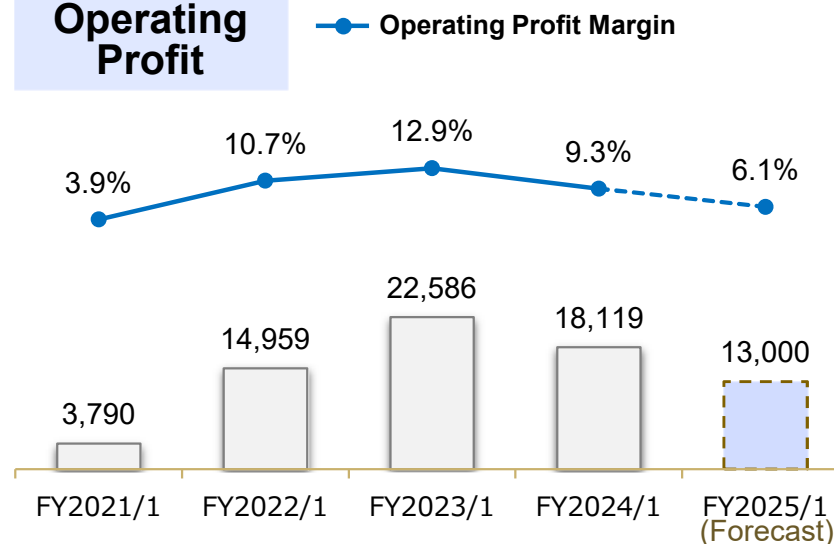
Consolidated

[Unit: million yen]

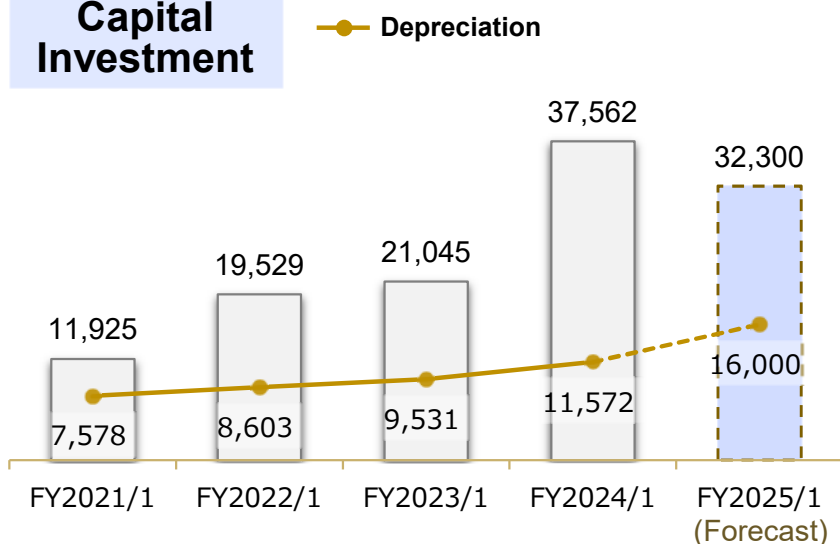
Net Sales



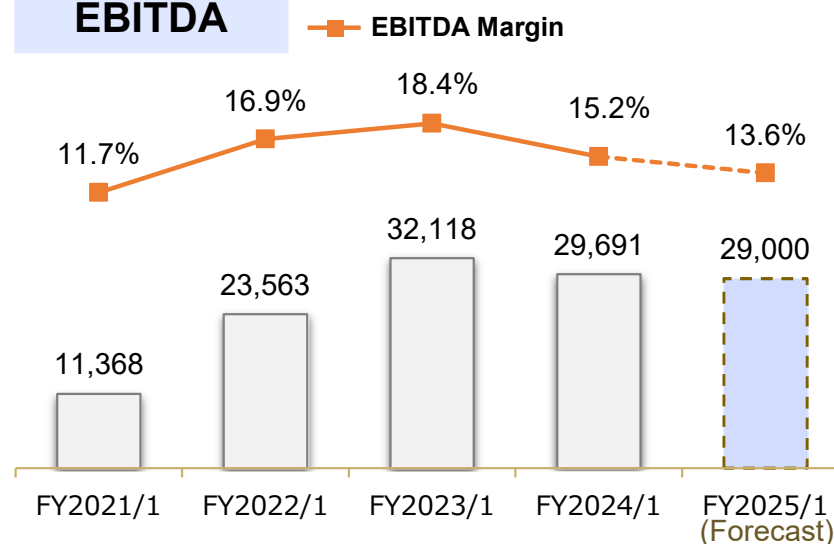
Operating Profit



Capital Investment



EBITDA

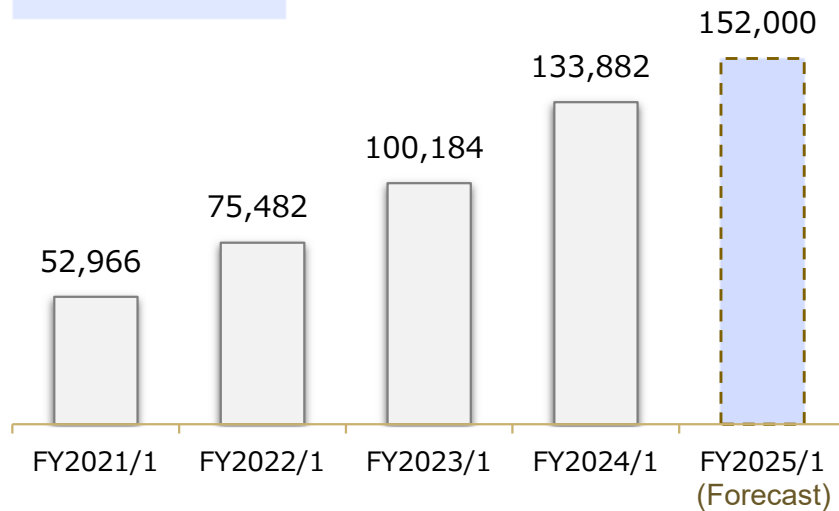


Trend in Consolidated Financial Results of Electrical Parts Business (Fiscal Year)

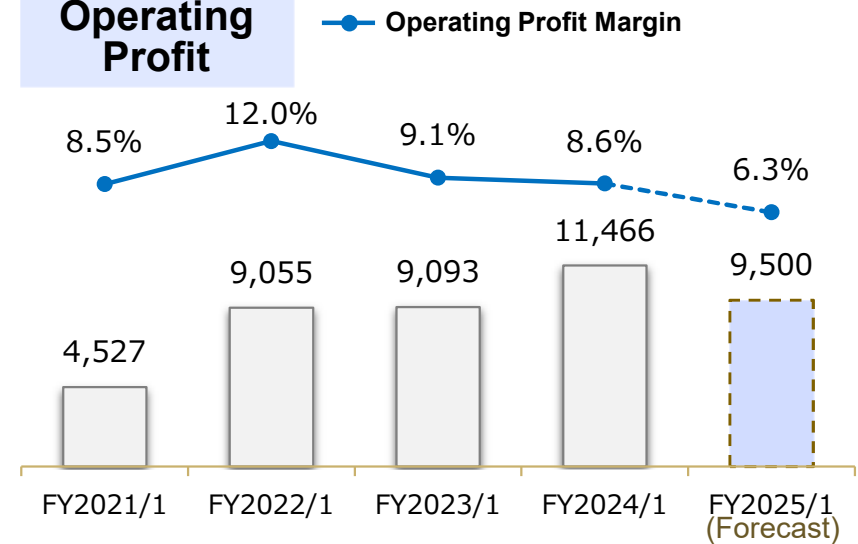
Electrical Parts Business

[Unit: million yen]

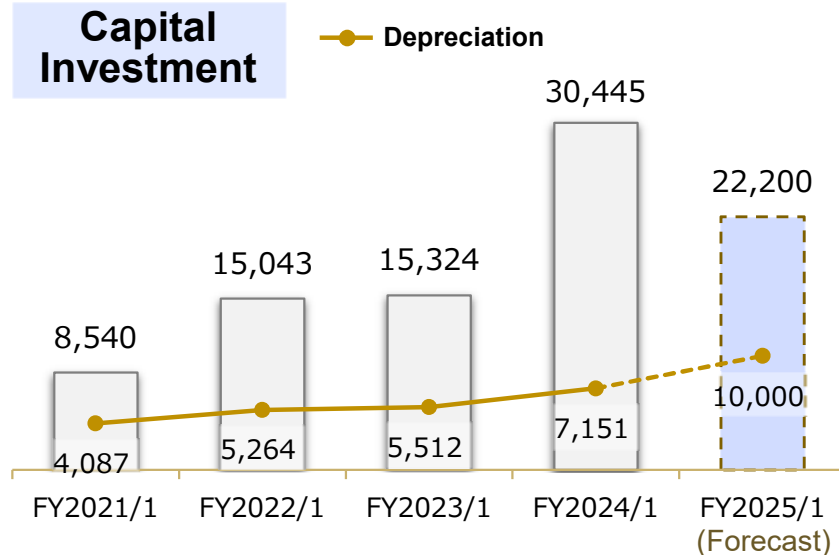
Net Sales



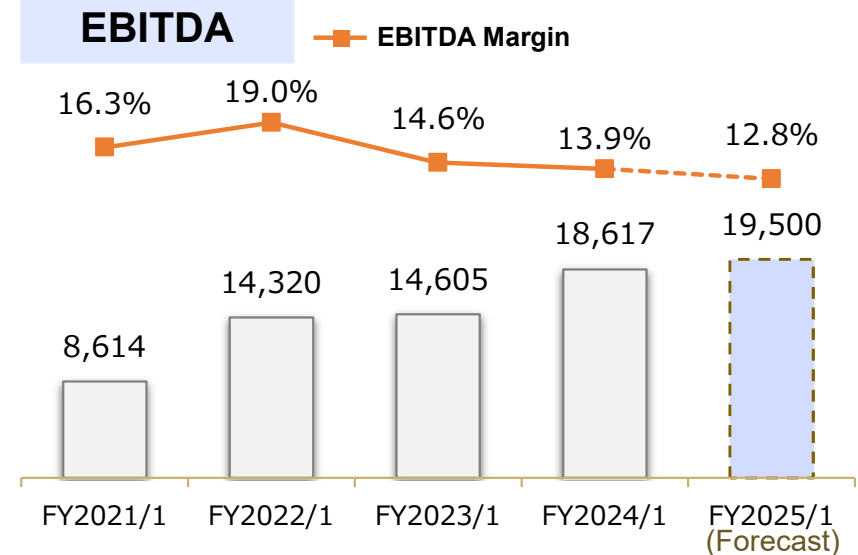
Operating Profit



Capital Investment



EBITDA

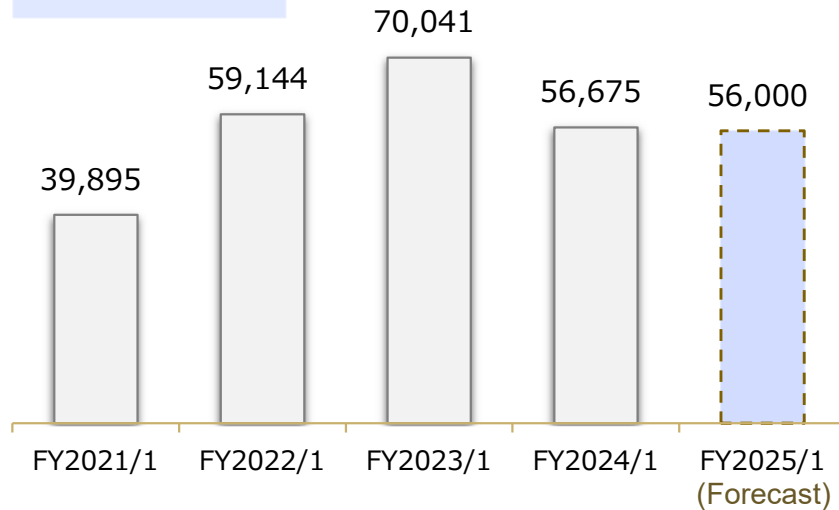


Trend in Consolidated Financial Results of Electronic Parts Business (Fiscal Year)

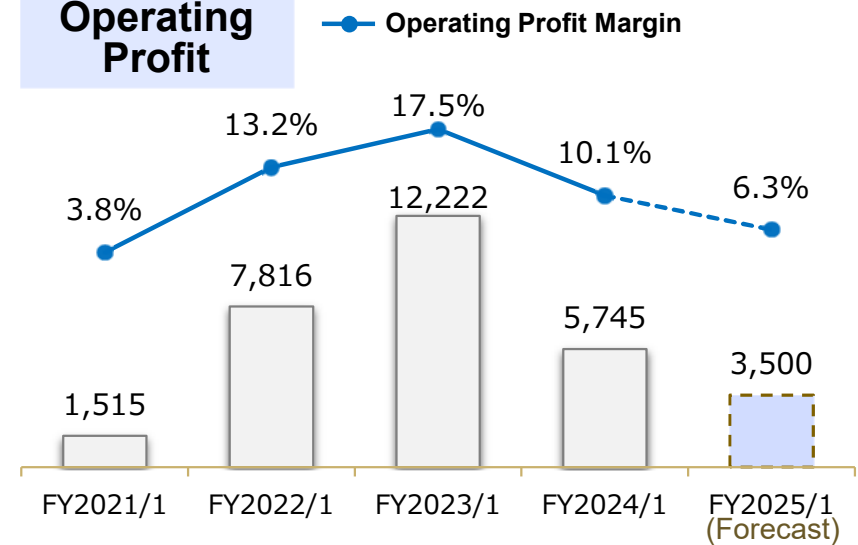
Electronic Parts Business

[Unit: million yen]

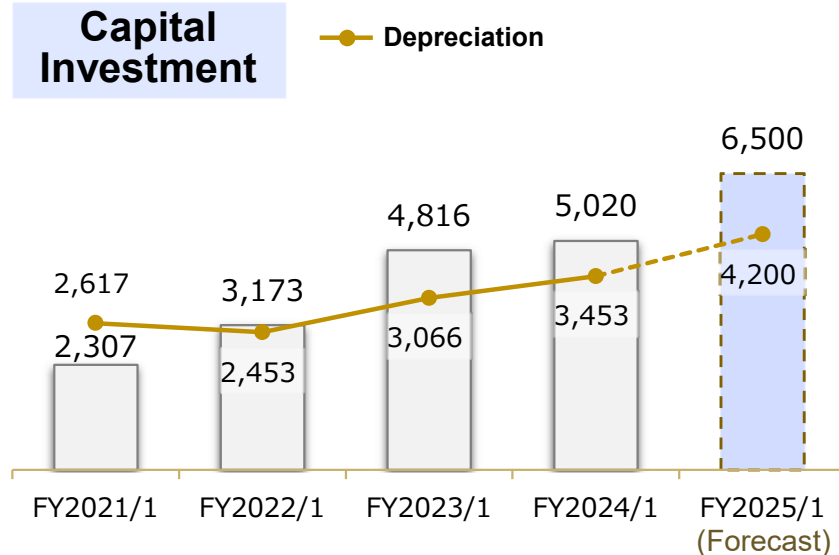
Net Sales



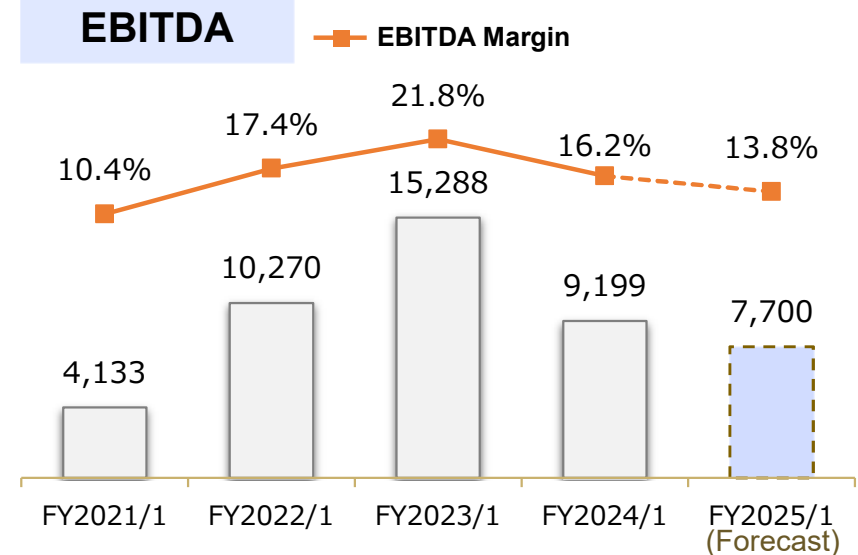
Operating Profit



Capital Investment



EBITDA

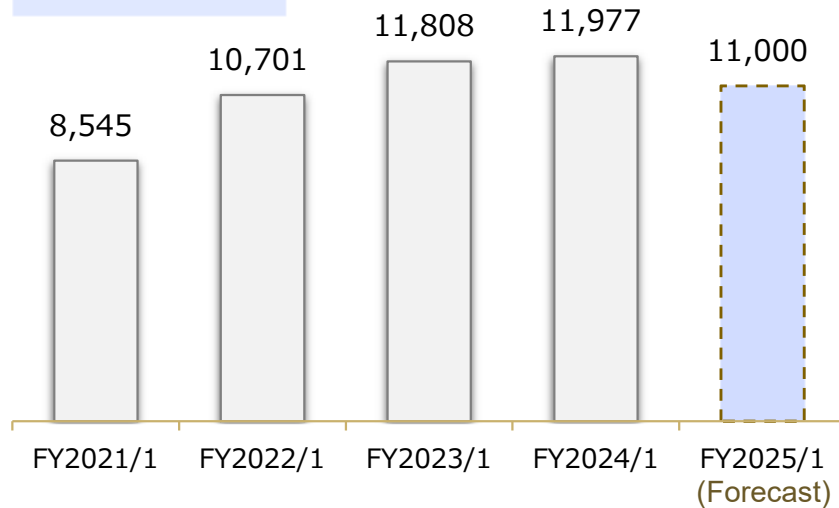


■ Trend in Consolidated Financial Results of Tooling and Machine Tools Business (Fiscal Year)

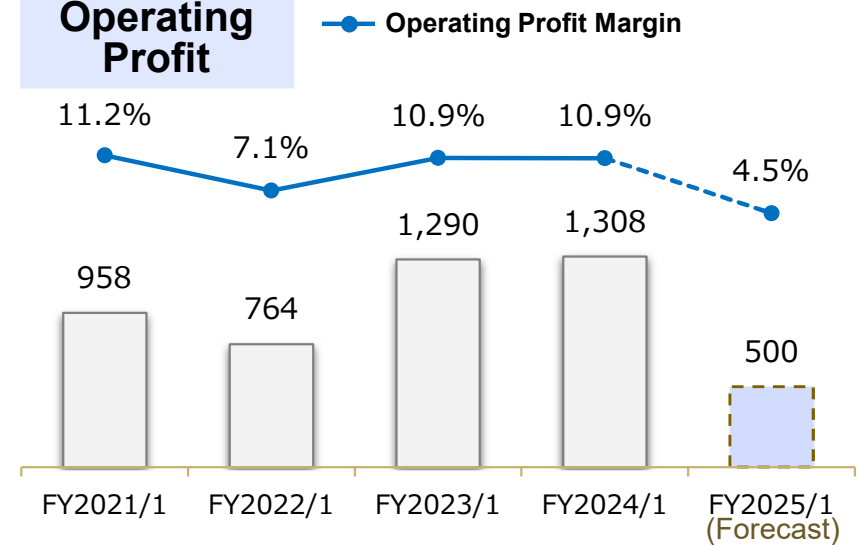
Tooling and Machine Tools Business

[Unit: million yen]

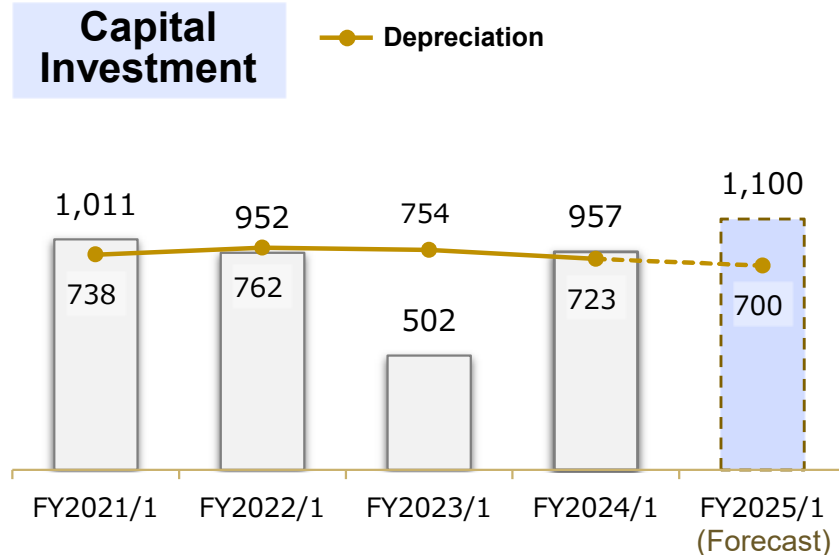
Net Sales



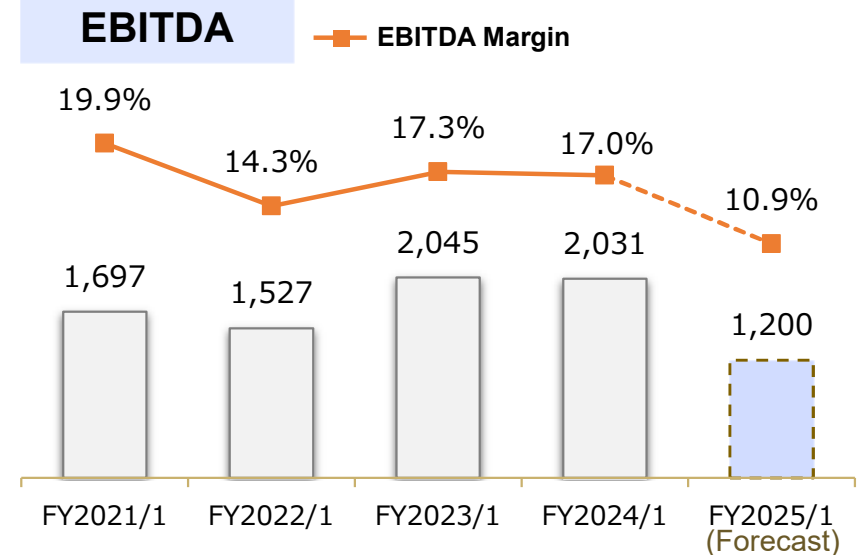
Operating Profit



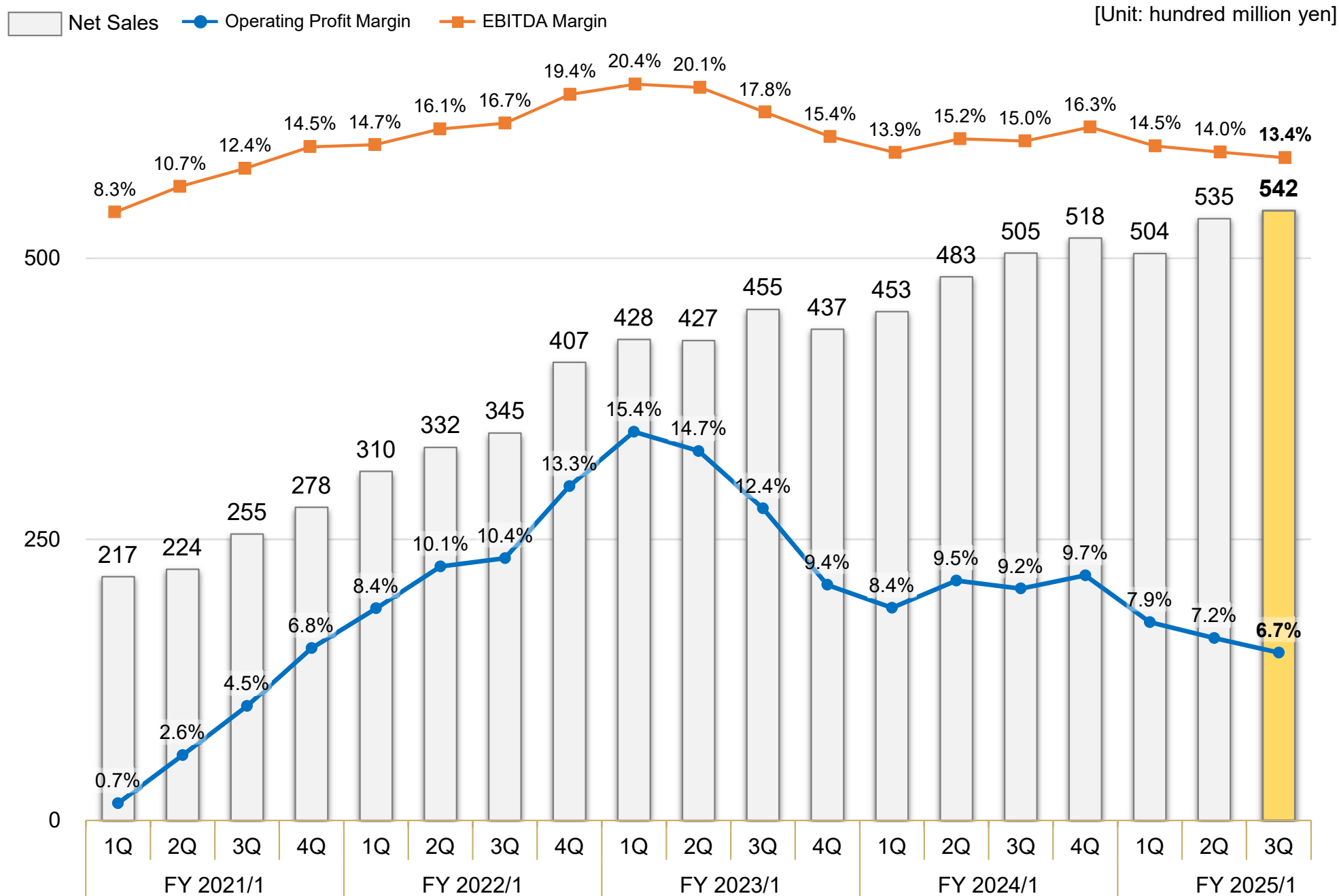
Capital Investment



EBITDA



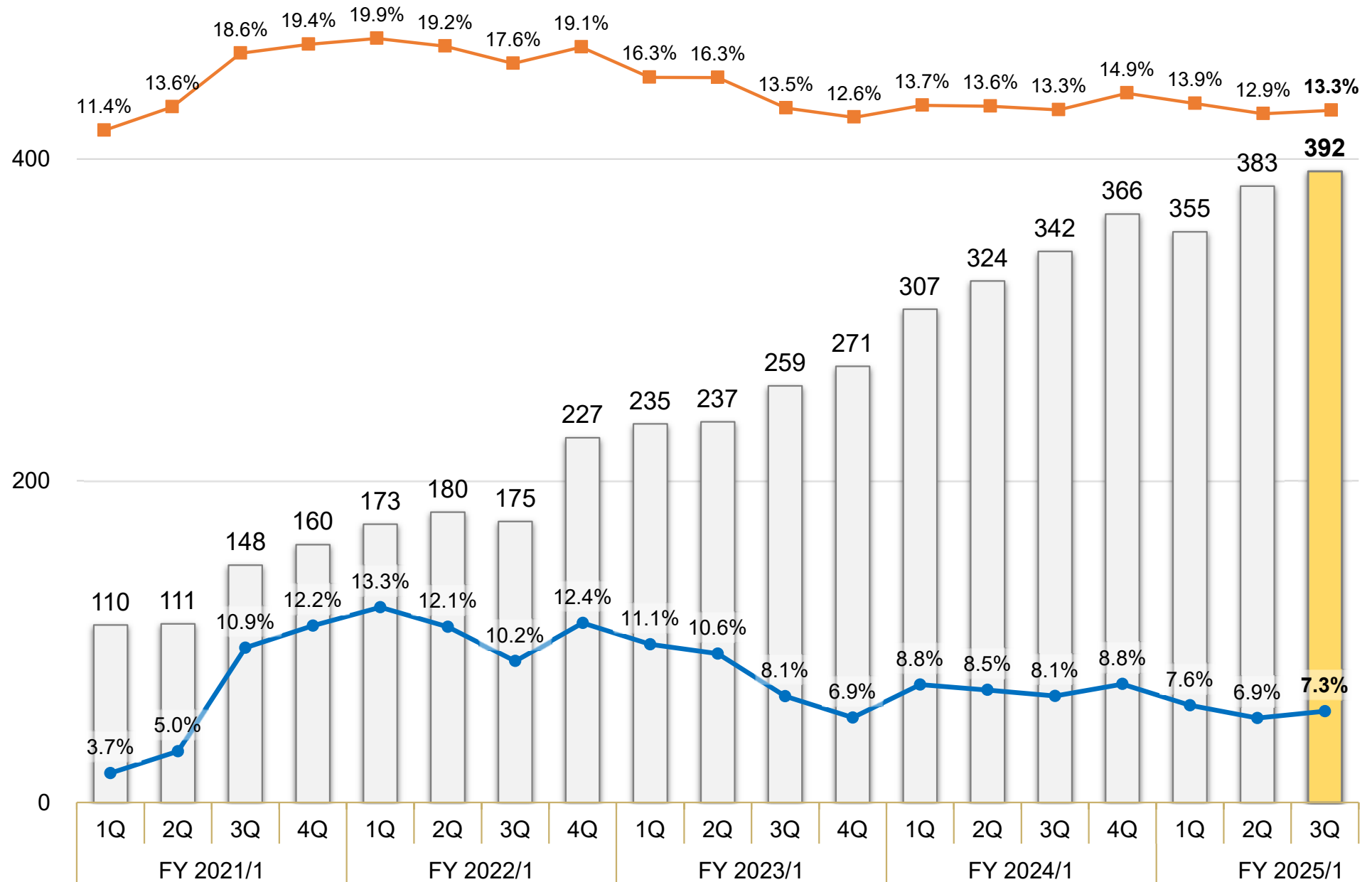
Trend in Consolidated Financial Results (Quarterly)



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

Net Sales Operating Profit Margin EBITDA Margin

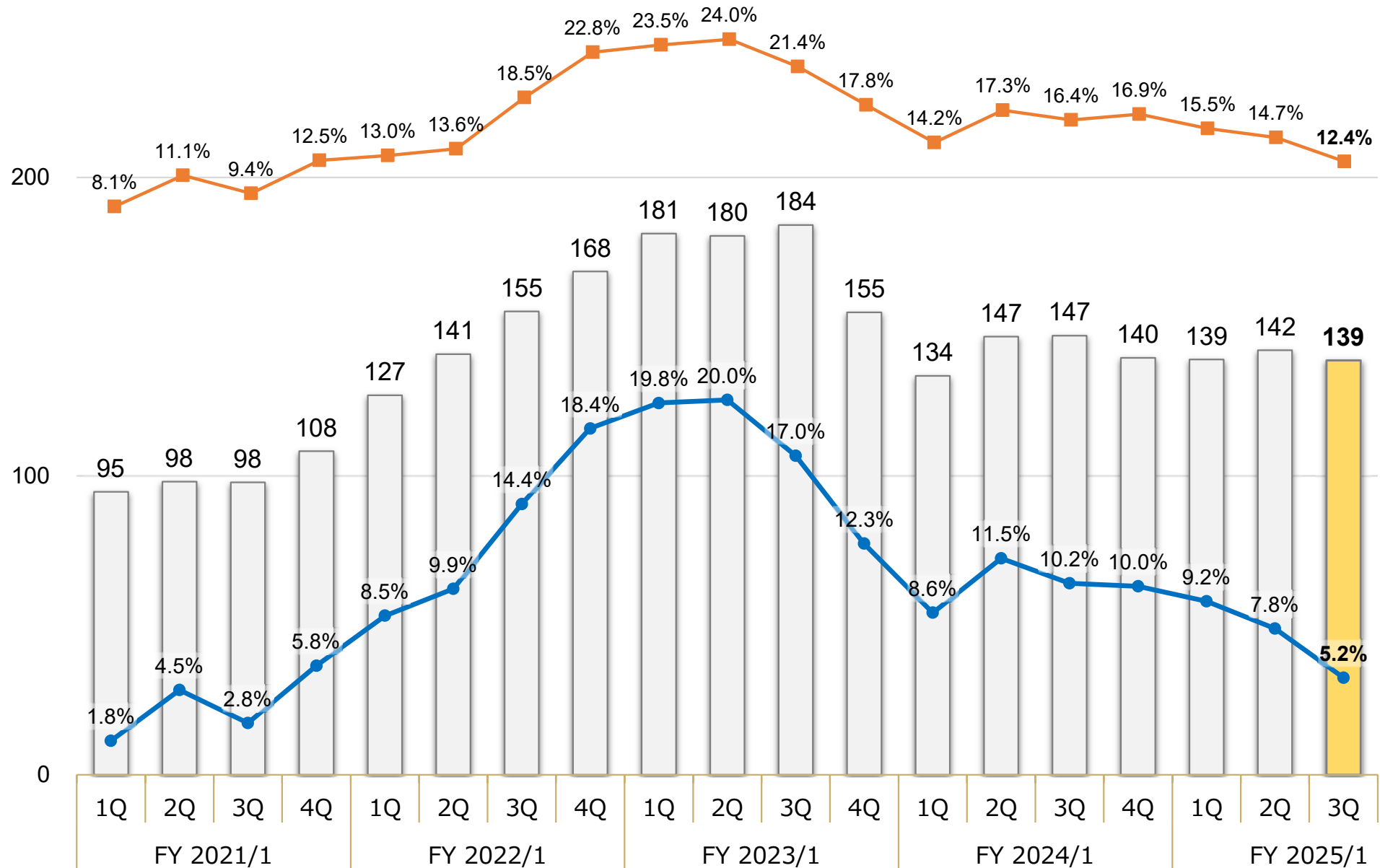
[Unit: hundred million yen]



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

Net Sales Operating Profit Margin EBITDA Margin

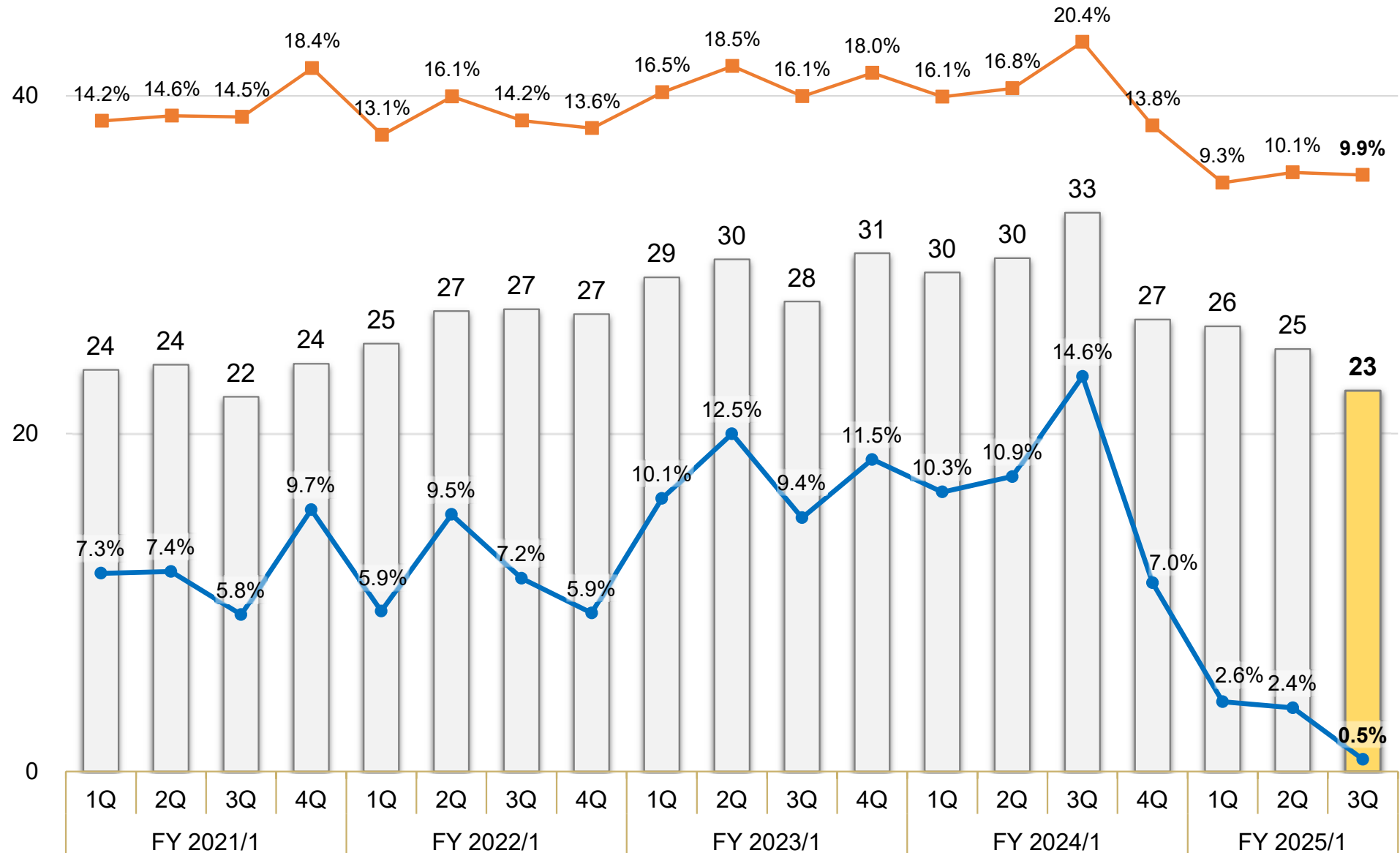
[Unit: hundred million yen]



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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