

Translation

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## Summary of Consolidated Financial Results for the Year Ended January 31, 2020 (Based on Japanese GAAP)

March 13, 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  
 Director  
 Inquiries: Senior General Manager General Administration Div. Kozo Mitsui TEL 093-614-1111  
 Scheduled date of ordinary general meeting of shareholders: April 17, 2020  
 Scheduled date to file Securities Report: April 20, 2020  
 Scheduled date to commence dividend payments: April 20, 2020  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended January 31, 2020 (from February 1, 2019 to January 31, 2020)

(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, 2020	86,970	6.1	19	(96.1)	153	(81.2)	(624)	-
Year ended January 31, 2019	81,985	4.1	499	(76.7)	817	(55.9)	302	(84.1)

	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, 2020	(16.86)	-	(1.3)	0.2	0.0
Year ended January 31, 2019	7.98	-	0.6	1.0	0.6

(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, 2020	89,507	45,859	51.0	1,248.29
As of January 31, 2019	85,000	48,333	56.6	1,277.91

(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, 2020	6,453	(10,426)	3,660	19,111
Year ended January 31, 2019	7,238	(16,016)	14,298	19,372

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, 2019	-	4.00	-	2.00	6.00	227	75.2	0.5
Year ended January 31, 2020	-	2.00	-	4.00	6.00	220	-	0.5
Year ending January 31, 2021 (Forecast)	-	3.00	-	3.00	6.00		43.9	

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	99,000	13.8	1,100	–	1,100	615.6	500	–	13.68

4. Notes

(1) Changes in significant subsidiaries during the year ended January 31, 2020

(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: Yes

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, 2020	39,466,865 shares	As of January 31, 2019	39,466,865 shares
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Number of treasury shares at the end of the period

As of January 31, 2020	2,911,768 shares	As of January 31, 2019	1,802,530 shares
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Average number of shares during the period

Year ended January 31, 2020	37,058,219 shares	Year ended January 31, 2019	37,926,689 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of January 31, 2019	As of January 31, 2020
Assets		
Current assets		
Cash and deposits	16,343	15,793
Notes and accounts receivable - trade	10,788	12,203
Electronically recorded monetary claims - operating	2,032	2,312
Securities	3,400	3,700
Merchandise and finished goods	3,306	3,333
Work in process	2,111	1,965
Raw materials and supplies	1,868	2,093
Other	2,084	2,011
Allowance for doubtful accounts	(11)	(12)
Total current assets	41,924	43,402
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,888	35,287
Accumulated depreciation	(22,770)	(23,450)
Buildings and structures, net	12,118	11,836
Machinery, equipment and vehicles	56,166	59,319
Accumulated depreciation	(39,791)	(42,973)
Machinery, equipment and vehicles, net	16,374	16,345
Tools, furniture and fixtures	21,561	22,794
Accumulated depreciation	(19,202)	(20,265)
Tools, furniture and fixtures, net	2,358	2,529
Land	7,705	7,634
Right of use assets	–	1,441
Accumulated depreciation	–	(817)
Right of use assets, net	–	624
Construction in progress	1,864	4,439
Total property, plant and equipment	40,421	43,410
Intangible assets	378	449
Investments and other assets		
Investment securities	837	1,060
Deferred tax assets	429	296
Retirement benefit asset	230	318
Other	779	570
Total investments and other assets	2,275	2,245
Total non-current assets	43,076	46,104
Total assets	85,000	89,507

(Millions of yen)

	As of January 31, 2019	As of January 31, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	5,088	5,806
Current portion of long-term loans payable	1,679	1,979
Income taxes payable	255	357
Lease obligations	–	27
Other	3,111	3,794
Total current liabilities	10,134	11,965
Non-current liabilities		
Long-term loans payable	26,230	31,250
Retirement benefit liability	72	98
Provision for retirement benefits for directors (and other officers)	182	183
Provision for loss on business liquidation	47	–
Lease obligations	–	150
Total non-current liabilities	26,532	31,682
Total liabilities	36,667	43,648
<b>Net assets</b>		
Shareholders' equity		
Capital stock	16,403	16,403
Capital surplus	14,661	14,661
Retained earnings	19,607	18,833
Treasury shares	(1,556)	(3,033)
Total shareholders' equity	49,115	46,864
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	268	214
Foreign currency translation adjustment	(1,175)	(1,367)
Remeasurements of defined benefit plans	(77)	(80)
Total accumulated other comprehensive income	(984)	(1,233)
Non-controlling interests	201	227
Total net assets	48,333	45,859
Total liabilities and net assets	85,000	89,507

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

(Millions of yen)

	Fiscal year ended January 31, 2019	Fiscal year ended January 31, 2020
Net sales	81,985	86,970
Cost of sales	72,574	77,929
Gross profit	9,411	9,040
Selling, general and administrative expenses	8,911	9,020
Operating profit	499	19
Non-operating income		
Interest income	89	97
Dividend income	26	27
Rent income of real estate	62	107
Foreign exchange gains	171	–
Other	102	149
Total non-operating income	452	381
Non-operating expenses		
Interest expenses	56	89
Foreign exchange losses	–	10
Loss on sales and retirement of non-current assets	52	83
Other	25	62
Total non-operating expenses	134	247
Ordinary profit	817	153
Extraordinary income		
Subsidy income	212	569
Reversal of provision for loss on business liquidation	29	–
Total extraordinary income	241	569
Extraordinary losses		
Loss on reduction of non-current assets	–	31
Impairment loss	144	700
Total extraordinary losses	144	731
Profit (loss) before income taxes	915	(7)
Income taxes - current	341	426
Income taxes - deferred	237	153
Total income taxes	579	579
Profit (loss)	335	(587)
Profit attributable to non-controlling interests	33	37
Profit (loss) attributable to owners of parent	302	(624)

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended January 31, 2019	Fiscal year ended January 31, 2020
Profit (loss)	335	(587)
Other comprehensive income		
Valuation difference on available-for-sale securities	(149)	(54)
Foreign currency translation adjustment	(682)	(192)
Remeasurements of defined benefit plans, net of tax	(46)	(2)
Total other comprehensive income	(878)	(249)
Comprehensive income	(542)	(837)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(576)	(874)
Comprehensive income attributable to non-controlling interests	33	37

## Consolidated statements of changes in equity

Fiscal year ended January 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	16,403	17,252	19,840	(3,076)	50,420
Changes of items during period					
Dividends of surplus			(535)		(535)
Profit (loss) attributable to owners of parent			302		302
Purchase of treasury shares				(1,071)	(1,071)
Retirement of treasury shares		(2,591)		2,591	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(2,591)	(232)	1,519	(1,304)
Balance at end of current period	16,403	14,661	19,607	(1,556)	49,115

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	418	(493)	(30)	(105)	179	50,494
Changes of items during period						
Dividends of surplus						(535)
Profit (loss) attributable to owners of parent						302
Purchase of treasury shares						(1,071)
Retirement of treasury shares						–
Net changes of items other than shareholders' equity	(149)	(682)	(46)	(878)	22	(856)
Total changes of items during period	(149)	(682)	(46)	(878)	22	(2,160)
Balance at end of current period	268	(1,175)	(77)	(984)	201	48,333

Fiscal year ended January 31, 2020

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	16,403	14,661	19,607	(1,556)	49,115
Changes of items during period					
Dividends of surplus			(149)		(149)
Profit (loss) attributable to owners of parent			(624)		(624)
Purchase of treasury shares				(1,476)	(1,476)
Retirement of treasury shares		–		–	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	(774)	(1,476)	(2,250)
Balance at end of current 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	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	268	(1,175)	(77)	(984)	201	48,333
Changes of items during period						
Dividends of surplus						(149)
Profit (loss) attributable to owners of parent						(624)
Purchase of treasury shares						(1,476)
Retirement of treasury shares						–
Net changes of items other than shareholders' equity	(54)	(192)	(2)	(249)	26	(223)
Total changes of items during period	(54)	(192)	(2)	(249)	26	(2,474)
Balance at end of current period	214	(1,367)	(80)	(1,233)	227	45,859



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended January 31, 2019	Fiscal year ended January 31, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	915	(7)
Depreciation	6,156	7,155
Impairment loss	144	700
Increase (decrease) in provision for bonuses for directors (and other officers)	(59)	–
Changes in asset or liability for employees' retirement benefits	61	(62)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	22	0
Increase (decrease) in provision for loss on business liquidation	(87)	(47)
Interest and dividend income	(116)	(124)
Interest expenses	56	89
Foreign exchange losses (gains)	19	(34)
Loss (gain) on sales and retirement of non-current assets	48	79
Decrease (increase) in notes and accounts receivable - trade	1,506	(1,741)
Decrease (increase) in inventories	(638)	(125)
Increase (decrease) in notes and accounts payable - trade	501	743
Decrease/increase in consumption taxes receivable/payable	(448)	582
Subsidy income	(212)	(569)
Other, net	(436)	(140)
Subtotal	7,432	6,498
Interest and dividend income received	116	126
Interest expenses paid	(40)	(89)
Income taxes paid	(482)	(322)
Income taxes refund	–	70
Proceeds from subsidy income	212	169
Net cash provided by (used in) operating activities	7,238	6,453
Cash flows from investing activities		
Net decrease (increase) in time deposits	(21)	(9)
Purchase of property, plant and equipment	(15,797)	(9,901)
Proceeds from sales of property, plant and equipment	9	19
Purchase of intangible assets	(132)	(222)
Payments of loans receivable	(0)	(0)
Collection of loans receivable	5	2
Other, net	(77)	(314)
Net cash provided by (used in) investing activities	(16,016)	(10,426)
Cash flows from financing activities		
Proceeds from long-term loans payable	17,500	7,000
Repayments of long-term loans payable	(1,583)	(1,679)
Purchase of treasury shares	(1,071)	(1,476)
Cash dividends paid	(535)	(149)
Repayments of lease obligations	–	(22)
Other, net	(10)	(10)
Net cash provided by (used in) financing activities	14,298	3,660
Effect of exchange rate change on cash and cash equivalents	(136)	51
Net increase (decrease) in cash and cash equivalents	5,384	(261)
Cash and cash equivalents at beginning of period	13,988	19,372
Cash and cash equivalents at end of period	19,372	19,111