

Translation

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Summary of Consolidated Financial Results for the Year Ended January 31, 2022 (Based on Japanese GAAP)

March 14, 2022

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 22, 2022
 Scheduled date to file Securities Report: April 25, 2022
 Scheduled date to commence dividend payments: April 25, 2022
 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, 2022 (from February 1, 2021 to January 31, 2022)

(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, 2022	139,429	43.2	14,959	294.7	15,672	301.1	11,778	354.3
Year ended January 31, 2021	97,351	11.9	3,790	–	3,907	–	2,592	–

	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, 2022	322.24	–	21.7	13.6	10.7
Year ended January 31, 2021	70.92	–	5.6	4.2	3.9

(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, 2022	134,036	61,383	45.6	1,672.06
As of January 31, 2021	96,256	47,782	49.4	1,300.44

(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, 2022	18,129	(17,743)	12,469	31,140
Year ended January 31, 2021	8,957	(12,505)	1,705	17,373

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, 2021	–	3.00	–	18.00	21.00	767	29.6	1.6
Year ended January 31, 2022	–	9.00	–	55.00	64.00	2,339	19.9	4.3
Year ending January 31, 2023 (Forecast)	–	21.00	–	44.00	65.00		15.8	

3. Forecast of consolidated financial results for the year ending January 31, 2023 (from February 1, 2022 to January 31, 2023)

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	182,000	30.5	20,400	36.4	20,500	30.8	15,000	27.3	410.37

4. Notes

(1) Changes in significant subsidiaries during the year ended January 31, 2022

(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, 2022	39,466,865 shares	As of January 31, 2021	39,466,865 shares
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Number of treasury shares at the end of the period

As of January 31, 2022	2,914,411 shares	As of January 31, 2021	2,912,905 shares
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Average number of shares during the period

Year ended January 31, 2022	36,553,213 shares	Year ended January 31, 2021	36,554,832 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of January 31, 2021	As of January 31, 2022
Assets		
Current assets		
Cash and deposits	14,748	22,610
Notes and accounts receivable - trade	14,767	22,717
Electronically recorded monetary claims - operating	3,079	3,103
Securities	3,000	8,700
Merchandise and finished goods	4,100	5,862
Work in process	2,453	2,791
Raw materials and supplies	2,094	3,168
Other	2,633	3,482
Allowance for doubtful accounts	(14)	(18)
Total current assets	46,863	72,418
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,761	38,623
Accumulated depreciation	(24,153)	(25,354)
Buildings and structures, net	12,607	13,268
Machinery, equipment and vehicles	66,213	78,678
Accumulated depreciation	(46,127)	(51,206)
Machinery, equipment and vehicles, net	20,085	27,471
Tools, furniture and fixtures	22,435	25,828
Accumulated depreciation	(20,049)	(22,351)
Tools, furniture and fixtures, net	2,385	3,476
Land	7,616	7,402
Right of use assets	1,424	1,609
Accumulated deprecation	(835)	(983)
Right of use assets, net	589	625
Construction in progress	3,690	6,109
Total property, plant and equipment	46,975	58,353
Intangible assets	480	844
Investments and other assets		
Investment securities	1,022	1,160
Deferred tax assets	293	596
Retirement benefit asset	175	362
Other	444	300
Total investments and other assets	1,936	2,420
Total non-current assets	49,392	61,618
Total assets	96,256	134,036

(Millions of yen)

	As of January 31, 2021	As of January 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	7,679	13,470
Current portion of long-term borrowings	2,341	7,112
Provision for bonuses for directors (and other officers)	80	84
Income taxes payable	640	3,431
Lease obligations	26	30
Other	4,286	6,069
Total current liabilities	15,054	30,198
Non-current liabilities		
Long-term borrowings	32,886	41,623
Retirement benefit liability	99	145
Provision for retirement benefits for directors (and other officers)	212	180
Lease obligations	127	118
Deferred tax liabilities	61	385
Other	32	–
Total non-current liabilities	33,419	42,454
Total liabilities	48,473	72,653
Net assets		
Shareholders' equity		
Share capital	16,403	16,403
Capital surplus	14,661	14,661
Retained earnings	21,170	31,962
Treasury shares	(3,036)	(3,047)
Total shareholders' equity	49,198	59,980
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	187	333
Deferred gains or losses on hedges	(3)	(40)
Foreign currency translation adjustment	(1,661)	1,040
Remeasurements of defined benefit plans	(184)	(195)
Total accumulated other comprehensive income	(1,662)	1,137
Non-controlling interests	246	265
Total net assets	47,782	61,383
Total liabilities and net assets	96,256	134,036

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

(Millions of yen)

	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Net sales	97,351	139,429
Cost of sales	83,939	112,970
Gross profit	13,411	26,458
Selling, general and administrative expenses	9,621	11,498
Operating profit	3,790	14,959
Non-operating income		
Interest income	49	49
Dividend income	36	35
Foreign exchange gains	–	803
Rent income of real estate	105	103
Subsidies for employment adjustment	168	15
Other	94	159
Total non-operating income	454	1,167
Non-operating expenses		
Interest expenses	100	123
Foreign exchange losses	34	–
Loss on sale and retirement of non-current assets	78	284
Non recurring loss	82	–
Other	42	47
Total non-operating expenses	337	454
Ordinary profit	3,907	15,672
Extraordinary income		
Subsidy income	152	186
Total extraordinary income	152	186
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	142	45
Impairment losses	414	385
Total extraordinary losses	557	430
Profit before income taxes	3,502	15,428
Income taxes - current	753	3,681
Income taxes - deferred	128	(60)
Total income taxes	881	3,621
Profit	2,620	11,806
Profit attributable to non-controlling interests	27	27
Profit attributable to owners of parent	2,592	11,778

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Profit	2,620	11,806
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	146
Deferred gains or losses on hedges	(3)	(37)
Foreign currency translation adjustment	(293)	2,701
Remeasurements of defined benefit plans, net of tax	(104)	(10)
Total other comprehensive income	(428)	2,800
Comprehensive income	2,191	14,606
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,163	14,579
Comprehensive income attributable to non-controlling interests	27	27

Consolidated statements of changes in equity

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 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 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

Fiscal year ended January 31, 2022

(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	21,170	(3,036)	49,198
Changes during period					
Dividends of surplus			(986)		(986)
Profit attributable to owners of parent			11,778		11,778
Purchase of treasury shares				(10)	(10)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	10,792	(10)	10,781
Balance at end of period	16,403	14,661	31,962	(3,047)	59,980

	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	187	(3)	(1,661)	(184)	(1,662)	246	47,782
Changes during period							
Dividends of surplus							(986)
Profit attributable to owners of parent							11,778
Purchase of treasury shares							(10)
Net changes in items other than shareholders' equity	146	(37)	2,701	(10)	2,800	18	2,819
Total changes during period	146	(37)	2,701	(10)	2,800	18	13,600
Balance at end of period	333	(40)	1,040	(195)	1,137	265	61,383

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Cash flows from operating activities		
Profit before income taxes	3,502	15,428
Depreciation	7,578	8,603
Impairment losses	414	385
Increase (decrease) in provision for bonuses for directors (and other officers)	80	4
Changes in asset or liability for employees' retirement benefits	144	(143)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	29	(32)
Interest and dividend income	(86)	(85)
Interest expenses	100	123
Foreign exchange losses (gains)	(142)	(657)
Loss (gain) on sale and retirement of non-current assets	72	177
Decrease (increase) in trade receivables	(3,360)	(6,917)
Decrease (increase) in inventories	(1,304)	(2,783)
Increase (decrease) in trade payables	1,854	5,202
Decrease/increase in consumption taxes receivable/payable	(324)	122
Loss on tax purpose reduction entry of non-current assets	142	45
Subsidy income	(152)	(186)
Other, net	629	(318)
Subtotal	9,178	18,967
Interest and dividends received	88	85
Interest paid	(78)	(137)
Income taxes paid	(482)	(1,147)
Income taxes refund	–	75
Subsidies received	252	286
Net cash provided by (used in) operating activities	8,957	18,129
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1)	217
Purchase of property, plant and equipment	(12,330)	(17,760)
Proceeds from sale of property, plant and equipment	2	205
Purchase of intangible assets	(174)	(535)
Loan advances	(8)	(0)
Proceeds from collection of loans receivable	5	3
Other, net	0	127
Net cash provided by (used in) investing activities	(12,505)	(17,743)
Cash flows from financing activities		
Proceeds from long-term borrowings	4,000	16,000
Repayments of long-term borrowings	(2,002)	(2,491)
Purchase of treasury shares	(3)	(10)
Dividends paid	(255)	(986)
Repayments of lease obligations	(23)	(32)
Other, net	(9)	(8)
Net cash provided by (used in) financing activities	1,705	12,469
Effect of exchange rate change on cash and cash equivalents	104	912
Net increase (decrease) in cash and cash equivalents	(1,738)	13,767
Cash and cash equivalents at beginning of period	19,111	17,373
Cash and cash equivalents at end of period	17,373	31,140