

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended October 31, 2022 (Based on Japanese GAAP)

December 9, 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
 Senior General Manager
 Inquiries: Corporate Planning & Strategy Unit Kozo Mitsui TEL 093-614-1111
 General Administration Unit
 Scheduled date to file Quarterly Securities Report: December 9, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended October 31, 2022 (from February 1, 2022 to October 31, 2022)

(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	%
Nine months ended October 31, 2022	130,922	32.7	18,497	93.6	21,200	110.6	16,955	130.0
Nine months ended October 31, 2021	98,690	42.0	9,552	407.0	10,064	399.5	7,371	397.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended October 31, 2022	463.86		–	
Nine months ended October 31, 2021	201.67		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2022	169,522	82,362	48.4
As of January 31, 2022	134,036	61,383	45.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended January 31, 2022	–	9.00	–	55.00	64.00
Year ending January 31, 2023	–	21.00	–	–	–
Year ending January 31, 2023 (Forecast)	–	–	–	44.00	65.00

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	25,000	67.1	26,500	69.1	19,200	63.0	525.28

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended October 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

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

As of October 31, 2022	2,915,167 shares	As of January 31, 2022	2,914,411 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended October 31, 2022	36,552,076 shares	Nine months ended October 31, 2021	36,553,417 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of January 31, 2022	As of October 31, 2022
Assets		
Current assets		
Cash and deposits	22,610	30,545
Notes and accounts receivable - trade	22,717	–
Notes and accounts receivable - trade, and contract assets	–	34,621
Electronically recorded monetary claims - operating	3,103	2,682
Securities	8,700	7,000
Merchandise and finished goods	5,862	8,199
Work in process	2,791	2,730
Raw materials and supplies	3,168	4,323
Other	3,482	5,366
Allowance for doubtful accounts	(18)	(20)
Total current assets	72,418	95,448
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,623	40,030
Accumulated depreciation	(25,354)	(25,811)
Buildings and structures, net	13,268	14,218
Machinery, equipment and vehicles	78,678	89,815
Accumulated depreciation	(51,206)	(56,831)
Machinery, equipment and vehicles, net	27,471	32,983
Tools, furniture and fixtures	25,828	24,800
Accumulated depreciation	(22,351)	(20,864)
Tools, furniture and fixtures, net	3,476	3,936
Land	7,402	6,741
Right of use assets	1,609	1,922
Accumulated deprecation	(983)	(1,234)
Right of use assets, net	625	688
Construction in progress	6,109	10,722
Total property, plant and equipment	58,353	69,289
Intangible assets	844	873
Investments and other assets		
Investment securities	1,160	1,088
Deferred tax assets	596	1,731
Retirement benefit asset	362	603
Other	300	486
Total investments and other assets	2,420	3,911
Total non-current assets	61,618	74,074
Total assets	134,036	169,522

(Millions of yen)

	As of January 31, 2022	As of October 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	13,470	20,534
Current portion of long-term borrowings	7,112	10,686
Income taxes payable	3,431	4,824
Provision for bonuses for directors (and other officers)	84	68
Lease obligations	30	38
Other	6,069	8,731
Total current liabilities	30,198	44,884
Non-current liabilities		
Long-term borrowings	41,623	41,105
Provision for retirement benefits for directors (and other officers)	180	–
Provision for share awards for directors (and other officers)	–	74
Retirement benefit liability	145	188
Lease obligations	118	125
Deferred tax liabilities	385	664
Other	–	115
Total non-current liabilities	42,454	42,275
Total liabilities	72,653	87,160
Net assets		
Shareholders' equity		
Share capital	16,403	16,403
Capital surplus	14,661	15,251
Retained earnings	31,962	46,949
Treasury shares	(3,047)	(3,644)
Total shareholders' equity	59,980	74,959
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	333	294
Deferred gains or losses on hedges	(40)	(248)
Foreign currency translation adjustment	1,040	7,227
Remeasurements of defined benefit plans	(195)	(153)
Total accumulated other comprehensive income	1,137	7,120
Non-controlling interests	265	282
Total net assets	61,383	82,362
Total liabilities and net assets	134,036	169,522

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended October 31, 2021	Nine months ended October 31, 2022
Net sales	98,690	130,922
Cost of sales	80,647	102,431
Gross profit	18,042	28,490
Selling, general and administrative expenses	8,490	9,992
Operating profit	9,552	18,497
Non-operating income		
Interest income	31	90
Foreign exchange gains	585	2,738
Other	206	166
Total non-operating income	823	2,995
Non-operating expenses		
Interest expenses	88	98
Loss on sale and retirement of non-current assets	188	185
Other	34	8
Total non-operating expenses	310	292
Ordinary profit	10,064	21,200
Extraordinary income		
Subsidy income	145	203
Gain on sale of non-current assets	–	1,336
Total extraordinary income	145	1,540
Extraordinary losses		
Non-recurring loss	–	374
Loss on tax purpose reduction entry of non-current assets	4	107
Total extraordinary losses	4	482
Profit before income taxes	10,205	22,259
Income taxes	2,814	5,279
Profit	7,391	16,979
Profit attributable to non-controlling interests	19	24
Profit attributable to owners of parent	7,371	16,955

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended October 31, 2021	Nine months ended October 31, 2022
Profit	7,391	16,979
Other comprehensive income		
Valuation difference on available-for-sale securities	112	(39)
Deferred gains or losses on hedges	(73)	(207)
Foreign currency translation adjustment	1,904	6,187
Remeasurements of defined benefit plans, net of tax	33	41
Total other comprehensive income	1,976	5,982
Comprehensive income	9,368	22,962
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,348	22,937
Comprehensive income attributable to non-controlling interests	19	24