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March 11, 2026

# Financial Results of the Fiscal Year Ending January 31, 2026

*Save energy. Save earth. Save life.*

**Mitsui High-tec Inc.** (Securities code: 6966)

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# 1. Summary

## Report for the Fiscal Year Ending January 31, 2026

- Net sales increased year-on-year, driven by higher sales volumes of motor cores for drive and power-generation applications in the Electrical Parts Business, as well as growing demand for consumer products in the Electronic Parts Business. Operating Profit decreased year-on-year, primarily due to up-front investment costs for future business growth in the Electrical Parts Business, as well as an increase in corporate expenses associated with strengthening the management foundation
- The Company recorded an impairment loss of 3,951 million yen and a loss on European operations of 2,591 million yen. This was due to an expected decline in profitability for certain customer transactions, following the slowdown in Battery Electric Vehicle (BEV) growth in the European market.

● Net Sales	JPY	218,329 million ( up	1.6%	or JPY	3,438 million YoY)
● Operating Profit	JPY	12,651 million ( down	21.0%	or JPY	3,366 million YoY)
● Net Profit	JPY	3,151 million ( down	74.2%	or JPY	9,067 million YoY)

### Electrical Parts Business (Motor Core)

Despite robust global demand for HEVs, particularly in North America, net sales declined year-on-year as lower raw material costs were reflected in selling prices; Operating Profit decreased year-on-year, primarily due to up-front investment costs in the Electrical Parts Business aimed at future business growth, as well as an increase in corporate expenses associated with strengthening the management foundation

### Electronic Parts Business (Leadframe)

Net sales increased year-on-year, driven by growing demand for consumer products supported by China's home appliance trade-in subsidy policies, as well as the pass-through of higher raw material prices into product pricing. Operating Profit also rose, primarily reflecting the increased sales volume of consumer products.

## Outlook for the Fiscal Year Ending January 31, 2027

- In the fiscal year ending January 2026, a clear slowdown in BEV market growth, Net Sales and Operating Profit reached the levels of our previous forecast (announced in September 2025) through steady response to HEV demand and fixed-cost reductions. However, Profit attributable to owners of parent fell significantly short of the forecast due to the recognition of extraordinary losses.
- Reflecting a slower-than-anticipated recovery in analog semiconductors and a growth slowdown in the BEV-centered EV market, we will revise downward our financial targets for the fiscal year ending January 2028, the final year of the Medium-Term Management Plan announced in March 2025. However, our core growth strategies and strategic initiatives remain unchanged as we continue to drive long-term value.
- For the fiscal year ending January 2027, the Company forecasts Net Sales of 233,000 million and Operating Profit of 11,000 million. Net Sales are expected to increase year-on-year, driven by continued solid demand for motor cores and a gradual recovery in leadframe demand. Operating profit is expected to decrease year-on-year due to the impact of up-front investment costs in the Electrical Parts Business and other expenses related to strengthening the Company's management foundation.
- Based on our shareholder return policy, we plan to provide a dividend of 19 yen per share for the fiscal year ending January 2027.

## 2. Financial Results of the Fiscal Year Ending January 31, 2026

## 2. Financial Results of the Fiscal Year Ending January 31, 2026

### Consolidated Financial Results (FY2024 vs FY2025)



[Unit: million yen]	FY2024 (2024.2-2025.1)	FY2025 (2025.2-2026.1)	Year-on-Year Comparison		Forecast for FY2025 (Announced in 2025.9)	Forecast Comparison
			Change	Percentage Change		Change
Net Sales	214,890	<b>218,329</b>	+3,438	+1.6%	216,000	+2,329
Operating Profit	16,017	<b>12,651</b>	-3,366	-21.0%	11,000	+1,651
Operating Profit Margin	7.5%	<b>5.8%</b>	-1.7ppt		5.1%	+0.7ppt
Ordinary Profit	16,943	<b>13,815</b>	-3,128	-18.5%	10,000	+3,815
Net Profit *1	12,219	<b>3,151</b>	-9,067	-74.2%	7,000	-3,848
Net Profit Margin	5.7%	<b>1.4%</b>	-4.2ppt		3.2%	-1.8ppt
Capital Investment	24,856	<b>30,116</b>	+5,260	+21.2%	38,500	-8,383
Depreciation *2	14,518	<b>13,380</b>	-1,137	-7.8%	14,000	-619
EBITDA	30,536	<b>26,032</b>	-4,504	-14.8%	25,000	+1,032
EBITDA Margin	14.2%	<b>11.9%</b>	-2.3ppt		11.6%	+0.3ppt
FOREX Rates US \$ *3	152.39yen	<b>149.73yen</b>	-2.66yen		145.98yen	+3.75yen

\*1 Profit Attributable to Owners of Parent

\*2 As a result of changing the depreciation method from the declining balance method to the straight-line method effective from FY2025, depreciation expenses for FY2025 decreased by 2,222 million yen compared with the previous method.

\*3 Average Rate for the Period

## 2. Financial Results of the Fiscal Year Ending January 31, 2026

### Financial Results by Segment (FY2024 vs FY2025)



[Unit: million yen]		FY2024 (2024.2-2025.1)	FY2025 (2025.2-2026.1)	Year-on-Year Comparison		Forecast for FY 2025 (Announced in 2025.9)	Forecast Comparison
				Change	Percentage Change		Change
Electrical Parts Business (Motor Core)	Net Sales	155,182	<b>154,649</b>	- 532	-0.3%	152,000	+2,649
	Operating Profit	12,053	<b>9,821</b>	- 2,232	-18.5%	8,000	+1,821
	Operating Profit Margin	7.8%	<b>6.4%</b>	-1.4ppt		5.3%	+1.1ppt
	Capital Investment	17,329	<b>24,515</b>	+7,186	+41.5%	31,500	- 6,984
	Depreciation *	9,377	<b>8,959</b>	- 417	-4.5%	9,500	- 540
	EBITDA Margin	13.8%	<b>12.1%</b>	-1.7ppt		11.5%	+0.6ppt
Electronic Parts Business (Leadframe)	Net Sales	55,393	<b>59,567</b>	+4,174	+7.5%	59,000	+567
	Operating Profit	3,728	<b>4,046</b>	+317	+8.5%	4,500	- 453
	Operating Profit Margin	6.7%	<b>6.8%</b>	+0.1ppt		7.6%	-0.8ppt
	Capital Investment	4,606	<b>4,049</b>	- 556	-12.1%	4,500	- 450
	Depreciation *	3,962	<b>3,301</b>	- 661	-16.7%	3,500	- 198
	EBITDA Margin	13.9%	<b>12.3%</b>	-1.5ppt		13.6%	-1.2ppt
Tooling and Machine Tools Business	Net Sales	10,230	<b>10,247</b>	+16	+0.2%	12,000	- 1,752
	Operating Profit	328	<b>272</b>	- 55	-17.0%	800	- 527
	Operating Profit Margin	3.2%	<b>2.7%</b>	-0.5ppt		6.7%	-4.0ppt
	Capital Investment	869	<b>314</b>	- 555	-63.9%	500	- 185
	Depreciation *	793	<b>494</b>	- 299	-37.7%	500	- 5
	EBITDA Margin	11.0%	<b>7.5%</b>	-3.5ppt		10.8%	-3.3ppt
Elimination or Corporate	Net Sales	-5,915	<b>-6,135</b>	- 219		-7,000	+864
	Operating Profit	-91	<b>-1,488</b>	- 1,396		-2,300	+811
	Capital Investment	2,051	<b>1,237</b>	- 814	-39.7%	2,000	- 762
	Depreciation *	385	<b>625</b>	+239	+62.2%	500	+125

\* As a result of changing the depreciation method from the declining balance method to the straight-line method effective from FY2025, depreciation expenses for FY2025 decreased by 1,567 million yen in the Electrical Parts Business, 503 million yen in the Electronic Parts Business, and 275 million yen in the Tooling and Machine Tools Business, while they increased by 124 million yen in Elimination or Corporate, compared with the previous method.

# Recognition of Extraordinary Losses Related to the European Operations of Our Electrical Parts Business (Motor Core)



## Recording of Impairment Losses and a Loss on Business in Europe Due to the Slowing Growth of Battery Electric Vehicles (BEV) in the European Market 權G1

### Overview of Impairment Losses and a Loss on Business in Europe

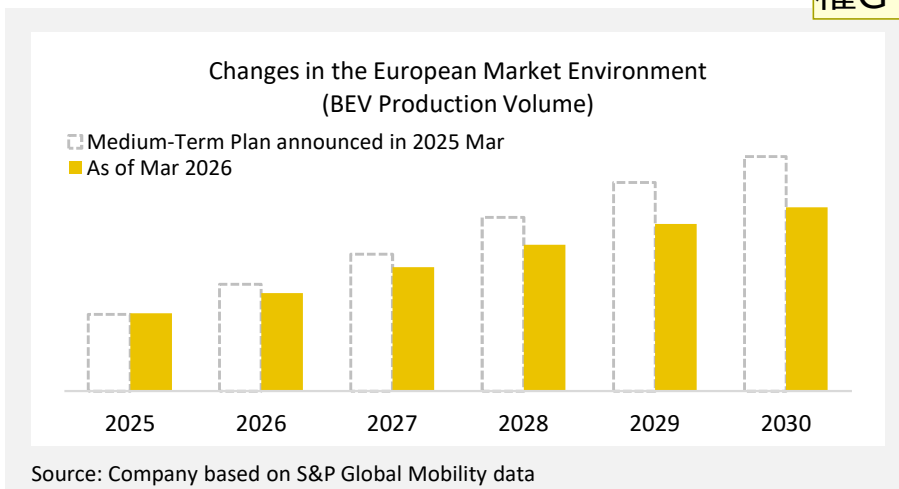
In certain transactions with specific customers, the slowing growth of Battery Electric Vehicles (BEV) in the European market is expected to reduce profitability. As a result, we recorded an impairment loss of 3,951 million on related manufacturing equipment and recognized 2,591 million as a Loss on Business in Europe, representing the discounted present value of losses expected to arise in the future. 權G2

權G3

### Slowing Growth of Battery Electric Vehicles (BEV) in the European Market

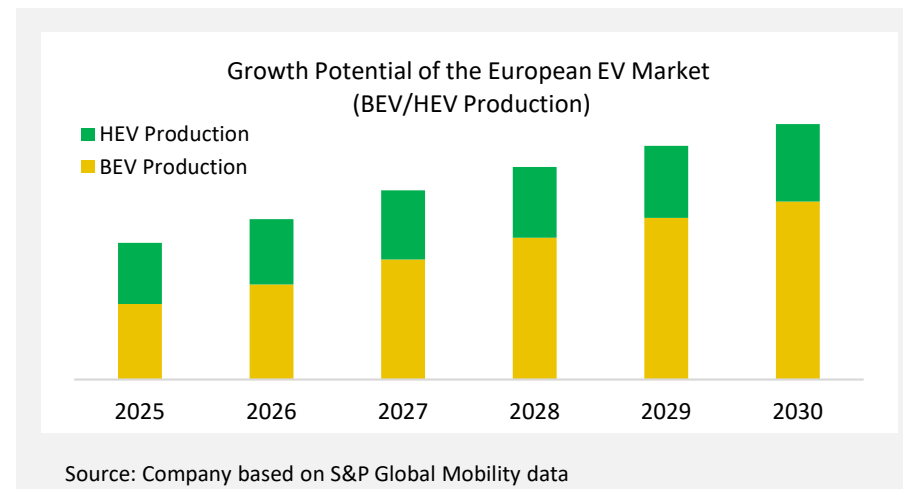
- BEV production forecasts in Europe now indicate a substantial slowdown compared with the assumptions of our Medium-Term Plan announced in March 2025.
- Decline in sales has also become apparent among certain customers supplied with BEV motor cores at our European Subsidiary.

權G4



### Future Outlook for the European Market (BEV/HEV) and Our Strategic Initiatives

- Although BEV market growth is decelerating, it is expected to remain solid, while the HEV market is projected to grow moderately yet steadily.
- In the short term, we will pursue sustainable growth by relying on stable HEV demand and expanding our presence among BEV customers as the segment develops.



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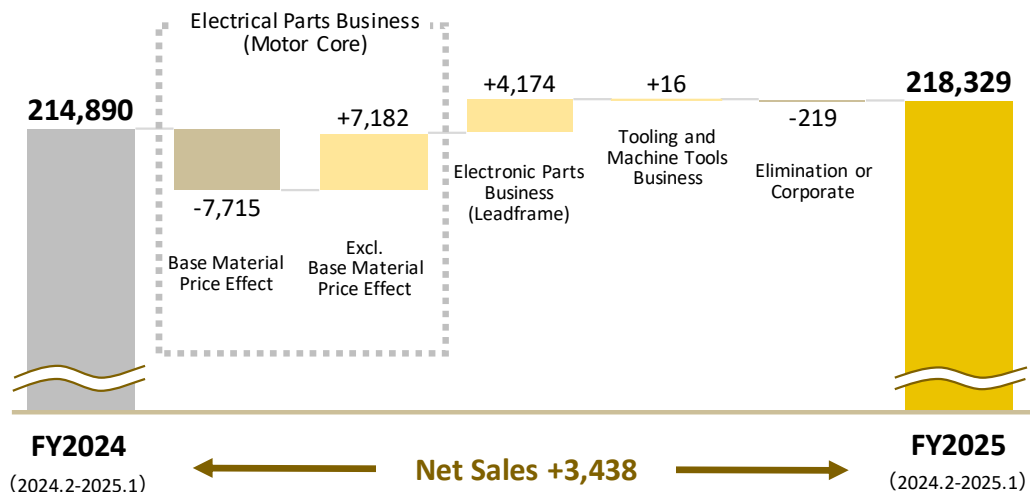
- 権G1** 勘定科目名称を決算短信から確認お願いします。無ければ、Recording of extraordinary losses due to \*\*\*でも良いかもですね。  
Gondai.Kensuke\_(権代 謙佑),
- 楊Y1 0** 短信に合わせて、「Loss on Business in Europe」に変更しました。  
Yang.Xixi\_(楊 茜茜), 2026-03-10T11:07:02.851
- 楊Y1 1** 原稿では、(特別損失の中の)減損損失になっているので、「Impairment Losses」のほうが適切かと思います。  
Yang.Xixi\_(楊 茜茜), 2026-03-10T11:13:13.266
- 権G2** Operating lossesやLosses in the European Operations混在。上記コメント参照ください。  
Gondai.Kensuke\_(権代 謙佑),
- 楊Y2 0** こちらも、短信に合わせて「Loss on Business in Europe」に変更。  
Yang.Xixi\_(楊 茜茜), 2026-03-10T11:09:52.086
- 権G3** 上記コメント参照ください。  
Gondai.Kensuke\_(権代 謙佑),
- 楊Y3 0** 修正しました  
Yang.Xixi\_(楊 茜茜), 2026-03-10T11:15:44.578
- 権G4** A Subsidiary in Europe??  
Gondai.Kensuke\_(権代 謙佑),
- 楊Y4 0** 当社欧州拠点において・・・  
「At our European Subsidiary」に修正しましたが、いかがでしょう...  
Yang.Xixi\_(楊 茜茜), 2026-03-10T11:31:36.013

# Factors of Changes in Consolidated Net Sales and Operating Profit (FY2024 vs FY2025)



## Factors of Changes in Net Sales

[Unit: million yen]



### Electrical Parts Business (Motor Core) : Sales Composition and Sales Volume Growth Rate by Application

Application	Sales Composition Ratio (*1)	Sales Volume Growth Rate (*2)
● HEVs (Drive and Power Generation)	83%	+1%
● BEVs (Drive)	4%	
● Others	13%	

### Electronic Parts Business (Leadframe) : Sales Composition Ratio and Sales Growth Rate by Application

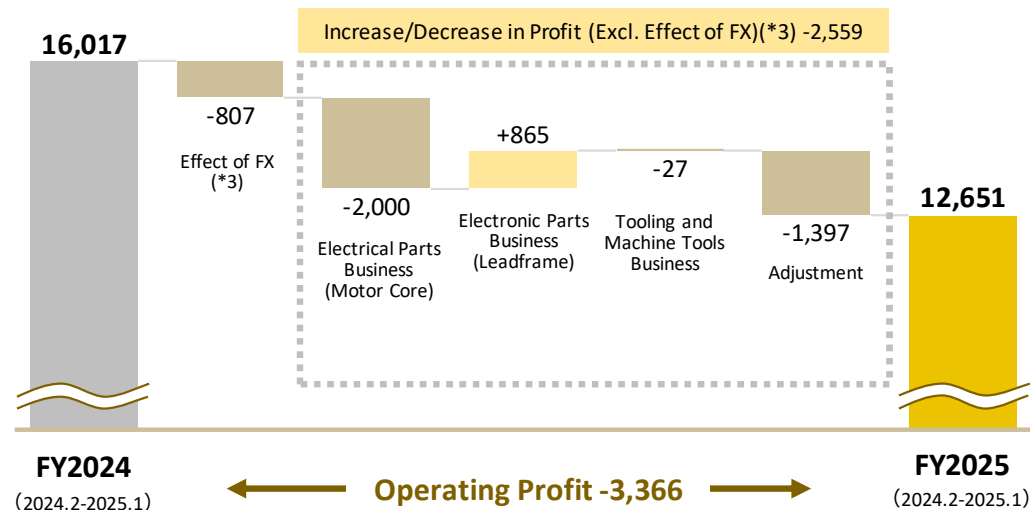
Application	Sales Composition Ratio (*1)	Sales Growth Rate (*1)
● Automotive	37%	-3%
● Consumer & Others	48%	+27%
● Information Terminal	15%	-10%

(\*1) Including the effects of base material price and foreign exchange rates.

(\*2) The number of motor cores installed per vehicle varies by vehicle model. Therefore, the trends in vehicle production volume at each OEM do not necessarily correspond to the growth rate of our motor core sales volume.

## Factors of Changes in Operating Profit

[Unit: million yen]



### (\*3) Effect of FX [unit: million yen]

- Electrical Parts Business (Motor Core) -232
- Electronic Parts Business (Leadframe) -547
- Tooling and Machine Tools Business -27

### Electrical Parts Business (Motor Core) : Profitability by Japan / Overseas Plants

Plant	Operating Profit Margin (FY2025)
● Global	6.4%
● Japan	9.4%
● Overseas	1.8%


**Consolidated Financial Results (3 months, FY2025 Q3 vs FY2025 Q4)**


[Unit: million yen]	FY2025 Q3 (2025.8-2025.10)	FY2025 Q4 (2025.11-2026.1)	Change	Percentage Change
Net Sales	54,647	<b>55,347</b>	+700	+1.3%
Operating Profit	2,882	<b>3,421</b>	+539	+18.7%
Operating Profit Margin	5.3%	<b>6.2%</b>	+0.9ppt	
Ordinary Profit	4,384	<b>3,451</b>	-933	-21.3%
Net Profit <sup>*1</sup>	3,222	<b>-4,260</b>	-7,482	-232.2%
Net Profit Margin	5.9%	<b>-7.7%</b>	-13.6ppt	
Capital Investment	8,005	<b>6,410</b>	-1,595	-19.9%
Depreciation	3,275	<b>3,367</b>	+91	+2.8%
EBITDA	6,157	<b>6,788</b>	+631	+10.3%
EBITDA Margin	11.3%	<b>12.3%</b>	+1.0ppt	
FOREX Rates US \$ <sup>*2</sup>	149.00yen	<b>155.98yen</b>	+6.98yen	

\*1 Profit Attributable to Owners of Parent

\*2 Average Rate for the Period

## Financial Results by Segment (3 months, FY2025 Q3 vs FY2025 Q4)



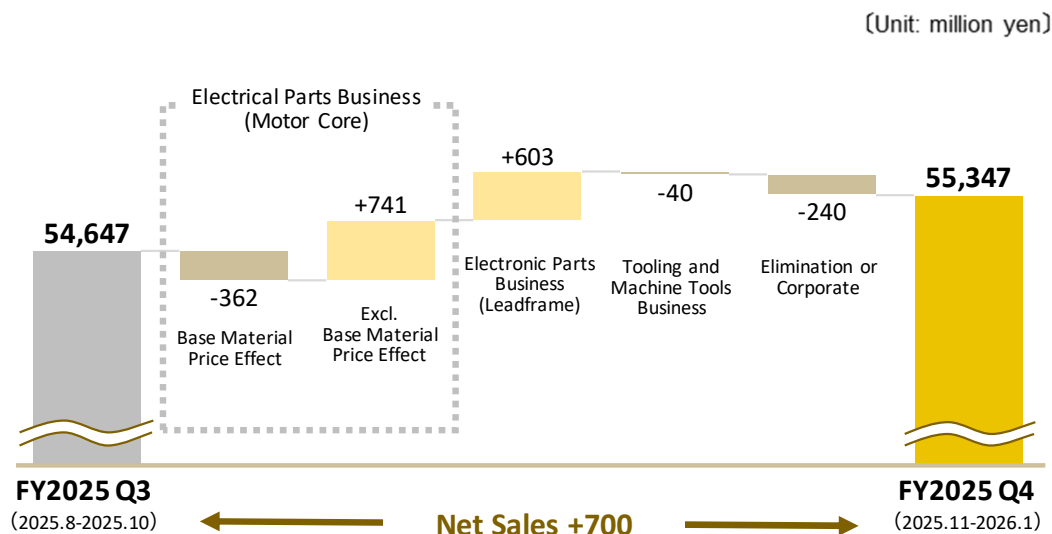
[Unit: million yen]

	FY2025 Q3 (2025.8-2025.10)	FY2025 Q4 (2025.11-2026.1)	Change	Percentage Change	
<b>Electrical Parts Business (Motor Core)</b>	Net Sales	38,432	<b>38,810</b>	+378	+1.0%
	Operating Profit	2,120	<b>2,375</b>	+254	+12.0%
	Operating Profit Margin	5.5%	<b>6.1%</b>	+0.6ppt	
	Capital Investment	6,755	<b>4,651</b>	-2,103	-31.1%
	Depreciation	2,273	<b>2,354</b>	+80	+3.6%
	EBITDA Margin	11.4%	<b>12.2%</b>	+0.8ppt	
<b>Electronic Parts Business (Leadframe)</b>	Net Sales	15,105	<b>15,708</b>	+603	+4.0%
	Operating Profit	1,165	<b>1,301</b>	+136	+11.7%
	Operating Profit Margin	7.7%	<b>8.3%</b>	+0.6ppt	
	Capital Investment	1,030	<b>1,354</b>	+323	+31.4%
	Depreciation	779	<b>773</b>	-5	-0.7%
	EBITDA Margin	12.9%	<b>13.2%</b>	+0.3ppt	
<b>Tooling and Machine Tools Business</b>	Net Sales	2,550	<b>2,510</b>	-40	-1.6%
	Operating Profit	107	<b>113</b>	+6	+5.8%
	Operating Profit Margin	4.2%	<b>4.5%</b>	+0.3ppt	
	Capital Investment	31	<b>63</b>	+32	+105.3%
	Depreciation	109	<b>109</b>	-0	-0.5%
	EBITDA Margin	8.5%	<b>8.9%</b>	+0.4ppt	
<b>Elimination or Corporate</b>	Net Sales	-1,441	<b>-1,681</b>	-240	
	Operating Profit	-511	<b>-369</b>	+141	
	Capital Investment	188	<b>341</b>	+152	+80.6%
	Depreciation	112	<b>129</b>	+17	+15.2%

# Factors of Changes in Consolidated Net Sales and Operating Profit (3 months, FY2025 Q3 vs FY2025 Q4)



## ● Factors of Changes in Net Sales



### Electrical Parts Business (Motor Core) : Sales Composition and Sales Volume Growth Rate by Application

Application	Sales Composition Ratio (*1)	Sales Volume Growth Rate (*2)
● HEVs (Drive and Power Generation)	84%	-5%
● BEVs (Drive)	4%	
● Others	12%	

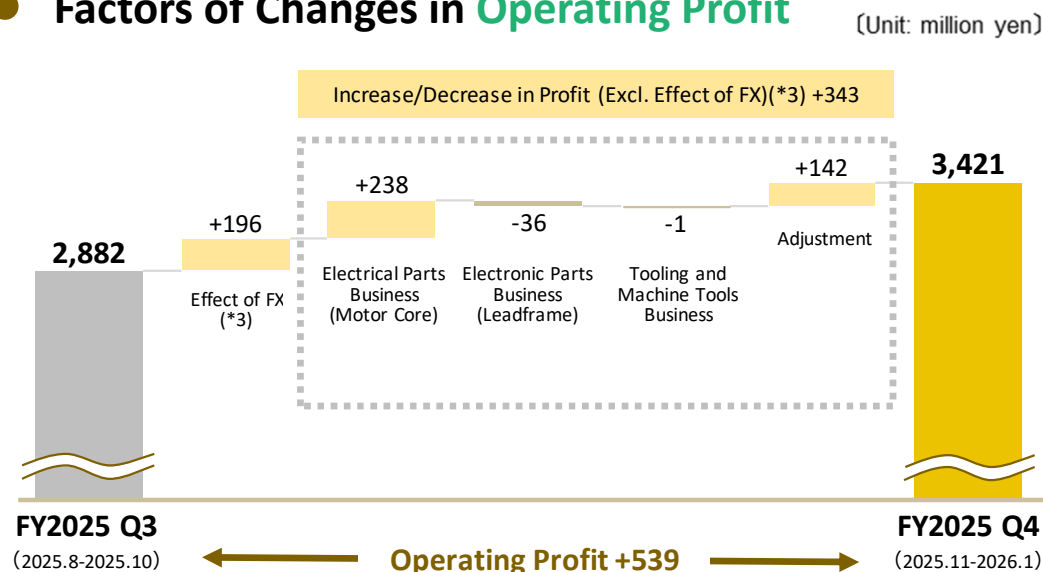
### Electronic Parts Business (Leadframe) : Sales Composition Ratio and Sales Growth Rate by Application

Application	Sales Composition Ratio (*1)	Sales Growth Rate (*1)
● Automotive	38%	+13%
● Consumer & Others	46%	-3%
● Information Terminal	16%	+6%

(\*1) Including the effects of base material price and foreign exchange rates.

(\*2) The number of motor cores installed per vehicle varies by vehicle model. Therefore, the trends in vehicle production volume at each OEM do not necessarily correspond to the growth rate of our motor core sales volume.

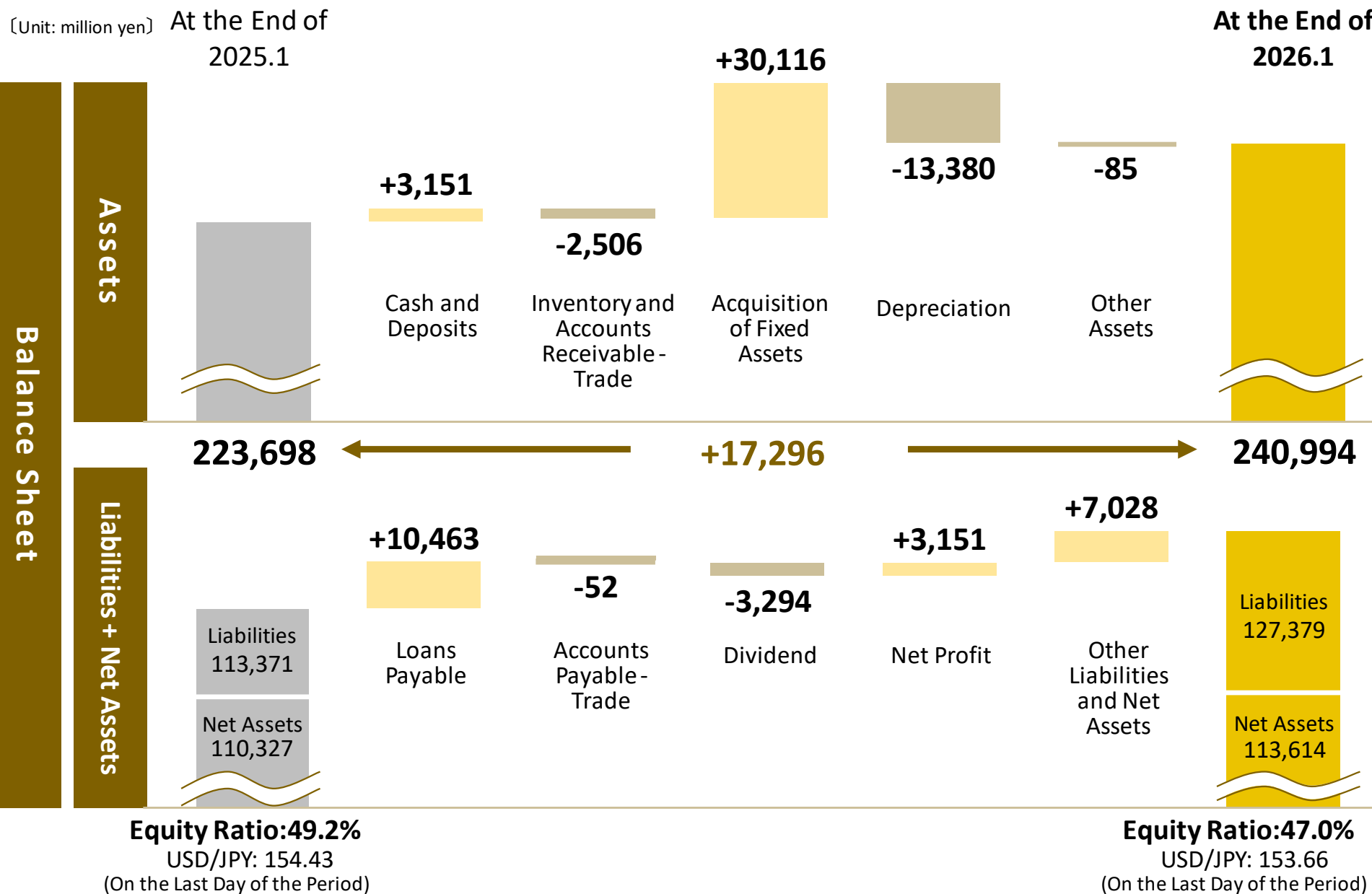
## ● Factors of Changes in Operating Profit



### (\*3) Effect of FX [unit: million yen]

- Electrical Parts Business (Motor Core) +16
- Electronic Parts Business (Leadframe) +172
- Tooling and Machine Tools Business +7

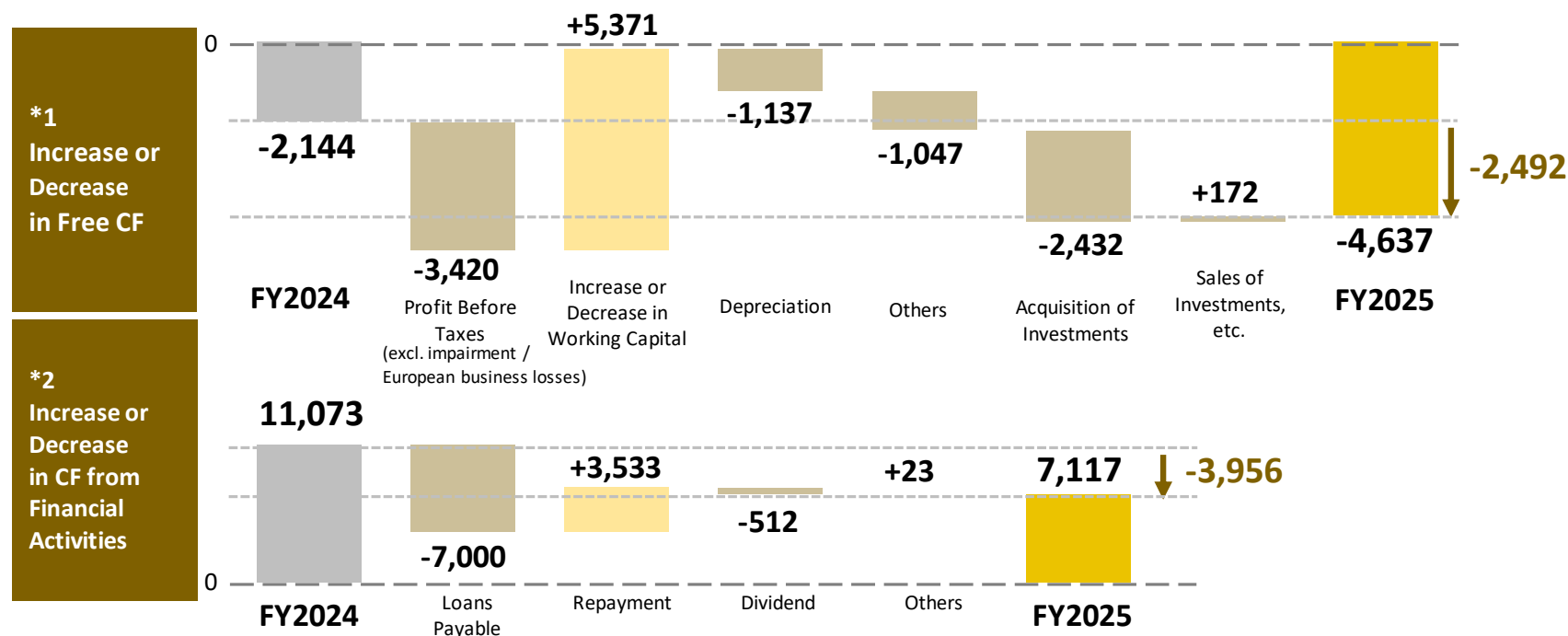
## Consolidated Balance Sheets (12 months Changes)



## Consolidated Cash Flow (Year-on-Year)

(Unit: million yen)

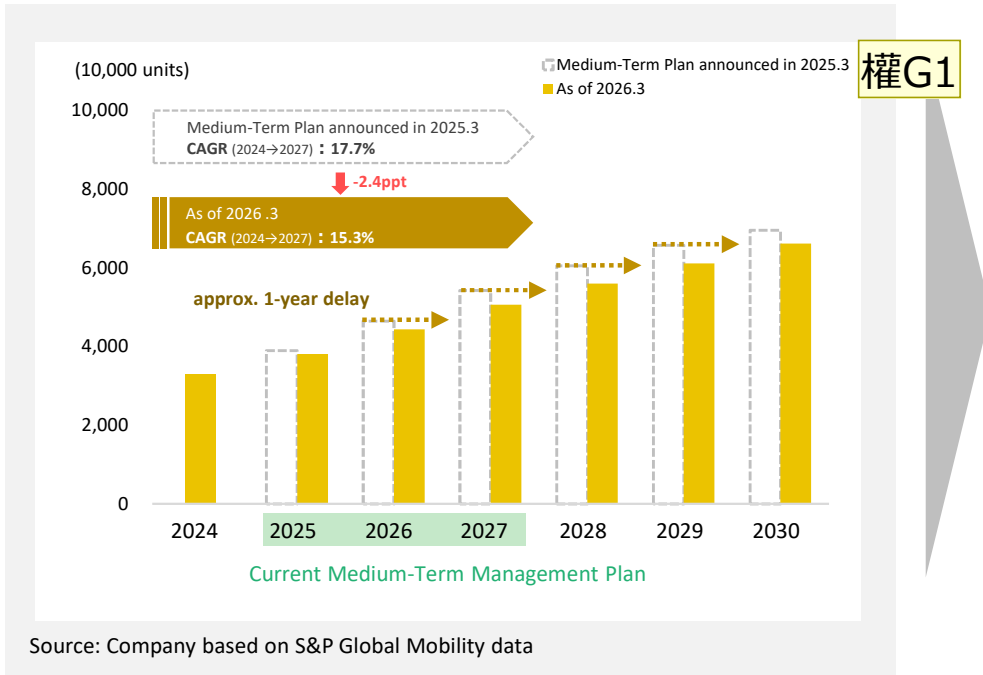
	FY2024 (2024.2-2025.1)	FY2025 (2025.2-2026.1)	Change
Cash Flows from Operating Activities	24,368	24,135	-232
Cash Flow from Investment Activities	-26,512	-28,773	-2,260
<b>Free Cash Flow</b>	<b>-2,144</b>	<b>-4,637</b>	<b>-2,492</b> *1
<b>Cash Flows from Financing Activities</b>	<b>11,073</b>	<b>7,117</b>	<b>-3,956</b> *2
Increase or Decrease in Cash and Cash Equivalents	+8,929	+2,479	-6,449
Effect of Exchange Rate Changes on Cash and Cash Equivalents	+1,483	+657	-825
Closing Balance of Cash and Cash Equivalents	49,604	52,742	+3,137



### 3. Revision of the Medium-Term Management Plan

**Delayed Recovery in the Legacy Semiconductor Market from FY2026 Onward Compared with Assumptions at the March 2025 Medium-Term Management Plan (MTMP)**

● **Revision of Global EV Production Forecast**



**Market Environment**

- We expect the EV market to continue growing, with a projected CAGR of +15.3% over the current 3-year Medium-Term Plan period.
- Compared with the assumptions at the time the medium-term plan was formulated in March 2025, the global electrified-vehicle market (HEV and BEV) has slowed, with a particularly sharp decline in BEV demand in Europe and North America
- Due to the impact of revisions in customers' sales plans, our sales are expected to be deferred by approximately two years compared to the original forecast.

**Our target markets**

<p><b>Electric vehicle type</b></p>	<p><b>All Types</b> HEV, BEV, PHEV, MHEV, FCEV</p>	<p><b>Customers</b></p>	<p><b>Global and domestic vehicle manufacturers</b> Tier 1 manufacturers</p>	<p><b>Product Category</b></p>	<p><b>High quality, High efficiency, Motor core</b></p>
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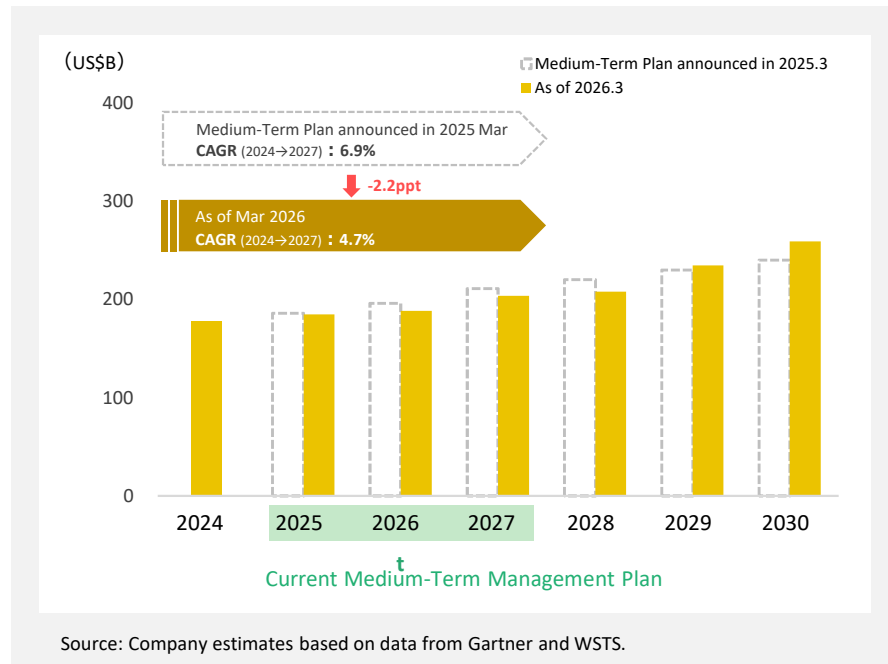
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- 権G1** MTMPは一般的ではなさそうなので、Mid term plan periodくらいでどうでしょう。  
Gondai.Kensuke\_(権代 謙佑),
- 森M1 0** [@Gondai.Kensuke\_(権代 謙佑)]  
当初中計で言ってますね…  
Mori.Noriko\_(森 典子),
- 権G1 1** [@Yang.Xixi\_(楊 茜茜)] [@Mori.Noriko\_(森 典子)] [@Takahashi.Yuta\_(高橋 祐太)] [@Tanabe.Chisato\_(田邊 千聖)]  
皆で広めようMTMPですね。了解しました。  
Gondai.Kensuke\_(権代 謙佑),

# Market changes in Electronic Parts Business (Leadframe)

## Legacy Semiconductor Market Recovery Slower Than Assumed in Mar 2025 Plan

### Legacy Semiconductor Market Forecast



### Market Environment

- Compared with the Medium-Term Plan announced in March 2025, the overall legacy semiconductor market — and particularly our target market — has lagged in its recovery.
- In the automotive semiconductor market, IDM demand recovery in Japan, the U.S. and Europe is slowing as BEV growth among Japanese, U.S. and European OEMs decelerates.

**\* About semiconductors using leadframe**

Leadframe packages are predominantly utilized in discrete and analog semiconductors, as well as other legacy semiconductor products. Their application in advanced semiconductor-related products for AI is relatively limited.

### Our target markets

<p><b>Automotive</b> All types of vehicles including Evs (power, microcomputer, analog)</p>	<p><b>Consumer</b> Industrial machinery, PC, LED, Data center etc. (power, microcomputer, analog)</p>	<p><b>Information terminal</b> Mobile terminals and peripheral equipment (power, analog)</p>
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## Revision to Financial Targets in the Medium-Term Management Plan(MTMP)

## Reasons for the Revision

Due to changes in the market environment and customer trends for the fiscal years ending January 2027 and January 2028, order intake is expected to decrease compared to the Medium-Term Management Plan (MTMP) announced in March 2025. Consequently, as net sales, operating profit, ROE, and ROIC are projected to fall short of the original financial targets, we have revised our plan accordingly as bellows.

[Unit: million yen]

● Financial targets	Forecast for FY2027 (Announced in 2025.3)	Revised Forecast for FY2027	Change	Percentage Change
Net Sales	310,000	263,000	-47,000	-15.2%
Operating Profit	23,500	15,000	-8,500	-36.2%
Operating Profit Margin	7.6%	5.7%	-1.9ppt	
ROE	12.0%以上	8.0% or higher	-4.0ppt or higher	
ROIC	7.0%以上	5.0% or higher	-2.0ppt or higher	

● Reference Index	Forecast for FY2027 (Announced in 2025.3)	Revised Forecast for FY2027	Change	Percentage Change
Ordinary Profit	23,000	14,000	-9,000	-39.1%
Net Profit	16,000	10,000	-6,000	-37.5%
EBITDA	44,500	34,000	-10,500	-23.6%
EBITDA Margin	14.4%	12.9%	-1.4ppt	
Capital Investment (Total 3 years)	110,000 FY2025-FY2027	96,000 FY2025-FY2027	-14,000	-12.7%

Revision to Financial Targets in the MTMP — Electrical Parts Business (Motor Core)



[Unit: million yen]

		Forecast for FY2027 (Announced in 2025.3)	Revised Forecast for FY2027	Change	Percentage Change	
Electrical Parts Business (Motor Core)	Financial targets					
		Net Sales	234,000	<b>190,000</b>	-44,000	-18.8%
		Operating Profit	15,500	<b>10,000</b>	-5,500	-35.5%
		Operating Profit Margin	6.6%	<b>5.3%</b>	-1.4ppt	
	Capital Investment (Total 3 years)	92,000	<b>78,000</b>	-14,000	-15.2%	
Reference Index		EBITDA	31,000	<b>23,000</b>	-8,000	-25.8%
		EBITDA Margin	13.2%	<b>12.1%</b>	-1.1ppt	

Analysis of  
Factors

- The decrease in sales is attributable to a 33,000 million decline mainly due to reduced sales volumes associated with the slowdown in the electric-vehicle market, and an additional 11,000 million reflecting the pass-through of lower material costs to product selling prices.
- Operating profit is expected to decline despite measures to contain fixed costs, due to a reduction in contribution margin caused by lower sales volumes.
- Capital expenditures are expected to decrease by 14,000 million based on customer trends and our revised earnings outlook.

Revenue  
Decline  
Drivers

- External -11,000 million yen (raw materials)
- Internal -33,000 million yen (lower sales volumes)

Japan +4,000 million yen / Overseas -37,000 million yen

Profitability  
by Plants

Although overseas sites bear significant upfront investment costs, profitability is expected to improve as sales expand, driven by higher utilization and improved fixed-cost absorption. Domestic sites will also incur advance investment costs to expand production capacity.

Plant	Operating Profit Margin (Forecast for FY2027)
● Global	5.3%
● Japan	8.0%
● Overseas	2.3%

### 3. Revision of the Medium-Term Management Plan

## Revision to Financial Targets in the MTMP

### — Electronic Parts Business (Leadframe) and Tooling and Machine Tools Business



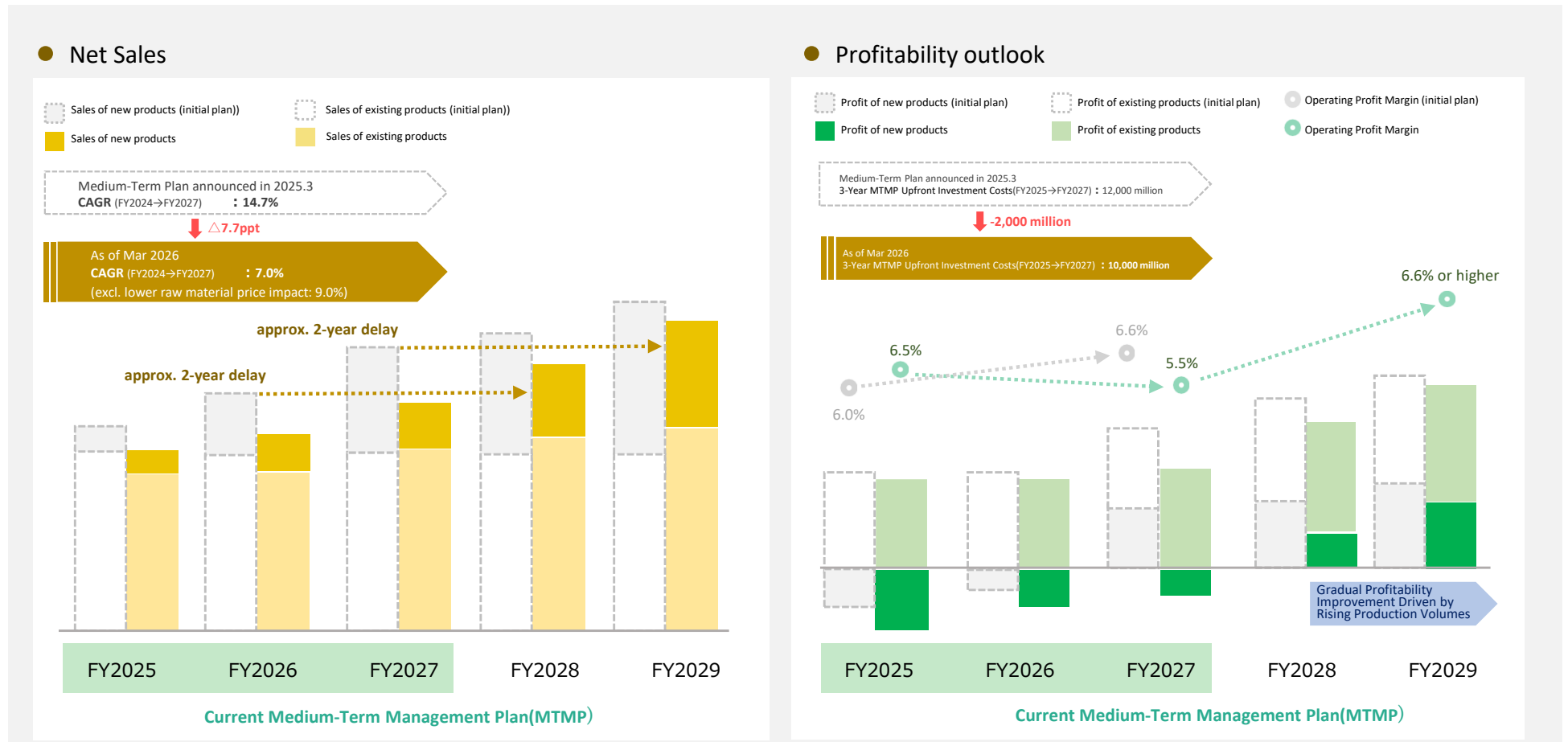
(Unit: million yen)

		Forecast for FY2027 (Announced in 2025.3)	Revised Forecas for FY2027	Change	Percentage Change	
Electronic Parts Business (Leadframe)	Financial targets	Net Sales	70,000	<b>70,000</b>	No change	
		Operating Profit	8,000	<b>7,000</b>	-1,000	-12.5%
		Operating Profit Margin	11.4%	<b>10.0%</b>	-1.4ppt	
		Capital Investment (Total 3 years)	12,500	<b>12,500</b>	No change	
	Reference Index	EBITDA	12,000	<b>11,000</b>	-1,000	-8.3%
		EBITDA Margin	17.1%	<b>15.7%</b>	-1.4ppt	
Tooling and Machine Tools Business	Financial targets	Net Sales	14,000	<b>12,000</b>	-2,000	-14.3%
		Operating Profit	1,500	<b>1,000</b>	-500	-33.3%
		Operating Profit Margin	10.7%	<b>8.3%</b>	-2.4ppt	
		Capital Investment (Total 3 years)	1,500	<b>1,500</b>	No change	
	Reference Index	EBITDA	2,000	<b>1,500</b>	-500	-25.0%
		EBITDA Margin	14.3%	<b>12.5%</b>	-1.8ppt	

# Profitability outlook—Electrical Parts Business (Motor Core)

**Due to slower BEV-led EV market growth and postponed OEM new-product launches, profitability is expected to bottom in the fiscal year ending January 2028. From the fiscal year ending January 2029 onward, profitability is expected to improve as sales recover.**

[ Earnings transition — New products and Existing products (Electrical Parts Business) ]

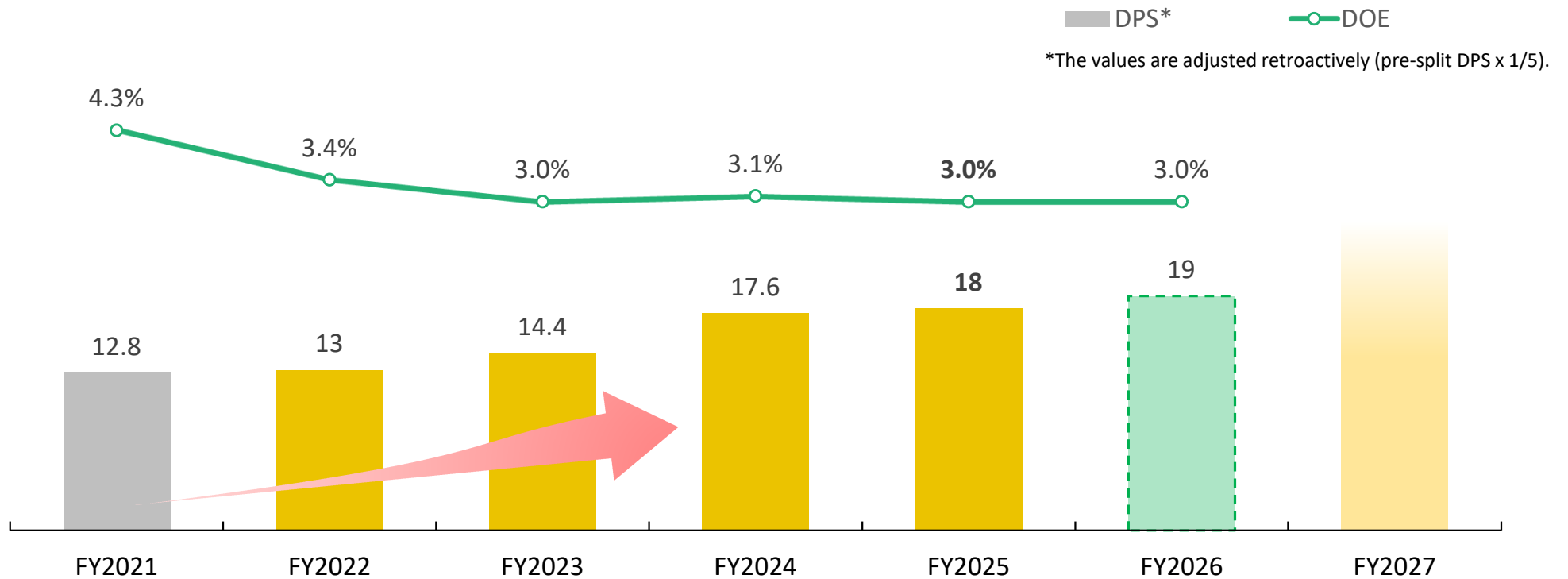


Existing products : Mass production started by FY2024. Stable profitability secured.  
 New products : Mass production is to start in the FY2025 or later. Upfront investment costs will be incurred one to two years prior to the start of operations, and production volume will increase in stages after the start of production.

## Capital Policy and Financial Strategy / Shareholder Return Policy

**There is no change in our policy to maintain a DOE(\*) of 3.0% or higher in order to expand investments aimed at strengthening competitiveness and capturing growth opportunities, while ensuring stable and continuous dividends.**

[Trends in Dividend per share and DOE]



**Previous and New MTMP: DOE(\*) 3.0% or higher**

(\*) DOE : Total dividends / Equity attributable to owners of the parent

4.

## Consolidated Earnings Forecast for the Fiscal Year Ending January 31, 2027

#### 4. Consolidated Earnings Forecast for the Fiscal Year Ending January 31, 2027

### Consolidated Earnings Forecast for the Fiscal Year Ending January 31, 2027



(Unit: million yen)	FY2025 (2025.2-2026.1)	Forecast for FY2026 (2026.2-2027.1)	Change	Percentage Change
Net Sales	218,329	<b>233,000</b>	+14,670	+6.7%
Operating Profit	12,651	<b>11,000</b>	-1,651	-13.1%
Operating Profit Margin	5.8%	<b>4.7%</b>	-1.1ppt	
Ordinary Profit	13,815	<b>10,000</b>	-3,815	-27.6%
Net Profit *1	3,151	<b>7,000</b>	+3,848	+122.1%
Net Profit Margin	1.4%	<b>3.0%</b>	+1.6ppt	
Capital Investment	30,116	<b>41,000</b>	+10,883	+36.1%
Depreciation	13,380	<b>16,500</b>	+3,119	+23.3%
EBITDA	26,032	<b>27,500</b>	+1,467	+5.6%
EBITDA Margin	11.9%	<b>11.8%</b>	-0.1ppt	
FOREX Rates US \$ *2	149.73yen	<b>150.00yen</b>	+0.27yen	

- **Net sales :**  
**Up 14,670 million yen**

Increase in Sales volume of Electrical and Electronic Parts Business

- **Operating profit :**  
**Down 1,651 million yen**

Impact of Upfront Investment Costs in Electrical Parts Business

- **Capital Investment :**  
**UP 10,883 million yen**

Increase in Growth Investments for Electrical Parts due to Prior-Year Project Postponements

\*1 Profit Attributable to Owners of Parent

\*2 Average Rate for the Period

4. Consolidated Earnings Forecast for the Fiscal Year Ending January 31, 2027

# Consolidated Earnings Forecast for the Fiscal Year Ending January 31, 2027 (by Segment)



[Unit: million yen]

	FY2025 (2025.2-2026.1)	Forecast for FY2026 (2026.2-2027.1)	Change	Percentage Change
<b>Electrical Parts Business (Motor Core)</b>	Net Sales	154,649	165,000	+10,350 +6.7%
	Operating Profit	9,821	9,000	-821 -8.4%
	Operating Profit Margin	6.4%	5.5%	-0.9ppt
	Capital Investment	24,515	33,000	+8,484 +34.6%
	Depreciation	8,959	11,000	+2,040 +22.8%
	EBITDA Margin	12.1%	12.1%	-0.0ppt
<b>Electronic Parts Business (Leadframe)</b>	Net Sales	59,567	65,000	+5,432 +9.1%
	Operating Profit	4,046	4,500	+453 +11.2%
	Operating Profit Margin	6.8%	6.9%	+0.1ppt
	Capital Investment	4,049	5,000	+950 +23.5%
	Depreciation	3,301	3,500	+198 +6.0%
	EBITDA Margin	12.3%	12.3%	-0.0ppt
<b>Tooling and Machine Tools Business</b>	Net Sales	10,247	12,000	+1,752 +17.1%
	Operating Profit	272	1,000	+727 +267.0%
	Operating Profit Margin	2.7%	8.3%	+5.7ppt
	Capital Investment	314	1,000	+685 +218.4%
	Depreciation	494	500	+5 +1.1%
	EBITDA Margin	7.5%	12.5%	+5.0ppt
<b>Elimination or Corporate</b>	Net Sales	-6,135	-9,000	-2,864
	Operating Profit	-1,488	-3,500	-2,011
	Capital Investment	1,237	2,000	+762 +61.7%
	Depreciation	625	1,500	+874 +139.7%

● **Electrical Parts: Increase in Net Sales and decrease in Operating Profit**

- Sales volumes increased year on year, supported by solid demand for HEVs and our efforts to respond to this trend, resulting in higher profit. However, compared with the medium-term plan announced in March 2025, sales volumes are expected to fall short due to weaker demand for BEVs.
- Profit is projected to decline, mainly due to upfront investments aimed at driving future growth.

**Profitability by Japan / Overseas Plants**

Plant	Operating Profit Margin (Forecast for FY2026)
● Global	5.5%
● Japan	9.7%
● Overseas	-0.2%

● **Electronic Parts: Increase in Net Sales and Operating Profit**

- Although the surge in precious-metal prices is expected to weigh on earnings, profit is projected to increase, supported by higher sales volumes in both automotive and consumer markets.

● **Tooling and Machine Tools: Increase in Net Sales and Operating Profit**

- Net Sales and profit are expected to increase, driven by higher orders for in-house automotive molds.

● **Elimination or Corporate**

- Costs for strengthening global management—such as hiring and IT infrastructure—will rise year on year. But are expected to remain within the medium-term plan over the three-year period.

# 5. Shareholder Return Policy and Dividend

# Shareholder Return Policy and Dividend

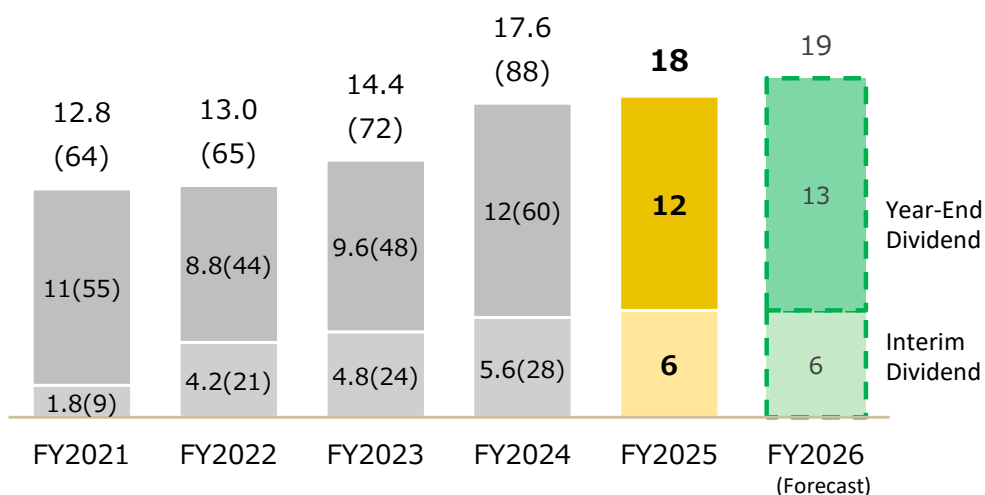
## Shareholder Return Policy

- For three years from FY 2025 to FY 2027, 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<sup>(\*)</sup> goal of 3.0% or more, taking into account consolidated business results, capital efficiency and dividend amount.

### ● Dividend [Unit: JPY]

The amount retroactively adjusted (dividend before split ×1/5) is shown. Amounts in parentheses do not include stock splits.

(\*) DOE : Total dividends / Equity attributable to owners of the parent



## Dividend for FY2025

**Year-end dividend: 18yen**

Interim dividend per share: 6yen  
Year-end dividend: 12yen

## Dividend Forecast for FY2026

**The assumed dividend is 19yen per share for FY2026**

Interim dividend per share: 6yen  
Year-end dividend: 13yen

### ● Total dividend [Unit: million yen]

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026(Forecast)
Interim	328	768	878	1,024	<b>1,098</b>	1,098 ※
Year-end	2,010	1,610	1,757	2,196	<b>2,196</b>	2,379 ※
Annual	2,339	2,379	2,635	3,221	<b>3,294</b>	3,477 ※
DOE <sup>(*)</sup>	4.3%	3.4%	3.0%	3.1%	<b>3.0%</b>	3.0% ※

\*This is based on the current business environment forecast and earnings forecast.

# 6. Reference Materials

## Consolidated Financial Results (3 months, FY2024 Q4 vs FY2025 Q4)



[Unit: million yen]	FY2024 Q4 (2024.11-2025.1)	FY2025 Q4 (2025.11-2026.1)	Change	Percentage Change
Net Sales	56,681	<b>55,347</b>	-1,333	-2.4%
Operating Profit	4,552	<b>3,421</b>	-1,130	-24.8%
Operating Profit Margin	8.0%	<b>6.2%</b>	-1.8ppt	
Ordinary Profit	3,967	<b>3,451</b>	-515	-13.0%
Net Profit <sup>*1</sup>	2,872	<b>-4,260</b>	-7,132	-248.3%
Net Profit Margin	5.1%	<b>-7.7%</b>	-12.8ppt	
Capital Investment	5,502	<b>6,410</b>	+908	+16.5%
Depreciation <sup>*2</sup>	3,886	<b>3,367</b>	-519	-13.4%
EBITDA	8,438	<b>6,788</b>	-1,649	-19.6%
EBITDA Margin	14.9%	<b>12.3%</b>	-2.6ppt	
FOREX Rates US \$ <sup>*3</sup>	154.72yen	<b>155.98yen</b>	+1.26yen	

\*1 Profit Attributable to Owners of Parent

\*2 As a result of changing the depreciation method from the declining balance method to the straight-line method effective from FY2025, depreciation expenses for FY2025 Q4 decreased by 757 million yen compared with the previous method.

\*3 Average Rate for the Period

## Financial Results by Segment (3 months, FY2024 Q4 vs FY2025 Q4)



[Unit: million yen]

	FY2024 Q4 (2024.11-2025.1)	FY2025 Q4 (2025.11-2026.1)	Change	Percentage Change	
<b>Electrical Parts Business (Motor Core)</b>	Net Sales	42,169	<b>38,810</b>	-3,359	-8.0%
	Operating Profit	3,872	<b>2,375</b>	-1,497	-38.7%
	Operating Profit Margin	9.2%	<b>6.1%</b>	-3.1ppt	
	Capital Investment	4,327	<b>4,651</b>	+323	+7.5%
	Depreciation *	2,468	<b>2,354</b>	-114	-4.6%
	EBITDA Margin	15.0%	<b>12.2%</b>	-2.9ppt	
<b>Electronic Parts Business (Leadframe)</b>	Net Sales	13,413	<b>15,708</b>	+2,295	+17.1%
	Operating Profit	619	<b>1,301</b>	+682	+110.2%
	Operating Profit Margin	4.6%	<b>8.3%</b>	+3.7ppt	
	Capital Investment	772	<b>1,354</b>	+581	+75.2%
	Depreciation *	1,101	<b>773</b>	-327	-29.8%
	EBITDA Margin	12.8%	<b>13.2%</b>	+0.4ppt	
<b>Tooling and Machine Tools Business</b>	Net Sales	2,838	<b>2,510</b>	-328	-11.6%
	Operating Profit	190	<b>113</b>	-77	-40.5%
	Operating Profit Margin	6.7%	<b>4.5%</b>	-2.2ppt	
	Capital Investment	303	<b>63</b>	-239	-79.0%
	Depreciation *	210	<b>109</b>	-101	-48.1%
	EBITDA Margin	14.1%	<b>8.9%</b>	-5.3ppt	
<b>Elimination or Corporate</b>	Net Sales	-1,739	<b>-1,681</b>	+58	
	Operating Profit	-130	<b>-369</b>	-238	
	Capital Investment	98	<b>341</b>	+242	+246.9%
	Depreciation *	105	<b>129</b>	+23	+22.7%

\* As a result of changing the depreciation method from the declining balance method to the straight-line method effective from FY2025, depreciation expenses for Q4 of the FY2025 decreased by 457 million yen in the Electrical Parts Business, 212 million yen in the Electronic Parts Business, 72 million yen in the Tooling and Machine Tools Business, and 15 million yen in Elimination or Corporate, compared with the previous method.

(Unit: million yen)	FY2021	FY2022	FY2023	FY2024	<b>FY2025</b>
Net Sales	139,429	174,615	195,881	214,890	<b>218,329</b>
Operating Profit	14,959	22,586	18,119	16,017	<b>12,651</b>
Net Profit or Loss *1	11,778	17,581	15,545	12,219	<b>3,151</b>
Gross Assets	134,036	159,803	195,696	223,698	<b>240,994</b>
Net Assets	61,383	80,607	96,993	110,327	<b>113,614</b>
Net Profit or Loss per Share *2	64.45 (322.24)	96.20 (480.99)	85.06 (425.30)	66.86	<b>17.25</b>
Net Assets per Share *2	334.41 (1,672.06)	439.42 (2,197.10)	528.77 (2,643.85)	601.83	<b>619.71</b>
Capital Investment	19,529	21,045	37,562	24,856	<b>30,116</b>
Depreciation	8,603	9,531	11,572	14,518	<b>13,380</b>
Interest-Bearing Liabilities	48,885	51,046	62,476	76,374	<b>87,274</b>
Net Interest-Bearing Liabilities	17,575	17,107	23,228	26,490	<b>34,237</b>
EBITDA	23,563	32,118	29,691	30,536	<b>26,032</b>
Equity Ratio	45.6%	50.3%	49.4%	49.2%	<b>47.0%</b>
ROE	21.7%	24.9%	17.6%	11.8%	<b>2.8%</b>
ROIC	9.5%	12.0%	7.9%	6.0%	<b>4.4%</b>
D/E Ratio (Multiple)	0.80	0.64	0.65	0.69	<b>0.77</b>
Net D/E Ratio (Multiple)	0.29	0.21	0.24	0.24	<b>0.30</b>

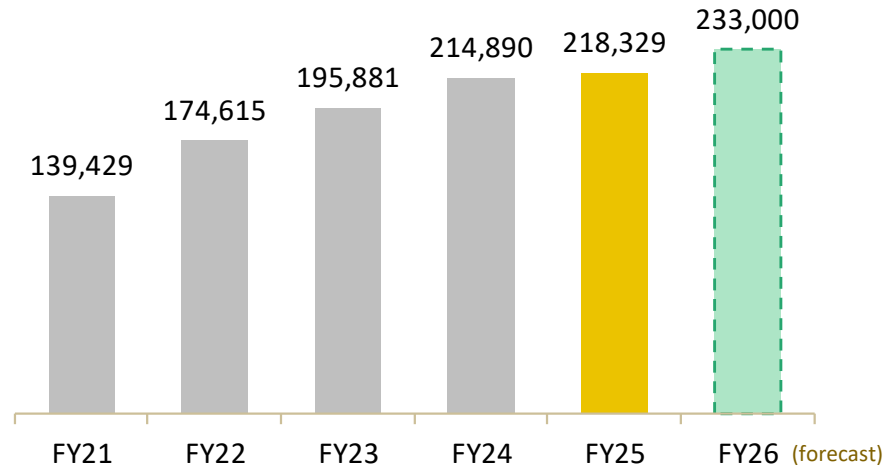
\*1 Profit Attributable to Owners of Parent

\*2 Retrospective adjustment (number of shares before split x 1/5). Amounts in parentheses do not include stock splits.

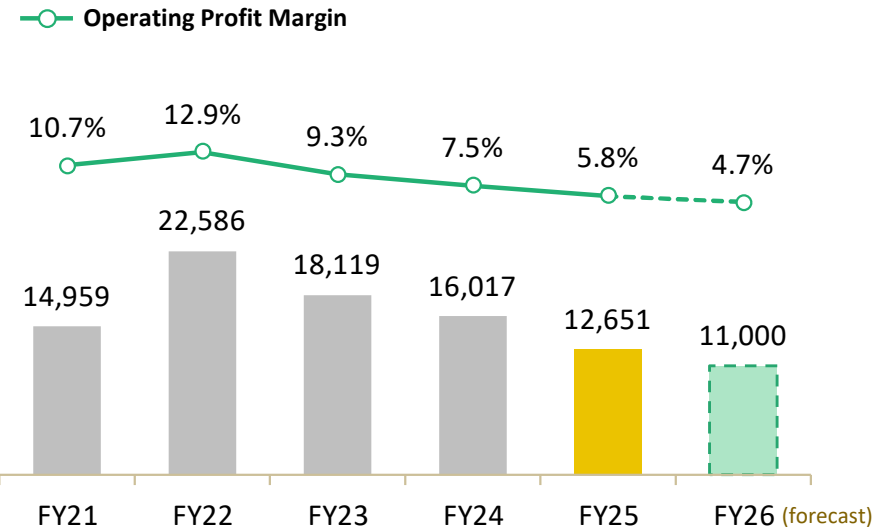
# Trend in Consolidated Financial Results (Fiscal Year)

[Unit: million yen]

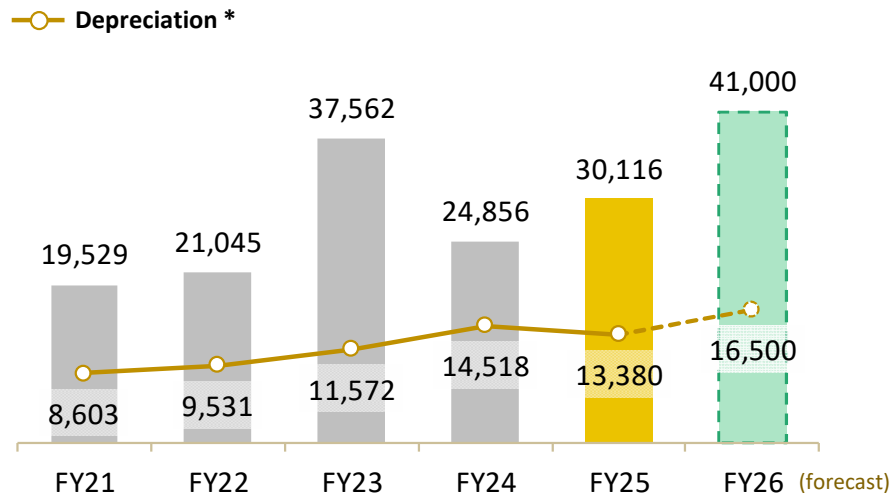
## Net Sales



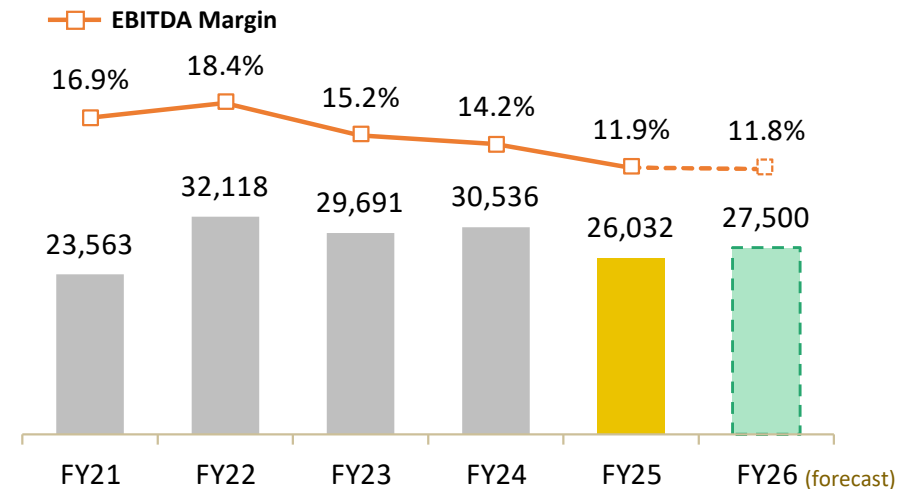
## Operating Profit



## Capital Investment



## EBITDA



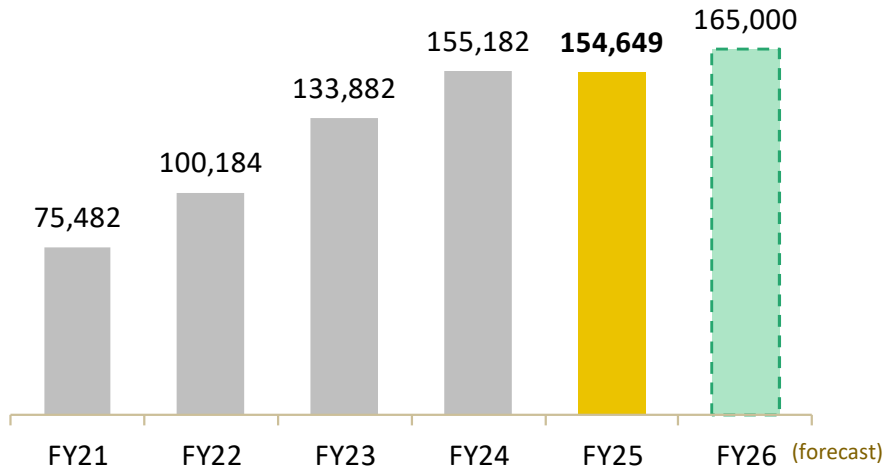
• Depreciation method will be changed from declining-balance method to straight-line method from the fiscal year ending January 31, 2026.

# Trend in Financial Results of Electrical Parts Business (Motor Core) (Fiscal Year)



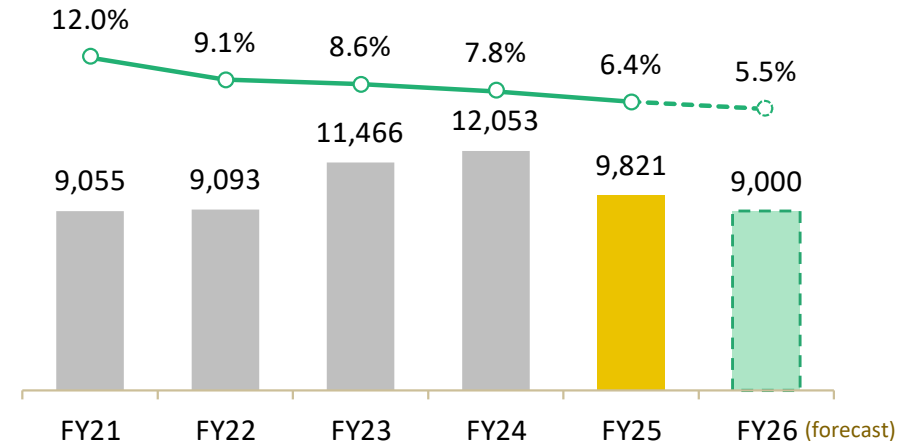
[Unit: million yen]

## Net Sales



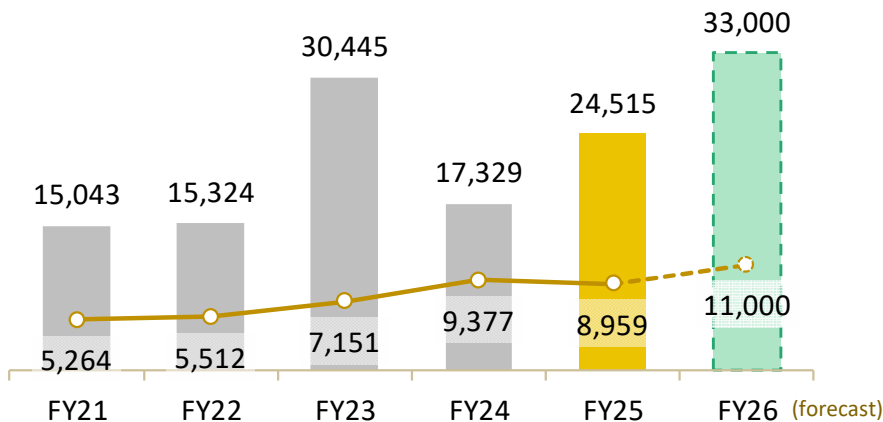
## Operating Profit

○ Operating Profit Margin



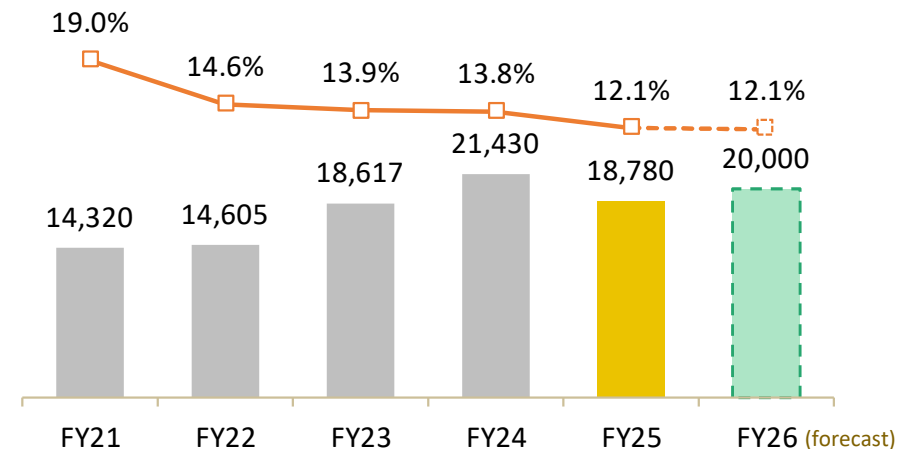
## Capital Investment

○ Depreciation \*



## EBITDA

□ EBITDA Margin



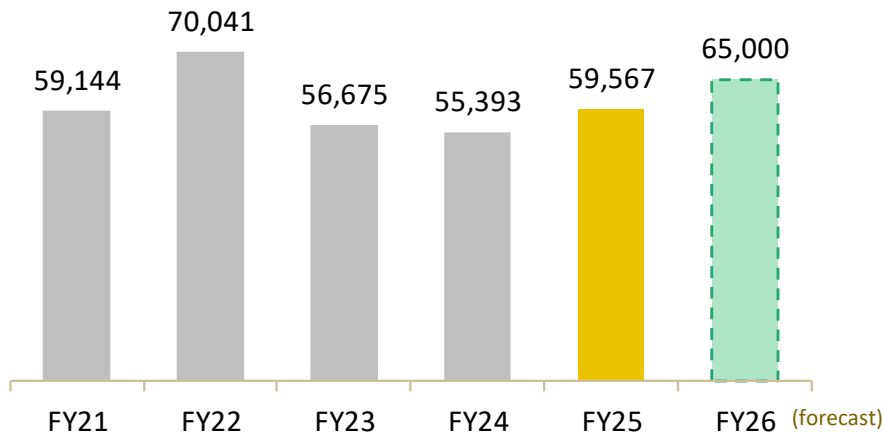
\* Depreciation method will be changed from declining-balance method to straight-line method from the fiscal year ending January 31, 2026.

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



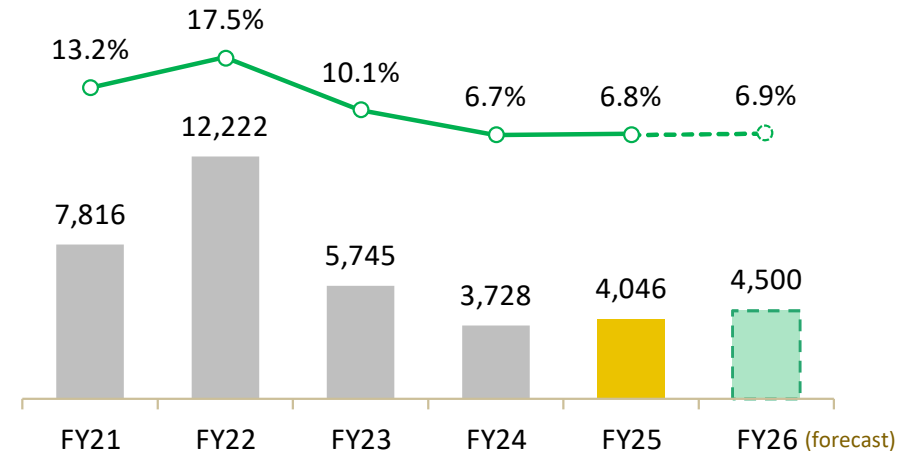
[Unit: million yen]

## Net Sales



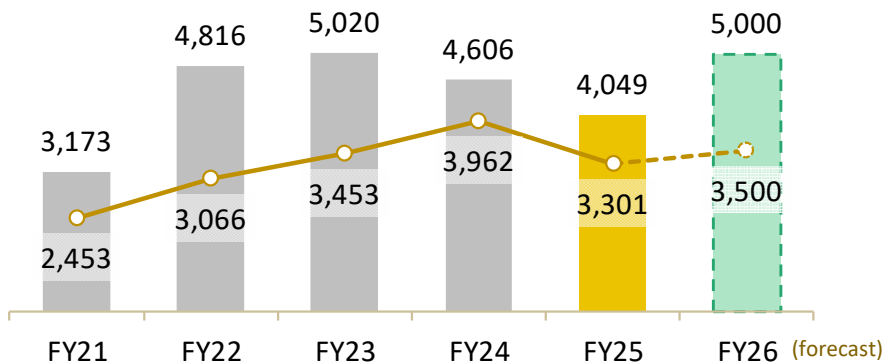
## Operating Profit

○ Operating Profit Margin



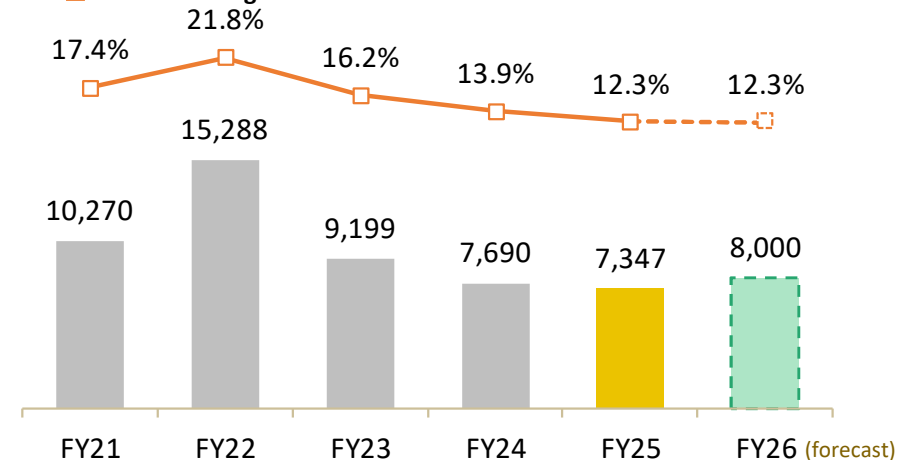
## Capital Investment

○ Depreciation \*



## EBITDA

□ EBITDA Margin



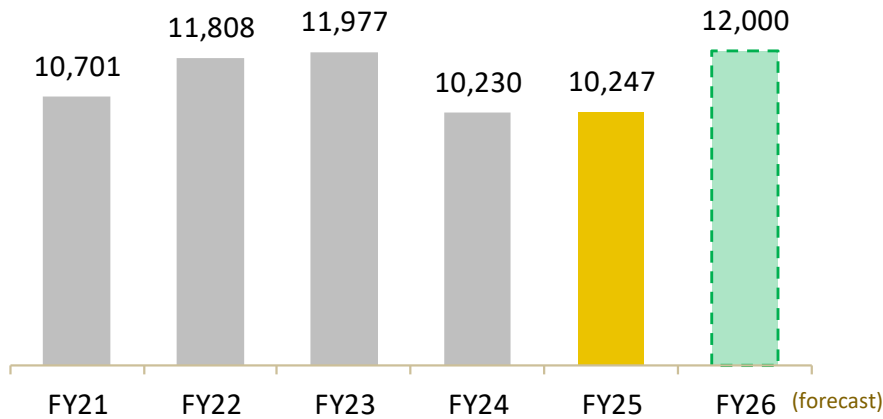
\* Depreciation method will be changed from declining-balance method to straight-line method from the fiscal year ending January 31, 2026.

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

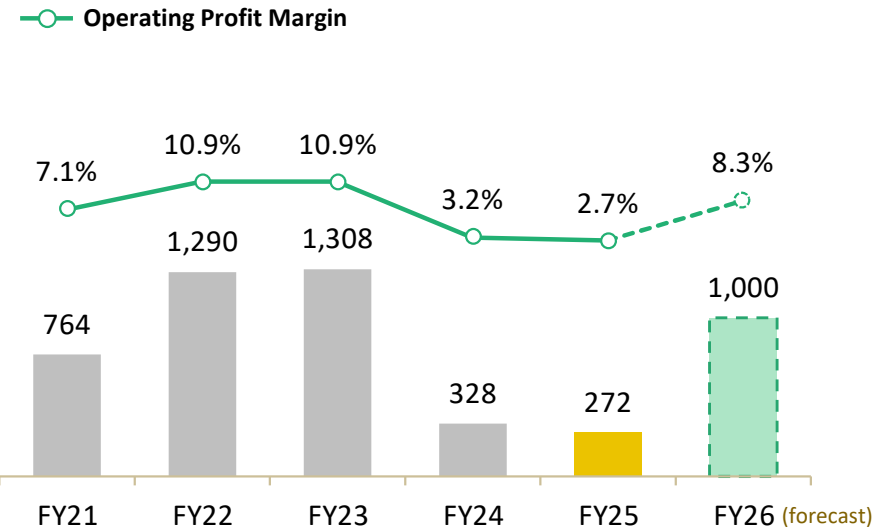


[Unit: million yen]

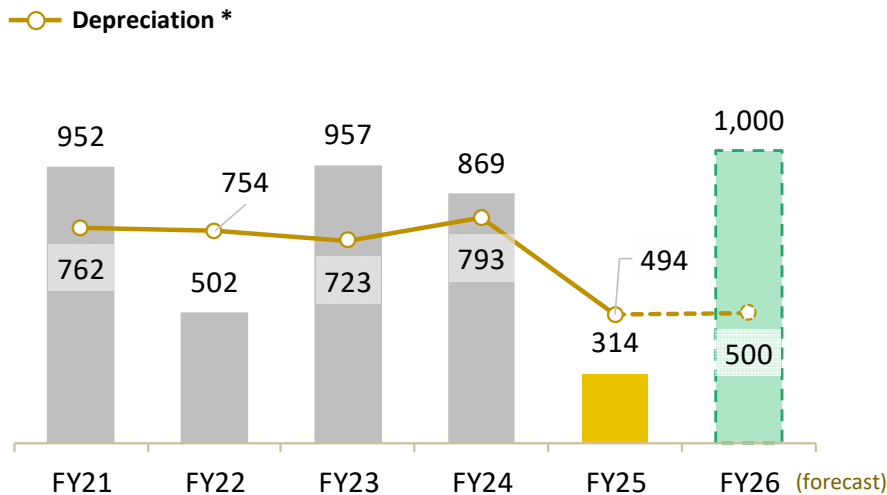
## Net Sales



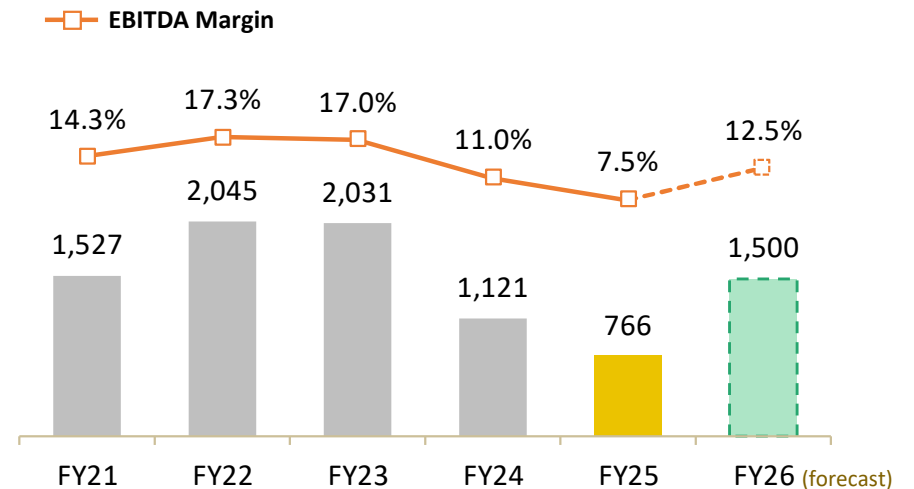
## Operating Profit



## Capital Investment



## EBITDA



• Depreciation method will be changed from declining-balance method to straight-line method from the fiscal year ending January 31, 2026.

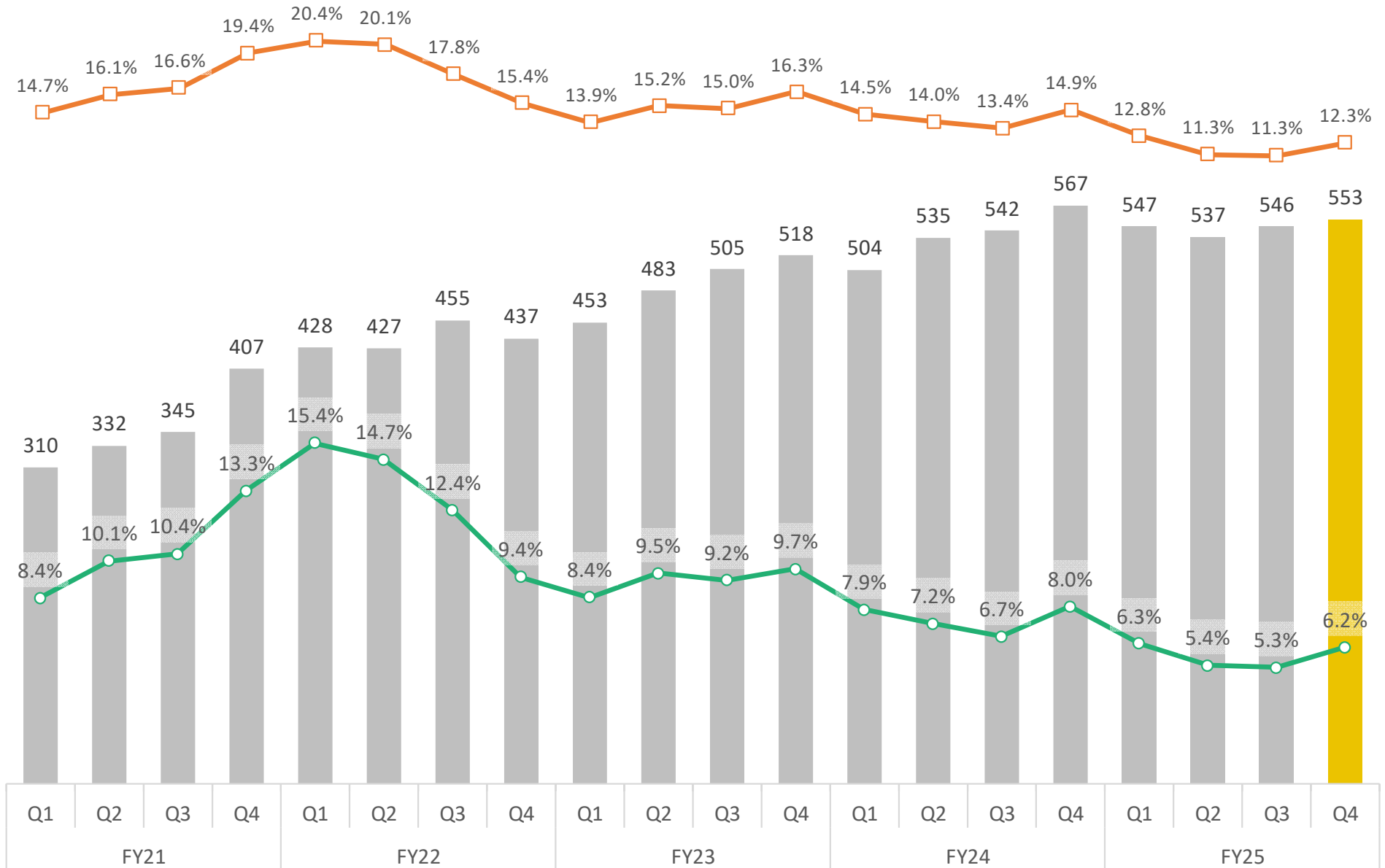
6. Reference Materials



# Trend in Consolidated Financial Results (Quarterly)

■ Net Sales 
 ● Operating Profit Margin 
 □ EBITDA Margin

[Unit: hundred million yen]



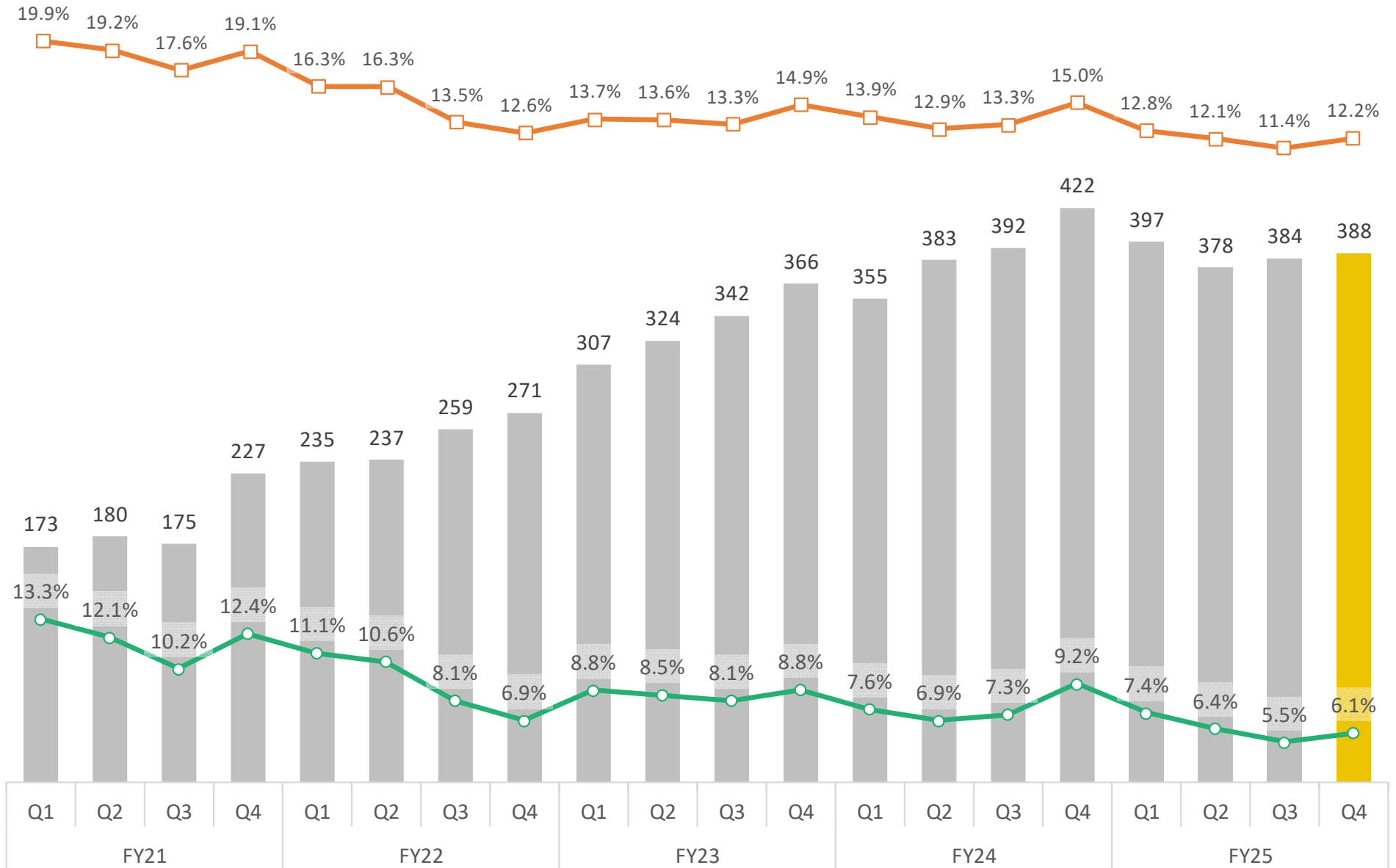
6. Reference Materials

Trend in Financial Results of Electrical Parts Business (Motor Core) (Quarterly)



Net Sales Operating Profit Margin EBITDA Margin

[Unit: hundred million yen]



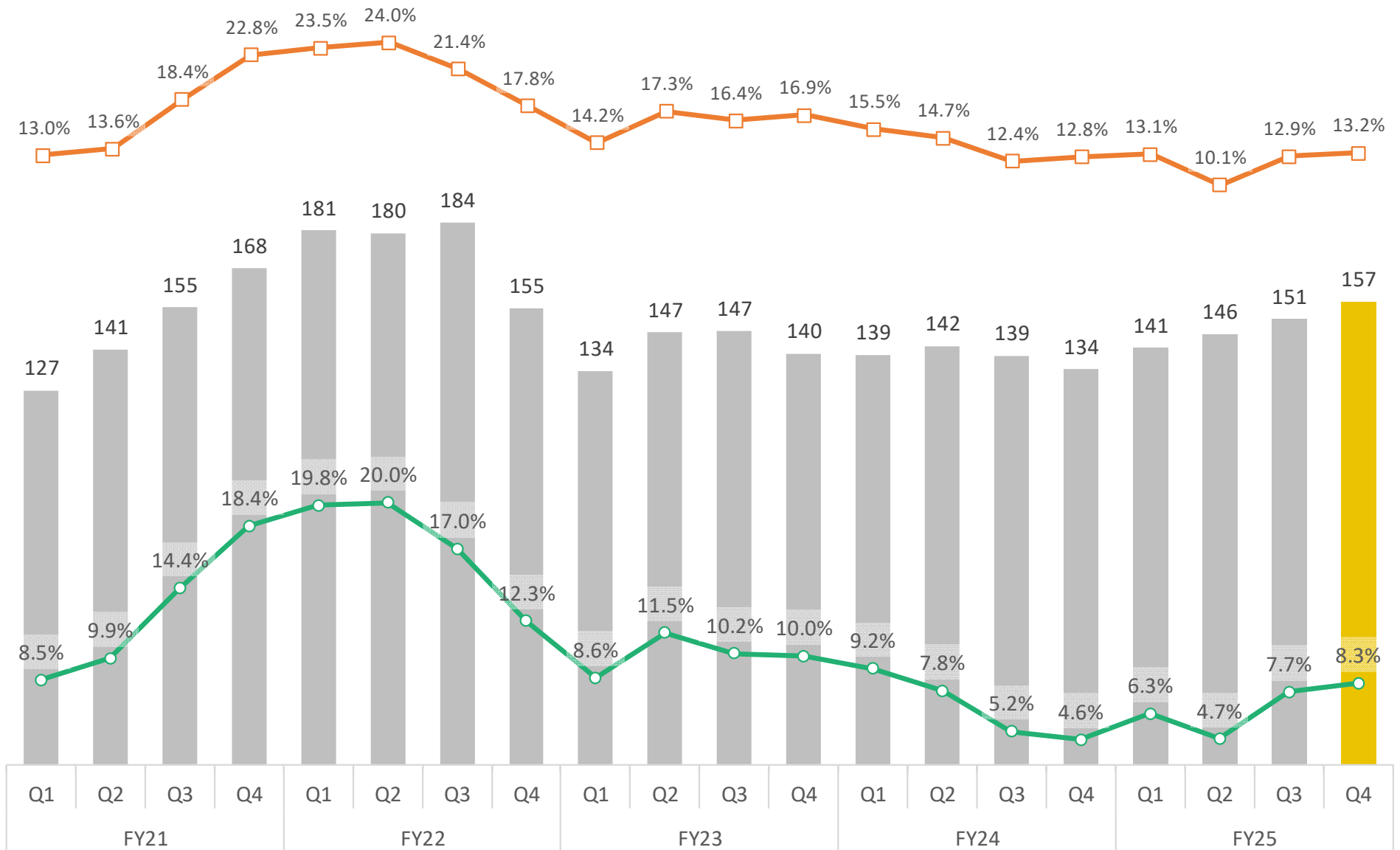
6. Reference Materials

Trend in Financial Results of **Electronic Parts Business (Leadframe)** (Quarterly)



Net Sales    Operating Profit Margin    EBITDA Margin

[Unit: hundred million yen]



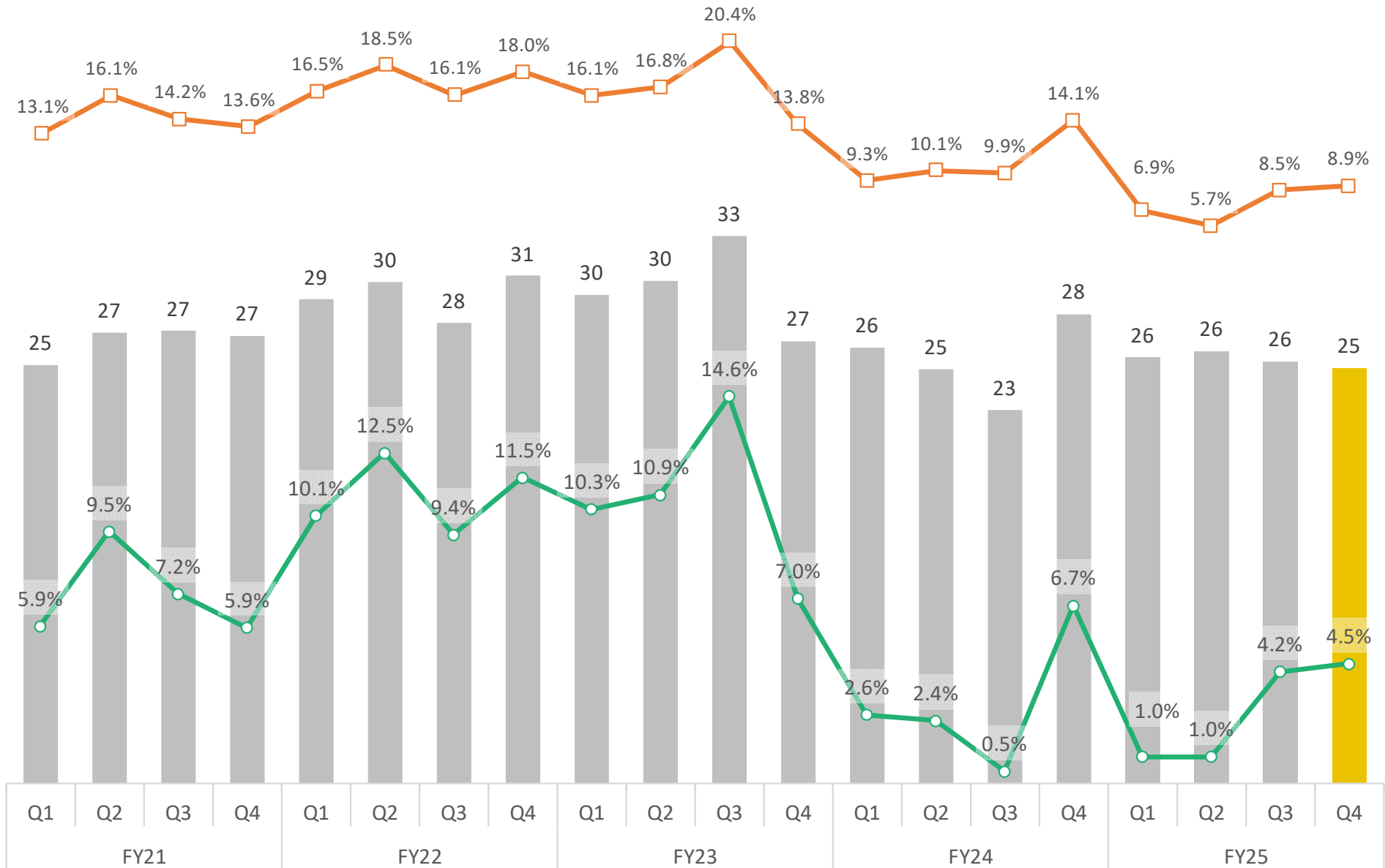
6. Reference Materials

Trend in Financial Results of Tooling and Machine Tools Business (Quarterly)



Net Sales    Operating Profit Margin    EBITDA Margin

[Unit: hundred million yen]



*Save energy. Save earth. Save life.*



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