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Summary of Consolidated Financial Results for the Financial Year Ended December 31, 2021 [JA-GAAP]

February 14, 2022
Stock exchange listing: Tokyo Stock Exchange

Company Name: MEC COMPANY LTD.

Stock Code No.: 4971 Company URL: <https://www.mec-co.com/en/>

Representative: Kazuo MAEDA, CEO & President

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Date of General Meeting of Shareholders (Scheduled): March 23, 2022

Commencement Date of Dividend Payment (Scheduled): March 2, 2022

Date of Filing the Financial Report (Scheduled): March 24, 2022

Creation of reference materials supplementary to the results: Yes

Holding of briefing sessions regarding the results: Yes (for institutional investors, securities analysts)

(Amounts less than one million yen have been disregarded.)

1. Consolidated Results for the Year Ended December 31, 2021 (January 1, 2021 to December 31, 2021)

(1) Results of operations

(% represent annual changes over the preceding year unless otherwise stated.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2021	15,038	25.8	3,939	66.2	4,104	71.8	2,949	84.8
Fiscal year ended December 31, 2020	11,956	10.0	2,370	44.8	2,388	38.7	1,595	29.1

Note: Comprehensive income for fiscal year ended December 31, 2021: 3,960 million yen (110.9%); fiscal year ended December 31, 2020: 1,877 million yen (32.7%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2021	155.28	-	15.4	17.5	26.2
Fiscal year ended December 31, 2020	84.09	-	9.5	11.5	19.8

(Reference) Investment profit or loss according to the equity method: Year ended December 31, 2021: - million yen Year ended December 31, 2020: - million yen

(2) Financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	25,305	20,929	82.7	1,101.30
As of December 31, 2020	21,510	17,470	81.2	920.60

(Reference) Shareholder's equity: Year ended December 31, 2021: 20,926 million yen Year ended December 31, 2020: 17,470 million yen

(3) Cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Cash and cash equivalents at fiscal year end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2021	3,013	-1,117	-916	5,620
Fiscal year ended December 31, 2020	2,429	-1,149	-771	4,471

2. Dividends

	Annual dividend					Total cash dividends (Annual)	Payout ratio (Consolidated)	Dividends on equity (Consolidated)
	1Q	2Q	3Q	4Q	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2020	-	12.00	-	14.00	26.00	498	30.9	3.0
Fiscal year ended December 31, 2021	-	14.00	-	21.00	35.00	671	22.5	3.5
Fiscal year ending December 31, 2022 (Forecast)	-	20.00	-	20.00	40.00		25.3	

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2022 (January 1, 2022 to December 31, 2022)

(Percentages indicate changes from previous fiscal year for full-year figures, and year-on-year changes for quarterly changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to parent company's shareholders		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half	7,800	11.0	1,800	-7.7	1,850	-8.6	1,300	-11.4	68.41
Full year	16,500	9.7	4,000	1.5	4,150	1.1	3,000	1.7	157.86

* Notes

(1) Changes of major subsidiary companies during the period (Change of specific subsidiary companies that involves changes in the scope of consolidation): No

(2) Changes of principles, procedures, presentation methods, etc., in accounting procedures

- 1) Changes that accompany amendment of accounting standards, etc.: No
- 2) Changes other than those of (1): No
- 3) Expected changes to accounting standards: No
- 4) Restatements: No

(3) Number of shares outstanding (Common stock)

1) Number of shares outstanding (including treasury stock) issued as of:	As of December 31, 2021	20,071,093 shares	As of December 31, 2020	20,071,093 shares
2) Number of shares of treasury stock:	As of December 31, 2021	1,067,143 shares	As of December 31, 2020	1,093,341 shares
3) Average number of shares during the period:	Year ended of December 31, 2021	18,994,396 shares	Year ended of December 31, 2020	18,977,757 shares

(Reference) Non-consolidated Results

1 Non-consolidated Results for the Year Ended December 31, 2021 (January 1, 2021 to December 31, 2021)

(1) Non-consolidated Results of operations

(% represent annual changes over the preceding year unless otherwise stated.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2021	10,556	25.7	3,087	85.9	3,653	84.4	2,798	140.5
Fiscal year ended December 31, 2020	8,397	15.7	1,660	56.5	1,981	48.9	1,163	12.7

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended December 31, 2021	147.31	-
Fiscal year ended December 31, 2020	61.30	-

(2) Non-consolidated Results of Financial position

	Total assets	Net assets	Equity ratio	Book value per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	18,362	15,218	82.9	800.83
As of December 31, 2020	15,774	12,712	80.6	669.84

(Reference) Shareholder's equity: Year ended December 31, 2021: 15,218 million yen Year ended December 31, 2020: 12,712 million yen

* Display on the status of implementation of audit procedures

At the time of disclosing the financial results, auditing procedures on the financial statements are being carried out based on the Financial Instruments and Exchange Law.

* Explanation of appropriate use of earnings forecasts. Other points of note.

- The business forecasts and such like stated in this material are based on the information currently available to the Company and certain assumptions that are judged to be rational. Actual results may vary significantly from the forecasts due to various factors.
- We are planning to hold financial results briefing for institutional investors and analysts on Monday, February 14, 2022. Materials of financial results briefings are posted on our website.