Translation

Summary of Consolidated Financial Results for the Financial Year Ended December 31, 2020 [JA-GAAP]

February 12, 2021
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
Contact: Yoshihiro SAKAMOTO, Corporate Communication Office TEL: +81-(0)6-6401-8160
Date of General Meeting of Shareholders (Scheduled): March 24, 2021
Commencement Date of Dividend Payment (Scheduled): March 3, 2021
Date of Filing the Financial Report (Scheduled): March 25, 2021
Creation of reference materials supplementary to the results: Yes
Holding of briefing sessions regarding the results: Yes (for institutional investors)

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

1. Consolidated Results for the Year Ended December 31, 2020 (January 1, 2020 to December 31, 2020)

(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, 2020	11,956	10.0	2,370	44.8	2,388	38.7	1,595	29.1
Fiscal year ended December 31, 2019	10,865	-4.1	1,637	-26.4	1,722	-23.0	1,236	-30.5

Note: Comprehensive income for fiscal year ended December 31, 2020:1,877 million yen (32.7%);fiscal year ended December 31, 2019:1,414 million yen (8.2%)

	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, 2020	84.09	-	9.5	11.5	19.8
Fiscal year ended December 31, 2019	65.16	-	7.9	8.9	15.1

(Reference) Investment profit or loss according to the equity method: Year ended December 31, 2020: - million yen Year ended December 31, 2019: - 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, 2020	21,510	17,470	81.2	920.60
As of December 31, 2019	19,991	16,091	80.5	847.94

(Reference) Shareholder's equity:Year ended December 31, 2020: 17,470 million yen Year ended December 31, 2019:16,091 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, 2020	2,429	-1,149	-771	4,471
Fiscal year ended December 31, 2019	2,162	-1,190	-632	3,952

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, 2019	-	12.00	-	14.00	26.00	498	39.9	3.2
Fiscal year ended December 31, 2020	-	12.00	-	14.00	26.00	498	30.9	3.0
Fiscal year ending December 31, 2021 (Forecast)	-	14.00	-	14.00	28.00		30.4	

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2021 (January 1, 2021 to December 31, 2021)

(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	6,100	7.0	1,150	1.4	1,150	2.1	800	0.7	42.15
Full year	12,800	7.1	2,500	5.5	2,500	4.7	1,750	9.7	92.21

Translation

* 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, 2020	20,071,093 shares	As of December 31, 2019	20,071,093 shares
2) Number of shares of treasury stock:	As of December 31, 2020	1,093,341 shares	As of December 31, 2019	1,093,311 shares
3) Average number of shares during the period:	Year ended of December 31, 2020	18,977,757 shares	Year ended of December31,2019	18,975,272 shares

(Reference) Non-consolidated Results

1 Non-consolidated Results for the Year Ended December 31, 2020 (January 1, 2020 to December 31, 2020)

(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, 2020	8,397	15.7	1,660	56.5	1,981	48.9	1,163	12.7
Fiscal year ended December 31, 2019	7,256	-8.8	1,061	-28.8	1,330	-21.7	1,032	-25.0

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended December 31, 2019	61.30	-
Fiscal year ended December 31, 2018	54.42	-

(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, 2019	15,774	12,712	80.6	669.84
As of December 31, 2018	14,898	11,859	79.6	624.93

(Reference) Shareholder's equity: Year ended December 31, 2020: 12,712 million yen Year ended December 31, 2019: 11,859 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 Friday, February 12,2021. Materials of financial results briefings are posted on our website.