

**Consolidated Financial Results**  
**for the Second Quarter Ended September 30, 2023**  
**[Japanese GAAP] (Unaudited)**



November 10, 2023

Company name: HIRANO TECSEED Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 6245

URL: <https://www.hirano-tec.co.jp/>

Representative: Kaoru Okada, President and Director

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Scheduled date of filing quarterly securities report: November 10, 2023

Scheduled date of commencing dividend payments: December 4, 2023

Supplemental Explanatory Materials for Quarterly Account Settlement: Yes

Explanatory Meeting for Quarterly Account Settlement to be held: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Financial Results for the Second Quarter Ended September 30, 2023 (April 1, 2023 to September 30, 2023)**

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended September 30, 2023	22,346	22.3	769	(48.6)	814	(47.7)	564	(47.7)
Six months ended September 30, 2022	18,270	(1.8)	1,496	(45.0)	1,557	(44.2)	1,078	(45.8)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥1,031 million (up 11.9%)

Six months ended September 30, 2022: ¥921 million (down 52.6%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2023	37.42	—
Six months ended September 30, 2022	71.59	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of September 30, 2023	56,908	36,630	64.4
As of March 31, 2023	60,522	35,997	59.5

(Reference) Equity: As of September 30, 2023: ¥36,630 million

As of March 31, 2023: ¥35,997 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen —	Yen 28.00	Yen —	Yen 28.00	Yen 56.00
Fiscal year ending March 31, 2024	—	28.00			
Fiscal year ending March 31, 2024 (Forecast)			—	28.00	56.00

(Note) Revisions of the most recently announced cash dividend forecast: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	41,000	(3.4)	2,920	(5.6)	3,000	(6.8)	2,100	(6.4)	139.34

(Note) Revisions of the most recently announced financial results forecast: None

### Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New: 1 company (Company name) HIRANO AMERICA, INC. Exclusion: - (Company name) -

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to the revisions of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Restatement: No

(4) Total number of issued shares (common stock)

- 1) Total number of issued shares at the end of the period (including treasury stock):
 

September 30, 2023:	15,394,379 shares
March 31, 2023:	15,394,379 shares
- 2) Total number of treasury stock at the end of the period:
 

September 30, 2023:	312,384 shares
March 31, 2023:	323,149 shares
- 3) Average number of shares during the period:
 

Six months ended September 30, 2023:	15,074,306 shares
Six months ended September 30, 2022:	15,065,202 shares

\* This quarterly financial results report is outside the scope of quarterly review to be conducted by certified public accountants or an audit corporation.

\* Explanation of the proper use of financial results forecast and other notes

Performance forecasts and other forward-looking statements contained in this report are based on information available on the date of this report's release. Because of various factors in the future, however, actual results may differ from the forecasts.



## Consolidated Financial Statements

## (1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	11,744,679	10,484,379
Notes and accounts receivable - trade, and contract assets	27,309,645	※ 27,500,258
Electronically recorded monetary claims - operating	419,661	※ 1,811,808
Securities	2,299,889	—
Work in process	311,393	401,047
Raw materials and supplies	335,991	407,725
Other	5,803,417	3,426,610
Allowance for doubtful accounts	△66,174	△67,425
<b>Total current assets</b>	<b>48,158,505</b>	<b>43,964,405</b>
Non-current assets		
Property, plant and equipment	7,408,703	7,391,546
Intangible assets	672,204	595,285
Investments and other assets		
Investment securities	3,630,312	4,288,898
Other	652,692	667,868
<b>Total investments and other assets</b>	<b>4,283,004</b>	<b>4,956,767</b>
<b>Total non-current assets</b>	<b>12,363,912</b>	<b>12,943,599</b>
<b>Total assets</b>	<b>60,522,418</b>	<b>56,908,004</b>

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,442,662	2,944,233
Electronically recorded obligations - operating	4,735,159	5,041,365
Short-term borrowings	10,100,000	6,117,500
Current portion of long-term borrowings	508,416	431,096
Income taxes payable	91,766	318,815
Advances received	1,911,118	1,758,936
Provision for bonuses	260,420	269,882
Provision for product warranties	35,677	40,449
Other	2,343,288	2,300,750
Total current liabilities	23,428,508	19,223,029
Non-current liabilities		
Long-term borrowings	493,300	316,652
Provision for retirement benefits for directors (and other officers)	67,120	73,354
Retirement benefit liability	452,112	458,244
Asset retirement obligations	16,453	16,620
Other	67,820	189,786
Total non-current liabilities	1,096,806	1,054,658
Total liabilities	24,525,314	20,277,688
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,847,821	1,847,821
Capital surplus	1,359,730	1,371,312
Retained earnings	32,099,353	32,241,386
Treasury shares	△376,502	△363,959
Total shareholders' equity	34,930,403	35,096,560
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,124,666	1,583,643
Foreign currency translation adjustment	—	1,909
Remeasurements of defined benefit plans	△57,966	△51,795
Total accumulated other comprehensive income	1,066,700	1,533,756
Total net assets	35,997,103	36,630,316
Total liabilities and net assets	60,522,418	56,908,004

## (2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	18,270,832	22,346,252
Cost of sales	15,257,941	19,316,132
Gross profit	3,012,891	3,030,120
Selling, general and administrative expenses	* 1,515,926	* 2,260,298
Operating profit	1,496,964	769,821
Non-operating income		
Interest income	1,836	7,581
Dividend income	49,716	55,423
Other	18,811	19,135
Total non-operating income	70,364	82,141
Non-operating expenses		
Interest expenses	2,866	37,528
Loss on retirement of non-current assets	5,732	0
Other	1,562	61
Total non-operating expenses	10,161	37,589
Ordinary profit	1,557,168	814,373
Extraordinary losses		
Loss on valuation of investment securities	463	—
Total extraordinary losses	463	—
Profit before income taxes	1,556,705	814,373
Income taxes - current	446,481	321,122
Income taxes - deferred	31,653	△70,775
Total income taxes	478,134	250,346
Profit	1,078,570	564,026
Profit attributable to owners of parent	1,078,570	564,026

## (Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,078,570	564,026
Other comprehensive income		
Valuation difference on available-for-sale securities	△170,763	458,976
Foreign currency translation adjustment	—	1,909
Remeasurements of defined benefit plans, net of tax	13,247	6,170
Total other comprehensive income	△157,516	467,056
Comprehensive income	921,053	1,031,083
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	921,053	1,031,083
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,556,705	814,373
Depreciation	278,497	363,612
Amortization of long-term prepaid expenses	12,198	13,868
Increase (decrease) in provision for bonuses	6,795	9,462
Increase (decrease) in allowance for doubtful accounts	142	1,251
Increase (decrease) in provision for retirement benefits for directors (and other officers)	5,524	6,234
Increase (decrease) in provision for product warranties	△18,593	4,772
Decrease (increase) in retirement benefit asset	△2,716	6,677
Increase (decrease) in retirement benefit liability	4,635	4,500
Interest and dividend income	△51,552	△63,005
Interest expenses	2,866	37,528
Loss on retirement of non-current assets	5,732	0
Loss (gain) on valuation of investment securities	463	—
Decrease (increase) in trade receivables and contract assets	△182,419	△1,582,759
Decrease (increase) in inventories	△135,620	△162,415
Increase (decrease) in advances received	△777,237	△152,181
Increase (decrease) in trade payables	202,232	△192,223
Increase (decrease) in accounts payable - other	△140,871	264,028
Increase (decrease) in accrued expenses	△37,872	△12,006
Decrease (increase) in advance payments to suppliers	△1,500,457	1,359,125
Decrease (increase) in consumption taxes refund receivable	△408,148	991,184
Increase (decrease) in accrued consumption taxes	△149,085	15,822
Other, net	△146,892	△148,744
Subtotal	△1,475,675	1,579,106
Interest and dividends received	51,547	63,007
Interest paid	△2,866	△37,528
Income taxes paid	△1,435,716	△57,717
Income taxes refund	12,810	125,831
Net cash provided by (used in) operating activities	△2,849,900	1,672,700



(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Cash flows from investing activities</b>		
Payments into time deposits	△1,000	△1,000
Proceeds from withdrawal of time deposits	1,000	46,000
Purchase of securities	△699,800	—
Proceeds from sale of securities	800,000	300,000
Purchase of property, plant and equipment	△255,554	△532,623
Purchase of intangible assets	△50,885	△7,245
Purchase of investment securities	△103,268	△2,891
Proceeds from sale of investment securities	691	595
Other, net	△30,049	△35,146
Net cash provided by (used in) investing activities	△338,866	△232,311
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	50,000	△3,982,500
Proceeds from long-term borrowings	450,000	—
Repayments of long-term borrowings	△254,448	△253,968
Purchase of treasury shares	△93	—
Dividends paid	△422,207	△421,743
Other, net	△1,245	△1,245
Net cash provided by (used in) financing activities	△177,994	△4,659,457
Effect of exchange rate change on cash and cash equivalents	2,029	3,784
Net increase (decrease) in cash and cash equivalents	△3,364,732	△3,215,284
Cash and cash equivalents at beginning of period	13,801,268	13,161,663
Cash and cash equivalents at end of period	* 10,436,535	* 9,946,379

#### 4. Production, Orders Received, and Sales

##### (1) Production

Production performance by segment for the six months ended September 30, 2023 is as follows

Name of segment	Production (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	15,989,253	+41.8
Industrial machinery	2,612,264	(24.9)
Others	714,614	+42.9
Total	19,316,132	+26.6

(Note) The above amount is calculated based on production costs and includes outsourcing production.

##### (2) Orders Received

The status of orders received by segment for the six months ended September 30, 2023 is as follows

Name of segment	Orders received (Thousand yen)	Changes from the previous corresponding period (%)	Backlog of orders (Thousand yen)	Changes from the end of the previous fiscal year (%)
Coating and laminating machinery	3,580,278	(91.0)	54,265,397	(21.3)
Industrial machinery	2,247,659	+3.2	8,737,411	(10.4)
Others	868,646	(11.5)	1,253,532	+0.9
Total	6,696,585	(84.4)	64,256,341	(19.6)

(Note) The above amount is calculated based on sales prices.

##### (3) Sales

Sales performance by segment for the six months ended September 30, 2023 is as follows

Name of segment	Sales (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	18,227,196	+42.2
Industrial machinery	3,261,235	(32.0)
Others	857,821	+31.3
Total	22,346,252	+22.3

(Note) The above amount is calculated based on sales prices.