



Consolidated Financial Results 3Q FY2024

February 14, 2025

- **3Q FY2024 Results Highlights**
- **3Q FY2024 Results by Segment**
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3Q FY2024 Results Highlights

3Q FY2024 results

FY2024 earnings forecasts

	3Q FY2024	YoY	Full-year forecast achievement rate	FY2024 forecasts	YoY
Net Sales	¥ 38,972 mn	+12.3 %	88.6 %	¥ 44,000 mn	-6.3 %
Operating income	¥ 1,830 mn	-30.7 %	63.1 %	¥ 2,900 mn	-10.4 %
Operating income margin	4.7 %	-2.9 pts	—	6.6 %	-0.3 pts

Overview of 3Q FY2024 Results



Overview of 3Q FY2024 Results

(Unit: ¥million)	3Q FY2023	3Q FY2024	Change	YoY(%)	FY2024 forecasts	Forecast achievement rate
	a	b	b-a	(b-a)/a		
Orders	17,237	25,305	+8,068	+46.8%	-	-
Net Sales	34,709	38,972	+4,263	+12.3%	44,000	88.6%
Gross Profit	5,843	5,504	-339	-5.8%	-	-
Gross Profit Margin	16.8%	14.1%	-2.7pts	-	-	-
Operating Income	2,638	1,830	-808	-30.7%	2,900	63.1%
Operating Income Margin	7.6%	4.7%	-2.9pts	-	6.6%	-
Ordinary Income	2,740	2,067	-673	-24.6%	3,000	68.9%
Ordinary Income Margin	7.9%	5.3%	-2.6pts	-	6.8%	-
Net Income	1,924	1,504	-420	-21.8%	2,100	71.6%
Net Income Margin	5.5%	3.9%	-1.7pts	-	4.8%	-

3Q FY2024 results

- ✓ Orders: Up 46.8% YoY on expansion in supplementary work in North America despite the impact of weak electrode coating equipment demand resulting from slower growth in the EV sector.
- ✓ Net sales: Up 12.3% YoY on progress working through the order backlog and the contribution of supplementary work, despite revisions to customers' capex plans and postponement of some projects owing to slower growth in the EV sector. The majority of sales were from lithium-ion battery electrode coating equipment and supplementary work in the Coating and Laminating Machinery Segment.
- ✓ Operating income: Down 30.7% YoY. Despite some client orders helping to offset additional costs, there was a sharp rise in input costs from materials prices and outsourcing costs as well as cost increases from changes in delivery schedules and locations, and readjustment costs for some products. This resulted in a worsening in profitability and operating income had reached only 63.1% of the full-year guidance forecast through 3Q.

FY2024 earnings forecasts

- ✓ Reiterate our initial FY2024 full-year forecasts

3Q FY2024 Results by Segment



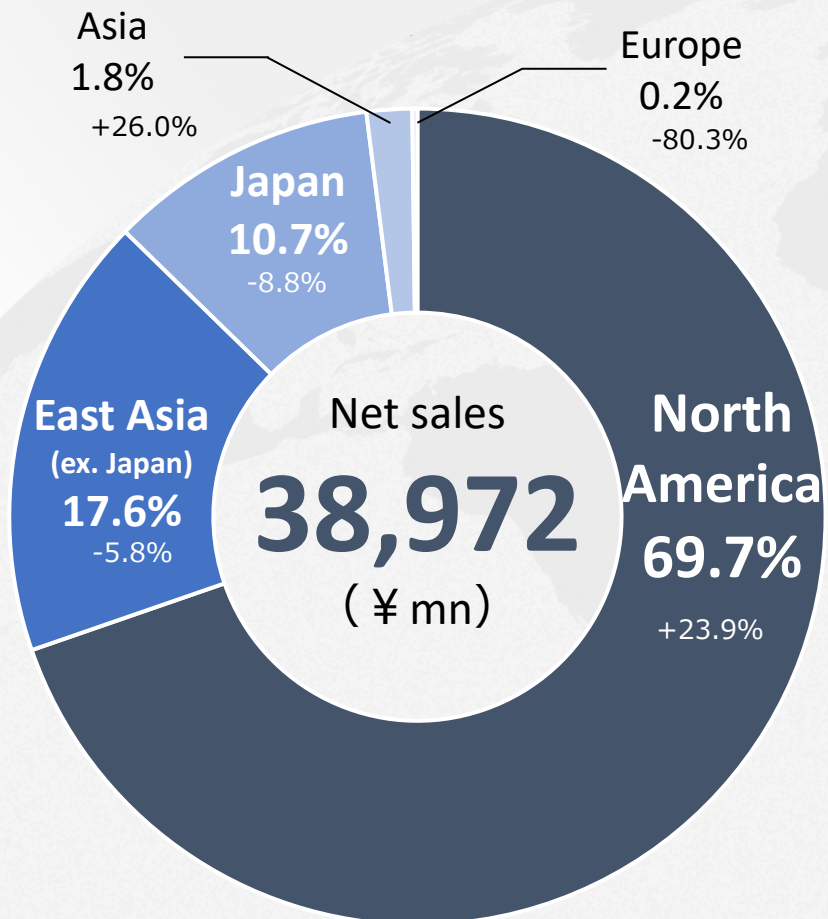
(Unit: ¥million)

		3Q FY2023	3Q FY2024	Change	YoY%
		A	b	b-a	(b-a)/a
Coating and Laminating Machinery Segment	Orders	12,650	20,847	+8,196	+64.8%
	Net Sales	27,998	33,935	+5,937	+21.2%
	Segment income (%)	2,593 (9.3%)	2,455 (7.2%)	-137 (-2.0pts)	-5.3%
Industrial Machinery Segment	Orders	3,375	3,441	+66	+2.0%
	Net Sales	5,529	3,790	-1,738	-31.4%
	Segment income (%)	851 (15.4%)	181(4.8%)	-669 (-10.6pts)	-78.7%
Others, Adjustments	Orders	1,211	1,016	-194	-16.1%
	Net Sales	1,182	1,246	+64	+5.4%
	Segment income (%)	278 (23.6%)	250 (20.1%)	-28(-3.5pts)	-10.3%
Consolidated total	Orders	17,237	25,305	+8,068	+46.8%
	Net Sales	34,709	38,972	+4,263	+12.3%
	Total income from reporting segments	3,723	2,886	-836	-22.5%
	All-company costs	1,084	1,056	-27	-2.5%
	Operating income* ¹ (%)	2,638 (7.6%)	1,830 (4.7%)	-808 (-2.9pts)	-30.7%

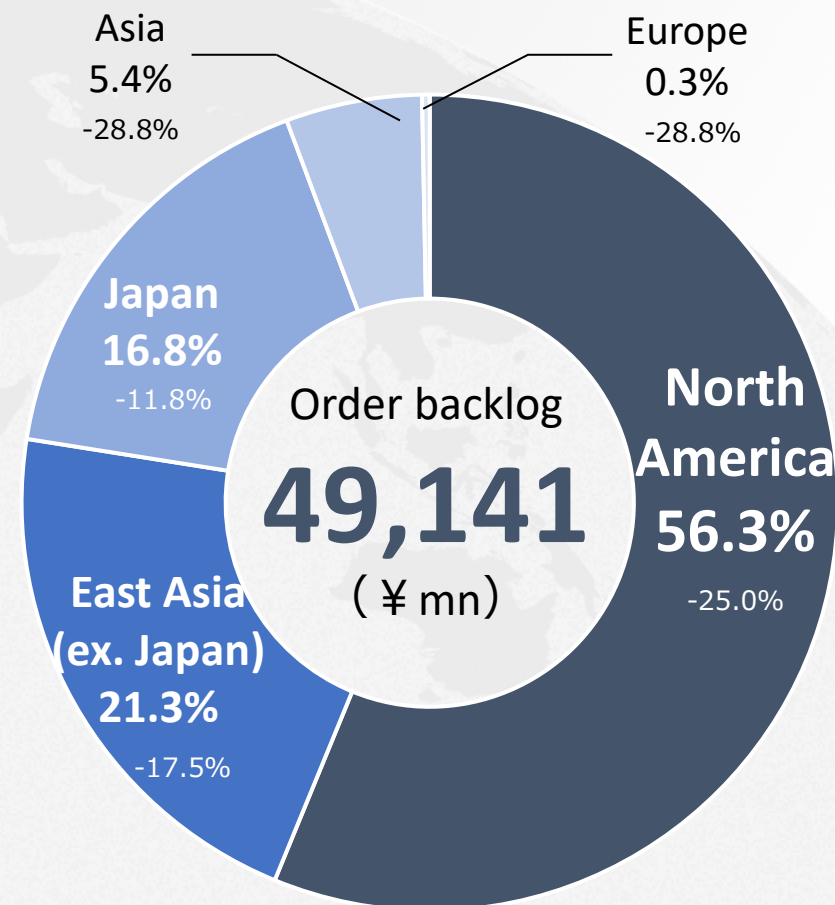
*1 : After adjustment for SG&A costs not assignable to any reporting segment

3Q FY2024 Net Sales Weighting / Order Backlog by Region

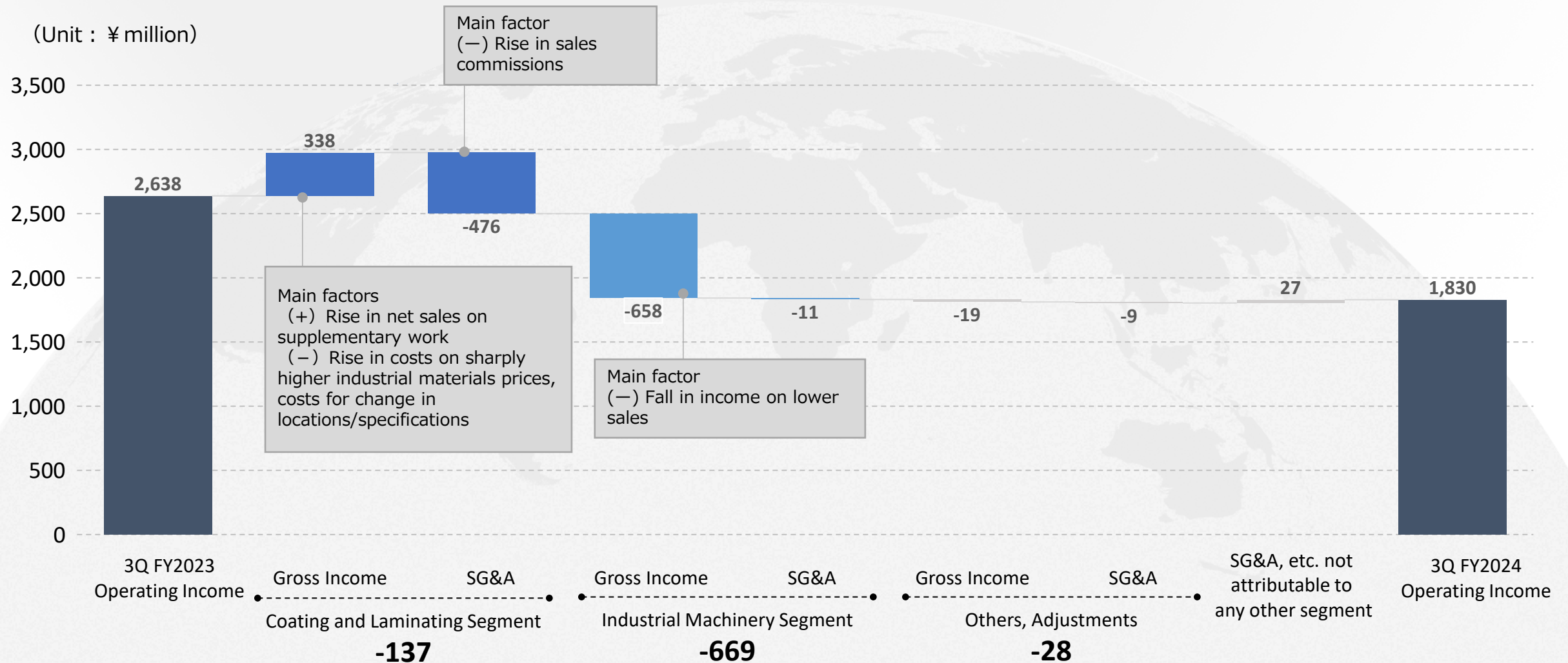
Net sales by region (YoY)



Order backlog by region (End-FY2023)



Factors for Change in 3Q FY2024 Operating Income



(Unit: ¥ million)

	End-FY2023	End-3Q FY2024	
	Value	Value	Change
Current Assets	49,639	55,950	+6,311
Fixed Assets	13,290	13,497	+207
Tangible Fixed Assets	7,511	7,486	-24
Intangible Fixed Assets	560	445	-114
Investments and Other Assets	5,218	5,565	+346
Total Assets	62,929	69,448	+6,518
Current Liabilities	22,965	29,236	+6,270
Fixed Liabilities	1,401	1,393	-8
Net Assets	38,562	38,818	+256
Equity Ratio	61.3%	55.9%	-5.4pts

Assets (vs. end-FY2023)

- Current Assets Up ¥6,311mn
- ✓ Accounts receivable and contract assets up ¥9,702mn
 - ✓ Advance payments up ¥1,688mn
 - ✓ Cash and deposits down ¥4,886mn
- Fixed Assets Up ¥207mn
- ✓ Tangible fixed assets down ¥24mn
 - ✓ Intangible fixed assets down ¥114mn
 - ✓ Investments and other assets up ¥346mn

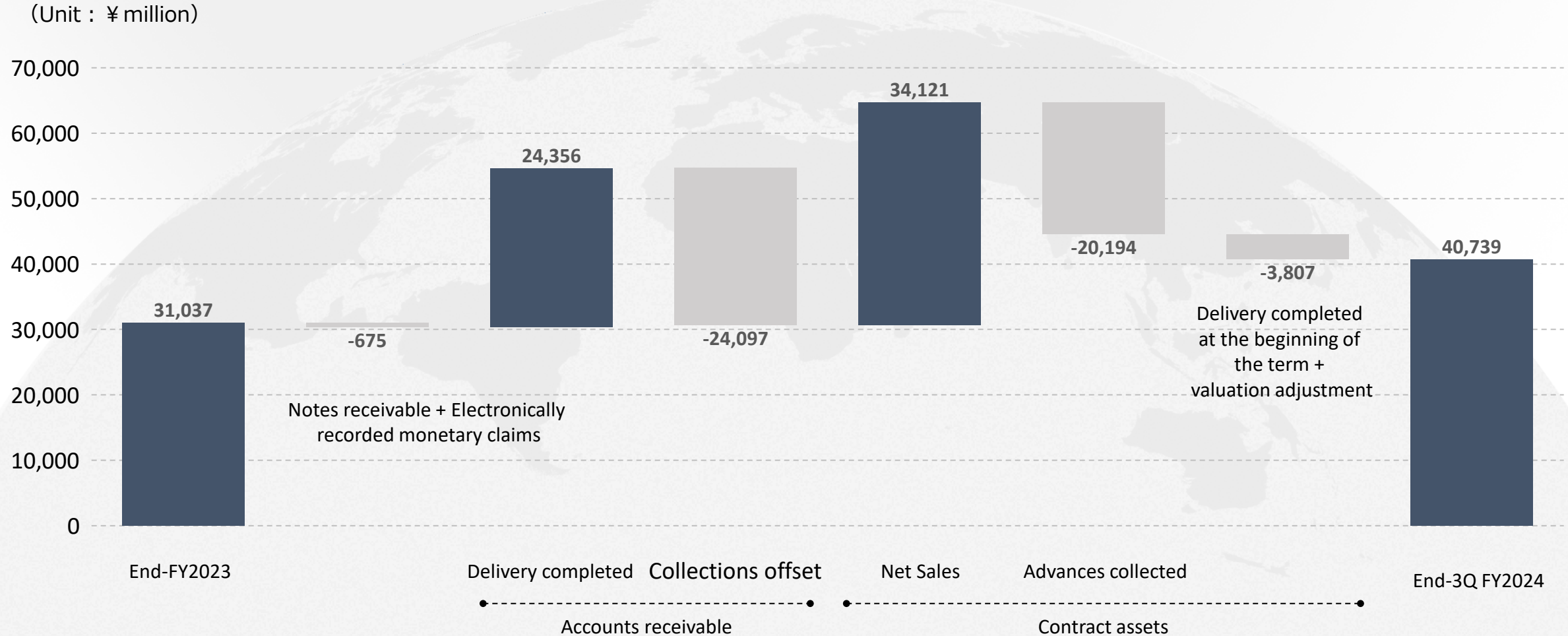
Liabilities (vs. end-FY2023)

- Current Liabilities Up ¥6,270mn
- ✓ Procurement liabilities up ¥3,355mn
 - ✓ Short-term borrowings up ¥4,650mn
 - ✓ Advances collected down ¥1,802mn
- Fixed Liabilities Down ¥8mn

Net Assets (vs. end-FY2023)

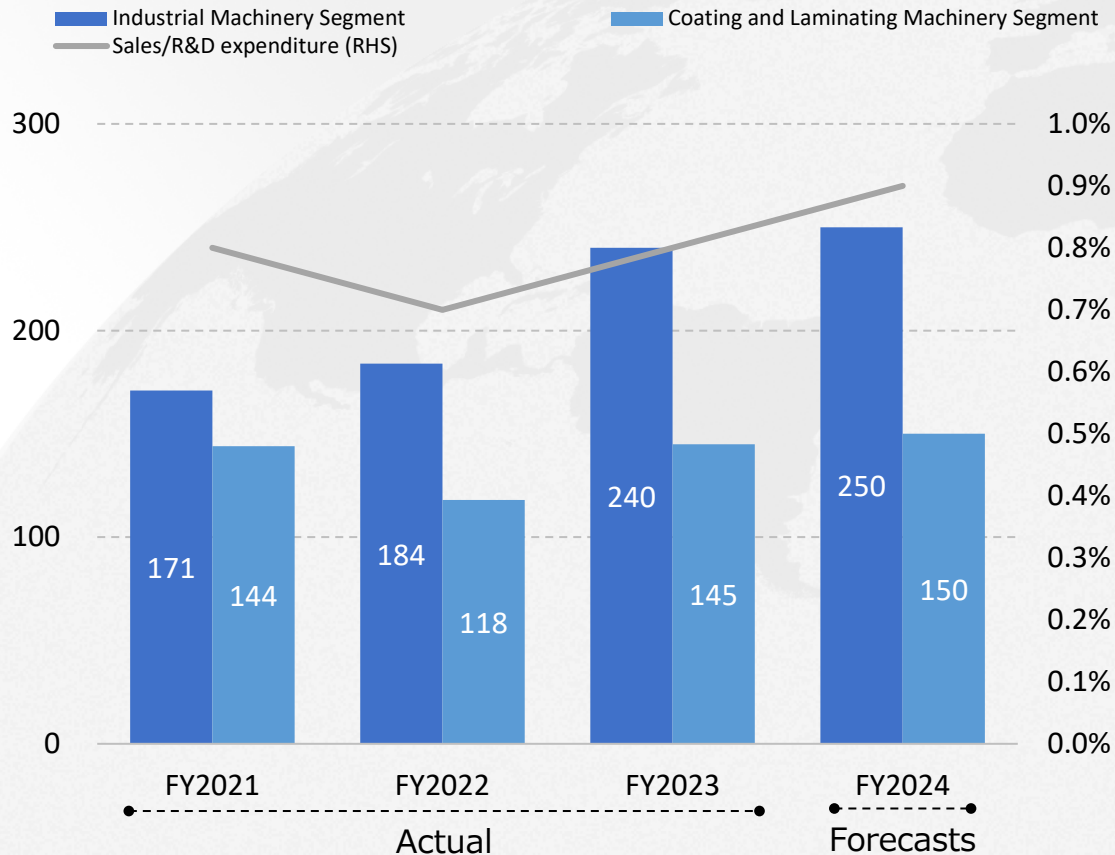
Net Assets Up ¥256mn

Change in Notes and Accounts Receivable – Trade and Contracts Assets, and Electronically Recorded Monetary Claims



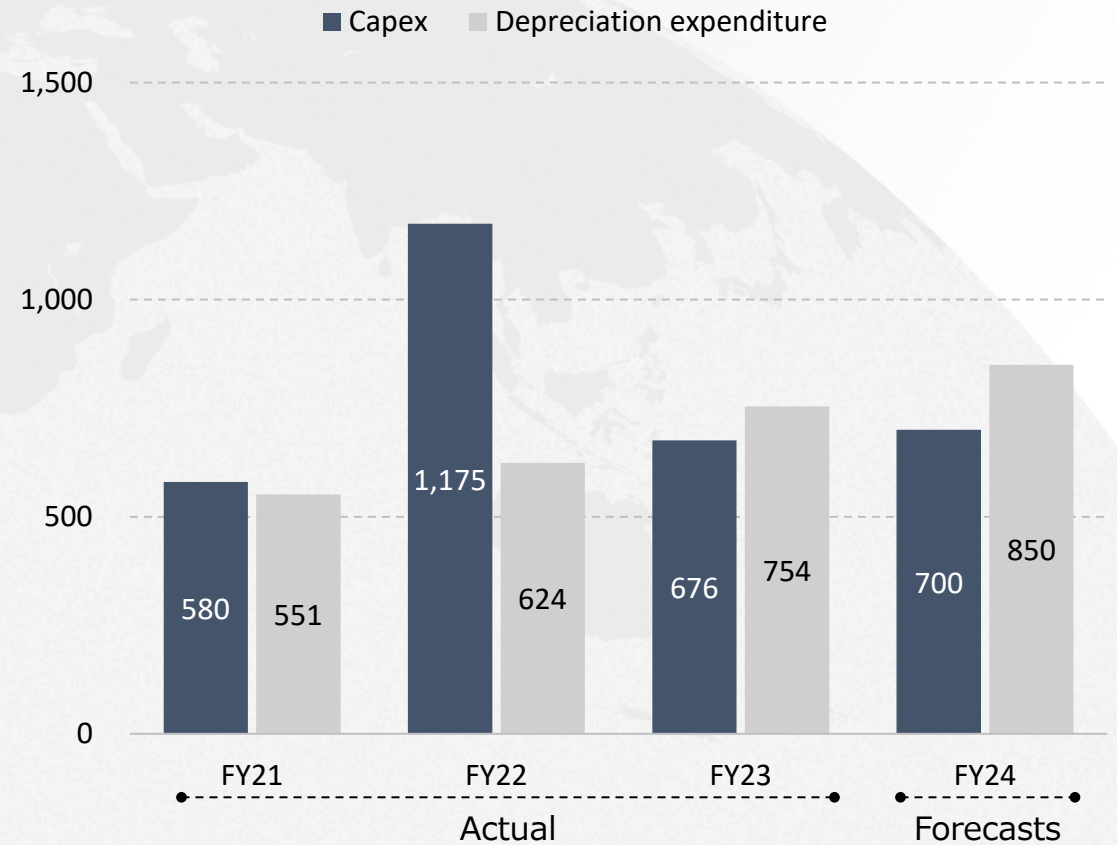
R&D Expenditure (Consolidated)

(Unit : ¥ million)



Capex and Depreciation Expenditure (Consolidated)

(Unit : ¥ million)



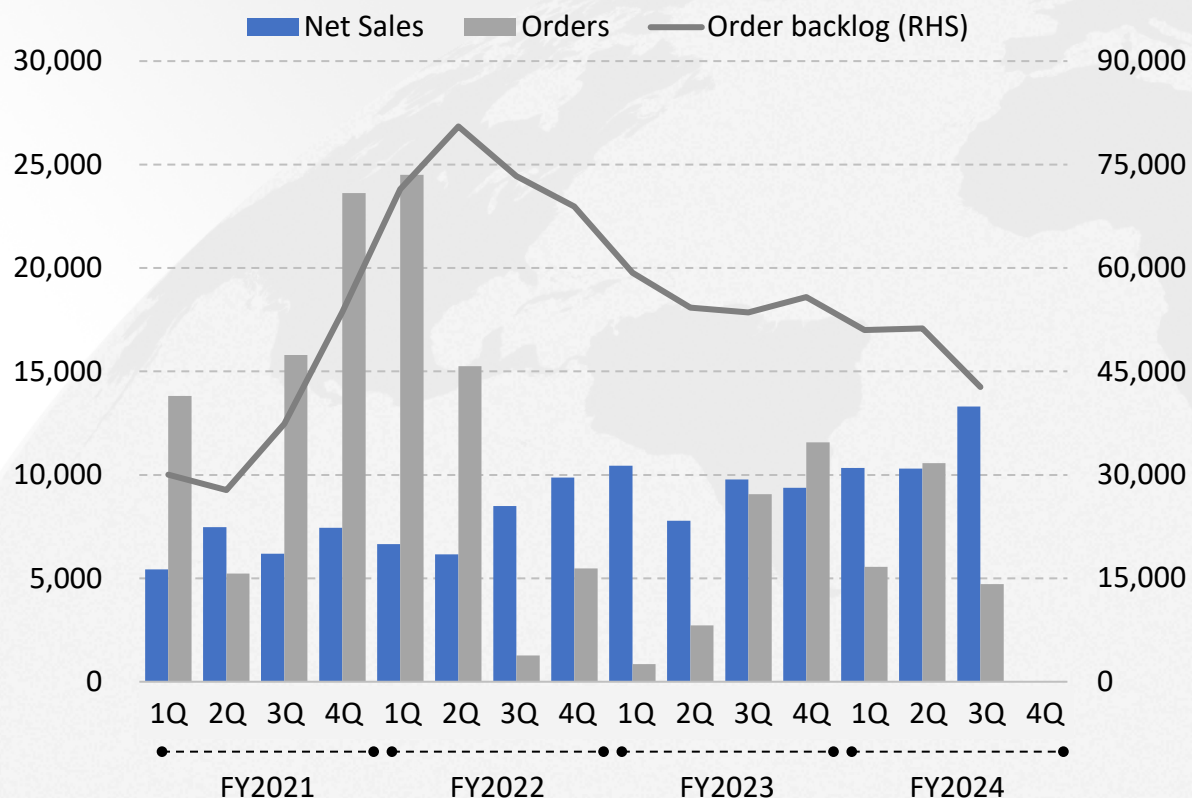


3Q FY2024 Results by Segment

Order backlog, Net Sales, and Orders in the Coating and Laminating Machinery Segment

Order backlog, net sales and orders in the Industrial Machinery Segment

(Unit : ¥ million)



Highlights in the Coating and Laminating Machinery Segment

- Market conditions**

 - ✓ Growth in the lithium-ion battery market (especially the EV market) continues to slow
 - ✓ Market more sluggish than expected owing to major revisions in customers' capex plans, including adjusting plant construction plans and pushing back deliveries
 - ✓ Signs of application development, including storage batteries for household use

- Orders**

 - ✓ Machinery order conditions remain tough on decline in customers' appetite for new capex due to recent uncertainty in EV-related markets
 - ✓ Due to expansion in work undertaken at the request of customers, receipt of orders for supplementary work including equipment mounting platforms and electrical work
 - ✓ Receipt of orders from areas such as the optical film sector and focus on opening up multiple business areas

- Net Sales**

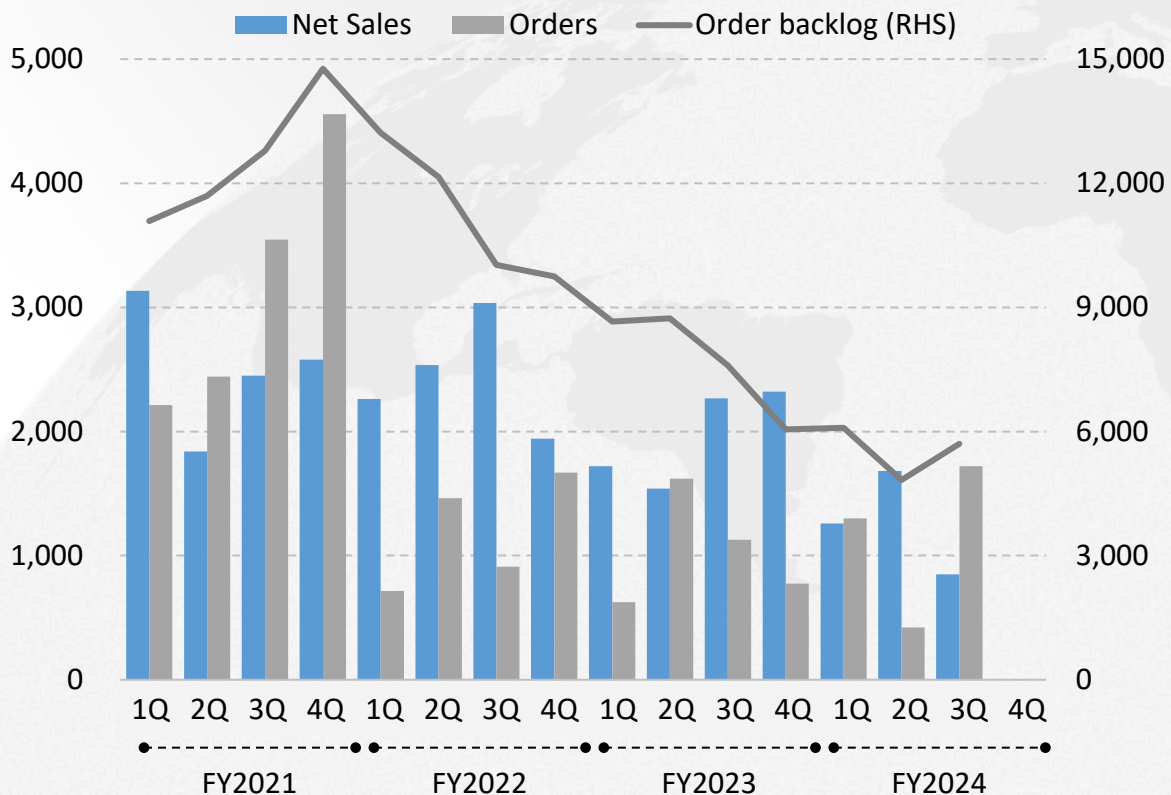
 - ✓ Progress on working through order projects, mainly in energy-related areas
 - ✓ As well as increase in supplementary work (such as machinery mountings and electrical work), contribution to profit from ongoing negotiations on costs transfers with some customers

Order backlog, Net Sales, and Orders in the Industrial Machinery Segment



Order backlog, net sales and orders in the Industrial Machinery Segment

(Unit : ¥ million)



Highlights in the Industrial Machinery Segment

- Market conditions**
 - ✓ Focused on capture of orders due to investment appetite, particularly in film making systems for electronic materials applications such as MLCC and polyimide films
- Orders**
 - ✓ Inquiries from industry majors in regions such as Japan, Southeast Asia, and China, but order volume remained only flat YoY
 - ✓ Acquisition of orders for film making systems for electronic materials applications and increased efforts to capture new orders
- Net Sales**
 - ✓ Production volume down and sales weak despite film making systems for electronics materials applications becoming the main focus



FY2024 Outlook

Reiterate our initial FY2024 full-year forecasts

(Unit : ¥ million)

	FY2023	FY2024 forecast	YoY	
	a	b	Change b-a	YoY % (b-a)/a
Net Sales	46,946	44,000	-2,946	-6.3%
Operating Income	3,236	2,900	-336	-10.4%
Dividends Per Share	¥88	¥90	+¥2	+2.3%
EPS	¥161.69	¥139.25	-¥22.44	-13.9%
Dividend Payout ratio	54.4%	64.6%	+10.2pts	
DOE (end of previous FY)	2.4%	3.5%	+1.1pts	
ROE	6.5%	5.5%	-1.0pts	



Progress on Medium-Term Management Plan

Progress on Medium-Term Management Plan

We are working on 1. diversifying revenue streams 2. expanding supply capabilities and 3. improving organizational strength. Going forward, we will place greater focus on businesses that diversify revenue streams given the recent slowdown in the EV market. Our policy on shareholder returns is to maintain payments even when market conditions are weak.

Key initiatives areas

Establish business foundations
to sustainably raise corporate value

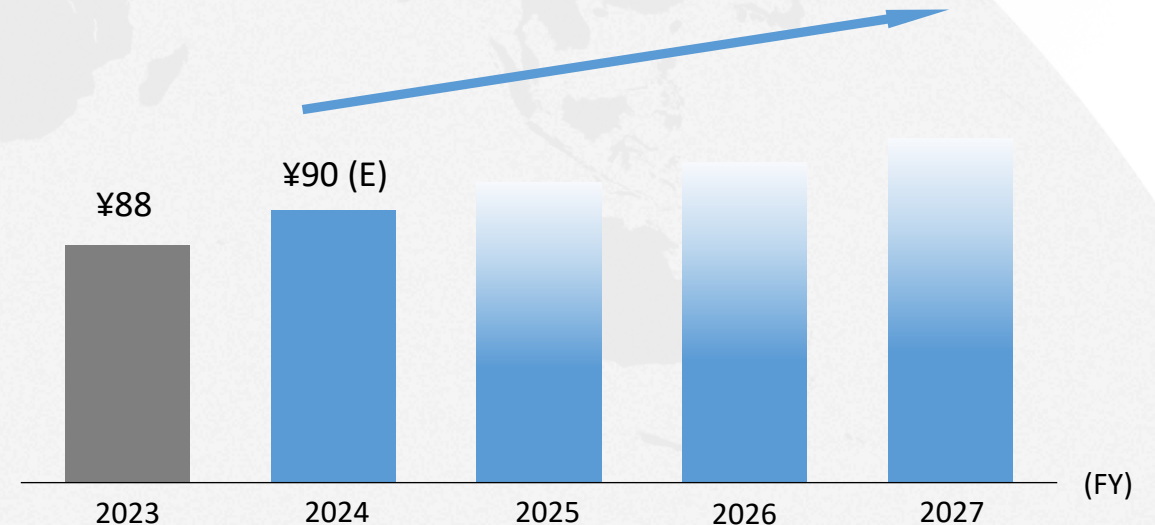
1. Diversifying revenue streams
Work on developing demand in diverse areas, including energy, and on strengthening the after-sales service structure

2. Expanding supply capabilities
Shorten lead times, particularly in design, and expand group-wide production capabilities

3. Improving organizational strength
Reform organizational structure with an eye on the future and improve HR and organizational capabilities

Shareholder returns policy

- ✓ Pay dividends equivalent to a DOE of 3.5% or dividend payout ratio of 60%, whichever is higher
- ✓ Flexibly implement share buybacks as a means to raise the shareholders' equity ratio and shareholder's profit based on a holistic appraisal that takes account of factors such as the company's financial condition and share price level while also retaining sufficient funds for growth investment





Business Model Characteristics

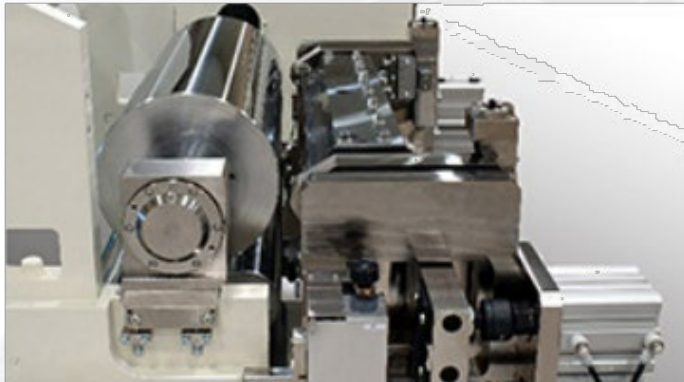
Coating Technology



Drying Technology



Feeder Technology



Formation of a thin and uniform liquid coating on the surface of all types of material, including paper, plastic film, and metal foil



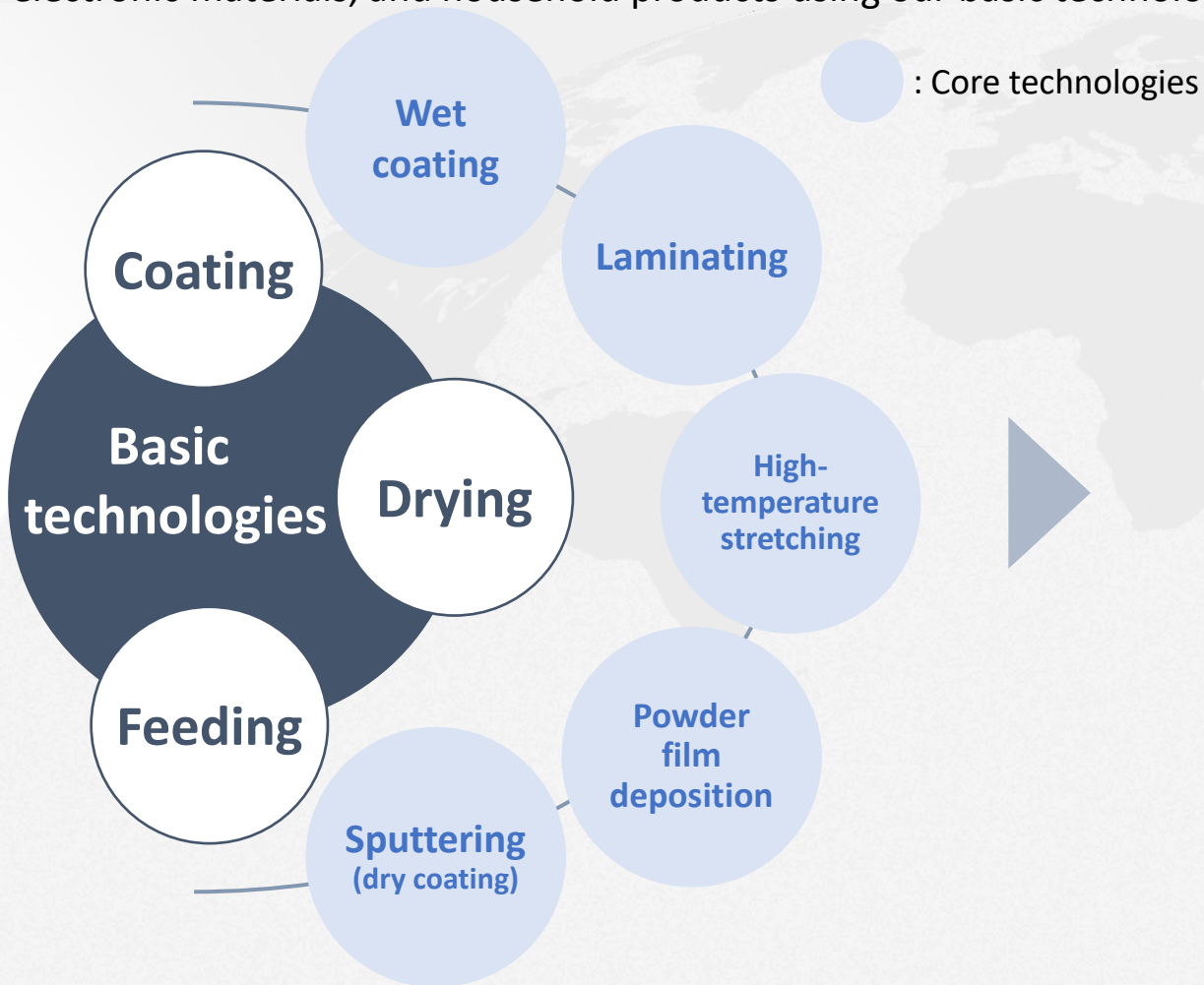
The liquid film coated on the material is fixed and transformed into a functional material



Precise control and stable mass production using a series of processes for unwinding, feeding, and rewinding thin materials without damaging them

Core Technologies and End Products by Application

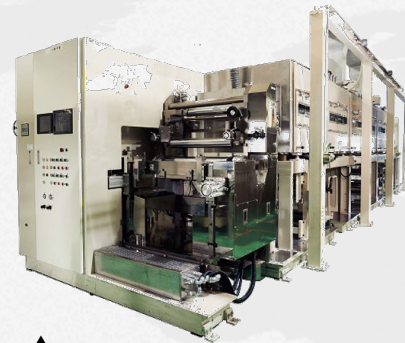
Providing a production line for the four application areas of energy, displays, electronic materials, and household products using our basic technologies and core technologies



Energy-related	Lithium-ion batteries	Solar cells	Next-generation batteries
Display-related	LCD displays	Optical films, etc.	Smartphones
Electronic materials-related	MLCC	PCBs	Polyimide films
Household product-related	High-performance films	Adhesive tapes	Non-woven materials



▲ Hybrid Coater



▲ Lithium-ion Battery Electrode Coater R-800DB



▲ Sheet-Forming Multicoater M-600SF

January 2026:
Plan to exhibit
equipment at
trade show

▲ Perovskite Solar Battery Coating Tester
(provisional name)

Our research and development facility (Technicum) is a place that

takes on the challenge of new technological development along with customers.

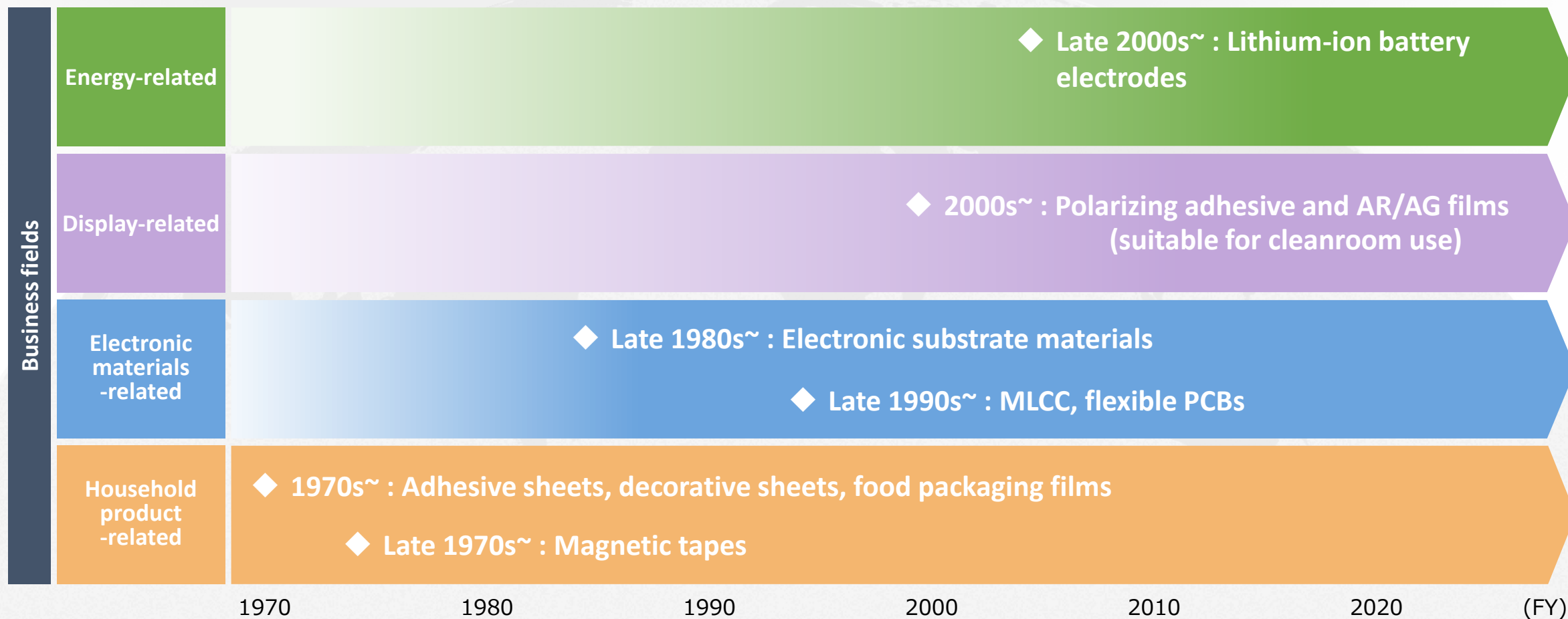
Technicum has been involved in the development of numerous mass-production technologies for high-performance materials, including intermittent coating technology for lithium-ion batteries.

Hirano Tecseed is applying the roll-to-roll technology it has cultivated to develop equipment that solves a technical issue in the mass production of perovskite solar batteries.

We are planning to exhibit this equipment at a trade show in January 2026.

Expansion in business fields

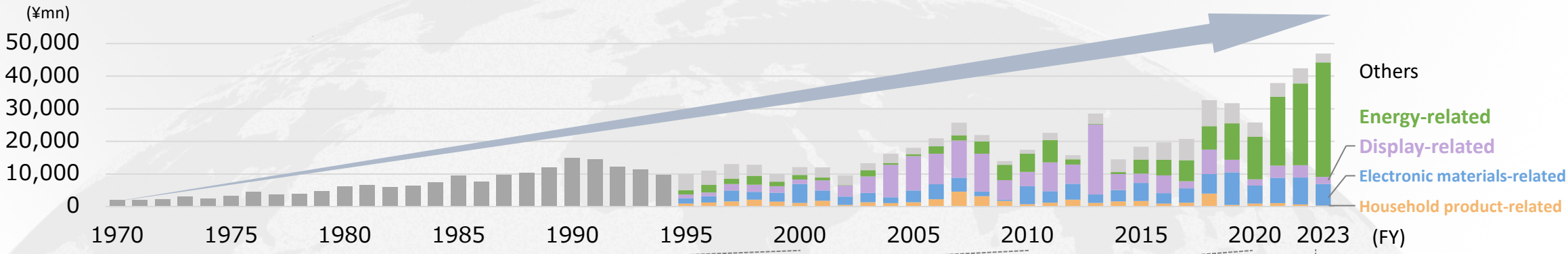
Expansion in applicable business fields as a result of continued adaptation to customers' mass production needs



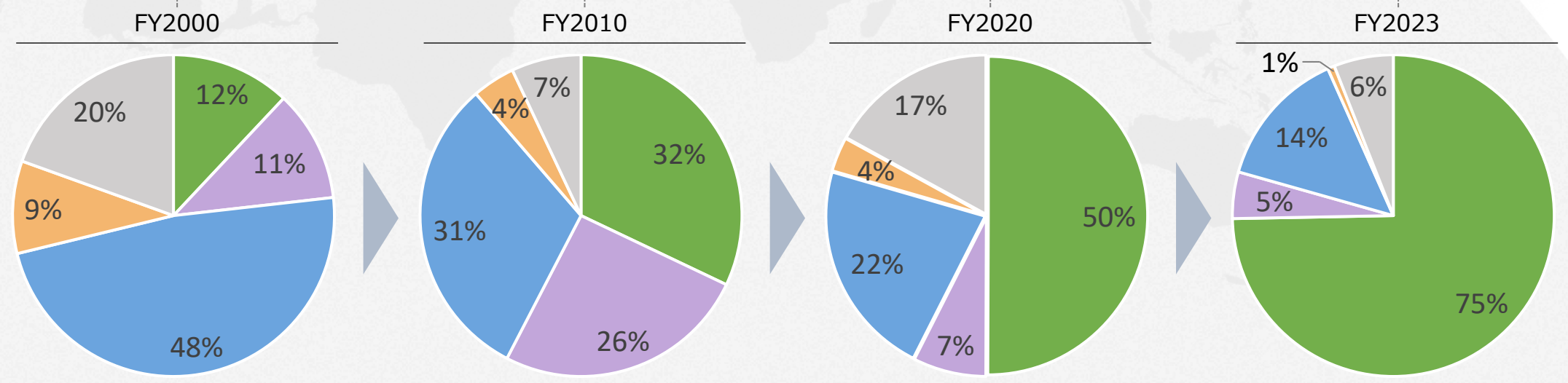
Transformation in Focus Areas

Creating long-term growth while adapting to the needs of the times. Energy-related areas now account for around 75% of total sales.

Sales by application



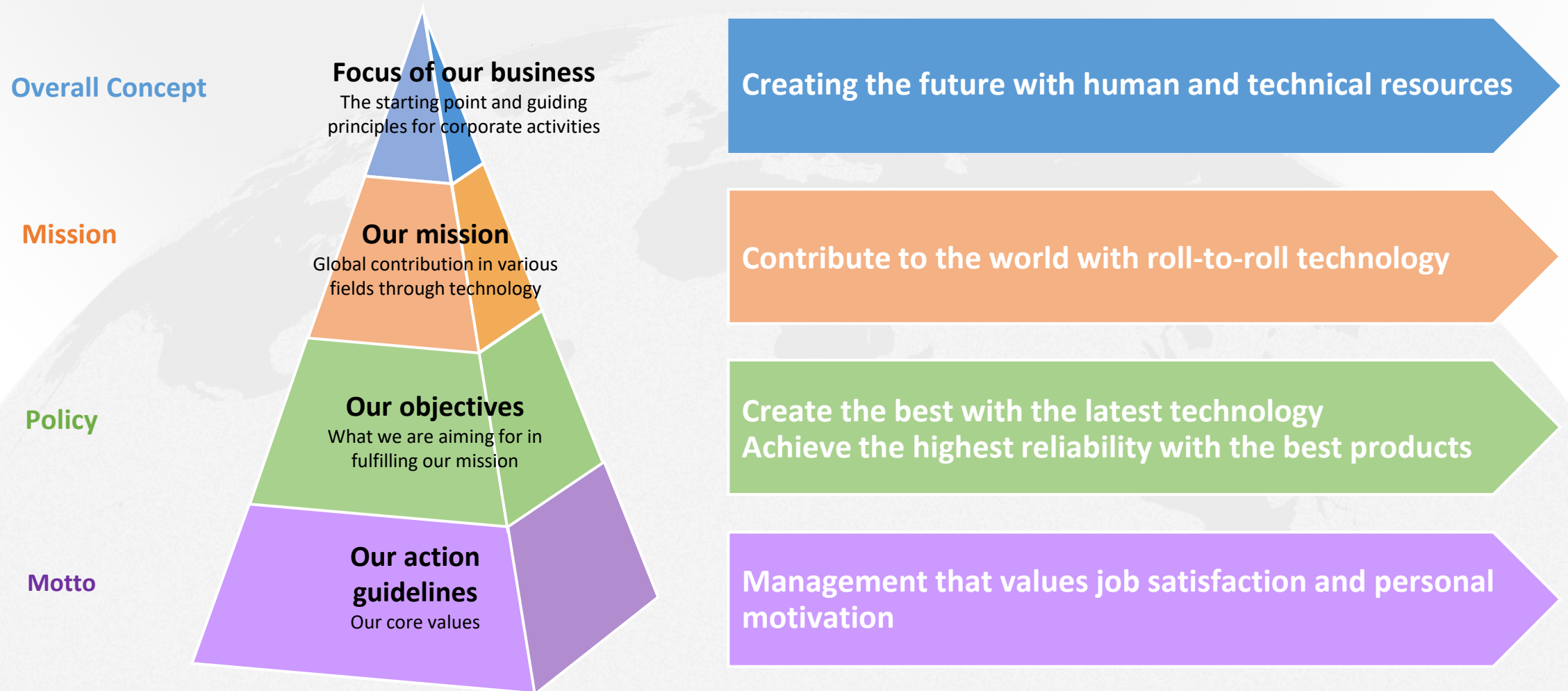
Sales weighting by application





Company Profile

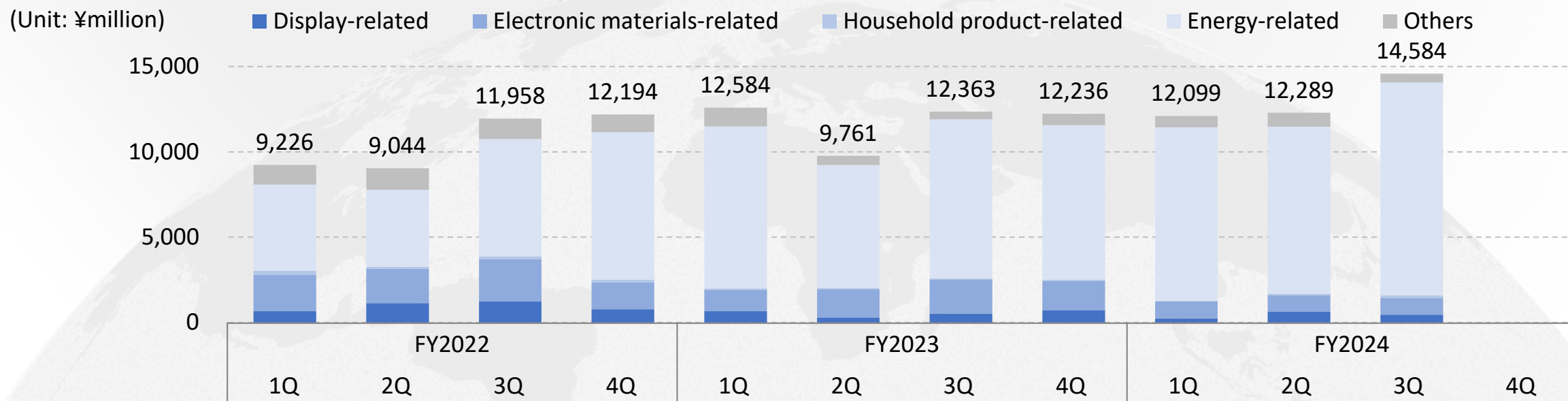
Company Name	HIRANO TECSEED Co., Ltd.
Representative	Kaoru Okada, President
Paid-in Capital	¥1,847,821,000 (as of end-December 2024)
Headquarters	101-1, Kawai, Kawai-cho, Kitakatsuragi-gun, Nara Pref. 636-0051, Japan
Group Companies (wholly-owned)	• HIRANO GIKENKOGYO Co., Ltd. • HIRANO K&E Co., Ltd., HIRANO AMERICA, INC.
Number of Employees	419 (Parent: 317, as of end-December 2024)
Securities Code	6245 (Industry: Machinery)





Appendix

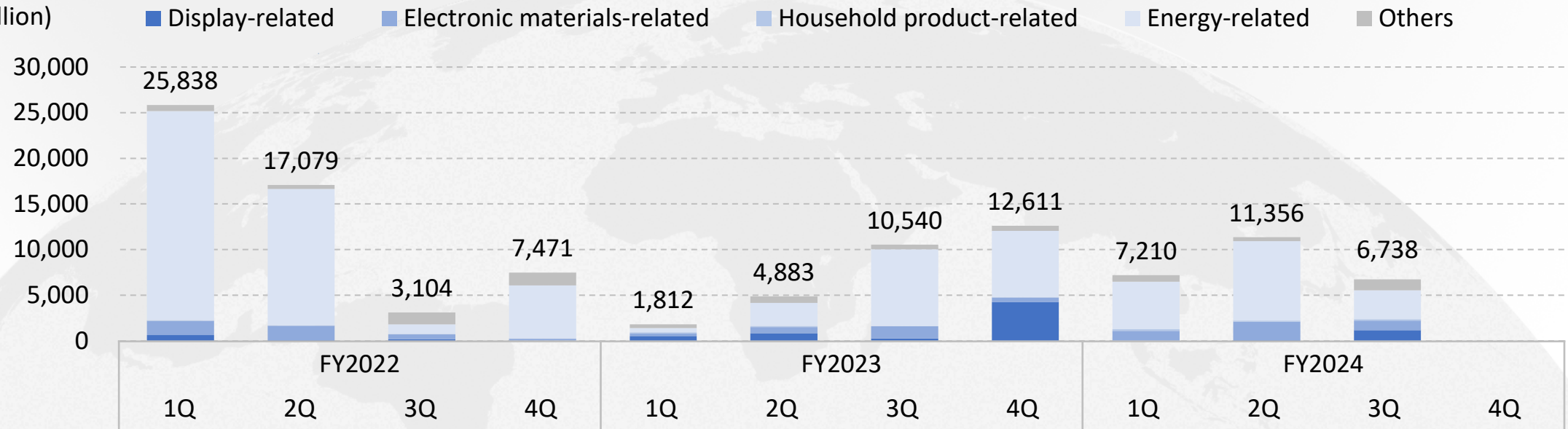
By Application ① Net Sales (quarterly)



Sales weighting	Sales weighting											
	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 4Q
Others	12.4%	14.0%	10.1%	8.5%	8.7%	5.5%	3.7%	5.5%	5.4%	6.6%	3.6%	
Energy-related	54.6%	50.0%	57.4%	70.8%	75.4%	73.8%	75.5%	74.0%	83.9%	79.7%	85.6%	
Household product-related	2.8%	1.2%	1.4%	1.3%	0.7%	0.8%	0.4%	0.7%	0.3%	0.7%	1.0%	
Electronic materials-related	23.0%	22.2%	20.9%	13.0%	10.0%	16.9%	16.2%	13.9%	8.2%	8.0%	6.7%	
Display-related	7.2%	12.7%	10.2%	6.4%	5.3%	3.0%	4.3%	5.9%	2.1%	5.1%	3.1%	

By Application ② Orders (quarterly)

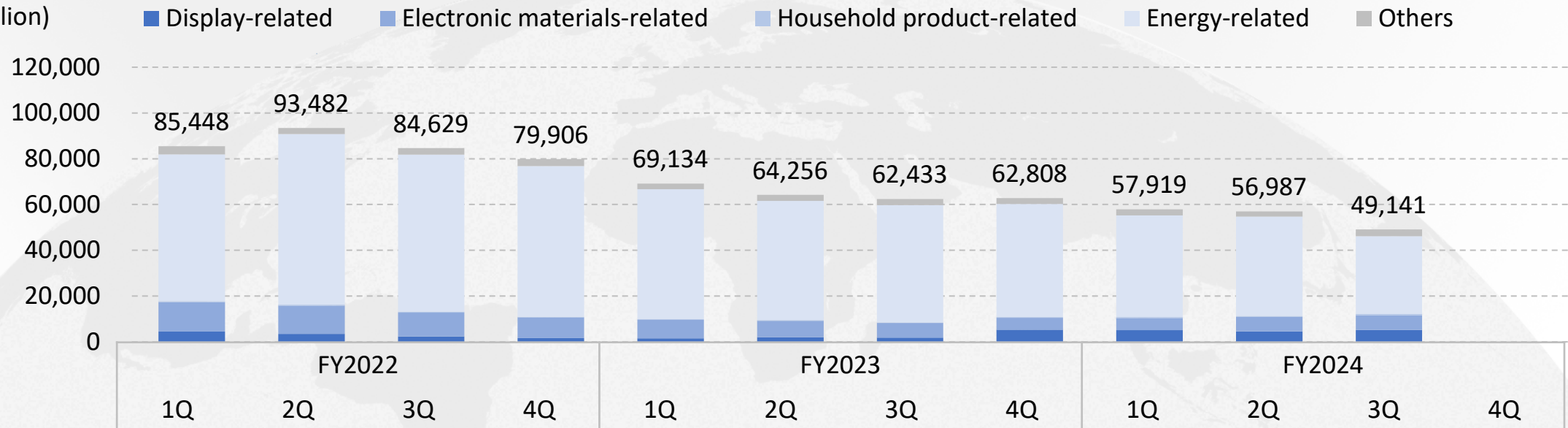
(Unit: ¥million)



Order weighting	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 4Q
Others	2.6%	2.6%	41.3%	18.5%	23.0%	14.6%	4.7%	4.4%	10.0%	3.9%	17.8%	
Energy-related	88.6%	87.4%	34.3%	77.6%	24.1%	52.2%	79.8%	57.6%	72.3%	76.5%	47.0%	
Household product-related	0.2%	0.4%	1.2%	0.9%	6.5%	2.1%	0.3%	0.4%	2.4%	1.2%	2.4%	
Electronic materials-related	6.0%	9.1%	17.3%	2.5%	16.3%	13.7%	12.8%	3.9%	15.2%	17.7%	15.5%	
Display-related	2.4%	0.5%	5.8%	0.5%	30.1%	17.4%	2.4%	33.7%	0.1%	0.7%	17.3%	

By Application ③ Order Backlog (quarterly)

(Unit: ¥million)



Order backlog weighting	Order Backlog Weighting (%)											
	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2023 1Q	FY2023 2Q	FY2023 3Q	FY2023 4Q	FY2024 1Q	FY2024 2Q	FY2024 3Q	FY2024 4Q
Others	4.2%	2.9%	3.3%	3.9%	3.6%	4.1%	4.3%	4.1%	4.6%	4.0%	6.0%	
Energy-related	75.0%	79.7%	81.2%	82.4%	82.2%	81.2%	82.1%	78.7%	76.8%	76.2%	69.4%	
Household product-related	0.6%	0.5%	0.4%	0.3%	0.4%	0.5%	0.4%	0.4%	0.6%	0.8%	0.9%	
Electronic materials-related	15.0%	13.2%	12.3%	11.3%	11.7%	11.0%	10.3%	8.3%	9.2%	11.1%	13.0%	
Display-related	5.3%	3.7%	2.8%	2.1%	2.2%	3.2%	2.9%	8.5%	8.8%	8.0%	10.7%	

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