

Consolidated Financial Results for the First Quarter Ended June 30, 2018 [Japanese GAAP] (Unaudited)



August 7, 2018

Company name: HIRANO TECSEED Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6245
 URL: <http://www.hirano-tec.co.jp/>
 Representative: Kaoru Okada, President and Director
 Contact: Masashi Hara, Director and General Manager, General Affairs Division
 Phone: +81-745-57-0681
 Scheduled date of filing quarterly securities report: August 9, 2018
 Scheduled date of commencing dividend payments: -
 Supplemental Explanatory Materials for Quarterly Account Settlement: None
 Explanatory Meeting for Quarterly Account Settlement to be held: None

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

1. Consolidated Financial Results for the First Quarter Ended June 30, 2018 (April 1, 2018 to June 30, 2018)

(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	%
Three months ended June 30, 2018	7,212	6.5	929	17.5	959	15.9	655	23.6
Three months ended June 30, 2017	6,772	188.5	791	—	827	—	530	—

(Note) Comprehensive income: Three months ended June 30, 2018: ¥628 million (up 9.8%)
 Three months ended June 30, 2017: ¥572 million (- %)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2018	43.56	—
Three months ended June 30, 2017	35.23	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2018	42,293	25,295	59.8
As of March 31, 2018	37,445	24,923	66.6

(Reference) Equity: As of June 30, 2018: ¥25,295 million
 As of March 31, 2018: ¥24,923 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2018	Yen —	Yen 13.00	Yen —	Yen 17.00	Yen 30.00
Fiscal year ending March 31, 2019	—				
Fiscal year ending March 31, 2019 (Forecast)		18.00	—	18.00	36.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% 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	%	
First half (cumulative total)	14,000	22.8	1,760	17.1	1,800	16.5	1,260	19.2	yen 83.76
Full year	30,000	44.7	3,950	35.1	4,000	34.1	2,800	34.1	186.12

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

Consolidated Financial Statements

(1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	10,280,211	11,432,030
Notes and accounts receivable - trade	7,461,326	7,061,123
Electronically recorded monetary claims - operating	1,587,838	562,821
Securities	600,000	5,539,967
Work in process	8,524,989	8,821,632
Raw materials and supplies	99,808	104,860
Other	465,816	591,303
Allowance for doubtful accounts	△6,165	△4,048
Total current assets	29,013,826	34,109,691
Non-current assets		
Property, plant and equipment	3,959,908	3,894,258
Intangible assets	90,283	84,708
Investments and other assets		
Investment securities	3,888,774	3,836,932
Other	492,356	368,381
Total investments and other assets	4,381,130	4,205,314
Total non-current assets	8,431,323	8,184,280
Total assets	37,445,150	42,293,972

(Thousands of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,564,132	4,938,166
Electronically recorded obligations - operating	2,652,175	2,703,961
Short-term loans payable	—	200,000
Current portion of long-term loans payable	584,932	558,032
Income taxes payable	509,539	228,367
Advances received	3,063,444	5,822,941
Provision for bonuses	198,050	63,676
Provision for product warranties	67,389	77,132
Other	569,118	1,223,182
Total current liabilities	11,208,782	15,815,460
Non-current liabilities		
Long-term loans payable	649,824	516,341
Provision for directors' retirement benefits	79,470	65,551
Net defined benefit liability	533,266	511,606
Asset retirement obligations	14,888	14,963
Other	35,437	74,293
Total non-current liabilities	1,312,886	1,182,755
Total liabilities	12,521,669	16,998,216
Net assets		
Shareholders' equity		
Capital stock	1,847,821	1,847,821
Capital surplus	1,339,722	1,339,722
Retained earnings	21,719,994	22,119,517
Treasury shares	△408,218	△408,218
Total shareholders' equity	24,499,320	24,898,843
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	621,205	584,035
Remeasurements of defined benefit plans	△197,044	△187,122
Total accumulated other comprehensive income	424,160	396,912
Total net assets	24,923,481	25,295,756
Total liabilities and net assets	37,445,150	42,293,972

(2) Consolidated statements of income and Comprehensive Income
(Consolidated Statements of Income)

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net sales	6,772,301	7,212,303
Cost of sales	5,500,719	5,785,123
Gross profit	1,271,581	1,427,180
Selling, general and administrative expenses	480,503	497,945
Operating profit	791,077	929,234
Non-operating income		
Interest income	2,224	485
Dividend income	22,372	26,750
Other	20,789	13,961
Total non-operating income	45,387	41,197
Non-operating expenses		
Interest expenses	2,228	2,126
Sales discounts	142	4,752
Other	6,647	4,146
Total non-operating expenses	9,017	11,025
Ordinary profit	827,448	959,406
Extraordinary income		
Gain on sales of non-current assets	—	1,025
Total extraordinary income	—	1,025
Profit before income taxes	827,448	960,432
Income taxes - current	299,250	252,963
Income taxes - deferred	△1,851	52,205
Total income taxes	297,398	305,168
Profit	530,049	655,263
Profit attributable to owners of parent	530,049	655,263

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	530,049	655,263
Other comprehensive income		
Valuation difference on available-for-sale securities	37,541	△37,169
Remeasurements of defined benefit plans, net of tax	4,516	9,921
Total other comprehensive income	42,057	△27,247
Comprehensive income	572,107	628,016
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	572,107	628,016
Comprehensive income attributable to non-controlling interests	—	—

Production, Orders Received, and Sales

(1) Production

Production performance by segment for the first quarter ended June 30, 2018 is as follows

Name of segment	Production (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	3,467,201	+10.5
Industrial machinery	2,189,989	+1.9
Others	127,932	(40.4)
Total	5,785,123	+5.2

- (Notes) 1. The above amount is calculated based on production costs and includes outsourcing production.
2. The above amount does not include consumption taxes.

(2) Orders Received

The status of orders received by segment for the first quarter ended June 30, 2018 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	1,769,341	(27.9)	15,948,827	(11.8)
Industrial machinery	4,216,044	+115.2	20,831,169	+5.9
Others	421,932	(48.6)	895,722	+22.4
Total	6,407,318	+22.4	37,675,720	(2.1)

- (Notes) 1. The above amount is calculated based on sales prices.
2. The above amount does not include consumption taxes.

(3) Sales

Sales performance by segment for the first quarter ended June 30, 2018 is as follows

Name of segment	Sales (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	3,901,195	+6.5
Industrial machinery	3,053,208	+9.2
Others	257,899	(17.9)
Total	7,212,303	+6.5

- (Notes) 1. The above amount is calculated based on sales prices.
2. The above amount does not include consumption taxes.