

Consolidated Financial Results for the First Quarter Ended June 30, 2022 [Japanese GAAP] (Unaudited)



August 12, 2022

Company name: HIRANO TECSEED Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6245
 URL: <https://www.hirano-tec.co.jp/>
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 Scheduled date of filing quarterly securities report: August 12, 2022
 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, 2022 (April 1, 2022 to June 30, 2022)

(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, 2022	9,226	4.3	674	(44.7)	734	(42.4)	505	(43.3)
Three months ended June 30, 2021	8,847	—	1,219	—	1,274	—	892	—

(Note) Comprehensive income: Three months ended June 30, 2022: ¥409 million (down 50.0%)
 Three months ended June 30, 2021: ¥818 million (-%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2022	33.58	—
Three months ended June 30, 2021	59.25	—

(Note) The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the first quarter of the previous fiscal year. Accordingly, each figure for the first quarter ended June 30, 2021 reflects the adoption of the accounting standard, etc., and percentage changes from the previous corresponding period are not provided.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2022	48,955	34,451	70.4
As of March 31, 2022	50,461	34,463	68.3

(Reference) Equity: As of June 30, 2022: ¥34,451 million
 As of March 31, 2022: ¥34,463 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2022	Yen —	Yen 28.00	Yen —	Yen 28.00	Yen 56.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecast)		28.00	—	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, 2023 (April 1, 2022 to March 31, 2023)

(% 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
First half (cumulative total)	18,500	(0.6)	1,570	(42.3)	1,650	(40.9)	1,250	(37.1)	82.99
Full year	42,000	10.9	3,400	(14.7)	3,500	(15.1)	2,600	(16.2)	172.61

(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): No

(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: Yes
- 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):

June 30, 2022: 15,394,379 shares

March 31, 2022: 15,394,379 shares

2) Total number of treasury stock at the end of the period:

June 30, 2022: 331,609 shares

March 31, 2022: 331,562 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 15,062,782 shares

Three months ended June 30, 2021: 15,057,594 shares

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.

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

Consolidated Financial Statements

(1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	12,020,286	11,974,281
Notes and accounts receivable - trade, and contract assets	20,822,629	19,205,707
Electronically recorded monetary claims - operating	303,164	1,092,223
Securities	3,999,982	2,999,982
Work in process	199,334	249,534
Raw materials and supplies	155,955	203,271
Other	1,514,775	1,700,016
Allowance for doubtful accounts	△62,606	△62,732
Total current assets	38,953,521	37,362,285
Non-current assets		
Property, plant and equipment	6,756,356	6,858,356
Intangible assets	596,390	640,472
Investments and other assets		
Investment securities	3,378,641	3,234,775
Other	777,033	859,300
Total investments and other assets	4,155,674	4,094,076
Total non-current assets	11,508,421	11,592,905
Total assets	50,461,942	48,955,190

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,225,200	2,534,072
Electronically recorded obligations - operating	4,542,091	5,146,198
Short-term borrowings	—	200,000
Current portion of long-term borrowings	428,596	365,936
Income taxes payable	1,480,764	217,873
Advances received	3,302,697	3,162,417
Provision for bonuses	244,430	84,005
Provision for product warranties	65,639	56,986
Other	1,814,795	1,902,564
Total current liabilities	15,104,214	13,670,053
Non-current liabilities		
Long-term borrowings	309,136	244,812
Provision for retirement benefits for directors (and other officers)	56,070	58,832
Retirement benefit liability	441,888	443,657
Asset retirement obligations	16,127	16,209
Other	70,932	70,247
Total non-current liabilities	894,154	833,758
Total liabilities	15,998,368	14,503,811
Net assets		
Shareholders' equity		
Share capital	1,847,821	1,847,821
Capital surplus	1,353,184	1,353,184
Retained earnings	30,699,978	30,784,028
Treasury shares	△386,226	△386,320
Total shareholders' equity	33,514,758	33,598,714
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,023,437	920,662
Remeasurements of defined benefit plans	△74,621	△67,998
Total accumulated other comprehensive income	948,815	852,664
Total net assets	34,463,574	34,451,378
Total liabilities and net assets	50,461,942	48,955,190

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

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	8,847,655	9,226,449
Cost of sales	6,920,546	7,748,174
Gross profit	1,927,109	1,478,275
Selling, general and administrative expenses	708,006	803,721
Operating profit	1,219,102	674,554
Non-operating income		
Interest income	561	1,278
Dividend income	46,181	48,339
Other	14,848	11,521
Total non-operating income	61,591	61,140
Non-operating expenses		
Interest expenses	1,841	1,485
Loss on retirement of non-current assets	1,705	—
Loss on sale of securities	2,384	—
Other	228	0
Total non-operating expenses	6,160	1,485
Ordinary profit	1,274,533	734,208
Extraordinary income		
Subsidy income	30,000	—
Total extraordinary income	30,000	—
Extraordinary losses		
Loss on valuation of investment securities	—	602
Total extraordinary losses	—	602
Profit before income taxes	1,304,533	733,606
Income taxes - current	871,460	239,112
Income taxes - deferred	△459,108	△11,314
Total income taxes	412,351	227,797
Profit	892,182	505,808
Profit attributable to owners of parent	892,182	505,808

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	892,182	505,808
Other comprehensive income		
Valuation difference on available-for-sale securities	△75,074	△102,774
Remeasurements of defined benefit plans, net of tax	1,882	6,623
Total other comprehensive income	△73,191	△96,150
Comprehensive income	818,990	409,657
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	818,990	409,657
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, 2022 is as follows

Name of segment	Production (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	5,783,758	+29.4
Industrial machinery	1,729,019	(23.1)
Others	235,396	+18.0
Total	7,748,174	+12.0

(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 first quarter ended June 30, 2022 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	24,499,742	+77.3	71,430,629	+33.3
Industrial machinery	715,914	(67.7)	13,221,078	(10.5)
Others	623,090	+59.5	796,345	+66.1
Total	25,838,747	+57.3	85,448,053	+24.1

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

(3) Sales

Sales performance by segment for the first quarter ended June 30, 2022 is as follows

Name of segment	Sales (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	6,657,416	+22.7
Industrial machinery	2,262,921	(27.8)
Others	306,112	+6.3
Total	9,226,449	+4.3

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