

# Consolidated Financial Results for the First Quarter Ended June 30, 2019 [Japanese GAAP] (Unaudited)



August 8, 2019

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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 Phone: +81-745-57-0681  
 Scheduled date of filing quarterly securities report: August 9, 2019  
 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, 2019 (April 1, 2019 to June 30, 2019)

(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, 2019	4,737	(34.3)	376	(59.5)	412	(57.0)	292	(55.4)
Three months ended June 30, 2018	7,212	6.5	929	17.5	959	15.9	655	23.6

(Note) Comprehensive income: Three months ended June 30, 2019: ¥312 million (down 50.3%)  
 Three months ended June 30, 2018: ¥628 million (up 9.8%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2019	19.44	—
Three months ended June 30, 2018	43.56	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2019	42,097	27,581	65.5
As of March 31, 2019	43,734	27,675	63.3

(Reference) Equity: As of June 30, 2019: ¥27,581 million  
 As of March 31, 2019: ¥27,675 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2019	—	18.00	—	27.00	45.00
Fiscal year ending March 31, 2020	—	—	—	—	—
Fiscal year ending March 31, 2020 (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, 2020 (April 1, 2019 to March 31, 2020)**

(% 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)	15,000	11.7	2,960	69.1	3,000	67.8	2,000	75.6	132.95
Full year	30,000	(8.1)	3,950	(18.4)	4,000	(18.3)	2,700	(21.2)	179.48

(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, 2019	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	12,910,891	12,317,643
Notes and accounts receivable - trade	6,429,902	2,749,514
Electronically recorded monetary claims - operating	620,922	492,556
Securities	7,268,957	7,293,981
Work in process	7,102,636	8,965,139
Raw materials and supplies	105,010	158,383
Other	433,372	1,262,904
Allowance for doubtful accounts	△3,239	△1,169
<b>Total current assets</b>	<b>34,868,453</b>	<b>33,238,954</b>
Non-current assets		
Property, plant and equipment	4,653,243	4,614,550
Intangible assets	78,004	73,965
Investments and other assets		
Investment securities	3,658,390	3,639,712
Other	476,785	529,931
<b>Total investments and other assets</b>	<b>4,135,175</b>	<b>4,169,644</b>
<b>Total non-current assets</b>	<b>8,866,423</b>	<b>8,858,160</b>
<b>Total assets</b>	<b>43,734,877</b>	<b>42,097,115</b>

(Thousands of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,910,998	3,167,121
Electronically recorded obligations - operating	3,476,254	3,425,044
Short-term borrowings	—	200,000
Current portion of long-term borrowings	561,804	472,445
Income taxes payable	1,090,278	110,299
Advances received	5,357,988	4,836,716
Provision for bonuses	211,250	66,660
Provision for product warranties	52,622	55,899
Other	1,433,278	1,289,139
Total current liabilities	15,094,475	13,623,325
Non-current liabilities		
Long-term borrowings	354,220	283,196
Provision for retirement benefits for directors (and other officers)	83,330	34,260
Retirement benefit liability	505,284	492,847
Asset retirement obligations	15,188	15,265
Other	6,747	66,633
Total non-current liabilities	964,771	892,201
Total liabilities	16,059,246	14,515,527
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,847,821	1,847,821
Capital surplus	1,339,722	1,339,722
Retained earnings	24,618,569	24,504,813
Treasury shares	△408,218	△408,280
Total shareholders' equity	27,397,895	27,284,077
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	448,135	438,885
Remeasurements of defined benefit plans	△170,400	△141,375
Total accumulated other comprehensive income	277,735	297,510
Total net assets	27,675,630	27,581,587
<b>Total liabilities and net assets</b>	<b>43,734,877</b>	<b>42,097,115</b>

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

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	7,212,303	4,737,577
Cost of sales	5,785,123	3,831,330
Gross profit	1,427,180	906,247
Selling, general and administrative expenses	497,945	529,637
Operating profit	929,234	376,609
Non-operating income		
Interest income	485	447
Dividend income	26,750	30,492
Other	13,961	9,542
Total non-operating income	41,197	40,482
Non-operating expenses		
Interest expenses	2,126	1,760
Foreign exchange losses	147	1,598
Sales discounts	4,752	1,184
Other	3,999	202
Total non-operating expenses	11,025	4,746
Ordinary profit	959,406	412,346
Extraordinary income		
Gain on sales of non-current assets	1,025	—
Total extraordinary income	1,025	—
Profit before income taxes	960,432	412,346
Income taxes - current	252,963	175,894
Income taxes - deferred	52,205	△55,969
Total income taxes	305,168	119,924
Profit	655,263	292,421
Profit attributable to owners of parent	655,263	292,421

## (Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	655,263	292,421
Other comprehensive income		
Valuation difference on available-for-sale securities	△37,169	△9,250
Remeasurements of defined benefit plans, net of tax	9,921	29,024
Total other comprehensive income	△27,247	19,774
Comprehensive income	628,016	312,196
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	628,016	312,196
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, 2019 is as follows

Name of segment	Production (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	3,008,725	(13.2)
Industrial machinery	576,044	(73.7)
Others	246,560	+92.7
Total	3,831,330	(33.8)

(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, 2019 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	4,306,531	+143.4	16,248,387	+4.4
Industrial machinery	625,827	(85.2)	19,365,688	(7.7)
Others	163,699	(61.2)	933,642	(14.7)
Total	5,096,058	(20.5)	36,547,718	(2.9)

(Notes) 1. The above amount is calculated based on sales prices.

2. The above amount does not include consumption taxes.

3. With regard to the industrial machinery segment, the backlog of orders at the end of the previous fiscal year adjusted after adding and subtracting the orders received and the net sales for the first quarter ended June 30, 2019 is not corresponding to the backlog of orders at the end of the first quarter ended June 30, 2019. This is because 1,460,000 thousand yen has been reduced from the backlog of orders as a result of freezing of a customer's investment plans.

(3) Sales

Sales performance by segment for the first quarter ended June 30, 2019 is as follows

Name of segment	Sales (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	3,624,342	(7.1)
Industrial machinery	788,343	(74.2)
Others	324,892	+26.0
Total	4,737,577	(34.3)

(Notes) 1. The above amount is calculated based on sales prices.

2. The above amount does not include consumption taxes.