

Consolidated Financial Results
for the First Quarter Ended June 30, 2020
[Japanese GAAP] (Unaudited)



August 7, 2020

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
 Contact: Masashi Hara, Director and General Manager, General Affairs Division
 Phone: +81-745-57-0681
 Scheduled date of filing quarterly securities report: August 11, 2020
 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, 2020 (April 1, 2020 to June 30, 2020)

(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, 2020	4,503	(4.9)	190	(49.5)	245	(40.5)	125	(57.1)
Three months ended June 30, 2019	4,737	(34.3)	376	(59.5)	412	(57.0)	292	(55.4)

(Note) Comprehensive income: Three months ended June 30, 2020: ¥193 million (down 38.2%)

Three months ended June 30, 2019: ¥312 million (down 50.3%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2020	8.34	—
Three months ended June 30, 2019	19.44	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2020	41,831	29,096	69.6
As of March 31, 2020	42,208	29,325	69.5

(Reference) Equity: As of June 30, 2020: ¥29,096 million

As of March 31, 2020: ¥29,325 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2020	Yen —	Yen 18.00	Yen —	Yen 28.00	Yen 46.00
Fiscal year ending March 31, 2021	—				
Fiscal year ending March 31, 2021 (Forecast)		15.00	—	15.00	30.00

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

Details of the year-end dividends for the fiscal year ended March 31, 2020:

Ordinary dividend: ¥18.00

Commemorative dividend: ¥10.00 (to commemorate the completion of the Kizugawa Factory construction)

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% 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)	12,000	(24.3)	950	(66.0)	1,000	(64.8)	720	(62.5)	47.84
Full year	23,000	(27.4)	1,950	(47.1)	2,000	(47.0)	1,420	(39.6)	94.35

(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, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	10,544,482	12,408,868
Notes and accounts receivable - trade	7,982,602	6,633,675
Electronically recorded monetary claims - operating	584,676	220,955
Securities	4,399,975	3,599,993
Work in process	6,645,639	7,436,496
Raw materials and supplies	185,186	193,692
Other	1,464,895	975,464
Allowance for doubtful accounts	△48,017	△51,283
Total current assets	31,759,441	31,417,862
Non-current assets		
Property, plant and equipment	6,924,910	6,849,230
Intangible assets	186,347	179,357
Investments and other assets		
Investment securities	2,606,141	2,691,438
Other	731,589	693,693
Total investments and other assets	3,337,730	3,385,132
Total non-current assets	10,448,988	10,413,719
Total assets	42,208,430	41,831,582

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,589,063	2,472,919
Electronically recorded obligations - operating	3,120,837	2,966,458
Short-term borrowings	—	200,000
Current portion of long-term borrowings	523,860	482,236
Income taxes payable	873,757	36,127
Advances received	1,984,083	2,848,557
Provision for bonuses	223,870	70,030
Provision for product warranties	93,046	91,321
Asset retirement obligations	—	7,110
Other	2,389,106	2,580,090
Total current liabilities	11,797,624	11,754,850
Non-current liabilities		
Long-term borrowings	472,940	383,380
Provision for retirement benefits for directors (and other officers)	41,580	44,155
Retirement benefit liability	480,365	469,018
Asset retirement obligations	22,605	15,573
Other	68,089	67,701
Total non-current liabilities	1,085,580	979,828
Total liabilities	12,883,205	12,734,678
Net assets		
Shareholders' equity		
Share capital	1,847,821	1,847,821
Capital surplus	1,342,142	1,342,142
Retained earnings	26,293,249	25,997,371
Treasury shares	△401,116	△401,116
Total shareholders' equity	29,082,097	28,786,220
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	382,282	441,939
Remeasurements of defined benefit plans	△139,155	△131,255
Total accumulated other comprehensive income	243,127	310,683
Total net assets	29,325,225	29,096,903
Total liabilities and net assets	42,208,430	41,831,582

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

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	4,737,577	4,503,338
Cost of sales	3,831,330	3,704,336
Gross profit	906,247	799,001
Selling, general and administrative expenses	529,637	608,906
Operating profit	376,609	190,095
Non-operating income		
Interest income	447	1,231
Dividend income	30,492	41,031
Other	9,542	20,195
Total non-operating income	40,482	62,458
Non-operating expenses		
Interest expenses	1,760	2,027
Sales discounts	1,184	340
Loss on retirement of non-current assets	202	4,629
Other	1,598	122
Total non-operating expenses	4,746	7,119
Ordinary profit	412,346	245,434
Profit before income taxes	412,346	245,434
Income taxes - current	175,894	93,425
Income taxes - deferred	△55,969	26,493
Total income taxes	119,924	119,918
Profit	292,421	125,515
Profit attributable to owners of parent	292,421	125,515

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	292,421	125,515
Other comprehensive income		
Valuation difference on available-for-sale securities	△9,250	59,656
Remeasurements of defined benefit plans, net of tax	29,024	7,899
Total other comprehensive income	19,774	67,556
Comprehensive income	312,196	193,072
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	312,196	193,072
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, 2020 is as follows

Name of segment	Production (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	2,626,354	(12.7)
Industrial machinery	833,929	+44.8
Others	244,052	(1.0)
Total	3,704,336	(3.3)

(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, 2020 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	990,394	(77.0)	13,117,751	(14.1)
Industrial machinery	5,263,919	+741.1	14,168,627	+42.0
Others	336,230	+105.4	636,519	+10.1
Total	6,590,545	+29.3	27,922,898	+8.1

(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, 2020 is as follows

Name of segment	Sales (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	3,151,915	(13.0)
Industrial machinery	1,073,711	+36.2
Others	277,712	(14.5)
Total	4,503,338	(4.9)

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

2. The above amount does not include consumption taxes.