

Consolidated Financial Results
for the Third Quarter Ended December 31, 2020
[Japanese GAAP] (Unaudited)



February 10, 2021

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: February 12, 2021
 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 Third Quarter Ended December 31, 2020 (April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	16,664	(24.7)	1,223	(58.6)	1,314	(56.8)	822	(61.1)
Nine months ended December 31, 2019	22,128	(2.0)	2,956	(8.0)	3,041	(6.8)	2,113	(1.3)

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥1,155 million (down 51.4%)
 Nine months ended December 31, 2019: ¥2,377 million (up 23.4%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Nine months ended December 31, 2020	54.63	—
Nine months ended December 31, 2019	140.44	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of December 31, 2020	41,728	29,843	71.5
As of March 31, 2020	42,208	29,325	69.5

(Reference) Equity: As of December 31, 2020: ¥29,843 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	—	15.00	—		
Fiscal year ending March 31, 2021 (Forecast)				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
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 December 31, 2020
Assets		
Current assets		
Cash and deposits	10,544,482	9,004,293
Notes and accounts receivable - trade	7,982,602	8,418,281
Electronically recorded monetary claims - operating	584,676	543,903
Securities	4,399,975	3,799,985
Work in process	6,645,639	7,461,897
Raw materials and supplies	185,186	167,915
Other	1,464,895	1,956,872
Allowance for doubtful accounts	△48,017	△57,138
Total current assets	31,759,441	31,296,011
Non-current assets		
Property, plant and equipment	6,924,910	6,741,566
Intangible assets	186,347	362,015
Investments and other assets		
Investment securities	2,606,141	2,779,062
Other	731,589	549,426
Total investments and other assets	3,337,730	3,328,488
Total non-current assets	10,448,988	10,432,070
Total assets	42,208,430	41,728,082

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,589,063	2,394,147
Electronically recorded obligations - operating	3,120,837	2,437,703
Short-term borrowings	—	150,000
Current portion of long-term borrowings	523,860	369,288
Income taxes payable	873,757	3,320
Advances received	1,984,083	3,175,547
Provision for bonuses	223,870	167,384
Provision for product warranties	93,046	72,846
Other	2,389,106	2,296,046
Total current liabilities	11,797,624	11,066,283
Non-current liabilities		
Long-term borrowings	472,940	233,960
Provision for retirement benefits for directors (and other officers)	41,580	49,305
Retirement benefit liability	480,365	444,849
Asset retirement obligations	22,605	15,730
Other	68,089	74,002
Total non-current liabilities	1,085,580	817,847
Total liabilities	12,883,205	11,884,130
Net assets		
Shareholders' equity		
Share capital	1,847,821	1,847,821
Capital surplus	1,342,142	1,343,972
Retained earnings	26,293,249	26,468,305
Treasury shares	△401,116	△392,077
Total shareholders' equity	29,082,097	29,268,022
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	382,282	691,384
Remeasurements of defined benefit plans	△139,155	△115,455
Total accumulated other comprehensive income	243,127	575,928
Total net assets	29,325,225	29,843,951
Total liabilities and net assets	42,208,430	41,728,082

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

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	22,128,298	16,664,399
Cost of sales	17,229,542	13,712,678
Gross profit	4,898,756	2,951,721
Selling, general and administrative expenses	1,942,680	1,728,319
Operating profit	2,956,075	1,223,401
Non-operating income		
Interest income	3,226	6,185
Dividend income	59,688	70,255
Other	37,683	51,906
Total non-operating income	100,598	128,346
Non-operating expenses		
Interest expenses	5,890	5,526
Sales discounts	6,628	8,152
Loss on retirement of non-current assets	2,351	21,614
Other	25	1,578
Total non-operating expenses	14,894	36,870
Ordinary profit	3,041,779	1,314,876
Extraordinary losses		
Loss on valuation of investment securities	6,736	93,207
Total extraordinary losses	6,736	93,207
Profit before income taxes	3,035,042	1,221,669
Income taxes - current	1,104,949	316,254
Income taxes - deferred	△183,112	83,099
Total income taxes	921,837	399,353
Profit	2,113,205	822,315
Profit attributable to owners of parent	2,113,205	822,315

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	2,113,205	822,315
Other comprehensive income		
Valuation difference on available-for-sale securities	221,681	309,101
Remeasurements of defined benefit plans, net of tax	43,094	23,699
Total other comprehensive income	264,776	332,801
Comprehensive income	2,377,982	1,155,116
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,377,982	1,155,116
Comprehensive income attributable to non-controlling interests	—	—

Production, Orders Received, and Sales

(1) Production

Production performance by segment for the third quarter ended December 31, 2020 is as follows

Name of segment	Production (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	8,269,127	(5.1)
Industrial machinery	4,625,551	(39.7)
Others	817,999	(3.3)
Total	13,712,678	(20.4)

(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 third quarter ended December 31, 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	21,276,182	+62.8	26,830,494	+75.6
Industrial machinery	9,604,787	+522.0	13,771,902	+38.0
Others	1,021,344	+7.1	471,208	(18.5)
Total	31,902,313	+104.9	41,073,606	+59.0

(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 third quarter ended December 31, 2020 is as follows

Name of segment	Sales (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	9,724,959	(12.7)
Industrial machinery	5,811,303	(39.9)
Others	1,128,136	(14.1)
Total	16,664,399	(24.7)

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

2. The above amount does not include consumption taxes.