

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [Japanese GAAP] (Unaudited)



May 16, 2022

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 Ordinary General Meeting of Shareholders: June 27, 2022  
 Scheduled date of commencing dividend payments: June 28, 2022  
 Scheduled date of filing annual securities report: June 28, 2022  
 Supplemental Explanatory Materials for Account Settlement: None  
 Explanatory Meeting for Account Settlement to be held: None

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 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	%
Fiscal year ended March 31, 2022	37,866	—	3,986	—	4,122	—	3,103	—
Fiscal year ended March 31, 2021	25,800	(18.6)	2,560	(30.5)	2,661	(29.5)	1,785	(24.1)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥3,229 million (—%)  
 Fiscal year ended March 31, 2021: ¥2,365 million (up 2.1%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	yen	yen	%	%	%
Fiscal year ended March 31, 2022	206.07	—	9.5	8.9	10.5
Fiscal year ended March 31, 2021	118.63	—	5.9	6.3	9.9

(Note) The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the fiscal year ended March 31, 2022. Accordingly, each figure for the fiscal year ended March 31, 2021 reflects the retroactive adoption of the accounting standard, etc., and percentage changes from the previous corresponding period, the fiscal year ended March 31, 2021, are not provided.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2022	50,461	34,463	68.3	2,287.99
As of March 31, 2021	42,699	31,054	72.7	2,062.35

(Reference) Equity: As of March 31, 2022: ¥34,463 million  
 As of March 31, 2021: ¥31,054 million

(Note) The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the fiscal year ended March 31, 2022. Accordingly, each figure for the fiscal year ended March 31, 2021 reflects the retroactive adoption of the accounting standard, etc.

### (3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Fiscal year ended March 31, 2022	2,300	(1,119)	(934)	13,801
Fiscal year ended March 31, 2021	1,971	668	(723)	13,548

### 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	million yen	%	%
Fiscal year ended March 31, 2021	—	15.00	—	22.00	37.00	557	31.2	1.8
Fiscal year ended March 31, 2022	—	28.00	—	28.00	56.00	843	27.2	2.6
Fiscal year ending March 31, 2023 (Forecast)	—	28.00	—	28.00	56.00		32.4	

### 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

#### Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) 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

(3) Total number of issued shares (common stock)

1) Total number of issued shares at the end of the period (including treasury stock):

March 31, 2022: 15,394,379 shares

March 31, 2021: 15,394,379 shares

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

March 31, 2022: 331,562 shares

March 31, 2021: 336,776 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2022: 15,060,409 shares

Fiscal year ended March 31, 2021: 15,054,619 shares

(Reference) Outline of Non-consolidated Financial Results

**Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)**

(1) Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended March 31, 2022	35,513	—	3,353	—	3,606	—	2,819	—
Fiscal year ended March 31, 2021	22,835	(19.9)	1,930	(20.7)	2,310	(19.1)	1,648	(10.6)

	Basic earnings per share		Diluted earnings per share	
	yen		yen	
Fiscal year ended March 31, 2022	187.24		—	
Fiscal year ended March 31, 2021	109.52		—	

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2022	40,445	25,202	62.3	1,673.15
As of March 31, 2021	32,421	22,261	68.7	1,478.42

(Reference) Equity: As of March 31, 2022: ¥25,202 million

As of March 31, 2021: ¥22,261 million

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

\* Explanation of the proper use of financial results forecast and other notes

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.

Consolidated Financial Statements

(1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	10,967,359	12,020,286
Notes and accounts receivable - trade	7,364,763	—
Notes and accounts receivable - trade, and contract assets	—	20,822,629
Electronically recorded monetary claims - operating	582,102	303,164
Securities	4,699,983	3,999,982
Work in process	6,869,127	199,334
Raw materials and supplies	127,503	155,955
Advance payments to suppliers	717,630	775,554
Other	914,121	739,221
Allowance for doubtful accounts	△56,396	△62,606
Total current assets	32,186,194	38,953,521
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,692,854	6,035,780
Accumulated depreciation	△2,247,546	△2,453,326
Buildings and structures, net	3,445,308	3,582,453
Machinery, equipment and vehicles	3,633,819	3,646,701
Accumulated depreciation	△2,733,051	△2,881,610
Machinery, equipment and vehicles, net	900,768	765,091
Land	2,099,292	2,099,292
Leased assets	15,936	12,456
Accumulated depreciation	△4,843	△4,550
Leased assets, net	11,092	7,905
Construction in progress	15,922	116,718
Other	808,357	859,027
Accumulated depreciation	△593,587	△674,132
Other, net	214,770	184,894
Total property, plant and equipment	6,687,155	6,756,356
Intangible assets		
Software	123,645	119,512
Software in progress	247,877	475,267
Telephone subscription right	516	516
Other	1,179	1,092
Total intangible assets	373,220	596,390
Investments and other assets		
Investment securities	2,970,115	3,378,641
Long-term prepaid expenses	58,742	59,848
Retirement benefit asset	—	69,065
Deferred tax assets	92,865	332,445
Other	330,715	315,673
Total investments and other assets	3,452,438	4,155,674
Total non-current assets	10,512,813	11,508,421
<b>Total assets</b>	<b>42,699,008</b>	<b>50,461,942</b>

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,730,838	3,225,200
Electronically recorded obligations - operating	2,866,562	4,542,091
Current portion of long-term borrowings	451,480	428,596
Lease liabilities	3,187	2,491
Accounts payable - other	1,935,064	1,399,414
Accrued expenses	116,713	171,277
Income taxes payable	58,848	1,480,764
Advances received	2,085,760	3,302,697
Provision for bonuses	232,100	244,430
Provision for product warranties	81,000	65,639
Other	75,756	241,611
Total current liabilities	10,637,310	15,104,214
Non-current liabilities		
Long-term borrowings	471,460	309,136
Lease liabilities	7,905	5,414
Provision for retirement benefits for directors (and other officers)	51,880	56,070
Retirement benefit liability	394,898	441,888
Asset retirement obligations	15,808	16,127
Other	65,658	65,518
Total non-current liabilities	1,007,610	894,154
Total liabilities	11,644,921	15,998,368
Net assets		
Shareholders' equity		
Share capital	1,847,821	1,847,821
Capital surplus	1,343,972	1,353,184
Retained earnings	27,431,870	30,699,978
Treasury shares	△392,077	△386,226
Total shareholders' equity	30,231,587	33,514,758
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	903,807	1,023,437
Remeasurements of defined benefit plans	△81,307	△74,621
Total accumulated other comprehensive income	822,500	948,815
Total net assets	31,054,087	34,463,574
Total liabilities and net assets	42,699,008	50,461,942

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

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	25,800,869	37,866,565
Cost of sales	20,815,452	30,809,604
Gross profit	4,985,417	7,056,960
Selling, general and administrative expenses		
Sales commission	877,554	1,357,053
Salaries and allowances	496,906	552,942
Remuneration for directors (and other officers)	156,187	169,672
Provision for bonuses	45,823	68,404
Retirement benefit expenses	38,744	45,356
Provision for retirement benefits for directors (and other officers)	10,300	11,050
Legal and other welfare expenses	127,391	140,522
Travel, transportation and communication expenses	47,869	54,632
Depreciation	157,401	161,869
Rent expenses	37,371	42,827
Commission expenses	138,536	177,347
Provision of allowance for doubtful accounts	8,379	6,210
Other	282,834	282,144
Total selling, general and administrative expenses	2,425,300	3,070,033
Operating profit	2,560,116	3,986,927
Non-operating income		
Interest income	7,919	3,776
Dividend income	70,620	76,794
Purchase discounts	4,525	8,255
Gain on sale of non-current assets	44	—
Foreign exchange gains	27,313	—
Insurance claim income	—	50,000
Other	31,331	28,488
Total non-operating income	141,755	167,316
Non-operating expenses		
Interest expenses	6,743	8,102
Foreign exchange losses	—	16,997
Sales discounts	9,405	—
Loss on retirement of non-current assets	22,261	3,452
Other	1,658	3,594
Total non-operating expenses	40,068	32,147
Ordinary profit	2,661,803	4,122,096
Extraordinary income		
Gain on sale of investment securities	—	53,450
Subsidy income	—	30,000
Total extraordinary income	—	83,450
Extraordinary losses		
Loss on valuation of investment securities	45,878	—
Loss on sale of investment securities	29,571	—
Total extraordinary losses	75,449	—
Profit before income taxes	2,586,353	4,205,547
Income taxes - current	752,624	1,788,025
Income taxes - deferred	47,849	△686,011
Total income taxes	800,473	1,102,014
Profit	1,785,879	3,103,533
Profit attributable to owners of parent	1,785,879	3,103,533

## (Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	1,785,879	3,103,533
Other comprehensive income		
Valuation difference on available-for-sale securities	521,524	119,629
Remeasurements of defined benefit plans, net of tax	57,848	6,685
Total other comprehensive income	579,373	126,315
Comprehensive income	2,365,252	3,229,848
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,365,252	3,229,848
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated Statements of Changes in Net Assets

Previous fiscal year (From April 1, 2020 to March 31, 2021)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,847,821	1,342,142	26,293,249	△401,116	29,082,097
Changes during period					
Dividends of surplus			△647,259		△647,259
Profit attributable to owners of parent			1,785,879		1,785,879
Purchase of treasury shares				△181	△181
Disposal of treasury shares		1,829		9,220	11,049
Net changes in items other than shareholders' equity					—
Total changes during period	—	1,829	1,138,620	9,038	1,149,489
Balance at end of period	1,847,821	1,343,972	27,431,870	△392,077	30,231,587

(Thousands of yen)

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	382,282	△139,155	243,127	29,325,225
Changes during period				
Dividends of surplus			—	△647,259
Profit attributable to owners of parent			—	1,785,879
Purchase of treasury shares			—	△181
Disposal of treasury shares			—	11,049
Net changes in items other than shareholders' equity	521,524	57,848	579,373	579,373
Total changes during period	521,524	57,848	579,373	1,728,862
Balance at end of period	903,807	△81,307	822,500	31,054,087



Current fiscal year(From April 1,2021 to March 31,2022)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,847,821	1,343,972	27,431,870	△392,077	30,231,587
Cumulative effects of changes in accounting policies			917,602		917,602
Restated balance	1,847,821	1,343,972	28,349,473	△392,077	31,149,190
Changes during period					
Dividends of surplus			△753,027		△753,027
Profit attributable to owners of parent			3,103,533		3,103,533
Purchase of treasury shares				△370	△370
Disposal of treasury shares		9,211		6,221	15,433
Net changes in items other than shareholders' equity					—
Total changes during period	—	9,211	2,350,505	5,850	2,365,568
Balance at end of period	1,847,821	1,353,184	30,699,978	△386,226	33,514,758

(Thousands of yen)

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	903,807	△81,307	822,500	31,054,087
Cumulative effects of changes in accounting policies			—	917,602
Restated balance	903,807	△81,307	822,500	31,971,690
Changes during period				
Dividends of surplus			—	△753,027
Profit attributable to owners of parent			—	3,103,533
Purchase of treasury shares			—	△370
Disposal of treasury shares			—	15,433
Net changes in items other than shareholders' equity	119,629	6,685	126,315	126,315
Total changes during period	119,629	6,685	126,315	2,491,883
Balance at end of period	1,023,437	△74,621	948,815	34,463,574

## (4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,586,353	4,205,547
Depreciation	563,896	551,076
Amortization of long-term prepaid expenses	34,802	32,550
Increase (decrease) in provision for bonuses	8,230	12,330
Increase (decrease) in allowance for doubtful accounts	8,379	6,210
Increase (decrease) in provision for retirement benefits for directors (and other officers)	10,300	4,190
Increase (decrease) in provision for product warranties	△12,046	△15,361
Decrease (increase) in retirement benefit asset	—	△68,467
Increase (decrease) in retirement benefit liability	△1,856	56,217
Interest and dividend income	△78,540	△80,571
Interest expenses	6,743	8,102
Loss (gain) on sale of non-current assets	△44	△704
Loss on retirement of non-current assets	22,261	3,452
Loss (gain) on valuation of investment securities	45,878	—
Loss (gain) on sale of investment securities	29,571	△51,066
Decrease (increase) in trade receivables	620,413	—
Decrease (increase) in trade receivables and contract assets	—	△5,884,531
Decrease (increase) in inventories	△268,565	△200,804
Increase (decrease) in advances received	101,676	2,193,308
Increase (decrease) in trade payables	△112,499	2,169,891
Increase (decrease) in accounts payable - other	267,860	△693,789
Increase (decrease) in accrued expenses	△7,573	54,564
Decrease (increase) in advance payments to suppliers	△272,748	△57,923
Decrease (increase) in consumption taxes refund receivable	154,491	138,251
Increase (decrease) in accrued consumption taxes	△26,007	149,085
Other, net	△197,429	50,086
Subtotal	3,483,546	2,581,644
Interest and dividends received	78,473	80,571
Interest paid	△6,743	△8,102
Income taxes paid	△1,593,059	△464,838
Income taxes refund	9,171	110,953
Net cash provided by (used in) operating activities	1,971,388	2,300,228

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Payments into time deposits	△2,000	△1,000
Proceeds from withdrawal of time deposits	322,000	1,000
Purchase of securities	△3,599,949	△2,100,000
Proceeds from sale of securities	5,200,000	1,300,000
Purchase of property, plant and equipment	△529,407	△549,837
Proceeds from sale of property, plant and equipment	45	705
Purchase of intangible assets	△222,090	△264,830
Purchase of investment securities	△704,891	△606,605
Proceeds from sale and redemption of investment securities	279,422	1,121,657
Other, net	△74,188	△20,673
Net cash provided by (used in) investing activities	668,941	△1,119,583
Cash flows from financing activities		
Proceeds from long-term borrowings	450,000	320,000
Repayments of long-term borrowings	△523,860	△505,208
Purchase of treasury shares	△181	△370
Dividends paid	△646,006	△751,540
Other, net	△3,912	3,033
Net cash provided by (used in) financing activities	△723,959	△934,084
Effect of exchange rate change on cash and cash equivalents	26,499	6,366
Net increase (decrease) in cash and cash equivalents	1,942,869	252,925
Cash and cash equivalents at beginning of period	11,605,473	13,548,342
Cash and cash equivalents at end of period	13,548,342	13,801,268

## Production, Orders Received, and Sales

### (1) Production

Production performance by segment for the current consolidated fiscal year is as follows

(Thousand yen)

Name of segment	Previous consolidated fiscal year (April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (April 1, 2021 to March 31, 2022)
Coating and laminating machinery	12,950,044	22,323,029
Industrial machinery	6,915,604	7,484,540
Others	949,802	1,002,034
Total	20,815,452	30,809,604

(Notes) 1. The above amount is calculated based on production costs and includes outsourcing production.

2. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the first quarter ended June 30, 2021. Accordingly, percentage changes in the amount of production from the previous fiscal year before the adoption of the accounting standard, etc. are not provided.

### (2) Orders Received

The status of orders received by segment for the current consolidated fiscal year is as follows

(Thousand yen)

Name of segment	Orders received		Backlog of orders	
	Previous consolidated fiscal year	Current consolidated fiscal year	Previous consolidated fiscal year	Current consolidated fiscal year
Coating and laminating machinery	26,378,420	58,466,959	26,172,532	53,588,303
Industrial machinery	14,694,606	12,757,932	15,734,510	14,768,084
Others	1,304,208	1,336,139	505,014	479,367
Total	42,377,235	72,561,030	42,412,057	68,835,756

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

2. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the first quarter ended June 30, 2021. Accordingly, percentage changes from the previous fiscal year’s backlog of orders before the adoption of the accounting standard, etc. are not provided. The cumulative effect of applying the accounting standard was added to or deducted from backlog of orders at the beginning of the first quarter ended June 30, 2021. As a result, the beginning balance of backlog of orders decreased by ¥8,270 million.

(3) Sales

Sales performance by segment for the current consolidated fiscal year is as follows

(Thousand yen)

Name of segment	Previous consolidated fiscal year (April 1, 2020 to March 31, 2021)	Current consolidated fiscal year (April 1, 2021 to March 31, 2022)
Coating and laminating machinery	15,485,160	26,533,276
Industrial machinery	8,938,514	9,998,927
Others	1,377,194	1,334,362
Total	25,800,869	37,866,565

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

2. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. was adopted from the beginning of the first quarter ended June 30, 2021. Accordingly, percentage changes in the amount of sales from the previous fiscal year before the adoption of the accounting standard, etc. are not provided.