

Consolidated Financial Results
for the Third Quarter Ended December 31, 2022
[Japanese GAAP] (Unaudited)



February 13, 2023

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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 Scheduled date of filing quarterly securities report: February 14, 2023
 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, 2022 (April 1, 2022, to December 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	%
Nine months ended December 31, 2022	30,228	9.7	2,316	(27.4)	2,421	(26.3)	1,675	(33.7)
Nine months ended December 31, 2021	27,566	—	3,190	—	3,285	—	2,525	—

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥1,778 million (down 29.4%)
 Nine months ended December 31, 2021: ¥2,517 million (-%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Nine months ended December 31, 2022	111.17	—
Nine months ended December 31, 2021	167.67	—

(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 nine months ended December 31, 2022, 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 December 31, 2022	58,131	35,414	60.9
As of March 31, 2022	50,461	34,463	68.3

(Reference) Equity: As of December 31, 2022: ¥35,414 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	—	28.00			
Fiscal year ending March 31, 2023 (Forecast)			—	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
Full year	million yen	%	million yen	%	million yen	%	million yen	%	yen
	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):

December 31, 2022:	15,394,379 shares
March 31, 2022:	15,394,379 shares
- 2) Total number of treasury stock at the end of the period:

December 31, 2022:	323,149 shares
March 31, 2022:	331,562 shares
- 3) Average number of shares during the period:

Nine months ended December 31, 2022:	15,067,017 shares
Nine months ended December 31, 2021:	15,059,687 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	12,020,286	9,893,666
Notes and accounts receivable - trade, and contract assets	20,822,629	※ 27,781,691
Electronically recorded monetary claims - operating	303,164	※ 593,901
Securities	3,999,982	599,856
Work in process	199,334	313,135
Raw materials and supplies	155,955	221,443
Other	1,514,775	6,441,223
Allowance for doubtful accounts	△62,606	△66,534
Total current assets	38,953,521	45,778,385
Non-current assets		
Property, plant and equipment	6,756,356	7,460,707
Intangible assets	596,390	590,126
Investments and other assets		
Investment securities	3,378,641	3,593,444
Other	777,033	708,419
Total investments and other assets	4,155,674	4,301,864
Total non-current assets	11,508,421	12,352,698
Total assets	50,461,942	58,131,083

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,225,200	4,047,911
Electronically recorded obligations - operating	4,542,091	3,719,291
Short-term borrowings	—	8,050,000
Current portion of long-term borrowings	428,596	437,436
Income taxes payable	1,480,764	3,320
Advances received	3,302,697	2,191,403
Provision for bonuses	244,430	218,970
Provision for product warranties	65,639	43,644
Other	1,814,795	3,001,420
Total current liabilities	15,104,214	21,713,397
Non-current liabilities		
Long-term borrowings	309,136	398,864
Provision for retirement benefits for directors (and other officers)	56,070	64,357
Retirement benefit liability	441,888	454,995
Asset retirement obligations	16,127	16,372
Other	70,932	68,505
Total non-current liabilities	894,154	1,003,094
Total liabilities	15,998,368	22,716,492
Net assets		
Shareholders' equity		
Share capital	1,847,821	1,847,821
Capital surplus	1,353,184	1,359,730
Retained earnings	30,699,978	31,531,234
Treasury shares	△386,226	△376,502
Total shareholders' equity	33,514,758	34,362,284
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,023,437	1,107,058
Remeasurements of defined benefit plans	△74,621	△54,750
Total accumulated other comprehensive income	948,815	1,052,307
Total net assets	34,463,574	35,414,591
Total liabilities and net assets	50,461,942	58,131,083

(2) Consolidated statements of income and Comprehensive Income

(Consolidated Statements of Income)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	27,566,792	30,228,920
Cost of sales	22,138,048	25,378,010
Gross profit	5,428,744	4,850,909
Selling, general and administrative expenses	2,238,702	2,534,873
Operating profit	3,190,041	2,316,036
Non-operating income		
Interest income	3,051	2,665
Dividend income	76,616	86,055
Other	49,078	37,375
Total non-operating income	128,746	126,096
Non-operating expenses		
Interest expenses	6,279	10,019
Foreign exchange losses	17,503	—
Loss on retirement of non-current assets	2,492	8,781
Other	7,080	1,768
Total non-operating expenses	33,356	20,569
Ordinary profit	3,285,431	2,421,562
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	—	572
Total extraordinary losses	—	572
Profit before income taxes	3,368,882	2,420,989
Income taxes - current	1,276,106	657,650
Income taxes - deferred	△432,337	88,329
Total income taxes	843,769	745,980
Profit	2,525,113	1,675,009
Profit attributable to owners of parent	2,525,113	1,675,009

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,525,113	1,675,009
Other comprehensive income		
Valuation difference on available-for-sale securities	△12,865	83,621
Remeasurements of defined benefit plans, net of tax	5,648	19,870
Total other comprehensive income	△7,216	103,491
Comprehensive income	2,517,896	1,778,501
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,517,896	1,778,501
Comprehensive income attributable to non-controlling interests	—	—

4. Production, Orders Received, and Sales

(1) Production

Production performance by segment for the nine months ended December 31, 2022 is as follows

Name of segment	Production (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	18,949,922	+19.9
Industrial machinery	5,585,089	+1.0
Others	842,998	+5.4
Total	25,378,010	+14.6

(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 nine months ended December 31, 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	41,028,352	+17.7	73,300,307	+36.8
Industrial machinery	3,088,087	(62.3)	10,024,568	(32.1)
Others	1,906,489	+102.2	1,304,889	+172.2
Total	46,022,929	+4.6	84,629,765	+22.9

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

(3) Sales

Sales performance by segment for the nine months ended December 31, 2022 is as follows

Name of segment	Sales (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	21,316,348	+11.7
Industrial machinery	7,831,604	+5.5
Others	1,080,967	+2.1
Total	30,228,920	+9.7

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