



Consolidated Financial Results 1Q FY2025

August 12, 2025

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Company Name	HIRANO TECSEED Co., Ltd.
Representative	Kaoru Okada, President
Paid-in Capital	¥1,847,821,000 (as of end-June 2025)
Headquarters	101-1, Kawai, Kawai-cho, Kitakatsuragi-gun, Nara Pref. 636-0051, Japan
Group Companies (wholly-owned)	• HIRANO GIKENKOGYO Co., Ltd. • HIRANO K&E Co., Ltd., HIRANO AMERICA, INC.
Number of Employees	319 (Consolidated: 422, as of end-June 2025)
Securities Code	6245 (Industry: Machinery)

Results Highlights



1Q FY2025 Results

	1Q FY2025	YoY Change
Net Sales	¥ 10,719mn	¥ -1,379mn -11.4%
Operating Income	¥ 821mn	¥ 529mn +181.1%
Operating Income Margin	7.7%	+5.2pts
ROE	1.7%	+0.8pts

FY2025 Earnings Forecasts

	FY 2025Forecasts	YoY Change
Net Sales	¥ 33, 500mn	¥ -14,855mn -30.7%
Operating Income	¥ 1,500mn	¥ -181mn -10.8%
Operating Income Margin	4.5%	+1.0pts
ROE	2.9%	+0.5pts

Topics

1Q FY2025 Results

- ✓ Sales revenue down YoY but solid performance against 1Q forecast as increase in domestic projects and contributions from modification and relocation work partly offset continued sluggish trend in machinery and supplementary work in North America, particularly in the energy sector
- ✓ Income up despite still sluggish EV market thanks to steady production of machinery for already received orders in the EV market and to contributions from projects related to relocations/product modifications and from working on production for domestic projects.

FY2025 Forecasts

- ✓ Continued strong uncertainty in the outlook of the EV market. Prospects for future expansion in non-automotive applications, such as stationary storage batteries.
- ✓ Aim to raise income by proactive marketing activities in various non-EV markets, particularly in Japan and East Asia, and by tapping into latent demand for machinery modification and supply of various components as well as for new machinery.



1Q FY2025 Results

Overview of 1Q FY2025 Results

1Q FY2025 Results

(Unit: ¥ million)	1Q FY2024 A	1Q FY2025 B	Change b-a	YoY(%) (b-a)/a
Order	7,210	3,343	-3,867	-53.6%
Net Sales	12,099	10,719	-1,379	-11.4%
Operating Income	292	821	+529	+181.1%
Operating Income Margin	2.4%	7.7%	+5.3pts	-
Ordinary Income	427	900	+473	+110.6%
Ordinary Income Margin	3.5%	8.4%	+4.9pts	-
Net Income	328	641	+312	+95.1%
Net Income Margin	2.7%	6.0%	+3.3pts	-

1Q FY2025 Results Overview

- ✓ Orders: Volume down overall on sluggish demand for machinery installation for existing EV applications, a dip in demand for related supplementary work, and few large-lot machinery orders.
- ✓ Net sales: Ended down YoY despite progress via customer negotiations on projects stalled due to factors such as delivery postponement, contributions from supplementary work and work on domestic projects, as well as working through the order backlog for lithium-ion battery-related products in the Coating and Laminating Machinery segment
- ✓ Operating income: Operating income margin up on steady production of machinery for the EV market in line with budgets, the partial recovery via customer negotiations of additional costs for relocation work, work on production for domestic projects, and productivity improvement measures to reduce CoGS losses.
- ✓ Ordinary income: Up on higher operating income and higher dividend income and despite rise in interest payable on borrowings
- ✓ Net income: Up on higher ordinary income

1Q FY2025 Results by Segment



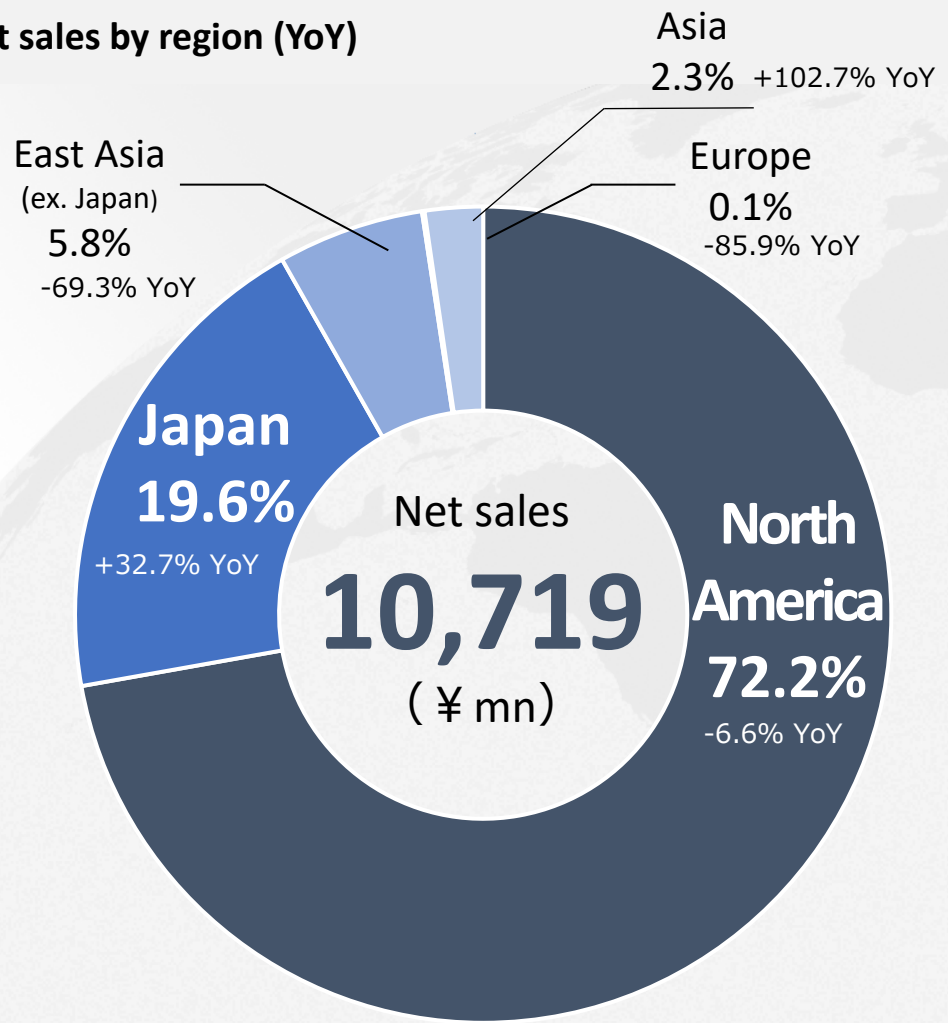
(Unit: ¥ million)		1Q FY2024	1Q FY2025	Change	YoY(%)
		a	b	b-a	(b-a)/a
Consolidated total	Orders	7,210	3,343	-3,867	-53.6%
	Net Sales	12,099	10,719	-1,379	-11.4%
	Operating income ^{*1}	292	821	+529	+181.1%
	Operating income margin	2.4%	7.7%	+5.3pts	-
Coating and Laminating Machinery Segment	Orders	5,555	2,754	-2,801	-50.4%
	Net Sales	10,332	9,392	-940	-9.1%
	Operating income ^{*2}	584	1,112	+528	+90.4%
	Operating income margin	5.7%	11.9%	+6.2pts	-
Industrial Machinery Segment	Orders	1,299	309	-989	-76.2%
	Net Sales	1,260	1,020	-239	-19.0%
	Operating income ^{*2}	-10	106	+116	-
	Operating income margin	-0.8%	10.4%	+11.2pts	-
Others, Adjustments	Orders	355	279	-76	-21.5%
	Net Sales	506	307	-199	-39.4%
	Operating income ^{*2}	67	27	-39	-59.5%
	Operating income margin	13.3%	8.9%	-4.4pts	-

* 1 : After adjustment for SG&A costs not assignable to any reporting segment

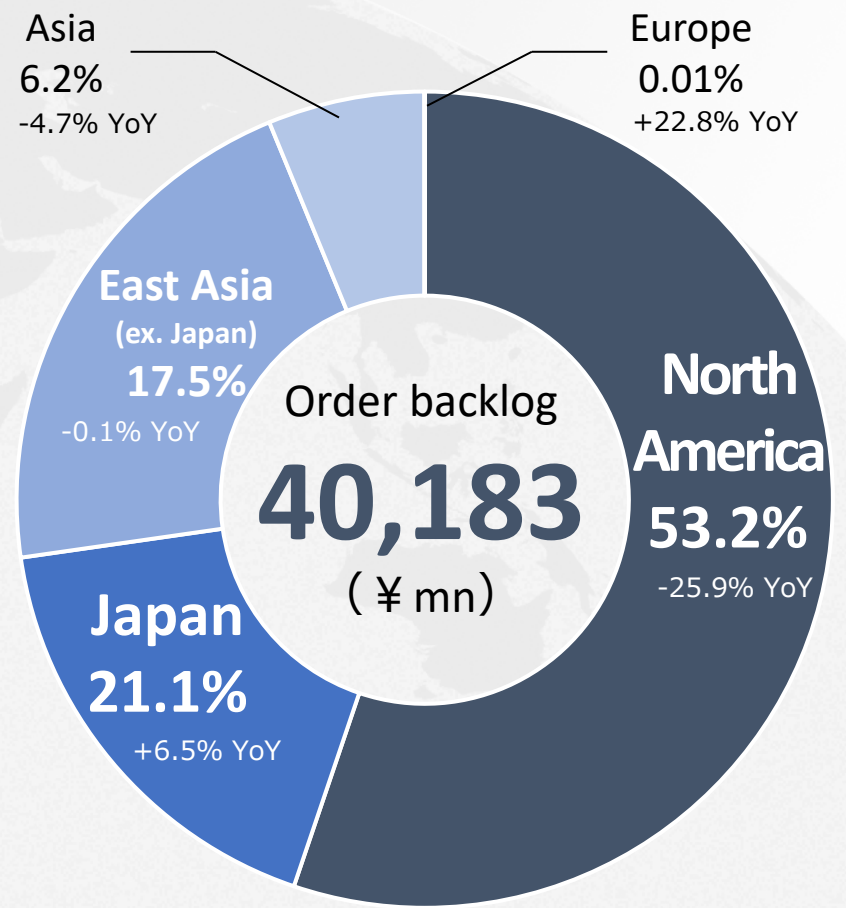
* 2 : Operating income equivalent to segment profit in the results report

1Q FY2025 Net Sales Weighting / Order Backlog by Region

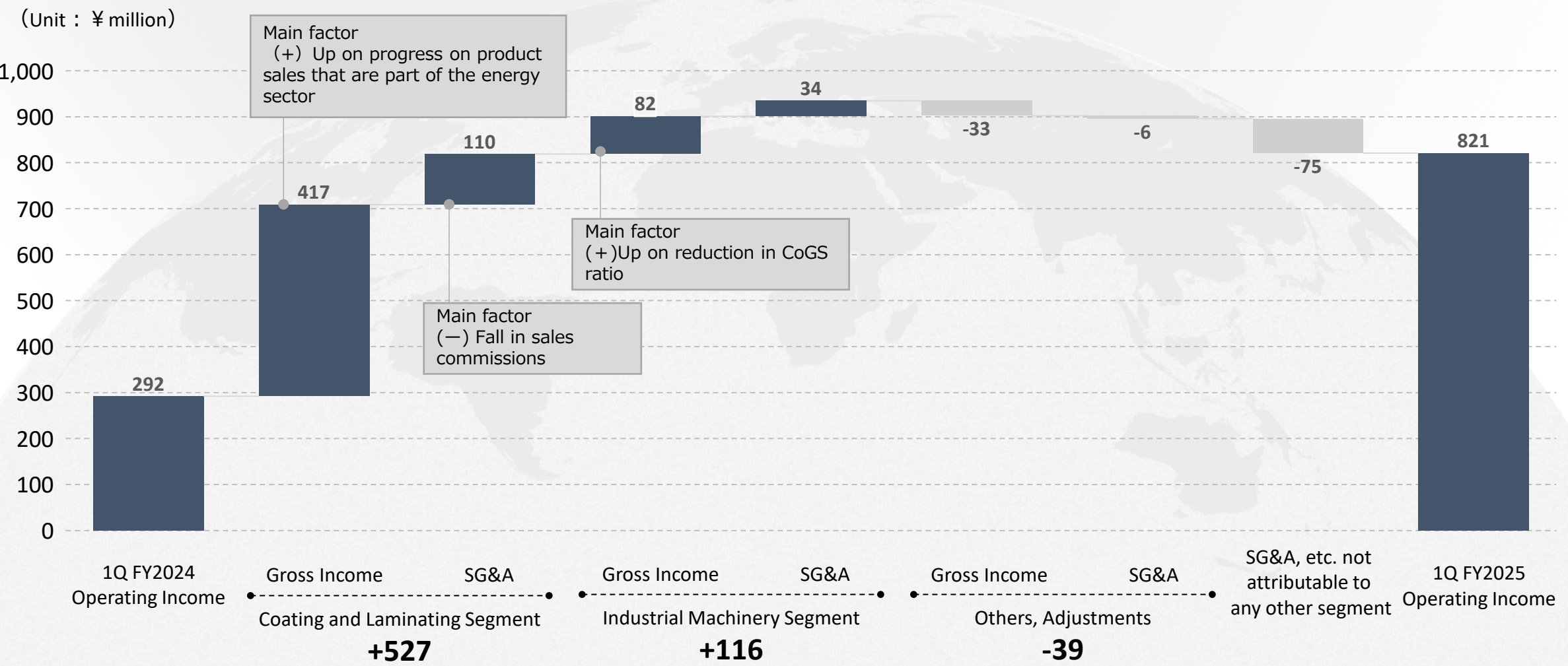
Net sales by region (YoY)



Order backlog by region (End-FY2024)



Factors for Change in 1Q FY2025 Operating Income



1Q FY2025 Balance Sheet

	End-FY2024	1Q FY2025	
(Unit : ￥ million)	a	b	b-a
	Value	Value	Change
Current Assets	48,505	48,836	+331
Fixed Assets	13,187	13,490	+302
Tangible Fixed Assets	7,437	7,559	+121
Intangible Fixed Assets	416	375	-40
Investments and Other Assets	5,333	5,555	+221
Total Assets	61,693	62,327	+633
Current Liabilities	22,505	23,087	+582
Fixed Liabilities	947	937	-9
Net Assets	38,240	38,301	+61
Equity Ratio	62.0%	61.5%	-0.5pts

Assets (vs. end-FY2024)

- Current Assets Up ￥331mn
- ✓ Accounts receivable and contract assets up ￥2,092mn
 - ✓ Cash and deposits up ￥1,125mn
 - ✓ Advance payments down ￥2,016mn
- Fixed Assets Up ￥302mn
- ✓ Tangible fixed assets up ￥121mn
 - ✓ Intangible fixed assets down ￥40mn
 - ✓ Investments and other assets up ￥221mn

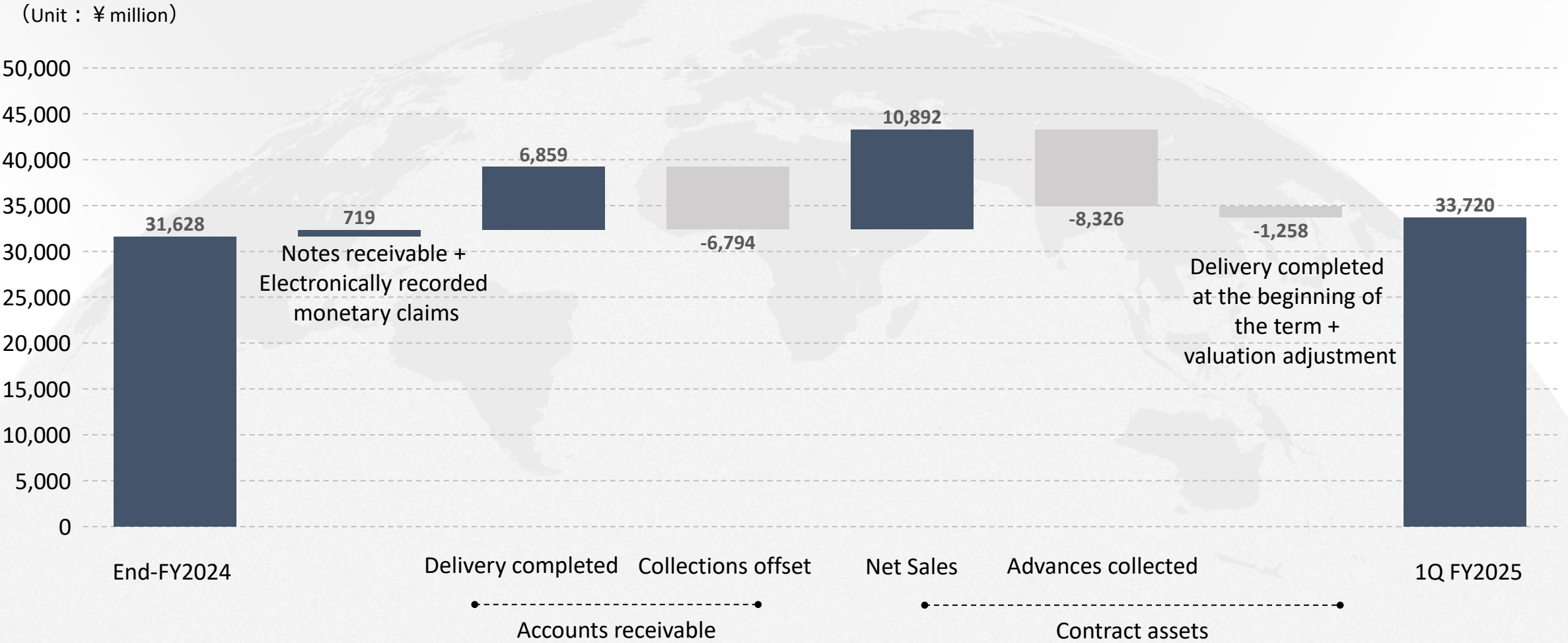
Liabilities (vs. end-FY2024)

- Current Liabilities Up ￥582mn
- ✓ Short-term borrowings up ￥1,200mn, advances collected up ￥960mn, payable expenses included in Other liabilities up ￥428mn
 - ✓ Accounts payable down ￥1,793mn, provisions for bonuses down ￥195mn
- Fixed Liabilities Down ￥9mn

Net Assets (vs. end-FY2024)

Net Assets Up ￥ 61mn

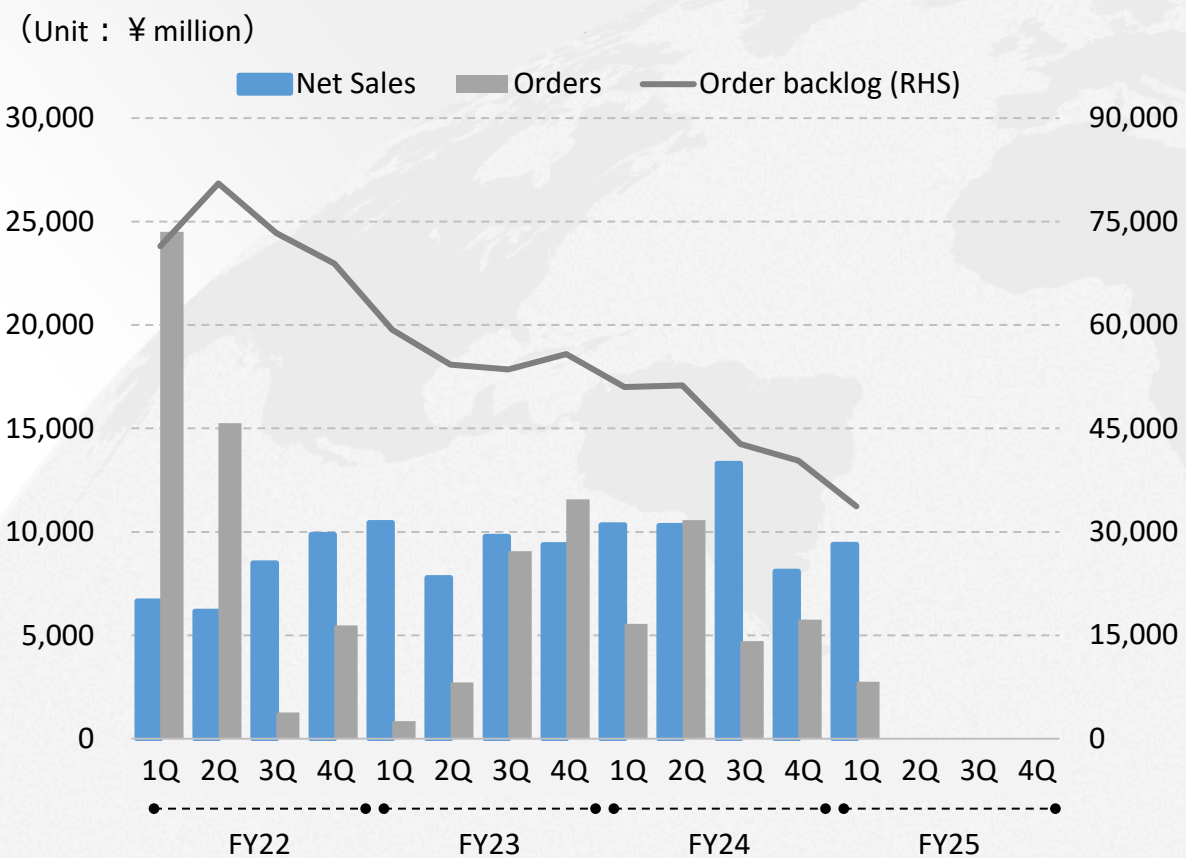
Change in Notes and Accounts Receivable – Trade and Contracts Assets, and Electronically Recorded Monetary Claims





1Q FY2025 Results by Segment

Order backlog, net sales and orders in the Industrial Machinery Segment

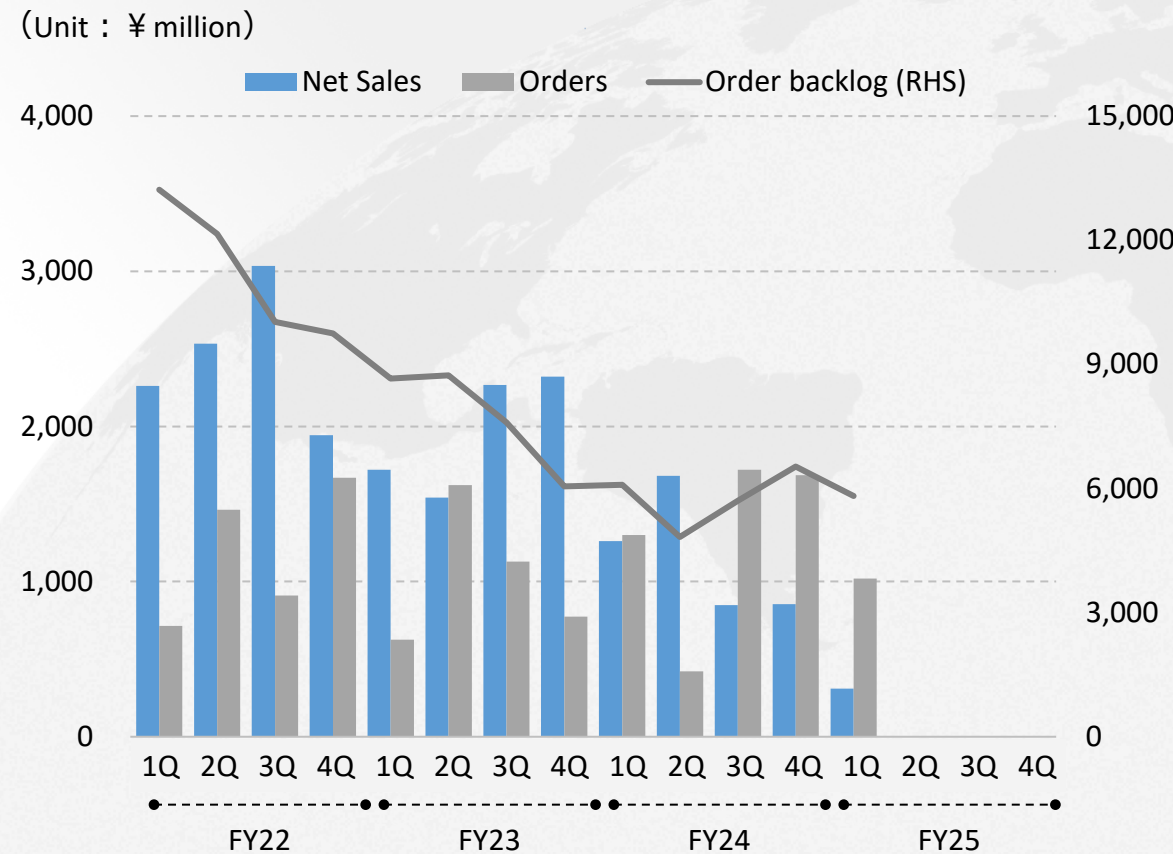


Highlights in the Coating and Laminating Machinery Segment

- ✓ Continued monitoring required of possible production reshoring to US in part due to US trade policy
 - ✓ Growth in EV market areas continues to slow despite prospects for expansion in some areas of the energy sector such as stationary storage batteries
 - ✓ Cautious approach to capex evident despite inquiries in some areas, such as optical films
-
- ✓ Ongoing tough order conditions for machinery owing to wait-and-see approach to capex and dip in demand for supplementary work in expanded business areas undertaken at the request of customers
 - ✓ Focus on short lead time modification orders for existing machinery and capture of orders for components as well as machinery
-
- ✓ Progress on working through order projects, mainly in energy-related areas
 - ✓ Working through order backlog for supplementary work too (such as machinery mountings and electrical work)

Order backlog, net sales and orders in the Industrial Machinery Segment

Highlights in the Industrial Machinery Segment



- Market conditions
 - ✓ Some investment appetite, mainly in film making systems for electronic materials applications such as MLCC and polyimide films, but cautious approach to capex too as customers monitor the impact of US trade policy
- Orders
 - ✓ Inquiries from industry majors in regions such as Japan, Southeast Asia, and China, but weak development into orders
 - ✓ Increased efforts to capture new orders, including film making systems for electronic materials applications
- Net sales
 - ✓ Production volume still down and sales low despite film making systems for electronics materials applications becoming the main focus



FY2025 Outlook

FY2025 Earnings Forecasts



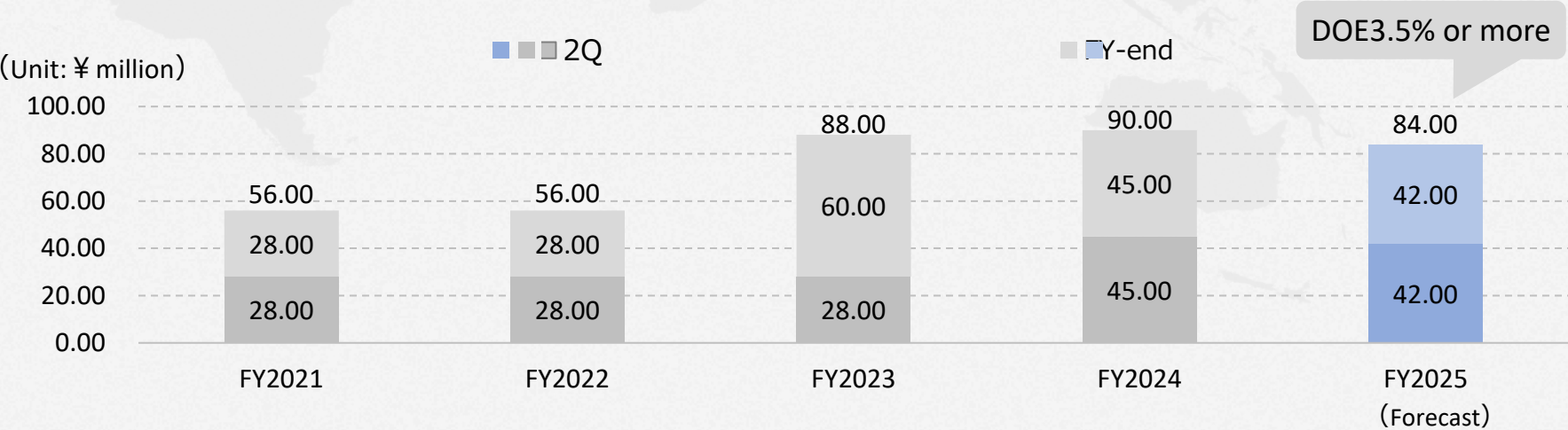
	FY2024	FY2025 Forecast	Change	YoY(%)
(Unit : ￥ million)	a	b	b-a	(b-a)/a
Net Sales	48,355	33,500	-14,855	-30.7%
Operating Income	1,681	1,500	-181	-10.8%
Operating Income Margin	3.5%	4.5%	+1.0pts	-
Ordinary Income	1,894	1,600	-294	-15.6%
Ordinary Income Margin	3.9%	4.8%	+0.9pts	-
Net Income	905	1,100	+195	+21.4%
Net Income Margin	1.9%	3.3%	+1.4pts	-
ROE	2.4%	2.9%	+0.5pts	
Dividends per share for the full year	￥ 90	￥ 84	￥ -6	
Interim	￥ 45	￥ 42	￥ -3	
Year-end	￥ 45	￥ 42	￥ -3	

Maintaining current dividend policy

Dividend policy

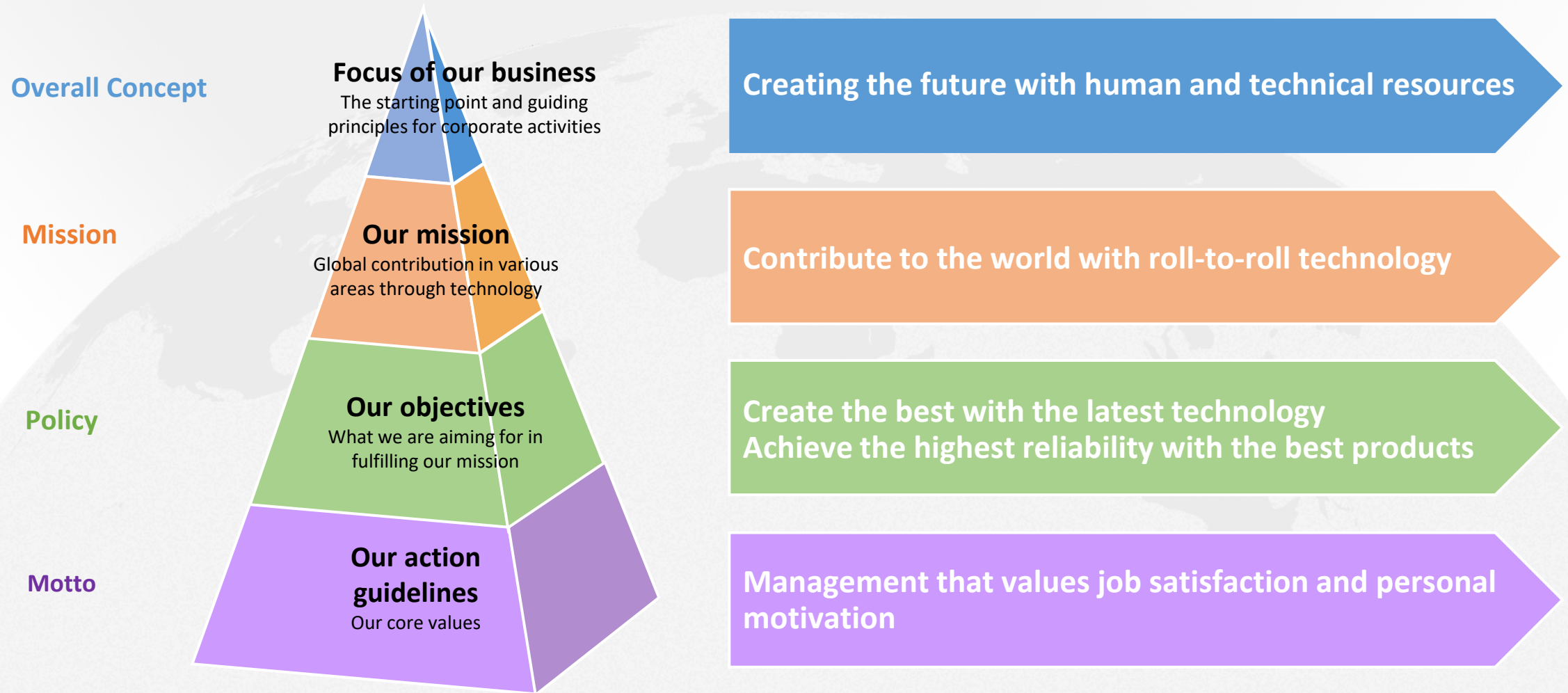
- ✓ We aim to pay dividends at a DOE of 3.5% or a payout ratio of 60%, whichever is higher
- ✓ We intend to revise our medium-term management plan to reflect slowdown in the EV market, but maintain our dividend policy
- ✓ We take a flexible approach to share buybacks to improve capital efficiency and shareholder returns, while securing the necessary funds for investment in growth and comprehensively taking into account financial conditions, the share price level, and other factors

Dividend payments





Who we are & Business Model Characteristics



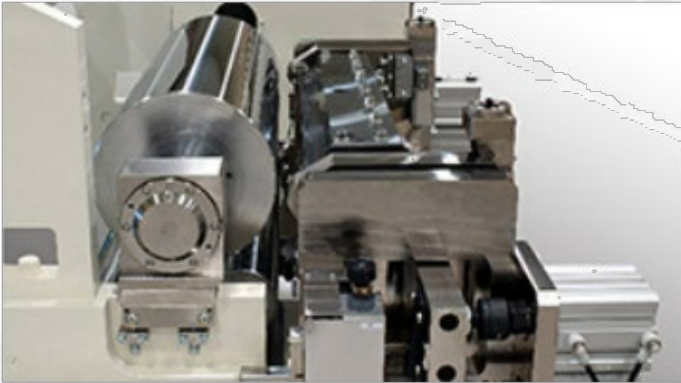
Coating Technology



Drying Technology



Feeder Technology



Formation of a thin and uniform liquid coating on the surface of all types of material, including paper, plastic film, and metal foil



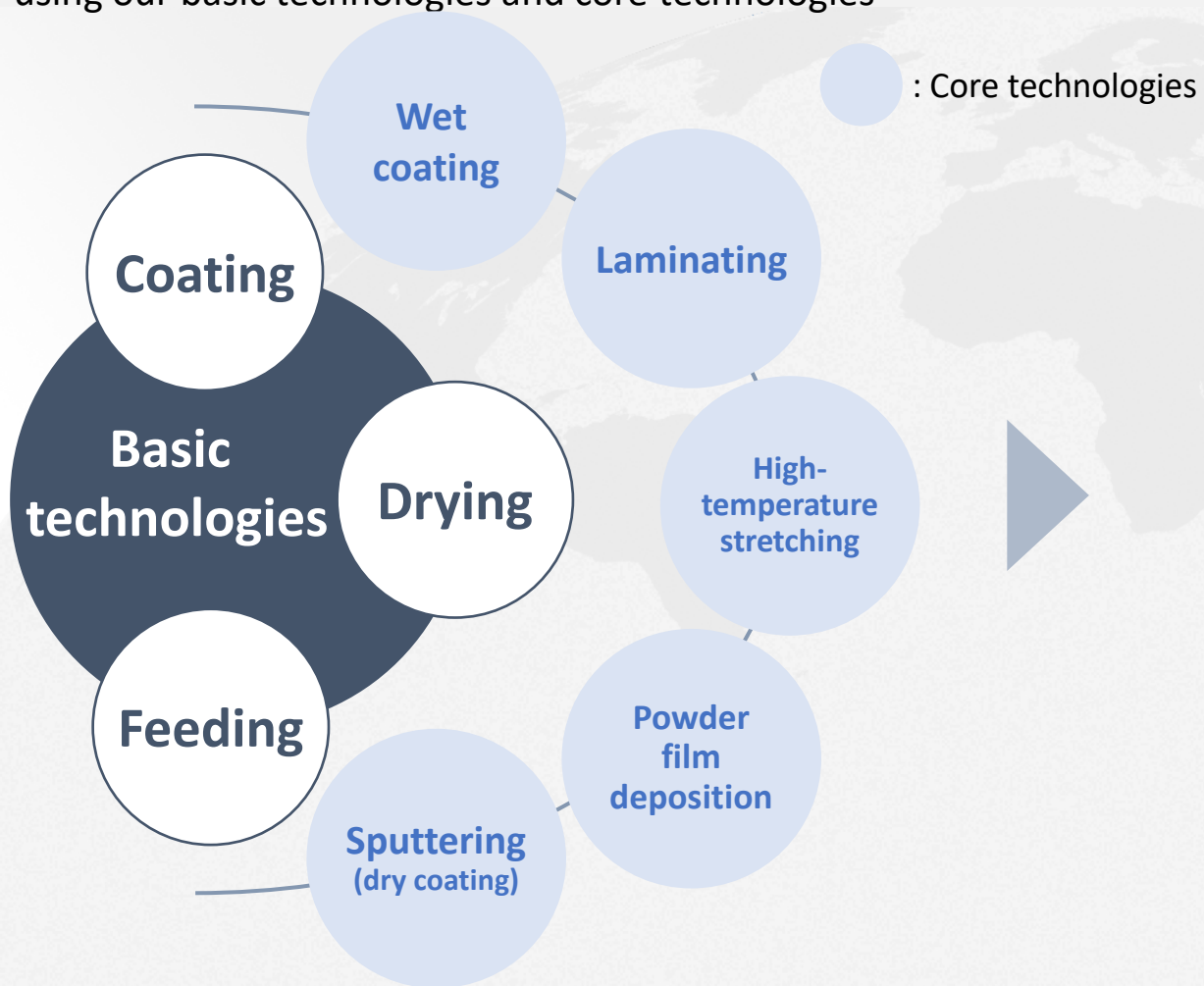
The liquid film coated on the material is fixed and transformed into a functional material



Precise control and stable mass production using a series of processes for unwinding, feeding, and rewinding thin materials without damaging them

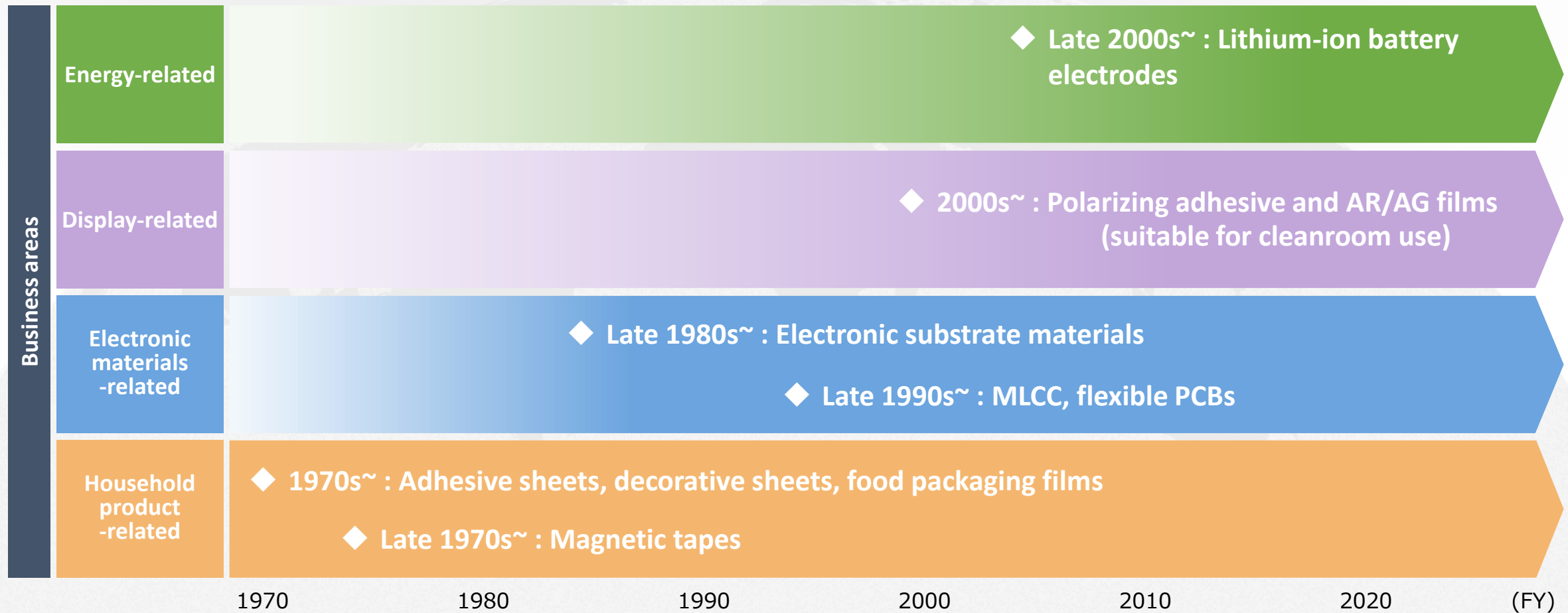
Core Technologies and End Products by Application

Providing a production line for the four application areas of energy, displays, electronic materials, and household products using our basic technologies and core technologies

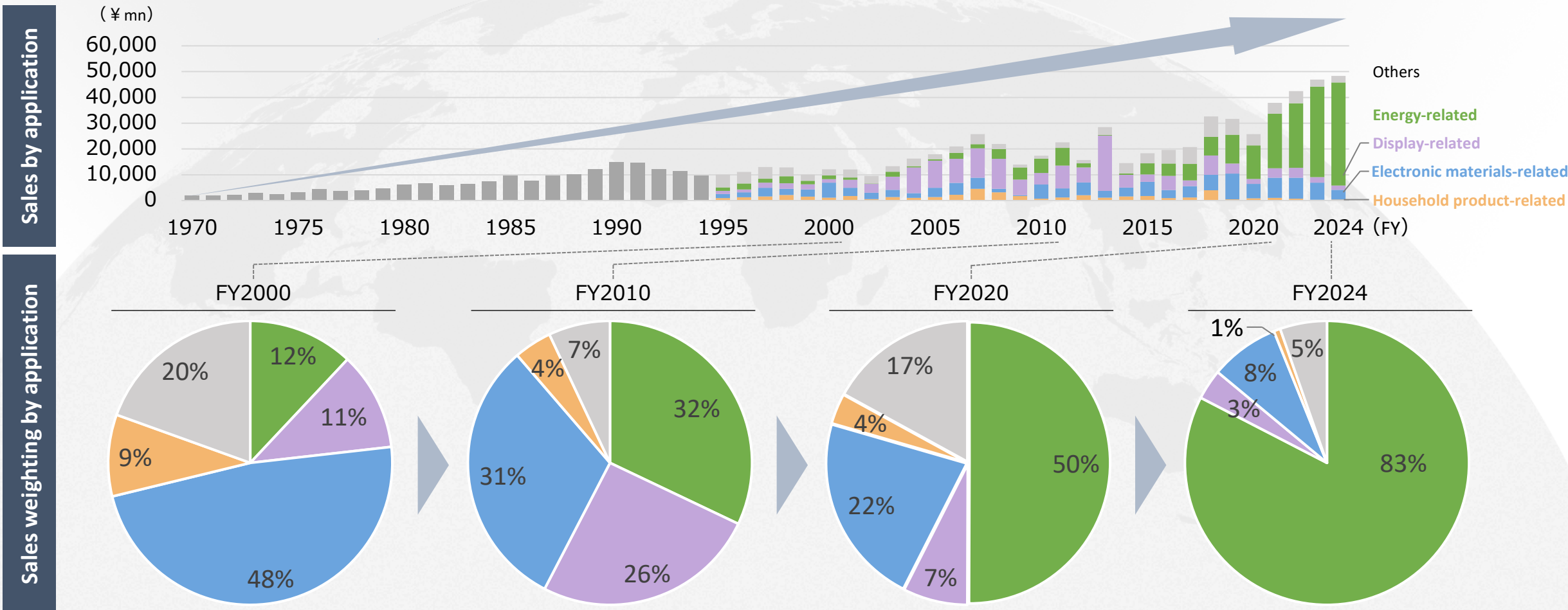


Expansion in business areas

Expansion in applicable business areas as a result of continued adaptation to customers' mass production needs



Creating long-term growth while adapting to the needs of the times. Energy-related areas now account for around 83% of total sales





ESG Stance

(Environment, Social, Governance)

Hirano Tecseed positions ESG (Environment, Social, Governance) activities as key initiatives for the sustainability of the Company and fulfillment of its social responsibilities.

Via business activities rooted in its corporate philosophy of “Creating the future with human and technical resources,” we have continued to respond to the needs of society through the supply of new products and technologies.

While remaining mindful of our impact on the environment and society, we aim to continue to help solve social issues through our business in order to fulfill our responsibilities as a corporate citizen.



Kaoru Okada, President

- ✓ We are implementing environmental initiatives with sustainable development in mind

State of initiatives

Contributing to the global environment through business

- ✓ In addition to the lithium-ion battery area, we are contributing through the development of perovskite solar cells, which are expected to be the next generation of solar cells to be implemented in society
- ✓ Backed by a wealth of machinery installation experience, we aim to extend the service life of machinery by strengthening our maintenance business

Contributing to the global environment in our business activities

- ✓ At the Kizugawa Factory, we are promoting the automatic operation of machine tools to improve the efficiency of production processes
- ✓ We are working to reduce CO₂ emissions by installing solar panels on factory roofs and utilizing solar power generation

Environmental and safety promotion structures

- ✓ We have established a dedicated department with the aim of improving environmental conservation and safety management and are working to build a sustainable production system

- ✓ We are implementing various initiatives with the aim of coexisting with society

State of initiatives

Contributing to people's lifestyles through business

- ✓ We are contributing to the development and spread of various electronic devices that are essential to people's daily lives

Proactive investment in human capital

- ✓ We are enhancing human resource development training, including operating training tailored to rank and systematic on-the-job training aimed at acquiring skills
- ✓ We are promoting the creation of an environment that allows for flexible working styles through the diversification of work schedules of employees

Revitalization of local communities

- ✓ We have concluded a comprehensive partnership agreement with the town of Kawai (Nara Prefecture) with the aim of revitalizing the region and improving welfare
- ✓ We provide focused support for activities targeting children, such as sponsoring B.League basketball team Bambitious Nara, J3 League soccer team Nara Club, and municipal children's relay races, as well as providing work experience opportunities
- ✓ Other initiatives include conducting factory tours for local schools, beautifying the area around factories, and fundraising activities

- ✓ We are implementing initiatives to maximize corporate value and to strengthen our systems with the aim of improving management transparency and efficiency

State of initiatives

Raising corporate value for all stakeholders

- ✓ We are diversifying our revenue streams with an eye to the future, while promoting strategic and concentrated investment, and strengthening our efforts in non-financial areas

Improving management transparency and efficiency

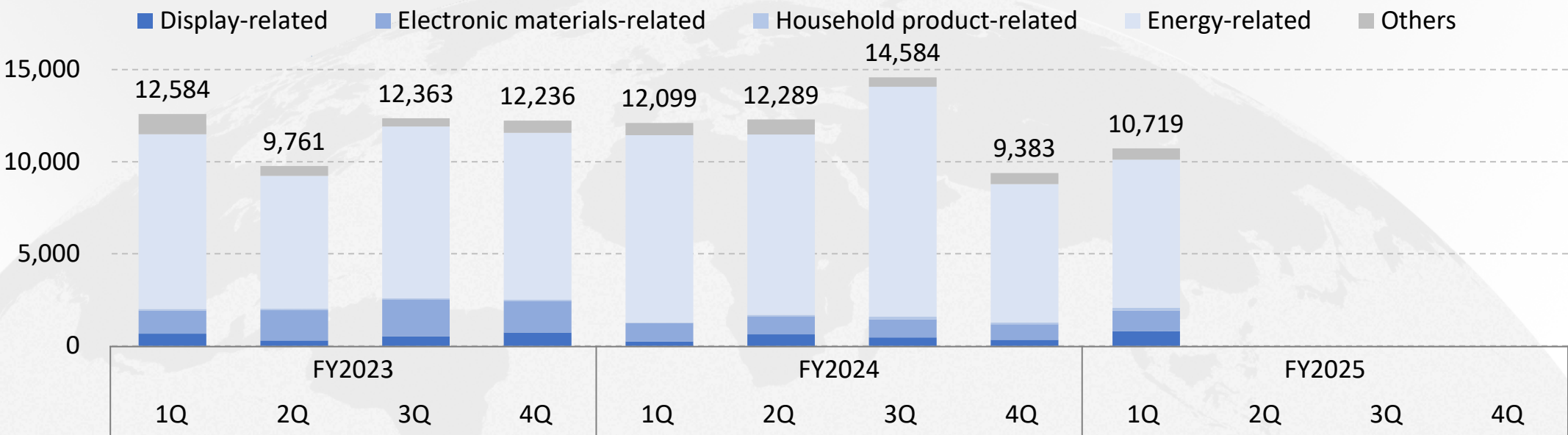
- ✓ We are promoting the greater activity of the Board of Directors, the acceleration of decision-making, and working to ensure transparency
- ✓ We introduced an executive officer system in May 2023 and are promoting efficient organizational operations by separating management and execution
- ✓ We have established a compliance consultation desk and harassment hotline operated by an external third-party organization, thereby creating a neutral support system that is independent of the Company's internal interests



Appendix

By Application ① Net Sales (quarterly)

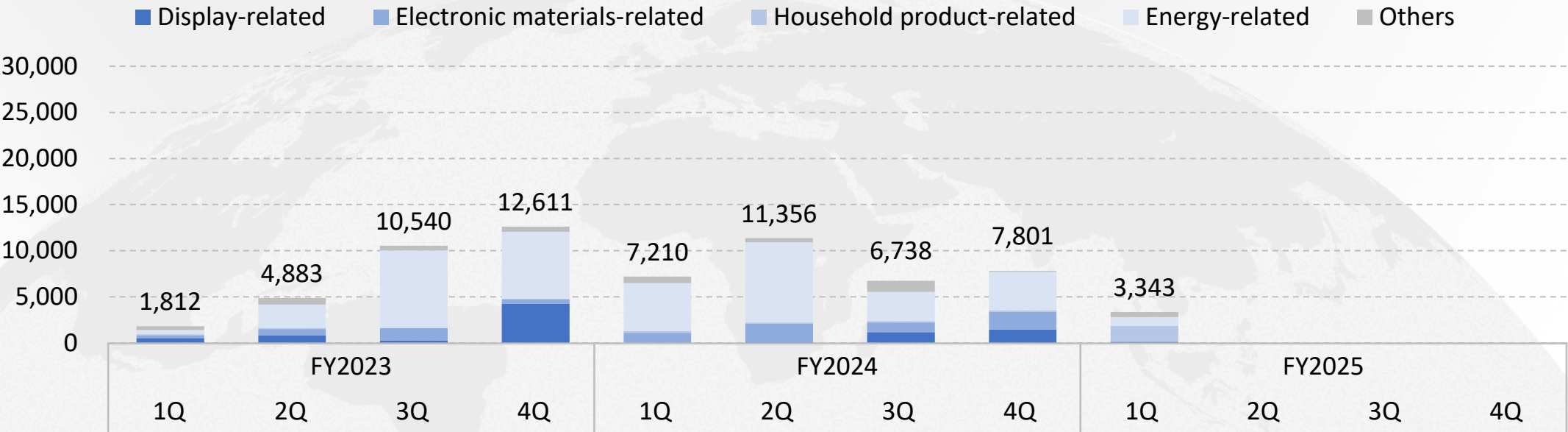
(Unit: ¥million)



Net sales weighting	Others	8.7%	5.5%	3.7%	5.5%	5.4%	6.6%	3.6%	6.4%	5.7%		
	Energy-related	75.4%	73.8%	75.5%	74.0%	83.9%	79.7%	85.6%	80.1%	75.0%		
	Household product-related	0.7%	0.8%	0.4%	0.7%	0.3%	0.7%	1.0%	1.0%	1.5%		
	Electronic materials-related	10.0%	16.9%	16.2%	13.9%	8.2%	8.0%	6.7%	8.9%	10.3%		
	Display-related	5.3%	3.0%	4.3%	5.9%	2.1%	5.1%	3.1%	3.6%	7.6%		

By Application ② Orders (quarterly)

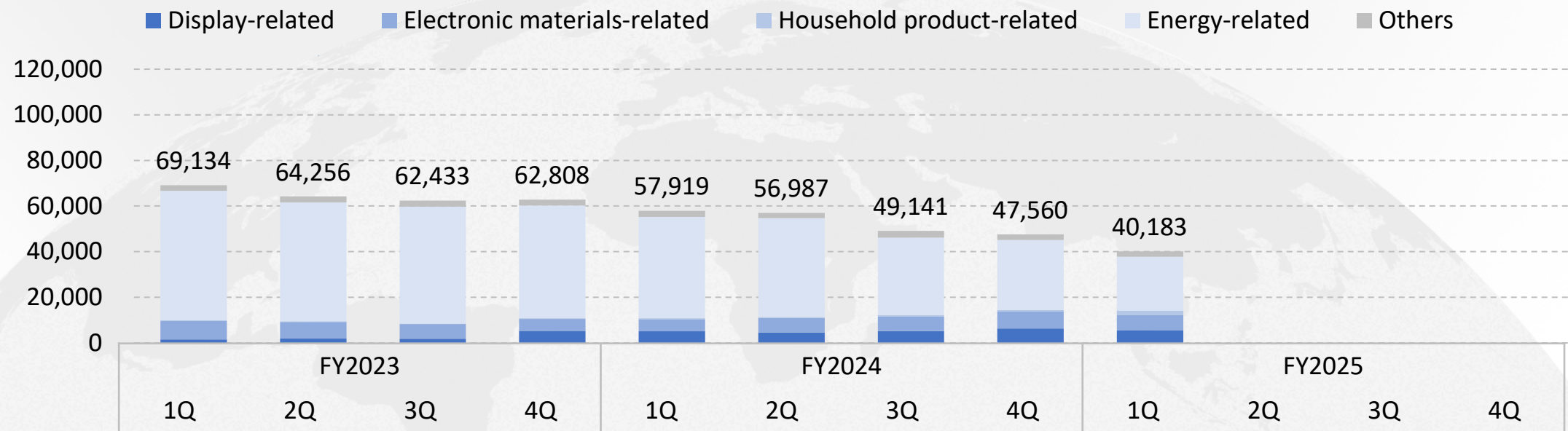
(Unit: ¥million)



Order weighting	Others	23.0%	14.6%	4.7%	4.4%	10.0%	3.9%	17.8%	1.1%	15.8%
	Energy-related	24.1%	52.2%	79.8%	57.6%	72.3%	76.5%	47.0%	53.5%	28.3%
	Household product-related	6.5%	2.1%	0.3%	0.4%	2.4%	1.2%	2.4%	2.2%	49.5%
	Electronic materials-related	16.3%	13.7%	12.8%	3.9%	15.2%	17.7%	15.5%	24.7%	3.6%
	Display-related	30.1%	17.4%	2.4%	33.7%	0.1%	0.7%	17.3%	18.5%	2.8%

By Application ③ Order Backlog (quarterly)

(Unit: ¥million)



Order backlog weighting	Others	3.6%	4.1%	4.3%	4.1%	4.6%	4.0%	6.0%	5.1%	5.9%		
	Energy-related	82.2%	81.2%	82.1%	78.7%	76.8%	76.2%	69.4%	64.7%	58.9%		
	Household product-related	0.4%	0.5%	0.4%	0.4%	0.6%	0.8%	0.9%	1.1%	5.0%		
	Electronic materials-related	11.7%	11.0%	10.3%	8.3%	9.2%	11.1%	13.0%	15.7%	16.2%		
	Display-related	2.2%	3.2%	2.9%	8.5%	8.8%	8.0%	10.7%	13.4%	14.0%		

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Contact: Corporate Division HIRANO TECSEED Co., Ltd .

<https://www.hirano-tec.co.jp/en/contact/>

Tel: +81-745-57-0681