



# Consolidated Financial Results FY2024

May 9, 2025

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# FY2024 Results Highlights

# Results Highlights



## FY2024 Results

	FY2024	YoY Change
Net Sales	¥ 48,355mn	¥ 1,409mn + 3.0%
Operating Income	¥ 1,681mn	¥ -1,554mn -48.0%
Operating Income Margin	3.5%	-3.4pts
ROE	2.4%	-4.2pts

## FY2025 Earnings Forecasts

	FY2025 Forecasts	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

### FY2024 Results

- ✓ Sales revenue up on robust sales from the contribution of supplementary work in North America, particularly in the energy sector
- ✓ Income down on higher expenses from sharply higher raw input costs for industrial materials and labor, and on warehousing and outsourcing costs related to requests for delivery postponement as key customers revised their capex plans in reaction to slowdown in the EV market and the impact of the financial and trade policies of the US administration

### FY2025 Forecasts

- ✓ Trends in tariff policies by the new US administration need monitoring and risk of further revisions to customers' capex plans
- ✓ Aim to secure orders by proactive marketing activities in regions outside North America and various markets to tap into latent demand for machinery modification/relocation and supply of various components as well as for new machinery



# FY2024 Results

# Overview of FY2024 Results



## FY2024 Results

(Unit: ¥ million)	FY2023 a	FY2024 b	Change b-a	YoY(%) (b-a)/a
Order	29,848	33,106	+3,258	+10.9%
Net Sales	46,946	48,355	+1,409	+3.0%
Operating Income	3,236	1,681	-1,554	-48.0%
Operating Income Margin	6.9%	3.5%	-3.4pts	-
Ordinary Income	3,394	1,894	-1,499	-44.2%
Ordinary Income Margin	7.2%	3.9%	-3.3pts	-
Net Income	2,438	905	-1,532	-62.8%
Net Income Margin	5.2%	1.9%	-3.3pts	-

## FY2024 Results Overview

- ✓ Orders: Volume up overall on orders for supplementary work for existing industrial machinery and despite weak customer capex appetite owing to slowdown in the EV market overlapping with adjustments due to changes in locations, etc.
- ✓ Net sales: Steady YoY thanks to the contribution from supplementary work and working through the order backlog for lithium-ion battery-related products in the Coating and Laminating Machinery segment.
- ✓ Operating income: Operating income margin down as efforts to reduce CoGS losses via price negotiations and productivity improvement were insufficient to fully offset higher expenses from sharply higher raw input costs (mainly industrial materials and labor), and warehousing/outsourcing costs related to customer requests for delivery postponement.
- ✓ Ordinary income: Down owing to fall in operating income
- ✓ Net income: Down owing to booking of ¥478mn provision for doubtful accounts related to the bankruptcy of Northvolt Ett AB as an extraordinary loss

# FY2024 Results by Segment



(Unit: ¥ million)

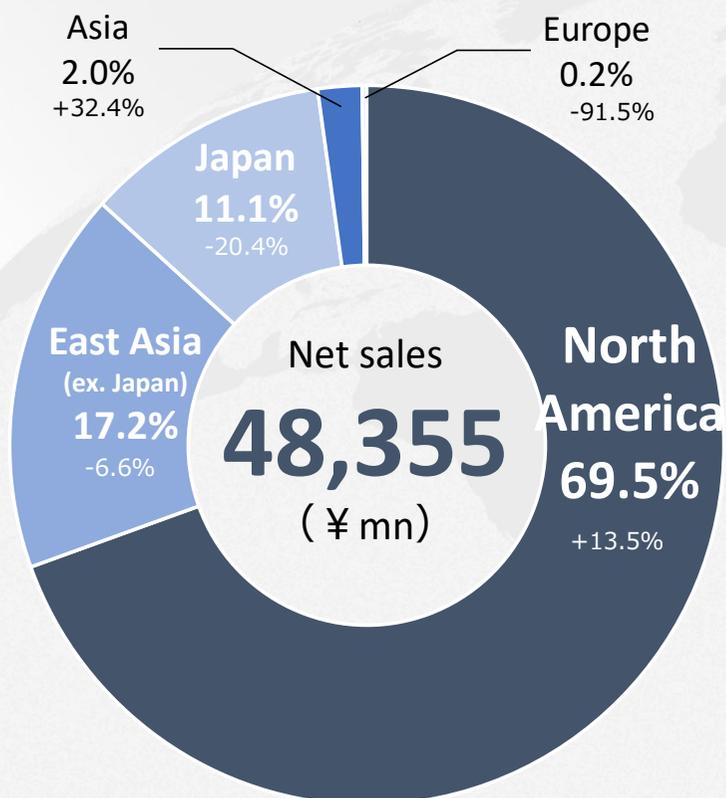
		FY2023	FY2024	Change	YoY(%)
		a	b	b-a	(b-a)/a
Consolidated total	Orders	29,848	33,106	+3,258	+10.9%
	Net Sales	46,946	48,355	+1,409	+3.0%
	Operating income* <sup>1</sup>	3,236	1,681	-1,554	-48.0%
	Operating income margin	6.9%	3.5%	-3.4pts	-
Coating and Laminating Machinery Segment	Orders	24,222	26,596	+2,373	+9.8%
	Net Sales	37,374	42,020	+4,646	+12.4%
	Operating income* <sup>2</sup>	3,168	2,543	-625	-19.7%
	Operating income margin	8.5%	6.1%	-2.4pts	-
Industrial Machinery Segment	Orders	4,149	5,127	+978	+23.6%
	Net Sales	7,850	4,645	-3,204	-40.8%
	Operating income* <sup>2</sup>	1,257	293	-964	-76.7%
	Operating income margin	16.0%	6.3%	-9.7pts	-
Others, Adjustments	Orders	1,476	1,382	-93	-6.4%
	Net Sales	1,720	1,688	-32	-1.9%
	Operating income* <sup>2</sup>	269	271	+2	+0.8%
	Operating income margin	15.7%	16.1%	+0.4pts	-

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

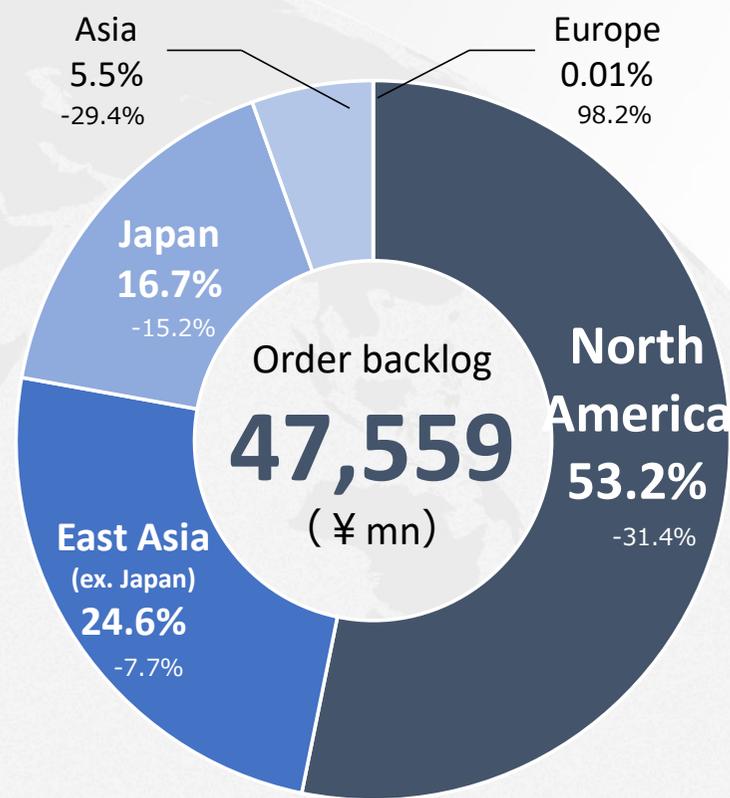
\*2 : Operating income equivalent to segment profit in the results report

# FY2024 Net Sales Weighting / Order Backlog by Region

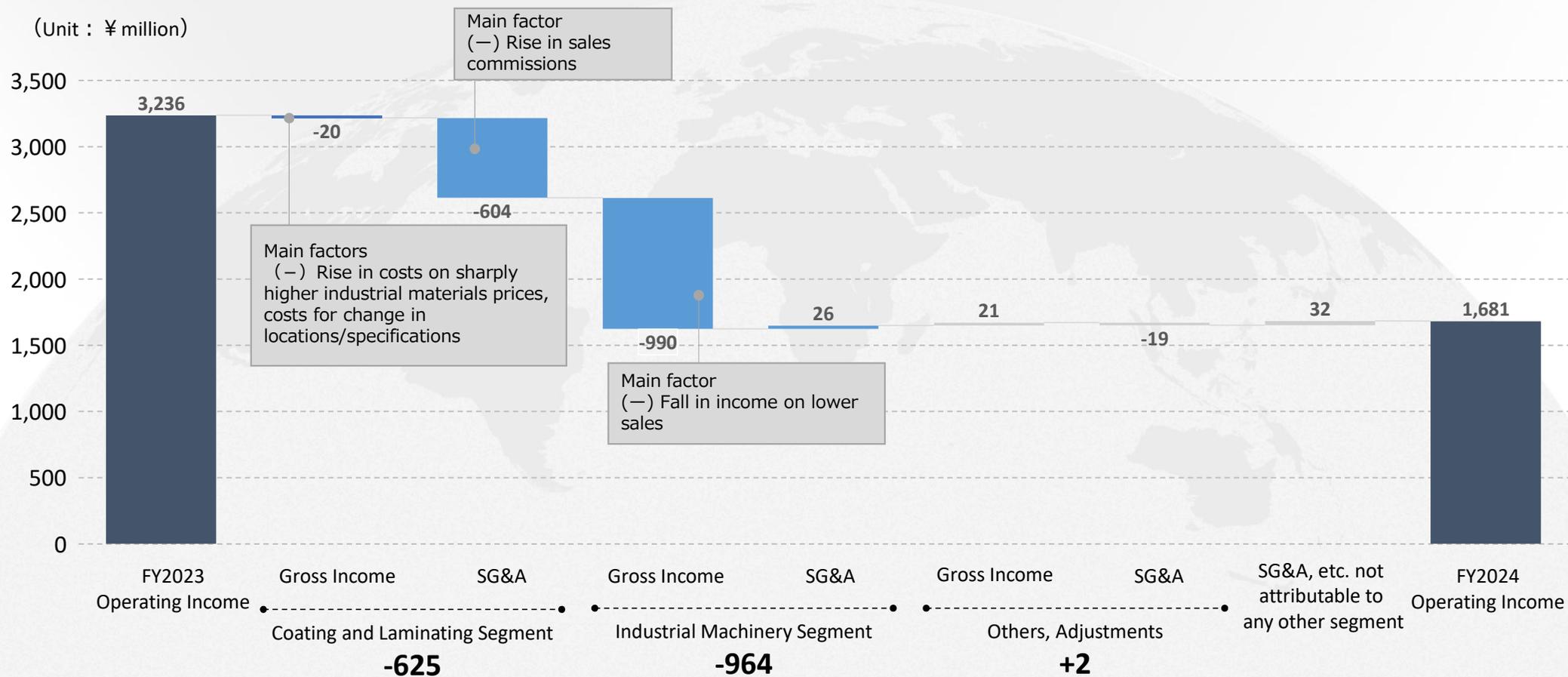
### Net sales by region (YoY)



### Order backlog by region (End-FY2024)



# Factors for Change in FY2024 Operating Income



# FY2024 Balance Sheet



	End-FY2023	End-FY2024	
(Unit : ¥ million)	a	b	b-a
	Value	Value	Change
Current Assets	49,639	48,505	-1,133
Fixed Assets	13,290	13,187	-102
Tangible Fixed Assets	7,511	7,437	-73
Intangible Fixed Assets	560	416	-143
Investments and Other Assets	5,218	5,333	+114
<b>Total Assets</b>	<b>62,929</b>	<b>61,693</b>	<b>-1,236</b>
Current Liabilities	22,965	22,505	-459
Fixed Liabilities	1,401	947	-454
<b>Net Assets</b>	<b>38,562</b>	<b>38,240</b>	<b>-321</b>
Equity Ratio	61.3%	62.0%	+0.7pts

## Assets (vs. end-FY2023)

- Current Assets   Down ¥1,133mn
  - ✓ Accounts receivable and contract assets Up ¥932mn
  - ✓ Advance payments Up ¥965mn
  - ✓ Cash and deposits Down ¥2,523mn
- Fixed Assets   Down ¥102mn
  - ✓ Intangible fixed assets Down ¥143mn

## Liabilities (vs. end-FY2023)

- Current Liabilities   Down ¥ 459mn
  - ✓ Notes payable and accounts payable Up ¥4,482mn
  - ✓ Electronically recorded monetary claims Down ¥3,919mn
  - ✓ Advances collected Down ¥1,043mn
- Fixed Liabilities   Down ¥454mn

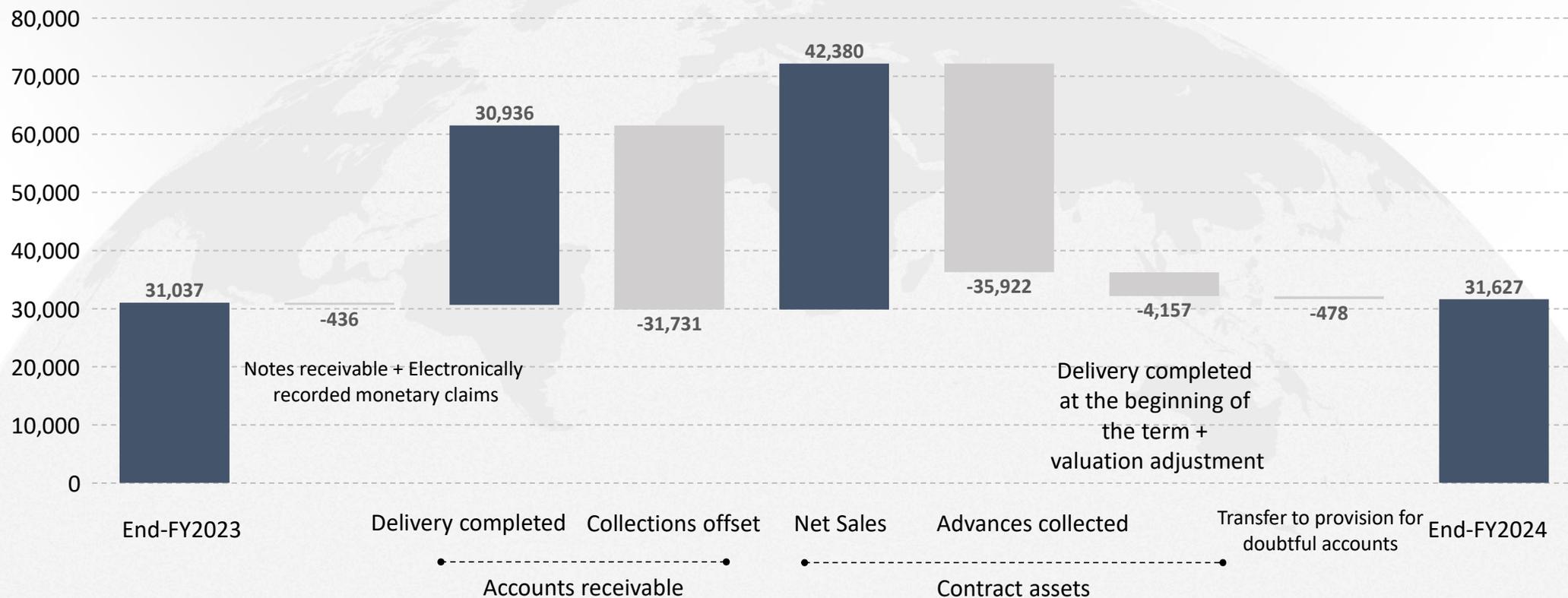
## Net Assets (vs. end-FY2023)

Net Assets   Down ¥321mn

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



(Unit : ¥ million)





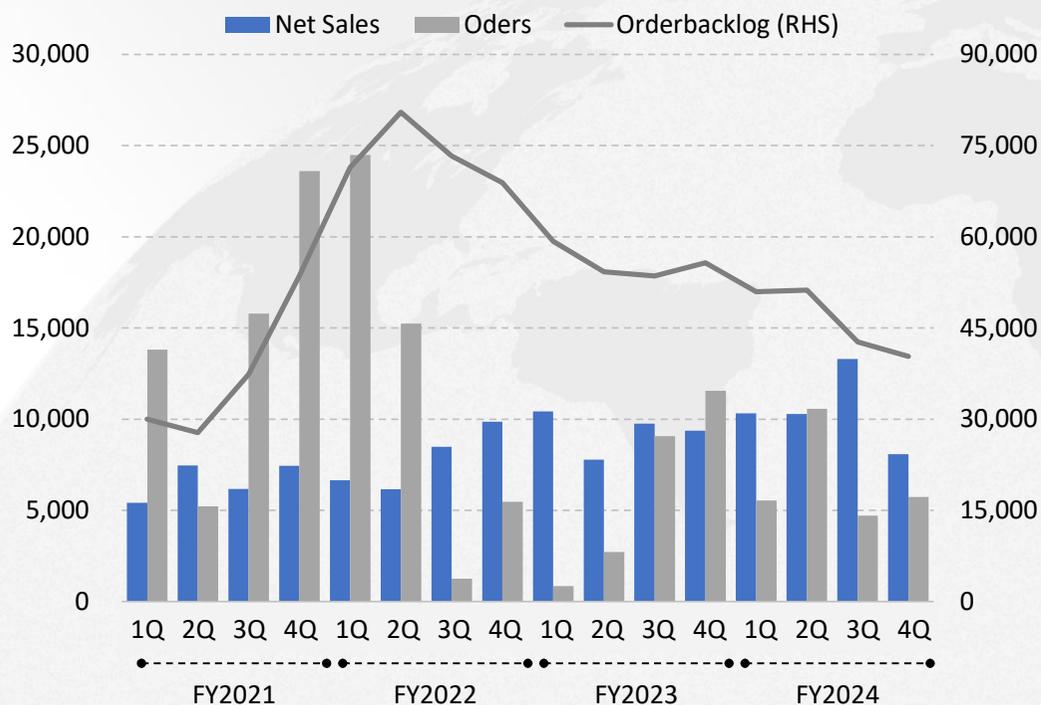
# FY2024 Results by Segment

# Order backlog, Net Sales, and Orders in the Coating and Laminating Machinery Segment



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

(Unit : ¥ million)



## Highlights in the Coating and Laminating Machinery Segment

### Market conditions

- ✓ Risk of change in investment strategies owing to US policy trends under the Trump administration
- ✓ Growth in the lithium-ion battery market (especially the EV market) continues to slow
- ✓ Major revisions in customers' capex plans, including adjusting plant construction plans and pushing back deliveries

### Orders

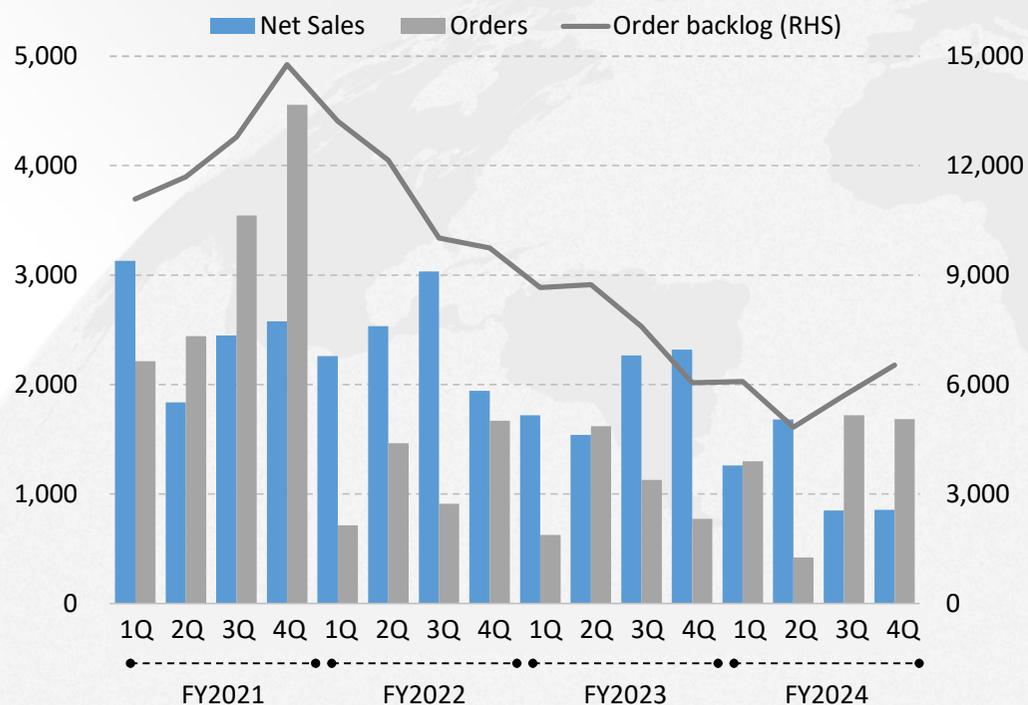
- ✓ Machinery order conditions remain tough, but expansion in work undertaken at the request of customers leading to ongoing receipt of orders for supplementary work including equipment mounting platforms and electrical work
- ✓ Receipt of orders from areas such as the optical film sector and focus on opening up multiple business areas

### Net Sales

- ✓ Progress on working through order projects, mainly in energy-related areas
- ✓ As well as increase in supplementary work (such as machinery mountings and electrical work), contribution to earnings from working through the order backlog

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

(Unit : ¥ million)



## Highlights in the Industrial Machinery Segment

### Market conditions

- ✓ Focused on capture of orders due to steady investment appetite, particularly in film making systems for electronic materials applications such as MLCC and polyimide films

### Orders

- ✓ Inquiries from industry majors in regions such as Japan, Southeast Asia, and China, but order volume remained only flat YoY
- ✓ Increased efforts to capture new orders, including acquisition of orders for film making systems for electronic materials applications

### Net Sales

- ✓ Production volume down and sales low despite film making systems for electronics materials applications becoming the main focus



# FY2025 Outlook

# FY2025 Earnings Forecasts



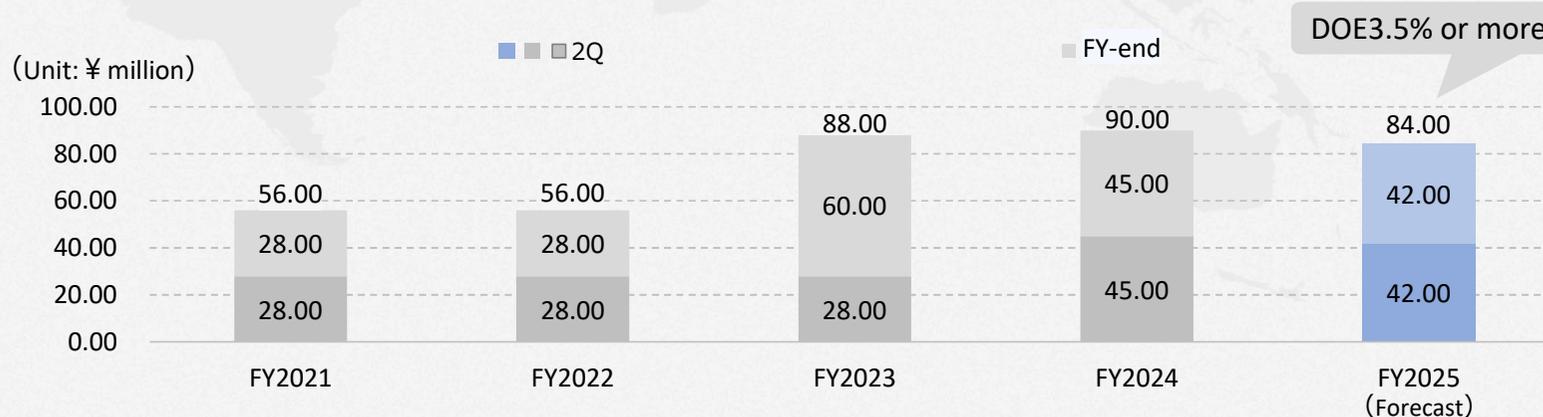
(Unit : ¥ million)	FY2024	FY2025 Forecast		YoY(%)
	a	b	Change b-a	(b-a)/a
Net Sales	48,355	33,500	-14,855	-30.7%
Operating Income	1,681	1,500	-181	-10.8%
Operating Income Margin	3.5%	4.5%	+1.0pts	-
Ordinary Income	1,894	1,600	-294	-15.6%
Ordinary Income Margin	3.9%	4.8%	+0.9pts	-
Net Income	905	1,100	+195	+21.5%
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 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



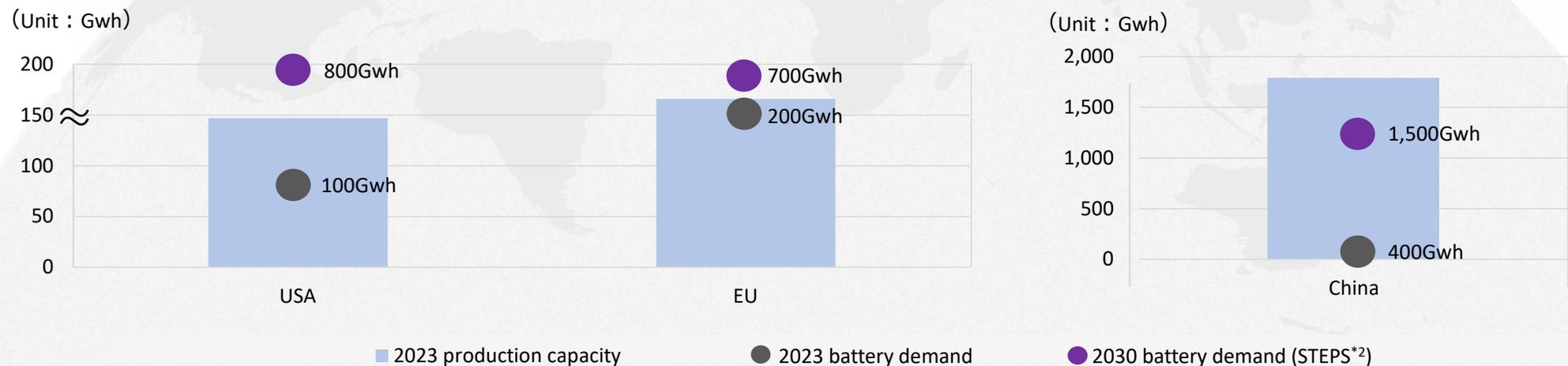


# Revisions to Medium-Term Management Plan to Reflect Changes in the Market Environment

## Environment in main markets and impact on business

- ✓ Automotive-use battery production capacity in China reached a level in 2023 that exceeded 2030 demand forecasts
- ✓ Uncertainty for the market outlook is also increasing due to slowdown in the EV market and the impact of US financial and trade policies under the Trump administration
- ✓ In reaction to this market environment, there have been major revisions in customers' capex plans, including adjusting plant construction plans and pushing back deliveries

## Automotive-use battery production capacity (2023) and battery demand (2023/2030) in the US, EU, and China\*1



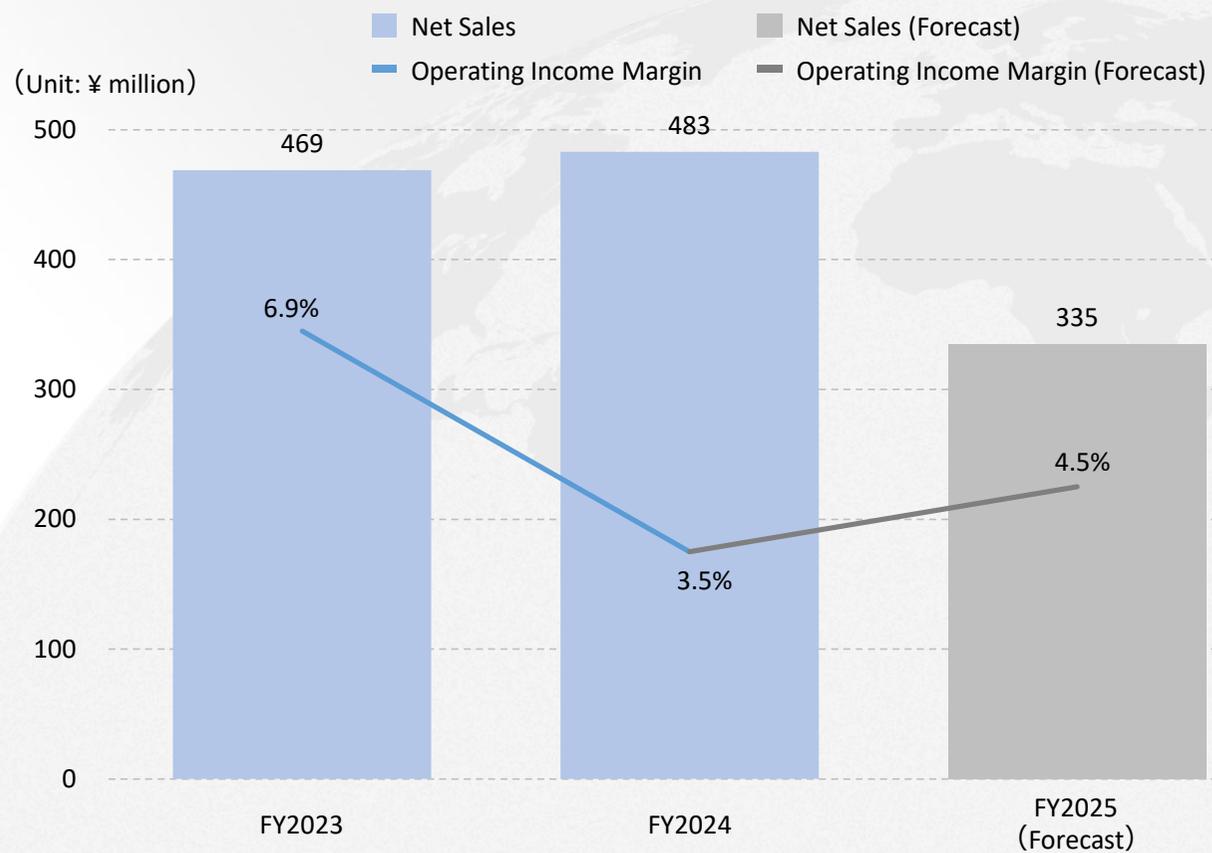
\*1 : Based on data from sources including the International Energy Agency's (IEA) "Global EV Outlook 2024"

\*2 : The IEA's STEPS (Stated Policies Scenario) based on analysis of current policies, measures, regulations, and technology in each country

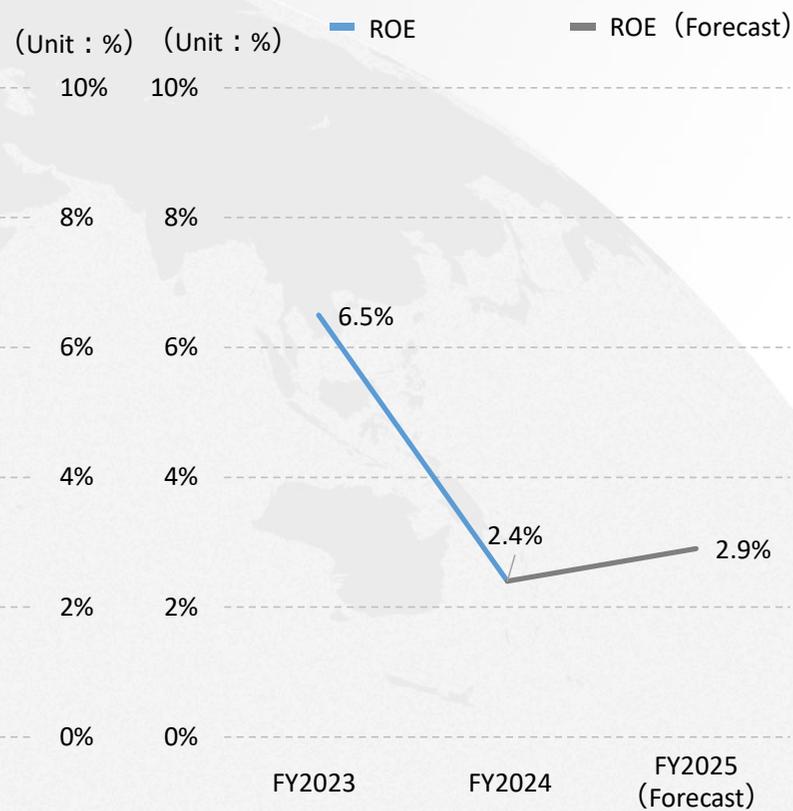
# Progress on Numerical Forecasts



## Net sales • Operating income margin



## ROE



**Intend to continue investment for future growth.**  
**Current dividend policy to be maintained during**  
**this Medium-Term Management Plan.**

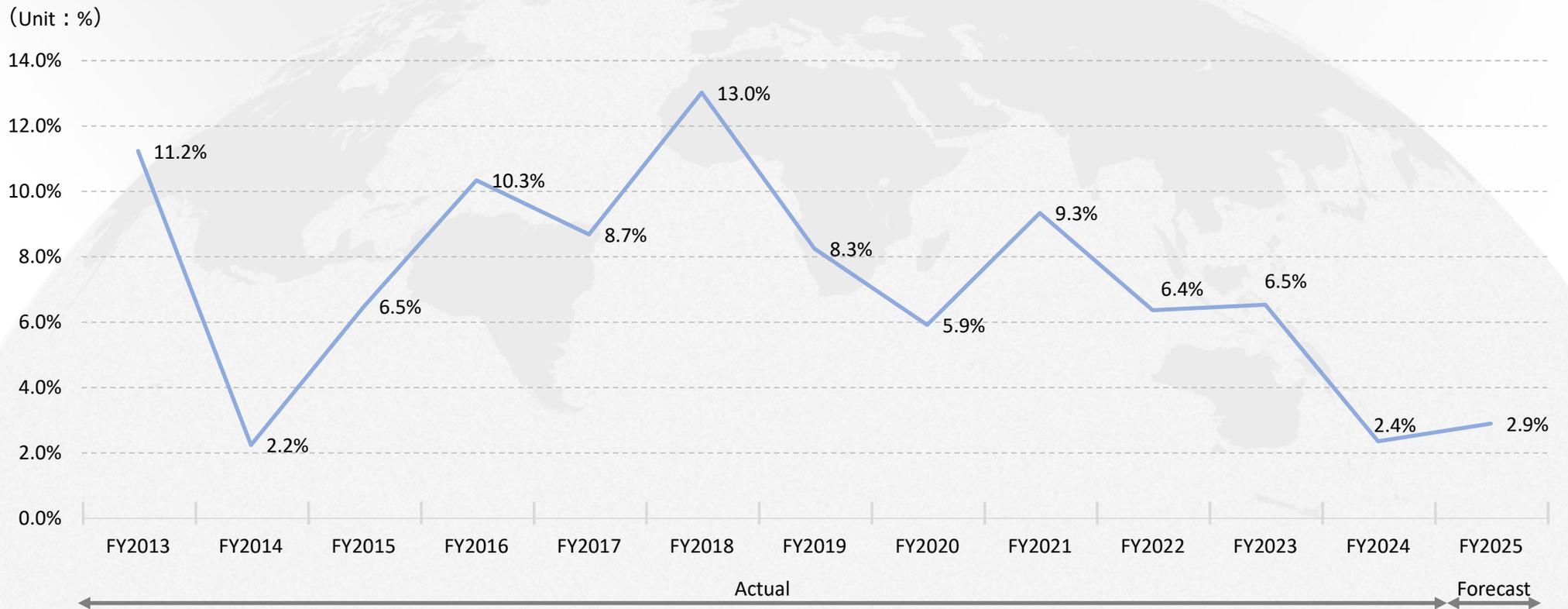
- ✓ We intend to maintain the current shareholder returns policy during this medium-term management plan, which runs through the end of FY2027, by monitoring the balance sheet and making efficient use of assets, while securing the necessary funds for investment in growth
- ✓ We aim to pay dividends at a DOE of 3.5% or a payout ratio of 60%, whichever is higher

**Intend to revise current**  
**Medium-Term Management Plan**

Revised plan to be disclosed by November 2025

✓ Final FY2024 ROE was 2.4%, but we forecast 2.9% in FY2025

## Actual ROE and forecast ROE (FY2013~FY2025)



## Action Conscious of Improvement in Corporate Value

- ✓ PBR has been trending below 1.0x since February 2022 and we will continue to take action to improve corporate value

### PBR (FY2013~FY2024)

(Unit : x)





# Business Model Characteristics

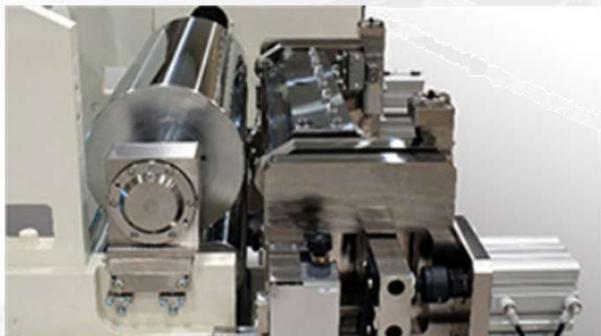
## Coating Technology



## 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



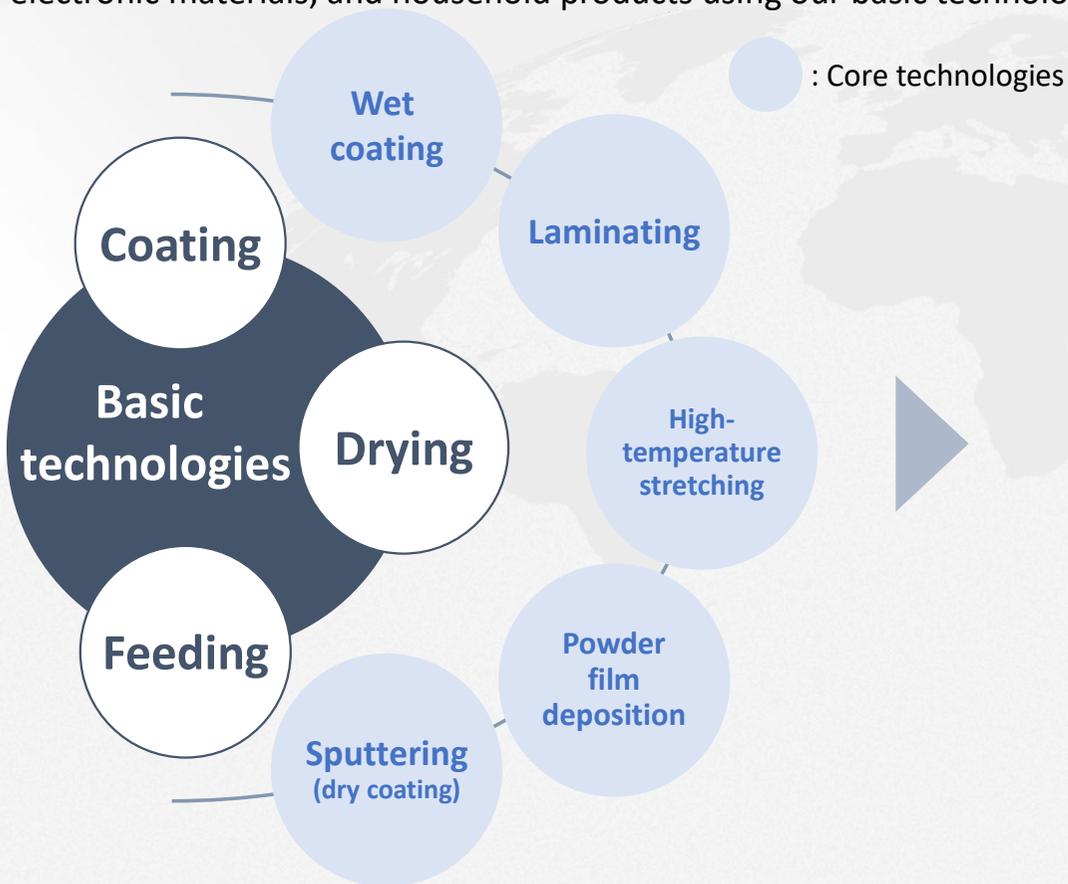
The liquid film coated on the material is fixed and transformed into a functional material



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

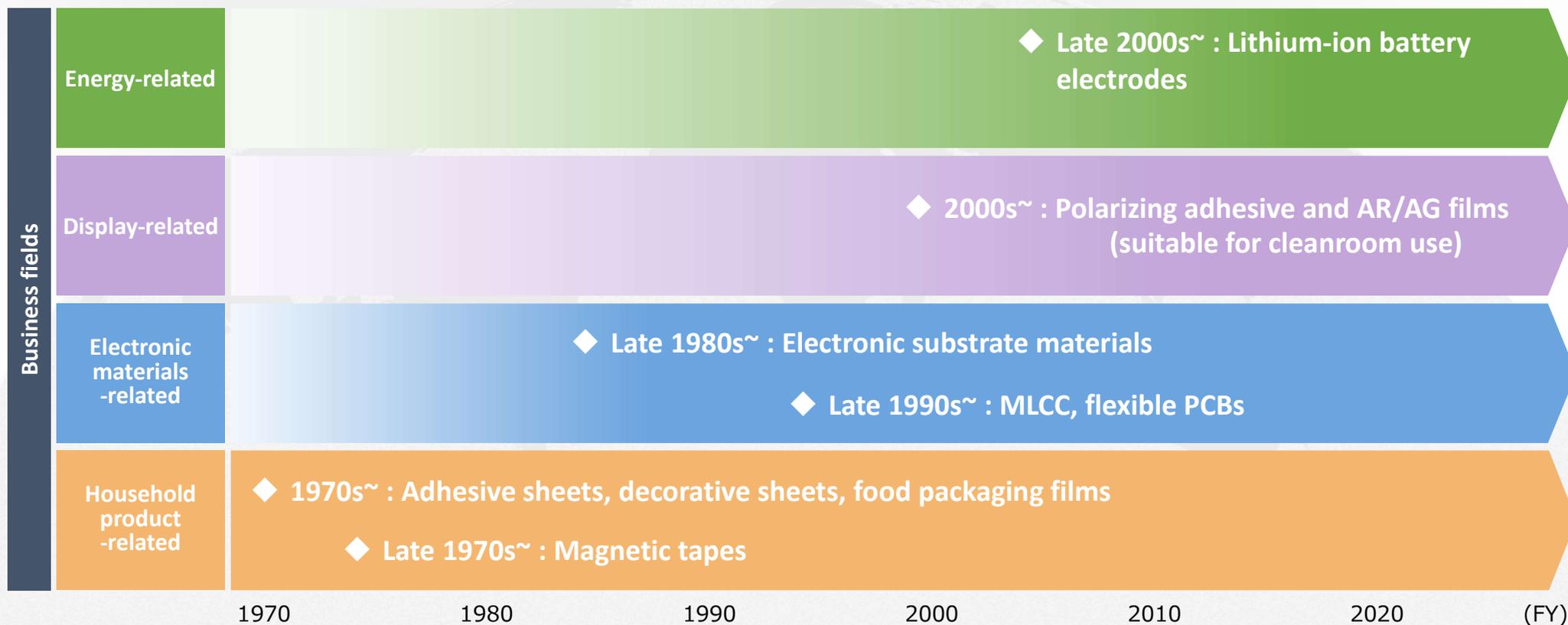
Providing a production line for the four application areas of energy, displays, electronic materials, and household products using our basic technologies and core technologies



Energy-related	Lithium-ion batteries	Solar cells	Next-generation batteries
Display-related	LCD displays	Optical films, etc.	Smartphones
Electronic materials-related	MLCC	PCBs	Polyimide films
Household product-related	High-performance films	Adhesive tapes	Non-woven materials

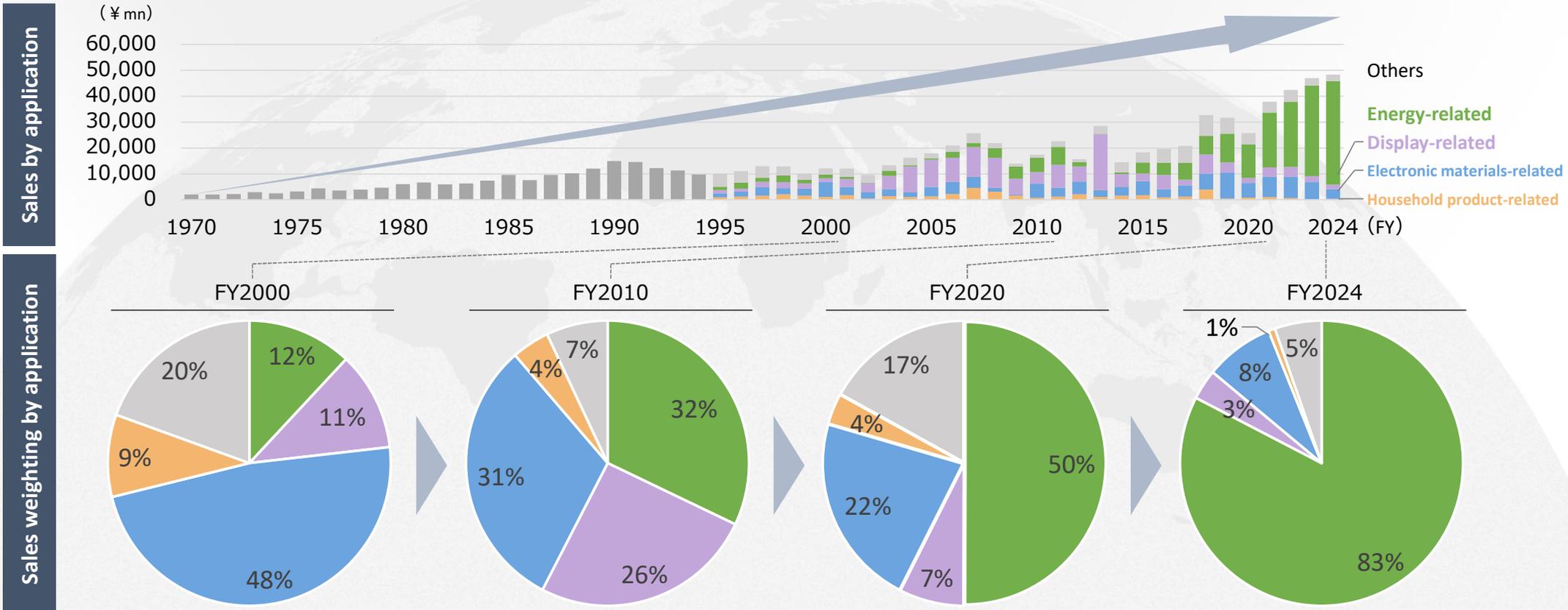
# Expansion in business fields

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



# Transformation in Focus Areas

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





Who we are



## Company Profile

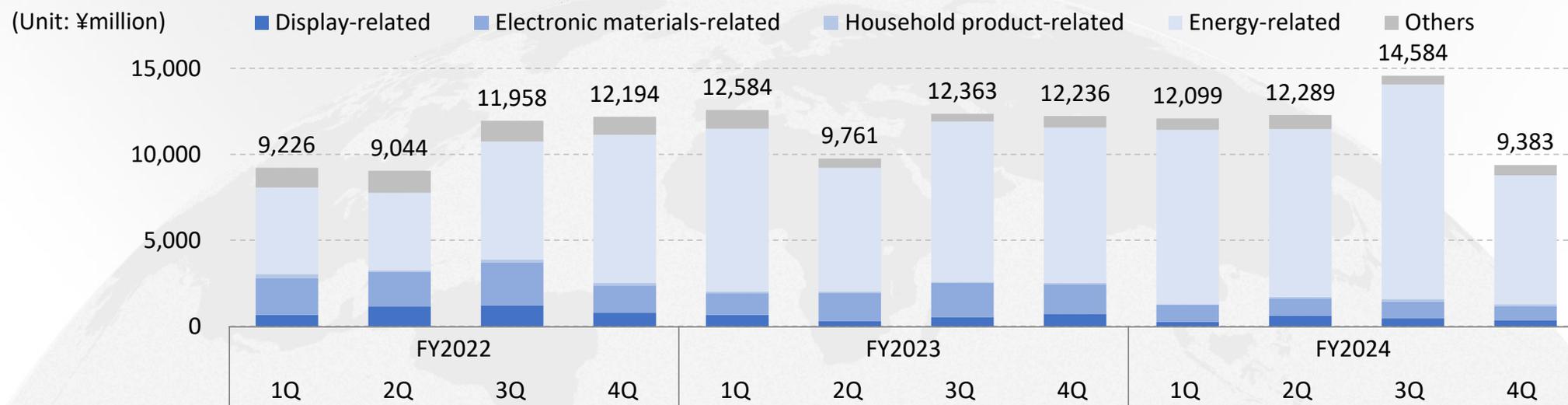


<b>Company Name</b>	HIRANO TECSEED Co., Ltd.
<b>Representative</b>	Kaoru Okada, President
<b>Paid-in Capital</b>	¥1,847,821,000 (as of end-March 2025)
<b>Headquarters</b>	101-1, Kawai, Kawai-cho, Kitakatsuragi-gun, Nara Pref. 636-0051, Japan
<b>Group Companies (wholly-owned)</b>	• HIRANO GIKENKOGYO Co., Ltd. • HIRANO K&E Co., Ltd., HIRANO AMERICA, INC.
<b>Number of Employees</b>	419 (Parent: 318, as of end-March 2025)
<b>Securities Code</b>	6245 (Industry: Machinery)



# Appendix

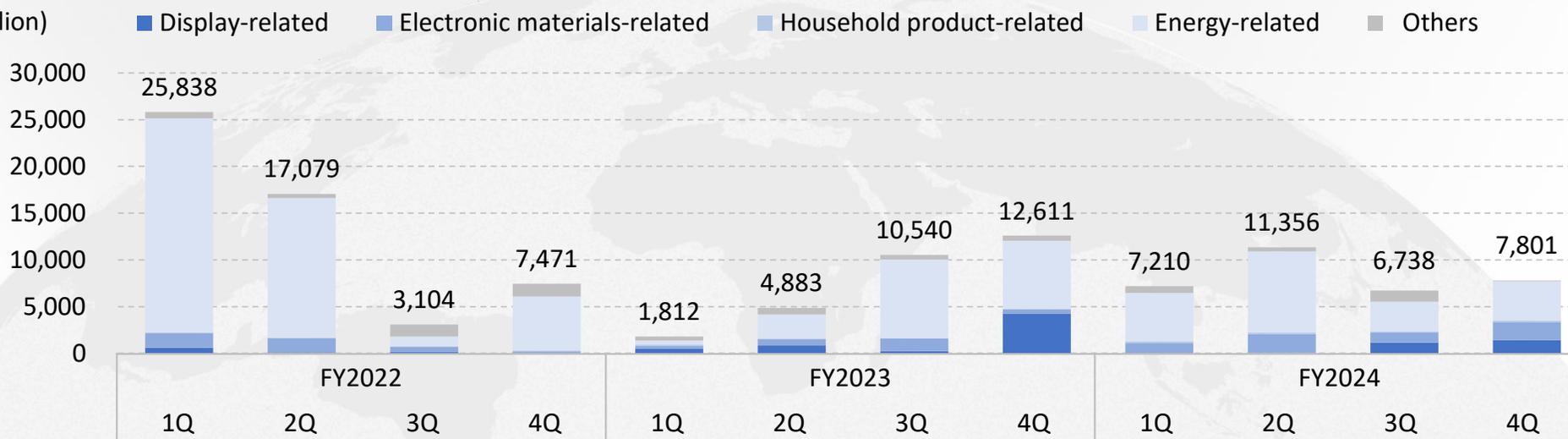
## By Application ① Net Sales (quarterly)



	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Others	12.4%	14.0%	10.1%	8.5%	8.7%	5.5%	3.7%	5.5%	5.4%	6.6%	3.6%	6.4%
Energy-related	54.6%	50.0%	57.4%	70.8%	75.4%	73.8%	75.5%	74.0%	83.9%	79.7%	85.6%	80.1%
Household product-related	2.8%	1.2%	1.4%	1.3%	0.7%	0.8%	0.4%	0.7%	0.3%	0.7%	1.0%	1.0%
Electronic materials-related	23.0%	22.2%	20.9%	13.0%	10.0%	16.9%	16.2%	13.9%	8.2%	8.0%	6.7%	8.9%
Display-related	7.2%	12.7%	10.2%	6.4%	5.3%	3.0%	4.3%	5.9%	2.1%	5.1%	3.1%	3.6%

## By Application ② Orders (quarterly)

(Unit: ¥million)



Order weighting

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Others	2.6%	2.6%	41.3%	18.5%	23.0%	14.6%	4.7%	4.4%	10.0%	3.9%	17.8%	1.1%
Energy-related	88.6%	87.4%	34.3%	77.6%	24.1%	52.2%	79.8%	57.6%	72.3%	76.5%	47.0%	53.5%
Household product-related	0.2%	0.4%	1.2%	0.9%	6.5%	2.1%	0.3%	0.4%	2.4%	1.2%	2.4%	2.2%
Electronic materials-related	6.0%	9.1%	17.3%	2.5%	16.3%	13.7%	12.8%	3.9%	15.2%	17.7%	15.5%	24.7%
Display-related	2.4%	0.5%	5.8%	0.5%	30.1%	17.4%	2.4%	33.7%	0.1%	0.7%	17.3%	18.5%

## By Application ③ Order Backlog (quarterly)



(Unit: ¥million)



Order backlog weighting	Others	4.2%	2.9%	3.3%	3.9%	3.6%	4.1%	4.3%	4.1%	4.6%	4.0%	6.0%	5.1%
	Energy-related	75.0%	79.7%	81.2%	82.4%	82.2%	81.2%	82.1%	78.7%	76.8%	76.2%	69.4%	64.7%
	Household product-related	0.6%	0.5%	0.4%	0.3%	0.4%	0.5%	0.4%	0.4%	0.6%	0.8%	0.9%	1.1%
	Electronic materials-related	15.0%	13.2%	12.3%	11.3%	11.7%	11.0%	10.3%	8.3%	9.2%	11.1%	13.0%	15.7%
	Display-related	5.3%	3.7%	2.8%	2.1%	2.2%	3.2%	2.9%	8.5%	8.8%	8.0%	10.7%	13.4%

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