

**Consolidated Financial Results**  
**for the First Quarter Ended June 30, 2017**  
**[Japanese GAAP] (Unaudited)**



August 4, 2017

Company name: HIRANO TECSEED Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 6245  
 URL: <http://www.hirano-tec.co.jp/>  
 Representative: Kaoru Okada, President and Director  
 Contact: Munenori Yasui, Director and General Manager, General Affairs Division  
 Phone: +81-745-57-0681  
 Scheduled date of filing quarterly securities report: August 14, 2017  
 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 First Quarter Ended June 30, 2017 (April 1, 2017 to June 30, 2017)**

(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	%
Three months ended June 30, 2017	6,772	188.5	791	—	827	—	530	—
Three months ended June 30, 2016	2,347	5.6	(69)	—	(45)	—	(70)	—

(Note) Comprehensive income: Three months ended June 30, 2017: ¥572 million (- %)  
 Three months ended June 30, 2016: ¥(138) million (- %)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2017	35.23	—
Three months ended June 30, 2016	(4.66)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2017	32,715	23,472	71.7
As of March 31, 2017	33,714	23,140	68.6

(Reference) Equity: As of June 30, 2017: ¥23,472 million  
 As of March 31, 2017: ¥23,140 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2017	—	12.00	—	16.00	28.00
Fiscal year ending March 31, 2018	—				
Fiscal year ending March 31, 2018 (Forecast)		13.00	—	13.00	26.00

(Note) Revisions of the most recently announced cash dividend forecast: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% 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)	11,200	78.2	1,400	179.4	1,400	176.7	1,000	186.5	66.47
Full year	20,000	1.8	2,150	(28.8)	2,100	(31.7)	1,450	(36.4)	96.38

(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, 2017	As of June 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	10,786,126	10,482,504
Notes and accounts receivable - trade	7,334,472	9,055,093
Electronically recorded monetary claims - operating	265,890	587,291
Securities	2,399,983	599,998
Work in process	4,815,976	4,070,425
Raw materials and supplies	82,428	101,400
Other	717,398	463,490
Allowance for doubtful accounts	△3,415	△4,717
<b>Total current assets</b>	<b>26,398,862</b>	<b>25,355,487</b>
Non-current assets		
Property, plant and equipment	3,952,232	3,957,312
Intangible assets	111,394	102,719
Investments and other assets		
Investment securities	2,711,820	2,824,752
Other	540,564	475,445
<b>Total investments and other assets</b>	<b>3,252,385</b>	<b>3,300,197</b>
<b>Total non-current assets</b>	<b>7,316,012</b>	<b>7,360,230</b>
<b>Total assets</b>	<b>33,714,875</b>	<b>32,715,717</b>

(Thousands of yen)

	As of March 31, 2017	As of June 30, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,924,696	2,518,379
Electronically recorded obligations - operating	2,031,712	2,368,704
Short-term loans payable	—	200,000
Current portion of long-term loans payable	640,392	596,235
Income taxes payable	489,489	237,942
Advances received	2,125,160	657,436
Provision for bonuses	189,009	59,627
Provision for product warranties	80,692	71,202
Other	638,494	1,201,665
Total current liabilities	9,119,647	7,911,193
Non-current liabilities		
Long-term loans payable	686,144	569,885
Provision for directors' retirement benefits	90,540	64,005
Net defined benefit liability	549,874	544,169
Asset retirement obligations	14,594	14,668
Other	113,293	139,658
Total non-current liabilities	1,454,446	1,332,386
Total liabilities	10,574,094	9,243,579
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,847,821	1,847,821
Capital surplus	1,339,722	1,339,722
Retained earnings	20,068,060	20,357,406
Treasury shares	△407,646	△407,693
Total shareholders' equity	22,847,958	23,137,257
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	504,665	542,206
Remeasurements of defined benefit plans	△211,842	△207,326
Total accumulated other comprehensive income	292,823	334,880
Total net assets	23,140,781	23,472,138
<b>Total liabilities and net assets</b>	<b>33,714,875</b>	<b>32,715,717</b>

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

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	2,347,483	6,772,301
Cost of sales	2,021,015	5,500,719
Gross profit	326,467	1,271,581
Selling, general and administrative expenses	395,915	480,503
Operating profit (loss)	△69,447	791,077
Non-operating income		
Interest income	4,381	2,224
Dividend income	20,017	22,372
Other	9,440	20,789
Total non-operating income	33,838	45,387
Non-operating expenses		
Interest expenses	1,953	2,228
Foreign exchange losses	6,326	0
Other	1,194	6,789
Total non-operating expenses	9,474	9,017
Ordinary profit (loss)	△45,083	827,448
Profit (loss) before income taxes	△45,083	827,448
Income taxes - current	4,040	299,250
Income taxes - deferred	20,913	△1,851
Total income taxes	24,954	297,398
Profit (loss)	△70,038	530,049
Profit (loss) attributable to owners of parent	△70,038	530,049

## (Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit (loss)	△70,038	530,049
Other comprehensive income		
Valuation difference on available-for-sale securities	△75,899	37,541
Remeasurements of defined benefit plans, net of tax	7,800	4,516
Total other comprehensive income	△68,099	42,057
Comprehensive income	△138,137	572,107
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△138,137	572,107
Comprehensive income attributable to non-controlling interests	—	—

Production, Orders Received, and Sales

(1) Production

Production performance by segment for the first quarter ended June 30, 2017 is as follows

Name of segment	Production (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	3,137,431	+256.6
Industrial machinery	2,148,710	+132.4
Others	214,576	(0.9)
Total	5,500,719	+172.2

- (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 first quarter ended June 30, 2017 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	2,455,453	+167.3	8,707,939	(12.2)
Industrial machinery	1,959,036	(53.7)	6,613,002	(11.2)
Others	821,000	+141.8	1,004,435	+101.8
Total	5,235,489	(4.6)	16,325,376	(8.6)

- (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 first quarter ended June 30, 2017 is as follows

Name of segment	Sales (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	3,662,491	+320.9
Industrial machinery	2,795,585	+140.8
Others	314,224	(0.7)
Total	6,772,301	+188.5

- (Notes) 1. The above amount is calculated based on sales prices.  
2. The above amount does not include consumption taxes.