

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP] (Unaudited)



May 10, 2024

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 Executive Officer, Operating Officer, Corporate Division

Phone: +81-745-57-0681

Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2024

Scheduled date of commencing dividend payments: June 27, 2024

Scheduled date of filing annual securities report: June 27, 2024

Supplemental Explanatory Materials for Account Settlement: Yes

Explanatory Meeting for Account Settlement to be held: Yes (for institutional investors and analysts)

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

### (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, 2024	46,946	10.7	3,236	4.6	3,394	5.4	2,438	8.7
Fiscal year ended March 31, 2023	42,423	12.0	3,093	(22.4)	3,219	(21.9)	2,243	(27.7)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥3,330 million (up 41.1%)

Fiscal year ended March 31, 2023: ¥2,361 million (down 26.9%)

	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, 2024	161.69	—	6.5	5.5	6.9
Fiscal year ended March 31, 2023	148.87	—	6.4	5.8	7.3

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2024	62,929	38,562	61.3	2,551.55
As of March 31, 2023	60,522	35,997	59.5	2,388.46

(Reference) Equity: As of March 31, 2024: ¥38,562million

As of March 31, 2023: ¥35,997 million

### (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, 2024	5,530	85	(5,004)	13,741
Fiscal year ended March 31, 2023	(10,249)	90	9,518	13,161

### 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, 2023	—	28.00	—	28.00	56.00	843	37.6	2.4
Fiscal year ended March 31, 2024	—	28.00	—	60.00	88.00	1,329	54.4	3.6
Fiscal year ending March 31, 2025 (Forecast)	—	45.00	—	45.00	90.00		64.8	

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% 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)	22,600	1.1	1,200	55.9	1,300	56.9	910	61.3	60.34
Full year	44,000	(6.3)	2,900	(10.4)	3,000	(11.6)	2,100	(13.9)	139.25

#### Notes

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New: 1 company (Company name) HIRANO AMERICA, INC. Exclusion: - (Company name) -

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to the revisions of accounting standards: No
- 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, 2024: 15,394,379 shares  
March 31, 2023: 15,394,379 shares
- 2) Total number of treasury stock at the end of the period:  
March 31, 2024: 281,056 shares  
March 31, 2023: 323,149 shares
- 3) Average number of shares during the period:  
Fiscal year ended March 31, 2024: 15,080,264 shares  
Fiscal year ended March 31, 2023: 15,067,989 shares

(Reference) Outline of Non-consolidated Financial Results

**Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)**

(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, 2024	43,157	5.0	2,724	(3.3)	2,910	(4.9)	2,177	(0.2)
Fiscal year ended March 31, 2023	41,093	15.7	2,816	(16.0)	3,060	(15.1)	2,182	(22.6)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Fiscal year ended March 31, 2024	144.38	—
Fiscal year ended March 31, 2023	144.84	—

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of March 31, 2024	49,727	28,917	58.2	1,913.36
As of March 31, 2023	50,892	26,670	52.4	1,769.64

(Reference) Equity: As of March 31, 2024: ¥28,917 million  
As of March 31, 2023: ¥26,670 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, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	11,744,679	14,279,509
Notes and accounts receivable - trade, and contract assets	27,309,645	30,092,299
Electronically recorded monetary claims - operating	419,661	944,932
Securities	2,299,889	—
Work in process	311,393	212,138
Raw materials and supplies	335,991	382,003
Advance payments to suppliers	3,499,729	1,785,311
Other	2,303,688	2,010,748
Allowance for doubtful accounts	△66,174	△67,734
Total current assets	48,158,505	49,639,209
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,919,424	6,989,624
Accumulated depreciation	△2,679,880	△2,951,719
Buildings and structures, net	4,239,543	4,037,905
Machinery, equipment and vehicles	3,771,253	4,260,897
Accumulated depreciation	△2,905,848	△3,105,816
Machinery, equipment and vehicles, net	865,404	1,155,080
Land	2,099,292	2,099,292
Leased assets	12,456	12,456
Accumulated depreciation	△7,041	△9,533
Leased assets, net	5,414	2,923
Construction in progress	23,509	17,556
Other	921,265	997,875
Accumulated depreciation	△745,726	△799,398
Other, net	175,538	198,477
Total property, plant and equipment	7,408,703	7,511,235
Intangible assets		
Software	514,263	558,749
Software in progress	156,418	—
Telephone subscription right	516	516
Other	1,006	919
Total intangible assets	672,204	560,185
Investments and other assets		
Investment securities	3,630,312	4,483,115
Long-term prepaid expenses	62,995	94,006
Retirement benefit asset	72,467	146,571
Deferred tax assets	170,917	139,054
Other	346,312	356,190
Total investments and other assets	4,283,004	5,218,937
Total non-current assets	12,363,912	13,290,359
Total assets	60,522,418	62,929,568

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,442,662	4,680,865
Electronically recorded obligations - operating	4,735,159	5,384,362
Short-term borrowings	10,100,000	6,000,000
Current portion of long-term borrowings	508,416	451,840
Lease liabilities	2,491	2,252
Accounts payable - other	1,848,234	1,718,955
Accrued expenses	159,030	164,893
Income taxes payable	91,766	706,874
Advances received	1,911,118	3,252,184
Provision for bonuses	260,420	279,676
Provision for product warranties	35,677	34,662
Other	333,531	288,933
Total current liabilities	23,428,508	22,965,499
Non-current liabilities		
Long-term borrowings	493,300	491,460
Lease liabilities	2,923	671
Provision for retirement benefits for directors (and other officers)	67,120	62,750
Retirement benefit liability	452,112	442,135
Asset retirement obligations	16,453	16,786
Other	64,897	387,860
Total non-current liabilities	1,096,806	1,401,663
Total liabilities	24,525,314	24,367,162
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,847,821	1,847,821
Capital surplus	1,359,730	1,389,886
Retained earnings	32,099,353	33,693,483
Treasury shares	△376,502	△327,459
Total shareholders' equity	34,930,403	36,603,732
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,124,666	1,960,455
Foreign currency translation adjustment	—	△16,238
Remeasurements of defined benefit plans	△57,966	14,457
Total accumulated other comprehensive income	1,066,700	1,958,673
Total net assets	35,997,103	38,562,405
Total liabilities and net assets	60,522,418	62,929,568

## (2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	42,423,860	46,946,274
Cost of sales	35,744,717	39,434,331
Gross profit	6,679,143	7,511,943
Selling, general and administrative expenses		
Sales commission	1,766,679	1,901,019
Salaries and allowances	573,132	746,846
Remuneration for directors (and other officers)	184,399	193,808
Provision for bonuses	52,042	66,753
Retirement benefit expenses	44,639	41,623
Provision for retirement benefits for directors (and other officers)	11,050	14,830
Legal and other welfare expenses	138,999	183,569
Travel, transportation and communication expenses	71,896	120,751
Depreciation	162,065	167,638
Rent expenses	45,442	54,896
Provision of allowance for doubtful accounts	3,568	1,560
Other	531,489	782,276
Total selling, general and administrative expenses	3,585,405	4,275,573
Operating profit	3,093,738	3,236,369
Non-operating income		
Interest income	4,133	1,706
Dividend income	86,833	99,391
Purchase discounts	6,722	4,458
Insurance claim income	-	34,999
Subsidy income	22,878	15,534
Other	44,677	61,026
Total non-operating income	165,244	217,116
Non-operating expenses		
Interest expenses	27,893	54,462
Loss on retirement of non-current assets	9,308	1,480
Other	1,923	3,208
Total non-operating expenses	39,125	59,151
Ordinary profit	3,219,857	3,394,334
Extraordinary income		
Gain on sale of investment securities	-	127,612
Total extraordinary income	-	127,612
Extraordinary losses		
Loss on valuation of investment securities	625	-
Loss on sale of investment securities	-	106
Total extraordinary losses	625	106
Profit before income taxes	3,219,232	3,521,840
Income taxes - current	868,516	1,117,258
Income taxes - deferred	107,586	△33,838
Total income taxes	976,102	1,083,420
Profit	2,243,129	2,438,419
Profit attributable to owners of parent	2,243,129	2,438,419

## (Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	2,243,129	2,438,419
Other comprehensive income		
Valuation difference on available-for-sale securities	101,229	835,788
Foreign currency translation adjustment	—	△16,238
Remeasurements of defined benefit plans, net of tax	16,655	72,423
Total other comprehensive income	117,884	891,973
Comprehensive income	2,361,013	3,330,393
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,361,013	3,330,393
Comprehensive income attributable to non-controlling interests	—	—

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

Previous fiscal year (From April 1, 2022 to March 31, 2023)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,847,821	1,353,184	30,699,978	△386,226	33,514,758
Changes during period					
Dividends of surplus			△843,754		△843,754
Profit attributable to owners of parent			2,243,129		2,243,129
Purchase of treasury shares				△166	△166
Disposal of treasury shares		6,545		9,890	16,436
Net changes in items other than shareholders' equity					—
Total changes during period	—	6,545	1,399,375	9,724	1,415,645
Balance at end of period	1,847,821	1,359,730	32,099,353	△376,502	34,930,403

(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	1,023,437	△74,621	948,815	34,463,574
Changes during period				
Dividends of surplus			—	△843,754
Profit attributable to owners of parent			—	2,243,129
Purchase of treasury shares			—	△166
Disposal of treasury shares			—	16,436
Net changes in items other than shareholders' equity	101,229	16,655	117,884	117,884
Total changes during period	101,229	16,655	117,884	1,533,529
Balance at end of period	1,124,666	△57,966	1,066,700	35,997,103



Current fiscal year(From April 1, 2023 to March 31, 2024)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,847,821	1,359,730	32,099,353	△376,502	34,930,403
Changes during period					
Dividends of surplus			△844,290		△844,290
Profit attributable to owners of parent			2,438,419		2,438,419
Disposal of treasury shares		30,156		49,042	79,198
Net changes in items other than shareholders' equity					—
Total changes during period		30,156	1,594,129	49,042	1,673,328
Balance at end of period	1,847,821	1,389,886	33,693,483	△327,459	36,603,732

(Thousands of yen)

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,124,666	—	△57,966	1,066,700	35,997,103
Changes during period					
Dividends of surplus					△844,290
Profit attributable to owners of parent					2,438,419
Disposal of treasury shares					79,198
Net changes in items other than shareholders' equity	835,788	△16,238	72,423	891,973	891,973
Total changes during period	835,788	△16,238	72,423	891,973	2,565,302
Balance at end of period	1,960,455	△16,238	14,457	1,958,673	38,562,405

## (4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	3,219,232	3,521,840
Depreciation	624,838	754,452
Amortization of long-term prepaid expenses	33,578	30,292
Increase (decrease) in provision for bonuses	15,990	19,256
Increase (decrease) in allowance for doubtful accounts	3,568	1,560
Increase (decrease) in provision for retirement benefits for directors (and other officers)	11,050	△4,370
Increase (decrease) in provision for product warranties	△29,962	△1,015
Decrease (increase) in retirement benefit asset	10,800	10,586
Increase (decrease) in retirement benefit liability	20,304	10,084
Interest and dividend income	△90,966	△101,097
Interest expenses	27,893	54,462
Loss (gain) on sale of non-current assets	△399	△1,220
Loss on retirement of non-current assets	9,308	2,960
Loss (gain) on valuation of investment securities	625	—
Loss (gain) on sale of investment securities	—	△127,505
Decrease (increase) in accounts receivable - trade, and contract assets	△6,603,513	△3,379,277
Decrease (increase) in inventories	△306,513	△124,880
Increase (decrease) in advances received	△1,391,579	1,379,743
Increase (decrease) in trade payables	410,530	1,936,849
Increase (decrease) in accounts payable - other	406,519	△156,471
Increase (decrease) in accrued expenses	△12,247	5,863
Decrease (increase) in advance payments to suppliers	△2,724,175	1,704,099
Decrease (increase) in consumption taxes refund receivable	△1,456,167	229,859
Increase (decrease) in accrued consumption taxes	△149,085	72,889
Other, net	11,508	32,445
Subtotal	△7,958,863	5,871,408
Interest and dividends received	90,861	101,003
Interest paid	△27,893	△54,462
Income taxes paid	△2,366,431	△513,357
Income taxes refund	12,810	126,170
Net cash provided by (used in) operating activities	△10,249,516	5,530,761

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from investing activities</b>		
Payments into time deposits	△1,000	△1,000
Proceeds from withdrawal of time deposits	837,000	46,000
Purchase of securities	△799,800	—
Proceeds from sale of securities	1,300,000	300,000
Purchase of property, plant and equipment	△888,026	△592,403
Proceeds from sale of property, plant and equipment	400	2,200
Purchase of intangible assets	△184,903	△59,244
Purchase of investment securities	△106,135	△5,405
Proceeds from sale and redemption of investment securities	1,382	471,241
Other, net	△68,067	△75,826
Net cash provided by (used in) investing activities	90,849	85,562
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	10,100,000	△4,100,000
Proceeds from long-term borrowings	770,000	450,000
Repayments of long-term borrowings	△506,016	△508,416
Purchase of treasury shares	△166	—
Dividends paid	△843,284	△843,841
Other, net	△2,491	△2,491
Net cash provided by (used in) financing activities	9,518,041	△5,004,748
Effect of exchange rate change on cash and cash equivalents	1,020	△31,729
Net increase (decrease) in cash and cash equivalents	△639,604	579,846
Cash and cash equivalents at beginning of period	13,801,268	13,161,663
Cash and cash equivalents at end of period	13,161,663	13,741,509

## 2. 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, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Coating and laminating machinery	27,352,807	31,915,042
Industrial machinery	7,196,644	6,232,089
Others	1,195,265	1,287,199
Total	35,744,717	39,434,331

(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 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	46,503,222	24,222,568	68,912,314	55,760,095
Industrial machinery	4,757,080	4,149,156	9,750,986	6,049,567
Others	2,233,810	1,476,723	1,242,707	998,518
Total	53,494,113	29,848,448	79,906,008	62,808,182

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

### (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, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Coating and laminating machinery	31,179,211	37,374,786
Industrial machinery	9,774,178	7,850,575
Others	1,470,470	1,720,912
Total	42,423,860	46,946,274

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