

Consolidated Financial Results
for the First Quarter Ended June 30, 2024
[Japanese GAAP] (Unaudited)



August 9, 2024

Company name: HIRANO TECSEED Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6245
 URL: <https://www.hirano-tec.co.jp/en/>
 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 commencing dividend payments: -
 Supplemental Explanatory Materials for Account Settlement: Yes
 Explanatory Meeting for 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, 2024 (April 1, 2024 to June 30, 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	%
Three months ended June 30, 2024	12,099	(3.9)	292	(53.5)	427	(36.7)	328	(29.8)
Three months ended June 30, 2023	12,584	36.4	629	(6.7)	675	(8.0)	467	(7.5)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥623 million (down 26.9%)
 Three months ended June 30, 2023: ¥853 million (up 108.3%)

	Basic earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2024	21.75	—
Three months ended June 30, 2023	31.05	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2024	64,201	38,279	59.6
As of March 31, 2024	62,929	38,562	61.3

(Reference) Equity: As of June 30, 2024: ¥38,279 million
 As of March 31, 2024: ¥38,562 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2024	Yen —	Yen 28.00	Yen —	Yen 60.00	Yen 88.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		45.00	—	45.00	90.00

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

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	59.6	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

(Note) Revisions of the most recently announced financial results forecast: None

Notes

(1) Significant changes in the scope of consolidation during the period under review: 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):
 - June 30, 2024: 15,394,379 shares
 - March 31, 2024: 15,394,379 shares
- 2) Total number of treasury stock at the end of the period:
 - June 30, 2024: 281,320 shares
 - March 31, 2024: 281,056 shares
- 3) Average number of shares during the period:
 - Three months ended June 30, 2024: 15,113,191 shares
 - Three months ended June 30, 2023: 15,071,230 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: No

* 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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	14,279,509	10,064,693
Notes and accounts receivable - trade, and contract assets	30,092,299	34,986,732
Electronically recorded monetary claims - operating	944,932	576,261
Work in process	212,138	137,975
Raw materials and supplies	382,003	404,752
Advance payments to suppliers	1,785,311	1,891,805
Other	2,010,748	2,537,680
Allowance for doubtful accounts	△67,734	△70,824
Total current assets	49,639,209	50,529,076
Non-current assets		
Property, plant and equipment	7,511,235	7,552,864
Intangible assets	560,185	522,826
Investments and other assets		
Investment securities	4,483,115	4,865,496
Other	735,822	731,495
Total investments and other assets	5,218,937	5,596,992
Total non-current assets	13,290,359	13,672,683
Total assets	62,929,568	64,201,760

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,680,865	5,349,691
Electronically recorded obligations - operating	5,384,362	5,094,064
Short-term borrowings	6,000,000	8,200,000
Current portion of long-term borrowings	451,840	424,976
Income taxes payable	706,874	230,707
Advances received	3,252,184	2,311,182
Provision for bonuses	279,676	94,005
Provision for product warranties	34,662	46,792
Other	2,175,034	2,728,623
Total current liabilities	22,965,499	24,480,042
Non-current liabilities		
Long-term borrowings	491,460	391,340
Provision for retirement benefits for directors (and other officers)	62,750	54,530
Retirement benefit liability	442,135	448,704
Asset retirement obligations	16,786	16,871
Other	388,531	531,255
Total non-current liabilities	1,401,663	1,442,701
Total liabilities	24,367,162	25,922,744
Net assets		
Shareholders' equity		
Share capital	1,847,821	1,847,821
Capital surplus	1,389,886	1,389,886
Retained earnings	33,693,483	33,115,384
Treasury shares	△327,459	△327,459
Total shareholders' equity	36,603,732	36,025,633
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,960,455	2,228,389
Foreign currency translation adjustment	△16,238	8,107
Remeasurements of defined benefit plans	14,457	16,886
Total accumulated other comprehensive income	1,958,673	2,253,383
Total net assets	38,562,405	38,279,016
Total liabilities and net assets	62,929,568	64,201,760

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	12,584,503	12,099,139
Cost of sales	10,769,046	10,622,829
Gross profit	1,815,457	1,476,310
Selling, general and administrative expenses	1,186,389	1,184,004
Operating profit	629,068	292,305
Non-operating income		
Interest income	872	43
Dividend income	53,897	69,922
Other	9,466	81,449
Total non-operating income	64,236	151,415
Non-operating expenses		
Interest expenses	17,784	13,903
Other	0	2,241
Total non-operating expenses	17,784	16,145
Ordinary profit	675,520	427,575
Profit before income taxes	675,520	427,575
Income taxes - current	330,925	160,171
Income taxes - deferred	△123,387	△61,295
Total income taxes	207,538	98,875
Profit	467,982	328,700
Profit attributable to owners of parent	467,982	328,700

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	467,982	328,700
Other comprehensive income		
Valuation difference on available-for-sale securities	382,214	267,933
Foreign currency translation adjustment	—	24,346
Remeasurements of defined benefit plans, net of tax	3,085	2,429
Total other comprehensive income	385,300	294,709
Comprehensive income	853,283	623,409
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	853,283	623,409
Comprehensive income attributable to non-controlling interests	—	—

3. Production, Orders Received, and Sales

(1) Production

Production performance by segment for the three months ended June 30, 2024 is as follows

Name of segment	Production (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	9,049,076	(0.0)
Industrial machinery	1,182,506	(13.3)
Others	391,245	+10.4
Total	10,622,829	(1.4)

(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 three months ended June 30, 2024 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	5,555,890	+554.2	50,983,358	(8.6)
Industrial machinery	1,299,051	+107.3	6,088,594	+0.6
Others	355,701	+5.5	847,733	(15.1)
Total	7,210,643	+297.7	57,919,686	(7.8)

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

(3) Sales

Sales performance by segment for the three months ended June 30, 2024 is as follows

Name of segment	Sales (Thousand yen)	Changes from the previous corresponding period (%)
Coating and laminating machinery	10,332,627	(1.0)
Industrial machinery	1,260,025	(26.8)
Others	506,486	+19.9
Total	12,099,139	(3.9)

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