

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 2, 2021

Company name: HIRAKAWA HEWTECH CORP.
 Stock exchange listing: Tokyo
 Stock code: 5821 URL <https://www.hewtech.co.jp>
 Representative: CEO Yuichi Shino
 Inquiries: Accounting Div. Manager Kazuaki Hoshi TEL 03-3457-1400
 Scheduled date to file Quarterly Securities Report: November 5, 2021
 Scheduled date to commence dividend payments: December 8, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	13,998	32.1	1,103	48.7	1,062	44.1	747	35.4
Six months ended September 30, 2020	10,600	(16.9)	741	(41.9)	737	(39.9)	552	(40.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	53.20		-	
Six months ended September 30, 2020	39.30		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	38,545	28,266	73.3	2,011.91
As of March 31, 2021	37,184	27,485	73.9	1,956.59

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	-	12.00	-	13.00	25.00
Year ending March 31, 2022	-	13.50	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	13.50	27.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	25,000	8.9	2,000	18.0	2,000	5.4	1,500	38.6	106.78

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	17,627,800 shares	As of March 31, 2021	17,627,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	3,580,382 shares	As of March 31, 2021	3,580,382 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	14,047,418 shares	Six months ended September 30, 2020	14,047,458 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	8,299	8,339
Notes and accounts receivable - trade	7,431	-
Notes and accounts receivable - trade, and contract assets	-	7,927
Securities	200	100
Merchandise and finished goods	1,818	2,121
Work in process	647	701
Raw materials and supplies	2,344	2,863
Other	557	557
Allowance for doubtful accounts	(4)	(5)
Total current assets	21,293	22,606
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,787	4,655
Machinery, equipment and vehicles, net	3,997	3,971
Land	2,396	2,396
Other, net	1,751	1,781
Total property, plant and equipment	12,932	12,805
Intangible assets	895	910
Investments and other assets	2,062	2,222
Total non-current assets	15,891	15,938
Total assets	37,184	38,545

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,832	2,181
Short-term borrowings	1,779	1,930
Income taxes payable	228	282
Provision for bonuses	59	211
Provision for loss on disaster	6	–
Other	1,004	1,077
Total current liabilities	4,910	5,683
Non-current liabilities		
Long-term borrowings	2,499	2,421
Retirement benefit liability	2,027	2,026
Provision for retirement benefits for directors (and other officers)	46	49
Other	215	97
Total non-current liabilities	4,788	4,595
Total liabilities	9,699	10,279
Net assets		
Shareholders' equity		
Share capital	1,555	1,555
Capital surplus	1,459	1,459
Retained earnings	24,922	25,487
Treasury shares	(2,340)	(2,340)
Total shareholders' equity	25,597	26,161
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	580	671
Deferred gains or losses on hedges	–	2
Foreign currency translation adjustment	1,285	1,408
Remeasurements of defined benefit plans	22	18
Total accumulated other comprehensive income	1,887	2,100
Non-controlling interests	–	4
Total net assets	27,485	28,266
Total liabilities and net assets	37,184	38,545

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	10,600	13,998
Cost of sales	7,969	10,874
Gross profit	2,630	3,124
Selling, general and administrative expenses	1,888	2,020
Operating profit	741	1,103
Non-operating income		
Interest income	21	11
Dividend income	12	17
Subsidy income	20	3
Other	22	21
Total non-operating income	77	54
Non-operating expenses		
Interest expenses	7	8
Foreign exchange losses	47	69
Other	26	16
Total non-operating expenses	82	95
Ordinary profit	737	1,062
Profit before income taxes	737	1,062
Income taxes - current	222	342
Income taxes - deferred	(37)	(28)
Total income taxes	185	313
Profit	552	748
Profit attributable to non-controlling interests	–	1
Profit attributable to owners of parent	552	747

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	552	748
Other comprehensive income		
Valuation difference on available-for-sale securities	94	91
Deferred gains or losses on hedges	(15)	2
Foreign currency translation adjustment	(75)	125
Remeasurements of defined benefit plans, net of tax	(3)	(3)
Total other comprehensive income	(1)	214
Comprehensive income	550	963
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	550	959
Comprehensive income attributable to non-controlling interests	–	4