

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 4, 2022

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: February 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	21,424	28.6	1,726	39.1	1,713	40.2	1,226	155.7
Nine months ended December 31, 2020	16,657	(13.0)	1,240	(34.8)	1,222	(35.8)	479	(66.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	87.31		–	
Nine months ended December 31, 2020	34.14		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	39,839	29,133	73.1	2,073.76
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	28,000	22.0	2,200	29.8	2,200	15.9	1,600	47.8	113.90

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2021	14,047,418 shares	Nine months ended December 31, 2020	14,047,447 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	8,299	8,015
Notes and accounts receivable - trade	7,431	–
Notes and accounts receivable - trade, and contract assets	–	8,455
Securities	200	201
Merchandise and finished goods	1,818	2,457
Work in process	647	742
Raw materials and supplies	2,344	2,999
Other	557	545
Allowance for doubtful accounts	(4)	(4)
Total current assets	21,293	23,412
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,787	4,660
Machinery, equipment and vehicles, net	3,997	4,092
Land	2,396	2,398
Other, net	1,751	2,018
Total property, plant and equipment	12,932	13,169
Intangible assets	895	919
Investments and other assets	2,062	2,337
Total non-current assets	15,891	16,426
Total assets	37,184	39,839

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,832	2,561
Short-term borrowings	1,779	1,912
Income taxes payable	228	212
Provision for bonuses	59	110
Provision for loss on disaster	6	–
Other	1,004	1,256
Total current liabilities	4,910	6,053
Non-current liabilities		
Long-term borrowings	2,499	2,495
Retirement benefit liability	2,027	2,023
Provision for retirement benefits for directors (and other officers)	46	51
Other	215	81
Total non-current liabilities	4,788	4,651
Total liabilities	9,699	10,705
Net assets		
Shareholders' equity		
Share capital	1,555	1,555
Capital surplus	1,459	1,459
Retained earnings	24,922	25,777
Treasury shares	(2,340)	(2,340)
Total shareholders' equity	25,597	26,451
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	580	703
Foreign currency translation adjustment	1,285	1,959
Remeasurements of defined benefit plans	22	16
Total accumulated other comprehensive income	1,887	2,679
Non-controlling interests	–	2
Total net assets	27,485	29,133
Total liabilities and net assets	37,184	39,839

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	16,657	21,424
Cost of sales	12,596	16,677
Gross profit	4,060	4,747
Selling, general and administrative expenses	2,820	3,020
Operating profit	1,240	1,726
Non-operating income		
Interest income	33	19
Dividend income	20	29
Subsidy income	28	5
Other	44	35
Total non-operating income	127	89
Non-operating expenses		
Interest expenses	11	12
Foreign exchange losses	87	63
Other	46	25
Total non-operating expenses	145	101
Ordinary profit	1,222	1,713
Extraordinary income		
Insurance claim income	16	-
Total extraordinary income	16	-
Extraordinary losses		
Business restructuring expenses	453	-
Total extraordinary losses	453	-
Profit before income taxes	785	1,713
Income taxes - current	314	474
Income taxes - deferred	(8)	12
Total income taxes	306	487
Profit	479	1,226
Profit attributable to owners of parent	479	1,226

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	479	1,226
Other comprehensive income		
Valuation difference on available-for-sale securities	196	123
Deferred gains or losses on hedges	(15)	–
Foreign currency translation adjustment	(156)	676
Remeasurements of defined benefit plans, net of tax	(5)	(5)
Total other comprehensive income	18	794
Comprehensive income	498	2,021
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	498	2,018
Comprehensive income attributable to non-controlling interests	–	2