

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 1, 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: August 5, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	7,689	13.2	601	12.0	888	81.0	930	177.1
Three months ended June 30, 2021	6,791	37.9	536	80.6	490	52.1	335	55.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	66.26		–	
Three months ended June 30, 2021	23.91		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	44,098	32,796	74.4	2,334.73
As of March 31, 2022	41,574	30,418	73.2	2,165.40

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, 2022	–	13.50	–	13.50	27.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	14.00	–	14.00	28.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	29,500	6.1	2,300	17.6	2,300	13.4	2,000	33.1	142.38

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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: No
- 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 June 30, 2022	17,627,800 shares	As of March 31, 2022	17,627,800 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	3,580,415 shares	As of March 31, 2022	3,580,415 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	14,047,385 shares	Three months ended June 30, 2021	14,047,418 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	8,581	10,058
Notes and accounts receivable - trade, and contract assets	7,890	8,428
Securities	201	301
Merchandise and finished goods	2,264	2,737
Work in process	862	827
Raw materials and supplies	3,966	5,369
Other	1,211	1,002
Allowance for doubtful accounts	(3)	(5)
Total current assets	24,973	28,720
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,774	5,125
Machinery, equipment and vehicles, net	4,349	4,751
Land	2,402	887
Other, net	1,975	1,741
Total property, plant and equipment	13,502	12,506
Intangible assets	943	994
Investments and other assets	2,154	1,877
Total non-current assets	16,600	15,377
Total assets	41,574	44,098

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,965	3,001
Short-term borrowings	2,163	2,246
Income taxes payable	256	251
Provision for bonuses	61	97
Provision for loss on disaster	8	4
Other	1,264	1,279
Total current liabilities	6,719	6,881
Non-current liabilities		
Long-term borrowings	2,269	2,234
Retirement benefit liability	1,997	2,028
Provision for retirement benefits for directors (and other officers)	49	50
Other	120	106
Total non-current liabilities	4,436	4,419
Total liabilities	11,155	11,301
Net assets		
Shareholders' equity		
Share capital	1,555	1,555
Capital surplus	1,459	1,459
Retained earnings	26,053	26,794
Treasury shares	(2,340)	(2,340)
Total shareholders' equity	26,727	27,468
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	613	514
Foreign currency translation adjustment	3,042	4,781
Remeasurements of defined benefit plans	35	32
Total accumulated other comprehensive income	3,690	5,327
Total net assets	30,418	32,796
Total liabilities and net assets	41,574	44,098

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	6,791	7,689
Cost of sales	5,236	5,978
Gross profit	1,554	1,711
Selling, general and administrative expenses	1,017	1,110
Operating profit	536	601
Non-operating income		
Interest income	3	4
Dividend income	7	9
Foreign exchange gains	–	258
Other	7	25
Total non-operating income	18	298
Non-operating expenses		
Interest expenses	5	5
Foreign exchange losses	48	–
Loss on disposal of machinery and equipment	5	4
Other	4	1
Total non-operating expenses	63	11
Ordinary profit	490	888
Extraordinary income		
Gain on sale of non-current assets	–	564
Total extraordinary income	–	564
Extraordinary losses		
Reversal of foreign currency translation adjustment	–	144
Total extraordinary losses	–	144
Profit before income taxes	490	1,307
Income taxes - current	143	305
Income taxes - deferred	6	71
Total income taxes	149	377
Profit	341	930
Profit attributable to non-controlling interests	5	–
Profit attributable to owners of parent	335	930

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	341	930
Other comprehensive income		
Valuation difference on available-for-sale securities	12	(98)
Foreign currency translation adjustment	70	1,739
Remeasurements of defined benefit plans, net of tax	(1)	(2)
Total other comprehensive income	80	1,637
Comprehensive income	421	2,568
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	416	2,568
Comprehensive income attributable to non-controlling interests	4	–