

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 2, 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: November 7, 2022  
 Scheduled date to commence dividend payments: December 8, 2022  
 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, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	16,006	14.3	1,273	15.4	1,710	61.0	1,436	92.2
Six months ended September 30, 2021	13,998	32.1	1,103	48.7	1,062	44.1	747	35.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	102.26		-	
Six months ended September 30, 2021	53.20		-	

(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, 2022	45,051	33,836	75.1	2,408.69
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	-	14.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	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	32,000	15.1	2,500	27.8	2,900	42.9	2,300	53.0	163.73

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 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)

Six months ended September 30, 2022	14,047,385 shares	Six months ended September 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 September 30, 2022
Assets		
Current assets		
Cash and deposits	8,581	9,777
Notes and accounts receivable - trade, and contract assets	7,890	9,099
Securities	201	300
Merchandise and finished goods	2,264	2,938
Work in process	862	875
Raw materials and supplies	3,966	5,395
Other	1,211	660
Allowance for doubtful accounts	(3)	(5)
Total current assets	24,973	29,041
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,774	5,099
Machinery, equipment and vehicles, net	4,349	4,798
Land	2,402	891
Other, net	1,975	2,298
Total property, plant and equipment	13,502	13,088
Intangible assets	943	1,004
Investments and other assets	2,154	1,916
Total non-current assets	16,600	16,009
Total assets	41,574	45,051

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,965	2,830
Short-term borrowings	2,163	2,206
Income taxes payable	256	598
Provision for bonuses	61	224
Provision for loss on disaster	8	0
Other	1,264	1,327
Total current liabilities	6,719	7,188
Non-current liabilities		
Long-term borrowings	2,269	1,833
Retirement benefit liability	1,997	2,035
Provision for retirement benefits for directors (and other officers)	49	47
Other	120	110
Total non-current liabilities	4,436	4,026
Total liabilities	11,155	11,215
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,555	1,555
Capital surplus	1,459	1,459
Retained earnings	26,053	27,300
Treasury shares	(2,340)	(2,340)
Total shareholders' equity	26,727	27,974
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	613	461
Foreign currency translation adjustment	3,042	5,370
Remeasurements of defined benefit plans	35	29
Total accumulated other comprehensive income	3,690	5,861
Non-controlling interests	–	0
Total net assets	30,418	33,836
Total liabilities and net assets	41,574	45,051

**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, 2021	Six months ended September 30, 2022
Net sales	13,998	16,006
Cost of sales	10,874	12,453
Gross profit	3,124	3,552
Selling, general and administrative expenses	2,020	2,278
Operating profit	1,103	1,273
Non-operating income		
Interest income	11	11
Dividend income	17	20
Foreign exchange gains	–	379
Other	25	50
Total non-operating income	54	462
Non-operating expenses		
Interest expenses	8	13
Foreign exchange losses	69	–
Loss on disposal of machinery and equipment	4	5
Other	11	6
Total non-operating expenses	95	25
Ordinary profit	1,062	1,710
Extraordinary income		
Gain on sale of non-current assets	–	564
Total extraordinary income	–	564
Extraordinary losses		
Reversal of foreign currency translation adjustment	–	144
Provision of allowance for doubtful accounts	–	3
Total extraordinary losses	–	148
Profit before income taxes	1,062	2,126
Income taxes - current	342	697
Income taxes - deferred	(28)	(7)
Total income taxes	313	689
Profit	748	1,436
Profit attributable to non-controlling interests	1	–
Profit attributable to owners of parent	747	1,436

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	748	1,436
Other comprehensive income		
Valuation difference on available-for-sale securities	91	(151)
Deferred gains or losses on hedges	2	–
Foreign currency translation adjustment	125	2,328
Remeasurements of defined benefit plans, net of tax	(3)	(5)
Total other comprehensive income	214	2,171
Comprehensive income	963	3,607
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	959	3,607
Comprehensive income attributable to non-controlling interests	4	0