

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 3, 2023

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, 2023
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	24,694	15.3	2,381	38.0	2,645	54.4	2,201	79.5
Nine months ended December 31, 2021	21,424	28.6	1,726	39.1	1,713	40.2	1,226	155.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	156.70	–
Nine months ended December 31, 2021	87.31	–

(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, 2022	44,311	32,996	74.5	2,348.91
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	Yen	Yen	Yen	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 nine months ended December 31, 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 December 31, 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 December 31, 2022	3,580,463 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)

Nine months ended December 31, 2022	14,047,377 shares	Nine months ended December 31, 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	8,581	9,315
Notes and accounts receivable - trade, and contract assets	7,890	9,648
Securities	201	100
Merchandise and finished goods	2,264	2,688
Work in process	862	899
Raw materials and supplies	3,966	5,688
Other	1,211	645
Allowance for doubtful accounts	(3)	(5)
Total current assets	24,973	28,980
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,774	4,828
Machinery, equipment and vehicles, net	4,349	5,825
Land	2,402	885
Other, net	1,975	883
Total property, plant and equipment	13,502	12,422
Intangible assets	943	946
Investments and other assets	2,154	1,962
Total non-current assets	16,600	15,330
Total assets	41,574	44,311

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,965	3,453
Short-term borrowings	2,163	2,262
Income taxes payable	256	455
Provision for bonuses	61	111
Provision for loss on disaster	8	–
Other	1,264	1,421
Total current liabilities	6,719	7,703
Non-current liabilities		
Long-term borrowings	2,269	1,428
Retirement benefit liability	1,997	2,031
Provision for retirement benefits for directors (and other officers)	49	46
Other	120	104
Total non-current liabilities	4,436	3,610
Total liabilities	11,155	11,314
Net assets		
Shareholders' equity		
Share capital	1,555	1,555
Capital surplus	1,459	1,459
Retained earnings	26,053	27,868
Treasury shares	(2,340)	(2,340)
Total shareholders' equity	26,727	28,542
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	613	564
Foreign currency translation adjustment	3,042	3,862
Remeasurements of defined benefit plans	35	26
Total accumulated other comprehensive income	3,690	4,453
Non-controlling interests	–	0
Total net assets	30,418	32,996
Total liabilities and net assets	41,574	44,311

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, 2021	Nine months ended December 31, 2022
Net sales	21,424	24,694
Cost of sales	16,677	18,831
Gross profit	4,747	5,862
Selling, general and administrative expenses	3,020	3,480
Operating profit	1,726	2,381
Non-operating income		
Interest income	19	36
Dividend income	29	34
Subsidy income	5	12
Foreign exchange gains	–	161
Other	35	58
Total non-operating income	89	303
Non-operating expenses		
Interest expenses	12	22
Foreign exchange losses	63	–
Loss on disposal of machinery and equipment	–	12
Other	25	5
Total non-operating expenses	101	40
Ordinary profit	1,713	2,645
Extraordinary income		
Gain on sale of non-current assets	–	564
Gain on sale of investment securities	–	3
Total extraordinary income	–	567
Extraordinary losses		
Reversal of foreign currency translation adjustment	–	144
Provision of allowance for doubtful accounts	–	3
Total extraordinary losses	–	148
Profit before income taxes	1,713	3,064
Income taxes - current	474	816
Income taxes - deferred	12	45
Total income taxes	487	862
Profit	1,226	2,201
Profit attributable to owners of parent	1,226	2,201

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,226	2,201
Other comprehensive income		
Valuation difference on available-for-sale securities	123	(48)
Foreign currency translation adjustment	676	820
Remeasurements of defined benefit plans, net of tax	(5)	(8)
Total other comprehensive income	794	763
Comprehensive income	2,021	2,964
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,018	2,964
Comprehensive income attributable to non-controlling interests	2	0