

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

April 17, 2023

Company name: HIOKI E.E. CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6866 URL <https://www.hioki.co.jp/>
 Representative: President Takahiro Okazawa
 Director, Senior Managing Executive
 Officer, Chief Financial Officer (CFO)
 Inquiries: and Director of Administration Yoshikazu Suyama TEL 0268-28-0555
 Department
 Scheduled date to file Quarterly Securities Report: April 28, 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 three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(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 March 31, 2023	10,028	21.0	2,340	27.6	2,381	26.9	1,635	26.6
Three months ended March 31, 2022	8,287	19.3	1,833	31.2	1,876	28.6	1,292	19.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	119.81		–	
Three months ended March 31, 2022	94.70		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	38,572	33,417	86.6	2,447.74
As of December 31, 2022	40,605	32,779	80.7	2,401.01

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 December 31, 2022	–	80.00	–	80.00	160.00
Year ending December 31, 2023	–	–	–	–	–
Year ending December 31, 2023 (Forecast)	–	90.00	–	90.00	180.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 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
Six months ending June 30, 2023	19,450	22.5	3,970	26.4	4,040	18.8	3,040	21.4	222.69
Full year	38,900	13.2	7,940	12.3	8,080	10.9	6,080	14.1	445.39

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023
(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 March 31, 2023	14,024,365 shares	As of December 31, 2022	14,024,365 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	372,001 shares	As of December 31, 2022	372,001 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	13,652,364 shares	Three months ended March 31, 2022	13,646,703 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	13,616,619	11,407,627
Notes and accounts receivable - trade, and contract assets	3,639,339	4,155,834
Electronically recorded monetary claims - operating	316,839	341,095
Merchandise and finished goods	1,354,928	1,654,938
Work in process	983,886	1,033,318
Raw materials and supplies	6,093,739	6,234,798
Other	897,838	407,933
Allowance for doubtful accounts	(23,041)	(24,242)
Total current assets	26,880,151	25,211,303
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,556,613	7,644,116
Machinery, equipment and vehicles, net	405,685	392,748
Tools, furniture and fixtures, net	904,223	1,081,691
Land	1,961,951	1,961,951
Construction in progress	106,914	9,979
Total property, plant and equipment	10,935,388	11,090,487
Intangible assets		
Software	322,756	317,228
Other	101,165	122,530
Total intangible assets	423,922	439,758
Investments and other assets	2,366,505	1,830,733
Total non-current assets	13,725,817	13,360,979
Total assets	40,605,968	38,572,283

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	1,253,051	1,399,447
Income taxes payable	717,028	158,137
Provision for bonuses	–	1,149,300
Provision for bonuses for directors (and other officers)	–	21,740
Other	4,707,340	1,314,967
Total current liabilities	6,677,419	4,043,592
Non-current liabilities		
Deferred tax liabilities	9,335	7,679
Retirement benefit liability	604,361	568,770
Other	535,372	534,841
Total non-current liabilities	1,149,069	1,111,291
Total liabilities	7,826,489	5,154,883
Net assets		
Shareholders' equity		
Share capital	3,299,463	3,299,463
Capital surplus	3,993,207	3,993,207
Retained earnings	25,655,500	26,198,980
Treasury shares	(717,074)	(717,074)
Total shareholders' equity	32,231,097	32,774,577
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	211,562	277,423
Foreign currency translation adjustment	627,329	641,661
Remeasurements of defined benefit plans	(290,510)	(276,262)
Total accumulated other comprehensive income	548,380	642,822
Total net assets	32,779,478	33,417,399
Total liabilities and net assets	40,605,968	38,572,283

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	8,287,587	10,028,233
Cost of sales	4,501,400	5,237,456
Gross profit	3,786,186	4,790,776
Selling, general and administrative expenses	1,952,826	2,450,514
Operating profit	1,833,360	2,340,261
Non-operating income		
Interest income	1,485	5,071
Dividend income	1,292	1,491
Rental income from buildings	1,930	1,723
Foreign exchange gains	21,538	18,184
Subsidy income	379	1,063
Other	18,248	16,171
Total non-operating income	44,876	43,706
Non-operating expenses		
Interest expenses	1,931	1,999
Other	2	2
Total non-operating expenses	1,933	2,001
Ordinary profit	1,876,303	2,381,967
Extraordinary income		
Gain on sale of non-current assets	1	–
Total extraordinary income	1	–
Extraordinary losses		
Loss on retirement of non-current assets	55	5,592
Total extraordinary losses	55	5,592
Profit before income taxes	1,876,250	2,376,374
Income taxes - current	156,259	143,376
Income taxes - deferred	427,685	597,329
Total income taxes	583,945	740,705
Profit	1,292,304	1,635,668
Profit attributable to owners of parent	1,292,304	1,635,668

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	1,292,304	1,635,668
Other comprehensive income		
Valuation difference on available-for-sale securities	17,165	65,860
Foreign currency translation adjustment	203,804	14,331
Remeasurements of defined benefit plans, net of tax	11,070	14,248
Total other comprehensive income	232,040	94,441
Comprehensive income	1,524,345	1,730,110
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,524,345	1,730,110