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November 11, 2022

Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

Company name: Hirata Corporation
 Listing: Tokyo Stock Exchange, Prime Market
 Securities code: 6258
 URL: <https://www.hirata.co.jp/en/>
 Representative: Yuichiro Hirata, Representative Director, President
 Inquiries: Yasuhiro Fujimoto, Director, Managing Executive Officer
 Division Director, Administration Division, Internal Controls, SDGs
 Telephone: +81-96-272-5558
 Scheduled date to file quarterly securities report: November 11, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for securities analysts, institutional investors, and the press)

(Yen amounts are rounded down to millions, unless otherwise noted.)

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 | 34,669 | 6.4 | 2,377 | (5.9) | 2,255 | (19.8) | 1,743 | (12.1) |
| September 30, 2021 | 32,588 | – | 2,527 | – | 2,810 | – | 1,983 | – |

Note: Comprehensive income For the six months ended September 30, 2022: ¥2,723 million [13.2%]
 For the six months ended September 30, 2021: ¥2,405 million [–%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended | | |
| September 30, 2022 | 167.97 | 167.95 |
| September 30, 2021 | 191.09 | 191.03 |

Note: The Company has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the previous fiscal year. The percentage of year-on-year change for the six months ended September 30, 2021 is not shown.

(2) Consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio |
|--------------------|-----------------|-----------------|-----------------------|
| | Millions of yen | Millions of yen | % |
| As of | | | |
| September 30, 2022 | 108,503 | 56,987 | 52.1 |
| March 31, 2022 | 99,485 | 54,938 | 54.8 |

Reference: Equity
 As of September 30, 2022: ¥56,570 million
 As of March 31, 2022: ¥54,478 million

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2022 | – | 0.00 | – | 65.00 | 65.00 |
| Fiscal year ending March 31, 2023 | – | 0.00 | | | |
| Fiscal year ending March 31, 2023 (Forecast) | | | – | 85.00 | 85.00 |

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated earnings forecasts for the fiscal 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 | | Basic earnings per share |
|--------------------------------------|-----------------|------|------------------|------|-----------------|------|---|------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending March 31, 2023 | 80,000 | 19.2 | 5,000 | 29.7 | 5,000 | 17.4 | 3,500 | 30.5 | 337.11 |

Note: Revisions to the earnings forecasts most recently announced: Yes

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|--------------------------|-------------------|
| As of September 30, 2022 | 10,756,090 shares |
| As of March 31, 2022 | 10,756,090 shares |

- (ii) Number of treasury shares at the end of the period

| | |
|--------------------------|----------------|
| As of September 30, 2022 | 371,811 shares |
| As of March 31, 2022 | 375,411 shares |

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|-------------------------------------|-------------------|
| Six months ended September 30, 2022 | 10,382,370 shares |
| Six months ended September 30, 2021 | 10,379,491 shares |

Note: Treasury shares as of September 30, 2022 include the number of the Company's shares held by the trust account of the stock delivery trust for officers (63,000 treasury shares at the end of the period).

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Notes on forward-looking statements)

Forward-looking statements in this material, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. For the assumptions underlying the forecast, please refer to "Qualitative information on quarterly financial results for the period" on page 2 of the Attached Materials.

(Access to presentation materials and contents of the financial results briefing)

The Company will hold a quarterly financial results briefing for securities analysts, institutional investors, and the press on Friday, November 18, 2022.

The presentation materials of the quarterly financial results briefing will be posted on the Company's website.

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1. Qualitative information on quarterly financial results for the period

(1) Explanation of operating results

During the six-month period, the economic situation surrounding the Group progressed in normalizing economic activities on the basis of living with COVID-19. On the other hand, the economic outlook remained uncertain due to the worsening of supply constraints and soaring energy prices caused by the prolonged conflict in Ukraine and other factors, and accelerated and high inflation against the backdrop of tight labor supply and demand conditions. In the U.S., personal consumption remained on the rise against the backdrop of favorable employment conditions, but housing investment began to decline, and the pace of economic recovery trended downward due to high inflation and the tightening of financial conditions. In Europe, the conflict in Ukraine increased inflation pressure mainly on energy prices, but the normalization of economic activity from the COVID-19 pandemic, driven by service consumption helped maintain positive growth. In China, the economic recovery slowed due to the zero-COVID policy and continued uncertainty in the real estate market. In Japan, personal consumption recovered due to the easing of restrictions on behavior, and capital investment also trended upward against the backdrop of improved corporate earnings.

In this business environment, the Group launched a new Mid-Term Management Plan (FY2022–FY2024) in the current fiscal year, and has been implementing a variety of measures under the four basic policies of “Business expansion in growth markets,” “Strengthening competitiveness as a global company,” “Strengthening ESG management initiatives,” and “Realization of management in line with the new normal era.”

During the six-month period, net sales increased from the same period of the previous fiscal year due to the easing of restrictions on activities by overseas affiliates. In terms of profit, the cost of sales ratio remained the same as the same period of the previous fiscal year due to the controlling of outsourcing costs by expanding in-house production, despite the impact of higher raw material and other costs. On the other hand, profit decreased from the same period of the previous fiscal year due to an increase in selling, general and administrative expenses, etc. As a result, net sales for the six-month period were ¥34,669 million (up 6.4% year on year), operating profit was ¥2,377 million (down 5.9% year on year), ordinary profit was ¥2,255 million (down 19.8% year on year), and profit attributable to owners of parent was ¥1,743 million (down 12.1% year on year).

Segment information is as follows.

Effective from the first quarter of the current fiscal year, the Company changed the classification of its reportable segments. Consequently, for the following year-on-year comparisons, the figures for the same period of the previous fiscal year are reorganized into the changed segment classification for comparative analysis.

(i) Automobile-related business

In the automobile-related business, both net sales and profits remained firm due to strong capital investment in areas such as electric vehicles (EVs), backed by global efforts to become carbon neutral. As a result, net sales were ¥13,330 million (up 0.2% year on year), and operating profit was ¥486 million (operating loss of ¥73 million for the same period of the previous fiscal year).

(ii) Semiconductor-related business

In the semiconductor-related business, orders and sales of silicon wafer transfer equipment, and other equipment were strong as semiconductor manufacturers made aggressive capital investments against the backdrop of rising demand for semiconductors in response to fifth-generation mobile communication systems (5G) and the spread of telecommuting, etc. As a result, net sales were ¥12,797 million (up 47.1% year on year), and operating profit was ¥1,433 million (up 5.1% year on year).

(iii) Other automatic labor-saving equipment

In other automatic labor-saving equipment, net sales declined in line with reduced capital investment in the business related to flat panel displays (FPDs) and white goods. As a result, net sales were ¥7,860 million (down 18.3% year on year), and operating profit was ¥464 million (down 59.0% year on year).

(2) Explanation of financial position

(i) Status of assets, liabilities and net assets

(Assets)

Total assets at the end of the second quarter of the current fiscal year increased ¥9,017 million from the end of the previous fiscal year to ¥108,503 million. The main breakdown was an increase of ¥1,411 million in cash and deposits, an increase of ¥3,507 million in trade receivables (notes and accounts receivable - trade, and contract assets, and electronically recorded monetary claims - operating), an increase of ¥2,675 million in inventories, an increase of ¥730 million in property, plant and equipment due to the construction of the Kansai Plant and others, and an increase of ¥456 million in retirement benefit asset.

(Liabilities)

Liabilities increased ¥6,968 million from the end of the previous fiscal year to ¥51,515 million. The main breakdown was an increase of ¥5,691 million in debt with interest (short-term borrowings and long-term borrowings), and an increase of ¥1,639 million in contract liabilities.

(Net assets)

Net assets increased ¥2,049 million from the end of the previous fiscal year to ¥56,987 million. The main breakdown was an increase of ¥1,064 million in retained earnings due to the recording of ¥1,743 million in profit attributable to owners of parent and ¥679 million in dividends paid, and an increase of ¥1,154 million in foreign currency translation adjustment due to the impact of the depreciation of the yen. As a result, the equity-to-asset ratio fell to 52.1% from 54.8% at the end of the previous fiscal year.

(ii) Status of cash flows

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the second quarter of the current fiscal year increased ¥1,411 million from the end of the previous fiscal year to ¥14,350 million.

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥2,987 million (compared with ¥1,593 million provided in the previous fiscal year). Main factors were an increase of ¥1,234 million in trade receivables and contract assets, an increase of ¥2,151 million in inventories and a decrease of ¥2,570 million in trade payables, against profit before income taxes of ¥2,258 million.

(Cash flows from investing activities)

Net cash used in investing activities totaled ¥1,583 million (compared with ¥314 million used in the previous fiscal year), mainly due to ¥1,380 million used in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥4,900 million (compared with ¥835 million used in the previous fiscal year), mainly due to an increase of ¥4,100 million in short-term borrowings.

(3) Explanation of future forecast information such as consolidated financial results forecasts

Based on the financial results for the six-month period and recent business performance trends, the Company has revised the earnings forecasts for the fiscal year ending March 31, 2023, announced on May 13, 2022. For details, please refer to the “Notice of Revisions to Full-Year Financial Results Forecasts and Dividend Forecasts” announced today (November 11, 2022).

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

| | As of March 31, 2022 | As of September 30, 2022 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 12,939,212 | 14,350,946 |
| Notes and accounts receivable - trade, and contract assets | 34,655,070 | 30,915,899 |
| Electronically recorded monetary claims - operating | 6,163,819 | 13,410,037 |
| Inventories | 10,567,158 | 13,242,435 |
| Other | 2,716,805 | 2,784,436 |
| Allowance for doubtful accounts | (38,470) | (42,342) |
| Total current assets | 67,003,595 | 74,661,412 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 10,580,590 | 11,081,508 |
| Machinery, equipment and vehicles, net | 1,829,508 | 1,945,304 |
| Tools, furniture and fixtures, net | 688,801 | 642,629 |
| Land | 9,851,169 | 10,046,108 |
| Construction in progress | 575,947 | 540,809 |
| Total property, plant and equipment | 23,526,017 | 24,256,359 |
| Intangible assets | | |
| Leasehold interests in land | 25,781 | 25,781 |
| Software | 459,840 | 433,964 |
| Other | 14,274 | 186,179 |
| Total intangible assets | 499,896 | 645,925 |
| Investments and other assets | | |
| Investment securities | 2,080,763 | 2,050,607 |
| Distressed receivables | 3,590 | 3,615 |
| Retirement benefit asset | 5,692,302 | 6,149,076 |
| Deferred tax assets | 136,946 | 148,329 |
| Other | 993,249 | 1,061,823 |
| Allowance for doubtful accounts | (450,463) | (473,799) |
| Total investments and other assets | 8,456,389 | 8,939,653 |
| Total non-current assets | 32,482,304 | 33,841,938 |
| Total assets | 99,485,900 | 108,503,350 |

(Thousands of yen)

| | As of March 31, 2022 | As of September 30, 2022 |
|---|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 6,154,055 | 5,862,586 |
| Electronically recorded obligations - operating | 4,360,113 | 4,849,229 |
| Short-term borrowings | 8,500,000 | 12,600,000 |
| Current portion of long-term borrowings | 5,635,328 | 6,824,656 |
| Accounts payable - other | 749,593 | 559,877 |
| Accrued expenses | 2,937,155 | 2,538,682 |
| Income taxes payable | 702,436 | 295,300 |
| Contract liabilities | 956,003 | 2,595,025 |
| Provision for bonuses | 79,216 | 106,228 |
| Provision for bonuses for directors (and other officers) | 118,397 | - |
| Provision for product warranties | 256,958 | 322,674 |
| Provision for loss on construction contracts | 337,073 | 153,885 |
| Other | 825,786 | 1,231,268 |
| Total current liabilities | 31,612,118 | 37,939,414 |
| Non-current liabilities | | |
| Long-term borrowings | 9,605,674 | 10,008,016 |
| Provision for share awards for directors (and other officers) | 71,170 | 75,914 |
| Deferred tax liabilities | 384,867 | 606,107 |
| Deferred tax liabilities for land revaluation | 2,077,511 | 2,077,511 |
| Other | 796,048 | 808,706 |
| Total non-current liabilities | 12,935,272 | 13,576,255 |
| Total liabilities | 44,547,390 | 51,515,669 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 2,633,962 | 2,633,962 |
| Capital surplus | 14,309,592 | 14,319,556 |
| Retained earnings | 33,747,543 | 34,812,449 |
| Treasury shares | (2,452,359) | (2,429,080) |
| Total shareholders' equity | 48,238,738 | 49,336,887 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 454,149 | 433,252 |
| Deferred gains or losses on hedges | (238,178) | (367,609) |
| Revaluation reserve for land | 4,543,663 | 4,543,663 |
| Foreign currency translation adjustment | 923,814 | 2,078,032 |
| Remeasurements of defined benefit plans | 555,905 | 546,119 |
| Total accumulated other comprehensive income | 6,239,354 | 7,233,457 |
| Share acquisition rights | 28,353 | - |
| Non-controlling interests | 432,062 | 417,335 |
| Total net assets | 54,938,509 | 56,987,680 |
| Total liabilities and net assets | 99,485,900 | 108,503,350 |

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

(Quarterly consolidated statement of income) (cumulative)

(Thousands of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|---|--|--|
| Net sales | 32,588,873 | 34,669,134 |
| Cost of sales | 26,102,438 | 27,756,990 |
| Gross profit | 6,486,435 | 6,912,143 |
| Selling, general and administrative expenses | 3,959,034 | 4,534,850 |
| Operating profit | 2,527,401 | 2,377,293 |
| Non-operating income | | |
| Interest income | 7,571 | 20,483 |
| Dividend income | 28,255 | 29,345 |
| Subsidy income | 264,687 | 212,850 |
| Gain on sale of scrap metal | 14,907 | 21,943 |
| Other | 59,226 | 72,644 |
| Total non-operating income | 374,648 | 357,266 |
| Non-operating expenses | | |
| Interest expenses | 28,866 | 43,235 |
| Foreign exchange losses | 51,213 | 398,792 |
| Other | 11,253 | 37,439 |
| Total non-operating expenses | 91,332 | 479,467 |
| Ordinary profit | 2,810,717 | 2,255,092 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 26,116 | 5,042 |
| Total extraordinary income | 26,116 | 5,042 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 22,049 | 1,288 |
| Loss on sale of non-current assets | 6 | – |
| Total extraordinary losses | 22,055 | 1,288 |
| Profit before income taxes | 2,814,778 | 2,258,846 |
| Income taxes | 816,764 | 541,349 |
| Profit | 1,998,013 | 1,717,496 |
| Profit (loss) attributable to non-controlling interests | 14,549 | (26,409) |
| Profit attributable to owners of parent | 1,983,464 | 1,743,906 |

(Quarterly consolidated statement of comprehensive income) (cumulative)

(Thousands of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|--|--|--|
| Profit | 1,998,013 | 1,717,496 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (19,374) | (20,897) |
| Deferred gains or losses on hedges | (4,943) | (129,431) |
| Foreign currency translation adjustment | 434,278 | 1,166,242 |
| Remeasurements of defined benefit plans, net of tax | (2,669) | (10,128) |
| Total other comprehensive income | 407,291 | 1,005,785 |
| Comprehensive income | 2,405,305 | 2,723,282 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 2,392,012 | 2,738,009 |
| Comprehensive income attributable to non-controlling interests | 13,292 | (14,727) |

(3) Quarterly consolidated statement of cash flows

(Thousands of yen)

| | Six months ended September 30, 2021 | Six months ended September 30, 2022 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 2,814,778 | 2,258,846 |
| Depreciation | 727,432 | 728,926 |
| Increase (decrease) in allowance for doubtful accounts | 12,119 | 4,647 |
| Increase (decrease) in provision for bonuses | (26,869) | 14,679 |
| Increase (decrease) in provision for bonuses for directors (and other officers) | (158,073) | (118,397) |
| Increase (decrease) in provision for product warranties | 7,118 | 47,448 |
| Increase (decrease) in provision for loss on construction contracts | 2,209 | (183,188) |
| Increase (decrease) in provision for share awards for directors (and other officers) | 34,448 | 15,538 |
| Increase (decrease) in retirement benefit asset and liability | (441,066) | (471,269) |
| Interest and dividend income | (35,826) | (49,828) |
| Interest expenses | 28,866 | 43,235 |
| Foreign exchange losses (gains) | (25,683) | 166,003 |
| Loss (gain) on sale of non-current assets | (26,110) | (5,042) |
| Loss on retirement of non-current assets | 22,049 | 1,288 |
| Decrease (increase) in trade receivables and contract assets | 1,488,723 | (1,234,396) |
| Decrease (increase) in inventories | (1,989,573) | (2,151,142) |
| Increase (decrease) in trade payables | (277,105) | (2,570,416) |
| Increase (decrease) in accrued expenses | (836,542) | (442,913) |
| Increase (decrease) in advances received | 776,601 | – |
| Increase (decrease) in contract liabilities | – | 1,306,005 |
| Other, net | 152,297 | 326,290 |
| Subtotal | 2,249,794 | (2,313,684) |
| Interest and dividends received | 34,948 | 48,916 |
| Interest paid | (29,645) | (43,326) |
| Income taxes paid | (661,874) | (679,858) |
| Net cash provided by (used in) operating activities | 1,593,223 | (2,987,951) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (227,093) | (1,380,315) |
| Proceeds from sale of property, plant and equipment | 65,837 | 13,009 |
| Purchase of intangible assets | (156,393) | (217,102) |
| Proceeds from collection of long-term loans receivable from employees | 3,262 | 1,275 |
| Net cash provided by (used in) investing activities | (314,386) | (1,583,133) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (1,900,000) | 4,100,000 |
| Proceeds from long-term borrowings | 3,000,000 | 6,000,000 |
| Repayments of long-term borrowings | (1,150,670) | (4,408,330) |
| Purchase of treasury shares | (195) | – |
| Proceeds from sale of treasury shares | – | 1 |
| Dividends paid | (674,471) | (678,345) |
| Other, net | (110,646) | (112,582) |
| Net cash provided by (used in) financing activities | (835,983) | 4,900,744 |
| Effect of exchange rate change on cash and cash equivalents | 411,743 | 1,082,075 |
| Net increase (decrease) in cash and cash equivalents | 854,597 | 1,411,733 |
| Cash and cash equivalents at beginning of period | 12,685,736 | 12,939,212 |
| Cash and cash equivalents at end of period | 13,540,333 | 14,350,946 |

**(4) Notes on quarterly consolidated financial statements
(Notes on going concern assumption)**

Not applicable.

(Notes when there is a significant change in the amount of shareholders' equity)

Not applicable.

(Segment information)

I Six-month period in the previous fiscal year (from April 1, 2021 to September 30, 2021)

- Information on the amount of net sales, profit or loss, by reportable segment and information on the decomposition of revenue

(Thousands of yen)

| | Reportable segments | | | | Others (Note) | Total |
|---|---------------------------------|------------------------------------|--|------------|------------------|------------|
| | Automobile- related business | Semiconductor- related business | Other automatic labor-saving equipment | Total | | |
| Net sales | | | | | | |
| Goods or services transferred at a point in time | 651,549 | 6,167,978 | 3,733,433 | 10,552,961 | 883,088 | 11,436,049 |
| Goods or services transferred over time | 12,650,529 | 2,530,406 | 5,883,628 | 21,064,564 | 74,514 | 21,139,079 |
| Revenue from contracts with customers | 13,302,079 | 8,698,385 | 9,617,061 | 31,617,526 | 957,602 | 32,575,128 |
| Other revenue | — | — | — | — | 13,744 | 13,744 |
| Sales to external customers | 13,302,079 | 8,698,385 | 9,617,061 | 31,617,526 | 971,347 | 32,588,873 |
| Intersegment sales and transfers | — | — | — | — | 4,712 | 4,712 |
| Total | 13,302,079 | 8,698,385 | 9,617,061 | 31,617,526 | 976,059 | 32,593,585 |
| Segment profit (loss) | (73,094) | 1,364,351 | 1,135,065 | 2,426,322 | 98,798 | 2,525,121 |

(Note) The “Others” classification is a segment that is not included in reportable segments and includes the solar power generation related operations and the point and customer management system related operations of the Company’s subsidiary.

- Difference between the total amount of profit or loss of reportable segments and the amount recorded in the quarterly consolidated statement of income, and the main details of the difference (matters concerning variance adjustment)

(Thousands of yen)

| Profit | Amount |
|---|-----------|
| Reportable segment total | 2,525,121 |
| Elimination of intersegment transactions | 2,280 |
| Operating profit in the quarterly consolidated statement of income | 2,527,401 |

II Six-month period in the current fiscal year (from April 1, 2022 to September 30, 2022)

1. Information on the amount of net sales, profit or loss, by reportable segment and information on the decomposition of revenue

(Thousands of yen)

| | Reportable segments | | | | Others (Note) | Total |
|--|-----------------------------|--------------------------------|--|------------|------------------|------------|
| | Automobile-related business | Semiconductor-related business | Other automatic labor-saving equipment | Total | | |
| Net sales | | | | | | |
| Goods or services transferred at a point in time | 764,498 | 8,758,588 | 3,878,672 | 13,401,760 | 667,676 | 14,069,436 |
| Goods or services transferred over time | 12,566,199 | 4,038,711 | 3,981,616 | 20,586,528 | – | 20,586,528 |
| Revenue from contracts with customers | 13,330,698 | 12,797,300 | 7,860,289 | 33,988,288 | 667,676 | 34,655,964 |
| Other revenue | – | – | – | – | 13,170 | 13,170 |
| Sales to external customers | 13,330,698 | 12,797,300 | 7,860,289 | 33,988,288 | 680,846 | 34,669,134 |
| Intersegment sales and transfers | – | – | – | – | 519 | 519 |
| Total | 13,330,698 | 12,797,300 | 7,860,289 | 33,988,288 | 681,366 | 34,669,654 |
| Segment profit (loss) | 486,102 | 1,433,994 | 464,895 | 2,384,992 | (9,979) | 2,375,013 |

(Note) The “Others” classification is a segment that is not included in reportable segments and includes the solar power generation related operations and the point and customer management system related operations of the Company’s subsidiary.

2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the quarterly consolidated statement of income, and the main details of the difference (matters concerning variance adjustment)

(Thousands of yen)

| Profit | Amount |
|--|-----------|
| Reportable segment total | 2,375,013 |
| Elimination of intersegment transactions | 2,280 |
| Operating profit in the quarterly consolidated statement of income | 2,377,293 |

3. Matters concerning changes in reportable segments, etc.

In the execution of the Mid-Term Management Plan starting in fiscal 2022, the Company has decided to change the reportable segments in order to align the classification of segment information with the business strategies in the plan to select and concentrate business by reviewing the business portfolio and to improve capital efficiency.

As a result, since the first quarter of the current fiscal year, the Company has changed its reportable segments from the previous four regional segments of Japan, Asia, North America, and Europe to three business segments of Automobile-related business, Semiconductor-related business, and Other automatic labor-saving equipment.

Segment information for the six-month period in the previous fiscal year is disclosed based on the classification after the change.

3. Supplementary Information

Status of production, orders received, and sales

Effective from the first quarter of the current fiscal year, the Company changed the classification of its reportable segments. Consequently, for the following year-on-year comparisons, the figures for the same quarter of the previous fiscal year are reorganized into the figures for the classifications after the change.

(1) Production results

The table below shows production results by segment in the six-month period.

| Name of segment | Six-month period (from April 1, 2022 to September 30, 2022) (Thousands of yen) | Year-on-year change (%) |
|--|--|-------------------------|
| Automobile-related business | 14,081,209 | 104.7 |
| Semiconductor-related business | 13,894,129 | 131.9 |
| Other automatic labor-saving equipment | 8,422,578 | 83.0 |
| Others | 724,842 | 70.6 |
| Total | 37,122,759 | 105.6 |

Note: Amounts are based on selling prices and manufacturing costs before intersegment transfers.

(2) Orders received

The table below shows orders received by segment in the six-month period.

| Name of segment | Orders received (Thousands of yen) | Year-on-year change (%) | Order backlog (Thousands of yen) | Year-on-year change (%) |
|--|---------------------------------------|-------------------------|-------------------------------------|-------------------------|
| Automobile-related business | 18,598,203 | 113.6 | 29,043,289 | 175.4 |
| Semiconductor-related business | 20,325,214 | 135.0 | 24,188,170 | 203.5 |
| Other automatic labor-saving equipment | 13,132,052 | 138.7 | 11,122,183 | 156.0 |
| Others | 1,074,916 | 111.9 | 798,132 | 212.3 |
| Total | 53,130,388 | 126.9 | 65,151,774 | 181.3 |

Note: Amounts are based on selling prices.

(3) Sales results

The table below shows sales results by segment in the six-month period.

| Name of segment | Six-month period (from April 1, 2022 to September 30, 2022) (Thousands of yen) | Year-on-year change (%) |
|--|--|-------------------------|
| Automobile-related business | 13,330,698 | 100.2 |
| Semiconductor-related business | 12,797,300 | 147.1 |
| Other automatic labor-saving equipment | 7,860,289 | 81.7 |
| Others | 680,846 | 70.1 |
| Total | 34,669,134 | 106.4 |

Note: Intersegment transactions are offset and eliminated.