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August 8, 2024

Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange, Prime Market
 Securities code: 6258
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of 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 three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(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, 2024	20,368	6.3	1,214	(19.3)	1,279	(19.0)	722	(34.6)
June 30, 2023	19,155	14.4	1,503	48.6	1,580	37.1	1,105	35.3

Note: Comprehensive income For the three months ended June 30, 2024: ¥1,019 million [(19.5)%]
 For the three months ended June 30, 2023: ¥1,266 million [7.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	69.57	–
June 30, 2023	106.48	–

Note: The amount of diluted earnings per share is not provided because there are no potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	134,622	65,276	48.3
March 31, 2024	130,787	65,302	49.7

Reference: Equity
 As of June 30, 2024: ¥65,023 million
 As of March 31, 2024: ¥65,027 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, 2024	–	0.00	–	100.00	100.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		0.00	–	120.00	120.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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, 2025	100,000	20.7	7,500	24.0	7,300	16.6	4,700	8.2	452.53

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: 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: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For details, please refer to “(3) Notes on quarterly consolidated financial statements (Notes on changes in accounting policies)” in “2. Quarterly consolidated financial statements and major notes” on page 8 of the Attached Materials.

(4) Number of issued shares (common shares)

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

As of June 30, 2024	10,756,090 shares
As of March 31, 2024	10,756,090 shares

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

As of June 30, 2024	369,003 shares
As of March 31, 2024	369,003 shares

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

Three months ended June 30, 2024	10,387,087 shares
Three months ended June 30, 2023	10,384,238 shares

Note: Treasury shares at the end of period includes the number of the Company’s shares held by the trust account of the stock delivery trust for officers (60,100 shares as of March 31, 2024 and June 30, 2024).

- * Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

- * 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 “(3) Explanation of future forecast information such as consolidated financial results forecasts” in “1. Overview of the operating results” on page 3 of the Attached Materials.

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

The Company will hold a financial results briefing for securities analysts, institutional investors, and the press on Friday, August 9, 2024.

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

Table of Contents of the Attached Materials

Index

- 1. Overview of the operating results 2
 - (1) Overview of the operating results for the period under review 2
 - (2) Overview of the financial position for the period under review 3
 - (3) Explanation of future forecast information such as consolidated financial results forecasts 3
- 2. Quarterly consolidated financial statements and major notes 4
 - (1) Quarterly consolidated balance sheet 4
 - (2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income 6
 - (Quarterly consolidated statement of income) (cumulative) 6
 - (Quarterly consolidated statement of comprehensive income) (cumulative) 7
 - (3) Notes on quarterly consolidated financial statements 8
 - (Notes on changes in accounting policies) 8
 - (Notes on segment information, etc.) 9
 - (Notes when there is a significant change in the amount of shareholders’ equity) 11
 - (Notes on going concern assumption) 11
 - (Notes on quarterly consolidated statement of cash flows) 11
- 3. Supplementary Information 12
 - Status of production, orders received, and sales 12

1. Overview of the operating results

(1) Overview of the operating results for the period under review

During the three-month period, the overall sense of uncertainty over the future of the economic situation surrounding the Group continued due to increasing geopolitical risks from the prolonged situation in Russia and Ukraine and rising tensions in the Middle East, the surge in resource and energy prices, worldwide monetary tightening policies, and the ongoing depreciation of the yen. In the U.S., personal consumption and capital investment remained firm against the backdrop of favorable employment and income conditions. In Europe, business confidence generally improved, as personal consumption picked up due to easing inflationary pressures and exports showed signs of recovery. In China, the economy continued to slow down due to cooling personal consumption and a sluggish real estate market. In Japan, while personal consumption showed signs of weakness, capital investment remained firm against the backdrop of favorable corporate earnings.

In this business environment, the Group has set forth 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” in its Mid-Term Management Plan (FY2022-FY2024), which will conclude at the end of the current fiscal year. In “Business expansion in growth markets,” we are working to develop and improve facilities that are expected to be effective in mass production, establish standard modules, and improve production capacity through the promotion of digital transformation (DX) in order to sustainably increase earnings. In “Strengthening competitiveness as a global company,” we are striving to reduce transportation costs, shorten lead times, and avoid trade risks through local production for local consumption by strengthening cooperation and collaboration with our overseas affiliates. In “Strengthening ESG management initiatives,” we are promoting the Group’s sustainability activities as company-wide initiatives while linking them to our medium- to long-term management strategies. In “Realization of management in line with the new normal era,” we are promoting the use of emulators and the introduction of new information systems, aiming to realize the improvement of operational efficiency, the optimization of production methods, and the enhancement of quality.

During the three-month period, net sales increased from the same period of the previous fiscal year due to firm sales of electric vehicle (EV) related production equipment and an increase in sales of internal combustion engine related production equipment in the automobile-related business, despite sluggish orders in the semiconductor-related business. Profits decreased from the same period of the previous fiscal year due to a decrease in sales in the semiconductor-related business with high profit margins. As a result, net sales for the three-month period were ¥20,368 million (up 6.3% year on year), operating profit was ¥1,214 million (down 19.3% year on year), ordinary profit was ¥1,279 million (down 19.0% year on year), and profit attributable to owners of parent was ¥722 million (down 34.6% year on year).

Segment information is as follows.

(i) Automobile-related business

In the automobile-related business, while growth of demand in the EV market slowed down, sales of EV-related production equipment generally remained firm as the Group received orders for charging and discharging-related equipment for battery on a continuing basis from the previous fiscal year. Sales of internal combustion engine related production equipment, such as engine assembly equipment, also increased from the same period of the previous fiscal year. On the other hand, profits decreased from the same period of the previous fiscal year due to the deterioration of the cost of sales ratio in some projects. As a result, net sales were ¥9,824 million (up 21.6% year on year), and operating profit was ¥476 million (down 4.5% year on year).

(ii) Semiconductor-related business

In the semiconductor-related business, while sales of silicon wafer transfer equipment remained firm amid recovering demand for semiconductors mainly due to the spread of generative AI (artificial intelligence), sales of substrate transfer equipment were sluggish due to the impact of customers' postponement of their capital investment plans. As a result, net sales were ¥7,055 million (down 9.2% year on year), and operating profit was ¥920 million (down 16.1% year on year).

(iii) Other automatic labor-saving equipment

In other automatic labor-saving equipment, both sales and profits remained sluggish due to the postponement of capital investment in the business related to flat panel displays (FPDs) goods and home appliance. As a result, net sales were ¥2,932 million (up 4.3% year on year), and operating loss was ¥155 million (operating loss of ¥70 million for the same period of the previous fiscal year).

(2) Overview of the financial position for the period under review

(Assets)

Total assets at the end of the first quarter of the current fiscal year increased ¥3,834 million from the end of the previous fiscal year to ¥134,622 million. The main breakdown was an increase of ¥5,589 million in trade receivables (notes and accounts receivable - trade, and contract assets, and electronically recorded monetary claims - operating), and a decrease of ¥1,728 million in cash and deposits.

(Liabilities)

Liabilities increased ¥3,860 million from the end of the previous fiscal year to ¥69,346 million. The main breakdown was an increase of ¥7,642 million in debt with interest (short-term borrowings and long-term borrowings) due to increased demand for funds in response to rising capital investment and production, a decrease of ¥1,123 million in accrued expenses, and a decrease of ¥1,096 million in trade payables (notes and accounts payable - trade and electronically recorded obligations - operating).

(Net assets)

Net assets decreased ¥25 million from the end of the previous fiscal year to ¥65,276 million. The main breakdown was an increase of ¥512 million in foreign currency translation adjustment due to the impact of the depreciation of the yen, a decrease of ¥322 million in retained earnings due to the recording of ¥722 million in profit attributable to owners of parent and ¥1,044 million in dividends paid. As a result, the equity-to-asset ratio fell to 48.3% from 49.7% at the end of the previous fiscal year.

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

There is no change to the earnings forecasts for the fiscal year ending March 31, 2025, disclosed on May 10, 2024.

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	10,652,754	8,924,687
Notes and accounts receivable - trade, and contract assets	52,159,944	53,319,443
Electronically recorded monetary claims - operating	7,344,709	11,774,267
Inventories	14,264,910	14,638,976
Other	4,143,135	3,728,894
Allowance for doubtful accounts	(11,402)	(9,488)
Total current assets	88,554,052	92,376,780
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,174,290	13,102,253
Machinery, equipment and vehicles, net	2,803,700	2,697,601
Tools, furniture and fixtures, net	1,277,267	1,226,538
Land	9,890,059	9,929,997
Construction in progress	292,393	272,862
Total property, plant and equipment	27,437,711	27,229,252
Intangible assets		
Leasehold interests in land	25,781	25,781
Software	422,425	395,069
Other	456,657	612,355
Total intangible assets	904,864	1,033,206
Investments and other assets		
Investment securities	2,731,411	2,597,091
Distressed receivables	1,077	1,109
Retirement benefit asset	9,653,995	9,920,245
Deferred tax assets	213,108	211,184
Other	1,733,926	1,695,948
Allowance for doubtful accounts	(442,219)	(442,108)
Total investments and other assets	13,891,299	13,983,470
Total non-current assets	42,233,874	42,245,929
Total assets	130,787,926	134,622,709

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,200,295	4,529,235
Electronically recorded obligations - operating	4,716,702	4,291,645
Short-term borrowings	17,861,284	18,742,804
Current portion of long-term borrowings	9,692,490	11,478,846
Accounts payable - other	1,600,005	588,165
Accrued expenses	3,585,595	2,461,808
Income taxes payable	977,488	222,251
Contract liabilities	3,457,853	3,364,166
Provision for bonuses	160,848	132,202
Provision for bonuses for directors (and other officers)	124,667	-
Provision for product warranties	482,358	517,482
Provision for loss on construction contracts	120,137	126,115
Other	1,884,681	2,067,321
Total current liabilities	49,864,410	48,522,045
Non-current liabilities		
Long-term borrowings	9,477,093	14,452,015
Provision for share awards for directors (and other officers)	175,996	196,257
Deferred tax liabilities	1,971,065	2,266,619
Deferred tax liabilities for land revaluation	2,023,008	2,023,008
Other	1,973,964	1,886,096
Total non-current liabilities	15,621,128	20,823,996
Total liabilities	65,485,538	69,346,041
Net assets		
Shareholders' equity		
Share capital	2,633,962	2,633,962
Capital surplus	14,319,556	14,319,556
Retained earnings	40,785,521	40,463,374
Treasury shares	(2,411,289)	(2,411,289)
Total shareholders' equity	55,327,751	55,005,604
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,235,771	1,142,400
Deferred gains or losses on hedges	(196,412)	(261,443)
Revaluation reserve for land	4,500,520	4,500,520
Foreign currency translation adjustment	2,208,403	2,720,666
Remeasurements of defined benefit plans	1,951,951	1,916,247
Total accumulated other comprehensive income	9,700,233	10,018,391
Non-controlling interests	274,402	252,671
Total net assets	65,302,388	65,276,668
Total liabilities and net assets	130,787,926	134,622,709

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

(Quarterly consolidated statement of income) (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	19,155,239	20,368,417
Cost of sales	15,014,977	16,388,381
Gross profit	4,140,261	3,980,035
Selling, general and administrative expenses	2,636,374	2,765,749
Operating profit	1,503,886	1,214,286
Non-operating income		
Interest income	11,793	4,858
Dividend income	1,184	1,209
Foreign exchange gains	38,541	46,636
Rental income	34,851	37,395
Gain on sale of scrap metal	7,761	7,356
Other	11,986	16,599
Total non-operating income	106,118	114,056
Non-operating expenses		
Interest expenses	26,975	44,802
Other	2,894	3,884
Total non-operating expenses	29,869	48,687
Ordinary profit	1,580,135	1,279,655
Extraordinary income		
Gain on sale of non-current assets	1,019	3,396
Gain on sale of investment securities	15,364	-
Insurance claim income	-	20,701
Total extraordinary income	16,384	24,098
Extraordinary losses		
Loss on retirement of non-current assets	106	7,701
Loss on sale of non-current assets	135	-
Total extraordinary losses	242	7,701
Profit before income taxes	1,596,278	1,296,051
Income taxes	509,525	594,799
Profit	1,086,752	701,252
Loss attributable to non-controlling interests	(18,972)	(21,398)
Profit attributable to owners of parent	1,105,725	722,650

(Quarterly consolidated statement of comprehensive income) (cumulative)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	1,086,752	701,252
Other comprehensive income		
Valuation difference on available-for-sale securities	359,378	(93,371)
Deferred gains or losses on hedges	(314,834)	(65,030)
Foreign currency translation adjustment	132,081	512,422
Remeasurements of defined benefit plans, net of tax	3,105	(36,194)
Total other comprehensive income	179,731	317,825
Comprehensive income	1,266,483	1,019,077
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,282,830	1,040,808
Comprehensive income attributable to non-controlling interests	(16,346)	(21,730)

(3) Notes on quarterly consolidated financial statements

(Notes on changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the first quarter of the current fiscal year.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022). This change in accounting policies has no impact on the quarterly consolidated financial statements.

(Notes on segment information, etc.)

I Three months ended June 30, 2023

1. Information on the amount of net sales and 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	106,993	6,379,161	1,149,593	7,635,748	466,390	8,102,138
Goods or services transferred over time	7,972,278	1,386,748	1,662,404	11,021,431	26,608	11,048,040
Revenue from contracts with customers	8,079,271	7,765,909	2,811,998	18,657,180	492,998	19,150,179
Other revenue	–	–	–	–	5,060	5,060
Sales to external customers	8,079,271	7,765,909	2,811,998	18,657,180	498,058	19,155,239
Intersegment sales and transfers	–	–	–	–	129	129
Total	8,079,271	7,765,909	2,811,998	18,657,180	498,188	19,155,368
Segment profit (loss)	498,573	1,096,945	(70,335)	1,525,184	(22,437)	1,502,746

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	1,525,184
Profit of the “Others” classification	(22,437)
Elimination of intersegment transactions	1,140
Operating profit in the quarterly consolidated statement of income	1,503,886

II Three months ended June 30, 2024

1. Information on the amount of net sales and 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	839,804	6,335,618	1,311,431	8,486,854	480,279	8,967,133
Goods or services transferred over time	8,985,066	719,570	1,620,642	11,325,279	71,173	11,396,453
Revenue from contracts with customers	9,824,871	7,055,188	2,932,073	19,812,133	551,453	20,363,587
Other revenue	–	–	–	–	4,830	4,830
Sales to external customers	9,824,871	7,055,188	2,932,073	19,812,133	556,283	20,368,417
Intersegment sales and transfers	–	–	–	–	137	137
Total	9,824,871	7,055,188	2,932,073	19,812,133	556,420	20,368,554
Segment profit (loss)	476,343	920,589	(155,667)	1,241,265	(28,119)	1,213,146

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	1,241,265
Profit of the “Others” classification	(28,119)
Elimination of intersegment transactions	1,140
Operating profit in the quarterly consolidated statement of income	1,214,286

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

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on quarterly consolidated statement of cash flows)

Quarterly consolidated statement of cash flows has not been prepared for the three months ended June 30, 2024. Depreciation for the three months ended June 30, 2023 and 2024 is as follows.

	(Thousands of yen)	
	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	399,402	480,062

3. Supplementary Information

Status of production, orders received, and sales

(1) Production results

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

Name of segment	Three months ended June 30, 2024 (Thousands of yen)	Year-on-year (%)
Automobile-related business	10,119,524	123.6
Semiconductor-related business	7,623,120	96.8
Other automatic labor-saving equipment	2,920,844	95.6
Others	486,868	96.1
Total	21,150,357	107.8

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 three-month period.

Name of segment	Orders received (Thousands of yen)	Year-on-year (%)	Order backlog (Thousands of yen)	Year-on-year (%)
Automobile-related business	12,307,229	99.6	41,632,654	115.9
Semiconductor-related business	4,828,450	52.3	17,243,591	74.3
Other automatic labor-saving equipment	2,176,955	90.5	5,540,183	72.7
Others	580,014	99.7	512,513	76.2
Total	19,892,650	81.0	64,928,942	96.3

Note: Amounts are based on selling prices.

(3) Sales results

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

Name of segment	Three months ended June 30, 2024 (Thousands of yen)	Year-on-year (%)
Automobile-related business	9,824,871	121.6
Semiconductor-related business	7,055,188	90.8
Other automatic labor-saving equipment	2,932,073	104.3
Others	556,283	111.7
Total	20,368,417	106.3

Note: Intersegment transactions are offset and eliminated.