

Translation

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

April 15, 2022

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,
 Inquiries: Chief Financial Officer (CFO) and Director Yoshikazu Suyama TEL 0268-28-0555
 of Administration Department
 Scheduled date to file Quarterly Securities Report: April 28, 2022
 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, 2022 (from January 1, 2022 to March 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	%
Three months ended March 31, 2022	8,287	19.3	1,833	31.2	1,876	28.6	1,292	19.9
Three months ended March 31, 2021	6,949	19.2	1,397	78.6	1,459	87.7	1,078	86.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2022	94.70		–	
Three months ended March 31, 2021	79.04		–	

(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, 2022	34,090	29,613	86.9	2,170.04
As of December 31, 2021	36,391	29,454	80.9	2,158.34

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2021	–	65.00	–	100.00	165.00
Year ending December 31, 2022	–	–	–	–	–
Year ending December 31, 2022 (Forecast)	–	80.00	–	80.00	160.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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, 2022	17,000	16.1	3,570	13.9	3,700	14.5	2,780	14.3	203.71
Full year	34,000	16.0	7,010	21.9	7,200	20.0	5,410	19.7	396.43

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022
(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, 2022	14,024,365 shares	As of December 31, 2021	14,024,365 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	377,662 shares	As of December 31, 2021	377,652 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, 2022	13,646,703 shares	Three months ended March 31, 2021	13,638,383 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	16,017,461	13,229,608
Notes and accounts receivable - trade	3,357,039	–
Notes and accounts receivable - trade, and contract assets	–	3,767,096
Merchandise and finished goods	1,022,058	1,129,958
Work in process	659,497	741,465
Raw materials and supplies	2,691,016	3,029,341
Other	316,939	327,718
Allowance for doubtful accounts	(5,203)	(5,266)
Total current assets	24,058,808	22,219,922
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,245,351	7,144,316
Machinery, equipment and vehicles, net	292,140	312,443
Tools, furniture and fixtures, net	754,023	798,702
Land	1,998,862	1,998,862
Construction in progress	1,488	11,846
Total property, plant and equipment	10,291,868	10,266,172
Intangible assets		
Software	356,643	351,964
Other	22,262	6,091
Total intangible assets	378,906	358,055
Investments and other assets	1,661,476	1,246,841
Total non-current assets	12,332,250	11,871,069
Total assets	36,391,059	34,090,992

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	835,185	1,181,500
Income taxes payable	1,156,614	202,025
Provision for bonuses	–	934,076
Provision for bonuses for directors (and other officers)	–	29,590
Other	3,697,975	910,378
Total current liabilities	5,689,776	3,257,570
Non-current liabilities		
Deferred tax liabilities	6,826	7,058
Retirement benefit liability	725,626	691,883
Other	514,535	520,588
Total non-current liabilities	1,246,987	1,219,530
Total liabilities	6,936,764	4,477,101
Net assets		
Shareholders' equity		
Share capital	3,299,463	3,299,463
Capital surplus	3,968,885	3,968,885
Retained earnings	22,782,020	22,709,654
Treasury shares	(727,495)	(727,573)
Total shareholders' equity	29,322,874	29,250,429
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	148,034	165,200
Foreign currency translation adjustment	307,814	511,619
Remeasurements of defined benefit plans	(324,428)	(313,358)
Total accumulated other comprehensive income	131,420	363,461
Total net assets	29,454,295	29,613,890
Total liabilities and net assets	36,391,059	34,090,992

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, 2021	Three months ended March 31, 2022
Net sales	6,949,259	8,287,587
Cost of sales	3,657,308	4,501,400
Gross profit	3,291,950	3,786,186
Selling, general and administrative expenses	1,894,611	1,952,826
Operating profit	1,397,338	1,833,360
Non-operating income		
Interest income	1,089	1,485
Dividend income	994	1,292
Rental income from buildings	2,323	1,930
Foreign exchange gains	43,900	21,538
Subsidy income	3,896	379
Other	11,732	18,248
Total non-operating income	63,936	44,876
Non-operating expenses		
Interest expenses	1,972	1,931
Other	3	2
Total non-operating expenses	1,976	1,933
Ordinary profit	1,459,299	1,876,303
Extraordinary income		
Gain on sale of non-current assets	2,255	1
Total extraordinary income	2,255	1
Extraordinary losses		
Loss on retirement of non-current assets	1,128	55
Total extraordinary losses	1,128	55
Profit before income taxes	1,460,426	1,876,250
Income taxes - current	275,278	156,259
Income taxes - deferred	107,113	427,685
Total income taxes	382,391	583,945
Profit	1,078,034	1,292,304
Profit attributable to owners of parent	1,078,034	1,292,304

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	1,078,034	1,292,304
Other comprehensive income		
Valuation difference on available-for-sale securities	19,399	17,165
Foreign currency translation adjustment	125,870	203,804
Remeasurements of defined benefit plans, net of tax	11,288	11,070
Total other comprehensive income	156,558	232,040
Comprehensive income	1,234,593	1,524,345
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,234,593	1,524,345