

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

October 17, 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: November 1, 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 nine months ended September 30, 2022 (from January 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	%
Nine months ended September 30, 2022	24,888	15.6	4,967	15.6	5,287	17.7	3,992	17.7
Nine months ended September 30, 2021	21,535	35.4	4,299	139.3	4,494	132.0	3,393	134.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2022	292.48		–	
Nine months ended September 30, 2021	248.68		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	37,896	31,492	83.1	2,306.77
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	–	80.00	–		
Year ending December 31, 2022 (Forecast)				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
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 nine months ended September 30, 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 September 30, 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 September 30, 2022	371,976 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)

Nine months ended September 30, 2022	13,650,501 shares	Nine months ended September 30, 2021	13,644,088 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	16,017,461	13,723,086
Notes and accounts receivable - trade	3,357,039	–
Notes and accounts receivable - trade, and contract assets	–	3,322,628
Merchandise and finished goods	1,022,058	1,466,123
Work in process	659,497	1,045,794
Raw materials and supplies	2,691,016	4,926,460
Other	316,939	767,179
Allowance for doubtful accounts	(5,203)	(6,130)
Total current assets	24,058,808	25,245,141
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,245,351	7,065,683
Machinery, equipment and vehicles, net	292,140	361,845
Tools, furniture and fixtures, net	754,023	881,769
Land	1,998,862	1,998,862
Construction in progress	1,488	164,093
Total property, plant and equipment	10,291,868	10,472,254
Intangible assets		
Software	356,643	323,180
Other	22,262	27,791
Total intangible assets	378,906	350,971
Investments and other assets	1,661,476	1,828,433
Total non-current assets	12,332,250	12,651,659
Total assets	36,391,059	37,896,801

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	835,185	1,282,868
Income taxes payable	1,156,614	536,325
Provision for bonuses	–	2,268,226
Provision for bonuses for directors (and other officers)	–	88,770
Other	3,697,975	1,058,343
Total current liabilities	5,689,776	5,234,534
Non-current liabilities		
Deferred tax liabilities	6,826	3,776
Retirement benefit liability	725,626	630,710
Other	514,535	534,924
Total non-current liabilities	1,246,987	1,169,411
Total liabilities	6,936,764	6,403,945
Net assets		
Shareholders' equity		
Share capital	3,299,463	3,299,463
Capital surplus	3,968,885	3,993,207
Retained earnings	22,782,020	24,317,629
Treasury shares	(727,495)	(716,897)
Total shareholders' equity	29,322,874	30,893,403
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	148,034	166,699
Foreign currency translation adjustment	307,814	723,970
Remeasurements of defined benefit plans	(324,428)	(291,217)
Total accumulated other comprehensive income	131,420	599,452
Total net assets	29,454,295	31,492,855
Total liabilities and net assets	36,391,059	37,896,801

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net sales	21,535,404	24,888,629
Cost of sales	11,380,143	13,495,452
Gross profit	10,155,260	11,393,177
Selling, general and administrative expenses	5,856,060	6,425,417
Operating profit	4,299,200	4,967,759
Non-operating income		
Interest income	4,360	5,410
Dividend income	13,500	15,385
Rental income from buildings	6,519	5,664
Foreign exchange gains	30,095	37,037
Subsidy income	61,269	98,837
Refund income	47,591	117,559
Other	38,141	45,627
Total non-operating income	201,478	325,522
Non-operating expenses		
Interest expenses	5,889	5,717
Other	775	8
Total non-operating expenses	6,664	5,726
Ordinary profit	4,494,013	5,287,555
Extraordinary income		
Gain on sale of non-current assets	9,059	2,293
Total extraordinary income	9,059	2,293
Extraordinary losses		
Loss on retirement of non-current assets	1,247	3,588
Loss on valuation of membership	-	2,600
Total extraordinary losses	1,247	6,188
Profit before income taxes	4,501,826	5,283,661
Income taxes - current	1,363,115	1,459,166
Income taxes - deferred	(254,321)	(167,977)
Total income taxes	1,108,793	1,291,189
Profit	3,393,032	3,992,472
Profit attributable to owners of parent	3,393,032	3,992,472

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	3,393,032	3,992,472
Other comprehensive income		
Valuation difference on available-for-sale securities	27,822	18,664
Foreign currency translation adjustment	168,926	416,155
Remeasurements of defined benefit plans, net of tax	33,865	33,211
Total other comprehensive income	230,613	468,031
Comprehensive income	3,623,646	4,460,504
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,623,646	4,460,504