

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended June 30, 2024 (Based on Japanese GAAP)

July 16, 2024

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 Semi-annual Securities Report: August 1, 2024  
 Scheduled date to commence dividend payments: August 13, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2024 (from January 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	%
Six months ended June 30, 2024	18,662	(8.2)	3,344	(26.4)	3,614	(23.6)	2,620	(24.0)
Six months ended June 30, 2023	20,334	28.0	4,545	44.7	4,731	39.1	3,447	37.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2024	191.82		-	
Six months ended June 30, 2023	252.45		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	44,038	38,934	88.4	2,849.47
As of December 31, 2023	45,250	37,122	82.0	2,718.23

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended December 31, 2023	Yen -	Yen 90.00	Yen -	Yen 90.00	Yen 180.00
Year ending December 31, 2024	-	100.00	-	-	-
Year ending December 31, 2024 (Forecast)	-	-	-	100.00	200.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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	40,000	2.2	8,000	0.6	8,320	1.0	6,360	0.5	465.58

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended June 30, 2024: No
- (2) Application of special accounting methods for preparing interim 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: No
  - 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 June 30, 2024	14,024,365 shares	As of December 31, 2023	14,024,365 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	360,517 shares	As of December 31, 2023	367,392 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	13,660,406 shares	Six months ended June 30, 2023	13,654,686 shares
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**Interim consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	16,525,166	15,156,651
Notes and accounts receivable - trade, and contract assets	3,603,329	4,005,980
Electronically recorded monetary claims - operating	245,278	246,823
Merchandise and finished goods	1,427,193	1,514,759
Work in process	1,015,135	1,046,637
Raw materials and supplies	6,403,800	5,669,435
Other	410,557	489,225
Allowance for doubtful accounts	(27,170)	(35,333)
Total current assets	29,603,291	28,094,180
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,768,993	9,371,260
Machinery, equipment and vehicles, net	555,202	540,287
Tools, furniture and fixtures, net	1,292,698	1,339,692
Land	1,961,951	2,161,951
Construction in progress	1,176,147	45,750
Total property, plant and equipment	12,754,993	13,458,942
Intangible assets		
Software	535,213	469,050
Other	62,862	89,140
Total intangible assets	598,076	558,191
Investments and other assets	2,294,551	1,926,726
Total non-current assets	15,647,622	15,943,860
Total assets	45,250,913	44,038,040

(Thousands of yen)

	As of December 31, 2023	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	803,950	665,423
Income taxes payable	733,273	479,515
Provision for product warranties	97,654	101,380
Provision for bonuses	2,891,393	1,581,177
Provision for bonuses for directors (and other officers)	–	38,490
Other	2,531,932	1,246,746
Total current liabilities	7,058,203	4,112,734
Non-current liabilities		
Deferred tax liabilities	24,572	20,786
Retirement benefit liability	522,883	449,360
Other	522,400	520,469
Total non-current liabilities	1,069,855	990,615
Total liabilities	8,128,059	5,103,349
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,299,463	3,299,463
Capital surplus	4,023,028	4,055,879
Retained earnings	29,663,773	31,054,979
Treasury shares	(709,155)	(696,015)
Total shareholders' equity	36,277,110	37,714,307
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	332,424	392,353
Foreign currency translation adjustment	783,227	1,063,063
Remeasurements of defined benefit plans	(269,908)	(235,033)
Total accumulated other comprehensive income	845,743	1,220,383
Total net assets	37,122,853	38,934,691
Total liabilities and net assets	45,250,913	44,038,040

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

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Net sales	20,334,801	18,662,203
Cost of sales	10,729,090	9,520,413
Gross profit	9,605,711	9,141,790
Selling, general and administrative expenses	5,060,471	5,797,351
Operating profit	4,545,239	3,344,438
Non-operating income		
Interest income	6,455	3,064
Dividend income	14,098	17,951
Rental income from buildings	3,460	4,568
Foreign exchange gains	133,608	205,757
Subsidy income	3,114	5,451
Other	29,787	36,916
Total non-operating income	190,526	273,709
Non-operating expenses		
Interest expenses	3,921	3,878
Other	2	6
Total non-operating expenses	3,924	3,885
Ordinary profit	4,731,842	3,614,262
Extraordinary income		
Gain on sale of non-current assets	2	1,563
Total extraordinary income	2	1,563
Extraordinary losses		
Loss on sale of non-current assets	–	147
Loss on retirement of non-current assets	5,609	11,200
Total extraordinary losses	5,609	11,347
Profit before income taxes	4,726,234	3,604,478
Income taxes - current	737,100	472,054
Income taxes - deferred	542,049	512,090
Total income taxes	1,279,149	984,145
Profit	3,447,085	2,620,333
Profit attributable to owners of parent	3,447,085	2,620,333

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Profit	3,447,085	2,620,333
Other comprehensive income		
Valuation difference on available-for-sale securities	100,138	59,929
Foreign currency translation adjustment	173,713	279,835
Remeasurements of defined benefit plans, net of tax	28,497	34,874
Total other comprehensive income	302,349	374,639
Comprehensive income	3,749,434	2,994,973
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,749,434	2,994,973

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended June 30, 2023	Six months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	4,726,234	3,604,478
Depreciation	643,917	749,292
Increase (decrease) in allowance for doubtful accounts	3,109	6,875
Increase (decrease) in provision for bonuses	1,824,482	(1,336,166)
Increase (decrease) in provision for bonuses for directors (and other officers)	42,280	30,829
Increase (decrease) in provision for product warranties	–	3,726
Increase (decrease) in retirement benefit liability	(14,537)	(14,498)
Share-based payment expenses	18,890	21,889
Interest and dividend income	(20,554)	(21,015)
Subsidy income	(3,114)	(5,451)
Interest expenses	3,921	3,878
Loss (gain) on sale of non-current assets	(2)	(1,416)
Loss on retirement of non-current assets	5,609	11,200
Decrease (increase) in trade receivables	(385,232)	(281,110)
Decrease (increase) in inventories	(599,122)	751,096
Increase (decrease) in trade payables	(98,913)	(138,538)
Increase (decrease) in accrued expenses	(2,907,486)	(426,170)
Increase (decrease) in accrued consumption taxes	416,730	57,616
Other, net	(322,652)	(648,017)
Subtotal	3,333,560	2,368,497
Interest and dividends received	18,449	18,290
Subsidies received	3,114	5,451
Interest paid	(5,783)	(5,741)
Income taxes paid	(756,179)	(721,390)
Net cash provided by (used in) operating activities	2,593,161	1,665,107
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,306,792)	(1,899,252)
Proceeds from sale of property, plant and equipment	2	1,720
Purchase of investment securities	(1,195)	(2,739)
Other, net	(209,909)	(208,488)
Net cash provided by (used in) investing activities	(1,517,895)	(2,108,760)
Cash flows from financing activities		
Purchase of treasury shares	(1,167)	(189)
Dividends paid	(1,091,528)	(1,227,696)
Net cash provided by (used in) financing activities	(1,092,696)	(1,227,886)
Effect of exchange rate change on cash and cash equivalents	141,446	303,024
Net increase (decrease) in cash and cash equivalents	124,015	(1,368,515)
Cash and cash equivalents at beginning of period	11,836,619	14,745,166
Cash and cash equivalents at end of period	11,960,635	13,376,651