

**3Q FY10/21 results  
(Nov 1, 2020-Jul 31, 2021)  
Results briefing materials**



(TSE 1<sup>st</sup> section : 7 8 5 6)

*Think outside the box, create new values.*

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## 1. Performance

- Sales fell year-on-year (YoY) in the Plastic-processed Products (PLS) segment as weak sales of products such as sheets and flexible container bags outweighed higher sales of adhesive tape cloths, yarn, and BarChip. Moreover, income fell because of increase in overseas shipping costs.
- Sales and income increased YoY in the Engineering Products (ENG) segment on higher sales of mainstay slitters and screen changers.




## 2. Future strategies

- In November 2021, the Environmental Business Promotion Office will be established to develop environmental initiative policy through surveys of environmental policy trends. It will also plan, develop, and realize technologies for environmental-related businesses, including sheet recycling.

# I -1 Results summary

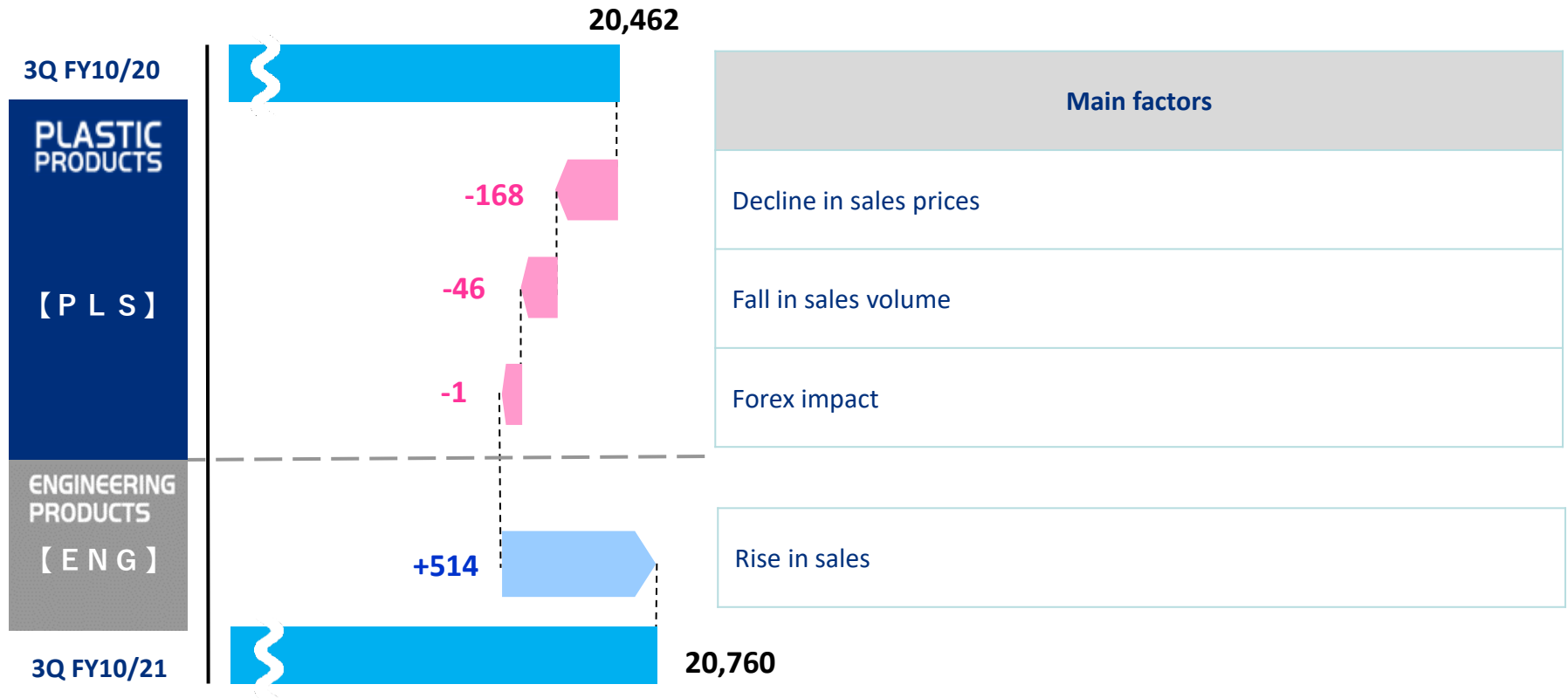
(Millions of Yen)

## ■ YoY change

	3Q FY10/20	3Q FY10/21	YoY		
			Change	(%)	
<b>Sales</b>	20,462	<b>20,760</b>	297	1.5	
<b>Operating income</b>	1,935	<b>1,983</b>	47	2.5	
<b>Net income attributable to owners of parent</b>	1,576	<b>1,405</b>	-171	-10.8	

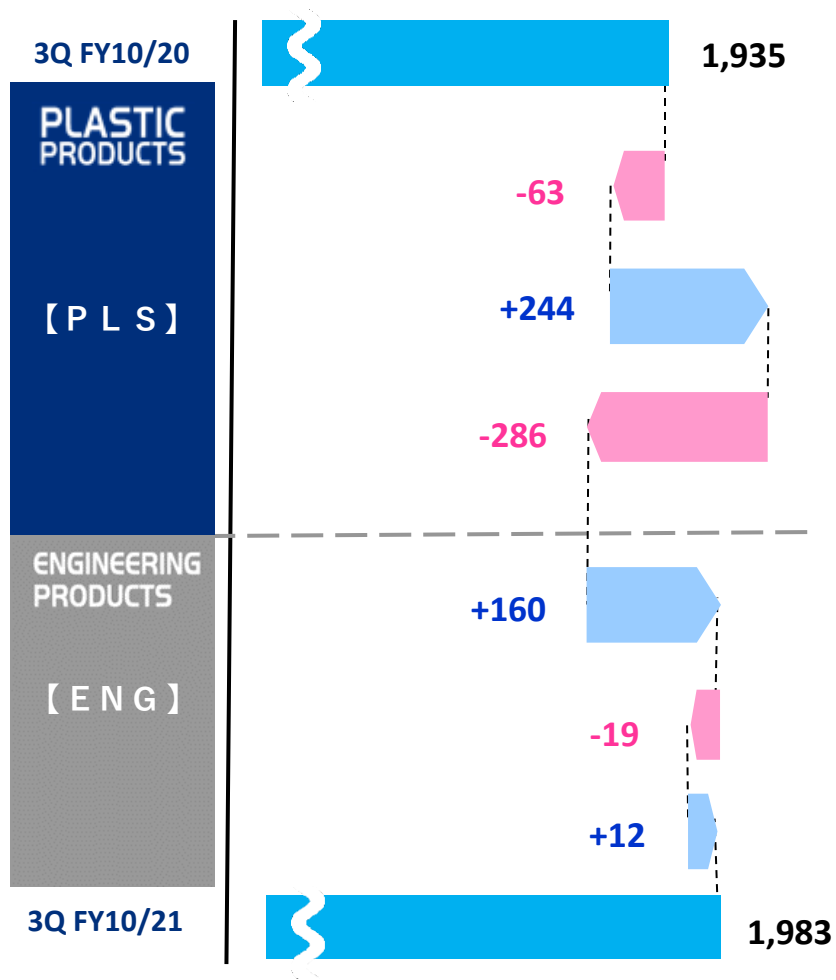
# I -2 Consolidated sales analysis

(Millions of Yen)



# I -3 Consolidated operating income analysis

(Millions of Yen)



Main factors
Fall in sales
Decline in raw material prices
Rise in SG&A
Rise in sales
Sales of machines with high technical development costs
Reduction in SG&A

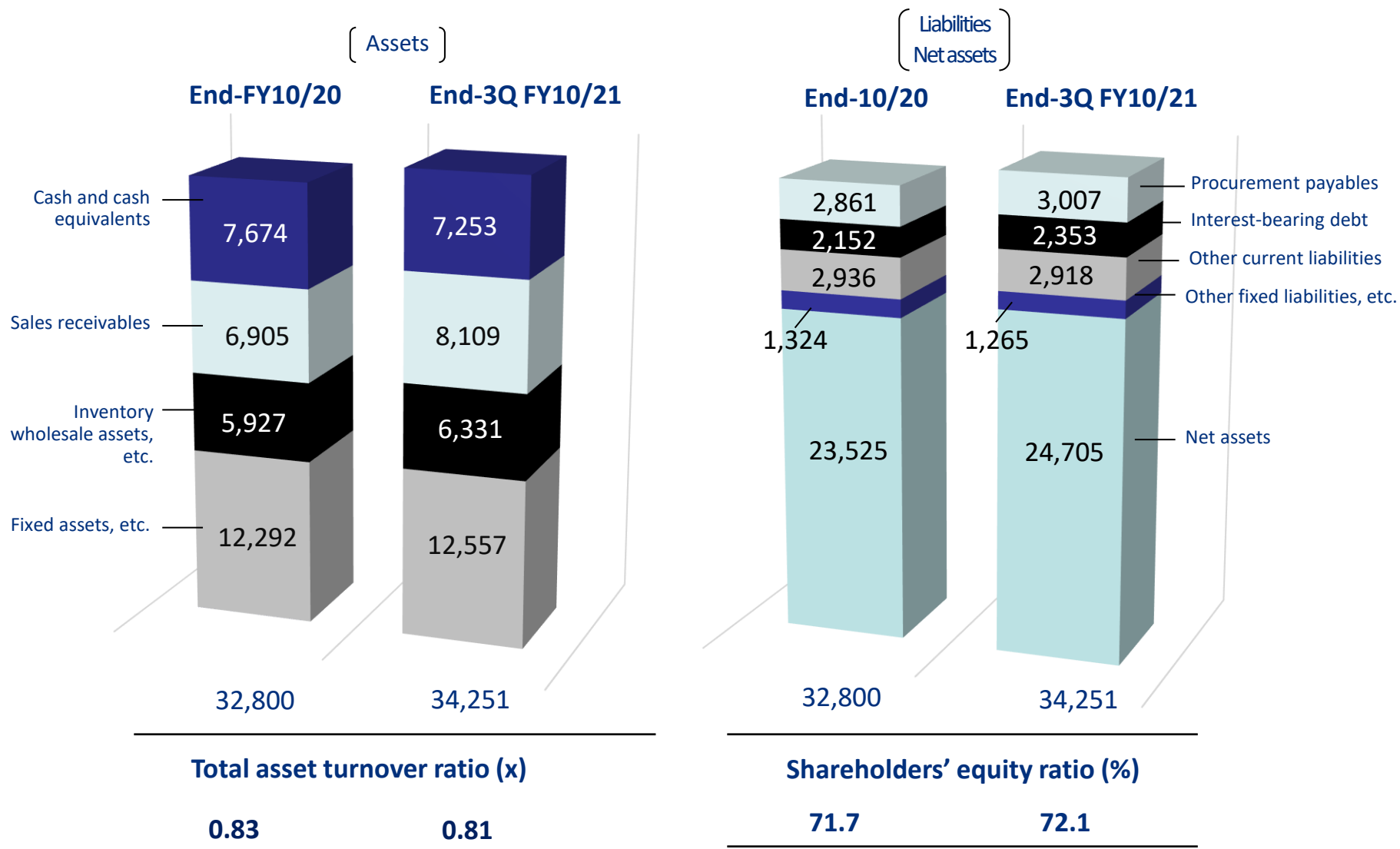
# I -4 Overview of segments and subsidiaries

(Millions of Yen)

		Sales		Operating income	
		3Q FY10/20	3Q FY10/21	3Q FY10/20	3Q FY10/21
Hagihara Industries	PLS segment	11,890	11,814	1,239	1,117
	ENG segment	3,428	3,930	386	548
Parent		15,319	15,744	1,625	1,665
Japan Fabweld		307	273	23	-3
P.T. Hagihara Westjava Industries		2,762	2,605	113	-21
Qingdao Hagihara Industries		410	475	8	23
EPC Holdings		2,070	2,275	276	280
Toyo Heisei Polymer		3,140	3,080	84	107
Hagihara Machinery (Shanghai)		473	330	12	-5
Consolidated		20,462	20,760	1,935	1,983

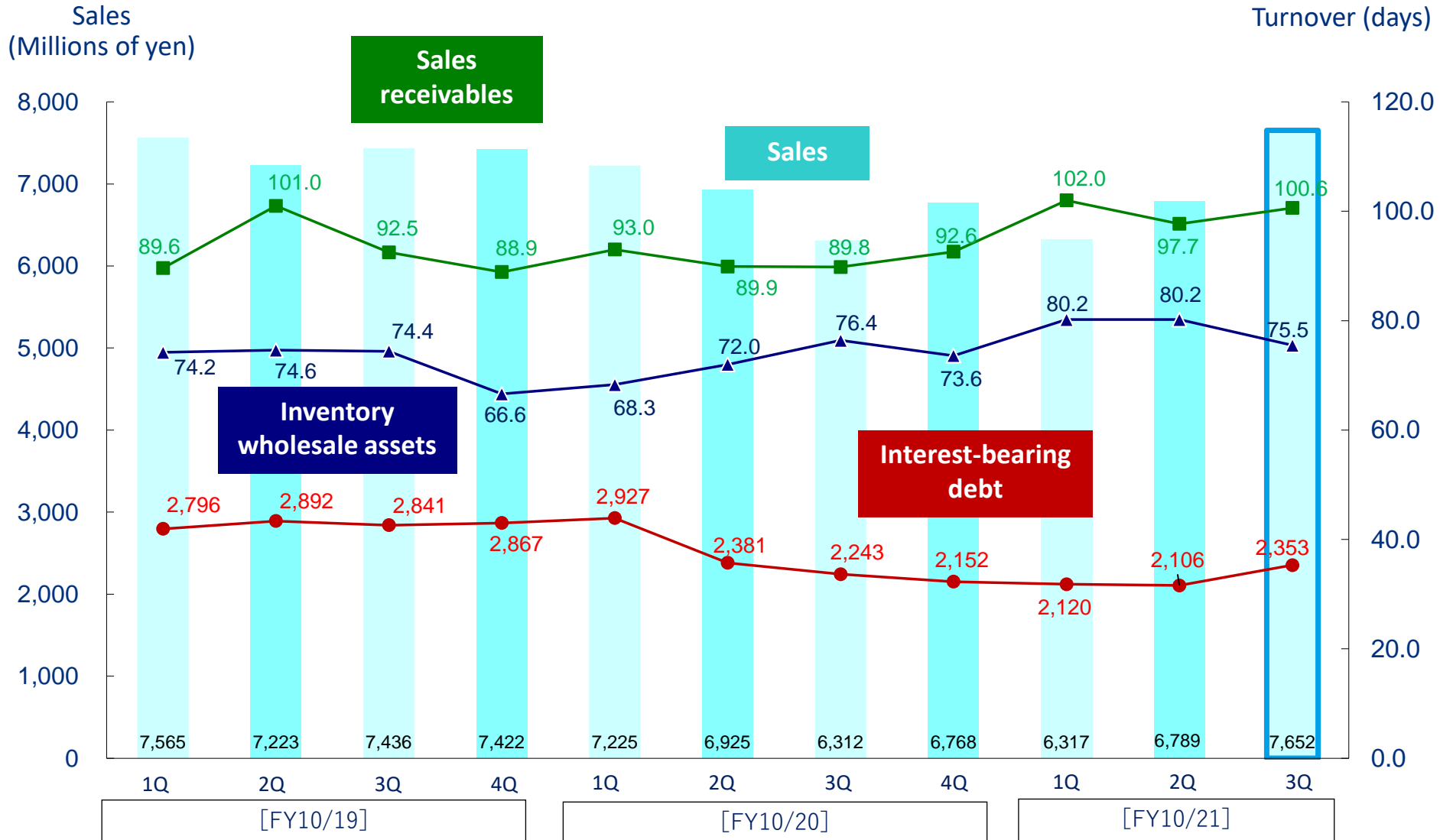
# I -5 Consolidated balance sheet

(Millions of Yen)





# I -6 Consolidated inventory wholesale assets and sales receivables turnover



# I -7 Consolidated results at a glance

	3Q FY10/21		YoY		3Q FY10/21		(Millions of Yen)
	Result	Vs. sales	Change		Result	YoY	Change
Sales	<b>20,760</b>	<b>100.0%</b>	<b>297</b>	Return on assets (ROA)	<b>5.6%</b>	<b>-0.9%</b>	
Gross income	<b>6,303</b>	<b>30.4%</b>	<b>321</b>	Return on equity (ROE)	<b>7.8%</b>	<b>-1.4%</b>	
Operating income	<b>1,983</b>	<b>9.6%</b>	<b>47</b>	Total asset turnover ratio	<b>0.81x</b>	<b>-0.03x</b>	
Ordinary income	<b>2,078</b>	<b>10.0%</b>	<b>-199</b>	Shareholders' equity ratio	<b>72.1%</b>	<b>0.2%</b>	
Net income attributable to owners of parent	<b>1,405</b>	<b>6.8%</b>	<b>-171</b>	Free cash flow	<b>-186</b>	<b>-2,094</b>	
Shareholders' equity	<b>24,701</b>	—	<b>1,348</b>	Net income per share	<b>¥97.13</b>	<b>-¥11.84</b>	
Total assets	<b>34,251</b>	—	<b>1,791</b>	Net assets per share	<b>¥1,706.91</b>	<b>¥93.09</b>	
Capital investment	<b>924</b>	—	<b>-65</b>	R&D expenses	<b>491</b>	<b>67</b>	
Depreciation and amortization	<b>951</b>	—	<b>62</b>	EBITDA (Operating income before depreciation and amortization)	<b>2,934</b>	<b>64</b>	

# I -8 Consolidated earnings forecasts

(Millions of Yen)

	FY10/20			FY10/21				
	2Q	4Q	Full year	2Q (result)	2H		Full year	
					3Q (result)	(forecast)		
Consolidated	Sales	<b>14,150</b>	<b>13,080</b>	<b>27,231</b>	<b>13,107</b>	<b>7,652</b>	<b>14,893</b>	<b>28,000</b>
	Operating income	<b>1,421</b> <b>(10.0%)</b>	<b>1,093</b> <b>(8.4%)</b>	<b>2,515</b> <b>(9.2%)</b>	<b>1,270</b> <b>(9.7%)</b>	<b>713</b> <b>(9.3%)</b>	<b>1,370</b> <b>(9.2%)</b>	<b>2,640</b> <b>(9.4%)</b>
	Ordinary income	<b>1,656</b> <b>(11.7%)</b>	<b>1,183</b> <b>(9.1%)</b>	<b>2,840</b> <b>(10.4%)</b>	<b>1,331</b> <b>(10.2%)</b>	<b>746</b> <b>(9.8%)</b>	<b>1,409</b> <b>(9.5%)</b>	<b>2,740</b> <b>(9.8%)</b>
	Net income attributable to owners of parent	<b>1,139</b> <b>(8.1%)</b>	<b>752</b> <b>(5.8%)</b>	<b>1,891</b> <b>(6.9%)</b>	<b>916</b> <b>(7.0%)</b>	<b>489</b> <b>(6.4%)</b>	<b>934</b> <b>(6.3%)</b>	<b>1,850</b> <b>(6.6%)</b>

Figures in parentheses denote income margins

# I -9 Consolidated sales of SDG-related products

(Millions of Yen)

	FY10/19	FY10/20	FY10/21	
	Full year	Full year	3Q (result)	Full year (projection)
Climate change adaptations	<b>4,199</b>	<b>3,867</b>	<b>2,995</b>	<b>4,056</b>
Work-style reform	<b>4,287</b>	<b>4,329</b>	<b>3,472</b>	<b>4,274</b>
Recycling-oriented society	<b>1,183</b>	<b>944</b>	<b>680</b>	<b>756</b>
Solutions for industry and technology innovations	<b>4,506</b>	<b>3,883</b>	<b>3,244</b>	<b>4,736</b>
<b>Total</b>	<b>14,176</b>	<b>13,025</b>	<b>10,392</b>	<b>13,824</b>
<b>Weighting</b>	<b>47.8%</b>	<b>47.8%</b>	<b>50.1%</b>	<b>49.4%</b>

(Millions of Yen)



## Contributions to climate change adaptations



◆ Domestically produced sheets

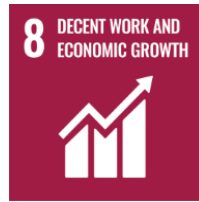


◆ Adhesive tapes  
(using Hagihara's cloths)



◆ Laysys  
(Insect repellent sheet using Laysys)

	FY10/19	FY10/20	FY10/21	
	Full year	Full year	3Q (result)	Full year (projection)
Domestically produced sheets	2,340	1,986	1,489	2,176
Adhesive tape cloths	1,859	1,881	1,461	1,820
Laysys	—	0	44	59
Climate change adaptations Total	4,199	3,867	2,995	4,056



## Contributions to work-style reform



◆ Super-lightweight flame retardant fabrics



◆ BarChip (synthetic fiber concrete reinforcement system)

	FY10/19	FY10/20	FY10/21	
	Full year	Full year	3Q (result)	Full year (projection)
Flame retardant sheets and mesh sheets	976	899	707	925
BarChip	3,311	3,429	2,764	3,349
Work-style reform Total	4,287	4,329	3,472	4,274

(Millions of Yen)



## Contributions to a recycling-oriented society



"Eco Mark" is a mark attached to products that are recognized to be of help to environmental conservation, and is a registered trademark of Japan Environment Association.



◆ Blue Sheet branded by eco-mark  
(uses 50% recycled materials)

◆ Screen changer

	FY10/19	FY10/20	FY10/21	
	Full year	Full year	3Q (result)	Full year (projection)
Blue Sheet branded by eco-mark	80	76	35	71
Screen changers	902	622	555	464
Recycling machines	200	245	89	220
Recycling-oriented society Total	1,183	944	680	756



## Contributions to solutions for industry and technology innovations

(Millions of Yen)



### ◆ Slitter for LC polarization plate (uses laser slitting method)

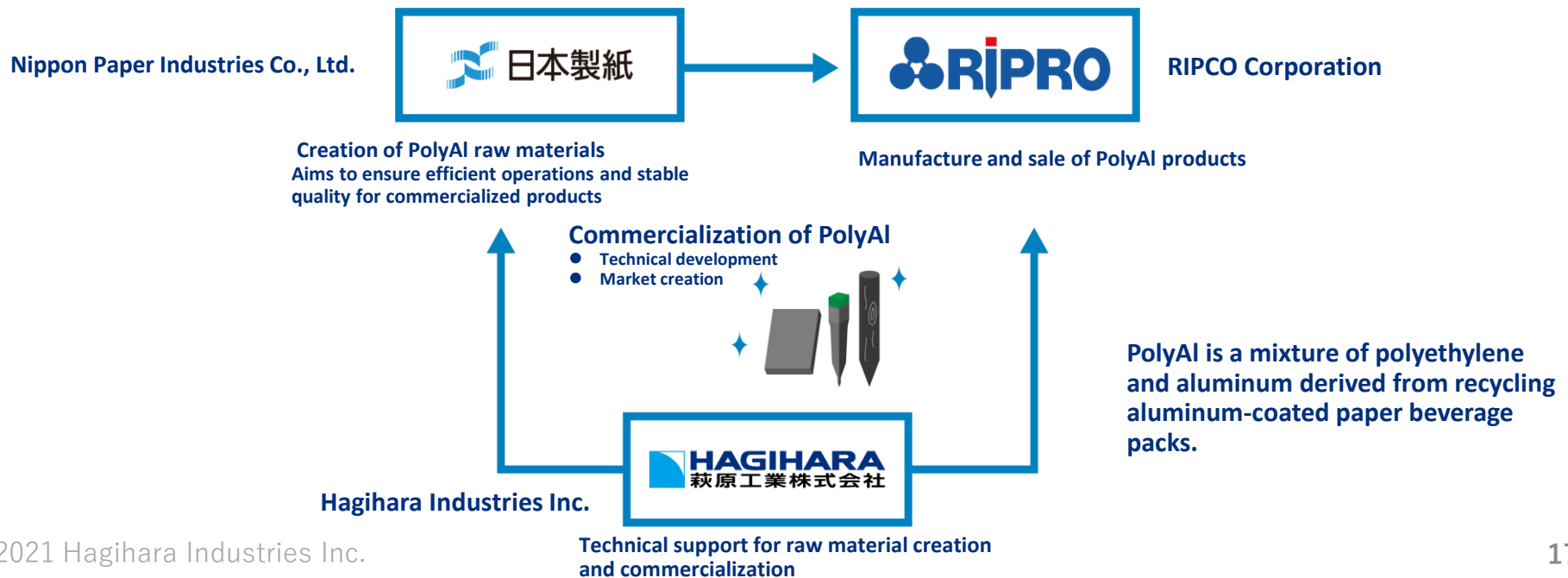
	FY10/19	FY10/20	FY10/21	
	Full year	Full year	3Q (result)	Full year (projection)
Film slitters	<b>3,771</b>	<b>2,964</b>	<b>2,483</b>	<b>3,328</b>
Paper slitters	<b>735</b>	<b>918</b>	<b>761</b>	<b>1,408</b>
Solutions for industry and technology innovations Total	<b>4,506</b>	<b>3,883</b>	<b>3,244</b>	<b>4,736</b>



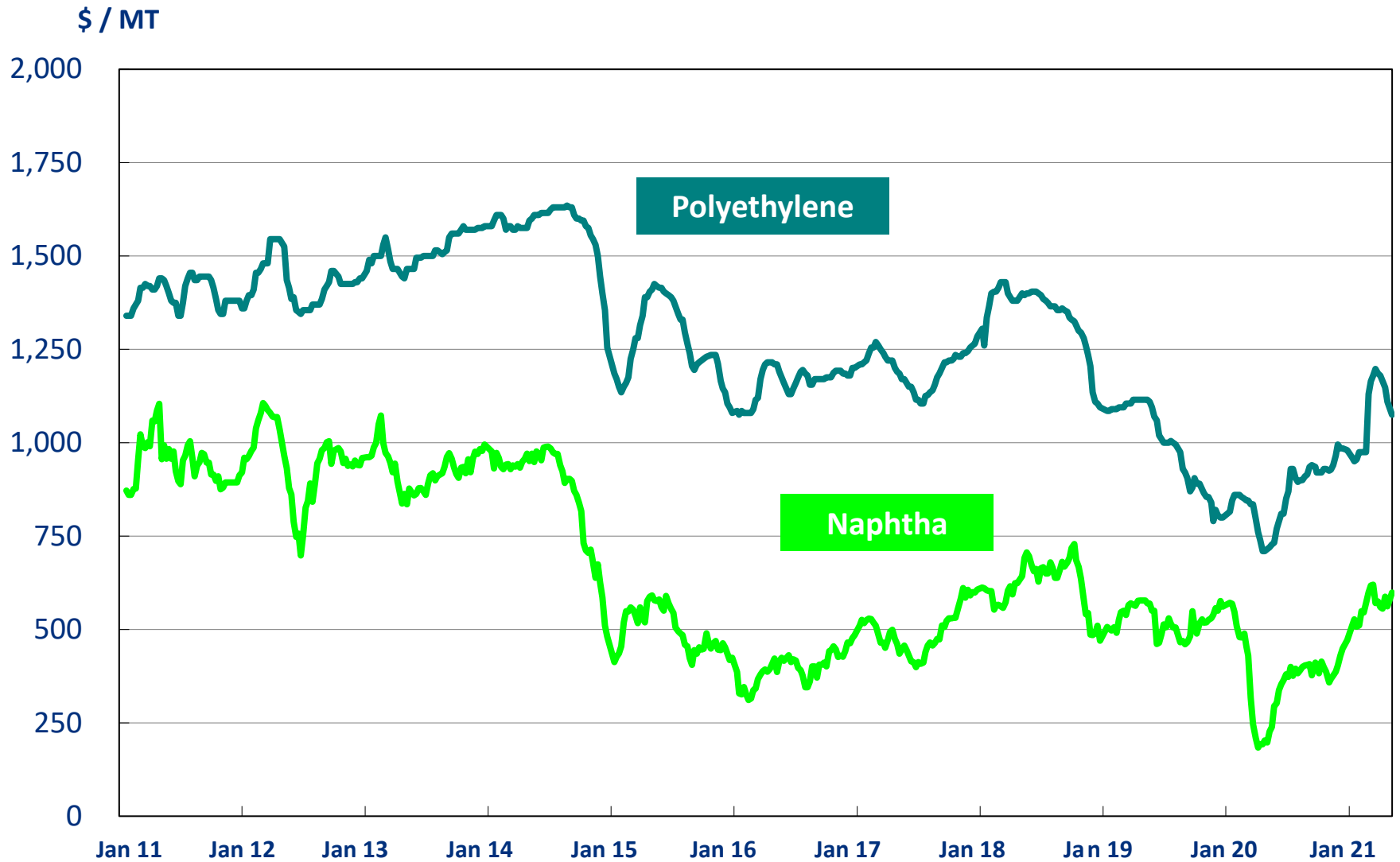


## Contributions to a recycling-oriented society

Nippon Paper Industries Co., Ltd., RIPRO Corporation, and Hagihara Industries Inc. are pursuing a business recycling aluminum-coated paper beverage packs, with our role being provision of technical support. We have successfully commercialized land surveying-use eco markers and civil engineering and construction materials.



## II -1 Prices of naphtha and polyethylene



## II -2 Main share price indicators

	End-Jul 2021
Share price	<b>¥1,426</b>
Dividend per share (end-FY10/21 forecast)	<b>¥36</b>
Dividend payout ratio (end-FY10/21 forecast)	<b>28.16%</b>
BPS (Net assets per share)	<b>¥1,706.91</b>
EPS (Net income per share)	<b>¥97.13</b>
PBR (Price-book value ratio)	<b>0.84X</b>
PER (Price-earnings ratio)	<b>11.01X</b>
Number of shareholders (end-2Q FY10/21)	<b>10,683</b>

## 【Disclaimer】

The forward-looking statements on future earnings performance and other forecasts and strategies contained in these materials are based on information that was available to the company at the time of their creation and certain reasonable assumptions.

However, there is a risk that unforeseeable exceptional circumstances and/or unforeseeable results may cause actual performance to be materially different from that expressed or implied by these forward-looking statements.

The forward-looking statements on future earnings performance alone should not be relied upon as advice to investors.

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