

Results briefing materials

1Q FY10/25 results

(Nov 1, 2024 - Jan 31, 2025)

ハミダセ、アミダセ。

Think outside the box, create new values.

Hagihara Industries Inc.

TSE Prime:7856

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(Reference) Business conditions indicators

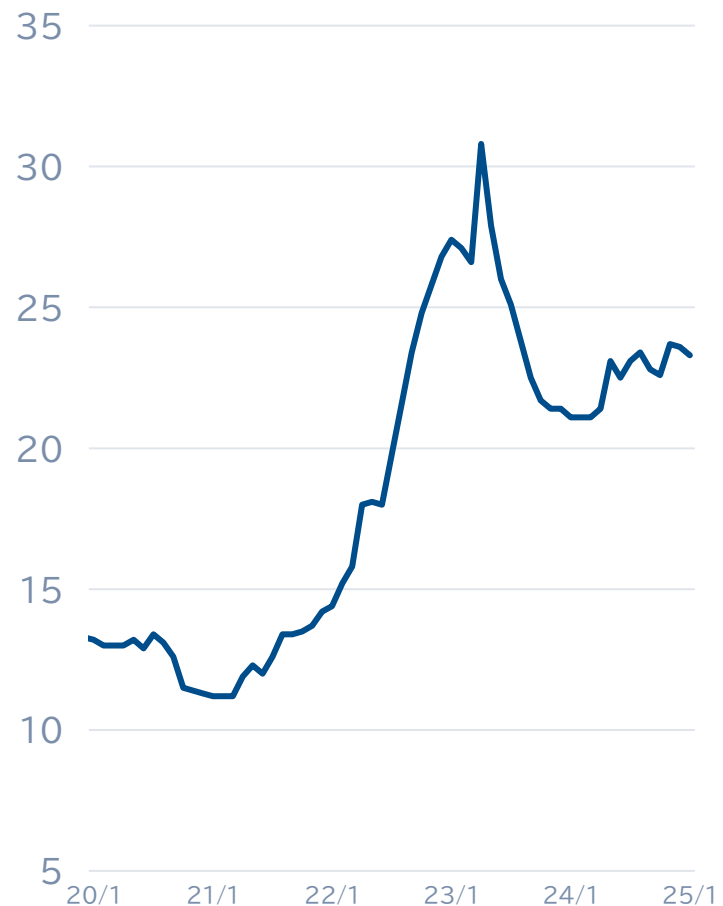
Naphtha price

(yen/KL)



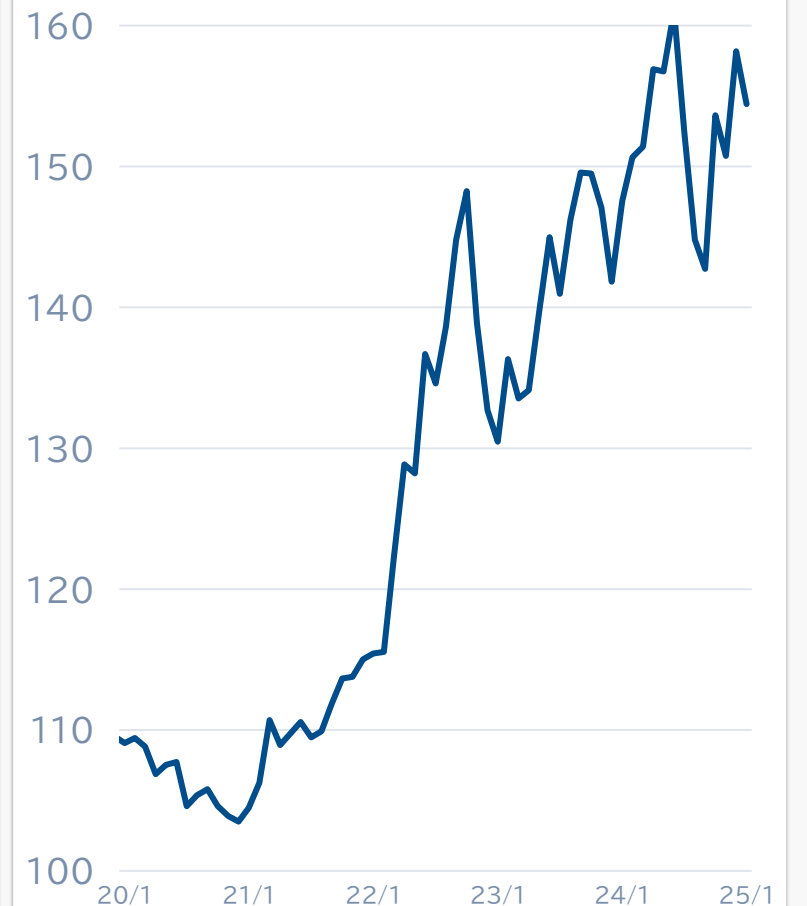
Electricity rates

(yen/kWh)



JPY/US\$

(yen)



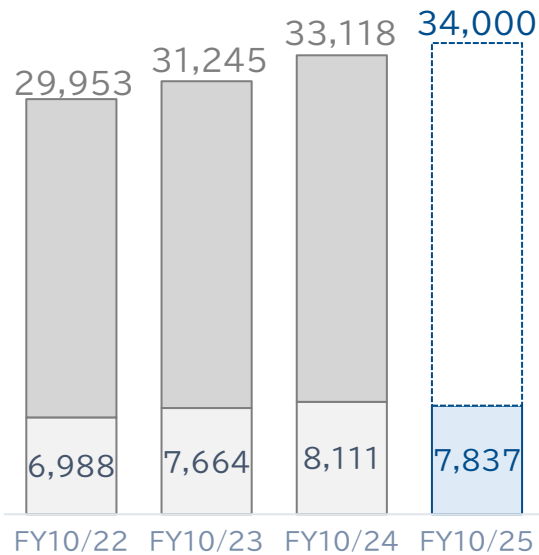
Results highlights –All Company–

Sales

¥ **7,837** mn

YoY **-3.4%**
(-¥274mn)

(Millions of Yen)

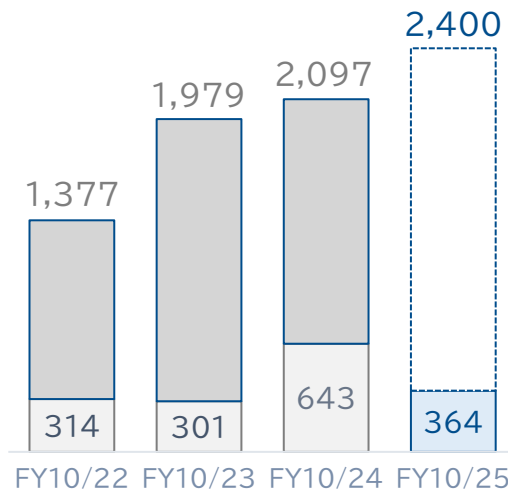


Operating Income

¥ **364** mn

YoY **-43.4%**
(-¥279mn)

(Millions of Yen)

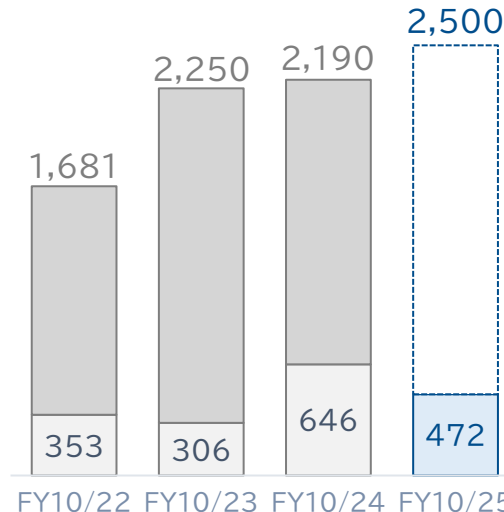


Ordinary Income

¥ **472** mn

YoY **-26.9%**
(-¥173mn)

(Millions of Yen)

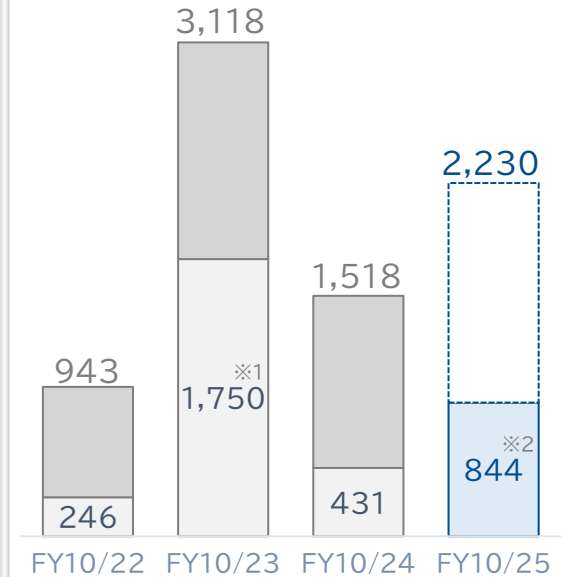


Quarterly net income attributable to owners of parent

¥ **844** mn

YoY **+95.7%**
(+¥412mn)

(Millions of Yen)



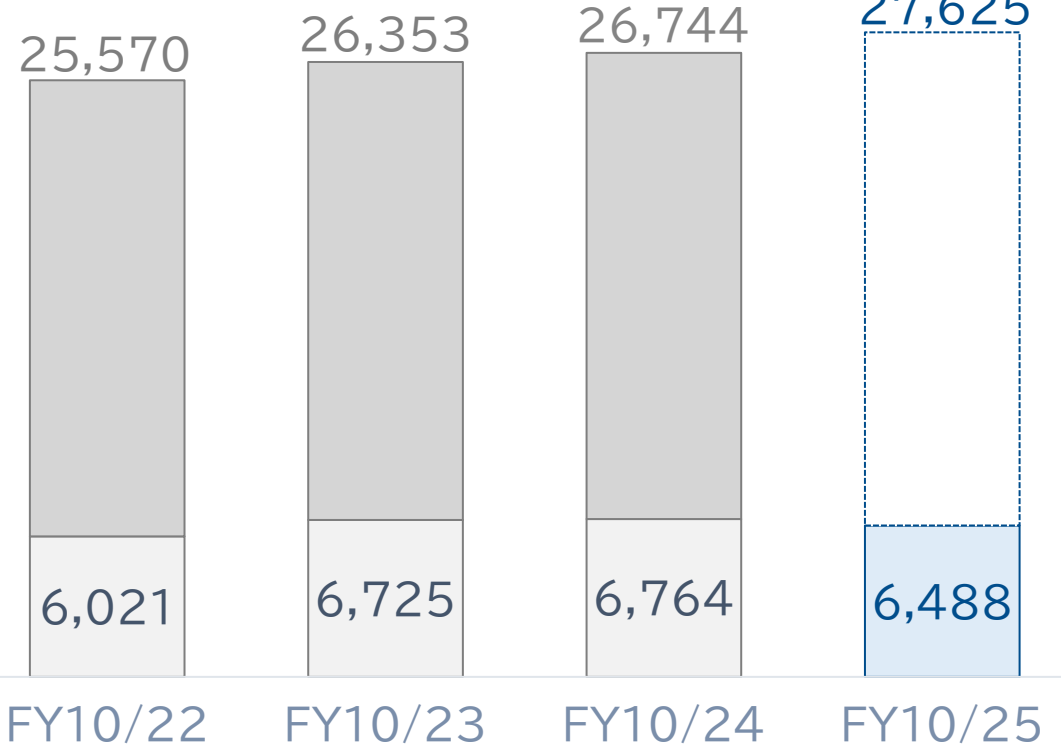
※1 Recognition of compensation payment related to the Chinese subsidiary as extraordinary income.
 ※2 Recording subsidies related to the Kasaoka factory as extraordinary income.

Results highlights –Plastic-processed Products (PLS) segment–

Sales

¥**6,488**mn YoY **-4.1%**
(-¥276mn)

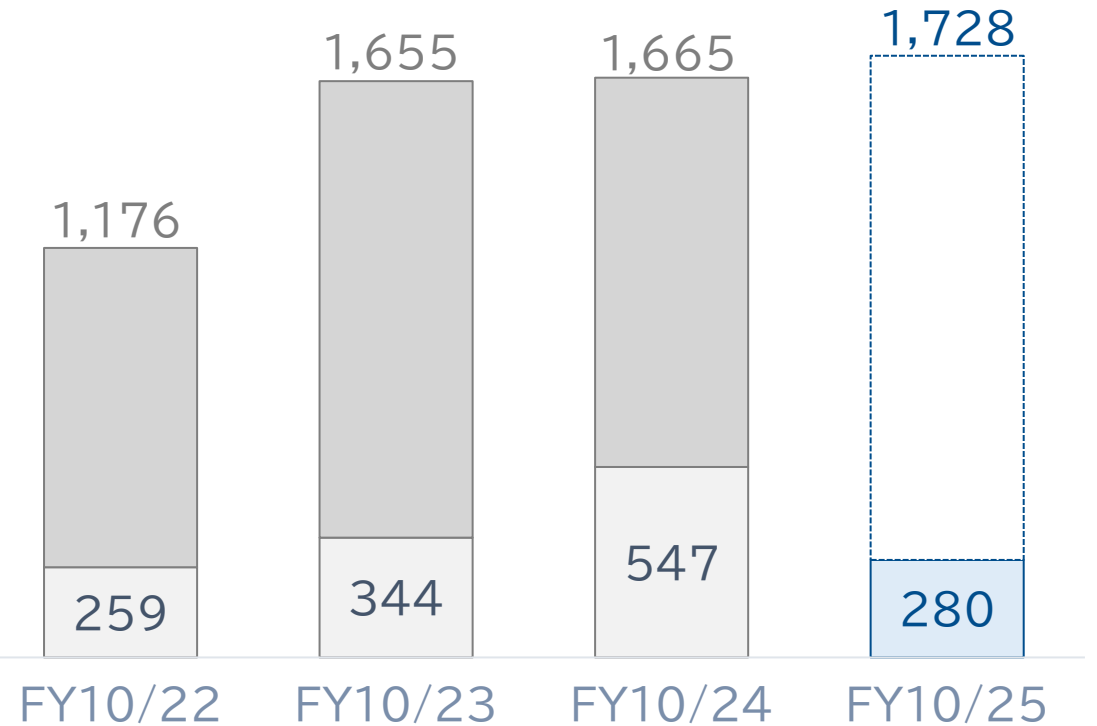
(Millions of Yen)



Operating Income

¥**280**mn YoY **-48.7%**
(-¥266mn)

(Millions of Yen)

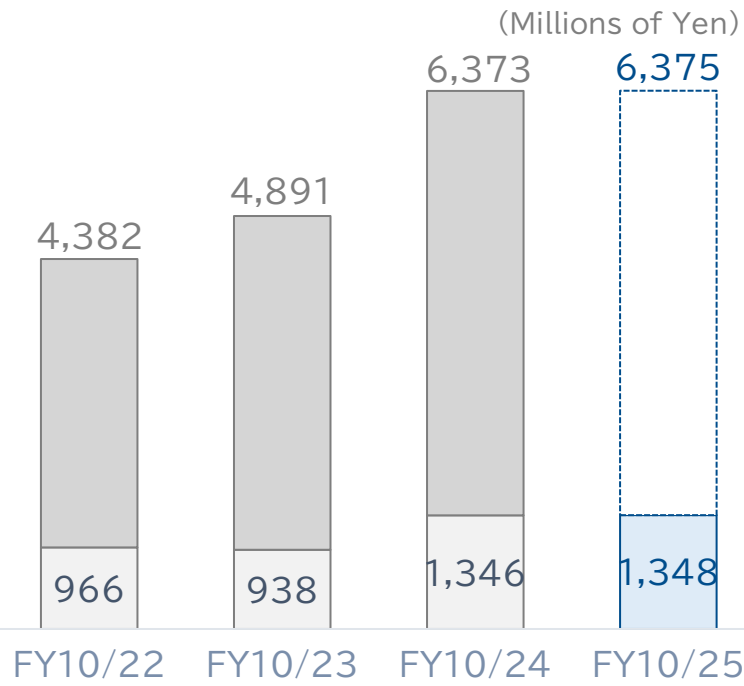


Results highlights –Engineering (ENG) segment–

Sales

¥ **1,348**mn

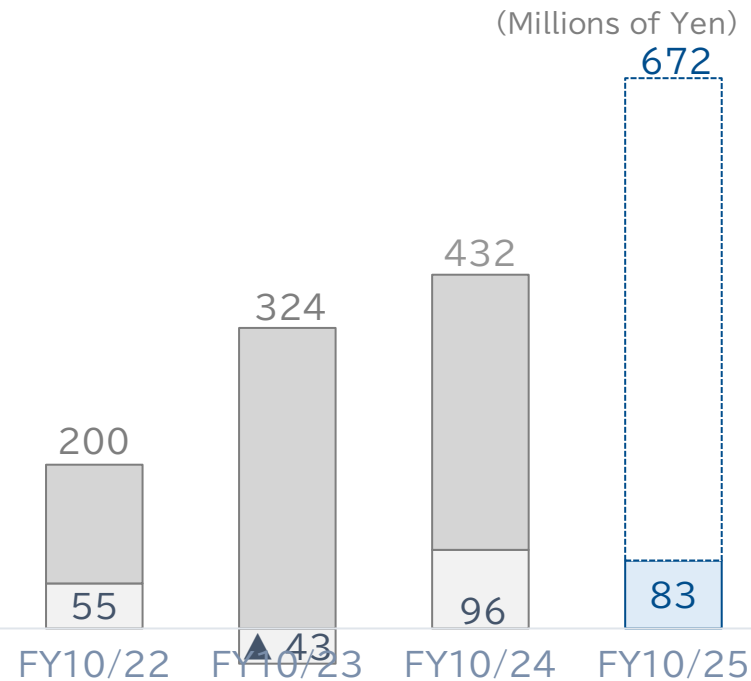
YoY **+0.2%**
(+¥2mn)



Operating Income

¥ **83**mn

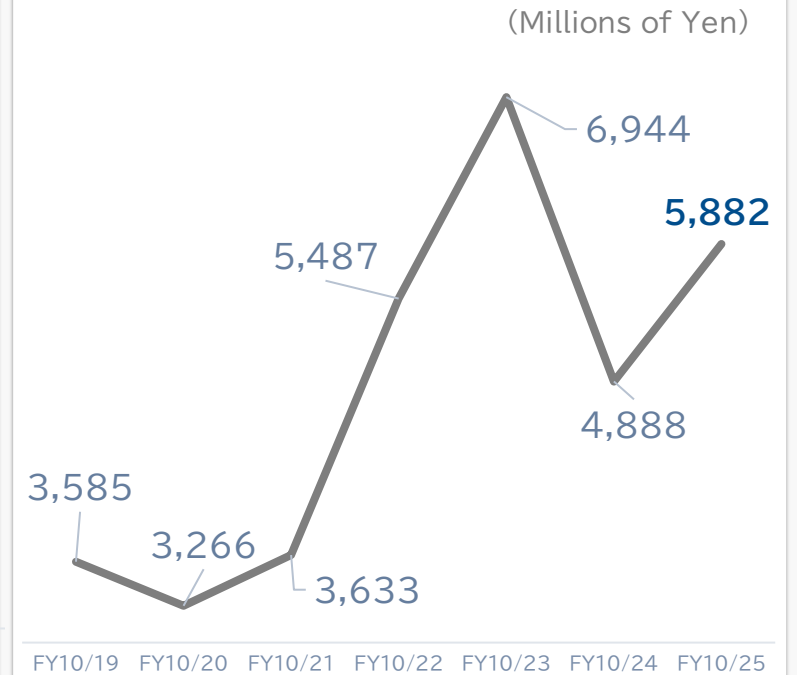
YoY **-13.3%**
(-¥12mn)



Order Backlog

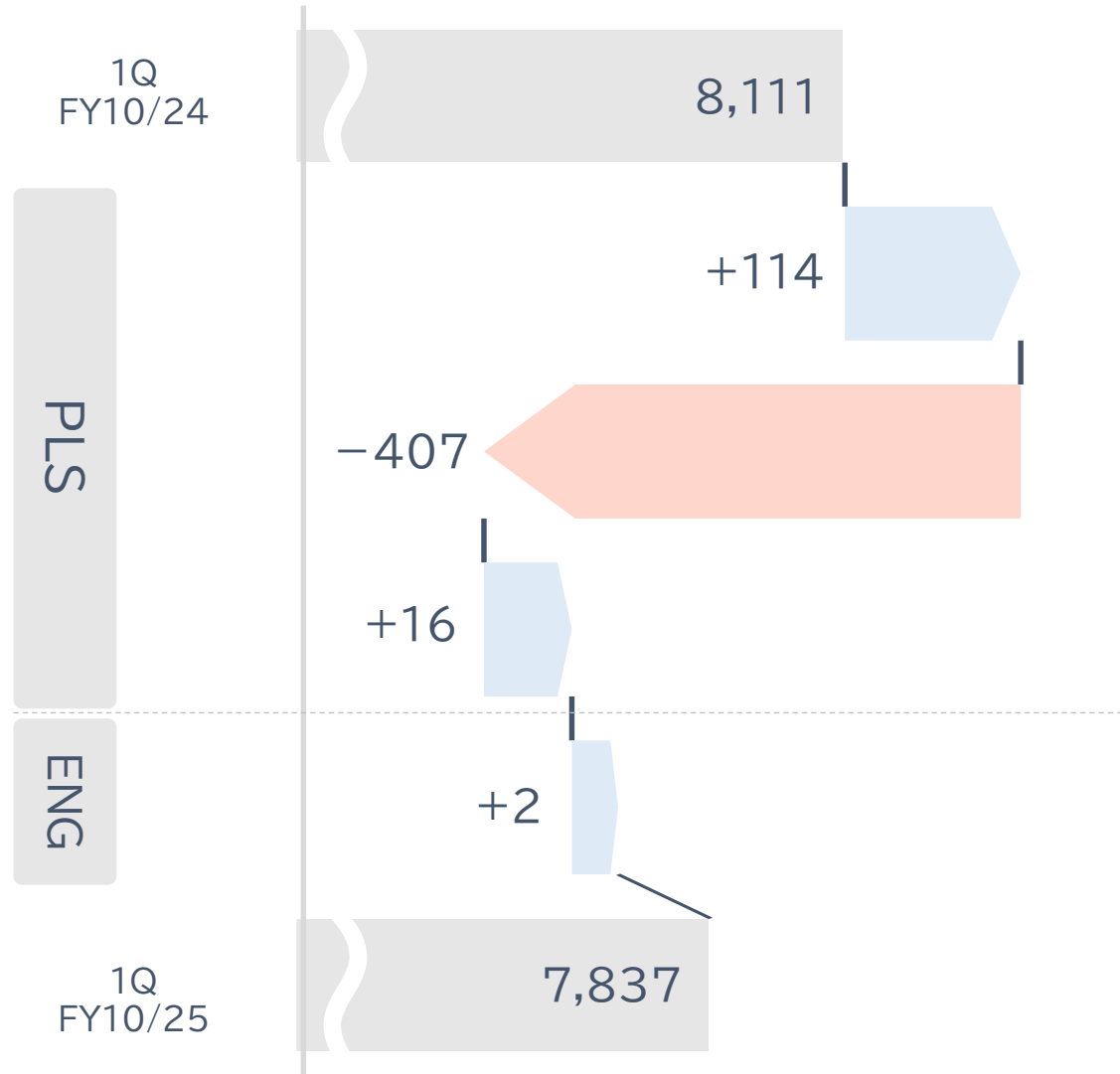
¥ **5,882**mn

YoY **+20.3%**
(+¥993mn)



Consolidated sales analysis

(Millions of Yen)

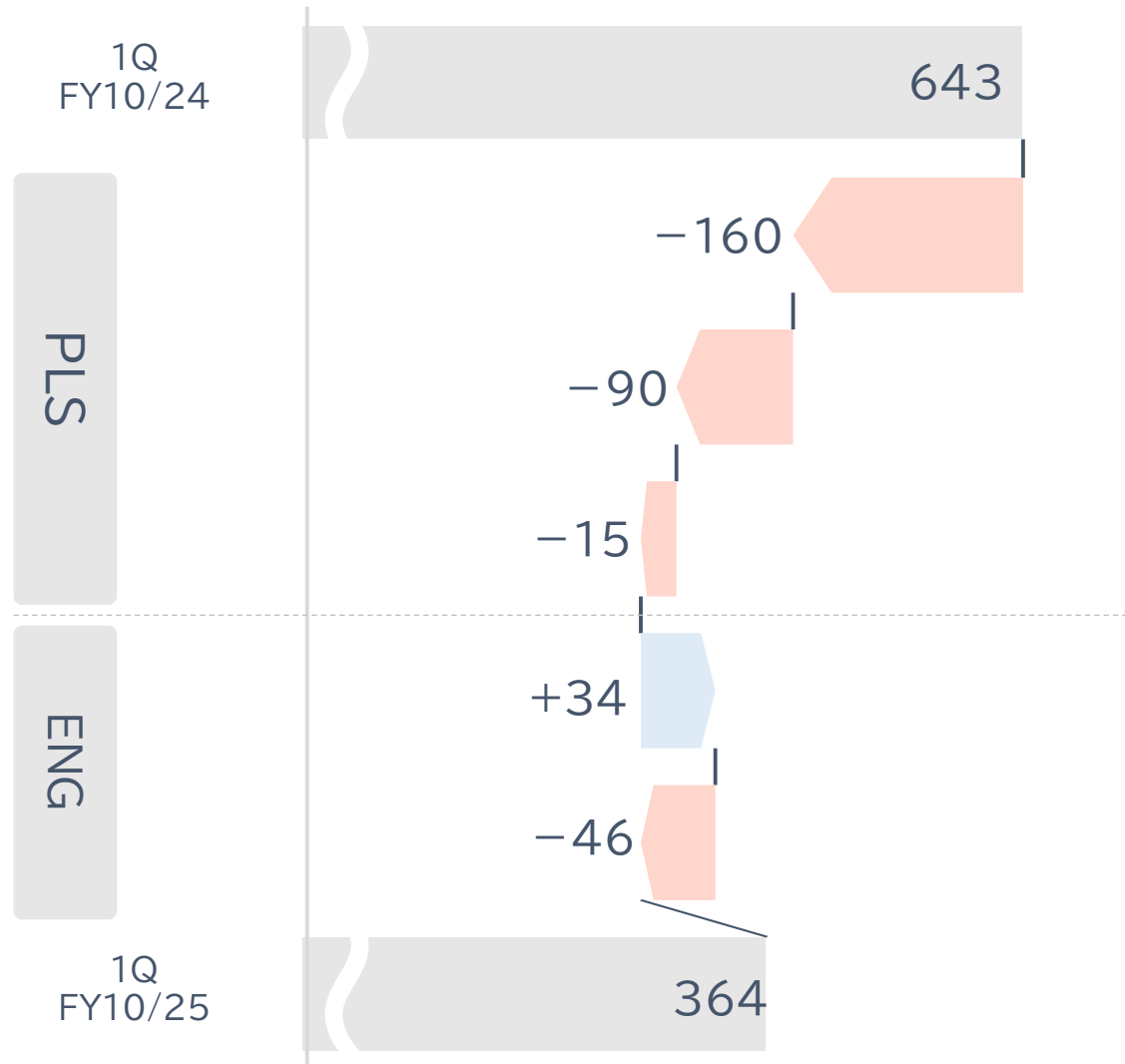


Main factors for change

- ▶ Sales prices raised: Sales unit prices increased to pass through higher raw materials and other input costs
- ▶ Decline in sales volume (, laminated fabric etc)
- ▶ Forex impact: sales increase from yen depreciation
- ▶ Sales rise in the Engineering segment

Consolidated operating income analysis

(Millions of Yen)



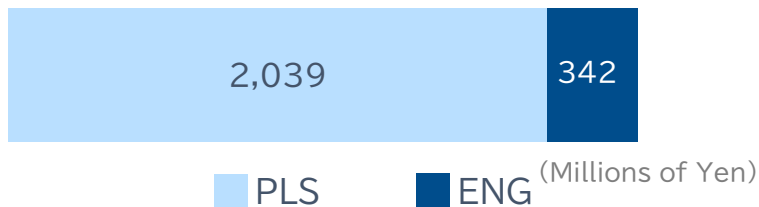
Main factors for change

- ▶ Impact of Decreased Sales Revenue
- ▶ Impact of Increased Manufacturing Costs
- ▶ Impact of rise in SG&A
- ▶ Impact of Sales Mix on Revenue
- ▶ Impact of rise in SG&A

Sales by region/segment

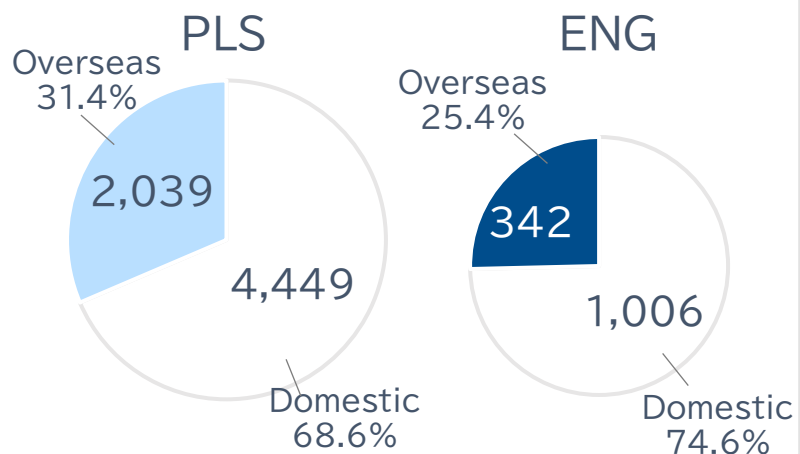
Overseas sales

All-company ¥2,381mn



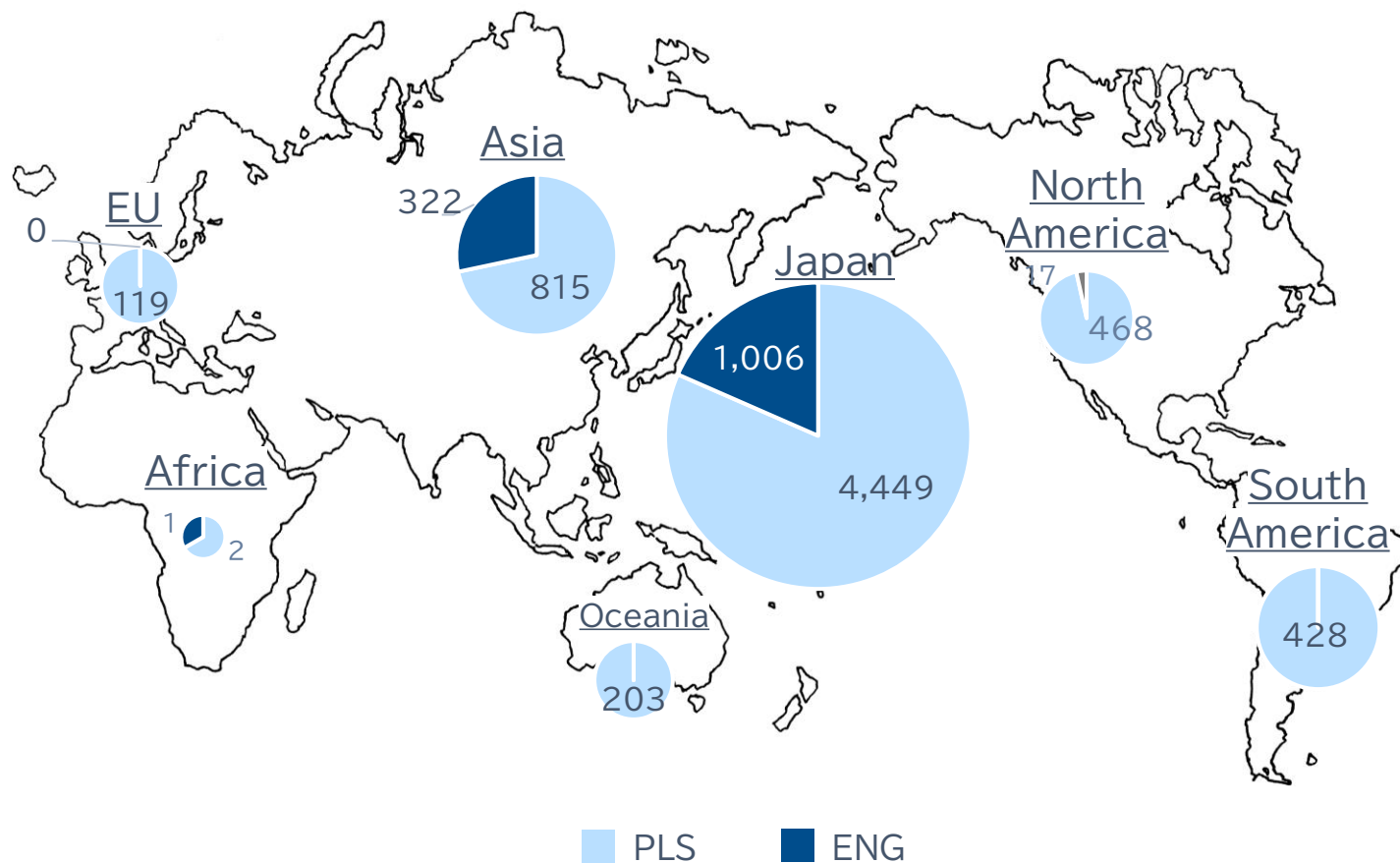
Overseas sales weighting

All-company 30.4% (Millions of Yen)



Sales by region

(Millions of Yen)



Overview of segments and subsidiaries

(Millions of Yen)

	1Q FY10/24		1Q FY10/25		YoY change	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Hagihara Industries	3,788	163	3,574	2	-214	-161
PT. HWI	1,148	50	1,189	55	41	5
BarChip Group	1,212	88	1,025	32	-187	-56
BarChip	558	278	425	132	-133	-146
Toyo Heisei Polym	1,081	56	1,196	75	115	19
PLS Total	6,764	547	6,488	280	-276	-267
Hagihara Industri	1,283	86	1,341	74	58	-12
Hagihara Machinery (Shanghai)	152	4	191	15	39	11
ENG Total	1,346	96	1,348	84	2	-12

Consolidated balance sheet

Assets

(Millions of Yen)

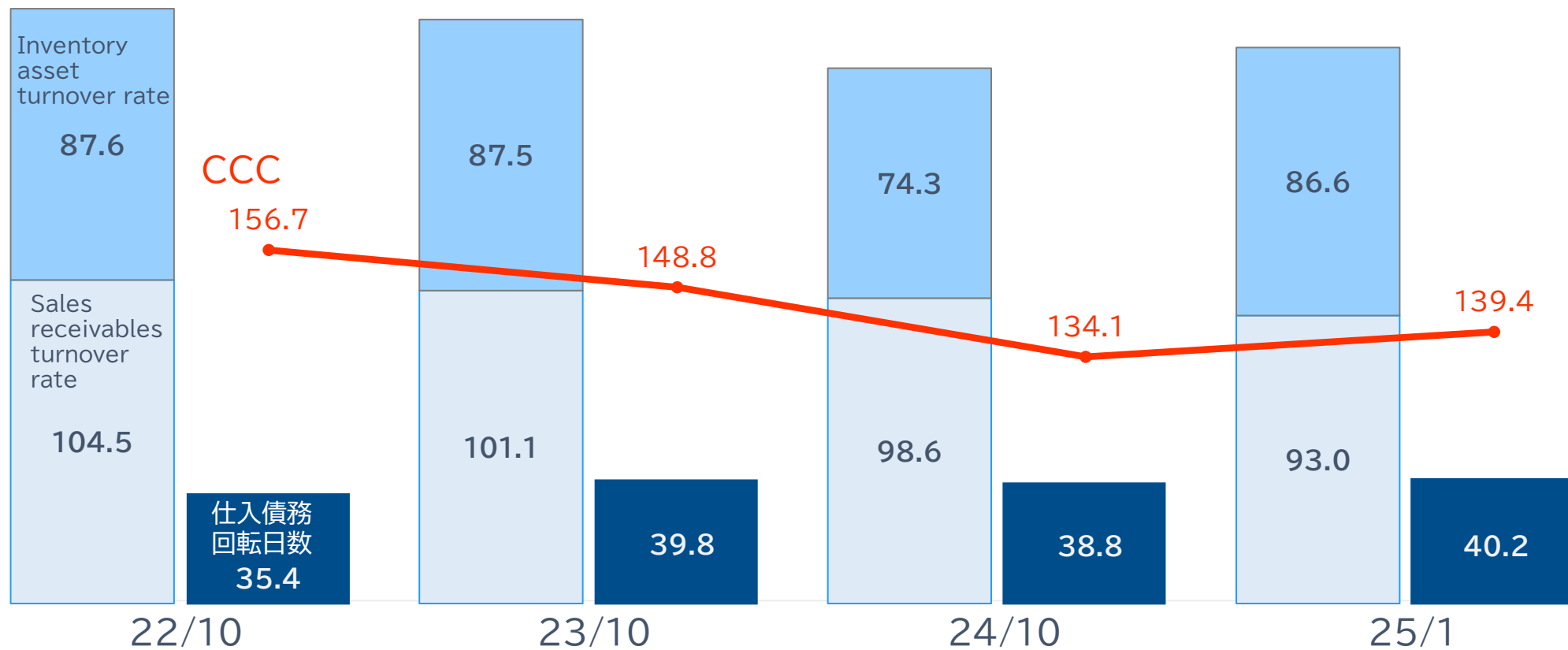
	24/10	25/1
	42,583	42,846
Cash and cash equivalents	5,600	5,198
Sales receivables	8,949	7,988
Inventory, wholesale assets, etc.	7,398	8,264
Fixed assets, etc.	20,634	21,394
Total asset turnover ratio	0.78x	0.73x

Liabilities·Net assets

(Millions of Yen)

	24/10	25/1
	42,583	42,846
Procurement payables	3,518	3,455
Interest-bearing debt	5,447	5,533
Other current liabilities	3,453	2,764
Other fixed liabilities, etc.	1,064	1,069
Net assets	29,098	30,023
D/E ratio (Debt/Shareholders' Equity)	0.5	0.5
Shareholders' equity ratio	68.1%	69.9%

CCC (cash conversion cycle)



*CCC = inventory asset turnover rate + sales receivables turnover rate – procurement payables turnover rate

Financial performance indicators

	FY10/22	FY10/23	FY10/24	1Q FY10/25
ROE(%)	3.7	11.6	6.1	3.9 ※
ROA(%)	2.6	7.7	4.0	2.7 ※

※The calculation excludes subsidies for the Kasaoka plant.

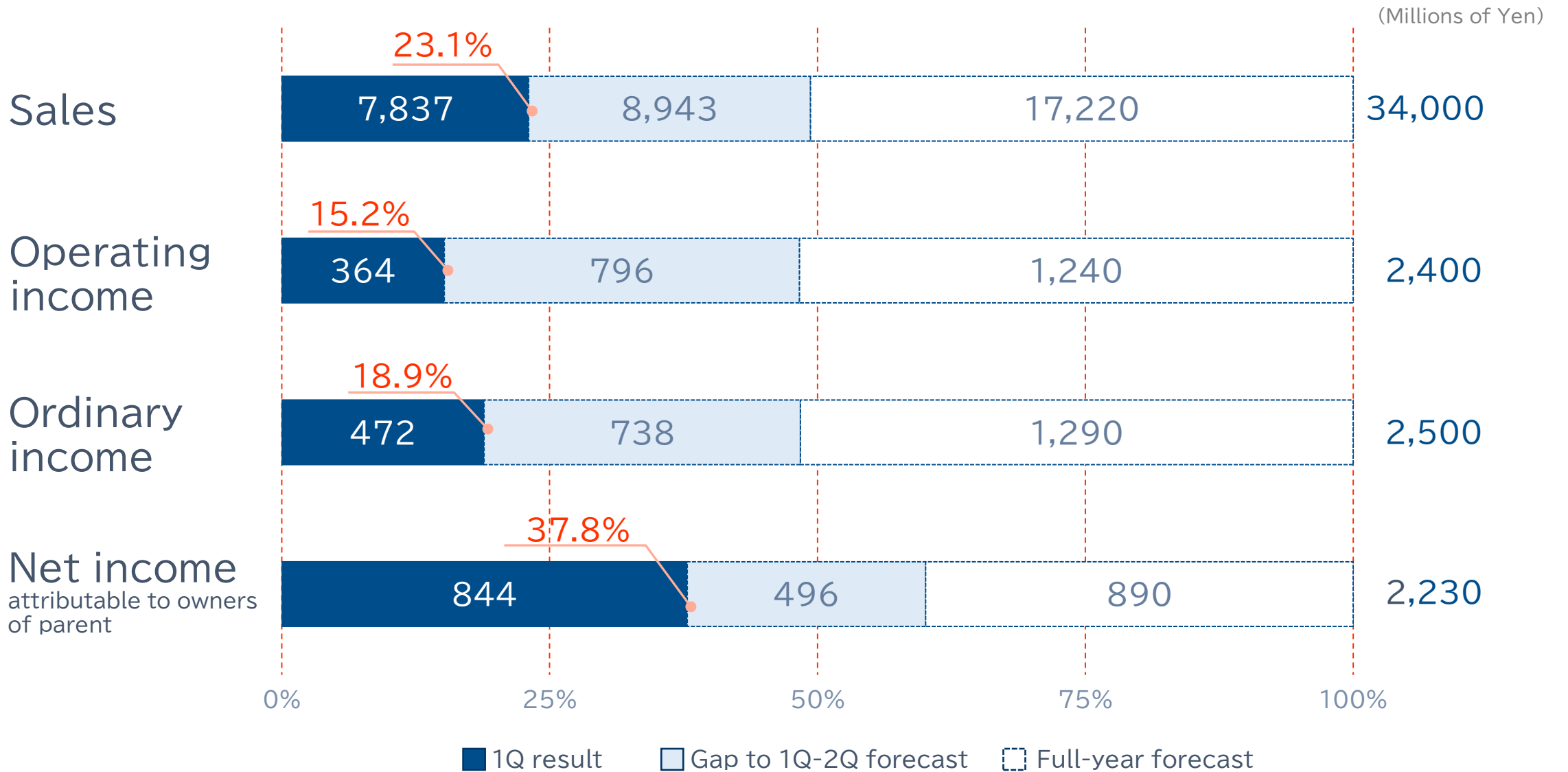
Main share price indicators

	End-FY10/22	End-FY10/23	End-FY10/24	End-1Q FY10/25
Share price (yen)	1,021	1,605	1,470	1,486
Dividend per share (yen)	36	50	60	65 ※1
Dividend payout ratio (%)	54.7	22.4	54.2	40.5 ※1
BPS(yen) *Net assets per share	1,856.11	2,028.93	2,088.91	2,156.16
PBR(%) *Price-book value ratio	0.55	0.79	0.70	0.69
Number of shareholders (people)	31,252	33,074	35,686	35,686 ※2

※1 Forecast

※ As of end-FY10/24

Consolidated earnings forecasts



Sales by product type

(Millions of Yen)

Product type		Main product/ application	FY10/22	FY10/23	FY10/24	FY10/25	
			Full year	Full year	Full year	1Q (result)	Full year forecast
PLS	Sheets,construction materials	Sheets,laminated fabric,sandbags	5,804	5,935	6,114	1,449	6,276
	Industrial materials	FIBC:flexible container bag,yarn	7,538	6,635	5,768	1,320	5,911
	Synthetic fiber for concrete reinforcement (BarChip)	Infrastructure, construction, mining	4,825	5,289	5,325	1,256	5,599
	Lifestyle materials	Adhesive-related, artificial grass, Meltac	6,433	7,565	8,729	2,292	9,022
	Others	Procured products, etc.	967	927	806	169	815
Total			25,570	26,353	26,744	6,488	27,625

Sales by product type

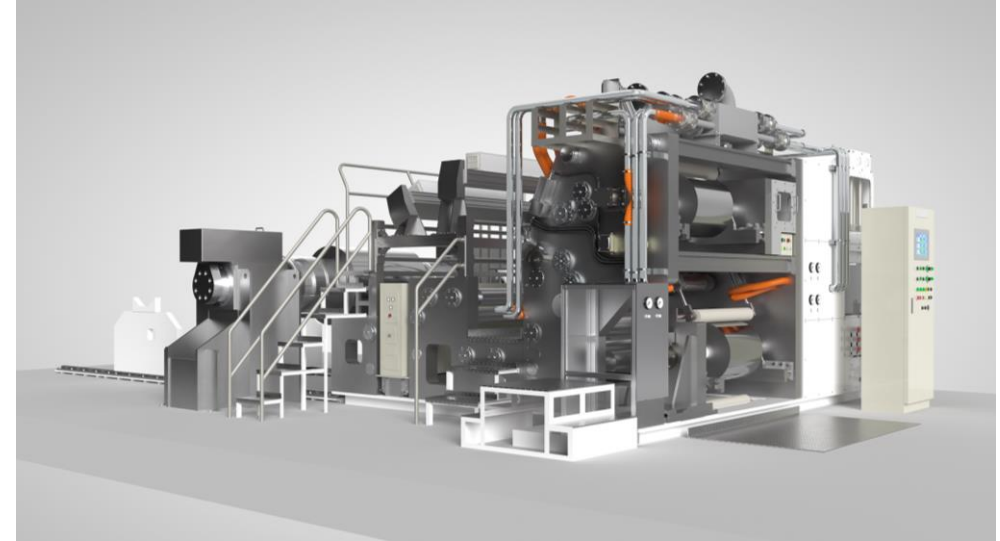
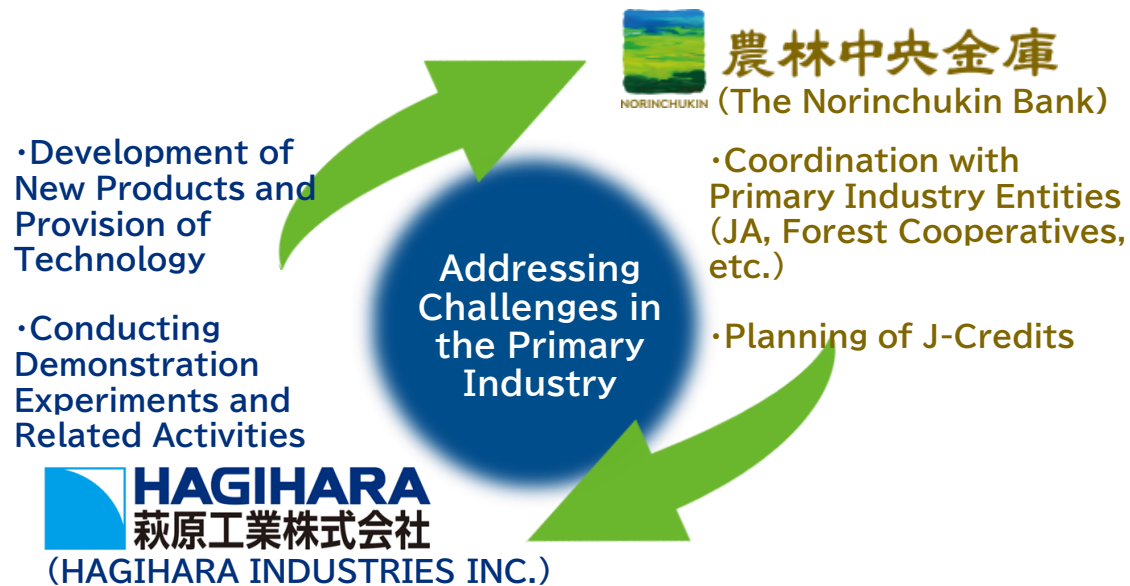
(Millions of Yen)

Product type		Main product/ application	FY10/22	FY10/23	FY10/24	FY10/25	
			Full year	Full year	Full year	1Q (result)	Full year forecast
ENG	Paper slitters	Electrical materials (insulation), Electronic component wrapping	392	519	1,148	317	654
	Film slitters	Soft packaging materials, optical materials, battery materials	2,862	3,109	3,484	746	4,046
	Screen changers, recycling machines	PET bottle recycling	1,055	1,021	1,529	269	1,300
	Others	Winders, etc.	71	241	211	15	374
Total			4,382	4,891	6,373	1,348	6,375

Topics

■ Partnership for Advancing Primary Industry Applications

-To enhance our product offerings in the primary industry sector, we have signed a collaboration agreement with Norinchukin Bank, the Okayama Prefecture Federation of Fisheries Cooperative, and the Niimi City Forestry Cooperative. By identifying on-site needs and leveraging forest-based J-Credits, we aim to develop products with greater added value.



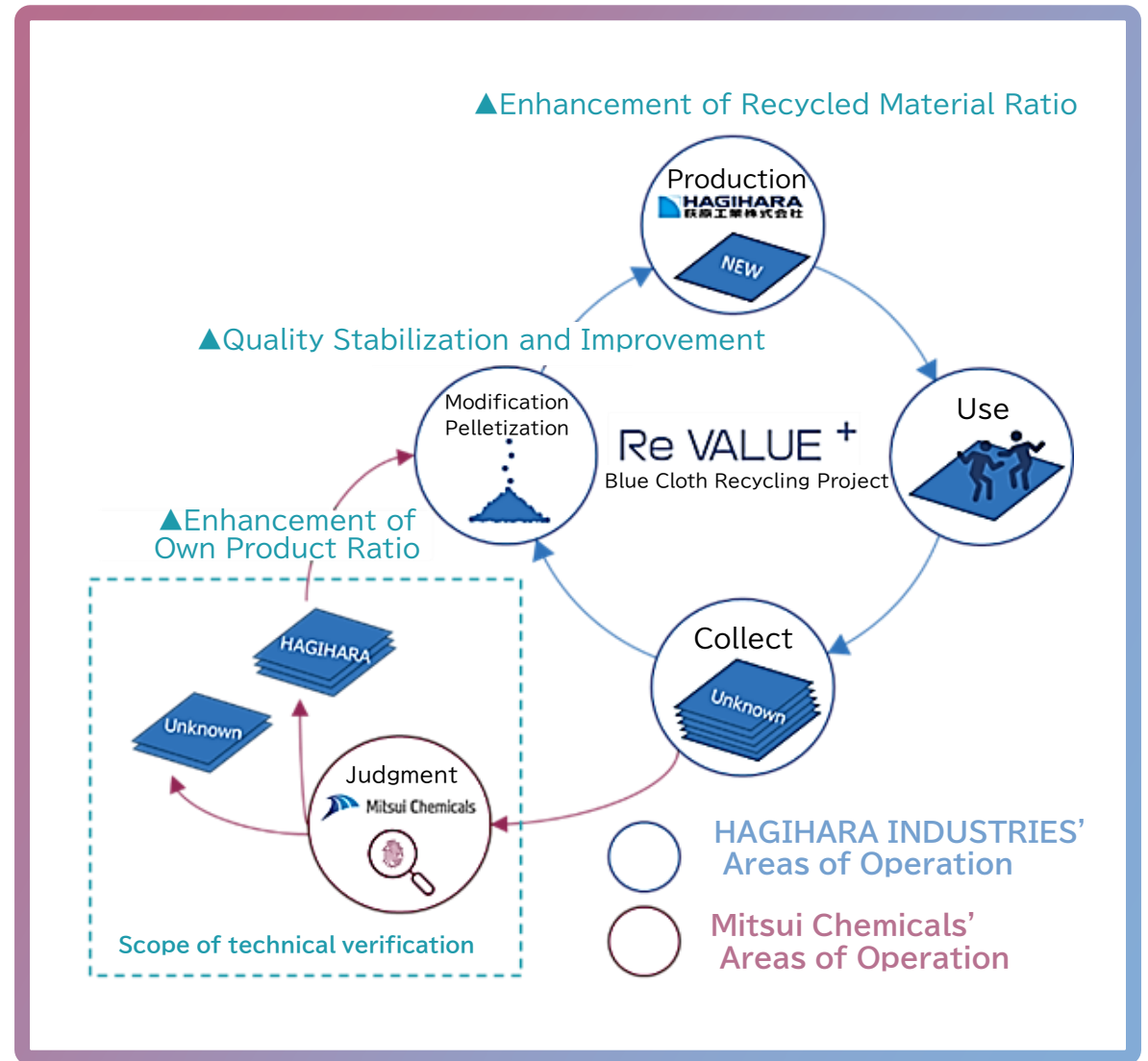
■ Received First Order for Metal Foil Slitter

-In March 2023, we received our first order for a metal foil slitter from IHI Logistics & Machinery Corporation. The new equipment, which will inherit technology from previous orders, will be used by another company. Through continued orders and high-quality manufacturing, we aim to solidify our position as a leading manufacturer in this field.

Topics

■ Partnership for Enhancing Horizontal Recycling Quality

In partnership with Mitsui Chemicals, Inc., we have begun efforts to develop a method for distinguishing our products from collected blue sheets. This technology is crucial for realizing a circular economy by preventing impurity contamination, which hinders high-quality recycling, and enhancing the quality of horizontal recycling of blue sheets. We will continue to work with various companies and research institutions to contribute to the improvement of recycling technology in Japan.



【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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