

Results briefing materials

2Q FY10/25 results

(Nov 1, 2024 – Apr 30, 2025)

ハミダセ、アミダセ。

Think outside the box, create new values.

Hagihara Industries Inc.

TSE Prime:7856

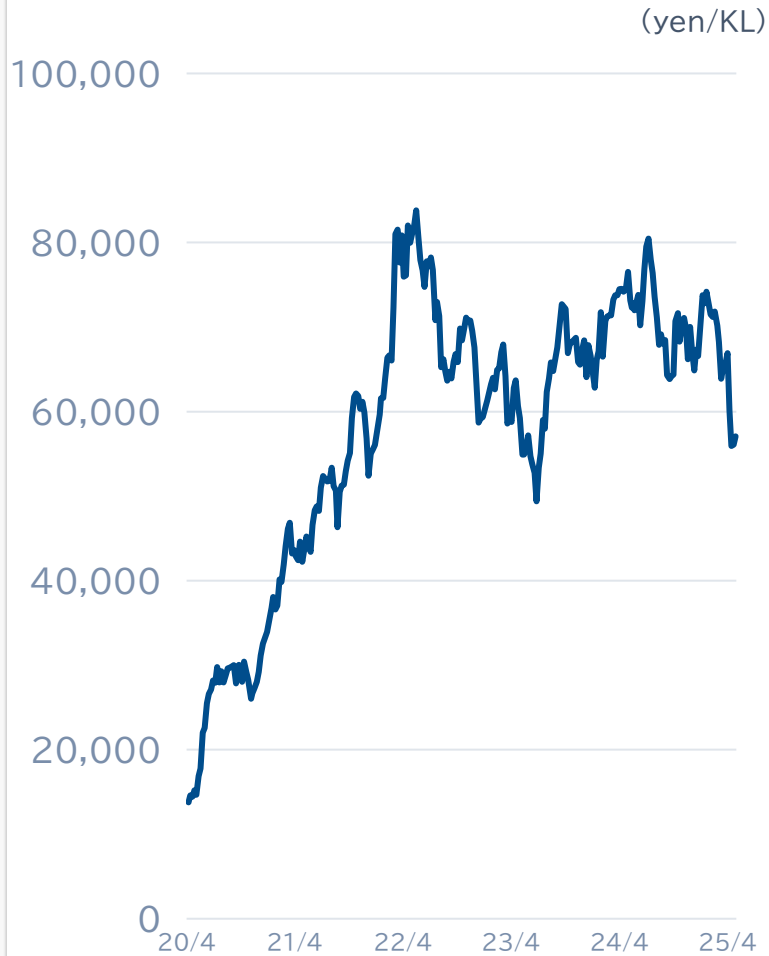
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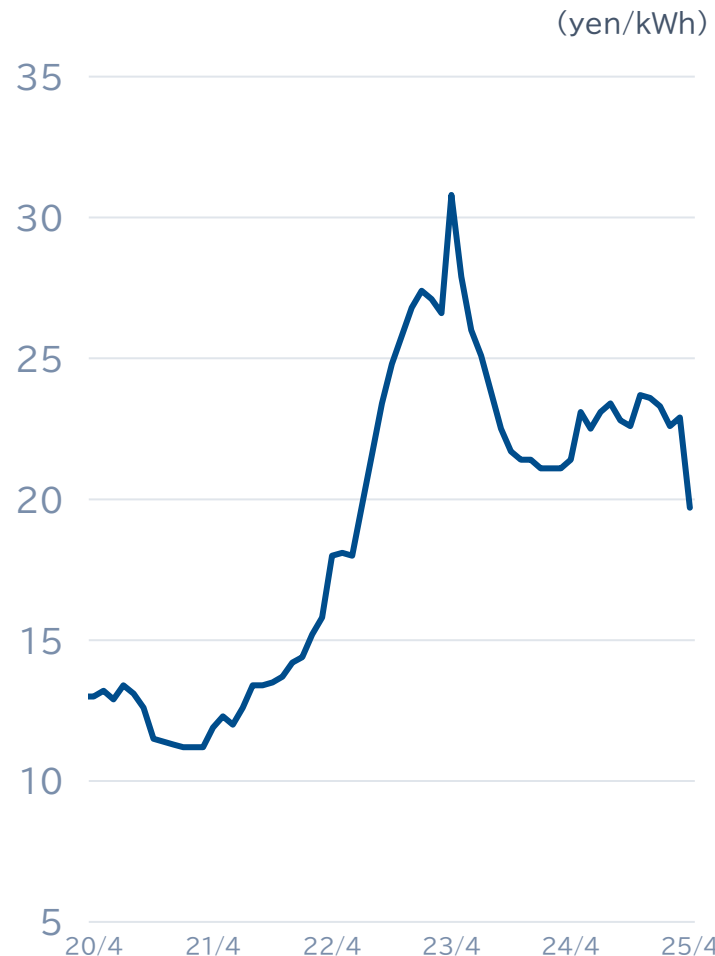
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(Reference) Business conditions indicators

Naphtha price



Electricity rates



JPY/US\$



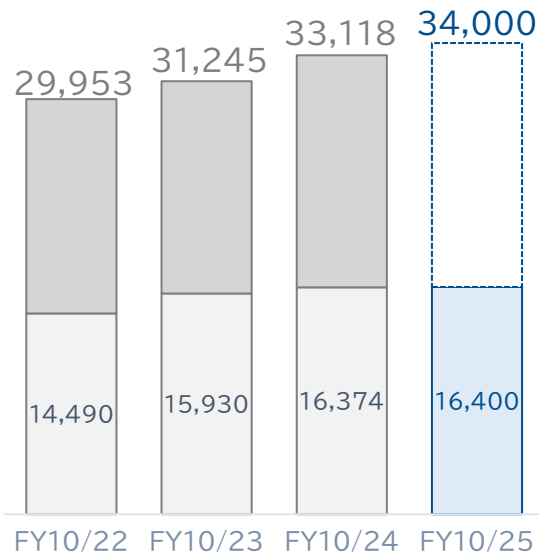
Results highlights –All Company–

Sales

¥ **16,400** mn

YoY **+0.2%**
(+¥26mn)

(Millions of Yen)

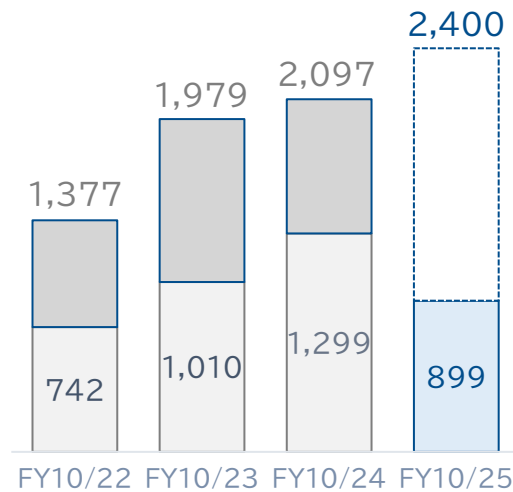


Operating Income

¥ **899** mn

YoY **−30.8%**
(+¥400mn)

(Millions of Yen)

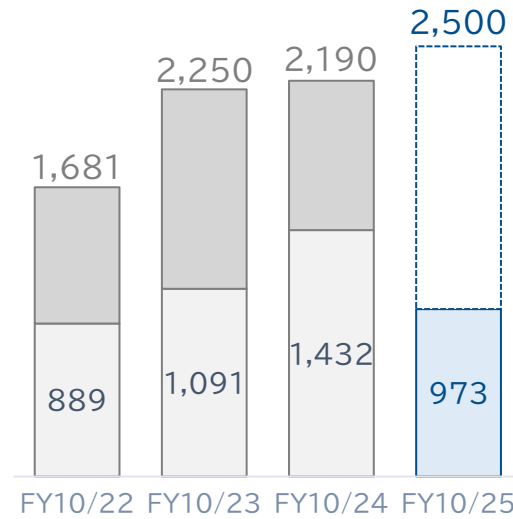


Ordinary Income

¥ **973** mn

YoY **−32.0%**
(−¥459mn)

(Millions of Yen)

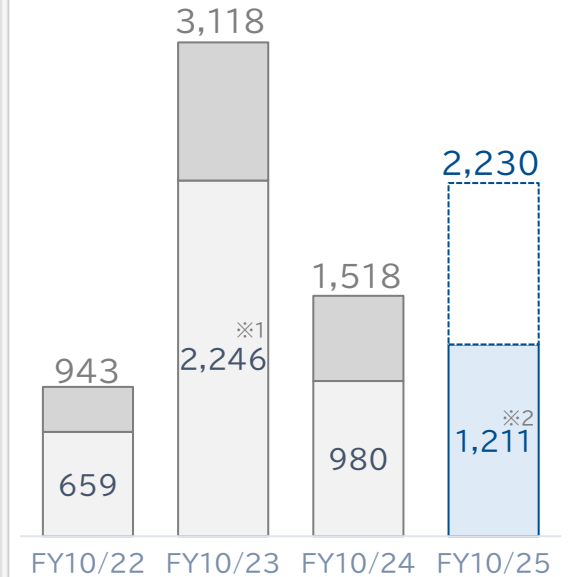


Quarterly net income attributable to owners of parent

¥ **1,211** mn

YoY **+23.6%**
(+¥231mn)

(Millions of Yen)



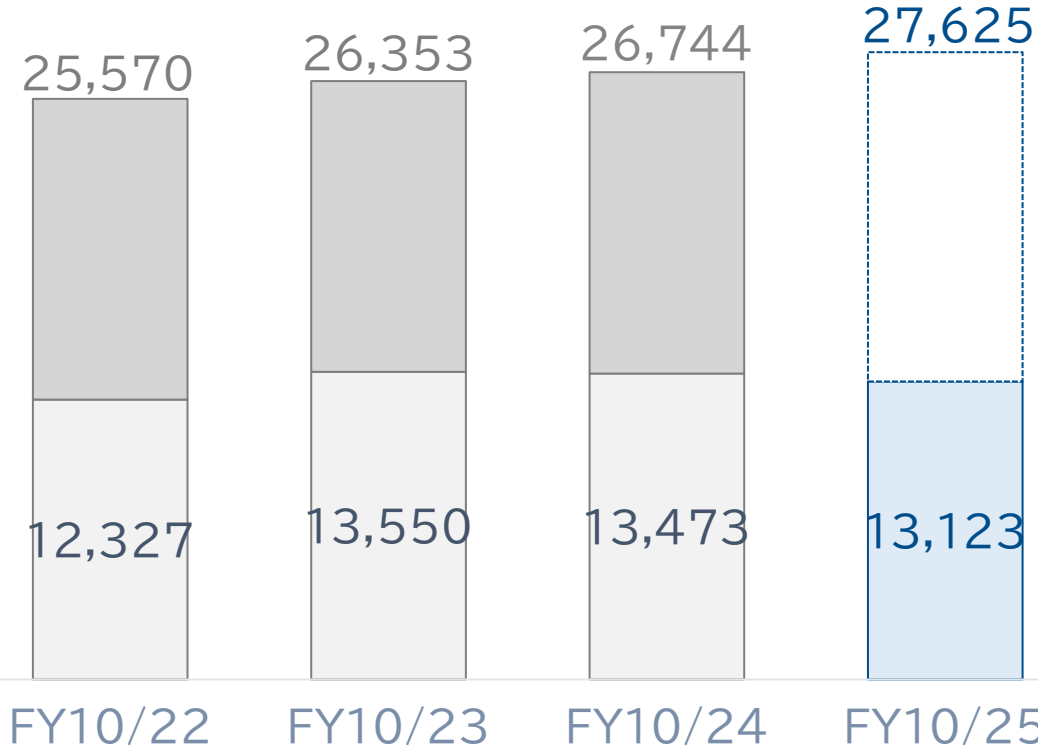
※1 Recognition of compensation payment related to the Chinese subsidiary as extraordinary income.
 ※2 Recording subsidies related to the Kasaoka factory as extraordinary income.

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

Sales

¥**13,123**mn YoY **−2.6%**
(− ¥350mn)

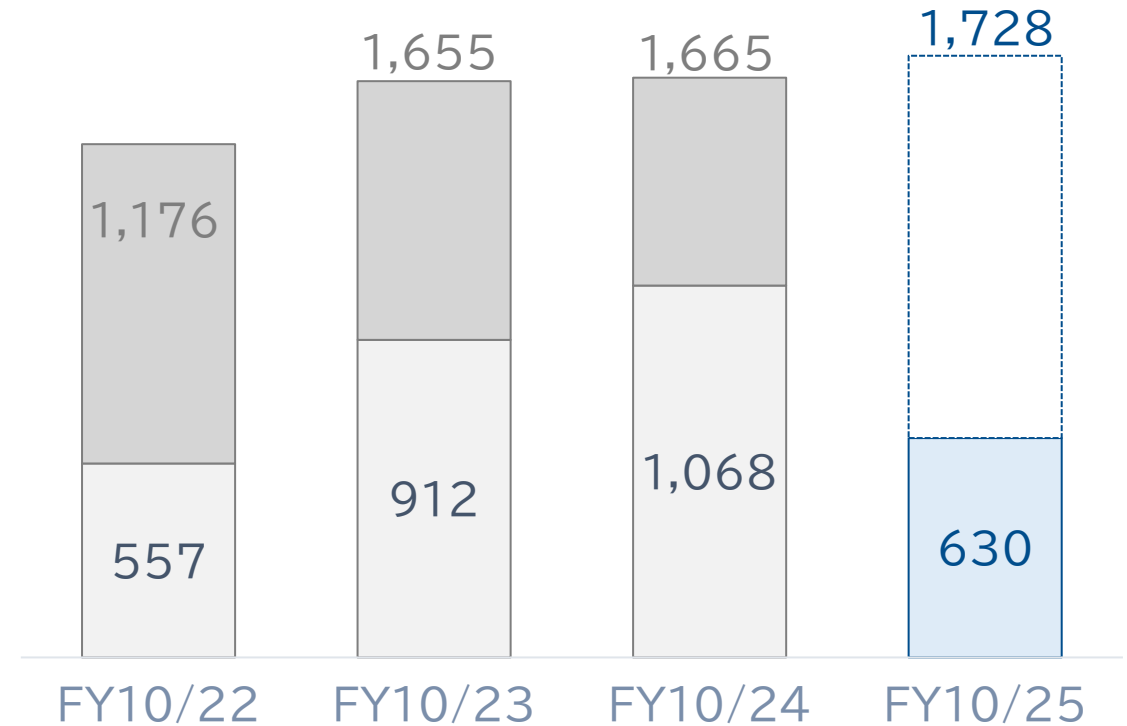
(Millions of Yen)



Operating Income

¥**630**mn YoY **−41.0%**
(− ¥437mn)

(Millions of Yen)

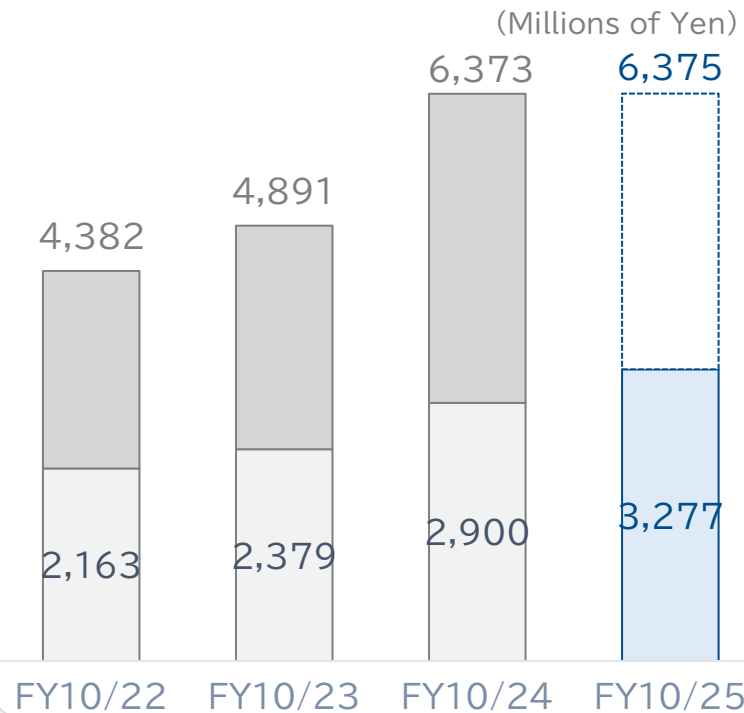


Results highlights –Engineering (ENG) segment–

Sales

¥**3,277**mn

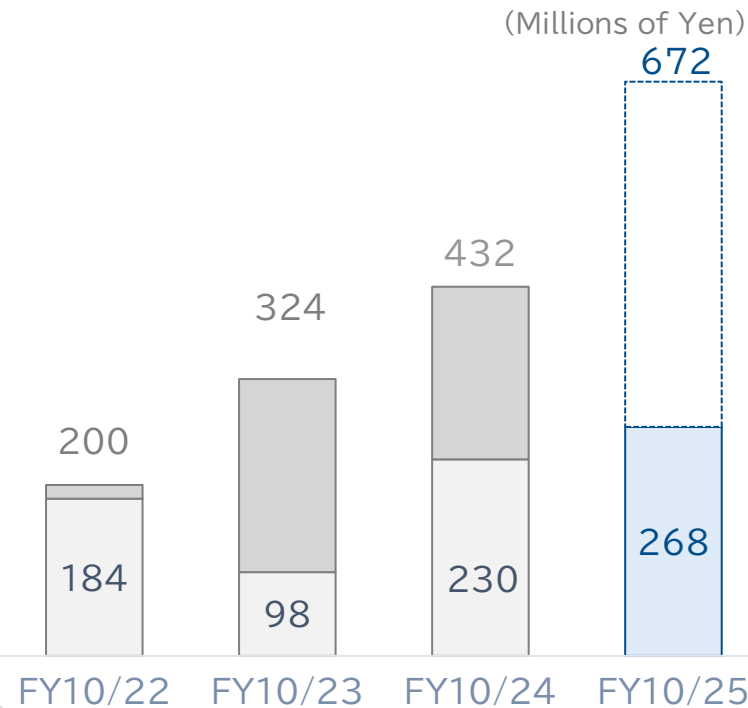
YoY **+13.0%**
(+¥377mn)



Operating Income

¥**268**mn

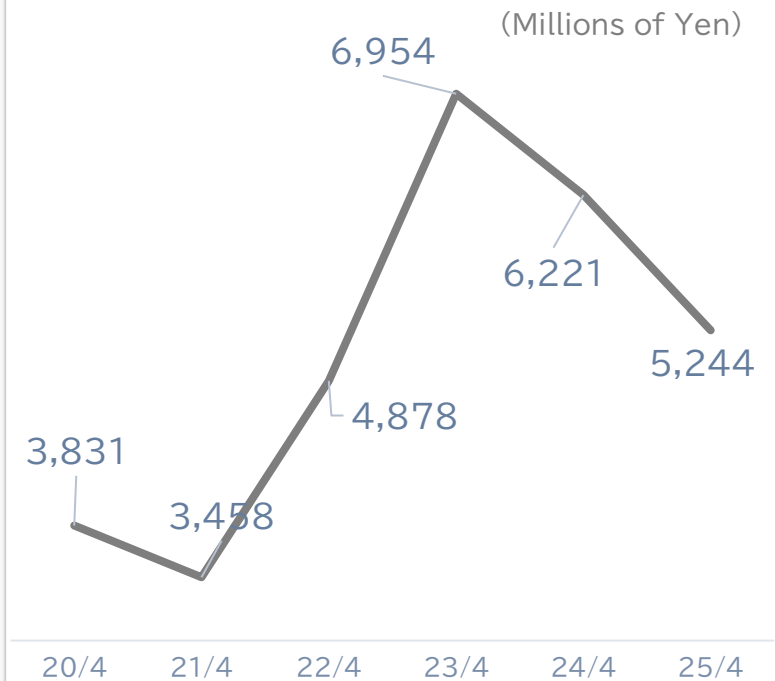
YoY **+16.4%**
(+¥37mn)



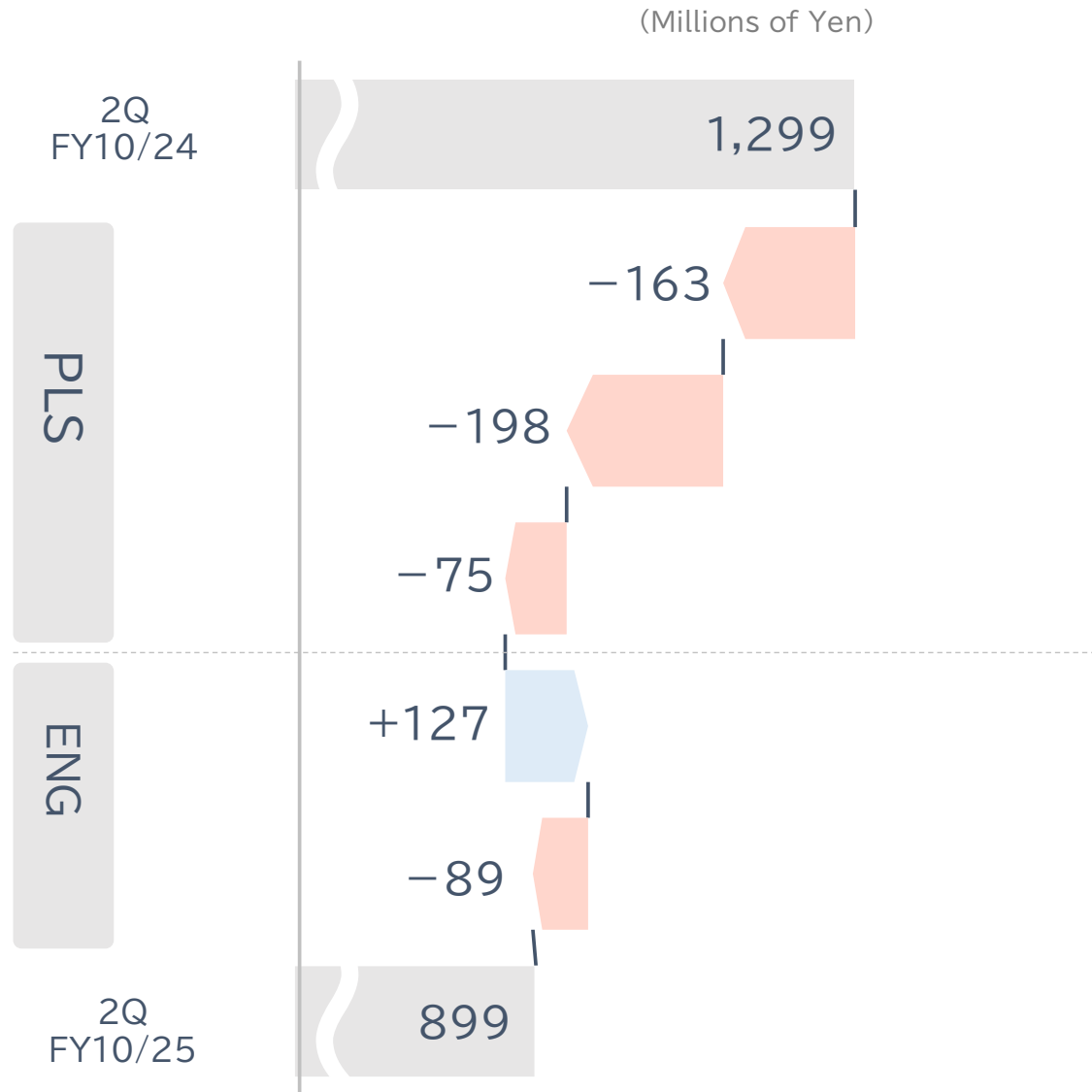
Order Backlog

¥**5,244**mn

YoY **+7.2%**
(+¥355mn)



Consolidated operating income analysis



Main factors for change

Impact from rise in sales(BarChip,etc)

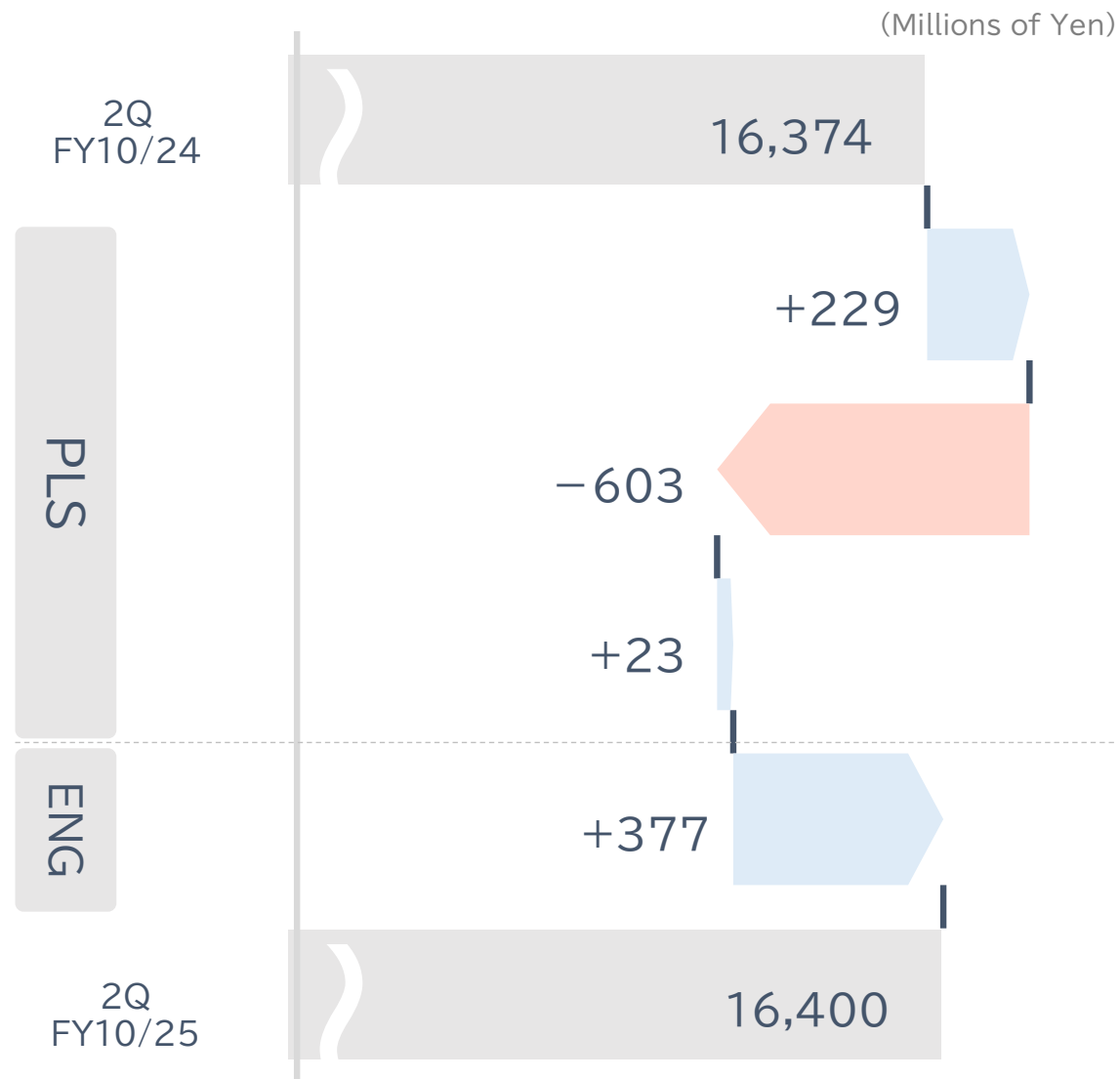
- ▶Impact of increased manufacturing costs (depreciation, etc.)

- ▶Impact of rise in SG&A

- ▶ Impact of increased sales(Film slitters, etc.)

- ▶Impact of rise in SG&A

Consolidated sales analysis



Main factors for change

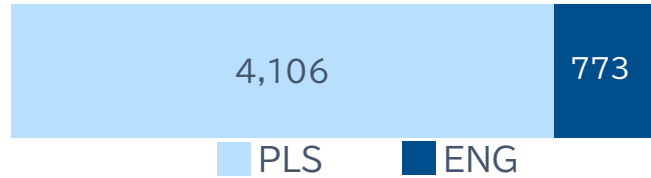
- ▶ Sales prices raised: Sales unit prices increased to pass through higher raw materials and other input costs
- ▶ Decline in sales volume (BarChip, Flexible Container Bag, Cloth etc)
- ▶ Forex impact: sales increase from yen depreciation
- ▶ Sales rise in the Engineering segment

Sales by region/segment

Overseas sales

All-company ¥4,880mn

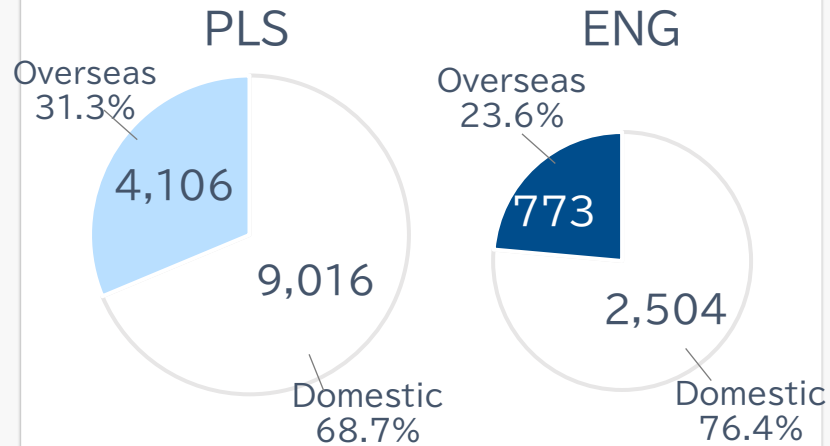
(Millions of Yen)



Overseas sales weighting

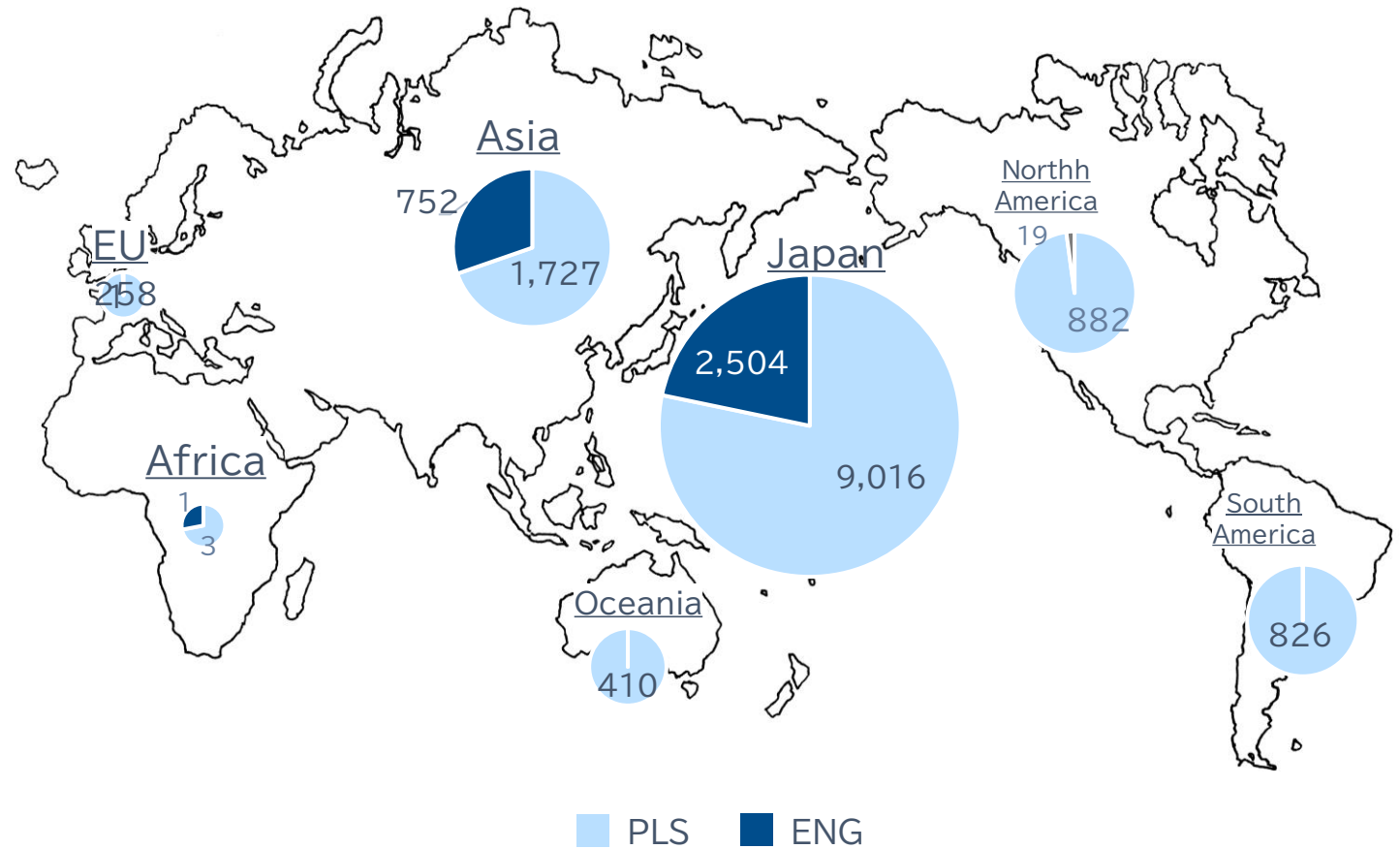
All-company 29.8%

(Millions of Yen)



Sales by region

(Millions of Yen)



Overview of segments and subsidiaries

(Millions of Yen)

| | 2Q FY10/24 | | 2Q FY10/25 | | YoY change | |
|------------------------------|---------------|------------------|---------------|------------------|-------------|------------------|
| | Sales | Operating income | Sales | Operating income | Sales | Operating income |
| Hagihara Industries | 7,624 | 310 | 7,514 | 153 | ▲110 | ▲157 |
| Hagihara Westjava Industries | 2,368 | 81 | 2,384 | 10 | 16 | ▲71 |
| BarChip Group(Overseas) | 2,350 | 180 | 1,959 | 69 | ▲391 | ▲111 |
| BarChip(Domestic) | 1,082 | 506 | 839 | 274 | ▲243 | ▲232 |
| Toyo Heisei Polymer | 2,101 | 75 | 2,292 | 105 | 191 | 30 |
| PLS Total | 13,473 | 1,068 | 13,123 | 630 | ▲350 | ▲438 |
| Hagihara Industries | 2,835 | 198 | 3,230 | 243 | 395 | 45 |
| Hagihara Machinery(Shanghai) | 381 | 16 | 343 | 32 | ▲38 | 16 |
| ENG Total | 2,900 | 230 | 3,277 | 268 | 377 | 38 |

Consolidated balance sheet

Assets

(Millions of Yen)

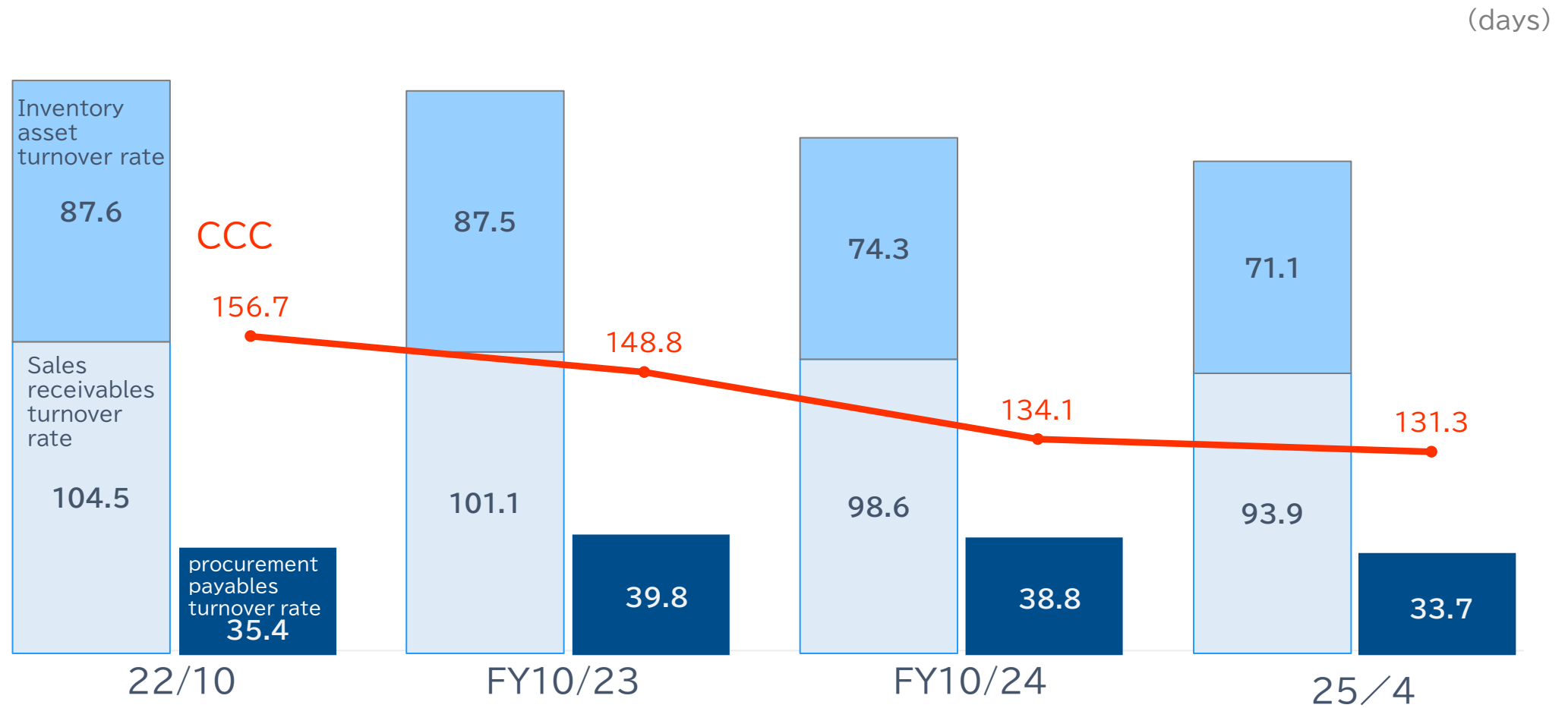
| | 24/10 | 25/4 |
|-----------------------------------|--------|--------|
| | 42,583 | 42,485 |
| Cash and cash equivalents | 5,600 | 5,131 |
| Sales receivables | 8,949 | 8,436 |
| Inventory, wholesale assets, etc. | 7,398 | 7,266 |
| Fixed assets, etc. | 20,634 | 21,651 |
| Total asset turnover ratio | 0.78x | 0.77x |

Liabilities・Net assets

(Millions of Yen)

| | 24/10 | 25/4 |
|---------------------------------------|--------|--------|
| | 42,583 | 42,485 |
| Procurement payables | 3,518 | 3,027 |
| Interest-bearing debt | 5,447 | 5,175 |
| Other current liabilities | 3,453 | 3,080 |
| Other fixed liabilities, etc. | 1,064 | 1,102 |
| Net assets | 29,098 | 30,100 |
| D/E ratio (Debt/Shareholders' Equity) | 0.5 | 0.4 |
| Shareholders' equity ratio | 68.1% | 70.7% |

CCC (cash conversion cycle)



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

Financial performance indicators

| | 22/10 | 23/10 | 24/10 | 25/4 |
|--------|-------|-------|-------|------|
| ROE(%) | 3.7 | 11.6 | 6.1 | 4.5※ |
| ROA(%) | 2.6 | 7.7 | 4.0 | 3.1※ |

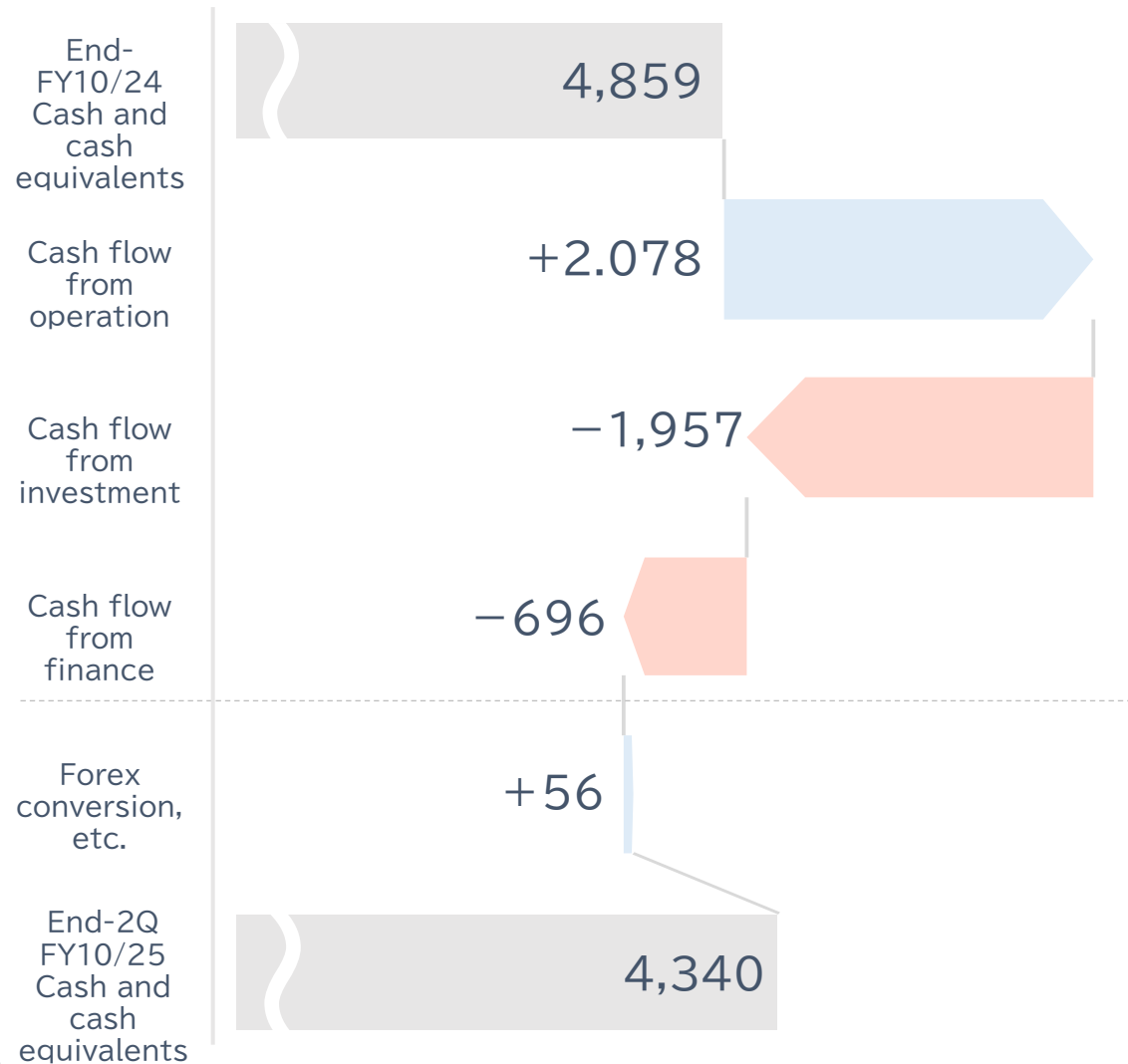
※The calculation excludes subsidies for the Kasaoka plant.

Main share price indicators

| | 22/10 | 23/10 | 24/10 | 25/4 |
|---------------------------------------|----------|----------|----------|----------|
| Share price (yen) | 1,021 | 1,605 | 1,470 | 1,444 |
| Dividend per share (yen) | 36 | 50 | 60 | 65 ※ |
| Dividend payout ratio (%) | 54.7 | 22.4 | 54.2 | 40.6 ※ |
| BPS(yen) *Net assets per share | 1,856.11 | 2,028.93 | 2,088.91 | 2,149.26 |
| PBR(%) *Price-book value ratio | 0.55 | 0.79 | 0.70 | 0.67 |
| Number of shareholders (people) | 31, 252 | 33,074 | 35,686 | 31,919 |

※ Forecast

Consolidated cash flows



●C/F from operation

(Millions of Yen)

| | | | |
|-----------|--|---|-------|
| Breakdown | Quarterly net income before adjustment for taxes, etc. | + | 1,773 |
| | Depreciation and amortization | + | 995 |
| | Fall in sales receivables | + | 519 |
| | Fall in inventory assets | + | 444 |
| | Fall in procurement payables | - | 732 |
| | Corporate taxes | - | 215 |

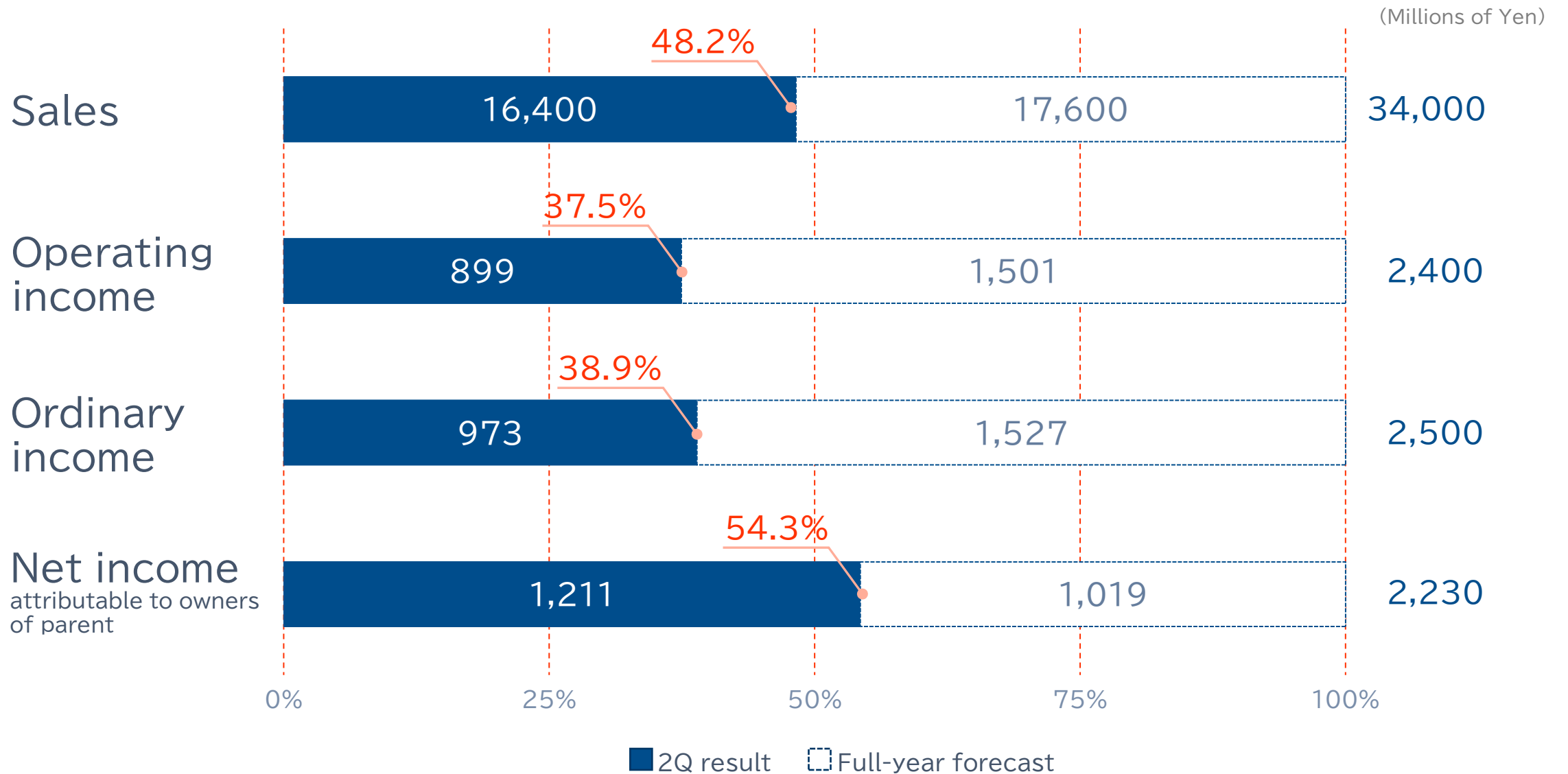
●C/F from investment

| | | | |
|-----------|--------------------------------------|---|-------|
| Breakdown | Acquisition of tangible fixed assets | - | 1,896 |
| Free C/F | | + | 120 |

●C/F from finance

| | | | |
|-----------------------------------|-----------------------------------|---|-----|
| Breakdown | Increase in short-term borrowings | + | 122 |
| | Repayment of long-term borrowings | - | 420 |
| | Dividends paid | - | 489 |
| Fall in cash and cash equivalents | | - | 519 |

Consolidated earnings forecasts



Sales by product type

(Millions of Yen)

| Product type | | Main product/ application | FY10/22 | FY10/23 | FY10/24 | FY10/24 | |
|--------------|--|--|-----------|-----------|-----------|---------------------------------|-----------------------|
| | | | Full year | Full year | Full year | 2Q result (% of total sales) | Full year forecast |
| P L S | Sheets,construction materials | Sheets,laminated fabric,sandbags | 5,804 | 5,935 | 6,114 | 3,002 | 6,276 |
| | Industrial materials | FIBC:flexible container bag,yarn | 7,538 | 6,635 | 5,768 | 2,653 | 5,911 |
| | Synthetic fiber for concrete reinforcement (BarChip) | Infrastructure, construction, mining | 4,825 | 5,289 | 5,325 | 2,519 | 5,599 |
| | Lifestyle materials | Adhesive-related, artificial grass, Meltac | 6,433 | 7,565 | 8,729 | 4,554 | 9,022 |
| | Others | Procured products, etc. | 967 | 927 | 806 | 393 | 815 |
| Total | | | 25,570 | 26,353 | 26,744 | 13,123 | 27,625 |

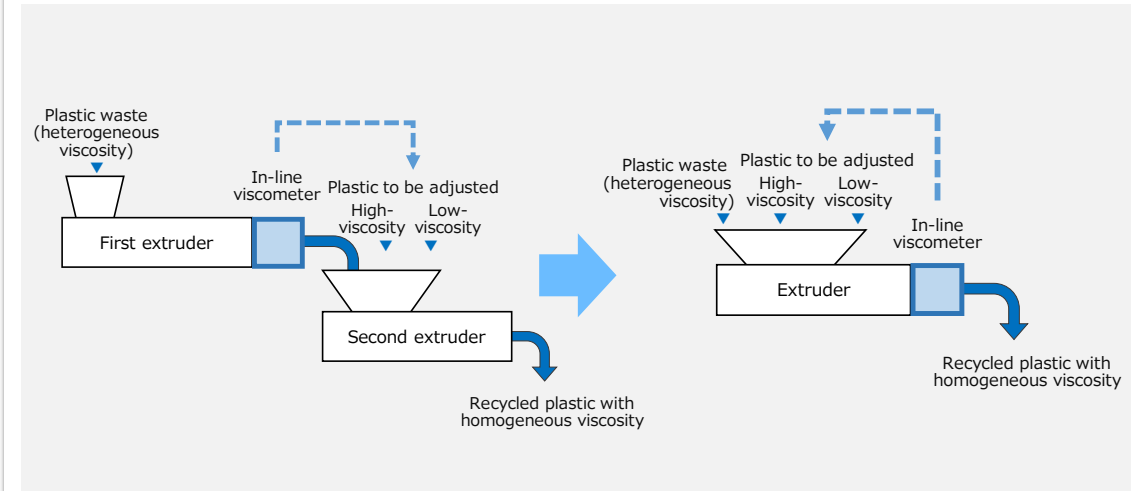
製品分類別売上高

(Millions of Yen)

| Product type | | Main product/ application | FY10/22 | FY10/23 | FY10/24 | FY10/25 | |
|--------------|--|---|-----------|-----------|-----------|---------------------------------|-----------------------|
| | | | Full year | Full year | Full year | 2Q result (% of total sales) | Full year forecast |
| E N G | Paper slitters | Electrical materials (insulation), Electronic component wrapping | 392 | 519 | 1,148 | 402 | 654 |
| | Film slitters | Soft packaging materials, optical materials, battery materials | 2,862 | 3,109 | 3,484 | 2,119 | 4,046 |
| | Screen changers, recycling machines | PET bottle recycling, etc. | 1,055 | 1,021 | 1,529 | 693 | 1,300 |
| | Others | Winders, etc. | 71 | 241 | 211 | 62 | 374 |
| Total | | | 4,382 | 4,891 | 6,373 | 3,277 | 6,375 |

■Recycled Pellet Production Line for Horizontal Recycling of Blue Sheets Now in Full-Scale Operation

A new cleaning system for used cloths has been installed and integrated production has begun. This will improve production efficiency.



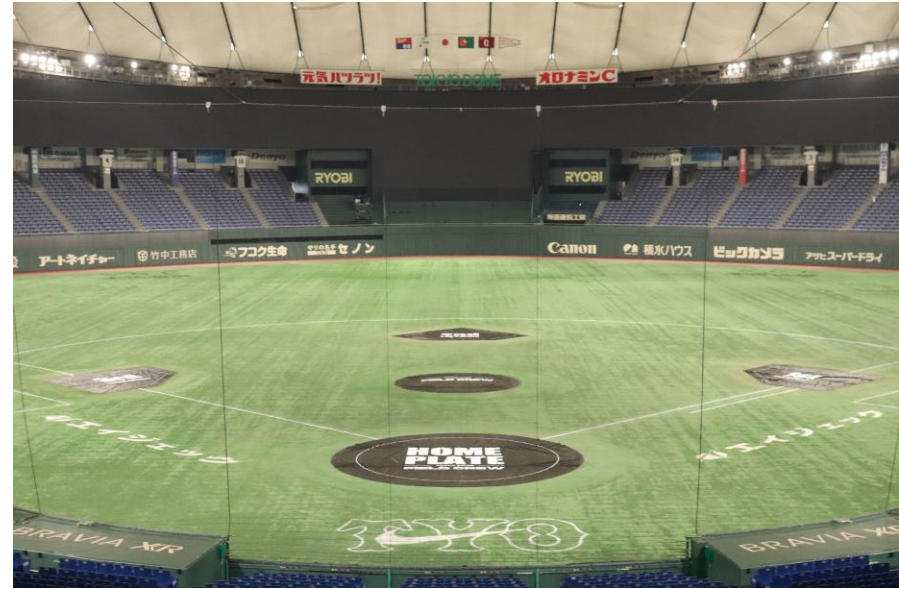
■Hagihara Industries Inc and Mitsui Chemicals Jointly Develop Technology to Uniform Viscosity of Recycled Plastics

We have jointly developed a viscosity equalization technology for recycled plastics that utilizes in-line viscosity measurement technology. This technology is expected to improve the yield and quality of plastic recycling.

■HPC® Using BarChip Adopted at Expo '70 in Osaka, Japan

The signature pavilion “LIVE EARTH JOURNEY)” produced by animation director Shoji Kawamori, uses hybrid prestressed concrete, or HPC®, developed by HPC Okinawa Co.

HPC® is a thin and strong concrete that uses rust-free “carbon fiber” instead of reinforcing steel, and BarChip is used as a reinforcing fiber.



■Printed Sheets Adopted by Tokyo Dome

Our printed sheets have been adopted by the Tokyo Dome. This product is a “#3000 black sheet” with a printing process, and is used as a cover for the main base, mound, bullpen, and other areas. We can flexibly respond to customers’ needs in terms of design as well as fabric type, size, and shape.

【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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Contact:

Corporate Planning Office(Mr. Yoshida)
Hagihara Industries Inc.

MAIL:info@hagihara.co.jp
URL :<https://www.hagihara.co.jp/>