

June 9, 2025

Consolidated Financial Results for the Six Months Ended April 30, 2025 (Under Japanese GAAP)

Company name: Hagihara Industries Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 7856
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 Scheduled date to file semi-annual securities report: June 11, 2025
 Scheduled date to commence dividend payments: July 2, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended April 30, 2025 (from November 1, 2024 to April 30, 2025)

(1) Consolidated operating results

(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 April 30, 2025	16,400	0.2	899	(30.8)	973	(32.0)	1,211	23.6
April 30, 2024	16,374	2.8	1,299	28.6	1,432	31.3	980	(56.4)

Note: Comprehensive income For the six months ended April 30, 2025: ¥1,388 million [31.1%]
 For the six months ended April 30, 2024: ¥1,059 million [(44.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended April 30, 2025	86.99	86.26
April 30, 2024	71.49	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of April 30, 2025	42,485	30,100	70.7
October 31, 2024	42,583	29,098	68.1

Reference: Equity
 As of April 30, 2025: ¥30,029 million
 As of October 31, 2024: ¥29,004 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2024	-	25.00	-	35.00	60.00
Fiscal year ending October 31, 2025	-	30.00			
Fiscal year ending October 31, 2025 (Forecast)				35.00	65.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending October 31, 2025	34,000	2.7	2,400	14.4	2,500	14.2	2,230	46.9	162.49

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to Appendix P.9 "2. Interim Consolidated Financial Statements and Major Notes (4) Notes on Interim Consolidated Financial Statements (Notes on Accounting Procedures Specific to the Preparation of Interim Consolidated Financial Statements)" for more information.

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of April 30, 2025	14,897,600 shares
As of October 31, 2024	14,897,600 shares

(ii) Number of treasury shares at the end of the period

As of April 30, 2025	913,873 shares
As of October 31, 2024	1,012,573 shares

(iii) Average number of shares outstanding during the period(cumulative from the beginning of the fiscal year)

Six months ended April 30, 2025	13,928,631 shares
Six months ended April 30, 2024	13,714,427 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

(Method of accessing supplementary material on financial results)

Supplementary financial results materials are disclosed on the Company's website on the same day.

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of October 31, 2024	As of April 30, 2025
Assets		
Current assets		
Cash and deposits	5,600,521	5,131,204
Notes and accounts receivable - trade	6,303,239	5,340,117
Electronically recorded monetary claims - operating	2,646,073	3,096,194
Merchandise and finished goods	2,345,842	2,580,820
Work in process	2,970,340	2,383,996
Raw materials and supplies	1,441,489	1,420,315
Other	668,277	912,503
Allowance for doubtful accounts	(27,068)	(30,764)
Total current assets	21,948,716	20,834,387
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,398,693	7,238,293
Machinery, equipment and vehicles, net	3,577,266	4,743,938
Tools, furniture and fixtures, net	417,826	373,051
Land	3,678,023	3,678,023
Construction in progress	3,104,362	2,776,734
Total property, plant and equipment	18,176,173	18,810,041
Intangible assets		
Goodwill	83,333	70,833
Other	382,264	382,429
Total intangible assets	465,598	453,262
Investments and other assets		
Deferred tax assets	501,207	488,539
Retirement benefit asset	697,138	695,346
Insurance funds	358,201	313,079
Other	436,156	891,283
Total investments and other assets	1,992,705	2,388,248
Total non-current assets	20,634,476	21,651,553
Total assets	42,583,192	42,485,940

	As of October 31, 2024	As of April 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,933,288	1,626,262
Electronically recorded obligations - operating	1,585,563	1,401,271
Short-term borrowings	1,826,008	1,962,016
Income taxes payable	203,507	483,806
Provision for bonuses	656,454	564,580
Provision for product warranties	48,943	64,121
Other	2,544,410	1,967,960
Total current liabilities	8,798,175	8,070,019
Non-current liabilities		
Long-term borrowings	3,621,146	3,212,995
Retirement benefit liability	809,035	861,073
Other	255,937	241,118
Total non-current liabilities	4,686,118	4,315,186
Total liabilities	13,484,294	12,385,206
Net assets		
Shareholders' equity		
Share capital	1,778,385	1,778,385
Capital surplus	1,480,742	1,475,979
Retained earnings	25,739,619	26,461,421
Treasury shares	(1,287,648)	(1,161,984)
Total shareholders' equity	27,711,099	28,553,802
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45,998	51,643
Deferred gains or losses on hedges	(2,216)	5,759
Foreign currency translation adjustment	956,079	1,166,037
Remeasurements of defined benefit plans	293,653	252,266
Total accumulated other comprehensive income	1,293,514	1,475,705
Share acquisition rights	70,664	52,956
Non-controlling interests	23,620	18,269
Total net assets	29,098,898	30,100,734
Total liabilities and net assets	42,583,192	42,485,940

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Net sales	16,374,002	16,400,991
Cost of sales	11,770,944	12,033,087
Gross profit	4,603,057	4,367,903
Selling, general and administrative expenses		
Freight and packing costs	452,222	458,585
Provision of allowance for doubtful accounts	7,998	3,296
Salaries and bonuses	759,986	787,896
Provision for bonuses	145,294	137,700
Retirement benefit expenses	12,801	17,078
Provision for director's stock based compensation	8,748	9,436
Research and development expenses	250,671	278,082
Other	1,665,835	1,776,440
Total selling, general and administrative expenses	3,303,557	3,468,516
Operating profit	1,299,500	899,387
Non-operating income		
Interest income	11,665	11,269
Dividend income	2,125	2,258
Insurance claim income	19,382	13,643
Foreign exchange gains	65,215	3,360
Trial products income	15,818	13,212
Other	56,362	75,635
Total non-operating income	170,569	119,379
Non-operating expenses		
Interest expenses	27,613	23,382
Other	9,546	21,487
Total non-operating expenses	37,160	44,870
Ordinary profit	1,432,908	973,896
Extraordinary income		
Gain on sale of investment securities	7,860	-
Subsidy income	-	800,000
Total extraordinary income	7,860	800,000
Extraordinary losses		
Loss on sale of non-current assets	2,415	-
Loss on retirement of non-current assets	6,749	-
Total extraordinary losses	9,164	-
Profit before income taxes	1,431,604	1,773,896
Income taxes	447,958	567,727
Profit	983,646	1,206,169
Profit (loss) attributable to non-controlling interests	3,164	(5,510)
Profit attributable to owners of parent	980,482	1,211,680

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Profit	983,646	1,206,169
Other comprehensive income		
Valuation difference on available-for-sale securities	14,189	5,644
Deferred gains or losses on hedges	(5,427)	7,975
Foreign currency translation adjustment	47,144	210,118
Remeasurements of defined benefit plans, net of tax	19,723	(41,387)
Total other comprehensive income	75,629	182,352
Comprehensive income	1,059,276	1,388,521
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,059,362	1,393,871
Comprehensive income attributable to non-controlling interests	(85)	(5,350)

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended April 30, 2024	Six months ended April 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,431,604	1,773,896
Depreciation	825,048	995,746
Subsidy income	-	(800,000)
Amortization of goodwill	12,499	12,499
Increase (decrease) in allowance for doubtful accounts	2,900	3,695
Increase (decrease) in retirement benefit liability	(14,507)	(22,088)
Increase (decrease) provision for director's stock based compensation	8,748	(9,813)
Payments of retirement benefits for directors (and other officers)	-	(5,827)
Interest and dividend income	(13,790)	(13,528)
Interest expenses	27,613	23,382
Loss (gain) on sale of non-current assets	2,415	-
Loss on retirement of non-current assets	6,749	-
Decrease (increase) in trade receivables	387,862	519,904
Decrease (increase) in inventories	299,277	444,458
Increase (decrease) in trade payables	145,898	(732,870)
Other, net	145,200	(46,595)
Subtotal	3,267,521	2,142,860
Interest and dividends received	14,753	13,132
Interest paid	(29,444)	(22,270)
Income taxes paid	(392,411)	(215,601)
Subsidies received	-	160,000
Net cash provided by (used in) operating activities	2,860,419	2,078,120
Cash flows from investing activities		
Decrease (increase) in time deposits	-	(50,000)
Purchase of property, plant and equipment	(1,824,965)	(1,896,560)
Proceeds from sale of property, plant and equipment	5,191	-
Proceeds from sale of investment securities	16,892	-
Decrease (increase) in insurance funds	11,539	45,121
Other, net	(42,839)	(56,184)
Net cash provided by (used in) investing activities	(1,834,181)	(1,957,623)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(235,287)	122,690
Repayments of long-term borrowings	(326,095)	(420,909)
Proceeds from exercise of employee share options	-	90,915
Dividends paid	(345,323)	(489,060)
Net cash provided by (used in) financing activities	(906,706)	(696,363)
Effect of exchange rate change on cash and cash equivalents	20,365	56,289
Net increase (decrease) in cash and cash equivalents	139,897	(519,577)
Cash and cash equivalents at beginning of period	5,397,530	4,859,601
Cash and cash equivalents at end of period	5,537,427	4,340,024

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (November 1, 2023 to April 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Unit: 1 thousand yen)

	Reportable segments			Reconciling items	Interim Consolidated Statements of Income (Note)
	Plastic products	Engineering products	Total		
Sales					
Japan	9,060,802	2,545,292	11,606,094	-	11,606,094
Asia	1,670,436	353,949	2,024,386	-	2,024,386
North America	1,148,140	936	1,149,077	-	1,149,077
South America	1,005,531	-	1,005,531	-	1,005,531
Europe	314,945	539	315,485	-	315,485
Oceania	273,427	-	273,427	-	273,427
Africa	-	-	-	-	-
Revenue generated from customer contracts	13,473,284	2,900,718	16,374,002	-	16,374,002
Other Earnings	-	-	-	-	-
Revenues from external customers	13,473,284	2,900,718	16,374,002	-	16,374,002
Transactions with other segments	-	277,018	277,018	(277,018)	-
Total	13,473,284	3,177,736	16,651,020	(277,018)	16,374,002
Segment Profit	1,068,613	230,886	1,299,500	-	1,299,500

Note: Segment profit is consistent with operating income in the interim consolidated statements of income.

II. Interim Consolidated Accounting Period (November 1, 2024 to April 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Unit: 1 thousand yen)

	Reportable segments			Reconciling items	Interim Consolidated Statements of Income (Note)
	Plastic products	Engineering products	Total		
Sales					
Japan	9,016,376	2,504,481	11,520,858	-	11,520,858
Asia	1,727,267	751,552	2,478,819	-	2,478,819
North America	882,357	19,433	901,791	-	901,791
South America	826,446	-	826,446	-	826,446
Europe	257,583	1,234	258,817	-	258,817
Oceania	410,138	-	410,138	-	410,138
Africa	2,964	1,154	4,119	-	4,119
Revenue generated from customer contracts	13,123,134	3,277,856	16,400,991	-	16,400,991
Other Earnings	-	-	-	-	-
Revenues from external customers	13,123,134	3,277,856	16,400,991	-	16,400,991
Transactions with other segments	-	70,789	70,789	(70,789)	-
Total	13,123,134	3,348,646	16,471,780	(70,789)	16,400,991
Segment Profit	630,649	268,737	899,387	-	899,387

Note: Segment profit is consistent with operating income in the interim consolidated statements of income.