

# Results briefing materials

1Q FY10/23 results

(Nov 1, 2022 - Jan 31, 2023)

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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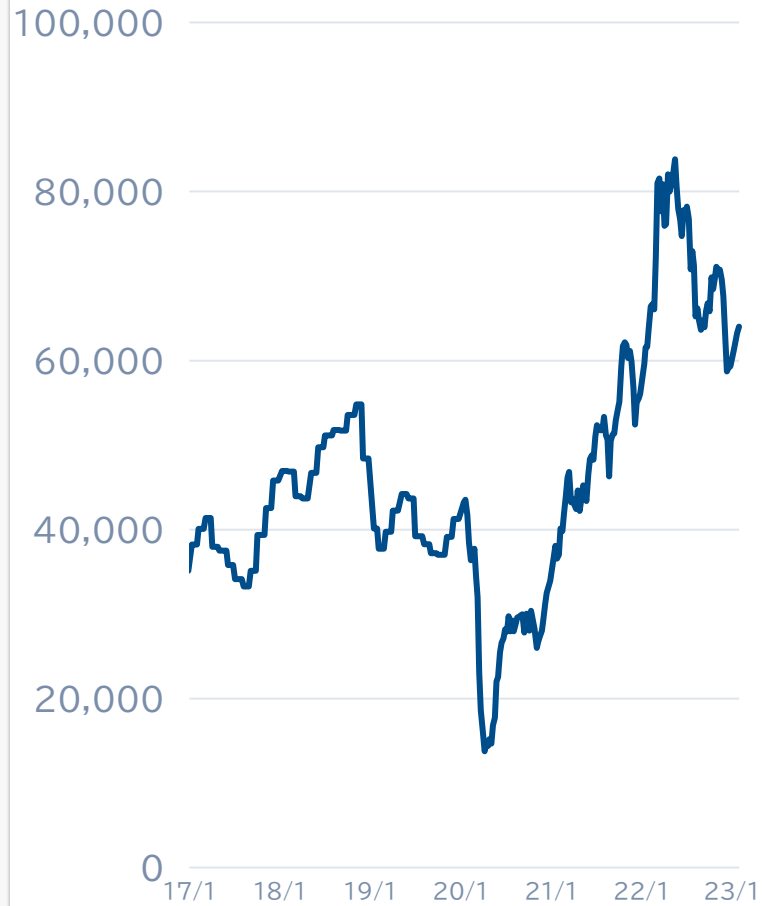
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# (Reference) Business conditions indicators

## Naphtha price

(yen/KL)



## Electricity rates

(yen/kWh)



## JPY/US\$

(yen)

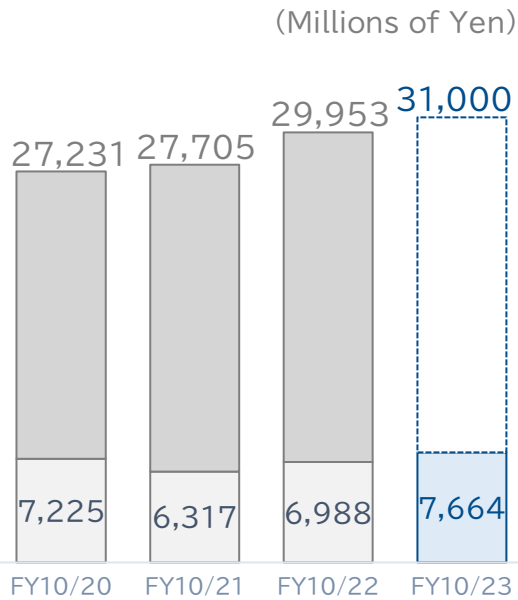


# Results highlights –All-company–

## Sales

¥ **7,664**mn

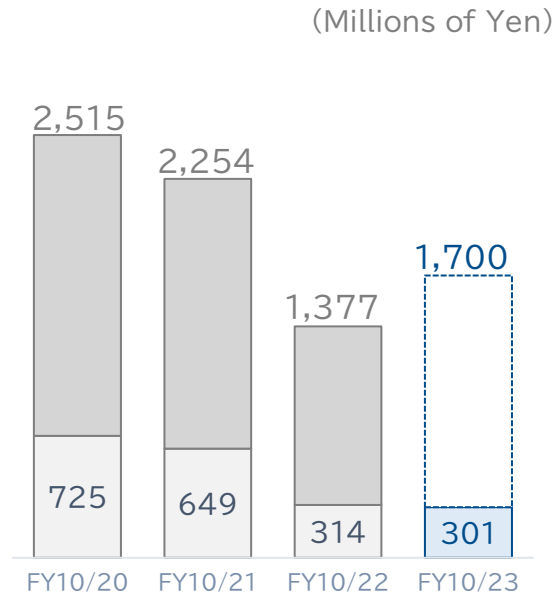
YoY **+9.7%**  
(+¥676mn)



## Operating Income

¥ **301**mn

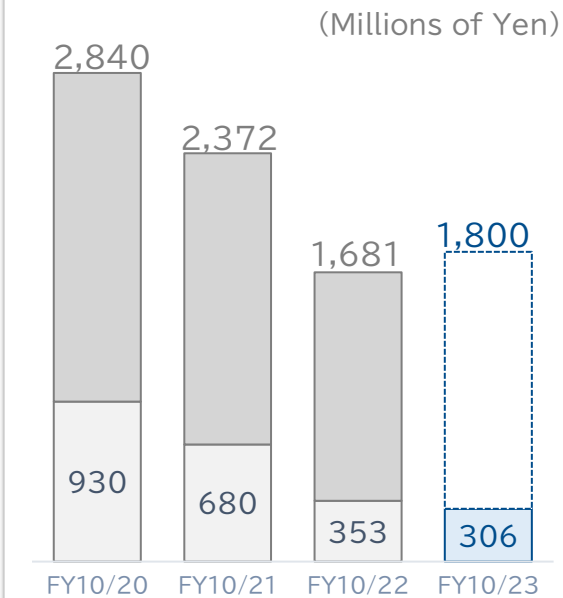
YoY **-4.2%**  
(-¥13mn)



## Ordinary Income

¥ **306**mn

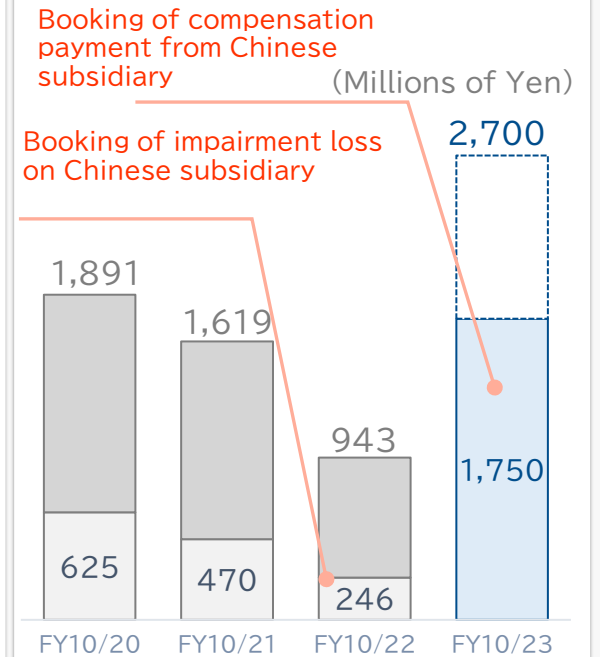
YoY **-13.3%**  
(-¥47mn)



## Net income attributable to owners of parent

¥ **1,750**mn

YoY **+610.9%**  
(+¥1,504mn)

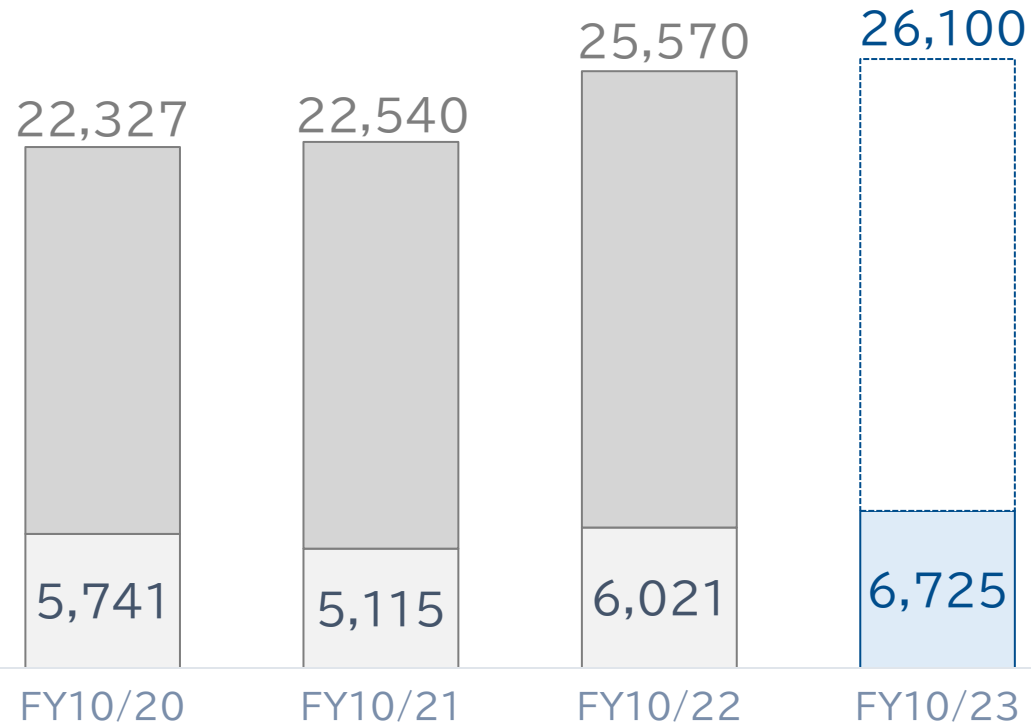


# Results highlights -Plastic-processed Products (PLS) segment-

## Sales

¥**6,725**mn YoY **+11.7%**  
(+¥703mn)

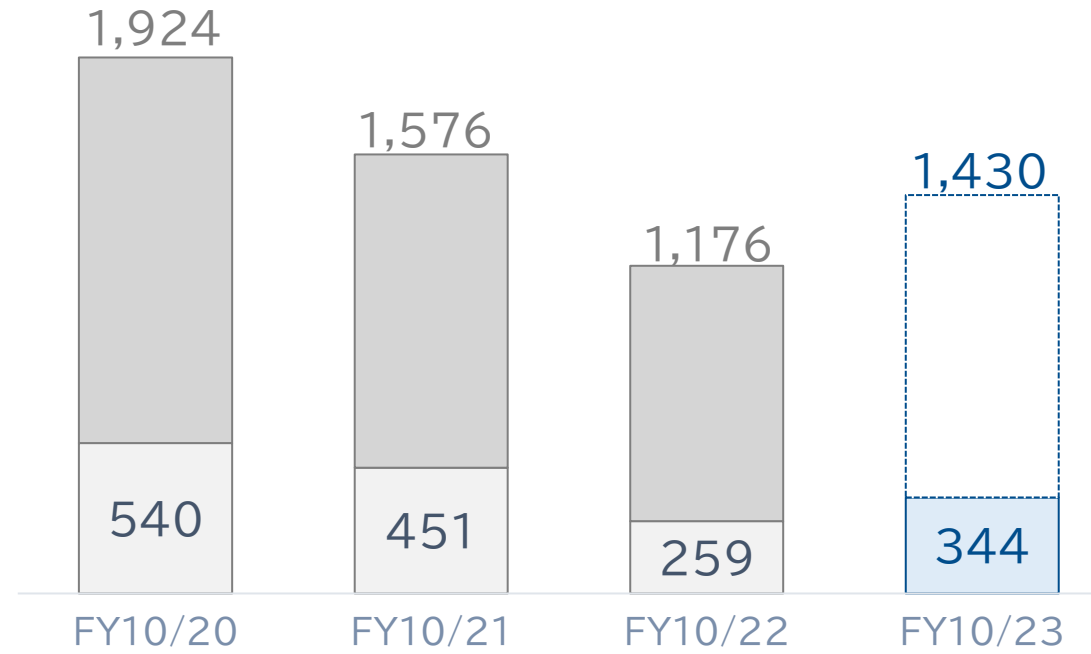
(Millions of Yen)



## Operating Income

¥**344**mn YoY **+33.1%**  
(+¥85mn)

(Millions of Yen)



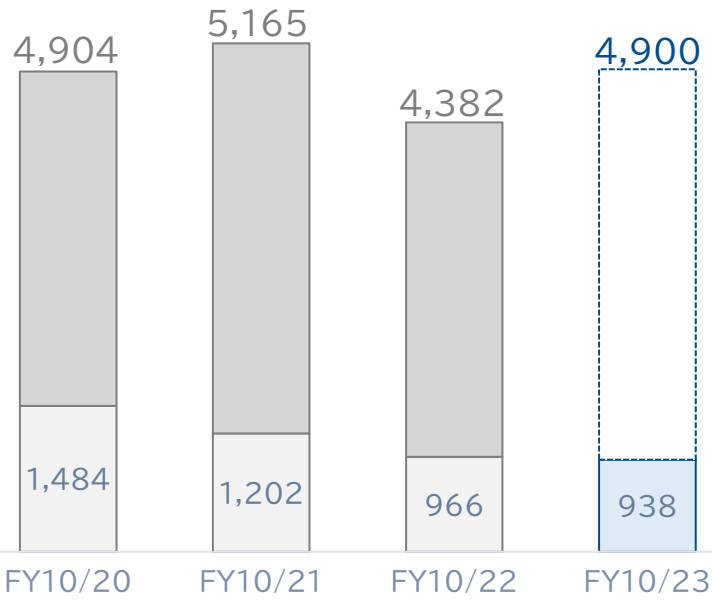
# Results highlights –Engineering (ENG) segment–

## Sales

¥ **938** mn

YoY **-2.9%**  
(-¥27mn)

(Millions of Yen)

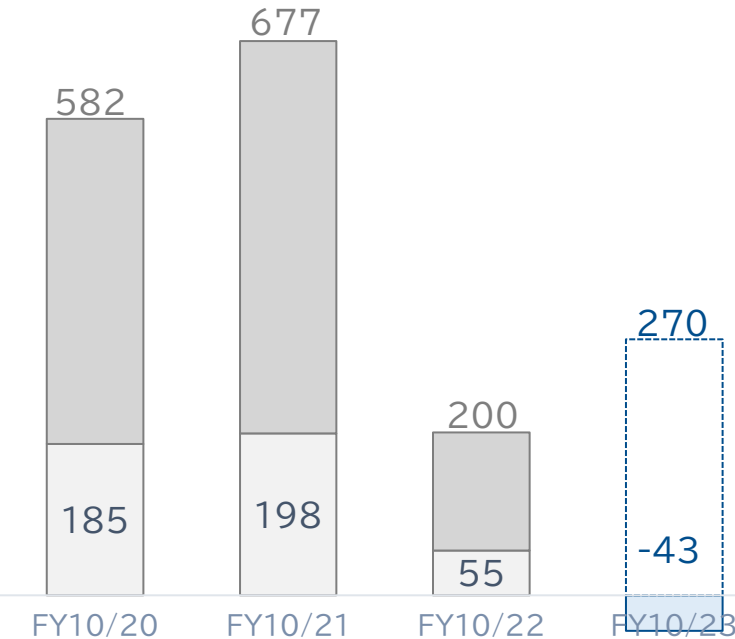


## Operating Income

-¥ **43** mn

FY10/22 **¥55mn**  
(-¥99m)

(Millions of Yen)



## Order Backlog

¥ **7,193** mn

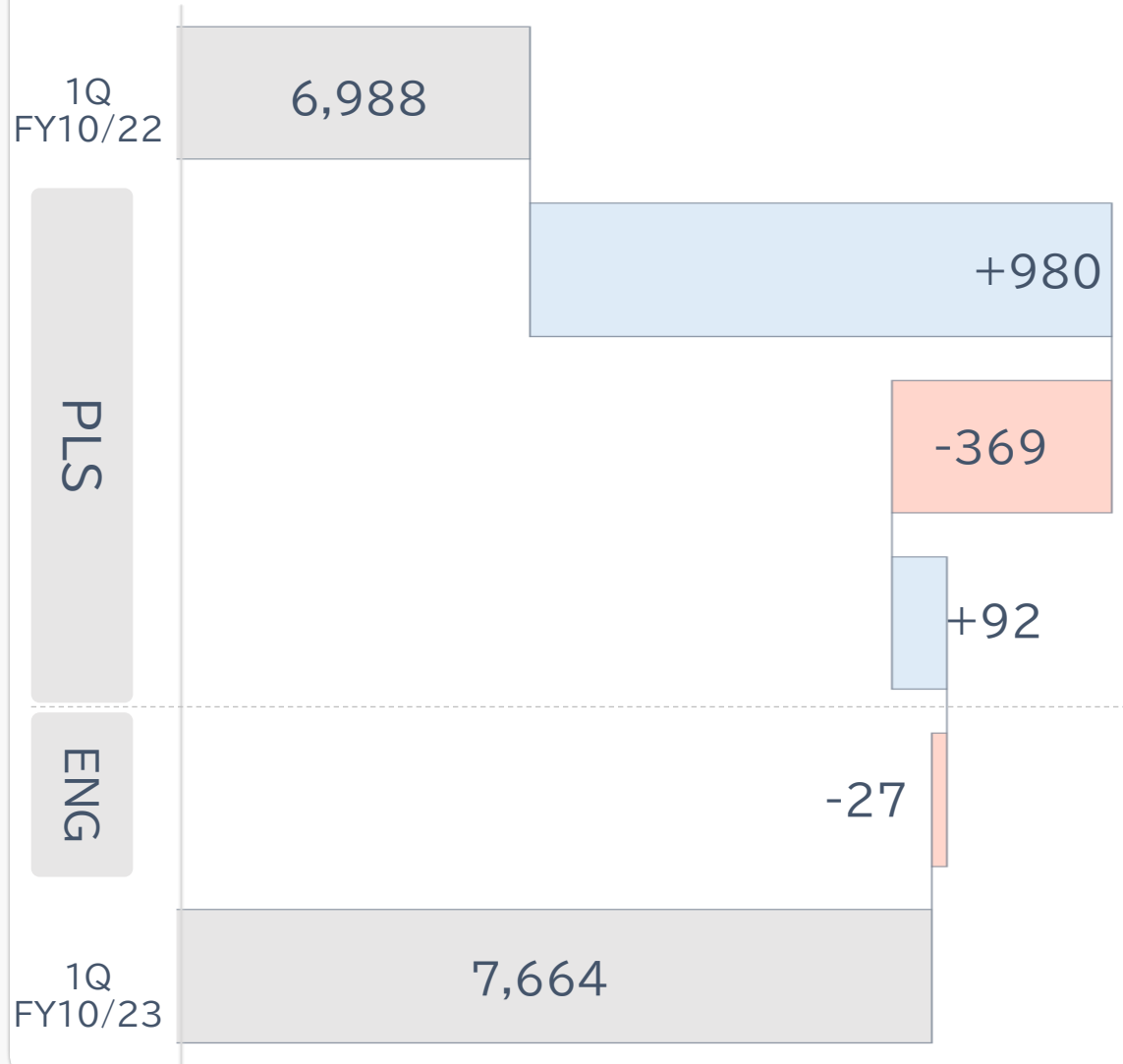
YoY **+63.7%**  
(+¥2,799mn)

(Millions of Yen)



# Consolidated sales analysis

(Millions of Yen)

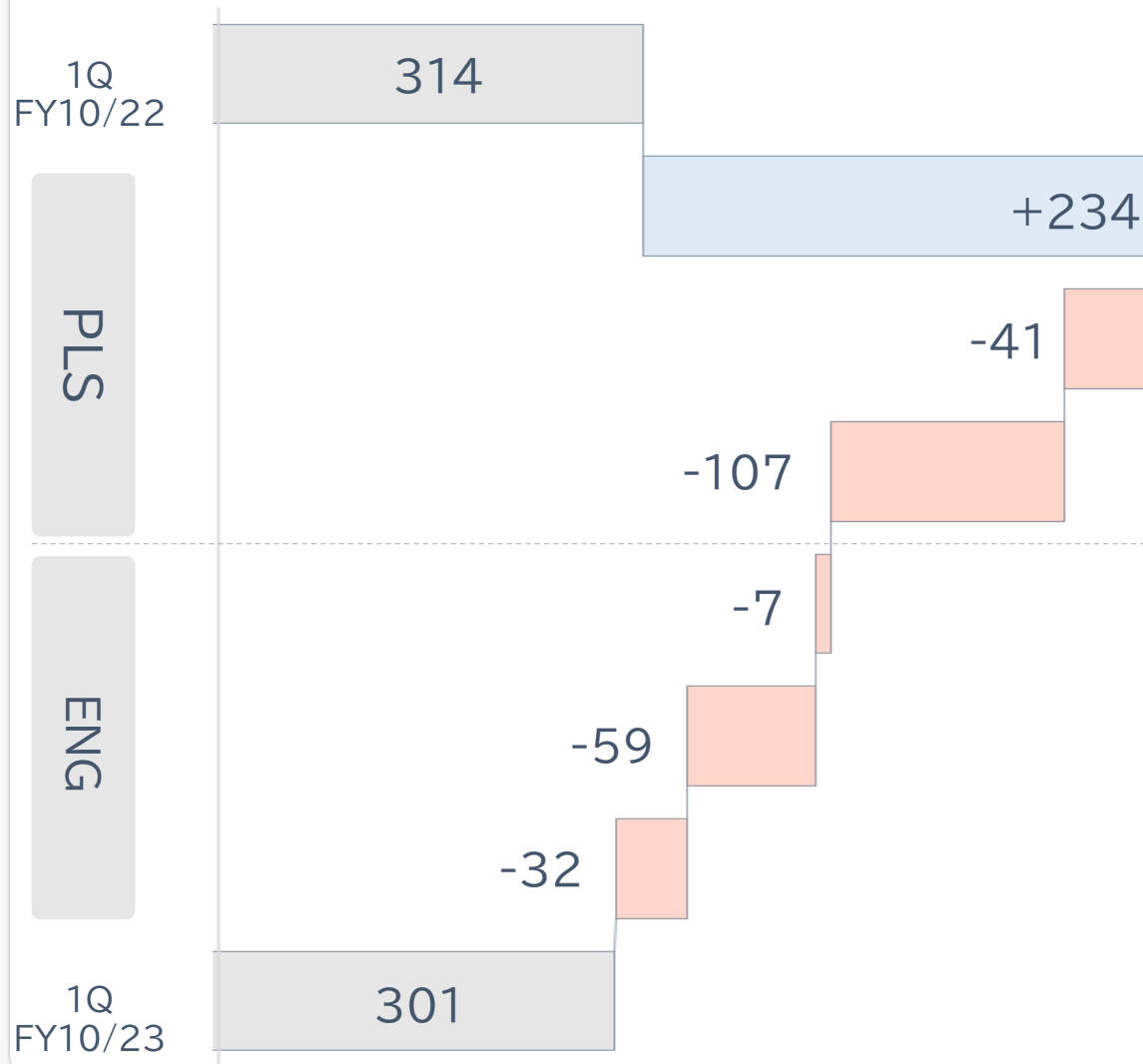


## Main factors for change

- ▶Sales prices raised: pass through of the impact of raw material prices and forex
- ▶Decline in sales volume: BarChip sales rise, but building sheet materials sales fall
- ▶Forex impact: sales increase from yen depreciation
- ▶Decline in sales in ENG segment

# Consolidated operating income analysis

(Millions of Yen)



## Main factors for change

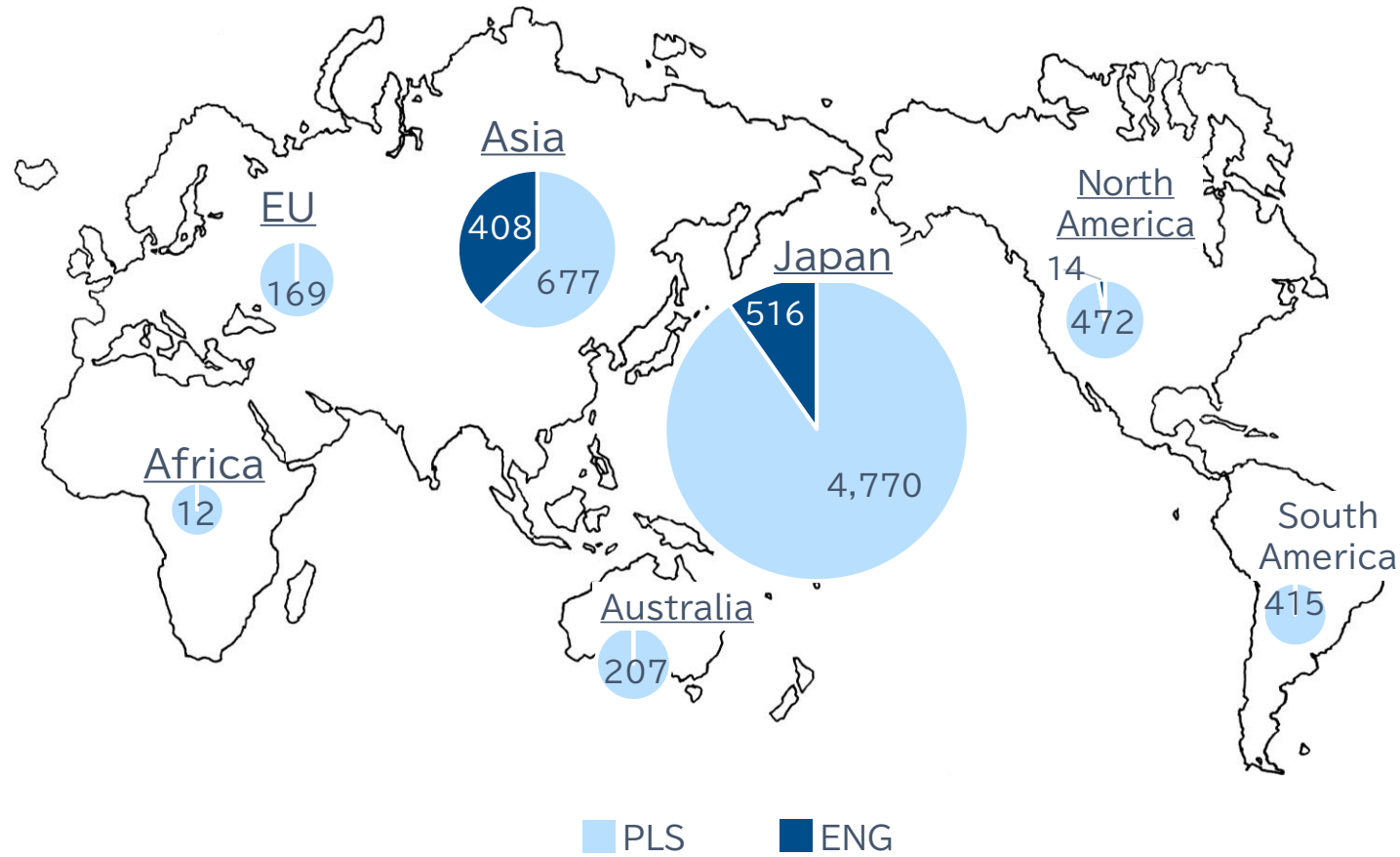
- ▶ Impact from rise in sales
- ▶ Impact of product price rises and higher costs from raw materials/electricity rates
- ▶ Impact of rise in SG&A
- ▶ Impact of decline in sales
- ▶ Impact of rise in procurement costs and poorer production efficiency
- ▶ Impact of rise in SG&A



# Sales by region/segment

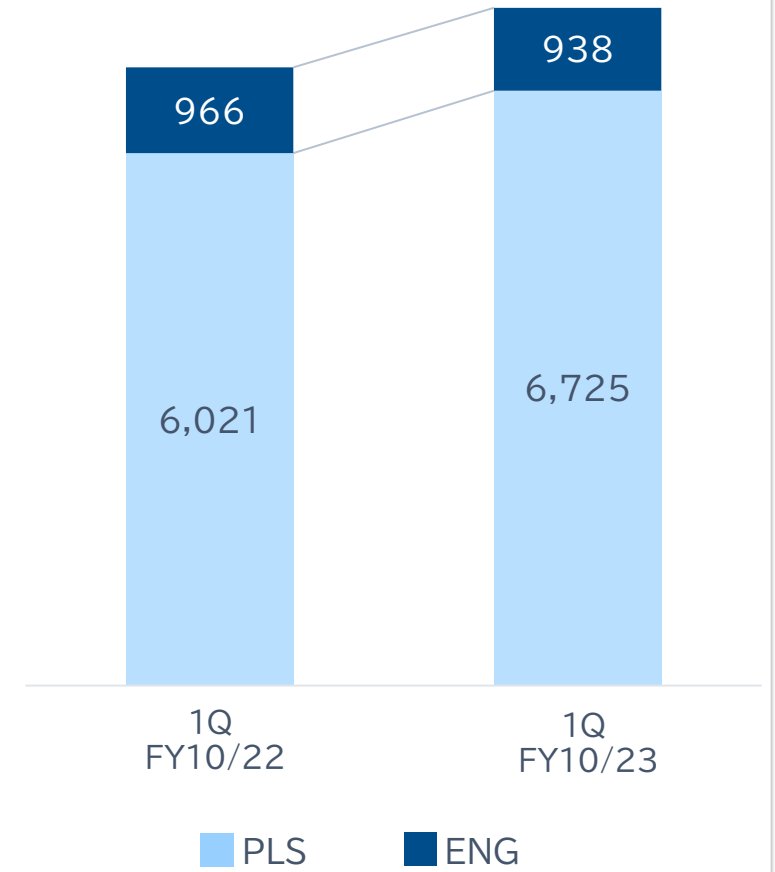
## Sales by region

(Millions of Yen)



## Sales by segment

(Millions of Yen)



# Overview of segments and subsidiaries

(Millions of Yen)

		1Q FY10/22		1Q FY10/23		YoY change	
		Sales	Operating income	Sales	Operating income	Sales	Operating income
P L S	Hagihara Industries	3,575	128	3,820	60	245	-68
	Japan Fabweld	93	3	104	7	11	4
	PT. HWI	1,248	52	1,213	24	-35	-28
	BarChip Asia	871	83	1,077	94	206	11
	Toyo Heisei Polymer	1,056	32	1,130	56	74	24
	<b>PLS Total</b>	<b>6,021</b>	<b>259</b>	<b>6,725</b>	<b>344</b>	<b>704</b>	<b>85</b>
E N G	Hagihara Industries	938	38	891	-17	-47	-55
	Hagihara Machinery (Shanghai)	152	0	222	19	70	19
	<b>ENG Total</b>	<b>966</b>	<b>55</b>	<b>938</b>	<b>-43</b>	<b>-28</b>	<b>-98</b>

# Consolidated balance sheet

## Assets

(Millions of Yen)

	End-FY10/22	End-1Q FY10/23
	38,447	38,685
Cash and cash equivalents	5,313	6,618
Sales receivables	8,574	8,076
Inventory, wholesale assets, etc.	8,318	8,077
Fixed assets, etc.	16,240	15,912
<b>Total asset turnover ratio</b>	<b>0.78x</b>	<b>0.79x</b>

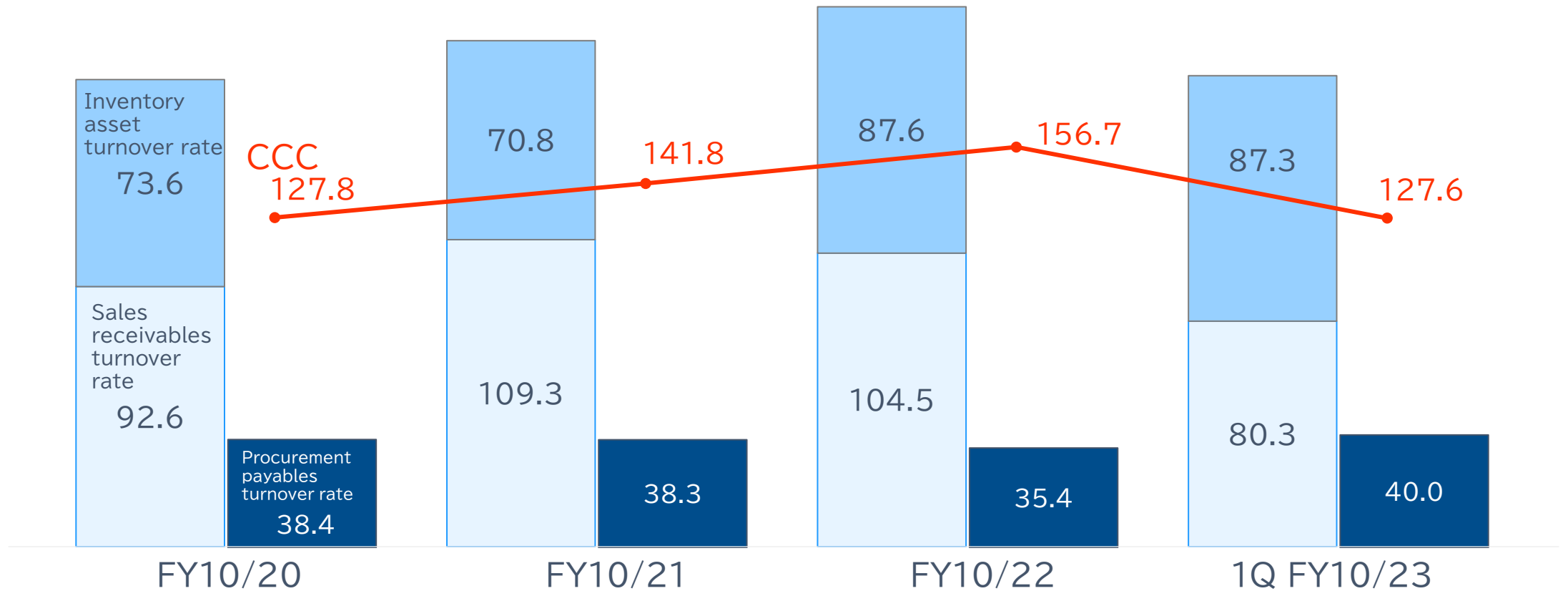
## Liabilities·Net assets

(Millions of Yen)

	End-FY10/22	End-1Q FY10/23
	38,447	38,685
Procurement payables	3,248	3,362
Interest-bearing debt	4,488	4,426
Other current liabilities	3,449	2,621
Other fixed liabilities, etc.	1,309	1,252
<b>Net assets</b>	<b>25,950</b>	<b>27,022</b>
<b>D/E ratio</b>	<b>0.2</b>	<b>0.2</b>
<b>Shareholders' equity ratio</b>	<b>67.4%</b>	<b>69.8%</b>

# CCC (cash conversion cycle)

(days)



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

# Financial performance indicators

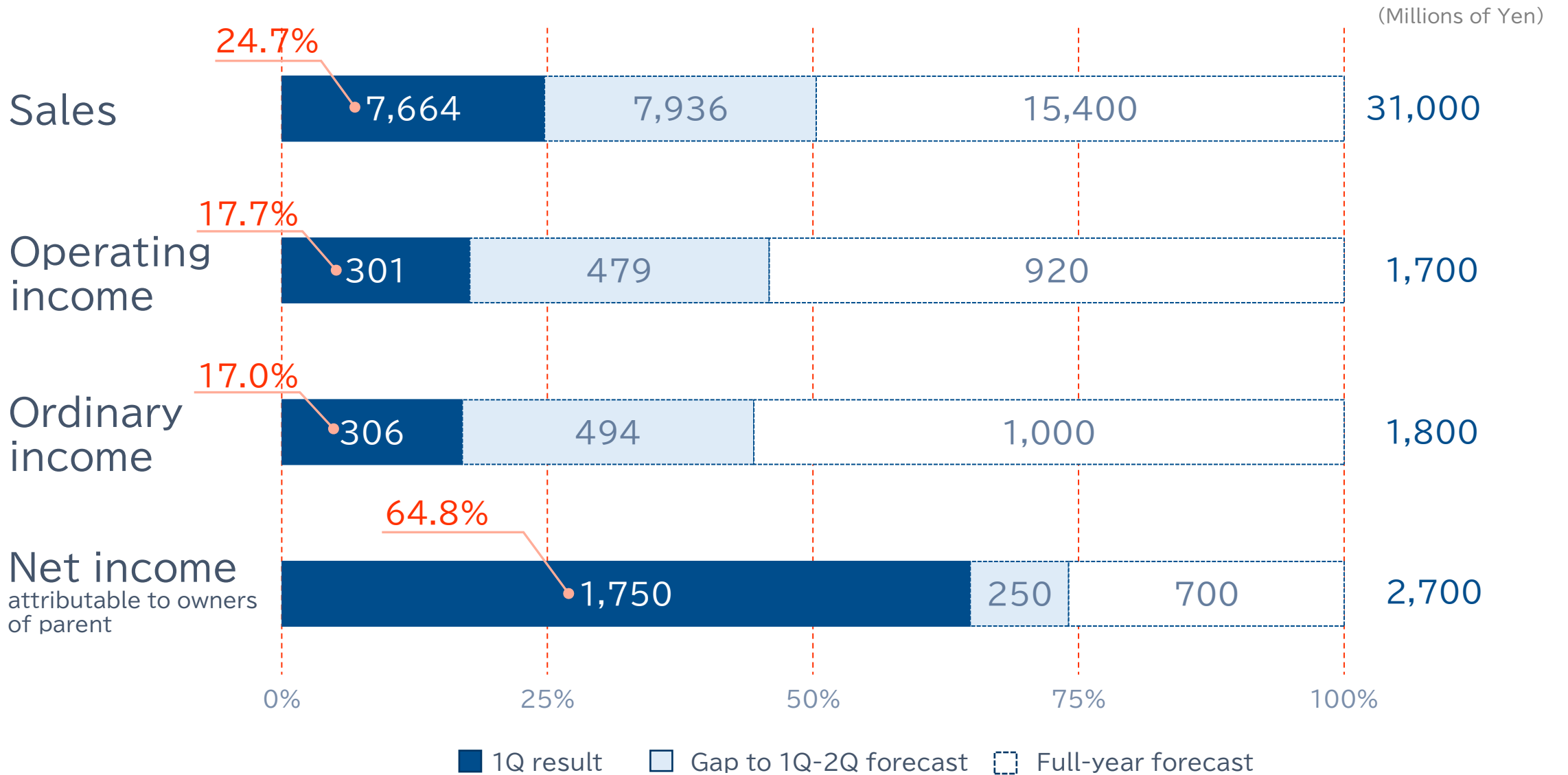
	FY10/20	FY10/21	FY10/22	1Q FY10/23*
ROE(%)	8.2	6.6	3.7	3.3
ROA(%)	5.8	4.8	2.6	2.3

\*Reference figures based on 4x net income excluding compensation from compulsory purchase of land booked in 1Q FY10/23.

# Main share price indicators

	End-FY10/20	End-FY10/21	End-FY10/22	End-1Q FY10/23
Share price (yen)	1,486	1,500	1,021	1,183
Dividend per share (yen)	36	36	36	50 (forecast)
Dividend payout ratio (%)	27.5	32.18	54.66	25.87 (forecast)
BPS(yen) *Net assets per share	1,625.54	1,744.15	1,856.11	1,931.81
PBR(%) *Price-book value ratio	0.91	0.86	0.55	0.61
Number of shareholders (people)	16,239	18,908	31,252	31,252 (as of end-FY10/22)

# Consolidated earnings forecasts



# SDG-related products



## Contributions to climate change adaptations



Domestically produced sheets/cloths

Adhesive tapes  
(Millions of Yen)

	FY10/21	FY10/22	FY10/23	
	Full year	Full year	1Q (result)	Full year forecast
Domestically produced sheets	1,957	2,238	660	2,026
Adhesive tape cloths	2,019	2,020	536	2,010
Climate change adaptations Total	3,977	4,259	1,196	4,037



## Contributions to work-style reform



Light clear mesh

BarChip  
(Millions of Yen)

	FY10/21	FY10/22	FY10/23	
	Full year	Full year	1Q (result)	Full year forecast
Flame retardant sheets and mesh sheets	933	963	230	997
BarChip	3,680	4,825	1,288	5,063
Work-style reform Total	4,613	5,789	1,519	6,061



# SDG-related products



## Contributions to a recycling-oriented society



Blue Sheet branded by eco-mark (uses 60% recycled materials)

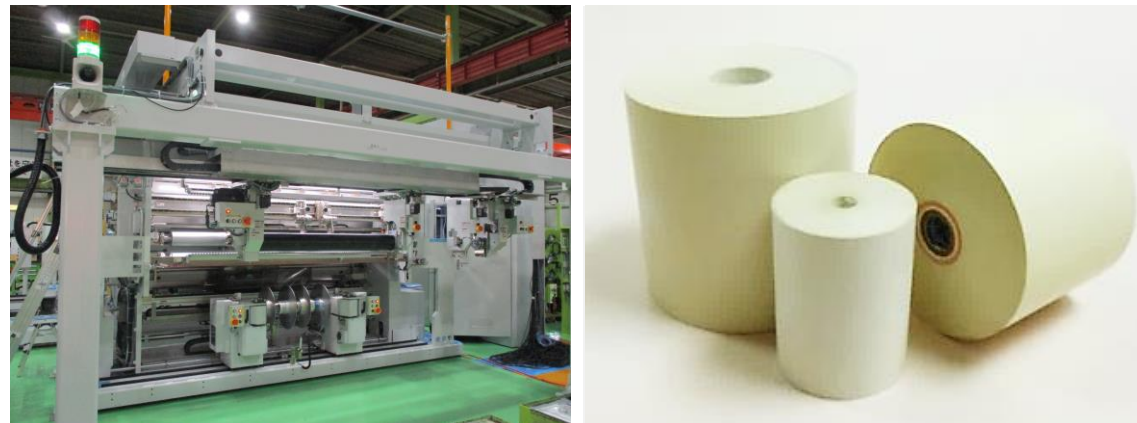
Screen changer

(Millions of Yen)

	FY10/21	FY10/22	FY10/23	
	Full year	Full year	1Q (result)	Full year forecast
Blue Sheet branded by eco-mark	47	76	62	303
Screen changer	594	930	178	727
Recycling machines	116	124	135	272
Recycling-oriented society Total	759	1,131	376	1,303



## Contributions to solutions for industry and technology innovations



Film slitter for electronic component manufacture

Slit materials

(Millions of Yen)

	FY10/21	FY10/22	FY10/23	
	Full year	Full year	1Q (result)	Full year forecast
Film slitters	3,413	2,862	547	3,278
Paper slitters	925	392	67	524
Solutions for industry and technology innovations Total	4,339	3,255	614	3,802



Source: [IHI Logistics & Machinery Corporation website](#)

## ■ Transfer of metal foil slitter technology

We have acquired metal foil slitter technology from IHI Logistics & Machinery Corporation. We believe this will enable us to apply our extensive know-how in slitter manufacturing to broaden our product lineup, thereby further expanding and strengthening the slitter business.

## ■ Control of Avian influenza

Our sheets were selected for use in controlling avian influenza based on their specific functionality and rapid availability under the Ministry of Agriculture, Forestry and Fisheries' epidemic control guidelines requiring incineration and disposal of all poultry at farms with outbreaks within 72 hours of epidemic measures being implemented.





# Topics

## ■ National High-School Calligraphy Performance Grand Prix

Our Tarpee UV Sheet #4000 Silver was used as a covering material in the performance arena. It was spread out as a floor covering to host the vibrant performances of the 12 schools that won the regional qualifiers.



写真提供: 全国高等学校書道パフォーマンスグランプリ事務局

Photo: National High-School Calligraphy Performance Grand Prix Organizing Committee Office



## ■ Launch of new Laysys® product with Earth Corporation

A new product launched by Earth Corporation, “Earth Screen Door Window Sash-Use 4-Month Insect Repellent Tape,” uses our Laysys® material. This is a tape product that offers insect repelling properties just by attachment to a screen door window sash.

## 【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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