

Results briefing materials

1Q FY10/24 results

(Nov 1, 2023 - Jan 31, 2024)

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

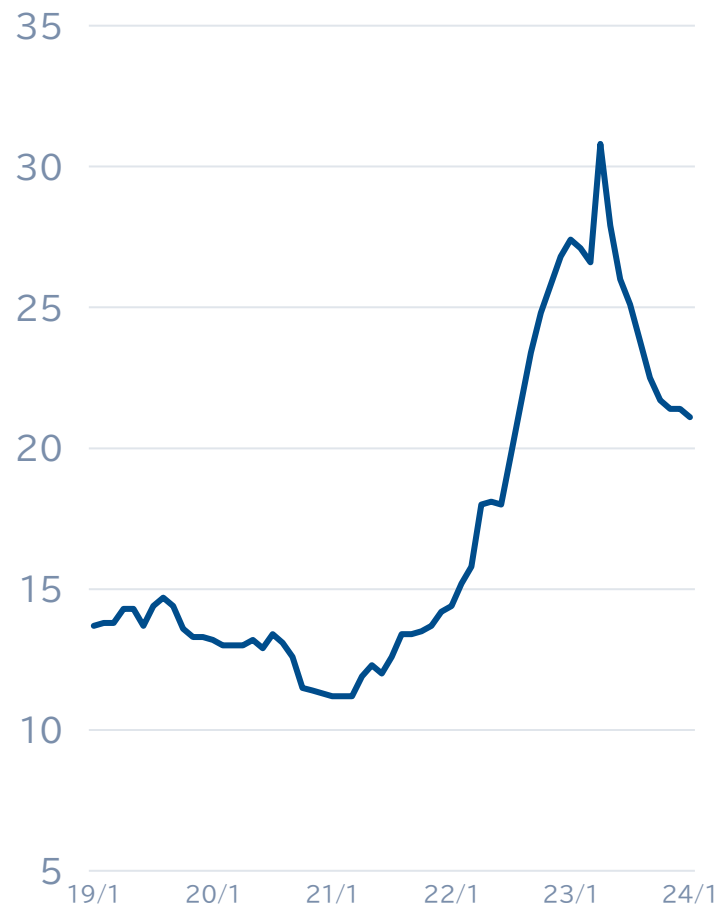
Naphtha price

(yen/KL)



Electricity rates

(yen/kWh)



JPY/US\$

(yen)



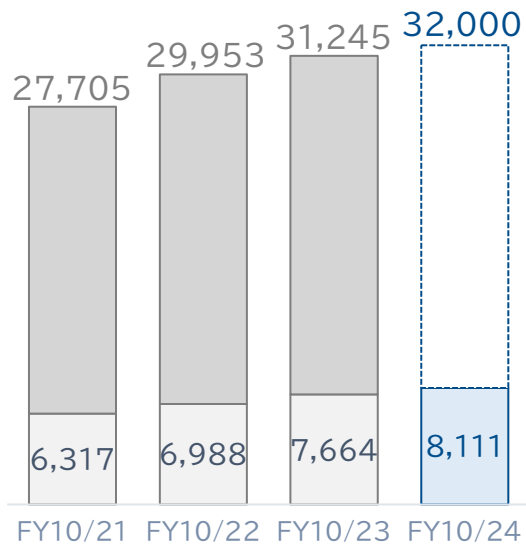
Results highlights –All Company–

Sales

¥**8,111**mn

YoY **+5.8%**
(+¥447mn)

(Millions of Yen)

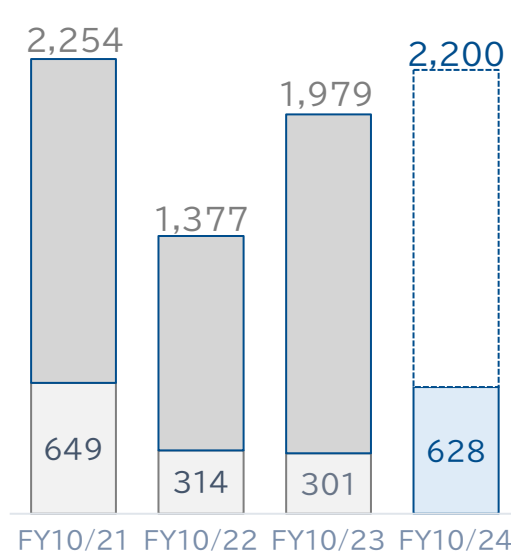


Operating Income

¥**628**mn

YoY **+108.5%**
(+¥327mn)

(Millions of Yen)

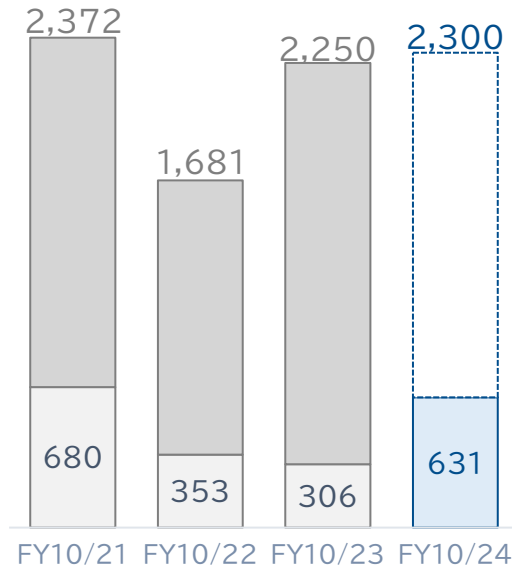


Ordinary Income

¥**631**mn

YoY **+105.9%**
(+¥324mn)

(Millions of Yen)

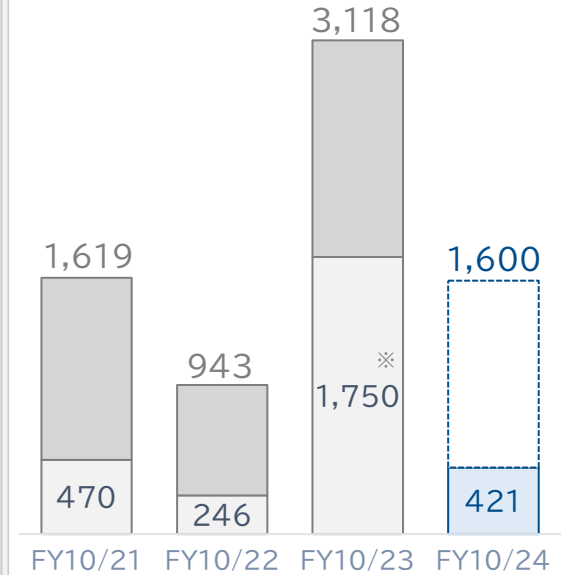


Quarterly net income attributable to owners of parent

¥**421**mn

YoY **-75.9%**
(-¥1,329mn)

(Millions of Yen)



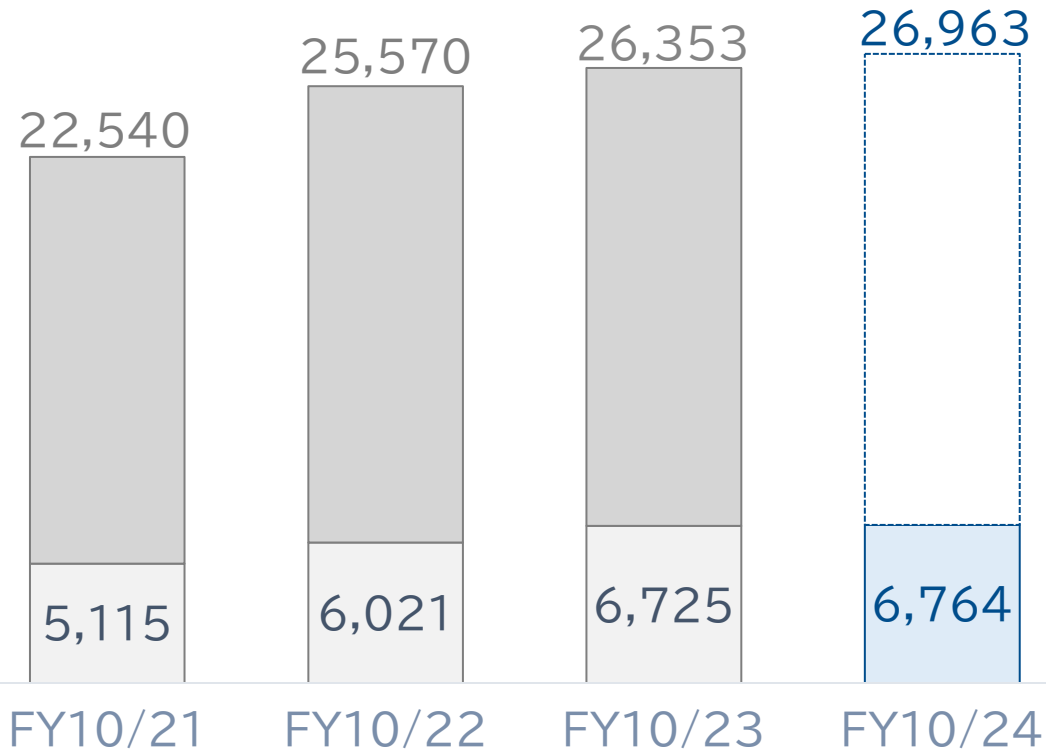
※Booking of compensation payment related to Chinese subsidiary as extraordinary profit

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

Sales

¥**6,764**mn YoY **+0.6%**
(+¥39mn)

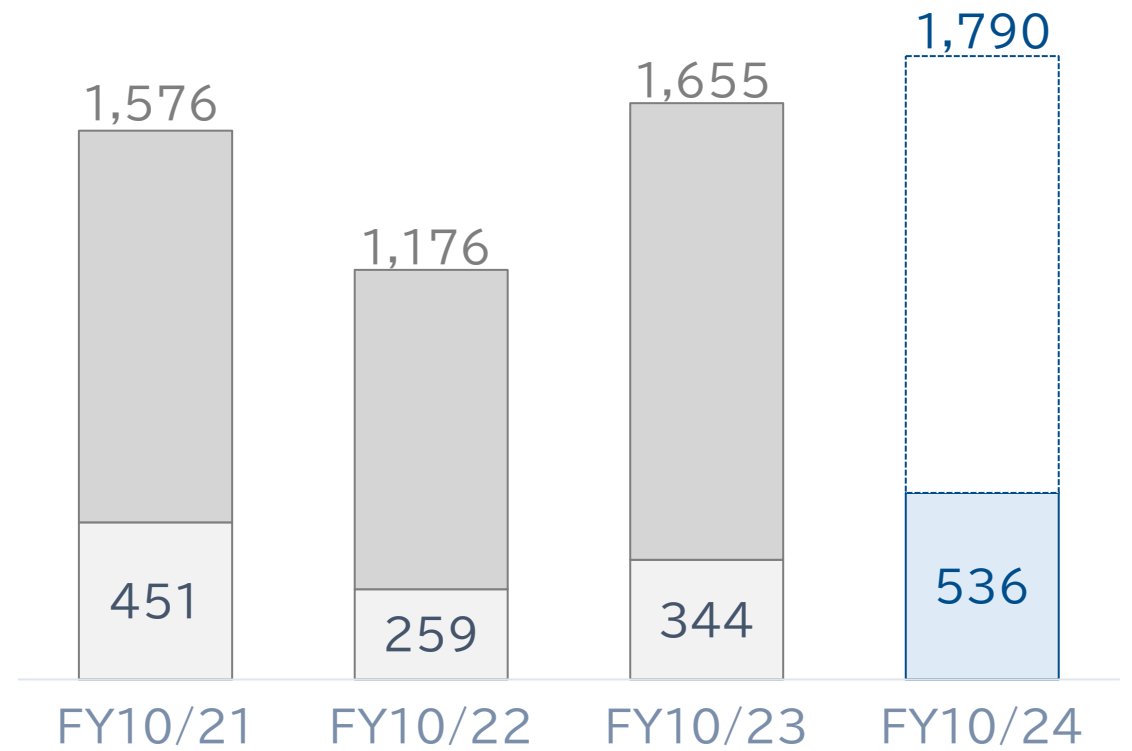
(Millions of Yen)



Operating Income

¥**536**mn YoY **+55.4%**
(+¥191mn)

(Millions of Yen)



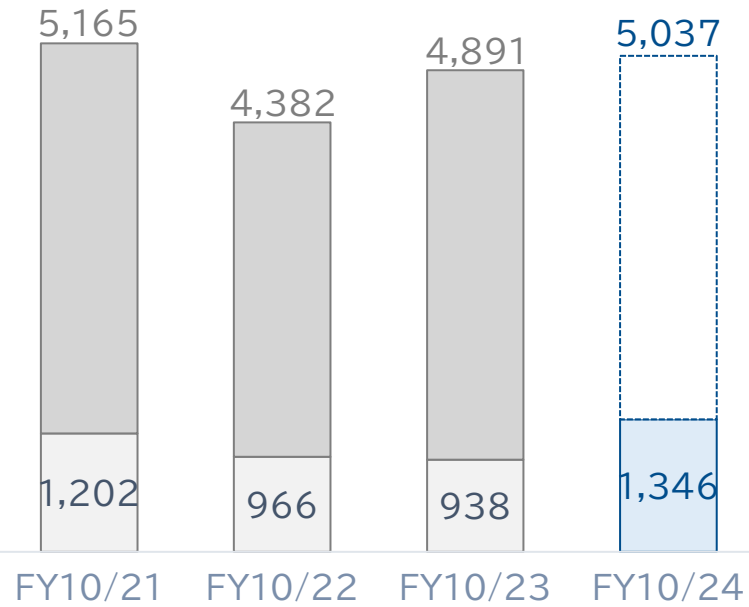
Results highlights –Engineering (ENG) segment–

Sales

¥ **1,346** mn

YoY **+43.5%**
(+¥407mn)

(Millions of Yen)

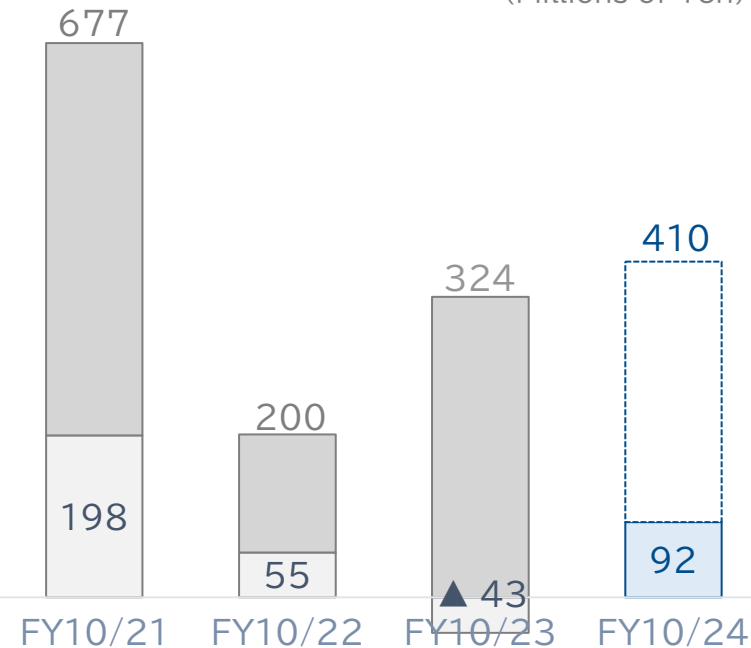


Operating Income

¥ **92** mn

YoY **- ¥43mn**
(+¥136mn)

(Millions of Yen)

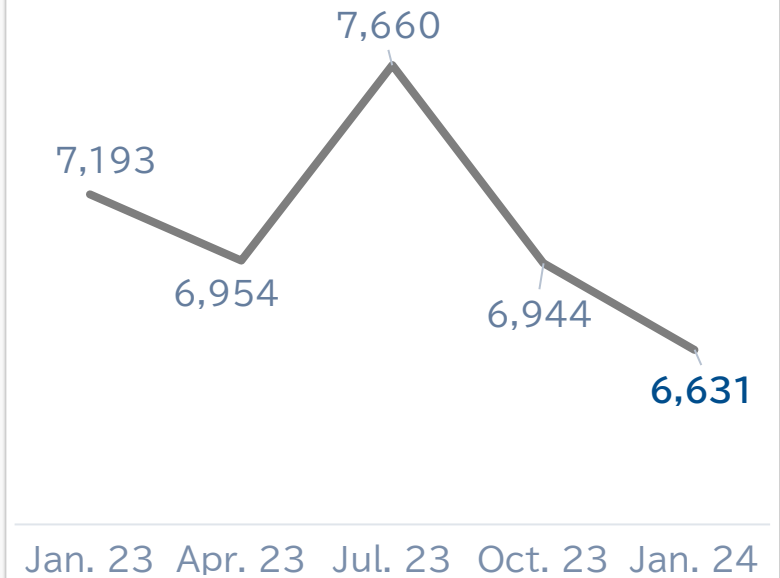


Order Backlog

¥ **6,631** mn

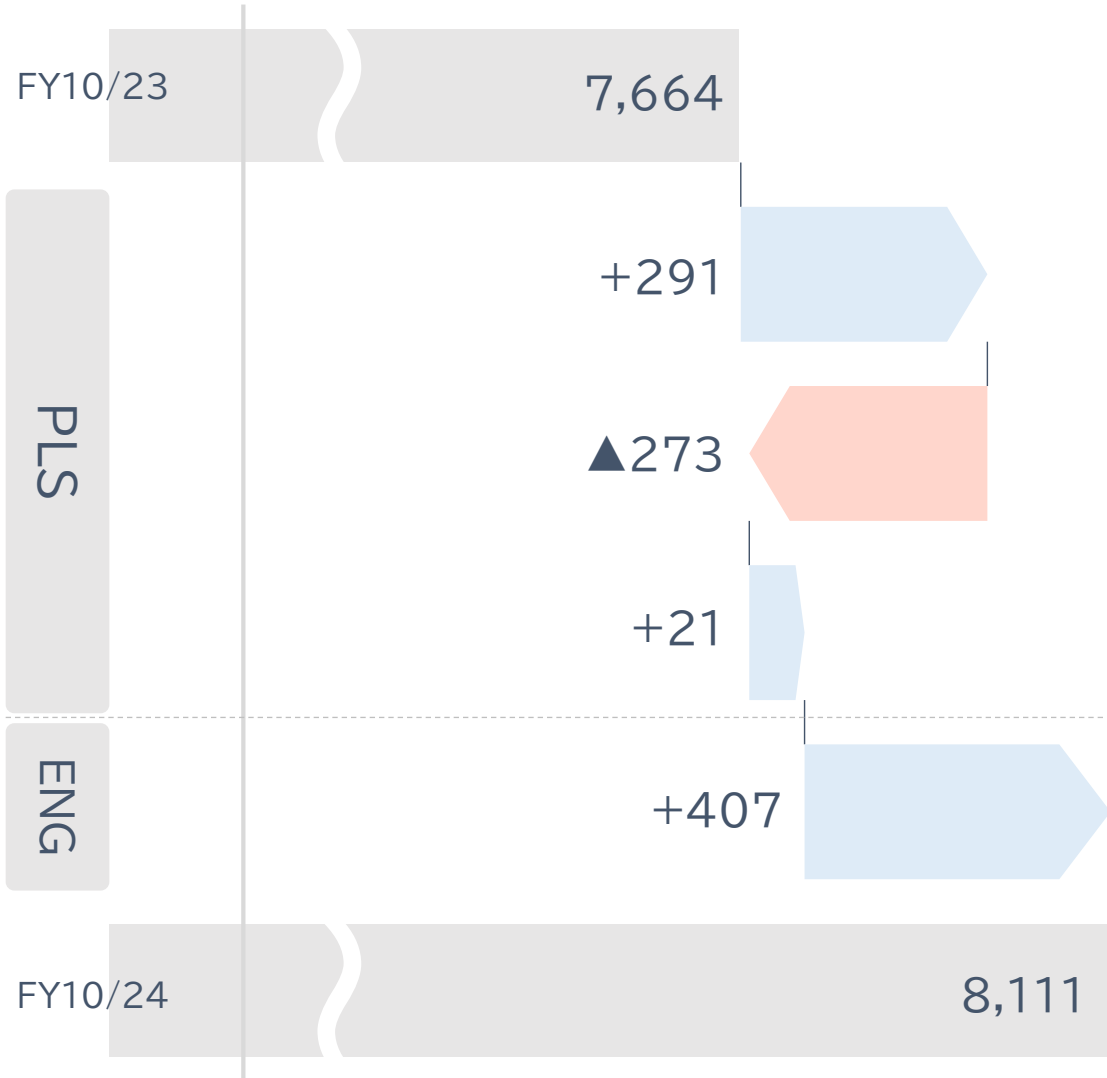
YoY **-7.8%**
(-¥562mn)

(Millions of Yen)



Consolidated sales analysis

(Millions of Yen)

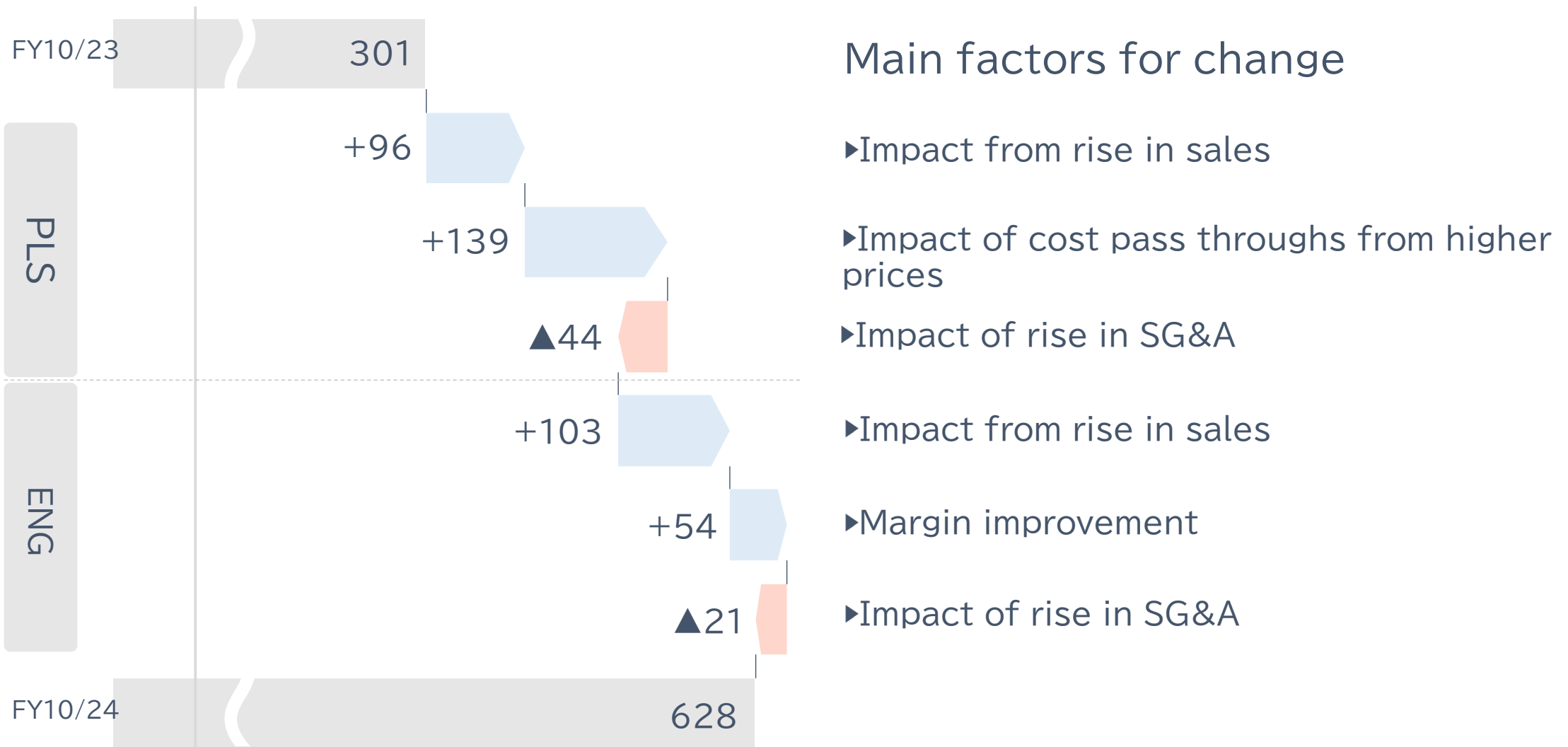


Main factors for change

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

Consolidated operating income analysis

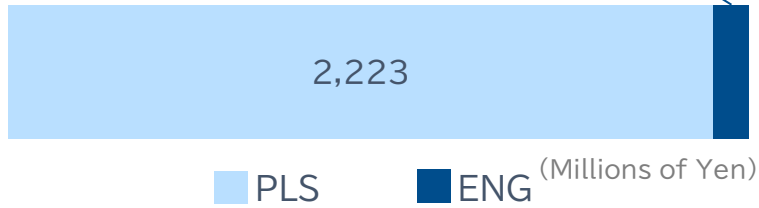
(Millions of Yen)



Sales by region/segment

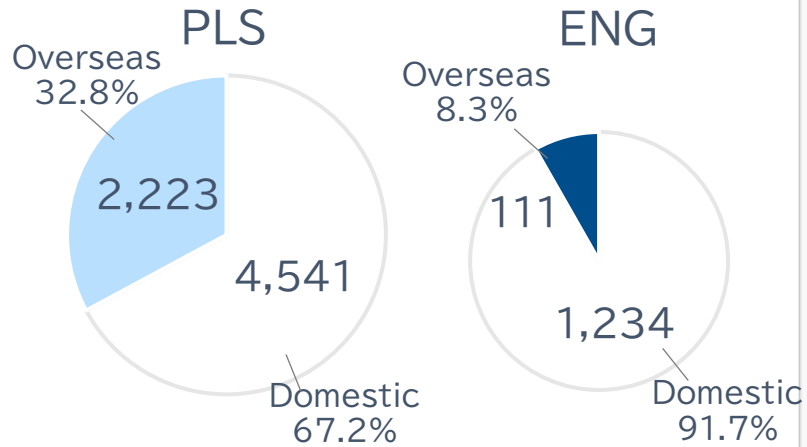
Overseas sales

All-company ¥2,335mn ¹¹¹



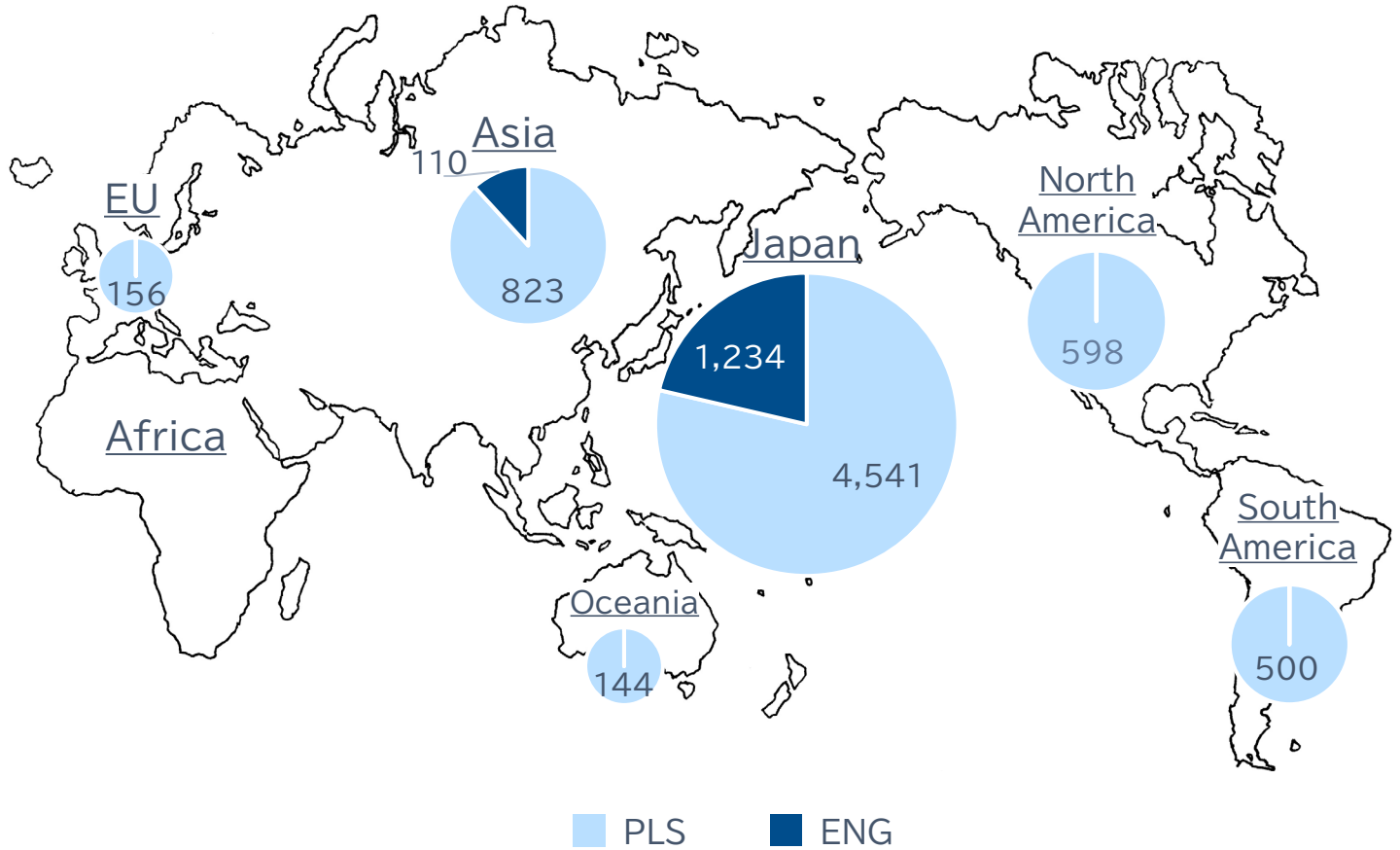
Overseas sales weighting

All-company 28.8% (Millions of Yen)



Sales by region

(Millions of Yen)



Overview of segments and subsidiaries

(Millions of Yen)

	FY10/23		FY10/24		YoY change	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Hagihara Industries	3,820	60	3,788	152	-32	92
Japan Fabweld	104	7	95	-55	-9	-62
PT. HWI	1,213	24	1,148	50	-65	26
BarChip Group	1,077	94	1,212	88	135	-6
BarChip	576	267	558	278	-18	11
Toyo Heisei Polymer	1,130	56	1,081	56	-49	0
PLS Total	6,725	344	6,764	536	39	192
Hagihara Industries	891	-17	1,283	82	392	99
Hagihara Machinery (Shanghai)	222	19	152	4	-70	-15
ENG Total	938	-43	1,346	92	408	135

Consolidated balance sheet

Assets

(Millions of Yen)

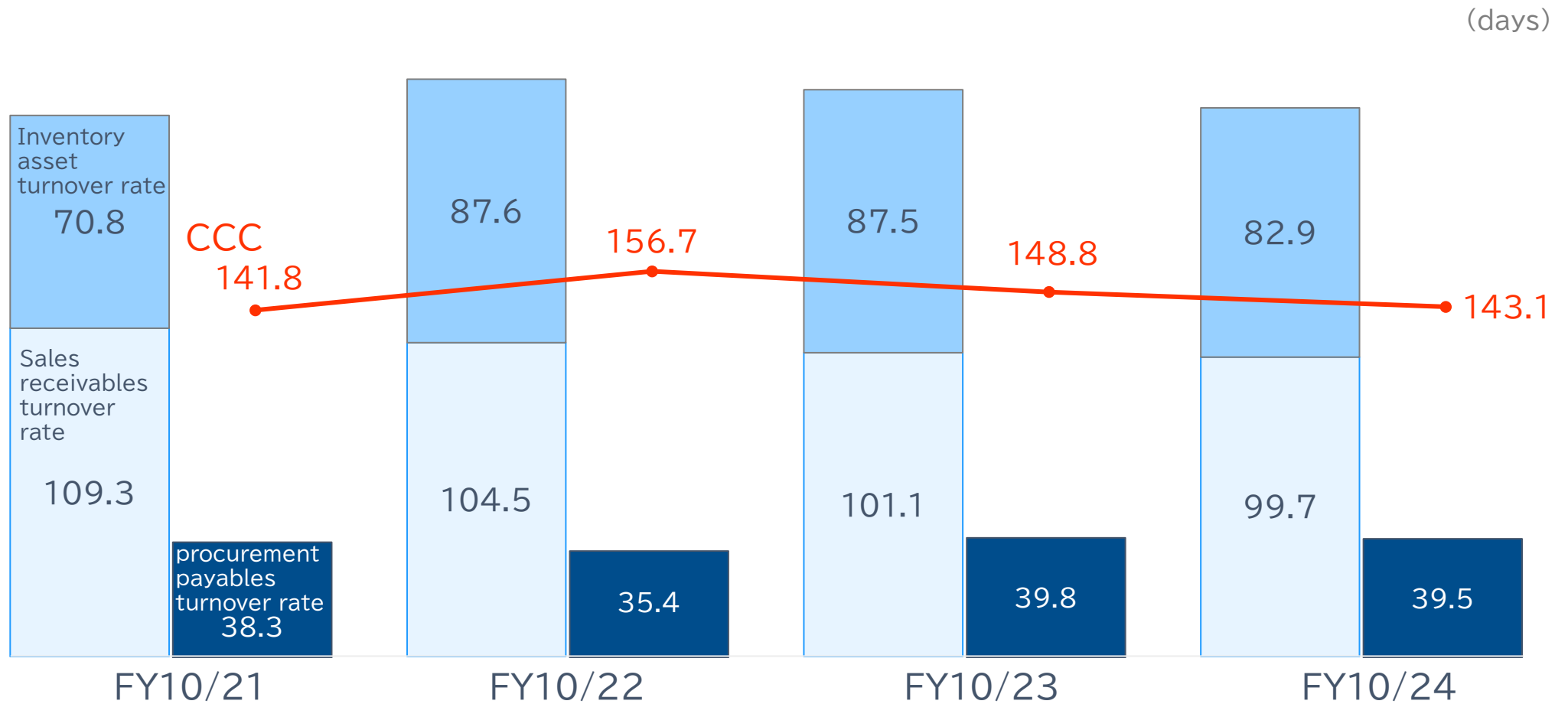
	23/10	24/1
	42,432	42,206
Cash and cash equivalents	6,138	5,228
Sales receivables	8,653	8,861
Inventory, wholesale assets, etc.	8,682	8,588
Fixed assets, etc.	18,957	19,529
	23/10	24/1
Total asset turnover ratio	0.74x	0.77x

Liabilities·Net assets

(Millions of Yen)

	23/10	24/1
	42,432	42,206
Procurement payables	3,408	3,511
Interest-bearing debt	6,689	6,428
Other current liabilities	3,446	3,561
Other fixed liabilities, etc.	985	976
Net assets	27,901	27,729
	23/10	24/1
D/E ratio (Debt/Shareholders' Equity)	0.5	0.5
Shareholders' equity ratio	65.6%	65.5%

CCC (cash conversion cycle)



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

Financial performance indicators

	FY10/21	FY10/22	FY10/23	FY10/24
ROE(%)	6.6	3.7	11.6	6.1
ROA(%)	4.8	2.6	7.7	4.0

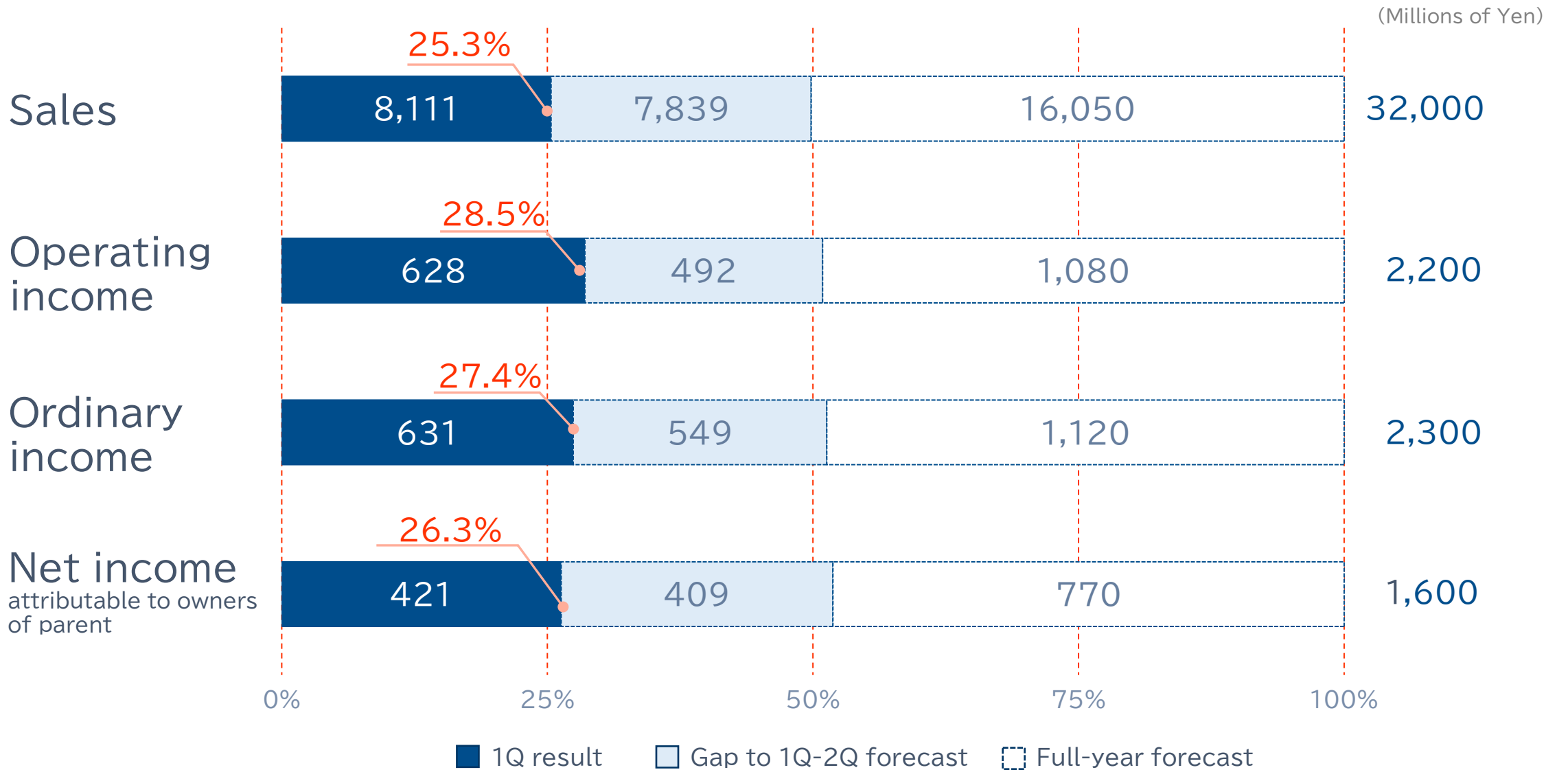
Main share price indicators

	End-FY10/21	End-FY10/22	End-FY10/23	End-FY10/24
Share price (yen)	1,500	1,021	1,605	1,538
Dividend per share (yen)	36	36	50	50 ※1
Dividend payout ratio (%)	32.2	54.7	22.4	42.9 ※1
BPS(yen) *Net assets per share	1,744.15	1,856.11	2,028.93	2,015.36 ※2
PBR(%) *Price-book value ratio	0.86	0.55	0.79	0.76
Number of shareholders (people)	18,908	31,252	33,074	33,074 ※2

※1 Forecast

※2 As of end-FY10/23

Consolidated earnings forecasts



Sales by product type

(Millions of Yen)

Product type	Main product/ application	FY10/21	FY10/22	FY10/23	FY10/24	
		Full year	Full year	Full year	1Q (result)	Full year forecast
PLS	Sheets,construction materials	5,421	5,804	5,935	1,449	5,771
	Industrial materials	6,595	7,538	6,635	1,677	7,267
	Synthetic fiber for concrete reinforcement (BarChip)	3,680	4,825	5,289	1,449	5,924
	Lifestyle materials	5,890	6,433	7,565	2,010	7,164
	Others	951	967	927	177	833
Total		22,540	25,570	26,353	6,764	26,963

Sales by product type

(Millions of Yen)

Product type		Main product/ application	FY10/21	FY10/22	FY10/23	FY10/24	
			Full year	Full year	Full year	1Q (result)	Full year forecast
ENG	Paper slitters	Electrical materials (insulation), Electronic component wrapping	925	392	519	17	1,004
	Film slitters	Soft packaging materials, optical materials, battery materials	3,413	2,862	3,109	669	2,692
	Screen changers, recycling machines	PET bottle recycling	711	1,055	1,021	649	1,145
	Others	Winders, etc.	115	71	241	9	195
Total			5,165	4,382	4,891	1,346	5,037

■ Absorption of Japan Fabweld Co., Ltd.

On April 1 2024, we absorbed our wholly owned sheet processing subsidiary Japan Fabweld Co., Ltd. In conjunction with the startup of the Kasaoka Factory and the installation of new types of printing machinery, we aim to further monetize and increase value added in the sheet processing and printing business.



■ Use of large insulating sheet at the Nanma Dam

Our large insulating sheet was used in curing the concrete of the surface shielding membrane at the Nanma Dam (Tochigi Prefecture). This made possible concrete construction work even during difficult cold periods, contributing to reduction in construction time and costs.

■ Dispatch of sheet to disaster-affected areas

“Roofing tile repair sheets” were created by the expertise of the Japan Association of Pro-Craftsmen for Disaster Recovery, an organization of volunteers assisting in disaster recovery. They allow stable attachment to roofs using a pocket through which timber can be threaded. Enabling the safe and rapid emergency repair of roofs in disaster-affected areas, these highly durable sheets have been used in areas impacted by the Noto Peninsula Earthquake.



BASC

Battery Association for Supply Chain

■ Joining the Battery Association for Supply Chain

Hagihara Industries has joined the Battery Association for Supply Chain (BASC), a body which aims to increase the international competitiveness of the Japanese battery supply chain. We supply numerous products used in the manufacture of battery materials, including slitters and rewinders for slicing and winding various types of films and metal foils, and we have joined BASC with a view to promoting technological development and strengthening further in this promising growth area.

【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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