

# Results briefing materials

3Q FY10/24 results

(Nov 1, 2023 - Jul 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

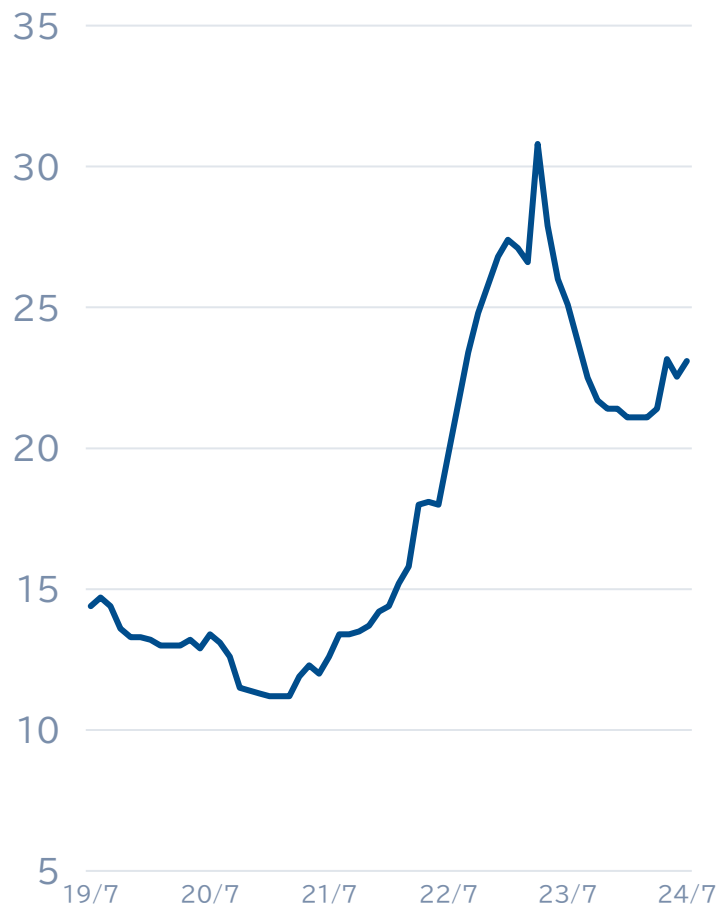
## Naphtha price

(yen/KL)



## Electricity rates

(yen/kWh)



## JPY/US\$

(yen)



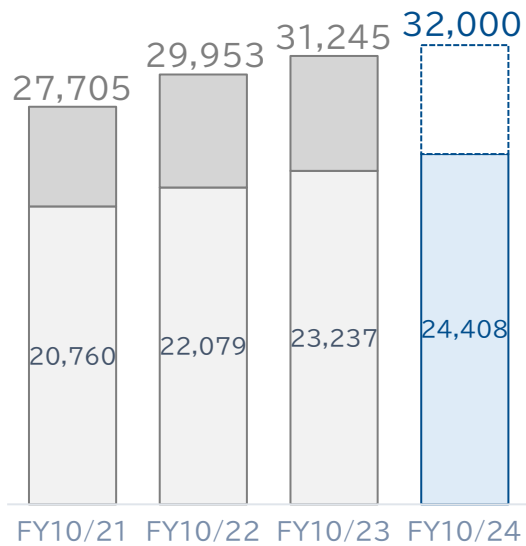
# Results highlights –All Company–

## Sales

¥ **24,408** mn

YoY **+5.0%**  
(+¥1,171mn)

(Millions of Yen)

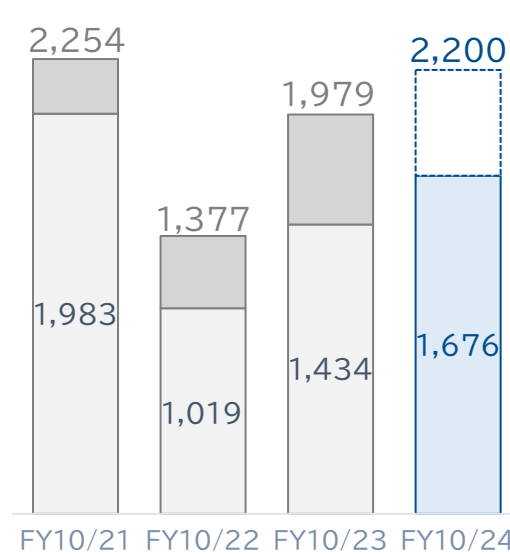


## Operating Income

¥ **1,676** mn

YoY **+16.9%**  
(+¥242mn)

(Millions of Yen)

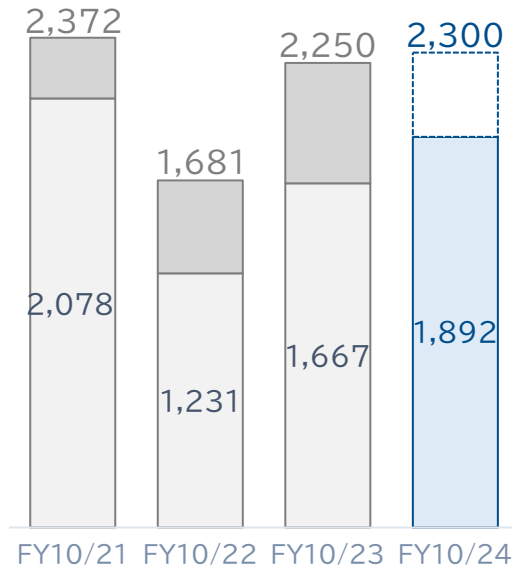


## Ordinary Income

¥ **1,892** mn

YoY **+13.5%**  
(+¥225mn)

(Millions of Yen)

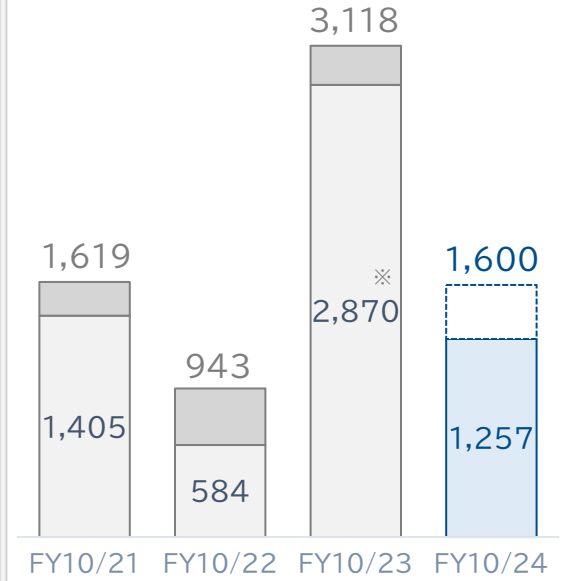


## Quarterly net income attributable to owners of parent

¥ **1,257** mn

YoY **-56.2%**  
(-¥1,613mn)

(Millions of Yen)



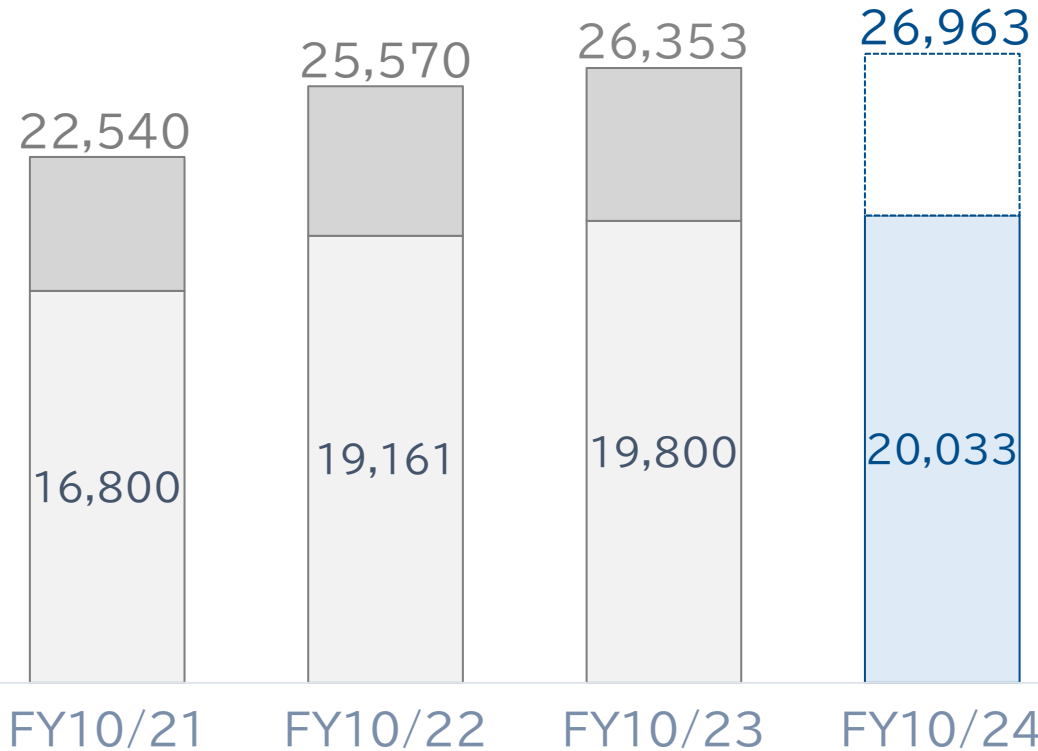
※Booking of compensation payment related to Chinese subsidiary as extraordinary profit

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

## Sales

¥**20,033**mn YoY **+1.2%**  
(+¥232mn)

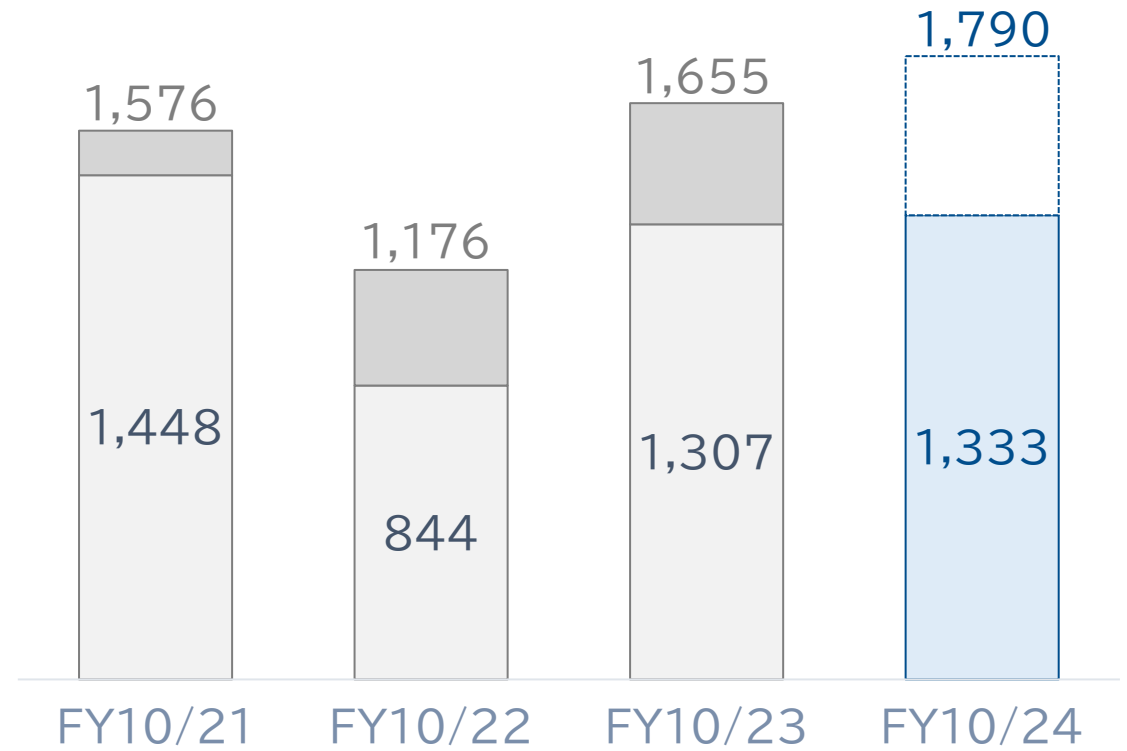
(Millions of Yen)



## Operating Income

¥**1,333**mn YoY **+2.0%**  
(+¥25mn)

(Millions of Yen)



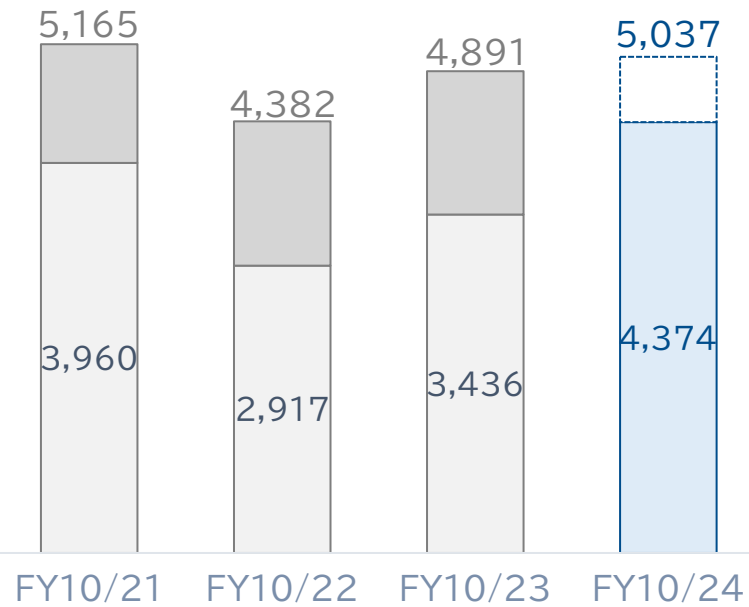
# Results highlights –Engineering (ENG) segment–

## Sales

¥**4,374**mn

YoY **+27.3%**  
(+¥938mn)

(Millions of Yen)

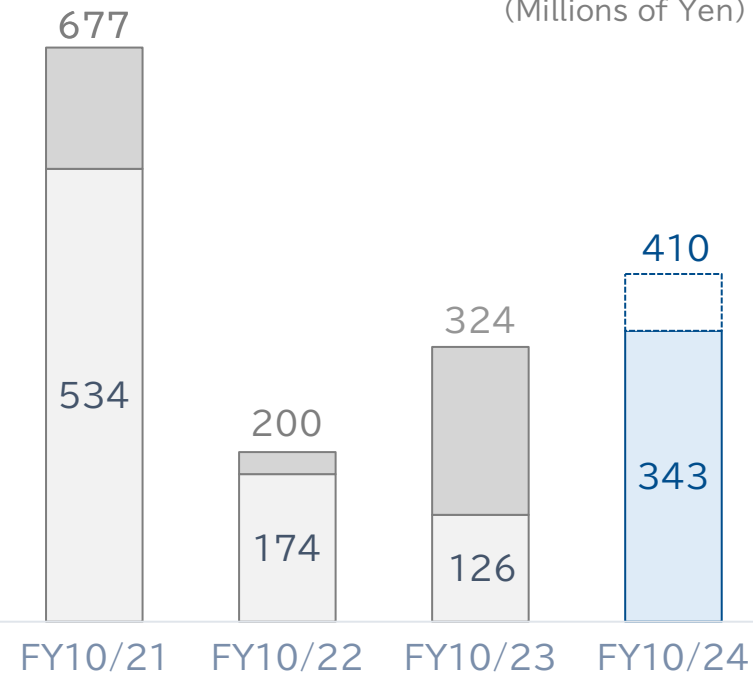


## Operating Income

¥**343**mn

YoY **+171.1mn**  
(+¥216mn)

(Millions of Yen)



## Order Backlog

¥**6,012**mn

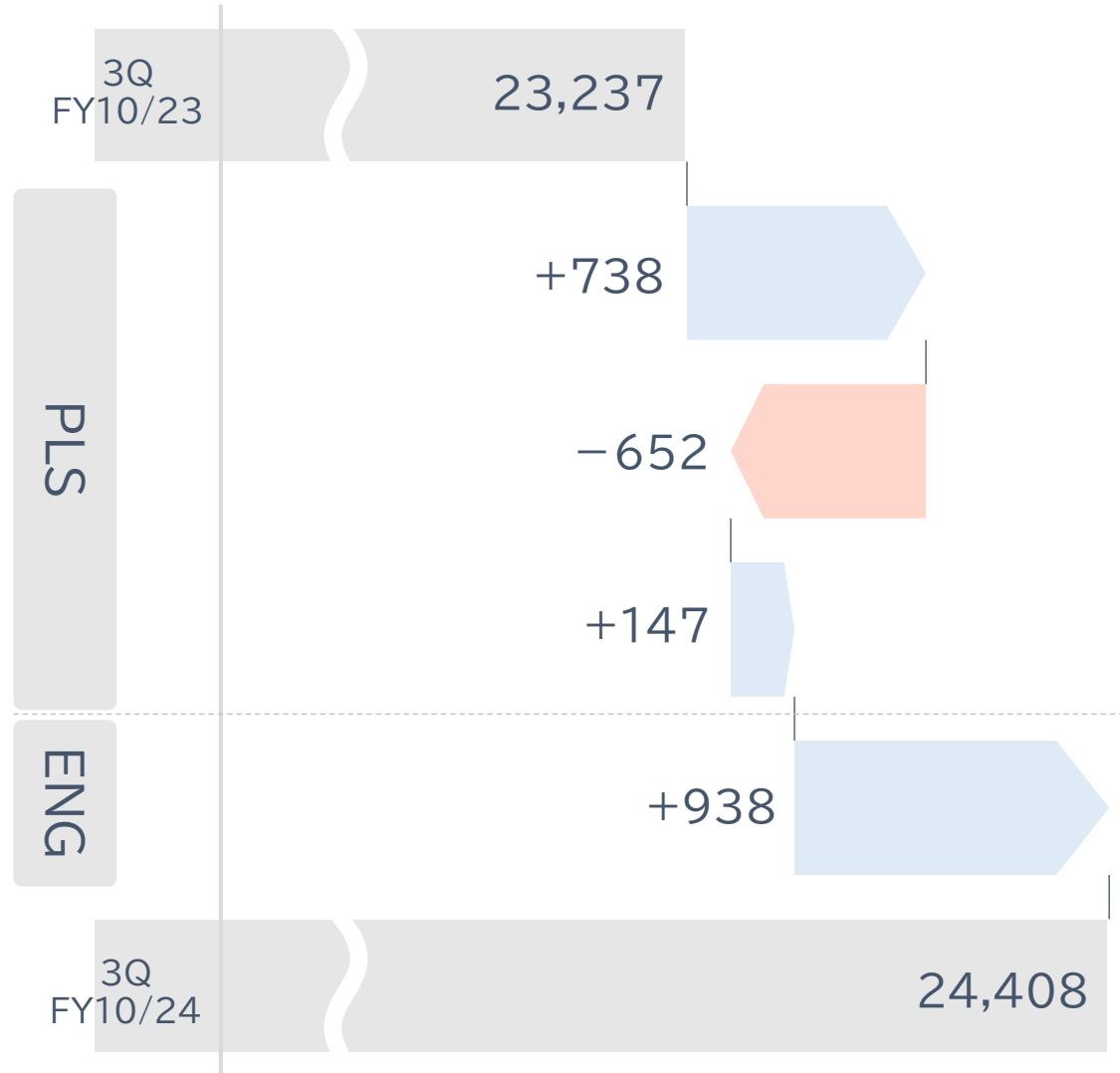
YoY **-21.5%**  
(-¥1,648mn)

(Millions of Yen)



# Consolidated sales analysis

(Millions of Yen)

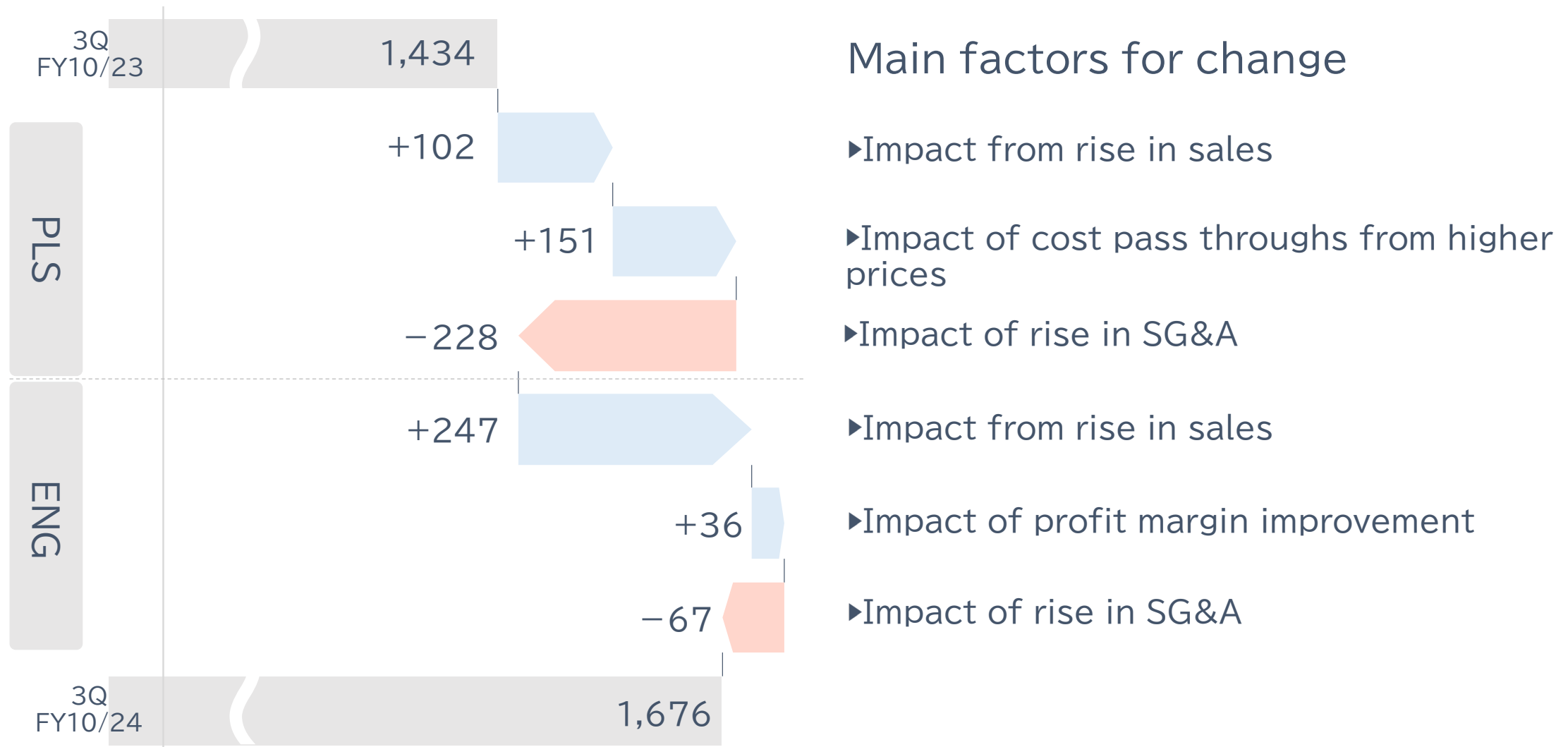


## Main factors for change

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

# Consolidated operating income analysis

(Millions of Yen)



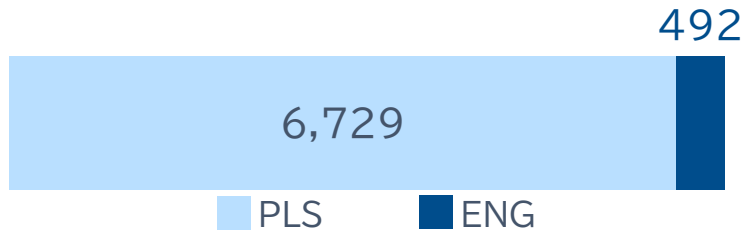


# Sales by region/segment

## Overseas sales

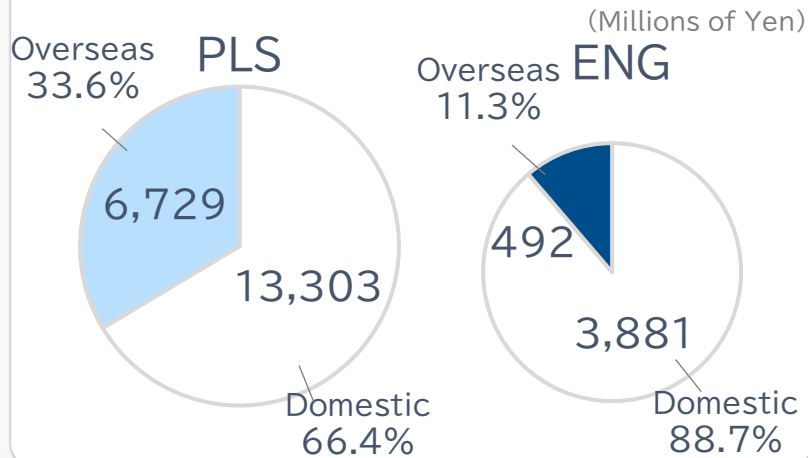
All-company ¥7,222mn

(Millions of Yen)



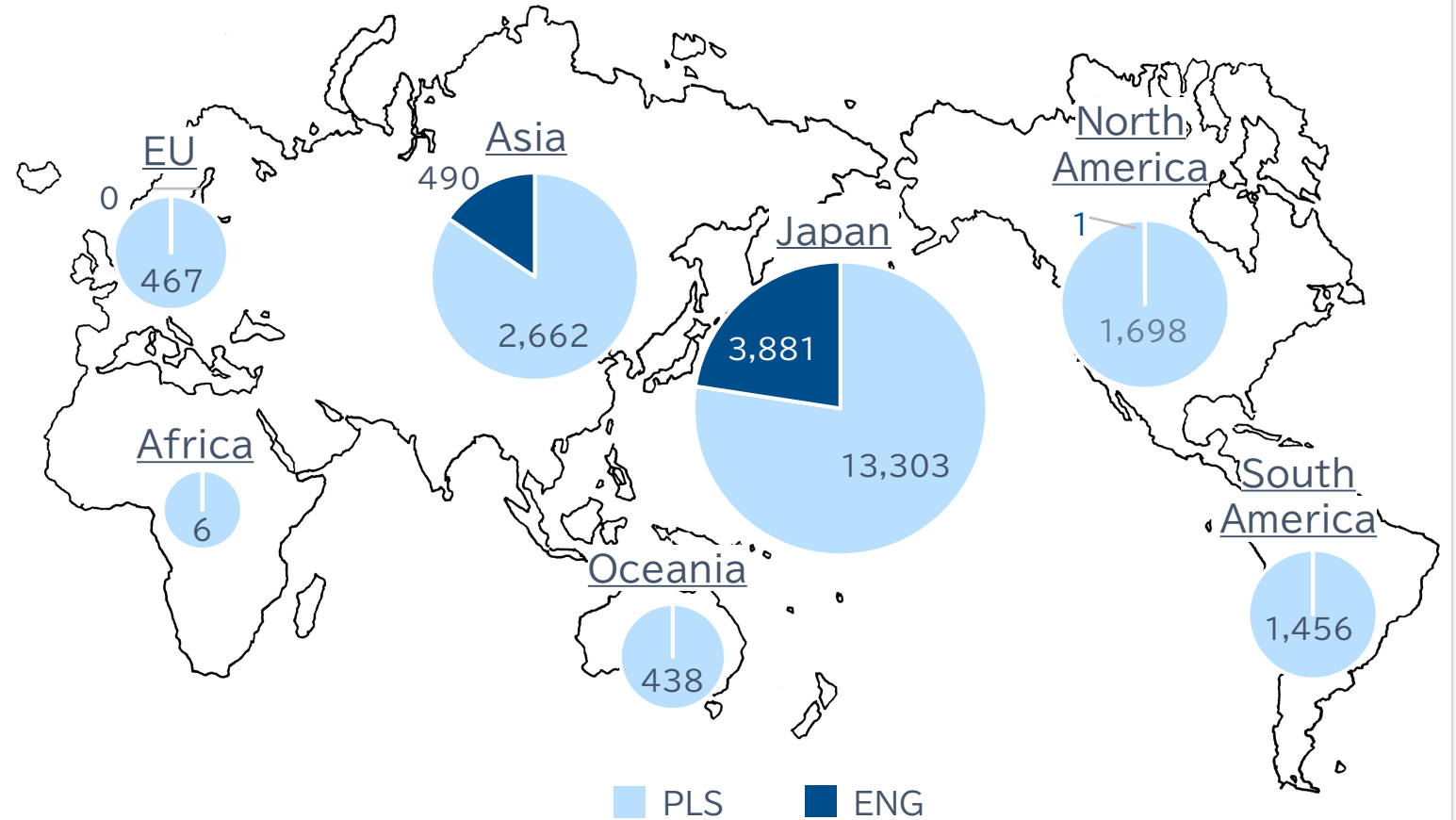
## Overseas sales weighting

All-company 29.6%



## Sales by region

(Millions of Yen)



# Overview of segments and subsidiaries

(Millions of Yen)

	3Q FY10/23		3Q FY10/24		YoY change	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Hagihara Industries	11,522	441	11,447	340	-75	-101
Hagihara Westjava Industries	3,381	60	3,501	92	120	32
BarChip Group(Overseas)	3,290	232	3,429	227	139	-5
BarChip(Domestic)	1,506	676	1,563	706	57	30
Hagihara Industries Yguazu	-	-56	197	-49	197	7
Toyo Heisei Polymer	3,185	89	3,152	97	-33	8
<b>PLS Total</b>	<b>19,800</b>	<b>1,307</b>	<b>20,033</b>	<b>1,333</b>	<b>233</b>	<b>26</b>
Hagihara Industries	3,341	92	4,289	293	948	201
Hagihara Machinery(Shanghai)	519	31	584	25	65	-6
<b>ENG Total</b>	<b>3,436</b>	<b>126</b>	<b>4,374</b>	<b>343</b>	<b>938</b>	<b>217</b>

※Hagihara Industries Inc. absorbed and merged Japan Fabweld Co.on April 1, 2024.

# Consolidated balance sheet

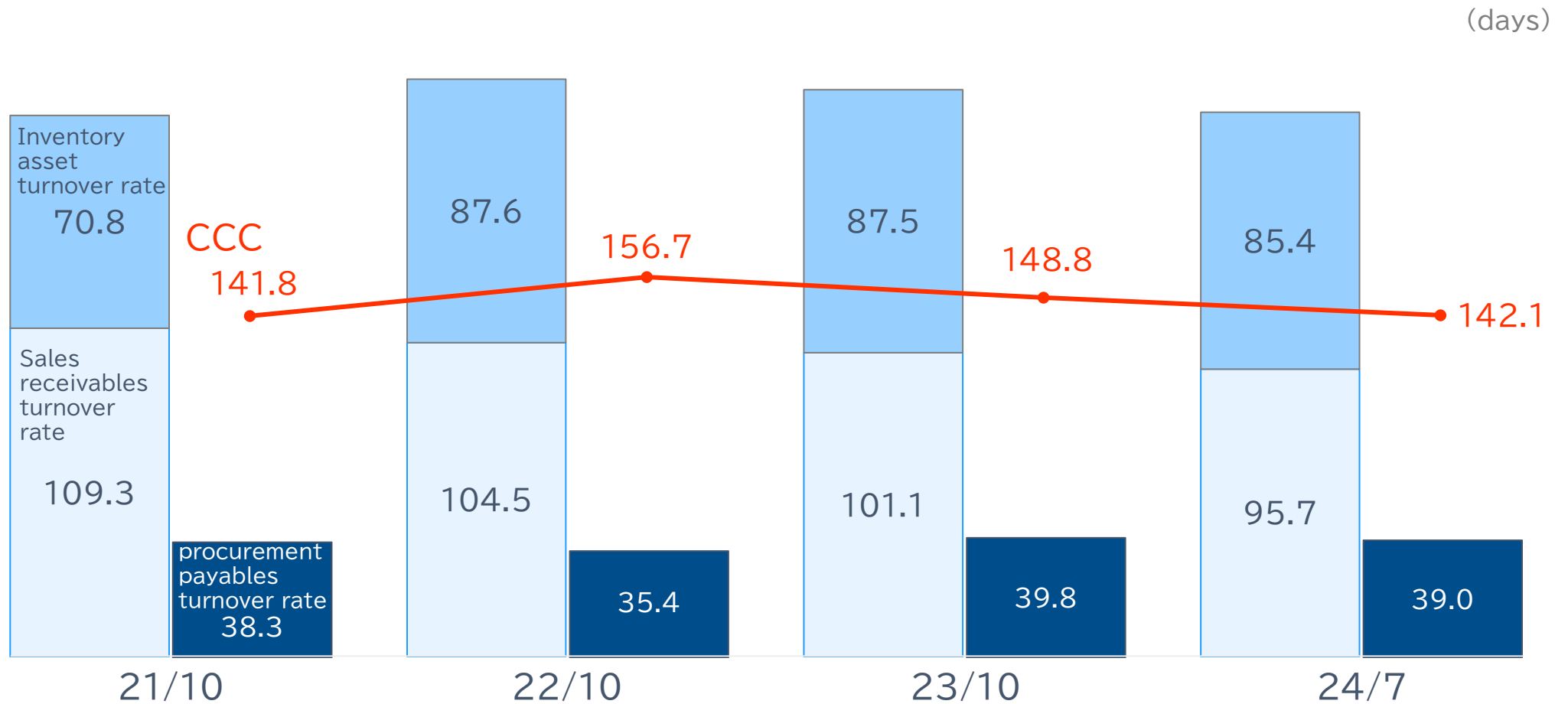
## Assets

	(Millions of Yen)	
	42,432	43,243
Cash and cash equivalents	6,138	5,711
Sales receivables	8,653	8,533
Inventory, wholesale assets, etc.	8,682	8,441
Fixed assets, etc.	18,957	20,556
	23/10	24/7
Total asset turnover ratio	0.74x	0.75x

## Liabilities·Net assets

	(Millions of Yen)	
	42,432	43,243
Procurement payables	3,408	3,468
Interest-bearing debt	6,689	6,072
Other current liabilities	3,446	3,759
Other fixed liabilities, etc.	985	991
Net assets	27,901	28,951
	23/10	24/7
D/E ratio (Debt/Shareholders' Equity)	0.5	0.5
Shareholders' equity ratio	65.6%	66.7%

# 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 <sup>※</sup>	3Q FY10/24
ROE(%)	6.6	3.7	11.6	5.9
ROA(%)	4.8	2.6	7.7	3.9

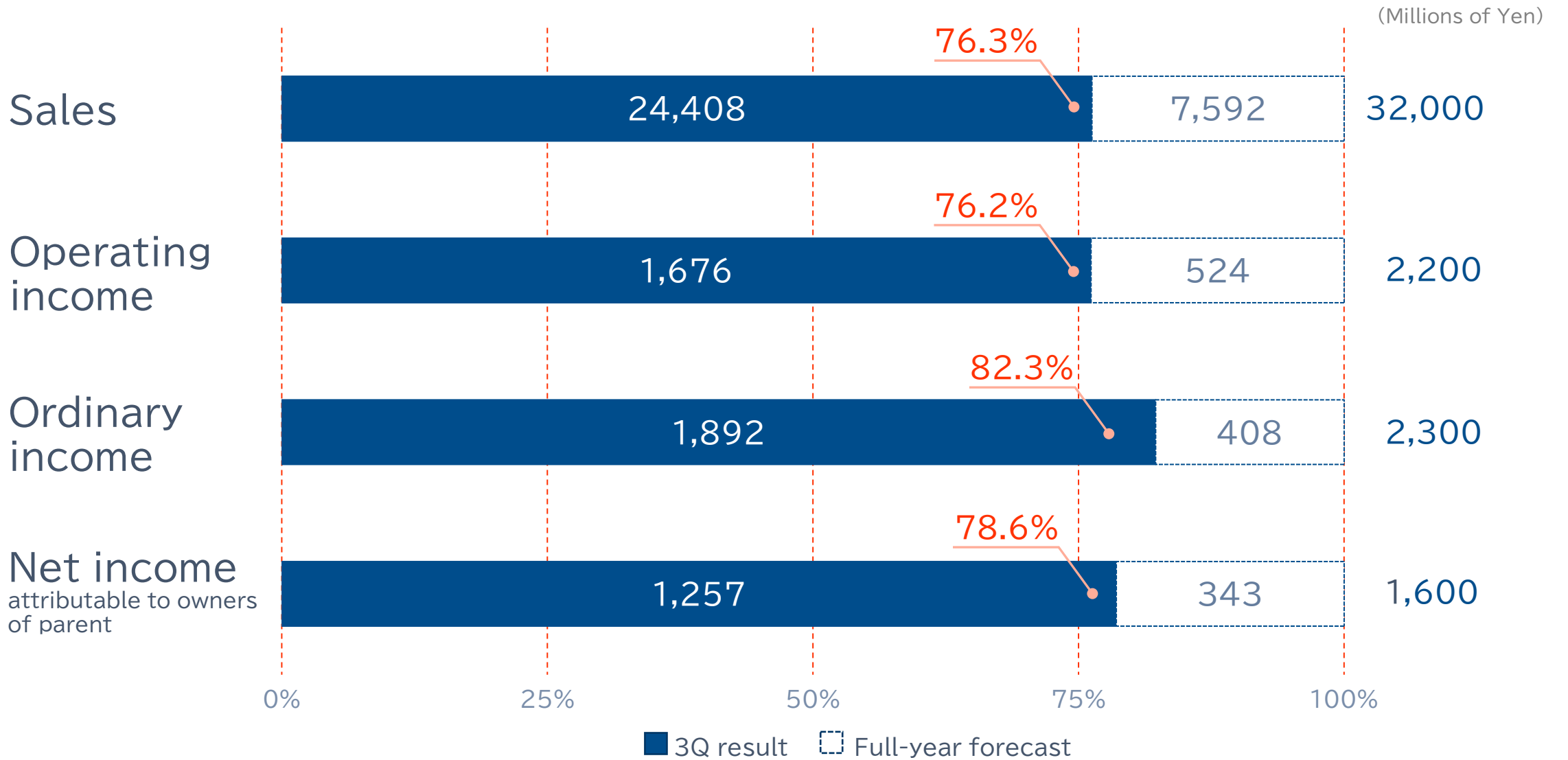
※Booking of compensation payment related to Chinese subsidiary as extraordinary profit

# Main share price indicators

	End-FY10/21	End-FY10/22	End-FY10/23	End-3Q FY10/24
Share price (yen)	1,500	1,021	1,605	1,598
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	2,102.70
PBR(%) *Price-book value ratio	0.86	0.55	0.79	0.76
Number of shareholders (people)	18,908	31,252	33,074	28,204 ※2

※1 Full-year forecast ※2 As of end-Apr 2024

# 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	3Q result (% of total sales)	Full year forecast
P L S	Industrial materials	Sheets, construction materials	5,421	5,804	5,935	4,535( 22.6%)	5,771
		Others	5,360	6,109	5,521	4,258( 21.3%)	6,073
	Synthetic fiber for concrete reinforcement(BarChip)		3,680	4,825	5,289	4,086( 20.4%)	5,924
	Lifestyle materials		7,125	7,862	8,678	6,548( 32.7%)	8,358
	Others		951	967	927	605( 3.0%)	833
Total			22,540	25,570	26,353	20,033(100.0%)	26,962



# Sales by product type

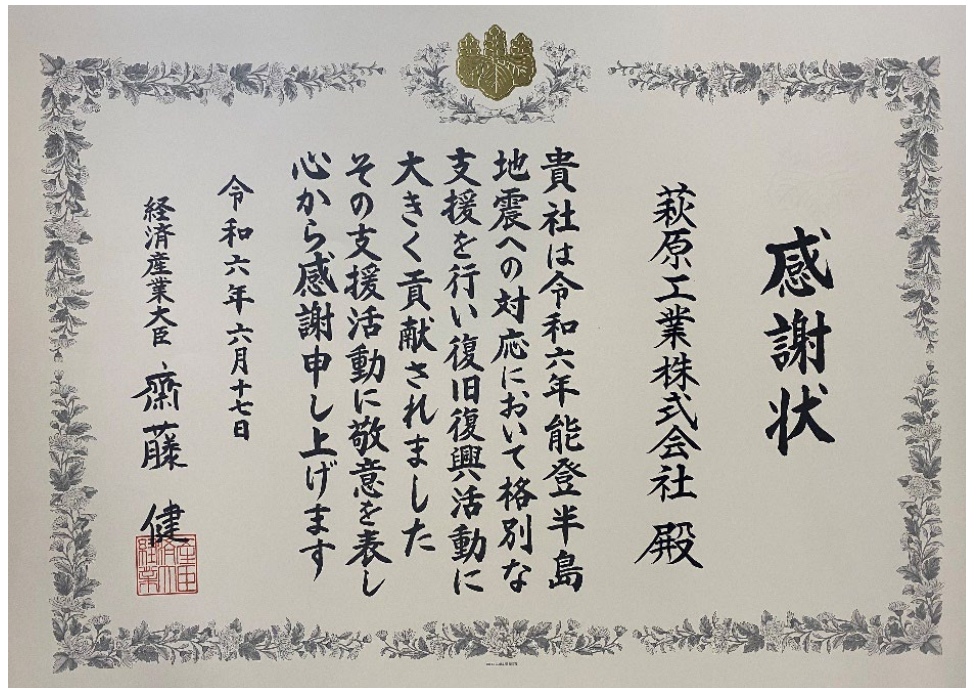
(Millions of Yen)

Product type	Main product/ application	FY10/21	FY10/22	FY10/23	FY10/24	
		Full year	Full year	Full year	3Q result (% of total sales)	Full year forecast
E N G	Paper slitters	925	392	519	529 ( 12.1%)	1,004
	Film slitters	3,413	2,862	3,109	2,446 ( 55.9%)	2,692
	Screen changers, recycling machines	711	1,055	1,021	1,300 ( 29.7%)	1,145
	Others	115	71	241	96 ( 2.2%)	195
Total		5,165	4,382	4,891	4,374 (100.0%)	5,037

## ■ Letter of thanks received for recovery response to the Noto Peninsula earthquake

A letter of thanks was presented to the Company by the Ministry of Economy, Trade and Industry for its round-the-clock production of sheets and their swift shipment to designated areas in response to a request at the time of the Noto Peninsula earthquake in January 2024.

In the event of future disasters, the Company will continue to contribute to the recovery and reconstruction of affected areas by fulfilling its responsibilities as a manufacturer.



## ■ Exhibited at the 10th Extreme Heat Countermeasures Exhibition

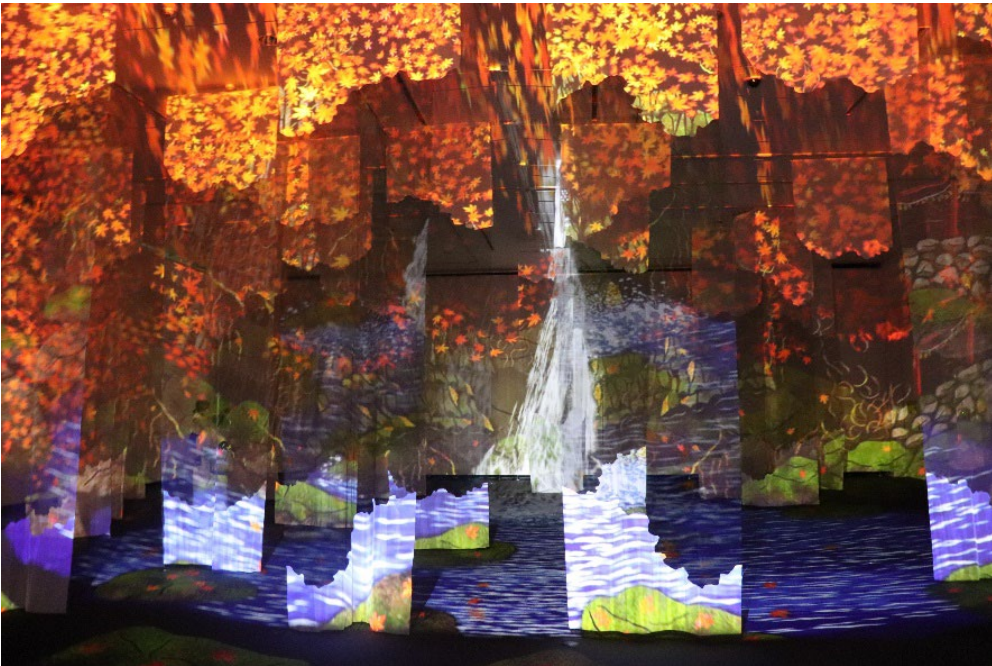
The Company exhibited at an exhibition dedicated to solving problems related to heat held at Tokyo Big Sight in July 2024. Exhibition visitors were able to experience the effects of the Snow-Tex series of Tarpee heat shielding sheets through experimental equipment and other means.



# Topics

## ■ Tarpee Soft Mesh sheets used in a travelling papercut art exhibition

The exhibition fused the warmth and beauty of papercut art with light and digital technologies to create a fantastical space. Tarpee Soft Mesh sheets were used in some of the works. We will continue to explore new possibilities for sheets beyond the boundaries of industrial materials.



## ■ PT. HAGIHARA WESTJAVA INDUSTRIES have been operated for 30 years

Our Indonesian subsidiary PT. HAGIHARA WESTJAVA INDUSTRIES have been operated for 30 years. The company continues to play an important role in the Group as a production base for Barchips, flexible container bags, and other products.



## 【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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