

Results briefing materials

FY10/24 results

(Nov 1, 2023 - Oct 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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Table of contents

①	FY10/24 Results highlights	P 4
②	Overview of region, segments and subsidiaries	P 9
③	Consolidated balance sheet/ Other indicators	P11
④	Consolidated cash flows	P15
⑤	Consolidated earnings forecasts	P16
⑥	Sales by product type	P17
⑦	Progress versus the medium-term business plan	P19
⑧	Topics	P22

(Reference) Business conditions indicators

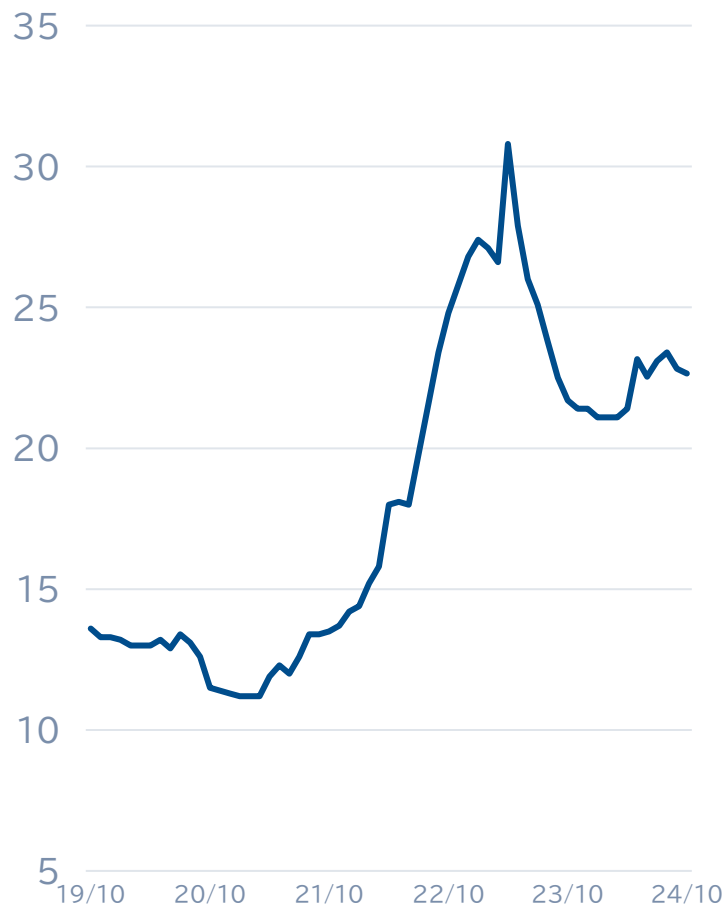
Naphtha price

(yen/KL)



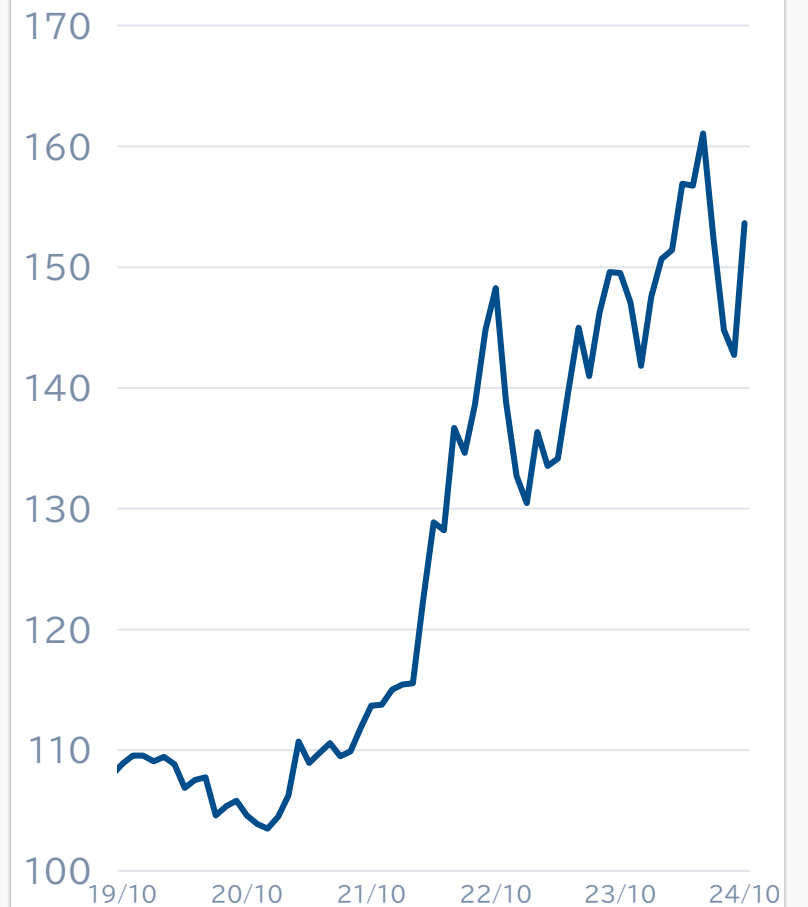
Electricity rates

(yen/kWh)



JPY/US\$

(yen)



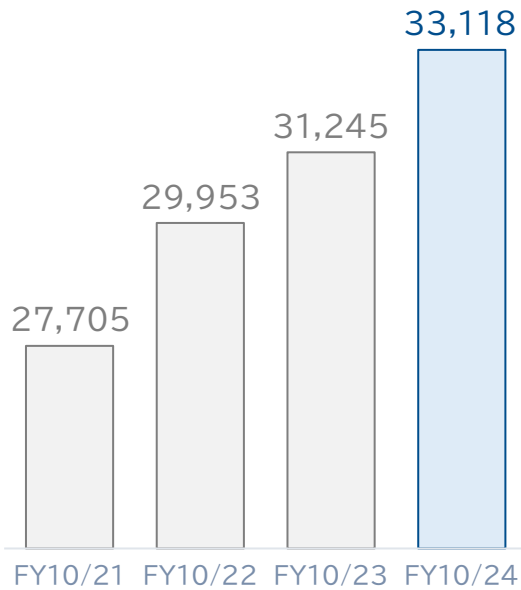
Results highlights –All Company–

Sales

¥**33,118**mn

YoY **+6.0%**
(+¥1,873mn)

(Millions of Yen)

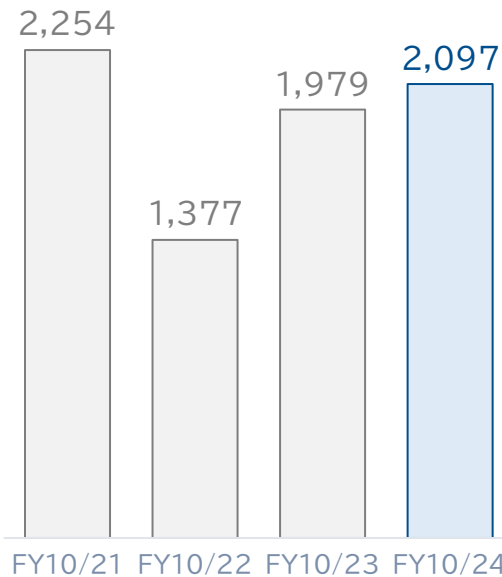


Operating Income

¥**2,097**mn

YoY **+6.0%**
(+¥118mn)

(Millions of Yen)

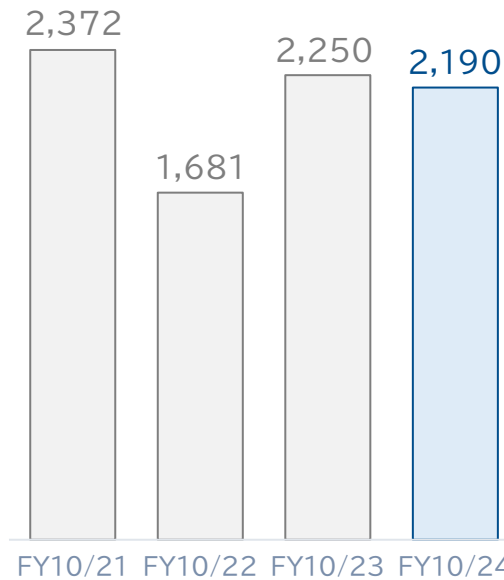


Ordinary Income

¥**2,190**mn

YoY **-2.7%**
(-¥60mn)

(Millions of Yen)

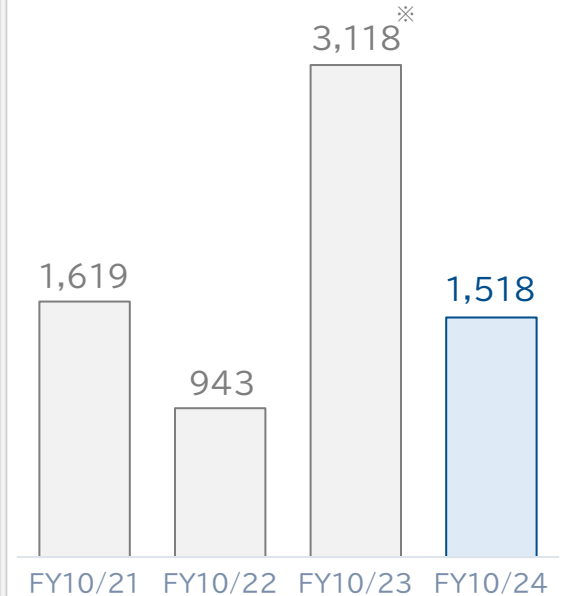


Net income attributable to owners of parent

¥**1,518**mn

YoY **-51.3%**
(-¥1,599mn)

(Millions of Yen)



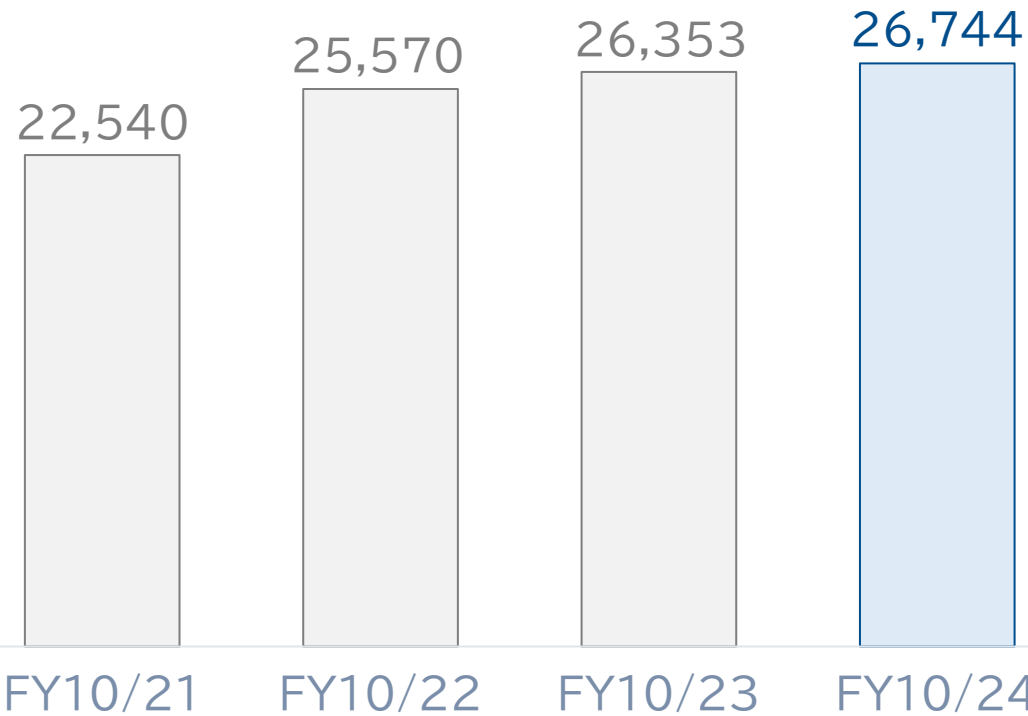
※Booking of compensation payment related to Chinese subsidiary as extraordinary profit

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

Sales

¥**26,744**mn YoY **+1.5%**
(+¥391mn)

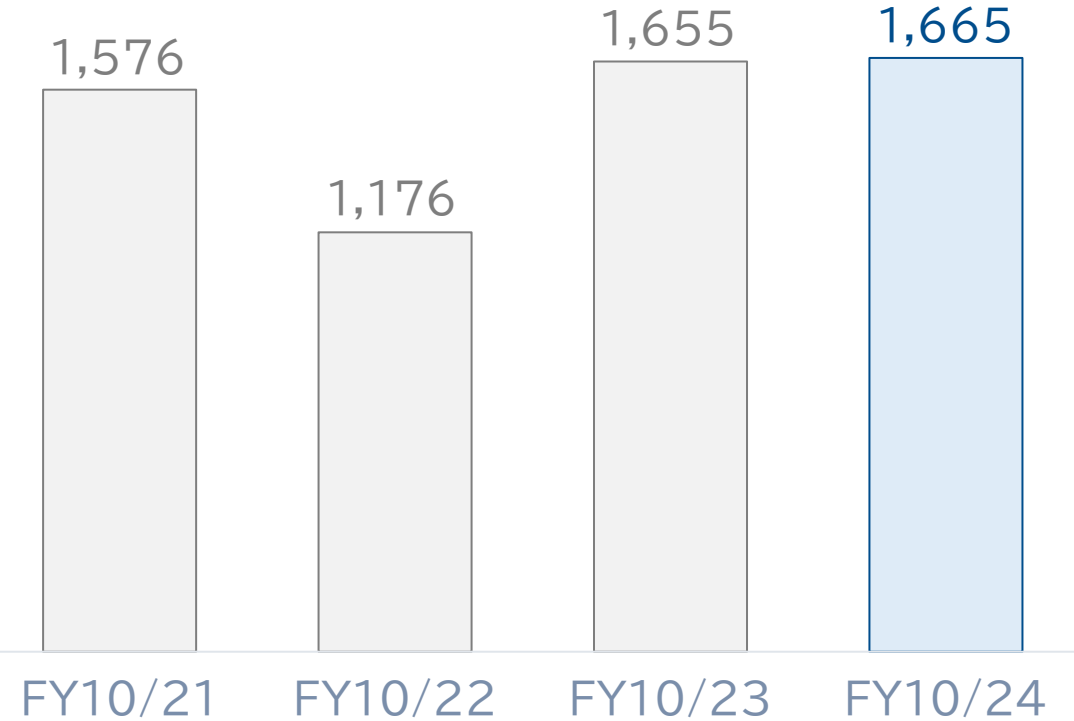
(Millions of Yen)



Operating Income

¥**1,665**mn YoY **+0.6%**
(+¥10mn)

(Millions of Yen)



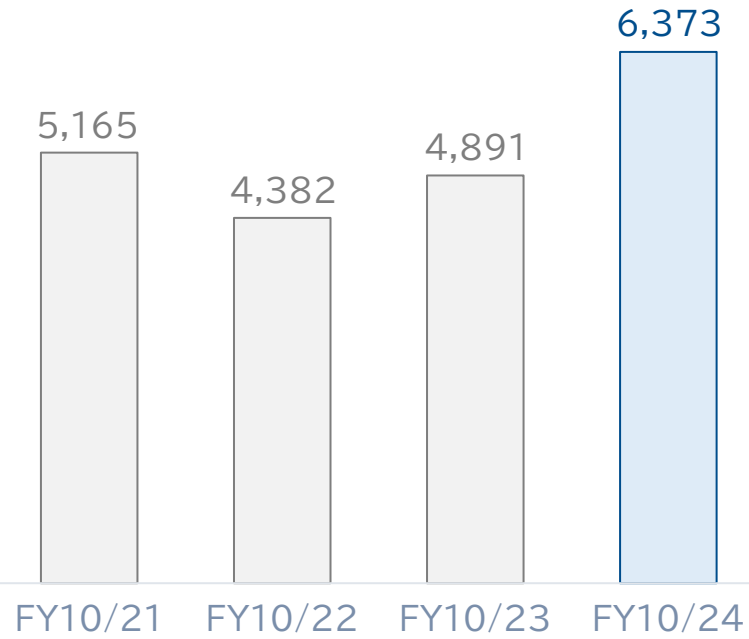
Results highlights –Engineering (ENG) segment–

Sales

¥**6,373**mn

YoY **+30.3%**
(+¥1,481mn)

(Millions of Yen)

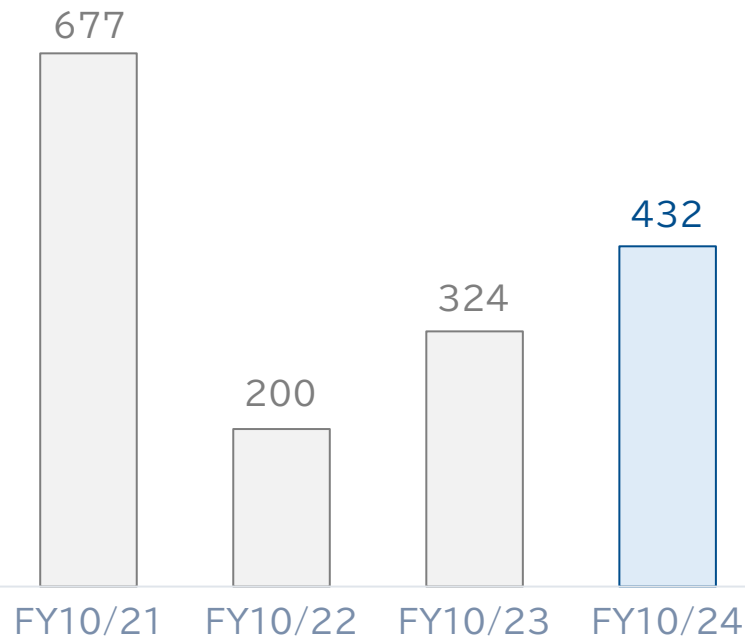


Operating Income

¥**432**mn

YoY **+33.4%**
(+¥108mn)

(Millions of Yen)

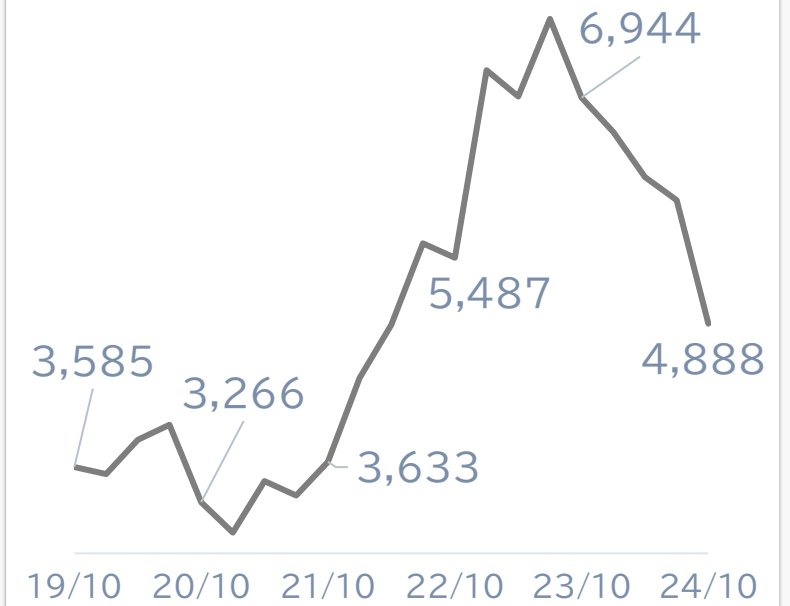


Order Backlog

¥**4,888**mn

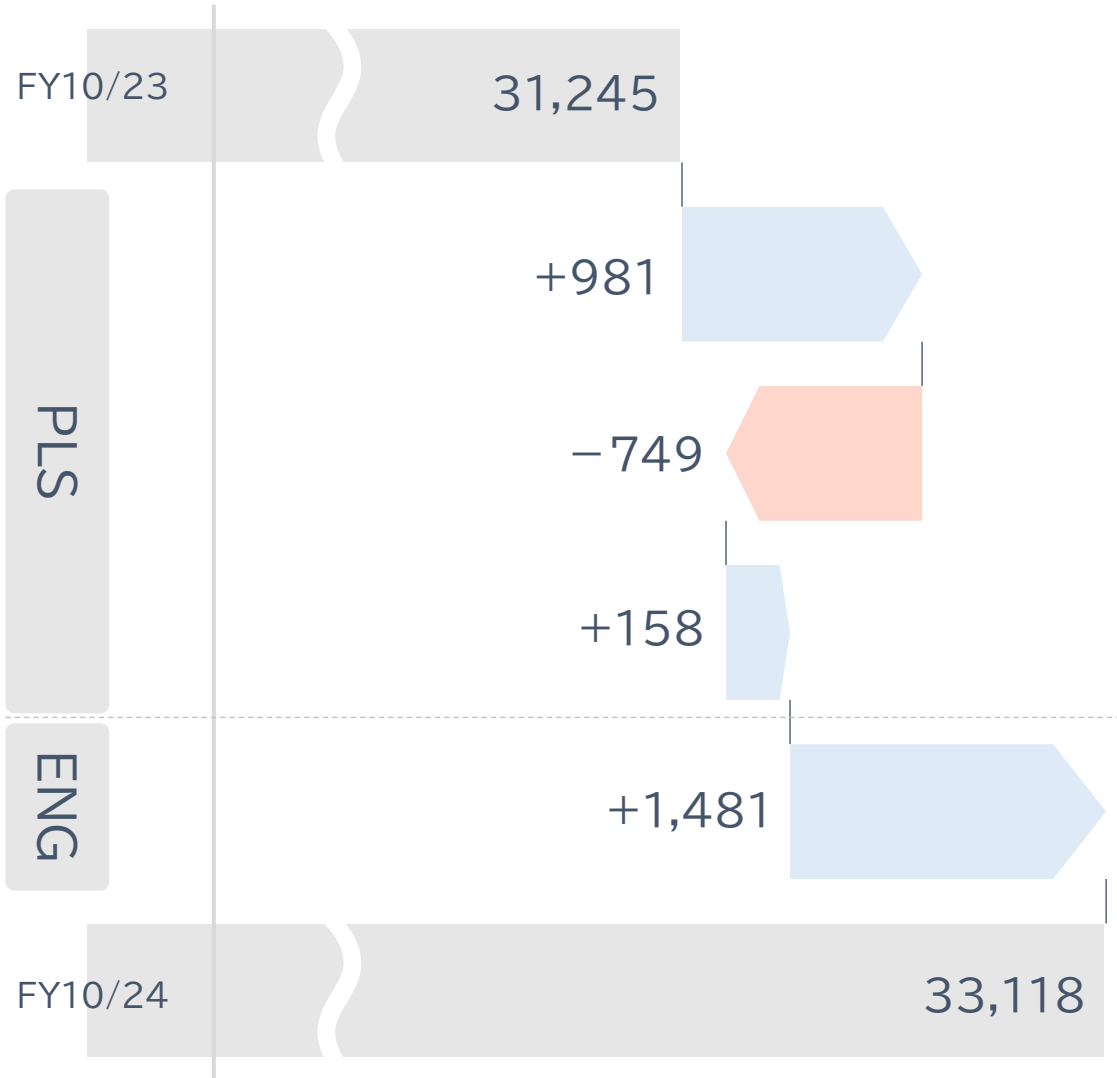
YoY **-29.6%**
(-¥2,056mn)

(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

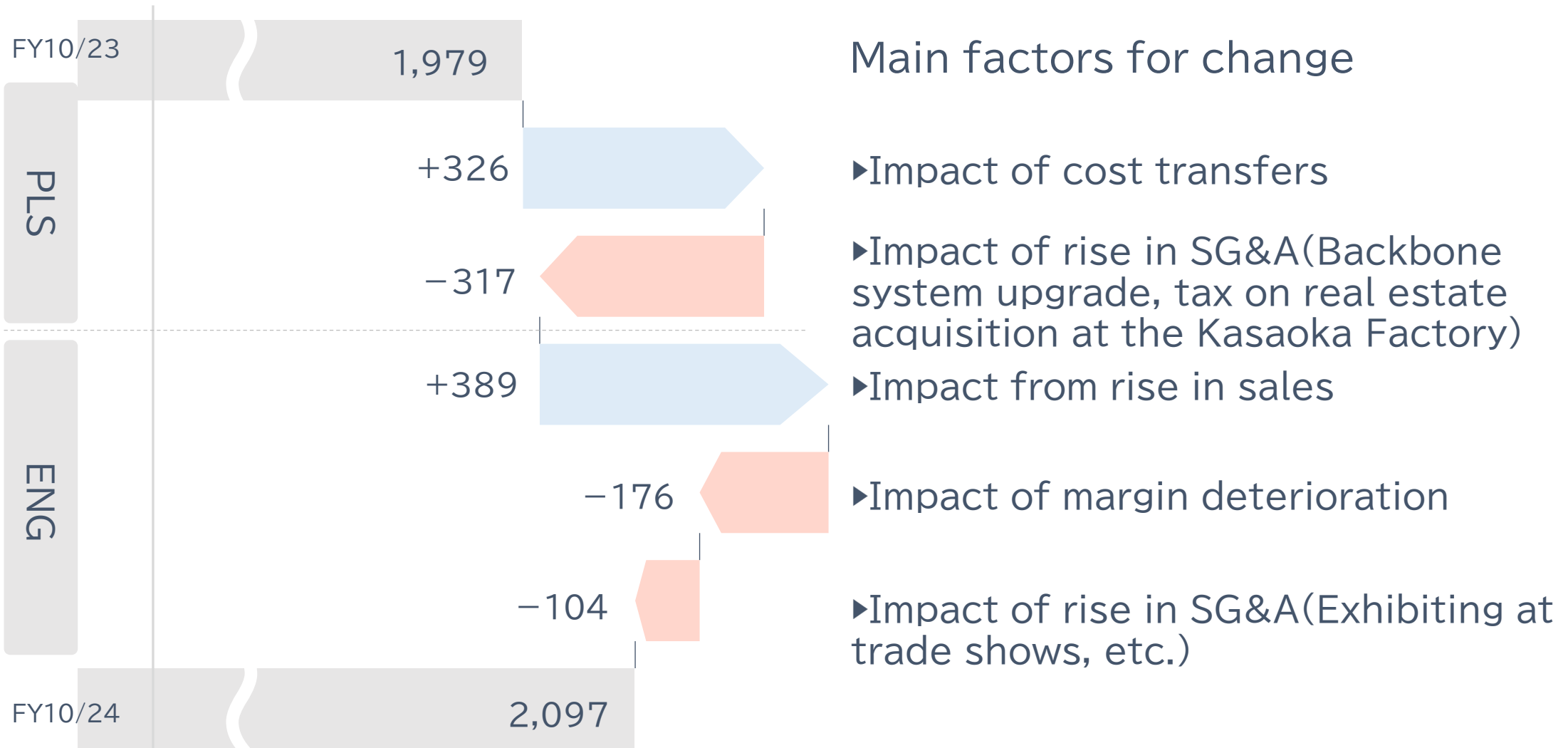
▶Decline in sales volume (artificial turf, laminated cloth, etc)

▶Forex impact: sales increase from yen depreciation

▶Sales rise in the Engineering segment (Paper slitters)

Consolidated operating income analysis

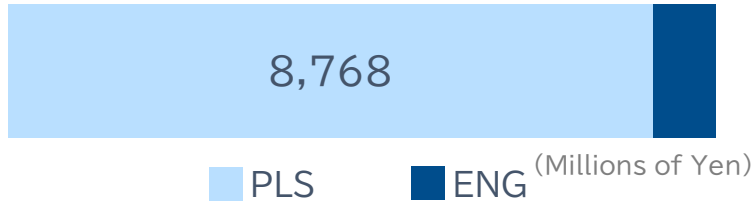
(Millions of Yen)



Sales by region/segment

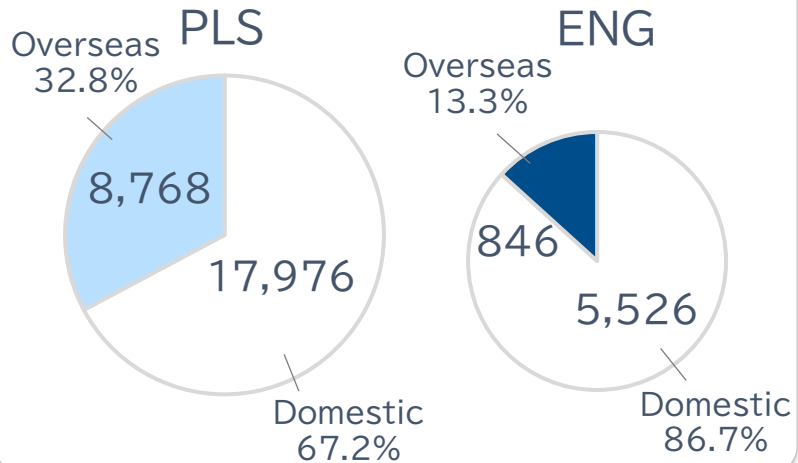
Overseas sales

All-company ¥9,615mn ⁸⁴⁶



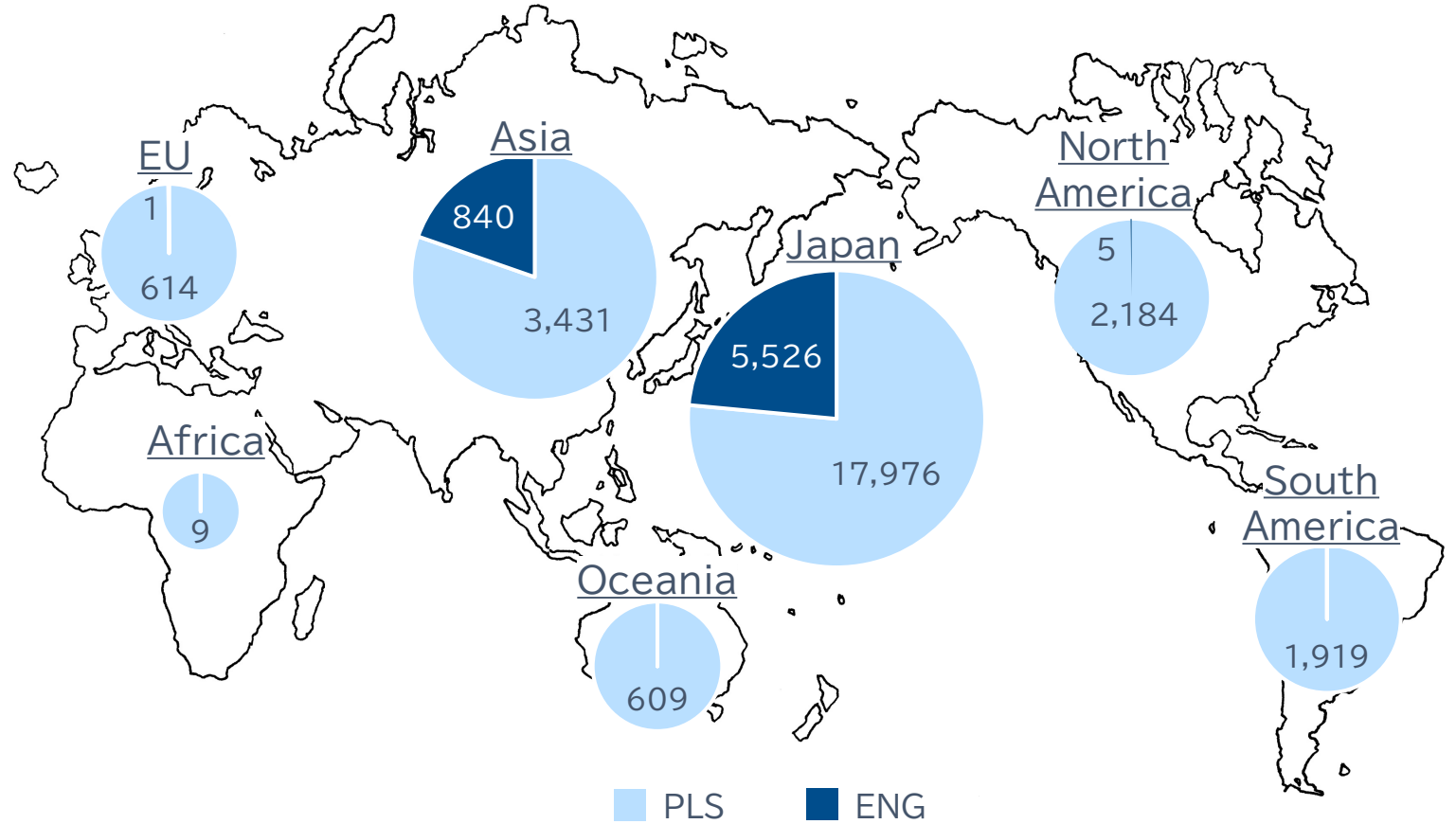
Overseas sales weighting

All-company 29.0% (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
合 成 樹 脂	Hagihara Industries	15,188	534	15,266	387	77	-146
	Hagihara Westjava Industries	4,591	73	4,736	135	145	61
	BarChip Group(Overseas)	4,476	308	4,456	244	-20	-64
	BarChip(Domestic)	2,057	958	1,973	831	-84	-126
	Hagihara Industries Yguazu	46	-80	291	-68	245	11
	Toyo Heisei Polymer	4,226	103	4,294	108	67	5
PLS Total		26,353	1,655	26,744	1,665	391	10
機 械	Hagihara Industries	4,807	272	6,262	389	1,454	116
	Hagihara Machinery(Shanghai)	668	43	794	39	126	-3
	ENG Total	4,891	324	6,373	432	1,481	108

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

Consolidated balance sheet

Assets

(Millions of Yen)

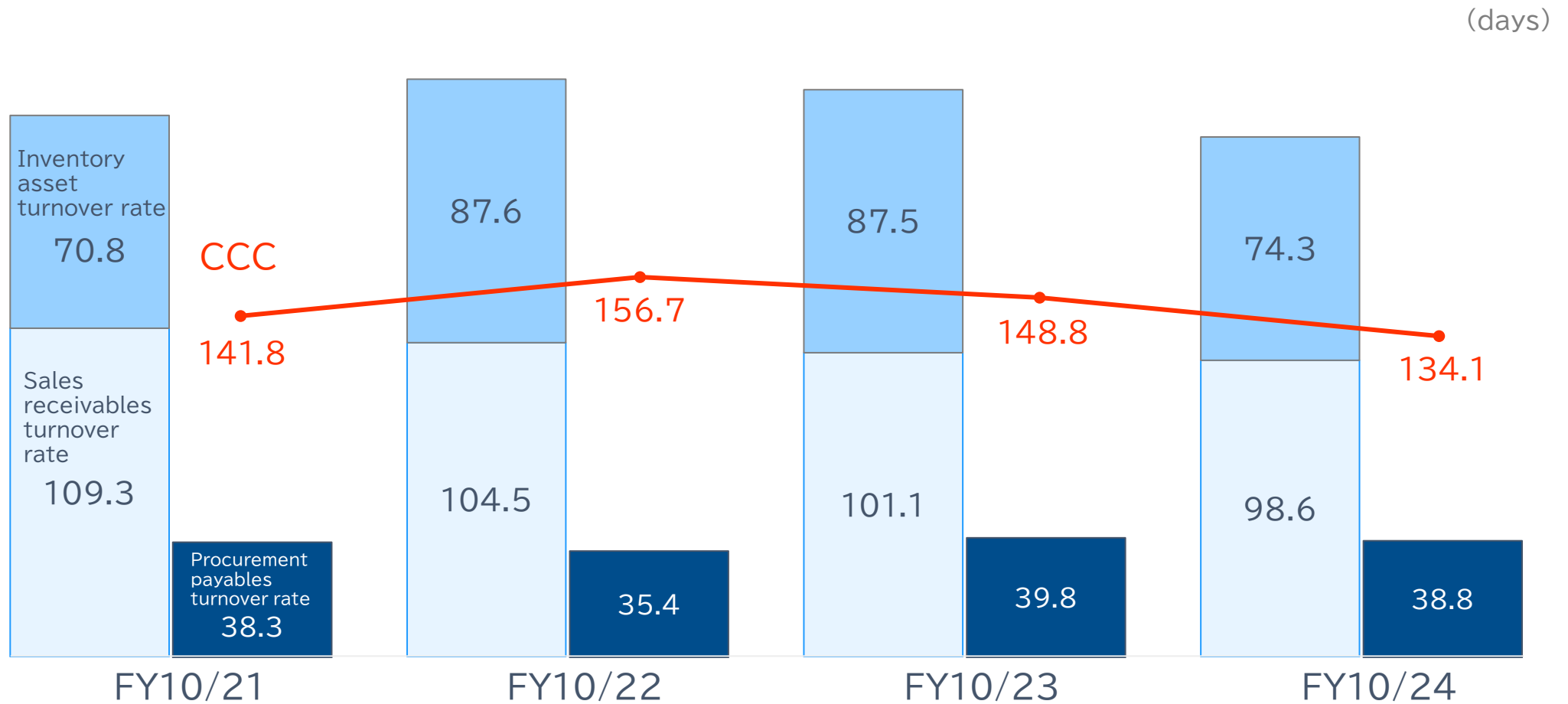
	23/10	24/10
	42,651	42,583
Cash and cash equivalents	6,138	5,600
Sales receivables	8,653	8,949
Inventory, wholesale assets, etc.	8,682	7,398
Fixed assets, etc.	19,176	20,634
	23/10	24/10
Total asset turnover ratio	0.74x	0.78x

Liabilities·Net assets

(Millions of Yen)

	23/10	24/10
	42,651	42,583
Procurement payables	3,408	3,518
Interest-bearing debt	6,689	5,447
Other current liabilities	3,446	3,453
Other fixed liabilities, etc.	984	1,064
Net assets	28,122	29,098
	23/10	24/10
D/E ratio (Debt/Shareholders' Equity)	0.5	0.5
Shareholders' equity ratio	65.8%	68.1%

CCC (cash conversion cycle)



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

Financial performance indicators

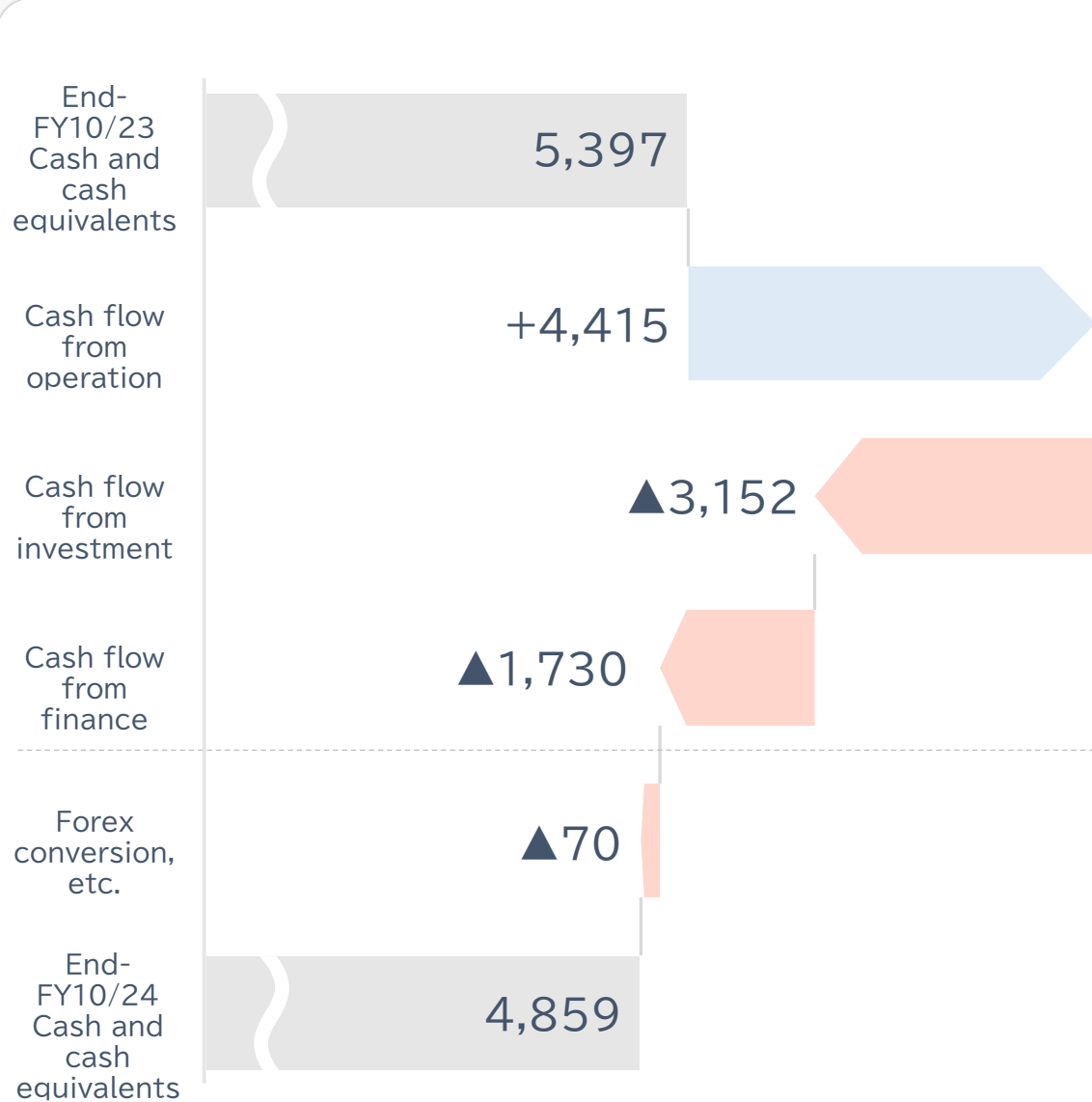
	FY10/21	FY10/22	FY10/23	FY10/24
ROE(%)	6.6	3.7	4.8 [※]	5.3
ROA(%)	4.8	2.6	3.3 [※]	3.6

※Excluding compensation payment from Chinese government, liquidation gain on Chinese subsidiary in FY10/23.

主要株式指標

	End-FY10/21	End-FY10/22	End-FY10/23	End-FY10/24
Share price (yen)	1,500	1,021	1,605	1,470
Dividend per share (yen)	36	36	50	60
Dividend payout ratio (%)	32.2	54.7	22.4	54.2
BPS(yen) *Net assets per share	1,744.15	1,856.11	2,028.93	2,088.91
PBR(%) *Price-book value ratio	0.86	0.55	0.79	0.70
Number of shareholders (people)	18,908	31,252	33,074	35,686

Consolidated cash flows



(Millions of Yen)

●C/F from operation

Breakdown		
Quarterly net income before adjustment for taxes, etc.	+	2,189
Depreciation and amortization	+	1,709
Rise in sales receivables	-	341
Fall in inventory assets	+	628
Rise in procurement payables	+	444
Corporate taxes	-	841

●C/F from investment

Breakdown		
Acquisition of tangible fixed assets	-	3,334

Free C/F + 1,263

●C/F from finance

Breakdown		
Fall in short-term borrowings	-	588
Rise in long-term borrowings	+	100
Repayment of long-term borrowings	-	728
Dividends paid	-	692

Rise in cash and cash equivalents - 537

Consolidated earnings forecasts –All Company–

(Millions of Yen)

	FY10/24			FY10/25(Forecast)			YoY comparison
	1H	2H	Full year	1H	2H	Full year	
Sales	16,374	16,744	33,118	16,780	17,220	34,000	+2.7%
Operating income	1,271 (7.8%)	825 (4.9%)	2,097 (6.3%)	1,160 (6.9%)	1,240 (7.2%)	2,400 (7.1%)	+14.4%
Ordinary income	1,405 (8.6%)	784 (4.7%)	2,190 (6.6%)	1,210 (7.2%)	1,290 (7.5%)	2,500 (7.4%)	+14.2%
Net income attributable to owners of parent	960 (5.9%)	558 (3.3%)	1,518 (4.6%)	1,340 [※] (8.0%)	890 (5.2%)	2,230 (6.6%)	+46.9%

※Including subsidies received related to the Kasaoka Factory.

Figures in parentheses on bottom row are profit margins

Sales by product type

(Millions of Yen)

Product type		Main product/ application	FY10/21	FY10/22	FY10/23	FY10/24	YoY comparison
			Full year	Full year	Full year	Full year	
P L S	Industrial materials	Sheets, construction materials	5,421	5,804	5,935	6,114	+3.0%
		Others	5,360	6,109	5,521	5,768	+4.5%
	Synthetic fiber for concrete reinforcement(BarChip)		3,680	4,825	5,289	5,325	+0.7%
	Lifestyle materials		7,125	7,862	8,678	8,729	+0.6%
	Others		951	967	927	806	-13.1%
	Total			22,540	25,570	26,353	26,744

Sales by product type

(Millions of Yen)

Product type	Main product/ application	FY10/21	FY10/22	FY10/23	FY10/24	YoY comparison
		Full year	Full year	Full year	Full year	
E N G	Paper slitters	925	392	519	1,148	+121.1%
	Film slitters	3,413	2,862	3,109	3,484	+12.0%
	Screen changers, recycling machines	711	1,055	1,021	1,529	+49.7%
	Others	115	71	241	211	-12.3%
Total		5,165	4,382	4,891	6,373	+30.3%

Progress versus the medium-term business plan -Investment-

(Hundred Million Yen)

	FY10/23 Full year	FY10/24 Full year	FY10/25 Plan	3-year Target	Details
Strategic investment	7	22	11	40	Barchip production facilities Meltac production facilities Laminator at the Kasaoka Factory, etc.
Kasaoka Factory Building	25	—	—	25	
Investment in maintenance/upgrades	12	11	17	40	
Total	44	33	28	105	

Progress versus the medium-term business plan -Financial strategy-

	FY10/23 Full year	FY10/24 Full year	FY10/25 forecast	Details
ROE(%)	4.8 ※	5.3	8.0	※Excluding compensation payment from government, liquidation gain on subsidiary.
D/E ratio (Debt/Shareholders' Equity)	0.5	0.5	0.6	

Progress versus the medium-term business plan -Shareholder returns-

	FY10/23 Full year	FY10/24 Full year	FY10/25 forecast	Details
Dividend per share (yen)	50	60	65	Initial medium-term business plan forecast ¥50
Dividend payout ratio(%)	22.4 [※]	54.2	40.0	Excluding compensation payment from compulsory purchase of land and subsidiary liquidation gain → 52.0
Total return ratio (%)	39.7 [※]	54.2	70.0	As above → 92.2

■ Expansion in BarChip use in Southeast Asia

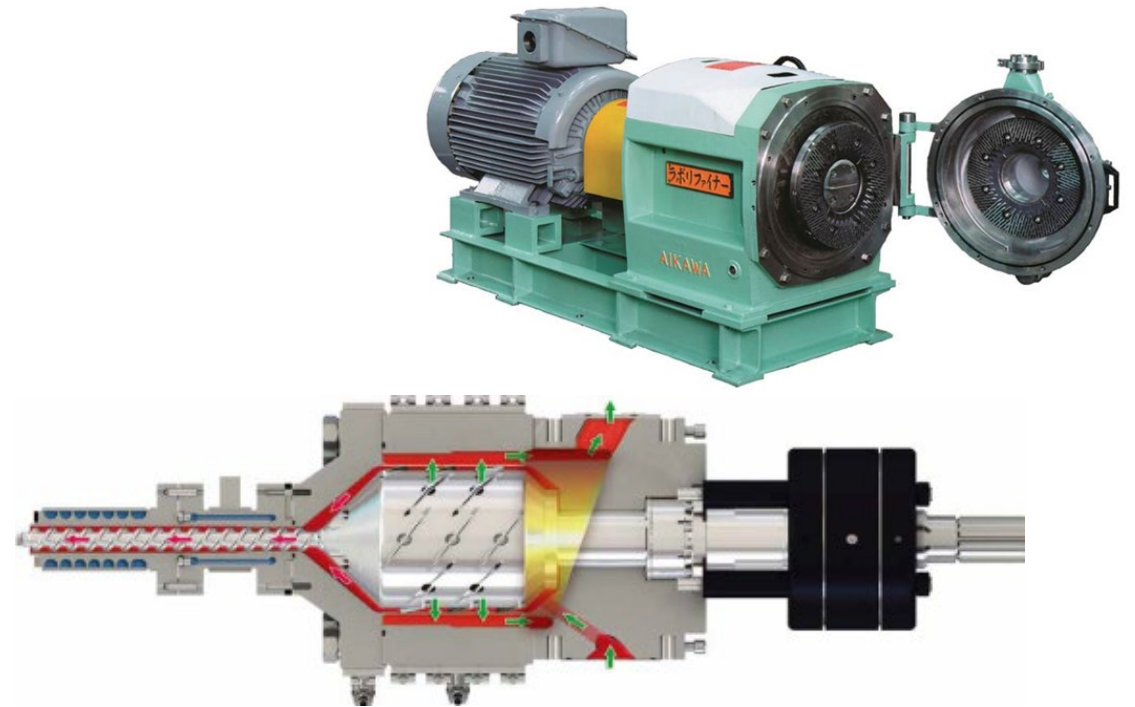
We have been working to grow sales and expand use of BarChip in Southeast Asia, complementing our efforts in South America, North America, and Australia.



Use of BarChip at a factory construction site in Hanoi, Vietnam

■ Refining separation technology for composite plastics with aluminum

Using a combination of a beating device developed jointly with AIKAWA Iron Works Co., Ltd. and a filter for polymer melts with a high degree of contamination made by Nordson BKG, we have made it possible to recycle plastics composites with aluminum, which had been difficult to recycle in the past.



▲ Mechanism of filter for polymer melts

Topics

■ Recycling discarded plastic packaging materials into sandbags ~Example from a Kajima Corporation construction site~



【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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