

# Results briefing materials

2Q FY10/25 results

(Nov 1, 2024 – Apr 30, 2025)

ハミダセ、アミダセ。

Think outside the box, create new values.

Hagihara Industries Inc.

TSE Prime:7856

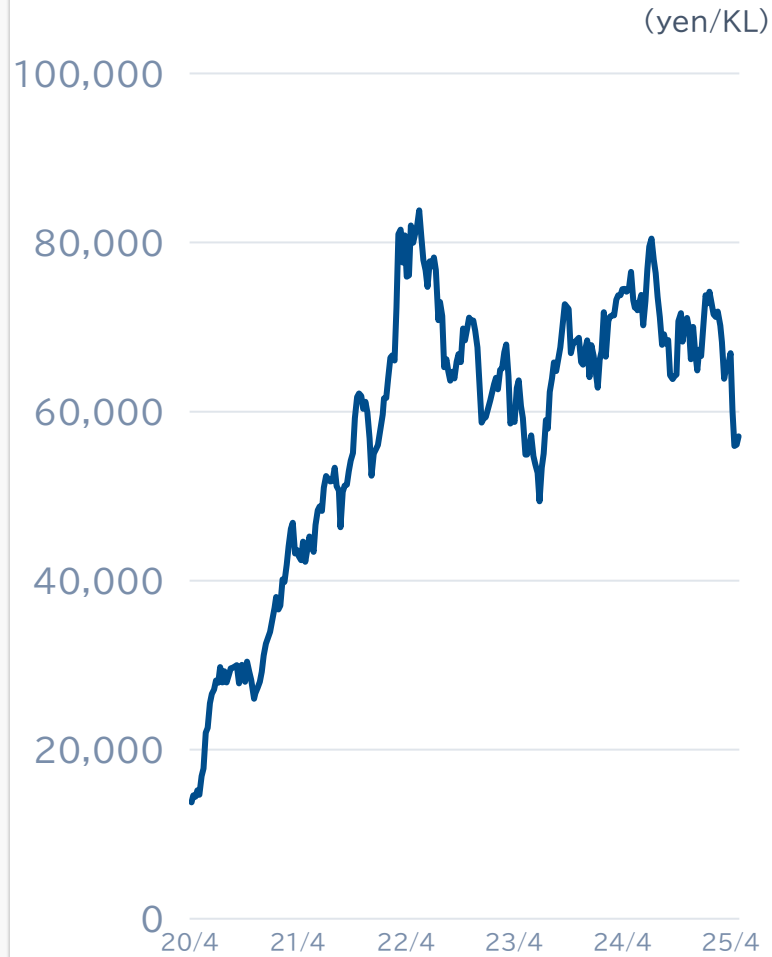
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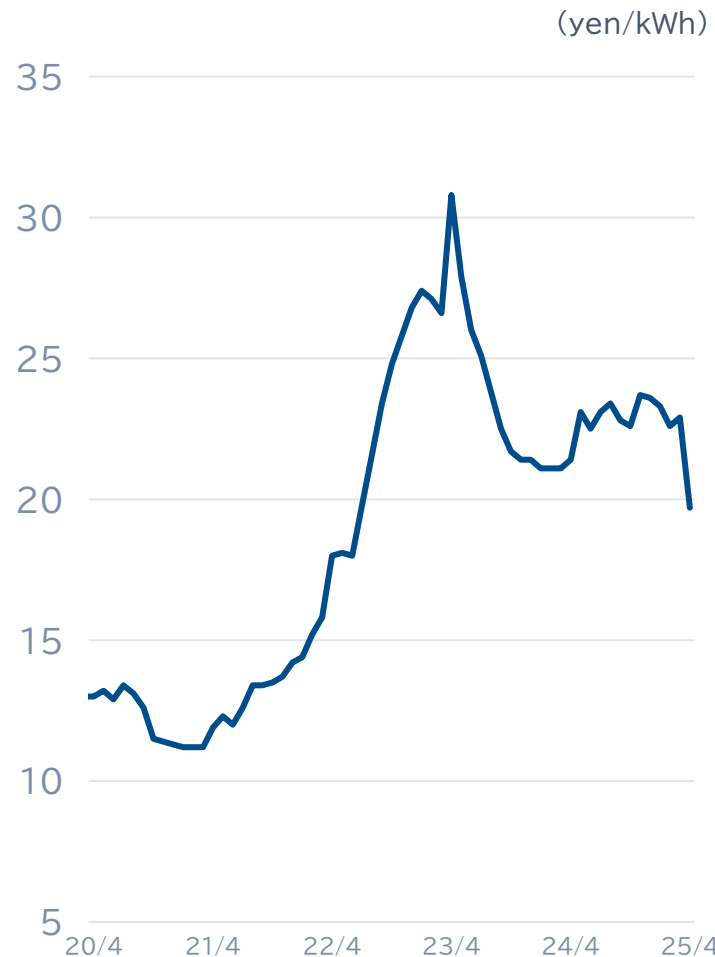
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# (Reference) Business conditions indicators

## Naphtha price



## Electricity rates



## JPY/US\$



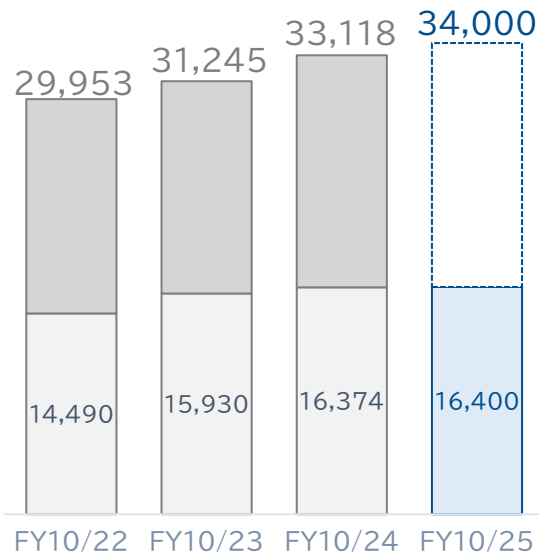
# Results highlights –All Company–

## Sales

¥ **16,400** mn

YoY **+0.2%**  
(+¥26mn)

(Millions of Yen)

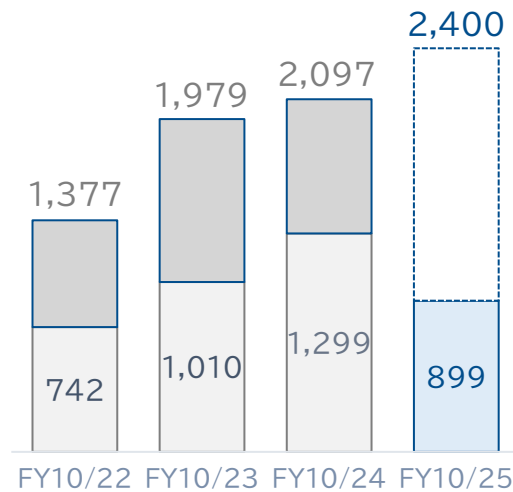


## Operating Income

¥ **899** mn

YoY **−30.8%**  
(+¥400mn)

(Millions of Yen)

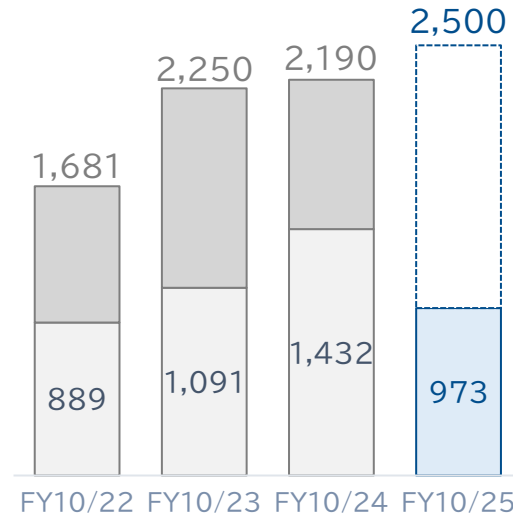


## Ordinary Income

¥ **973** mn

YoY **−32.0%**  
(−¥459mn)

(Millions of Yen)

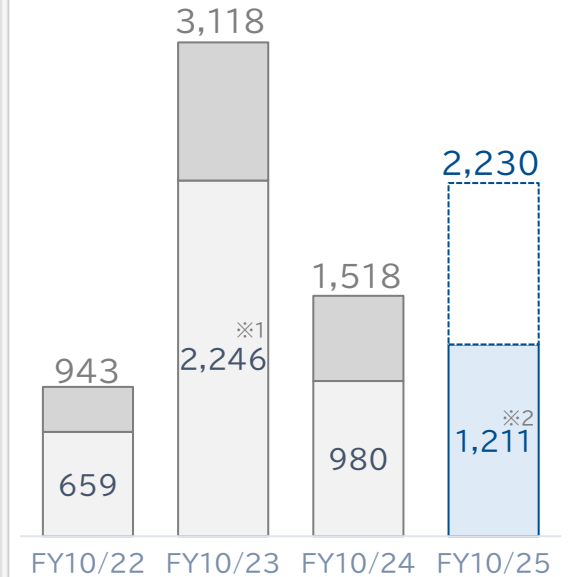


## Quarterly net income attributable to owners of parent

¥ **1,211** mn

YoY **+23.6%**  
(+¥231mn)

(Millions of Yen)



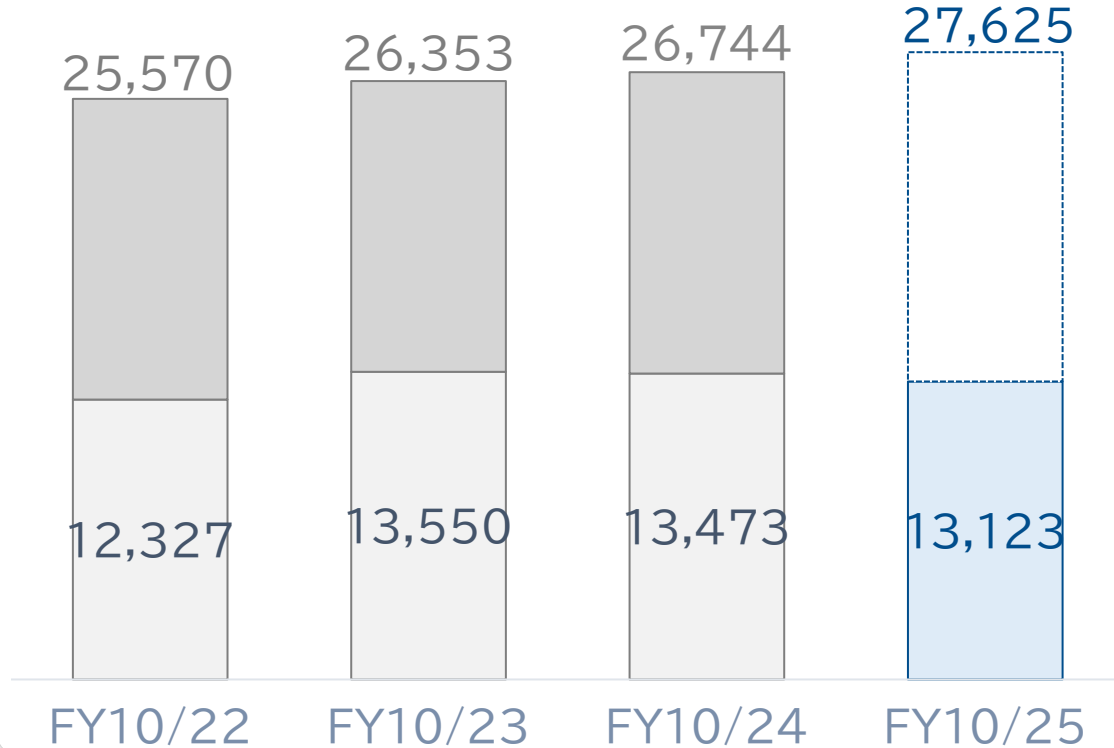
※1 Recognition of compensation payment related to the Chinese subsidiary as extraordinary income.  
 ※2 Recording subsidies related to the Kasaoka factory as extraordinary income.

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

## Sales

¥**13,123**mn YoY **−2.6%**  
(− ¥350mn)

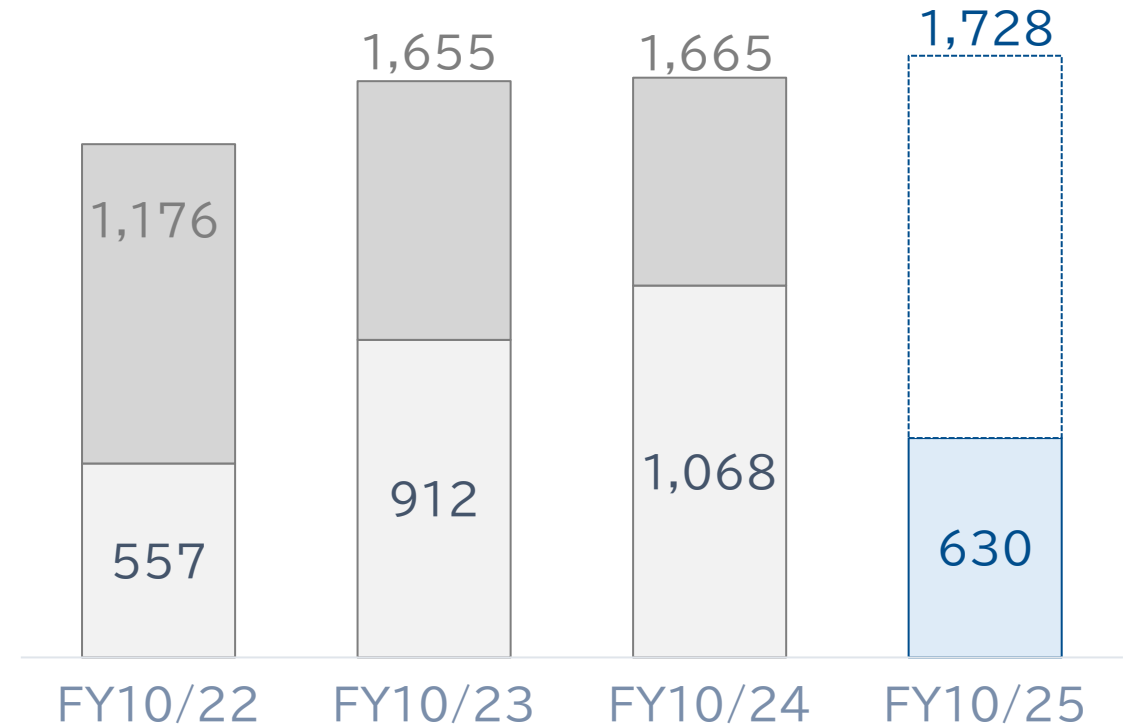
(Millions of Yen)



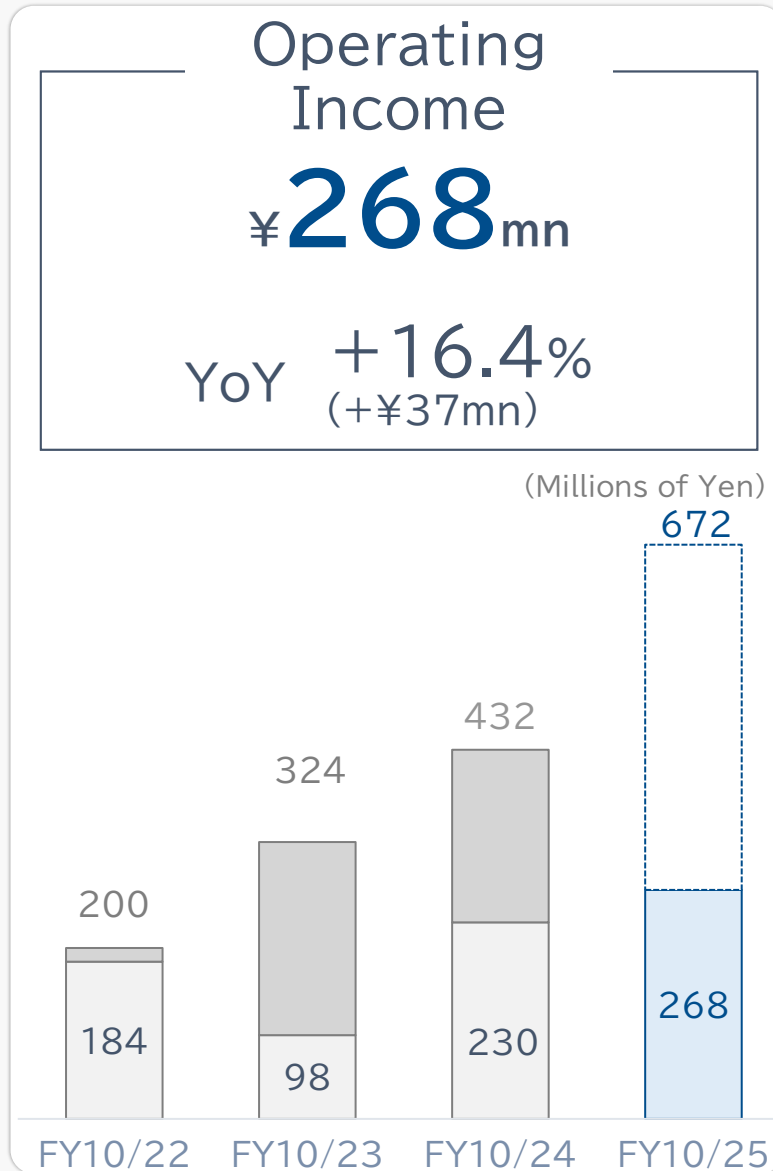
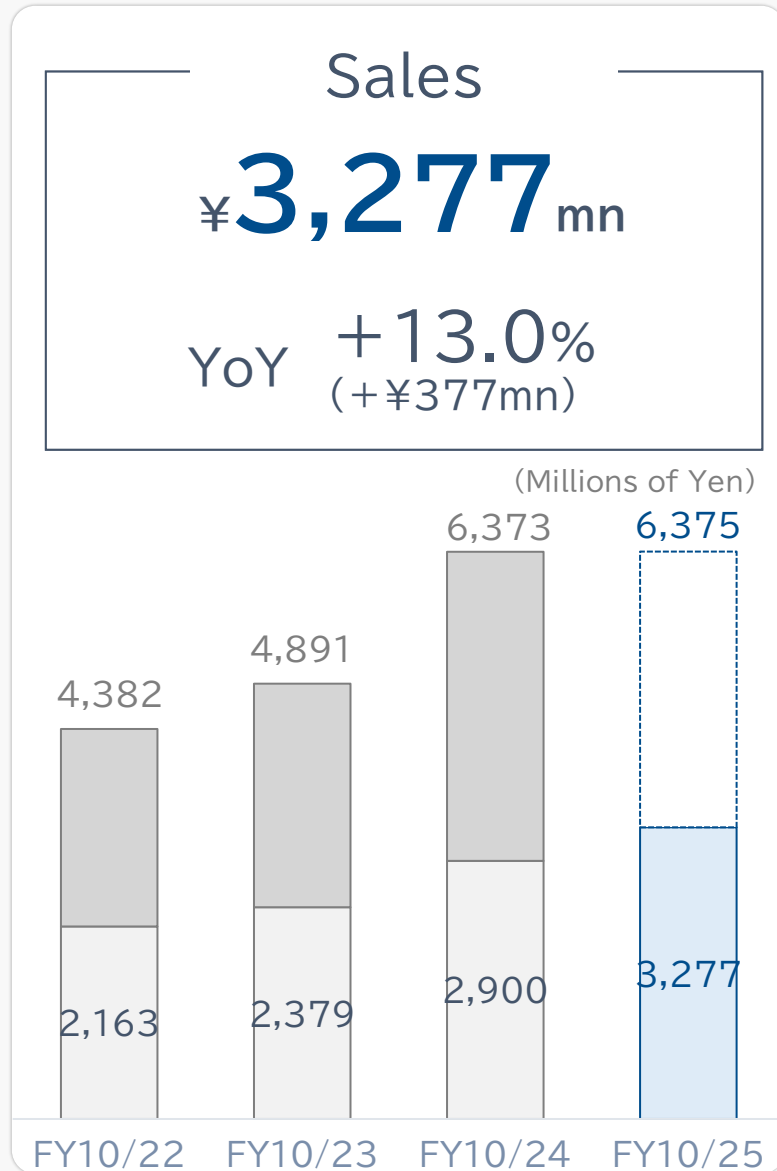
## Operating Income

¥**630**mn YoY **−41.0%**  
(− ¥437mn)

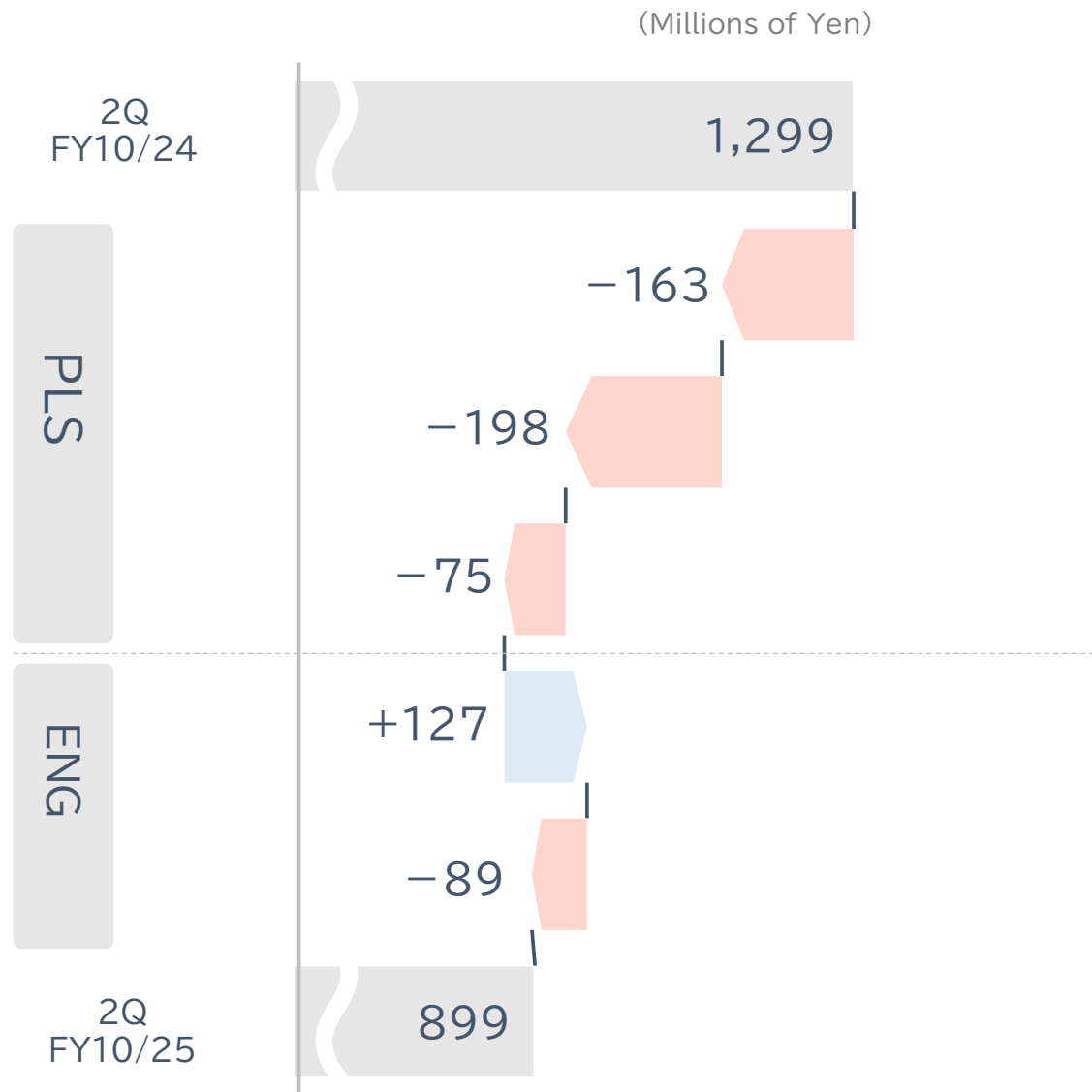
(Millions of Yen)



# Results highlights –Engineering (ENG) segment–



# Consolidated operating income analysis



## Main factors for change

Impact from rise in sales(BarChip,etc)

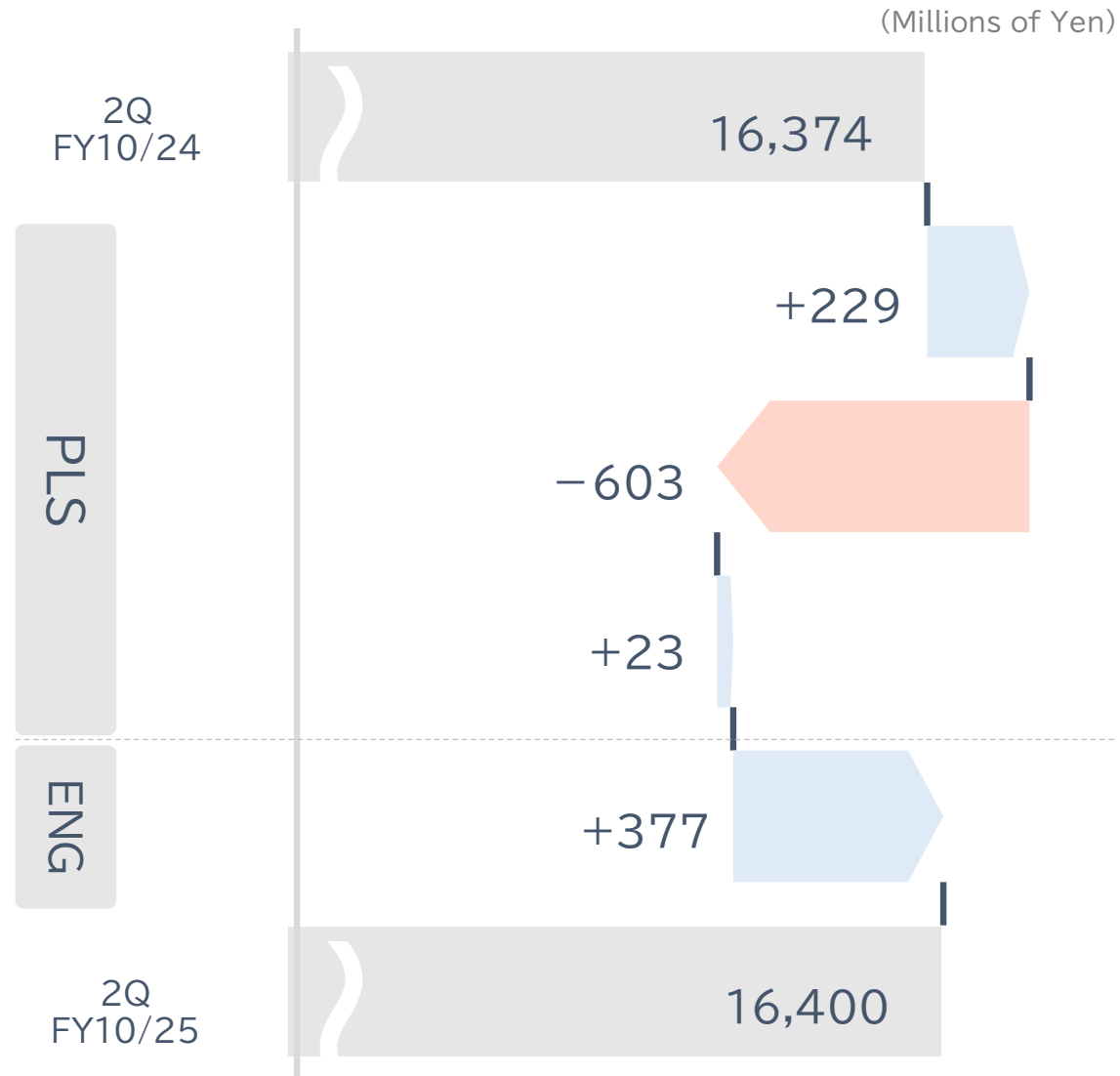
- ▶Impact of increased manufacturing costs (depreciation, etc.)

- ▶Impact of rise in SG&A

- ▶ Impact of increased sales(Film slitters, etc.)

- ▶Impact of rise in SG&A

# Consolidated sales analysis



## 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 (BarChip, Flexible Container Bag, Cloth etc)
- ▶Forex impact: sales increase from yen depreciation
- ▶Sales rise in the Engineering segment

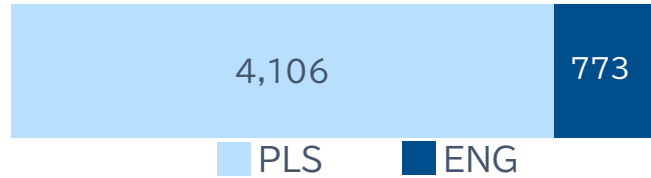


# Sales by region/segment

## Overseas sales

All-company ¥4,880mn

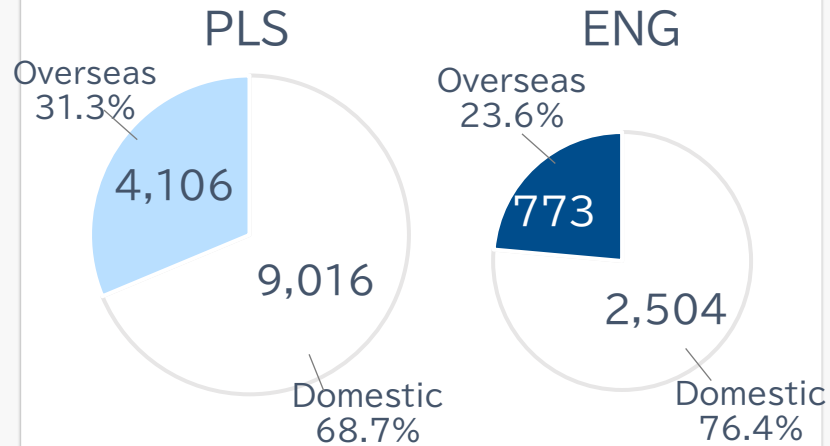
(Millions of Yen)



## Overseas sales weighting

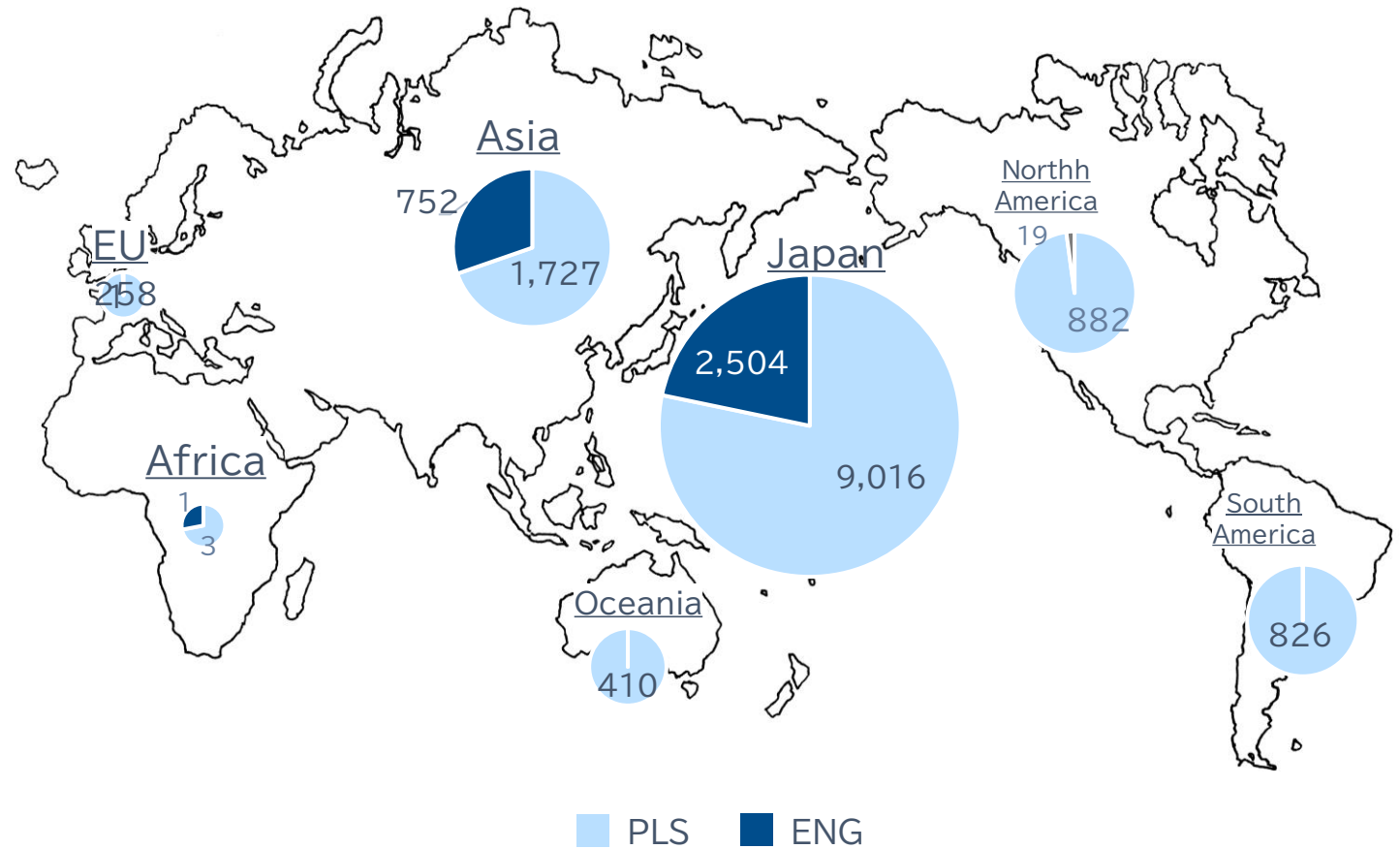
All-company 29.8%

(Millions of Yen)



## Sales by region

(Millions of Yen)



# Overview of segments and subsidiaries

(Millions of Yen)

	2Q FY10/24		2Q FY10/25		YoY change	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Hagihara Industries	7,624	310	7,514	153	▲110	▲157
Hagihara Westjava Industries	2,368	81	2,384	10	16	▲71
BarChip Group(Overseas)	2,350	180	1,959	69	▲391	▲111
BarChip(Domestic)	1,082	506	839	274	▲243	▲232
Toyo Heisei Polymer	2,101	75	2,292	105	191	30
<b>PLS Total</b>	<b>13,473</b>	<b>1,068</b>	<b>13,123</b>	<b>630</b>	<b>▲350</b>	<b>▲438</b>
Hagihara Industries	2,835	198	3,230	243	395	45
Hagihara Machinery(Shanghai)	381	16	343	32	▲38	16
<b>ENG Total</b>	<b>2,900</b>	<b>230</b>	<b>3,277</b>	<b>268</b>	<b>377</b>	<b>38</b>

# Consolidated balance sheet

## Assets

(Millions of Yen)

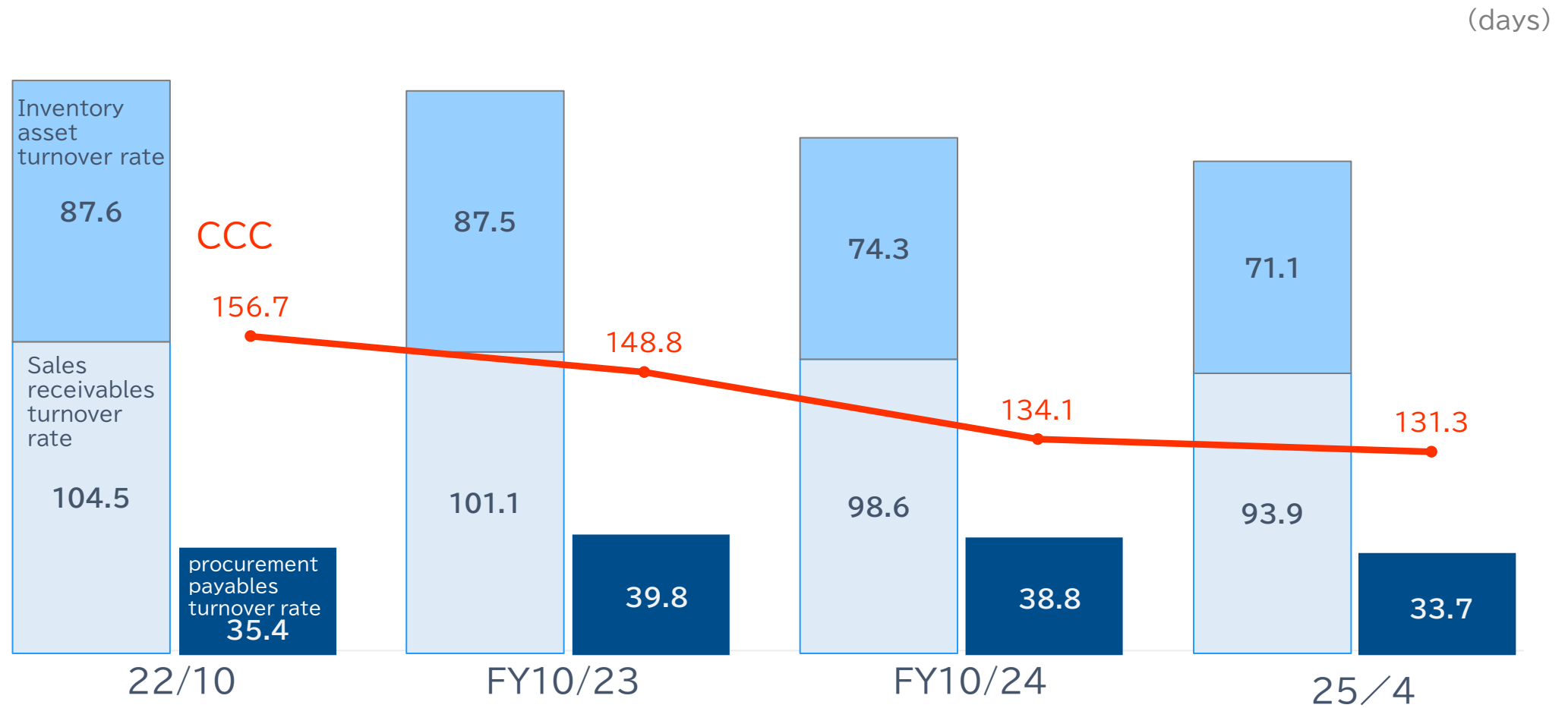
	24/10	25/4
	42,583	42,485
Cash and cash equivalents	5,600	5,131
Sales receivables	8,949	8,436
Inventory, wholesale assets, etc.	7,398	7,266
Fixed assets, etc.	20,634	21,651
Total asset turnover ratio	0.78x	0.77x

## Liabilities・Net assets

(Millions of Yen)

	24/10	25/4
	42,583	42,485
Procurement payables	3,518	3,027
Interest-bearing debt	5,447	5,175
Other current liabilities	3,453	3,080
Other fixed liabilities, etc.	1,064	1,102
Net assets	29,098	30,100
D/E ratio (Debt/Shareholders' Equity)	0.5	0.4
Shareholders' equity ratio	68.1%	70.7%

# CCC (cash conversion cycle)



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

# Financial performance indicators

	22/10	23/10	24/10	25/4
ROE(%)	3.7	11.6	5.3	4.5※
ROA(%)	2.6	7.7	3.6	3.1※

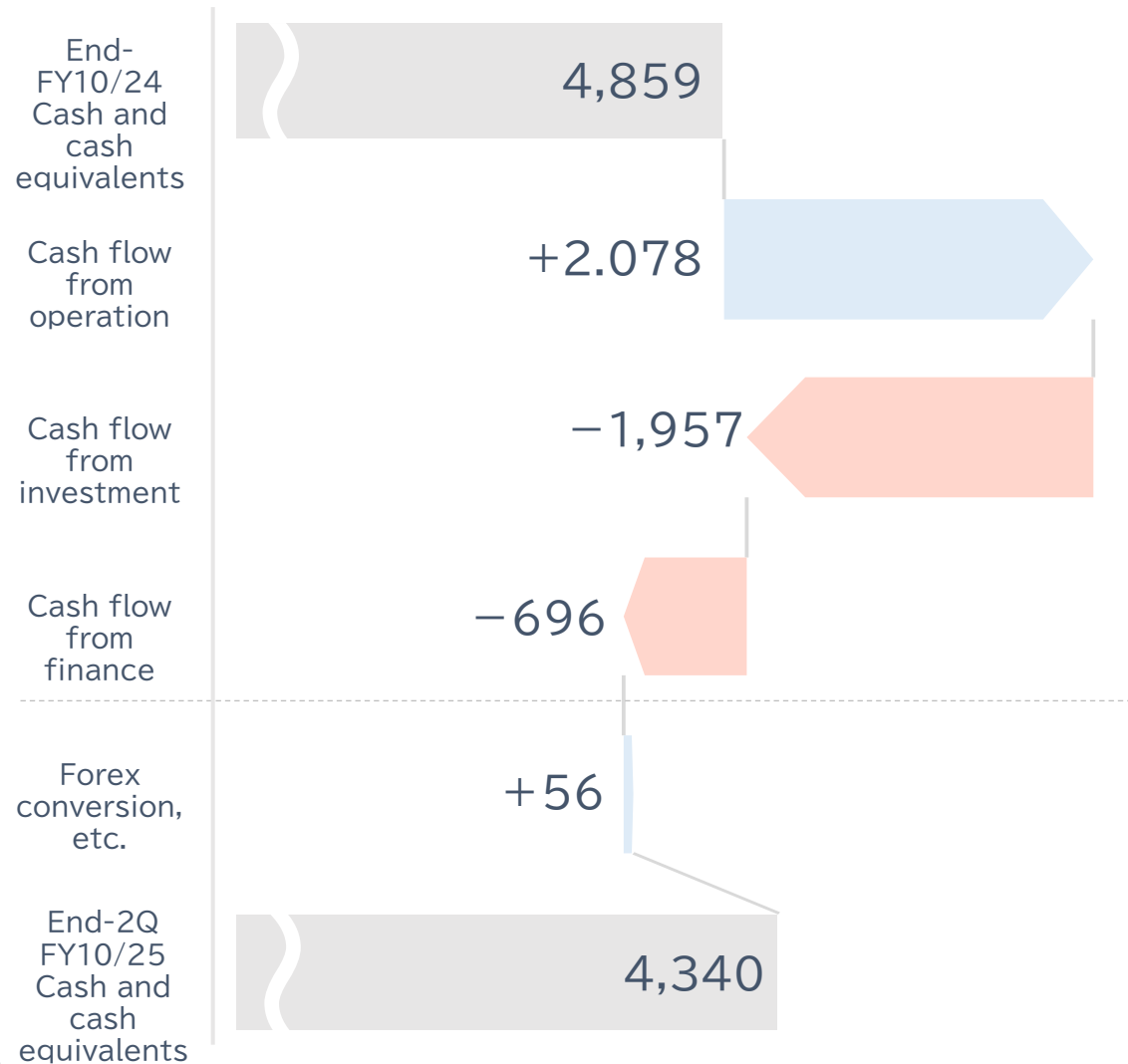
※The calculation excludes subsidies for the Kasaoka plant.

# Main share price indicators

	22/10	23/10	24/10	25/4
Share price (yen)	1,021	1,605	1,470	1,444
Dividend per share (yen)	36	50	60	65 ※
Dividend payout ratio (%)	54.7	22.4	54.2	40.6 ※
BPS(yen) *Net assets per share	1,856.11	2,028.93	2,088.91	2,149.26
PBR(%) *Price-book value ratio	0.55	0.79	0.70	0.67
Number of shareholders (people)	31, 252	33,074	35,686	31,919

※ Forecast

# Consolidated cash flows



## ●C/F from operation

(Millions of Yen)

Breakdown	Quarterly net income before adjustment for taxes, etc.	+	1,773
	Depreciation and amortization	+	995
	Fall in sales receivables	+	519
	Fall in inventory assets	+	444
	Fall in procurement payables	-	732
	Corporate taxes	-	215

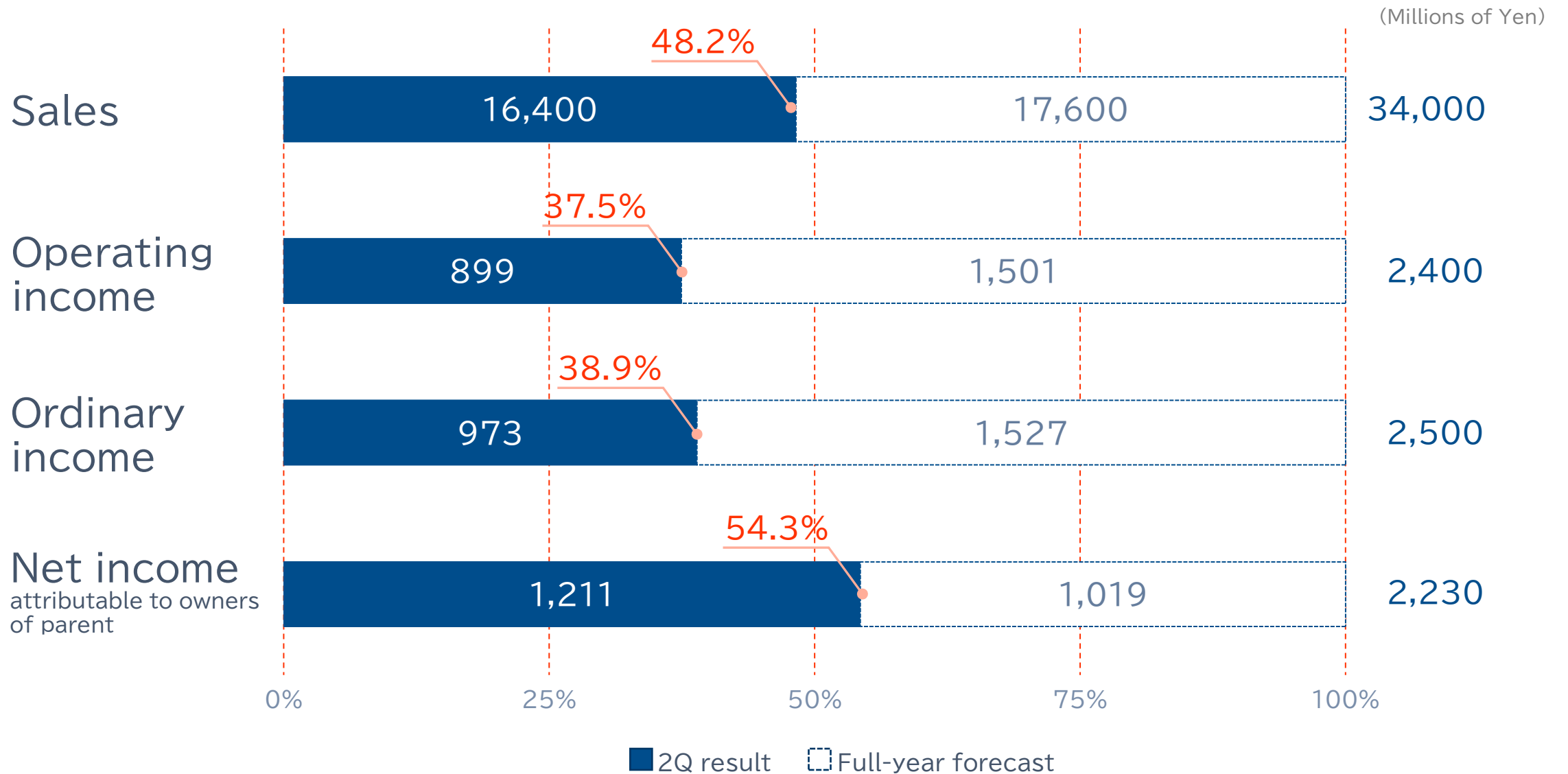
## ●C/F from investment

Breakdown	Acquisition of tangible fixed assets	-	1,896
Free C/F		+	120

## ●C/F from finance

Breakdown	Increase in short-term borrowings	+	122
	Repayment of long-term borrowings	-	420
	Dividends paid	-	489
Fall in cash and cash equivalents		-	519

# Consolidated earnings forecasts





# Sales by product type

(Millions of Yen)

Product type		Main product/ application	FY10/22	FY10/23	FY10/24	FY10/24	
			Full year	Full year	Full year	2Q result (% of total sales)	Full year forecast
P L S	Sheets,construction materials	Sheets,laminated fabric,sandbags	5,804	5,935	6,114	3,002	6,276
	Industrial materials	FIBC:flexible container bag,yarn	7,538	6,635	5,768	2,653	5,911
	Synthetic fiber for concrete reinforcement (BarChip)	Infrastructure, construction, mining	4,825	5,289	5,325	2,519	5,599
	Lifestyle materials	Adhesive-related, artificial grass, Meltac	6,433	7,565	8,729	4,554	9,022
	Others	Procured products, etc.	967	927	806	393	815
Total			25,570	26,353	26,744	13,123	27,625

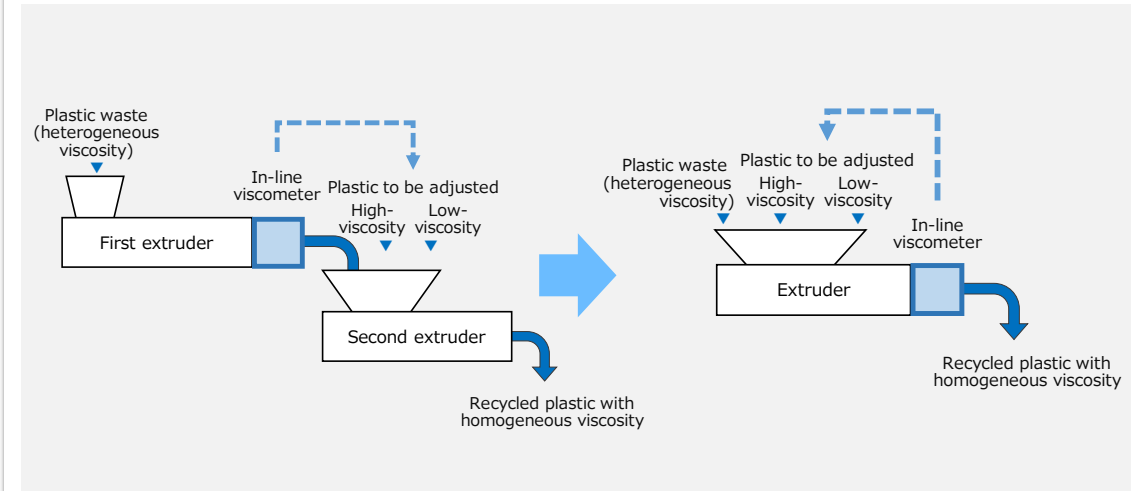
# 製品分類別売上高

(Millions of Yen)

Product type		Main product/ application	FY10/22	FY10/23	FY10/24	FY10/25	
			Full year	Full year	Full year	2Q result (% of total sales)	Full year forecast
E N G	Paper slitters	Electrical materials (insulation), Electronic component wrapping	392	519	1,148	402	654
	Film slitters	Soft packaging materials, optical materials, battery materials	2,862	3,109	3,484	2,119	4,046
	Screen changers, recycling machines	PET bottle recycling, etc.	1,055	1,021	1,529	693	1,300
	Others	Winders, etc.	71	241	211	62	374
Total			4,382	4,891	6,373	3,277	6,375

## ■Recycled Pellet Production Line for Horizontal Recycling of Blue Sheets Now in Full-Scale Operation

A new cleaning system for used cloths has been installed and integrated production has begun. This will improve production efficiency.



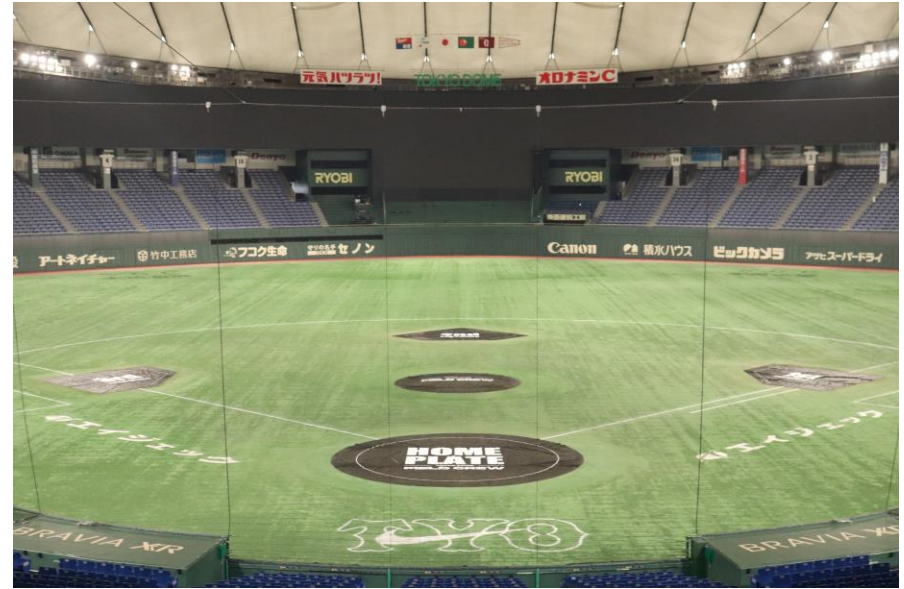
## ■Hagihara Industries Inc and Mitsui Chemicals Jointly Develop Technology to Uniform Viscosity of Recycled Plastics

We have jointly developed a viscosity equalization technology for recycled plastics that utilizes in-line viscosity measurement technology. This technology is expected to improve the yield and quality of plastic recycling.

## ■HPC® Using BarChip Adopted at Expo '70 in Osaka, Japan

The signature pavilion “LIVE EARTH JOURNEY)” produced by animation director Shoji Kawamori, uses hybrid prestressed concrete, or HPC®, developed by HPC Okinawa Co.

HPC® is a thin and strong concrete that uses rust-free “carbon fiber” instead of reinforcing steel, and BarChip is used as a reinforcing fiber.



## ■Printed Sheets Adopted by Tokyo Dome

Our printed sheets have been adopted by the Tokyo Dome. This product is a “#3000 black sheet” with a printing process, and is used as a cover for the main base, mound, bullpen, and other areas. We can flexibly respond to customers’ needs in terms of design as well as fabric type, size, and shape.

### 【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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