Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 8, 2024

Company name: HAGIWARA ELECTRIC HOLDINGS CO., LTD.
Stock exchange listing: Tokyo, Nagoya
Stock code: 7467 URL https://www.hagiwara.co.jp/
Representative: President and Representative Director Moritaka Kimura
Inquiries: Senior Vice President Yoshihiro Hirakawa TEL 052-931-3511
Scheduled date to file Semi-annual Securities Report: November 8, 2024
Scheduled date to commence dividend payments: December 6, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative) Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	131,780	22.0	3,728	(18.8)	3,209	(30.6)	2,066	(31.9)
Six months ended September 30, 2023	108,013	25.0	4,589	71.8	4,623	58.9	3,036	16.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	207.45	–
Six months ended September 30, 2023	326.01	325.85

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	134,741	51,968	37.0
As of March 31, 2024	119,706	50,361	40.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	95.00	–	90.00	185.00
Year ending March 31, 2025	–	90.00			
Year ending March 31, 2025 (Forecast)			–	95.00	185.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	255,000	13.3	7,000	(9.2)	6,200	(14.1)	3,850	(12.9)	386.38

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: Yes

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	Yes
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2024	10,118,000 shares	As of March 31, 2024	10,118,000 shares

Number of treasury shares at the end of the period

As of September 30, 2024	153,044 shares	As of March 31, 2024	155,505 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	9,963,409 shares	Six months ended September 30, 2023	9,313,675 shares

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	14,522	13,530
Notes and accounts receivable - trade, and contract assets	36,744	41,850
Electronically recorded monetary claims - operating	11,939	7,106
Securities	105	–
Merchandise and finished goods	41,446	53,327
Work in process	1,200	1,478
Raw materials and supplies	2,028	1,625
Other	3,596	4,446
Allowance for doubtful accounts	(10)	(10)
Total current assets	111,572	123,356
Non-current assets		
Property, plant and equipment	4,521	4,618
Intangible assets		
Goodwill	–	2,914
Other	276	365
Total intangible assets	276	3,279
Investments and other assets		
Other	3,375	3,520
Allowance for doubtful accounts	(39)	(33)
Total investments and other assets	3,336	3,487
Total non-current assets	8,134	11,385
Total assets	119,706	134,741
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,696	28,074
Electronically recorded obligations - operating	4,630	3,266
Short-term borrowings	4,879	17,996
Current portion of long-term borrowings	3,902	3,852
Income taxes payable	1,675	1,186
Provision for product warranties	20	20
Provision for loss on orders received	56	113
Other	5,249	5,293
Total current liabilities	45,111	59,803
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	13,592	12,291
Other	641	677
Total non-current liabilities	24,234	22,969
Total liabilities	69,345	82,772

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	6,099	6,099
Capital surplus	6,616	6,621
Retained earnings	34,168	35,338
Treasury shares	(284)	(280)
Total shareholders' equity	46,598	47,778
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	500	404
Deferred gains or losses on hedges	–	0
Foreign currency translation adjustment	1,117	1,640
Remeasurements of defined benefit plans	0	6
Total accumulated other comprehensive income	1,618	2,052
Non-controlling interests	2,143	2,137
Total net assets	50,361	51,968
Total liabilities and net assets	119,706	134,741

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	108,013	131,780
Cost of sales	97,561	121,266
Gross profit	10,452	10,513
Selling, general and administrative expenses	5,863	6,784
Operating profit	4,589	3,728
Non-operating income		
Interest income	2	2
Dividend income	11	12
Foreign exchange gains	127	–
Other	41	62
Total non-operating income	183	77
Non-operating expenses		
Interest expenses	95	159
Interest expenses on bonds	21	21
Loss on redemption of securities	–	5
Foreign exchange losses	–	394
Loss on sale of trade receivables	8	8
Other	23	6
Total non-operating expenses	148	596
Ordinary profit	4,623	3,209
Extraordinary income		
Gain on sale of investment securities	–	23
Other	6	–
Total extraordinary income	6	23
Extraordinary losses		
Loss on disposal of non-current assets	0	12
Total extraordinary losses	0	12
Profit before income taxes	4,629	3,220
Income taxes	1,570	1,125
Profit	3,058	2,094
Profit attributable to non-controlling interests	22	27
Profit attributable to owners of parent	3,036	2,066

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	3,058	2,094
Other comprehensive income		
Valuation difference on available-for-sale securities	93	(95)
Deferred gains or losses on hedges	(1)	0
Foreign currency translation adjustment	391	523
Remeasurements of defined benefit plans, net of tax	12	5
Total other comprehensive income	496	433
Comprehensive income	3,554	2,528
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,532	2,500
Comprehensive income attributable to non-controlling interests	22	27

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	4,629	3,220
Depreciation	165	199
Loss (gain) on sale and retirement of non-current assets	0	12
Increase (decrease) in allowance for doubtful accounts	(5)	(6)
Decrease (increase) in retirement benefit asset	(30)	–
Increase (decrease) in provision for loss on orders received	(12)	56
Interest and dividend income	(13)	(14)
Increase (decrease) in retirement benefit liability	–	(40)
Interest expenses	116	181
Loss (gain) on redemption of securities	–	5
Loss (gain) on sale of investment securities	–	(23)
Decrease (increase) in trade receivables	(2,221)	(265)
Decrease (increase) in inventories	(2,741)	(11,719)
Increase (decrease) in trade payables	3,275	2,004
Other, net	311	(700)
Subtotal	3,473	(7,090)
Interest and dividends received	14	15
Interest paid	(117)	(200)
Income taxes paid	(1,500)	(1,485)
Net cash provided by (used in) operating activities	1,869	(8,761)
Cash flows from investing activities		
Purchase of investment securities	(2)	(160)
Proceeds from sale of investment securities	36	28
Proceeds from redemption of securities	–	100
Purchase of property, plant and equipment	(165)	(85)
Purchase of intangible assets	(34)	(117)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,947)
Payments for asset retirement obligations	–	(4)
Other, net	(40)	(220)
Net cash provided by (used in) investing activities	(206)	(3,408)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	845	13,116
Proceeds from long-term borrowings	1,150	1,200
Repayments of long-term borrowings	(2,951)	(2,551)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	3,279	–
Dividends paid	(837)	(900)
Proceeds from issuance of share acquisition rights	11	–
Dividends paid to non-controlling interests	(34)	(34)
Other, net	(68)	(67)
Net cash provided by (used in) financing activities	1,395	10,763
Effect of exchange rate change on cash and cash equivalents	379	415
Net increase (decrease) in cash and cash equivalents	3,436	(991)
Cash and cash equivalents at beginning of period	10,920	14,522
Cash and cash equivalents at end of period	14,357	13,530