Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.



Financial Results Presentation Material for the Nine Months Ended December 31, 2024





HAGIWARA ELECTRIC HOLDINGS CO., LTD.
(TSE Prime Market & NSE Premier Market: 7467)
March 4, 2025

Highlight

Financial results summary for FY2025/3 Q3

Net sales reached a record high for four consecutive periods.
Profit declined due to changes in sales composition, etc.

- Net sales **reached a record high at ¥194.9 billion, up 17.8% YoY**.
  Despite the impact of the automobile production adjustment and the stagnation of the Chinese market, net sales increased due to the acquisition of new transaction flows, positive effects of the weak yen and capturing demand for production facilities investment.
- Operating profit was **¥5.5 billion, down 14.5% YoY**, due to the sluggish gross profit growth caused by changes in sales composition and a fallback from spot profits in the same period of the previous fiscal year, as well as the implementation of growth investment such as human resources investment and system investment.
- Due to the posting of foreign exchange loss of ¥0.39 billion in non-operating expenses, etc., ordinary profit was **¥4.9 billion, down 20.2% YoY**, and profit attributable to owners of parent was **¥3.0 billion, down 21.3% YoY**.

Earnings forecasts for FY2025/3

Earnings forecasts have not been changed from the figures announced on November 8.
Annual dividend is planned to be ¥185 (¥90 for interim, and ¥95 for year-end), as expected at the beginning of the fiscal year.

Financial results summary for FY2025/3 Q3

Earnings forecasts for FY2025/3

Financial results for FY2025/3 Q3

・While net sales reached a record high, profits of each stage declined.
・Progress generally as expected.

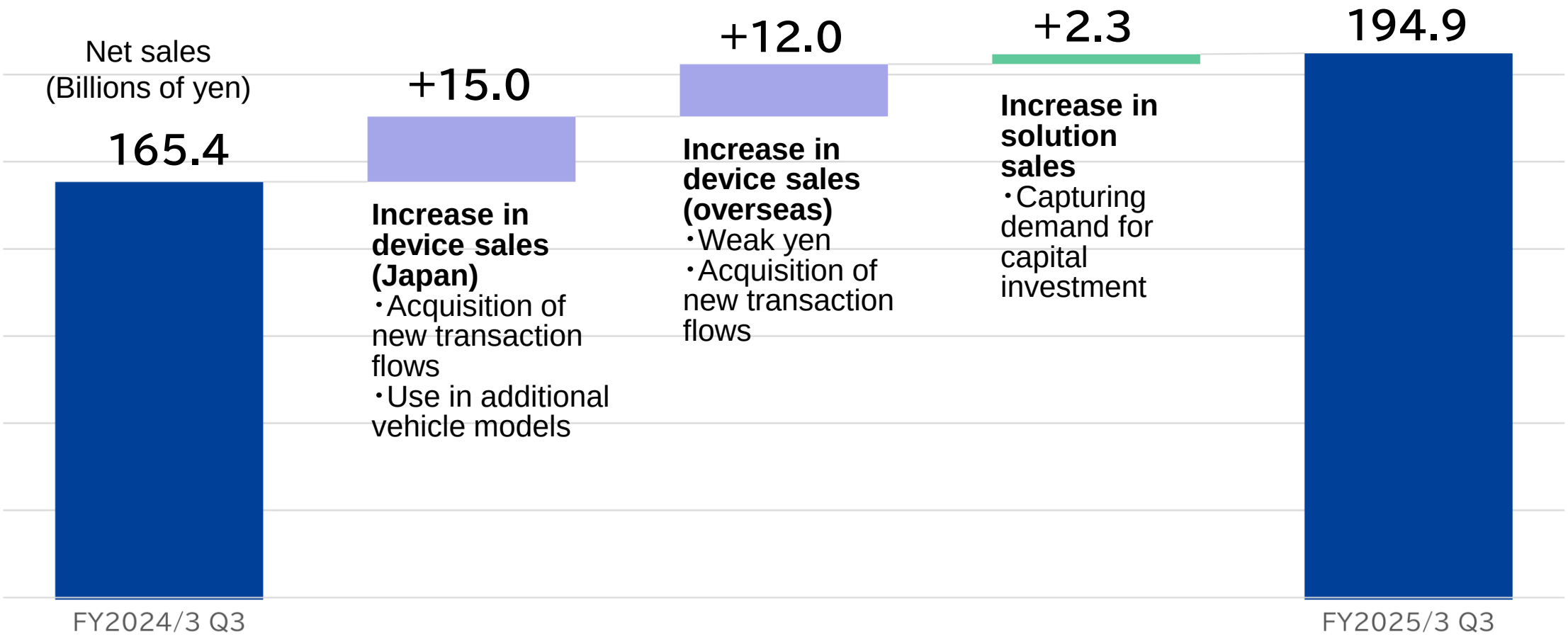
(Unit: Millions of yen)

	FY2024/3 Q3		FY2025/3 Q3		YoY	
	Amount	Ratio	Amount	Ratio		
Net sales	165,437	100%	**194,920**	100%	+29,482	+17.8%
Gross profit	15,334	9.3%	**15,719**	8.1%	+385	+2.5%
Selling, general and administrative expenses	8,893	5.4%	**10,213**	5.2%	+1,320	+14.8%
Operating profit	6,441	3.9%	**5,505**	2.8%	(935)	(14.5)%
Ordinary profit	6,146	3.7%	**4,904**	2.5%	(1,241)	(20.2)%
Profit attributable to owners of parent	3,939	2.4%	**3,099**	1.6%	(839)	(21.3)%
Earnings per share*1 (Yen)	413.33	—	**311.10**	—	(102.23)	—
Rate of exchange (USD)		¥138.11		¥151.29	weak yen	¥13.18

*1 The number of issued shares increased YoY due to the exercise of share acquisition rights. The average number of shares during the period was 9,530,106 shares in FY2024/3 Q3 and 9,963,927 shares in FY2025/3 Q3.

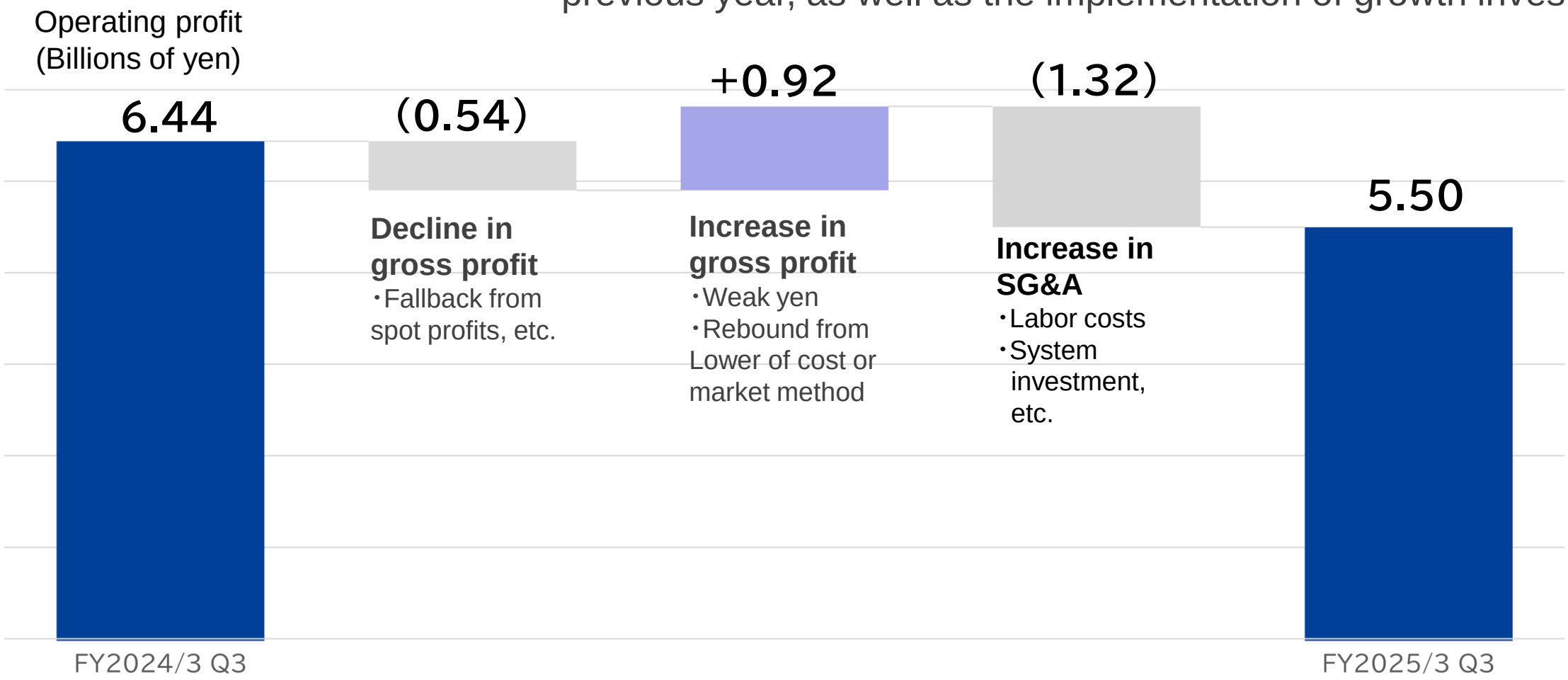
Positive factors for net sales

・Net sales increased by ¥29.4 billion, or 17.8%, YoY.
・In the Electronic Devices Business, sales increased due to the acquisition of new transaction flows and positive effect of the weak yen. In the Technology Solutions Business, sales increased due to capturing demand for capital investment.



Changing factors for operating profit

・Operating profit declined by ¥0.93 billion, or 14.5%, YoY.
・This was due to the decline in the gross profit margin due to an increase in the sales composition ratio of the Electronic Devices Business and a fallback from spot profits in the same period of the previous year, as well as the implementation of growth investment.



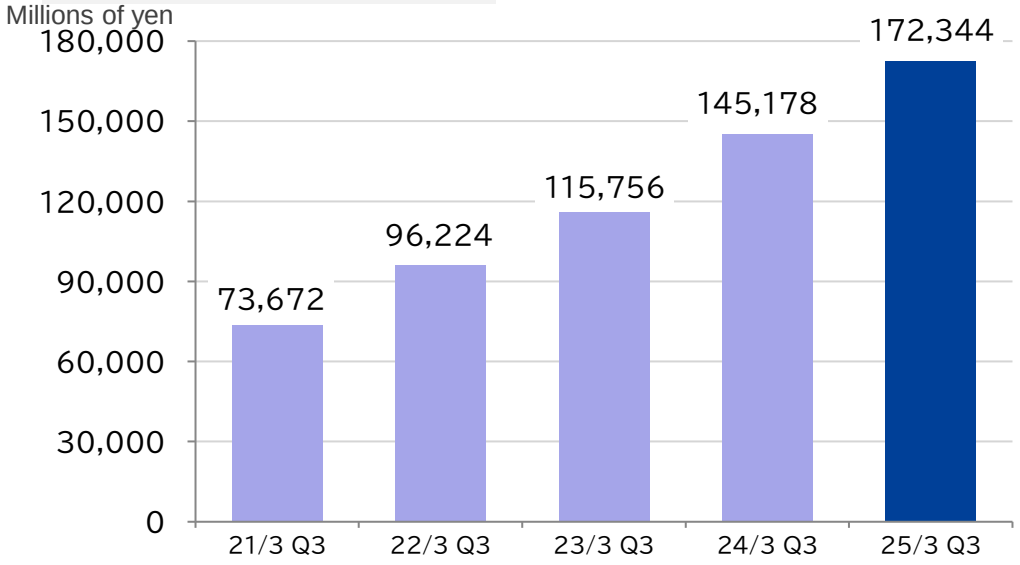
Electronic Devices Business: Financial results summary

・Although automobile production volume decreased, net sales increased due to the acquisition of new transaction flows, use of adopted products in additional vehicle models and positive effects of the weak yen.
・Segment profit declined due to the changes in product mix, a fallback from spot profit and increased expense, etc.

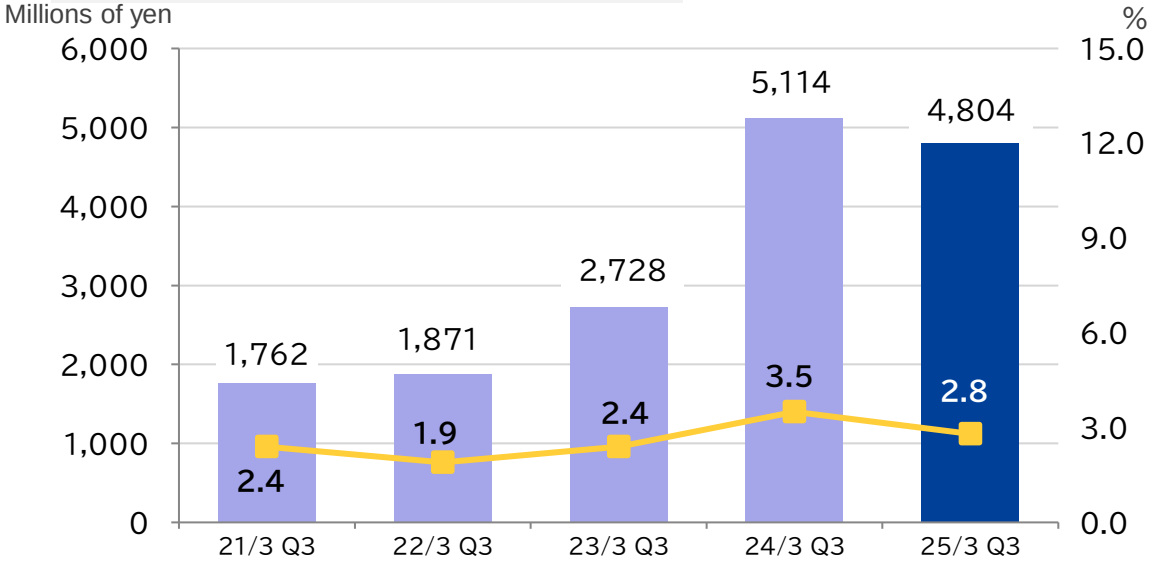
(Unit: Millions of yen)

	FY2024/3 Q3		FY2025/3 Q3			
	Amount	Ratio	Amount	Ratio	YoY	
Net sales	145,178	100%	**172,344**	100%	+27,166	+18.7%
Segment profit	5,114	3.5%	**4,804**	2.8%	(309)	(6.1)%

Net sales



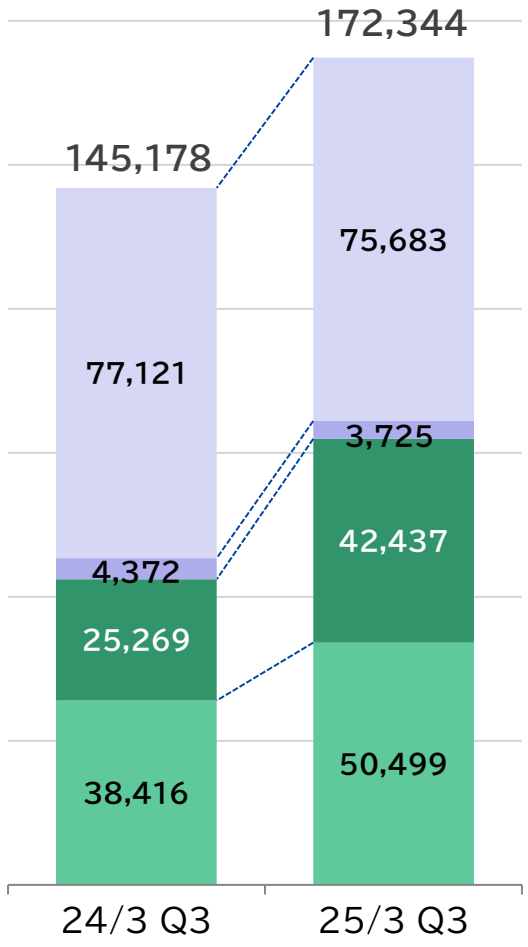
Segment profit and segment profit margin



Electronic Devices Business: Net sales by client (YoY)

・In terms of Japan sales, the acquisition of new transaction flows and increased demand from use of adopted products in additional vehicle models made up for the decline in automobile production volume. Overseas, there were positive effects of the weak yen.
・In Japan and overseas, sales increased by ¥19.2 billion due to the acquisition of new transaction flows.

(Unit: Millions of yen)



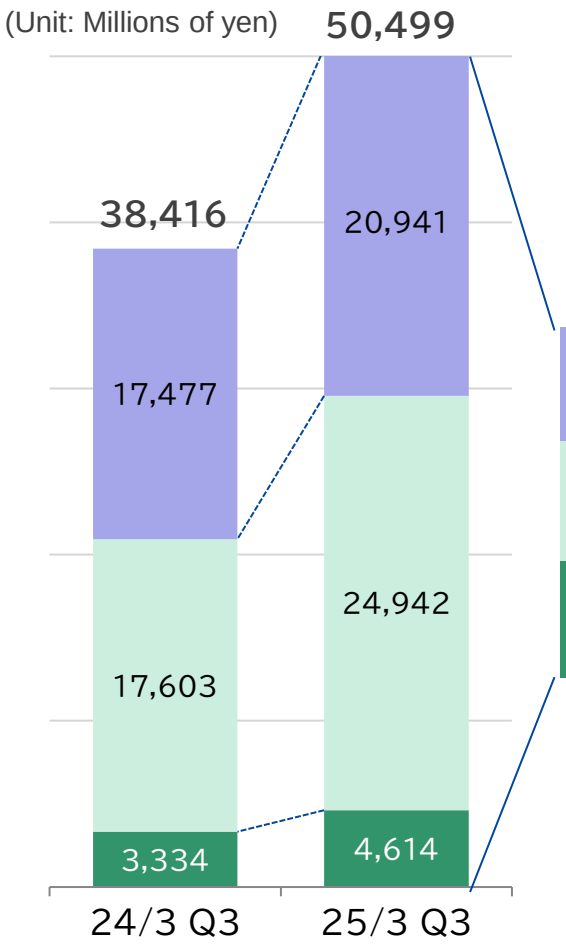
(Unit: Millions of yen)

	FY2024/3 Q3		FY2025/3 Q3			
	Amount	Ratio	Amount	Ratio	YoY	
DENSO CORPORATION	77,121	53.1%	**75,683**	43.9%	(1,437)	(1.9)%
TOKAI RIKA CO., LTD.	4,372	3.0%	**3,725**	2.2%	(647)	(14.8)%
Others	25,269	17.4%	**42,437**	24.6%	+17,168	+67.9%
Overseas clients *1	38,416	26.5%	**50,499**	29.3%	+12,082	+31.5%
Total	145,178	—	**172,344**	—	+27,166	+18.7%

*1 Sales to the overseas offices of major customers, including DENSO CORPORATION, have been included in Overseas clients.

Electronic Devices Business: Net sales by region (YoY)

・In each area, sales increased YoY.
・Overseas sales increased by ¥3.9 billion due to the positive effects of the weak yen.



(Unit: Millions of yen)

		FY2024/3 Q3		FY2025/3 Q3			
	*1	Amount	Ratio	Amount	Ratio	YoY	
Japan		106,761	73.5%	**121,844**	70.7%	+15,083	+14.1%
Asia	*2	17,477	12.0%	**20,941**	12.2%	+3,463	+19.8%
United States		17,603	12.1%	**24,942**	14.5%	+7,339	+41.7%
Europe		3,334	2.3%	**4,614**	2.7%	+1,279	+38.4%
Overseas (total)		38,416	26.5%	**50,499**	29.3%	+12,082	+31.5%
Total		145,178	—	**172,344**	—	+27,166	+18.7%

*1 Region names represent the Group's business locations (excluding intragroup transactions).
*2 Financial results included in FY2025/3 Q3 are figures from January 2024 to September 2024 as the fiscal year-end for the Group's bases in Singapore, China and the United States is December.

Technology Solutions Business: Financial results summary

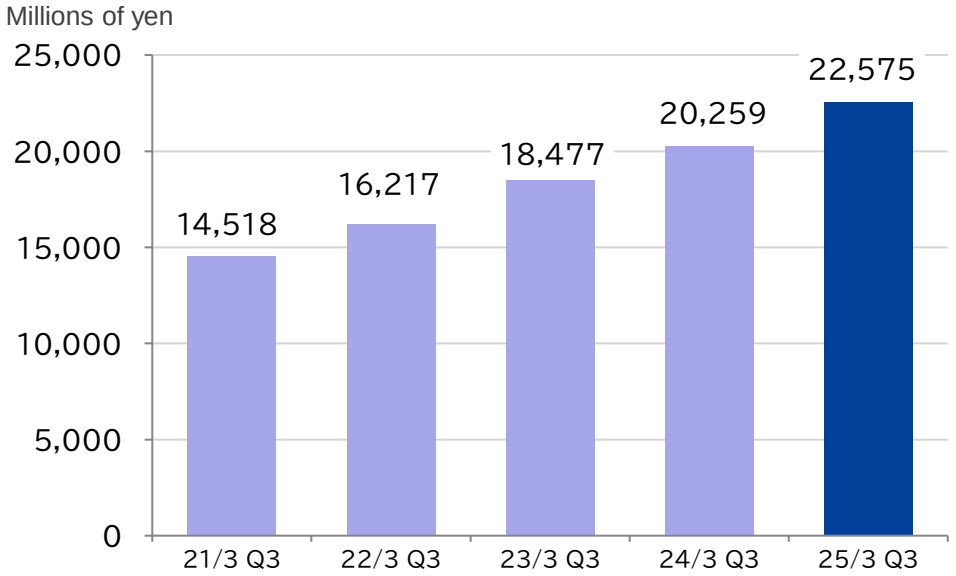
・Although sales of some customers were sluggish due to the impact of the stagnation of the Chinese market, sales increased due to capturing demand for capital investment by automobile-related companies.

・Segment profit decreased due to changes in sales composition and increased expenses due to growth investment.

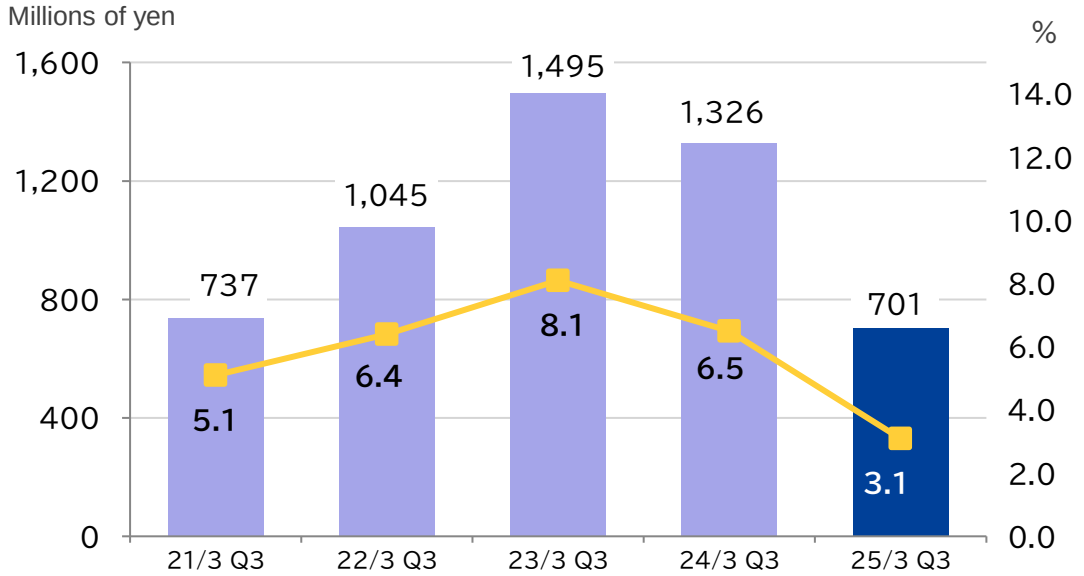
(Unit: Millions of yen)

	FY2024/3 Q3		FY2025/3 Q3			
	Amount	Ratio	Amount	Ratio	YoY	
Net sales	20,259	100%	**22,575**	100%	+2,316	+11.4%
Segment profit	1,326	6.5%	**701**	3.1%	(625)	(47.2)%

Net sales



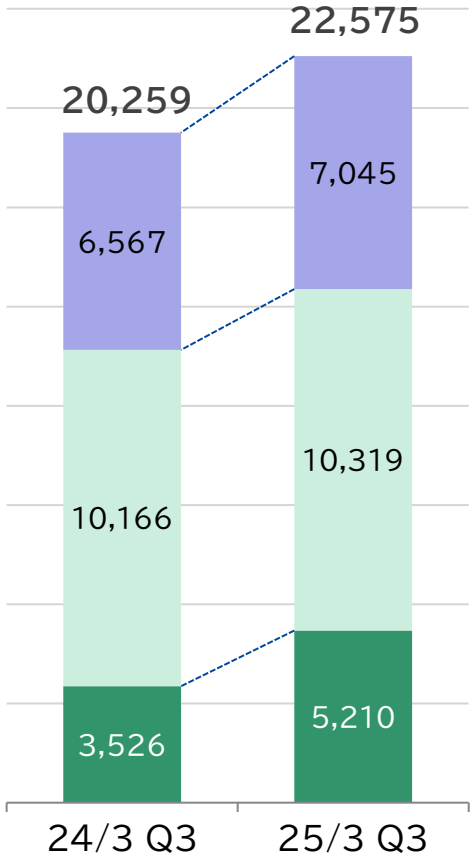
Segment profit and segment profit margin



Technology Solutions Business: Net sales by business (YoY)

・Sales of Embedded Solutions was on par with YoY, despite customers' inventory adjustments due to the stagnation of the Chinese market.
・FA Engineering led sales by capturing demand for production facilities and receiving new orders for construction of production lines, etc.

(Unit: Millions of yen)



(Unit: Millions of yen)

*1	FY2024/3 Q3		FY2025/3 Q3			
	Amount	Ratio	Amount	Ratio	YoY	
IT Solutions / Data Platform	6,567	32.4%	**7,045**	31.2%	+478	+7.3%
Embedded Solutions	10,166	50.2%	**10,319**	45.7%	+153	+1.5%
FA Engineering	3,526	17.4%	**5,210**	23.1%	+1,684	+47.7%
Total	20,259	—	**22,575**	—	+2,316	+11.4%

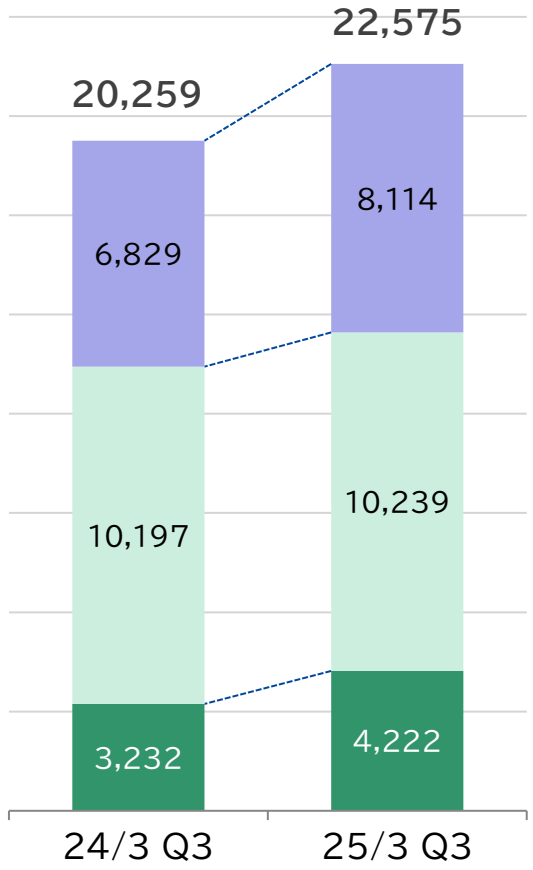
*1 From FY2025/3, we changed the names of the previous System Solutions, Embedded and FA Solutions to IT Solutions, Embedded Solutions and FA Engineering. Also, we newly added Data platform to these businesses. Sales of Data platform is combined with IT solutions. The details of each business are as follows.

IT Solutions: Sale of IT devices, development of apps, development of IoT systems, security measures, etc.
Data Platform: IoT data platform, services sales, etc.
Embedded: Development and manufacturing of industrial computers, sale of industrial embedded computers for machinery, etc.
FA Engineering: Sale of measurement devices, inspection equipment and FA devices, development, manufacturing and sale of various automated and labor-saving manufacturing equipment.

Technology Solutions Business: Net sales by industry (YoY)

・Captured demand for production and development capital investment from automobile-related companies.
・Some industrial equipment-related customers made inventory adjustments in response to the stagnation of the Chinese market.

(Unit: Millions of yen)



(Unit: Millions of yen)

	FY2024/3 Q3		FY2025/3 Q3			
	Amount	Ratio	Amount	Ratio	YoY	
Automotive	6,829	33.7%	**8,114**	35.9%	+1,284	+18.8%
FA & Industrial equipment	10,197	50.3%	**10,239**	45.4%	+41	+0.4%
Others	3,232	16.0%	**4,222**	18.7%	+989	+30.6%
Total	20,259	—	**22,575**	—	+2,316	+11.4%

Consolidated balance sheets

・In Assets, merchandise and finished goods and goodwill mainly increased.
・In Liabilities, short-term borrowings mainly increased.
・In net assets, retained earnings mainly increased.

(Unit: Millions of yen)

	As of March 31,2024	As of December 31,2024	Change
Current assets	111,572	**117,925**	+6,352
Merchandise and finished goods	41,446	**52,879**	+11,432
Non-current assets	8,134	**11,538**	+3,404
Property, plant and equipment	4,521	**4,774**	+252
Intangible assets	276	**3,332**	+3,056
Investments and other assets	3,336	**3,432**	+95
Total assets	119,706	**129,464**	+9,757

	As of March 31,2024	As of December 31,2024	Change
Current liabilities	45,111	**48,835**	+3,723
Non-current liabilities	24,234	**28,877**	+4,642
Total liabilities	69,345	**77,712**	+8,366
Shareholder's equity	46,598	**47,914**	+1,315
Other	3,762	**3,836**	+74
Total net assets	50,361	**51,751**	+1,390
Total liabilities and net assets	119,706	**129,464**	+9,757

Financial results summary for FY2025/3 Q3

Earnings forecasts for FY2025/3

Earnings forecasts for FY2025/3

・Earnings forecasts have not been changed from the figures announcement on November 8.

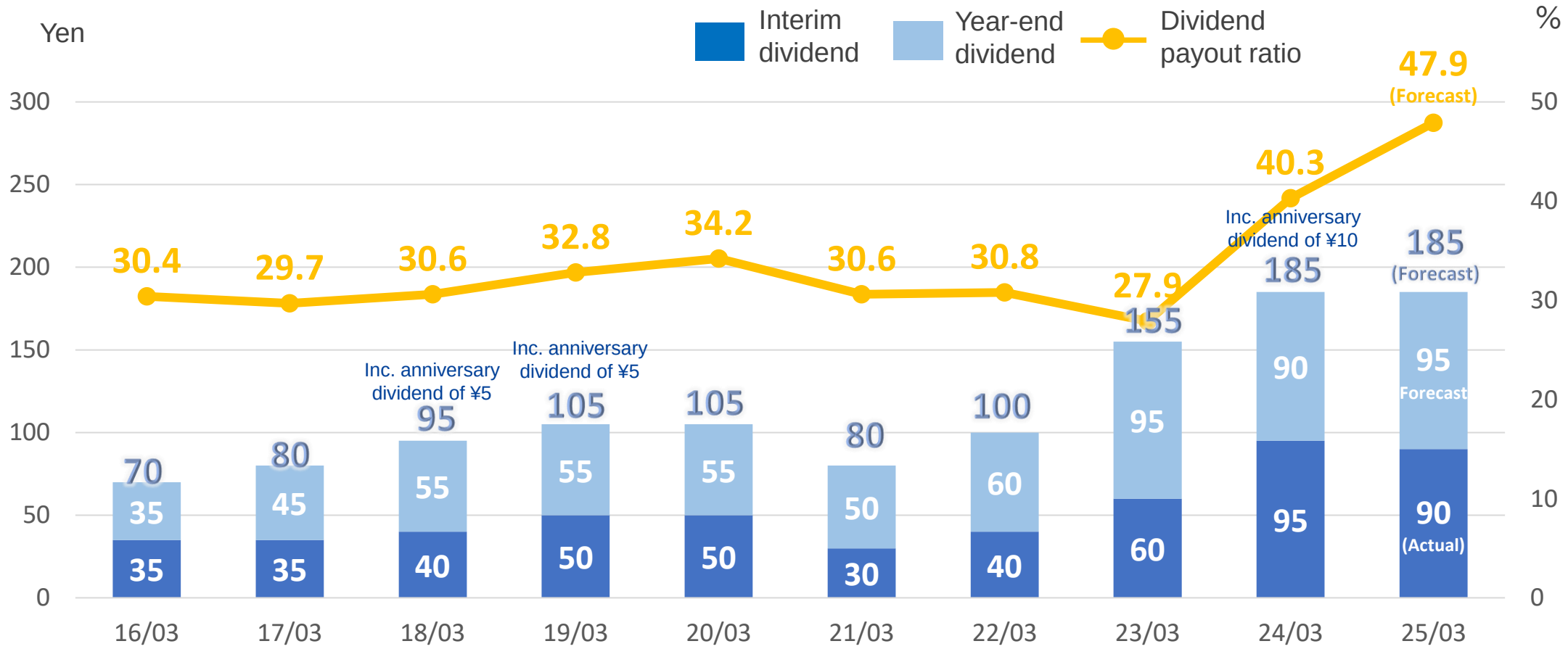
(Unit: Millions of yen)

	FY2024/3		FY2025/3 (Forecast)		YoY	
	Amount	Ratio	Amount	Ratio		
Net sales	225,150	100%	**255,000**	100%	+29,849	+13.3%
Operating profit	7,711	3.4%	**7,000**	2.7%	(711)	(9.2)%
Ordinary profit	7,221	3.2%	**6,200**	2.4%	(1,021)	(14.1)%
Profit attributable to owners of parent	4,421	2.0%	**3,850**	1.5%	(571)	(12.9)%
Earnings per share (Yen)	458.80	–	**386.38**	–	(72.42)	–
Rate of exchange (USD)	¥140.5		¥143.0		Weak yen ¥2.5	—

Return to shareholder

・The basic policy is to pay stable dividends aiming at a consolidated dividend payout ratio of around 30-40%.
・The dividend forecast remains unchanged from the initial forecast, and the annual dividend forecast is ¥185 (year-end dividend of ¥95).

Trends in dividends and dividend ratio



HAGIWARA ELECTRIC HOLDINGS CO., LTD.

【Disclaimer concerning use of this document】

Every effort has been made to ensure accuracy in preparing these materials, but no guarantee is made regarding the accuracy or completeness of the information.
Performance forecasts and future projections contained herein are based on information available at the time of preparation and contain potential risks and uncertainties. Actual performance may therefore differ significantly from future forecasts due to various factors such as changes in the business environment.
Hence, no investment decisions should be made based solely on these materials. Furthermore, the Company assumes no responsibility whatsoever for any damages incurred as a result of the use of these materials.