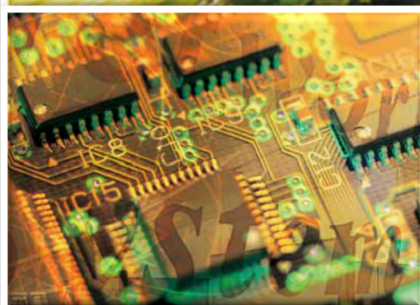


FACTBOOK

7467/TSE 1st Section, NSE 1st Section
HAGIWARA ELECTRIC CO., LTD.

For the six months of the fiscal year
ending on March 31, 2016



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Corporate Profile

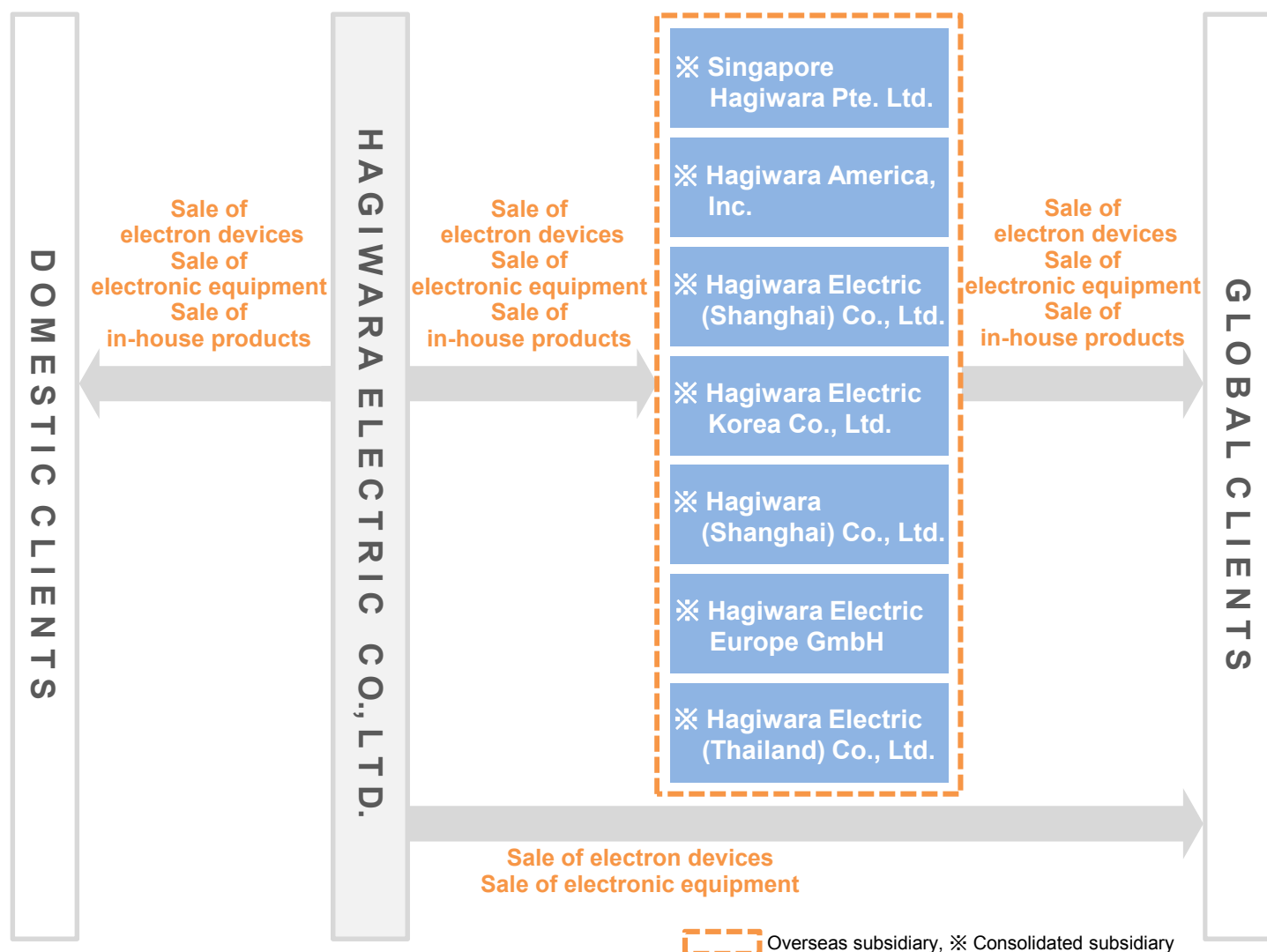
Corporate Outline (as of September 30, 2015)

Name of Company	HAGIWARA ELECTRIC CO., LTD.
Head Office	2-3-3 Higashisakura, Higashi-ku, Nagoya City, Aichi Pref. 461-8520 Japan
Representative	Mitsuo Iwai, President
Established	March 31, 1948
Capital	3,301,216,100 yen
Number of Employees	Consolidated: 470 *Excluding temporary employees
Major Business	1. Electron Device Business Unit Sale of integrated circuits, semiconductors and electron devices 2. IT Solution Business Unit Sale of electronic equipment and manufacture and sale of FA equipment
ISO	ISO14001 (ENVIRONMENTAL SYSTEM) Headquarters and Annex, Miyoshi Office, Development and Production Division ISO9001 (QUALITY SYSTEM) Development and Production Division

Business Content

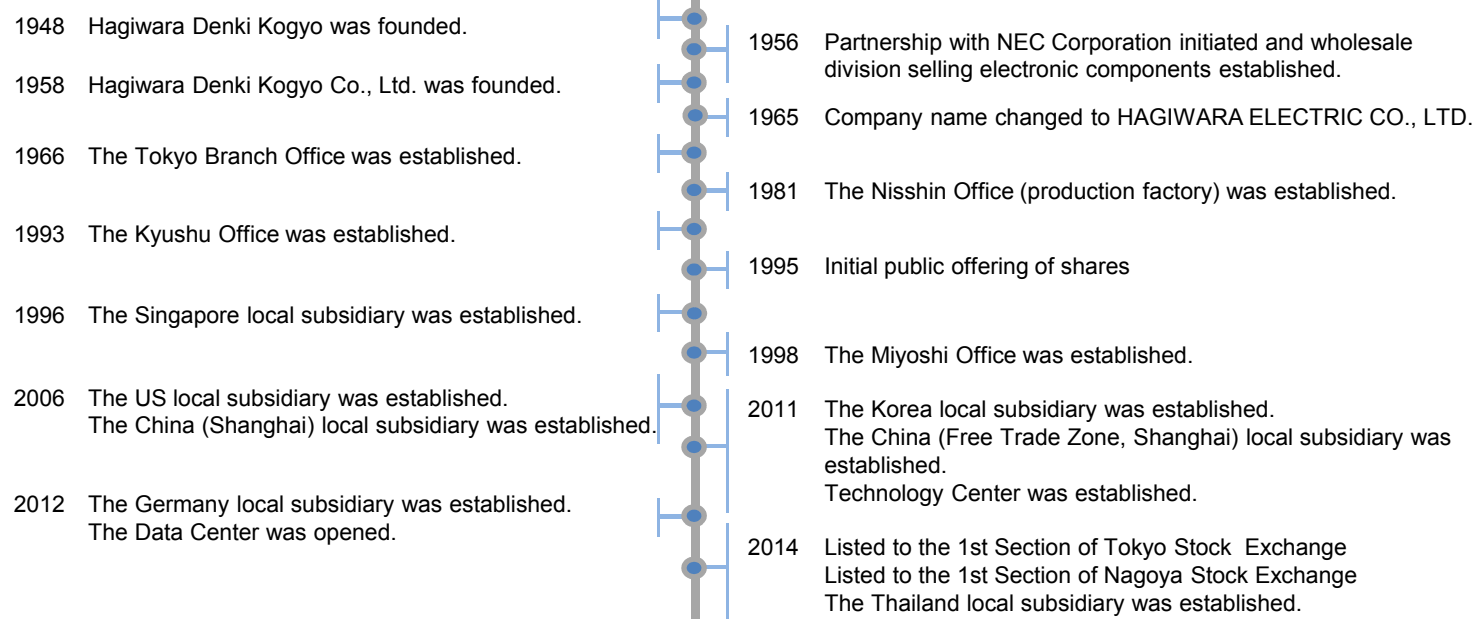
< Domestic Business >

< Global Business >



Corporate Profile

Corporate History Timeline



Domestic and Global Offices

Hagiwara Electric Europe GmbH

Hagiwara Electric (Thailand) Co., Ltd.

Hagiwara Electric (Shanghai) Co., Ltd. Hagiwara (Shanghai) Co., Ltd.

Overseas

Hagiwara America, Inc.

India Liaison Office (Singapore Hagiwara Pte. Ltd.)

Hagiwara Electric Korea Co., Ltd.

Singapore Hagiwara Pte. Ltd.

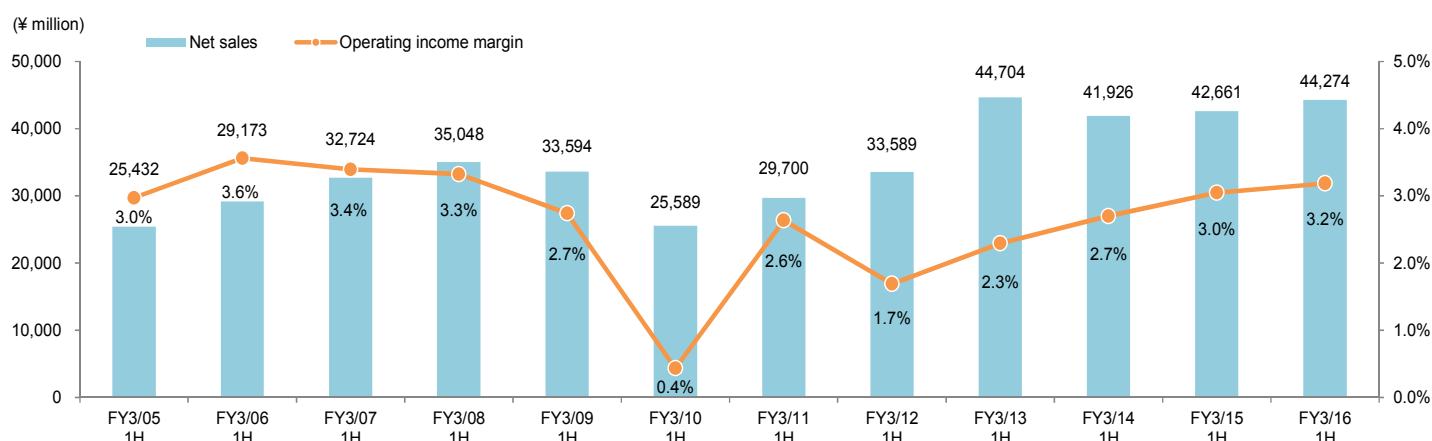
Kyushu Office

Tokyo Branch Office

Japan



Trend of Business Performance



Corporate Profile

Business Introduction

Technology Center

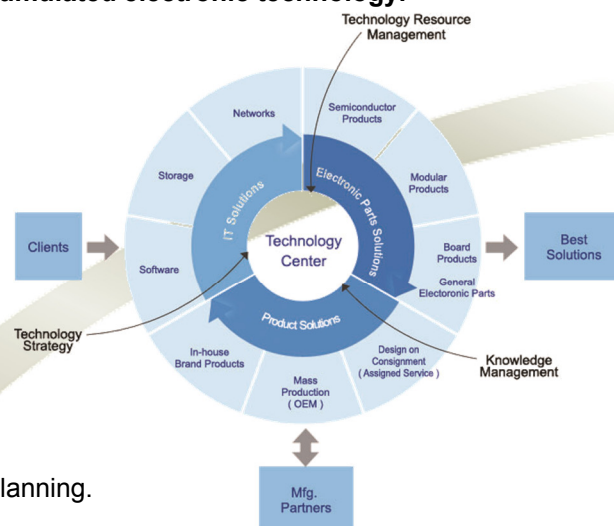
Leveraging the synergistic effects of technology and knowledge, the Technology Center creates new technology strategies and business plans

This is a group of technology professionals that support the technological aspects of HAGIWARA ELECTRIC's 3 businesses, meeting a broad spectrum of needs through accumulated electronic technology.

Electronic technology is the springboard for the advancement of a wide variety of fields in society. On the development front, demand is rising for creating original electron devices and systems using cutting edge technology.

HAGIWARA ELECTRIC's Technology Center meets this demand by bringing together a team of technology specialists who provide the technology and carry out independent R&D with long-term vision.

Through the combination of accumulated technology, information and experience, the Technology Center is involved in drafting technology strategies that look to the future and go beyond traditional business fields. The Center also focuses on development of component technologies and creation of business planning.



Electron Device Business Unit

Electron Device Business

Provides optimal device solutions for leading the era of globalization together with clients

This is a trading division that handles electron device sales and development services.

From a client's perspective, this division offers optimal device solutions for making products that can excel in the global marketplace.

It provides assistance for manufacturers in every aspect of product development including design, prototypes, debugging and delivery.

Recent years have been marked by progress in information technology, especially in the Internet of Things (IoT). This is changing our society fundamentally. IoT is especially affecting the automotive industry as it introduces more advanced and diverse functionality. This makes development more complex. At the same time, customers are expecting quicker product development cycles, and companies must take automotive performance and quality to the next level.

Electron devices and modules can provide prompt support for these changes. Further standardization in global markets and progress toward lower costs are required. The Electron Device Business Unit must take the client's perspective, leveraging the technological strengths developed at the Technology Center and the comprehensive strengths of electron device manufactures that can compete globally to forge ahead providing electron devices and modules that meet the needs of the changing markets.

Product types and services covered

Microcomputer chips, discrete devices, system LSIs, memory, general purpose linear, condensers, EMC, relays, connectors, LCD panels, touch panels, etc.



(a) Microcomputer Chips



(b) Connectors



(c) Power Relay /
Super Capacitor

Photos provided by:

- (a) Renesas Electronics Corporation
- (b) Japan Aviation Electronics Industry, Limited
- (c) NEC TOKIN Corporation

Corporate Profile

IT Solution Business Unit

IT Solution Business

Provides IT solutions with the long-term perspective of raising client corporate value

This is a trading division that handles the sale of IT equipment, the construction of platform foundations, and the sale of instruments and embedded devices.

This division provides solutions with a long-term perspective based on technologies developed by HAGIWARA ELECTRIC and the latest information from partner firms.

Centered around the sale of IT equipment, the construction of platform foundations, and the sale of instruments and embedded devices, HAGIWARA ELECTRIC's IT solution business provides meticulous solutions leveraging technology and knowledge developed over many years.

HAGIWARA ELECTRIC has built a positive track record in providing specialized instrument systems and solutions such as factory automation and logistics systems for automotive and other manufacturing fields. These solutions include cloud application service proposals with the Data Center at their core.

The company has put in place a full support system to provide proposals for supporting client business from introductory consultations to design, construction, operations and maintenance.

Product types and services covered

Computer platform foundation construction, operation, monitoring and maintenance service, modular instrument system, electromagnetic compatibility (EMC)-related equipment, construction of factory automation, logistics and production management systems for automotive and other manufacturing fields



(a) Tablet PC



(b) Storage



(c) Measuring Equipment

Photos provided by:
(a) NEC Corporation
(b) EMC Japan K.K.
(c) National Instruments Japan Corporation

Development and Production Business

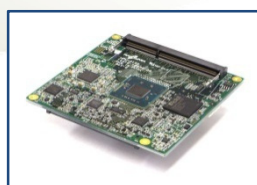
Development, production, and service are all handled domestically with the highest quality and long-term stable supply

This is a manufacturing division that is involved with development and production of electronic and IT products. The top priority is following the time scale for every industrial field. This division provides efficient, environmentally friendly and reliable electronic equipment and system solutions.

The company provides total support from planning and R&D to manufacturing and service in Japan. The main business is IT products for applications such as social infrastructure systems, industrial control systems, security systems, and custom controllers.

Product types and services covered

Development and production of industrial computers and related equipment, such as industrial and instrument control equipment and various IT-related equipment



Super-compact
CPU Modules
HPU A100 Series



Industrial Panel
Computers
HPU9000AP Series



Maintenance-free UPS Units
H3UPS
(Lithium Ion Capacitor)

Consolidated Balance Sheet

(¥ million)	FY3/12 1H End	FY3/13 1H End	FY3/14 1H End	FY3/15 1H End	FY3/16 1H End
Assets					
Total assets	36,108	40,325	40,681	45,193	46,994
Current assets	31,265	35,538	36,035	40,598	42,476
Cash and deposits	2,137	4,023	3,845	4,406	5,821
Notes and accounts receivable - trade	20,633	20,817	23,026	24,660	24,667
Electronically recorded monetary claims - operating	—	—	—	566	951
Securities	—	100	—	—	100
Merchandise and finished goods	7,654	9,685	8,185	9,973	9,897
Work in process	290	273	264	258	277
Raw materials and supplies	132	144	139	152	153
Other	418	495	576	584	610
Allowance for doubtful accounts	(1)	(0)	(1)	(3)	(3)
Non-current assets	4,843	4,786	4,645	4,594	4,518
Property, plant and equipment	2,533	2,765	2,752	2,717	2,687
Intangible assets	678	508	281	206	165
Investments and other assets	1,630	1,512	1,611	1,670	1,665
Other	1,643	1,523	1,627	1,691	1,686
Allowance for doubtful accounts	(12)	(11)	(16)	(21)	(21)

(¥ million)	FY3/12 1H End	FY3/13 1H End	FY3/14 1H End	FY3/15 1H End	FY3/16 1H End
Liabilities					
Total liabilities	19,335	22,657	21,733	23,009	23,120
Current liabilities	16,163	19,065	16,673	18,166	19,661
Notes and accounts payable - trade	10,298	11,309	10,228	12,100	11,636
Short-term loans payable	3,400	5,360	4,680	4,199	4,302
Current portion of long-term loans payable	1,299	1,019	419	419	2,095
Income taxes payable	211	411	459	440	477
Provision for loss on order received	1	0	—	—	—
Other	952	963	885	1,006	1,150
Non-current liabilities	3,171	3,592	5,059	4,842	3,458
Long-term loans payable	2,425	2,790	4,270	4,131	2,961
Provision for retirement benefits	397	360	319	—	—
Net defined benefit liability	—	—	—	237	30
Provision for directors' retirement benefits	310	345	—	—	—
Other	38	97	470	474	466
Net assets					
Total net assets	16,773	17,667	18,948	22,184	23,874
Shareholders' equity	16,870	17,783	18,725	21,820	23,238
Capital stock	2,439	2,439	2,439	3,301	3,301
Capital surplus	2,884	2,884	2,884	3,792	3,792
Retained earnings	11,756	12,669	13,611	14,738	16,156
Treasury shares	(209)	(209)	(209)	(12)	(12)
Accumulated other comprehensive income	(97)	(115)	222	363	636
Valuation difference on available-for-sale securities	40	26	121	221	202
Deferred gains or losses on hedges	0	—	—	—	—
Foreign currency translation adjustment	(138)	(142)	101	142	359
Remeasurements of defined benefit plans	—	—	—	0	73
Total liabilities and net assets	36,108	40,325	40,681	45,193	46,994

Consolidated Statement of Income/ Information by Segment

Consolidated Statement of Income

(¥ million)	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H	FY3/16 1H
Net sales	33,589	44,704	41,926	42,661	44,274
Cost of sales	30,452	40,696	37,782	38,398	39,794
Gross profit	3,136	4,008	4,143	4,262	4,480
Selling, general and administrative expenses	2,568	2,981	3,010	2,962	3,069
Operating income	568	1,026	1,132	1,300	1,411
Non-operating income	32	40	36	39	31
Interest income	1	1	1	1	4
Dividend income	6	5	5	5	7
Compensation income	7	17	—	—	—
Operations consignment fee	—	—	23	20	7
Other	16	15	5	11	11
Non-operating expenses	50	76	58	38	71
Interest expenses	32	28	27	24	23
Foreign exchange losses	9	23	14	—	33
Loss on sales of accounts receivable	—	22	15	11	10
Other	8	2	1	2	4
Ordinary income	549	989	1,111	1,300	1,370
Extraordinary income	6	0	0	—	0
Gain on sales of non-current assets	0	—	—	—	—
Gain on sales of investment securities	6	0	0	—	0
Extraordinary losses	15	11	0	1	0
Loss on disposal of non-current assets	6	4	0	1	0
Loss on valuation of investment securities	6	4	—	—	—
Loss on valuation of membership	2	2	—	—	—
Income before income taxes and minority interests	541	978	1,111	1,299	1,370
Income taxes	245	441	485	508	494
Profit	296	537	625	790	875
Profit attributable to owners of parent	296	537	625	790	875

Information by Segment

Net Sales Breakdown by Business Segment

(¥ million)	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H	FY3/16 1H
Net sales	33,589	44,704	41,926	42,661	44,274
Electron Device Business Unit	27,955	38,798	35,732	35,753	36,501
IT Solution Business Unit	5,633	5,906	6,193	6,907	7,772
Segment income	568	1,026	1,132	1,300	1,411
Electron Device Business Unit	791	1,405	1,502	1,578	1,562
IT Solution Business Unit	237	192	213	276	470
Reconciling items	(460)	(572)	(582)	(555)	(621)

Net Sales Breakdown by Major Client

(¥ million)	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H	FY3/16 1H
Net sales	33,589	44,704	41,926	42,661	44,274
DENSO CORPORATION	18,468	25,683	24,111	23,772	24,696
Toyota Motor Corporation	3,313	5,385	3,901	3,996	3,554
TOKAI RIKI CO., LTD.	1,783	2,771	2,763	2,792	2,774
Others	10,025	10,865	11,150	12,100	13,248

Note: Net sales to overseas subsidiaries of DENSO CORPORATION, etc. are included in "Others."

Consolidated Statement of Cash Flows

(¥ million)	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H	FY3/16 1H
Cash flows from operating activities					
Net cash provided by (used in) operating activities	(415)	85	(513)	(965)	394
Income before income taxes and minority interests	541	978	1,111	1,299	1,370
Depreciation	165	175	185	108	98
Loss (gain) on sales and retirement of non-current assets	6	4	0	1	0
Loss on valuation of membership	2	2	—	—	—
Increase (decrease) in allowance for doubtful accounts	1	(1)	6	7	(0)
Increase (decrease) in provision for loss on order received	1	0	—	—	—
Increase (decrease) in provision for directors' retirement benefits	11	21	(359)	—	—
Increase (decrease) in provision for retirement benefits	(22)	(14)	(25)	—	—
Increase (decrease) in net defined benefit liability	—	—	—	(58)	(31)
Interest and dividend income	(8)	(7)	(7)	(7)	(11)
Interest expenses	32	28	27	24	23
Loss (gain) on sales of investment securities	(6)	(0)	(0)	—	(0)
Loss (gain) on valuation of investment securities	6	4	—	—	—
Decrease (increase) in notes and accounts receivable - trade	(1,449)	1,461	(350)	(659)	575
Decrease (increase) in inventories	464	(1,283)	(407)	(1,488)	(496)
Increase (decrease) in notes and accounts payable - trade	86	(545)	(383)	688	(292)
Other, net	200	(297)	219	(162)	(327)
Subtotal	32	528	15	(246)	907
Interest and dividend income received	8	7	8	8	12
Interest expenses paid	(32)	(28)	(28)	(23)	(24)
Income taxes paid	(424)	(421)	(508)	(702)	(501)
Cash flows from investing activities					
Net cash provided by (used in) investing activities	30	(269)	21	(81)	(77)
Proceeds from withdrawal of time deposits	100	—	—	—	—
Purchase of investment securities	(23)	(23)	(3)	(3)	(26)
Proceeds from sales of investment securities	48	20	96	—	0
Purchase of property, plant and equipment	(31)	(229)	(46)	(15)	(35)
Purchase of intangible assets	(58)	(33)	(19)	(63)	(13)
Other, net	(4)	(4)	(4)	1	(2)
Cash flows from financing activities					
Net cash provided by (used in) financing activities	(307)	859	79	(210)	223
Net increase (decrease) in short-term loans payable	(400)	270	(340)	6	278
Proceeds from long-term loans payable	1,800	1,100	1,100	300	500
Repayments of long-term loans payable	(1,600)	(364)	(509)	(228)	(247)
Purchase of treasury shares	(0)	(0)	(0)	(0)	(0)
Cash dividends paid	(100)	(133)	(159)	(272)	(291)
Other, net	(6)	(11)	(10)	(16)	(15)
Effect of exchange rate change on cash and cash equivalents	(11)	10	139	(42)	16
Net increase (decrease) in cash and cash equivalents	(703)	685	(273)	(1,300)	557
Cash and cash equivalents at beginning of period	2,771	3,268	4,049	5,636	5,193
Cash and cash equivalents at end of period	2,067	3,953	3,775	4,336	5,751

Consolidated Profitability Indicators

(%)	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H	FY3/16 1H
Gross profit on Net sales	9.3	9.0	9.9	10.0	10.1
Operating income margin	1.7	2.3	2.7	3.0	3.2
Ordinary income margin	1.6	2.2	2.6	3.0	3.1
Net income margin	0.9	1.2	1.5	1.9	2.0

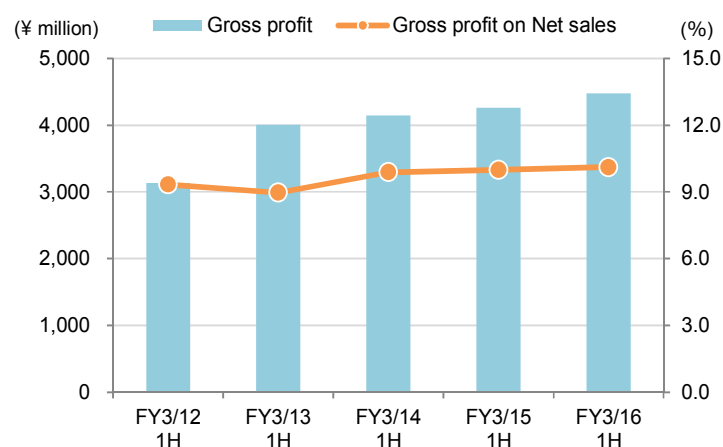
Gross profit on Net sales=Gross profit/Net sales

Operating income margin=Operating income/Net sales

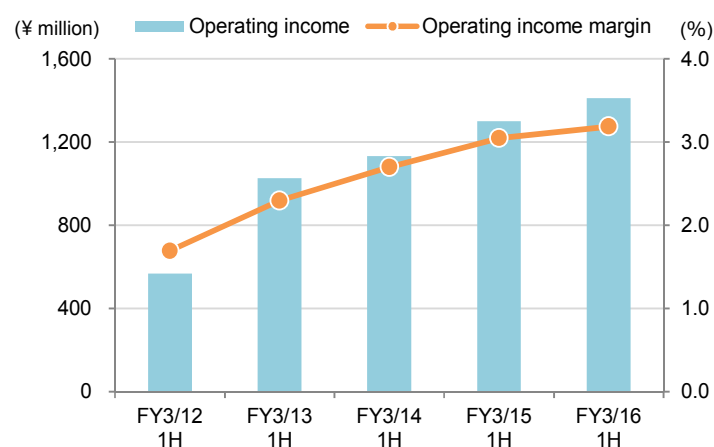
Ordinary income margin=Ordinary income/Net sales

Net income margin=Profit attributable to owners of parent/Net sales

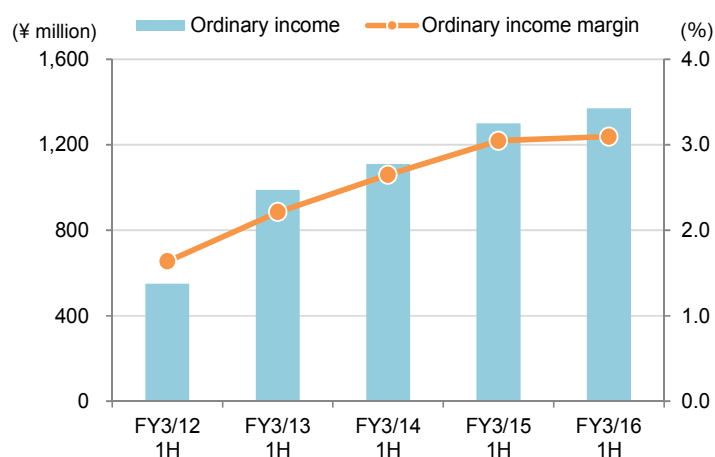
Gross profit on Net sales



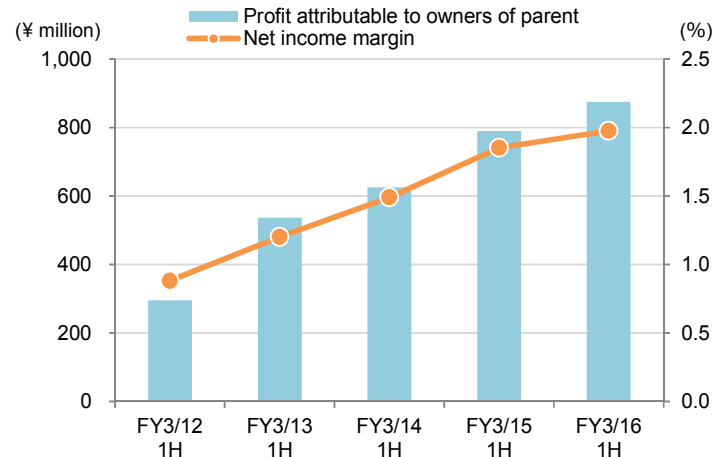
Operating income margin



Ordinary income margin



Net income margin



Consolidated Profitability/Efficiency Indicators

		FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H	FY3/16 1H
Interest coverage ratio	(times)	18.0	36.9	42.1	54.4	61.8
Number of employees at end of period	(persons)	437	443	447	457	470
Number of temporary employees at end of period	(persons)	37	36	38	35	39
Net sales per employee	(¥ thousand)	70,863	93,328	86,445	86,709	86,982
Ordinary income per employee	(¥ thousand)	1,158	2,065	2,291	2,642	2,692
Net income per employee	(¥ thousand)	624	1,121	1,289	1,606	1,719

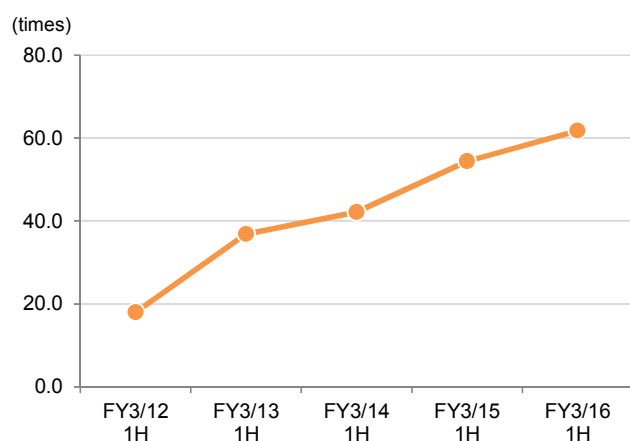
Interest coverage ratio=(Operating income+Interest income+Dividend income)/Interest expenses

Net sales per employee=Net sales/(No. of employees at end of period+No. of temp. employees at end of period)

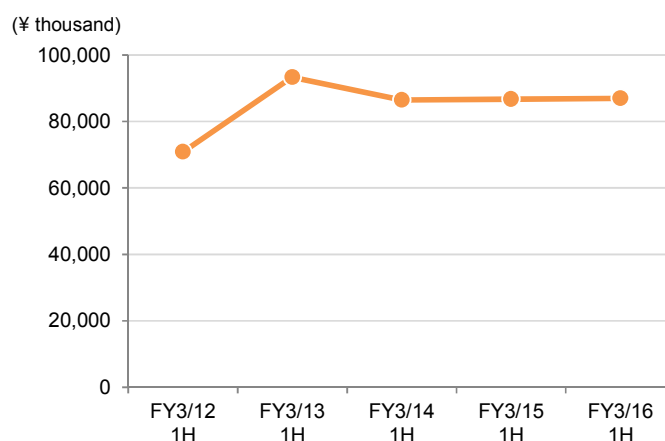
Ordinary income per employee=Ordinary income/(No. of employees at end of period+No. of temp. employees at end of period)

Net income per employee=Profit attributable to owners of parent/(No. of employees at end of period+No. of temp. employees at end of period)

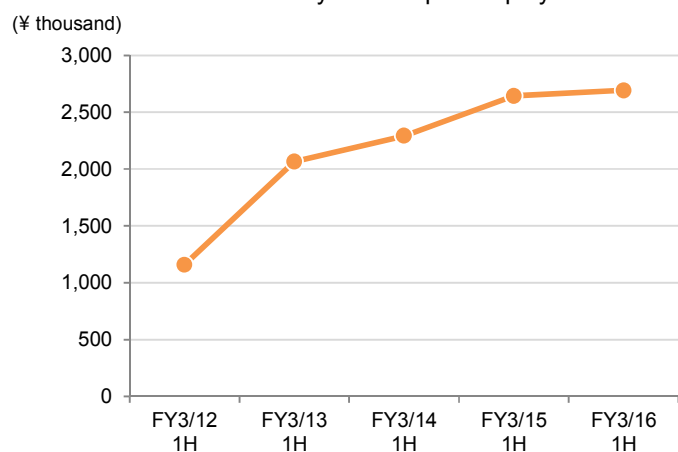
Interest coverage ratio



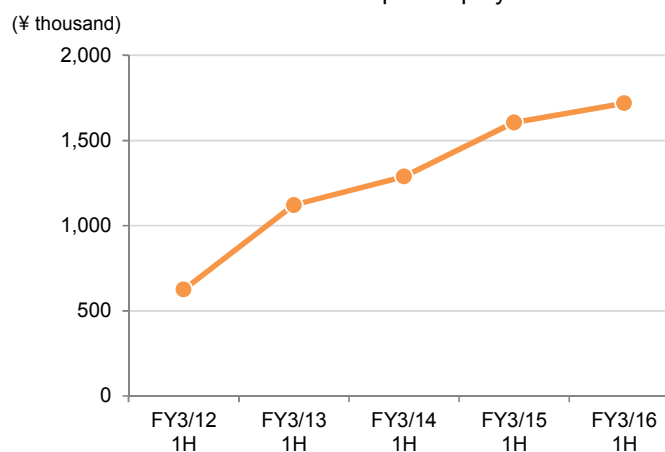
Net sales per employee



Ordinary income per employee



Net income per employee



Consolidated Efficiency/Stability Indicators

(%)	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H	FY3/16 1H
Equity ratio	46.5	43.8	46.6	49.1	50.8
Interest-bearing debt ratio	19.7	22.7	23.0	19.4	19.9
Acid-test ratio	140.9	130.3	161.2	163.1	159.9
Current ratio	193.4	186.4	216.1	223.5	216.0
Non-current ratio	28.9	27.1	24.5	20.7	18.9
Non-current assets to Non-current liability ratio	24.3	22.5	19.3	17.0	16.5

Equity ratio=Equity/Total assets

Interest-bearing debt ratio=Interest-bearing debt/Total assets

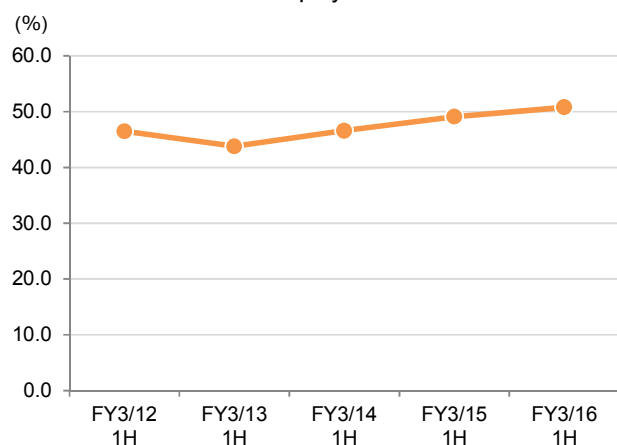
Acid-test ratio=Liquid assets/Current liabilities

Current ratio=Current assets/Current liabilities

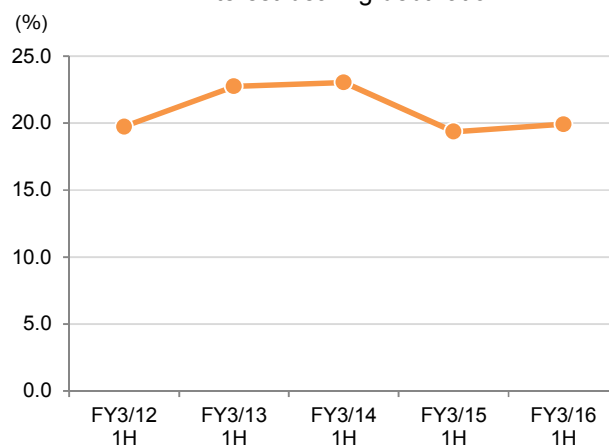
Non-current ratio=Non-current assets/Equity

Non-current assets to Non-current liability ratio=Non-current assets/(Equity+Non-current liabilities)

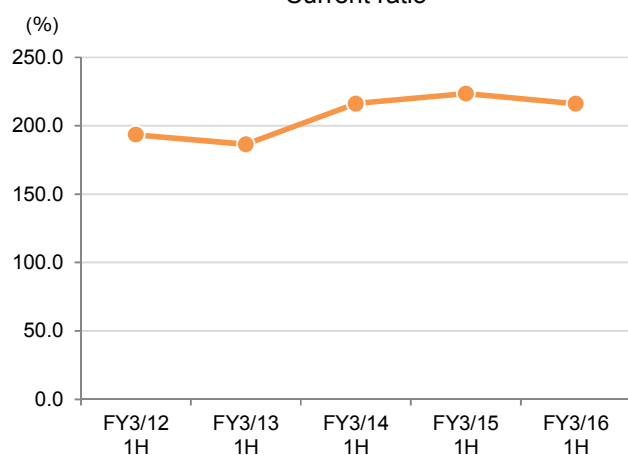
Equity ratio



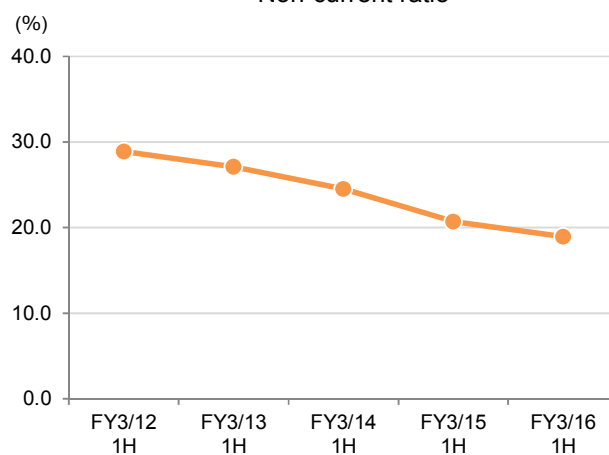
Interest-bearing debt ratio



Current ratio



Non-current ratio



Stock Information

Per Share Indicators

(¥)	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H	FY3/16 1H
Share price at end of period	632	775	1,269	1,522	1,742
Closing stock price range for the last 12 months	581-935	603-949	762-1,600	1,226-1,690	1,406-2,110
Earnings per share (EPS)	44.24	80.21	93.42	95.17	105.40
Dividend per share (DPS)	14.00	19.00	22.00	25.00	35.00

Other Indicators

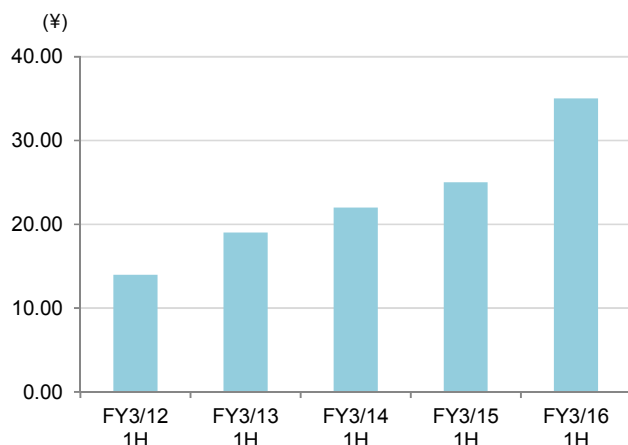
		FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H	FY3/16 1H
Total amount of dividends	(¥ million)	93	127	147	207	290
Dividend payout ratio	(%)	31.6	23.7	23.5	26.3	33.2
Price earnings ratio (PER)	(times)	7.14	4.83	6.79	8.00	8.26
Term-average number of shares outstanding	(thousand shares)	6,695	6,695	6,695	8,305	8,305
Number of shareholders	(persons)	2,318	2,217	2,646	3,746	3,171

Note: The Company has conducted issuance of new shares through public offering, disposal of treasury shares through public offering, and issuance of new shares through third-party allotment during the second half of FY3/14.

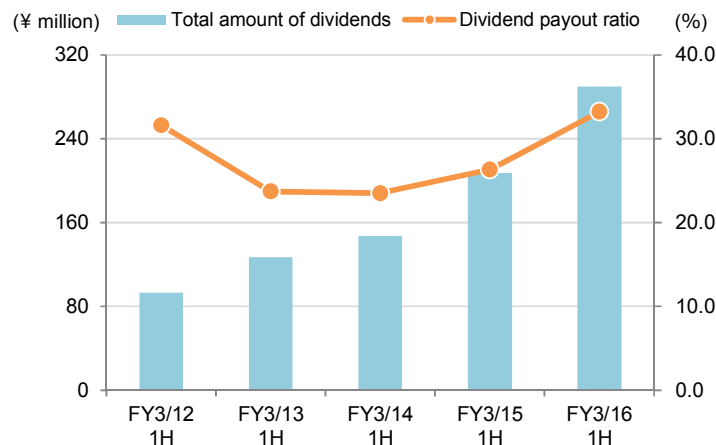
Dividend payout ratio=DPS/EPS

PER=Share price at end of period/EPS*2

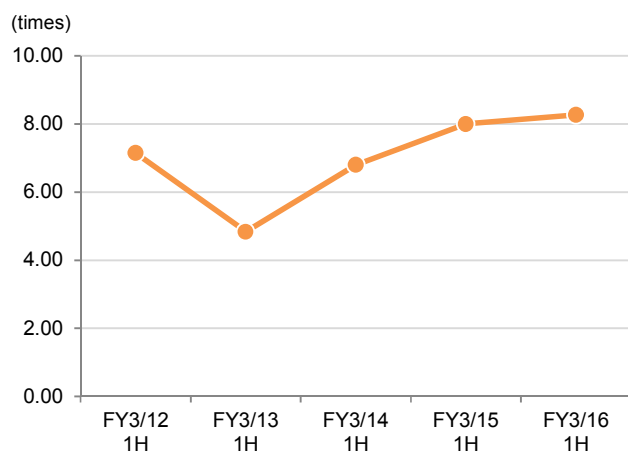
Dividend per share



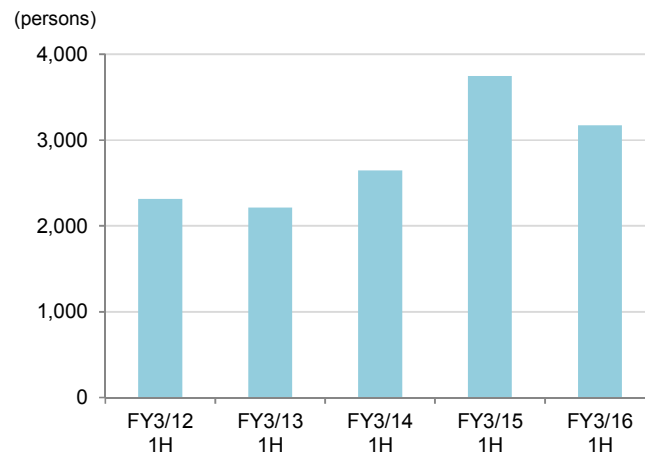
Total amount of dividends/Dividend payout ratio



PER



Number of shareholders

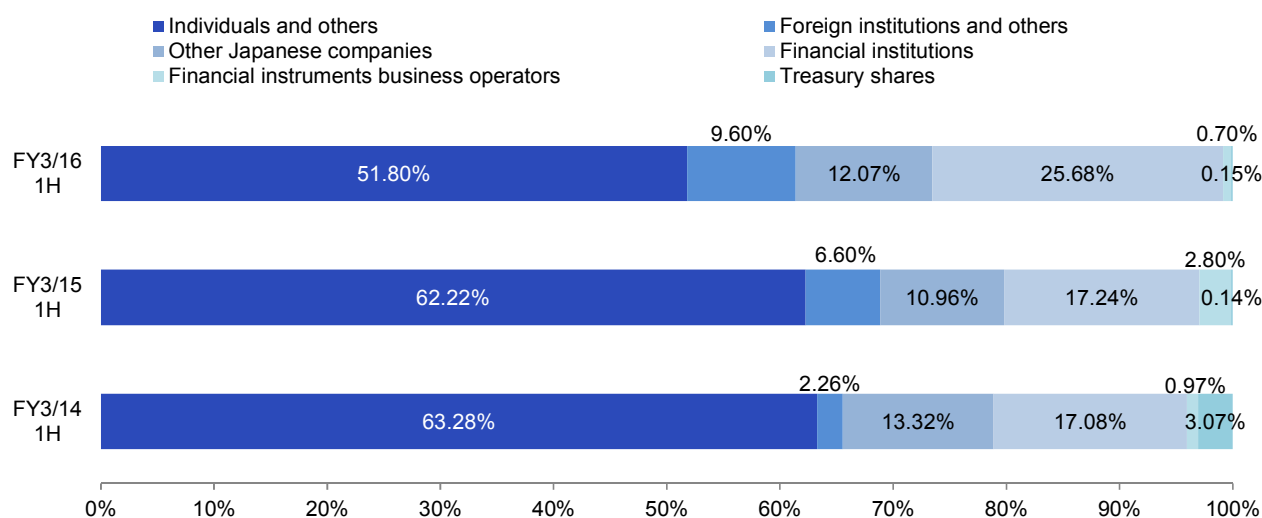


Status of Major Shareholders

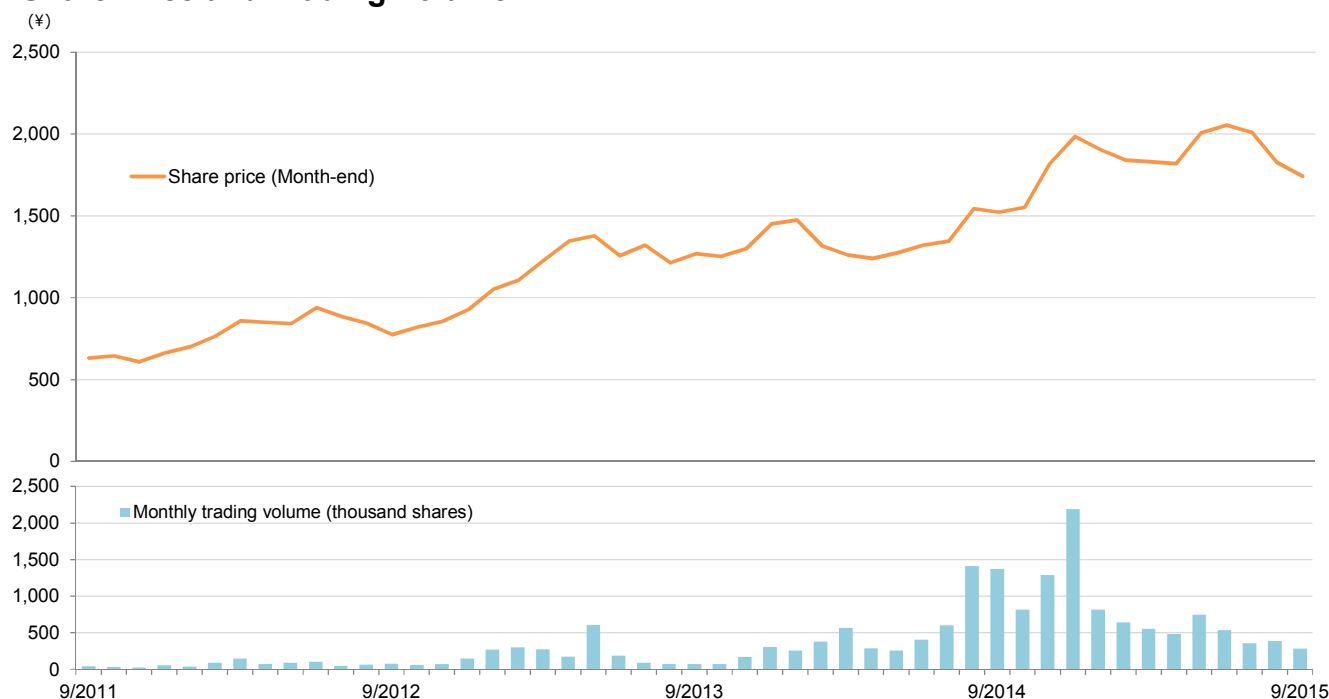
as of September 30, 2015

Top 10 Shareholders	Number of shares	Shareholding ratio (%)
STANY Co., Ltd.	495,250	5.95
Japan Trustee Services Bank, Ltd. (trust account)	446,700	5.37
Tomoaki Hagiwara	334,675	4.02
Employees' Stockholding	322,874	3.88
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	303,600	3.65
Yoshiaki Hagiwara	248,175	2.98
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	232,500	2.80
Nagoya Small and Medium Business Investment & Consultation Co., Ltd.	230,000	2.77
JAPAN SECURITIES FINANCE CO., LTD.	207,900	2.50
Mizuho Bank, Ltd.	175,000	2.10

Breakdown of Type of Shareholders



Share Price and Trading Volume





Contact

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