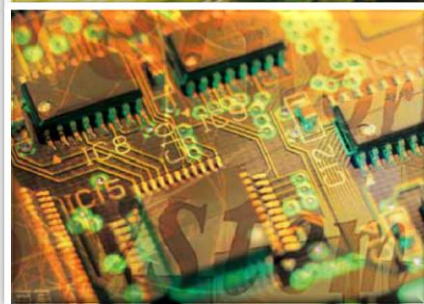


# FACTBOOK

7467/TSE 1<sup>st</sup> Section, NSE 1<sup>st</sup> Section  
**HAGIWARA ELECTRIC CO., LTD.**

For the six months of the fiscal year  
 ending on March 31, 2015



## Contents

Corporate Profile	1-4
Consolidated Balance Sheet	5
Consolidated Statement of Income/ Information by Segment	6
Consolidated Statement of Cash Flows	7
Consolidated Profitability Indicators	8
Consolidated Profitability/Efficiency Indicators	9
Consolidated Efficiency/Stability Indicators	10
Stock Information	11-12

# Corporate Profile

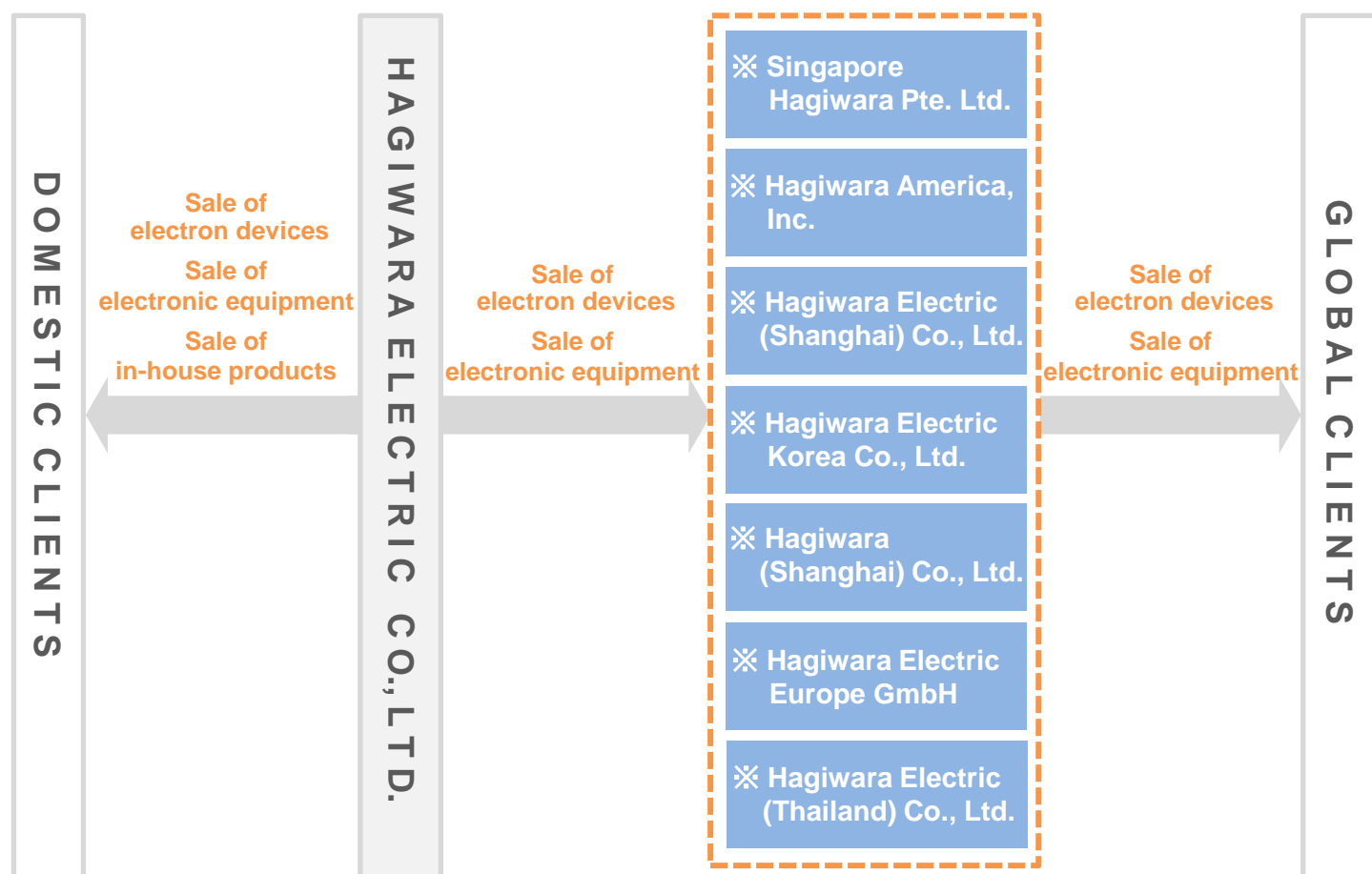
## Corporate Outline (as of September 30, 2014)

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: 457 *Excluding temporary employees
Major Business	<ol style="list-style-type: none"> <li>1. Electron Device Business Unit Sale of integrated circuits, semiconductors and electron devices</li> <li>2. IT Solution Business Unit Sale of electronic equipment and manufacture and sale of FA equipment</li> </ol>
ISO	ISO14001 (ENVIRONMENTAL SYSTEM) Headquarters and Annex, Miyoshi Office, Development and Production Division ISO9001 (QUALITY SYSTEM) Development and Production Division

## Business Content

### < Domestic Business >

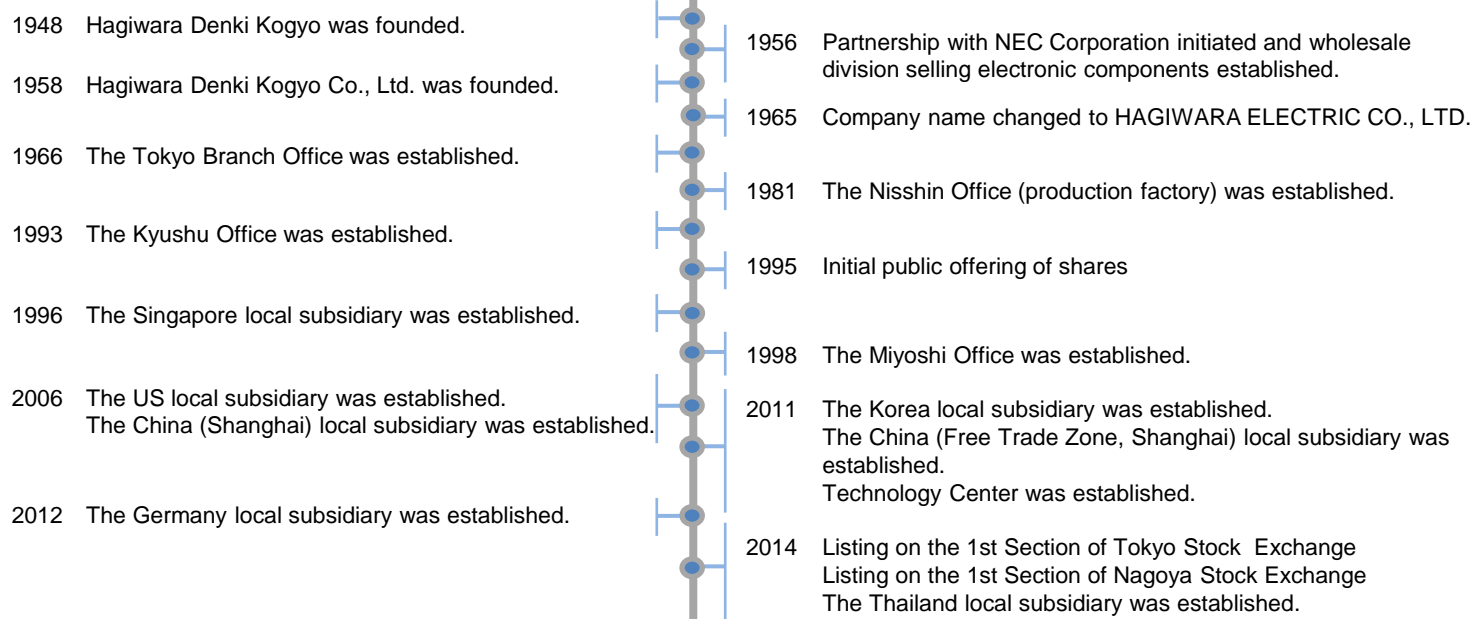
### < Global Business >



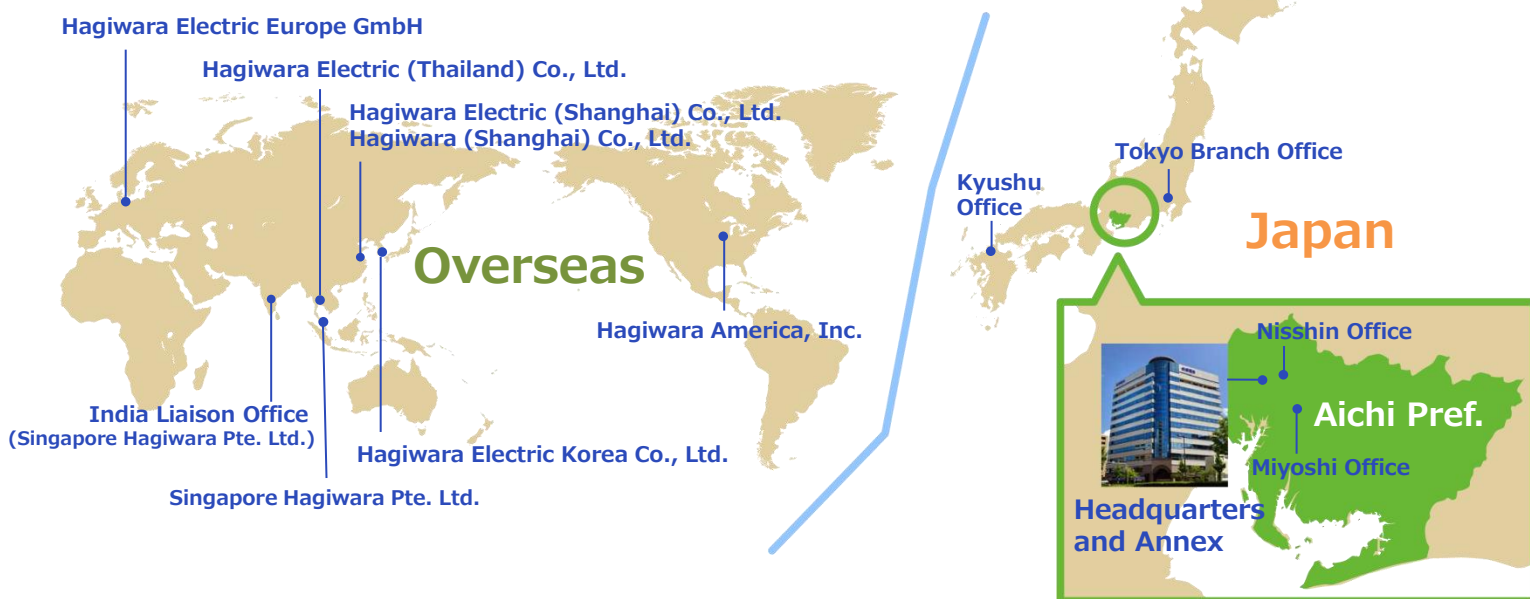
Overseas subsidiary  
 ※ Consolidated subsidiary

# Corporate Profile

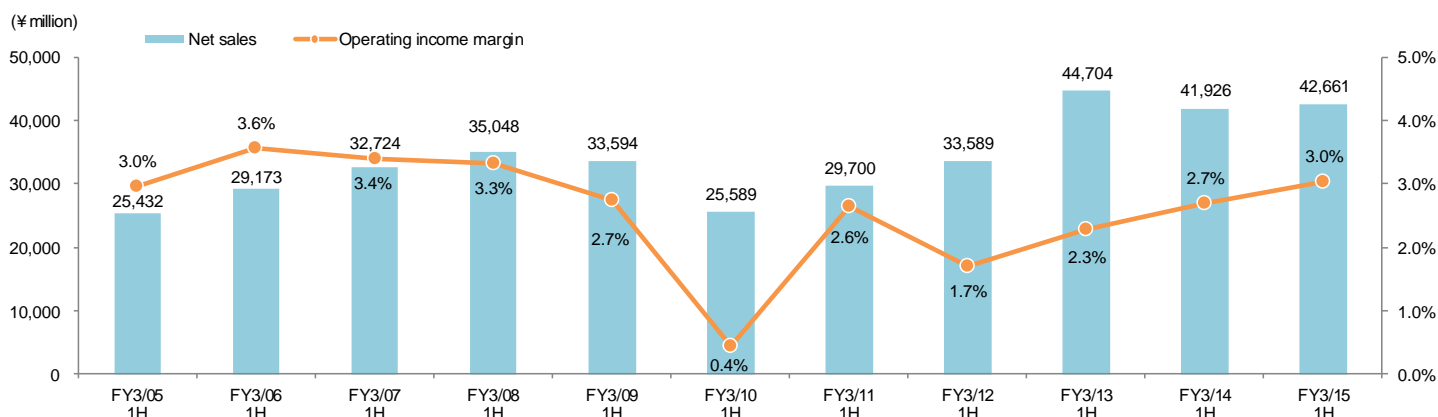
## Corporate History Timeline



## Domestic and Global Offices



## Trend of Business Performance



# Corporate Profile

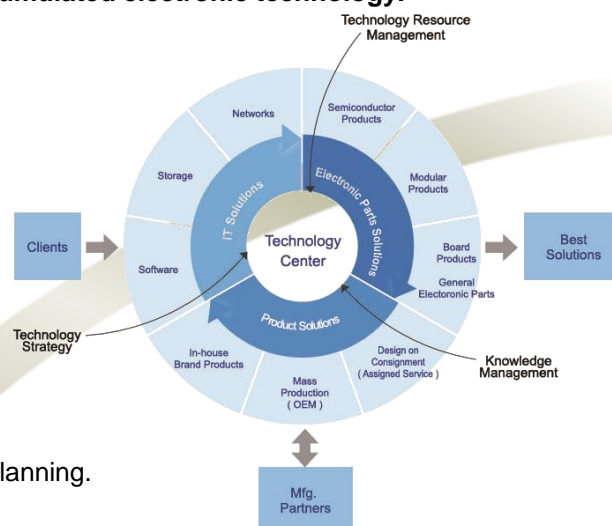
## Business Introduction

### 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 was established by bringing together a team of technology specialists for each traditional Electron Device Business, IT Solution Business, and Development and Production Business. 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.

Currently as digitalization and networking progress, products and services transform from optimization of parts to optimization of the whole. Companies must adopt a multi-faceted approach to various business fields, technologies and markets in order to secure sufficient competitiveness.

Especially in the automotive and energy fields, electron devices can respond to rapid developments involving smart grids/communities and networking. Now more than ever standardization in global markets and a move toward lower costs is 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 makers that can compete globally to forge ahead providing cutting edge electron devices that meet the needs of the changing market.

### 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 from the long-term perspective of raising client corporate value

This is a trading division that handles the sale of IT equipment, platform foundation construction and instrument. This division provides solutions from a long-term perspective based on technologies developed by HAGIWARA ELECTRIC and cutting edge information from partner firms.

Centered on platform foundation construction, IT equipment and instrument system sales, 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 services of various system construction, operations support, maintenance and security construction, including cloud application service proposals with the Data Center at its 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



(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. Providing efficient, environmentally friendly and reliable electronic equipment and system solutions.

Domestically the company provides total support from planning, research and development to manufacturing, sales and service. The main businesses of electronic IT products include: social IT systems, FA computers, measuring and control equipment, and automotive IT equipment. Also, the division supports system solutions, which include FA systems for all manufacturing industries such as automobiles and semiconductors, testers and logistics systems.

#### Product types and services covered

The manufacturing division provides all types of solutions for development and production of industrial-use computers, based on the measuring and control equipment and all types of IT-related equipment.

Also the division provides support for all types of system construction for FA systems for all manufacturing industries including automobiles and semiconductors, logistics systems and production management systems.



High Reliability Computers  
 HPU9000 Series



Industrial Panel Computers  
 HPU9000AP Series



Maintenance-free UPS Units  
 H3UPS  
 (Lithium Ion Capacitor)

# Consolidated Balance Sheet

(¥ million)	FY3/11 1H End	FY3/12 1H End	FY3/13 1H End	FY3/14 1H End	FY3/15 1H End
<b>Assets</b>					
<b>Total assets</b>	<b>31,884</b>	<b>36,108</b>	<b>40,325</b>	<b>40,681</b>	<b>45,193</b>
<b>Current assets</b>	<b>26,584</b>	<b>31,265</b>	<b>35,538</b>	<b>36,035</b>	<b>40,598</b>
Cash and deposits	3,780	2,137	4,023	3,845	4,406
Notes and accounts receivable - trade	16,890	20,633	20,817	23,026	24,660
Electronically recorded monetary claims - operating	—	—	—	—	566
Securities	—	—	100	—	—
Merchandise and finished goods	5,116	7,654	9,685	8,185	9,973
Work in process	335	290	273	264	258
Raw materials and supplies	130	132	144	139	152
Other	331	418	495	576	584
Allowance for doubtful accounts	(0)	(1)	(0)	(1)	(3)
<b>Non-current assets</b>	<b>5,299</b>	<b>4,843</b>	<b>4,786</b>	<b>4,645</b>	<b>4,594</b>
Property, plant and equipment	2,567	2,533	2,765	2,752	2,717
Intangible assets	816	678	508	281	206
Investments and other assets	1,915	1,630	1,512	1,611	1,670
Other	1,926	1,643	1,523	1,627	1,691
Allowance for doubtful accounts	(11)	(12)	(11)	(16)	(21)

(¥ million)	FY3/11 1H End	FY3/12 1H End	FY3/13 1H End	FY3/14 1H End	FY3/15 1H End
<b>Liabilities</b>					
<b>Total liabilities</b>	<b>15,485</b>	<b>19,335</b>	<b>22,657</b>	<b>21,733</b>	<b>23,009</b>
<b>Current liabilities</b>	<b>12,788</b>	<b>16,163</b>	<b>19,065</b>	<b>16,673</b>	<b>18,166</b>
Notes and accounts payable - trade	7,941	10,298	11,309	10,228	12,100
Short-term loans payable	2,100	3,400	5,360	4,680	4,199
Current portion of long-term loans payable	1,750	1,299	1,019	419	419
Income taxes payable	346	211	411	459	440
Provision for loss on order received	0	1	0	—	—
Other	650	952	963	885	1,006
<b>Non-current liabilities</b>	<b>2,696</b>	<b>3,171</b>	<b>3,592</b>	<b>5,059</b>	<b>4,842</b>
Long-term loans payable	1,925	2,425	2,790	4,270	4,131
Provision for retirement benefits	441	397	360	319	—
Net defined benefit liability	—	—	—	—	237
Provision for directors' retirement benefits	286	310	345	—	—
Other	42	38	97	470	474
<b>Net assets</b>					
<b>Total net assets</b>	<b>16,399</b>	<b>16,773</b>	<b>17,667</b>	<b>18,948</b>	<b>22,184</b>
<b>Shareholders' equity</b>	<b>16,442</b>	<b>16,870</b>	<b>17,783</b>	<b>18,725</b>	<b>21,820</b>
Capital stock	2,439	2,439	2,439	2,439	3,301
Capital surplus	2,884	2,884	2,884	2,884	3,792
Retained earnings	11,328	11,756	12,669	13,611	14,738
Treasury shares	(209)	(209)	(209)	(209)	(12)
<b>Accumulated other comprehensive income</b>	<b>(42)</b>	<b>(97)</b>	<b>(115)</b>	<b>222</b>	<b>363</b>
Valuation difference on available-for-sale securities	51	40	26	121	221
Deferred gains or losses on hedges	1	0	—	—	—
Foreign currency translation adjustment	(95)	(138)	(142)	101	142
Remeasurements of defined benefit plans	—	—	—	—	0
<b>Total liabilities and net assets</b>	<b>31,884</b>	<b>36,108</b>	<b>40,325</b>	<b>40,681</b>	<b>45,193</b>

# Consolidated Statement of Income/ Information by Segment



## Consolidated Statement of Income

(¥ million)	FY3/11 1H	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H
<b>Net sales</b>	<b>29,700</b>	<b>33,589</b>	<b>44,704</b>	<b>41,926</b>	<b>42,661</b>
Cost of sales	26,790	30,452	40,696	37,782	38,398
Gross profit	2,909	3,136	4,008	4,143	4,262
Selling, general and administrative expenses	2,125	2,568	2,981	3,010	2,962
<b>Operating income</b>	<b>783</b>	<b>568</b>	<b>1,026</b>	<b>1,132</b>	<b>1,300</b>
Non-operating income	27	32	40	36	39
Interest income	3	1	1	1	1
Dividend income	5	6	5	5	5
Compensation income	—	7	17	—	—
Operations consignment fee	—	—	—	23	20
Miscellaneous income	9	—	—	—	—
Other	9	16	15	5	11
Non-operating expenses	55	50	76	58	38
Interest expenses	33	32	28	27	24
Foreign exchange losses	17	9	23	14	—
Loss on sales of accounts receivable	—	—	22	15	11
Other	4	8	2	1	2
<b>Ordinary income</b>	<b>755</b>	<b>549</b>	<b>989</b>	<b>1,111</b>	<b>1,300</b>
Extraordinary income	11	6	0	0	—
Gain on sales of non-current assets	—	0	—	—	—
Gain on sales of investment securities	—	6	0	0	—
Reversal of allowance for doubtful accounts	2	—	—	—	—
Gain on prior periods adjustment	8	—	—	—	—
Extraordinary losses	7	15	11	0	1
Loss on disposal of non-current assets	0	6	4	0	1
Loss on valuation of investment securities	3	6	4	—	—
Loss on valuation of membership	—	2	2	—	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	2	—	—	—	—
<b>Income before income taxes and minority interests</b>	<b>759</b>	<b>541</b>	<b>978</b>	<b>1,111</b>	<b>1,299</b>
Total income taxes	341	245	441	485	508
<b>Income before minority interests</b>	<b>418</b>	<b>296</b>	<b>537</b>	<b>625</b>	<b>790</b>
<b>Net income</b>	<b>418</b>	<b>296</b>	<b>537</b>	<b>625</b>	<b>790</b>

## Information by Segment

### Net Sales Breakdown by Business Segment

(¥ million)	FY3/11 1H	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H
<b>Net sales</b>	<b>29,700</b>	<b>33,589</b>	<b>44,704</b>	<b>41,926</b>	<b>42,661</b>
Electron Device Business Unit	24,619	27,955	38,798	35,732	35,753
IT Solution Business Unit	5,081	5,633	5,906	6,193	6,907
<b>Segment income</b>	<b>783</b>	<b>568</b>	<b>1,026</b>	<b>1,132</b>	<b>1,300</b>
Electron Device Business Unit	1,111	791	1,405	1,502	1,578
IT Solution Business Unit	97	237	192	213	276
Reconciling items	(425)	(460)	(572)	(582)	(555)

### Net Sales Breakdown by Major Client

(¥ million)	FY3/11 1H	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H
<b>Net sales</b>	<b>29,700</b>	<b>33,589</b>	<b>44,704</b>	<b>41,926</b>	<b>42,661</b>
DENSO CORPORATION	15,114	18,468	25,683	24,111	23,772
Toyota Motor Corporation	3,971	3,313	5,385	3,901	3,996
TOKAI RIKA CO., LTD.	1,463	1,783	2,771	2,763	2,792
Others	9,151	10,025	10,865	11,150	12,100

# Consolidated Statement of Cash Flows

(¥ million)	FY3/11 1H	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	(858)	(415)	85	(513)	(965)
Income before income taxes and minority interests	759	541	978	1,111	1,299
Depreciation	156	165	175	185	108
Loss (gain) on sales and retirement of non-current assets	0	6	4	0	1
Loss on valuation of membership	—	2	2	—	—
Increase (decrease) in allowance for doubtful accounts	(2)	1	(1)	6	7
Increase (decrease) in provision for loss on order received	(0)	1	0	—	—
Increase (decrease) in provision for directors' retirement benefits	12	11	21	(359)	—
Increase (decrease) in provision for retirement benefits	(21)	(22)	(14)	(25)	—
Increase (decrease) in net defined benefit liability	—	—	—	—	(58)
Interest and dividend income	(9)	(8)	(7)	(7)	(7)
Interest expenses	33	32	28	27	24
Loss (gain) on sales of investment securities	—	(6)	(0)	(0)	—
Loss (gain) on valuation of investment securities	3	6	4	—	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	2	—	—	—	—
Decrease (increase) in notes and accounts receivable - trade	1,377	(1,449)	1,461	(350)	(659)
Decrease (increase) in inventories	(1,433)	464	(1,283)	(407)	(1,488)
Increase (decrease) in notes and accounts payable - trade	(1,468)	86	(545)	(383)	688
Other, net	(177)	200	(297)	219	(162)
<b>Subtotal</b>	<b>(767)</b>	<b>32</b>	<b>528</b>	<b>15</b>	<b>(246)</b>
Interest and dividend income received	9	8	7	8	8
Interest expenses paid	(33)	(32)	(28)	(28)	(23)
Income taxes (paid) refund	(67)	—	—	—	—
Income taxes paid	—	(424)	(421)	(508)	(702)
<b>Cash flows from investing activities</b>					
Net cash provided by (used in) investing activities	93	30	(269)	21	(81)
Proceeds from withdrawal of time deposits	100	100	—	—	—
Purchase of investment securities	(23)	(23)	(23)	(3)	(3)
Proceeds from sales of investment securities	—	48	20	96	—
Purchase of property, plant and equipment	(16)	(31)	(229)	(46)	(15)
Purchase of intangible assets	(17)	(58)	(33)	(19)	(63)
Other, net	51	(4)	(4)	(4)	1
<b>Cash flows from financing activities</b>					
Net cash provided by (used in) financing activities	(285)	(307)	859	79	(210)
Net increase (decrease) in short-term loans payable	—	(400)	270	(340)	6
Proceeds from long-term loans payable	—	1,800	1,100	1,100	300
Repayments of long-term loans payable	(200)	(1,600)	(364)	(509)	(228)
Purchase of treasury shares	(0)	(0)	(0)	(0)	(0)
Cash dividends paid	(79)	(100)	(133)	(159)	(272)
Other, net	(5)	(6)	(11)	(10)	(16)
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(16)</b>	<b>(11)</b>	<b>10</b>	<b>139</b>	<b>(42)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,066)</b>	<b>(703)</b>	<b>685</b>	<b>(273)</b>	<b>(1,300)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,776</b>	<b>2,771</b>	<b>3,268</b>	<b>4,049</b>	<b>5,636</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,710</b>	<b>2,067</b>	<b>3,953</b>	<b>3,775</b>	<b>4,336</b>



# Consolidated Profitability Indicators

(%)	FY3/11 1H	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H
Gross profit on Net sales	9.8	9.3	9.0	9.9	10.0
Operating income margin	2.6	1.7	2.3	2.7	3.0
Ordinary income margin	2.5	1.6	2.2	2.6	3.0
Net income margin	1.4	0.9	1.2	1.5	1.9

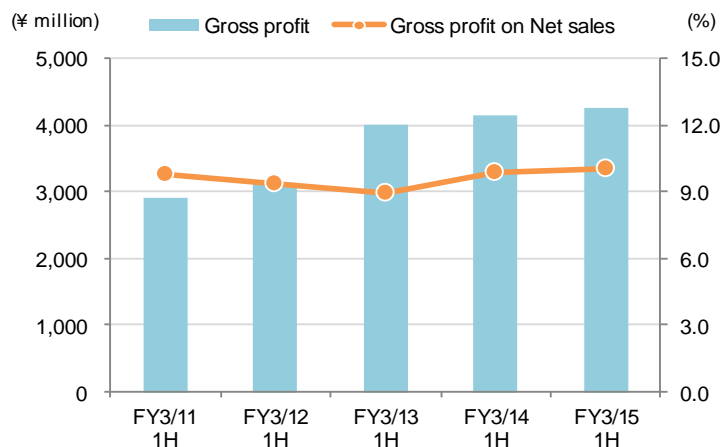
Gross profit on Net sales = Gross profit / Net sales

Operating income margin = Operating income / Net sales

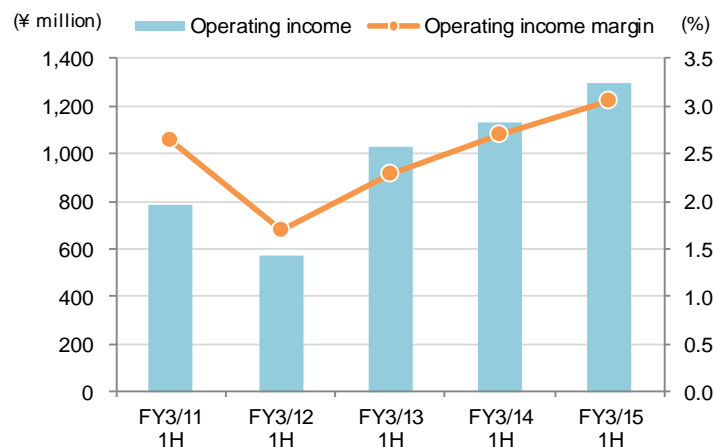
Ordinary income margin = Ordinary income / Net sales

Net income margin = Net income / Net sales

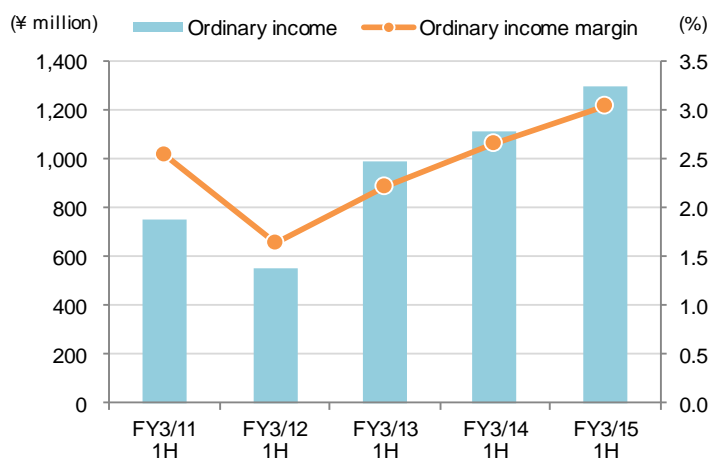
### Gross profit on Net sales



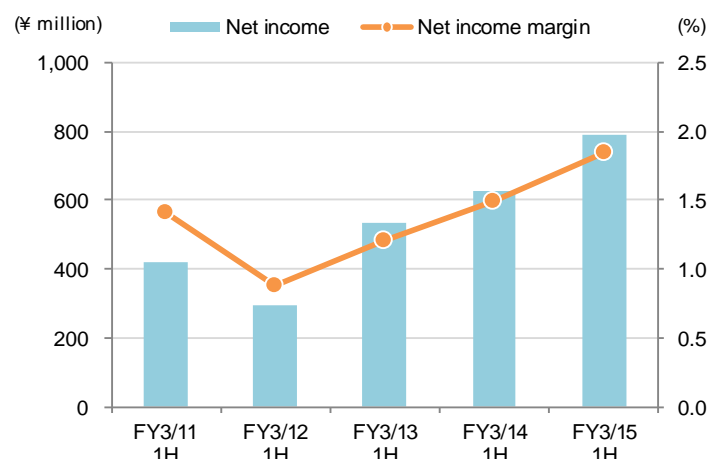
### Operating income margin



### Ordinary income margin



### Net income margin



# Consolidated Profitability/Efficiency Indicators

		FY3/11 1H	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H
Interest coverage ratio	(times)	24.0	18.0	36.9	42.1	54.4
Number of employees at end of period	(persons)	404	437	443	447	457
Number of temporary employees at end of period	(persons)	35	37	36	38	35
Net sales per employee	(¥ thousand)	67,654	70,863	93,328	86,445	86,709
Ordinary income per employee	(¥ thousand)	1,720	1,158	2,065	2,291	2,642
Net income per employee	(¥ thousand)	952	624	1,121	1,289	1,606

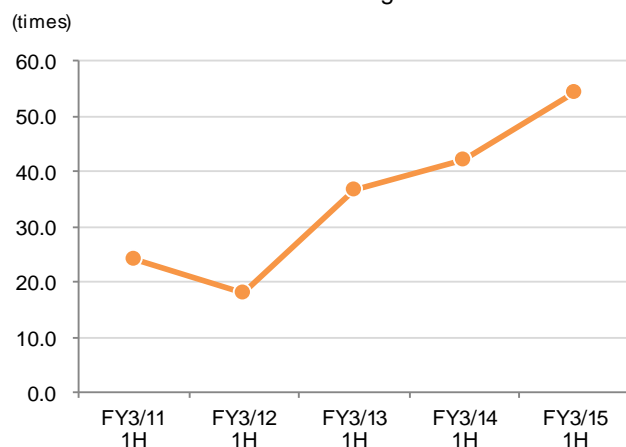
Interest coverage ratio=(Operating income+Interest income+Dividend income)/Interest expenses

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

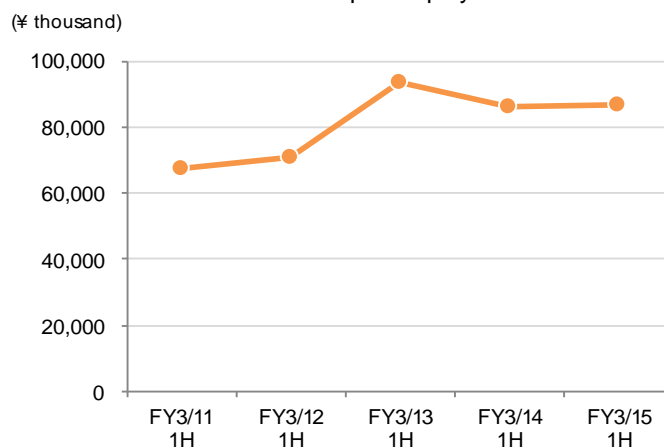
Ordinary income per employee=Ordinary income/(No. of employees at end of period+No. of temp. employees at end of period)

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

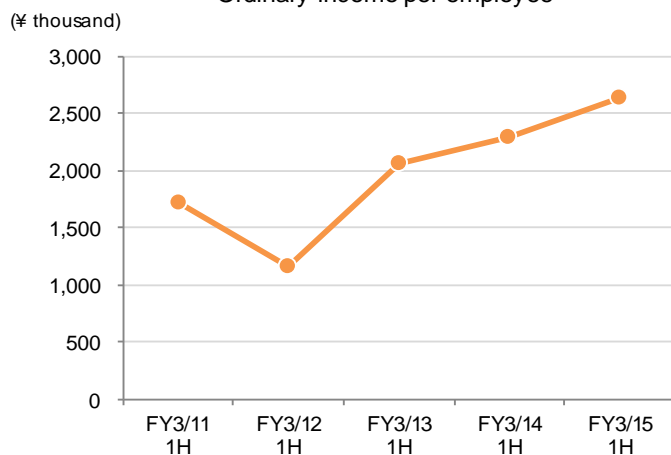
Interest coverage ratio



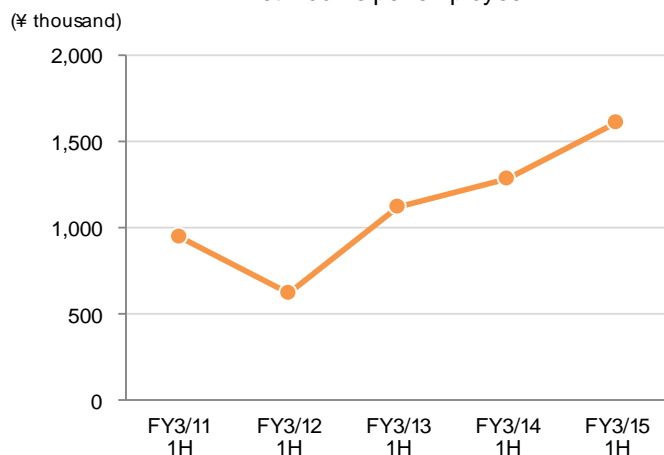
Net sales per employee



Ordinary income per employee



Net income per employee



# Consolidated Efficiency/Stability Indicators

(%)	FY3/11 1H	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H
Equity ratio	51.4	46.5	43.8	46.6	49.1
Interest-bearing debt ratio	18.1	19.7	22.7	23.0	19.4
Acid-test ratio	161.6	140.9	130.3	161.2	163.1
Current ratio	207.9	193.4	186.4	216.1	223.5
Non-current ratio	32.3	28.9	27.1	24.5	20.7
Non-current assets to Non-current liability ratio	27.8	24.3	22.5	19.3	17.0

Equity ratio=Equity/Total assets

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

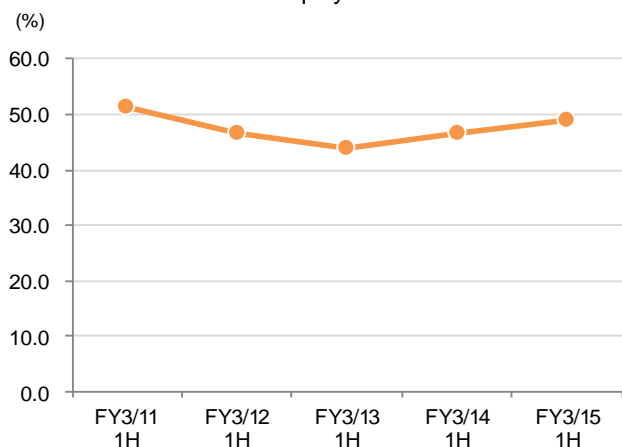
Acid-test ratio=Liquid assets/Current liabilities

Current ratio=Current assets/Current liabilities

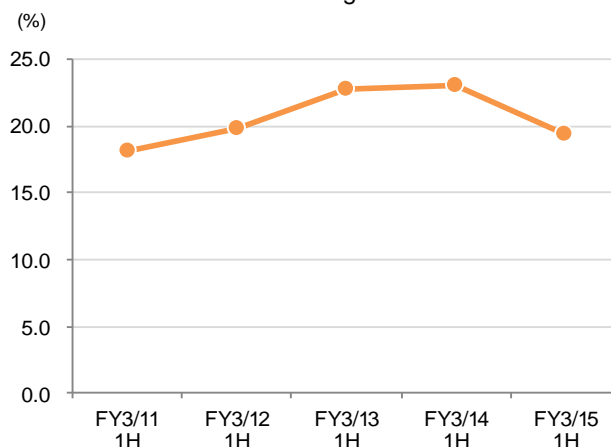
Non-current ratio=Non-current assets/Equity

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

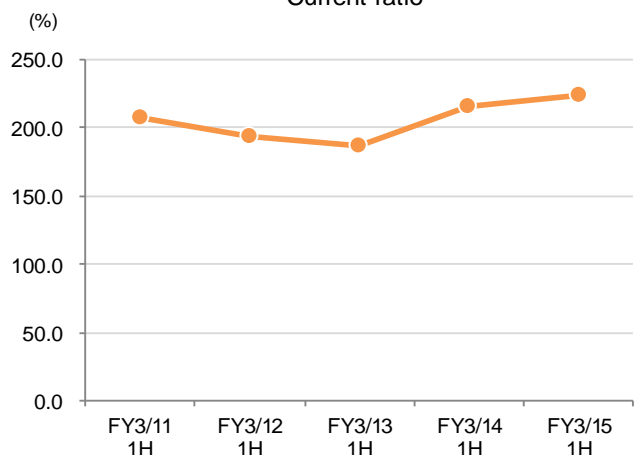
Equity ratio



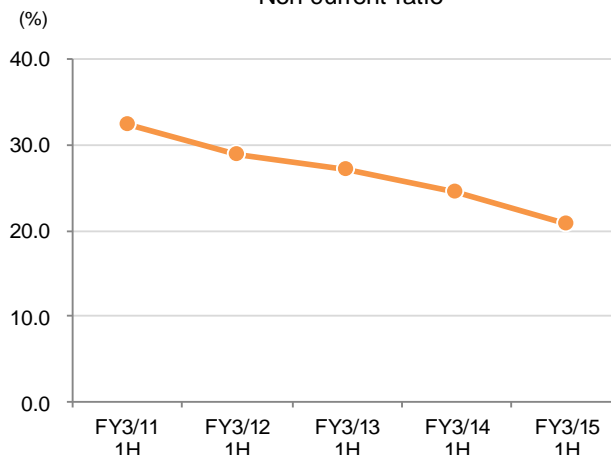
Interest-bearing debt ratio



Current ratio



Non-current ratio



# Stock Information

## Per Share Indicators

(¥)	FY3/11 1H	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H
Share price at end of period	586	632	775	1,269	1,522
Closing stock price range for the last 12 months	530-830	581-935	603-949	762-1,600	1,226-1,690
Earnings per share (EPS)	62.46	44.24	80.21	93.42	95.17
Dividend per share (DPS)	13.00	14.00	19.00	22.00	25.00

## Other Indicators

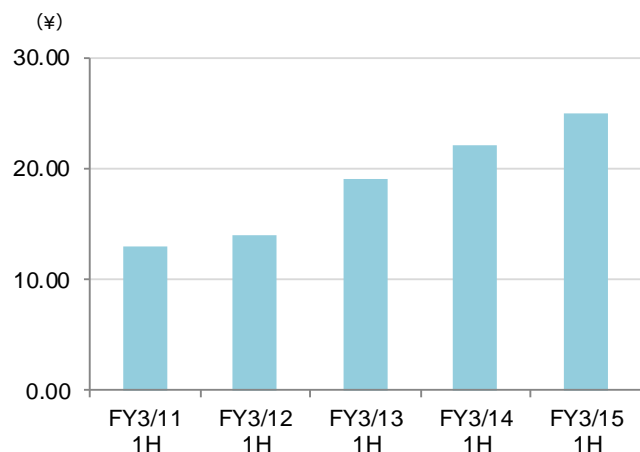
		FY3/11 1H	FY3/12 1H	FY3/13 1H	FY3/14 1H	FY3/15 1H
Total amount of dividends	(¥ million)	87	93	127	147	207
Dividend payout ratio	(%)	20.8	31.6	23.7	23.5	26.3
Price earnings ratio (PER)	(times)	4.69	7.14	4.83	6.79	8.00
Term-average number of shares outstanding	(thousand shares)	6,695	6,695	6,695	6,695	8,305
Number of shareholders	(persons)	2,305	2,318	2,217	2,646	3,746

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.

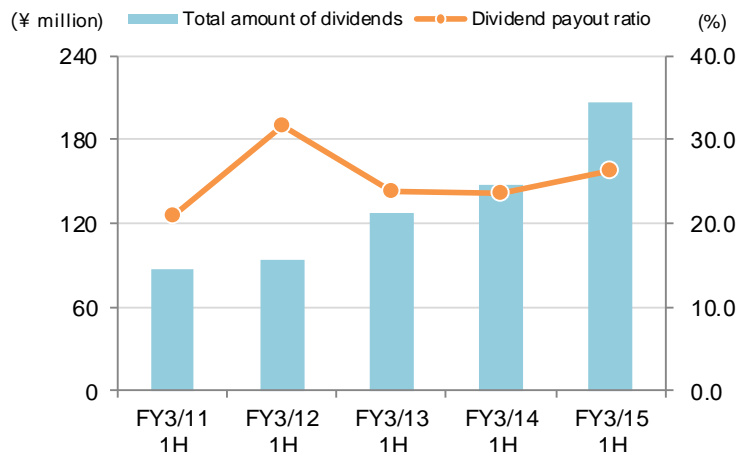
Dividend payout ratio=DPS/EPS

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

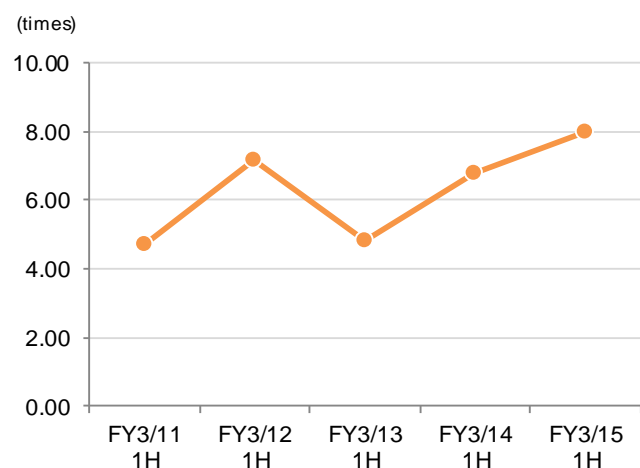
Dividend per share



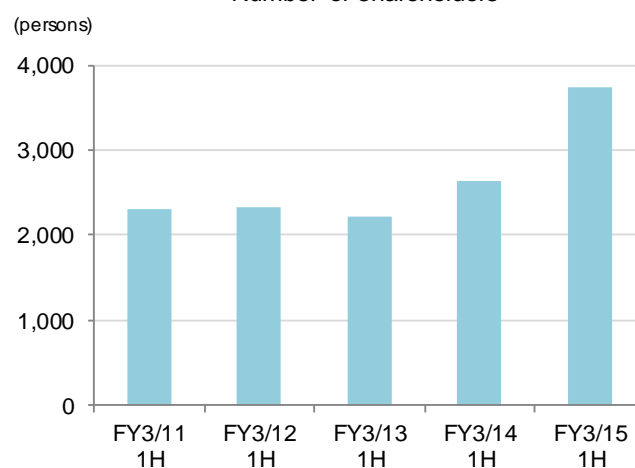
Total amount of dividends/Dividend payout ratio



PER



Number of shareholders



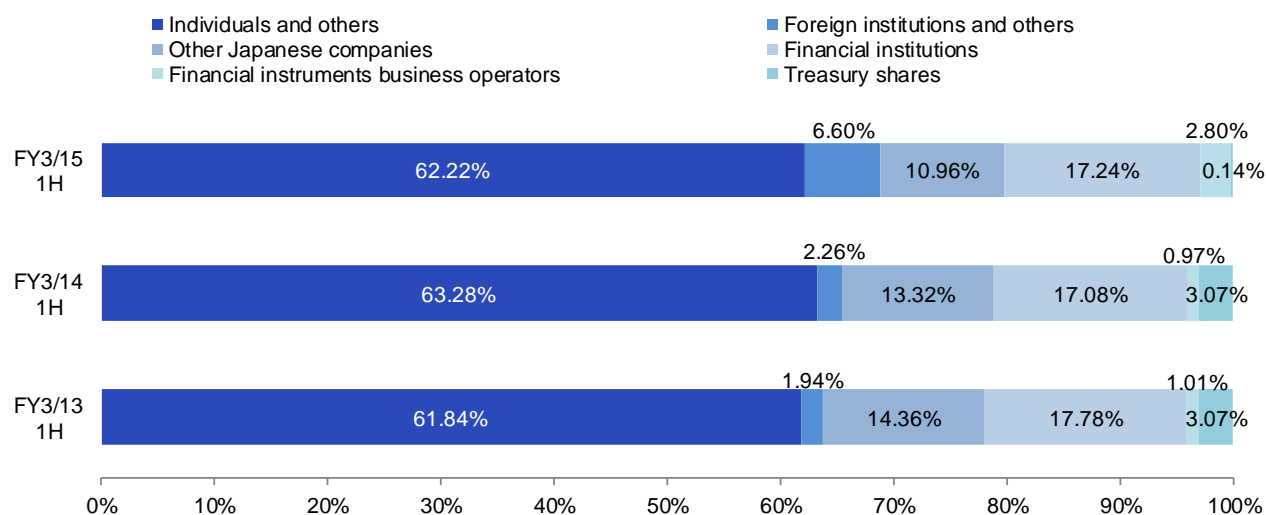
# Stock Information

## Status of Major Shareholders

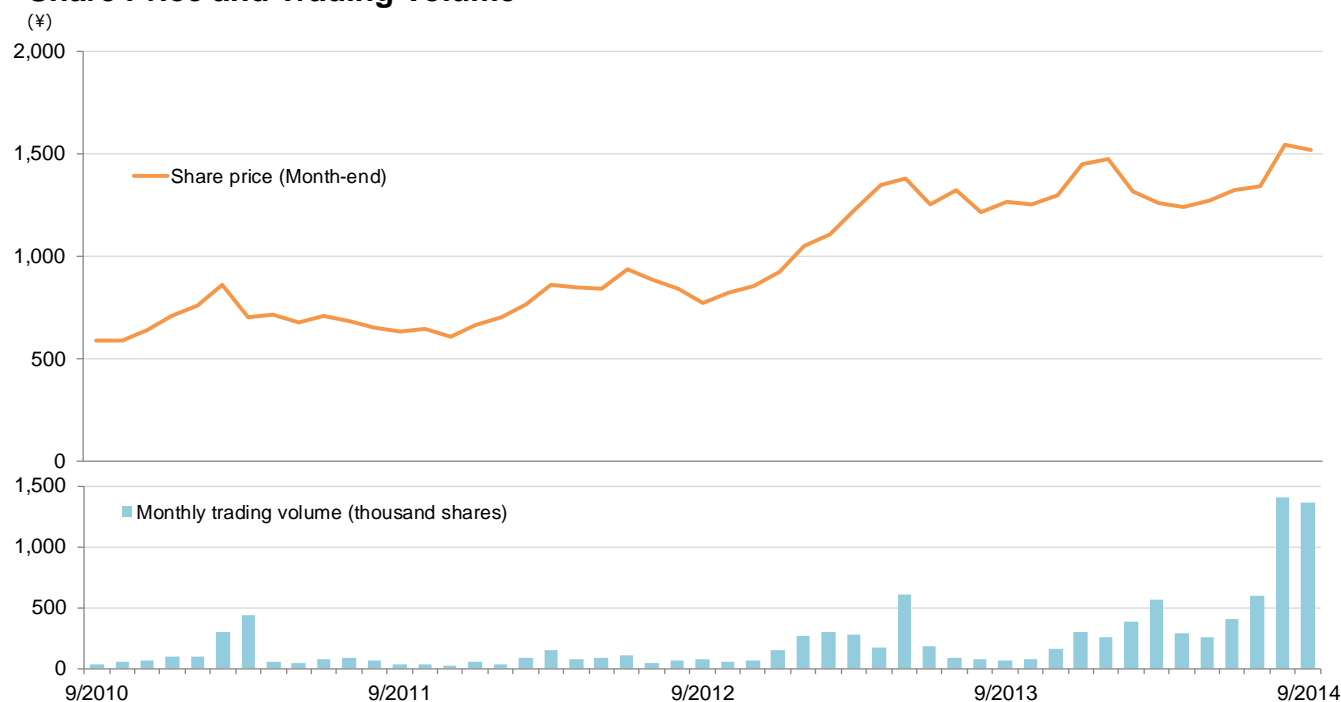
as of September 30, 2014

Top 10 Shareholders	Number of shares	Shareholding ratio (%)
STANY Co., Ltd.	396,250	4.76
Japan Trustee Services Bank, Ltd. (Trust account)	368,200	4.43
Yoshiaki Hagiwara	347,175	4.17
Tomoaki Hagiwara	334,675	4.02
Employees' Stockholding	333,574	4.01
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	232,500	2.80
Nagoya Small and Medium Business Investment & Consultation Co., Ltd.	230,000	2.77
Sumitomo Mitsui Trust Bank, Limited	178,000	2.14
Mizuho Bank, Ltd.	175,000	2.10
Sachiko Hagiwara	172,575	2.07

## Breakdown of Type of Shareholders



## Share Price and Trading Volume





Contact

HAGIWARA ELECTRIC CO., LTD.

General Affairs Department

Phone: +81-52-931-3511

FAX: +81-52-931-9414

E-mail: [ir@hagiwara.co.jp](mailto:ir@hagiwara.co.jp)

<http://www.hagiwara.co.jp/english/>