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Financial Results Presentation Material for the Year Ended March 31, 2025



HAGIWARA ELECTRIC HOLDINGS CO., LTD.

(TSE Prime Market & NSE Premier Market: 7467)

June 6, 2025

Financial results summary for FY2025/3

Net sales reached a record high. Profit declined due to changes in sales composition and increased expense.

- Net sales reached a record high at ¥258.7 billion, up 14.9% YoY. Despite of the impact of the automobile production adjustment and the stagnation of the Chinese market, net sales increased due to acquisition of new transaction flows, positive effects of the weak yen and demand for production facilities investment.
- Operating profit was ¥7.1 billion, down 7.8% YoY, due to 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 investments such as human resources investments and system investments.
- Due to the posting of foreign exchange loss of ¥630 million in non-operating expenses, etc., ordinary profit was ¥6.2 billion, down 14.0% YoY, and profit attributable to owners of parent was ¥3.6 billion, down 16.3% YoY.

Earnings forecasts for FY2026/3

Net sales and profit are expected to grow in FY2026/3.

Expected realization of investment benefits.

- Major customers global production planning for vehicles is at a high level. Meanwhile, there are numerous uncertainties such as U.S. tariff policies and the impact from the Chinese market, and we are forecasting a stronger yen compared to the previous fiscal year. Based on these factors, sales are planned to increase by 4.4% to ¥270 billion.
- Increased profit is planned due to expected continuation of growth investments and recent strategic initiatives contributing to profit.

Financial results summary for FY2025/3

Earnings forecasts for FY2026/3

**Progress in the medium-term management plan
and efforts to enhance corporate value**

Financial results summary for FY2025/3

Earnings forecasts for FY2026/3

Progress in the medium-term management plan
and efforts to enhance corporate value

Financial results for FY2025/3

- Net sales reached a record high for four consecutive periods.
- Operating profit decreased due to a decline in gross profit margin and increased expenses, as well as a foreign exchange loss of ¥630 million.

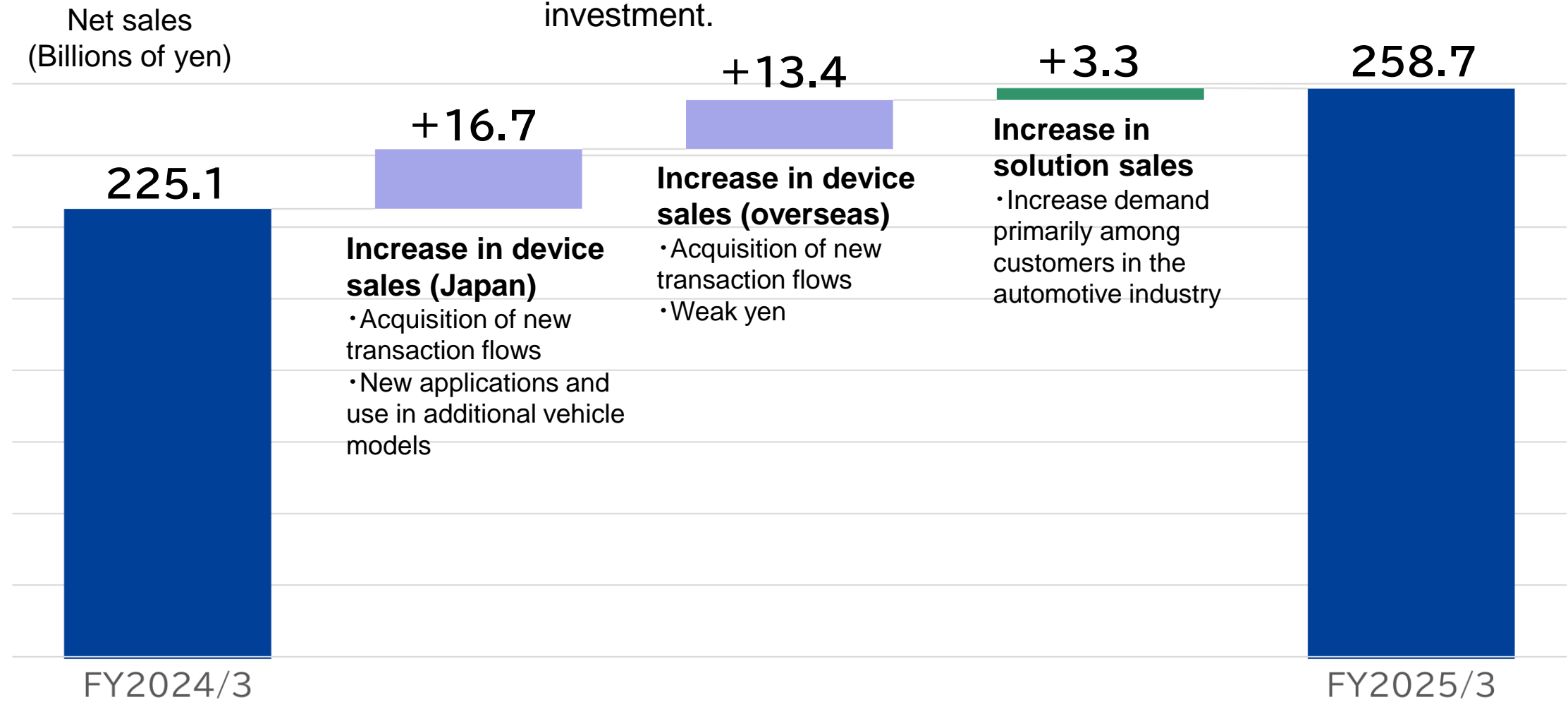
(Unit: Millions of yen)

	FY2024/3		FY2025/3			
	Amount	Ratio	Amount	Ratio	YoY	
Net sales	225,150	100%	258,742	100%	+33,592	+14.9%
Gross profit	20,003	8.9%	21,367	8.3%	+1,363	+6.8%
Selling, general and administrative expenses	12,292	5.5%	14,255	5.5%	+1,962	+16.0%
Operating profit	7,711	3.4%	7,112	2.7%	(599)	(7.8)%
Ordinary profit	7,221	3.2%	6,210	2.4%	(1,011)	(14.0)%
Profit attributable to owners of parent	4,421	2.0%	3,699	1.4%	(721)	(16.3)%
Earnings per share (Yen)	458.80	—	371.30	—	(87.5)	—
Annual dividends per share (Yen)	185	Dividend payout ratio 40.3%	185	Dividend payout ratio 49.8%	0	—
Rate of exchange (USD)	¥140.56		¥151.58		weak yen	¥11.02

*1 The number of issued shares increased YoY due to the exercise of rights to subscribe for new shares. The average number of shares during the period was 9,637,615 shares in FY2024/3 and 9,964,181 shares in FY2025/3.

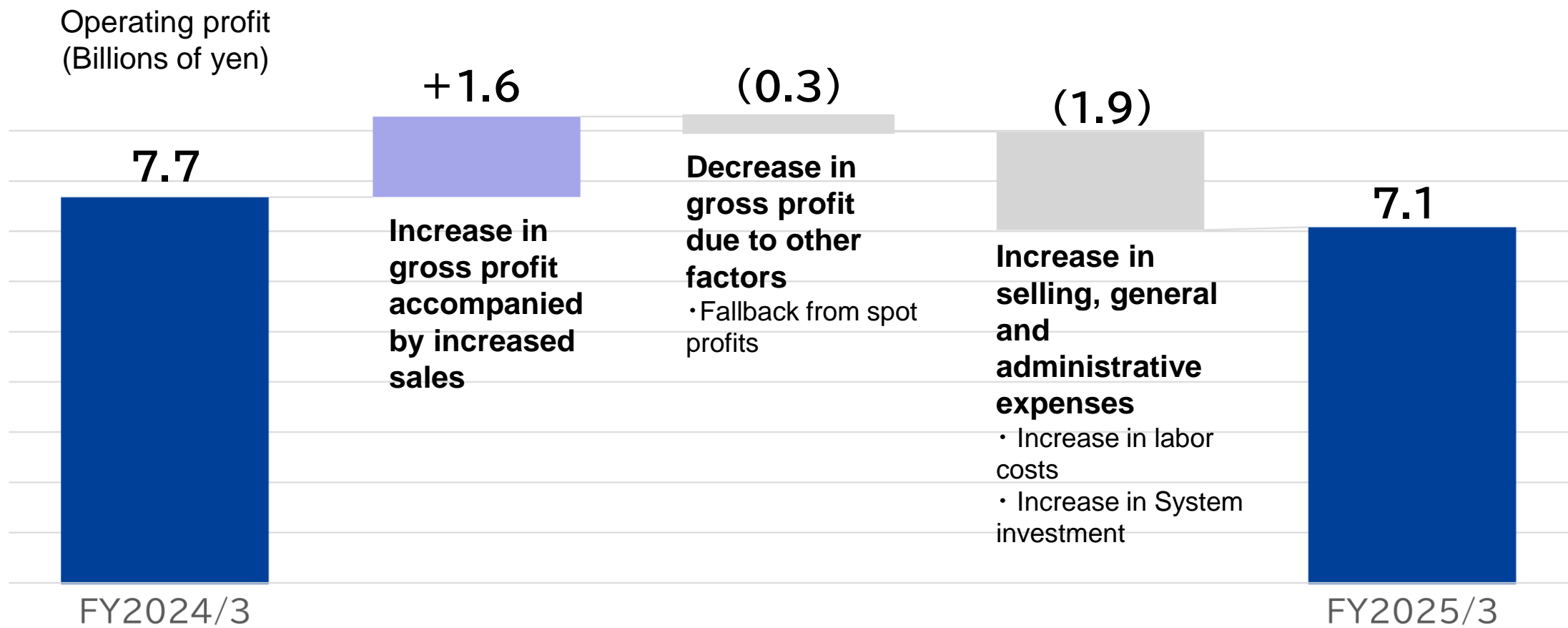
Positive factors for net sales

• Net sales increased by 33.5 ¥billion, or 14.9% YoY. Despite of 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 demand for production facilities investment.



Changing factors for operating profit

• Operating profit decreased by ¥590 million, or 7.8% YoY. Gross profit margin declined due to changes in product mix and a fallback from spot profits in the same period of the previous fiscal year. In addition, expenses increased due to an increase in investments in personnel and systems.

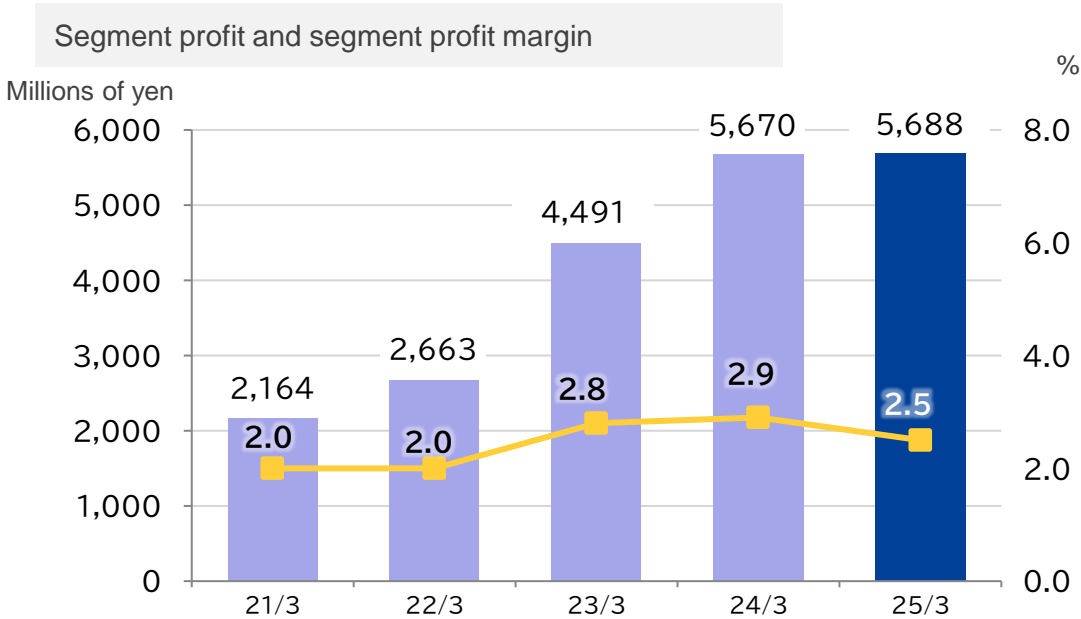
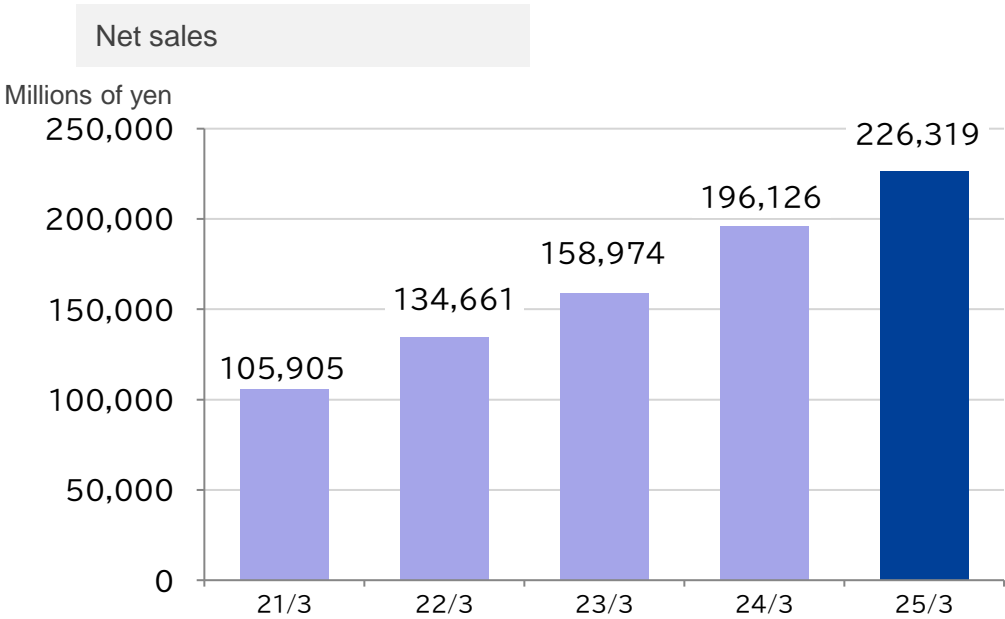


Electronic Devices Business: Financial results summary

- Despite of 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.
- Profit were flat due to a fallback from spot profit, an increase in costs such as fares, and an increase in expenses due to active investment in growth.

(Unit: Millions of yen)

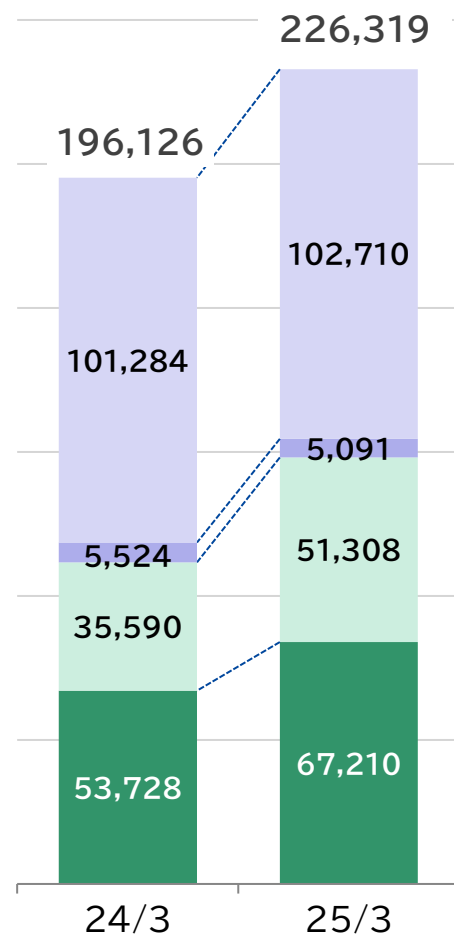
	FY2024/3		FY2025/3			
	Amount	Ratio	Amount	Ratio	YoY	
Net sales	196,126	100%	226,319	100%	+30,192	+15.4%
Segment profit	5,670	2.9%	5,688	2.5%	+18	+0.3%



Electronic Devices Business: Net sales by client (YoY)

- Despite of the impact of the production adjustment, sales of major customers reached the same level as the previous fiscal year due to increased adoption of products and use in additional vehicle models.
- The increase in Others and Overseas clients' sales was due to the acquisition of new transaction flows and the weak yen.

(Unit: Millions of yen)



(Unit: Millions of yen)

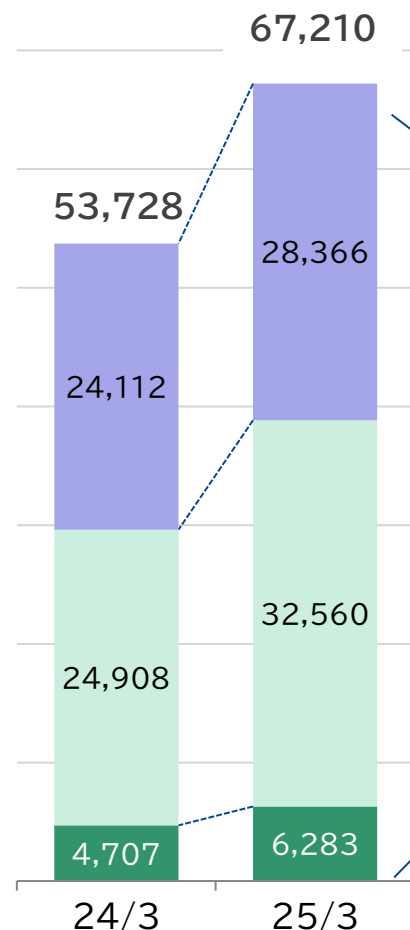
	FY2024/3		FY2025/3			
	Amount	Ratio	Amount	Ratio	YoY	
DENSO CORPORATION	101,284	51.6%	102,710	45.4%	+1,426	+1.4%
TOKAI RIKI CO., LTD.	5,524	2.8%	5,091	2.2%	(433)	(7.8)%
Others	35,590	18.1%	51,308	22.7%	+15,718	44.2%
Overseas clients ^{*1}	53,728	27.4%	67,210	29.7%	+13,481	+25.1%
Total	196,126	—	226,319	—	+30,192	+15.4%

^{*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)

- All regions recorded double-digit revenue growth.
- The effect of the new transaction flows was about ¥17 billion in Japan and overseas, and the effect of the weak yen was about ¥6 billion.

(Unit: Millions of yen)



(Unit: Millions of yen)

*1	FY2024/3		FY2025/3			
	Amount	Ratio	Amount	Ratio	YoY	
Japan	142,397	72.6%	159,108	70.3%	+16,711	+11.7%
Asia	24,112	12.3%	28,366	12.5%	+4,253	+17.6%
United States	24,908	12.7%	32,560	14.4%	+7,651	+30.7%
Europe	4,707	2.4%	6,283	2.8%	+1,576	+33.5%
Overseas (total)	53,728	27.4%	67,210	29.7%	+13,481	+25.1%
Total	196,126	—	226,319	—	+30,192	+15.4%

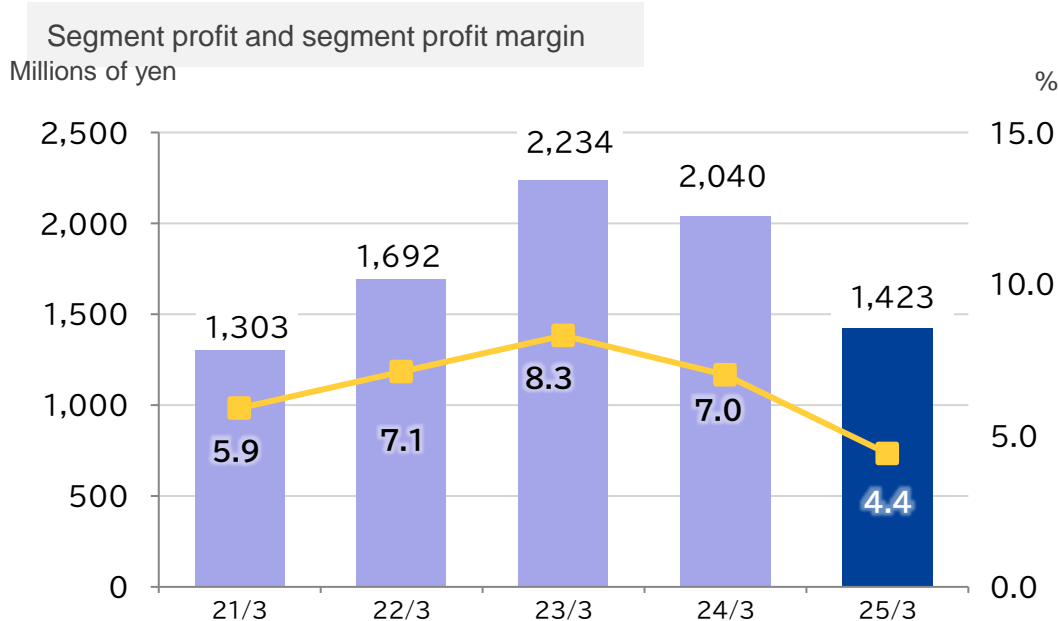
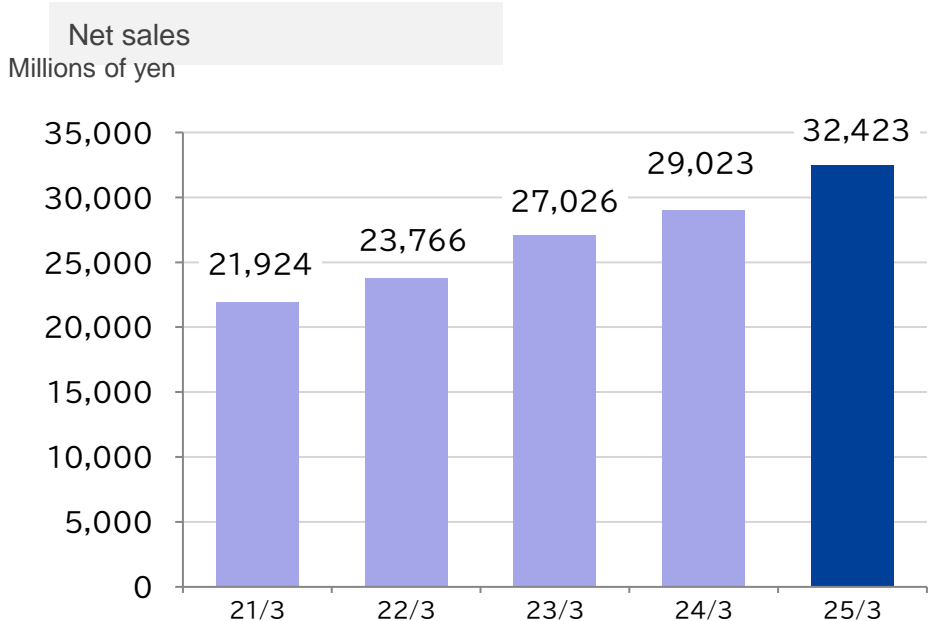
*1 Region names represent the Group's business locations (excluding intragroup transactions). Financial results included in FY2025/3 Q3 are figures from January 2024 to December 2024 as the fiscal year-end for the Group's bases in Singapore, China and the United States is December.

Technology Solutions Business: Financial results summary

- Although some customers made inventory adjustments due to the impact of the Chinese market, sales remained strong due to the capture of investment demand from customers in the automotive industry.
- Segment profit decreased due to sluggish gross profit growth due to changes in sales composition and aggressive investment in next-generation machine development and marketing.

(Unit: Millions of yen)

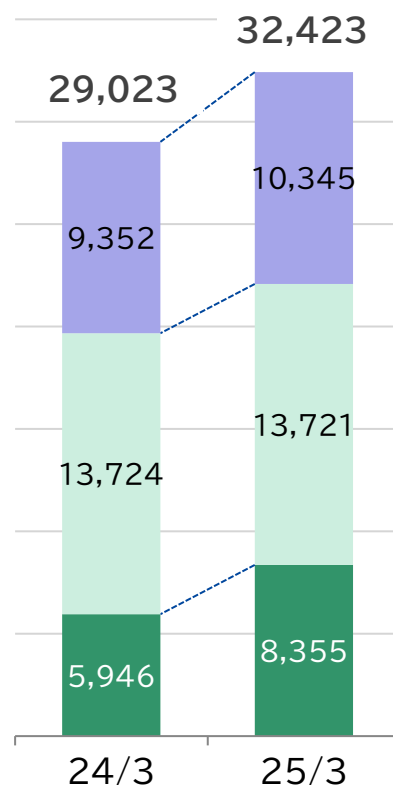
	FY2024/3		FY2025/3			
	Amount	Ratio	Amount	Ratio	YoY	
Net sales	29,023	100%	32,423	100%	+3,399	+11.7%
Segment profit	2,040	7.0%	1,423	4.4%	(617)	(30.2)%



Technology Solutions Business: Net sales by business (YoY)

- Sales in the Embedded Solutions were sluggish due to inventory adjustments by some customers due to the impact of the Chinese market and other factors. Meanwhile, sales in the FA Engineering grew due to strong demand for capital investment in development and production lines, mainly in the areas of automotive electrification.

(Unit: Millions of yen)



(Unit: Millions of yen)

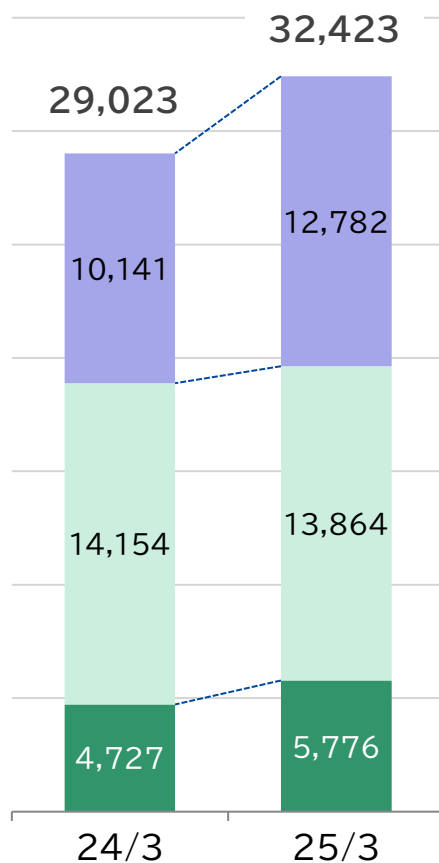
	FY2024/3		FY2025/3			
	Amount	Ratio	Amount	Ratio	YoY	
IT Solutions / Data Platform	9,352	32.2%	10,345	31.9%	+993	+10.6%
Embedded Solutions	13,724	47.3%	13,721	42.3%	(3)	(0.0)%
FA Engineering	5,946	20.5%	8,355	25.8%	+2,409	+40.5%
Total	29,023	—	32,423	—	+3,399	+11.7%

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)

- In addition to capturing investment demand for development and manufacturing line construction at customers in the automotive industry, there was demand for personal computers due to OS updates in all industries.

(Unit: Millions of yen)



(Unit: Millions of yen)

	FY2024/3		FY2025/3			
	Amount	Ratio	Amount	Ratio	YoY	
Automotive	10,141	34.9%	12,782	39.4%	+2,640	+26.0%
FA & Industrial equipment	14,154	48.8%	13,864	42.8%	(290)	(2.0)%
Others	4,727	16.3%	5,776	17.8%	+1,049	+22.2%
Total	29,023	–	32,423	–	+3,399	+11.7%

Consolidated balance sheets

- Assets increased mainly due to increases in Merchandise and finished goods, and goodwill.
- In liabilities, notes and accounts payable decreased, while borrowings increased.
- Net assets increased mainly due to increase in retained earnings.

(Unit: Millions of yen)

	As of March 31, 2024	As of March 31, 2025	Change
Current assets	111,572	118,323	+6,751
Merchandise and finished goods	41,446	48,362	+6,915
Non-current assets	8,134	11,837	+3,703
Property, plant and equipment	4,521	4,649	+127
Intangible assets	276	3,669	+3,393
Investments and other assets	3,336	3,519	+182
Total assets	119,706	130,161	+10,455

	As of March 31, 2024	As of March 31, 2025	Change
Current liabilities	45,111	47,795	+2,684
Non-current liabilities	24,234	29,387	+5,153
Total liabilities	69,345	77,183	+7,838
Shareholder's equity	46,598	48,514	+1,915
Other	3,762	4,463	+701
Total net assets	50,361	52,978	+2,617
Total liabilities and net assets	119,706	130,161	+10,455

Consolidated statements of cash flows

- Cash and cash equivalents decreased ¥988 million YoY.
- Cash flows from operating activities decreased due to a decrease in profit and trade payables.
- Cash flows from investing activities included the purchases of shares in subsidiaries.
- Cash flows from financing activities increased due to an increase in short-term borrowings.

(Unit: Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities	5,134	(6,683)
Cash flows from investing activities	(679)	(3,685)
Cash flows from financing activities	(1,185)	9,014
Effect of exchange rate change on cash and cash equivalents	331	366
Net increase (decrease) in cash and cash equivalents	3,601	(988)
Cash and cash equivalents at beginning of period	10,920	14,522
Cash and cash equivalents at end of period	14,522	13,534

Financial results summary for FY2025/3

Earnings forecasts for FY2026/3

Progress in the medium-term management plan
and efforts to enhance corporate value

Earnings forecasts for FY2025/3

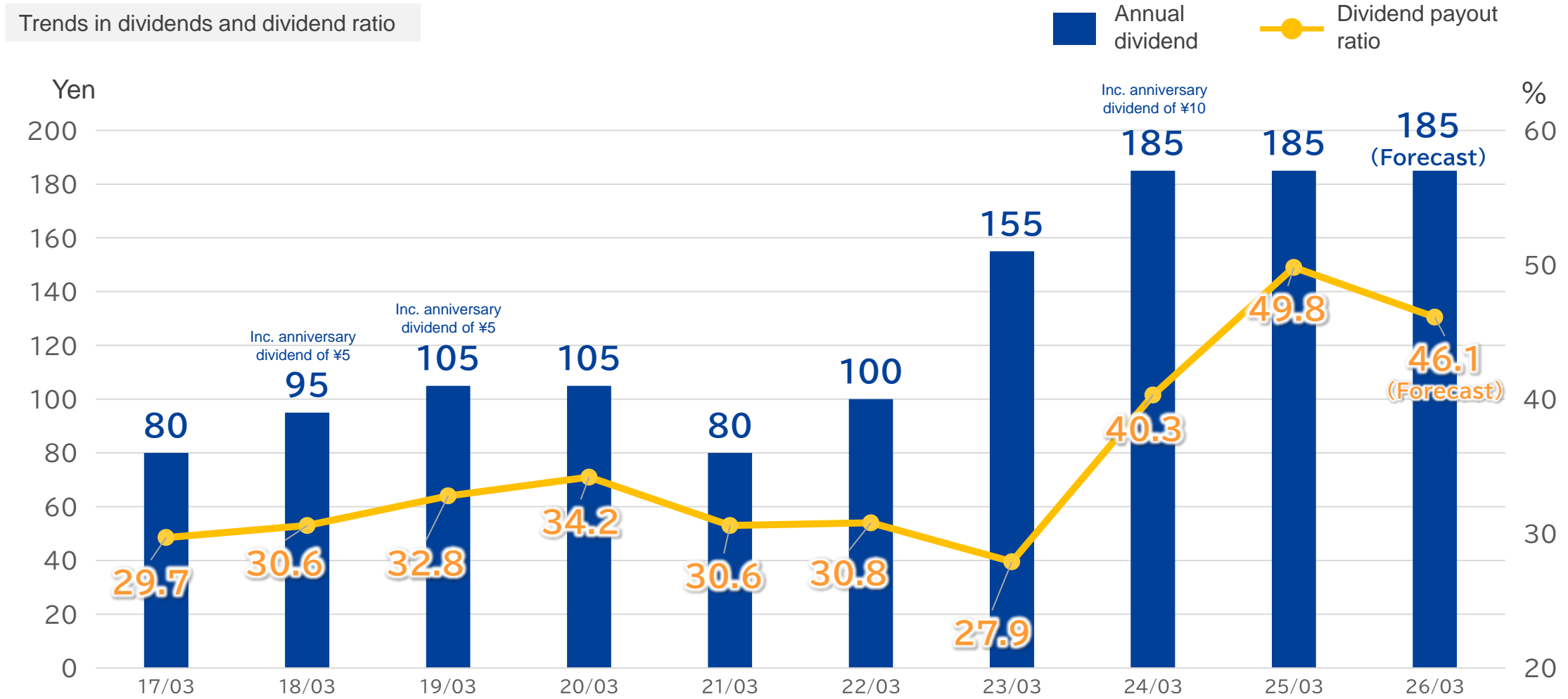
- We plan to increase Net sales and operating profit in both the Electronic Devices Business and the Technology Solutions Business.
- We plan to make upfront investments in preparation for the final year of the medium-term management plan. We also factor rising interest rates and forex trends into our profit forecasts.

(Unit: Millions of yen)

	FY2025/3		FY2026/3(Forecasts)			
	Amount	Ratio	Amount	Ratio	YoY	
Net sales	258,742	100%	270,000	100%	+11,257	+4.4%
Operating profit	7,112	2.7%	7,500	2.8%	+387	+5.4%
Ordinary profit	6,210	2.4%	6,500	2.4%	+289	+4.7%
Profit attributable to owners of parent	3,699	1.4%	4,000	1.5%	+300	+8.1%
Earnings per share (Yen)	371.30	—	401.41	—	+30.11	—
Rate of exchange (USD)	¥151.58		¥147.00		strong yen	¥4.58

Return to shareholder

• We plan to the annual dividend is ¥185 and dividend payout ratio is 46.1% for FY2026/3.



Financial results summary for FY2025/3

Earnings forecasts for FY2026/3

**Progress in the medium-term management plan
and efforts to enhance corporate value**

Key strategies of Medium-term management plan

- We aim to structural reform and establishment of a business foundation for a new stage of growth of Hagiwara Electric Group, with priority policies as “Improving earning power”.

Priority policies

Corporate value enhancement -Improving earning power-

Three structural reforms

Business structure

Enhance proposal value through business model reform



Capital productivity

Reform management with an awareness of capital productivity



Human capital

Maximize employee power by leveraging human capital

Six key strategies



Devices business strategy



Advanced business management



Solutions business strategy



Human resources strategy



Business innovation strategy



ESG promotion

© Growth through reform, execution and efficiency

Key management indicator

Target for FY2027/3

Net sales

¥300 billion

Target for FY2027/3

Operating profit

¥11 billion

Target for FY2027/3

ROE

11 % or higher

From FY2025/3

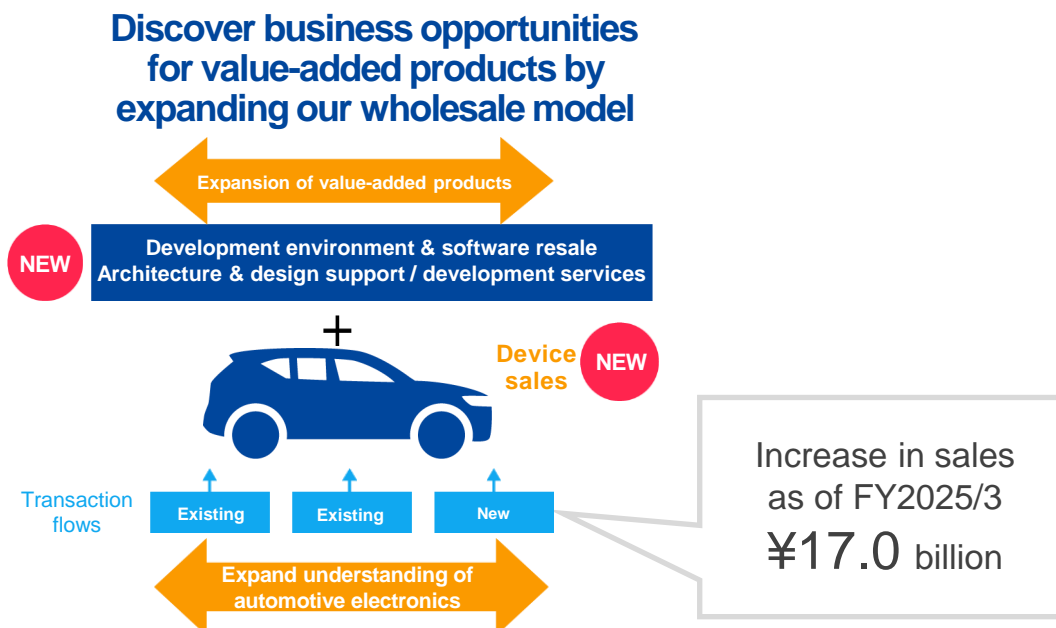
Dividend payout ratio

30-40 %



Expansion of business scale and proposed areas through acquisition of a new transaction flow

- The aim of acquiring a new transaction flow is to expand proposal areas by expanding understanding of electrical components, in addition to expanding the scale of core business.
- Investments in human resources and R&D to expand service areas also increased.



Expansion of business in India through expansion of technology and sales bases

- In October 2024, we opened two new bases to accelerate the deployment of in-vehicle system solutions for the Indian automotive market.
- In addition to Japanese companies, we are promoting business development for local companies in India.



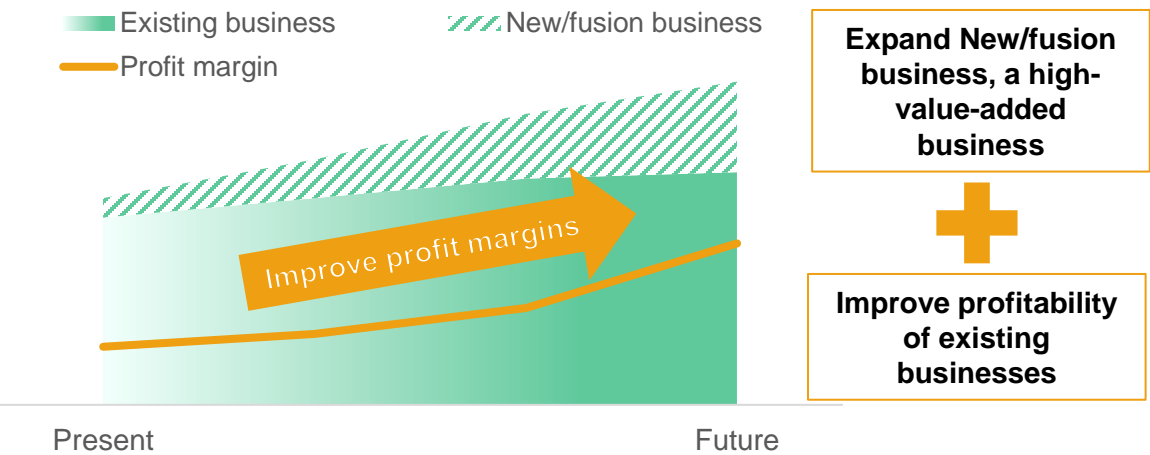
Two new bases in Delhi and Pune was established to cover from the northern to southern areas of India.



Exhibited 『Electronica India 2024』for the first time.

Reform of the profit structure by launching the Data Platform business

- In April 2024, we launched the Data Platform business to provide solutions that convert data into value. It aims to establish itself as a new pillar of Technology Solutions Business.
- It enabled us to expand our stock business, optimize our customers' entire business by integrating our three existing businesses with data utilization technology, and build new solutions that contribute to the creation of new businesses.



Synergy by making BellaDati a subsidiary

- In July 2024, we made BellaDati, which owns the “BellaDati” IoT data platform, a subsidiary, and made the data platform that is the core of the Data Platform business in-house.
- In addition to speeding up customer response through in-house manufacturing, we expect to realize synergy effects through the sharing of resources in the customer base and brand strength.



Overview

Name	BELLADATI PTE. LTD.
Location	SINGAPORE
Business description	Developing and providing BellaDati IoT Advanced Analytics Framework products
Affiliated company	BELLADATI s.r.o. (Czech Republic) Belladati G.K. (Japan)

Note) Acquired all shares of BellaDati on July 16, 2024. The date of the business combination is September 30, 2024. The results from October to December 2024 are included in the consolidated results for the FY2025/3.

Corporate value enhancement : Strengthening of Profitability

• We focus on strengthening of profitability, which is a pillar of our medium-term management plan. We will implement measures to advance business management to support the expansion of transaction flows in business activities, the discovery of business opportunities, and the establishment of new businesses.



Corporate value enhancement : Reducing business risk

- Reduce business risks by implementing financial and non-financial measures and promote sustainable growth.

■ Activities

Financial measures

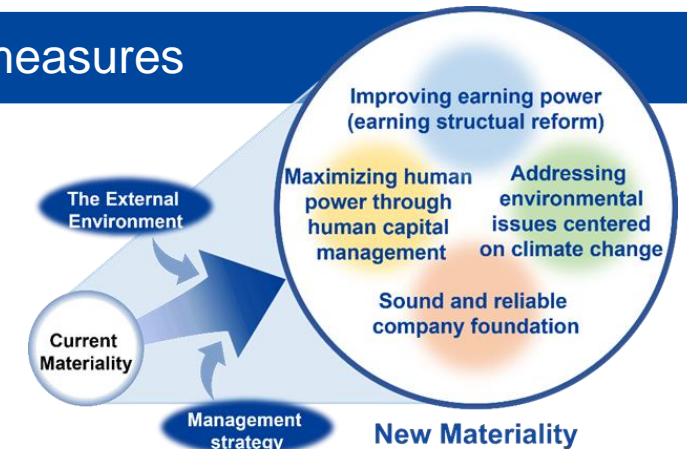
Capital policy disclosure and environment building

- **Clarification of “reform management with an awareness of capital productivity” in the Medium-Term Management Plan**
- **Creation of an environment for advanced business management**
Launch of a business management system for management across the entire Group
Revision of the executive remuneration system to strengthen link with the medium-term management plan
- **Deliberations at the board meeting on responses to changes in the financial environment and financing policy**
- **Implementing initiatives to improve transaction terms and conditions, etc.**

Non-financial measures

Promotion of sustainability management

- **Set new materiality**
“Improving earning power (profit structure reform)”
“Addressing environmental issues centered on climate change”
“Maximising human power through human capital management”
“Sound and reliable company foundation”
- **Disclosing top commitments on the Company's Website**
- **Deepening the response to climate change**
Calculation of greenhouse gas emissions of Scope1,2,3, and disclosure
Ensuring reliability of calculation data by third-party verification
- **Formulation of Human Capital Management Framework, human resources system overhaul (operational from April 2024)**
KGI: Human capital productivity
Sub KGI: Human capital investment/employee engagement



Strengthening governance

- **Ensuring the diversity of the Board of Directors**
Appointment of two female Directors
Comprising a majority of Independent Outside Directors (As of the June 2024 General Meeting of Shareholders)
- **Review of cross-shareholdings policy**
Partial reduction of shareholdings
Determination on policy for withdrawal from the shareholding association

Corporate value enhancement : Improving stakeholder engagement

• Through dialogue with the stock market and enhancement of information disclosure, we aim to foster growth expectations and improve stakeholder engagement.

■ Activities

Pro-actively engage with investors and implement feedback internally

- **One-on-one meetings with institutional investors**

IR: 46
SR: 10
(FY2024 Results)

- **Engagement with retail investors**

Participation in IR exhibitions and online events
Implementing shareholder questionnaire in shareholder communication
Created a page for individual investors on the Company's website (available in Japanese only)

- **Feedback on engagement to executives at the board meeting**

IR quarterly
SR annually



Enhancing information disclosure and improving impartiality in information provision

- **Expanding scope of English-language disclosures**

Financial results summary reporting
Timely disclosures
Financial results presentation material

- **Disclosing financial results presentation material including Q&A on our own website and logmi**

- **Publishing reports through FISCO (Japanese) and Walden Research Japan (Japanese/English)**



Aiming to improve the corporate brand through PR activities and CSR activities

- **Enhancing information distribution through increasing PR press releases and utilizing platforms**

- **Publishing articles and advertisements in newspapers and specialist magazines, etc.**

- **Community contribution**

Concluded a partnership agreement with a local sports team
Joint research and academic seminars with university research labs
Company visits for elementary, junior high school, and high school students.

etc.





HAGIWARA ELECTRIC HOLDINGS CO., LTD.

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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 solely on these materials. Furthermore, the Company assumes no responsibility whatsoever for any damages incurred as a result of the use of these materials.