



Creativity and Ambition

A solution design company
that is creating the future through advanced electronics

**Financial Results Presentation Material
for the Nine Months Ended December 31, 2023**

HAGIWARA ELECTRIC HOLDINGS CO., LTD.

(TSE Prime Market & NSE Premier Market: 7467)

March 1, 2024

Financial results summary for FY2024/3 Q3

FY2024/3 Q3 recorded increases in both net sales and profit for three consecutive periods

- Net sales reached at ¥165.4 billion, up 23.2% YoY.
Sales increased due to increased demand as a result of the recovery of automobile production volume, use in additional vehicle models and other factors, as well as due to capturing IT investment, capital investment, etc. of customers.
- Operating profit exceeded the increase in selling, general and administrative expenses, and reached at ¥6.4 billion, a YoY increase of 52.5%, due to an increase in gross profit. Ordinary profit increased 47.6% YoY to ¥6.1 billion.
- Despite the disappearance of recording a gain on bargain purchase of ¥670 million on M&A as an extraordinary income in the same period of the previous fiscal year, profit attributable to owners of parent increased 16.8% YoY to ¥3.9 billion.

Earnings forecasts for FY2024/3

Earnings forecasts have not been changed from the figures announced on November 10.

Financial results summary for FY2024/3 Q3

Earnings forecasts for FY2024/3

Financial results for FY2024/3 Q3

- Net sales, operating profit, ordinary profit and profit saw increases in both net sales and profit for three consecutive periods.

(Unit: Millions of yen)

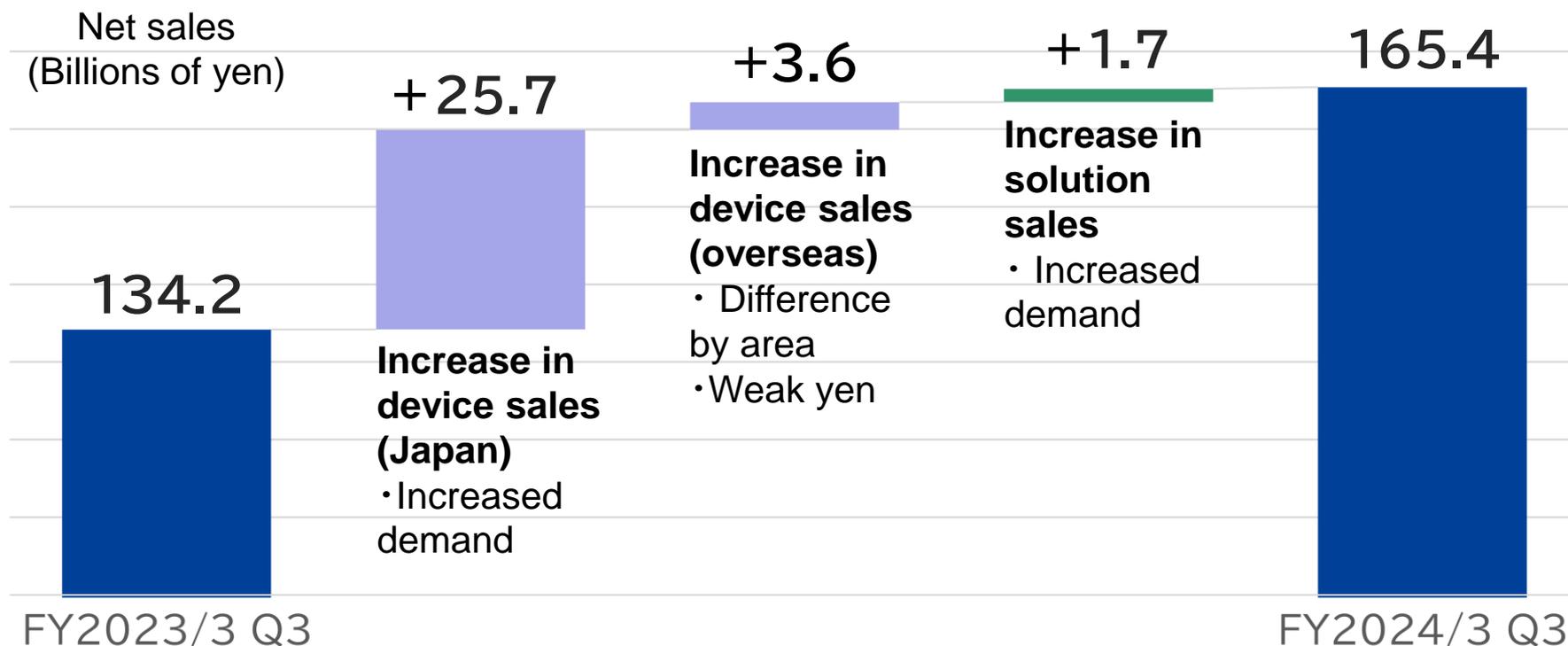
	FY2023/3 Q3		FY2024/3 Q3		YoY	
	Amount	Ratio	Amount	Ratio		
Net sales	134,233	100%	165,437	100%	+31,203	+23.2%
Gross profit	12,545	9.3%	15,334	9.3%	+2,789	+22.2%
Selling, general and administrative expenses	8,320	6.2%	8,893	5.4%	+572	+6.9%
Operating profit	4,224	3.1%	6,441	3.9%	+2,216	+52.5%
Ordinary profit	4,163	3.1%	6,146	3.7%	+1,982	+47.6%
Profit attributable to owners of parent	3,372 ^{*1}	2.5%	3,939	2.4%	+566	+16.8%
Earnings per share (Yen) ^{*2}	380.87	—	413.33	—	+32.46	—

*1 As of FY2023/3 Q3, provisional accounting treatment had been applied to the gain on bargain purchase associated with M&A, however since it was finalized at the end of the previous fiscal year, the figures presented in this material reflect the finalized value of gain on bargain purchase of ¥670 million.

*2 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 8,855,885 shares in FY2023/3 Q3 and 9,530,106 shares in FY2024/3 Q3.

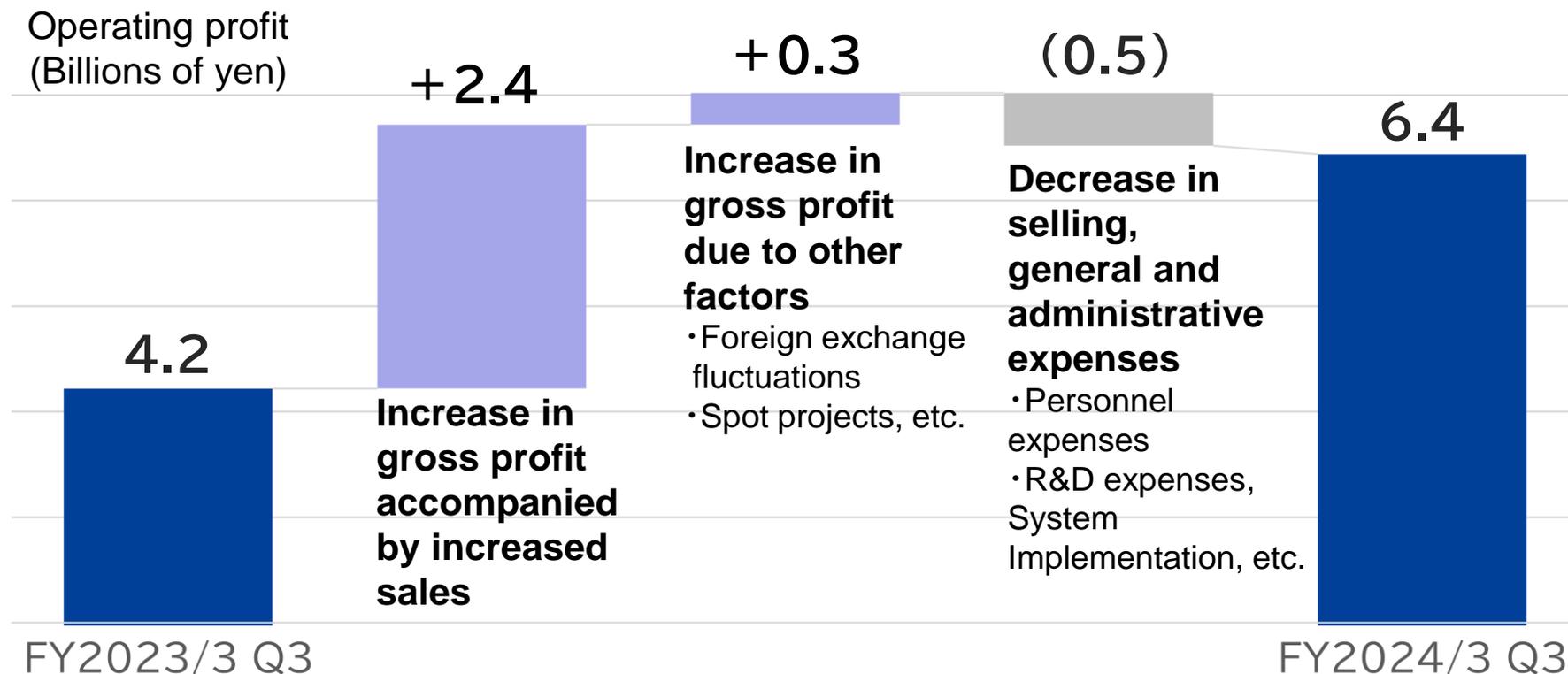
Positive factors for net sales

- Net sales increased by ¥31.2 billion, or 23.2% YoY.
- Sales in the Electronic Devices Business were encouraging mainly in Japan due to the recovery of automobile production volume, use of adopted products in additional vehicle models and other factors, in addition to robust sales in the Technology Solutions Business due to capturing IT investment, capital investment, etc. of customers.



Changing factors for operating profit

- Operating profit increased by ¥2.2 billion, or 52.5% YoY.
- While gross profit significantly increased mainly due to increased net sales and weak yen, an increase in selling, general and administrative expenses was curbed, leading to increased operating profit. Operating profit margin increased by 0.8 points.



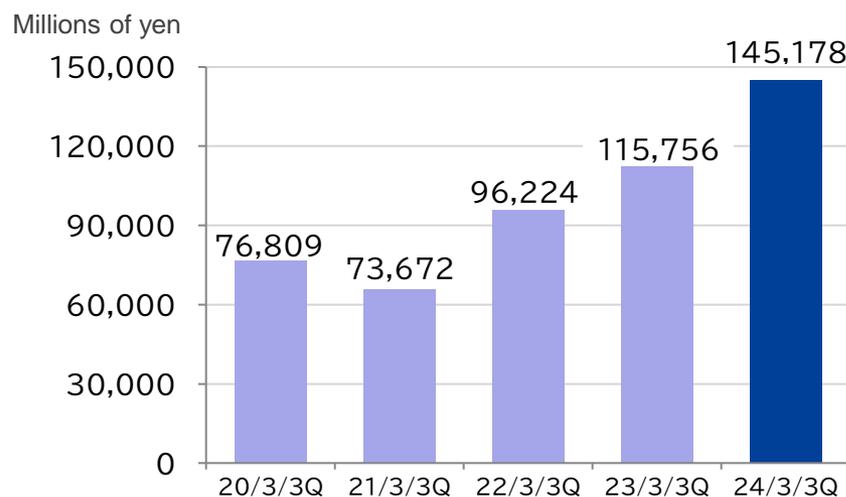
Electronic Devices Business: Financial results summary

- Sales were encouraging due to factors such as the recovery of automobile production volume and use of adopted products in additional vehicle models and weak yen.
- Segment profit increased by 1.1 points mainly due to curbing selling, general and administrative expenses.

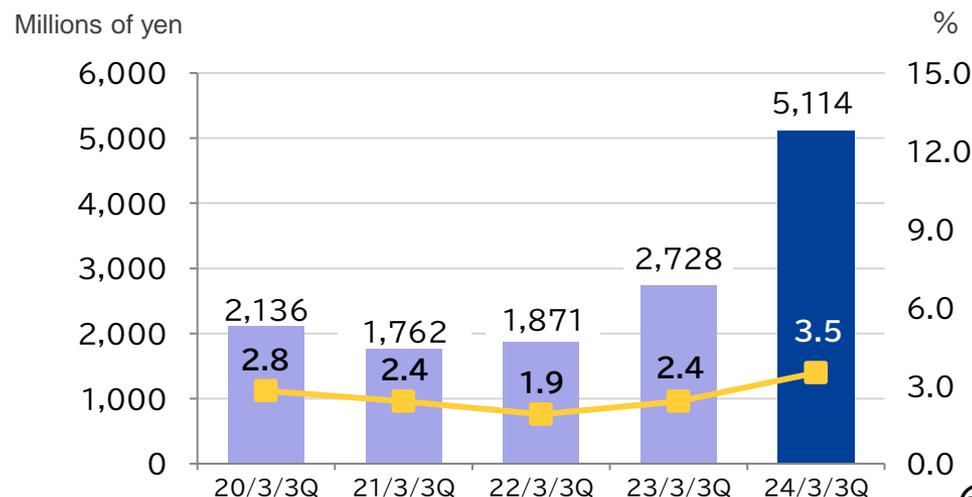
(Unit: Millions of yen)

	FY23/3 Q3		FY2024/3 Q3			
	Amount	Ratio	Amount	Ratio	YoY	
Net sales	115,756	100%	145,178	100%	+29,421	+25.4%
Segment profit	2,728	2.4%	5,114	3.5%	+2,385	+87.4%

Net sales



Segment profit and segment profit margin

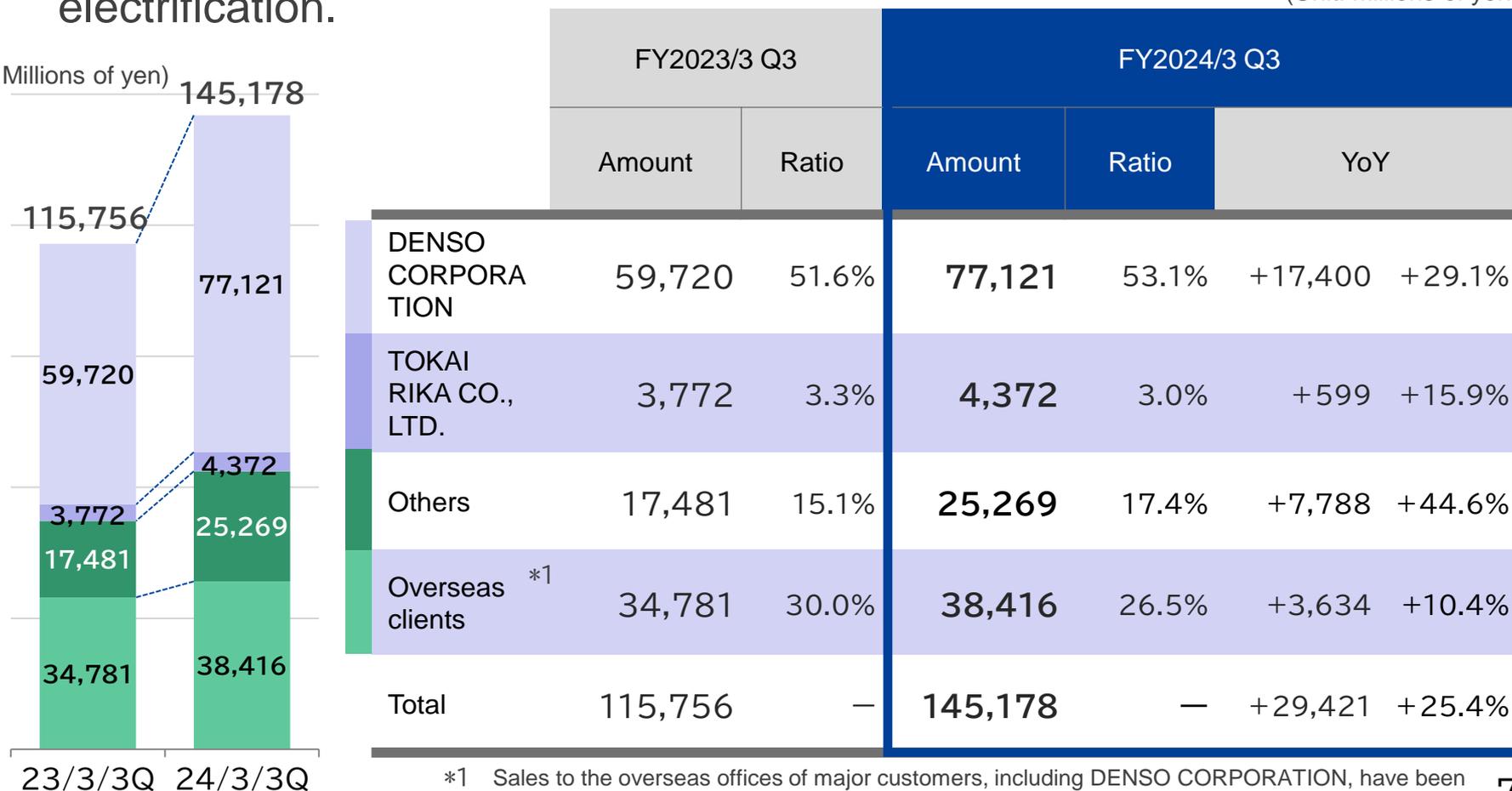


Electronic Devices Business: Net sales by client (YoY)

■ Sales were encouraging, mainly with respect to major customers, due to new applications and use in additional vehicle models, together with the increase in activity of customers' production due to the easing of the semiconductor shortage and expansion in the field of vehicle electrification.

(Unit: Millions of yen)

(Unit: Millions of yen)



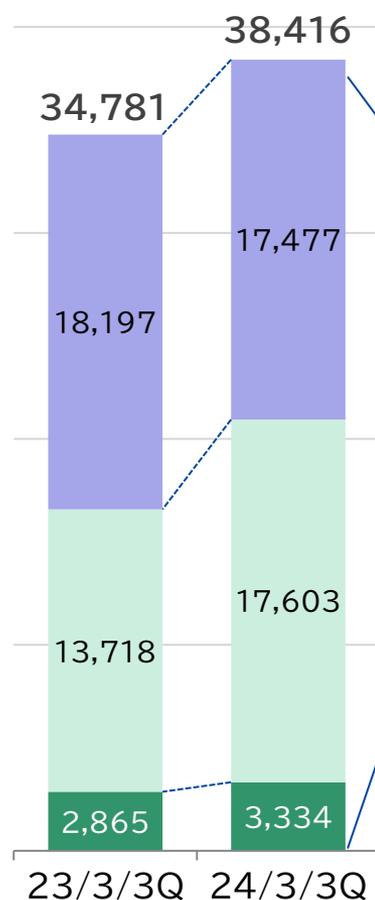
*1 Sales to the overseas offices of major customers, including DENSO CORPORATION, have been included in Overseas clients.

Electronic Devices Business: Net sales by region (YoY)

- Sales, mainly sales in Japan, increased as automobile production volume was encouraging. Overseas sales were uneven by region.

(Unit: Millions of yen)

(Unit: Millions of yen)



*1	FY2023/3 Q3		FY2024/3 Q3			
	Amount	Ratio	Amount	Ratio	YoY	
Japan	80,974	70.0%	106,761	73.5%	+25,787	+31.8%
Asia	18,197	15.7%	17,477	12.0%	(719)	(4.0)%
United States	13,718	11.9%	17,603	12.1%	+3,885	+28.3%
Europe	2,865	2.5%	3,334	2.3%	+469	+16.4%
Overseas (total)	34,781	30.0%	38,416	26.5%	+3,634	+10.4%
Total	115,756	—	145,178	—	+29,421	+25.4%

*1 Region names represent the Group's business locations (excluding intragroup transactions). Financial results included in FY2024/3 Q3 are figures from January 2023 to September 2023 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

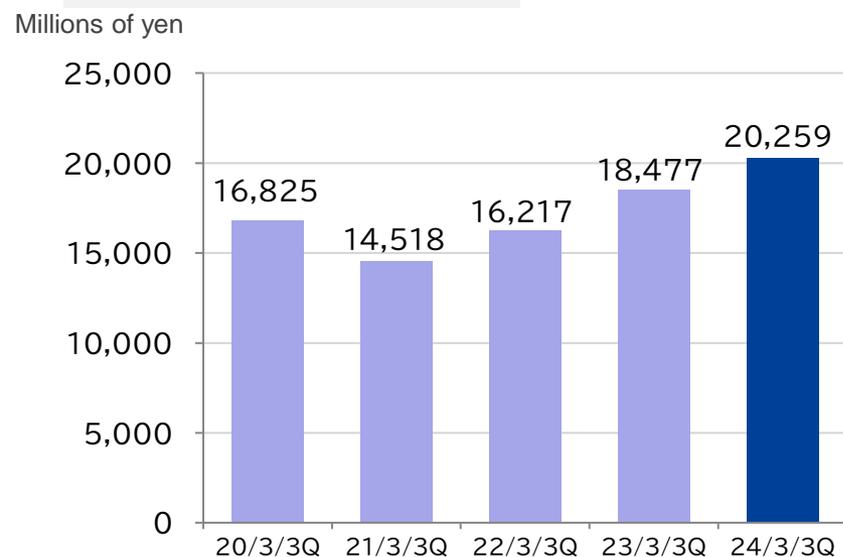


- Sales increased by capturing demand for IT investment aimed at automation and efficiency improvement.
- The segment profit margin declined 1.6 points due to changes in sales composition by business.

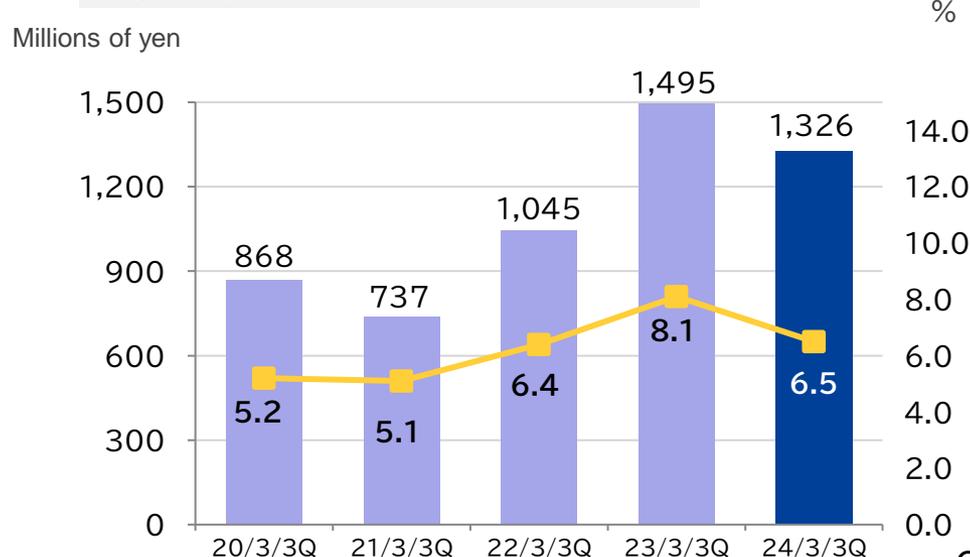
(Unit: Millions of yen)

	FY2023/3 Q3		FY2024/3 Q3			
	Amount	Ratio	Amount	Ratio	YoY	
Net sales	18,477	100%	20,259	100%	+1,782	+9.6%
Segment profit	1,495	8.1%	1,326	6.5%	(168)	(11.3)%

Net sales



Segment profit and segment profit margin

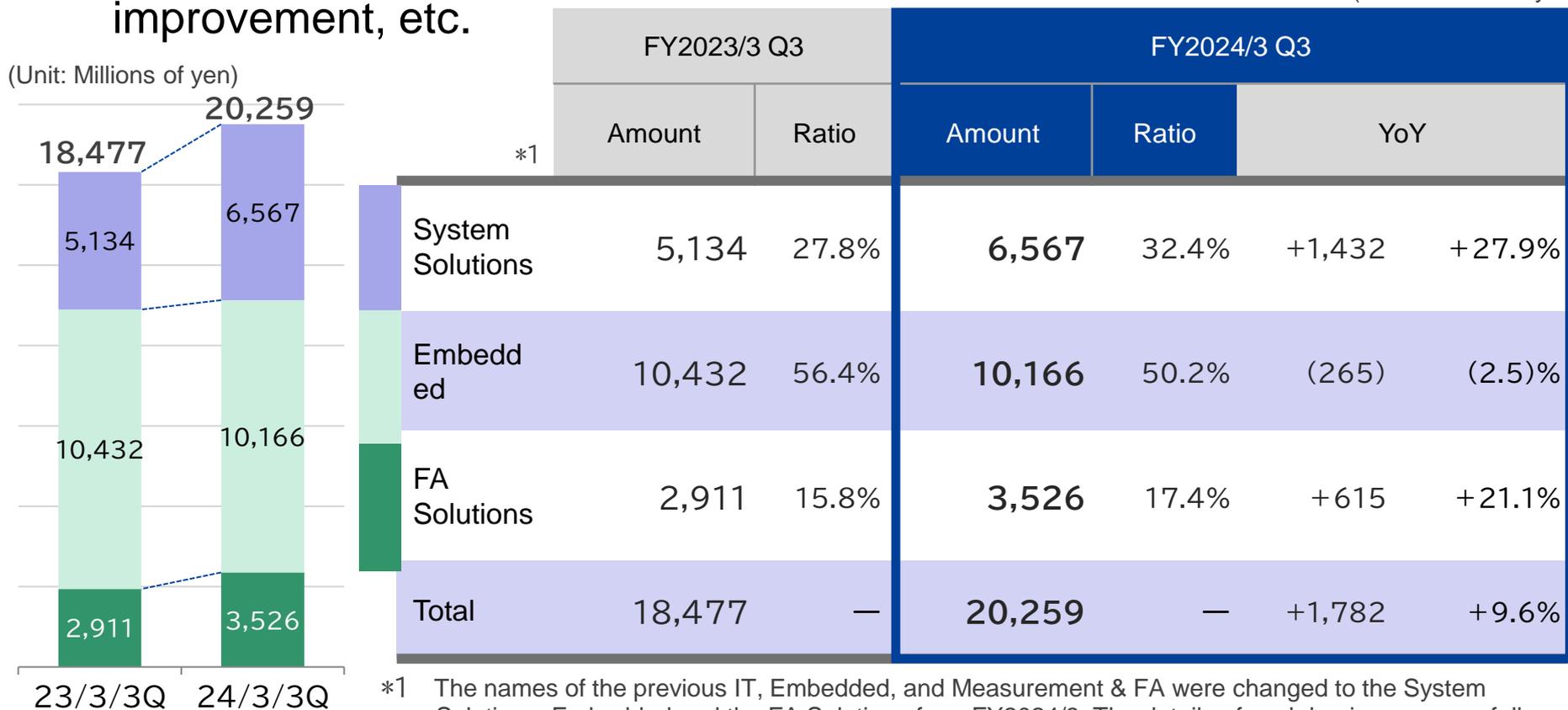


Technology Solutions Business: Net sales by business (YoY)



■ Although there was a move to inventory adjustment of industrial equipment companies, the Technology Solutions Business captured demand for IT investment aimed at automation and efficiency improvement, etc.

(Unit: Millions of yen)



*1 The names of the previous IT, Embedded, and Measurement & FA were changed to the System Solutions, Embedded and the FA Solutions from FY2024/3. The details of each business are as follows.

System: Sale of IT devices, development of apps, development of IoT systems, security measures, etc.

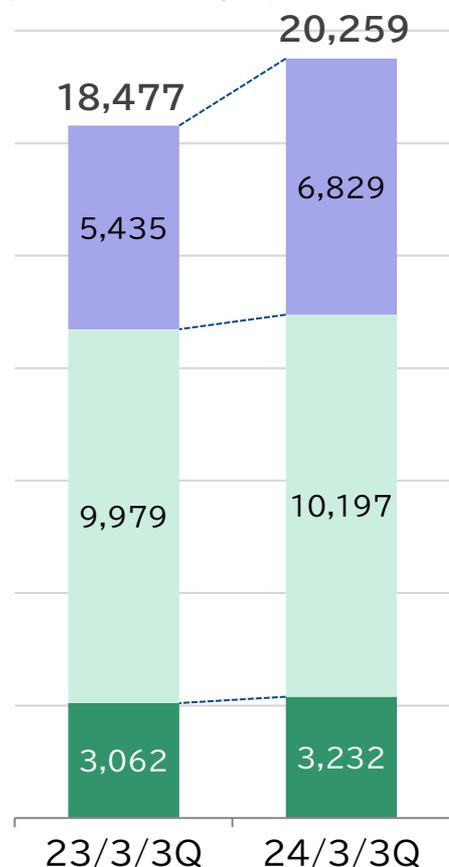
Embedded: Development and manufacturing of industrial computers, sale of industrial embedded computers for machinery, etc.

FA: 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)

- Aggressively working to capture IT investment and capital investment of automobile-related companies. Sales increased by capturing demand for IT investment aimed at automation and efficiency improvement.

(Unit: Millions of yen)



(Unit: Millions of yen)

	FY2023/3 Q3		FY2024/3 Q3			
	Amount	Ratio	Amount	Ratio	YoY	
Automotive	5,435	29.4%	6,829	33.7%	+1,394	+25.7%
FA & Industrial equipment	9,979	54.0%	10,197	50.3%	+218	+2.2%
Others	3,062	16.6%	3,232	16.0%	+169	+5.5%
Total	18,477	—	20,259	—	+1,782	+9.6%

Financial results summary for FY2024/3 Q3

Earnings forecasts for FY2024/3

Earnings forecasts for FY2024/3

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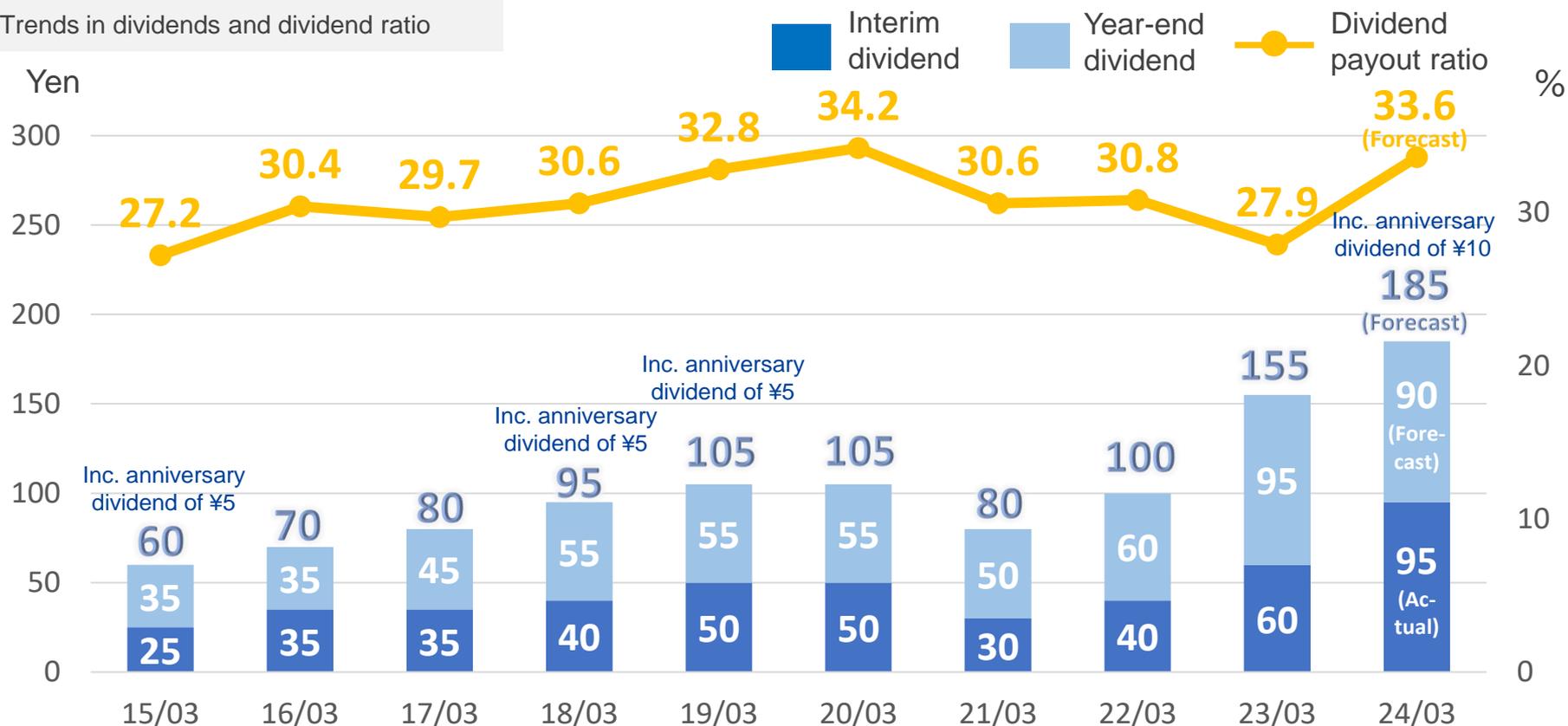
	FY2023/3		FY2024/3		YoY	
	Amount	Ratio	Amount	Ratio		
Net sales	186,001	100%	227,500	100%	+41,498	+22.3%
Operating profit	6,725	3.6%	8,350	3.7%	+1,624	+24.2%
Ordinary profit	6,417	3.5%	8,200	3.6%	+1,782	+27.8%
Profit attributable to owners of parent	4,912	2.6%	5,300	2.3%	+387	+7.9%
^{*1} Earnings per share (Yen)	554.71	—	549.93	—	(4.78)	—

*1 The number of issued shares has increased compared to the same period of the previous fiscal year due to the exercise of share acquisition rights, and earnings per share is calculated taking into account the increase in the number of issued shares at the time of each announcement. The exercise of all share acquisition rights was completed on October 6, 2023, bringing the Company's total number of issued shares to 10,118,000 shares as of the release of this document.

Return to shareholder

- Setting a basic policy of stable payment aiming at a dividend payout ratio of around 30%.
- The company plans to pay an annual dividend of ¥185, which includes a commemorative dividend of ¥10 at the end of the fiscal year.

Trends in dividends and dividend ratio





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We sincerely ask for your continued
support and encouragement

Earnings forecasts in this material are decided based on the information currently available.

Forecasts include various uncertain factors, and actual business results may differ significantly from these forecasted figures.