

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: HAGIWARA ELECTRIC HOLDINGS CO., LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 7467 URL <https://www.hagiwara.co.jp/>
 Representative: President and Representative Director Moritaka Kimura
 Inquiries: Senior Vice President Yoshihiro Hirakawa TEL 052-931-3511
 Scheduled date to file Quarterly Securities Report: February 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	134,233	19.4	4,224	44.8	4,163	45.5	3,584	89.2
Nine months ended December 31, 2021	112,442	27.5	2,917	16.7	2,862	15.1	1,894	18.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	404.77	–
Nine months ended December 31, 2021	214.10	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	94,405	42,528	42.8
As of March 31, 2022	82,482	39,369	45.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	40.00	–	60.00	100.00
Year ending March 31, 2023	–	60.00	–		
Year ending March 31, 2023 (Forecast)				65.00	125.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	189,000	19.3	5,350	22.8	5,200	19.9	3,600	25.2	406.47

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2022	9,018,000 shares	As of March 31, 2022	9,018,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	158,474 shares	As of March 31, 2022	167,113 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	8,855,885 shares	Nine months ended December 31, 2021	8,847,833 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	8,506	10,801
Notes and accounts receivable - trade, and contract assets	26,571	26,540
Electronically recorded monetary claims - operating	9,471	7,136
Merchandise and finished goods	27,641	36,786
Work in process	603	1,343
Raw materials and supplies	861	1,501
Other	3,090	2,880
Allowance for doubtful accounts	(17)	(19)
Total current assets	76,729	86,971
Non-current assets		
Property, plant and equipment	2,713	4,507
Intangible assets	243	226
Investments and other assets		
Other	2,840	2,738
Allowance for doubtful accounts	(44)	(39)
Total investments and other assets	2,796	2,699
Total non-current assets	5,753	7,433
Total assets	82,482	94,405
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,376	15,011
Electronically recorded obligations - operating	3,126	4,651
Short-term borrowings	10,129	15,740
Current portion of long-term borrowings	1,025	2,577
Provision for product warranties	–	24
Income taxes payable	992	568
Other	3,882	4,141
Total current liabilities	36,531	42,715
Non-current liabilities		
Long-term borrowings	6,250	8,620
Other	332	540
Total non-current liabilities	6,582	9,160
Total liabilities	43,113	51,876

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	4,361	4,361
Capital surplus	4,872	4,874
Retained earnings	27,679	30,201
Treasury shares	(305)	(290)
Total shareholders' equity	36,607	39,146
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	325	275
Deferred gains or losses on hedges	(3)	19
Foreign currency translation adjustment	413	1,069
Remeasurements of defined benefit plans	(97)	(102)
Total accumulated other comprehensive income	638	1,262
Non-controlling interests	2,123	2,119
Total net assets	39,369	42,528
Total liabilities and net assets	82,482	94,405

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	112,442	134,233
Cost of sales	102,213	121,688
Gross profit	10,229	12,545
Selling, general and administrative expenses	7,311	8,320
Operating profit	2,917	4,224
Non-operating income		
Interest income	13	5
Dividend income	19	21
Insurance claim income	1	13
Other	31	97
Total non-operating income	65	138
Non-operating expenses		
Interest expenses	27	91
Foreign exchange losses	10	58
Loss on sale of trade receivables	12	27
Provision of allowance for doubtful accounts	54	–
Other	15	22
Total non-operating expenses	120	199
Ordinary profit	2,862	4,163
Extraordinary income		
Gain on sale of investment securities	77	30
Gain on bargain purchase	–	882
Total extraordinary income	77	913
Extraordinary losses		
Loss on disposal of non-current assets	7	1
Other	–	0
Total extraordinary losses	7	1
Profit before income taxes	2,932	5,075
Income taxes	997	1,459
Profit	1,935	3,615
Profit attributable to non-controlling interests	41	30
Profit attributable to owners of parent	1,894	3,584

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,935	3,615
Other comprehensive income		
Valuation difference on available-for-sale securities	(64)	(49)
Deferred gains or losses on hedges	–	23
Foreign currency translation adjustment	184	655
Remeasurements of defined benefit plans, net of tax	10	(5)
Total other comprehensive income	130	623
Comprehensive income	2,066	4,239
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,024	4,208
Comprehensive income attributable to non-controlling interests	41	30