

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 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: August 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	50,504	27.2	2,500	106.6	2,529	72.1	1,706	73.2
Three months ended June 30, 2022	39,704	16.8	1,210	47.0	1,469	85.1	985	86.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	189.40		187.65	
Three months ended June 30, 2022	111.32		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	111,806	45,957	39.2
As of March 31, 2023	106,577	43,531	38.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	60.00	–	95.00	155.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	60.00	–	85.00	145.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	213,000	14.5	6,300	(6.3)	6,000	(6.5)	3,900	(20.6)	414.22

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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: No
- 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 June 30, 2023	9,503,300 shares	As of March 31, 2023	9,018,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	158,474 shares	As of March 31, 2023	158,474 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	9,010,159 shares	Three months ended June 30, 2022	8,850,887 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	10,920	12,541
Notes and accounts receivable - trade, and contract assets	32,735	32,427
Electronically recorded monetary claims - operating	15,537	14,045
Securities	–	105
Merchandise and finished goods	34,411	38,427
Work in process	1,191	1,412
Raw materials and supplies	1,813	2,061
Other	2,704	3,528
Allowance for doubtful accounts	(16)	(7)
Total current assets	99,297	104,541
Non-current assets		
Property, plant and equipment	4,297	4,351
Intangible assets	222	228
Investments and other assets		
Other	2,797	2,731
Allowance for doubtful accounts	(37)	(45)
Total investments and other assets	2,760	2,685
Total non-current assets	7,280	7,265
Total assets	106,577	111,806
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,408	20,018
Electronically recorded obligations - operating	3,823	4,276
Short-term borrowings	6,084	7,573
Current portion of long-term borrowings	4,152	2,902
Income taxes payable	1,476	752
Provision for product warranties	40	40
Provision for loss on orders received	27	16
Other	4,759	4,969
Total current liabilities	37,774	40,549
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	14,844	14,769
Other	427	530
Total non-current liabilities	25,271	25,299
Total liabilities	63,046	65,849

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	4,361	5,056
Capital surplus	4,874	5,569
Retained earnings	31,529	32,394
Treasury shares	(290)	(290)
Total shareholders' equity	40,474	42,729
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	305	378
Deferred gains or losses on hedges	–	(5)
Foreign currency translation adjustment	772	885
Remeasurements of defined benefit plans	(152)	(146)
Total accumulated other comprehensive income	924	1,111
Share acquisition rights	–	6
Non-controlling interests	2,131	2,110
Total net assets	43,531	45,957
Total liabilities and net assets	106,577	111,806

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	39,704	50,504
Cost of sales	35,852	45,151
Gross profit	3,851	5,352
Selling, general and administrative expenses	2,640	2,852
Operating profit	1,210	2,500
Non-operating income		
Interest income	6	0
Dividend income	9	9
Foreign exchange gains	202	79
Other	65	16
Total non-operating income	284	105
Non-operating expenses		
Interest expenses	15	43
Interest expenses on bonds	–	10
Other	9	22
Total non-operating expenses	25	76
Ordinary profit	1,469	2,529
Extraordinary income		
Other	–	2
Total extraordinary income	–	2
Extraordinary losses		
Loss on disposal of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	1,469	2,531
Income taxes	474	811
Profit	995	1,719
Profit attributable to non-controlling interests	9	12
Profit attributable to owners of parent	985	1,706

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	995	1,719
Other comprehensive income		
Valuation difference on available-for-sale securities	(8)	73
Deferred gains or losses on hedges	3	(5)
Foreign currency translation adjustment	220	113
Remeasurements of defined benefit plans, net of tax	(1)	6
Total other comprehensive income	214	186
Comprehensive income	1,209	1,906
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,199	1,893
Comprehensive income attributable to non-controlling interests	9	12