

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 9, 2024

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 9, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	165,437	23.2	6,441	52.5	6,146	47.6	3,939	16.8
Nine months ended December 31, 2022	134,233	19.4	4,224	44.8	4,163	45.5	3,372	78.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	413.33		–	
Nine months ended December 31, 2022	380.87		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	120,279	49,802	39.6
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	–	95.00	–		
Year ending March 31, 2024 (Forecast)				90.00	185.00

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	227,500	22.3	8,350	24.2	8,200	27.8	5,300	7.9	549.93

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2023	10,118,000 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 December 31, 2023	155,471 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)

Nine months ended December 31, 2023	9,530,106 shares	Nine months ended December 31, 2022	8,855,885 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	10,920	14,537
Notes and accounts receivable - trade, and contract assets	32,735	33,279
Electronically recorded monetary claims - operating	15,537	20,851
Securities	–	105
Merchandise and finished goods	34,411	36,951
Work in process	1,191	1,396
Raw materials and supplies	1,813	2,156
Other	2,704	3,357
Allowance for doubtful accounts	(16)	(7)
Total current assets	99,297	112,628
Non-current assets		
Property, plant and equipment	4,297	4,538
Intangible assets	222	265
Investments and other assets		
Other	2,797	2,887
Allowance for doubtful accounts	(37)	(40)
Total investments and other assets	2,760	2,847
Total non-current assets	7,280	7,651
Total assets	106,577	120,279
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,408	21,122
Electronically recorded obligations - operating	3,823	5,034
Short-term borrowings	6,084	9,056
Current portion of long-term borrowings	4,152	3,902
Income taxes payable	1,476	954
Provision for product warranties	40	40
Provision for loss on orders received	27	14
Other	4,759	5,212
Total current liabilities	37,774	45,338
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	14,844	14,568
Other	427	571
Total non-current liabilities	25,271	25,139
Total liabilities	63,046	70,477

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	4,361	6,099
Capital surplus	4,874	6,616
Retained earnings	31,529	33,685
Treasury shares	(290)	(284)
Total shareholders' equity	40,474	46,116
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	305	392
Foreign currency translation adjustment	772	1,297
Remeasurements of defined benefit plans	(152)	(133)
Total accumulated other comprehensive income	924	1,556
Non-controlling interests	2,131	2,129
Total net assets	43,531	49,802
Total liabilities and net assets	106,577	120,279

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, 2022	Nine months ended December 31, 2023
Net sales	134,233	165,437
Cost of sales	121,688	150,103
Gross profit	12,545	15,334
Selling, general and administrative expenses	8,320	8,893
Operating profit	4,224	6,441
Non-operating income		
Interest income	5	2
Dividend income	21	21
Insurance claim income	13	2
Other	97	45
Total non-operating income	138	71
Non-operating expenses		
Interest expenses	91	156
Interest expenses on bonds	–	32
Foreign exchange losses	58	136
Loss on sale of trade receivables	27	11
Other	22	30
Total non-operating expenses	199	366
Ordinary profit	4,163	6,146
Extraordinary income		
Gain on sale of investment securities	30	–
Gain on bargain purchase	670	–
Compensation income	–	164
Other	–	6
Total extraordinary income	701	170
Extraordinary losses		
Loss on disposal of non-current assets	1	2
Loss on transport accident	–	149
Other	0	–
Total extraordinary losses	1	152
Profit before income taxes	4,863	6,164
Income taxes	1,459	2,193
Profit	3,403	3,971
Profit attributable to non-controlling interests	30	32
Profit attributable to owners of parent	3,372	3,939

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	3,403	3,971
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	86
Deferred gains or losses on hedges	23	–
Foreign currency translation adjustment	655	525
Remeasurements of defined benefit plans, net of tax	(5)	18
Total other comprehensive income	623	631
Comprehensive income	4,027	4,602
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,996	4,570
Comprehensive income attributable to non-controlling interests	30	32