

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 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 of ordinary general meeting of shareholders: June 27, 2024
 Scheduled date to file Securities Report: June 27, 2024
 Scheduled date to commence dividend payments: June 6, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	225,150	21.0	7,711	14.7	7,221	12.5	4,421	(10.0)
Year ended March 31, 2023	186,001	17.4	6,725	54.4	6,417	48.0	4,912	70.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	458.80	–	9.9	6.4	3.4
Year ended March 31, 2023	554.71	–	12.5	6.8	3.6

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	119,706	50,361	40.3	4,839.87
As of March 31, 2023	106,577	43,531	38.8	4,672.91

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	5,134	(679)	(1,185)	14,522
Year ended March 31, 2023	(13,020)	(1,327)	16,421	10,920

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	60.00	–	95.00	155.00	1,373	27.9	3.5
Year ended March 31, 2024	–	95.00	–	90.00	185.00	1,838	40.3	3.9
Year ending March 31, 2025 (Forecast)	–	90.00	–	95.00	185.00		40.1	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	269,000	19.5	7,900	2.4	7,100	(1.7)	4,600	4.0	461.73

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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: Yes

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	155,505 shares	As of March 31, 2023	158,474 shares
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Average number of shares during the period

Year ended March 31, 2024	9,637,615 shares	Year ended March 31, 2023	8,856,783 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,920	14,522
Notes receivable - trade	168	136
Accounts receivable - trade	32,377	35,667
Contract assets	189	940
Electronically recorded monetary claims - operating	15,537	11,939
Securities	–	105
Merchandise and finished goods	34,411	41,446
Work in process	1,191	1,200
Raw materials and supplies	1,813	2,028
Other	2,704	3,596
Allowance for doubtful accounts	(16)	(10)
Total current assets	99,297	111,572
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,885	3,016
Accumulated depreciation	(2,065)	(2,133)
Buildings and structures, net	819	882
Machinery, equipment and vehicles	89	96
Accumulated depreciation	(80)	(83)
Machinery, equipment and vehicles, net	9	12
Land	3,055	3,055
Leased assets	415	546
Accumulated depreciation	(290)	(302)
Leased assets, net	124	243
Construction in progress	1	48
Other	1,132	1,166
Accumulated depreciation	(845)	(888)
Other, net	286	278
Total property, plant and equipment	4,297	4,521
Intangible assets	222	276
Investments and other assets		
Investment securities	1,315	1,456
Long-term loans receivable	37	42
Retirement benefit asset	113	389
Deferred tax assets	647	699
Other	683	789
Allowance for doubtful accounts	(37)	(39)
Total investments and other assets	2,760	3,336
Total non-current assets	7,280	8,134
Total assets	106,577	119,706

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,408	24,696
Electronically recorded obligations - operating	3,823	4,630
Short-term borrowings	6,084	4,879
Current portion of long-term borrowings	4,152	3,902
Lease liabilities	98	119
Income taxes payable	1,476	1,675
Contract liabilities	1,659	1,836
Provision for product warranties	40	20
Provision for bonuses for directors (and other officers)	129	90
Provision for loss on orders received	27	56
Asset retirement obligations	3	4
Other	2,868	3,199
Total current liabilities	37,774	45,111
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	14,844	13,592
Lease liabilities	118	133
Deferred tax liabilities	172	358
Asset retirement obligations	117	132
Other	19	17
Total non-current liabilities	25,271	24,234
Total liabilities	63,046	69,345
Net assets		
Shareholders' equity		
Share capital	4,361	6,099
Capital surplus	4,874	6,616
Retained earnings	31,529	34,168
Treasury shares	(290)	(284)
Total shareholders' equity	40,474	46,598
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	305	500
Foreign currency translation adjustment	772	1,117
Remeasurements of defined benefit plans	(152)	0
Total accumulated other comprehensive income	924	1,618
Non-controlling interests	2,131	2,143
Total net assets	43,531	50,361
Total liabilities and net assets	106,577	119,706

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	186,001	225,150
Cost of sales	167,786	205,146
Gross profit	18,214	20,003
Selling, general and administrative expenses	11,489	12,292
Operating profit	6,725	7,711
Non-operating income		
Interest income	10	3
Dividend income	21	21
Insurance claim income	24	3
Compensation income	41	11
Other	67	49
Total non-operating income	165	89
Non-operating expenses		
Interest expenses	147	233
Interest expenses on bonds	6	42
Bond issuance costs	76	–
Foreign exchange losses	156	62
Loss on sale of trade receivables	29	12
Loss on valuation of investment securities	33	11
Commission expenses	–	198
Other	22	18
Total non-operating expenses	473	579
Ordinary profit	6,417	7,221
Extraordinary income		
Gain on sale of investment securities	32	–
Gain on bargain purchase	670	–
Compensation income	–	164
Other	–	6
Total extraordinary income	703	170
Extraordinary losses		
Loss on disposal of non-current assets	8	8
Loss on transport accident	–	149
Total extraordinary losses	8	157
Profit before income taxes	7,111	7,234
Income taxes - current	2,206	2,780
Income taxes - deferred	(50)	(14)
Total income taxes	2,155	2,766
Profit	4,955	4,468
Profit attributable to non-controlling interests	42	46
Profit attributable to owners of parent	4,912	4,421

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	4,955	4,468
Other comprehensive income		
Valuation difference on available-for-sale securities	(20)	194
Deferred gains or losses on hedges	3	–
Foreign currency translation adjustment	358	344
Remeasurements of defined benefit plans, net of tax	(55)	153
Total other comprehensive income	286	693
Comprehensive income	5,242	5,161
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,199	5,115
Comprehensive income attributable to non-controlling interests	42	46

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,361	4,872	27,679	(305)	36,607
Changes during period					
Dividends of surplus			(1,062)		(1,062)
Profit attributable to owners of parent			4,912		4,912
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		1		15	17
Net changes in items other than shareholders' equity					—
Total changes during period	—	1	3,850	15	3,867
Balance at end of period	4,361	4,874	31,529	(290)	40,474

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	325	(3)	413	(97)	638	2,123	39,369
Changes during period							
Dividends of surplus					–		(1,062)
Profit attributable to owners of parent					–		4,912
Purchase of treasury shares					–		(0)
Disposal of treasury shares					–		17
Net changes in items other than shareholders' equity	(20)	3	358	(55)	286	8	294
Total changes during period	(20)	3	358	(55)	286	8	4,162
Balance at end of period	305	–	772	(152)	924	2,131	43,531

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,361	4,874	31,529	(290)	40,474
Changes during period					
Issuance of new shares - exercise of share acquisition rights	1,738	1,738			3,476
Dividends of surplus			(1,783)		(1,783)
Profit attributable to owners of parent			4,421		4,421
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		4		5	9
Issuance of share acquisition rights					
Net changes in items other than shareholders' equity					—
Total changes during period	1,738	1,742	2,638	5	6,124
Balance at end of period	6,099	6,616	34,168	(284)	46,598

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	305	772	(152)	924	–	2,131	43,531
Changes during period							
Issuance of new shares - exercise of share acquisition rights				–	(11)		3,464
Dividends of surplus				–			(1,783)
Profit attributable to owners of parent				–			4,421
Purchase of treasury shares				–			(0)
Disposal of treasury shares				–			9
Issuance of share acquisition rights					11		11
Net changes in items other than shareholders' equity	194	344	153	693	–	12	705
Total changes during period	194	344	153	693	–	12	6,829
Balance at end of period	500	1,117	0	1,618	–	2,143	50,361

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	7,111	7,234
Depreciation	294	352
Gain on bargain purchase	(670)	–
Loss (gain) on sale and retirement of non-current assets	8	8
Increase (decrease) in allowance for doubtful accounts	(7)	(3)
Increase (decrease) in provision for bonuses for directors (and other officers)	19	(39)
Decrease (increase) in retirement benefit asset	(97)	(54)
Increase (decrease) in provision for loss on orders received	25	29
Increase (decrease) in provision for product warranties	15	(20)
Interest and dividend income	(32)	(25)
Interest expenses	154	275
Bond issuance costs	76	–
Loss (gain) on valuation of investment securities	33	11
Loss (gain) on sale of investment securities	(32)	–
Decrease (increase) in trade receivables	(11,757)	(410)
Decrease (increase) in inventories	(7,856)	(7,258)
Increase (decrease) in trade payables	371	8,093
Other, net	1,309	(248)
Subtotal	(11,032)	7,943
Interest and dividends received	32	25
Interest paid	(144)	(258)
Income taxes paid	(1,876)	(2,575)
Net cash provided by (used in) operating activities	(13,020)	5,134
Cash flows from investing activities		
Purchase of investment securities	(3)	(4)
Proceeds from sale of investment securities	114	36
Purchase of property, plant and equipment	(129)	(368)
Purchase of intangible assets	(104)	(141)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,209)	–
Payments for asset retirement obligations	–	(9)
Other, net	4	(192)
Net cash provided by (used in) investing activities	(1,327)	(679)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(4,044)	(1,205)
Proceeds from long-term borrowings	13,060	2,650
Repayments of long-term borrowings	(1,338)	(4,152)
Proceeds from issuance of bonds	9,923	–
Purchase of treasury shares	(0)	(0)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	3,464
Dividends paid	(1,061)	(1,777)
Proceeds from issuance of share acquisition rights	–	11
Dividends paid to non-controlling interests	(34)	(34)
Other, net	(83)	(141)
Net cash provided by (used in) financing activities	16,421	(1,185)
Effect of exchange rate change on cash and cash equivalents	340	331
Net increase (decrease) in cash and cash equivalents	2,413	3,601
Cash and cash equivalents at beginning of period	8,506	10,920
Cash and cash equivalents at end of period	10,920	14,522