

**1Q FY10/22 results
(Nov 1, 2021-Jan 31, 2022)
Results briefing materials**



(TSE 1st section : 7 8 5 6)

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1. Performance

- In the Plastic-processed Products (PLS) segment, overall sales increased on the back of higher sales of a broad range of products. However, income declined as a result of rise in materials costs and a sharp increase in marine transportation rates.
- In the Engineering Products (ENG) segment, sales fell on the impact of inspection delays caused by a slow pace of component procurement. Income also fell, in part on a rise in new product development costs.




2. Future strategies

- We began construction on a new factory in Kasaoka in March 2022. Our aims for this project are to increase efficiency by consolidating processes and to boost capacity, while also creating higher added value from enhanced production capabilities.

Results summary

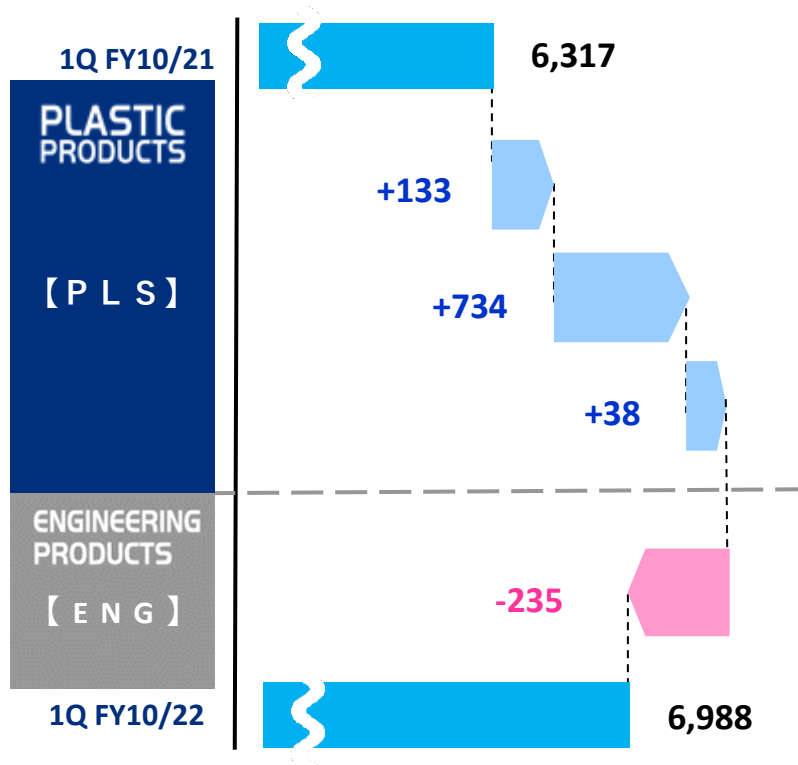
(Millions of Yen)

■ YoY change

	1Q FY10/21	1Q FY10/22	YoY Change	(%)	
Sales	6,317	6,988	670	10.6%	
Operating income	649	314	-334	-51.5%	
Net income attributable to owners of parent	470	246	-224	-47.7%	

Consolidated sales analysis

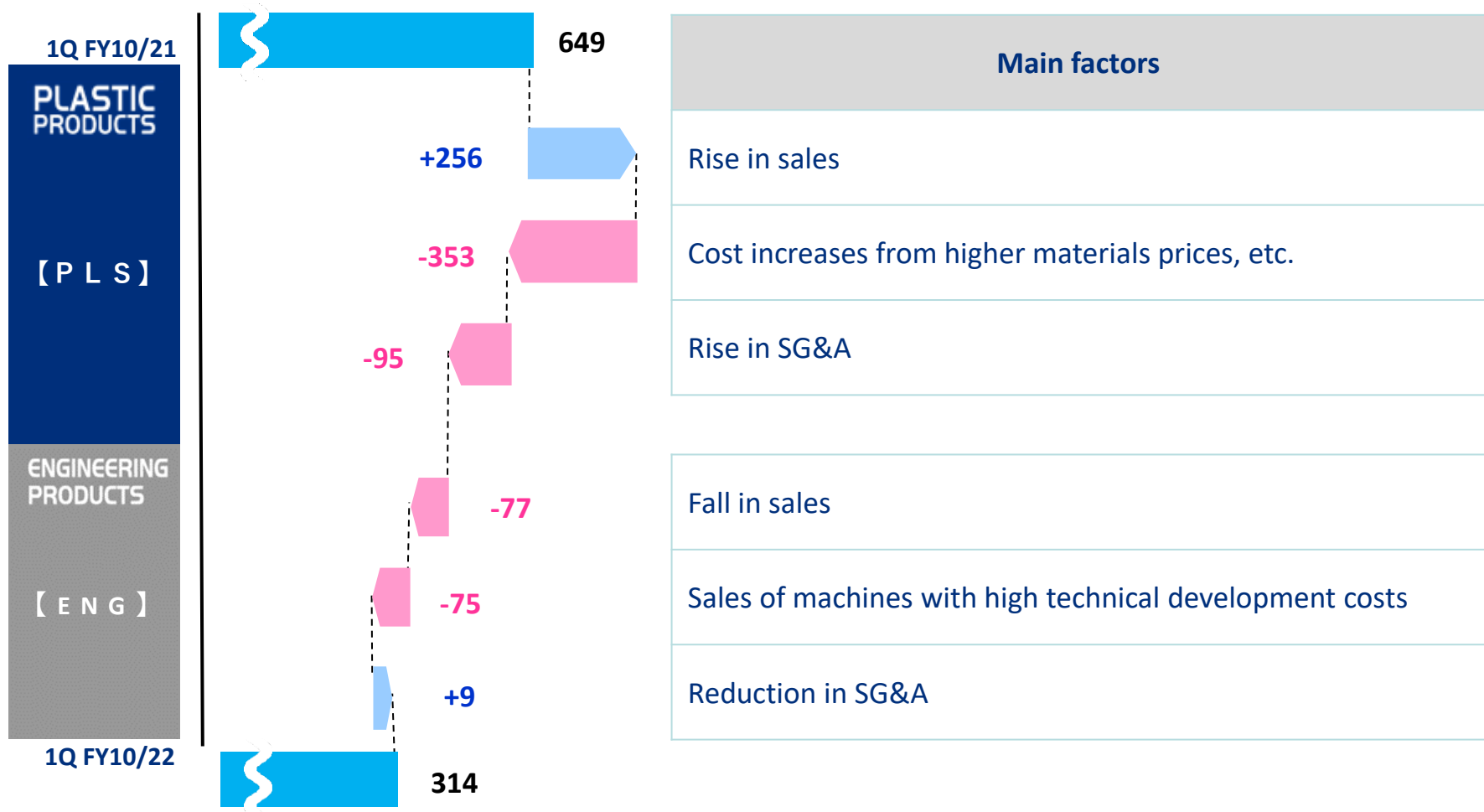
(Millions of Yen)



Main factors
Rise in sales prices
Rise in sales volume
Forex impact
Fall in sales

Consolidated operating income analysis

(Millions of Yen)



Overview of segments and subsidiaries

(Millions of Yen)

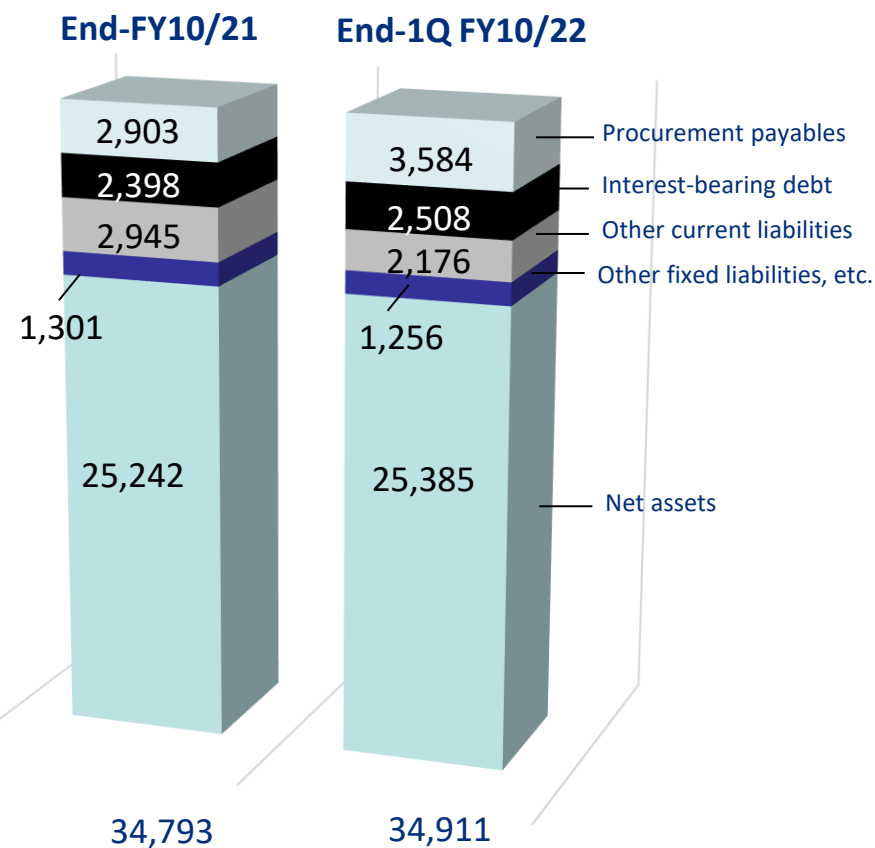
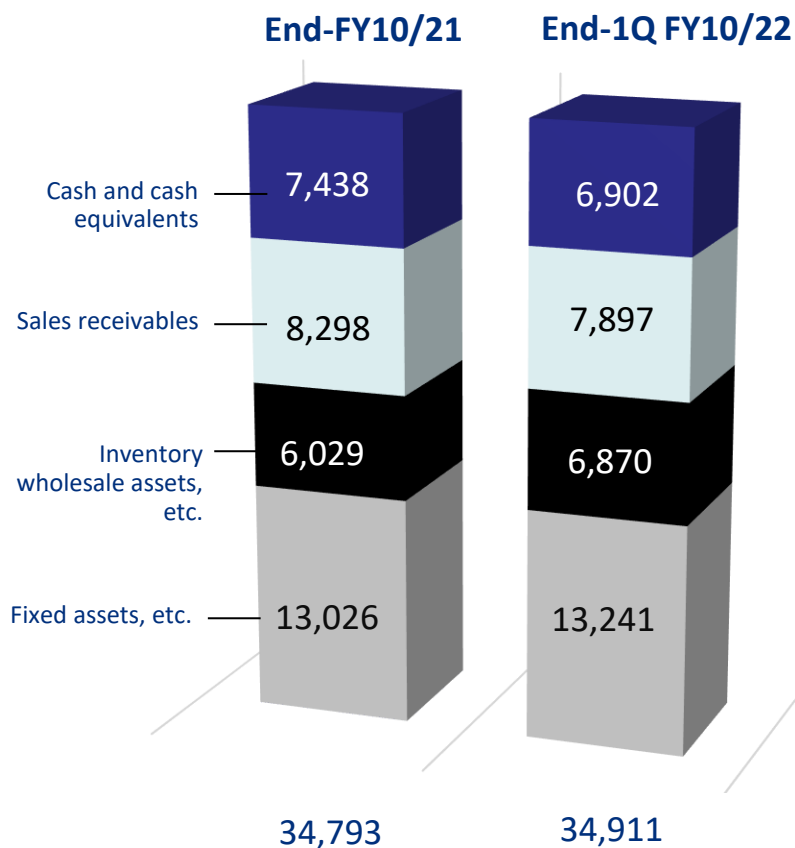
		Sales		Operating income	
		1Q FY10/21	1Q FY10/22	1Q FY10/21	1Q FY10/22
Hagihara Industries	PLS segment	3,558	3,575	327	128
	ENG segment	1,199	938	191	38
Parent		4,757	4,513	519	167
Japan Fabweld		94	93	-1	3
P.T. Hagihara Westjava Industries		728	1,248	-13	52
Qingdao Hagihara Industries		148	138	10	-3
EPC Holdings		623	871	62	83
Toyo Heisei Polymer		1,036	1,056	50	32
Hagihara Machinery (Shanghai)		110	152	-3	-0
Consolidated		6,317	6,988	649	314

Consolidated balance sheet

(Millions of Yen)

(Assets)

(Liabilities
Net assets)



Total asset turnover ratio (x)

0.80

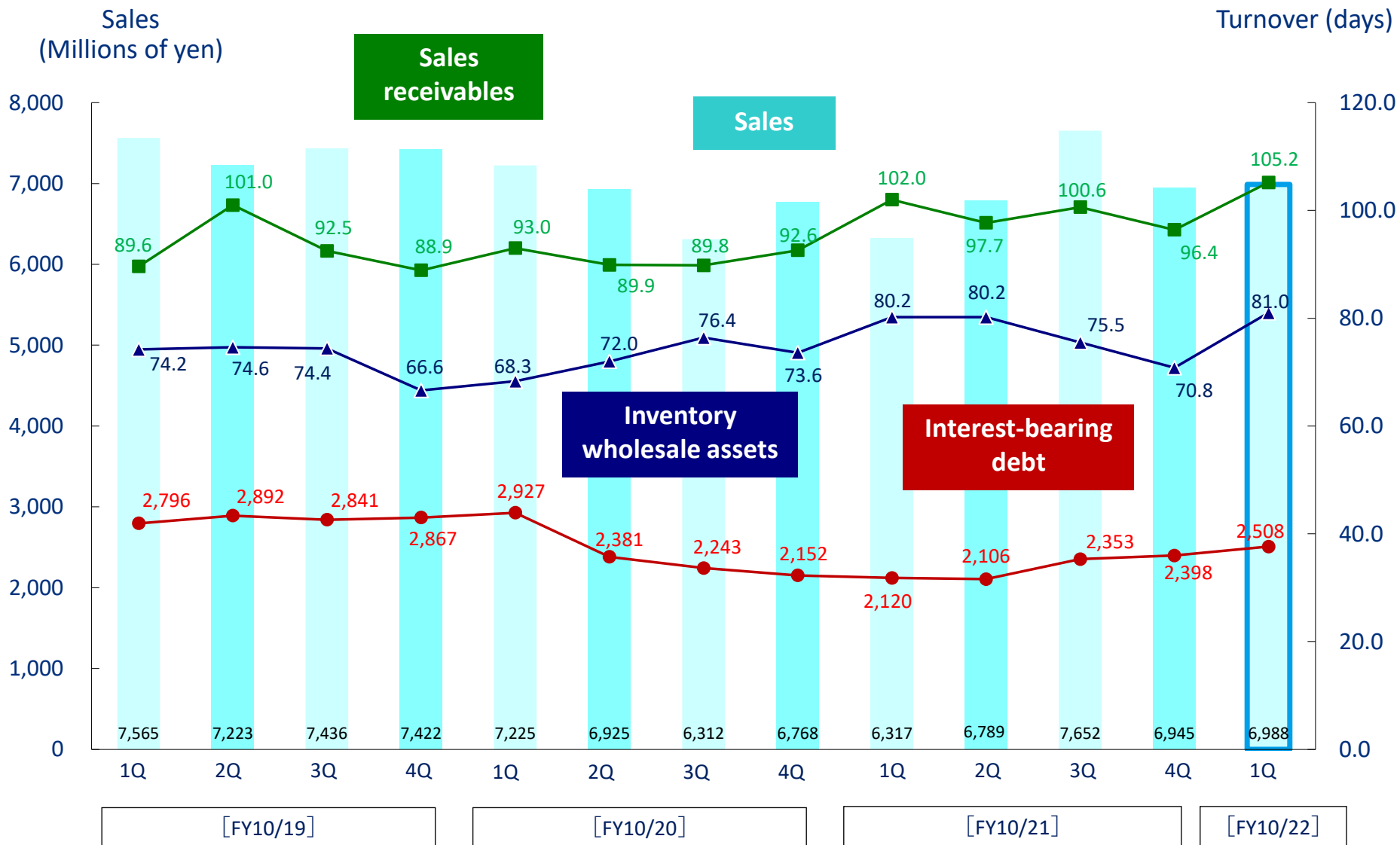
0.80

Shareholders' equity ratio (%)

72.5

72.7

Consolidated inventory wholesale assets and sales receivables turnover



Consolidated results at a glance

(Millions of Yen)

	1Q FY10/22		YoY		1Q FY10/22		YoY
	Result	Vs. sales	Change		Result	Change	
Sales	6,988	100.0%	670	Return on assets (ROA)	2.8%	-2.9%	
Gross income	1,797	25.7%	-249	Return on equity (ROE)	3.9%	-4.1%	
Operating income	314	4.5%	-334	Total asset turnover ratio	0.80x	0.02x	
Ordinary income	353	5.1%	-326	Shareholders' equity ratio	72.7%	-0.5%	
Net income attributable to owners of parent	246	3.5%	-224	Free cash flow	-352	-74	
Shareholders' equity	25,381	—	2,444	Net income per share	¥17.02	-¥15.52	
Total assets	34,911	—	1,612	Net assets per share	¥1,753.89	¥111.46	
Capital investment	461	—	70	R&D expenses	145	-24	
Depreciation and amortization	310	—	-2	EBITDA (Operating income before depreciation and amortization)	625	-336	

Consolidated earnings forecasts

(Millions of Yen)

	FY10/21				FY10/22 (Forecast: revised figures)*			
		2Q	4Q	Full year		2Q	4Q	Full year
	1Q				1Q(result)			
Sales	6,317	13,107	14,598	27,705	6,988	14,750	15,250	30,000
Operating income	649 (10.3%)	1,270 (9.7%)	984 (6.7%)	2,254 (8.1%)	314 (4.5%)	830 (5.6%)	900 (5.9%)	1,730 (5.8%)
Ordinary income	680 (10.8%)	1,331 (10.2%)	1,040 (7.1%)	2,372 (8.6%)	353 (5.1%)	840 (5.7%)	1,080 (7.1%)	1,920 (6.4%)
Net income attributable to owners of parent	470 (7.5%)	916 (7.0%)	702 (4.8%)	1,619 (5.8%)	246 (3.5%)	580 (3.9%)	750 (4.9%)	1,330 (4.4%)

Consolidated

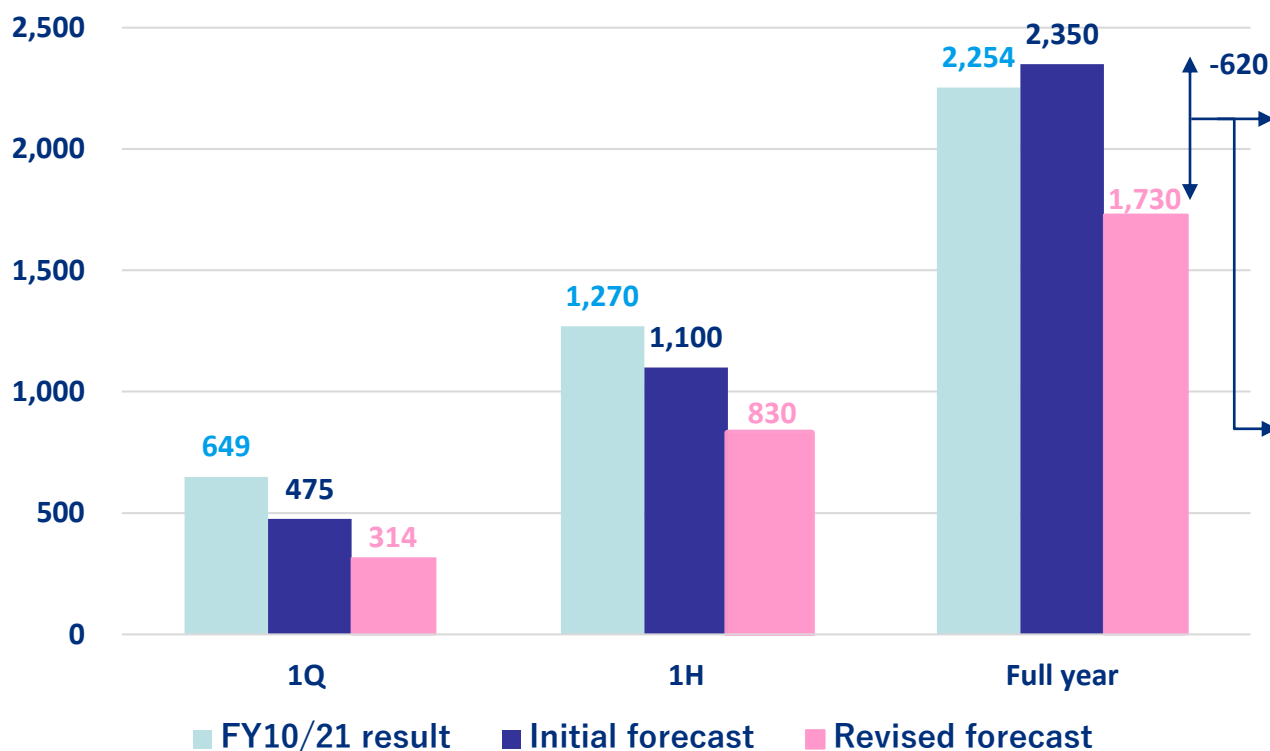
*Earnings forecasts revised on March 7, 2022

Figures in parentheses denote income margins

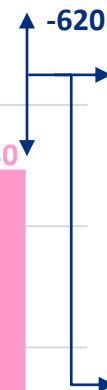
Main factors for earnings forecast revision

(Millions of Yen)

Main factors for revision to consolidated operating income forecast

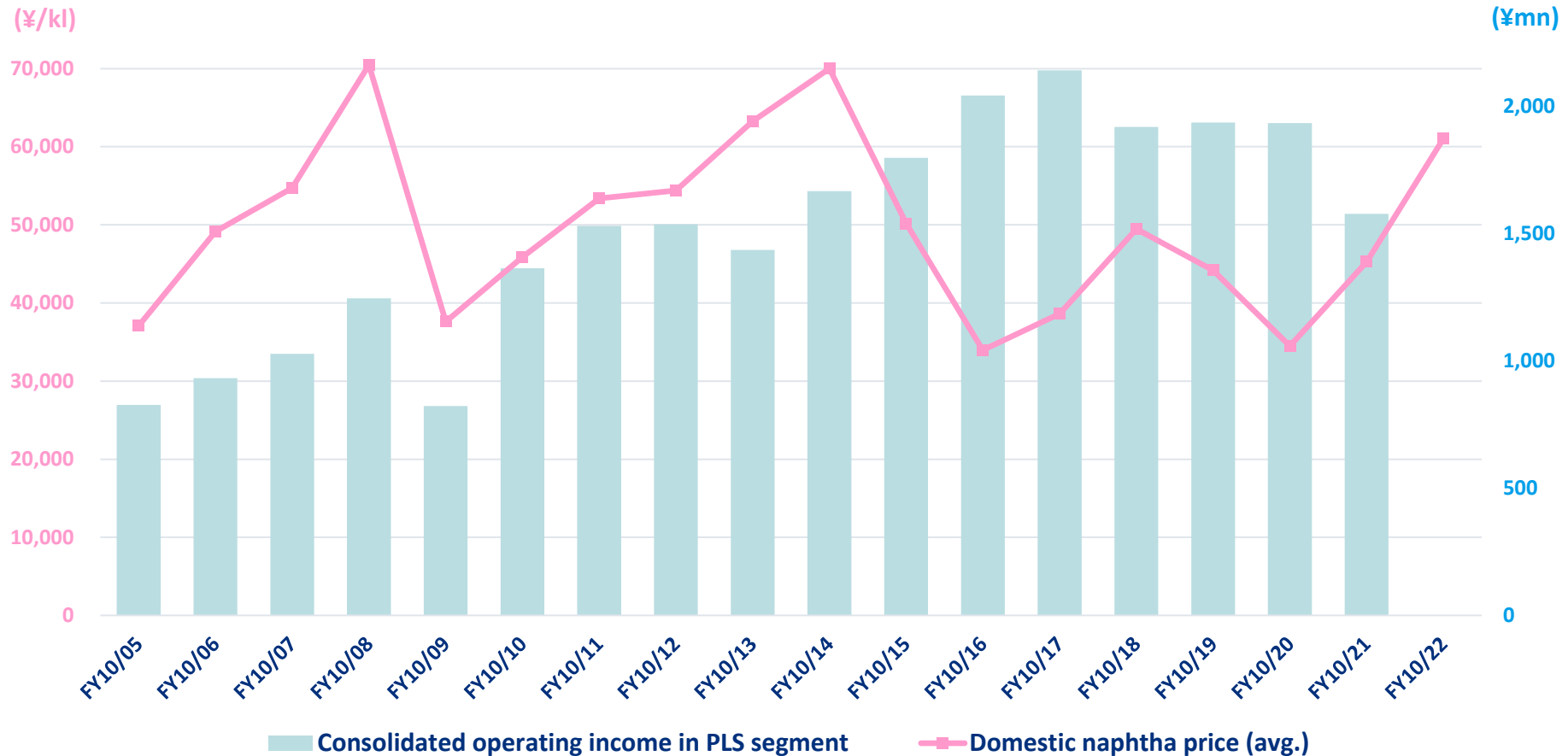


PLS (-410)	
Time lag in passing on of higher materials costs	-230
Rise in marine transportation rates	-220
Cost cutting, etc.	+40
ENG (-210)	
Inspection delays	-100
Development costs, etc.	-110



Impact of naphtha price change

Correlation between the price of domestically-produced naphtha and consolidated operating income in the PLS segment



*FY10/22 domestic naphtha price the average for Nov 21-Jan 22.

Consolidated sales of SDG-related products

(Millions of Yen)

	FY10/21	FY10/22	
	Full year	1Q (result)	Full year (forecast)
Climate change adaptations	3,977	1,073	4,234
Work-style reform	4,613	1,202	5,794
Recycling-oriented society	759	277	943
Solutions for industry and technology innovations	4,339	668	3,902
Total	13,689	3,220	14,873
Weighting	49.4%	46.1%	49.6%



Contributions to climate change adaptations



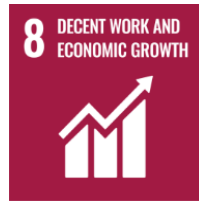
◆ Domestically produced sheets
(weatherproof, high-performance sheets)



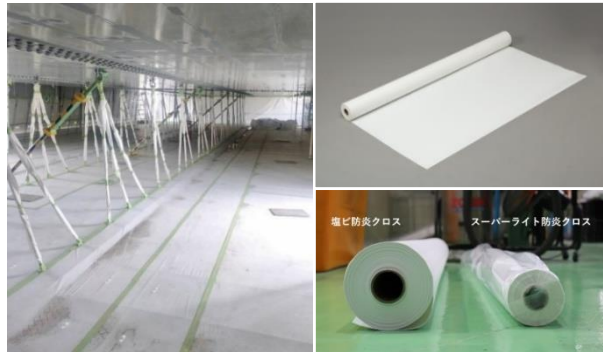
◆ Adhesive tape
(using Hagihara's cloths)

(Millions of Yen)

	FY10/20	FY10/21	FY10/22	
	Full year	Full year	1Q (result)	Full year
Domestically produced sheets	1,986	1,957	559	2,144
Adhesive tape cloths	1,881	2,019	514	2,090
Climate change adaptations Total	3,867	3,977	1,073	4,234



Contributions to work-style reform



◆ Super-lightweight flame retardant fabrics

(lightweight, flame retardant)



◆ BarChip (shortens construction times)

(Millions of Yen)

	FY10/20	FY10/21	FY10/22	
	Full year	Full year	1Q (result)	Full year
Flame retardant sheets and mesh sheets	899	933	207	1,064
BarChip	3,429	3,680	995	4,730
Work-style reform Total	4,329	4,613	1,202	5,794

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Contributions to a recycling-oriented society



◆ Blue Sheet branded by eco-mark
(uses 60% recycled materials)

◆ Screen changer

(Millions of Yen)

	FY10/20	FY10/21	FY10/22	
	Full year	Full year	1Q (result)	Full year
Blue Sheet branded by eco-mark	76	47	13	69
Screen changers	622	594	205	855
Recycling machines	245	116	57	19
Recycling-oriented society Total	944	759	277	943



Contributions to solutions for industry and technology innovations



◆ Specialist metal foil slitter

(Millions of Yen)

	FY10/20	FY10/21	FY10/22	
	Full year	Full year	1Q (result)	Full year
Film slitters	2,964	3,413	647	3,022
Paper slitters	918	925	20	880
Solutions for industry and technology innovations Total	3,883	4,339	668	3,902



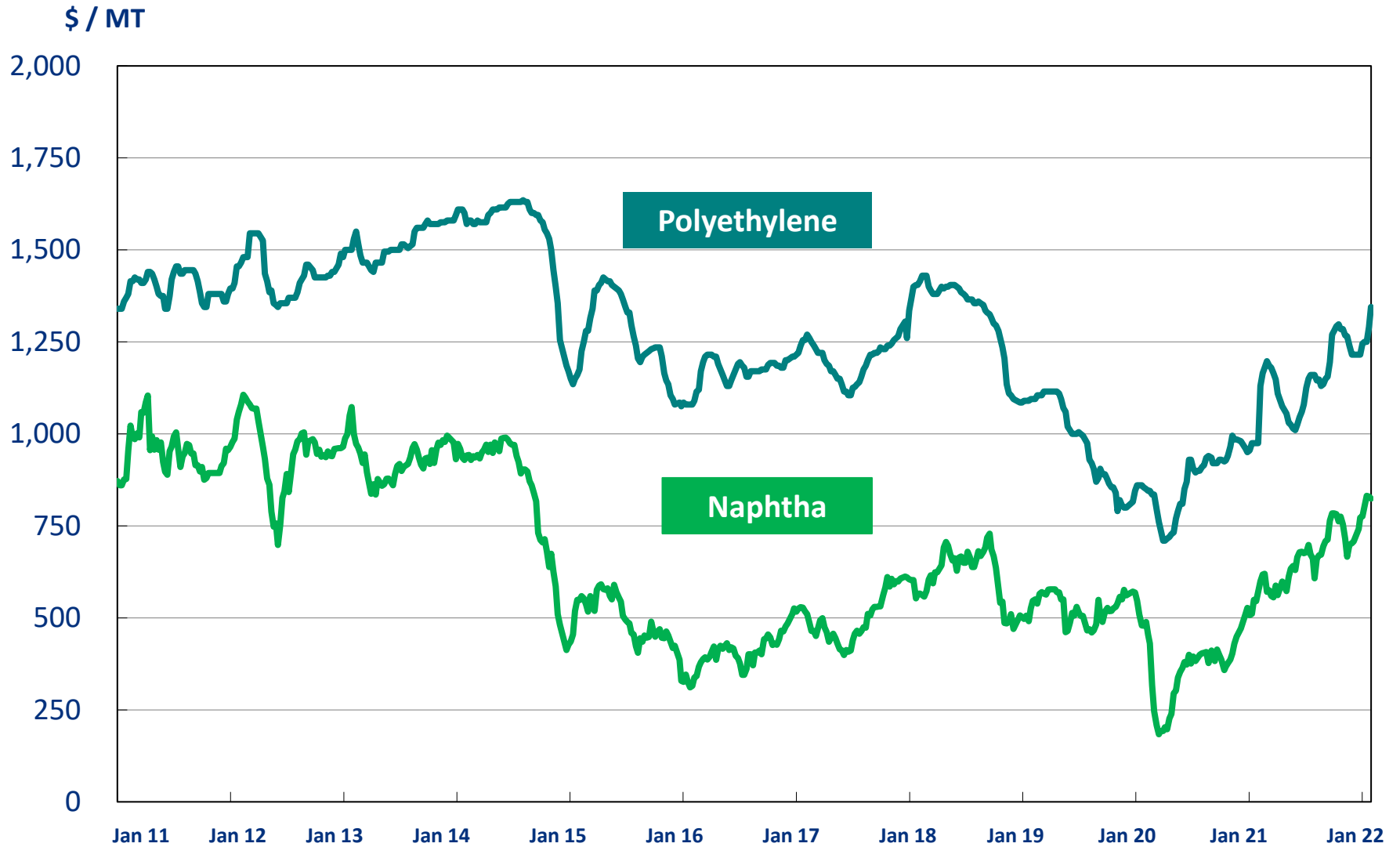
Contributions to a recycling-oriented society

Formation of “Blue Sheet Recycling Agreement”



Hagihara Industries, the manufacturer of blue sheets, and Life Design KABAYA, the user of the product, have formed an alliance aimed at creating a streamlined procedure for the collection of used blue sheets and their reuse as raw material for new blue sheets.

Prices of naphtha and polyethylene



Main share price indicators

	End-Jan 2022
Share price	¥1,183
Dividend per share (end-FY10/22 forecast)	¥36
Dividend payout ratio	38.4%
BPS (Net assets per share)	¥1,753.89
EPS (Net income per share)	¥17.02
PBR (Price-book value ratio)	1.48x
PER (Price-earnings ratio)	17.38x
Number of shareholders (end-Oct 2021)	18,908

【Disclaimer】

The forward-looking statements on future earnings performance and other forecasts and strategies contained in these materials are based on information that was available to the company at the time of their creation and certain reasonable assumptions.

However, there is a risk that unforeseeable exceptional circumstances and/or unforeseeable results may cause actual performance to be materially different from that expressed or implied by these forward-looking statements.

The forward-looking statements on future earnings performance alone should not be relied upon as advice to investors.

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