

**3Q FY10/21 results
(Nov 1, 2020-Jul 31, 2021)
Results briefing materials**



(TSE 1st section : 7 8 5 6)

Results highlights	3		
I. 3Q FY10/21 results and main points		Consolidated earnings forecasts	11
Results summary	4	Consolidated sales of SDG-related products	12
Consolidated sales analysis	5	SDG-related products	13-16
Consolidated operating income analysis	6	Topics	17
Overview of segments and subsidiaries	7		
Consolidated balance sheet	8	II. Supplementary materials	18-19
Consolidated inventory wholesale assets and sales receivables turnover	9		
Consolidated results at a glance	10		

1. Performance

- Sales fell year-on-year (YoY) in the Plastic-processed Products (PLS) segment as weak sales of products such as sheets and flexible container bags outweighed higher sales of adhesive tape cloths, yarn, and BarChip. Moreover, income fell because of increase in overseas shipping costs.
- Sales and income increased YoY in the Engineering Products (ENG) segment on higher sales of mainstay slitters and screen changers.




2. Future strategies

- In November 2021, the Environmental Business Promotion Office will be established to develop environmental initiative policy through surveys of environmental policy trends. It will also plan, develop, and realize technologies for environmental-related businesses, including sheet recycling.

I -1 Results summary

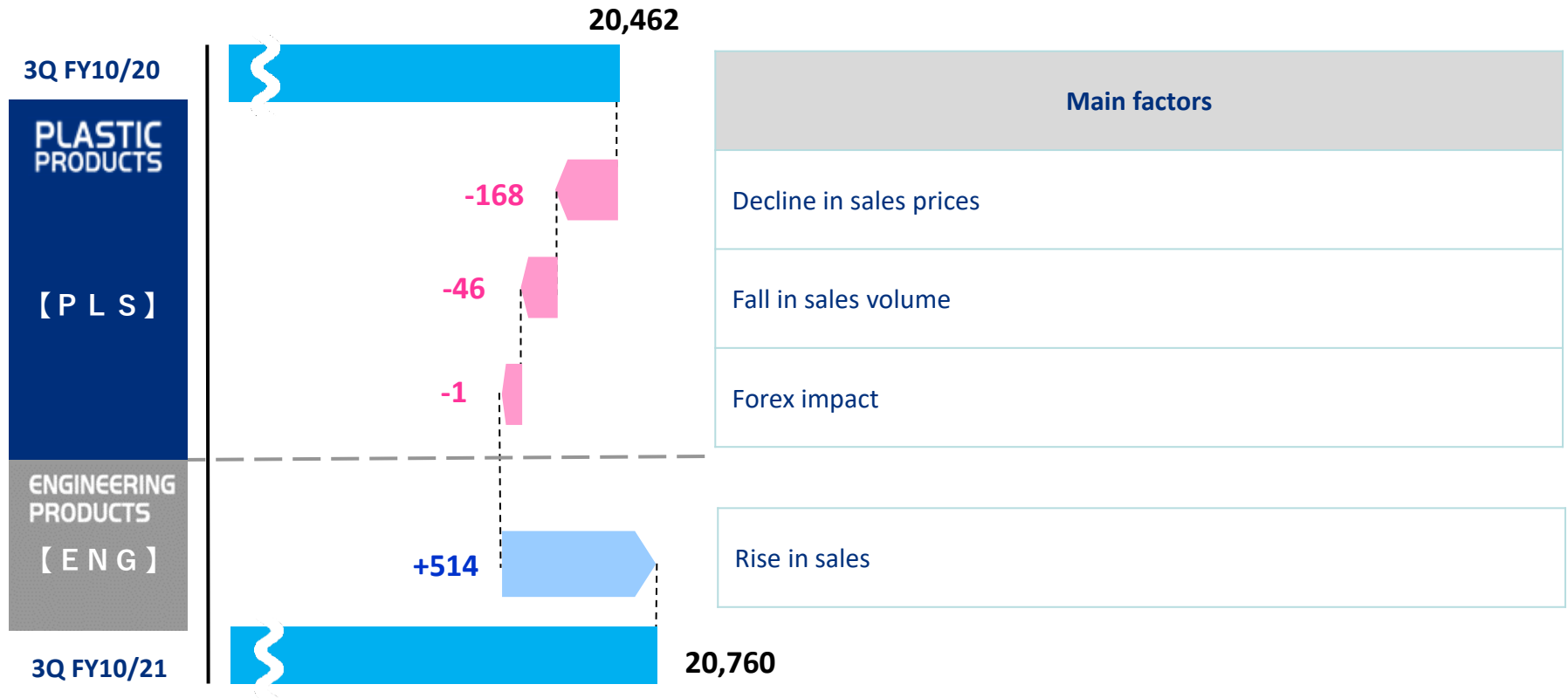
(Millions of Yen)

■ YoY change

	3Q FY10/20	3Q FY10/21	YoY		
			Change	(%)	
Sales	20,462	20,760	297	1.5	
Operating income	1,935	1,983	47	2.5	
Net income attributable to owners of parent	1,576	1,405	-171	-10.8	

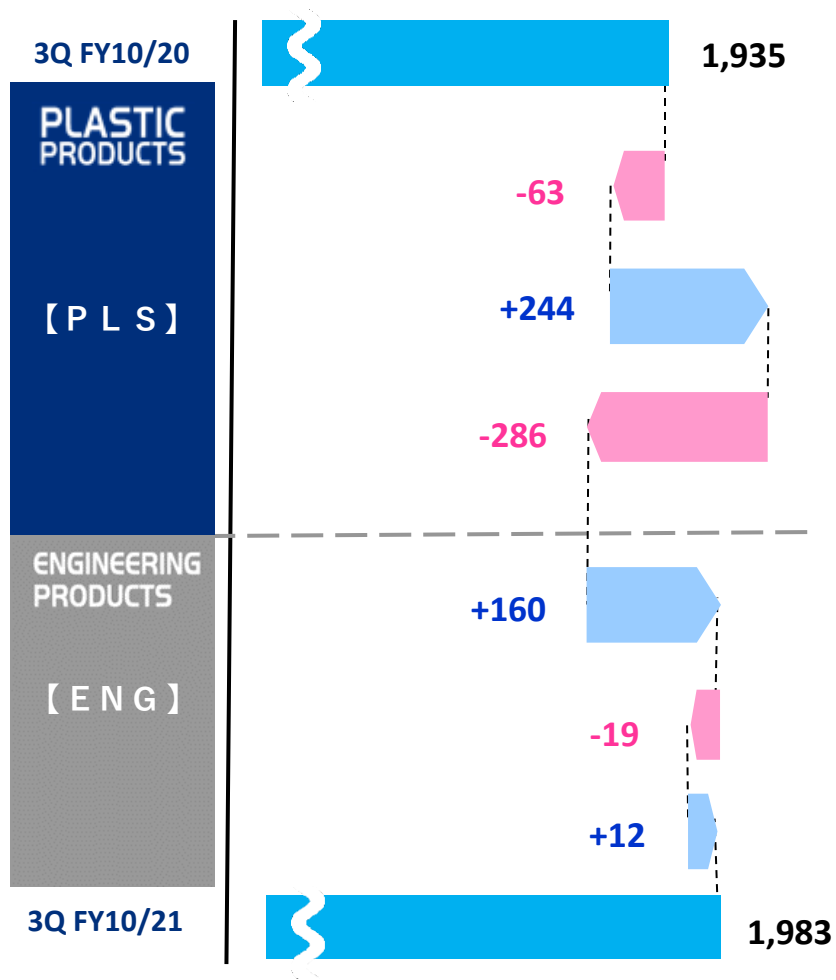
I -2 Consolidated sales analysis

(Millions of Yen)



I -3 Consolidated operating income analysis

(Millions of Yen)



Main factors
Fall in sales
Decline in raw material prices
Rise in SG&A
Rise in sales
Sales of machines with high technical development costs
Reduction in SG&A

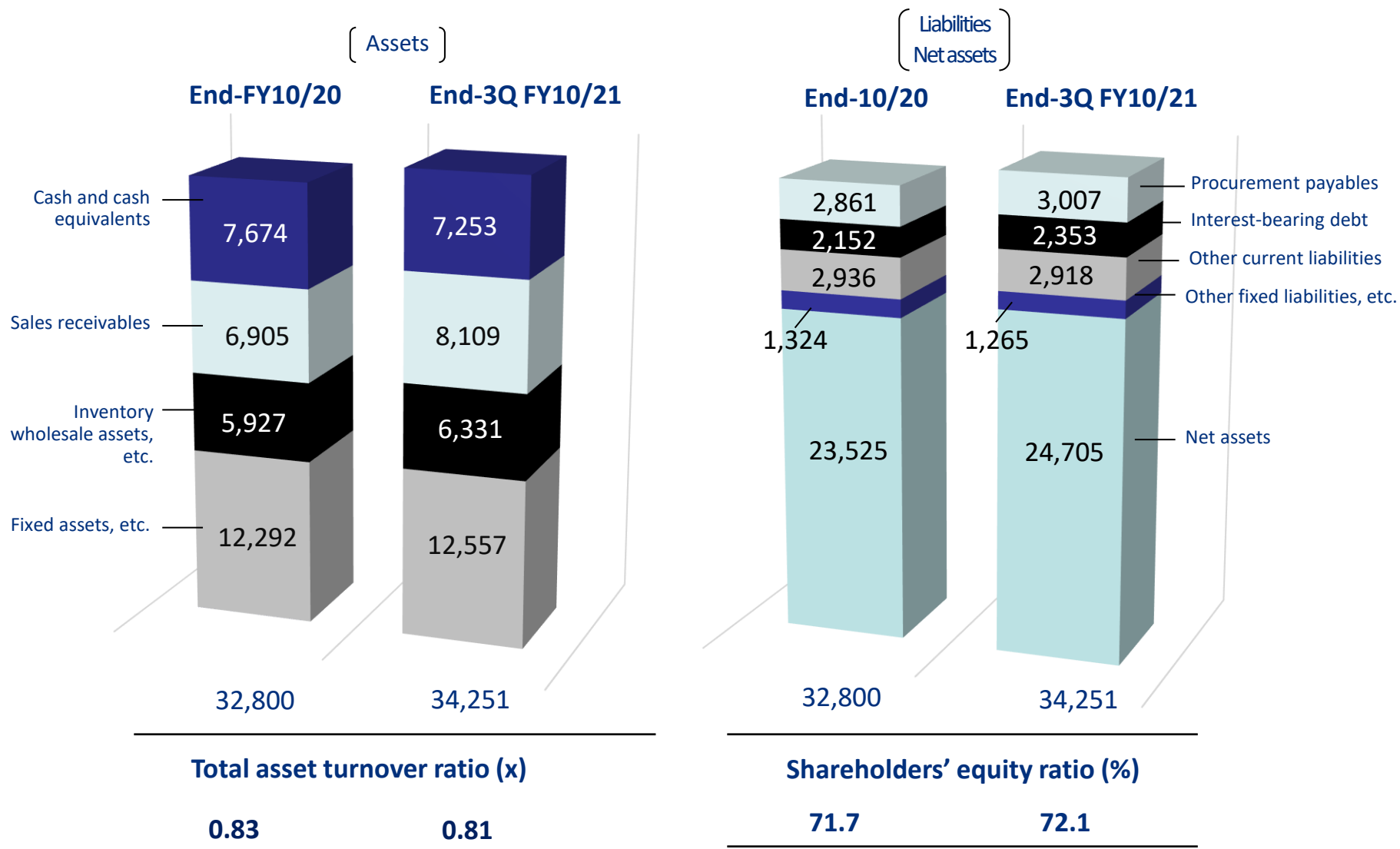
I -4 Overview of segments and subsidiaries

(Millions of Yen)

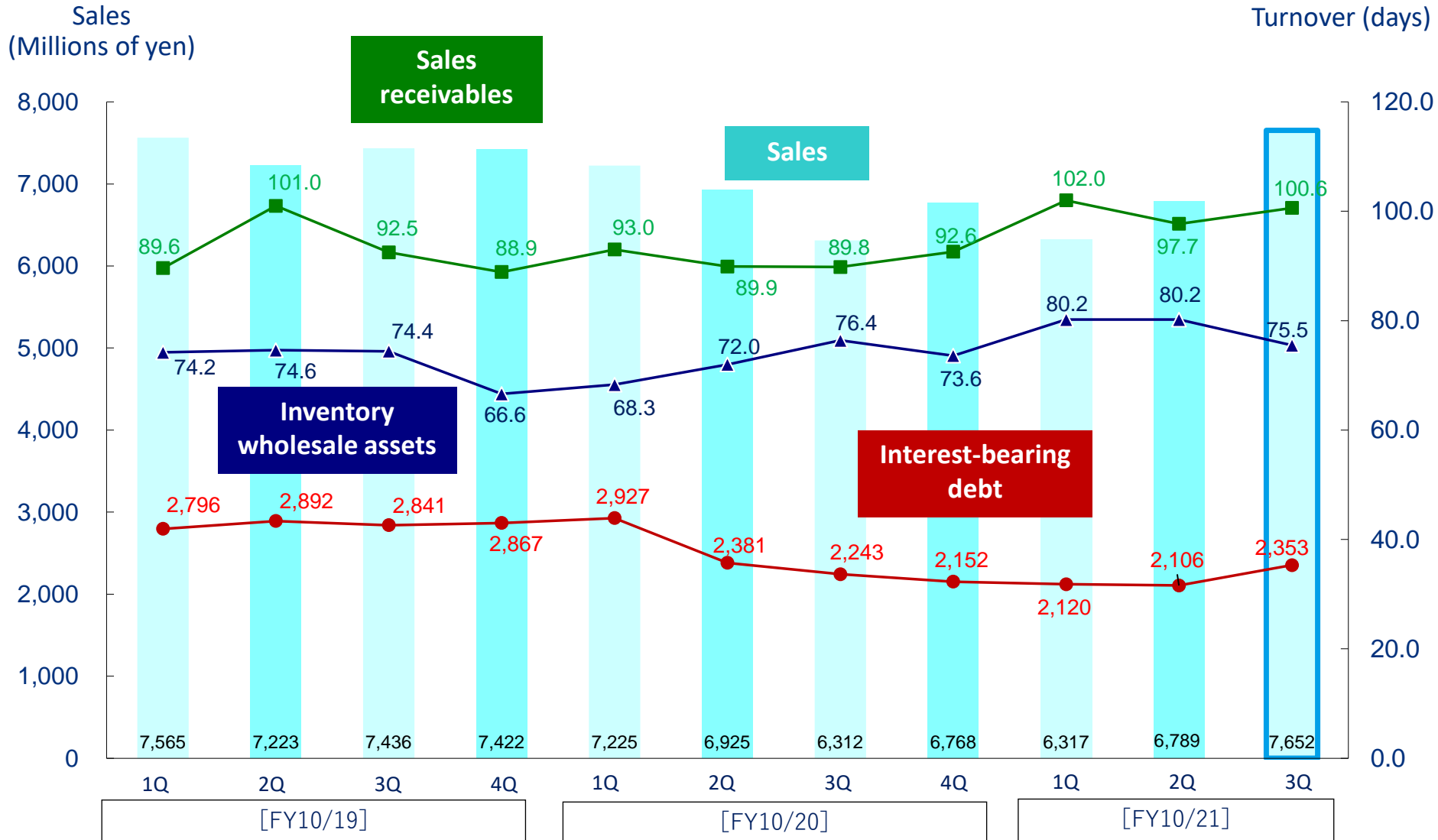
		Sales		Operating income	
		3Q FY10/20	3Q FY10/21	3Q FY10/20	3Q FY10/21
Hagihara Industries	PLS segment	11,890	11,814	1,239	1,117
	ENG segment	3,428	3,930	386	548
Parent		15,319	15,744	1,625	1,665
Japan Fabweld		307	273	23	-3
P.T. Hagihara Westjava Industries		2,762	2,605	113	-21
Qingdao Hagihara Industries		410	475	8	23
EPC Holdings		2,070	2,275	276	280
Toyo Heisei Polymer		3,140	3,080	84	107
Hagihara Machinery (Shanghai)		473	330	12	-5
Consolidated		20,462	20,760	1,935	1,983

I -5 Consolidated balance sheet

(Millions of Yen)



I -6 Consolidated inventory wholesale assets and sales receivables turnover



I -7 Consolidated results at a glance

	3Q FY10/21		YoY		3Q FY10/21		(Millions of Yen)
	Result	Vs. sales	Change		Result	YoY	Change
Sales	20,760	100.0%	297	Return on assets (ROA)	5.6%	-0.9%	
Gross income	6,303	30.4%	321	Return on equity (ROE)	7.8%	-1.4%	
Operating income	1,983	9.6%	47	Total asset turnover ratio	0.81x	-0.03x	
Ordinary income	2,078	10.0%	-199	Shareholders' equity ratio	72.1%	0.2%	
Net income attributable to owners of parent	1,405	6.8%	-171	Free cash flow	-186	-2,094	
Shareholders' equity	24,701	—	1,348	Net income per share	¥97.13	-¥11.84	
Total assets	34,251	—	1,791	Net assets per share	¥1,706.91	¥93.09	
Capital investment	924	—	-65	R&D expenses	491	67	
Depreciation and amortization	951	—	62	EBITDA (Operating income before depreciation and amortization)	2,934	64	

I -8 Consolidated earnings forecasts

(Millions of Yen)

	FY10/20			FY10/21				
	2Q	4Q	Full year	2Q (result)	2H		Full year	
					3Q (result)	(forecast)		
Consolidated	Sales	14,150	13,080	27,231	13,107	7,652	14,893	28,000
	Operating income	1,421 (10.0%)	1,093 (8.4%)	2,515 (9.2%)	1,270 (9.7%)	713 (9.3%)	1,370 (9.2%)	2,640 (9.4%)
	Ordinary income	1,656 (11.7%)	1,183 (9.1%)	2,840 (10.4%)	1,331 (10.2%)	746 (9.8%)	1,409 (9.5%)	2,740 (9.8%)
	Net income attributable to owners of parent	1,139 (8.1%)	752 (5.8%)	1,891 (6.9%)	916 (7.0%)	489 (6.4%)	934 (6.3%)	1,850 (6.6%)

Figures in parentheses denote income margins

I -9 Consolidated sales of SDG-related products

(Millions of Yen)

	FY10/19	FY10/20	FY10/21	
	Full year	Full year	3Q (result)	Full year (projection)
Climate change adaptations	4,199	3,867	2,995	4,056
Work-style reform	4,287	4,329	3,472	4,274
Recycling-oriented society	1,183	944	680	756
Solutions for industry and technology innovations	4,506	3,883	3,244	4,736
Total	14,176	13,025	10,392	13,824
Weighting	47.8%	47.8%	50.1%	49.4%

(Millions of Yen)



Contributions to climate change adaptations



◆ Domestically produced sheets



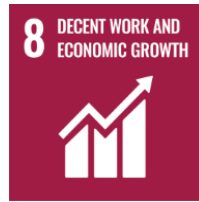
◆ Adhesive tapes
(using Hagihara's cloths)



◆ Laysys
(Insect repellent sheet using Laysys)

	FY10/19	FY10/20	FY10/21	
	Full year	Full year	3Q (result)	Full year (projection)
Domestically produced sheets	2,340	1,986	1,489	2,176
Adhesive tape cloths	1,859	1,881	1,461	1,820
Laysys	—	0	44	59
Climate change adaptations Total	4,199	3,867	2,995	4,056

(Millions of Yen)



Contributions to work-style reform



◆ Super-lightweight flame retardant fabrics



◆ BarChip (synthetic fiber concrete reinforcement system)

	FY10/19	FY10/20	FY10/21	
	Full year	Full year	3Q (result)	Full year (projection)
Flame retardant sheets and mesh sheets	976	899	707	925
BarChip	3,311	3,429	2,764	3,349
Work-style reform Total	4,287	4,329	3,472	4,274

(Millions of Yen)



Contributions to a recycling-oriented society



"Eco Mark" is a mark attached to products that are recognized to be of help to environmental conservation, and is a registered trademark of Japan Environment Association.



◆ Blue Sheet branded by eco-mark
(uses 50% recycled materials)

◆ Screen changer

	FY10/19	FY10/20	FY10/21	
	Full year	Full year	3Q (result)	Full year (projection)
Blue Sheet branded by eco-mark	80	76	35	71
Screen changers	902	622	555	464
Recycling machines	200	245	89	220
Recycling-oriented society Total	1,183	944	680	756



Contributions to solutions for industry and technology innovations

(Millions of Yen)



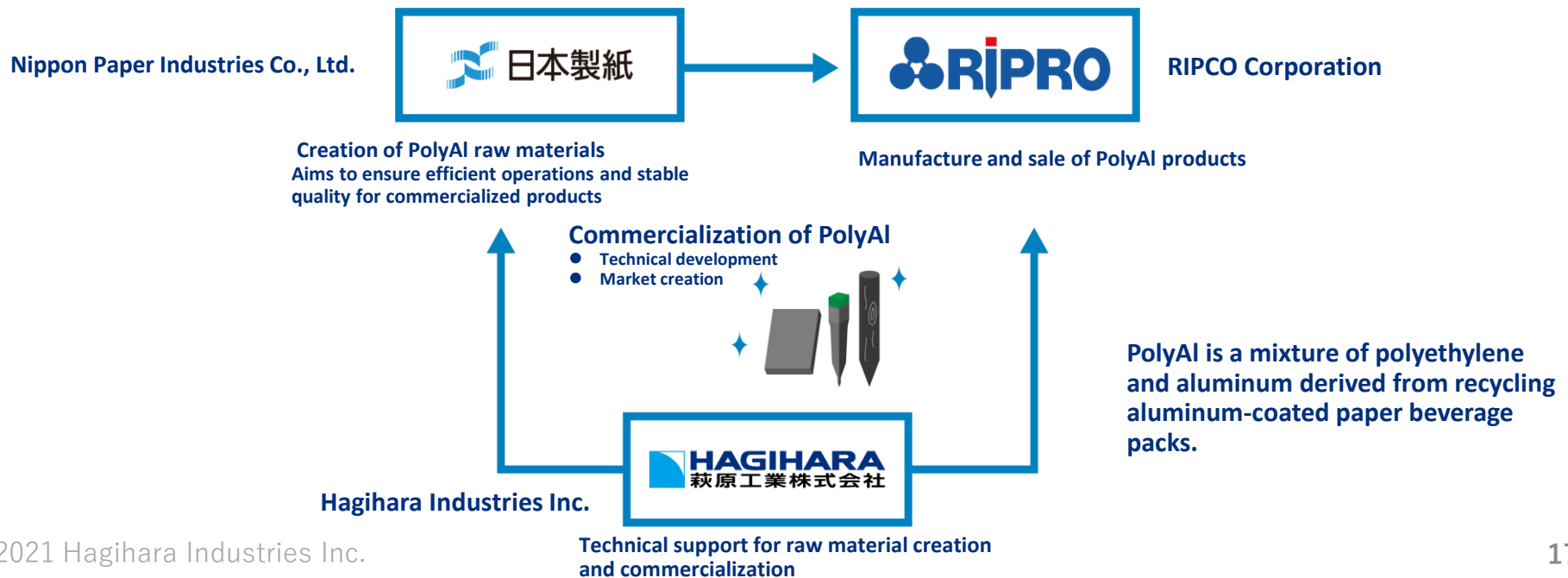
◆ Slitter for LC polarization plate (uses laser slitting method)

	FY10/19	FY10/20	FY10/21	
	Full year	Full year	3Q (result)	Full year (projection)
Film slitters	3,771	2,964	2,483	3,328
Paper slitters	735	918	761	1,408
Solutions for industry and technology innovations Total	4,506	3,883	3,244	4,736

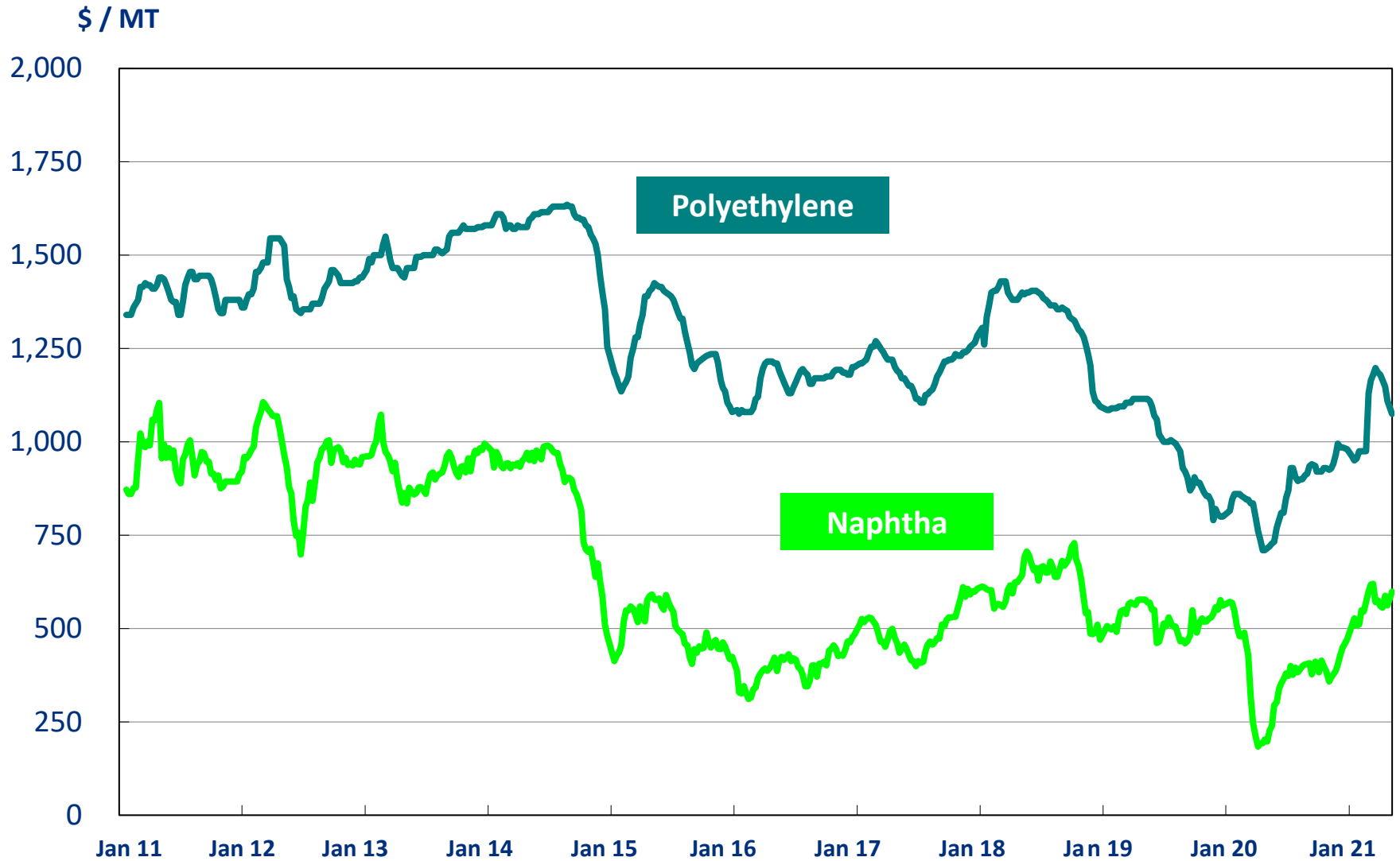


Contributions to a recycling-oriented society

Nippon Paper Industries Co., Ltd., RIPRO Corporation, and Hagihara Industries Inc. are pursuing a business recycling aluminum-coated paper beverage packs, with our role being provision of technical support. We have successfully commercialized land surveying-use eco markers and civil engineering and construction materials.



II -1 Prices of naphtha and polyethylene



II -2 Main share price indicators

	End-Jul 2021
Share price	¥1,426
Dividend per share (end-FY10/21 forecast)	¥36
Dividend payout ratio (end-FY10/21 forecast)	28.16%
BPS (Net assets per share)	¥1,706.91
EPS (Net income per share)	¥97.13
PBR (Price-book value ratio)	0.84X
PER (Price-earnings ratio)	11.01X
Number of shareholders (end-2Q FY10/21)	10,683

【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.

These materials must not be copied or redistributed for any purpose without permission.