

For the Fiscal Year Ended March 31, 2022

Annual Select[®] 2022

Hakuto Co., Ltd.

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(Securities Code: 7433)

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Corporate Profile

Since our establishment in 1953, Hakuto has been engaged in various businesses on the global stage, providing advanced products and solutions under our dual business approach as an electronics trading company and chemical manufacturer.

In our electronics business, the Hakuto Group has earned high praise as an electronics trading company supporting global manufacturing with our procurement and technical capabilities. Even as electronic products undergo rapid evolution, we accurately ascertain customer needs, procuring and supplying high value-added products from all over the world to contribute to cutting-edge product development as a partner that connects customers and suppliers.

In the chemicals business, we endeavor to develop and manufacture high-quality industrial chemicals in the aim of combining improved productivity with environmental conservation in industries such as oil refining and petrochemical, paper and pulp, and automotive. We also strive to create new value by such means as utilizing microbial polysaccharides to promote the development and manufacture of cosmetic products.

The future to which we aspire through our business activities is the coexistence between humans, technology, and the natural environment. We believe that advanced technology will bring vitality and prosperity to people's lives and the planet, so we are pushing forward to achieve an affluent society.



I. Summary of Selected Financial Data (Consolidated)

	66 th term Fiscal year ended March 31, 2018	67 th term Fiscal year ended March 31, 2019	68 th term Fiscal year ended March 31, 2020	69 th term Fiscal year ended March 31, 2021	70 th term Fiscal year ended March 31, 2022
Net sales (Millions of yen)	138,744	140,123	153,182	165,413	191,495
Ordinary profit (Millions of yen)	3,772	3,580	2,139	3,603	7,411
Profit attributable to owners of parent (Millions of yen)	3,287	2,473	1,439	3,064	4,970
Comprehensive income (Millions of yen)	3,142	2,430	609	4,897	7,337
Net assets (Millions of yen)	53,583	54,635	54,011	58,018	61,668
Total assets (Millions of yen)	84,796	87,826	112,135	116,422	131,490
Book value per share (BPS) (Yen)	2,568.01	2,658.10	2,627.76	2,817.95	3,142.83
Earnings per share (EPS) (Yen)	156.22	118.63	70.04	148.91	248.48
Diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	63.2	62.2	48.2	49.8	46.9
Return on equity (ROE) (%)	6.2	4.6	2.7	5.5	8.3
Price earnings ratio (PER) (Times)	10.0	9.9	13.8	8.6	9.9
Net cash provided by (used in) operating activities (Millions of yen)	(450)	(1,198)	(16,288)	7,418	872
Net cash provided by (used in) investing activities (Millions of yen)	212	(152)	(16)	601	(527)
Net cash provided by (used in) financing activities (Millions of yen)	1,771	(699)	23,547	(5,280)	(379)
Cash and cash equivalents at end of period (Millions of yen)	9,245	7,608	14,736	17,867	18,620
Number of employees (Persons)	1,279	1,243	1,257	1,238	1,221

- Notes:
- Diluted earnings per share is not presented because there were no potential shares.
 - In the 66th, and 70th terms, shares of the Company held by Employee Stockholding Association linked Trust ESOP have been treated as treasury shares when calculating BPS, so these are included in treasury shares excluded from the number of shares outstanding as of the end of the fiscal year.
 - In the 66th, 67th, and 70th terms, shares of the Company held by Employee Stockholding Association linked Trust ESOP have been treated as treasury shares when calculating EPS, so these are excluded from the average number of outstanding shares during the fiscal year.
 - “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations have been applied from the beginning of the fiscal year under review (70th term). The selected financial data for the 70th term represent figures after the application of the accounting standard, etc.

II. Comments from the President



We will utilize changes in the environment as opportunities and endeavor to meet the expectations of shareholders by firming up the base for the next stage of growth.

Ryoji Abe
President

■ Summary of Fiscal Year Ended March 31, 2022

The electronics market during the fiscal year under review was supported primarily by growth in sales of vehicle-related equipment and increased capital expenditures in the consumer-use equipment and industrial equipment segments. In the electronic components business, sales of vehicle-mounted ICs increased substantially, while sales of components related to industrial equipment and consumer-use equipment also grew. The electronic and electric equipment business saw strong performance in vacuum devices and PCB manufacturing equipment, while in the industrial chemicals business, sales increased for the oil refining and petrochemical segment, as well as the paper and pulp segment, due to a recovery in the operating rates of our customers' plants. These factors contributed to higher year-on-year revenue.

As a result, consolidated net sales for the fiscal year under review amounted to ¥191,495 million, a 15.8% year-on-year increase. Regarding profit and loss, consolidated gross profit increased 28.4% to ¥23,968 million, and consolidated selling, general and administrative expenses increased 12.2% to ¥16,663 million. As a result, consolidated operating profit increased 91.9% to ¥7,304 million; consolidated ordinary profit increased 105.7% to ¥7,411 million; and profit attributable to owners of parent increased 62.2% to ¥4,970 million.

■ Outlook and Initiatives for Fiscal Year Ending March 31, 2023

Based on the Group's medium-term management plan "Change & Co-Create 2024" announced in April 2021, we are working on various measures to reform our business structure, aiming to increase our earning power and business efficiency.

In the electronic components business, the Group will strive to streamline operations and drive growth in the vehicle, industrial equipment, and consumer-use equipment segments, where demand is expected to continue to increase. In the electronic and electric equipment business, the Group will continue efforts to increase orders for PCB manufacturing equipment and vacuum devices, where demand growth due to capital expenditures is projected to continue. In the industrial chemicals business, the Group will continue to strengthen sales of polymerization inhibitors in the overseas market and expand sales of cosmetic bases, which are experiencing strong demand.

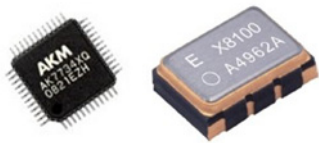
In consideration of the above, the Group forecasts consolidated results of operations for the fiscal year ending March 31, 2023 as follows: net sales to increase 2.9% year on year to ¥197,000 million, operating profit to decrease 4.2% to ¥7,000 million, ordinary profit to decrease 6.9% to ¥6,900 million, and profit attributable to owners of parent to increase 0.6% to ¥5,000 million.

III. Business Overview

Electronics Business

Electronic Components Business

Electronic devices



Providing cutting-edge devices that are the basis for electronic products.

We support our customers' product development through field application engineering support and design-in activities.

Electronic components



Addressing customer needs with a rich lineup from connectors to electric components and materials.

In recent years, we have been developing our solar power generation system business.

We also have an overwhelming advantage over other trading companies in the rapidly growing optical-related segment.

Electronic and Electric Equipment Business

Electronic and electric equipment



Procuring cutting-edge equipment from all over the world.

Supporting manufacturing with engineering-based support.

Providing inspection equipment used in research and development and cutting-edge equipment used on manufacturing lines for semiconductors, touch panels, and other devices.

Our brand of exposure apparatus for PCBs has earned a high reputation in Japan and other countries.

Chemicals Business

Industrial Chemicals Business



Chemicals and cosmetics

Providing industrial chemicals that contribute to enhanced productivity in the oil refining and petrochemical, paper and pulp, and automotive industries.

We actively strive to develop next-generation products, including cosmetics.



IV. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	17,867	18,620
Notes and accounts receivable - trade	38,045	–
Notes and accounts receivable - trade, and contract assets	–	40,799
Electronically recorded monetary claims - operating	5,933	9,300
Merchandise and finished goods	31,274	40,233
Work in process	44	104
Raw materials and supplies	859	925
Other	6,659	4,709
Allowance for doubtful accounts	(46)	(22)
Total current assets	100,638	114,670
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,486	5,484
Accumulated depreciation	(4,594)	(4,624)
Buildings and structures, net	892	860
Machinery and equipment	5,080	5,135
Accumulated depreciation	(3,433)	(3,664)
Machinery and equipment, net	1,647	1,470
Land	3,069	3,053
Other	4,277	4,803
Accumulated depreciation	(3,475)	(3,786)
Other, net	801	1,017
Total property, plant and equipment	6,411	6,401
Intangible assets	291	285
Investments and other assets		
Investment securities	8,409	9,632
Deferred tax assets	222	190
Other	479	337
Allowance for doubtful accounts	(30)	(28)
Total investments and other assets	9,080	10,132
Total non-current assets	15,783	16,819
Total assets	116,422	131,490

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,535	21,583
Electronically recorded obligations - operating	2,544	2,932
Short-term borrowings	16,280	19,990
Lease liabilities	269	322
Income taxes payable	1,194	1,910
Provision for bonuses	1,482	2,190
Provision for bonuses for directors (and other officers)	13	70
Provision for product warranties	5	13
Other	5,569	6,407
Total current liabilities	43,894	55,419
Non-current liabilities		
Long-term borrowings	12,765	12,624
Lease liabilities	45	198
Deferred tax liabilities	1,364	1,286
Provision for retirement benefits for directors (and other officers)	15	18
Retirement benefit liability	302	249
Other	16	24
Total non-current liabilities	14,509	14,401
Total liabilities	58,403	69,821
Net assets		
Shareholders' equity		
Share capital	8,100	8,100
Capital surplus	7,267	7,347
Retained earnings	42,805	45,847
Treasury shares	(5,820)	(7,658)
Total shareholders' equity	52,353	53,636
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,396	5,234
Deferred gains or losses on hedges	42	66
Foreign currency translation adjustment	1,347	2,918
Remeasurements of defined benefit plans	(122)	(187)
Total accumulated other comprehensive income	5,665	8,032
Total net assets	58,018	61,668
Total liabilities and net assets	116,422	131,490

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	165,413	191,495
Cost of sales	146,751	167,527
Gross profit	18,661	23,968
Selling, general and administrative expenses		
Salaries and allowances	5,532	5,880
Provision for bonuses	1,346	1,965
Retirement benefit expenses	444	435
Other	7,531	8,380
Total selling, general and administrative expenses	14,855	16,663
Operating profit	3,806	7,304
Non-operating income		
Interest income	12	19
Dividend income	92	102
Rental income from buildings	39	42
Foreign exchange gains	–	73
Other	99	122
Total non-operating income	244	359
Non-operating expenses		
Interest expenses	156	150
Loss on sale of trade receivables	36	39
Foreign exchange losses	226	–
Share of loss of entities accounted for using equity method	1	22
Other	26	40
Total non-operating expenses	447	253
Ordinary profit	3,603	7,411
Extraordinary income		
Gain on sale of non-current assets	0	2
Gain on sale of investment securities	803	–
Other	0	–
Total extraordinary income	803	2
Extraordinary losses		
Loss on sale and retirement of non-current assets	3	2
Impairment losses	–	129
Loss on valuation of investment securities	3	21
Other	2	0
Total extraordinary losses	9	153
Profit before income taxes	4,398	7,260
Income taxes - current	1,540	2,662
Income taxes - deferred	(206)	(371)
Total income taxes	1,333	2,290
Profit	3,064	4,970
Profit attributable to owners of parent	3,064	4,970

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	3,064	4,970
Other comprehensive income		
Valuation difference on available-for-sale securities	894	837
Deferred gains or losses on hedges	49	23
Foreign currency translation adjustment	724	1,570
Remeasurements of defined benefit plans, net of tax	165	(64)
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	1,833	2,367
Comprehensive income	4,897	7,337
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,897	7,337
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,100	7,289	40,667	(5,877)	50,179
Changes during period					
Dividends of surplus			(925)		(925)
Profit attributable to owners of parent			3,064		3,064
Disposal of treasury shares		(22)		57	34
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	(22)	2,138	56	2,173
Balance at end of period	8,100	7,267	42,805	(5,820)	52,353

	Accumulated other comprehensive income					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	3,502	(6)	623	(287)	3,831	54,011
Changes during period						
Dividends of surplus						(925)
Profit attributable to owners of parent						3,064
Disposal of treasury shares						34
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	893	49	724	165	1,833	1,833
Total changes during period	893	49	724	165	1,833	4,006
Balance at end of period	4,396	42	1,347	(122)	5,665	58,018

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,100	7,267	42,805	(5,820)	52,353
Changes during period					
Dividends of surplus			(1,929)		(1,929)
Profit attributable to owners of parent			4,970		4,970
Disposal of treasury shares		80		242	322
Purchase of treasury shares				(2,080)	(2,080)
Net changes in items other than shareholders' equity					
Total changes during period	–	80	3,041	(1,838)	1,283
Balance at end of period	8,100	7,347	45,847	(7,658)	53,636

	Accumulated other comprehensive income					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	4,396	42	1,347	(122)	5,665	58,018
Changes during period						
Dividends of surplus						(1,929)
Profit attributable to owners of parent						4,970
Disposal of treasury shares						322
Purchase of treasury shares						(2,080)
Net changes in items other than shareholders' equity	838	23	1,570	(64)	2,367	2,367
Total changes during period	838	23	1,570	(64)	2,367	3,650
Balance at end of period	5,234	66	2,918	(187)	8,032	61,668

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	4,398	7,260
Depreciation	803	834
Increase (decrease) in provision for bonuses	409	695
Interest and dividend income	(104)	(121)
Interest expenses	156	150
Share of loss (profit) of entities accounted for using equity method	1	22
Loss (gain) on sale of investment securities	(803)	–
Loss (gain) on valuation of investment securities	3	21
Loss (gain) on sale and retirement of non-current assets	3	(0)
Impairment losses	–	129
Increase (decrease) in accrued consumption taxes	15	(22)
Decrease (increase) in trade receivables	(1,349)	(4,763)
Decrease (increase) in inventories	4,431	(8,498)
Increase (decrease) in trade payables	94	4,169
Other, net	239	2,792
Subtotal	8,299	2,670
Interest and dividends received	121	138
Interest paid	(159)	(151)
Income taxes refund	–	0
Income taxes paid	(841)	(1,785)
Net cash provided by (used in) operating activities	7,418	872

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Purchase of property, plant and equipment	(173)	(422)
Proceeds from sale of property, plant and equipment	0	9
Purchase of intangible assets	(87)	(49)
Purchase of investment securities	(10)	(56)
Proceeds from sale of investment securities	851	0
Other, net	22	(8)
Net cash provided by (used in) investing activities	601	(527)
Cash flows from financing activities		
Proceeds from short-term borrowings	193,200	174,100
Repayments of short-term borrowings	(198,700)	(171,200)
Repayments of lease liabilities	(160)	(224)
Proceeds from long-term borrowings	5,000	4,774
Repayments of long-term borrowings	(3,694)	(4,105)
Purchase of treasury shares	(0)	(2,080)
Proceeds from disposal of treasury shares	0	285
Dividends paid	(925)	(1,929)
Net cash provided by (used in) financing activities	(5,280)	(379)
Effect of exchange rate change on cash and cash equivalents	390	787
Net increase (decrease) in cash and cash equivalents	3,130	753
Cash and cash equivalents at beginning of period	14,736	17,867
Cash and cash equivalents at end of period	17,867	18,620

V. Summary of Operating Performance

(1) Summary of Operating Performance in the Fiscal Year Under Review

The global economy during the fiscal year under review experienced genuine recovery thanks to the expansion of COVID-19 vaccinations, relaxing of movement restrictions, and the rejuvenation of socioeconomic activities throughout the world. However, there are concerns around infections surging again due to the Omicron variant that appeared at the end of 2021. In addition, the tense international circumstances surrounding Ukraine and soaring resource prices are contributing to continued uncertainty regarding the economic outlook.

The Japanese economy saw improvement in personal consumption and corporate performance due to the easing of the COVID-19 pandemic. However, economic instability is set to continue, underpinned by rising commodity prices and sharp fluctuations in the exchange rate due to high crude oil prices.

With regard to the electronics industry, the mainstay area of the business of the Group, supply chain disruption and a rise in product prices due to the global tight supply and demand of semiconductors and electronic components continued to have an impact. On the other hand, the industry was supported by growth in sales of vehicle-related equipment as well as increased capital expenditures in the consumer-use equipment and industrial equipment segments.

Under these circumstances, in the Group's electronic components business, sales of vehicle-mounted ICs increased significantly thanks to recovery from the impact of the COVID-19 pandemic, while sales of components related to industrial equipment and consumer-use equipment also grew, contributing to higher year-on-year revenue.

In the electronic and electric equipment business, increased capital expenditures in semiconductor manufacturing drove strong performance for vacuum devices and PCB manufacturing equipment, resulting in higher year-on-year revenue.

In the industrial chemicals business, a recovery in the operating rates of our customers' plants contributed to increased sales in the oil refining and petrochemical segment, as well as the paper and pulp segment, while sales also grew for cosmetic bases, leading to higher year-on-year revenue.

Under such circumstances, consolidated net sales for the fiscal year under review amounted to ¥191,495 million, a 15.8% year-on-year increase.

Regarding profit and loss, consolidated gross profit increased 28.4% to ¥23,968 million, and consolidated selling, general and administrative expenses increased 12.2% to ¥16,663 million. As a result, consolidated operating profit increased 91.9% to ¥7,304 million; consolidated ordinary profit increased 105.7% to ¥7,411 million; and profit attributable to owners of parent increased 62.2% to ¥4,970 million.

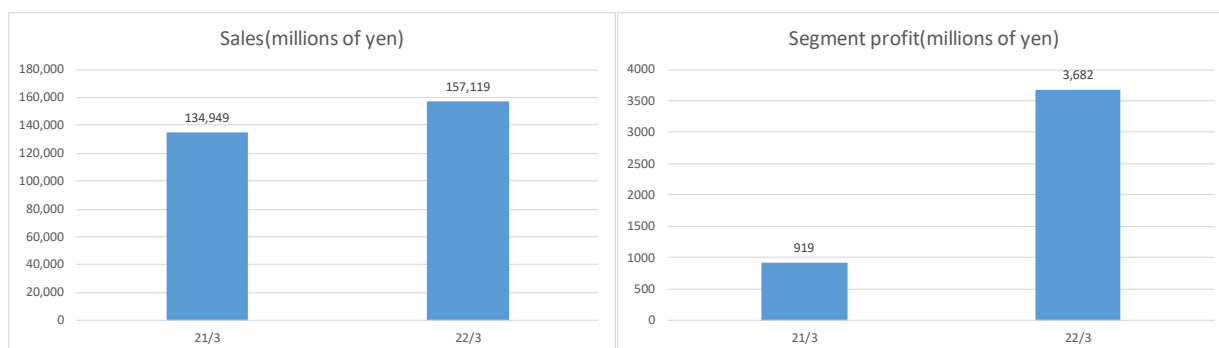
Furthermore, EPS amounted to ¥248.48, an increase of ¥99.57 from the previous fiscal year.

The following is a breakdown of performance by reportable segment. Classifications for reportable segments have changed from the fiscal year under review. The comparison of year-on-year figures below represents a comparison with the figures of the previous fiscal year after the segment reclassification is applied.

[Electronic Components Business]

In the electronic components business, while sales of general electronic components, such as ICs for PCs and tablet devices, and connectors, grew until the second quarter with the expansion of telework and spending in the home, they slowed in the following quarters. Sales of vehicle-mounted ICs increased, however, due to a recovery in automobile production, as did sales of semiconductor devices for the consumer-use equipment and industrial equipment segments and sales of general electronic components such as LCD panels.

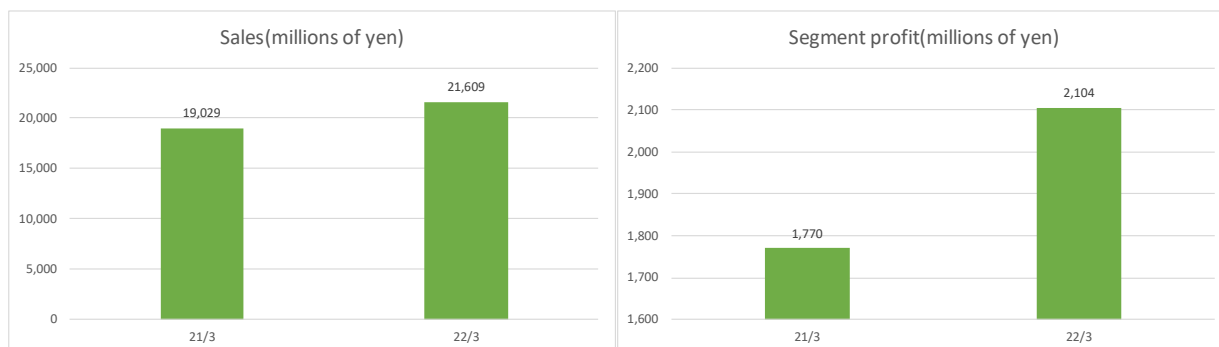
As a result, net sales in this segment for the fiscal year under review increased 16.4% year on year to ¥157,119 million, and segment profit increased 300.4% to ¥3,682 million due to increased profit from sales growth and improved profits from export transactions in foreign currencies as a result of exchange rates.



[Electronic and Electric Equipment Business]

In the electronic and electric equipment business, although sales decreased for communications infrastructure optical products with the completion of a cycle of 5G-related capital investments, an increase in semiconductor-related capital expenditures resulted in sales growth for PCB manufacturing equipment and vacuum devices.

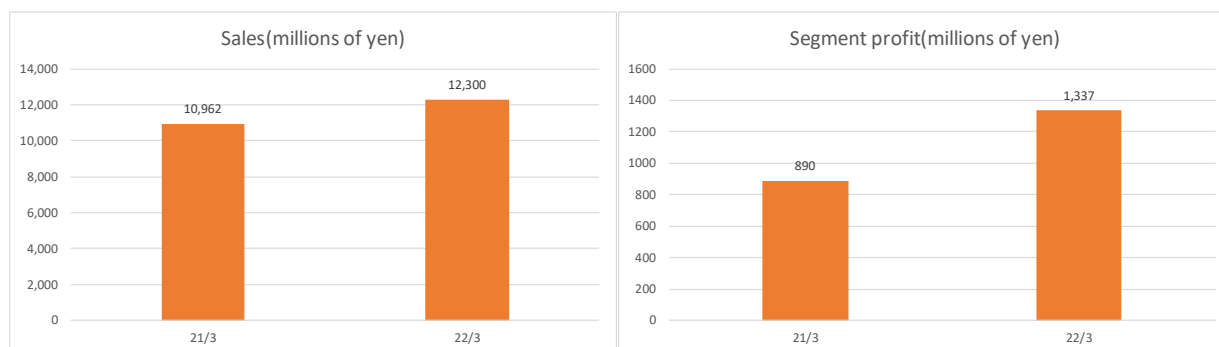
As a result, net sales in this segment for the fiscal year under review increased 13.6% year on year to ¥21,609 million, and segment profit increased 18.9% to ¥2,104 million due to increased sales of highly profitable house-brand products.



[Industrial Chemicals Business]

In the industrial chemicals business, a recovery in the operating rates of our customers' plants contributed to increased sales of process additives for the oil refining, petrochemical, and paper manufacturing industries, which had been impacted by the COVID-19 pandemic. Sales have also been strong for cosmetic bases, leading to higher year-on-year revenue.

As a result, net sales in this segment for the fiscal year under review increased 12.2% year on year to ¥12,300 million, and segment profit increased 50.1% to ¥1,337 million due to sales growth for cosmetic bases, which have higher profit margins.



[Other Business]

The other business segment consists of general operation and logistics management operations of the Company on a consignment basis and solar power generation system business. Net sales in this segment for the fiscal year under review decreased 2.3% year on year to ¥1,167 million and segment profit decreased 3.5% to ¥213 million.

(2) Summary of Financial Position in the Fiscal Year Under Review

Balance sheet highlights

Current assets at the end of the fiscal year under review increased ¥14,031 million to ¥114,670 million, a year-on-year increase of 13.9%. This was mainly attributed to a ¥2,754 million increase in notes and accounts receivable - trade, and contract assets as a result of increased sales of electronic components due to higher customer demand, and a ¥8,959 million increase in merchandise and finished goods contributed by an increase in inventory procurement.

Non-current assets increased ¥1,036 million to ¥16,819 million, a year-on-year increase of 6.6%. This was primarily due to a ¥1,223 million increase in investment securities resulting from higher share prices of holdings.

As a result of the above, total assets increased ¥15,068 million to ¥131,490 million, a year-on-year increase of 12.9%.

As for liabilities, current liabilities increased ¥11,525 million to ¥55,419 million, a year-on-year increase of 26.3%. This was primarily due to a ¥5,047 million increase in notes and accounts payable - trade and a ¥3,710 million increase in short-term borrowings associated with the increase in operating capital (inventory procurement).

Non-current liabilities decreased ¥107 million to ¥14,401 million, a year-on-year decrease of 0.7%. This was primarily due to a ¥140 million decrease in long-term borrowings.

As a result of the above, total liabilities increased ¥11,417 million to ¥69,821 million, a year-on-year increase of 19.5%.

Net assets increased ¥3,650 million to ¥61,668 million, a year-on-year increase of 6.3%. This was primarily due to a ¥3,041 million increase in retained earnings, an ¥838 million increase in valuation difference on available-for-sale securities, and a ¥1,570 million increase in foreign currency translation adjustment.

(3) Summary of Cash Flows in the Fiscal Year Under Review

In regard to consolidated cash flows in the fiscal year under review, net cash provided by operating activities amounted to ¥872 million, net cash used in investing activities amounted to ¥527 million, and net cash used in financing activities amounted to ¥379 million. Effect of exchange rate change on cash and cash equivalents increased ¥787 million. As a result, cash and cash equivalents at the end of the fiscal year under review increased ¥753 million year on year to ¥18,620 million.

The following is a breakdown of cash flows and the respective factors thereof in the fiscal year under review.

(Cash flows from operating activities)

Operating trade businesses related to electronics, the Group sees operating capital from accounts receivable and inventories, etc. fluctuate based on the movements of the market and business as cash flows from operating activities also fluctuate. In the fiscal year under review, net cash provided by operating activities amounted to ¥872 million. The principal sources of cash were ¥7,260 million in profit before income taxes and a ¥4,169 million increase in trade payables, while uses of cash included a

¥4,763 million increase in trade receivables and a ¥8,498 million increase in inventories. In the previous fiscal year, there were proceeds of ¥7,418 million due primarily to a ¥4,431 million decrease in inventories.

(Cash flows from investing activities)

As investing activities, the Group has made investments mainly associated with new businesses and capital expenditures on updating manufacturing and research facilities in the industrial chemicals business. In the fiscal year under review, net cash used in investing activities amounted to ¥527 million due primarily to a ¥422 million expenditure for the purchase of property, plant and equipment. In the previous fiscal year, there were proceeds of ¥601 million, primarily from proceeds from sale of investment securities of ¥851 million.

(Cash flows from financing activities)

In response to fluctuations of cash flows from operating activities due to changes in operating capital, financing is principally conducted through interest-bearing debt. In the fiscal year under review, net cash used in financing activities amounted to ¥379 million. The principal source of cash was ¥2,900 million in proceeds from short-term borrowings (net), while uses of cash included ¥2,080 million for purchase of treasury shares and ¥1,929 million in dividends paid. In the previous fiscal year, net cash used in financing activities totaled ¥5,280 million, primarily as a result of ¥5,500 million in repayments of short-term borrowings (net).

VI. Corporate Data

Basic Information (as of March 31, 2022)

Trade name:	Hakuto Co., Ltd.
Established:	November 1953
Listed market:	Prime Market of the Tokyo Stock Exchange (Securities Code: 7433)
Listed:	March 2000
Business year:	From April 1 to March 31
Share capital:	8,100 million yen
Number of employees:	1,221 persons (Consolidated)
Head office:	1-13, Shinjuku 1-chome, Shinjuku-ku, Tokyo
Telephone:	+81-3-3225-8910
Consolidated subsidiaries:	Hakuto Enterprises Ltd. Hakuto Singapore Pte. Ltd. Hakuto Taiwan Ltd. Hakuto Enterprises (Shanghai) Ltd. Hakuto (Thailand) Ltd. Hakuto Engineering (Thailand) Ltd. Hakuto Trading (Shenzhen) Ltd. Hakuto America Inc. Hakuto Czech s.r.o. Hakuto A&L Co., Ltd. MOLDEC Co., Ltd.

Directors (as of June 24, 2022)

President & Chief Executive Officer (Representative Director)	Ryoji Abe
Director & Chief Operating Officer	Yoshinae Takada
Director, V.P. & Executive Managing Officer	Akira Togo
Director, V.P. & Executive Managing Officer	Nobuhito Shintoku
Director, V.P. & Managing Officer	Tamaki Miyashita
Director, V.P. & Managing Officer	Yugo Ishishita
Director	Ichiro Takayama
Director*	Masahito Kamijo
Director*	Tomohiro Murata
Director*	Akira Minamikawa
Director* (Full-time Audit & Supervisory Committee Member)	Fumiaki Yamamoto
Director* (Audit & Supervisory Committee Member)	Keiji Okanan
Director* (Audit & Supervisory Committee Member)	Junko Kato

* External Director

Stock Status (as of March 31, 2022)

Total number of authorized shares:	54,000,000 shares
Total number of issued shares:	24,137,213 shares
Number of shareholders:	13,407

Major shareholders (Top 10)

Name	Number of shares held (Thousands of shares)	Shareholding ratio (excluding treasury shares) (%)
Takayama International Education Foundation	4,226.2	21.41
The Master Trust Bank of Japan, Ltd.	1,586.6	8.04
Ichiro Takayama	1,058.9	5.37
Ken Takayama	1,058.9	5.37
Ryutaro Takayama	1,058.9	5.37
Custody Bank of Japan, Ltd.	637.5	3.23
Tomohiro Yoshida	470.1	2.38
Hakuto Employee Stock Ownership Plan	460.4	2.33
NORTHERN TRUST CO. (AVFC) SUB A/C		
NON TREATY	245.1	1.24
(Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo branch)		
SMBC Trust Bank Ltd.	241.0	1.22

Notes: 1. Of the above number of shares held, the number of shares in association with fiduciary activities is as follows:

The Master Trust Bank of Japan, Ltd.	1,586.6 thousand shares
Custody Bank of Japan, Ltd.	637.5 thousand shares
SMBC Trust Bank Ltd.	241.0 thousand shares

2. In addition to the above, the Company holds 4,399,977 shares as treasury shares (excluding 115,200 shares of the Company held by Employee Stockholding Association linked Trust ESOP). However, since the treasury shares do not have voting rights, they are excluded from the above list.

Treasury shares (number of shares held)	4,399,977 shares
Shareholding ratio	18.23%

* Annual Select is an English-language disclosure format developed by ZAIHON, INC. to increase the level of convenience of investors outside Japan based on Japanese-language statutory disclosure material, timely disclosure material prescribed by securities exchanges and voluntarily disclosed IR material. Annual Select is a registered trademark of ZAIHON, INC. Reproduction or copying without prior permission is prohibited.

* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.