

For the Fiscal Year Ended March 31, 2024

Annual Select® 2024

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.



Hakuto Co., Ltd.



I. Summary of Selected Financial Data (Consolidated)

	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	71 st term Fiscal year ended March 31, 2023	72 nd term Fiscal year ended March 31, 2024
Net sales (Millions of yen)	153,182	165,413	191,495	233,624	182,046
Ordinary profit (Millions of yen)	2,139	3,603	7,411	12,048	6,912
Profit attributable to owners of parent (Millions of yen)	1,439	3,064	4,970	8,929	5,175
Comprehensive income (Millions of yen)	609	4,897	7,337	9,578	7,277
Net assets (Millions of yen)	54,011	58,018	61,668	63,863	65,933
Total assets (Millions of yen)	112,135	116,422	131,490	145,900	137,759
Book value per share (BPS) (Yen)	2,627.76	2,817.95	3,142.83	3,416.27	3,506.81
Earnings per share (EPS) (Yen)	70.04	148.91	248.48	470.52	276.20
Diluted earnings per share (Yen)	—	—	—	—	—
Equity ratio (%)	48.2	49.8	46.9	43.8	47.9
Return on equity (ROE) (%)	2.7	5.5	8.3	14.2	8.0
Price earnings ratio (PER) (Times)	13.8	8.6	9.9	10.4	20.4
Net cash provided by (used in) operating activities (Millions of yen)	(16,288)	7,418	872	(3,382)	8,712
Net cash provided by (used in) investing activities (Millions of yen)	(16)	601	(527)	(300)	876
Net cash provided by (used in) financing activities (Millions of yen)	23,547	(5,280)	(379)	1,314	(11,451)
Cash and cash equivalents at end of period (Millions of yen)	14,736	17,867	18,620	16,751	15,568
Number of employees (Persons)	1,257	1,238	1,221	1,223	1,203

- Notes:
1. Diluted earnings per share is not presented because there were no potential shares.
 2. In the 70th, 71st, and 72nd 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.
 3. In the 70th, 71st, and 72nd 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.
 4. “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations have been applied from the beginning of the 70th term. The selected financial data for the 70th term onward represent figures after the application of the accounting standard, etc.

II. Comments from the President



We have decided to start business under a new executive structure. We are working to address management issues and further improve our corporate value.

Tamaki Miyashita
President

■ Summary of Fiscal Year Ended March 31, 2024

In the electronics market during the fiscal year under review, demand for mobile, consumer, and other products remained sluggish, and customer inventory adjustments continued in industrial equipment-related and some vehicle-related sectors, while high growth is expected in DX-related, GX-related, generative AI server-related fields, etc. The Group's electronic components business experienced a year-on-year decline in sales in the consumer-use equipment and other sectors due to the sluggish Chinese market and customer inventory adjustments, as well as the impact of changes in commercial distribution channels, while the electronic and electric equipment business posted a year-on-year increase in sales due to the shipment of the order backlog from the previous year's advance arrangements in the vacuum and physics and chemistry-related fields. In the industrial chemicals business, demand for raw materials for cosmetics failed to recover mainly due to the economic slowdown in China, resulting in a year-on-year decline in sales.

As a result, consolidated net sales for the fiscal year under review amounted to ¥182,046 million, a 22.1% year-on-year decrease. Consolidated gross profit decreased 17.1% to ¥26,833 million, and consolidated selling, general and administrative expenses decreased 2.4% to ¥19,196 million. As a result, consolidated operating profit decreased 39.9% to ¥7,636 million; consolidated ordinary profit decreased 42.6% to ¥6,912 million; and profit attributable to owners of parent decreased 42.0% to ¥5,175 million.

■ Outlook and Initiatives for Fiscal Year Ending March 31, 2025

As we enter FY2024, the final year of our "Change & Co-Create 2024" medium-term management plan, we will continue to reform our business structure to ensure sustainable growth and stable earning power.

In the electronic components business, while working on growth in the automotive sector, where demand is expected to remain strong, we will also focus on generating stable profits as we capture demand for consumer-use products and PCs, which are gradually recovering, and improve operational efficiency through backyard digital transformation. In the electronic and electric equipment business, the capital expenditures related to semiconductor manufacturing is expected to exceed the level of the previous fiscal year, driven by government support measures, and we will capture those investment needs. In the industrial chemicals business, the prolonged slump in the Chinese market and oversupply are expected to continue, but we will work to rebuild our sales base by developing new customers and expanding cosmetic products overseas.

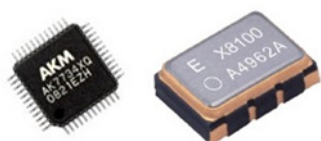
In consideration of the above, the Group forecasts consolidated results of operations for the fiscal year ending March 31, 2025, as follows: net sales to increase 4.4% year on year to ¥190,000 million, operating profit to decrease 1.8% to ¥7,500 million, ordinary profit to decrease 0.2% to ¥6,900 million, and profit attributable to owners of parent to decrease 5.3% to ¥4,900 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.

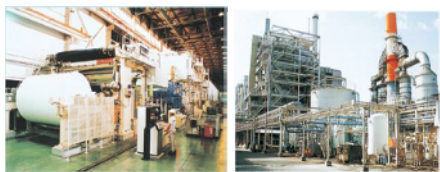
Supporting manufacturing with engineering-based support.

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, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	16,751	15,568
Notes and accounts receivable - trade, and contract assets	49,664	38,101
Electronically recorded monetary claims - operating	9,189	6,277
Merchandise and finished goods	46,924	54,863
Work in process	43	35
Raw materials and supplies	1,005	1,250
Other	5,890	6,012
Allowance for doubtful accounts	(5)	(1,254)
Total current assets	129,463	120,853
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,432	5,510
Accumulated depreciation	(4,505)	(4,588)
Buildings and structures, net	927	921
Machinery and equipment	5,232	5,259
Accumulated depreciation	(3,884)	(4,058)
Machinery and equipment, net	1,347	1,200
Land	3,053	3,053
Other	5,020	5,436
Accumulated depreciation	(3,961)	(3,990)
Other, net	1,059	1,445
Total property, plant and equipment	6,388	6,621
Intangible assets	202	778
Investments and other assets		
Investment securities	9,288	8,670
Deferred tax assets	190	400
Other	394	457
Allowance for doubtful accounts	(28)	(23)
Total investments and other assets	9,845	9,505
Total non-current assets	16,436	16,905
Total assets	145,900	137,759

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,919	21,348
Electronically recorded obligations - operating	3,650	2,919
Short-term borrowings	28,800	24,670
Lease liabilities	327	350
Income taxes payable	2,065	613
Provision for bonuses	3,143	2,567
Provision for bonuses for directors (and other officers)	70	76
Provision for product warranties	18	16
Other	6,779	6,144
Total current liabilities	67,773	58,706
Non-current liabilities		
Long-term borrowings	12,809	11,175
Lease liabilities	148	288
Deferred tax liabilities	950	1,363
Provision for retirement benefits for directors (and other officers)	16	18
Retirement benefit liability	313	244
Other	25	29
Total non-current liabilities	14,263	13,119
Total liabilities	82,036	71,825
Net assets		
Shareholders' equity		
Share capital	8,100	8,100
Capital surplus	5,679	5,863
Retained earnings	50,509	50,059
Treasury shares	(9,108)	(8,872)
Total shareholders' equity	55,181	55,150
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,038	4,865
Deferred gains or losses on hedges	63	175
Foreign currency translation adjustment	3,814	5,725
Remeasurements of defined benefit plans	(235)	17
Total accumulated other comprehensive income	8,681	10,783
Total net assets	63,863	65,933
Total liabilities and net assets	145,900	137,759

(2) 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	233,624	182,046
Cost of sales	201,244	155,213
Gross profit	32,379	26,833
Selling, general and administrative expenses		
Salaries and allowances	6,789	6,078
Provision for bonuses	2,915	2,217
Retirement benefit expenses	424	775
Other	9,539	10,125
Total selling, general and administrative expenses	19,668	19,196
Operating profit	12,711	7,636
Non-operating income		
Interest income	16	19
Dividend income	213	58
Rental income from buildings	46	46
Share of profit of entities accounted for using equity method	17	–
Other	106	136
Total non-operating income	402	261
Non-operating expenses		
Interest expenses	215	186
Loss on sale of trade receivables	265	19
Foreign exchange losses	492	753
Share of loss of entities accounted for using equity method	–	5
Other	91	20
Total non-operating expenses	1,064	985
Ordinary profit	12,048	6,912
Extraordinary income		
Gain on sale of non-current assets	16	20
Gain on sale of investment securities	115	1,672
Total extraordinary income	131	1,693
Extraordinary losses		
Loss on sale and retirement of non-current assets	33	9
Provision of allowance for doubtful accounts	–	1,156
Total extraordinary losses	33	1,166
Profit before income taxes	12,146	7,439
Income taxes - current	3,458	2,041
Income taxes - deferred	(241)	221
Total income taxes	3,217	2,263
Profit	8,929	5,175
Profit attributable to owners of parent	8,929	5,175

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	8,929	5,175
Other comprehensive income		
Valuation difference on available-for-sale securities	(196)	(173)
Deferred gains or losses on hedges	(2)	111
Foreign currency translation adjustment	896	1,910
Remeasurements of defined benefit plans, net of tax	(48)	252
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	649	2,101
Comprehensive income	9,578	7,277
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,578	7,277
Comprehensive income attributable to non-controlling interests	—	—

(3) 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	8,100	7,347	45,847	(7,658)	53,636
Changes during period					
Dividends of surplus			(4,266)		(4,266)
Profit attributable to owners of parent			8,929		8,929
Disposal of treasury shares		10		172	183
Cancellation of treasury shares		(1,678)		1,678	—
Purchase of treasury shares				(3,300)	(3,300)
Net changes in items other than shareholders' equity					
Total changes during period	—	(1,667)	4,662	(1,449)	1,545
Balance at end of period	8,100	5,679	50,509	(9,108)	55,181

	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	5,234	66	2,918	(187)	8,032	61,668
Changes during period						
Dividends of surplus						(4,266)
Profit attributable to owners of parent						8,929
Disposal of treasury shares						183
Cancellation of treasury shares						—
Purchase of treasury shares						(3,300)
Net changes in items other than shareholders' equity	(196)	(2)	896	(48)	649	649
Total changes during period	(196)	(2)	896	(48)	649	2,194
Balance at end of period	5,038	63	3,814	(235)	8,681	63,863

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	8,100	5,679	50,509	(9,108)	55,181
Changes during period					
Dividends of surplus			(5,625)		(5,625)
Profit attributable to owners of parent			5,175		5,175
Disposal of treasury shares		183		237	420
Cancellation of treasury shares		—		—	—
Purchase of treasury shares				(1)	(1)
Net changes in items other than shareholders' equity					
Total changes during period	—	183	(449)	235	(30)
Balance at end of period	8,100	5,863	50,059	(8,872)	55,150

	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	5,038	63	3,814	(235)	8,681	63,863
Changes during period						
Dividends of surplus						(5,625)
Profit attributable to owners of parent						5,175
Disposal of treasury shares						420
Cancellation of treasury shares						—
Purchase of treasury shares						(1)
Net changes in items other than shareholders' equity	(173)	111	1,910	252	2,101	2,101
Total changes during period	(173)	111	1,910	252	2,101	2,070
Balance at end of period	4,865	175	5,725	17	10,783	65,933

(4) 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	12,146	7,439
Depreciation	906	1,007
Increase (decrease) in provision for bonuses	949	(600)
Increase (decrease) in allowance for doubtful accounts	(17)	1,181
Interest and dividend income	(230)	(78)
Interest expenses	215	186
Share of loss (profit) of entities accounted for using equity method	(17)	5
Loss (gain) on sale of investment securities	(115)	(1,672)
Loss (gain) on sale and retirement of non-current assets	17	(10)
Increase (decrease) in accrued consumption taxes	(17)	0
Decrease (increase) in trade receivables	(7,864)	15,682
Decrease (increase) in inventories	(6,243)	(7,040)
Increase (decrease) in trade payables	1,839	(2,662)
Other, net	(1,534)	(1,042)
Subtotal	34	12,396
Interest and dividends received	246	94
Interest paid	(218)	(185)
Income taxes refund	—	55
Income taxes paid	(3,445)	(3,649)
Net cash provided by (used in) operating activities	(3,382)	8,712

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(459)	(564)
Proceeds from sale of property, plant and equipment	16	19
Purchase of intangible assets	(45)	(568)
Purchase of investment securities	(8)	(9)
Proceeds from sale of investment securities	204	2,040
Other, net	(8)	(42)
Net cash provided by (used in) investing activities	(300)	876
Cash flows from financing activities		
Proceeds from short-term borrowings	289,100	212,600
Repayments of short-term borrowings	(281,700)	(219,500)
Repayments of lease liabilities	(277)	(310)
Proceeds from long-term borrowings	7,500	7,600
Repayments of long-term borrowings	(5,905)	(6,464)
Purchase of treasury shares	(3,300)	(1)
Proceeds from disposal of treasury shares	143	237
Dividends paid	(4,245)	(5,612)
Net cash provided by (used in) financing activities	1,314	(11,451)
Effect of exchange rate change on cash and cash equivalents	499	680
Net increase (decrease) in cash and cash equivalents	(1,868)	(1,182)
Cash and cash equivalents at beginning of period	18,620	16,751
Cash and cash equivalents at end of period	16,751	15,568

V. Summary of Operating Performance

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

The global economy for the fiscal year under review remained in a period of economic stagnation due to factors such as rising geopolitical tensions, prolonged economic stagnation in China, and monetary tightening in the U.S. and other countries.

Turning to the Japanese economy, economic recovery has stalled, due in part to the downward pressure of high prices on the economy. However, the rate of wage increases in the 2024 Spring Wage Bargaining have been much higher than in 2023, and the Bank of Japan's announcement in March that it will lift its negative interest rate policy has put monetary policy in a new phase moving toward normalization.

With regard to the electronics industry, the mainstay area of the business of the Group, demand for smartphones, PCs, and consumer-use and other products remained sluggish, and customers continued to make inventory adjustments in industrial equipment-related and some vehicle-related sectors. On the other hand, high growth is expected to continue in DX (Digital Transformation)-related, GX (Green Transformation)-related, generative AI server-related fields, etc.

Under these circumstances, in the Group's electronic components business, supply difficulties that had persisted for some products of ICs for vehicle-related uses have been resolved, and sales of ICs for domestic automotive applications increased on the back of firm demand when excluding the impact of a decrease due to changes in commercial distribution channels. On the other hand, sales in other areas, including consumer-use equipment, were down year on year due to the sluggish Chinese market, inventory adjustments by customers, as well as the impact of changes in commercial distribution channels.

In the electronic and electric equipment business, while capital investment in PCBs for packaging has begun to stagnate and customers are making inventory adjustments, sales increased year on year mainly due to the shipment of the backlog of orders for advanced arrangements in the previous fiscal year in the vacuum and physics and chemistry-related fields.

In the industrial chemicals business, demand for raw materials for cosmetics failed to recover mainly due to the economic slowdown in China, resulting in a year-on-year decline in sales.

As a result, consolidated net sales for the fiscal year under review amounted to ¥182,046 million, a 22.1% year-on-year decrease.

Regarding profit and loss, consolidated gross profit decreased 17.1% to ¥26,833 million, and consolidated selling, general and administrative expenses decreased 2.4% to ¥19,196 million. As a result, consolidated operating profit decreased 39.9% to ¥7,636 million; consolidated ordinary profit decreased 42.6% to ¥6,912 million; and profit attributable to owners of parent decreased 42.0% to ¥5,175 million.

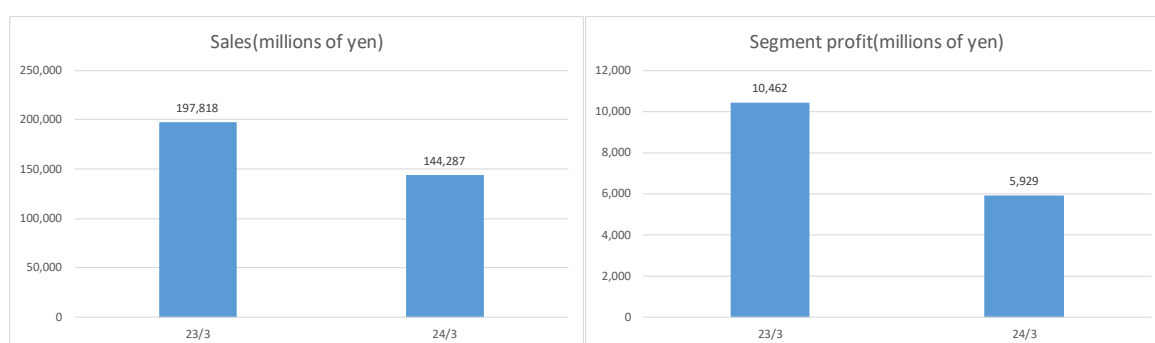
Furthermore, EPS amounted to ¥276.20, a decrease of ¥194.32 from the previous fiscal year.

In terms of the indicators used to determine profitability and capital efficiency, for the fiscal year under review, the operating profit margin was 4.2% (5.4% in the previous fiscal year), return on assets (ROA) was 4.9% (8.7%), and return on equity (ROE) was 8.0% (14.2%).

[Electronic Components Business]

In the electronic components business, sales of ICs for vehicle-related uses remained strong, especially in Japan, but the electric vehicle (EV) market is beginning to show some signs of gloom, and demand has continued to be sluggish, especially for televisions etc., in the consumer-use equipment field, and for PCs and smartphones in the information communications and mobile field. Furthermore, in addition to lower revenue due to a change in the commercial distribution channel of products from a major semiconductor manufacturer, an impact of foreign exchange rates due to the yen's depreciation, which was a factor boosting consolidated gross profit in the previous fiscal year, has been relatively minor in the fiscal year under review.

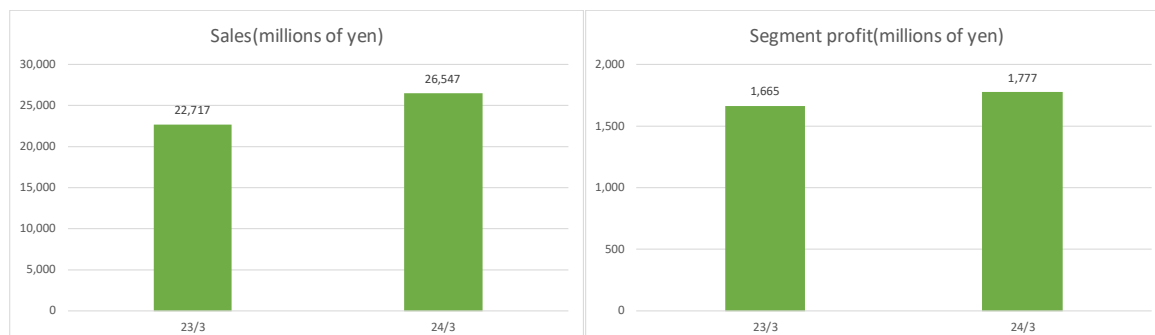
As a result, net sales in this segment for the fiscal year under review decreased 27.1% year on year to ¥144,287 million, and segment profit decreased 43.3% to ¥5,929 million.



[Electronic and Electric Equipment Business]

In the electronic and electric equipment business, sales of vacuum and physics and chemistry-related equipment increased due to increased demand and shipments of orders received in the previous fiscal year. Sales of semiconductor-related products also increased due to shipments of orders received in the previous fiscal year and the delivery of equipment as some customers expanded their facilities.

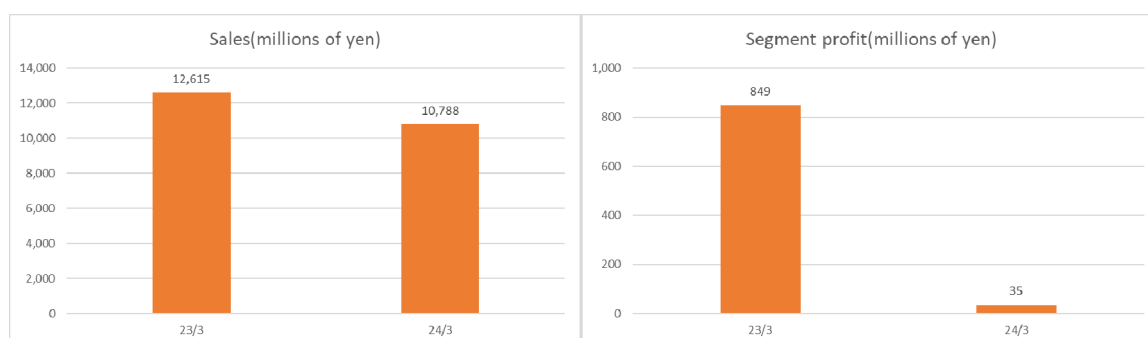
As a result, net sales in this segment for the fiscal year under review increased 16.9% year on year to ¥26,547 million, and segment profit increased 6.7% to ¥1,777 million.



[Industrial Chemicals Business]

In the industrial chemicals business, domestic sales in the oil refining and petrochemical segment were relatively strong, however product shipments to overseas markets declined due to oversupply, and demand remained stagnant in the pulp and paper field. In addition, sales of cosmetic bases declined year on year due to the lack of recovery in sales of mainstay raw materials for cosmetics resulting from stagnation in the Chinese economy, as well as the rise of domestic-brand cosmetics in China.

As a result, net sales in this segment for the fiscal year under review decreased 14.5% year on year to ¥10,788 million, and segment profit decreased 95.8% to ¥35 million.



[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 11.8% year on year to ¥1,090 million, and segment profit decreased 82.8% to ¥35 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 decreased ¥8,609 million to ¥120,853 million, a year-on-year decrease of 6.7%. This was mainly attributed to an ¥11,562 million decrease in notes and accounts receivable - trade, and contract assets as a result of decreased net sales due to changes in commercial distribution channels.

Non-current assets increased ¥468 million to ¥16,905 million, a year-on-year increase of 2.9%. This was primarily due to a ¥575 million increase in intangible assets resulting from the investment in core system migration.

As a result of the above, total assets at the end of the fiscal year under review decreased ¥8,140 million to ¥137,759 million, a year-on-year decrease of 5.6%.

As for liabilities, current liabilities decreased ¥9,067 million to ¥58,706 million, a year-on-year decrease of 13.4%. This was primarily due to a ¥1,570 million decrease in notes and accounts payable - trade and a ¥4,130 million decrease in short-term borrowings associated with the decrease in operating capital (inventory procurement).

Non-current liabilities decreased ¥1,143 million to ¥13,119 million, a year-on-year decrease of 8.0%. This was primarily due to a ¥1,634 million decrease in long-term borrowings.

As a result of the above, total liabilities at the end of the fiscal year under review decreased ¥10,211 million to ¥71,825 million, a year-on-year decrease of 12.4%.

Net assets increased ¥2,070 million to ¥65,933 million, a year-on-year increase of 3.2%. This was primarily due to a ¥1,910 million increase in foreign currency translation adjustment resulting from fluctuations in the exchange rate.

(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 ¥8,712 million, net cash provided by investing activities amounted to ¥876 million, and net cash used in financing activities amounted to ¥11,451 million. The effect of an exchange rate change on cash and cash equivalents increased ¥680 million. As a result, cash and cash equivalents at the end of the fiscal year under review decreased ¥1,182 million year on year to ¥15,568 million.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥8,712 million. The principal sources of cash were ¥7,439 million in profit before income taxes and a ¥15,682 million decrease in trade receivables, while uses of cash included a ¥7,040 million increase in inventories. In the previous fiscal year, there was a ¥3,382 million expenditure due primarily to a ¥7,864 million increase in trade receivables.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to ¥876 million due primarily to ¥2,040 million of proceeds from sale of investment securities. In the previous fiscal year, there was a ¥300 million expenditure due primarily to a ¥459 million purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥11,451 million due primarily to ¥6,900 million of repayments of short-term borrowings (net) and ¥5,612 million of dividends paid. In the previous fiscal year, net cash provided by financing activities totaled ¥1,314 million, primarily as a result of a ¥7,400 million proceeds from short-term borrowings (net).

VI. Corporate Data

Basic Information (as of March 31, 2024)

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:	1,203 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 25, 2024)

President & Chief Executive Officer (Representative Director)	Tamaki Miyashita
Director, V.P. & Executive Managing Officer	Nobuhito Shintoku
Director, V.P. & Managing Officer	Yugo Ishishita
Director, V.P. & Managing Officer	Ken Ebihara
Director, V.P. & Managing Officer	Tsutomu Matsuura
Director, V.P. & Managing Officer	Hideki Takahashi
Director	Ichiro Takayama
Director*	Tomohiro Murata
Director*	Akira Minamikawa
Director*	Shigenori Oyama
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, 2024)

Total number of authorized shares:	54,000,000 shares
Total number of issued shares:	23,137,213 shares
Number of shareholders:	25,630

Major shareholders (Top 10)

Name	Number of shares held (Thousands of shares)	Shareholding ratio (excluding treasury shares) (%)
Takayama International Education Foundation	4,226.2	22.47
The Master Trust Bank of Japan, Ltd.	2,061.5	10.96
Ichiro Takayama	1,058.9	5.63
Ken Takayama	1,058.9	5.63
Ryutaro Takayama	1,058.8	5.63
Hakuto Employee Stock Ownership Plan	531.8	2.83
Custody Bank of Japan, Ltd.	456.2	2.43
SMBC Trust Bank Ltd.	241.0	1.28
STATE STREET BANK WEST CLIENT - TREATY 505234	102.1	0.54
(Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)		
JP MORGAN CHASE BANK 385794	83.1	0.44
(Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)		

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.	2,061.5 thousand shares
Custody Bank of Japan, Ltd.	456.2 thousand shares
SMBC Trust Bank Ltd.	241.0 thousand shares

2. In addition to the above, the Company holds 4,327,604 shares as treasury shares (excluding 7,900 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)	4,327,604 shares
Shareholding ratio	18.70%

* 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.