

July 31, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Hakuto Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7433
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(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	%
Three months ended June 30, 2025	40,337	(4.8)	869	(49.9)	719	(68.1)	659	(57.3)
June 30, 2024	42,380	(5.4)	1,734	(13.1)	2,257	30.6	1,543	-

Note: Comprehensive income For the three months ended June 30, 2025: ¥1,542 million [(47.9)%]
 For the three months ended June 30, 2024: ¥2,960 million [59.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	35.03	-
June 30, 2024	82.08	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	130,791	64,647	49.4	3,435.48
March 31, 2025	130,376	65,546	50.3	3,483.44

Reference: Equity
 As of June 30, 2025: ¥64,647 million
 As of March 31, 2025: ¥65,546 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	130.00	-	130.00	260.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		100.00		100.00	200.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	86,000	(4.2)	2,000	(50.2)	1,800	(52.9)	1,700	(34.1)	90.35
Fiscal year ending March 31, 2026	186,000	1.6	6,000	(24.2)	5,700	(22.2)	4,900	(4.5)	260.41

Note: Revisions to the earnings forecasts most recently announced: None

*

Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2025	21,137,213 shares
As of March 31, 2025	21,137,213 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	2,319,583 shares
As of March 31, 2025	2,320,518 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	18,816,966 shares
Three months ended June 30, 2024	18,808,131 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm:nothing

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. For the conditions on which earnings forecasts are based and precautions for using earnings forecasts, see "1. Qualitative Information on Financial Results for the this quarter (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

1. Qualitative information on quarterly consolidated financial results

From the first quarter of the consolidated cumulative period, we have changed the name of the Industrial Chemicals Business to the Chemical Business.

(1) Explanation of operating results

During the consolidated cumulative period of the first quarter, the global economy has become increasingly uncertain amid rapidly changing circumstances, such as U.S. tariff policies and corresponding countermeasures by its trading partners. In addition to the deterioration of corporate performance due to tariff policies, the rising geopolitical risks in regions such as Ukraine and the Middle East are also considered factors that are dragging down the real GDP growth rate.

Regarding the Japanese economy, although there are some concerns such as downward pressure on exports and companies postponing capital investment due to increased uncertainty in U.S. policies, including the Trump administration's tariff measures, there are also expectations for a moderate recovery in personal consumption. This is due to continued inbound demand, a partial slowdown in food price increases, the effects of lower crude oil prices and a stronger yen, as well as government measures against rising prices.

In the electronics industry, where our group develops its main businesses, the data center sector continues to thrive, driven by generative AI, and the power infrastructure sector also remained strong. Other areas showed some differences depending on the application, but there are rising expectations for a gradual recovery due to partial resolution of inventory adjustments for automotive and industrial equipment-related customers, as well as replacement demand for PCs.

Under these circumstances, in our group's electronic components business, sales decreased year-on-year due to sluggish sales in automotive-related fields and continued inventory adjustments by customers in the industrial equipment sector. On the other hand, in the electronics and electrical equipment business, sales increased year-on-year, mainly due to continued strong performance in vacuum scientific equipment for semiconductor factories and scientific research. In the chemical business, although demand for cosmetics showed signs of recovery, sales decreased year-on-year due to declining demand in fields such as petrochemicals and pulp & paper.

Under such circumstances, consolidated net sales for the first quarter cumulative period amounted to ¥40,337 million, a decrease of 4.8% compared with the same period of the previous year.

Regarding profit and loss for the first quarter cumulative period, consolidated gross profit decreased 8.8% to ¥5,748 million due to a decline in the gross profit margin as a result of exchange rate fluctuations. Consolidated selling, general and administrative expenses amounted to ¥4,878 million, an increase of 6.8%. As a result, consolidated operating profit decreased 49.9% to ¥869 million, and ordinary profit decreased 68.1% to ¥719 million due to the recording of foreign exchange losses caused by currency fluctuations. Quarterly net income attributable to owners of the parent decreased 57.3% to ¥659 million. In addition, quarterly net income per share was ¥35.03, a decrease of ¥47.05 compared to the same period of the previous year.

An overview of each reportable segment is as follows.

[Electronic Components Business]

In the electronic components business, sales decreased for automotive-related applications due to a reactionary decline following bulk sales to major customers in the latter half of the previous year and sluggish overseas sales. In the industrial equipment sector, weak demand overseas, especially in the Chinese market, and prolonged inventory adjustments by customers resulted in continued sluggishness.

As a result, net sales for the first quarter consolidated cumulative period decreased 9.9% to ¥31,359 million, and segment profit decreased 67.1% to ¥521 million due to decreased profits resulting from lower sales and the impact of exchange rates.

[Electronics and Electrical Equipment Business]

In the electronics and electrical equipment business, a review of capital investment in power semiconductor factories due to worsening market conditions for electric vehicles (EVs) led to delays in the adoption of laser equipment for EV batteries. On the other hand, demand remained strong in the vacuum-related field, where environmental measurement devices for semiconductor factories and analytical instruments for scientific use continued to perform well.

As a result, net sales for the first quarter consolidated cumulative period increased 14.4% to ¥5,341 million, and segment profit increased 227.8% to ¥418 million.

[Chemical Business]

In the chemical business, demand fell due to surplus supply of Chinese products in the petrochemical industry, prompting domestic companies to consider plant integration and reorganization. Sales to the paper manufacturing industry were also below plan, reflecting a drop in factory operating rates. On the other hand, in the cosmetics sector, sales increased thanks to a recovery in demand from European and American cosmetics manufacturers. However, the growth of domestic brands in Asian countries is also accelerating, and there are concerns about its impact.

As a result, net sales for the first quarter consolidated cumulative period decreased 1.2% to ¥2,737 million, but segment profit increased 234.2% to ¥151 million due to a recovery in sales of cosmetic ingredients.

[Other Businesses]

In other businesses, in addition to our contract business for overall operations and logistics management and our solar power generation business, we have also engaged in contract analysis and evaluation testing services such as material surveys starting from the second half of the previous fiscal year. As a result, net sales for the first quarter consolidated cumulative period increased 304.1% to ¥1,000 million due to the addition of the contract analysis and evaluation testing business. However, segment loss was ¥370 million (compared to segment profit of ¥7 million in the same period of the previous year) due to the recording of periodic inspection costs in the solar power generation business.

(2) Explanation Regarding Financial Position

Status of Assets, Liabilities, and Net Assets

As of the end of the first quarter of the consolidated fiscal period, current assets decreased by ¥350 million (0.3%) compared to the end of the previous consolidated fiscal year, to ¥109,182 million. This was mainly due to an increase of ¥2,364 million in merchandise and finished goods, while notes and accounts receivable - trade, and contract assets decreased by ¥2,581 million.

Non-current assets increased by ¥765 million (3.7%) compared to the end of the previous consolidated fiscal year, totaling ¥21,608 million. This was mainly because investment securities increased by ¥1,116 million due to higher market prices of held stocks.

As a result, total assets as of the end of the first quarter increased by ¥415 million (0.3%) over the previous consolidated fiscal year end, to ¥130,791 million.

On the liabilities side, current liabilities increased by ¥2,596 million (5.5%) from the end of the previous consolidated fiscal year, reaching ¥49,793 million. This was mainly due to an increase of ¥2,722 million in notes and accounts payable - trade.

Non-current liabilities decreased by ¥1,281 million (7.3%) compared to the end of the previous consolidated fiscal year, totaling ¥16,350 million. This was mainly because long-term borrowings decreased by ¥1,593 million.

As a result, total liabilities as of the end of the first quarter were ¥66,143 million, a ¥1,314 million (2.0%) increase from the end of the previous consolidated fiscal year.

Net assets stood at ¥64,647 million as of the end of the first quarter, a decrease of ¥899 million (1.4%) compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥808 million in valuation difference on available-for-sale securities reflecting higher market price of held stocks, offset by a decrease of ¥1,786 million in retained earnings due to dividends, etc.

Cash Flows

Regarding consolidated cash flows for the first quarter cumulative period, net cash provided by operating activities was ¥4,430 million, net cash provided by investing activities was ¥175 million, and net cash used in financing activities was ¥3,732 million. Including an increase in cash and cash equivalents by ¥88 million due to exchange rate translation, cash and cash equivalents at the end of the quarter increased by ¥961 million from the end of the previous consolidated fiscal year, amounting to ¥15,891 million.

(Cash Flows from Operating Activities)

For the first quarter cumulative period, despite a decrease of ¥2,438 million due to an increase in inventories, a decrease of ¥3,384 million in notes and accounts receivable - trade, led to net cash provided by operating activities of ¥4,430 million. For reference, in the corresponding quarter of the previous year, there was a net outflow of ¥1,207 million, mainly due to an increase in inventories of ¥3,429 million.

(Cash Flows from Investing Activities)

For the first quarter cumulative period, net cash provided by investing activities was ¥175 million, mainly due to proceeds from the sale of investment securities of ¥284 million. In the corresponding period of the previous year, there was a net outflow of ¥448 million, mainly due to the purchase of property, plant and equipment amounting to ¥233 million.

(Cash Flows from Financing Activities)

For the first quarter cumulative period, net cash used in financing activities was ¥3,732 million, mainly due to dividends paid of ¥2,316 million. In the corresponding period of the previous year, there was a net outflow of ¥826 million, mainly due to dividends paid of ¥2,633 million.

(3) Explanation Regarding Future Forecasts such as Consolidated Earnings Forecasts

As for the future outlook, while uncertainty continues due to issues such as U.S. tariffs and exchange rate fluctuations, business performance in the first quarter consolidated cumulative period progressed largely as expected, so there is no change to the earnings forecast for the second quarter cumulative period and the full fiscal year announced on April 30, 2025. Should any changes to performance forecasts arise in the future, we will make appropriate disclosures.

Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	14,929	15,891
Notes and accounts receivable - trade, and contract assets	39,696	37,114
Electronically recorded monetary claims - operating	6,098	5,290
Merchandise and finished goods	42,854	45,219
Work in process	83	142
Raw materials and supplies	1,546	1,395
Other	4,391	4,180
Allowance for doubtful accounts	(67)	(50)
Total current assets	109,532	109,182
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,179	1,160
Machinery and equipment, net	1,310	1,245
Land	3,053	3,053
Other, net	1,444	1,332
Total property, plant and equipment	6,988	6,792
Intangible assets		
Goodwill	3,028	2,945
Other	1,596	1,525
Total intangible assets	4,625	4,470
Investments and other assets		
Investment securities	8,333	9,449
Deferred tax assets	447	451
Other	472	467
Allowance for doubtful accounts	(23)	(22)
Total investments and other assets	9,229	10,345
Total non-current assets	20,843	21,608
Total assets	130,376	130,791

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,863	18,586
Electronically recorded obligations - operating	1,708	1,237
Short-term borrowings	19,598	19,898
Lease liabilities	313	233
Income taxes payable	1,292	709
Provision for bonuses	2,538	900
Provision for bonuses for directors (and other officers)	75	-
Provision for product warranties	12	12
Other	5,795	8,215
Total current liabilities	47,196	49,793
Non-current liabilities		
Long-term borrowings	15,218	13,625
Lease liabilities	152	184
Deferred tax liabilities	1,541	1,749
Provision for retirement benefits for directors (and other officers)	59	55
Retirement benefit liability	279	349
Other	380	386
Total non-current liabilities	17,632	16,350
Total liabilities	64,829	66,143
Net assets		
Shareholders' equity		
Share capital	8,100	8,100
Capital surplus	2,532	2,534
Retained earnings	49,375	47,588
Treasury shares	(4,746)	(4,744)
Total shareholders' equity	55,261	53,479
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,569	5,377
Deferred gains or losses on hedges	(13)	12
Foreign currency translation adjustment	5,557	5,603
Remeasurements of defined benefit plans	171	174
Total accumulated other comprehensive income	10,285	11,168
Total net assets	65,546	64,647
Total liabilities and net assets	130,376	130,791

Quarterly consolidated statement of income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	42,380	40,337
Cost of sales	36,075	34,589
Gross profit	6,304	5,748
Selling, general and administrative expenses		
Salaries and allowances	1,312	1,453
Provision for bonuses	739	660
Retirement benefit expenses	112	174
Other	2,405	2,589
Total selling, general and administrative expenses	4,570	4,878
Operating profit	1,734	869
Non-operating income		
Interest income	9	9
Dividend income	15	15
Foreign exchange gains	442	-
Penalty income	-	42
Share of profit of entities accounted for using equity method	3	6
Other	114	35
Total non-operating income	585	109
Non-operating expenses		
Interest expenses	59	79
Loss on sale of trade receivables	1	2
Foreign exchange losses	-	174
Other	1	1
Total non-operating expenses	62	258
Ordinary profit	2,257	719
Extraordinary income		
Gain on sale of non-current assets	1	-
Gain on sale of investment securities	-	252
Total extraordinary income	1	252
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	2,258	971
Income taxes	714	312
Profit	1,543	659
Profit attributable to owners of parent	1,543	659

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	1,543	659
Other comprehensive income		
Valuation difference on available-for-sale securities	362	808
Deferred gains or losses on hedges	(122)	26
Foreign currency translation adjustment	1,171	45
Remeasurements of defined benefit plans, net of tax	4	2
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	1,416	883
Comprehensive income	2,960	1,542
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,960	1,542

Quarterly consolidated statement of cash flows

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,258	971
Depreciation	291	318
Amortization of goodwill	-	79
Increase (decrease) in provision for bonuses	(1,568)	(1,640)
Increase (decrease) in allowance for doubtful accounts	(1,246)	(14)
Interest and dividend income	(24)	(24)
Interest expenses	59	79
Share of loss (profit) of entities accounted for using equity method	(3)	(6)
Loss (gain) on sale and retirement of non-current assets	(1)	0
Loss (gain) on sale of investment securities	-	(252)
Increase (decrease) in accrued consumption taxes	(15)	(28)
Decrease (increase) in trade receivables	(142)	3,384
Decrease (increase) in inventories	(3,429)	(2,438)
Increase (decrease) in trade payables	(211)	2,226
Other, net	3,430	2,839
Subtotal	(602)	5,495
Interest and dividends received	40	34
Interest paid	(22)	(79)
Income taxes paid	(623)	(1,020)
Net cash provided by (used in) operating activities	(1,207)	4,430
Cash flows from investing activities		
Purchase of property, plant and equipment	(233)	(61)
Proceeds from sale of property, plant and equipment	1	-
Purchase of intangible assets	(145)	(41)
Purchase of investment securities	(65)	(4)
Proceeds from sale of investment securities	-	284
Other, net	(6)	(2)
Net cash provided by (used in) investing activities	(448)	175
Cash flows from financing activities		
Proceeds from short-term borrowings	58,200	44,800
Repayments of short-term borrowings	(54,400)	(44,400)
Repayments of lease liabilities	(110)	(125)
Repayments of long-term borrowings	(1,905)	(1,693)
Purchase of treasury shares	-	(0)
Proceeds from disposal of treasury shares	22	2
Dividends paid	(2,633)	(2,316)
Net cash provided by (used in) financing activities	(826)	(3,732)
Effect of exchange rate change on cash and cash equivalents	497	88
Net increase (decrease) in cash and cash equivalents	(1,986)	961
Cash and cash equivalents at beginning of period	15,568	14,929
Cash and cash equivalents at end of period	13,582	15,891

(Notes on segment information, etc.)

Segment information

1. Information of net sales and profit (loss) for each reportable segment

Three months ended June 30, 2024

(Millions of yen)

	Reportable segments				Total
	Electronic Components Business	Electronic and Electric Equipment Business	Chemical Business	Other Business	
Net sales	34,797	4,670	2,769	247	42,484
Segment profit (loss)	1,586	127	45	70	1,830

Three months ended June 30, 2025

(Millions of yen)

	Reportable segments				Total
	Electronic Components Business	Electronic and Electric Equipment Business	Chemical Business	Other Business	
Net sales	31,359	5,341	2,737	1,000	40,438
Segment profit (loss)	521	418	151	(370)	721

2. Difference between the total amount of reportable segments and the amount recorded in the quarterly consolidated financial statements and the details of such difference (matters concerning reconciliation)

(Millions of yen)

Net sales	Three months ended June 30, 2024	Three months ended June 30, 2025
Reportable segments total	42,484	40,438
Elimination of intersegment transactions	(104)	(100)
Net sales reported in the quarterly consolidated financial statements	42,380	40,337

(Millions of yen)

Profit	Three months ended June 30, 2024	Three months ended June 30, 2025
Reportable segments total	1,830	721
Other adjustments	(95)	147
Operating profit reported in the quarterly consolidated financial statements	1,734	869

3. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

Three months ended June 30, 2024

Significant impairment losses related to non-current assets

Not applicable.

Significant changes in the amount of goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

Three months ended June 30, 2025

Significant impairment losses related to non-current assets

Not applicable.

Significant changes in the amount of goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

Notes when there are significant changes in amounts of shareholders' equity

Not applicable.

Notes on premise of going concern

Not applicable.