

Medium-Term Management Plan Hakuto 2028

Hakuto Co.,Ltd.

April 30, 2025



TSE Prime | Securities code 7433

A background image showing a close-up of two hands shaking in a firm grip, symbolizing agreement or partnership. The hands are wearing light-colored, possibly white or cream, long-sleeved shirts. The background is blurred, showing other people in similar attire, suggesting a professional or business setting.

“We will become the irreplaceable enabler for accelerating client success

Improve the value provided (goods and services)
from the customer's viewpoint.
Play a central role in solving challenges and
supporting client success.



Part. 1

Review of the Previous Medium-Term Management Plan



Part. 2

New Medium-Term Management Plan Hakuto 2028



Part. 3

Business Strategy by Segment

Part. 1

Review of the Previous Medium-Term Management Plan

Review of the Previous Medium-Term Management Plan (Quantitative Aspects)

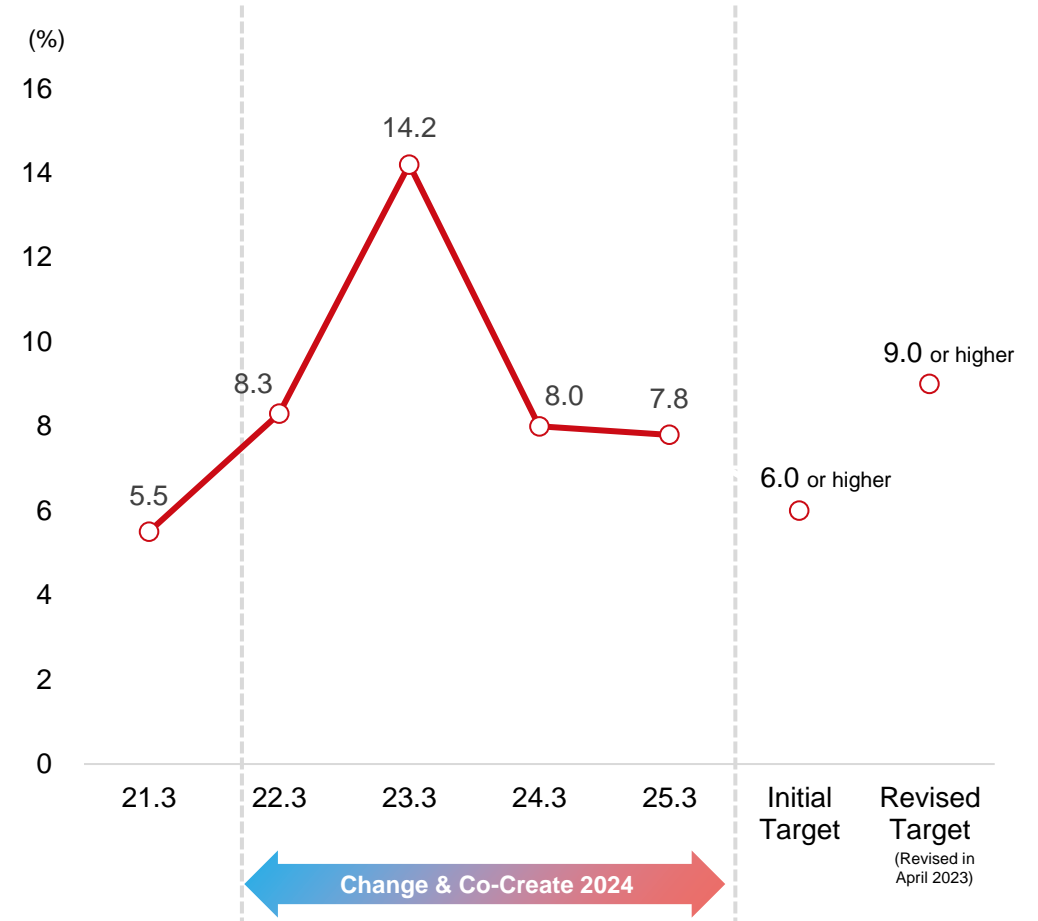
Exceeded the Initial Target from the First Year, Cleared the Revised Target Only for FY3/2023.

Operating income/Operating income margin

 = Foreign exchange impact



ROE



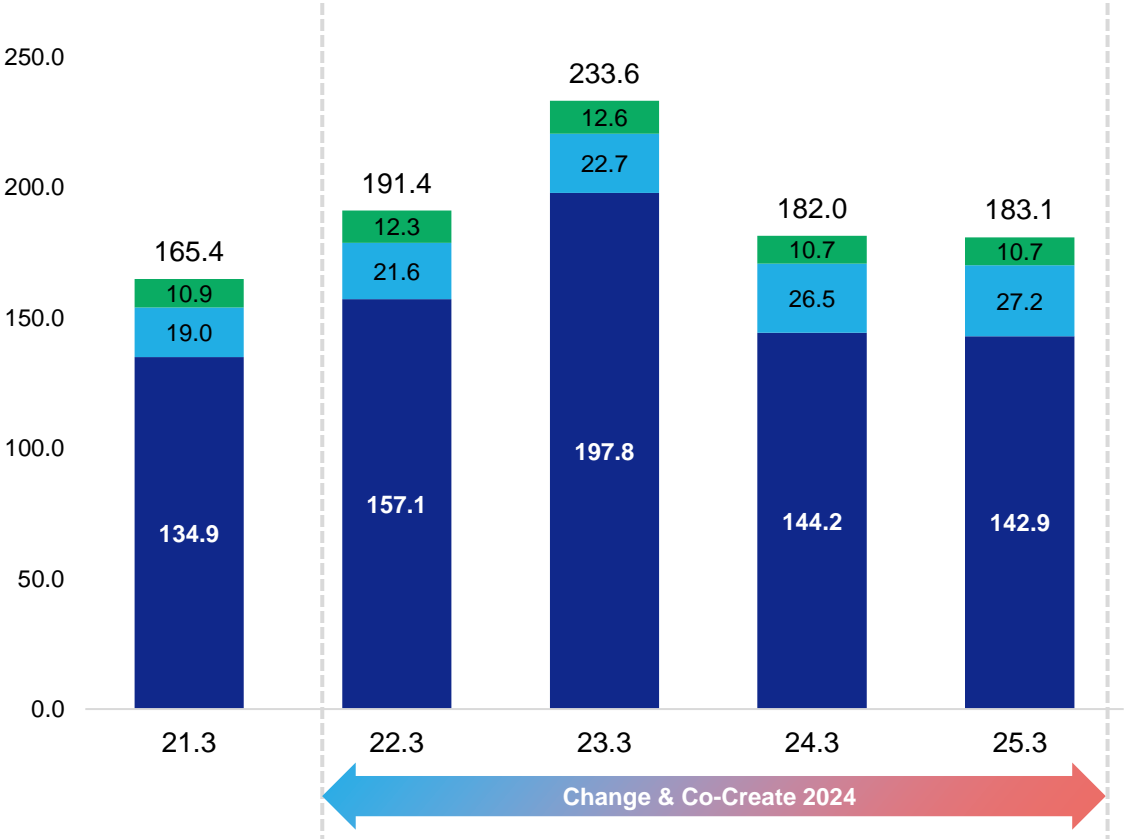
Review of the Previous Medium-Term Management Plan (Performance by Segment)

Electronic Components Leads Both Sales and Income, Against the Backdrop of Expanding Demand for Semiconductors

■ Electronic Components
 ■ Electronic and Electric Equipment
 ■ Industrial Chemicals ^(*1)
■ Others ^(*2)

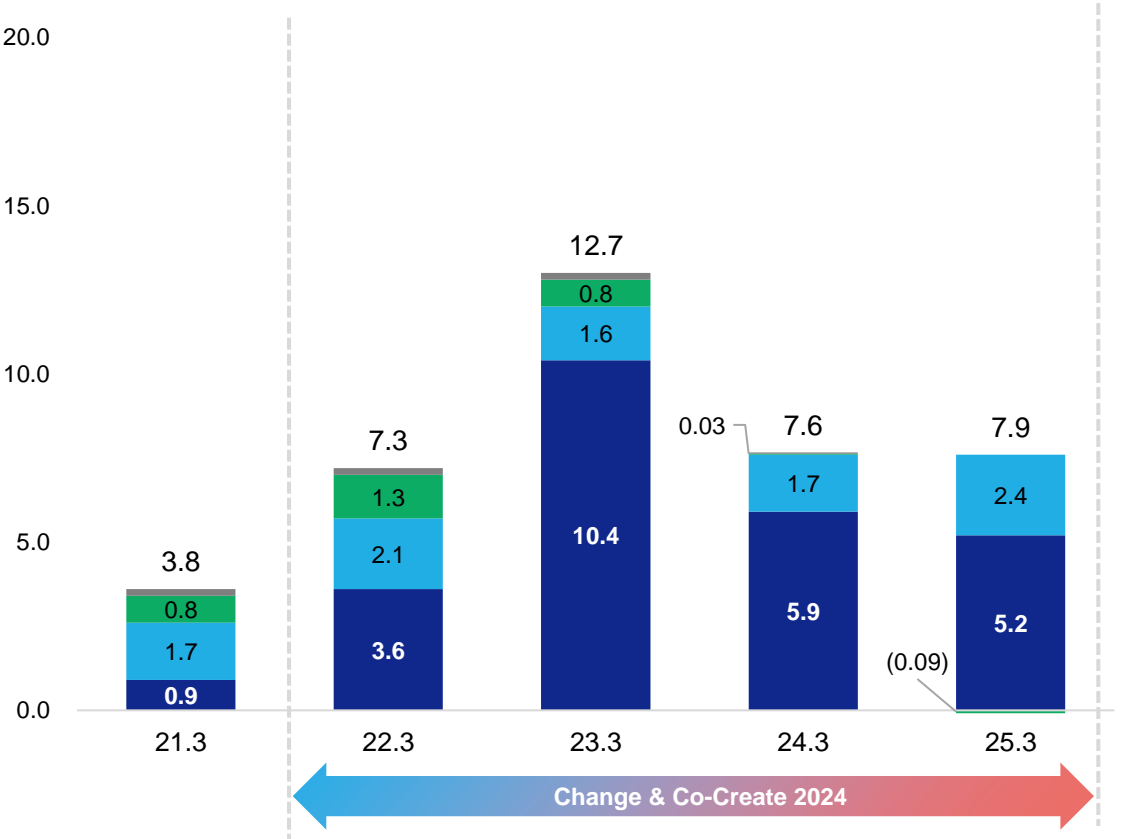
Net Sales

(billion yen)



Operating Income

(billion yen)



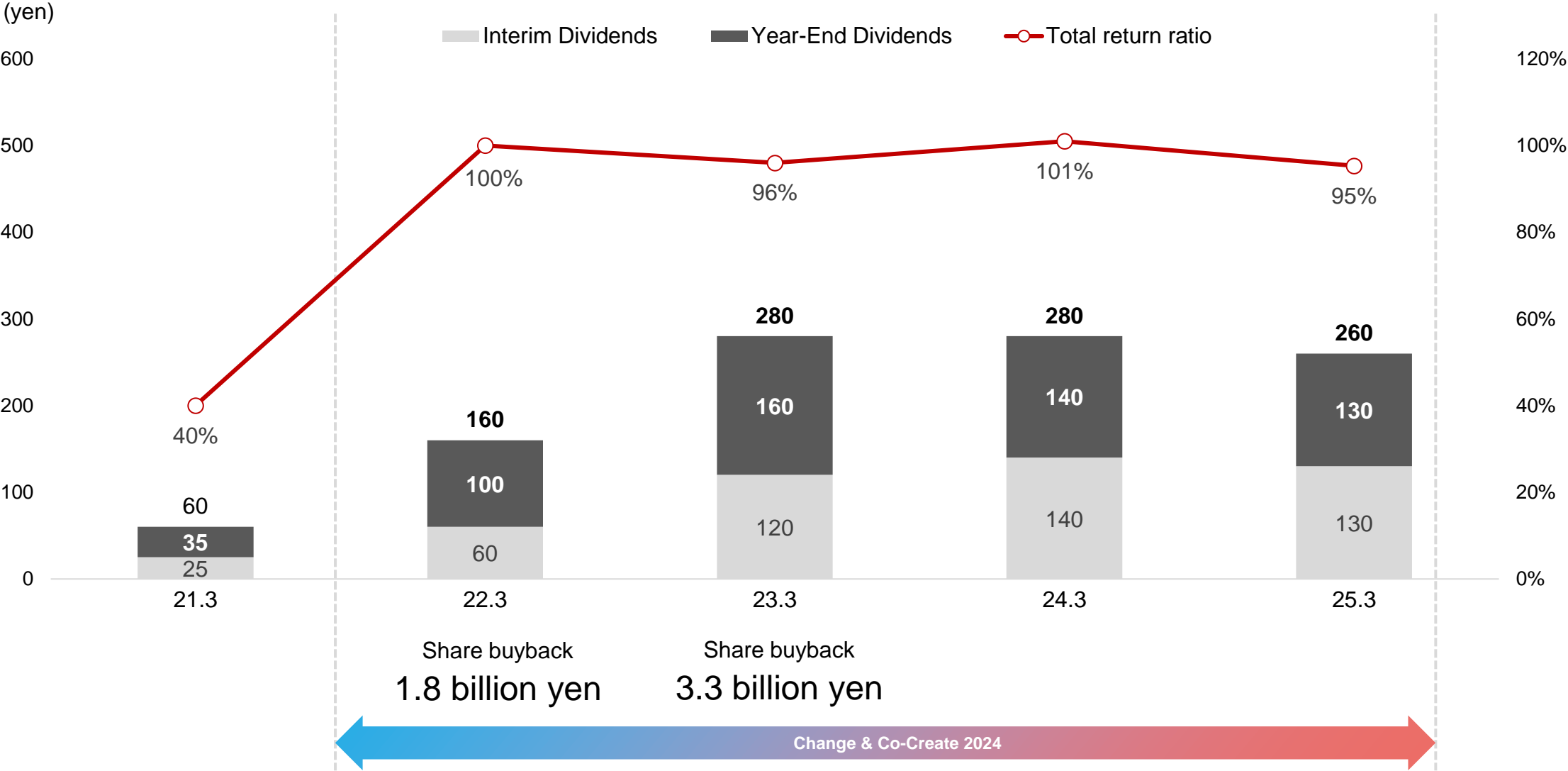
*1 Segment name will be changed to "Chemicals and Cosmetics" from FY3/2026.
 *2 Others: Photovoltaic generation

Review of the Previous Medium-Term Management Plan (Priority Strategies)

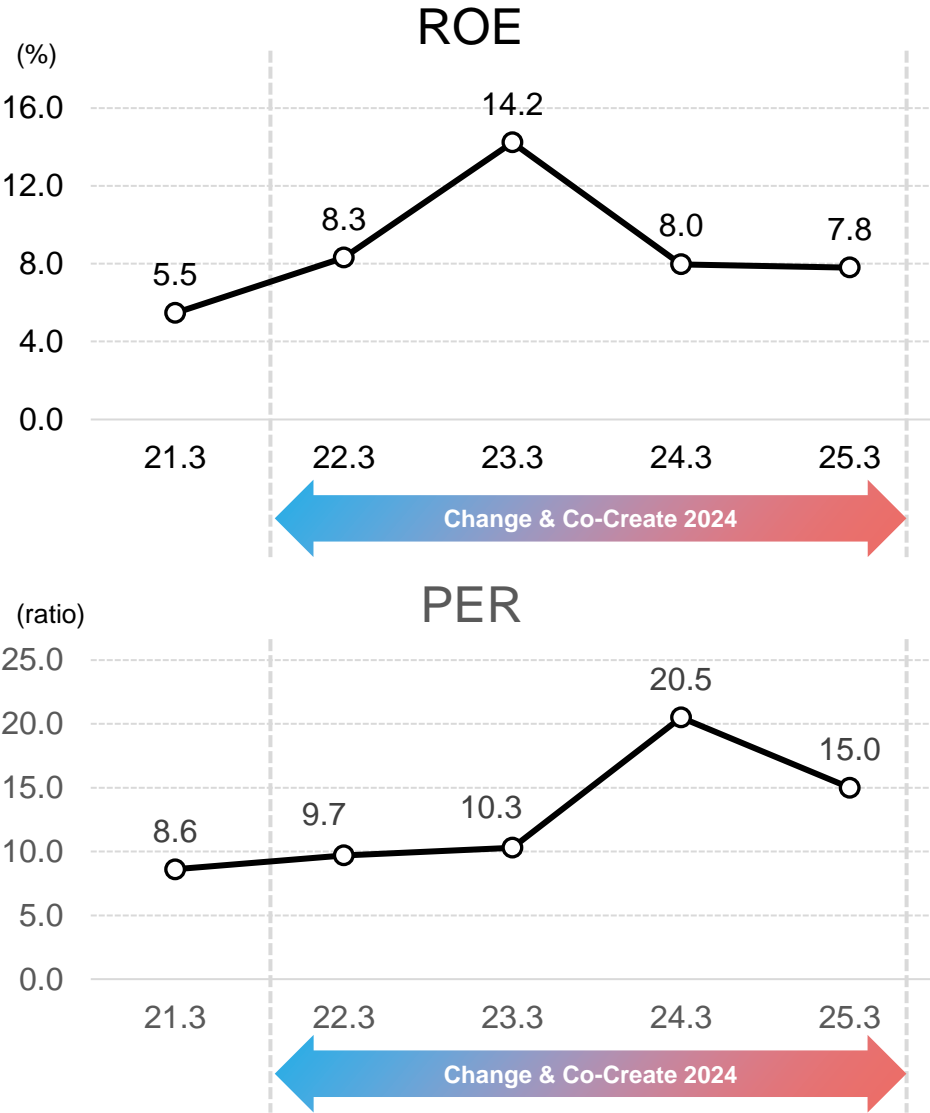
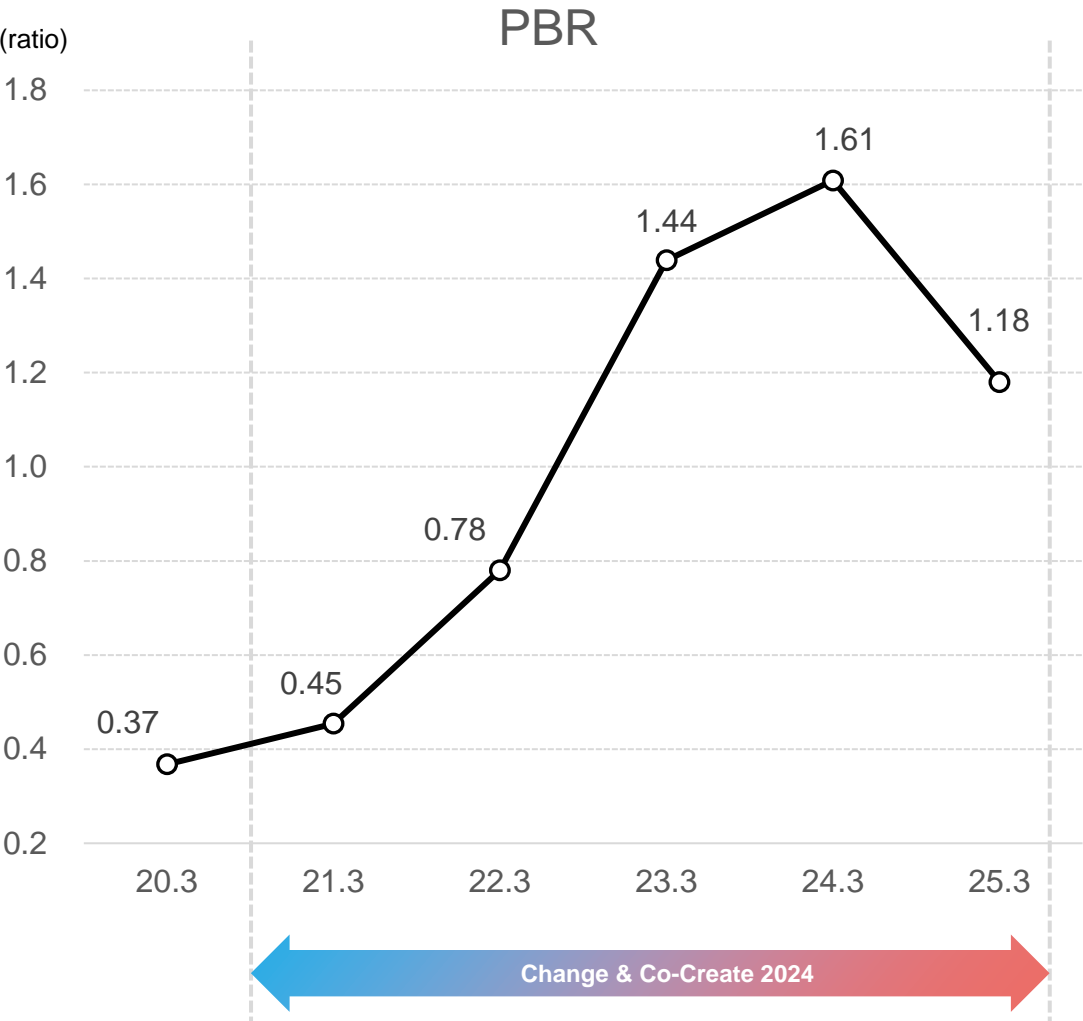
Priority Strategies	Level of Achievement	Initiatives and Results
Investment of resources in highly profitable businesses	○	<ul style="list-style-type: none"> Review of business portfolios in each business segment
Created value through cross-departmental information and technology collaboration	○	<ul style="list-style-type: none"> Expanded sales of AI/IoT solutions jointly with Semiconductor Devices & Chemicals and Cosmetics Started planting the seeds for the new Medium-Term Management Plan across business divisions and administrative divisions
DX strategy to accelerate the realization of business reforms	○	<ul style="list-style-type: none"> Back-end DX : Reduced approximately 900 hours of work time Obtained the “DX Certification” (certified by the Ministry of Economy, Trade and Industry) in March 2025
External collaborations and M&A	◎	<ul style="list-style-type: none"> In September 2024, acquired CLEARIZE Co., Ltd. as a subsidiary Expanded and strengthened materials and environmental analysis operations
Collaboration with external resources (Open Innovation)	○	<ul style="list-style-type: none"> In July 2024, entered into capital and business alliance with EneCoat Technologies Co., Ltd., and launched sales collaboration of perovskite solar cells

Shareholder Returns

Achieved 100% Total Return Ratio through Dividends and Share Buybacks As Per the Initial Basic Policy



Achieved PBR Greater than 1.0, Due to Earnings Growth and Aggressive Shareholder Returns



Part. 2

New Medium-Term Management Plan Hakuto 2028

Changes in the External Environment

The Pace of Change in the Environment is Accelerating Due to Continued and Growing Demand for Semiconductors and Heightened Awareness of Environmental & Energy Issues

Macro Environment

Dissemination and Expansion of AI Technology

Strategic Materialization of Semiconductors

Oil & Paper Reduction
Heightened Environmental Awareness

Various types of automation due to population decline

Globally High Commodity and Resource Prices

Automobiles Once in a Century Transformation

Opportunities

Semiconductors will continue to maintain high growth rates (CAGR >7%). Applications: automotive, industrial machinery, miscellaneous infrastructure, etc.

Continued high expectations for investment in domestic semiconductor manufacturing facilities

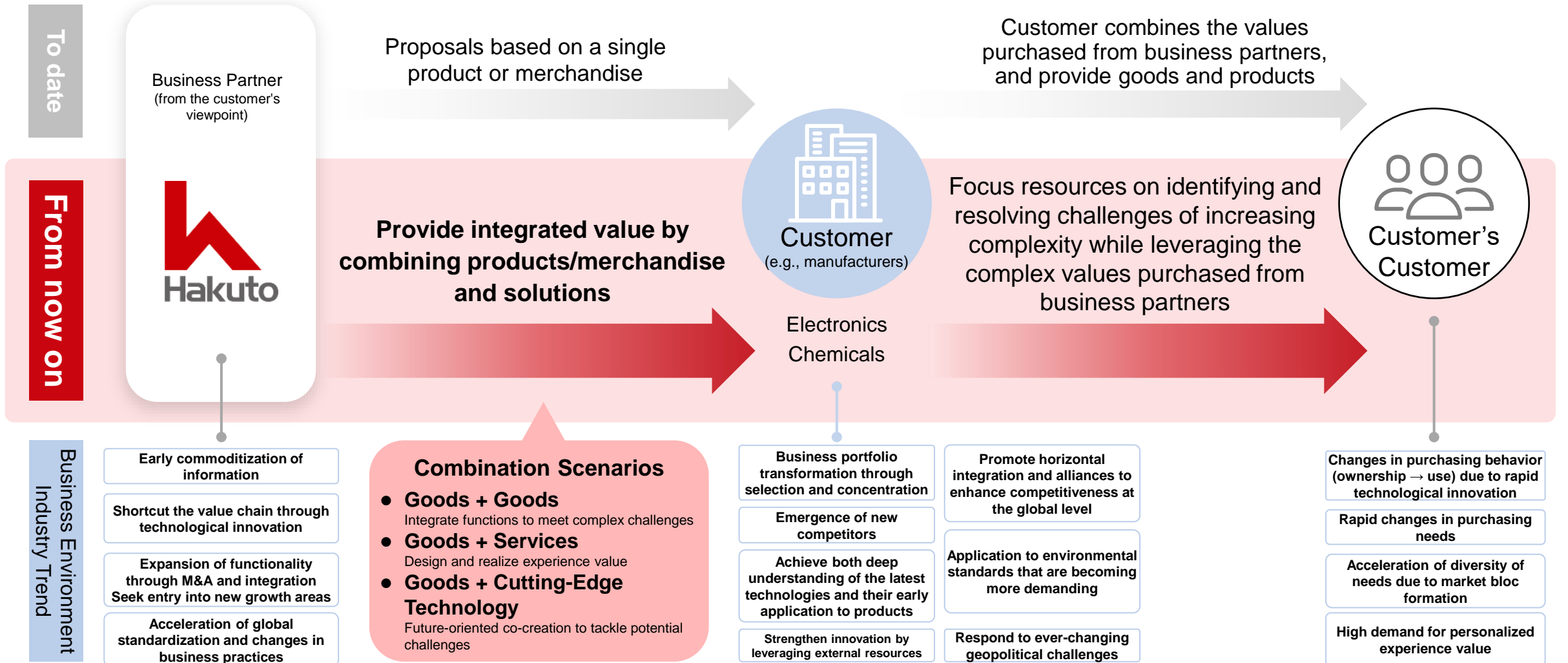
Creation of new business opportunities in the areas of alternative energy and environmental measures (water and air)

Risks

- Emergence of new competitors due to technological evolution
- Progressive commoditization and obsolescence of existing technologies and values
- The roles and functions required of trading companies in the semiconductor industry are changing. Their raison d'être is once again being called into question

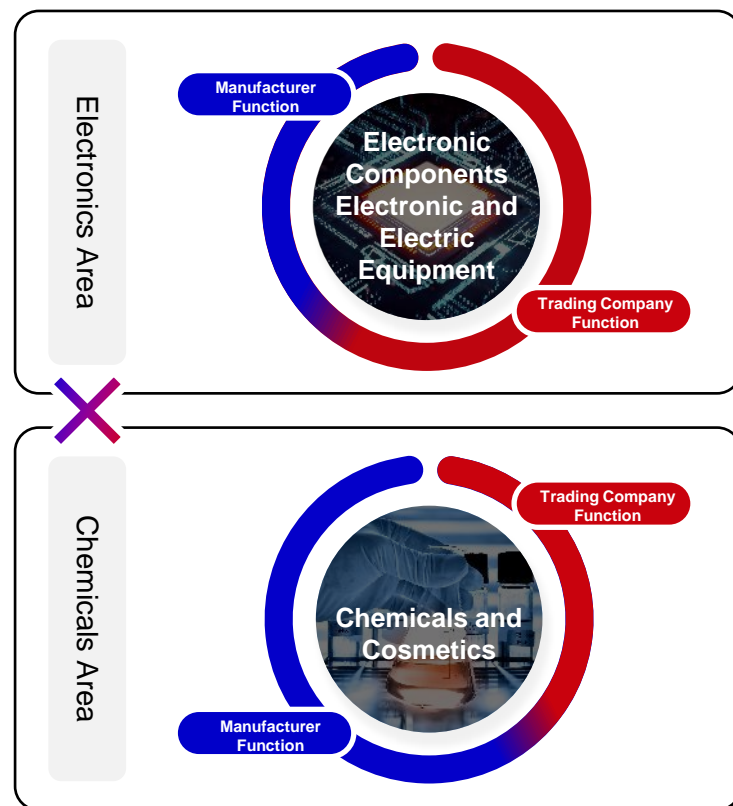
Changes in the Environment of our Customers and Our Role

Customers Facing More Complex Problems Demand More Integrated Value from Their Suppliers



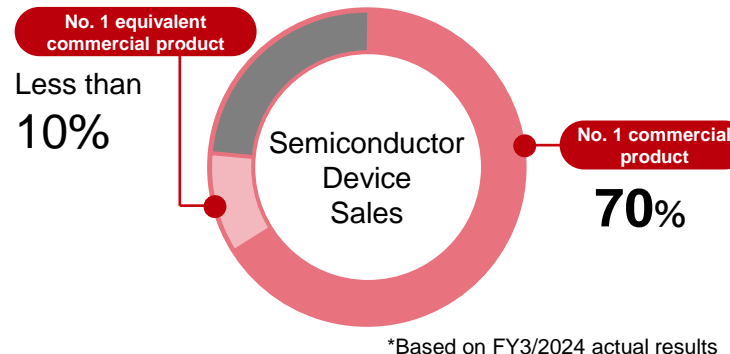
Two Areas x Two Functions

Responding to diverse customer needs with trading company and manufacturer functions in each of the two areas of electronics and chemicals



Strong Relationships with Suppliers

Assign dedicated teams to each supplier to build strong relationships. Cooperation and collaboration with suppliers and deep product understanding contribute to solving customer problems



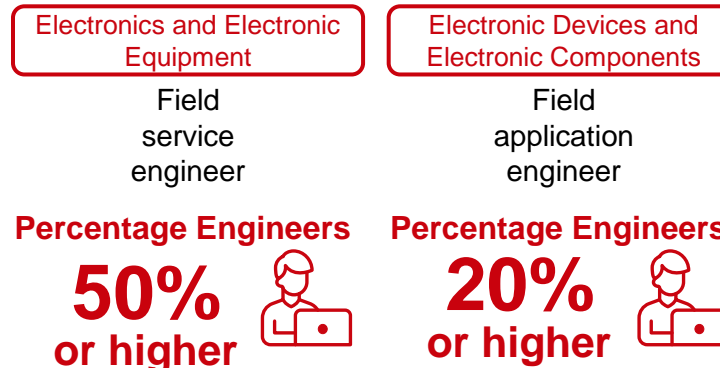
- There are many products for which we are the No. 1 distributor in Japan
- In semiconductor devices, about 80% of total sales are No. 1 and No. 1 equivalent commercial products

Independent Trading Company

Since its establishment, the company has established itself as an independent trading company specializing in electronics. We have the ability to build highly flexible relationships with both suppliers and customers, and to provide a wide range of products and solutions

Highly Specialized Technical Support

Provide consistent technical support both at home and abroad, from design and development to after-sales service, by personnel with the same level of technical capabilities and expertise as the manufacturer



- 65 years of experience in the semiconductor, scientific instruments and printed circuit board industries
- Provide a high service and quality system based on ISO 9001

Culture of Corporate Integrity

Our corporate culture is to be sincere in our dealings with our customers, suppliers, and other stakeholders. Customer satisfaction surveys show that many stakeholders appreciate the company's integrity.

Vision: What We Aim to Be by 2030

Pursuing Value that Only We Can Provide and Earning Unwavering Trust from Customers as an Irreplaceable Enabler

Our Mission

Unchanging Ideals

Through its sound business operations, Hakuto aims to contribute to the development of Japanese industries and global trade as well as to the welfare and peace of human society.

Shared Value

Values that are important to the organization and its employees in order to realize the vision

Thinking
in
Reverse

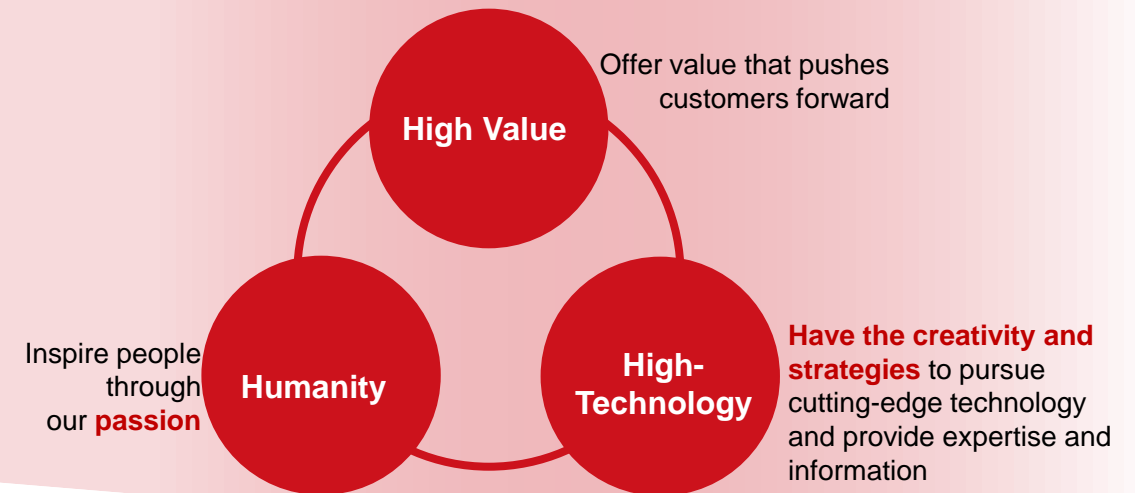
Being
Considerate
&
Lifting Each
Other UP

Leading the
Way in Making
Connections

Vision

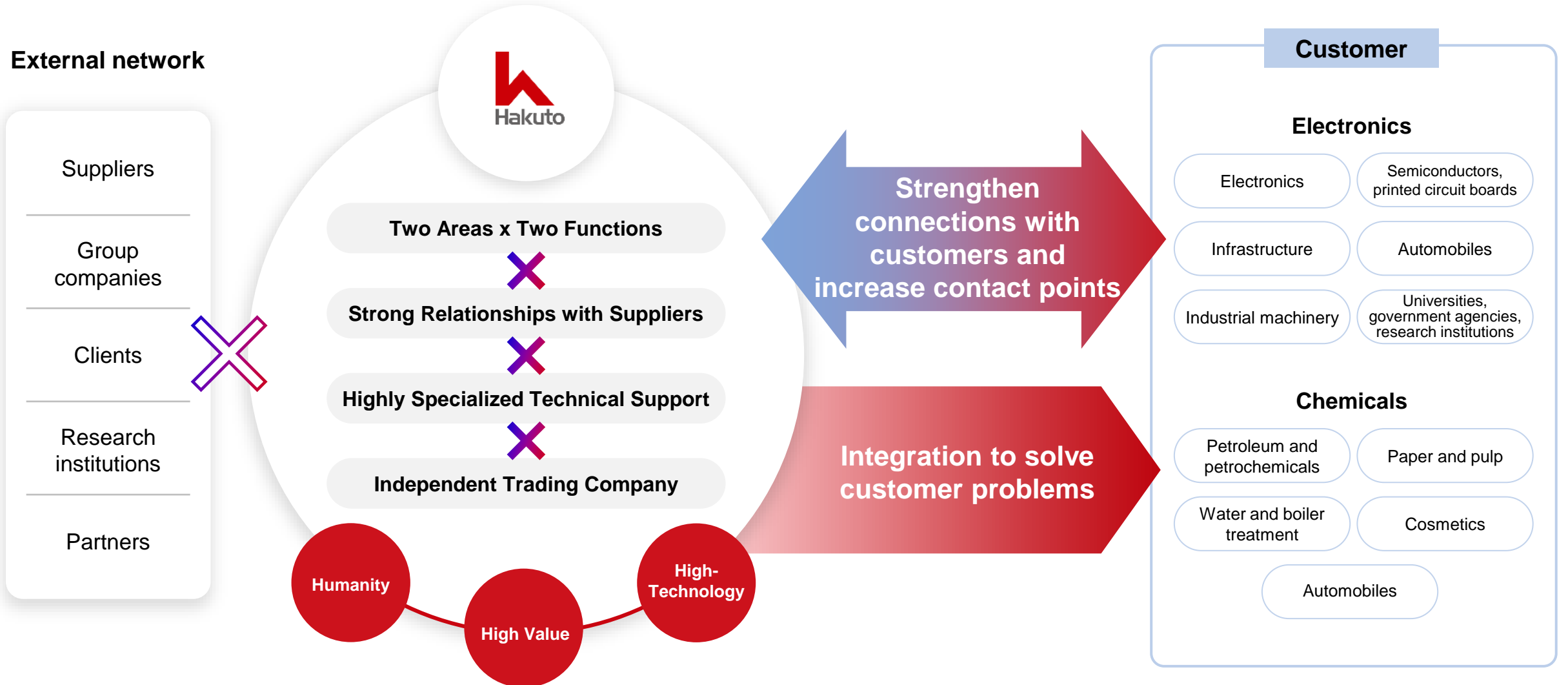
What We Aim to Be by 2030

We will become the irreplaceable enabler for accelerating client success



Enabler that Accelerates Client Success

Deepen customer connections, uncover latent needs, and deliver integrated value beyond internal and external boundaries



Previous Medium-term
Management Plan
Change & Co-Create 2024
April 2021 to March 2025

Transform the Business Structure

- Concentrated allocation of resources to highly profitable businesses
- Thoroughly streamlined low-profit businesses

Medium-Term Management Plan Hakuto 2028

April 2025 to March 2029

Initiatives to Increase Value with Customer-first Approach

- Combining and creating new value
- Secure human resources and invest in DX to accelerate business strategy
- Achieve both aggressive investment in growth and stable shareholder returns

What We Aim to Be by 2030

We will become the
irreplaceable enabler for
accelerating client success

Increase Growth and Profitability by Upgrading and integrating the Value Provided

Actual Results for the FY Ended March 2025

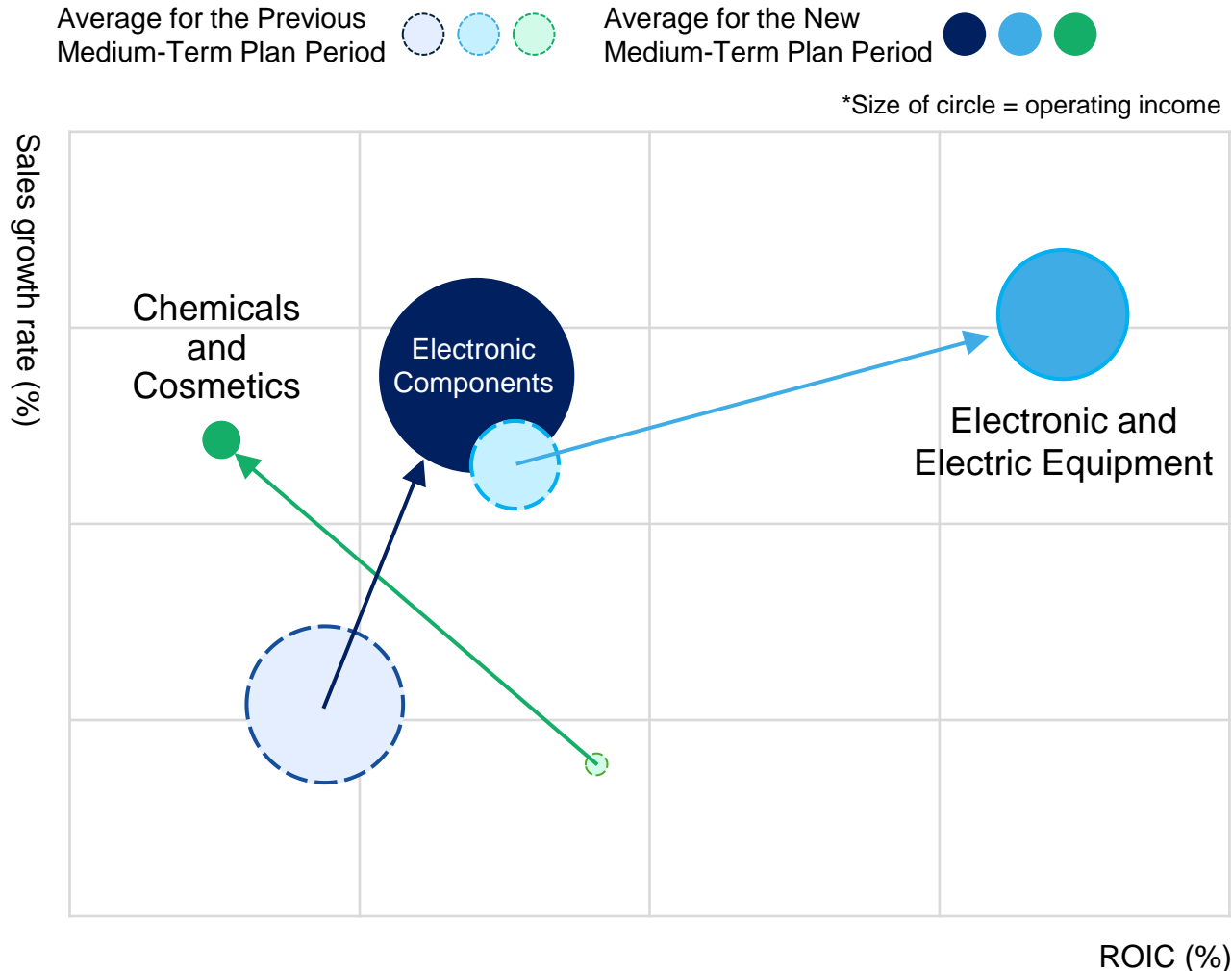
Targets for the FY Ending March 2029

Net Sales		183.1 billion yen	250 billion yen or higher
	Electronic Components	142.9 billion yen	185 billion yen
	Electronic and Electric Equipment	27.2 billion yen	43 billion yen
	Chemicals and Cosmetics ^(*1)	10.7 billion yen	17 billion yen
Operating Income Margin		3.8% (excluding exchange rate impact)	4.0% or higher (excluding exchange rate impact)
ROE		7.8%	10% or higher
Shareholder Returns		Total return ratio 95%	Dividend payout ratio 65-75% Plus lower limit of DOE 5% ^(*2)
Contribution of Growth Measures to Gross Margin		—	30%

*1 Segment name changed from Industrial Chemicals to Chemicals and Cosmetics (from FY 3/2026) *2 Dividend on Equity Ratio (DOE) = Total Dividends Paid / Net Assets

Portfolio Changes by Business Segment

Electronics Pursues Growth and Efficiency, Chemicals Makes Upfront Investment to Shift to Growth Areas



* Operating income is the actual (excluding foreign exchange impact) and the target for the final year of the Medium-Term Management Plan

Electronic Components

- In the new Medium-Term Management Plan, we expect sales to grow compared with the previous plan, through measures to deepen existing businesses
- We also expect ROIC to improve as working capital is reduced through investment in more efficient inventory management

Electronic and Electric Equipment

- High growth was achieved in the previous Medium-Term Management Plan, and we aim for growth in the new Medium-Term Management Plan by continuing to capture strong demand
- In the new Medium-Term Management Plan, we will further expand our portfolio, add more sophisticated value to our products and merchandise, and enhance value propositions
- Launch original (in-house) products and services invested in and developed in the previous plan, and reap the rewards

Chemicals and Cosmetics

- In FY2024, the final year of the previous Medium-Term Management Plan, the business was sluggish due to poor sales of cosmetic base materials
- Accelerate sales expansion by shifting resources to development of growth areas. Strengthen investment in new technology acquisition to change the product mix

Basic Policy

Work to Increase Value through Customer-first Approach

Business Strategy

**Integration Value,
and creating new business**

- Integrated solutions in response to customer problems
- Acceleration of creation and scaling of new business by company-wide organization
- Capturing new value through M&A and capital alliances

Strategy for Strengthening the Foundation

**Secure Human Resources and
Invest in DX to Accelerate Business
Strategy**

- Secure and develop human resources to realize enablers
- DX to increase both efficiency and value provided

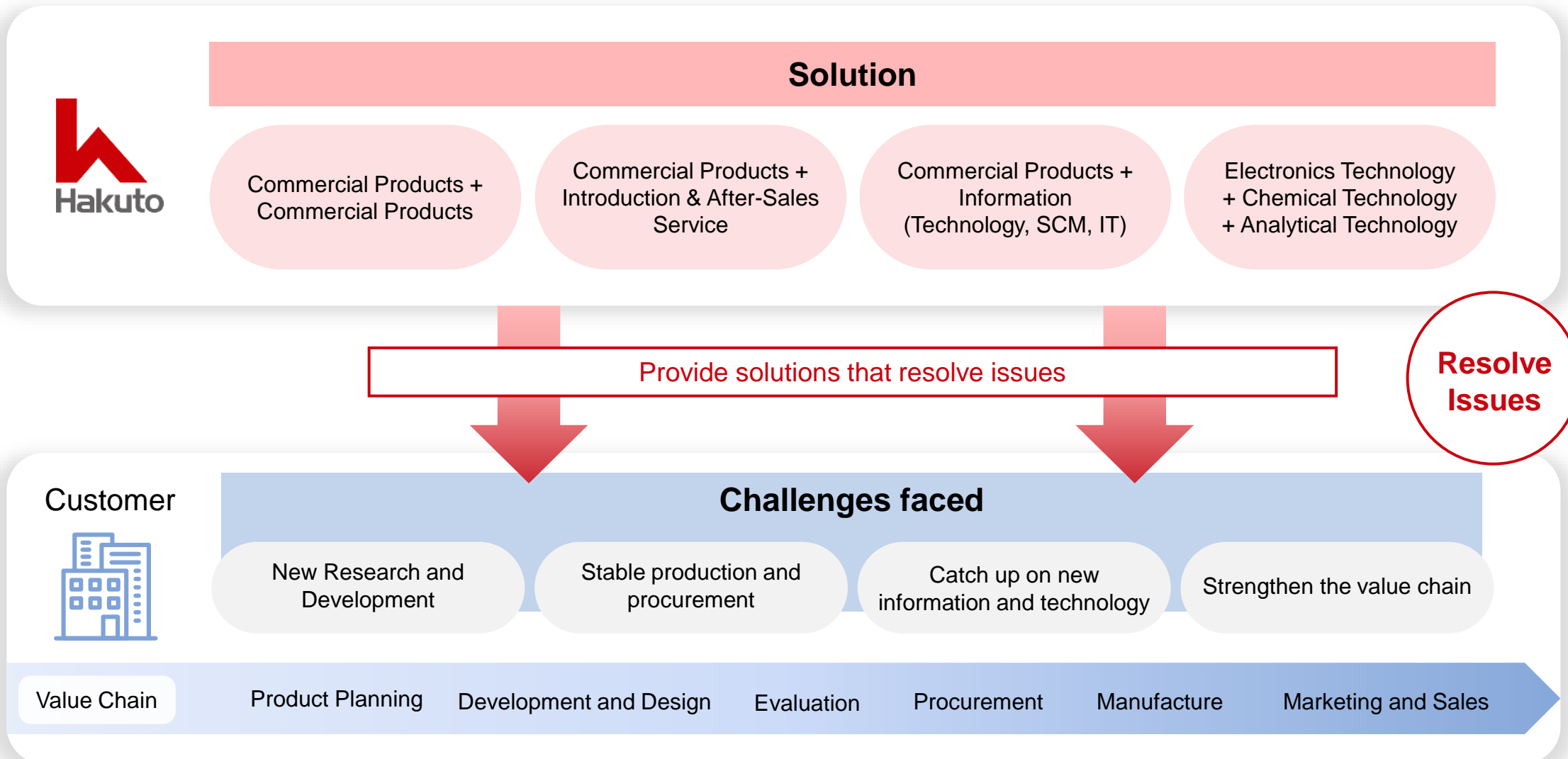
Financial and Capital Strategy

**Achieve both aggressive
investment in growth and stable
shareholder returns**

- Capital allocation focused on balancing growth and returns
- Promote management conscious of capital cost
- Stable shareholder returns by introduction of DOE

Integrated solutions in response to customer problems

Flexibly Combine Commercial Products, Services, and Technologies to Help Customers Develop Products and Strengthen Their Value Chains



Integrated solutions in response to customer problems

Commercial Products + Introduction & After-Sales Service

Develop Overseas Customers by Strengthening the Lineup of Semiconductor Package-Manufacturing Systems



Sell in-house developed products for package substrate
manufacturing both at home and abroad

Cumulative number of
units sold

Japan

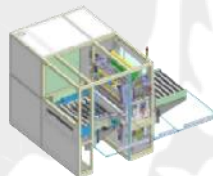
over **200** units

Overseas
(Taiwan, China, Korea)

Over **300** units



Stepper
LS-320HR



Laminator
Mach630NP



Preheater
THB Series



Dry cleaner
PTH Series



Substrate cooling
system
CCL Series

Future Initiatives

Expansion of the Product Lineup

Next-generation stepper	Wet blasting equipment
Next-generation laminator	Auto peeler for ABF
Non-contact dry cleaner	Via & pattern inspection
Hot plate drying furnace	DI exposure equipment
Two-fluid jet cleaner	EFEM-compatible material handling

Proposal of Equipment Plus Something Extra

Officially join the Semiconductor Assembly Test
Automation and Standardization Research
Association (SATAS) and become involved in
research and development

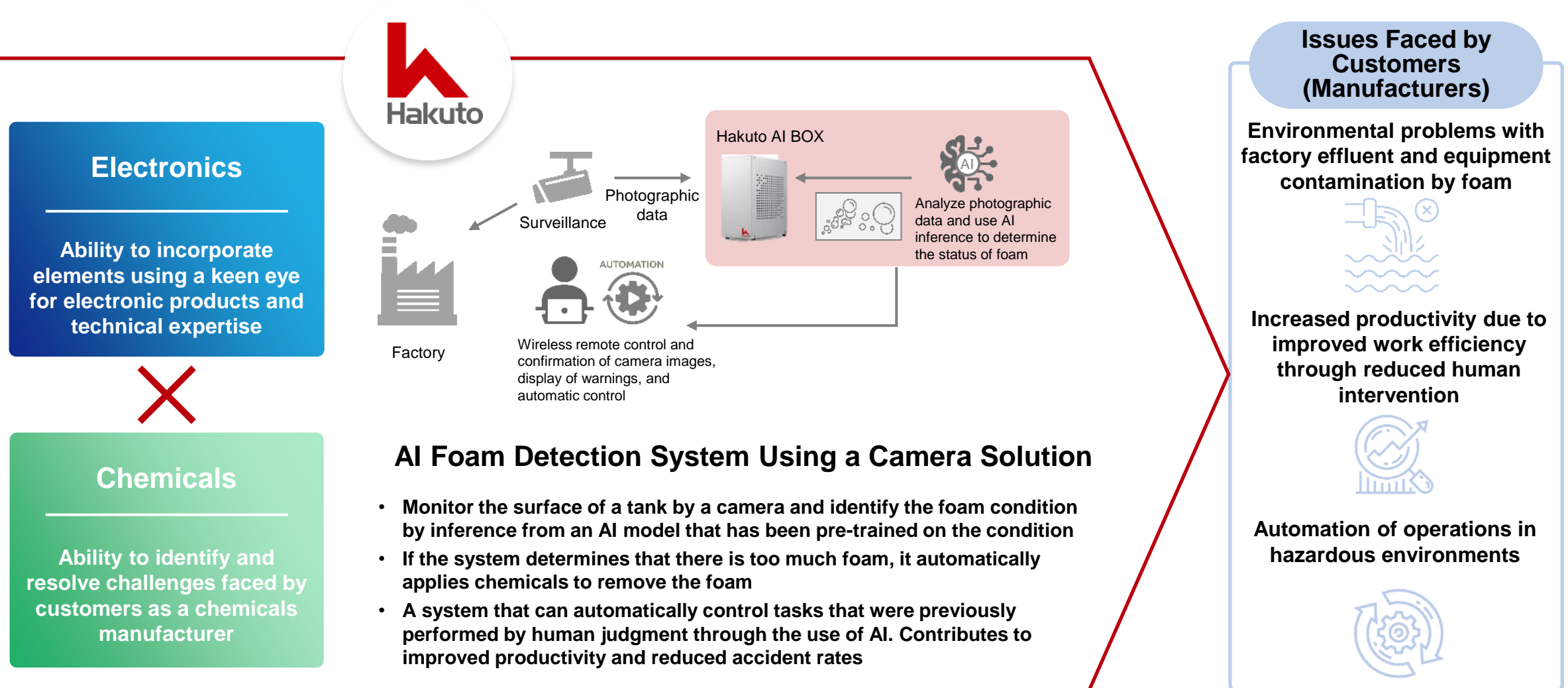
Aim to increase revenue per customer and acquire
new customers with a product lineup that includes
existing equipment plus something extra

**Strengthen
sales
expansion to
overseas
companies**

Integrated solutions in response to customer problems

Electronics Technology + Chemical Technology + Analytical Technology

Develop as a Solution for Factories Leveraging the Strengths of Electronics & Chemicals



Create and scale a new business accelerated company-wide

Establish a New Dedicated Organization Specializing in Business Development to Promote Emergence

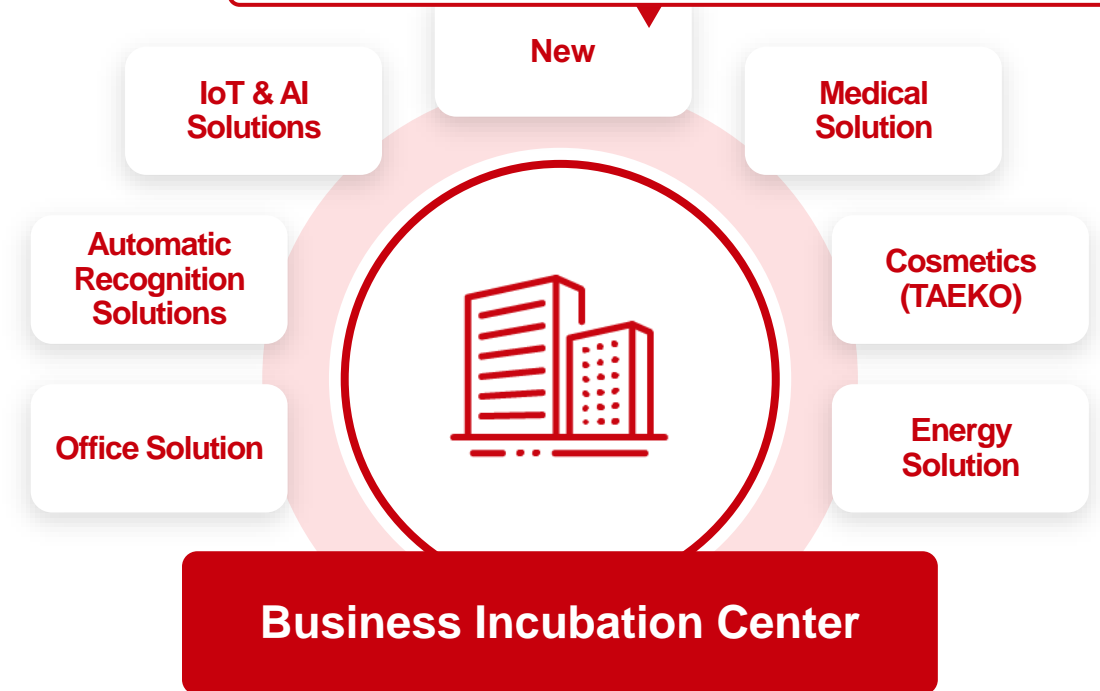
Current State

Business Segment		New Areas
Electronic Components	Device	IoT & AI solution
	Component	<ul style="list-style-type: none"> Automatic recognition solutions Office solution Energy solution
Electronic and Electric Equipment		Medical solution
Chemicals and Cosmetics		In-house brand cosmetics "TAEKO"

- Launch new businesses and inject resources in each business segment
- Challenges in sharing know-how

April 2025 ~

Facilitate the development of new solutions through emergence

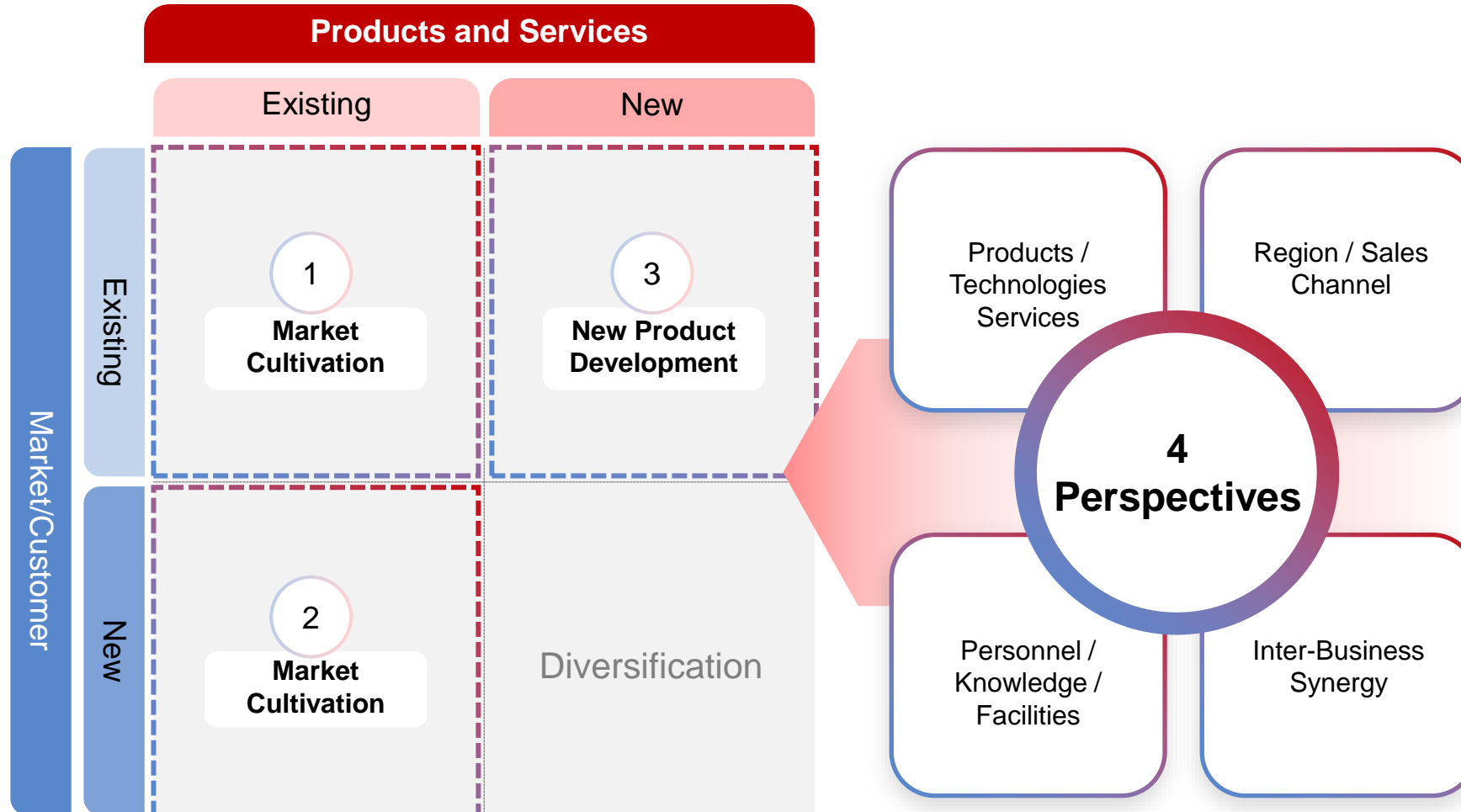


- Established a new "Business Incubation Center" dedicated to the development of new businesses. Personnel transferred from various business units to act as full-time personnel (approx. 40 people)
- Positioned as an organization responsible for R&D of the business. Promotes business development and solution development from a company-wide perspective. Share know-how mutually to promote emergence and development of new solutions

Capture New Value through M&A and Capital Alliances

Prioritize Potential Alliance Partners in Areas that Are Complementary or Peripheral to the Company's Core Business and that Can be Expected to Leverage Current Assets and Generate Synergies

Target Area



M&A Achievements

Acquired CLEARIZE, a contract analysis service company, as a wholly owned subsidiary



Share Acquisition Date	September 2024
Business Activities	Provide comprehensive contract analytical services. Chemical analysis, physical properties analysis, structural analysis, environmental analysis, etc.
Purpose of Acquisition	Acquire new businesses that are not part of the current business/Exploit synergy with existing businesses
Expected Synergy	<ul style="list-style-type: none"> Cross-selling proposal of contract analysis business to Hakuto's business partners Sales of water treatment equipment (especially overseas)

Capture New Value through M&A and Capital Alliances

Develop a Full-Scale Wastewater Treatment Business in India, which is Facing Water Problems

Water-Related Social Issues in India

- Serious problems of water shortage and water pollution due to industrial effluent
- Especially in North India (Delhi and Gurugaon), there is a high demand for wastewater recycling due to the tightening of Zero Liquid Discharge (ZLD) regulations, which do not allow 100% discharge of wastewater, and water shortages. On the other hand, local wastewater treatment equipment has poor design, performance, and quality, and problems are prone to occur frequently after the equipment is installed.

India



Recycled water is used for sprinkling and cistern water in factories



We provide total solutions optimized in accordance with customer problems by combining ROCK ENGINEERING's wastewater treatment equipment, for which we have exclusive sales rights in India, our proprietary wastewater treatment chemicals and equipment, and CLEARIZE's wastewater treatment systems.



MVR distillation and Vacuum dryer by ROCK ENGINEERING, a manufacturer with headquarters and factory in Thailand



Wastewater treatment by Electrolysis "Eleca"



Hakuto's proprietary wastewater treatment chemical "HAKUTORON" is used in the primary treatment of contaminated water, improving the operational efficiency of distillation equipment (from left to right: before and after treatment).



Achievement of ZLD and wastewater recycling by using RO membrane equipment as secondary treatment for distillation equipment, etc.

Secure and develop human resources that can become enablers

Promote the Creation of a System to Continuously and Stably Secure and Cultivate Human Resources who Act as Enablers

Redefine the required
human resources

**Acquire Diverse
and Novel Human
Resources**

- Redefine the requirements for personnel to become enablers, and develop recruitment activities based on these requirements
- Strengthen approach to highly specialized personnel, such as engineers/DX personnel

Science & engineering talent ratio

Number of qualified DX-related employees (10% of employees)

Create an environment where
diverse human resources can
play an active role

**Support the
Growth of Each
and Every
Employee**

- Visualize human resource portfolios using talent management systems
- Optimize learning and provide support for autonomous learning, including enhancement of online education systems
- Strengthen the operation of systems to realize Pay for Performance
- Support and promote women's activities through "Hakuto Women's College"
- Monitor and improve activities through engagement surveys

Education/training expenses per person

Online education system utilization rate

Engagement index

Percentage of women in management positions

Realize the vision and raise
momentum for change

**Foster a New
Organizational
Culture**

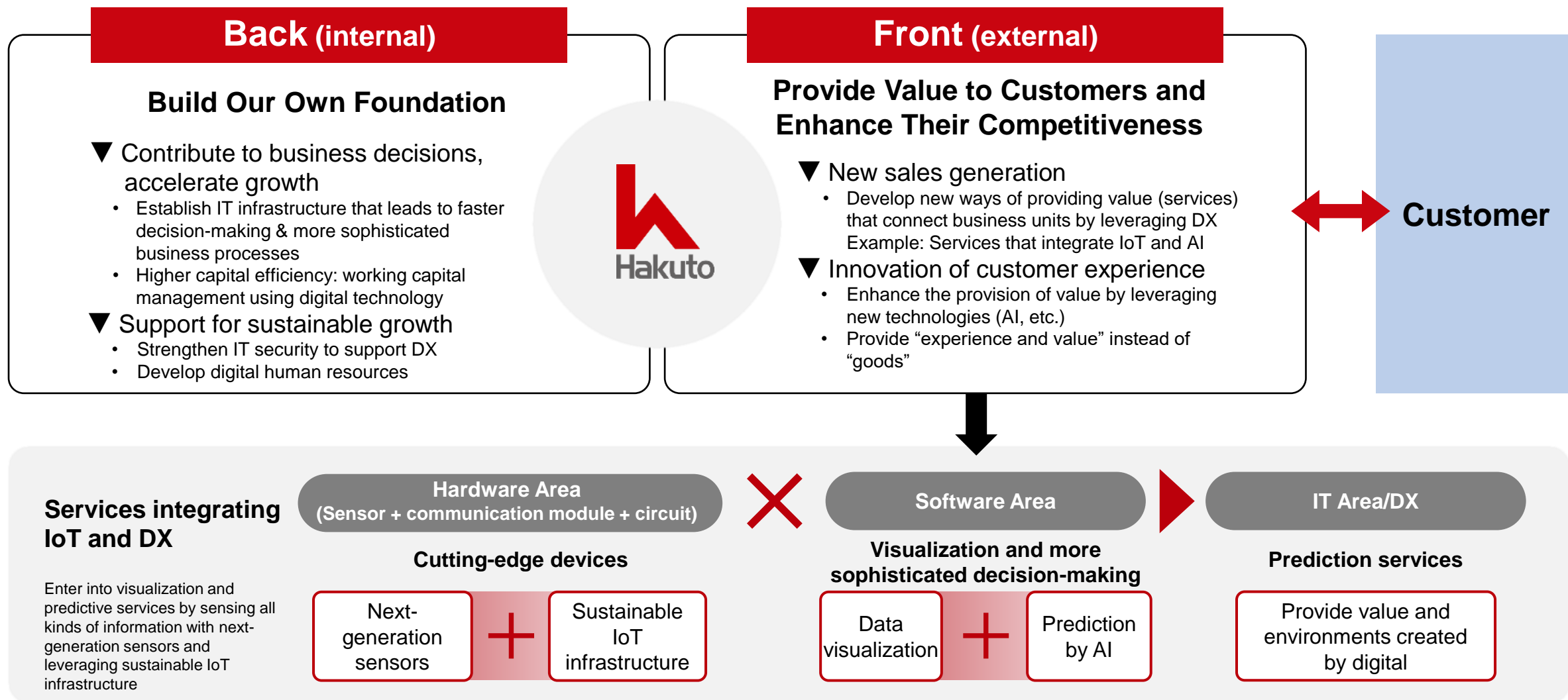
- Promote understanding and empathy for the Vision & Shared Value, and foster a spirit of challenge
 - Workshops & Training
 - Shared Value Award
- Vision & Shared Value empathy monitoring and improvement activities

Penetration level of Vision & Shared Value

**Produce
Enabler Talent**

DX to Increase both Efficiency and Value Provided

Create New Value through the Use of Digital Technology in Addition to Building the Traditional Internal Foundation

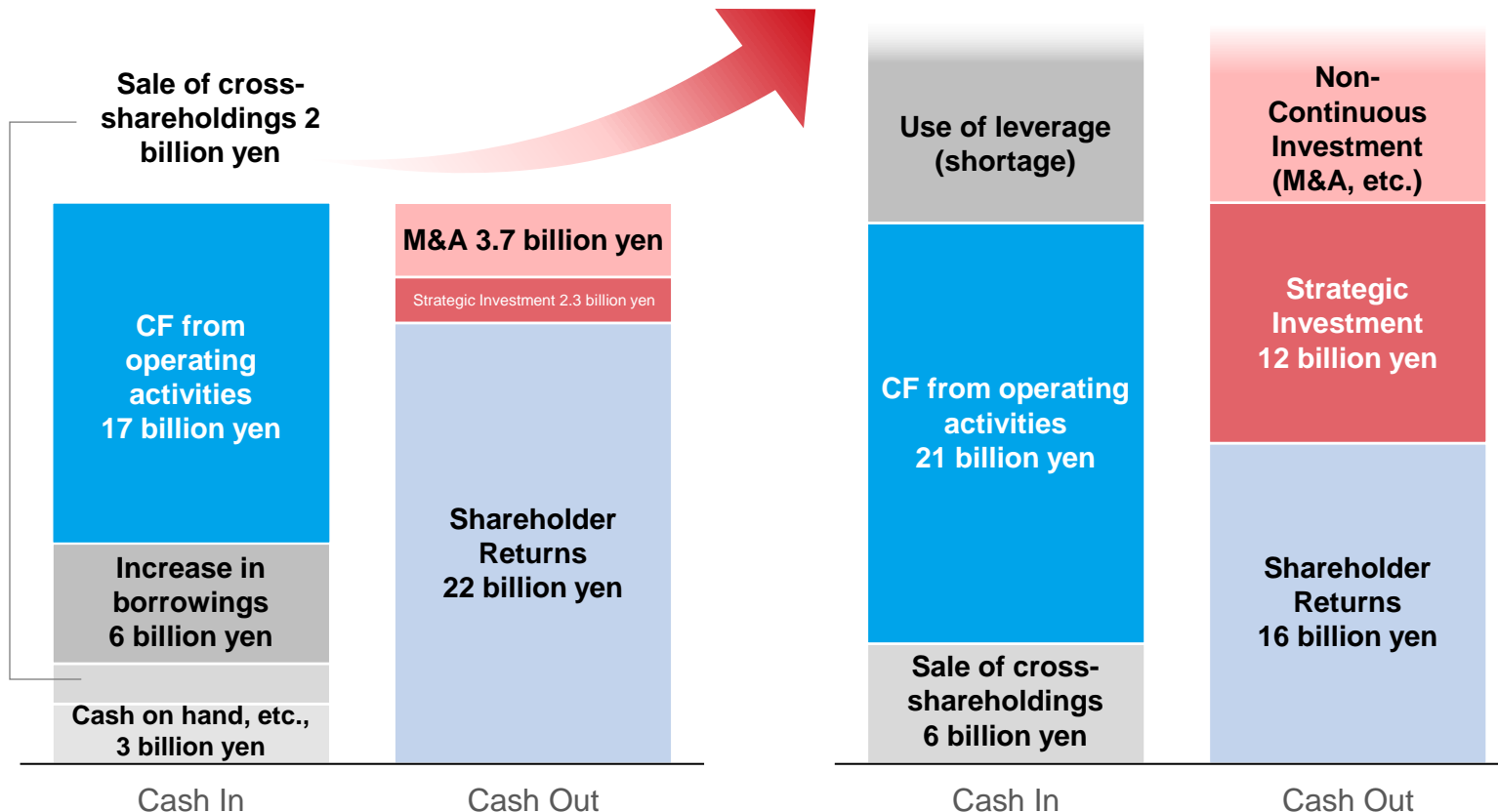


Capital Allocation Focused on Balancing Growth and Returns

Achieve Both Aggressive Investment in Growth and Stable Shareholder Returns

Previous Medium-Term Management Plan
(Cumulative total for FY2021 to FY2024)

New Medium-Term Management Plan (Cumulative total for FY2025 to FY2028)



● Non-Continuous Investment

- Consider M&A and alliances as appropriate
Execution is envisaged to be funded by interest-bearing debt

● Strategic Investment

- Business development investment (semiconductors, lasers, energy)
- Factory function enhancements
- Working capital reduction, DX investments, including SCM

● Shareholder Returns

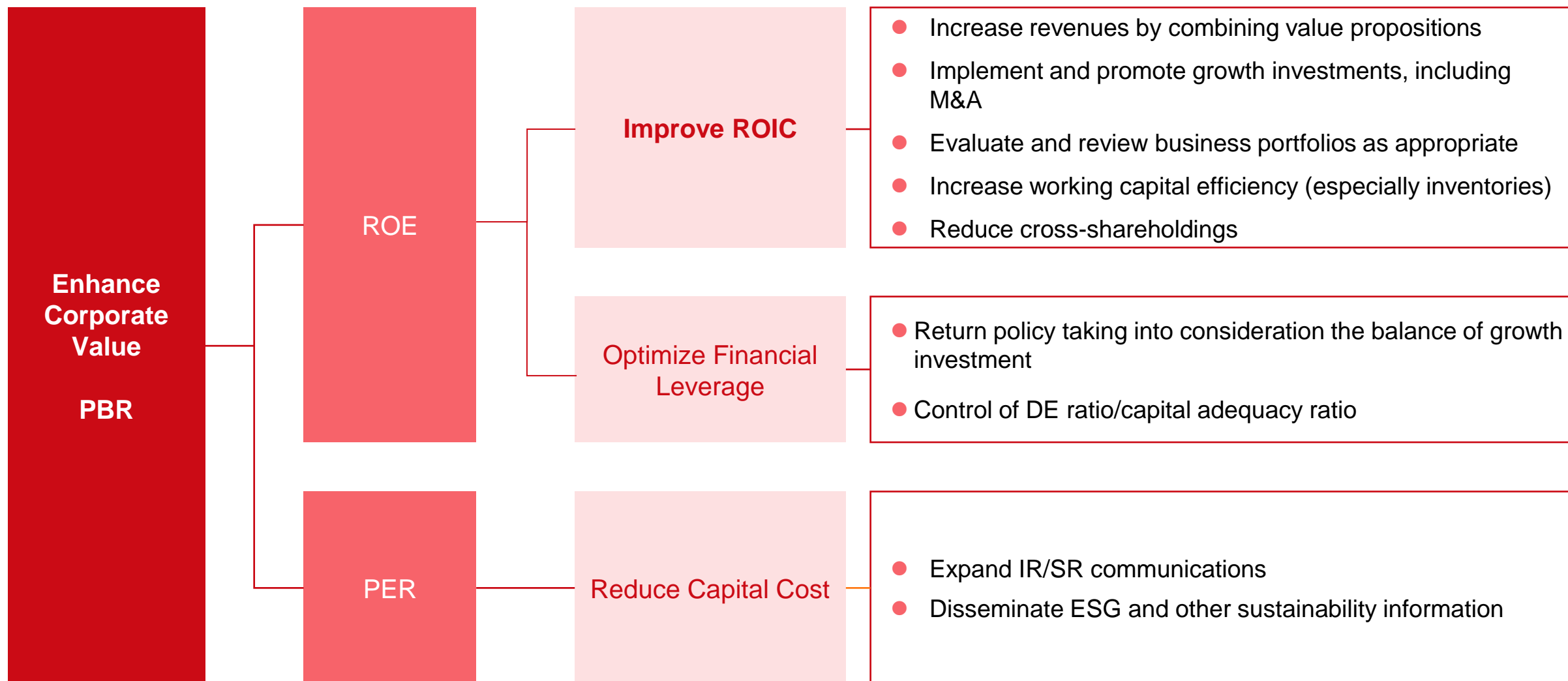
- We aim for stable dividends and set a lower limit on dividends based on the dividend on equity ratio (DOE), in addition to the dividend payout ratio
- Assess the Company's financial condition and stock price levels comprehensively and implement share buybacks

● Cross-shareholdings

- Reduce the balance from 11.2% (FY3/2025) to around 2% of net assets

Promote Management Conscious of Capital Cost

Enhance Corporate Value by Improving Profitability and Capital Efficiency through Implementing the Current Medium-Term Management Plan



Stable shareholder returns by introduction of DOE

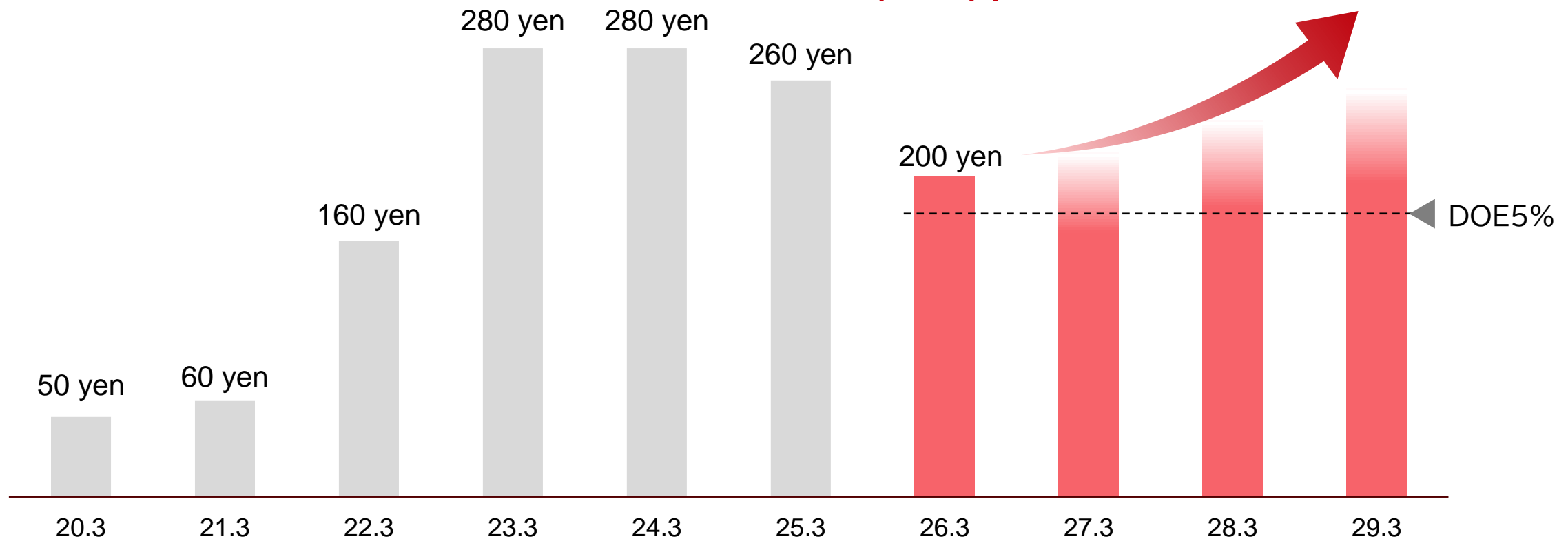
We Aim for Stable Dividend Increases, Set a Dividend Payout Ratio of Around 70%, and a Dividend on Equity (DOE) Ratio of 5% as a Lower Limit for Dividends

Previous Medium-term Management Plan

New Medium-Term Management Plan

■ Dividend per share (Limited time) Total return ratio: 100%

**Dividend payout ratio of 70%
(±5%) plus lower limit of DOE 5%**



A thick red vertical bar on the left side of the slide.

Part. 3

Business Strategy by Segment

Dig Deeper into Customer Problems, and Provide a Combination of Goods, Services, and Information that Resolves Problems

Business Areas

Semiconductor Devices

Components & Modules

Solutions

Main Markets

In-vehicle

Industrial Equipment

Telecommunications & Data Centers

Priority Strategies

Expand the Portfolio through Developing New Products

- Strengthen the power semiconductor lineup
- Combining with new sensor devices & AI & IoT
- Combining through strengthening the lineup of display-related products

Combining Value Provided through Cross-Selling

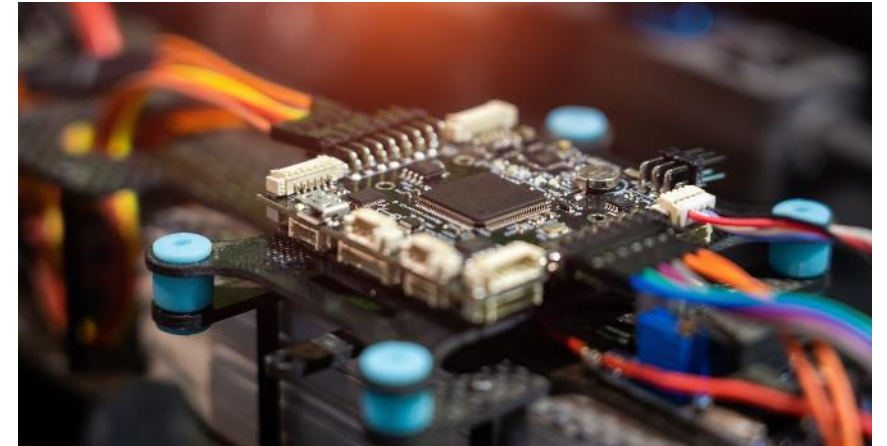
(Semiconductors and Electronic Components)

- Share knowledge of combining through internal task forces, etc.
- Expand human resources capable of proposing complex solutions and education

Expand and Strengthen the Areas in the Value Chain

(Expand its role as an enabler)

- Strengthen development and design support, and the QC support system
- Promote business & capital collaboration not only in-house but also with external parties
- Increase the number of engineers



Electronic and Electric Equipment

Reinforce Both Trading Company and Manufacturer Functions, and Also Provide Cutting-Edge Technical Services

Business Areas

FPC & Semiconductor
Package Manufacturing
Equipment Market

Industrial Equipment Market,
including Analytical Instruments
and Measuring Instruments for
R&D Applications

Compound Semiconductor,
Sensor, and Electronic
Component Manufacturing
Equipment Market

Automotive and EV Battery
Market

Priority Strategies

Strengthen Our In-house Solutions by Leveraging Our Manufacturer Function

- Develop equipment for cutting-edge printed circuit board lines, including AI server applications
- Develop equipment to realize new laser processing technology
- Develop new semiconductor devices in niche areas

Expand the Portfolio with New Commercial Products

- Strengthen new commercial products, such as production line automation, and offer them in combination with existing products
- Provide new value by integrating the application of distinctive Japanese manufacturers' technologies with our sales and support capabilities

Upgrade the Engineering Business

- Provide our original smart engineering services using IT & digital technology
 - Organize smart engineering teams within business units
 - Create hybrid services with other business & IT divisions (inter-business synergy)
- Establish a digital education system for training engineers in the company (= part of enabler training)
- Develop new service bases other than the Kumamoto Service Center

Examples of our in-house solutions



LiB Electrode Plate Laser Cutting System



Steppers (photolithography machines)

Promote Value Propositions with Chemicals Plus Something Extra

Business Areas

Existing Areas

Petrochemicals, Pulp and Paper, Automobiles, Cosmetics

New Areas

Environment, Electronics, Life Sciences

Priority Strategies

Create New Businesses in the Environment & Energy, Electronics, and Life Science Areas

- Water treatment: provide our original wastewater solutions by combining equipment (newly acquired products, CLEARIZE, etc.) and chemicals utilizing our core technologies
- Electronics industry: provide our original value by combining equipment and chemicals utilizing our core technologies
- Life sciences: develop new cosmetic base materials and biopolymers for industrial applications. Launch collaborations with universities and other outside institutions

Strengthen and Expand Solutions for Existing Businesses

- Develop new solutions for issues faced by existing customers, such as the promotion of carbon neutrality and the use of hydrogen and ammonia
- In addition to developing our own products, offer complex proposals in combination with CLEARIZE's analytic menu, etc.
- AI-based chemicals development
- Promote DX in factories (e.g., procurement activities)



In the water treatment area, promote the development of sales channels abroad in addition to at home



"Alcaligenes polysaccharides" derived from microorganisms are our original base material for cosmetics.

The data and forward-looking statements contained in this document are based on information currently available to the company and certain assumptions that the company believes to be reasonable. Actual results may change due to various factors. Accordingly, this document does not guarantee the achievement of the stated goals and forecasts or future performance.

For IR inquiries, please contact:
Corporate Planning Department Tel. +81-3-3225-8931