For the Fiscal Year Ended March 31, 2026

Annual Select® 2026

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)

	70th term Fiscal year ended March 31, 2022	71st term Fiscal year ended March 31, 2023	72nd term Fiscal year ended March 31, 2024	73rd term Fiscal year ended March 31, 2025	74th term Fiscal year ended March 31, 2026
Net sales (Millions of yen)	191,495	233,624	182,046	183,133	181,178
Ordinary profit (Millions of yen)	7,411	12,048	6,912	7,321	5,579
Profit attributable to owners of parent (Millions of yen)	4,970	8,929	5,175	5,131	5,009
Comprehensive income (Millions of yen)	7,337	9,578	7,277	4,633	7,130
Net assets (Millions of yen)	61,668	63,863	65,933	65,546	69,833
Total assets (Millions of yen)	131,490	145,900	137,759	130,376	164,484
Book value per share (BPS) (Yen)	3,142.83	3,416.27	3,506.81	3,483.44	3,632.50
Earnings per share (EPS) (Yen)	248.48	470.52	276.20	272.76	266.14
Diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	46.9	43.8	47.9	50.3	41.6
Return on equity (ROE) (%)	8.3	14.2	8.0	7.8	7.5
Price earnings ratio (PER) (Times)	9.9	10.4	20.4	15.1	15.7
Net cash provided by (used in) operating activities (Millions of yen)	872	(3,382)	8,712	10,589	10,273
Net cash provided by (used in) investing activities (Millions of yen)	(527)	(300)	876	(4,568)	(17,533)
Net cash provided by (used in) financing activities (Millions of yen)	(379)	1,314	(11,451)	(6,507)	10,017
Cash and cash equivalents at end of period (Millions of yen)	18,620	16,751	15,568	14,929	18,749
Number of employees (Persons)	1,221	1,223	1,203	1,318	1,504

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, 72nd, and 73rd 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 established the "Hakuto 2028" medium-term management plan as a milestone toward achieving our "2030 Vision" of becoming the irreplaceable enabler for accelerating client success, and the Group will work together as one to realize this vision.

Tamaki Miyashita
President

■ Summary of Fiscal Year Ended March 31, 2026

In the electronics industry during the fiscal year under review, investment in data centers driven by the practical deployment of AI agents accelerated further, and tight supply-demand conditions and price increases for advanced semiconductors and memory continued. Demand for automotive and industrial equipment, which had completed inventory adjustments, also shifted to a recovery trend, performing generally well. On the other hand, profitability of consumer-use equipment was squeezed by high component costs, and the impact of geopolitical risks remained a concern, resulting in an increasing polarization of market conditions. In the Group's electronic components business, due to a continued downturn in demand and ongoing inventory adjustments by customers primarily for automotive equipment, revenue decreased year on year. In the electronic and electric equipment business, sales decreased due to a decline in demand for PCB-related and power device equipment, resulting in a year-on-year decrease in revenue. In the chemicals business, revenue increased year-on-year due to a rise in overseas shipments of cosmetic bases, along with relatively steady performance in the oil and petrochemical sector.

As a result, consolidated net sales for the fiscal year under review decreased 1.1% year on year to ¥181,178 million, consolidated gross profit increased 0.7% to ¥28,080 million, consolidated operating profit decreased 23.2% to ¥6,080 million, consolidated ordinary profit decreased 23.8% to ¥5,579 million, and profit attributable to owners of parent decreased 2.4% to ¥5,009 million.

■ Outlook and Initiatives for Fiscal Year Ending March 31, 2027

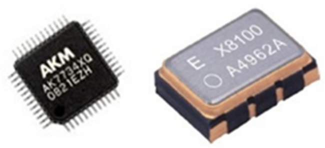
The Group has formulated a medium-term management plan "Hakuto 2028" targeting 2028 as the final year, aiming for medium- to long-term growth expansion and the creation of new value. As a hybrid company that combines two business areas, electronics and chemicals, along with the functions of both a trading company and a manufacturer, we are committed to improving customer-centric value and aiming to achieve greater medium- to long-term growth. In the electronic components business, the Group will work to expand sales through the development and expansion of new products, as well as the enhancement of technical and design support and quality functions. In addition, we will seek to accelerate business expansion and the realization of synergies through collaboration with newly consolidated overseas electronic components trading companies. In the electronic and electric equipment business, we will promote the strengthening of our proprietary solutions, the expansion of our portfolio through new products, and the advancement of our engineering business. In the chemicals business, we will work to improve the profitability of existing businesses and expand our solutions, while also pursuing the development of new fields, particularly in the areas of environment and energy, the electronics industry, and life sciences. In consideration of the above, the Group forecasts consolidated results of operations for the fiscal year ending March 31, 2027, as follows: net sales to increase 24.2% year on year to ¥225,000 million, operating profit to increase 44.7% to ¥8,800 million, ordinary profit to increase 34.4% to ¥7,500 million, and profit attributable to owners of parent to increase 13.8% to ¥5,700 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 sector.

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

Chemicals Business

Industrial 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	14,929	18,957
Notes and accounts receivable - trade, and contract assets	39,696	51,652
Electronically recorded monetary claims - operating	6,098	5,216
Merchandise and finished goods	42,854	44,496
Work in process	83	96
Raw materials and supplies	1,546	1,718
Other	4,391	5,016
Allowance for doubtful accounts	(67)	(85)
Total current assets	109,532	127,068
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,112	6,769
Accumulated depreciation	(4,933)	(5,069)
Buildings and structures, net	1,179	1,699
Machinery and equipment	5,726	5,767
Accumulated depreciation	(4,415)	(4,686)
Machinery and equipment, net	1,310	1,080
Land	3,053	3,053
Other	5,950	6,781
Accumulated depreciation	(4,505)	(4,905)
Other, net	1,444	1,876
Total property, plant and equipment	6,988	7,710
Intangible assets		
Goodwill	3,028	16,063
Other	1,596	1,555
Total intangible assets	4,625	17,618
Investments and other assets		
Investment securities	8,333	8,557
Investment property	–	1,803
Deferred tax assets	447	600
Other	472	1,159
Allowance for doubtful accounts	(23)	(35)
Total investments and other assets	9,229	12,086
Total non-current assets	20,843	37,415
Total assets	130,376	164,484

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,863	21,795
Electronically recorded obligations - operating	1,708	755
Short-term borrowings	19,598	33,231
Lease liabilities	313	456
Income taxes payable	1,292	1,579
Provision for bonuses	2,538	2,308
Provision for bonuses for directors (and other officers)	75	60
Provision for product warranties	12	9
Other	5,795	7,161
Total current liabilities	47,196	67,358
Non-current liabilities		
Long-term borrowings	15,218	24,147
Lease liabilities	152	196
Deferred tax liabilities	1,541	2,044
Provision for retirement benefits for directors (and other officers)	59	72
Retirement benefit liability	279	394
Other	380	437
Total non-current liabilities	17,632	27,293
Total liabilities	64,829	94,651
Net assets		
Shareholders’ equity		
Share capital	8,100	8,100
Capital surplus	2,532	2,548
Retained earnings	49,375	50,056
Treasury shares	(4,746)	(4,724)
Total shareholders’ equity	55,261	55,980
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,569	4,711
Deferred gains or losses on hedges	(13)	13
Foreign currency translation adjustment	5,557	7,514
Remeasurements of defined benefit plans	171	166
Total accumulated other comprehensive income	10,285	12,406
Non-controlling interests	–	1,446
Total net assets	65,546	69,833
Total liabilities and net assets	130,376	164,484

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

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	183,133	181,178
Cost of sales	155,254	153,098
Gross profit	27,878	28,080
Selling, general and administrative expenses		
Salaries and allowances	6,394	6,904
Provision for bonuses	2,169	2,046
Retirement benefit expenses	593	648
Other	10,808	12,400
Total selling, general and administrative expenses	19,965	22,000
Operating profit	7,913	6,080
Non-operating income		
Interest income	40	50
Dividend income	330	309
Rental income from buildings	46	46
Share of profit of entities accounted for using equity method	13	15
Other	222	182
Total non-operating income	653	604
Non-operating expenses		
Interest expenses	315	428
Loss on sale of trade receivables	9	20
Foreign exchange losses	897	609
Other	23	47
Total non-operating expenses	1,244	1,105
Ordinary profit	7,321	5,579
Extraordinary income		
Gain on sale of non-current assets	3	9
Gain on sale of investment securities	290	2,189
Total extraordinary income	294	2,198
Extraordinary losses		
Loss on sale and retirement of non-current assets	4	2
Loss on valuation of investment securities	49	–
Total extraordinary losses	54	2
Profit before income taxes	7,561	7,775
Income taxes - current	2,315	2,553
Income taxes - deferred	114	212
Total income taxes	2,429	2,765
Profit	5,131	5,009
Profit attributable to owners of parent	5,131	5,009

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	5,131	5,009
Other comprehensive income		
Valuation difference on available-for-sale securities	(296)	139
Deferred gains or losses on hedges	(188)	27
Foreign currency translation adjustment	(168)	1,956
Remeasurements of defined benefit plans, net of tax	154	(5)
Share of other comprehensive income of entities accounted for using equity method	0	2
Total other comprehensive income	(498)	2,120
Comprehensive income	4,633	7,130
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,633	7,130
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,100	5,863	50,059	(8,872)	55,150
Changes during period					
Dividends of surplus			(5,079)		(5,079)
Profit attributable to owners of parent			5,131		5,131
Disposal of treasury shares		23		35	58
Cancellation of treasury shares		(4,091)		4,091	–
Purchase of treasury shares				(0)	(0)
Transfer of the negative balance of other capital surplus		736	(736)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(3,330)	(684)	4,126	110
Balance at end of period	8,100	2,532	49,375	(4,746)	55,261

	Accumulated other comprehensive income					Non-controlling interests	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	4,865	175	5,725	17	10,783	–	65,933
Changes during period							
Dividends of surplus							(5,079)
Profit attributable to owners of parent							5,131
Disposal of treasury shares							58
Cancellation of treasury shares							–
Purchase of treasury shares							(0)
Transfer of the negative balance of other capital surplus							–
Net changes in items other than shareholders' equity	(295)	(188)	(168)	154	(498)	–	(498)
Total changes during period	(295)	(188)	(168)	154	(498)	–	(387)
Balance at end of period	4,569	(13)	5,557	171	10,285	–	65,546

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,100	2,532	49,375	(4,746)	55,261
Changes during period					
Dividends of surplus			(4,328)		(4,328)
Profit attributable to owners of parent			5,009		5,009
Disposal of treasury shares		16		22	38
Cancellation of treasury shares		–		–	–
Purchase of treasury shares				(0)	(0)
Transfer of the negative balance of other capital surplus		–	–	–	–
Net changes in items other than shareholders' equity					
Total changes during period	–	16	681	21	719
Balance at end of period	8,100	2,548	50,056	(4,724)	55,980

	Accumulated other comprehensive income					Non-controlling interests	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	4,569	(13)	5,557	171	10,285	–	65,546
Changes during period							
Dividends of surplus							(4,328)
Profit attributable to owners of parent							5,009
Disposal of treasury shares							38
Cancellation of treasury shares							–
Purchase of treasury shares							(0)
Transfer of the negative balance of other capital surplus							–
Net changes in items other than shareholders' equity	142	27	1,956	(5)	2,120	1,446	3,567
Total changes during period	142	27	1,956	(5)	2,120	1,446	4,286
Balance at end of period	4,711	13	7,514	166	12,406	1,446	69,833

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	7,561	7,775
Depreciation	1,235	1,376
Amortization of goodwill	159	318
Increase (decrease) in provision for bonuses	(25)	(267)
Increase (decrease) in allowance for doubtful accounts	(1,197)	(11)
Interest and dividend income	(371)	(360)
Interest expenses	315	428
Share of loss (profit) of entities accounted for using equity method	(13)	(15)
Loss (gain) on sale of investment securities	(290)	(2,189)
Loss (gain) on valuation of investment securities	49	–
Loss (gain) on sale and retirement of non-current assets	0	(7)
Increase (decrease) in accrued consumption taxes	72	51
Decrease (increase) in trade receivables	(1,231)	(300)
Decrease (increase) in inventories	11,733	3,116
Increase (decrease) in trade payables	(6,715)	531
Other, net	952	2,273
Subtotal	12,237	12,721
Interest and dividends received	387	369
Interest paid	(313)	(433)
Income taxes paid	(1,721)	(2,383)
Net cash provided by (used in) operating activities	10,589	10,273

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(808)	(1,086)
Proceeds from sale of property, plant and equipment	4	25
Purchase of intangible assets	(248)	(81)
Purchase of investment securities	(72)	(112)
Proceeds from sale of investment securities	305	2,358
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(3,714)	(17,818)
Purchase of shares of non consolidated subsidiaries	–	(103)
Other, net	(34)	(715)
Net cash provided by (used in) investing activities	(4,568)	(17,533)
Cash flows from financing activities		
Proceeds from short-term borrowings	259,000	269,450
Repayments of short-term borrowings	(261,900)	(262,400)
Repayments of lease liabilities	(266)	(514)
Proceeds from long-term borrowings	12,000	16,000
Repayments of long-term borrowings	(10,296)	(8,211)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	35	22
Dividends paid	(5,079)	(4,328)
Net cash provided by (used in) financing activities	(6,507)	10,017
Effect of exchange rate change on cash and cash equivalents	(152)	1,061
Net increase (decrease) in cash and cash equivalents	(639)	3,819
Cash and cash equivalents at beginning of period	15,568	14,929
Cash and cash equivalents at end of period	14,929	18,749

V. Summary of Operating Performance

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

During the fiscal year under review, the global economy generally remained resilient, supported by the expansion of investment related to generative AI. However, rising energy prices and supply chain disruptions stemming from the escalation of tensions in the Middle East toward the end of the fiscal year have led to a slowdown in economic momentum, further heightening uncertainty regarding the outlook.

Regarding the Japanese economy, a mild recovery trend driven by domestic demand continued, supported by sustained high levels of wage increases and robust capital investment. At the same time, concerns remain over increased raw material cost burdens caused by rising resource prices, as well as the impact of higher consumer prices on private consumption, leaving the economic outlook still uncertain.

In the electronics industry, where the Group operates its core businesses, investment in data centers driven by the practical deployment of AI agents accelerated further, and tight supply-demand conditions and price increases for advanced semiconductors and memory continued. Demand for automotive and industrial equipment, which had completed inventory adjustments, also shifted to a recovery trend, performing generally well. On the other hand, profitability of consumer-use equipment was squeezed by high component costs, and the impact of geopolitical risks remained a concern, resulting in an increasing polarization of market conditions.

Under these circumstances, in the Group’s electronic components business, due to a continued downturn in demand and ongoing inventory adjustments by customers primarily for automotive equipment, revenue decreased year on year.

In the electronic and electric equipment business, sales decreased due to a decline in demand for PCB-related and power device equipment, resulting in a year-on-year decrease in revenue.

In the chemicals business, revenue increased year-on-year due to a rise in overseas shipments of cosmetic bases, along with relatively steady performance in the oil and petrochemical sector.

As a result, consolidated net sales for the fiscal year under review amounted to ¥181,178 million, a 1.1% year-on-year decrease.

Regarding profit and loss, consolidated gross profit increased 0.7% to ¥28,080 million, and consolidated selling, general and administrative expenses increased 10.2% to ¥22,000 million. As a result, consolidated operating profit decreased 23.2% to ¥6,080 million, consolidated ordinary profit decreased 23.8% to ¥5,579 million, and profit attributable to owners of parent decreased 2.4% to ¥5,009 million.

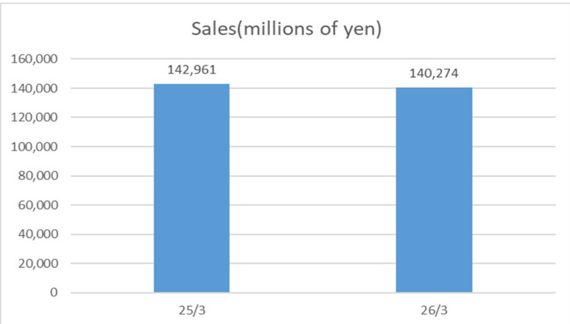
Furthermore, EPS amounted to ¥266.14, a decrease of ¥6.62 from the previous fiscal year.

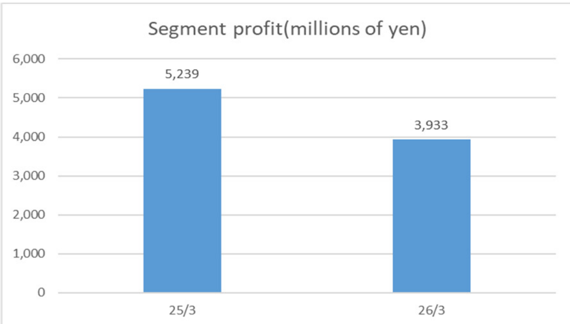
In terms of the indicators used to determine profitability and capital efficiency, for the fiscal year under review, the operating profit margin was 3.4% (4.3% in the previous fiscal year), return on assets (ROA) was 3.8% (5.5%), and return on equity (ROE) was 7.5% (7.8%).

[Electronic Components Business]

In the electronic components business, sales declined due to sluggish demand from Japanese automobile manufacturers and a slowdown in the adoption of EVs for automotive applications, as well as a slow recovery in the consumer and mobile sectors. On the other hand, in the industrial equipment sector, there were signs of improvement in inventory adjustments by customers, and optical components grew on the back of 5G investment and other factors.

As a result, net sales in this segment for the fiscal year under review decreased 1.9% year on year to ¥140,274 million, and segment profit decreased 24.9% to ¥3,933 million, due to factors such as the decline in the amount of profit because of lower sales, impact of exchange rate fluctuations, and the recording of M&A acquisition-related costs.

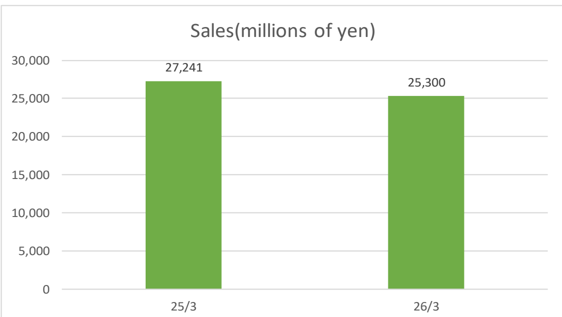


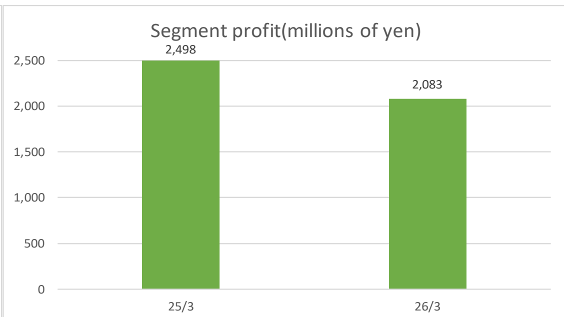


[Electronic and Electric Equipment Business]

In the electronic and electric equipment business, sales of environmental measuring instruments for semiconductor factories and analytical instruments for scientific research in the vacuum-related field continued to perform steadily, resulting in an increase in net sales. On the other hand, in the PCB-related field, investment restraint by package board manufacturers for servers and PCs continued, and demand for power device equipment declined, leading to decreased sales in both areas.

As a result, net sales in this segment for the fiscal year under review decreased 7.1% year on year to ¥25,300 million, and segment profit decreased 16.6% to ¥2,083 million, due to factors such as the decline in the amount of profit because of lower sales.

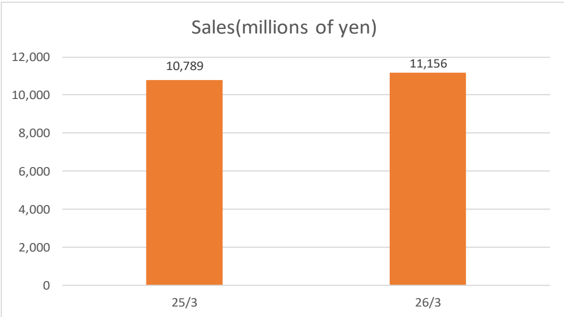


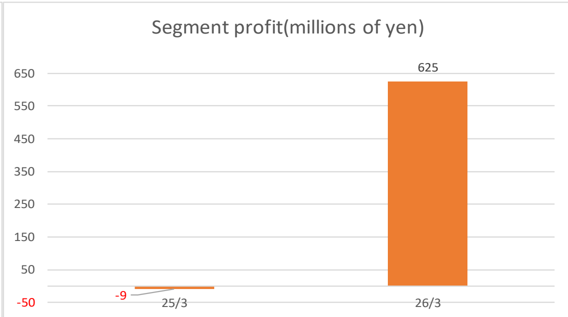


[Chemicals Business]

In the chemicals business, sales in the paper and pulp sector declined due to reduced operations and closures of customer plants. Meanwhile, in the oil and petrochemical sector, domestic sales performed relatively steadily. In the cosmetics sector, the recovery trend in demand continued, and sales of cosmetic bases increased, driven by a rise in overseas shipments.

As a result, net sales in this segment for the fiscal year under review increased 3.4% year on year to ¥11,156 million, and there was a segment profit of ¥625 million (segment loss of ¥9 million in the previous fiscal year).





[Other Business]

In other businesses, in addition to our entrusted general logistics management business and solar power generation operations, we have also been conducting entrusted analysis and testing evaluation businesses, such as material investigation, since the second half of the previous fiscal year. Net sales in this segment for the fiscal year under review increased 89.5% year on year to ¥4,853 million, and there was a segment loss of ¥705 million (segment profit of ¥131 million in the previous fiscal year), mainly due to the recording of goodwill amortization related to consolidated subsidiaries and new business-related expenses.

(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 ¥17,536 million to ¥127,068 million, a year-on-year increase of 16.0%. This was mainly attributed to a ¥11,955 million increase in notes and accounts receivable -trade, and contract assets, as a result of growth at existing overseas subsidiaries and the addition of two newly consolidated subsidiaries from the end of the fiscal year under review.

Non-current assets increased ¥16,572 million to ¥37,415 million, a year-on-year increase of 79.5%. This was primarily due to a ¥13,035 million increase in goodwill associated with the acquisition of Rabyte Pte. Ltd. and Rabyte Edge Pvt. Ltd.

As a result of the above, total assets at the end of the fiscal year under review increased ¥34,108 million to ¥164,484 million, a year-on-year increase of 26.2%.

As for liabilities, current liabilities increased ¥20,161 million to ¥67,358 million, a year-on-year increase of 42.7%. This was primarily due to the increase in operating capital (inventory procurement), as well as a ¥5,931 million increase in notes and accounts payable - trade and a ¥13,633 million increase in short-term borrowings associated with the addition of two newly consolidated subsidiaries from the end of the fiscal year under review.

Non-current liabilities increased ¥9,660 million to ¥27,293 million, a year-on-year increase of 54.8%. This was primarily due to a ¥8,928 million increase in long-term borrowings.

As a result of the above, total liabilities at the end of the fiscal year under review increased ¥29,822 million to ¥94,651 million, a year-on-year increase of 46.0%.

Net assets increased ¥4,286 million to ¥69,833 million, a year-on-year increase of 6.5%. This was primarily due to a ¥1,956 million increase in foreign currency translation adjustment and a ¥1,446 million increase in non-controlling interests.

(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 ¥10,273 million, net cash used in investing activities amounted to ¥17,533 million, and net cash provided by financing activities amounted to ¥10,017 million. The effect of an exchange rate change on cash and cash equivalents increased ¥1,061 million. As a result, cash and cash equivalents at the end of the fiscal year under review increased ¥3,819 million year on year to ¥18,749 million.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥10,273 million. The principal sources of cash were ¥7,775 million in profit before income taxes and a ¥3,116 million decrease in inventories, while uses of cash included a ¥2,383 million in income taxes paid. In the previous fiscal year, net cash provided by operating activities amounted to ¥10,589 million due primarily to a ¥11,733 million decrease in inventories.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥17,533 million due primarily to ¥17,818 million in purchase of shares of subsidiaries resulting in change in scope of consolidation. In the previous fiscal year, there was a ¥4,568 million expenditure due primarily to a ¥3,714 million in purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to ¥10,017 million. The principal source of cash were ¥7,050 million in proceeds from short-term borrowings (net) and ¥16,000 million in proceeds from long-term borrowings, while uses of cash included ¥4,328 million in dividends paid. In the previous fiscal year, net cash used in financing activities totaled ¥6,507 million, primarily as a result of a ¥5,079 million of dividends paid.

VI. Corporate Data

Basic Information (as of March 31, 2026)

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:	1,504 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 Logistics Co., Ltd. MOLDEC Co., Ltd. CLEARIZE Co., Ltd. Rabyte Edge Pvt. Ltd. Rabyte Pte. Ltd.

Directors (as of June 23, 2026)

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 and Supervisory Committee Member)	Fumiaki Yamamoto
Director* (Audit and Supervisory Committee Member)	Keiji Okanan
Director* (Audit and Supervisory Committee Member)	Junko Kato

* External Director

Stock Status (as of March 31, 2026)

Total number of authorized shares:	54,000,000 shares
Total number of issued shares:	21,137,213 shares
Number of shareholders:	24,612

Major shareholders (Top 10)

Name	Number of shares held (Thousands of shares)	Shareholding ratio (excluding treasury shares) (%)
Takayama International Education Foundation	4,226.2	22.45
The Master Trust Bank of Japan, Ltd.	1,285.3	6.83
Ichiro Takayama	1,056.4	5.61
Ken Takayama	1,056.4	5.61
Ryutaro Takayama	1,056.3	5.61
Hakuto Employee Stock Ownership Plan	543.3	2.89
SMBC Trust Bank Ltd.	241.0	1.28
Custody Bank of Japan, Ltd.	203.8	1.08
JP Morgan Chase Bank 385,781 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	146.3	0.78
BNYM AS AGT/CLTS NON TREATY JASDEC (Standing proxy: MUFG Bank, Ltd.)	136.8	0.73

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.	1,285.3 thousand shares
SMBC Trust Bank Ltd.	241.0 thousand shares
Custody Bank of Japan, Ltd.	203.8 thousand shares

2. In addition to the above, the Company holds 2,310,823 shares as treasury shares. However, since the treasury shares do not have voting rights, they are excluded from the above list.

Treasury shares (number of shares held)	2,310,823 shares
Shareholding ratio	10.93%