



Financial results summary for the Fiscal Year Ended March 31, 2025

Hakuto Co., Ltd.

April 30, 2025

Overview of Consolidated Results

- Both sales and profits grew YoY thanks to increased sales in the vehicle-related sector, despite the sluggish business environment mainly due to the prolonged inventory adjustment in the industrial equipment sector and the reduction in capacity utilization rate of customer's plants in the Industrial Chemical Business.

(¥mn)	FY2023	FY2024	YoY change		
			Amount	%	
Net sales	182,046	183,133	+1,086	+0.6%	Up due to increased sales of semiconductor devices in the vehicle-related sector and incorporation of the newly consolidated subsidiary's sales
Gross profit	26,833	27,878	+1,045	+3.9%	Up due to increased sales
Operating profit	7,636	7,913	+276	+3.6%	Up with the increase in gross profit more than offsetting higher SG&A (incurrence of costs related to purchase of shares of subsidiaries, amortization of goodwill, etc.)
Ordinary profit	6,912	7,321	+408	+5.9%	Up due to increased dividend income
Profit	5,175	5,131	(44)	(0.9)%	Down due to increased tax expenses
EPS*	276.20	272.76	(3.44)	–	

*EPS: Earnings per share

Quarterly Trends of Consolidated Net Sales

■ Electronic Components:

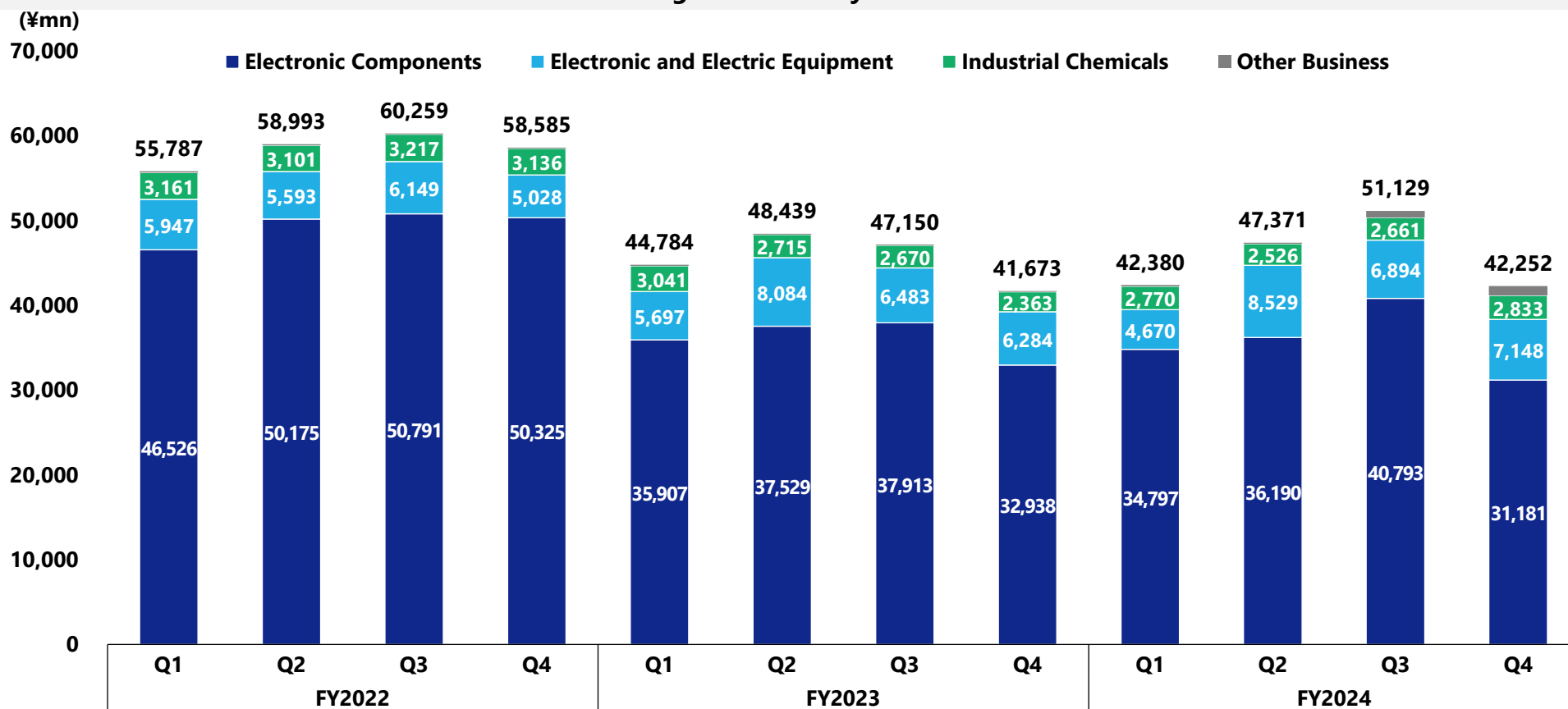
Semiconductor devices for vehicles declined in Q4 compared to Q3 FY2024, when bulk sale was recorded. Generative AI-related products (servers/infrastructures) and the OA equipment sector remained robust.

■ Electronic and Electric Equipment:

Sales in PCB-related equipment decreased due to customers' cutbacks in capital investment, whereas sales in power device-related equipment increased due to the shipment of backlog orders received in the previous fiscal year.

■ Industrial Chemicals:

Process additives for petroleum refining and petrochemical, as well as raw materials for overseas cosmetics saw a gradual recovery.



Results by Segment

- Sales and profit increased as a whole, since the decreases in Electronic Components were more than offset by the Electronic and Electric Equipment and Other segments.
- Other segment saw increased sales and profit due to the incorporation of the newly consolidated subsidiary's profit.

(¥mn)		FY2023	FY2024	YoY change	
				Amount	%
Electronic Components	Net sales	144,287	142,961	(1,325)	(0.9)%
	Segment profit	5,929	5,239	(689)	(11.6)%
Electronic and Electric Equipment	Net sales	26,547	27,241	+693	+2.6%
	Segment profit	1,777	2,498	+720	+40.6%
Industrial Chemicals	Net sales	10,788	10,789	+1	+0.0%
	Segment profit	35	(9)	(45)	-
Other	Net sales	1,090	2,560	+1,470	+134.8%
	Segment profit	35	131	+95	+272.1%
Total	Net sales	182,714	183,553	+839	+0.5%
	Segment profit	7,777	7,859	+81	+1.0%

Electronic Components

- Sales in semiconductor devices for vehicles increased, but sales decreased in the industrial equipment/machine tool and mobile.

Electronic and Electric Equipment

- Both sales and profit were up due to increased sales in power device-related equipment.

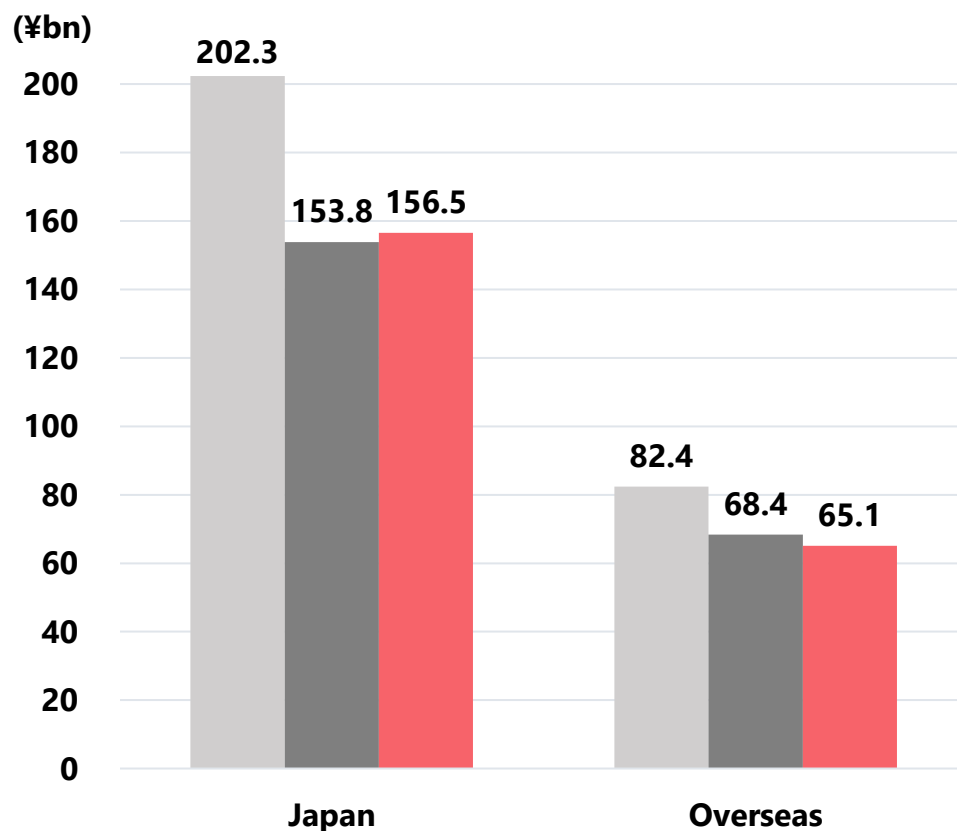
Industrial Chemicals

- Net sales remained at the same level as the previous period, but profit was down due to increased costs associated with a launch of overseas new business.

*Net sales represent amounts before elimination of intersegment transactions (each offset of transactions in the same segment has been reflected).

Breakdown of the Hakuto Group's Results

Net sales (simple sum)



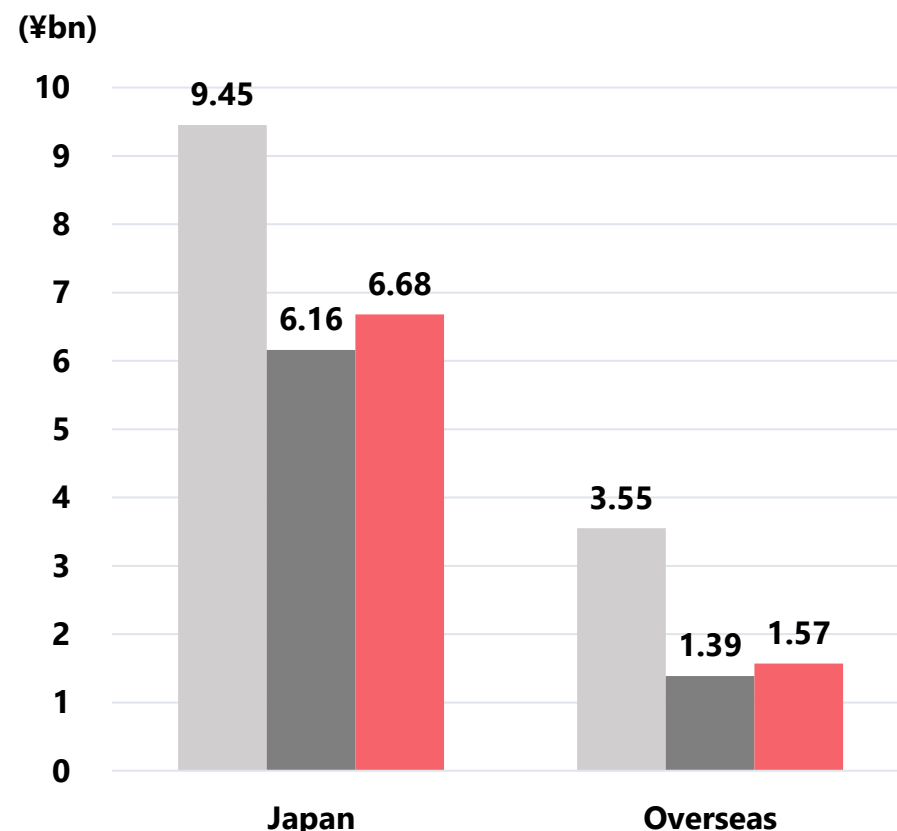
Japan (Hakuto & 3 consolidated subsidiaries):

Hakuto, MOLDEC, Hakuto Logistics, and CLEARIZE

Overseas (9 consolidated subsidiaries):

Hakuto Enterprises, Hakuto Enterprises (Shanghai), Hakuto Taiwan, Hakuto Singapore, Hakuto (Thailand), and other 4 companies

Operating profit



■ FY2022
Actual result

■ FY2023
Actual result

■ FY2024
Actual result

Consolidated Balance Sheets

- Total assets decreased due to a reduction in inventories and the curtailment of cross-shareholdings.
- Total liabilities decreased due to a decrease in interest-bearing debt brought by a decline in working capital.

(¥mn)	FY2023	FY2024	Change	
Total assets	137,759	130,376	(7,383)	
Cash and deposits	15,568	14,929	(639)	• See Statements of Consolidated Cash Flows
Trade receivables	44,378	45,795	+1,417	• Up due to increased sales
Inventories	56,148	44,484	(11,664)	• Down due to the shipment of merchandise
Investment securities	8,670	8,333	(337)	• Down due to the sale of shares held
Total liabilities	71,825	64,829	(6,996)	
Trade payables	24,268	17,571	(6,697)	
Interest-bearing debt	36,484	35,282	(1,202)	• Down due to a decline in working capital
Net assets	65,933	65,546	(387)	• Down due to: - a decrease in retained earnings as a result of dividends payment to shareholders - a decrease in valuation difference on available-for-sale securities resulting from the sale of shares held
Equity ratio	47.9%	50.3%	—	

Consolidated Statements of Cash Flows

- Net cash provided by operating activities amounted to ¥10.5 bn mainly due to a decrease in inventories.
- Net cash used in investing activities amounted to ¥4.5 bn mainly due to purchase of shares of subsidiaries.
- Net cash used in financing activities amounted to ¥6.5 bn mainly due to repayments of short-term borrowings and dividends paid.

(¥mn)	FY2023	FY2024	Change	
Cash flows from operating activities	8,712	10,589	+1,876	<ul style="list-style-type: none"> • Profit before income taxes: +¥7.5 bn • Increase in trade receivables: -¥1.2 bn • Decrease in inventories: +¥11.7 bn • Decrease in trade payables: -¥6.7 bn
Cash flows from investing activities	876	(4,568)	(5,445)	<ul style="list-style-type: none"> • Purchase of shares of subsidiaries: -¥3.7 bn • Purchase of property, plant and equipment and intangible assets: -¥1.0 bn
Cash flows from financing activities	(11,451)	(6,507)	+4,943	<ul style="list-style-type: none"> • Repayments of short-term borrowings, net: -¥2.9 bn • Proceeds from long-term borrowings, net: +¥1.7 bn • Dividends paid: -¥5.0 bn
Valuation difference	680	(152)	(832)	
Net increase (decrease) in cash and cash equivalents	(1,182)	(639)	+543	
Cash and cash equivalents at end of period	15,568	14,929	(639)	

Consolidated Results Forecast for FY2025

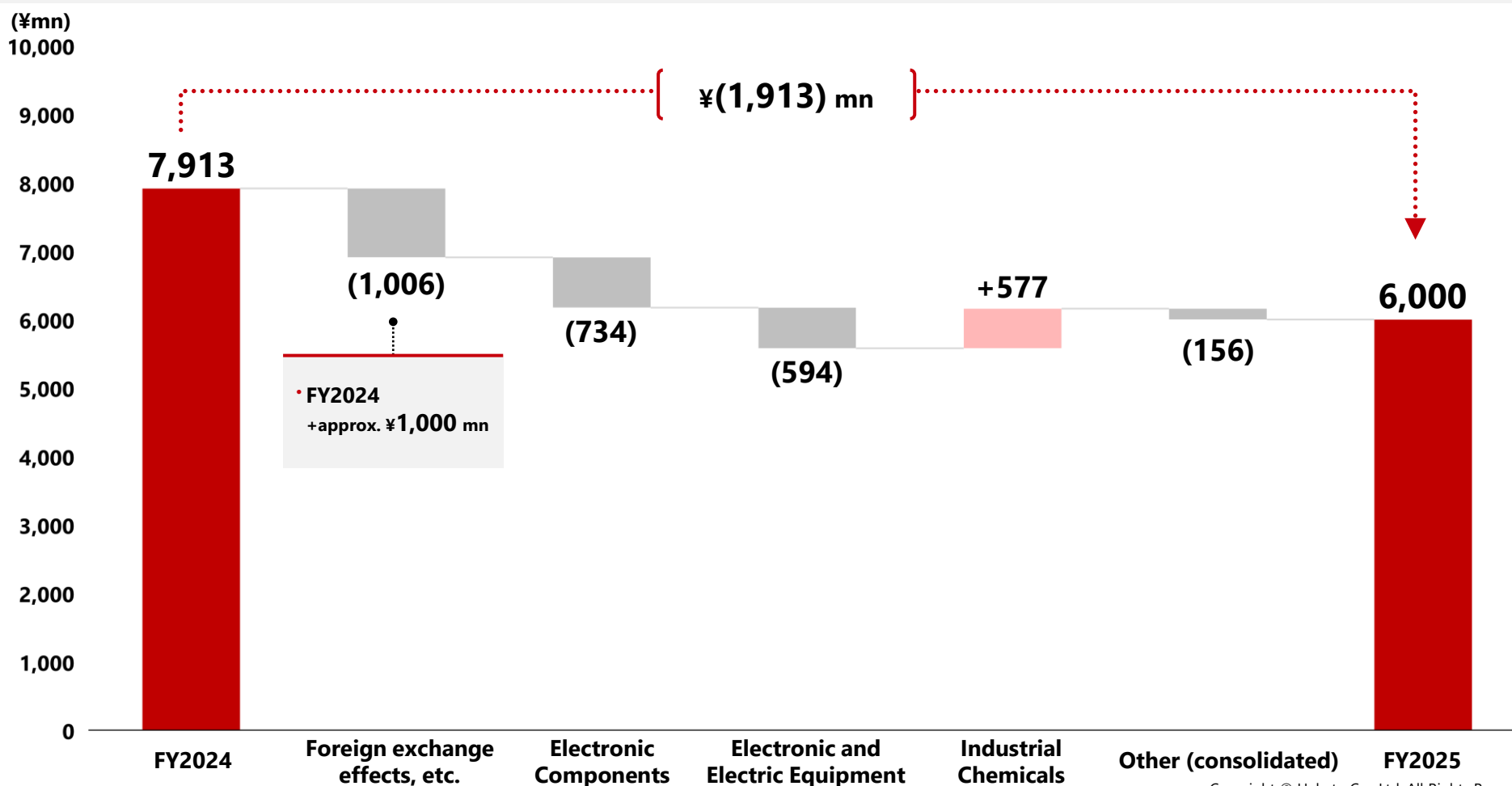
- The Chinese market will remain sluggish and inventory adjustments will continue, and the semiconductor market will remain lackluster except for that related to AI. We expect recovery from 2nd Half of FY2025 onward.
- Forecast for FY2025 does not factor in the foreign exchange effects that boosted profits in FY2024, but incorporates anticipated gain on sale of cross-shareholdings. Accordingly, we expect only a slight YoY decrease in profit.

(¥mn)	FY2024	FY2025			YoY change	
	Actual results	1 st Half	2 nd Half	Full year	Amount	%
Net sales	183,133	86,000	100,000	186,000	+2,866	+1.6%
Gross profit	27,878	12,150	14,550	26,700	(1,178)	(4.2)%
Operating profit	7,913	2,000	4,000	6,000	(1,913)	(24.2)%
Ordinary profit	7,321	1,800	3,900	5,700	(1,621)	(22.2)%
Profit	5,131	1,700	3,200	4,900	(231)	(4.5)%
EPS*	¥272.76	–	–	¥260.41	¥(12.35)	–
ROE	7.8%	–	–	7.5%	(0.3) pt	–

*EPS: Earnings per share

Breakdown of Changes in Consolidated Operating Profit

- In semiconductors, customers' inventory adjustments and sluggish demand will continue. Capital investment for power devices will also slow down.
- In Industrial Chemicals, we expect recovery of cosmetics demand and business expansion in the environment/electronic industry sectors.
- Note that operating profit in FY2024 includes approx. ¥1.0 bn of the positive foreign exchange effects due to weakening yen.



Year-end Dividend for FY2024 and Dividend Forecast for FY2025

- Stable shareholder returns through the introduction of DOE metric

Guideline indicators for dividends under the new Medium-Term Management Plan (from FY2025 to FY2028):
Dividends payout ratio of 70% ($\pm 5\%$) or DOE 5%, whichever is higher

		FY2023	FY2024	FY2025 (Forecast)
Dividend per share	Interim (¥)	140	130	100
	Year-end (¥)	140	130	100
	Annual (¥)	280	260	200
Total dividends	Annual (¥mn)	5,259	4,892	–
Dividend payout ratio	(%)	101.4	95.3	76.8
Dividend on equity (DOE)	(%)	8.1	7.4	5.7

• Year-end dividend: ¥130 per share
 Annual dividend: ¥260 per share
 (as initially planned)

• Annual dividend forecast:
 ¥200 per share



Inquiries about IR

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The data and forward-looking statements included in this document are based on the information currently available to the Company and on certain assumptions considered reasonable. Actual results may change from the forecasts depending on various factors. Therefore, this document does not guarantee the achievement of the goals and forecasts provided herein and its future performance.