

# Action to Implement Management That Is Conscious of Capital Cost and Stock Price

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**Hakuto Co., Ltd.**

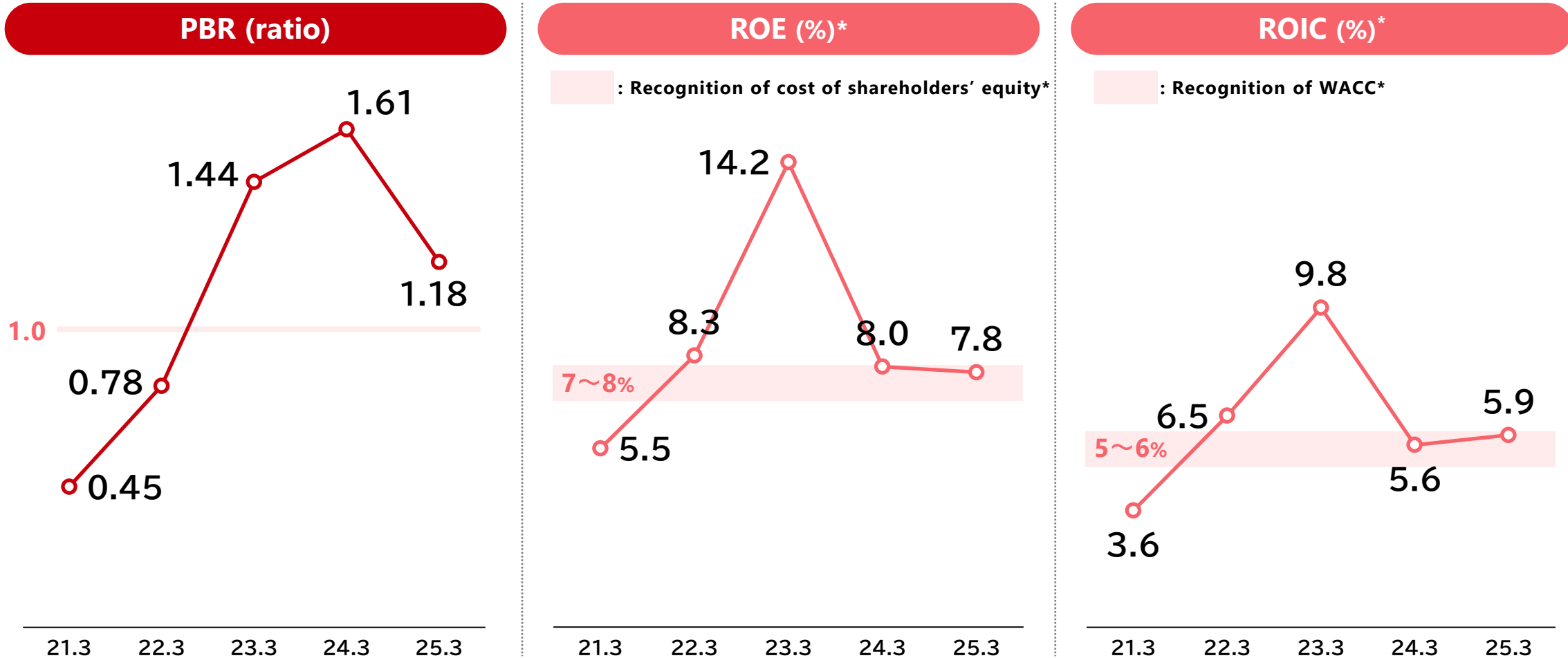
March 31, 2026



TSE Prime | Securities code 7433

## Our Current Status in the Capital Market

**Our current PBR exceeds 1.0, but ROE of 7.8% is at a level similar to the recognition of cost of shareholders' equity and ROIC of 5.9% is at a level similar to the recognition of WACC. We need to improve ROE conscious of capital efficiency to continuously improve corporate value.**



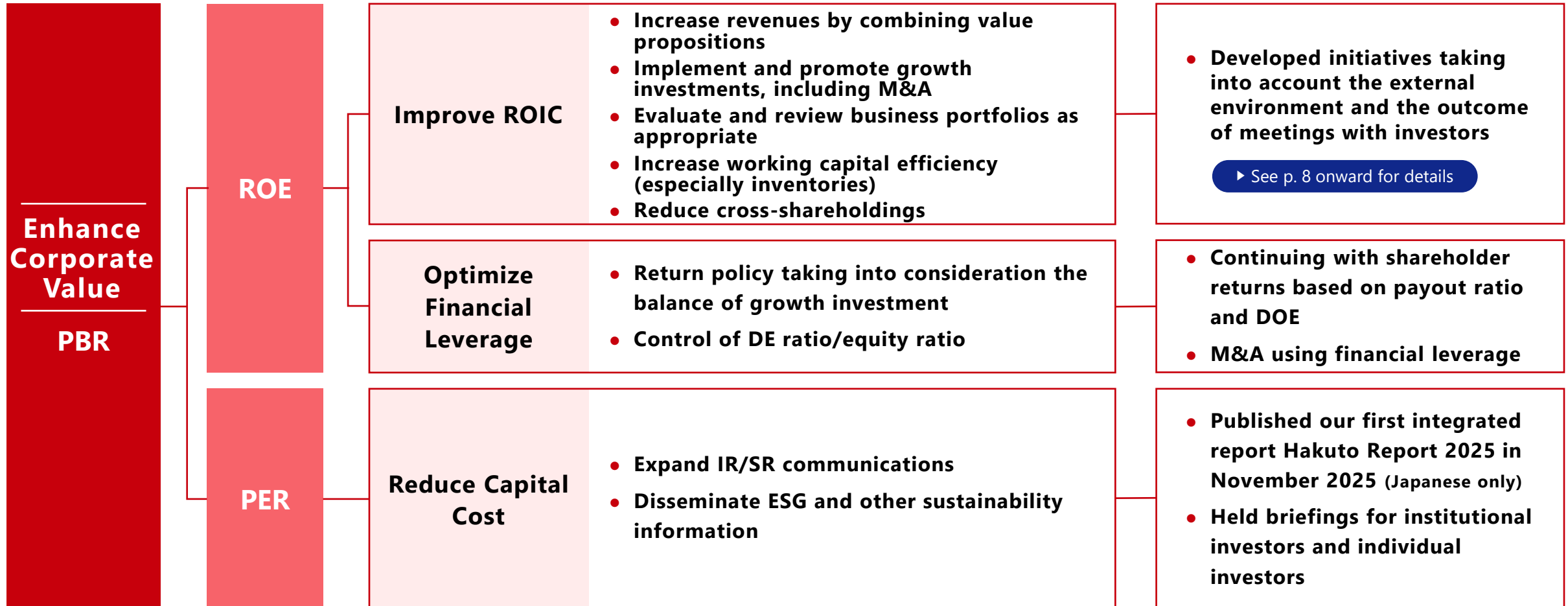
\*ROE = Profit / Equity, ROIC = (Operating profit x (1 - Effective tax rate)) / Invested capital (Non-current assets including investments and other assets + Working capital). Equity and invested capital are based on the average amounts for each fiscal year. Cost of shareholders' equity and WACC are based on CAPM.

Promote Management Conscious of Capital Cost

## We are currently promoting ROIC management based on the management policy presented in the Medium-Term Management Plan Hakuto 2028.

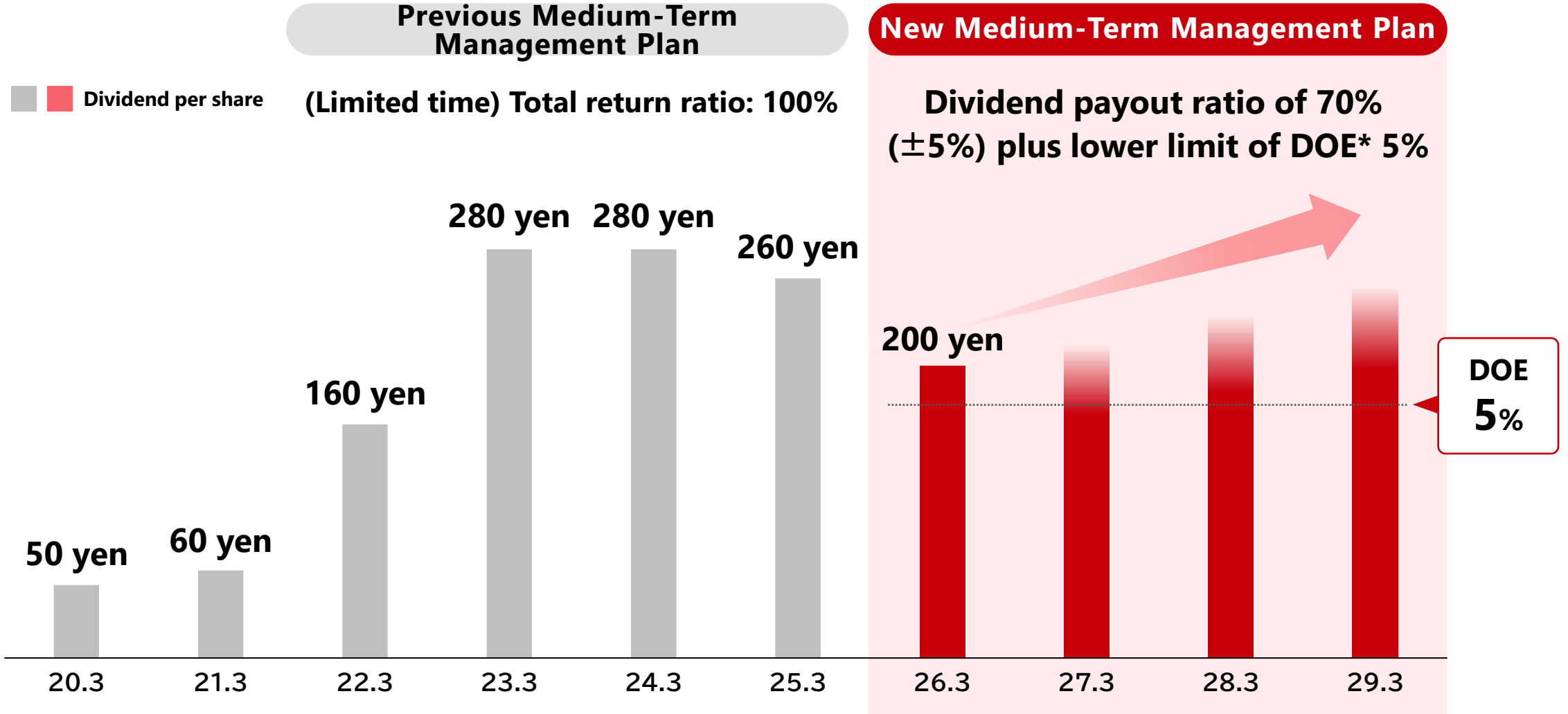
### Policy for management conscious of capital cost in the Medium-Term Management Plan (announced in April 2025)

### Implementation status



# Optimize Financial Leverage: Shareholder Return Policy

**We aim for stable dividend increases, set a dividend payout ratio of around 70%, and a DOE\* ratio of 5% as a lower limit for dividends.**

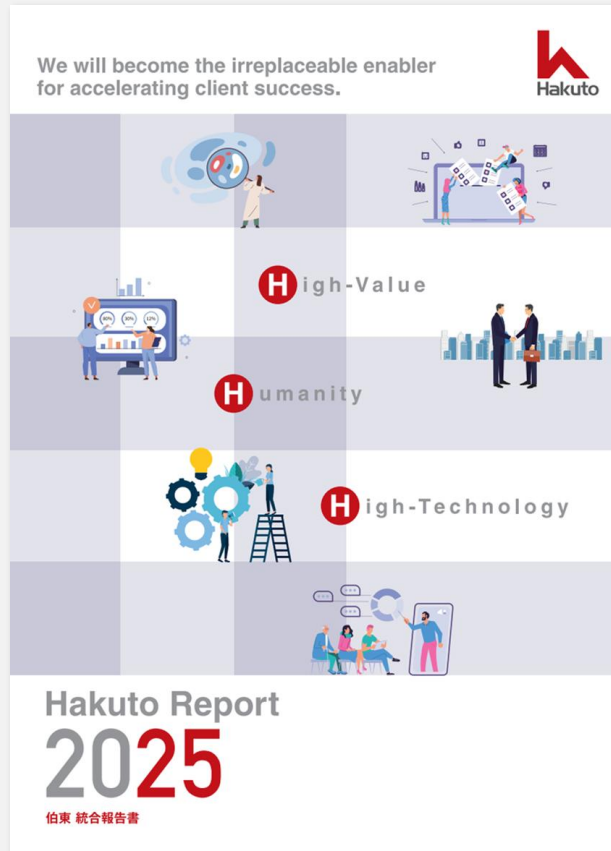


\*Dividend on equity ratio (DOE) = Total dividends paid / Net assets

## Reduce Capital Cost: Investor Engagement

**We are pushing ahead with various IR and SR communications including the publication of the integrated report. Based on our dialogue with investors, we found that measures for improving capital efficiency (reduction of inventory) are urgent and highly important.**

### Publication of integrated report (Japanese only)



Published our first integrated report in November 2025

**Hakuto Report 2025**

### Dialogue with Investors and Shareholders (FY2025)

**Dialogue with institutional investors**

**36 times**

**Briefing for individual investors**

**Held company information session (July 15, 2025)**

### Interests of investors and shareholders (excerpt)

- **Business environment and growth strategy**
  - Progress in initiatives in the AI and advanced semiconductor fields
  - Business environment in Japan and overseas
  - Approach to M&A and targets
- **Initiatives for improvement of capital efficiency**
  - **Inventory turnover period; factors that cause fluctuation in inventory levels**
  - Balance between growth investment and shareholder returns
  - Approach to cross-shareholdings

**The booming semiconductor market is a tailwind for us. However, expectations on trading companies are changing and we are called upon to take a fresh look at our strategic policy.**

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
Accelerating Growth of Global South	Increase in M&As

### Opportunities

- Semiconductors will continue to maintain high growth rates. 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

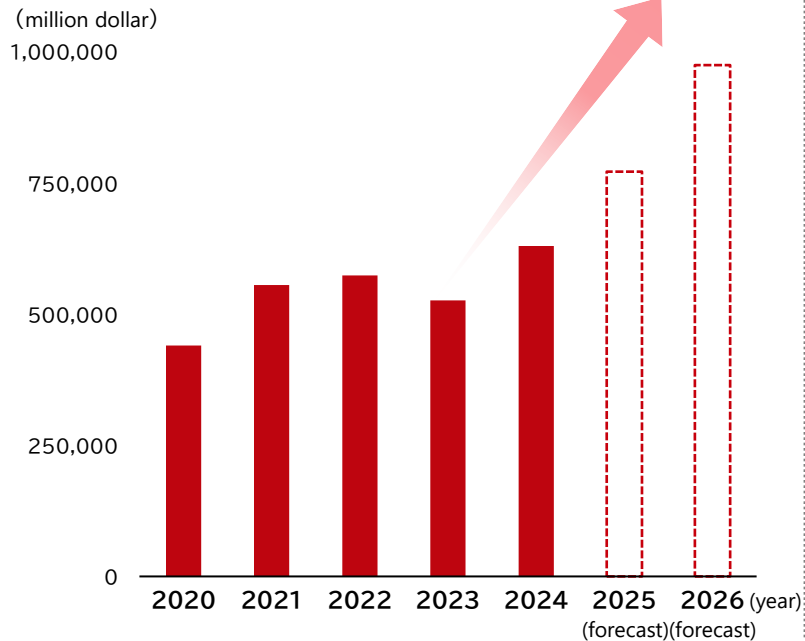
- Emergence of new competitors due to technological evolution
- Progressive commoditization and obsolescence of existing technologies and values
- The roles and functions required of trading companies in the semiconductor industry are changing. Their raison d'etre is once again being called into question

## AI-related demand continues to drive the semiconductor market. Demand in emerging markets is also increasing along with economic growth.

### Market growth supported by AI demand

AI agents have taken over the role of market growth driver from generative AI. With the source of demand shifting from personal use to corporate use, the demand for data centers is increasing

#### Scale of Global Semiconductor Market

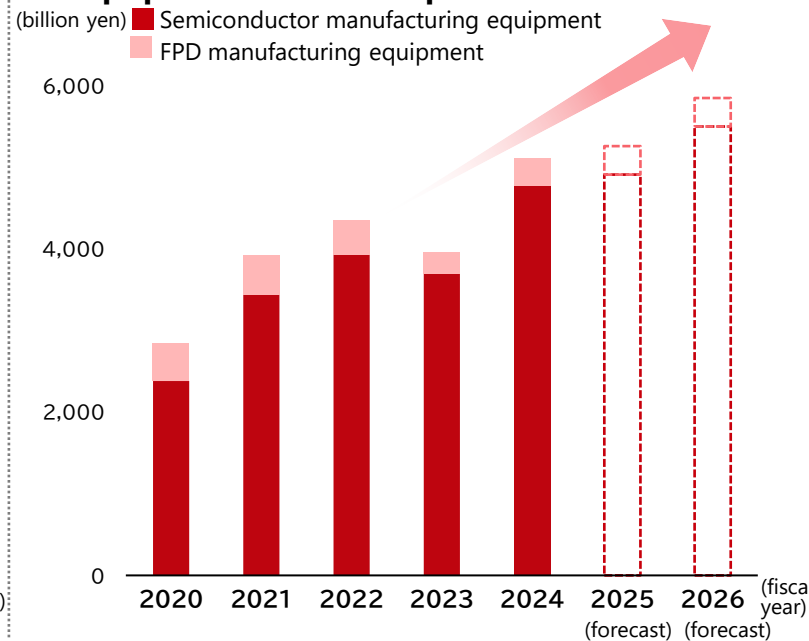


\*Source: World Semiconductor Trade Statistics (WSTS)

### Resurgence of capital investment appetite

While there is a slowdown in investment with lack of demand for products other than AI servers, it is expected to bounce back on hopes for future recovery and increasing data center-related demand

#### Semiconductor and FPD Manufacturing Equipment Sales in Japan

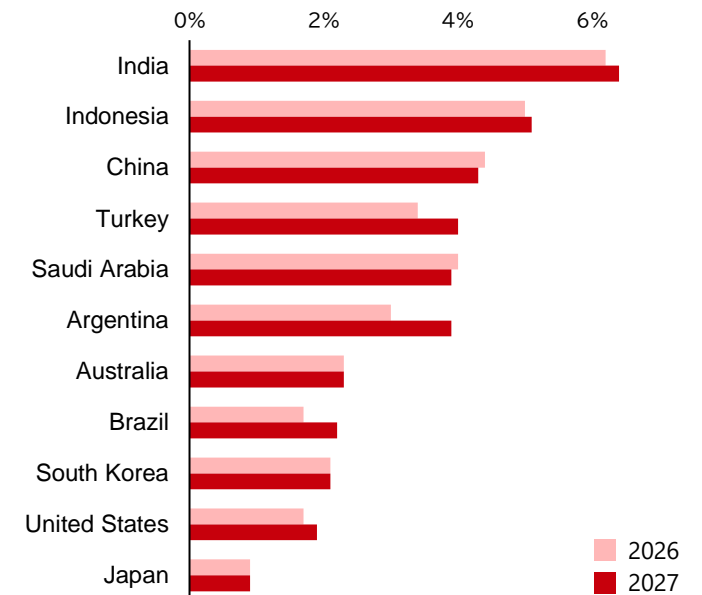


\*Source: Semiconductor and FPD manufacturing equipment demand forecast (Semiconductor Equipment Association of Japan)

### Accelerated growth of emerging markets

Global economy is expected to grow driven by India, Indonesia, China, and other Asian countries. Semiconductor demand is especially strong in India partly due to the state policy.

#### GDP Growth Projection by country (Top 10 countries by GDP growth projection for 2027 among G20 plus Japan)



\*Source: OECD

## Strategic Policy for ROIC Improvement

**Based on the meetings with investors and the external environment, we will accelerate the promotion of integrated solutions as well as the creation and scaling of new businesses globally, as we increase capital efficiency to improve ROIC.**

### Medium-Term Management Plan Hakuto 2028

#### Business Strategy

##### Integrated solutions in response to customer problems

- **Flexibly combine commercial products, services, and technologies to help customers solve problems**
  - We will integrate values purchased from business partners with our original values to offer products and services.
- **Offer new values by leveraging the strengths of electronics & chemicals**
  - Combine our keen eye for electronic and chemical products and capability to identify and solve issues to offer new solutions.

##### Create and scale new businesses

- **Create a business development system**
  - Established a new "Business Incubation Center" dedicated to the development of new businesses.
  - Approx. 40 full-time employees are working at the center.

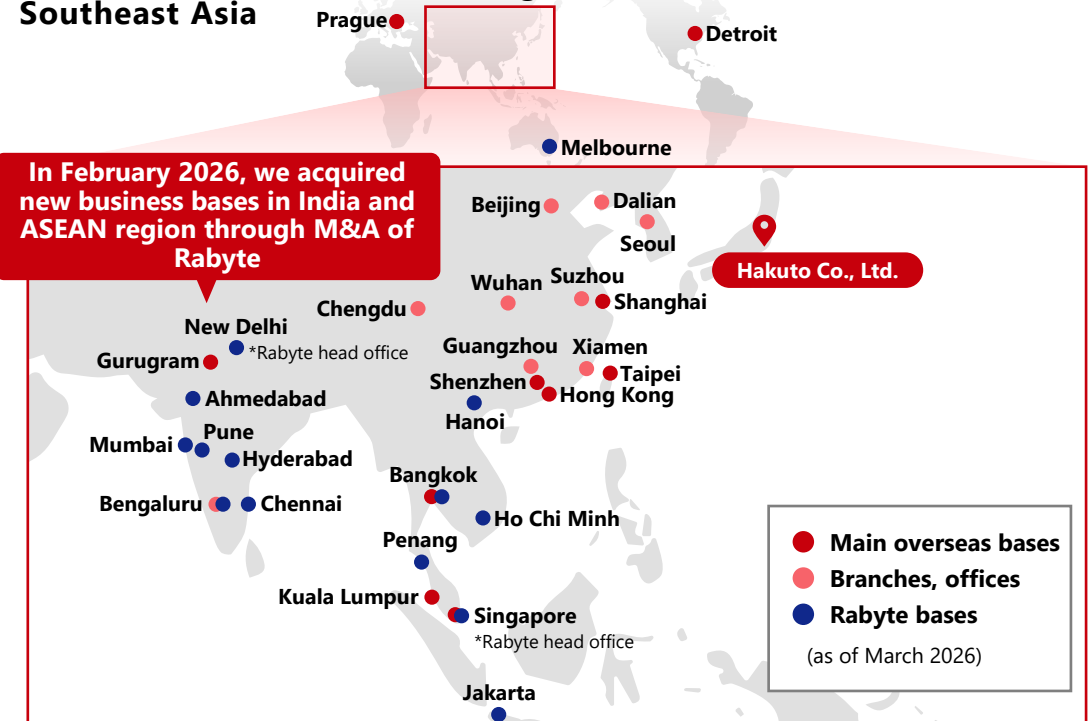
##### Improve capital efficiency (reduce inventory)

- **Strengthen ROIC-oriented management**
  - Accelerate PDCA cycle implementation through supplier-based ROIC management.
  - Optimize inventory by establishing supply and demand management system.
- **Optimize inventory management structure across ASEAN and Greater China**
  - Control inventory volume by reviewing logistics and sharing of warehouse.



#### Area Strategy

- In addition to Japan, accelerate business development in India, where semiconductor industry is growing significantly
- We will also focus on business growth in the Global South including Southeast Asia



Promote M&A and Capital Alliances

**M&A and capital alliances are also options for integrated solutions, creation of new businesses, and promotion of area strategy.**


**CLEARIZE joined the Group in September 2024 and Rabyte in February 2026, both through M&A.**

### Target Area


		Products and Solutions	
		Existing	New
Business Areas	Existing	<b>1</b> <b>Market Penetration</b>	<b>3</b> <b>New Product Development</b>
	New	<b>2</b> <b>Market Development</b>	Diversification

### M&A Achievements

#### Acquired CLEARIZE, a contract analysis service company, as a subsidiary

	<b>Share Acquisition Date</b>	September 2024
	<b>Target Area</b>	(3) New product development
	<b>Business Activities</b>	Provide comprehensive contract analytical services including chemical analysis, physical properties analysis, structural analysis, environmental analysis, etc.
	<b>Purpose of Acquisition</b>	<ul style="list-style-type: none"> <li>Acquire new businesses that are not part of the current business</li> <li>Exploit synergy with existing businesses</li> </ul>
	<b>Expected Synergy</b>	<ul style="list-style-type: none"> <li>Cross-selling proposal of contract analysis business to Hakuto's business partners</li> <li>Sales of water treatment equipment (especially overseas)</li> </ul>

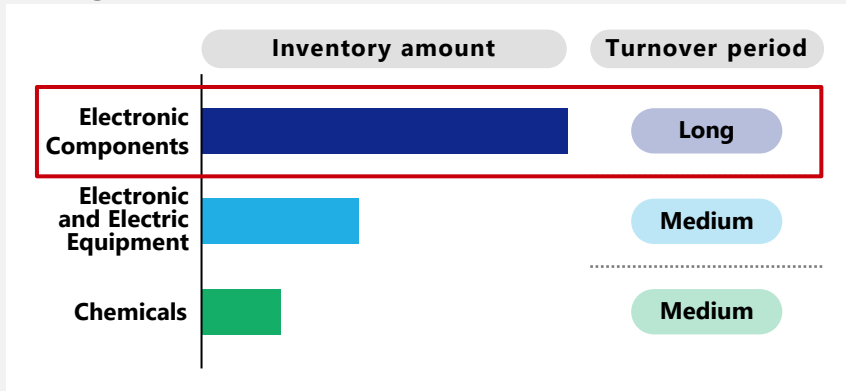
#### Acquired Rabyte, an Indo-Singaporean electronics trading company, as a subsidiary

	<b>Share Acquisition Date</b>	February 2026
	<b>Target Area</b>	(2) Market development, (1) Market penetration
	<b>Business Activities</b>	Provide electronic components and semiconductor products, product development, support for design and solutions, supply chain management, and testing functions
	<b>Purpose Of Acquisition</b>	<ul style="list-style-type: none"> <li>Expand customer base in India, Southeast Asia, and ANZ region</li> <li>Generate synergies through cross-selling</li> </ul>
	<b>Expected Synergy</b>	<ul style="list-style-type: none"> <li>Cross-selling of both companies' products to existing customers</li> <li>Offer Rabyte's design functions and services to Hakuto's customers</li> </ul>

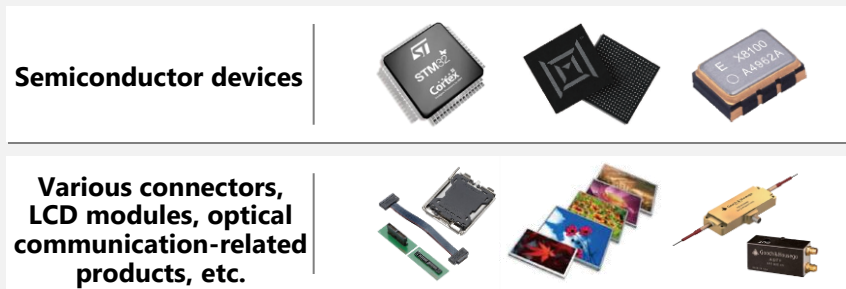
## Key Measures to Improve ROIC by Business Segment: 1. Electronic Components (1/2)

**Electronic Components has more inventory than other segments and its turnover period is also long. Further, given its diverse product lineup, ROIC management assumes special importance to the segment. We are upgrading ROIC management in the following three steps.**

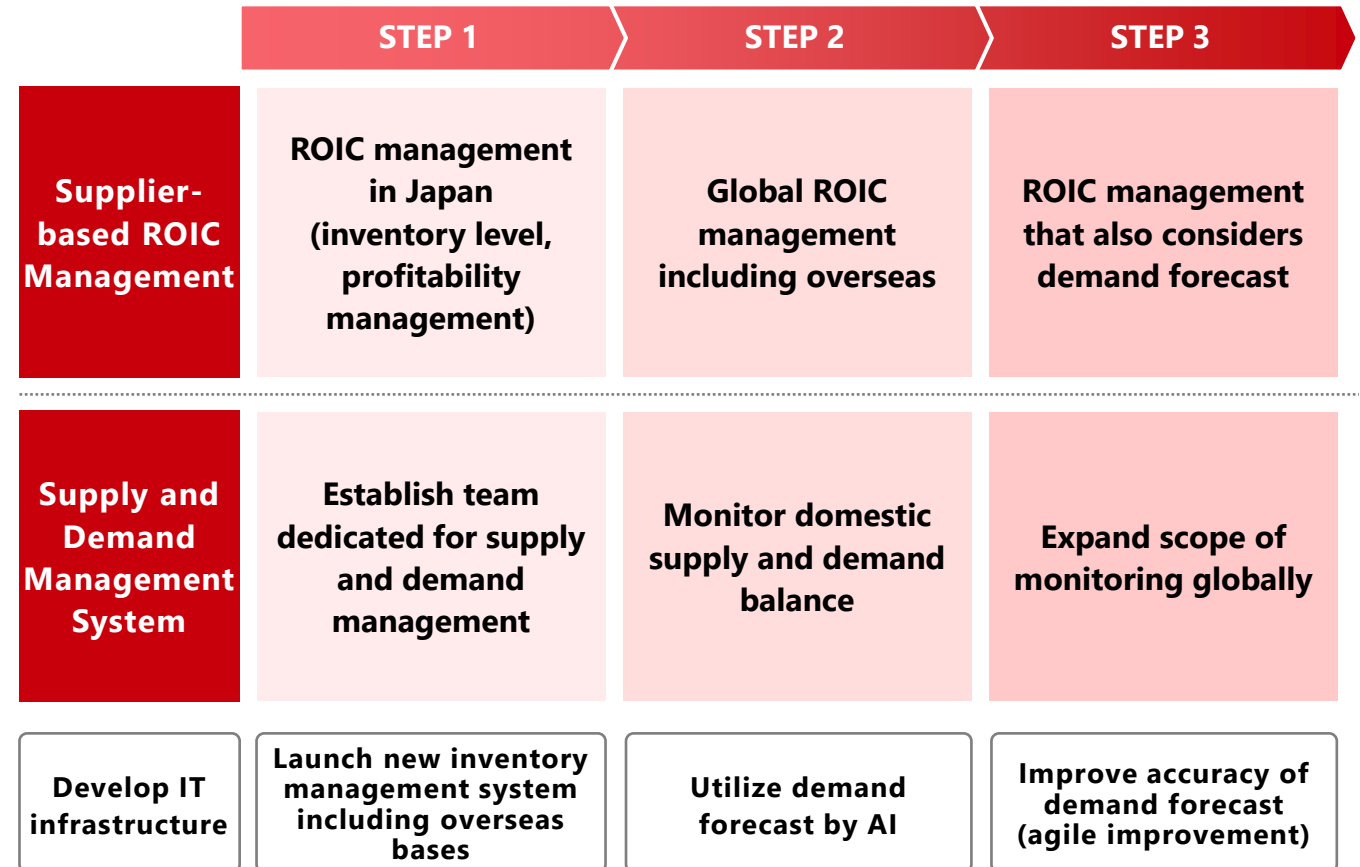
### ■ Representational image of inventory and turnover period by business segment



### ■ Main products



## Roadmap for Upgrading ROIC Management



Key Measures to Improve ROIC by Business Segment: 1. Electronic Components (2/2)

**In upgrading ROIC management, pursue high added values as well as control of working capital (primarily inventory).**

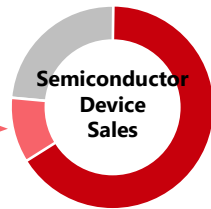
**Leverage our strengths to the utmost extent to accelerate the expansion of product portfolio and integration of solutions.**



### Strong Relationships with Suppliers

Assign dedicated teams to each supplier to build strong relationships

No.1 equivalent commercial products  
More than **10%**



No. 1 commercial products  
**70%**

\*Based on FY3/2024 actual results

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



### 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

Electronic Components



Percentage of Engineers  
**20% or higher**

### Expand Portfolio by Upgrading Supplier Network

- Strengthen collaboration with existing suppliers
- Cultivate new suppliers
- Enhance lineup in key fields (power semiconductors and display-related products)

### Expand and Strengthen the Areas in the Value Chain

- Strengthen development and design support, and the QC support system
- Reinforce sales capabilities by increasing number of engineers and enhancing their skills
- Promote business and capital alliance with external parties aimed at acquiring effective technologies

### Combining Value Provided through Cross-Selling

- Integrate solutions by combining sensor devices, AI, and IoT
- Increase human resources capable of proposing complex solutions and enhance education

Key Measures to Improve ROIC by Business Segment: 2. Electronic and Electric Equipment

**Amid rising demand for high-performance semiconductors for AI, the key to boosting performance will be next-generation packaging technology.**

**Promote expansion of product lineup reflecting customer requirements and LTV improvement with provision of solutions offering something extra.**

**Development and Sales of Packaging-Related Equipment**

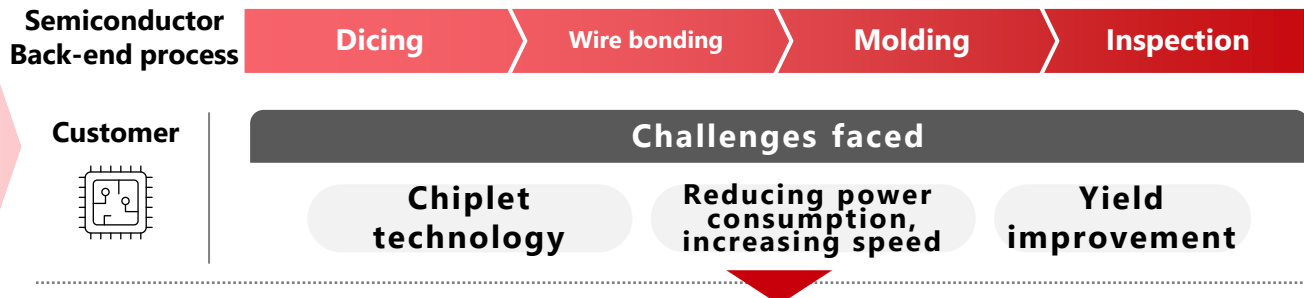


**Solutions Offering Something Extra**

Limits of miniaturization in semiconductor front-end process

Increasing demand for advanced packaging for AI/HPC

Strong interest from China, South Korea, and other Asian countries



**Hakuto's mainstay products for next-generation packaging**



<p><b>Stepper</b></p> <ul style="list-style-type: none"> <li>Contributes to miniaturization</li> </ul>	<p><b>Laminator</b></p> <ul style="list-style-type: none"> <li>Maintains yield even if the substrate is highly layered</li> </ul>	<p><b>Dry cleaner</b></p> <ul style="list-style-type: none"> <li>Contributes to miniaturization</li> <li>Contributes to yield improvement</li> </ul>	<p><b>Automated conveyance equipment</b></p> <ul style="list-style-type: none"> <li>Yield improvement through manpower-saving and automated conveyance</li> </ul>
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**Installation and Operational Support**

- Periodic maintenance and overhaul
- Installation of equipment and field service

**Monitoring Support**

- Remote monitoring and predictive maintenance utilizing DX

**Development Support**

- Support for electronic equipment development
- Provision of testing environment
- Manufacturing service (partner companies)
- Design service

**➔ Promote expansion of product lineup taking into account customer needs and technological trends**

**Develop Original Products**






















**Cultivate New Suppliers**

**Expand into Adjacent Fields through M&A**

## Key Measures to Improve ROIC by Business Segment: 3. Chemicals

**Growth in the existing areas such as petrochemical and pulp and paper is expected to slow down. We will increase more original products and focus on developing new areas such as environment, electronics, and life sciences.**

### Outlook by Area (forecast by Hakuto)

	Area	Short-term outlook	Medium- to long-term outlook
New Areas	 <b>Environment</b>		
	 <b>Electronics</b>		
	 <b>Life Sciences</b>		
Existing Areas	 <b>Petrochemicals</b>		
	 <b>Pulp and Paper</b>		
	 <b>Automobiles</b>		
	 <b>Cosmetics</b>		

### Key Measures



#### Explore new areas

- Respond to advanced customer needs (new areas) by creating original products
- Offer high value-added original products and enhance production structure by making capital investment



#### Integrate solutions

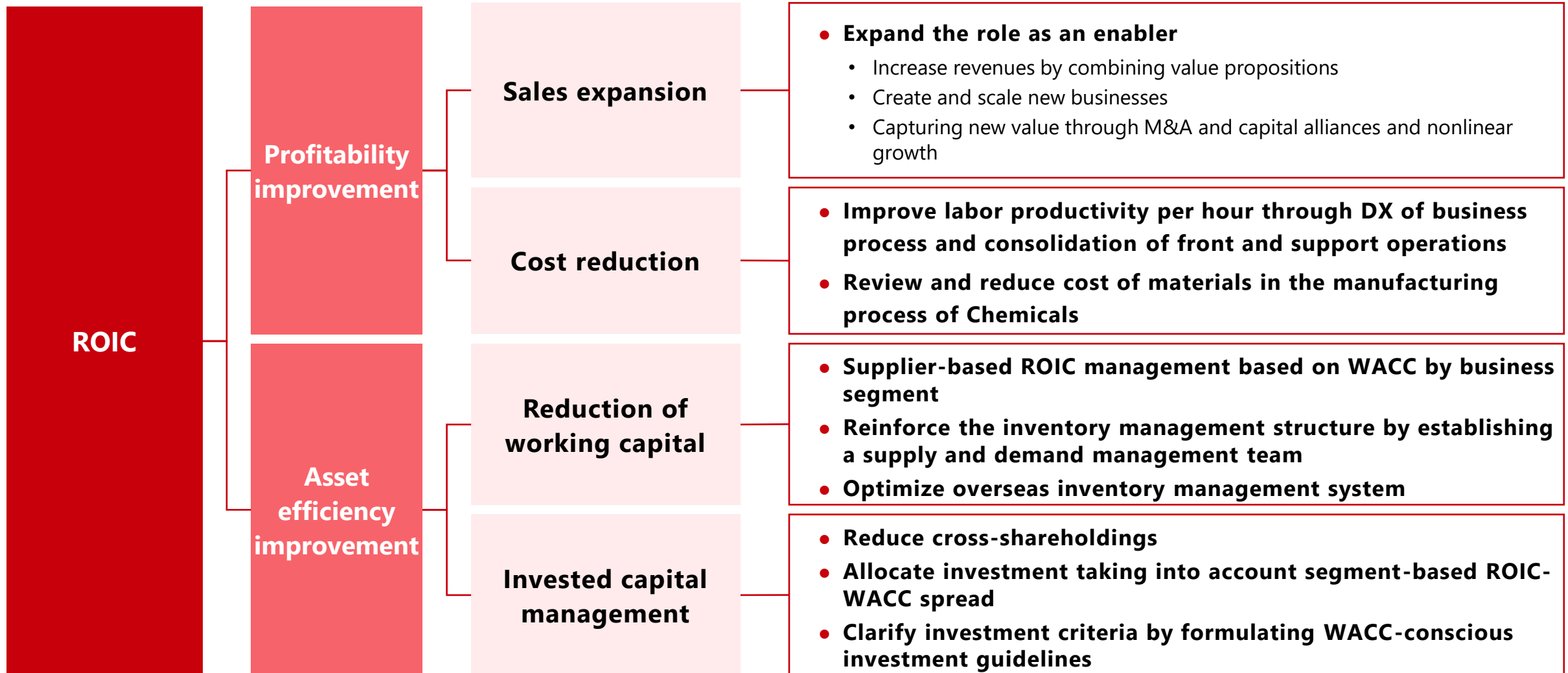
- Develop chemicals and offer wastewater solutions by combining CLEARIZE's analysis and wastewater-related technologies
- Offer electronic solutions such as AI monitoring systems and automated management systems



#### Expand overseas

- Roll out full-scale environmental solutions built in Japan and Asia in the Indian market, where wastewater (zero liquid discharge) regulations are strict

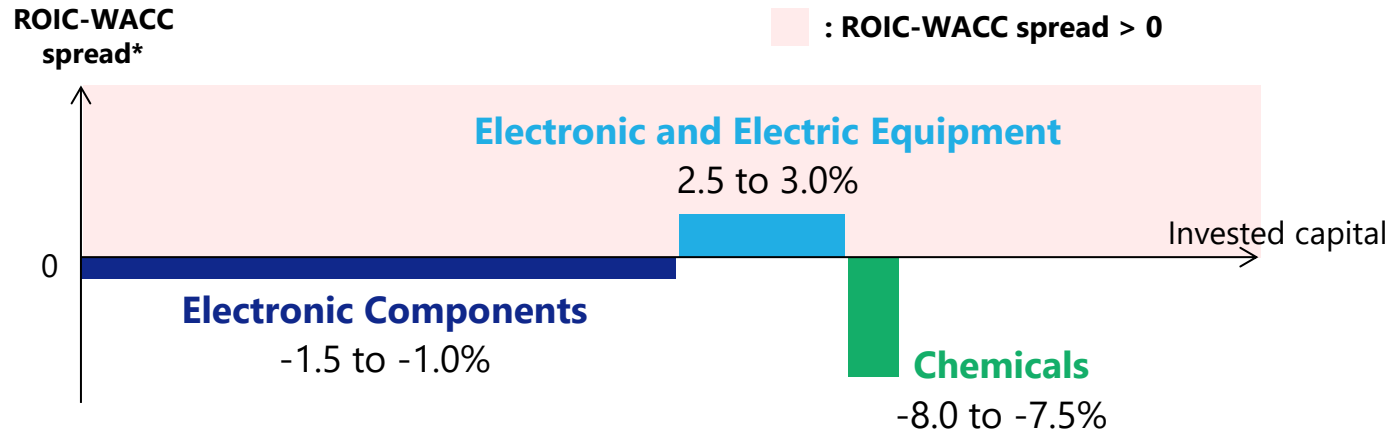
## Company-wide initiatives for improving ROIC including key measures for each business



For Sustainable Improvement of Corporate Value

**When the ROIC-WACC spread is positive, value creation equals the spread multiplied by invested capital. Electronic Components and Electronic and Electric Equipment will pursue profitability and efficiency while Chemicals will drive forward improvements in profitability.**

**FY2024 result**  
(excl. foreign exchange impact)



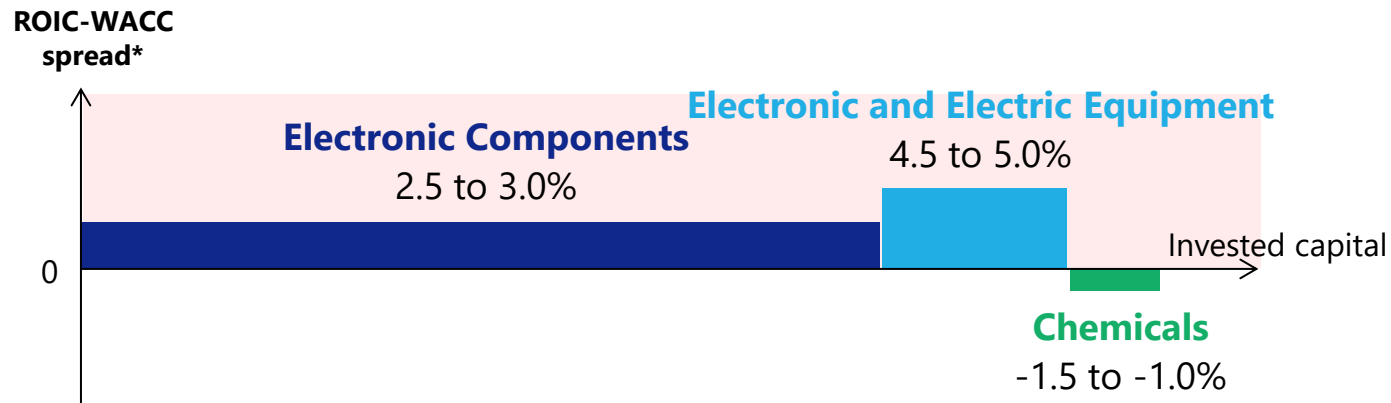
**Electronic Components**

- Improve profitability through supplier-based ROIC management, upgrade inventory management, and accelerate PDCA cycle implementation
- Expand business in India through M&A

**Electronic and Electric Equipment**

- Develop original products
- Enhance product lineup through M&A
- Improve customer LTV through proposal of solutions combining equipment and something extra

**FY2028 plan**



**Chemicals**

- Improve profitability by exploring new areas and developing original products
- Increase business opportunities by integrating solutions and expanding overseas

\*ROIC = (Operating profit by business x (1 - Effective tax rate)) / Invested capital (Year-end non-current assets + Year-end working capital). However, it excludes the impact of goodwill. WACC is WACC by business segment. The total of the above business segments may not be consistent with the company-wide spread and invested capital because the chart is based on the spread and capital investment attributed to each business excluding the Other business segment.

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.

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