



Financial results summary for the Second Quarter of the Fiscal Year Ending March 31, 2026 (Interim)

Hakuto Co., Ltd.

October 30, 2025

Overview of Consolidated Results

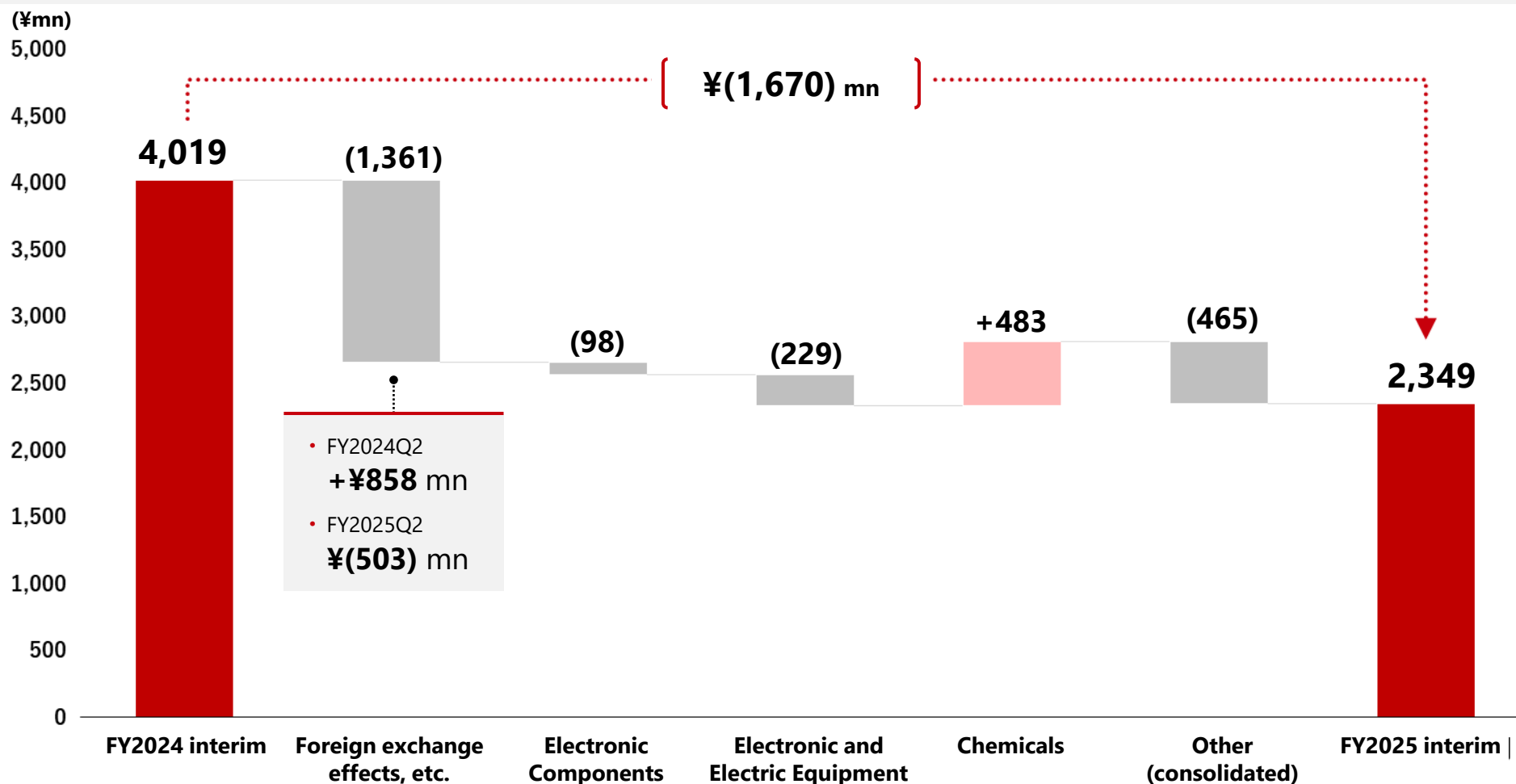
- Both sales and profits decreased YoY mainly due to lower sales from continued inventory adjustment by customers in the vehicle-related sector, lower gross profit margin due to foreign exchange fluctuations, repair costs incurred in solar power generation operations, and amortization of goodwill related to the newly consolidated subsidiary. However, profits exceeded the initial plan for the period.

(\$mn)	FY2024 Q2 (Interim)	FY2025 Q2 (Interim)	QoQ change		
			Amount	%	
Net sales	89,751	83,763	(5,987)	(6.7)%	• Down mainly due to decreased sales of semiconductor devices in the vehicle-related sector
Gross profit	13,440	12,229	(1,211)	(9.0)%	• Gross profit margin down due to foreign exchange effects FY24 Interim 15.0% ⇒ FY25 Interim 14.6%
Operating profit	4,019	2,349	(1,670)	(41.5)%	• Down due to lower gross profit and higher SG&A (due to amortization of goodwill related to a newly consolidated subsidiary acquired at the end of FY24 Interim and other factors)
Ordinary profit	3,825	2,325	(1,499)	(39.2)%	• Affected by recording foreign exchange losses of 0.54 bn in FY24 Interim, and 0.25 bn in FY25 Interim
Interim profit	2,578	2,008	(569)	(22.1)%	• Partially offset by recording of gain on sale of investment securities of ¥0.61 bn through the sale of cross-shareholdings
EPS*	137.05	106.7	(30.35)	—	

*EPS: Earnings per share

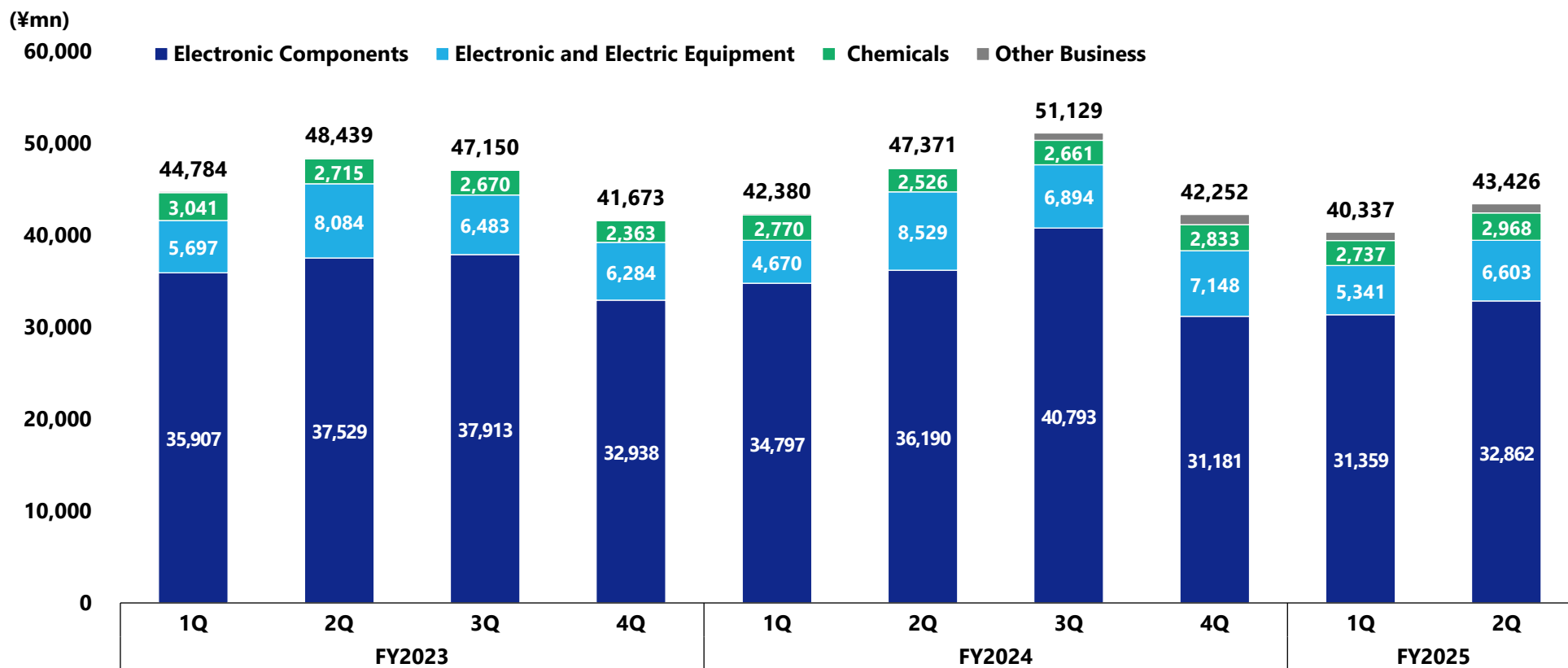
Breakdown of Changes in Consolidated Operating Profit (Interim)

- Foreign exchange fluctuation (weaker yen) had a positive impact of ¥0.86 bn on profit in FY24 Interim, whereas stronger yen had a negative impact of ¥0.5 bn in FY25 Interim.
- Electronics recorded a decrease in profits YoY, while Chemicals recorded an increase in profits due to recovery of the cosmetics market.
- Other (consolidated) had a negative impact mainly due to repair expenses in solar power generation operations and amortization of goodwill related to a newly consolidated subsidiary.



Quarterly Trends of Consolidated Net Sales

- Electronic Components:** Semiconductor devices for vehicles have been affected by continued inventory adjustment by customers since the bulk sale in Q3 FY2024. Generative AI-related products (servers/infrastructures) and the OA equipment sector remained robust.
- Electronic and Electric Equipment:** Sales in vacuum-related equipment remained strong, while sales in power device-related equipment, which showed strong performance in the previous fiscal year, decreased due to customers' cutbacks in capital investment.
- Chemicals:** Sales in raw materials for cosmetics remained on a gradual recovery, though sales in process additives for paper and pulp declined.



Results by Segment

- Electronic Components recorded decreases in both sales and profit due to inventory adjustment by customers, foreign exchange fluctuations, while Electronic and Electric Equipment also recorded decreases in sales and profit due to a slowdown in capital investment.
- Other segment recorded increased profit due to the addition of a newly consolidated subsidiary, and a loss mainly due to the recording of repair expenses in solar power generation operations and amortization of goodwill.

(¥mn)		FY2024 Q2 (Interim)	FY2025 Q2 (Interim)	YoY change	
				Amount	%
Electronic Components	Net sales	70,987	64,221	(6,776)	(9.5)%
	Segment profit	3,174	1,273	(1,900)	(59.9)%
Electronic and Electric Equipment	Net sales	13,199	11,944	(1,254)	(9.5)%
	Segment profit	1,318	1,073	(245)	(18.6)%
Chemicals	Net sales	5,295	5,705	+410	+7.7%
	Segment profit	(113)	340	+454	-
Other	Net sales	479	2,094	+1,614	+336.8%
	Segment profit	(30)	(502)	(472)	-
Total	Net sales	89,961	83,965	(5,995)	(6.7)%
	Segment profit	4,349	2,185	(2,164)	(49.8)%

Electronic Components

- Both sales and profit decreased mainly due to lower sales in semiconductor devices for vehicles and foreign exchange effects.

Electronic and Electric Equipment

- Both sales and profit decreased due to lower sales of PCB-related and semiconductor-related equipment as a result of reduced capital investment by customers

Chemicals

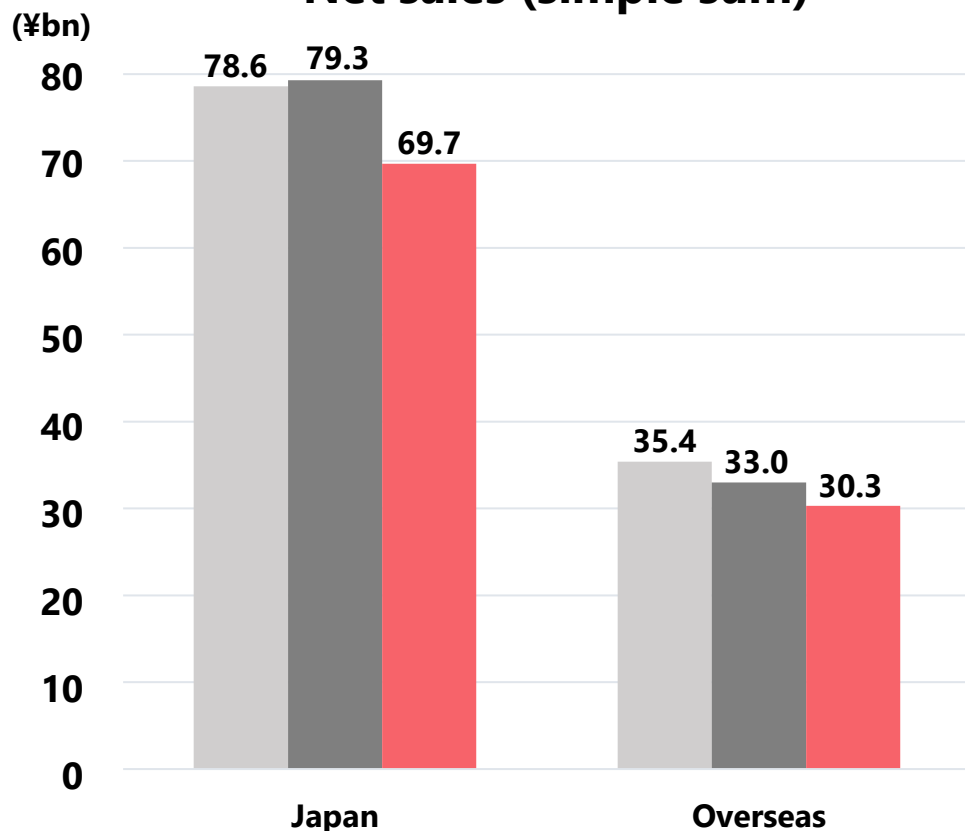
- Sales and profit grew due to sales recovery of raw materials for cosmetics, which was partially offset by decreased sales for paper and pulp.

Industrial Chemicals Business renamed to Chemicals Business starting from FY2025

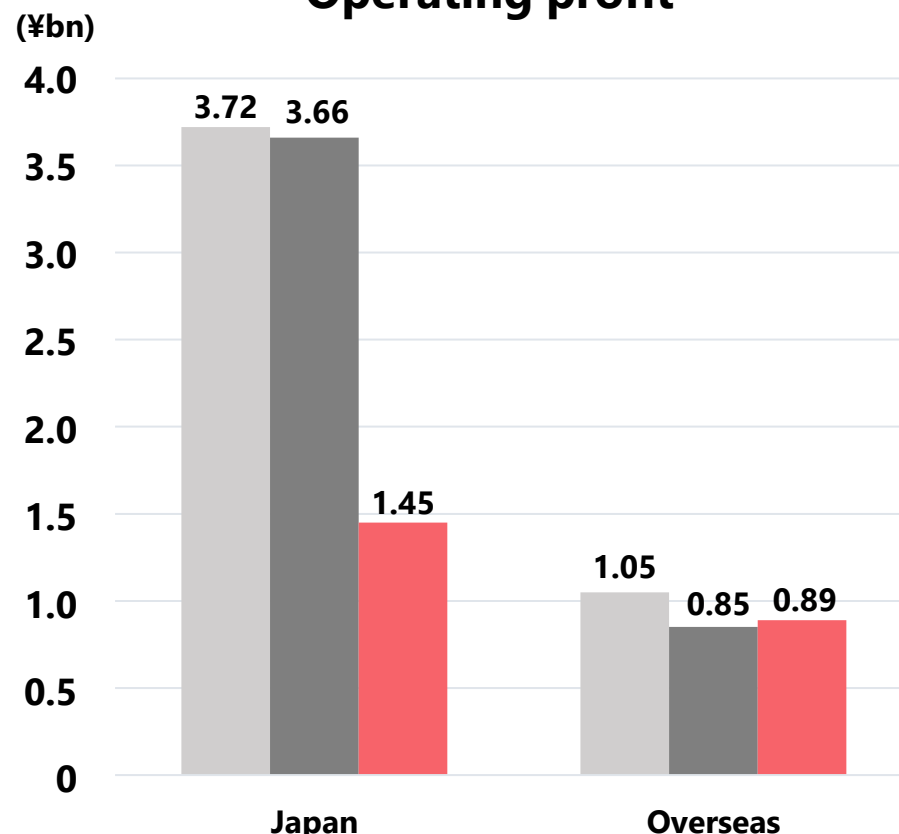
*Net sales represent amounts before elimination of intersegment transactions (each offset of transactions in the same segment has been reflected).

Breakdown of the Hakuto Group's Results

Net sales (simple sum)



Operating profit



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

FY2023 Q2 Actual result
 FY2024 Q2 Actual result
 FY2025 Q2 Actual result

Consolidated Balance Sheets

- Total assets increased by ¥3.6 bn mainly due to increases in cash and deposits and inventories
- Total liabilities increased by ¥2.8 bn mainly due to an increase in trade payables and interest-bearing debt.
- Net assets increased by ¥0.77 bn mainly due to increases in other securities valuation differences and foreign currency conversion adjustments.

(¥mn)	FY2024	FY2025 Q2 (Interim)	Change	
Total assets	130,376	133,994	+3,618	
Cash and deposits	14,929	17,885	+2,956	• See Statements of Consolidated Cash Flows
Trade receivables	45,795	43,960	(1,835)	• Down due to decreased sales
Inventories	44,484	47,072	+2,588	• Up due to purchase of merchandise based on contracts
Investment securities	8,333	9,124	+791	• Up due to rising stock prices of shares held
Total liabilities	64,829	67,676	+2,847	
Trade payables	17,571	19,829	+2,258	
Interest-bearing debt	35,282	36,481	+1,199	• Repayment of long-term borrowings and increase in short-term borrowings
Net assets	65,546	66,318	+772	• Retained earnings decreased as a result of dividends payment to shareholders
Equity ratio	50.3%	49.5%	-	• Valuation difference on available-for-sale securities increased as a result of rising stock prices of shares held

Consolidated Statements of Cash Flows

- Net cash provided by operating activities amounted to ¥3.9 bn mainly due to a decrease in trade receivables and an increase in trade payables.
- Net cash provided by investing activities amounted to ¥0.15 bn mainly due to sale of investment securities.
- Net cash used in financing activities amounted to ¥1.4 bn mainly due to repayments of borrowings and dividends paid.

(¥mn)	FY2024 Q2 (Interim)	FY2025 Q2 (Interim)	Change	
Cash flows from operating activities	211	3,875	+3,664	<ul style="list-style-type: none"> • Profit before income taxes: +¥2.9 bn • Decrease in trade receivables: +¥2.1 bn • Increase in inventories: ¥(2.5) bn • Increase in trade payables: +¥2.2 bn
Cash flows from investing activities	(4,402)	151	+4,553	<ul style="list-style-type: none"> • Sale of investment securities: +¥0.69 bn • Purchase of property, plant and equipment and intangible assets: ¥(0.42) bn
Cash flows from financing activities	4,555	(1,431)	(5,986)	<ul style="list-style-type: none"> • Increase in short-term borrowings, net: +¥4.6 bn • Repayment of long-term borrowings: ¥(3.4) bn • Dividends paid: ¥(2.4) bn
Valuation difference	(374)	360	+734	
Net increase (decrease) in cash and cash equivalents	(9)	2,956	+2,965	
Cash and cash equivalents at end of period	15,559	17,885	+2,326	

Consolidated Results Forecast for FY2025

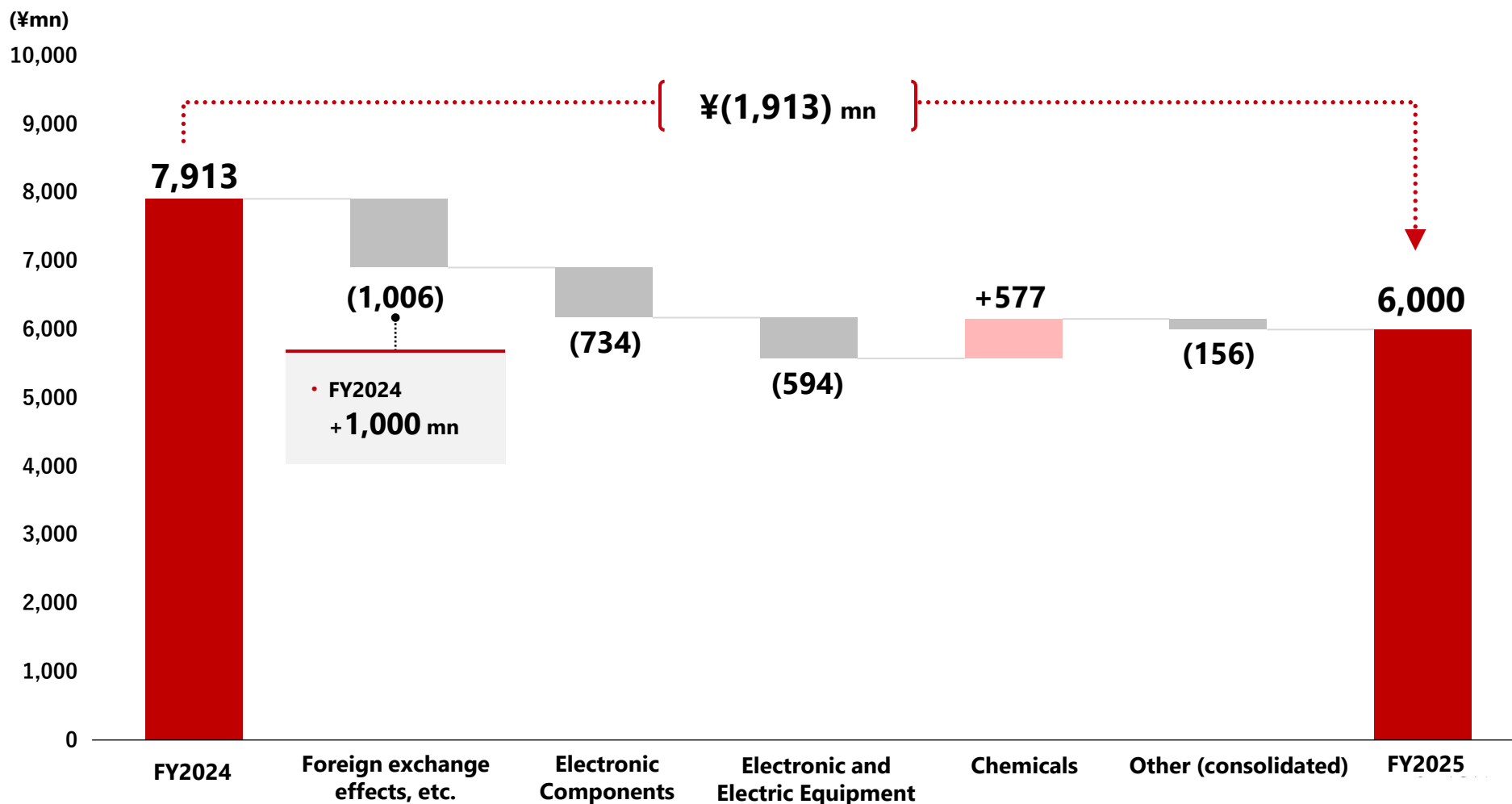
- There is no revision to forecast for FY2025 most recently announced (April 30, 2025).
- Forecast for FY2025 does not factor in the foreign exchange effects that boosted profits in FY2024, but incorporates anticipated gain on sale of cross-shareholdings. Accordingly, we expect only a slight YoY decrease in profit.

(¥mn)	FY2024	FY2025			YoY change	
	Actual results	1 st Half (Actual)	2 nd Half (Forecast)	Full year	Amount	%
Net sales	183,133	83,763	102,237	186,000	+2,866	+1.6%
Gross profit	27,878	12,229	14,471	26,700	(1,178)	(4.2)%
Operating profit	7,913	2,349	3,651	6,000	(1,913)	(24.2)%
Ordinary profit	7,321	2,325	3,375	5,700	(1,621)	(22.2)%
Profit	5,131	2,008	2,892	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 (Full Year)

- In semiconductors, customers' inventory adjustments and sluggish demand will continue. Capital investment for power devices will also slow down.
- In 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.



Dividend Forecast for FY2025

- No revision to dividend forecast most recently announced (April 30, 2025)
- 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.