

Company Presentation Material

May 20, 2024
Hakudo Co., Ltd.
(ticker symbol 7637)

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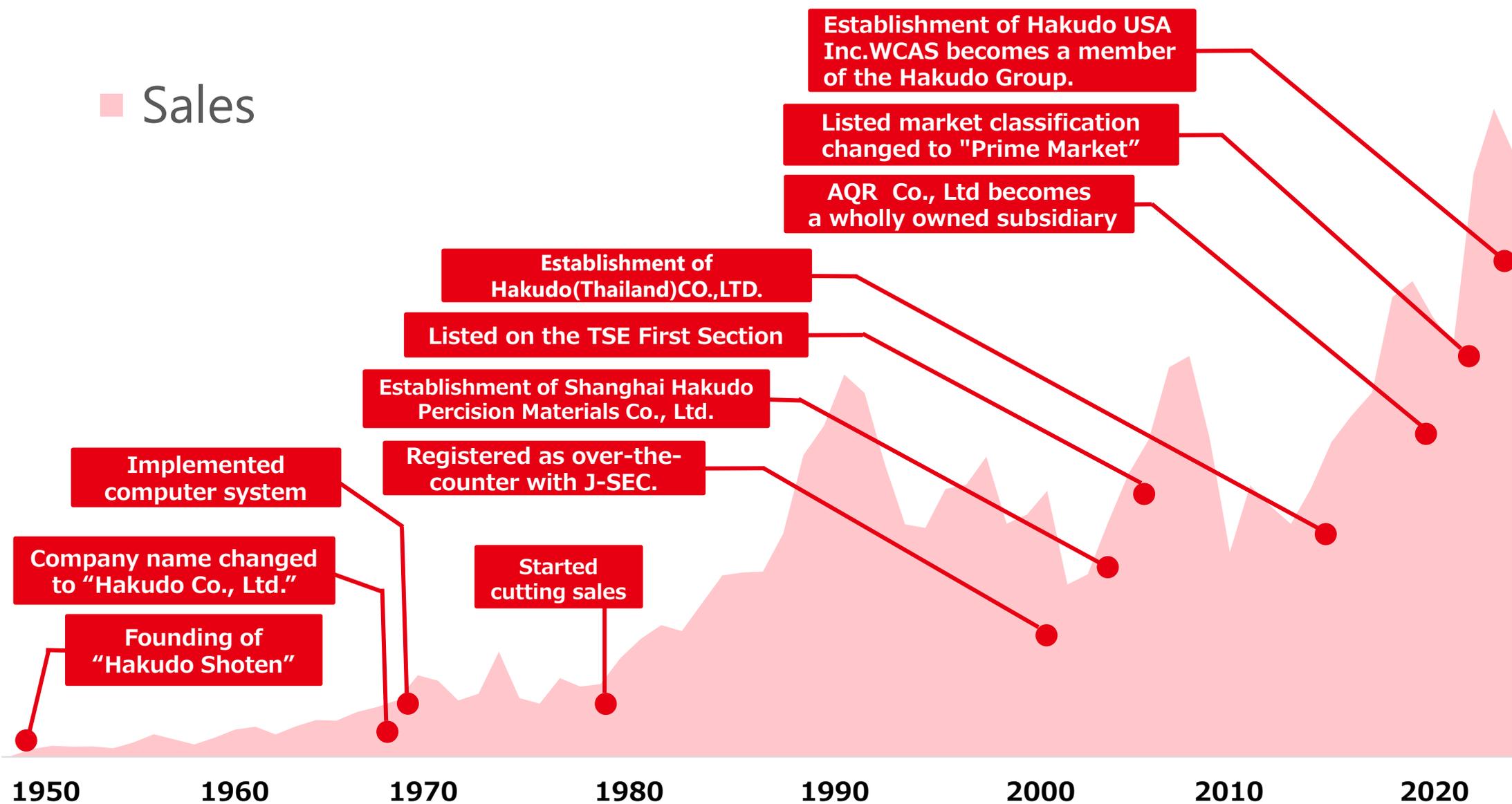
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1. About us

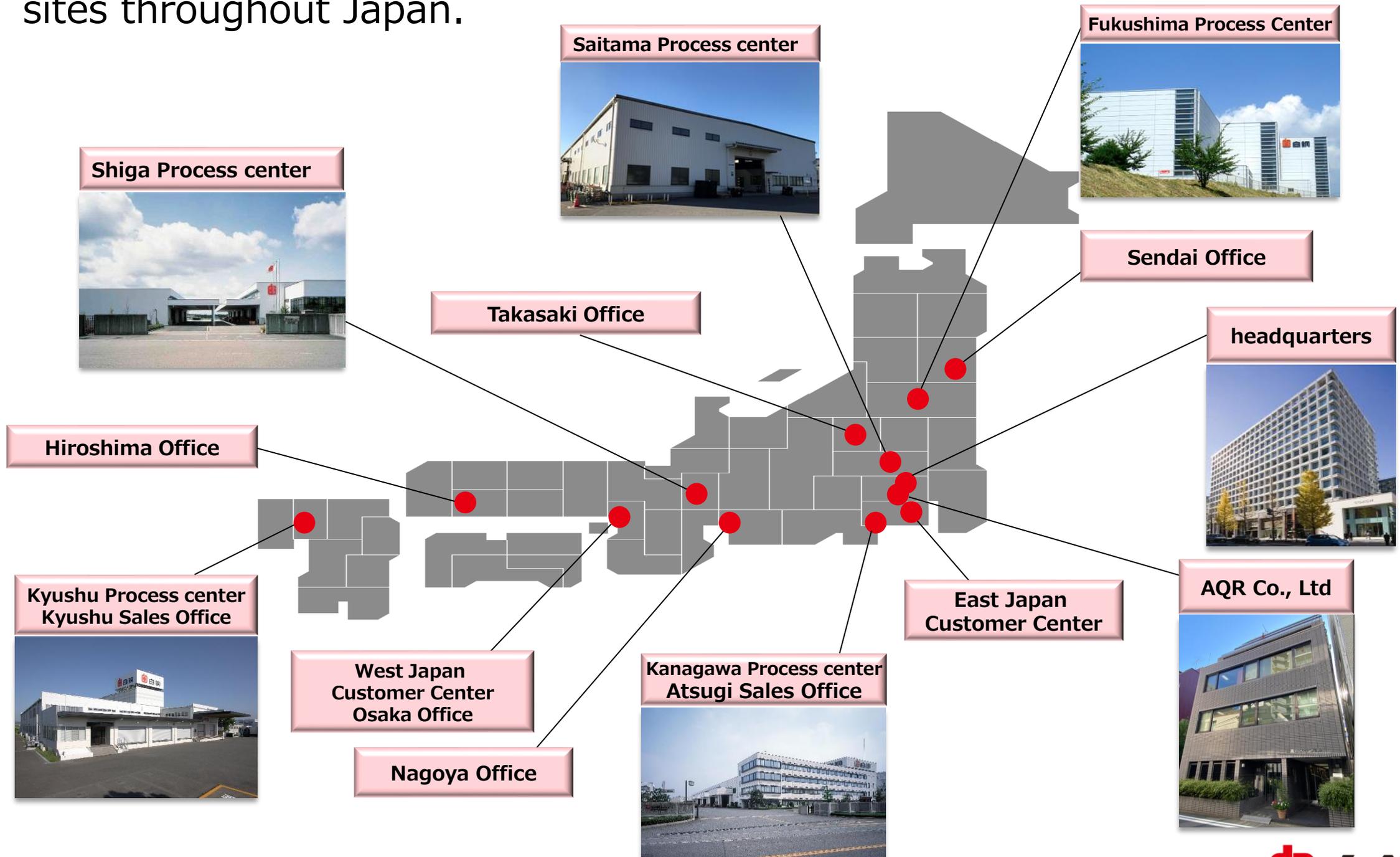
History

Hakudo Co., Ltd. has been striving to become "a company that strongly supports manufacturing" by providing nonferrous metals and other industrial materials.



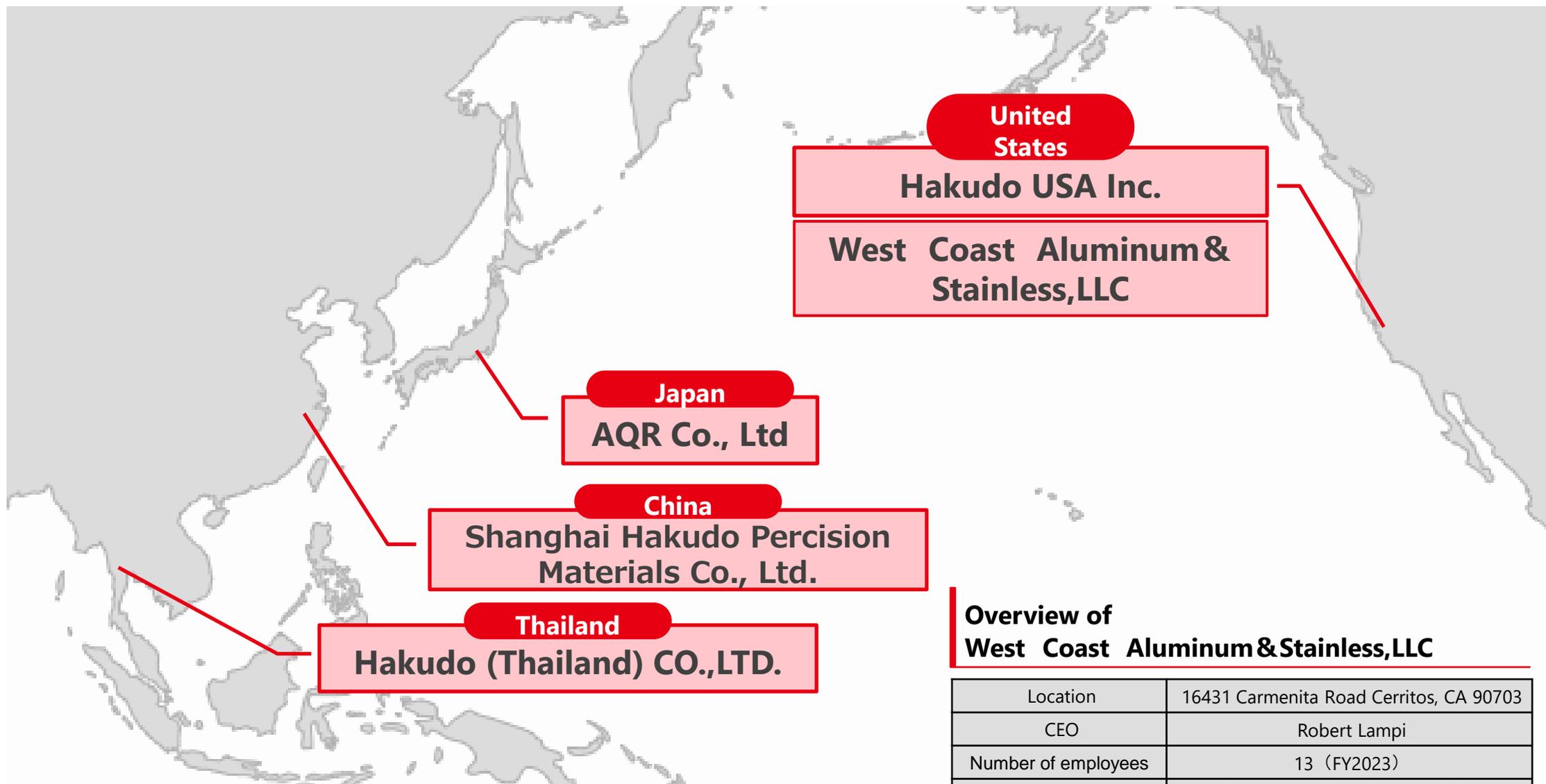
Domestic Locations

We have 9 sales offices (including subsidiaries) and 5 manufacturing sites throughout Japan.



Group Company

We have one group company in Japan and four group companies overseas.



Overview of West Coast Aluminum & Stainless, LLC

Location	16431 Carmenita Road Cerritos, CA 90703
CEO	Robert Lampi
Number of employees	13 (FY2023)
Business Activities	Aluminum and stainless steel sheet distributor.
Product Sales Ratio	Stainless steel: 50% Aluminum: 30%

Certification

We are committed to establishing, implementing, and maintaining a management system that conforms to the requirements of the JIS regulations **in quality, environment, and information security.**

JIS Q 9100 [Aerospace]

A national standard for quality management systems based on ISO 9001, incorporating requirements specific to the aerospace industry.

JIS Q 14001 ※1 [Environment]

National standards for environmental management system requirements that organizations can use to improve their environmental performance.

JIS Q 27001 ※1 [Information Security]

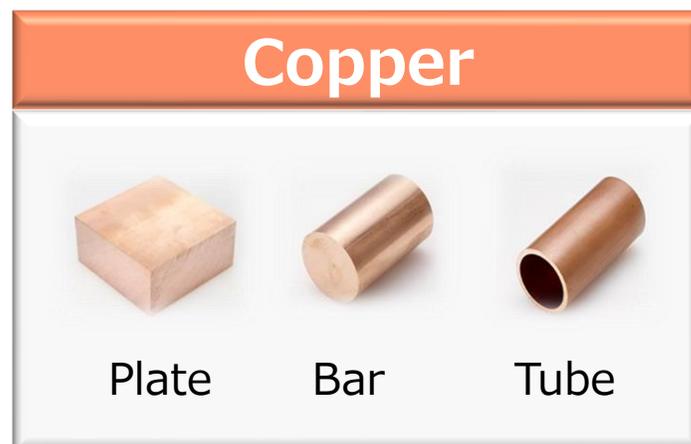
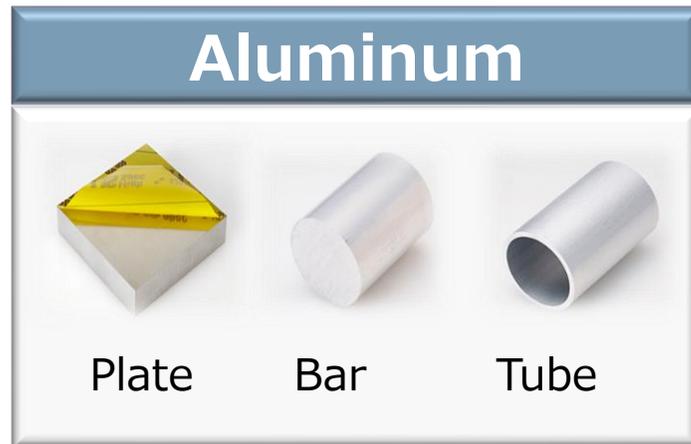
Domestic standard for ISMS certification, a comprehensive information security management system for information assets.

※1 Please refer to our website for detailed information on the scope of certification and certified organizations.

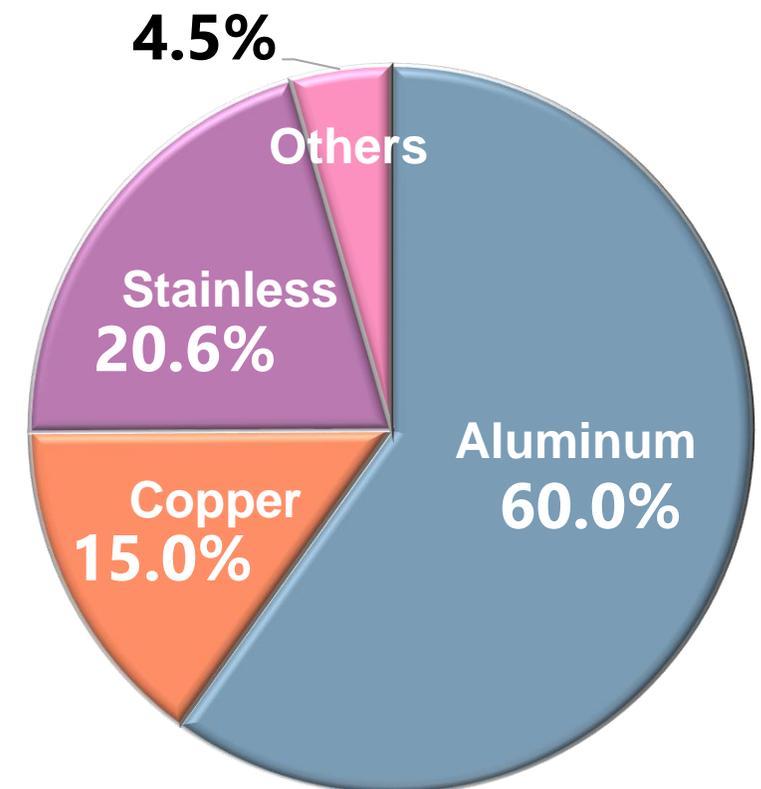
2. Business Overview

Our product line

Each material has various characteristics such as weight, hardness, and thermal conductivity, and has a wide range of applications.

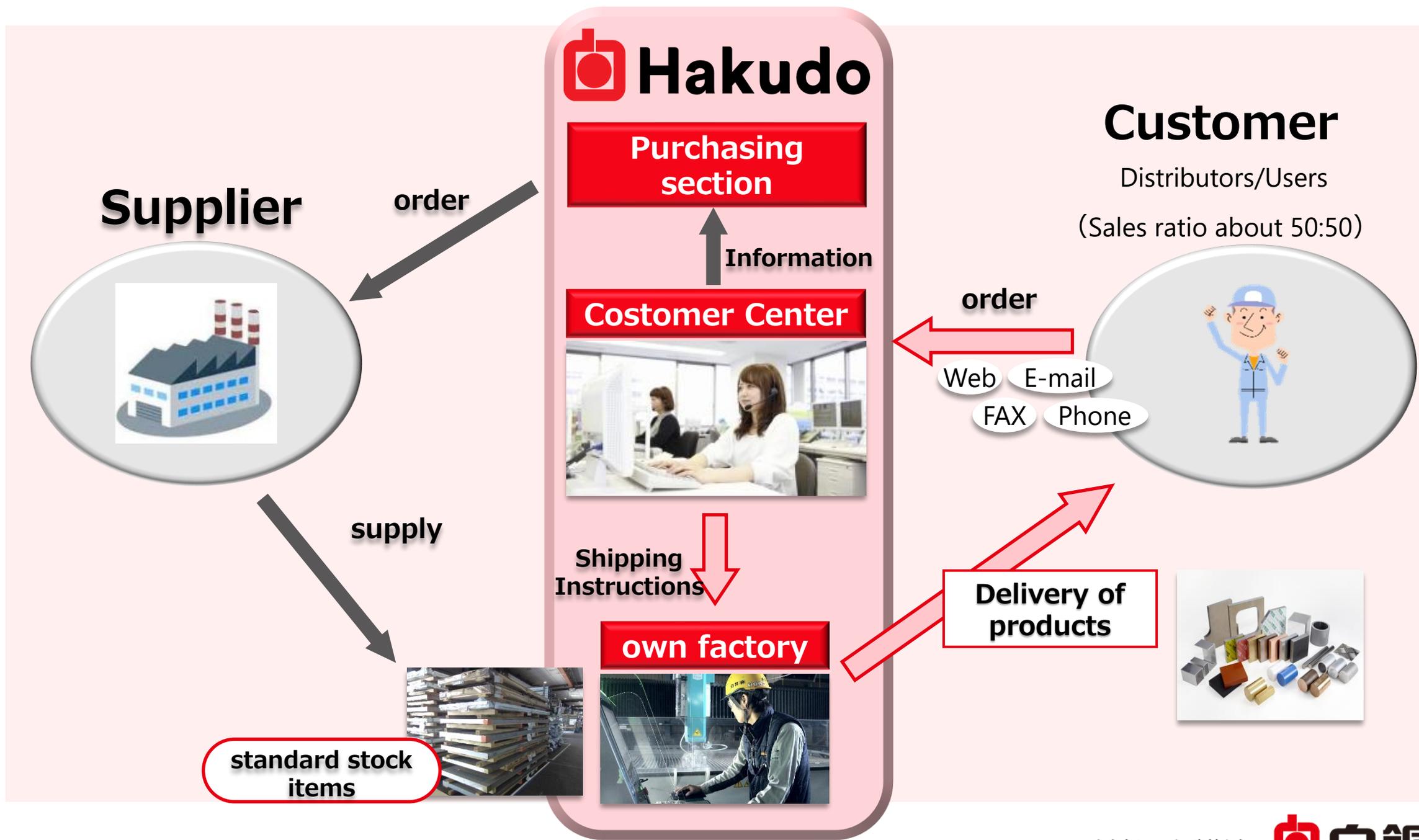


【Sales composition by product type Q4 FY03/24】



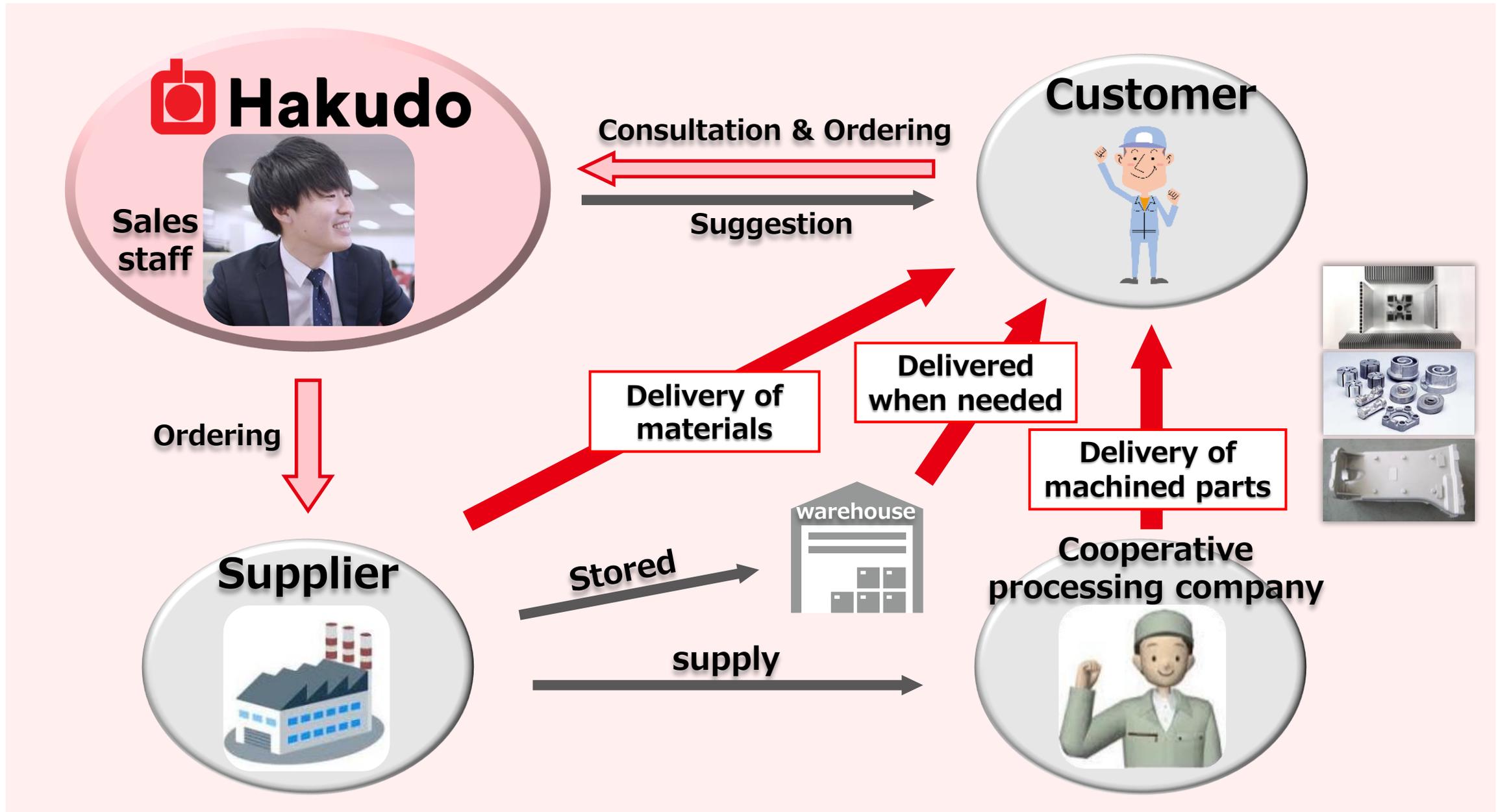
Business Model① standard stock items

A wide range of industrial materials, mainly aluminum, copper alloy, stainless steel, special steel, and plastics, are cut and processed for delivery in the shortest possible time, with next-day delivery.



Business Model② special order products

A business that delivers custom-made materials and fabricated parts produced by making proposals according to the customer's requirements without going through our factory.



Examples of special order products

We tie up with rolling, extrusion and parts processing manufacturers to meet a wide range of customer requirements.

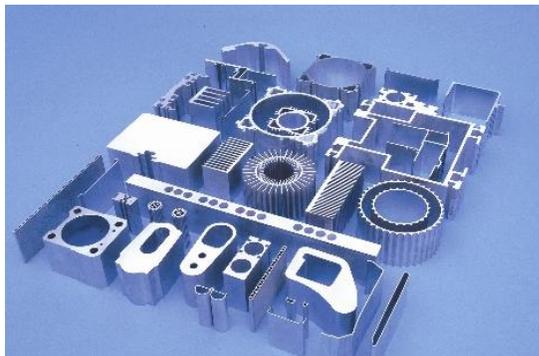
Rolled products	Extruded parts	Machined parts	Imported molds and mold parts
Sketch materials and chamber materials for semiconductor and FPD manufacturing equipment.	Pneumatic parts, cylinder body parts, manifold body parts.	Metal parts, products, jigs and tools are manufactured to order according to drawings.	Plastic molds, die-casting molds

Made to order by specifying dimensions



We can manufacture plates of various materials in specified dimensions. We can provide large materials that exceed general standard sizes and manufacture in specified dimensions to improve yields and reduce costs.

High dimensional accuracy even in complex shapes



By extruding the material in a shape similar to the product, the weight of the material can be reduced, which, together with the reduction in processing man-hours, greatly contributes to cost reduction.

Utilizing domestic and international networks



By using the processing network that we have formed in cooperation with domestic and overseas customers, Hakudo will select the most suitable company to provide machined products.

Realization of low cost and high quality



Products manufactured by Chinese mold base manufacturers carefully selected by the Hakudo Group are provided under thorough quality control.

Exceptional value

We aim to realize "Satisfactory Price" with "Exceptional Quality", "Exceptional Speed", and "Exceptional Service".

Exceptional "Quality"

◆ JIS Q 9100 (Aerospace) certification ◆

We have obtained JIS Q 9100 certification.

In addition to the processing of nonferrous metals, steel, and plastics, our **metal 3D printer** contract molding services have also met **the quality management requirements** of the aerospace industry.

◆ Traceability ◆

IoT in our factories enables us to track not only material production lots, but also the history of processors and processing machines.

We also have a system in place to check whether processing is being carried out according to QC process diagrams. **Mill sheets for materials can also be obtained from the Internet.**

Exceptional "Speed"

◆ Hakudo Net Service ◆

We provide **immediate response on price and delivery** date through "Hakudo Net Service," which allows customers to place quotations and orders **24 hours a day, 365 days** a year via the Internet.

In addition to standard stock items, we also provide immediate response on prices and delivery dates for items on order.

◆ Quick response ◆

The Customer Center can respond to inquiries **by phone, fax, or e-mail within 30 minutes.**

◆ Quick delivery ◆

We have stock and processing plants in **five locations in Japan**, enabling **next-day delivery** at the earliest.

Exceptional "Service"

◆ Wide selection of products ◆

We provide **5,400 standard stock items**, including aluminum, copper alloy, stainless steel, special steel, titanium, and plastic, as well as **79,500 items on request.**

◆ Wide selection of machining type ◆

We are capable of machining by **"Machining Centers", milling and polishing**, as well as deformed cutting by contour machines and **"Water-jet cutting machines"**, and **"Circle Milling"** by dedicated circular milling machines.

◆ One-stop service ◆

We are a **One-stop service** for your requests for materials, processed products, surface treatment, etc., making full use of our network of partner companies **not only in Japan but also overseas.**

◆ Made-to-order even very small size ◆

Even **1 piece, 1 sheet, or 1 gram** can be cut and processed to the dimensions you specify, and delivered nationwide in Japan in as little as the next day.

Satisfactory prices

Hakudo aim to realize **"Satisfactory Price"** with "Exceptional Quality", "Exceptional Speed", and "Exceptional Service".

3. Hakudo Net Service

With Hakudo Net Service, you can get a quote and place an order 24 hours a day, 7 days a week, 365 days a year.

Hakudo standard stock
5,400 items
 +
 Inventory at other companies
79,500 items
 ※by the end of March 2024

companies using
11,800 companies
 registered users
24,100 users
 ※Including the number of registrations for CS net services
 ※by the end of March 2024



The screenshot shows the Hakudo Net Service website. At the top, there is a search bar with the text '何をお探しですか? (型番、商品名など)', a search icon, and a 'ログイン' button. The user is identified as a 'ゲストユーザー'. Below the search bar, there are navigation links for '商品カテゴリ', 'ホーム', '見積り', and 'はじめての方へ'. On the right, there are links for '電子カタログ' and '運営会社'.

The main content area is divided into several sections:

- カテゴリから探す**: A list of categories including '材料' (Aluminum, Copper, Stainless, etc.), '工具・副資材・製品等' (Cutting tools, Work tools, etc.), and '測定・計測用品' (Measurement tools).
- 見積り**: A section with a calculator icon and the text '必要項目を上から順に入力し、簡単に見積りができます。' (Input required items from top to bottom, and you can get a quote easily).
- 商品カテゴリー一覧**: A grid of product categories such as '材料' (Aluminum, Copper, Stainless, etc.), '製品' (Cutting tools, Work tools, etc.), and '測定・計測用品' (Measurement tools).
- Material Grid**: A table showing products under four categories: 'アルミニウム', '伸銅', 'ステンレス', and '普通鋼・特殊鋼'. Each category lists products like '板' (Sheet), '平板' (Flat plate), and '箔' (Foil).

Back-order items

In addition to material products stocked by other companies, we also offer a wide range of non-material items such as cutting tools and auxiliary materials.

Materials ▶ **22,400 items** Non-materials ▶ **57,100 items** (As of March 31, 2024)

Examples of products available on order

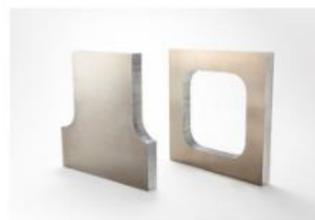
アルミ定尺板
(A1100・A1050・A5052・輸入板各種・網板)



NB5N丸棒 (C3604) (C3602)・
FX400丸棒 (C5441相当)・C3771丸棒



SUS304・303
プラズマ (水プラズマ) 切断品



超耐熱成形体EXTRA (耐熱最高峰500°C)



センターレス丸棒 (A2017・A6061・A7075)



快削りん青銅 (C5341, C5441) 丸棒・
りん青銅 (C5212) 丸棒・
快削洋白 (C7941) 丸棒 製作品



定尺パイプ (比椎パイプ・SUS304 (TP-S))



POMセンターレス丸棒 (白)・(黒)



切削工具・工作機工具・手作業工具・計測機器

取扱いメーカー OSG、サンドビック、京セラ、三菱マテリアル、日進工具、TRUSCO、など



ネジ・ボルト・ナット



梱包・物流保管・搬送機器



化学製品

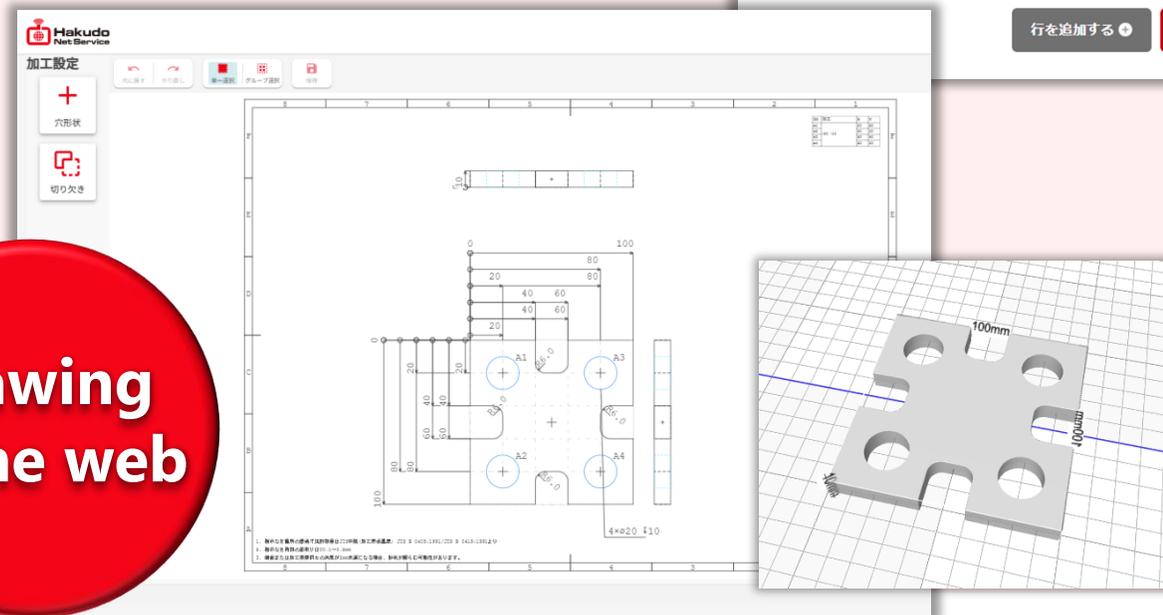


Drawing processing order

We are also developing a machining quotation and ordering service for complex shapes using 3D CAD data.



▲ By uploading 3D CAD data and selecting molding materials, the estimated cost and estimated delivery date are calculated on the spot.



▲ By uploading 3D CAD data, we will calculate the estimated cost and estimated delivery time for the original materials required for the drawing.

◀ Hole shapes and cutouts can be specified in the drawing web service

Other functions

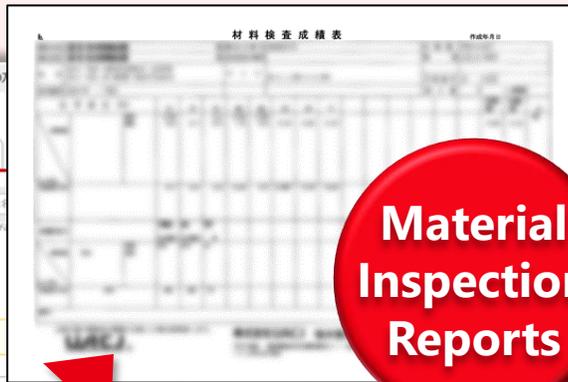
Quotation and order log, delivery slips, invoices, and material inspection reports can also be viewed on the web.



Order Log



Material Inspection Reports



Invoice



Delivery slips

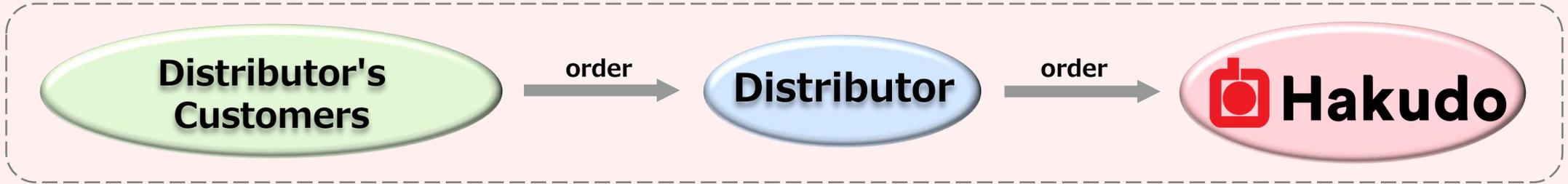


You can check the progress status of your order, such as "Waiting for receipt," "Slip output," "Processing," "Shipped," etc.

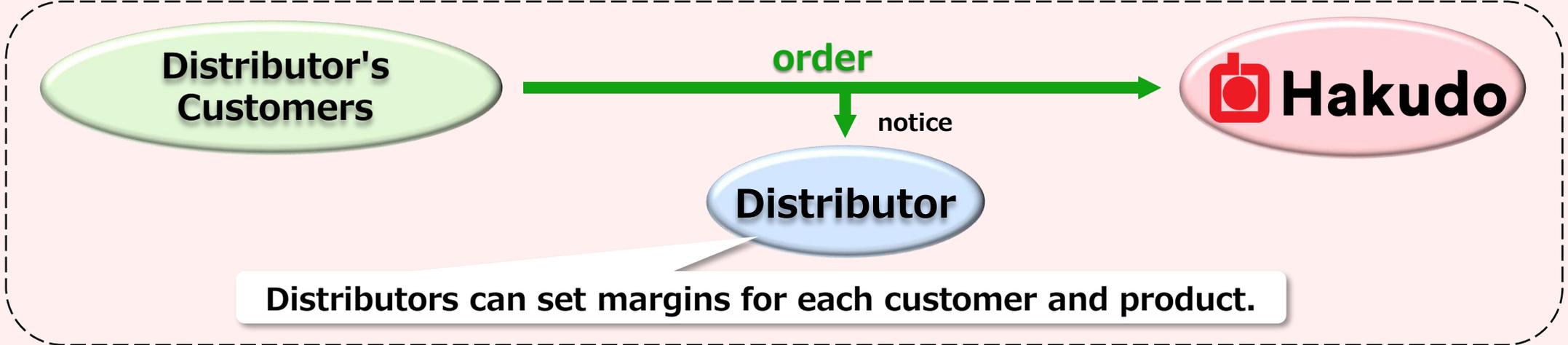
CS Net Service

CS Net Service is available as a service for distribution sales destinations.

Previous order flow



Order flow using "CS Net Service"



Immediate quote and order confirmation
at the distributor's customer without
processing at the distributor

Order Status invoice number Material Inspection Reports Allows Web confirmation

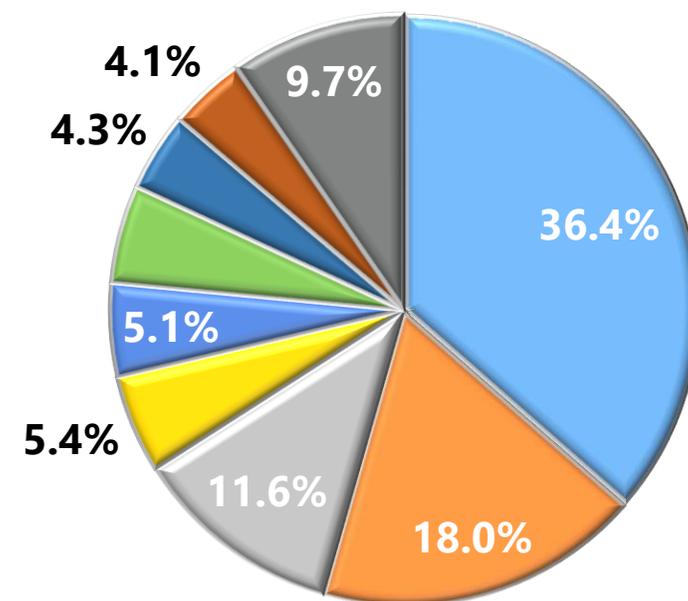
4. Primary Business Fields

Customer Industry / Applications of our products

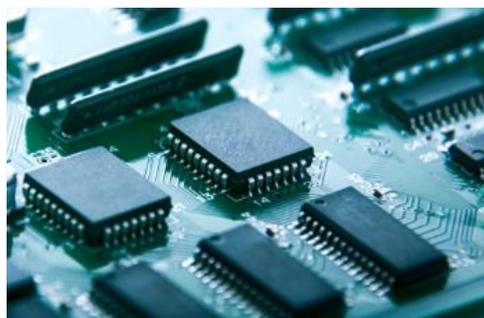
Our products are applied in a wide range of fields, from the semiconductor and automotive industries to consumer electronics and aircraft.

Breed	Industry	Usage examples
Aluminum	Semiconductor/ FPD production equipment	Chamber materials for manufacturing equipment
	Other machine tools	Robots/Vacuum/hydraulic devices
	Home Appliances	Molds for molding parts
	Shipbuilding	LNG carrier
	Aircraft/aerospace related	Air cylinder and manifold
Copper	FPD	Target material
	Automobiles/motorcycles	Parts
	Semiconductor	Lead frame
Stainless	Semiconductor/FPD	Chamber materials
	Food Products	Chamber materials
Special Steel	Automobiles/motorcycles	Body structural parts, various dies
	Home Appliances	Various dies
Resin	Automobiles/motorcycles	Bumper, instrument panel, etc.
	Semiconductor/FPD	Conveying equipment parts, insulating parts
	Food Products	Packaging materials, transport equipment parts

【Sales composition by industry Q4 FY03/24】



- Semiconductor/FPD production equipment
- OA devices
- Automobiles/motorcycles
- Electronic components
- Other industries
- Other machine tools
- Vacuum/hydraulic devices
- Dies
- Aircraft/aerospace related

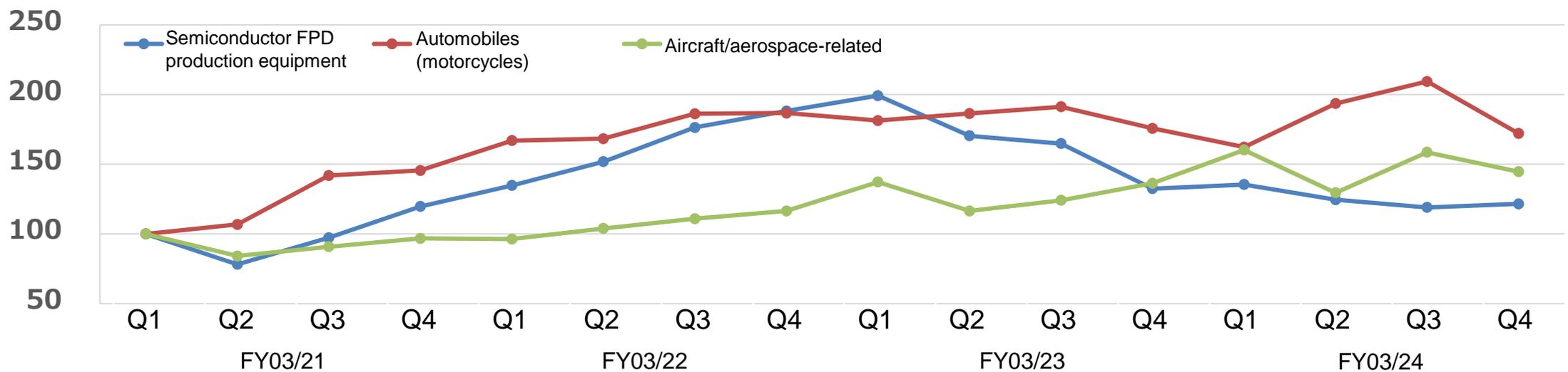


Three expanded areas

We have focused three strategic industry focuses :Semiconductor industry, Automotive industry and Aircraft/aerospace industry.



【Growth domain quarterly sales indicators】



Note: Sales index based on sales in Q1 FY03/21

Growth domain① Semiconductor production equipment industry

We provide not only thick aluminum and stainless plates for chambers, but also materials for various parts to the semiconductor manufacturing equipment(SPE) industry, which has a high need for circular materials, by supplying circular materials using “Circle Milling” and “Fine Rings”, which are specialized circular processing machines.

▼ Sample of products provided with materials

Process chamber for SPE and FPD

【Materials】 A5052 Plate、A6061 Plate

Transfer chamber for SPE and FPD

【Materials】 A5052 Plate、A6061 Plate、KN520 Plate

Turbo Molecular Pumps

【Materials】 A2618 Plate

Shower head (built into process chamber)

【Materials】 High Spec 6061 Plate、52S Plate

Cooling Plate (built into process chamber)

【Materials】 High Spec 6061 Plate、52S Plate

Gate Valves

【Materials】 High Spec 6061 Plate、52S Plate



▲ Circle Milling



Fine Rings ▶

Hakudo's buying power
Supply capacity for large orders



Three exceptional value
Quality, Speed, Service

Growth domain② Automotive industry

We can propose the most suitable processing methods and processors through our own metal 3D printer modeling and domestic processing network.



▲ Metal 3D Printer



▲ Samples of 3D printer

▼ Sample of products provided with materials

Racing Car/Engine Parts

- ✓ Making full use of domestic machining network.
- ✓ Significant cost reduction and quality improvement.
- ✓ Wide range of support from inspection documents to environmental documents.

Windshield Molding Die Development Parts

- ✓ Based on the customer's design proposal, we propose a part shape that can be manufactured using a metal 3D printer or machining process.
- ✓ We select a machining company that not only provides high quality, but also takes into account delivery time and response to modifications.

Motorcycle Custom Intake Manifold Parts

- ✓ Multiple proposals for construction methods including metal 3D printers, molds, sand molds, and plaster castings.
- ✓ Realize cost reductions by taking advantage of casting characteristics and reducing additional machining.
- ✓ Finish processing and surface treatment are also available.

Metal 3D Printer
Enables complex modeling



Metal Materials Coordinator
Variety of products and wide range of proposals



Three exceptional value
Quality, Speed, Service

Growth domain③ Aircraft/aerospace industry

We have acquired "JIS Q 9100" certification (a quality management system based on ISO 9001 that incorporates requirements specific to the aerospace industry).

We also have a large inventory of aerospace standard materials.

▼ Aerospace standard materials stocked

-Aluminum-

2024-T351 AMS-QQ-A-250/4 Plate
 6061-T651 AMS4027 Plate
 7050-T7451 AMS4050 Plate
 7075-T7351 AMS-QQ-A-250/12 Plate

-Stainless Steel-

AMS5643 17-4PH Round Bar
 AMS5659 15-5PH Round Bar

-titanium/other-

AMS4911 6AL-4V titanium Plate
 AMS5662 inconel718 Round Bar(ST)
 AMS5663 inconel718 Round Bar(AG)



▲ Water-jet cutting machine



▲ Samples of water-jet cut products

▼ Sample of products provided with materials

Aircraft Seat Components

Aircraft dust box

Aircraft Engine Turbine Blades

**Convenience Dealer of
Aerospace Standard Materials**

Instant delivery system established

JIS Q 9100

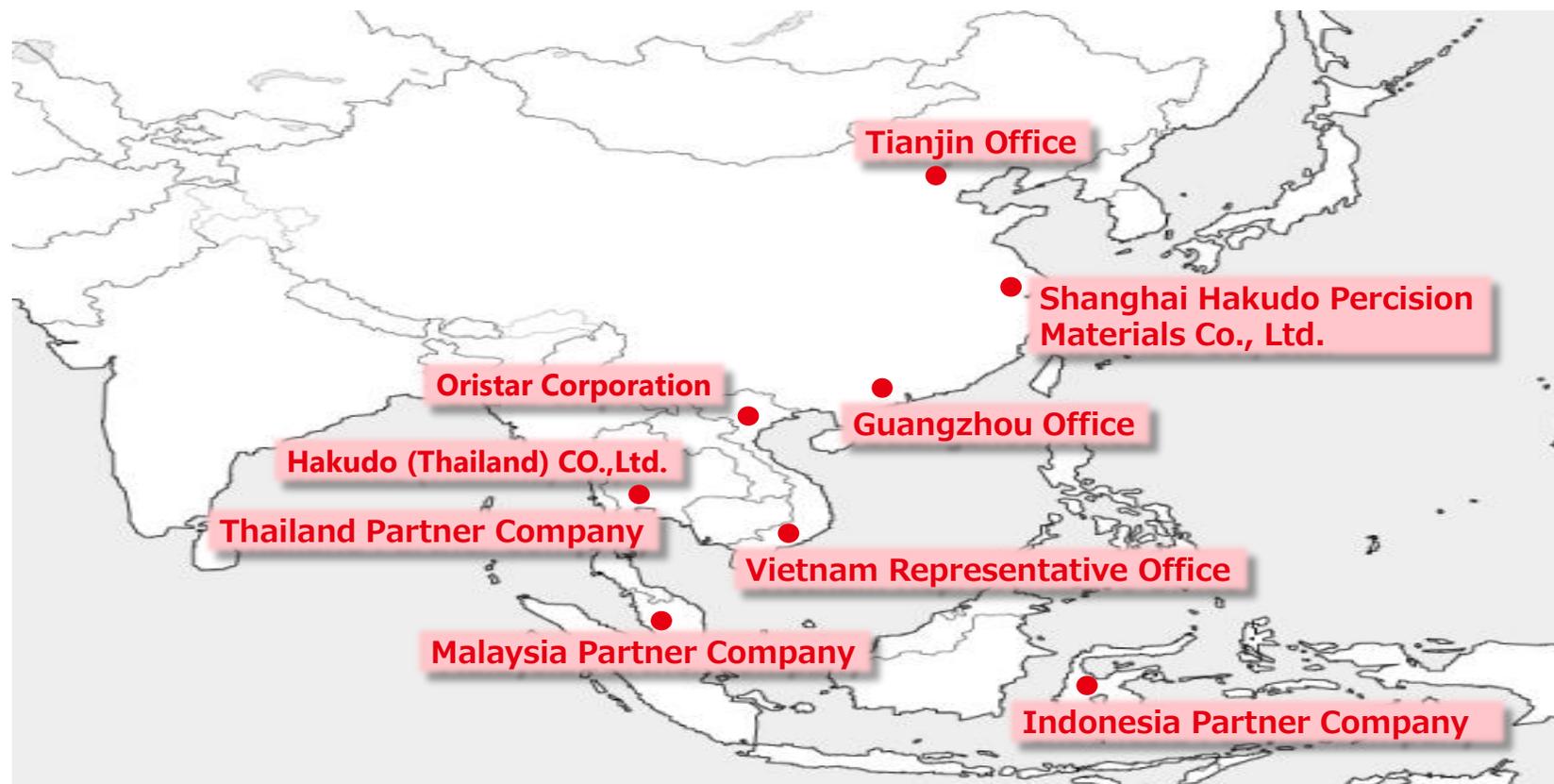
Standards-based quality control system

**Three exceptional value
Quality, Speed, Service**

5. Overseas Network

Overseas Locations

Hakudo is expanding overseas through group companies, invested partners, and other affiliated companies.



Asia

Year 2003

“Shanghai Hakudo Percision Materials Co., Ltd.” established

Year 2014

“HAKUDO(THAILAND)Co.,Ltd.” established

Year 2020

Invested in “Oristar Corporation” in Vietnam

North America

Year 2022

“Hakudo USA Inc.” established

Year 2023

Hakudo USA Inc., acquired a stake in “West Coast Aluminum & Stainless, LLC”



Overseas Network

We have established subsidiaries in Shanghai, Thailand, and the United States. In Vietnam, Indonesia, and Malaysia, we have formed business alliances with local companies to provide the same services as in Japan.

Status of Activities

◆ Business Expansion by Location

Expanding **E-commerce** business at overseas subsidiaries, mainly in Thailand.

In Southeast Asia, we aim to expand sales via distributor partners, particularly in Vietnam.

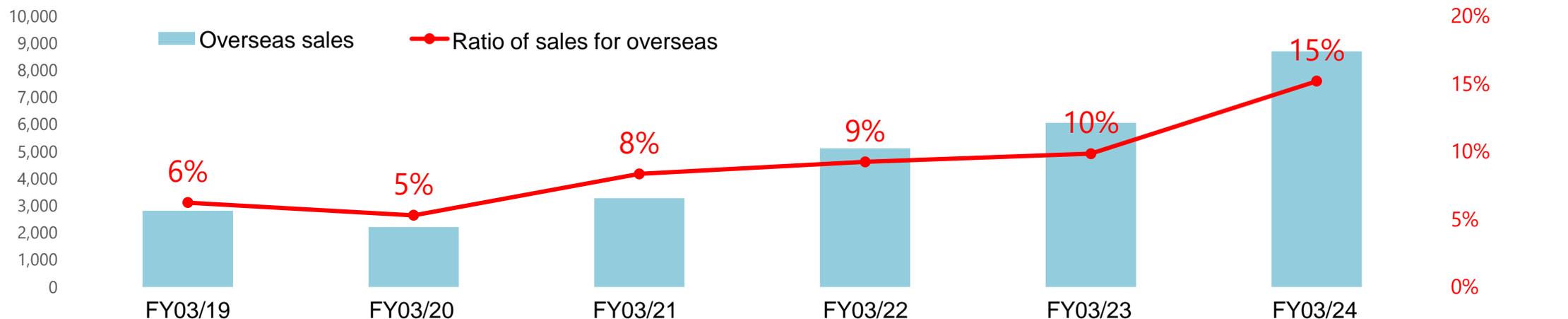
Nonferrous metals import wholesale and processing business started at a U.S. subsidiary. E-commerce business is scheduled to start in Q2 FY03/25.

◆ Consideration of investment and partnerships

Continued to pay visits and have discussions with possible investment candidates and partners mainly in **the U.S., South Korea and Taiwan**. In addition, some pilot transactions have already started in Taiwan.

Overseas Net Sales and Sales Ratio

Achieved the overseas sales ratio target of 12% for the Hakudo Group in the final year of the medium-term management plan (FY03/25) ahead of the schedule.



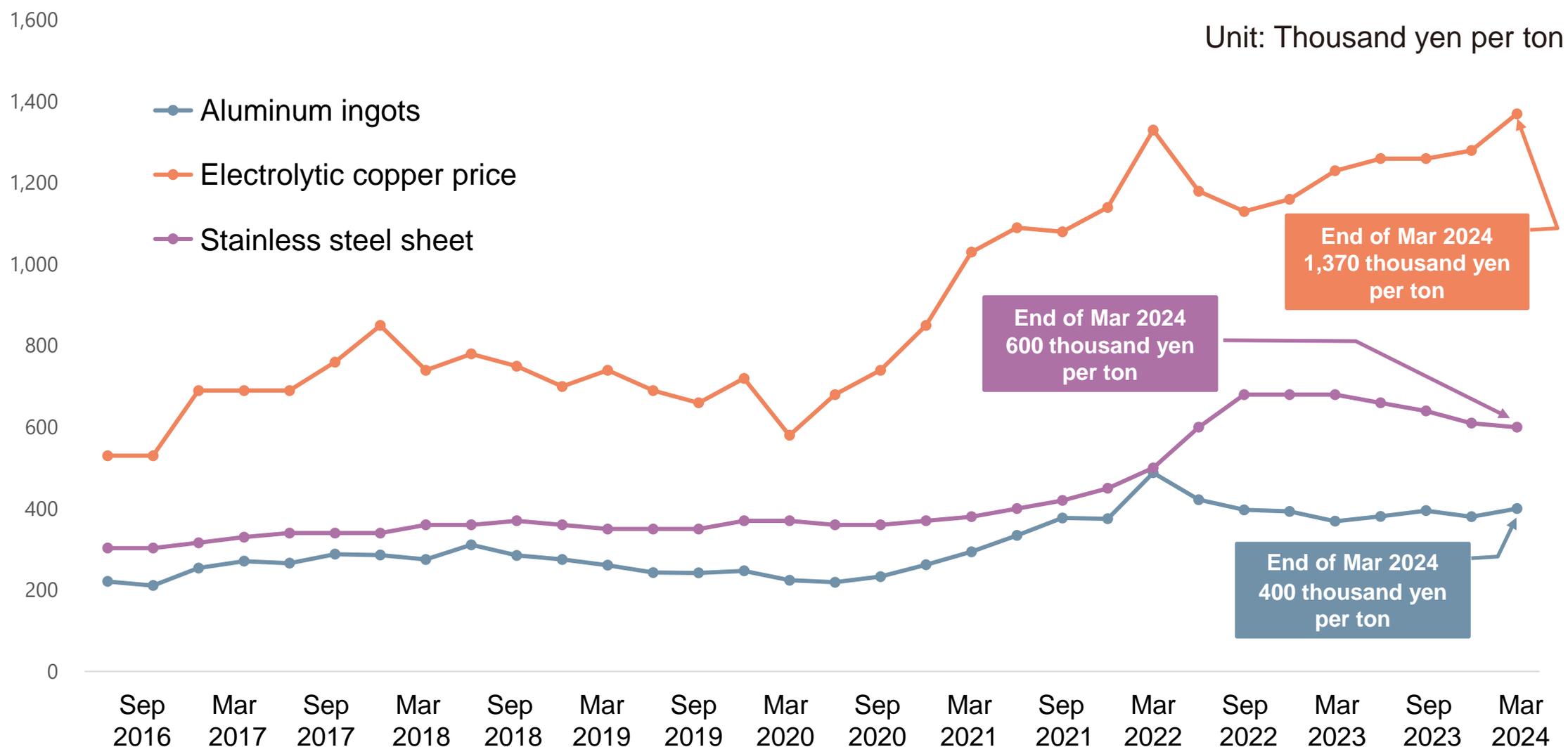
Note: Overseas sales calculated as the sum of overseas subsidiary sales and head office export sales to non-subsidary companies overseas.

6. Business Environment

Business Environment ①

Raw Material Market Trends for Aluminum, Copper and Stainless Steel

- Aluminum ingots continued to rise until March 2022. Prices have been on a downtrend since then, but have recently risen again due to the weak yen and other factors. Electrolytic copper prices also rose rapidly and reached new highs.

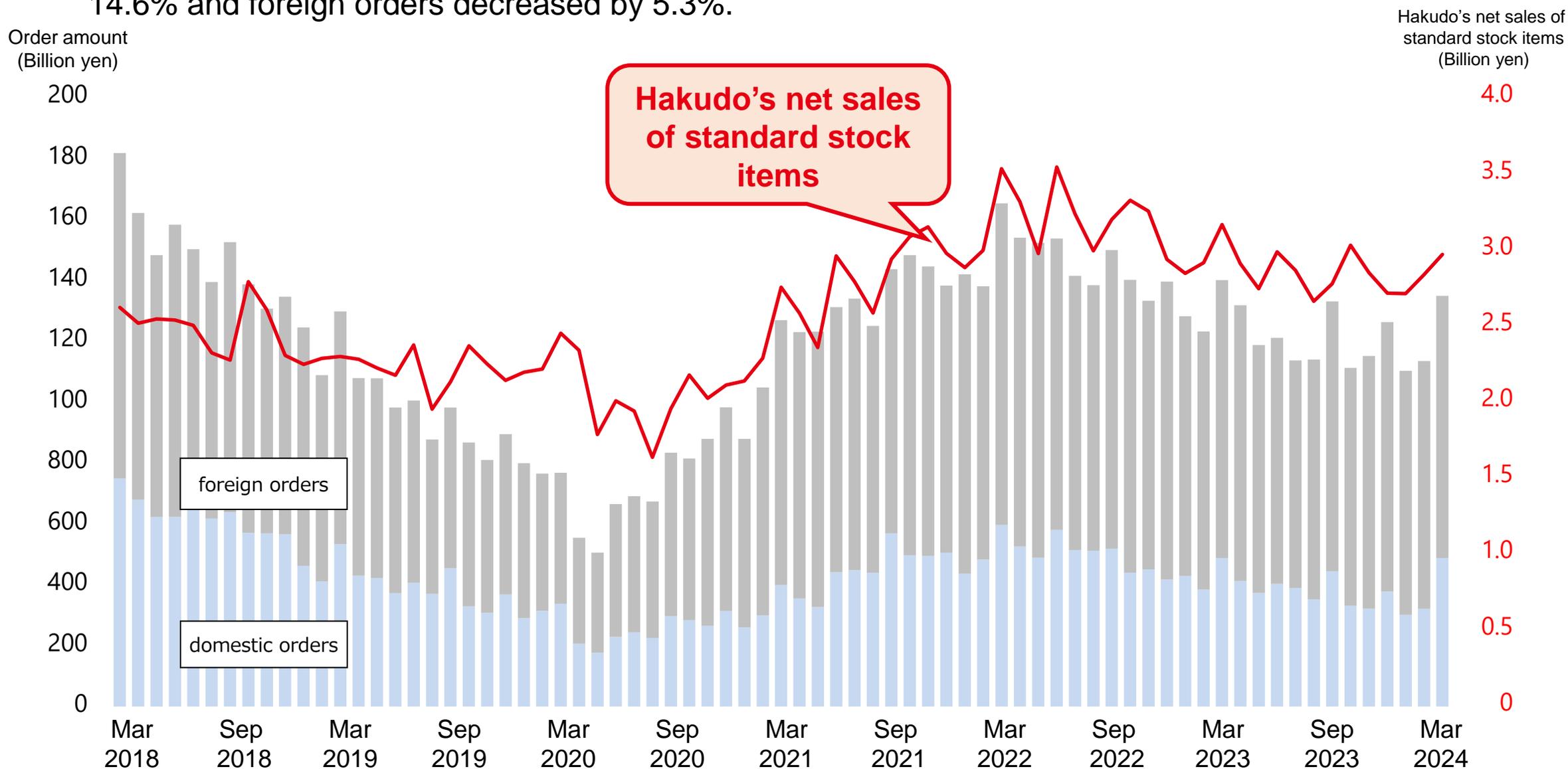


Electrolytic copper price: JX Nippon Mining & Metals Stainless steel sheet: Japan Metal Daily median
 Aluminum ingots: Nikkei monthly average

Business Environment ②

Comparison of Machine Tool Orders and Standard Stock Items Sales

- The volume of machine tool orders has been in decline since peaking in March 2022.
- Compared to the Q4 (January-March) in the previous fiscal year, domestic orders decreased by 14.6% and foreign orders decreased by 5.3%.

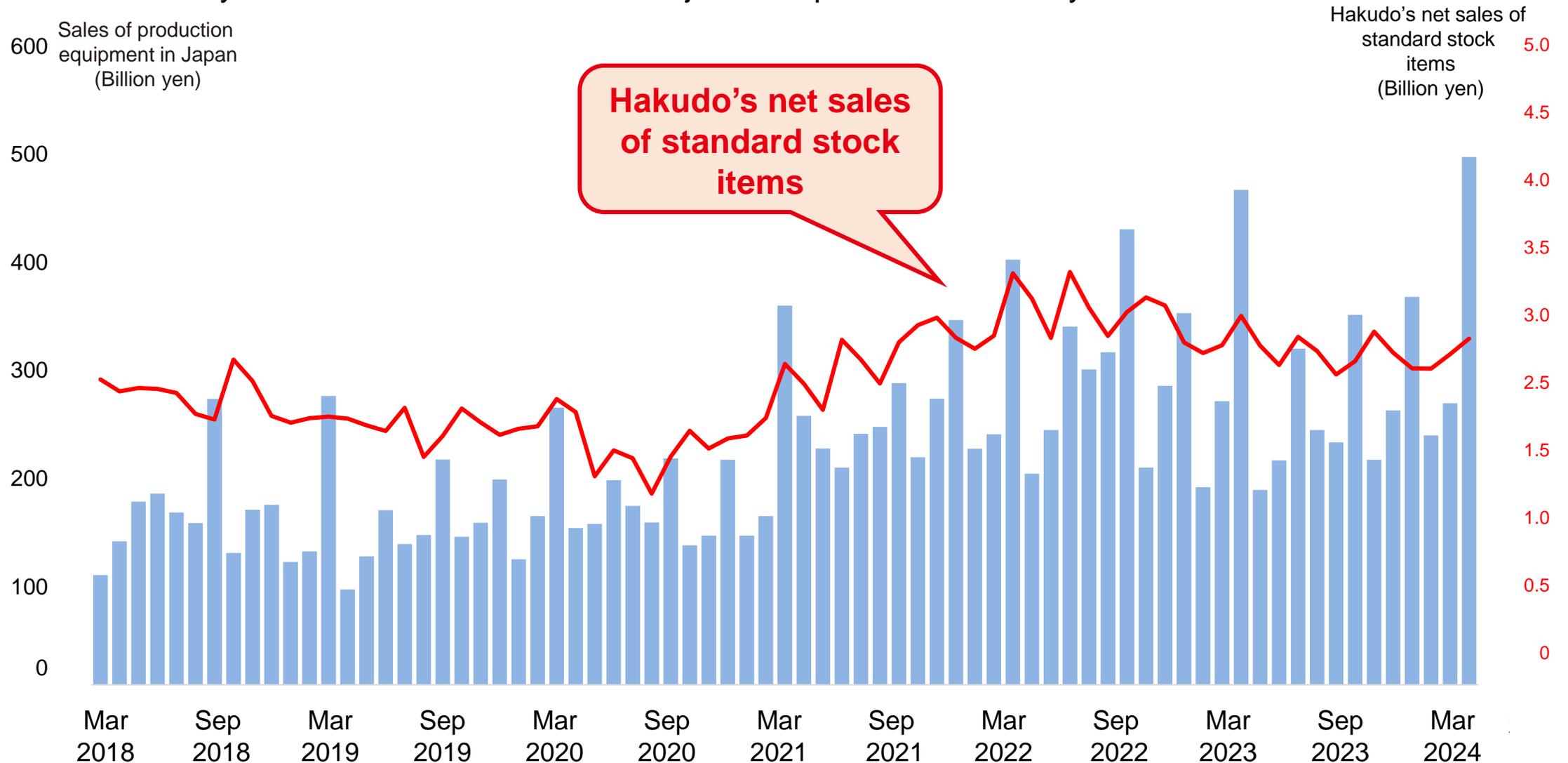


Source: Japan Machine Tool Builders' Association - machine tool orders statistics

Business Environment ③

Comparison of Semiconductor Production Equipment Sales and Standard Stock Items Sales

- In the long term, demand is expected to expand due to IoT, digital transformation (DX), AI, and electric vehicles, etc. Although a sense of bottoming out has emerged, a full-fledged recovery is expected to take time.
- Although there was temporary equipment demand for generated AI and China at the end of the fiscal year, memory and logic semiconductors, which account for a large portion of semiconductor demand, have yet to see a recovery in demand and are still in an adjustment phase for inventory and other factors.



Source: Semiconductor Equipment Association of Japan - statistical data

Thank you very much for your attention.

■Hakudo Official Social Media Accounts

We have created official accounts on LINE and Facebook to regularly disseminate product introductions, exhibition announcements and other useful information.

Please use the QR codes to follow Hakudo online!



■Disclaimer

This document contains projections based on assumptions, outlooks, and plans regarding the future as of May 2024. Actual results may differ materially from those projected in forward-looking statements due to risks and uncertainties related to the global economy, competitive conditions, and other factors.

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