Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 14, 2025

Company name: Hakudo Co., Ltd.

Name of representative: Koji Tsunoda, President

(Securities code: 7637;

Prime Market of the Tokyo

Stock Exchange)

Inquiries: Satoshi Mizuno,

General Manager

Administration Department (Telephone: +81-3-6212-2811)

#### Notice Concerning Formulation of Medium-Term Management Plan

We are pleased to announce that we have formulated a Medium-Term Management Plan covering the period from FY2025 to FY2027.

1. Positioning of the Medium-Term Management Plan We position this as the STEP phase in the HOP, STEP, JUMP process toward realizing our desired vision for FY2031, which marks the 100th anniversary of our founding. In this Medium-Term Management Plan, we outline our key strategic initiatives to achieve our vision.

#### 2. Key Financial Plan Indexes and Shareholder Return Target

	FY2024result	FY2025targets	FY2026targets	FY2027targets
Net sales	66.4billion	75.8billion	89.4 billion	104.1 billion
	yen	yen	yen	yen
Ordinary profit	3.2 billion	3.5 billion	4.7 billion	6 billion
	yen	yen	yen	yen
ROIC	8.7%	9.0%	11.8%	14.0%
Operating CF	1.7 billion	3.7 billion	3.9 billion	4.8 billion
	yen	yen	yen	yen
Overseas sales	15.4%	15.6%	16.0%	18.0%
ratio				
Annual dividend per	89yen	94yen	127yen	164yen
share				

The above targets are based on information available as of the date of publication of this document and are subject to a considerable number of uncertainties. Accordingly, actual results may differ from these targets due to changes in business conditions and other factors.



(Stock Code: 7637)

Medium-Term
Management Plan
FY2025 to FY2027
Moving forward
"beyond expectations"

HOP STEP

### Contents

### **7** Preface to the new Medium-Term Management Plan

- 1. Our Corporate Philosophy
- 2. Review of Medium-Term Management Plan

  FY2022 to FY2024

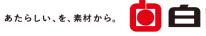
### **3** Key Business Strategies of Medium-Term Management Plan

- 1. Key Business Strategies
- 2. Strengthen and expand the customer base and increase the profit margin by enhancing added value of the Hakudo Network Service
- 3. Increase additional value and sales through expanding processing functions and product items
- 4. Reform our factories and SCM to enhance manufacturing capacity and improve efficiency
- 5. Expand the semiconductor, automotive and aerospace business fields
- 6. Expand our overseas business
- 7. Strengthen our management foundation
- 8. Our capital management policy
- 9. Promote sustainability management

**2** Medium-Term Management Plan FY2025 to FY2027 Moving forward "beyond expectations" STEP

Positioning of the Medium-Term Management Plan

- 1. Expected external environment
- 2. Our business model
- 3. Our growth potentials given our internal resources and external environment
- 4. Overview of the Medium-Term Management Plan
- 5. Key financial metrics · Target for shareholder returns



1 Preface to the new Medium-Term Management Plan

### 1. Our Corporate Philosophy

### **Corporate Philosophy**

#### **Management Philosophy**

We strive to win the trust of all stake holders and to contribute to the society through offering of goods, convenience, and peace of mind to all those involved in manufacturing



### **Code of conduct**

- 1.We always keep the spirit of altruism in mind
- 2.We strive to provide new value for our customers
- 3.We act from the customers' perspective with gratitude and sincerity
- 4. We strive to achieve self-realization by embracing challenges
- 5. We always strive to improve ourselves and our skills without complacency
- 6.We value communication
- 7.We are always positive, cheerful, and energetic



### 2. Review of Medium-Term Management Plan FY2022 to FY2024 "Main activities"

During the previous medium-term management plan period (FY2022-FY2024), we focused on improving the profitability of existing businesses and fostering new and overseas businesses, and implemented numerous initiatives such as improving the functionality of the Hakudo Net Service and expanding North America business through M&A transactions. We also carried out a wide range of initiatives with sustainability management in mind, including the installation of solar panels at our plants.

Main activity of Medium-Term Management Plan FY2022 to FY2024

Key business Strategies of Medium-Term Management Plan FY2022 to FY2024 Main activities · Achievement Expanded our product items including tools and subsidiary materials **Deepen core pillars** Strengthen and expand the customer base and increase the profit margin Added drawing function and material procurement assisting function by enhancing the Hakudo Network Service • Transitioned to an open website platform to quote without the need to log in Strengthen processing functions and supply capabilities, including development of our processing partners network • Installed laser and water-jet processing machines **Expand business fields** Acquired JIS Q 9100 (Aerospace) Expand the growth fields & Strengthen sales and marketing activities Established our 100% subsidiary, Hakudo USA Inc. in California, U.S.A. Acquired 51% equity interest in "West Coast Aluminum & Stainless, LLC" in Expand our overseas business the U.S. Implemented EC software packages at our subsidiary in Thailand **Strengthen business management foundation** Renewed employee training program & Revised the HR evaluation system Expand human resources, upgrade existing workforce skills ,& Set new dividend payout ratio & annual minimum dividend amount. Strengthened Improve employee engagement. return to stockholders Established "Business Administration Division" and strengthened governance structure. Strengthen corporate governance Installed solar panels at the Shiga Plant and the Fukushima Plant **Promote sustainability management** • Introduced EVs ( 60% of our company cars in Japan to be converted to EVs & HVs) Enhance measures to address climate change Installed the donation vending machines at our headquarter Strengthen our commitment to social responsibility Made some donations for the purpose of social contribution

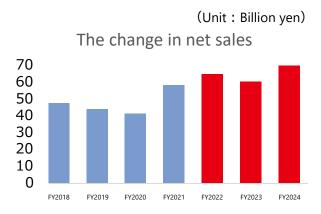
### 2. Review of Medium-Term Management Plan FY2022 to FY2024 "Review of financial results"

Both Net sales and ordinary profit increased YoY, but Net sales and ordinary profit in the midterm management plan for FY2024 did not reach our targets in the FY2024 Mid-Term Management Plan.

The change of Medium-Term Management Plan vs. FY2022 to FY2024

2024	(FY03/25	)
------	----------	---

	Target FY2022 to 2024	Result	Vs.FY2022 to FY2024
Net sales	71.8 billion yen	66.4 billion yen	riangle5.3 billion yen
Ordinary profit	5.4 billion yen	3.2 billion yen	riangle2.1 billion yen
Overseas sales ratio	12.1 %	15.4 %	+3.3 Pt
ROIC	14.9 %	8.7 %	riangle6.2 Pt
Cash flows from operating activities	4.7 billion yen	1.7 billion yen	riangle3 billion yen
dividend payout ratio	40 %	45 %	+5 Pt
stock prices	-	2,211 yen	-
Market Capitalization	-	25 billion yen	-
dividend	-	85 yen/share	-



The change in ordinary profit





3. Review of Medium-Term Management Plan FY2022 to FY2024
"Factors of Differences between Planned and Actual Profits and Issues for New Medium-Term Management Plan"

We analyze that the main reasons for not achieving our financial targets are over-dependence on the semiconductor production equipment industry and delayed industry's recovery. We conclude that we need to expand our business fields and strengthen the business base, which is not affected by external environment.

Positives/Negatives in the previous medium-term management plan

#### **Positives**

Increased sales in automotive and aerospace fields

Achieved our overseas sales ratio target

Enhanced Hakudo Network Service functions

### **Negatives**

Cost Reductions in domestic businesses is falling behind plan

Slack business results in subsidiaries in the U.S. and China

Factors for not meeting the target in the previous medium-term management plan

#### **External factors**

Delayed recovery of Semiconductor industry

Increased Labor costs and material prices, etc.

#### Internal factors

Failure to meet the target of order success ratio

Insufficient business process improvement by improving productivity

#### Measures and improvements in the next mid-term management plan

- Secure supply networks in collaboration with non-Ferrous metal manufacturers for the recovery of semiconductor manufacturing equipment industry.
- Secure manufacturing capacity for recovery of the semiconductor production equipment industry
- ✓ Reduce sales dependency ratio on semiconductor industry by expanding our sales channel such as aerospace and automotive fields
- ✓ Reduce labor costs & office supplies expenses by business process improvement and promoting DX
- ✓ Reduce customer costs, increase customer retention, and improve order success ratio by enhancing the convenience of the Hakudo Network Service.
- ✓ Expand our product items and processing functions
- Expand oversea business further





2 Medium-Term Management Plan FY2025 to FY2027 Moving forward "beyond expectations"
STEP

### Positioning of the Medium-Term Management Plan

We created the Medium-Term Management Plan by back-casting from a vision for FY2031, our 100th year anniversary. This Medium-Term Management plan is positioned as STEP in 3 phase (HOP,STEP and JUMP)

#### **Strategic Direction**

◆ To improve our business performance by pursuing greater customer satisfaction and deliver greater returns to our stakeholders, and strive for continuous corporate growth based on this positive cycle

◆ To expand overseas business <u>further and strengthen our global competitiveness by developing</u> our E-commerce business



2025 © Hakudo Co., Ltd. All rights reserved







100th

anniversary

FY203

Ordinary profit 10 billion Yen

### 1. Expected external environment "Analysis of External environment~"

## We aim for further growth by adapting to accelerating change of external environment

### **New entry**

Increasing new entries in platform ventures using IT

New function and new service introduction on the Hakudo Network Service are important Taking into account M&A and strategic alliance

### **Alternative products**

Ongoing transition to aluminum in the automotive and digital device industries

To strengthen sales activities and increase product items are required looking ahead to increased demand for aluminum.

### **Competitive environment/competitors**

Intensifying competition in existing domestic markets due to commoditization of products

Providing Incomparable additional value is key point

Expanding overseas business is important

### **Suppliers/business partners**

Increase in raw material and transportation costs due to inflation and yen depreciation

Sudden increase in demand may cause difficulty in procurement

Cost reduction measures such as review of supply chain are required

Strengthening relationships with suppliers is important

Promote global procurement as well as strengthen relationships with existing suppliers

#### **Customers**

Expand the demand of semiconductor Equipment industry driven by Al-related product

Review of parts with the development of electric vehicles

Growth in demand for aerospace-standard materials Due to increase in defense-related and passenger demand Opportunities to increase market share through preparation in advance Opportunities to expand sales of aluminum, 3D

printer products, etc.
Opportunities to expand sales through product item

**expansion** あたらしい、を、素材から。



### 2. Our Business Model~Segment of sales~

Hakudo is a trading company specializing in nonferrous metals, steel, and plastic materials. Aluminum accounts for the highest percentage of sales, and the semiconductor and FPD manufacturing equipment industry accounts for approximately 40% of sales.

#### Standard stock items

A wide range of industrial materials the company stock mainly aluminum, copper alloy, stainless steel, are cut and processed based on customer's needs for delivery in the shortest possible time, with next-day delivery.



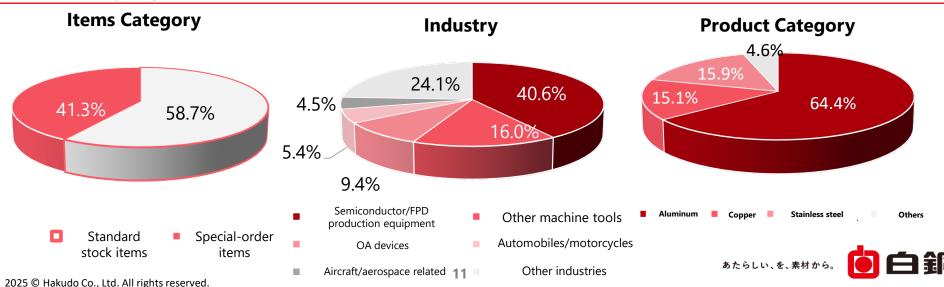
Sales Ratio by Segment (FY03/25 results)

### **Special-order items**

This business ties up with material manufacturers and parts processing manufacturers to deliver custom-made materials and processed parts. Other companies' stock items such as subsidiary materials (screws, gloves) are also categorized as custom-made products.







### 2. Our Business Model $\sim$ Three Exceptional $\sim$

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

**Exceptional Quality** 

**Exceptional Speed** 

**Exceptional Service** 

**Quality Assurance System** 

JIS Q 9100 (Aerospace) certification Met the quality management requirements allows customers to place quotations

**Traceability** 

Process control by bar code

**Quick response** 

"Hakudo Network Service," which

and orders 24 hours a day, 365 days a year via the Internet.

**Quick delivery** 

next-day delivery at the earliest.

Wide selection of processing

Hakudo Network Service Milling, laser processing, drawing processing, etc.

**Extensive lineup** 

More than 150,000 items handled

Network in Japan and abroad

13 domestic and 4 overseas offices



Hakudo aim to realize "Satisfactory Price" with

"Exceptional Quality", "Exceptional Speed", and "Exceptional Service".

### 3. Our growth potentials given our internal resources and external environment

Additional value creation for our customers through "Exceptional " quality, speed, and service and environmental changes in the semiconductor market and the EC market will provide opportunities to improve our business performance.

Hakudo's growth foundation given our internal resources

**Future Business Opportunities in term of External Environment** 

### Incomparable additional value

Traceability and Quality Assurance System

Quality

Exceptional

Service

Quick response Quick delivery

**Speed** 

Processing variation Lineup , network

### Stable financial foundation

- ✓ High profit margins above peer industry average by Implementation of our exceptional business model
- ✓ Further investment for growth backed by stable financial base while debt-free capital policy will be maintained

### **Expand growth field markets**

- ✓ Our sales ratio to the semiconductor facility industry is 40% Industry-leading buying power to meet growing demand for Aluminum
- ✓ The growth of the semiconductor, automotive and aerospace industries serves as a tailwind for our business growth

Expand the product items and improve manufacturing capacity

**Supply Chain Optimization** 

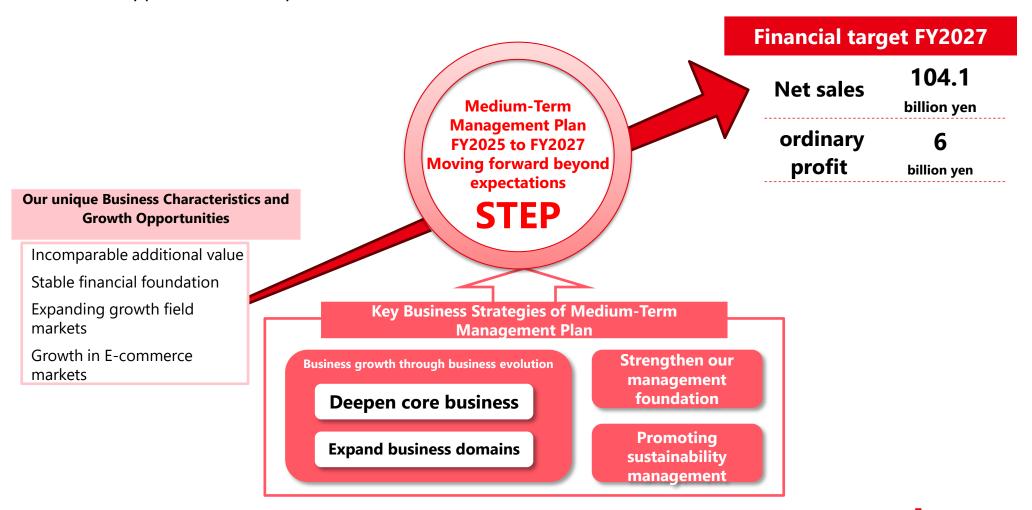
### **Further expansion of E-commerce**

✓ Customer demand for e-commerce services in our industry is also growing.

User friendly Hakudo Network Service is a further growth weapon of the company

### 4. Overview of Medium-Term Management Plan

We have set key strategic measures in this medium-term management plan in light of anticipated changes in the external environment and our strengths and growth opportunities. We aim to achieve net sales of 104.1 billion yen and ordinary profit of 6 billion yen in FY2027.



### 5. Key financial metrics · Target for shareholder returns

We aim for growth in net sales and ordinary profit as management key targets and also for higher ROIC and operating CF as key financial metrics, and for higher returns to shareholders

		FY2024 Results	FY2025 Targets	FY2026 Targets	FY2027 Targets
	Net sales	66.4 billion yen	75.8 billion yen	89.4 billion yen	104.1 billion yen
	Ordinary profit	3.2 billion yen	3.5 billion yen	4.7 billion yen	6.0 billion yen
Key financial	ROIC	8.7 %	9.0 %	11.8 %	14.0 %
indexes	Cash flows from operating activities	1.7 billion yen	3.7 billion yen	3.9 billion yen	4.8 billion yen
	Overseas sales ratio	15.4 %	15.6 %	<b>16.0</b> %	18.0 %
Targeted level for	dividend payout ratio	45 %	45 %	45 %	45 %
returns to shareholders	dividend	<b>89</b> yen	<b>94</b> yen	<b>127</b> yen	<b>164</b> yen

# 3 Medium-Term management plan on Key Business Strategies

### 1. Key Business Strategies

The company aims to become a company with sustainable growth by strengthening the management base, mainly through Digital Transformations and organizational reinforcement and deepen core pillars expand the business field based on increase the customer satisfaction

### **Business growth through business evolution**

#### **Deepen core pillars**

Strengthen and expand the customer base and increase the profit margin by evolving the Hakudo Network Service

Strengthen processing functions and supply capabilities, including development of a processing company network

Plant and SCM reforms to enhance manufacturing capacity and improve efficiency

### **Key business strategies**

Expand the semiconductor, automotive and aerospace fields

**Expansion of overseas business** 

### **Strengthen business foundation**

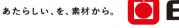
Strengthening human capital to raise employee raising the level and motivation

Business efficiency and business reform through Digital Transformations promotion

**Enforcement of governance and Management system** 

**Change organizational structure** 

Promoting sustainability management





2 Strengthen and expand the customer base and increase the profit margin by enhancing added value of the Hakudo Network Service

We aim to make Hakudo Network Service more user friendly by increasing the items, adding the new functions, improving current functions and realizing onestop service

**More user friendly for Hakudo Net Service** 

Increase
Standard items
and specialorder items



Add & improve the functions

Strengthen and expand the customer base

Cost reduction of procurement for customer

- ➤ Time cost savings by 24/7 quoting and ordering system
- ➤ A wide range of items, from materials to submaterials, can be procured at once

#### **Customer Lock-in**

- Acquire new customers and increase repeat customers through the convenience of the Hakudo Network service
- ➤ Increase the number of repeat customers for CS-Net service for distributors to appeal to customers beyond the distribution channel

Profitability UP
Non-price
competitiveness



3. Increase additional value and sales through expanding processing functions and product items

We will expand supply capacity by expanding in-house processing facilities and strengthening alliances with processing companies. Aggressively expanding product lineups is also aimed for increasing sales.

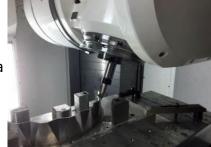
### **Expand processing functions**

 Enhance parts machining services and increase in-house machining facilities

Automation of quotation for machined products based on CAD data

✓ Strengthen virtual supply capacity

Strengthen alliances with processing companies and expand cooperative plants



### **Expand items**

- ✓ Increase the item of subsidiary materials
- ✓ Find more suppliers for materials such as titanium and Inconel other than aluminum

### Improve service level

- ✓ Increase user friendliness of Hakudo Network Service to improved order success rate through careful customer follow-up activities
- ✓ Further deepen areas of expertise through organizational restructuring and personnel reinforcement
- ✓ Actively utilize new marketing media and strengthen external communications, including B-to-C.









### 4 . Reform our factories and SCM to enhance manufacturing capacity and improve efficiency

We aim to become "the best factory in the industry" by upgrading our supply chain from procurement to delivery, and by improving production efficiency through the Already in place and aiming for promotion of automation and the use of IoT. further improvement Hakudo's plants, Supply Chain Reform New implementation schedule Standard **Implementation Delivery Purchase** Stock Order **Process** stock items period Strengthen Review of suppliers and reduction of purchase prices **Ongoing** procurement Optimize product placement and improve on-time delivery rates with some manufacturers Creation and global utilization of Hakudo Network Service's database of suppliers of ordered products **functions** FY2025 new Saitama Plant transfer and Increase in capacity by launching new plants (Fukuoka, Saitama) plant scheduled to Improvement of operating efficiency by transferring inventory products new start-up start up **Process and warehouse** Fiscal year 2025 automation equipment Development and introduction of cost-effective process automation equipment under consideration plans to introduce automated development and equipment Consideration of installing an automated warehouse for some products to be continued after 2025 installation Reorganization and Split planning and management functions functional assignment of **Ongoing** and maintain SQDC the manufacturing Reinforcement of the plant's organizational infrastructure management division Continuous review of Addressing the 2024 Issue, logistics delivery Ongoing review of logistics network network Reduction of March 2026 Utilization of self-generated electricity by installing solar panels solar panels to electricity be installed at Reduction of standby power, which accounts for about 1/3 to 1/4 of total power consumption consumption Saga Plant **Expansion of manufacturing** Recruitment of strategic human resources Expansion of human resources for planning and management functions Ongoing Management and strengthen Expansion of comprehensive and systematic education system front-line human resources **Special-order** Expand the items deal with

items

Ongoing

### 5. Expand the semiconductor, automotive and aerospace business fields

The Company aims to expand the business performance of semiconductor, automotive and aerospace industries in which political and external environmental factors give major impacts on us by capturing market trends in a timely manner and strengthening cooperation with suppliers

**Field** 

### Sales expansion measures in each field



- Capturing semiconductor market conditions, future trends and demand outlook in a timely manner
- Further deepening relationships with device manufacturers
- Securing multiple suppliers for stable procurement based on country risk and other factors
- Making a progress monitoring by customer and sales performance



- Capturing EV market trends and supportive policy supports by governments
- Surveying market needs for thin sheet, coil material (slit material), and laser cutting
- Strengthening sales activities by utilizing 3D printers
- Implementing continuous PR activities including participation in industry exhibitions and advertisements in industry newspapers



- Creating industry maps for private and public sector demand, and promptly responding to changes in economic conditions
- Cultivating overseas suppliers for materials other than aluminum, such as titanium, Inconel, and Hastelloy
- Strengthening sales activities for new products based on customer needs
- Implementing continuous PR activities including participation in industry exhibitions and advertisements in industry newspapers





### 6. Expand overseas business

We established Overseas sales division to ensure that sales to overseas customers will reach 18.7 billion yen by FY2027, and to speed up information sharing and decision making. We also aim to increase added value and profit margins by developing E-commerce sites and cutting and processing business.

**Overseas sales** 

18.7 billion yen

achieved

- Expand sales of new products in cooperation with distributors
- Increase market share vs. competition in key markets

Strengthen
existing market
agents

Find new markets

■ Establish sales bases in Korea, Taiwan and the Philippines

■ Enter into India, Bangladesh, Mexico, etc.

Hakudo USA Inc. will promote North American business, with WCAS as a core.

Promote
North American
business

Develop E-commerce business

■ Enhance EC package functions and expand products through subsidiaries and distributors

Strengthen cross-border information collaboration

Develop global human resources

Promote M&A and investment strategies



### 7. Strengthen management foundation

We will work on strengthening human capital, governance structure, DX promotion as a management foundation to support the evolution of our business.

Digital

Transfor

mation

Initiatives

we aim

Raise the skill level and motivation of employees by strengthening human resorses

#### **Development** base

- Human resource development through on-the-job training
- Systematic human resource development through annual training

#### **Main strategy**

- Build-up of human resources through reorganization
- Design a HR evaluation system to encourage participation in training & committees and obtaining qualifications
- Reduce turnover by enhancing employee benefit programs



The Company aims to develop human resources who have the spirit of "the next person is the customer" and who are dedicated to our customers and boldly take on new challenges.

#### **Enforcement of governance and Management system**

- ✓ Further strengthen management and supervisory functions of directors
- ✓ Establish system to fulfill the Corporate Governance Code
- ✓ Conduct human rights due diligence



Establish a foundation for stable corporate growth while enhancing stakeholder confidence by strengthening enforcement of governance and Management system

#### **Business Efficiency and Business Reform through DX Promotion**

·Improve internal operations by promoting Digital Transformation

Digital Transformation with customers

Addition of Hakudo Network Service Functions

- 1. Automatic quotation and order function for "metal 3D printer modeling
- "Draw to estimate/order" function that allows users to specify complex processing such as drilling on the Web
- Material Acquisition Assist" for automatic estimation and ordering of materials from 3DCAD data
- 4 Estimate and Order with DATA" for estimating and ordering machining fees from 3D CAD data

Productivity and business value improvement

Development and utilization of DX human resources

Machining rees from 3D CAD and the strong resources

Establish data accumulation and analysis infrastructure

 Productivity and business value improvement through the development and utilization of human resources

• Develop new digital transformation human resources by establishing data accumulation and analysis infrastructure

**Contents KPI** Reduction manufacturing · Improvement of manufacturing efficiency by introducing equipment such variable costs Productivity as automatic processing machines improvement · Reduction of selling general · Reduction of work and cost by introducing RPA administrative expenses · Transition to a sales system that is not dependent on human resources Business value The number of a newly acquired · Information dissemination and customer development through the improvement customer introduction and operation of digital marketing tools DX Human Resource · Number of Qualified Employees Training to increase employee IT literacy Development



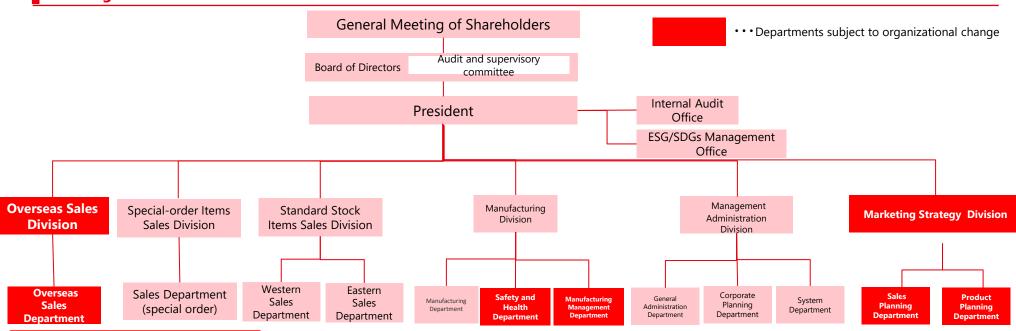




### 7. Strengthen business foundation "Organizational structure changes"

# Starting from April 2025, the organizational structure has been changed to clarify organizational goals and strengthen the management system.

New Organizational Structure



#### The point of new organization

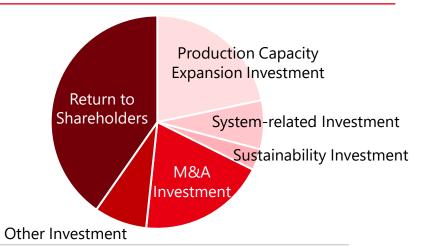
- ① Established Overseas Sales Division to strengthen management of overseas subsidiaries and to further expand overseas business
- ② Established Safety and Health Department and Manufacturing Management Department to further enhance safety, control and quality in the Manufacturing Division
- 3 Reorganized Sales Planning Office into Marketing Strategy Division to make it clearer that it is the department responsible for overall marketing activities and to speed up business promotion and strengthen the organizational structure.

あたらしい、を、素材から。

### 8. Capital Management Policy

The company strives to continually increase corporate value and maximize shareholder value appropriately allocating funds acquired during the period of the mid-term management plan to business investments and shareholder returns

#### **Cash Allocation**



Production Capacity Expansion Investment total 2.2 billion yen

- New plant facilities
- Automation equipment
- Processing machines

System-related Investment total 0.7 billion yen

- ·Hakudo Network Service
- ·Overseas E-commerce

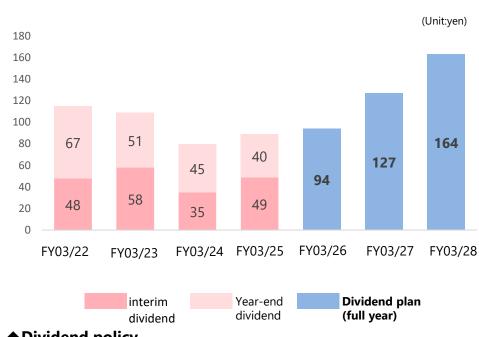
**Investment Plan** 

M&A Investment total 2 billion yen

Sustainability Investment total 0.3 billion yen

Solar panel installation

### **Return to Shareholders Strategies**



#### **♦ Dividend policy**

- Dividend payout ratio of 45% or more for the full year
- · Minimum annual dividend of 80 yen per share

💥 In principle, whichever is higher shall be the dividend amount.

### 9. Promoting sustainability management "FY03/27KPI"

By undertaking the following material issues under the Basic Sustainability Policy, we will continue contributing to society and also strive to continually increase corporate value

Material issues	Initiatives	FY03/27 KPIs
1. Reduce environmental	Reduction of in-house CO <sub>2</sub> emissions	<ul> <li>60% reduction by FY2027 (compared to FY2020)</li> <li>90% reduction by FY2030 (compared to FY2020)</li> <li>Achieve carbon neutrality by FY2050</li> </ul>
impact and respond to climate change	Improve manufacturing efficiency	Continuing to contribute to society by conserving and reducing the depletion of natural resources and curbing environmental pollution through more efficient deliveries, less industrial waste, and lower scrap rates
	Promote paperless offices	Reduce costs by eliminating resource waste and promoting recycling, preserve forests and contribute to the protection of the natural environment.
	Strengthen environment-friendly products	Contribute to society through the stable supply of products with low environmental impact (ECO products, etc.), and management that considers environmental impacts.
	Promote green procurement	Contribute to society by ensuring that suppliers comply with the Hakudo Green Procurement Guidelines.
2. Build responsible supply chains	Strengthen relationships with suppliers	Contribute to society by cooperating with suppliers and implementing $CO_2$ reduction measures, and promoting $CO_2$ reductions throughout the supply chain.
	Respect human rights	Contribute to society by working with supply chain partners to promote human rights awareness in management.
3. Activities targeting	Contribute to future generations	Contribute to the development of next-generation technologies and the strengthening of human resources by supporting advancement of manufacturing culture and human resource development in Japan.
society	Contribute to society	Contribute to a sustainable society, instilling a sense of pride in employees and earning the trust of society.
	Increase employee satisfaction	Increase employee satisfaction to enhance employee motivation to be productive and responsive to customers, enhance our impact on society (social contributions) and positively impact company performance
4. Investing in human	Promote diversity	Increase organizational productivity and competitiveness by hiring and utilizing diverse human resources.
resources	Management of healthy good work environment	Promote the health both mentally and physically of employees, and improve adequacy living as a member of society
	Enhance employee education	Provide knowledge and skills necessary for business operations, and opportunities to acquire knowledge and skills.

### 9. Promoting sustainability management $\sim$ FY03/27 KPIs $\sim$

By undertaking the following material issues under the Basic Sustainability Policy, we will continue contributing to society and also strive to continually increase corporate value

	Material issues	Initiatives	FY03/27 KPIs
		Zero violations	Conduct education aiming for zero tolerance
		Confirm policy compliance status	Ensure compliance with each policy *Current policies and basic principles are as follows: • Hakudo Group Human Right Policy • Privacy Policy • Basic Policy on Corporate Governance • Basic Policy on Sustainability • Basic Policy on Disclosure • Internal Workplace Environment Improvement Policy • Education and Human Resource Development Policy
		ricks and disastors	Conduct thorough assessment of business risks and review BCP. Also, create a system ensuring employee safety and the smooth resumption of operations when disaster occurs, through implementation of drills and response measures.
dis act ESC Ma Coo 7. pro	activities of the		Enhance the company-wide consciousness towards ESG/SDGs management by conducting educational activities and events related to ESG/SDGs.
		Make products and services concrete	Develop new products and services

### 9. Promoting sustainability management "TCFD Strategy Transition Plan"

**Period** 

Base year

Actual results for the current fiscal year

Medium-Term Management Plan Goals (Through FY2027)

Mid-term target (Through FY2030)

Long-term target (Through FY2050)

CO<sub>2</sub> emissions Scope1·2

FY2020 Results **5,097 ton-CO<sub>2</sub>** \*2

FY2024 Results **2,802 ton-CO**<sub>2</sub> \*1

FY2027 goals 2,038 ton-co<sub>2</sub> ×1 Compared to FY2020, 60% reduction FY2030 New goals 509 ton-CO<sub>2</sub> ×1 Compared to FY2020, 90% reduction

FY2050 New goals Achieving carbon neutrality

Key implementation measures

#### **Promoting energy-saving**

- Reduction of standby power for factory equipment
- · Conversion of plant building lighting to LED

#### Promote the use of renewable energy

- ·Installation of solar panels at plants
- ·Conversion of company vehicles to EVs or HVs
- ·Use of FIT non-fossil certificates or carbon credits

Foster internal awareness through the introduction of internal carbon pricing
Further promotion of renewable energy use
Active use of new technologies

- \*1. Figures for the six Hakudo group companies are shown.
- X2. Figures for the four Hakudo group companies (excluding HAKUDO USA Inc and West Coast Aluminum & Stainless, LLC) are shown.











■ 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 2025. 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.

■ For more information, please contact: Hakudo Co., Ltd. Corporate Planning Division E-mail address: hkdkeiki@hakudo.co.jp Website: www.hakudo.co.jp



