

Financial Results for  
Fiscal Year Ended on March 31, 2026  
(FY03/26 Results)

Hakudo Co., Ltd. (7637)

May 13, 2026

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# 1. FY03/26 Financial Results

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# Result Highlights

## Net sales

68,109 million yen  
(up 2.6% YoY)

## Gross profit

10,609 million yen  
(up 0.3% YoY)

## Ordinary profit

3,190 million yen  
(down 0.8% YoY)

### FY03/26 summary

#### Net sales

- Sales decreased by 2.6% YoY mainly due to higher unit selling prices caused by raw material market upward trends and increase in the demand of semiconductor production industry.
- The overseas sale in China and Thailand increased YoY and on the other hand the sale in North America decreased YoY.

#### Gross profit

- Gross profit increased by 0.3% YoY due to sales increase, though costs of goods sold increased by new establishment and expansion of Process Centers.

#### Ordinary profit

- Ordinary profit decreased by 0.8% YoY due to the increase in selling, general and administrative expenses caused by increased fare unit price and marketing expenses, expansion of our Headquarters office space.

# Summary of Consolidated Statements of Income (PL)

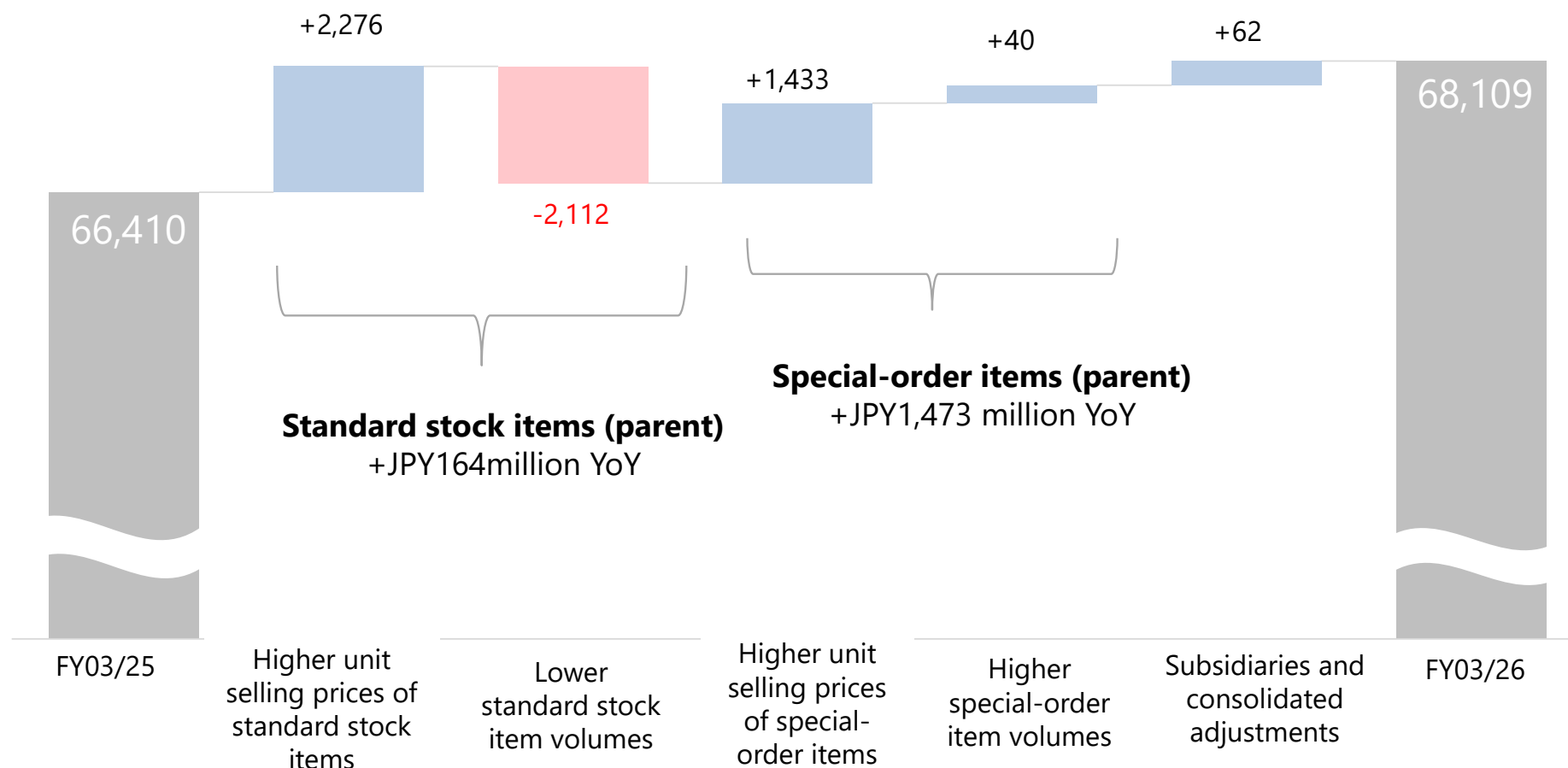
Unit: Million yen

	FY03/25	Sales ratio	FY03/26	Sales ratio	YoY Change (rate)	YoY Change (amount)
Net sales	66,410	-	68,109	-	+2.6%	+1,699
Standard stock items	38,964	58.7%	39,046	57.3%	+0.2%	+81
Special-order items	27,445	41.3%	29,063	42.7%	+5.9%	+1,617
Gross profit	10,573	15.9%	10,609	15.6%	+0.3%	+36
Operating profit	2,983	4.5%	2,872	4.2%	△3.7%	△111
Ordinary profit	3,214	4.8%	3,190	4.7%	△0.8%	△24
Inventory revaluation impact	378	0.6%	411	0.6%	+8.6%	+32
Ordinary profit (Excluding inventories impact)	2,836	4.3%	2,778	4.1%	△2.0%	△57
Profit attributable to owners of parent	2,236	3.4%	2,146	3.2%	△4.1%	△90

# Factors Affecting Year-on-Year Change in Net Sales

- Sales volume of the Standard stock items(non-consolidated) and Special-order items(non-consolidated) increased due to higher unit selling prices caused by raw material market upward trends.
- Sales volume of the Special-order items(non-consolidated) increased as Aircraft/aerospace industry & Automobiles/motorcycles industry related sales increased.

Unit: Million yen



On non-consolidated basis, standard stock items: sales volume -5.5% YoY, selling price +6.2% YoY

# Net Sales by Product Category

- Consolidated net sales of Copper and Aluminum increased YoY due to higher unit selling prices thanks to raw material market upward trends.
- Consolidated net sales of Stainless steel and others were roughly flat YoY.

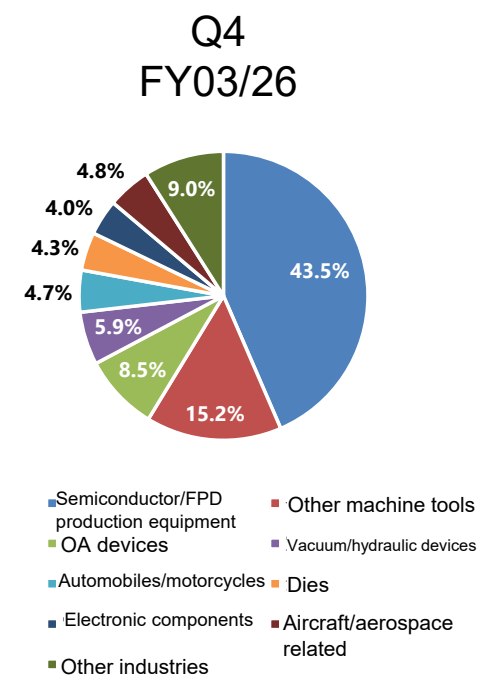
Unit: Million yen

	FY03/25				total	FY03/26				total	YoY
	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q		
Consolidated net sales	15,745	16,742	17,665	16,256	<b>66,410</b>	17,059	15,640	16,981	18,428	<b>68,109</b>	+2.6%
Aluminum	9,363	10,449	10,984	10,017	<b>40,814</b>	10,455	9,514	10,304	11,559	<b>41,833</b>	+2.5%
Copper	2,442	2,312	2,425	2,321	<b>9,502</b>	2,345	2,302	2,602	3,010	<b>10,261</b>	+8.0%
Stainless steel	3,061	3,122	3,347	3,073	<b>12,604</b>	3,317	2,975	3,158	3,082	<b>12,535</b>	△0.5%
Others	878	857	908	843	<b>3,488</b>	939	848	915	776	<b>3,479</b>	△0.3%

# Percentage Breakdown of Net Sales by Industry (Japan)

- Sales ratio of Semiconductor/FPD production equipment industry tends to increase from Q2 FY03/26 due to increased demand in generative AI and Data center.
- Aircraft/aerospace & Automobiles/motorcycles related sales increased due to robust public sector demands despite decreased composition ratio of Net Sales.

	FY03/25				FY03/26			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Semiconductor/FPD production equipment	37.3%	42.2%	43.0%	39.4%	36.9%	38.2%	39.6%	<b>43.5%</b>
Other machine tools	17.8%	15.6%	14.9%	15.8%	15.9%	15.5%	15.3%	<b>15.2%</b>
OA devices	10.3%	9.4%	8.7%	9.3%	9.8%	9.8%	8.5%	<b>8.5%</b>
Vacuum/hydraulic devices	5.9%	5.5%	5.8%	5.3%	6.4%	6.3%	7.0%	<b>5.9%</b>
Automobiles/motorcycles	5.1%	5.1%	5.6%	5.7%	5.5%	4.9%	5.0%	<b>4.7%</b>
Dies	5.4%	5.3%	5.2%	4.8%	5.4%	5.1%	5.3%	<b>4.3%</b>
Electronic components	4.0%	3.8%	3.8%	4.3%	4.1%	4.0%	4.2%	<b>4.0%</b>
Aircraft/aerospace related	4.3%	4.3%	4.3%	5.2%	6.2%	5.7%	5.0%	<b>4.8%</b>
Other industries	9.9%	8.8%	8.7%	10.2%	9.8%	10.5%	10.1%	<b>9.0%</b>



# Financial Performance by Segment

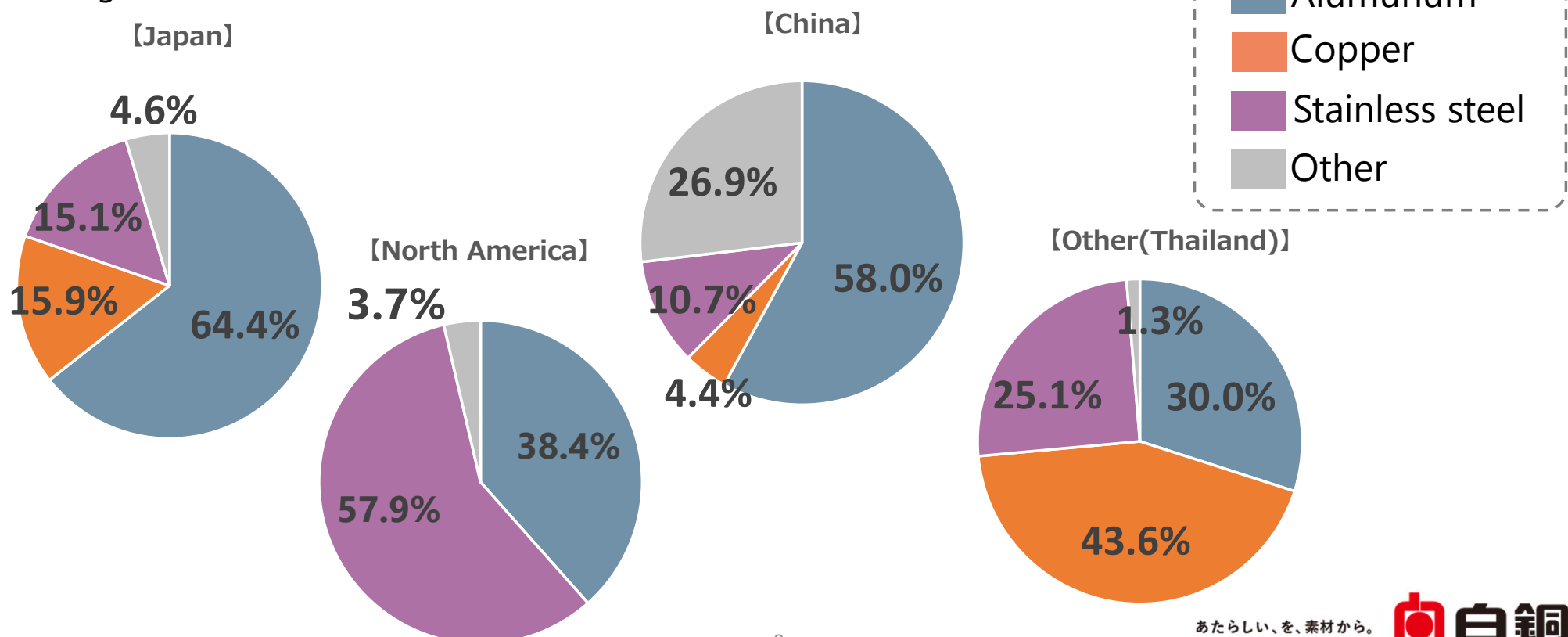
- The North America segment returned to profitability as WCAS , now wholly-owned subsidiary in June, returned to profitability, resulting in a reduction in segment losses, including those of Hakudo USA.
- In China, both sales and profits improved.
- In the Other segment (Thailand), sales of copper and aluminum products increased due to growing investments related to data centers and AI, as well as the development of core products.

Unit: Million yen

	FY03/25				FY03/26			
	Net sales	Operating profit/losses	Ordinary profit/losses	Profit(loss) attributable to owners of parent	Net sales	Operating profit/losses	Ordinary profit/losses	Profit (loss) attributable to owners of parent
Japan	57,910	3,129	3,233	2,275	59,371	2,812	3,088	2,083
North America	5,099	△285	△184	△179	5,087	△97	△84	△86
China	1,753	△13	13	16	1,926	△0	28	22
Other	1,647	153	152	124	1,723	157	157	126

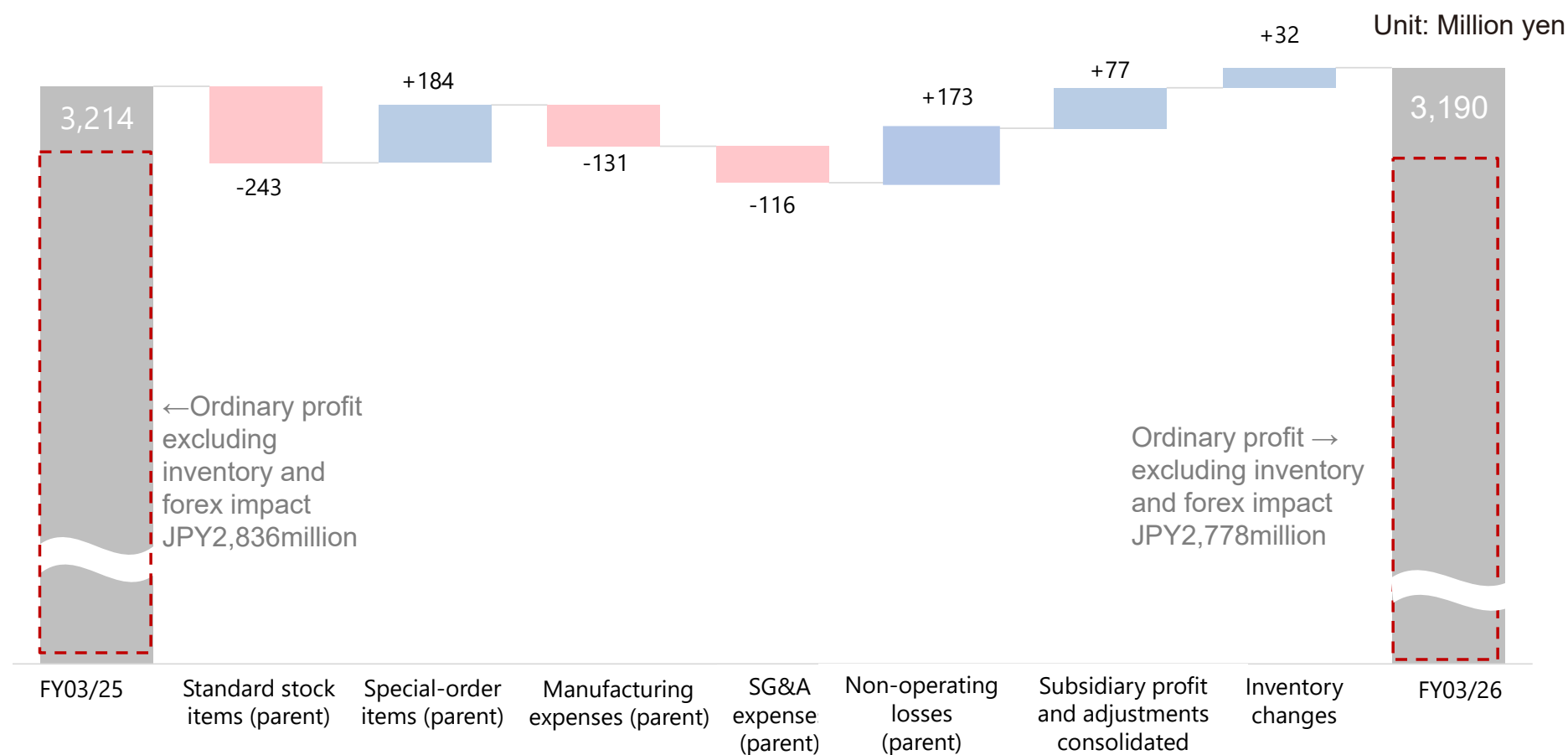
# Sales Ratio by Demographic Segment

- 【Japan】 Aluminum products are a large proportion of sales and sales ratio of copper products and stainless steel products is the same due to the large sales to the semiconductor manufacturing equipment industry.
- 【North America】 Stainless steel are a large proportion as our main customers are transportation equipment and housing-related sectors.
- 【China】 Aluminum products are a large percentage out of total sales due to the large sales to the semiconductor manufacturing equipment industry, while the percentage of other products, including specialty steel products for the mold and die and automobile industries, is larger than that in Japan.
- 【Other (Thailand)】 Copper products for the metal mold and automobile industries account for a large share of the total.



# Factors Affecting Year-on-Year Change in Ordinary Profit

- Gross profit of Standard stock items (non-consolidated) decreased as sales decreased. On the other hand, Gross profit of Special-order items (non-consolidated) increased because sales increased.
- Selling, general and administrative expenses increased due to the increase in fare unit price and marketing costs, as well as expansion of our Headquarters office space.
- Non-operating incomes increased thanks to the increase in dividend income.



# Balance Sheet (BS)

Unit: Million yen

Assets	As of March 31, 2025	Composition ratio	As of March 31, 2026	Composition ratio	Change
Current assets	35,028	78.3%	36,925	77.6%	+1,896
Cash and deposits	5,473	12.2%	7,670	16.1%	+2,196
Notes and accounts receivable – trade (Including electronically recorded monetary claims - operating) Inventories	16,833	37.6%	16,475	34.6%	-358
Inventories	12,522	28.0%	12,531	26.3%	+9
Other current assets	199	0.4%	248	0.5%	+48
Non-current assets	9,716	21.7%	10,638	22.4%	+922
Property, plant and equipment	6,404	14.3%	6,518	13.7%	+113
Intangible assets	1,470	3.3%	1,346	2.8%	-123
Investments and other assets	1,841	4.1%	2,774	5.8%	+932
Total assets	44,745	100.0%	47,564	100.0%	+2,819
Liabilities and net assets	As of March 31, 2025	Composition ratio	As of March 31, 2026	Composition ratio	Change
Current liabilities	20,919	46.8%	21,959	46.2%	+1,039
Notes and accounts payable – trade (Including electronically recorded obligations – operating)	18,598	41.6%	18,988	39.9%	+389
Accrued expenses	888	2.0%	1,004	2.1%	+115
Income taxes payable	547	1.2%	656	1.4%	+109
Other current liabilities	885	2.0%	1,310	2.8%	+425
Non-current liabilities	70	0.2%	139	0.3%	+68
Total liabilities	20,990	46.9%	22,098	46.5%	+1,108
Net assets	23,755	53.1%	25,465	53.5%	+1,710
Total liabilities and net assets	44,745	100.0%	47,564	100.0%	+2,819

## Current assets: Up JPY1,896 million

- Cash and deposits increased due to improvement in receivables turnover period (+2,196 million)

## Non-current assets: Up JPY922million

- Property, plant and equipment increased due to new establishment of Saitama Process Center(+113 million)
- Minority investment in Patriot Metals, a company based in the Midwest in the U.S , was made and Investment Securities increased

## Current liabilities: Up1,039million

- Notes and accounts payable – trade increased due to price increase at raw material market (+389 million)

## Non-current liabilities: Up JPY68 million

## Net assets: Up JPY1,710 million

# Cash Flows

- Cash flows from operating activities was JPY4,493 million, mainly due to working capital improvement.
- Cash flows from investing activities was –JPY1,373million mainly due to domestic capital investments such as new establishment of Saitama Process Center, IT investment and additional stake purchase of the Invested company
- Cash flows from financing activities was –JPY1,054 million , mainly due to payment of dividends.

Unit: Million yen

	FY03/25	FY03/26
<b>Cash flows from operating activities</b>	1,782	4,493
<b>Cash flows from investing activities</b>	-893	-1,373
<b>Cash flows from financing activities</b>	-1,127	-1,054
<b>Effect of exchange rate change on cash and cash equivalents</b>	11	130
<b>Cash and cash equivalents at end of period</b>	5,473	7,670

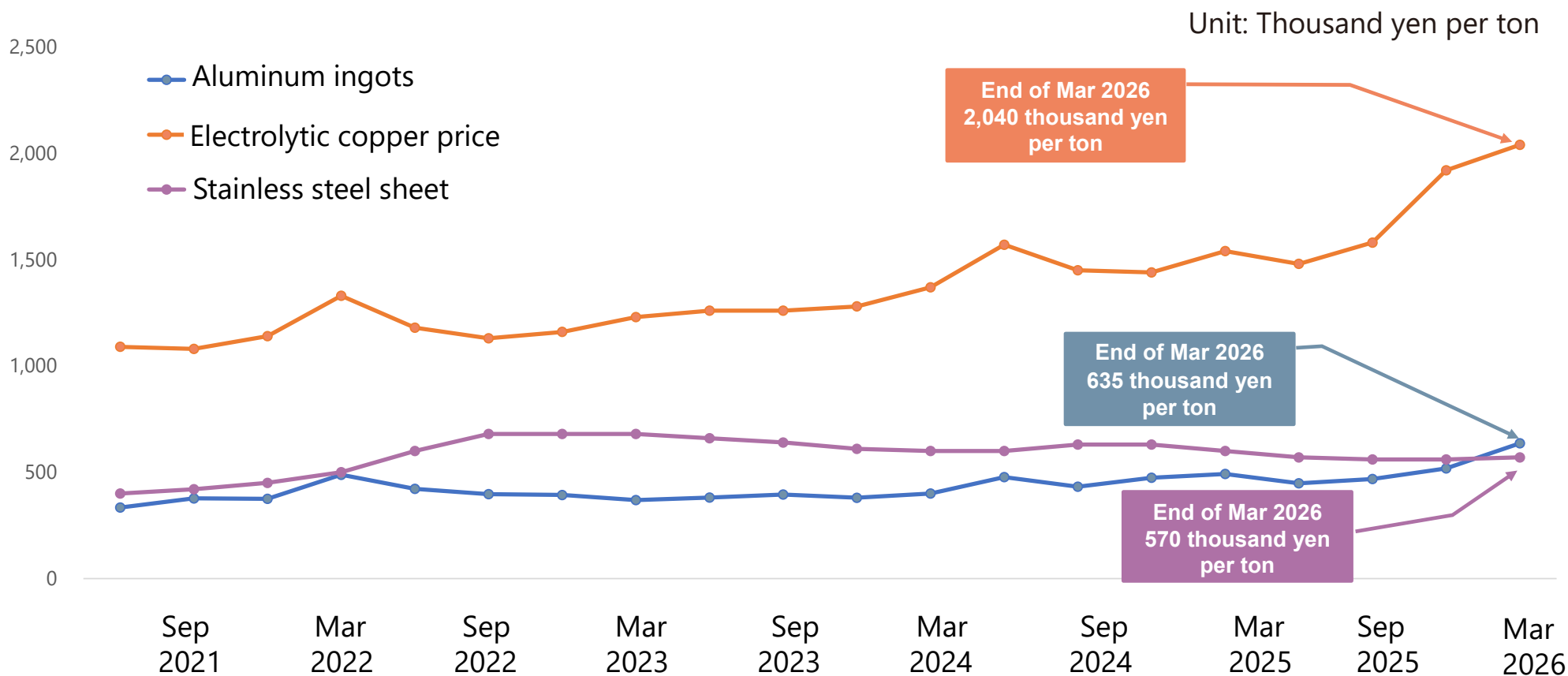
## <Main Breakdown>

- ① **Cash flows from operating activities JPY4,493 million**
- Profit before tax adjustments : +JPY3,190million
  - Depreciation : +JPY1,114million
  - Amortization of goodwill : +JPY44 million
  - Decrease (increase) in notes and accounts receivable-trade : +JPY431 million
  - Decrease (increase) in inventories : +JPY89 million
  - Increase (decrease) in notes and accounts payable-trade : +JPY348million
  - Income tax payments : -JPY989million
- ② **Cash flows from investing activities –JPY1,373 million**
- Payments for purchase of property, plant and equipment : -JPY788 million
  - Payments for purchase of intangible assets : -JPY101 million
  - Payments for purchase of investment securities : -JPY143 million
- ③ **Cash flows from financing activities –JPY1,054 million**
- Decrease due to dividend payment : -JPY771million

# Business Environment (1)

## Raw Material Market Trends for Aluminum, Copper and Stainless Steel

- Electrolytic copper price highly increased due to market concerns to unstable supply of copper.
- Aluminum ingots tend to increase from June,2025.
- Stainless steel sheet price continued to move flatly.

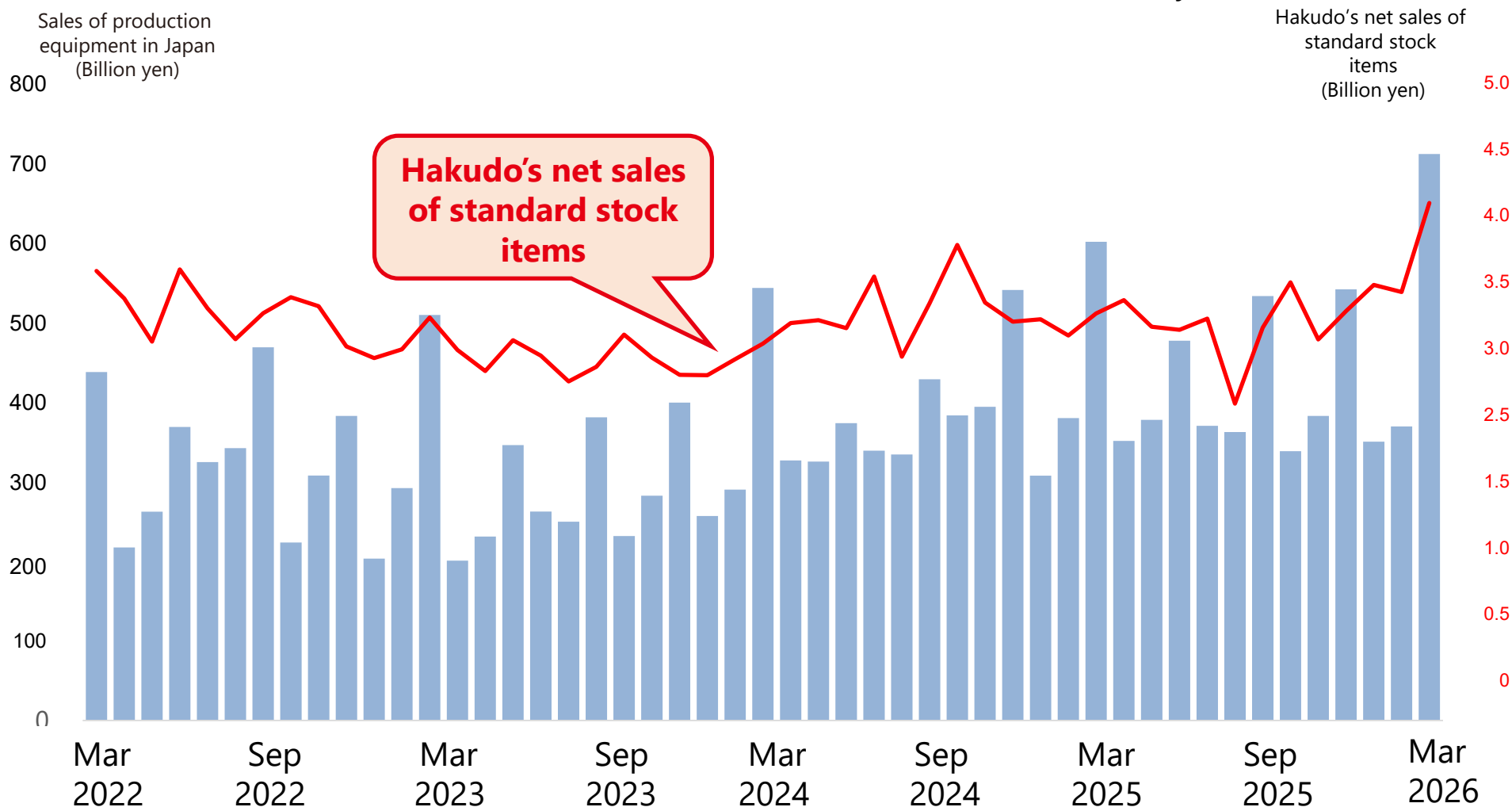


Electrolytic copper price: JX Nippon Mining & Metals  
Aluminum ingots: Nikkei monthly average  
Stainless steel sheet: Japan Metal Daily median

# Business Environment (2)

## Comparison of Semiconductor Production Equipment Sales and Standard Stock Items Sales

- Semiconductor production equipment sales has recovered from the latter half of the current consolidated fiscal year
- Hakudo's net sales of standard stock items increased due to the recovery of the demand,

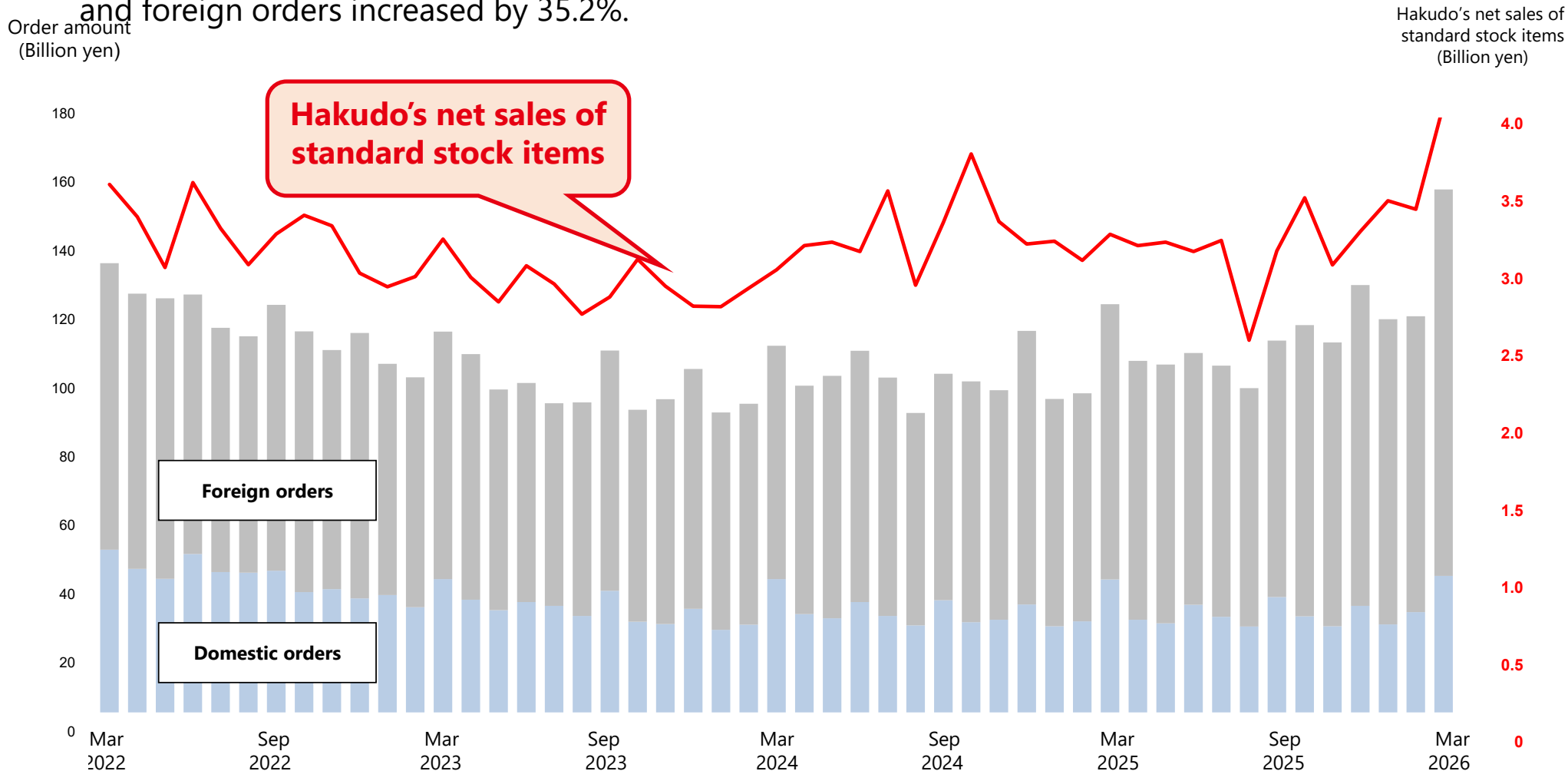


Source: Semiconductor Equipment Association of Japan - statistical data

# Business Environment (3)

## Comparison of Machine Tool Orders and Standard Stock Items Sales

- The machine tool industry saw an increase in foreign orders driven by growing demand from the automotive, data center and smartphone sectors. Domestic demand also rose, supported by the recovery in the semiconductor production industry.
- Compared to the Q4 (January-March) in the previous fiscal year, domestic orders decreased by 4.7% and foreign orders increased by 35.2%.

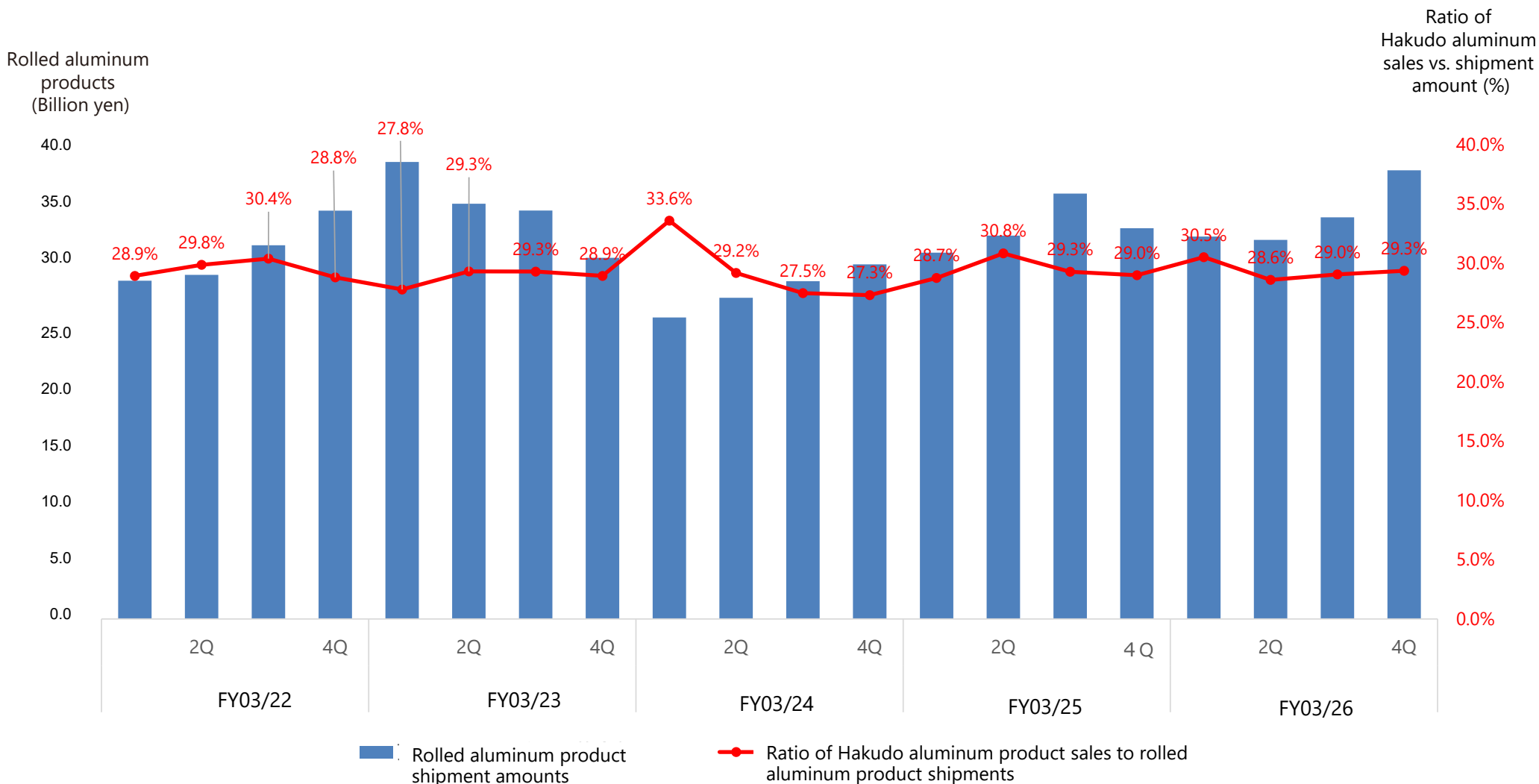


Source: Japan Machine Tool Builders' Association - machine tool orders statistics

# Business Environment (4)

## Ratio of Hakudo aluminum product sales to rolled aluminum product shipment value

- Hakudo's aluminum product sales are around 30% of rolled aluminum product shipment value, and our industry market share has remained stable.



Note: Aluminum rolled products shipment value is the total of sheets (6.0 mm+), disks, tubes, and bars.

Source: Rolled Aluminum Statistics Monthly Report, Japan Aluminum Association

## 2. FY03/27 Financial Forecasts

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# FY03/27 Financial Forecasts

- We expect the favorable market conditions in the semiconductor production industry, which has been recovering since the second half of the previous consolidated fiscal year, to continue.
- Regarding the impact of the situation in the Middle East, only the effects currently materialized within the Company have been reflected in the forecast figures, and the impacts are expected to remain limited at this stage.

(Million yen)	FY03/26 half year result	FY03/26 result	FY03/27 half year forecast	FY03/27 full-year forecast	Increase/de crease rate (full-year results)
Net sales	32,699	68,109	41,000	84,000	23.3%
Operating profit	1,005	2,872	2,080	4,310	50.1%
Ordinary profit	1,087	3,190	2,310	4,700	47.3%
Profit attributable to owners of parent	683	2,146	1,590	3,210	49.6%

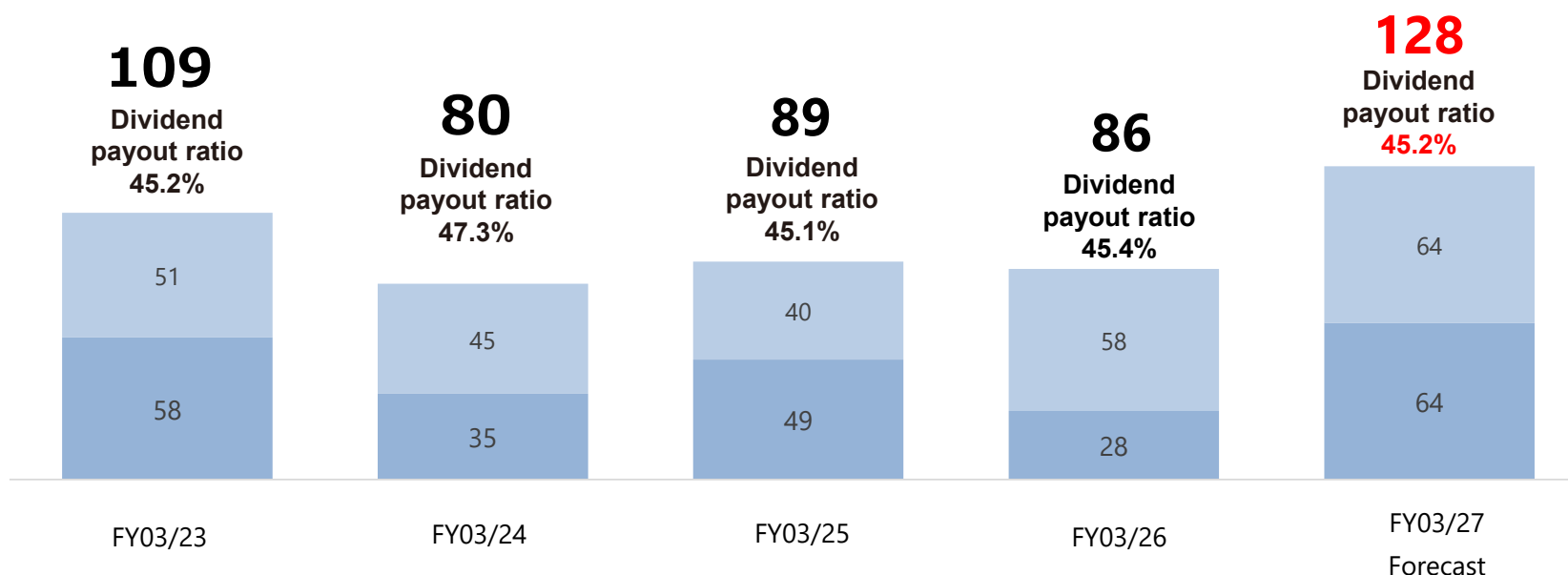
# Shareholder Returns (Dividends)

## Dividend Forecast for FY03/27

### 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.

Unit: yen



The lower section indicates the interim dividend, while the upper section represents the year-end dividend.

# 3. Initiatives and the Current Progress of the Mid-Term Management Plan

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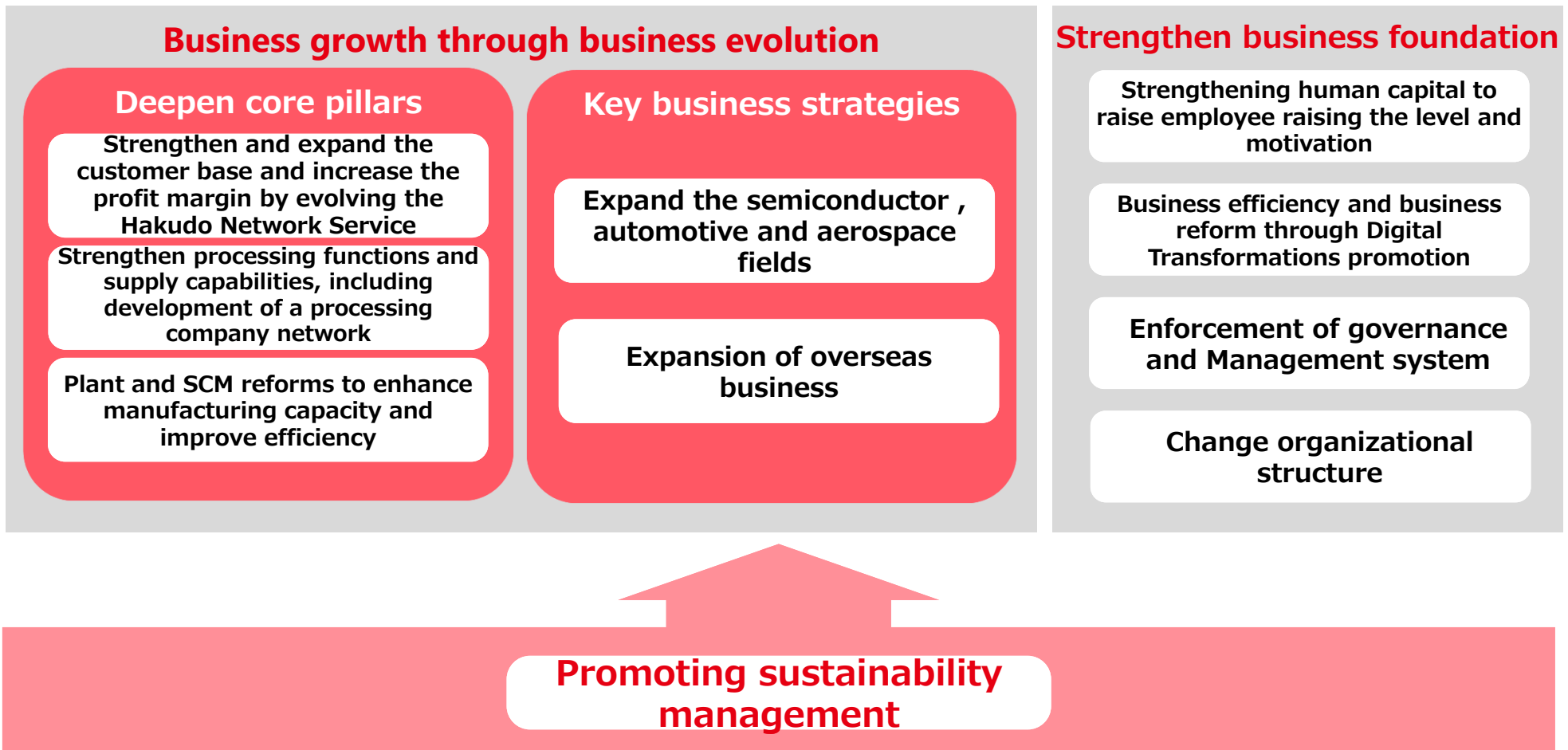
# Review of FY03/26 Financial Results Medium-Term Management Plan

- In the core semiconductor production industry, sales volume declined due to revisions to capital investment plans, reflecting delays in demand recovery except generative AI-related fields. As a result, we revised its earnings forecast downward in the first quarter.
- On the other hand, appropriate pass-through of rising costs implemented during the fiscal period, together with the effects of other initiatives, contributed to an improvement in profitability, leading us to revise our full-year earnings forecast upward in the third quarter.
- Although the target figures of the medium-term management plan have not yet been achieved, we decided to maintain the three-year plan without any revision and to continue striving to meet our goals.

	FY03/26		Progress Achieving the Mid-Term Management Plan
	Goal of Medium-Term Management Plan	Result of FY03/26	
Net sales	75.8 billion yen	68.1 billion yen	89.9%
Ordinary profit	3.5 billion yen	3.1 billion yen	91.2%
ROIC	9.0%	7.6%	-1.4pt
Cash flows from Operating activities	3.7 billion yen	4.4 billion yen	121.4%
Overseas sales ratio	15.6%	16.2%	+0.6pt
dividend payout ratio	45%	45%	-
dividend	94yen	86yen	-8yen

# Key Business Strategies

We aim to become a company with sustainable growth by strengthening our management base, mainly through digital transformations and organizational reinforcement and to deepen core pillars and expand our business field with a main focus on increasing customer satisfaction.



# Review of initiatives in the first year of the Medium-Term Management Plan

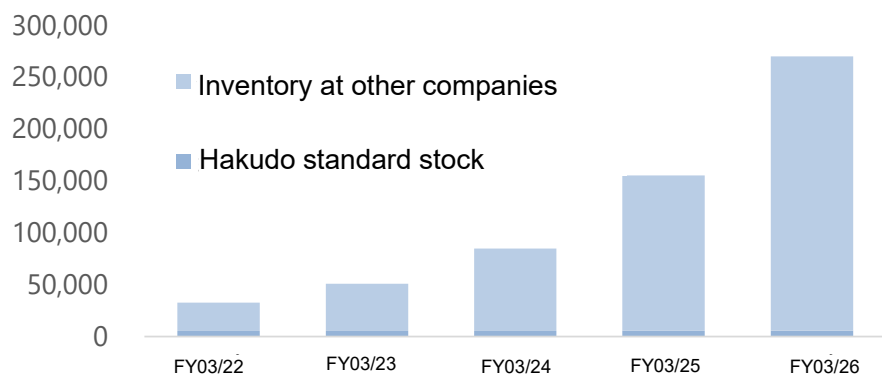
Key Business Strategies		Content of Implementation FY03/26
Deepen core pillars	Strengthen and expand the customer base and increase the profit margin by evolving the Hakudo Network Service	<ul style="list-style-type: none"> <li>➤ Enhancement of the quotation and ordering features for custom machined parts based on drawings (Sketch-Based Quotes &amp; Orders, Data-Based Quotes &amp; Orders)</li> </ul>
	Strengthen processing functions and supply capabilities, including development of our processing partners network	<ul style="list-style-type: none"> <li>➤ Expansion of items (155,200 items by the end of March 2025 ⇒270,200 items by the end of March 2026)</li> </ul>
	Plant and SCM reforms to enhance manufacturing capacity and improve efficiency	<ul style="list-style-type: none"> <li>➤ Start of operation of Saitama Process Center</li> <li>➤ Installation of the second laser processing machine</li> </ul>
Expand our business field	Expand the semiconductor, automotive and aerospace fields	<ul style="list-style-type: none"> <li>➤ Semiconductors: Promotion of previously under-marketed equipment and components</li> <li>➤ Automotive: Promotion of laser processing products using thin sheet and coil materials</li> <li>➤ Aerospace: Introduction of new aerospace/space-grade material products</li> </ul>
	Expand our overseas business	<ul style="list-style-type: none"> <li>➤ Made a minority investment in Patriot Metals, a company based in the Midwest in the U.S.</li> <li>➤ We signed an agreement with a sales partner in India</li> <li>➤ Preparing for newly implementing EC packaged software in our minor-invested local partner in Vietnam. Thailand and China and North America have already implemented it.</li> <li>➤ Considering implementation to our partnered distributors in Malaysia and Indonesia.</li> <li>➤ Planning to start E-commerce with our EC packaged software for South Korea, Taiwan, India and the Philippines</li> </ul>
Strengthen business management foundation	Expand human resources, upgrade existing workforce skills and improve employee engagement.	<ul style="list-style-type: none"> <li>➤ Certification as a “Health &amp; Productivity Management Outstanding”</li> <li>➤ Organization corporate enrollment in medical insurance and long-term disability income compensation insurance</li> <li>➤ Registration with the “Cancer Control Promotion Corporate Action” program</li> </ul>
	Business efficiency and business reform through Digital Transformations promotion	<ul style="list-style-type: none"> <li>➤ Received the IT Encouragement Award of the Sketch-Based Quotes &amp; Orders, Data-Based Quotes &amp; Orders</li> </ul>
	Enforcement of governance and management system	<ul style="list-style-type: none"> <li>➤ Publication of the Integrated Report</li> </ul>
	Change organizational structure	<ul style="list-style-type: none"> <li>➤ Strengthening sales functions through the establishment of the Overseas Sales Division</li> <li>➤ Strengthening marketing functions through the establishment of the Marketing Strategy Division</li> </ul>
Promote sustainability management		<ul style="list-style-type: none"> <li>➤ Change our target to reduce the amount of CO<sub>2</sub> emissions for fiscal year 2030 (reduced by 42% compared to fiscal year 2020→reduced 90%)</li> <li>➤ Medals of Honour</li> <li>➤ Expand sales of ECO products and consider lineup expansion</li> <li>➤ Conclusion of Green Procurement Guidelines with suppliers</li> <li>➤ Initiated human rights due diligence efforts</li> </ul>

# Progress of Mid-Term Business Strategies (1)

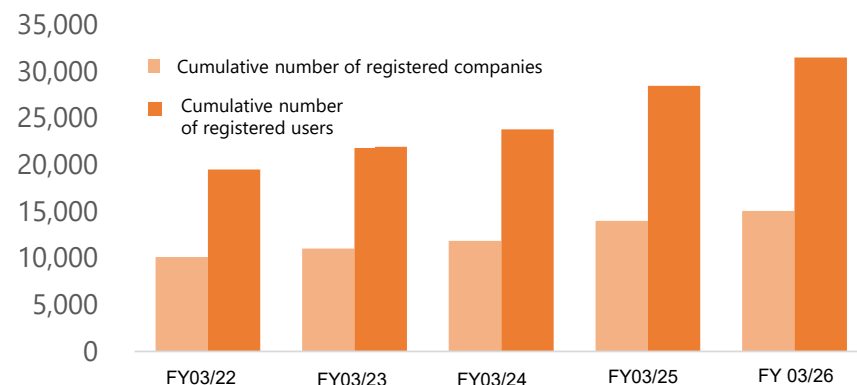
## (1) Strengthen and expand customer base, improve profit margins through Hakudo Network Service (E-Commerce) evolution



【Number of Items Available at Hakudo Net Service】



【Number of Companies Registered at Hakudo Net Service (Total)】



Note: Includes CS Net Service registrations

# Progress of Mid-Term Business Strategies (2)

## (2) Expand growth fields, strengthen sales



**Semiconductor industry**

Q4 FY03/26 sales ratio **43.5%**

### Consolidate the industry through specialized departments

Establish a method for accumulating industry knowledge through consolidation of semiconductor related sales partners



**Automotive industry**

Q4 FY03/26 sales ratio **4.7%**

### Obtaining new customers

Utilize 3D printers to acquire new customers in automotive-related fields



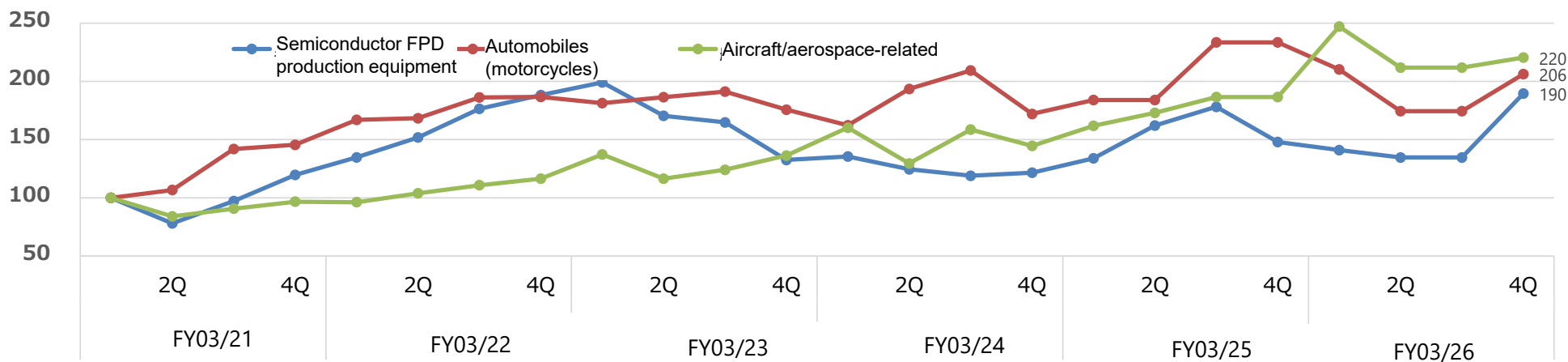
**Aircraft/aerospace industry**

Q4 FY03/26 sales ratio **4.8%**

### Enhanced overseas procurement function

Collaboration with WCAS to strengthen import procurement capabilities for aerospace standard materials made by overseas manufacturers

## 【Growth domain quarterly sales indicators】

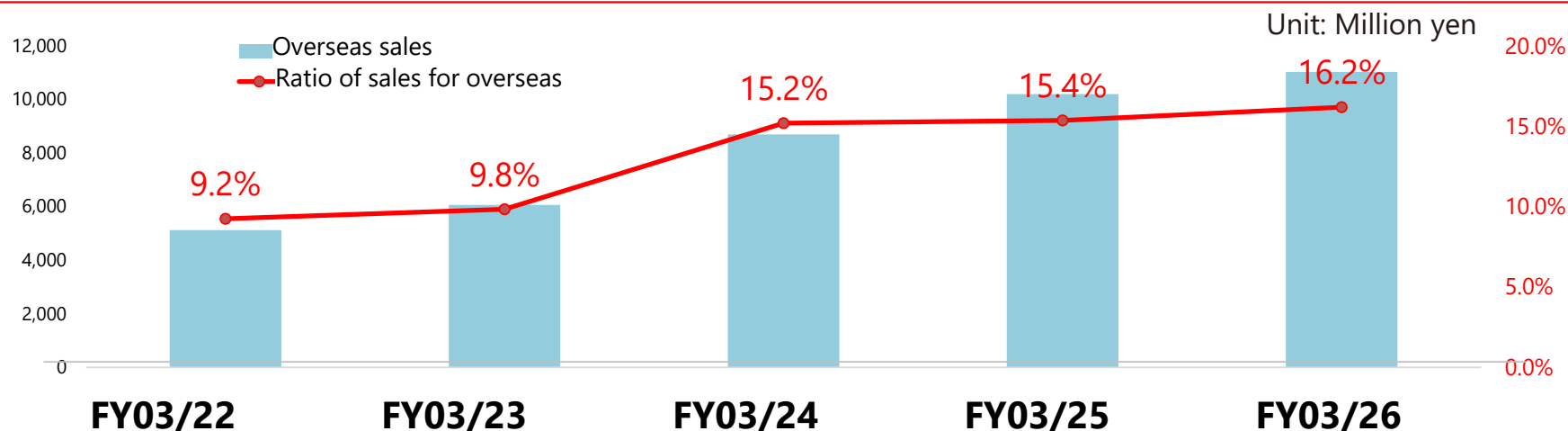


Note: Sales index based on sales in Q1 FY03/21

# Progress of Mid-Term Business Strategies (3)

## (3) Overseas business expansion

### Overseas Net Sales and Sales Ratio



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

### Status of Activities

#### ◆ Leveraging packaged e-commerce applications

- We have been preparing for newly implementing EC packaged software in our minor-invested local partner in Vietnam. In Thailand and China and North America it has been already implemented.
- We now consider to implement the software to our partnered local distributors in Malaysia and Indonesia.
- We also plan to start E-commerce business with our EC packaged software in South Korea, Taiwan, India and the Philippines

#### ◆ Overseas business expansion

- We signed an agreement with a local sales partner in India and started market research.
- We also plan to expand the sales in South Korea, Taiwan, India and the Philippines.

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# Thank you very much for your attention.

## ■ Hakudo Official Social Media Accounts

We have created official accounts on YouTube and Instagram 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 2026. 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:

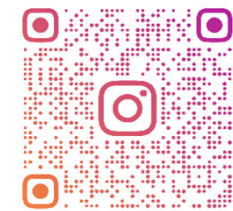
Hakudo Co., Ltd. Management Planning Section

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