

Investor Meeting  
for the First Quarter Fiscal Year Ended on March 31, 2026

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Hakudo Co., Ltd. (7637)

August 8, 2025

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# Q1 FY03/26 Results

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# Financial Highlights

## Net sales

**17,059** million yen  
(up 8.3% YoY)

## Gross profit

**2,373** million yen  
(down 11.3% YoY)

## Ordinary profit

**475** million yen  
(down 52.3% YoY)

## Q1 FY03/26 Summary

### Net sales

- Sales increased by 8.3% YoY thanks to higher unit selling prices and increased sales volume to the Aircraft/aerospace industry with a focus on official demand despite decreased sales volume to the semiconductor production equipment industry due to decrease in the demand of semiconductor production equipment industry.
- The overseas sale of Thailand and North America increased YoY and on the other hand the sale of China decreased because of sluggish economy in China.

### Gross profit

- Gross profit decreased by 11.3% YoY due to decreased sales volume of Standard stock items which earn high gross profit margin because of decrease in the demand of semiconductor production equipment industry and decrease in gross profit per unit and establishment cost of a new factory, and increased rent to expand the office space.

### Ordinary profit

- Ordinary profit decreased by 52.3% YoY due to decrease in gross profit and increase in freight costs

# Summary of Consolidated Statements of Income (PL)

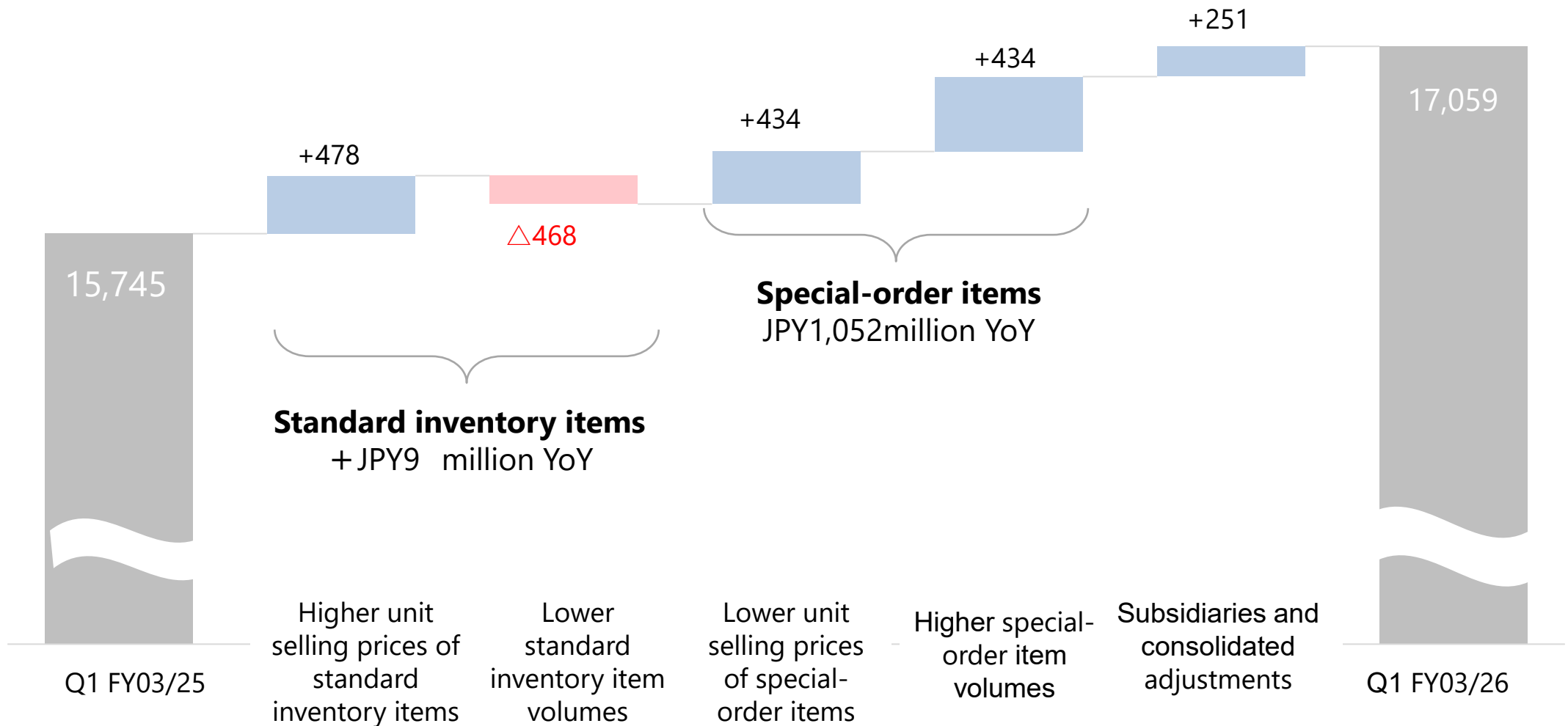
Unit: Million yen

	Q1 FY03/25	Sales ratio	Q1 FY03/26	Sales ratio	YoY Change (rate)	YoY Change (amount)
Net sales	15,745	-	17,059	-	8.3%	1,313
Standard stock items	9,497	60.3%	9,521	55.8%	0.3%	24
Special-order items	6,248	39.7%	7,537	44.2%	20.6%	1,289
Gross profit	2,677	17.0%	2,373	13.9%	△11.3%	△303
Operating profit	868	5.5%	385	2.3%	△55.6%	△483
Ordinary profit	996	6.3%	475	2.8%	△52.3%	△521
Inventory revaluation impact	43	0.3%	107	0.6%	-	63
Ordinary profit (Excluding inventories impact)	952	6.0%	367	2.2%	△61.4%	△584
Profit attributable to owners of parent	688	4.4%	290	1.7%	△57.8%	△397

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

- Higher unit selling prices contributed to sales growth of Standard stock items by JPY 9 million YoY. though its sales volumes decreased.
- On the other hand, higher unit selling prices and increase in the sales volumes contributed to sales growth of Special-order items by JPY1,052 million YoY.

Unit: Million yen



Standard inventory items (non-consolidated): sales volume  $\Delta$ 4.2% YoY, selling price +5.3% YoY

# Net Sales by Product Category

- Aluminum and Stainless steel increased QoQ due to increase in both the unit selling prices and sales growth in North America
- Other products including Titanium increased QoQ due to increase the sales volumes
- Copper decreased QoQ due to the price decrease of raw materials.

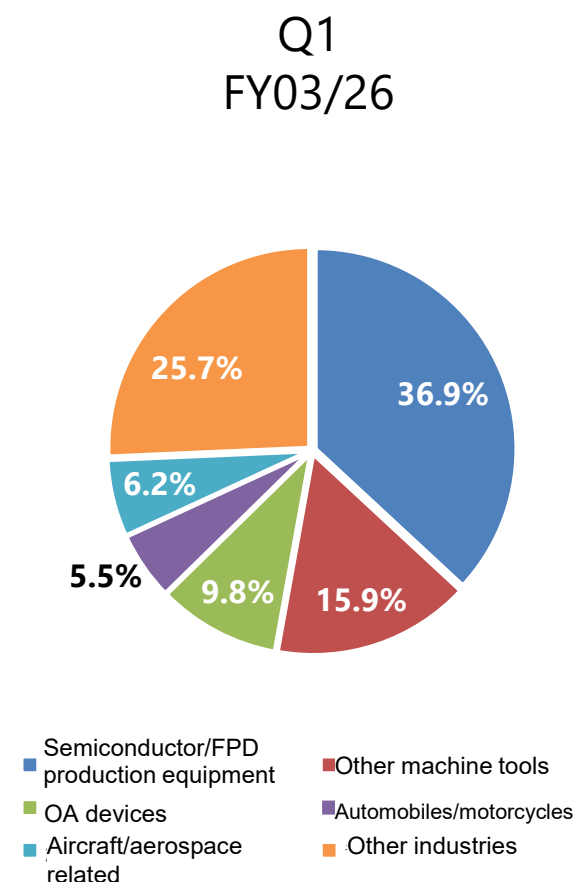
Unit: Million yen

	FY03/25				Q1 FY03/26	Vs. Q1 FY03/25
	1Q	2Q	3Q	4Q		
Consolidated net sales	15,745	16,742	17,665	16,256	17,059	+8.3%
Aluminum	9,363	10,449	10,984	10,017	10,455	+11.7%
Copper	2,442	2,312	2,425	2,321	2,345	△4.0%
Stainless steel	3,061	3,122	3,347	3,073	3,317	+8.4%
Others	878	857	908	843	939	+6.9%

# Composition Ratio of Net Sales by Industry (Japan)

- Sales to Aircraft/Aerospace industry significantly increased QoQ due to the sustained recovery in commercial aircraft demand and favorable trend in public sector demand.
- Sales to Semiconductor/FPD production equipment industry increased though its sales ratio decreased QoQ.

		FY03/25					FY03/26
		1Q	2Q	3Q	4Q	total	1Q
Semiconductor/ FPD production equipment		<b>37.3%</b>	42.2%	43.0%	39.4%	40.6%	<b>36.9%</b>
Other machine tools		<b>17.8%</b>	15.6%	14.9%	15.8%	16.0%	<b>15.9%</b>
OA devices		<b>10.3%</b>	9.4%	8.7%	9.3%	9.4%	<b>9.8%</b>
Automobiles/ motorcycles		<b>5.1%</b>	5.1%	5.6%	5.7%	5.4%	<b>5.5%</b>
Aircraft/aerospace related		<b>4.3%</b>	4.3%	4.3%	5.2%	4.5%	<b>6.2%</b>
Other industries		<b>25.2%</b>	23.3%	23.6%	24.6%	24.1%	<b>25.7%</b>





# Financial Performance by Segment

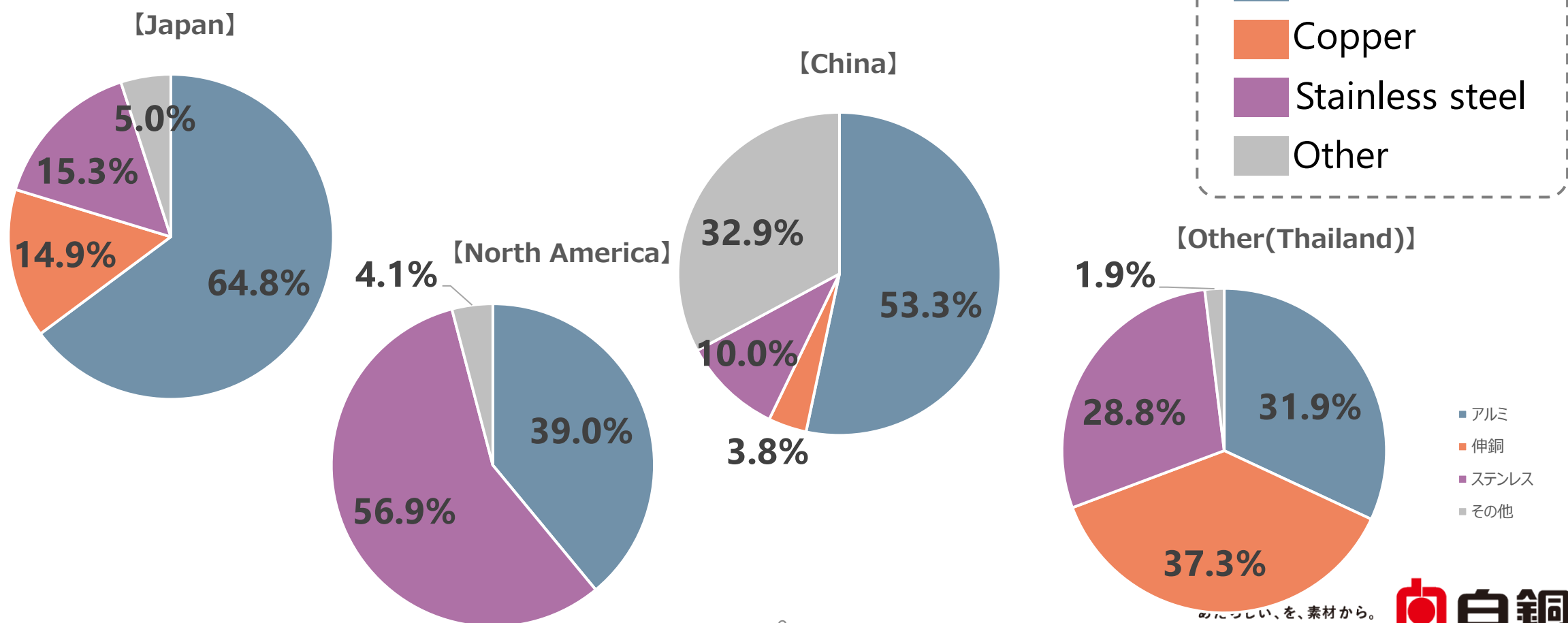
- We posted an ordinary profit loss by JPY109 million in North America segment due to a sluggish economy caused by a shortage of capital expenditure and foreign currency exchange loss.
- In China, both of operating and ordinary profit increased due to decrease in purchase prices and decrease in selling, general and administrative expenses such as labor costs though net sales decreased,
- In the other segment (Thailand), ordinary profit slightly decreased QoQ due to negative impact of the sluggish domestic economy in Thailand.

Unit: Million yen

	Q1 FY03/25				Q1 FY03/26			
	Net sales	Operating profit/losses	Ordinary profit/losses	Profit attributable to owners of parent	Net sales	Operating profit/losses	Ordinary profit/losses	Profit (loss) attributable to owners of parent
Japan	13,490	855	909	613	14,604	388	532	358
North America	1,296	△31	32	31	1,611	△51	△109	△109
China	559	△5	3	2	423	0	4	3
Other	399	50	51	41	418	47	47	38

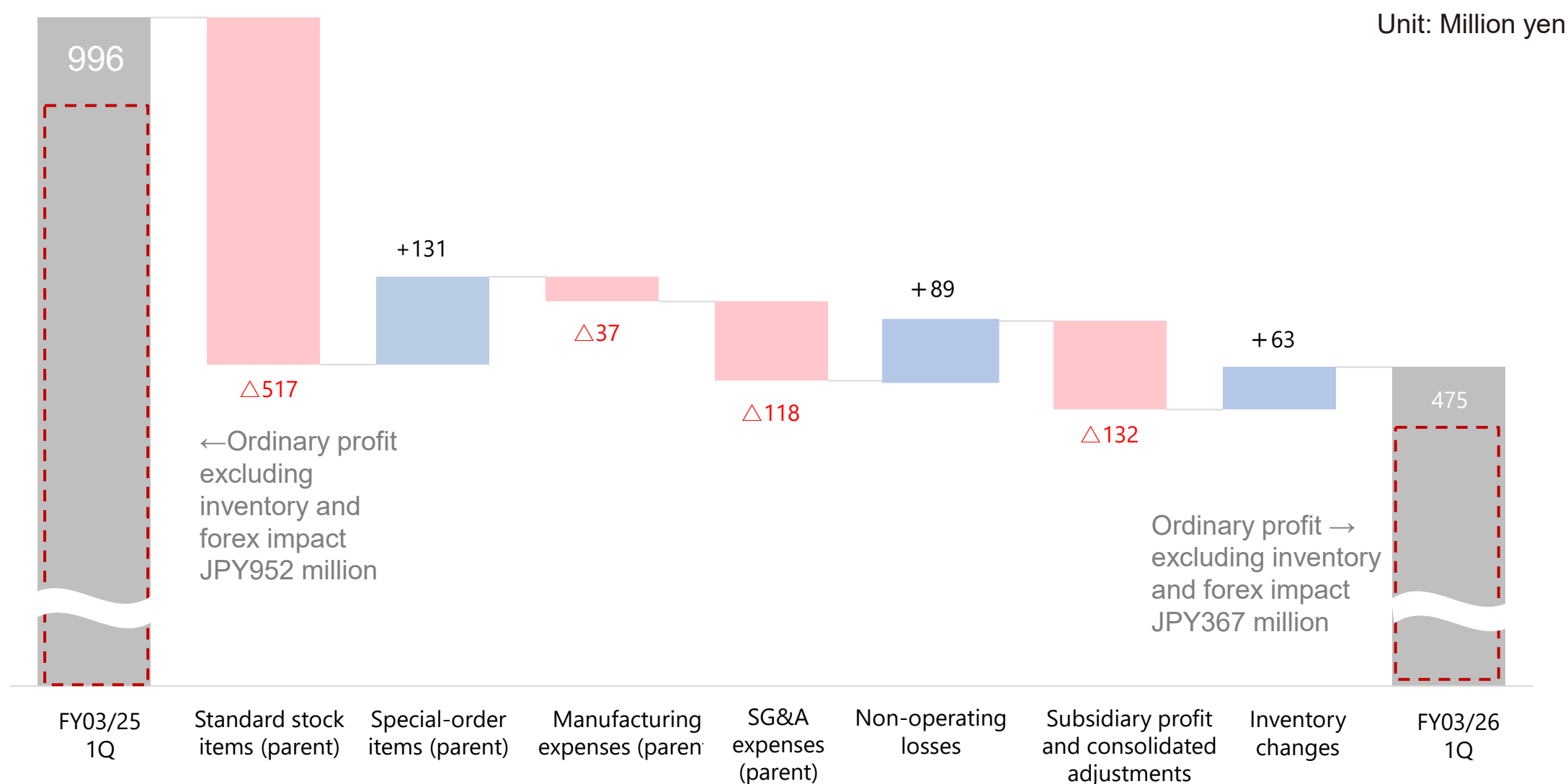
# Sales Ratio by Segment

- 【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 products are a large proportion of sales due to the housing and construction industry.
- 【China】Aluminum products are a high percentage 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 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

- Ordinary profits decreased QoQ, as the sales volumes of Standard stock items decreased and manufacturing expenses, logistics and labor costs increased,



# Balance Sheet (BS)

- Cash and deposits decreased due to payment of corporate tax and dividends, and notes and accounts receivable – trade increased due to sales growth.

Unit: Million yen

Assets	As of March 31, 2025	Composition ratio	As of June 30, 2025	Composition ratio	Change
Current assets	35,028	78.3%	33,445	77.4%	△1,583
Cash and deposits	5,473	12.2%	3,685	8.5%	△1,788
Notes and accounts receivable – trade (Including electronically recorded monetary claims – operating) Inventories	16,833	37.6%	17,122	39.6%	288
Inventories	12,522	28.0%	12,444	28.8%	△77
Other current assets	199	0.4%	192	0.4%	△6
Non-current assets	9,716	21.7%	9,766	22.6%	50
Property, plant and equipment	6,404	14.3%	6,277	14.5%	△127
Intangible assets	1,470	3.3%	1,381	3.2%	△88
Investments and other assets	1,841	4.1%	2,107	4.9%	265
Total assets	44,745	100.0%	43,212	100.0%	△1,532
Liabilities and net assets	As of March 31, 2025	Composition ratio	As of June 30, 2025	Composition ratio	Change
Current liabilities	20,919	46.8%	19,887	46.0%	△1,032
Notes and accounts payable – trade (Including electronically recorded obligations – operating)	18,598	41.6%	17,649	40.8%	△949
Accrued expenses	888	2.0%	1,427	3.3%	539
Income taxes payable	547	1.2%	207	0.5%	△340
Other current liabilities	885	2.0%	603	1.4%	△282
Non-current liabilities	70	0.2%	68	0.2%	△1
Total liabilities	20,990	46.9%	19,955	46.2%	△1,034
Net assets	23,755	53.1%	23,256	53.8%	△498
Total liabilities and net assets	44,745	100.0%	43,212	100.0%	△1,532

## Current assets: Down JPY1.583 million

- Cash and deposits decreased due to payment of corporate tax and dividends
- Notes and accounts receivable – trade increase due to net sales growth.

## Non-current assets: Up JPY50million

- Investments and other assets increased due to minority investment in a subcontracting company

## Current liabilities: Down JPY1,032 million

- Decrease in accounts payable is due to decrease in sales volume
- Increase in income taxes payable

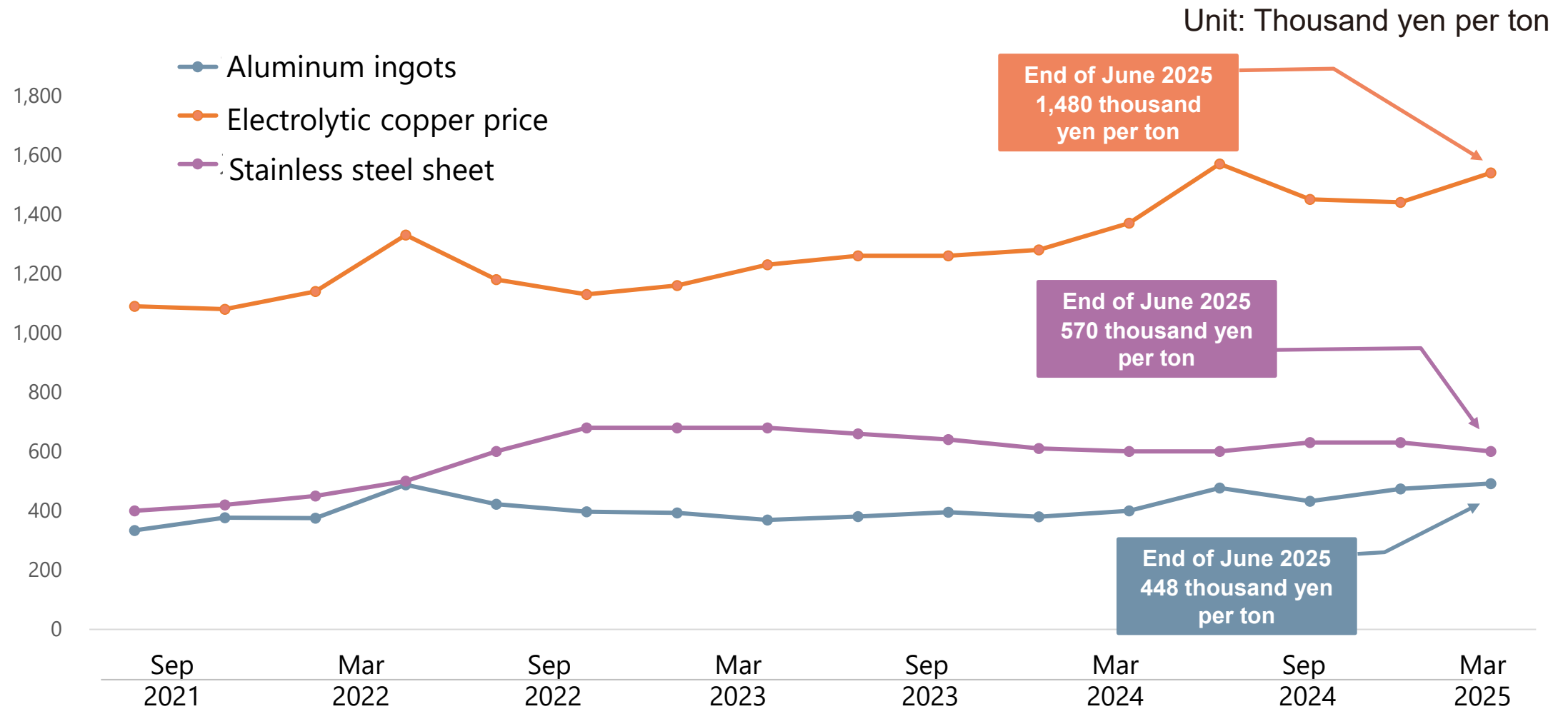
## Non-current liabilities: Down JPY1 million

## Net assets: Down JPY498 million

# Business Environment (1)

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

- Raw material market has been very volatile currently.
- We shall continue to watch future market trends closely such as currency exchange rate which has been very unstable recently.

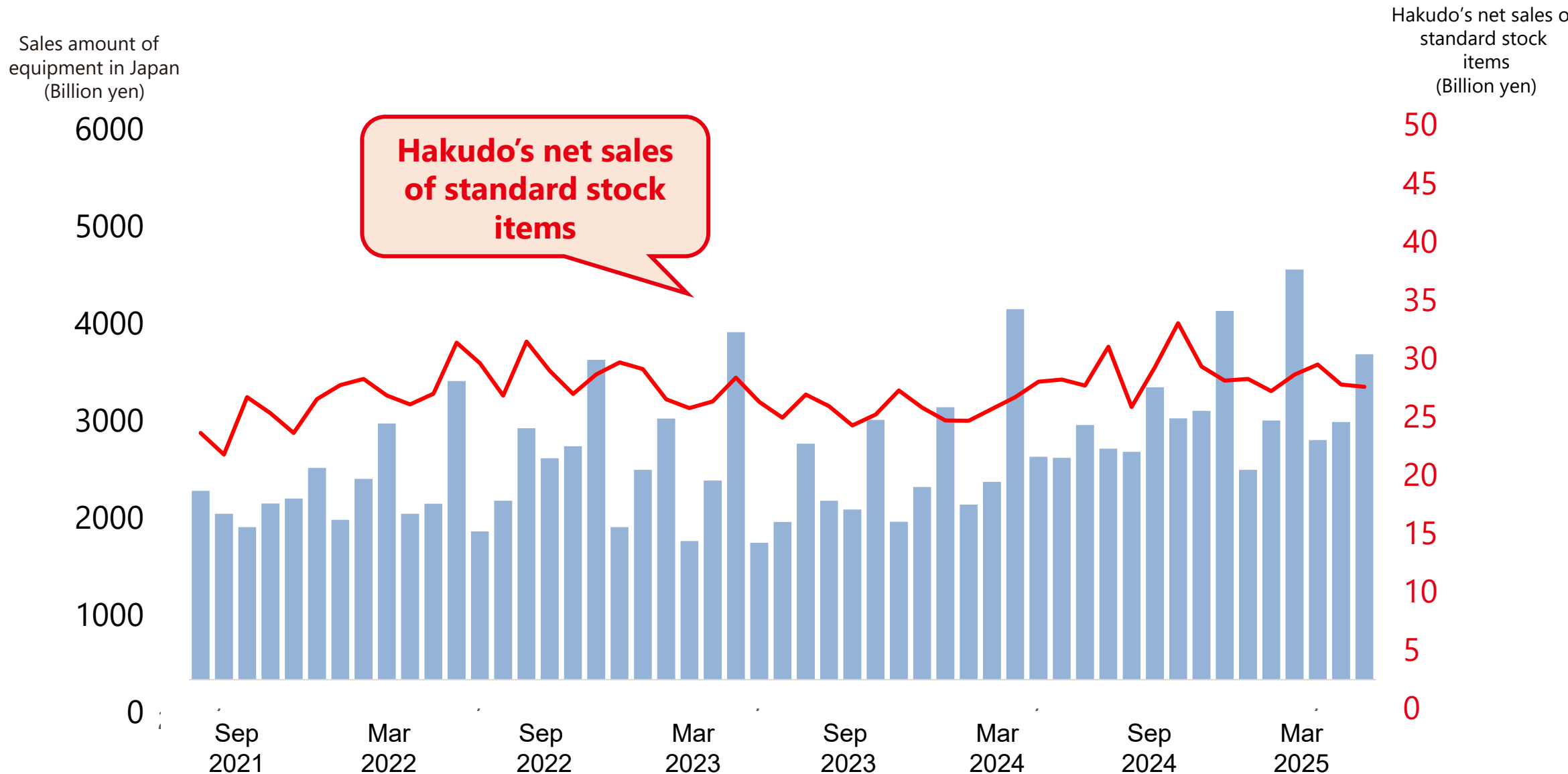


Electrolytic copper price: JX Nippon Mining & Metals    Stainless steel sheet: Japan Metal Daily median  
Aluminum ingots: Nikkei monthly average

# Business Environment (2)

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

- The market for AI generation remained favorable, but demand in the Chinese market began to slow and it still did not fully recover due to a weak demand of memory chips.

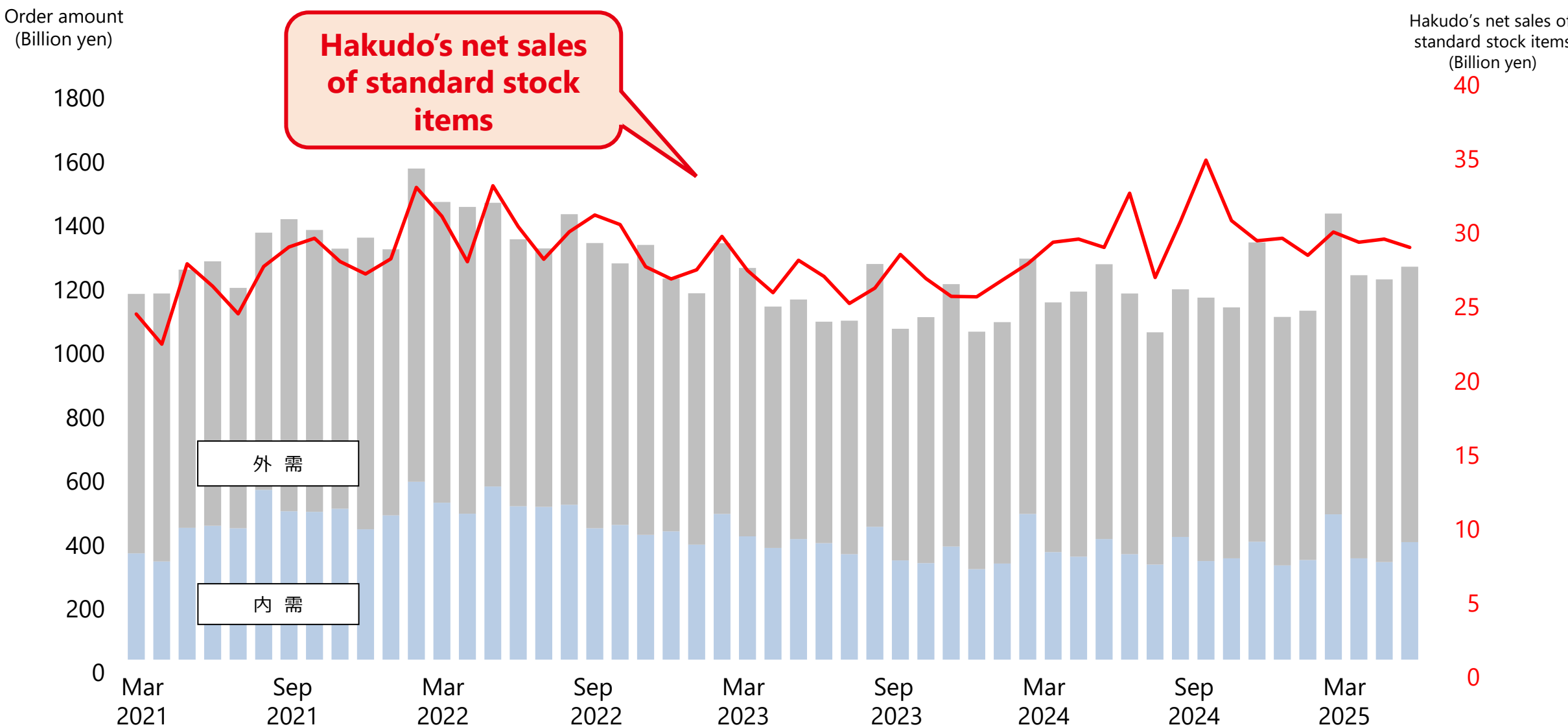


Source: Semiconductor Equipment Association of Japan - statistical data

# Business Environment (3)

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

- Sales orders decreased by 4.4% (domestic orders) and increased by 6.5% (overseas orders) YoY(April-June).

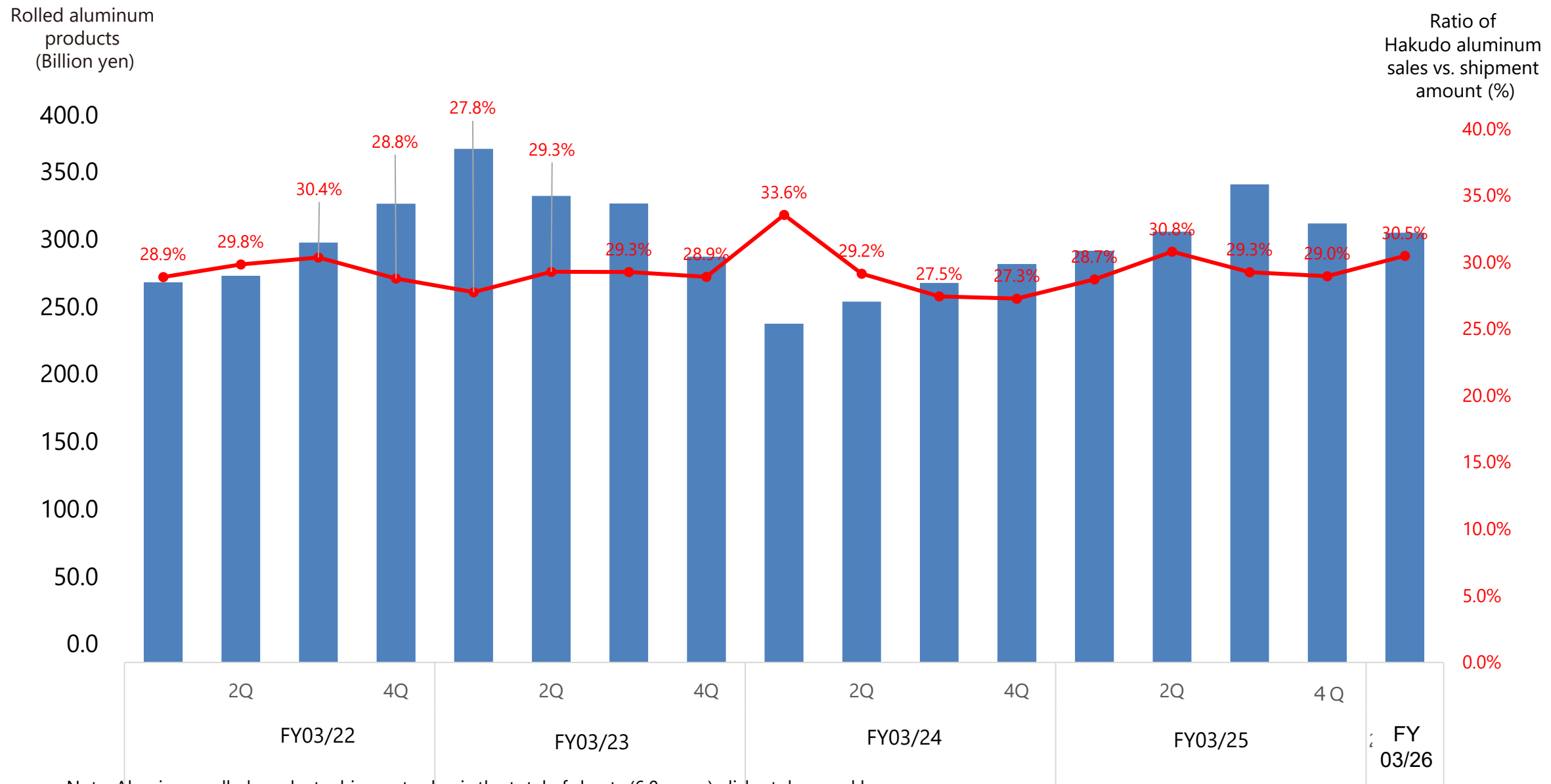


Source: Japan Machine Tool Builders' Association - machine tool orders statistics

# Business Environment (4)

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

- Hakudo's aluminum product sales have continued to be around 30% of rolled aluminum product shipment value.



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



# FY03/26

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## Financial Forecasts

# Downward Revision of FY03/26 Financial Forecasts

- Financial results for the Q1 of FY03/26 did not meet our expectations at the beginning of the fiscal year because sales volume to the semiconductor manufacturing equipment industry declined significantly due to sluggish demand in that sector.
- Continued weak demand for overall market other than AI generation-related has led to revisions in capital investment plans in the market. As a result, a full-scale recovery of the overall market is expected to still take time.
- Based on the above, we have revised our forecasts downward for FY03/26 Q2 and FY03/26

Unit: Million yen

	FY03/26 Q2 Previously announced forecasts	FY03/26 Q2 Revised forecasts	Change	Previous result	FY03/26 Previously announced forecasts	FY03/26 Revised forecasts	Change	Previous result
Net sales	36,500	32,300	△11.5%	32,488	75,800	67,200	△11.3%	66,410
Operating profit	1,580	930	△41.1%	1,570	3,230	2,450	△24.1%	2,983
Ordinary profit	1,780	1,030	△42.1%	1,777	3,500	2,580	△26.3%	3,214
Profit attributable to owners of parent	1,200	660	△45.0%	1,223	2,350	1,690	△28.1%	2,236

# Shareholder Returns (Dividends)

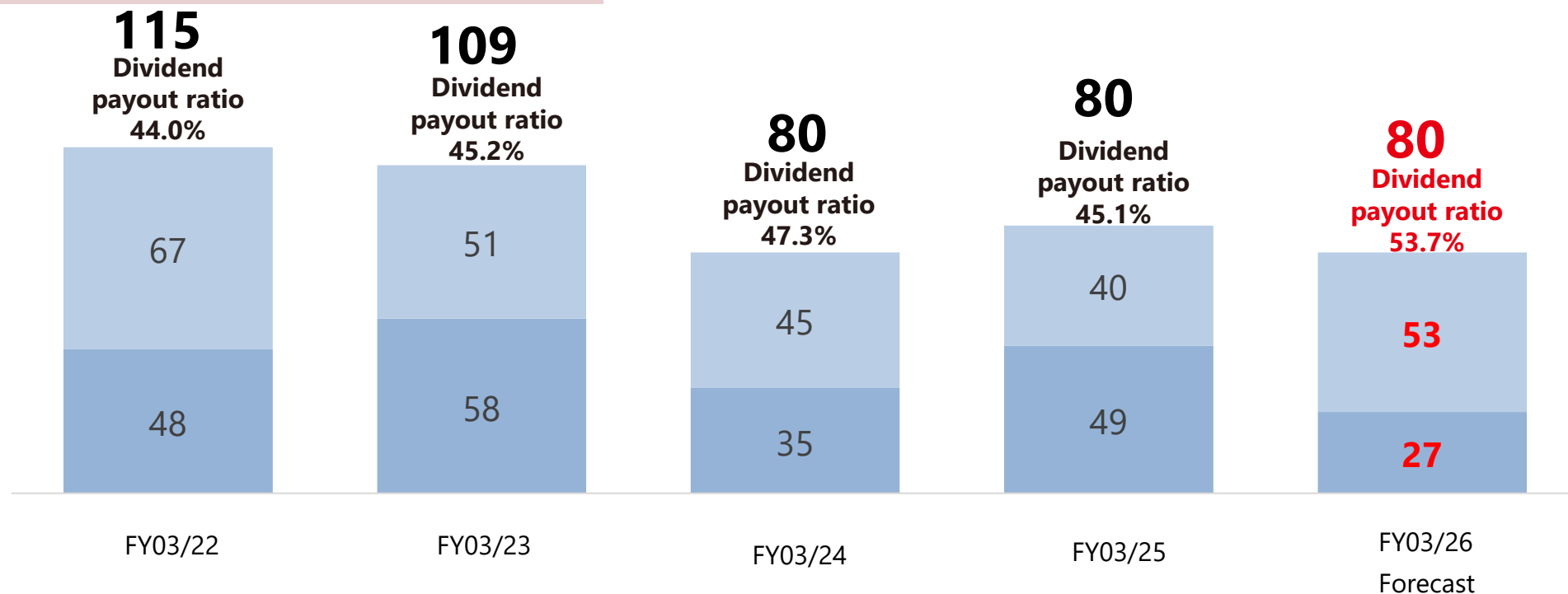
- Based on the downward revision of Q2 FY03/25 Financial Forecasts, the interim dividend for the FY03/26 revised downward to 27 yen per share ( $\triangle 21$  yen from the beginning of the fiscal year 2026 ).
- The annual dividend for the FY03/26 is expected to be decreased to 80yen per share( $\triangle 14$  yen from the beginning of the fiscal year 2026 ).

## Dividend Forecast for FY03/26

### 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.

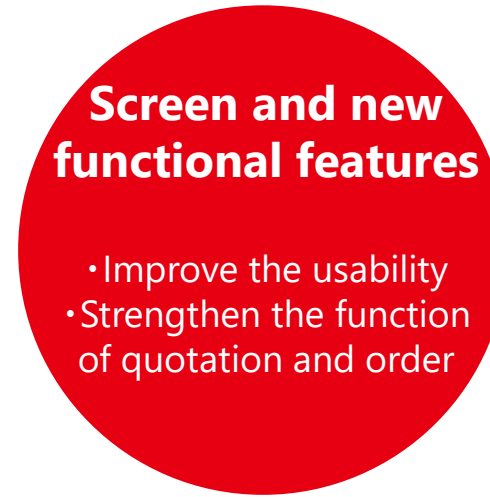
\*The dividend for FY03/22 includes a commemorative dividend of JPY9 per share.

# 3. Progress on Key Business Strategies

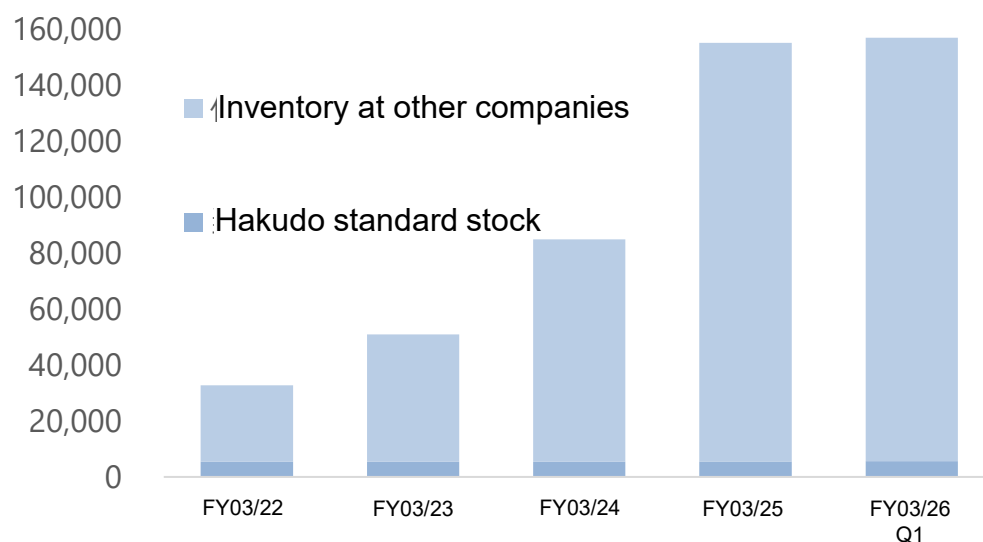
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# Progress on Key Business Strategies

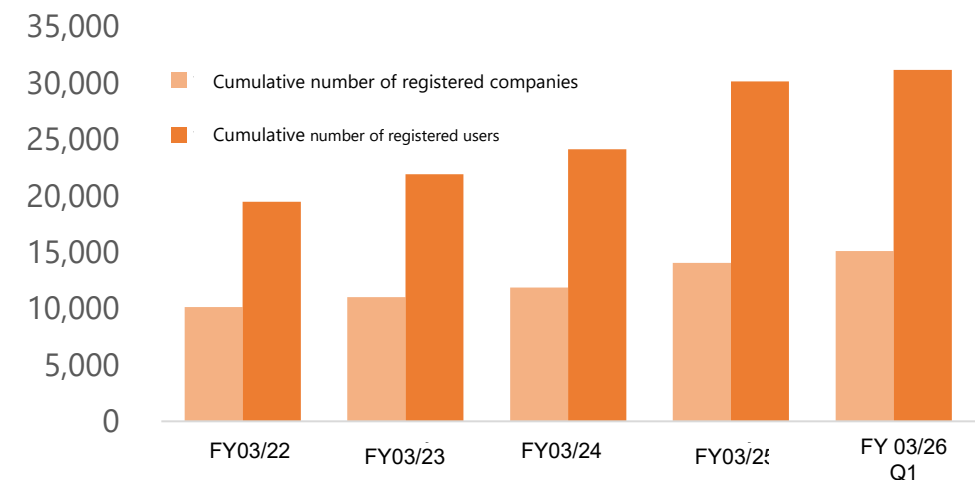
## (1) Strengthen and expand customer base, raise profit margins through Hakudo Network Service (E-Commerce) evolution



【Number of Items Available at Hakudo Net Service】



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



Note: Includes CS Net Service registrations

# Progress on Key Business Strategies (2)

## (2) Expand growth fields, strengthen sales



**Semiconductor industry**

Q1 FY03/26  
sales ratio  
**36.9%**

### Consolidate the industry through specialized departments

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



**Automotive industry**

Q1 FY03/26  
sales ratio  
**5.5%**

### Obtaining new customers

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



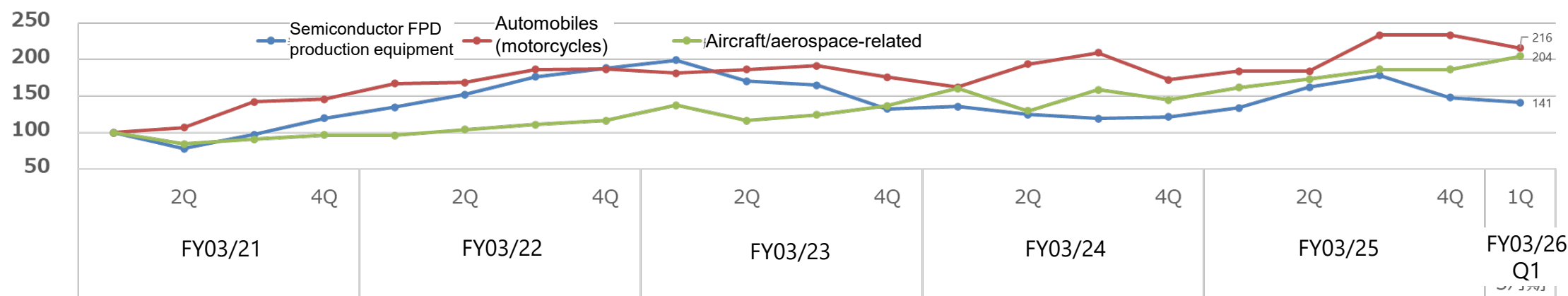
**Aircraft/aerospace industry**

Q1 FY03/26  
sales ratio  
**6.2%**

### 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】

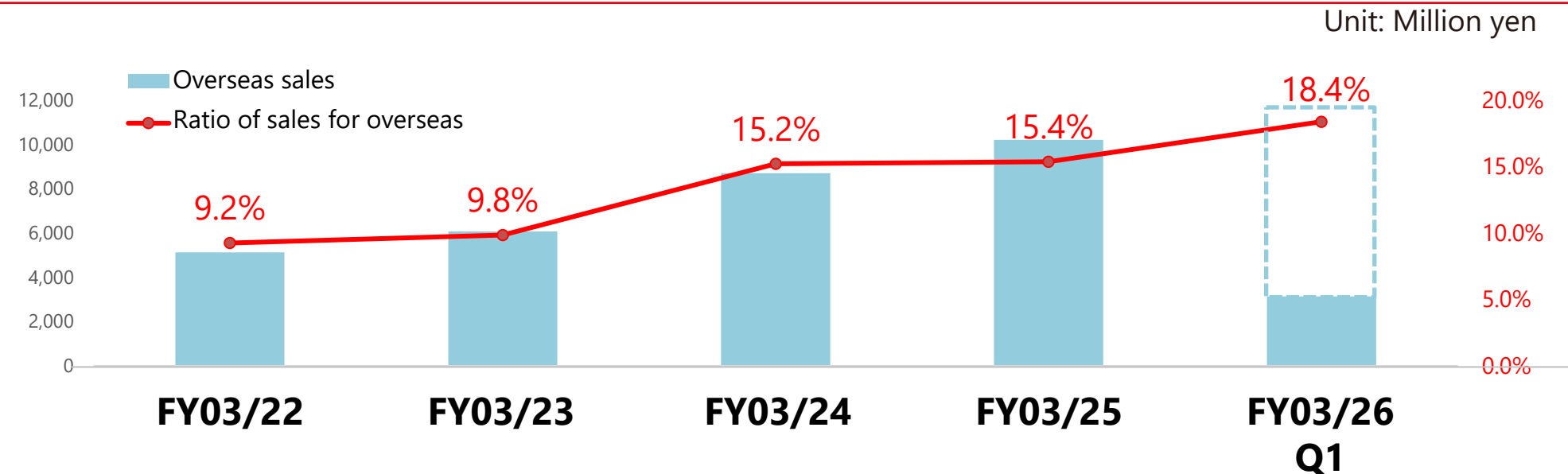


Note: Sales index based on sales in Q1 FY03/21

# Progress on Key Business Strategies (3)

## (3) Overseas business expansion

### Overseas Net Sales and Sales Ratio



Note

ies overseas.

### Status of Activities

#### ◆ Utilization of EC packages

Preparing for newly implementing EC packaged software in our subsidiaries in China & North America and our minor-invested local partner in Vietnam. The subsidiary in Thailand has already implemented it. Considering implementation to our partnered distributors in Malaysia and Indonesia. Planning to start E-commerce with our EC packaged software for South Korea, Taiwan, India and the Philippines.

#### ◆ Business expansion

Planning to expand the U.S. business by cross-selling cut thick plates and cut round bars to its existing customers. Intending to expand the sales of aerospace-quality grade materials in South Korea, Taiwan, India and the Philippines

# Progress on Key Business Strategies (4)

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## (3) Expansion of overseas business

### **Additional Acquisition of Shares in West Coast Aluminum & Stainless, LLC**

At a board of directors meeting held on May 14, 2025, the Company resolved to acquire additional shares in West Coast Aluminum & Stainless, LLC, a consolidated subsidiary, as part of the Group, and acquired shares in the company on June 12, 2025.

#### 【Transaction summary】

##### 1) Names of the merging companies and their business activities

- Name of the merging company: West Coast Aluminum & Stainless, LLC
- Business activities: Non-ferrous metal processing and sales

##### (2) Reason

By making West Coast Aluminum & Stainless, LLC a wholly owned subsidiary of our group, we aim to strengthen its corporate governance, enhance its competitiveness in the North American market, and create business synergies in order to expand our group's overseas business.



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# 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 August 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.

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