



HOKKAN HOLDINGS GROUP
FY2022~2026
Medium-term Business Plan
VENTURE-5

Hokkan Holdings Group celebrated 100th year in October 2021. We would like to express our gratitude to our valued customers, suppliers, employees, local societies, shareholders and all the people who have been supporting our group.

Now the business environment around our group is rapidly changing. Especially, we are facing various critical issues related to global environment that could be described as a “Paradigm Shift”.

Under the circumstances, our group should keep changing ourselves constantly responding to the requirements in order to be needed by our society.

For the next 100 years, Hokkan Holdings Group is now stepping forward with the new medium-term business plan to create the bright future.

President and Representative Director

Kosuke Ikeda

Mission

Since its birth in Otaru, Hokkaido, Hokkan Holdings Group has been in business for 100 years, and as we enter the next 100 years, we have decided to revamp our mission to express our target more clearly. We have formulated this plan with our thoughts and feelings about what we ourselves have been and what we should be in the future.

Mission: With a frontier spirit, we will enthusiastically continue to take on challenges for growth, and, together with our customers, we will provide products needed by society.

Vision

Our mission is the target for the next 100 years and our vision expresses what our group should be like in the year 2030.

1. Strongly in demand by our business partners and society, we will develop and provide products and services with outstanding features that can be clearly stated to be "No. 1 in this respect" in each business field.
2. We will eagerly keep on establishing new business bases so that we can offer our products and services to people around the world.
3. We will continue to be a group that fairly assesses our staff members contributing to our business regardless of nationality, gender, or age.

Basic Sustainability Policy

In order to realize our mission and vision, we have formulated our basic sustainability policy, which expresses our basic corporate stance and principles of action. In order to continue to grow in each of our business field and improve our corporate value over the medium to long term, we are deeply aware that our activities must be sustainable and in harmony with the environment and society, and to put this into practice, we will actively work to resolve various social issues that are directly or indirectly related to our business activities.

We have established a new basic sustainability policy, as well as an environmental policy, a manufacturing safety policy, an occupational health and safety policy, and a sustainability procurement policy, and have set a new climate change action target to achieve carbon neutrality by 2050.

VENTURE-5 Company-Wide Strategy

In order to realize our mission and vision, we have formulated a company-wide strategy as a mean to ensure that our group works as one team and implements it.

1 . Optimization of human resources

To optimize human resources, which is the company's source of growth, we will establish appropriate personnel and education systems and actively invest in securing human resources that can contribute to value creation.

2 . Restructuring of domestic business

We will work to select businesses placing the utmost importance on whether or not we can provide high value to our customers.

3 . Global business expansion

We will accelerate business investment in emerging countries, especially in Southeast Asian countries, aiming to expand the scale and profits of our business.

4 . New business development

We will actively utilize M&A to expand into new business areas globally where we can take advantage of our group's knowledge and expertise.


VENTURE-5 FY2022-26 Consolidated Numerical Plan

	FY2021 Result	FY2022	FY2023	FY2024	FY2025	FY2026
Net Sales	86,329	96,000	96,000	98,000	101,000	102,000
Operating Profit	1,324	1,400	2,900	3,700	4,700	5,600
Operating Profit Ratio	1.5%	1.5%	3.0%	3.8%	4.7%	5.5%
Debt	55,433	52,000	52,000	52,000	48,000	49,000
Equity	57,029	57,000	58,000	59,000	61,000	63,000
DE Ratio	1.0	1.0	1.0	0.9	0.9	0.9
ROE	-2.3%	0.4%	2.6%	3.6%	4.9%	5.8%
Equity to Asset Ratio	37.2%	38.0%	38.0%	38.0%	40.0%	41.0%

Unit: Millions of Yen

VENTURE-5 Consolidated KPI


Operating Profit

FY2021		FY2026
1,324		5,600
		Millions of Yen

Following the former medium-term business plan, our group sees operating profit as the most important Key-Performance-Indicator.

Although operating profit is expected to decline in the first half of the period due to the impact of worsening external environmental factors such as rising energy costs, we will aim for a profit recovery in the second half of the period by steadily implementing company-wide strategy.

Operating Profit Ratio

FY2021		FY2026
1.5%		5.5%

Regarding operating profit ratio, our group sets 5.5% as the target. By taking measures such as increasing cost competitiveness in the container business, pursuing effective production in the filling business, and enhancing productivity in the global business, our group aims for the higher profit ratio.

VENTURE-5 Consolidated KPI

Debt Equity Ratio
FY2026 Target

0.9

Regarding Debt Equity Ratio, our group sets “not exceeding 0.9” as the target. Considering the temporary decline of profit-capability, our group will pay attention to “financial soundness”. In the second half of the period, we will consider to invest actively while monitoring the management status carefully.

Return on Equity
FY2026 Target

5.8%

Regarding Return-on-Equity, our groups sets 5.8% as the target. We will achieve the target by securing the financial soundness and the recovery of operating profit.

VENTURE-5 Operating Profit by business segment

	FY2021 Result	FY2022	FY2023	FY2024	FY2025	FY2026
Container Business	-631	1,000	1,500	1,700	1,900	2,000
Filling Business	3,011	600	1,200	1,500	2,000	2,200
Machinery Business	-142	150	180	200	300	400
Global Business	791	650	1,100	1,300	1,400	1,500
Other Business	-46	30	30	50	80	130

Unit: Millions of Yen

※Operating profit in each segment includes profit from the group internal transaction.

※Container Business : Hokkai Can, Tohto Molding, Showaseiki

※Filling Business : Nihon Canpack, Kujirai dairy, Maki Food

※Machinery Business : OS Machinery, KEOS Machinery

※Global Business : Nihon Canpack Vietnam, PT.Hokkan Indonesia, PT.Hokkan Deltapack Industri

※Other Business : Work Service, Cosme Science

【Management Policy】

- Executing new measures in the fields of material, function and business scheme responding to the global trend of transition to decarbonized society.
- Recognizing social issues like “climate change” and “depletion of natural resources” as our critical issues to be solved and proactively taking measures.
- As for food containers, taking measures contributing to “food safety” and “reduction of food loss and waste”. As for non-food containers, providing ones enhancing functionality for supporting everyone’s daily life.

【Business Strategy】

- Maintaining the current sales level through developing new containers and reducing manufacturing cost.
- Taking measures in reduction of green-house gas, increase usage of recycled materials and development of light-weight containers.
- Free from the existing markets and boundaries, sensing needs of rapid changing society and developing new value-market and business schemes.

【Management Policy】

- Establishing eco-friendly manufacturing structure and aim to become an excellent company accepted by customers, suppliers and local societies responding to the global trend of transition to decarbonized society.
- Establishing a leading position as TOP contract packing company even in the maturing soft-drink market in Japan.

【Business Strategy】

- Eco-friendly : Focusing on reduction of green-house gas and utilizing more clean energy.
- Product Volume : Focusing on increase of volumes through high-effective manufacturing.
- Smart Factory : Realizing a manufacturing line with less man-power through digital solution.
- Human resource : Focusing on staff members' personalities and realizing good work-environment where everyone can work lively.
- New Business : Developing new business by catching needs arising out of changing society.

【Management Policy】

- Enhancing our own technologies in the container and the filling fields, increasing sales through utilizing the technologies, establishing stronger relationships with valued customers, and contributing to development of sustainable society.

【Business Strategy】

- Enhancing our own technologies and securing profitability through stable orders from customers in the container and the filling business.
- Utilizing our own technologies, establishing stronger relationships with valued customers, and securing profitability. Enhancing labor saving technologies for developing a sustainable society.
- Restructuring manufacturing and administrative organization to secure stable profit.

【Management Policy】

- Our group has been managing filling and container business in Indonesia and Vietnam. Demand in ASEAN market is steadily recovering and will expand strongly in the near future. Consequently, we will continue to invest and set new factories responding to the market growth.

【Business Strategy】

- Our group has been expanding global business in the filling business mainly. From now, in addition to filling business, we will aim for business expansion in the container and the food fields.
- Our group has built factories in ASEAN mainly. From now, we will surely expand in ASEAN and start study in other areas as well.
- Based on our new mission, “with a frontier spirit”, we will pursue business where we can create new market and provide new value, as well as expansion of sales and profit.

VENTURE-5 Investment Amount by business segment

5 Year Investment Amount		
Container Business	Replacement of manufacturing machines	3,000
	Machines for developing new containers	1,000
	Others	500
Filling Business	Installing a new aseptic line	8,000
	Replacement of manufacturing machines	6,000
	New warehouse	4,500
	Others	4,000
Machinery Business	Replacement of manufacturing machines	1,000
Global Business	Expanding manufacturing capacity	3,500
Other Business	Replacement of manufacturing machines	500
Others	M&A	5,000
	Total	37,000

Unit: Millions of Yen

This document is made to inform investors of management and financial status of Hokkan Holdings Group.
Please understand following points.

-Financial forecast is made based on the estimate by our group.

Please understand that the financial result might be different from the estimate.

-Regarding investing, please decide by your own discretion.

-Please be careful that this document might contain misinformation due to inevitable force even though we pay attention to its accuracy.

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