

Notice Concerning the Medium-Term Business Rolling Plan

Company Name: HOKKAN HOLDINGS LIMITED
 Listing: Tokyo Stock Exchange Prime Market
 Security code: 5902
 URL: <https://hokkanholdings.co.jp>
 Representative: Kosuke Ikeda, President and Representative Director
 Inquiries: Toshiaki Sunahiro, Director and Executive Officer
 Telephone: +81-3-3527-9690

Hokkan Group announces the rolling plan of the medium-term business plan (VENTURE-5) which has started from fiscal year 2022 considering changes in the business environment and performance.

1. Background of VENTURE-5 rolling plan

Our group has established the VENTURE-5 in May 2022, and we have engaged in achieving the target of the first year. However, though having positive changes such as recovery trend from the COVID-19 pandemic, there were severe business environment changes such as energy cost surge following the prolonged Ukraine issue, and raw material cost surge beyond assumption following the lowering of Japanese Yen, which we cannot overlook this situation. Additionally, our group has discontinued the business of beverage cans in our container business segment and the precondition of the business plan has greatly changed in one year.

Therefore, considering the business performance of fiscal year 2022, we have decided to review our plan for the fiscal year 2023 to 2026.

2. VENTURE-5 Company-Wide Strategy and Progress of Fiscal Year 2022

In the fiscal year 2022, we have implemented below measures.

Company-wide strategy	Measures
Global business expansion	<ul style="list-style-type: none"> - Decision of establishing new factory of Hokkan Deltapack Industri - Consideration of investment for other overseas business
Restructuring of domestic business	<ul style="list-style-type: none"> - Discontinue beverage can business of Hokkai Can and review of business plan - Review business portfolio and reporting segment considering the future of the Group
New business development	<ul style="list-style-type: none"> - Research on start-up enterprises for new & related business domain - Research and consideration on different industries
Optimization of human resources	<ul style="list-style-type: none"> - Intensify mid-career recruitment - Diversification in human resources - Selective Appointment System of human resource

3. Numerical target for rolling plan of VENTURE-5

(million JPY)

Group consolidated value	FY2022 Actual	FY2023 Plan	FY2024 Plan	FY2025 Plan	FY2026 Plan
Net Sales	93,660	95,000	98,000	101,000	105,000
Operating Profit	△456	2,400	3,500	4,700	6,100
Operating Profit Ratio	-	2.5%	3.6%	4.7%	5.8%
Debt Equity Ratio	0.9	0.8	0.8	0.7	0.6
Return on Equity	△3.9%	2.6%	3.8%	5.3%	6.5%
Equity to Asset Ratio	39.2%	40.3%	40.9%	39.7%	42.3%

4. Measures to achieve the numerical target

Segment	Measures
Container Business	• Review material procurement plan, improve productivity, develop environmental friendly containers
Filling Business	• Review production line composition, improve productivity, lower logistic cost
Global Business	• Expansion of business operation, consider M&A activity
Other Business	• Sales expansion with strength technologies

5. 5Year Investment Amount by Business Segment

(million JPY)

	Container Business	Filling Business	Global Business	Other Business	M&A	Total
Rolling Plan	7,000	23,500	4,500	1,000	5,000	41,000
Original	4,500	22,500	3,500	1,500	5,000	37,000

- Increment from original plan : Container business facilities relocation cost

6. Dividend

- During the period of VENTURE-5, the consolidated dividend payout ratio shall be 35% or more, and minimum annual dividend at 45 yen or more.

- End of document -