

HOKKAN
GROUP

HOKKAN HOLDINGS LIMITED
2Q FYE Mar. 31, 2025 Financial Results
Briefing Material

December 2, 2024

Unit: billions of yen

	2Q FYE Mar. 31, 2025 Actual Results	2Q FYE Mar. 31, 2024 Actual Results	YoY Change	Beginning Estimate Released on May 15, 2024	Actual vs. Estimate
Net sales	47.9	46.2	+3.6%	47.4	+1.1%
Operating profit	4.4	4.1	+6.3%	3.8	+16.8%
Ordinary profit	4.6	4.5	+1.0%	3.9	+18.3%
Profit attributable to owners of the parent	3.1	3.2	-1.8%	2.4	+32.4%

Overview of First Half

The economy showed signs of gradual recovery, fueled by a better job market and income situation, a robust tourism sector, and increasing demand from inbound tourists.

The weather conditions remained favorable between April and June, with temperatures staying at a relatively high level.

After the onset of the rainy season, heavy rainfall was observed mainly in Kyushu and western Japan, and the high temperatures lasted until the end of September. Natural disasters such as earthquakes and typhoons also took place.

In the soft drink market, the combination of a very hot summer and stockpiling for potential disasters resulted in increased sales of mineral water and similar drinks, but soft drink sales remained flat year on year because of soaring prices, while there was a decline in the sales of coffee and other taste-oriented beverages. The overall market sales stayed consistent with those from the year before.

- Net sales: In the domestic market, we made appropriate price adjustments to pass through cost increases driven by higher prices. Net sales in overseas markets grew thanks to aggressive capital expenditures and sales promotion efforts.
- Operating profit: Operating profit increased owing to higher sales and cost reductions in the filling and other businesses, despite price hikes and accompanying thriftiness and cooling consumer sentiment, as well as higher labor and depreciation costs.
- Ordinary profit: Non-operating profit was 0.4 billion yen, while non-operating expenses were 0.3 billion yen.
- Profit attributable to owners of the parent: 4.5 billion yen in profit before income taxes and minority interests, compared to 1.2 billion yen in income taxes and 0.0 billion yen in profit attributable to non-controlling interests
The amount significantly exceeded the beginning estimate due to a delay in reporting loss on retirement of non-current assets, etc. for the filling business, which should have been recognized in this quarter.

Key Measures in FYE Mar. 2025



The following are the key measures being implemented in this fiscal year based on our group-wide strategy outlined in “VENTURE-5,” our medium-term management plan.

VENTURE-5 Group-Wide Strategy	Key Measures
<p>1. Optimization of Human Resources In order to optimize our human resources, which is the source of our growth, we will establish appropriate personnel and education systems, and actively invest to secure human resources who can contribute to value creation.</p>	<ul style="list-style-type: none">• Continuation of the stock compensation plan for officers• Revision of the stock compensation plan for employees (introduction of a stock compensation plan for employees seconded to Group companies)• Increase in the incentive payment (rate) for employee stock ownership plan• Expansion of company dormitories for single employees (approx. 0.8 billion yen; expected to become ready for occupancy in April 2026)• Enhancement of work-life balance support, tailored to the unique needs at each stage of life<ul style="list-style-type: none">• Accumulation of retirement allowance points during childcare/caregiver leave• Increase in the number of days granted for short-term leave for sick/injured childcare or for caregiver• Broadening of the applications of accumulated leave to include community service activities, acquisition of qualifications, physical examinations, assistance for family members, etc.• Relocation of factories and other facilities to the Gunma area due to the withdrawal by Hokkai Can from its beverage can business (in progress) (including milk powder and aerosol can manufacturing facilities and laboratories; to be completed in Mar. 2025)
<p>2. Restructuring of Domestic Businesses We will sort our business in Japan with focusing on the earning power to provide high value to our customers.</p>	<ul style="list-style-type: none">• Warehouse construction by Nihon Canpack (in progress; to be completed in 4Q FY2025)• Installation of an additional high-speed preform (PF) production line for aseptic filling by Hokkai Can (Chiyoda Factory: Approx. 1.5 billion yen, scheduled to be launched in 2Q FY2025)• Capital expenditure for Hokkan Deltapack Industri (approx. 1.7 billion yen in total)<ul style="list-style-type: none">• Installation of additional molding/printing machines (scheduled to be put into operation in 3Q FY2025)• Acquisition of gallon-bottle production facilities (scheduled to be launched in 2Q FY2025)• Installation of preform molding machines (scheduled to be put into operation in 4Q FY2024)
<p>3. Global Business Expansion We will accelerate our business investment in emerging countries, primarily in Southeast Asia, to expand our business and profit.</p>	<ul style="list-style-type: none">• Installation of an additional aseptic soft drink filling line by Hokkan Indonesia (in progress) (Approx. 7.1 billion yen, scheduled to be launched in 1Q FY2026)
<p>4. New Business Development Utilizing M&A activities, we will globally penetrate new business fields where we can take advantage of our expertise.</p>	<ul style="list-style-type: none">• Investment into esa Inc., a company with composite plastic material recycling technology (invested approx. 50 million yen for a shareholding ratio of 2.3%)• Carrying out research on start-ups in new and peripheral business areas• Research and examination of other industries

Installation of an additional high-speed preform production line for aseptic filling by Hokkai Can

1. Background and Objectives

- Aseptic methods are increasingly being adopted for filling soft drinks. Moreover, the increasing demand for carbonated beverages is driving the growth of the preform (PF) market, an intermediate product required before the PET bottle molding process. On the other hand, our competitors have yet to implement any expansions in their capacity.
- Hokkai Can is operating at full capacity to address the ongoing scarcity in the PF market for carbonated beverages and large-sized PET bottles. Anticipating further market growth spurred by robust inquiries for increased production, we aim to elevate our profits by launching additional production lines and optimizing our production system.

2. Overview of Capital Investment

Item	Summary
Location	Showa, Chiyoda-machi, Oura-gun, Gunma Pref. (Chiyoda Factory)
Details of investment	High-speed PF production line for aseptic filling
Investment value	Approx. 1.5 billion yen (equipment expenses and construction-related costs)
Expected launch	2Q FYE Mar. 2026 (subject to change)

Capital Expenditure for Hokkan Deltapack Industri

1. Background and Objectives

(1) Currently, PF for drinking water PET bottles is intensively manufactured in Jakarta and East Java and transported throughout Indonesia. In response to the recent increasing demand from Sumatra, we will install new PF molding machines and relocate used PF molding machines to the island, aiming to reduce PF transportation costs.



Preforms for drinking water PET bottles

(2) Gallon-sized drinking water bottles, previously primarily made of polycarbonate (PC), are likely to be replaced by PET material, which is expected to become mainstream in the market. Leveraging the trust of existing customers along with the Group's expertise and technological capabilities, we will install machines for preform (PF) molding and bottle blowing to initiate the manufacturing of PF for gallon bottles and the bottles themselves.



Gallon-sized drinking water bottles (image)

(3) In Indonesia, the market for cup beverages and cup drinking water, which are less expensive than PET-bottled products, is recognized as a potential growth area. To respond to a significant and expected increase in orders for printed soft drink cups, we intend to install additional cup-molding and cup-printing machines.



Printed cups for soft drinks

2. Overview of Capital Investment

Item	Summary
Location	Cikarang (East Jakarta), Mojosari (East Java)
Details of investment (Expected launch)	<ul style="list-style-type: none"> Installation of additional cup molding/printing machines (scheduled to be put into operation in 3Q FYE Mar. 2026) Acquisition of gallon-bottle production facilities (scheduled to be launched in 2Q FYE Mar. 2026) Installation of preform molding machines, etc. (scheduled to be put into operation in 4Q FYE Mar. 2025)
Investment value	Approximately 1.7 billion yen in total

Capital and business alliance with esa Inc.



- Capital and business alliance with esa Inc., which has material recycling technology for composite plastics
- Developing and supplying innovative products made from recycled materials by leveraging our container molding technology and esa's recycling solutions
- Promoting initiatives aimed at creating a sustainable society by building a product supply chain that incorporates recycled materials
- Esa Inc.
 - Location: Tokyo (head office) and Ibaraki (factory)
 - Representative: Chikako Kurokawa, Representative Director
 - Establishment: March 2022
 - Business lines: Recycling of plastic waste
Processing and sales of plastic pellets
Development and sales of plastic products
Recycling consulting

■ Examples of Our Initiatives



Scrap material before recycling
(composite plastics film)



Recycled pellets



Prototype bottle made
from recycled materials



Net Sales and Operating Profit (Loss) by Segment

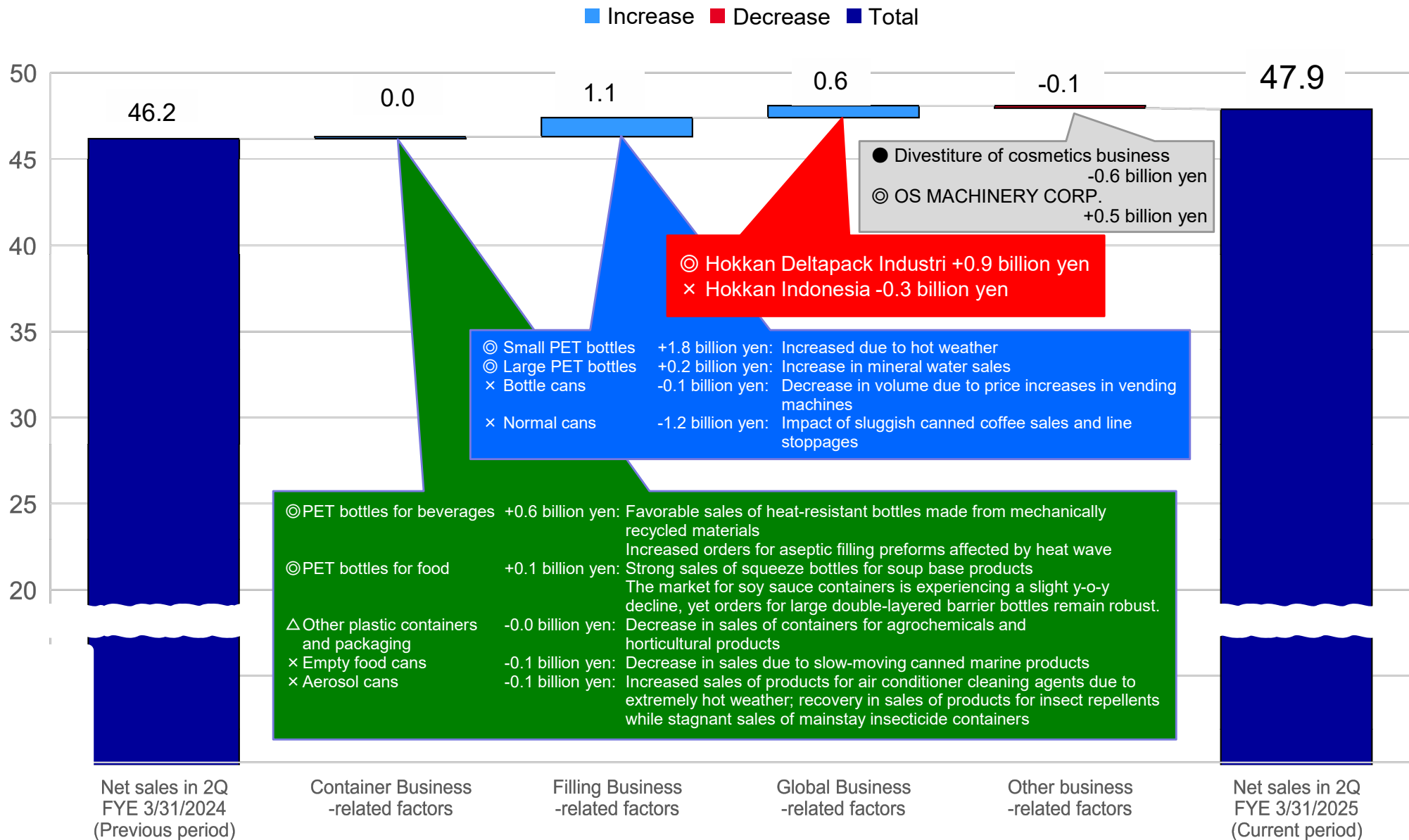


Unit: billions of yen

	Net sales			Operating Profit/Loss		
	2Q FYE Mar. 31, 2025	2Q FYE Mar. 31, 2024	YoY Change	2Q FYE Mar. 31, 2025	2Q FYE Mar. 31, 2024	YoY Change
Container Business	15.0	15.0	+0.1%	0.3	0.7	-46.0%
(Share of total sales)	(31.4%)	(32.5%)				
Filling Business	22.4	21.3	+5.3%	4.1	3.6	+15.5%
(Share of total sales)	(46.9%)	(46.1%)				
Global Business	8.7	8.0	+8.2%	0.4	0.5	-23.4%
(Share of total sales)	(18.3%)	(17.5%)				
Other	1.6	1.8	-8.4%	0.3	0.0	+1,033%
(Share of total sales)	(3.5%)	(3.9%)				
Adjustments (incl. intra-Group transactions)	—	—	—	-0.9	-0.7	—
Total	47.9	46.2	+3.6%	4.4	4.1	+6.3%

Factors That Impacted Net Sales

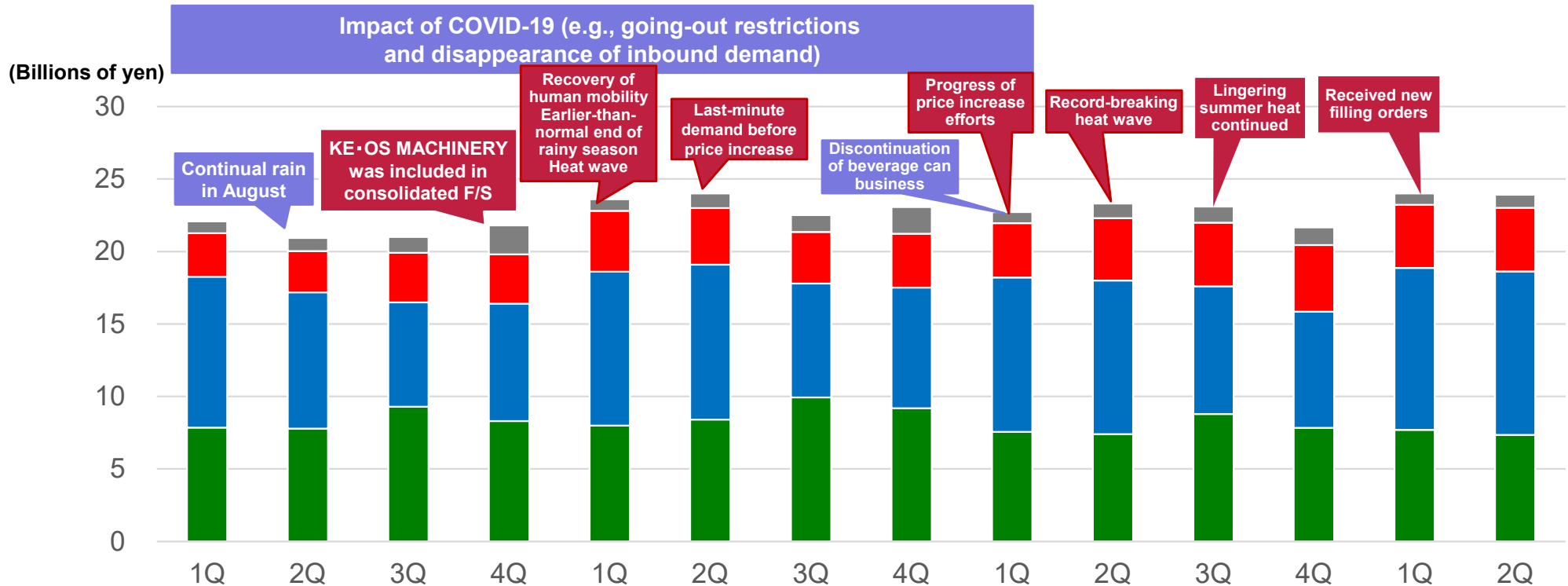
Unit: Billions of yen



Changes in Net Sales

The Hokkan Group's core businesses—filling business and drink container manufacturing business—are affected by climate temperature each year.

In 1H FYE Mar. 2025, sales increased y-o-y, driven by the strong demand for small PET-bottled beverages, which was affected by the hot weather, as well as the success of aggressive sales measures in overseas markets.

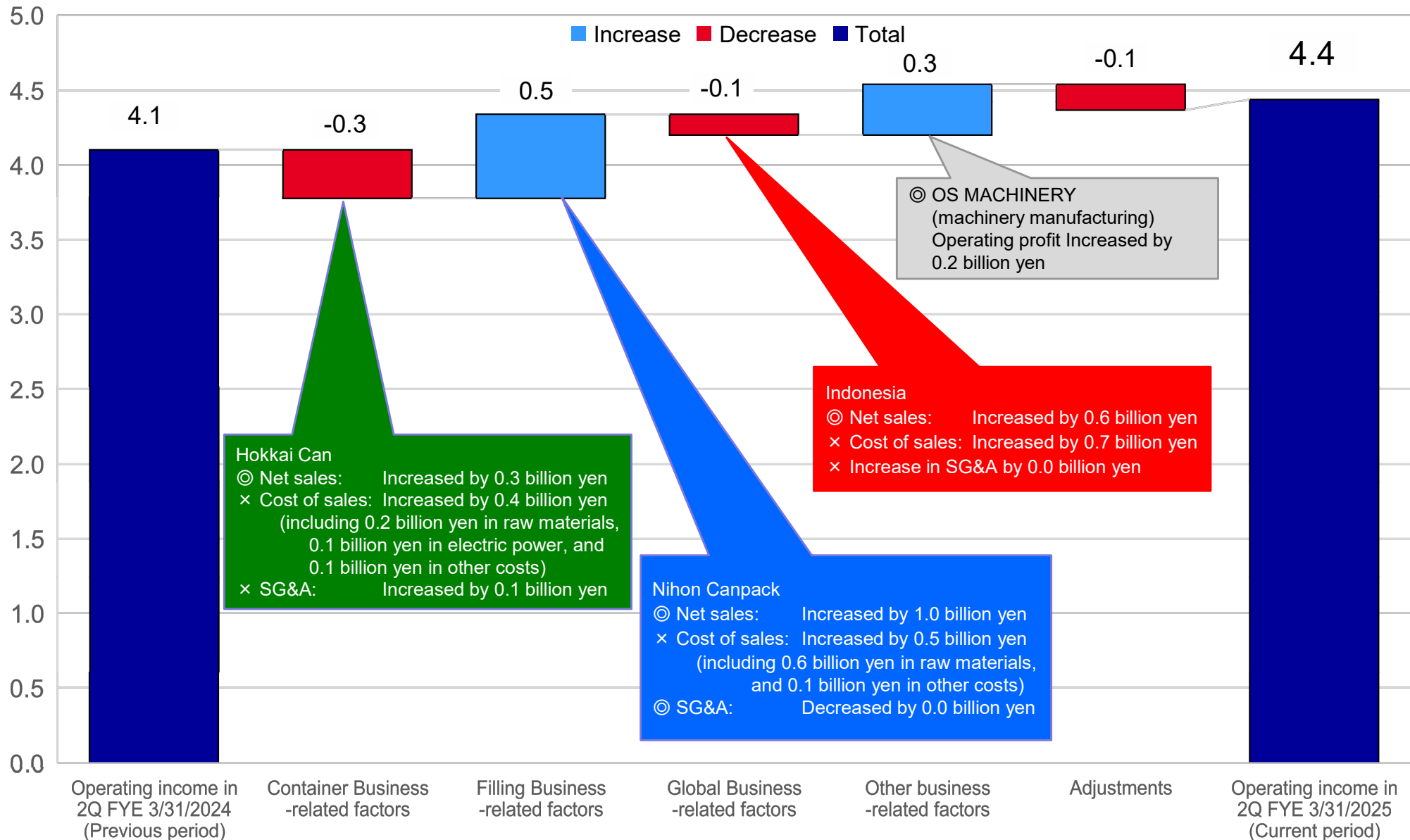


	FYE 3/31/2022		FYE 3/31/2023		FYE 3/31/2024		FYE 3/31/2025
	1H	Full Year	1H	Full Year	1H	Full Year	1H
Consolidated net sales (Billions of yen)	43.0 (-17.1 billion yen)	86.3 (-29.9 billion yen)	48.0	93.6	46.2	90.9	47.9
YoY Change (%)	YoY changes are omitted due to the adoption of the Accounting Standard for Revenue Recognition, etc., with its impact shown in the parentheses.		+11.7	+8.5	-3.8	-2.9	+3.6

■ Container ■ Filling ■ Global ■ Other

Factors That Impacted Operating Profit

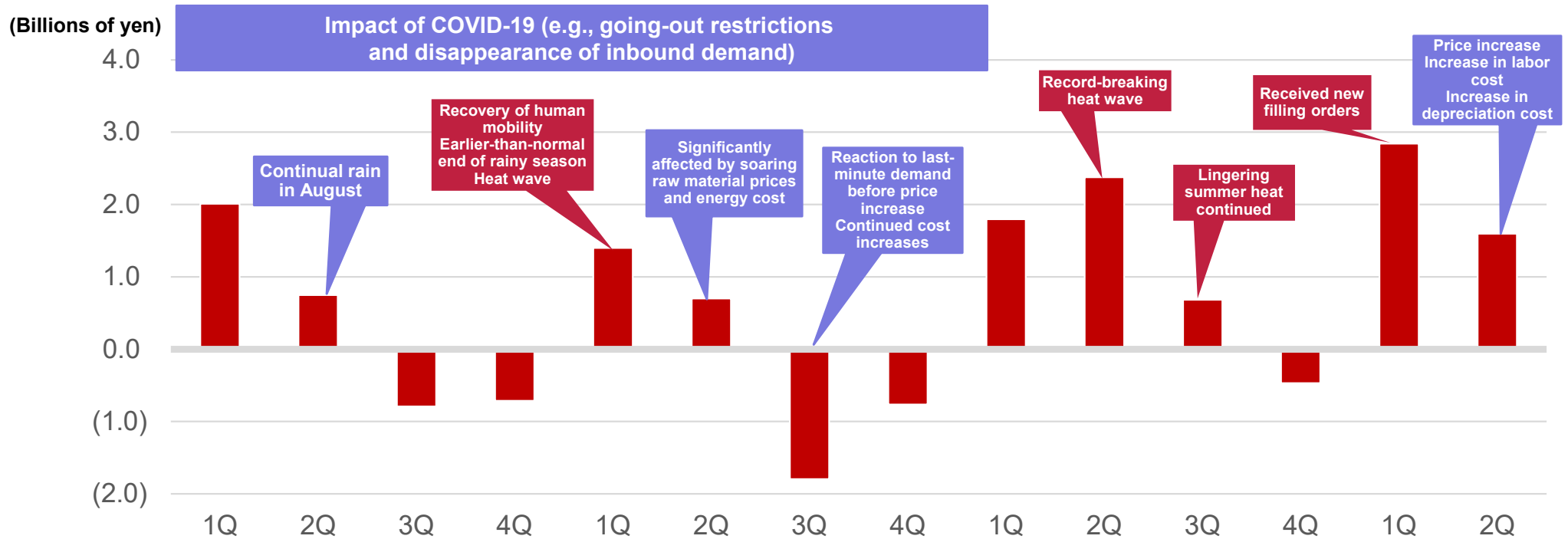
Unit: Billions of yen



Changes in Operating Profit (Loss)

Typically, operating profit/loss is more favorable in the first half of the year, primarily because of the increased demand for soft drinks during the summer season.

In 1H FYE Mar. 2025, the Containers and Global Businesses reported a drop in profits due to higher personnel costs and depreciation expenses, but the Filling Business posted higher sales thanks to new orders in the 1Q and the effects of the hot summer, resulting in an overall increase in profits.



	FYE 3/31/2022		FYE 3/31/2023		FYE 3/31/2024		FYE 3/31/2025
	1H	Full Year	1H	Full Year	1H	Full Year	1H
Consolidated operating profit (loss) (Billions of yen)	2.8 (-0.0 billion yen)	1.3 (+0.1 billion yen)	2.1	-0.4	4.1	4.3	4.4
YoY Change (%)	+203.9	+74.4	-25.6	—	+98.4	—	+6.3
Operating profit margin (%)	6.6	1.5	4.4	—	9.0	4.8	9.3

Consolidated Balance Sheet



Unit: Billions of yen

Item	9/30/2024	3/31/2024	Difference	Item	9/30/2024	3/31/2024	Difference
Current assets	51.1	55.5	-4.3	Liabilities	68.2	73.1	-4.9
Cash and deposits	11.4	12.8	-1.3	Current liabilities	35.2	37.8	-2.5
Trade and other receivables	26.6	29.3	-2.6	Notes and accounts payable	15.5	16.3	-0.8
Inventories	9.8	10.2	-0.3	Short-term borrowings	10.9	11.9	-0.9
Other	3.1	3.1	+0.0	Other	8.7	9.5	-0.7
Non-current assets	79.7	78.5	+1.2	Non-current liabilities	32.9	35.3	-2.3
Property, plant and equipment	57.9	55.6	+2.3	Long-term borrowings/ bonds	26.9	29.3	-2.3
Buildings and structures	16.9	17.1	-0.2	Other	5.9	6.0	-0.0
Machinery and vehicles	16.0	15.7	+0.3				
Land	18.6	18.6	0.0	Net assets	62.6	60.8	+1.7
Other	6.3	4.1	+2.2	Shareholders' equity	50.3	47.7	+2.5
Intangible non-current assets	6.6	6.8	-0.2	Accumulated other comprehensive income	7.5	8.2	-0.7
Investments and other assets	15.1	16.0	-0.9	Non-controlling interests	4.8	4.8	-0.0
Total assets	130.8	134.0	-3.1	Total liabilities and net assets	130.8	134.0	-3.1
				(Shareholders' equity ratio)	44.2%	41.8%	+2.4% pts

Main factors of change

- (Assets) An increase in PP&E (+2.3 billion yen) and decreases in trade and other receivables (-2.6 billion yen), cash and deposits (-1.3 billion yen), investment securities (-0.8 billion yen), accounts receivable–other (-0.7 billion yen), etc.
- (Liabilities) An increase in income taxes payable (+0.8 billion yen) and decreases in borrowings (net) (-3.3 billion yen), accounts payable–other (-1.2 billion yen), accounts payable–trade (-0.8 billion yen), accrued expenses (-0.2 billion yen), etc.
- (Net assets) An increase in profit attributable to owners of parent (+3.1 billion yen) and decreases in dividends paid (-0.6 billion yen), valuation difference on available-for-sale securities (-0.6 billion yen), foreign currency translation adjustment (-0.1 billion yen), etc.

Cash Flows



Unit: Billions of yen

	2Q FYE Mar. 31, 2025	2Q FYE Mar. 31, 2024	Difference	Main Components
Cash flows from operating activities	8.9	1.0	+7.9	Profit before income taxes: 4.5 Depreciation: 3.0 Decrease in trade receivables: 2.6 Decrease in trade payables: -0.8 Decrease in other liabilities: -0.9
Cash flows from investing activities	-5.9	-1.6	-4.3	Acquisition of PP&E: -5.7
Cash flows from financing activities	-4.3	-3.2	-1.0	Repayments of borrowings: -6.4 Proceeds from borrowings: 3.1 Repayments of lease liabilities: -0.3 Dividends paid: -0.6
Effect of exchange rate change on cash and cash equivalents	-0.0	0.4	-0.4	
Net increase (decrease) in cash and cash equivalents	-1.3	-3.4	+2.0	
Cash and cash equivalents at end of period	11.4	6.7	+4.6	
Free cash flows	2.9	-0.6	+3.5	Operating CF + Investing CF

Capital Expenditures



Unit: Billions of yen

	FYE 3/31/2021	FYE 3/31/2022	FYE 3/31/2023	FYE 3/31/2024	2Q FYE Mar. 31, 2025	FYE 3/31/2025 Plan (Latest)
Capital Expenditures	7.1	7.2	4.1	5.2	5.7	11.7
Depreciation	7.7	7.6	7.6	6.3	3.0	6.9

1H FYE 3/31/2025 Results

- Container Business: Relocation of manufacturing facilities for milk powder cans and aerosol cans, etc. 1.3 billion yen
- Filling Business: Warehouse construction, etc. 0.6 billion yen
- Global Business: Expansion of production lines at Hokkan Indonesia, acquisition of beverage package manufacturing facilities for Hokkan Deltapack Industri, etc. 3.5 billion yen

FYE 3/31/2025 Full-Year Plan

- Container Business: Relocation of manufacturing facilities for milk powder cans and aerosol cans, etc. 2.6 billion yen
- Filling Business: Warehouse construction, etc. 2.2 billion yen
- Global Business: Expansion of production lines at Hokkan Indonesia, acquisition of beverage package manufacturing facilities for Hokkan Deltapack Industri, etc. 6.1 billion yen

FYE March 2025 Full-Year Projections



Unit: Billions of yen

	FYE Mar. 2025 Forecast Released on May 15, 2024	FYE Mar. 2024 Results	YoY Change
Net sales	92.7	90.9	+1.9%
Operating profit	3.5	4.3	-20.3%
Ordinary profit	3.8	5.0	-24.9%
Profit attributable to owners of the parent	1.9	2.7	-30.1%

■ Outlook of Second Half

The domestic economy is expected to recover gradually, driven by strong demand from inbound tourism and the effects of various government policies.

However, the future appears unpredictable because of such factors as ongoing price increases, a downturn in overseas economies, and the volatile international political situation.

In the Japanese market, the Hokkan Group aims to boost sales and grow its market share by appropriately passing on increased prices along with rising costs related to labor, distribution, and other expenses, and also by creating a responsive system to address customer needs even amid concerns over household budget constraints.

In international markets, the Group intends to expand its operational footprint by actively making capital expenditures and developing new businesses in Southeast Asia, a region that continues to thrive.

In addition, we will strive to realize VENTURE-5 by consistently evaluating our business portfolio with a forward-looking perspective, while also concentrating on improving capital efficiency, including a review of our cross shareholdings.

The adjustment to the interim consolidated earnings forecast announced on October 30 occurred because the profit attributable to the owners of the parent significantly exceeded the initial forecast, primarily because the reporting of loss on retirement of non-current assets, etc., which was originally planned to be reported in the interim period, was delayed. The full-year forecast remains unchanged, considering that other factors, excluding the above, have not changed significantly from those announced at the beginning of the term.

Overview of Medium-Term Business Plan “VENTURE-5” (after May 2023 rolling over)

➤ In May 2023, we rolled over our medium-term business plan “VENTURE-5” (for 2022 through 2026).

https://hokkanholdings.co.jp/wp/wp-content/themes/hokkan_hd/pdf/csr/venture-5.pdf

Group-Wide Strategy	Consolidated KPIs			
<p>1. Optimization of Human Resources In order to optimize our human resources, which is the source of our growth, we will establish appropriate personnel and education systems, and actively invest to secure human resources who can contribute to value creation.</p>	<p>Operating profit FYE 3/31/2022 1.3 billion yen</p>	<p>➔ FYE 3/31/2027 6.1 billion yen (5.6 billion yen before the rolling over)</p>		
<p>2. Restructuring of Domestic Businesses We will sort our business in Japan with focusing on the earning power to provide high value to our customers.</p>	<p>Operating profit margin FYE 3/31/2022 1.5%</p>	<p>➔ FYE 3/31/2027 5% or over (5.5% before the rolling over)</p>		
<p>3. Global Business Expansion We will accelerate our business investment in emerging countries, primarily in Southeast Asia, to expand our business and profit.</p>	<p>Debt-equity ratio FYE 3/31/2022 1.0 times</p>	<p>➔ FYE 3/31/2027 0.6 times or less (0.9 times or less before the rolling over)</p>		
<p>4. New Business Development Utilizing M&A activities, we will globally penetrate new business fields where we can take advantage of our expertise.</p>	<p>ROE FYE 3/31/2022 -2.3%</p>	<p>➔ FYE 3/31/2027 6.5% (5.8% before the rolling over)</p>		
	<p>Stock-related indicators (additional indicators)</p> <table border="0"> <tr> <td data-bbox="1055 1361 1496 1492"> <p>FYE 3/31/2025 Achievement of dividend growth</p> </td> <td data-bbox="1500 1361 2110 1492"> <p>FYE 3/31/2027 Annual dividend of at least 100 yen</p> </td> </tr> </table>		<p>FYE 3/31/2025 Achievement of dividend growth</p>	<p>FYE 3/31/2027 Annual dividend of at least 100 yen</p>
<p>FYE 3/31/2025 Achievement of dividend growth</p>	<p>FYE 3/31/2027 Annual dividend of at least 100 yen</p>			

Dividend Policy During the VENTURE-5 Period (Shareholder Return Measures)

Dividend policy during the VENTURE-5 period

Consolidated dividend payout ratio of at least 35% AND annual dividend per share of at least 45 yen

➤ FYE 3/31/2024

Our performance well exceeded the expectations laid out in the VENTURE-5 plan, thanks to the progress in price pass-through and cost reduction efforts, reduced depreciation burden as a result of the discontinuation of the beverage can business and the reporting of impairment losses in the previous year, as well as the recovery in human mobility, impact of the record hot summer, and lower-than-expected energy costs.

⇒ **We achieved one of the VENTURE-5 Consolidated KPIs, "FY2024 Realization of dividend increase," one year earlier than expected.**

➤ FYE 3/31/2025

A downturn is anticipated if the substantial growth seen in the previous fiscal year, driven by the increased human mobility and a particularly hot summer, does not persist.

Furthermore, we foresee a reduction in profit in comparison to the previous year because of the requirement to address rising prices, increased labor costs for securing staff, and a heavier burden of depreciation from capital investments. Nevertheless, we will achieve the targeted numbers through consistent advancement with VENTURE-5 initiatives.

➤ We acknowledge that we need to take urgent measures to improve our PBR of 0.37x as of the end of September 2024, which is still far below 1.0x and significantly lower than **the simple average PBR of 0.7x at 29 metal product companies** in the prime market.

<<VENTURE-5 Consolidated KPIs>>

FYE 3/31/2027

Annual dividend per share of at least 100 yen

Changes in Cash Dividends

	FYE 3/31/2022	FYE 3/31/2023	FYE 3/31/2024	FYE 3/31/2025
Interim	23.00 yen	23.00 yen	23.00 yen	23.00 yen
Year-end	22.00 yen	22.00 yen	55.00 yen	See dividend forecast for FYE 3/31/2025.
Annual	45.00 yen	45.00 yen	78.00 yen	See dividend forecast for FYE 3/31/2025.
Total cash dividends	562 million yen	567 million yen	984 million yen	-
Dividend payout ratio (consolidated)	*	*	35.1%	-
Ratio of dividends to net assets (consolidated)	1.0%	1.1%	1.8%	-

* No data are provided about the dividend payout ratio for FYE 3/31/2022 and FYE 3/31/2023, as loss attributable to owners of parent was recorded in these periods.

➤ Interim dividend for FYE 3/31/2025

Based on the dividend policy during the VENTURE-5 period,

Interim dividend: **23 yen per share** (Payment start date: December 10 (scheduled))

➤ Dividend forecast for FYE 3/31/2025

Year-end dividend: Scheduled to be decided at the Board of Directors meeting scheduled in May 2025, based on the dividend policy during the VENTURE-5 period

Cross Shareholdings

Policy to Reduce Cross Shareholdings

We aim to reduce our cross shareholdings by, for example, accelerating the disposal of shares in listed companies through the end of March 2027, the final year of the “VENTURE-5” medium-term management plan, with the goal of **limiting our cross shareholdings to approximately 10% of consolidated net assets as of March 31, 2027.**

Background and Objectives

Our Board of Directors regularly reviews the Company’s cross shareholdings as a step to reduce them. However, the market value of these shareholdings and their ratio of consolidated net assets increased due to the rise in stock prices that surpassed the Board’s efforts.

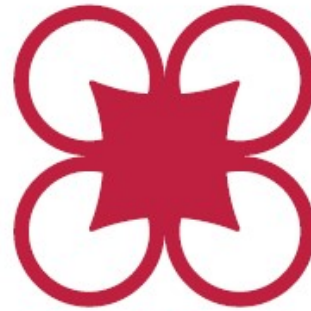
Amid the growing market interest, we have established a reduction policy for the VENTURE-5 period and tightened the criteria regarding the appropriateness of cross shareholdings in order to **accelerate the reduction of these shareholdings.**

By allocating the cash generated through these measures towards objectives such as growth-focused investments, returning value to shareholders, and settling borrowings, we will achieve a more appropriate D/E ratio and improve our capital efficiency.

Changes in Cross Shareholdings	3/31/2021	3/31/2022	3/31/2023	3/31/2024
Cross shareholdings (market value basis)	10.9 billion yen	10.2 billion yen	8.9 billion yen	11.4 billion yen
Of the above: Unlisted stocks (number of issues)	0.1 billion yen (11 issues)	0.1 billion yen (10 issues)	0.1 billion yen (9 issues)	0.1 billion yen (9 issues)
Stocks other than those unlisted (number of issues)	10.7 billion yen (20 issues)	10.0 billion yen (19 issues)	8.7 billion yen (18 issues)	11.2 billion yen (18 issues)
Ratio of net assets (consolidated)	19.2%	18.0%	16.3%	18.7%

Future Outlook

The timing, issues, quantity, and other specific matters regarding the disposal of cross shareholdings have yet to be determined. We will disclose the information as soon as we understand the impact on the Company’s performance.



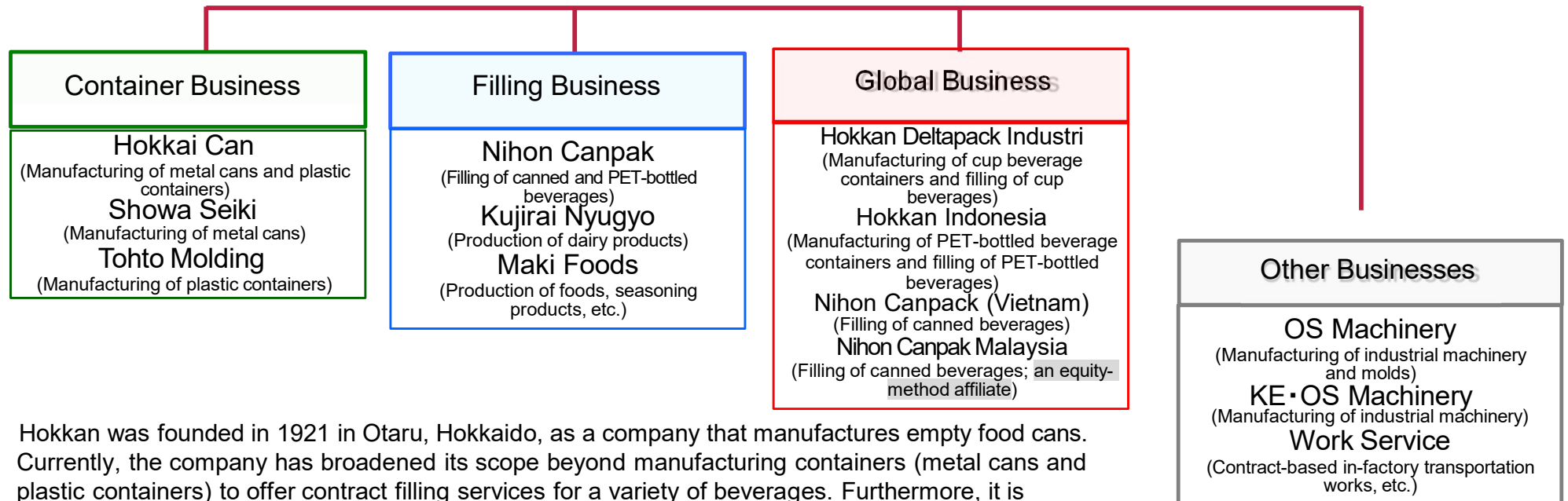
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APPENDIX

About the Hokkan Group

Pure Holding Company	
Trade name	Hokkan Holdings Limited
Representative	Kosuke Ikeda, President & Representative Director
Date established	October 23, 1921
Capital	11,086 million yen
Listed markets	Tokyo Stock Exchange Prime Market and Sapporo Securities Exchange (securities code: 5902)
Head office address	2-1-1 Nihonbashimuromachi, Chuo-ku, Tokyo

Consolidated subsidiaries: 12
Equity-method affiliate: 1
(As of Sep. 30, 2024)



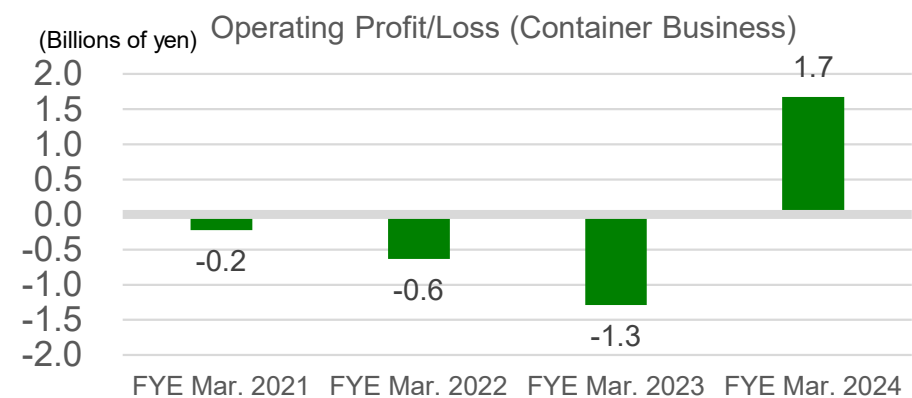
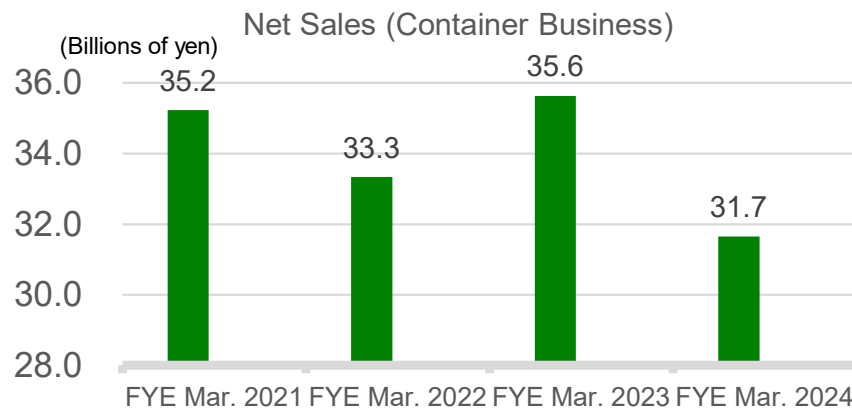
Hokkan was founded in 1921 in Otaru, Hokkaido, as a company that manufactures empty food cans. Currently, the company has broadened its scope beyond manufacturing containers (metal cans and plastic containers) to offer contract filling services for a variety of beverages. Furthermore, it is extending its reach internationally including Indonesia and Vietnam.

* We transferred all shares of Cosme Science Co., Ltd., a manufacturer and seller of cosmetics and other products, on March 29, 2024. As a result, the entity was excluded from the scope of consolidation as of the same date.

About the Hokkan Group

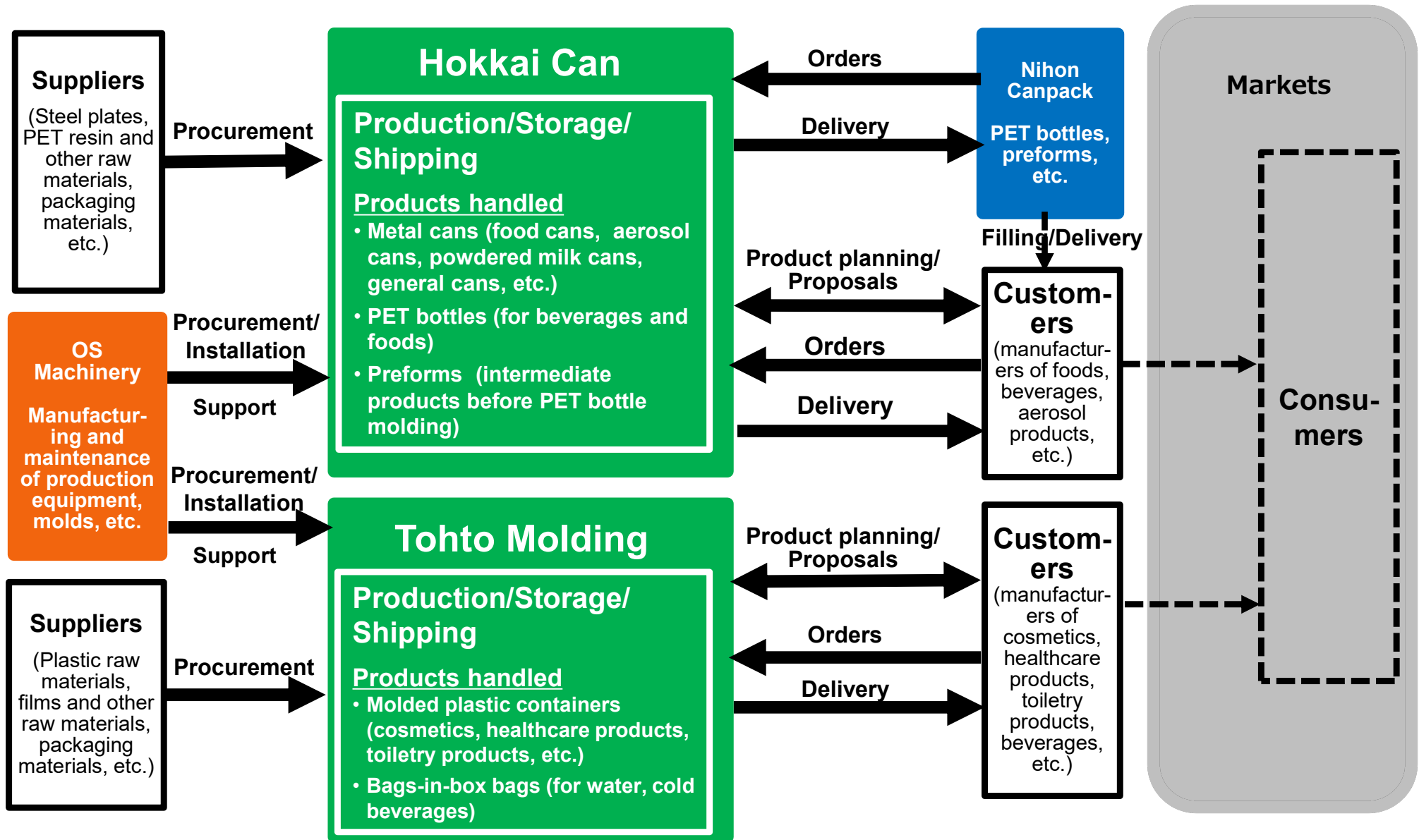
Container Business

Main Products and Services	Operating Companies (Consolidated Subsidiaries)
<p>(1) Manufacturing of metal cans Manufacturing and sale of steel containers and packaging, such as empty cans for foods and beverages, aerosol products, etc., and art cans with beautiful designs</p>  <p>(2) Manufacturing of plastic containers Manufacture and sale of PET bottles for foods and beverages, plastic containers and packaging for cosmetics, healthcare products, toiletries, etc.; sale of preforms (intermediate products before PET bottle molding)</p> 	<p>Hokkai Can Co., Ltd. Manufacturing of metal cans and plastic containers</p> <p>Showa Seiki Co., Ltd. Manufacturing of metal cans (A subsidiary of Hokkai Can Co., Ltd.)</p> <p>Tohto Molding Co., Ltd. Manufacturing of plastic containers (A subsidiary of Hokkai Can Co., Ltd.)</p>




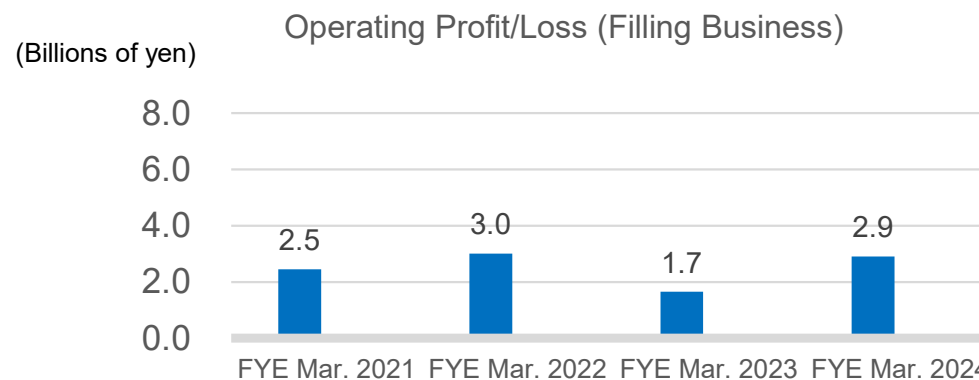
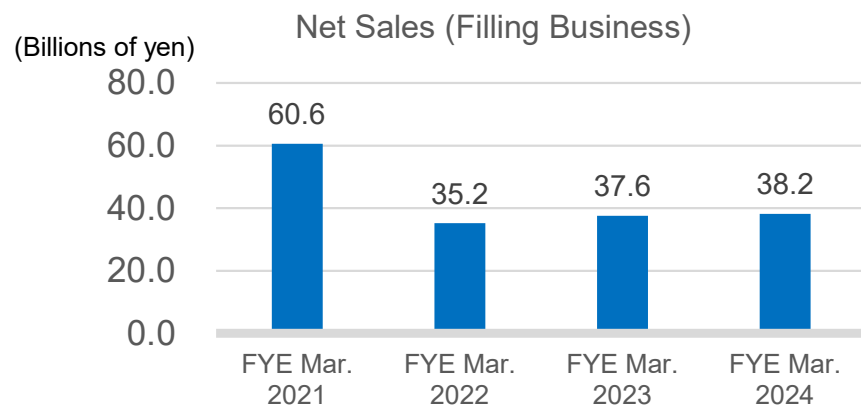
Note: The Group has adopted the Accounting Standard for Revenue Recognition, etc. from the beginning of the FYE 3/31/2022.

■ Container Business (Value Chain of Hokkai Can + Tohto Molding)



■ Filling Business

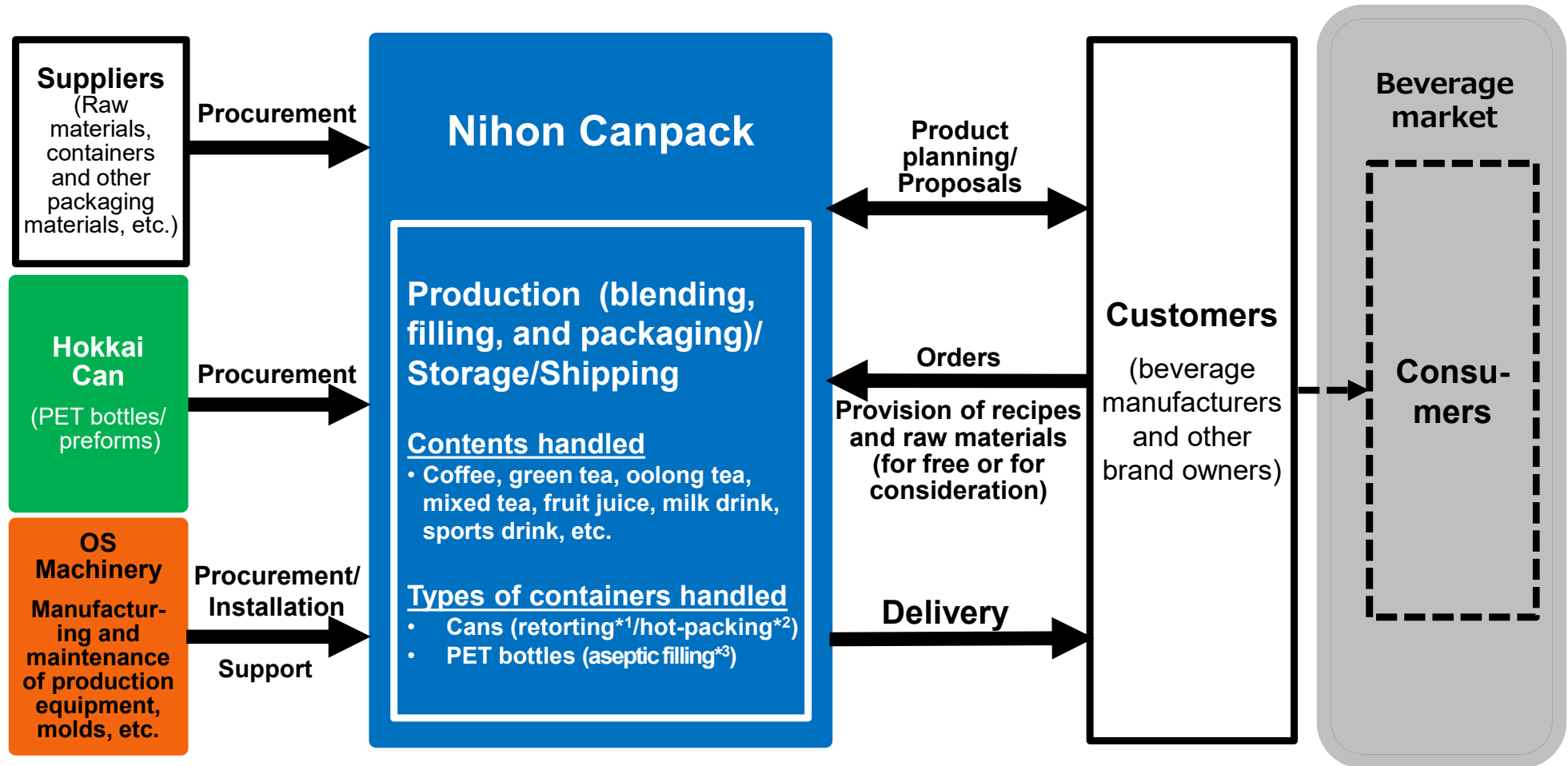
Main Products and Services	Operating Companies (Consolidated Subsidiaries)
<p>(1) Contract-based beverage filling Contract-based canned and PET-bottled beverage filling</p> 	<p>Nihon Canpack Co., Ltd. Contract-based beverage filling</p>
<p>(2) Contract-based manufacturing of foods and dairy products Contract-based manufacturing of dairy products, soups, sauces, health supplements, etc.</p> 	<p>Kujirai Nyugyo Co., Ltd. Contract-based manufacturing of dairy products (A subsidiary of Nihon Canpack Co., Ltd.)</p> <p>Maki Foods Co., Ltd. Contract-based manufacturing of foods (A subsidiary of Nihon Canpack Co., Ltd.)</p>



Note: The Group has adopted the Accounting Standard for Revenue Recognition, etc. from the beginning of the FYE 3/31/2022.

About the Hokkan Group

■ Filling Business (Value Chain of Nihon Canpack)



*1 Retorting (pressurized heat sterilization): A method of heating and sterilizing a container as a whole after filling the content liquid

*2 Hot-packing (high-temperature filling): A method of filling heat-sterilized contents into a heat-resistant container at a high temperature

*3 Aseptic filling: A method of filling containers with aseptic contents at room temperature in an aseptic environment

⇒ Transportation costs and CO₂ emissions can be reduced as PET bottles are molded in-house from preforms

⇒ Because it is filled at room temperature, PET bottles can be made lighter and less resource-consuming compared to those for hot-packing

■ Filling Business



Total Packaging System

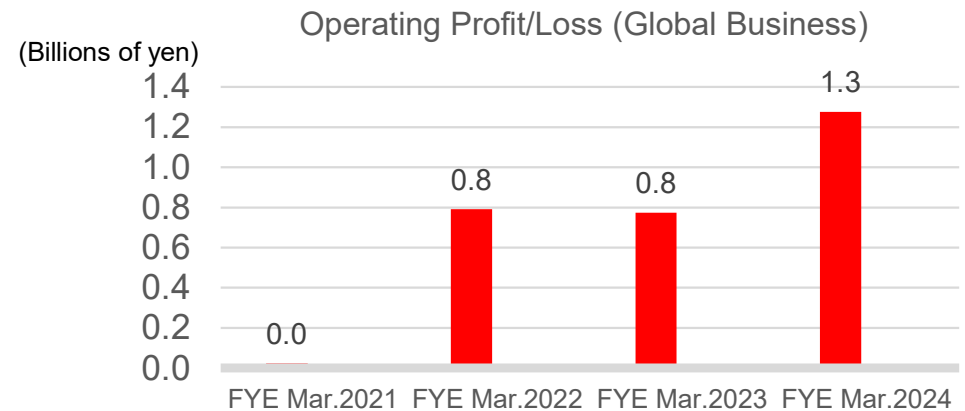
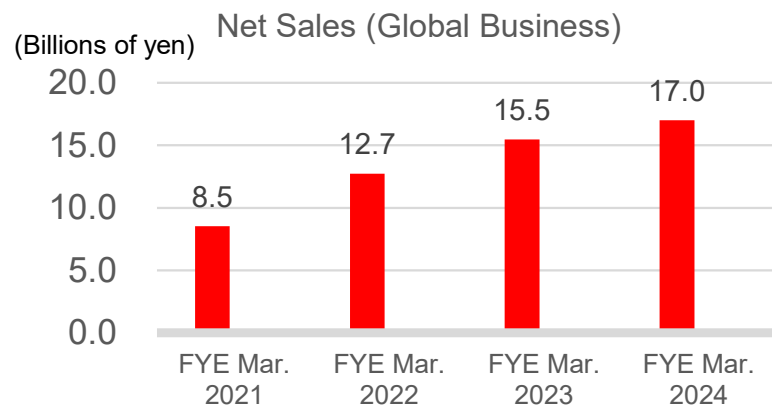
The beverage market in Japan has matured, so that it is difficult to expect more demand in the future. On the other hand, competition has been intensifying in the beverage market. In that situation, we put our priority to develop and introduce more attractive products than other competitors to take advantage in the market. Moreover, reduction of the cost will be another key to advance in the competitive market.

Because of that market situations, we implied total packaging system, which consistently performs procurement of raw materials, development of products, line inspection, manufacturing processes of mixing and filling, packing, and shipping. We implied this system ahead of the market, and the advantage of the system is to reduce the total product cost with high productivity and quality. As a result, we have earned customer's trust.



Global Business

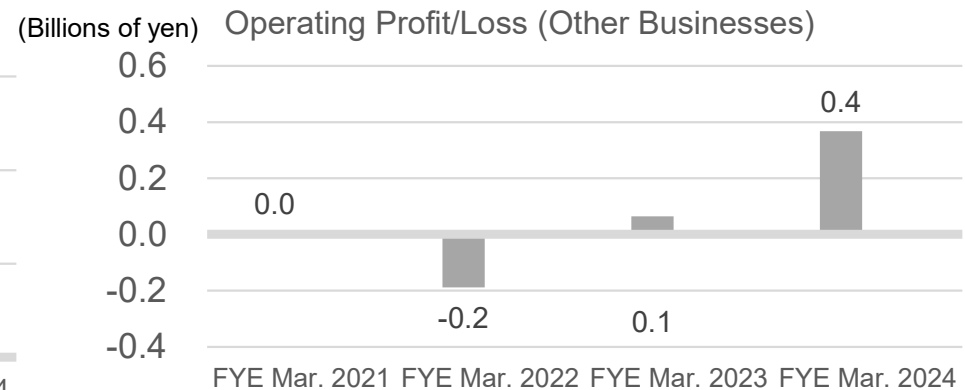
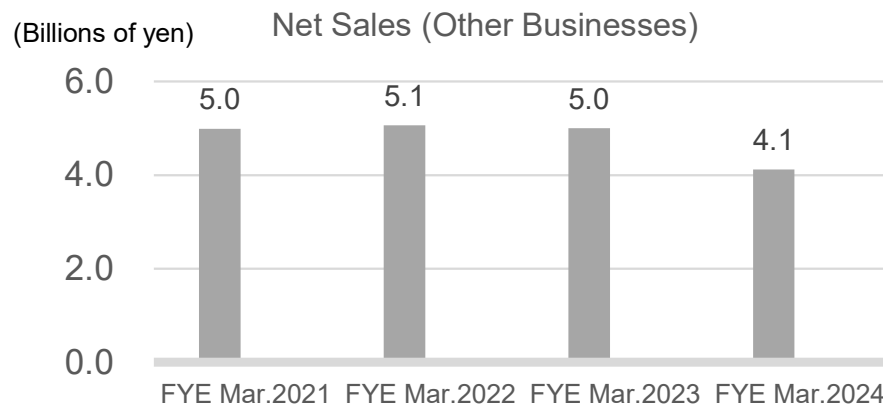
Main Products and Services	Operating Companies (Consolidated Subsidiaries)
<ul style="list-style-type: none"> Manufacturing and sale of beverage containers and contract-based beverage filling in Southeast Asia <div style="display: flex; justify-content: space-around; align-items: center;">   </div> <div style="text-align: center; margin-top: 10px;"> <p>PRODUCT SAMPLE</p>  <p><small>* Product brands owned by customers of NCP (VN)</small></p> </div>	<p>PT. Hokkan Deltapack Industri Manufacturing and contract-based filling of cup-beverage containers</p> <p>PT. Hokkan Indonesia Manufacturing and contract-based filling of PET-bottled beverage containers (A subsidiary of Nihon Canpack Co., Ltd.)</p> <p>Nihon Canpack (Vietnam) Co., Ltd. Contract-based filling of canned beverages (A subsidiary of Nihon Canpack Co., Ltd.)</p>



About the Hokkan Group

Other Businesses

Main Products and Services	Operating Companies (Consolidated Subsidiaries)
<p>(1) Machinery Production Business Manufacturing of industrial machinery and molds</p> 	<p>OS Machinery Corp. Manufacturing of Industrial machinery and molds</p> <p>KE-OS Machinery Co., Ltd. Manufacturing of industrial machinery (A subsidiary of OS Machinery Corp.)</p>
<p>(2) Contract-based in-factory transportation and other services</p> 	<p>Work Service Co., Ltd. Contract-based in-factory transportation and other services (A subsidiary of Hokkai Can Co., Ltd.)</p>



* The Group has adopted the Accounting Standard for Revenue Recognition, etc. from the beginning of the FYE 3/31/2022.

** We transferred all shares of Cosme Science Co., Ltd., a manufacturer and seller of cosmetics and other products, on March 29, 2024. As a result, the entity was excluded from the scope of consolidation as of the same date.

■ History

Year	Outline
1921	Hokkai Can Warehouse Co., Ltd. was established in Otaru City with 1 million yen in capital and began manufacturing and sales of cans as well as a warehousing business.
1941	Established Toyo Seikan Kaisha, Ltd. through a merger of eight can manufacturers; Hokkai Can continued to operate as the Otaru Plant of Toyo Seikan.
1948	Toyo Seikan was specified as a company that constitutes an excessive concentration of economic power based on the Act for Elimination of Excessive Concentration of Economic Power.
1950	Based on an Enterprise Reconstruction and Reorganization Plan, Toyo Seikan Otaru Plant and its accompanying facilities were separated from Toyo Seikan and reorganized into Hokkai Can (present Hokkan Holdings Limited) with 50 million yen in capital. Its head office was located in Tokyo. Showa Seiki Co., Ltd. (currently a consolidated subsidiary) was established. Hokkai Can was listed in Tokyo Stock Exchange.
1951	Listed on the Sapporo Stock Exchange
1955	Listed on the Osaka Securities Exchange (which was integrated with Tokyo Stock Exchange in 2013)
1961	Acquired capital in Tohto Molding Co., Ltd.
1973	Nihon Canpack Co., Ltd. was established and started to undertake contract filling of canned beverages.

About the Hokkan Group

History (continued)

Year	Outline
1974	OS Machinery Corp. was established.
1985	Work Service Co., Ltd. was established.
1996	Nihon Canpack Malaysia SDN. BHD. (an equity-method affiliate) was established.
2005	Hokkai Can Co., Ltd. was established through incorporation-type company split. The former Hokkai Can renamed its trade name as Hokkan Holdings Limited and transformed into a pure holding company.
2007	Kian Joo Canpack (Vietnam) Co., Ltd. (current Nihon Canpack (Vietnam) Co., Ltd.) was established.
2011	PT. Hokkan Indonesia was established.
2012	KE • OS Machinery Co., Ltd. was established.
2013	All shares of Cosme Science Co., Ltd. were acquired.
2014	Capital participation in Kujirai Nyugyo Co., Ltd.
2018	PT. Hokkan Deltapack Industri was established in Indonesia.
2021	All shares of Maki Foods Co., Ltd. were acquired.
2023	The headquarters moved from Marunouchi to Nihonbashi.
2024	All shares of Cosme Science Co., Ltd. were transferred to a third party.

■ Group Mission and Vision

Upon reaching the 100th anniversary, in May 2021, we developed, building on the pioneering spirit inherited from our founders, our new Group Mission as well as the Group Vision, Group Strategy, and Basic Policy on Sustainability, to clarify our raison d'être and mission and lay out our path forward into the future.

The values and guidelines established in our new corporate philosophy system are the basis of all our business activities. We will enhance mid- to long-term corporate value by addressing various social issues and growing in each of our business fields.

Group Mission

With the frontier spirit, we will keep challenging and providing products creating value to our society with our customers.

Group Vision

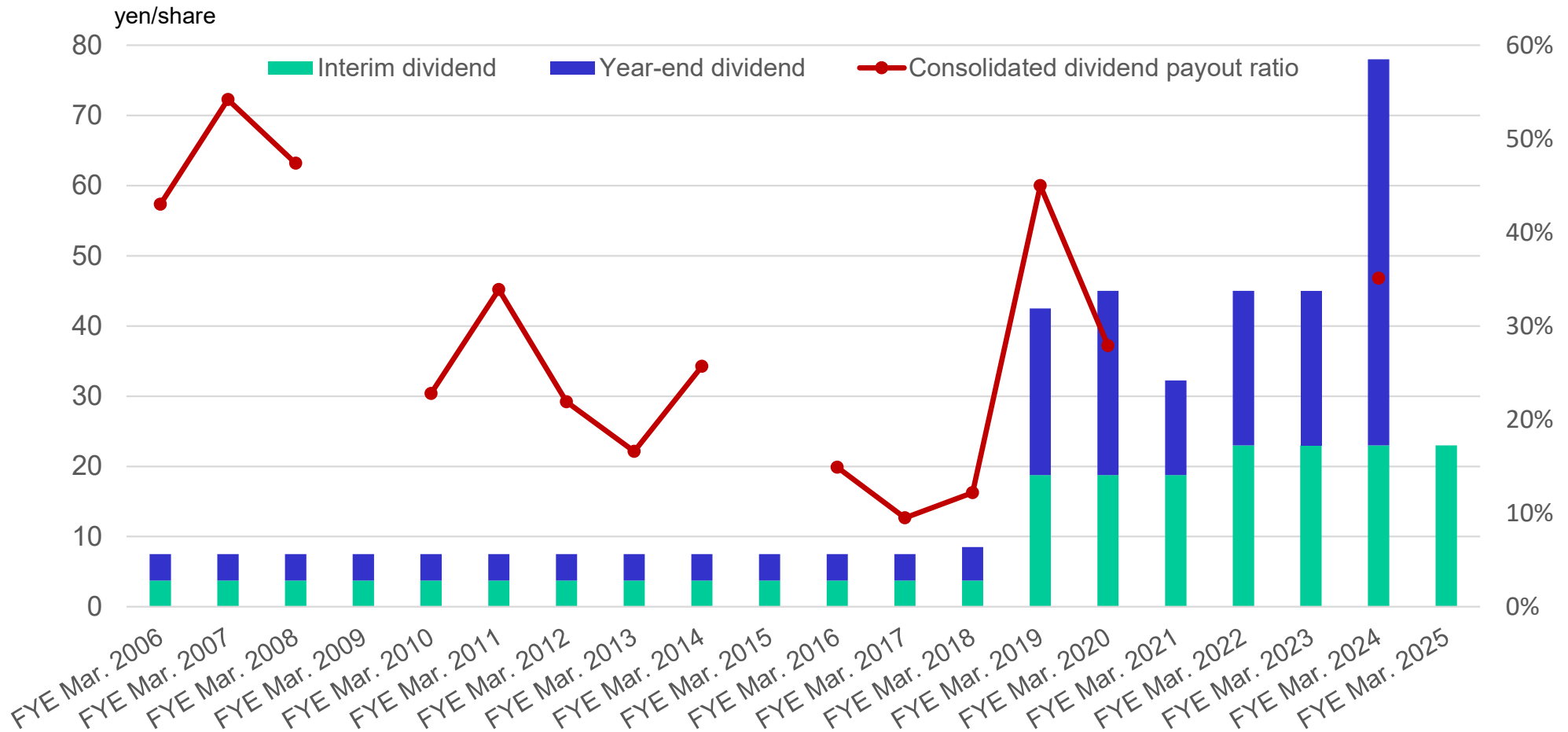
1. To be an indispensable entity for our valued customers and society, in each business field, we will develop and provide products and service which we can clearly assert “No.1” in a certain aspect.
2. We will eagerly keep on establishing new business bases so that we can offer our products and services to people around the world.
3. We will continue to be a fair corporate group giving credits to those contributing to our business, regardless of nationality, gender, or age.

Status of Shares

Reference date	September 30, 2024	March 31, 2024
Total number of authorized shares	48,000,000 shares	48,000,000 shares
Total number of issued and outstanding shares (excl. treasury stock)	13,469,387 shares (12,702,220 shares)	13,469,387 shares (12,620,275 shares)
Number of shareholders	21,500	19,933
Number of tradable shares	85,702 units	81,951 units
Tradable share market capitalization	14,400 million yen (Average of daily closing prices for the three months prior to the period end: 1,688.6 yen/share)	14,900 million yen (Average of daily closing prices for the three months prior to the period end: 1,827.9 yen/share)
Average daily trading value *	44 million yen (Oct. 1, 2023 through Sep. 30, 2024)	37 million yen (Apr. 1, 2023 through Mar. 31, 2024)
Ratio of tradable shares	63.6%	60.8%

*Calculated based on the Tokyo Stock Exchange Stock Quotations (Detailed Version)

Changes in Cash Dividends



* The Company implemented a share consolidation effective as of October 1, 2018, at a ratio of one share for every five common shares. For comparison and convenience purposes, certain adjustments were made to the interim dividend per share for FYE 3/31/2019, taking the share consolidation into account.

* The dividend payout ratio is not shown for FYE 3/31/2009, FYE 3/31/2015, FYE 3/31/2021 through FYE 3/31/2023, when loss attributable to owners of parent was recorded.

Shareholder Benefit Program

We offer shareholder benefits to express appreciation to our shareholders for their daily support, to help them better understand the Company, and to increase the number of shareholders who hold our shares for a medium- to long-term.

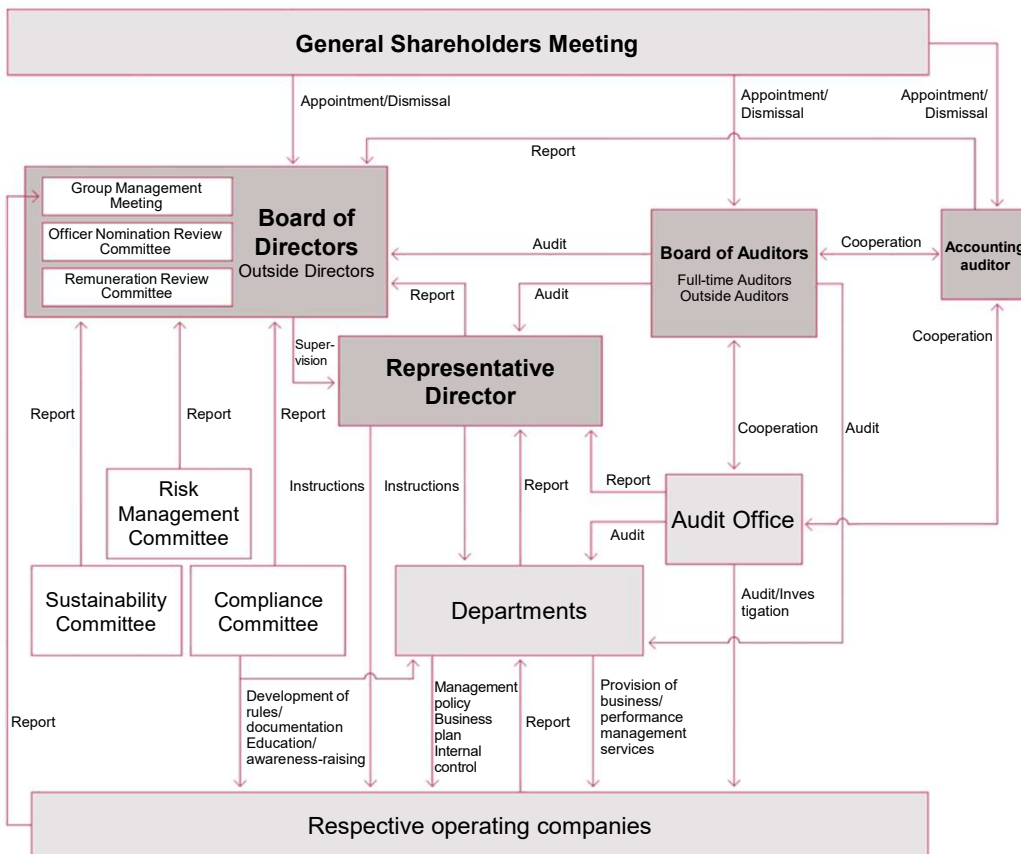
Details of Shareholder Benefits(Please refer to [this link](#) for the details of shareholder gifts offered in FY2024.)
Once a year, we send a gift to shareholders* who own at least 100 shares of the Company's stock for a continuous period of 12 months or more as of March 31st of the year. These shareholders can select the gift from the table on the right, according to the category of number of shares held (as shown in the table on the left).

Number of shares held	Details of gifts	Course	Summary
100–999	Assorted canned foods, etc. worth 3,000 yen	(1)	Assorted canned foods Canned foods filled in cans manufactured by the Hokkan Group
1,000–1,999	Assorted canned foods, etc. worth 6,000 yen	(2)	Assorted sweets Sweets in beautifully designed cans manufactured by the Hokkan Group
2,000–	Assorted canned foods, etc. worth 8,000 yen	(3)	Variety set Canned foods and sweets filled in cans manufactured by the Hokkan Group
		(4)	Donations to food aid organizations Instead of sending a complimentary gift to the shareholder, we donate the amount equivalent to the gift to a food aid organization whose mission is to eradicate hunger.
		(5)	Donations to natural environment protection organizations Instead of sending a complimentary gift to the shareholder, we donate the amount equivalent to the gift to a natural environment protection organization.

* Shareholders who are registered on all of the Company's stockholder lists as of the record dates (September 30 and March 31) of the current and previous years, with the holding of at least 100 shares and the same shareholder number.

Our Basic Approach to Corporate Governance

(Schematic diagram of corporate governance)



- A business management system centered on **the Board of Directors** and **the Board of Auditors**
We place focus on strengthening management transparency and enhancing corporate governance as our priorities.
- In principle, **the Board of Directors** holds its meeting monthly. The aim of the meeting is to make decisions on important matters, supervise the business execution, establish internal control systems, review the status of operation of the systems, and receive reports from **the Compliance Committee, Risk Management Committee, and the Sustainability Committee** to supervise the Group's risk management practices.
- **The Board of Auditors** holds a meeting regularly. The aim of the meeting is to carry out a stringent audit of Directors' execution of duties.
- We have set out the Policy on Appointment and Removal of Directors and Auditors to ensure the transparency in the officer appointment process. The majority of **the Officer Nomination Review Committee** shall be independent outside directors.
- We established the Policy for Determining Officers' Remuneration so that executive remuneration can provide a healthy incentive towards maximizing corporate value. The majority of **the Remuneration Review Committee** shall be independent outside directors.
- **Accounting Auditor**: Moore Mirai & Co.
We appointed Moore Mirai & Co. to conduct the Companies Act audits and the Financial Instruments and Exchange Act audits of the Company and the Group.
- Under the holding company system, we established the **Audit Office** to strengthen internal auditing and ensure regulatory compliance, fairness, and ethics in our business activities.

Officer Structure

List of Officers and Directors' Skill Matrix

In order for the Company's Board of Directors to fulfill its roles and responsibilities appropriately, we expect each Director to demonstrate the knowledge and abilities (skills) below.

The Company considers that its Board of Directors as a whole is equipped with necessary skills.

Name	Positions and Responsibilities (Main profession, qualification, etc.)	Corporate Management	Sustainability	Corporate Planning M&A	Global Business	Group Business	Finance Accounting Tax Affairs	Legal Risk Management Compliance	HR Development
Kosuke Ikeda	President and Representative Director	●		●	●	●			
Yasuhiro Sato	Director and Senior Executive Managing Officer		●			●			
Hideaki Tada	Director and Senior Executive Managing Officer					●			
Takuya Takeda	Director and Executive Managing Officer General Manager of the General Affairs Dept. and Human Resources Dept.							●	●
Toshiaki Sunahiro	Director and Executive Managing Officer General Manager of the Accounting & Finance Dept., Corporate Planning Dept., and Overseas Business Dept.			●			●		
Akiko Fujita	Outside Director (university professor)						●		
Kazuhide Koda	Outside Director (certified public accountant)						●		
Atsuko Watanabe	Outside Director (lawyer)							●	
Takashi Furukawa	Outside Director (capitalist)	●		●	●				
Koji Ishikawa	Full-time Auditors	<p>Note 1: Skills that the Company particularly expects each Director to demonstrate are determined by the Board of Directors with reference to the career summary of each Director. (Our criteria require Internal Directors to possess work experience of serving in the position of General Manager or higher for a certain period of time.)</p> <p>Note 2: The green-colored skills are those the Company particularly expects Outside Directors to demonstrate.</p>							
Motoki Watanabe	Auditor								
Tetsuya Suzuki	Outside Auditor (certified public tax accountant)								
Masahiro Tajima	Outside Auditor (lawyer)								

Officers

■ Definitions of Skills to Be Held by the Company's Board Members

Skills	Definitions
(1) Corporate management	Skills to make managerial decisions from a broad perspective and to execute business management toward the enhancement of the Group's corporate value over a medium to long term, based on experience of corporate management in the position of the President or posts with responsibilities equivalent thereto, and with deep insight into and experience in corporate governance, management strategies, management planning, etc.
(2) Sustainability	Skills to promote sustainability management from the perspective of enhancing corporate value over a medium to long term based on issues of material importance for the Group
(3) Corporate planning, M&A	Skills to formulate and implement management strategies and management plans, inclusive of new business development and M&A, toward further development of the Group's businesses
(4) Global business	Skills to execute business operation toward further development, based on deep knowledge and experience in the Group's overseas operation and global business as a whole
(5) Group business	Skills to execute business operation toward further development, based on deep knowledge and experience in technical development, production, sales, etc. concerning the Group's three mainstay businesses (container, filling, and global businesses)
(6) Finance & accounting, tax affairs	Skills to execute business management toward the enhancement of the Group's corporate value over a medium to long term based on deep knowledge and experience regarding finance, accounting, and tax affairs, which are fundamental to management strategies and business management
(7) Legal, risk management, compliance	Skills to execute business management toward the enhancement of the Group's corporate value over a medium to long term based on deep knowledge and experience regarding legal affairs, risk management, and compliance, which are fundamental to management strategies and corporate governance
(8) Human resources development	Skills to promote human resource strategies such as retention of a diverse workforce and supporting their growth from the perspective of enhancing the Group's corporate value over a medium to long term

Compliance with the Corporate Governance Code (CGC)

■ CGC Principles for which the Company currently selects the “explain” option

➤ We selected the “Comply” option for all CGC principles except for the following supplementary principles:

CGC Principles for which the Company selected the “Explain” option	Our Response
<p>2.4.1</p> <p style="color: white;">Companies should present their policies and voluntary and measurable goals for ensuring diversity in the promotion to core human resources, such as the promotion of women, foreign nationals and mid-career hires to middle managerial positions, as well as disclosing their status.</p> <p style="color: white;">In addition, in light of the importance of human resource strategies for increasing corporate value over the mid-to long-term, companies should present its policies for human resource development and internal environment development to ensure diversity, as well as the status of their implementation.</p>	<p>(1) Ensuring diversity in the promotion to core human resources, etc. We stated in our management vision that we continue to be a fair corporate group giving credits to those contributing to our business. The Company appoints managers based on the individuals’ ability and career formation, regardless of gender, nationality, and background. On the other hand, as the Company hopes to hire and appoint people in a fair and just manner in line with its management vision, rather than based on a uniform numerical target, it has selected the “Explain” option. As of March 31, 2024, the ratio of management positions in the Group was 8.8% for female employees, 47.6% for mid-career hires, and 23.8% for foreign nationals.</p> <p>(2) Policy for ensuring diversity and its implementation In our “Basic Policy on Sustainability,” we declared that “Diversity among our officers and employees is an irreplaceable resource for the company.” We also stated the following in the Policy: “We will work to ensure the safety of all officers and employees, and take steps to maintain and encourage their physical and mental health, giving due consideration to life-work balance, and respond flexibly to the various life events, as well as providing across-the-board support to the growth of a diverse workforce. To this end, we will pay wages that exceed those legally determined by the laws and regulations of the countries and regions in which we do business, will maintain systems for fair evaluation and treatment of employees, and will ensure that employees have a safe, hygienic, comfortable, and healthy working environment.” Based on this Policy, we have established various work systems and benefit programs that take work-life balance into consideration.</p>

➤ For details, please refer to [the Corporate Governance Report](#).

Disclosure of Other Matters Concerning Corporate Governance

■ Corporate Governance Guidelines

- The Company discloses its Corporate Governance Guidelines based on the resolution of its Board of Directors, in order to summarize the concept of corporate governance that the Company and the Group should comply with in the business management, and to contribute to the promotion and enhancement of dialogue with shareholders, investors, and other stakeholders.

https://hokkanholdings.co.jp/wp/wp-content/themes/hokkan_hd/pdf/ir/pdf/governance/cgguideline.pdf

■ Evaluation of the Board's Effectiveness

- Every year, we commission a third-party organization to conduct a questionnaire survey to all Directors and Company Auditors on the overall effectiveness of the Board of Directors. Based on the analysis results of the survey, issues that need to be addressed and corresponding solutions are discussed by the Board.

An evaluation of the effectiveness of the Company's Board of Directors carried out in March 2024 found that the Board as a whole is functioning mostly effectively. A summary of the evaluation can be accessed at the following URL:

https://hokkanholdings.co.jp/en/wp-content/themes/hokkan_hd_eng/pdf/ir/pdf/governance/evaluation.pdf

**For details on other corporate governance initiatives,
please visit our website.**

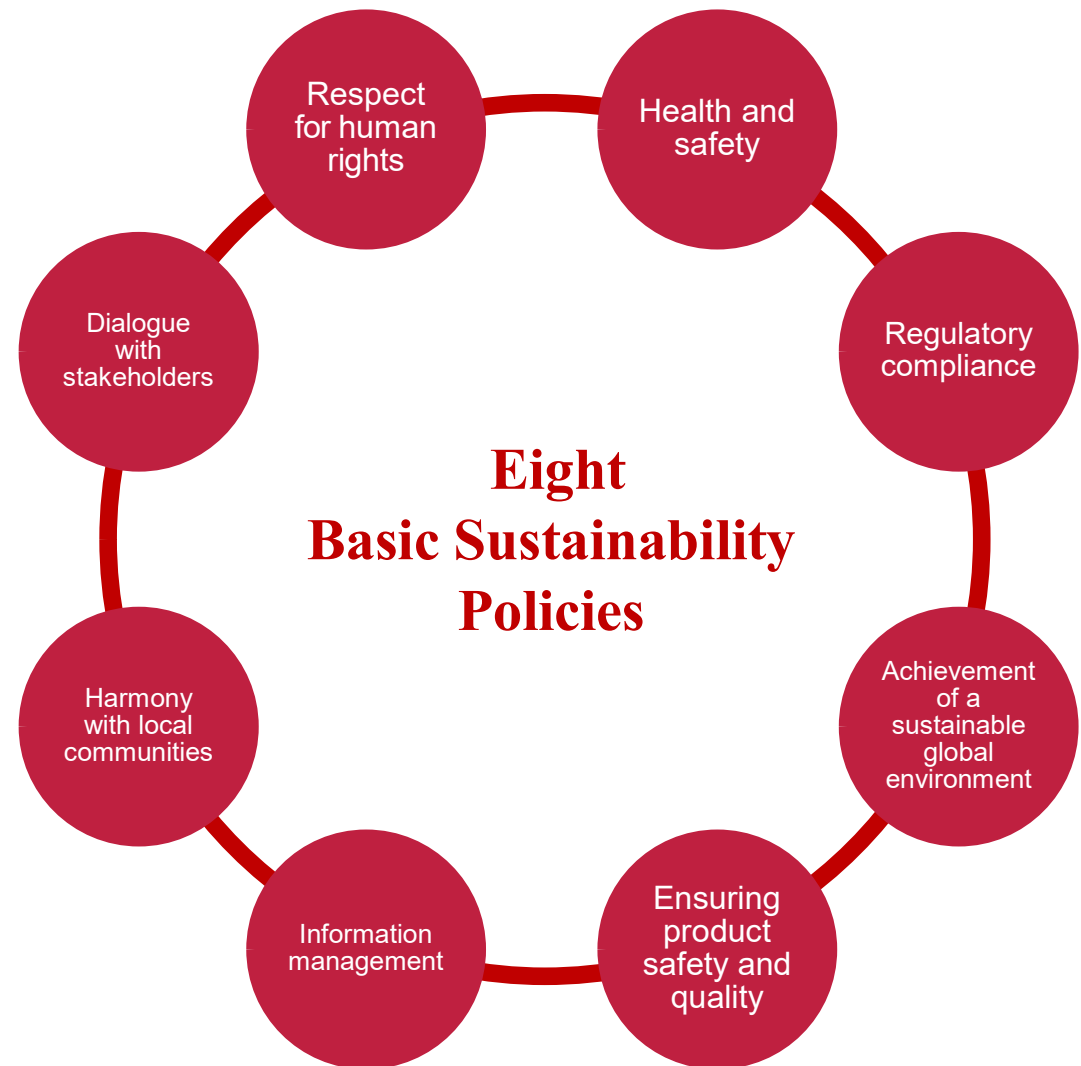
<https://hokkanholdings.co.jp/en/ir/governance/>

Our Basic Approach to Sustainability

Hokkan Group clearly recognizes that our activities must be sustainable and in harmony with the environment and society in order for us to continue growing in each of our business fields.

To this end, we will proactively work toward solving various social challenges directly and indirectly related to our business activities.

We implement our sustainability initiatives based on the eight basic policies to solve issues raised therein. In particular, we place importance on the achievement of a sustainable global environment, development of environmentally friendly products, and harmony with local communities.



Hokkan Group's Materiality and KPI Setting

Materiality	Initiative Themes	FY2024 Targets and KPIs	Achievements and Progress in FY2023	Progress
Human rights	Identification of negative impacts on human rights and creation of a human rights due diligence system	2024: Identify and prevent negative impacts on human rights and develop a human rights due diligence system that can mitigate such impacts.	Improved questionnaire to our supply chain as part of ongoing efforts to build a human rights due diligence framework.	○
	Occupational accidents	Lost-time injury frequency rate (LTIFR): 1.20 or lower; Lost-time injury severity rate (LTISR): 0.00 (Japan) 2025: Hokkan Group companies obtain external certification for safety and health (e.g., ISO45001).	<ul style="list-style-type: none"> • LTIFR: 1.88; LTISR: 0.03 (Japan) • Continued efforts to obtain external certification for health and safety. 	△
Employees	Health and productivity management	Efforts to be recognized as a Certified Health & Productivity Management Outstanding Organization (efforts to reduce smoking rates, improve diet, promote exercise opportunities, prevent infectious diseases)	<ul style="list-style-type: none"> • Continued efforts to be certified as a Health & Productivity Management Outstanding Organization Identified health issues based on a health awareness survey. 	○
	Promotion of diversity	Promotion of women's empowerment Achieve a rate of employees with disabilities equal to or higher than the statutory rate.	<ul style="list-style-type: none"> • Continuously implemented activities to promote women's empowerment. • Continuously implemented activities to recruit persons with disabilities 	△
	Achievement of a good work-life balance	Enhance initiatives that support a balance between work and childcare/nursing care and achieve a higher retention rate	<ul style="list-style-type: none"> • All individuals who applied for childcare leave were granted permission to take it. • Continuously implemented initiatives to support balancing childcare/nursing care with work. 	○
Compliance	Development of various guidelines, implementation of education/training programs, and deeper penetration of the code of conduct for officers and employees	Ensure fair trade and eliminate anti-social forces. Ensure thorough understanding of fair corporate activities and corporate ethics (including compliance with laws, regulations, and internal rules) by further enhancing compliance training. Prevent various forms of harassment and utilize the whistle-blowing system to ensure early resolution.	Although compliance training was provided to all employees (participation rate: 100%), an embezzlement incident was discovered in a Group company.	×

Hokkan Group's Materiality and KPI Setting

Materiality	Initiative Themes	FY2024 Targets and KPIs	Achievements and Progress in FY2023	Progress
Global Environment	Contribution to a decarbonized society	2050: Achieve Scopes 1 and 2 carbon neutrality. 2030: Reduce Scopes 1 and 2 GHG emissions by 30% (from the FY2019 level). 2030: Reduce Scope 3 GHG emissions by 20% (from the FY2019 level).	Reduced Scopes 1 and 2 GHG emissions by 28% (from the FY2019 level). Reduced Scope 3 GHG emissions by 25% (from the FY2019 level). Implemented the Internal Carbon Pricing (ICP).	○
	Sustainable use of water resources	2030: Reduce water intensity by 30% (from the FY2019 level).	Reduced water intensity by 22% (from the FY2019 level).	○
	Contribution to resource-recycling society	Reduce the use of exhaustible resources. 2030: Achieve zero waste disposal by incineration or landfill.	Reduce the use of exhaustible resources. • Reduced the use of virgin resin for PET bottles by 3% from the previous year's level. Simple incineration: 153 t; Landfill: 12 t	○
Products	Environmentally friendly product development	Develop sustainable products and services. Metal cans: Develop smaller and lighter containers according to customer needs. PET bottles: Increase the usage ratio of recycled materials. Contract filling: Ensure smooth production of environmentally friendly products supplied.	Use of environmentally friendly resin (mechanical recycled materials, chemical recycled materials, and bio-materials) increased by 22% compared to the previous year.	○
	Quality improvement	Ensure regulatory compliance. Improve customer satisfaction.	Continued quality improvement activities. No recovery accidents occurred.	○
Information management	Achievement and improvement of confidentiality, integrity, and availability of information assets	Ensure zero incidents of information leakage.	No incidents of information leakage were detected or reported.	○
Local communities	Harmony with local communities	Be a corporate group trusted by local communities.	Conducted various activities to contribute to local communities.	○
Stakeholders	Sincere dialogue with stakeholders	Identify and address social issues necessary to be solved for the realization of a sustainable society. Work with suppliers and brand owners to solve decarbonization challenges. Ensure that sustainable procurement practices are embedded into the organization.	Conducted various activities together with stakeholders.	○

Sustainability Initiatives

■ Reduction of greenhouse gas (GHG) emissions

➤ Adoption of renewable energy



With a goal of reducing GHG emissions, we have installed solar power generation facilities on factory roofs and within premises.

In FY2023, we put the solar power generation facilities into operation at Makishokuhin and Kujirai Dairy Industry.

In the future, we will continue our efforts to expand the use of renewable energy.

■ Non-financial disclosures

➤ Endorsement of TCFD recommendations and disclosure

https://hokkanholdings.co.jp/en/wp-content/themes/hokkan_hd_eng/pdf/csr/tcfd.pdf

➤ Sustainability Report 2024 (issued in Sep. 2024)

https://hokkanholdings.co.jp/wp/wp-content/themes/hokkan_hd/pdf/csr/pdf/202409.pdf

➤ ESG data

<https://hokkanholdings.co.jp/sustainability/data.html>

For the details of our sustainability initiatives, please visit our website.

<https://hokkanholdings.co.jp/en/sustainability/>



Business Forecast and Future Prospect

Of all the information included herein, business forecast, management plans, management strategies, management policies etc. that we disclose, information that is not historical facts represents forward looking statements prepared to reflect management's decisions based on information available to the Company at the time and on certain assumptions that it deems reasonable. Actual results may differ significantly from those discussed in the forward-looking statements due to various risks and uncertainties.