



**HOKURIKU**

**HOKURIKU ELECTRIC INDUSTRY CO., LTD**

# Creating for the Future

**Medium-term Management Plan 2027**

**May 2025**



## I What HDK wants to be

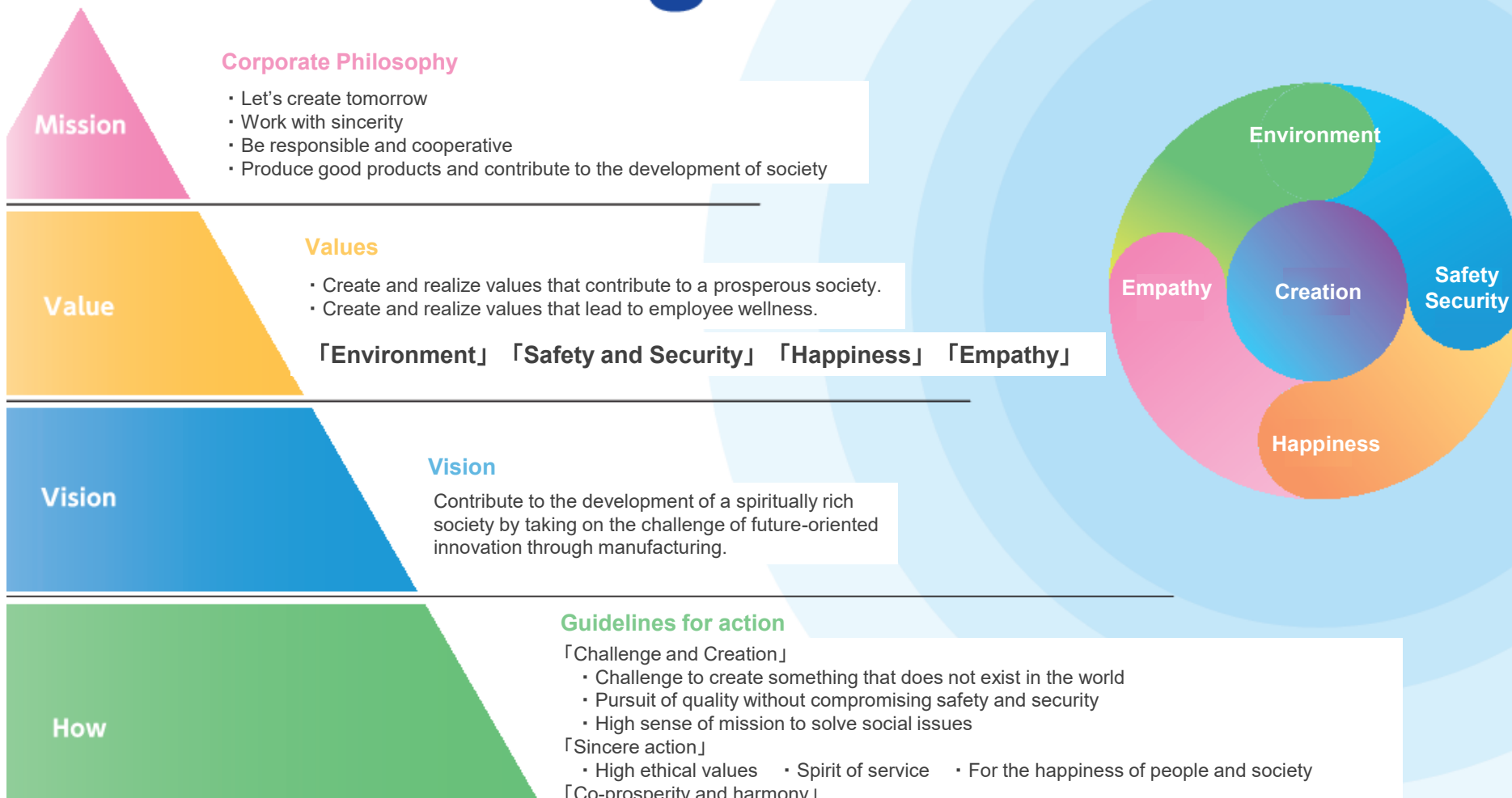
## II PLAN2027

### Basic Policy

- ① Evolution of core businesses
- ② Promotion of new products and new businesses
- ③ Further strengthening of management base

HDK Slogan

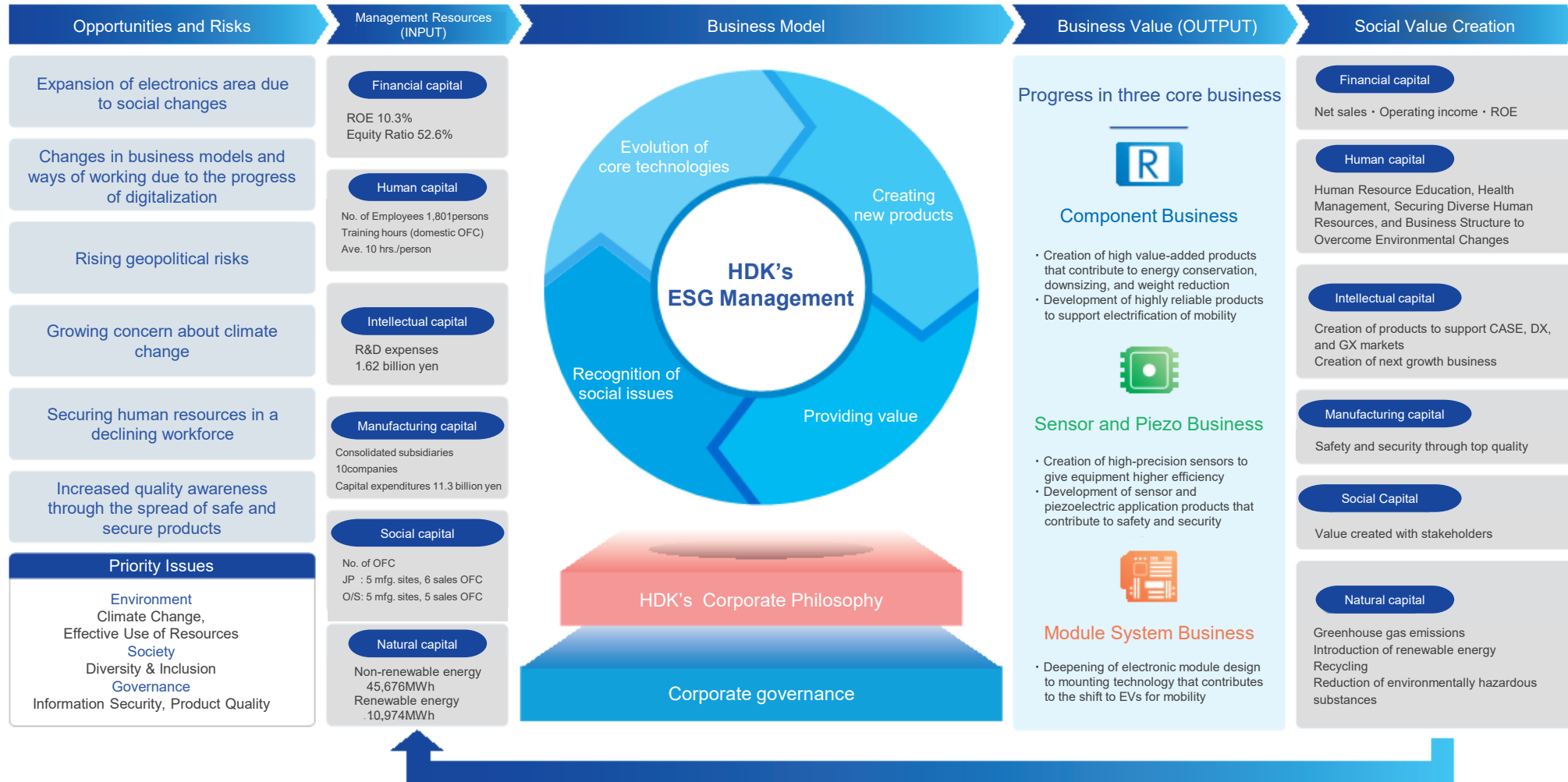
# 「Creating for the Future」



# 2. Value Creation Process of HDK

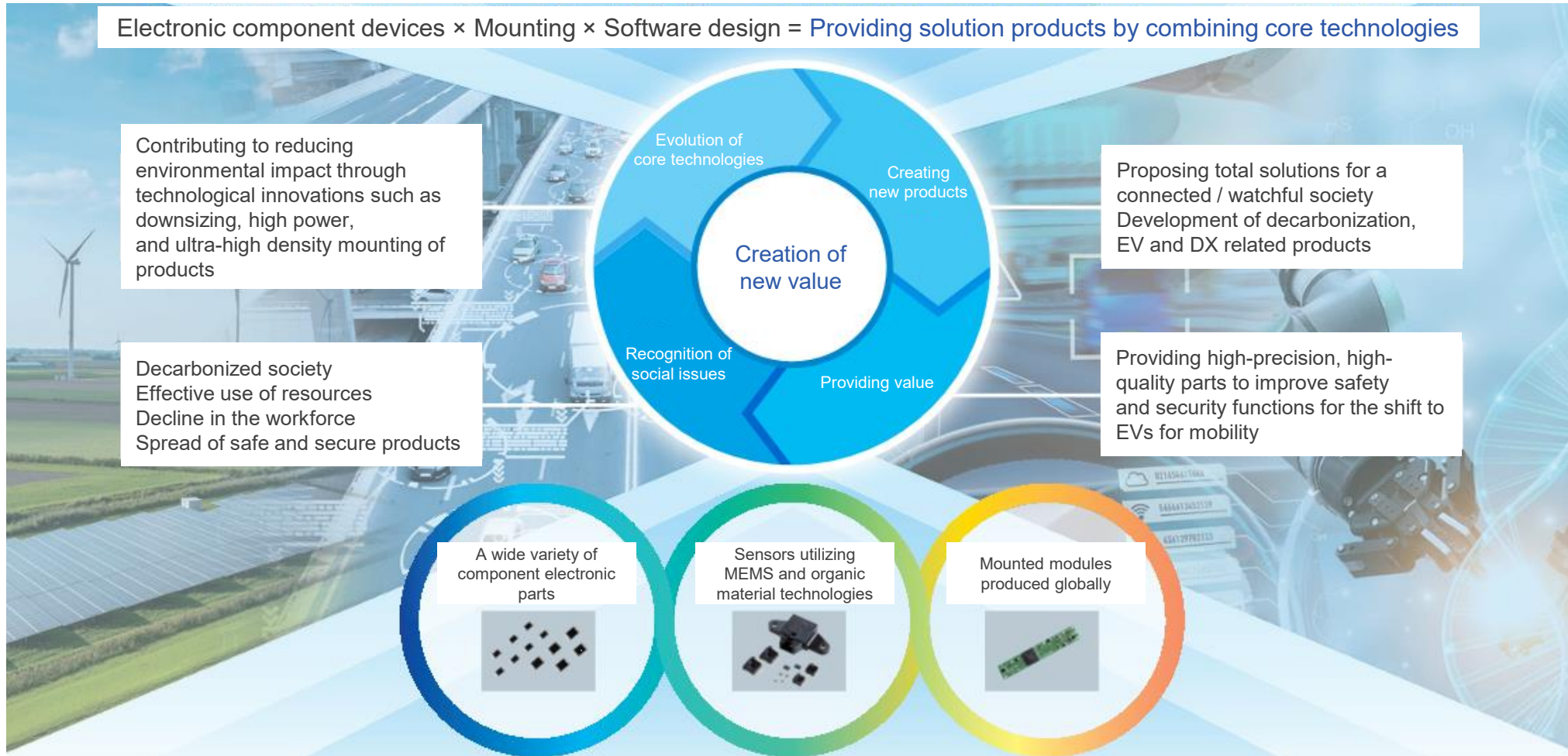
## OUR VALUE

- We will create and realize values that contribute to a prosperous society.
- We will create and realize values that lead to employee wellness.



# 3 . Business model

Electronic component devices × Mounting × Software design = Providing solution products by combining core technologies



Contributing to reducing environmental impact through technological innovations such as downsizing, high power, and ultra-high density mounting of products

Decarbonized society  
Effective use of resources  
Decline in the workforce  
Spread of safe and secure products

Proposing total solutions for a connected / watchful society  
Development of decarbonization, EV and DX related products

Providing high-precision, high-quality parts to improve safety and security functions for the shift to EVs for mobility

A wide variety of component electronic parts



Sensors utilizing MEMS and organic material technologies



Mounted modules produced globally



Expanding into three core businesses

**Our core technologies**

- Material application technology
- Mechanical structure design technology
- High frequency technology
- Sensor technology
- High density mounting technology
- Wireless technology
- Printing technology
- Electrical circuit design technology
- MEMS technology
- Piezoelectric technology
- Software design technology
- Ceramic material technology

**Our assembly and processing technology**

- Production equipment design/production
- Inspection equipment design/production
- Mold design/production

I What HDK wants to be

## II PLAN2027

### Basic Policy

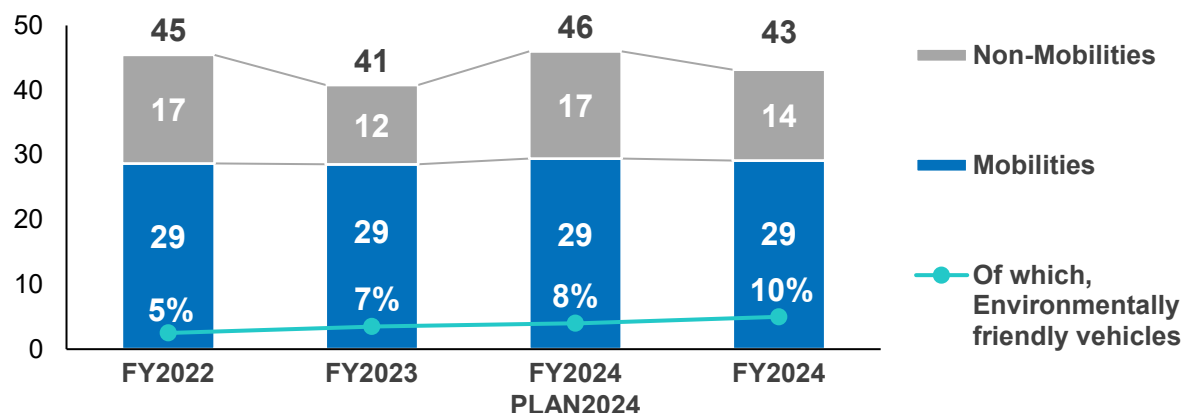
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# 1. Review of PLAN2024 (Management figures)

Ratio of operating income to net sales and ROE achieved targets, but Net sales and Operating income did not reach their respective targets.

(billion yen)	FY2022	FY2023	FY2024	
	Results	Results	PLAN2024	Results
Net sales	45.5	40.8	46.0	43.2
Operating income	2.9	2.3	2.8	2.6
Ratio of operating income to net sales	6.5%	5.6%	6.0%	6.0%
ROE	3.9%	13.6%	10.0%	10.3%
Average exchange rate during the period 1US\$=JPY	135.58	143.45	—	152.84

## Sales Amount Breakdown by Market (billion yen)



## Achievements

- Profitability stabilized by securing stable orders in the mobility sector and promoting sales expansion.
- Expand sales of products for environmentally friendly vehicles, a key area of focus.
- Building a resilient production system centered on ASEAN.

## Factors for not achieving the target

- Decline in demand in the consumer electronics sector
- Prolonged customer inventory Adjustments
- Lack of responsiveness to customer changes

Further evolve core businesses and advance the creation of a stable and growth-oriented business portfolio.

# 1 . Review of PLAN2024 (Management and Business Strategy)

- While business expanded in growth areas such as mobility electrification, results were insufficient in terms of new product creation.
- In terms of sustainability, materiality is identified and certain results are achieved in various ESG initiatives.

Management and Business Strategy	Achievements	Priority Issues
Strengthening of core businesses	Expand business for mobility electrification	Further evolution of core businesses
	Increase in new orders for products for environmentally friendly vehicles	Creation of new products
	Strengthening the production system in ASEAN	Expansion and strengthening of the global production and sales systems
Strengthening of marketing and promoting of commercialization	Release of IoT solution systems and start of mass production	Promotion of the commercialization of IoT solution systems
	Release of environmentally friendly new products Arc-resistant chip fuse, Ultra-small 0603 surge chip resistor	Targeting growth markets and expanding business areas
		Further expansion of environmentally friendly products
Strengthening of the management base	Strengthened compliance and risk management systems	Enhancement of the quality of sustainability management foundation
	Progress in Sustainability Management	Promotion of human capital management
	Promote reduction of CO <sub>2</sub> emissions at domestic bases	Continuous reduction of CO <sub>2</sub> emissions

## 2. Management and Business Strategy Positioning and Vision of PLAN2027

**Positioning of PLAN2027** ➤ This period serve as the period to steer toward a growth trajectory for the realization of our long-term vision.

FY2022~FY2024

FY2025~FY2027

FY2028~

### PLAN2024

**Solidification of  
management foundation**

**FY2024 Results** (billion yen)

<b>Net sales</b>	<b>43.2</b>
<b>Operating income</b>	<b>2.6</b>
<b>Ratio of operating income to net sales</b>	<b>6.0%</b>
<b>ROE</b>	<b>10.3%</b>

### PLAN2027

**Steer toward a growth trajectory**

**FY2027 Target** (billion yen)

<b>Net sales</b>	<b>48.0</b>
<b>Operating income</b>	<b>3.4</b>
<b>Ratio of operating income to net sales</b>	<b>7%</b>
<b>ROE</b>	<b>10%</b>

### Long-term Vision

**FY2030  
Net sales Target**

**53.0** (billion yen)

Contribute to the development of a spiritually rich society by taking on the challenge of future-oriented innovation through manufacturing.

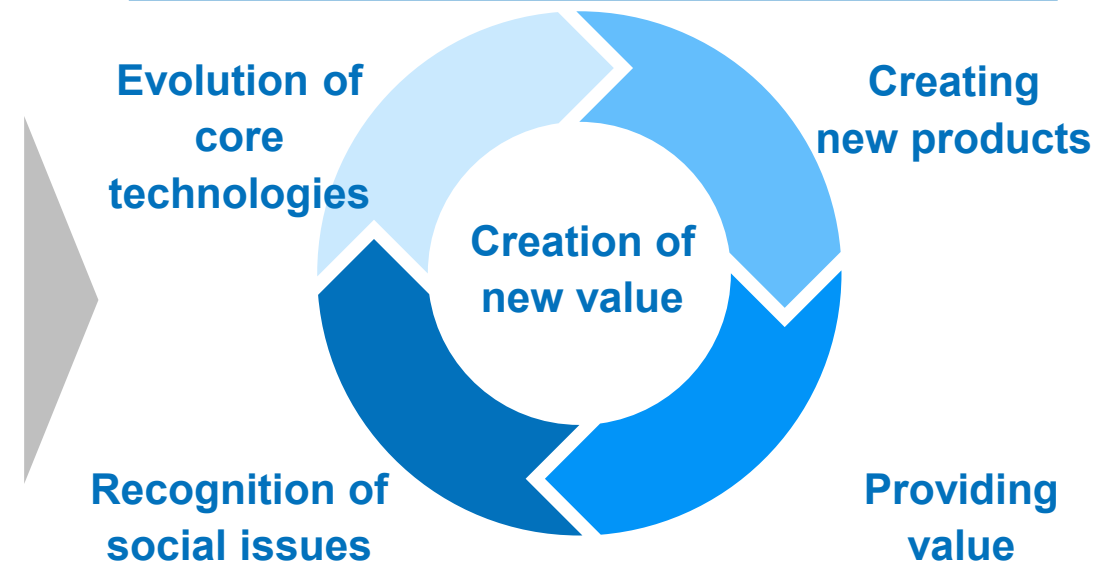
## 2. Management and Business Strategy

### Business Environment surrounding the company

- In addition to heightened geopolitical risks due to changes in policy trends in various countries, the business environment has changed dramatically due to the DX/GX trend and the full-fledged spread of AI.
- Formulate and execute strategies based on an accurate understanding of risks and opportunities to expand our business domain and create new value.

Business Environment	Electronics Market
Rising geopolitical risks	<ul style="list-style-type: none"> <li>■ Changes in demand due to trade friction</li> <li>■ Supply chain decentralization</li> </ul>
Progress toward a decarbonized society	<ul style="list-style-type: none"> <li>■ Progress in electrification and automated driving</li> <li>■ Acceleration of renewable energy utilization</li> </ul>
Digital Transformation in Society and Industry	<ul style="list-style-type: none"> <li>■ Increasing demand for AI and IT-related services</li> <li>■ Expansion of Solution Services</li> </ul>
Decrease in the working population	<ul style="list-style-type: none"> <li>■ Progress in Smart Factory</li> <li>■ Utilization of Robotics</li> </ul>

As the business environment undergoes significant changes, the scope of our products' contributions is expanding.

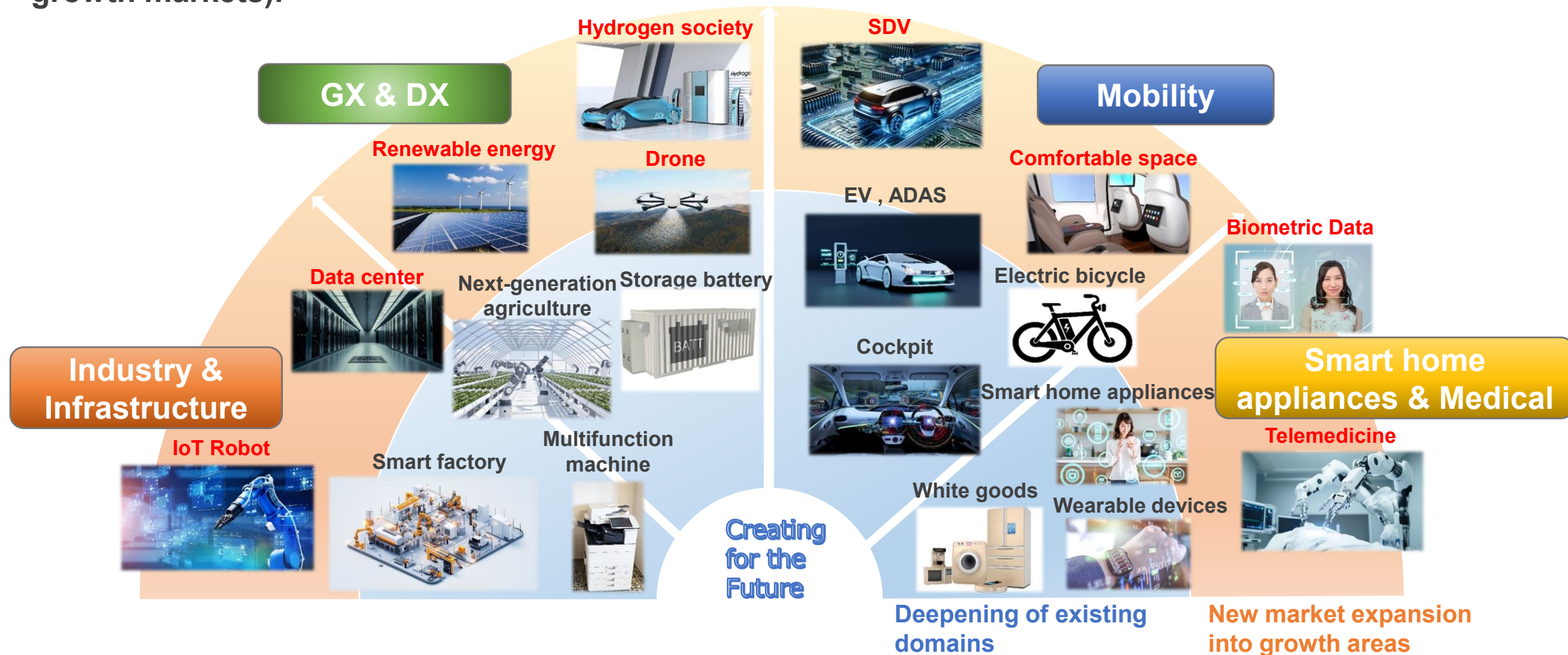


- Making lighter, thinner and smaller
- Increasing in precision
- Wireless, software design
- High quality, high reliability

## 2. Management and Business Strategy

### Expansion of business areas for growth markets

Aim to expand business domains by concentrating management resources on evolving core business and creating new products in the four domains and the next frontier (next-generation growth markets).



## 2. Management and Business Strategy

### Strengthen and create products that solve social issues for growth markets

#### Approaches to social issues solving

#### Strengthen and create products that solve social issues



Mobility

- Environmentally friendly products for mobility electrification and energy management
- Products with excellent thermal characteristics, products that support weight reduction, power saving, and fuel efficiency improvement
- Advanced safety performance and hazard prediction

- BMS Unit with high-density mounting
- Arc-resistant fuse that contribute to battery safety
- Seat sensors
- Broadband piezoelectric buzzer with multi-voice support
- Ultrasonic sonar systems

Evolution of core technologies

Challenge



GX & DX

- Improved heat dissipation and temperature/humidity management in data centers
- Ensuring safety in a hydrogen society
- Increase in opportunities for sensor use to improve the efficiency of agricultural work and solve labor shortages

- High-precision capacitive type humidity sensors
- Temperature thermistors
- Wireless + Sensor solution products
- Hydrogen sensors

Evolution of core technologies

Challenge



Industry & Infrastructure

- Acceleration of IoT to enhance worker safety
- Acceleration of INDUSTRIAL IoT
- Increased need for high-precision sensors for robotics
- Increase in gas appliances and water heaters with reduced environmental impact

- New pressure sensor modules
- Wireless modules
- IoT solution systems
- Environmentally friendly piezoelectric products

Evolution of core technologies

Challenge



Smart home appliances & Medical

- Increasing sophistication of medical equipment, increasing need for smoothly operable wireless systems and high-precision sensors
- Increase in caregiving and monitoring devices due to the aging population and declining birthrate
- Advancement of needs for lighter, thinner, and smaller products due to the relentless pursuit of downsizing and power savings

- MEMS Force sensors
- Compact, high-power, high-precision chip resistors
- General-purpose humidity sensors for ASEAN
- Seat sensors for caregiving beds (monitoring purposes)

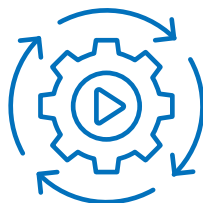
Evolution of core technologies

Challenge

- Promote management and business strategies aimed at sustainable growth and the enhancement of mid and long-term corporate value.

### PLAN2027 Basic Policy

#### 01 Evolution of core businesses



- Build a stable and growing business portfolio
- Expand business for the mobility market
- Expansion and strengthening of the global production and sales systems

#### 02 Promotion of new products and new businesses



- Promote new products and businesses aimed at growth markets and enhancing social value
- Expansion of environmentally friendly products

#### 03 Further strengthening of management base



- Enhancement of the quality of sustainability management foundation
- Promotion of human capital management
- Strengthen governance structure

## 2. Management and Business Strategy Management Objectives

### Economic Value

FY2027	
Net sales	<b>48.0</b> billion yen
Ratio of operating income to net sales	<b>7%</b> or higher
ROE	<b>10%</b> or higher

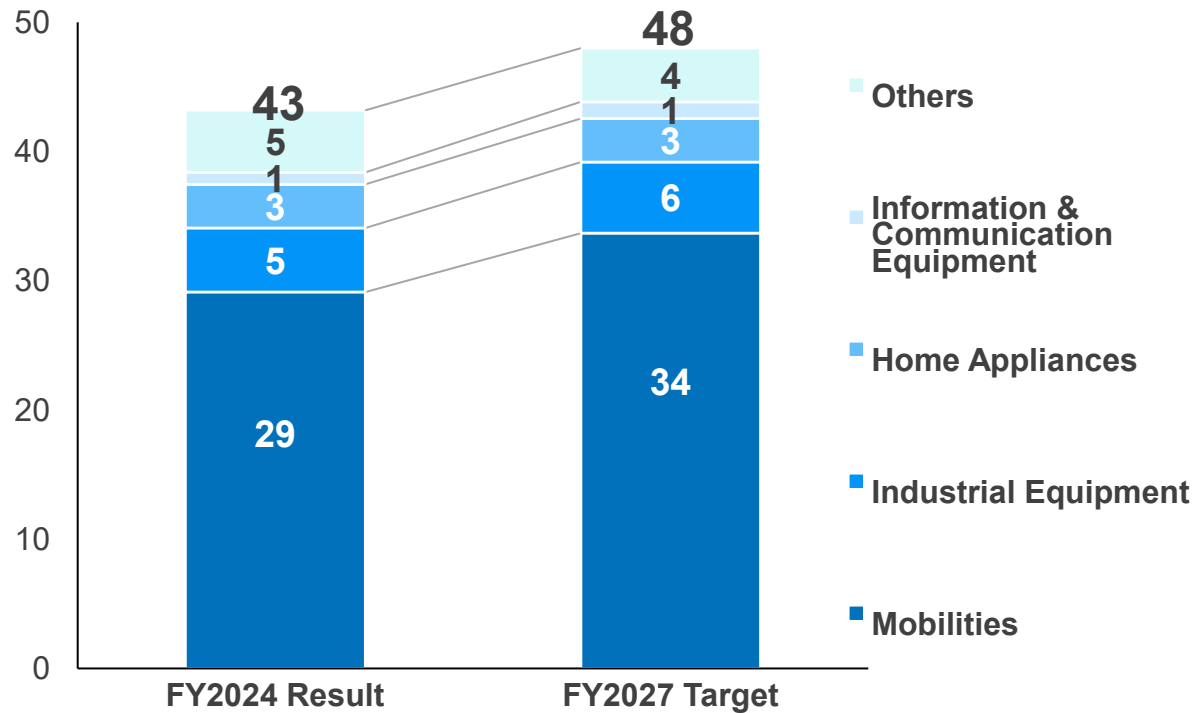
### Social Value

FY2027	
 Environment	■ CO <sub>2</sub> emissions <span style="float: right;">(compared to FY2017) — <b>40%</b></span>
	■ Sales ratio of environmentally friendly products <span style="float: right;"><b>30%</b></span>
 Society	Promotion of human capital management
	■ Employee engagement score <span style="float: right;"><b>70%</b> or higher</span>
	■ Ratio of female managers <span style="float: right;"><b>8%</b></span>
 Governance	Strengthening corporate governance structure
	■ Continuous improvement of risk management
	■ Strengthening Information Security <span style="float: right;">(Major accidents) <b>0</b></span>

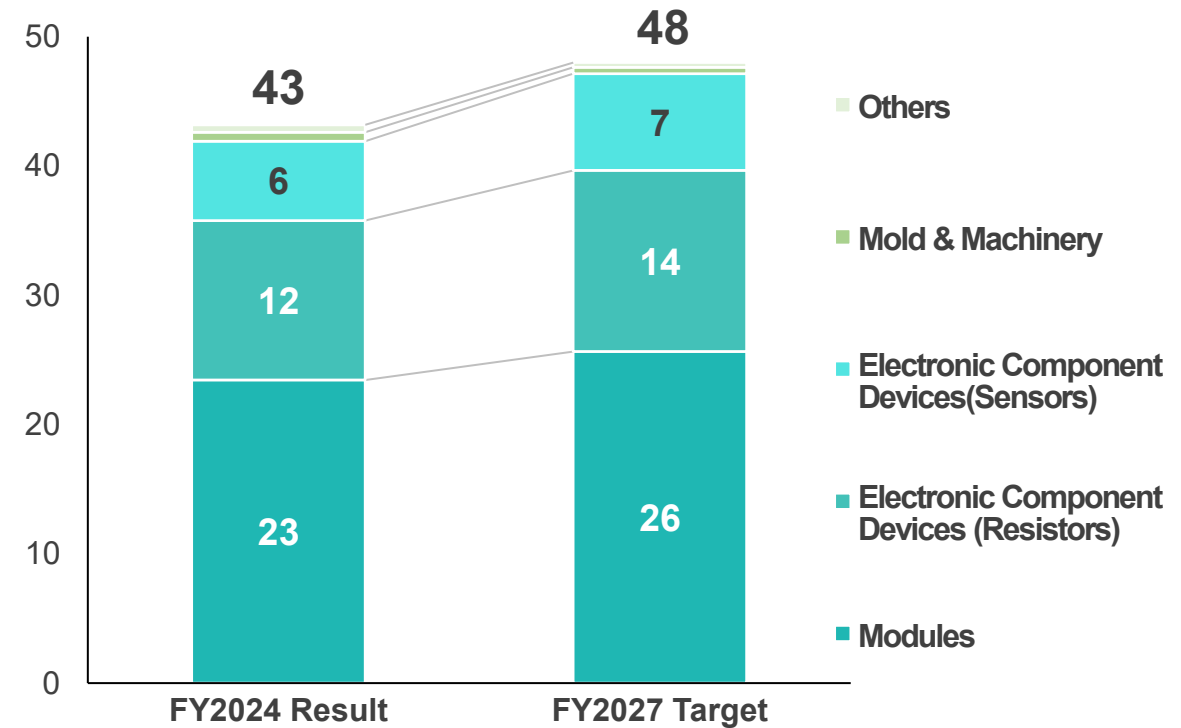
## 2. Management and Business Strategy Management Objectives

### ■ Sales Target Breakdown by Market and Product

By Market (billion yen)



By Product (billion yen)





II

# PLAN2027

## Basic Policy

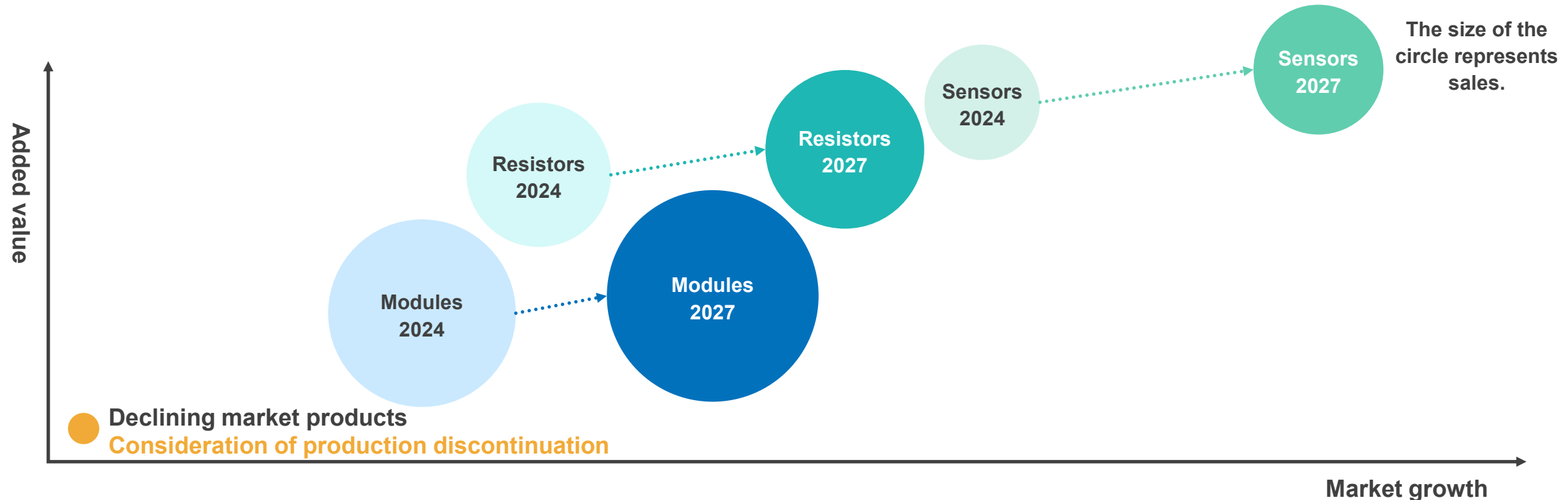
- ① Evolution of core businesses
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### ■ Vision for the Business Portfolio FY2024→FY2027

#### Build stable and growing business portfolio

#### Steady growth in the three core businesses in a well-balanced manner

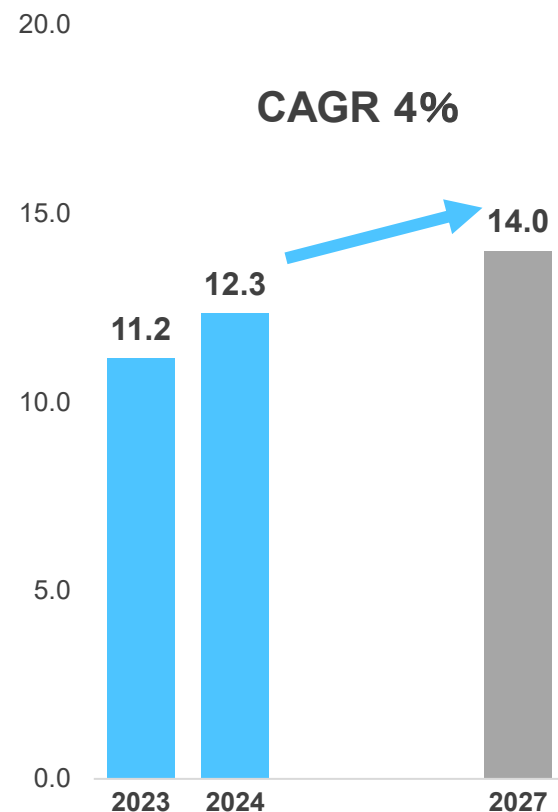
- **Resistors** Promote selection and concentration, shift to high value-added products targeting mobility and industrial equipment.
- **Sensors** Strengthening and expanding the lineup of high-precision sensors. Also expanding piezo products for mobility.
- **Modules** Expansion of our business into the growing mobility electrification market.



## ■ Electronic Component Devices Resistors etc.

Aiming to expand earnings by developing and providing high value-added products that match market needs

### Sales Target (billion yen)



### Opportunities and business strategy

#### Opportunities

- Increase in the number of component parts due to the shift to EVs for mobility and progress in CASE such as ADAS
- Increase in demand for high durability and high reliability components in the mobility and industrial equipment sectors
- Growing demand for environmentally friendly products, such as lighter, thinner, smaller, and more power-efficient components

#### Business Strategy

- Expansion and enhancement of our mainstay high-value-added chip components and thermistor product lines
- Expansion of products related to safety and security
- Promote development of products that match market needs, such as “higher functionality,” “higher reliability,” and “smaller size and energy saving”
- Optimization through selection and concentration of product lineups and enhancement of profitability through reorganization of bases

### Focus Products

#### High-value-added chip components

##### Arc-resistant fuse



Smoke and ignition prevention through a fast-acting cutoff mechanism  
Material selection designed to withstand abnormal overheating conditions

##### Ultra-precision resistor



Thin-film resistors can be substituted due to reduced TCR variation

##### Compact high-power chip resistor



Heat management enables higher power handling  
Provides an advantage in surge and pulse resistance

#### Thermistors

##### Thermistor element



Flexible in adapting to various characteristics

##### Resin-coated thermistor



High moisture resistance is maintained through a special resin coating

#### Seat belt reminder sensors

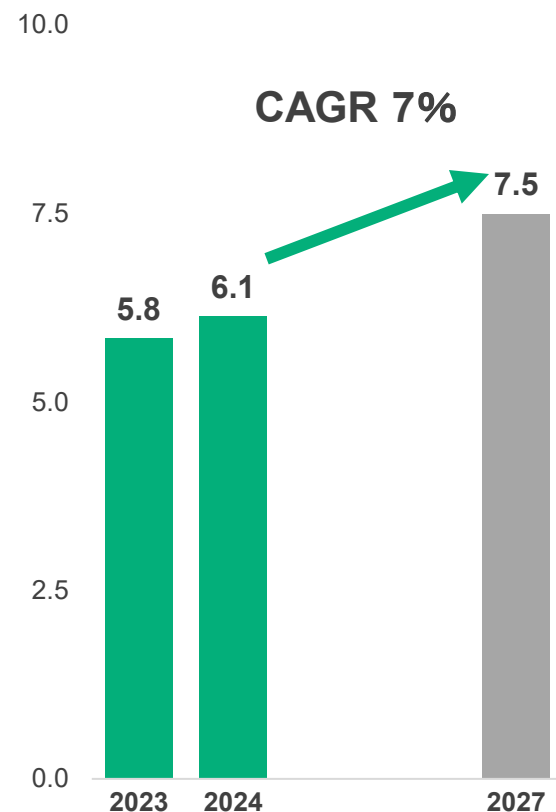


- Design of sensor shape tailored to the seat shape
- Capable of distinguishing between people and luggage due to the layout and circuit design of the sensing section
- Waterproof design available
- Selection of materials with excellent temperature characteristics

## ■ Electronic Component Devices Sensors etc.

Aiming for steady growth by capturing demand for products that contribute to the environment, safety and security

### Sales Target (billion yen)



### Opportunities and business strategy

#### Opportunities

- Progress in the field of AI utilization
- Progress in motorization and electrification of the mobility sector
- Growing demand for sensors related to the environment, safety and security
- Growing demand in India and other growth markets

#### Business Strategy

- Expansion of high-precision sensor product line for infrastructure and consumer electronics
- Expansion of piezoelectric products for mobility
- Establish market superiority by strengthening cost competitiveness
- Establishing a robust global production system based in ASEAN

### Focus Products

#### Pressure sensors

##### Pressure sensor element



High market performance and high reliability

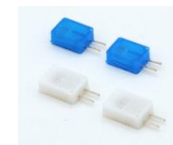
##### Pressure sensor module



Pressure range can be customized

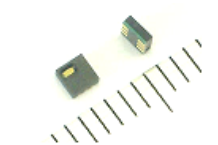
#### Humidity sensors

##### Resistive humidity sensor



High reliability due to special moisture-sensitive film

##### Capacitive humidity sensor



Excellent responsiveness  
Capable of humidity detection in low-humidity and high-humidity environments

#### Piezoelectric products

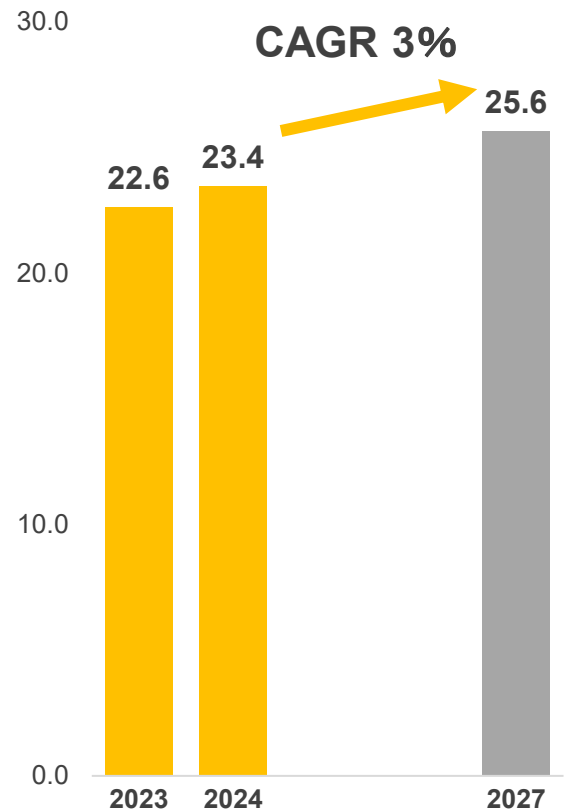


- Lightweight, compact, and low power consumption to extend sound pressure bandwidth
- Melody and voice pronunciation available
- Integrated product design from material to finished product is possible

## ■ Modules

Aiming to establish a growth trajectory by capturing the electrification needs of the mobility sector and developing solutions business

### Sales Target (billion yen)



### Opportunities and business strategy

#### Opportunities

- Expanding business opportunities associated with the motorization and electrification of mobility
- Increased demand for highly durable and reliable components in the mobility and industrial equipment sectors
- Growing demand for environmentally friendly products, such as lighter, thinner, smaller, and more power-efficient components

#### Business Strategy

- Expansion of modules for EVs, electric bicycles, and other electric vehicles that contribute to reducing environmental impact
- Develop ODM (Original Design Manufacturing) business, which is a further evolution of the conventional EMS business and extends to circuit design and software design
- Implement optimal investment and production expansion at ASEAN bases to meet the growing demand in the mobility sector

### Focus Products

#### Downsized modules

- Meet the need for lighter, thinner, and smaller board circuit modules
- Ultra-high-density mounting technology contribute to lighter, thinner, and more power-efficient products

#### BMS (Battery Management System) Modules

- Compatible with monitoring and protection circuit modules for rechargeable batteries such as lithium-ion batteries
- Suitable for a wide range of applications including not only EV vehicles but also electric bicycles and various types of robots

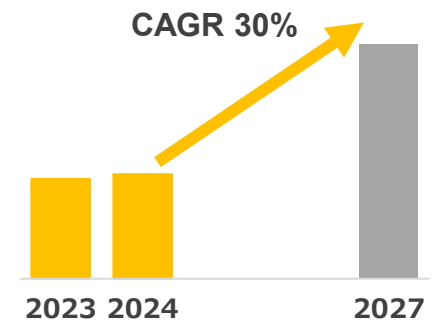
#### Module for electric compressors

- Deal with assembly and processing technologies for plastic molded parts, and aluminum die casting and other components



High-speed mounter capable of handling 0201 components

#### Sales Plan for Modules for BMS and Electric Compressors



## 2. Management and Business Strategy 1) Evolution of core businesses

### Strengthen global production and sales systems

#### ① Strengthening the production system in ASEAN

Production ratio: FY2024 result 30% → FY2027 target 40%

- Thailand Expand module line to meet growing demand for mobility-related products
- Malaysia Partial transfer of chip resistors from BCP perspective, increased production capacity for piezoelectric products
- Indonesia Expand piezoelectric product lineup and increase production capacity



#### ② Strengthening the sales system in India

- Promoting the strengthening of the sales system in rapidly growing India
- **Considering the establishment of a local office**  
Considering establishing a new sales office in the suburbs of New Delhi, the capital of India (planned for the end of FY2025)



#### Target Market

(Our estimates based on various surveys)

	Automobiles	Motorcycles (Bikes)	Air conditioners
Production Volume in India (2024)	6.0M units	23.0M units	11.5M units
Aiming to expand sales of sensors, resistors, etc., mainly in the above three major markets			

### Promotion of Smart Factory Implementation

Aiming to transform into a strong business structure that can overcome changes in the environment by improving productivity

through DX

Social Issues

- Labor shortage
- Declining birthrate and aging population
- Moving away from legacy systems

Major Initiatives

- Promote automation of production processes and expand in-house production facilities
- Digitalization of the production process
- Expansion and horizontal deployment of AI image inspection
- Simplified picking work in a component warehouse
- Reduction of management man-hours by linking AI-OCR and RPA





II

# PLAN2027

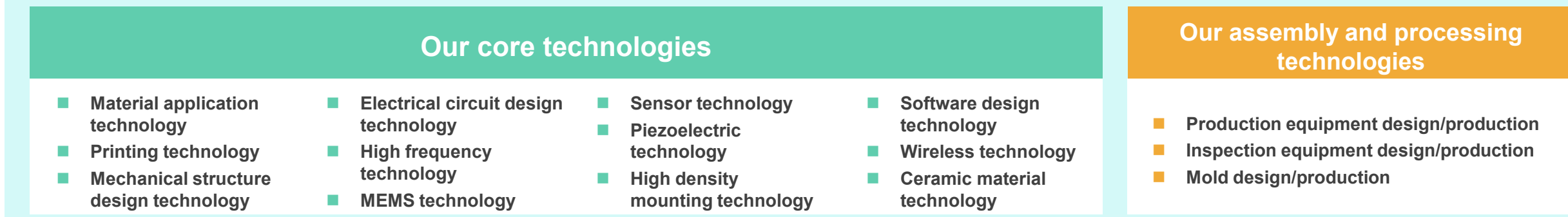
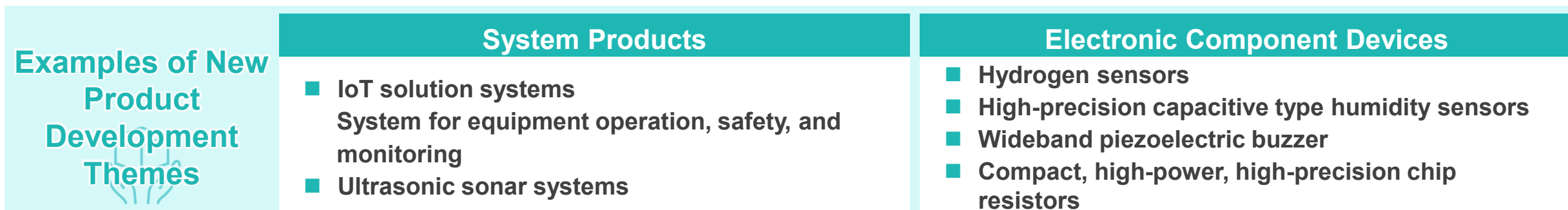
## Basic Policy

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## 2. Management and Business Strategy

### 2) Promotion of new products and new businesses

- Promote development of new products that solve social issues by defining four growth areas as target markets  
Target for FY2027: 20% Sales Ratio from new products and new businesses
- We aim to expand our strength through the development of new electronic component devices and solutions. Our strength lies in “electronic component devices x mounting x software design = solution products ” based on the fusion of core technologies.



## 2. Management and Business Strategy

### 【Strategic Product Topics】



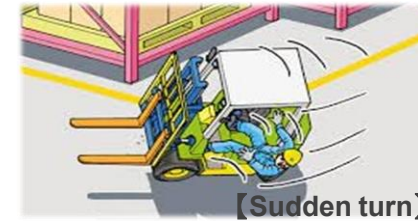
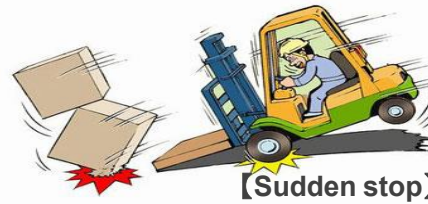
## 2) Promotion of new products and new businesses

### IoT Forklift Service<sup>※1</sup>

HOKURIoT<sup>TM</sup> (HOKURIO)<sup>※2</sup> contributes to “safe and secure” society.

#### Business Opportunities

- Growing need for safety and security to prevent accidents
- Addressing labor shortages and improving operational efficiency

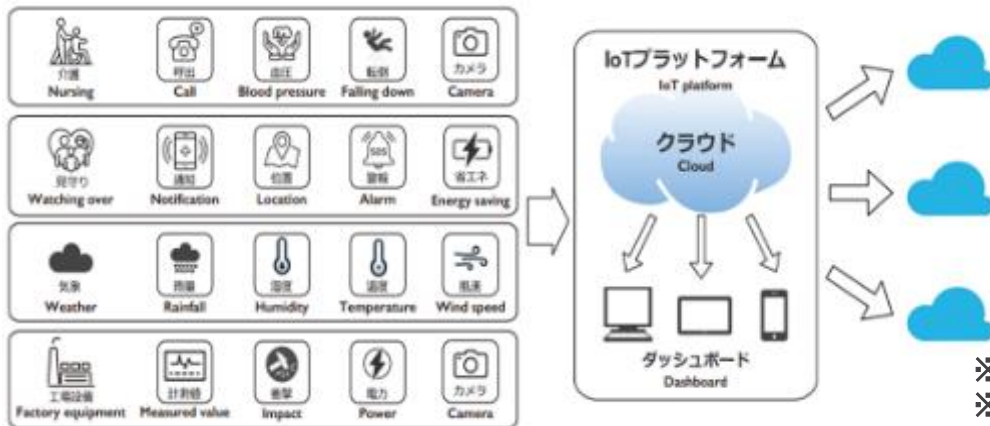


Solution

Support accident prevention measures and improving operational efficiency by detecting dangerous driving and monitoring operational status

#### Product Features

Total support from terminal design to software development and cloud maintenance

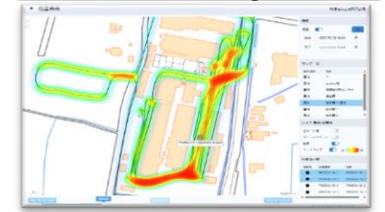


#### ForkMate<sup>TM</sup> <sup>※3</sup>

Measuring devices

Monitoring devices

Location history screen



- Developing a service that can be easily installed as a retrofit
- Contributing to accident reduction and safe driving instruction
- Total solution support by subscription

※1 This service has been jointly developed and is provided in collaboration with Mitsubishi HC Capital, Inc.

※2 HOKURIoT<sup>TM</sup> (HOKURIO) is a registered trademark (pending) representing our IoT solutions.

※3 ForkMate<sup>TM</sup> is a registered trademark (pending) representing our IoT solution services for forklifts.

### 2) Promotion of new products and new businesses

#### ■ Ultrasonic sonar system

#### Contributions to “Safe and Secure” Society through Solution Proposals

##### Business Opportunities

- Promote and expand the use of safety devices that prevent vehicle accidents
- Mandatory installation of Devices for means of rear visibility or detection. (Ministry of Land, Infrastructure, Transport and Tourism)



#### Solution

Detect the distance to obstacles using ultrasonic sensors and alert the driver via on-screen display and audible alarms

##### Product Features

Hardware (sensor) + software design can be utilized and provided as a sonar system.



Ultrasonic sensor



Control unit



Monitor

- Easily retrofitted for installation
- Flexibly respond to diverse customer needs by starting from software design
- Support for high robustness and durability

## 2. Management and Business Strategy

### 【Strategic Product Topics】



## 2) Promotion of new products and new businesses

### ■ Broadband piezoelectric buzzer

#### Business Opportunities

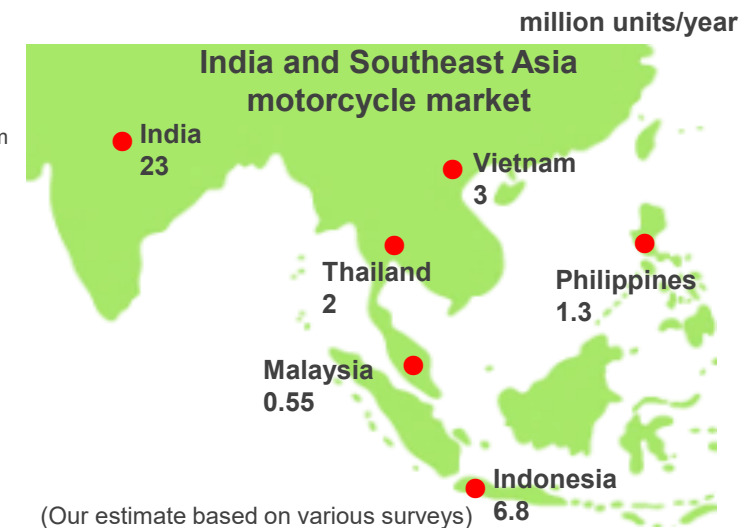
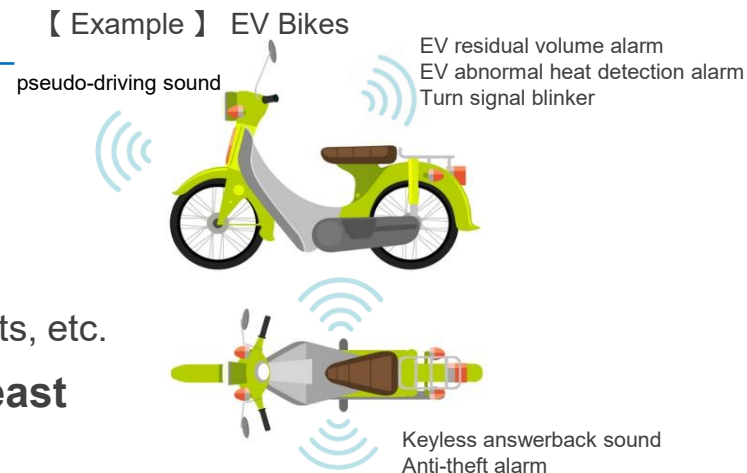
##### ■ Electrification of mobility, power saving

- Compact, lightweight, power-saving

##### ■ Diversified needs for pronunciation functions for mobility

- Variety of sounding, Warning tones for proximity alerts, etc.

##### ■ Expanding demand in the Indian and Southeast Asian motorcycle markets



#### Product Features

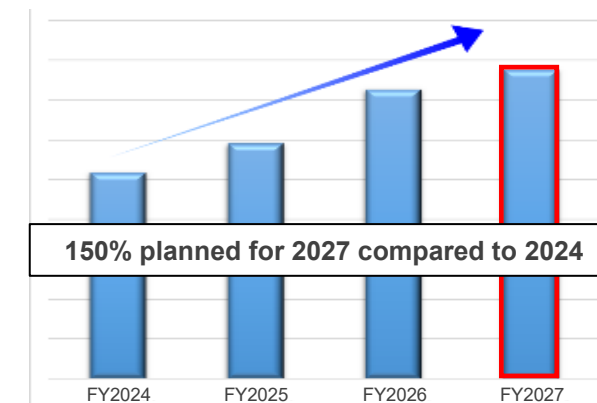
Developing the world's first Piezoelectric Buzzer with a broadband frequency (scheduled for release in FY2026)

- **High sound pressure** ※Can sound a loud alarm.
- **Broadband** ※Capable of sounding melody, voice, and other chords
- **Compact, lightweight**
- **Conservation of electric power**

Product appearance image (Under development)



Answer-back buzzer sales plan for motorcycles (Including Broadband piezoelectric buzzers)



## 2. Management and Business Strategy

### 2) Promotion of new products and new businesses

#### [Strategic Product Topics]

### ■ Compact high power chip resistors PCR06

#### Business Opportunities

##### ■ Demand trends for automotive resistors

- Increased demand for resistors due to the shift to SDV in automobiles

##### ■ Need to reduce space due to increase in ECUs as automobiles become more electronically controlled

- Increased demand for smaller ECU

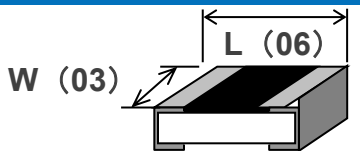
##### ■ Pulses applied to components increase as circuits evolve

- Increased demand for smaller size and higher power



#### Product Features

Equivalent characteristics to conventional 10 and 05 sizes can be realized in 06 and 03 sizes!  
(Scheduled for release in November 2025)



Conventional CR06

Rated power  
0.05W  
Maximum working  
voltage  
25V

(Technical Evolution)

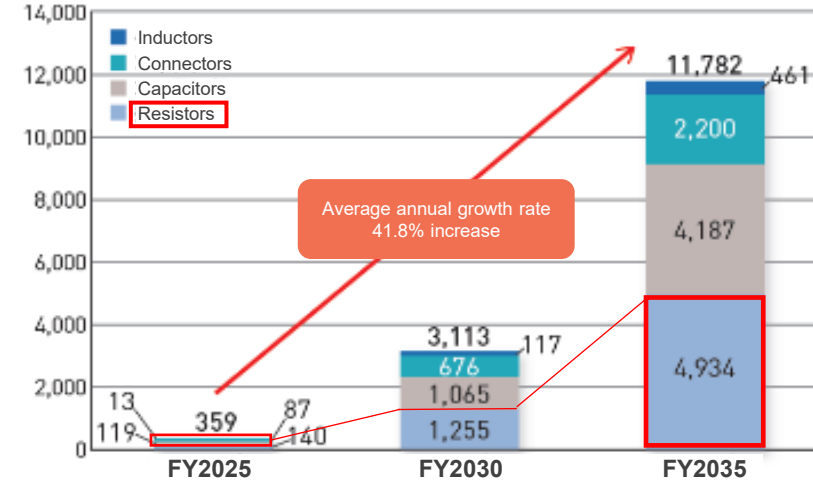
- Resistive element materials and patterns
- Trimming shapes, etc.

#### New PCR06

Rated power  
0.1W  
Maximum working  
voltage  
50V

SDV Electronic Components Demand Forecast by Type (Global)

[ Millions of dollars ]



Average annual growth rate  
41.8% increase

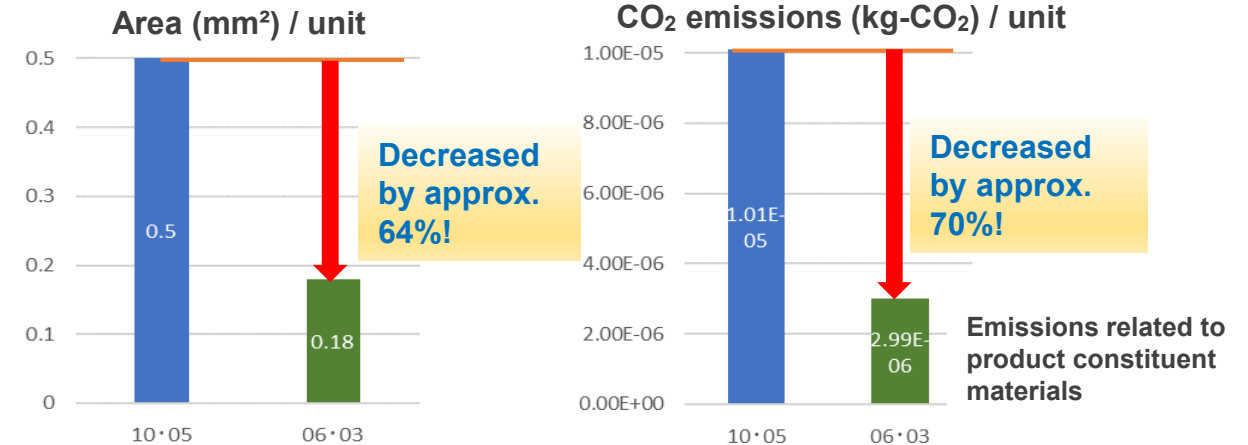
After 2025, the demand for resistors will increase 35-fold in 10 years due to SDV

Source: JEITA. (2024). Chūmoku bun'ya ni kansuru dōkō chōsa 2024 [Survey on Trends in Key Fields 2024].

※SDV : Software Defined Vehicle

Vehicles with software-defined and updateable vehicle functions and performance

#### Environmental Contribution Value



Decreased by approx. 64%!

Decreased by approx. 70%!

Emissions related to product constituent materials

II

# PLAN2027

## Basic Policy

- ① Evolution of core businesses
- ② Promotion of new products and new businesses
- ③ Further strengthening of management base

## 2. Management and Business Strategy

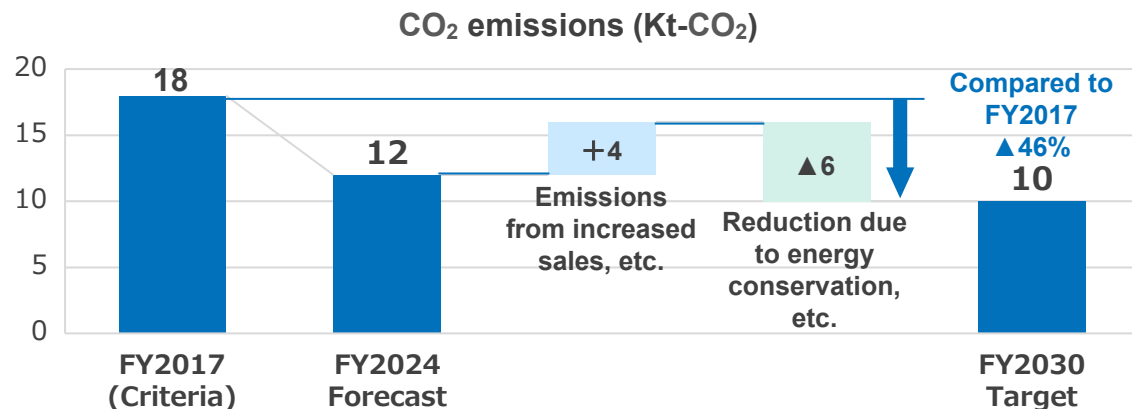
### 3) Further strengthening of management base

#### ■ Addressing Climate Change and Environmental Challenges

##### Reduction of CO<sub>2</sub> emissions (in Japan)

Promote initiatives to reduce 40% in FY2027 and 46% in FY2030 compared to FY2017

##### Reduction of CO<sub>2</sub> emissions



Continue various initiatives with medium-term CO<sub>2</sub> reduction targets

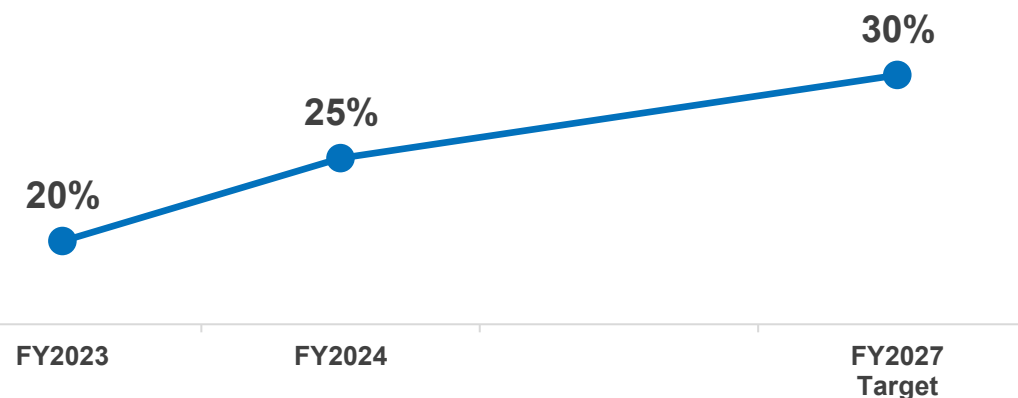
##### Major Initiatives

- Promote energy conservation
- Fuel conversion
- Productivity improvement
- Promote expansion to global locations

##### Expansion of environmentally friendly products

Target for FY2027: 30% sales ratio of environmentally friendly products

##### Sales ratio of environmentally friendly products



Promote sales expansion of product lines that contribute to CO<sub>2</sub> reduction, energy conservation, and reduction or elimination of environmentally hazardous substances

##### Target Products

- Products for electrification in mobility (modules, resistors, etc.)
- Various sensors (pressure sensors, humidity sensors, thermistors, etc.)
- Compact high-power chip resistors
- IoT solution systems, etc.

## 2. Management and Business Strategy

### 3) Further strengthening of management base

#### ■ Promotion of human capital management



## 2. Management and Business Strategy

### 3) Further strengthening of management base

#### ■ Human resource strategy initiatives linked to business strategy

Priority Themes	Initiatives	Actions in PLAN2027
Appropriate staffing	Securing human resources	Strategic execution of acquisition and placement of human resources linked to business strategy
	Promote the right person for the right place	Staffing to encourage individual challenges
Human resource development	Career development support	Strengthening the development of highly specialized human resources
	Expansion of training opportunities	Developing next generation leaders
	Promotion of women's activities	Ratio of female managers 6.5% in FY2024 → 8% in FY2027 Reinforcement of promotion by director in charge
Diversity and Inclusion	Expand hiring of experienced personnel	Based on employment ratio: 30% or higher
	Promotion of silver age activities	Review of employment conditions for those over 60 years old Promotion of passing on skills to the next generation

Aiming to improve employee Well-being and foster a culture that encourages employees to take on new challenges



■ Improve employee engagement

Engagement Score FY2024 67% → FY2027 70% or higher

## 2. Management and Business Strategy

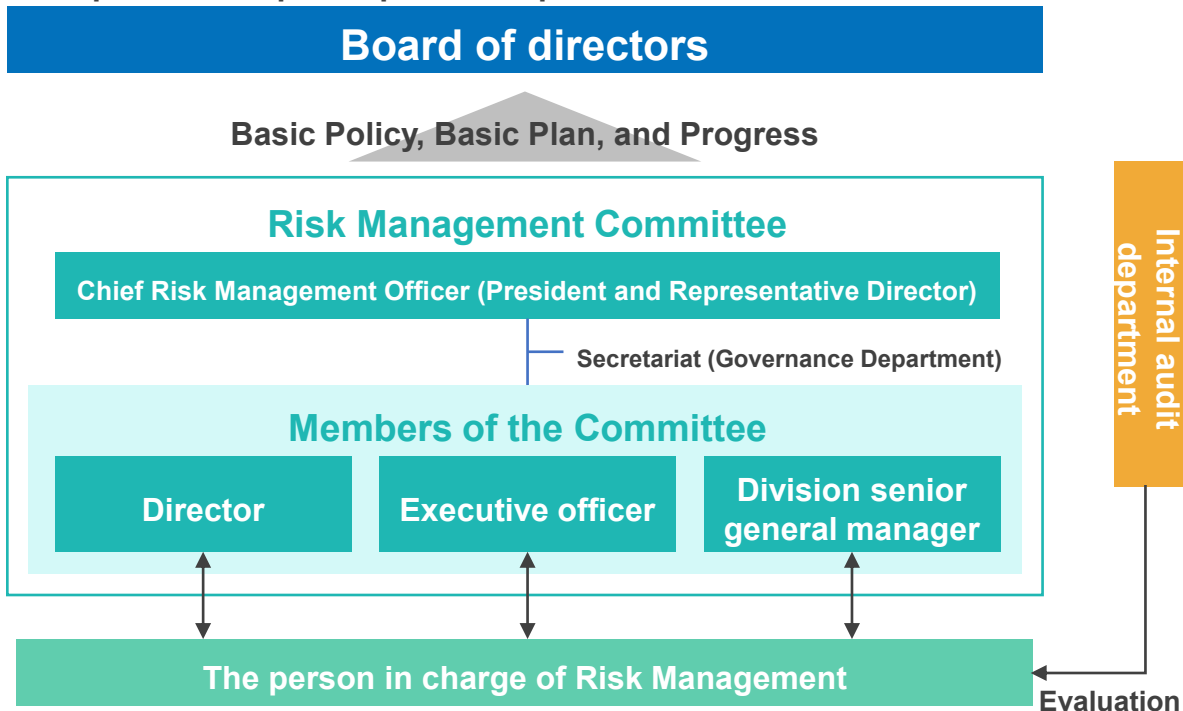
### 3) Further strengthening of management base

#### ■ Continuous improvement of risk management

Identify, analyze, and evaluate risks and promote activities to prevent, mitigate, and minimize risks

#### Risk Management System

- The President and Representative Director shall be responsible for overall risk management, and the Risk Management Committee shall meet as appropriate.
- Report risk response plans and performance to the board of directors



#### Significant Risks (excerpts)

- Visualize risk through annual risk identification and evaluation selection
- Develop a risk response plan and steadily implement the risk management activity cycle

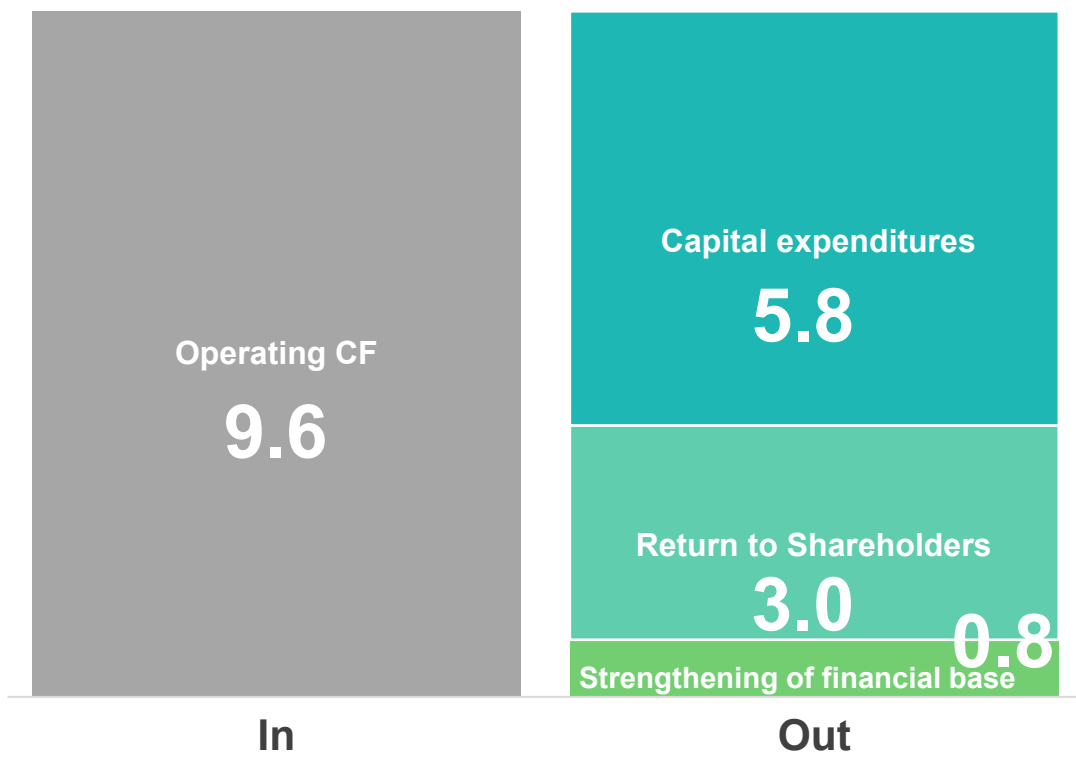
Broad category	Type of risk	Risk
External factors	Non-financial risk	Climate change risk
		Overseas business expansion risk
	Financial risk	Customer credit risk
		Economic volatility risk
Internal factors	Strategy risk	Marketing and Product development risk
		Regulation and compliance risk
	Operational risk	Product quality risk
		Information security risk
		Infectious disease risk

# 3 . Capital Allocation

- By generating stable operating cash flow, we will promote investment in new products and growth of core businesses. And aiming to sustainably increase corporate value through enhanced shareholder returns.

## PLAN2027 (billion yen)

FY2025~FY2027



### Capital expenditures

- Growth investment in new products
- Maintain and expand core businesses base
- Expand global production capacity
- Sustainability investment

### Return to Shareholders

- Dividends with target DOE of 3% or higher and payout ratio of 35%
- Purchase of treasury shares

### Strengthening of financial base

- Reduction of Interest-bearing debt by securing operating cash flow
- Improvement of Equity ratio

# ***HOKURIKU ELECTRIC INDUSTRY CO., LTD***

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