

May 12, 2023
Hokuetsu Corporation

The Formulation of the New Medium-term Management Plan

The Hokuetsu Group (the “Group”) announces the formulation of a new Medium-term Management Plan, as detailed below.

1. Name of the Plan

Medium-term Management Plan 2026

2. Period

April 1, 2023 through March 31, 2026 (3 years)

3. Target Consolidated Management Indicators (FY2025)

Net sales:	¥330 billion
Operating profit:	¥20 billion
Ordinary profit:	¥24 billion
Profit attributable to owners of parent:	¥20 billion
ROE:	8.0%
EBITDA:	¥39 billion

4. Investment Plan

Total Investment: ¥110 billion

(Growth and improvement investment: ¥30 billion; Maintenance and renewal investment: ¥40 billion; Strategic investment: ¥40 billion)

5. Basic Policy

■ Shift business portfolio

- We will pioneer new core businesses to further accelerate our business portfolio shift, with the aim of the continuous growth of the Group.
- We will strive to expand our growth operations by exploring new businesses in Japan and overseas, promoting M&A, and developing new products that meet our customers’

- needs.
- Strengthen competitiveness in three areas
 - We will further strengthen our competitiveness in the three areas of “costs,” “the environment” and “safety,” and pursue a safe and stable production system that ensures profitability even within the contraction occurring in the domestic printing and communication paper market.
 - Above all else, by further improving our industry-leading environmental competitiveness, we will solidify our position as the papermaking company group chosen by customers.
 - Promote sustainability (ESG) activities
 - We will promote responses to climate change, and the development of eco-friendly products.
 - As a people-oriented company, we will promote diversity and work-style reforms, and build a resilient organization by promoting human capital management and business activities that respect human rights.
 - We will strive to enhance our corporate governance, including by strengthening our risk management system.

The details will be published on our website in May 2023.