

**HOKKAN
GROUP**

HOKKAN HOLDINGS LIMITED

FYE Mar. 31, 2024

Term-end Results Briefing Material

June 10, 2024

Business Results

Unit: Billions of yen

	FY2023 (ended Mar. 31, 2024) Actual Results	FY2022 (ended Mar. 31, 2023) Actual Results	YoY Change	Beginning Estimate Released on May 12, 2023	Latest Estimate Released on Mar. 1, 2024
Net sales	90.9	93.6	-2.9%	95.0	90.7
Operating profit/loss	4.3	-0.4	—	2.4	4.3
Ordinary profit	5.0	0.3	+1,421%	2.8	4.9
Profit attributable to owners of parent	2.7	-2.0	—	1.3	2.9

Overview of the Fiscal Year

The economy started to recover gradually as a result of the normalization of economic activities, such as the increased flows of people and number of tourists, and a pickup in employment and income levels.

The ongoing depreciation of the yen, the continuously high raw material and energy costs associated with the prolonged Ukraine crisis, financial and capital market fluctuation risk, and uncertainties around the Chinese economy are all factors contributing to concerns about an economic slowdown.

The soft drink market experienced a boost in sales of sports drinks and mineral water due to an unprecedented heat wave as well as favorable and warm autumn weather, which extended into November and December. However, price increases resulted in sluggish sales of large PET bottles of coffee drinks and unsweetened tea beverages, with growth primarily seen in undervalued PB products, leaving the industry's overall performance on par with the previous year.

- Net sales: Sales saw a decline, but excluding the effects of discontinuation of the beverage can business (5.3 billion yen), there was an increase in sales from the previous year, driven by price increases and other factors.
- Operating profit/loss: Price pass-through progressed. Raw material and energy costs, while still high, were lower than anticipated and depreciation expenses were reduced, which led to a substantial profit growth from the previous year.
- Ordinary profit: Non-operating profit was 1.1 billion yen, while non-operating expenses were 0.5 billion yen.
- Profit attributable to owners of parent: Extraordinary loss of 1.7 billion yen, income taxes of 0.5 billion yen, and profit attributable to non-controlling shareholders of 0.2 billion yen, compared to extraordinary income of 0.1 billion yen.

Key Measures Implemented in FYE Mar. 2024

The following are the key measures implemented based on the Company-wide strategy under the medium-term management plan “VENTURE-5.”

VENTURE-5 Company-wide Strategy	Key Measures
<p>1. Optimization of human resources In order to optimize our human resources, which is the source of growth, we will establish appropriate personnel and education system, and invest actively to secure the best human resources who can contribute to creating value.</p>	<ul style="list-style-type: none"> Facilitated mid-career recruitment Integrated personnel appraisal system throughout the Group (Hokkan HD, Hokkai Can, and Nihon Canpack)
<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"> Factory relocation in line with Hokkai Can’s withdrawal from the beverage can business (due to the closure of its Iwatsuki Factory, can (for powdered milk, aerosol, etc.) manufacturing facilities, as well as relevant divisions (incl. the Research Institute) within the premises were transferred to Gunma area) Construction of a warehouse by Nihon Canpack (the 1st phase, approx. 1.7 billion yen) aimed at reducing the cost of third-party warehouses and transportation costs; expected to complete in Jan. 2025 Sale of Cosme Science shares (withdrawal from the contract-based cosmetics manufacturing business)
<p>3. Expansion of Global Business We will accelerate our business investment in emerging countries primarily in Southeast Asia to expand our sales and profit.</p>	<ul style="list-style-type: none"> Capital increase by Hokkan Deltapack Industri (approx. 0.6 billion yen) Production line increase by Hokkan Indonesia (approx. 7.1 billion yen) Installation of additional aseptic filling lines for soft drinks; to be put into operation in May 2026
<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"> Carried out researches on start-up companies in new and peripheral business areas Surveyed and examined different industries Selected capitalists who have deep knowledge in start-up management as candidates for outside directors

Key measures implemented in FYE 3/31/2024

Construction of own warehouse by Nihon Canpack (Phase I)

1. Background and Objectives

- (1) Increased retention days of filled products
- (2) Increase in the number of products subject to stricter stacking restrictions than before => increase in the required warehouse floor space

Increased use of third-party warehouses due to the above reasons

=> Difficulties in finding warehouses in the neighborhood and soaring rents, forcing the use of warehouses in distant locations

- (1) Increased rent for warehouses
- (2) Increased costs due to longer transportation distances
- (3) Transportation costs will increase in the future due to a shortage of drivers and reforms in the logistics industry's work style

=> Reduce third-party-warehouse-related costs by building own warehouse
 Reduce greenhouse gas emissions by reducing transportation distances

2. Overview of capital investment

Item	Summary
Location	Irikaya, Meiwamachi, Oura-gun, Gunma Pref. (own site adjacent to the factories of Nihon Canpack, approx. 20,000 <i>tsubo</i>)
Details of investment	Phase I: Single-story warehouse: approx. 3,000 <i>tsubo</i> (including offices, parking, etc.) *Phase II is under consideration to construct an automated warehouse.
Investment value	Approximately 1.7 billion yen
Expected launch	January 2025

Key measures implemented in FYE 3/31/2024

Sale of Cosme Science shares (withdrawal from contract-based cosmetics manufacturing business)

1. Background and Objectives

The transferor Cosme Science is a contract-based cosmetics manufacturer. It had minimal synergy with the Group's existing businesses and had seen stagnant operating income.

During a review of its business portfolio looking ahead to the future, we were contacted by the transferee, who excelled in marketing strategies for the cosmetics business, regarding share transfer.

After careful discussions, we came to the conclusion that it would be desirable for both our Group and the transferee to allow the transferee take control of the business and pursue its growth strategy. As a result, we transferred all shares to the transferee.

2. Overview

Date of transfer: March 29, 2024 (The transferor was excluded from the scope of our consolidation as of the same date.)

Transfer price: Not for disclosure due to intra-party agreement

Item	Transferor	Transferee
Company name	Cosme Science Co., Ltd.	Sonotas Corporation
Address	1-2-27 Ukima, Kita-ku, Tokyo	2-13-34 Konan, Minato-ku, Tokyo
Business lines	Development and contract manufacturing of cosmetics	Manufacturing, sales, and export/import of cosmetics
Capital	80 million yen	50 million yen
Foundation	November 1984	October 2006

Key measures implemented in FYE 3/31/2024

Installation of an additional production line in Hokkan Indonesia

1 . Background and Objectives

Indonesia is the largest market in Southeast Asia with the world's fourth largest population. It is also a promising market with the potential for further population and associated economic growth. Recently, its post-pandemic market has shown a quicker and more substantial recovery than anticipated, with a noticeable surge in the domestic soft drink market.

Along with requests for increased production from current customers, the Company is also experiencing an increase in new inquiries that exceed its production capacity.

=> Expand the production line from the current two lines system to three lines to capture demand from major customers.

2 . Overview of capital investment

Item	Summary
Location	Jalan Raya Ciawi Sukabumi (Bitung Sari) KM.3, Ciawi, Bogor, Indonesia (within the premises of Hokkan Indonesia)
Details of investment	Aseptic filling line for beverages
Investment value	750 billion Indonesian rupiahs (Approximately 7.1 billion yen)
Expected Launch	May 2026

Net Sales and Operating Profit (Loss) by Segment

Billions of yen

	Net Sales			Operating Profit/Loss		
	FYE 3/31/2024	FYE 3/31/2023	YoY Change	FYE 3/31/2024	FYE 3/31/2023	YoY Change
Container Business	31.6	35.6	-11.2%	1.6	-1.2	—
(Share of total sales)	(34.8%)	(38.0%)				
Filling Business	38.1	37.5	+1.6%	2.9	1.6	+76.0%
(Share of total sales)	(42.0%)	(40.1%)				
Global Business	17.0	15.4	+10.0%	1.2	0.7	+64.9%
(Share of total sales)	(18.7%)	(16.5%)				
Other	4.1	5.0	-17.7%	0.3	-0.0	—
(Share of total sales)	(4.5%)	(5.3%)				
Adjustments (incl. intra-Group transactions)	—	—	—	-1.8	-1.6	—
Total	90.9	93.6	-2.9%	4.3	-0.4	—

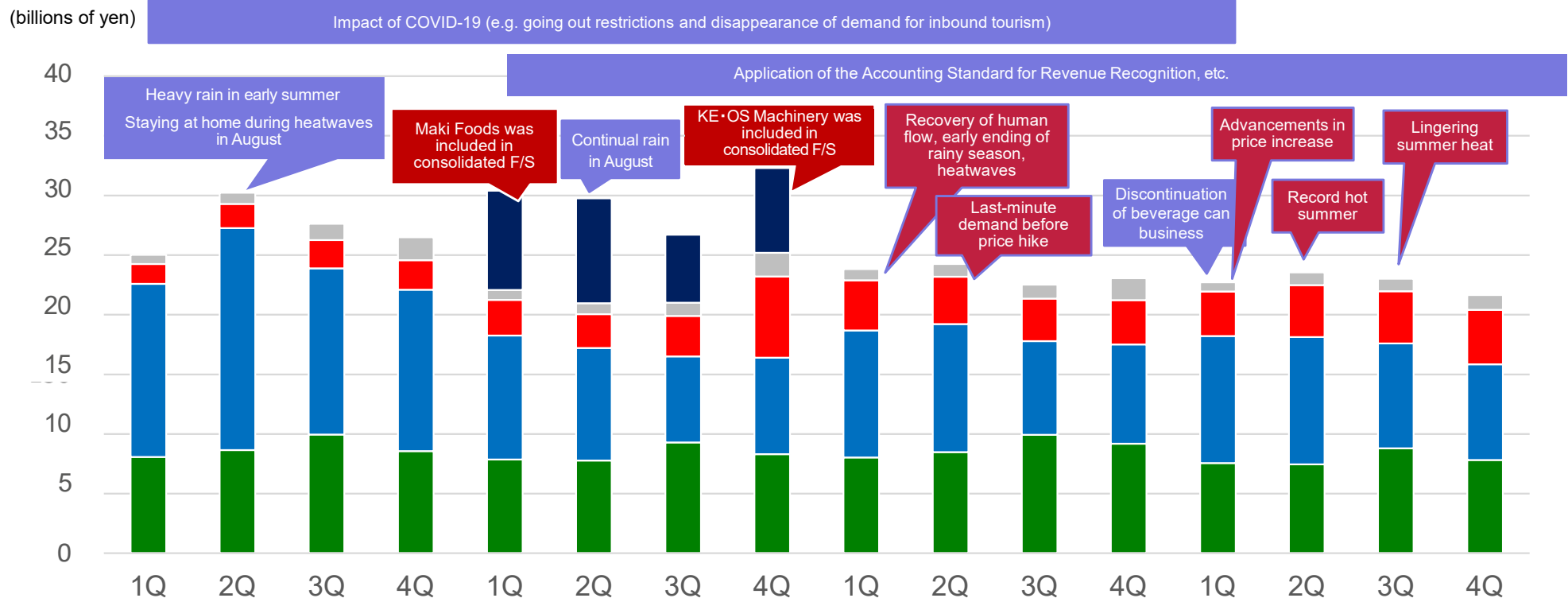
* As a result of the segmentation changes, the former Machinery Production Business is now included in the Other businesses category. The same applies hereinafter.

Factors Impacted Net Sales



Changes in Net Sales

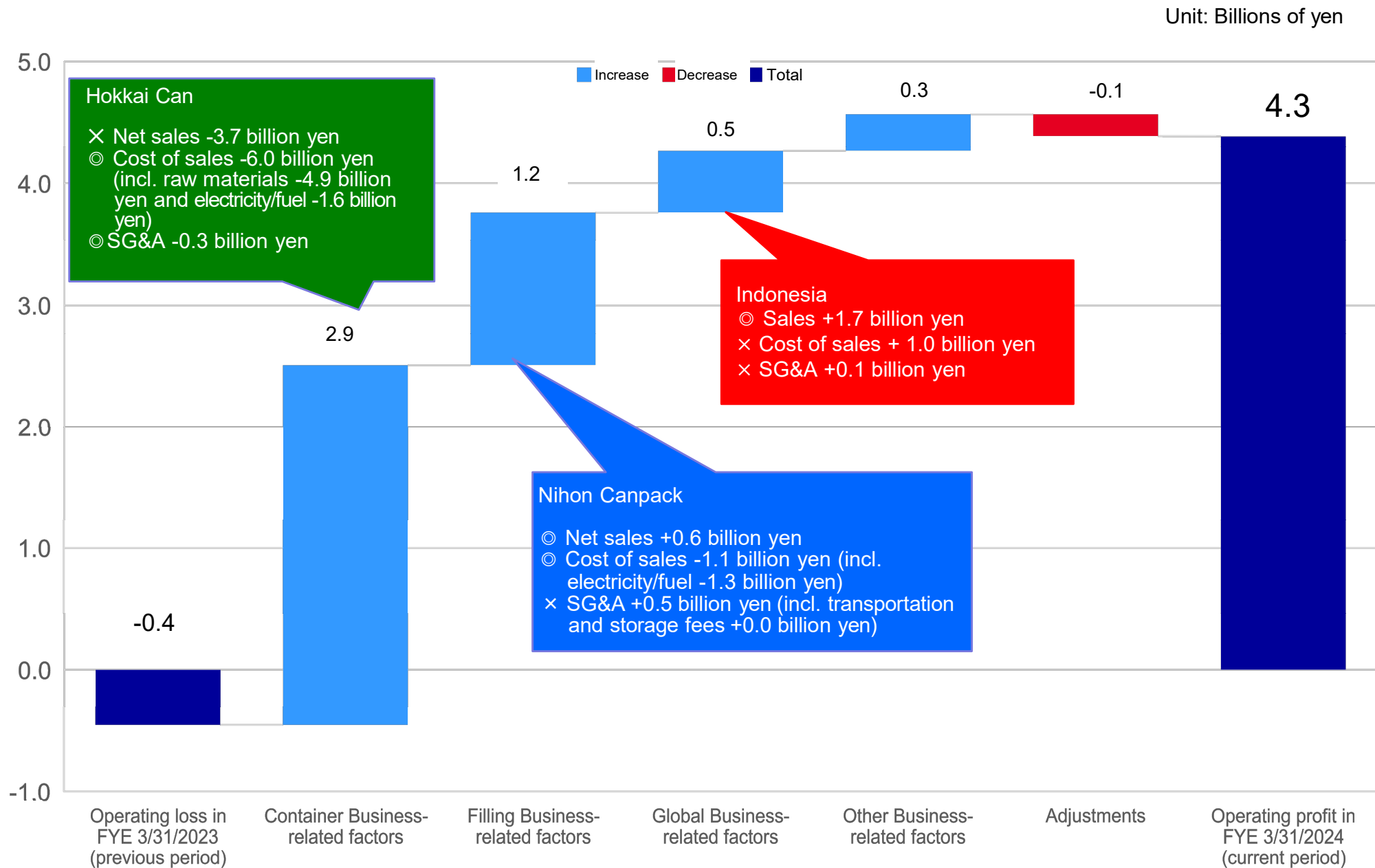
The Hokkan Group's core businesses—filling business and drink container manufacturing business—are affected by climate temperature each year. Sales in FYE 3/31/2024 decreased compared to the previous year as a result of discontinuation of the beverage can business in the containers segment. However, excluding the impact of the discontinuation in the previous fiscal year, sales saw a 2.6 billion yen increase (+3.0%) year-on-year, attributed to the recovery of human flow, the effects of a record-breaking hot summer, and advancements in price increases.



	FYE 3/31/2021		FYE 3/31/2022		FYE 3/31/2023		FYE 3/31/2024	
	1H	Full year	1H	Full year	1H	Full year	1H	Full year
Consolidated net sales (Billion yen)	55.2	109.3	43.0 (-17.1 billion yen)	86.3 (-29.9 billion yen)	48.0	93.6	46.2	90.9
YoY (%)	-18.7	-14.4	YoY changes are not shown due to the adoption of the Accounting Standard for Revenue Recognition, etc., whose impact is stated in the parentheses		+11.7	+8.5	-3.8	-2.9

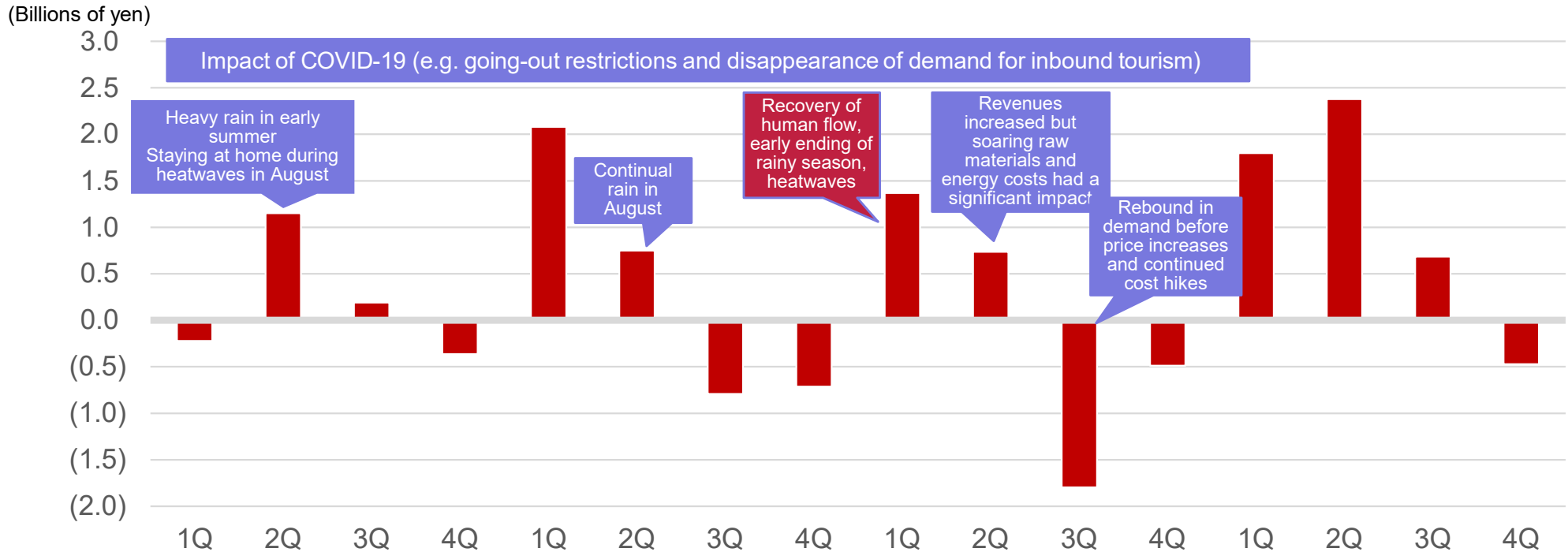
■ Container ■ Filling ■ Global ■ Other ■ Effects of Accounting Standards

Factors Impacted Operating Profit



Changes in Operating Profit (Loss)

Significantly affected by the soft drink demand during summer season, the Group earns most of its operating profit within the first half. For the fiscal year ended March 31, 2024, despite ongoing high costs and yen depreciation, operating profit saw a substantial rise, primarily driven by improvements in price optimization and a reduction in depreciation expenses following the discontinuation of the empty beverage can business and the report of impairment losses in the previous year.



	FYE 3/31/2021		FYE 3/31/2022		FYE 3/31/2023		FYE 3/31/2024	
	1H	Full year	1H	Full year	1H	Full year	1H	Full year
Consolidated operating profit (loss) (Billion yen)	0.9	0.7	2.8 (-0.0 billion yen)	1.3 (+0.1 billion yen)	2.1	-0.4	4.1	4.3
YoY Change (%)	-81.2	-88.0	+203.9	+74.4	-25.6	-	+98.4	-
Operating profit margin (%)	1.7	0.7	6.6	1.5	4.4	-	9.0	4.8

Note: Figures in parentheses denote the impact of the adoption of the Accounting Standard for Revenue Recognition, etc.

Consolidated Balance Sheet

Billions of yen

Item	3/31/2024	3/31/2023	Difference	Item	3/31/2024	3/31/2023	Difference
Current assets	55.5	50.9	+4.5	Liabilities	73.1	74.3	-1.1
Cash and deposits	12.8	10.1	+2.6	Current liabilities	37.8	40.5	-2.6
Trade and other receivables	29.3	27.6	+1.6	Notes and accounts payable	16.3	16.6	-0.2
Inventories	10.2	9.5	+0.7	Short-term borrowings	11.9	13.6	-1.6
Other	3.1	3.5	-0.4	Other	9.5	10.2	-0.7
Non-current assets	78.5	78.2	+0.2	Non-current liabilities	35.3	33.8	+1.5
Property, plant and equipment	55.6	57.9	-2.2	Long-term borrowings/bonds	29.3	27.3	+2.0
Buildings and structures	17.1	18.9	-1.8	Other	6.0	6.5	-0.5
Machinery and vehicles	15.7	17.4	-1.7				
Land	18.6	18.6	-0.0	Net assets	60.8	54.8	+5.9
Other	4.1	2.7	+1.3	Shareholders' equity	47.7	45.5	+2.2
Intangible non-current assets	6.8	6.6	+0.2	Accumulated other comprehensive income	8.2	5.0	+3.2
Investments and other assets	16.0	13.7	+2.2	Non-controlling interests	4.8	4.2	+0.5
Total assets	134.0	129.2	+4.8	Total liabilities and net assets	134.0	129.2	+4.8
				(Shareholder equity ratio)	41.8%	39.2%	+2.6%pts

■ Main factors of change

- (Assets) Increases in cash and deposits (+2.6 bn yen), investment securities (+2.2 bn yen), trade receivables (+1.6 bn yen), etc.; Decreases in tangible fixed assets (-2.2 bn yen), deferred tax assets (-0.5 bn yen), accounts receivable-other (-0.3 bn yen), etc.
- (Liabilities) Increases in accounts payable-facilities (current liabilities + other) (+0.5 bn yen), loans (net) (+0.3 bn yen), etc.; Decreases in accounts payable-other (-1.1 bn yen), income taxes payable (-0.8 bn yen) etc.
- (Net assets) Increases in net profit attributable to owners of parent (+2.7 billion yen), valuation difference on available-for-sale securities (+1.6 billion yen), etc., foreign currency translation adjustments (+1.2 billion yen), dividend payments (-0.5 billion yen), etc.

Cash Flows

Billions of yen

	FYE 3/31/2024	FYE 3/31/2023	Difference	Main Components
Cash flows from operating activities	7.3	9.2	-1.9	Income before income taxes and others: 3.5 Depreciation and amortization: 6.3 Impairment loss: 0.8 Increase in trade receivables: -1.7 Income taxes paid: -2.1
Cash flows from investing activities	-3.8	4.0	-7.9	Purchases of PP&E: -4.1
Cash flows from financing activities	-1.2	-13.4	+ 12.2	Repayment of debt, net: -17.3 Borrowings, net: 17.5 Repayment of lease obligations: -0.7 Dividends paid: -0.5
Effect of exchange rate change on cash and cash equivalents	0.3	0.1	+ 0.2	
Net increase (decrease) in cash and cash equivalents	2.6	0.0	+ 2.5	
Cash and cash equivalents at end of period	12.8	10.1	+ 2.6	
Free cash flows	3.5	13.3	-9.8	Operating CF + Investment CF

Capital Expenditures

	Billions of yen				
	FYE 3/31/2021	FYE 3/31/2022	FYE 3/31/2023	FYE 3/31/2024	FYE 3/31/2025 (plan)
Capital Expenditures	7.1	7.2	4.1	5.2	12.1
Depreciation	7.7	7.6	7.6	6.3	6.3

FYE 3/31/2024 Results

- Container Business: Renovation of empty can manufacturing facilities, etc. 2.2 billion yen
- Filling Business: Acquisition of PET bottle filling facilities, etc. 1.0 billion yen
- Global Business: Acquisition of beverage package manufacturing facilities, etc. 1.7 billion yen

FYE 3/31/2025 Plan

- Container Business: Acquisition of empty can manufacturing facilities, etc. 3.5 billion yen
- Filling business: Construction of own warehouses, etc. 3.8 billion yen
- Global Business: Acquisition of beverage filling facilities, etc. 4.2 billion yen

FYE 3/31/2025 Full-year Projections

	Billions of yen		
	FYE 3/31/2025 projection	FYE 3/31/2024 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 (loss) attributable to owners of parent	1.9	2.7	-30.1%

■ Future Outlook

The domestic economy is expected to continue its gradual recovery thanks to active inbound demand and the effects of various policies. Yet, uncertainties persist due to weakening overseas economies, Middle East tensions, rising prices, and fluctuating exchange rates.

The business environment surrounding the Group will continue to be challenging, with the need for optimal price pass-through in response to escalating labor costs throughout the supply chain under the condition where tightening of household budgets is concerned, and the growing demand for initiatives toward realization of a sustainable society amidst difficulties in securing human resources.

➤ Net sales

While we project a bounce-back from the previous fiscal year, which saw sales well above budget thanks to the hot summer and increased human flows, our goal is to increase sales and market share by establishing a system capable of responding quickly to customers' needs.

➤ Operating profit

Operating profit is projected to decrease compared to the previous year, primarily because of yen depreciation, price increases, heightened transportation costs, increased labor costs throughout the supply chain, and increased depreciation expenses due to planned capital investments.

We aim to achieve the planned 3.5-billion-yen target under VENTURE-5 through such means as appropriately passing on any further cost increases arising from external environmental factors to prices and ensuring further cost reduction.

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

➤ We reviewed and updated our rolling medium-term business plan “VENTURE-5” (FY22-26) in May 2023.

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

Group-wide Strategy	Consolidated KPI	
<p>1. Optimization of Human Resources In order to optimize our human resources, which is the source of growth, we will establish appropriate personnel and education system, and invest actively to secure the best human resources who can contribute to creating value.</p>	<p>Operating profit</p> <p>FYE 3/31/2022 1.3 billion yen</p>	<p>FYE 3/31/2027 6.1 billion yen (5.6 billion yen before rolling)</p>
<p>2. Restructuring of Domestic Business We will sort our business in Japan by focusing on the earning power to provide high value to our customers.</p>	<p>Operating profit margin</p> <p>FYE 3/31/2022 1.5%</p>	<p>FYE 3/31/2027 5% or over (5.5% before rolling)</p>
<p>3. Expansion of Global Business We will accelerate our business investment in emerging countries, primarily in Southeast Asia, to expand our sales and profit.</p>	<p>Debt-equity ratio</p> <p>FYE 3/31/2022 1.0 times</p>	<p>FYE 3/31/2027 0.6 times or less (less than 0.9 times before rolling)</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</p> <p>FYE 3/31/2022 -2.3%</p>	<p>FYE 3/31/2027 6.5% (5.8% before rolling)</p>
	<p>Stock-related indicators (additional indicators)</p> <p>FYE 3/31/2025 Achievement of dividend growth</p>	<p>FYE 3/31/2027 Annual dividend of at least 100 yen</p>

Medium-term Business Plan

Dividend Policy (Enhanced Shareholder Returns) during VENTURE-5

Dividend policy during VENTURE-5 period

Consolidated dividend payout ratio of at least 35% and annual dividend of 45 yen or more per share

➤ FYE 3/31/2024

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

=> **We achieved the VENTURE-5 Consolidated KPIs, “Dividend increase in FYE 3/31/2025,” one year earlier than expected.**

➤ FYE 3/31/2025

A downturn is anticipated if the substantial growth seen in the last fiscal year, driven by the increased human flow 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.

➤ Our PBR increased from 0.33x at the end of Mar. 2023 to 0.42x at the end of Mar. 2024. Still, we need to improve our PBR as soon as possible as it is well below 1.0x and significantly lower than **the simple average PBR of 0.8x at 29 metal product companies** in the prime market (**0.6x at 31 companies as of the end of Mar. 2023**).

《The VENTURE-5 Consolidated KPIs》

FYE 3/31/2027

Annual dividend per share of at least 100 yen

Medium-term Business Plan

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	45.00yen	45.00yen	78.00yen	See Dividend forecast for FYE 3/31/2025
Total cash dividends	562 million yen	567 million yen	984 million yen	-
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 the periods from FYE 3/31/2022 to FYE 3/31/2023, as loss attributable to owners of parent was recorded in these periods.

➤ Year-end dividend for FYE 3/31/2024

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

Year-end dividend: **55 yen per share** (Payment start date: June 13 (scheduled))

(When combined with the interim dividend of 23 yen per share, annual dividend amounts to 78 yen.)

➤ Dividend forecast for FYE 3/31/2025

Interim dividend: 23 yen per share

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

Cross shareholdings

Policy on cross-shareholdings

When a customer requests us to cross-hold shares, we accept the request only if the customer will continue to be our customer in the future, or is a company with which we need to strengthen relationships for strategic purposes. In addition, we assess whether or not to hold each individual cross-shareholding, specifically examining whether the purpose is appropriate and whether the benefits and risks from each holding cover the Company's cost of capital.

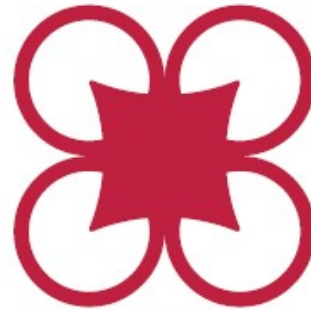
The Company will promote further reduction of cross-shareholdings during the period of the current medium-term management plan.

At least once a year, the Company's Board verifies the purpose and rationality of holding specific shares, and appropriately disposes of shares whose holding is determined to be irrational, by, for example, selling them in a sequential manner. In the FYE 3/31/2024, we disposed a listed stock (the amount recorded on B/S: 0 billion yen).

Standards on Voting Rights

With respect to the voting rights associated with cross-shareholdings, the Company has a policy of determining whether the exercise of the voting rights will lead to the issuer's sustainable growth and the improvement of mid- to long-term corporate value. We may oppose proposals that may adversely affect the issuer's financial soundness or proposals to appoint as a director a person who is responsible for an illegal act.

	Mar. 2021	Mar. 2022	Mar.2023	Mar. 2024
Number of unlisted stocks held	11	10	9	9
Amount recorded on BS (billion yen)	0.1	0.1	0.1	0.1
Number of stocks held excluding unlisted stocks	20	19	19	18
Amount recorded on BS (billion yen)	10.7	10.0	8.7	11.2



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FYE Mar. 31, 2024

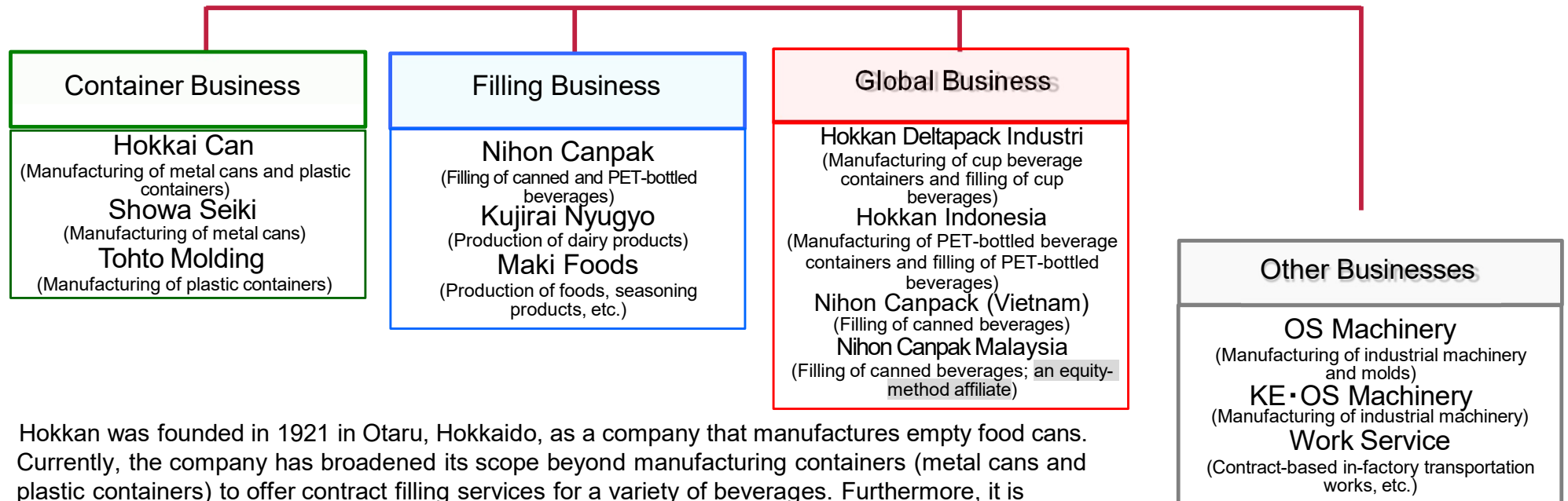
Term-end Results Briefing Material

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 Mar. 31, 2024)



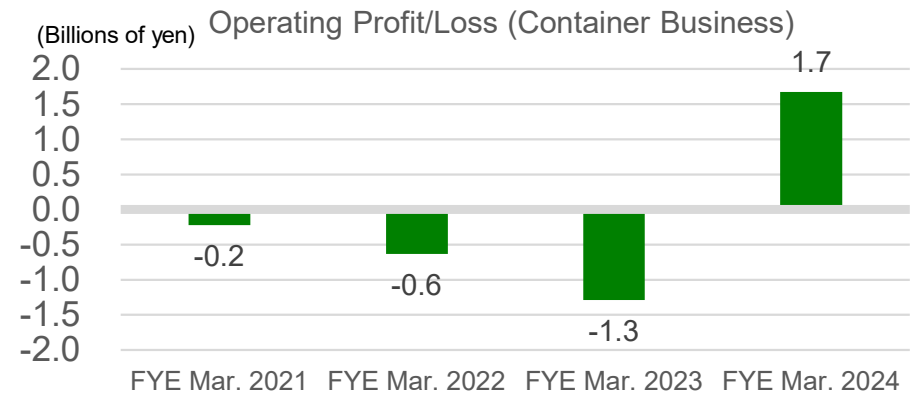
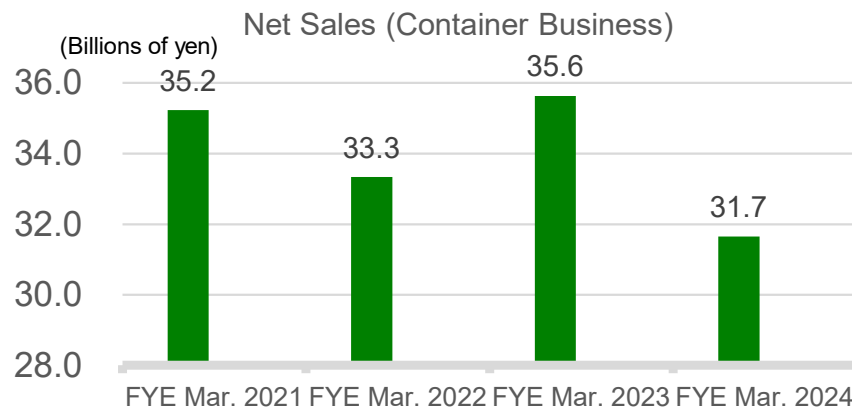
Hokkan was founded in 1921 in Otaru, Hokkaido, as a company that manufactures empty food cans. Currently, the company has broadened its scope beyond manufacturing containers (metal cans and plastic containers) to offer contract filling services for a variety of beverages. Furthermore, it is extending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

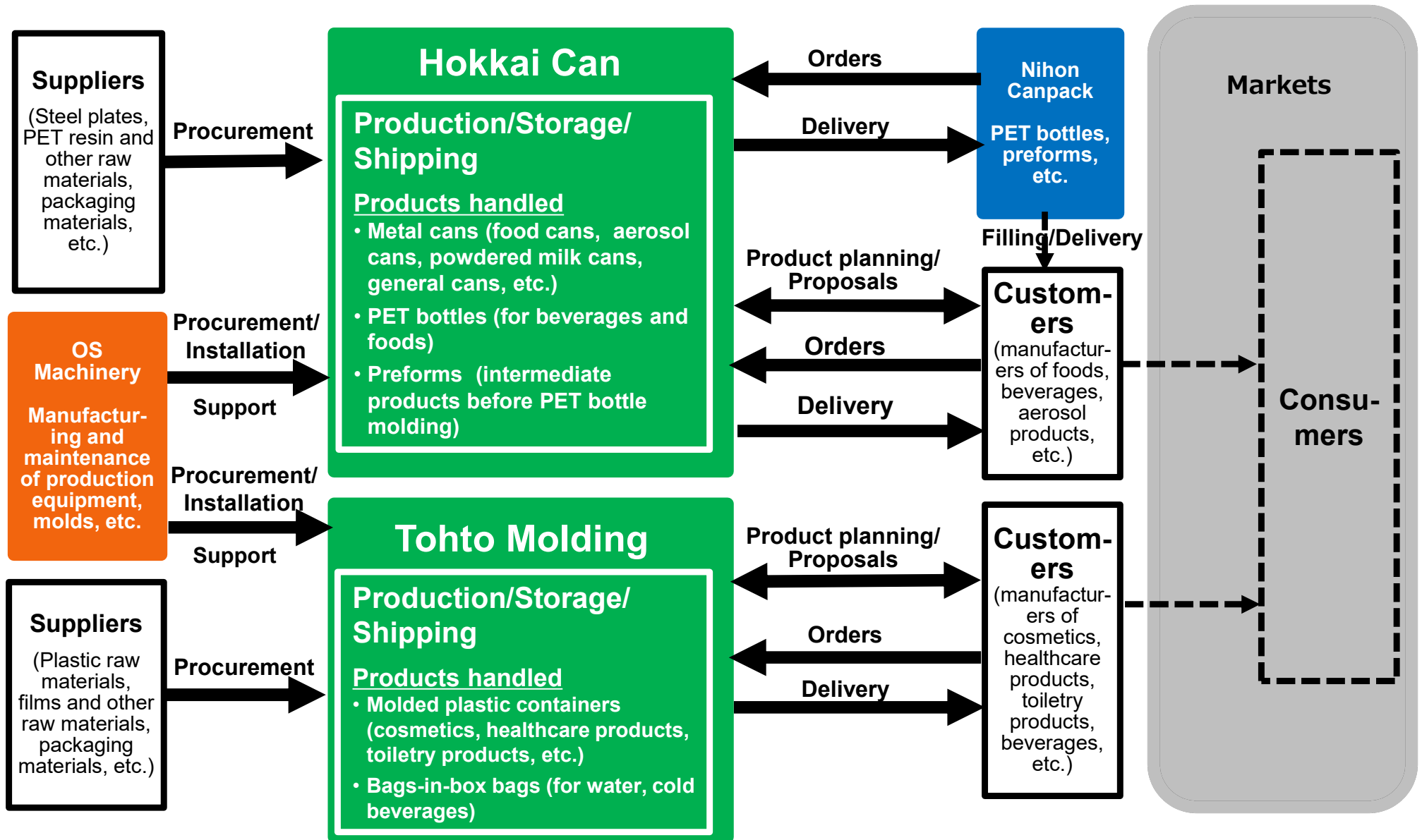
■ Container Business

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>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>
<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> 	




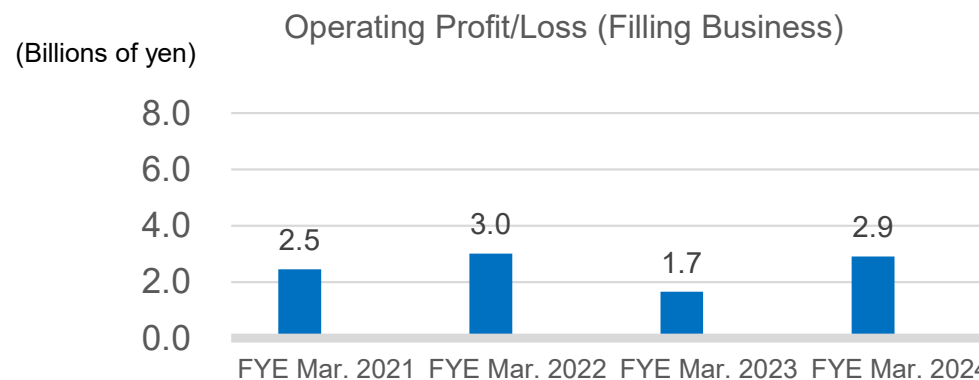
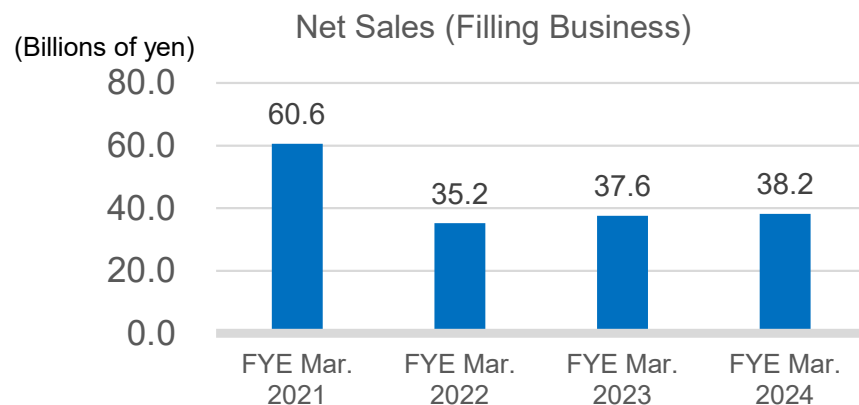
Note: The Group has adopted the Accounting Standard for Revenue Recognition, etc. from the beginning of the FYE 3/31/2022.

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



■ Filling Business

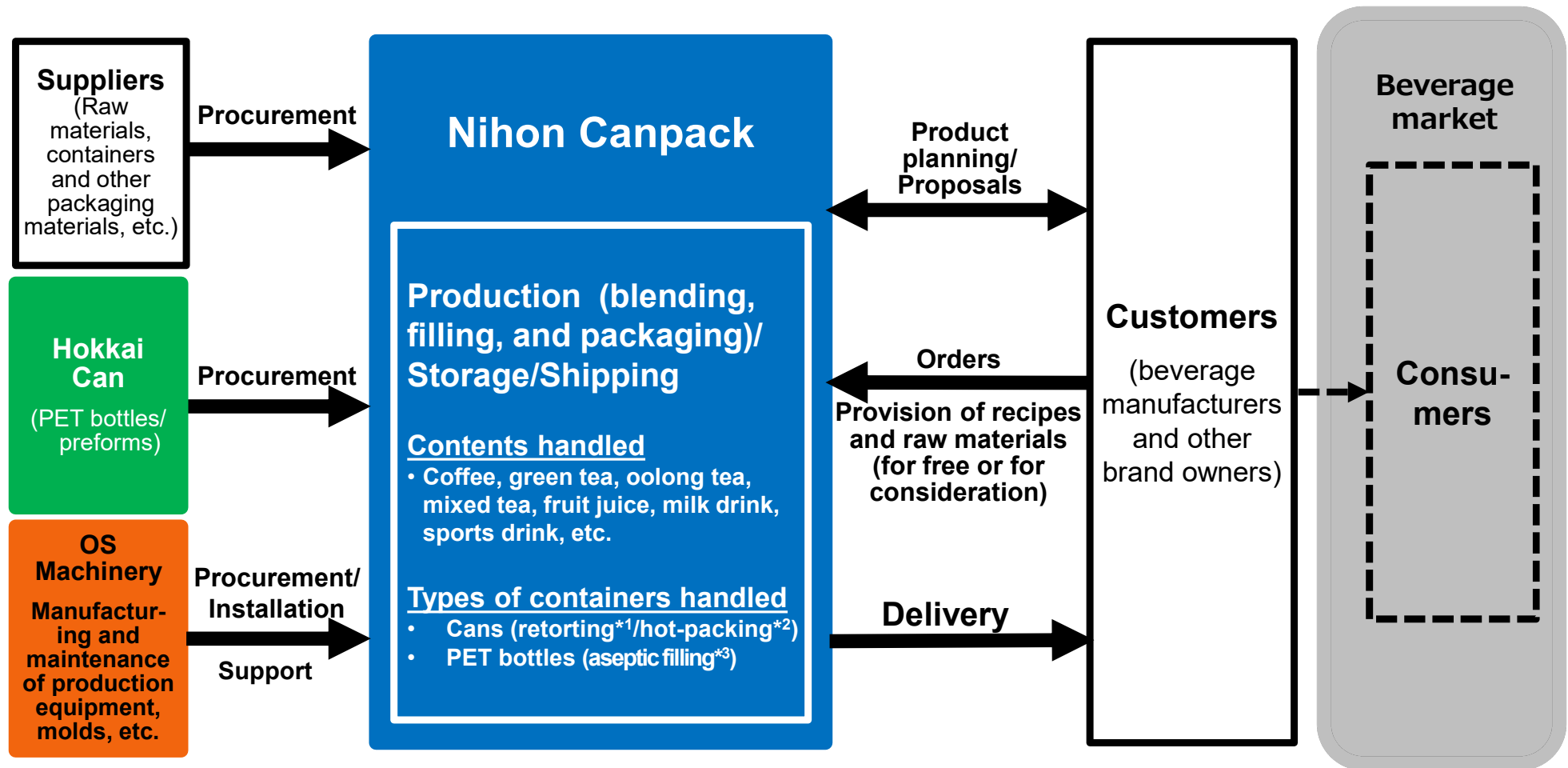
Main Products and Services	Operating Companies (Consolidated Subsidiaries)
<p>(1) Contract-based beverage filling Contract-based canned and PET-bottled beverage filling</p> 	<p>Nihon Canpack Co., Ltd. Contract-based beverage filling</p>
<p>(2) Contract-based manufacturing of foods and dairy products 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

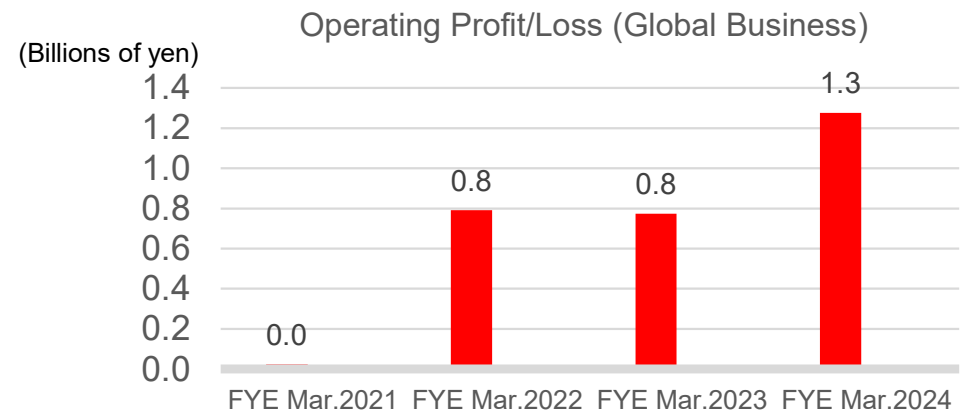
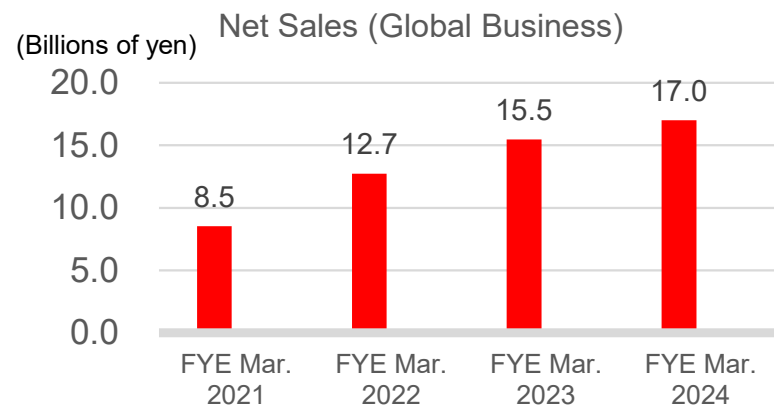
The beverage market in Japan has matured, so that it is difficult to expect more demand in the future. On the other hand, competition has been intensifying in the beverage market. In that situation, we put our priority to develop and introduce more attractive products than other competitors to take advantage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

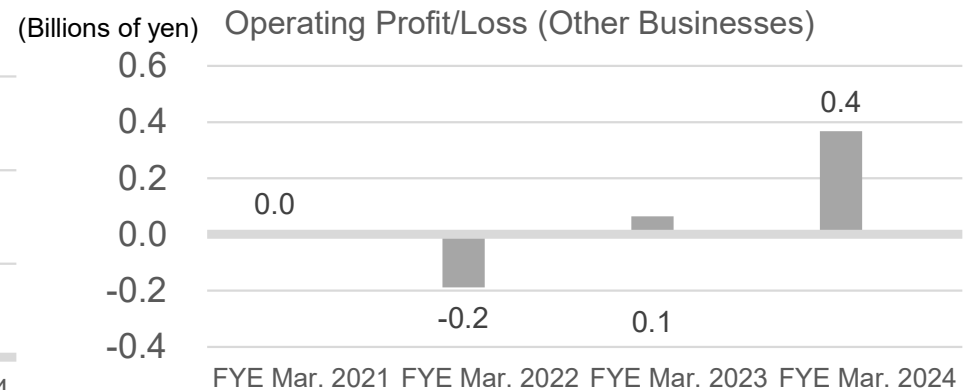
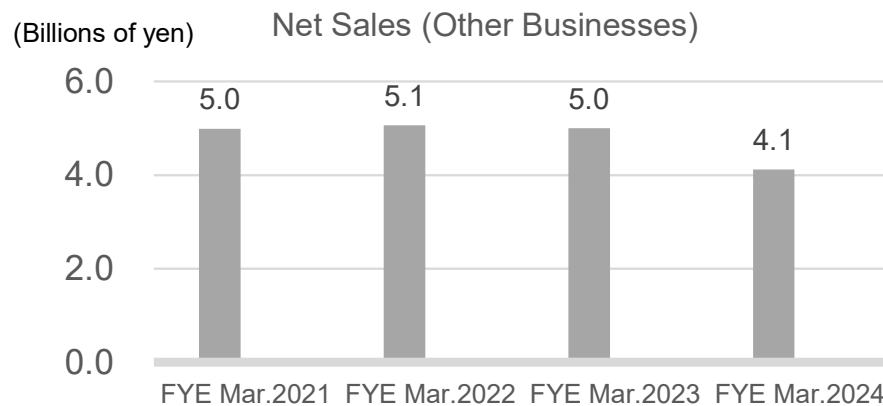
Main Products and Services	Operating Companies (Consolidated Subsidiaries)
<ul style="list-style-type: none"> Manufacturing and sale of beverage containers and contract-based beverage filling in Southeast Asia  <p>PRODUCT SAMPLE</p>  <p><small>* Product brands owned by customers of NCP (VN)</small></p>	<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.

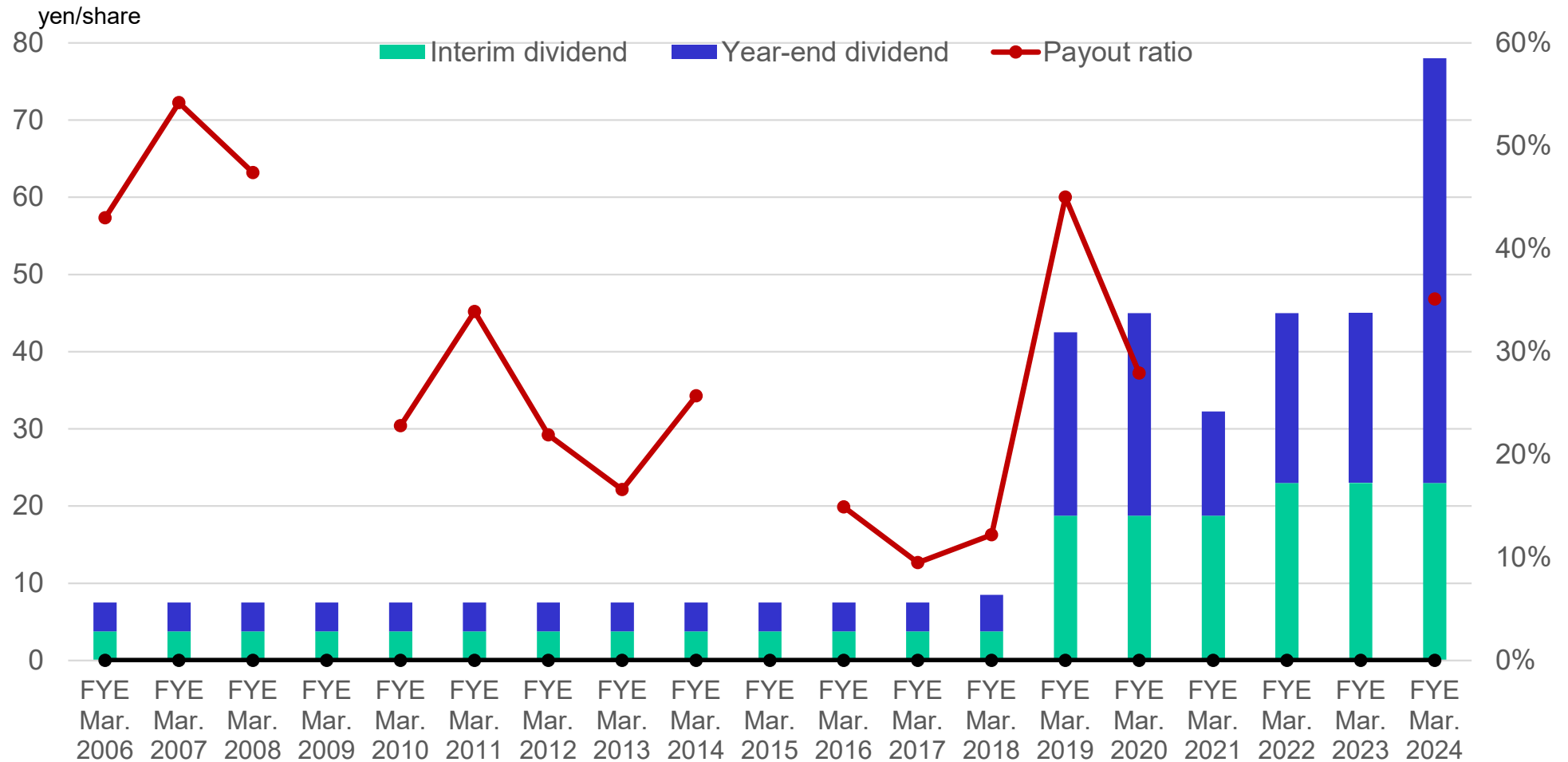
Status of Shares

Reference date	March 31, 2024	March 31, 2023
Total number of authorized shares	48,000,000 shares	48,000,000 shares
Total number of issued shares (excl. treasury stock)	13,469,387 shares (12,620,275 shares)	13,469,387 shares (12,620,452 shares)
Number of shareholders	19,933	18,669
Number of tradable shares	81,951 units	79,373 units
Tradable share market capitalization	14,900 million yen (Average daily closing price in the last quarter: 1,827.9 yen/share)	10,800 million yen (Average daily closing price in the last quarter: 1,361.4 yen/share)
Average daily trading value*	37 million yen (Apr. 1, 2023 through Mar. 31, 2024)	27 million yen (Apr. 1, 2022 through Mar. 31, 2023)
Trading share ratio	60.8%	58.9%

Note: Calculated based on the amount obtained by deducting the ToSTNeT trading value from the trading value in the Tokyo Stock Exchange's Monthly Quotations (Detailed Version).

Stock Information

Cash Dividends



Note 1: 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 the FYE 3/31/2019 above, taking the share consolidation into account.

Note 2: The dividend payout ratio is not shown for the FYE 3/31/2009, FYE 3/31/2015, and 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 our business, and to increase the number of shareholders who hold our shares for a medium- to long-term.

Details of Shareholder Benefits

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).

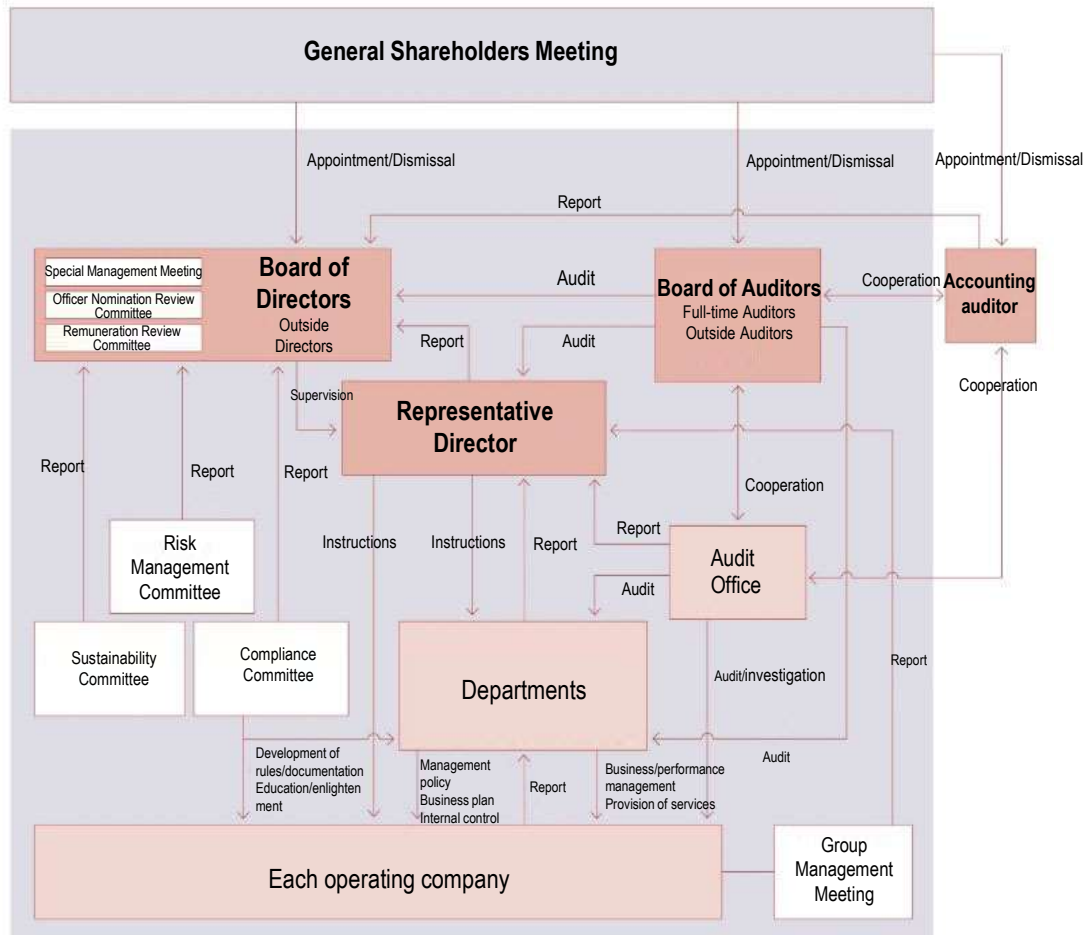
Number of shares held	Details of the gift
100 – 1,000	Assorted canned foods, etc. worth 3,000 yen
1,000 – 2,000	Assorted canned foods, etc. worth 6,000 yen
2,000 –	Assorted canned foods, etc. worth 8,000 yen

Note: 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.

Course	Outline
(1)	Assorted canned foods Canned foods filled in cans manufactured by the Hokkan Group
(2)	Assorted sweets Sweets in beautifully designed cans manufactured by the Hokkan Group
(3)	Variety set Canned foods filled in cans manufactured by the Hokkan Group, canned sweets, and PET bottles of water filled by the Hokkan Group (2 liters x 6 bottles)
(4)	Donations to food aid organizations Instead of sending a complimentary gift to a 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 complimentary gifts to a shareholder, we donate the amount equivalent to the gift to natural environment protection organizations.

Basic Approach to Corporate Governance

(Schematic diagram of corporate governance)



- We built a business management system centered on the **Board of Directors** and **Board of Auditors**, placing focus on strengthening management transparency and enhancing corporate governance as our priorities.
- In principle, the **Board of Directors** holds its meeting monthly 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 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:** 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 the regulatory compliance, fairness, and ethics in our business activities.

Officers

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, qualifications, etc.)	Corporate management	Sustainability	Corporate planning, M&A	Global business	Group business	Finance & accounting, tax affairs	Legal, risk management, Compliance	HR development
Tsunenobu Kudo	Chairman and Representative Director	●					●		
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, General Affairs Dept., Human Resources Dept.							●	●
Toshiaki Sunahiro	Director and Executive Managing Officer; General Manager, Accounting & Finance Dept., Corporate Planning Dept., Overseas Business Dept.			●			●		
Akiko Fujita	Unaffiliated Director (university professor)						●		
Kazuhide Koda	Unaffiliated Director (chartered accountant)						●		
Atsuko Watanabe	Unaffiliated Director (lawyer)							●	
Koji Ishikawa	Audit and Supervisory Board Member								
Motoki Watanabe	Auditor								
Tetsuya Suzuki	Unaffiliated Auditor (tax accountant)								
Masahiro Tajima	Unaffiliated Auditor (lawyer)								

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.)

Note 2: The green-colored skills are those the Company particularly expects Unaffiliated Directors to demonstrate.

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 two supplementary principles:

CGC Principles for which the Company selected the “Explain” option		Our response
2.4.1	<p>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 midcareer hires to middle managerial positions, as well as disclosing their status.</p> <p>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>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, and discloses the current status of appointments.</p> <p>On the other hand, 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. As a result, the Company selected the “explain” option.</p>
4.11.1	<p>The board should identify the skills, etc. that it should have in light of its managing strategies, and have a view on the appropriate balance between knowledge, experience and skills of the board as a whole, and also on diversity and appropriate board size. Consistent with its view, the board should establish policies and procedures for nominating directors and disclose them along with its view the combination of skills, etc. that each director possesses in an appropriate form according to the business environment and business characteristics, etc., such as what is known as a “skills matrix.” When doing so, independent director(s) with management experience in other companies should be included.</p>	<ul style="list-style-type: none"> • The Company disclosed directors’ skills matrix. • The presence of independent Unaffiliated Directors who have managerial experience in other companies, along with the appropriate experience and skills, would help enhance corporate governance. However, as no independent Unaffiliated Directors of the Company meet these criteria so far, we will maintain the “explain” option. =>During the 99th Ordinary General Meeting of Shareholders, the Company intends to choose a candidate with management expertise for the role of an Unaffiliated Director and to opt for the “comply” option, contingent upon the election of said candidate.

➤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 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.
- In March 2024, the effectiveness of the Company's Board of Directors was evaluated, with the conclusion that the Board as a whole is functioning mostly effectively. More details on this evaluation can be accessed at the following URL:

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

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

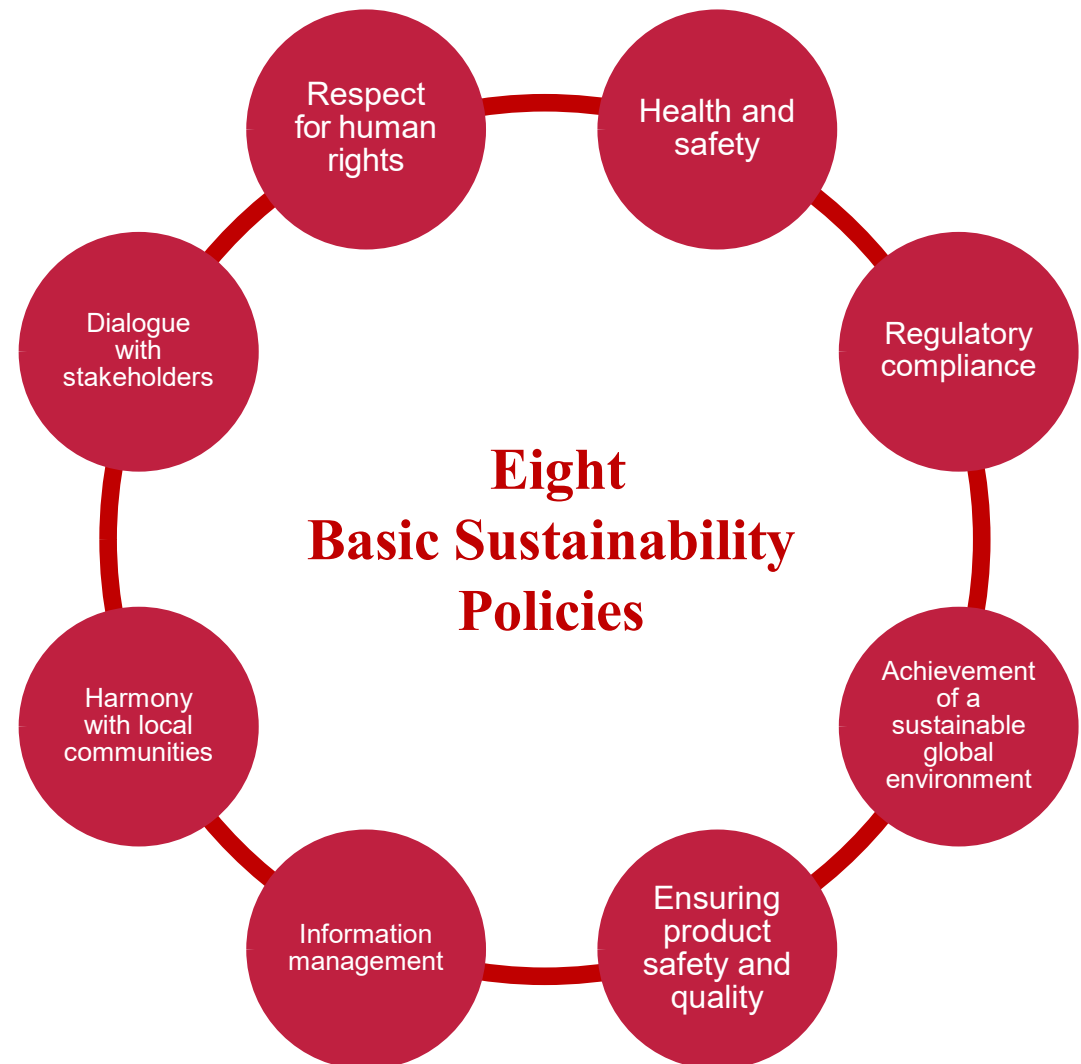
<https://hokkanholdings.co.jp/en/ir/governance/>

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 theme	KPIs and targets	Achievements & progress in FY2022	Progress
Human rights	Identify negative impact on human rights; create a human rights due diligence system	<ul style="list-style-type: none"> By 2024, identify and prevent negative impacts on human rights; develop a human rights due diligence system that can mitigate such impacts 	<ul style="list-style-type: none"> Grasped and identified human rights issues as part of efforts to build a human rights due diligence mechanism 	○
	Occupational accidents	<ul style="list-style-type: none"> Rate of lost-worktime injuries: 1.20 or lower; Severity rate of occupational accidents: 0.00 (domestic companies only) Each group company acquires external certification for safety and health (e.g. ISO45001) by 2025. 	<ul style="list-style-type: none"> Achieved the rate of lost-worktime injuries of 1.22 and the occupational accident severity rate of 0.02 (domestic companies only) Continued efforts to acquire external certification for safety and health 	△
Employees	Health and productivity management	<ul style="list-style-type: none"> Efforts to be recognized as a Certified Health & Productivity Management Outstanding Organization (initiatives for less smoking rate, better diet, increased opportunities for exercise, prevention of infectious diseases) 	<ul style="list-style-type: none"> Achieved the stress level checking rate of 100% (domestic companies only) Continued efforts to be certified as a Health & Productivity Management Outstanding Organization 	○
	Promotion of diversity	<ul style="list-style-type: none"> Promotion of women's activities 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 activities Continuously implemented activities to recruit persons with disabilities 	△
	Achievement of a good work-life balance	<ul style="list-style-type: none"> Enhance initiatives that support a balance between work and childcare/nursing care and achieve a higher retention rate 	<ul style="list-style-type: none"> Allowed all eligible employees to take childcare leave Continuously implemented various initiatives to support balancing childcare/nursing care with work 	○
Compliance	Development of various guidelines, implementation of education and training, and embedding of the code of conduct for officers and employees into the organization	<ul style="list-style-type: none"> Ensure fair trade and eliminate anti-social forces. Ensure fair corporate activities and corporate ethics (including regulatory compliance) by continuing compliance training. Prevent various forms of harassment. Ensure early resolution by utilizing the whistleblowing system. 	<ul style="list-style-type: none"> Offered compliance training to all employees (participation rate: 100%) 	○

Hokkan Group's Materiality and KPI Setting				
Materiality	Initiative theme	KPIs and targets	Achievements & progress in FY2022	Progress
Global environment	Contribution to a decarbonized society	<ul style="list-style-type: none"> Achieve Scope 1 and 2 carbon neutrality by 2050 Reduce Scope 1 and 2 GHG emissions by 30% (from the FY2019 level) by 2030 Reduce Scope 3 GHG emissions by 20% (from the FY2019 level) by 2030 	Scope1, 2: Reduced GHG emissions by 14.0% (from FY2019 level) Scope3: Reduced GHG emissions by 0.8% (from FY2019 level)	○
	Sustainable use of water resources	<ul style="list-style-type: none"> Reduce water intensity by 7% (from the FY2019 level) by 2030 	Reduced water intensity by 10% (from FY2019 level)	○
	Contribution to resource-recycling society	<ul style="list-style-type: none"> Reduce the use of exhaustible resources Achieve zero waste disposal by incineration or landfill by 2030 	Reduced the use of exhaustible resources • Reduced the use of virgin PET resin from the previous year's level Incineration: 99 t/Landfill: 24 t	○
Products	Environmentally friendly product development	<ul style="list-style-type: none"> Develop sustainable products and services Metal cans: Develop smaller and lighter containers according to customer needs PET bottles: Expand the use of recycled materials Contract filling: Ensure smooth production of environmentally friendly products supplied 	Use of environmentally friendly materials (mechanical recycled materials, chemical recycled materials, and bio-materials) increased compared to the previous year.	○
	Quality improvement	<ul style="list-style-type: none"> Comply with laws and regulations Improve customer satisfaction 	Continued quality improvement activities No recovery accidents	○
Information management	Achievement and improvement of confidentiality, integrity, and availability of information assets	<ul style="list-style-type: none"> No information leakage 	No information leakage incidents were detected/reported.	○
Local communities	Harmony with local communities	<ul style="list-style-type: none"> Be a corporate group trusted by local communities 	Conducted various activities to contribute to local communities	○
Stakeholders	Sincere dialogue with stakeholders	<ul style="list-style-type: none"> Understand and address social issues necessary to be solved for the realization of a sustainable society Work with suppliers and brand owners to solve decarbonization issues Ensure that sustainable procurement practices are embedded into the organization 	Conducted various activities together with stakeholders	○

Sustainability Initiatives

■ Third-party verification of greenhouse gas (GHG) emissions (September 2023)

- We underwent a third party verification by the Japan Management Association according to the ISO 14064-3 certification standard with regard to greenhouse gas emissions (Scope 1, 2, 3) for FY2022.

[Data Collection | Hokkan Holdings Co., Ltd. \(hokkanholdings.co.jp\)](https://hokkanholdings.co.jp)

■ Disclosure of non-financial information (environment-related: April 2024)

- Endorsement of TCFD recommendations and disclosure; environmental initiatives

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

■ Publication of the Sustainability Report 2023 (September 2023)

- We publish a summary of the Group's sustainability initiatives in a PDF format.

https://hokkanholdings.co.jp/wp/wp-content/themes/hokkan_hd/pdf/csr/pdf/202309.pdf

For the details of our sustainability Initiatives, please visit our website at:

<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.