

March 10, 2023

Company name: Hakudo Co., Ltd.
Name of representative: Koji Tsunoda, President
(Securities code: 7637;
Prime Market of the Tokyo Stock
Exchange)
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Notice of Capital Increase of the Consolidated Subsidiary

Hakudo Co., Ltd. (the “Company”) hereby announces that our consolidated subsidiary Hakudo USA Inc. has decided at the Board of Directors Meeting held on March 10, 2023 (Japan Standard date) to conduct a capital increase, which was approved at an extraordinary shareholders' meeting held on the same day.

Details are as follows

1. Reason for Equity Acquisition

Hakudo USA Inc. to acquire equity interest in "West Coast Aluminum & Stainless, LLC" (Disclosed on March 1, 2023) and to secure funds for future business operations.

2. Outline of the subsidiary to increase capital

(1) Company name	Hakudo USA Inc. (Company Form: C Corporation)	
(2) Location	California, United States of America	
(3) Representative	Tetsuya Yamada, Director CEO	
(4) Business description	Investment business and import and wholesale of nonferrous metals	
(5) Paid-in Capital	10,000 US Dollars (approximately 1,350,000 yen)	
(6) Date of establishment	December 14, 2022	
(7) Capital Structure	100% owned by the Company	
(8) Relationship between the Company and the subsidiary	Capital relationship	The Company owns 100% of the issued shares in the subsidiary
	Personnel relationship	A director of the Company concurrently serves as a director CEO, and two employees of the Company concurrently serve as directors.
	Business relationship	None

※ 1 US Dollar = 135 yen

3. Outline of Capital Increase

(1) Capital increase amount	5,556,000 US Dollars (approximately 750 million yen)
(2) Amount of capital after capital increase	5,566,000 US Dollars (approximately 751 million yen)
(3) Allottees	Hakudo Co., Ltd.
(4) Investment ratio after capital increase	100% owned by the Company

※ 1 US Dollar = 135 yen.

The exchange rate may change depending on the exchange rate at the time of the capital increase.

4. Schedule

March 10, 2023,	Resolution by Hakudo USA Inc.
March 10, 2023,	Resolution by extraordinary shareholders' meeting of Hakudo USA Inc.
March 16, 2023,	Execution date of Hakudo USA Inc. capital increase (planned)
March 20, 2023,	Execution date of equity transfer (planned)

5. Future outlook

The impact on the Company's consolidated business results during the current fiscal year is expected to be negligible. We will promptly disclose any additional information as soon as it arises.

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