Report

# **Medium-Term Management Plan**

The first two years of Medium-Term Management Plan 2026, which had been launched in the fiscal year ended May 2023, were completed.

We have been making steady progress in our efforts to strengthen our earnings structure and improve asset efficiency.

We, the entire group, will continue to work together in the latter two years to achieve the targets for the final vear.

#### **Expansion of new businesses** and products

Strengthen and expedite development of new business areas across the Company. and respond to electrification, DX. and decarbonization

Three Fundamental **Policies** 

#### Thorough improvement of the earnings structures of existing businesses

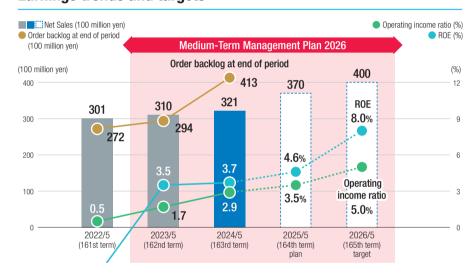
Drastically strengthen profitability of both factories and sales from the viewpoint of improving production efficiency and securing appropriate selling price

Improvement in asset efficiency with awareness of capital cost

Continue to reduce crossshareholdings, review capital efficiency of each business and consider reallocation of corporate resources

# Medium-Term Management Plan 2026 Consolidated financial targets for **FYE May 2026** Net Sales **40.0** billion yen Operating income ratio ROE

### **Earnings trends and targets**



## Management with an awareness of capital costs

#### Medium-Term Management Plan 2026

#### Strengthening ROE of earnings structure **FYE May** 2026 target 8% **Improvement** PBR Aiming for

further

improvement

**PER** 

of asset

efficiency

Increase in

expected

growth rate

**Enhancement of** 

shareholder returns

#### Expansion of new businesses and products

 Expand R&D investments to promote technological development

#### Thoroughly improve the earnings structures of existing businesses

- Revision to appropriate selling prices
- Order-receiving activities with production and sales working together

#### Improvement in asset efficiency with awareness of capital cost

- Continued reduction in cross-shareholdings
- Review of assets with low operating efficiency (recreation facilities, etc.)
- Steady execution of the medium-term management plan
- Promotion of sustainability management
- Determination of material issues
- Dividend policy and payout ratio of 30% or more
- Continued treasury stock repurchases

#### **Enhancement of** shareholder returns

The Company's policy is to pay dividends in a continuing and stable manner with a payout ratio of 30% or higher.

The dividend forecast for the fiscal year ending May 31, 2025, is 40 yen per share, up 10 yen, taking into consideration the earnings forecast and this basic policy.

We will continue to further enhance shareholder returns by increasing dividends through profit growth in accordance with our basic policy.

