

# 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 year.

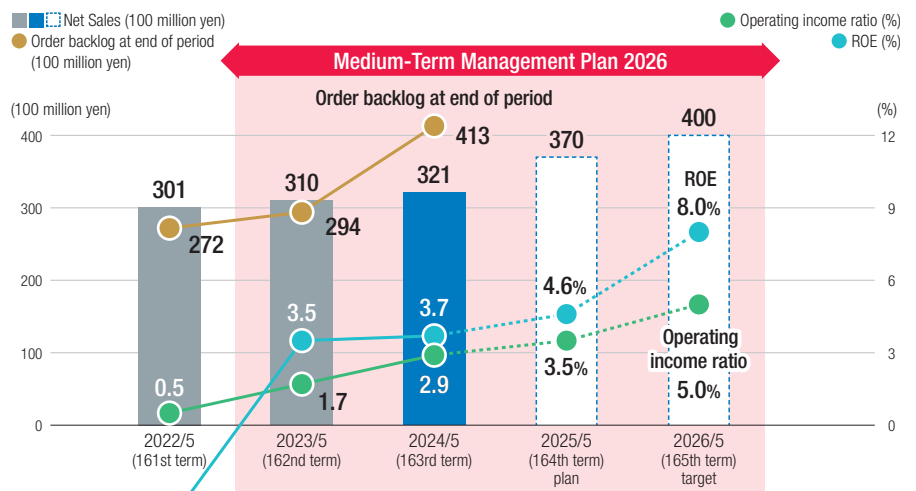


### Medium-Term Management Plan 2026

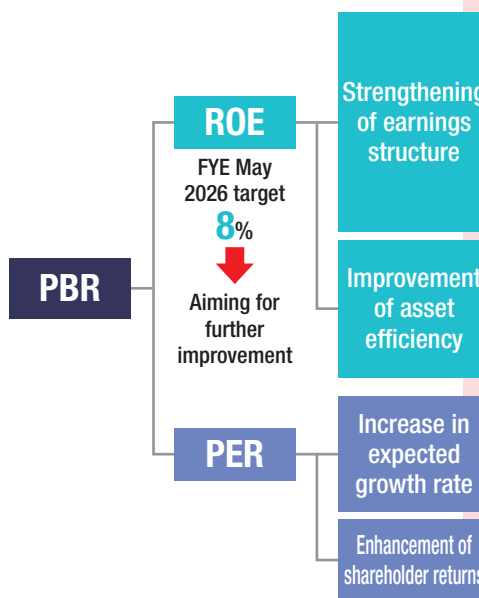
Consolidated financial targets for FYE May 2026

- Net Sales** 40.0 billion yen
- Operating income ratio** 5%
- ROE** 8%

### Earnings trends and targets



### Management with an awareness of capital costs



### Medium-Term Management Plan 2026

- 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.)
- Increase in expected growth rate**
  - Steady execution of the medium-term management plan
  - Promotion of sustainability management
  - Determination of material issues
- Enhancement of shareholder returns**
  - 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.

