

Toward Management to Elevate Corporate Value

Opinions of investors and Outside Directors and our initiatives reflecting their opinions

We implement initiatives to strengthen investor relations as in FY2022, so that our enthusiastic dialogue with our shareholders and investors will increase their interest in us and their understanding of us and help improve both the financial and non-financial aspects of our corporate value.

In FY2024, we highlighted the progress in our 2023 mid-term management plan strategies, the certainty level regarding our achievement of financial targets, as well as the progress of the "Promotion of Management Reforms" announced in May 2024, and the direction of capital efficiency improvement, among others. At the same time, we engaged in direct dialogue and communication with shareholders and investors during IR briefings and other opportunities to increase their interest in us and listen to their opinions and requests. They will be reflected in the improvement of our corporate value, including the improvement of capital efficiency, during our management reform initiatives and consideration and formulation of the next mid-term management plan.

Key focuses of investors (opinions, requests, and needs)

- Revenue infrastructure highly resistant to changes in external environment
- Determination to achieve target profit 30.0 billion yen and dividend 100 yen
- Speedy management reform
- How to improve problematic and low-profitability businesses
- Clear presentation of capital efficiency and growth potential for each business group
- Carbon neutrality (fields and products the Company can grow)
- Validity of shareholder return policy
- Stagnating share price (lack of catalyst)

Opinions and needs of Outside Directors, and their requests

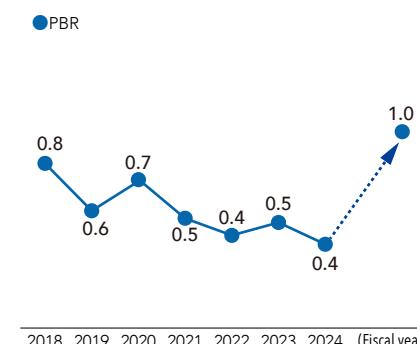
- Discussions on major strategy and directions for improving corporate value at the Board of Directors
- Clear presentation of what kind of reform the Company will conduct and how it will contribute to the growth of the Company
- Consideration of implementing shareholder returns other than dividends

Our initiatives reflecting these opinions, needs, and requests

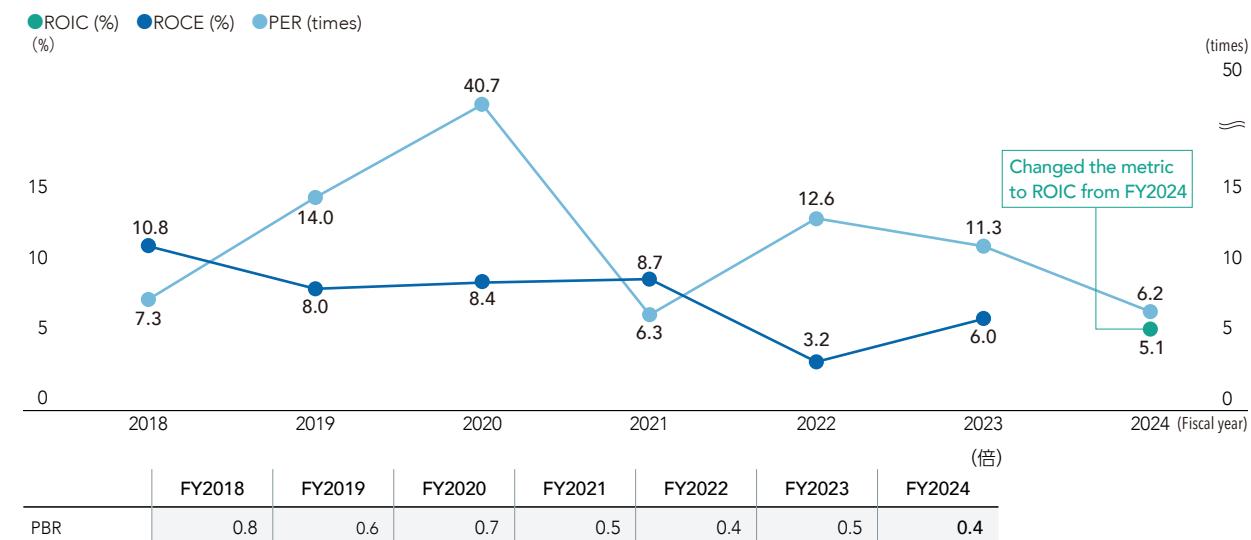
- Response to and sharing of external environment risks (sales price revisions, introduction of surcharges)
- Sequentially commencing the formulation of growth strategies and resource allocation based on the business group structure
- Changing the indicator of capital efficiency (for the Company and by business group) to ROIC, and presenting it along with ordinary profit and D/E ratio to show the direction in the next mid-term management plan period
- Building a closed loop supply chain (provision of new value: decarbonization)
- Consideration toward enhancing shareholder returns

- Sharing and promoting understanding of management reform and growth strategies
- Initiatives for expanding communication with shareholders, institutional investors, and securities analysts, and for increasing the number of companies covering us in their analysis

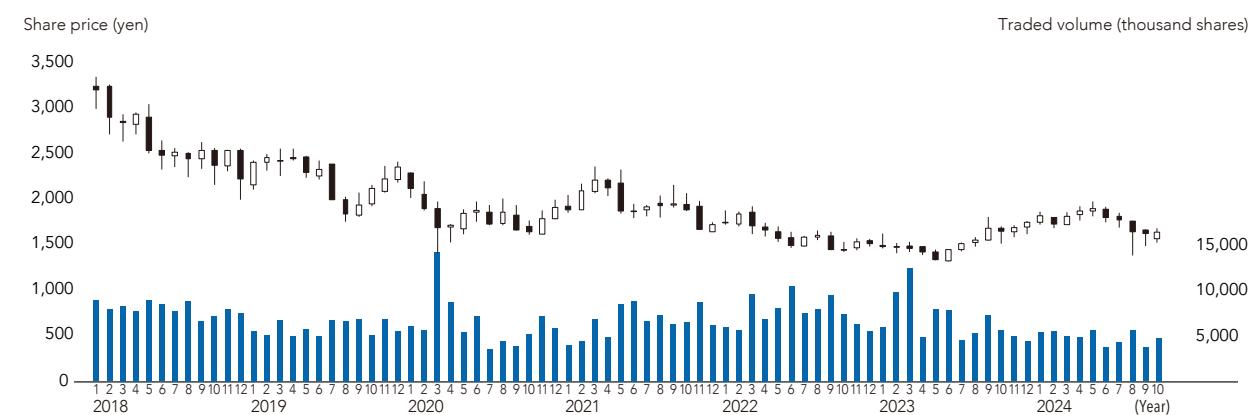
For improving capital efficiency



ROIC, PER, and PBR



Share price



(Note) On October 1, 2020, we conducted a one-for-ten reverse stock split. Accordingly, the share price and traded volume for FY2019 (fiscal year ended March 2020) and earlier years are calculated in consideration of the impact of the reverse stock split.