

Action to Implement Management that is Conscious of Cost of Capital and the Stock Price

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Specific actions	Progress																														
	As of March 31, 2025																														
We will revise our ROE target (initially set at keeping ROE in the 8% range) upwards to 10.0% and establish an organizational structure that effectively uses the PDCA cycle to achieve the long-term vision’s earnings target ahead of schedule.	<p>ROE (%)</p> <table><tr><th>Year</th><th>2021/3</th><th>2022/3</th><th>2023/3</th><th>2024/3</th><th>2025/3</th></tr><tr><td>ROE (%)</td><td>10.0</td><td>7.6</td><td>15.4</td><td>11.6</td><td>17.5</td></tr></table>	Year	2021/3	2022/3	2023/3	2024/3	2025/3	ROE (%)	10.0	7.6	15.4	11.6	17.5																		
Year	2021/3	2022/3	2023/3	2024/3	2025/3																										
ROE (%)	10.0	7.6	15.4	11.6	17.5																										
We will change our shareholder return policy from a "dividend payout ratio of around 35%" to a "total return ratio of around 45%" in an effort to strengthen shareholder return.	<p>■ 1H ■ Full year (yen)</p> <table><tr><th>Year</th><th>2021/3</th><th>2022/3</th><th>2023/3</th><th>2024/3</th><th>2025/3</th><th>2026/3(Forecast)</th></tr><tr><td>Dividend (1H)</td><td>25</td><td>40</td><td>55</td><td>90</td><td>130</td><td>110</td></tr><tr><td>Dividend (Full year)</td><td>45</td><td>65</td><td>90</td><td>150</td><td>220</td><td>220</td></tr><tr><td>Total return (1H)</td><td>20</td><td>25</td><td>35</td><td>60</td><td>90</td><td>110</td></tr></table> <p>Dividend payout ratio at around 35%</p> <p>Total return ratio at 45% (goal)</p>	Year	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3(Forecast)	Dividend (1H)	25	40	55	90	130	110	Dividend (Full year)	45	65	90	150	220	220	Total return (1H)	20	25	35	60	90	110		
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We will aim to reduce cross-held shares to less than 20% of consolidated net assets by the end of FY2024 as planned. We are considering subsequently reducing them to 10%.	<p>■ Holdings of unlisted shares ■ Holdings of listed shares ● Ratio of cross-shareholdings to consolidated net assets</p> <table><tr><th>Year</th><th>2022/3</th><th>2023/3</th><th>2024/3</th><th>2025/3</th><th>2028/3(Target)</th></tr><tr><td>Balance of cross-shareholdings (Total)</td><td>7.98 billion yen</td><td>7.59 billion yen</td><td>12.14 billion yen</td><td>9.47 billion yen</td><td>-</td></tr><tr><td>Holdings of unlisted shares</td><td>0.40</td><td>0.47</td><td>0.44</td><td>0.17</td><td>-</td></tr><tr><td>Holdings of listed shares</td><td>7.58</td><td>7.13</td><td>11.71</td><td>9.31</td><td>-</td></tr><tr><td>Ratio of cross-shareholdings to consolidated net assets (%)</td><td>25.68%</td><td>21.27%</td><td>28.13%</td><td>19.88%</td><td>10% range</td></tr></table> <p>Further reduction</p> <p>10% range</p>	Year	2022/3	2023/3	2024/3	2025/3	2028/3(Target)	Balance of cross-shareholdings (Total)	7.98 billion yen	7.59 billion yen	12.14 billion yen	9.47 billion yen	-	Holdings of unlisted shares	0.40	0.47	0.44	0.17	-	Holdings of listed shares	7.58	7.13	11.71	9.31	-	Ratio of cross-shareholdings to consolidated net assets (%)	25.68%	21.27%	28.13%	19.88%	10% range
Year	2022/3	2023/3	2024/3	2025/3	2028/3(Target)																										
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Specific actions

Progress

As of March 31, 2025

We plan to introduce a shareholder benefit program to attract new investors and increase stock trading.

- Introduction of a shareholder benefit program

Number of shares held	Benefits
100 to 299 shares	QUO Card worth 1,000 yen
300 to 499 shares	QUO Card worth 2,000 yen
500 shares or more	QUO Card worth 3,000 yen



- For the number of shareholders and trading value, please refer to “Status of IR Activities (Increase in Number of Shareholders and Trading Value)” in "Communication with Shareholders and Investors”.

We will invest 10 billion yen scale in growth opportunities while maintaining financial soundness, taking advantage of our strong balance sheet.

Execute investments with awareness of financial leverage by utilizing a healthy balance sheet for organic growth investments of 10 billion yen and non-organic growth investments of 30 billion yen (maximum) based on the revised numerical targets of the long-term management vision and the medium-term management plan.

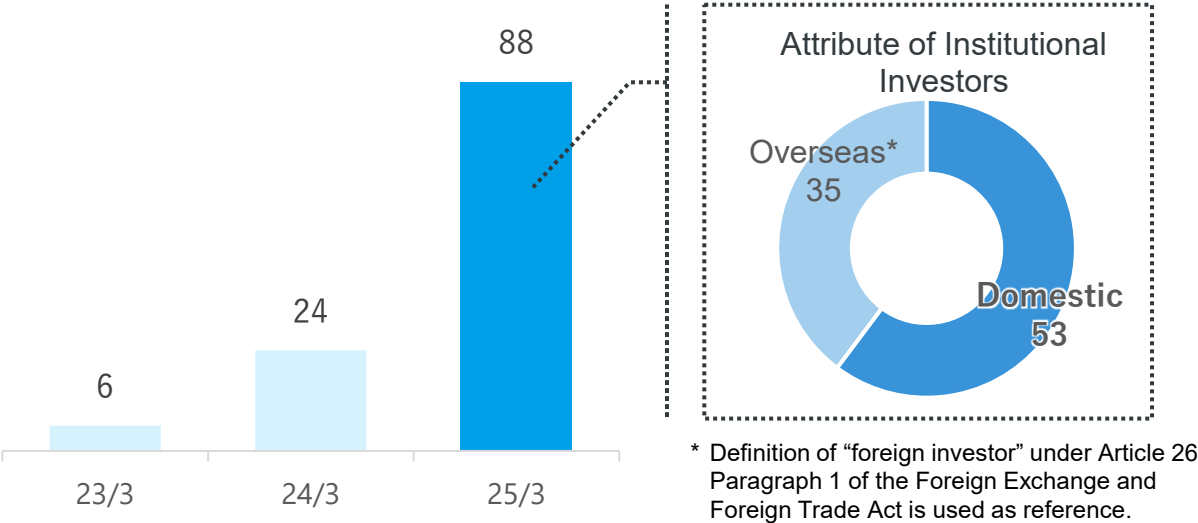
We will introduce a remuneration system for officers as a sound incentive for the achievement of sustainable growth.

We introduced a board incentive plan (BIP) trust program under which evaluation would be based on the market capitalization, ROE and the level of implementation of the medium-term management plan.

Communication with Shareholders and Investors

Status of IR Activities (Increase in Number of Shareholders and Trading Value)

Number of IR Interviews



Status of feedback provided to top management and the Board of Directors

Information is shared in a timely fashion with members of the Board of Directors and Corporate Management Meeting and reflected in management strategy.

Content	Frequency	Reporting method
Minutes of meetings with investors and analysts	As needed	Directly or via email
Progress reports on IR strategy	Quarterly	Board of Directors

Status of briefings held for institutional investors (2025/3)

Date	Place	Details	Speakers
May 27	Tokyo + Online	Financial results briefing for FY2023	President, etc.
June 5	Online	Corporate briefing for IFA	President
July 27	Nagoya	Corporate briefing for individual investors	President
September 28	Osaka	Corporate briefing for individual investors	President
November 22	Tokyo + Online	Financial results briefing for FY2024 1H	President, etc.
February 10-11	Taiwan (Taipei)	IR interviews for institutional investors	President
February 22	Hiroshima	Corporate briefing for retail investors	President
March 15	Fukuoka	Corporate briefing for retail investors	President

Trading value (million yen/day)

