News Release
アイコム株式会社
〒547-0003 大阪市平野区加美南1丁目1-32

November 12, 2024

To Our Stakeholders

Icom Incorporated
Representative: Hiroshi Nakaoka, President
Securities code: 6820
Contact: Yoshiki Enomoto, Director and General Manager of Accounting Dept.
Telephone: +81-6-6793-5301

Actions to Achieve Cost of Capital and Share Price Conscious Management

The Company hereby announces that we have once again analyzed our current situation and determined the following policy for our future efforts to achieve cost-of-capital and stock price conscious management.

1. Analysis of Current Situation

Based on the "Medium Term Business Plan 2026," which started in the previous fiscal year (April 2023), the Company is working to expand sales and improve profitability by strengthening existing business and growing our stock business, etc. Although ROE and PBR showed an upward trend in the fiscal year ending March 31, 2024, reflecting solid performance, ROE was in the 5% range and PBR was in the 0.6 to 0.7x range, respectively.

Since our establishment, we have worked to build a stable financial base so that we can compete at the same or similar level of investments as our competitors, since many of our major competitors in Japan and overseas far larger organizations than our business. This financial foundation has enabled us to maintain our "Made in Japan" policy of domestic production even under past severe business environments, such as the yen's appreciation to the level of 70 yen per dollar triggered by the Lehman Shock and the recent shortage of materials for semiconductors and other products due to COVID-19, which forced us to curtail production at times. Also, since our listing, the Company has also strived to return profits to our shareholders.

In addition, as a company that manufactures products for disaster countermeasures and BCP measures and is deeply involved in communications infrastructure, we consider it essential to have production facilities and systems that can respond immediately in the event of an emergency.

In addition, our new stock business focus is to provide communication services for LTE transceivers using cell phone data lines as an MVNO (Mobile Virtual Network Operator), and a solid financial base in this aspect is also an important factor in guaranteeing our ability to provide stable communication services over the long term.

On the other hand, however, we recognize the Company's high equity ratio (90.6%, for the fiscal year ending March 31, 2024) is one of the factors holding down the Company's ROE ratio.
In addition to the impact of ROE, we believe that the P/B ratio reflects a low level of investor awareness of the Company and the lack of sufficient understanding of the Company's growth strategy.

Fiscal Year Ending	March 2020	March 2021	March 2022	March 2023	March 2024
Sales (Billion yen)	30.500	27.941	28.277	34.173	37.117
Operating profit (Billion yen)	2.300	1.889	1.058	2.850	3.415
Net income attributable to owners of the parent (Billion yen)	1.928	1.736	1.093	2.574	3.461
ROE (%)	3.5	3.1	1.9	4.4	5.5
Fiscal year end stock price (Yen)	2,555	2,762	2,474	2,528	3,405
PBR (x)	0.68	0.70	0.62	0.60	0.74

2. Policy and Targets

Our immediate target is to achieve ROE of 5% or higher in the final year of our “Medium Term Business Plan 2026” (fiscal year ending March 31, 2026). In addition to achieving ROE of 8% or more in the next medium-term business plan, we aim to achieve a P/B ratio of 1.0x or more through proactive IR activities and other measures.

3. Initiatives

(1) Sales Expansion and Improvement of Profitability

Expand sales and improve profitability through implementation of the “Medium Term Business Plan 2026".

(2) Financial Strategy

Execution of investment plans in “Medium Term Business Plan 2026".
Continue to provide substantial shareholder returns through dividends.

(3) Conduct PR activities and proactive Investor Relations activities to increase awareness of the Company

PR Information/Corporate Information Dissemination

To improve the awareness of the Company in a fundamental way by actively providing PR information about the Company and its products to various media targeting not only investors but also general consumers at large.

Enhancement of English-language Disclosure and Disclosure of Non-financial Information

Effect simultaneous disclosure of financial statements and other timely disclosure documents in English and Japanese, enhance English-language disclosure information such as financial results, briefing materials and annual reports, and enhance disclosure information on non-financial information such as ESG information.

Promoting Dialogue through IR Meetings

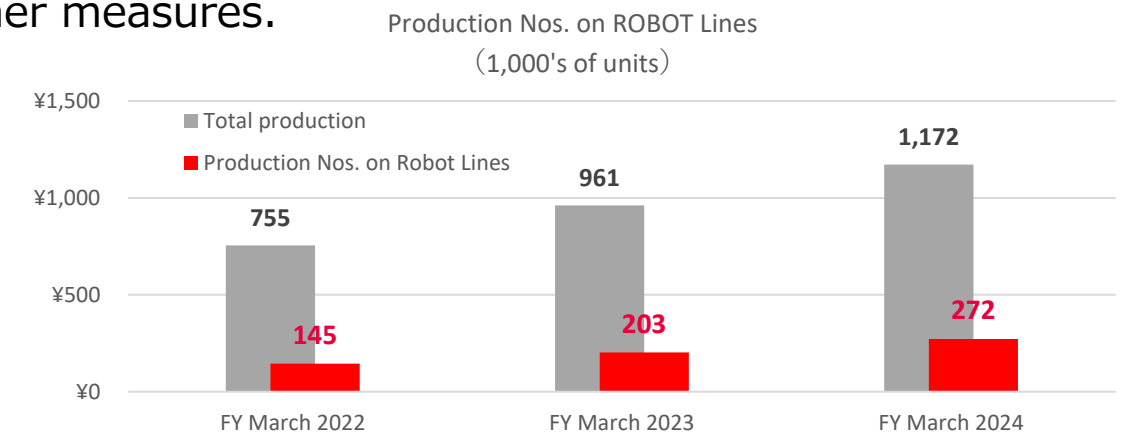
Promote dialogue with investors and gain their understanding of the Company's growth strategy by continuing to hold financial results briefings for institutional investors (twice a year) and proactively holding individual IR meetings and small meetings.

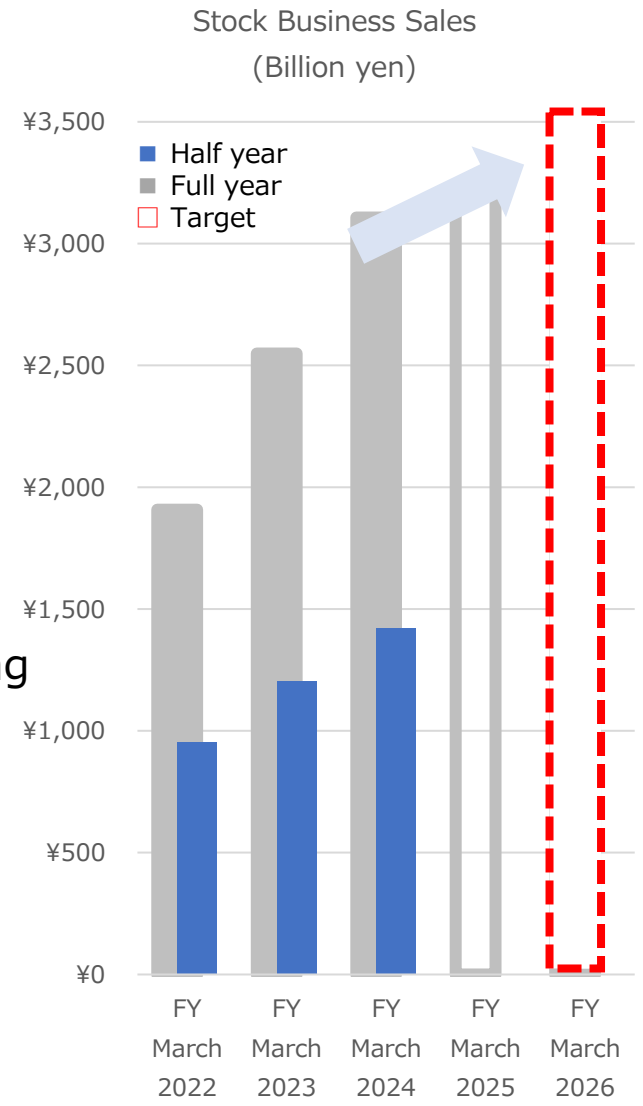
Initiatives to Improve ROE/PBR

Initiatives based on “Medium Term Business Plan 26”

Sales Increase/Improved Profitability

- Growth of stock business: High profit margin, hardware sales Target sales ratio of 8% or more through growth in carrier line revenues.
- The company will enter the new market of MC-PTT (LTE radio network used by public organizations such as police and fire departments) in various countries, using the European market for public safety radio as a springboard.
- Promotion of labor saving measures at Wakayama Icom Inc. (domestic production base) plant through expansion of automation by robot line production and Smart Factory initiatives by implementing AI and other measures.





Initiatives to Improve ROE/PBR (Investment Plans)

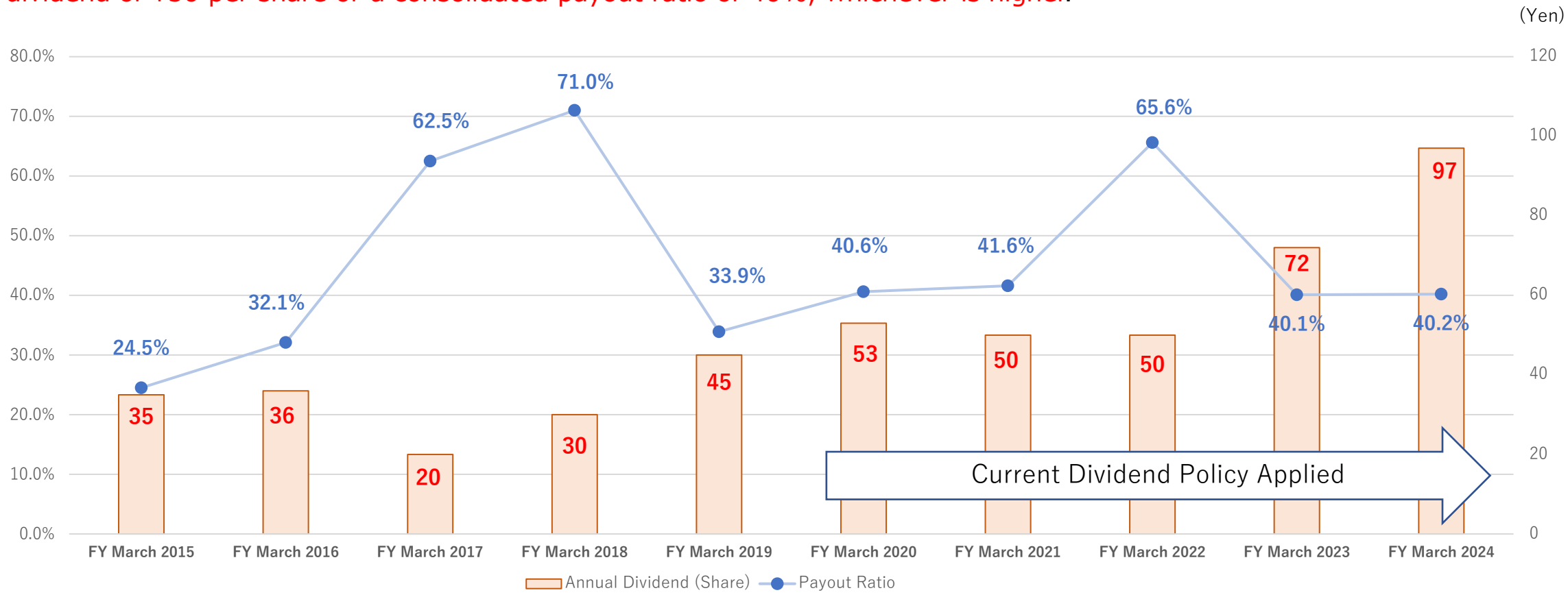
Based on the “Medium Term Business Plan 2026,” the Company will invest in growth and return profits (dividends) to shareholders by expanding existing business areas and acquiring new technologies.

“Medium Term Business Plan 2026” Investment Plan		Three Year Plan	Year One Results FY March 2024	Outline of Investments Made
Capital Investment	Redevelopment of the engineering environment/ Office environment	3.5～4.0 Billion Yen	1.0 Billion Yen	• Renovation of a former sales facility in Japan to secure a working environment for approximately 50 engineering personnel. • Purchased high-grade equipment necessary for engineering work (Measuring, high-performance PCs, other equipment) • Purchased the Icom Europe building.
Research & Development	Acquire New Technologies	5.0 Billion Yen	2.0 Billion Yen	• Invested in development of solutions for satellite radio, 5G, North American public safety business, etc., with multiple partners • Announced a 5G gateway device, and are developing a platform that will lead to monetization. • Developed/launched industry's first “LTE + Marine” hybrid radio • Introduction of line work inspection experiment using AI toward a smart factory • Developed a chip for the next (4th) generation device platform
	New Business	1.0 Billion Yen	500 Million Yen	• Entering new markets and securing new customers with “LTE + Marine” hybrid products, to to build new product fields and stock business revenues. • Strategic M&A (acquisition of software company) and business alliances with partners, etc. • Provide wireless equipment for industry-academia collaboration and ultra-high frequency experiments, etc.
Others	Securing and developing human resources, etc.	500 Million Yen	120 Million Yen	• Reinforcement of local software development team for overseas technical support • Training by external organizations, such as employee training by job level and next-generation leader development.
Shareholder Returns	Dividend	3.3 Billion yen	1.39 Billion Yen	Dividend policy ・Pay a minimum annual dividend of 50 yen per share or a consolidated dividend payout ratio of 40%, whichever is higher.

Initiatives to Improve ROE/PBR (Shareholder Returns)

Dividend Policy (FY March 2020～FY March 2026)

The Company believes that it is necessary to return profits to shareholders by maintaining stable dividends in accordance with the consolidated financial results for each fiscal year. Specifically, our basic policy is to pay an annual dividend of ¥50 per share or a consolidated payout ratio of 40%, whichever is higher.



Initiatives to Improve ROE/PBR (PR/IR Activities)

PR information/Corporate Information Dissemination

To improve the awareness of the Company in a fundamental way by actively providing PR information about the Company and its products to various media targeting not only investors but also general consumers at large.

Enhancement of English-language Disclosure and Disclosure of Non-financial Information

Start simultaneous disclosure of financial statements and other timely disclosure documents in English and Japanese, enhance English-language disclosure information such as financial results briefing materials and annual reports, and enhance disclosure information on non-financial information such as ESG information.

Promoting Dialogue through IR Meetings

Promote dialogue with investors and gain their understanding of the Company's growth strategy by continuing to hold financial results briefings for institutional investors (twice a year) and proactively holding individual IR meetings and small meetings.