[Translation for reference only]
ENGLISH TRANSLATION OF JAPANESE-LANGUAGE DOCUMENT
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July 31, 2025

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Regarding Measures to Achieve Management Conscious of Capital Cost and Stock Price

Our company hereby announces that, at its Board of Directors meeting held on July 31, 2025, it resolved to analyze and evaluate the current status of our company, and to implement policies for future improvement, with regard to measures to achieve management conscious of capital cost and stock price.

1. Analysis and Evaluation of the Current Status

Under the Medium-Term Management Plan 2024-2026 (covering the fiscal year ending March 2025 to March 2027) launched in fiscal 2024, our company has set "Investments for the Future Leap Forward" as a basic policy, and is working to strengthen its earnings base by deepening and evolving existing businesses and develop a sustainable growth strategy.

*Details of the Medium-Term Management Plan https://ssl4.eir-parts.net/doc/1976/tdnet/2448049/00.pdf

Changes in figures and indicators for the last 5 fiscal years of our company are as follows:

		FY2021	FY2022	FY2023	FY2024	FY2025
Net sales	Millions of yen	50,533	48,389	55,890	60,377	66,283
Operating profit	Millions of yen	6,742	5,641	7,258	8,548	11,235
Profit	Millions of yen	4,600	3,793	4,680	6,243	8,454
ROE	(%)	**8.8%**	**6.9%**	**8.2%**	**10.2%**	**12.8%**
ROIC	(%)	**8.3%**	**6.8%**	**8.2%**	**9.2%**	**11.4%**
End of period stock price	yen	775	690	774	1,313	1,294
PBR	times	**0.74**	**0.62**	**0.65**	**1.01**	**0.90**
PER	times	**8.6**	**9.2**	**8.2**	**10.4**	**7.4**

For the fiscal year ended March 2025, ROE and ROIC were 12.8% and 11.4%, respectively, both exceeding our company's expected cost of capital (approximately 6%).

On the other hand, market evaluation indicators such as PBR and P/E remain at low levels, and we recognize that the following initiatives are important to obtain an appropriate assessment of corporate value.

・Enhancement of growth strategy
・Strengthening capital policy
・Aggressive development of investor relations activities

Through these activities, we aim to further deepen shareholder understanding of our company business.

2. Policies and targets

Based on the analysis of the current situation, our company will strengthen initiatives based on the following policies and targets.

(1) Enhancement of Growth Strategy
・Strengthening the business base in the domestic market and aggressively expanding into overseas markets
・Aggressive implementation of growth investments, including human capital
・Continuous development of next-generation energy technologies

(2) Strengthening capital policies
・Enhancement of shareholder returns

Basic dividend policy

① Target DOE (dividend on equity) of 4% or more
② Dividend payout ratio of 30% to 40%

Determination based on comprehensive consideration of the above

・Flexible acquisition of treasury stock in consideration of capital efficiency
・Consideration for reducing cross-shareholdings

(3) Aggressive development of IR activities
・Enhancement of integrated reports and English disclosures
・Strengthening the sustainability promotion system
・Continuous information dissemination through dialogue with investors