

(note) This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



June 15, 2026

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(Securities code: 4212; Prime Market)
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[Updated] Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Update)

We hereby announce that, to achieve sustainable growth and enhance medium- to long-term corporate value, we have analyzed and evaluated our current initiatives aimed at realizing management that is conscious of cost of capital and stock price, and have updated our initiatives.

(Key Points)

Based on the policy announced in our Medium-term Management Plan 2027, we will accelerate initiatives to enhance shareholder returns, improve capital efficiency, and reduce cross-shareholdings.

(Plan and Targets for the Fiscal Year Ending March 31, 2027)

(i) Shareholder Return Plan

• Dividends forecast

Interim dividend: 46 yen (up 10 yen from the previous period)

Year-end dividend: 36 yen (unchanged year-on-year)

Annual dividend: 82 yen (up 10 yen from the previous fiscal year)

• Repurchase of treasury stock

Total number of common stock to be repurchased Up to 1,000,000 shares

Total repurchase amount Up to 2.7 billion yen

*For details of the share repurchase, please refer to the document “Notice Regarding Repurchase of Treasury Stock” to be announced today.

(ii) Target for reduction of cross-shareholdings

During the fiscal year ending March 31, 2027, we aim to reduce cross-shareholdings by approximately 30%, based on their market value as of March 31, 2026.

For more details, please see the attached document titled “Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Update)”.

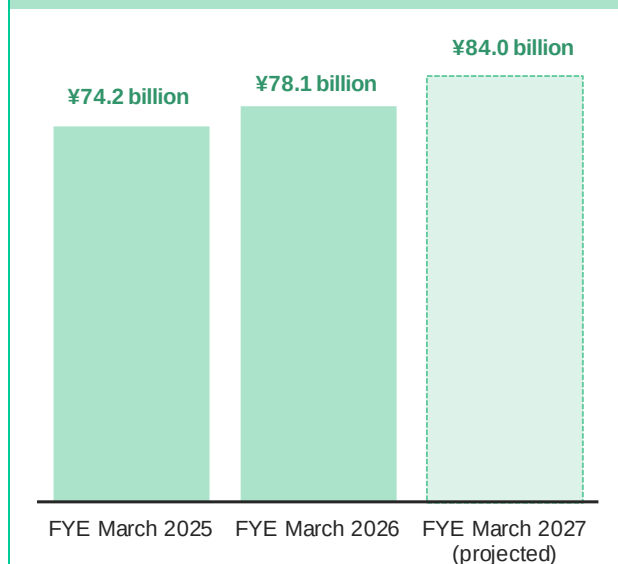
Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Update)

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Financial Highlights for FYE March 2026 and Projection Highlights for FYE March 2027

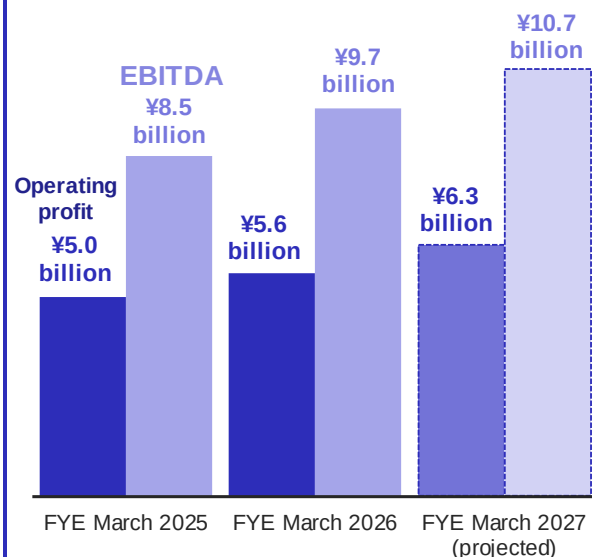
- In FYE March 2026, **both net sales and operating profit increased, rising 5% and 13% YoY, respectively.**
- We created profits exceeding the impact of investments in human capital and growth and goodwill amortization.
- **We project increased sales and profits in FYE March 2027 as well.** We will reaccelerate efforts to achieve our vision despite the lack of clarity in the external environment.
- We will maintain the upward trend of dividend per share, **raising the dividend by 10 yen to 82 yen for FYE March 2027.**

Net sales

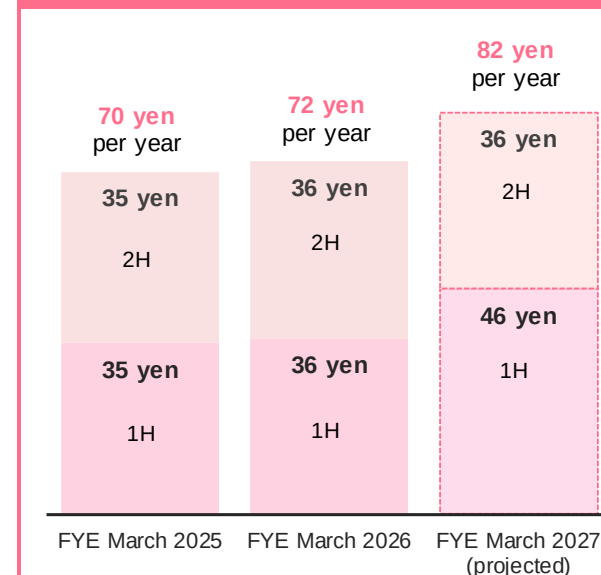


Operating profit / EBITDA

(Operating profit + Depreciation + Goodwill amortization)



Dividend per share

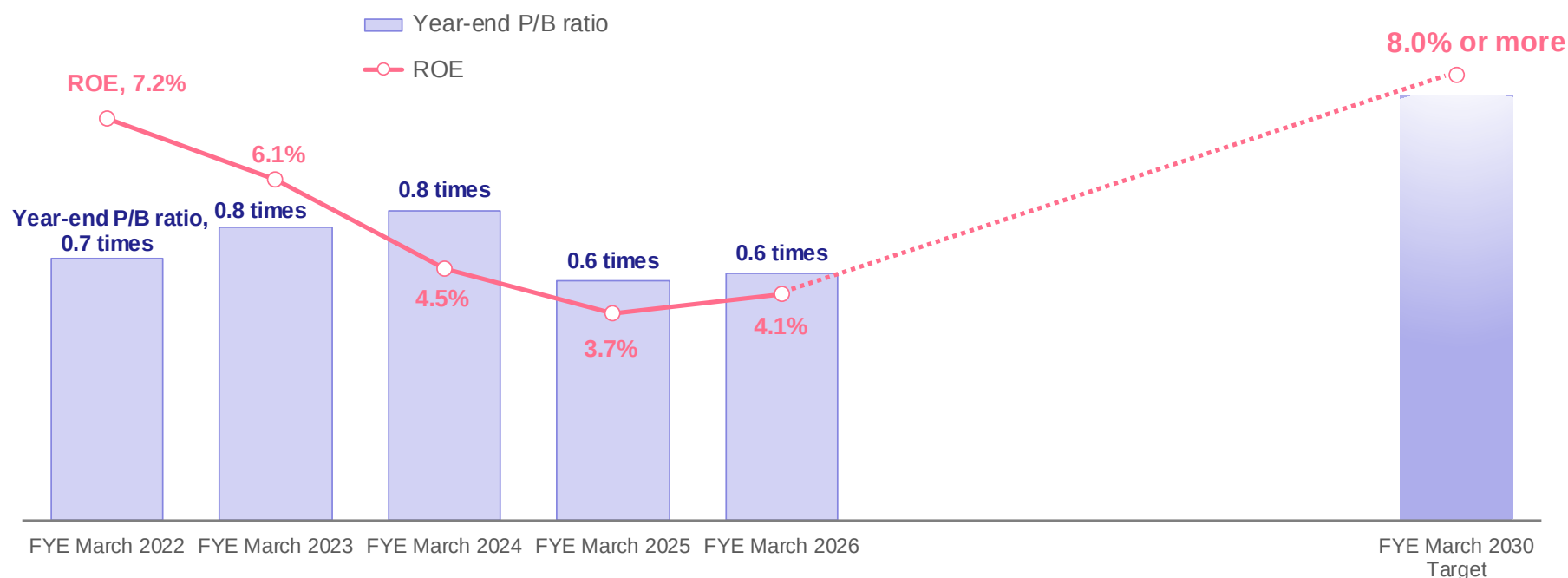


* Including EBITDA as a key management indicator given the impact of growth investments and M&A

SJC's Perception of the Present Situation

- Although the stated target of SJC Group Vision 2030 is ROE of 8% or more, we are prioritizing upfront investment in human capital and growth, so **it is in the 4% range now**.
- Our P/B ratio is 0.6, which is less than 1.0. The market may not be valuing the full extent of SJC's growth potential.

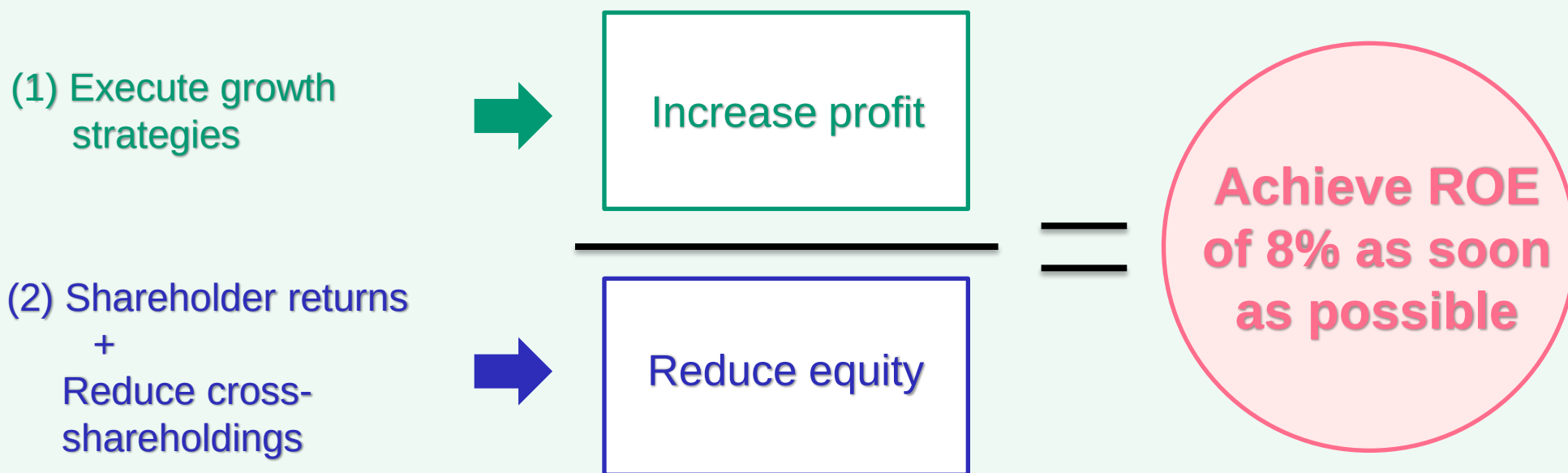
ROE and P/B ratio over the years



Improving ROE

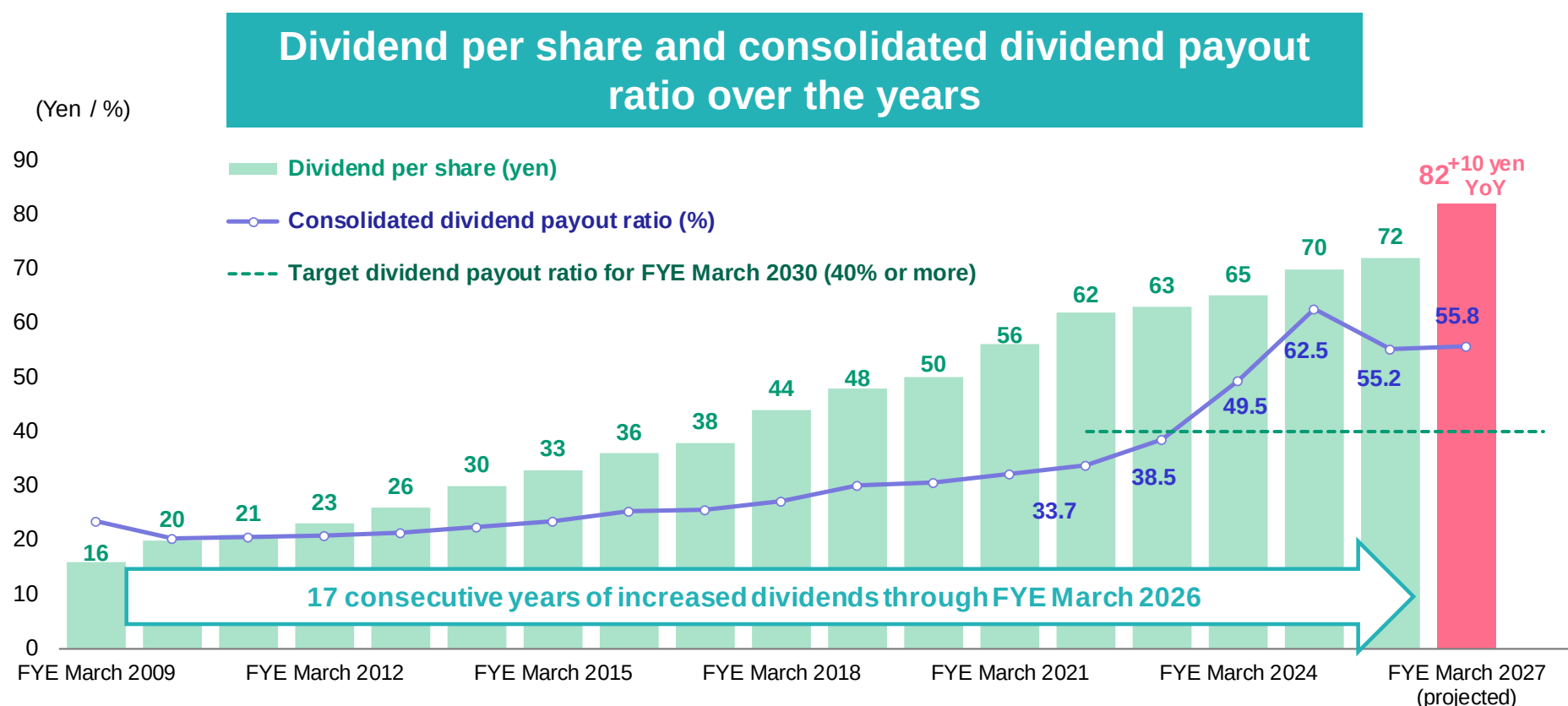
- We will execute growth strategies **to continue increasing profit** (numerator (1) expansion).
- With shareholder returns and reduction of cross-shareholdings, we will **correct our capital structure** (denominator (2) contraction).
 - **Accelerate action in FY2026**
- Through these efforts, we will achieve the SJC Group Vision 2030 target of ROE of 8% or more as soon as possible.

Illustration of SJC's actions to achieve ROE of 8% or more



Applying Driving Force by Increasing the Dividend

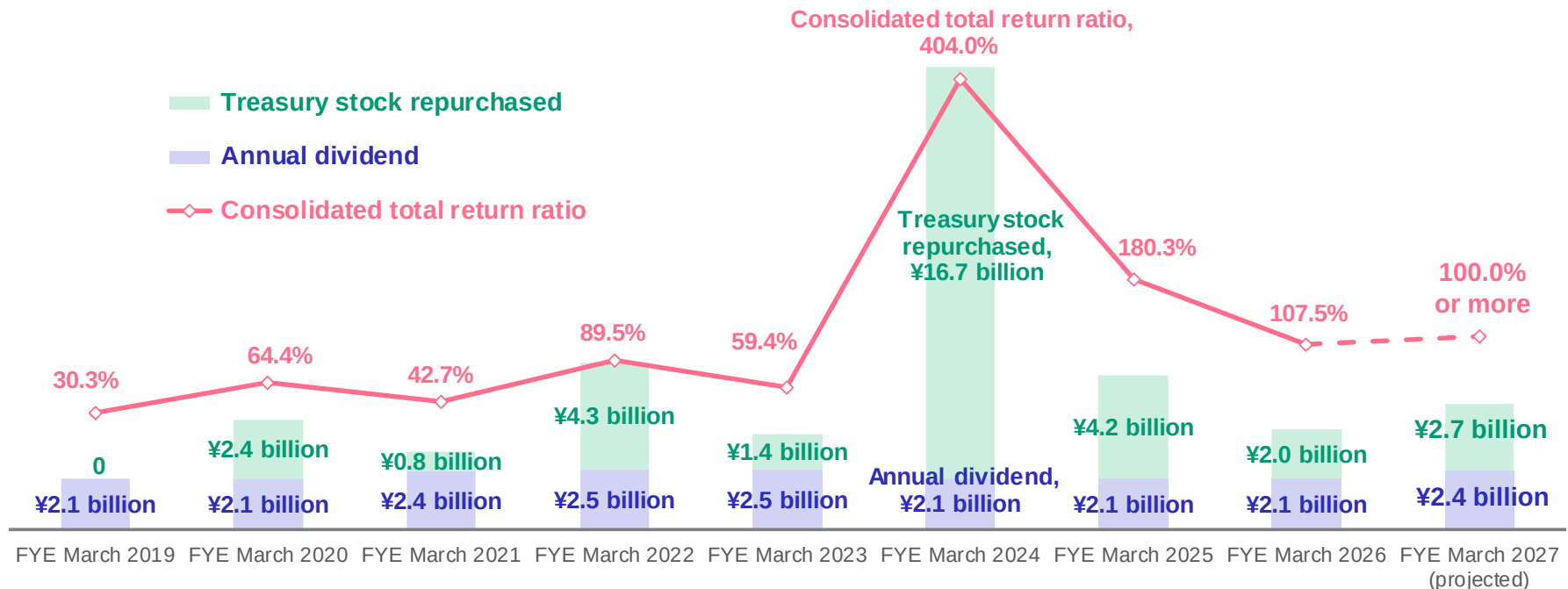
- For FYE March 2026, we paid a dividend of 72 yen per share, an increase of 2 yen. (17 consecutive years of increased dividends)
- In FYE March 2027, based on our dividend policy (progressive dividends, consolidated dividend payout ratio of 40% or more), we will substantially raise the level of the dividend increase—we plan to **raise the dividend to 82 yen per year (+10 yen)**.



Responsively Repurchase Treasury Stock to Maintain a Total Return Ratio of 100% or More

- For FYE March 2027, based on our shareholder returns policy (total return ratio of 100% or more), **we establish a treasury stock repurchasing maximum of 2.7 billion yen (equiv. to 1 million shares).**

Dividend amount, treasury stock repurchase amount, and consolidated total return ratio over the years



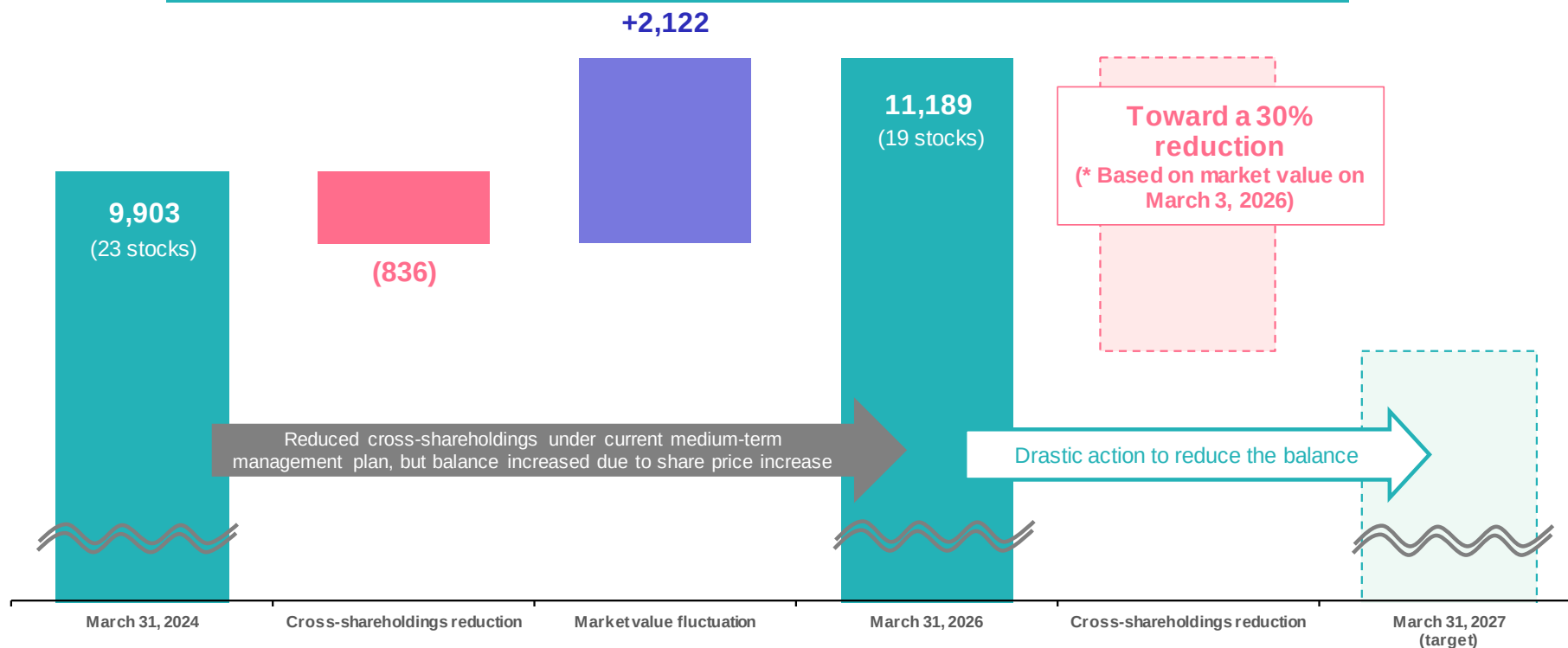
Accelerate Reduction of Cross-Shareholdings to Correct Our Capital Structure

- As an effort to optimize equity capital, we will accelerate the reduction of cross-shareholdings.
- By the second year of Medium-term Management Plan 2027, we made efforts to reduce cross-shareholdings by 800 million yen (cumulative sale value). For the final year (FYE March 2027), we will work toward the target, **a substantial reduction of roughly 30%***.

(* Based on market value on March 31, 2026)

Cross-shareholdings during Medium-term Management Plan 2027 (listed stocks)

Unit: millions of yen



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