
To Achieve Management Conscious of Cost of Capital and Stock Price

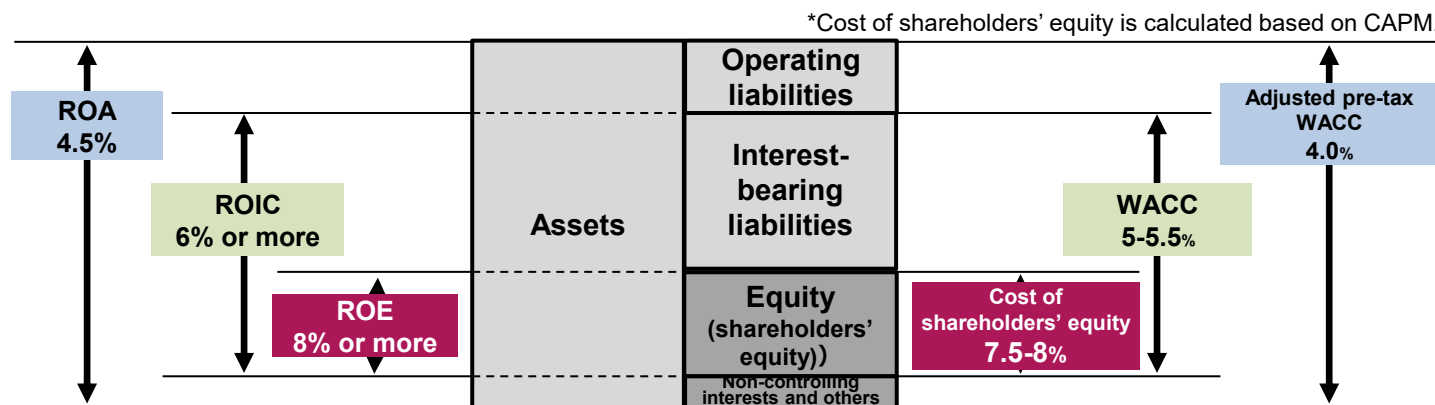
May 29, 2026



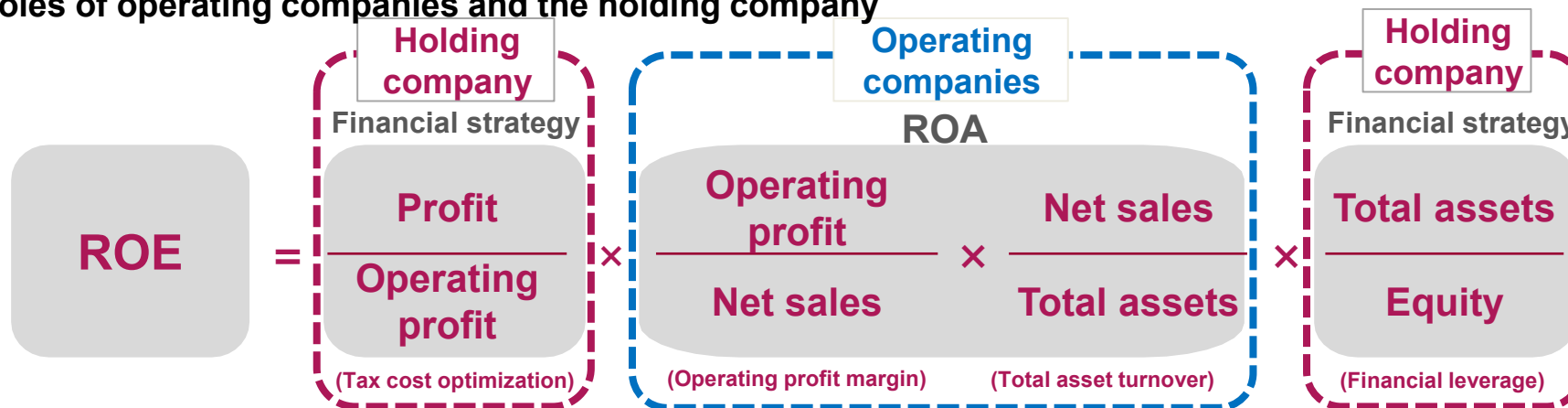
- ▶ Recognize that achieving our key performance indicators requires investment returns above the hurdle rate
- ▶ Based on the recognition that the medium- to long-term WACC and cost of shareholders' equity will be around 5.0% and 7.5%, respectively, consolidated ROIC target is set at 6% or more and consolidated ROE target at 8% or more in the Medium-term Business Plan

Clarify the roles of operating companies to maximize ROA by improving ROIC and the holding company to promote financial strategy

■ Relationship between ROIC and ROE targets and hurdle rate



■ Roles of operating companies and the holding company



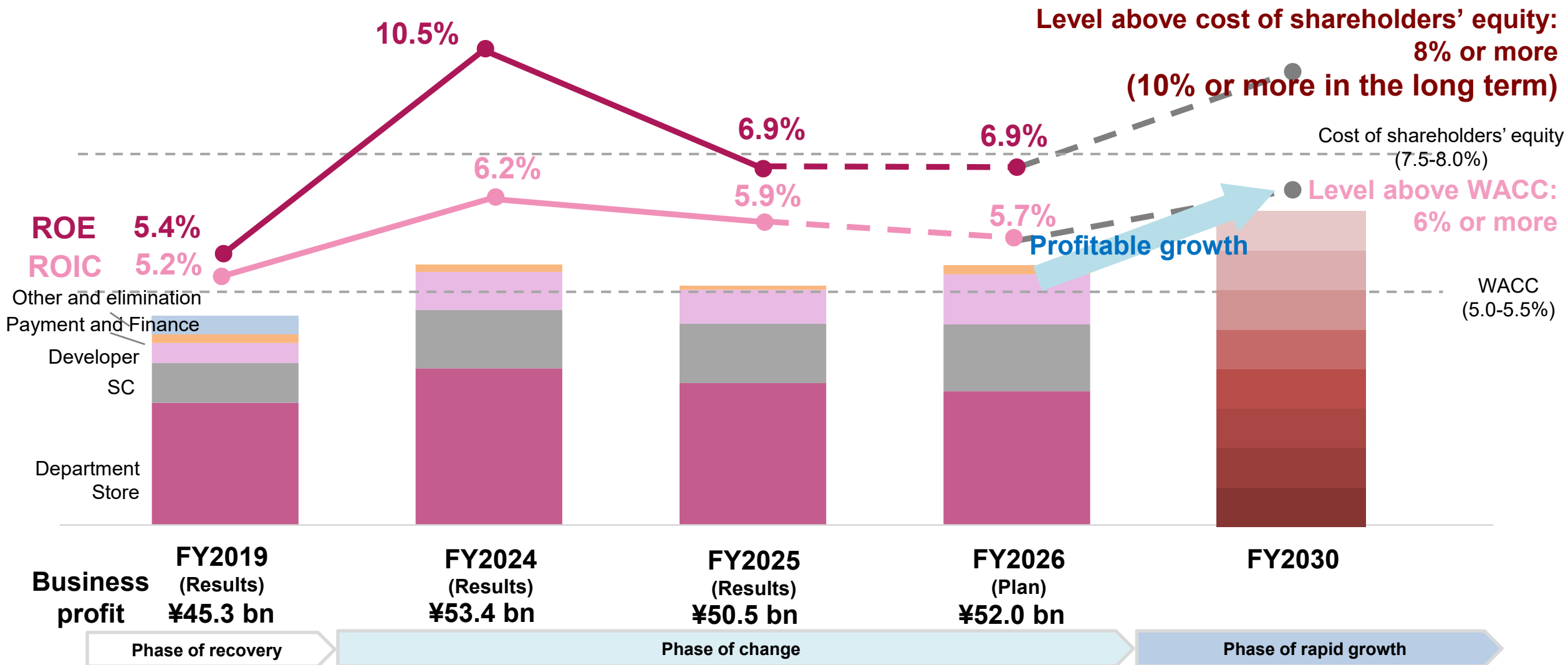
- ▶ Recognize that ROE continuously exceeding cost of shareholders' equity will lead to higher PBR and PER levels
- ▶ Aim to secure ROE of 6.9% or more and PBR of around 1.5 times by FY2026, the final year of the Medium-term Business Plan
Aim to achieve ROE of 10% or more in the long term

$$\frac{\text{Market cap}}{\text{Equity}} = \frac{\text{Profit}}{\text{Equity}} \times \frac{\text{Market cap}}{\text{Profit}}$$

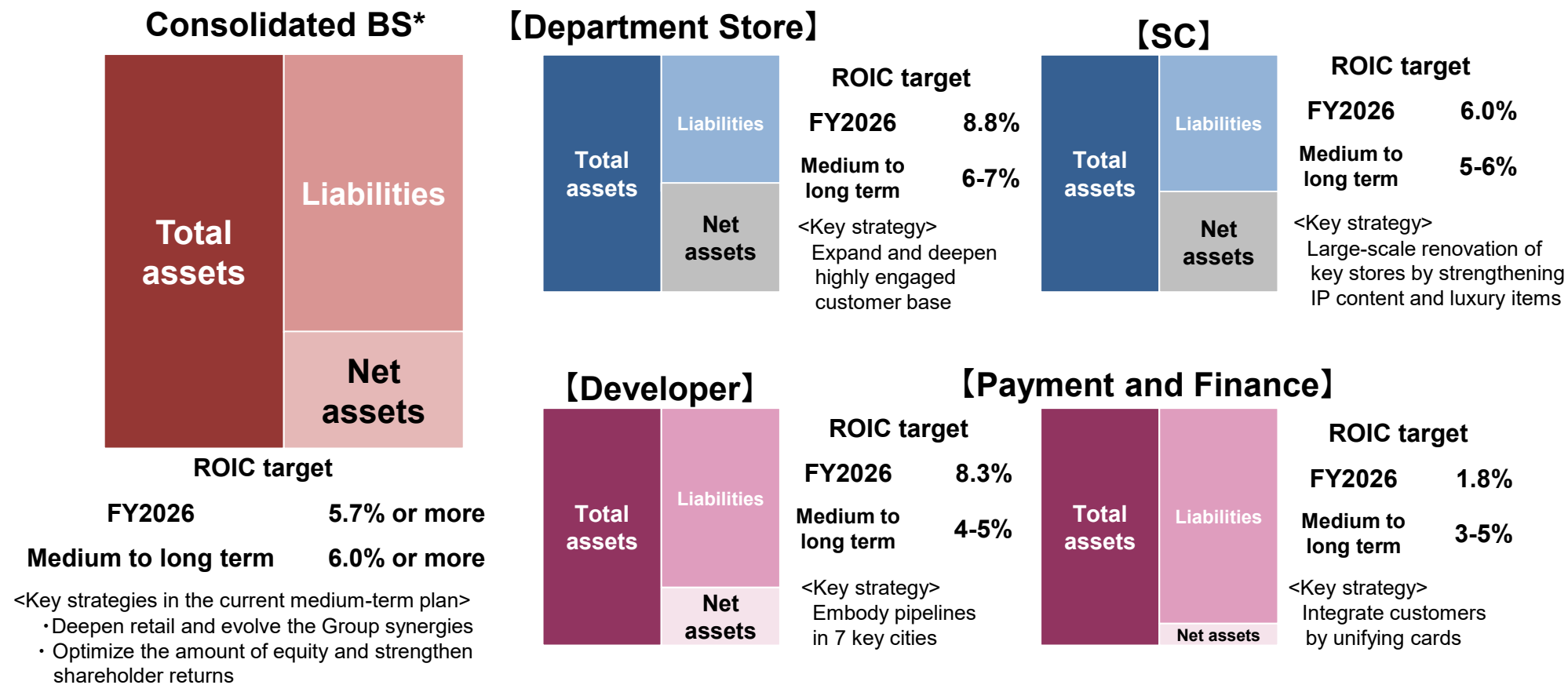
	PBR	ROE	PER	Stock price
FY2024 results	1.27x	10.5%	12.1x	¥1,948
FY2025 results	1.54x	6.9%	22.8x	¥2,580
FY2026 plan/forecast	1.50x or more	6.9% or more	23.0x or more	¥2,600 or more

Achievement of Profitable Growth

- ▶ Work to deepen retail and evolve the Group synergies to achieve profitable growth in the current Medium-term Business Plan
- ▶ Ensure that ROE and ROIC levels continuously exceed cost of shareholders' equity and WACC, respectively

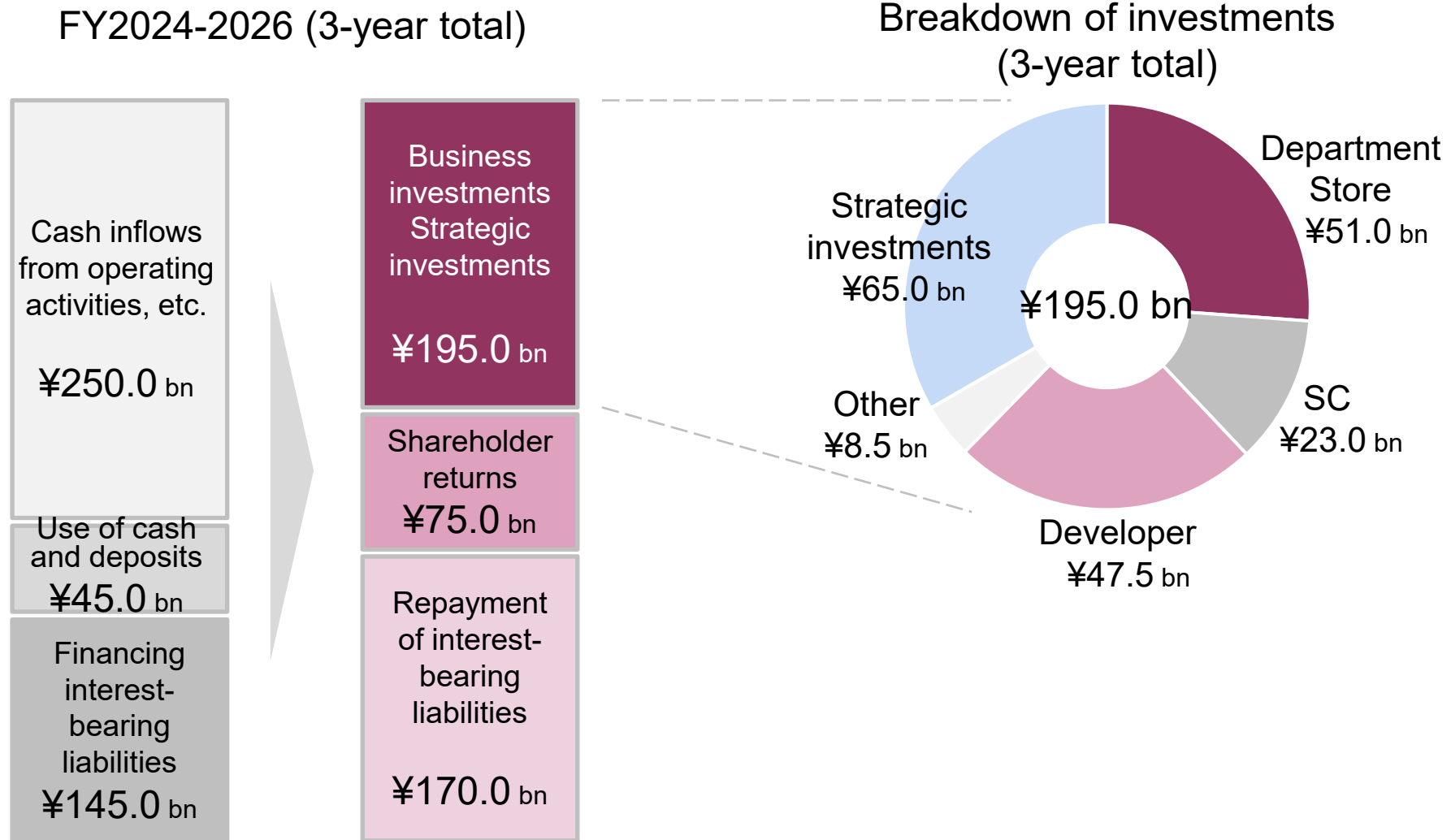


- ▶ Control consolidated BS, targeting an equity ratio of 30-35%
- ▶ Aim to achieve ROIC targets by promoting key strategies and thoroughly managing investments

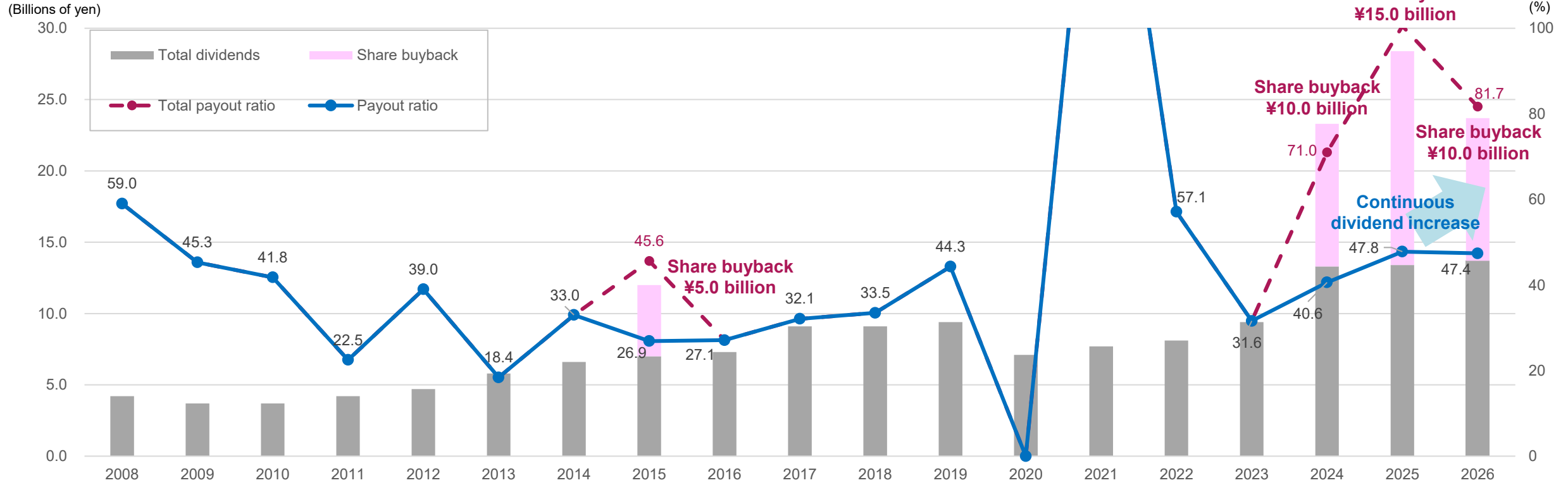


*Medium- to long-term target: Control equity and interest-bearing liabilities, targeting an equity ratio of around 30-35% and a D/E ratio (excluding lease liabilities) of 1x or less
 Plan for the end of FY2026: Ratio of equity of 32.3%, interest-bearing liabilities (excluding lease liabilities) of ¥256.0 bn, D/E ratio (excluding lease liabilities) of 0.61x

► Prioritize investment allocation with an eye toward change, while steadily implementing shareholder returns



- ▶ Since FY2024, have raised the consolidated payout ratio to 40% or higher, paying record-high dividends
- ▶ Aim to continuously increase dividends by achieving sustainable profit growth
- ▶ Also implement share buybacks while monitoring stock price and balance sheet conditions, with an eye toward improving TSR

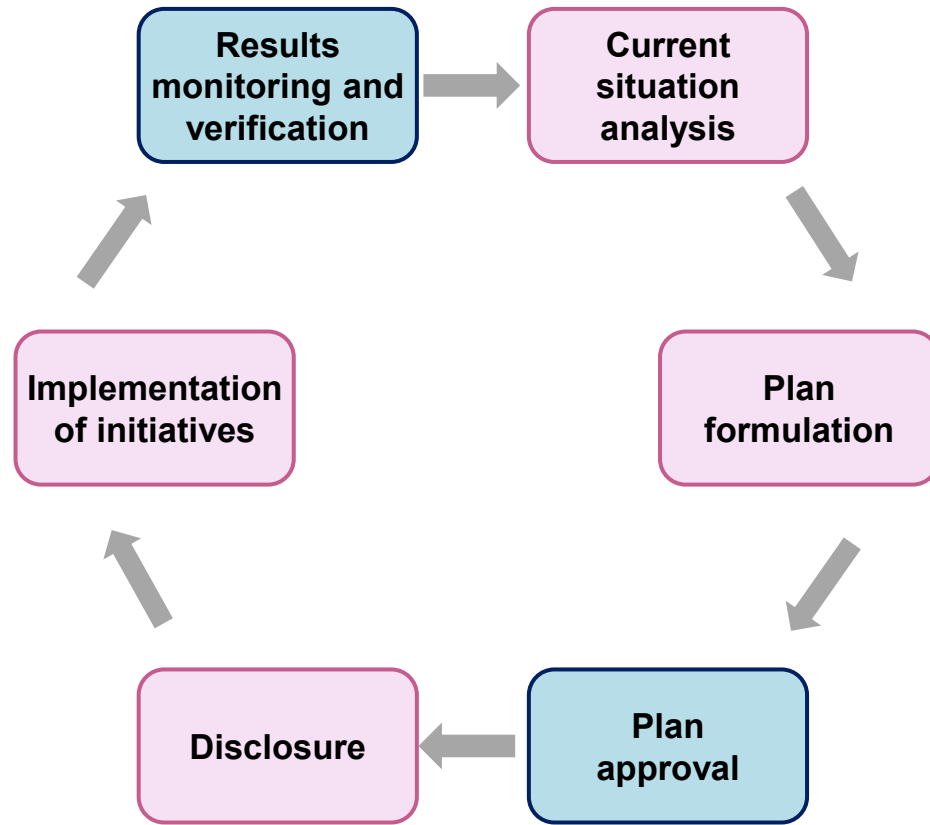


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	(FY)
Dividend per share (Yen)	8	7	7	8	9	11	25	27	28	35	35	36	27	29	31	36	52	54	56	
Payout ratio (%)	59.0	45.3	41.8	22.5	39.0	18.4	33.0	26.9	27.1	32.1	33.5	44.3	—	175.7	57.1	31.6	40.6	47.8	47.4	
Total payout ratio (%)	59.0	45.3	41.8	22.5	39.0	18.4	33.0	45.6	27.1	32.1	33.5	44.3	—	175.7	57.1	31.6	71.0	100.5	81.7	

*FY2014: Amount adjusted after reverse stock split (2 shares → 1 share) FY2017: Includes commemorative dividend of ¥2 per share
 FY2024: Payout ratio and total payout ratio exclude special factors.
 FY2026: Figures published in April 2026; total payout ratio adjusted for share buybacks

- ▶ The executive team formulates and discloses plans based on current situation analysis, and implements initiatives conscious of cost of capital and stock price through dialogue with investors, etc.*
- ▶ The Board of Directors approves the execution plans, monitors the status of initiatives, and verifies the results

*Starting from the current medium-term plan, the remuneration system for directors of the holding company and major operating companies adopts ROIC and TSR as performance evaluation indicators, in addition to conventional profit and ROE, to enhance the effectiveness of the system.



	Executive team	Board of Directors
Current situation analysis	○	—
Plan formulation	○	—
Plan approval	—	○
Disclosure	○	—
Implementation of initiatives	○	—
Results monitoring and verification	—	○

The circle indicates a body that takes the initiative.