

## Mid-Term Management Plan

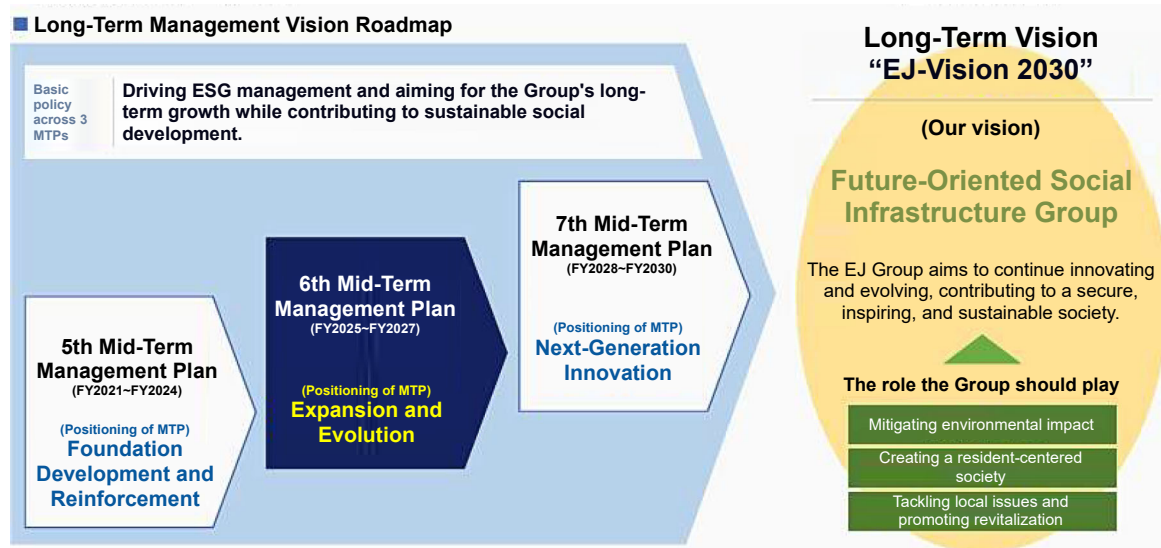
### 6th Mid-Term Management Plan EJ-Plan 2027 (FY2025-FY2027) **Expansion and Evolution**

Building on the business foundation developed and strengthened under the previous mid-term management plan, we will seek to expand and evolve our business by adding new challenge areas to our core existing businesses.

[6th Mid-Term Management Plan Presentation Materials](#)

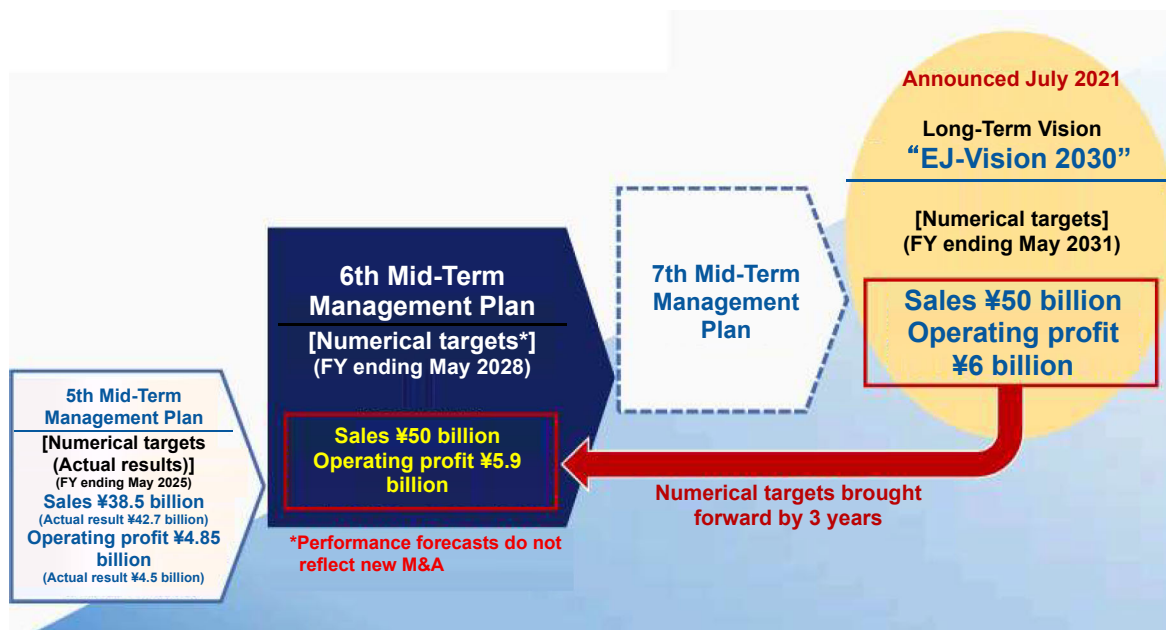
## Positioning of the 6th Mid-Term Management Plan

Our mid-term management plans are being implemented in 3 phases to achieve our long-term vision. The 6th mid-term management plan is positioned as “expansion and evolution.”



## Setting numerical targets for the 6th Mid-Term Management Plan

Based on the results of our 5th MTP, we have brought forward the numerical targets of our long-term vision announced in July 2021 and set them as the targets of our 6th MTP. A strategic public stock offering will be implemented for our new long-term vision.



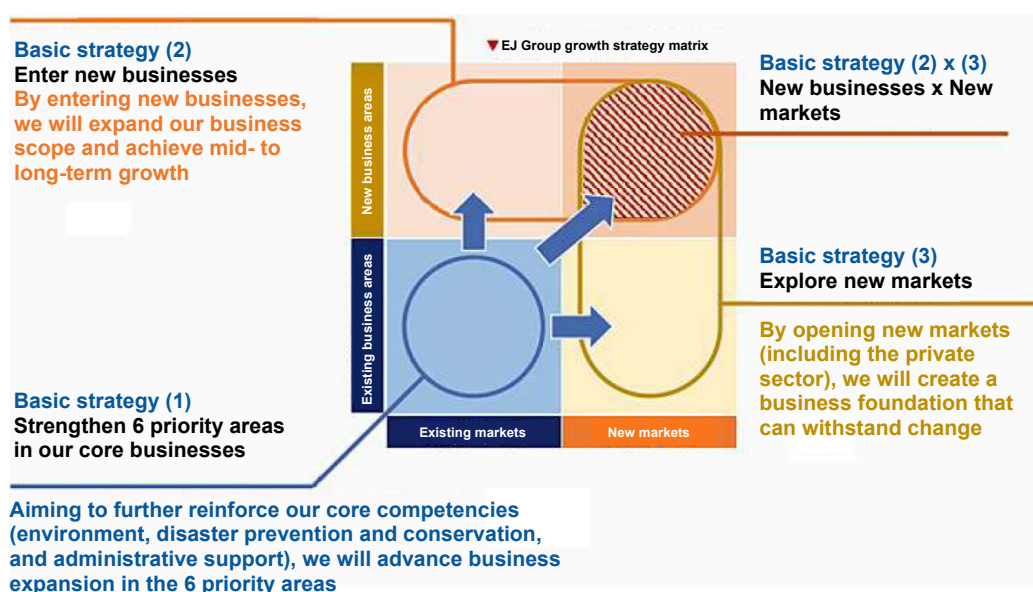
## Four basic policies and basic strategies

### Enhancing Core Businesses and Exploring New Fields

To advance our mid- to long-term growth strategy, we will expand our core businesses while developing new businesses and new markets.

### Basic strategies

- (1) Strengthen 6 priority areas in our core businesses
- (2) Enter new businesses
- (3) Explore new markets

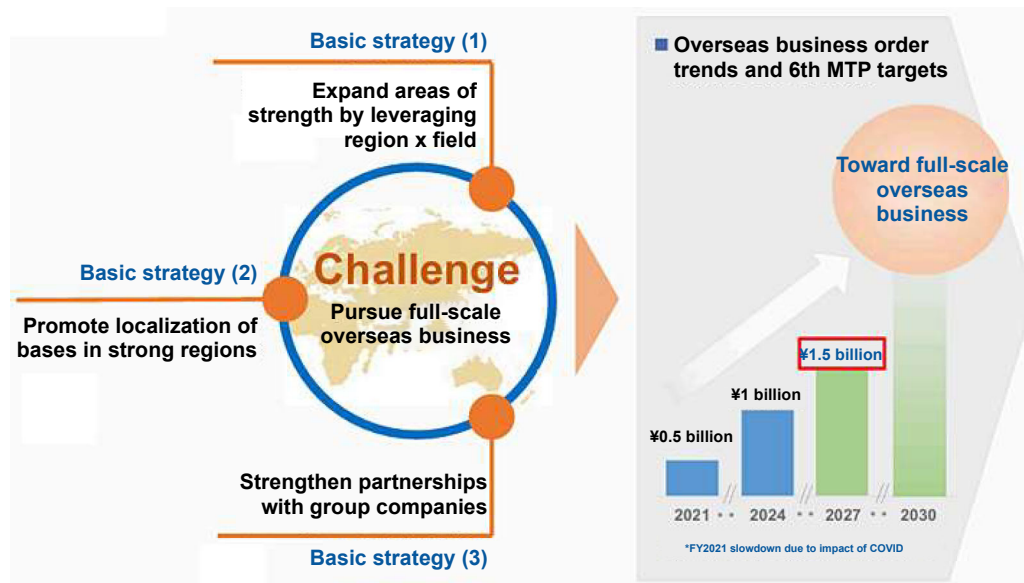


### Pursuing Full-Scale Overseas Business

To move toward full-scale overseas business, which is key to our future growth strategy, we will work to develop and strengthen our international business foundation

## Basic strategies

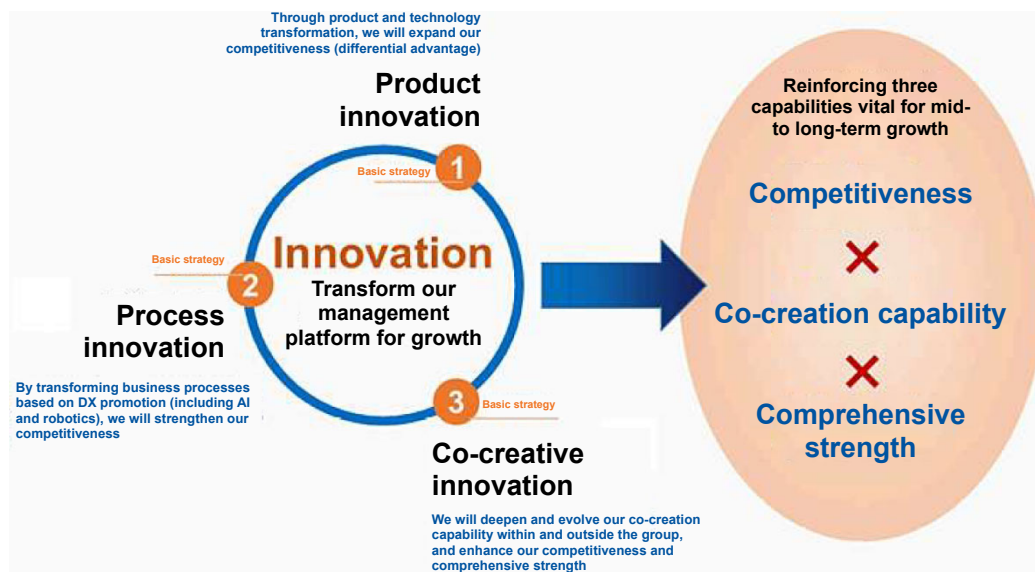
- (1) Expand areas of strength by leveraging region x field
- (2) Promote localization of bases in strong regions
- (3) Strengthen partnerships with group companies



## 3. Strengthening the Value Chain

To achieve mid- to long-term growth, we will transform (innovate) our management foundation and enhance our competitiveness, co-creation capability, and comprehensive strength

- (1) Product innovation
- (2) Process innovation
- (3) **Group** co-creative innovation

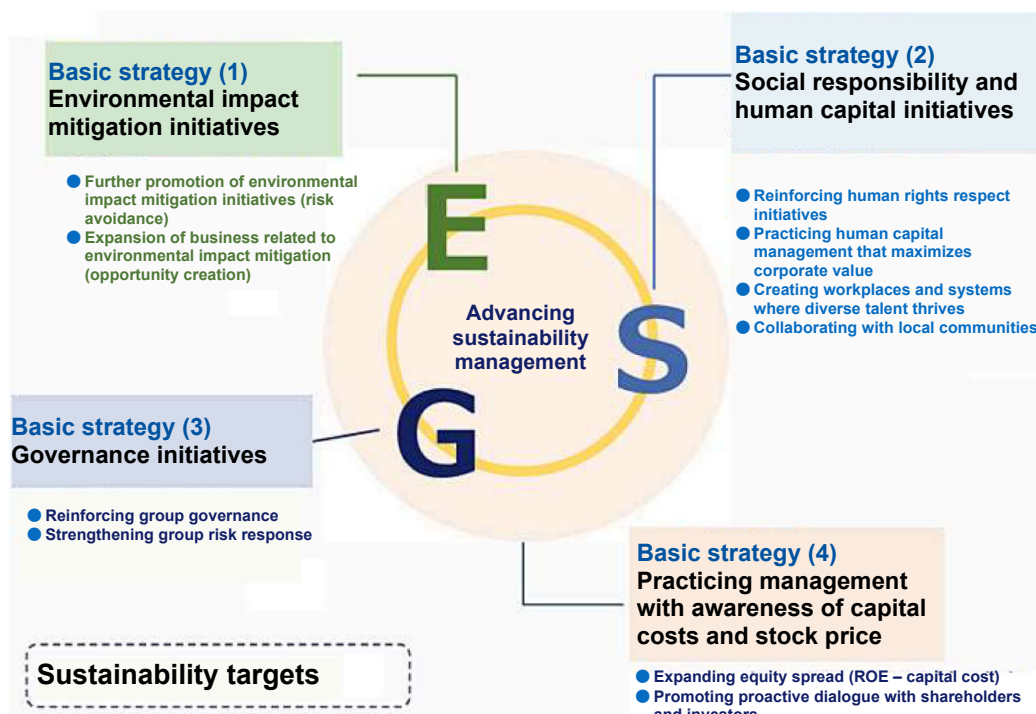


## 4. Promoting Sustainable Management

We will continue to pursue ESG management based on materiality (key sustainability issues) and contribute to realizing a sustainable society

## Basic strategies

- (1) E: Environmental impact mitigation initiatives
- (2) S: Social responsibility and human capital initiatives
- (3) G: Governance initiatives
- (4) Practicing management with awareness of capital costs and stock price



## Numerical Targets

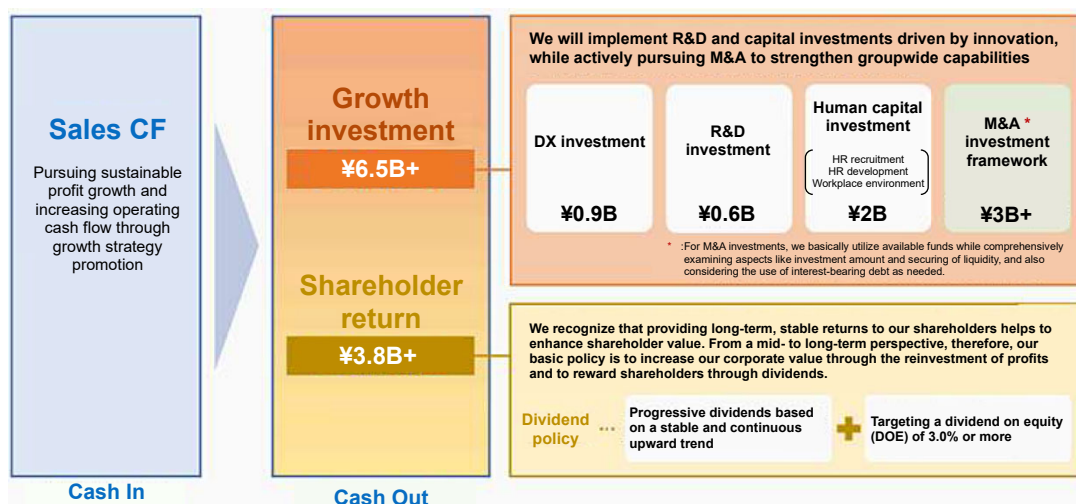
For the final fiscal year targets, we are planning for an approximate 10% increase in sales, approximate 20% increase in operating profit through productivity and efficiency improvements, and approximate 11% increase in final profit, all compared to FY2020. We have also allocated ¥4 billion for innovation promotion investment during the period, allowing us to make unprecedentedly proactive investments. Our dividend policy will be determined comprehensively based on business environment, profit levels, payout ratio, and other factors, but we will initially target dividends equivalent to 3.0% of shareholders' equity.

	Actual result FY ending May 2025	Target FY ending May 2028	Remarks
Consolidated sales	¥42.7 billion	¥50 billion	Of which, ¥1.5 billion from overseas
Operating profit	¥4.48 billion	¥5.9 billion	11.8% profit margin
Net income	¥3.2 billion	¥3.9 billion	10%+ ROE

## 6th Mid-Term Management Plan Basic Cash Allocation Policy

Based on a sound financial foundation, we will advance proactive growth investments and long-term stable shareholder returns to enhance our group corporate value.

Overview of cash allocation (6th MTP 3-year total)



## Review of our long-term vision

The targets set for the final year of the 6th Mid-Term Management Plan are at a level close to those in our long-term EJ-Vision 2030, announced in July 2021 (as noted above). We are also scrutinizing external factors such as rapid social changes (the accelerating decline of Japan's population, and advances in AI technology), and plan to review our long-term vision, including possible adjustments to the timing of target achievement, and republish it accordingly.

