

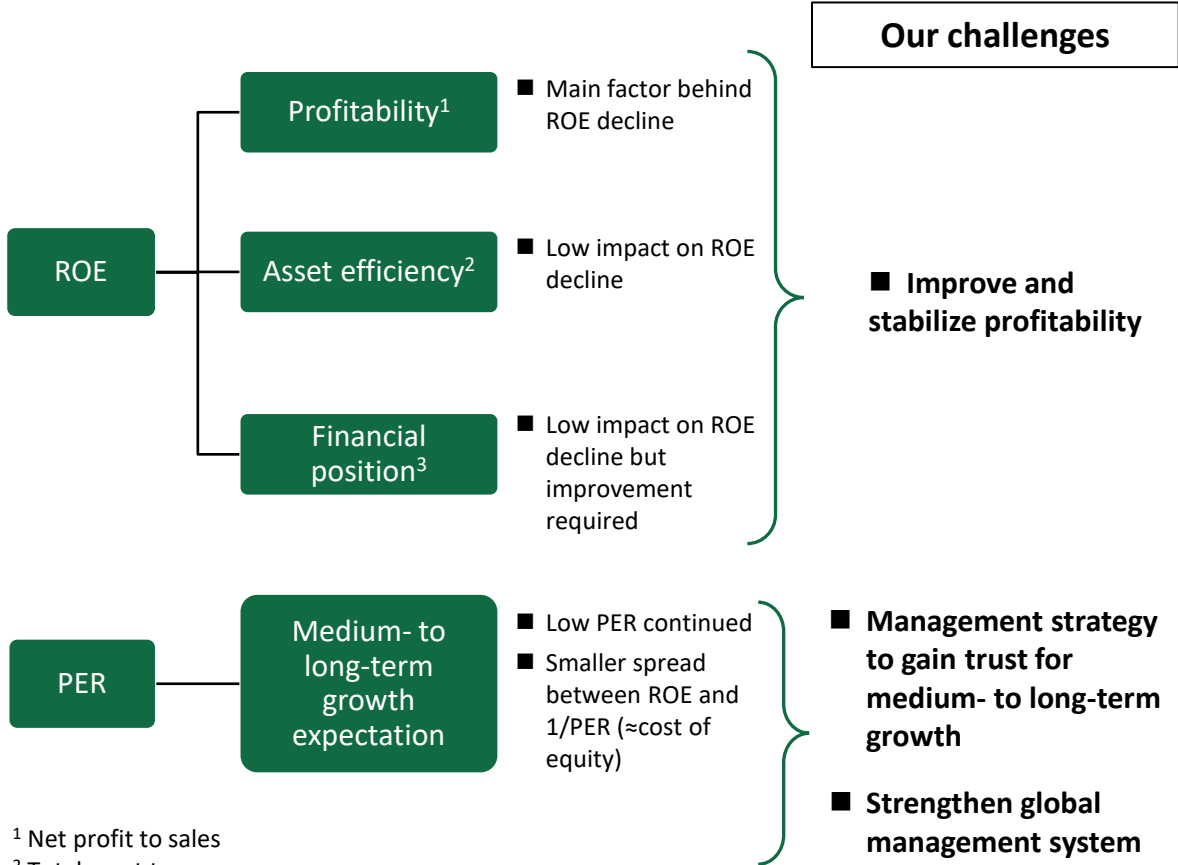
# **Initiatives to improve PBR**

**May 13, 2024**

# Measures and targets under Medium-Term Management Plan 2024-2025

- Based on analysis announced in February 2024, set/disclose PBR improvement measures/targets under Medium-Term Management Plan 2024-2025
- Steadily carry out plan for speedy improvement of PBR

## Recognized issues (announced in February 2024)



<sup>1</sup> Net profit to sales  
<sup>2</sup> Total asset turnover  
<sup>3</sup> Financial leverage

## Measures and targets under Medium-Term Management Plan 2024-2025

<b>Target</b> FY2025 ROE of 6% or higher Aim for ROE of 10% or higher and PBR of 1.0 or higher as early as possible after Medium-Term Management Plan 2024-2025	
<b>Profitability</b>	<div>■ Accomplish Reforms for Profitability Improvement</div> <div>■ Execute strategic options for underperforming/less-focused businesses</div> <div>■ Invest in focused businesses</div> <div>■ Improve business operations by strengthening management system</div>
<b>Asset efficiency</b>	<div>■ Reduce cross-shareholdings and sell idle assets</div> <div>■ Consider share repurchases using any resources gained through asset sale and strategic options</div>
<b>Financial position</b>	<div>■ Ensure a balance between financial discipline and capital efficiency while utilizing interest-bearing debt</div>
<b>Medium- to long-term growth expectation</b>	<div>■ Earn trust of investors</div> <div>□ Steadily achieve plan</div> <div>□ Provide detailed explanation of business portfolio transformation and future growth potential</div> <div>□ Stable and continuous shareholder returns</div>
<b>Strengthen global management system</b>	<div>■ Strengthen management system to achieve long-term vision (Purpose, governance, human capital, technology, etc.)</div>