



# **Priority measures for FY2025 (initiatives for improving PBR)**

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**May 12, 2025**

## Priority measures for FY2025 (initiatives for improving PBR)

- Significant progress has been made in implementing strategic options to focus on the key businesses and strengthening the global management base
- Aim to achieve ROE of 10% or more and PBR of 1.0 or more by speeding up our efforts to improve business profitability and materialize growth strategies

Improving ROE	Measures taken up to FY2024	Priority measures for FY2025
Profitability	<ul style="list-style-type: none"> <li>■ Completing the reforms for profitability improvement (Composites, aramid, Healthcare)</li> <li>■ Executing strategic options for underperforming businesses</li> </ul>	<ul style="list-style-type: none"> <li>■ Aramid and carbon fibers: Quickly implementing profitability improvement measures in response to new challenges arising from changes in the external environment</li> <li>■ Healthcare: Continuing to promote a shift to a new business structure and reduce costs</li> </ul>
Asset efficiency	<ul style="list-style-type: none"> <li>■ Executing strategic options for less-focused businesses</li> <li>■ Reducing cross-shareholdings and promoting sale of idle assets</li> <li>■ Streamlining the balance sheet through global cash pooling</li> <li>■ +20 yen to the annual dividend per share in FY2024</li> </ul>	<ul style="list-style-type: none"> <li>■ Ensuring that each business will improve its progress in achieving the targets for ROIC and Cash Conversion Cycle</li> <li>■ Continuing to reduce cross-shareholdings and sell idle assets</li> <li>■ Providing constant and stable shareholder returns</li> </ul>
Financial position	<ul style="list-style-type: none"> <li>■ Improving the D/E ratio by repaying borrowings</li> </ul>	<ul style="list-style-type: none"> <li>■ Exploring the optimal capital composition based on the next Medium-Term Management Plan</li> </ul>
Improving PER	Measures taken up to FY2024	Priority measures for FY2025
Building expectations for medium- to long-term growth	<ul style="list-style-type: none"> <li>■ Implementing measures with a strong commitment to the stock market (including implementing business portfolio transformation, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>■ Materializing growth strategies <ul style="list-style-type: none"> <li>✓ Shifting to a value-driven business structure (expanding successful models) (promoting downstream business, incorporating peripheral areas, reorganizing the industry, etc.)</li> </ul> </li> </ul>
Strengthening the global management base	<ul style="list-style-type: none"> <li>■ Promoting the purpose-focused initiative (ensuring that the concept of “My Action” permeates all the staff)</li> <li>■ Deciding to shift to a company with an audit and supervisory committee</li> <li>■ Appointing a CTO and a CDO* hired from outside labor market</li> <li>■ Promoting human capital strategies (including adopting a job posting system, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>■ Exploring the optimal organizational structure based on the strategic options executed in FY2024 and the next Medium-Term Management Plan (including optimizing Group-wide functions, etc.)</li> </ul>