

- **Action to Implement Management that is Conscious of Cost of Capital and the Stock Price**
- **Communication with Shareholders and Investors**

Action to Implement Management that is Conscious of Cost of Capital and the Stock Price

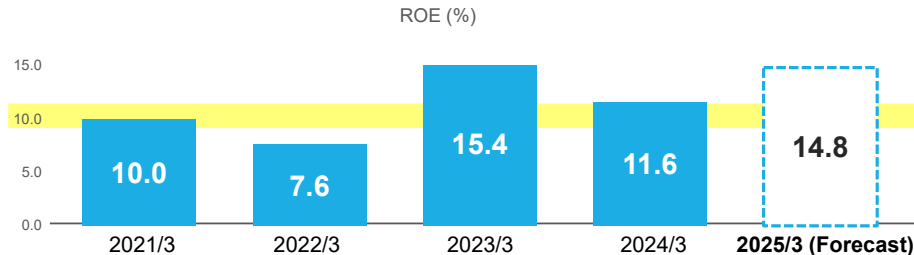
Action to Implement Management that is Conscious of Cost of Capital and the Stock Price

Specific actions

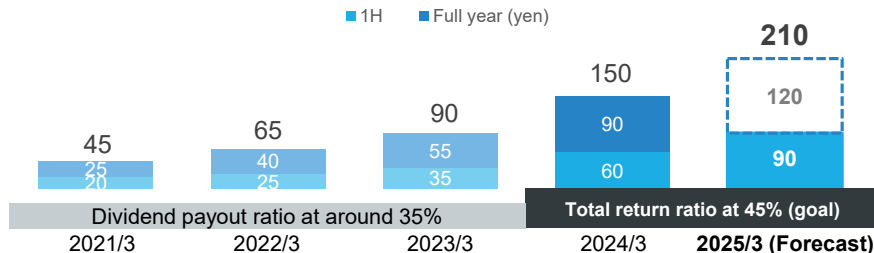
Progress

As of September 30, 2024

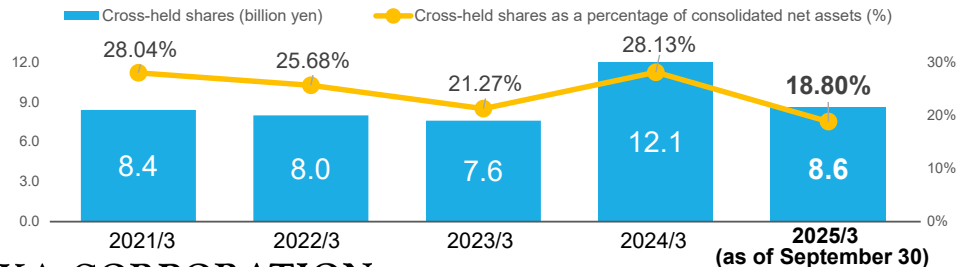
We will revise our ROE target (initially set at keeping ROE in the 8% range) upwards to 10.0% and establish an organizational structure that effectively uses the PDCA cycle to achieve the long-term vision's earnings target ahead of schedule.



We will change our shareholder return policy from a "dividend payout ratio of around 35%" to a "total return ratio of around 45%" in an effort to strengthen shareholder return.



We will aim to reduce cross-held shares to less than 20% of consolidated net assets by the end of FY2024 as planned. We are considering subsequently reducing them to 10%.



Specific actions

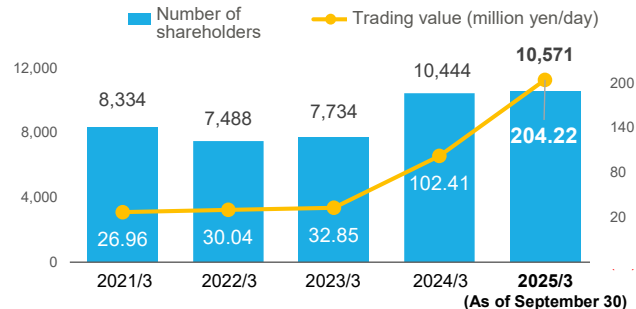
Progress

As of September 30, 2024

We plan to introduce a shareholder benefit program to attract new investors and increase stock trading.

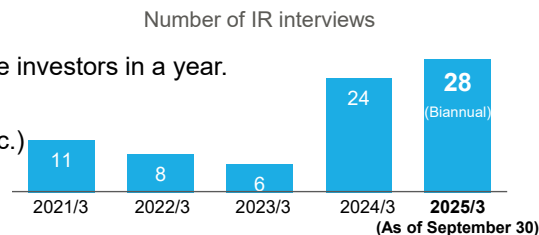
- Introduction of a shareholder benefit program

Number of shares held	Benefits
100 to 299 shares	QUO Card worth 1,000 yen
300 to 499 shares	QUO Card worth 2,000 yen
500 shares or more	QUO Card worth 3,000 yen



We will promote disclosure, dialogue with investors, and investor relations to have our initiatives understood by more people.

- We reinforced IR interviews.
- We held a total of six company information sessions for private investors in a year.
- Publish Integrated Reports
- Announcement of analyst report release (Shared Research Inc.)
- We stepped up publicity on TV, radio and magazines.
- We enhanced the information listed on the company website



We will invest 10.00 billion yen in growth opportunities while maintaining financial soundness, taking advantage of our strong balance sheet.

- Acquisition of Shipyard Tanaka Co., Ltd.
- Making Fenwal Controls of Japan, Ltd. an equity method affiliate

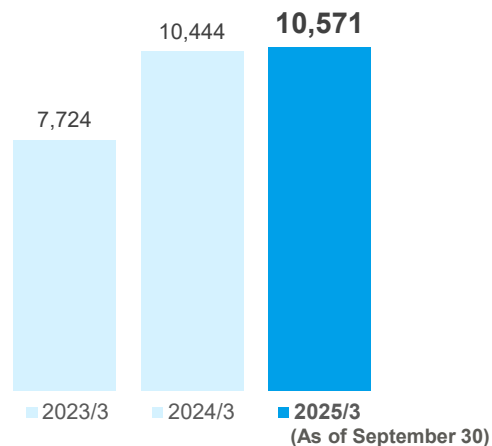


We will introduce a remuneration system for officers as a sound incentive for the achievement of sustainable growth.

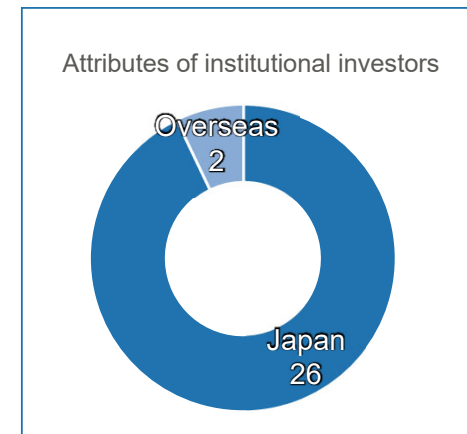
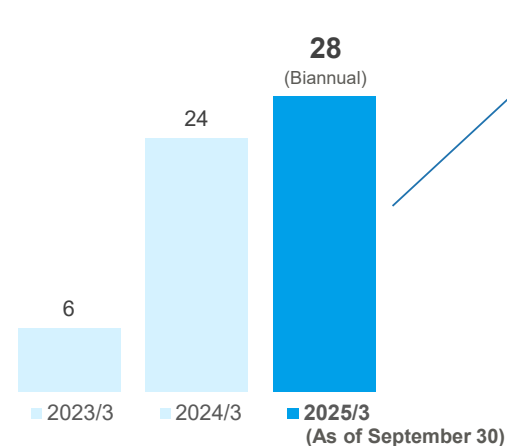
We introduced a board incentive plan (BIP) trust program under which evaluation would be based on the market capitalization, ROE and the level of implementation of the medium-term management plan.

Communication with Shareholders and Investors

Number of shareholders



Number of IR interviews



Status of briefings held for institutional investors (as of September 30, 2024)

Date	Place	Details	Speakers
May 27	Tokyo + Online	Financial results briefing for FY2023	President, etc.
June 5	Online	Corporate briefing for IFA	President
July 27	Nagoya	Corporate briefing for individual investors	President
September 28	Osaka	Corporate briefing for individual investors	President

■ Points of interest from shareholders and investors

- Revisions to targets for the final year of the Medium-Term Management Plan VIORB2030 Phase 1
- Status following launch of the nuclear power generating facility business and future outlook
- Shareholder return and dividend policy
- Intentions of business investments and capital alliances in recent years and future investment policy
- Business overview of each Group company and future outlook
- Monitoring order volume following the abolition of quarterly reports

■ Status of feedback provided to top management and the Board of Directors

Information is shared in a timely fashion with members of the Board of Directors and Corporate Management Meeting and reflected in management strategy.

Details	Frequency	Reporting
Minutes of meetings with investors and analysts	As needed	Directly or via email
Progress reports on IR strategy	Quarterly	Board of Directors

■ Improvements through dialogue

- Revisions to targets for the final year of the Medium-Term Management Plan will be announced during this fiscal year
- We will start reporting on the financial status of key subsidiaries during financial results briefings (interim and year-end briefings)
- From the perspective of continuity, order volume information will continue to be posted to the company website