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To whom it may concern

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## Initiatives to Enhance Corporate Value (Measures to Achieve a PBR of 1 at the earliest possible time)

Based on our five-year medium-term management plan announced in May 2022, we are actively pursuing various measures. Below are the actual results, forecasts, and targets for management indicators over the period of the plan.

Item	FY 2023 (Actual)	FY 2024 (Actual)	FY 2025 (Forecast)	FY 2027 (Target)
Operating Profit Margin	4.7%	5.0%	6.8%	8.7%
ROE	5.2%	8.5%	8.3%	10.0%
Equity Ratio	57.9%	56.4%	50% or more	50% or more
EPS	162 yen	294 yen	313 yen	333 yen

However, despite our efforts, our valuation in the market is still PBR of less than one, , with our closing price of 2,640 yen and a PBR of 0.74 on October 30.

To address this, we plan to implement the following six initiatives:

### 1. Achievement of Performance Goals

In this Q2, we achieved an operating profit for the first time in five periods, leveraging a strong order backlog. We will make every effort to meet our performance targets for this fiscal year. We will continue to strengthen project management and procurement cost reduction to

achieve our medium-term management goals.

## 2.Revision of Shareholder Return Policy

Under our current medium-term management plan, we are committed to a “Total Return Ratio Of 50% Or More, including Share Buybacks. To enhance shareholder returns and ensure stable dividends, we have set a new target payout ratio of over 60% of net operating profit after tax (NOPAT). Accordingly, we have revised the dividend forecast for FY 2025 to 120 yen per share. Details are available in the announcement “Announcement Regarding Revision of Dividend Forecast (Increased Dividend).”

Before the Revision	After the Revision
<p>Our dividend policy is based on maintaining stable profit returns. However, we also consider our consolidated performance, capital needs, and financial condition comprehensively to meet our shareholders' expectations. As stated in our medium-term management plan, we aim for a total return ratio of 50% or more, including share buybacks.</p> <p>Regarding the use of retained earnings, our basic approach is to allocate these funds toward capital investment, research and development, and business expansion to continually enhance corporate value, particularly through the advancement of key strategies such as carbon neutrality initiatives.</p>	<p>Our dividend is based on maintaining stable profit returns. However, we also consider our consolidated performance, capital needs, and financial condition comprehensively to meet our shareholder's expectations. As stated in our medium-term management plan, we aim for a total return ratio of 50% or more, including share buybacks. <u>Additionally, we have now set a target payout ratio of over 60% of net operating profit after tax (NOPAT).</u></p> <p>Regarding the use of retained earnings, our basic approach is to allocate these funds toward capital investment, research and development, and business expansion to continually enhance corporate value, particularly through the advancement of key strategies such as carbon neutrality initiatives.</p>

## 3.Revision of Policy for Reduction of Strategic Shareholdings

We had planned to reduce strategic shareholdings to less than 20% of net assets by the end of March 2029, but we have decided to accelerate this target by two years, to the end of March 2027.

#### 4.Reduction of Assets Including Interest-Bearing Debt

To improve ROE and capital efficiency, we will use funds from the sale of strategic shareholdings to purchase treasury stock and reduce interest-bearing debt. In addition, we strive to achieve the following standards starting from the current fiscal year.

Capital adequacy ratio:50% or more

Borrowing dependence ratio:10% or less.

#### 5.Reforme of the Board of Directors(Governance)

We are committed to separating the “decision-making and supervisory functions” from “business execution functions,” clarifying roles, and expediting decision-making. In line with this, we will promote the enhancement of the effectiveness of the Board of Directors and the sophistication of governance after obtaining the shareholders' approval to reduce the number of directors and to increase the number of external directors to at least the same number as internal directors at the annual general meeting of shareholders to be held in June of next year. In addition, at the annual general meeting of shareholders scheduled for next June, we will ask shareholders to approve an amendment to the Articles of Incorporation to shorten the term of office of directors to one year, and to further increase the sense of urgency in management, we will change the system to ask shareholders to approve or disapprove the election of directors at the annual general meeting of shareholders each year.

#### 6.Promotion of Sustainability Management

We will strive to enhance our corporate value by proactively disclosing our goals and results of our sustainability initiatives through our website and other means, and by sharing information with stakeholders in a timely manner. In addition, we will change our voluntary and measurable targets for ensuring diversity, after expanding the scope of measurement to a consolidated basis. In particular, we will do our utmost to achieve the target of 5% or more female managers, which we have yet to achieve.

We will continue to strive for the trust of our investors and work to earn long-term, stable support from our stakeholders.