

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



## News Release

February 13, 2025

Company name: Mitsubishi Pencil Company, Limited  
Representative: Shigehiko Suhara  
Representative Director, President  
(Securities Code: 7976; Prime of TSE)  
Inquiries: Naoto Hasegawa  
Senior Executive Officer, in charge of  
Finance  
(TEL: 03-3458-6215)  
<https://www.mpuni.co.jp/en/company/>

### Notice Concerning Formulation of Medium-term Business Plan 2025-2027

Mitsubishi Pencil Company, Limited (hereinafter the “Company”) hereby announces that at the meeting of Board of Directors held on February 13, 2025, the Company has formulated and resolved the “Medium-term Business Plan 2025-2027” covering the period from 2025 to 2027, as follows.

#### 1. Overview of Vision 2036 (Long-term Vision)

As we look ahead to 2036, the 150th anniversary of our founding, the Group is reexamining the value we provide to our customers, and we have formulated our “Corporate Brand Concept (Corporate Philosophy)” which includes our “Vision 2036 (Long-term Vision)” and our purpose and business domains for achieving this vision.

The Group’s Vision 2036 is to be “the world’s most expressive innovation company” and based on the belief that “everyone is unique in their own way,” we will provide value by unlocking the individuality and creativity of people all over the world through “writing and drawing,” and delivering the joy of expression. In addition, our Corporate Brand Concept is “Uniquely Beautiful.” The act of writing and drawing has the power to bring out each person’s uniqueness, enhance it, add color to it, and transform it into something that can be shared. The Group is always engaging with new technologies, and we aim to transform the various differences that people are born with, such as gender, culture, and disabilities, into possibilities, and create rich expression and new connections. Furthermore, we see differences as beauty, and we aim to use new technologies to make each person’s uniqueness shine and color the world, both now and in the future.

#### 2. Positioning, basic policy, and priority policies of the Medium-Term Business Plan 2025-2027

In order to realize Vision 2036, the Group has set up five stages of medium-term business plans, each lasting three years, based on a backcasting approach from 2036, and is promoting activities based on the progress of these plans.

Our newly formulated Medium-term Business Plan 2025-2027 is the second medium-term business plan toward realizing Vision 2036. Based on the new plans and activities that we have been promoting up to now, we will further develop and accelerate them, and we will work under the basic policy of “uni Advance” with the aim of realizing and embodying corporate transformation and innovation.

- Basic policy: uni Advance
- Priority policies
  - Continued growth and diversification of the writing instruments business
  - Expanding the scale of the other than writing instruments business and driving the realization of the Group’s vision
  - Strengthening management foundation in cooperation with stakeholders

### 3. Numerical targets

	2024	2027	2036
Net sales (Billion yen)	88.8	103.0	150.0
Operating profit (Billion yen)	12.1	15.5	22.5
Operating profit margin (%)	13.7	15.0	15.0
ROE	9.3%	8.0% or higher	—
PBR	0.99	1.0 or more	—

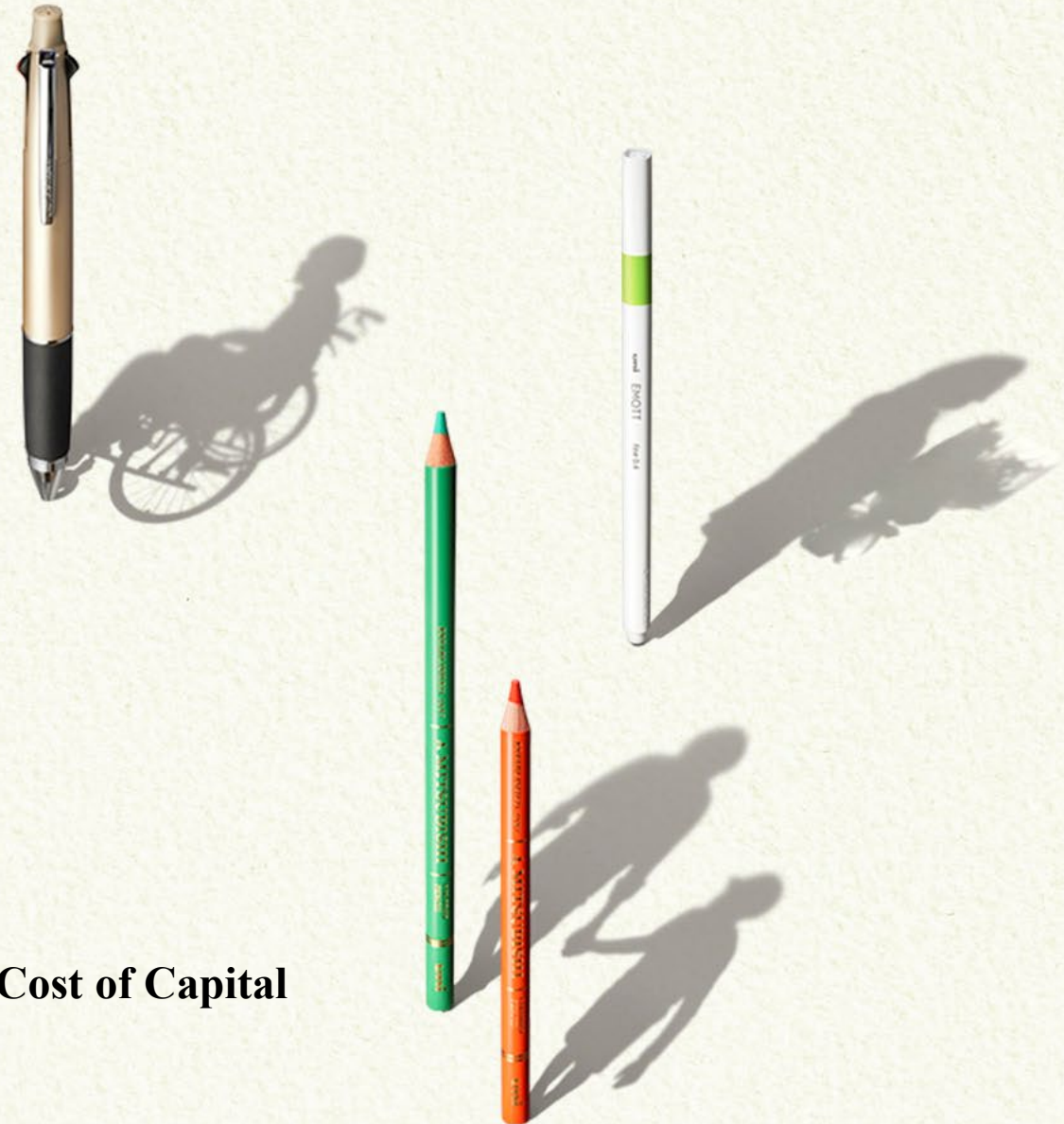


MITSUBISHI PENCIL COMPANY, LIMITED

# New Medium-term Business Plan

February 13, 2025





## **Table of Contents**

- 01. Vision 2036 (Long-term Vision) and Review of Medium-term Business Plan 2022-2024**
- 02. Medium-term Business Plan 2025-2027**
- 03. Initiatives for Achieving Management Attuned to Cost of Capital and Share Price**



# **Vision 2036 (Long-term Vision) and Review of Medium-term Business Plan 2022-2024**



We have formulated our “Vision 2036 (Long-term Vision)” with the Company’s 150th anniversary serving as its target year, and made it public for the first time in February 2022.

We have redefined the value we have provided to date in a manner such as to contribute to the self-expression of our consumers’ individuality, rather than as simply providing writing instruments (tools) for writing and drawing. Our management policy going forward aims to provide the very experience of expression that unleashes the individuality and creativity that many people are born with, in addition to providing high-value-added writing instruments, and to continuously give shape to our vision.

## 150th Anniversary of Establishment The World’s Most Expressive Innovation Company

Corporate brand concept  
Uniquely Beautiful.



### Breakdown of net sales

- Overseas writing instruments business: ¥41.0 billion
- Domestic writing instruments business: ¥30.0 billion
- Businesses other than writing instruments: ¥7.0 billion



### Breakdown of net sales

- Overseas writing instruments business: ¥70.0 billion
- Domestic writing instruments business: ¥30.0 billion
- Businesses other than writing instruments: ¥30.0 - ¥50.0 billion

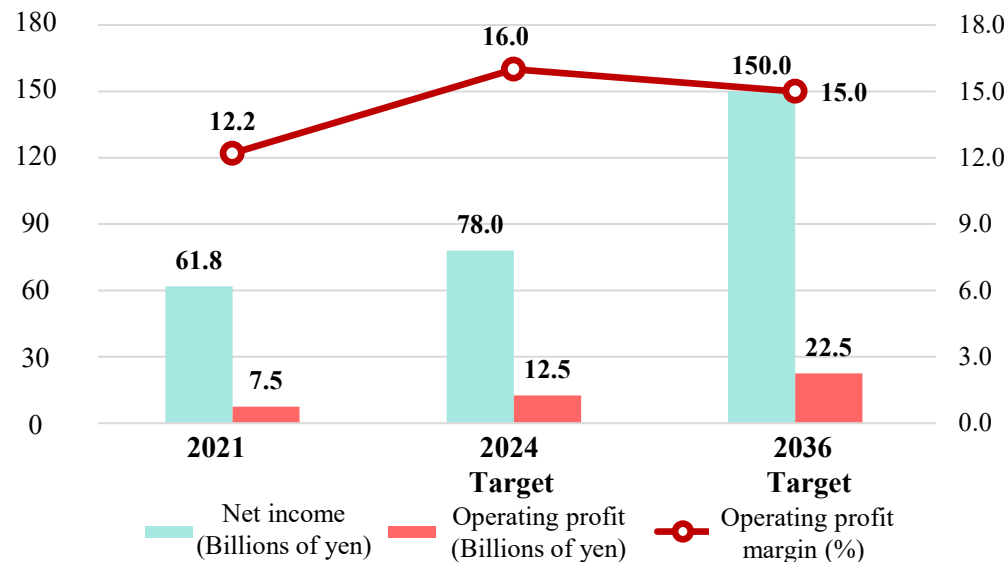
Starting from the Medium-term Business Plan 2025-2027, business that has been treated as “new business” will be renamed as “Businesses other than writing instruments.” This will clearly distinguish such endeavors from new businesses created within the writing instruments business, and the other than writing instruments business will refer to businesses that provide products or services other than “writing ‘tools.’”

- ◆ To realize our “Vision 2036 (Long-term Vision), we launched our first Medium-term Management Plan with the basic policy “uni re-design.”

## The World’s Most Expressive Innovation Company

Mitsubishi Pencil will become the world's leading expressive innovation company, to help bring out the individuality and creativity of people everywhere through our products and our belief that “everyone is unique in their own way.”

### Vision 2036 and targets of the Medium-term Business Plan



Raised the numerical targets of the Medium-term Business Plan twice, in 2023 and 2024

## Basic policy: uni re-design

**Toward realizing our vision by changing our perspective and way of thinking to restructure the way we do business**

### Main Policies

#### Globalization of writing instruments business

We aim to generate profits through international expansion of the writing instruments business, our core business, further strengthening of sales, supply and marketing functions, and expansion of our operations with a focus on overseas markets.

#### Taking new businesses to the growth stage

In addition to new businesses we have developed leveraging the technologies we have developed to date, we will redefine the “expressive experience itself” as a business domain that includes not only “writing and drawing” but also “thinking” and “communication” before and after writing, and create and nurture new businesses while actively pursuing the acquisition of new technologies.

#### Building a sustainable system

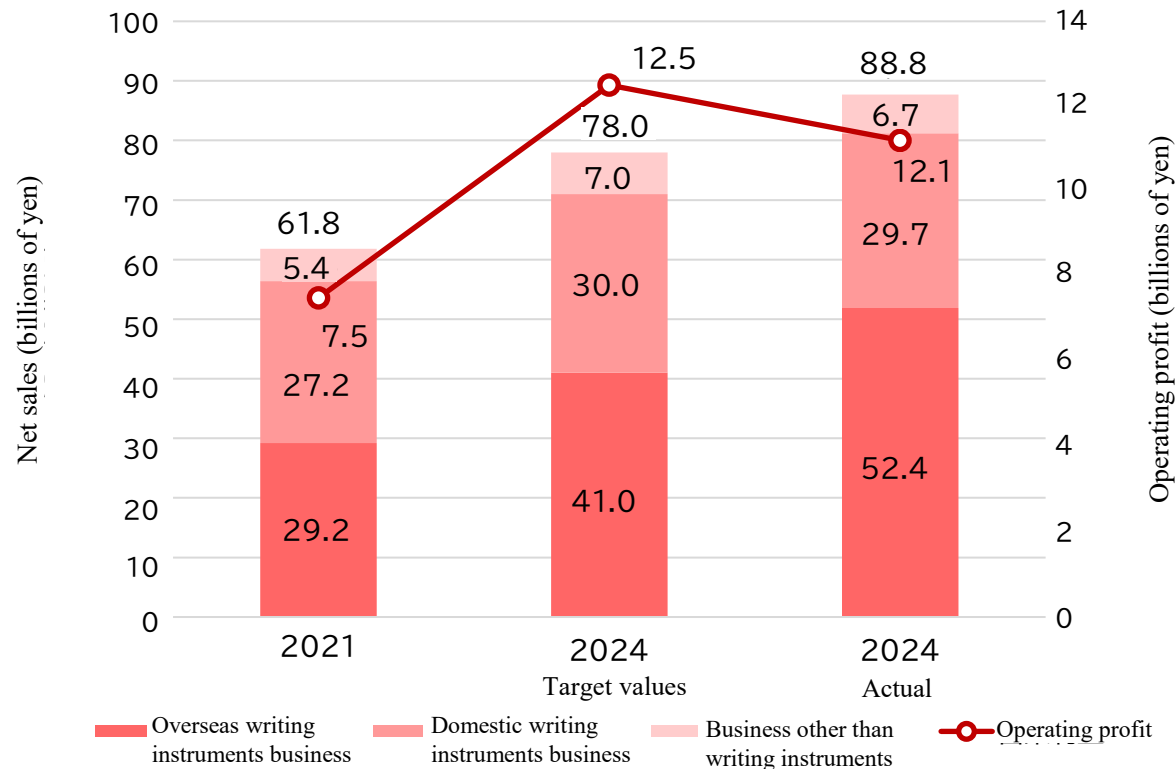
We aim to achieve sustainable growth not only through growing our business, but also through promoting coexistence with the natural environment and society. We will continue to contribute to the realization of a free and borderless society where people can continue to enjoy expressing themselves.



# Review of Medium-term Business Plan 2022-2024

◆ Due to activities conducted with a “global” perspective and mindset, as well as due to the tailwind variouprovided by the greater-than-expected yen depreciation, we achieved significant growth, especially in its overseas writing instruments business. With an eye toward further growth in the future, we also made C. Josef Lamy GmbH (hereinafter “Lamy”) a consolidated subsidiary. On the other hand, in our businesses other than writing instruments, although s activities were conducted, we did not achieve the initial sales target. Profits were generally in line with expectations, due in part to improved profit margins in global markets and the impact of foreign exchange rates.

## Medium-term Business Plan 2022-2024



- **Overseas writing instruments business:**  
Increased sales in the POSCA and North American and European markets. Sales were boosted as a result of realizing the consolidation of Lamy as a subsidiary.
- **Domestic writing instruments business:**  
Increased market share and sales despite difficult market conditions.
- **Businesses other than writing instruments:**  
Sales in cosmetics business increased with expansion of share in Japanese ODM/OEM market.  
Sales in some sectors of industrial materials business declined due to market changes.

## Issues for 2036

Enhancing Lamy’s corporate value  
Creation of synergies within the Group

Scaling up of businesses other than writing instruments

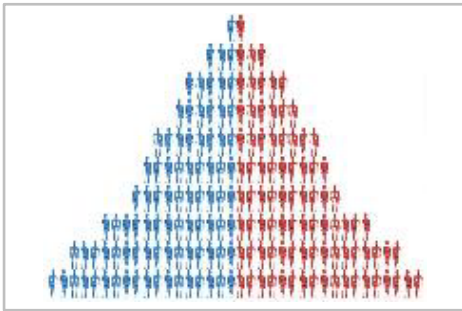
Response to disclosure requests  
Improve quality of IR/PR

Promotion of company-wide permeation of the vision and corporate brand concept  
Promotion of Group and global management



# Changes in the External Environment Surrounding Our Company

- ◆ The business environment in which we operate is becoming increasingly uncertain due to multiple factors, including demographic changes, evolving digital technologies, and diversifying values. Against this backdrop, we have been backcasting from changes in the external environment and discussing how to find future business opportunities and avoid risk. These matters will be reflected in the next Medium-term Business Plan.



## 1 Demographic changes

- **Developed countries:** Demand for conventional writing is decreasing due to the declining birthrate and aging population. On the other hand, the increase in the number of elderly people is creating the potential for new demand for writing.
- **Emerging countries:** Population growth and economic growth are underway. Fertility rates are high in many countries and the education market is expanding.



## 2 Evolution of digital technologies

- **Device evolution:** Tablets and other devices are becoming more prevalent as educational tools, and the demand for writing is being supplanted by digital tools.
- **Advances in AI:** Speech recognition technology is becoming more sophisticated, so the demand for writing such as taking memos is shifting to digital technologies, and opportunities for writing itself are decreasing.



## 3 Diversifying values

- **Interest in sustainability:** Increased demand for eco-friendly products, increased avoidance of disposable products, and increased interest in recycled materials.
- **Emphasis on individuality and style:** Diversification is promoted by introduction of products and services that suit individual tastes.



## 4 Increased competition in the writing instruments industry

- **Increased competition:** Product quality and cost competition is intensifying globally in a shrinking market. The entry of new companies is also a factor.
- **Market realignment:** Brand reorganizations, M&As, and other capital alliances are becoming more common in the industry.

Issues for 2036

Commence full-scale entry into emerging countries

Creating demand for “writing and drawing” other than for educational and professional use

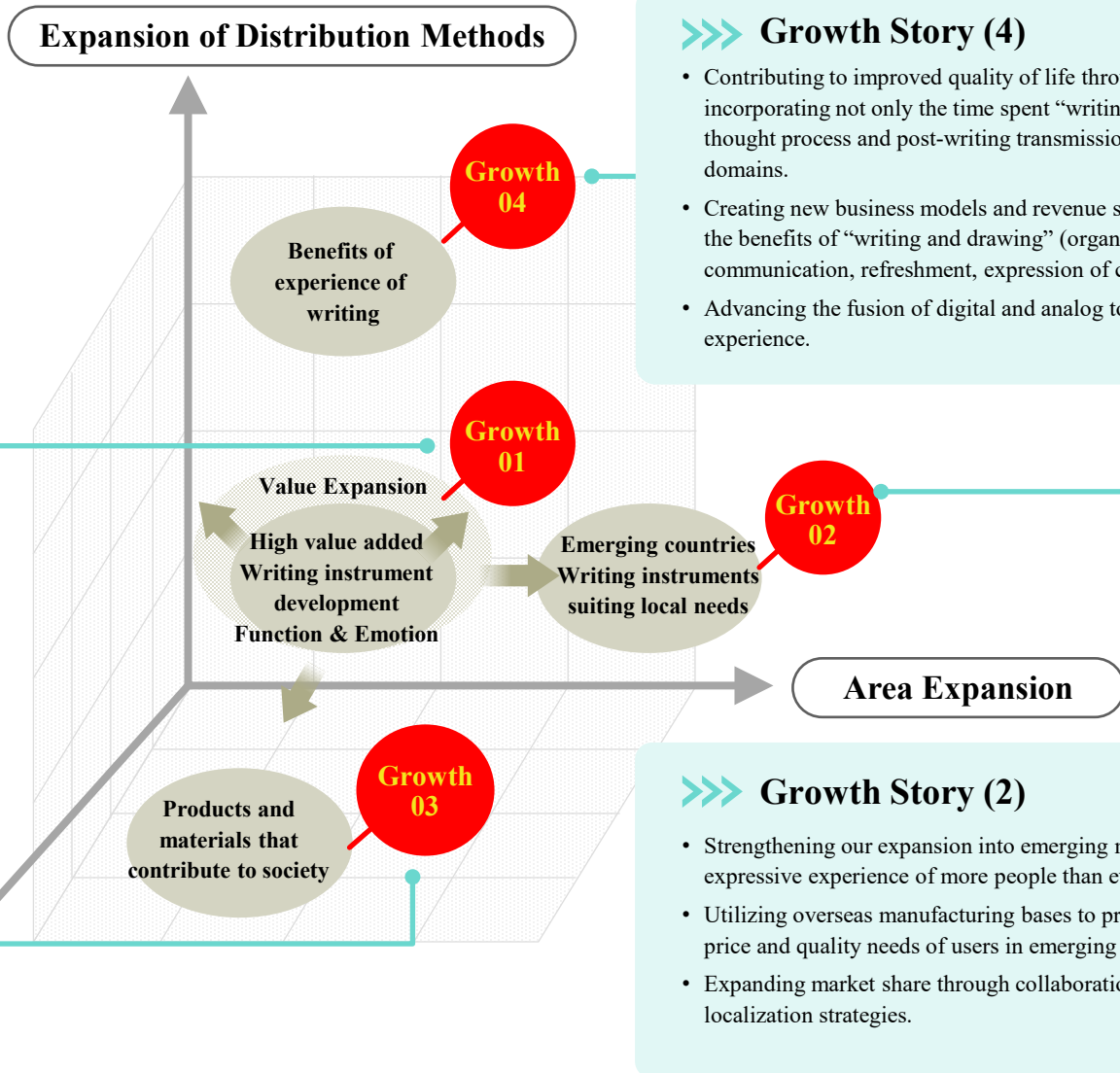
Strengthening the supply chain  
Enhancing competitiveness

## »»» Growth Story (1)

- Securing earnings by continuing to enhance the value of long-selling brands and providing products that continue to be supported by consumers.
- Creating new demand by continuing to evolve and utilize writing instrument technologies cultivated to date and launching new brands with new proposals for uses.
- Enhancing competitiveness by optimizing supply chains, thereby improving responsiveness to market changes, reducing costs and environmental impacts.
- Expanding the value provided by writing instruments and pursuing new business opportunities through various partnerships, including business alliances and M&A.

## »»» Growth Story (3)

- Contributing to the realization of a prosperous society by evolving the core technologies developed in the writing instruments business, and helping to solve social issues in other industries.
- Acquiring knowledge and technologies from other industries, and assuming the role of feeding them back into the Company, thereby driving the evolution of the entire group.
- Maintaining and expanding technology leadership in the writing instrument industry through the development and patenting of new technologies.



## »»» Growth Story (4)

- Contributing to improved quality of life through the overall experience by incorporating not only the time spent “writing” itself, but also the pre-writing thought process and post-writing transmission activities into the business domains.
- Creating new business models and revenue sources by taking advantage of the benefits of “writing and drawing” (organization of thoughts, communication, refreshment, expression of creativity, etc.).
- Advancing the fusion of digital and analog to further enrich the user’s writing experience.

## »»» Growth Story (2)

- Strengthening our expansion into emerging markets and contributing to the expressive experience of more people than ever before.
- Utilizing overseas manufacturing bases to provide products that meet the price and quality needs of users in emerging countries.
- Expanding market share through collaboration with local partners and localization strategies.

Industry Expansion



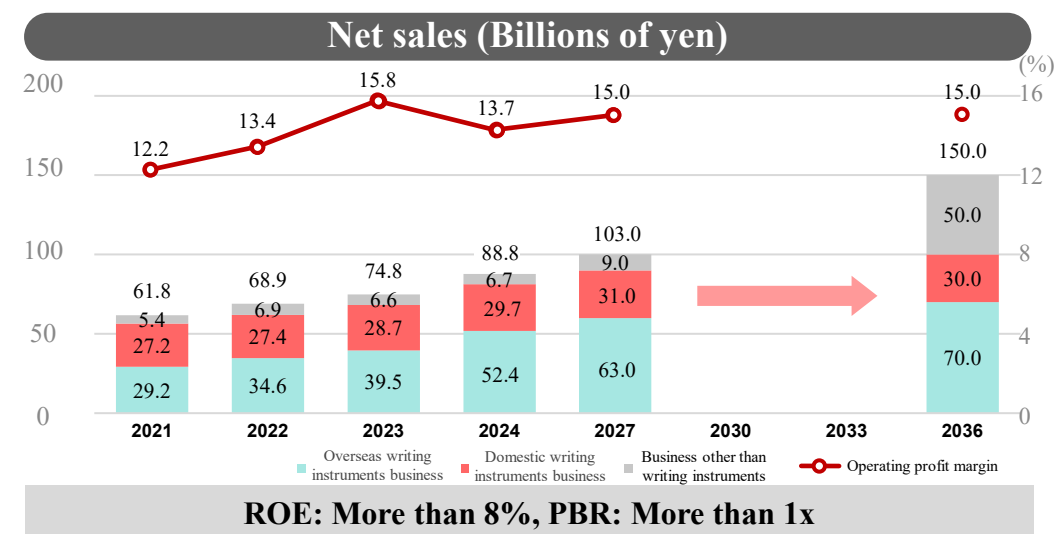
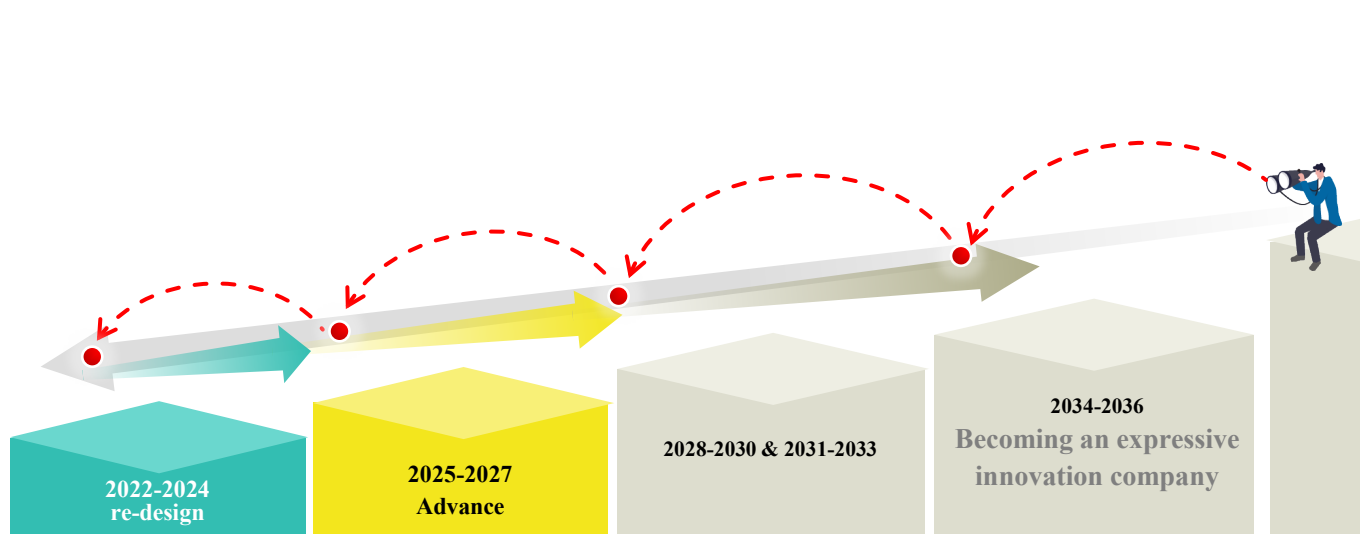
# Medium-term Business Plan 2025-2027







# Positioning, Basic Policies, and Priority Policies of the Medium-Term Business Plan 2025-2027



## Basic policy

## Concept of activities at each stage

### 2022-2024 re-design

The planning stage, in which we change our perspective and way of thinking to restructure the way we do business toward achieving the vision.

With the new plans and activities that have been promoted during the re-design stage serving as the foundation, further develop and accelerate them to bring about corporate transformation and innovation.

### 2025-2027 Advance

#### Growth Story (1)

Continued growth and diversification of the writing instruments business

- Proactively creating new demand, in addition to creating high value-added writing instruments
- Global supply chain optimization

#### Growth Story (2)

Expanding the scale of the businesses other than writing instruments and driving the realization of the Group's vision

- Balancing business pillarization and social contribution
- Driving innovation and knowledge/skill acquisition through cross-industry co-creation

#### Management Foundation

Strengthening management foundation in cooperation with stakeholders

- Promoting relationship with stakeholders
- Strengthening management foundation to support medium- and long-term growth



# Continued Growth and Diversification of the Writing Instruments Business

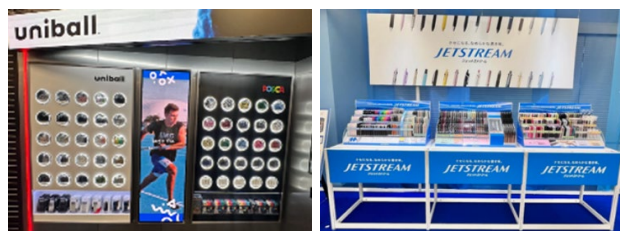
- ◆ Global focus brand value enhancement and product expansion.
- ◆ Creating new demand through development of new uses.

Improving brand value and expanding sales of the three global focus brands, uniball, JETSTREAM, and POSCA in the focused markets of Japan, the U.S., Europe, and China.

## General writing instruments

### uniball JETSTREAM

- Increase brand awareness
- Introduce new products
- Maintain and expand storefront space
- Expand EC share (global markets)



▲ Increase brand awareness

▲ Retail displays

## Creative

### POSCA

- Continue to enhance brand value
- Introduce new products
- Creation of new demand



▲ Offline sales promotion activities

Global focus brands:  
Among our long-selling brands, these are brands for which we will concentrate investment to strengthen global sales.

This water-based ballpoint pen features a simple, refined design and imparts a new sense of smooth and easy writing comfort. After its debut in the North American market, the Company will introduce it in people in Japan and around the world, providing this comfortable sensation of “mentally organized” when writing.

## uniball ZENTO



**“Smooth”**

- Smooth feeling makes writing very easy
- Writing is so simple and easy that it becomes fun
- Makes you feel good to write by hand

**“Dries easily”**

- No stress when writing, and the ink dries quickly and is smooth
- You can touch what you wrote immediately after writing it, without ink staining

**“Doesn’t blur”**

- Writing doesn’t blur and letters look clean
- It writes smooth and doesn’t blur, so I wanted to use it to write a letter.

More than 90% of people who try this pen evaluate it favorably!

We conducted a survey (60 men and women aged in their 20s to 40s) in April, 2024.



Press Release (1/15/2025)

<https://www.mpuni.co.jp/company/press/20250115-53823.html>



# Continued Growth and Diversification of the Writing Instruments Business

- ◆ Enhancing Lamy's corporate value and creating synergies with uni.

## Expanding sales of LAMY products utilizing uni's global sales network

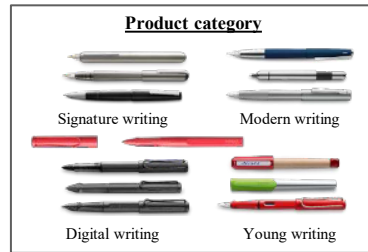
### Made in Germany

- Established in 1930
- Sold in more than 80 countries worldwide
- Highest level of quality in technology, manufacturing and materials



### Design

- Premium lifestyle brand
- Functionality, aesthetics, and timeless modernism
- "Thinking tools" to give shape to your thoughts



## Fusion of LAMY brand and uni technology

LAMY and uni have collaborated for the first time to develop LAMY safari with JETSTREAM ink as the first collaborative product between LAMY and uni.



Ball diameters  
EF (0.5mm)/ F(0.7mm)

Press Release (1/8/2025)  
<https://www.mpuni.co.jp/company/press/20250108-53820.html>

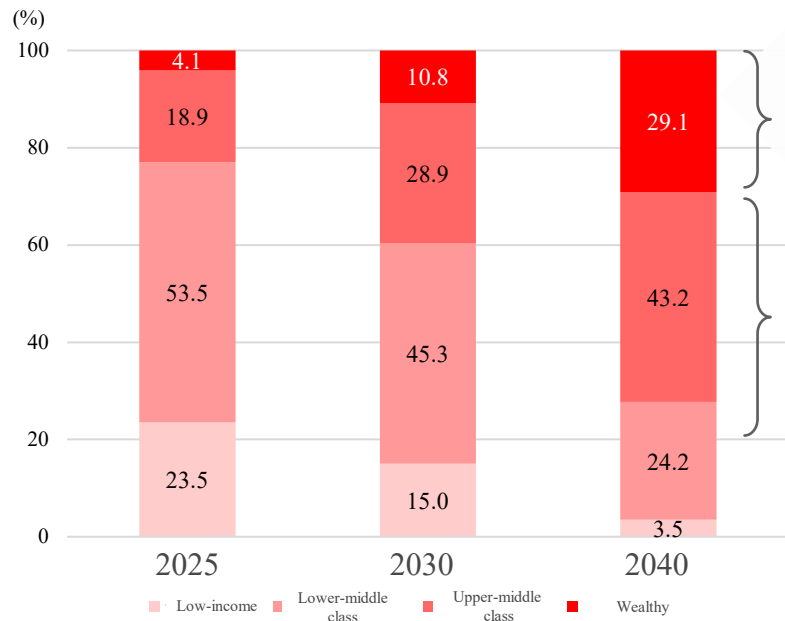




# Continued Growth and Diversification of the Writing Instruments Business

◆ Promoting entry of products in the popular price range in India and Southeast Asia with UNI LINC INDIA PRIVATE LIMITED as the axis.

### India Percentage of annual income by household (JETRO projections)



Low-income: less than \$5,000 / Lower-middle class: \$5,000-\$15,000  
 Upper middle class: \$15,000-\$35,000 / Wealthy: \$35,000 or more

The importance of market strategy as seen in JETRO figures (edited by us)  
<https://www.jetro.go.jp/biz/areareports/2024/09936419bc3a604f.html>

Continue expanding sales of global brands to affluent consumers

**New initiatives**  
 Manufacture and sale of strategic products for the lower- and upper-middle classes tailored to local needs



### Establishment of a joint venture with “LINC LIMITED” in India

LINC LIMITED has been our partner company in India for 30 years.  
 Project is scheduled to start in July 2025.



**Local production of strategic products**

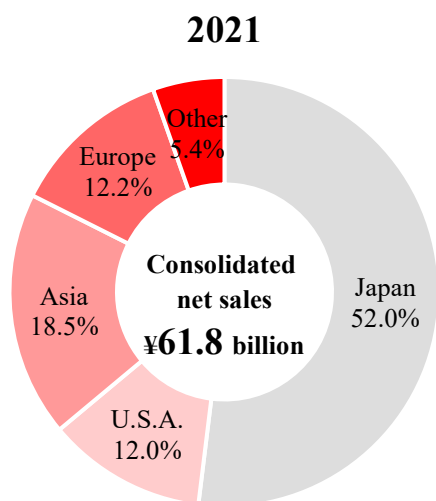
**Raw material procurement base for the entire Group**

Press Release (9/26/2024)  
<https://www.mpuni.co.jp/company/press/20240926-53598.html>



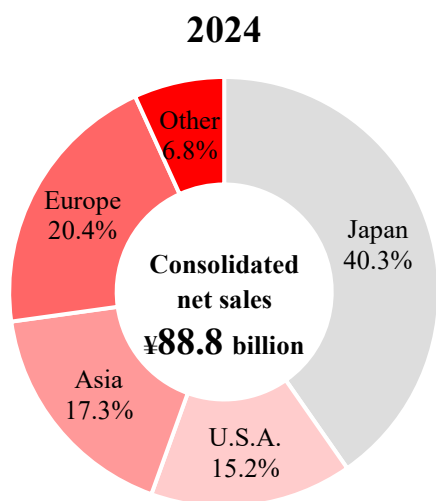
# Continued Growth and Diversification of the Writing Instruments Business

- ◆ Medium-term Business Plan 2022-2024 projects significant increase in the ratio of overseas sales due to globalization of the writing instruments business.
- ◆ Aiming to effectively utilize manufacturing sites to streamline and optimize the global supply chain.



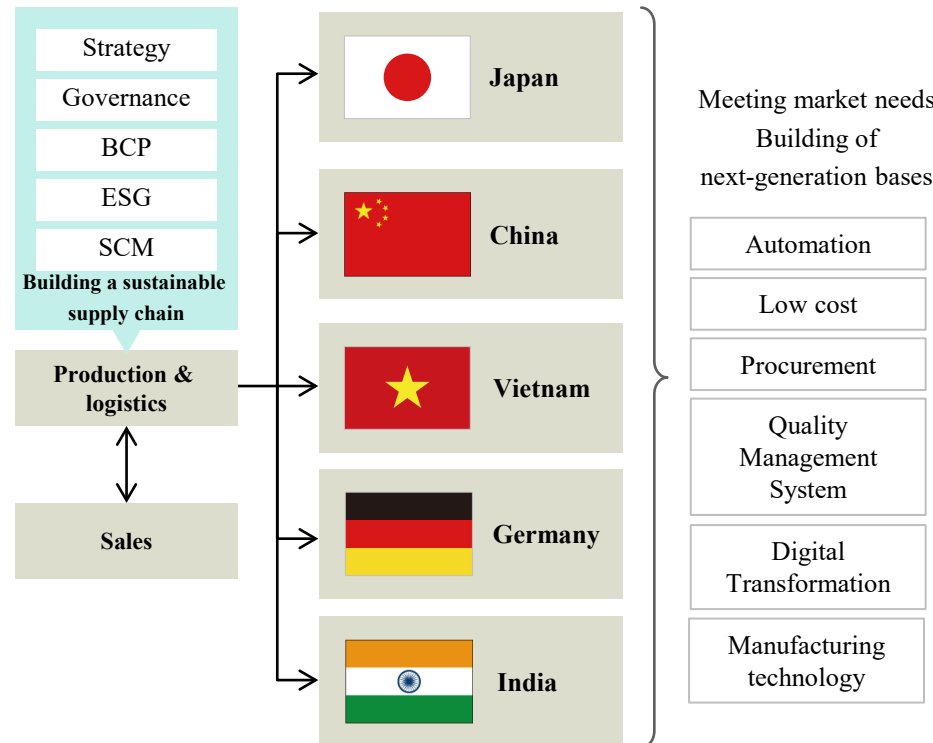
Overseas ratio  
**48.0%**

**Overseas sales ratio has increased and will continue to accelerate**



Overseas ratio  
**59.7%**

## Global supply chain optimization





- ◆ Cosmetics business contributes to the promotion of beauty diversity through ODM and OEM supply of eye makeup products.
- ◆ Expanding business development to a more global scale.

Growth Story

Management Foundation

## Core technology cultivated in writing instruments

### Sustainability

→ Safety of formulation, reuse design, and selection of environmentally conscious materials

### Development of applicator for realizing flexible makeup expression

→ Feel on the skin, liquid content, and craftsman brush size variations

### User-friendly container development

→ Fixed dispensing, leak prevention, high airtightness and long-term stability  
→ Comfortable to use, center-of-gravity design



### Formulation (liquid and solid core) developed to shine on a variety of skin tones

→ High color rendering, durability, color development, and long-term stability

### Development of packaging that appropriately represents the brand

→ Decorative expression, material exploration, durability

## Cosmetics business focus areas and strategies

### Focus Area :

## Eye Makeup Products

- Innovative product development
- Marketing tailored to the region and culture

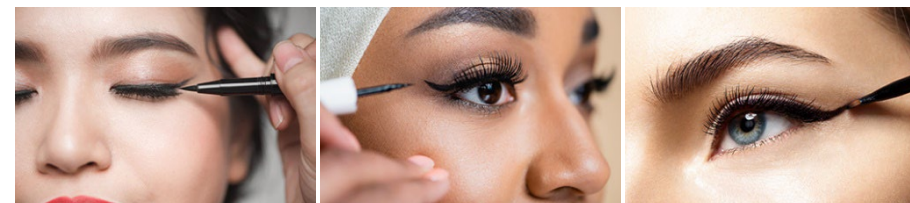
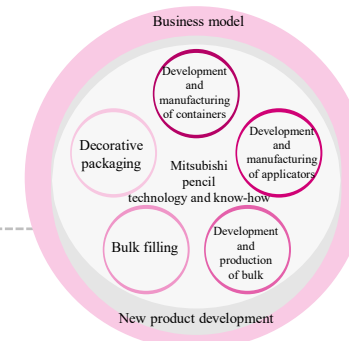


Image is for reference only.

- Manufacturing methods, including formulation design, compliant with national regulations and guidelines  
Paraben-free, nano regulations, etc.





- ◆ Our industrial materials business contributes to the realization of a “smart society“ by making use of cutting-edge writing instrument technology (development of pencils, mechanical pencil refills, and ink).

### Core technology cultivated in writing instruments

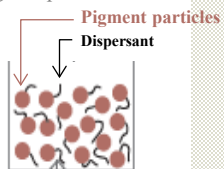
#### ▼ Functional carbon materials (PFC technology)



**Functional slurry**  
(Ultrafine particle dispersion technology) ▶

Plastic Formed Carbon (PFC): A manufacturing technology for pencils and mechanical pencil refills. Technology for carbonizing by molding like plastic.

Ultrafine particle dispersion technology: Technology for atomizing and homogenizing functional materials down to the nano-order, and stabilizing them in liquids for a long period of time.



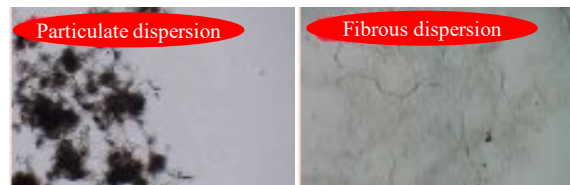
### Industrial materials business focus areas and strategies

#### Focus area: Secondary battery materials

##### • Slurry development

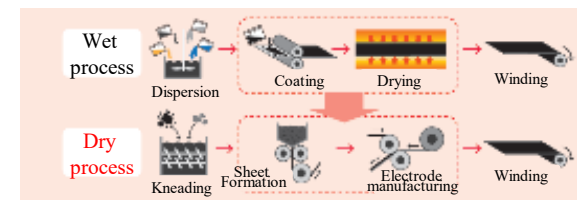
Control of dispersion state of functional materials according to needs

Example CNT dispersion



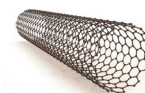
##### • Process development

Solvent-free electrodes



### Collaboration with U.S. investment fund (E12 Venture Capital)

One person stationed in Silicon Valley to search for startups with which to collaborate for business expansion.



CNT, etc.



Battery maker, etc.

E12 Venture: A venture investment fund in Silicon Valley managed by Mitsui & Co. and Morado Inc.

CNT: Carbon Nanotube

Press Release (12/19/2023) <https://www.mpuni.co.jp/company/press/20231219-53306.html>



◆ In addition to writing and drawing, which are the roles of writing instruments, we will create new value through the experience of writing and giving rise to new businesses.

## Began development of IoT pen

Joint research:  
Professor Yuji Ikegaya ,Graduate School of  
Pharmaceutical Sciences, The University of Tokyo  
Stolia Co., Ltd



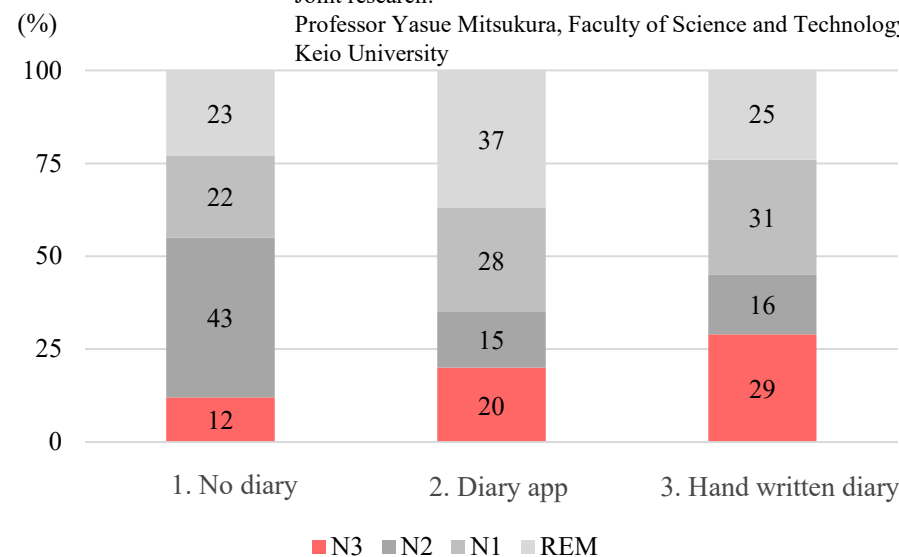
Image is for reference only.

**Confirmed that acceleration and pressure during writing predict concentration**

Press Release (6/9/2023)  
<https://www.mpuni.co.jp/company/press/20230609-53119.html>  
Press Release (9/10/2024)  
<https://www.mpuni.co.jp/company/press/20240910-53594.html>

## Research on improving sleep quality through handwriting

Joint research:  
Professor Yasue Mitsukura, Faculty of Science and Technology,  
Keio University



**Confirmed that keeping a diary tends to increase the percentage of N3 (deep sleep)**

Press Release (10/29/2024)  
<https://www.mpuni.co.jp/company/press/20241029-53712.html>



# Initiatives to Strengthen Management Foundation

- ◆ Promoting relationships with stakeholders and strengthening the management foundation to support medium- to long-term growth plans.

## **Sustainability system**

- Aiming for harmony with the natural environment and society through the promotion of ESG activities
- Enhancing credibility within society through external evaluations and appropriate disclosure

## **Strengthening the technology base**

- Further deepening the core technologies cultivated in the development of writing instruments
- Acquiring new technologies with an eye toward achieving our vision

## **Human capital investment**

- Becoming a global company that promotes the creation of new value by advancing diversity and inclusion
- Promoting Group management through increasing transparency of human resources management

## **Strengthen corporate brand uni**

- Strengthen corporate activities in line with our philosophy
- Enhancing brand value through appropriate dissemination of information

## **IT investment**

- Improved sustainability of core systems
- Support globalization by promoting utilization of data and digital technologies

## **Strengthen dialog with investors**

- Enhancing corporate value through dialog with investors
- Aiming to further enhance disclosure of both qualitative and quantitative information

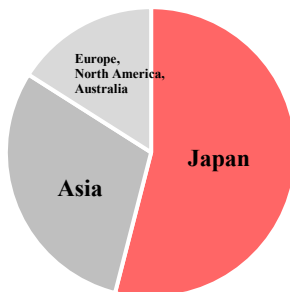




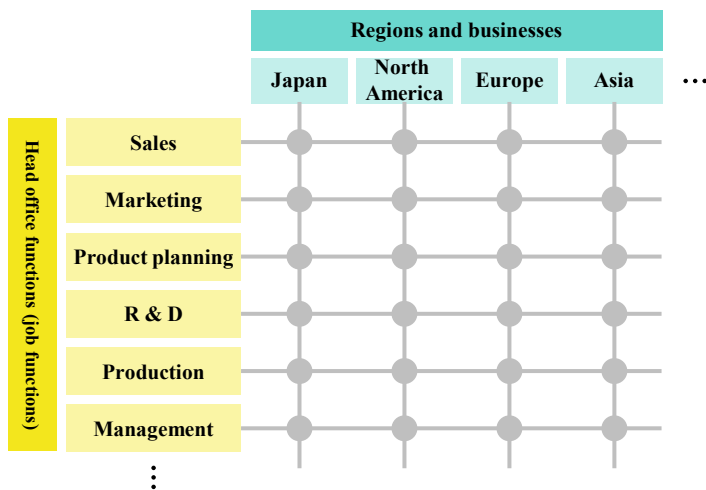
# Management Foundation (1): Strengthening Human Capital

- ◆ Evolving into a global company that drives the creation of economic and social value by promoting of human resources management, drawing out employees' abilities, cultivating self-reliance, and assigning employees to posts suited to their capacities, thereby fostering abundant diversity in our corporate culture.

Ratio of overseas employees in Group increased significantly with consolidation of Lamy as a subsidiary



Evolving into a global company through human capital investment



## Vision 2036: The world's most expressive innovation company

### Human capital management

Value creation

#### Diversity & Inclusion

- Developing global human resources by strengthening overseas business experience
- Promoting diversification of values by utilizing global and overseas human resources
- Developing human resources that have acquired the ability to work independently through cross-border experiences such as working in different industries and being dispatched to universities
- Acquiring new knowledge and skills in the workforce through aggressive mid-career hiring

Human Resource Strategy

#### Human Resource Management

- Introduction of a new personnel system that allows diverse employees to play an active role by compensating them based on their roles, and establishing a fair evaluation system for evaluating their achievements
- Cultivation of abundant diversity in our corporate culture through group-wide talent management by introducing a new HR system
- Introduction of a new employee education system to promote career autonomy and support employee skill development, enabling them to take on new challenges through proactive re-skilling
- Introduction of 1-on-1 to generate regular feedback and communication, thereby increasing engagement

#### Fun Company

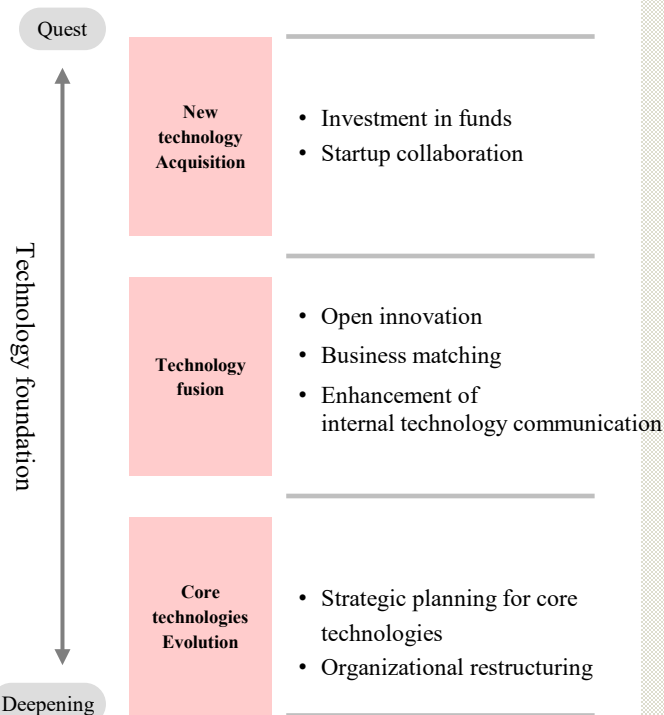
- Link company to management strategy and clarify individual roles
- Employees increase their understanding of, and empathy for, the vision and their individual roles, and develop their careers autonomously
- Both the Company and employees grow and bring about the vision



# Management Foundation (2): Strengthening Technology Foundation

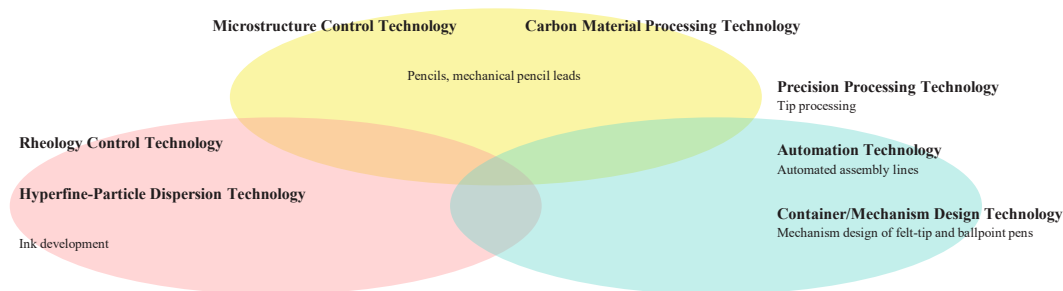
- ◆ Further evolving our core technologies to build on the technology foundation of our business.
- ◆ This foundation will promote new business development and new product development in the medium- to long-term.

## Quest to build a strong technology foundation



## Deepening of core technologies

Products	Hyperfine-Particle Dispersion Technology	Rheology Control Technology	Micro Structural Control Technology	Carbon Material Processing Technology	Automation Technology	Precision Machining Technology	Container/Mechanism Design Technology
Pencils			●		●		
Mechanical pencils Mechanical pencil leads			●	●	●	●	●
Water-based felt-tip pens	●	●			●		●
Oil-based felt-tip pens	●	●			●		●
Water-based ballpoint pens	●	●			●	●	●
Oil-based ballpoint pens	●	●			●	●	●



# OS

**Initiatives for Achieving Management  
Attuned to Cost of Capital and Share Price**





# Current Status of Management Indicators, Targets, and Initiatives for Improvement

- ◆ The Company is continuously and actively working on “initiatives for achieving management that is attuned to cost of capital and share price.”
- ◆ We have set targets of ROE of 8% or higher and PBR of 1x or more, and aim to increase corporate value to achieve these targets on a constant basis.

## Target values

**ROE of 8% or higher**  
**PBR of 1x or more**

## Analysis of current situation

	2021	2022	2023	2024	2025 (Projections)	2027 (Targets)
<b>Net sales</b> (billions of yen)	61.8	68.9	74.8	88.8	93.0	103.0
<b>Operating profit</b> (billions of yen)	7.5	9.2	11.8	12.1	13.1	15.5
<b>ROE</b> (%)	6.1	7.0	9.4	9.3	7.4	8.0 or higher
<b>PBR</b> (times)	0.71	0.76	0.99	0.99	1.0	1.0 or higher

- Both sales and operating profit continue to be at record highs, but the share price valuation remains low. Continue striving for continued earnings growth and appropriate information disclosure.
- ROE was above target in 2023 and 2024, due to a one-time impact from gains on sales of fixed assets. We will continue to strive to exceed our targets on a constant basis.

## Initiatives for enhancing corporate value

### Activity (1)

### Promoting business expansion

- In the writing instruments business, we aim for further sales expansion with the LAMY brand as the driver, while continuing to grow the business and improve profitability.
- In the other than writing instruments businesses, we aim to innovate in collaboration with external partners, and to expand sales in the cosmetics and industrial materials businesses.

### Activity (2)

### Carry out growth and infrastructure investments

- In addition to new product development and marketing investments aimed at short- and medium-term results, the Company will make investments from a medium- to long-term perspective, in areas including human capital, ESG, and M&A. This will create a foundation for sustainable growth.

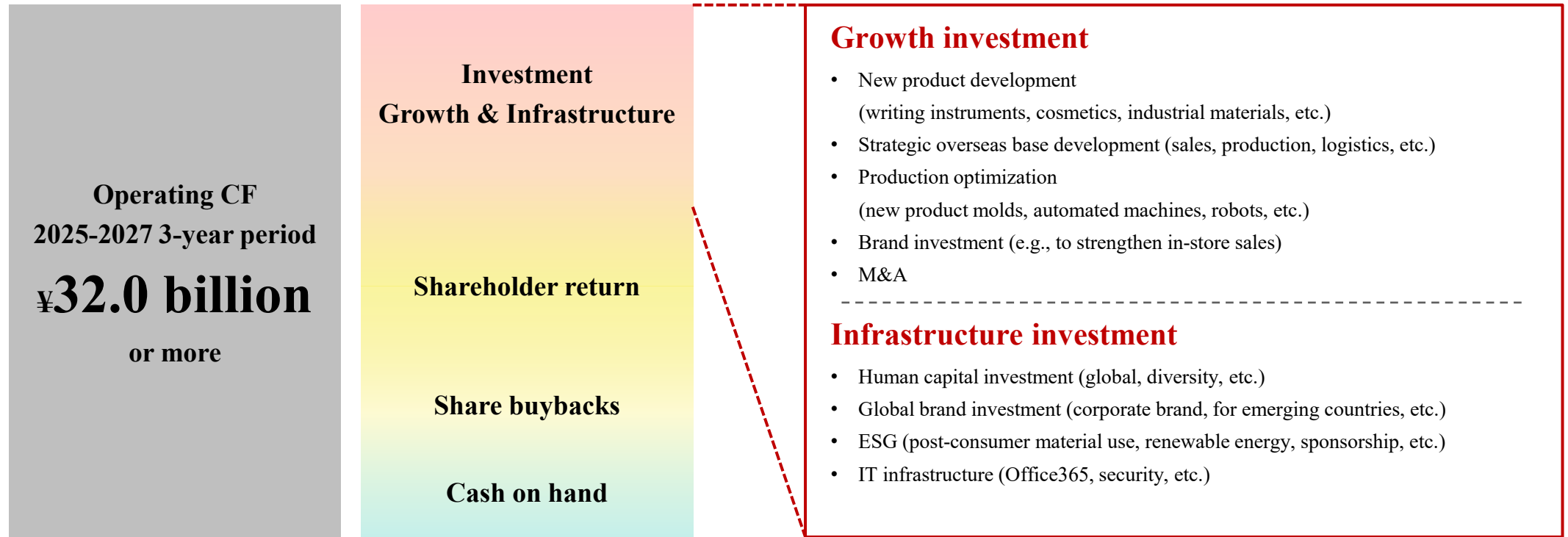
### Activity (3)

### Enhancing shareholder returns and improving IR

- We will implement progressive dividend payments from a long-term perspective, while at the same time implementing flexible share buybacks.
- Place emphasis on appropriate information disclosure and dialog with shareholders, and disclose corporate management strategies and financial condition in a timely manner.

## Cash allocation philosophy

Balancing allocation of operating CF between investment (growth and infrastructure investment) and shareholder returns



Continued to spend more than ¥9.0 billion (3 years) on R&D

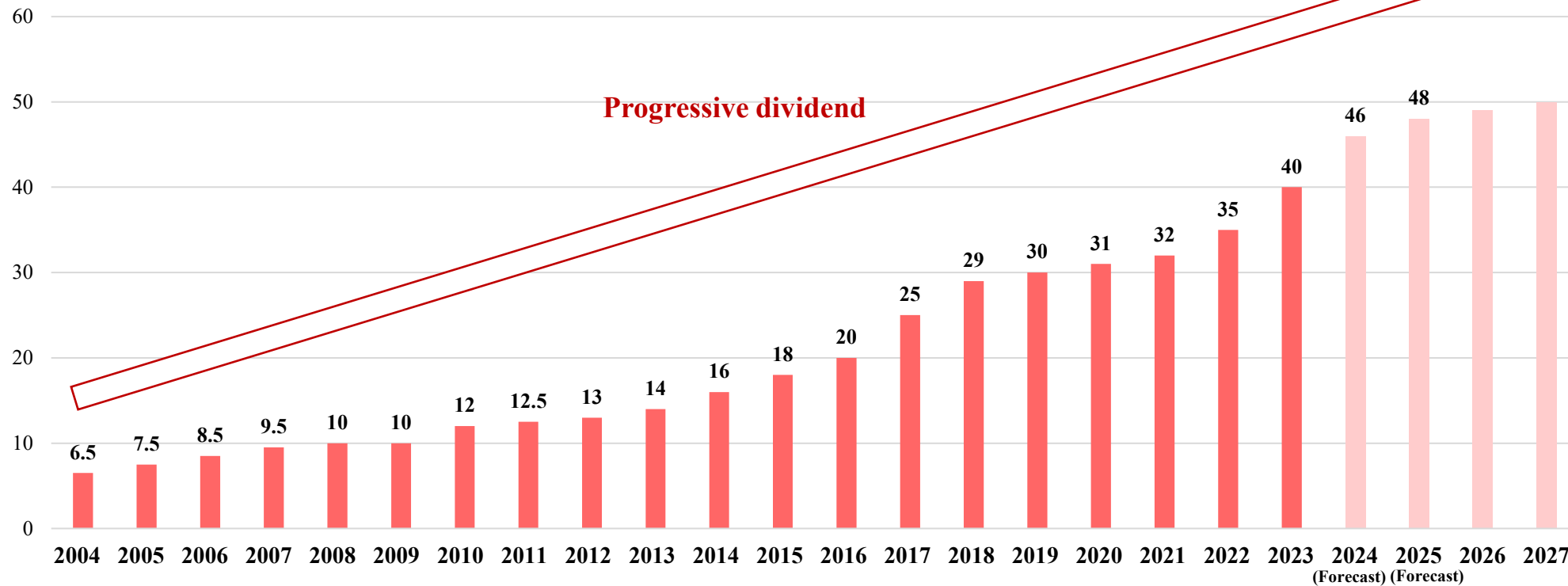
# Continuation of Long-term, Stable Shareholder Returns

## Long-term and stable shareholder return policy

**Basic Policy:** Progressive dividend **Achievements:** Carrying out a planned 22 consecutive years of a progressive dividend & flexible share buybacks

Progressive dividend: Dividends are increased every year, and at a minimum, dividends continue to be paid at a level no lower than the previous year's level.

Annual dividend (yen)



Share buybacks Actual (Thousands of shares)	
2018	405
2019	853
2020	289
2021	141
2022	958
2023	660
2024	644

The Company conducted a 2-for-1 share split of its common shares, effective July 1, 2017. Dividends prior to that time have been re-calculated to reflect that change.



Uniquely Beautiful.



The forecasts and forward-looking statements provided in this document are based on information currently available to the Company and contain potential risks and uncertainties. Consequently, actual results may differ from those projected figures due to various factors.

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.