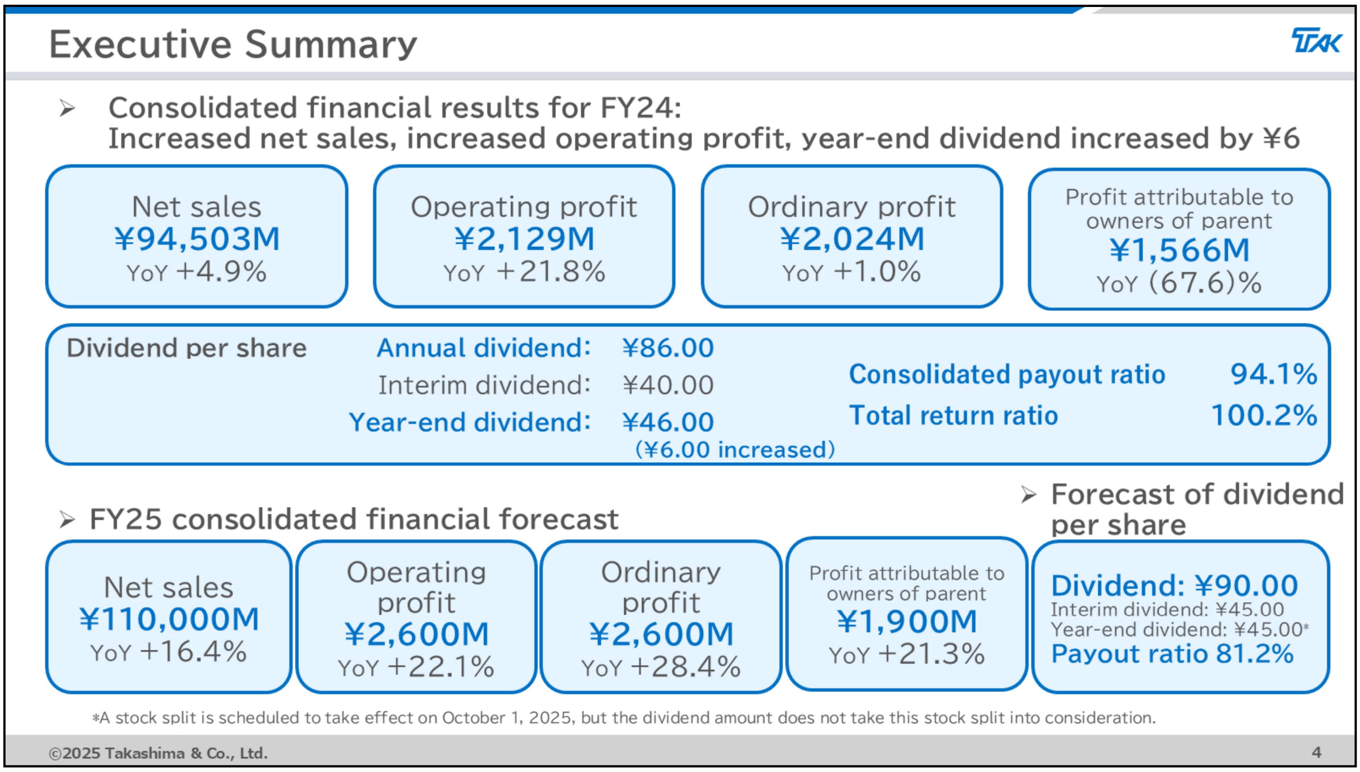
Kenichi Yamada: My name is Kenichi Yamada, Senior Executive Officer and General Manager of the Business Integration Division. I will now explain the financial results for the fiscal year ended March 31, 2025.

Contents

Please refer to the table of contents for a summary of financial results for the fiscal year ended March 31, 2025, the consolidated earnings forecast for the fiscal year ending March 31, 2026, and an explanation of shareholder returns from me. Then, President Takashima will explain the progress of our medium-term management plan, Sustainability V (Value), the progress of measures to achieve cost of capital and stock price conscious management, and topics.

1. FY24 Financial Highlights

This section provides an overview of the financial results for the fiscal year ended March 31, 2025.



First is the Executive Summary. Consolidated net sales were approximately 94.5 billion yen, operating profit was approximately 2.1 billion yen, ordinary profit was approximately 2 billion yen, and profit attributable to owners of the parent was approximately 1.5 billion yen. The year-end dividend was increased by 6 yen to 46 yen per share.

For the fiscal year ending March 31, 2026, we forecast consolidated net sales of 110 billion yen, operating profit and ordinary profit of both 2.6 billion yen, and profit attributalbe to owners of the parent of 1.9 billion yen.

Consolidated Performance P/L

- ✓ Net sales increased 4.9% YoY to 94,503 million yen due to strong performance in the Construction Supply, Industrial Materials segments, and Electronics Devices segment.
- ✓ Operating profit increased 21.8% YoY to 2,129 million yen due to an improvement in the factory utilization rate of subsidiaries in the Industrial Materials segment and progress in reducing parts inventory at major customers in the Electronic Devices segment.
- ✓ Ordinary profit remain the same 1.0% YoY to 2,024 million yen due to an increase in foreign exchange losses from the depreciation of local currencies at overseas subsidiaries.
- ✓ Profit attributable to owners of the parent decreased by 67.6% YoY to 1,566 million yen due to the impact of gains on sales of rental hotels etc. recorded in the previous fiscal year.
- ✓ EBITDA increased 21.1% YoY to 3,744 million yen.
- ✓ ROE down 15.8pts to 6.6%, ROIC up 0.2pt to 4.4%.

(Unit: millions of yen)

	FY23	FY24	Amount of change	Ratio of change
Net sales	90,120	94,503	4,382	4.9%
Cost of sales	77,829	81,471	3,641	4.7%
Gross profit	12,291	13,032	740	6.0%
SG&A	10,543	10,903	359	3.4%
Operating profit	1,748	2,129	381	21.8%
Operating profit margin	1.9%	2.3%	+0.4pt	-
Ordinary profit	2,004	2,024	20	1.0%
Profit attributable to owners of parent	4,832	1,566	(3,265)	(67.6)%
EBITDA	3,091	3,744	635	21.2%

	FY23	FY24	Amount of change
ROE	22.4%	6.6%	(15.8)pts
ROIC	4.2%	4.4%	+0.2pt
Cost of equity	5.7%	5.0%	(0.7)pt
WACC	4.5%	3.5%	(1.0)pt

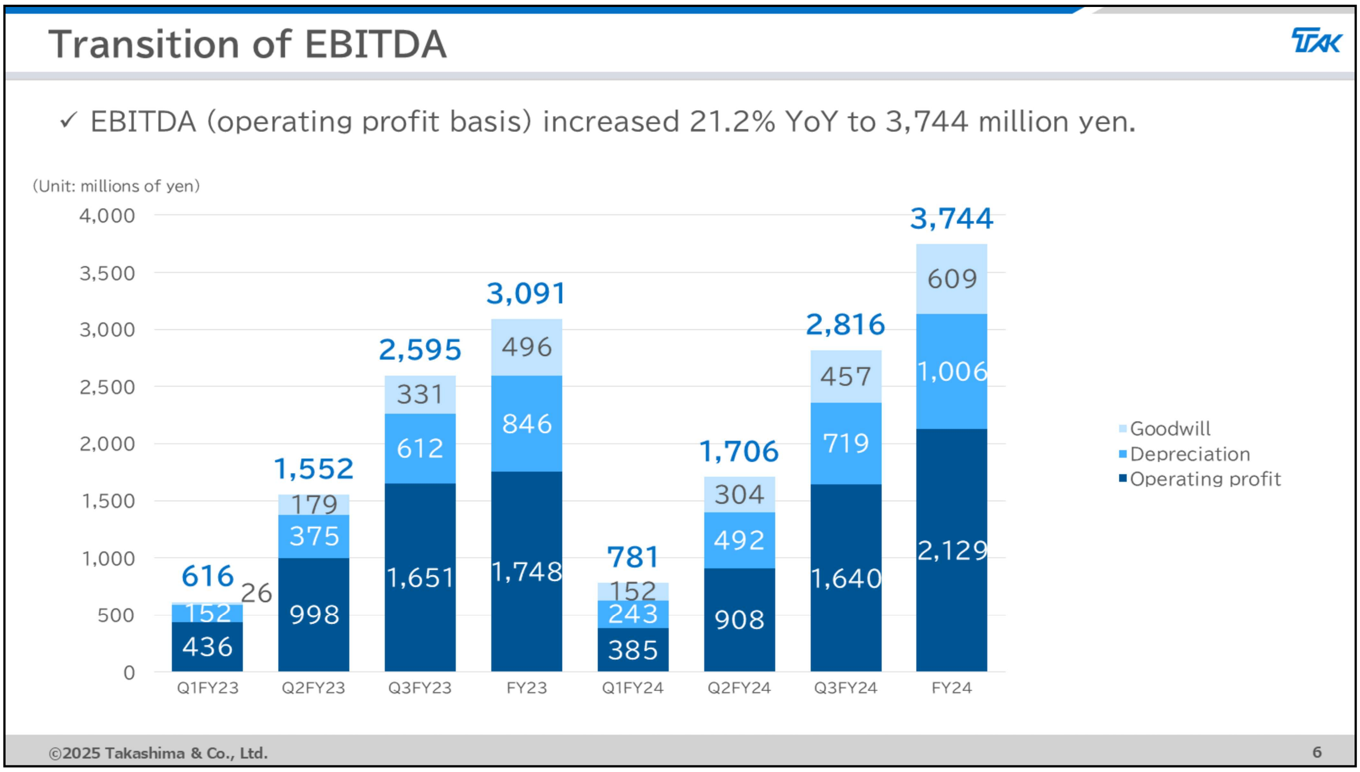
I will now explain the consolidated P/L statement. Net sales increased 4.9 percent year-on-year to 94,503 million yen, thanks to strong sales in the three segments of Construction Supply, Industrial Materials, and Electronics Devices.

Operating profit increased 21.8 percent to 2,129 million yen, mainly due to higher plant utilization rates at subsidiaries in the Industrial Materials segment and progress in eliminating parts inventories at major customers in the Electronics Devices segment.

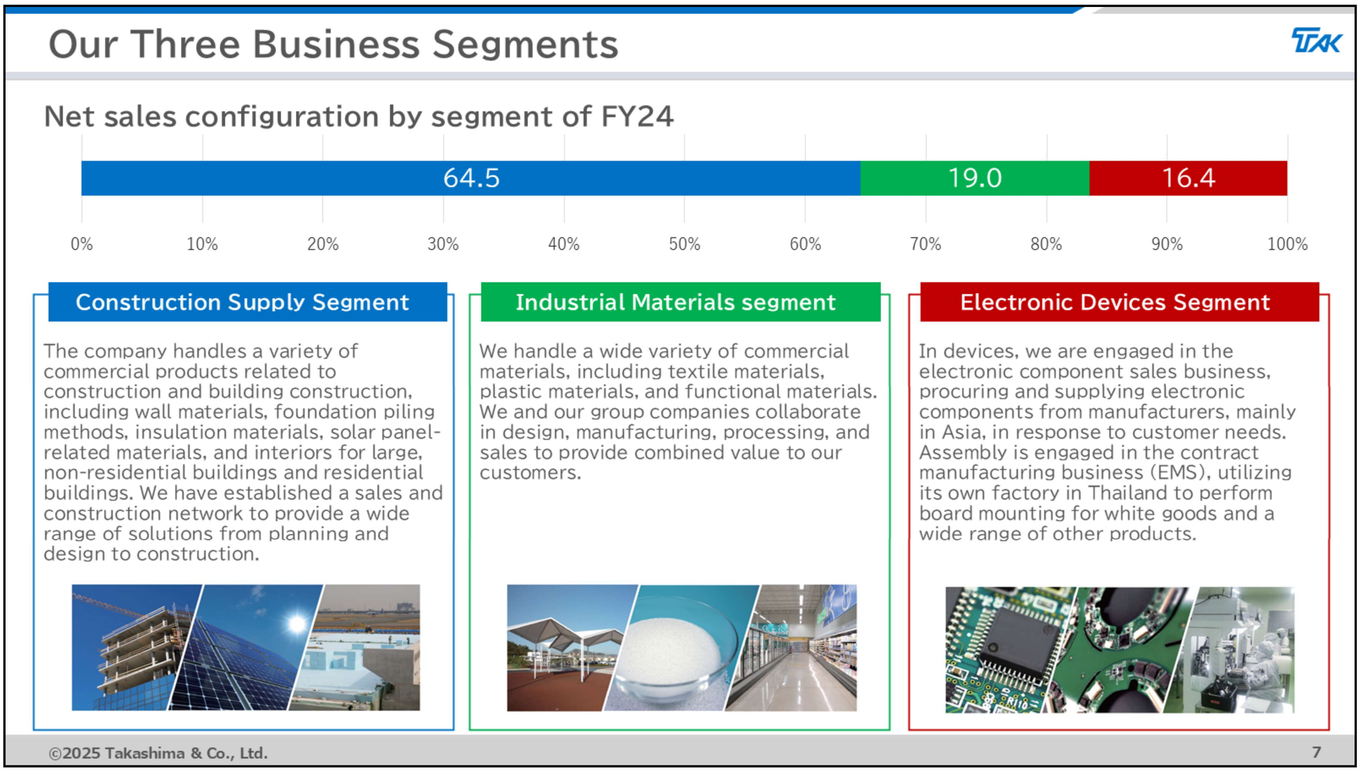
Ordinary profit was flat, up 1.0% to 2,024 million yen, mainly due to an increase in foreign exchange losses from the depreciation of local currencies at overseas subsidiaries.

Profit attributable to oweners of parent decreased 67.6 percent to 1,566 million yen due to the impact of a gain on the sale of a leased hotel and other assets that occurred in the previous year.

EBITDA increased 21.2 percent to 3,744 million yen; ROE was 6.6 percent, above the cost of shareholders' equity, and ROIC was 4.4 percent, above the WACC.



The graph shows the quarterly changes in EBITDA. Earning power is also improving.



Our business is divided into three segments: Construction Supply, Industrial Materials, and Electronics Devices.

In the fiscal year ended March 31, 2024, we reviewed our asset allocation, and following the restructuring of the Industrial Materials segment and the sale of major fixed assets, some properties that were previously classified in the Real Estate Leasing segment are now in the Construction Supply seegment, Industrial Materials segment.

Here is an overview of our business. The Building Materials segment handles materials related to construction and building construction, such as wall materials, foundation piling methods, insulation materials, and solar panel-related materials for residential and nonresidential buildings. The Industrial Materials segment handles products such as textile materials, plastic components, and functional materials.

In the Electronic Devices segment, the Devices business procures and supplies electronic components from manufacturers, while the Assemblies business handles contract manufacturing of circuit board mounting at its own plants.

Information About Segments

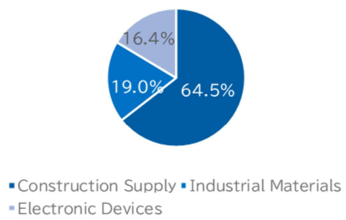
<Segment sales> (Unit: millions of yen)

Segment	FY23	FY24	Amount of change	Ratio of change
Construction Supply	58,180	61,017	2,837	4.9%
Industrial Materials	17,188	17,998	810	4.7%
Electronic Devices	14,795	15,514	719	4.9%
Real Estate Leasing	143	–	(143)	(100.0)%
Total	90,307	94,531	4,223	4.7%
Adjusted amount *1	(187)	(28)	–	–
Amount recorded in consolidated financial statements	90,120	94,503	4,382	4.9%

*1 Adjustments represent elimination of intersegment transactions.

FY24

Segment sales composition

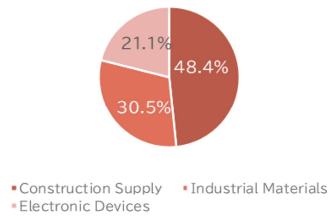


<Segment profit> (Unit: millions of yen)

Segment	FY23	FY24	Amount of change	Ratio of change
Construction Supply	1,965	1,671	(293)	(15.0)%
Industrial Materials	707	1,054	346	49.0%
Electronic Devices	411	727	316	77.0%
Real Estate Leasing	82	–	(82)	(100.0)%
Total	3,166	3,453	286	9.1%
Adjusted amount *2	(1,418)	(1,324)	94	–
Amount recorded in consolidated financial statements	1,748	2,129	381	21.8%

*2 Adjustments are elimination of intersegment transactions and corporate expenses not allocated to each reportable segment.

Segment profit composition



In order to better clarify the profit situation in each segment and the level of profit that each division is directly responsible for, corporate expenses, which were previously allocated to each segment, are now disclosed as part of adjustments

Overall sales in the Construction Supply segment increased 4.9 percent year-on-year to 61,017 million yen, with segment profit down 15.0 percent to 1,671 million yen.

Overall sales in the Industrial Materials segment increased 4.7 percent to 17,998 million yen, and segment profit rose 49.0 percent to 1,054 million yen.

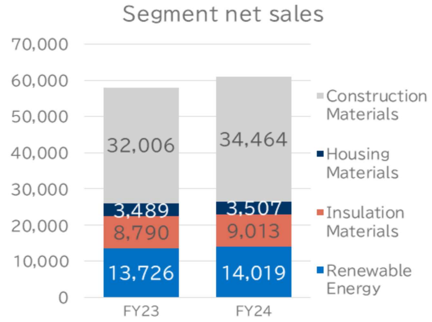
Overall sales in the Electronics Devices segment increased 4.9 percent to 15,514 million yen, and segment profit rose 77.0 percent to 727 million yen.

Briefing by Segment: Construction Supply

- ✓ In the Construction Materials field, the acquisition of projects remained steady. In addition, Gansui Corporation, which became a consolidated subsidiary in June 2023, contributed 12 months of sales in the current fiscal year, compared to 8 months in the previous fiscal year.
- ✓ Sales increased in the Renewable Energy, Insulation Materials, and Housing Materials fields due to the success of measures to strengthen their functions.
- ✓ Segment Profit decreased due to lower profitability of some properties in the Construction Materials field and higher overhead costs.

(Unit: millions of yen)

	FY23	FY24	Amount of change	Ratio of change
Construction Materials	32,006	34,464	2,457	7.7%
Housing Materials	3,489	3,507	17	0.5%
Insulation Materials	8,790	9,013	223	2.5%
Renewable Energy Materials	13,726	14,019	292	2.1%



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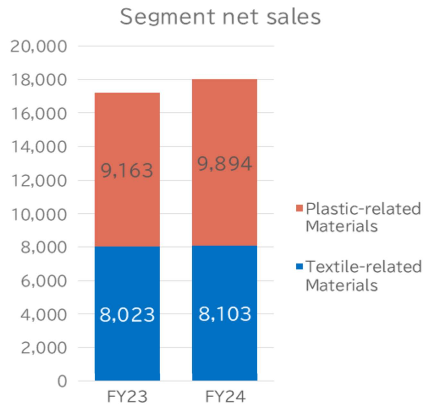
Segment Profit decreased due to lower profitability of some properties in the Construction Materials field and higher overhead costs.

Briefing by Segment: Industrial Materials

- ✓ In the Plastic-related Materials field, sales increased due to an increase in orders mainly for automobile-related and electronic and precision equipment-related components and logistics materials.
- ✓ In the textile-related materials segment, sales of apparel products and school bag materials for consumer use shrank, but orders for heavy fabrics, mainly materials for transportation vehicles, and industrial textiles, such as equipment for the Ministry of Defense, expanded significantly.
- ✓ Segment Profit increased due to higher sales in both the plastic materials and textile materials segments, as well as higher plant utilization rates at consolidated subsidiaries.

(Unit: millions of yen)

	FY23	FY24	Amount of change	Ratio of change
Plastic-related Materials	9,163	9,894	731	8.0%
Textile-related Materials	8,023	8,103	79	1.0%



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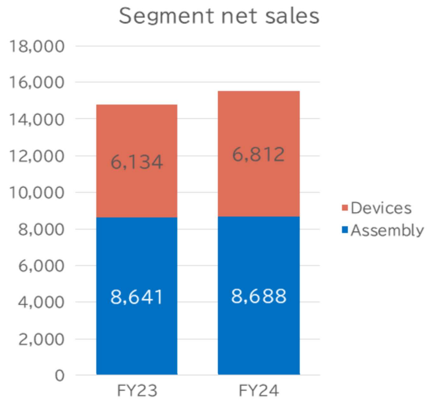
Segment profit increased due to higher sales in both the plastic materials and textile materials segments, as well as higher plant utilization rates at consolidated subsidiaries.

Briefing by Segment: Electronic Devices

- ✓ Consumer electronics and white goods markets in Japan remain sluggish.
- ✓ In the Devices field, the number of orders increased due to progress in shipping parts inventories that had been built up by major customers in reaction to the supply shortage of electronic components, resulting in an increase in both sales and profit.
- ✓ In the Assembly field, sales and profit increased due to an increase in digital camera-related orders from the previous year, although sales of white goods remained sluggish.

(Unit: millions of yen)

	FY23	FY24	Amount of change	Ratio of change
Devices	6,134	6,812	677	11.0%
Assembly	8,641	8,688	46	0.5%



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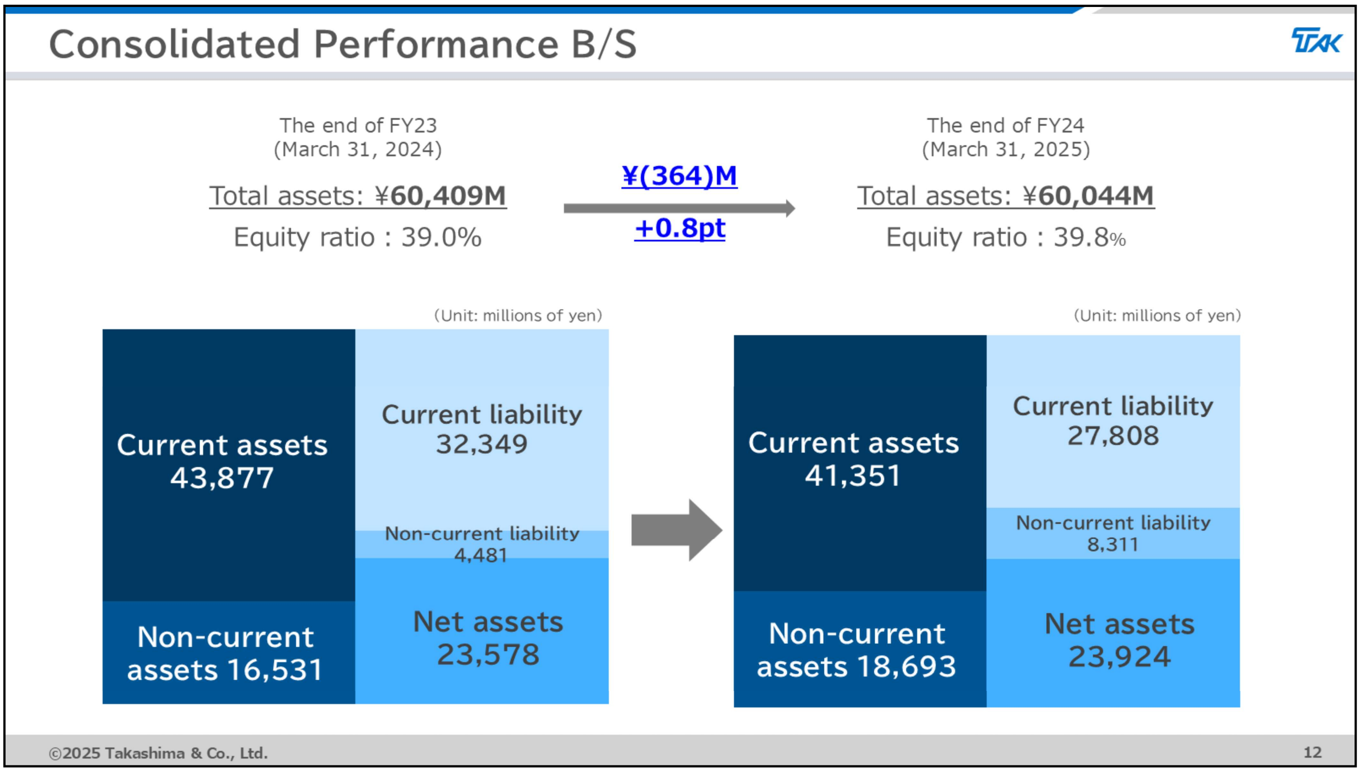


Let me explain the balance sheet. Total assets decreased by 364 million yen from the end of the previous period to 60,044 million yen. The main factors are explained on the next page. The equity ratio increased 0.8 percentage points to 39.8%.

Consolidated Performance B/S

Main factor of change

(Unit: millions of yen)

	FY23	FY24	Amount of change	Ratio of change
Assets				
Current assets				
Cash and deposits	12,371	9,080	(3,290)	(26.6)%
Notes and accounts receivable - trade	3,110	1,216	(1,893)	(60.9)%
Accounts receivable - trade	16,697	14,758	(1,939)	(11.6)%
Electronically recorded monetary claims - operating	2,334	3,541	1,207	51.7%
Total current assets	43,877	41,351	(2,525)	(5.8)%
Non-current assets				
Property, plant and equipment	4,762	6,446	1,683	35.4%
Intangible assets				
Goodwill	5,611	5,874	263	4.7%
Total intangible assets	6,609	6,825	215	3.3%
Investments and other assets				
Investment securities	2,862	2,567	(295)	(10.3)%
Total investments and other assets	5,159	5,421	262	5.1%
Total non-current assets	16,531	18,693	2,161	13.1%
Total Assets	60,409	60,044	(364)	(0.6)%

The main factors behind the comparison of assets with the end of the previous period are as shown in the slide. Current assets decreased 5.8 percent from the previous period to 41,351 million yen. The main factors were decreases in accounts receivable and cash and deposits, respectively.

Non-current assets increased 13.1 percent to 18,693 million yen. The main factor was an increase in property, plant and equipment.

Consolidated Performance B/S

Main factor of change

(Unit: millions of yen)

	FY23	FY24	Amount of change	Ratio of change
Liabilities				
Current liabilities				
Notes and accounts payable trade	16,647	13,454	(3,192)	(19.2)%
Electronically recorded obligations – operating	5,585	4,213	(1,372)	(24.6)%
Short - term borrowings	1,341	4,880	3,538	263.7%
Total current liabilities	32,349	27,808	(4,540)	(14.0)%
Non - current liabilities				
Long - term borrowings	2,095	5,162	3,067	146.4%
Total non - current liabilities	4,481	8,311	3,830	85.5%
Total liabilities	36,830	36,120	(709)	(1.9)%
Net assets				
Shareholders’ equity				
Share capital	3,801	3,801	–	0.0%
Retained earnings	16,898	17,044	145	0.9%
Total shareholders’ equity	21,649	21,540	(108)	(0.5)%
Accumulated other comprehensive income				
Foreign currency translation adjustment	931	1,687	756	81.3%
Accumulated other comprehensive income	1,929	2,383	454	23.6%
Total net assets	23,578	23,924	345	1.5%
Total liabilities and net assets	60,409	60,044	(364)	(0.6)%

The main factors of liabilities and net assets compared to the end of the previous period are as shown in the slide. Current liabilities decreased 14% from the end of the previous period to 27,808 million yen. The main factors were decreases in notes and accounts payable-trade and current portion of long-term borrowings, respectively, while short-term borrowings increased.

Non-current liabilities increased 85.5 percent to 8,311 million yen. The main factor was an increase in long-term borrowings.

Net assets increased 1.5 percent to 23,924 million yen. The main factor was an increase in foreign currency translation adjustments.

Consolidated Performance C/F

Main factor of change

(Unit: millions of yen)

	FY23	FY24	Amount of change
Cash flows from operating activities			
Profit (loss) before income taxes	7,314	2,420	(4,893)
Depreciation	846	1,006	159
Amortization of goodwill	496	609	112
Loss (gain) on sale of investment securities	(614)	(380)	234
Decrease (increase) in accounts receivable - trade, and contract assets	4,231	1,672	(2,558)
Decrease (increase) in inventories	410	535	125
Increase (decrease) in trade payables	348	(4,627)	(4,975)
Net cash provided by (used in) operating activities	6,057	(2,740)	(8,797)
Cash flows from investing activities			
Purchase of property, plant and equipment	(609)	(426)	183
Purchase of intangible assets	(171)	(182)	(11)
Proceeds from sale of investment securities	1,112	715	(397)
Net cash provided by (used in) investing activities	2,519	(1,282)	(3,802)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(3,813)	3,309	7,122
Repayments of long-term borrowings	(555)	(3,695)	(3,140)
Purchase of treasury shares	(660)	(341)	319
Dividends paid	(797)	(1,371)	(573)
Net cash provided by (used in) financing activities	(4,128)	419	4,548
Net increase (decrease) in cash and cash equivalents	4,552	(3,259)	(7,811)
Cash and cash equivalents at beginning of period	7,772	12,324	4,552
Cash and cash equivalents at end of period	12,324	9,065	(3,259)

I will now explain cash flows. Cash and cash equivalents at the end of the period totaled 9,065 million yen, a decrease of 3,259 million yen from the end of the previous period.

Net cash used in operating activities decreased by 2,740 million yen. The main factors were income taxes paid and a decrease in trade payables.

Net cash used in investing activities totaled 1,282 million yen. The main factors were decreases due to proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation, payments for loans advances, and purchase of property, plant and equipment.

Net cash provided by financing activities totaled 419 million yen. The main factor was an increase in proceeds from short-term borrowings, while the decrease was due to repayment of long-term borrowings and dividend payments.

2. FY25 Consolidated Performance Forecast

The following is an explanation of the Company's consolidated earnings forecast for the fiscal year ending March 31, 2026.

FY25 Consolidated Performance Forecast

(Unit: millions of yen)

	FY24	FY25 Forecast	Amount of change	Ratio of change
Net sales	94,503	110,000	15,496	16.4%
Operating profit	2,129	2,600	470	22.1%
Operating profit margin	2.3%	2.4%	+0.1pt	-
Ordinary profit	2,024	2,600	575	28.4%
Profit attributable to owners of parent	1,566	1,900	333	21.3%

The forecast is based on currently available and definitive information and takes into account factors such as sales opportunities and demand fluctuations by region and sector, as shown in the table.

FY25 Consolidated Forecast by Segment

Segment sales (Unit: millions of yen)

	FY24	FY25 Forecast	Amount of change	Ratio of change
Construction Supply	61,017	70,000	8,982	14.7%
Industrial Materials	17,998	20,000	2,001	11.1%
Electronic Devices	15,514	20,000	4,485	28.9%
Total	94,531	110,000	15,468	16.4%
Adjusted amount *1	(28)	-	-	-
Amount recorded in consolidated financial statements	94,503	110,000	15,496	16.4%

*1 Adjustments represent elimination of intersegment transactions.

Segment profit (Unit: millions of yen)

	FY24	FY25 Forecast	Amount of change	Ratio of change
Construction Supply	1,671	2,400	728	43.6%
Industrial Materials	1,054	1,100	45	4.3%
Electronic Devices	727	700	(27)	(3.8)%
Total	3,453	4,200	746	21.6%
Adjusted amount *2	(1,324)	(1,600)	(275)	20.8%
Amount recorded in consolidated financial statements	2,129	2,600	470	22.1%

*2 Adjustments are elimination of intersegment transactions and corporate expenses not allocated to each reportable segment.

I would like to explain the consolidated earnings forecast by segment. In the Construction Supply segment, we have abolished the traditional area management and clarified the chain of command for business field management through organizational restructuring. By increasing the speed of our growth strategy to strengthen our capabilities, we will expand our earnings.

In the Industrial Materials segment, based on demand trends, we will further strengthen our sales activities in priority areas such as automotive, electronics, precision instruments, defense, and life sciences.

Through the reorganization, the Group will also promote solution proposals that leverage its strength as a group with manufacturer functions to expand earnings in both the plastic-related materials and texitle-related materials fields.

In the Electronics Devices segment, although the excess inventory problem caused by the semiconductor supply shortage has been resolved, market conditions for consumer electronics and white goods remain severe. In addition, the “Trump tariffs” have forced many customers to reduce exports to the U.S.

Despite this challenging environment, we will continue to develop a wide range of electronic components for board mounting as part of our efforts to further enhance our capabilities, while further strengthening our quality control system to establish our superiority in QCD and expand our earnings.

As a result of the above, the Construction Supply segment is expected to report segment sales of 70.0 billion yen and segment profit of 2.4 billion yen, the Industrial Materials segment is expected to report segment sales of 20.0 billion yen and segment profit of 1.1 billion yen, and the Electronics Devices segment is expected to report segment sales of 20.0 billion yen and segment profit of 0.7 billion yen. Corporate expenses not allocated to each reportable segment are expected to be 1.6 billion yen.

3. Shareholder Return

I would like to explain our shareholder return policy.

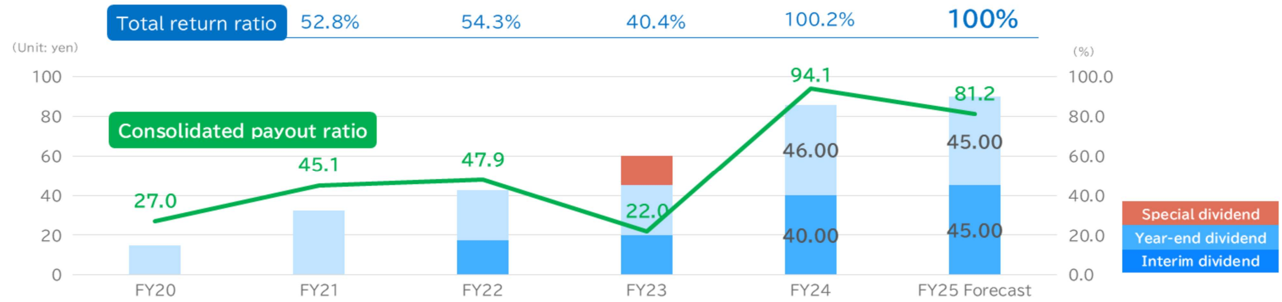
Shareholder Return: dividend

- During the period of the current medium-term management plan, we will provide more proactive shareholder returns than ever before.

Basic Policy

Consolidated payout ratio: 80% or more
Total return ratio: 100%
Lower limit of total return amount: ¥500M

Transition of dividend per share, consolidated dividend payout ratio, and total return ratio



- Excluding the impact of extraordinary gains from the transfer of fixed assets, the dividend payout ratio and total return ratio for FY23 are in line with this policy.
- 4-for-1 stock split of common stock effective October 1, 2023. Dividend per share before the stock split is based on the assumption that the stock split was conducted in the fiscal year ended March 31, 2021 (FY2020).
- 2-for-1 stock split of common stock effective October 1, 2025. The Year-end dividend for the fiscal year ending March 2026 (FY2025) does not take into account the stock split. (The Year-end dividend after the split will be 22.50 yen per share.)

Our basic policy on shareholder return is to increase investment in growth, aiming to become a company of sustainable growth with strategic investment, while at the same time, we will return profits to shareholders with an awareness of capital efficiency.

In the current fiscal year, we changed the consolidated dividend payout ratio to 80 percent or more and the total return ratio to 100 percent as a limited measure for the two years until the final year of Sustainability V (Value), in recognition of the need to further improve capital efficiency in order to achieve ROE of 8 percent or more.

For the current fiscal year, the Company will pay an interim dividend of 40 yen and a year-end dividend of 46 yen, for an annual dividend of 86 yen per share. Based on profit attributable to owners of parent of 1,566 million yen, the consolidated dividend payout ratio will be 94.1 percent. Combined with the 99 million yen of treasury stock that the company will finish acquiring in the fiscal year ended March 31, 2025, the total return ratio will be 100.2 percent.

For the fiscal year ending March 31, 2026, we plan to pay an annual dividend of 90 yen per share, which will result in a consolidated payout ratio of 81.2 percent based on our earnings forecast.

Shareholder Return: share split

1. Purpose of share split
   By reducing the amount per investment unit of our share, we aim to create an environment in which investors can invest more easily, to improve the liquidity of our share, and to further expand our investor base.
2. Method of share split
   Each share of common stock owned by shareholders recorded in the final shareholder register as of Tuesday, September 30, 2025, will be split into two shares.

➢ **If you continue to hold shares from the first half of the year**

	FY24	FY25	
	Dividend per share	Share split	Dividend amount
Interim dividend	¥40.00	One share	¥45.00
Year-end dividend	¥46.00	Two shares	¥45.00 (2shares × ¥22.50)
Annual dividend	¥86.00		¥90.00

Actual dividend increase

The Company plans to conduct the share split in order to create an environment in which investors can more easily invest by reducing the amount per investment unit of the Company's shares, to improve the liquidity of the Company's shares, and to further expand its investor base.

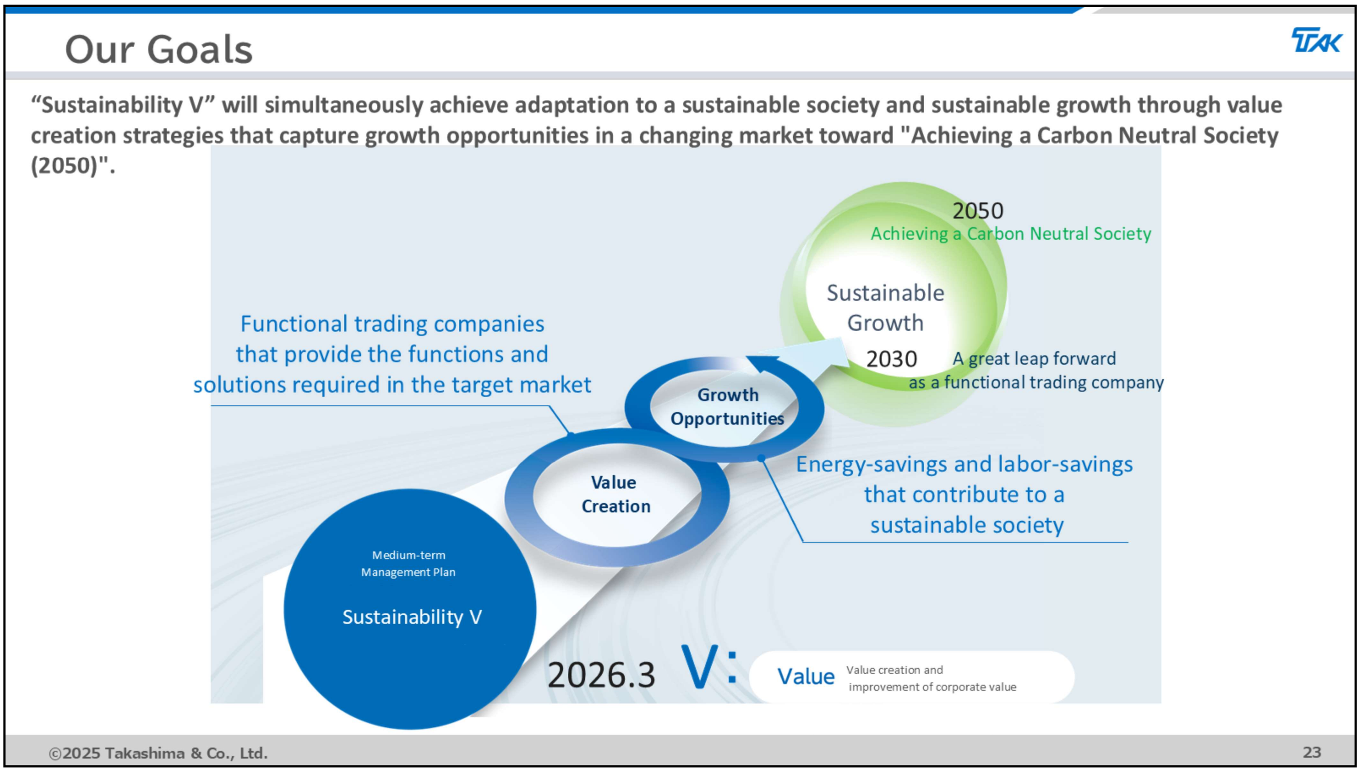
The split will be effected on Tuesday, September 30, 2025, at a ratio of 2 shares for each share of common stock held by shareholders of record at the end of the day.

If you continue to hold shares from the first half of the year, the interim dividend would be pre-split and would be 45 yen per share. The year-end dividend would be after the stock split, and since one share becomes two shares, the year-end dividend would be 22.5 yen per share, or 45 yen per share. As a result, the annual dividend will be 90 yen per share.

For the fiscal year ended March 31, 2025, we increased the year-end dividend by 6 yen, bringing the annual dividend per share to 86 yen, but for the fiscal year ending March 31, 2026, the dividend will be 90 yen, an increase in real terms.

4. Progress of Our Medium-term Management Plan "Sustainability V(Value)"

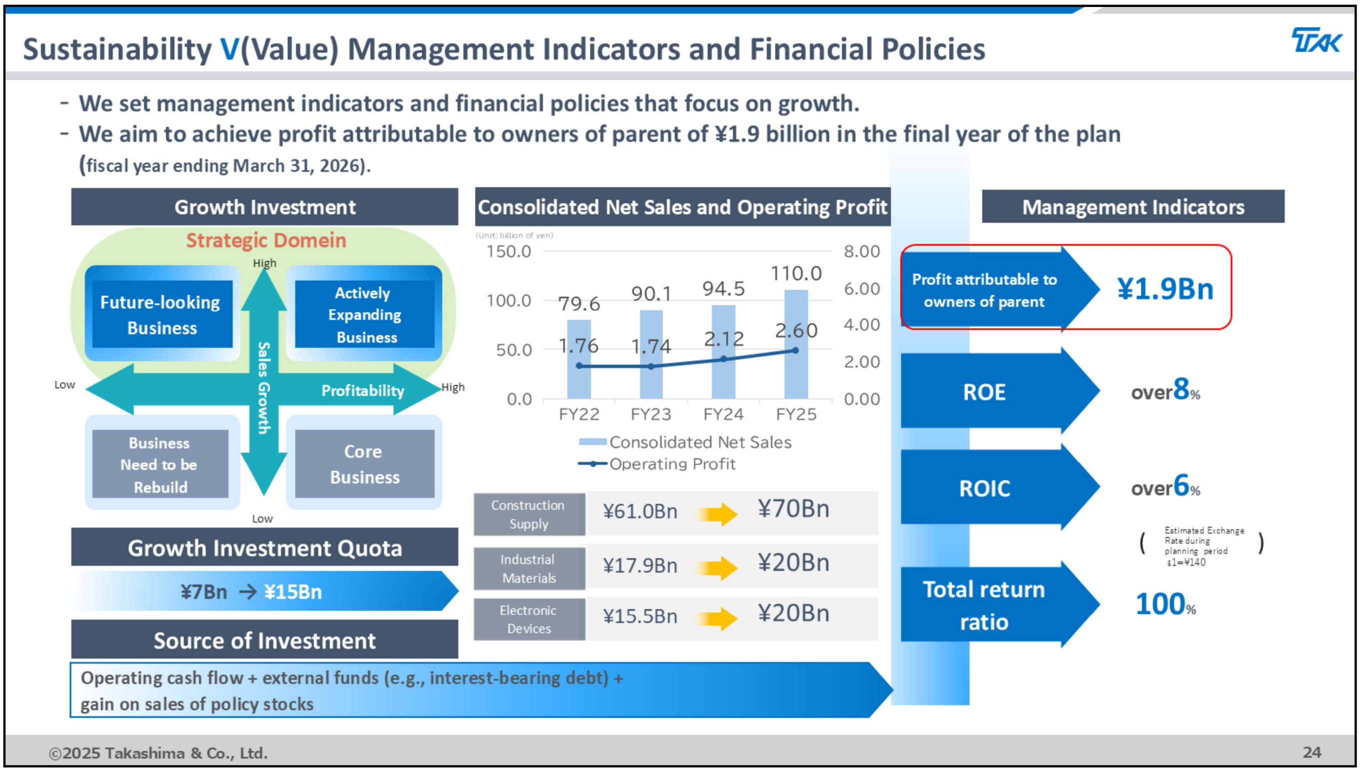
Koichi Takashima (hereinafter "Takashima"): My name is Koichi Takashima, President and Representative Director. I will explain the progress of our medium-term management plan, Sustainability V (Value), the progress of our response to realize cost of capital and stock price conscious management, as well as some topics.



The medium-term management plan, Sustainability V (Value), aims to simultaneously realize adaptation to a sustainable society and sustainable growth through value creation by assembling strategies to seize growth opportunities in the changing market toward the realization of a carbon-neutral society (2050).

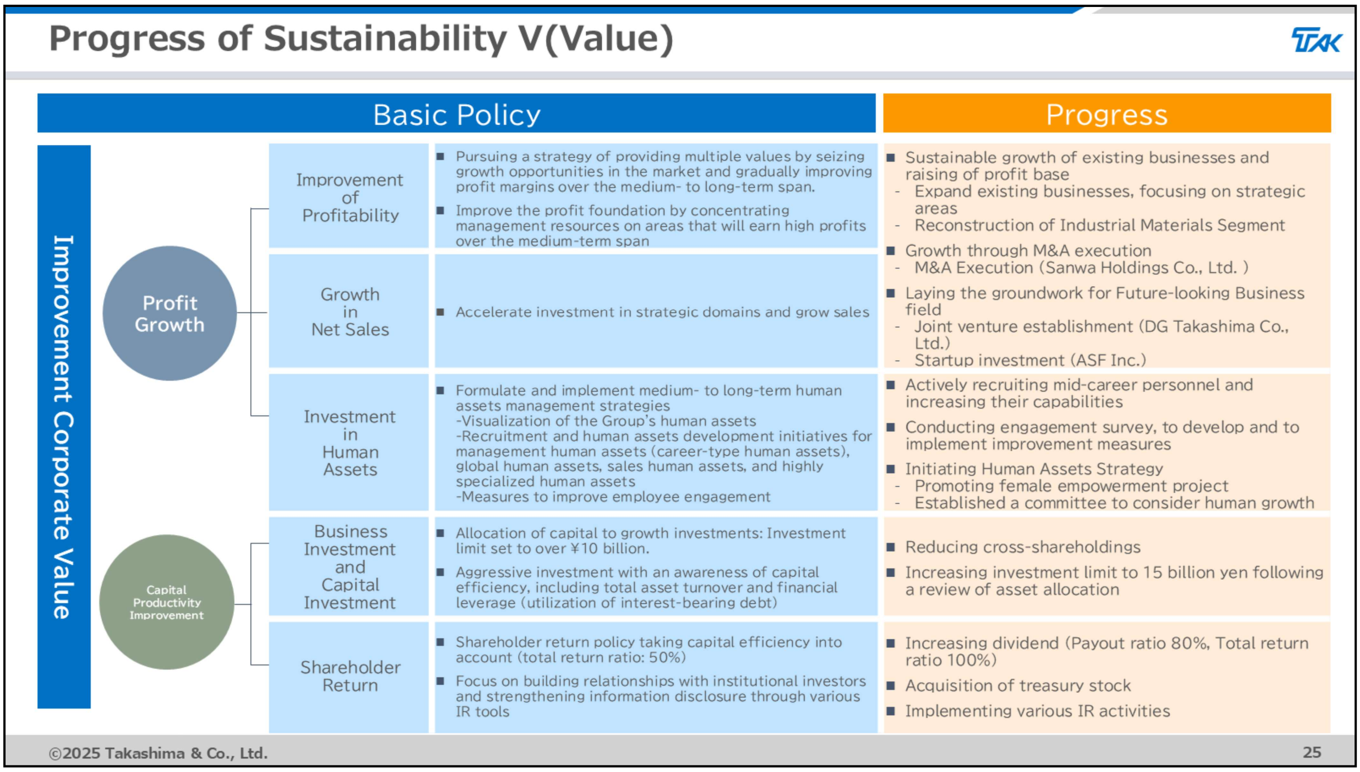
We will create and provide value as a functional trading company that offers functions and solutions necessary in our target markets to meet the needs for energy-saving and labor-saving products that contribute to a sustainable society, which we see as a growth opportunity in the market.

By seizing growth opportunities in the market and repeatedly creating value, we aim to make a giant leap forward as a functional trading company and achieve sustainable growth.



Under Sustainabiliity V (Value), we plan to make growth investments of 15 billion yen in the strategic areas of future looking business and actively expanding business.

As for the businesses, we are also reorganizing our portfolio and implementing selection and concentration. For the fiscal year ending March 31, 2026, the final year of the medium-term management plan, we target consolidated net sales of 110 billion yen, operating profit of 2.6 billion yen, and profit attributable to owners of the parent of the company of 1.9 billion yen.



The fiscal year ended March 31, 2,025 was the second year of Sustainability V (Value).

With regard to profit growth, the Company acquired Sanwa Holdings through M&A in order to improve profitability and top-line growth, and also made a start-up investment in ASF as a milestone for future growth in the investment business area.

Furthermore, as part of efforts to sustain growth in existing businesses and raise the level of our profit base, we expanded existing businesses, mainly in strategic areas, and restructured our Industrial Materials business.

In implementing our human resources strategy, we are expanding our human capital by promoting women's empowerment and establishing a committee to consider human growth.

With regard to capital productivity improvement, we have reduced our policy shareholdings and will continue to do so. We will also actively promote shareholder returns, with a consolidated dividend payout ratio of at least 80% and a total return ratio of 100% for the fiscal year ending March 31, 2026.

Sanwa Holdings Co., Ltd. becomes a consolidated subsidiary.

- ✓ In February 2025, the Company acquired all shares of Sanwa Holdings Co., Ltd. and made it a subsidiary. Sanwa Holdings' subsidiaries include Sanwa System Co., Ltd. which is engaged in sales and installation of solar power generation systems.
- ✓ Sanwa Systems has sold and installed more than 10,000 industrial and residential solar power generation systems. Sanwa System's strength is its one-stop service from site acquisition to design, construction, and maintenance.

Name	Sanwa System Co., Ltd.
Head office	Higashishinagawa, Shinagawa, Tokyo.
Establishment	June 27, 2013
Number of employee	80
Capital stock	¥45,000,000
Permits and licenses	Specified construction business Building lots and building transaction business
Business	Maintenance of industrial and residential solar power generation system. Purchase and sale of solar power generation system (including private consumption solar power generation system)

In February 2025, Sanwa Holdings, which has 14 subsidiaries including Sanwa System, became a subsidiary. Sanwa System is a sales and installation company for industrial and residential photovoltaic power generation systems, and its strength is its one-stop service from site acquisition to design, construction, and maintenance.

Strengthening Capabilities in the Solar Power Market through M&A

- ✓ Through this M&A, will acquire the ability to install large-scale solar power generation systems such as mega solar power generation systems.
- ✓ Our group companies include New Energy Distribution System Inc. which has installation capabilities in residential photovoltaic power generation systems. These two companies will be able to cover all areas of materials wholesaling and installation in the solar power generation market.

Our Group's Capabilities in the Photovoltaic Power Generation System Market			
Distribution		Installation	
Residential	Industrial	Residential	Industrial
TAK		NEDS 新エネルギー流通システム株式会社 The comprehensive human&energy	SANWA SYSTEM

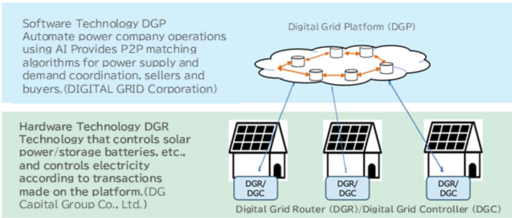
This acquisition of Sanwa System, which has installation capabilities for industrial photovoltaic systems, together with New Energy Distribution System, which has installation capabilities for residential photovoltaic systems, enables us to cover the entire range of material wholesaling and installation in the photovoltaic market.

Implementing investments as a preparation to growth in Future-looking Business field

Established DG Takashima Co., Ltd.

Representative	President & Representative Director Masaru Shinkai
Business	Manufacture and sale of DGR (Digital Grid Router)
Investment ratio	DG Power System Co., Ltd.: 51% Takashima & Co., Ltd. : 49%

Digital Grid



Startup investment in ASF Co., Ltd.

- Entered into a share subscription agreement for ASF's third-party allotment of new shares and invested in ASF.

[Image of the light EV commercial vehicle "ASF2.0"]

Name	ASF Co., Ltd.
Head office	3-22-3 Uchikanda, Chiyoda-ku, Tokyo
Establishment	June 2020
Representative	Representative Director and President Hiroyasu Iizuka
Business	Planning, development, manufacturing and sales of electric vehicles, battery leasing, etc.
URL	https://www.asf-ev.com/

I would like to explain the investments we made as a milestone for growth in the future investment business area. First, let me explain the establishment of DG Takashima.

In our renewable energy field, we have formed a capital alliance in April 2023 with DG Capital Group, which aims to promote the advanced diffusion of renewable energy in the digital grid technology that enables the internetization of electric power, and are working together comprehensively to promote digital grid technology.

In order to further accelerate the spread of digital grid technology, we have established a joint venture company with DG Power System to manufacture and supply digital grid equipment DG Power System is an operating company under the DG Capital Group, which develops and manufactures digital grid routers.

Next, we would like to discuss our investment in ASF. ASF is a start-up company that plans, develops, manufactures, and sells electric vehicles.

As a fabless manufacturer aiming to build a new energy society system centered on mobility, ASF is a one-stop shop for planning, development, manufacturing, and sales of electric vehicles that meet user needs, while achieving both high economic demand and contribution to carbon neutrality.

Although we currently have a set investment limit, we will aim for sustainable growth by aggressively making investments that lead to growth, without being restricted by the set limit.

Progress of Investment Quota

- The Company has already invested ¥13.71 billion yen through the end of fiscal year ended March 31, 2025 (FY2024), out of a total investment quota that has been increased to over 150 billion yen.
- We will continue investment.

	Result		
	FY21 - FY23	FY24	Total
M&A (Included M&A Consideration Costs)	¥7.45Bn • New Energy Distribution System (Dec. 2022) • Sinbou Edix (Dec. 2022) • Gansui Corporation (June 2023)	¥3.13Bn • DG Takashima (Aug. 2024) • Sanwa Holdings (Feb. 2025)	¥10.58Bn
Plant & Equipment Investment in maintenance, renewal and enhancement of own plants and facilities	¥1.44Bn	¥0.43Bn	¥1.87Bn
Human assets, IT & Others Recruit/Engagement Survey Core system renewal Enhancement of IR	¥0.95Bn	¥0.32Bn	¥1.26Bn
Invested Amount	¥9.84Bn	¥3.87Bn	13.71Bn

I would like to explain the progress of the investment framework. Sustainability V (Value) was renewed in December 2023, and the investment limit was increased to 15 billion yen. During the period under review, we established DG Takashima and made Sanwa Holdings a subsidiary. A total of 13.7 billion yen had been invested by the end of fiscal year ended March 31, 2025. We plan to continue to make investments with investment returns, depending on the project.

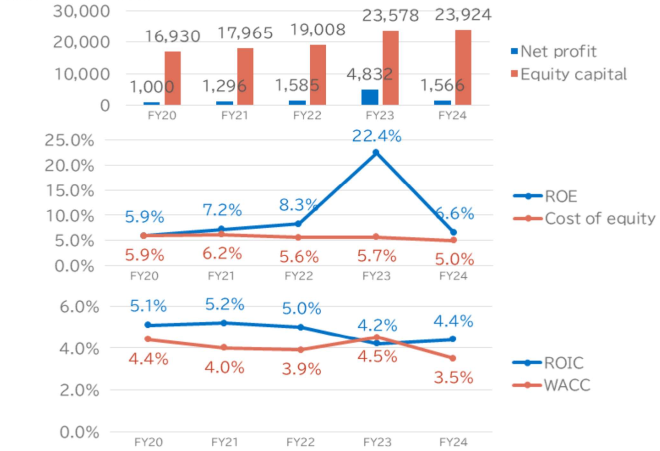
5. Progress of Measures to Achieve Management Conscious of Cost of Capital and Stock Price

This presentation will provide an overview of the progress of actions taken to achieve cost of capital and stock price conscious management.

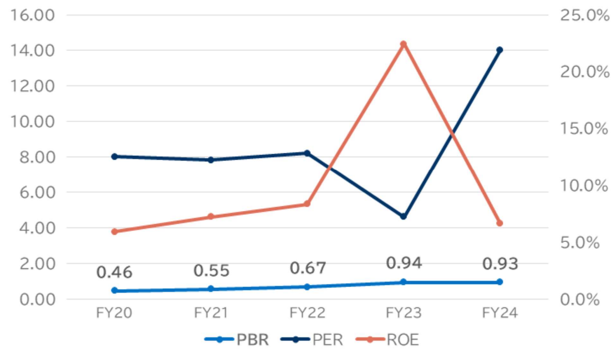
Current Status

- ROE at the end of the fiscal year ended March 31, 2025 (FY2024) decrease by 15.8 percentage points to 6.6%, exceeding the cost of shareholders' equity.
- P/B ratio of 0.93x at the end of the fiscal year ended March 31, 2025 (FY2024)
- We will continue to strive to improve P/B ratios, as we believe that exceeding 1x P/B ratios is a management responsibility.

(Status of capital efficiency)



(Status of P/B ratio)



At the end of FY2025, ROE was 6.6 percent, above the cost of shareholders' equity; ROIC was 4.4 percent, above the WACC; and ROIC was 4.5 percent, above the WACC.

ROE decreased by 15.8 points from the previous year due to the impact of the absence of gains on sales of hotels for rent and other assets that occurred in the previous year. ROIC increased 0.2 percentage points from the previous year due to the increase in operating income, despite the increase in invested capital.

WACC decreased by 1.0 percentage point due to lower cost of equity and cost of financing debt. The P/B ratio was 0.93x, and we will continue to strive to improve the P/B ratio, as we believe it is management's responsibility to achieve a P/B ratio above 1x.

6. Topics

Notice of Co-sponsorship of Expo 2025

- ✓ We will install EV battery chargers in the parking areas for related and business vehicles at the Expo 2025 Osaka, Kansai, Japan.
- ✓ EV chargers are provided by Shindengen Electric Manufacturing Co., Ltd.
- ✓ We provide installation and maintenance.
  We collaborated with Energy Distribution System, a group company that has established a nationwide construction network and boasts an extensive track record, to perform the installation work.

Shindengen Electric Manufacturing Co., Ltd.'s
EV battery charger that is not visible after installation
PM-CS09 series

ShinDengen
New power. Your power.

TAK

The comprehensive human&energy
新エネルギー流通システム株式会社

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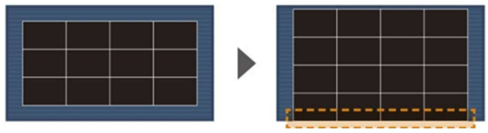
This page explains our sponsorship of the 2025 Osaka-Kansai Expo. Shindengen Electric Manufacturing Co., Ltd. and our company have installed EV normal chargers in the parking area for related parties and business vehicles in support of the 2025 Osaka-Kansai Expo.

Shindengen Electric Manufacturing Co., Ltd. offered the PM-CS09 series of EV chargers. We are responsible for its installation and maintenance. This time, we collaborated with New Energy Distribution System, a group company, to perform the installation work. New Energy Distribution System has established a nationwide construction network and boasts an extensive track record.

Development and sales of Smart Rack Offset

Smart Rack Offset

➢ Solar panels can be installed to the full extent of the eaves, increasing the installed capacity.

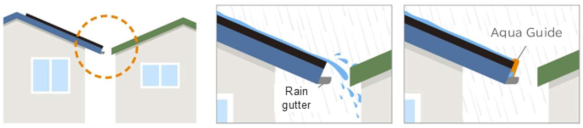


- Smart Rack Offset is a construction method that allows solar cell modules to be installed all the way to the eaves, which was previously impossible.
- Maximizes the effective use of roof surface, allowing more solar panels to be installed
- Smart Rack Offset is based on a design that solves strength issues by obtaining wind load data when solar modules are installed to the full eaves.

Aqua Guide

A cover to guide rainwater to drainage

➢ Even when solar panels are installed all the way to the edge of the roof, Aqua Guide controls rainwater from jumping over the gutters.



- When solar modules are installed to the full extent of the eaves, rainwater runs down the panels and jumps over the gutters.
- Developed and applied for a patent for the Aqua Guide, an innovative new shaped rainwater guiding cover that can guide rainwater flowing through the module to the gutters during rainy weather, and carefully tested on a simulated roof to solve the problem of rainwater jumping over the gutters

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This section describes the development and sales of Smart Rack Offset. The Smart Rack is a residential solar panel installation rack jointly developed by us and its affiliated company, Doryoku Co., Ltd. Since its launch in March 2010, various improvements have been made and a cumulative total of more than 100,000 units have been shipped.

The “Smart Rack Offset” allows solar modules to be installed up to the full eaves of the building, which was not possible in the past, thus increasing the installed capacity.

AquaGuide controls rainwater from jumping over the gutters, even when solar panels are installed all the way to the edge of the roof.

Smart Rack Offset contributes to the realization of a carbon-neutral society by maximizing the effective use of the roof surface of the homes that form the foundation of our lives.

Through further sales expansion of Smart Rack, we will continue to contribute to the construction of a decarbonized society and the realization of sustainable development goals.

Lastly

Our Goals

"Sustainability V" will simultaneously achieve adaptation to a sustainable society and sustainable growth through value creation strategies that capture growth opportunities in a changing market toward "Achieving a Carbon Neutral Society (2050)".

The fiscal year ending March 31, 2026 is the third and final year of our medium-term management plan, Sustainability V (Value).We will do our utmost to achieve the Sustainability V (Value) targets.

Q&A

Q&A: Shareholder Return Policy after Limited Measures

Moderator: You explained that shareholder returns, including dividends, will be limited to the final year of the ongoing medium-term management plan for two years. What will you do after that?

Takashima: We are currently formulating our next medium-term management plan, which will begin in the fiscal year ending March 31, 2027. In that plan, we plan to determine our dividend policy after the limited measures, keeping in mind how investors will evaluate the company. We will promptly disclose the next medium-term management plan and new dividend policy to shareholders as soon as they are determined.

Q&A Session: Achievability of Business Forecasts for the Fiscal Year Ending March 31, 2026

Moderator: "Your forecast for the fiscal year ending March 31, 2026 is considerably higher than the actual results for the current fiscal year; what is the likelihood of its realization?" What is the likelihood of this being realized?

Takashima: At this point, we believe that we can achieve our earnings forecast as disclosed. I would like to talk about the reasons for this.
First, Sanwa System, which became a subsidiary in February 2025, is expected to be consolidated in the fiscal year ending March 31, 2026. This will promote the expansion of energy-saving business, one of the strategic areas in our medium-term management plan, Sustainability V (Value), and is expected to contribute to sales and profits in the future.
Next, we believe that the energy domain as a whole is on an upward trend. Our energy-related business, which contributes to energy conservation against the backdrop of social needs such as climate change countermeasures, is an area where growth is expected to continue.
We are also moving forward with initiatives such as a capital alliance with DG Capital Group and the establishment of DG Takashima, and we are well positioned to enter the investment business domain in the future.
Finally, in the Construction Supply segment, we are working to improve profitability in the area of general building materials. The key here is to win orders for projects. In the fiscal year ending March 31, 2026, we plan to win large projects with sufficient attention to profitability, and we expect to improve the profitability of individual projects.
In our medium-term management plan, we have identified further improvement of capital efficiency and promotion of value-adding business as important management issues, and based on these policies, we will work to improve profitability in the building materials segment.
In each of our businesses, we will strive to improve both growth and profitability, and we believe that our current forecasts are achievable.

Q&A: Impact of Trump Tariffs

Moderator: the question is: “What are the good and bad scenarios for the impact of the Trump tariffs?

Takashima: To be honest, we do not currently have two scenarios in mind, a good scenario and a bad scenario, but I would like to talk about how we are currently thinking about the impact of the Trump tariffs in general.
We believe that the direct impact of the Trump tariffs will be quite limited. However, we believe that the indirect impact may be related in two areas.
The first is in the Industrial Materials segment. In the domestic market, the automotive industry and other materials-related sectors that will be affected by the Trump tariffs have a very broad base, so we will carefully assess how these sectors will be indirectly affected by the tariffs. However, we hope to cover for this by growing our business in other areas.
The other is the Electronic Device segment. To be honest, this sector is quite difficult to predict. Thanks to the decrease in the stock of electronic devices in circulation, there are signs of a slight turnaround, but the current trade friction between the U.S. and China is causing Chinese companies to change their behavior.
In this regard, Chinese companies are taking measures to expand into Southeast Asia and export from there, and the competitive situation is changing considerably.
We will continue to carefully monitor the movements of Chinese companies and the expansion of our business one by one as we strive for a full recovery. However, since this is still a fairly large movement, it is difficult to make a clear judgment.
In terms of the good and bad scenarios mentioned earlier, one of the concerns is that if there is any impact on the electronic device sector, there could be a slight swing to the downside.

Inquiries on this document

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■ **Handling of this document**

[Precautions regarding forecasts]

The data and predictions for the future disclosed in this document are based on judgments as of the release date of the document and obtainable information, and may change due to various reasons such as the economic situation, changes in market trends, etc. Therefore, there are no guarantees that the targets and predictions noted in this document will be reached, nor on future business performance.