

A woman with long brown hair, wearing a black beret and a long beige coat with dark buttons, stands on a train platform. She is holding onto a black metal railing and looking upwards. The background is a dark, metallic structure, likely part of a train.

PBR Improvement Plan

SANYO SHOKAI LTD.

6 October 2023



Results, Challenges and Solutions

Improve PBR through ROE improvement by taking measures to achieve ROE target that exceeds cost of shareholder's equity (CSE), further strengthening of IR and planning/execution of next Medium-term Business Plan.

Results and challenges

Under PBR 1x

FY Feb/2023 results
(consolidated)
0.55x

ROE fell below cost of shareholder's equity

FY Feb/2023 results
(consolidated)
6.1%, below-cost of
shareholder's equity

Solutions

Theory

PBR
improvement



ROE
improvement



PER
increase

Solutions

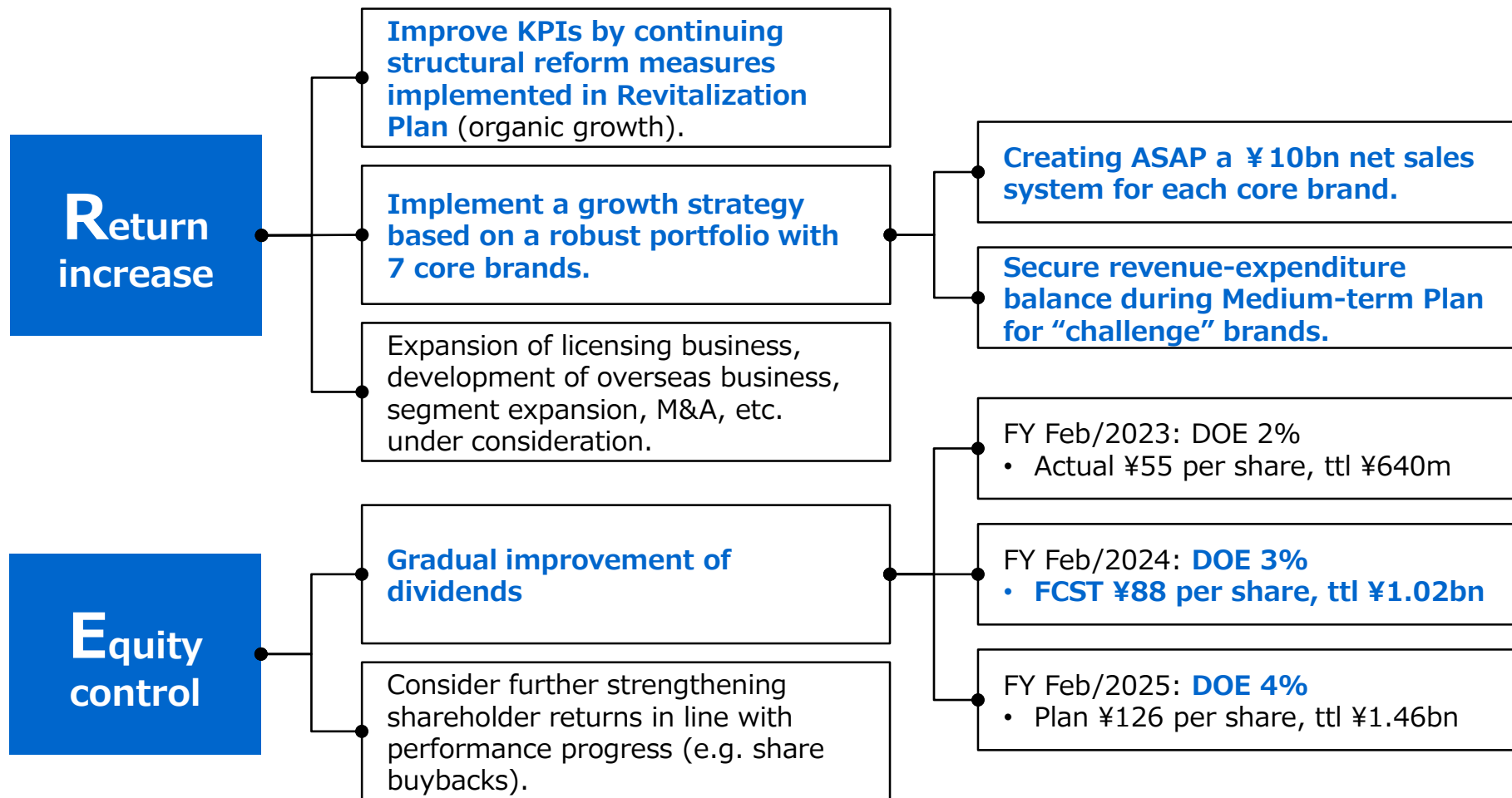
Take measures to achieve ROE
target that exceeds CSE

Further strengthening of IR

Formulation and execution of
next Medium-term Business
Plan/growth strategy

ROE Improvement

Aim to achieve ROE 8.5% by increasing Return through implementation of various measures in accordance with Medium-term Business Plan and controlling Equity, such as gradually improving level of dividends.



KPIs of FY Feb/2025

KPIs are ROE 8.5% that exceeds cost of shareholder's equity, ¥4.38bn (7%) of operating income and policy of DOE 4%.

KPIs of
FY Feb/2025

ROE 8.5%

(exceeds cost of shareholder's equity)

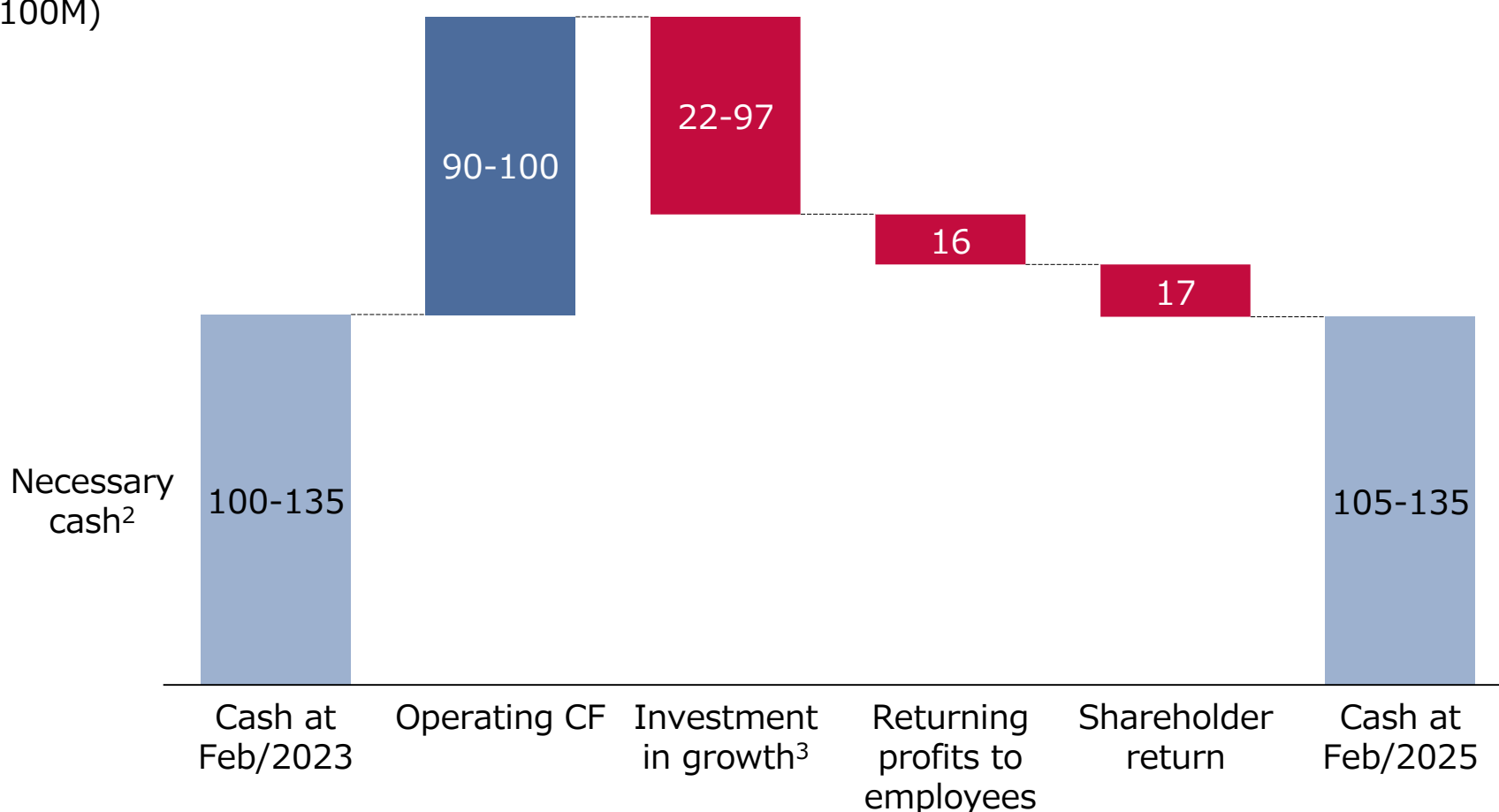
Operating income ¥4.38bn
Operating income ratio 7%

DOE 4%

Net cash allocation

Our particular concern is to put recovery from the 6th consecutive operating deficit up to FY Feb/2022 on a stable basis. Through the period of Medium-term Business Plan, we will improve capital efficiency by investing in growth and returning profits to investors, and correct the situation to an appropriate level of net cash¹.

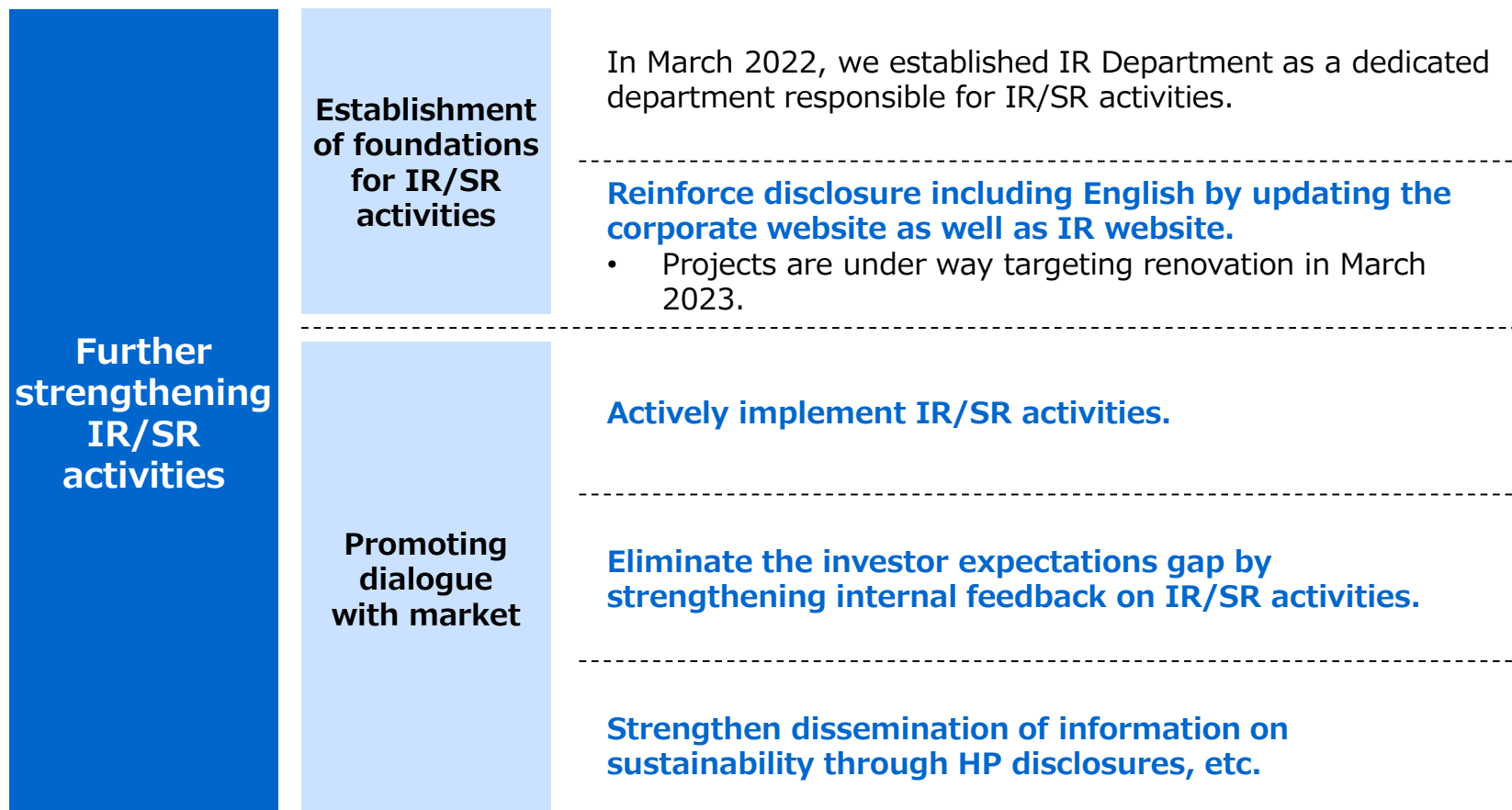
(¥100M)



1. Net cash excluding debt and CB 2. Appropriate setting in light of business and investment environment and necessary liquidity on hand 3. Includes expansion of licensing business, development of overseas business, segment expansion, M&A, etc.

Other PBR improvement measures

Promote improved PBR by further strengthening IR/SR activities in addition to business growth.



Formulate next Medium-term Business Plan/growth strategy as well.



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