Basic Policy on Shareholder Returns

[Principle 1.3 Basic Strategy for Capital Policy]
Because capital policy may have a significant effect on shareholder returns, companies should explain their basic strategy with respect to their capital policy.

<Basic Policy on Shareholder Returns>
To return to shareholders the value it has created through its business activities, the Company's basic policy on shareholder returns is to enhance shareholder value by maximizing corporate value over the medium to long term. To achieve this, the Company invests in growth areas such as real estate development, the expansion of overseas business, M&A, research and development and production facilities in a bid to augment earnings per share (EPS).
The Company aims to maintain stable dividends and return profits to shareholders in line with business performance through a dividend payout ratio of 35% or more of net income attributable to owners of parent (For the fiscal years in the period of the seventh Medium-term Management Plan (FY2022-FY2026), the lower limit of dividends per share was initially set at 130 yen, but it has been changed to 145 yen since FY2024.)
The Company also purchases its own shares when the timing is appropriate, taking into consideration factors such as the market environment and capital efficiency ratio.

（Corporate Governance Guidelines Article 6.1）