Document 3

Considering The Investor's Point of View in regard to Management Conscious of Capital Cost and Stock Price

Key Points and Examples (Draft)

Tokyo Stock Exchange, Inc. Listing Department

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Notes on this material

- **This document is a draft version** prepared for discussion at the 14th Meeting of the Council of Experts Concerning the Follow-up of Market Restructuring (held on January 17, 2024).
- **Based on the discussions at this meeting, we plan to release the finalized version by late January or early February 2024, after making necessary updates.**

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Introduction

- In March 2023, Tokyo Stock Exchange requested all listed companies on the Prime and Standard Markets to take **action to implement management conscious of capital cost and stock price**. Since then, many listed companies have been implementing initiatives, and **many shareholders and investors in Japan and overseas have expressed their expectations for further progress in these efforts by their respective companies**.
- This document is intended to be a reference for listed companies that are considering taking action, and also for listed companies that have already disclosed their information, to help them update their information in the future. **The report is based on interviews with more than 90 investors in Japan and overseas**, and includes **a summary of the key points of initiatives that investors expect from companies, initiatives that are highly evaluated by investors, and, conversely, examples of companies that are not aligned with investors' perspectives**.
- Naturally, the initiatives required to enhance corporate value over the medium to long term will differ depending on the situation of each company. **It is expected that management and members of the board will take the lead in promoting such efforts after thoroughly analyzing and evaluating the current situation of a company**, while referring to the points to be addressed and examples of such efforts discussed in this document.
- **We would like to ask all listed companies to take the current situation**, in which the expectations of shareholders and investors in Japan and abroad are rising, **as a good opportunity to respond proactively and promote corporate reform**, rather than simply responding to requests.

Note: In addition to the case studies in this document, we will continue to expand reference materials for listed companies through initiatives such as holding various seminars and publishing interviews with listed companies that are proactively taking action.

Structure of this Document

- This document describes, for each step in the series of initiatives we are requesting companies to utilize to implement management that is conscious of capital cost and stock price, the key points of the initiatives that investors expect from companies, examples of initiative that are highly evaluated by investors, and, conversely, examples of companies that are not aligned with the investors' perspective.
  - Please refer to the attached document for details of the case studies.

Responses required to achieve cost of capital and stock price conscious management

Analysis of the current situation	● Accurately understand the company's cost of capital and profitability. ● Members of the board analyze and evaluate the current situation with regard to the details and market valuation. ⇒ **I. Analysis and Evaluation of Current Situation (from page 7)**
Planning and disclosure	● Members of the board consider and formulate policies, goals, planning periods, and specific initiatives for improvement. ● Disclosure of those details, together with the assessment of the current situation, in a manner that is easy for investors to understand. ⇒ **II. Consideration and Disclosure of Initiatives (from page 14)**
Execution of initiatives	● Based on the plan, the company implements management conscious of capital cost and stock price. ● Active dialogue with investors based on disclosure. ⇒ **III. Dialogue with Shareholders and Investors (from page 20)**

Annually (at least once a year), analyze progress and update disclosures

Analysis and Evaluation Expected by Investors

The first step in implementing management conscious of capital cost and stock price is to **analyze and evaluate the current situation.**

- In analyzing and evaluating the cost of capital, it is first necessary to **properly ascertain the cost of capital** which is needed to evaluate profitability, and in doing so, it is important to **consider the cost of capital from the investors' perspective** **(Point 1 on page 8).**

- Then, the **board of directors is required to analyze and evaluate the company's** profitability and market valuation, not merely whether the current P/B ratio exceeds 1 or whether the ROE exceeds 8%, but to analyze and evaluate **the company from multiple perspectives with regard to profitability and market valuation** **(Point 2 on page 10).**

- The key to management that is conscious of capital cost and stock price is the realization of **appropriate allocation of management resources** to improve corporate value over the medium to long term, and in conjunction with the above analysis and evaluation, it is also important to **check whether the** company's **balance sheet is in an efficient state** for value creation **(Point 3 on page 12).**

Analysis and Evaluation of Current Situation – Key Points

JPX

Point 1

Considering the (shareholder) cost of capital in regard to the investor's perspective

Explanation

- Many companies use the CAPM (Capital Asset Pricing Model) as a method for estimating the cost of shareholders' equity, but its calculated value is **only one estimate.**
- **Considering that the cost of capital is the investors' expected rate of return**, it is not necessarily enough to calculate it by a model such as CAPM, but it is **of paramount importance to align perceptions with shareholders and investors about the level of the cost of capital.**
- **Effective efforts to foster** such a **common understanding with shareholders and investors may include,**
  - **Disclosure of the model parameters used in the calculation, along with the level of the cost of capital recognized by the company.**
  - **Analysis with multiple models and parameters**
  - **Asking shareholders and investors about the company's level of the cost of capital through information meetings and interviews.**

Initiative Examples

Release TBA

Examples of misalignment with investors' perspective

× Believing there is **only one correct answer to the cost of capital** and **is obsessed with a uniform calculation formula**

× **Refraining from disclosing** the results of their cost of capital calculations to the public for **fear that shareholders and investors will point out that they are misaligned.**

➤ The objective is not to calculate a precise value for the level of the cost of capital, but to **align perceptions with shareholders and investors,** and **efforts to eliminate gaps in perceptions are expected as a starting point for implementing management that is conscious of the capital cost and stock prices.**

Reference: Corporate Value Enhancement Management Seminar, Corporate Value Enhancement Management e-Learning

JPX

- TSE provides materials and transcripts of past **Corporate Value Enhancement Management Seminars** and **Corporate Value Enhancement Management e-Learning** (both are available **in Japanese only**) for listed companies to deepen understanding of knowledge and information fundamental to corporate value enhancement management from the investor's perspective, such as capital cost.

Corporate Value Enhancement Management Seminar

https://www.jpx.co.jp/equities/listed-co/award/03.html (No English page available)

FY 2018 Corporate Value Improvement Award

Lecture Contents	Speaker
What is cost of capital? - The Strategic Significance of Recognizing the Cost of Capital.	Ryohei Yanagi (Visiting Professor, Graduate School of Accounting, Waseda University / Managing Executive Officer and CFO, Eisai Co.)
Revised Code 5-2 and purpose of Dialogue Guideline 2-2.	Mr. Hiroki Sampei, Head of Engagement, Fidelity Investment Trust Co.

FY 2019 Cost of Capital - from the Basics

Lecture Contents	Speaker
Corporate value enhancement and the cost of capital - The fundamentals and practices for management application	Tetsuyuki Kagaya, Associate Professor, Graduate School of Business Administration, Hitotsubashi University
Investors' desire to increase corporate value and awareness of cost of capital - Expectations from real dialogue.	Mr. Yasunori Nakagami (Representative director / board member / member of the board], Misaki Investment Co.
Progress in deepening and proliferation within the company of "management by ratio" (management with awareness of cost of capital)	Mr. Koichi Takahashi, [director / executive officer / statutory auditor / officer], General Manager, Accounting & Finance Division, Daikin Industries, Ltd.

Corporate Value Enhancement Management e-Learning

https://www.jpx.co.jp/equities/listed-co/seminar/e-learning/index.html (No English page available)

Basic Course Series

The Significance of Corporate Value Enhancement Management and its Practice	1. Significance and necessity of corporate value enhancement management 2. What is the required capital and capital cost? 3. Current situation and initiatives of corporate value enhancement management of TSE-listed companies
Capital Markets and Corporate Management	1. What is listing? 2. What is a shareholder? 3. Minority shareholders (institutional investors) in brief 4. Changes in the presence of minority shareholders 5. Challenges facing Japanese Companies 6. Aiming for sustainable growth and enhancement of corporate value over the medium to long term - Corporate Governance Code and ESG Information
Tasks for Independent Directors	Case 1: What would you think about a proposal to enter a new business? Case 2: What are your thoughts on the handling of surplus? Case 3: What would you think if you were the target of a TOB?

Best Practices in Corporate Value Enhancement Management Series

Series 1	Initiatives of OMRON Corporation
Series 2	Initiatives of Marubeni Corporation
Series 3	Initiatives of UNITED ARROWS LTD.
Series 4	Initiatives of PIGEON CORPORATION

Note: The position of the speakers were current at the time of the event.

Analysis and Evaluation of Current Situation – Key Points

Point 2

Multifaceted analysis and evaluation based on the investor's perspective

Explanation

- **It is not enough to merely check whether the current P/B ratio is above 1 or ROE is above 8%** for a convincing analysis and evaluation from an investor's perspective.
- For example, after confirming the company's position with a **matrix analysis of profitability and market valuation** (see next page), an analysis of the **factors that may be contributing to profitability and market valuation** could be conducted.
- In doing so, indicators such as P/B ratio and ROE could be **compared with those of domestic and foreign companies in the same industry** since the average levels of such indicators vary by sector and business category**, and time series could be analyzed,** as there may be significant temporary fluctuations due to accounting factors, etc.
- It would also be useful to **analyze cost of capital and profitability by segment** if the company has businesses with very different expected risk/return ratios.

Initiative Examples

Release TBA

Examples of misalignment with investors' perspective

× **Since the P/B ratio is already over 1, we do not consider it necessary to take any particular action** and will not give it any further consideration.

× **We believe that market valuation is determined by the market**, and if ROE exceeds the target, it is good.

➢ "P/B ratio of 1" is only a guideline, and it **is not enough if the P/B ratio exceeds 1**. Even if a company believes that its profitability is at a sufficient level, it is expected to **analyze and evaluate whether the market valuation is proportionate with that level**.

Reference: Matrix analysis on profitability and market valuation

◆ In analyzing a company's current situation and considering priority actions, it may be useful to **check the company's position in the following matrix of profitability and market valuation** (and if necessary, **compare your company with other companies in the same industry both domestically and internationally and analyze time series).**

Market valuation
(PBR, PER, etc.)

Market valuation criteria are not necessarily limited to a P/B ratio of 1, but may include market averages, sector averages, and other indicators

High

Profitability **Low** Market valuation **High**

- ✓ Possibility that the company has not **achieved profitability higher than its (shareholder) cost of capital,** but **investors have some appreciation of the company's future growth potential.**

Profitability **High** Market valuation **High**

- ✓ Possibility of **achieving profitability higher than (shareholder) cost of capital** and **receiving a certain level of recognition from investors in terms of both profitability and growth potential.**

Profitability **Low** Market valuation **Low**

- ✓ May **not have achieved profitability higher than (shareholder) cost of capital** and, as a result, may **not be sufficiently valued by investors**

Profitability **High** Market valuation **Low**

- ✓ Achieves **profitability higher than (shareholder) cost of capital**, but may be **viewed by** investors **as having limited growth potential**
- ✓ Possibility that the **company's perceived (shareholder) cost of capital is lower than the investor's perception**

Low

Low

Profitability
(ROE, ROIC, etc.)

Shareholders' cost of capital for ROE, WACC for ROIC

High

Results of the above analysis,

- ➢ If profitability and growth are **not at a sufficient level or have not been evaluated, it is** expected that an **analysis of the contributing factors will be conducted and remedial measures will be considered.**
- ➢ However, even if a **certain level and evaluation of profitability and growth potential has been obtained, it is expected that efforts to further improve them will be considered based on investors' expectations.**

Point 3

Inspection of balance sheets to ensure their efficacy

Explanation

- In order to achieve sustainable growth and increase corporate value over the medium to long term, it is important to practice management that is not merely conscious of sales and profit levels on income statements, but also **of capital cost and profitability based on balance sheets.**
- From this perspective, one of the responsibilities of the management and board members of a listed company with a large number of shareholders is to **regularly inspect its balance sheet to ensure that it is effectively contributing to value-based management and value creation**. For example, **in order to promote business operations and investment for growth**, the company should check to ensure that it **does not have excessive cash and deposits** and whether **assets other than cash and deposits are also necessary for earning profits.**
- In addition, **presenting the inspection results to shareholders and investors in a clear manner, together with a plan for improvement (if considered necessary),** is also considered an **effective** means of **bridging the perception gap with shareholders and investors** in order to realize medium- to long-term corporate value improvement.

Initiative Examples

Release TBA

Examples of misalignment with investors' perspective

× In explanations of mid-term plans and earnings reports, **explanations are limited to** conventional **indicators on the income statement, such as sales and profit levels,** and **there is no analysis or setting of targets from the perspective of profitability based on the balance sheet.**

➢ **By incorporating analysis and target setting using indicators such as profitability and growth potential, which are important to shareholders and investors from a medium- to long-term perspective**, it is **expected that the company will promote initiatives that take into account the perspectives of shareholders and investors.**

Introduction

I. Analysis and Evaluation of Current Situation

II. Consideration and Disclosure of Initiatives

III. Dialogue with Shareholders and Investors

Appendix (Release TBA): Case Studies

Considerations and Disclosures of Initiatives Expected by Investors

After analyzing and evaluating the current situation and clarifying the company's priority issues and medium- to long-term goals, **board members are expected to discuss specific measures to resolve these issues and realize the goals**, and **disclose the details of these measures, along with an evaluation of the current situation, in a manner that is easy for investors to understand**.

- Firstly, in considering specific initiatives, it is expected that companies will not take technical measures to improve capital profitability and stock price in the short term, but will **implement fundamental initiatives** from a medium- to long-term perspective, such as **promoting investments to achieve growth** and **reviewing the business portfolio, with an awareness of the appropriate allocation of management resources (point 1 on page 15)**.

- In addition, to realize medium- to long-term corporate value, it is important not only to work on improving profitability, but also to be **aware of the need to reduce cost of capital (point 2 on page 16).** To do so, it is important to **reduce information asymmetry through effective information disclosure**, and to increase **investor confidence in corporate profitability and growth potential.**

- Along with the efforts above, it is also important to **design a management compensation system that provides incentives for medium- to long-term improvement of corporate value (point 3 on page 17)** from the perspective of **strengthening the commitment of management and the board to improving corporate value over the medium to long term** and **gaining the confidence of shareholders and investors.**

- When disclosing initiatives, rather than simply listing them, it is important to **explain what the company intends to do**, how it will solve problems, and how it is **tied to the company's medium- to long-term goals (point 4 on page 18). This will deepen the understanding of shareholders and investors and lead to deeper dialogue**.

Consideration and Disclosure of Initiatives - Key Points

Point 1

Implementing fundamental initiatives with an awareness of the appropriate allocation of management resources

Explanation

- What shareholders and investors with a medium- to long-term perspective expect from a company is not technical efforts to improve profitability or stock price in the short term, but rather to **promote fundamental initiatives and realize appropriate allocation of management resources**. Specifically, the **promotion of initiatives such as R&D investment, investment in human capital, capital investment**, and **business portfolio reviews that will lead to the creation of intellectual property and intangible assets to** realize sustainable growth, with **full awareness of cost of capital and profitability.**
- In addition, as an **effort to ensure the appropriate allocation of management resources,** the future form of balance sheets should be considered (see point 3 in I. Analysis and Evaluation of Current Situation), and a **plan should be formulated to achieve that vision,** as well as a **cash allocation policy to determine how capital,** including future cash flows, **will be allocated for investment in growth and shareholder returns**.
- **Strengthening of shareholder returns**, **such as share buybacks and dividend increases,** should be **implemented according to the situation, based on an analysis of whether the balance sheet is effectively contributing to value creation; it is not expected to be done as a one-time or transitory response only to share buybacks and dividend increases.**

Initiative Examples

Release TBA

Examples of misalignment with investors' perspective

× Low current profitability and market valuation, but only a **temporary response of share buybacks** (through recap CBs, etc.) or **gradual improvement of existing businesses**

➢ Shareholders and investors expect **fundamental initiatives, such as investment in growth and review of business portfolios, in order to achieve sustained growth and a continuous profitability that is higher than cost of capital**.

Point 2

Being aware of the need to reduce capital costs

Explanation

- In order to realize medium- to long-term improvement in corporate value, it is necessary to **achieve capital returns that exceeds the cost of capital and then to increase the difference*** **between the two.** From this perspective, it is important not only to improve profitability but also to **reduce the cost of capital.**

  * The difference between ROE and the cost of shareholders' equity is called the "**equity spread"** and the difference between ROIC and WACC is called the "**economic value added (EVA) spread**.

- Although there are various factors that determine the cost of capital and it is difficult to make a general statement, for example, if the **disclosure of information** necessary for investment decisions is **inadequate, the uncertainty of management** becomes a source of **anxiety for investors**, which **increases the cost of capital**. In such cases, it is considered effective to reduce the cost of shareholders' capital cost by **eliminating information asymmetry** through **enhanced disclosure information** and **effective dialogue with investors.**

- In addition, to **increase investor confidence in management and in the stability and sustainability of earnings, strengthening corporate governance** and other measures are also considered effective means of reducing the cost of shareholder capital.

Initiative Examples

Release TBA

Examples of misalignment with investors' perspective

× **Mistaken belief that the cost of capital is a given (to be determined by the investor)** and that **the company has no control over it.**

➢ For example, it would be **possible to reduce the cost of capital to a certain extent by addressing the cause of the increase.** It is expected that **the company will be aware of and work to reduce the cost of capital as a means to realize an increase in corporate value.**

Consideration and Disclosure of Initiatives - Key Points

Point 3

Designing a management compensation system that provides an incentive to increase corporate value over the medium to long term

Explanation

- In order to realize medium- to long-term growth in corporate value, it is **important for management itself to view the improvement of corporate value as its own business,** and **a plan for compensation may be utilized so that management compensation functions as a sound incentive for sustainable growth.**
- **From the perspective of shareholders and investors**, **it is also important how management incentives are designed.** In particular, **overseas investors**, who take it for granted that executives receive a certain amount of share-based compensation, consider it **a major factor in their investment decisions whether management compensation is designed to provide incentives for medium- to long-term performance and corporate value enhancement**.
- **In addition, providing incentives to increase corporate value, such as the granting of company stock or stock options,** not only to directors but also to other levels of **management and general employees,** will lead to a better **understanding and penetration of the shareholder perspective among a wide range of employees** and is considered an **effective means of promoting management aimed at increasing corporate value.**

Initiative Examples

Release TBA

Examples of misalignment with investors' perspective

× **The design of management compensation systems does not incentivize management to increase corporate value over the medium to long term, and the management's perspective is misaligned with that of shareholders and investors.**

➢ For example, a **management compensation system that provides incentives for medium- to long-term growth in corporate value** may raise management's awareness of future corporate value and **promote management with a focus on long-term growth from the perspective of shareholders and investors.**

Consideration and Disclosure of Initiatives - Key Points

Point 4

Explanation of efforts in relation to medium- to long-term goals

Explanation

- Rather than disclosures that simply list initiatives, **easy-to-understand disclosures that explain how each initiative is intended to achieve the medium- to long-term vision and how each initiative will lead to the resolution of issues will deepen the understanding of shareholders and investors** and lead to **deeper dialogue.**
- For example, **target management indicators** may be **broken down into several elements, and efforts to improve each element** may be presented, or a logic tree may be used to **clearly show how each effort will lead to the realization of goals.**
- To **increase the confidence of shareholders and investors in the company's** future growth potential, it is effective to **present a policy and route toward achieving growth over a long-term time span (equity story) and explain each initiative as part of that story.**

Initiative Examples

Release TBA

Examples of misalignment with investors' perspective

× **Reports that only list initiatives**, but do **not clearly state how** these **initiatives will improve corporate value and lead to the achievement of goals, making it difficult to understand.**

➢ If the relationship between the stated goals and initiatives is unclear, it **will be difficult for shareholders and investors to have confidence in the effectiveness of the initiatives**. In order to increase shareholder and investor confidence, it is **important** to **show, as clearly as possible, how each initiative will help the company achieve its goals.**

Dialogue with Shareholders and Investors Expected by Investors

After disclosing "Action to Implement Management That is Conscious of Cost of Capital and Stock Price," companies are expected to proceed with initiatives based on the plan, **engage in constructive dialogue with shareholders and investors based on the content of the disclosure, and continue revising** the **initiatives while receiving evaluation and feedback from shareholders and investors.**

- In order to achieve effective dialogue to enhance corporate value over the medium to long term, it is of utmost importance to build a relationship **of trust with shareholders and investors on an ongoing basis. The management team and board must be proactively involved (Point 1 on page 21,)** for **example, by establishing a system to share feedback obtained from the dialogue with the management team and board of directors.**
- In addition, effective dialogue can be achieved by fully understanding the **profile of the counterparties** and what is important to them, and by **taking an approach based on that (Point 2 on page 22.)**
- Furthermore, in order to further increase the effectiveness of dialogue, linking **disclosure of the dialogue with further dialogue and engagement (Point 3 on page 23)** is also considered to be an effective means.

Dialogue with Shareholders and Investors – Key Points

JPX

Point 1

Proactive involvement of management and board

Explanation

- A challenge for companies is many investors feeling that the **content of the dialogue is not reaching management.** In order to build an ongoing trusting relationship with shareholders and investors and to make the dialogue effective, it is important for **management and the board to be proactively involved, as well as fully understanding the importance of the dialogue.**
- Specifically, **IR and SR should be viewed as a driver of growth and internal resources should be appropriately allocated to this area.** In addition, to build a relationship of trust with investors, it is also effective to have **active participation in dialogue** and **direct communication with shareholders and investors by the management itself.**
- In addition, it can be an effective means for shareholders and investors to understand and evaluate the corporate governance system and its effectiveness by **having independent directors, as monitors of management, participate in dialogue at the request of shareholders and investors**, and by **discussing the current status of governance and recognition of issues**.
- Also, it is expected that **efforts will be made to link the dialogue to decision-making aimed at enhancing corporate value,** such as by **sharing feedback obtained through the dialogue with management and the board.**

Initiative Examples

Release TBA

Examples of misalignment with investors' perspective

× **Management is reluctant to engage in dialogue with investors** for no specific reason, other than the **prevailing image of investors as intimidating or bothersome.**

➢ Although differences of opinion and conflicts of interest may sometimes arise between a company and its investors, they inherently **share the goal of improving corporate value. The management of a listed company is expected not to "confront" investors, but to build a medium- to long-term trusting relationship with investors and actively seek their cooperation in order to realize the improvement of corporate value.**

Dialogue with Shareholders and Investors – Key Points

Point 2

Taking a tailored approach to shareholders and investors

Explanation

- **The investment behavior of investors and their stance on dialogue and engagement with companies differ** depending on whether they are domestic or foreign investors, active or passive investors, growth/value/dividend oriented investors, and on the areas they are in charge of (fund manager, analyst, ESG manager, voting member, etc.)
- To improve the effectiveness of dialogue with shareholders and investors, it is important to **fully understand the profile of the counterparties, what is important to them, and to take a tailored approach.**
- In addition, dialogue and engagement are generally initiated by investors, but if it is believed that investors do not have sufficient recognition of the company, the **company may target investors who understand the company's business well and are willing to accompany the company's growth, and actively approach them.**

Initiative Examples

Release TBA

Dialogue with Shareholders and Investors – Key Points

JPX

Point 3

Disclosure of dialogue and further dialogue and engagement

Explanation

- **In order to create a virtuous cycle of accelerating and refining initiatives while receiving evaluation and feedback from shareholders and investors through dialogue,** it would be effective to further deepen dialogue and engagement by providing information **to shareholders and investors on the dialogue, real examples, and how the input obtained from the dialogue is incorporated into management decision-making.**
- For this purpose, in March 2023, **TSE issued a request to all listed companies in the Prime Market to promote and disclose dialogue with shareholders** (details on the next page), and it is **expected that they will disclose the items indicated therein, etc., depending on their own situation.**

Initiative Examples

Release TBA

Reference: Request for Disclosure on Dialogue with Shareholders (published in March 2023)

Companies Subject to Request

- **All companies listed on the Prime Market**

Outline of Disclosure

- **Please disclose information about dialogue with shareholders during the most recent business year.**

Suggested disclosure items:

- ✓ Main personnel carrying out dialogue with shareholders
- ✓ Overview of shareholders with whom dialogue was held (e.g. domestic/foreign, active/passive, investment style such as growth/value/dividend oriented, areas of responsibility of counterparties (fund manager, analyst, ESG, voting, etc.))
- ✓ Main topics of dialogue and items of interest to shareholders
  - ➢ Especially, cases of dialogue that was insightful for the company or dialogue where shareholder understanding was gained through explanation from the company management
- ✓ Whether feedback was given to management or the board on shareholders' views and concerns learned through dialogue
- ✓ Actions taken based on the dialogue and later feedback, if any etc.

Note 1: The items listed above are examples of items that could be appropriate for disclosure as part of measures to improve the effectiveness of dialogue with shareholders, based on the contents of Japan's Corporate Governance Code. Regardless of the above, companies are not necessarily required to disclose all of the above items, and should disclose other information where this is considered necessary.

Note 2: Companies that have not carried out dialogue with shareholders during the most recent business year may disclose on the progress of measures and organizational structures aimed at promoting constructive dialogue with shareholders.

Note 3: If a company engages in dialogue with investors regarding its efforts to improve profitability based on the balance sheet and stock price, based on the request for "Action to Implement Management that is Conscious of Cost of Capital and Stock Price," it is expected to also disclose about this dialogue.

⇒ For details, please refer to "Promotion and Disclosure of Dialogue with Shareholders" published by TSE in March 31.
https://www.jpx.co.jp/english/equities/follow-up/uorii50000004s73-att/uorii50000004sri.pdf

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