

# Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Update)

On July 14, 2025, the Company disclosed “Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Update).” The Company continues to consider efforts to fundamentally strengthen our earnings structure and improve asset efficiency to achieve sustainable growth an important issue, and we will continue working to maintain and enhance ROE, while also increasing the expected growth rate and enhancing shareholder returns, thus improving the PBR.



Please also see the Company's website.

<https://www.toyodenki.co.jp/ir/release.html>

## Efforts to increase corporate value

$$\text{PBR} = \text{ROE} \times \text{PER} \quad \text{Efforts to improve ROE and PER}$$

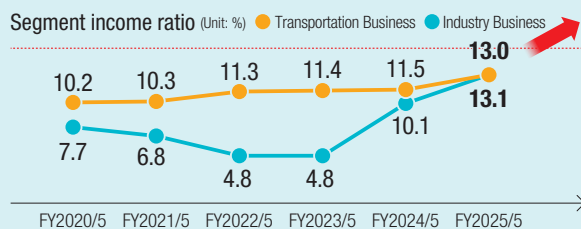


### Strengthening of earnings structure

#### Thorough improvement of the earnings structures of existing businesses

- Revision to appropriate selling prices

We will continue revisions to sales prices to ensure they are appropriate, thus absorbing the impact of wages increases, inflation, higher interest rates, and other cost increases. At the same time, we will endeavor to maintain and enhance customer satisfaction by pursuing valuable product quality and service.



- Continue reviewing low-profit businesses and products

### Enhancement of shareholder returns

#### Dividend policy

While maintaining our basic policy of paying dividends in a continuing and stable manner with a payout ratio of 30% or higher and a **minimum dividend of 30 yen**, during Medium-Term Management Plan 2026, we aim to increase the dividend in line with profit growth and increase corporate value. (The dividend forecast for fiscal year ending May 31, 2026 is 75 yen)

Dividend per share (in yen)

