

New Medium-Term Management Plan *TCTR*X

Tokyo Rope Mfg. Co., Ltd.
May 15, 2024

1. Review of previous medium-term management plan TRX135
2. Ideals and targets of new medium-term management plan
3. Three priority focus businesses for the future
4. Business segment plans
5. Approach to cash allocation and financial/dividend policy
6. Addressing the SDGs

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4. Business segment plans

5. Approach to cash allocation and financial/dividend policy

6. Addressing the SDGs

1. Review of previous medium-term management plan TRX135 (1/7)

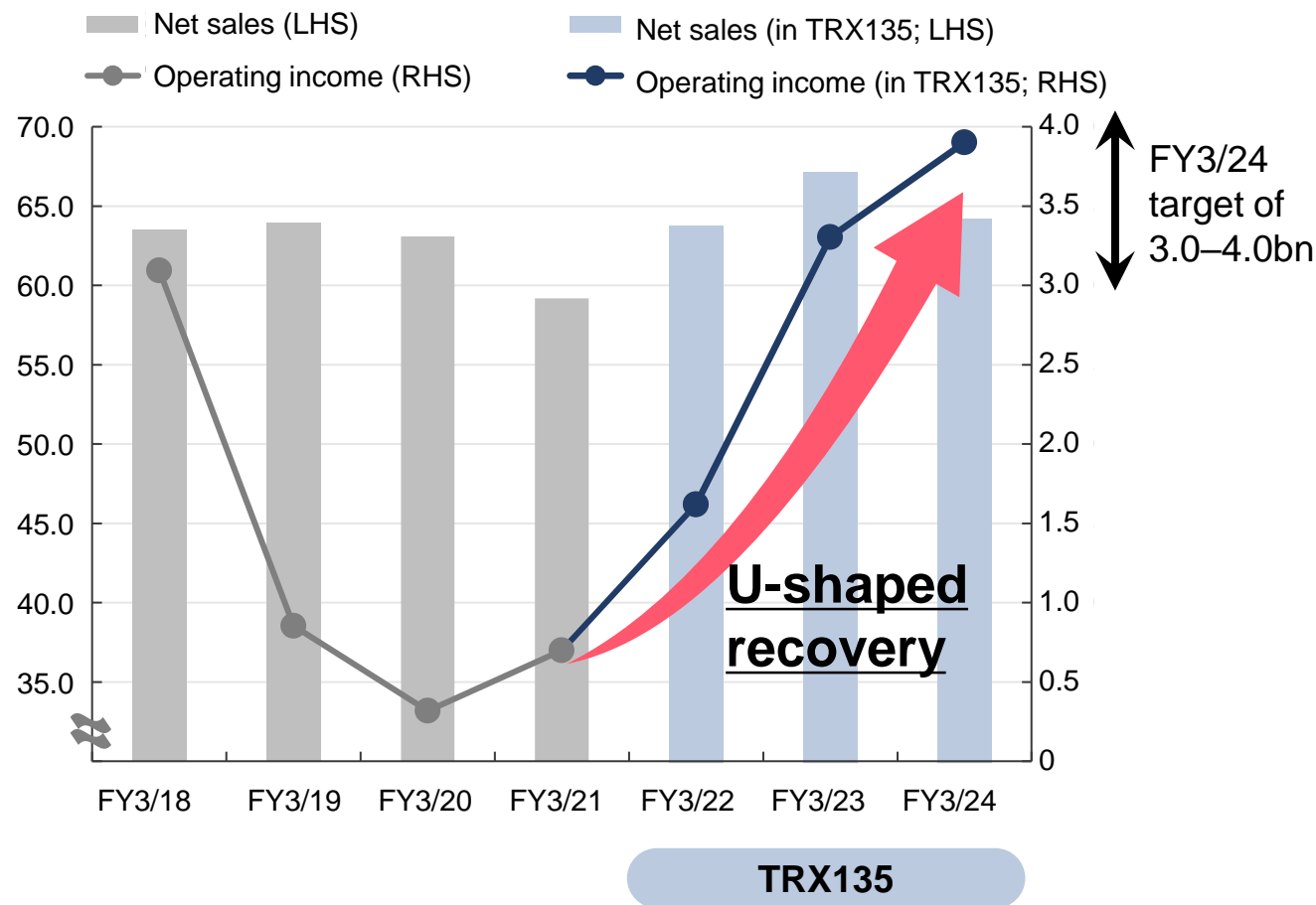
The five basic policies called for in the TRX135 were more or less achieved.

	Five basic policies in TRX135	Assessment	Summary
1	Rebuilding profitability	 (achieved)	A U-shaped recovery in operating income was achieved ahead of schedule. We reached the plan's third year target level of 3.0–4.0 billion yen in the second year (FY3/23) and then nearly hit the upper range by recording 3.9 billion yen in the third year.
2	Getting earnings back into the black in all businesses through the selection and concentration of management resources	 (partially ongoing)	In light of geopolitical risks and other factors, we withdrew from operations in Moscow, Kazakhstan, and Kyrgyzstan, and we are currently making preparations to withdraw from Brazil and our JV in Saint Petersburg. Earnings have yet to return to profitability in the SC business, but we are targeting full-year profitability from FY3/25.
3	Laying the groundwork for future growth	 (partially ongoing)	While we continue to sow the seeds of new businesses, given that they are related to infrastructure and safety-critical materials, various reviews and full-scale adoption will take time. We will continue to focus on this issue in the new medium-term management plan.
4	Rebuilding and actively utilizing internal controls to drive cultural reform	 (mostly achieved)	The rebuilding of internal controls has been completed and we have confirmed that the entire organization is aware of the changes. However, reforms to our corporate culture are still ongoing, so the assessment shown on the left reflects the fact that we will continue to focus on this issue in the new medium-term management plan.
5	Strengthening our financial base	 (achieved)	We successfully strengthened our financial base ahead of schedule. We achieved and maintained the plan's third year D/E ratio target of less than 1.0 in the second year. (FY3/22: 1.02; FY3/23: 0.85; FY3/24: 0.68)

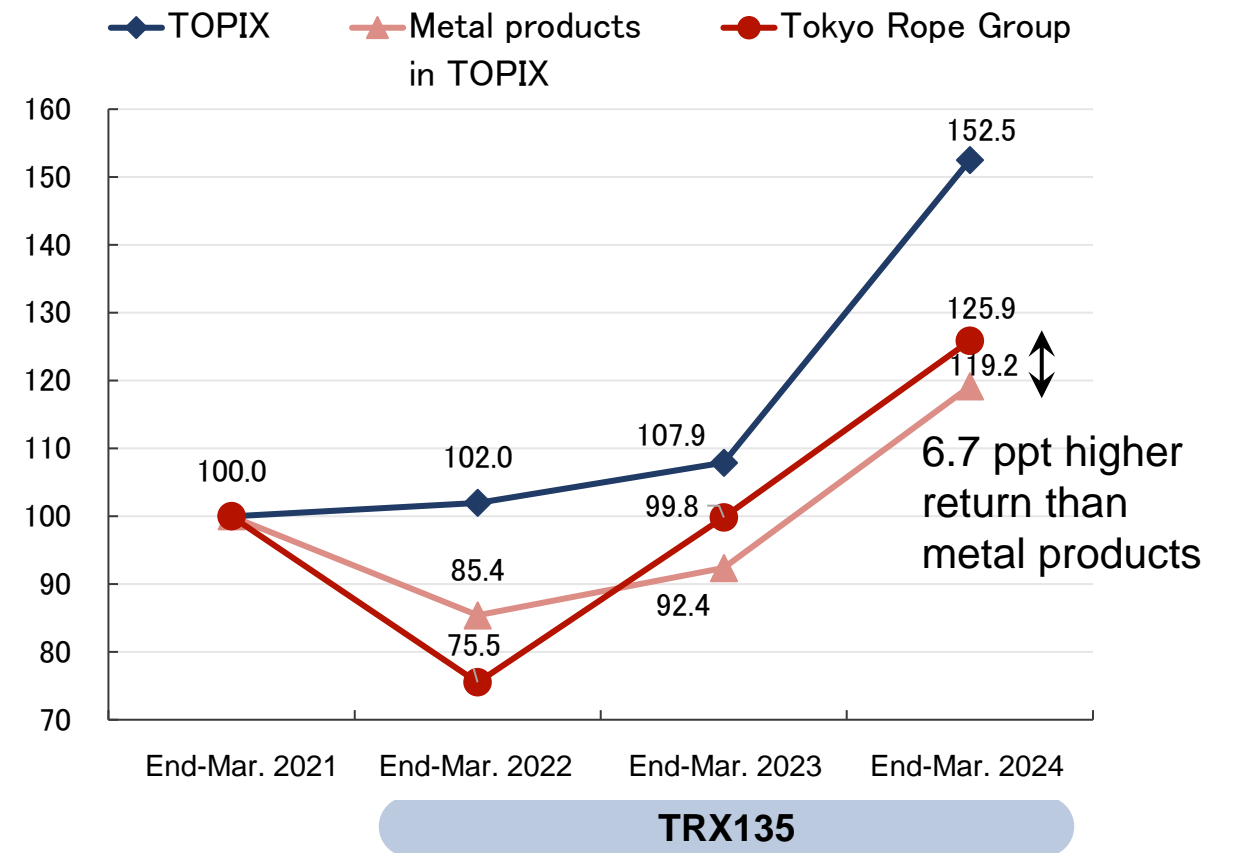
1. Review of previous medium-term management plan TRX135 (2/7)

The goal of rebuilding profitability was achieved, which has been evaluated by the stock market to some extent. In particular, operating income in FY3/24 was within the target range (3.0–4.0bn yen).

Consolidated net sales and operating income (JPY bn)



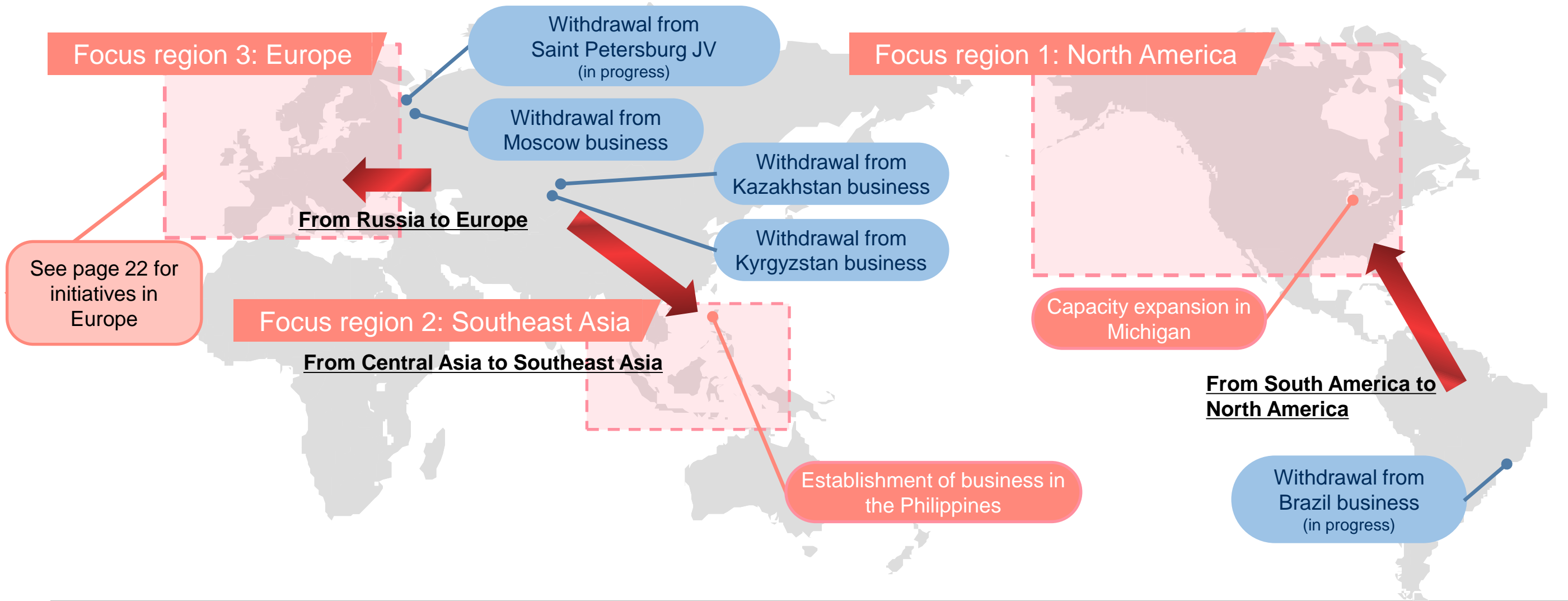
Comparison of TSR (end-March 2021 indexed as 100)



Source: Tokyo Rope, based on publicly available TSE data

1. Review of previous medium-term management plan TRX135 (3/7)

Even though the goal of getting earnings back into the black in all businesses through the selection and concentration of management resources has not been fully achieved, restructuring has been completed in some areas, and at the same time, we are making some strategic moves to achieve growth in overseas markets in particular.



1. Review of previous medium-term management plan TRX135 (4/7)

We are still laying the groundwork for future growth. Even though growth has been more limited than expected, the seeds of business are steadily sprouting. We will continue to nurture them by taking whatever measures are necessary.

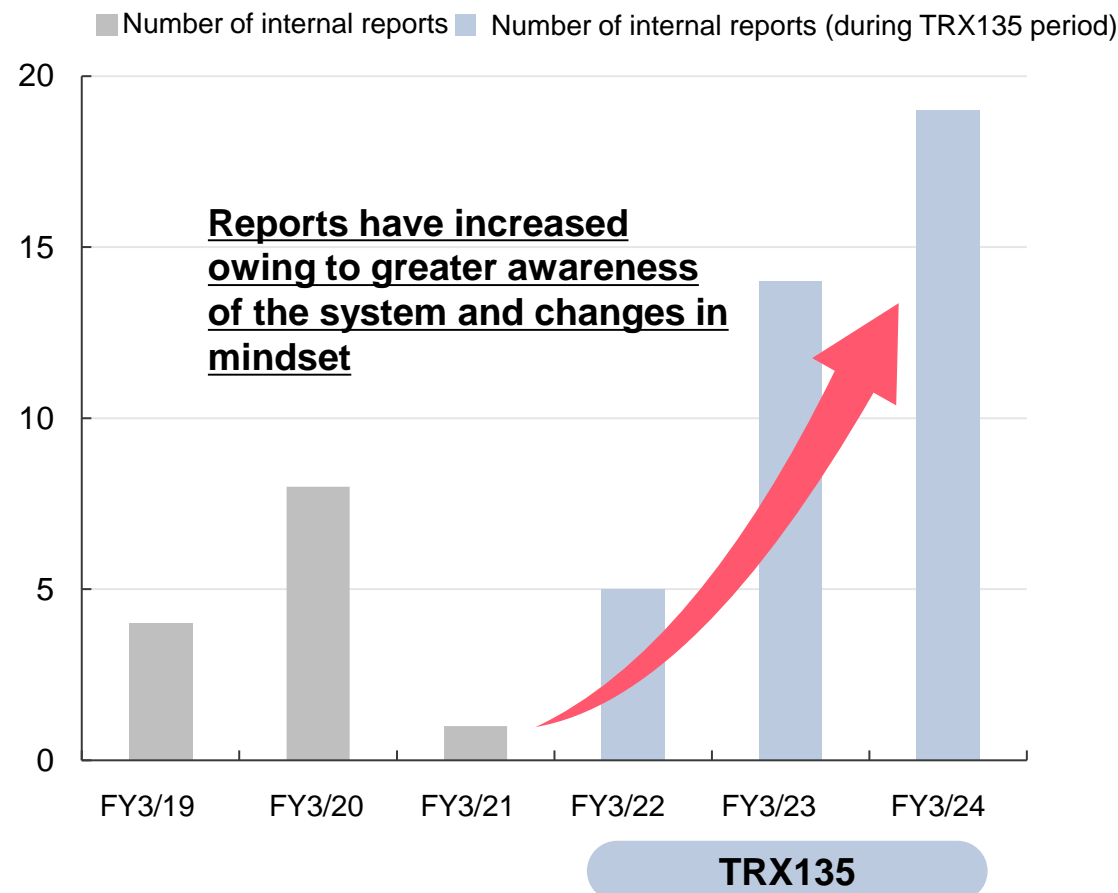
Some of the products and markets identified as seeds for future growth in the TRX135

Initiative	Assessment	Outlook
Targeting the offshore wind power market	Timeframes are easily swayed by the impact of government policies, so at this juncture, more time is needed. We also lack the personnel and experience in acquiring certifications from third-party organizations in relation to marine insurance.	We first decided on a policy of accumulating knowledge in the feasibility phase whilst keeping an eye on government policies. We will invest 500 million yen in plants and carry out mass production trials after their completion.
Launching new tire cord products	Some progress was made, but this initiative was not achieved during the TRX135 because we prioritized the allocation of management resources within the steel cord-related businesses in order to achieve profitability.	We will shore up this initiative by focusing on mainly products for EVs. (see page 26)
Total magnetic flux-based diagnostics	There was strong demand for total magnetic flux-based diagnostics, which is our very own nondestructive testing technique, and inquiries were as expected, but growth was limited due to HR constraints, particularly specialist technicians.	We will shore up this initiative by making some structural changes and placing the business under the direct control of the head office. We will secure personnel through a process of collaboration and flexibility within the Group and consider, in advance, the possibility of business succession with partner companies. (see page 20)
Systemization of measuring and packaging machinery	Demand for integration between existing products and peripheral functions was strong and inquiries were as expected, but we struggled to secure personnel (especially IT professionals) and developments did not progress as much as we had hoped for.	We will continue to make multifaceted improvements and enhance our recruitment capabilities, mainly by developing a better workplace environment. For example, in February 2022, we were accredited by the Nagasaki prefectural government as a company committed to creating comfortable workplace environments.

1. Review of previous medium-term management plan TRX135 (5/7)

Measures for restructuring and actively utilizing internal controls to drive cultural reform have been mostly completed and we are now making employees aware of the whistleblowing system. We will continue to focus on making changes to our corporate culture.

Number of internal reports to the whistleblowing desk (consolidated Group in Japan)



Makeup of the Board of Directors

- Majority of independent outside directors (six out of 10)
- 20% of directors are female (two out of 10)

- Internal directors



- Independent outside directors



Having made quality improvements to our corporate governance, the board has been revitalized and its effectiveness enhanced.

1. Review of previous medium-term management plan TRX135 (6/7)

We have successfully strengthened our financial base. We achieved the plan's D/E ratio target (less than 1.0) one year ahead of schedule and also reduced our interest-bearing liabilities by some 4.6 billion yen over the three-year period.

TRX135 period

	Results				Reference	
	FY3/21 (1)	FY3/22 (2)	FY3/23 (3)	FY3/24 (4)	FY3/24 (TRX135 target)	Improvement (4) – (1)
Interest-bearing debt (JPY mn)	28,136	26,124	26,460	23,508	—	4,628 reduction
Shareholders' equity (JPY mn)	23,322	25,502	31,042	34,568	—	11,246 increase
D/E ratio	1.21	1.02	0.85	0.68	Less than 1.0	0.53 improvement

Note: Leasing obligations included in interest-bearing debt and D/E ratio

1. Review of previous medium-term management plan TRX135 (7/7)

Even though some indicators fell short of our FY3/24 targets, partly because of impairment losses, thanks to our improved financial base, we continued to pay stable dividends and extend shareholder returns, thereby achieving our total return ratio target.

(JPY)		FY3/22	FY3/23	FY3/24	FY3/24	Assessment	
		(actual)	(actual)	(actual)	(target)	Score	Comment
Total return ratio		24.7%	20.6%	41.0%	30.0% or higher	◎	Target met
Ref.	DPS	20	35	40	—	◎	Dividend hikes every year during the period of the plan
	Payout ratio	24.7%	14.9%	31.2%	—	◎	Considerable tax boost in FY3/23
EBITDA		3.0bn	5.9bn	5.0bn	5.3–6.3bn	△	Considerable impact of impairment loss in FY3/24
ROE		5.4%	13.4%	6.2%	8.0% or higher	△	Considerable impact of impairment loss in FY3/24
EPS		81.0	234.8	128.1	At least 130	△	Considerable impact of impairment loss in FY3/24

Note: EBITDA above is calculated as net income before taxes + interest expenses + depreciation and amortization.

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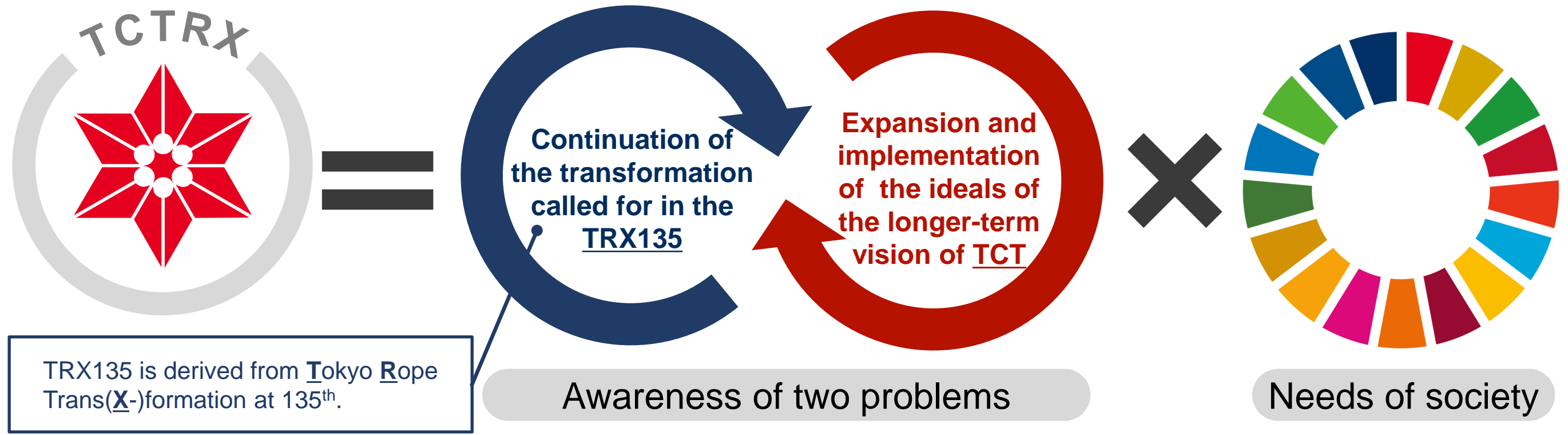
4. Business segment plans

5. Approach to cash allocation and financial/dividend policy

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2-1. Naming of the new medium-term management plan

The name TCTR_X is derived from TCT (Total Cable Technology) and TR_X, the latter being part of the name of the previous plan, TR_X135.



Having reviewed the previous plan, the TR_X135, we believe that in order to continue with our transformation, we must combine the ideas of TCT and TR_X and expand our approach to meet the needs of today's society, including those of the SDGs.

2-2. Expansion of TCT

TCT (Total Cable Technology) was formulated in 2010 as our longer-term vision. While continuing to inherit the ideals established at the time of its formulation, we will aim to expand the TCT doctrine based on the spirit of coexistence and co-prosperity.

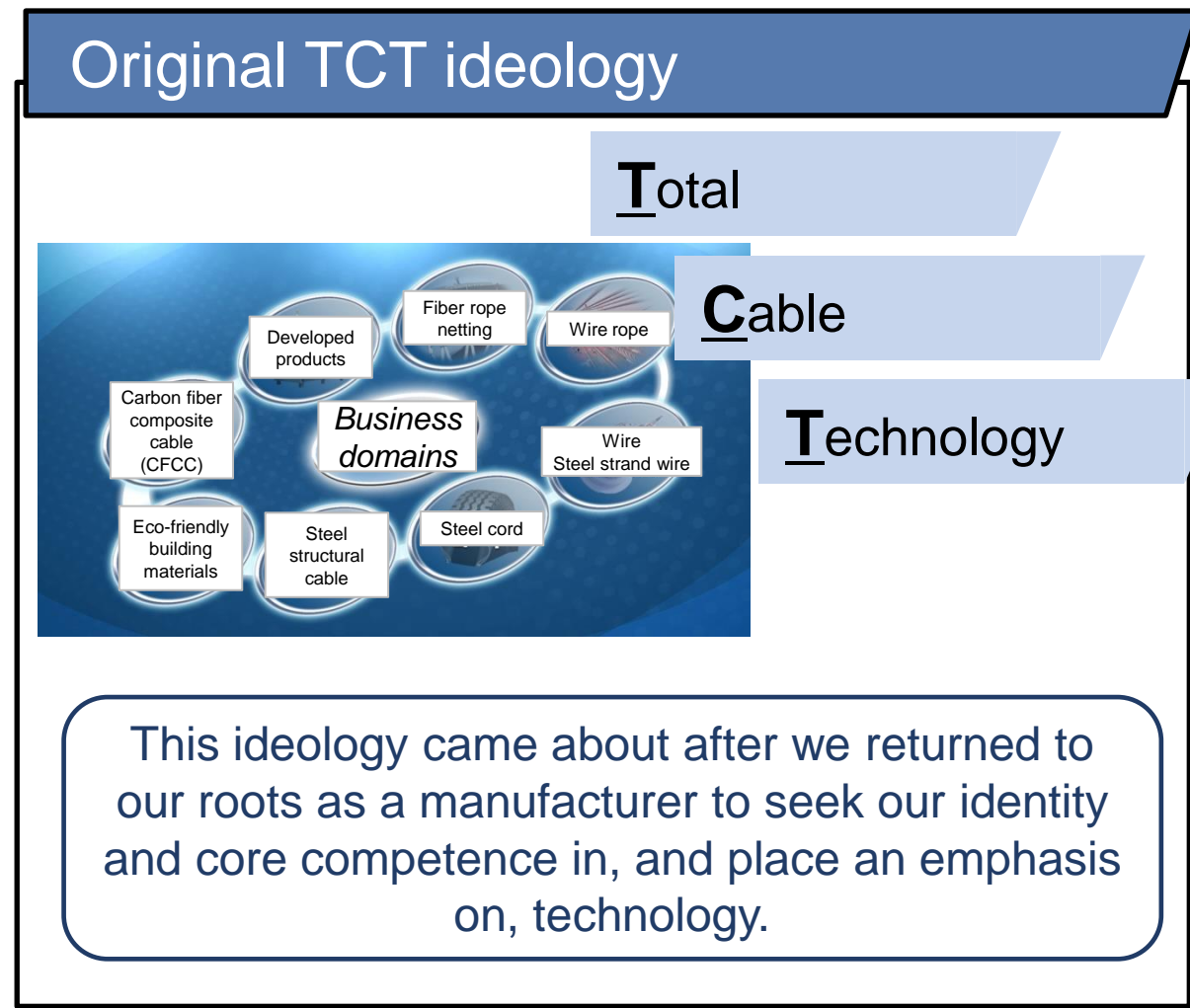
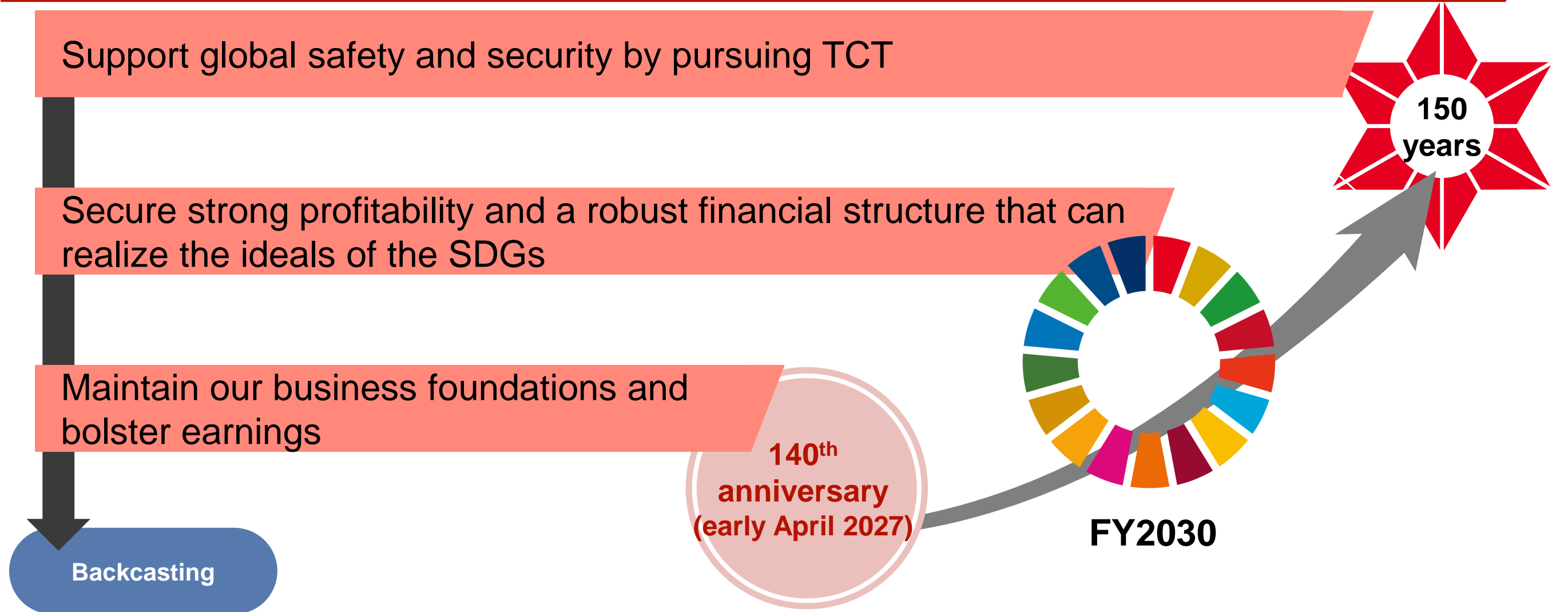


Photo: "Coexistence and co-prosperity" in calligraphy by Viscount Eiichi Shibusawa, the founder and first chairman of the Company

Source: Tokyo Rope PR material

2-3. Goals for realizing our longer-term vision

With the aim of more deeply implementing the ideals of the SDGs, which share the same ethos of coexistence and co-prosperity, and realizing the TCT vision, our immediate goal now is to maintain our business foundations and bolster earnings.



2-4. Basic policies of the new medium-term management plan

We have three basic policies to be implemented over the three-year period of the new plan with aim of maintaining our business foundations and bolstering earnings.

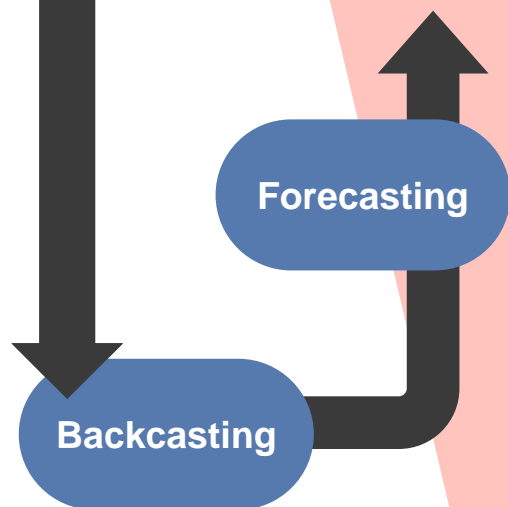
Support global safety and security by pursuing TCT

Secure strong profitability and a robust financial structure that can realize the ideals of the SDGs

Maintain our business foundations and bolster earnings



Basic policies of the new medium-term management plan

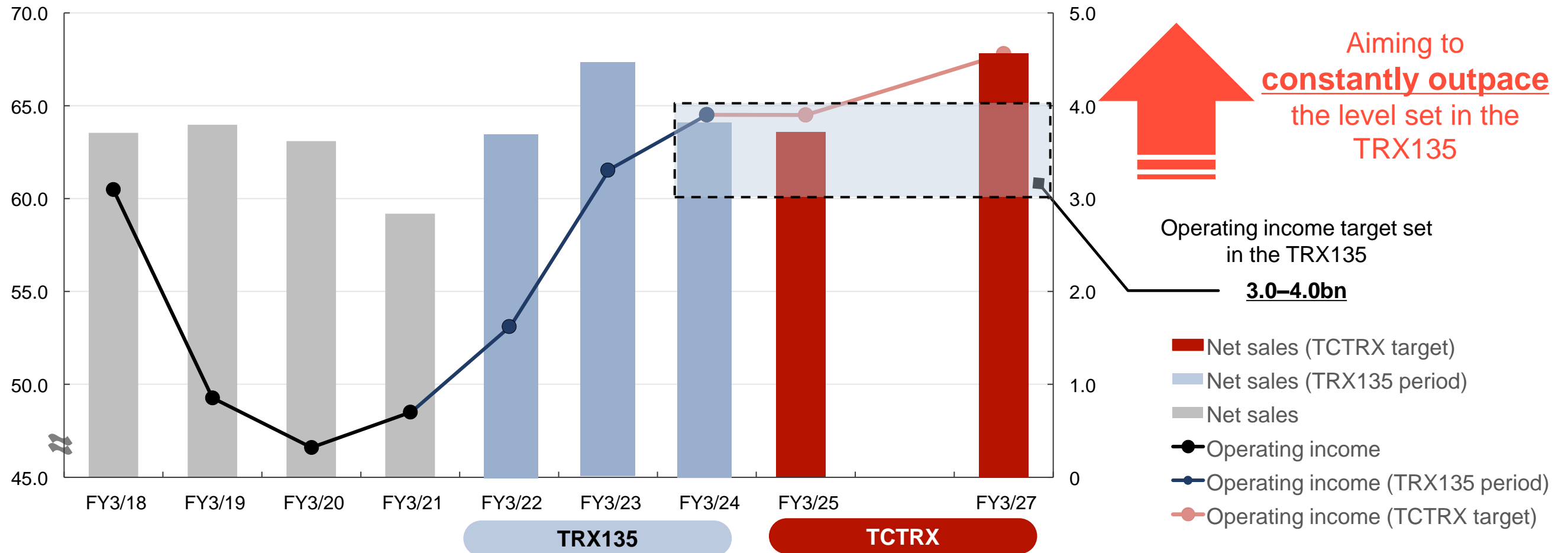


1. Stepping up the allocation of management resources to priority focus businesses
⇒ See pages 19–23: Three priority focus businesses for the future
2. Strengthening the competitiveness of existing businesses
⇒ See pages 24–30: Business segment plans
3. Building a company that is attractive to all stakeholders
⇒ See pages 31–33: Approach to cash allocation and financial/dividend policy
⇒ See pages 34–37: Addressing the SDGs

2-5. Consolidated numerical targets in the new plan

By sustaining the U-shaped recovery in earnings and aiming to constantly outpace the profit level set in the TRX135, we will target at least 15% growth in operating income in the final year of the new medium-term management plan (compared to FY3/24).

10-year comparison of consolidated net sales (LHS) and operating income (RHS) (JPY bn)



2-5. Consolidated numerical targets in the new plan

	FY3/24 (actual)	FY3/25 (forecast)	~	FY3/27 (target)
Net sales (JPY)	64.2bn	63.0bn		68.0bn
Operating income	3.9bn	3.9bn		4.5bn
EBITDA	5.0bn	5.8bn		6.5bn
ROE	6.2%	7.9%		8.4%
D/E ratio	0.68	0.61		Less than 0.5
EPS	128	172		200
Total return ratio	41.0%	40.0% or higher		40.0% or higher




2-5. Business segment numerical targets in the new plan

	(JPY)	FY3/24 (actual)	FY3/25 (forecast)	~	FY3/27 (target)
Net sales		64.2bn	63.0bn		68.0bn
Wire Rope & Wire		27.9bn	26.0bn		27.0bn
Steel Cord		7.4bn	6.0bn		6.5bn
Product Development		18.0bn	19.5bn		22.5bn
Industrial Machinery		4.0bn	4.5bn		5.0bn
Energy & Real Estate		6.6bn	7.0bn		7.0bn
Operating income		3.9bn	3.9bn		4.5bn
Wire Rope & Wire		2.6bn	1.7bn		1.7bn
Steel Cord		-0.2bn	0.1bn		0.2bn
Product Development		0.7bn	1.3bn		1.8bn
Industrial Machinery		0.3bn	0.4bn		0.5bn
Energy & Real Estate		0.4bn	0.4bn		0.3bn

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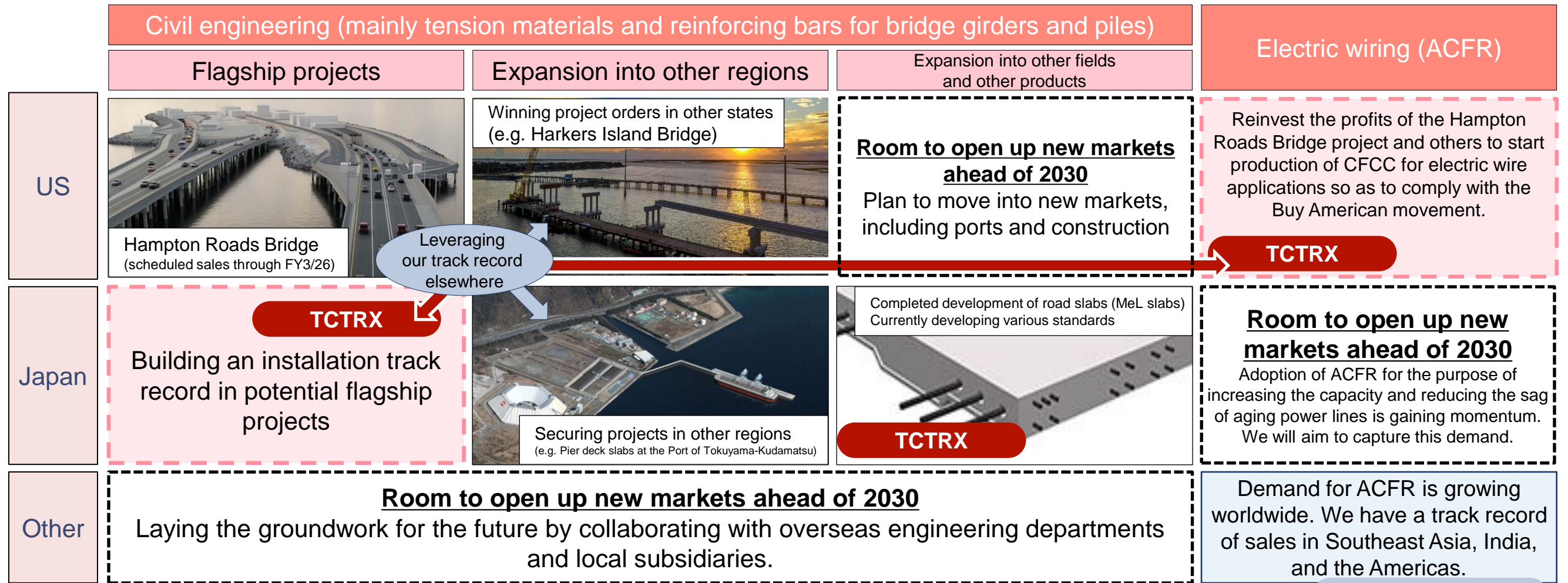
3-1. Three priority focus businesses for the future: Overview

Even though the contributions of the three priority focus businesses (CFCC, bridge cable, and offshore wind power) to sales and profit growth over the three years of the plan will be limited, they will become growth drivers in the future.

Business	Summary	
Carbon fiber composite cable (CFCC) business	<ul style="list-style-type: none"> Expanding sales of our proprietary developed CFCC, a composite stranded cable made from carbon fiber and thermosetting resins. We are expanding sales with a primary focus on applications in both the civil engineering and electric wire segments. 	
Bridge cable business	<ul style="list-style-type: none"> Targeting growth mainly with the following two policies: Japan: Pivot business from new construction to inspections, repairs, and replacements. Overseas: Globally deploy the bridge technology we accumulated from projects like the Honshu-Shikoku Bridge. 	
Offshore wind power generation-related business	<ul style="list-style-type: none"> Aiming to domestically produce different kinds of rope for offshore wind power generation projects, including fiber mooring lines. Aiming to also develop eco-friendly products and deliver rope and other products for use in related construction projects. 	

3-2. Three priority focus businesses for the future: CFCC

With the large project acquired in the US (the Hampton Roads Bridge) as a foothold, we are steadily developing target segments in Japan and overseas in a bid to expand our business fields.



Sources: Official website of the Commonwealth of Virginia; photographs by Dylan Ray; official website of Yamaguchi Prefecture

3-3. Three priority focus businesses for the future: Bridge cable

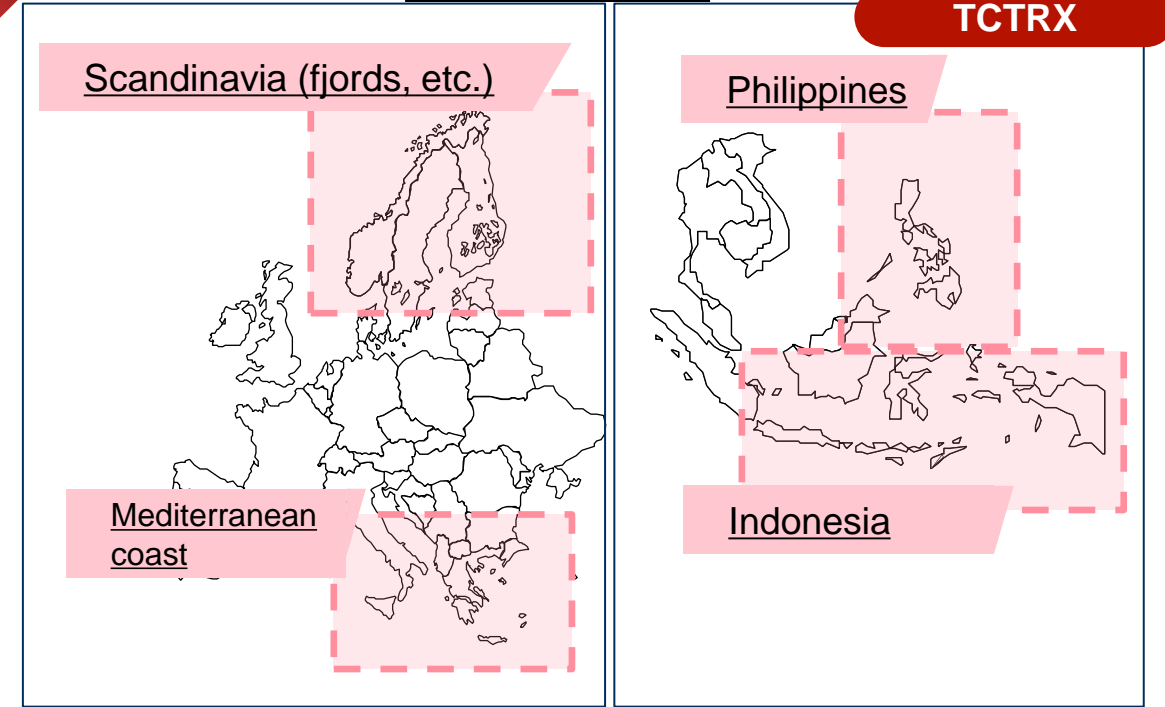
Bearing in mind contributions to local employment and transportation distances, we will aim to expand overseas by newly developing equipment and fixtures. We intend to target Europe and Southeast Asia and particularly focus on islands and intricate coastline areas near urban centers.

The world's longest suspension bridges

- The Tokyo Rope Group has been involved in the construction of some of the world's longest suspension bridges, as indicated with our logo below.



Expanding overseas, focusing on Europe and Southeast Asia



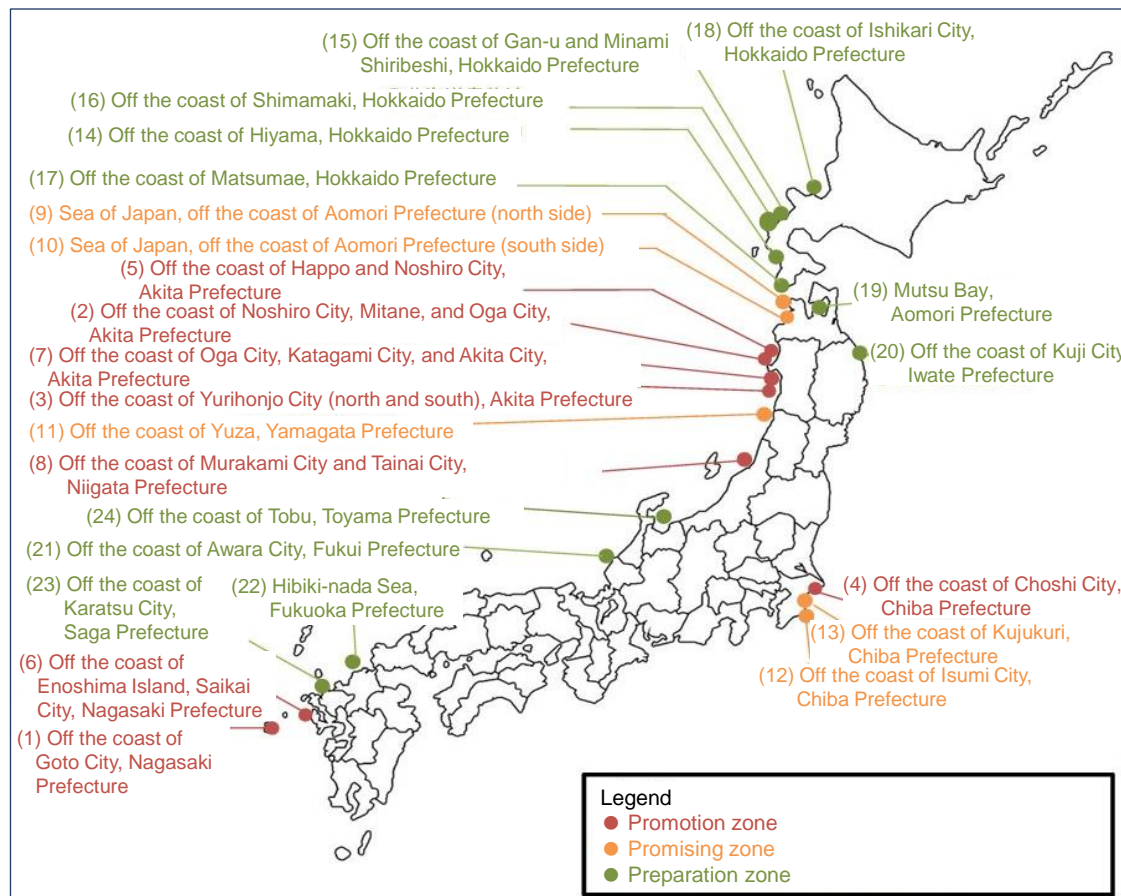
		Country	Completed	Longest span	
	1	1915 Çanakkale Bridge	Turkey	2022	2,023m
✿	2	Akashi Kaikyo Bridge	Japan	1998	1,991m
✿	3	Yangsigang Yangtze River Bridge	China	2019	1,700m
✿	4	Nansha Bridge	China	2019	1,688m
✿	5	Xihoumen Bridge	China	2009	1,650m
	6	Great Belt East Bridge	Denmark	1998	1,624m
✿	7	Osman Gazi Bridge	Turkey	2016	1,550m
	8	Yi Sun-sin Bridge	South Korea	2012	1,545m
✿	9	Runyang Yangtze River Bridge	China	2005	1,490m
✿	10	Second Dongtinghu Bridge	China	2018	1,480m

- These entire regions are our target markets, but we should especially focus on countries with densely populated island areas and intricate coastlines.
- From the perspective of contributing to the SDGs (technology transfer) and local employment, we will explore the possibility of local production depending on the project and market viability.

3-4. Three priority focus businesses for the future: Offshore wind power generation

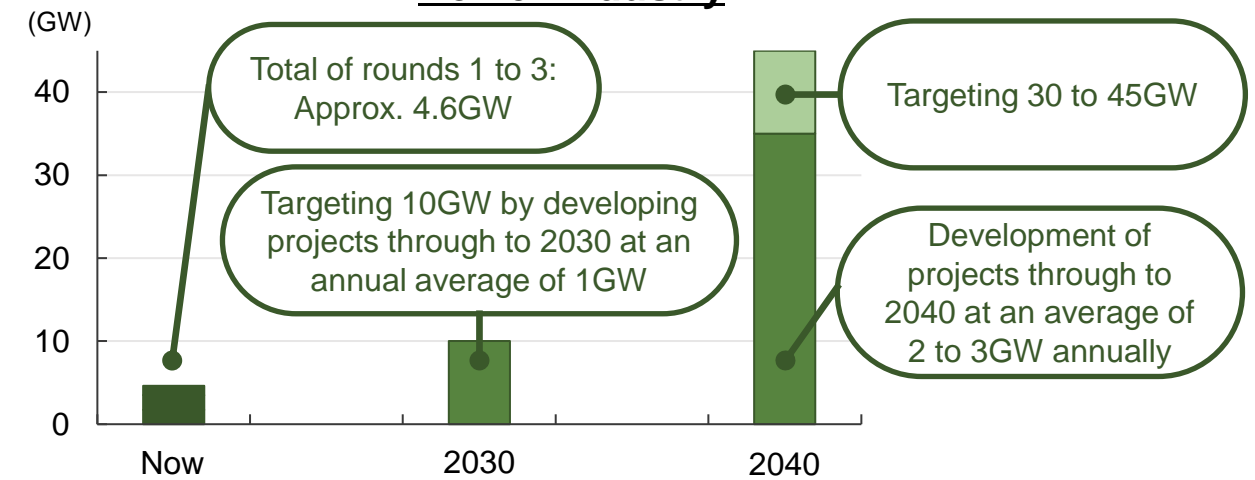
Even though offshore wind power generation faces numerous challenges, the development of projects is progressing in the 19 areas designated as part of a national policy. As an industry leader, we remain committed to domestically producing mooring cables for these projects over the long term and contributing to Japanese government policy and the SDGs.

Location of 19 areas based on the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities



Source: Agency for Natural Resources and Energy

Scale of projects listed in Japan's Vision for Offshore Wind Power Industry



Source: Agency for Natural Resources and Energy

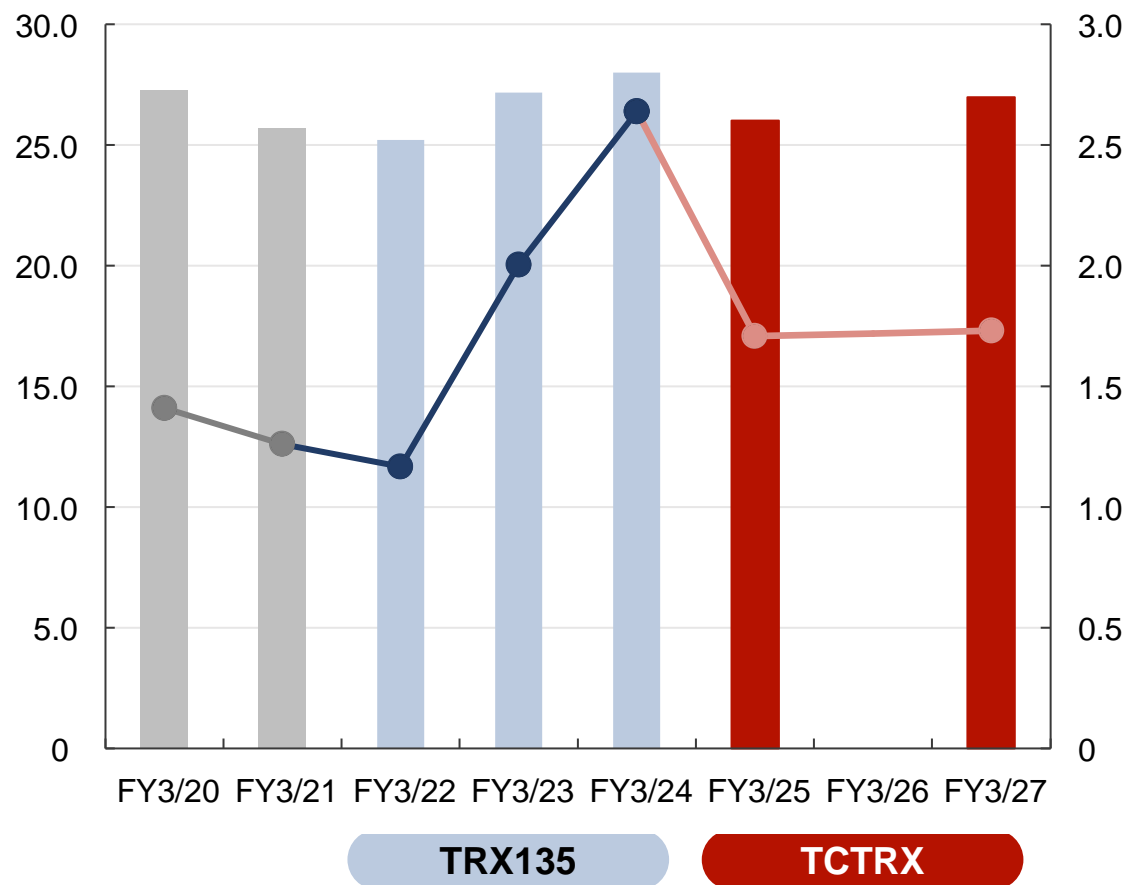
Example of benefits from producing mooring lines in Japan

- Components such as mooring cables are in short supply globally, which has led to delays and high costs. Producing these products in Japan can mitigate these issues.
- In addition, other various benefits can be expected, such as reductions in CO2 during transportation and lower insurance premiums. For example, if domestically producing related materials shortens the downtime of power facilities during accidents, the insurance cost of compensating for lost profits will decrease, thereby contributing to lower premiums and cheaper electricity prices.

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4-1. Business segment plans: Wire Rope & Wire

Considering that operating income in the last two years included gains from inventories and other boosts owing to the soaring prices of materials, in the new medium-term management plan we will aim to sustain an adequate level of profit through steady sales and operations.

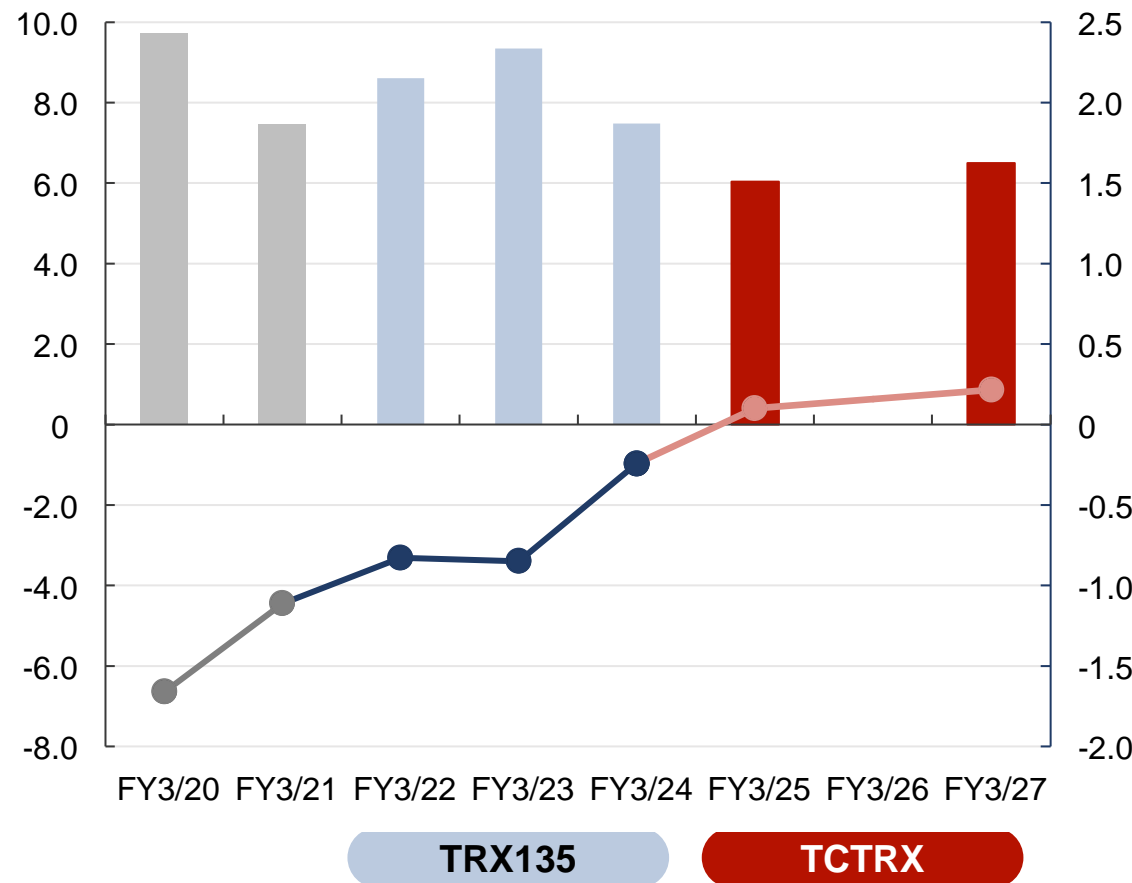


Results	<ul style="list-style-type: none"> Captured pent-up demand. Implemented cost pass-throughs in response to sky-high prices for materials and secured, to some extent, appropriate margins necessary for reproduction and reinvestment.
Issues	<ul style="list-style-type: none"> Sustaining operating income after temporary carryover demand and gains from inventories drop out.
Measures	<ol style="list-style-type: none"> Secure appropriate profit margins in light of skyrocketing prices of materials and inflation. Make timely investments in upgrades and promote DX. Open up new applications in Japan (i.e., offshore wind power generation projects). Promote international expansion (particularly in North America and India).

Net sales: Bar graph (LHS; JPY bn) / Operating income: Line graph (RHS; JPY bn)

4-2. Business segment plans: Steel Cord

A return to operating profitability is now in sight, which we failed to achieve in the previous medium-term management plan. Over the three years of the new plan, we will aim to develop high-value-added products that contribute to the SDGs.

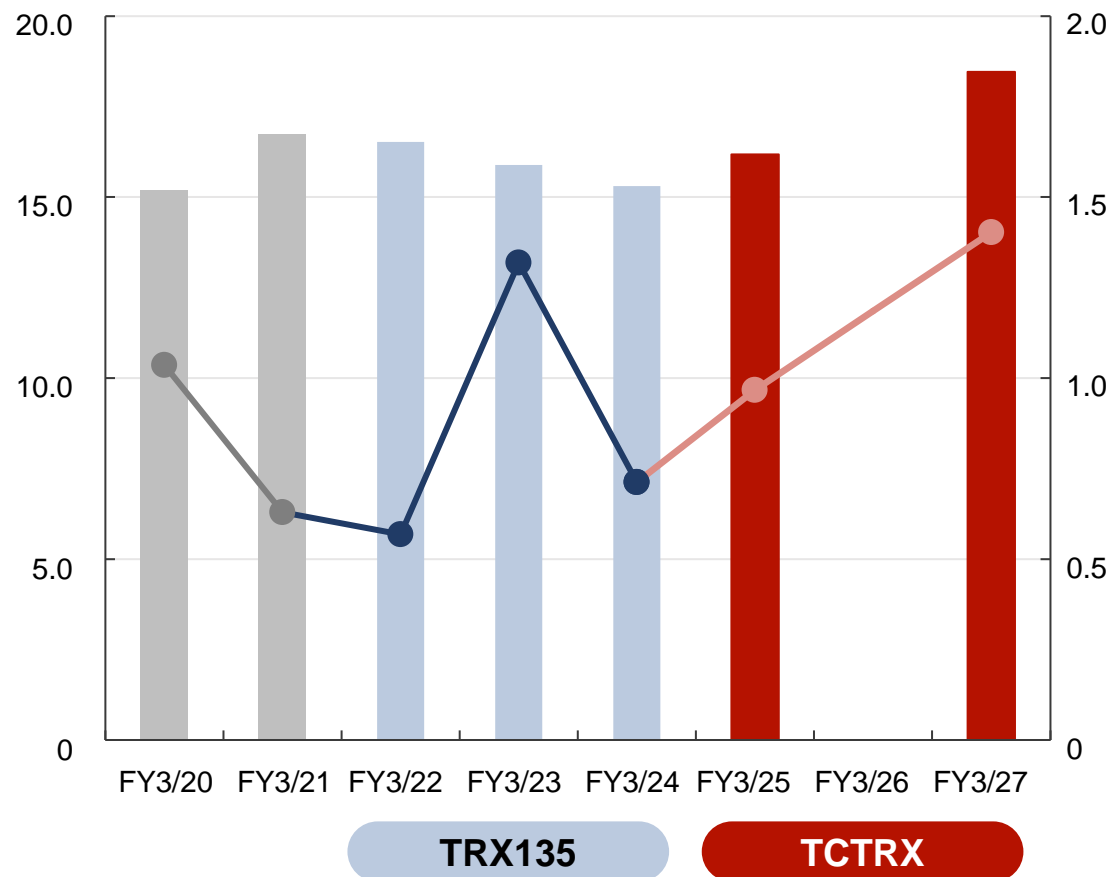


Results	<ul style="list-style-type: none"> Operating loss narrowed thanks to operational improvements and new facilities coming online, among other factors. Return to full-year operating profitability in FY3/25 is now in sight.
Issues	<ul style="list-style-type: none"> Development of differentiated products. Securing first-mover profits in new EV markets.
Measures	<ol style="list-style-type: none"> Secure appropriate profit margins in light of skyrocketing prices of materials and inflation. Develop new products, including those for use in EVs. Open up differentiated markets that contribute to sustainability and carbon neutrality. Drive operational improvements through collaboration with Nippon Steel.

Net sales: Bar graph (LHS; JPY bn) / Operating income: Line graph (RHS; JPY bn)

4-3. Business segment plans: Product Development (engineering business)

We managed to halt the decline in profitability, but in light of inflation and other factors, improving margins remains a challenge. We will look to address this issue by passing on prices, developing high-value-added products, and actively allocating management resources to businesses earmarked for priority focus.

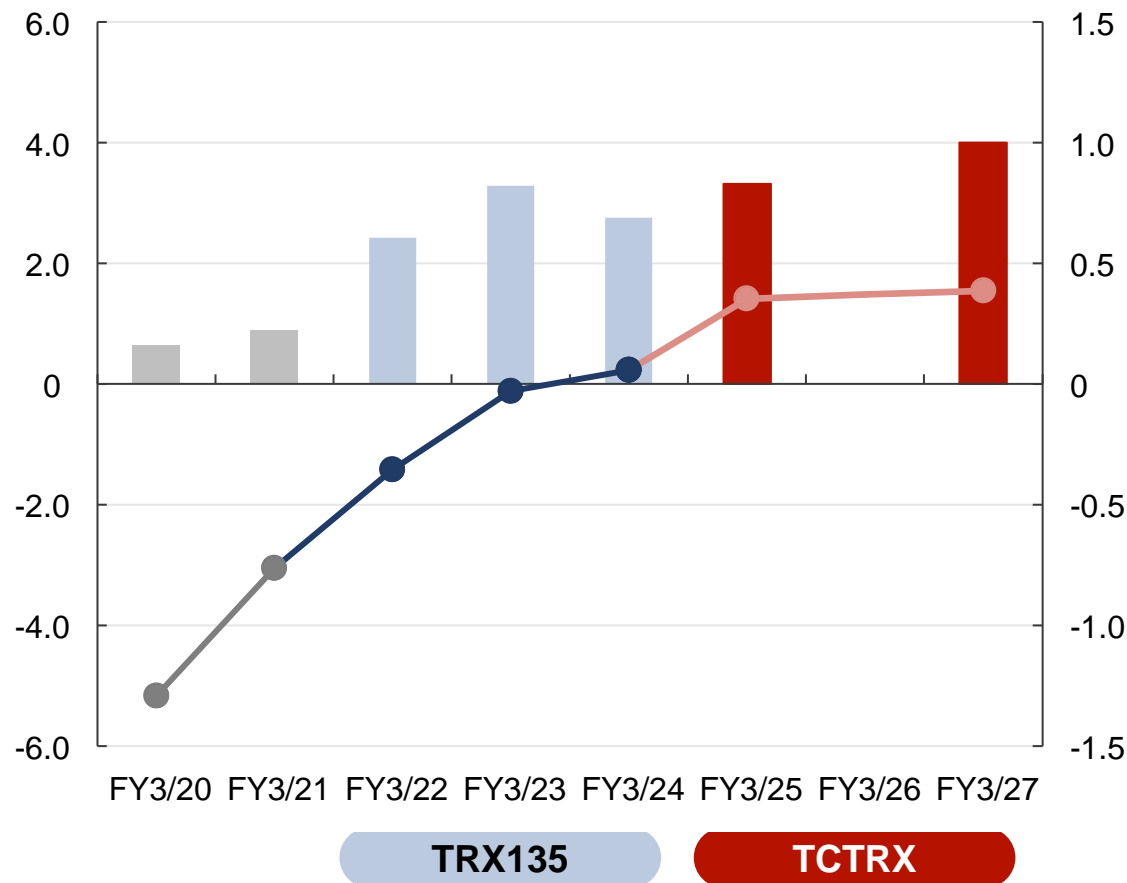


Results	<ul style="list-style-type: none"> Despite the irregularities from year to year owing to the impact of how public works budgets are spent, we managed to halt the decline in operating income and stage a recovery.
Issues	<ul style="list-style-type: none"> Maintaining the upward trend in operating income.
Measures	<ol style="list-style-type: none"> Implement timely cost pass-alongs to reflect skyrocketing prices of materials and inflation. Develop differentiated products and high-value-added products. Expand our lineup of products in line with environmental changes. Promote the use of construction teams and generational change (including support for business succession at partner firms). Actively allocate management resources to priority focus businesses.

Net sales: Bar graph (LHS; JPY bn) / Operating income: Line graph (RHS; JPY bn)

4-4. Business segment plans: Product Development (CFCC business)

We achieved a return to operating profitability, a goal of the previous medium-term management plan. Issues going forward include the further promotion of application developments and improvements in profits/margins.

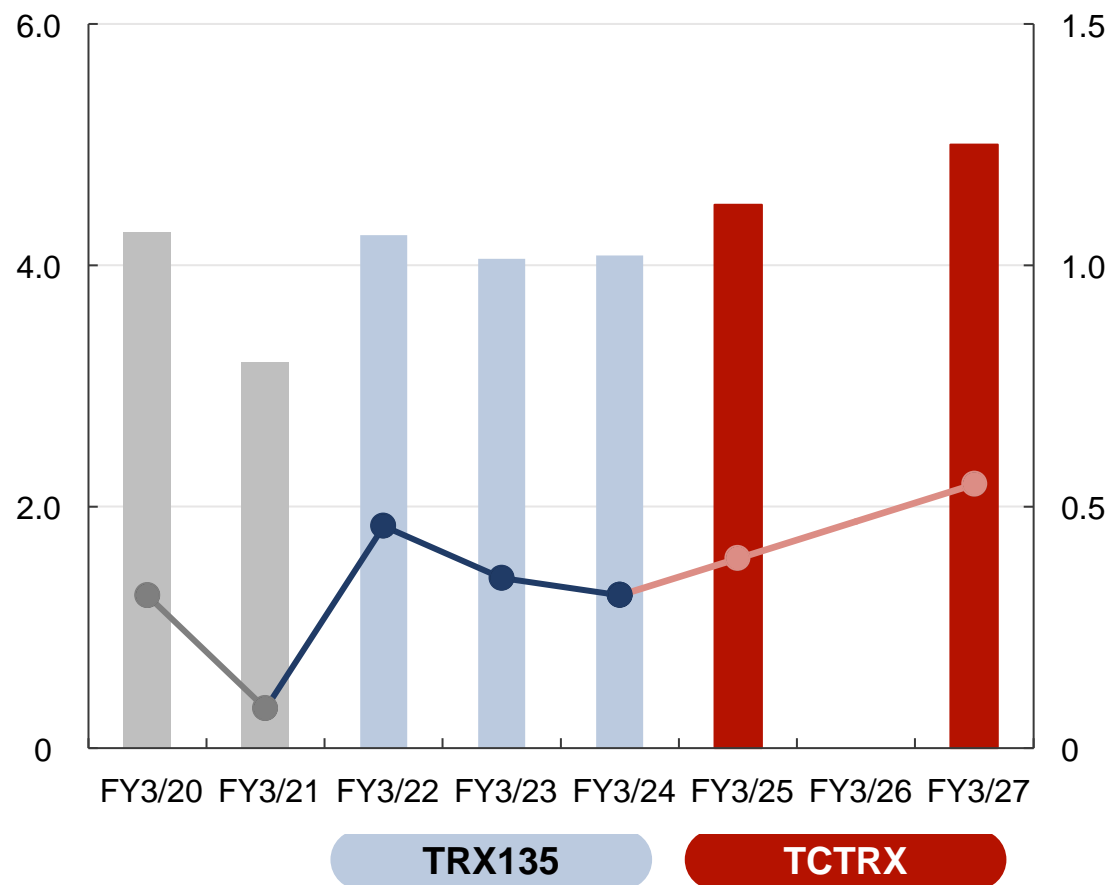


Net sales: Bar graph (LHS; JPY bn) / Operating income: Line graph (RHS; JPY bn)

Results	<ul style="list-style-type: none"> We achieved a return to operating profitability (operating income in the US business has been in the black for the last three FYs). We have endeavored to develop applications for mainly civil engineering in the domestic market and the results of those efforts continue to emerge.
Issues	<ul style="list-style-type: none"> Further promoting efforts to develop applications. Improving margins and profits.
Measures	<ol style="list-style-type: none"> Develop applications centering on civil engineering, including tension materials for slabs. Increase production of products (ACFR) for electric wire applications in North America in support of the Buy American policy. Capture demand from power grid developments in response to greater electricity demand in Japan. Improve productivity and increase gains from operating activities.

4-5. Business segment plans: Industrial Machinery

Our delayed response to soaring prices of mainly materials and energy resulted in a deterioration in margins, but in the new medium-term management plan we will aim to boost sales and profit by stepping up cost pass-throughs and launching new products.

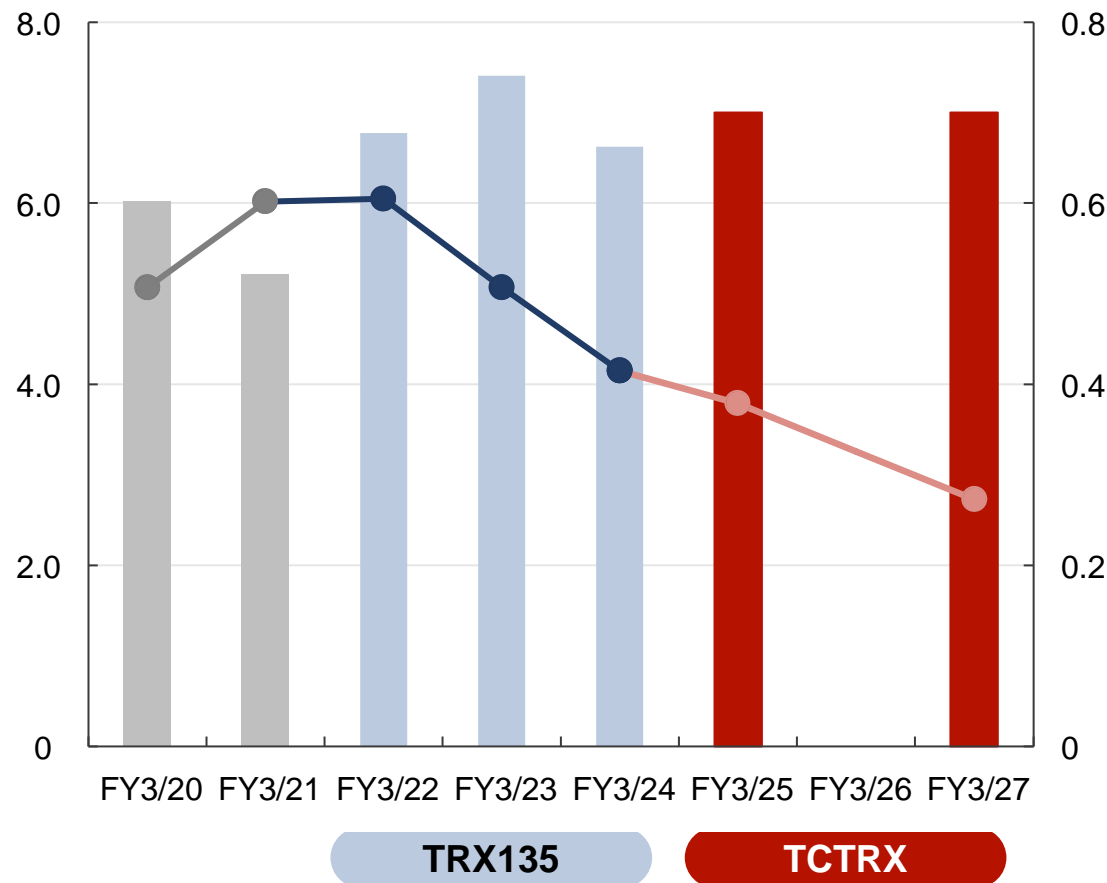


Results	<ul style="list-style-type: none"> Diversification of industries targeted for sales. ✓ Cemented carbide: Developed materials for knives. ✓ Developed equipment for the electronics and electrical industries.
Issues	<ul style="list-style-type: none"> Implementation of cost pass-alongs. Securing of personnel.
Measures	<ol style="list-style-type: none"> Construct a dedicated building for special materials (SCPT alloy, etc.) and boost production and quality in a bid to expand sales (cemented carbide). Look to diversify the industries we sell to (cemented carbide). Capture demand for labor saving and maintenance amid labor shortages (automatic weighing equipment). Get a foothold in the peripheral systems field (automatic weighing equipment).

Net sales: Bar graph (LHS; JPY bn) / Operating income: Line graph (RHS; JPY bn)

4-6. Business segment plans: Energy & Real Estate

Despite our best efforts to pass on costs, we failed to keep up with labor costs and skyrocketing energy prices. As a result, we were unable to arrest declining profitability during the period of the previous medium-term management plan. The adoption of drastic measures, including DX, is now a pressing issue.



Results	<ul style="list-style-type: none"> The solar power generation business steadily contributed to earnings. And we were able to expand the know-how of power generation throughout the Group.
Issues	<ul style="list-style-type: none"> Exhaustive overhaul of business systems with the use of DX and other methods.
Measures	<ol style="list-style-type: none"> Carry out upgrades to backbone systems and undertake a review of the outdated business operations framework (energy). Rejuvenate the entire portfolio of held assets by renovating aging facilities (real estate). Expand operational know-how of solar power plants throughout the Group (part of SDG measures focused on captive consumption).

Net sales: Bar graph (LHS; JPY bn) / Operating income: Line graph (RHS; JPY bn)

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5. Approach to cash allocation and financial/dividend policy

A total of 18.0 billion yen in cash generated over three years will be primarily invested in businesses earmarked for priority focus and used to pay stable dividends. Surplus funds will be flexibly used every year for the purpose of share buybacks and reducing interest-bearing debt.

3-year cumulative: 18.0bn JPY (left: source; right: spending)		Explanation
<p>Depreciation and amortization: 6.0bn</p>	<p><u>Sustainable investments</u></p> <p><u>Other investments</u></p>	<p>We expect to invest a total of 10.0 billion yen over three years. In cases where external factors cause considerable delays in the execution of our growth strategy investments, such as government policies affecting offshore wind power generation projects, we will clarify our intended use of funds and consider the possibility of temporarily holding treasury stock.</p>
<p>3-year cumulative net profit: 9.0bn</p>	<p><u>Growth investments</u></p>	
<p>Reduction in assets: <u>3.0bn</u></p>	<p>Shareholder returns: More than <u>3.6bn</u></p>	<p><u>Targeting a total return ratio of 40% or higher.</u></p>
	<p>Reduction in interest-bearing debt</p>	<p>We will continually bear in mind D/E ratio improvements, but also make adjustments and use the generated cash in the following order of priority: (1) investments in businesses; (2) shareholder returns; and (3) reductions in interest-bearing debt.</p>

5. Approach to cash allocation and financial/dividend policy

Financial policy:

- Review and reduce cross-shareholdings from the perspective of corporate governance.
- Endeavor to reduce interest-bearing debt and strengthen our financial base.

Shareholder returns/dividend policy:

- Our basic policy is to enhance corporate value by executing the measures of the new medium-term management plan, but with a view to improving the P/B ratio, we will target a total return ratio of at least 40% for the time being.
- As for returns to shareholders, stability of dividends will be our top priority, but at the same time, we will explore various ways to extend shareholder returns and aim to find a balance between improving our financial position and delivering returns to shareholders.

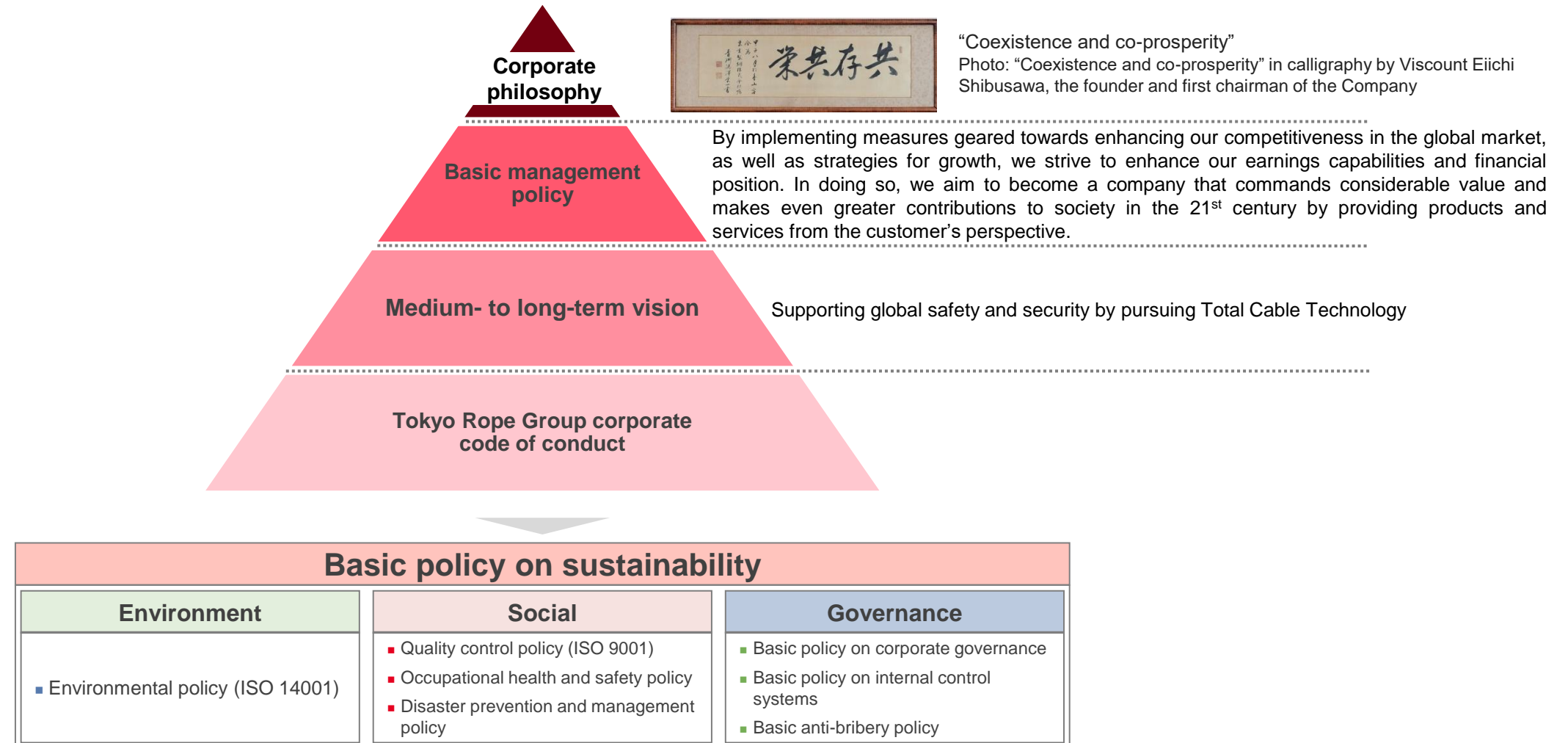
Strengthening our financial base and pursuing equity capital efficiency

Total return ratio of at least 40% during the period of the TCTR

1. Review of previous medium-term management plan TRX135
2. Ideals and targets of new medium-term management plan
3. Three priority focus businesses for the future
4. Business segment plans
5. Approach to cash allocation and financial/dividend policy
6. Addressing the SDGs






6. Addressing the SDGs: Tokyo Rope's materiality (key issues)

To further propel initiatives that contribute to the achievement of the SDGs, we have systematically organized our basic policy on sustainability and formulated five items of materiality (key issues) for the Tokyo Rope Group.



6. Addressing the SDGs: Tokyo Rope's materiality (key issues)

The Tokyo Rope Group's five items of materiality are as follows. We have set KPIs for each item and will aim to accelerate our sustainability efforts going forward.

Materiality (key issues)	
<p>Coexist with the natural environment —Realizing a sustainable environment—</p>	
<p>Prosper together with customers, business partners, and the community —Providing sophisticated products and solutions to meet social needs—</p>	
<p>Prosper together with employees —Ensuring the health of employees and creating rewarding workplace environments—</p>	
<p>Coexist with all people —Respecting human rights—</p>	
<p>Do what is right in order to prosper together (discipline, rules, responsibilities) —Thoroughly implementing governance and risk management—</p>	

6. Addressing the SDGs: KPIs

We have established 26 KPIs, of which the main ones are shown in the table below. With a view to 2030, we will steadily act on these targets during the period of the TCTR_X.

Materiality	Key element	KPI	FY3/24 (actual)	FY3/27 (target)	2030 (target)
Coexist with the natural environment —Realizing a sustainable environment—	Fighting climate change	CO2 emissions	40.2% reduction vs. FY2013	40.0% or higher reduction vs. FY2013	40.0% or higher reduction vs. FY2013 (-46% target)
Prosper together with customers, business partners, and the community —Providing sophisticated products and solutions to meet social needs—	Meeting needs of customers and markets	Bridge cable sales volume	3 projects/year	5 projects/year	5 projects/year
		Number of bridge cable assessments	17/year	30/year	35/year
	Solving issues in society and the community, including aging infrastructure and natural disasters	Sales volume of environmentally friendly products (engineering business)	1.1bn JPY	1.7bn JPY	2.0bn JPY
Prosper together with employees —Ensuring the health of employees and creating rewarding workplace environments—	Hiring and training of personnel	Expansion of human capital and training aimed at improving engagement (training cost basis)	31mn JPY	33mn JPY	44mn JPY
	Respecting diversity and inclusion	Percentage of female managers	3.3%	5.0%	7.0%
		Percentage of male employees taking childcare leave	30%	At least 50%	At least 50%
Coexist with all people —Respecting human rights—	Respecting human rights and eliminating unjust discrimination	Rate of participation in harassment training	94%	100%	100%
Do what is right in order to prosper together (discipline, rules, responsibilities) —Thoroughly implementing governance and risk management—	Strengthening risk management mainly in the areas of bribery and information security	Internal reporting coverage	88%	100%	100%
		Training sessions implemented (participants)	98% (domestic consolidated companies only)	100% (domestic consolidated companies only)	100% (domestic consolidated companies only)

Cautionary Statement

This document is not intended to solicit investment in the Company's marketable securities. The forecasts, estimates, outlooks, and other forward-looking statements contained in this document are based on information currently available to the Company, as well as certain assumptions or premises. Various known or unknown risks that may have an impact on the Company's earnings, including economic conditions, could cause actual results to differ significantly from the outlook presented here.