

Presentation

The progress of the management indicators adopted in our Medium-Term Business Plan 2025 is as shown here. ROE increased due to a significant increase in profit attributable to owners of parent, and the D/E ratio

By segment, net sales increased in the rock drill machine segment by 1.1% to \$1.1 billion, or 1.1% of total net sales, from \$1.08 billion, or 1.1% of total net sales, in the prior year. The increase was primarily due to an increase in sales of rock drill machines in the construction segment.

The graphs show changes in results by segment. The upper graph shows YoY change in net sales, and the lower graph shows YoY change in operating profit.

Details of the machinery and materials businesses will be explained later. In the real estate business, both sales and profits declined in the fiscal year ended March 2024 due to the decline in the real estate market.

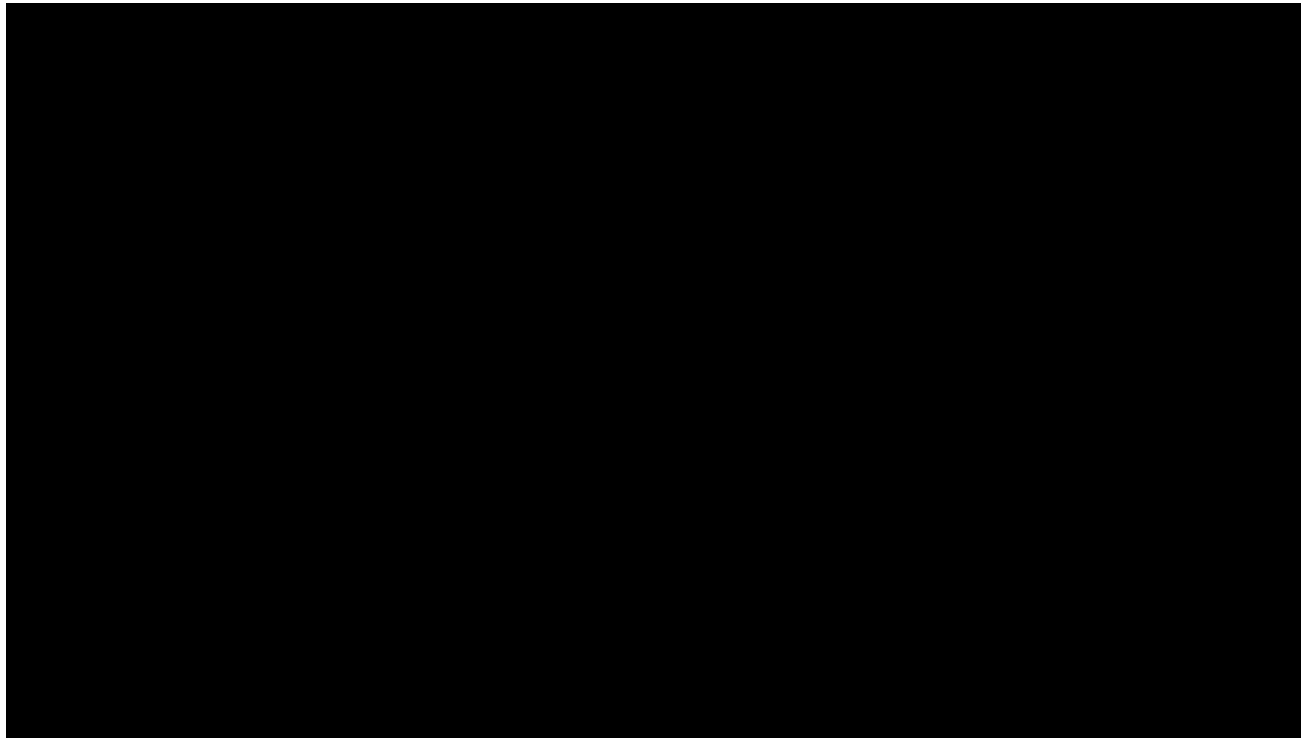
I will explain the details by segment. The bottom of the page is for reference, which describes the

Next is the UNIC segment. For the fiscal year ended March 2024, net sales were up JPY1.4 billion in Japan and down JPY1.5 billion overseas. In Japan, truck production delays are recovering, and the number of trucks supplied increased compared to the previous fiscal year, leading to an increase in shipments of UNIC cranes and higher sales. Overseas sales decreased due to lower shipments to China, Southeast Asia, Europe, etc. Overall, sales decreased by JPY100 million.

Operating profit decreased due to a worsening cost ratio as a result of continued product shipments before price hikes in response to soaring prices of steel and other raw materials.

For the fiscal year ending March 2025, net sales are expected to increase due to an increase in shipments resulting from an increase in truck production in Japan, and orders for UNIC cranes are expected to increase.

Next, the status of capital investment, depreciation, and R&D expenses is as described. In the industrial



I will continue with an explanation of the progress of the Medium-Term Business Plan 2025.

The two pillars of our efforts to increase corporate value are the attainment of an ROE of around 8% and the reduction of the cost of capital, as announced in our Medium-Term Business Plan 2025.

The redboxed areas indicate items where we have made further progress in our efforts.

This section explains the reduction of strategic shareholdings. In February and May of this year, we set and announced specific targets related to the policy of reducing strategic shareholdings in the Medium-Term Business Plan 2025 of last May. We will reduce our strategic shareholding (including shares deemed to be held)

Question & Answer

Shibata [Q]: This is Shibata from SBI SECURITIES.

First, overall, I am aware that external factors and internal human resources, as well as other factors, have led to an irreversible increase in costs recently. Could you explain how to cover cost increases through price pass-on or improvement of the mix, and what you would do to counteract the cost increase including specific examples?

The second is about the metals segment, which I believe has changed the stage since the entrusted contract

However, operating profit was JPY8.5 billion in the previous fiscal year, and the budget for this fiscal year is only a slight addition to that amount, which I think is very insufficient. Therefore, we believe that there are