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May 20, 2025

CK SAN-ETSU Co., Ltd.

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(Securities Code: 5757 TSE Prime Market)

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Update on Action to Implement Management that is Conscious of Cost of Capital and Stock Price

CK SAN-ETSU Co., Ltd. (the “Company”) hereby announces that it has updated the details of the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price” announced on May 13, 2024, taking into account the current evaluation and analysis as well as the progress of initiatives.

1. Current status assessment (consolidated basis)

	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Net sales (Millions of yen)	69,130	115,343	123,838	111,433	125,108
Operating profit (Millions of yen)	5,392	10,771	8,279	7,929	10,263
Ordinary profit (Millions of yen)	422	6,571	8,655	6,094	8,383
Profit * (Millions of yen)	174	4,313	5,318	3,815	5,207
Net assets per share (Yen)	4,255.95	4,649.01	5,240.76	5,663.62	6,137.67
Profit per share (Yen)	21.16	517.19	644.39	458.22	616.11
Capital adequacy ratio (%)	53.3	54.2	57.5	61.5	60.1
ROE (%)	0.5	11.7	13.0	8.4	10.4
PER (Times)	197.07	7.39	6.75	8.67	6.18
Stock Price (End of March) (Yen)	4,170	3,820	4,350	3,975	3,810
PBR (Times)	0.98	0.82	0.83	0.70	0.62

* Profit attributable to owners of parent

The Company's ROE for the year ended March 31, 2025 was 10.4%, which was over 8% for four consecutive years. On the other hand, PBR was 0.62 times as of the end of March 2025. Factors contributing to this include:

- (1) Low level of foreign investment
- (2) Low internal reserves from the past have forced the Company to lower the dividend payout ratio
- (3) Demand in the domestic market is sluggish in its group's core business areas of copper and brass, precision components, and piping and plating, and there is uncertainty about market growth potential

2. Policies and plans for improvement

- (1) By disclosing financial results and other information in English from April 2025, the Company is providing overseas investors with the information they need to make investment decisions in a timely manner.
- (2) The Company will strive to accumulate retained earnings in preparation for capital investment and M&A. At the same time, it will strive to increase profits to increase dividends.
- (3) On April 1, 2025, the Company made MITANI SHINDO Co., Ltd. a subsidiary. The profitability of the copper and brass business will be strengthened by improving productivity through mutually utilizing the production technologies and know-how cultivated by both companies, and reducing costs by jointly purchasing raw materials and auxiliary materials.
- (4) As part of its flexible capital strategy to improve capital efficiency and respond to changes in the business environment, the Company acquired 200,000 shares of its treasury shares through ToSTNeT-3 on May 13, 2025.