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May 27, 2025

To Whom It May Concern,

Company name: Teikoku Tsushin Kogyo Co.,Ltd.
Representative: Masuo Hanyu, President
(Code: 6763; Prime Market of the
Tokyo Stock Exchange)
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Notice Concerning Action to Implement Management
that is Conscious of Cost of Capital and Stock Price (Progress Report)

Teikoku Tsushin Kogyo Co.,Ltd. (the “Company”) hereby announces that its Board of Directors, on May 27, 2025, resolved to update the analysis of the current situation and the progress of initiatives one year after the announcement of the "Notice regarding the progress of the current Medium-Term Management Plan and future initiatives" published on May 14, 2024.

For more details, please refer to the attached document entitled “Measures to realize management that is conscious of capital costs and stock prices, Progress of the Medium-Term Management Plan (Updated May 27, 2025)”.

Together, we make good sense.



Measures to realize management
that is conscious of
capital costs and stock prices

Progress of the Medium-Term Management Plan

Looking ahead to the future NOBLE,
Expanding and Evolving from a resistor company to the new NOBLE

May 27, 2025

● Progress of the Medium-Term Management Plan

Measures to realize management that is conscious of capital costs and stock prices

◆ Measures to realize management that is conscious of capital costs and stock prices **P3**

Assessment of current situation (stock price, PBR, ROE)

Policy for enhancing corporate value

Current medium-term management plan and long-term vision

◆ Progress of the Medium-Term Management Plan **P6**

Basic strategy for mid- to long-term business growth

Growth strategy (basic policy, targets in growth fields, various measures and R&D)

Financial strategy (target balance sheet, cash allocation, shareholder return)

IR strategy (dialogue with capital markets)

Measures to realize management that is conscious of capital costs and stock prices

Assessment of current situation (Stock Price, PBR, ROE)

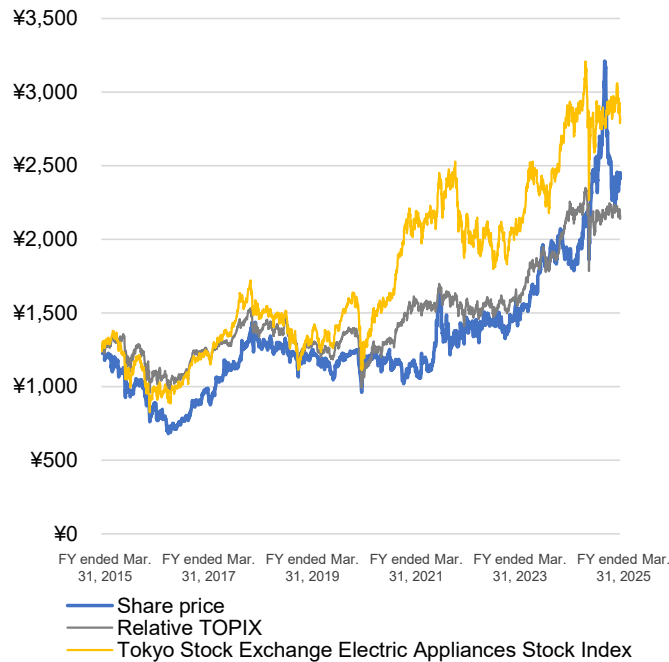
Together, we make good sense.



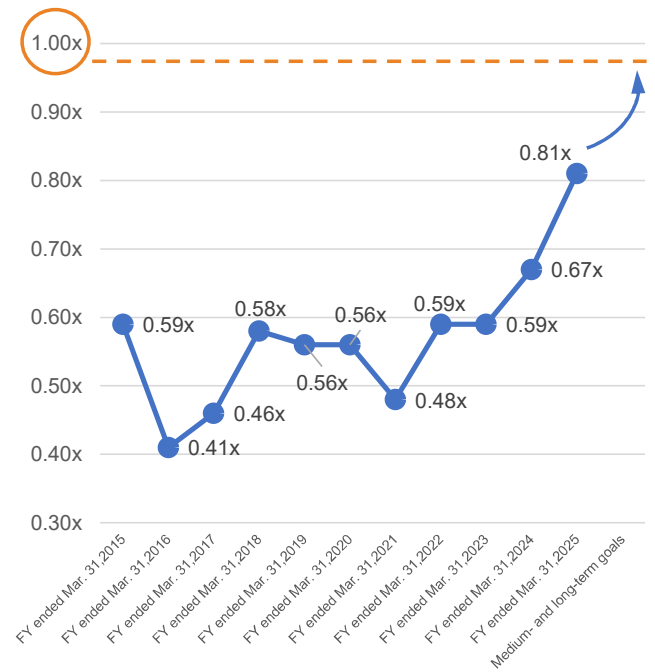
- Given that our P/B ratio remains below 1, we recognize the need to take proactive measures to enhance corporate value
- Our goal is to achieve an ROE that exceeds our shareholder capital cost, with a medium- to long-term target set at 8.0%

Measures to realize management that is conscious of capital costs and stock prices

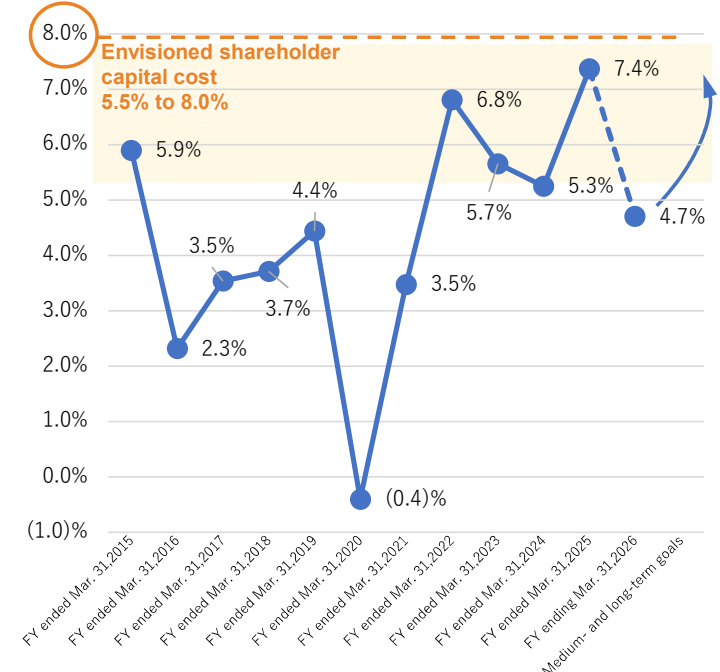
Stock Price



P/B Ratio



ROE



Policy for enhancing corporate value

- Aim to improve P/B ratio by implementing various measures to improve capital return and market valuation

Analysis of Current Situation and Issues

ROE falls below the shareholder capital cost expected by investors

In decade, the stock price being lower compared to TOPIX, the P/B ratio remains below 1

Direction of measures for enhancing corporate value

Enhance capital return (ROE)

Enhance profitability



Optimize capital



Improve market valuation (PER)

Increase in multiples

Growth strategy

- Establish technology for the medical and healthcare fields by improving elemental technology
- Enter new business fields (infrastructure, water business, agribusiness, etc.)
- Sales expansion for electric vehicles and related peripherals

Financial strategy

- Consider balance sheet management based on a target net asset levels in the mid- to long-term
- Achieve stable dividends (continue to review share repurchases)

IR strategy

- Enhance dialogue with capital markets through proactive disclosure of information
- Comply with English-language disclosure requirements
- Enhance sustainability initiatives
- Human resources development (training to candidate executives, etc.)
- Strengthen recruiting capabilities, etc.

Aim to improve ROE and P/B ratio by expanding equity spread

Current medium-term management plan and long-term vision



- As part of Step 3 in the current medium-term management plan, we will pursue a growth strategy in the medical and healthcare sectors to implement our expansion into new business fields
- Additionally, we will further improve capital efficiency and work toward achieving a medium- to long-term ROE of 8.0%, exceeding the shareholder capital cost

Management vision and positioning of this medium-term management plan

Our vision: Transform and evolve from the current NOBLE focused on resistors to a renewed NOBLE

Medium-term management plan (FY2021 to FY2025)

Next medium-term management plan: (from FY2026)

Step 1 Expansion of existing fields (FY2021)

- Expand two businesses by leveraging core businesses
 - Custom assembly unit – brand as called ICB (Integrated Control Block)
 - Electronic components for General-purpose

Step 2 Investment in new fields, etc. (FY2022 to FY2023)

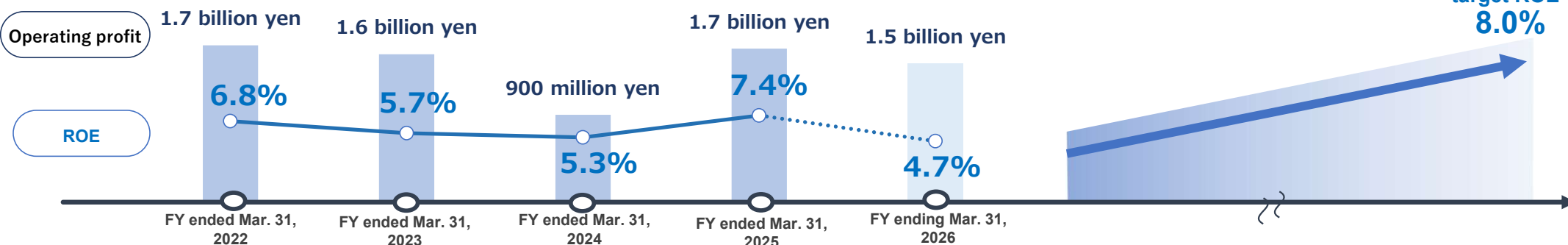
- Expand new markets and sales promotion for EVs and peripheral equipment through element technology
- Invest in infrastructure business
- Improve capital efficiency by eliminating and acquiring (500 million yen) repurchased shares

Step 3 Expansion of new fields (FY2024 to FY2025)

- Implement growth strategies in medical/healthcare and new fields
- Further improve capital efficiency

- Aiming to realize our long-term vision, we will enhance corporate value over the medium to long term
- Expand business portfolio (public projects, communications, etc.)
- Strengthen and expand collaboration among global bases

Mid- to long-term target ROE 8.0%



Basic strategy for mid- to long-term business growth



- In the current medium-term management plan, we are focusing on expanding existing fields, exploring new fields, and deepening research and development in order to build a foundation for medium- to long-term growth
- In the next medium-term management plan, we aim to further improve profitability based on foundational elements we have explored

Basic strategy for medium- to long-term growth

1

Expansion of existing fields

Aim to expand application horizontally across existing industries

- Expand sales of cement resistors
 - ✓ Energy saving field (inverters), EV field (vehicle-mounted and quick chargers)
- Increase sales of sensors by expanding to medical and healthcare fields
- Increase sales to existing customers by expanding software (circuits)

2

Develop new products that meet customer needs

Develop new products that meet the needs and trends of customer industries

- Non-contact switch × industrial machinery (example: elevator)
- Position sensor × automobile (example: actuator)
- Non-contact position sensor × industrial machinery (example: servo motor)

3

Establish new fields (Fields for taking on new challenges)

Expand into new markets by developing new products in response to changes in the environment

- Expand into trending fields
 - ✓ Enter the communications and public sectors related to 5G
- Contribute to solving social issues
 - ✓ Enter in new areas such as MEMS, medical and healthcare and nursing care

Initiative in the current medium-term management plan

Expand existing fields and explore new fields

- Utilize core technologies to develop new products
 - ✓ Develop products such as non-contact switches
- Establish new technology fields
 - ✓ Establish fields of software, circuits, and microfabrication
- Strengthen sales capabilities and market expansion
 - ✓ Strengthening new sales and proposal-based sales activities
- Improve quality
 - ✓ Meet required quality standards
- Improve productivity and added value

Deepen the development of environmental friendly core technologies (R&D Activity Policy)

- Expand into new markets such as communications and infrastructure
 - ✓ Develop flexible IoT devices that utilize screen printing technology and surface mounting technology
- Focus on POCT (Point of Care Testing) in the medical and healthcare fields
 - ✓ Establish electrochemical sensor technology with the potential to measure various substances

Next medium-term management plan

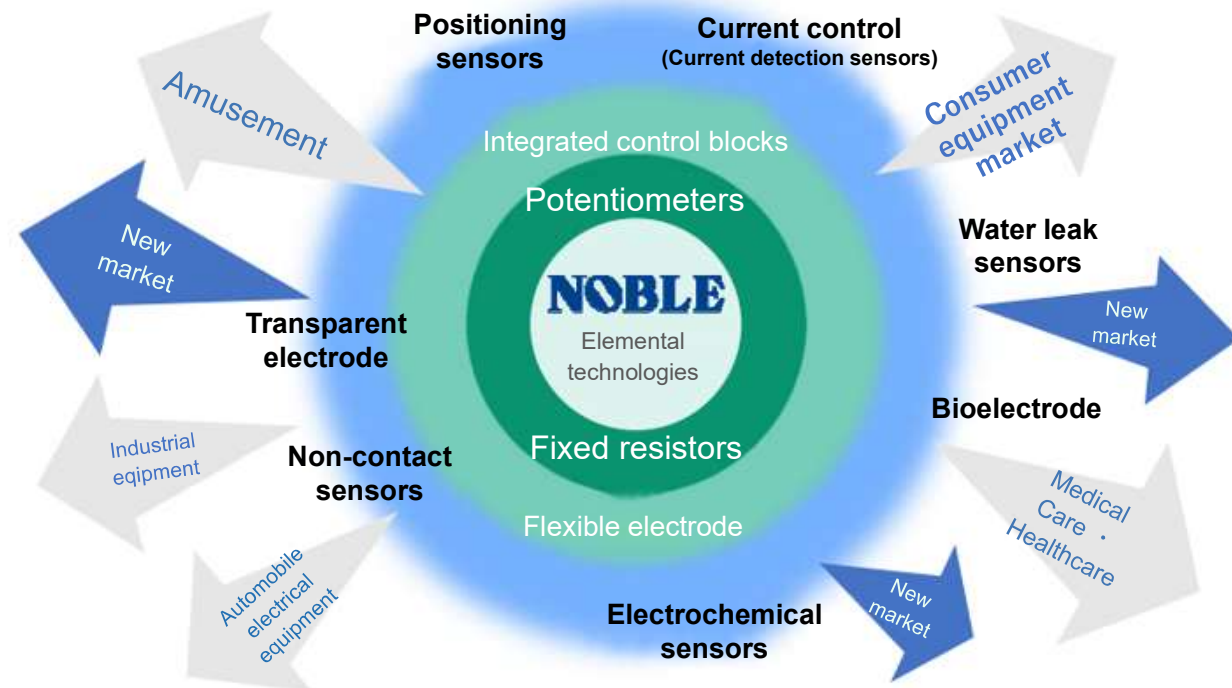
Strengthen our efforts in the current medium-term management plan and aim to further improve profitability

Basic Policy for Growth Strategy

- Based on our unique core technology which we have cultivated since our founding in resistor manufacturing, we will develop new products and expand into new markets by applying our technology to a variety of sensors

Utilizing element technology to expand from existing markets to new markets

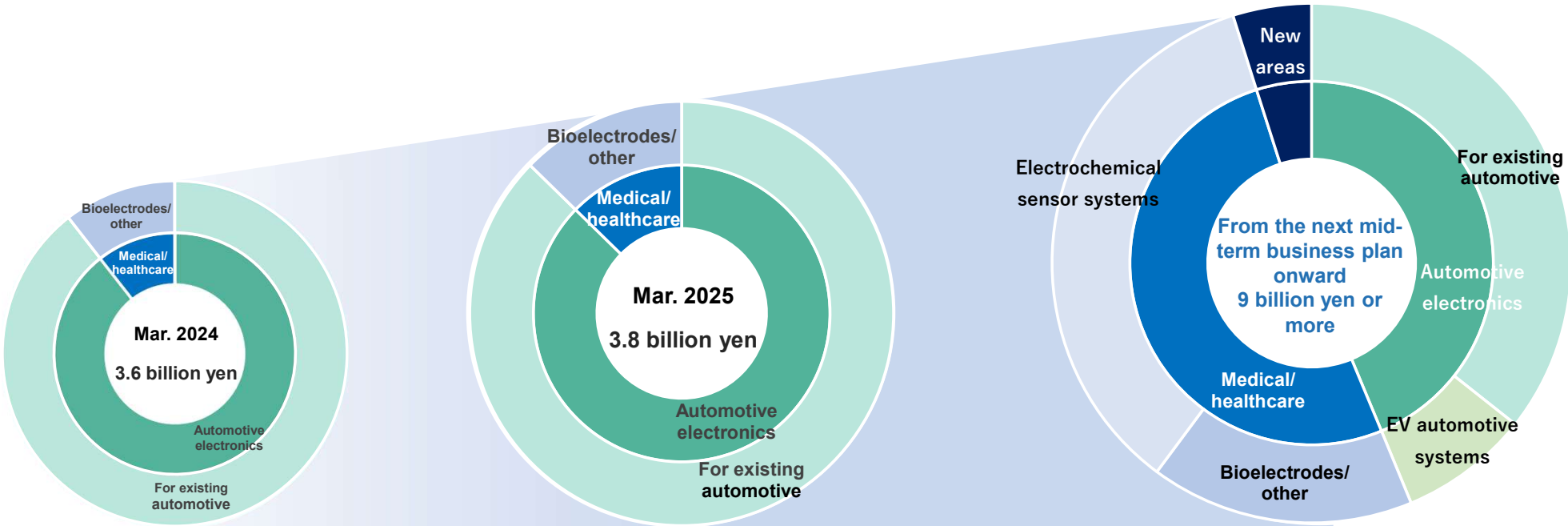
Building on 80 years of history rooted in element technologies, NOBLE will continue to contribute to society through our sensor solutions



Targets for growth fields from the next medium-term management plan

- Utilizing element technology to accelerate growth in new fields such as automotive electronics, medical and healthcare

Aimed scale at automotive electronics, medical and healthcare, and new fields



Expand capital investment for business growth

- As part of efforts for expanding into new markets, we will upgrade our environmentally friendly *monozukuri* system to meet the increasingly sophisticated and diverse needs of our customers

Akaho Works



Proactive investment in production plants

- Construction new buildings for new markets
- Operating production systems in a clean environments
- Further advancement in unique printing technology
- Strengthen the quality control system

Enhance element technology

- Enter into new markets
- Expand the medical and healthcare market
- Expand the amusement market
- Achieve higher levels of performance, lifespan, and quality

Automotive field

Respond to the shift to EVs in the automotive market

Medical and healthcare field

Respond to preventive medical for health promotion

Fields for taking on new challenges

Respond to infrastructure business to solve social issues such as disaster prevention

Research and development in the automotive field



Initiatives in the automotive field

Door mirror
sensors

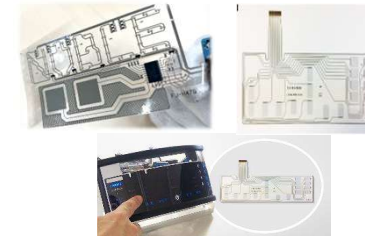
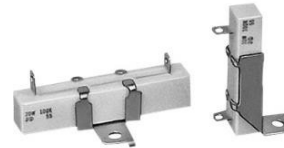
HVCA actuator
sensors

Precharge/
discharge resistors

Transparent electrode sheets
for in-vehicle

Aim to grow market share

New challenges
Adapted transparent electrode sheet with
touch switches for in-vehicle standards



Develop sensors for automotive electronics by improving printing technology
Accelerate the development of resistors for EVs, chargers, and other peripheral devices

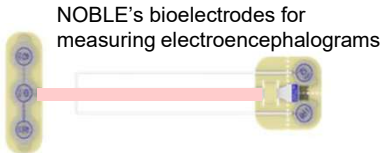
Research and development in the medical field



Enhancement of screen printing sheets for bioelectrodes

Development
of
ink for
electrodes

- Aim for technological innovation with bioelectrodes for electrocardiograms and power saving to bioelectrodes for measuring electroencephalograms
- Promote development of bioelectrodes for measuring electroencephalograms for infants and children

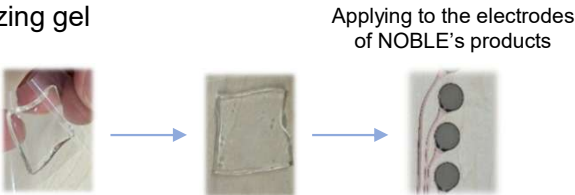


Develop of
high-
performance
gel

- Promote joint research with universities on functional conductive gel which maintains its adhesive strength even in wet environments such as sweat and bathing

Development
goals

- Leverage the functions inherent in living organisms to realize functional expression
- Aim to improve wearing comfort
- Reduce the number of parts in the product by utilizing gel
- Reduce costs through in-house production
- Increase the added value of our bioelectrodes



Jointly developed with First Screening Corp.



Natrium-potassium ratio: An index that represents the balance of sodium in urine, which causes high blood pressure, and potassium, which promotes the excretion of sodium

● Urine sodium-potassium ratio measuring device

- ✓ Continuously measuring the sodium-potassium ratio in urine allows users to assess their physical condition and helps to improve diet

Easy

Just apply urine to the tip of the stick to measure

Clean

The stick part where urine is applied is disposable, so the sensor body can be kept clean

Immediate results

Results are displayed on the LCD display about 20 seconds after starting measurement

*First Screening Corp.

A startup company founded in 2018. To assist in early detection of terminal diseases, First Screening offers a self-examination service using non-invasive sensors that use urine, saliva, and blood. Users can easily check results on their smartphone. This supports daily health management.

Utilize IoT to develop water leakage sensor

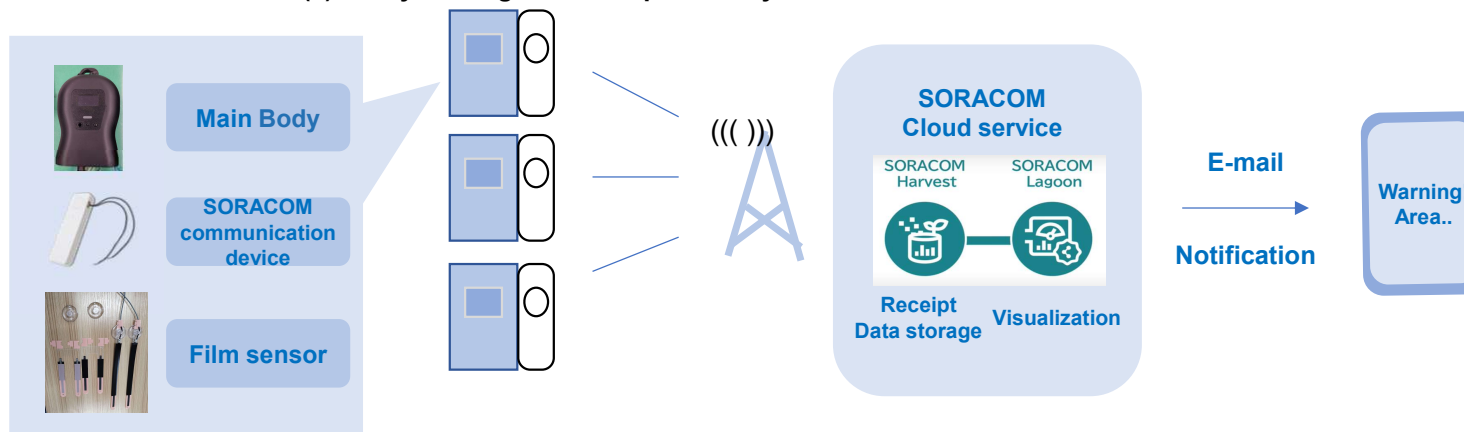
Technical overview

● Water leakage sensor

- ✓ Utilizing IoT as watching system, NOBEL developed a device that detects the presence or absence of water
Linkage with a communication device makes it possible for the user to receive notifications even such as when outside the premises.

Technical features

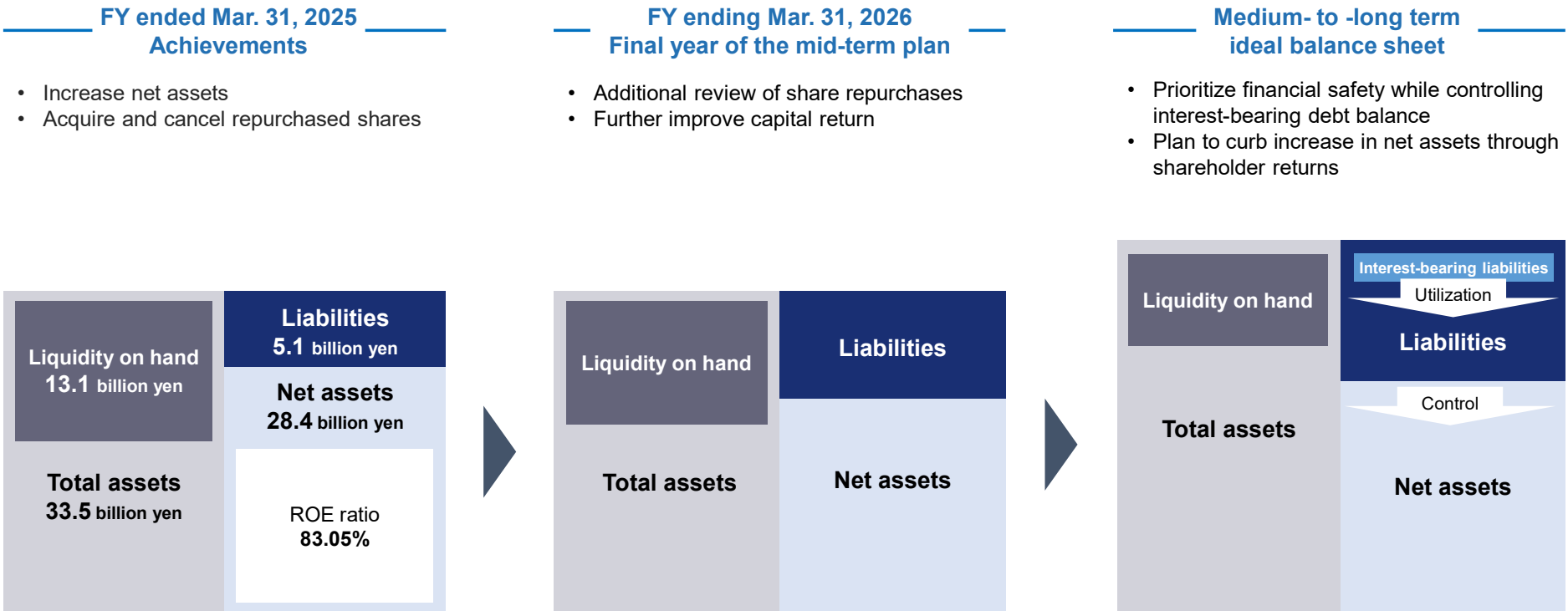
- (1) High degree of freedom in installation; since it is a film sensor, it can be easily processed and replaced
- (2) Metal-less electrode using printing technology
- (3) safety and high-secured product by LTE communication



Ideal balance sheet

- Implement appropriate balance sheet control that balances capital return and financial soundness
- Plan to curb the increases in net assets through shareholder returns, including such as additional consideration of share repurchases

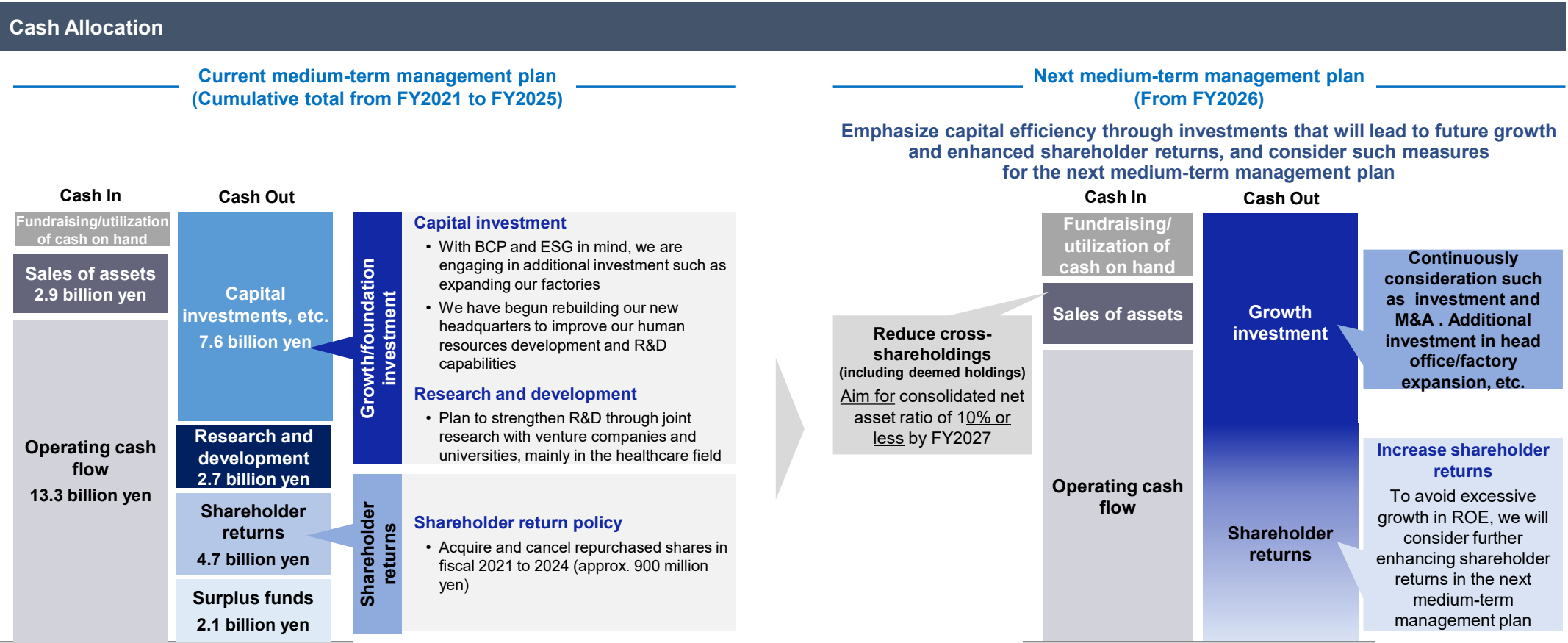
Image of ideal balance sheet





Cash Allocation

- By prioritizing investments necessary for future growth, we aim to increase profits and achieve stable and continuous shareholder returns, thereby increasing our stock price in the medium to long term



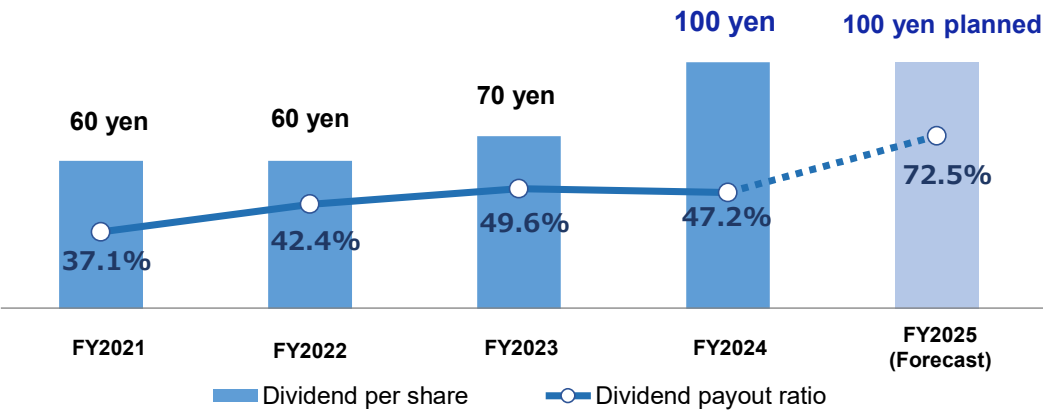
Shareholder returns

- Implement shareholder returns with an awareness of capital efficiency, while also considering the balance between financial stability and necessary investments

Shareholder return policy

Dividend performance

- Our policy is to actively return profits to shareholders by continuously paying dividends in line with business performance while also considering investments, financial conditions, etc.
- **FY2024 marks the 80th anniversary of our founding, and we plan to pay a commemorative dividend of 30 yen in addition to the ordinary dividend of 70 yen (interim 35 yen, year-end 35 yen), for a total dividend of 100 yen per share (interim 50 yen, year-end 50 yen)**
- We plan to maintain dividend of 100 yen per share in FY2025 as well..



Dividend policy

Period of next medium-term management plan

We plan to review our shareholder return policy in the next medium-term management plan to prevent excessive growth in ROE

We aim for a consolidated dividend payout ratio of 50% or higher

Progress of the Medium-Term Management Plan - IR Strategy

Dialogue with capital markets

Together, we make good sense.



- Continue to enhance IR activities, including responding with English disclosure

✓ The items listed in the table below have been implemented or on going continuously

IR activities	Frequency	Proposed timing	Implementation/ Scheduled
Medium-term management plan disclosure	Five-year plan	Disclosure on May 11, 2021 Disclosure of revised version on May 11, 2022	Implemented/Ongoing
Medium-term management plan disclosure in English	Five-year plan	Implemented from May 11, 2022	Implemented/Ongoing
Disclosure of financial results	Quarterly	Implemented from FY ending March 31, 2021	Implemented/Ongoing
Disclosure of financial results in English	Quarterly	Implemented from FY ending March 31, 2021	Implemented/Ongoing
Advertisements on newspapers, trade journals, IR magazines, etc.	As appropriate	Advertisements posted on billboards at JR Shinagawa and Shin-Yokohama Stations Interview articles published in The Nikkei, Dempa Shimibun, etc. Published in the October 2024 issue of Diamond ZAi	Implemented/Ongoing
Participation in various trade shows, etc.	At any time	Participate in domestic and international exhibitions such as Medtec Japan 2024, FBCSASEAN 2024, and Taiwan Innotech Expo 2024	Implemented/Ongoing
Holding of financial results briefings for analysts	Semi-annually	Around June and December every year	Implemented/Ongoing
IR meetings for analysts	At any time		Implemented/Ongoing
IR strategy for individual investors	At any time	Briefings for individual investors starting in 2022 (held in September 2024) "The Real Face of Top Management" and "IR Report" made available for Nomura IR members	Implemented/Ongoing
Development of new slogan	At any time	Corporate slogan created for the Company's 80th anniversary	Implemented/Ongoing
Announcement of capital alliances, etc.	At any time	In 2021, we will enter into a capital alliance with S'UIMIN inc.	Implemented/Ongoing
Disclosure of growth strategy	-	Notice Concerning Progress of the Medium-Term Management Plan and Future Initiatives	May 2024
SR interviews for institutional investors	As appropriate	Conducted in January 2025	Implemented/Ongoing
Magazine to commemorate 80th anniversary	-	Published by Diamond Business Planning Co., Ltd.	January 2025

New slogan for the 80th anniversary



Published by
Diamond Business
Planning Co., Ltd.
from January 2025

誰にも見えないところで、
本当の革新は続いている。

Together, we make good sense.



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The forward-looking statements and performance forecasts contained in this document are based on the Company's judgment at the time of preparation and are subject to potential risks and uncertainties arising from changes in the external environment.

Actual results may differ significantly from the forecasts and projections stated in this document due to changes in the business environment caused by various factors.