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(FYE2025-FYE2027)

Review of Medium-Term Management Plan and Initiatives for Realizing Capital Cost- and Share Price-Conscious Management

July 10, 2025

I . Progress of Medium-Term Management Plan

1. FYE2025 results and latest forecasts
2. Market environment
3. Internal environment
4. Issues and Solutions

II . Review of Medium-Term Management Plan

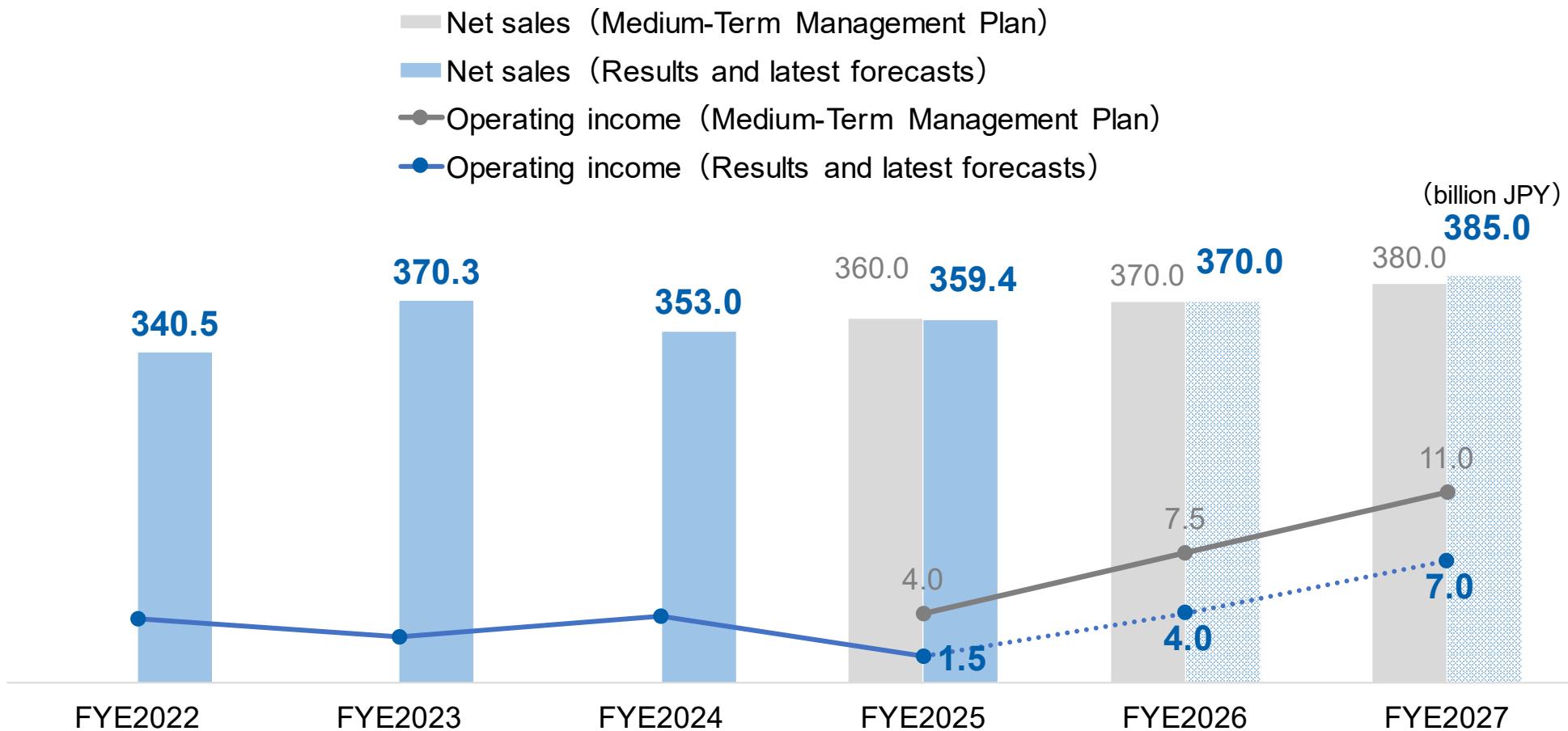
1. Overview
2. Decisively implement reform of revenue structural
3. Review of cash allocation
4. Factors for Change in Operating Income for FYE2027
5. Revised numerical targets
6. Initiatives for Realizing Capital Cost- and Share Price-Conscious Management

III . Future growth strategy

I . Progress of Medium-Term Management Plan

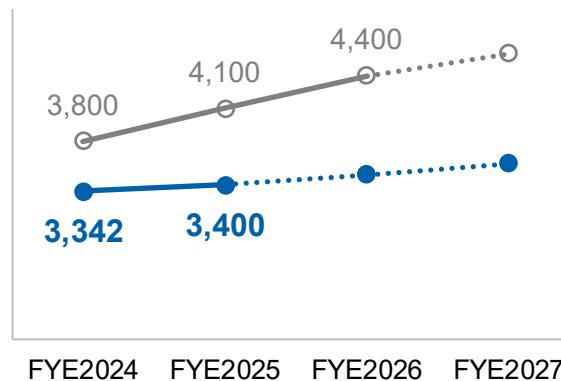
1. FYE2025 results and latest forecasts

- Significant changes in the business environment have resulted in sluggish performance in FYE2025.
- Forecasts for FYE2027, the final year of Medium-Term Management Plan, have not been achieved.

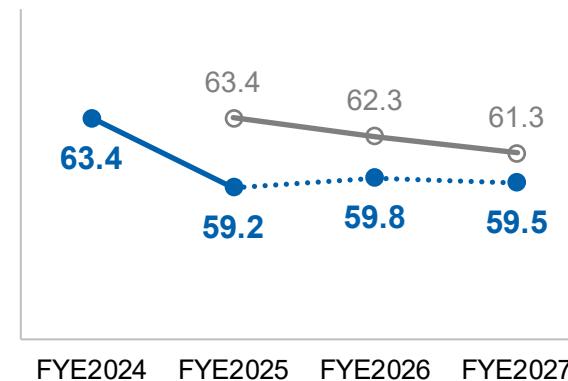


- Sales decreased due to deteriorating market environment below initial forecast
- Continued soaring of aluminum ingot price and other materials

Non-residential wooden construction market (thousand m²)

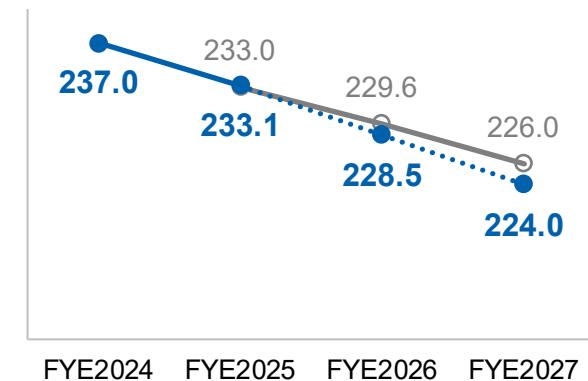


Floor area of non-wooden structure starts (million m²)

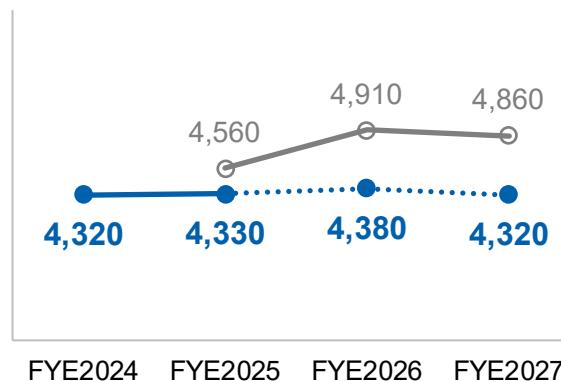


—○— Medium-Term Management Plan
—●— Results and latest forecasts

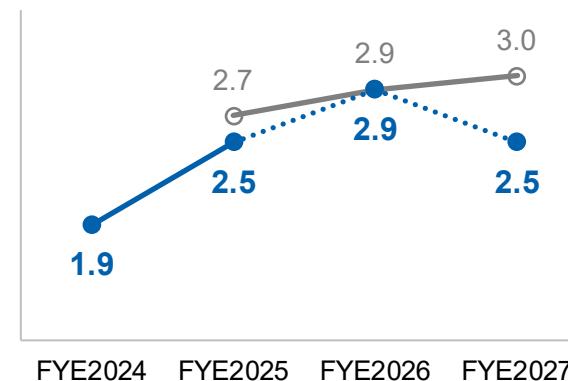
Exterior market (billion JPY)



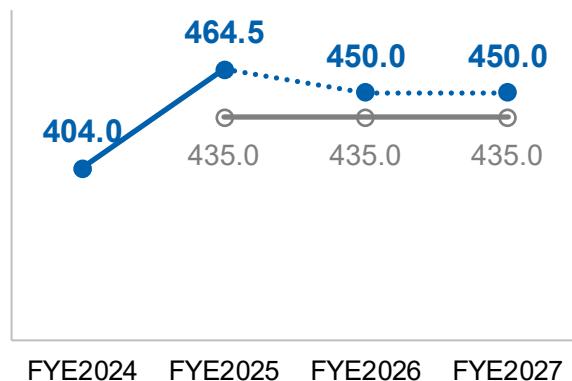
Vehicle sales in Germany
(thousand units)



GDP Thailand [YoY] (%)



Aluminum ingot Average value [The Nikkei] (JPY/kg)

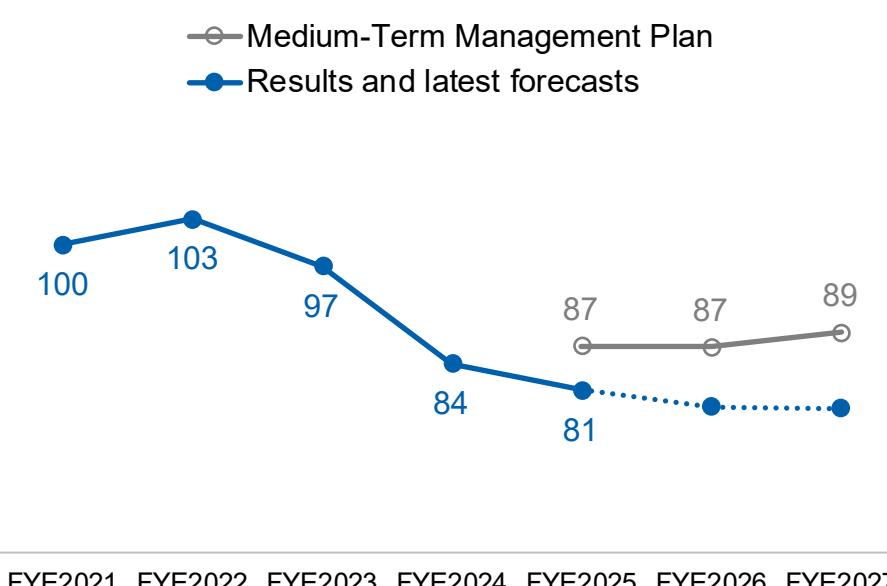


- Production volume of Construction materials products has declined significantly since FYE2024 due to deteriorating construction market conditions, and recovery will be difficult in the future.
- Aluminum extruded production are expected to recover gradually after the Noto Peninsula Earthquake, despite a temporary decline.

Production Weight
[Construction Materials Business]

*Index with FYE2021 set at 100

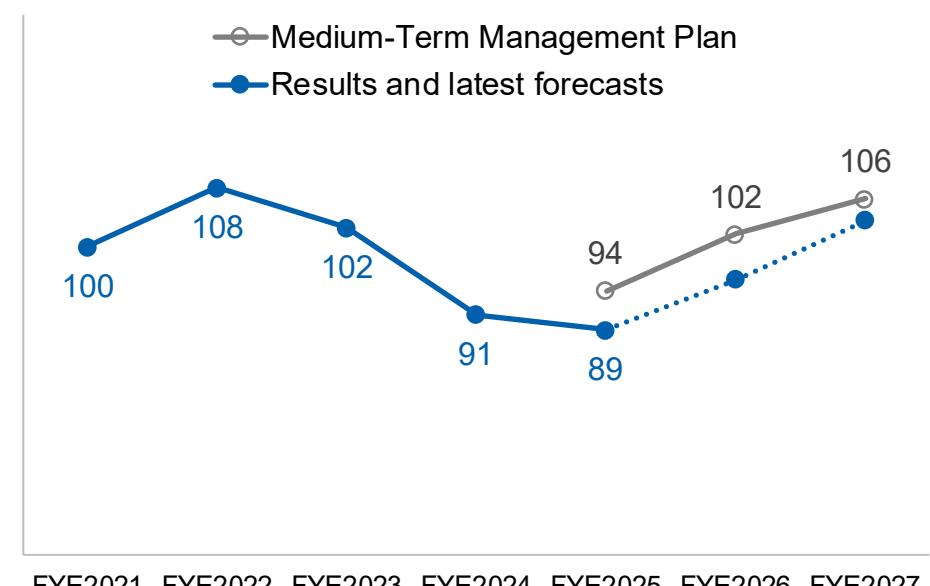
—○— Medium-Term Management Plan
—●— Results and latest forecasts

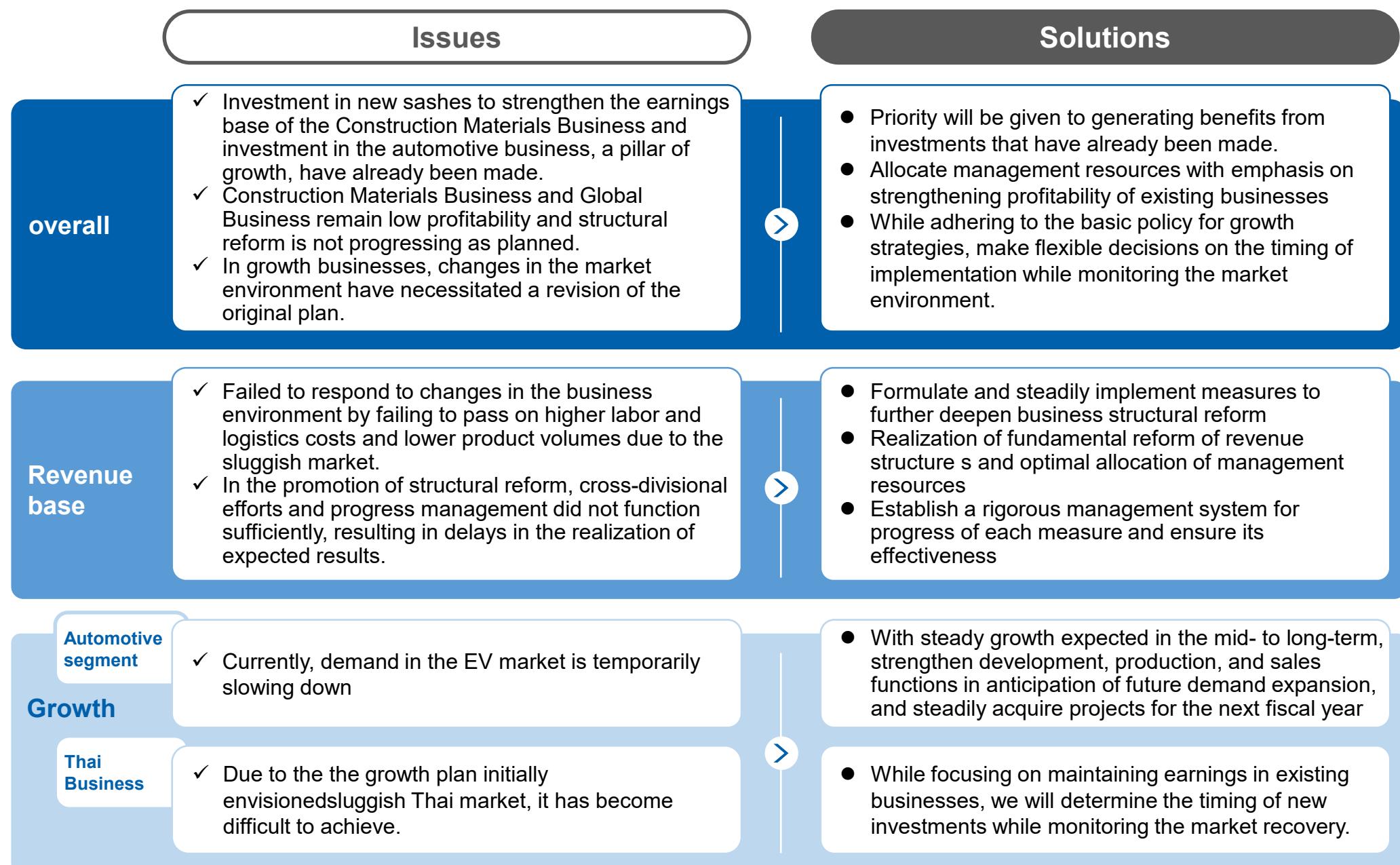


Aluminum extruded production weight

*Index with FYE2021 set at 100

—○— Medium-Term Management Plan
—●— Results and latest forecasts





- Implement fundamental reform of revenue structure, including fixed cost reductions, and further strengthen strategic priority areas
- Aim to realize a more feasible scenario for enhancing corporate value through rigorous monitoring of the plan



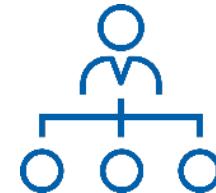
II. Review of Medium-Term Management Plan

2. Decisively implement reform revenue structural



Indirect cost reduction

With wide range of **supplier management** and **demand side cost management**, reduce indirect costs including logistics, utilities, advertising, sales promotion, etc.



Streamlining of operations and organizational structure

Optimize workload and number of employees by **eliminating**, **downsizing**, **consolidation**, and **automation** of indirect operations.



Structural reform Construction Materials

Improve profitability by **improving selling prices**, **reduce fixed costs** by consolidating and eliminating products and lines.



Optimization of manufacturing system

Reduction of **fixed costs** by suspending production lines at the extrusion plant.
Strengthen competitiveness by Cost optimization through productivity factor analysis.



Structural reform European Subsidiaries

1.5 billion JPY in rationalize related personnel by restructure the production setup for rail business.
1.9 billion JPY from partial sale of factory land and buildings

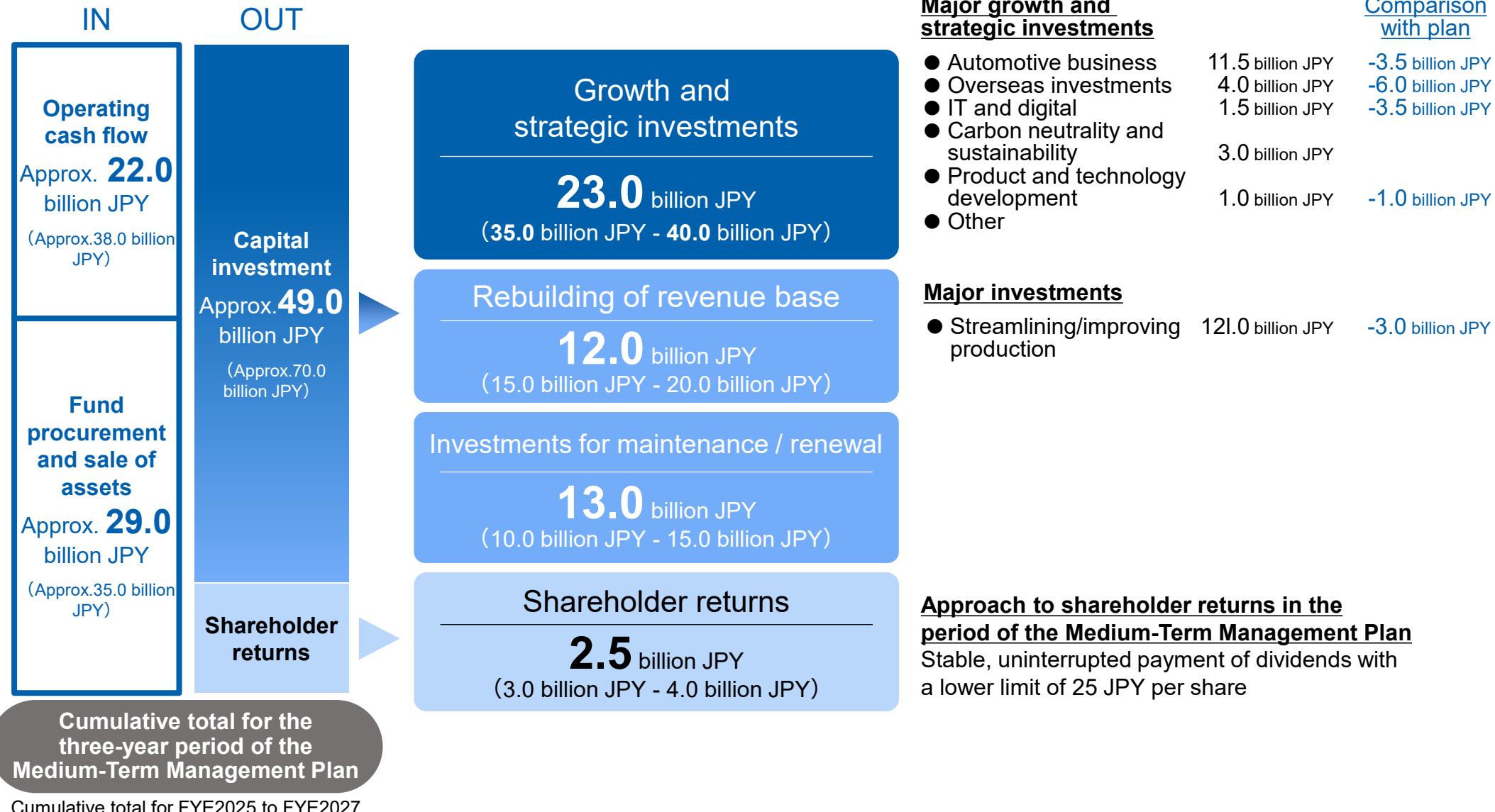
II. Review of Medium-Term Management Plan

3. Review of cash allocation

- Reduction from original plan of 70 billion JPY to 49 billion JPY
- Prioritize investments in reform of revenue structure and optimize growth and strategic investments.
- Maintain minimum stable payment of dividends for shareholder returns

Latest forecasts

(Medium-Term Management Plan)

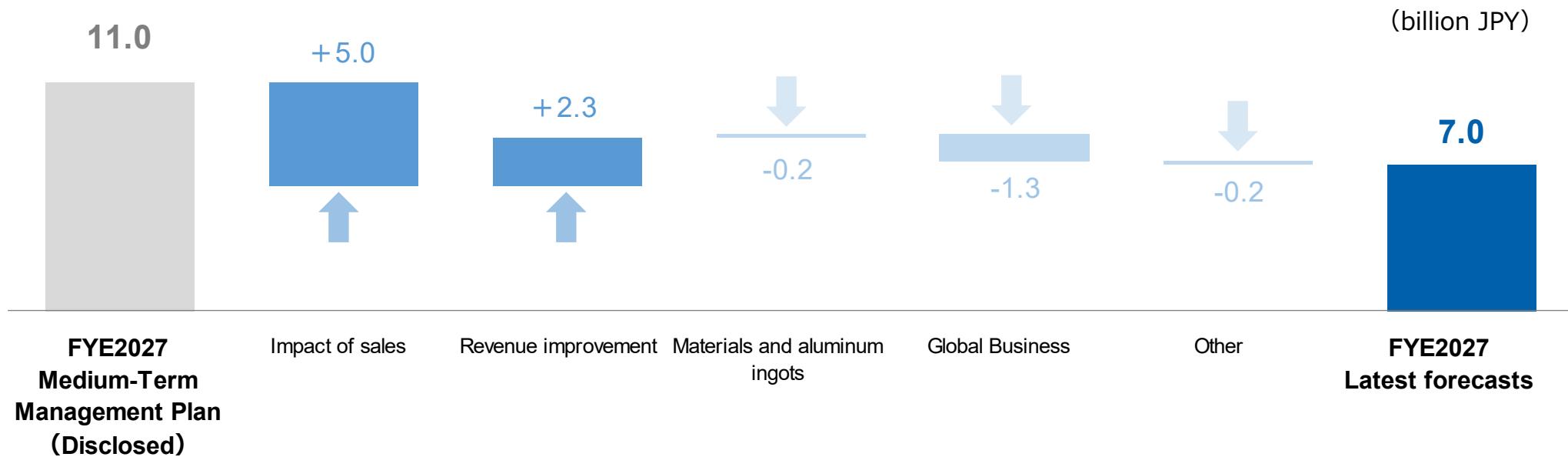


Approach to shareholder returns in the period of the Medium-Term Management Plan

Stable, uninterrupted payment of dividends with a lower limit of 25 JPY per share

Factor for Change in Operating Income for FYE2027:Comparison with Plan

- Operating income is expected to fall short of the plan by 4.0 billion JPY



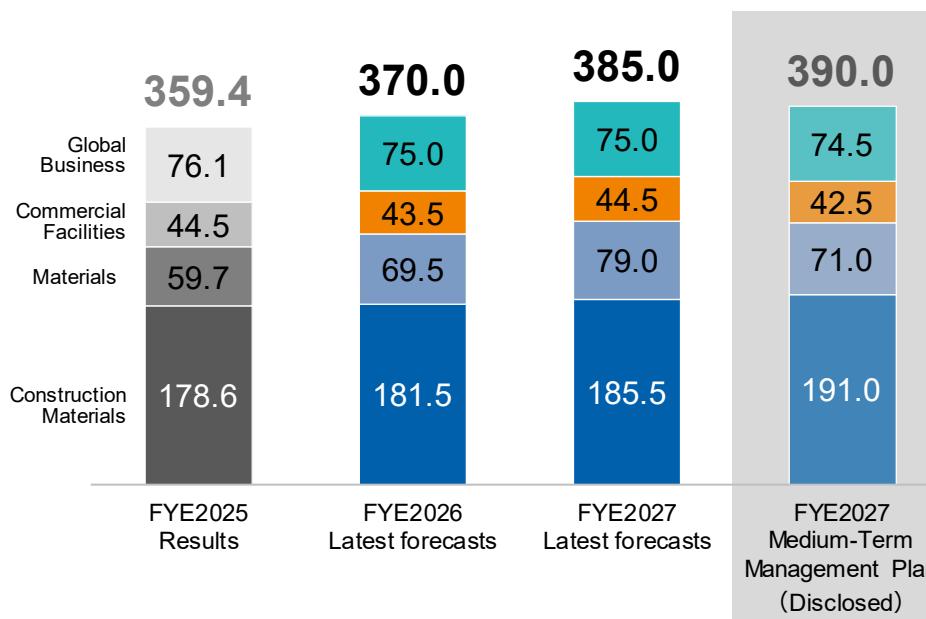
Main factors for Change in plans by business

Construction Materials	Materials	Commercial Facilities	Global Business
<ul style="list-style-type: none"> Decrease in housing starts due to higher construction costs and lower demand for building materials due to downsizing Increase in demand for heat insulation products due to the spread of environmentally friendly housing with ZEH subsidies Improved profitability through reform of revenue structure 	<ul style="list-style-type: none"> Decrease in production weight due to sluggish demand in the construction materials field Temporary slowdown in shift to EVs due to policy changes and economic trends Recovery in the general machinery field due to recovery in capital investment Increase in demand for renewal of aging infrastructure 	<ul style="list-style-type: none"> Market underpinned by inbound demand and store renovations demand Concerns over the impact of exchange rates due to trade friction Concerns about worsening revenue due to rising logistics costs 	<ul style="list-style-type: none"> Prolonged delay in demand recovery in the European EV market Decisively implement of structural reform such as personnel reduction through structure production setup at European subsidiaries Expansion of volume and consideration of production capacity increase at Thai subsidiary with an eye to the future.

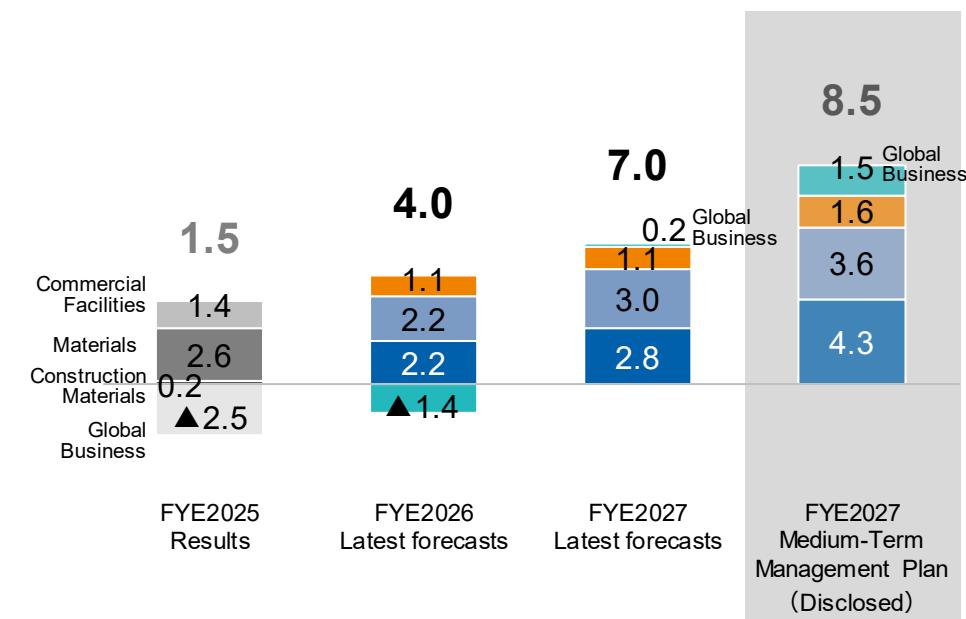
II. Review of Medium-Term Management Plan

5. Revised numerical targets

Net sales (billion JPY)



Operating income (billion JPY)

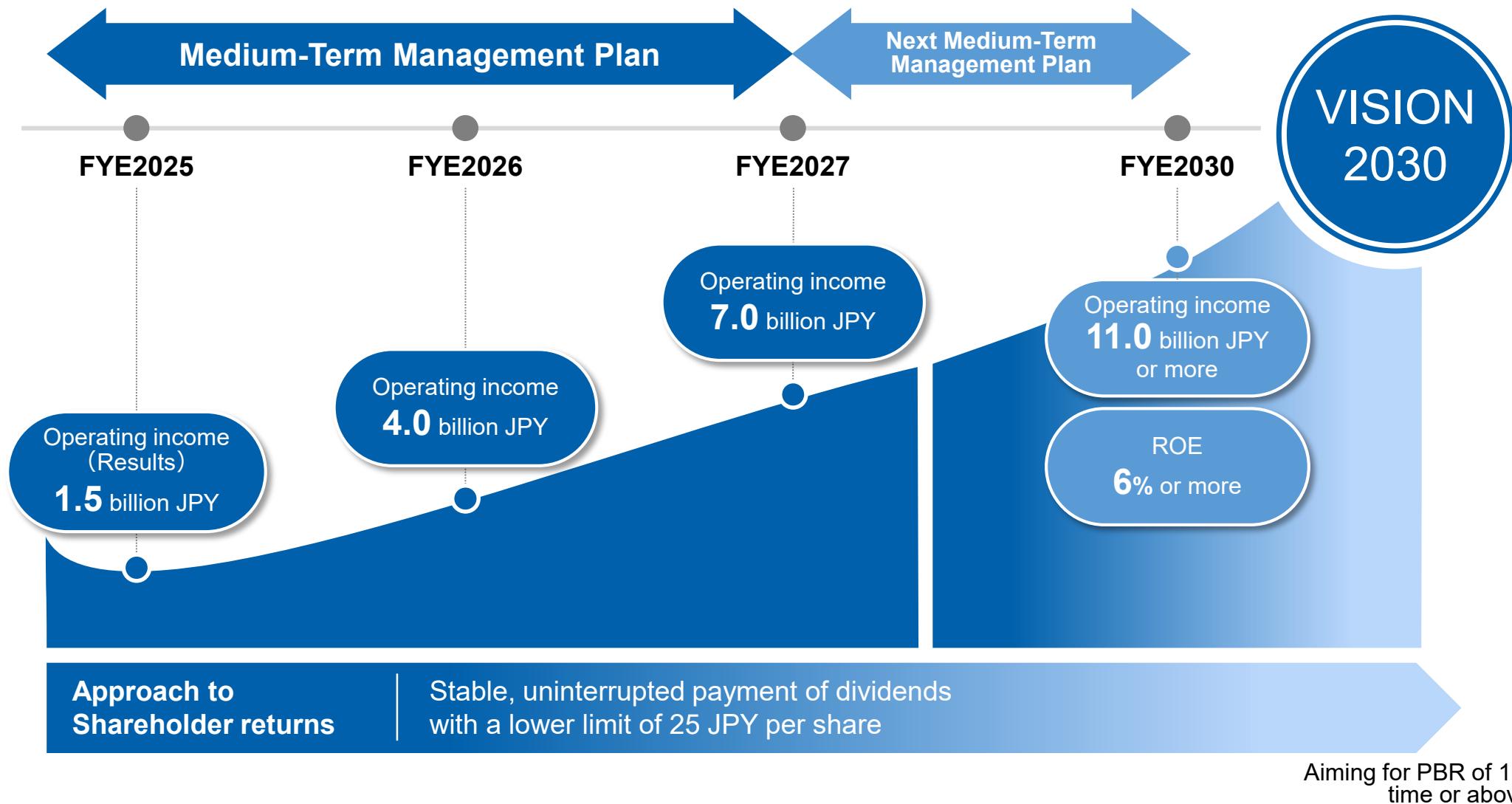


Management indicators

	FYE2025	FYE2026		FYE2027	
	Results	Medium-Term Management Plan (Disclosed)	Latest forecasts	Medium-Term Management Plan (Disclosed)	Latest forecasts
Capital adequacy ratio	30.4%	30.0%	28.0%	30.0%	28.0%
ROA	-0.8%	1.3%	0.1%	2.0%	1.0%
ROE	-2.5%	4.0%	0.4%	6.0%	3.0%
D/E ratio	95%	115%	110%	115%	115%
Dividend	25 JPY	Stable, uninterrupted payment of dividends with a lower limit of 25 JPY per share			
Dividend payout ratio	-				

Decisively implement reform of revenue structure for early revenue recovery

While adhering to the basic policy of growth businesses, the highest priority for the time being is to achieve a quick recovery in business performance.



**The medium- to long-term growth strategy will be announced
at the time of financial results for 2Q FYE2026.**