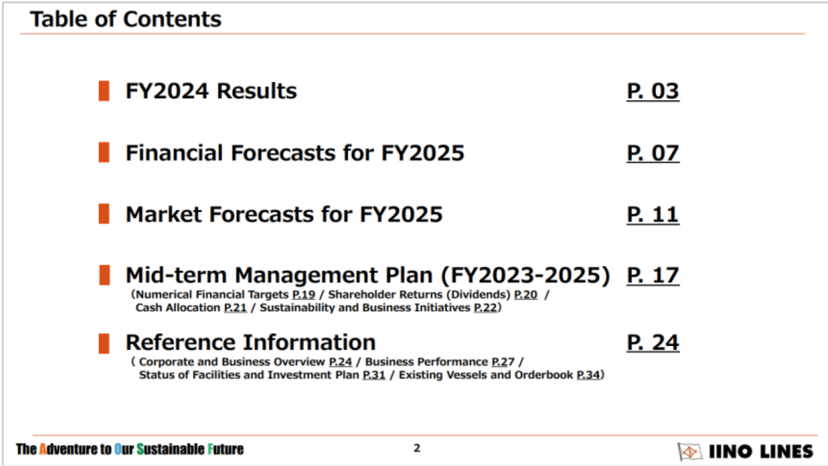
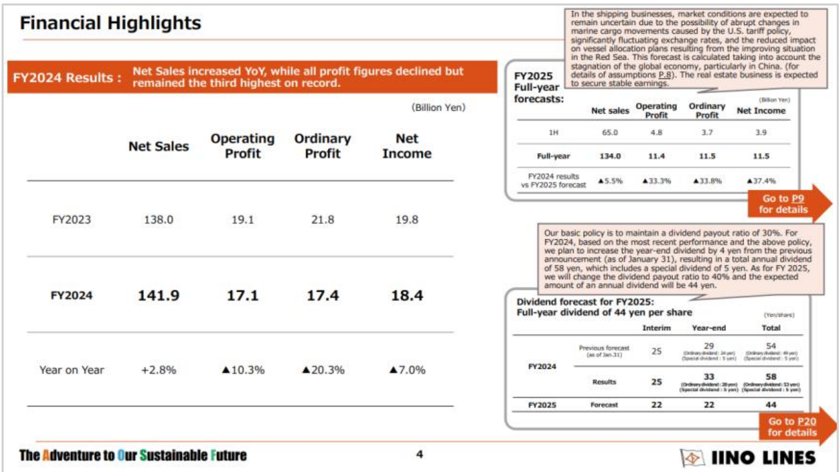
IINO Lines exceeds mid-term management plan targets for revenue and profit —
Moving forward toward achieving the final year targets of the mid-term management plan, despite uncertainty about the future.

This is a transcript of FY2024 financial results briefing, which was held on May 9, 2025.
Speaker: Yusuke Otani, President and Representative Director



Hello everyone. I am Yusuke Otani, the representative director and president of IINO KAIUN KAISHA, LTD. Thank you very much for taking the time out of your busy schedules to attend the FY2024 financial results briefing. Today, I will explain the overview of the FY2024 full-year financial results, the earnings forecast for FY2025, and the outlook for the market. I will also discuss the progress made at the end of the second year of our mid-term management plan.
Since time is limited, I would like to focus on the key points in my explanation.



First, let me explain the results of the full-year financial results for FY2024. The full-year results for FY2024 showed net sales of 141.9 billion yen, operating profit of 17.1 billion yen, ordinary profit of 17.4 billion yen, and net income of 18.4 billion yen.
Compared to the previous year, we saw an increase in net sales, but a decline in profits at each stage. However, these results are at a level that follows the record highs of FY2022 and 2023.

Operating profit and ordinary profit were affected by softer market conditions for chemical tankers and large gas carriers compared to the previous fiscal year,
In the chemical tanker business, high profitability was achieved by taking in high freight rate spot

cargoes in addition to stable contracts of affreightment transport contracts.
However, profits decreased due to a decrease in the number of operating days associated with a decrease in the number of vessels in operation and an increase in costs.

We recorded a net income of 18 billion 400 million yen due to gains from the sale of vessels and investment securities.

Financial Results by Consolidated and Segments

Consolidated Financial Results (Billion Yen)

	FY2024					FY2023					Year on Year	
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year	Difference	%
Net Sales	38.2	35.8	34.7	33.1	**141.9**	32.8	34.8	35.9	34.5	138.0	+3.9	+2.8%
Operating Profit	5.3	4.6	3.9	3.4	**17.1**	3.8	5.0	5.5	4.7	19.1	▲2.0	▲10.3%
Ordinary Profit	6.4	2.5	5.3	3.2	**17.4**	5.0	5.3	4.9	6.6	21.8	▲4.4	▲20.3%
Net Income	6.7	2.9	4.6	4.2	**18.4**	4.8	4.9	5.4	4.7	19.8	▲1.4	▲7.0%
Exchange Rate (/$)	¥155.02	¥152.77	¥149.02	¥154.11	**¥152.73**	¥135.81	¥144.05	¥148.72	¥146.68	¥143.82	+¥8.91	-
Bunker Price (/MT)*1	$649	$626	$599	$576	**$612**	$601	$593	$656	$632	$620	▲$8	-

Financial Results by Segments (Billion Yen)

	FY2024					FY2023					Year on Year	
	1Q	2Q	3Q	4Q	Full-year	1Q	2Q	3Q	4Q	Full-year	Difference	%
Net Sales	38.2	35.8	34.7	33.1	**141.9**	32.8	34.8	35.9	34.5	138.0	+3.9	+2.8%
Oceangoing Shipping*2	32.1	29.6	28.9	26.9	**117.5**	27.2	29.0	30.0	28.6	114.8	+2.7	+2.4%
Domestic / Short-sea Shipping*2	2.9	2.8	2.8	2.8	**11.3**	2.4	2.5	2.7	2.7	10.3	+1.1	+10.4%
Real Estate	3.2	3.4	3.0	3.4	**13.1**	3.2	3.3	3.2	3.2	13.0	+0.1	+1.0%
Operating Profit	5.3	4.6	3.9	3.4	**17.1**	3.8	5.0	5.5	4.7	19.1	▲2.0	▲10.3%
Oceangoing Shipping*2	4.7	3.4	2.6	2.5	**13.2**	2.8	4.2	4.3	3.9	15.1	▲1.9	▲12.7%
Domestic / Short-sea Shipping*2	0.1	0.2	0.2	0.0	**0.5**	0.1	▲0.1	0.3	0.2	0.4	+0.0	+2.5%
Real Estate	0.5	1.0	1.0	0.9	**3.5**	1.0	1.0	0.9	0.7	3.5	▲0.1	▲1.5%

*1 Compliant fuel oil (Very Low Sulfur Fuel Oil) *2 Due to reorganization, some vessels previously included in the "Oceangoing Shipping" were changed to the "Domestic / Short-sea Shipping".

The Adventure to Our Sustainable Future 5 IINO LINES

Next, I will explain the financial results by segment. In the oceangoing shipping business, the weak yen contributed to profits compared to the previous year. However, due to a decline in the market condition for our main chemical tankers and large LPG carriers, we experienced a significant profit decline compared to the previous year.

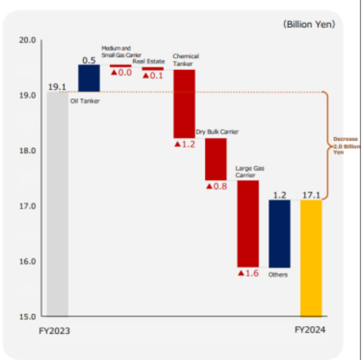
In the real estate business, the steady operation of owned buildings and the revenue from the second property acquired in the UK at the end of the previous fiscal year contributed to an increase in revenue.

On the other hand, in Q1, we recorded acquisition costs for the second UK property, and due to the expansion of our own usage in the IINO Building to enhance a comfortable working environment for our employees, tenant rent income decreased, resulting in a slight profit decline compared to the previous fiscal year.

Operating Profit (FY2024 vs. FY2023)

Breakdown of Operating Profit Changes YoY (Billion Yen)

Oil Tanker	+0.5	Profit increased due to improved profitability of some vessels and a decrease in docking expenses incurred in the previous fiscal year did not occur this fiscal year.
Chemical Tanker	▲1.2	Although we have secured profits by taking in high freight rate spot cargos, profits decreased due to a decrease in the number of operating days associated with a decrease in the number of vessels in operation and an increase in costs.
Large Gas Carrier	▲1.6	Profit decreased due to softer market conditions.
Dry Bulk Carrier	▲0.8	Although we made efforts to efficiently allocate and operate vessels, profit declined due to higher costs.
Medium and Small Gas Carrier	▲0.0	Although a new vessel began operations, profit declined due to increased cost.
Real Estate	▲0.1	Although we secured stable earnings overall supported by generally steady operation of office floors, profits decreased due to the initial costs incurred for the acquisition of a second UK property at the end of the previous fiscal year and a decrease in tenant rent income due to expansion of floors for own use.
Other	+1.2	Profit increased due to the impact of yen's depreciation and other factors compared to the previous fiscal year.



The Adventure to Our Sustainable Future 6 IINO LINES

This page shows the year-on-year variance in operating profit by segment. Overall, operating profit for FY2024 was approximately 17.1 billion yen, representing a decline of about 2.0 billion yen compared to the previous year. The main factors behind the decrease were the chemical tanker and large LPG carrier segments.

First, regarding chemical tankers, market conditions improved at the beginning of FY2024 due to the deterioration of the situation in the Red Sea, which led to rerouting voyages via the Cape of

Good Hope and increased transport distances. However, as demand weakened, competing product tankers began entering the market, resulting in a gradual decline in market conditions for chemical tankers throughout the year.

Approximately 30% of our chemical tanker fleet operates under spot contracts and was affected by the market downturn. However, the remaining 70% operates under contracts of affreightment (COAs), which provided stable transport demand. In addition, we were able to take in high freight rate spot cargoes under these contracts, which allowed us to maintain strong profitability.

Nevertheless, a decline in the number of vessels in operation due to redelivery with expiring contracts and docking of ships, combined with rising costs, led to a 1.24 billion yen decrease in profit.

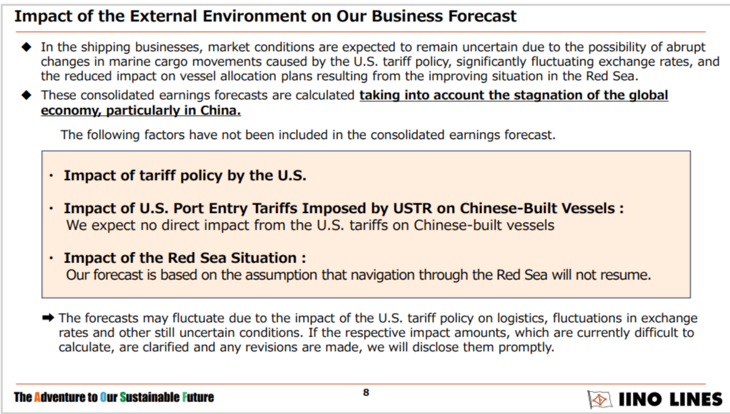
For large LPG carriers, market conditions surged in FY2023 due to restrictions on transits through the Panama Canal caused by drought. In FY2024, however, these restrictions eased and newbuilding vessels entered the market, disrupting the vessel supply-demand balance. As a result, market conditions softened, leading to a 1.57 billion yen decrease in profit.

Although our fleet primarily operates under medium- to long-term contracts, a vessel is on a market-linked contract and was impacted by the market decline.

Dry bulk carriers performed steadily through the second quarter, supported by strong demand, but market conditions weakened from the summer onward due to a slowdown in the Chinese economy. While we pursued efficient operations and maintained operational profitability, the market downturn led to narrower margins, resulting in a 760 million yen decrease in profit.

In the real estate segment, as mentioned earlier, our domestic buildings remained fully occupied and continued to generate stable income. However, initial costs associated with the acquisition of UK properties and reduced tenant rental income due to the expansion of our own office space in the IINO Building led to a 50 million yen decline in profit.

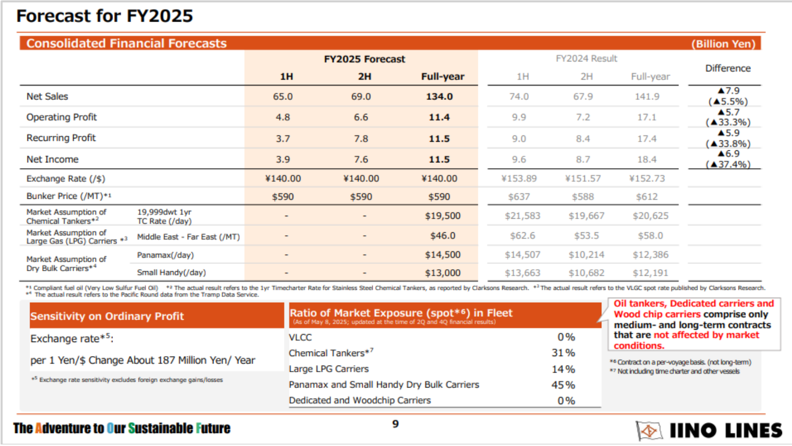
In the “Other” segment, foreign exchange contributed positively to earnings, with the yen depreciating by approximately 9 yen compared to the previous fiscal year.
That concludes the full-year financial summary for FY2024.



I would like to explain our full-year earnings forecasts for FY2025. First, in the shipping business, market conditions are uncertain due to the impact of the U.S. tariff policy, the fluctuating exchange rate, and the impact of an improved situation in the Red Sea on our ship allocation plans.

This consolidated earnings forecast is calculated based on the assumptions stated in the slide, as well as taking into account the stagnation of the global economy, especially in China.

We will promptly disclose the impact of each of these factors, which are currently difficult to calculate, when they are clarified and revised accordingly in the future.



Forecast for FY2025

Consolidated Financial Forecasts (Billion Yen)

		FY2025 Forecast 1H	FY2025 Forecast 2H	FY2025 Forecast Full-year	FY2024 Result 1H	FY2024 Result 2H	FY2024 Result Full-year	Difference
Net Sales		65.0	69.0	**134.0**	74.0	67.9	141.9	▲7.9 (▲5.5%)
Operating Profit		4.8	6.6	**11.4**	9.9	7.2	17.1	▲5.7 (▲33.3%)
Recurring Profit		3.7	7.8	**11.5**	9.0	8.4	17.4	▲5.9 (▲33.8%)
Net Income		3.9	7.6	**11.5**	9.6	8.7	18.4	▲6.9 (▲37.4%)
Exchange Rate (/$)		¥140.00	¥140.00	¥140.00	¥153.89	¥151.57	¥152.73	
Bunker Price (/MT)*1		$590	$590	$590	$637	$588	$612	
Market Assumption of Chemical Tankers*2	19,999dwt 1yr TC Rate (/day)	-	-	$19,500	$21,583	$19,667	$20,625	
Market Assumption of Large Gas (LPG) Carriers *3	Middle East - Far East (/MT)	-	-	$46.0	$62.6	$53.5	$58.0	
Market Assumption of Dry Bulk Carriers*4	Panamax(/day)	-	-	$14,500	$14,507	$10,214	$12,386	
	Small Handy(/day)	-	-	$13,000	$13,663	$10,682	$12,191	

*1 Compliant fuel oil (Very Low Sulfur Fuel Oil) *2 The actual result refers to the 1yr Timecharter Rate for Stainless Steel Chemical Tankers, as reported by Clarksons Research. *3 The actual result refers to the VLGC spot rate published by Clarksons Research.
*4 The actual result refers to the Pacific Round data from the Tramp Data Service.

Sensitivity on Ordinary Profit

Exchange rate*5:

per 1 Yen/$ Change About 187 Million Yen/ Year

*5 Exchange rate sensitivity excludes foreign exchange gains/losses

Ratio of Market Exposure (spot*6) in Fleet
(As of May 8, 2025; updated at the time of 2Q and 4Q financial results)

VLCC	0%
Chemical Tankers*7	31%
Large LPG Carriers	14%
Panamax and Small Handy Dry Bulk Carriers	45%
Dedicated and Woodchip Carriers	0%

Oil tankers, Dedicated carriers and Wood chip carriers comprise only medium- and long-term contracts that are not affected by market conditions.

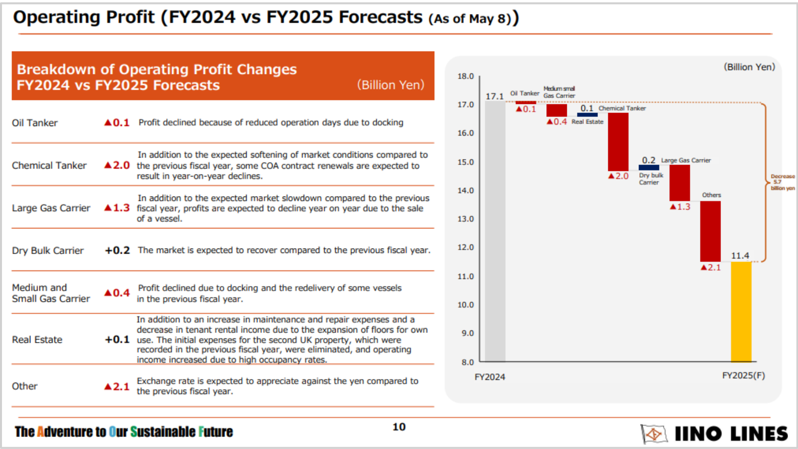
*6 Contract on a per-voyage basis. (not long-term)
*7 Not including time charter and other vessels

The Adventure to Our Sustainable Future 9 IINO LINES

Based on the previous page, for FY2025, we forecast net sales of 134.0 billion yen, operating profit of 11.4 billion yen, and ordinary profit and net income of 11.5 billion yen.

We expect a decrease in both net sales and income because we anticipate softening market conditions for chemical tankers and large LPG carriers, and we expect the yen to appreciate to 140 yen for the full year compared to the previous year.

A 1 yen change in the exchange rate will have an annual impact of 180 million yen on ordinary profit. A weaker yen will have a positive impact on profit, while a stronger yen will have a negative impact on profit.



Operating Profit (FY2024 vs FY2025 Forecasts (As of May 8))

Breakdown of Operating Profit Changes FY2024 vs FY2025 Forecasts (Billion Yen)

Oil Tanker	▲0.1	Profit declined because of reduced operation days due to docking
Chemical Tanker	▲2.0	In addition to the expected softening of market conditions compared to the previous fiscal year, some COA contract renewals are expected to result in year-on-year declines.
Large Gas Carrier	▲1.3	In addition to the expected market slowdown compared to the previous fiscal year, profits are expected to decline year on year due to the sale of a vessel.
Dry Bulk Carrier	+0.2	The market is expected to recover compared to the previous fiscal year.
Medium and Small Gas Carrier	▲0.4	Profit declined due to docking and the redelivery of some vessels in the previous fiscal year.
Real Estate	+0.1	In addition to an increase in maintenance and repair expenses and a decrease in tenant rental income due to the expansion of floors for own use. The initial expenses for the second UK property, which were recorded in the previous fiscal year, were eliminated, and operating income increased due to high occupancy rates.
Other	▲2.1	Exchange rate is expected to appreciate against the yen compared to the previous fiscal year.

The Adventure to Our Sustainable Future 10 IINO LINES

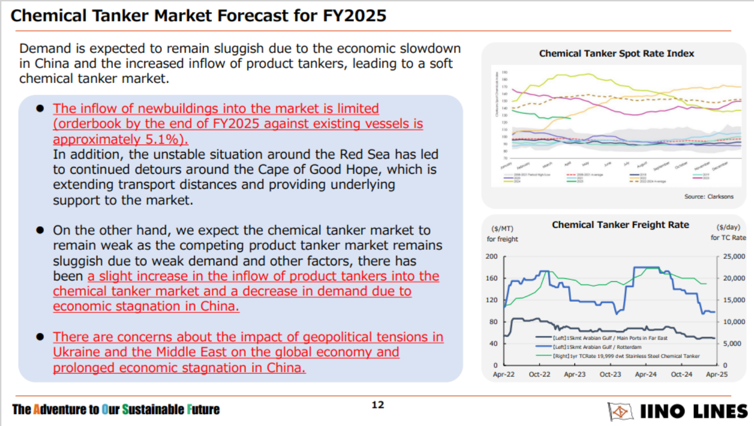
This chart shows the difference in operating profit by segment from the previous fiscal year. In the chemical tankers, demand has been declining due to economic stagnation in China and the influx of product tankers into the chemical tanker market, resulting in a softening of the current market.

We expect this situation to continue in our forecast for FY2025, and we anticipate a year-on-year decline in profits due to contract renewals for some COAs.

In large LPG carriers, the main reason for the decrease in profits is that some vessels were sold at the end of the last fiscal year, and the profits from a vessel was stripped out in FY2025. Furthermore, ongoing U.S.-China trade tensions continue to cloud the outlook for LPG cargo movements, and the market is expected to soften compared to the previous fiscal year. As a result, we anticipate a profit decline of approximately 1.2 billion yen.

In the dry bulk carrier, although there are concerns about the stagnant Chinese economy and other factors, the market is expected to recover due to limited supply of shipping capacity and other factors, and we forecast an increase in profit compared to the previous fiscal year.

In addition, we expect a decrease of about 2.1 billion yen in profit based on the assumption that the yen will appreciate by about 13 yen against the previous year.

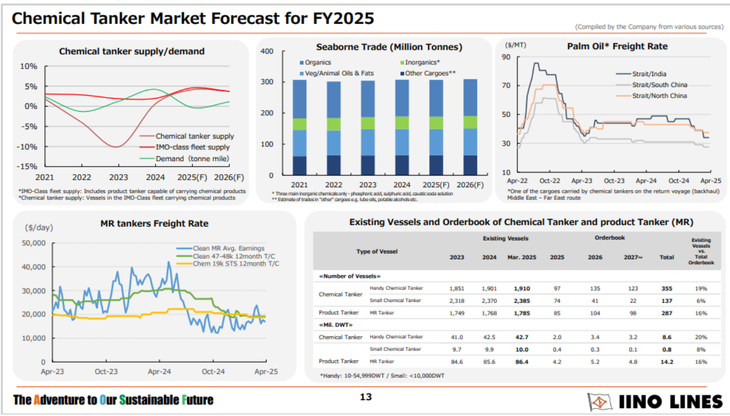


Next, I will explain our future market forecasts for shipping and real estate.
First, the chemical tanker market is expected to weaken in FY2025 from last year's market level due to a decrease in demand caused by the economic downturn in China and an increase in the inflow of product tankers.

We do not expect the navigation in the Red Sea to resume anytime soon at this time, and continued navigation around the Cape of Good Hope will continue to be a factor tightening the supply and demand for shipping capacity.

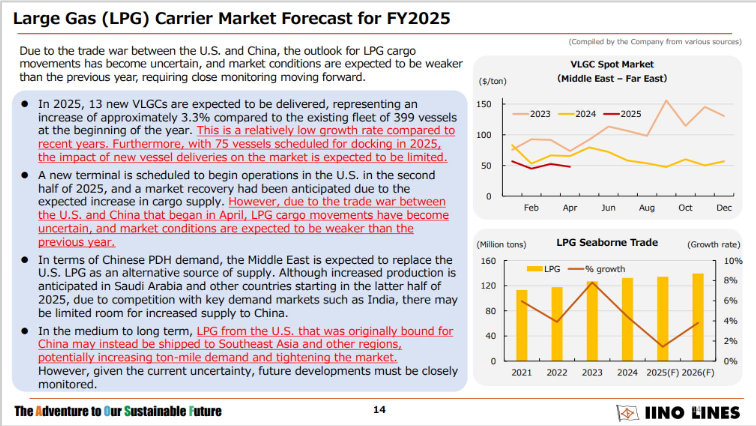
However, the market for competing product tankers is currently soft due to weak demand, and we expect the market to weaken due to a slight increase in the inflow of product tankers into the chemical tanker market, as well as a decrease in demand due to the stagnant Chinese economy.

There are many factors influencing market conditions, such as geopolitical risks in Ukraine and the Middle East, tariff policies by the U.S., and the Chinese economy, and the situation may change significantly in the future, but we expect the market to remain below the level of last fiscal year.



Type of Vessel		Existing Vessels 2023	2024	Mar. 2025	Orderbook 2025	2026	2027~	Total	Existing Vessels vs. Total Orderbook
«Number of Vessels»									
Chemical Tanker	Handy Chemical Tanker	1,851	1,901	**1,910**	97	135	123	**355**	19%
	Small Chemical Tanker	2,318	2,370	**2,385**	74	41	22	**137**	6%
Product Tanker	MR Tanker	1,749	1,768	**1,785**	85	104	98	**287**	16%
«Mil. DWT»									
Chemical Tanker	Handy Chemical Tanker	41.0	42.5	**42.7**	2.0	3.4	3.2	**8.6**	20%
	Small Chemical Tanker	9.7	9.9	**10.0**	0.4	0.3	0.1	**0.8**	8%
Product Tanker	MR Tanker	84.6	85.6	**86.4**	4.2	5.2	4.8	**14.2**	16%

This slide shows a graph related to the chemical tanker market in the upper part of the slide, and the market trend of product tankers (MR) in the lower part of the slide. The light blue line in the lower left graph shows the market trend for MR, and you can see that the market has been softening steadily since April 2024.



The following is our outlook for the large LPG carriers. Market conditions have weakened since FY2024 due to improved congestion in the Panama Canal and reduced demand from China, and U.S. tariff policy has made LPG cargo movements uncertain.

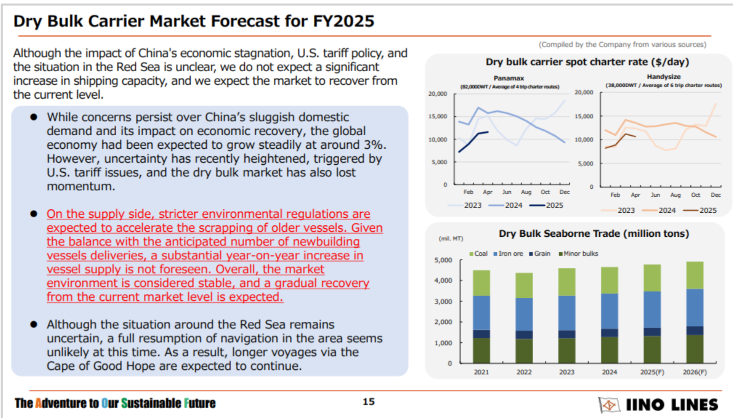
Market conditions in FY2025 are expected to soften from the previous fiscal year due to the possibility of significant changes in the U.S. tariff policy and the uncertain outlook.

On the other hand, as a positive factor, in terms of shipping capacity supply, the impact of new vessel deliveries into the market is expected to be limited. Although large LPG carriers have a relatively large orderbook of newbuildings, only 13 vessels are scheduled for delivery this year, representing a modest increase compared to recent years. Furthermore, with 75 vessels scheduled for docking in 2025, part of the supply increase is likely to be offset.

Although we initially expected supply to increase and market conditions to recover in the second half of 2025 with the start of terminal operations in the U.S., tariff policies by the U.S. have made future cargo movements uncertain.

If LPG movements from the U.S. to China decline, China may switch to imports from the Middle East, but it is unlikely that the Middle East will be able to supply all of China's demand.

If China were to reduce imports from the U.S., in the medium to long term, there is a possibility that LPG from the U.S. that was originally bound for China may be shipped to Southeast Asia and other regions, potentially increasing ton-mile demand and tightening the market. However, at present the situation is uncertain and future developments require close monitoring.

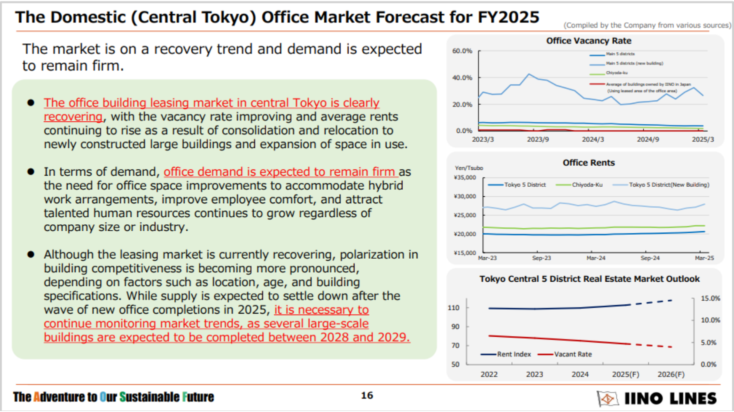


Next is the market for dry bulk carriers. Although the market has been soft due to the economic slowdown in China, we expect the market to gradually recover from the current market level in

FY2025. As a positive factor, on the supply side, stricter environmental regulations are expected to accelerate the scrapping of older vessels. Given the balance with the anticipated number of newbuilding deliveries, a substantial year-on-year increase in vessel supply is not foreseen.

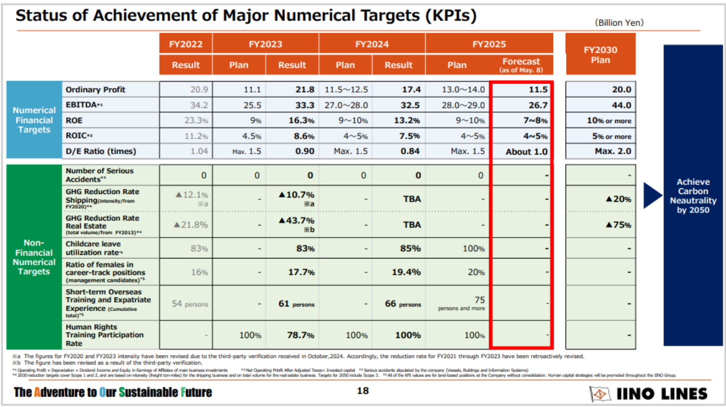
In addition, the situation around the Red Sea is expected to continue to be a factor tightening the supply-demand balance for shipping capacity, as is the case for other types of vessels.

For more information on the market for chemical tankers, large LPG carriers, and dry bulk carriers, please refer to our website around the middle of each month for the latest information.



With regard to the real estate business, I would like to explain the outlook for the office building market in central Tokyo. The current office building leasing market in central Tokyo is clearly recovering, with the vacancy rate improving and average rents continuing to rise, and office demand is expected to remain firm.

The office buildings we own are almost fully occupied, and the vacancy rate remains low compared to the market as a whole.


Status of Achievement of Major Numerical Targets (KPIs)

(Billion Yen)

		FY2022 Result	FY2023 Plan	FY2023 Result	FY2024 Plan	FY2024 Result	FY2025 Plan	FY2025 Forecast (as of May. 8)	FY2030 Plan
Numerical Financial Targets	Ordinary Profit	20.9	11.1	21.8	11.5～12.5	17.4	13.0～14.0	11.5	20.0
	EBITDA*1	34.2	25.5	33.3	27.0～28.0	32.5	28.0～29.0	26.7	44.0
	ROE	23.3%	9%	16.3%	9～10%	13.2%	9～10%	7~8%	10% or more
	ROIC*2	11.2%	4.5%	8.6%	4～5%	7.5%	4～5%	4~5%	5% or more
	D/E Ratio (times)	1.04	Max. 1.5	0.90	Max. 1.5	0.84	Max. 1.5	About 1.0	Max. 2.0
Non-Financial Numerical Targets	Number of Serious Accidents*3	0	0	0	0	0	0	-	-
	GHG Reduction Rate Shipping (intensity/from FY2020)*4	▲12.1% ※a	-	▲10.7% ※a	-	TBA	-	-	▲20%
	GHG Reduction Rate Real Estate (total volume/from FY2013)*4	▲21.8%	-	▲43.7% ※b	-	TBA	-	-	▲75%
	Childcare leave utilization rate*5	83%	-	83%	-	85%	100%	-	-
	Ratio of females in career-track positions (management candidates)*5	16%	-	17.7%	-	19.4%	20%	-	-
	Short-term Overseas Training and Expatriate Experience (Cumulative total)*5	54 persons	-	61 persons	-	66 persons	75 persons and more	-	-
	Human Rights Training Participation Rate	-	100%	78.7%	100%	100%	100%	-	-

Achieve Carbon Neautrality by 2050

※a The figures for FY2020 and FY2023 intensity have been revised due to the third-party verification received in October,2024. Accordingly, the reduction rate for FY2021 through FY2023 have been retroactively revised.
※b The figure has been revised as a result of the third-party verification.
*1 Operating Profit + Depreciation + Dividend Income and Equity in Earnings of Affiliates of main business investments *2 Net Operating Profit After Adjusted Taxes÷ Invested capital *3 Serious accidents stipulated by the company (Vessels, Buildings and Information Systems)
*4 2030 reduction targets cover Scope 1 and 2, and are based on intensity (freight ton-miles) for the shipping business and on total volume for the real estate business. Targets for 2050 include Scope 3. *5 All of the KPI values are for land-based positions at the Company without consolidation. Human capital strategies will be promoted throughout the IINO Group.

The Adventure to Our Sustainable Future 18 IINO LINES

I would like to explain the progress of our mid-term management plan, which has completed its second year and will end in FY2025. The slide shows the status of achievement of financial and non-financial numerical targets set forth in the KPIs of the mid-term management plan.

The financial figures are detailed on the next slide, and in FY2024 we exceeded the targets of the mid-term management plan.

Regarding non-financial targets, the number of serious accidents was zero in FY2024, as it was in FY2023, and the human rights training participation rate was 100%, both of which achieved the FY2024 targets. For other indicators, we will continue our efforts to achieve our final year targets.

Numerical Financial Targets(Details)

(Billion Yen)

	FY 2022 Result	FY2023 Plan	FY2023 Result	FY2024 Plan	FY2024 Result	FY2025 Plan	FY2025 Forecast (as of May.8)	FY2030 Plan
Exchange Rate Assumptions	135.07Yen/$	125 Yen/$	**143.82 Yen/$**	125 Yen/$	**152.73 Yen/$**	125 Yen/$	**140 Yen / $**	
Bunker Oil Price*1 Assumptions	$ 802/MT	$ 700/MT	**$ 620/MT**	$700/MT	**$612/MT**	$700/MT	**$590/MT**	
Net Sales	141.3	123.0	**138.0**	120.0～130.0	**141.9**	125.0～135.0	**134.0**	**190.0**
Operating Profit	20.0	11.7	**19.1**	12.0～13.0	**17.1**	13.0～14.0	**11.4**	**21.0**
Shipping	16.2	8.6	**15.5**	8.5～9.3	**13.6**	9.3～10.0	**7.9**	**15.0**
Real Estate	3.8	3.1	**3.5**	3.5～3.7	**3.5**	3.7～ 4.0	**3.6**	**6.0**
Ordinary Profit	20.9	11.1	**21.8**	11.5～12.5	**17.4**	13.0～14.0	**11.5**	**20.0**
Net Income	23.4	10.0	**19.7**	11.0～12.0	**18.4**	12.0～13.0	**11.5**	**18.0**
EBITDA*2	34.2	25.5	**33.3**	27.0～28.0	**32.5**	28.0～29.0	**26.7**	**44.0**
ROE	23.3%	9%	**16.3%**	9～10%	**13.2%**	9～10%	**7～8%**	**10% or more**
ROIC*3	11.2%	4.5%	**8.6%**	4～5%	**7.5%**	4～5%	**4～5%**	**5% or more**
D/E Ratio (times)	1.04	Max. 1.5	**0.90**	Max. 1.5	**0.84**	Max. 1.5	**About 1.0**	**Max. 2.0**

*1 Unit price of Very Low Sulfur Fuel Oil (in Singapore)
*2 Operating Profit + Depreciation + Dividend Income and Equity in Earnings of Affiliates of main business investments
*3 Net Operating Profit After Adjusted Taxes ÷ Invested Capital

Here are the details of our achievement of numerical financial targets. In FY2024, we exceeded the targets of our mid-term management plan in terms of net sales and each profit.

As shown on page 30 of the Supplementary Report for Financial Results of FY2024, as of the end of FY2024, equity capital was 145.5 billion yen, interest-bearing debt was 120.65 billion yen, and the D/E ratio was 0.84 times.

For FY2025, operating profit, ordinary profit, net income, EBITDA, and ROE are expected to be lower than planned. Despite the uncertain outlook, we are determined to proceed with our efforts to achieve the planned targets for the final year of the mid-term management plan.

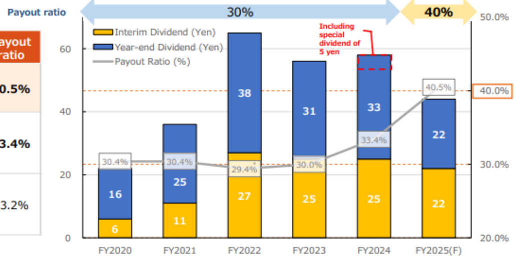
Shareholder Returns (Dividends)

Dividend Forecast for FY2025

In order to further enhance the return of profits to the shareholders and to realize management that is conscious of the cost of capital and stock prices, **we have decided to change the dividend policy to a stable dividends based on a payout ratio of 30% to 40% for the full-year business performance for the fiscal year ending March 2026, which is the final year of the current mid-term management plan.**
The policy will be applied for the fiscal year ending March 2026, and **the dividend policy for the year ending 31 March 2027 onwards will be reviewed when the next mid-term management plan (to be announced around May 2026) is formulated.**
For the fiscal year ended March 31, 2025, the Company plans to pay an annual dividend of 58 yen per share (interim dividend: 25 yen, year-end dividend: 33 yen (including a special dividend of 5 yen*)) based on the dividend policy before the change.

*For details on the special dividend, please refer to here.

		Dividend per share(Yen) Interim	Year-end	Total	Payout ratio
FY2025	Forecast (as of May. 8)	22	22	44	40.5%
FY2024	Result (as of May. 8)	25	33 (Ordinally dividend : 28 yen) (Special dividend : 5 yen)	58 (Ordinally dividend : 53yen) (Special dividend : 5 yen)	33.4%
	Previous Forecast (as of Jan. 31)	25	29 (Ordinally dividend : 24 yen) (Special dividend : 5 yen)	54 (Ordinally dividend : 49yen) (Special dividend : 5 yen)	33.2%



*Actual figures before applying retrospective adjustments due to changes in accounting policy.

I would like to explain our shareholder returns. Under the current mid-term management plan, we will continue to pay dividends in a performance-based dividend hinging on a stable consolidated dividend payout ratio of 30%.

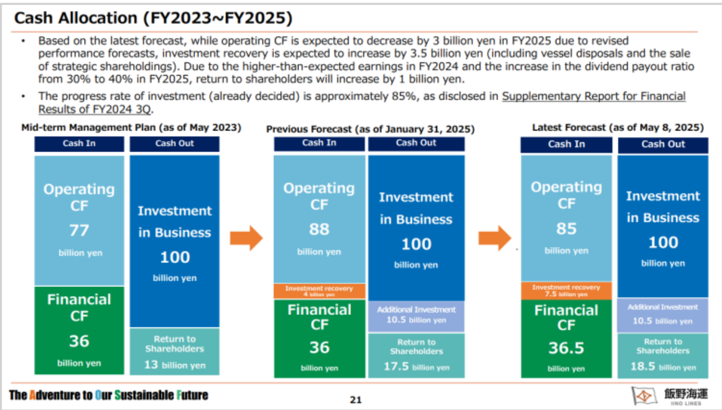
As disclosed at the time of the third quarter financial results on January 31, 2025, we have decided to pay a special dividend of 5 yen per share at the end of FY2024, taking into consideration the fact that the progress made has significantly exceeded the numerical targets set in the mid-term management plan, the steady progress of investments in our business portfolio strategy, and our financial condition based on the optimal capital structure.

Since the profit level exceeded the forecast as of the previous disclosure at the end of January, we increased the year-end dividend by 4 yen, bringing the total year-end dividend to 33 yen, or 58 yen per share for the year, together with the year-end ordinary dividend of 28 yen and the special dividend of 5 yen.

In order to further enhance the return of profits to the shareholders and to realize management that is conscious of the cost of capital and stock prices, we have decided to increase the dividend payout ratio for the fiscal year ending March 2026, which is the final year of the current mid-term management plan, from the previous 30% to 40%. Accordingly, the annual dividend for FY2025 is planned to be 44 yen per share, consisting of an interim dividend of 22 yen and a year-end dividend of 22 yen.

The change in dividend policy will be for the one-year period of FY2025, and the dividend policy for the next fiscal year and beyond will be reconsidered at the time of formulating the next mid-term management plan, which is scheduled to be disclosed around May 2026.

We will continue to strive to increase dividends by improving profitability in order to enhance corporate value through management centered on sustainable growth and to provide substantial shareholder returns.



This is the latest outlook for cash allocation, updating the cash allocation disclosed at the end of January 2025 in the third quarter. The latest forecast reflects the FY2025 earnings forecast, which projects a 3.0 billion yen downward swing in operating cash flow, but a 3.5 billion yen increase in investment recovery.

Shareholder returns have increased by 1.0 billion yen due to the higher earnings in FY2024 compared to the forecast as of the end of January 2025 and the recent increase in the dividend payout ratio from 30% to 40% for FY2025.

The current mid-term management plan calls for business investment of 100 billion yen, and as of the end of January 2025, the rate of progress in investment is about 85%.We hope to make further investments over the remaining one year to achieve the 100 billion yen investment goal.

This concludes today's presentation on the financial results for the full year of FY2024.
Thank you very much for your attention.