



May 13, 2025

Dear all

Company Name : NITTOSEIKO CO., LTD.
Name of Representative : Makoto Araga,
Representative of Director and
President
(Securities code: 5957; Tokyo
Stock Exchange Prime Market)
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Notice of Action to Implement Management that is Conscious of Cost of Capital and Stock Price

NITTOSEIKO Co., Ltd. (the “Company”) hereby announces that during a meeting on May 13, 2025, our Board of Directors reassessed the existing circumstances and structured our insights to foster sustainable growth and enhance corporate value over the medium to long term, ultimately establishing a course of action aimed at management that is conscious of cost of capital and stock price.

1. Assessment and evaluation of existing circumstances

As of the end of 2024, the Company's price-to-book ratio (PBR) is below 1.0 times. We recognize that the main issues are related to sales size and profitability, noting that the drop in stock price is linked to challenges in profitability.

(Unit: Mil Yen)

	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Forecast
Net Sales	44,021	44,744	47,069	50,100
Operating Income	2,931	2,614	3,326	3,600
ROIC	5.7%	5.3%	6.7%	
ROE	6.1%	5.5%	6.6%	
PBR	0.59 times	0.59 times	0.66 times	

2. Current initiatives and future strategies

During the period of the Mid-term Management Plan through 2025, the Company will particularly focus on improving ROIC and ROE through expansion of sales size and improvement of profit margins. The Company will also work to improve PBR through efficient use of management resources, appropriate capital allocation, and dialogue with investors.

1) Expansion of sales size and improvement of profitability

To close the gap with the current Mid-term Management Plan, the Company will develop measures based on the analysis of capital efficiency, growth potential, and profitability in each segment.

2) Efficient use of management resources and capital allocation

The Company has been and will continue to pay progressive dividends with a lower limit of 18 yen per share during the current Mid-term Management Plan period, and to repurchase its own shares in response to surplus funds. In addition, to improve the turnover ratio of invested capital, we are reducing assets by reviewing non-business assets and selling cross-shareholdings, etc. The funds generated from these efforts and operating CF will be appropriately allocated to shareholder returns and growth investments.

3) Strengthening disclosure and governance, and dialogue with investors

In order to provide investors with a clear understanding of the company's future growth potential, the Company will actively communicate the advancements of new business initiatives, while also enhancing its IR activities, governance practices, and engagement with investors.

For further details, please refer to the attached document “Action to Implement Management that is Conscious of Cost of Capital and Stock Price”.

Thank you