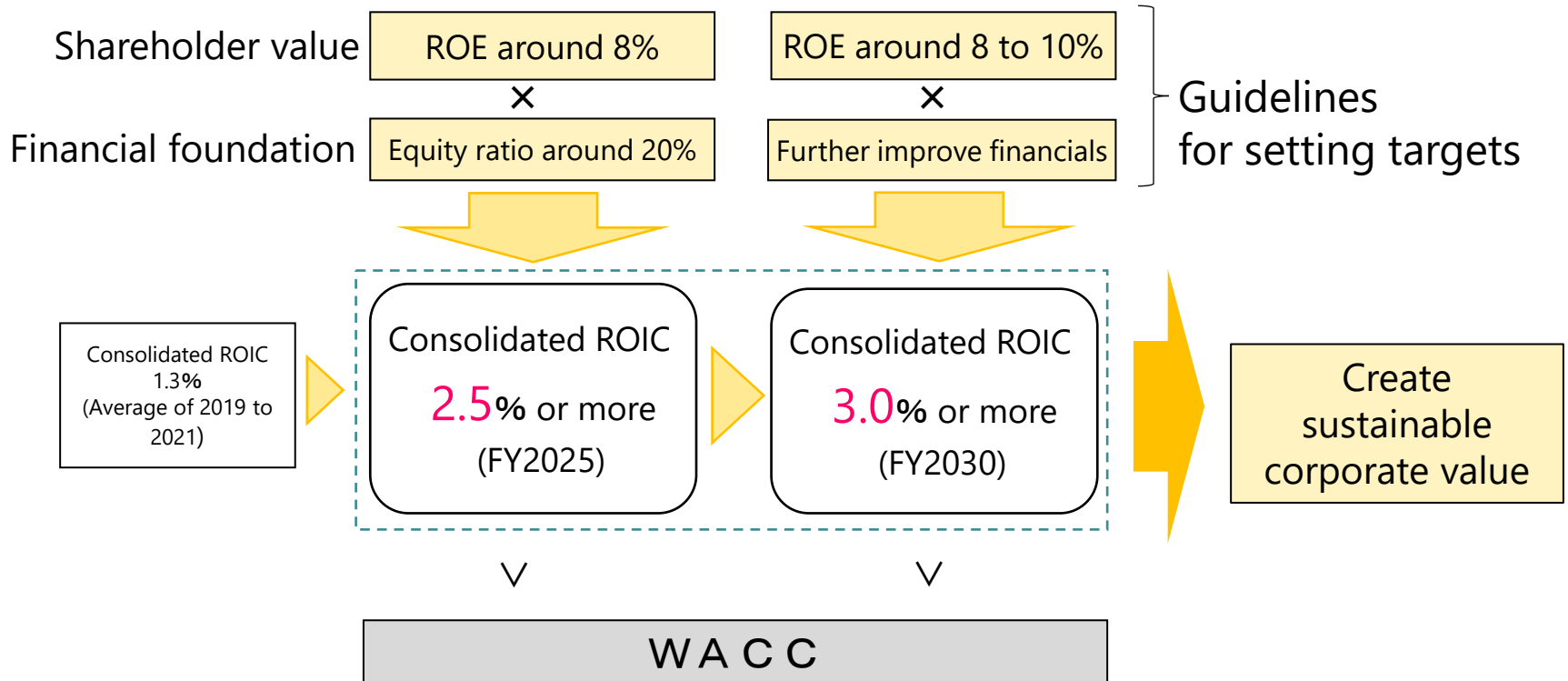


■ ROIC targets

The Kyuden Group has set for FY2025 and FY2030 targets for ROIC (return on invested capital) “Consolidated ROIC of 2.5% or more” and “Consolidated ROIC of 3.0% or more” respectively, as the standard to be achieved group-wide in the mid-to-long term. In addition to being above WACC, the targets were set to increase shareholder value (maintain or improve ROE) and strengthen financial foundation (increase the capital ratio).



■ Management using ROIC

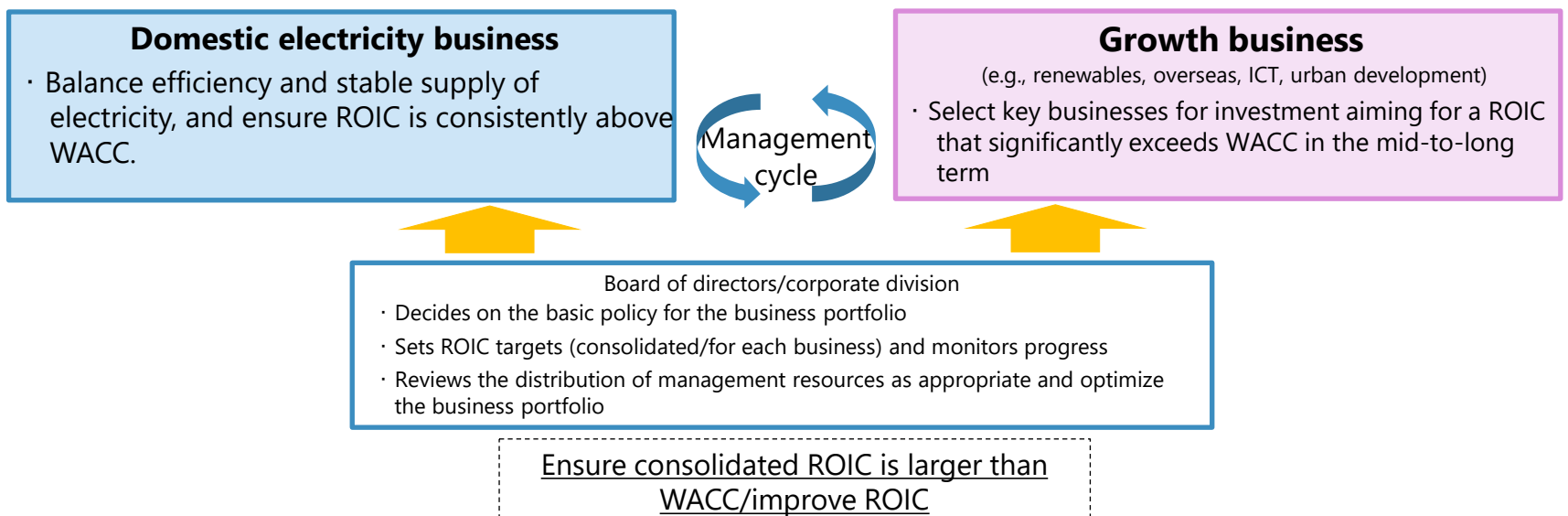
To achieve the consolidated ROIC targets, we will run management cycles (PDCA) on a group level with proactive and independent ROIC improvements by each business division and strengthening business portfolio management as the two pillars.

(1) Voluntary and autonomous ROIC improvements by business divisions

- o ROIC targets will be set for each segment based on the characteristics and lifecycles of each business, benchmarking performed on other companies in similar lines of business. Each business division will improve ROIC proactively and independently.

(2) Strengthen business portfolio management

- o The board and corporate division monitors the progress that each business segment is making toward its targets and distributes resources based on the group ROIC targets, progress made by each business segment, and environmental changes to optimize their business portfolio.



■ Efforts by each business to improve ROIC

Each business division will set priority measures and KPI based on their business characteristics. They will take initiatives to become more effective by running PDCA cycles to improve ROIC and reduce WACC.

