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Notice on Initiatives for Achieving PBR of 1

Hosiden Corporation (the “Company”) hereby announces that it would implement the following initiatives for achieving price book value ratio (PBR) of 1 in pursuit of enhancing shareholder value.

1. Shareholder returns

As part of measures for improving its shareholder value, the Company will repurchase its own shares worth more than 10.0 billion yen in the three-year period from April 1, 2023, to March 31, 2026, while maintaining a payout ratio of 30%. It also plans to cancel the same number of shares as the shares acquired to improve capital efficiency.

2. Cross-shareholdings

The Company holds shares of its business partners in cross-shareholding to facilitate stable, long-term relationships with these companies and maintain and further develop them, which would contribute to improving the Company’s corporate value in the medium to long term. The Company, at its Board of Directors meeting, etc., reviews the suitability of holding shares in individual companies, and follows the policy of selling those shares which are deemed to be less meaningful to continue holding. Based on this policy, it sold the shares it held in five companies over the five years from April 2018 through March 2023. The total value of the share sales was 964 million yen.

The Company will continue to strictly examine its cross-shareholdings and will sell the ones, holding of which it judges as unreasonable.

3. Streamlining of real estate it owns

The Company has been driving forward streamlining of the real estate it owns and has sold nine properties over the five years from April 2018 through March 2023. The total sale price of these properties came to 723 million yen. The Company will continue to work on streamlining.

4. Promotion of dialogue with investors

The Company has been holding briefings of the first-half and full-year financial results for institutional investors and securities analysts to deepen dialogue with investors. Going forward, it plans to post the materials presented at the briefings as well as the overview of the briefings on its corporate website. It will also strive further to make more IR materials available in English for non-Japanese investors.