

FY2025-2027 Medium-term Management Policies:

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Establishment of FY2025-2027 Medium-term Management Policies

Unipres faces a rapidly changing external environment, with significantly increased uncertainties. Factors including the risk of US tariffs, intensified competition from Chinese auto manufacturers, etc., and policy changes and market trends of each country surrounding EVs make predicting the future extremely difficult.

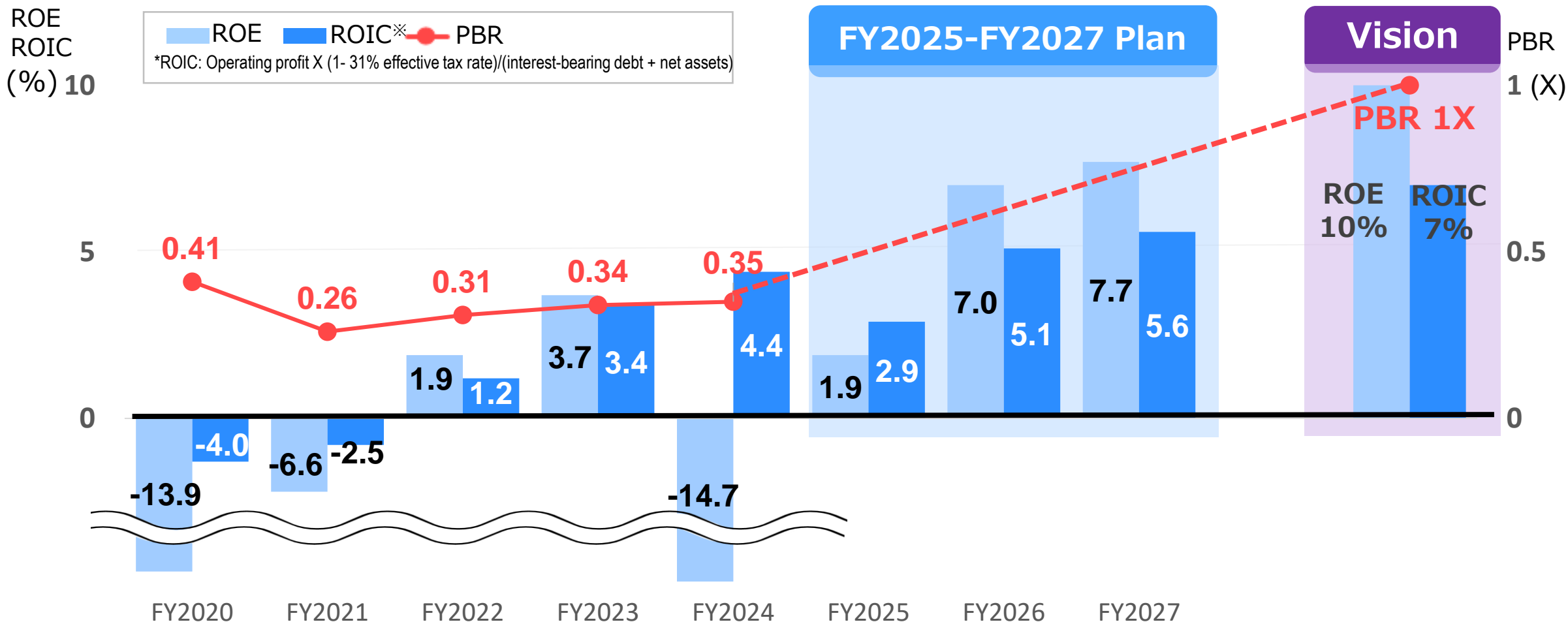
In this business environment, we will continue to implement the structural reform and further enhance cost competitiveness with the three-year plan starting from FY2025. We will also accelerate strategic technology development for new products and areas. These initiatives will enable us to build a solid business platform for achieving further growth.

- 1. Analysis of the current situation**
 - 2. Policies and targets**
 - 3. Measures to be undertaken**
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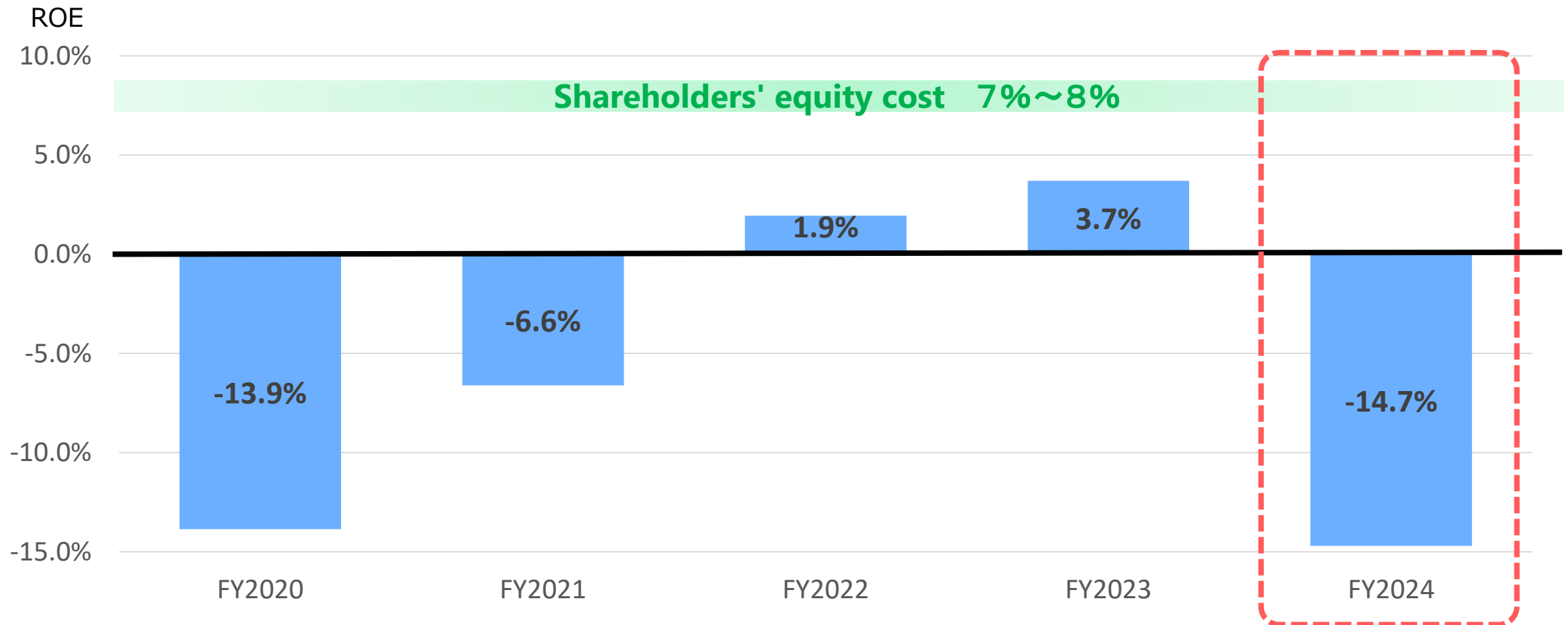
Changes of ROE, ROIC, and ROE

- Sluggish revenue growth due to sharp deceleration of China business, despite steady recovery from the COVID-19 pandemic
- The challenge is to strengthen the revenue capacity as growth in production units is uncertain



The Relationship Between Shareholders' Equity Cost and ROE

Efforts to achieve ROE that exceeds the cost of shareholders' equity must be strengthened



1. Analysis of the current situation
- 2. Policies and targets**
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Current Environment and Issues to be Addressed

Current environment

Changes in auto manufacturer trends

- Increased new players, including Chinese OEMs
- Intensified price competition

Uncertainties of EV trend

- Change in US EV policies
- Relaxation of CO₂ emissions rules in EU and other countries
- Competition between BEV, HEV, and PHEV

Uncertain economic trend

- Increased risks, including US tariffs
- Economic policies stalling due to political tensions

FY2025

FY2026 onwards

Structural reform

**Build optimal
production system**

Smartification

Improve cost competitiveness

Growth strategy

**Enhance/accelerate strategic technology
development**

**In addition to business and financial aspects,
strengthen initiatives targeting different stakeholders**

Improvement of PBR

Enhancement of ROE

Business strategies

- Build optimal production system
- Improve cost competitiveness through smartification
- Enhance/accelerate strategic technology development

Financial strategies

- Resilient revenue structure that can withstand changes in production volume
- Optimal equity capital for the business structure

Improvement of PER

Enhancement of shareholder returns

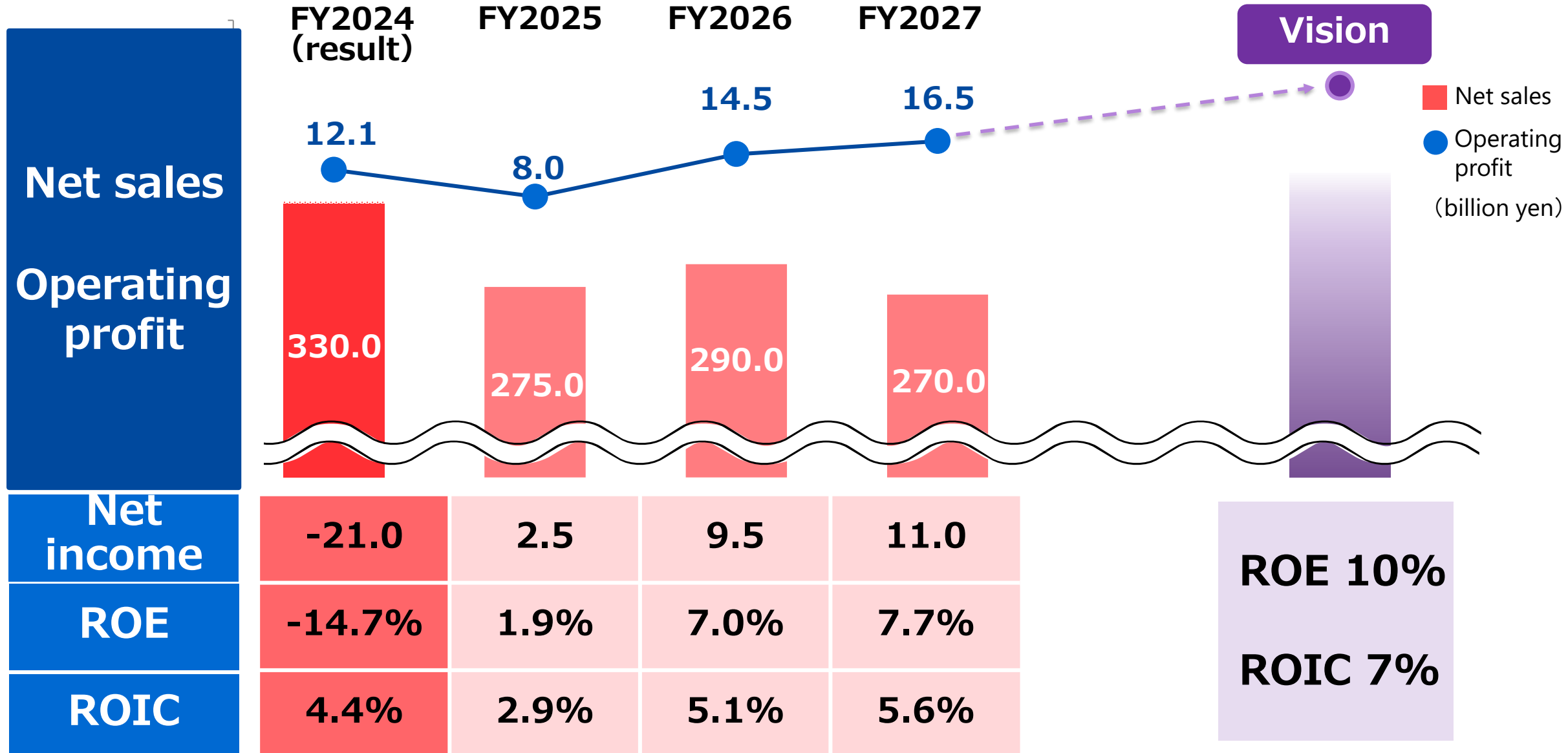
- Dividend policy with DOE as an indicator
- Flexible acquisition of treasury stock

Growth expectations

- Achieve Sustainability Management
- Enhance communication with investors

FY2025-2027 Medi-term Management Policies

Quantitative Target



1. Analysis of the current situation
2. Policies and targets
3. **Measures to be undertaken**

Structural reform

**Build optimal
production system**

**Fundamental review
of the production
system**

Smartification

**Improve cost
competitiveness**

**Strengthen initiatives
for achieving smart
plants and smart
development**

Growth strategy

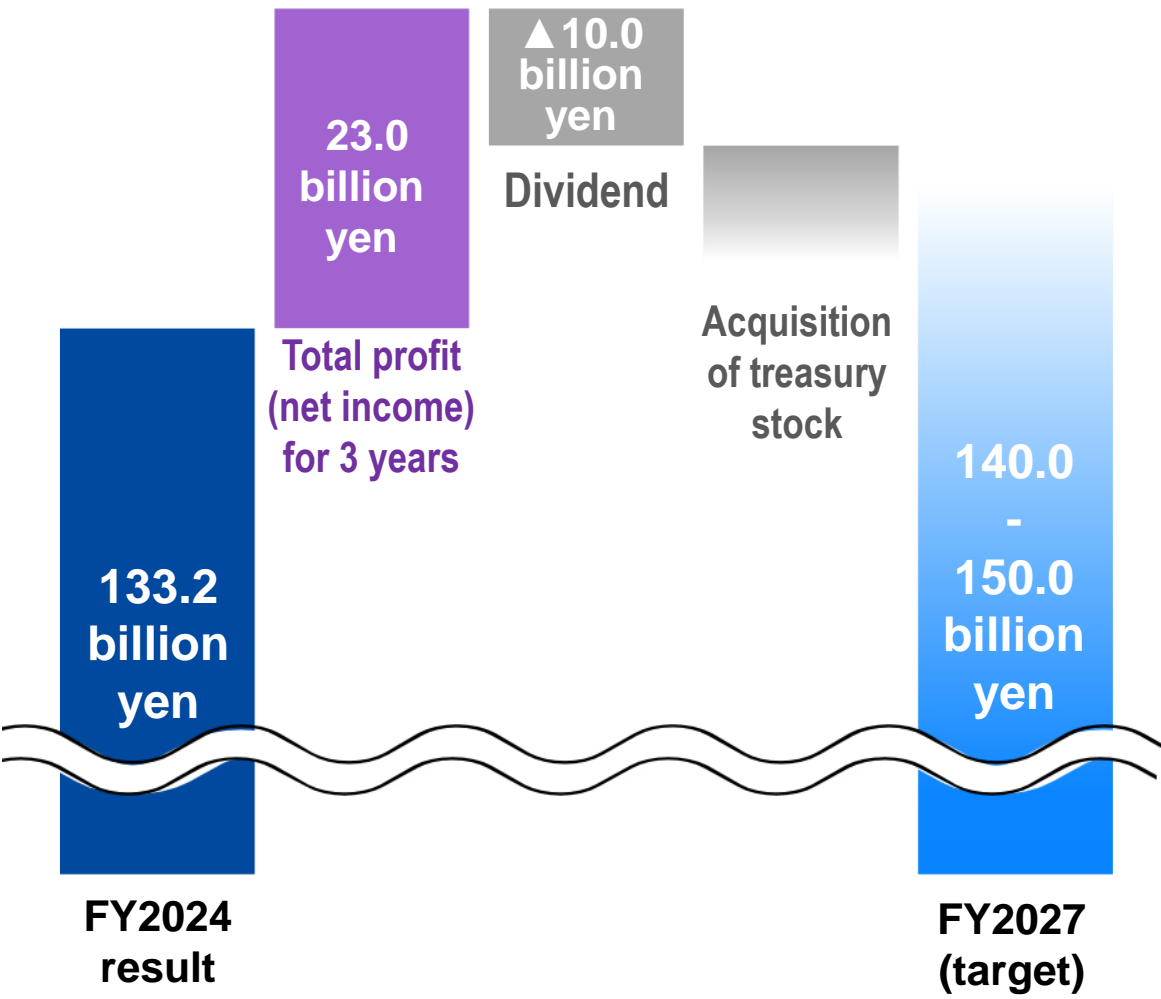
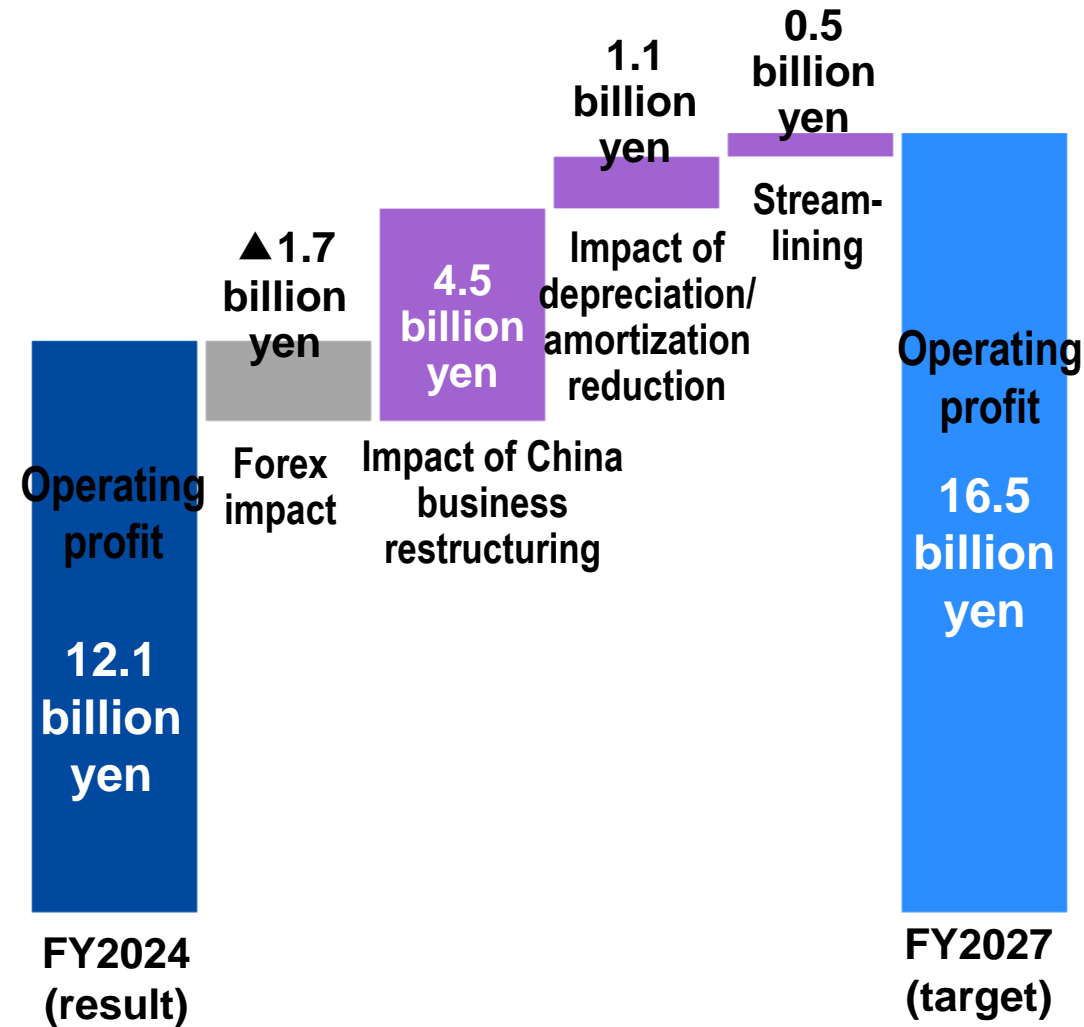
**Enhance/accelerate
strategic technology
development**

**Accelerate technology
development for new
products and areas, in
addition to increasing
added value of existing
products**

Revenue Structure Enhancement and Appropriate Level of Equity Capital

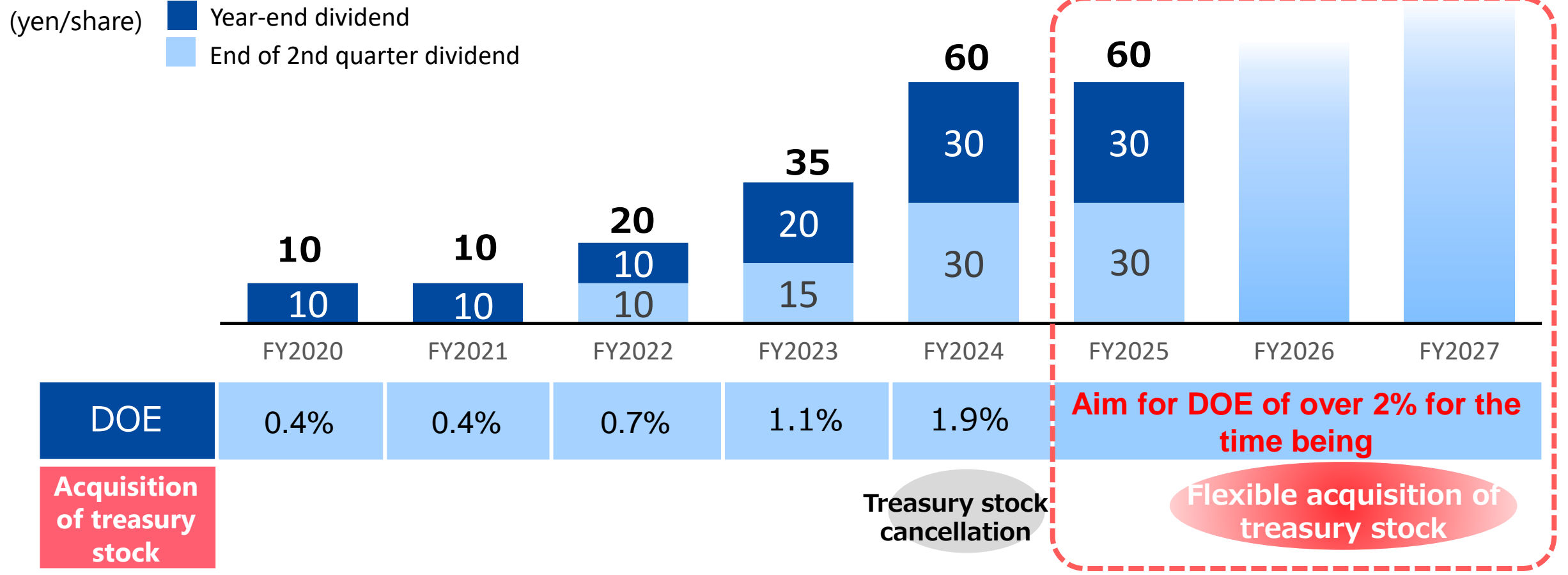
Resilient revenue structure that can withstand changes in production volume

Optimal equity capital for the business structure



Enhancement of shareholder returns

- Continue to use DOE as an indicator for dividends, targeting over 2% for now and aiming at 3% in medium-term
- Maintain appropriate level of equity capital and flexibly acquire treasury stock



**Aiming to create social values in addition to economic values,
we are committed to well-being, ESG initiatives, and carbon neutrality**

Well-being

• Strengthen human capital

- ✓ Implementation of career enhancement measures
- ✓ Further increase in the ratio of women in management positions
- ✓ Improvement of psychological safety (e.g., training for all managers)
- ✓ Improvement of health literacy

ESG initiatives

• Efficient use of resources

- ✓ Expand use of recycled materials
- ✓ Improve recycling ratio for industrial waste

• Promote social contribution activities

- ✓ Promote activities focusing on environmental preservation, fostering next-generation and community activities

• Enhance compliance

Carbon neutrality

• Promote carbon neutrality

(FY2050: Net zero GHG emissions from business activities)

- ✓ Promote green product development
- ✓ Use renewable energy
- ✓ Promote energy saving activities

Improve Dialogue with Investors

In addition to proactive dialogue with shareholders/investors, enhance communication including with renewal of IR website and participating in exhibitions

FY2024 Initiatives

- **Actively engage in dialogue with shareholders and investors, and feed back their opinions at the Board of Directors meeting**

	Speakers	Number of events
Briefing for financial results	President and Representative Director, executives in charge of plants and production, engineering, and finance.	2
Individual dialogues with institutional investors and analysts	Executive in charge of finance and the executive in charge of IR	73
Individual dialogue with voting officers, etc.	Executive in charge of IR	8

Improve Dialogue with Investors

Business Strategies

Shareholder return
enhancement

Financial strategies

Growth expectations

 UNIPRES

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- Exhibited at the Automotive World 2025, the world's leading exhibition for advanced automotive technologies

- ✓ Mainly exhibited parts that contribute to reducing vehicle weight and environmental burdens, such as integrated body frame parts, e-Axle components, and large plastic parts



- Strengthen information disclosure by renovating the corporate website, including the IR website

- ✓ Content organization/enhancement, including for financial results and data
- ✓ Launch of "Unipres at a Glance" page that summarizes necessary information , and others



Future initiatives

- Consider holding technical briefings, factory tours, etc. to deepen understanding of Unipres
- Consider disclosure of the Integrated Report



Pressing Toward a Brighter Tomorrow