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June 16, 2026

To Whom It May Concern

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Notice Measures to realize management that is conscious of capital costs and stock prices (Update)

Mitsui DM Sugar Co., Ltd. (“the Company”) is pleased to announce that at the Board of Directors meeting held on June 16, 2026, the Company conducted the fresh analysis of the current situation regarding measures to implement management practices that consider capital costs and stock prices, and resolved on the Company’s future course of action, as outlined below.

1. Status analysis and evaluation

Under the Midterm Management Plan “2026 Diversify into Nutrition & Health” launched in the fiscal year ended March 2023, the Company promoted the following initiatives based on the basic policies of “Transform the Group’s business model” and “Reallocate management resources” as the growth strategy for the entire Group: (1) reinforce the domestic Sugar Business, (2) grow overseas operations, (3) expand the Life Energy Business, (4) accumulate and strengthen the Group’s R&D capabilities, and (5) contribute to the creation of a sustainable society.

As a result, ROE for the fiscal year ending March 2026 was 3.5%, falling short of the quantitative target set in the Midterm Management Plan (ROE of 7% or higher), and Although the average ROE for the most recent five fiscal years (fiscal years ending March 2022 through March 2026) is 5.6%, it remains within the range of the assumed cost of Shareholders' equity (4.3% – 5.9%). Furthermore, while ROIC (Return on Invested Capital) for the fiscal year ending March 2026 was 7.3%, exceeding the assumed WACC (Weighted Average Cost of Capital: 3.7% – 4.5%), the average ROIC for the most recent five fiscal years was 3.9%, which is below this range.

Regarding the PBR, while it stands at nearly 1.0 for the current fiscal year (ending March 2026), it has consistently remained below 1.0 over the past five fiscal years. The Company believe this is due not only to room for improvement in capital efficiency but also to the fact that the shareholders and investors have not yet fully understood or appreciated the feasibility of the growth strategy.

	FYE March 31, 2022	FYE March 31, 2023	FYE March 31, 2024	FYE March 31, 2025	FYE March 31, 2026
Consolidated net sales (100 million yen)	1,479	1,633	1,708	1,788	1,801
Consolidated operating income (100 million yen)	36	11	43	138	129
Consolidated operating income margin (%)	2.5	0.7	2.5	7.7	7.2
Ordinary income on a consolidated basis (100 million yen)	32	9	37	141	128
Consolidated net income (100 million yen)	37	79	84	63	40
ROE (%)	3.5	7.6	7.7	5.6	3.5
ROIC (%)	2.2	0.6	2.2	7.4	7.3
Net assets per share (yen)	3,136.39	3,321.09	3,475.71	3,550.69	3,599.62
Year-end stock price (yen)	1,923	2,035	3,115	3,375	3,400
PBR (times)	0.61	0.61	0.90	0.95	0.94
PER (times)	17.03	8.30	11.90	17.30	26.82

(*) ROIC : Consolidated operating income (after tax) / Invested capital (Net interest-bearing debt + Consolidated net assets)

2. Future Action Plan

The Company formulated the new Midterm Management Plan covering the four-year period from the fiscal year ending March 2027 to the fiscal year ending March 2030 and announced it on May 15 of this year. For the final year of the plan, the fiscal year ending March 2030, the Company aims to achieve a return on equity (ROE) of 9% or higher or a return on invested capital (ROIC) of 9% or higher, with the goal of generating returns on capital that exceeds the cost of capital. Furthermore, The Company will work to promote communication with the shareholders and investors to ensure they fully understand and appreciate the business plans and growth potential, particularly regarding: (1) the medium- to long-term management policies (the vision and growth path); (2) how the Company allocates capital to achieve that vision (allocation and prioritization); (3) verification that the assets are optimally positioned to create value; and (4) effective discussion and oversight at the Board of Directors level regarding items (1) through (3) above.

3. Key Initiatives

(1) Promotion of growth strategies

- Achievement of quantitative targets in the new Midterm Management Plan

Consolidated net sales of 220 billion yen, EBITDA of 23 billion yen, and ROE of 9% or more
ROIC of 9% or more

- Promotion of business portfolio management

By utilizing ROIC and other metrics on a business segment basis, the Company will promote the internalization of balance sheet and cash flow management and implement capital efficiency management led by the front lines, with the aim of achieving a total ROIC that consistently exceeds WACC (Weighted Average Cost of Capital).

(2) Engagement with shareholders and investors

- Establishment of the SR (Stakeholder Relations) section and clarification of responsibilities

The section headed by the CFO will be established under the Corporate Planning Division to consolidate and centralize the process of disclosing financial and non-financial information to internal and external stakeholders (Already completed).

- Enhanced information disclosure

The Company will create new opportunities for dialogue, such as briefings for individual investors and sustainability briefings, and enhance information disclosure through measures such as expanding the information posted on the Company's website and English disclosure (Continued).