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Notice Concerning Medium-Term Business Plan "MT2027"

Daiichi Jitsugyo has been pursuing its 2030 vision of becoming the “Next-Generation Engineering Trading Firm,” positioning its business activities into three phases—Creation, Growth, and Advancement - each spanning three years, starting from fiscal year 2022.

We are pleased to announce our new medium-term business plan "MT2027" (MT: Medium-Term Business Plan), which is positioned as the Growth phase, as outlined below.

I. Previous Medium-Term Business Plan "MT2024"

Our previous medium-term business plan "MT2024," covering fiscal years 2022 through 2024, focused on two strategic pillars: Business Strategy for Growth and Strengthening the Management Foundation.

As part of our focus on business strategy for growth, we have enhanced engineering capabilities to improve responsiveness to large-scale and complex projects while advancing our products and integrated solutions sales approach. We have also formulated a business investment program and promoted initiatives to improve investment literacy, leading to the realization of several investment projects.

Under the theme of strengthening the management foundation, we have established the Enterprise Risk Management Division to foster a shared understanding of risks and raise awareness to prevent potential risk escalation.

As a result of these initiatives, we achieved the final year's targets ahead of schedule in fiscal year 2023. In fiscal year 2024, we posted record-breaking results with net sales of 221.7 billion yen and operating income of 13.1 billion yen.

In our new medium-term business plan, “MT2027”, which begins in fiscal year 2025, we aim to further advance our business strategy for growth and efforts to strengthen the management foundation, building on past achievements while striving for profit growth and improved capital efficiency.

II. Revision of the Growth Strategy "V2030" (V: Vision)

Having achieved the operating income target of 12.5 billion yen set in the growth strategy "V2030" under the "MT2024" plan, we have revised our targets for further growth in operating income and ROE.

"V2030" Quantitative Targets (Consolidated)

(Millions of Yen)		
	Previous Target	Revised Target
N e t S a l e s	300,000	300,000
Operating Income	12,500	<u>18,000</u>
R O E	10%	<u>10% or higher</u>

III. Overview of our new medium-term business plan

(1) Qualitative targets

The themes of "MT2027" are business strategies to accelerate growth and resilient management foundation built for change. Building on the achievements of our previous medium-term business plan, MT2024, the Company aims to achieve sustainable growth by implementing the following key initiatives:

Business strategies to accelerate growth

- (i) Optimizing the business portfolio
- (ii) Promoting business investments
- (iii) Expanding global business
- (iv) Enhancing engineering capabilities

Resilient management foundation built for change

- (i) Enhancing the value of human capital
- (ii) Maximizing capital efficiency
- (iii) Strengthening governance and risk management
- (iv) Driving digital transformation (DX) -based innovation and competitiveness

(2) Quantitative targets (consolidated)

(Millions of Yen)

Fiscal Year	FY2024 (Actual)	FY2025 (Plan)	FY2026 (Plan)	FY2027 (Plan)
Orders Received	206,348	230,000	250,000	270,000
N e t S a l e s	221,755	220,000	230,000	250,000
Operating Income	13,103	12,000	13,000	15,000
Ordinary Income	13,597	12,300	12,900	14,750
Profit Attributable to Owners of Parent	8,841	8,600	9,000	10,300
R O E	11.6%	10% or higher		

(3) Dividend Policy (Consolidated):

We position shareholder returns as a key management policy. Taking into account future business development, including growth investments toward realizing "V2030," as well as maintaining stable dividends, we will aim for a payout ratio of 40% of profit attributable to owners of parent or a DOE (Dividend on Equity) of 4.0%, whichever is higher, to provide appropriate dividends based on business performance.

By steadily implementing our new medium-term business plan "MT2027," we aim to earn the trust of our stakeholders. Moreover, we will strive to achieve our 2030 vision of becoming the "Next-Generation Engineering Trading Firm" by delivering both social and economic value.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.