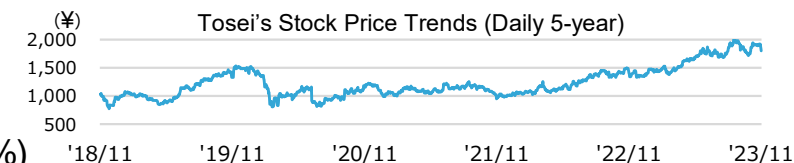


Initiatives for Corporate Value Enhancement

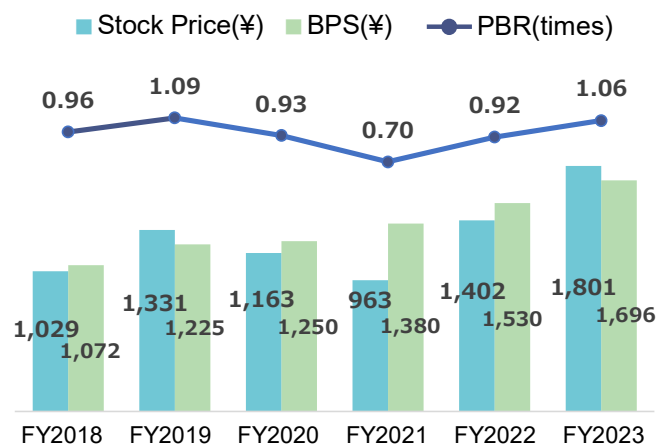
-Management with an awareness of the cost of capital and stock price-

Recognition of the components of corporate value

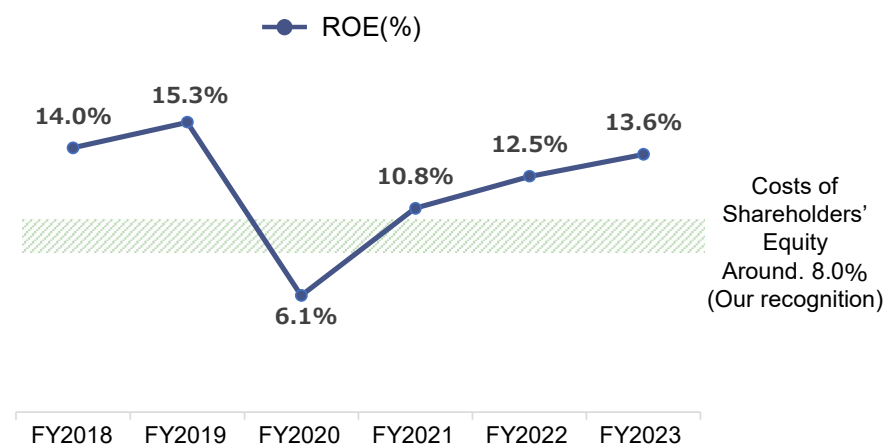
- ▶ Currently, PBR remains above 1 times
- ▶ ROE recovered to around 12-13%, higher than our recognized shareholder equity costs (around 8%)
- ▶ PER remain low due to concerns of market-sensitive business as our stable businesses and portfolio management are not well known



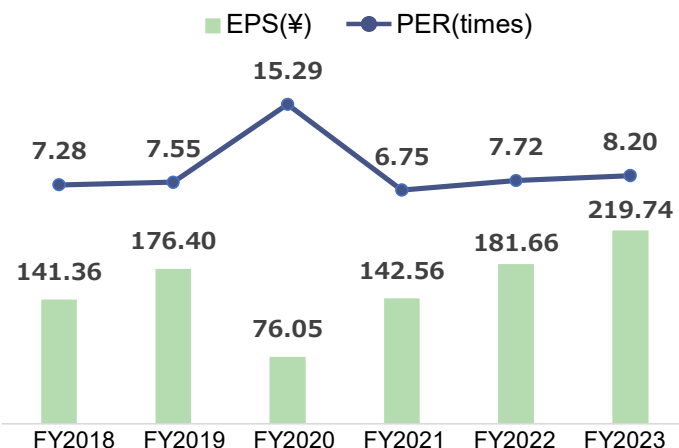
PBR



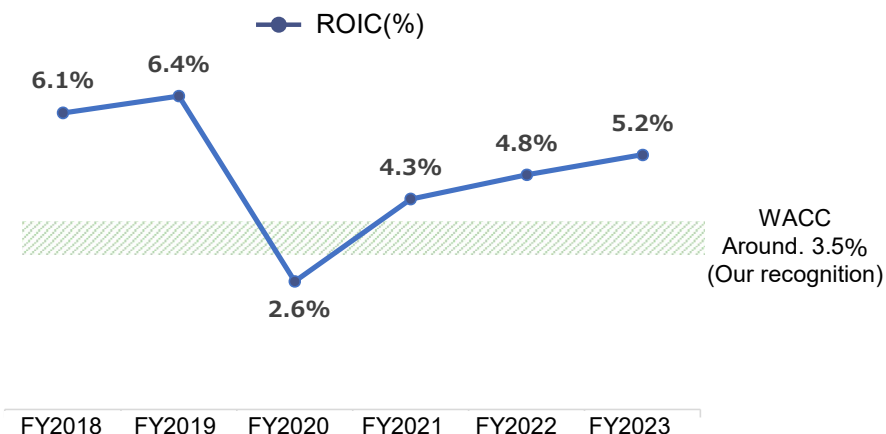
ROE, Costs of Shareholders' Equity



PER



ROIC, WACC

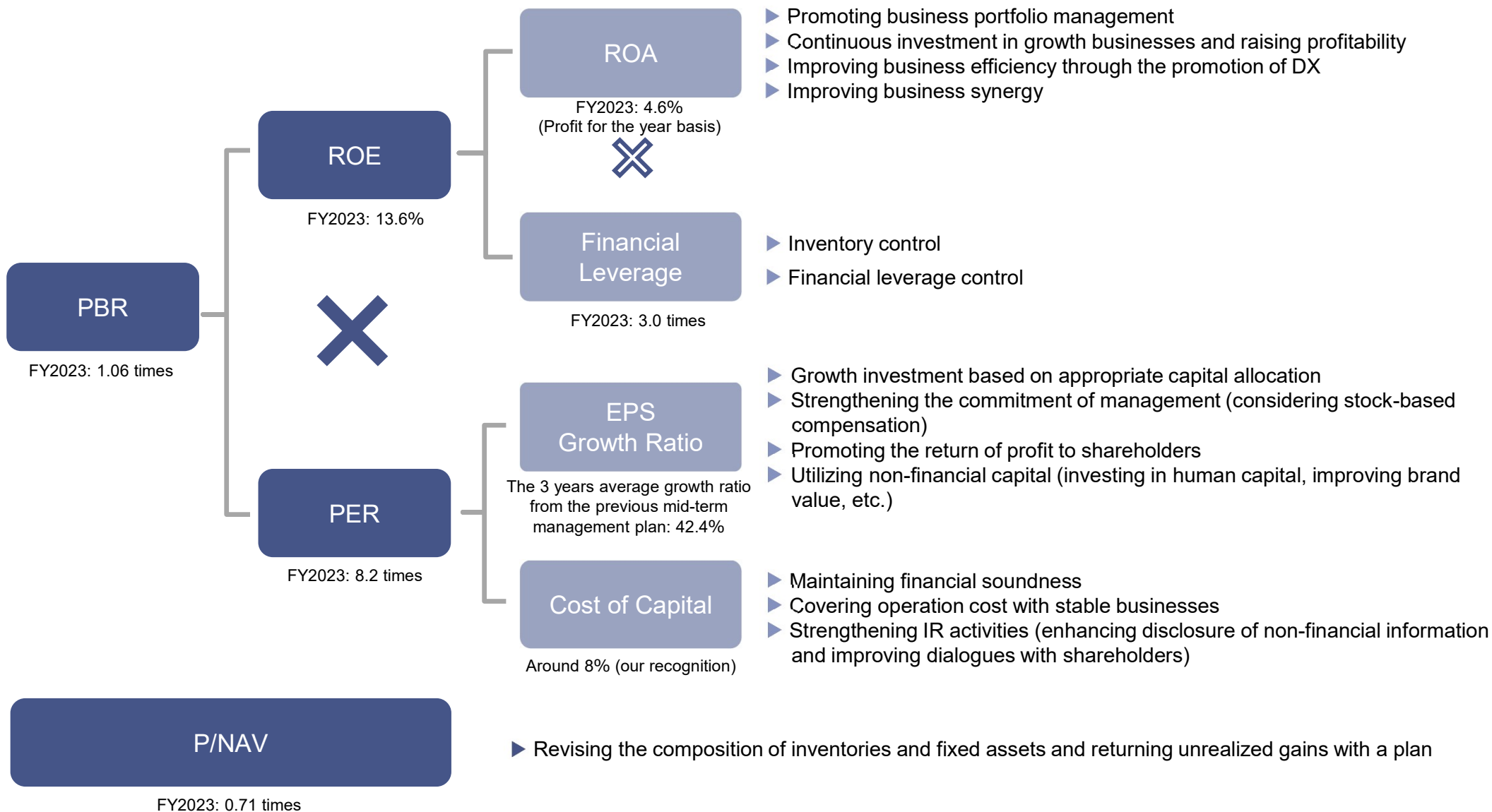


*1 Our recognition of the cost of shareholders' equity and WACC are calculated in-house based on the CAPM.
 *2 Figures used for above calculations are as follows Risk-free rate; 10-year Japanese government bond yield as of the end of each fiscal year, β ; TOPIX 5-year weekly including dividends, market risk premium; 6.0%, cost of interest-bearing debt; interest expense/average of total interest-bearing debt at the beginning and end of each period.

Initiatives for Corporate Value Enhancement

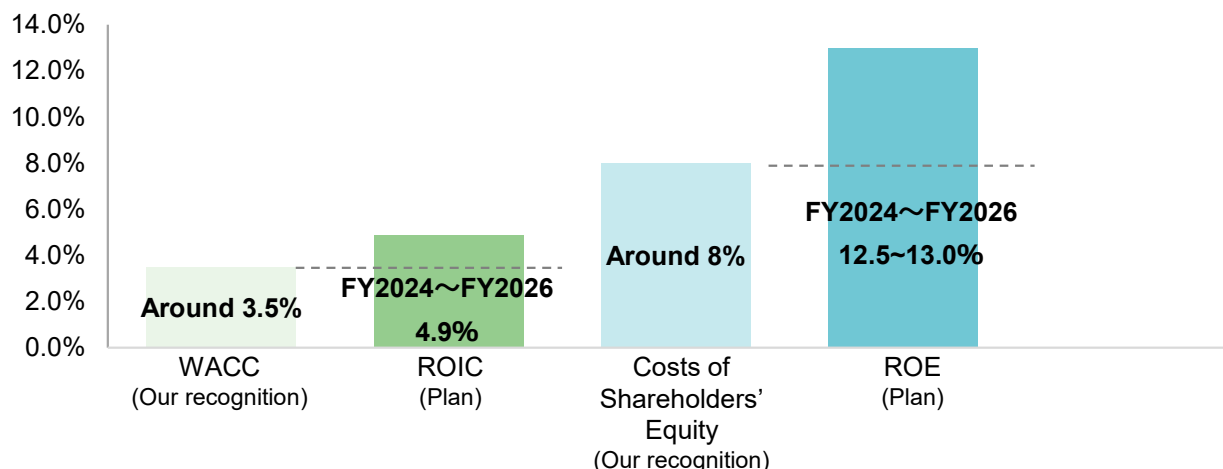
-Management with an awareness of the cost of capital and stock price-

Initiatives for corporate value enhancement



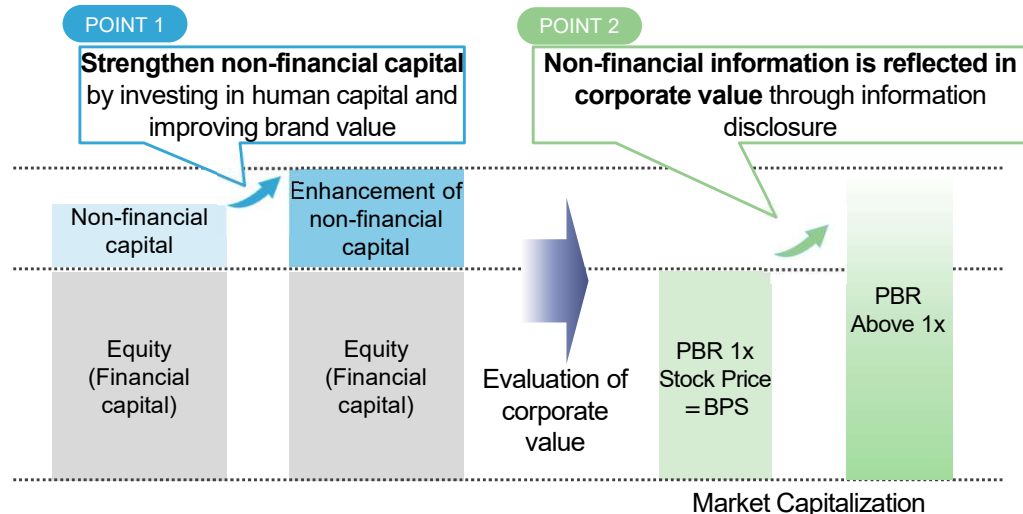
Maintain and improve return on capital

- ▶ Maintain return on capital in excess of the cost of capital, which is the market's expected return
- ▶ We recognize that ROE of 12% or more is appropriate for pursuing financial soundness and capital efficiency, while continuing to balance the portfolio between trading and stable businesses



Enhancement of non-financial capital and proactive information disclosure

- ▶ Strengthen non-financial capital by investing in human capital and improving brand value
- ▶ Improve the corporate value by proactive information disclosure



Increase of Net Asset Value

- ▶ Increase NAV by building up fixed assets through expansion of purchases of prime assets
- ▶ Review composition of inventories and fixed assets to return unrealized profit with a plan

