

Policy on Cross-Shareholdings and Our Fundamental Policy with Regard to Returns to Shareholders

Policy on Cross-Shareholdings

The Group holds shares in business partners for the purpose of maintaining and strengthening business relationships.

When acquiring such shares, the Group comprehensively considers such matters as the profits to be gained by the Group through maintaining and strengthening the business relationship and the amount of the investment before judging whether or not to invest. In addition, for each individual issue of business partner shares that we hold, the Group will regularly consider the value of continuing to hold such shares, bearing in mind the cost of capital of the Group; if that value is judged lacking, we will reduce our holdings of those issues of shares, taking into account any matters regarding transactions or business to be considered, the influence of such a sale on the market, and other such factors. If the value is affirmed, however, we will continue holding such shares.

The Company and the core operating companies will consider the value of retaining the business partner shares that are held and report thereon to the Company's Board of Directors. The core operating companies make such reports to their boards of directors beforehand. At its meeting in January 2022, the Company's Board of Directors considered the value of retaining the business partner shares held by the Group, and the Group is proceeding with the sale of issues of shares for which the value was judged lacking.

Sufficiently respecting the management policies, strategies, and the like of the corporations in which we have invested, the Company will exercise voting rights accompanying cross-shareholdings after thoroughly considering the details of each proposal and comprehensively judging whether to vote for or against the proposal, based on whether the proposal details coincide with the value and goal of the Company's investment, whether the proposal details would damage corporate value, and other such factors.

The Company will not engage in any act hindering the sale or the like of the Company's shares by cross-shareholders (i.e., shareholders who hold the Company's shares as cross-shareholdings) or in any transaction with cross-shareholders that may harm the interests of the Company or the common interests of its shareholders.

Our Fundamental Policy with Regard to Returns to Shareholders

Our fundamental policy is to consistently pay a stable dividend. In determining the dividend amount, we comprehensively take into account capital supply and demand, earnings from business operations, and the maintenance of sufficient internal reserves to strengthen our competitiveness as a company. Barring unforeseen circumstances in our business performance, our policy is to pay a minimum dividend of ¥5.0 per share.

Our policy with regard to stock repurchases is to consider repurchasing stock when appropriate, and to repurchase stock as necessary, as a means of providing returns to shareholders and increasing capital efficiency, and as a way of flexibly implementing capital policy in response to changes in the operating environment.

Cash Dividends per Share

