

April 25, 2024

To Whom It May Concern

Company Representative	Elematec Corporation Chief Executive Officer and Chairman of the Board (Stock Code 2715 The Prime Market of the Tokyo Stock Exchange)	Akira Yokode
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Actions to Implement Management that is Conscious of Cost of Capital and Stock Price

Elematec Corporation (hereinafter referred to as the "Company") hereby announces that, at the Board of Directors meeting held on April 25, 2024, the Company analyzed and assessed the current situation with regard to implementing management that is conscious of the cost of capital and stock price, and decided on future policies for improvement.

1. Analysis of the current situation

To achieve sustainable growth, the Company has formulated its medium-term corporate strategy from fiscal 2015 and is currently formulating its 3-year Medium-term Corporate Strategy, "elematec Pro+", spanning fiscal 2024 through fiscal 2026. Since the formulation of the medium-term corporate strategy, the Company has been engaged in sales activities with an awareness of the cost of shareholders' equity through ongoing internal training, and has promoted stronger shareholder returns through changes in our dividend policy, which have been well received by the capital market. The Company's PBR has remained above 1x at the end of the most recent two fiscal years.

We will continue to strengthen our initiatives in each of our measures to improve ROE and PBR, being conscious of the cost of shareholders' equity (around 7-9%), so that we can maintain a PBR above 1x.

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Net sales (Million yen)	175,654	180,218	200,646	239,774	194,457
Ordinary income (Million yen)	4,499	5,179	7,867	11,130	7,595
Net income attributable to owners of parent (Million yen)	3,263	3,666	5,374	7,696	5,367
ROE(%)	6.5	7.0	9.4	12.3	7.9
Net assets per share (Yen)	1,243.00	1,328.89	1,456.67	1,601.56	1,698.06
Year-end stock price (Yen)	769	1,018	1,044	1,853	1,919
PBR (Times)	0.62	0.77	0.72	1.16	1.13

Note: PBR is calculated based on the stock price at the end of each fiscal year.

2. Policy for future responses

We will focus on the following measures to sustainably increase ROE above the cost of shareholders' equity and improve PBR by enhancing the capital market's evaluation of our business and growth potential.

(1) Implementing the Medium-term Corporate Strategy, "elematec Pro+"

We will improve profitability by steadily implementing the following measures set forth in our medium-term corporate strategy.

- Strengthen high value-added businesses
- Cultivate leading domestic and overseas customers
- Strengthen automobile-related business
- Cultivate potential areas on a full-scale basis
- Turn Marketing & Development Div. into a multi-layered structure
- Expand customer base in business domains through M&A and alliance
- Engage in initiatives for sustainability and human capital

(2) Strengthening financial strategies

The Company will further enhance shareholder returns and improve capital efficiency in addition to improving asset efficiency by optimizing inventories through reduction of stagnant inventories and other measures and optimization of settlement terms.

(3) Strengthening IR activities

Directors will take the lead in proactive meeting with shareholders and institutional investors to share information on matters related to the Company's sustainable growth and enhancement of corporate value over the medium to long term. They will also share information at board meetings on opinions, concerns, and other matters identified through such dialogue. In addition, we will strive to disseminate management information more proactively by holding briefings for investors, enhancing disclosure information through the renewal of our corporate website, and publishing Integrated Reports.

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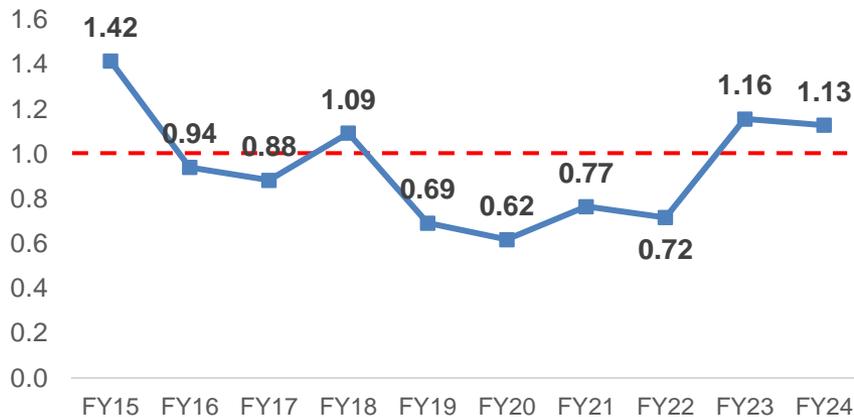
Analysis of the Current Situation

- Develop sales activities with an awareness of the cost of shareholders' equity through continuous internal training
- PBR tends to exceed 1x in years when ROE above the cost of shareholders' equity is realized
- Trends in PBR and ROE tend to be linked

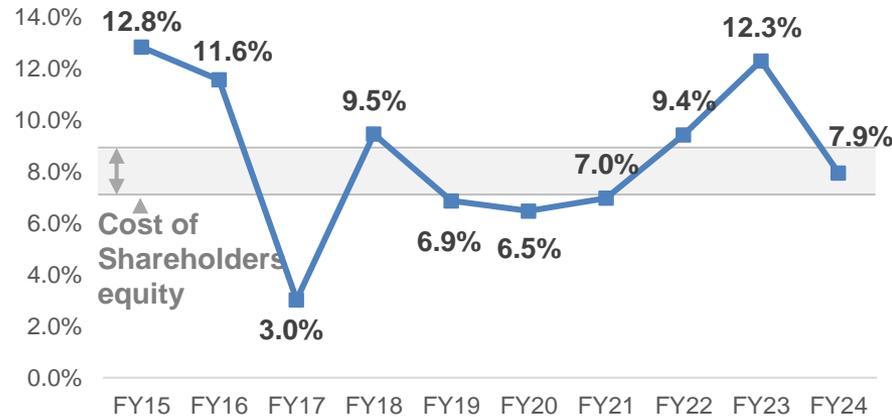


Raise awareness of the cost of shareholders' equity and strengthen initiatives in each measure to improve ROE and PER

PBR



ROE



Improvement measures



Improvement of PBR

Improvement of ROE

Implement ROE improvement measures to achieve a level that exceeds the cost of shareholders' equity
*See next page

Improvement of PER

Strengthening IR activities
Executing the medium-term corporate strategy

ROE Improvement Measures

Measures to achieve ROE levels exceeding the cost of shareholders' equity

