

# Business Results for Fiscal 2022

May 10, 2023

TSUMURA & CO.

01

Business Results for Fiscal 2022 and  
Earnings Forecast for Fiscal 2023

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02

Outlook for China Business

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# **Business Results for Fiscal 2022 and Earnings Forecast for Fiscal 2023**

Director, and CFO  
Muneki Handa

01

FY 2022 Business Results Overview

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02

FY 2023 Earnings Forecast

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# Roadmap for the Realization of the TSUMURA VISION "Cho-WA" 2031



**1st stage**  
FY2022-2024  
—Germination—

**2nd stage**  
FY2025-2027  
—Growth—

**3rd stage**  
FY2028-2031  
—Flowering—

## Prescription Kampo Products

Standardization of Kampo treatments  
Personalized Kampo treatments

Over 50% physicians write 10 or more Kampo prescriptions

50% of physicians write basic prescriptions in all treatment areas

## R&D

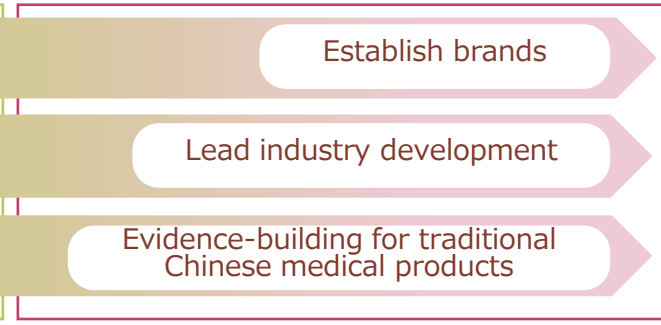
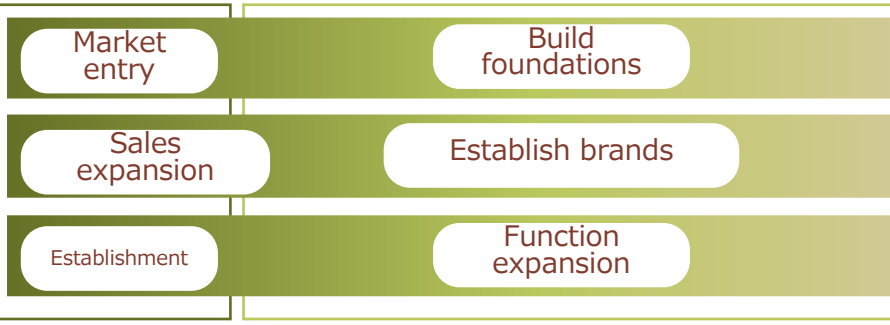
Personalized Kampo treatments  
Scientific study of pre-symptomatic diseases



## China Business

Formulation platform  
Crude drug platform  
Research platform

Traditional Chinese medical products business  
Crude drugs, drug pieces and Yakushokudogen products  
Traditional Chinese Medicine Research Center



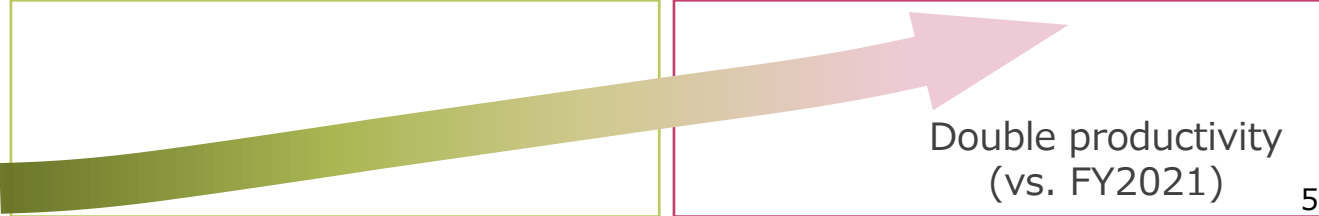
## Smart factory



## Labor productivity

Sales  
Production  
Crude drugs

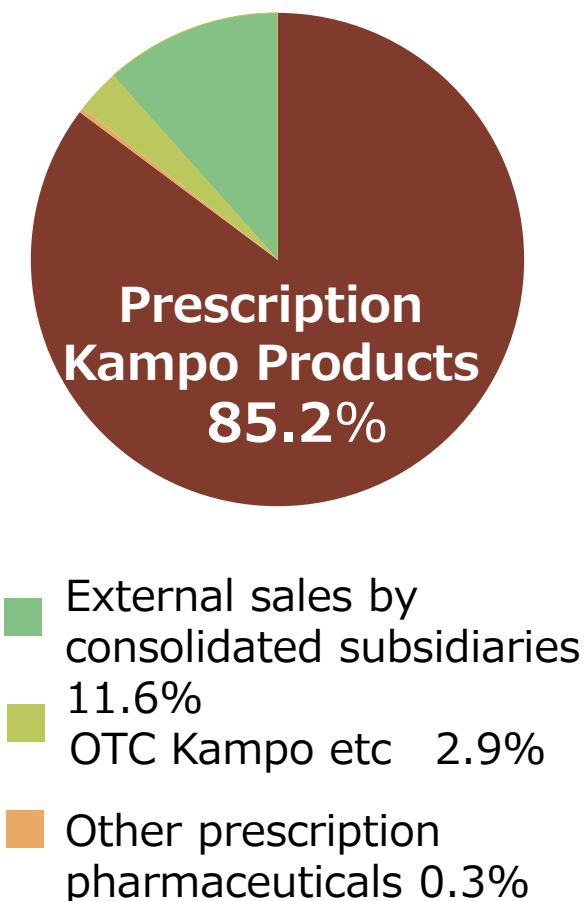
Sales per MR (Yen/MR)  
Physical labor productivity  
Personnel expenses per crude drug arranging volume



# FY2022 Business Results Overview

【Million yen】	FY 2022 Plan	FY 2022 Results	Achievement rate	YoY	
				Amount	Change
<b>Sales</b>	<b>138,500</b>	<b>140,043</b>	<b>101.1%</b>	<b>+10,497</b>	<b>+8.1%</b>
Domestic business	124,300	124,698	100.3%	—	—
China business	14,200	15,345	108.1%	—	—
<b>Operating profit</b>	<b>20,800</b>	<b>20,916</b>	<b>100.6%</b>	<b>(1,460)</b>	<b>(6.5)%</b>
Domestic business	21,200	21,190	100.0%	—	—
China business	(400)	(273)	—	—	—
<b>Ordinary profit</b>	<b>21,200</b>	<b>23,453</b>	<b>110.6%</b>	<b>(2,451)</b>	<b>(9.5)%</b>
<b>Profit</b> attributable to owners of parent	<b>15,000</b>	<b>16,482</b>	<b>109.9%</b>	<b>(2,354)</b>	<b>(12.5)%</b>
PL translation rate (CNY)	19.50	19.55	—	+2.51	—

Ratio to total sales



\*Forex rate at the time overseas subsidiaries' PLs were incorporated; differs from the import rate for raw material crude drugs

## Achieved plans for sales and at each profit level.

<b>Net sales</b>	<b>140,043 million yen</b>	<b>Achievement rate</b>	<b>101.1%</b>	<b>YoY</b>	<b>+8.1%</b>
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- Domestic business Total sales for the 129 prescription Kampo products: 119,362 million yen, rose 4.6% year-on-year  
Total sales of the OTC Kampo formulations and other healthcare products: 3,966 million yen, grew 3.2% year-on-year
- China business sales: 15,345 million yen

<b>Operating profit</b>	<b>20,916 million yen</b>	<b>Achievement rate</b>	<b>100.6%</b>	<b>YoY</b>	<b>(6.5)%</b>
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<b>Operating profit margin</b>	<b>14.9 %</b>	<b>vs. Plan</b>	<b>(0.1)pt</b>	<b>YoY</b>	<b>(2.4)pt</b>
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- Cost-to-sales ratio: 51.2%, up 0.8pt vs. plan and a rise of 2.5pt year-on-year;  
Versus plan: Mainly due to negative impact from soaring energy and raw material expenses
- SG&A ratio: 33.8%, down 0.8pt vs. plan and a fall of 0.2pt year-on-year;  
Versus plan: Implemented cost control in response to a rise in cost-to-sales that outperformed the plan

<b>Ordinary profit</b>	<b>23,453 million yen</b>	<b>Achievement rate</b>	<b>110.6%</b>	<b>YoY</b>	<b>(9.5)%</b>
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- Foreign exchange gain primarily related to loans to overseas subsidiaries: 1,508 million yen, down 965 million yen year-on-year;  
foreign exchange impact

<b>Profit attributable to owners of parent</b>	<b>16,482 million yen</b>	<b>Achievement rate</b>	<b>109.9%</b>	<b>YoY</b>	<b>(12.5)%</b>
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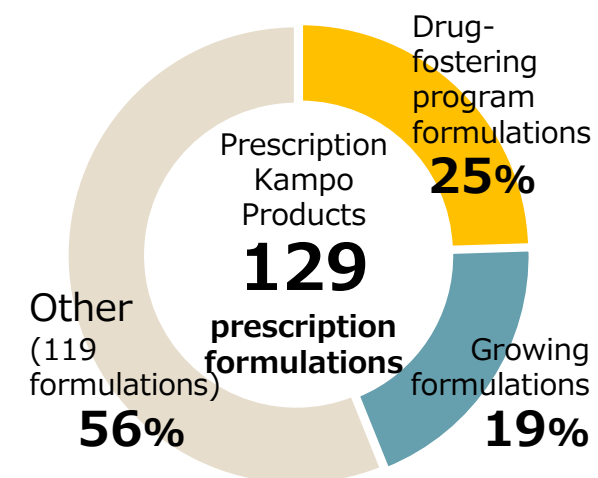
- Extraordinary income: Refund margin owing to a reduction in paid-in capital at affiliates: 463 million yen
- Extraordinary loss: Impairment loss in tandem with revision to construction plans for the Traditional Chinese Medicine Research Center: 597 million yen

# Domestic Business: Sales of Drug-fostering Program Formulations/Growing Formulations

(Million yen)

	Net sales Ranking	Product No./Formulation name	FY 2021	FY 2022	YoY	
Drug-fostering program formulations	1	100 Daikenchuto	9,569	9,739	+169	+1.8%
	3	54 Yokukansan	7,379	7,380	+1	+0.0%
	4	43 Rikkunshito	7,231	7,300	+69	+1.0%
	8	107 Goshajinkigan	3,509	3,421	(87)	(2.5)%
	24	14 Hangeshashinto	1,358	1,390	+32	+2.4%
Total sales for drug-fostering program formulations			29,048	29,223	+184	+0.6%
Growing formulations	2	41 Hochuekkito	7,232	7,727	+494	+6.8%
	5	17 Goreisan	5,298	6,208	+910	+17.2%
	6	24 Kamishoyosan	4,833	5,050	+217	+4.5%
	17	108 Ninjin'yoeito	1,936	2,128	+191	+9.9%
	18	137 Kamikihito	1,722	2,067	+344	+20.0%
Total sales for growing formulations			21,023	23,182	+2,159	+10.3%
Total sales for 119 formulations other than drug-fostering program and growing formulations			64,093	66,946	+2,853	+4.5%
Total sales for 129 prescription Kampo products			114,165	119,362	+5,197	+4.6%

## Ratio to total sales



## Status of restricted shipments

End-August 2022 onward

➔ Start restricted shipments of 28 formulations

As of May 9, 2023

➔ Continue restricted shipments of 24 formulations  
\*Plan to successively lift restrictions in and after June

\*Restricted shipments of Goshajinkigan from August 2022 to April 3, 2023



## Growth in sales, chiefly of raw material crude drugs

### Raw material crude drugs



#### Sales to traditional Chinese medical products companies as a raw material

- Cultivate new customers
- Expand the value of transactions with existing customers
- △ Improve profit margins
  - \*At present, investing to cultivate new customers
  - Correct in stages to fair price

### Drug pieces (Crude drug pieces)



#### Sales for prescription-use and as an OTC to hospitals and pharmacies

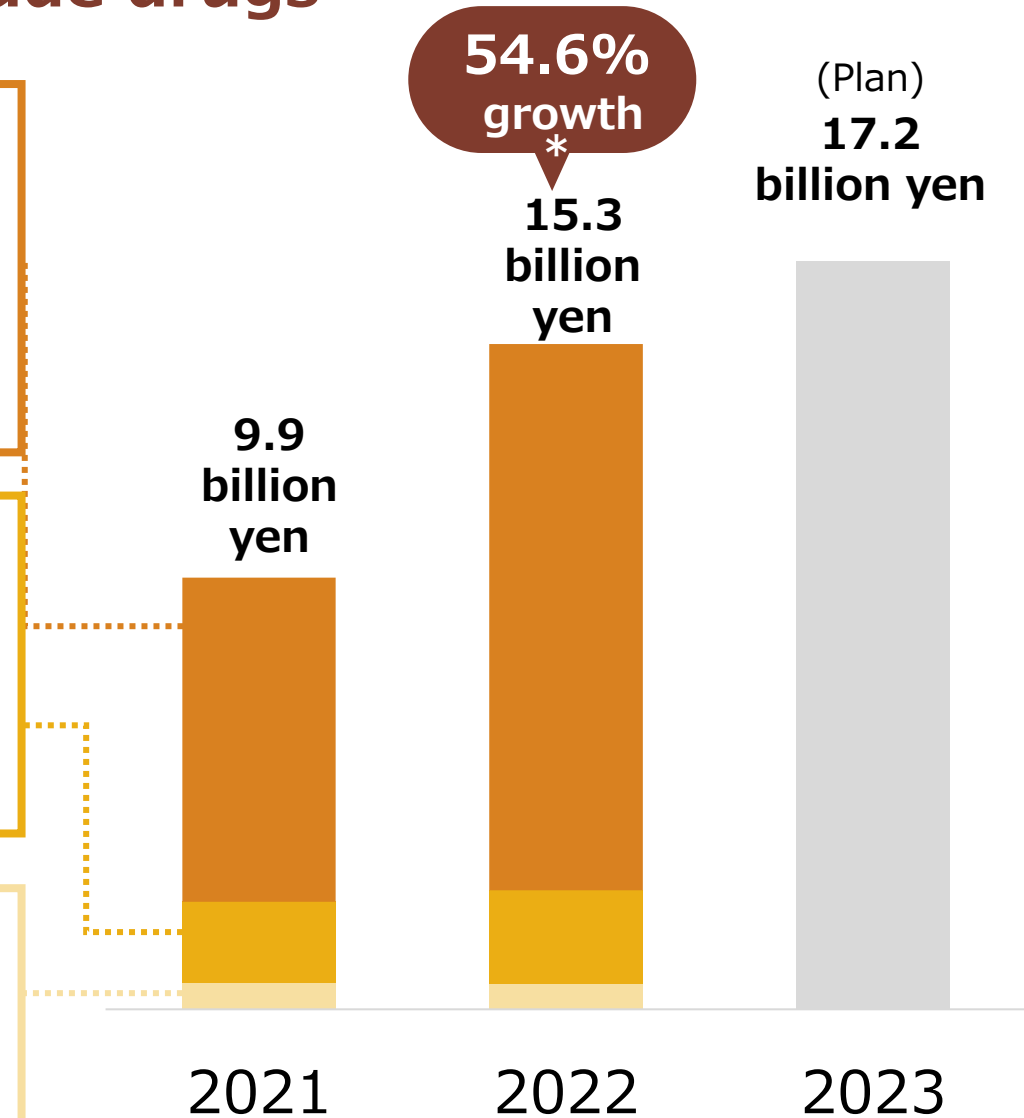
- Newly cultivate hospital sales channels
- △ Expand existing online sales channels
  - Cultivate new online channels

### Yakushokudogen products



#### Sales of health food products to general consumers

- Development and market launch of new products
  - Cultivate branding and online sales channels



\*Local current basis: 34.7% growth

01

FY 2022 Business Results Overview

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02

FY 2023 Earnings Forecast

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# FY 2023 Earnings Forecast

## Forecasting an increase in sales and decline in profit year-on-year

[Million yen]	FY 2022 Results	FY 2023 Earnings Forecast	YoY	
			Amount	Change
<b>Net sales</b>	<b>140,043</b>	<b>150,500</b>	<b>+10,456</b>	<b>+7.5%</b>
Domestic business	124,698	133,300	+8,601	+6.9%
China business	15,345	17,200	+1,854	+12.1%
<b>Operating profit</b>	<b>20,916</b>	<b>18,000</b>	<b>(2,916)</b>	<b>(13.9)%</b>
Domestic business	21,190	18,400	(2,790)	(13.2)%
China business	(273)	(400)	(126)	—
<b>Ordinary profit</b>	<b>23,453</b>	<b>18,600</b>	<b>(4,853)</b>	<b>(20.7)%</b>
Profit attributable to owners of parent	<b>16,482</b>	<b>13,000</b>	<b>(3,482)</b>	<b>(21.1)%</b>
Income statement exchange rate (JPY/RMB)	<b>19.55</b>	<b>19.00</b>		

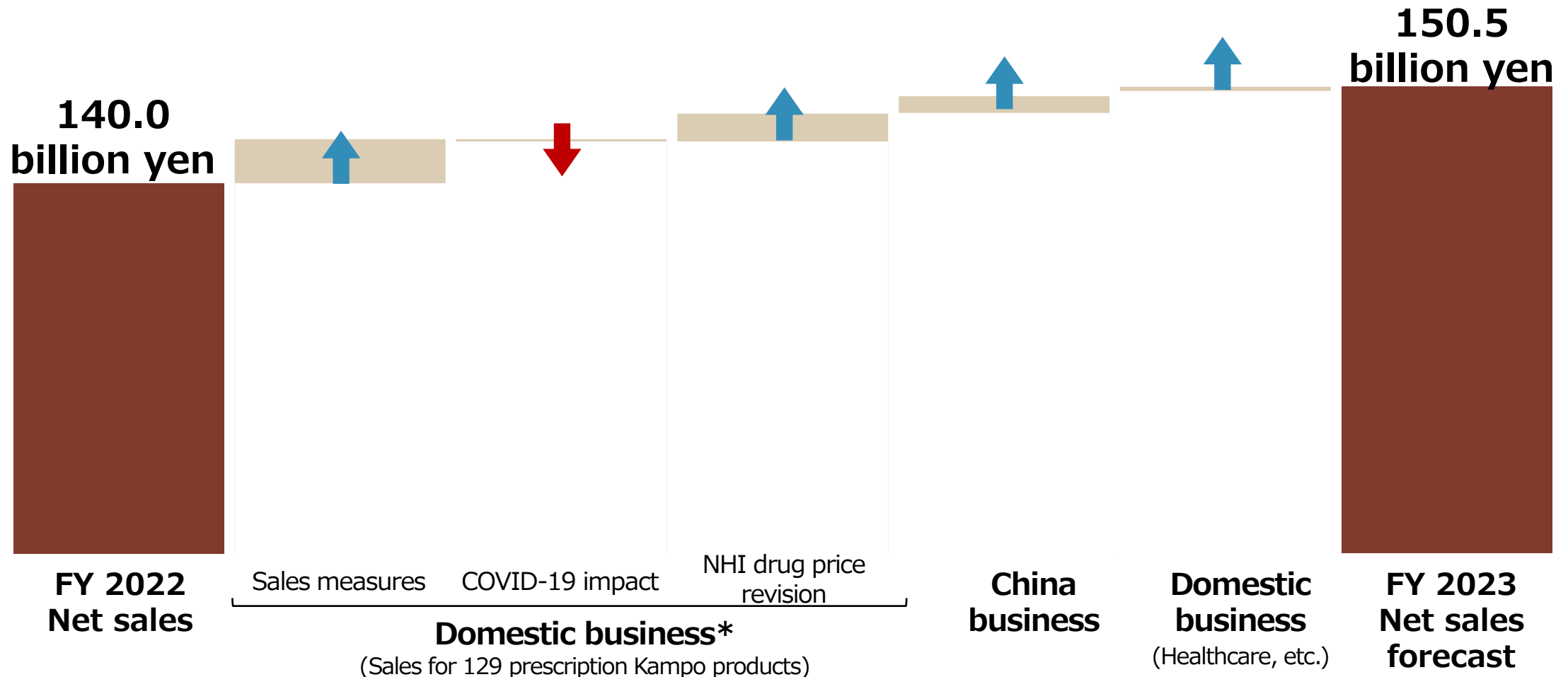
<b>ROE</b>	<b>6.7 %</b>	<b>5.1 %</b>
<b>EPS</b>	<b>215.63 yen</b>	<b>171.02 yen</b>

Notes • The impact from the signing of a contract to acquire an equity interest in Shaanxi Unisplendour Life Care Pharmaceutical Co., Ltd. was not factored into the earnings forecast.

• Foreign exchange impact (non-operating profit) was not factored into the earnings forecast given the difficulty to reasonably calculate this impact based on the status of the forex market.

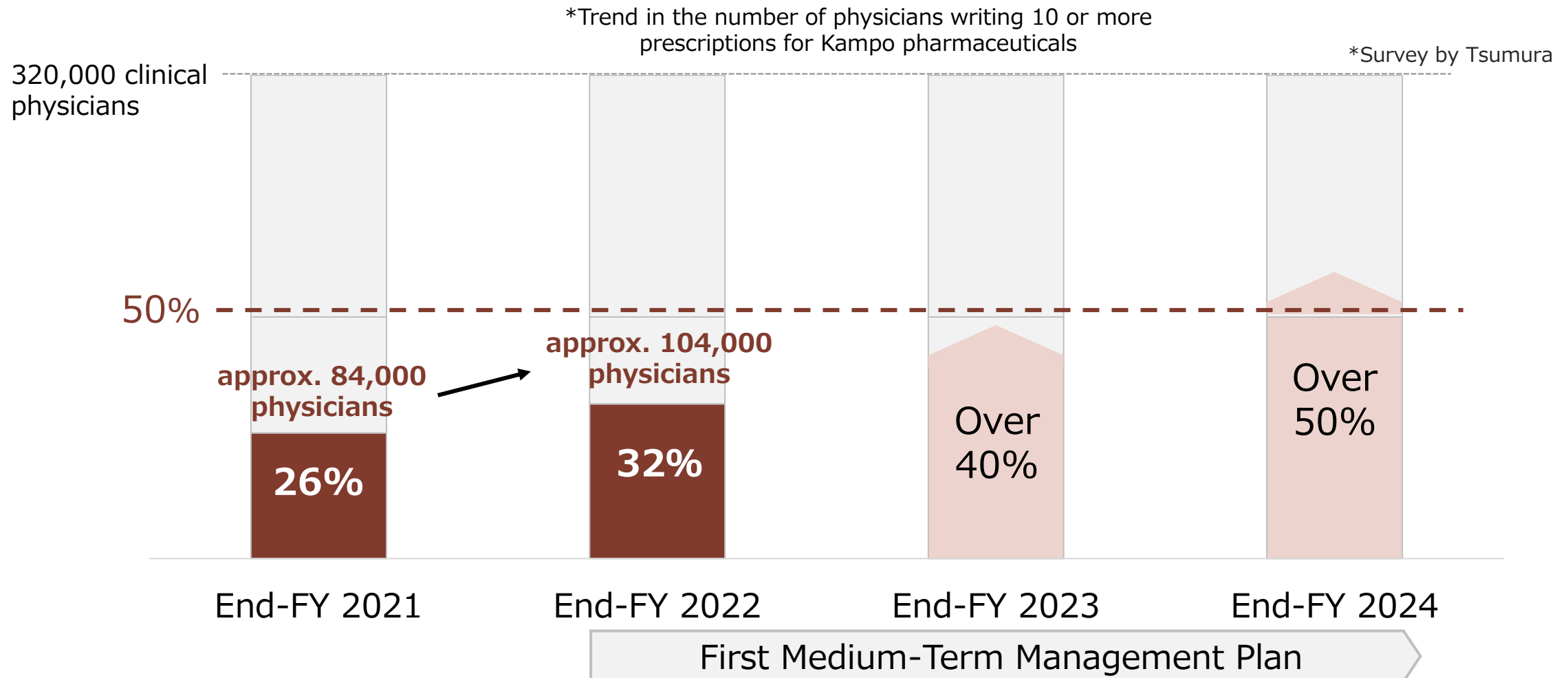
# Factors Triggering Changes in Sales in FY 2023

- Further create demand for Kampo products by implementing sales measures, mainly the strengthening of e-promotions
- Continue to implement a system to boost production capacity in response to demand for Kampo products



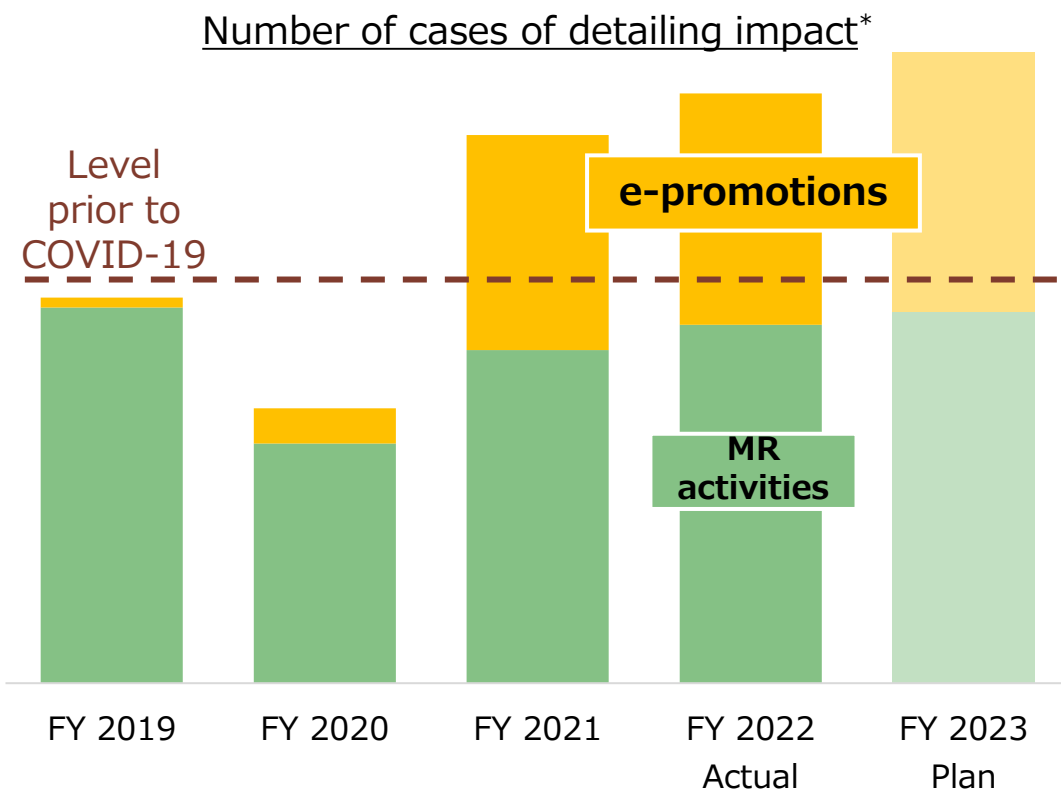
# Domestic business: Trends in the Number of Physicians Writing 10 or More Prescriptions for Kampo Pharmaceuticals

- The number of physicians writing 10 or more prescriptions for Kampo pharmaceuticals increased by approximately 20,000 physicians, a ratio of 32%\*
- The issue is the increase in physicians writing 10 or more prescriptions for Kampo pharmaceuticals at HP (hospitals)



# Domestic Business: Information Provision Activities

- The number of cases of information recognition (FY 2022) increased 53% in comparison with the level prior to COVID-19 (FY 2019)
- Aim to improve the quality of activities through information provision that suits each individual medical practitioner

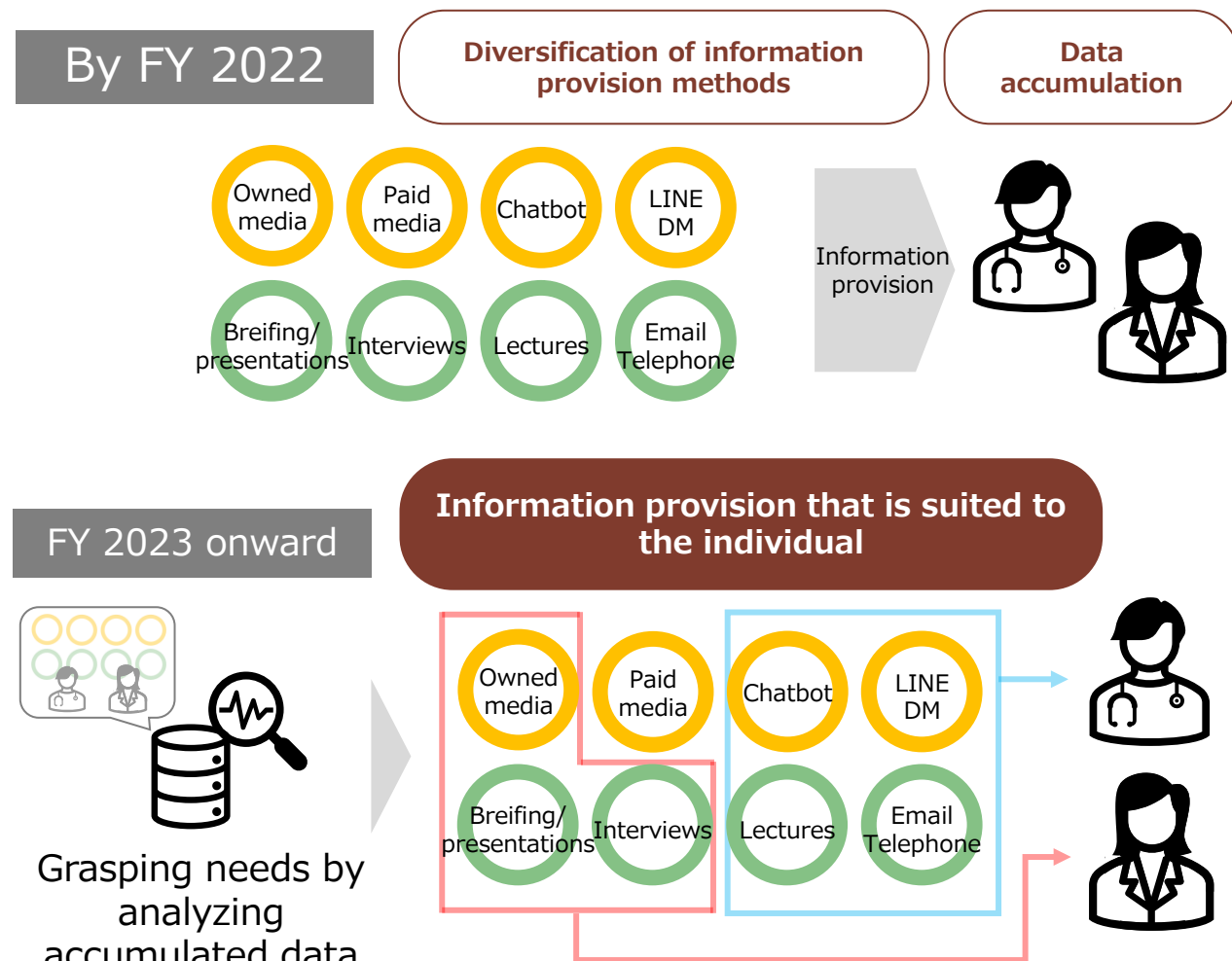


Source: INTAGE Healthcare Inc. survey, Impact Track

\*Number of cases of detailing impact: Number of cases of information recognition from various channels, including MR activities and the Internet

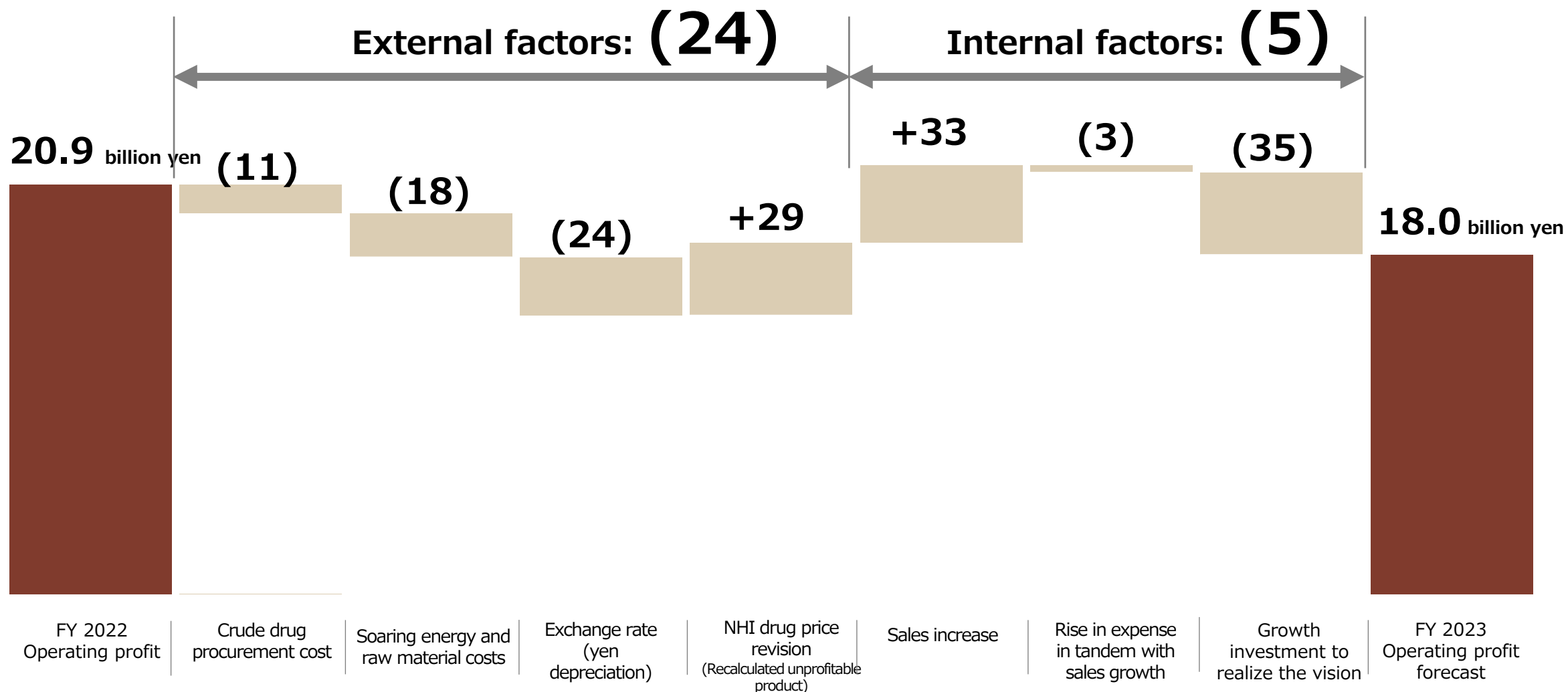
MR activities: Detailing, online interviews, in-hospital briefings, etc. conducted by MRs

e-promotion: Activities to provide information online that does not go through MRs



# Factors Triggering Changes in Operating Profit in FY 2023

- Substantial impact from external factors, including inflation and yen depreciation



## Investing in growth to improve corporate value by realizing the vision

### Growth Investment

- Research for personalize Kampo treatment
- Scientific elucidation of Pre-symptomatic Disease
- Research for expansion of the standardization of Kampo treatment
- Development of daikenchuto in the U.S.

Sustainable expansion of Kampo market

- Expansion of sales of Crude drug and drug pieces
- Expansion of sales of traditional Chinese medicines (Building foundation for Shaanxi Unisplendour Life Care Pharmaceutical Co.,)

Accelerate growth of China business

- Expansion of e-promotion
- Introduction of AI technology to the Kampo value chain
- Cultivation technology development for crude drugs (double track for wild and cultivated crude drugs)

Productivity improvement by DX  
(Reduce costs and SG&A expenses)

- Increase production capacity
- Securing manufacturing personnel in advance
- Introduction of integrated core system
- Introduction of stock delivery system for employees

Strengthen business foundation

**Improving corporate value by realizing TSUMURA VISION "Cho-WA" 2031**





Cultivation/procurement



Shenzhen Tsumura Medicine,  
China Medico Technology  
Ishioka Center, Yubari Tsumura

## Automation of selection operations



- Automated selector loaded with AI

**Start operations at 1 site from April 2023,  
expansion of applicable items and introduction  
at all sites**

Furthermore introduce  
into upstream processes

Local  
producers  
Production  
entities

**Aim to automate crude drug  
cultivation and primary processing**



Manufacturing



Ibaraki/Shizuoka Plants  
Shanghai/Tianjin Plants

## Automation of each process



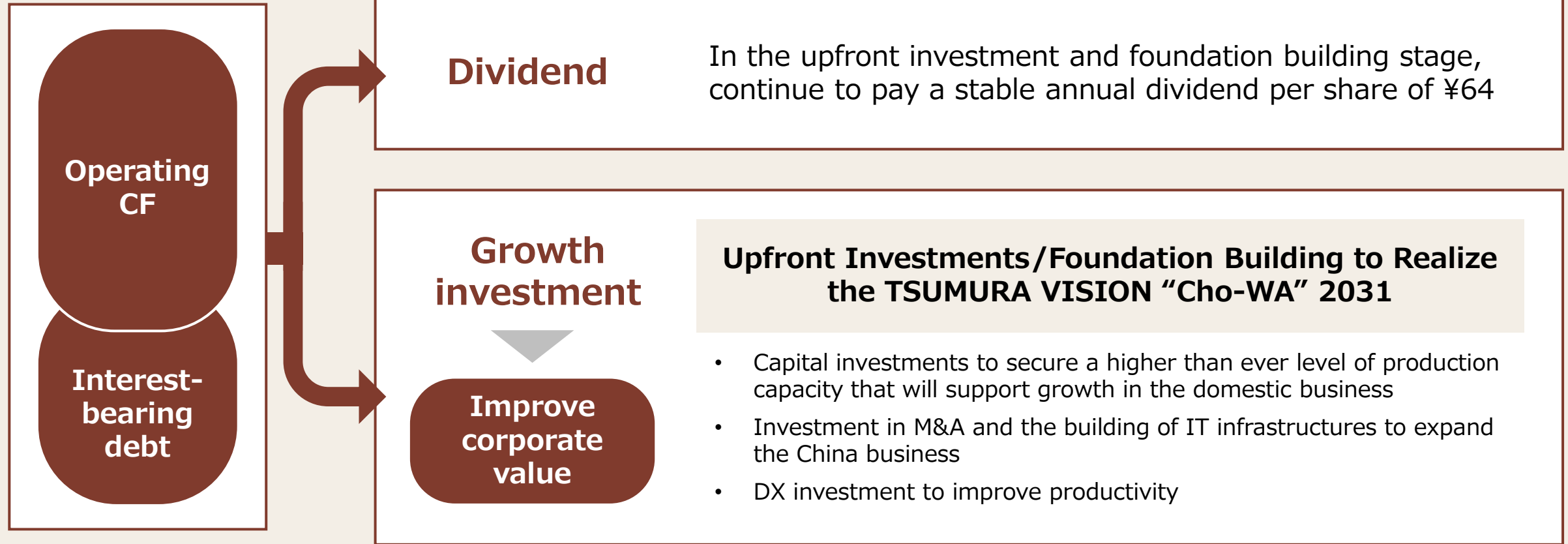
- Series of automation and labor-saving technology for manufacturing processes

**Sequential deployment at all plants**

- Automation technologies for inspections, operations and incidental tasks

**Implement development mainly using AI technologies**

- Aim to improve corporate value through growth investments after continuing to payout stable dividends



# Basic Policy for the China Business

President and Representative Director, CEO

Terukazu Kato

01

China Business/Manufacturing Platform:  
M&A Overview

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02

Basic Policy for the China Business

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01

China Business/Manufacturing Platform:  
M&A Overview

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02

Basic Policy for the China Business

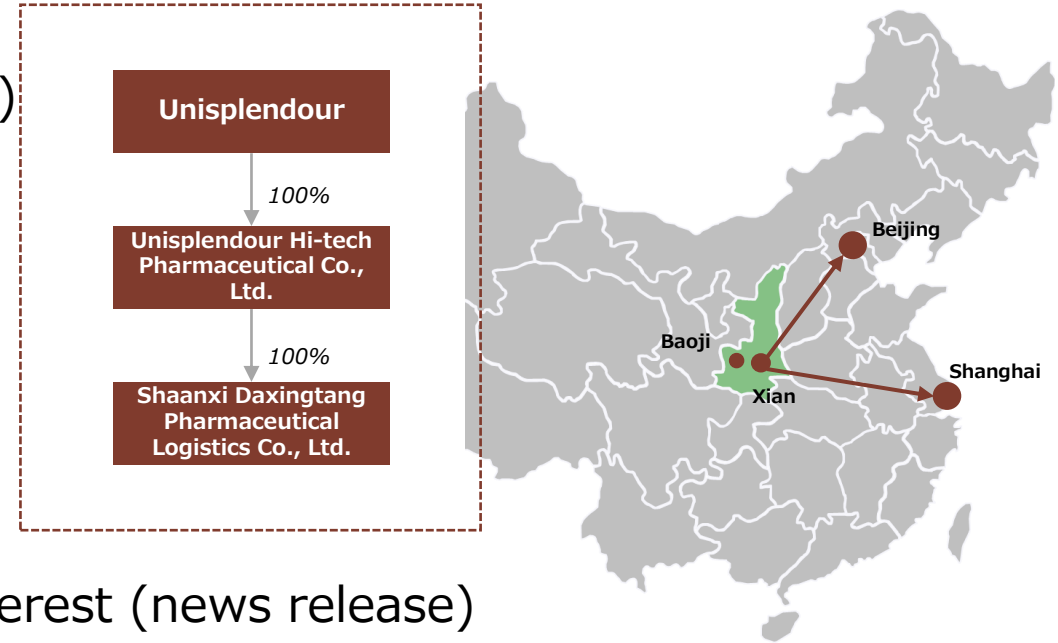
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Company name: Shaanxi Unisplendour Life Care  
Pharmaceutical Co., Ltd. (Unisplendour)

Location: Baoji, Shaanxi Province

Registered capital: 80.07 million RMB

Number of group employees: More than 200 people  
(as of May 2023)



## Overview of M&A progress

April 13: Entered into contract for transfer of equity interest (news release)

April 23: Completed procedures with the Bureau of Industry and Commerce (completed filing notifications for a change in shareholders, change in legal representative and change to a new Articles of Incorporation, issuance of new business licenses for 3 group companies)

May 9: Completion of closing

Slated for December: Change of pharmaceutical license holder

Completion of construction of new plant (Introduction of smart system in April 2024, corporate name change in and after April, start of smart plant production in 2025)

## 百年品质保证



陕西紫光辰济药业有限公司

達興堂令  
藥材必道地  
配方必獨特  
提戩必齊目  
炮製必如法  
品質必上乘  
待人必如親  
民國三十三年甲申冬月

## History

- 1918: Founded as Xingling Drugstore
- 1944: Changed business name to Daxingtang Pharmacy Chain
- 1958: Changed business name to local government-run Baoji Chengyao (Medicinal Product) Factory
- 1963: Changed business name to Baoji Zhiyaochang (Pharmaceutical Factory)
- 1997: Established Shaanxi Chenbao Pharmaceutical Co., Ltd.
- 2001: Shareholder change to the Baoshang Group
- 2003: Changed corporate name to Baoshang Group Shaanxi Chenji Pharmaceutical Co., Ltd.
- 2011: Changed corporate name to Shaanxi Chenji Pharmaceutical Co., Ltd.
- 2013: Shareholder change to Tongfang Pharmaceutical Group Co., Ltd./Shaanxi Xinhuiyuan Technology Co., Ltd.
- 2015: Changed corporate name to Shaanxi Unisplendour Life Care Pharmaceutical Co., Ltd.

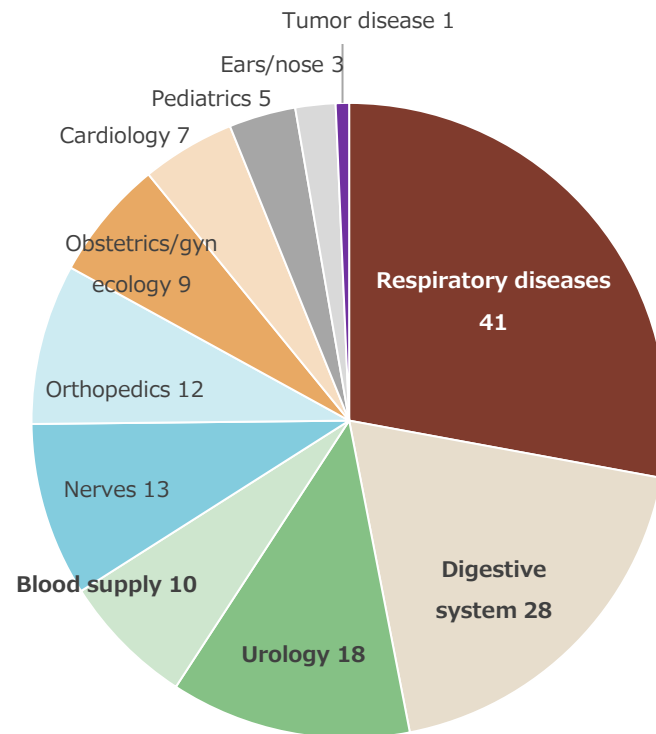
**Main business:** Manufacturing and sales of traditional Chinese medical products

**Pharmaceutical license:** 147 licenses for traditional Chinese medical products  
(Of which 67 licenses are for classic prescriptions)  
10 licenses for chemical agents

**Drug dosage form:** Pills, capsules, granules, drug piece, syrup, oral fluids, medicinal compound, medicinal liquor, and tincture

## Number of licenses for traditional Chinese medical products by disease

97 licenses in the respiratory, digestive, blood supply and urinary area, which are fields of focus for Ping An Tsumura (66% of the total)

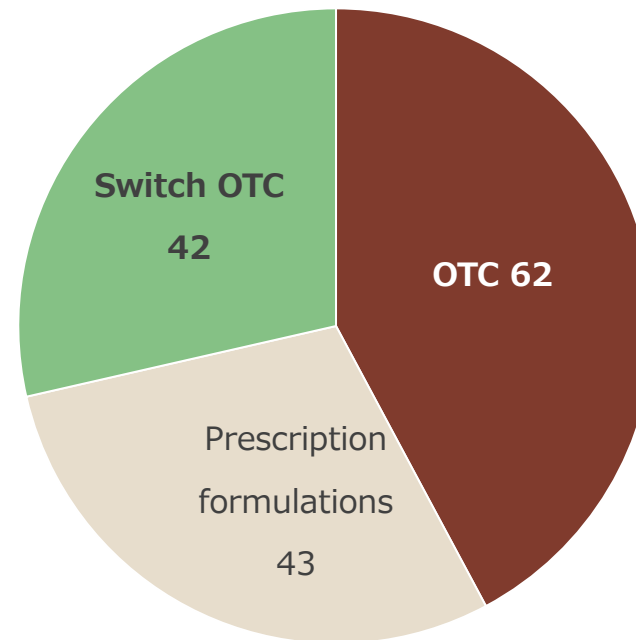


## Number of licenses for OTC/traditional Chinese medical products

104 licenses for OTC/switch OTC traditional Chinese medical products (71% of total)

Match with the Tsumura policy of “classical prescription Chinese medicines + OTC”

**67 licenses for classical prescription Chinese medicine: 45%**

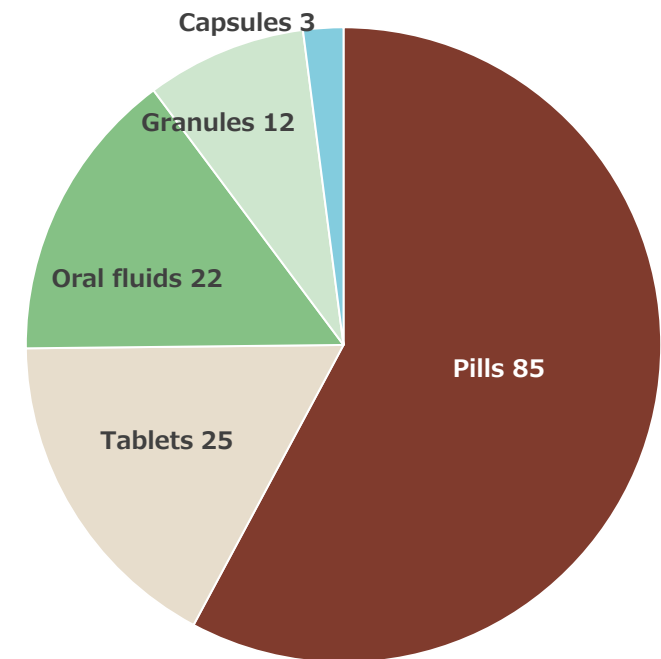


## Number of license for traditional Chinese medical products by dosage form

There are many classical prescription Chinese medicines

for all internal medicines; Pills make up 57%

In the China business, we are tackling quality improvements for dosages forms that exert efficacy/benefits, not only for granules





**Jukankaiigan**  
(proprietary item)



**Shosekigan**  
(proprietary item)



**Yojingokakohukueki**  
(proprietary item)



**Rokumijiougan**



# Building/Transforming Foundations in Chinese Business

**Vision for Chinese operations**

Contributing to the health of the citizens of China

**Treatment/presymptomatic disease/recuperation**

Expand sales channels  
Brand building

**Sales image**

10 billion yuan

**December 2016**  
**Established Tsumura China, Inc.**  
Controlling company

**June 2018**  
**Established Ping An Tsumura**  
Investment function for the China Business

**April 2019**  
**Established Pingcun Medical**  
Sales function for the Crude Drug Platform

**June 2019**  
Established Pingcun Zongying Pharmaceuticals Co., Ltd.  
Manufacturing function for the Crude Drug Platform business/Medical & Health business

**March 2020**  
**Acquired equity in Tianjin China Medico Technology Co., Ltd.: 80%**  
Core function of the Crude Drug Platform and Medical & Health business  
Changed name to **Ping An Tsumura Medicine Co., Ltd.**

**August 2022**  
**Established Ping An Tsumura Traditional Chinese Medicine Technology Co., Ltd.**  
Research Platform/Tradition Chinese medicine Research function

**April 2023**  
**Acquired equity in Unisplendour: 100%**  
Core function of Formulation Platform

**Mainly OTC/Classical prescription Chinese medicines**

**China Business strategy**

Become a trusted traditional Chinese medicine company in China

## 1. Improvements to Tsumura quality

Crude drug GACP, stability/homogeneity/dosage form for formulations

## 2. Establish a production system

Smart system, low-cost operations

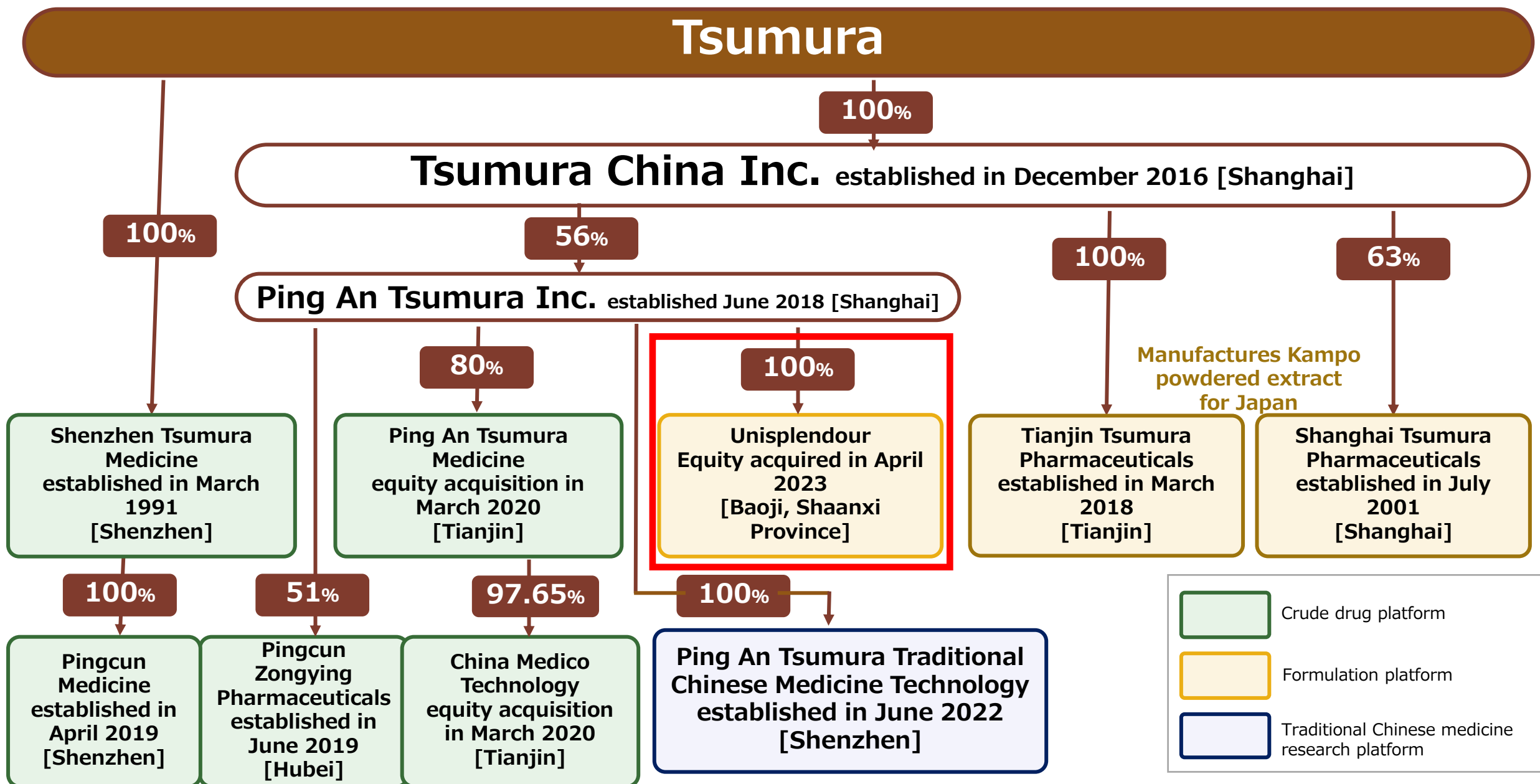
## 3. Expand sales channels

From Shaanxi Province to China nationwide/Southeast Asia, EC & SNS

## 4. Brand building

Tsumura quality brand, Ping An Tsumura brand

# Figure of Capital Ties between Major Corporate Groups in China



01

China Business/Manufacturing Platform:  
M&A Overview

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02

Basic Policy for the China Business

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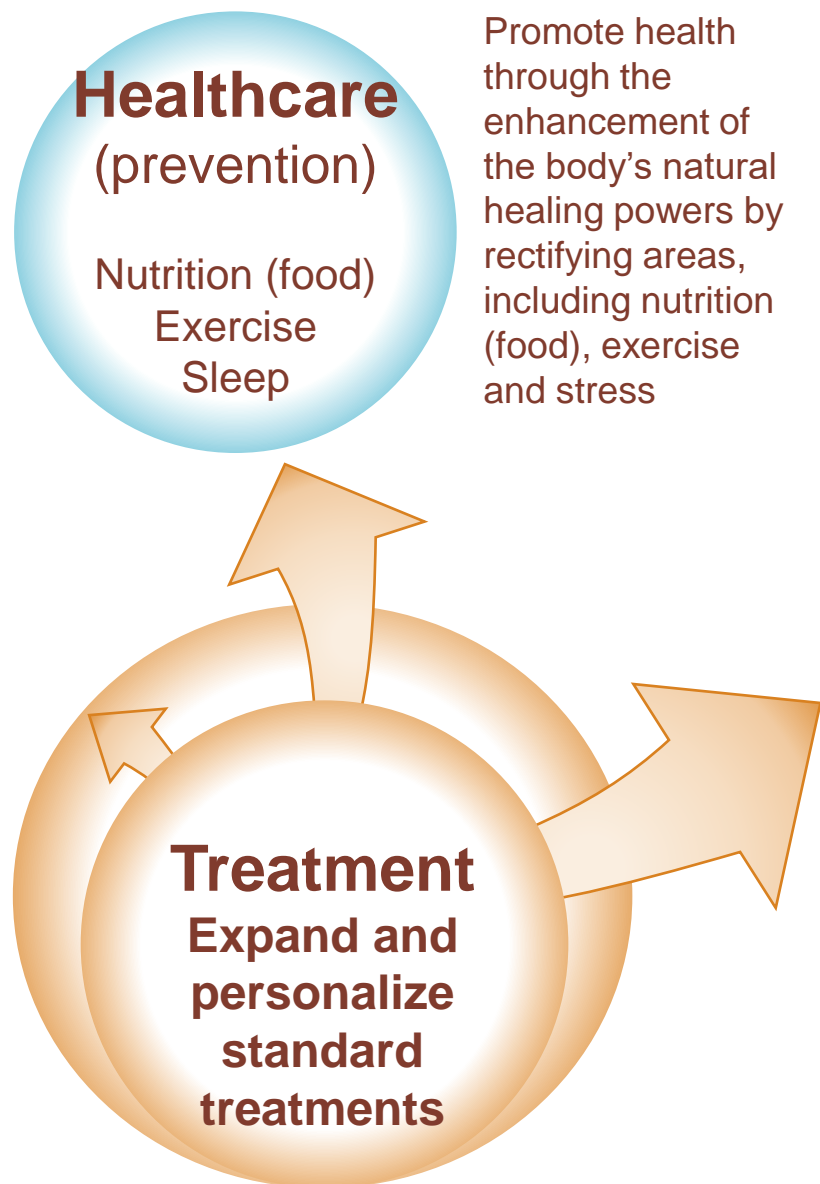
## Lively Living for Everyone TSUMURA VISION “Cho-WA” 2031

We aim to create conditions in which the Tsumura Group is contributing to the well-being of all by supplying evidence-based products and services, including Kampo and traditional Chinese medicines, that suits factors including the life stage, symptoms, genetic makeup and daily life environment of each individual



## Goals to be realized under VISION 2031

- 1. 50% of physicians will write basic prescriptions in all treatment areas**
- 2. Expand standard Kampo treatments and personalize Kampo treatments**
- 3. Scientific study of pre-symptomatic diseases**  
Three preventive measures for pre-symptomatic diseases (treat disease before symptoms appear, prevent change in existing disease and post-healing recovery)
- 4. Build foundation for the China Business (China Business to account for 50%-plus of sales)**
- 5. Digital transformation of the Kampo value chain**
- 6. Implement purpose management, philosophy management and vision management**



## Three Preventive Measures

### Pre-symptomatic (prevention)

Prevent development of a full-fledged disease by diagnosing and treating pre-symptomatic diseases based on unnoticed changes in health and noticeable symptoms

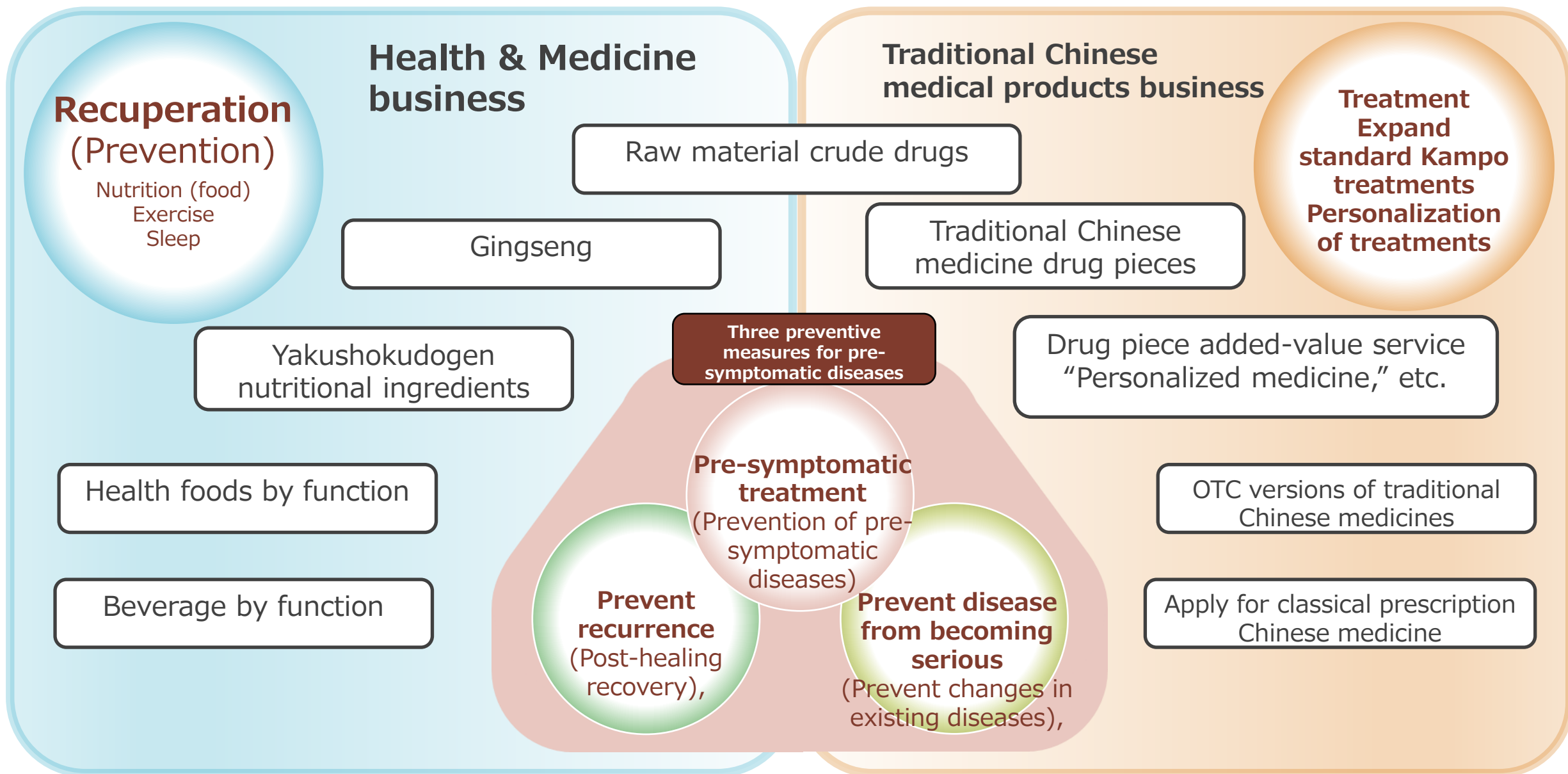
### Prevent disease from becoming serious (Prevent change in existing disease)

Prevent disease from becoming serious via early detection, by predicting its progress and through proper early treatment

### Prevent relapses (Post-healing recovery)

Improve treatment prognosis and QOL to prevent a relapse so that the patient can fully rehabilitate and get back to society





**Recuperation**  
(Prevention)  
Nutrition (food)  
Exercise  
Sleep

## Yakushokudogen

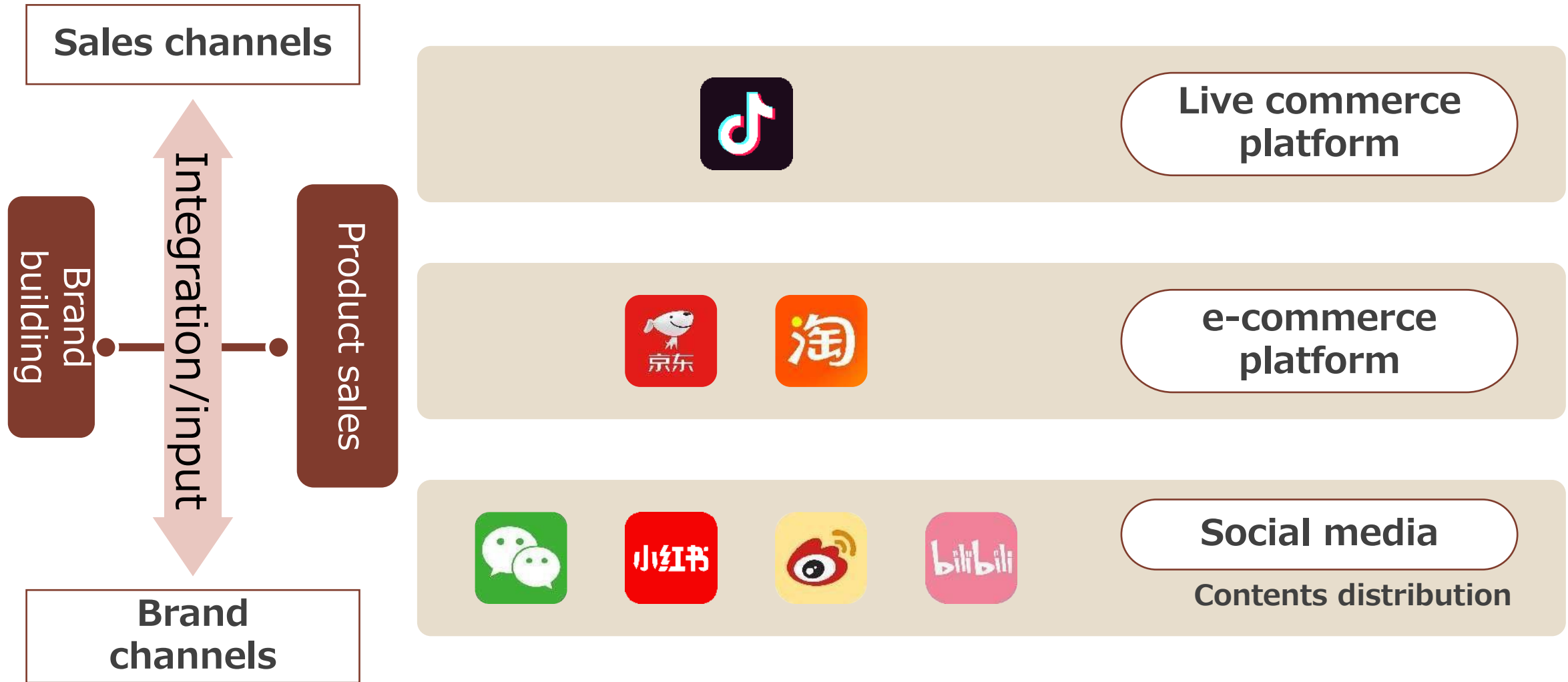
**China  
Southeast Asia  
Crude drug  
platform**

Ping An Tsumura  
Medicine, etc.



Beverages being sold at  
Tsutaya Books  
(Shanghai)





# Traditional Chinese Medicine/Medical Products Business: Crude Drug/Formulation Platforms

Treatment  
Expand standard  
Kampo  
treatments  
Personalization  
of treatments

## Personalized medicine

China  
Crude drug  
platform

Ping An Tsumura  
Medicine



Drug pieces



Drug piece  
added-value  
service  
Personalized  
medicine

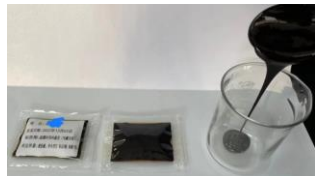


Fluid extract for  
use by traditional  
Chinese doctors

## Classical prescription Chinese medicines

China  
Southeast  
Asia

Shaanxi  
Unisplendour



Fluid extract



Powdered  
extracts



Decoction

# Traditional Chinese Medicine Business: "Personalized Medicine" Drug Piece Added-Value Service



Traditional Chinese medicine  
Personalization of treatments

Small-lot, high-mix smart production system  
Crude drug extract  
extraction/concentration/packaging

Ping An Tsumura  
Medicine  
China Medico  
Technology



**Corporate Communications Dept.**

**Investor Relations Group**

**[investor\\_madoguchi@mail.tsumura.co.jp](mailto:investor_madoguchi@mail.tsumura.co.jp)**

## Cautionary items regarding forecasts

- The materials and information provided in this presentation contain so-called forward-looking statements. Readers should be aware that the realization of these statements can be affected by a variety of risks and uncertainties and that actual results could differ significantly.
- Changes in Japan or other foreign countries related to healthcare insurance systems or regulations set by medical treatment authorities on drug prices or other aspects of healthcare or in interest and foreign exchange rates could negatively impact the Company's performance or financial position.
- In the unlikely event that sales of the Company's core products currently on the market be halted or should sales substantially decline due to a defect, unforeseen side effect or some other factor, there could be a major impact on the Company's performance or financial position.

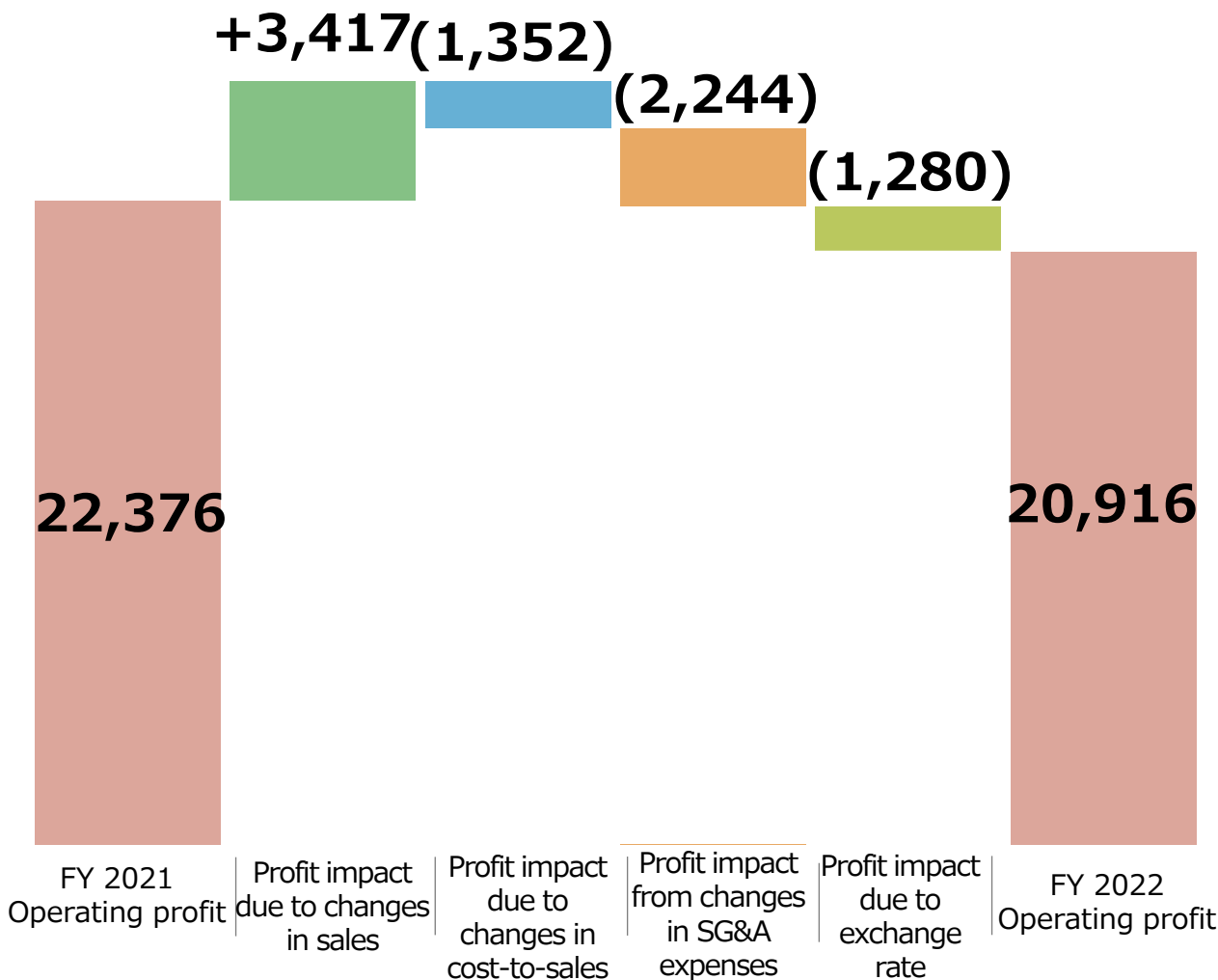
# Appendix

# Factors Triggering Changes in Operating Profit (YoY)



( Million yen )

( Million yen )



<b>Breakdown of change in net sales: +3,417</b>	
Domestic	+2,737
Overseas	+679
<b>Breakdown of change in cost-to-sales: (1,352)</b>	
Crude drug procurement cost	(619)
Raw material expense (Domestic: Soaring expense for materials other than raw material crude drugs)	(598)
Processing expense, etc.	+235
Outside sales in China	(369)
<b>Breakdown of change in SG&amp;A expense : (2,244)</b>	
Depreciation (incl. one-off expense at Tianjin Plant)	(606)
R&D	(220)
Advertising	+101
Salary allowance (incl. one-off expense at Tianjin Plant)	+140
Sales promotions	+155
Other (system introduction(800), volume of activities(700)etc.)	(1,814)
<b>Foreign exchange impact (1,280)</b>	



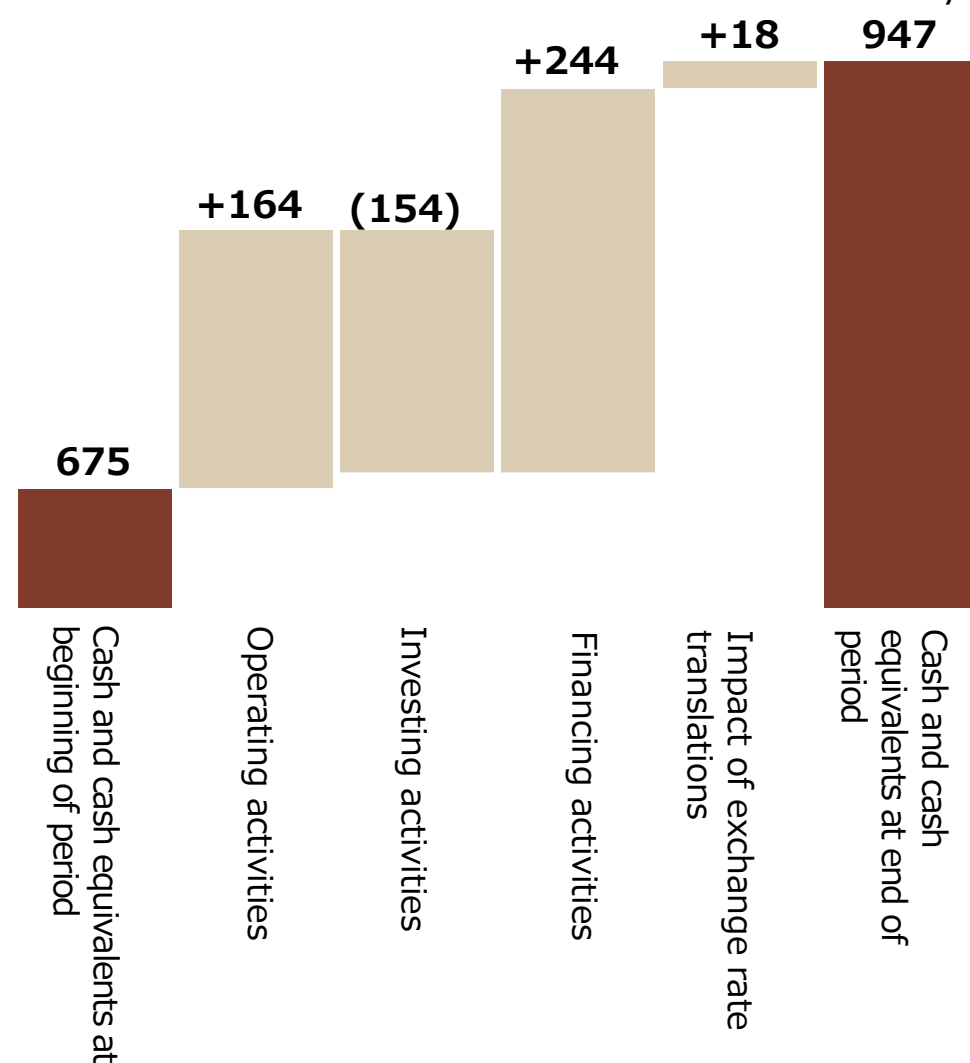
# Financial Condition/Cash Flow Position

( Million yen )

Bond issuance: 30 billion yen (Sep. 8, 2022)

	FY 2021 (March 2022)	FY 2022 (March 2023)	Change
<b>Total assets</b>	<b>350,981</b>	<b>396,813</b>	<b>45,831</b>
Current assets	229,420	268,320	38,900
Non-current assets	121,561	128,492	6,931
<b>Total liabilities</b>	<b>92,871</b>	<b>124,566</b>	<b>31,695</b>
Current liabilities	45,875	47,205	1,329
Non-current liabilities	46,996	77,361	30,365
<b>Total net assets</b>	<b>258,109</b>	<b>272,246</b>	<b>14,136</b>
<b>Equity ratio</b>	68.3%	63.5%	(4.8)pt

( Hundred million yen )

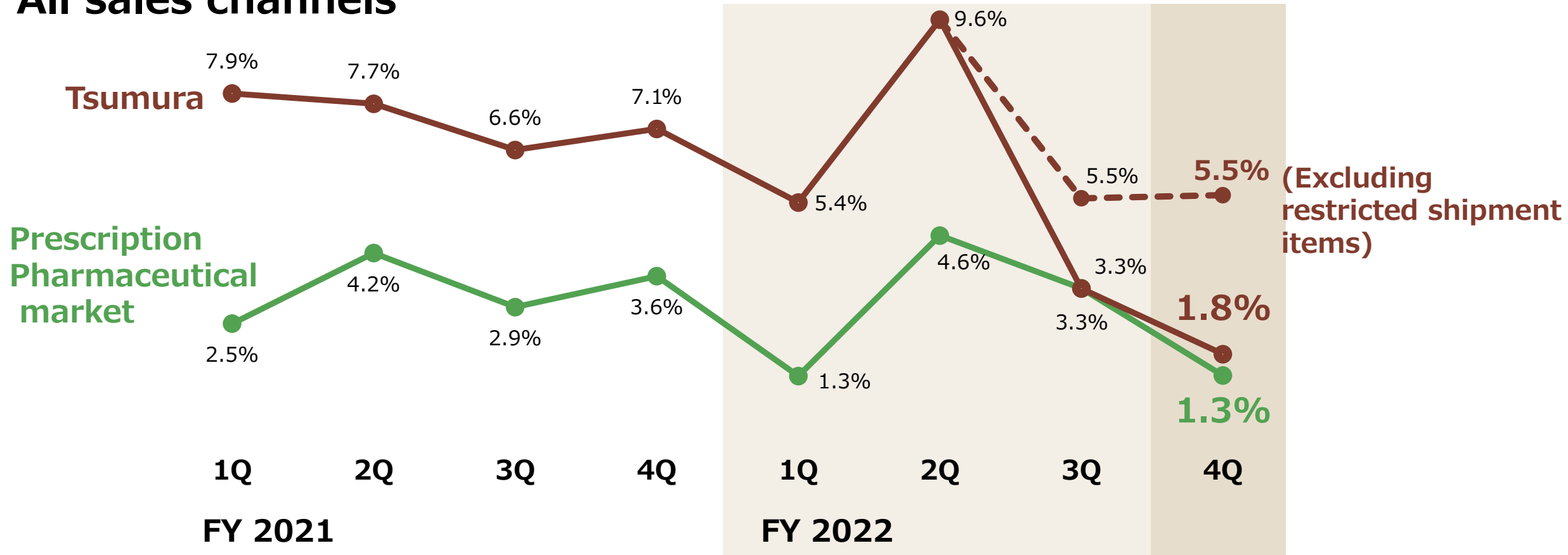


	FY 2021 (March 2022)	FY 2022 (March 2023)	Change	Of which, Exchange rate
<b>Inventories</b>	<b>92,751</b>	<b>101,726</b>	<b>8,974</b>	3,347
Merchandise and finished goods	10,247	11,257	1,009	179
Work in process	13,614	14,430	816	118
Raw materials and supplies	68,889	76,038	7,148	3,049

Sales increased 1.8% year-on-year on a NHI drug price basis; the rate of sales growth was sluggish due to the negative impact of restricted shipments

(YoY/drug price basis)

## All sales channels



**Tsumura**

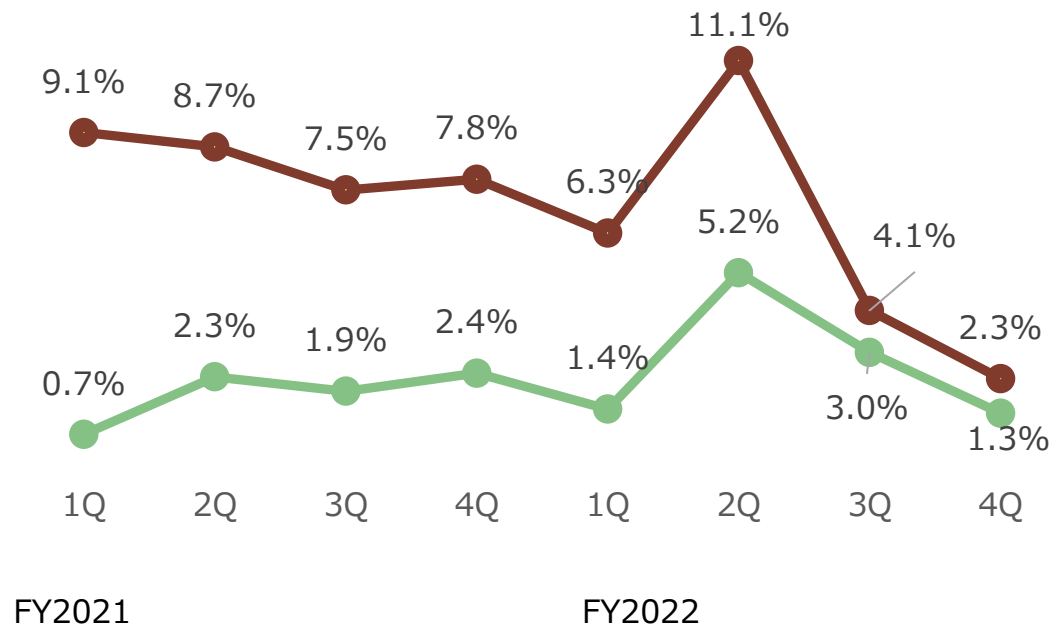


Prescription pharmaceutical market

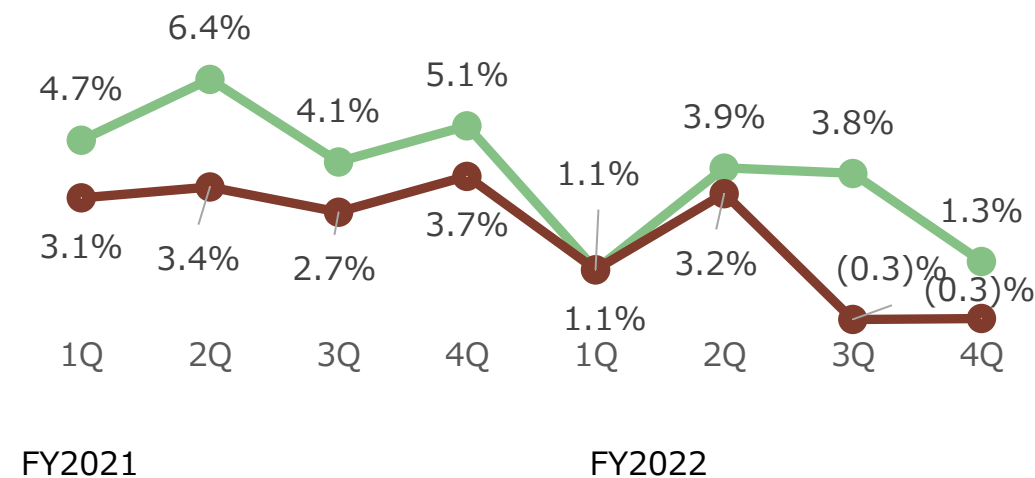


(YoY/drug price basis)

## General clinics (GP)



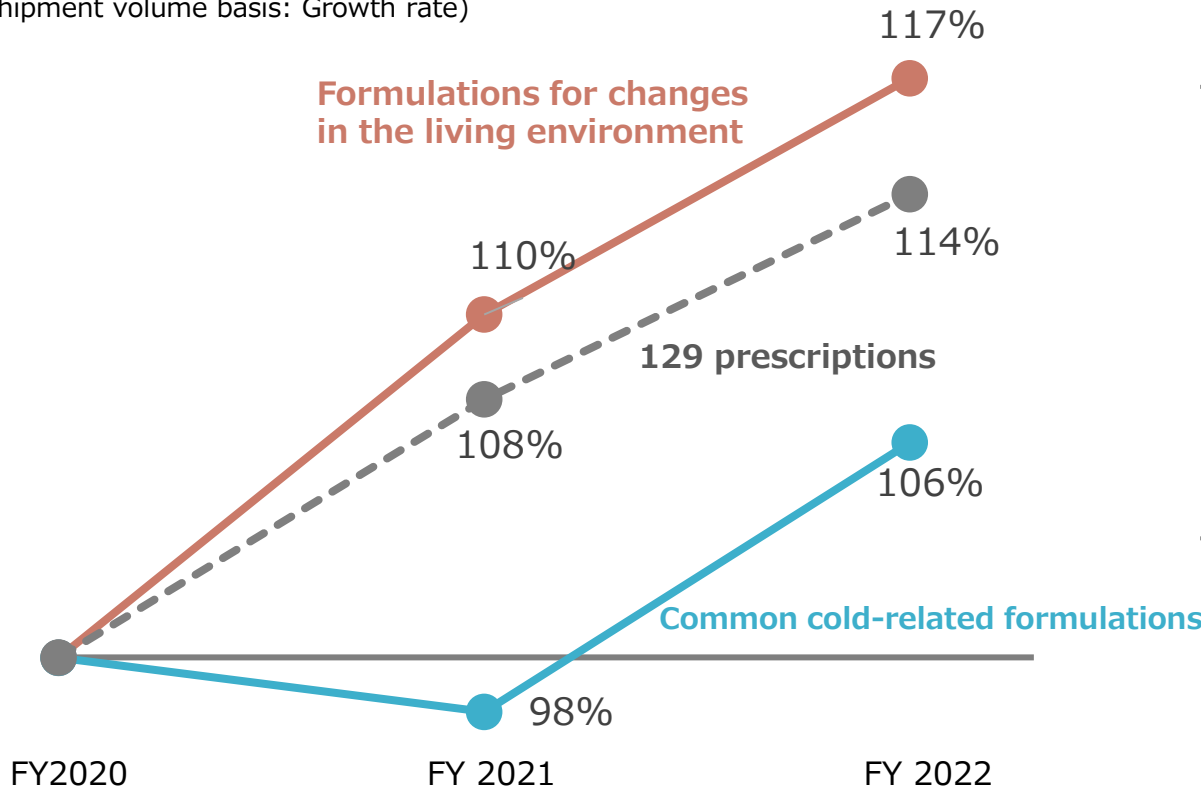
## Hospital market (HP)



# COVID-19 Impact and Outlook

- Symptoms reflecting changes in the living environment continue to offer prescription opportunities despite a partial decline
- Increase in prescription opportunities for common cold-related formulations due to the spread of common colds during the winter season

(Shipment volume basis: Growth rate)



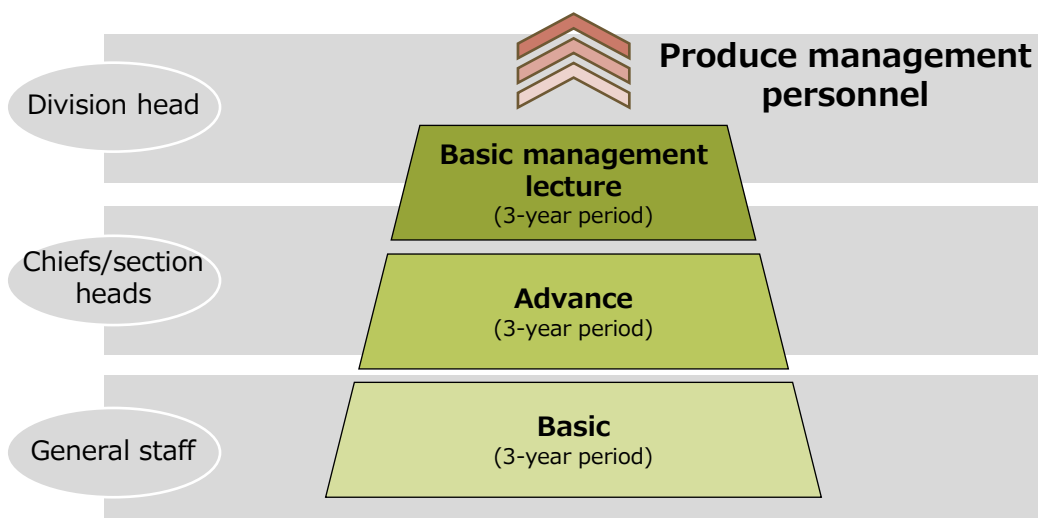
	Symptoms	Demand outlook
Changes in the living environment	Anxiety/insomnia (6 formulations) Fatigue (2 formulations) Dizziness (2 formulations)	The pace of growth is sluggish
	Skin irritation, acne due to the use of masks (4 formulations)	Ease up of measures to control infections
Common cold-related	Common cold, influenza, hay fever, etc. (13 formulations)	Growth owing to the spread of common colds during the winter season

## ✓ Cultivate Management Personnel

### Basic management lecture

- Employees that completed the course  
52 people (of which 9 were women)
- Employees currently taking the course  
49 people (of which 8 were women)

Directors, Executive Officer,  
General Managers

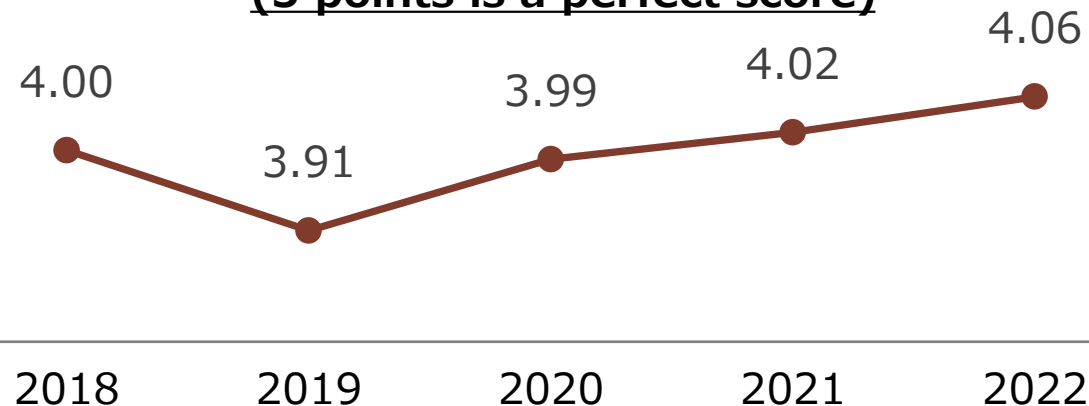


## ✓ Foster Corporate Culture

Long-Term Vision (10-year)  
Standard KPIs  
for all executive officers

▶ Survey outcome was  
Over 4.0

Average for responses to the 30 items in the survey for instilling philosophy (5 points is a perfect score)



2018

2019

2020

2021

2022

Still waiting-and-seeing  
Someone else's concern  
to a certain extent

Be able to see  
things as one's  
own concern

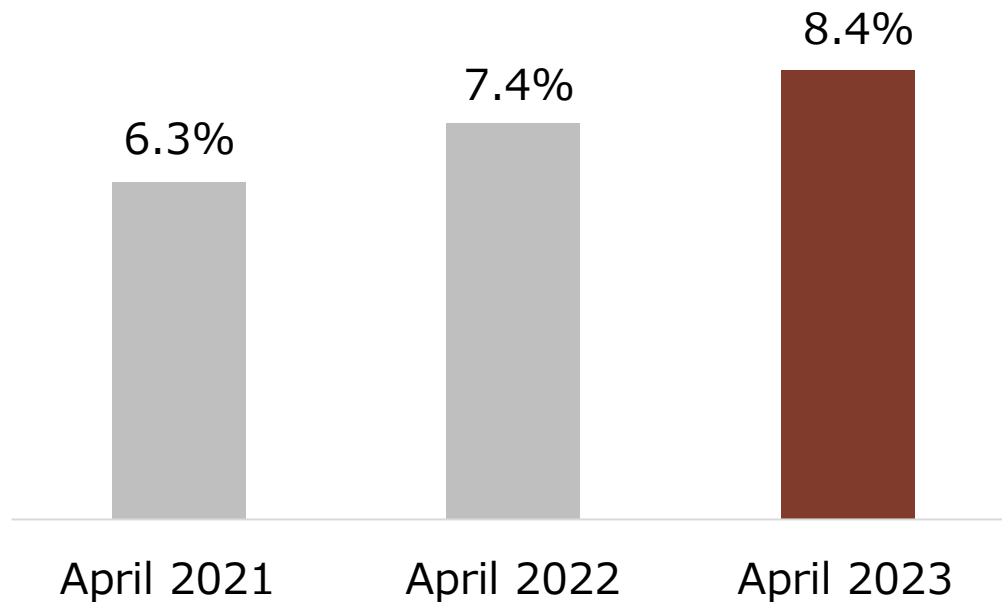
Considering more  
autonomously what should be  
done from one's heart

Make progress with  
internal  
branding/personaliza  
tion, and realize a  
connection between  
philosophy and action

Realizing that  
embodying the  
philosophy contributes  
to results

## ✓ Promote diversity and inclusion

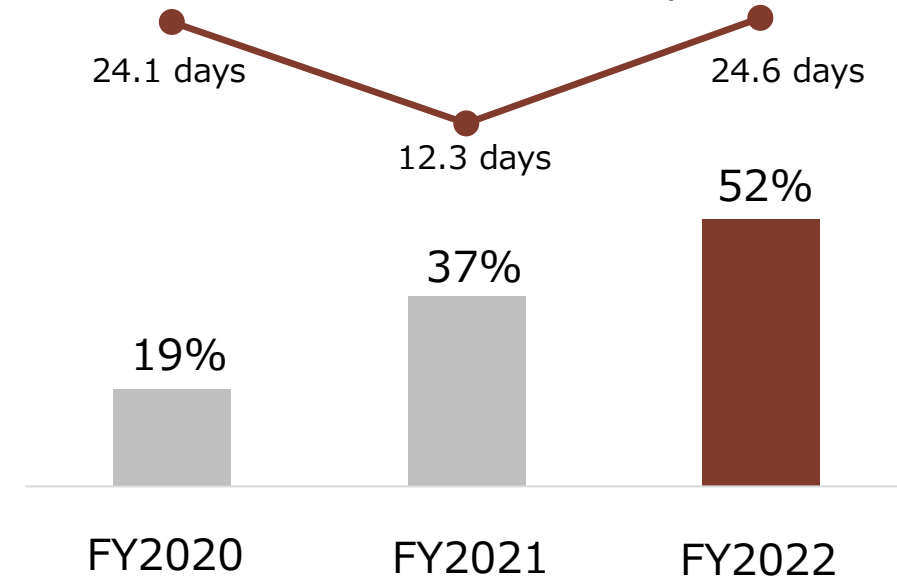
### Increased ratio of female managers



Results mainly from the active participation of women in programs, including the basic management lecture and next-generation leader training, and the holding of training seminars for female managers

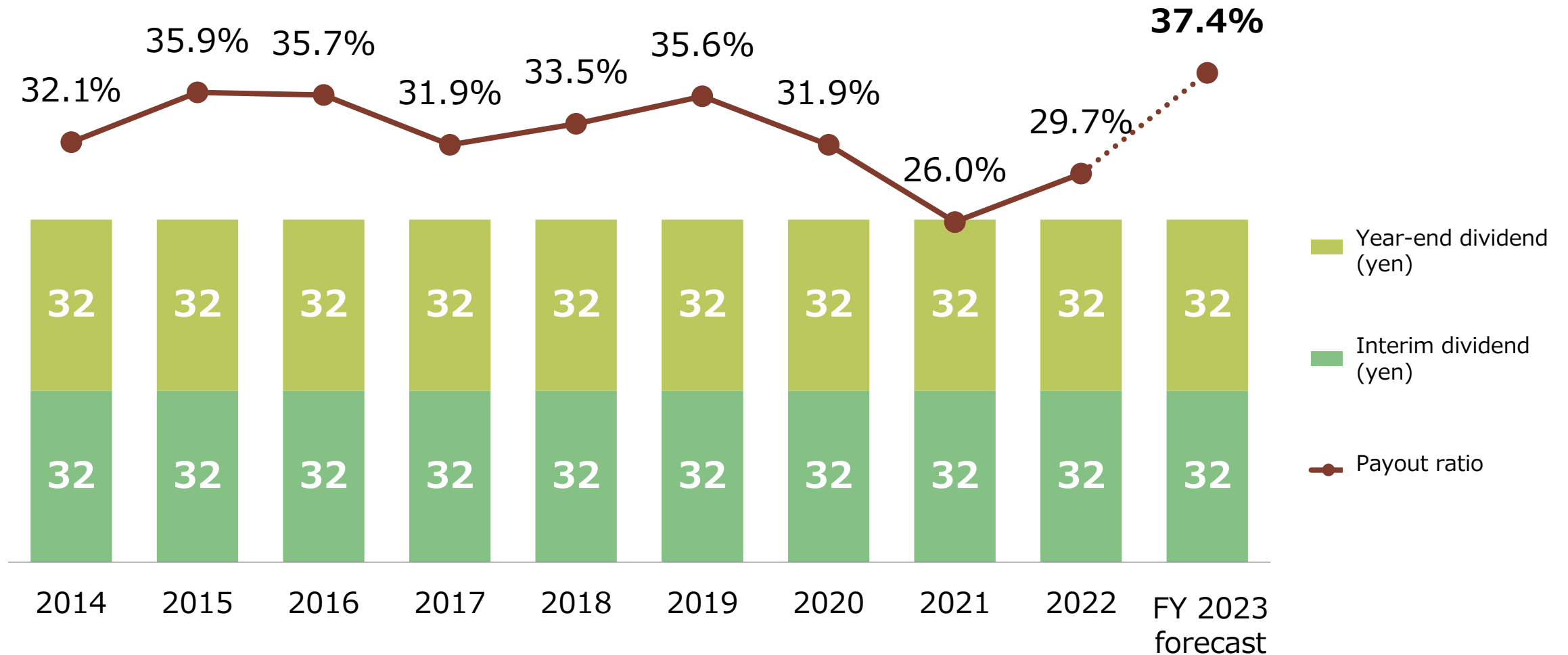
### Encourage male employees to take childcare leave

(Acquisition ratio for childcare leave and average period of childcare leave)



Results from the promotion of men taking childcare leave through the further expansion of support systems for childcare/nursing care and work, and through the "Ikumen Promotion Project"

# Dividend and Payout Ratio Trends



Note: The fiscal year-end dividend for FY 2022 and the dividend payout ratio (forecast) is a forecast number as it is predicated by the approval of the dividend resolution at the 87th Ordinary General Meeting of Shareholders.