

TOYO Corporation

(Tokyo Stock Exchange Prime: 8151)

**Action to implement management that is
conscious of cost of capital and stock prices**

February 14, 2024

 **TOYO Corporation**

Quest for Precision

Trend in indicators for the past 5 years

- ROE remained below the cost of equity
- Although PBR had generally remained below 1 during the past 5 years, PBR exceeded 1 at the end of the previous FY.



Our management policy is to **increase the stock price and PBR** by achieving ROE which exceeds the cost of equity.

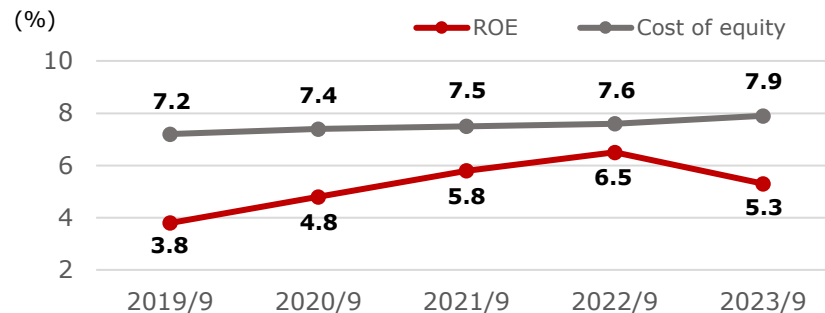
KPI for the FY ending September 2024

ROE 8.0% or above

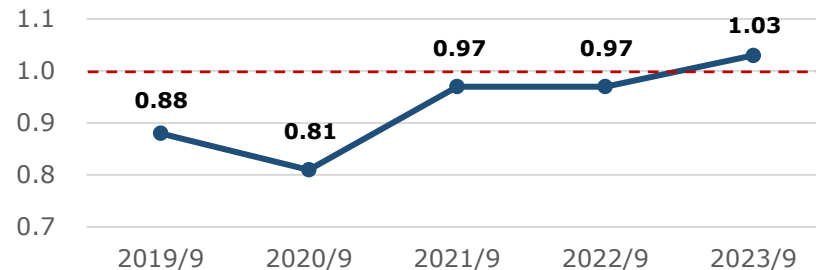
We will achieve ROE 8.0%, which is an indicator of "TY2024" medium-term management plan, and aim for ROE exceeding the cost of equity.

ROE 8.0% is a passing point, and we will continue to enhance corporate value through our efforts to improve ROE and PBR in the future.

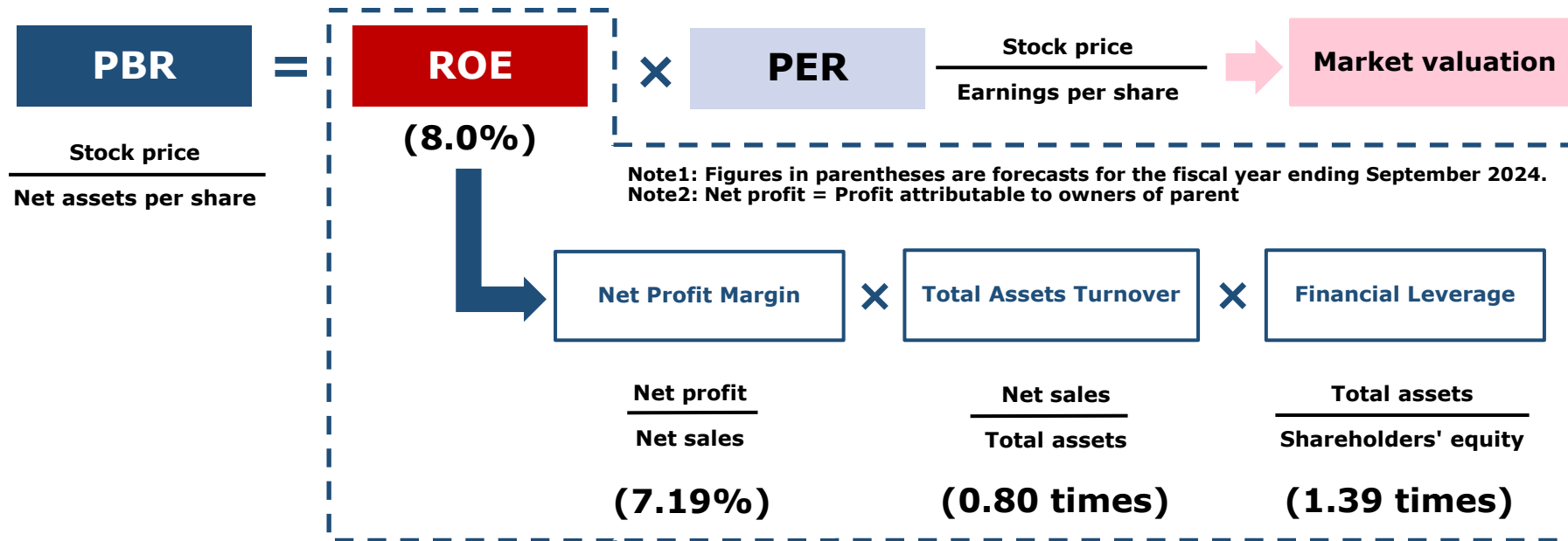
ROE and Cost of Equity



Changes in PBR



Enhancing PBR, which is one of KPI of the corporate value



Improving PBR by increasing the 3 elements of ROE and PER while enhancing corporate value

Initiatives to Enhance Corporate Value

The following measures will be implemented for respective components.

ROE	Net profit margin	Net profit	<ul style="list-style-type: none"> • Increase profit margin by expanding sales and carefully examining gross profit for each project • Reduce foreign exchange risk through forward exchange contracts • Reduce SG&A expenses by improving operational efficiency, etc.
		Net sales	<ul style="list-style-type: none"> • Expand growth business by investing resources in carbon neutral and other fields • Enhance competitiveness by creating added value • Strengthen sales capabilities by increasing the number of employees
	Total assets turnover	Net sales	
		Total assets	<ul style="list-style-type: none"> • Reduce assets by optimizing inventories • Improve asset efficiency by reviewing assets held
	Financial Leverage	Total assets	<ul style="list-style-type: none"> • Use interest-bearing debt for growth investments
		Shareholders' equity	<ul style="list-style-type: none"> • Increase shareholder returns, including acquisition of treasury stock as appropriate
PER		Market valuation	<ul style="list-style-type: none"> • Improve business performance and expand shareholder returns accordingly • Implement appropriate information disclosure and strengthen dialogue with domestic and overseas investors • Strengthen ESG initiatives