COMPANY RESEARCH AND ANALYSIS REPORT

SAKAI HEAVY INDUSTRIES, LTD.

6358

Tokyo Stock Exchange Prime Market

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Index

Summary

For FY3/24 1H, operating profit increased by 84.2% YoY. Particularly strong sales to North America

Sakai Heavy Industries, Ltd. <6358> (hereinafter also referred to as “the Company”) is a manufacturer specializing in road rollers for road paving and other road construction equipment. It has a long history in this field, and boasts the industry’s highest market share in Japan at over 70%. In recent years, the Company has been focusing on developing overseas markets, especially in North America and Southeast Asia.

1. Outline of results for FY3/24 1H

In the consolidated results for FY3/24 1H, net sales increased 12.7% year on year (YoY) to ¥16,785mn, operating profit increased 84.2% to ¥1,966mn, ordinary profit rose 92.6% to ¥2,109mn, and profit attributable to owners of parent increased 87.4% to ¥1,534mn. The results exceeded the initial forecasts (net sales: ¥16,100mn; operating profit: ¥1,300mn). By region, in Japan net sales were up 3.7% YoY due continued strong sales against a backdrop of measures to accelerate the national resilience plan. Overseas sales were also strong, increasing 21.1%. In particular, net sales increased 36.4% YoY in the U.S. due to increasing investment in road construction following the passing of the Infrastructure Investment and Jobs Act. Sales to Asia were down 3.6% YoY due to signs of slowing growth in ASEAN markets excluding Indonesia, and continued slowdown in China, despite a recovery in demand in Indonesia. The gross margin improved to 29.9% (vs. 25.7% in year-before 1H) due to factors including the effects of sales price revisions, the normalization of transportation costs, and the weak yen. SG&A expenses only increased 10.6%, so operating profit rose significantly.

2. Outlook for FY3/24

Based on a solid performance in 1H, for FY3/24 consolidated results, the Company upwardly revised its initial forecasts (net sales: ¥33,000mn; operating profit: ¥2,950mn), with the new forecast for net sales of ¥33,100mn (up 5.2% YoY), operating profit of ¥3,300mn (up 31.7%), ordinary profit of ¥3,300mn (up 41.8%), and profit attributable to owners of parent of ¥2,300mn (up 35.7%). The Company is assuming an exchange rate of ¥140/USD. The outlook for net sales and profit by customer region has not been disclosed, but the Company’s policy is to pursue sales increases in all regions. Global demand for construction machinery is forecast to remain solid as infrastructure investment increases globally, but there are concerns about a dulling of demand in certain areas so the Company is taking a cautious view for 2H. There are still concerns regarding continued increases in materials prices, but based on the strong results in 1H the Company expects the operating profit margin to rise 2.0 percentage points YoY. However, the Company plans to review its progress on a quarterly basis and revise its results forecasts if necessary.

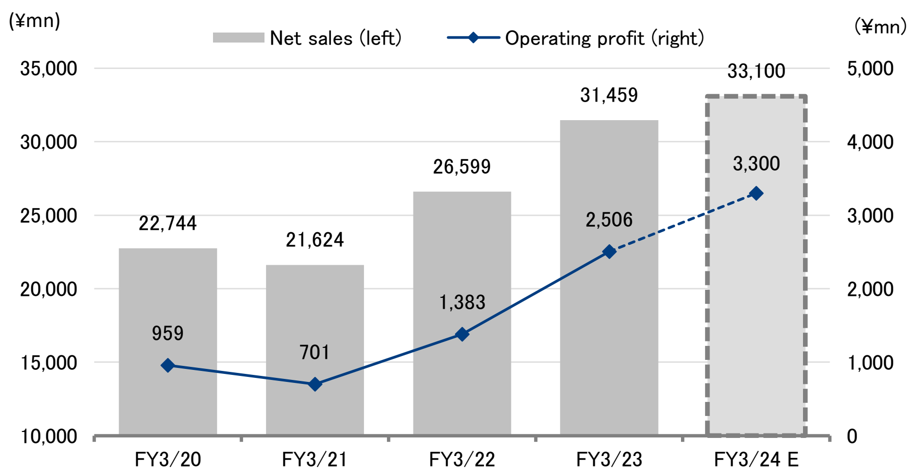
3. Medium-term growth strategy

In June 2021, the Company released its "Medium-Term Management Policy" which runs through FY3/26. The ultimate goal is to increase corporate value and shareholder value, and in order to achieve this, the Company will promote a "business growth strategy" and an "efficient capital strategy." In terms of numerical targets, in FY3/26, the Company is aiming for net sales of ¥30.0bn, operating profit of ¥3.1bn, ROE (return on equity) of 8%, and will aim to maintain a stable dividend payout ratio of 50%. Results were strong in the first year of the plan in FY3/22 and the second year in FY3/23, and FY3/24 has been solid thus far, but the plan currently remains the same, and the Company has kept these numerical targets unchanged. Regarding the FY3/24 dividend, given the ROE is forecast to exceed 6.0% and the promised dividend payout ratio of 50%, the Company announced an increased annual dividend to ¥270.0 (interim dividend of ¥90.0 and fiscal year-end dividend of ¥180.0). The Company should be rated highly for announcing a clear capital policy to improve ROE and then implementing shareholder returns in accordance with that policy.

Key Points

- Japan's leading manufacturer of road rollers with a long history. Domestic market share is over 70%, and the Company aims to grow by expanding its overseas market share
- The Company achieved an 84.2% YoY increase in operating profit in FY3/24 1H, and upwardly revised its full-year forecast as well
- As medium-term numerical targets, the Company is aiming for net sales of ¥30.0bn, operating profit of ¥3.1bn, and ROE of 8% in FY3/26

Results trends



Note: The Accounting Standard for Revenue Recognition, etc., has been applied from FY3/22
Source: Prepared by FISCO from the Company's financial results

Company profile

The top manufacturer of road rollers with a long history

The Company develops as a specialized manufacturer of road rollers for paving roads and other road construction equipment, and currently, the Company is the top manufacturer in Japan, and boasts a market share of over 70%. In 1970, the Company established a joint venture in Indonesia, as part of the Company's effort to expand business overseas at an early stage. As of FY3/23, the Company has four domestic subsidiaries, and four overseas subsidiaries (U.S., China, two in Indonesia). The Company listed its shares on the Second Section of the Tokyo Stock Exchange in 1964, and its shares were reclassified to the First Section of the Tokyo Stock Exchange in 1981. In conjunction with the Tokyo Stock Exchange's market recategorization in April 2022, it moved to the Prime Market.

Business overview

The top manufacturer of road rollers with a domestic market share of over 70%.
Will seek growth by offering high added value and expanding overseas market share

1. Business description

The Company's main business is the manufacture and sale of road rollers used in road paving and other applications, and road roller-related net sales account for approximately 95% of all net sales. Also, the Company's corporate philosophy is to "Contribute to the social project of global land development through the road construction equipment business."

The term "road roller" actually covers quite a wide range of machines in terms of capabilities and size, among other features. The Company has roughly 20 platforms alone for road rollers, and when different variations are added the total number of products is in the 70-80 range. There is also a wide range in sizes, from 1 ton to 20 tons (for large civil engineering projects). The core price range is from ¥5mn (medium-size rollers) to ¥10mn (large rollers), but the Company also has road cutters and other machines that cost tens of millions in yen. Production is carried out on an expected production basis, and the Company does not manufacture machines based on individual orders. The useful lives of the Company's products are in the 20-30 years range, but very few customers use a machine until the end of its useful life. In most cases, they replace it after statutory depreciation (6-7 years) with a new one. Most of the depreciated equipment are resold as used machines to overseas customers (especially in developing countries).

In terms of net sales by region in FY3/23, net sales in Japan were ¥15,208mn (48.3% of total net sales), net sales in North America were ¥7,751mn (24.7%), net sales in Asia were ¥7,796mn (24.8%), and net sales to other regions totaled ¥703mn (2.2%). Moreover, in terms of net sales by region in FY3/24 1Q, net sales in Japan were ¥2,798mn (37.2%), net sales in North America were ¥2,301mn (30.5%), net sales in Asia were ¥2,092mn (27.8%), and net sales to other regions totaled ¥337mn (4.5%).

2. Characteristics and strengths

As mentioned above, the Company is a specialized manufacturer of road rollers and other road construction equipment, and the Company has the following special characteristics and strengths.

(1) Long history as a specialized manufacturer

The Company's greatest strength is its long history as a specialized manufacturer of road rollers and other road construction equipment. In other words, by deploying a global niche strategy through selection and concentration, the Company has increased its level of expertise and accumulated its own unique technologies.

(2) Technological capabilities

When it comes to hardening and paving roads, the necessary pressure, torque, and other variables (compaction technology) differ depending on the specific land, land quality, soil, and other conditions. Therefore, roadwork companies often require different types of road rollers to match individual worksites (ground, etc.). Because the Company has been a specialized manufacturer of road rollers and other road construction equipment for many years, it boasts a high level of technological capabilities with respect to compaction technology, and it is not easy for its competitors to catch up to it.

(3) Credibility

Credibility backed by experience engineering and track record is also a strength of the Company. The technology to ensure underground compaction quality is a black box, and is not something that is easy for late-arriving manufacturers and non-specialized manufacturers to copy. For example, asphalt mixture brought in at high temperatures must be worked on within a limited time, and if the work is of poor quality, it must be redone which involves a large price. Also, work quality issues for roads and embankments are slow to emerge, and the compaction quality at the time that work is completed tends to be a black box. For this type of experience engineering, the Company's strength lies in the fact that it is a brand which customers have used for many years and that has accumulated long-term insight due to abundance of worksite experiences, and these are points that have earned the trust of many customers.

3. Market share and competitors

According to data from the Japan Construction Equipment Manufacturers Association, in FY2022 domestic construction equipment shipment value was ¥3.5tn, and road roller and other road construction equipment (the Company's main products) account for 2.3% of this amount. The Company has a share of over 70% in this road equipment market, making it the top manufacturer in Japan. Competitors include companies such as Hitachi Construction Machinery Co., Ltd. <6305>, but none of these companies are specialized manufacturers. Some overseas manufacturers have entered the market in Japan, but none have much of a presence. In Japan, the Company's earnings rise and fall along with the ups and downs of the market.

In the global market, although there are no accurate statistics, the Company's market share (on a units produced basis) is estimated to be in the 5-6% range. However, this is on a global basis, and if we limit the scope to the main markets that the Company operates in (Japan, ASEAN, North America), the Company's market share appears to be around 15%. The Company's main competitors in the global market include Caterpillar <CAT>, FAYAT SAS, HAMM AG, and Volvo Personvagnar AB, but none of these companies are manufacturers that specialize in road rollers.

Results trends

For FY3/24 1H, operating profit increased by 84.2% YoY. Strong sales to North America and other overseas markets

1. Outline of results for FY3/24 1H

In the consolidated results for FY3/24 1H, net sales increased 12.7% YoY to ¥16,785mn, operating profit increased 84.2% to ¥1,966mn, ordinary profit rose 92.6% to ¥2,109mn, and profit attributable to owners of parent increased 87.4% to ¥1,534mn. The results exceeded the initial forecasts (net sales: ¥16,100mn; operating profit: ¥1,300mn).

The gross margin improved significantly to 29.9% (25.7% in the year-earlier period), mainly due to progress in profit structure reform through the sales price revisions in Japan and overseas, the settling down of transportation costs and the effect of the weak yen, along with other factors. On top of this, there was the impact of higher sales, and gross profit increased 31.2% YoY to ¥5,012mn. Meanwhile, SG&A expenses increased by 10.6%, which was in line with the forecast, so operating profit increased significantly.

Analyzing the change factors for operating profit, the increase in net sales had a positive ¥486mn impact, the improvement in the cost of sales ratio had an impact of plus ¥704mn, and the increase in SG&A expenses had an in impact of minus ¥291mn. (Breaking down the increase, personnel expenses had a positive ¥150mn impact, technology and research expenses had a positive ¥38mn impact, promotion and advertising expenses had a positive ¥12mn impact, and other expenses had a positive ¥90mn impact).

Overview of FY3/24 1H consolidated results

(¥mn)

	FY3/23 1H		FY3/24 1H		Change	
	Results	% of net sales	Results	% of net sales	Amount	%
Net sales	14,891	100%	16,785	100%	1,894	12.7%
Gross profit	3,821	25.7%	5,012	29.9%	1,190	31.2%
Selling, general and administrative expenses	2,754	18.5%	3,045	18.1%	291	10.6%
Operating profit	1,067	7.2%	1,966	11.7%	899	84.2%
Ordinary profit	1,095	7.4%	2,109	12.6%	1,014	92.6%
Profit attributable to owners of parent	818	5.5%	1,534	9.1%	715	87.4%

Source: Prepared by FISCO from the Company's financial results

2. Trends by region

Looking at each region, in Japan net sales increased 3.7% YoY to ¥7,447mn, as solid sales continued against a backdrop of measures to accelerate the national resilience plan.

Overseas, net sales increased steadily, amounting to ¥9,337mn (up 21.1% YoY) because of progress in the recovery of demand for construction machinery in the main markets in addition to the effects of the weaker yen. Of this amount, in North America net sales increased significantly to ¥4,511mn (up 36.4%) as a result of the market expanding against the backdrop of robust investment in construction, as well as the effects of cultivating dealers and penetration of sales price revisions.

In Asia, despite a recovery of demand in Indonesia and strong performance, the slowdown continued in China, while there were signs of slowing growth in ASEAN markets excluding Indonesia. As a result, net sales were ¥3,973mn (down 3.6%). In other regions (Africa, Oceania, Central and South America, etc.), net sales totaled ¥853mn (up 202.0%), due to the realization of ODA projects in Africa.

Net sales by region

(¥mn)

	FY3/23 1H		FY3/24 1H		Change	
	Results	% of total	Results	% of total	Amount	%
Japan	7,181	48.2%	7,447	44.4%	266	3.7%
Overseas	7,709	51.8%	9,337	55.6%	1,628	21.1%
North America	3,307	22.2%	4,511	26.9%	1,204	36.4%
Asia	4,119	27.7%	3,973	23.6%	-146	-3.6%
Other regions	282	1.9%	853	5.1%	570	202.0%
Total	14,891	100%	16,785	100%	1,894	12.7%

Source: Prepared by FISCO from the Company's financial results

Stable financial condition, ample cash and deposits of ¥8,727mn. Currently adjusting inventory levels to the appropriate level

3. Financial condition

In terms of the Company's financial condition as of the end of FY3/24 1H, current assets were ¥30,455mn (up ¥3,014mn from the end of the previous fiscal year). The main factors included a ¥1,242mn increase in cash and deposits, a ¥188mn decrease in notes and accounts receivable - trade (including electronically recorded monetary claims - operating), and a ¥1,653mn increase in inventories. Non-current assets were ¥14,808mn (up ¥1,444mn). The main factors include a ¥275mn increase in property, plant and equipment, a ¥43mn decrease in intangible assets, and an ¥1,212mn increase in investments and other assets (mainly a ¥1,228mn increase in investment securities). As a result, total assets were ¥45,263mn, an increase of ¥4,459mn. Cash and deposits remained at a high level of ¥8,727mn as of the end of FY3/24 1H, but on the other hand, given the fact that the level of inventories remained at a slightly high level after rising due to an increase in production and as part of the response to parts shortage issues, it appears that the Company will work to adjust inventories to an appropriate level going forward.

Total liabilities were ¥17,132mn (up ¥1,623mn from the end of the previous fiscal year). The main factors among current liabilities included a ¥706mn increase in payables (notes and accounts payable – trade and electronically recorded obligations – operating), a ¥164mn increase in short-term borrowings, and a ¥477mn increase in non-current liabilities. Total net assets stood at ¥28,131mn (up ¥2,835mn), with the main factors including a ¥1,025mn increase in retained earnings due mainly to recording of profit attributable to owners of parent, an ¥861mn increase in valuation difference on available- for-sale securities, and a ¥857mn increase in foreign currency translation adjustment. As a result, the equity ratio as of the end of FY3/24 1H was 62.0% (61.8% at the end of the previous fiscal year).

As a result of the above, net working capital (trade receivables + inventories – trade payables) at the end of FY3/24 1H increased by 20.6% to ¥12,528mn (up ¥2,144mn YoY). This was mainly due to a decrease in trade receivables (down ¥98mn), an increase in inventories (up ¥3,044mn) and a decrease in trade payable (down ¥802mn). The inventory turnover decreased 0.53 times YoY to 3.00 times per year, mainly reflecting an increase in inventory levels due to increased production and to reduce risk of part shortages, despite steady sales (net sales).

Net working capital

(¥mn)

	FY3/23 1H Results	FY3/24 1H Results	Change	
			Amount	%
Consolidated net sales (annualized consolidated net sales)	28,503	33,353	4,850	17.0%
Trade receivables	9,373	9,275	-98	-1.0%
Inventories	8,061	11,105	3,044	37.8%
Trade payables	-7,050	-7,852	-802	11.4%
Net working capital	10,384	12,528	2,144	20.6%
Inventory turnover (times)	3.54	3.00	-0.53	

Note: Consolidated net sales (annualized) = Net sales in 1H of the fiscal year under review + cumulative net sales in 2H of previous fiscal year
Source: Prepared by FISCO from the Company's results briefing materials

Outlook

FY3/24 forecast is for a 31.7% YoY increase in operating profit

● Outlook for FY3/24

For FY3/24 consolidated results, the Company is forecasting net sales of ¥33,100mn (up 5.2% YoY), operating profit of ¥3,300mn (up 31.7%), ordinary profit of ¥3,300mn (up 41.8%), and profit attributable to owners of parent of ¥2,300mn (up 35.7%). These represent upward revisions to its initial forecasts (net sales of ¥33,000mn and operating profit of ¥2,950mn). The Company is assuming an exchange rate of ¥140/USD.

The outlook for net sales and profit by region has not been disclosed, but the Company's policy is to pursue sales increases in all regions. Demand for construction machinery is forecast to remain stable as infrastructure investments increase globally. On the other hand, there are many uncertain factors such as global inflation, security issues, and social structural changes, but by promoting profit structure reform, improving productivity and creating new added value, and modifying global business activities, it is forecasting that the operating profit margin will increase by 2.0 points YoY.

Despite the strong results in 1H, the Company's forecasts for the full year are somewhat conservative. The Company has stated that the outlooks for both China and ASEAN are uncertain, and that the strong results that it has been enjoying in the U.S. may be peaking, so it is taking a cautious view. However, if these concerns do not end up materializing as much as forecast, we at FISCO think there is a possibility that the Company's current forecasts could be upwardly revised yet again. The Company has stated that it will make revisions as necessary when quarterly results are announced, so attention must be given to future developments.

Consolidated outlook for FY3/24

(¥mn)

	FY3/23		FY3/24		Change	
	Results	% of net sales	Results	% of net sales	Amount	%
Net sales	31,459	100%	33,100	100%	1,641	5.2%
Operating profit	2,506	8.0%	3,300	10.0%	794	31.7%
Ordinary profit	2,327	7.4%	3,300	10.0%	973	41.8%
Profit attributable to owners of parent	1,694	5.4%	2,300	6.9%	606	35.7%

Source: Prepared by FISCO from the Company's financial results

Medium-term growth strategy

As its medium-term growth strategy, the Company will seek to grow its overseas market share, expand overseas business domains, and create added value by developing next-generation businesses. FY3/26 targets of net sales of ¥30.0bn and operating profit of ¥3.1bn are unchanged

In June 2021, the Company released its "Medium-Term Management Policy" which runs through FY3/26. The ultimate goal is to increase corporate value and shareholder value, and in order to achieve this the Company will promote a "business growth strategy" and an "efficient capital strategy." In terms of numerical targets, the Company is aiming for net sales of ¥30.0bn, operating profit of ¥3.1bn, ROE of 8% in FY3/26, and will aim to maintain a stable dividend payout ratio of 50% (DOE of 4%). The forecasts for FY3/24 already exceed these targets, but the policy currently remains the same, and the Company has kept these numerical targets unchanged.

1. Business strategy

(1) Domestic market: Create added value through stabilization and developing next-generation businesses

The domestic market for road rollers is already in its mature phase and the Company's market share is large. Therefore, the Company will aim to grow by adding new value to existing products (high-performance, etc.), in other words, by developing next-generation businesses.

(2) Overseas markets: Increase market share and expand business domains

In overseas markets, there are many regions (countries) where demand is increasing, and there is significant room for growth given the Company's low market shares. Therefore, the Company will seek growth through the two strategies of more fully cultivating existing markets and expanding its business domains.

(3) Numerical targets

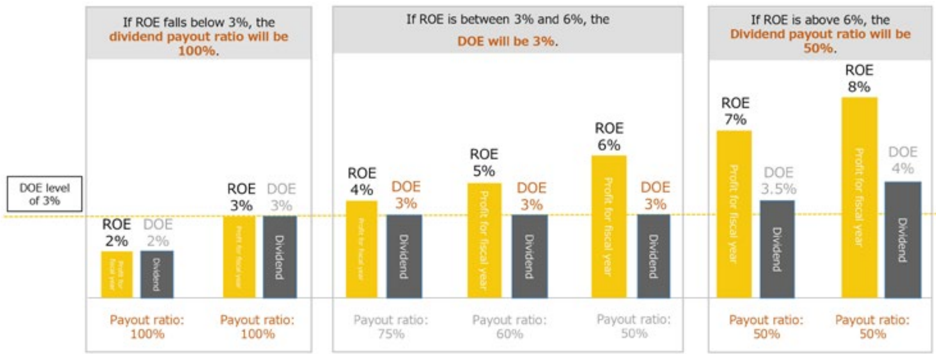
As medium-term numerical targets, the Company aims for net sales of ¥30.0bn, operating profit of ¥3.1bn, and ROE of 8% in FY3/26.

2. Capital strategy

As its basic policy for capital strategy, the Company will return profits to shareholders at a level that supports the Company's objective of ROE of 8%, and will increase shareholder value (improve capital efficiency). As a final target for FY3/26, the Company will strive to achieve ROE of 8% and a 50% dividend payout ratio.

Generally, two things need to be improved in order to increase ROE. One is of course increasing profit attributable to owners of parent, while the other is suppressing shareholders' equity (not increasing shareholders' equity more than necessary, or decreasing it). In order to increase operating profit, the Company plans to promote the business strategies discussed above, but at the same time, in order to keep from increasing shareholders' equity more than needed, the Company plans to execute a dividend policy in which, if ROE falls below 3%, the dividend payout ratio will be 100%, if ROE is between 3% and 6%, the DOE will be 3%, and if ROE is above 6%, the dividend payout ratio will be 50%.

Basic capital policy approach



Source: Medium-Term Management Policy

In terms of share buybacks, through FY3/26 the Company will consider flexible share buybacks with an upper limit of ¥0.5bn to ¥2.0bn. With respect to investment securities, the Company will review investment securities from the perspective of business strategy. Also, concerning growth investment, the Company will consider utilizing leverage with an emphasis on return on capital (ROIC).

3. Medium-Term Management Policy: Progress on KPI

Looking at the progress made on the main KPI announced in the Medium-Term Management Policy, for its FY3/24 full-year results the Company is forecasting net sales of ¥33,100mn and ROE of 8.6%, so it is expecting to achieve the values in its medium-term management policy. The Company has stated that "Improvements to the profit structure in the current period include upside factors other than actual performance, such as the weak yen, in addition to penetration of sales price revisions and the normalization of transportation costs, and we will aim to solidify this profit structure and further improve business performance moving forward."

Medium-Term Management Policy KPI

(Millions of yen)

	Six months ended September 30, 2022 (Results)	Six months ended September 30, 2023 (Results)	Fiscal year ending March 31, 2024 (Forecast)	Target for the fiscal year ending March 31, 2024	Target for the fiscal year ending March 31, 2026
Net sales	14,891	16,785	33,100	26,500	30,000
Operating profit	1,067	1,966	3,300	2,000	3,100
Annualized return on equity (ROE)*1	6.8%	11.5%	8.6%	5.5%	8.0%
Share buybacks	–	–	Cumulative amount of share buybacks: 340*2	500 ~ 2,000*3	

*1 The annualized ROEs were calculated based on the year-to-date results of the corresponding fiscal year.
*2 The amount represents the cumulative amount of share buybacks that had been executed as of November 9, 2023.
*3 The amount represents the targets of the cumulative amount of share buybacks through March 31, 2026.

Source: The Company's results briefing materials

4. Sustainability initiatives

The Company is proactively working on sustainability initiatives, and is advancing a variety of measures. Currently, it is focusing in particular on the following measures.

(1) Providing added value by contributing to the realization of a decarbonized society

The Company plans to introduce its autonomous rollers (SV514D)* at construction sites within FY3/24. This will make compaction efficient, contributing to a reduction in CO_2 emissions at construction sites.

* Test data has shown that autonomous rollers enable approximately 20% more labor-saving than manned work.

(2) Resolving social issues and expanding business domains

JICA selected the Company's stabilizer method and products for a business validation survey in Indonesia. Using the Company's stabilizer method (road repair technology) and products (PM550-s road stabilizers) aims to both contribute to infrastructure development in Indonesia and expand the use and sale of its products.

Autonomous rollers

Road stabilizer

Source: The Company's results briefing materials

(3) Human capital management initiatives: Initiatives to increase the percentage of women in management positions and reduce the gender pay gap

The Company set* a target of 15% for the percentage of women in management positions by March 2026. A gender pay gap is one factor in the low percentage of women in management positions, as earnings by women are 82.4% of men among permanent workers, excluding those in management positions. The Company's policy is to actively work to improve the percentage of women in management positions from the perspective of also reducing the gender pay gap.

* This target was set on the basis of raising the percentage of women in management positions to approximately match the percentage of management positions among all employees. Consequently, this target may be subject to change in future due to changes affecting factors such as the number of employees and the number of employees in management positions.

Human capital management initiatives

Ratio of women in management positions

March 2023 (Result)	September 2023 (Result)	March 2026 (Target)
3.0%	5.0%	15.0%

Female worker earnings as percentage of male worker earnings (fiscal year ended March 31, 2023)

All workers	Permanent workers	**Permanent workers (excluding management positions)**
67.4%	75.1%	**82.4%**

Source: The Company's results briefing materials

Shareholder return policy

Plans to pay an annual dividend of ¥270.0 in FY3/24 in line with its commitment.
Aims to conduct share buybacks with an upper limit of ¥0.5-2.0bn by FY3/26

The Company works to secure a stable management base over the long term, and also places importance on the continuation of stable dividends, and makes it a basic policy to distribute results that are supported by business performance and a sound financial structure. Based on this basic policy, the Company decides dividends and conducts share buybacks. As discussed above, the Company's medium-term shareholder return policy is as follows. If ROE falls below 3%, the dividend payout ratio will be 100%, if ROE is between 3% and 6%, the DOE will be 3%, and if ROE is above 6%, the dividend payout ratio will be 50%. With respect to share buybacks, the Company is considering flexible share buybacks with an upper limit of ¥0.5bn to ¥2.0bn by FY3/26.

Based on the above dividend policy, for FY3/24, given the ROE forecast to exceed 6.0% and the promised dividend payout ratio of 50%, it announced an annual dividend of ¥215.0 (interim dividend of ¥90.0 and fiscal year-end dividend of ¥125.0). However, in conjunction with the upward revision of full-year forecasts, the Company announced that it will increase the annual dividend to ¥270.0 (interim dividend of ¥90.0 and fiscal year-end dividend of ¥180.0). The Company should be applauded for announcing a clear capital policy to improve ROE and then implementing shareholder returns in accordance with that policy.

FISCO

Disclaimer

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