

Result of Operations for Fiscal Year Ended March 2025 and New Medium- to Long-term Management Plan

May 19, 2025
RYODEN

Tokyo Stock Exchange Prime Securities code: 8084

株式会社 RYODEN

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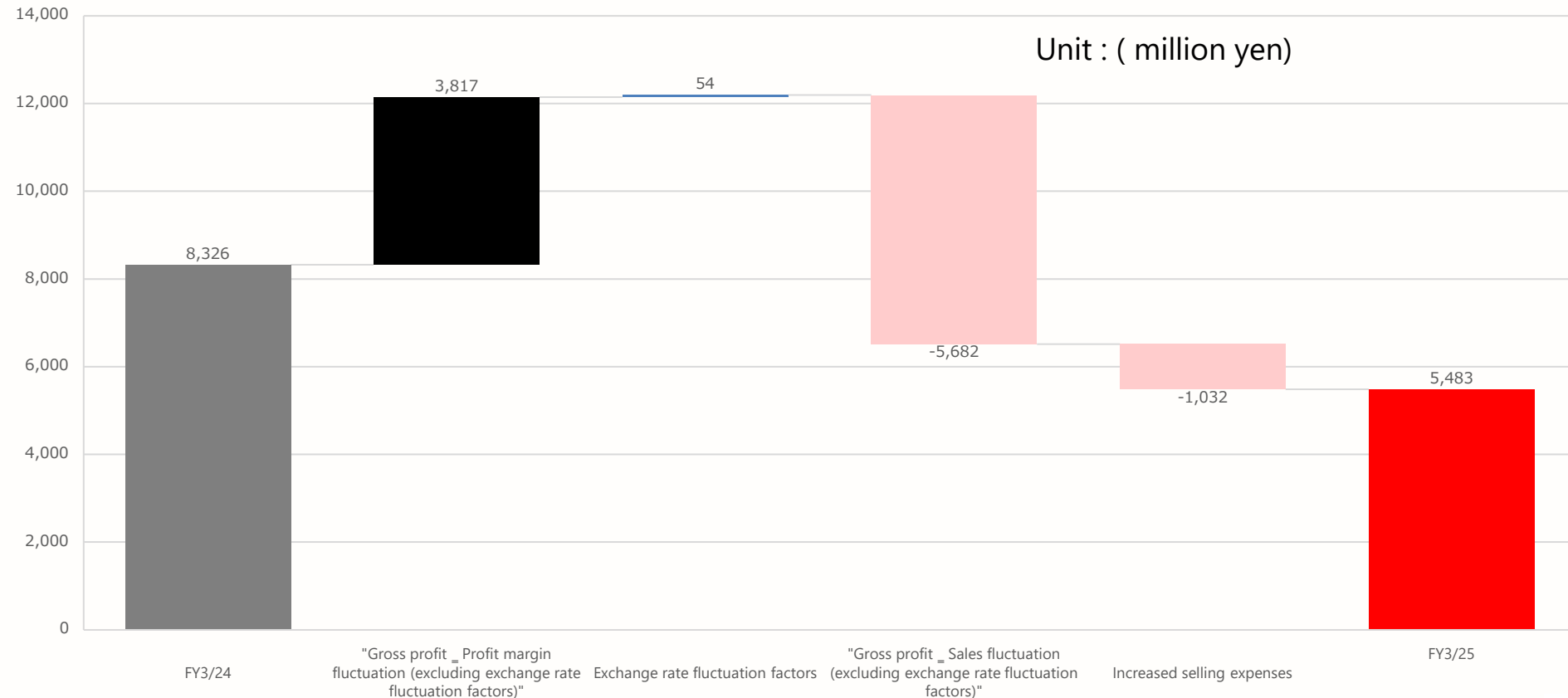
Financial Overview

| (million yen) | year ending March 2024 | year ending March 2025 | Increase/decrease amount | Rate of increase/decrease |
|----------------------------|---------------------------|---------------------------|-----------------------------|------------------------------|
| Sales | 259,008 | 215,790 | △ 43,218 | △ 16.7% |
| Operating profit | 8,326 | 5,483 | △ 2,843 | △ 34.1% |
| Ordinary Profit | 8,236 | 6,010 | △ 2,226 | △ 27.0% |
| net income | 5,736 | 4,700 | △ 1,036 | △ 18.1% |
| ROE | 6.9 | 5.3 | - | △ 1.6pt |
| ROA | 5.4 | 4.0 | - | △ 1.4pt |
| Operating Profit Margin | 3.2 | 2.5 | - | △ 0.7pt |
| PBR | 0.68 | 0.61 | - | △ 0.07pt |

Financial Status

| (million yen) | year ending March 2024 | year ending March 2025 | Increase/decrease amount | Rate of increase/decrease |
|-----------------------------|---------------------------|---------------------------|-----------------------------|------------------------------|
| Total Assets | 156,027 | 141,995 | △ 14,032 | △ 9.0% |
| liabilities | 68,944 | 52,782 | △ 16,162 | △ 23.4% |
| Net Worth | 87,083 | 89,213 | 2,130 | 2.4% |
| Equity ratio | 55.7% | 62.7% | - | 7.0pt |
| Sales Activity CF | 9,942 | 18,453 | 8,511 | 85.6% |
| Investment activity CF | △ 710 | △ 15 | △ 695 | △ 97.9% |
| Financial activity CF | △ 2,283 | △ 4,202 | △ 1,919 | △ 84.1% |
| Cash and cash equivalent | 18,422 | 33,305 | 14,883 | 80.8% |

Factors affecting operating profit (FY2024 - FY2025)



Performance by Segment

FA Systems

| unit: million yen | Results for the fiscal year ending March 2 0 2 4 | Results for the fiscal year ending March 2 0 2 5 | R a t e o f i n c r e a s e / d e c r e a s e |
|---------------------------------|---|--|---|
| S a l e s | 52,039 | 48,190 | △ 7.4% |
| Operating profit | 2,599 | 1,359 | △ 47.7% |
| Operating Profit M a r g i n | 5.0% | 2.8% | △ 2.2pt |

X -Tech

| unit: million yen | Results for the fiscal year ending March 2 0 2 4 | Results for the fiscal year ending March 2 0 2 5 | R a t e o f i n c r e a s e / d e c r e a s e |
|---------------------------------|---|--|---|
| S a l e s | 6,106 | 8,687 | +42.3% |
| Operating profit | △ 317 | △ 13 | - |
| Operating Profit M a r g i n | △ 5.2% | △ 0.1% | -pt |

Cooling & Heating and Building Systems

| unit: million yen | Results for the fiscal year ending March 2 0 2 4 | Results for the fiscal year ending March 2 0 2 5 | R a t e o f i n c r e a s e / d e c r e a s e |
|---------------------------------|---|--|---|
| S a l e s | 30,891 | 32,429 | +5.0% |
| Operating profit | 1,638 | 1,823 | +11.3% |
| Operating Profit M a r g i n | 5.3% | 5.6% | +0.3pt |

Electronics

| unit: million yen | Results for the fiscal year ending March 2 0 2 4 | Results for the fiscal year ending March 2 0 2 5 | R a t e o f i n c r e a s e / d e c r e a s e |
|---------------------------------|---|--|---|
| S a l e s | 170,031 | 126,536 | △ 25.6% |
| Operating profit | 4,914 | 3,269 | △ 33.5% |
| Operating Profit M a r g i n | 2.9% | 2.6% | △ 0.3pt |

Outlook for Fiscal year ending March 2026

| (million yen) | year ending March 2025 | year ending March 2026 | Increase/decrease amount | Rate of increase/decrease |
|-------------------------------|---------------------------|---------------------------|-----------------------------|------------------------------|
| Sales | 215,790 | 221,900 | 6,110 | 2.8% |
| Operating profit | 5,483 | 5,500 | 17 | 0.3% |
| Ordinary Profit | 6,010 | 5,600 | △ 410 | △ 6.8% |
| net income | 4,700 | 4,800 | 100 | 2.1% |
| Operating Profit Margin | 2.5 | 2.5 | - | 0.0pt |

the fiscal year ending March 2026 , we plan to see slight increases in sales, operating profit, and net income.

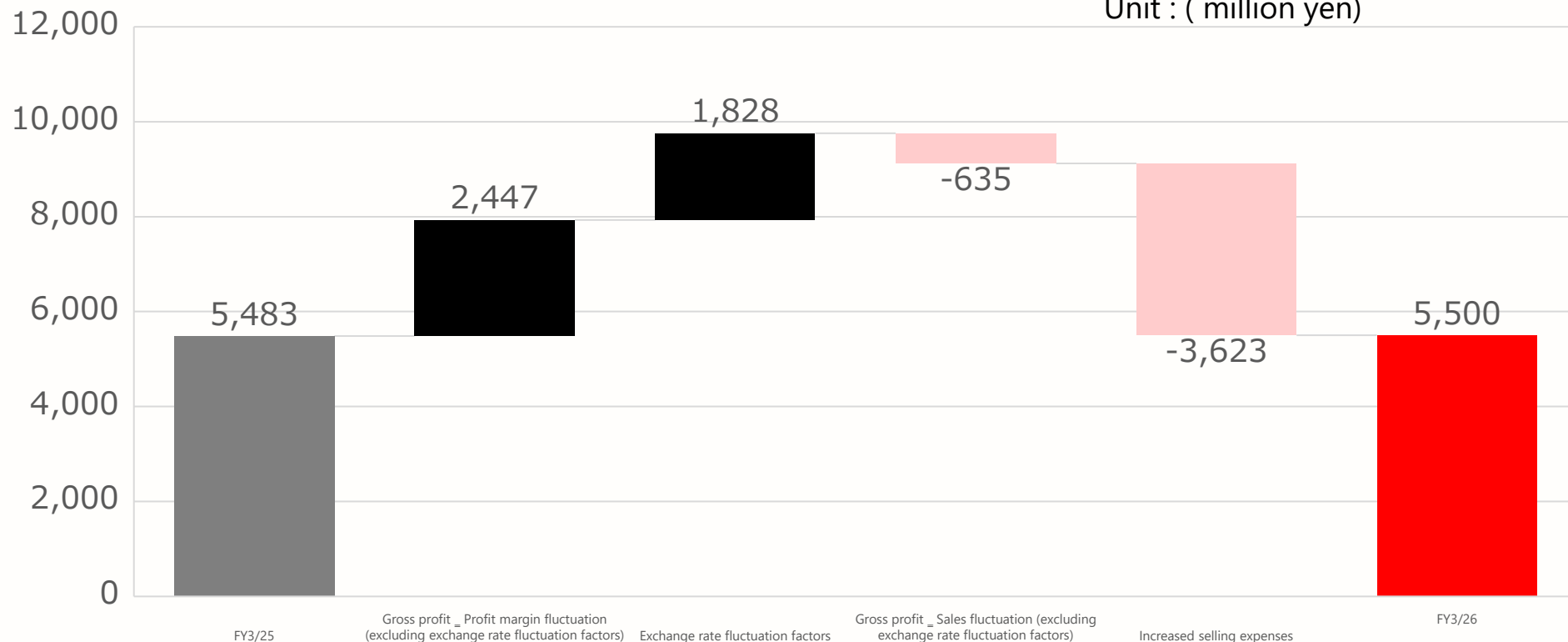
* Assumed exchange rate: 140 yen



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Factors affecting operating profit (FY2025 - FY2026)

Unit : (million yen)



Outlook for the fiscal year

FA Systems

| unit: million yen | Results for the fiscal year ending March 2025 | Outlook for the fiscal year ending March 2026 | Rate of increase/ decrease |
|---------------------------------|---|---|-------------------------------|
| S a l e s | 48,190 | 52,900 | +9.8% |
| Operating profit | 1,359 | 1,700 | +25.0% |
| Operating Profit M a r g i n | 2.8% | 3.2% | +0.4pt |

X -Tech

| unit: million yen | Results for the fiscal year ending March 2025 | Outlook for the fiscal year ending March 2026 | Rate of increase/ decrease |
|---------------------------------|---|---|-------------------------------|
| S a l e s | 8,687 | 9,500 | +9.4% |
| Operating profit | △ 13 | 300 | - |
| Operating Profit M a r g i n | △ 0.1% | 3.2% | +3.3pt |

Cooling & Heating and Building Systems

| unit: million yen | Results for the fiscal year ending March 2025 | Outlook for the fiscal year ending March 2026 | Rate of increase/ decrease |
|---------------------------------|---|---|-------------------------------|
| S a l e s | 32,429 | 37,200 | +14.7% |
| Operating profit | 1,823 | 2,070 | +13.5% |
| Operating Profit M a r g i n | 5.6% | 5.6% | ±0.0pt |

Electronics

| unit: million yen | Results for the fiscal year ending March 2025 | Outlook for the fiscal year ending March 2026 | Rate of increase/ decrease |
|---------------------------------|---|---|-------------------------------|
| S a l e s | 126,536 | 122,300 | △ 3.4% |
| Operating profit | 3,269 | 3,190 | △ 2.4% |
| Operating Profit M a r g i n | 2.6% | 2.6% | ±0.0pt |

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Review of ICHIGAN 2024: Basic Policy

| | | |
|---------------------|-------|--|
| The Group's purpose | | Giving shape to "Waku-Waku (Excitement)" by connecting people and technology |
| The Group's vision | | Contribute to the achievement of a sustainable society in terms of the environment, safety, and security |
| Vision for 2024 | | Continue to create new value as a business creation company that transcends the bounds of an agency or trading company |

| Key management targets | Net sales | ¥260.0 billion | Net sales in new businesses | ¥22.0 billion |
|------------------------|---|----------------|---------------------------------------|---------------|
| | Operating profit | ¥10.0 billion | Gross profit margin in new businesses | 18% |
| | Operating profit margin | 3.8% | ROE | 8.0% |
| Focused themes | 1. Establish business models for growth businesses and create new, next-generation businesses | | | |
| | 2. Enhance the productivity in our mainstay core businesses | | | |
| | 3. Strengthen the foundation for business promotion | | | |

Review of ICHIGAN 2024: Progress Assessment of Key Management Targets and Focused Themes

| Key management targets | Not achieved | <p>We fell short of the key management targets.</p> <ul style="list-style-type: none">• Profitability improved, particularly in the mainstay core businesses. Meanwhile, the X-Tech and other new businesses, which were expected to grow, saw sluggish increases in profitability. Additionally, the termination of some contracts in the Electronics business adversely affected performance.• We need to enable innovation to create further added value and transform our business portfolio to enhance earning capacity. |
|------------------------|--------------------|---|
| | Partially achieved | <p>1. Establish business models for growth businesses and create new, next-generation businesses</p> <ul style="list-style-type: none">• Initiatives implemented in various areas, such as smart agriculture and ICT, have yet to lead to profitability. These results reflect the impact of changes in the business environment, which required us to make strategic adjustments and posed certain challenges in formulating and executing an effective strategy.• We need to commercialize and scale these growth drivers. |
| Focused themes | Achieved | <p>2. Enhance the productivity in our mainstay core businesses</p> <ul style="list-style-type: none">• Profit margins increased in the Electronics business, driven by automotive-related products, as well as in the FA Systems business, supported by expanded operations in China. External factors, such as currency fluctuations and the global economic recovery after the COVID-19 pandemic, also provided a favorable tailwind.• To further enhance earning capacity, we need to improve our adaptability to market changes for higher productivity and strengthen our ability to deliver solutions, as well as deepening and broadening our existing businesses and exploring new domains. |
| | Partially achieved | <p>3. Strengthen the foundation for business promotion</p> <ul style="list-style-type: none">• While the transition to a divisional structure and the establishment of the Strategic Technology Center have strengthened the framework for advancing business strategy, progress has been delayed in developing systems to support structural transformation—such as changes in administrative functions, the cultivation of global talent, and the creation of mechanisms to drive the business portfolio strategy.• To prepare for an uncertain and unpredictable era, we need to establish a robust foundation for business promotion, with the flexibility to adapt to change. |

Review of ICHIGAN 2024: Key Management Targets and Results

| | | ICHIGAN 2024 | | | | | ICHIGAN 2024 Targets and Results | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|------------------------------|------------------------------|----------------------------------|------------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Targets | Achievement Rate |
| Net sales (Millions of yen) | 230,087 | 196,841 | 229,126 | 260,303 | 259,008 | 215,790 | 260,000 | 83% |
| Operating profit (Millions of yen) | 4,747 | 3,415 | 7,062 | 9,380 | 8,326 | 5,483 | 10,000 | 55% |
| Operating profit margin (%) | 2.4 | 1.7 | 3.1 | 3.6 | 3.2 | 2.5 | 3.8 | 67% |
| Net sales in new businesses (Millions of yen) (X-Tech) (Mainstay core businesses*1) | 9,290 (9,290) (—) | 7,605 (7,605) (—) | 6,999 (6,999) (—) | 5,709 (5,709) (—) | 11,138 (6,106) (5,032) | 17,876 (8,687) (9,188) | 22,000 | 81% |
| Gross profit margin in new businesses (%) | 17.7 | 18.4 | 16.1 | 14.7 | 14.0 | 14.0 | 18.0 | 78% |
| ROE (%) | 5.8 | 3.4 | 6.9 | 7.0 | 6.9 | 5.3 | 8.0 | 66% |

*1: This line is for new businesses for which activities were started in April 2020 or later in the mainstay core businesses.

Business Environment Recognition and New Vision



An Excellent Company Co-Creating the Future

We work with all stakeholders to create value and continue evolving into a globally respected company

- Shift to sustainability-oriented management
- Increasing significance of efforts toward corporate social responsibility

| Business Environment Recognition (Megatrends) for 2047 | | | | | |
|---|---|---|--|---|--|
| Demographic change | Global power balance change | Climate change | Resource/Energy change | Technology change | Values change |
| <ul style="list-style-type: none">• Aging society• Low birth rate• Changes in world population• Changes in dynamic balance | <ul style="list-style-type: none">• Destabilized world order• Emergence of new developing countries• Increasingly multipolarized world• Economic bloc shifts | <ul style="list-style-type: none">• Tightened environmental regulations• Abnormal weather conditions• Carbon tax• Response to environmental problems | <ul style="list-style-type: none">• Food shortage• Global water scarcity• Energy security• Surging resource prices• Alternative or new food materials• Recycling technology• Disaster preparedness | <ul style="list-style-type: none">• AI evolution• Singularity• Smart infrastructure• Robotics• Communication technology advancement• Energy generation and storage technology• Development of telemedicine technology• Expanded digital economy• Adoption of digital currency• Regenerative medicine | <ul style="list-style-type: none">• Novel values• Inclusion• Health awareness• Diversity• Well-being• Global talent |

Positioning of the Medium- to Long-term Management Plan

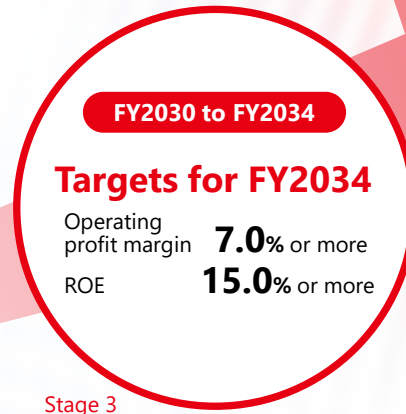
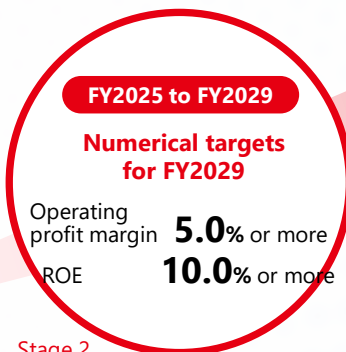
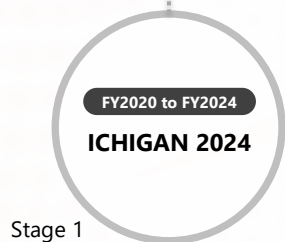
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ONE RYODEN Growth 2029 | 2034

Having transformed into a business creation company, we will grow.

We will accelerate growth as a business creation company to sustainably enhance corporate value.

Continue to create new value as a **business creation company** that transcends the bounds of an agency or trading company



ONE RYODEN Growth 2029 | 2034

Financial/Non-financial Targets, Growth Investment and Shareholder Return Policies

Financial Targets

| | FY2024 Results (FY ended March 2025) | FY2029 Targets |
|--|---|----------------------|
| Operating profit | ¥5.4 billion | ¥13.5 billion |
| Operating profit margin | 2.5% | 5.0% or more |
| ROE | 5.3% | 10.0% or more |
| Net sales in X-Tech/ new businesses | ¥8.6 billion | ¥23.5 billion |

| | FY2029 Targets |
|---------------------------------------|---|
| Growth investment | Aim to invest ¥25.0 billion to ¥35.0 billion in five years |
| Shareholder returns | Ensure stable and continuous returns with a DOE of 3.5% or a total consolidated payout ratio of 50% |
| Capital efficiency improvement | Utilize liabilities maintaining the D/E ratio at 0.3 or less; Sell cross-shareholdings and non-core assets; Develop a framework to optimize investments based on ROIC, etc. |

Non-financial Targets

| GHG Reduction | FY2024 Forecasts*1 | FY2029 Targets |
|---|--------------------|-------------------------|
| Scopes 1 and 2 (compared to 2023) | +17% | -36% or more |
| Scope 3 (compared to 2023) | -16% | -21% or more |
| Human Capital Investment | FY2024 Results | FY2029 Targets |
| Engagement score*2 (deviation) | 49.2 | 52 or more |
| D&I: Proportion of women in management positions | 1% | 10% or more |
| Annual development investment per employee | ¥130,000 | ¥200,000 or more |

*1: The GHG emissions of Scopes 1, 2, and 3 for FY2024 are preliminary figures as of May 2025.

*2: The engagement score is for work engagement.

Management Strategies of ONE RYODEN Growth 2029 | 2034



To realize our new medium- to long-term vision, we will implement the following six management strategies and reinforce our three Core Competencies: value creation, value provision, and value cycle.

Innovation strategy

Create new value by expanding and exploiting businesses and by exploring new business domains across three dimensions: product, market, and business model

Human capital strategy

Foster employees who drive co-creation of the future, and build an environment that supports their growth and success

Supply chain strategy

Enhance productivity and operational quality by streamlining processes from procurement to distribution and sales

Stakeholder engagement strategy

Deepen mutual understanding and collaboration with stakeholders

Financial strategy

Drive a virtuous cycle of reinvestment to achieve further growth by making optimal investments in business capital and utilizing it efficiently

Governance strategy

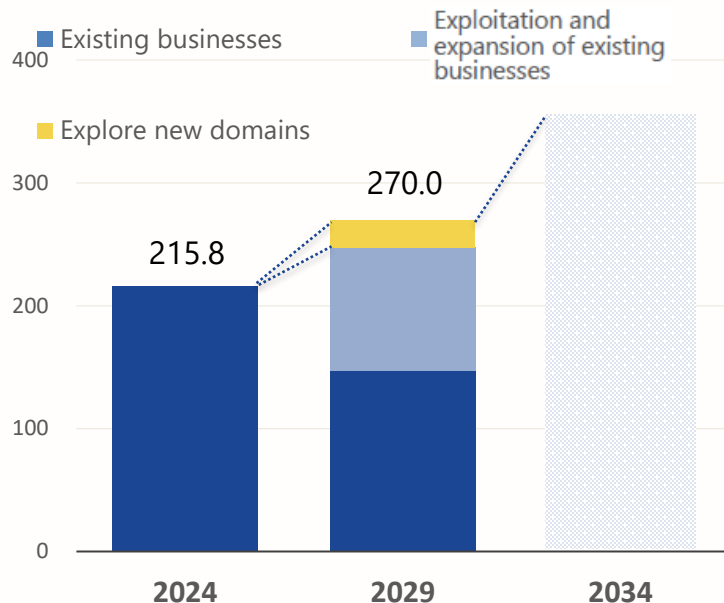
Advance the enhancement of the corporate governance structure to support agile and decisive decision-making

Management Strategy: Expected Growth in Sales and Profit

Target

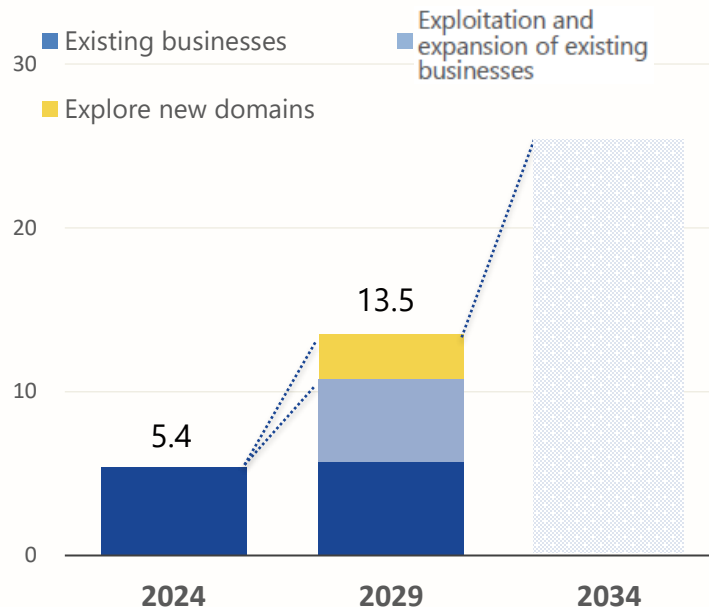
Net Sales

(Billions of yen)



Operating Profit

(Billions of yen)



* The figures are subject to change.

Six Management Strategies — Innovation 1



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We will exploit and expand existing businesses and explore new domains through three dimensions of innovation to drive value creation.

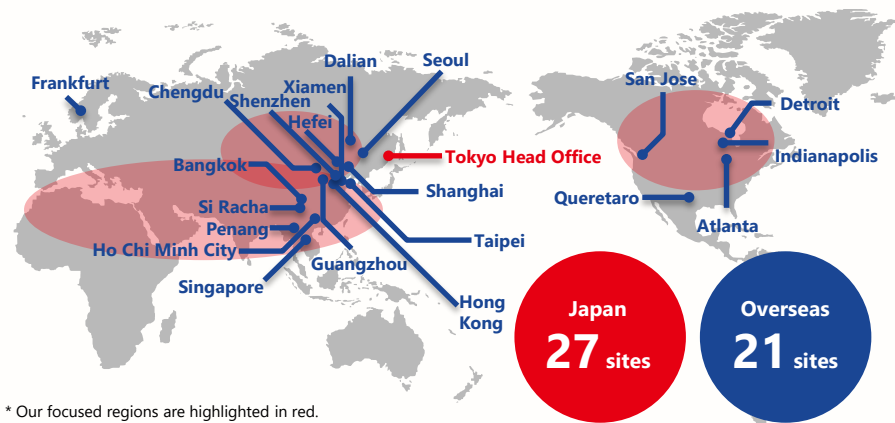
- Bring together expertise from inside and outside the company and drive innovation to make our business unique and effective in addressing social challenges
- Develop high-value-added products and services and provide highly engineering solutions to solve customer and social issues

| Expand/exploit existing businesses | | Explore new domains |
|--|--|---|
| Market innovation | Product innovation | Business model innovation |
| Leverage the strengths of existing products to expand into new markets or regions | Drive transformation toward new products and unique services to generate high added value | Create added value through business model transformation |
| <ul style="list-style-type: none">• Market acquisition through strategic investments in Japan and overseas• Regions: Global South, North America, and China• Markets: Smart-X markets, green markets, sustainability markets, etc. | <ul style="list-style-type: none">• Explore and promote new products with strong synergy with core offering• Strengthen the system engineering business.• Expand alliances with overseas products and partners in North America, East Asia, Taiwan, and others | <ul style="list-style-type: none">• Discover highly competitive products and expand our reach into new markets or regions where their strength can be fully leveraged• Leverage our engineering prowess to develop new products and unique services that can generate high added value• Transform our business models to create a high-value-added business in new markets or regions |

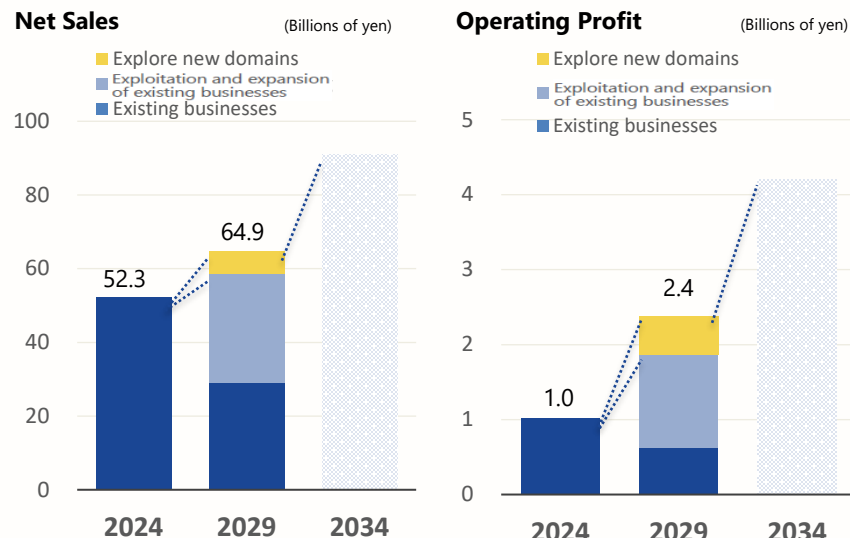
Six Management Strategies — Innovation 2

Focused regions for global expansion

- In ONE RYODEN Growth 2029–2034, our overseas business policy shifts from a customer-following expansion to a selective approach focused on key strategic areas.
- Leverage the strengths of existing products to expand into new markets or geographic areas
- Refine our area strategy to focus on high-growth regions and markets:
 - The Global South (rapid demographic changes)
 - China (large market size)
 - North America (fast technological innovation)



Targets for overseas subsidiaries and associates



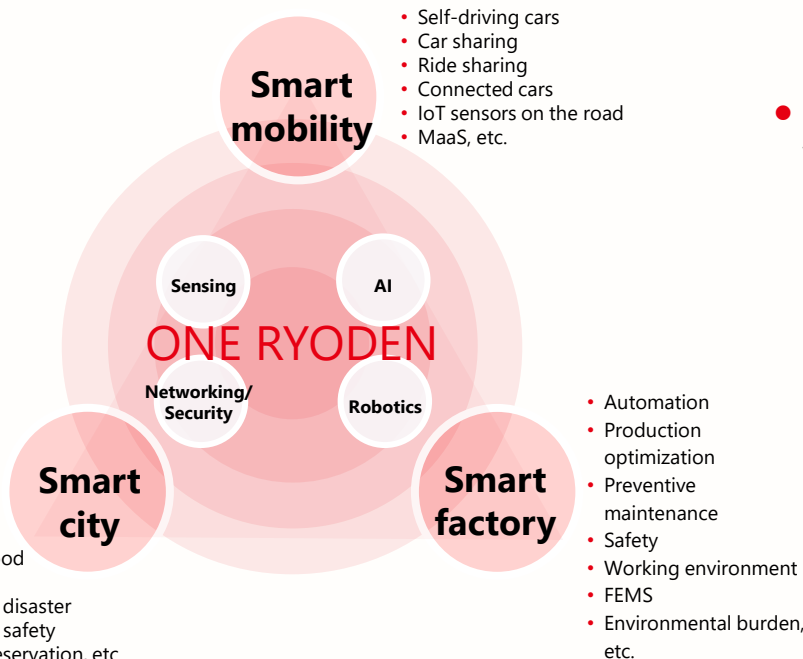
Six Management Strategies — Innovation 3



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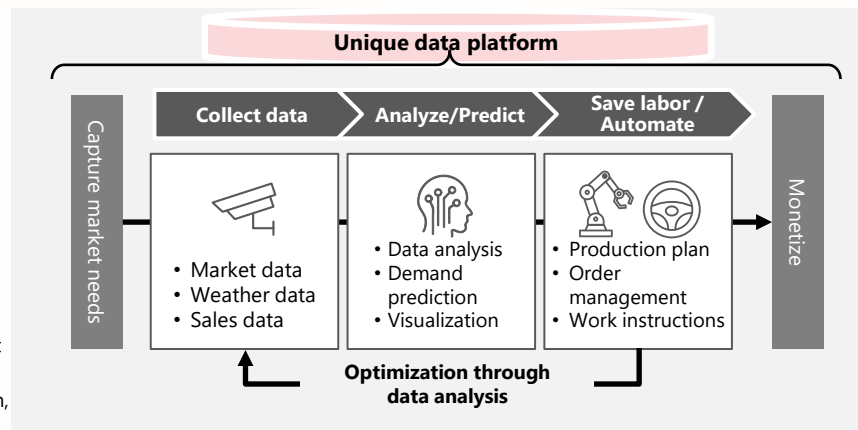
Focused domain: Smart-X markets

- Accelerate expansion to the smart city, smart mobility, and smart factory areas to tackle social challenges
- Explore new smart-X fields



Focused business model: Data-driven recurring model

- Aiming to thrive in smart-X markets, we will intensify our efforts in developing products under our original brand, RYODEN Tii!, to strengthen our presence in the markets and build continuous relationships with customers.
- Develop and promote a data-driven recurring model with a unique platform that helps us effectively use data to enable recurring revenue



Six Management Strategies — Financial Strategy 1

We enhance corporate value by optimizing investment and efficiently using management capital, creating a virtuous cycle for future growth

| | | |
|---------|---|---|
| Finance | Drive a virtuous cycle of optimal business capital investment and stable shareholder returns | <ul style="list-style-type: none"> Develop and implement a capital allocation strategy to build a growth cycle |
| | Invest in growth areas to enhance earning capacity (Business portfolio strategy) Drive profitability by executing investments in key growth sectors | <ul style="list-style-type: none"> Proactive Investment in new businesses Pursue growth investments in existing businesses while executing strategic reviews for withdrawal and restructuring (Develop a framework to optimize investments based on ROIC, etc.) |
| | Evolve risk management framework | <ul style="list-style-type: none"> Strengthen group governance and risk management framework |
| | Maintain a strong financial foundation | <ul style="list-style-type: none"> Enhance return on capital by optimizing the capital structure |

| | FY2029 Targets (FY ending March 2030) |
|---------------------------------------|---|
| Growth investment | Aim to invest ¥25.0 billion to ¥35.0 billion in five years |
| Shareholder returns | Ensure stable and continuous returns with a DOE of 3.5% or a total consolidated payout ratio of 50% |
| Capital efficiency improvement | Utilize liabilities maintaining the D/E ratio at 0.3 or less; Sell cross-shareholdings and non-core assets; Develop a framework to optimize investments based on ROIC, etc. |

Cash inflows

| |
|--|
| Operating Cash Flow ¥22.0 billion or more |
| Asset Sales ¥2.0 billion or more |
| Borrowing Up to ¥27.0 billion |



Cash outflows

¥25.0 billion to ¥35.0 billion

| |
|--|
| Business investment |
| Technological infrastructure investment |
| Human capital investments |
| DX and other investments |
| Shareholder returns ¥17.0 billion or more |

Growth investment

Six Management Strategies — Financial Strategy 2: Shareholder Return Policy

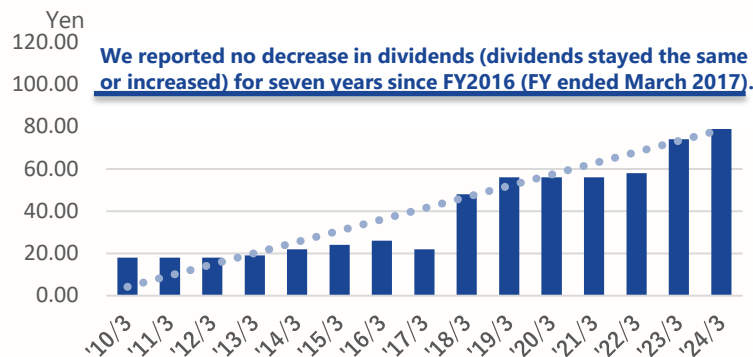
Dividend payout ratio: Targeting 40% to 60% for stable shareholder returns

New policy on shareholder returns

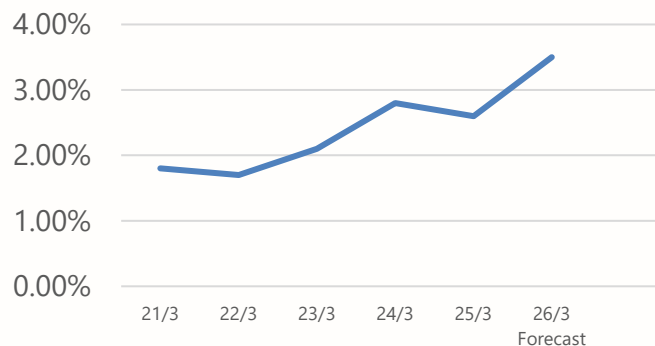
We have established a new policy to ensure mid- to long-term stable shareholder returns, setting a minimum DOE of 3.5% or a total consolidated payout ratio of 50%, aiming to avoid excessive dividend fluctuations caused by short-term profit volatility

Additionally, as part of our efforts to improve PBR and enhance shareholder return measures, we will strategically repurchase shares in a flexible manner, taking into account our cash and deposit levels as well as stock price trends.

Dividends per share



DOE Trends



DOE of 3.5% or
total consolidated payout
ratio of 50%

Provide stable
shareholder returns at
a ratio of 40-60%

Growth Investment to Transform the Business Portfolio



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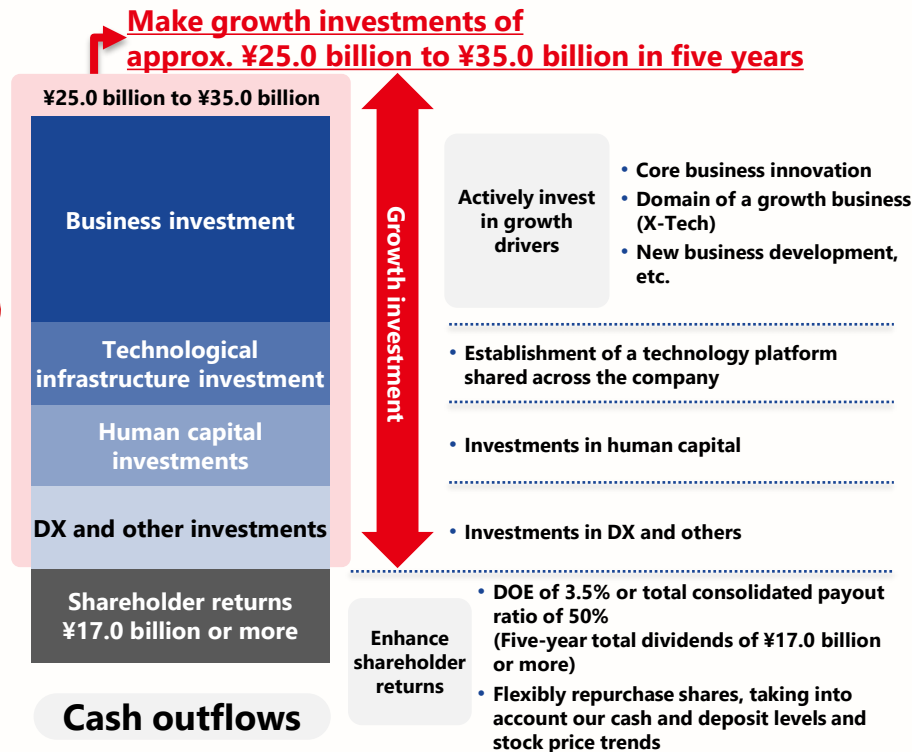
Aligning with the capital allocation policy to realize a growth cycle for medium- to long-term corporate value improvement, we will implement optimal investments in managerial capital, including growth investments.

Target

- Implement the growth strategy to create continuous cash flows from operating activities:
5-year earnings before tax of more than ¥40.0 billion (or earnings after tax of ¥28.0 billion or more)
- Business expansion will lead to an approx. ¥6.0 billion increase in trade working capital.
* This estimate assumes an improved capital efficiency with ROIC and improved CCC by optimizing the business portfolio.
- Sell cross-shareholdings, etc.
- Sell low cash flow non-core assets
- Basically, ensure liquidity on hand for 1.0 month
- Utilize debt, such as borrowing and corporate bonds, maintaining the D/E ratio at 0.3 or less



Cash inflows

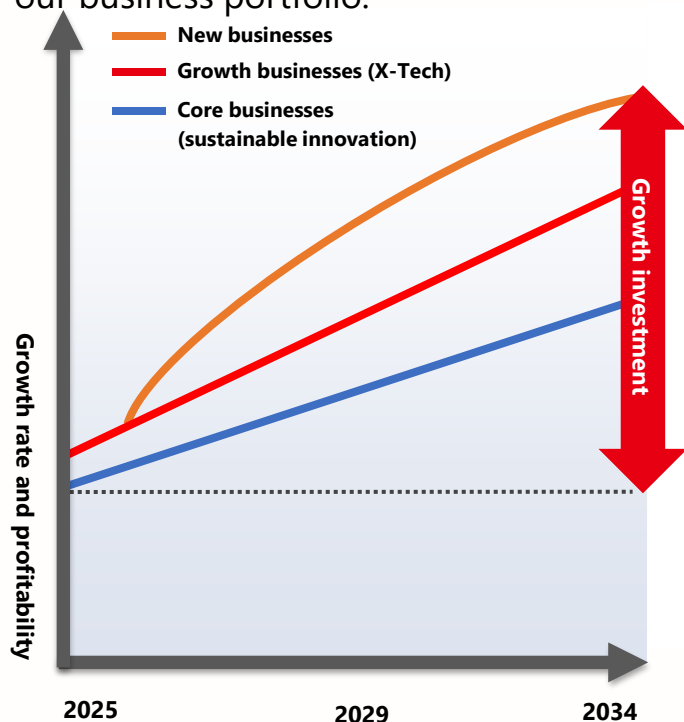


Growth Investment to Transform the Business Portfolio



The innovation strategy is designed to deepen and broaden existing businesses and explore new domains to drive value creation continuously.

We clarify the positioning of each segment and allocate resources flexibly to enable constant transformation of our business portfolio.



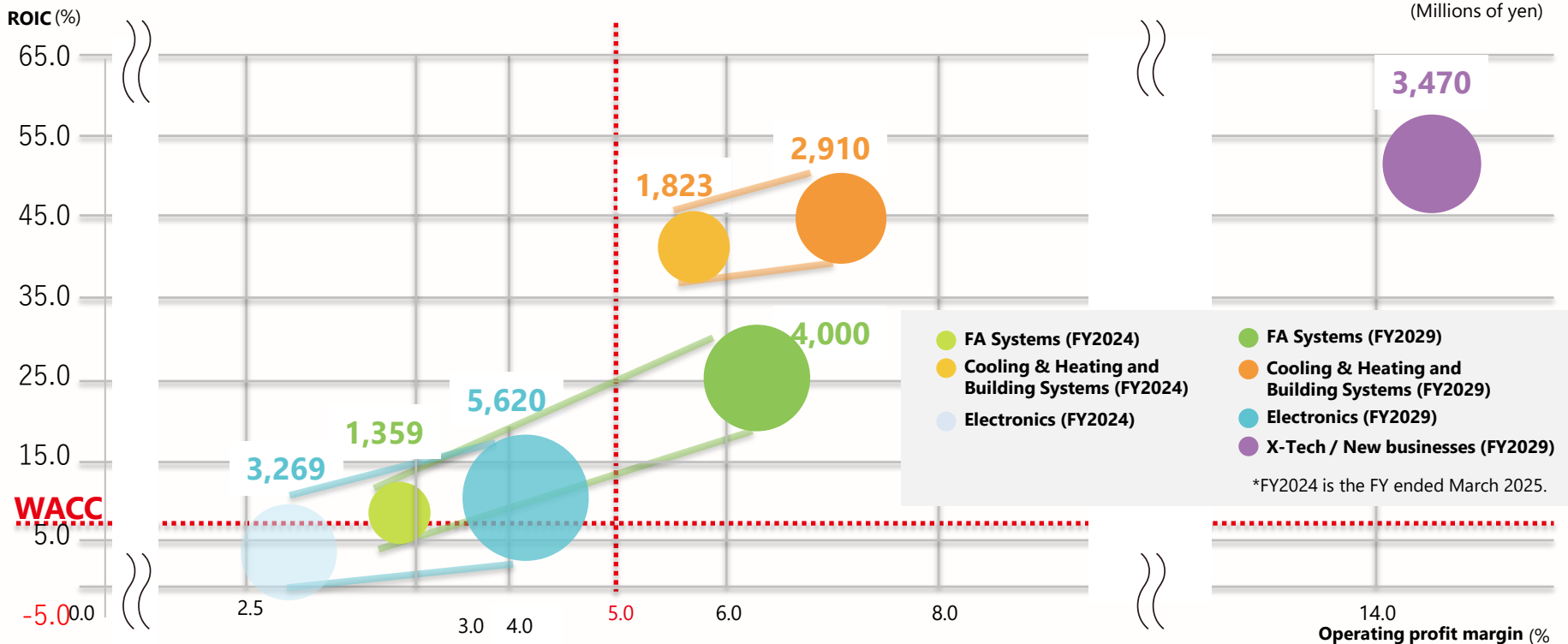
Focus business resources on growth drivers

| Expand/Exploit businesses | | Explore new domains |
|---|---|---|
| Core business innovation Intensively invest for transformation and profitability improvement | Growth businesses (X-Tech) Expand business domains | New businesses Create next-generation core businesses |
| <ol style="list-style-type: none"> 1. Strengthen the ability to propose solutions that address customer issues and make a shift to high-value-added business models 2. Actively promote the sales of environmentally friendly products and seize business opportunities in sustainability-focused markets 3. Use digital technology to improve sales efficiency and refine operations 4. Leverage strategic partnerships and M&A to expand our business scale and get technologies and expertise 5. Reduce risk related to dependency on business partners and strengthen strategic partnerships | <ol style="list-style-type: none"> 1. With a focus on plant factory technology, secure a leading position in the smart agriculture market and branch out into related fields 2. By leveraging photosynthesis engineering technologies, promote businesses that contribute to a circular society 3. Use sensing and network security technologies to create new business models 4. Propose DX to food and other manufacturing facilities to help improve their working practices, safety, and security 5. Promote data-driven recurring business models and strengthen the revenue foundation | <ol style="list-style-type: none"> 1. Enhance data analysis capabilities to offer data-driven solutions that can help manufacturers address their challenges 2. Pursue and commercialize innovative business models free from conventional frameworks 3. Strategically invest in securing business development assets (technology, people, data, etc.) |

Growth Investment to Transform the Business Portfolio

Investment activities transforming our business portfolio

- Make appropriate growth investments to transform our business portfolio that supports a growth cycle model



* ROIC: Operating profit after tax ÷ (Working capital (Trade receivables + Merchandise inventory - Trade payables + Accounts receivable-other) + Non-current assets)

Planned Transition of the Business Portfolio Composition

Operating profit

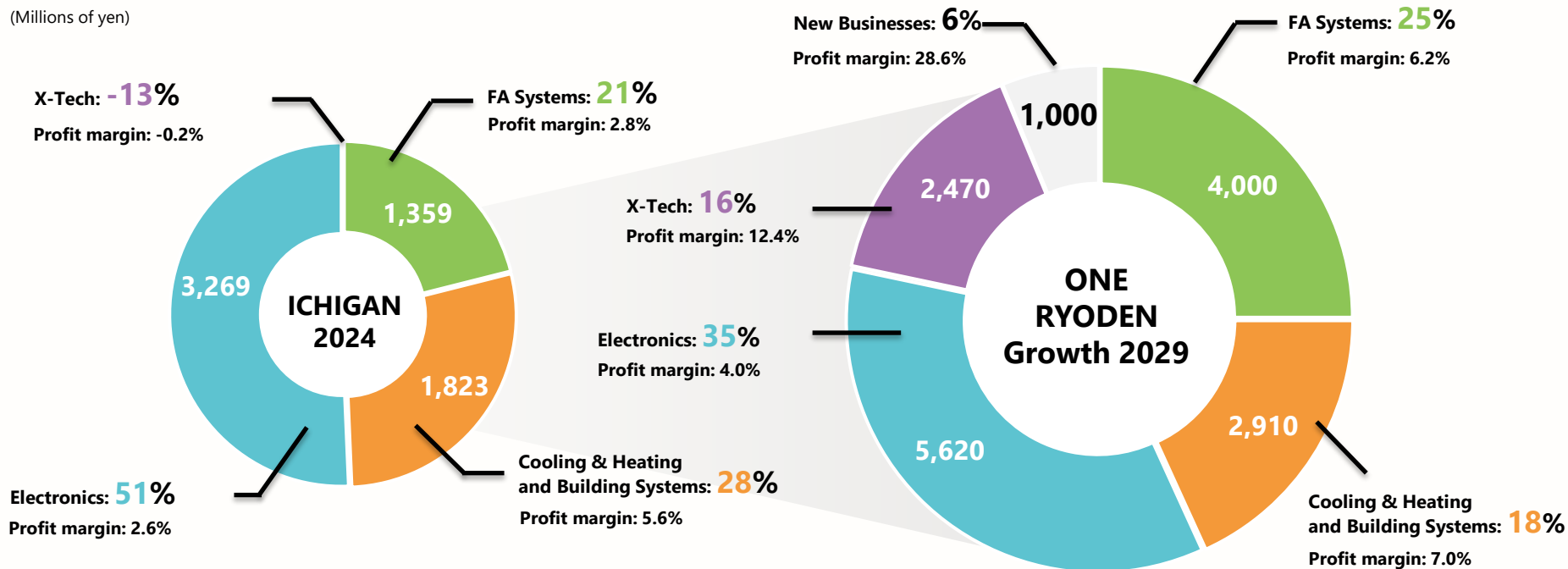
FY2024 result: **¥5.5 billion** (Operating profit margin: 2.5%)
(FY ended March 2025)

Operating profit

FY2029 plan: **¥13.5 billion** (Operating profit margin: 5.0%)

* The percentages on the charts represent the proportion of the business. * The charts exclude corporate expenses.

(Millions of yen)



Quantitative Targets by Segment

Net Sales (Millions of yen)

| | FY2024 Results (FY ended March 2025) | FY2029 Targets | Change from the Previous Medium-term Management Plan Results |
|--|---|----------------|---|
| FA Systems | 48,190 | 65,000 | +34.9% |
| Cooling & Heating and Building Systems | 32,429 | 41,500 | +28.0% |
| Electronics | 126,536 | 140,000 | +10.6% |
| X-Tech | 8,687 | 23,500 | +170.5% |
| Total (after inter-segment adjustments) | 215,790 | 270,000 | +25.1% |

Operating Profit (Millions of yen)

| | FY2024 Results (FY ended March 2025) | FY2029 Targets | Change from the Previous Medium-term Management Plan Results |
|---|---|----------------|---|
| FA Systems | 1,359 | 4,000 | +194.2% |
| Cooling & Heating and Building Systems | 1,823 | 2,910 | +59.5% |
| Electronics | 3,269 | 5,620 | +71.9% |
| X-Tech | (13) | 3,470 | — |
| Total (including corporate expenses) | 5,483 | 13,500 | +146.2% |

Segment-specific Strategy—FA Systems

Existing business

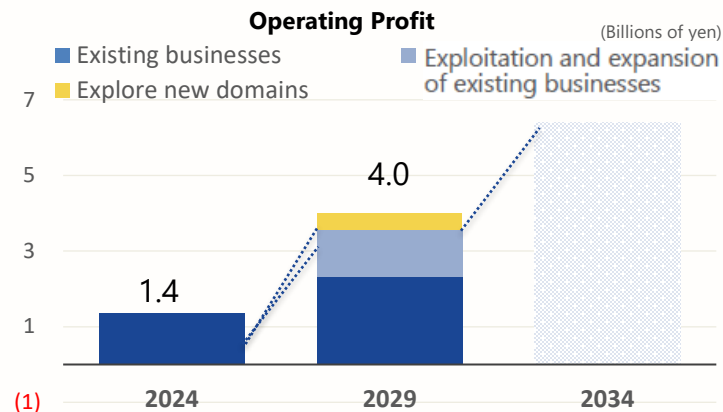
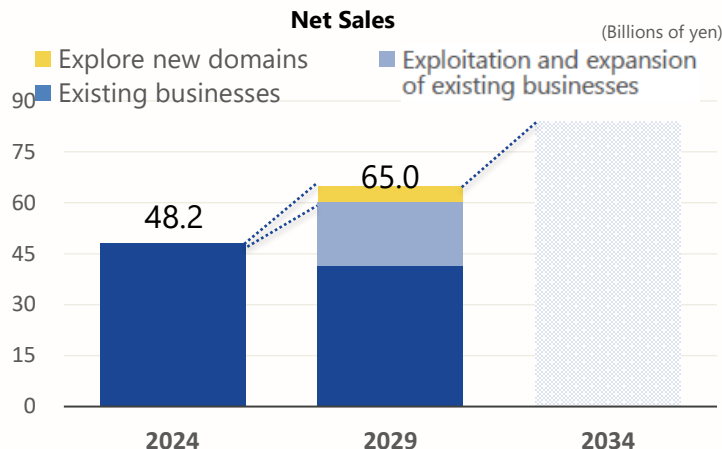
- Maintain the business scale in Japan and other regions based on the solid position as a Mitsubishi FA agent, and enhance earning capacity by redesigning and optimizing our operational framework and by streamlining the supply chain

Innovation strategy

Exploit and expand
existing businesses
Explore new domains

- Reinforce partner products and improve system engineering capabilities to accelerate the deployment of high-value-added businesses
- Make strategic investments for expanding business domains and user bases domestically and overseas.
- Develop advanced technology and innovate on business models through effective use of data analysis to provide new value

Target



Segment-specific Strategy—Cooling & Heating and Building Systems

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Existing business

Cooling & Heating: Strengthen sales capabilities with the shift to smart systems, increase the sales of area air conditioners in Japan and overseas, and expand the industrial cooling & heating business.

Building Systems: Based on the Mitsubishi Electric elevator business, increase the sales of elevators, conveyors, H-ELV, and others to retain and expand the mainstay core business.

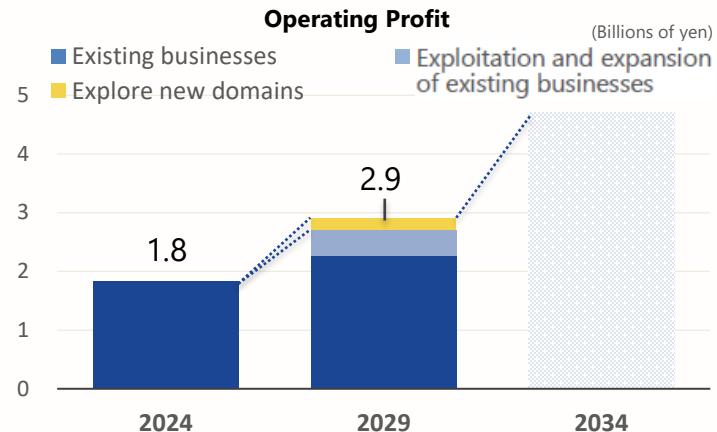
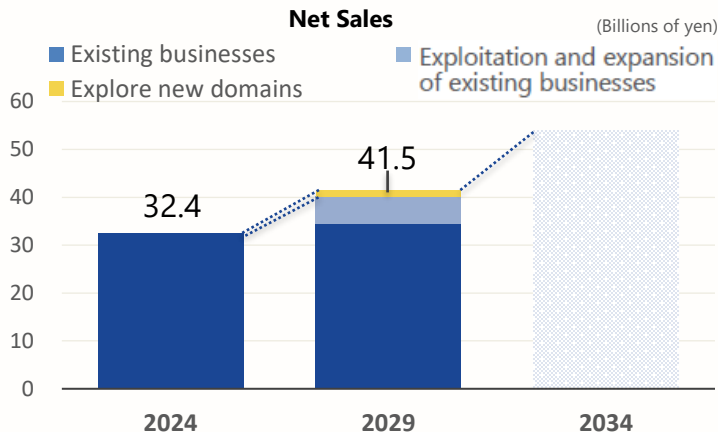
Innovation strategy

Exploit and expand
existing businesses
Explore new domains

Cooling & Heating: Take a multi-faceted approach to acquire end-user customers, diversify our product portfolio to help solve issues in the construction market, and promote the sales of recycled refrigerants.

Building Systems: Develop business in the net-zero market beyond the building sector, enabling us to contribute to the realization of a decarbonized society through our energy business.

Target



Segment-specific Strategy—Electronics



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Existing business

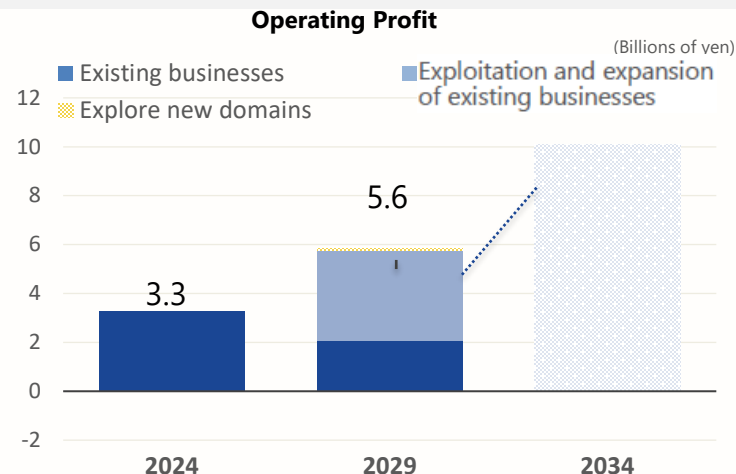
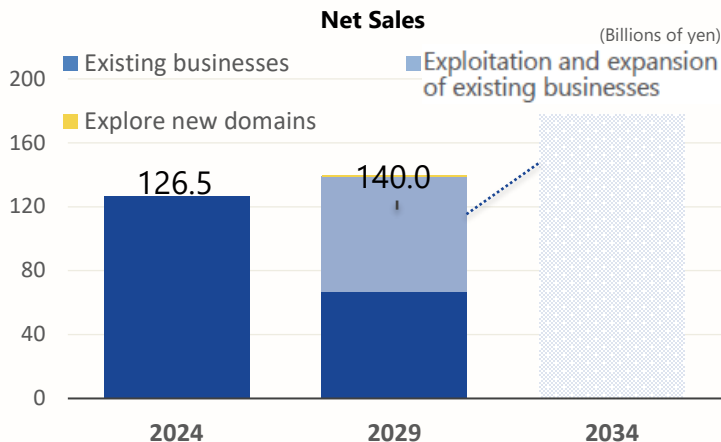
- Utilize the digital information infrastructure and establish a supply chain that supports an agile operating structure to enhance earning capacity
- Expand the business foundation around in-vehicle mobility products

Innovation strategy

Exploit and expand
existing businesses
Explore new domains

- Develop new products capturing customer needs for exploring new markets (such as amusement and energy-harvesting IoT markets)
- Research markets globally to launch overseas businesses and expand our business domains
- Discover and offer new high-value-added products, such as for power management and energy saving, to contribute to solving customer and social issues
- Make the transition to a solution-oriented business model and develop diverse business models such as intellectual property licensing

Target



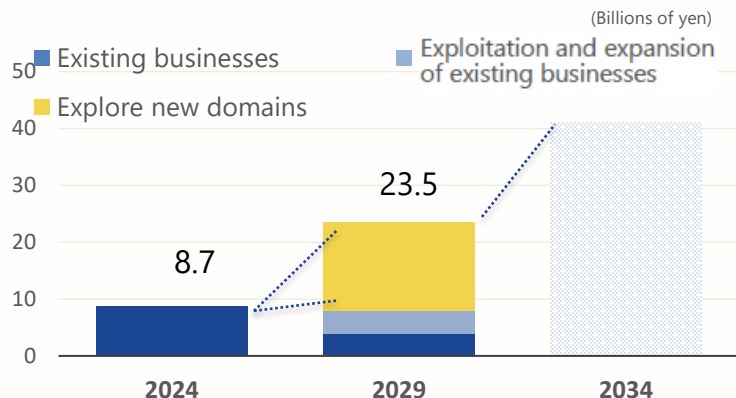
Segment-specific Strategy—X-Tech



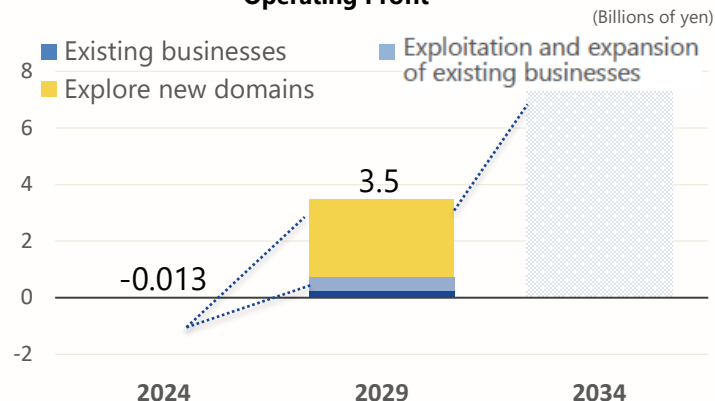
| X-Tech / New businesses | Business area | Innovation strategy (Exploit and expand existing businesses and explore new business) |
|-------------------------|---|--|
| Smart agriculture | Plant factory-related businesses (including planning, design, sales), factory-grown vegetable production and sales, and businesses related to photosynthetic organism | <ul style="list-style-type: none"> Monetize the business of plant factory-grown vegetables, and build high-yield business models Secure market initiative with photosynthesis engineering |
| Remces | Integrated monitoring and control systems that comprehensively manages factories, buildings, and other facilities to optimize environmental and energy efficiency | <ul style="list-style-type: none"> Accelerate the creation of solutions based on Remces Enhance collaboration with alliance partners to expand business around EMS-related markets and manufacturing/building markets |
| ICT | ICT-based businesses such as image recognition, sensing, and security | <ul style="list-style-type: none"> Transform our business models to solution oriented ICT business and accelerate the scaling efforts Improve profitability by establishing a proposal-driven business model through the effective use of image data |
| Healthcare | DX support services for medical institutions | <ul style="list-style-type: none"> Address hospital management challenges through proposals of recurring business models and system solutions, combined with vendor-agnostic procurement capabilities and implementation support Enhance our reputation and standing in the industry as a leader in digital transformation |
| New business | Promotion of business development through open innovation for creating new business models | <ul style="list-style-type: none"> Enhance our service models to expand the data-driven recurring model Build a problem-solving matchmaking model through business model development Accelerate the development of new businesses in the decarbonization field |

Net Sales

Target



Operating Profit



Segment Strategy/ X-Tech Smart Agriculture

We will expand the smart agriculture business, which will drive the Group's growth.

| Three key measures | Specific Strategies |
|--|--|
| 1 .Improving profitability of plant factory business | Maintaining top domestic market share of factory-grown vegetables at over 20% Our own factory production and shipping volume: 800 t/ year |
| 2 . Highly profitable service model | In addition to facilities and systems, we also provide value-added services such as system licenses and consulting. |
| 3 .Photosynthetic Engineering | For all photosynthetic organisms, including algae and microalgae Providing a system by deploying plant factory know-how |

FY2029 target
Sales: 10 billion yen
Operating profit margin: 15 %
 (Included in the X-Tech segment)

Realizing a profitable data-driven agricultural model

Expanding to engineering for photosynthetic organisms (component extraction)

• **Contributing to sustainable food**

• **Safe and secure due to shift to biological origin**
 • **Contributing to reducing greenhouse gas emissions**

Plant factory equipment and materials

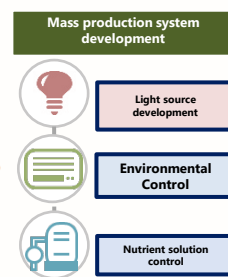
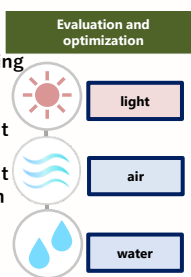
Research and Development (Leafy Vegetables)



Our original
IoT Systems



Plant thing
Engineering
place of
cormorant
Ha
cormorant
exhibition
Open



INDEX

Section 1: Summary of financial results for the fiscal year ending March 2025 and forecast for the fiscal year

Section 2: New mid- to long-term management plan " ONE RYODEN Growth 2029 | 2034

Section 3: Towards achieving management that takes into account capital costs and stock prices (update)

Towards the realization of management that takes into account capital costs and stock prices

Measures to improve

PBR Improvements

Improving R O E

- Transform business portfolio
- Improve capital profitability of each business by utilizing ROIC
- Active investment in growth drivers
- Optimization of balance sheet, including utilization of debt



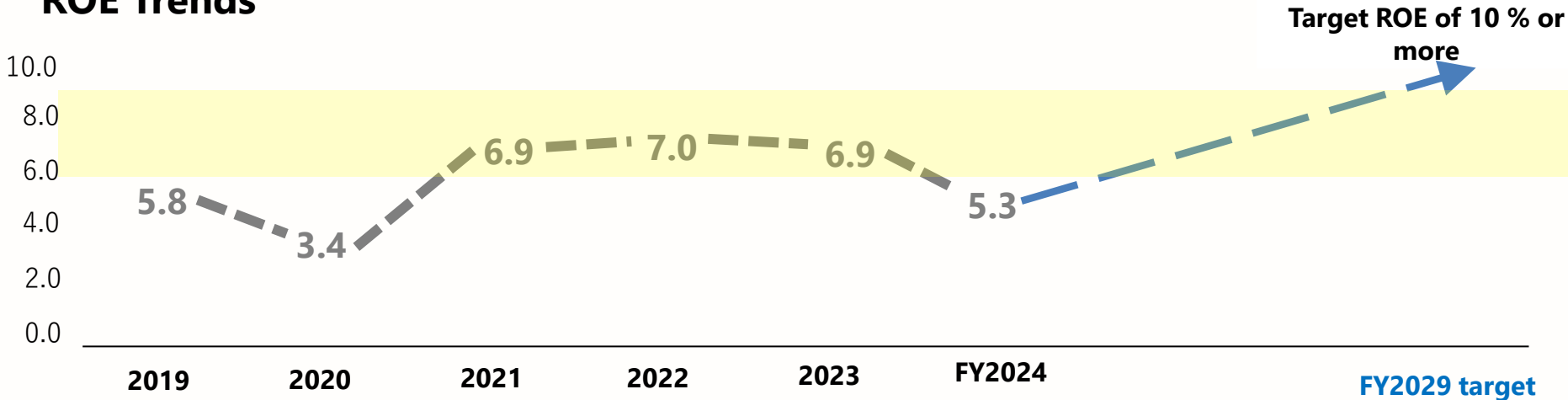
Improving P E R

- Promotion of sustainability management
- Promoting dialogue with investors
- Strengthening and expanding shareholder returns

Target ROE and cost of capital

| | | | |
|-------------------------|-------------------------|---------------------|-------------------------------|
| Cost of Equity 6.21% | Risk-Free Rate 1.497 | Beta value 0.786 | Market Risk Premium 6.00 % |
|-------------------------|-------------------------|---------------------|-------------------------------|

ROE Trends



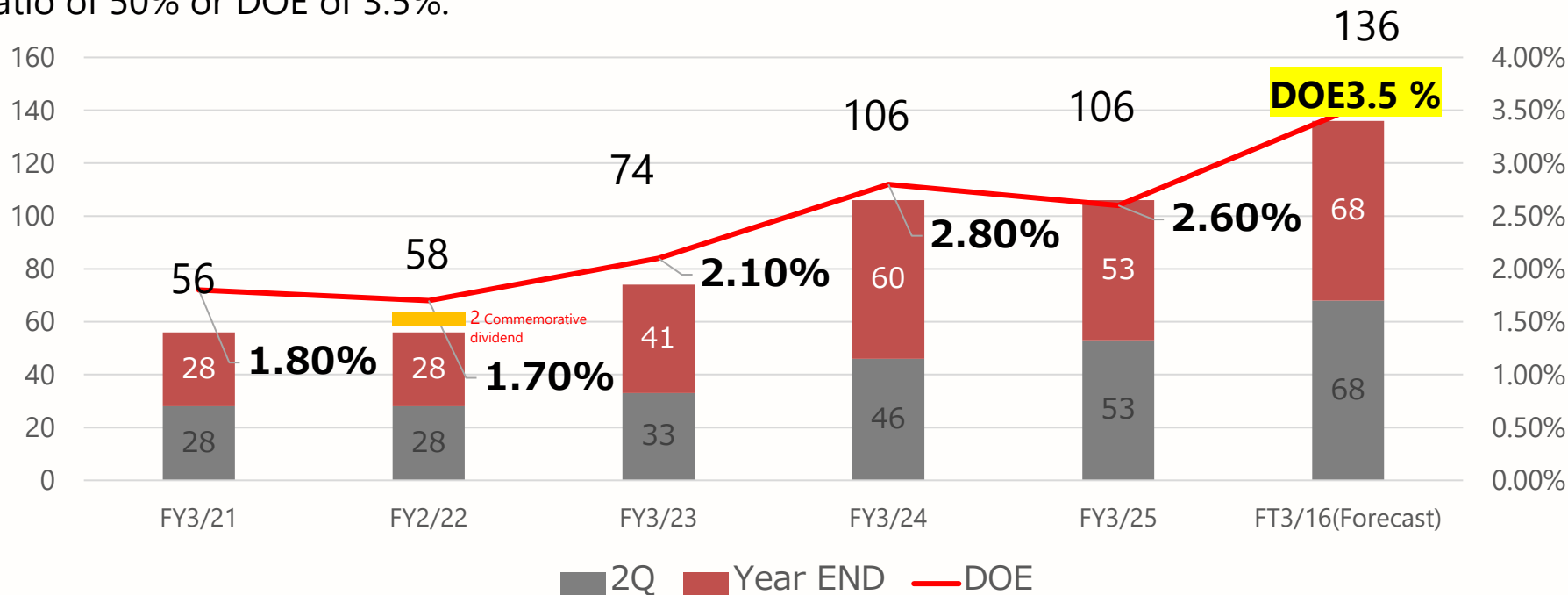
CAPM is approximately 6%, and taking into account the results of investor meetings, the market demand for cost of shareholders' equity is currently around 6% to 9%. In the new medium-term management plan, we will work to improve capital profitability with the aim of achieving

Trends in dividends and DOE



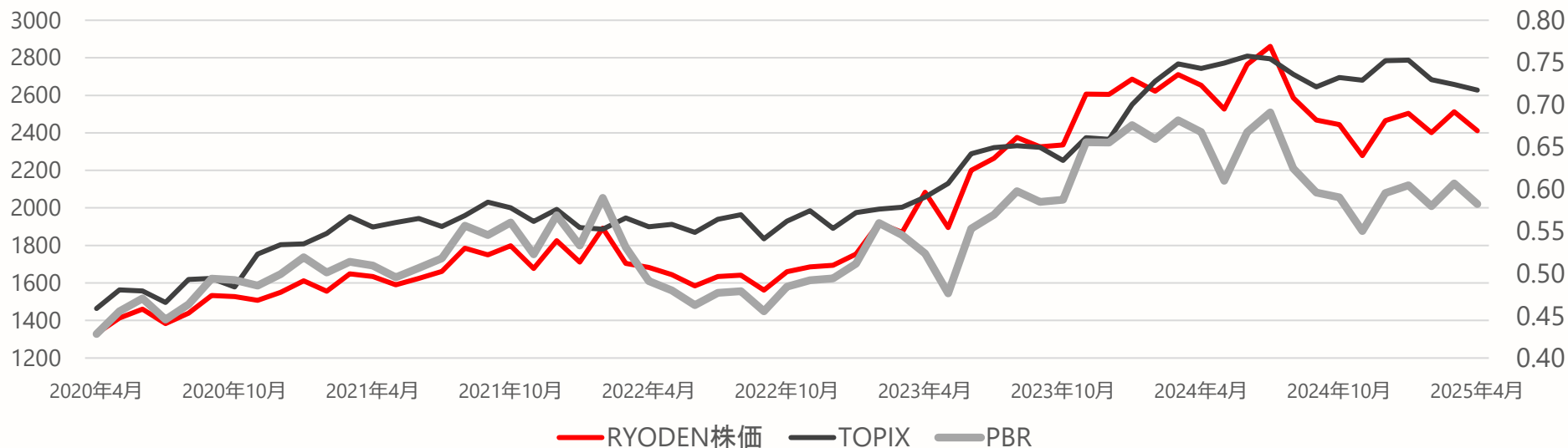
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We have maintained and will continue to provide stable dividends over the medium to long term, while aiming for a dividend payout ratio of 40 % to 60%. However, from the fiscal year ending March 2026, we will distribute surplus funds with a minimum consolidated total return ratio of 50% or DOE of 3.5%.



Current Analysis of Market Valuation and Capital Return

[Market valuation] Stock price and PBR trends (past 5 years)



Both the stock price and PBR have moved in tandem with the TOPIX, but have fallen below it in the latter half of the period. By implementing various measures, we will continue to aim for a PBR of more than 1.

Specific measures that take into account capital costs and stock prices

| Implementation period | The purpose | Specific measures |
|-----------------------|-------------|-------------------|
|-----------------------|-------------|-------------------|

■ Results for the fiscal year ending March 2025

| | | |
|---------|--|---|
| 2024.5 | Introducing incentives to support management with a medium- to long-term perspective | Decided to introduce Restricted Stock Compensation Plan (RS) (Stock-based compensation stock options will be abolished) |
| 2024.6 | Strengthening governance | Transitioned to a company with an audit and supervisory committee |
| 2024.12 | Promoting understanding of management policies and business | SR interviews with 6 companies |
| 2025.3 | Strengthening efforts to combat climate change | Received a " B " score in CDP's "Climate Change Report 2024 " |

■ Results and plans for the fiscal year ending March 2026

| | | |
|---------|---|--|
| 2025.5 | Promoting understanding of management policies and business Strengthening shareholder returns and financial strategies | A new growth story under the new medium- to long-term management plan Disclosure of shareholder return indicators, capital efficiency, and growth investments |
| 2025.9 | Publication of an integrated report | Detailed growth strategies and other information disclosed from multiple angles |
| 2025.12 | Promoting understanding of management policies and business | Conduct SR interviews |

Thank you for your attention.

RYODEN

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Notes on



The performance plans and other forward-looking statements in
Rapid fluctuations in economic
- Significant fluctuations in the exchange rate of the dollar and other
currencies against the yen
- Significant fluctuations in capital markets