

Announcement of the Target Revision of “2025 Sumitomo Riko Group Mid-Term Management Plan”

Sumitomo Riko Company Limited (Headquarters: Nakamura-ku, Nagoya-shi; President & CEO: Kazushi Shimizu) announces that it has revised the numerical targets for “Business Profit,” “ROIC,” and “ROE” in the corporate value (financial targets) of its medium-term management plan “2025 Sumitomo Riko Group Mid-Term Management Plan(2025P)” which was formulated and announced in May 2023 and ends in FY 2025.

1. Revised corporate value (financial targets) in 2025P

	FY 2023	FY 2025 (Fiscal year ending March 31, 2026)	
	Actual	Initial Plan	Revised Plan
Consolidated net Sales	615.4 billion yen	620 billion yen	620 billion yen
Business profits	37 billion yen	28 billion yen	32 billion yen
ROIC*1 (return on invested capital)	12.0%	8% or more	10% or more
ROE (return on equity held by parent company)	10.3%	8% or more	9% or more
Dividend payout ratio	20.1%	30% or more	30% or more

The above revised plan assumes exchange rates of 145 yen per U.S. dollar, 155 yen per Euro.

*1 Return on Invested Capital (ROIC) = Business profit ÷ Invested Assets (Total Assets - Interest Free Liabilities)

2. Reason for the revision

Based on the “Summary of Financial Statements for the Year Ended March 31, 2024 [IFRS] (Consolidated)” released on May 9, 2024, and our business forecast for the year ending March 31, 2025, we have decided to revise 2025P as shown above.

In order to achieve the targets under 2025P, we have been working to further strengthen our earnings base while continuing to promote structural reforms at our global production bases, which have been implemented to date, under the theme of “Further enhancing profitability and Strengthening the management foundation for sustainable growth.”

We have now revised our numerical targets for “Business Profit,” “ROIC,” and “ROE” due to productivity improvements resulting from the recovery of automotive production volume from the Corona pandemic, as well as progress in structural reforms, cost reduction activities, and other measures at a pace faster than initially expected.

With regard to dividends, our basic policy is to pay continuous and stable dividends as initially planned, and we aim to achieve a dividend payout ratio of 30% or more at the end of FY2025.

There is no change in the corporate value (financial targets) or public value (non-financial targets) other than the above and the targets of the “2029 Sumitomo Riko Group Vision” (2029V) in 2025P from those announced in May 2023.

■ Content of the May 2023 announcement

<https://www.sumitomoriko.co.jp/english/news/2023/jjs0va00000006g-att/n51910679-e.pdf>

The Sumitomo Riko Group aims to be a “Global Excellent Manufacturing Company” that is needed around the world by our 100th anniversary in 2029.

Note: The revised corporate value (financial targets) is based on our judgment based on the information available at this time and is not a guarantee of future performance. Actual results may differ from the forecast figures due to various factors in the future.

Contact Information

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