

Mid-Term Management Plan **C**hallenge 2024

Rolling Plan 2023

May 15, 2023
Carlit Holdings, Inc.

Review of Business Environment: Changes in the Environment

◆ Changes in the external environment that occurred from 2022 to date

Social and Economic Environment

- ✓ Prolonged impact on domestic and international economic activity by COVID-19 Variants
- ✓ Destabilization of the global situation due to prolonged Russian invasion of Ukraine

Requests for Listed Companies

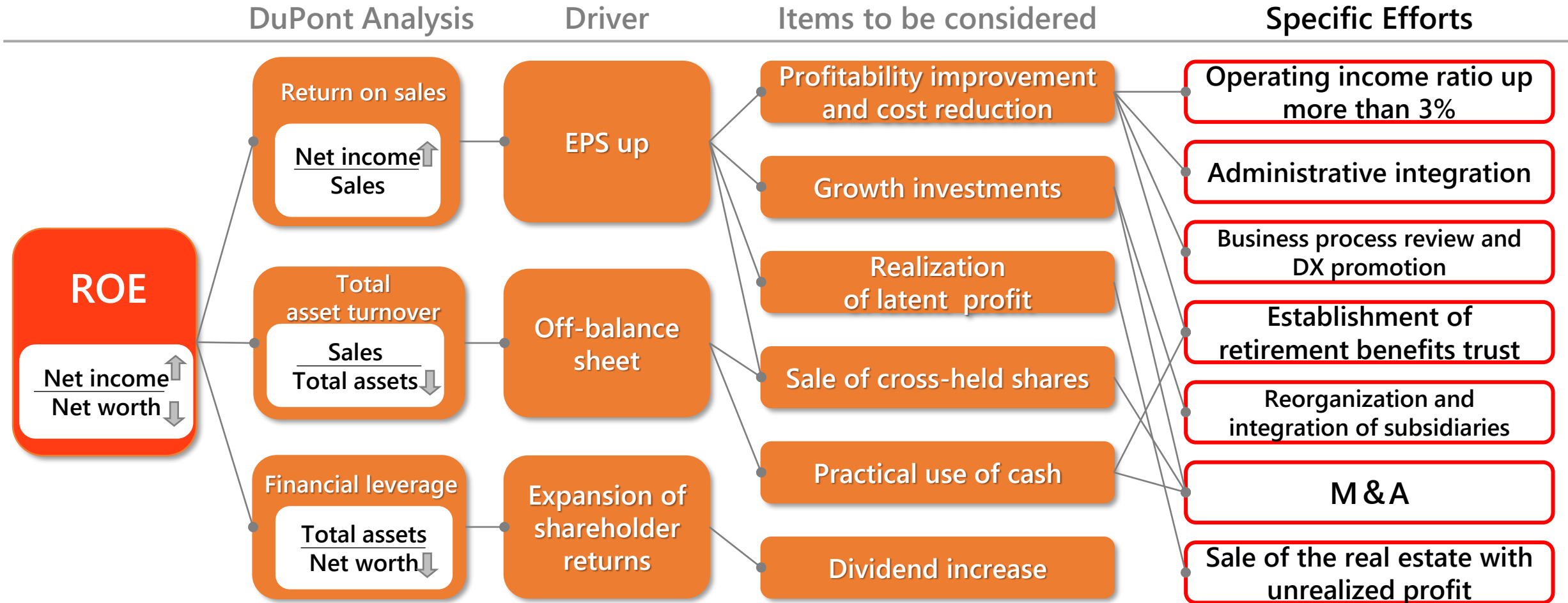
- ✓ Requests to improve return on Capital and Market Valuation for the purpose of increasing PBR
- ✓ Efforts for achieving SDGs by 2030 and advancing ESG Management

- **The severe Environmental Changes both domestically and internationally had a Significant Impact on our Business**

→ However, no change in our goal to “become a strong Carlit Group” by strengthening our foundation.

Concepts and Efforts for Improving ROE

- ◆ Improving ROE is the starting point and crucial to enhance PBR
- ◆ Systematic implementation of specific actions based on a medium- to long-term value creation story



Concepts and Efforts for Improving PER

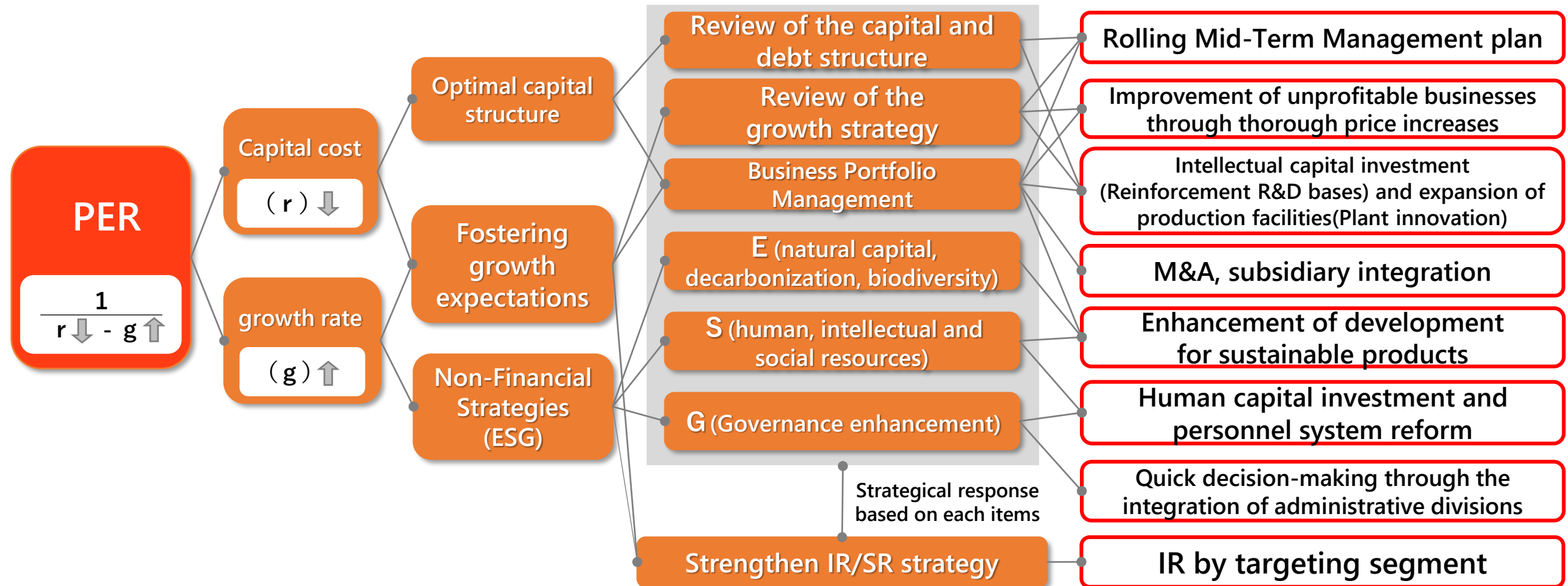
- ◆ Improving PER, the expected value of profit growth, is also important to enhance PBR
- ◆ The key for improving PER is to reduce the cost of capital through both financial and non-financial efforts, in addition to formulating and implementing growth strategies

elements

Driver

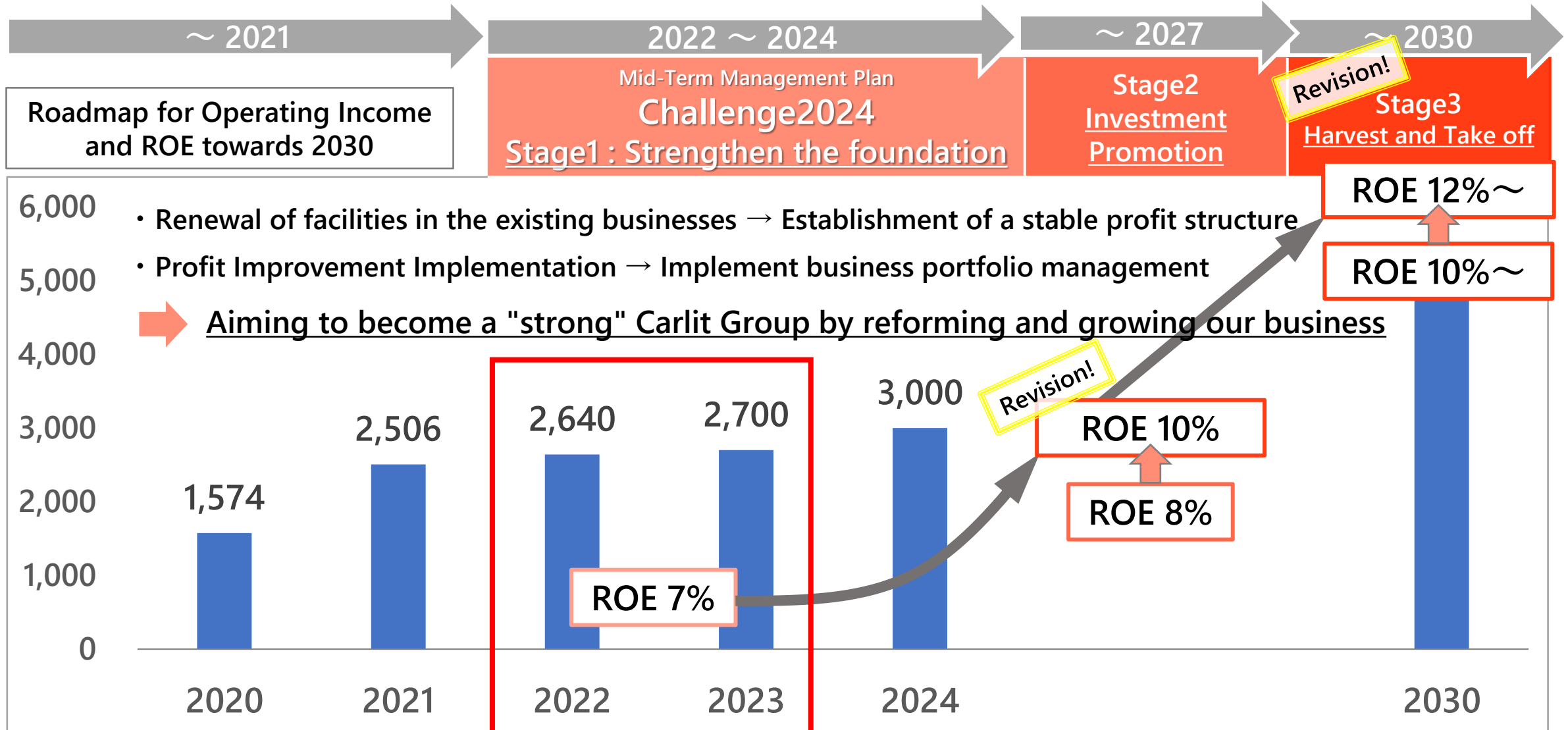
Items for Consideration

Specific Efforts



Positioning of FY22-23 towards Vision for 2030

◆ Updated ROE targets in the roadmap



The 3% is divided into 3 parts.

- ◆ Aiming for Carlit Group operating income ratio from 7% to 10%

Group Management Policy for FY2023

Realization of operating margin of 3% or more through "Reform and Growth"
to achieve the mid-term management plan "Challenge 2024 "

✓ Update theme 1

Acceleration of Value Creation

Stabilizing earnings and
improving profitability

Promotion of non-core
asset liquidation

Investment in focus and
develop areas

+1%

✓ Update theme 2

Advancement of ESG management

Improvement of human
capital management

Efforts to decarbonize

shareholder return

+1%

Human capital investment
(return to employees)

+1%

In the Rolling Plan 2023, The increased 3% profit will be provided in 3 equal parts

信頼と限りなき挑戦

Earning Trust and Tackling Countless Challenges



無限の可能性をカタチに

Giving Shape to Infinite Possibilities