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Regarding the Update on Action to Implement Management that is Conscious of Cost of Capital and Stock Price

CK SAN-ETSU Co., Ltd. (the "Company") hereby announces that it has updated the content of the "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" announced on May 20, 2025, taking into account the current evaluation and analysis as well as the progress of initiatives.

1. Current status assessment (consolidated basis)

		FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025	FYE March 2026
Net sales	(millions of yen)	115,343	123,838	111,433	125,108	149,438
Operating profit	(millions of yen)	10,771	8,279	7,929	10,263	14,161
Ordinary profit	(millions of yen)	6,571	8,655	6,094	8,383	5,636
Net income*	(millions of yen)	4,313	5,318	3,815	5,207	3,587
Net assets per share	(yen)	4,649.01	5,240.76	5,663.62	6,137.67	6,651.37
Basic earnings per share	(yen)	517.19	644.39	458.22	616.11	432.19
Equity ratio	(%)	54.2	57.5	61.5	60.1	56.3
ROE	(%)	11.7	13.0	8.4	10.4	6.7
PER	(times)	7.39	6.75	8.67	6.18	9.61
Stock price (End of March)	(yen)	3,820	4,350	3,975	3,810	4,155
PBR	(times)	0.82	0.83	0.70	0.62	0.62

*Profit attributable to owners of parent

The Company's ROE for the fiscal year ended March 2026 was 6.7% and its PBR was 0.62x as of March 31, 2026.

Operating profit increased due to an increase in sales volume (up 11.7% year on year) in the copper and copper alloy products business following the acquisition of MITANI SHINDO Co., Ltd. as a subsidiary on April 1, 2025, higher copper prices, and gains from raw material price differences. On the other hand, ordinary profit and profit attributable to owners of parent decreased due to the recording of losses on derivatives to hedge the risk of fluctuations in copper prices, resulting in a decline in ROE.

One of the reasons why the Company's PBR has been below 1x is that the group's core business areas of copper and copper alloy products, precision components, and piping and plating have not fully met expectations for shareholder returns due to sluggish demand in the domestic market, uncertainty over market growth, and insufficient accumulation of retained earnings in the past.

2. Policies for realizing management that takes into account cost of capital and stock price

The Company considers improvement of capital efficiency and improvement of market evaluation to be key management issues and will promote the following measures.

(1) Strengthen profitability (ROE improvement)

- Early realization of integration effects with MITANI SHINDO Co., Ltd.
- Expansion of high-value-added product lineup through sharing of production technologies and know-how
- Reducing procurement costs through group-wide joint purchasing of raw materials and secondary materials

(2) Balance growth investment and shareholder returns

- Continued investment for growth centered on M&A
- Accumulating retained earnings and utilizing funds with capital efficiency in mind
- Stable returns to shareholders through the introduction of a progressive dividend policy

(3) Strengthen IR Activities

- Disseminating information to overseas investors by enhancing English-language disclosure
- Promotion of constructive dialogue with institutional investors

3. Medium- and long-term goals

The Company aims to improve profitability and capital efficiency through the steady implementation of the above measures, and to improve PBR to 1.0x or higher.