

Basic Capital Policy

1. In order to secure funds necessary for medium- to longterm growth, we will maintain financial soundness based on the target values of the key indicators specified in the Medium-term Management Plan, including the Return on Equity (ROE), the debt-to-equity ratio, etc., and invest in business with high growth potential and profitability.
2. Our basic stance on shareholders returns is to aim for a dividend payout ratio of 30%.
3. Aiming at improving capital efficiency, we will make concentrated investments in growing areas and improve profitability by increasing the productivity of existing business.
4. If we intend to raise capital that would change the control of the Company and Group or significantly dilute the value of our shares, the Board of Directors will sufficiently deliberate on the necessity and reasonableness of such capital raising, including its impact on the finances of the Company, the purpose of use of funds, and the requirement not to unjustly harm existing shareholders, make an appropriate decision, and then provide sufficient explanations to shareholders as well as to follow proper procedures.

June 27, 2022

MITSUI-SOKO HOLDINGS Co., Ltd.