



**MARUSAN**

# Action to Implement Management that is Conscious of Cost of Capital and Stock Price <update>

April 30, 2025

Marusan Securities Co., Ltd.

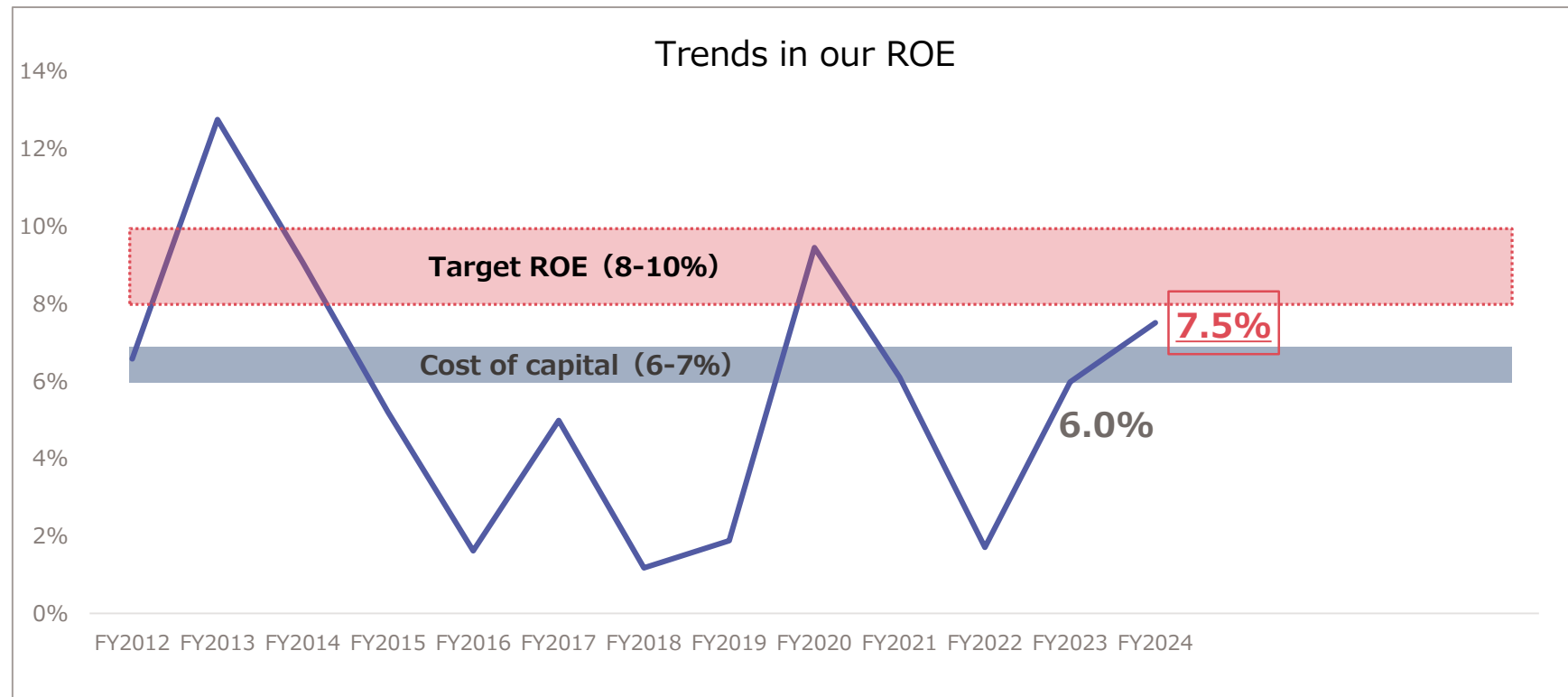
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# 1. Achieve ROE in excess of cost of capital

- Aim to achieve 8% ROE (10% long-term) above average cost of capital



## Assumptions for our cost of equity (rate of return expected by investors)

$$\begin{array}{ccccc} \text{Risk Free Rate} & + & \beta & \times & \text{Market Risk Premium} & = & \text{Cost of Equity} \\ \text{approx. 1.0\%} & & 0.8 \text{ to } 0.9 & & \text{approx. 6\%} & & \text{approx. 6 to 7\%} \end{array}$$

## 2. Ensure stable performance that is less influenced by market conditions

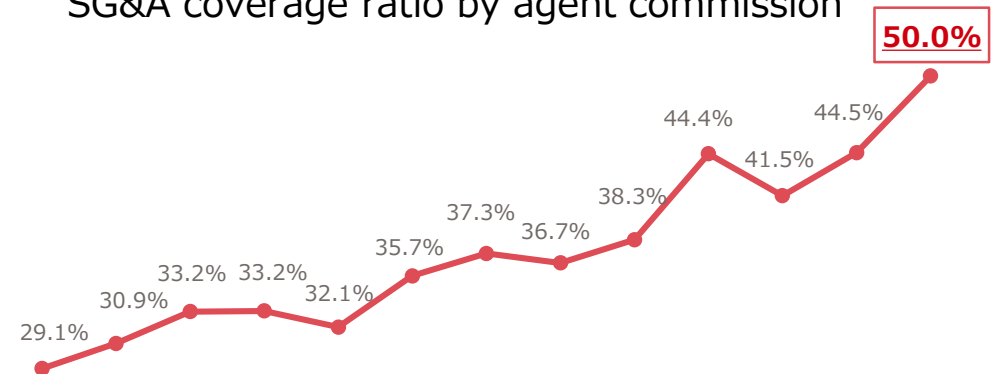
- Possible reasons why the stock price may fall below a PBR of 1:
  1. ROE has not reached the level expected by investors
  2. The overall performance of the face-to-face securities industry tends to be heavily influenced by the market environment, and the unstable performance of the industry leads to a decline in attractiveness to investors.



In addition to improving ROE, it is necessary to "ensure stable performance"

Further "stabilize performance" by raising the SG&A coverage ratio by agent commission (medium-term target 55%)

SG&A coverage ratio by agent commission



FY2012 FY2013 FY2014 FY2015 FY2016 FY2017 FY2018 FY2019 FY2020 FY2021 FY2022 FY2023 FY2024

### 3. Strengthening shareholder return measures

#### ■ Special dividends: FY2023 - FY2027 (announced on September 15, 2023)

- ✓ Progress in stabilizing the revenue base through a shift to asset management-type sales
- ✓ Decrease in margin loans due to the transfer of the online trading business, resulting in lower need for cash on hand
- ✓ Optimization of level of internal reserves and improvement of capital efficiency

<In addition to ordinary dividends, special dividends will continue to be paid until FY2027>

	Special dividend per share			Ordinary dividend
	Interim dividends	Year-end dividends	Total annual dividends	(annual)
FY2023 (actual)	15yen	15yen	30yen	30yen
FY2024 (actual)	15yen	15yen	30yen	30yen
FY2025 (estimated)	15yen	15yen	30yen	TBD
FY2026 (estimated)	10yen	10yen	20yen	TBD
FY2027 (estimated)	5yen	5yen	10yen	TBD
Cumulative total for 5 periods	60yen	60yen	120yen	

+

}

Ordinary dividend

Consolidated dividend payout ratio: 50% or more

Note: Year-end dividends are subject to resolution at the general meeting of shareholders held after the end of each fiscal year.

#### ■ Continue to consider other measures for shareholder return depending on the situation

## 4. Strengthen dialogue with investors ①

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- Interviews with senior management and Directors (including Outside Directors and Corporate Auditors)
- Continued interviews with public relations and investor relations staff
- Holding IR Meetings for Investors
  - ✓ For institutional investors and analysts
  - ✓ For individual investors
- Reporting of financial results to major shareholders (institutional investors)
- Expansion of disclosure materials in English
- Disclosure in response to Tokyo Stock Exchange (TSE) requests\*
  - ✓ Responder details, investor profiles, key themes and concerns of investors, status of feedback to management and Board of Directors....

\*"Better Dialogue with Shareholders and Related Disclosure" (Tokyo Stock Exchange: March 31, 2023)

## 4. Strengthen dialogue with investors ②

Status of dialogue with investors (fiscal 2024)

Category		Status
1.	Financial results and business strategy briefing for institutional investors and analysts	Dates: May 21 and November 20 Event format: Online
2.	IR seminars for individual investors	Dates: August 26 (Osaka) and September 3 (Tokyo) Event format: In-person seminar
3.	Individual shareholder and investor engagements	Major shareholder visits: May (7 companies) and November (7 companies) Individual analyst interview engagements: 5 Individual shareholder phone engagements: 5

## 4. Strengthen dialogue with investors ③

### Key opinions through dialogue

Category		Responder	Main opinions and interests
1.	Financial results and business strategy briefing for institutional investors and analysts	President	<ul style="list-style-type: none"> <li>• The status of operations during a stock price crash</li> <li>• Specialization in Japanese stocks and the increase in stock brokerage commissions</li> <li>• Introduction of new fund wrap services</li> <li>• Lengthening of the average holding period for investment trusts</li> </ul>
2.	IR seminars for individual investors	President	<ul style="list-style-type: none"> <li>• Business strategy</li> <li>• Recommended products</li> <li>• Customer demographics</li> <li>• Stock price of the Company</li> </ul>
3.	Individual shareholder and investor engagements	Head of Investor Relations Division  Head of Wholesale Division	<ul style="list-style-type: none"> <li>• The Medium-Term Management Plan and ROE</li> <li>• Initiatives for corporate governance</li> <li>• Cost control and performance</li> <li>• Net increase target for shares</li> <li>• Timing and positioning of fund wrap introduction</li> <li>• Approach to underwriting lead managing business</li> <li>• Cross-held shares</li> <li>• Pledged dividend payout ratio (50% or more) and dividend performance</li> <li>• Customer age demographics</li> <li>• Recruitment activities</li> <li>• New corporate color</li> <li>• Disclosure of achievements in promoting women's participation</li> </ul>

## 4. Strengthen dialogue with investors ④

### Feedback to the Company and incorporated suggestions

(1) Feedback status	
1.	(October 2024) Reported the dialogue status for the first half of fiscal 2024 at the management meeting → Shared with Directors (including Outside Directors), Corporate Auditors, Executive Officers, etc.
2.	(April 2025) Reported the dialogue status for the second half of fiscal 2024 at the management meeting → Shared with Directors (including Outside Directors), Corporate Auditors, Executive Officers, etc.
(2) Incorporated suggestions	
1.	Discussion among Directors on further promoting women's participation
2.	Include the status of initiatives for promoting women's participation in IR materials
3.	Reduce cross-held shares



100 years of unchanged philosophy

～ Politely, honestly, for your future ～

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Marusan Securities Co., Ltd.

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