



Overview of the medium-term management plan

Basic policy

- Innovation for continuous growth
- Contribution to the resolution of social issues

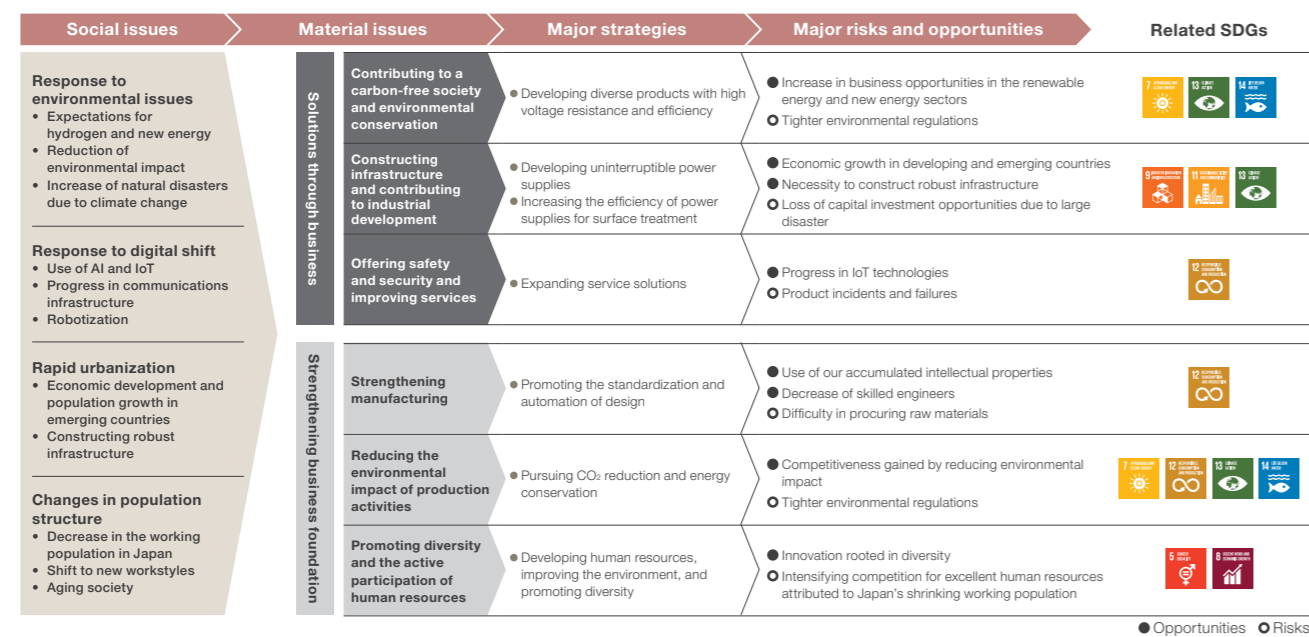
Change to Growth

Numerical targets

	FY2021		FY2022		FY2023	
	Medium-term management plan	Results	Medium-term management plan	Results	Medium-term management plan	Results forecast*
Net sales	21.8 billion yen	22.6 billion yen	24.0 billion yen	28.0 billion yen	26.0 billion yen	30.5 billion yen
Semiconductor business	6.3 billion yen	7.7 billion yen	6.9 billion yen	8.1 billion yen	7.4 billion yen	8.5 billion yen
Power supply business	15.5 billion yen	14.8 billion yen	17.1 billion yen	19.9 billion yen	18.6 billion yen	22.0 billion yen
Operating profit	800 million yen	1.3 billion yen	1.3 billion yen	1.6 billion yen	1.9 billion yen	2.0 billion yen
Semiconductor business	200 million yen	700 million yen	300 million yen	500 million yen	400 million yen	300 million yen
Power supply business	600 million yen	500 million yen	1.0 billion yen	1.1 billion yen	1.5 billion yen	1.7 billion yen
Ordinary profit	800 million yen	1.3 billion yen	1.3 billion yen	1.6 billion yen	1.9 billion yen	2.0 billion yen
Profit attributable to owners of parent	500 million yen	1.1 billion yen	900 million yen	1.2 billion yen	1.3 billion yen	1.4 billion yen
Earnings per share	39.15 yen	83.30 yen	64.07 yen	95.33 yen	92.54 yen	105.26 yen
Return on equity (ROE)	2.8%	5.9%	4.4%	6.1%	6.1%	6.5%

*Announced on May 10, 2023

Overview



We understand that social issues related to the businesses of the Sansha Electric Manufacturing Group have remained unchanged since May 2021 when we announced the medium-term management plan.

We will implement initiatives to address material issues fully leveraging the Group's technologies to solve social issues, such

as the improvement of energy efficiency, renewable energy, climate change, marine pollution and disaster response, thereby contributing to the achievement of the SDGs. We aim to establish a sustainable society and achieve the sustainable growth of the Group.

Overview of FY2022

In FY2022, COVID-19 restrictions were gradually eased. This has led to moves to normalize economic activity. On the other hand, the Russia-Ukraine situation caused the prices of crude oil and energy to soar and the significant depreciation of the yen in the foreign exchange market. Due to these and other background factors, prices increased and there were concerns regarding the future of the economy.

In the environment surrounding the businesses of the

Sansha Electric Manufacturing Group, capital investment remained strong overall, but the rise of the purchase prices of raw materials, energy and transportation and other factors put pressure on profit.

In these circumstances, orders received remained at a high level in both the semiconductor business and power supply business, but they continued to be affected by the prolonged lead time in the procurement of raw materials.

Future initiatives

FY2023 (fiscal year ending March 31, 2024) is the final year of the CG23 medium-term management plan. As of the beginning of the fiscal year, orders received were strong in both businesses. In the power supply business in particular, sales are planned to take place in major projects, including power supplies for the evaluation of power conditioners and power supplies for fine surface treatment. While we will continue to be impacted mainly by rising costs, including the cost of electricity, materials and logistics, investments for replacing and building production

systems and other systems and an increase in development expenses, profits are expected to be improved due to an increase in sales. We will make company-wide efforts to achieve the target profits for the final fiscal year of the medium-term management plan.

In the medium to long term, we plan to improve profitability and invested capital turnover, targeting a return on assets (ROA) of 10% or higher.

Profitability improvement

To enable our engineering, production and sales teams to work as one in the aspects of both offense and defense to make our company highly profitable, we have set ROA (based on consolidated operating profit) as a KPI, targeting an ROA of 10% or higher.

It is anticipated that attaining the ROA target will result in

a higher level of return on equity (ratio of profit to equity) and achievement of ROE exceeding the capital cost.

We will reinvest the acquired profit to achieve the growth of the Group and improve its competitiveness, and as a result, enhance its corporate value.

