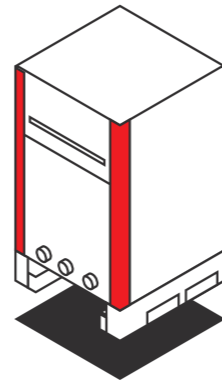


# CF26

Create the Future 2026



## New medium-term management plan (2024 to 2026)

In May 2024, we announced CF26, our new medium-term management plan with the slogan: **Create the Future**. This slogan is derived from our purpose: **Moving society forward with power electronics and creativity**. The plan advances our intent to move society forward using our creativity and also includes our vision for the future. In this medium-term management plan, we focus on strategies and our vision for building a better future.

### Numerical targets

In FY2024, net sales are expected to decrease from FY2023 to 28.8 billion yen. This will be a temporary decline. Major factors in this decrease are the absence of plans for a major project that was implemented to meet special demand which existed in FY2023 and upfront

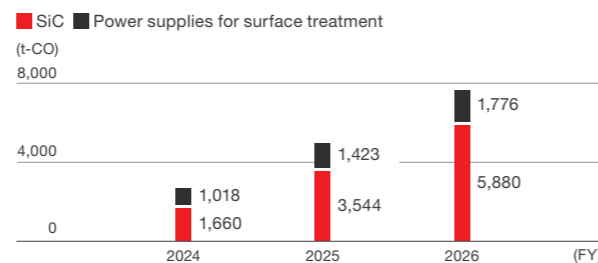
expenditures for strategic investments and investments in intangible assets. However, net sales are forecast to recover to 31.0 billion yen in FY2025 and grow to 33.0 billion yen in FY2026. Thus, we aim to return to a stable growth track.

	FY2023	New medium-term management plan			What we aspire to be (FY2033)
		FY2024	FY2025	FY2026	
Net sales (100 million yen)	310	288	310	330	50.0 billion yen
Operating profit (%)	34	14	18	22	Ratio of operating profit 10% or higher
Ordinary profit (%)	34	14	18	22	Return on equity (ROE) 10% or higher
Profit attributable to owners of parent (%)	29	9	12	15	Return on assets (ROA) 10% or higher
Return on equity (ROE) (%)	13.0	4.1	5.2	6.2	

### Development of products which will contribute to carbon neutrality

- Product development focused on power conversion efficiency and CO<sub>2</sub> reduction
- Contributing to the reduction of the CO<sub>2</sub> emissions of society as a whole by calculating CO<sub>2</sub> emissions from the use of products

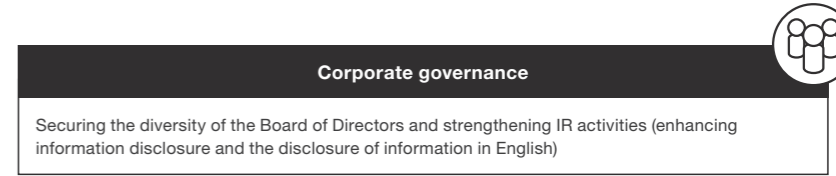
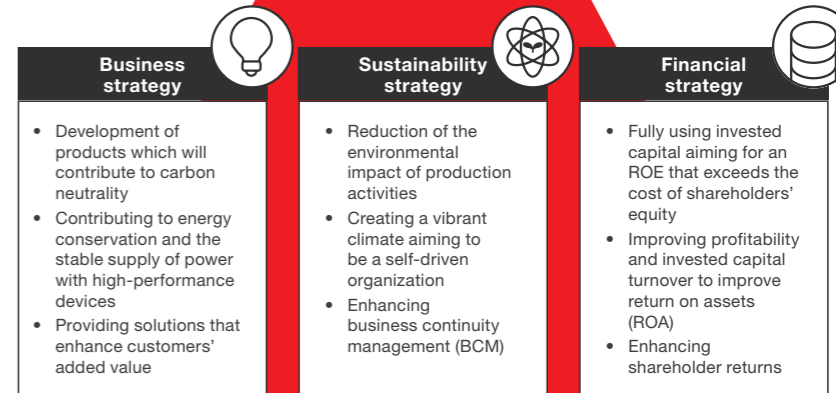
Planned CO<sub>2</sub> reduction by major product group



### Basic policy

The period of the CF26 medium-term management plan (2024 to 2026) is positioned as three years of managerial reforms to become the Global Power Solution Partner to achieve a return on equity (ROE) of 10% or higher. We aim to achieve the growth of our business and the improvement of profitability through strategic investments and investments in intangible assets. Specifically, we will provide solutions which will contribute to energy conservation and the stable supply of power and enhance customers' added value through the development of products which will contribute to carbon neutrality and the development of high-performance devices. In addition, we will implement a sustainability strategy by reducing our environmental impact and enhancing our business continuity management and fully leverage our invested capital aiming to achieve a return on equity (ROE) that exceeds the cost of shareholders' equity in our efforts to improve profitability and invested capital turnover. Further, we will also push forward with the enhancement of shareholder returns and the strengthening of corporate governance.

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### Cash allocation to achieve growth

In accordance with the CF26 medium-term management plan, we will invest strategically and in intangible assets in our efforts to achieve sustainable growth and improve profitability.

