

CF26
Create the Future 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.



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.

				New medium-term management plan			
		[FY2023	FY2024	FY2025	FY2026	
(100 million yen)	Net sales	\rangle	310	288	310	330	
	Operating profit	\rangle	34	14	18	22	
	Ordinary profit	\rangle	34	14	18	22	
	Profit attributable to owners of parent	\rangle	29	9	12	15	
T (%)	Return on equity (ROE)	\rangle	13.0	4.1	5.2	6.2	

What we aspire to be (FY2033)
Net sales
50.0 billion yen
Ratio of operating profit
10% or higher
Return on equity (ROE)
10% or higher Return on assets (ROA)
10% or higher

Development of products which will contribute to carbon neutrality

- Product development focused on power conversion efficiency and CO₂ reduction
- Contributing to the reduction of the CO₂ emissions of society as a whole by calculating CO₂ emissions from the use of products

Planned CO ₂ reduction by major product group								
SiC Po	ower supplies for sur	face treatment						
(t-CO)								
8,000								
			1,776					
4,000		1,423						
	1,018	3,544	5,880					
0	1,660	3,344						
	2024	2025	2026	(FY				

Basic policy

The period of the CF26 mediumterm 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 highperformance 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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Business strategy

Development of products which will contribute to carbon

neutrality

- Contributing to energy conservation and the stable supply of power with high-performance devices
- Providing solutions that enhance customers' added value

Reduction of the environmental

activities

Creating a vibrant climate aiming to be a self-driven organization

business continuity

management (BCM)

Enhancing

impact of production

that

- strategy

 Fully using invested
- capital aiming for an ROE that exceeds the cost of shareholders' equity

 Improving profitability
- Improving profitability and invested capital turnover to improve return on assets (ROA)
- Enhancing shareholder returns

Corporate governance

Securing the diversity of the Board of Directors and strengthening IR activities (enhancing information disclosure and the disclosure of information in English)

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.

├── Incoming cash ── ├─ Outgoing cash — Front-end processes: Newly constructing stments in growt fields Approx. which have been procured from external sources 3.0 billion yen Back-end processes: Equipment for increasing production **Operating CF Approx.** Investments Approx Testing and evaluation Automated 6.0 billion yen 6.4 billion yen Electrification of air-Core operation system conditioning equipmen Solar power systems Investments in human **Dividend payment**

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