

February 7th, 2024

Company Name **SUMIDA CORPORATION**
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Notice of the New Mid-Term Business Plan (2024-2026)

SUMIDA CORPORATION (hereinafter “the Company”) hereby announces that the New Mid-Term Business Plan was resolved at the Board of Directors meeting today. The details are as follows.

Review of the Mid-Term Business Plan (2021-2023)

The Company has experienced events that have a big impact on business activities, including the prolonged spread of the new coronavirus that began in December 2019, the global semiconductor shortage that began in the first quarter of 2021, and Russia's invasion of Ukraine that began in February 2022. On the other hand, the movement toward carbon neutrality accelerated, and green energy-related products such as xEV and solar power generation showed significant growth. As a result, sales and operating profit achieved their targets.

(100 Million yen=Oku yen)	2023 Target	2023 Actual
Sales	1,270	1,476
Operating Profit	75	85

Target set in early 2021 Sales 1,080 oku yen OP 70 oku yen

Target revised in early 2022* Sales 1,270 oku yen OP 75 oku yen

*In early 2022, target numbers were revised due to significant changes
in our business environment.

Outline of the New Mid-Term Business Plan (2024-2026)

- Despite the current unstable business environment including rising geopolitical risks, the Company expects the movement towards decarbonization remains unchanged over the medium to long term.
- The Company has won large new projects and is exploring new coil-related technologies, and establishing new technologies for product development.

Numerical Targets 2024-2026

Sales	1,900 oku yen	ROE	13.18%
Operating Profit	135 oku yen	ROIC	9.31%
EPS	272 yen	Free Cash Flow	140 oku yen in 3 years

Exchange rate	USD/JPY	144.0
	EUR/JPY	158.0
	CNY/JPY	20.2

Green Energy-related Sales Target

Expanding the scope of target business from xEV-related application to Green Energy-related application. Definition of “Green Energy” includes charging infrastructure, solar power, energy storage, etc. The Company will aim for Green Energy-related sales growth of 22% CAGR from FY2023 to FY2026, and to increase Green Energy-related sales to at least 35% of total sales in FY2026.

	2026 Target (Million yen)	2023-2026 CAGR(%)
xEV-Automotive	31,000	11.4
xEV-Industrial (Quick charger for xEV, etc.)	20,000	53.0
Others (Solar power, Energy storage, etc.)	16,000	22.3
Green Energy-related Sales	67,000	22.1
Green Energy-related Sales Ratio	35%	

Initiatives to Improve PBR

Our current ROE is 9.9% and PER is approximately 7 times. The Company sees that there is an issue on our PER compared to the average figure on the Tokyo Stock Exchange average. Therefore, we will strive to improve PBR by implementing the following measures.

- Improve shareholder returns
Increase Dividend payout ratio to 30% or higher
- Strengthen IR activities
Individual interviews with institutional investors
IR activities for individual investors
- Enhance Disclosure
Green Energy-related, EPS, ROE, ROIC, FCF, etc.

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- Promote Made-in-Market
By offsetting exchange rate fluctuations, the Company expects to stabilize FCF, leading to an improved financial position
