Sun-Wa Technos Corporation is an independent trading company that focuses on three product lines: electrical machinery, electronics, and general machinery, offering unique services to customers in a broad range of industrial fields. From post-war reconstruction of damaged industrial facilities to today, our business has grown to include distribution of electrical machinery, electronic parts and computer systems for automated production facilities (FA Systems). As a technology trading company, our customer-focused approach, world class engineering and technical information services have helped our clients achieve value-added growth and profitability. We work with our customers from early phase project development through completion by delivering cutting edge components and solutions. These projects have spanned multiple industries and have included cameras used for automotive advanced driver assistance systems (ADAS), robotics, machine tools used in the manufacture of smartphones, automated teller machines, automatic vending machines, gaming machines, pole mounted switches for electric utility system automation, and many more. We supply general purpose industrial robot systems, medical and nursing care robot systems, as well as robots used in the biotechnology field including parts and devices used in the infrastructure market, such as electric components and traffic control systems for railroad trains, including Shinkansen bullet trains.

Sun-Wa Technos has engaged in the distribution of industrial machinery, electric motors and control instruments since its founding in 1949. We have rapidly been building partnerships with overseas EMS providers at the request of our customers.

We are actively engaged in various new fields, including Internet of Things (“IoT”) and Industry 4.0 for the automatization of production equipment in the food and pharmaceutical industries. We engage in projects included in various industries such as Automotive, Agriculture, Medical, Food and Pharmaceutical. Our businesses spanned throughout the world.

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supplies them to our customers at home and abroad. We are expanding our overseas bases, which help deepen our interdependence and mutual trust with them. We have in-house engineering and quality control departments, which enable us to provide our customers with various services in a comfortable, reliable manner. In accordance with our corporate principles, we are committed to workforce development and have paid stable dividends to our shareholders every year since the company was founded.

**Business Strategy**

In addition to "system, equipment, and part & component distribution businesses," which are part of our core electrical machinery, electronics, and general machinery businesses, Sun-Wa Technos is working on "engineering business" as well as "global SCM solutions business." Sun-Wa Technos, as a total coordinator that connects manufacturing sites and distribution networks, will contribute to the progress of industrial recovery in communities.

**System, equipment, and part & component distribution businesses**

Through the supply of the best systems, equipment, parts, and devices, we will help our customers develop more excellent products.

- Expanded activities as a distribution service agent for key manufacturers (customers)
- Enhanced business relationships with them
- Foreseen customer needs and business seeds → New product opportunities
- Supplying our customers with the latest technical information

**Engineering business**

Supporting our customers' manufacturing activities by proposing ideas about automated systems and energy-saving products.

- Pursuing the concept of "manufacturing in the future" by utilizing ICT technology
- Proposing automated systems utilizing robots
- System proposals aiming at energy saving and electric power saving

**Global SCM solutions business**

Entrusted with logistics operations by our customers in a comprehensive fashion, we implement the best solutions in order to streamline their logistics requirements in a series of corporate activities ranging from material procurement, production, distribution, to recycling. This approach enables our customers to focus and expand their core businesses.

- Supporting our customers in their manufacturing activities, such as production transfer support (effective production transfer operations)
- Suggesting the best distribution channels and local suppliers by taking advantage of our existing global network
- Supporting our customers in local procurement (introducing recommended local suppliers, plant audit support)

**Aggressive Development of Overseas Business**

Since opening its first overseas base in Singapore in 1995, the Sun-Wa Technos Group has established business bases at 25 locations in 11 countries. Because the decision of each one of these overseas expansions was made to satisfy specific customer needs, the investment paid off within a relatively short period of time, contributing to our bottom line. In response to our customers expanding overseas, we approach them by emphasizing the selling point that we will be able to offer similar services to what is available in Japan. This process allows us to locate capable local manufacturers so that we are able to expand our own businesses as well. We are in the process of building Sun-Wa Global Network, which includes procurement services (global SCM solutions) entrusted by our customers. We are helping our customers reduce total costs mainly by streamlining their operations from inventory through distribution. We are also deploying a business which develops excellent products overseas and supplies them to our customers at home and abroad.
I would like to take this occasion to ask all of our shareholders and investors for your continued guidance and encouragement.

The ninth medium-term management plan (Challenge 1500) started from the fiscal year 2016, and this is the last year of the target term. The consolidated performances of its second year greatly exceeded the level during the previous period and were able to update record-high performances. The Sun-Wa Group unites works on the following priority measures toward managerial goal achievements in this last term year.

Sun-Wa Technos management is committed to providing appropriate shareholder returns by maintaining a stable dividend supplemented by increasing the amount of dividends or conducting share splits when appropriate based on our careful consideration of earnings results. We will endeavor to increase internal reserves in order to strengthen financial soundness and enhance competitiveness and to provide us with the flexibility needed to respond to sudden changes in our business environment, from a medium- and long-term perspective. I would like to take this occasion to ask all of our shareholders and investors for your continued guidance and encouragement.

SUN-WA VISION 2025
Sun-wa Group: Creating a Bright Future

FY2019 ... Toward the 70th Anniversary

◆ Policy
Through our core electrical machinery, electronics and general machinery business, we will offer our proprietary value-added solutions to help our customers manufacture additional products of excellence. As a technology company, we will supply our customers with the latest technical information. We will continue to refine the Sun-Wa Global Network to further strengthen its group power.

◆ Policy Measures
Increase our core electrical machinery, electronic, and general machinery businesses. Establish our “engineering business” and global SCM solutions business. Strengthen group power and overseas business, including identification of capable local manufacturers. Establish IoT-related business by utilizing ICT technology. Transform corporate culture by continued investment in our associates, including diversity promotion and highly skilled talent.

◆ To Investors
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Top Message

SUN-WA TECHNOS CORPORATION
President and Representative Director
Hiroyuki Tanaka

Ninth Medium - Term Management Plan (Challenge 1500)

◆ Effort and Progress
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Challenge 1500
FY2019 ... Toward the 70th Anniversary

◆ Managerial Goal
Sun-Wa Technos is steadily building a foundation to ready itself for our 70th Anniversary and challenging consolidated sales of 150 billion yen in FY2019 and 250 billion yen in FY2025.

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Contact Information
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