

SNS/2024

Sun-Wa New Stage

**Eleventh Medium-Term Management Plan
(FY2022 to FY2024)**

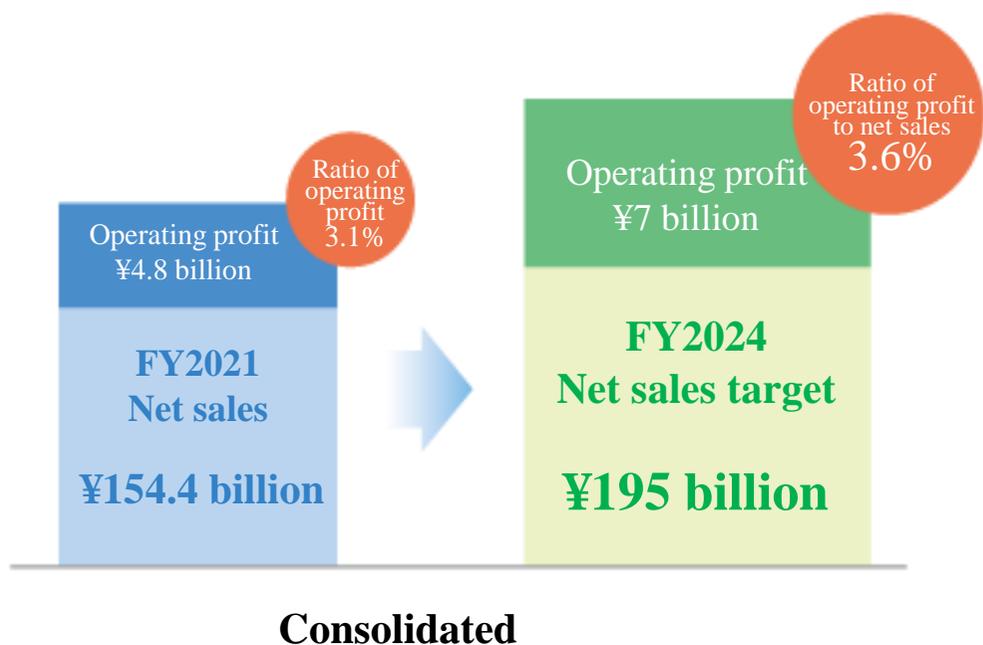
**Sun-Wa Technos Corporation
May 9, 2022**

Financial Targets <Consolidated>

Enhancement of corporate value

FY2024 Operating profit target ¥7 billion

KGI: Operating profit



◆ Consolidated

| | Operating profit | Ratio of operating profit to net sales | Net sales |
|---------------|------------------|--|----------------|
| FY2024 Target | ¥7 billion | 3.6% | ¥195 billion |
| FY2021 Result | ¥4.8 billion | 3.1% | ¥154.4 billion |

Financial Targets

billion JPY

| ◆ Domestic | Operating profit | Operating profit margin | Gross Sales |
|---------------|------------------|-------------------------|-------------|
| FY2024 target | 4.25 | 3.0% | 142.7 |
| FY2021 result | 3.04 | 2.6% | 115.8 |

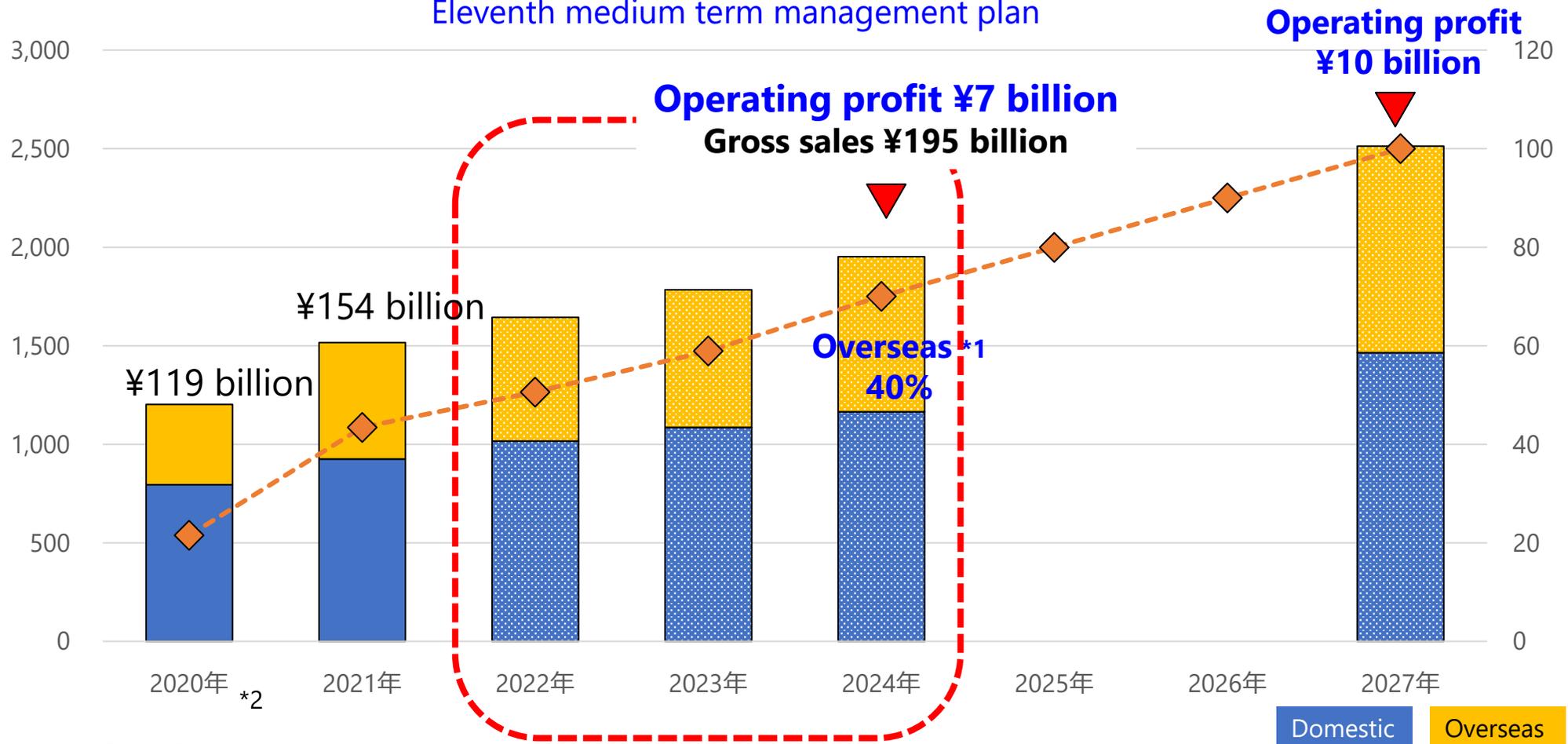
| ◆ Overseas | Operating profit | Operating profit margin | Gross Sales | Ratio of sales |
|---------------|------------------|-------------------------|-------------|----------------|
| FY2024 target | 2.75 | 3.5% | 78.6 | 40% |
| FY2021 result | 1.86 | 3.2% | 59.0 | 38% |

Quantitative Plan

Goal for operating profit in FY2027: ¥10 billion

**Goal for operating profit in FY2024
¥7 billion (Gross sales ¥195 billion)**

Eleventh medium term management plan



*1 Sales Ratio of overseas business (overseas subsidiaries) to consolidated sales

*2 Buy-Sell transactions are excluded from 2020 Consolidated Sales

Basic Policy

As a global supply chain professional supporting the future of manufacturing with “connection” and “trust”

Challenge

01

Focus on growth areas where innovation is required

- Identification of customer segments in which resources will be invested
- Formulate strategic action plans by customer segment
- Improve gross profit margin through strategy implementation

Challenge

02

Provide higher value-added products and new solutions

- Provide optimal products and solutions in each customer segment
- Improve operational efficiency and value provided through digital transformation (DX)
- Expand overseas market share through local contacts and global network

Challenge

03

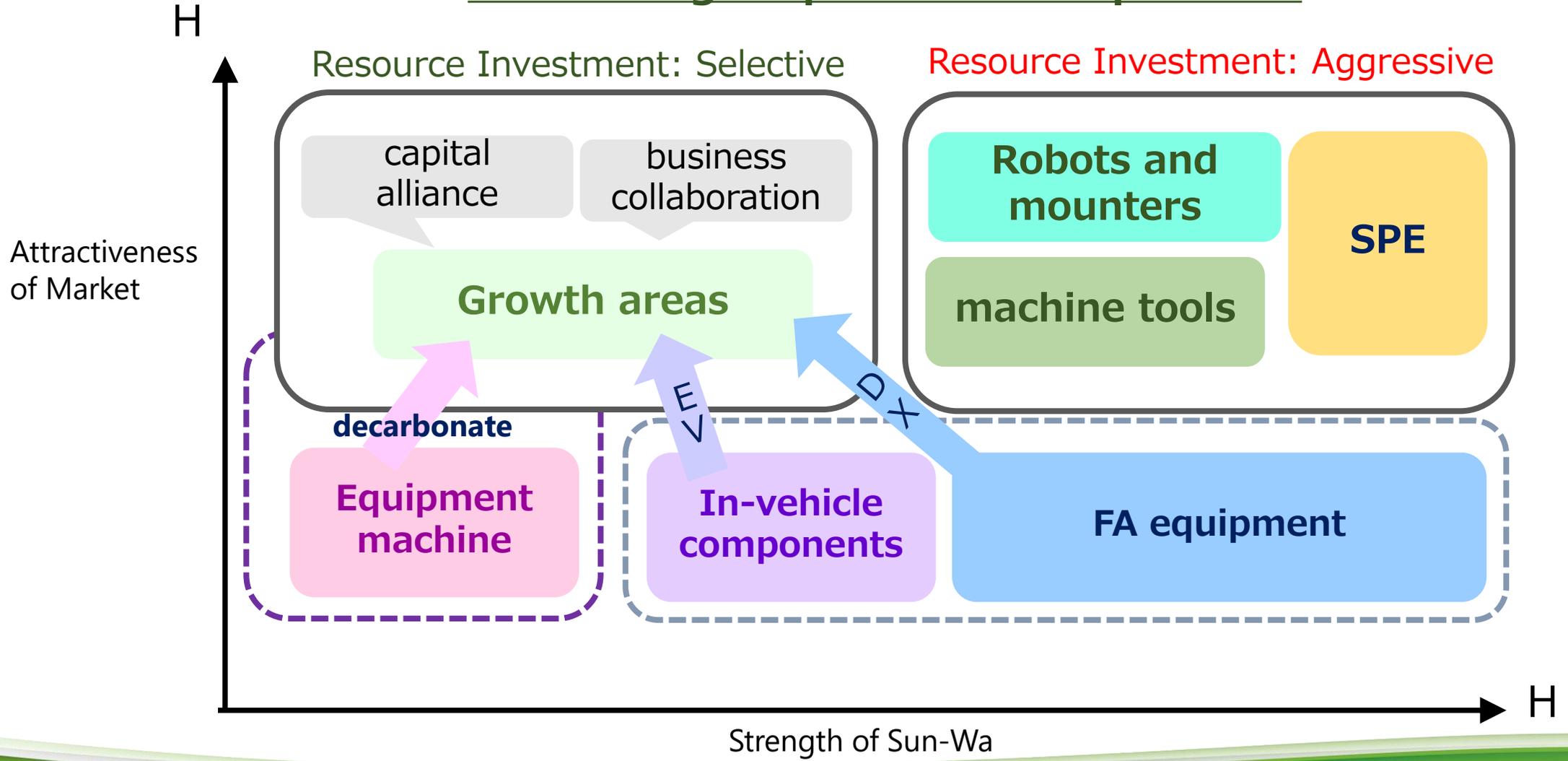
Contribute to the realization of a sustainable society through sustainability management

- Effectively address sustainability issues
- Contribute to a decarbonized society throughout the supply chain
- Cultivate diverse human resources to support sustainable growth

Focus on growing segment requiring innovation

Strategic allocation of resources through positioning of customer segments within the portfolio

Positioning map of business portfolio



Sun-Wa Group Global Strategic Policy

- Develop roots within the community and create innovation with customers around the world through borderless activities
- Deliver advanced technology and products to Customer's production site
- Address global challenges by bridging technology and business

Act as an innovative partner that connects the world's technologies

Regional Strategic Policy

China

- ◆ Expand Sales Offices (Total 20 offices)
- ◆ Deliver advanced technology and a high quality of service
- ◆ Establish new company policy matching domestic employee

Other Asia

- ◆ Establish a stable management base
- ◆ Strengthen sales capabilities as a distributor partner
- ◆ Establish a strong sales system and organization

Europe and the United States

- ◆ Sales growth via challenging new markets
- ◆ Increase export product sales in the global market
- ◆ Establish Sun-Wa Technos Brand in domestic market

Financial Targets "overseas business unit"

FY2024 global gross sales profit target is ¥2.75 billion

China: ¥18.6 billion Other Asia: ¥0.78 billion

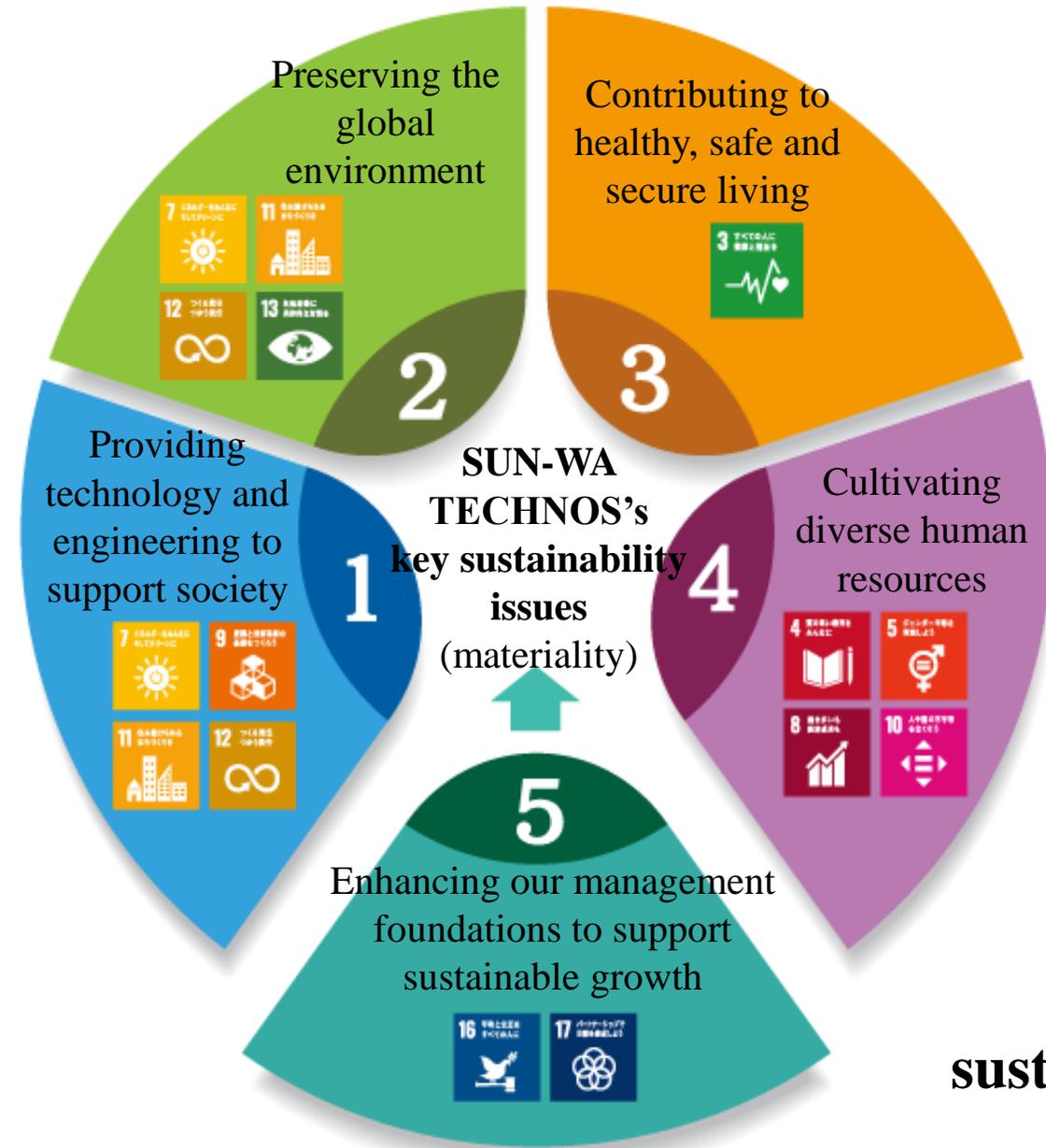
Europe and the United States: ¥0.1 billion

Billion JPY

| | Operating profit | Ratio of operating profit to net sales | Net sales | Growth rate of net sales (annual average) |
|------------------------------|------------------|--|-----------|---|
| FY2024 target | 2.75 | 3.5% | 78.6 | 10.0% |
| China | 1.85 | 3.6% | 51.0 | 7.2% |
| Other Asia | 0.78 | 4.0% | 19.4 | 19.6% |
| Europe and the United States | 0.1 | 1.2% | 8.1 | 9.8% |

| | | | | |
|------------------------------|-------|------|------|--|
| FY2021 result | 1.86 | 3.2% | 59.0 | |
| China | 1.52 | 3.7% | 41.4 | |
| Other Asia | 0.39 | 3.5% | 11.3 | |
| Europe and the United States | △0.05 | | 6.2 | |

Promote Sustainability Management for realizing sustainable society



Five key sustainability issues