Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

SANYO DENKI

May 20, 2026

Company name:	SANYO DENKI CO., LTD.
Representative:	Shigeo Yamamoto Representative Director, Chairman of the Board & CEO (Code number: 6516, Tokyo Stock Exchange Prime Market)
Contact:	Masaki Iwayama Executive Operating Officer for Business Administration
Phone:	(03)5927-1020

Announcement of the Formulation of the 10th Mid-Term Management Plan

SANYO DENKI CO., LTD. is pleased to announce the formulation of its 10th Mid-Term Management Plan, covering fiscal years 2026 through 2030. An overview of the Plan is provided below. For further details, please refer to the accompanying materials.

1.Background and Vision

The SANYO DENKI Group has long pursued its corporate philosophy: "We at SANYO DENKI Group Companies aim to help all people achieve happiness, and work with people to make their dreams come true." This philosophy has served as the cornerstone of our management strategy across nine consecutive Mid-Term Management Plans.

Under the most recent 9th Mid-Term Management Plan, "Break the Shell" (FY2021–FY2025), the SANYO DENKI Group drove 732 Group-wide initiatives forward, all of which achieved significant progress. In FY2022, the Group achieved record-high operating revenue and operating profit, demonstrating steady and sustained growth.

Building on this momentum, we have now launched the 10th Mid-Term Management Plan "Turn the Time into Power" (FY2026–FY2030). Under this new Plan, 887 initiatives are to be driven forward across the SANYO DENKI Group worldwide, with activities to enhance corporate value actively under way on a global scale.

In an era of profound uncertainty—marked by surging global AI investment, rapid growth in the semiconductor and data center markets, alongside energy-related conflicts and rare earth resource procurement challenges—the SANYO DENKI Group remains committed to its corporate philosophy. We will fulfill our mission of achieving sustainable growth and protecting the medium-to-long-term interests of all stakeholders.

2. Plan Theme and Key Policies

Main Theme

"Turn the Time into Power" (Plan Period: FY2026–FY2030)

The SANYO DENKI Group will achieve sustainable enhancement of corporate value by transforming time into competitive advantage.

Key Policies

1) Build a corporate culture where SANYO DENKI is recognized as “fast.”
2) Reduce time significantly and innovatively.
3) Turn the time into competitive advantage, creating new things, new initiatives, and new ways.
4) Focus on time axis, achieving No. 1 in product development, time performance, and operating quality.

3. Financial Targets

ROE: 10% or higher

Cost of Equity: Estimated at approximately 7–9%

4. Shareholder Return Policy

Category	Details
Dividend Policy	Approximately 50% dividend payout ratio target; progressive dividends to continue
Share Buybacks	Implemented flexibly as needed

SANYO DENKI

10th
Medium-Term Management Plan

May 20, 2026

SANYO DENKI CO., LTD.

Turn the Time into Power

2026 - 2030 The 10th Mid-Term Management Plan

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Agenda

1. Corporate Philosophy and Management Policy

We at SANYO DENKI Group Companies aim to help all people achieve happiness, and work with people to make their dreams come true.

For Society and the Environment
We will conduct management that contributes to conserving the global environment and enhancing human prosperity through our corporate activities.

For Suppliers and Business Partners
We will conduct management aimed at mutual technical development and prosperity through deals of parts and materials, production contracting, and joint development.

For Competitor Companies
We will conduct management that co-creates industrial and technological developments through technical alliances and competition.

For Customers and Users
We will conduct management that realizes the creation of new value for customers and users through our technologies, products, and services.

For Investors and Financial Institutions
We will conduct management that increases our investment worth and credit through sound and constructive management and the provision of easily understandable information.

For Employees
We will conduct management aimed at the self-realization of employees through their work and corporate activities.

SANYO DENKI Group—A World-Class Brand Delivering Industry-Leading Performance and Quality

Key Product Brands

San Ace

Products
· Cooling fans
· Fan units

Key Applications
✓ AI servers
✓ Telecom infrastructure / base stations
✓ Medical equipment, etc.

SANUPS

Products
· UPS
· Renewable energy inverters
· Engine generators

Key Applications
✓ Servers
✓ Telecom equipment
✓ Social infrastructure, etc.

SANMOTION

Products
· Motors
· Amplifiers / Drivers
· Controllers

Key Applications
✓ Machine tools
✓ semiconductor manufacturing equipment
✓ Robots, etc.

A Century of Engineering Excellence
Centennial in 2027

Consolidated Employees
3,599
As of end of March 2026

Production & Technology Sites
9
Including Vietnam factory opening in 2027

Sales Offices
37 sites
Domestic: 15 sites
Global: 22 sites

Committed to Protecting the Long-Term Interests of All Stakeholders and Building Sustainable Growth for the Next 100 Years

SANYO DENKI Group Strengths

Fully integrated in-house operations — from R&D to after-sales service

A business model built on 100 years of expertise — difficult to replicate

SANYO DENKI Group

	R&D	Procurement	Manufacturing	Sales & Marketing	Service
Core Strengths Across the Value Chain	• Performance-optimized custom design • Proprietary technology expertise • Extensive IP portfolio	• Global procurement network • Multi-sourcing strategy • Procurement capability through sales offices	• Industry-leading quality and performance • Customized manufacturing • Global production	• High-value-added, high-margin business model • Broad market coverage, from cutting-edge to mature markets • Global sales network	• Technical support beyond maintenance & repair • Long-term customer relationships

Shared Group Strengths

- **Employees Who Embody the Corporate Philosophy**
- **Long-Term Trust with Suppliers, Partners & Customers**
- **Globally Accessible Network**
- **Unwavering Commitment to Compliance**

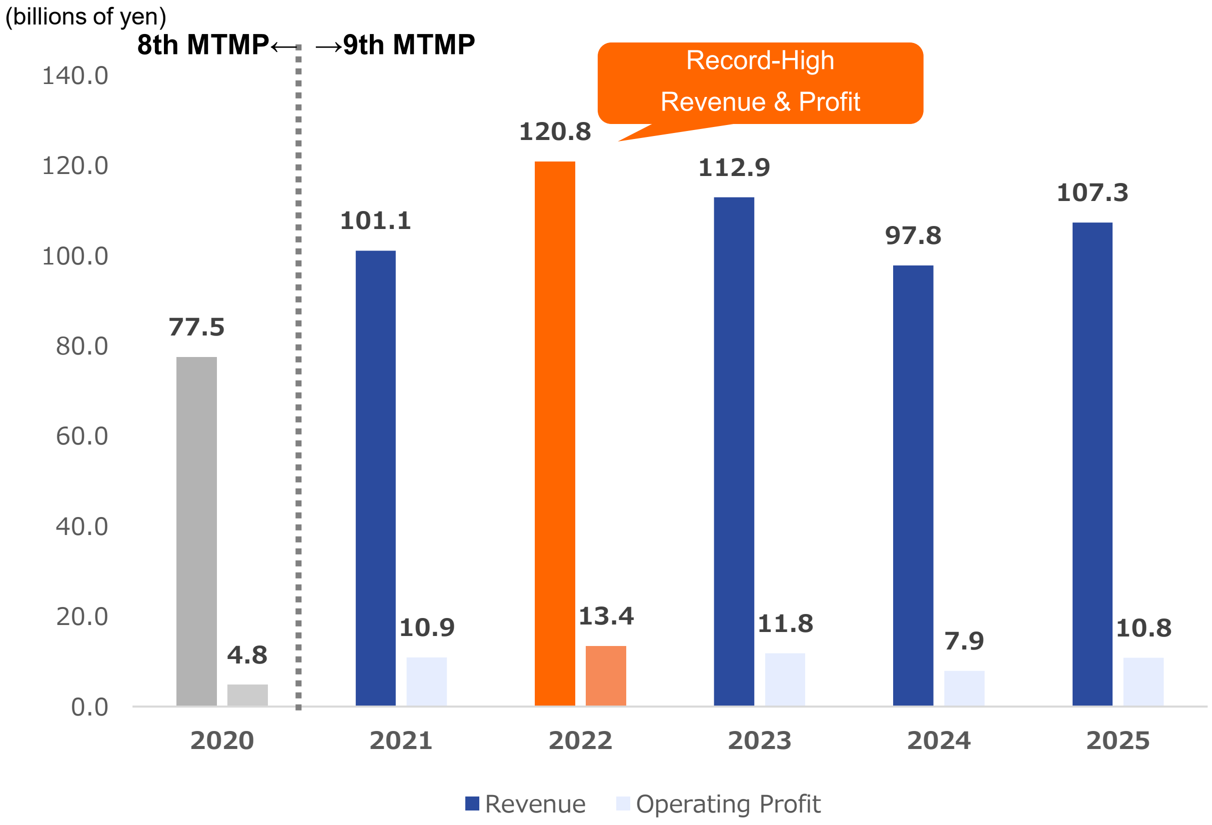
“Turn the Time into Power,” a key focus of the 10th Medium-Term Management Plan is in progress

2. Review of the 9th Medium-Term Management Plan

SANYO DENKI

Under the theme "Break the Shell," we advanced initiatives across the entire Group

- **732 Group-wide initiatives launched, all showing strong progress**
- **Achieved record-high revenue and profit in FY 2022**
- **Introduction of the Business Company system significantly strengthened expertise and technical capabilities across each business company**



	2020 (Final year of the 8th MTMP)	2025 (Final year of the 9th MTMP)	Change
Revenue	77.5B yen	**107.3B yen**	+29.8B yen
COGS	60.4B yen	**77.3B yen**	+16.9B yen
Gross profit (Margin)	17.0B yen (22.0%)	**29.9B yen** (27.9%)	+12.9B yen
SG&A	12.4B yen	**19.2B yen**	+6.8B yen
Other income/ expenses	0.2B yen	**0.2B yen**	—
Operating profit (Margin)	4.8B yen (6.2%)	**10.8B yen (10.1%)**	+6.0B yen
Pretax profit	4.9B yen	**11.7B yen**	+6.8B yen
Net income	3.9B yen	**8.6B yen**	+4.7B yen

SANYO DENKI

FY2021–FY2025 | Five-Year Transformation

732 Initiatives Launched, All Showing Strong Progress

Business Structure Transformation

Launch of the Business Company System

- Three-company structure strengthens autonomy and profitability
- Technical capabilities significantly enhanced across all Business Companies
- Accelerated cross-company technology and know-how sharing

Expanding R&D and Production

Strengthening Global Development and Manufacturing Capabilities

- Expanded Technology Centers and Technical Centers capabilities
- Philippines Plant 4 begun full-scale operations
- New Vietnam plant underway (scheduled to open in 2027)

Advancing Globalization

Global Expansion of Sales, Production, Procurement, and Service

- U.S. and France sales offices added production capabilities
- International sites adopted multi-vendor procurement
- Expanded sales and marketing bases in Chengdu, China and Vietnam

Expansion into New Markets

Creating New Businesses from Customer Needs

- Launched technical support and Production Engineering Services
- Expanded collaborative business
- Introduced UPS rental service

ESG Initiatives

Enhancing Stakeholder Value

- Advanced carbon neutrality initiatives
- Promoted employee health management; recognized as a "White 500" company
- Enhanced shareholder returns (target dividend payout ratio: approximately 50%)
- Strengthened governance, including board diversity and the Nomination Committee

9th Medium-Term Management Plan "Break the Shell" — Key Achievements

SANYO DENKI

Expansion of Collaborative Business

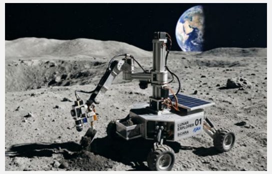
Customization That Turns Customer Needs into Reality

Floor Finishing Robot

- ✓ A robot designed to reduce labor for concrete floor finishing at construction sites
- ✓ Achieved precise, optimized control tailored to concrete surface conditions using SANMOTION stepping motors

Launch of Technical Support & Production Engineering Services

New Business That Delivers Value to Customers' Manufacturing Operations



Space Exploration Robot

Production Engineering Services

- ✓ Our engineers provide technical expertise of prototype robot development

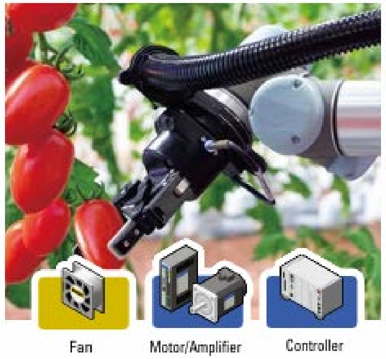
External Sales of Production Guidance Systems

- ✓ Production Guidance System proven in our own factories now offered to external customers

Expansion into New Markets

SANYO DENKI products provide the expertise and technologies required across agriculture, forestry, and fisheries sectors

▲ Plant factory



▲Harvesting robots

▲Weed Removal

▲Land-based aquaculture

SANYO DENKI

Expanding R&D and Production Advancing Globalization

Added production capabilities to the sales offices in France and the U.S. —enabling locally tailored product offerings

SANYO DENKI EUROPE S.A. (France)

- ✓ Launched in February 2024
- ✓ Producing 28 models of 2-phase stepping motors

Local production in France enables advanced customization support

SANYO DENKI AMERICA, INC. (United States)

- ✓ UPS battery integration (UL-certified factory)
- ✓ Expanded assembly facilities

Capturing robust demand from AI investment and semiconductor manufacturing equipment

Expanded capabilities at Technology Centers and Technical Centers across the Group

SANYO DENKI TAIWAN CO., LTD. (Taiwan)

- ✓ Launched in April 2022
- ✓ Developed and launched two locally designed cooling fans

Delivering advanced product development in the global center of AI demand

SANYO DENKI GERMANY GmbH (Germany)

- ✓ Installed inspection equipment to strengthen technical support
- ✓ Added motor cable assembly and cooling fan customization capabilities

Established a service structure capable of meeting diverse customization needs

3. Overview of the 10th Medium-Term Management Plan

SANYO DENKI

“Turn the Time into Power” April 2026 – March 2031 (5-year period)

The SANYO DENKI Group will drive sustainable corporate value growth by turning time into competitive advantage.

Key Policies

1) Build a corporate culture where SANYO DENKI is recognized as "fast."

2) Reduce time significantly and innovatively.

3) Turn the time into competitive advantage, creating new things, new initiatives, and new ways.

4) Focus on time axis, achieving No.1 in product development, time performance, and operating quality.

887 Group-wide initiatives underway

External Environment Recognition and Our Value Proposition

SANYO DENKI

External Environment

Tailwinds (Opportunities)

Rapid growth in cooling, power infrastructure, and semiconductor markets

- Accelerating AI and data center investment expanding cooling demand
- Global AI-related investment cycle reaching hundreds of trillions of yen
- Rising global semiconductor demand
- Growing demand for energy efficiency and energy transition solutions
- Supply chain shifts toward Japan and ASEAN amid geopolitical risk

Headwinds (Concerns)

Unprecedented uncertainty becoming the new normal

- Rising energy costs and logistics disruptions from Middle East tensions
- Resource supply instability from U.S.-China tensions, including rare earth risks
- China’s economic slowdown and weak domestic demand
- Labor shortages, fewer engineers, and accelerating knowledge obsolescence

SANYO DENKI's Value Proposition

- Industry-leading products and services
- Product development ahead of market needs
- Optimized customization capabilities
- Faster delivery than competitors
- Time as competitive advantage
- High-speed, high-quality operations
- Creation of new value

Identifying growth opportunities early and delivering trust and value faster than anyone else

Creating Cross-Company Synergies

SANYO DENKI

San Ace Company

Performance and quality trusted in high-end markets

Electronics Company

Advanced technologies supporting social infrastructure

Motion Company

Customization capability driving expansion into cutting-edge markets

The Combined Strength of All Three Business Companies

Speed

Embodying "SANYO DENKI is Fast" across all Business Companies

Innovation

Combining core technologies to strengthen product competitiveness

Production

Building a resilient global production network capable of responding to shifting demand

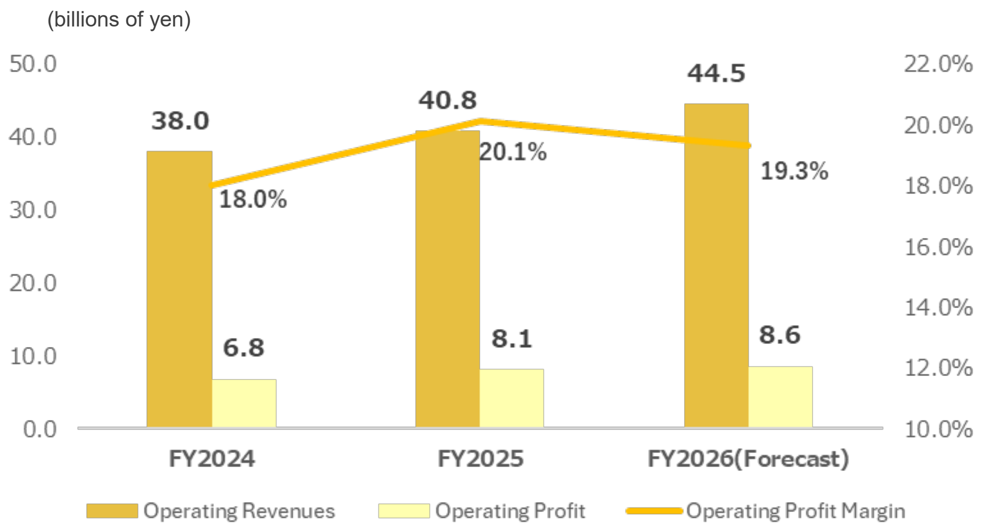
4. Business Company Strategies

San Ace Company MTMP Initiatives

SANYO DENKI

Expanding Business Through Speed-Driven Capabilities
—Establishing "San Ace" as the Leading Brand Across All Markets

Performance Outlook (FY2024–FY2026 Forecast)



Medium-Term Management Plan Initiatives

01 | Market & Sales Strategy

- Expand customer base in the AI market
- Strengthen sales in the FA and HVAC markets in Europe
- Expand customers in the quick-freeze and refrigeration market

02 | Product Strategy

- Accelerate strategic projects for early entry into new markets
- Expand the liquid cooling product lineup
- Expand the large fan lineup
- Grow the fan unit business

03 | Production Strategy

- Establish a Vietnam factory to support future demand growth
- Strengthen responsiveness to rapid demand increases
- Automate high-value-added operations including skilled manual tasks

New Large Fan Development

AI Server Market

- Developed a φ200 mm sized Low Power Consumption Fan for rear-door cooling systems for AI servers
- Advancing development of larger fans with higher performance, lower power consumption, and lower noise to meet evolving market needs

φ200 × 70 mm

Quick-Freezing Equipment Market

- Growing demand for quick-freezing equipment that preserves food freshness and extend shelf life
- Currently developing a φ280 fan for this application
- Expanding large-fan development focused on high airflow, low power consumption, and environmental durability

φ280 × 50 mm
(Reference)

Telecom Equipment Market

- Rising 5G and IoT adoption driving growth in high-capacity communications
- Focusing development on large fans with high airflow high static pressure, and strong environmental durability to meet expanding market demand

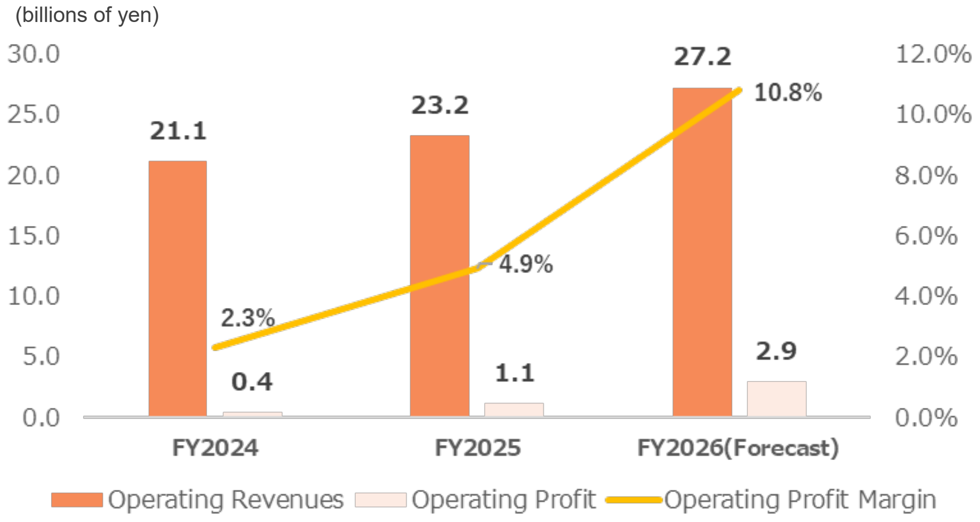
φ225 × 99 mm

Electronics Company MTMP Initiatives

SANYO DENKI

- Deepening Core Strengths While Pursuing New Challenges
- Creating New Value Through the Fusion of Core Technologies and New Disciplines

Performance Outlook (FY2024–FY2026 Forecast)



Medium-Term Management Plan Initiatives

01 | Market & Sales Strategy

SANUPS:

Strengthen sales in semiconductor manufacturing equipment and overseas markets

Expand into renewable energy and national resilience sectors

SANMOTION:

Expand new customers, starting with semiconductor manufacturing equipment market

02 | Product Strategy

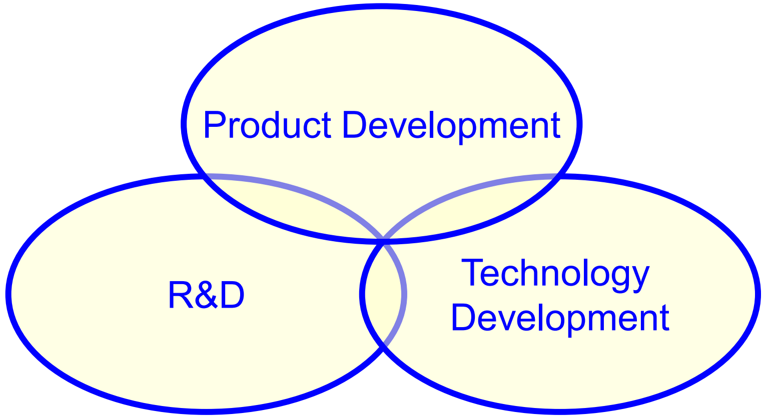
- Establish the Future Creation Center
  - ✓ Deepen core strengths in power electronics
  - ✓ Drive innovation through integration with new disciplines, including Physical AI

03 | Production Strategy

- Improve productivity and shorten lead times through digital technologies
- Expand production capacity through Philippines Plant 4

Future Creation Center

Embodying Our Corporate Philosophy



Pursue New Challenges

Deepen Core Strengths

Fusion with New Disciplines
Creating Value for Society and Our Customers

Together with customers and all stakeholders, we engage with the actual site, products, and realities, to build the future we envision—along with the technologies, people, and businesses to achieve it.

Future Creation Center

(1) Purpose: Building the Desired Future

1. **Value Creation:**
   Create new value for society and customers
2. **Talent Development:**
   Develop engineers who will lead the Group
3. **Business Development:**
   Build new business models

(2) R&D Approach

1. **Proprietary research leveraging in-house expertise and experience**
2. **Joint research with universities and technical institutions**
3. **Co-creation with customers, partners, and suppliers**

(3) R&D Investment

Maintain proactive R&D investment

SANYO DENKI

Technology and Business for the Future

<table>
<tr><th></th><th>Deepen Core Strengths</th><th>Pursue New Challenges</th></tr>
<tr><td>Technology</td><td>

1. **Power Electronics Technology**
   · Power conversion & control
   · Motion control
   · Energy storage & generation technology

2. **Thermal & Fluid Dynamics Technology**
3. **Compact, Lightweight, High-Efficiency & Low-Noise Technology**
4. **Technology for Enhanced Safety & Reliability**

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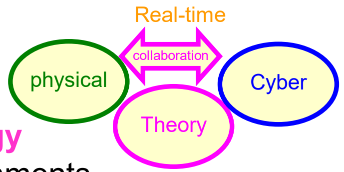
1. **"Integration with Heterogeneous Technologies"**
   · Physical AI
   · Digital Twin+



2. **Application-Optimized Technology**
   · Technology for specialized environments
   · Optimized technology for agriculture, forestry & fisheries
3. **"Turn the Time into Power" Technology**
   Dramatically improve development efficiency, lead times & productivity

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<tr><td>Business</td><td>

Expand the application domains of

San Ace SANUPS SANMOTION

</td><td>

1. **AI-Integrated Products & Systems**
   AI-embedded products and Production Guidance Systems

2. **Products & Systems for Specialized Environments**
3. **Products & Systems for Agriculture, Forestry & Fisheries**

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Motion Company MTMP Initiatives

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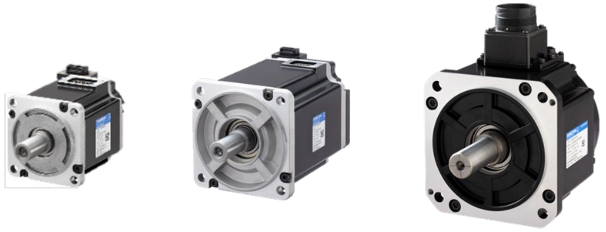
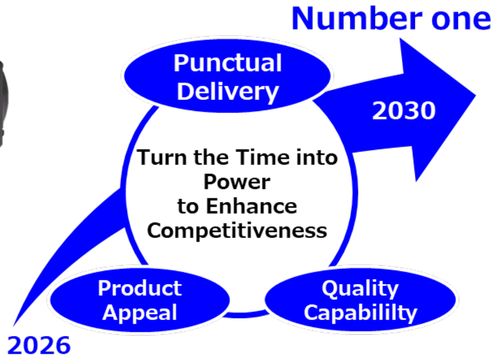
Grow and Develop the Business Further While Continuously Strengthening Competitiveness

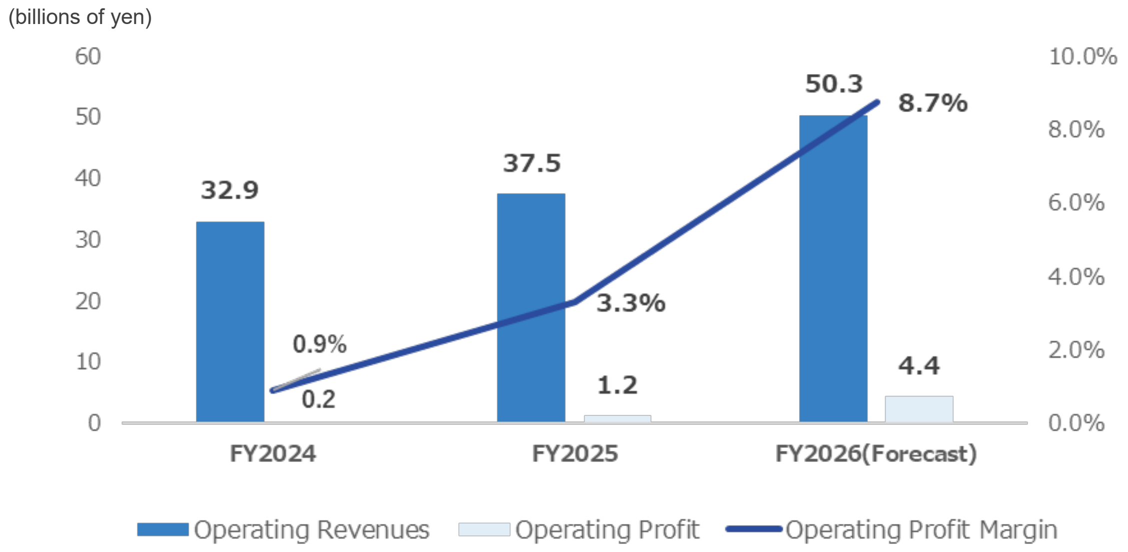


AC Servo Motor

Stepping Motor



Performance Outlook (FY2024–FY2026 Forecast)



Medium-Term Management Plan Initiatives

01 | Market & Sales Strategy

- Expand new customers in the semiconductor manufacturing equipment market
- Expand into medical and space-related markets
- Fully launch Production Engineering Service

02 | Product Strategy

- Launch new products centered on industry-leading performance, quality, and reliability
- Expand solution-oriented products that maximize customer equipment value
- Bring breakthrough technologies and new products to market

03 | Production Strategy

Delivery:
Establish the Vietnam factory to enable production closer to customers and faster delivery

Quality:
Deploy systems that detect and analyze early signs of abnormalities to prevent defects before they occur

Global Operations:
Build a resilient, flexible three-site supply network across Japan, the Philippines, and Vietnam

Priority Markets

Deliver new products built on industry-leading performance, quality, and reliability

Semiconductor Manufacturing Equipment Market

Medical Equipment Market

ACServo Motor

DCServo Motor

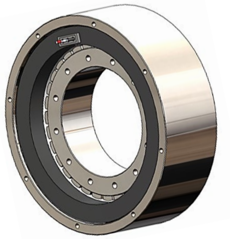
Closed-Loop Stepping Motor

Stepping Motor

Expand solution-oriented products that maximize customer equipment value

Actuator

Linear Motor Unit



Direct Drive Motor

Built-in Motor

Bring breakthrough technologies and next-generation products to market

Humanoid Actuator

Mobility Actuator

Space-Related Equipment Actuator

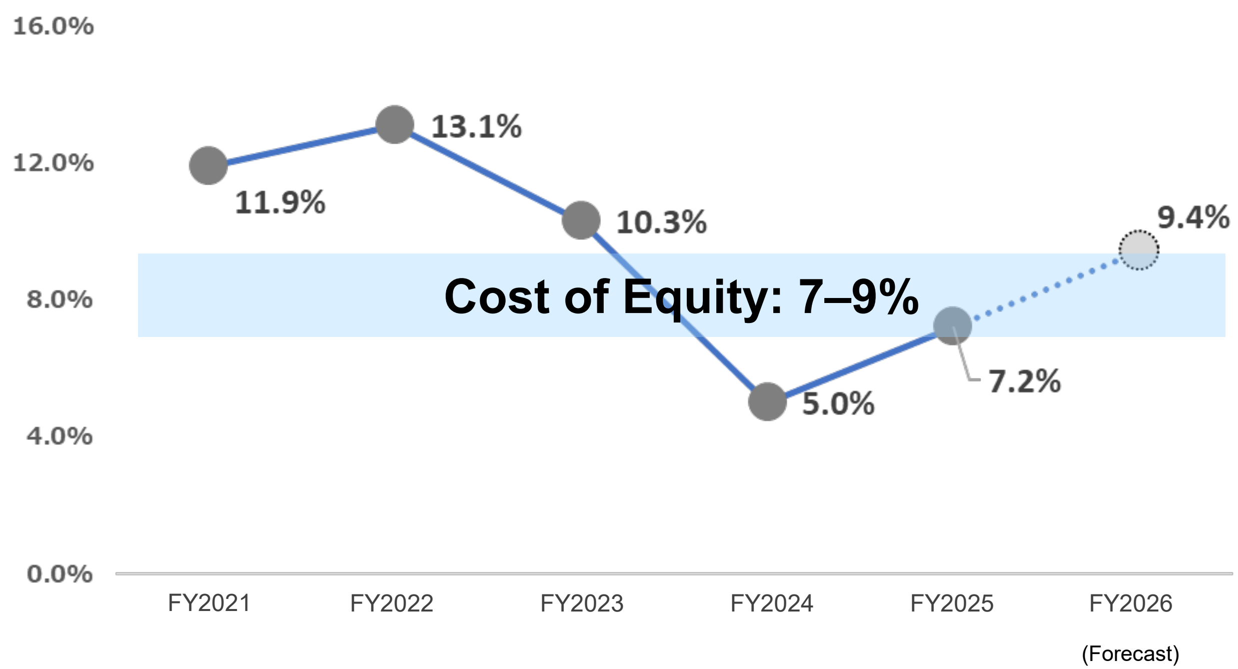
Agricultural Equipment Actuator

5. Financial Policy

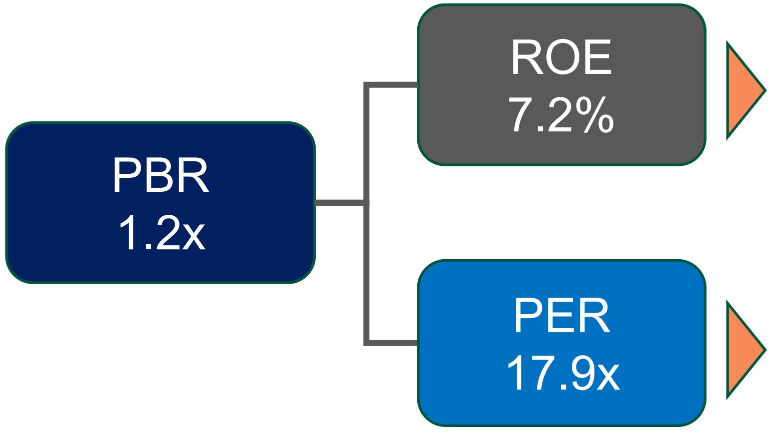
ROE and Cost of Equity Trends

- ✓ We set key performance targets: 10%+ ROE and approximately 7–9% cost of equity.
- ✓ Average ROE during the 9th MTMP was 9.5%, consistently exceeding the cost of equity.
- ✓ PBR improved significantly from 0.8x to 1.2x (end of final fiscal year); reached 1.9x as of April 2026.
- ✓ We remain committed to improving both earning power (ROE) × investor expectations (PER)
  - ➢ High value-added businesses capable of sustaining ROE above 10%
  - ➢ Stronger expectations from shareholders and investors

ROE and Cost of Equity



PBR Analysis



Key Initiatives

Maintain a 10%+ ROE, our medium- to long-term management target

Refine initiatives through investor dialogue (on capital efficiency, shareholder returns, and disclosure)

※ PBR, ROE and PER are as of March 31, 2026

1. We set key performance targets: 10%+ ROE and approximately 7–9% cost of equity.

2. Investment decisions are guided by alignment with our corporate philosophy.

3. Investment is balanced across both growth and corporate quality.
   All investment decisions focused on sustainable enhancement of corporate value.

Capital Allocation (FY2026–FY2030)

SANYO DENKI

Cash In	Cash Out
Strategic Use of Interest-Bearing Debt	Growth Investment ¥33B+
Operating CF ¥66B+	Shareholder Returns ¥30B+
Available Cash	Available Cash

Initiatives

Investment in New Technologies & Talent
– Launch of Future Creation Center
– Proactive investment in R&D and engineer development

Investment in a Global Production Network
– Strengthening a three-site global production structure across Japan, the Philippines, and Vietnam

Investment in Production Efficiency
– Production automation & AI adoption
– Capital investment in tooling and facility upgrades

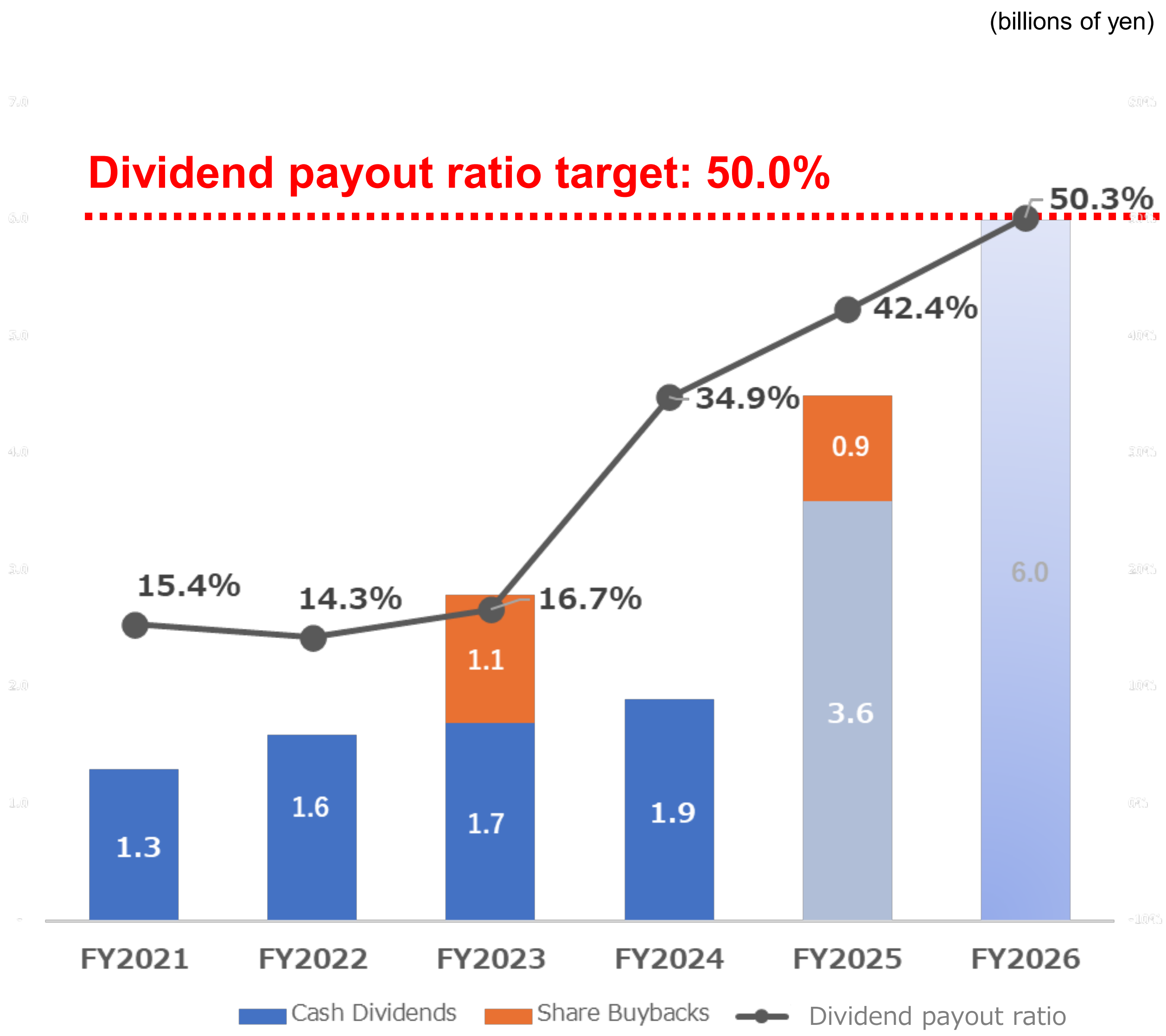
Dividends: ¥30 Billion+ (Five-Year Cumulative)
– Approximately 50% dividend payout ratio target; progressive dividends to continue

Flexible share buybacks

Strategic capital allocation balancing growth investment and shareholder returns
Pursuing Improved capital efficiency alongside business growth

SANYO DENKI

Raising the target dividend payout ratio to 50% to enhance shareholder returns



9th Medium-Term Management Plan	→	10th Medium-Term Management Plan
Dividend payout ratio (+ flexible share buybacks) 24.7%		**Dividend payout ratio Target: 50.0% (+ flexible share buybacks)**

- **Shareholder returns will primarily be provided through dividends.**
- **Enhance shareholder returns with a dividend payout ratio target of 50% plus flexible share buybacks.**
- **At the same time, we will continue investing in growth through capex, R&D, and human capital.**
- **We will also maintain ongoing investment to support a stable business foundation.**

Strengthening shareholder returns while achieving sustainable growth.

6. Governance and Sustainability

SANYO DENKI

Criteria for Nominating Directors and Audit & Supervisory Board Members

The Company's Articles of Incorporation limit the number of directors to ten. Nominees are selected to ensure an appropriate balance and diversity of knowledge, experience, and expertise, including individuals with deep understanding of each business segment as well as expertise in legal affairs, accounting, and corporate management.

Director qualification requirements are not uniform, and nomination criteria are designed to remain flexible rather than fixed.

Name	Current Role	Skill Matrix								
		Corporate Philosophy	Business Management	Manufacturing (Production, Procurement, Quality, Safety)	Technology / R&D / DX	Sales / Marketing	Finance / Accounting	Legal / Risk	Global Business	Talent Development
Shigeo Yamamoto	Representative Director Chairman of the Board & CEO	●	●			●	●	●	●	●
Nobumasa Kodama	Representative Director President & COO	●	●	●	●				●	●
Chihiro Nakayama	Director, Senior Executive Operating Officer	●	●	●	●		●		●	●
Yoshimasa Matsumoto	Director, Senior Executive Operating Officer	●	●			●			●	●
Shin Kurihara	Outside Director	●	●	●	●	●			●	
Yudai Miyake	Outside Director	●						●		
Noriko Miyagi	Outside Director	●	●				●			●
Akira Tsukada	Audit & Supervisory Board Member	●					●	●		
Masafumi Kobayashi	Outside Audit & Supervisory Board Member	●		●						
Takafumi Yamada	Outside Audit & Supervisory Board Member	●					●			
Nobuko Furusawa	Outside Audit & Supervisory Board Member	●					●			

Ratio of Independent Outside Directors on the Board

42.9% (3/7)

Ratio of Outside Auditors on the Audit & Supervisory Board

75.0% (3/4)

Ratio of Outside Officers on the Compensation Committee

75.0% (3/4)

* Chair is an Outside Director

SANYO DENKI

Strengthening Governance through aTransparent Nomination Process

The Nomination Committee consists of three or more directors and Audit & Supervisory Board members appointed by resolution of the Board of Directors, with a majority comprising independent outside directors or independent outside auditors. The Committee Chair is selected from among the independent outside directors.

Nomination Process

Board of Directors

Consult ↓ ↑ Report Back

Nomination Committee

Chair

Outside Director

Composition:

Inside Director 1

Outside Director 3

● Nomination Committee Members

Chair:	Noriko Miyagi (Outside Director)
Members:	Yoshimasa Matsumoto
	Shin Kurihara (Outside Director)
	Yudai Miyake (Outside Director)

● Role of the Nomination Committee

1. Appointment and dismissal of directors and executive officers
2. Selection and removal of the Representative Director
3. Succession planning, including leadership development
4. Other matters deemed necessary by the Board of Directors

SANYO DENKI

Management pursuing both business growth and sustainabilit

Natural Capital

Carbon Neutrality

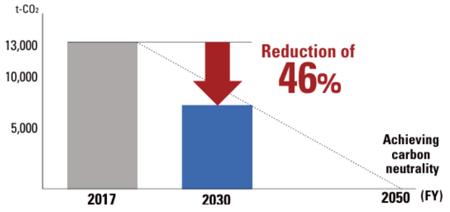
Target

- **Achieve carbon neutrality**
- **Develop technologies and key components that reduce environmental impact**

Key Initiatives

- **Establish CO_2 reduction targets**

Scope 1, 2: Reduce emissions by 46% by FY2030 and achieve carbon neutrality by FY2050
Scope 3: Increasee Eco Products sales ratio to 80% by FY2030



Human capital

Workplace Health Management

Target

- **Extend health support programs across Group companies**
- **Build systems to follow up on health issues for all Group employees**

Key Initiatives

- **Conduct on-site visits and local interviews by occupational health nurses at Group companies**
  – Assess local conditions and identify country-specific health issues
  – Establish a real-time monitoring process for emerging issues

2026
健康経営優良法人
KENKO Investment for Health
大規模法人部門
ホワイト500

Human Capital

Target

- **Accelerate development of next-generation leaders**
- **Strengthen organizational capability and competitiveness through diverse talent and career development**

Key Initiatives

- **Build a knowledge transfer framework from senior to younger employees**
  – Enhance leadership training programs for next-generation management
  – Develop an extended retirement age system and conduct skills mapping for senior employees

SANYO DENKI CO., LTD.
10th Medium-Term Management Plan

The performance forecasts and market projections in this document are based on the determinations of the Company's management from information available at the time of preparation.
Accordingly, readers should be aware that actual results may vary from forecasts due to a variety of factors.

Major factors that could affect actual results include, but are not limited to:

- **Economic conditions in Japan and overseas affecting the Company's business domains**
- **Fluctuations in demand for the Company's products and services**
- **Fluctuations in exchange rates or stock markets**

Note that the factors that affect actual business results are not limited to those mentioned.

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Note: This document has been translated for reference purposes only. In the event of any discrepancy, the original Japanese version shall prevail.

Supplementary Materials

SANYO DENKI

■ Promote revenue growth, stable profit generation, and capital market-focused IR activities

- **Business model sustaining ROE of 10% or higher**
  - **Revenue Growth**
    - Expansion of global sales networks
    - Product development for cutting-edge markets
    - Long-term customer relationships
  - **Stable Profit Generation**
    - High-efficiency production using advanced manufacturing
    - Proprietary businesses leveraging customization
    - Stable procurement through a strong supplier network
  - **Capital Market-Focused IR Activities**
    - Shareholder returns with a 50% total payout ratio target
    - Engagement with shareholders and investors
    - Improved stock liquidity