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May 10, 2024

Name of Company: Sanshin Electronics Co., Ltd.
Representative: Toshiro Suzuki (Representative Director, COO)
(Code No. 8150 Listed in the Prime Market of the Tokyo Stock Exchange)
Enquiries to: Jun-ichi Murakami (Director, Operating Officer and Senior General
Manager of Finance & Accounting Division)
(Tel: +81-3-3453-5111)

For Immediate Release:

Notice Regarding the Long-Term Corporate Vision and V76 Medium-Term Management Plan

Sanshin Electronics Co., Ltd. (“The Company”) hereby gives notice that it has decided its Long-Term Corporate Vision and V76 Medium-Term Management Plan, as described in the appendix. The fiscal year ending March 31, 2027 will be the final year of the V76 Medium-Term Management Plan.

End

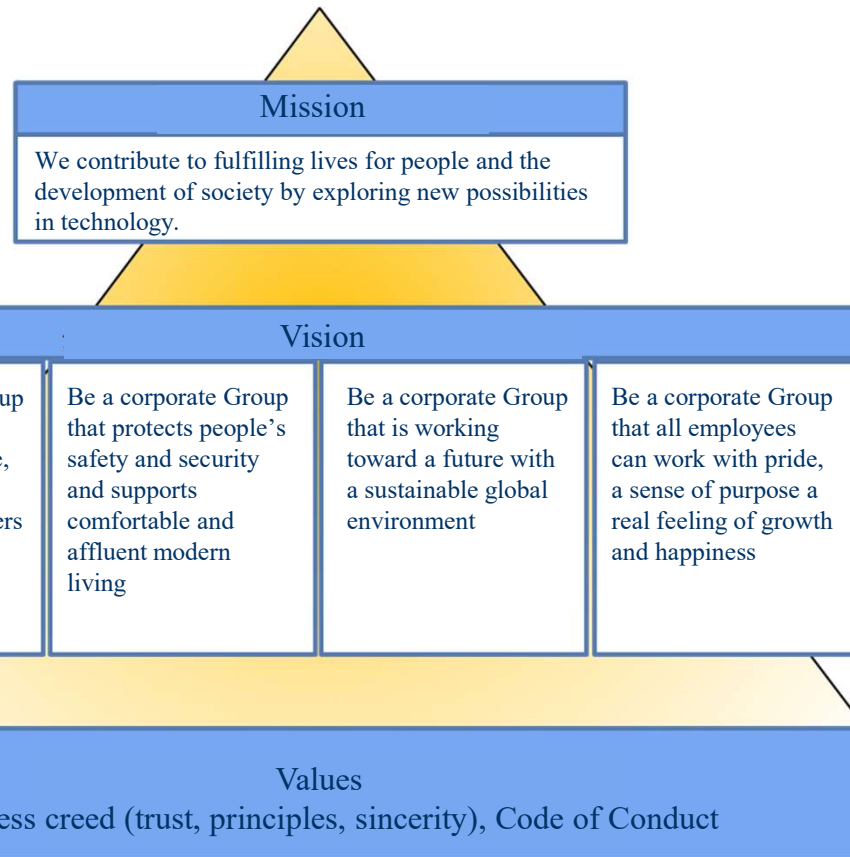
Briefing Materials Regarding the Long-Term Corporate Vision and V76 Medium-Term Management Plan (FY2024 to FY2026)

May 10, 2024

Sanshin Electronics Co., Ltd.

Toshiro Suzuki, Representative Director, COO

Long-Term Corporate Vision



The Group believes that mutual understanding among a wide range of stakeholders and growing together will lead to sustainable growth in corporate value. For this reason, the Group has formulated a long-term corporate vision and identified key issues to tackle in order to achieve that vision. We are grappling with each of these issues with great determination.

[Key issues]

1. Issues for improving sustainable business growth and capital efficiency
 - (1) Shifting resources and upgrading organizations and systems to optimize business structure long-term
 - (2) Streamlining of clerical and administrative work in existing businesses and expanding sales and revenues through sales-force automation
 - (3) Entering growth businesses by applying solutions using digital technology
 - (4) Continuous improvement of capital efficiency
2. Issues related to sustainability
 - (1) Advancement of management of human capital
 - (2) Advancement of environmental management in supply chains
 - (3) Contribution to solutions to social issues through business
 - (4) Strengthening of supervisory functions through improved effectiveness of meeting structures

V76 Medium-Term Management Plan

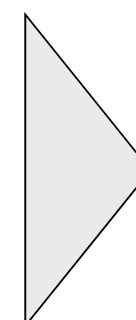
V76 period

Three years from April 1, 2024 to March 31, 2027

V76 quantitative target

Formation of a business structure that achieves **stable ROE of 8% or more**

Final year of the V76 Medium-Term Management Plan (fiscal year ending March 31, 2027)	Ordinary profit	Net profit
	More than ¥5,000 million	More than ¥3,500 million



Aiming to equal or exceed a price-to-book-value ratio of 1 through the following actions

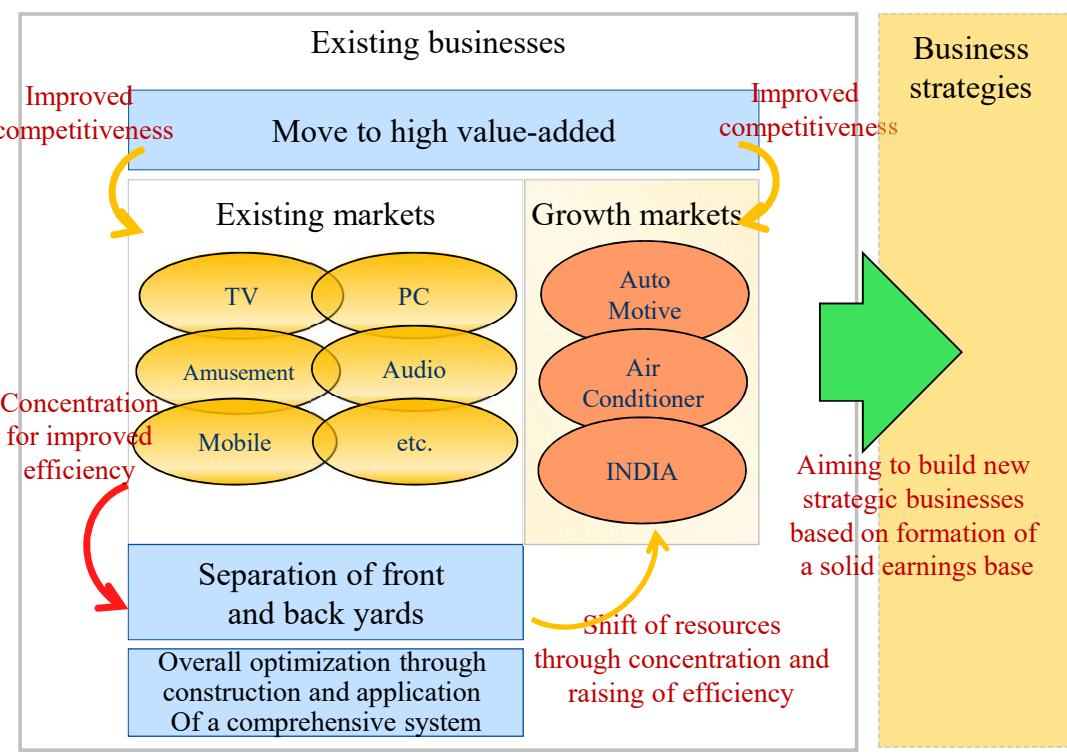
- The Sanshin Electric Group expects cost of shareholders' equity of 8%
- The Group needs to upgrade its profit-earning and financial bases in order to raise return on equity (ROE) consistently above 8% since its operating profitability, stability and growth rate are low compared to competitors
- Expanding the equity spread by raising ROE while paring cost of shareholders' equity

Measures to achieve sustainable business growth and improve capital efficiency
1. Business strategies to improve profitability, stability and growth 2. Financial strategy (1) Optimization of capital structure for both efficiency and safety (2) Improving capital efficiency to improve profitability and create cash (3) Appropriate resource allocation based on capital profitability 3. Policy on return of earnings to shareholders Continuing distribution of dividends aiming for 50% payout ratio



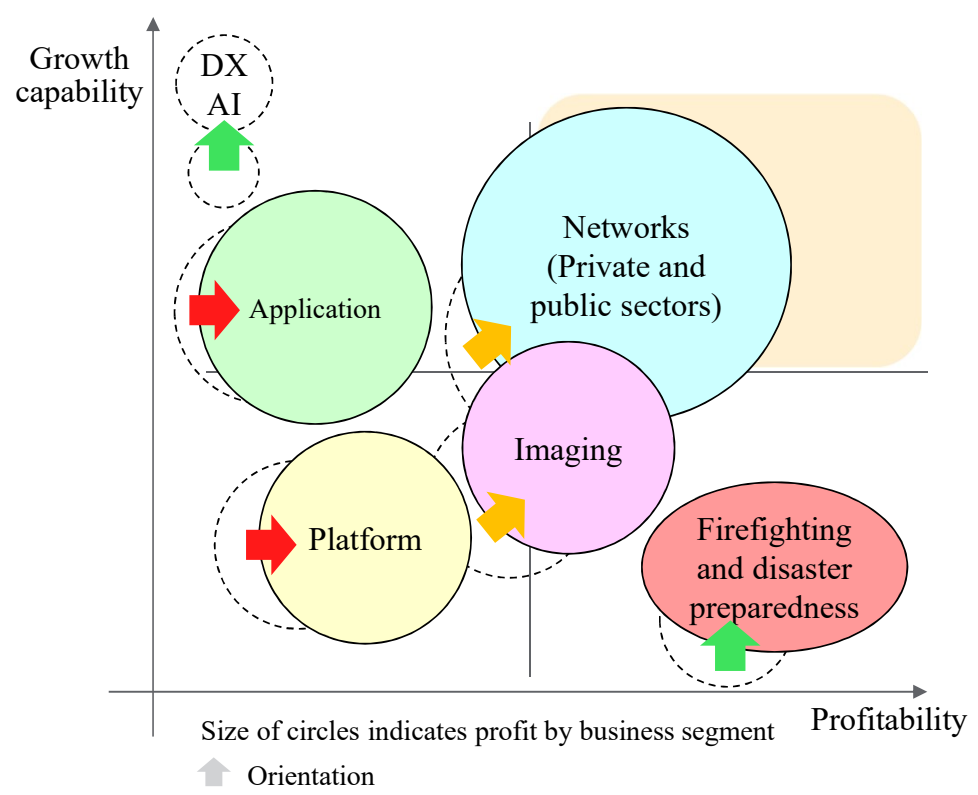
Efforts in sustainability
1. Advancement of human-capital management (1) Support for career formation by leveraging the individual talents of a diverse workforce (2) Proactive investment in hiring and training personnel to acquire strategic capabilities (3) Improving labor productivity through advancement of DX and expanding creative activities 2. Advancing environmental management Provision of disclosure in accordance with the TCFD Declaration and reduction of greenhouse-gas emissions 3. Strengthening of supervisory functions through the Audit & Supervisory Committee and Nomination & Remuneration Committee

Device Business Strategies



- Measures to improve profitability
 - Upgrading or organizations and systems, streamlining of administrative duties (use of sales force automation, etc.)
- Measures to improve stability
 - Shift of resources to strengthen sales expansion in growth markets (fields: automotive, HVAC; regions: India)
 - Improvement of competitiveness by strengthening value-added through technical capability and originality
- Measures to improve growth capability
 - Formation of strategic projects to create sustainable growth capability

Solution Business Strategies



- Measures to improve profitability
 (Application)
 - Shift from scratch development to packages and services
 - Use of data to improve productivity
 (Platform)
 - Provision of value-added such as system integration, operation and maintenance
- Measures to improve stability
 (Networks)
 - Support of in-house network infrastructure business with private- and public-sector customers
 - Continued support for advancing technology in the security field, etc.
 (Imaging)
 - Change of broadcasting formats, enclosure of expanding range of cases for video applications
- Measures to improve growth capability
 - Expansion of sales areas of the firefighting and disaster preparedness BU amid heightening disaster awareness
 - Creation of new businesses through partnerships with venture companies (DX, AI)