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Announcement of Submission of Plan to Meet Requirements for Continued Listing

At its meeting on September 15, 2021, the Board of Directors of SUNCALL CORPORATION (the Company) passed a resolution selecting the Prime Market for the Company's listing in response to the Tokyo Stock Exchange's market restructuring scheduled for April 2022, and today the Company submitted its application to the Tokyo Stock Exchange. As the Company does not meet some but not all the criteria for continued listing on the Prime Market as of the base date for transition (June 30, 2021), the Company has formulated the plan outlined below to meet all the criteria for continued listing on the new market segment.

1. Company's status with regard to meeting all criteria for continued listing and period of plan

As of the base date for transition, the Company met the criteria for continued listing on the Prime Market for number of tradable shares and tradable share ratio, but did not meet the criteria for tradable share market cap and trading value (daily average).

The Company will pursue various measures to meet the criteria for continued listing for tradable share market cap and trading value (daily average) by the fiscal year ending March 2025, the final fiscal year of the next Medium-term Management Plan (April 2022–March 2025), which we plan to announce in February 2022.

	Number of tradable shares	Tradable share market cap	Tradable share ratio	Trading value (daily average)
SUNCALL CORPORATION (as of base date for transition)	161,223 units	7.41 billion yen	47.3%	17 million yen
Criteria for continued listing	20,000 units	10.00 billion yen	35.0%	20 million yen
Items included in plan	—	○	—	○

Note: The above figures for the Company are calculated based on the distribution of the Company's share certificates, etc., as determined by the Tokyo Stock Exchange as of the base date for transition.

2. Basic policy regarding measures to be taken for Prime Market listing

We intend to increase the tradable share market cap by formulating the next Medium-term Management Plan and steadily implementing measures including capital measures together with the business plans in the Medium-term Management Plan. We are giving careful consideration to increasing the trading value through a continuously higher share price (which translates to market cap). This plan includes only an overview of the next Medium-term Management Plan (April 2022–March 2025), with further details scheduled for release in February 2022.

3. Overview of the plan to meet requirements for continued listing on new market segment (next Medium-term Management Plan)

The basic policy of the next Medium-term Management Plan is the “acceleration of an effective strategy to create a business portfolio for 2030,” for which we will pursue measures to achieve the following management targets:

Management Targets

Management target	FY ending March 2022 (current year forecast)	FY ending March 2025 (final year of Medium-term Management Plan)
Net sales	47,600 million yen	63,000 million yen
Operating income (margin)	650 million yen (1.4%)	4,500 million yen (7.1%)
Net income	710 million yen	3,500 million yen
ROE	2.0%	9.0%

Financial and Capital Strategy

Investment decisions with a thorough awareness of cost of capital

Balance sheet management with an understanding of appropriate capital structure

- Policy for Returns to Shareholders

	Dividend payout ratio
FY ending March 2022 (current year forecast)	Dividend payout of 30% of net income up to 2.5 billion yen, and 40% of net income above 2.5 million yen
Subsequent fiscal years	Maintain payout ratio at 75% until ROE exceeds 9%

Business Strategy and Portfolio Strategy

- Automotive-related products segment

Growth business related to electric vehicles and electrification: cultivation and expansion of next-generation main business

Sizable growth in demand for various types of vehicles including electric vehicles, hybrids, and plug-in hybrids is creating increased needs for highly precise current detection. We will meet these needs by developing and expanding uses for bus bars, shunt sensors, and shunts on bus bars.

Existing automotive-related products segment: significant improvement in earnings strength by addressing structural changes in automotive industry

With sizable growth in demand for electric vehicles forecast, we will be able to maintain through 2030 the scale of our existing automotive-related products segment (consisting of a seat belt business and other safety equipment-related products in addition to the main products of engine

parts and precision-functioning transmission parts). We will improve earnings strength by thoroughly managing earnings on an individual business basis.

- Electronic information and communications segment
Continued capital investment and productivity enhancement to meet customer demand

Hard disk drive suspension business:

With strong customer demand for large-capacity nearline hard disk drives continuing, we will continue to carry out capital investment to accurately meet customer demand and pursue higher productivity by strengthening our production technology capabilities to further raise customer satisfaction through stable supplies and cost reductions.

Communications-related business:

Further growth in 5G-related and IoT-related demand is forecast going forward in the optical information and communications industry's three main application markets: data centers, telecommunications, and wireless. We will work to increase sales by strengthening our product development capabilities and expanding our sales network for all these markets.

Environmental, social, and governance initiatives

- We have established the SDGs Promotion Committee and will search for business opportunities that address sustainability issues.
- We are strengthening management oversight by increasing the number of independent outside directors.