

# Financial Results Briefing for FY ended March 2022

June 7, 2022



# AGENDA



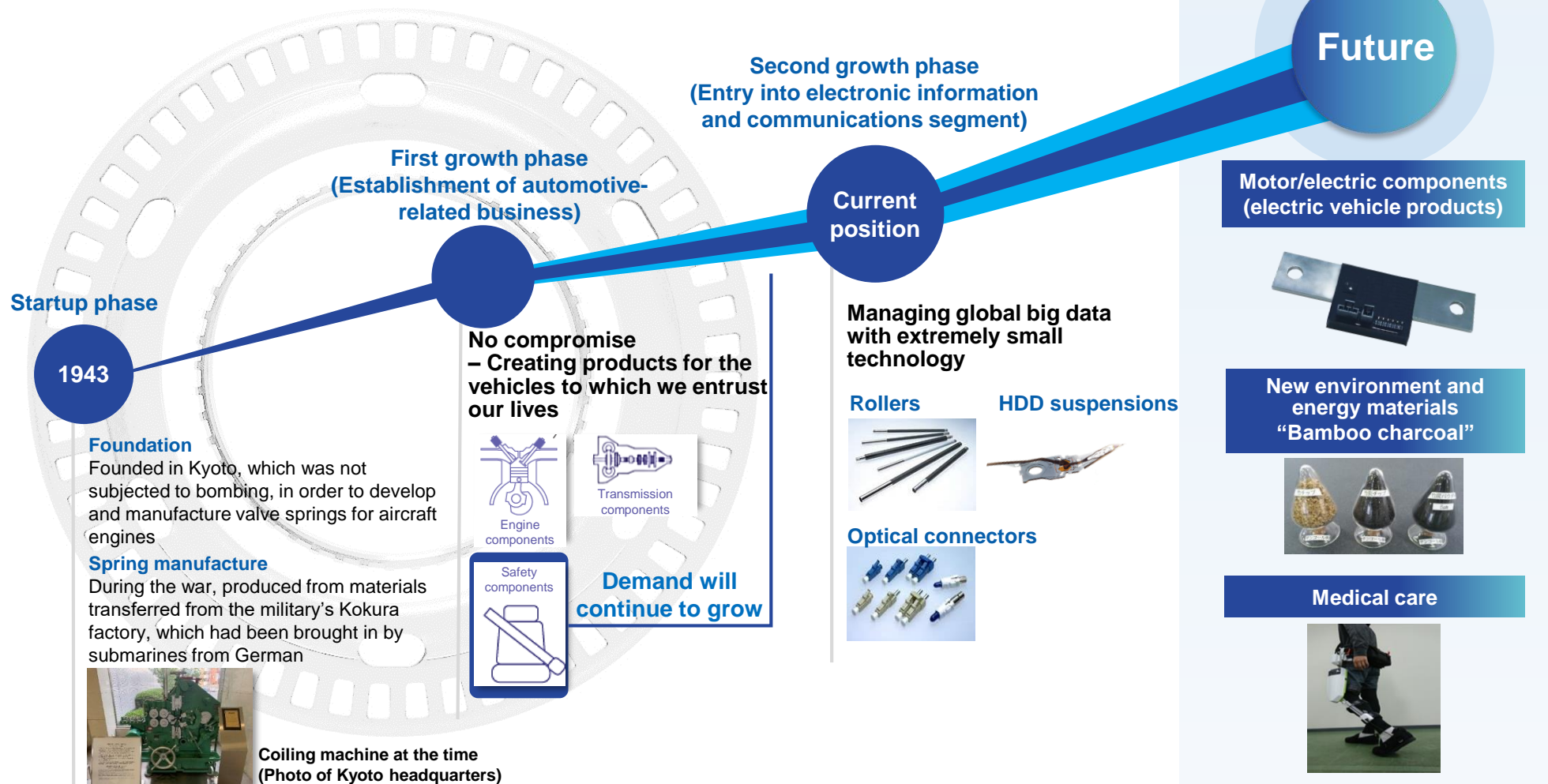
- I. Company Outline**
- II. Summary of Financial Results  
for FY ended March 2022**
- III. Forecast for  
FY ending March 2023**
- IV. Medium- to Long-term  
Growth Strategy**

# Company Outline

# Purpose

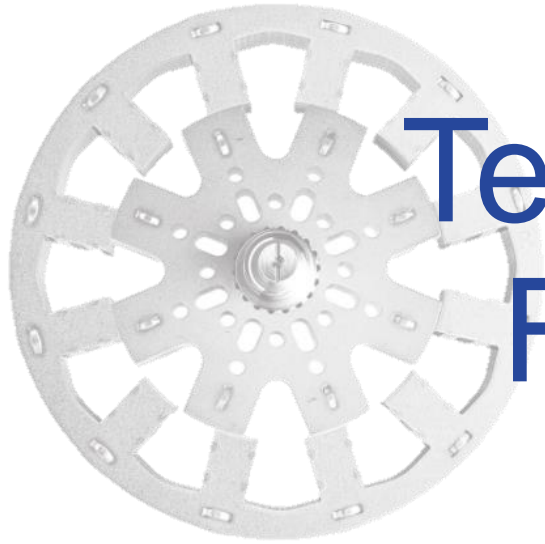
For the world with our innovation

Tackling the challenges of next-generation businesses



<b>Company name</b>	<b>: SUNCALL CORPORATION</b>
<b>Founded</b>	<b>: June 1943</b>
<b>Common stock</b>	<b>: 4,808 million yen</b>
<b>Headquarters</b>	<b>: 14, Umezunishiura-cho, Ukyo-ku, Kyoto</b>
<b>Share listing</b>	<b>: Tokyo Stock Exchange, Prime Market</b>
<b>Number of employees</b>	<b>: 2,280 (Consolidated) 632 (Non-consolidated)</b>
<b>Major shareholders</b>	<b>: The Master Trust Bank of Japan, Ltd. (Retirement Benefit Trust Account / Kobe Steel, Ltd. Account) 16.7% Marubeni-Itochu Steel Inc. 12.6% ITOCHU Corporation 9.8%</b>

**(As of March 31, 2022)**



For the world with our innovation

# Technology Taking Flight to Create Change



Our management philosophy at Suncall is “Technology taking flight to create change,” and the Company is forging ahead dramatically on this basis.

## Technology Taking Flight

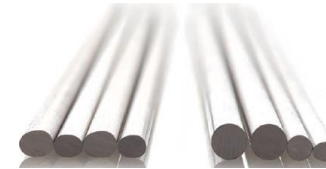
Suncall would not exist if it were not for the Company’s unique technologies

## Create Change

We are taking the lead in transforming the world

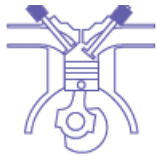
# Integrated production from materials to products

Materials-related business/copper wire for valve springs:  
precision shaped wire



Suncall's cores that support integrated production  
We use a wide range of unique technologies in this core business. We are pioneering new domains through safety, security, and high-quality.

## (1) Valve springs



Top-class market share in Japan  
Integrated production from materials to products enables high-quality and high-durability that can withstand 100 million compressions.

Engine components

## (2) Ring gears / drive plates



Top-class market share in Japan  
Our proprietary metal processing technology achieves high precision.

Transmission components

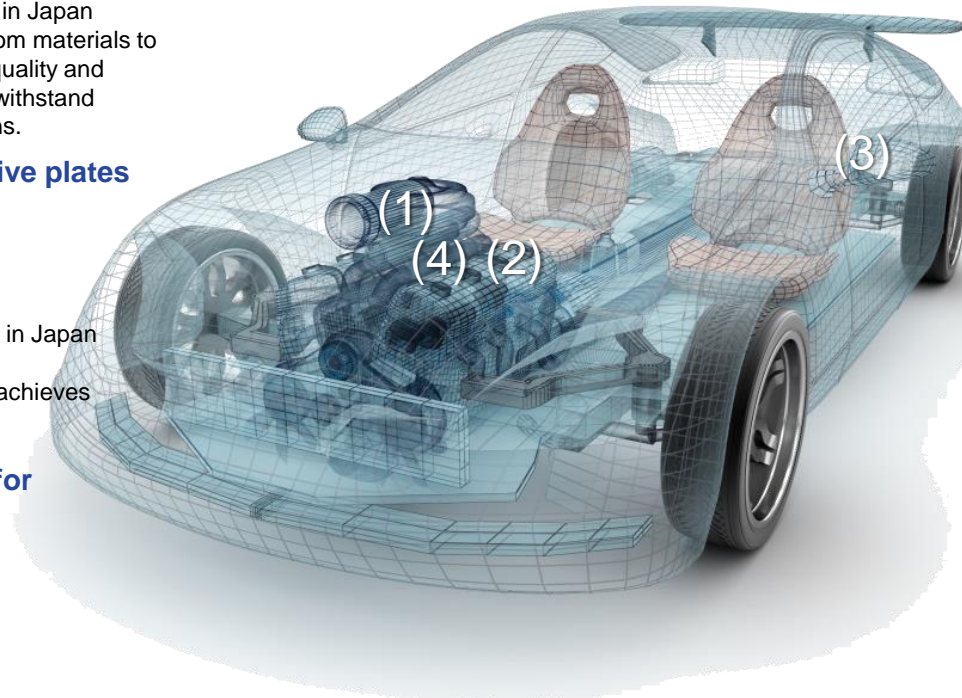
Safety components



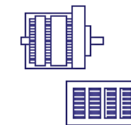
## (3) Spiral springs for seatbelts



We achieve comfort by enabling calibration of precision torques by manufacturing from materials.



## Motor and electric components



### (4) Bus bars

Each designed to suit unit shapes  
The main focus of the future of wiring

### (4) Shunt on bus bars

A bus bar integrated sensor with built-in feature to measure voltage while transmitting current  
Also supports high current such as in lithium-ion batteries



### (4) Shunt sensors

A next-generation sensor equipped with high-functioning electric circuit board providing digital and analog output.



### (4) Motor cores/stator cores

Components that form the core of the motor  
We achieve high productivity through automated integrated production.



### Key devices supporting digital society

#### Printers



#### Printer-related products

Worldwide top market share by supplying long, lightweight, and high-precision shafts

##### Rollers



##### Torque limiters Spring clutches



#### Communications-related products

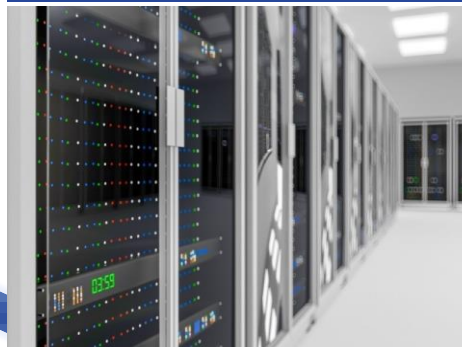
#### HDD suspensions

##### HDD



Supporting extreme levels of precision requirements for HDD magnetic heads with positioning at the level of 10s of nanometers

#### Data centers



#### Optical connectors



#### Optical adaptors





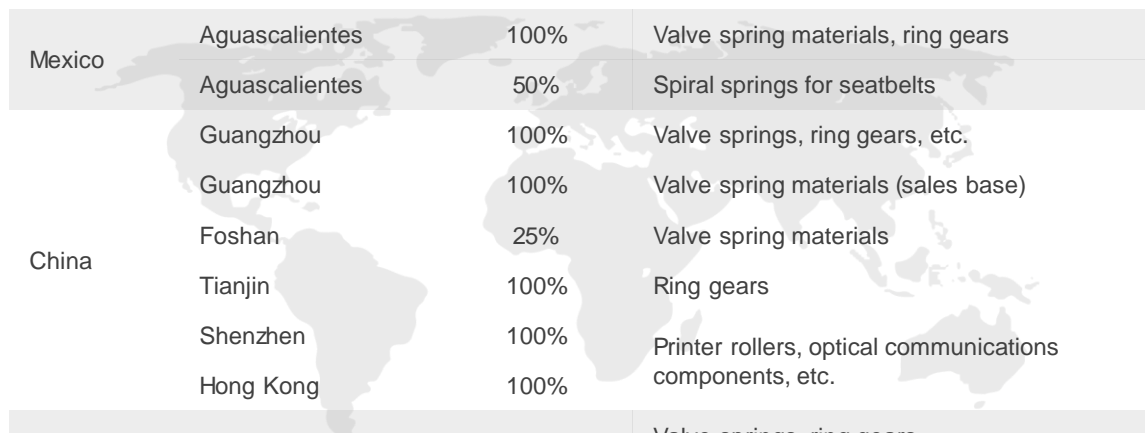
## 14 bases in Japan

Headquarters	Kyoto, Kyoto
<b>Production bases</b>	
Head Plant	
South Kyoto Plant	Kyoto, Kyoto
Toyota Plant	Toyota, Aichi
Hirose Plant	Toyota, Aichi
<b>Domestic subsidiaries</b>	
SUNCALL Engineering Corporation	Minami-Alps, Yamanashi
SUNCALL Kikuchi Corporation	Kikuchi, Kumamoto
<b>Sales offices</b>	
Tokyo Branch	Yokohama, Kanagawa
Nagoya Branch	Toyota, Aichi
Nishi-Nihon Branch	Kyoto, Kyoto
Ueda Sales Office	Ueda, Nagano
Kita-Kanto Sales Office	Utsunomiya, Tochigi
Hamamatsu Sales Office	Hamamatsu, Shizuoka
Kinki Sales Office	Kyoto, Kyoto
Nishi-Nihon Sales Office	Hiroshima, Hiroshima



## 15 overseas bases in 7 countries

Country	Region	Investment Ratio	Goods Produced
U.S.A.	Indiana	100%	Valve springs, ring gears, etc.
	South Carolina	100%	Optical communications components (sales base)
	Texas	100%	
Mexico	Aguascalientes	100%	Valve spring materials, ring gears
	Aguascalientes	50%	Spiral springs for seatbelts
China	Guangzhou	100%	Valve springs, ring gears, etc.
	Guangzhou	100%	Valve spring materials (sales base)
	Foshan	25%	Valve spring materials
	Tianjin	100%	Ring gears
	Shenzhen	100%	Printer rollers, optical communications components, etc.
	Hong Kong	100%	
Thailand	Chonburi	100%	Valve springs, ring gears Spiral springs for seatbelts Printer rollers, etc.
Vietnam	Hanoi	100%	Printer rollers, etc.
South Korea	Yangsan	49%	Materials for spiral springs for seatbelts
Philippines	Manila	100%	HDD suspensions (Representative Office)



# Summary of Financial Results for FY ended March 2022

Revenue and profit increased significantly from the previous year, with net sales and operating income almost in line with the forecast announced on February 10.

**Net sales: 47,438 million yen (+7,298 million yen/ +18.2% YoY)**

**Operating income: 649 million yen (+1,942 million yen YoY)**

Significant year-on-year recovery in the automotive-related products segment, despite the impact of reduced automotive production due to a global shortage of semiconductors and shortage of components attributable to the spread of COVID-19 variant strains.

Revenue also increased year-on-year in the electronic information and communications segment, due to continued high demand.

## Automotive-related products segment

**Sales: +13.8% YoY, +3,738 million yen YoY**

### \*Materials-related

Valve spring materials and precision shaped materials recovered strongly.

### \*Automotive-related

Sales increased by 12.4% year on year due to recovery from COVID-19 in the previous year, and sales expansion of key strategic products (bus bars, LED components, etc.)

## Electronic information and communications Segment

**Sales: + 31.1 % YoY, + 3,765 million yen YoY**

### \*HDD suspensions

Demand is high due to increased investment for data centers. Sales increased by 39.1% year on year.

### \*Printer-related

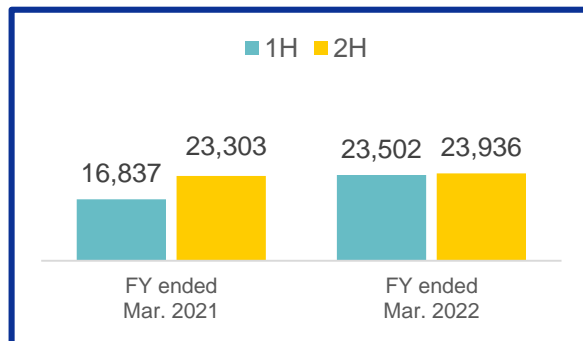
Sales increased by 12.9% year on year due to continued special demand from households.

# Summary of Financial Results for FY ended March 2022

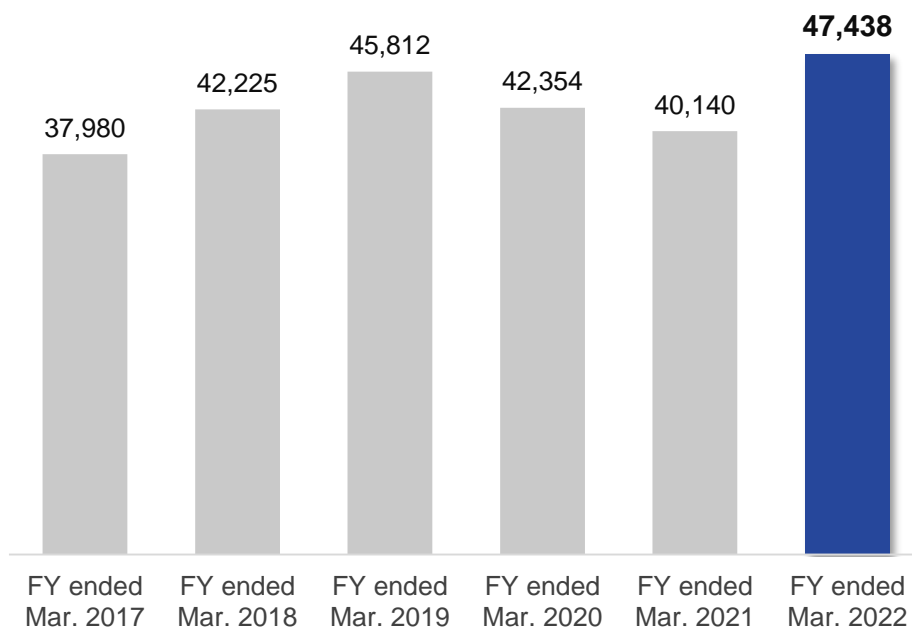
◆ <b>Net sales</b>	Increased by 7,298 million yen year on year, due to recovery in the automotive-related products segment and increase in HDD suspensions (including foreign exchange effects of +2,036 million yen, passing on of steel price of +226 million yen)
◆ <b>Operating income</b>	Operating income of 649 million yen was recorded due to the increase in revenue, which is a significant improvement of 1,942 million yen in profit from the previous year. (including foreign exchange effects of +473 million yen and decrease in depreciation expenses of +341 million yen)
◆ <b>Ordinary income</b>	Increase in gain on sale of scraps due to soaring steel prices (+120 million yen year on year)
◆ <b>Net income</b>	Recorded 401 million yen in extraordinary income on gain on sale of investment securities (805 million yen in FY ended March 2021)

Unit: Millions of yen	FY ended March 2021	FY ended March 2022				
	Actual	Actual	YoY changes	Forecasts announced on Feb. 10	Changes from forecasts	(Reference) Initial forecast
Net sales	40,140	<b>47,438</b>	+7,298	47,600	(162)	47,000
Operating income	(1,293)	<b>649</b>	+1,942	650	(1)	400
Ordinary income	(1,000)	<b>1,022</b>	+2,023	850	+172	500
Net income	61	<b>904</b>	+843	710	+194	470
Income per share	1.95 yen	<b>29.34 yen</b>				
Average exchange rate	106.1 yen / dollar	<b>112.4 yen / dollar</b>				
	123.7 yen / euro	<b>130.6 yen / euro</b>				

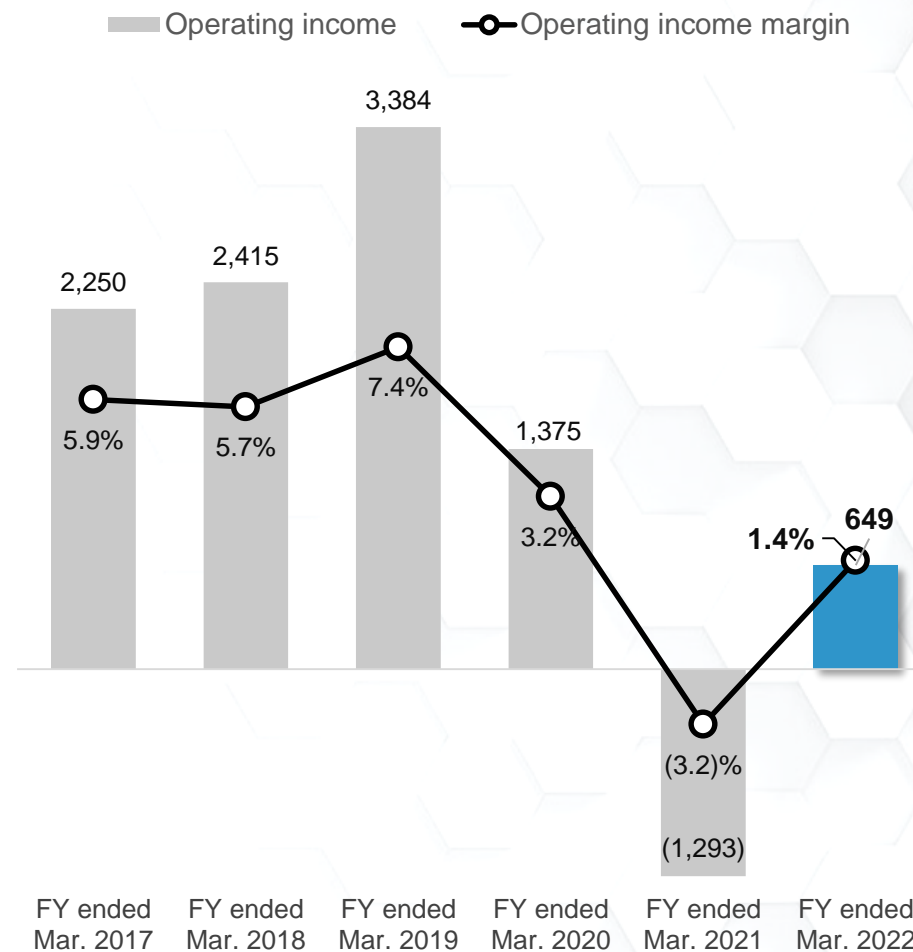
## Change in Net sale



Unit: Millions of yen



## Change in Operating income / Operating income margin



# Net Sales by Product Category for FY ended March 2022

◆ <b>Automotive-related products segment</b>	Materials-related	Revenue increased year on year due to the recovery from COVID-19 impact on the automotive-related products segment in the previous year.
	Automotive-related	Revenue increased year on year due to recovery in the automotive-related products segment and sales expansion of key strategic products (bus bars, LED components, etc.), despite the impact of automotive production cutbacks due to procurement shortages of components.
◆ <b>Electronic information and communications segment</b>	HDD suspensions	Continued increase in demand due to increased investment in data centers
	Printer-related	Continued increase in demand for home use (consumer use) products due to increase in remote work
	Communications-related	Revenue increased year on year due to recovery in demand in the main markets of North America and Asia.

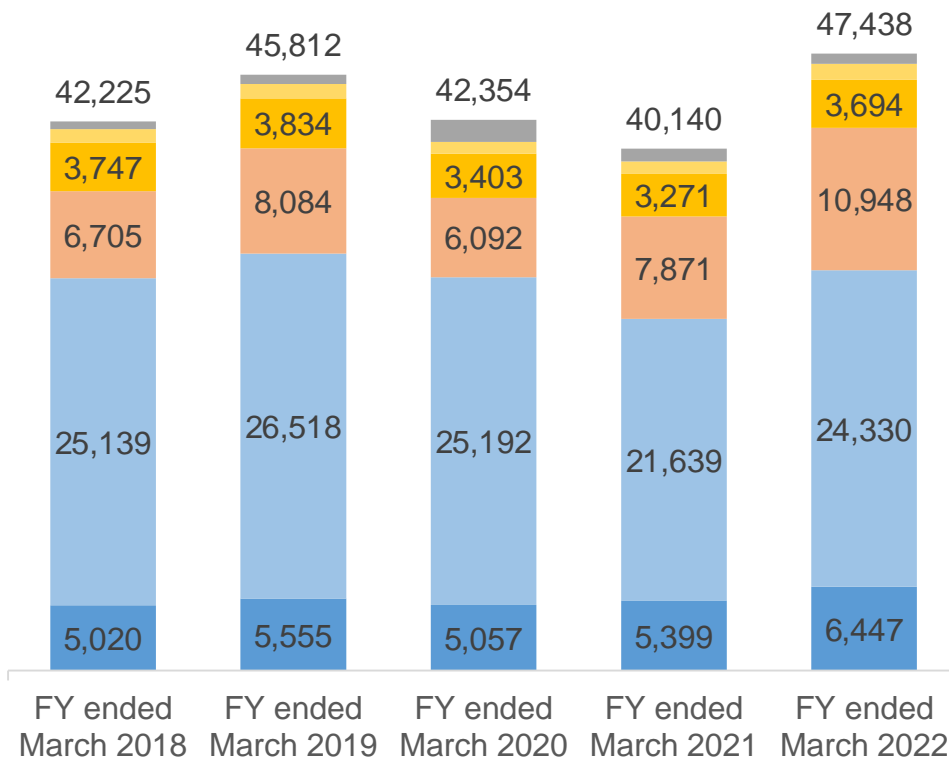
Unit: Millions of yen	FY ended March 2021	FY ended March 2022		
	Actual	Actual	YoY changes	
<b>Net sales</b>	40,140	<b>47,438</b>	+7,298	+18.2%
<b>Automotive-related products segment</b>	27,039	<b>30,777</b>	+3,738	+13.8%
Materials-related	5,399	<b>6,447</b>	+1,047	+19.4%
Automotive-related	21,639	<b>24,330</b>	+2,690	+12.4%
<b>Electronic information and communications segment</b>	12,106	<b>15,871</b>	+3,765	+31.1%
HDD suspensions	7,871	<b>10,948</b>	+3,076	+39.1%
Printer-related	3,271	<b>3,694</b>	+423	+12.9%
Communications-related	963	<b>1,228</b>	+133	+27.6%
Other	995	<b>789</b>	(206)	(20.7)%

# Net Sales by Product Category (Changes, Composition ratio)

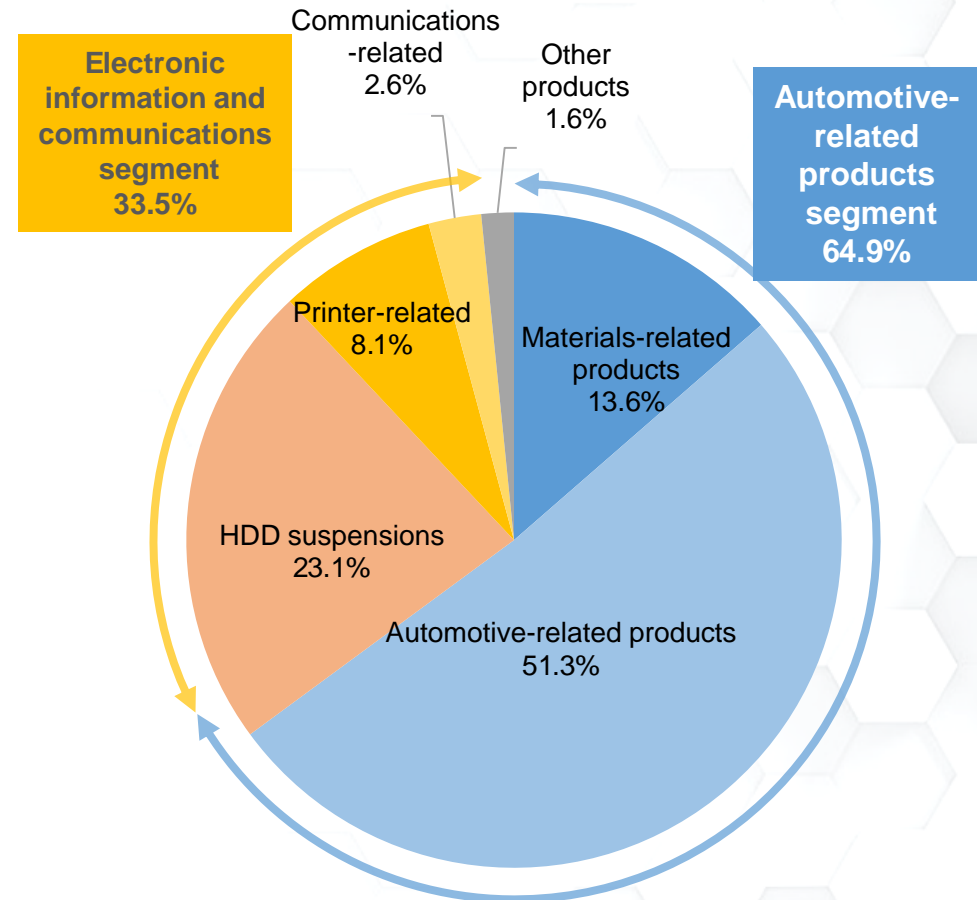
## Changes in net sales by product category

Unit: Millions of yen

- Materials-related products
- HDD suspensions
- Communications-related
- Automotive-related products
- Printer-related
- Other products



## Composition ratio of net sales in FY ended March 2022



# Net Sales by Region for FY ended March 2022

◆ Japan	Automotive-related products segment	Revenue increased due to recovery in automotive production.
◆ U.S.A.	Automotive-related products	Revenue increased by 245 million yen year on year due to recovery in automotive production, despite the impact of semiconductor shortages.
	Communications-related products	Revenue increased by 204 million yen year on year due to increased demand related to 5G and IoT.
◆ China	Automotive-related products segment	Revenue increased by 819 million yen year on year due to recovery in automotive production, despite the impact of semiconductor shortages.
◆ Philippine	HDD suspensions	Continued increase in demand due to increased investment in data centers
◆ Other areas	HDD suspensions	Increase in deliveries to Thailand, etc.

Unit: Millions of yen	FY ended March 2021	FY ended March 2022		
	Actual	Actual	YoY changes	
<b>Net sales</b>	40,140	<b>47,438</b>	+7,298	+18.2%
<b>Japan</b>	16,641	<b>18,358</b>	+1,716	+10.3%
<b>U.S. A.</b>	3,243	<b>3,723</b>	+480	+14.8%
<b>China</b>	4,286	<b>5,396</b>	+1,109	+25.9%
<b>Philippine</b>	6,736	<b>9,492</b>	+2,755	+40.9%
<b>Other areas</b>	9,232	<b>10,468</b>	+1,235	+13.4%

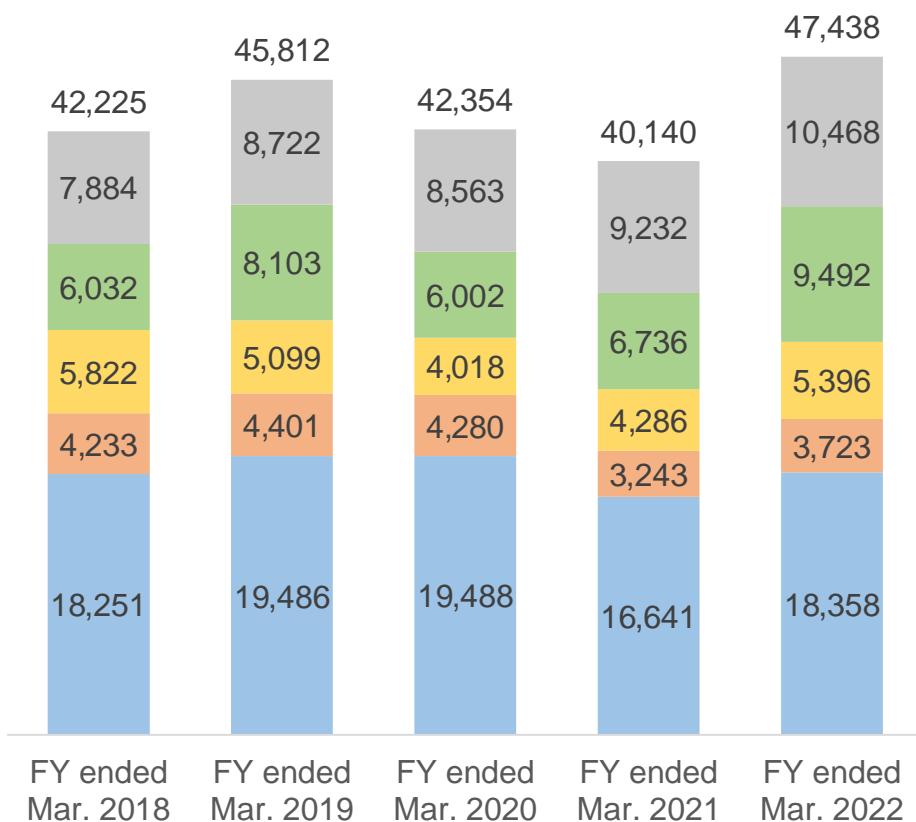


# Net Sales by Region (Changes, Composition Ratio)

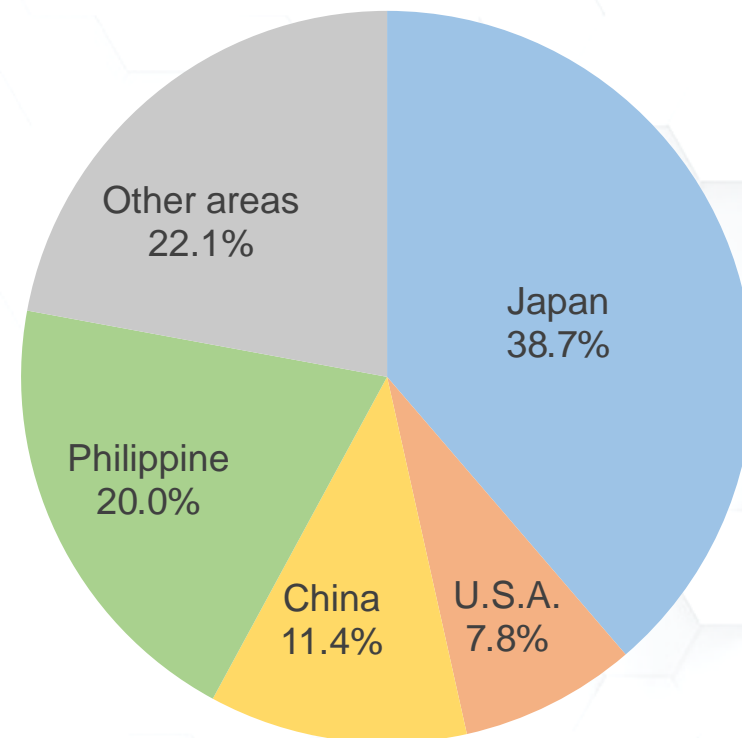
## Changes in net sales by region

Unit: Millions of yen

■ Japan ■ U.S.A. ■ China ■ Philippine ■ Other areas



## Composition ratio of net sales by region in FY ended March 2022



# Consolidated Balance Sheet for FY ended March 2022

◆ <b>Increase in non-current assets</b>	Property, plant and equipment increased by 977 million yen due to active investment in HDD suspensions and key strategic products.
◆ <b>Current liabilities</b>	Short-term borrowings: +3,456 million yen; Accounts payable - trade: +1,100 million yen; Accounts payable - other: (696) million yen
◆ <b>Increase in net assets</b>	Net income: +904 million yen; Dividends: (625) million yen; Foreign currency translation adjustment: +930 million yen; Increase in treasury stock (tender offer, etc.): (692) million yen

Unit: Millions of yen	FY ended March 2021		FY ended March 2022	
	Actual	Actual	Actual	Changes from the end of the previous year
Current assets	25,207	28,328	28,328	+3,120
Cash and deposits	7,570	7,510	7,510	(60)
Trade receivables	9,996	11,076	11,076	+1,079
Inventories	6,465	8,463	8,463	+1,997
Non-current assets	28,167	29,602	29,602	+1,435
<b>Total assets</b>	<b>53,375</b>	<b>57,932</b>	<b>57,932</b>	<b>+4,557</b>
Total liabilities	17,054	20,749	20,749	+3,695
Current liabilities	13,781	17,471	17,471	+3,689
Interest-bearing liabilities	2,802	6,031	6,031	+3,228
Non-current liabilities	3,272	3,278	3,278	+5
Interest-bearing liabilities	1,541	1,186	1,186	(355)
Total net assets	36,320	37,182	37,182	+861
<b>Total liabilities and net assets</b>	<b>53,375</b>	<b>57,932</b>	<b>57,932</b>	<b>+4,557</b>

# Status of Cash Flows for FY ended March 2022

◆ <b>Cash flows from operating activities</b>	Net income before income taxes increased by 1,294 million yen year on year.
◆ <b>Cash flows from investing activities</b>	Proceeds from sale of investment securities decreased by 459 million yen year on year, while capital investment remained at a high level, mainly for HDD suspensions.
◆ <b>Cash flows from financing activities</b>	Short-term borrowings increased by 1,892 million yen; decrease of 703 million yen due to acquisition of treasury stock (tender offer, etc.)

Unit: Millions of yen	FY ended March 2021		FY ended March 2022	
	Actual		Actual	Changes
<b>Cash flows from operating activities</b>	<b>3,014</b>		<b>3,170</b>	<b>+156</b>
Net Income before income taxes	136		1,431	+1,294
Depreciation	4,278		3,937	(341)
Decrease (increase) in trade receivables	(666)		(832)	(165)
Decrease (increase) in inventories	237		(1,708)	(1,946)
Increase (decrease) in trade payables	352		954	+601
Gain on sale of investment securities	(805)		(401)	+403
<b>Cash flows from investing activities</b>	<b>(4,356)</b>		<b>(4,822)</b>	<b>(466)</b>
Purchase of non-current assets	(5,208)		(5,237)	(28)
Proceeds from sale of investment securities	869		410	(459)
<b>Cash flows from financing activities</b>	<b>250</b>		<b>1,154</b>	<b>+903</b>
Increase (decrease) in short-term borrowings	1,484		3,377	+1,892
Increase (decrease) in long-term borrowings	(381)		(691)	(310)
Purchase of treasury shares	(100)		(704)	(703)

# Capital Expenditure and Depreciation for FY ended March 2022

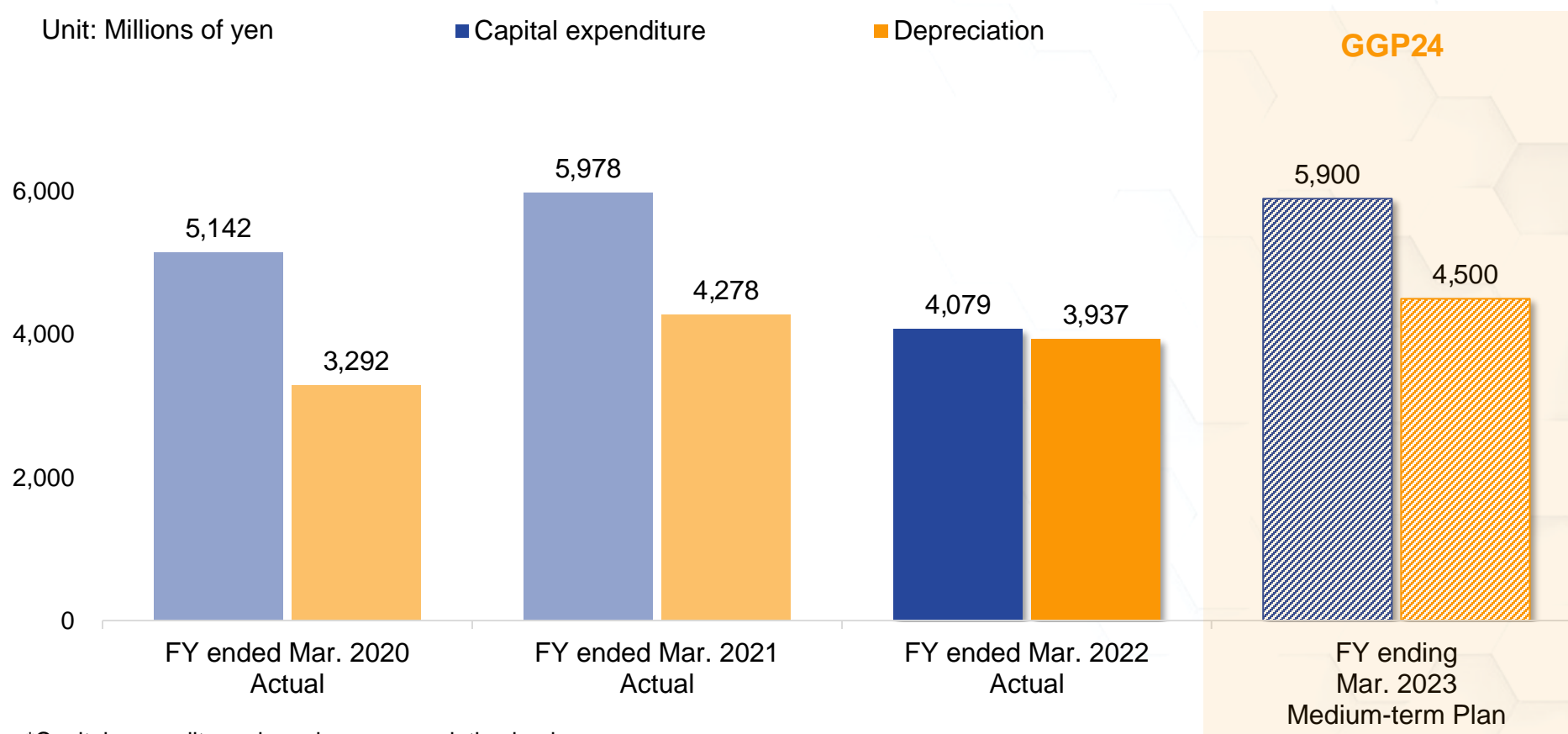
◆ Continued capital expenditure in FY ended March 2022, mainly in HDD suspensions

## Capital expenditure and depreciation

Unit: Millions of yen

■ Capital expenditure

■ Depreciation



\*Capital expenditure above is on a completion basis.

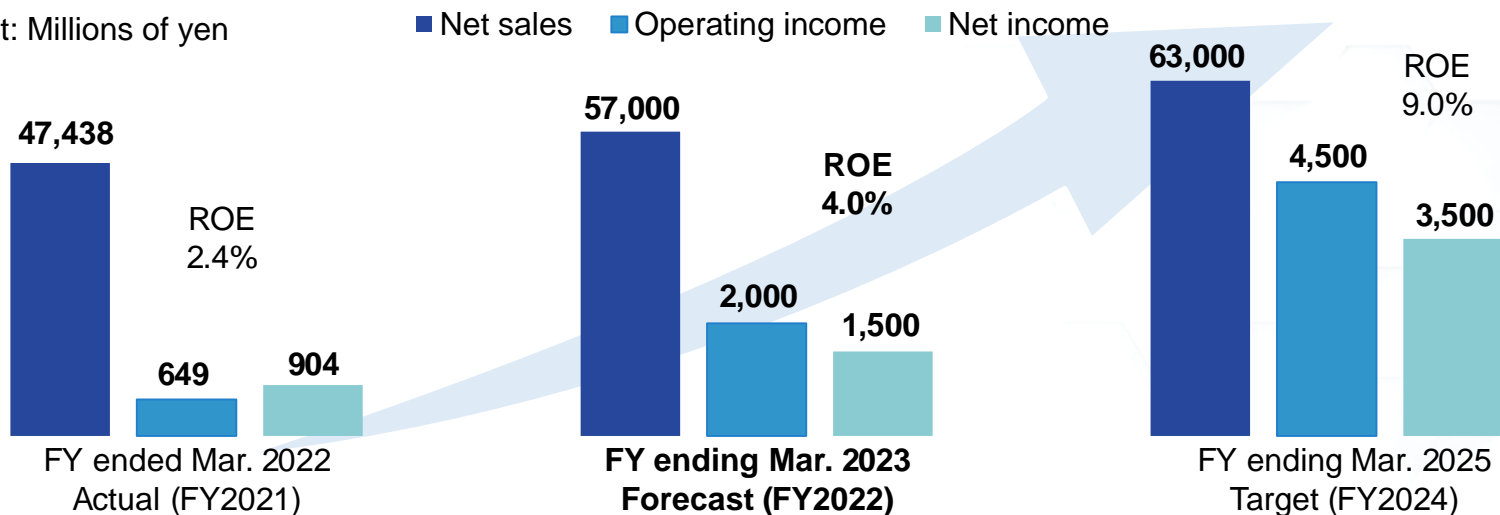
# Forecast for FY ending March 2023

Profits expected to increase due to significant sales growth in business related to electric vehicles and electrification and business related to electronic information and communications

<b>Net sales</b>	<b>57,000 million yen</b>	<b>+9,562 million yen (+20.2%) YoY</b>
<b>Operating income</b>	<b>2,000 million yen</b>	<b>+1,351 million yen YoY</b>
<b>Net income</b>	<b>1,500 million yen</b>	<b>+596 million yen YoY</b>

Expecting substantial sales expansion in each field responding to expanding markets and growth in demand  
Pursue profit growth by ensuring profitability in areas of prior investment

Unit: Millions of yen



# Business Forecast for FY ending March 2023

◆ <b>Net sales</b>	<b>YoY</b>	•Revenue is expected to increase by 9,562 million yen due to the recovery of automotive production, sales expansion of key products, and expansion of HDD suspension (including +1,510 million yen of foreign exchange effects)
	Compared with Medium-term Management Plan	•Increase of 2,100 million yen due to soaring steel prices and yen depreciation
◆ <b>Operating income</b>	<b>YoY</b>	•Operating income is expected to increase by 1,351 million yen due to higher sales, in spite of continued strategic investments to nurture next-generation businesses (including +487 million yen from foreign exchange effects and (563) million yen from an increase in depreciation expenses)
	Compared with Medium-term Management Plan	•Expected to be in line with the Plan

(Millions of yen)	FY ended March 2022	FY ending March 2023				
	Actual	Medium-term Management Plan	Forecast		Full-year YoY changes	Compared with Medium-term Management Plan
	Full year	Full-year	1H	2H		
<b>Net sales</b>	47,438	54,900	<b>27,700</b>	<b>57,000</b>	+9,562	+2,100
<b>Operating income</b>	649	2,000	<b>600</b>	<b>2,000</b>	+1,351	±0
<b>Ordinary income</b>	1,022	-	<b>700</b>	<b>2,100</b>	+1,178	-
<b>Net income</b>	904	-	<b>450</b>	<b>1,500</b>	+596	-
<b>Income per share</b>	29.34 yen	-	<b>15.00 yen</b>	<b>49.96 yen</b>		
<b>Average exchange rate</b>	112.4 dollars / yen	110.0 yen / dollar	<b>120.0 yen / dollar</b>	<b>120.0 yen / dollar</b>		
	130.6 euros / yen	125.0 yen / euro	<b>132.0 yen / euro</b>	<b>132.0 yen / euro</b>		

# FY ending March 2023 Net Sales Forecast by Business Segment (Medium-term Management Plan GGP24 Classification)

## ◆ Expecting growth in next-generation businesses toward achieving Medium-Term Management Plan GGP24

◆ <b>Business related to electric vehicles and electrification</b>	Growth of electrification-related products such as bus bars and LED components: Revenue increase by 1,434 million yen
◆ <b>Business related to electronic information and communications</b>	Increased demand due to increased investment in data centers
◆ <b>Existing automotive-related products segment</b>	Increase in revenue expected due to recovery from COVID-19 impact and semiconductor shortages Reflecting soaring steel prices into sales prices

Unit: Millions of yen	FY ended March 2022	FY ending March 2023	Compared with FY ended March 2022
	Actual	Forecast	Compared with actual figures
<b>Net sales</b>	47,438	<b>57,000</b>	+9,562
<b>Business related to electric vehicles and electrification</b>	2,036	<b>3,470</b>	+1,434
<b>Business related to electronic information and communications</b>	16,660	<b>22,230</b>	+5,570
<b>HDD suspensions</b>	10,948	<b>16,380</b>	+5,432
<b>Printer-related</b>	3,694	<b>3,900</b>	+206
<b>Communications-related</b>	1,228	<b>1,290</b>	+62
<b>Other</b>	789	<b>660</b>	(129)
<b>Existing automotive-related products segment</b>	28,741	<b>31,300</b>	+2,559
<b>Materials-related</b>	6,447	<b>6,750</b>	+303
<b>Automotive-related</b>	22,294	<b>24,550</b>	+2,256



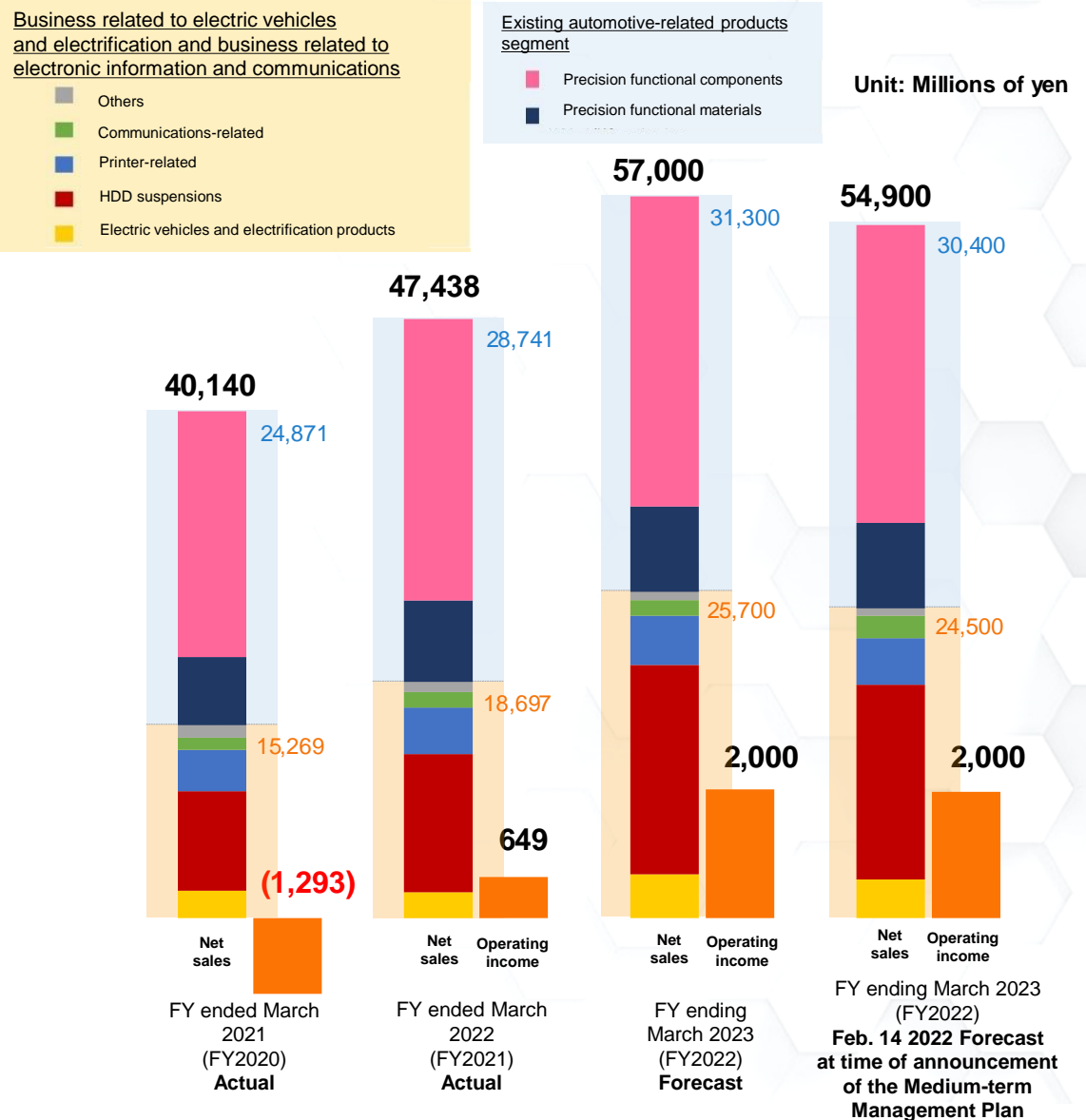
# FY ending March 2023 Net Sales Forecast by Business Segment (Medium-term Management Plan GGP24 Classification)

## ◆ Business related to electric vehicles and electrification and business related to electronic information and communications

- In addition to two Japanese automakers adopting our bus bars for electric vehicles, we will promote the use of bus bars for other types of vehicles.
- We will expand sales of shunt on bus bars, which have already been mass-produced and supplied for electric vehicles, together with shunt sensors for high-precision current detection, in Europe, China, and the U.S.
- Sales in the suspension business is expected to increase due to high demand for nearline drive large-capacity hard disk drives (HDDs) for data centers, driven by factors such as IoT growth and storage of video data.

## ◆ Existing automotive-related products segment

- Existing businesses (consisting of the main products of engine parts and precision-functioning transmission parts) will maintain sales on current scale while improving profitability, despite delays in passing on soaring steel prices to prices.

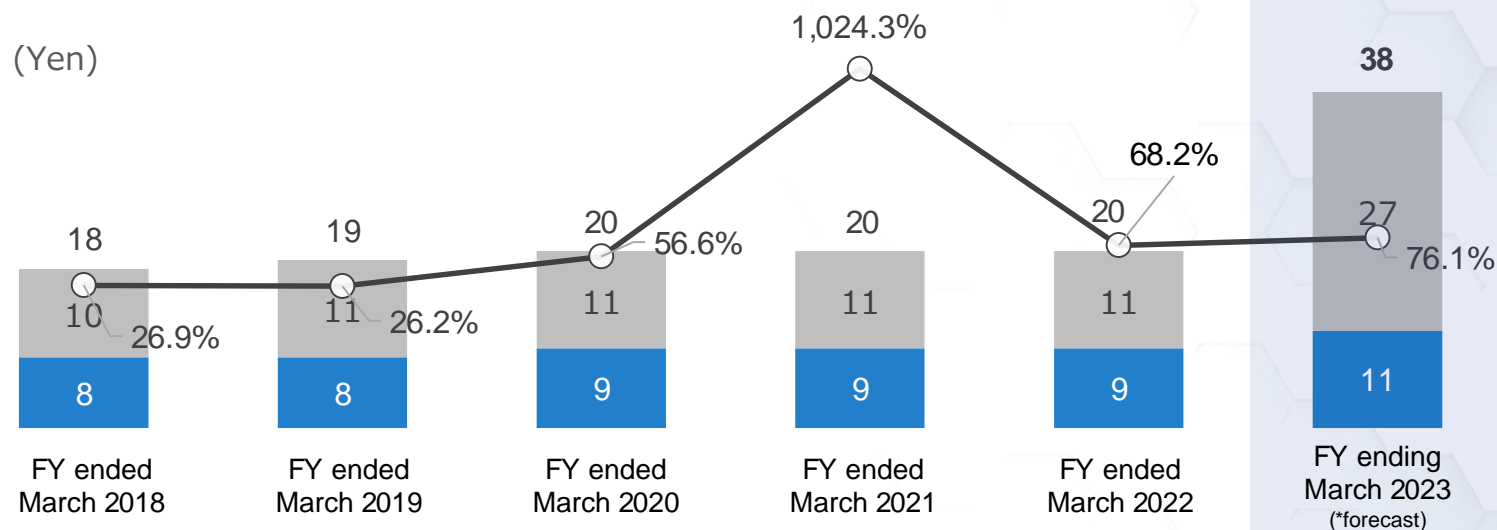


# Dividend Policy for FY ending March 2023

◆ <b><u>FY ended March 2022</u></b>	Net profit margin of 1.9%, despite the trend of recovery from the impact of COVID-19, due to lower automotive production amid persistent COVID-19 variants and parts shortages. Meanwhile, the minimum dividend of 20 yen was maintained.
◆ <b><u>FY ending March 2023</u></b>	Aggressively implement return to shareholders to prevent a buildup of equity capital, in order to promote return on capital and balance sheet management.

Dividend Policy

➤ Dividend payout ratio will be 75% until ROE exceeds 9.0%  
(maintain lower limit of dividend at 20 yen)



Interim dividend	8 yen	8 yen	9 yen	9 yen	9 yen	<b>11 yen</b>
Year-end dividend	10 yen	11 yen	11 yen	11 yen	<b>11 yen</b>	<b>27 yen</b>
Total annual dividends	18 yen	19 yen	20 yen	20 yen	<b>20 yen</b>	<b>38 yen</b>

\*If the earnings forecast is revised going forward, it will be revised in accordance with the dividend policy.

# Medium- to Long-term Growth Strategy



## Acceleration of an effective strategy to create a business portfolio for 2030

### Business Strategy

#### Growth business related to electric vehicles and electrification

- Grow sales globally and develop it into next-generation main business

- Offer mass production of bus bars and shunt on bus bars to meet needs for electric vehicles
- Expand sales of products for electric vehicles and electrification in Europe, China, and the U.S.

#### Growth business related to electronic information and communications

- Achieve dramatic growth and pursue profit growth

- Continuously make capital investment and enhance production efficiency to meet customer demand
- Enhance suspension production capacity to meet demand for large-capacity hard disk drives
- Develop communications- and printer-related products, and improve production efficiency through process improvements

#### Existing automotive-related products segment

- Respond to changes in industry structure and improve earnings strength

- Validate market growth rate and profitability on an individual product basis
- Focus on improving earnings strength of existing projects by thoroughly managing earnings on an individual product basis
- Consider optimizations of production and sales locations

### Capital Strategy

## Balance sheet management

with an understanding of appropriate capital structure

- Maintain payout ratio at 75% until ROE exceeds 9% in order to prevent a buildup of equity capital
- Investment decisions with a thorough awareness of cost of capital

Quantitative  
targets of GGP24

Net sales  
**63.0** billion yen

Operating income margin  
**7.1%**

ROE  
**9.0%**

**FY2021**  
**Actual**

**FY2024**  
**Global Growth Plan 2024**  
Accelerate an effective strategy to create a business portfolio for 2030

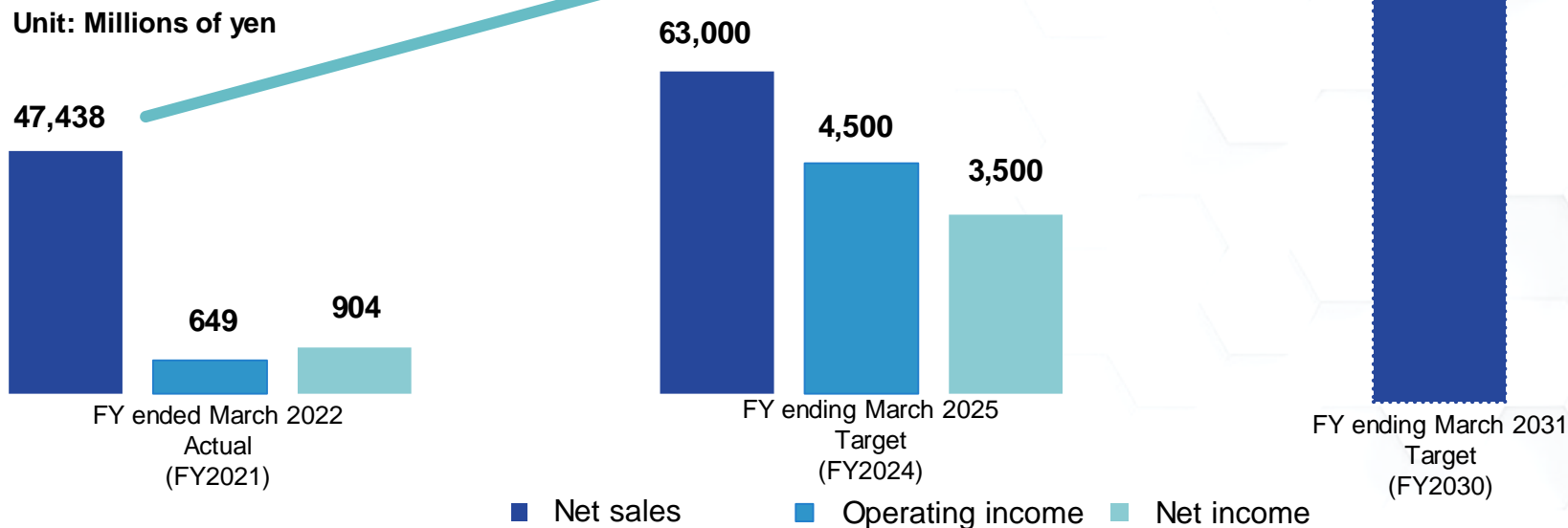
---

**From Change to Growth**

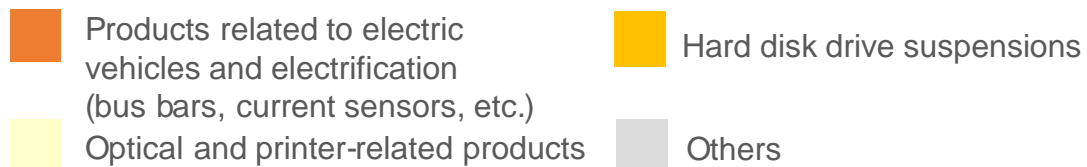
- **Net sales: 63.0 billion yen**
- **Operating income margin: 7.1%**
- Promote management with awareness of return on capital and balance sheet management in order to **consistently exceed ROE of 9.0%**
- Launch reforms of business portfolio
- Boldly invest management resources in growth fields
- Ensure recoupment of invested capital

**FY2030**  
**Pursue optimization of our business portfolio**

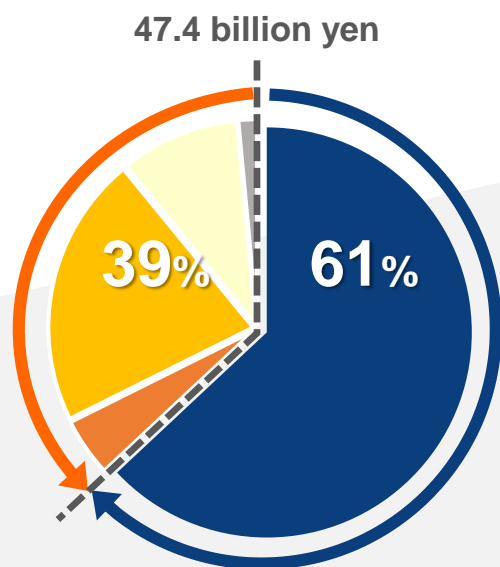
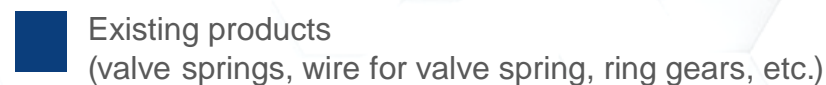
- **Application of related technologies and new businesses**
- **Create added value**



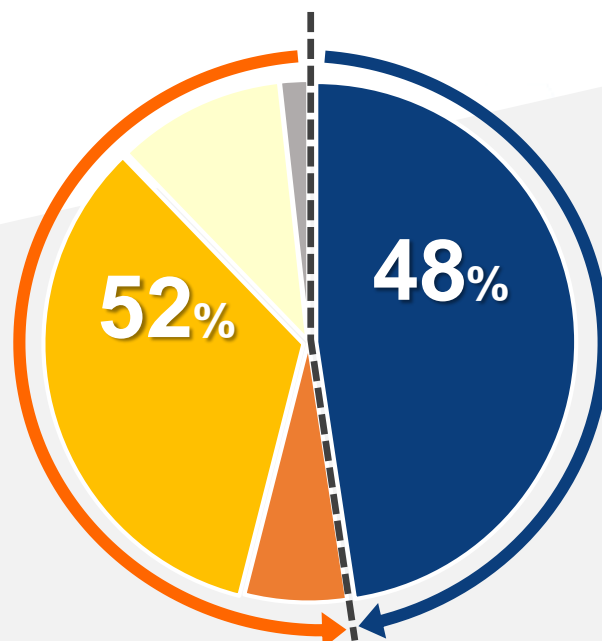
## Growth business related to electric vehicles and electrification, and growth business related to electronic information and communications



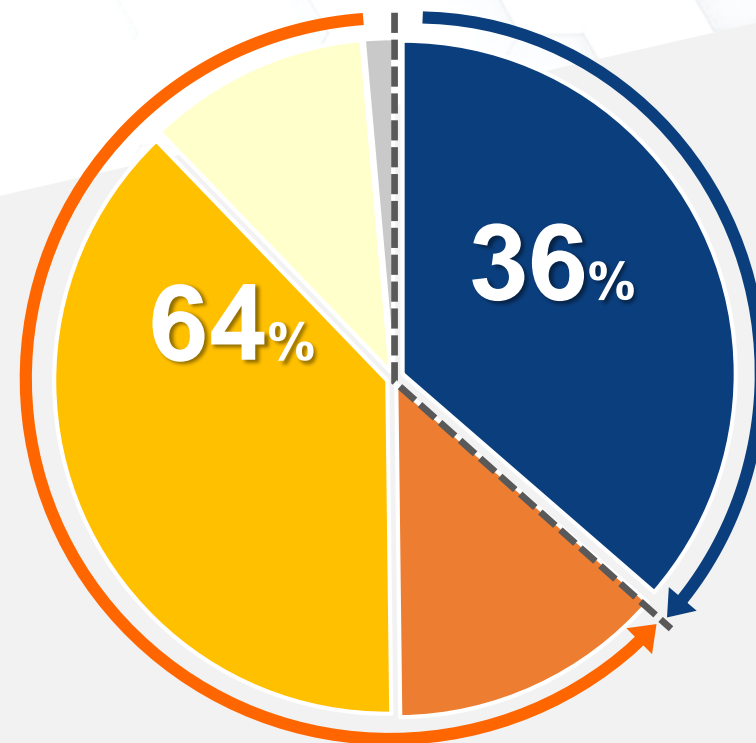
## Existing automotive-related products segment



FY2021 Actual



FY2024 Target



FY2030 Target

\* Percentages represent proportions of net sales

“Integrated production from materials to products” —  
Expanding our established technology to target new domains

Welding Bending

Die casting

Rolling

Precision Plastic  
Processing Technology

■ Respond to 5G- and IoT- driven expansion of digital society

Optical Communication Business  
HDD Suspension Business

■ Respond to Climate Change

Bus Bar Business  
Current Sensor Business  
Automotive LED Business  
Bamboo Charcoal  
Sustainable Business

■ Contribute to an Aging Society

Rehabilitation Robot Business  
Ultrasonic Sensors (Development)

# Respond to 5G- and IoT- Driven Expansion of Data Society HDD Suspension Business

The HDD suspension business is the pillar of Suncall electronic information and communications segment. Demand for nearline HDDs will continue to increase in response to significant growth in demand for cloud storage capacity.

The global market for cloud storage is expected to see an explosive growth with the advancement of 5G, IoT, and digital transformation.

Achieved **sales exceeding 10 billion yen** in FY2021

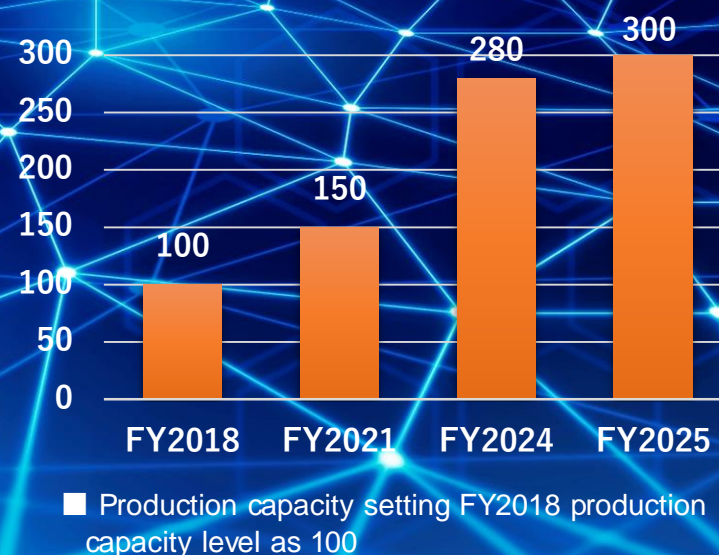
Plan to approximately **double** production capacity compared to FY2021



Data storage capacity demand trends



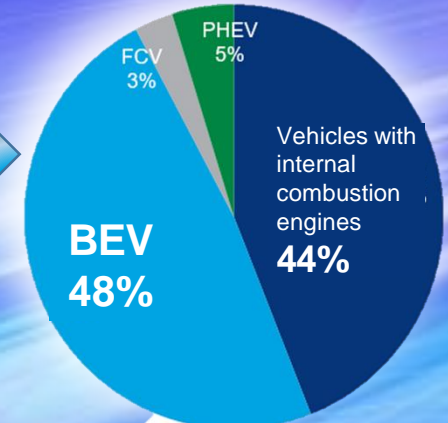
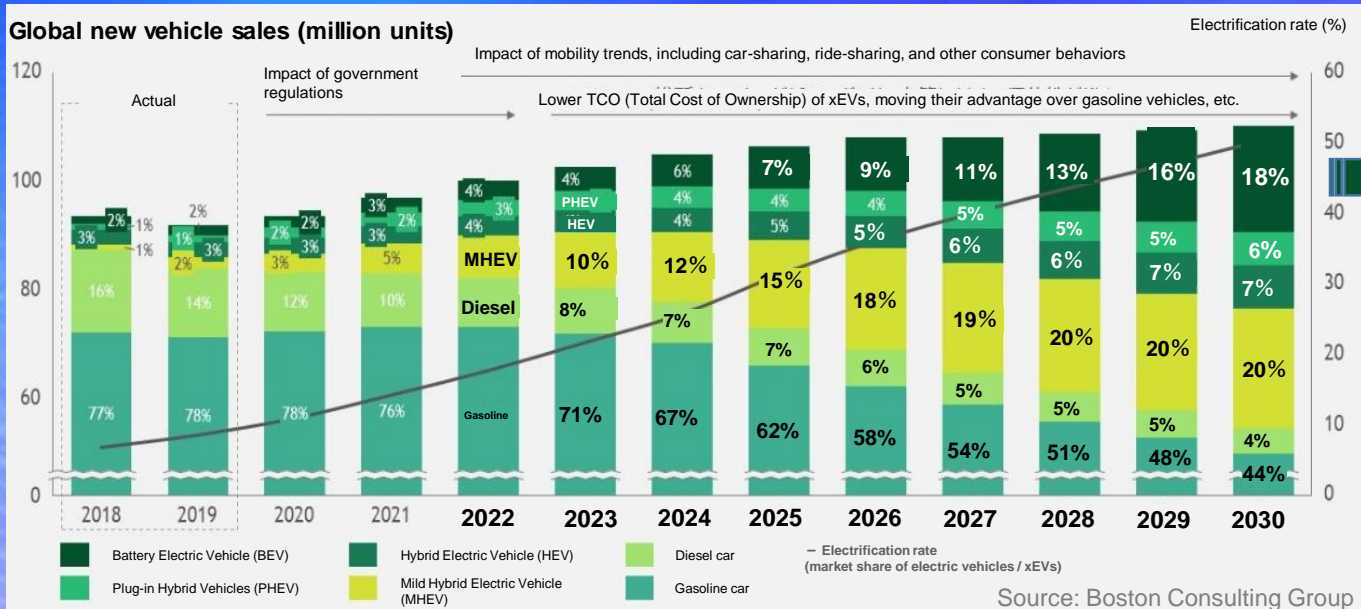
The Company's production capacity plan for nearline drive HDDs





## 2050, toward a world of electrification

The share of electric vehicles are growing rapidly



Global vehicle sales  
Global Automotive  
Market Forecast 2050  
\*Report by wood Mackenzie

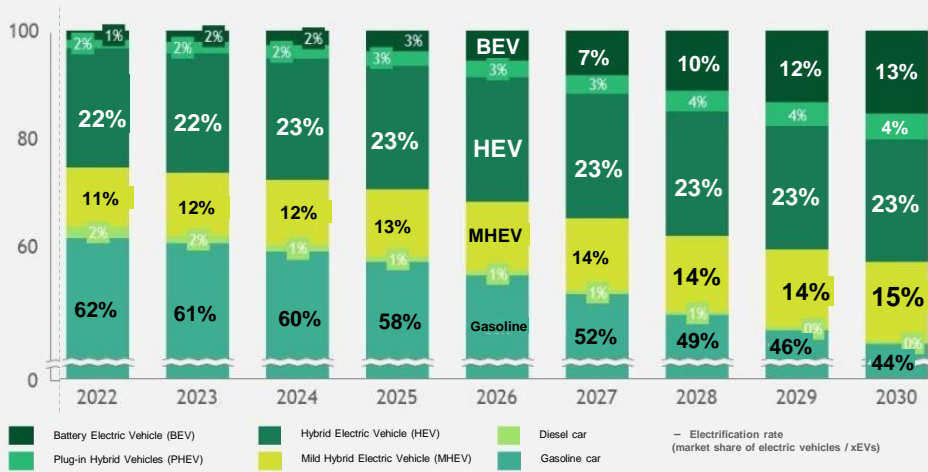
- ✓ 2021 BEV+PHEV sales will double year on year to 6.6 million units in 2021 (IEA research report).
- ✓ 2025 Electric vehicle sales will reach 30% of total sales.
- ✓ 2030 Electric vehicles will account for more than 50% of total.
- ✓ 2050 BEV sales volume will reach 48%. Battery-powered types account for the overwhelming majority.

# Respond to Climate Change: Bus Bar Business



Mass production started in 2013. The pillar of the electric vehicle business, which has supported Japanese hybrid vehicles.

Shares of new vehicle sales in Japan until 2030 (%)



## Hybrids will continue to maintain market share in Japan

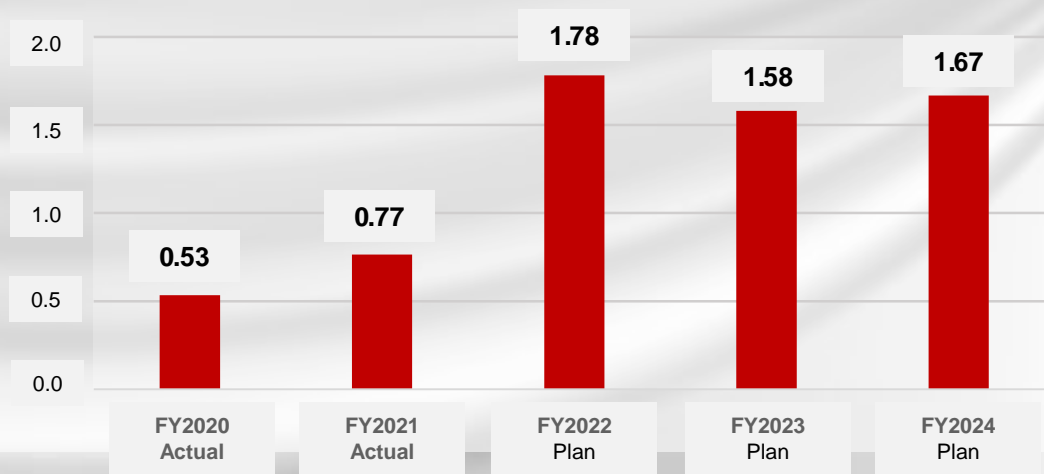
The share of electric vehicles in new vehicle sales in Japan is expected to exceed 40% by 2025, and reach 55% by 2030.

In Japan, hybrid electric vehicles (HEVs) already accounted for 22% of the market share in 2019. In 2030, they are projected to continue to hold a share of 23%. (Global share of 7% in 2030)

**Bus bar sales:  
1.7 billion yen scale in 2022**

Adoption of new products for mass production at two Japanese automobile manufacturers (EV and HEV vehicles) from FY2022

(Billions of yen) EV/HEV Bus Bar Sales Plan (2021-2024)



Europe, the U.S., and China - rapid acceleration with adoption in electric vehicles overseas, amid advances in electrification

# EV



# Power Generation



- Electric vehicles (EV, HEV, BEV)
- 2019 — HV trucks for domestic market
- 2021 — EV racing cars for Europe
- 2021 — Electric passenger vehicles for North America

- Storage batteries for mega solar and wind power generation, etc.
- 2019 — NITE testing facilities for large-scale battery energy storage systems
- 2020 — Photovoltaic power storage battery systems

# Industrial Equipment



- Industrial equipment
- 2017 — Electric forklifts for domestic market
- 2017 — Forklift trucks for the U.S.
- 2020 — AGVs (Automated Guided Vehicles) for Europe

We will solidify the foundation for a global strategy in regions where electric vehicle adoption has advanced.

2023: Line expansion to new site  
Increase production capacity by 1.8 times



## North America

September: North America Exhibition  
2023: Establishment of sales office (under planning)

## China

2020: Shunt Sales Expansion Office established at SGT (Suncall Guangzhou Trading Co., Ltd.)

## 500 million yen scale in 2023

- Establish bases in China, Europe, and North America
- Acquire IATF 16949 certification at Kyoto Minami Plant
- Invest 250 million yen to add a new production line
- Collaborate globally with ITOCHU Corporation and Marubeni-Itochu Steel Inc.

## Europe

2022  
June: Exhibit at Battery Show  
October: Establish sales office in Germany (under consideration for 2H)

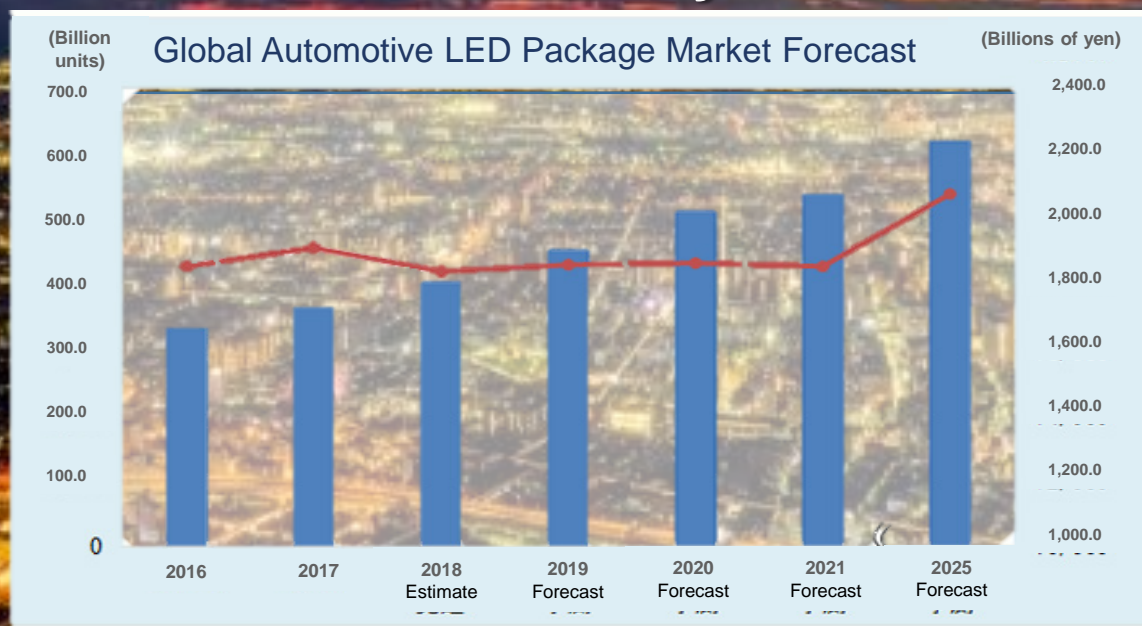
# Respond to Climate Change: LED Business

New business with mass production starting in 2021; contributed to the realization of smaller and thinner LEDs.

LEDs for automotive use have been spreading rapidly in recent years. They are already in use not only in luxury and mass-market vehicles, but also in vehicles for emerging markets.



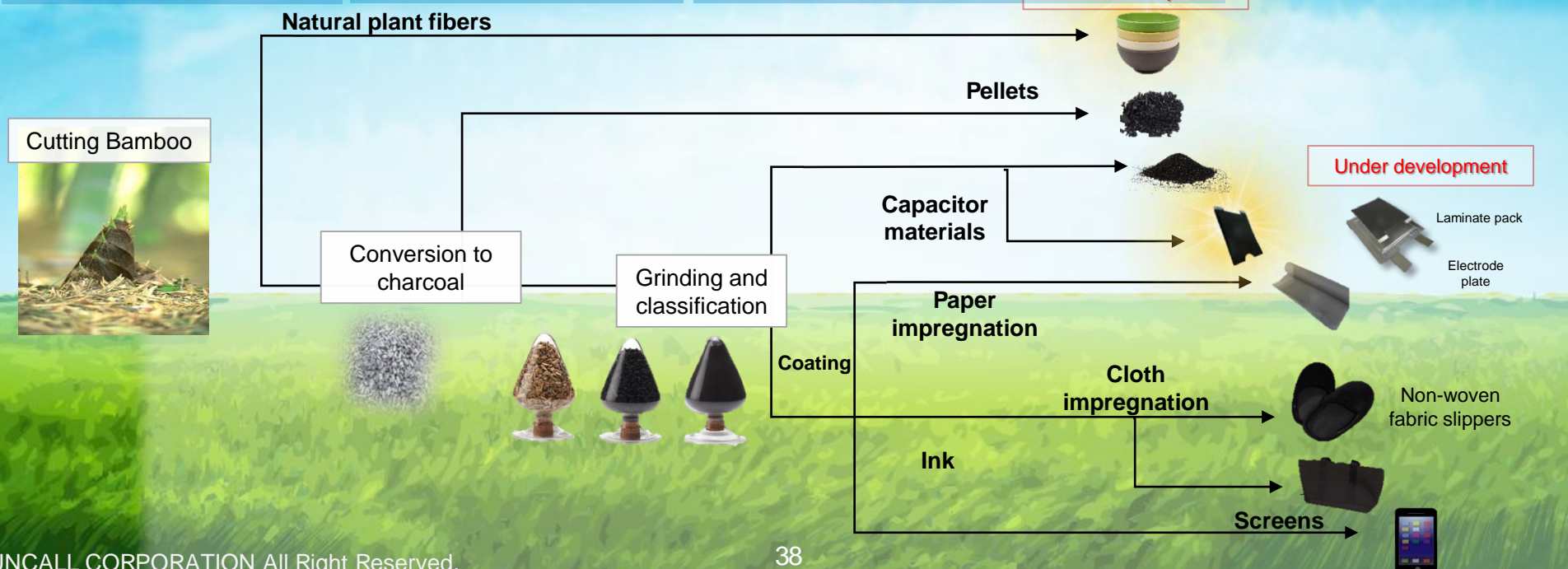
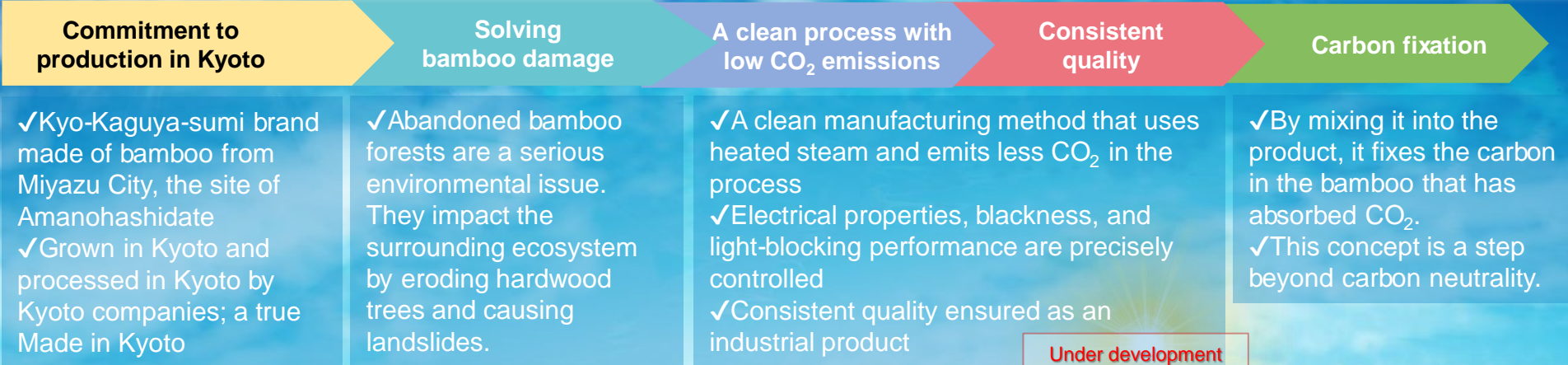
- Succeeded in mass production of automotive LED substrates
- Estimated 2023 sales: 700 million yen



# Respond to Climate Change: Bamboo Charcoal Sustainable Business

## ■ Toward Carbon Fixation

From coating material for automotive instrument panels and interior touch panel business to further applications



As one of the COI projects of the Ministry of Education, Culture, Sports, Science and Technology, we developed a robot that helps patients learn to walk through joint research and development with Kyoto University.

Since its launch in 2020 as a nursing care equipment model, the robot has been adopted and well received by not only rehabilitation centers across Japan but also senior and other care facilities.

Mounting image

◇ Lightweight and medical device models are under development. We support people in their wish to walk.



Rehabilitation using our company's products



# For a Safe and Secure Social Life: Aerial Ultrasonic Sensor (Under Development)

- Developing the world's first aerial ultrasonic sensor capable of simultaneous detection of distance and direction, toward a safer and more secure society.

Existing products

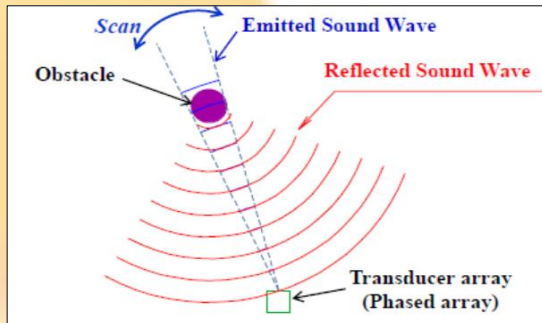
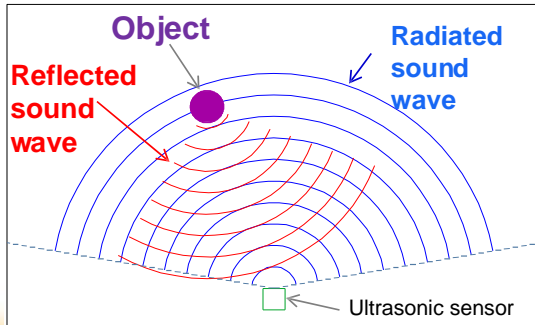
Sound waves are emitted over a wide area. The specific location of the object within this range is unknown.



Suncall-developed product

Along with the **distance** to the object, the **direction** of the object **can be determined** simultaneously.

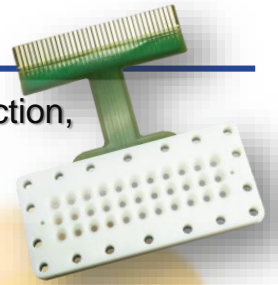
It helps **reduce the number of sensor** providing multiple functions that needs several sensors currently.



Piezoelectric element mounting technology  
+ Vibration control technology



Suncall's unique new structure



- The market size of ultrasonic sensors is approximately 150.0 billion yen for automotive use, and 9.0 billion yen for FA/PA applications. We will open up new territory.





## Progress of the Medium-term Management Plan GGP24

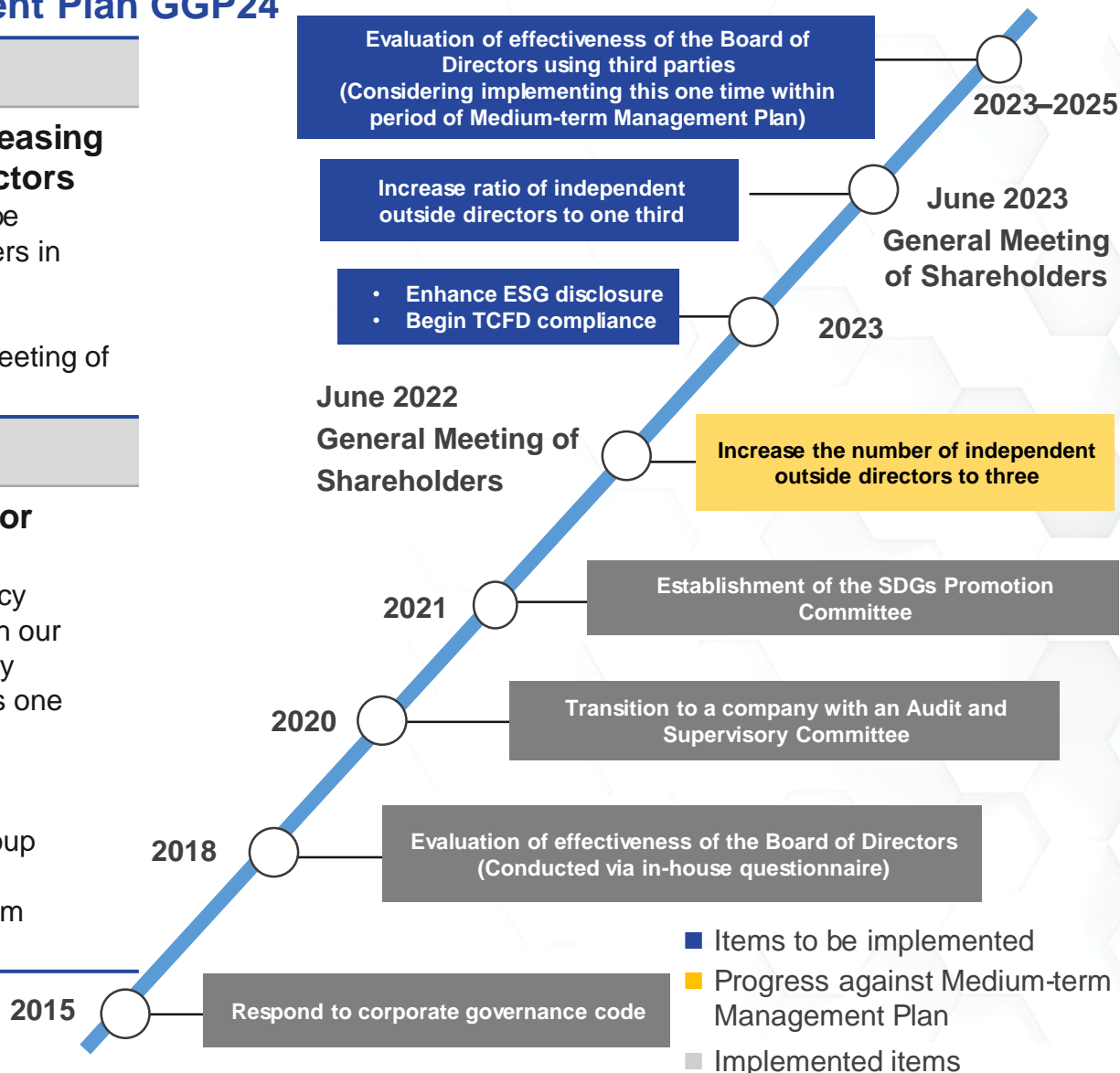
### ◆ Initiatives for Enhancing Governance

- ✓ **Enhance management oversight by increasing the number of independent outside directors**
  - One additional independent outside director to be appointed at the General Meeting of Shareholders in June 2022
  - Target is for one-third of the Board to consist of independent outside directors by the General Meeting of Shareholders in June 2023

### ◆ Initiatives for Sustainability




















- ✓ **Establish Suncall Group Basic Policy for Sustainability Promotion**
  - We will establish the Suncall Group Basic Policy for Sustainability Promotion in accordance with our Basic Philosophy. We will work organizationally and systematically to promote sustainability as one of our management issues.
  - We will contribute to the achievement of the Sustainable Development Goals (SDGs) by identifying materiality (key issues) that the Group should prioritize, incorporating them into our Management Plan, and working to resolve them through each of our business activities.

## Medium-term Management Plan GGP24



# Initiatives for Strengthening Governance and Sustainability

## ◆ Suncall Group's Materiality (Key Issues)

	The Company's initiatives		Relation to SDGs
Biodiversity	Materiality that leads to value creation	<ul style="list-style-type: none"> <li>•Support resource recycling and environmentally friendly manufacturing</li> <li>•Solve issues through development and application of technology Contribute to carbon neutrality by development and provision of electric vehicle products and bamboo charcoal application products</li> <li>Adopt manufacturing lines that reduce environmental impact</li> </ul>	    
		<ul style="list-style-type: none"> <li>•Reduce risk of automotive accidents through our products</li> <li>•Promote communication with society and harmony with local communities</li> <li>•Promote business activities that consider the human rights of all stakeholders</li> </ul>	   
		<ul style="list-style-type: none"> <li>•Contribute to the era in which people live to 100 through products such as our walking assist robot</li> </ul>	   
Business continuity	Materiality that serves as infrastructure for business continuity	<ul style="list-style-type: none"> <li>•Provide an environment in which a diverse workforce can thrive (Diversity &amp; Inclusion)</li> <li>•Aim to adopt "Kurumin" by the end of FY2022</li> </ul>	
		<ul style="list-style-type: none"> <li>•Improving the working environment in each country</li> <li>•Nurture talent with flexible thinking and high level of knowledge, technology, and skills</li> <li>•Create an optimal and rewarding work environment</li> </ul>	   
		<ul style="list-style-type: none"> <li>•Enhance corporate governance</li> <li>•Thorough compliance and risk management</li> </ul>	 

[Notice]

The materials for today's briefing include statements regarding the Company's performance outlook and future plans and policies. Please ensure that you comply with the Financial Instruments and Exchange Act and other laws and regulations when trading stock, etc. In addition, forward-looking statements in the materials are prepared based on currently available information and include factors of known and unknown risks and uncertainty. Accordingly, the Company's actual performance, business activities, and financial position may differ significantly from these statements. Please note that the Company has no obligation to announce or disclose updates or revisions to these forward-looking statements.

