

# Financial Results Briefing for the Six Months ended September 2023

December 21, 2023



# AGENDA

A thick blue horizontal line that ends in a right-pointing arrowhead, pointing towards the agenda items.

- I. Company Outline**
- II. Summary of Financial Results  
for the Six Months ended  
September 2023**
- III. Forecast for  
FY ending March 2024**
- IV. Medium- to Long-term  
Growth Strategy**

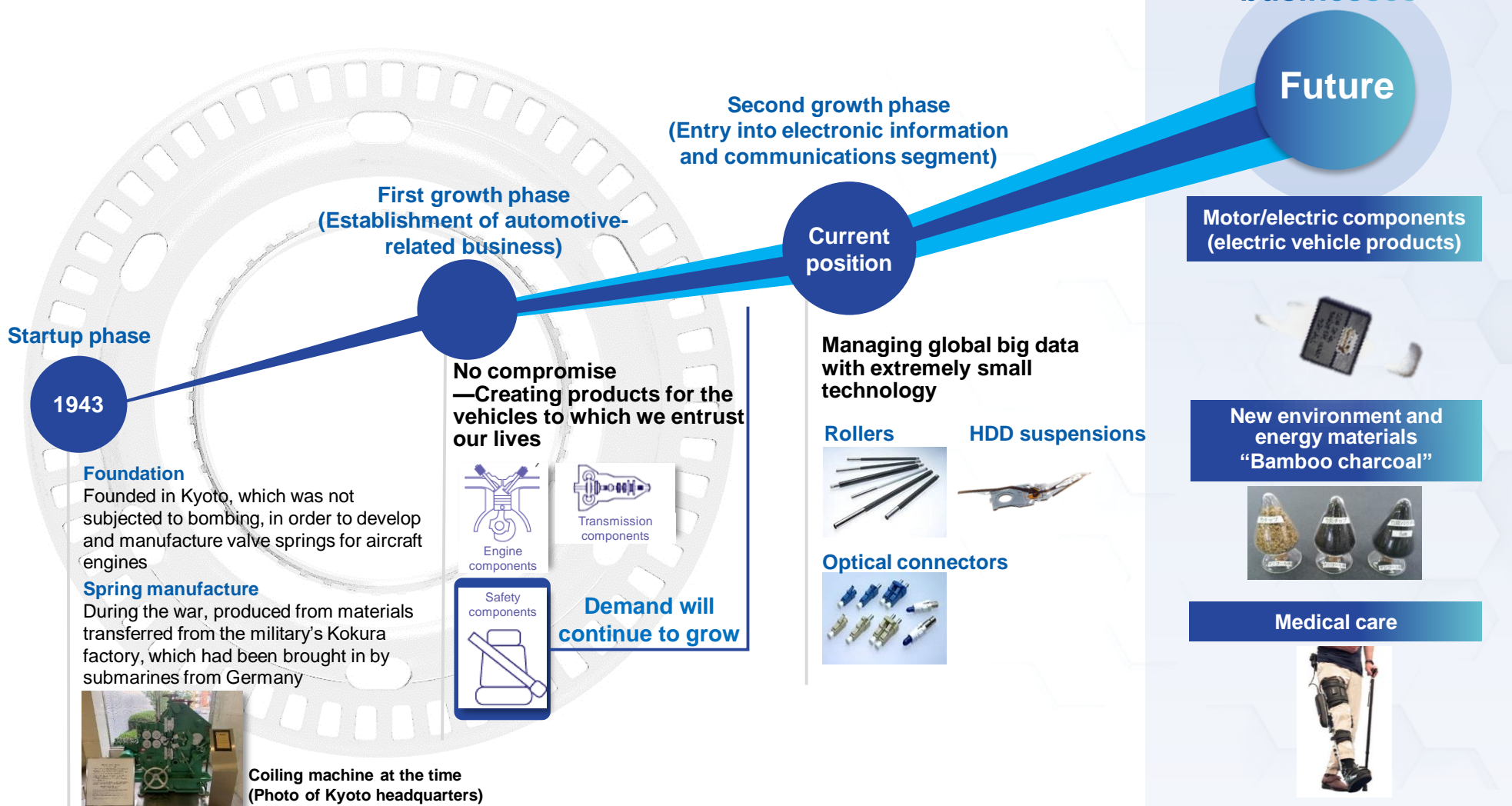
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# Purpose

## Improving the World through Technology

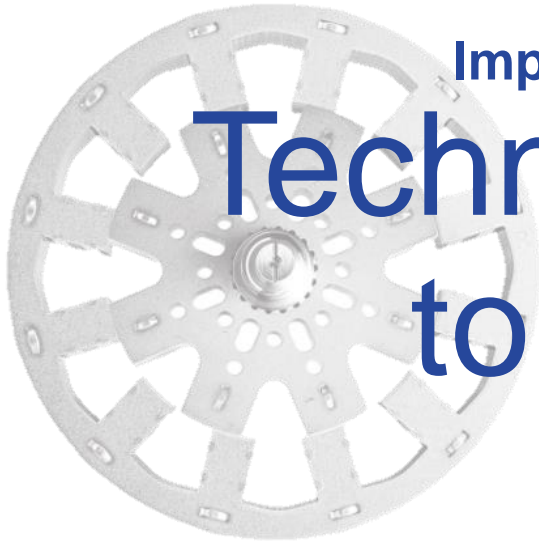


<b>Company name</b>	<b>: SUNCALL CORPORATION</b>
<b>Founded</b>	<b>: June 1943</b>
<b>Common stock</b>	<b>: 4,808 million yen</b>
<b>Headquarters</b>	<b>: 14, Umezunishiura-cho, Ukyo-ku, Kyoto</b>
<b>Share listing</b>	<b>: Tokyo Stock Exchange, Standard Market</b>
<b>Number of employees</b>	<b>: 2,274 (Consolidated) 706 (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. 15.4%</b>

**(As of September 30, 2023)**

Improving the World through Technology

# 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 processing

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.

• Valve springs

• Valve cotters



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

Spiral springs for seatbelts



Safety components

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

Parts for anti-lock brake system (ABS)



• Ring gears/drive plates



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

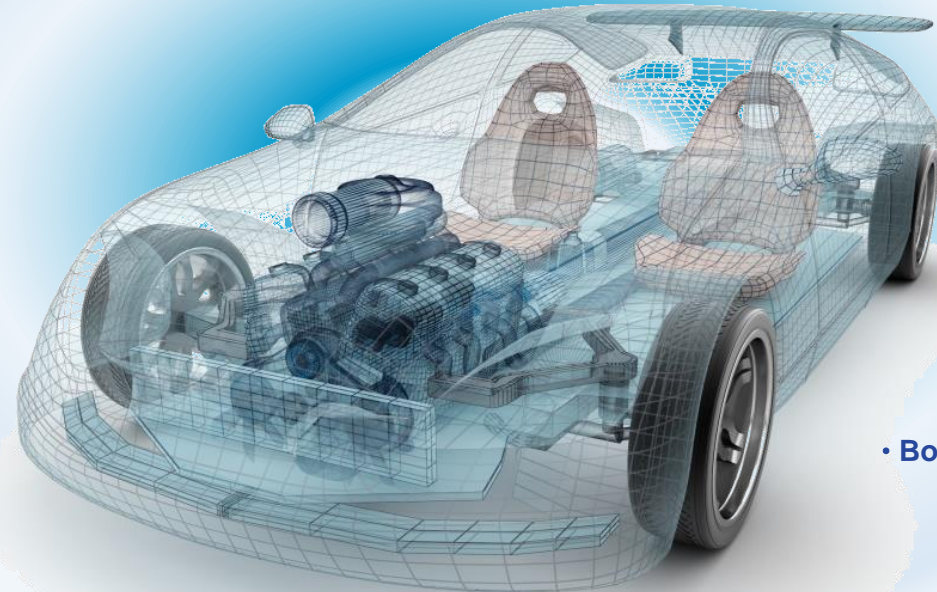
• Boot clamps



• Transmission springs



• Various springs and rings



# EV solutions gaining global attention

### Motor cores/stator cores

Components that form the core of the motor. We achieve high productivity through automated integrated production. Installed on vehicles by domestic automakers.



### Reactor coils

Boosting coils for electric vehicles and hybrid vehicles. Installed on current hybrid vehicles by domestic automakers.



### Bus rings

Wiring rings developed with plastic processing technology. Significantly simplifies motor wiring work.



\*Design not publicly available

### LED components

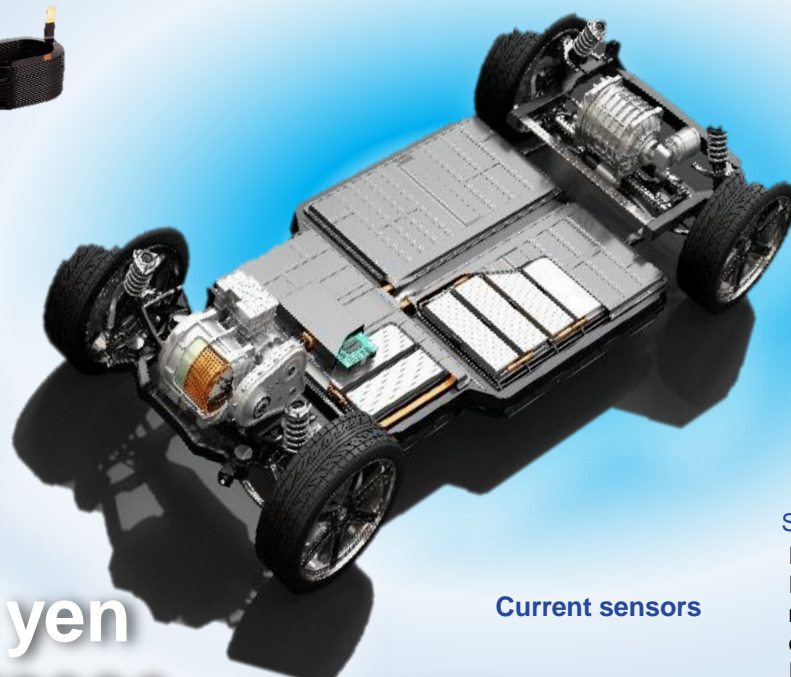
Started mass production in 2021. Realized miniaturization and thinning of LEDs.

# 0.6 billion yen scale in FY2026

# 2.3 billion yen scale in FY2026

### Current sensors

# 6.0 billion yen scale in FY2026



### Bus bars

Parts that supported hybrid vehicles since 2013. We offer long and customized products that no other company can offer. Chosen for installation in domestic electric vehicles.



Long-length bus bar



Coating bus bar



Shunt bus bar with customized shape



Shunt bus bar with connector

### Shunt on bus bars

High-precision measurement of high current flowing through the bus bar. Integrated sensor with shunt system. Installed in electric vehicles by North American and European automakers.

### Shunt sensors/magnetic sensors

Installed in domestic HV trucks and forklifts. In addition to the shunt system, started mass production of magnetic sensors equipped with excellent magnetic detection IC ;"TMR" in May 2023.



DST-Module



Shunt sensor



Magnetic sensor

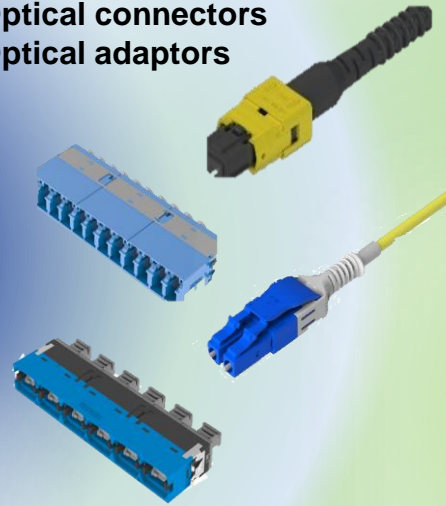


# Key devices supporting data society



### Communications-related products

Optical connectors  
Optical adaptors



### Printer-related products

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

Rollers



Torque limiters  
Spring clutches



## Printer



HDD



### HDD suspensions

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

## Data Center

## 16 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
<b>Capital and business alliance</b>	
IMES Co., LTD. (Investment ratio: 41.5%)	Fujisawa, Kanagawa

## 18 overseas bases in 8 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)
<b>Germany</b>	<b>Munich</b>	<b>100%</b>	<b>EV-related, optical communication-related components (sales base)</b>

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A recovery trend in automobile production, combined with growth in EV-related products, led to sales recovery in the automotive-related products segment.

In the electronic information and communications segment, however, restrained investment in data centers continued to affect sales, mainly in HDD suspensions.

**Net sales: 25,169 million yen (-1,644 million yen/-6.1% YoY)**

**Operating loss: -1,406 million yen (-1,877 million yen/ – % YoY)**

## EV-related products

**Sales: +48.4% YoY**

- ❑ Sales increased by 48.4% year on year due to increases in bus bars and LED-related products.

## Electronic information and communications segment

**Sales: -38.1% YoY**

- ❑ HDD suspensions, communications-related  
Sales decreased by 49.0% year on year due to the continued impact of restrained investment in data centers.
- ❑ Printer-related  
Sales decreased by 8.0% year on year due to market downturn.
- ❑ Communications-related  
Sales decreased by 11.0% year on year due to the continued impact of restrained investment in data centers.

## Existing automotive-related products segment

**Sales: +12.1% YoY**

- ❑ Materials-related, automotive-related  
Sales increased by 10.6% year on year due to recovery in automobile production.
- ❑ Automotive-related  
Sales increased by 12.6% year on year due to recovery in automobile production.

# Summary of Financial Results for the Six Months ended September 2023

✓ <b>Net sales</b>	With the easing of the semiconductor shortage, etc., the automotive market has been on a recovery trend. Net sales in EV-related products and the existing automotive-related products segment increased year on year. Overall sales decreased by 6.1% year on year, however, due to lower sales in the electronic information and communications segment.
✓ <b>Operating income</b>	An operating loss of 1,406 million yen was recorded. This was due to higher expenses in preparation for increased production of new models and higher legal fees and other expenses for effective defensive measures in response to litigation, as well as lower sales of HDD suspensions.
✓ <b>Ordinary income</b>	An ordinary loss of 834 million yen was recorded, despite foreign exchange gains of 400 million yen, dividend income of 73 million yen, share of profit of entities accounted for using equity method of 49 million yen, and gain on sale of scraps of 88 million yen.

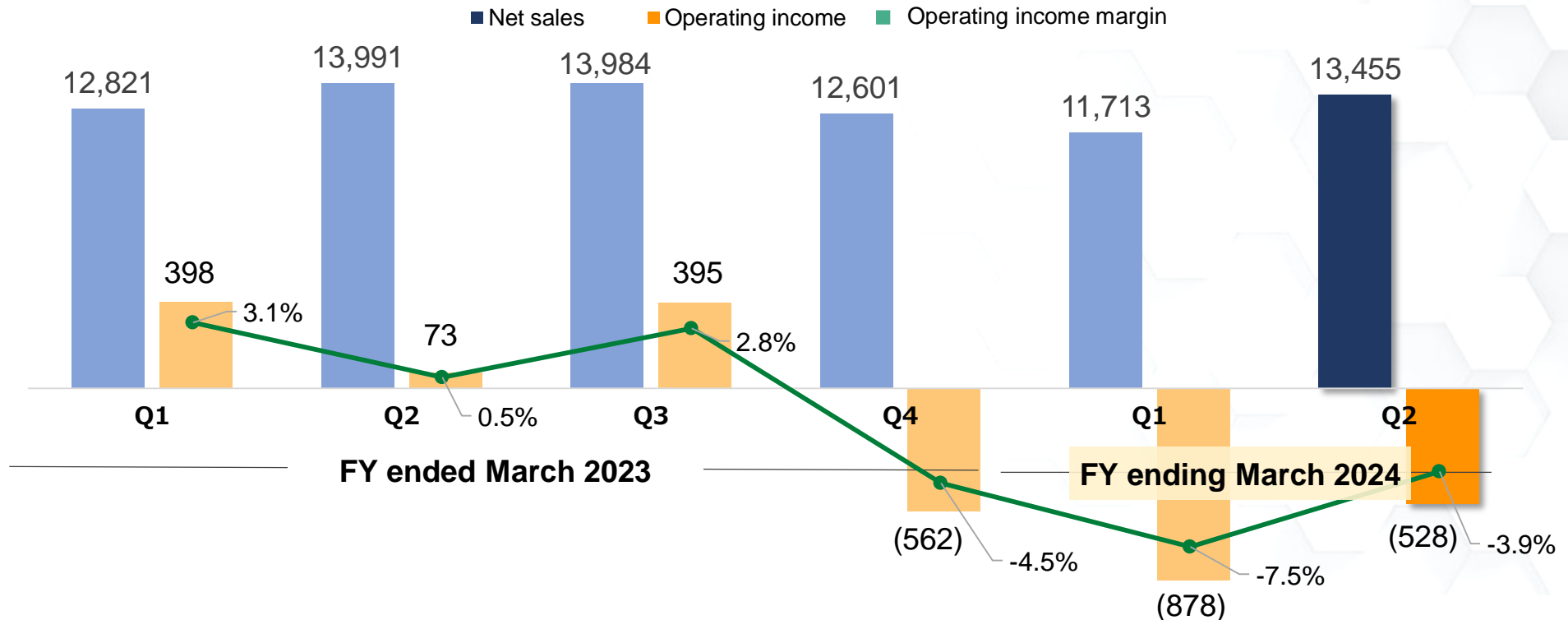
Unit: Millions of yen	Six months ended September 2022 Actual	Six months ended September 2023	
		Actual	YoY changes
Net sales	26,813	25,169	(1,644) -6.1%
Operating income	471	(1,406)	(1,877) —
Ordinary income	882	(834)	(1,716) —
Net income	572	(681)	(1,253) —
Income per share	19.05	(22.66)	
Average exchange rate	134.0 yen/dollar	141.0 yen/dollar	
	138.7 yen/euro	153.4 yen/euro	

# Changes in Business Performance for the Six Months ended September 2023

## ➤ Year-on-year comparison

✓ <b>EV-related products</b>	Sales and income grew on sales expansion of bus bars and LED-related products, etc.
✓ <b>Electronic information and communications segment</b>	Income decreased due to lower sales of HDD suspensions and communication-related products, and also due to higher legal fees and other expenses for effective defensive measures in response to litigation concerning HDD suspensions.
✓ <b>Existing automotive-related products segment</b>	Sales increased due to a recovery trend in automobile production. Income increased compared to the six months ended September 2022, during which there had been a delay in the pass-through of steel price hikes.

### Changes in quarterly business performance



# Net Sales and Operating Income by Business Segment for the Six Months ended September 2023

## ➤ Year-on-year comparison

✓ <b>EV-related products</b>	<Net sales>	Sales increased by 37.3% year on year due to a significant increase in sales of bus bars, LED-related products, etc.	
	<Operating income>	Achieved profitability through steady growth backed by strong demand.	
✓ <b>Electronic information and communications segment</b>	<Net sales>	HDD suspensions	Sales decreased by 49.0% year on year due to the continued impact of restrained investment in data centers.
		Printer-related	Sales decreased by 8.0% year on year due to declining demand.
	Communications-related	Sales were maintained in North America through sales expansion. Sales declined in Asia. Overall sales decreased by 11.0% year on year.	
	<Operating income>	A loss was recorded. This was due to higher expenses related to increased production of new models of HDD suspensions and higher legal fees and other expenses for effective defensive measures related to litigation, as well as lower sales.	
✓ <b>Existing automotive-related products segment</b>	<Net sales>	Materials-related	Sales increased by 10.6% year on year due to recovery in automobile production.
		Automotive-related	Sales increased by 12.6% year on year due to recovery in automobile production.
	<Operating income>	Profitability was restored as income improved year on year due to recovery in automobile production.	

Net sales and operating income by product category (Unit: Millions of yen)	Six months ended September 2022		Six months ended September 2023					
	Actual		Actual		YoY changes			
	Net sales	Operating income	Net sales	Operating income	Net sales		Operating income	
Total (consolidated)	26,813	471	25,169	(1,406)	(1,644)	-6.1%	(1,877)	-
EV-related products	1,296	(276)	1,923	5	+627	+48.4%	+282	-
Electronic information and communications segment	10,684	1,093	6,615	(1,559)	(4,068)	-38.1%	(2,652)	-
HDD suspensions	7,808	-	3,986	-	(3,822)	-49.0%	-	-
Printer-related	1,852	-	1,703	-	(148)	-8.0%	-	-
Communications-related	760	-	676	-	(83)	-11.0%	-	-
Other	262	-	248	-	(13)	-5.3%	-	-
Existing automotive-related products segment	14,832	(345)	16,630	146	+1,797	+12.1%	+492	-
Materials-related	3,506	-	3,876	-	+370	+10.6%	-	-
Automotive-related	11,326	-	12,753	-	+1,427	+12.6%	-	-

# Consolidated Balance Sheet for the Six Months ended September 2023

## ➤ Year-on-year comparison

✓ <b>Increase in non-current assets</b>	Property, plant and equipment increased by 656 million yen due to capital investment. Investment securities increased by 1,249 million yen due to rising stock prices.
✓ <b>Increase in current liabilities</b>	Accounts payable–trade: -364 million yen; Short-term borrowings: +1,771 million yen; Accounts payable–other: -469 million yen; Accrued expenses: +199 million yen
✓ <b>Increase in net assets</b>	Net income: -681 million yen; Dividends: -273 million yen; Valuation difference on available-for-sale securities: +870 million yen; Foreign currency translation adjustment: +1,058 million yen

Unit: Millions of yen	As of March 31, 2023		As of September 30, 2023	
	Actual	Actual	Changes from the end of the previous fiscal year	
Current assets	31,449	31,558	+139	+0.4%
Cash and deposits	7,707	7,181	(526)	-6.8%
Trade receivables	10,941	11,652	+711	+6.5%
Inventories	10,813	11,312	+498	+4.6%
Non-current assets	32,286	34,323	+2,037	+6.3%
<b>Total assets</b>	<b>63,735</b>	<b>65,912</b>	<b>+2,176</b>	<b>+3.4%</b>
Total liabilities	25,696	26,897	+1,200	+4.7%
Current liabilities	21,324	22,558	+1,234	+5.8%
Interest-bearing liabilities	8,663	10,263	+1,600	+18.5%
Non-current liabilities	4,372	4,338	(33)	-0.8%
Interest-bearing liabilities	2,368	2,367	(0)	-0.0%
Total net assets	38,038	39,014	+975	+2.6%
<b>Total liabilities and net assets</b>	<b>63,735</b>	<b>65,912</b>	<b>+2,176</b>	<b>+3.4%</b>



# Status of Cash Flows for the Six Months ended September 2023

✓ <b>Cash flows from operating activities</b>	Cash flows from operating activities decreased by 1,344 million yen year on year due to a decrease in net income before income taxes.
✓ <b>Cash flows from investing activities</b>	Cash flows from investing activities increased by 558 million yen year on year due to the impact of capital participation in IMES in the previous year.
✓ <b>Cash flows from financing activities</b>	Cash flows from financing activities increased by 1,041 million yen year on year due to an increase in borrowings.

Unit: Millions of yen	Six months ended September 2022	Six months ended September 2023	
	Actual	Actual	YoY changes
<b>Cash flows from operating activities</b>	<b>2,213</b>	<b>869</b>	<b>(1,344)</b>
Net income before income taxes	897	(851)	(1,748)
Depreciation	1,963	2,028	+65
Decrease (increase) in trade receivables	(907)	(442)	+464
Decrease (increase) in inventories	(881)	106	+987
Increase (decrease) in trade payables	1,123	(463)	(1,586)
Decrease (increase) in other current assets	176	704	+528
Increase (decrease) in other current liabilities	(52)	129	+182
<b>Cash flows from investing activities</b>	<b>(3,176)</b>	<b>(2,617)</b>	<b>+558</b>
Purchase of non-current assets	(1,434)	(2,537)	(1,103)
Purchase of investment securities	(1,719)	0	+1,719
<b>Cash flows from financing activities</b>	<b>(270)</b>	<b>932</b>	<b>+1,203</b>
Increase (decrease) in short-term borrowings	443	1,485	+1,041
Increase (decrease) in long-term borrowings	(274)	(185)	+88

# Capital Expenditure and Depreciation for FY ending March 2024

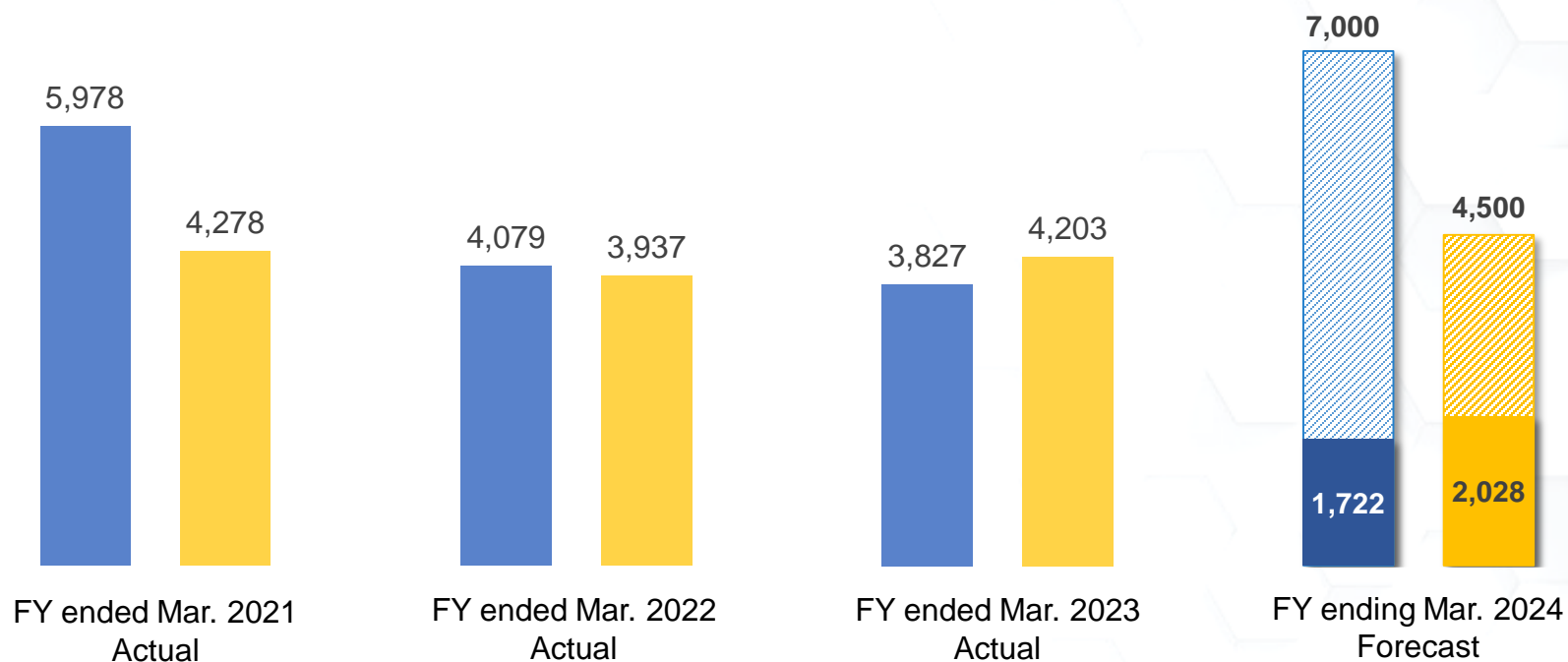
✓ **FY ending March 2024**

Total capital expenditures of 7.0 billion yen are expected to be made.

## Capital expenditure and depreciation

(Millions of yen)

■ Capital expenditure      ■ Depreciation



\*Capital expenditure above is on a completion basis.

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## Significant underachievement against the Medium-term Management Plan GGP24

### ➤ Compared with Medium-term Management Plan GGP24

✓ <b>Net sales</b>	Automobile production is on a recovery trend, bringing growth in EV-related products and in the existing automotive-related products segment. Due to lower sales in the electronic information and communications segment affected by restrained investment in data centers, however, overall sales are expected to fall short of the Medium-term Management Plan GGP24 by 12.3% (excluding foreign exchange impact of +3.13 billion yen, the shortfall on the Medium-term Management Plan GGP24 is expected to be 17.6%).
✓ <b>Operating income</b>	Expected to be below the Medium-term Management Plan GGP24 by 6.0 billion yen (excluding foreign exchange impact of +0.77 billion yen, the shortfall on the Medium-term Management Plan GGP24 is expected to be 6.77 billion yen). This is due to the failure to improve profitability in the existing automotive-related products segment, decreased income due to lower sales in the electronic information and communications segment, higher legal fees and other expenses for effective defensive measures in response to litigation, and other factors.

Unit: Millions of yen	FY ended March 2023	FY ending March 2024							
	Actual  Full year	Medium-term Management Plan GGP24  Full year	Forecast announced on Aug. 4  Full year	Forecast		YoY changes		Compared with Medium- term Management Plan GGP24	
				2H	Full year	Full year		Full year	
Net sales	53,399	59,300	-	26,831	52,000	(1,399)	-2.6%	(7,300)	-12.3%
Operating income	304	3,400	-	(1,194)	(2,600)	(2,904)	-	(6,000)	-
Ordinary income	848	-	-	(1,266)	(2,100)	(2,948)	-	-	-
Net income	557	-	-	(919)	(1,600)	(2,157)	-	-	-
Income per share	18.57	-	-	(30.50)	(53.18)				
Average exchange rate	135.5 yen/dollar	110.0 yen/dollar	-	140.0 yen/dollar	140.5 yen/dollar				
	141.0 yen/euro	125.0 yen/euro	-	150.0 yen/euro	151.7 yen/euro				

# FY ending March 2024 Net Sales and Operating Income Forecast by Business Segment

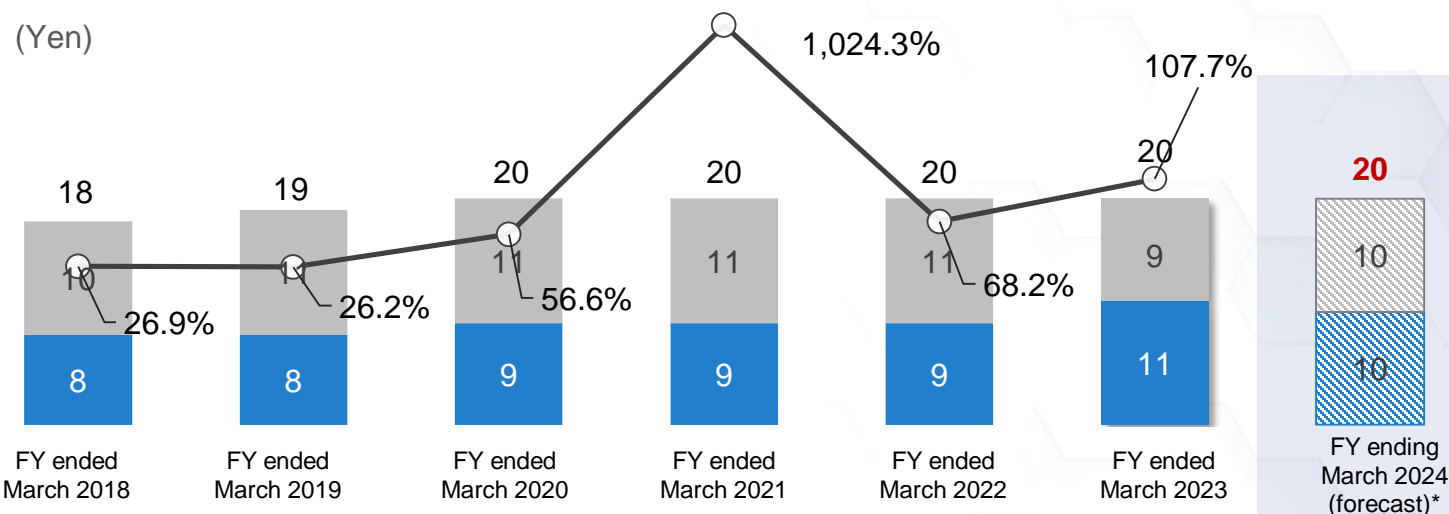
## ➤ Compared with Medium-term Management Plan GGP24

✓ <b>EV-related products</b>	<Net sales>	Above the Medium-term Management Plan GGP24 by 0.6 billion yen due to steady progress in bus bars and LED-related products, etc.	
	<Operating income>	Steady progress due to strong demand. Expecting to achieve profitability.	
✓ <b>Electronic information and communications segment</b>	<Net sales>	HDD suspensions	Below the Medium-term Management Plan GGP24 by 9.62 billion yen due to the impact of restrained investment in data centers.
		Printer-related	Sales are expected to be sluggish amid declining demand.
		Communications-related	Below the Medium-term Management Plan GGP24 by 1.03 billion yen due to the impact of restrained investment in data centers.
	<Operating income>	A significant loss is expected. This is due to higher expenses related to increased production of new models of HDD suspensions and higher legal fees and other expenses for effective defense measures related to litigation, as well as lower sales of HDD suspensions and communications-related products. Below the Medium-term Management Plan GGP24 by 4.76 billion yen.	
✓ <b>Existing automotive-related products segment</b>	<Net sales>	Materials-related	Above the Medium-term Management Plan GGP24 by 1.0 billion yen, but excluding foreign exchange impact, it is expected to be generally in line with the Plan.
		Automotive-related	Above the Medium-term Management Plan GGP24 by 2.67 billion yen due to a recovery trend in automobile production.
	<Operating income>	Below the Medium-term Management Plan GGP24 by 1.25 billion yen due to deteriorating profitability.	

Net sales and operating income by segment  (Unit: Millions of yen)	FY ended March 2023		FY ending March 2024							
	Actual		Medium-term Management Plan GGP24		Forecast		YoY changes		Compared with Medium-term Management Plan GGP24	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Total (consolidated)	53,399	304	59,300	3,400	52,000	(2,600)	(1,399)	(2,904)	(7,300)	(6,000)
EV-related products	2,970	(495)	3,500	0	4,100	10	+1,130	+505	+600	+10
Electronic information and communications segment	19,291	835	25,700	2,100	14,130	(2,660)	(5,161)	(3,495)	(11,570)	(4,760)
HDD suspensions	12,931	-	18,790	-	9,170	-	(3,761)	-	(9,620)	-
Printer-related	4,239	-	3,720	-	3,180	-	(1,059)	-	(540)	-
Communications-related	1,563	-	2,270	-	1,240	-	(323)	-	(1,030)	-
Other	746	-	920	-	540	-	(206)	-	(380)	-
Existing automotive-related products segment	31,137	(34)	30,100	1,300	33,770	50	+2,633	+84	+3,670	(1,250)
Materials-related	7,430	-	7,000	-	8,000	-	+570	-	+1,000	-
Automotive-related	23,706	-	23,100	-	25,770	-	+2,064	-	+2,670	-

# Dividend Policy for FY ending March 2024

✓ <b>Financial and Capital Strategies</b>	Aggressively implement return to shareholders to prevent a buildup of equity capital, in order to promote return on capital and balance sheet management.
✓ <b>Dividend Policy</b>	<b>Dividend payout ratio will be 75% until ROE exceeds 9.0%</b> (Maintain lower limit of dividend at 20 yen for the FY ending March 2024)



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

\* If the earnings forecast for the current period is revised, dividend amounts will also be revised based on the dividend payout ratio. We have not yet decided if the lower limit of dividend will be maintained in the FY ending March 2025.

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## GGP24 Business Strategy Policy

**Acceleration of an effective strategy to create a business portfolio for 2030 that enables sustainable growth**

Accurately identify business opportunities and growth areas in each business. Make highly effective investments with an awareness of cost of capital while ensuring profitability in areas of prior investment.

### B Business Strategy

#### 1. Business related to electric vehicles and electrification

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

#### 2. Business related to electronic information and communications

Achieve dramatic growth and pursue profit growth

#### 3. Existing automotive-related products segment

Respond to changes in industry structure and improve earnings strength

### C Capital Strategy

- Investment decisions with a thorough awareness of cost of capital
- Balance sheet management with an understanding of appropriate capital structure
- Maintain dividend payout ratio at 75% until ROE exceeds 9% in order to prevent a buildup of equity capital

#### Quantitative targets of GGP24

	Net sales	Operating income margin	ROE
FY2024	63.0 billion yen	7.1%	9.0%

## Recent Developments in Each Business

Making progress in securing future orders; incurring costs arising from these efforts.

Investment in data centers remains restrained. Sales of HDD suspensions and communications-related products are expected to recover from FY2024 onward.

A recovery has been underway as supply constraints such as semiconductor shortages have eased. However, sales have declined due to a sluggish North American market and weak sales of Japanese automobile manufacturers in the Chinese market.

FY2023	Net sales	Operating income
Full year earnings forecast	52.0 billion yen	(2.6) billion yen
Medium-term Management Plan GGP24	59.3 billion yen	3.4 billion yen
<b>Deviation from the Medium-term Management Plan</b>	(7.3) billion yen	(6.0) billion yen

There have been major market changes in each segment that were initially envisioned and results are deviating significantly from GGP24 targets. Revised forecasts will be issued.



## Medium-term Management Plan GGP24 targets not expected to be achieved; operating income to improve from FY2024 onward

### ➤ FY2024 Medium-term Management Plan GGP24 vs. FY2024 forecast

- ✓ **EV-related products** Net sales are expected to increase due to strong performance in the bus bar business. The GGP24 income target is not expected to be met due to upfront investment costs arising from efforts to increase production capacity and establish new development base aimed at expanding bus bar and current sensor businesses.
- ✓ **Electronic information and communications segment** The impact of restrained investment in data centers is expected to ease, gradually giving way to resumed expansion in the market. Due to litigation-related expenses, however, both net sales and operating income are expected to significantly fall short of GGP24 targets in FY2024 (exchange rate impact on net sales +3.1 billion yen).
- ✓ **Existing automotive-related products segment** Net sales are expected to meet the GGP24 sales target due to exchange rate impact as well as the recovery trend in automobile production. Income is expected to fall short of the GGP24 target but will eventually improve and get closer to the target (exchange rate impact on net sales +2.7 billion yen).

### ➤ FY2025 onward

Profitability due to growth in the bus bar and current sensor businesses.

Turning profitable in FY2025 as sales recover.

Although automotive-related business is on a downward trend, we will continue to improve profitability and secure profits.

Net sales and operating income by segment (Unit: Millions of yen)	FY2023				FY2024				FY2025		FY2026		FY2024 GGP24 vs forecast	
	Medium-term Management Plan GGP24		Forecast		Medium-term Management Plan GGP24		Forecast		Forecast		Forecast		Net sales	Operating income
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income				
Total (Consolidated)	59,300	3,400	52,000	(2,600)	63,000	4,500	61,000	20	67,100	1,990	73,700	3,770	(2,000)	(4,480)
EV-related products	3,500	0	4,100	10	3,900	360	4,200	(350)	6,800	200	11,700	1,270	+300	(710)
Electronic information and communications segment	25,700	2,100	14,130	(2,660)	29,100	2,640	21,800	(830)	26,800	520	29,500	1,450	(7,300)	(3,470)
HDD suspensions	18,790	–	9,170	–	21,500	–	15,700	–	19,100	–	21,400	–	(5,800)	–
Printer-related	3,720	–	3,180	–	3,800	–	3,100	–	3,200	–	3,300	–	(700)	–
Communications-related	2,270	–	1,240	–	2,700	–	2,500	–	3,900	–	4,200	–	(200)	–
Other	920	–	540	–	1,100	–	500	–	600	–	600	–	(600)	–
Existing automotive-related products segment	30,100	1,300	33,770	50	30,000	1,500	35,000	1,200	33,500	1,270	32,500	1,050	+5,000	(300)
Materials-related	7,000	–	8,000	–	7,150	–	8,900	–	8,700	–	8,800	–	+1,750	–
Automotive-related	23,100	–	25,770	–	22,850	–	26,100	–	24,800	–	23,700	–	+3,250	–
Average exchange rate	110.0 yen/dollar		140.5 yen/dollar		110.0 yen/dollar				130.0 yen/dollar					
	125.0 yen/euro		151.7 yen/euro		125.0 yen/euro				140.0 yen/euro					

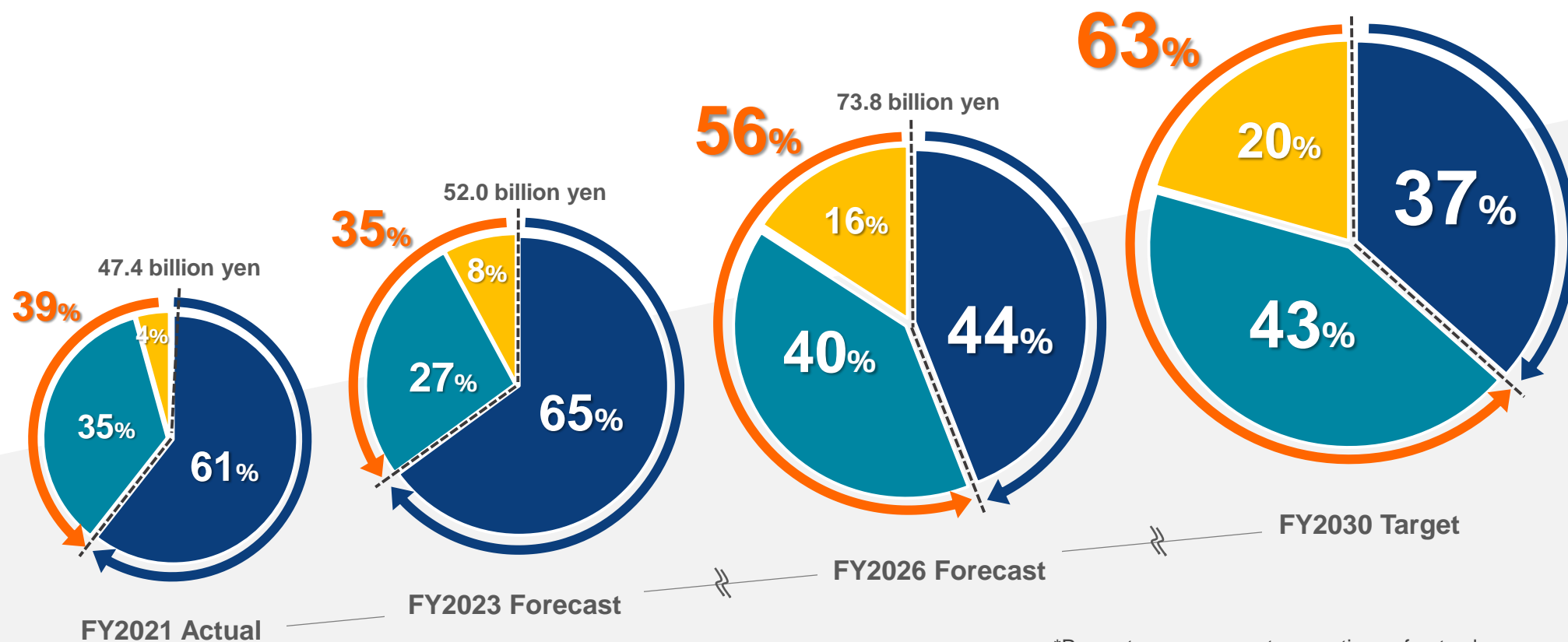
# Future Outlook for Business Segments toward 2030

- Existing automotive-related products segment
- Growth business related to electronic information and communications
- Growth business related to electric vehicles and electrification

Existing products (valve springs, wire for valve spring, ring gears, etc.)

Hard disk drive suspensions, printer-related products, communications-related products, others

Products related to electric vehicles and electrification (bus bars, current sensors, etc.)



\*Percentages represent proportions of net sales

**“Integrated production from materials to products”**

**—Expanding our established technology to target new domains**

**Welding**  
**Bending**

■ **Respond to IoT-driven expansion of data society**

Optical Communication Business  
HDD Suspension Business

**Die casting**

■ **Respond to climate change**

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

**Rolling**

**Precision plastic processing technology**

■ **Contribute to an aging society**

Rehabilitation Robot Business  
Ultrasonic Sensors (Development)

# Respond to IoT-driven Expansion of Data Society HDD Suspension Business

The pillar of Suncall electronic information and communications segment, which supports increased cloud storage capacity. After an initial slowdown, the nearline HDD market is expected to grow steadily through to 2030.

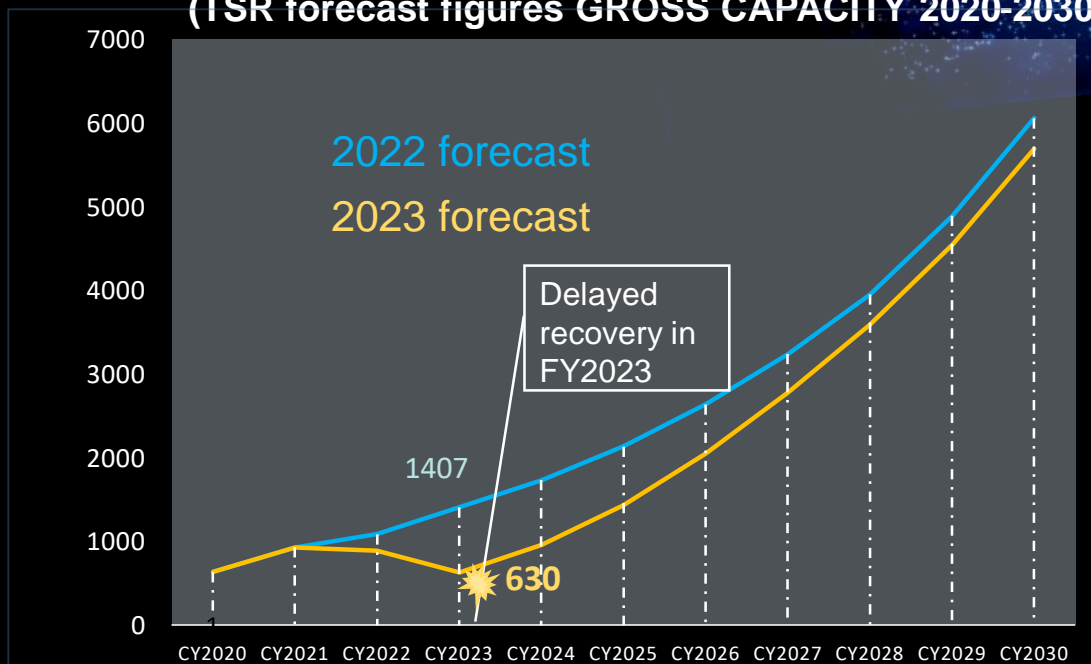


Sales in FY2023: **9.2 billion yen**

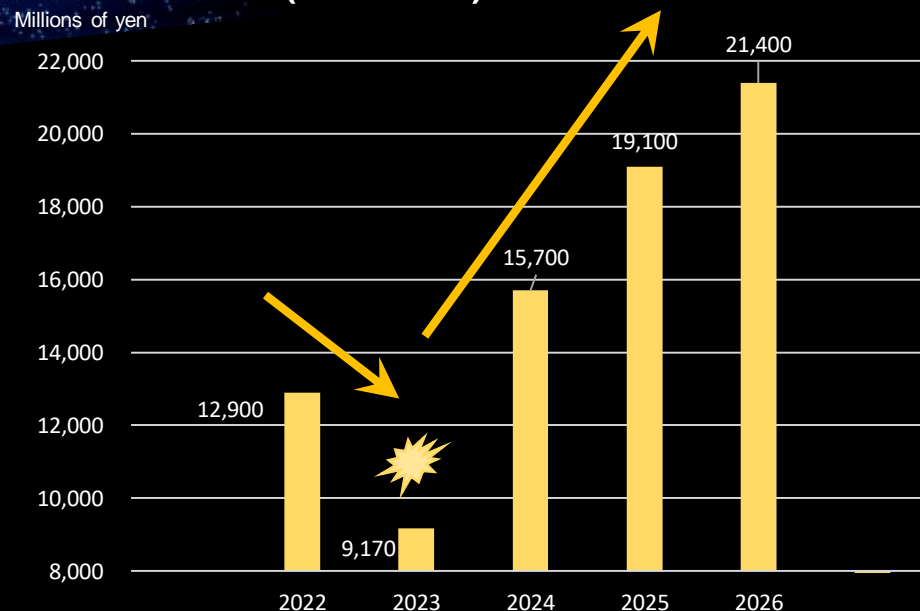


Sales in FY2026: **21.4 billion yen**

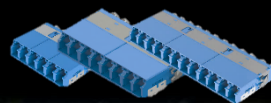
Thousand EB **Long-term trends in the nearline HDD market  
(TSR forecast figures GROSS CAPACITY 2020-2030)**



**Suspension business sales performance  
forecast (2022-2026)**



# Respond to IoT-driven Expansion of Data Society Optical Communication Connector Business



The optical communication fiber market requires higher density. From China, Europe, and North America to the global market.

**OFC2023**  
Visit Us at Booth #4735  
See you in San Diego!  
March 7-9

**Just Grab It By The Boot**  
LC Pull Uniboot Connectors with reinforced boot

Visit us at ECOC Booth #257  
**March 2023**  
Launched new product  
LCPull-Uniboot

**October 2023**  
Exhibited at ECOC 2023  
from bases in Europe/North America

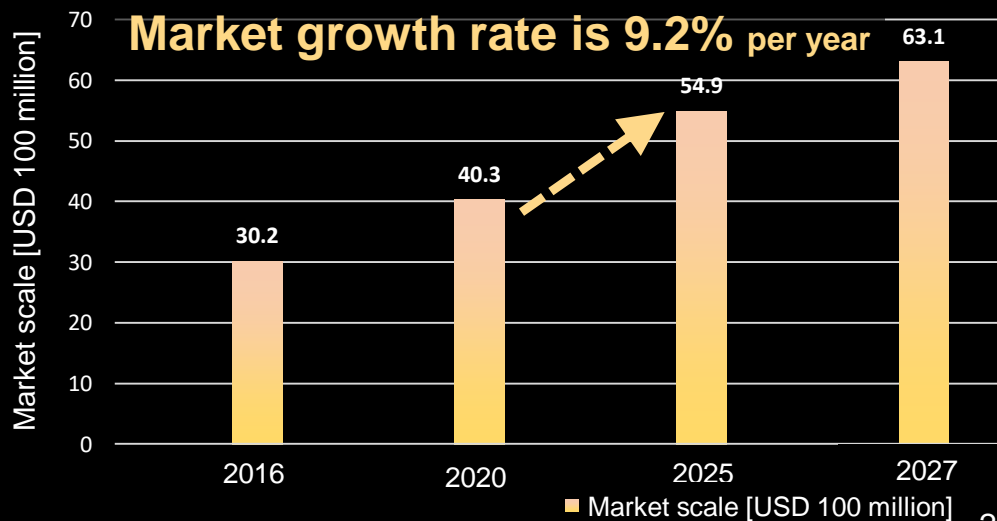
**October 2023**  
Opened European office

**March 2023**  
Exhibited at OFC 2023  
in North America

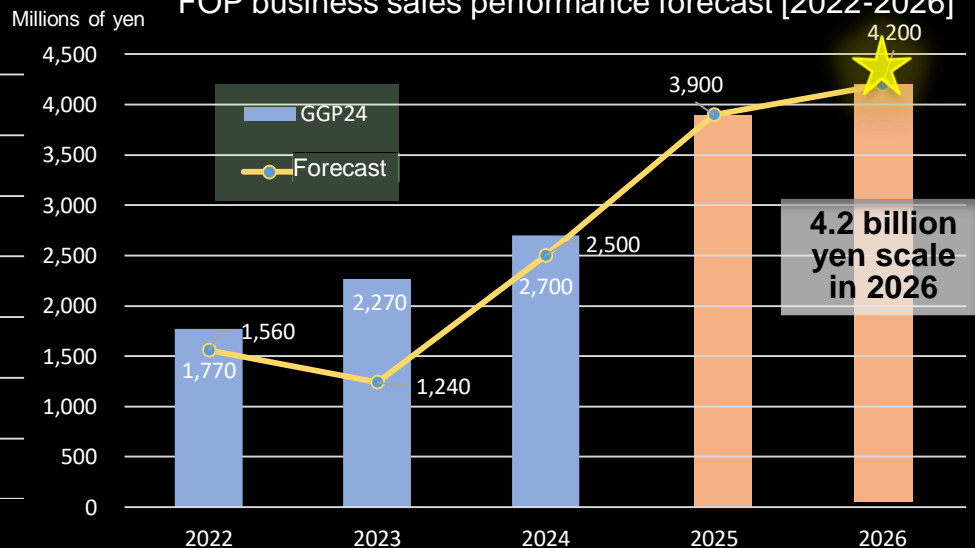
**2023**  
Exhibited at CIOE from  
Shenzhen base

**Sales in FY2026: 4.2 billion yen (target)**

Global optical connector market forecast



FOP business sales performance forecast [2022-2026]



## 2030, toward a world of electrification

\*Electric vehicles = NEV (New Energy Vehicles)

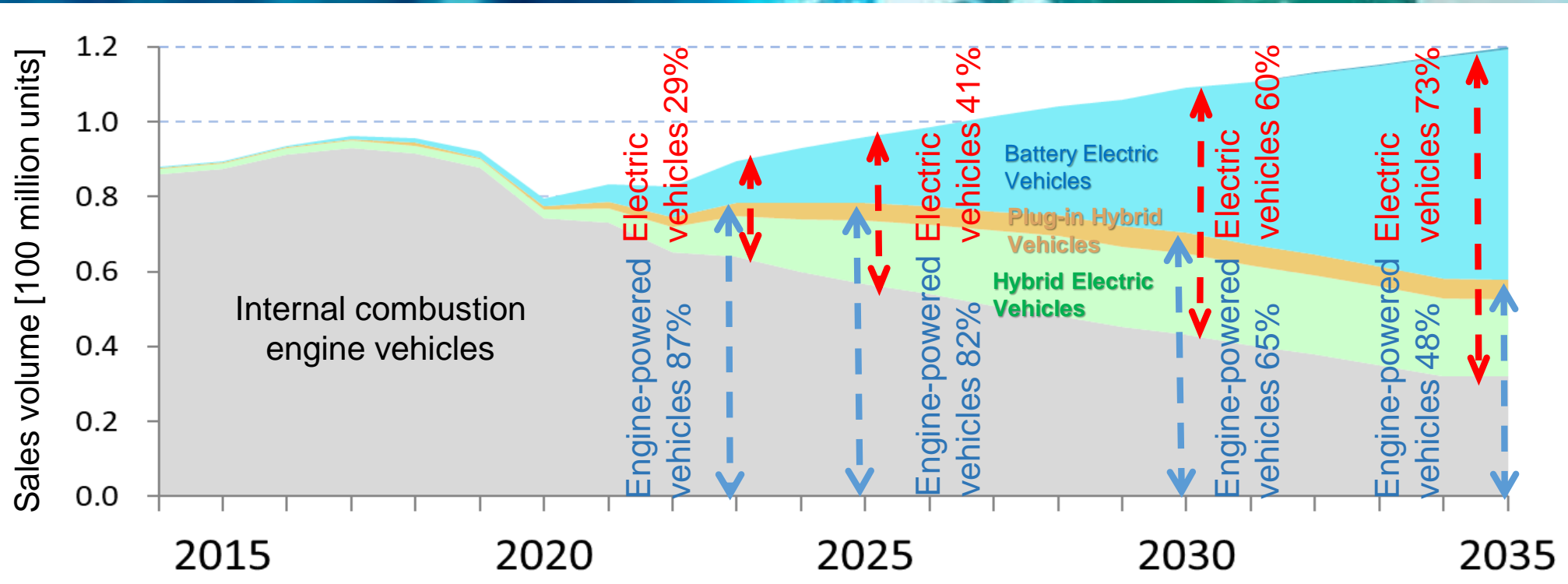
**Electric vehicles**

2023	
FCV :	0%
EV :	13%
PHV :	4%
HV :	12%
ENG :	71%

2025	
FCV :	0%
EV :	18%
PHV :	5%
HV :	18%
ENG :	59%

2030	
FCV :	0%
EV :	35%
PHV :	5%
HV :	20%
ENG :	40%

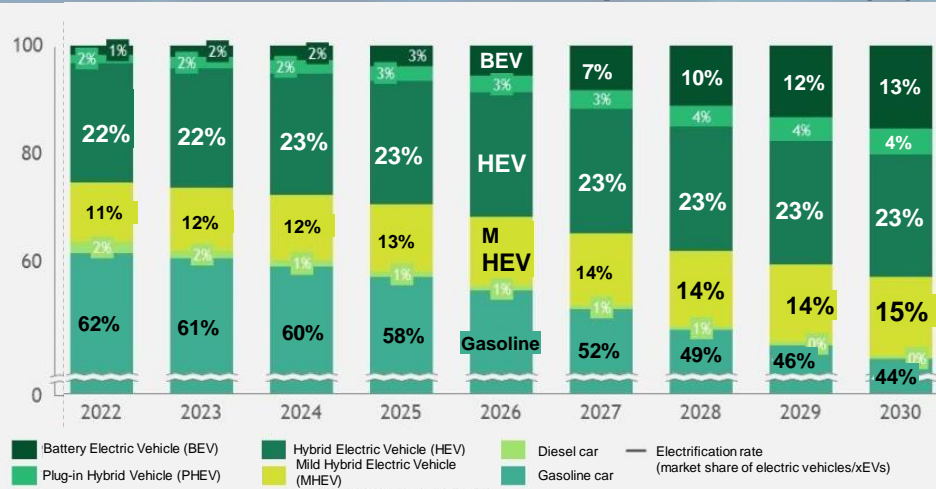
2035	
FCV :	1%
EV :	51%
PHV :	4%
HV :	17%
ENG :	27%



Data source: FOURIN & Marklines

Mass production started in 2013. The bus bar business is 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

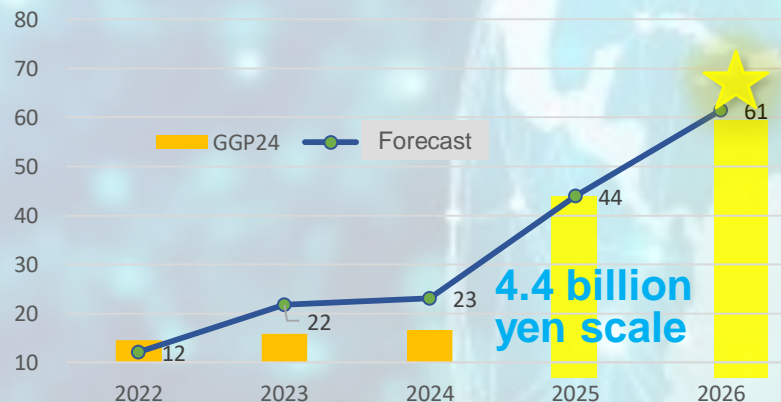
The share of electric vehicles in new vehicle sales in Japan is expected to exceed 40% by 2025, and reach 55% by 2030.

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)



Started mass production of new products for two Japanese manufacturers (EVs and HEVs) from **FY2022**

Bus bar business sales performance forecast (2022-2026)  
(100 million yen)



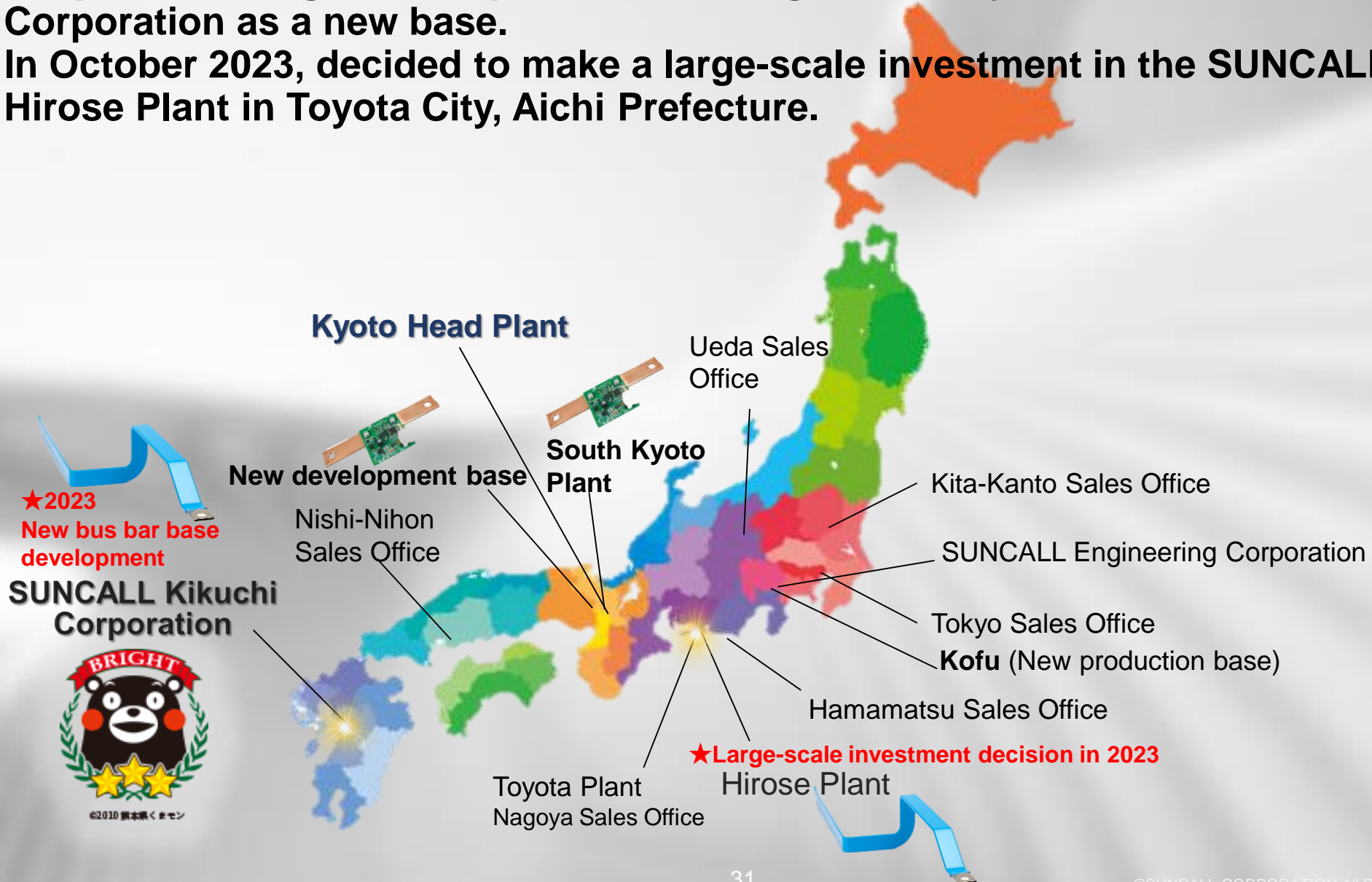
4.4 billion yen scale

# 6.0 billion yen scale in FY2026

## Selected for new EV program to start in FY2025

In April 2023, began mass production using subsidiary SUNCALL Kikuchi Corporation as a new base.

In October 2023, decided to make a large-scale investment in the SUNCALL Hirose Plant in Toyota City, Aichi Prefecture.





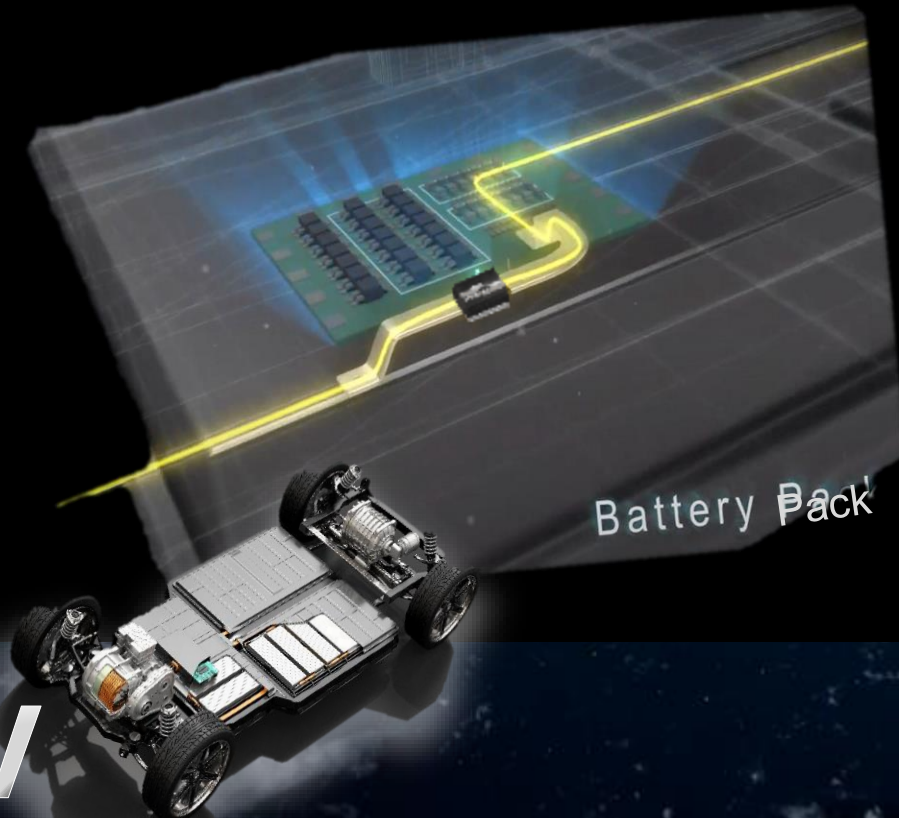
Europe, the U.S., and China—rapid acceleration with adoption in electric vehicles overseas, amid advances in electrification



**Industrial**



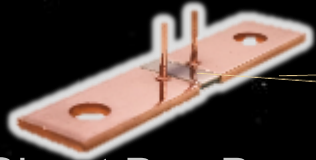
**Energy**



**EV**

- 2014 **Development of shunt resistance-method sensor**
- 2017 Adoption of electric forklifts for domestic market
- 2017 Adoption of forklift for the U.S. market
- 2019 Adoption of NITE testing facilities for large-scale battery energy storage systems
- 2019 Adoption of HV trucks for domestic market
- 2020 Adoption of solar power storage battery systems
- 2020 Adoption of AGVs (Automated Guided Vehicles) for European market
- 2021 Adoption of EV racing cars for Europe
- 2021 Adoption of electric passenger vehicles for North America
- 2022 **Development of connector type**
- 2023 **Development of magnetic sensor**  
**Start of mass production for domestic market**

In addition to the shunt resistance-method already in mass production for EVs, including for overseas markets, we developed the magnetic sensor, a new method, in February 2023. We have also completed development of a dual method sensor, of which mass production has begun.



Shunt Bus Bar



Shunt Sensor

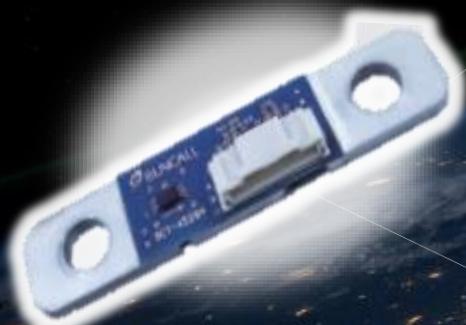


Shunt Bus Bar Connector-type

## Shunt resistance-method

Detection components using shunt resistors. A unique manufacturing method based on our welding technology. Guaranteed resistance values enable high-precision detection.

Released in August 2022. PCB (substrate) is directly mounted for improved accuracy. It enables a one-touch connection without the need for a terminal pin.



## Dual method (DUAL Sensing)

Completed development in October. A dual-method sensor that combines a shunt resistance-method and a magnetic method. For future electric vehicles that require high reliability.

## Magnetic method

Developed in partnership with U.S. venture CROCUS TECHNOLOGY (acquired by Allegro Microsystems in 2023). A contactless detection solution using advanced magnetic ICs. It achieves eco-friendly sensing with low power consumption.



Magnetic Analog-type  
Released in February 2023.  
Adopted from November for quick charging.



Magnetic Digital-type  
Completed development in October 2023.  
High value-added sensor with CAN communication.

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



## China

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

New EV product development base



Shino Industrial Park, Kameoka City  
(Conceptual image of completed construction)



## North America

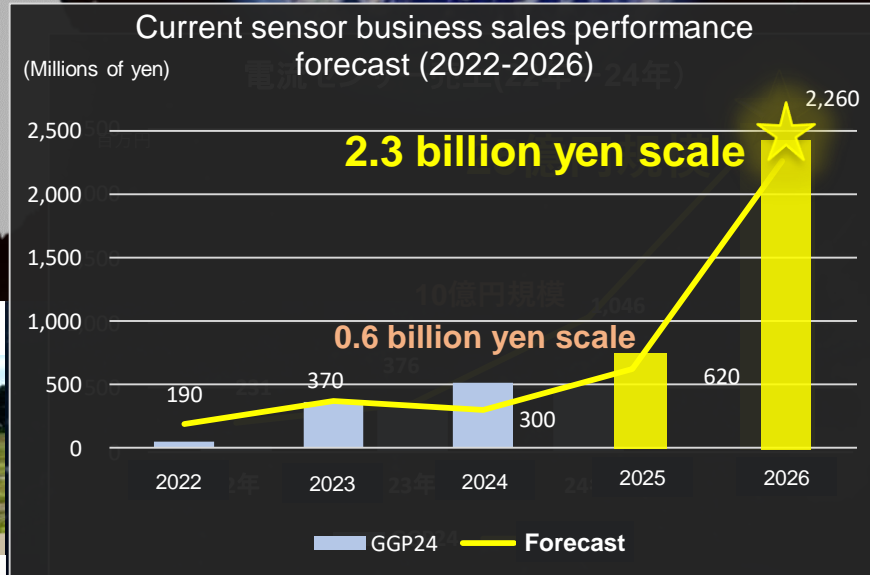
September: North America Exhibition  
2023: Establishment of sales office (under planning)



## Europe

2023  
June: Exhibit at Battery Show  
July: Decided to establish a sales company, Suncall Europe, in Germany

Opened Munich office in 2023



[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.



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