SANYO DENKI

FY2025
Financial Results Briefing
Ended March 31, 2026

May 21, 2026

SANYO DENKI CO., LTD.

Financial Highlights

FY 2025 Full-Year Results

Revenue: +9.7% YoY

- Driven by a recovery in FA market demand, including robots and semiconductor manufacturing equipment, as well as continued strength in AI-related demand
- Revenue increased across all segments: San Ace +7.3%, Electronics +9.9%, and Motion +13.9%

Operating Profit: +37.2% YoY

- Increased revenue and significantly improved profitability across all segments (Motion Company recorded a 320.4% YoY increase in operating profit)
- Operating margin improved from 8.1% to 10.1%.

Orders Received: +30.1% YoY / Order Backlog: +25.0% YoY

- The Motion Company showed a strong recovery with orders received up 39.0% and orders backlog up 57.5%

FY 2026 Full-Year Forecast

- Forecast **significant revenue and profit growth**, driven by a semiconductor market recovery and continued AI-related demand (Revenue +20.0%; Operating Profit +49.6%)
- **Accelerate global expansion** while monitoring risks from Middle East tensions and China's rare earth export restriction
- Enhanced shareholder returns with an **annual dividend of ¥170 per share** and a **payout ratio of 50.3%**

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SANYO DENKI

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(1) Financial Results

(2) Sales Performance

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Financial Results

Consolidated Financial Results

SANYO DENKI

	FY 2024 Results		FY 2025 Results		YoY Change	
	Amount	Ratio to Revenue	Amount	Ratio to Revenue	Amount	Percentage
Revenue	¥97.8B	-	¥107.3B	-	+¥9.5B	+9.7%
Operating profit	¥7.9B	8.1%	¥10.8B	10.1%	+¥2.9B	+37.2%
Profit before tax	¥8.0B	8.2%	¥11.7B	10.9%	+¥3.7B	+46.8%
Net income (1)	¥5.6B	5.8%	¥8.6B	8.1%	+¥3.0B	+53.6%
Annual dividend	¥165	-	(2) -	-	-	-

(1) Profit attributable to owners of the parent (2) FY2025 annual dividends are not shown because they are not directly comparable due to the stock split.

Factors Affecting Results

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	FY 2024 Results	FY 2025 Results	YoY Change (Billions of Yen)	Cause (Positive / Negative)
Revenue	¥97.8B	¥107.3B	+9.5	Revenue increase (+¥9.5B)
Cost of sales	¥72.7B	¥77.3B	+4.6	Raw material cost increase (-¥4.8B) Depreciation cost decrease (+¥0.6B)
Gross profit (gross margin)	¥25.1B (25.7%)	¥29.9B (27.9%)	+4.8	
Selling, general, and administrative expenses	¥17.7B	¥19.2B	+1.5	Labor cost increase (-¥1.1B) Packing and transportation cost increase (-¥0.2B)
Other income and expenses	¥0.5B	¥0.2B	-0.3	
Operating profit (operating margin)	¥7.9B (8.1%)	¥10.8B (10.1%)	+2.9	
Finance income/costs	¥0.0B	¥0.8B	+0.8	
Profit before taxes	¥8B	¥11.7B	+3.7	
Income tax expense	¥2.3B	¥3.0B	+0.7	
Net income*	¥5.6B	¥8.6B	+3.0	

* Profit attributable to owners of the parent

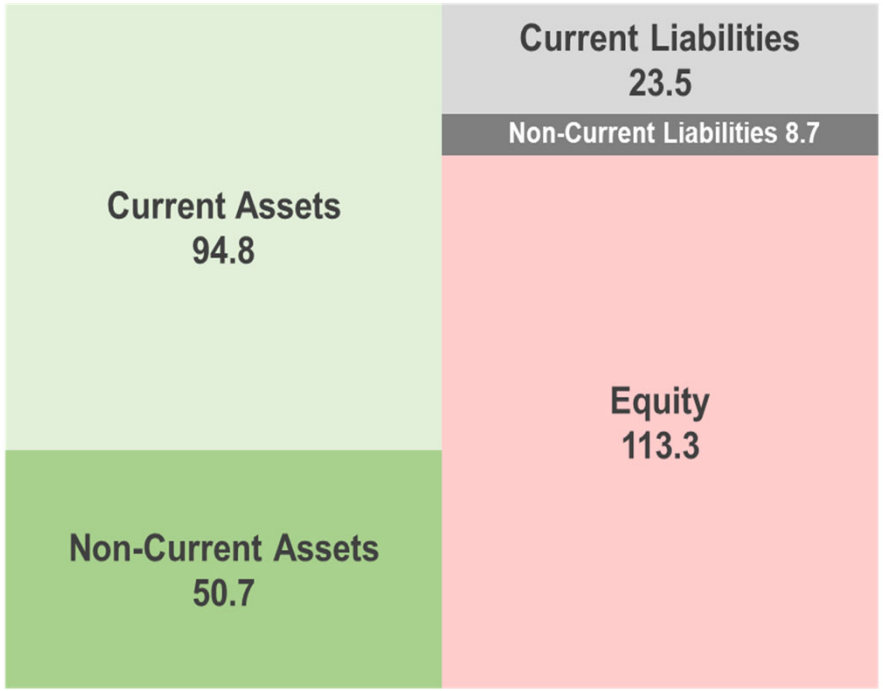
Consolidated Financial Results Balance Sheet

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Long-Term Growth Investments Supported by a Stable Earnings Base

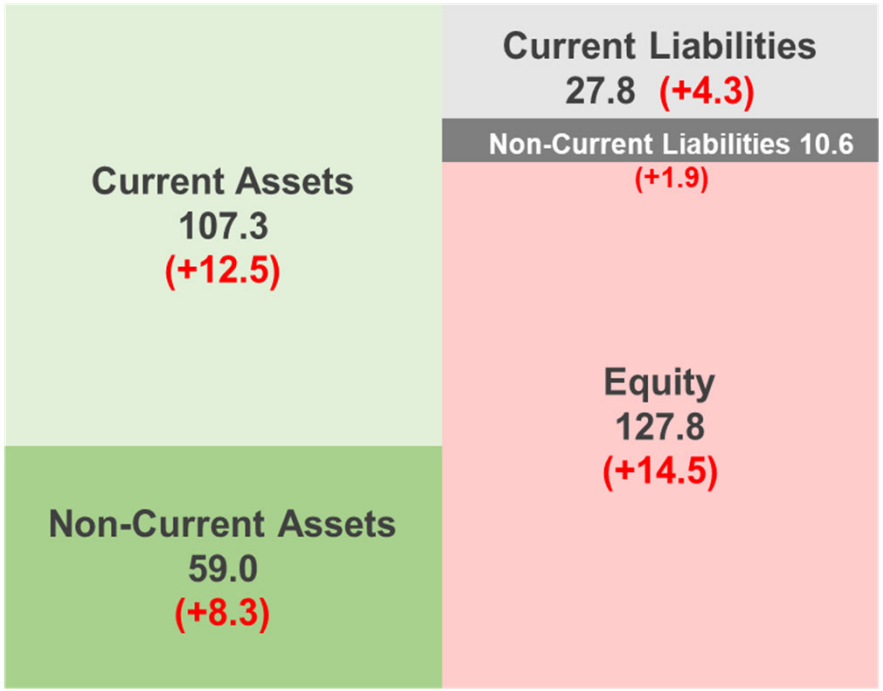
FY 2025 Year-End

(Billions of Yen)



FY 2026 Year-End

(Billions of Yen)



Note: ( ) indicates changes from FY2025 year-end.

Consolidated Financial Results Revenue by Business Company

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San Ace Company	**Revenue: ¥40.8B YoY: +7.3%** (Net orders: ¥41.8B YoY: +29.6%) Robust demand from telecom and AI server markets; Recovery in control equipment and general machine tool markets continues
Electronics Company	**Revenue: ¥23.2B YoY: +9.9%** (Net orders: ¥25.2B YoY:+28.2%) SANUPS: Stable demand from servers, telecom, social infrastructure, and defense-related applications SANMOTION: Strong demand from China for machine tools and significant growth in semiconductor
Motion Company	**Revenue: ¥37.5B YoY: +13.9%** (Net orders: ¥44.2B YoY: +39.0%) Strong demand from China for machine tools and mounters; Significant growth in semiconductor manufacturing equipment and wafer handling robot applications
Others	**Revenue: ¥5.7B YoY: +1.1%** (Net orders: ¥5.0B YoY: -10.5%) Electrical Equipment Sales: Strong demand from medical equipment, public infrastructure, and shipbuilding markets Electrical Works Contracting: Solid demand in the steel industry; restored for general industrial equipment

Sales Performance

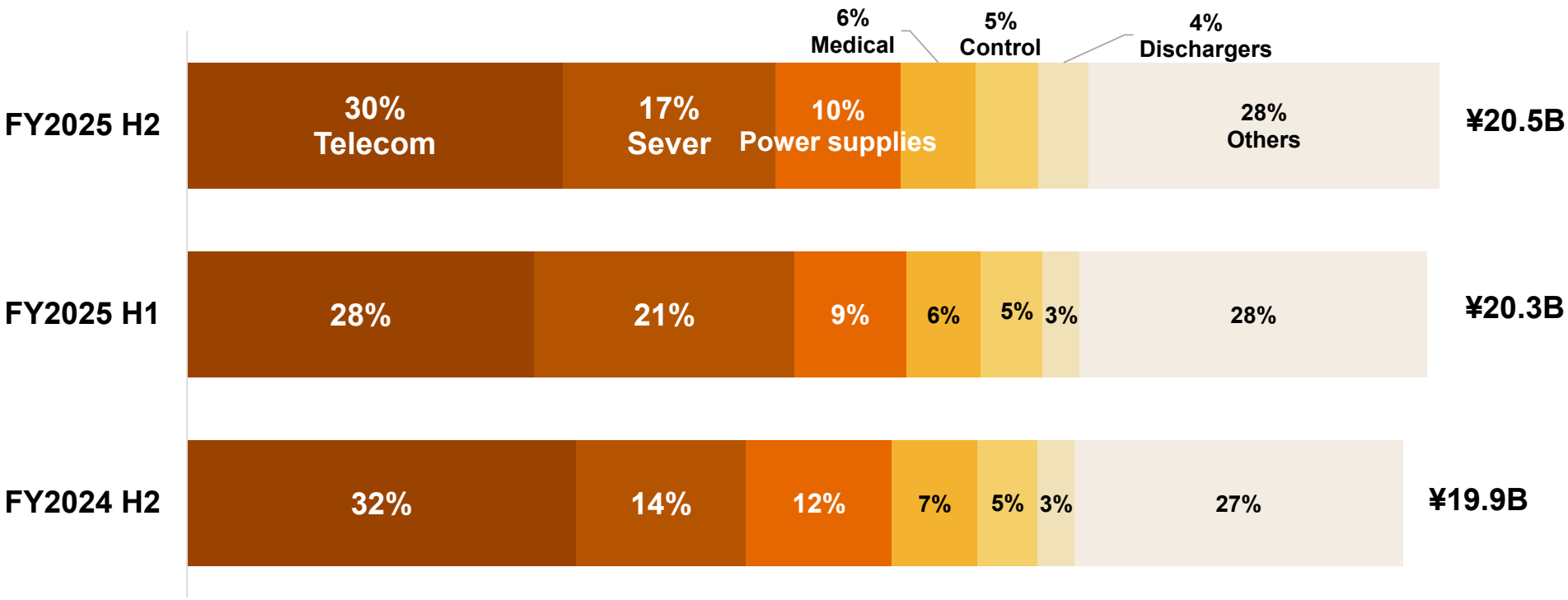
Business Overview

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San Ace Products – Revenue by Application

- ✓ Strong AI-related demand in North America supports steady telecommunications equipment demand
- ✓ Server demand remains weak due to inventory adjustments; peripheral demand remains solid
- ✓ Power and control equipment demand varies by region and customer, with a gradual recovery continuing





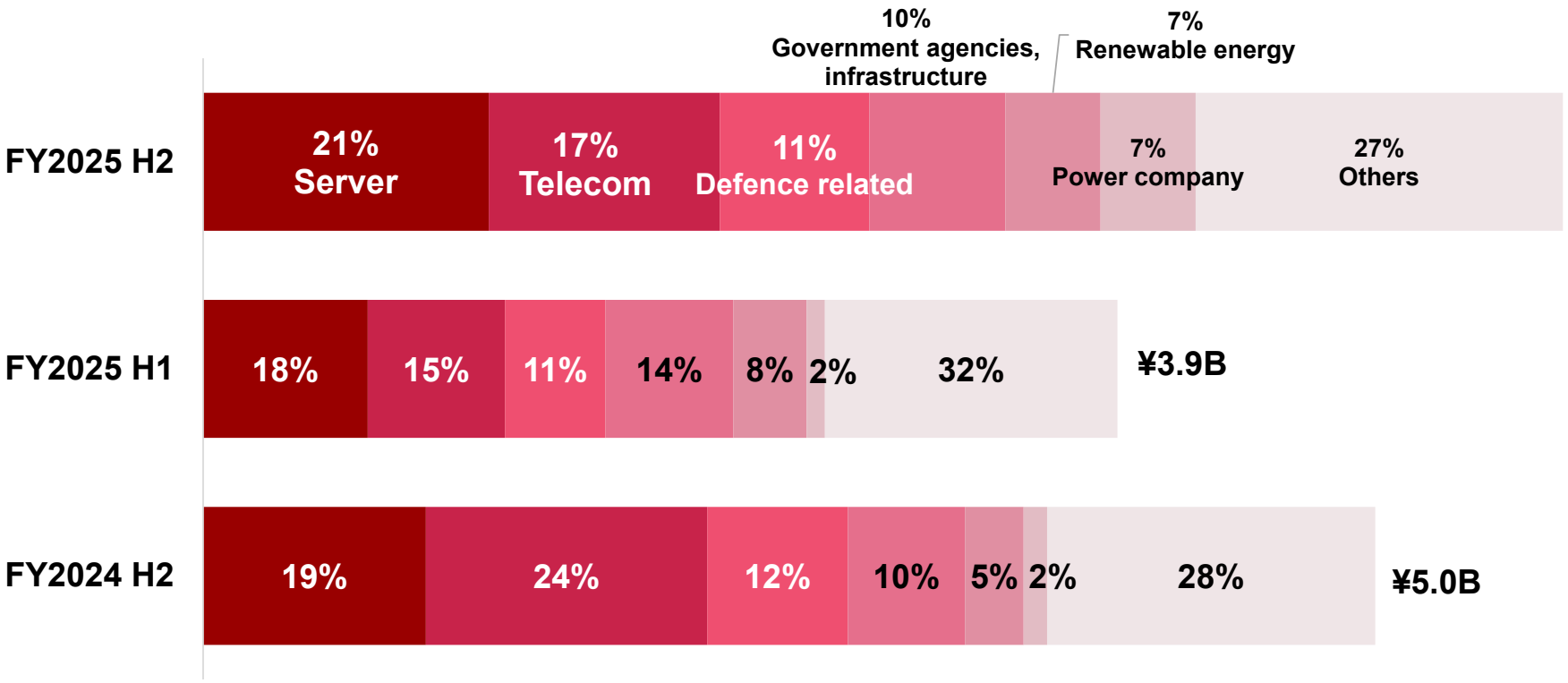
Business Overview

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SANUPS Products – Revenue by Application

- ✓ Replacement demand supports strong server and telecommunications equipment demand
- ✓ Social infrastructure and defense-related sales were concentrated in the fourth quarter
- ✓ Renewable energy market growth (solar, hydro, and wind) is driving demand for renewable energy inverters





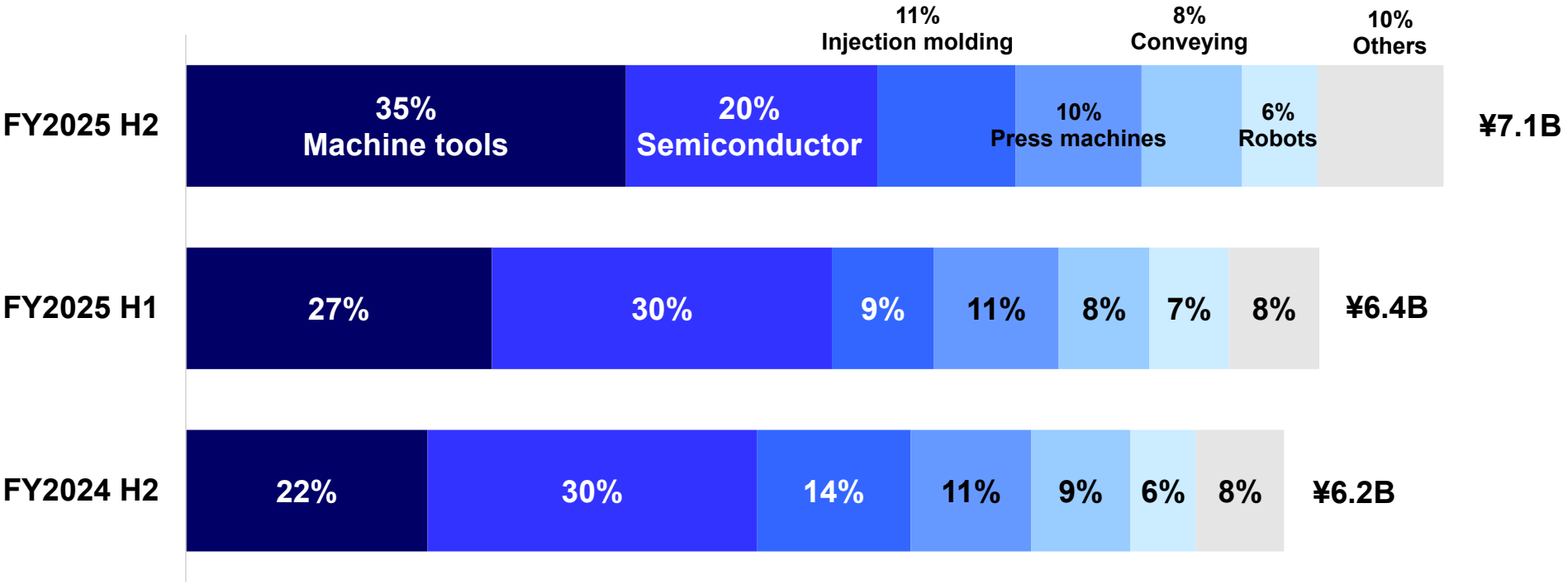
Business Overview

SANYO DENKI

SANMOTION Products (Amplifiers & Drivers) – Revenue by Application

- ✓ Capital investment in China supports strong demand for machine tools and metal processing equipment
- ✓ Semiconductor manufacturing equipment demand has rebounded sharply from a low level
- ✓ Injection molding machine demand remains weak in Japan but strong in China and the U.S.



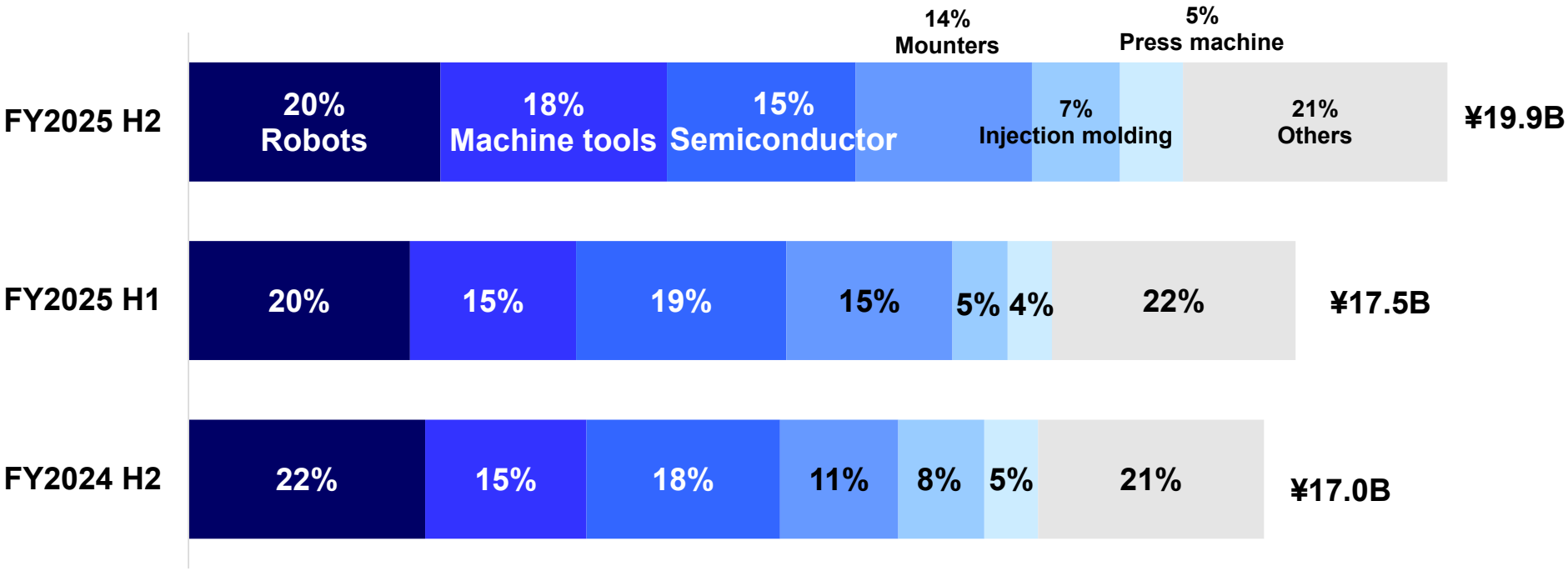


Business Overview

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SANMOTION Products (Motors) – Revenue by Application

- ✓ Capital investment in China supports strong demand for mounters and machine tools
- ✓ Demand for semiconductor manufacturing equipment and wafer handling robots has rebounded sharply from a low level
- ✓ Injection molding machine demand remains weak in Japan but strong in China and the U.S.



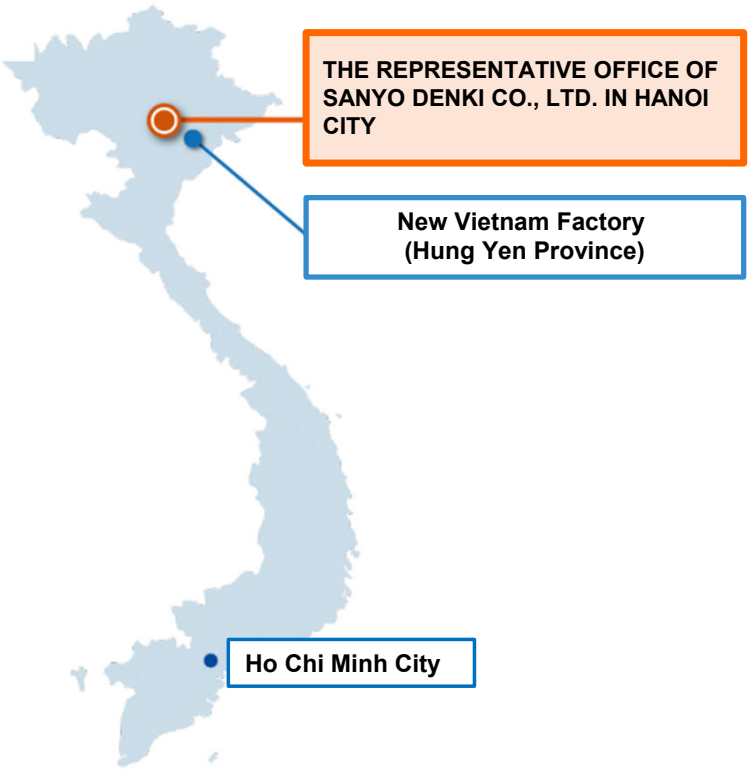


SANYO DENKI

New Representative Office in Hanoi, Vietnam

Market Expansion in Vietnam

- Opened the company's first representative office in Vietnam (Hanoi) in December 2025
- Expand sales and procurement activities across Vietnam
- Improve customer responsiveness through closer coordination between the representative office and production sites



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New Business Developments in FY 2025

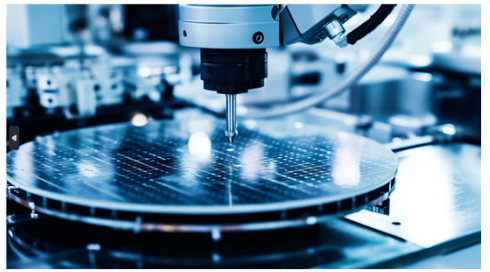
Semiconductor manufacturing equipment

■ Vacuum Actuator Unit for Semiconductor Manufacturing Equipment

- ✓ Combines SANYO DENKI servo technology with partner vacuum technology in a single unit
- ✓ Addresses customer demand for high reliability and supply stability
- ✓ Supports product differentiation and business expansion

■ Wafer Lifting Unit for Semiconductor Manufacturing Equipment

- ✓ Combines SANYO DENKI motor technology with partner slider technology in a single unit
- ✓ Highly valued by customers for its performance and precision
- ✓ Contributes to advances in semiconductor manufacturing technology



Semiconductor manufacturing equipment
Images are for reference

Shaft inspection equipment

■ AI-Powered Shaft Inspection System

- ✓ Jointly developed with YUASA, connectome.design, and TIG
- ✓ SANYO DENKI provides motor technology
- ✓ Automates visual inspection processes, enabling labor savings, improved efficiency, and higher-quality inspections
- ✓ Receiving strong market interest



Shaft inspection equipment

Procurement Overview

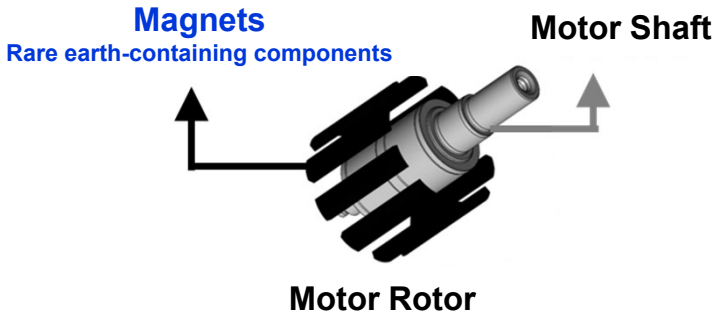
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Building a Resilient Supply Chain

1. Strengthen partnerships with suppliers
   - Hold business briefing and technical exchange meetings worldwide
   - Share market intelligence to secure materials and improve demand forecast accuracy
2. Strengthen global procurement with group companies
3. Enhance business continuity through sourcing diversification
   - Multiple suppliers, countries, and regions

Maintain stable procurement by anticipating changes in the business environment

China's Rare Earth Export Controls

Export Control Measures	Actions
1. April 4, 2025 • Export controls introduced on seven rare earth elements, including heavy rare earths • Chinese government approval required for exports 2. October 9, 2025 (1) Export controls expanded to five additional elements Chinese government approval required for exports (2) Re-export controls introduced Chinese government approval required for re-exports 3. November 10, 2025 • Export control procedures extended through November 10, 2026	1. Continue obtaining export permits from the Chinese government 2. Expand alternative sourcing from Japanese suppliers 3. Adopt magnets that do not contain export-controlled rare earth elements 4. Secure a stockpile of magnets Inventory Coverage • SANYO DENKI: Approximately 3 months • Magnet suppliers: More than 6 months 

Middle East Tensions

Potential Impact of Middle East Tensions	Actions
1. Military conflict involving Iran (February 28, 2026) • The United States and Israel launched military strikes against Iran • The Strait of Hormuz, a key shipping route for Middle Eastern crude oil, was effectively closed 2. International impact of the Strait of Hormuz closure Supply: Reduced Middle East crude oil supply Prices: Rising crude oil, naphtha, and petroleum product prices Logistics: Higher logistics costs and longer lead times	1. Strengthen cooperation with suppliers • Share market information and coordinate responses for key materials, including resins, solvents, adhesives, and lubricants 2. Expand alternative sourcing • Increase use of materials with lower dependence on Middle Eastern crude oil • Promote plant-based and recycled materials 3. Timely pricing adjustments • Reflect changes in material and logistics costs in product pricing

Impact on operations and business performance remains limited

FY 2026
Forecast and Initiatives

FY 2025 Review and FY 2026 Forecast

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	Bookings	Revenue	Profit	Background	Initiatives
FY 2024 H2	Moderate	Moderate	Moderate	• Delayed recovery in FA demand • Sluggish Chinese economy, with signs of a partial recovery • Recovery in telecoms demand • AI server demand slowed by inventory adjustments	✓ Philippine Factory Building 4 reached full-scale operation ✓ Launch of *Production Engineering Services*
FY 2025 H1	Desirable	Moderate	Moderate	• The Chinese market has partially recovered • Delayed recovery in FA demand • Robust demand for telecoms and AI servers	✓ Strengthen global procurement ✓ Turn the magnet supply challenges into business opportunities ✓ Market expansion through new products
FY 2025 H2	Very desirable	Desirable	Desirable	• Customer and distributor inventory adjustments completed • Semiconductor market has recovered drastically • Chinese market is also in a recovery • Expansion of public infrastructure and carbon-neutral markets	✓ Completion of the 9th MTMP ✓ Market expansion through new products and new services ✓ Enhanced profitability of business companies
FY 2026 H1	Very desirable	Very desirable	Very desirable	• Robust demand remains for telecoms and AI servers • Sharp recovery expected in the semiconductor market • Potential impact of global conditions on costs	✓ Launch of 10th MTMP ✓ Strengthen production capacity to support rapid order growth ✓ Market expansion through new products

Key Agenda for FY 2026

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1. Launch of the 10th Medium-Term Management Plan
   Under the theme “Turn the Time into Power,”
   887 initiatives have been launched
2. New Product Launches
   Eleven new products launched to further expand into new markets
3. Expansion of Production Capacity
   Established a factory in Vietnam as a new production site
4. Group Business Expansion
   Leverage development and manufacturing expertise across the Groups

New Products

SANYO DENKI

ACDC Fan
San Ace 92AD
9AD type

Released May 2025

ECO PRODUCTS PLUS



92 × 92 × 25 mm

Counter Rotating Fan
San Ace 80
9CRHA type

Released May 2025

ECO PRODUCTS



80 × 80 × 80 mm

Long Life Fan
San Ace 80L
9LG type

Released June 2025

ECO PRODUCTS



80 × 80 × 38 mm

New Products

SANYO DENKI

DC Fan

San Ace 40

9RA type

Released April 2026

ECO PRODUCTS



40 × 40 × 20 mm



40 × 40 × 28 mm

DC Fan

San Ace 40

9RA type

Released May 2026



40 × 40 × 15 mm

DC Fan

San Ace 52

9RA type

Released May 2026



52 × 52 × 15 mm

New Products

SANYO DENKI

Standby UPS

SANUPS N11D

Released January 2026

ECO PRODUCTS PLUS



Floor-standing



Wall-mounted

New Products

SANYO DENKI

Online UPS

SANUPS A13A-Li

Released June 2026



6.25 kVA, 12.5 kVA



18.75 kVA



25 kVA

New Products

SANYO DENKI

Servo Systems

SANMOTION G

DC 48 V servo systems

Released June 2025

ECO PRODUCTS



Servo amplifier
(40 A)



Servo motor
(40 mm sq.)

Motion Controller

SANMOTION C S300

Released December 2025

ECO PRODUCTS PLUS



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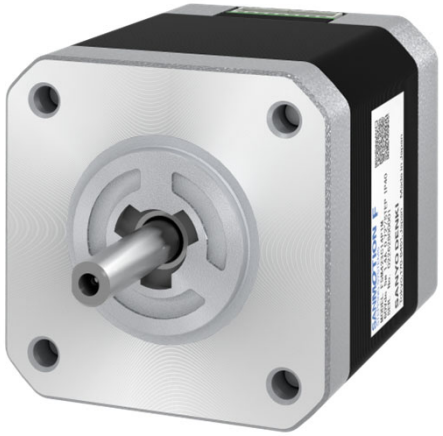
Stepping Motor

SANMOTION F5

Released April 2026



28 mm sq.



42 mm sq.



60 mm sq.

Expansion of Production Capacity

SANYO DENKI

New Factory in Vietnam

- **Established SANYO DENKI VIETNAM CO., LTD.**
  as a new production site, following Japan and the Philippines
- **Located in Hung Yen Province,**
  Socialist Republic of Vietnam
- **Operations scheduled to begin in July 2027**
- **Production capacity:**

  Cooling fans: approx. 500K units/month
  Stepping motors: approx. 50K units/month
  Servo motors: approx. 5K units/month



Rendering of the Vietnam Factory Exterior

Enhance the competitiveness of the SANYO DENKI Group through Group synergies

SANYO DENKI

Launch of Hydroponic Systems in the Philippines

- Compact hydroponic system utilizing airflow and CFD technology developed for San Ace products

- Developed and manufactured by SANYO DENKI PHILIPPINES, INC.

- Proprietary airflow technology enables efficient vegetable growth in limited spaces



Implementation at the Philippine Factory

Expanding cooling fan technologies into new business fields

Capital Expenditures and R&D

SANYO DENKI

FY 2025 Results and FY 2026 Forecast

	FY 2025 Full-Year Results	FY 2026 Full-Year Forecast
Capital expenditures	¥3.3B	¥4.8B
Vietnam Factory	¥1.2B	¥2.3B
New facilities (Mass production facilities, etc.)	¥0.9B	¥1.0B
Facility Renewal (building repairs, etc.)	¥0.8B	¥0.7B
Molds	¥0.4B	¥0.8B
Depreciation costs	¥4.0B	¥3.8B
R&D investment	¥3.3B	¥3.6B

FY 2026 Consolidated Performance Forecast

SANYO DENKI

	FY 2025 Results		FY 2026 Full-Year Forecast		YoY Change	
	Amount	Ratio to Revenue	Amount	Ratio to Revenue	Amount	Percentage
Revenue	¥107.3B	-	¥128.8B	-	+¥21.5B	+20.0%
Operating profit	¥10.8B	10.1%	¥16.2B	12.6%	+¥5.4B	+49.6%
Profit before tax	¥11.7B	10.9%	¥16.6B	13.0%	+¥4.9B	+42.1%
Net income (1)	¥8.6B	8.1%	¥12.0B	9.3%	+¥3.4B	+38.6%
Annual dividend	- (2)	-	¥170	-	-	-
ROE		7.2%		9.4%		

(1) Profit attributable to owners of the parent (2) FY2025 annual dividends are not shown because they are not directly comparable due to the stock split.

10th Medium-Term Management Plan

Agenda

1. Corporate Philosophy and Management Policy
2. Review of the 9th Medium-Term Management Plan
3. Overview of the 10th Medium-Term Management Plan
4. Business Company Strategies
5. Financial Policy
6. Governance and Sustainability

1. Corporate Philosophy and Management Policy

Corporate Philosophy and Management Policy

SANYO DENKI

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

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

Company Overview

SANYO DENKI

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

SANYO DENKI

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

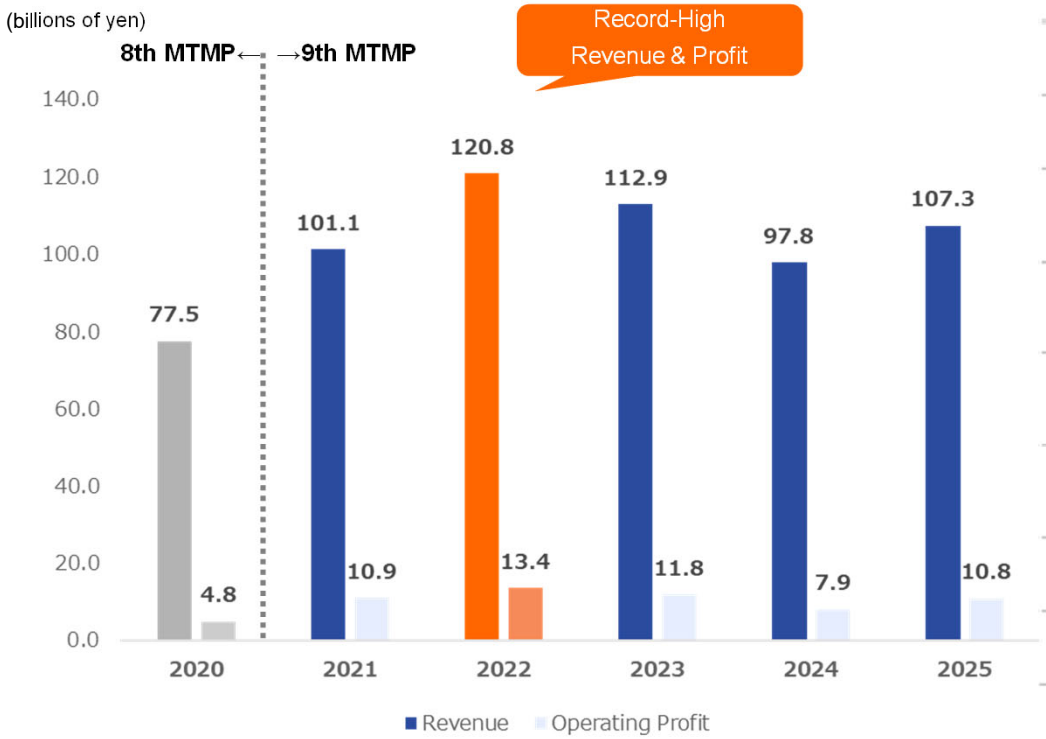
2. Review of the 9th Medium-Term Management Plan

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

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

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

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Expansion of Collaborative Business

Customization That Turns Customer Needs into Reality

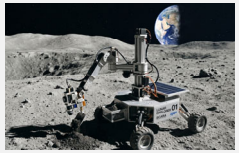


Floor Finishing Robot

- ✓ 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

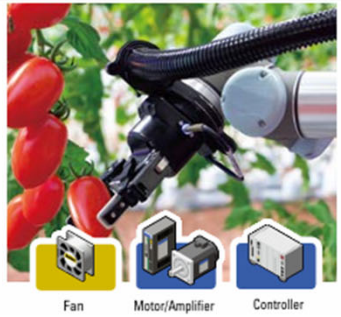
- ✓ Production Guidance System proven in our own factories now offered to external customers

Expansion into New Markets

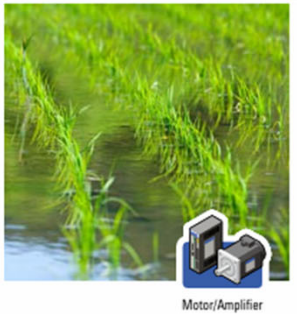
SANYO DENKI products provide the expertise and technologies required across agriculture, forestry, and fisheries sectors



▲ 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

“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

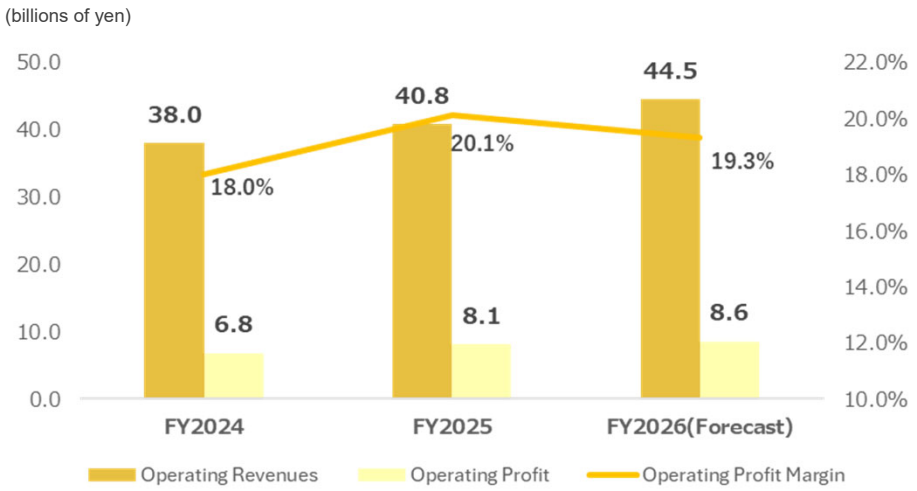
San Ace Company MTMP Initiatives

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

San Ace Company MTMP Initiatives

SANYO DENKI

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

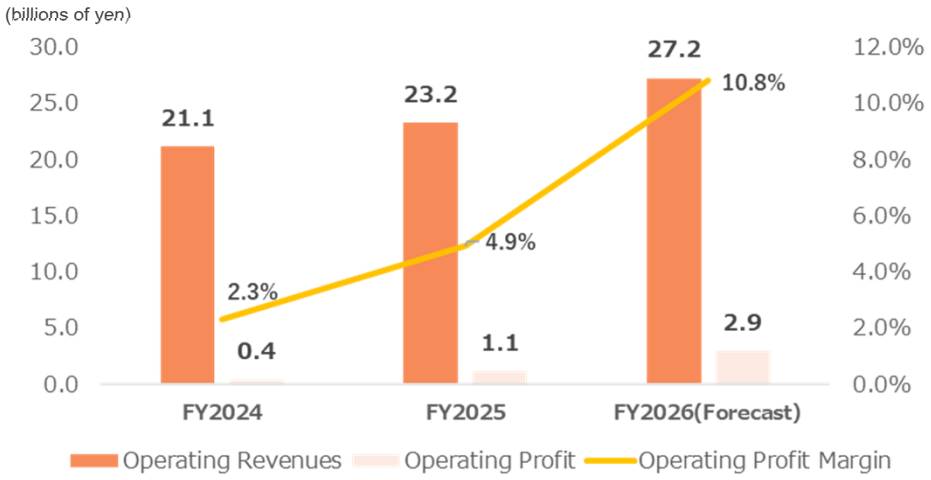
Electronics Company MTMP Initiatives

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

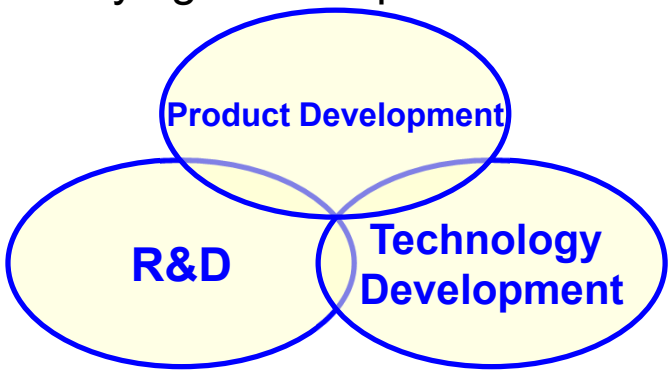
- Improve productivity and shorten lead times through digital technologies
- Expand production capacity through Philippines Plant 4

Electronics Company MTMP Initiatives

SANYO DENKI

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**

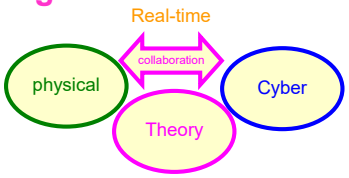
(3) R&D Investment

Maintain proactive R&D investment

Electronics Company MTMP Initiatives

SANYO DENKI

Technology and Business for the Future

	Deepen Core Strengths	Pursue New Challenges
Technology	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** 	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
Business	Expand the application domains of San Ace SANUPS SANMOTION 	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**

Motion Company

Motion Company MTMP Initiatives

SANYO DENKI

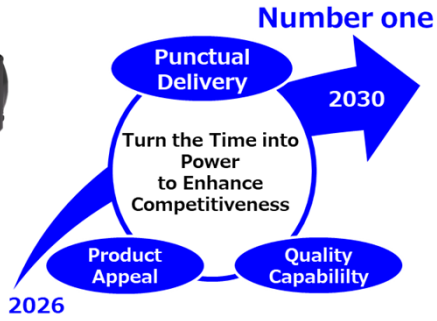
Grow and Develop the Business Further While Continuously Strengthening Competitiveness



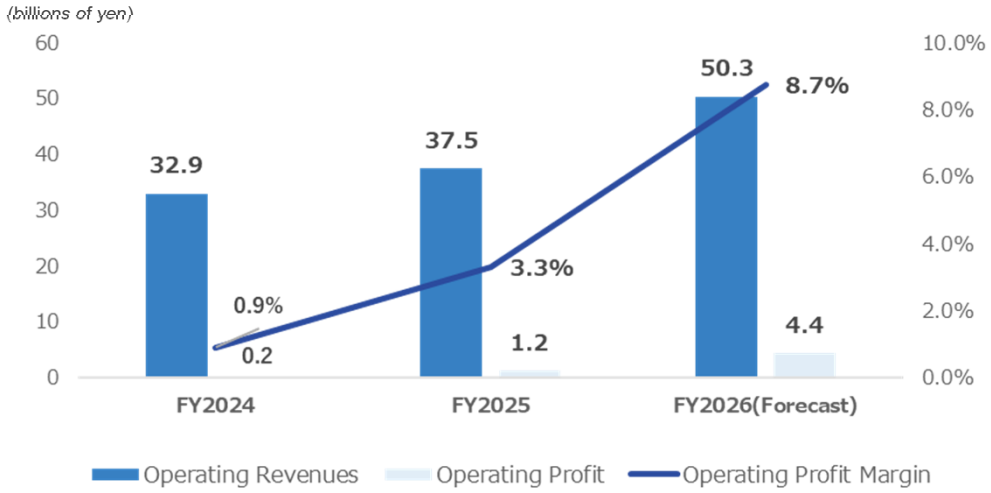
AC Servo Motor



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

Motion Company MTMP Initiatives

SANYO DENKI

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

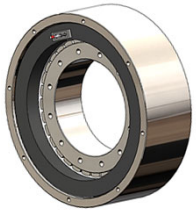
Expand solution-oriented products that maximize customer equipment value



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

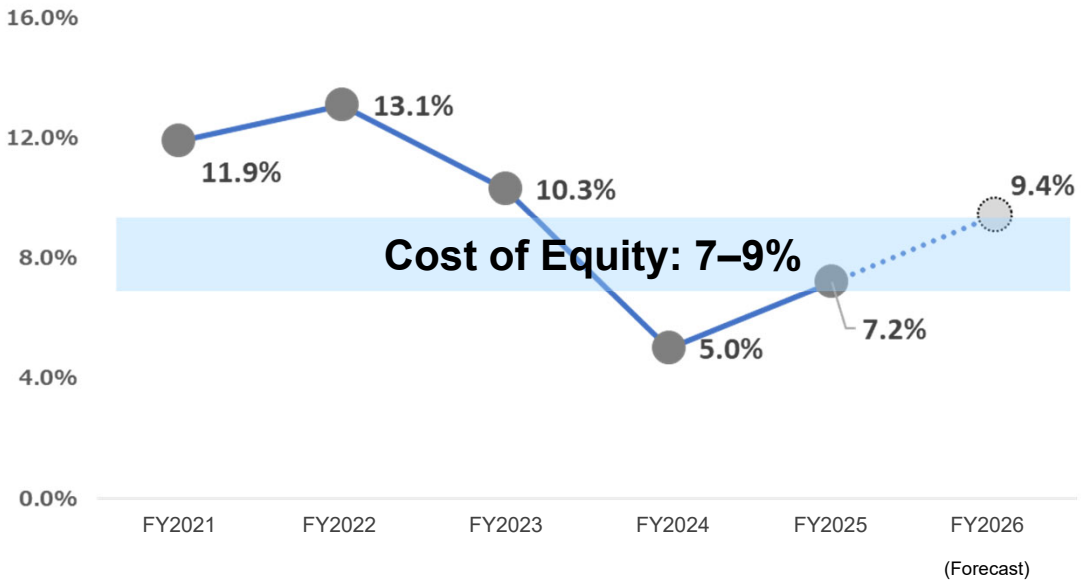
5. Financial Policy

ROE and Cost of Equity Trends

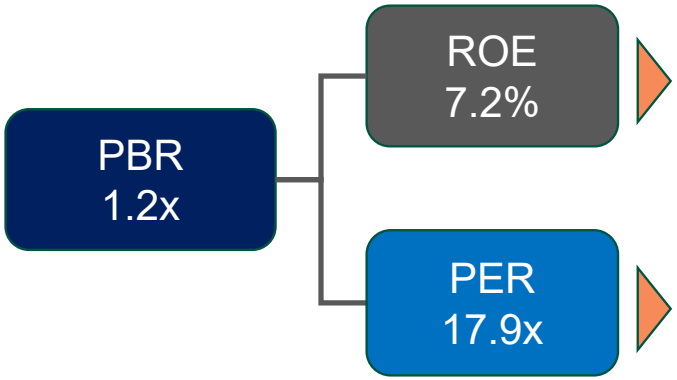
SANYO DENKI

- ✓ **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

Capital Allocation Philosophy

SANYO DENKI

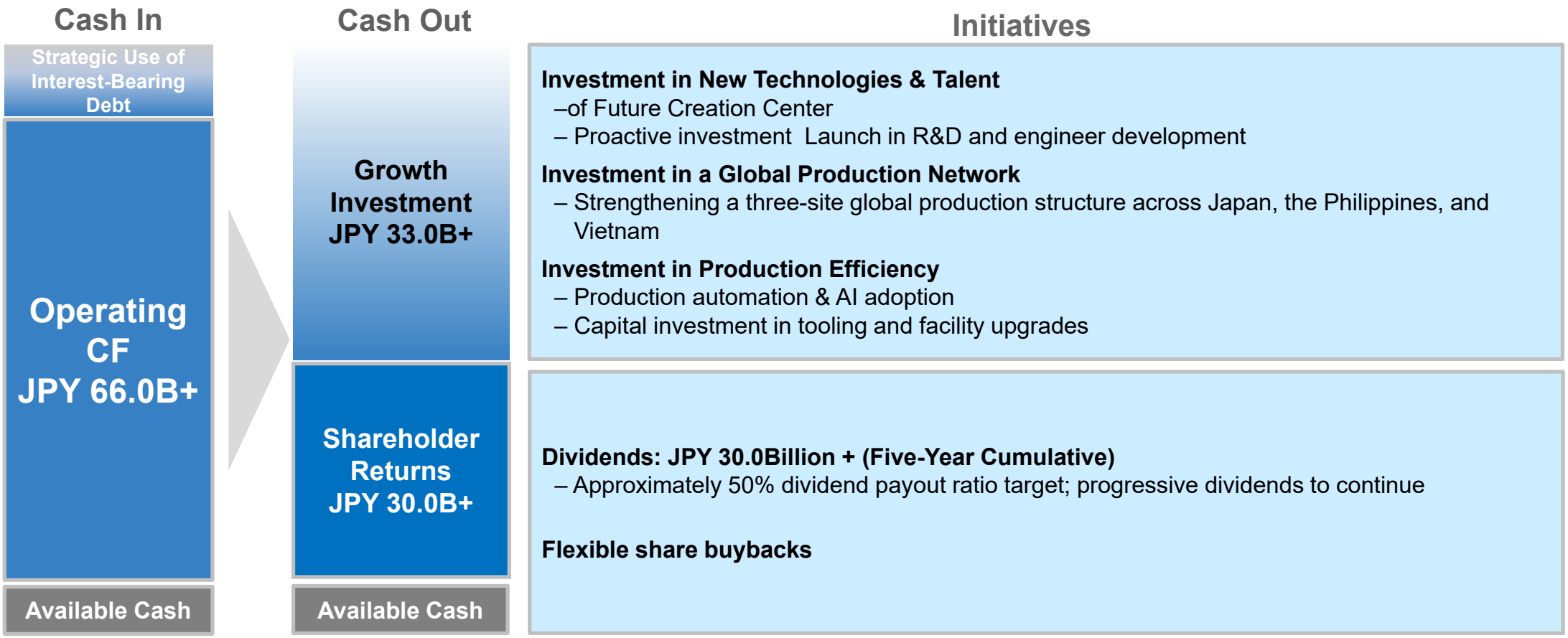
1 **We set key performance targets: 10%+ ROE and approximately 7–9% cost of equity.**

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

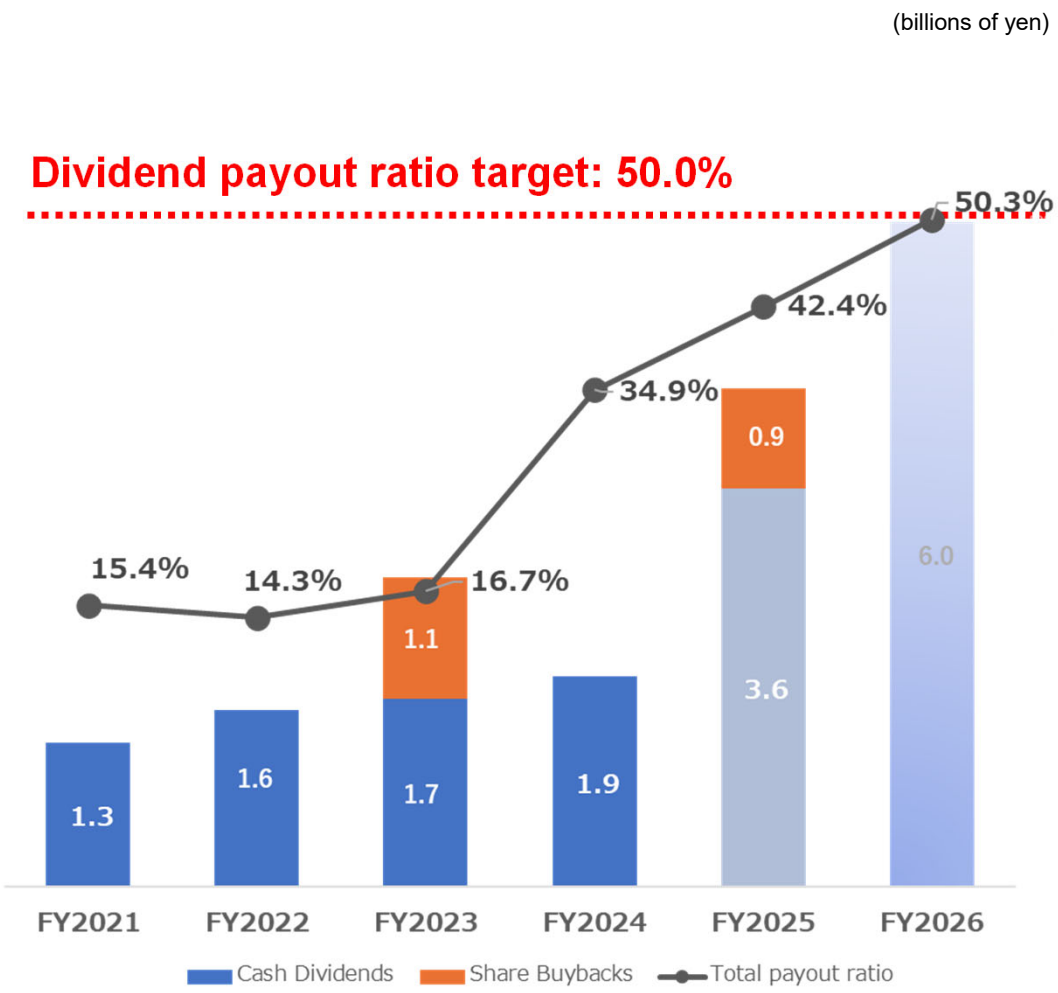


Strategic capital allocation balancing growth investment and shareholder returns
Pursuing Improved capital efficiency alongside business growth

Shareholder Return Policy

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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

Board of Directors Structure

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**

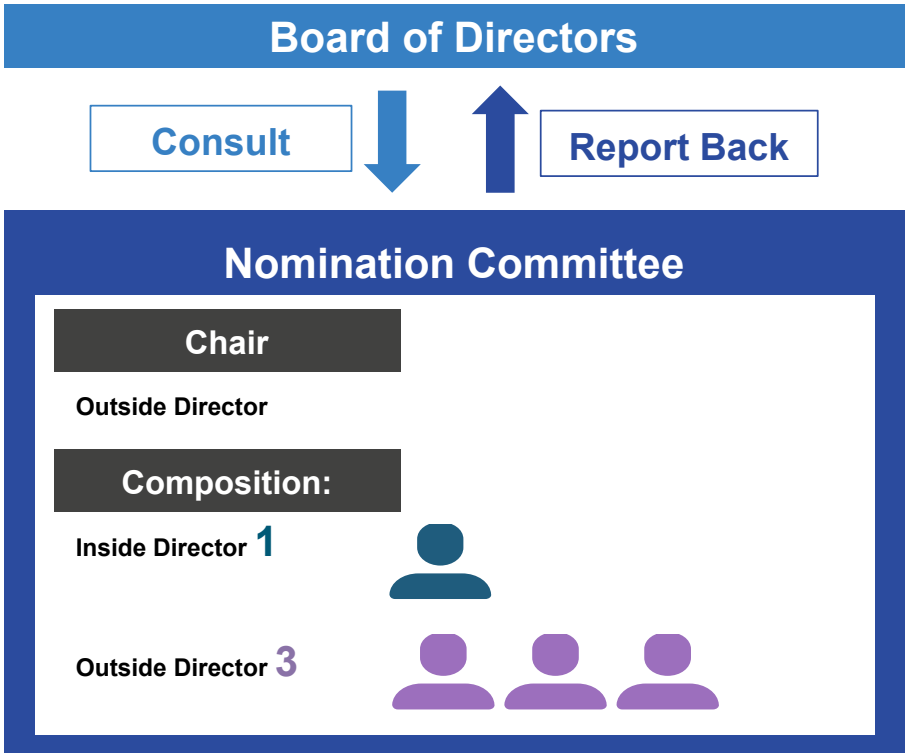
Establishment of the Nomination Committee

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



- **Nomination Committee Members**

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

- **Role of the Nomination Committee**

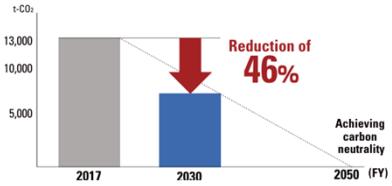
1. Appointment and dismissal of directors and executive officers
2. Selection and removal of the Representative Director
3. Succession planning, including leadership development
4. Other matters deemed necessary by the Board of Directors

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
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

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

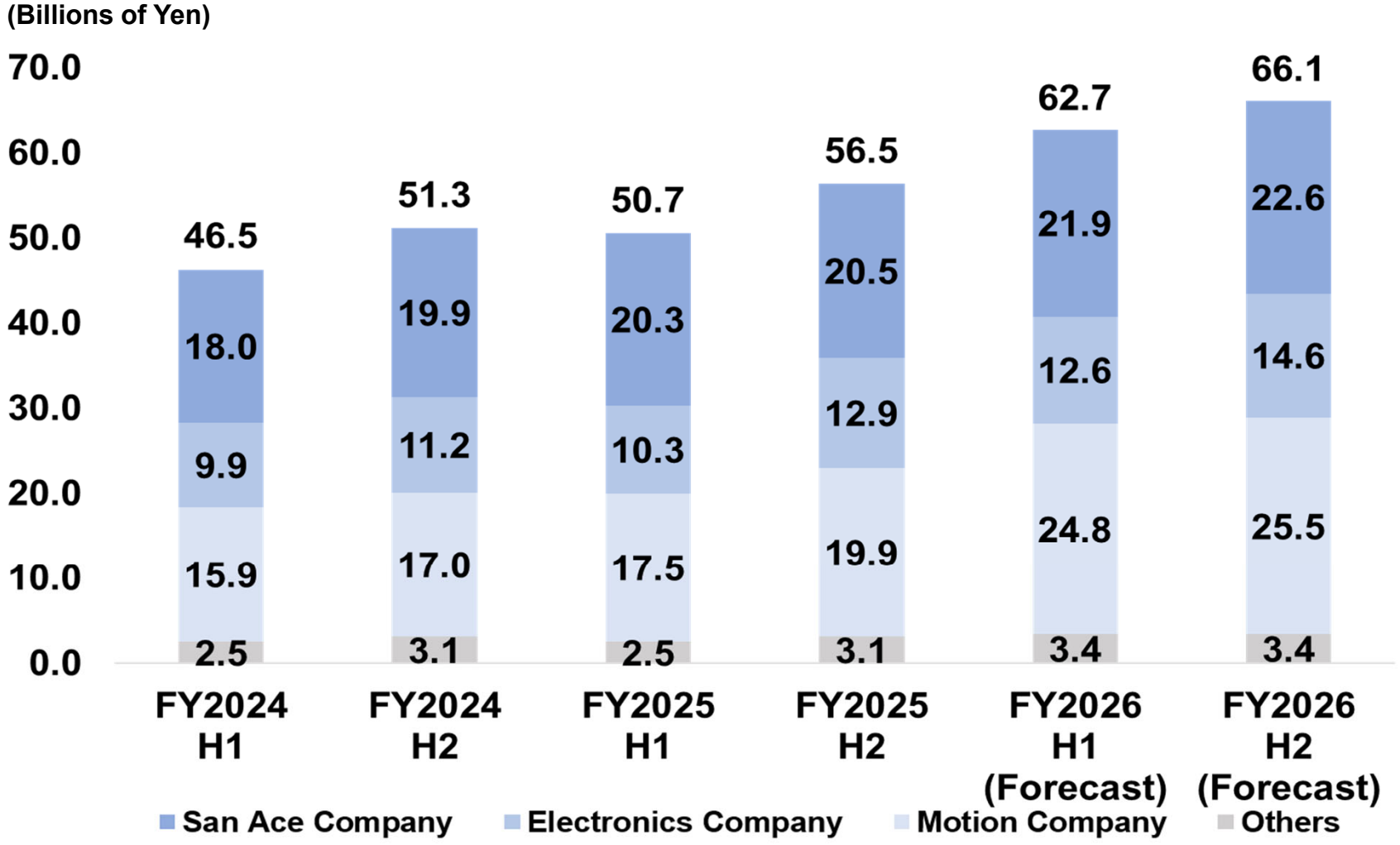


Reference Materials

Reference: Consolidated Forecast by Business Company

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Revenue

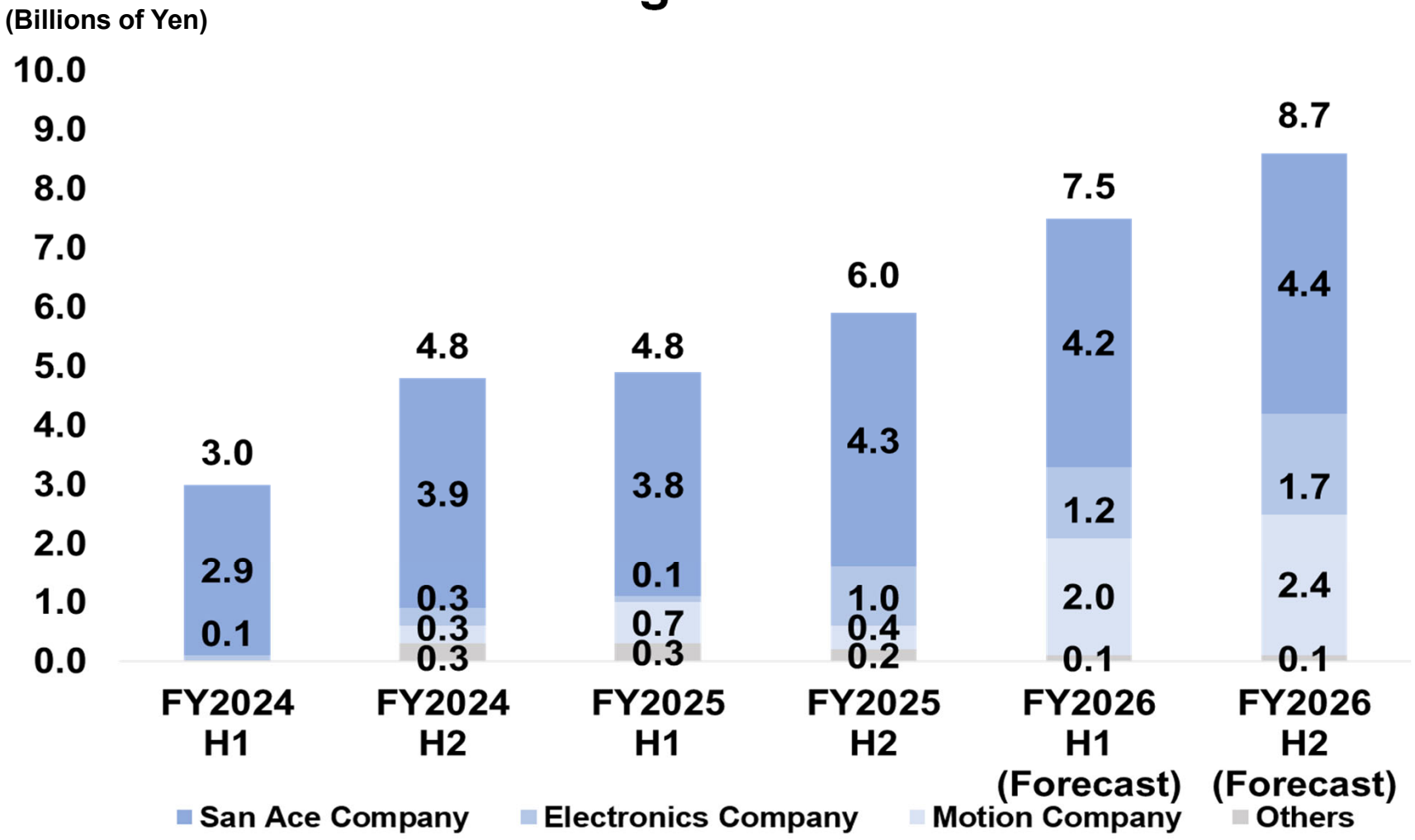


Note: Figures exclude intersegment transactions.

Reference: Consolidated Forecast by Business Company

SANYO DENKI

Segment Profit



Note: Figures exclude intersegment transactions.

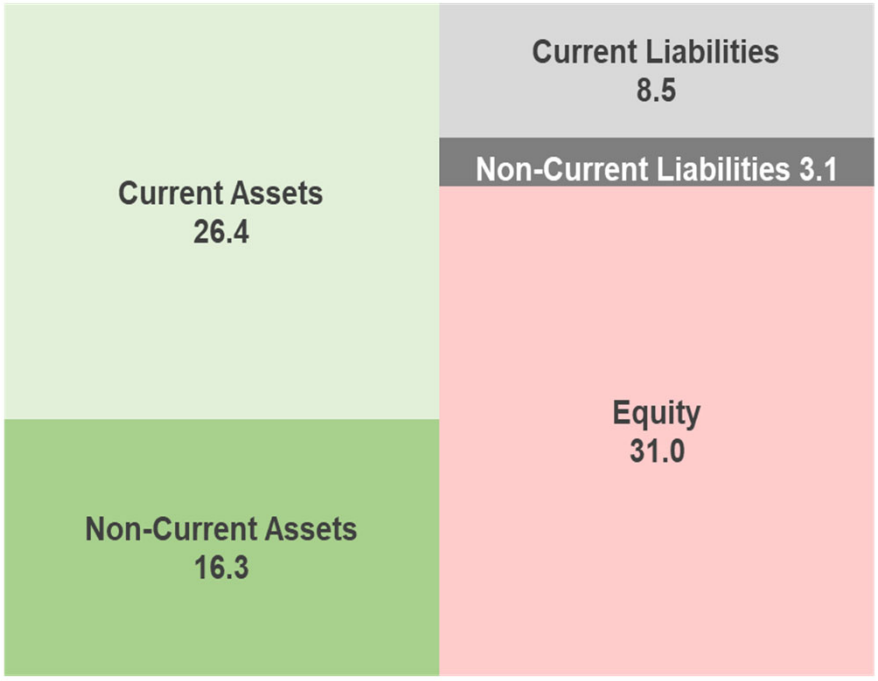
Consolidated Financial Results　Balance Sheet

SANYO DENKI

San Ace Company

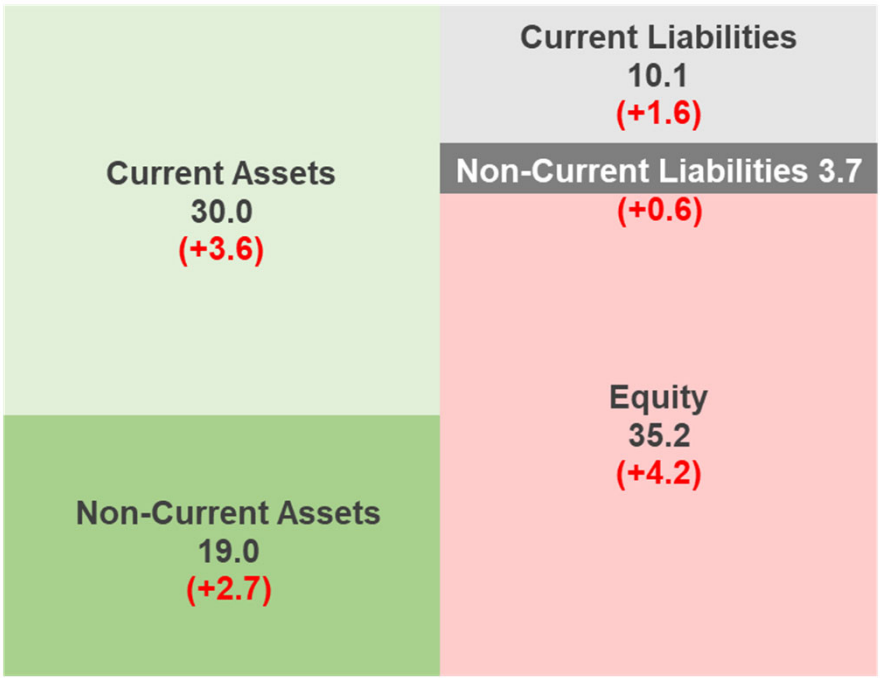
FY2025 Year-End

(Billions of Yen)



FY 2026 Year-End

(Billions of Yen)



Note: ( ) indicates changes from FY2025 year-end.

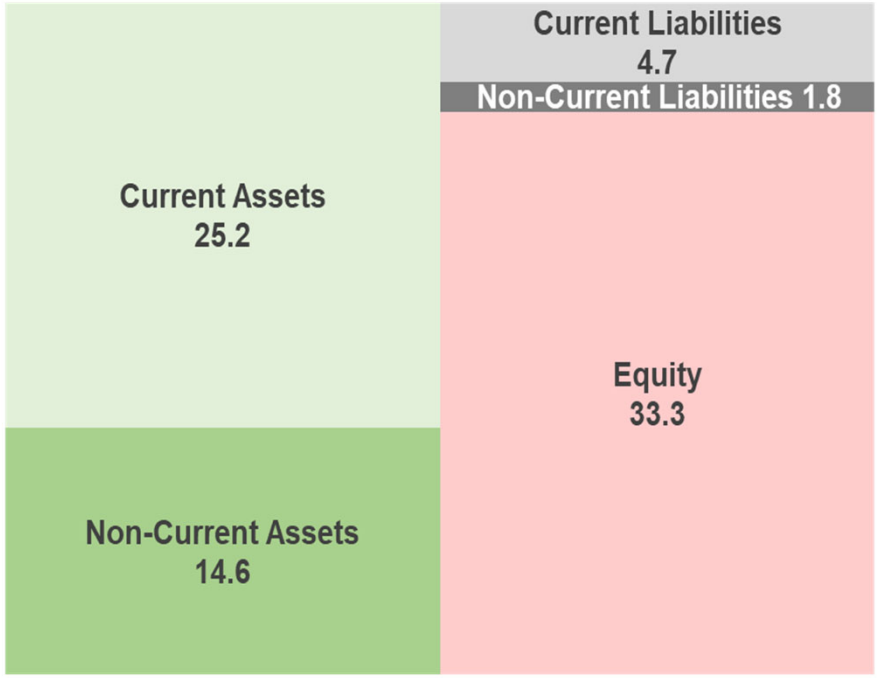
Consolidated Financial Results　Balance Sheet

SANYO DENKI

Electronics Company

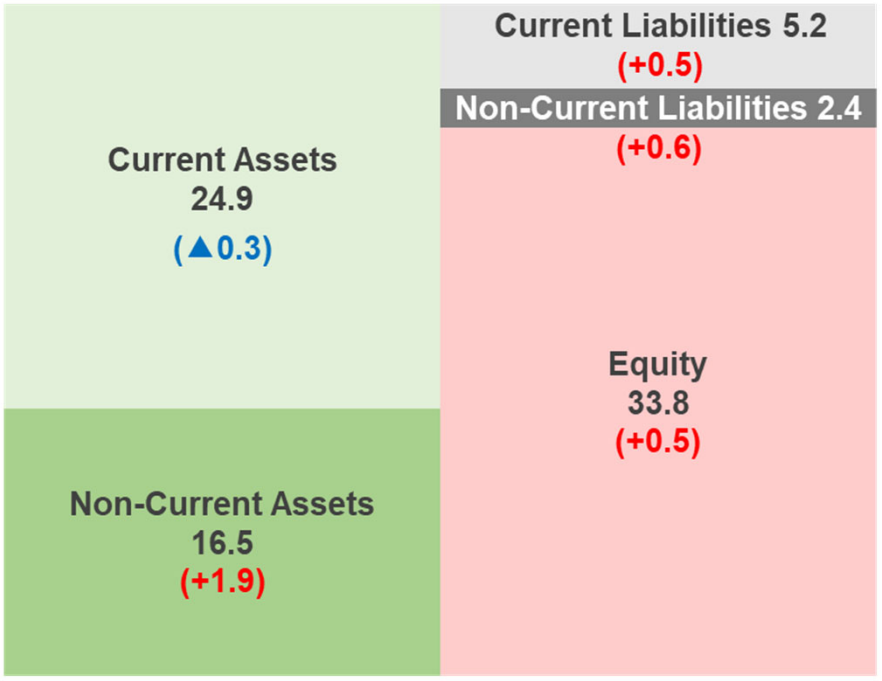
FY 2025 Year-End

(Billions of Yen)



FY 2026 Year-End

(Billions of Yen)



Note: ( ) indicates changes from FY2025 year-end.

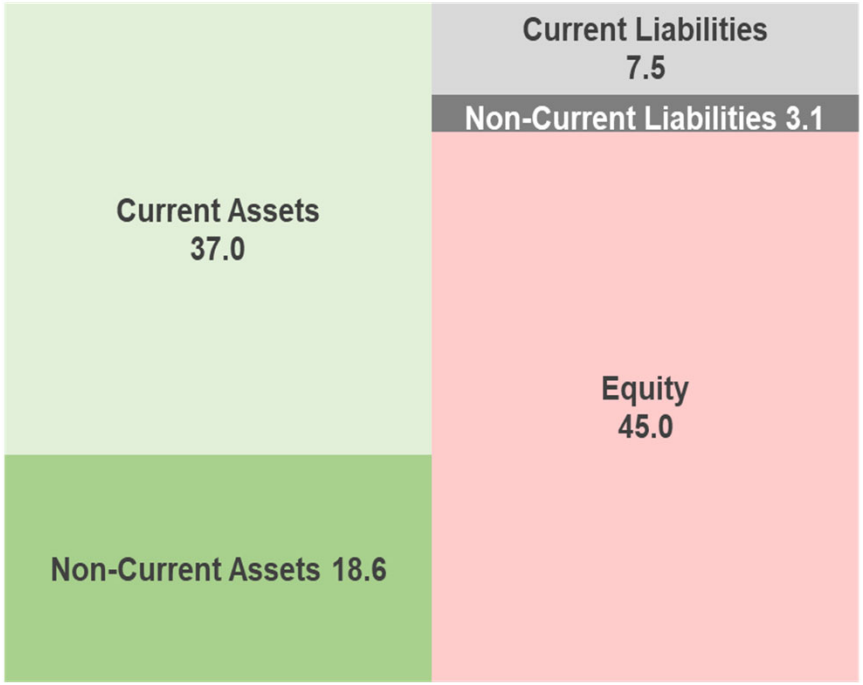
Consolidated Financial Results Balance Sheet

SANYO DENKI

Motion Company

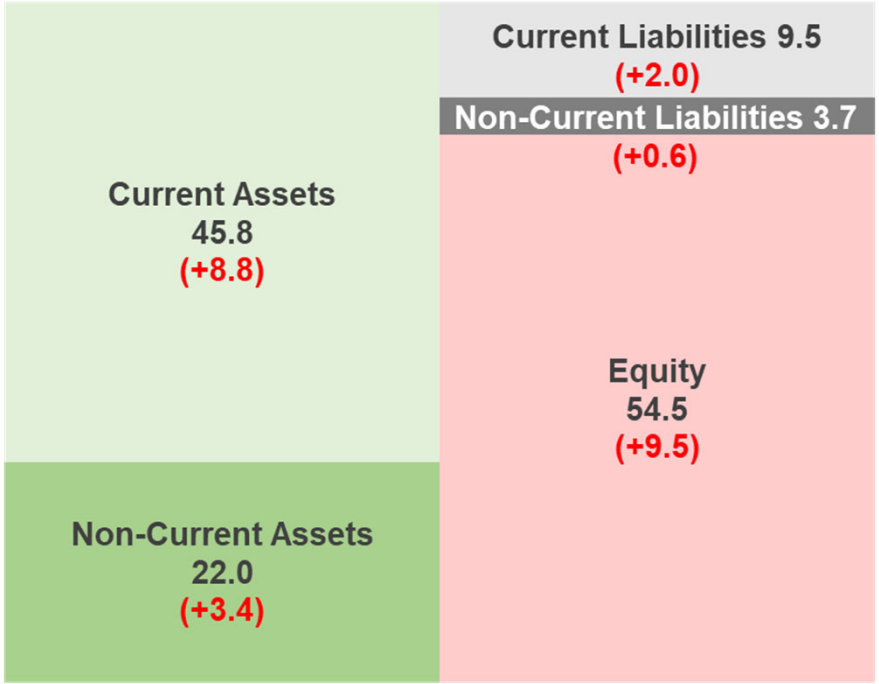
FY 2025 Year-End

(Billions of Yen)



FY 2026 Year-End

(Billions of Yen)



Note: ( ) indicates changes from FY2025 year-end.

SANYO DENKI CO., LTD.
Financial Results Briefing Presentation

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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Contact: ir_info@sanyodenki.com
Corporate Planning Department, SANYO DENKI CO., LTD.

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