

FY2023 Financial Results

SATORI ELECTRIC CO., LTD.

July 17, 2024

1. Summary of FY2023 Financial Results & FY2024 Forecast(Consolidated)
2. Medium-Term Management Plan 2026

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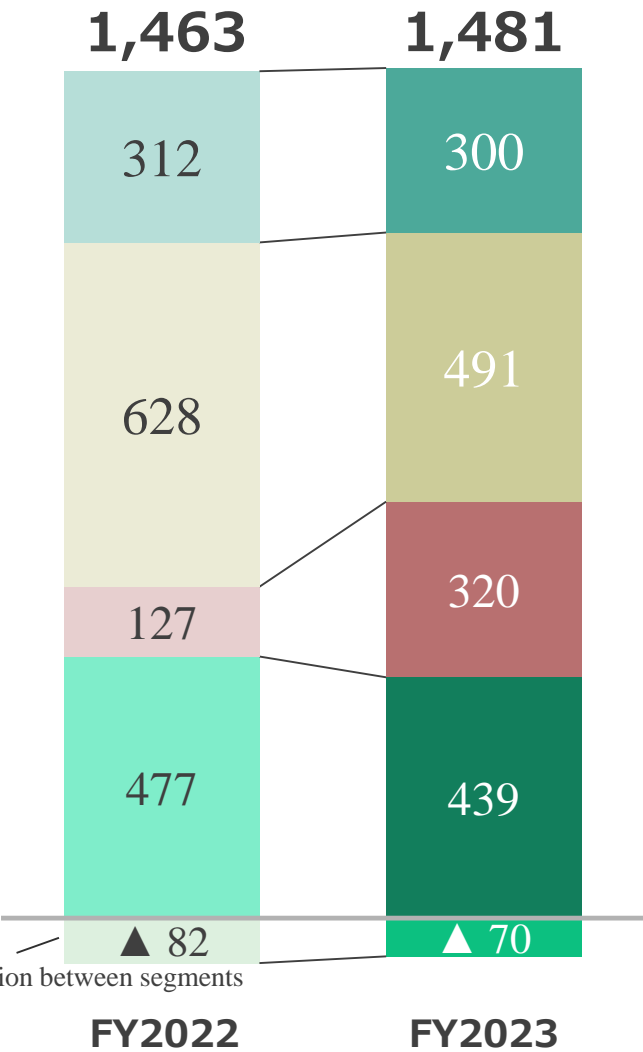
Summary of FY2023 Financial Results & FY2024 Forecast

(Unit: 100 million yen)	FY2022	FY2023	FY2024		
	Results	Results	YoY Change	Forecast	YoY Change
Net sales	1,463	1,481	+1.2%	1,540	+4.0%
Operating profit	37.9	47.5	+25.4%	43.0	▲9.6%
Ordinary profit	28.6	36.5	+27.4%	35.0	▲4.2%
Profit attributable to owners of parent	22.5	21.5	▲4.5%	25.0	+15.9%
Monthly average exchange rates (US\$/¥)	136.4 yen	147.2 yen		140 yen	

- Operating profit for FY2024 is expected to decrease compared to the previous fiscal year, but is expected to increase compared to the previous fiscal year excluding the impact of exchange rates.

FY2023 Sales(Results): YoY Segment Comparison

(Unit: 100 million yen)

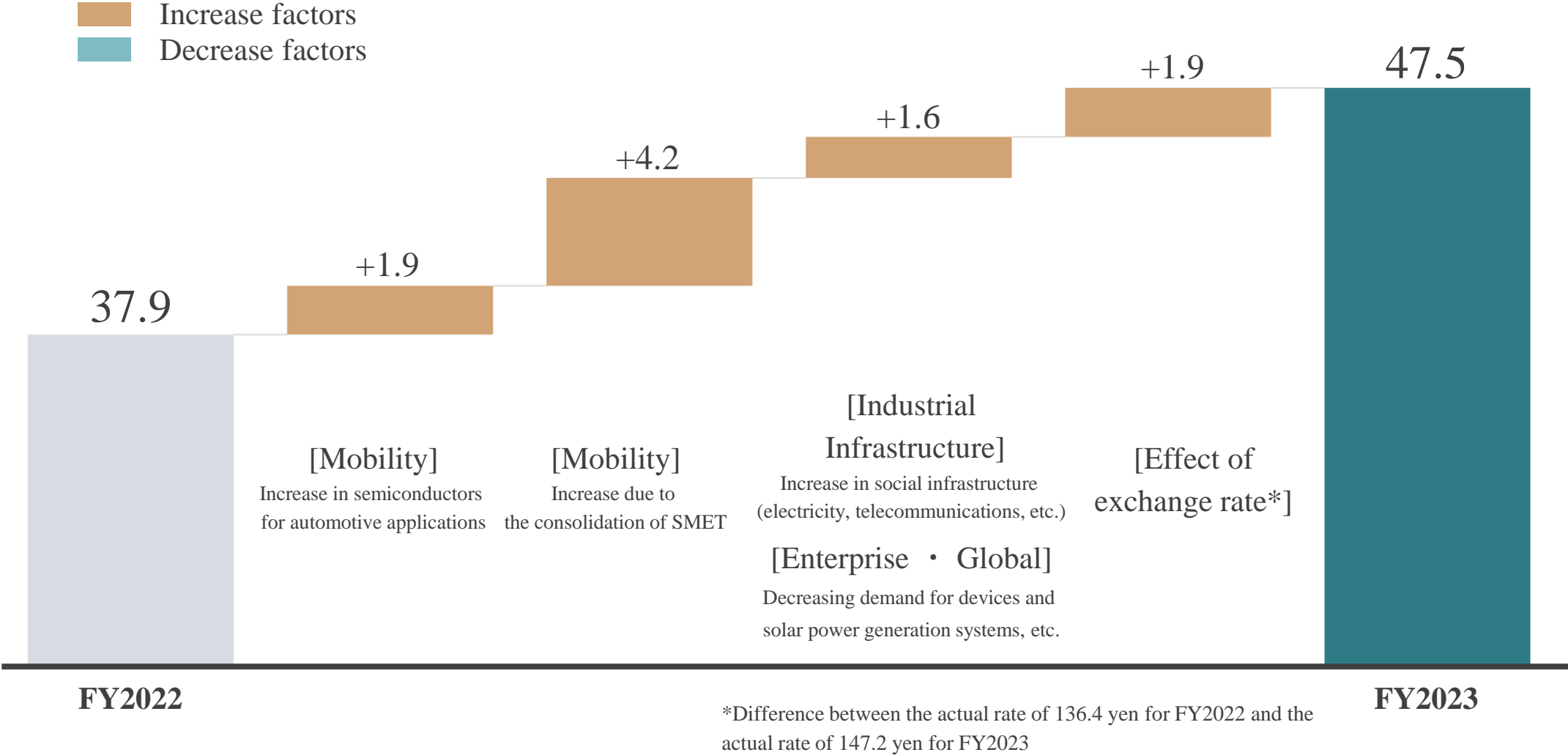


Segment	YoY (amount) YoY (Rate)	Main YoY factors
Industrial Infrastructure	▲ 12 ▲ 4%	[▲] Decrease in demand for control equipment for machine tools
Enterprise	▲ 136 ▲ 22%	[▲] Decrease in sales of procurement management services
Mobility	+192 +151%	[+] Increase due to the consolidation of SMET*, increased sales of semiconductors for automotive applications
Global	▲ 37 ▲ 8%	[▲] Decrease in sales of semiconductors and electronic components due to production adjustments for PCs and office equipment.

※ SMET is abbreviation for SM ELECTRONIC TECHNOLOGIES PVT LTD.

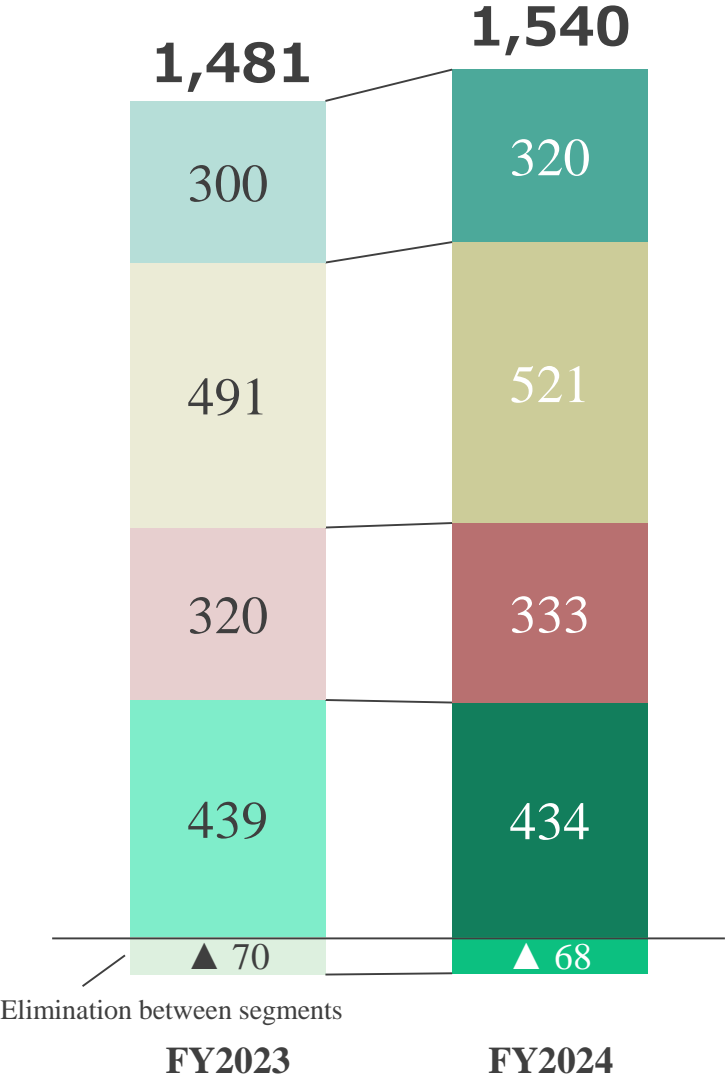
FY2023 Operating Profit YoY Factor Comparison

(Unit: 100 million yen)



FY2024 Sales(Forecast): YoY Segment Comparison

(Unit: 100 million yen)

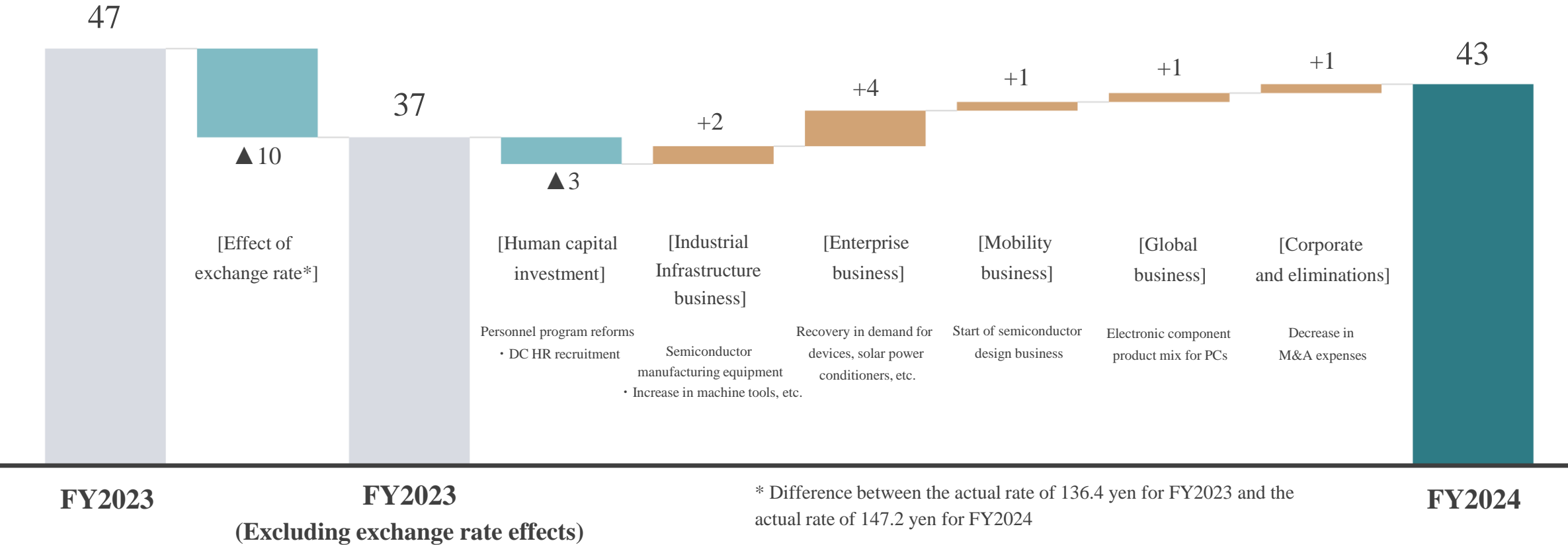


Business Segment	YoY (amount) YoY (Rate)	Main YoY factors
Industrial Infrastructure	+20 +7%	[+] Recovering demand for devices for semiconductor manufacturing equipment.
Enterprise	+30 +6%	[+] Recovering demand for devices, storage, etc.
Mobility	+13 +4%	[+] Increase in sales of automotive electronic components for the Indian market, and start of semiconductor design business
Global	▲ 5 ▲ 1%	[▲] Decrease in sales of electronic components due to stagnant demand for PC

FY2024 Operating Profit YoY Factor Comparison

(Unit: 100 million yen)

- Increase factors
- Decrease factors

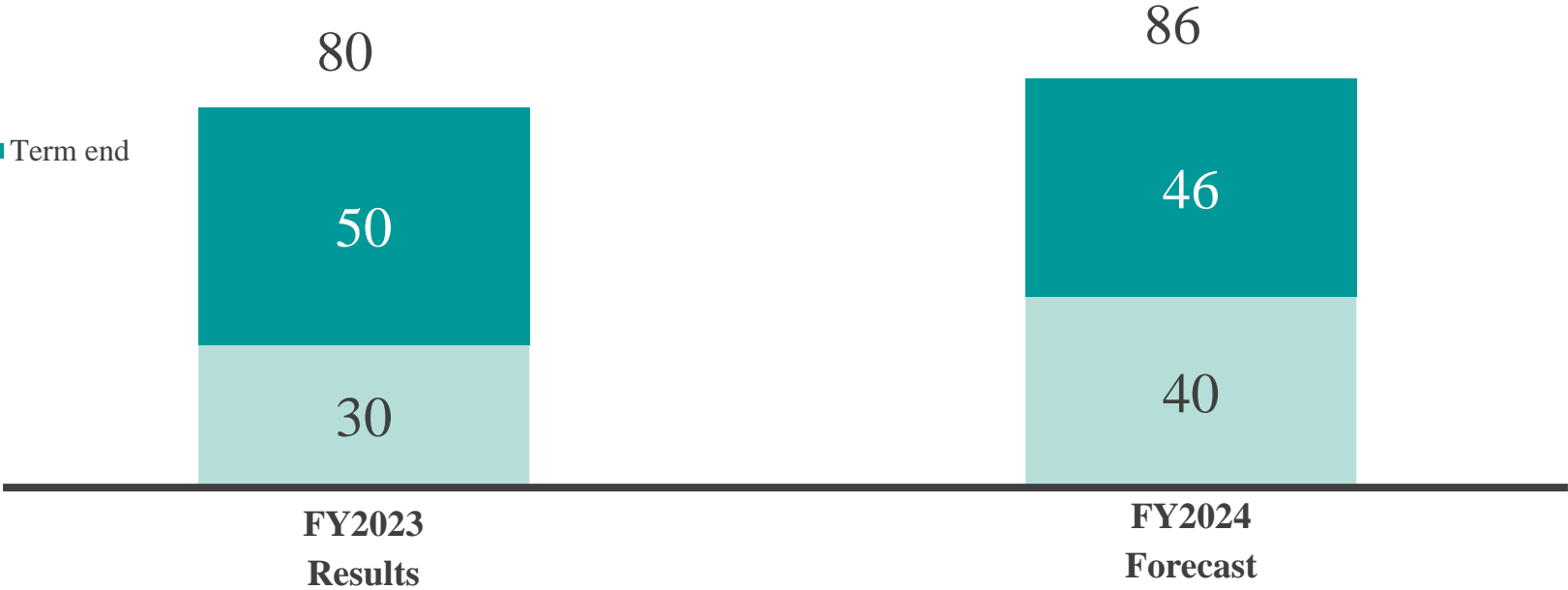


Dividend Forecast for FY2024

Dividends per share

(Unit: yen)

■ Interim ■ Term end



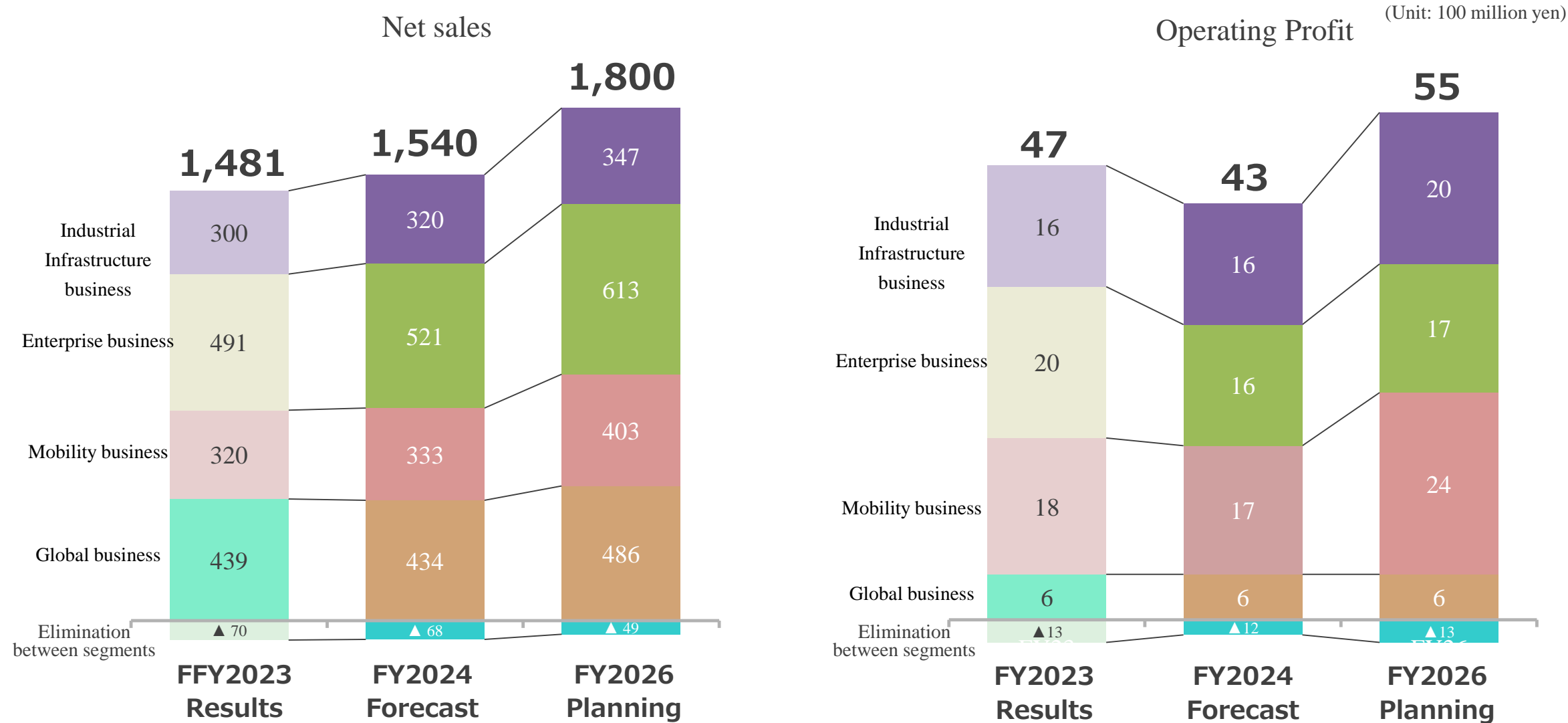
Dividend payout ratio
against profit

55%

51%

Based on the full-year outlook, the annual dividend is expected to increase to 86 yen in accordance with our dividend policy.

2.Medium-Term Management Plan 2026



Initiatives to Enhance Corporate Value

[Re-post] To achieve PBR of 1.3 times or more by exceeding shareholder capital cost of 7% and achieving ROE of 9% or more

[FY2026 Target]



Improvement of ROE
<div>1. Growth Strategies</div> <ul style="list-style-type: none">• Focusing on growth markets (Industrial Infrastructure, Mobility, India, etc.)• Acceleration of M&A strategy• Promotion of ROIC management <div>2. Financial Initiatives</div> <ul style="list-style-type: none">• Improving CCC by reducing inventory holding months

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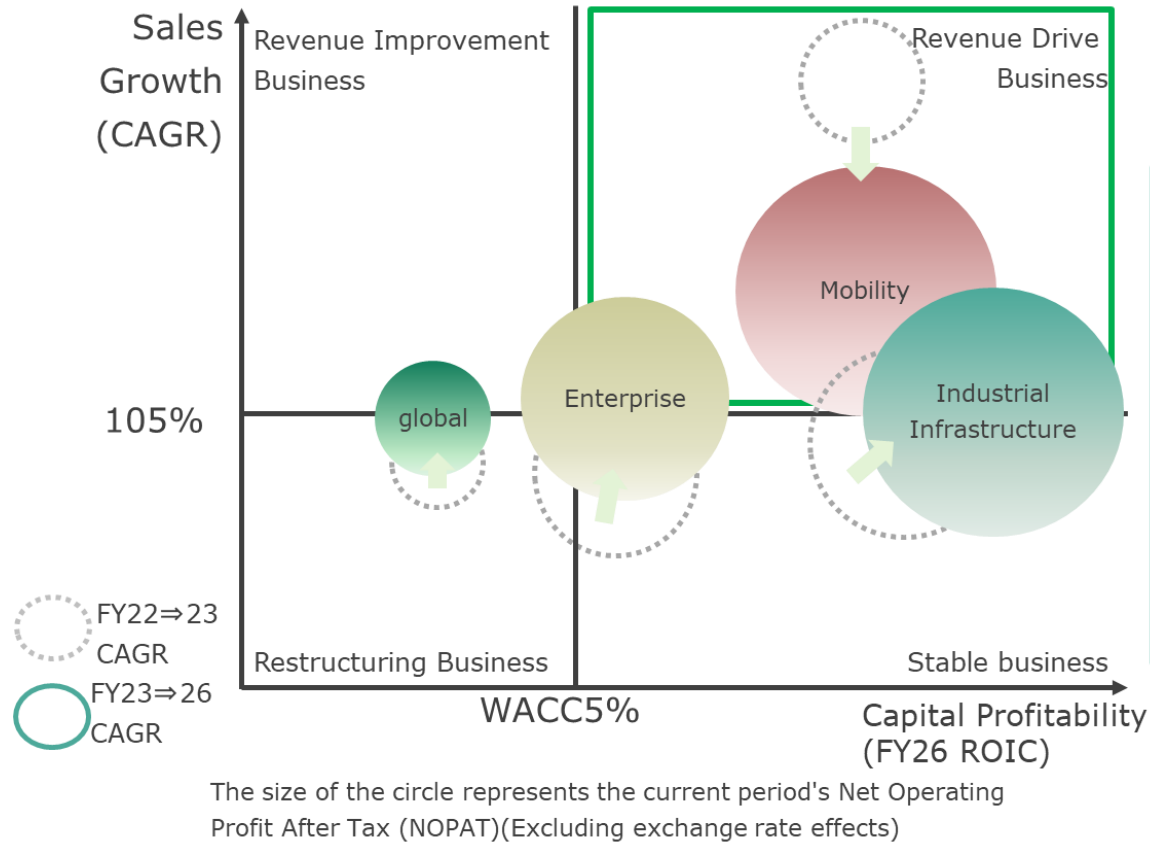
Cost of Equity Reduction
<div>3. Non-financial Initiatives</div> <ul style="list-style-type: none">• Promotion of human capital management Strengthen demand creation human resources Engagement improvement, etc.• Enhancement of corporate governance Thorough skill matrix, etc.

*Calculated based on CAPM(Capital Asset Pricing Model) basis.

Business Portfolio Strategies

[Medium-Term Management Plan 2026 Business Portfolio Strategies]

[Re-post]



- Industrial Infrastructure business
 - ✓ Solving social issues such as labor shortages through the use of robots
- Mobility business
 - ✓ Expansion of in-vehicle semiconductors, particularly in CASE
 - ✓ Developing the Indian Market through SMET
 - ✓ Creating synergies with MAGnetIC*
- Enterprise business
 - ✓ Increasing added value by “shifting to Intangibles Selling”
 - ✓ Realizing low-cost operations through DX utilization
 - ✓ Transfer of the switch business
- Global business
 - ✓ Expansion of local business

*The company name of MAGnetIC is scheduled to be changed to SystematIC.

Business Strategies ① Transfer of Switch Business

Transfer of shares to OTAX, a manufacturer and distributor of industrial switches with strengths, is conducted as part of a review of the business portfolio.



- Improving profitability of capital

Switch business



- Expanding product lineup to increase market share


Business Strategies ② Order for robotics automation equipment from a sake brewery

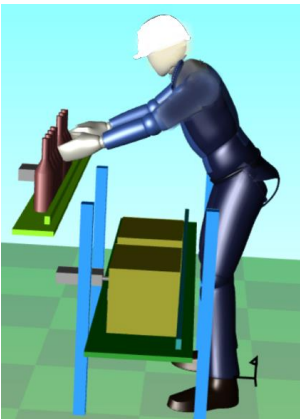
Before

Challenges of Customer

- Accelerating labor shortage
- Heavy labor involved in bottle transport

Packing process

 Machida Shuzo Co., LTD.
(Amami Oshima, Kagoshima)



Introduction of FAMS Co., Ltd.'s automation equipment
Scheduled to start operation in January 2025

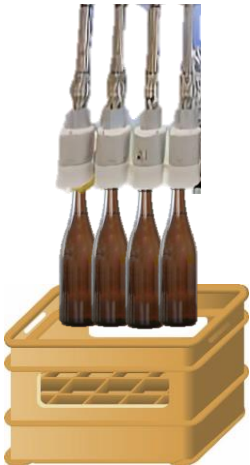


After

Effect of Introduction

- Labor saving through automation
- Ensuring safety by reducing the workload of transportation
- Improving production efficiency by proposing optimal allocation of people and machines

Automatic packing



Introduction example

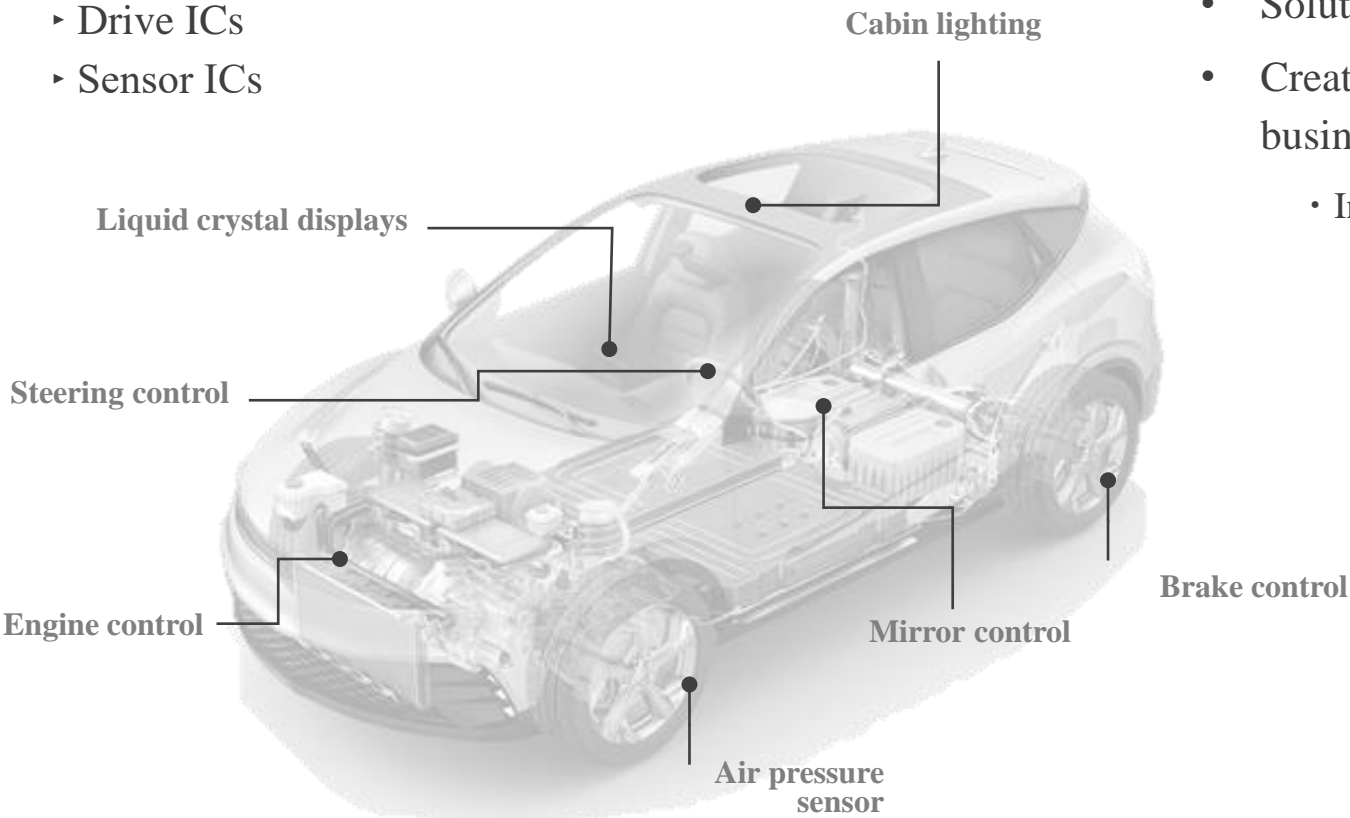
Business Strategies ③ Expansion of Mobility Market

Mobility

Expansion of in-vehicle semiconductors, particularly in CASE

[Products]

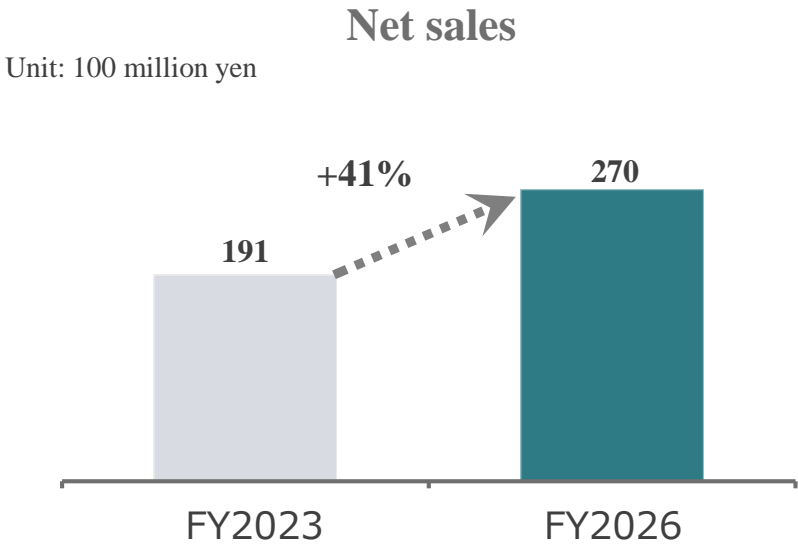
- Drive ICs
- Sensor ICs



SMET

Steady expansion in India market

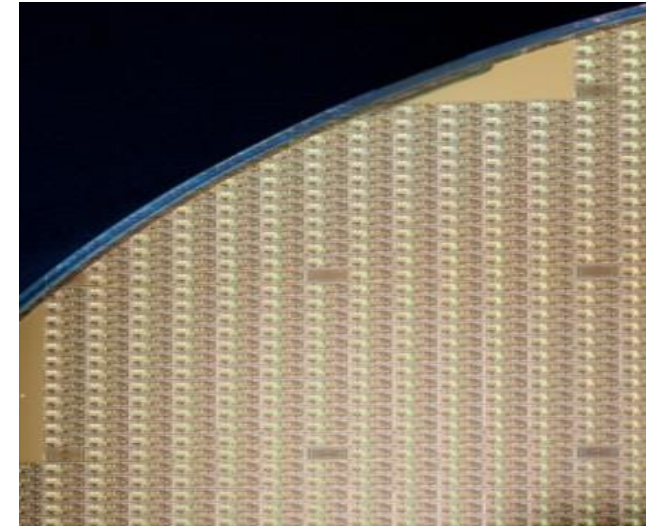
- EV 2-wheeled Vehicle solutions (Design-in: 4 companies)
- Solutions for Trains (Sample Evaluation: 5 Companies)
- Creating synergies through collaboration with other SATORI business segments
 - Introduction of Insulation-Monitoring Systems “Leakele” to India



Business Strategies ④ Entering the semiconductor circuit design business

Overview of SystematIC

Company name	SystematIC Design B.V.
Location	Netherlands (Delft)
Management	Richard Visee (CEO) Gert van der Horn (CTO)
Business	Design, IP and products of Integrated Circuits; Innovative design sensor and power chips
Found in	1998
Capital (FY22)	Euro 872,261
No. of Employees	23
Main markets	Industrial, consumer, automotive
>20 years in Japan >5 years products	





Richard Visee
CEO , Founder

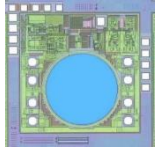
- Masters degree in Electrical Engineering from the Technical University of Delft
- Japanese contacts for more than 20 years
- Active in circuit and system design for more than 30 years



Gert van der Horn
CTO, Founder

- Technology expert
- Masters degree and PhD degree from the Technical University of Delft
- Active in circuit and system design for more than 30 years

Innovation & Strength



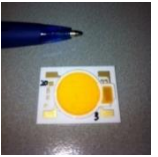
Innovation in integration:

EV & solar, haptic, biometric, class D audio, AI, energy harvesting, security, etc.



Innovation through cooperation:

- Foundry, Test & Assembly, M&S
- IDM/OEM
- Complementary tech and new tech



Our Strength

- Current sensors industrial, automotive & smart grid
- Applications: inverters, OCP, BMS
- Reduce BOM, smaller and smaller devices, new features and functions



Long-term trusting relationships with customers

CITIZEN

Panasonic

MITSUMI

NXP

dialog
SEMICONDUCTOR

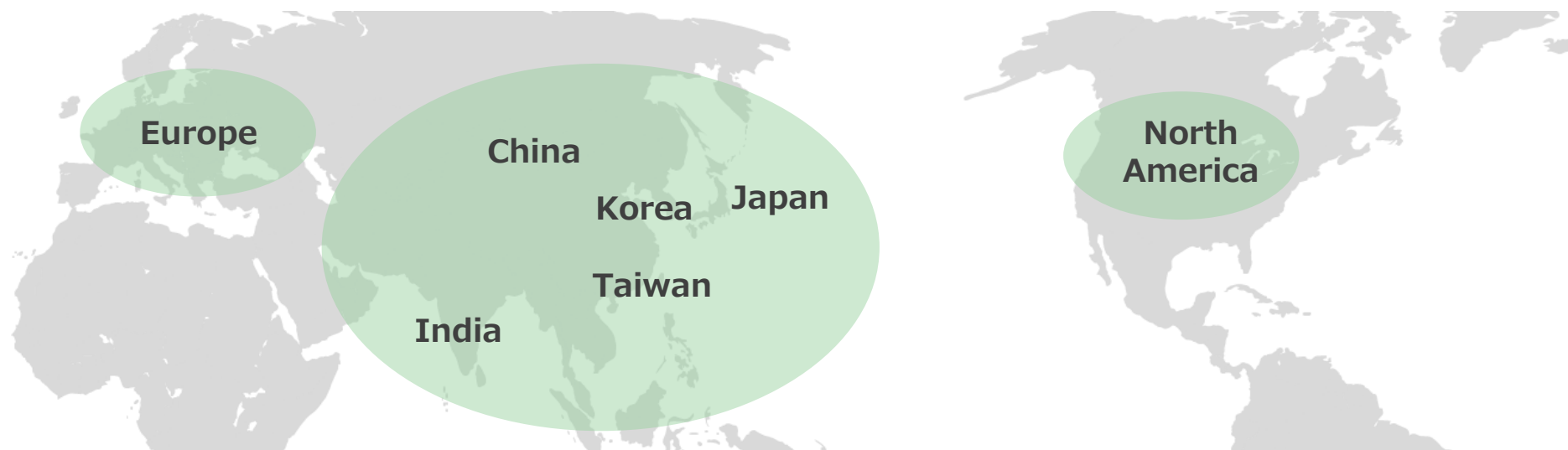
BROADCOM

AVAGO
TECHNOLOGIES

Melexis
INSPIRED ENGINEERING

OSRAM

Development of the semiconductor circuit design business



SystematIC

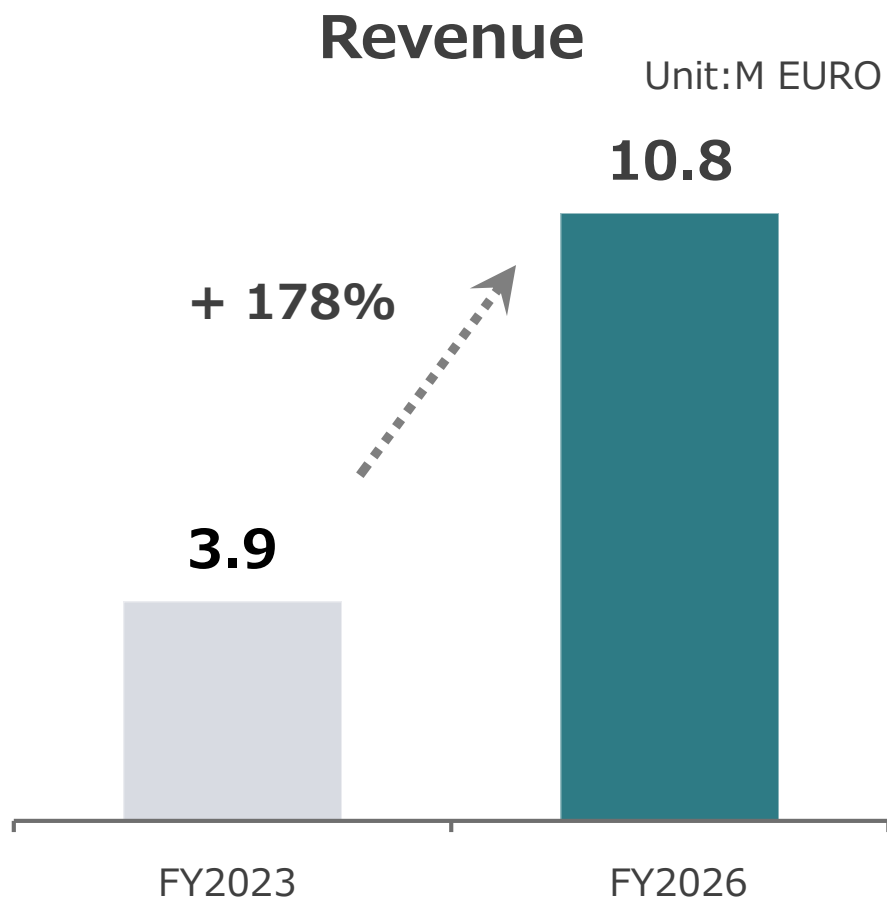
- Semiconductor design technology
- Proprietary analog IP



Increasing corporate
value through
Synergy effects

Satori

- Global network
- Broad customer base

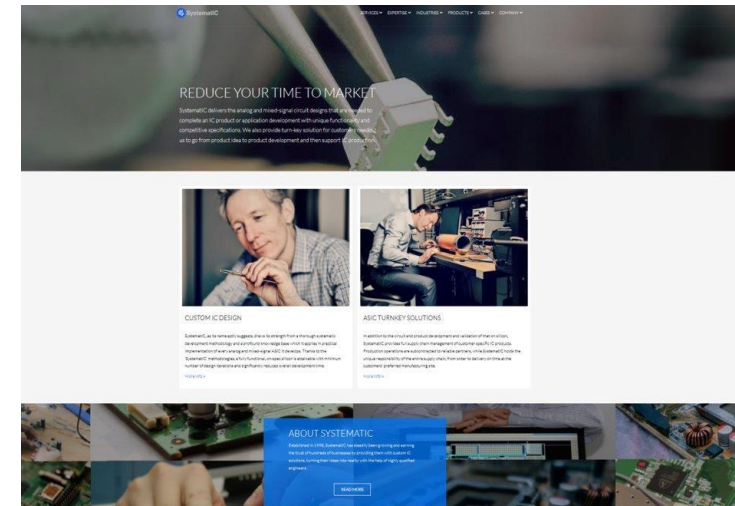
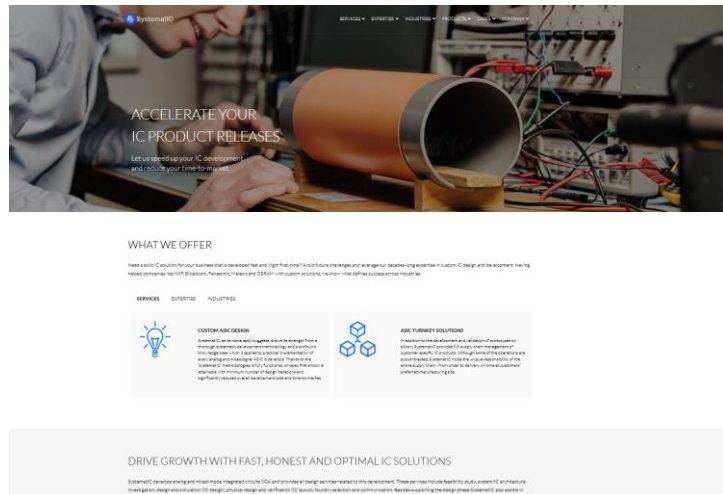


- **Product based Growth in Revenue**
- **Expand business in Asia and North America with sales Satori's support**
- **Bring IP licensing business alongside expanding profits from existing IP royalty business**
- **Enhance Product Development and Product Supply**
- **EBITDA over 10%**

* SystematIC's fiscal year ends in December.



Creating a New Era together !



Promotion of Governance Reforms

Reviewing management oversight and execution systems to strengthen global governance and vigorously promote swift management execution

<Further strengthening of Supervisory function of the Board of Directors>

- Ratio of inside directors and outside directors to 1:1

<Strengthening of business execution system>

- Changing the system from appointing executive officers and division heads separately to one in which, in principle, division heads also serve as executive officers.

⇒ 25 persons ⇨ 17 persons Reduced by 8 persons

<Enhancement of subsidiary-governance as a Global company>

- Introduce IFRS to improve management quality. (Scheduled for FY2026)

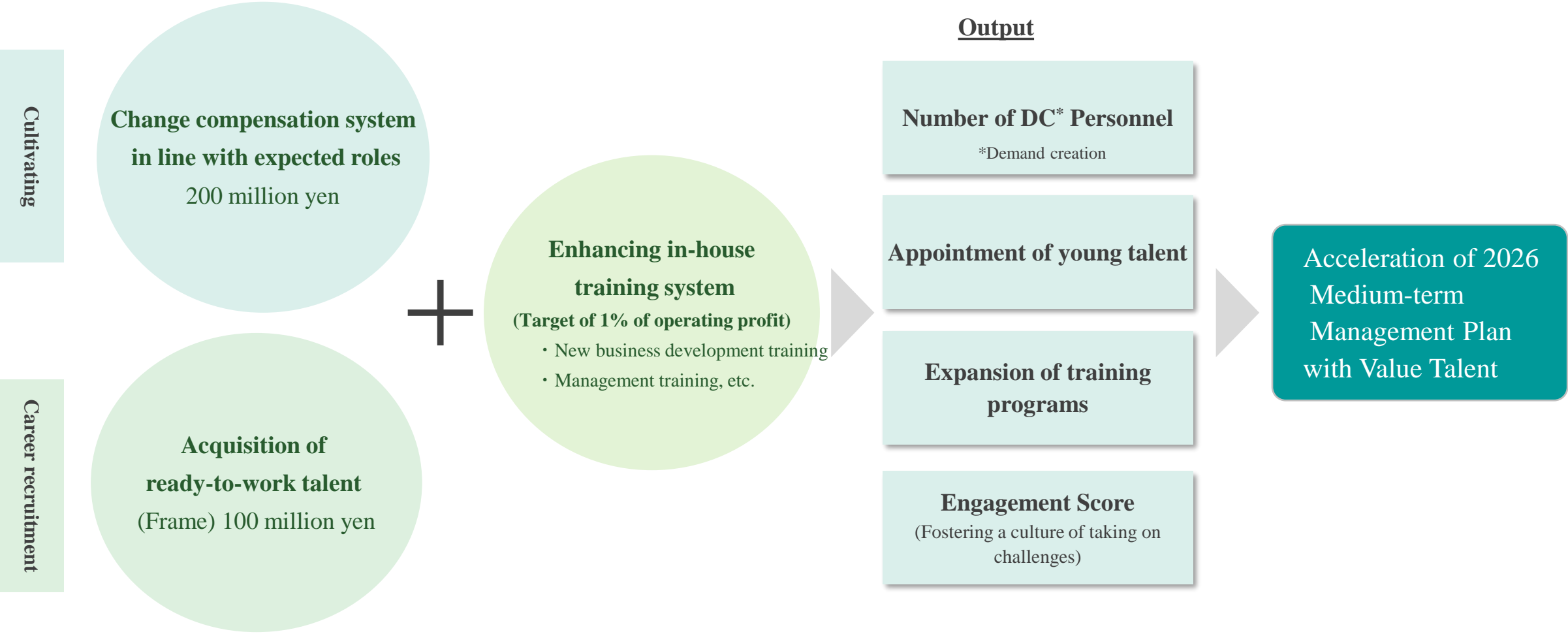
<Strengthening the Management Team Committed to Achieving the Medium-Term Management Plan>

- Continued application of performance-linked stock compensation plan
- Introduction of incentive system for employment-type executive officers

Expansion of Human Capital Investment

Human Resources Management Policy

Developing and producing human resources who can contribute to transformation of existing businesses and establishment of new business models



The forward-looking statements contained in this material are based on Satori's current assumptions, expectations and beliefs in light of the information currently possessed by it, and involve known or unknown risks, uncertainties and other factors could lead to outcomes that differ materially from those presented in such forward-looking statements.

These risks, uncertainties and other factors referred to above include, among others:

- Economic conditions and consumer trends in major markets
- Large fluctuations in foreign exchange rates
- Substantial fluctuation in prices in capital markets
- Rapid changes in the supply-demand relationship in the major product markets
- Technological innovation and changes in customers' needs
- Natural disasters and the spread of infectious diseases

Appendix

Profit and Loss Trends by Segment for FY2023

(Unit: 100 million yen) Upper: Sales Lower: Operating profit	FY2023			FY2022	
	Results	Profit ratio	YoY	Results	Profit ratio
Industrial Infrastructure Business	300 15.9	5.3%	▲4% +41%	312 11.3	3.6%
Enterprise Business	491 20.6	4.2%	▲22% ▲13%	※2 628 23.7	3.8%
Mobility Business	320 18.2	5.7%	+151% +75%	※2 127 10.4	8.2%
Global Business	439 5.7	1.3%	▲8% +19%	477 4.8	1.0%
Company-wide and eliminations	※1 ▲70 ▲13.0	-	- -	▲82 ▲12.4	-
Total	1,481 47.5	3.2%	+1% +25%	1,463 37.9	2.6%

※1 Includes elimination of inter-segment transactions. ※2 Storage part have been reclassified due to a change in the segment classification.

Profit and Loss Trends by Segment for FY2024(Forecast)

(Unit: 100 million yen) Upper: Sales Lower: Operating profit	FY2024			FY2023	
	Forecast	Profit ratio	YoY	Results	Profit ratio
Industrial Infrastructure Business	320 16.5	5.2%	+7% +4%	300 15.9	5.3%
Enterprise Business	521 16.5	3.2%	+6% ▲20%	491 20.6	4.2%
Mobility Business	333 16.7	5.0%	+4% ▲8%	320 18.2	5.7%
Global Business	434 5.7	1.3%	▲1% ▲2%	439 5.7	1.3%
Company-wide and eliminations	※1 ▲68 ▲12.4	-	- -	▲70 ▲13.0	-
Total	1,540 43.0	2.8%	+4% ▲10%	1,481 47.5	3.2%

※1 Includes elimination of inter-segment transactions.