

Interim (Q2) Financial Results Briefing for FY24

SATORI ELECTRIC CO., LTD.
January 16, 2025

- 1 . Interim (Q2) Financial Results for FY24/ Full-year Forecast/ Financial Highlights (Consolidated)
- 2 . Actions to Implement Management that is Conscious of Cost of Capital and Stock Price

1 . Interim (Q2) Financial Results for FY24/ Full-year Forecast/ Financial Highlights (Consolidated)

Interim (Q2) Financial Results for FY24/ Full-year Forecast/ Financial Highlights

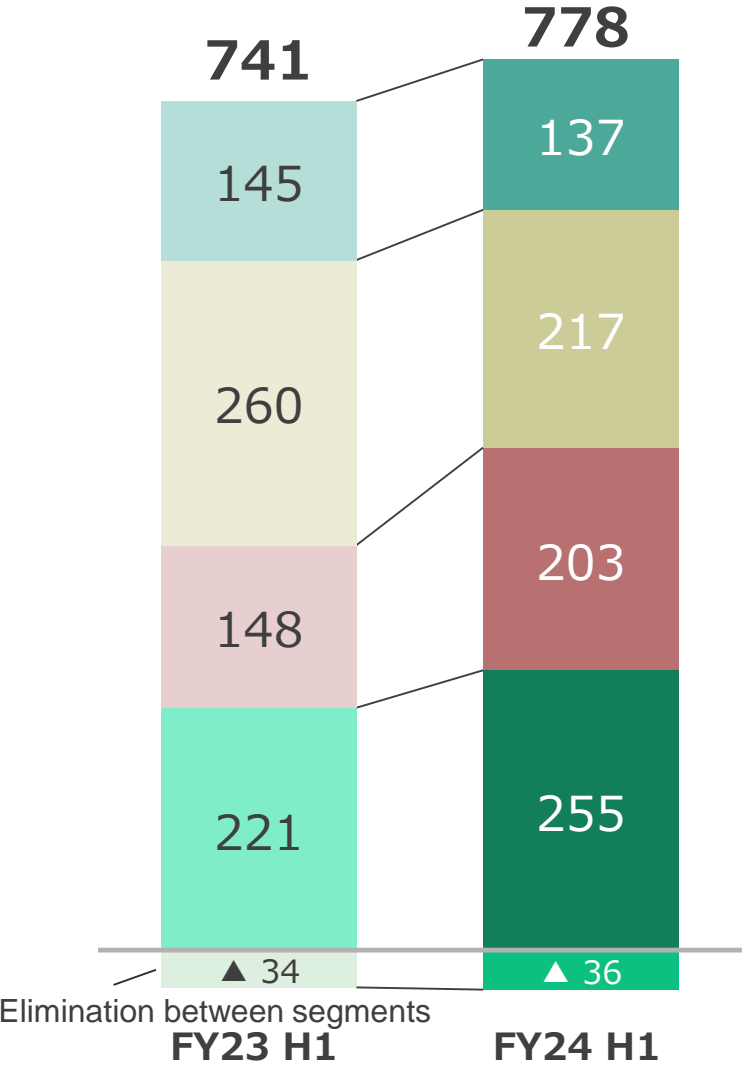
(Unit: 100 million yen)

	FY23 H1	FY24 H1		FY24 H1		FY24 Full-year	
	Results	Results	YoY	Initial forecast	VS Initial forecast	Forecast	Progress
Net sales	741	778	+5%	750	+4%	1,540	51%
Operating profit	26.7	20.8	▲22%	20	+4%	43	49%
Ordinary profit	19.4	16.6	▲15%	16	+4%	35	48%
Profit attributable to owners of parent	12.7	11.4	▲10%	12	▲5%	25	46%
Monthly Average/ Forecast Exchange Rate (US\$/¥)	145.1 yen	151.9 yen		—		145 yen	

- Net sales achieved both the same period of the previous year and the initial forecast.
Operating profit achieved the initial forecast.

FY24 H1 YoY Comparison of Segment-Wise Net Sales

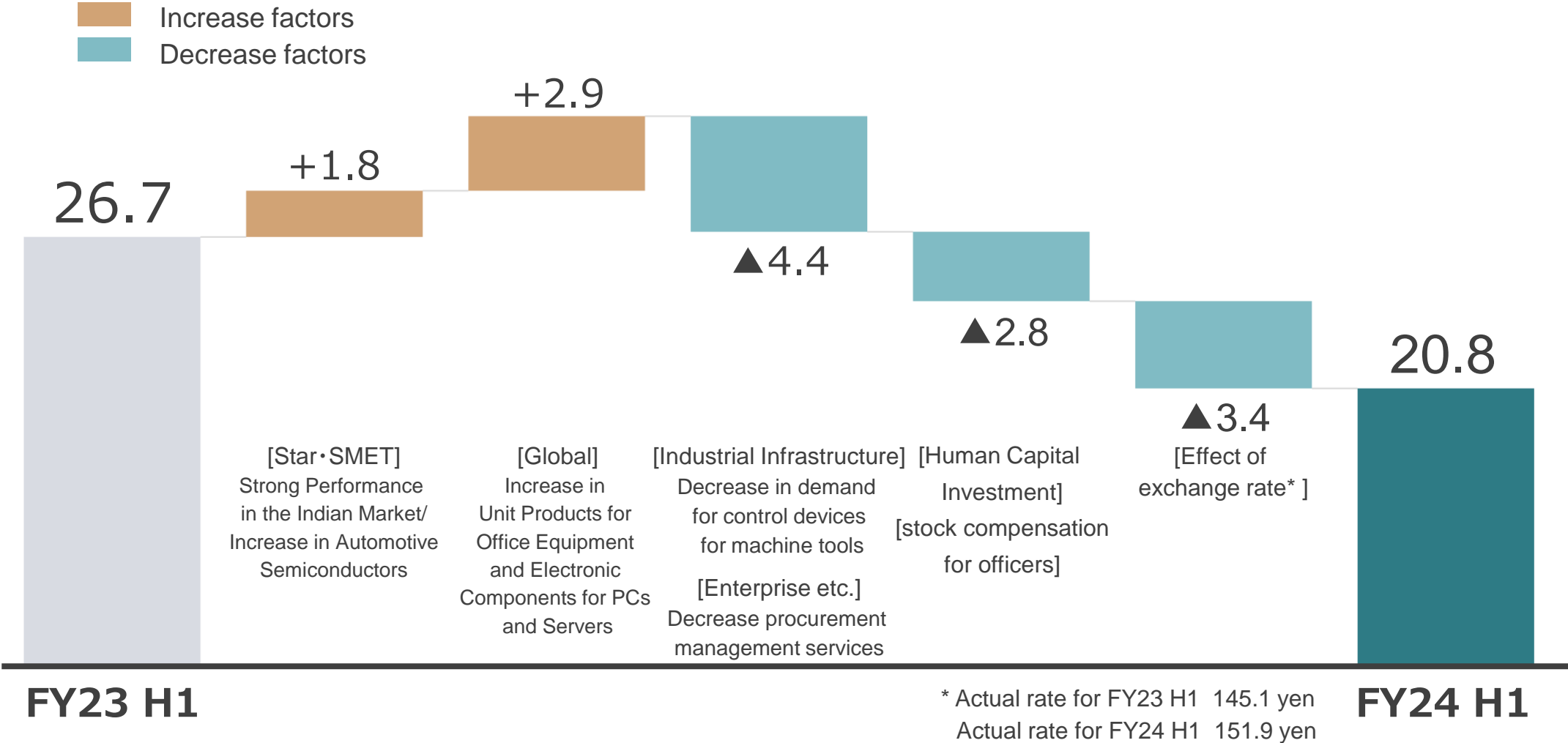
(Unit: 100 million yen)



Segment	YoY (amount) YoY (Rate)	Key factors
Industrial Infrastructure	▲7 ▲6%	[▲] Decrease in demand for control equipment for machine tools
Enterprise	▲43 ▲17%	[▲] Decrease in sales of procurement management services
Mobility	+55 +37%	[+] Strong Performance in Business for the Indian Market; increased sales of semiconductors for automotive applications
Global	+34 +16%	[+] Increased Sales of Unit Products for Office Equipment and Electronic Components for PCs and Servers

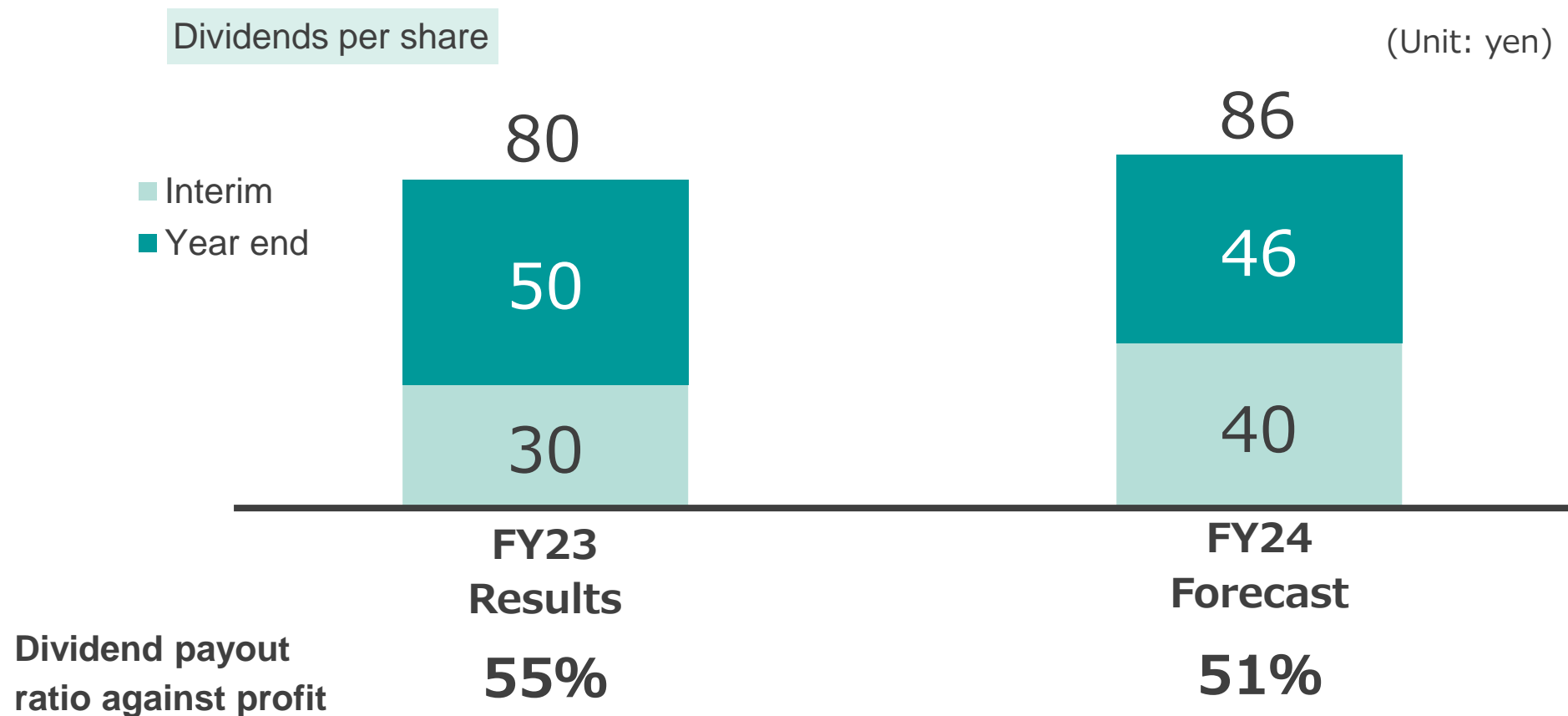
FY24 H1 Key Factors for the Increase (Decrease) in Operating Profit

(Unit: 100 million yen)



Dividend Forecast for FY24

[Re-post]

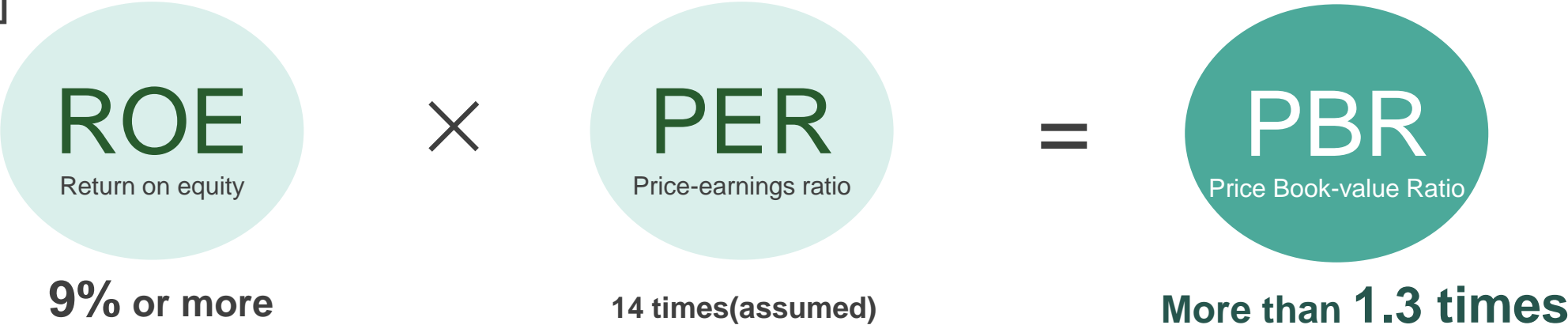


Based on the full-year outlook, the annual dividend is expected to increase to 86 yen in accordance with our dividend policy.

2. Actions to Implement Management that is Conscious of Cost of Capital and Stock Price

To achieve PBR of 1.3 times or more by exceeding shareholder capital cost of 7% and achieving ROE of 9% or more

[FY26 Target]



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

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Cost of Equity Reduction
<p>3. Non-financial Initiatives</p> <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.

1 . Financial Initiatives - Improving ROE through the Compression of Shareholders' Equity

Compression of Property, plant and equipment

- Sold Business Assets / Idle Assets

(Unit: 100 million yen)

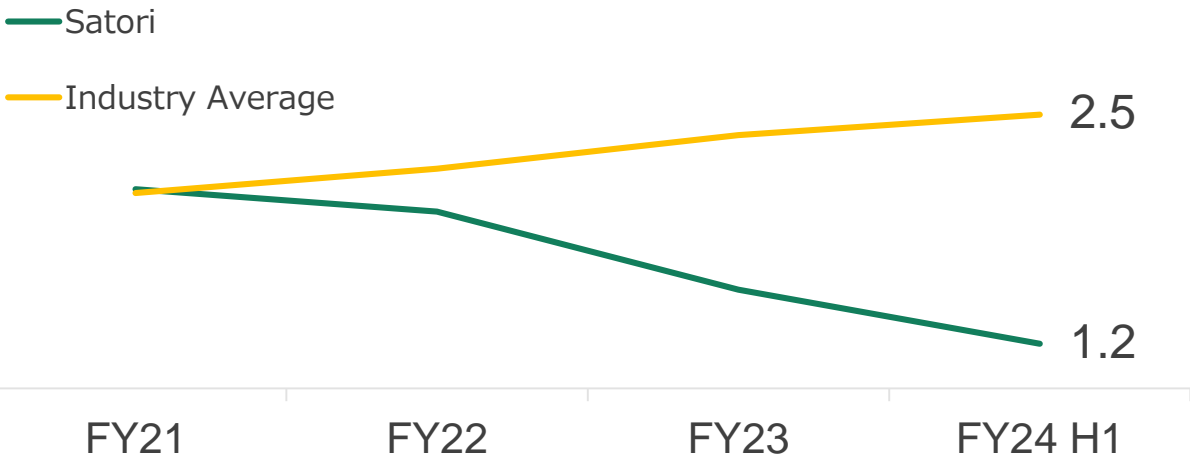
	FY22	FY24 H1
Property, plant and equipment (Acquisition Cost)	73	47

▲26

Compression of Inventory

- As part of CCC improvement efforts, inventory reduction activities were implemented, and inventory is now managed with a holding period of approximately 1.2 months.

Comparison of Inventory Holding Period(Month)



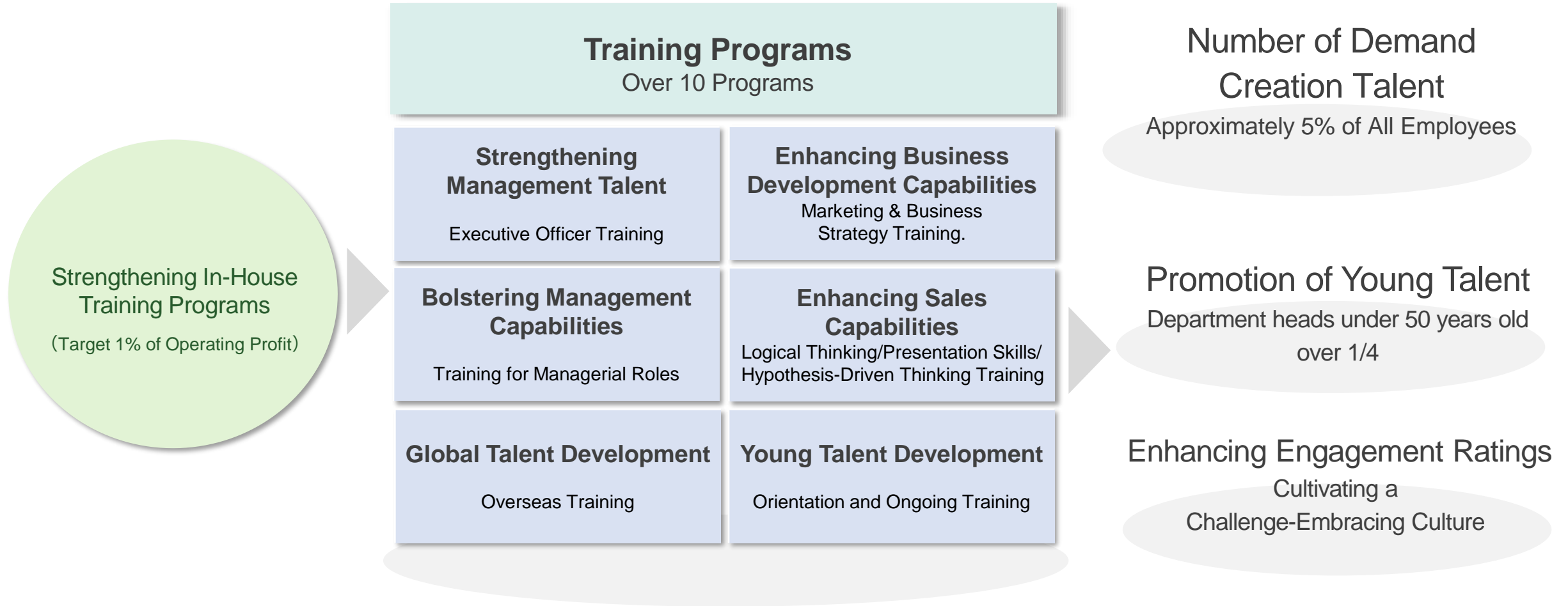
*Industry Average: Calculated by Satori based on data from 23 other companies in the same industry.

2. Non-financial Initiatives -Promotion of human capital management-

- Policy of Human Capital Management

Human Resource Development Focused on "Fostering and Developing Talent to Transform Existing Businesses and Create New Business Models."

- Initiatives to Foster Engagement and Drive Cultural Transformation for Embracing Challenges.



3. Growth Strategy Initiatives ①Expansion of Business in India through SMET

New Supplier

Qualcomm



Melexis



- Pioneering Role in the Indian Semiconductor Trading Industry
- Serving 2,000 Local Customers in India
- Offering Both Devices and Comprehensive Solutions
- Highly Rated by Leading Suppliers

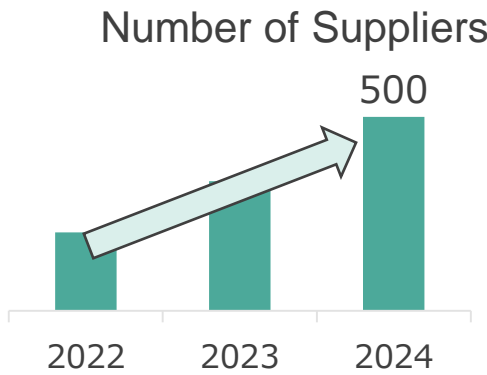
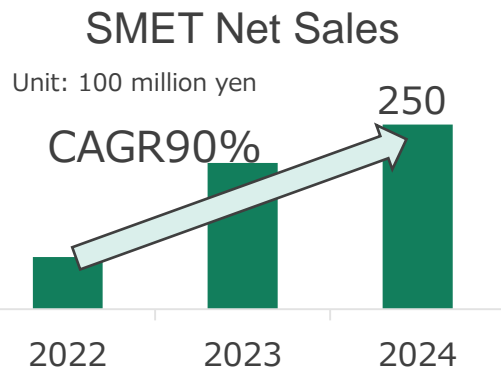
India Market

【Growth】

GDP +8% (*1)

Manufacturing Industry +10% (*2)

Semiconductor Industry +19% (*3)



(Source)*1&*2 Summarized by JETRO from materials published by the Ministry of Statistics and Plan Implementation.

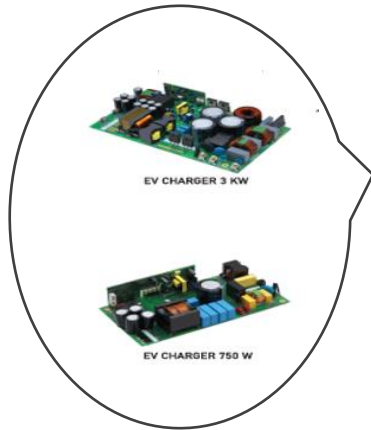
(Source)*3 Global Japan AAP Consulting Private Limited

(1) EV Charger Solutions

◆ Full-Range Solutions for EV Two-Wheelers and Three-Wheelers

350W / 750W / 1500W / 2200W / 3300W

◆ Next-Generation models equipped with GaN devices are under development



☐ Delivering

ANEVOLVE

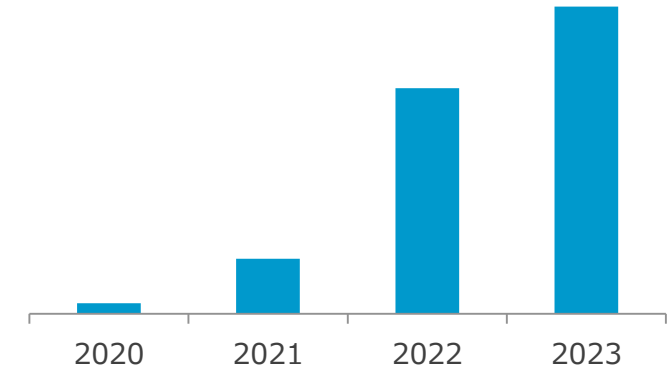
ANAND Group, the Second-Largest Tier 1 Supplier in the Indian Automotive Industry.

☐ Deal developing

- Star Engineers
- TVS Motors
- Simple Energy, etc.

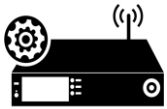
Sales Volume of EV Two-Wheelers in India

■ Volume



Source: Created by Satori using data from FOURIN's "2035 Outlook for the Global Electric Motorcycle Industry"

(2) Infotainment and Security Solutions for Trains



Mobile Video Recorder



IP Security Camera



Wi-Fi Access Point



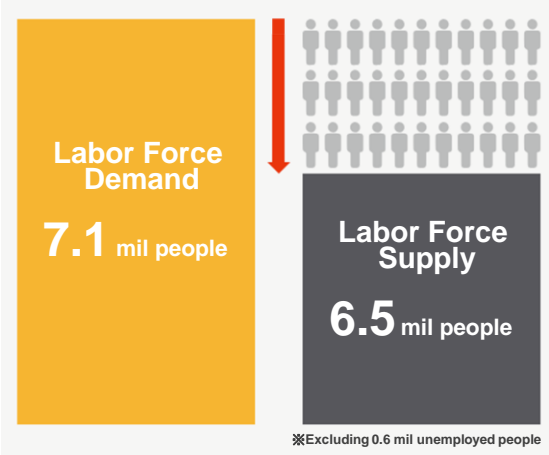
Switch & Router

Solutions for Indian Railways adopted

Contract Signed and Business Deal Initiated with Railway Equipment Companies



3. Growth Strategy Initiatives ② Efforts for Industry DX



It is projected that **a labor shortage of approximately 6.5 million** people will occur by 2030*

Social challenges, including labor shortages, are anticipated to worsen across various sectors.

*Source : the Persol Research Institute & Chuo University "Estimates for the Labor Market in 2030"

Solving Social Issues Together with Our Customers

Labor Reduction Measures for Manufacturing Industry

Collaborative Robot



【Customer】

- Food and Sake Manufacturer
- Automotive Parts Manufacturer
- Electronics Manufacturer

Utilization of DX for Livestock Industry

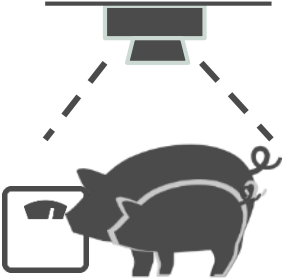
Feed Tank Inventory Management Milfee



&

**DX Solutions
for pig farmers ***

AI Pig Camera (Eco-Pork)



Business partnership to jointly achieve Livestock DX

The purpose of this business partnership is to develop a weight measurement solution based on Milfee and to advance the utilization of livestock data.



Marketing / Customer development / Solution development



Provision of Livestock DX technologies, including weight measurement AI / Marketing

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 FY24 Q2

(Unit: 100 million yen) Upper: Sales Lower: Operating profit	FY24 Q2			FY23 Q2	
	Results	Profit ratio	YoY	Results	Profit ratio
Industrial Infrastructure Business	137 6.0	4.4%	▲5% ▲16%	145 7.1	4.9%
Enterprise Business	217 5.0	2.3%	▲17% ▲62%	260 13.4	5.1%
Mobility Business	203 8.1	4.0%	+37% ▲10%	148 9.1	6.1%
Global Business	255 5.6	2.2%	+15% +104%	221 2.7	1.3%
Company-wide and eliminations	※1 ▲36 ▲4.0	-	- -	▲34 ▲5.7	-
Total	778 20.8	2.7%	+5% ▲22%	741 26.7	3.6%

※1 Includes elimination of inter-segment transactions.

Profit and Loss Trends by Segment for FY24 (Forecast)

(Unit: 100 million yen) Upper: Sales Lower: Operating profit	FY24			FY23	
	Forecast	Profit ratio	YoY	Results	Profit ratio
Industrial Infrastructure Business	300 15.2	5.1%	+0% ▲5%	300 15.9	5.3%
Enterprise Business	467 12.7	2.7%	▲5% ▲38%	491 20.6	4.2%
Mobility Business	376 17.3	4.6%	+18% ▲5%	320 18.2	5.7%
Global Business	462 8.8	1.9%	+5% +53%	439 5.7	1.3%
Company-wide and eliminations	※1 ▲67 ▲11.0	-	- -	▲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.