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Company name	Tsuzuki Denki Co., Ltd.
Representative	Isao Emori President and CEO
Securities code	8157 (TSE Prime Market)
Contact	Toshihiro Hirai Managing Executive Officer (Tel: 050-3684-7780)

Notice Regarding Long-Term Vision and Medium-Term Management Plan, Transformation 2026

Tsuzuki Denki Co., Ltd. (hereafter, the “Company”) announces that it has formulated a long-term vision toward the 100th anniversary of its founding (FY03/33) and a three-year medium-term management plan, dubbed Transformation 2026, starting in the fiscal year ending March 2024 (FY03/24) as below.

1. Background to the formulation of the long-term vision

With the purpose of “Bringing to society *yohaku* filled with possibilities, through people, insight, and technology, together,” the Company has contributed to its customers and society through information and communications technology (ICT). Amid drastic changes in the business environment surrounding the Company caused by increased awareness of sustainability and heightened expectations for ICT to drive business reforms and help resolve social issues, we have formulated a long-term vision with an eye to the 100th anniversary of our founding (FY03/33), with the aim of becoming a company that continues to be chosen by stakeholders in the next 100 years as well. With the vision of where we want to be in 10 years as a guidepost, we will work together with stakeholders to make further progress and realize a prosperous world.

2. Overview of the long-term vision

We aim to achieve the following by FY03/33, and to do so, will implement medium- to long-term initiatives.

<What we envision ourselves to be in 10 years>

Growth Navigator (An organization that navigates growth and creates value together with stakeholders)

<Three axes of activity>

Create new value / Build connections with diverse customers / Continue to lead growth

<Targets for FY03/33>

Operating income of ¥10 billion and net sales of ¥150 billion

3. Overview of medium-term management plan, Transformation 2026

We have positioned the three years starting FY03/24 as the first stage toward realizing the long-term vision, during which we will work to shift resources to growth areas. We plan to implement business strategies to enhance our growth potential, as well as financial strategies and measures to reinforce the management base to support the business strategies, while at the same time focusing on activities that contribute to realizing a sustainable society. Through these efforts, we aim to achieve the final-year targets for the medium-term management plan.

<Strategic framework>

- (1) Business strategies: Expand growth areas
Increase profitability of existing businesses
Restructure business portfolio and group companies
- (2) Financial strategies: Operate finances while being mindful of the cost of capital
Secure growth funds through optimizing the balance sheet
Optimize capital allocation
- (3) Management base reinforcement: Actively invest in personnel capital (organizational and personnel development)
Make further advancements in governance
Strengthen sustainability activities

<Consolidated earnings targets>

	FY03/23 results	FY03/26 targets
Net sales	¥123.8 billion	¥130.0 billion
Operating income	¥5.1 billion	¥6.5 billion
ROE	10.4%	Above 10%
CO2 emission (scope 1+2)	719t-CO ₂	591t-CO ₂

<Shareholder returns>

Enhancing shareholder returns is a key policy of our financial strategies.

We will ensure stable dividends and substantially raise dividends by increasing the target payout ratio to 40%* and setting the minimum DOE (dividend on equity ratio) at 3.5%.

*Based on earnings per share excluding extraordinary gains or losses.