

March 11, 2026

Notice Concerning Revision of Financial Targets in the Medium-Term Management Plan

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 Listing: Tokyo Stock Exchange / Fukuoka Stock Exchange
 Securities code: 6966
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Mitsui High-tec, Inc. (the “Company”) hereby announces that, at the meeting of its Board of Directors held today, it resolved to revise the financial targets of its Medium-Term Management Plan (for the fiscal years ending January 2026 through January 2028), which was originally announced on March 11, 2025, as outlined below.

1. Details of the Revision

(million yen)

	Fiscal Year Ending January 2028		Change	Change (%)
	Initial Plan	Revised Plan		
Net Sales	310,000	263,000	(47,000)	(15.2%)
Operating Profit	23,500	15,000	(8,500)	(36.2%)
Operating Margin	7.6%	5.7%	(1.9pt)	
ROE (Return on Equity)	12.0% or higher	8.0% or higher	(4.0pt) or higher	
ROIC (Return on Invested Capital)	7.0% or higher	5.0% or higher	(2.0pt) or higher	
Capital Expenditures	110,000	96,000	(14,000)	(12.7%)

2. Reason for the Revisions

Due to the slowdown in the growth of the electric vehicle market in the Electrical Parts Business, as well as the delayed recovery of the legacy semiconductor market in the Electronic Parts Business, the Company has revised downward its financial targets for the fiscal year ending January 2028, including net sales, operating profit, ROE, and ROIC, which were presented in the Medium-Term Management Plan announced in March 2025.

In addition, taking into account the slowdown in the growth of the electric vehicle market, the Company has reviewed its capital investment plans and will reduce total capital expenditures over the three-year period from ¥110.0 billion to ¥96.0 billion.

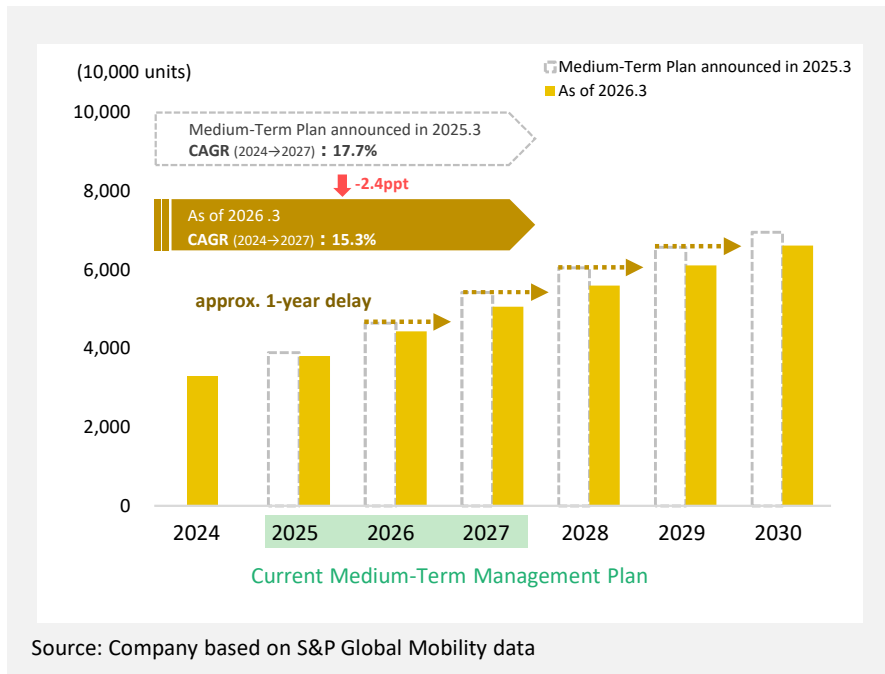
Revision of the Medium-Term Management Plan

This is an excerpt from the supplemental financial results materials for the fiscal year ended January 2026, released on March 11, 2026.

Market Environment and Trends —Electrical Parts Business (Motor Core)

Delayed Recovery in the Legacy Semiconductor Market from FY2026 Onward Compared with Assumptions at the March 2025 Medium-Term Management Plan (MTMP)

● Revision of Global EV Production Forecast



Market Environment

- We expect the EV market to continue growing, with a projected CAGR of +15.3% over the current 3-year Medium-Term Plan period.
- Compared with the assumptions at the time the medium-term plan was formulated in March 2025, the global electrified-vehicle market (HEV and BEV) has slowed, with a particularly sharp decline in BEV demand in Europe and North America
- Due to the impact of revisions in customers' sales plans, our sales are expected to be deferred by approximately two years compared to the original forecast.

Our target markets

Electric vehicle type

All Types
HEV, BEV, PHEV, MHEV, FCEV

Customers

Global and domestic vehicle manufacturers
Tier 1 manufacturers

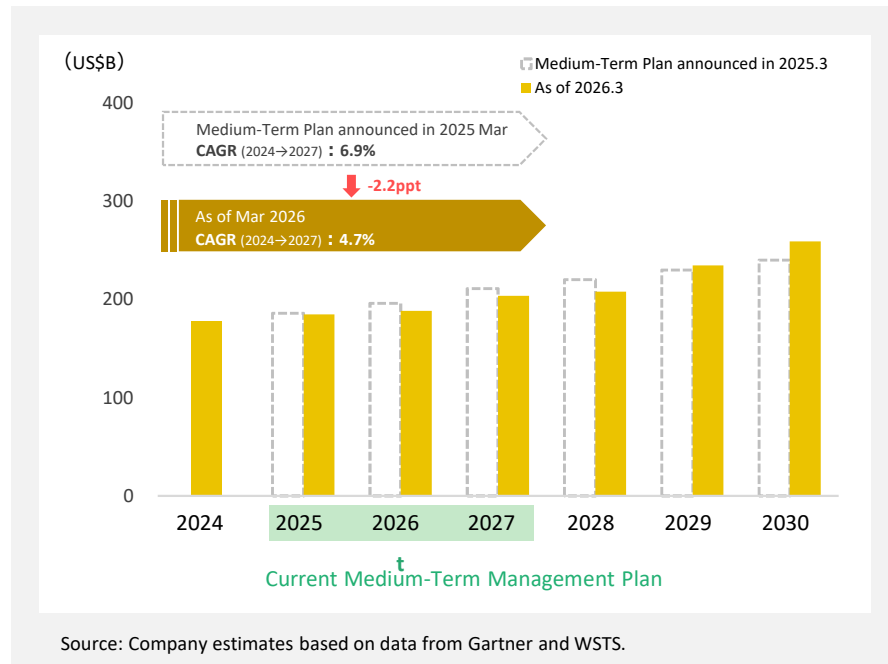
Product Category

High quality, High efficiency, Motor core

Market changes in Electronic Parts Business (Leadframe)

Legacy Semiconductor Market Recovery Slower Than Assumed in Mar 2025 Plan

● Legacy Semiconductor Market Forecast



Market Environment

- Compared with the Medium-Term Plan announced in March 2025, the overall legacy semiconductor market — and particularly our target market — has lagged in its recovery.
- In the automotive semiconductor market, IDM demand recovery in Japan, the U.S. and Europe is slowing as BEV growth among Japanese, U.S. and European OEMs decelerates.

* About semiconductors using leadframe

Leadframe packages are predominantly utilized in discrete and analog semiconductors, as well as other legacy semiconductor products. Their application in advanced semiconductor-related products for AI is relatively limited.

Our target markets

Automotive

All types of vehicles including Evs
(power, microcomputer, analog)

Consumer

Industrial machinery, PC, LED, Data center etc.
(power, microcomputer, analog)

Information terminal

Mobile terminals and peripheral equipment
(power, analog)

Revision to Financial Targets in the Medium-Term Management Plan(MTMP)

Reasons for the Revision

Due to changes in the market environment and customer trends for the fiscal years ending January 2027 and January 2028, order intake is expected to decrease compared to the Medium-Term Management Plan (MTMP) announced in March 2025. Consequently, as net sales, operating profit, ROE, and ROIC are projected to fall short of the original financial targets, we have revised our plan accordingly as follows.

[Unit: million yen]

● Financial targets	Forecast for FY2027 (Announced in 2025.3)	Revised Forecast for FY2027	Change	Percentage Change
Net Sales	310,000	263,000	-47,000	-15.2%
Operating Profit	23,500	15,000	-8,500	-36.2%
Operating Profit Margin	7.6%	5.7%	-1.9ppt	
ROE	12.0%以上	8.0% or higher	-4.0ppt or higher	
ROIC	7.0%以上	5.0% or higher	-2.0ppt or higher	

● Reference Index	Forecast for FY2027 (Announced in 2025.3)	Revised Forecast for FY2027	Change	Percentage Change
Ordinary Profit	23,000	14,000	-9,000	-39.1%
Net Profit	16,000	10,000	-6,000	-37.5%
EBITDA	44,500	34,000	-10,500	-23.6%
EBITDA Margin	14.4%	12.9%	-1.4ppt	
Capital Investment (Total 3 years)	110,000 FY2025-FY2027	96,000 FY2025-FY2027	-14,000	-12.7%

Revision to Financial Targets in the MTMP — Electrical Parts Business (Motor Core)



[Unit: million yen]

(Unit: million yen)		Forecast for FY2027 (Announced in 2025.3)	Revised Forecast for FY2027	Change	Percentage Change	
Electrical Parts Business (Motor Core)	Financial targets	Net Sales	234,000	190,000	-44,000	-18.8%
		Operating Profit	15,500	10,000	-5,500	-35.5%
		Operating Profit Margin	6.6%	5.3%	-1.4ppt	
		Capital Investment (Total 3 years)	92,000	78,000	-14,000	-15.2%
	Reference Index	EBITDA	31,000	23,000	-8,000	-25.8%
		EBITDA Margin	13.2%	12.1%	-1.1ppt	

Analysis of
Factors

- The decrease in sales is attributable to a 33,000 million decline mainly due to reduced sales volumes associated with the slowdown in the electric-vehicle market, and an additional 11,000 million reflecting the pass-through of lower material costs to product selling prices.
- Operating profit is expected to decline despite measures to contain fixed costs, due to a reduction in contribution margin caused by lower sales volumes.
- Capital expenditures are expected to decrease by 14,000 million based on customer trends and our revised earnings outlook.

Revenue
Decline
Drivers

- External -11,000 million yen
(raw materials)
- Internal -33,000 million yen
(lower sales volumes)

Japan +4,000 million yen / Overseas -37,000 million yen

Profitability
by Plants

Although overseas sites bear significant upfront investment costs, profitability is expected to improve as sales expand, driven by higher utilization and improved fixed-cost absorption. Domestic sites will also incur advance investment costs to expand production capacity.

Plant	Operating Profit Margin (Forecast for FY2027)
● Global	5.3%
● Japan	8.0%
● Overseas	2.3%

3. Revision of the Medium-Term Management Plan

Revision to Financial Targets in the MTMP

— Electronic Parts Business (Leadframe) and Tooling and Machine Tools Business



[Unit: million yen]

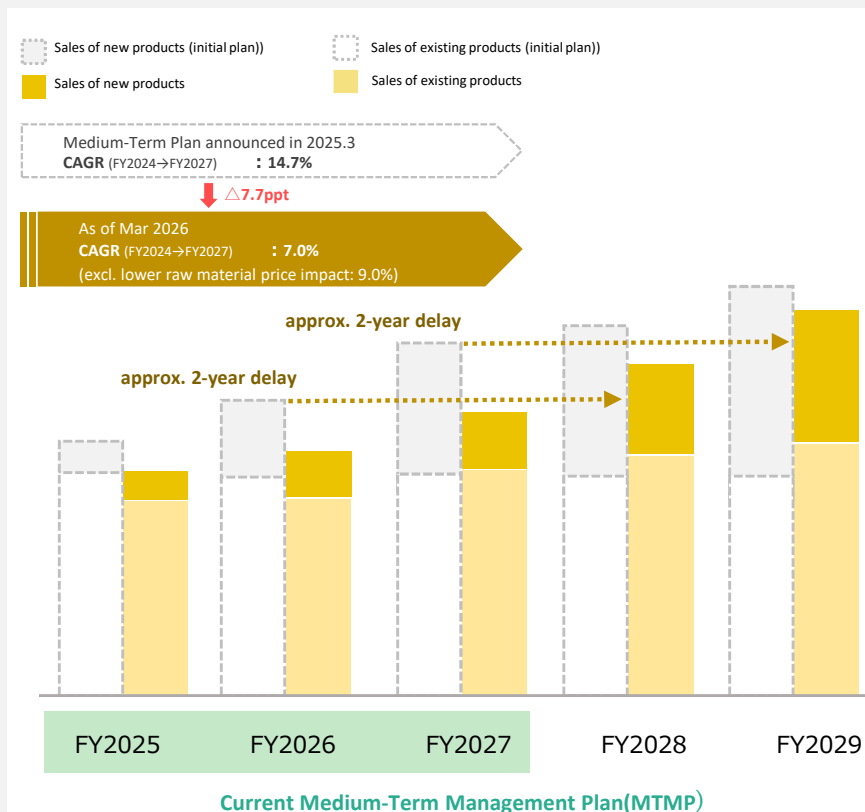
		Forecast for FY2027 (Announced in 2025.3)	Revised Forecas for FY2027	Change	Percentage Change
Electronic Parts Business (Leadframe)	Financial targets	Net Sales	70,000	No change	
		Operating Profit	7,000	-1,000	-12.5%
		Operating Profit Margin	10.0%	-1.4ppt	
		Capital Investment (Total 3 years)	12,500	No change	
	Reference Index	EBITDA	11,000	-1,000	-8.3%
		EBITDA Margin	15.7%	-1.4ppt	
Tooling and Machine Tools Business	Financial targets	Net Sales	12,000	-2,000	-14.3%
		Operating Profit	1,000	-500	-33.3%
		Operating Profit Margin	8.3%	-2.4ppt	
		Capital Investment (Total 3 years)	1,500	No change	
	Reference Index	EBITDA	1,500	-500	-25.0%
		EBITDA Margin	12.5%	-1.8ppt	

Profitability outlook—Electrical Parts Business (Motor Core)

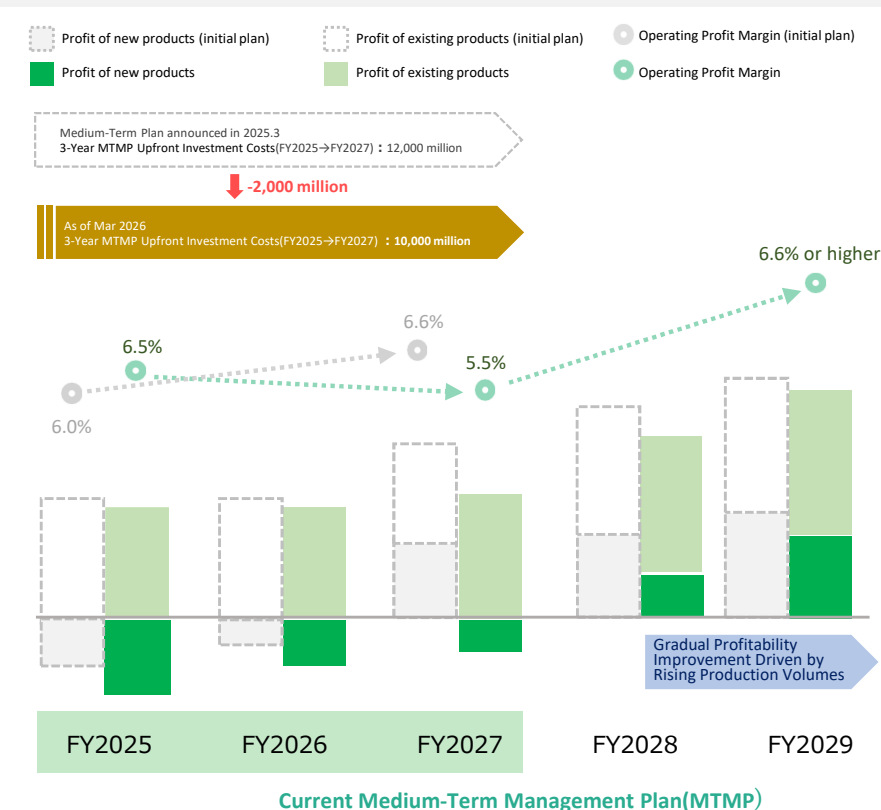
Due to slower BEV-led EV market growth and postponed OEM new-product launches, profitability is expected to bottom in the fiscal year ending January 2028. From the fiscal year ending January 2029 onward, profitability is expected to improve as sales recover.

[Earnings transition — New products and Existing products (Electrical Parts Business)]

Net Sales



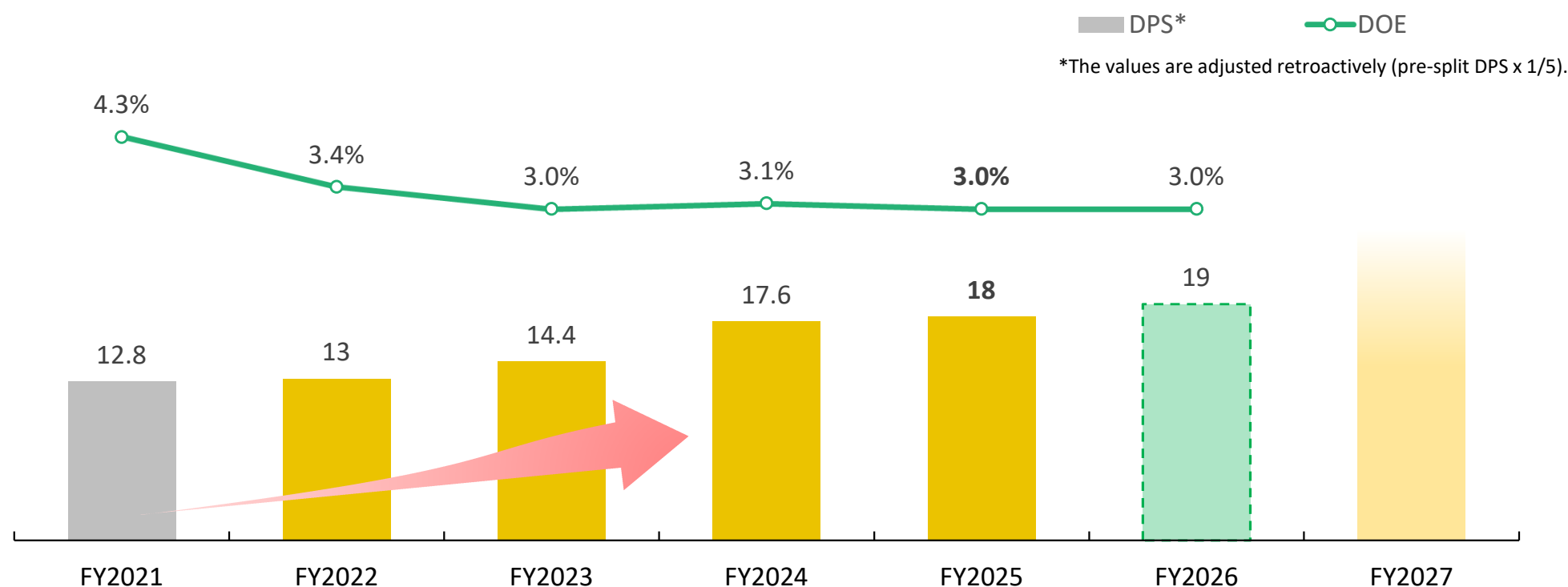
Profitability outlook



Existing products : Mass production started by FY2024. Stable profitability secured.
 New products : Mass production is to start in the FY2025 or later. Upfront investment costs will be incurred one to two years prior to the start of operations, and production volume will increase in stages after the start of production.

There is no change in our policy to maintain a DOE(*) of 3.0% or higher in order to expand investments aimed at strengthening competitiveness and capturing growth opportunities, while ensuring stable and continuous dividends.

[Trends in Dividend per share and DOE]



Previous and New MTMP: DOE(*) 3.0% or higher

(*) DOE : Total dividends / Equity attributable to owners of the parent

Reposted from the Medium-Term Plan
announced in March 2025.



**Mitsui
High-tec
Inc.**

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

March 11, 2025

New Medium-Term Management Plan

FY2026/1 - FY2028/1

Save energy. Save earth. Save life.

Mitsui High-tec, Inc. (Securities Code: 6966)

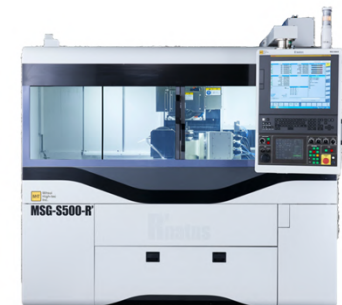
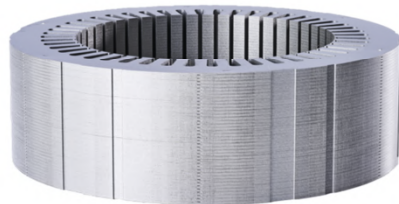
House Mottoes

- We shall provide products which people in the world need.
- We shall support all our associates by promoting each other's prosperity.
- We shall build an ideal and humane workplace based on the spirit of equality.

Slogan

Ultra-precision technology to shape tomorrow

We are “a development-focused manufacturing company” dedicated to creating a brighter future.



1 Review of the previous medium-term management plan (MTMP)

2 New medium-term management plan (MTMP)

- Group business structure
- Positioning of the new MTMP
- Electrical Parts
- Electronic Parts
- Tooling and Machine Tools
- Financial targets
- Financial targets by business

3 Impact of upfront investment costs on profitability

4 Capital policy and financial strategy

5 Non-financial strategy

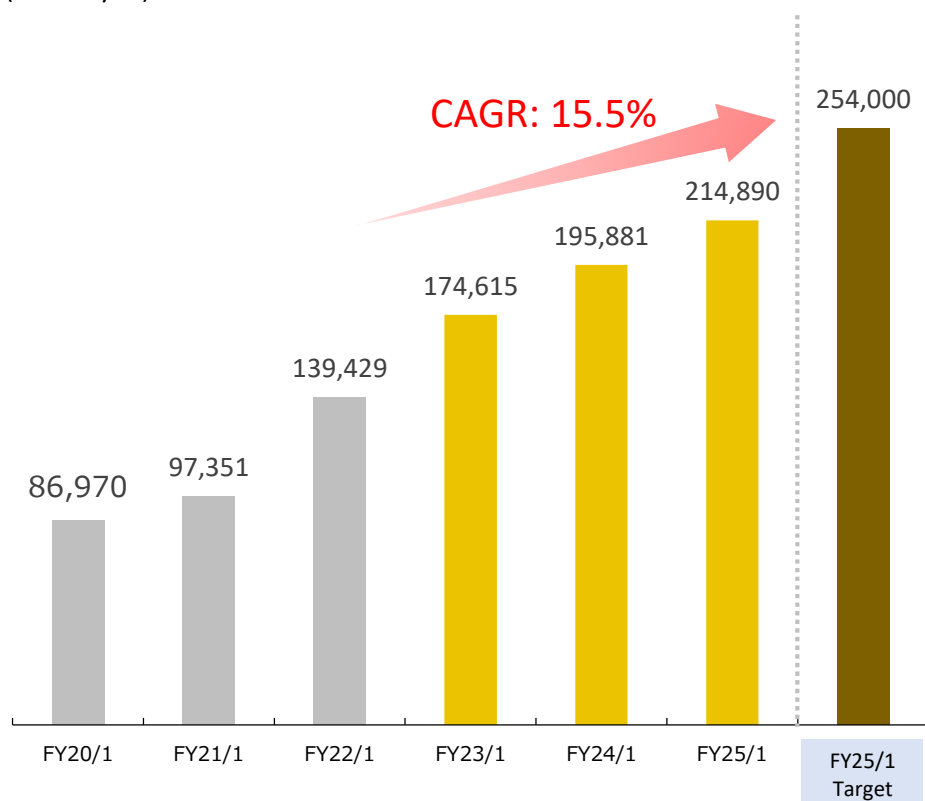
1. Review of the previous medium-term management plan (MTMP)

1. Review of the previous MTMP Net Sales / Operating Profit

We achieved continuous sales growth and improved profit levels even though we didn't meet the final year targets of the previous MTMP due to market fluctuations and upfront investment costs.

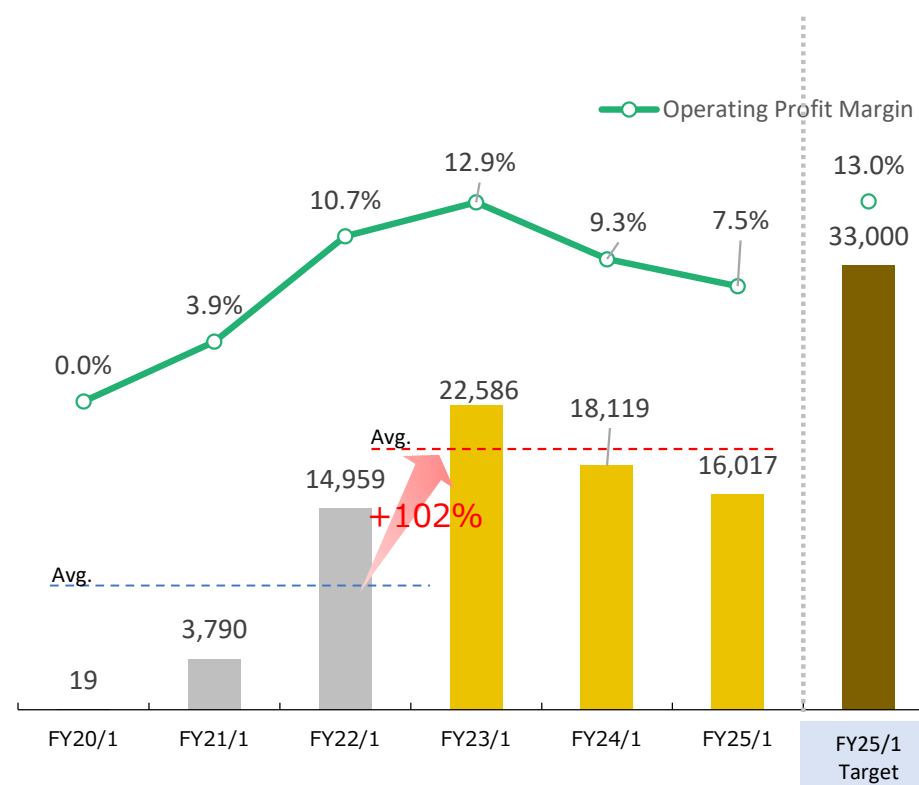
Net Sales

(million yen)



Operating Profit

(million yen)



1. Review of the previous MTMP Management indicators

Our issues in the new MTMP are improving margin and capital efficiency associated with the upfront investment costs for Electrical Parts.

[million yen]		FY22/1	Previous MTMP		CAGR FY22/1-25/1	FY25/1 Target
			FY23/1	FY24/1		
Net Sales		139,429	174,615	195,881	15.5%	254,000
Profitability	Operating Profit	14,959	22,586	18,119	2.3%	33,000
	OP Margin	10.7%	12.9%	9.3%	—	13.0%
	EBITDA	23,563	32,118	29,691	9.0%	—
	EBITDA Margin	16.9%	18.4%	15.2%	—	—
	Net Profit*	11,778	17,581	15,545	1.2%	—
Capital Efficiency	ROIC	9.5%	12.0%	7.9%	—	—
	ROE	21.7%	24.9%	17.6%	—	—
Capital Investment		19,529	(total 3 years) 83,464		—	100,000 (Total 3 years)
			21,045	37,562		
Forex rate per USD		110.73JPY	132.73JPY	141.91JPY		130.00JPY

*Profit Attributable to Owners of Parent

1. Review of the previous MTMP Segment information

Despite the impact of market changes and upfront investment costs, the structure has changed to enable continuous sales growth and stable profit generation.

[million yen]		FY22/1	FY23/1	FY24/1	FY25/1	CAGR FY22/1 - FY25/1
Electrical Parts (Motor Core)	Net Sales	75,482	100,184	133,882	155,182	27.2%
	Operating Profit	9,055	9,093	11,466	12,053	10.0%
	OP Margin	12.0%	9.1%	8.6%	7.8%	—
	EBITDA	14,320	14,605	18,617	21,430	14.4%
	EBITDA Margin	19.0%	14.6%	13.9%	13.8%	—
	Capital Investment	15,043	15,324	30,445	17,329	—
Electronic Parts (Leadframe)	Net Sales	59,144	70,041	56,675	55,393	-2.2%
	Operating Profit	7,816	12,222	5,745	3,728	-21.9%
	OP Margin	13.2%	17.5%	10.1%	6.7%	—
	EBITDA	10,270	15,288	9,199	7,690	-9.2%
	EBITDA Margin	17.4%	21.8%	16.2%	13.9%	—
	Capital Investment	3,173	4,816	5,020	4,606	—
Tooling and Machine Tools	Net Sales	10,701	11,808	11,977	10,230	-1.5%
	Operating Profit	764	1,290	1,308	328	-24.6%
	OP Margin	7.1%	10.9%	10.9%	3.2%	—
	EBITDA	1,527	2,045	2,031	1,122	-9.8%
	EBITDA Margin	14.3%	17.3%	17.0%	11.0%	—
	Capital Investment	952	502	957	869	—

1. Review of the previous MTMP Electrical Parts Business

Business policy

Responding to the growing EV demand

Business expansion through a four-polar production system (Japan, China, US, Europe)

Revenue expansion

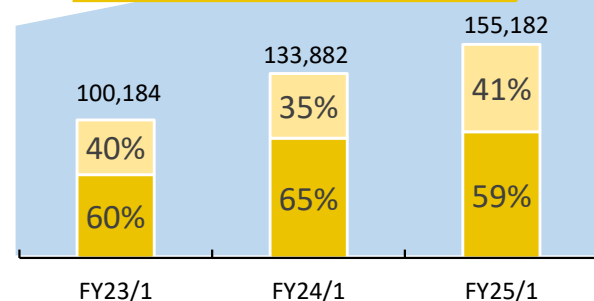
Activity results

- Have expanded supply by capturing demand for all types of electric vehicles (HEVs, PHEVs, battery electric vehicles (BEVs)). (We maintain the top share* in the number of motor cores installed in the production of battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs) and hybrid electric vehicles (HEVs).*Company research
- Have established mass production technology using the bonding method in addition to the existing interlocking method.
- Have proactively invested in plants and equipment to expand our global production capacity and prepare for the next stage of growth.
- Have established a high-quality, stable supply system that meets global standards and the start of mass production
- Decided to establish a new base in Mexico, with an eye to the growing demand in the North American market. (scheduled to establish a mass production system in September 2025)
- Have achieved increased sales and profits for the three consecutive years despite the unexpected impact of the semiconductor shortage on production adjustments, Japanese automakers' struggles in the Chinese market, and irregularities in vehicle certification.
- Operating profit increased due to increased supply, but profitability has dropped due to the impact of rising raw material list prices, etc..

Net Sales

(million yen) Electric vehicle market CAGR (21-24) +31.1%

Net Sales CAGR (FY22/1 - FY25/1) +27.2%

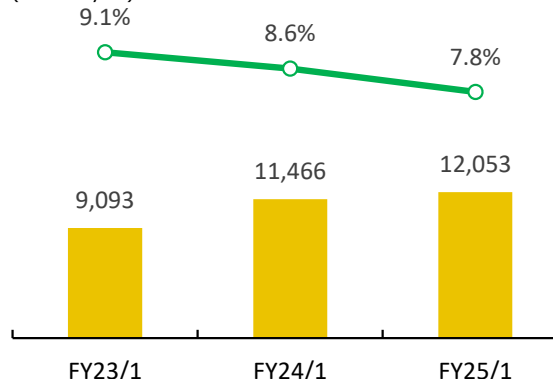


Domestic sales
Overseas sales

EV market

Operating Profit / OPM

(million yen)

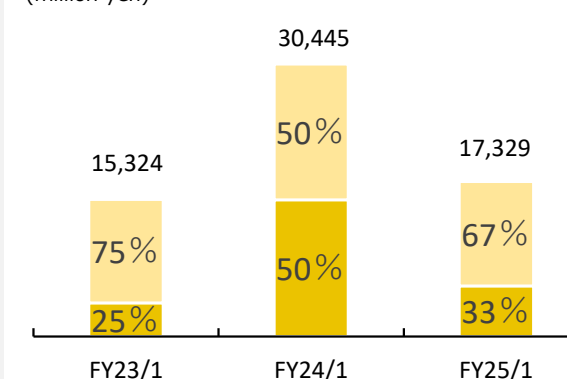


Operating Profit

Operating Profit Margin

Capital Investment

(million yen)



Domestic Capital Investment
Overseas Capital Investment

1. Review of the previous MTMP Electronic Parts Business

Business policy

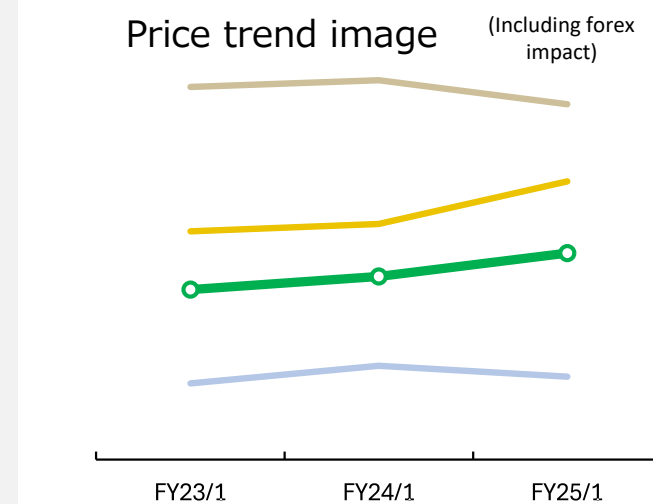
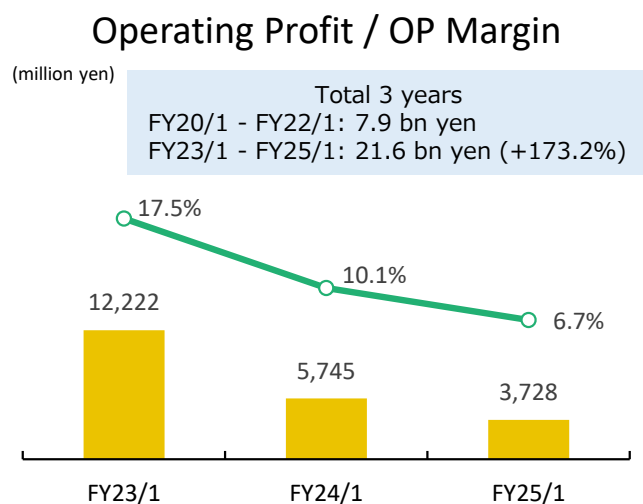
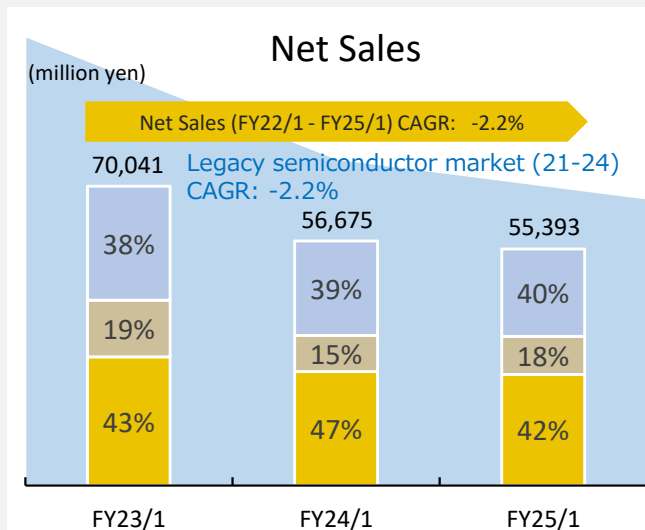
Focus on growth areas

- Have curbed the decline in average prices across the business supported by orders for automotive semiconductors and power semiconductors.
- Have been able to win orders for high-value-added products by promoting development and proposal-based sales.
- Undershot our initial target volume due to the sluggish demand in the semiconductor market excluding advanced semiconductors.

Activity results

Revenue expansion

- Have transformed our business structure to one that continuously generates cash by optimizing prices and replacing equipment with high-productivity equipment, etc..
- Due to the impact of a volume decline, revenue has been on a downward trend since FY23/1.



Automotive
Information terminal
Consumer & others
Legacy semiconductor market

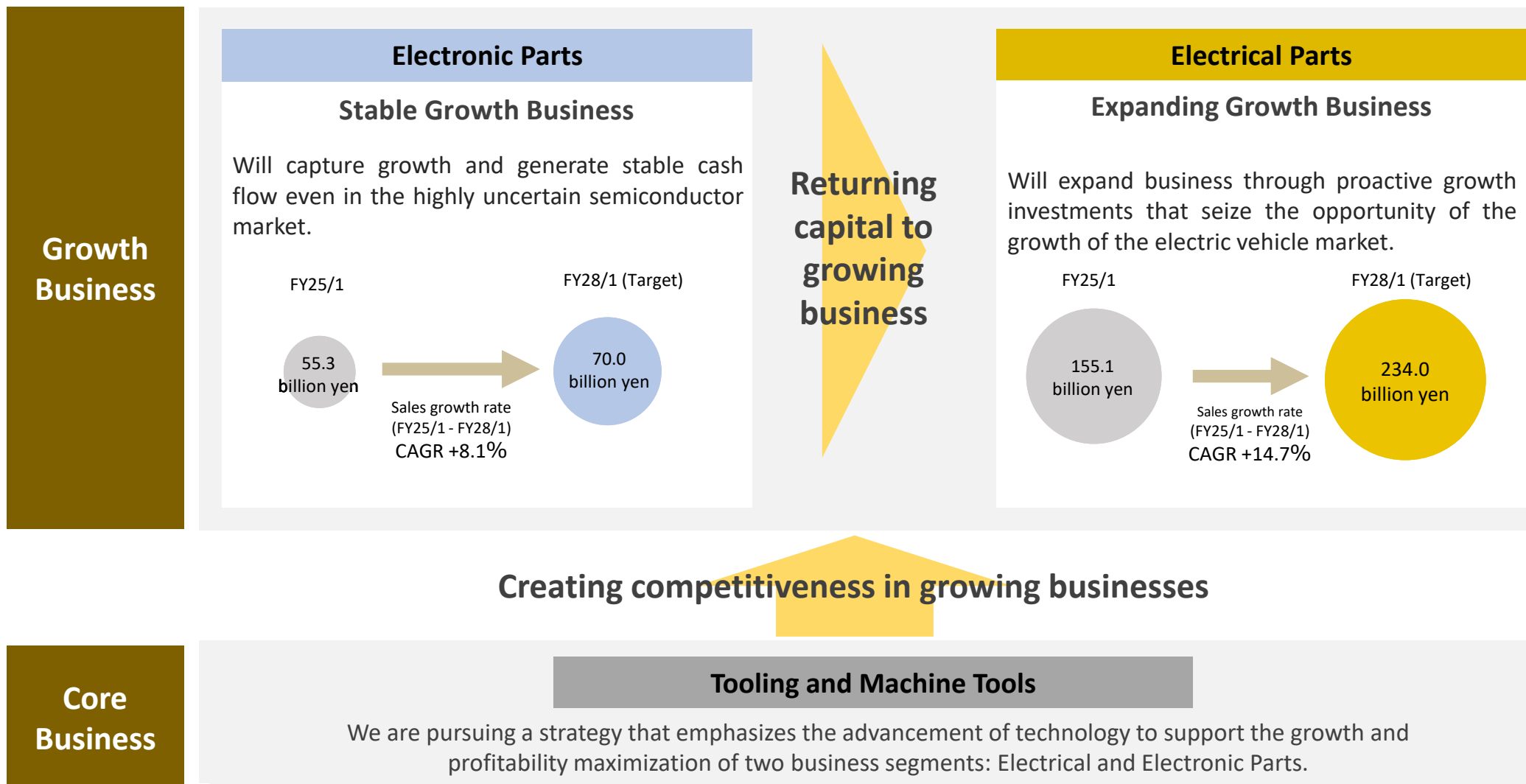
Operating Profit
Operating Profit Margin

Automotive
Information Terminal
Consumer & Others
Average price per frame

2. New Medium-Term Management Plan (MTMP)

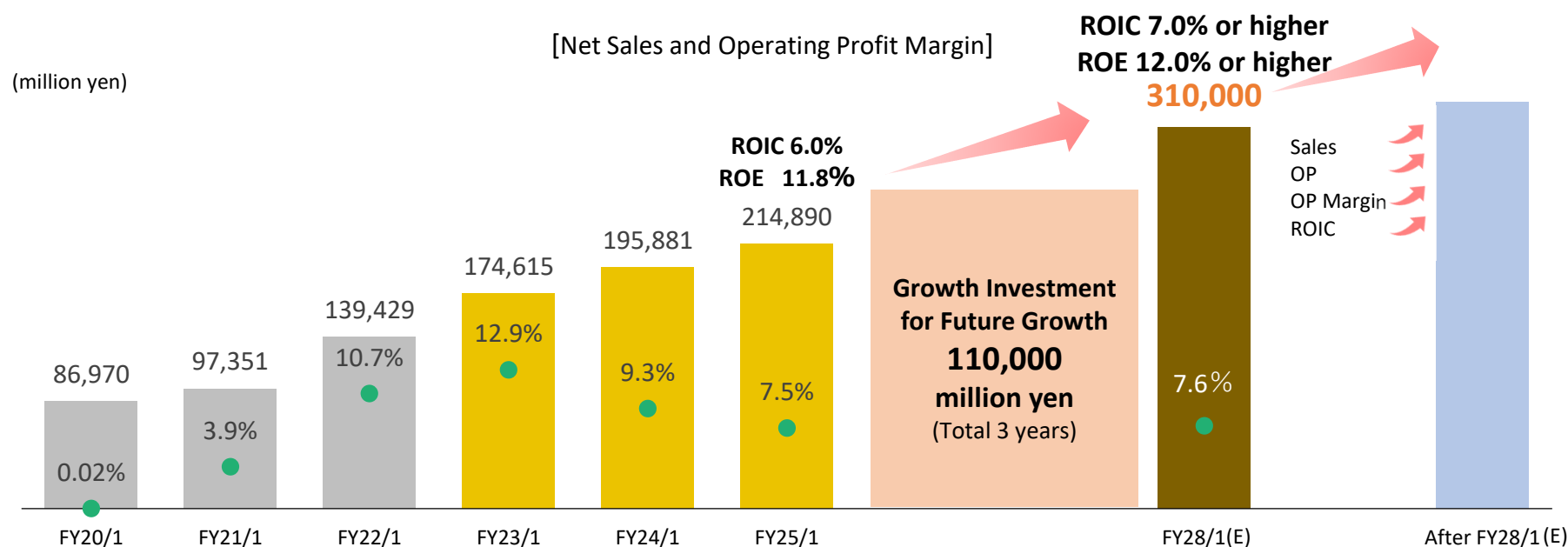
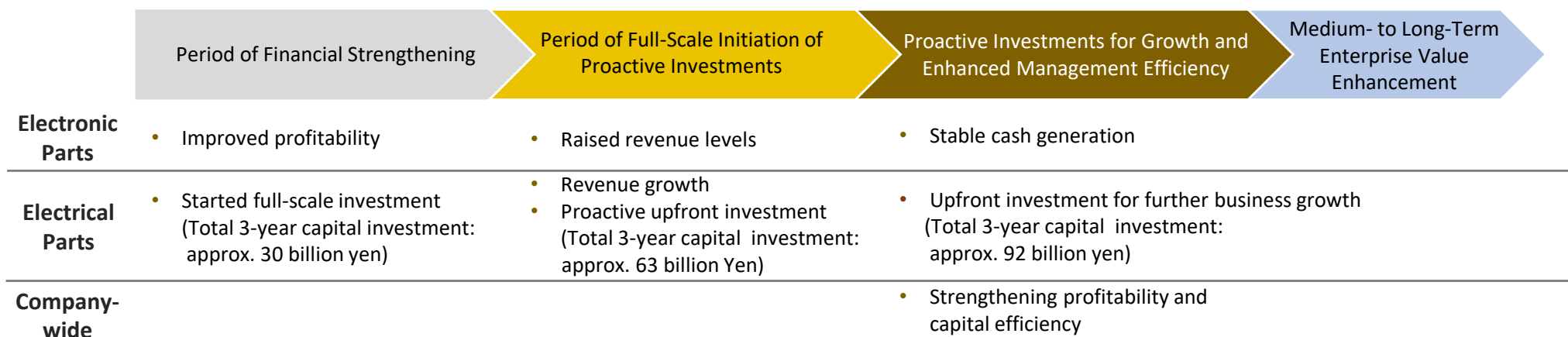
2. New MTMP Group business structure

We will generate stable cash flow from Electronic Parts based on our technological foundation in Tooling and Machine Tools. By returning capital to growing Electrical Parts, we aim to drive overall group growth.



2. New MTMP Positioning of the new MTMP

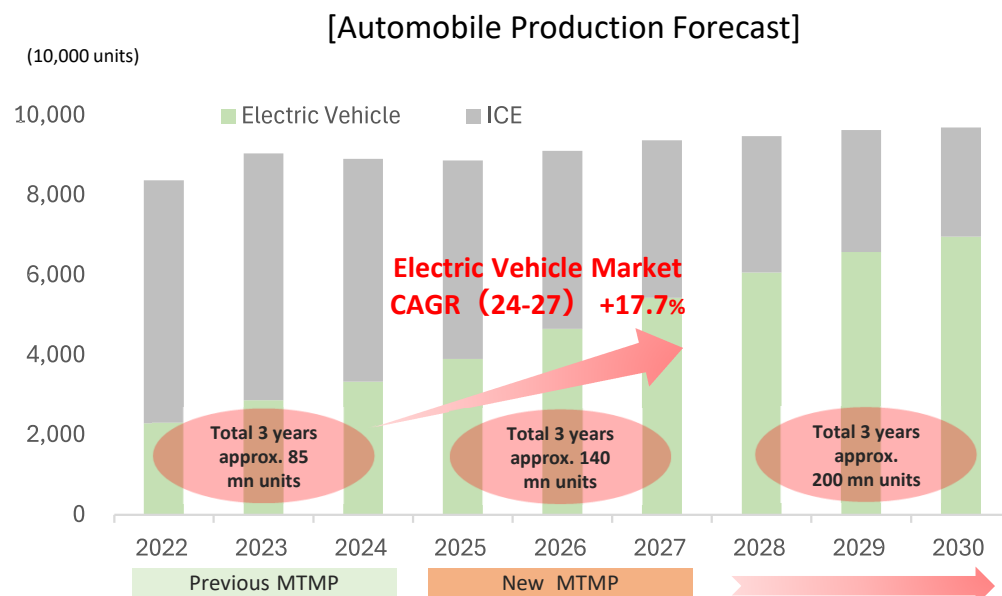
We aim to increase enterprise value over the medium to long term through “Proactive investment to capture global growth opportunities in the electric vehicle market” and “By strengthening profitability and capital efficiency.”



2. New MTMP

Electrical Parts Market environment recognition / Target markets

The global electric vehicle market is expected to grow at a CAGR of +17.7% over the next three years, and opportunities for business growth will continue in the future.



Market environment

- The future of powertrain breakdown (HEV, BEV, PHEV, MHEV, FCEV) is unclear, but the overall electric vehicle market is expected to see growing demand globally.
- As the motor core market expands, competitors are also increasing their production capacity; consequently, competition is expected to intensify in the future.

Our target markets

Electric vehicle type

All types

HEV, BEV, PHEV, MHEV, FCEV

Customers

Global and domestic vehicle manufacturers
Tier 1 manufacturers

Product Category

High quality, High efficiency, Motor core

2. New MTMP

Electrical parts Business policy / Growth strategy

Business policy

Maintaining the top market share by ensuring high quality, high efficiency, and a stable supply across all types of EVs.

Growth strategy 1: Responding to all types of products and manufacturing methods

Priority measures

- Support for motor cores for all-electric vehicles.
- Mass production using the interlocking and bonding methods.

Growth strategy 2: Focused Growth Investment in Europe and North America

Priority measures

- Proactive investment in European and American facilities to meet the growing demand for high-quality and high-efficiency motor cores.
- Strategic investments not to miss the timing of market growth opportunities, considering the long product life cycle.

Growth strategy 3: Enhancing Cost Competitiveness

Priority measures

- Cost reduction through diversified material sourcing strategies.
- Equipment sharing in select manufacturing processes.

FY28/1

Net Sales

234.0 billion yen

CAGR (FY25/1 -> FY28/1) 14.7%

Operating Profit (Margin)

15.5 billion yen

(6.6%)

Overseas Sales Ratio

41% -> 57%

(FY25/1)

3-year Capital Investment

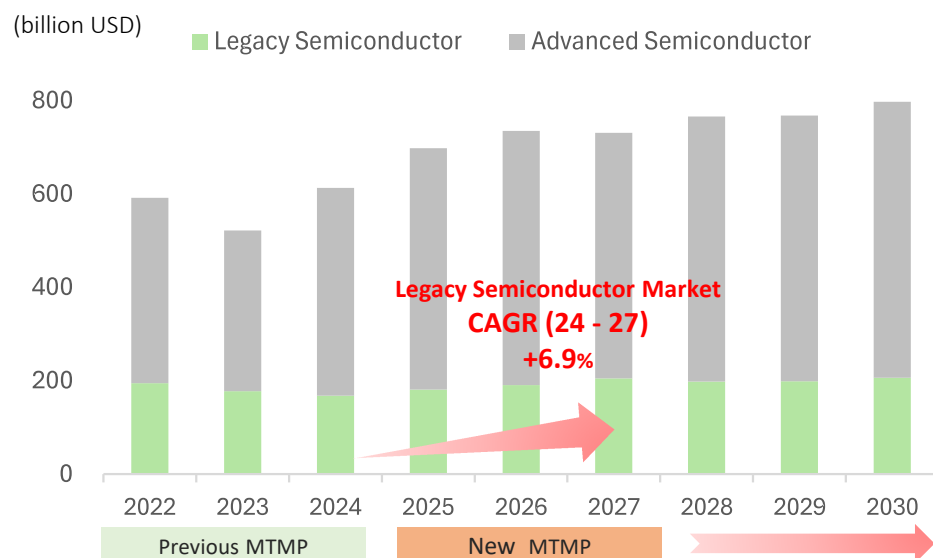
92.0 billion yen

2. New MTMP

Electronic Parts Market environment recognition / Target markets

The legacy semiconductor market, primarily focused on leadframe packages, is projected to exhibit moderate growth with a three-year CAGR of 6.9%.

[Semiconductor Market Forecast]



Source: Company estimates based on Gartner and WSTS data.

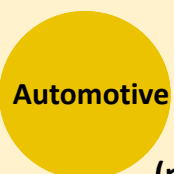
Market environment

- The market for legacy semiconductors*, including discrete and analog semiconductors primarily using leadframe packages, is projected to account for approximately 25% of the overall semiconductor market.
- After experiencing a downward trend from 2022 to 2024, the market is expected to begin a gradual recovery starting in 2025.

*About semiconductors using leadframes

Leadframe packages are predominantly utilized in discrete and analog semiconductors, as well as other legacy semiconductor products. Their application in advanced semiconductor-related products for generative AI is relatively limited.

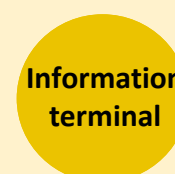
Our target markets



All types of vehicles including EVs
(power, microcomputer, analog)



Industrial machinery, PC, LED, etc.
(power, microcomputers, analog)



Mobile terminals and peripheral equipment
(analog, high-frequency)

2. New MTMP

Electronic Parts Business policy / Growth strategy

Business policy

We ensure stable cash flow in the volatile semiconductor market through our technological development capabilities.

Growth strategy 1: Enhancing Order Acquisition through Technological Development

Priority measures

- Agile response from development to sample prototyping.
- Development support for each target product segment.

Growth strategy 2: Strengthening Sales Activities Focused on Customer Value

Priority measures

- Enhancing global customer touchpoints.
- Strengthening technical proposal-based sales.

Growth strategy 3: Increasing Production Flexibility to Meet Demand Changes

Priority measures

- Enhancing flexibility of production plans on demand changes.
- Making investment decisions based on demand changes.

FY28/1

Net Sales

70.0 billion yen

CAGR (FY25/1 -> FY28/1) 8.1%

Operating Profit (Margin)

8.0 billion yen

(11.4%)

3-year Capital Investment

12.5 billion yen

2. New MTMP

Tooling and Machine Tools Business policy / Growth strategy



Business policy

Upgrading mold quality and functionality to boost competitiveness in growth businesses

Growth strategy 1: Establishing New Technology

Priority
measures

- Addressing latent customer needs to enhance competitiveness in Electrical and Electronic Parts.

Growth strategy 2: Strengthening Technical Proposal-Based Sales

Priority
measures

- Anticipating customer needs and enhancing customer value through optimized contact points and sophisticated technical proposals for Electrical and Electronic Parts.

FY28/1

Net Sales

14.0 billion yen

Operating Profit (Margin)

1.5 billion yen
(10.7%)

3-year Capital Investment

1.5 billion yen

2. New MTMP Financial targets

(million yen)

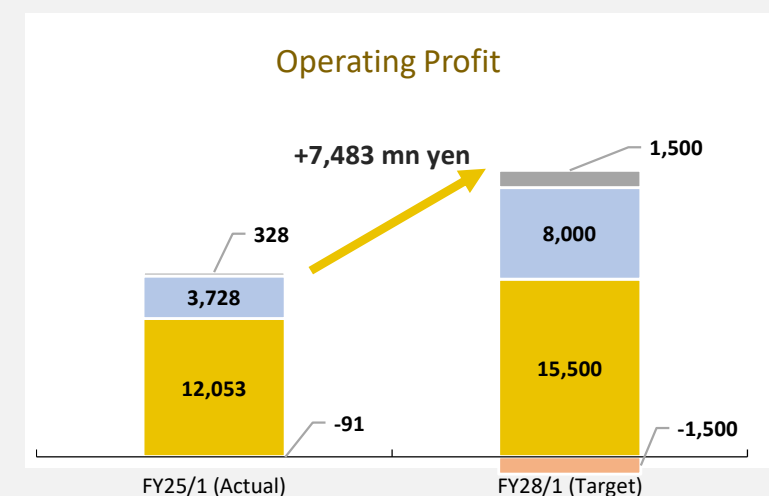
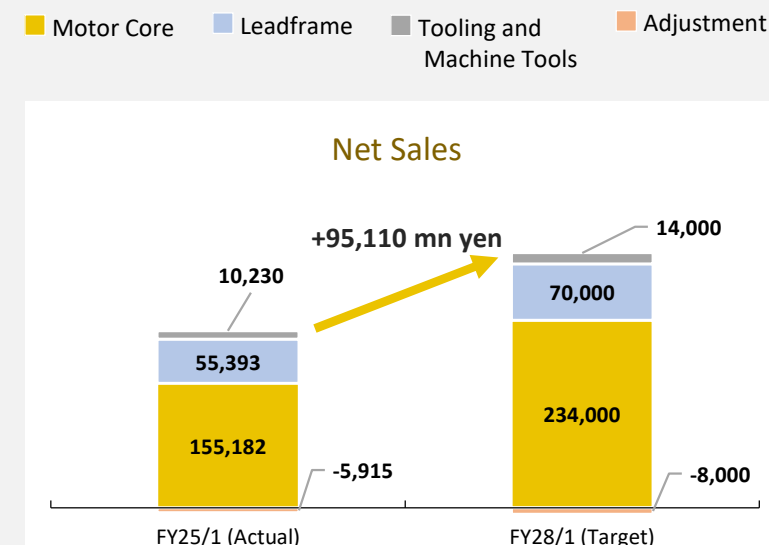
	FY25/1	FY28/1 Target	Compared to FY25/1
Net Sales	214,890	310,000	+44.3%
Operating Profit	16,017	23,500	+46.7%
Operating Profit Margin	7.5%	7.6%	+0.1 ppt
ROE	11.8%	12.0% or higher	+0.2 ppt or higher
ROIC	6.0%	7.0% or higher	+1.0 ppt or higher

*Effective from FY26/1, the depreciation method will be changed from the declining balance method to the straight-line method.
The impact of the change on depreciation expenses for FY28/1 will be a decrease of 1,900 million yen.

<u>Reference Index</u>	FY25/1	FY28/1 Target	Compared to FY25/1
Ordinary Profit	16,943	23,000	+35.7%
Net Profit	12,219	16,000	+30.9%
EBITDA	30,536	44,500	+45.7%
EBITDA Margin	14.2%	14.4%	+0.2 ppt
Capital Investment (Total 3 years)	83,464 FY23/1 - FY25/1	110,000 FY26/1 - FY28/1	+31.8%

2. New MTMP Financial targets by business

(million yen)			FY25/1	FY28/1 Target	Compared to FY25/1
Electrical Parts (Motor Core)	Financial Targets	Net sales	155,182	234,000	+50.8%
		Operating profit	12,053	15,500	+28.6%
		OP Margin	7.8%	6.6%	-1.1 ppt
		Capital Investment (Total 3 years)	63,099	92,000	+45.8%
	Reference Index	EBITDA	21,430	31,000	+44.7%
		EBITDA Margin	13.8%	13.2%	-0.6 ppt
Electronic Parts (Leadframe)	Financial Targets	Net Sales	55,393	70,000	+26.4%
		Operating Profit	3,728	8,000	+114.6%
		OP Margin	6.7%	11.4%	+4.7 ppt
		Capital Investment (Total 3 years)	14,443	12,500	-13.5%
	Reference Index	EBITDA	7,691	12,000	+56.0%
		EBITDA Margin	13.9%	17.1%	+3.3 ppt
Tooling and Machine Tools	Financial Targets	Net Sales	10,230	14,000	+36.8%
		Operating Profit	328	1,500	+357.2%
		OP Margin	3.2%	10.7%	+7.5 ppt
		Capital Investment (Total 3 years)	2,329	1,500	-35.6%
	Reference Index	EBITDA	1,122	2,000	+78.3%
		EBITDA Margin	11.0%	14.3%	+3.3 ppt



*Impact of depreciation method change on FY28/1 depreciation expenses

Electrical parts: decrease of 1,600 million yen, Electronic parts: decrease of 200 million yen, Tooling and Machine Tools: decrease of 100 million yen

3. Impact of upfront investment costs on profitability

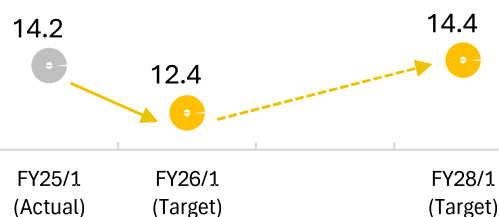
3. Impact of upfront investment costs on profitability

Profitability Trends

FY2026/1 profitability is projected to decline temporarily due to overseas Electrical Parts market investments but recovery expected thereafter.

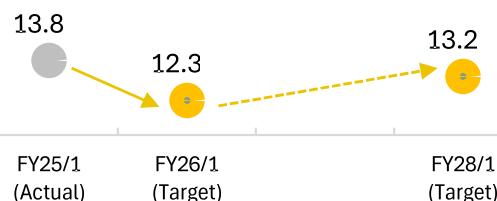
EBITDA Margin

Consolidated (%)

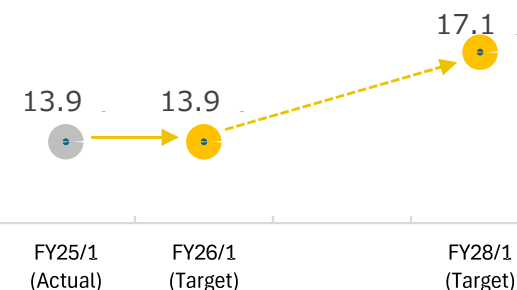


Electrical Parts Business (%)

The impact of upfront investment costs, such as personnel acquisition for new equipment startup

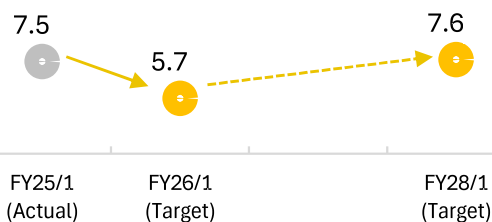


Electronic Parts Business (%)



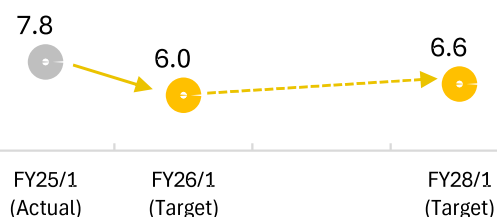
Operating Profit Margin

Consolidated (%)

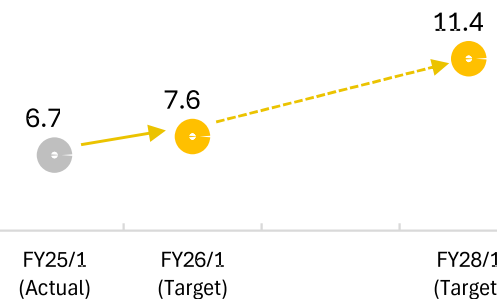


Electrical Parts Business (%)

The depreciation impact from upfront investments in new equipment and plants in addition to increased labor costs.



Electronic Parts Business (%)

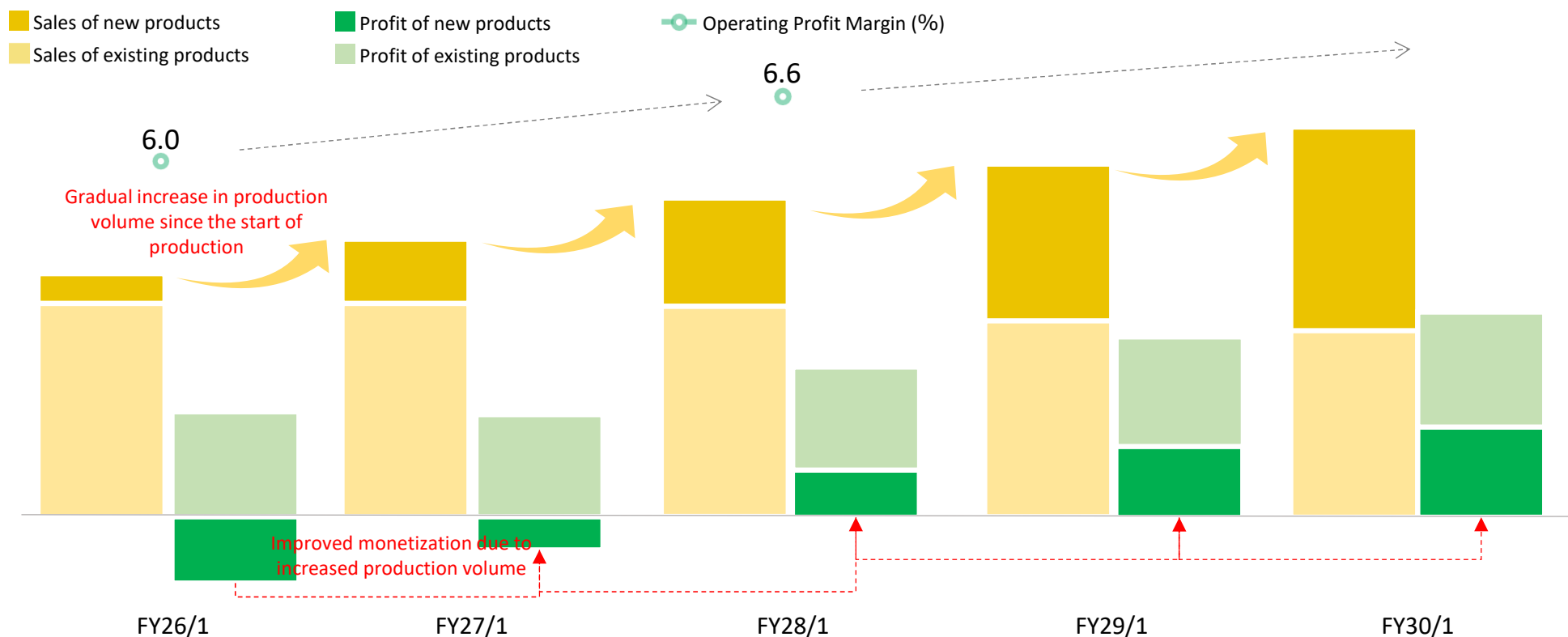


3. Impact of upfront investment costs on profitability

Profitability structure of Electrical Parts

Although profitability will temporarily decline in FY26/1 due to the timing of new product launches, primarily at overseas plants, it is expected to improve from FY27/1 onward as production volumes gradually increase.

[Electrical Parts Image of new and existing product performance]



Assuming upfront investment cost of approx. 12 billion yen

Existing products : Mass production started by FY25/1. Stable profitability.
 New products : Mass production is to start in the FY26/1 or later. Upfront investment costs will be incurred one to two years prior to the start of operations, and production volume will increase in stages after the start of production.

Calculation Method

Profit of new products : Sales of new products - upfront investment costs (depreciation expenses + labor costs + preparation costs, etc.)

Profit of existing products : Sales of existing products - Existing investment cost

4. Capital policy and financial strategy

4. Capital policy and financial strategy

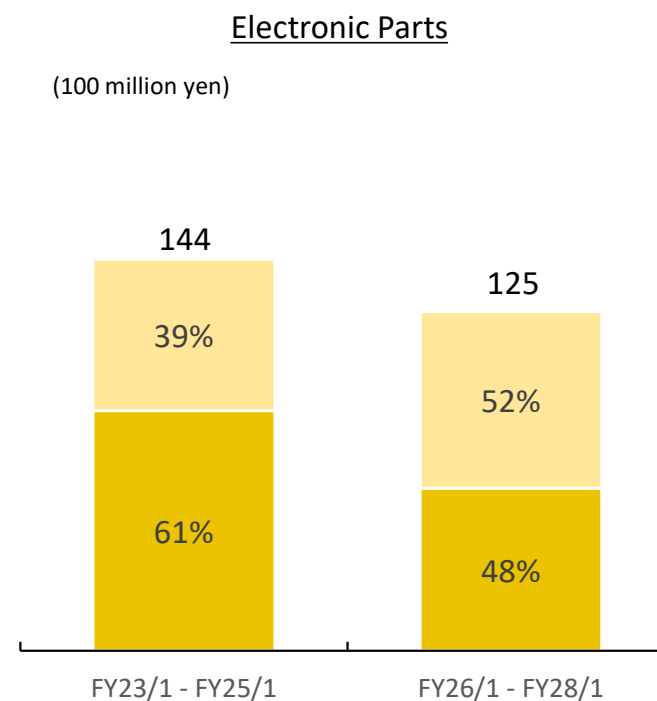
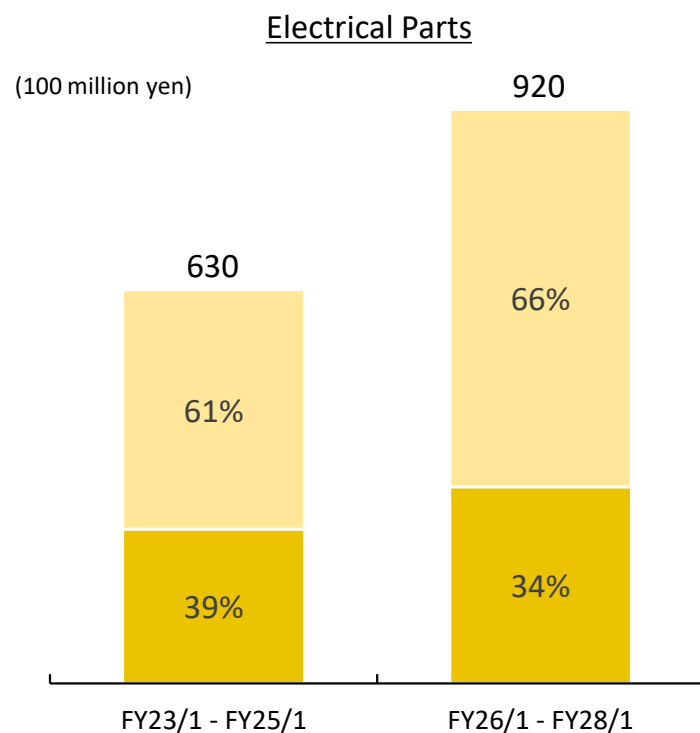
Investment policy

Since the previous medium-term business plan, we have strategically invested in overseas locations, with a focus on Electrical Parts. This initiative aims to enhance our supply capabilities in international markets, driving the next phase of growth.

Capital investment over next 3 years approx. **110.0** billion yen
(Previous MTMP (3 years): 83.4 billion yen)

■ Domestic capital investment
■ Overseas capital investment

[Domestic / overseas capital investment comparison]



4. Capital policy and financial strategy

Capital efficiency

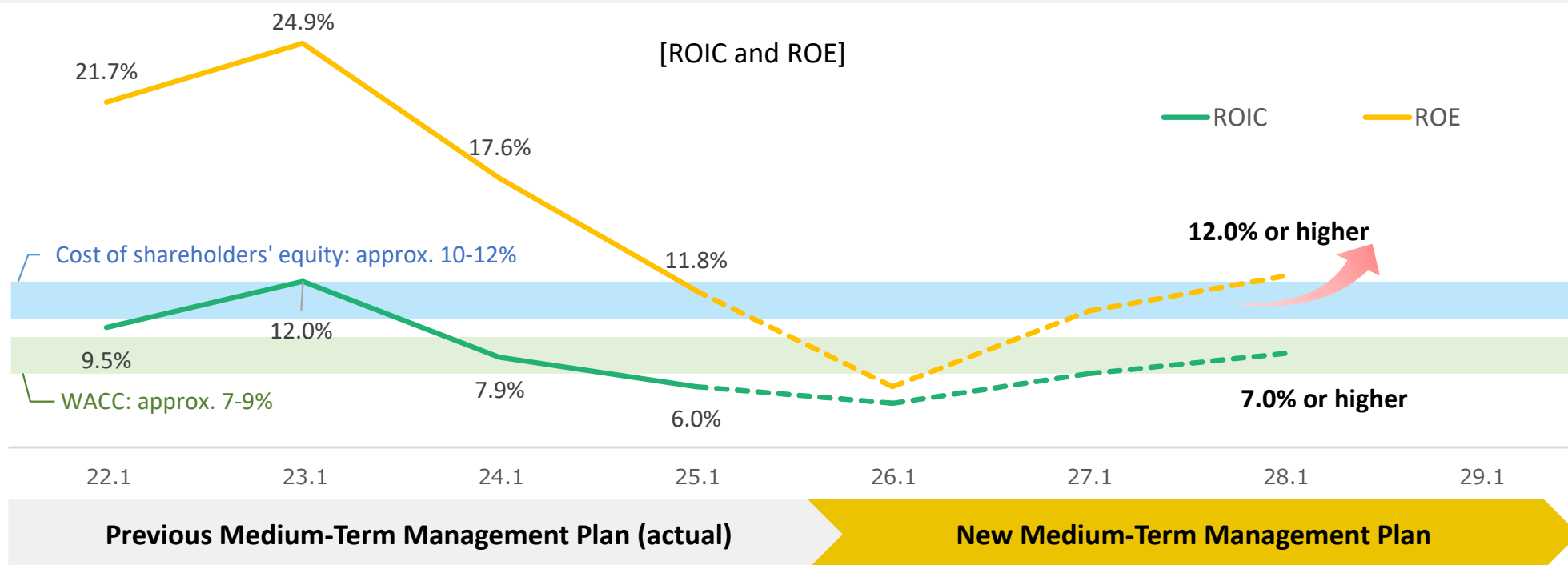
We aim to enhance enterprise value over the medium to long term by managing our business with ROIC and ROE as key performance indicators.

**FY28/1
Targets**

ROIC 7.0% or higher
ROE 12.0% or higher

Initiatives

- Continuously strengthen investment decision discipline on a deal-by-deal basis through hurdle-rate operations
- Enhance risk control by leveraging experience from past investment projects
- Monitor and manage investments to improve efficiency and profitability
- Enhance information disclosure and promote dialogue with investors
- Implement management initiatives that consider the perspectives of shareholders and investors



*Assumptions for calculating cost of shareholders' equity: Calculated using the Capital Asset Pricing Model (CAPM)

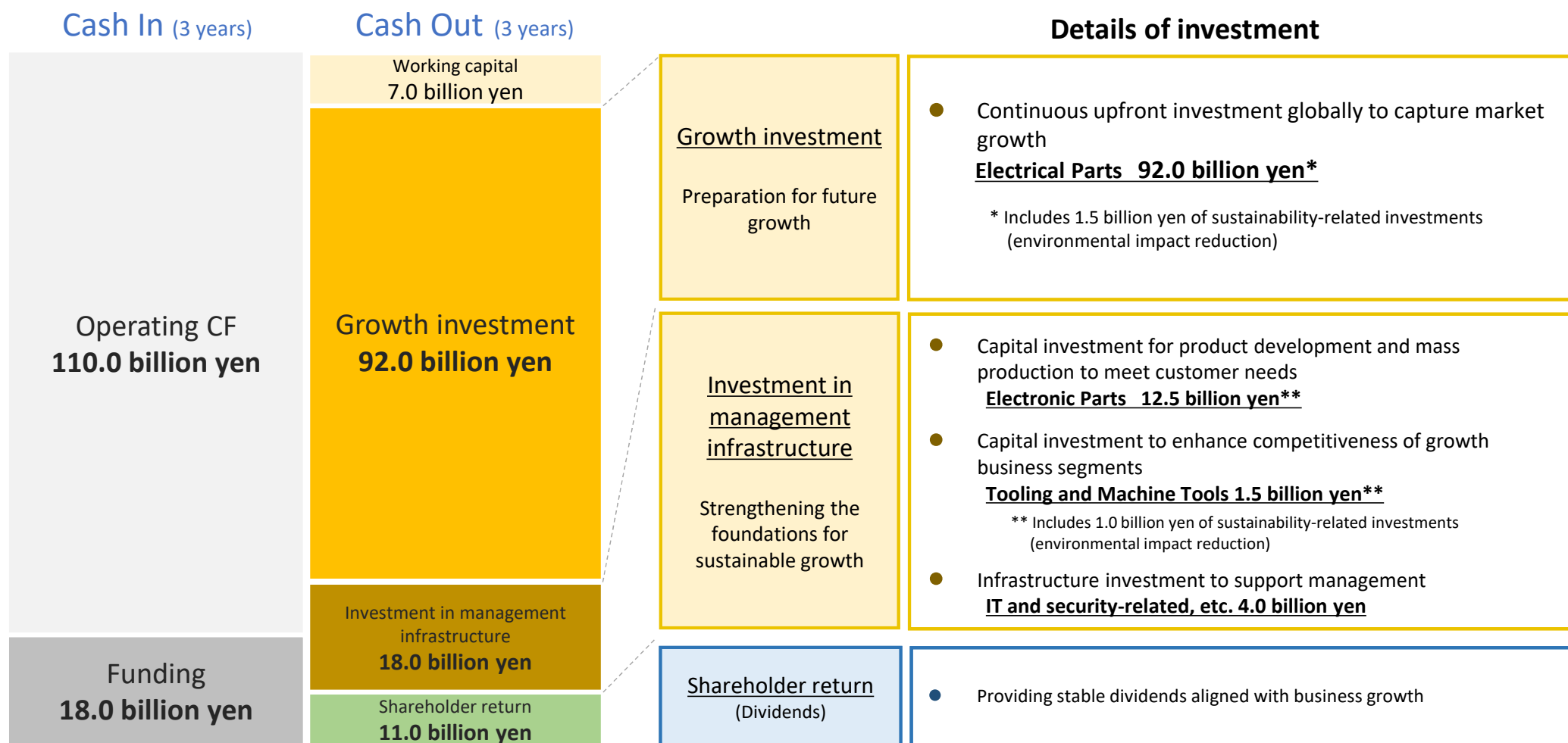
*Assumptions for ROIC calculation: Operating profit after tax / (shareholders' equity + interest-bearing debt)

4. Capital policy and financial strategy

Capital allocation

We will focus its capital on upfront investments in Electrical Parts to capitalize on growth opportunities in the EV market.

Additionally, we will allocate capital to strengthen its foundation through other growth businesses. This strategy aims to achieve sustainable growth by balancing future expansion and the reinforcement of the company's core foundation.



4. Capital policy and financial strategy

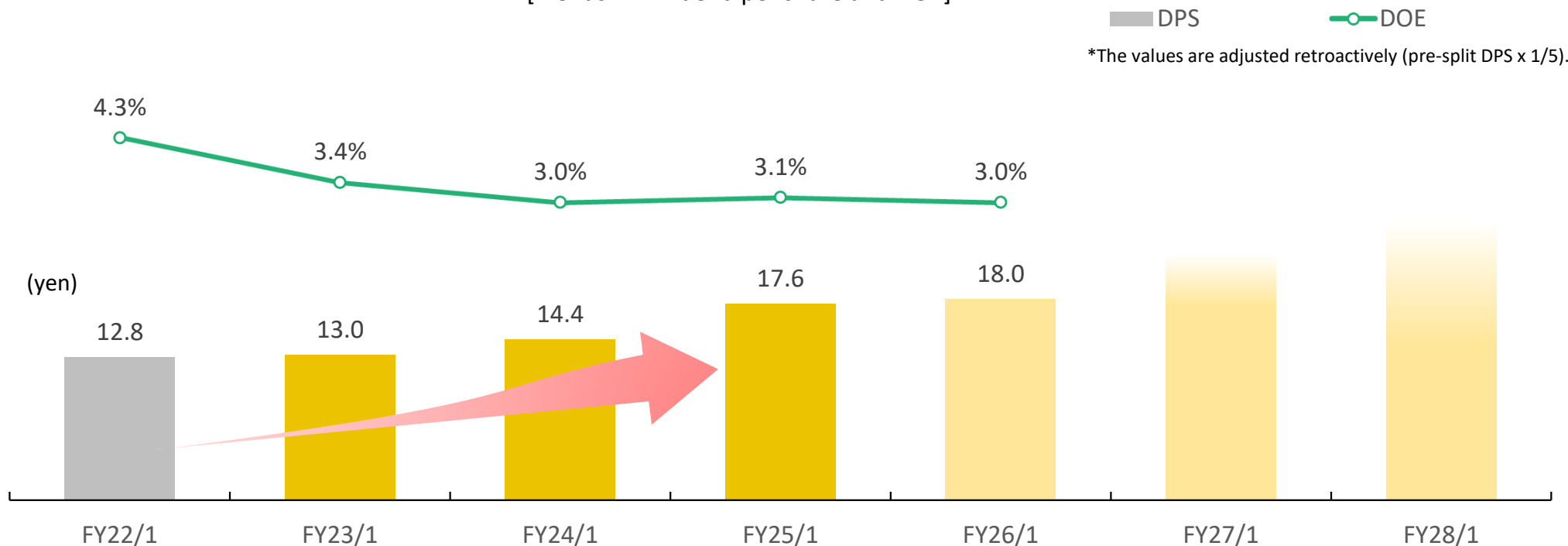
Shareholder return policy



We set a target DOE of 3% or higher to expand investments for enhancing competitiveness and capturing growth opportunities while ensuring stable and continuous dividends.

The forecasted dividend for FY26/1 is 18 yen per share.

[Trends in Dividend per share and DOE]



*The values are adjusted retroactively (pre-split DPS x 1/5).

Previous and New MTMP: DOE 3.0% or higher

5. Non-financial strategy

5. Non-financial strategy Sustainability

As a development-oriented manufacturing company, our strength lies in ultra-precision processing technology. By delivering solutions that precisely meet societal needs on a global scale through this technology, the company contributes to resource and energy conservation. Our goal is to realize a 'happy future' where people can live more conveniently, more affluently, and with peace of mind.

[Our priority issues]

Environment

- Reducing GHG emissions
- Optimizing resource utilization and water conservation
- Promoting waste control and recycling

Society

- Respecting human rights
- Improving work environment and reforming work styles
- Promoting Diversity and Inclusion
- Enhancing supply chain management

Governance

- Improving corporate governance
- Ensuring compliance

5. Non-financial strategy

Measures for Sustainability - Environment (E) -

Major issues	Materialities	Measures	
Environmentally Conscious Initiatives	Reducing GHG emissions CO₂ emissions (compared to FY22/1) FY25/1 (Actual)FY31/1 (Target) 15% reduction30% reduction * Scope1 + 2	Energy-saving Continuing and expanding conventional energy conservation activities in processes + Energy generation Introducing solar panels Promoting power derived from renewable energy sources Carbon neutral in FY2050	
	Optimizing resource utilization and water conservation Water dosage (compared to previous year) FY25/1 (Actual)Target for every term 1.6% reduction0.5% reduction * Leadframe Business Unit (95% of total water intake)	Monitoring and measuring water quality Our water quality management standards are stricter than the national standard for general wastewater in terms of pH (hydrogen ion consistency) and hazardous substances. Thorough monthly monitoring and measurement of water quality in accordance with regulations, as well as monitoring of the amount of water taken and discharged by water source	
	Promoting waste control and recycling	FY24/1 (Actual) Total waste discharge 5,771 tons Continuous reduction starting in 2021 Recycling rate 99%	Measures to minimize and reduce waste Use of returnable boxes for product transportation packaging Solidification of wastewater sludge (reduce) Recovery and reuse of press punching oil (reuse) Recycling of glass waste In February 2024, Yahata Plant and the Tooling Plant were certified as "outstanding certified industrial waste producers" by Kitakyushu City.

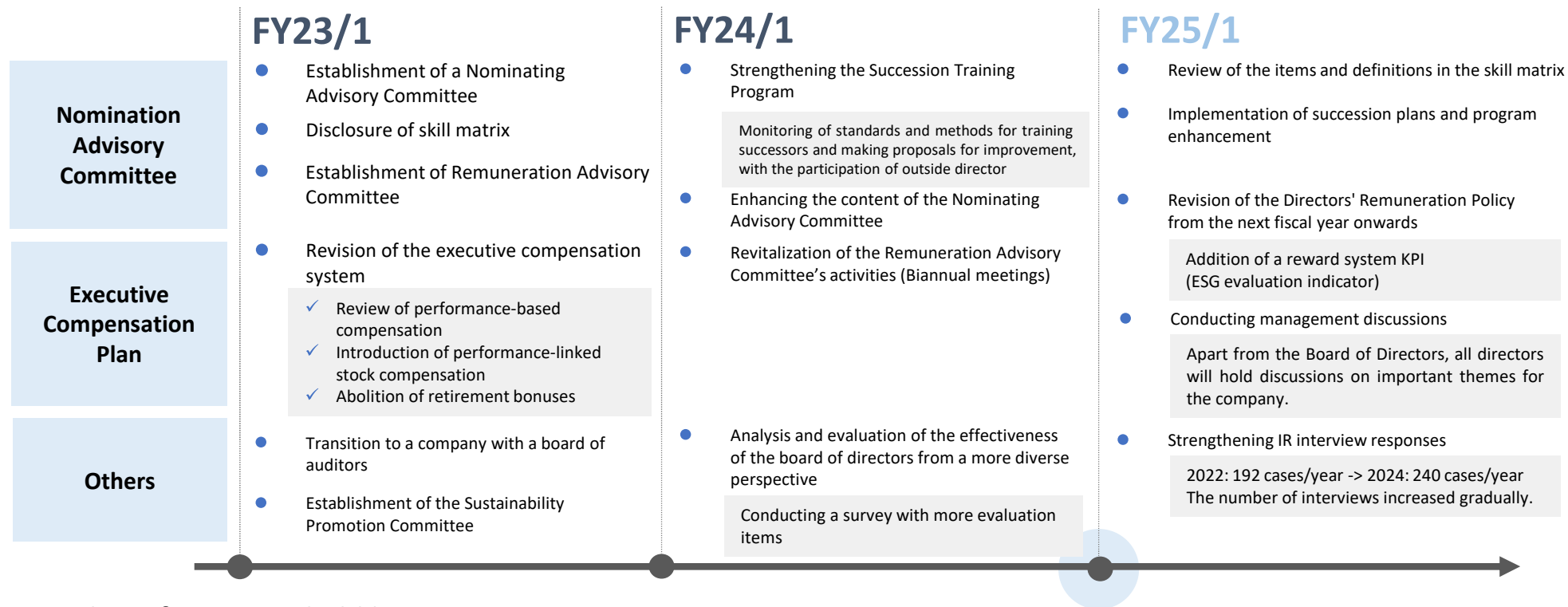
5. Non-financial strategy Measures for sustainability - Society (S) -

Major Issues	Materialities	Measures
Strengthening human capital	Respecting human rights	- Continuing employee human rights training - Implementing comprehension test
	Improving work environment and reforming work styles	- Being certified as an Excellent Corporation for Health Management - Creating a human capital strategy roadmap
	Promoting diversity and inclusion	Promoting the advancement of women - A mid-level female employee’s presentation at company information sessions. - Promoting the creation of a workplace environment from a female perspective (e.g. renovation of the break room and dressing rooms) - Changing the attitudes of managers (management (diversity) training, career design training) - Training for female leaders (training in the skills required for leaders) - Establishing a comeback system Promoting childcare leave - Establishing special leave for spouse childbirth - Employee training (to deepen the understanding of all employees) Human Resource Development Promoting the active participation of diverse human resources - Revised our company-wide training system to further enhance the abilities and motivation of our employees in 2021 - Promoting role recognition and employee skill development in line with each stage of growth by implementing e-learning and career design training for employees at the time of promotion in addition to the conventional group training
Responsibility to Society and Stakeholders	Improving supply chain management	- Establishing the Mitsui High-tec Group CSR Procurement Guidelines - Implementing self-check assessments for suppliers - Holding a briefing session for business partners

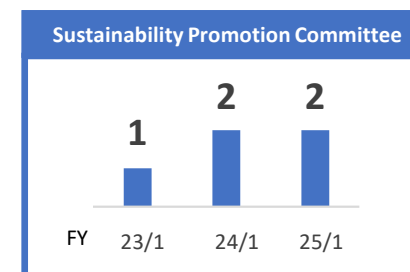
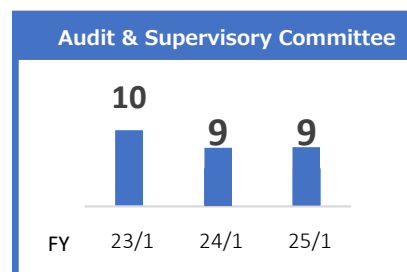
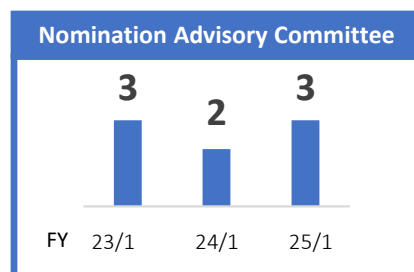
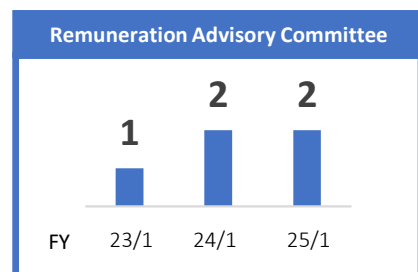
5. Non-financial strategy

Measures for sustainability - Governance (G) -

Governance Transition in the previous Medium-Term Business Plan



Number of meetings held by various committees



Save energy. Save earth. Save life.



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<Disclaimer>

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