

Sumitomo Electric Industries, Ltd.

Mid-term Management Plan

2025

Creating a Green Society through our Connecting and Supporting Technologies

Summary

Corporate Philosophy

Sumitomo Spirit

Banji-nissei Shinyo-kakujitsu Fusu-furi

Sumitomo Electric Group Corporate Principles

Each company of the Sumitomo Electric Group (SEG) shall

- Offer the very best goods and services to satisfy customer needs
- Build technical expertise, realize changes, and strive for consistent growth
- Contribute to creating a better society and environment, with firm awareness of our social responsibility
- Maintain high corporate ethics and strive to become a company worthy of society's trust
- Nurture a lively corporate culture that enables employee self-improvement

With our focus on contributing to the public benefit, SEG strives for mutual prosperity with all of our stakeholders "Multistakeholder Capitalism"

(Customers, employees, suppliers, regional communities, and shareholders/investors)



Purporse

Contribute to building a better society by pursuing Top Technology and innovation on a global scale, using the integrated capabilities of Sumitomo Electric Group

Positioning

Mid-term Management Plan 2025

(FY2023-FY2025)

Creating a Green Society through our Connecting and Supporting Technologies 2030 VISION strives to Be Glorious Excellent Company

Safe•Comfortable Green

Next Mid-Term Management Plan

2022 VISION

Development of a Decarbonized Society

Evolution of the Information Society

With-covid/Post-covid Society

Decoupling and destabilization in the global community

FY2022 (actual)

Net sales

: 4.0 trillion yen

Operating profit

: 177.4 billion yen

Before tax ROIC : 6.6%

FY2025

Net sales : 4.4 trillion yen

Operating profit: 250 billion yen

Before tax ROIC: >8%

FY2030 (2030 VISION)

Net Sales

: >5 trillion yen

Before tax ROIC

: >10%

Overall Concept

Under the slogan "Creating a Green Society through our Connecting and Supporting Technologies", SEG is working on growth strategies and strengthening our foundations with the integrated capabilities of SEG

Creating a Green Society through our Connecting and Supporting Technologies_

What SEG wants to achieve to move toward a sustainable society by 2030

Evolving our technologies further to meet the challenges of this era of change

Growth Strategies

Energy

((o)) Infocommunications

Mobility



Strengthening our management foundations to build a corporate structure that is resilient to change

Strengthening our Foundations

Human capital R&D
Intellectual Supply chain
Financial Manufacturing

Safer Society

More
Comfortable
Society

Green and
Environmentally
Friendly
Society

Sustainability initiatives

Mutual prosperity with multi-stakeholders

Enhancement of medium- and long-term corporate value

3 Key Areas

SEG will contribute to the future of a Green Society by seizing business opportunities across the Group in 3 key areas as part of progress toward a Decarbonized and Information-oriented Society

Realizing a Green Society that is both Safer and more Comfortable 3 Key Areas Driving Growth

Development of a Decarbonized Society



Evolution of the Information Society

Creating New Value with Technology through Group Wide Efforts



- Interconnectors / battery storages for power grids
- Renewable energy networks
- Environmentally friendly power transmission and distribution / energy-saving equipment
- High-speed large-capacity and low-latency communication network
- Data centers and related equipment
- Next-generation telecommunication devices and equipment
- Materials for electrified automobiles / weight reduced materials
- Driver-assistance and autonomous driving systems
- Mobility solutions from energy infrastructure and integrated transport infrastructure

Diverse products of the Group

Environment & Energy Segment

Infocommunications Segment

Automotive Business Segment Electronics Segment Industrial Materials Segment

Growth Themes

Growth Themes in the 3 Key Areas

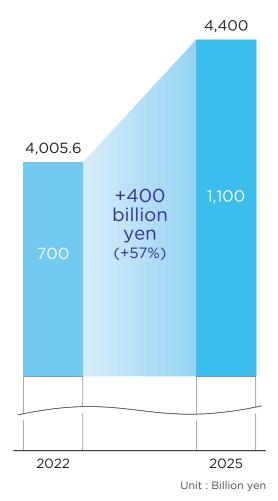
Growth Themes Key Areas Products and services related to Energy • Interconnectors / battery storages for power grids Renewable energy networks Infrastructure • Environmentally friendly power transmission and distribution / energy-saving equipment Products and services related to • High-speed large-capacity and low-latency communication network Data centers and related equipment Communications • Next-generation telecommunication devices and equipment Products and services related to Mobility • Materials for electrified automobiles / weight reduced materials • Driver-assistance and autonomous driving systems System Mobility solutions from energy infrastructure and integrated transport infrastructure

Large-scale capital expenditure by Growth Themes

Key Areas Large-scale capital expenditure New submarine cable plant Energy 100 billion yen / Enhancement of cable manufacturing facilities 3 years Infrastructure Manufacturing facility for large-scale storage batteries ... Manufacturing facility for next generation optical and 100 billion yen / electrical devices Production increase of large diameter semiconductor wafers Communications 3 years Development and production increase of Ultra fine pitch FPC ··· Manufacturing facilities for high-voltage / high-speed communication electric parts and ECU Mobility 100 billion yen / Production increase of lead wire for EV battery System 3 years Production increase of rectangular magnet wires for electric vehicles ···

Total: 300 billion yen

Sales by Growth Themes



R&D

Policy for 2030

Invigorate and accelerate R&D as one of the key driving forces to create an extensive range of technologies

Backcasting from social issues
 More sophisticated and efficient processes
 Open innovation and cooperation with outside entities

Customer Needs

Developing the Current Businesses

Closer collaboration with business and sales, partnering with customers to intensify the development efforts centered around the focused business areas

- Reinforcing the Power Grid and Stable Supply of Renewable Energy
 Next generation ultra-high voltage cables, Wind power and Smart Grid technology, etc.
- High-speed large-capacity and low latency for telecommunication networks
 Next-generation ultrafast optical communications and 5G and Beyond5G related technologies, etc.
- Electrification in Mobility
 Electrification systems in cars and other related materials, next-generation communication technologies, etc.
- Evolution of High-Performance Products Sensing tools and thin motors, etc.

Challenging into New Territories

Future Society Needs

Capturing the diverse needs of the society and challenging to new territories through the use of core technology and creating innovative technologies

Green

Promoting R&D in energy savings, renewable energy and material recycling to maximize the possibility of creating a Sustainable Planet

Hydrogen technology / CCUS to achieve carbon-free, environmentally-friendly power cables, next-generation wastewater treatment films, materials separation technology, etc.

Safe and Comfortable

R&D to expand safe and comfortable Living and broaden the possibility of Human Kind

Photonics-Electronics Convergence Technology for an All-Photonics Network Technology related to Connected and automotive on-board network

Efficient R&D process by using Big Data / AI / Machine Learning

Validate market and business opportunity

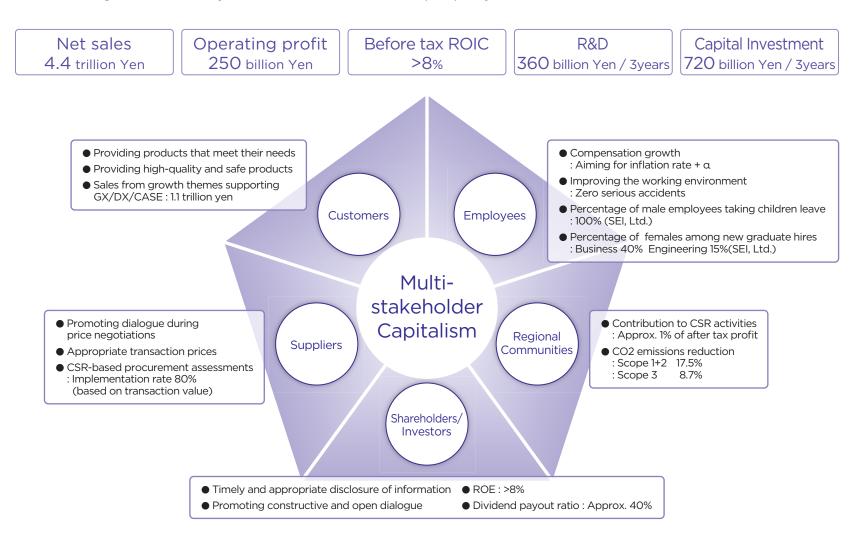
Net Sales and Operating Profit by Segment

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	Net s	sales	Operating profit	
	FY2022	FY2025	FY2022	FY2025
Environment & Energy	928.2	1,020	37.9	50
Info- communications	250.3	280	21.9	25
Automotive Business	2,186.8	2,500	55.7	110
Electronics	366.0	360	38.3	30
Industrial Materials & Others	363.3	390	24.0	35
Company-wide Total	4,005.6	4,400	177.4	250

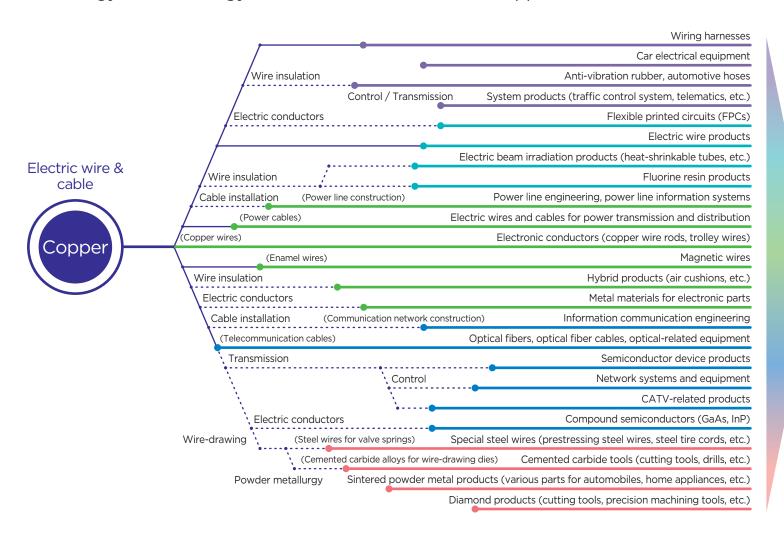
Key indicators and targets

Capturing business opportunities from the Advancement of a Decarbonized Society and Evolution of the Information Society, and enhancing our sustainability initiatives to achieve a shared prosperity with our stakeholders

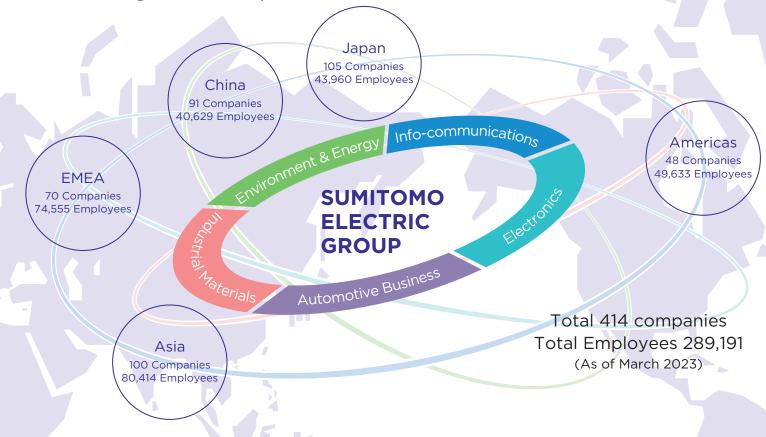


Pursue Top Technology and create new value through innovations

Genealogy of Technology evolved from foundation of copper wire and cable business



Contributing globally to a green society with the integrated capabilities of SEG



May 2023 Becoming wholly owned subsidiary

Forge a bright future for both people and technology NISSIN ELECTRIC GO., LTD.

- Enhancing the ability to provide solutions
 Providing total solutions for power transmission and distribution facilities
 Providing packaged services for the renewable energy market
- Integration and exchange of organizations and human capital
- Cross-utilization of overseas offices and customer base

Connect, Communicate and Create

TECHNO ASSOCIE CO., LTD.

- Increase in Group added value and sales and earnings
 Deploying Solution Development Based Marketing more effectively
 Use of extensive supplier and processing networks
- Cooperation in procurement and logistics
- Shared corporate functions



Sumitomo Electric is a proud supporter of Expo 2025 Osaka, Kansai, Japan

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https://sumitomoelectric.com/