

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)



Purpose

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



- Development of a Decarbonized Society
- Evolution of the Information Society
- With-covid/Post-covid Society
- Decoupling and destabilization in the global community

<p>FY2022 (actual)</p> <p>Net sales : 4.0 trillion yen</p> <p>Operating profit : 177.4 billion yen</p> <p>Before tax ROIC : 6.6%</p>
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<p>FY2025</p> <p>Net sales : 4.4 trillion yen</p> <p>Operating profit : 250 billion yen</p> <p>Before tax ROIC : >8%</p>

<p>FY2030 (2030 VISION)</p> <p>Net Sales : >5 trillion yen</p> <p>Before tax ROIC : >10%</p>
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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



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



Creating New Value with Technology through Group Wide Efforts

Growth Themes

- 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

Info-communications Segment

Automotive Business Segment

Electronics Segment

Industrial Materials Segment

Growth Themes

Growth Themes in the 3 Key Areas

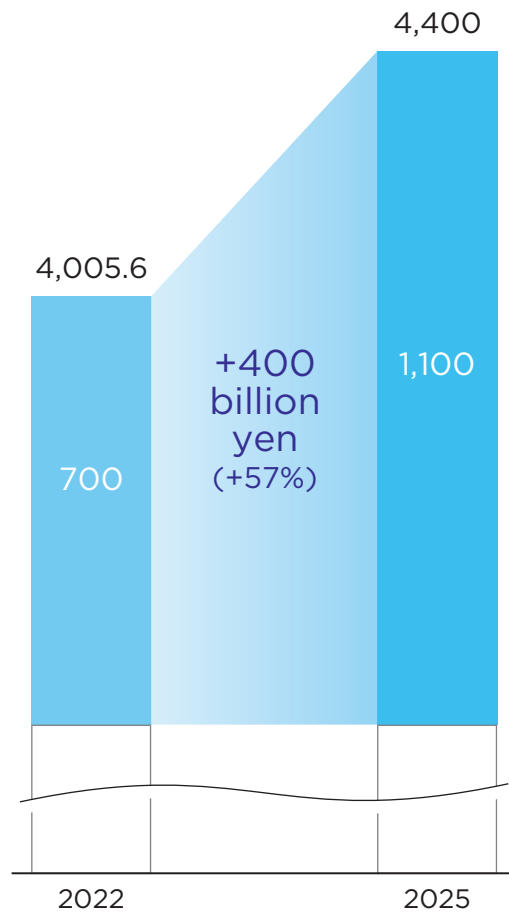
Key Areas	Growth Themes
Energy Infrastructure	Products and services related to <ul style="list-style-type: none"> ● Interconnectors / battery storages for power grids ● Renewable energy networks ● Environmentally friendly power transmission and distribution / energy-saving equipment
Info-Communications	Products and services related to <ul style="list-style-type: none"> ● High-speed large-capacity and low-latency communication network ● Data centers and related equipment ● Next-generation telecommunication devices and equipment
Mobility System	Products and services related to <ul style="list-style-type: none"> ● Materials for electrified automobiles / weight reduced materials ● Driver-assistance and autonomous driving systems ● Mobility solutions from energy infrastructure and integrated transport infrastructure

Large-scale capital expenditure by Growth Themes

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

Total : 300 billion yen

Sales by Growth Themes



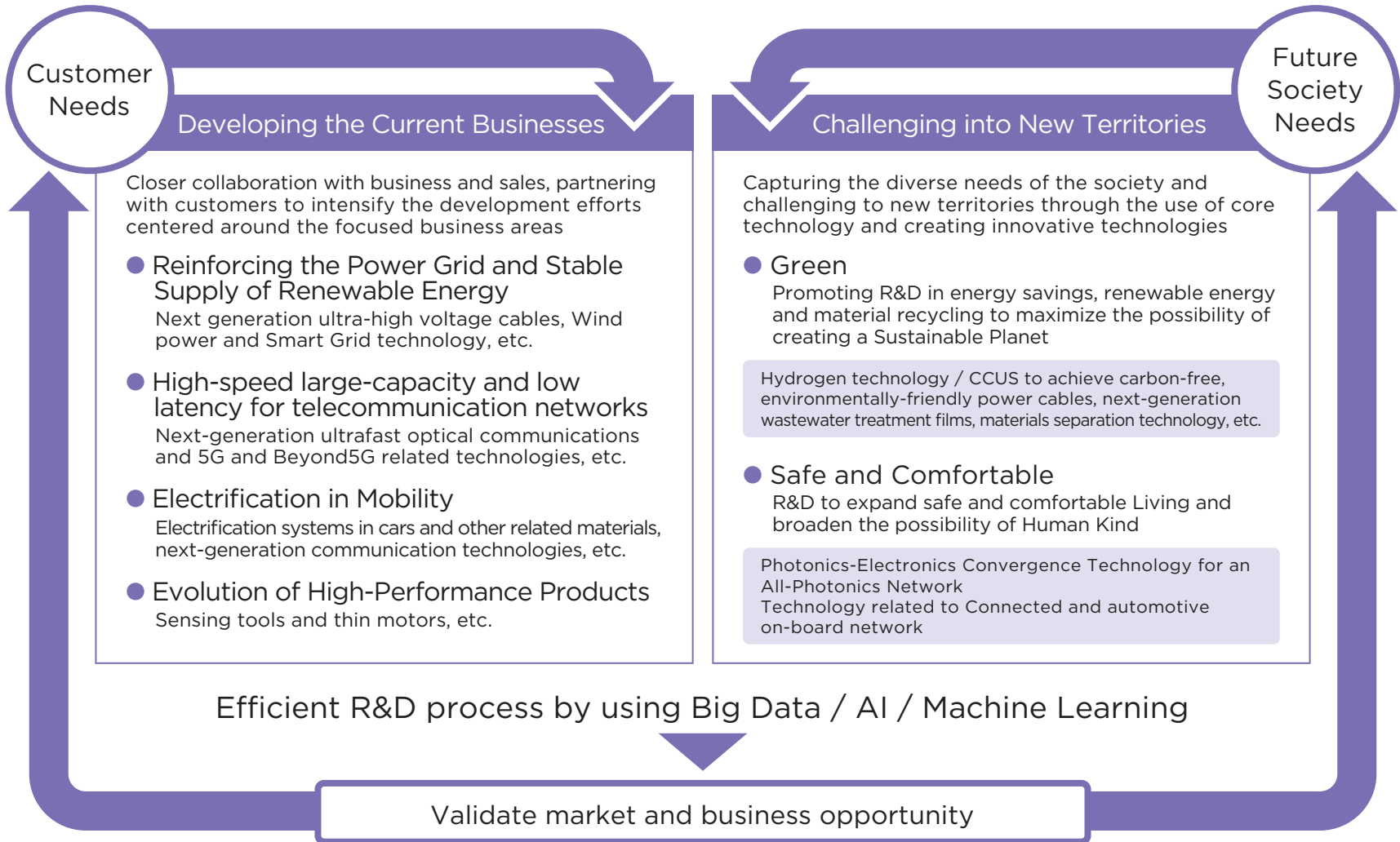
Unit : Billion yen

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



Net Sales and Operating Profit by Segment

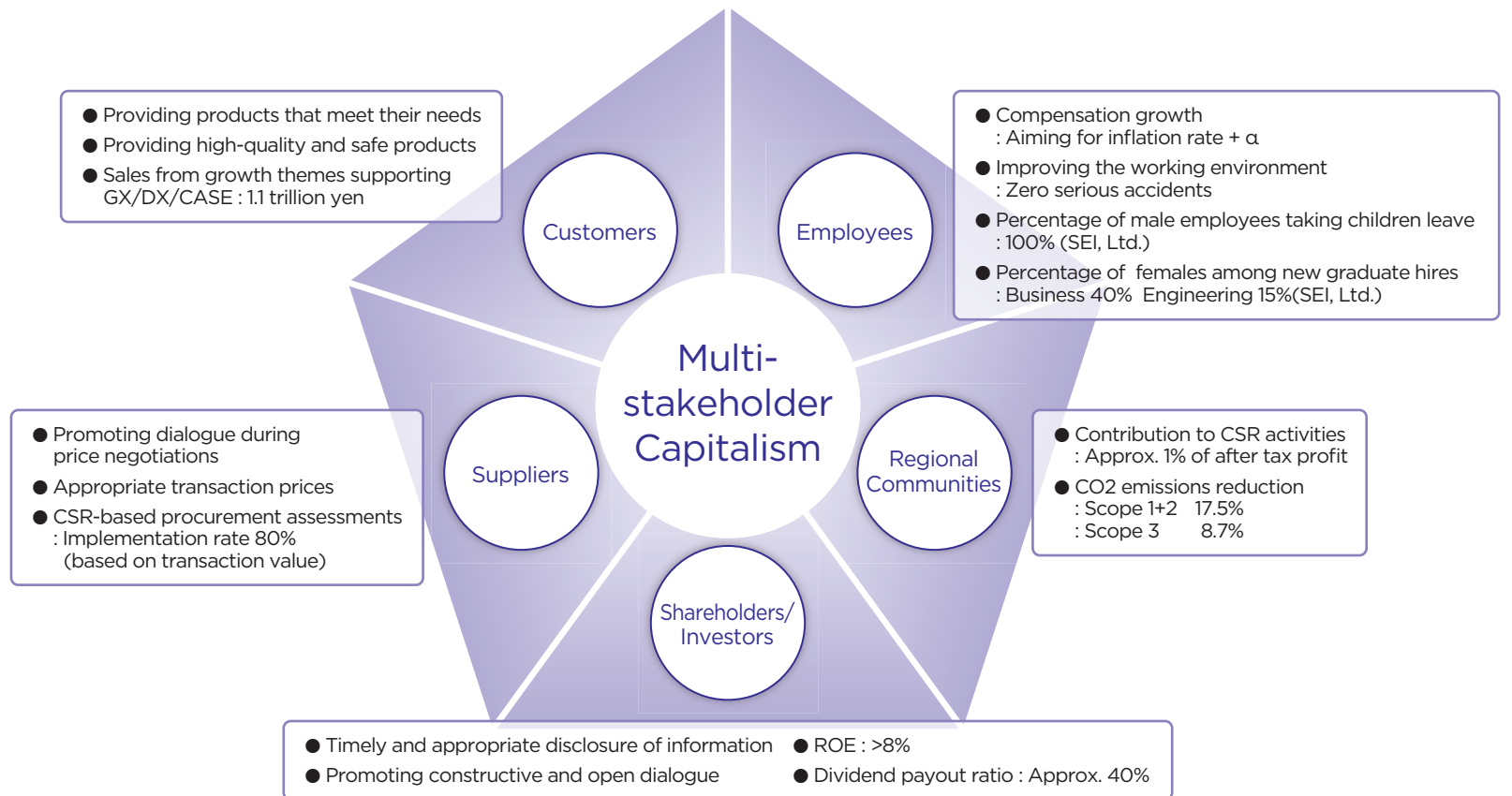
Unit : Billion yen

	Net 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

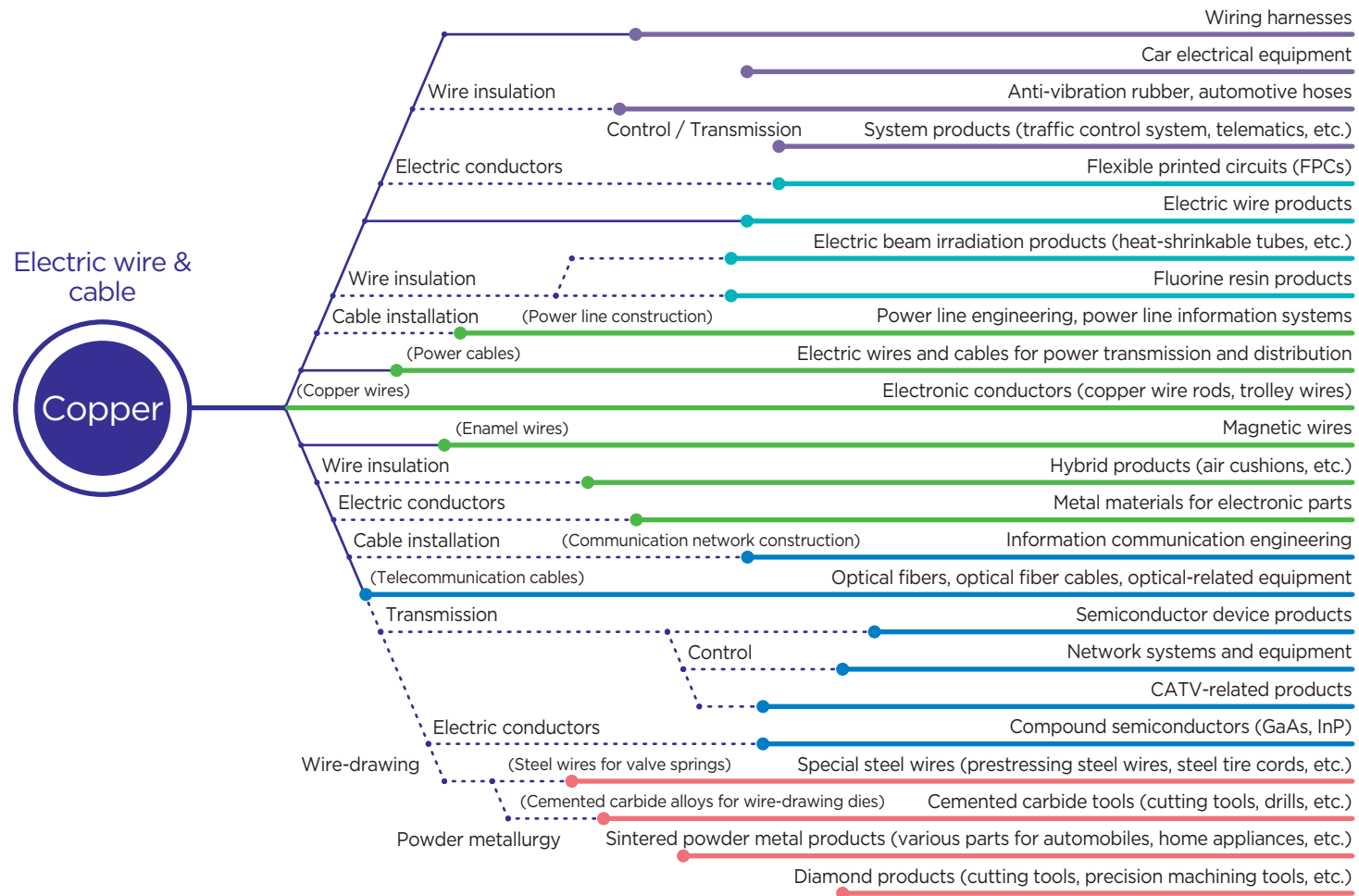
Capturing business opportunities from the Advancement of a Decarbonized Society and Evolution of the Information Society, and enhancing our sustainability initiatives to achieve a shared prosperity with our stakeholders

<p>Net sales 4.4 trillion Yen</p>	<p>Operating profit 250 billion Yen</p>	<p>Before tax ROIC >8%</p>	<p>R&D 360 billion Yen / 3years</p>	<p>Capital Investment 720 billion Yen / 3years</p>
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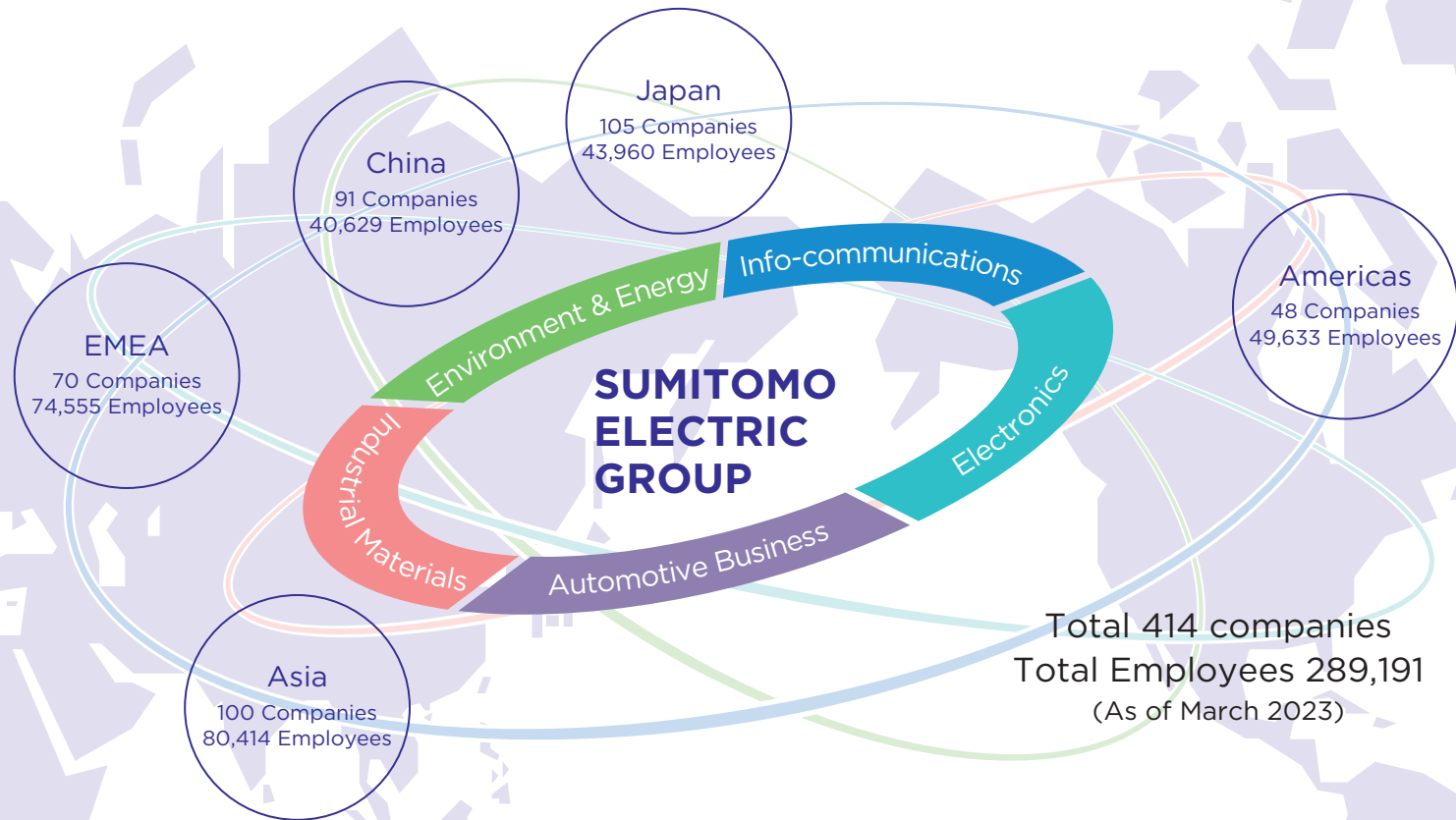
Pursue Top Technology and create new value through innovations

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



Creating new value through technology

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 CO., 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

 Sumitomo Electric Industries, Ltd.

<https://sumitomoelectric.com/>