

2nd Mid-Term Business Plan

(FY2024 to FY2026)

Tokyo Cosmos Electric Co., Ltd.

April 2024

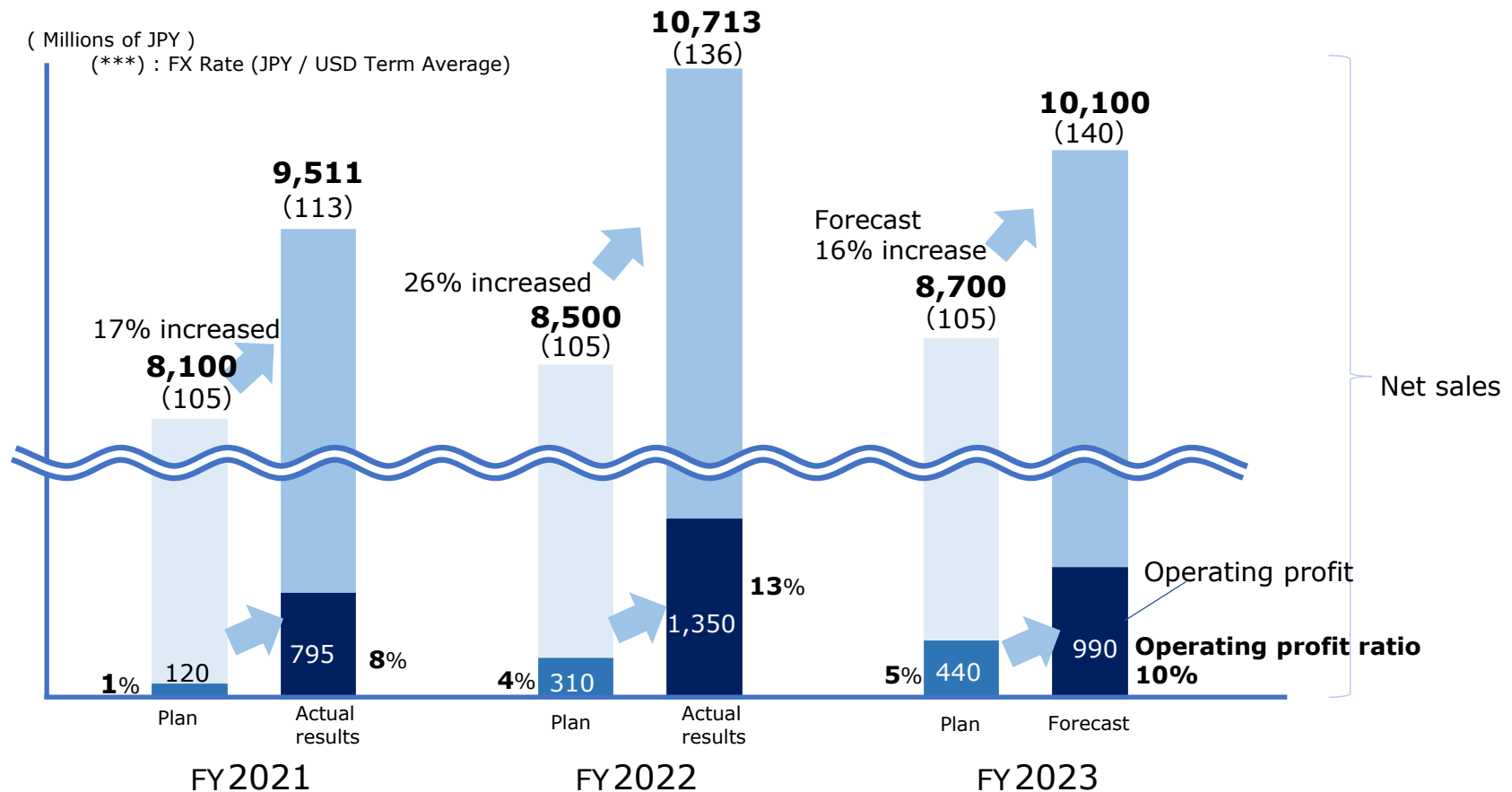
*Note: This document is a translation of the original Japanese version and provided for reference purposes only.
In the event of any discrepancy between the Japanese original and this English translation, the
Japanese original shall prevail.*

<Results of Structural Reform>

- Selected & Concentrated on Highly Profitable Businesses
- Increased Sales in Automotive products
- Fixed Cost Reduction & Productivity Improvement

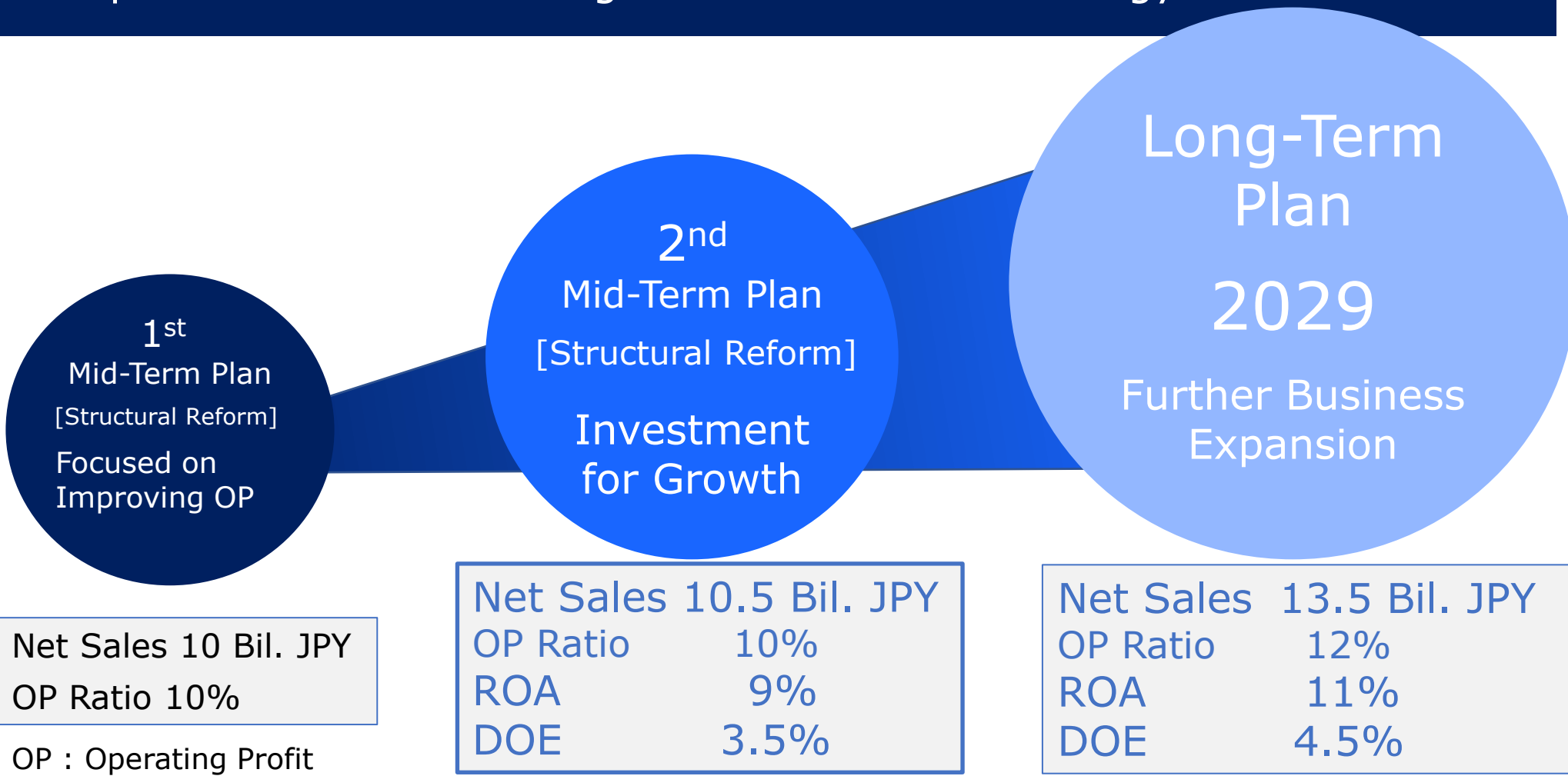
<Ongoing Issues>

- Construct Clear Financial Strategy
- New Product Development
- Innovation / Reorganization in Production



<Objectives>

- * Increase Investment for Sales Expansion & Production Innovation
- * Implement Versatile Management & Financial Strategy



Goal

Structural Reform

Issues

Pursue Growth and
Earning power

Enhance
Technology
Development

- Key for Growth**
- Develop & Acquire New Technologies
 - Improve Existing Core Technologies for New Applications
 - Invest in Management Resources (R&D / Talent Acquisition & Training)

Strengthening
Profitability

- Maintain 10% OP**
- Increase Product Value
 - Reorganize Production Systems & Methods
 - Leverage DX & AI / Improve Productivity

Goal

Structural Reform

Issues

Management Structure Transformation

Improve Financial Structure

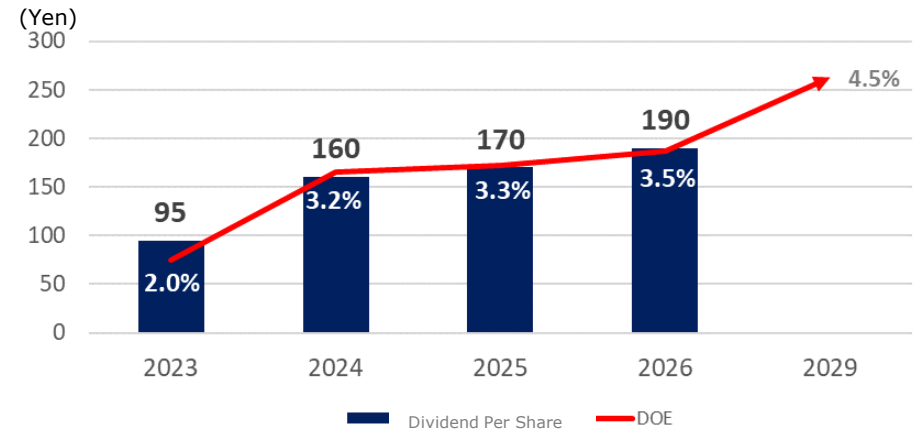
Enhance Shareholder Returns

Diversification of Financing Methods

- Reduce Interest-Bearing Debt
- Enhance Capital Efficiency (Improve ROA)

Achieve Stable Growth of Shareholder Returns

- Improve the Dividend on Equity (DOE)
- Stable Shareholder Returns in the Mid- to Long-Term



Expand and Grow Business, Improve Profitability

- 1) Capital Investment / R&D Budget Target: Total 2 Bil. JPY
- 2) FY2026 Target : ROA 9%

Stable Growth of Shareholder Returns

- Define the Dividend Policy Indicator.
FY2026 Target: DOE 3.5% (Dividend Payout Ratio Approx. 40%)

Enhance IR Activities

- Enhance disclosure and communication to Shareholders and Investors.
- Disclose Non-Financial Information on the Website (Sustainability, etc.).



The forward-looking statements and forecasts for the future expressed in this document are based on current information. They contain some risks and uncertainties. Please understand that actual performance and results may vary.