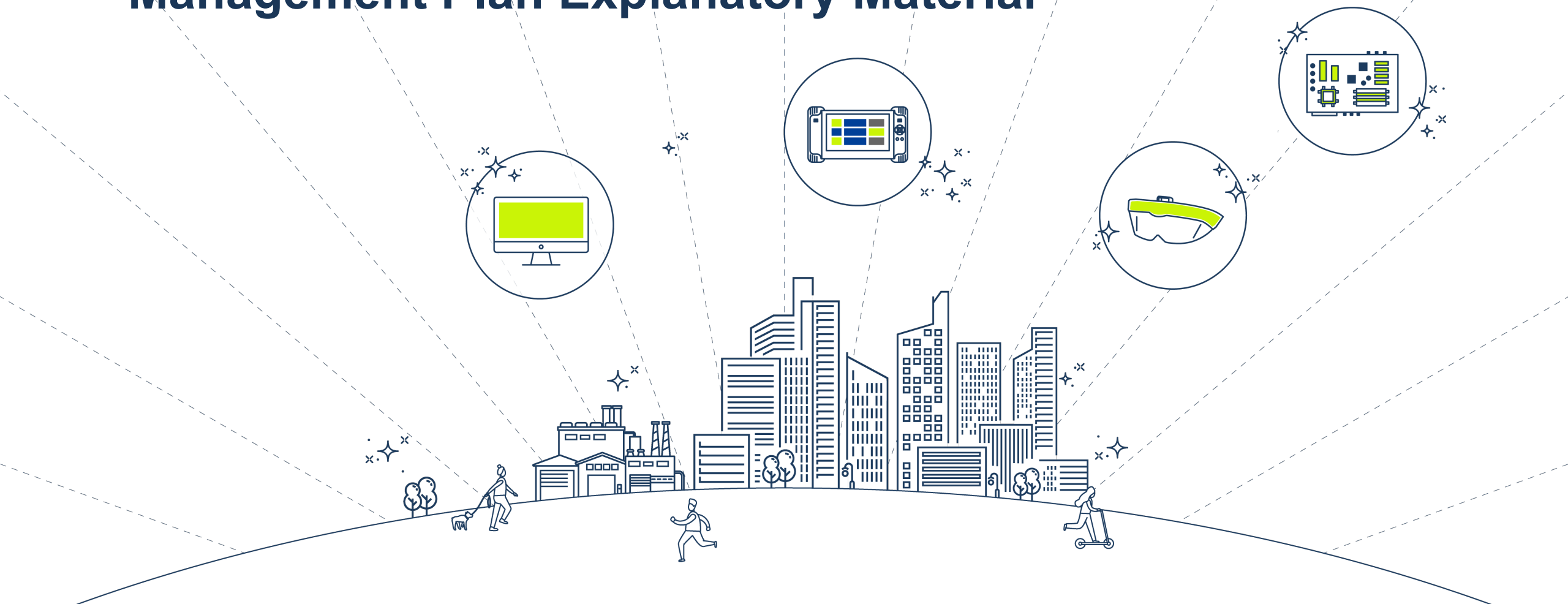
November 29th, 2024

SUNCORPORATION

Securities code: 6736

Year Ending March 31st, 2025 – Q2 (Interim)

Financial Results and Medium-Term Management Plan Explanatory Material



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SUNCORPORATION’s Business

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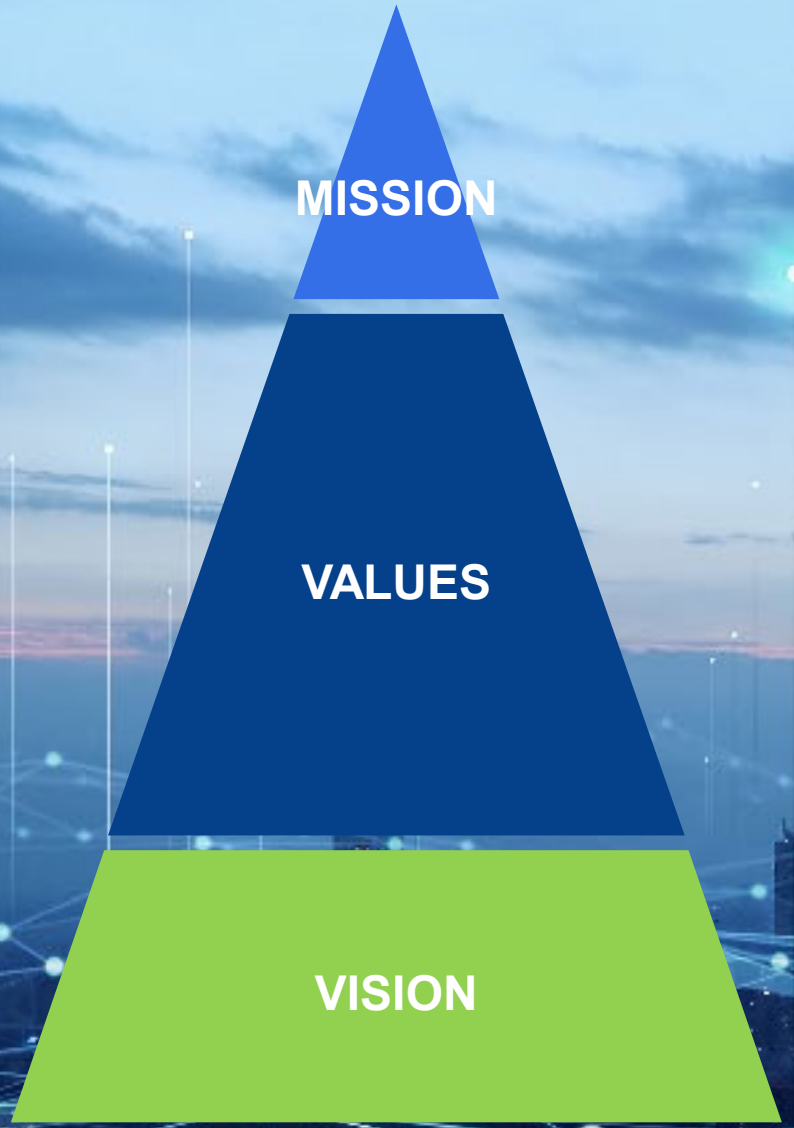
Management Philosophy



Resolving social issues with SUNCORPORATION's technologies

Management philosophy

Making people happy through telecommunication & entertainment

Corporate philosophy

"Maintaining the spirit of a company that takes on challenges"

Company slogan

- Materializing
- Challenging
- Accomplishing

Guidelines for Action

- View success as the starting point for new success
- Treat improvement and elimination of waste as permanent issues
- Progress stops the moment you say "this is fine"
- Don't be satisfied with yesterday's success
- The moment you succeed is exactly when you should reflect on your actions

Aiming for sales of **50 billion** and an operating profit margin of **15%** or more

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Developing the Business in Three Segments Revolving around Technology

Global Data Intelligence
(digital intelligence)

- Developing and selling mobile forensic equipment
- Adding sales of threat intelligence solutions specialized in the deep web and dark web



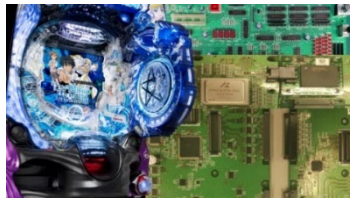
Entertainment
(amusement machines and games)

Amusement machines

- Planning, developing, and manufacturing amusement machines
- Developing video content for amusement machines

Games

- Developing and selling game content





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"Art of Charon" on sale on Steam
©SUNSOFT

New IT-Related
(M2M/IoT)

- Developing, manufacturing, and selling industrial communications equipment and IoT solutions
- Developing and selling B2B operational support solutions using SmartGlass

Rooster

Assist







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History

Domestic Business Growth along with Accelerated Global Expansion Since the Early 1990s



1971
Establishment of SUNCORPORATION



1985
Development of family-oriented software
Launch of SUNSOFT series



1985
Development and release of SUNCORPORATION brand modem, My Looper 300



2007
Acquisition of Cellebrite's shares



2010
Development and release of Rooster series mobile routers
Full-scale entry into M2M market



2020
Launch of AceReal for docomo, a remote operation support solution using 5G and AR SmartGlass

Sales diagram

Acceleration of global expansion

1971
Founded with the aim of manufacturing and selling electronics-related equipment

1980
Completed head office building in Konan City, Aichi Prefecture, established business structure, and pursued expansion

1990
Established SUNCORPORATION brand, developed and sold industry's first system, and expanded sales offices across Japan

2000
Listed on JASDAQ, acquired 100% ownership of Cellebrite, and accelerated global expansion

2020
Celebrated 50th anniversary of founding and shifted toward global company

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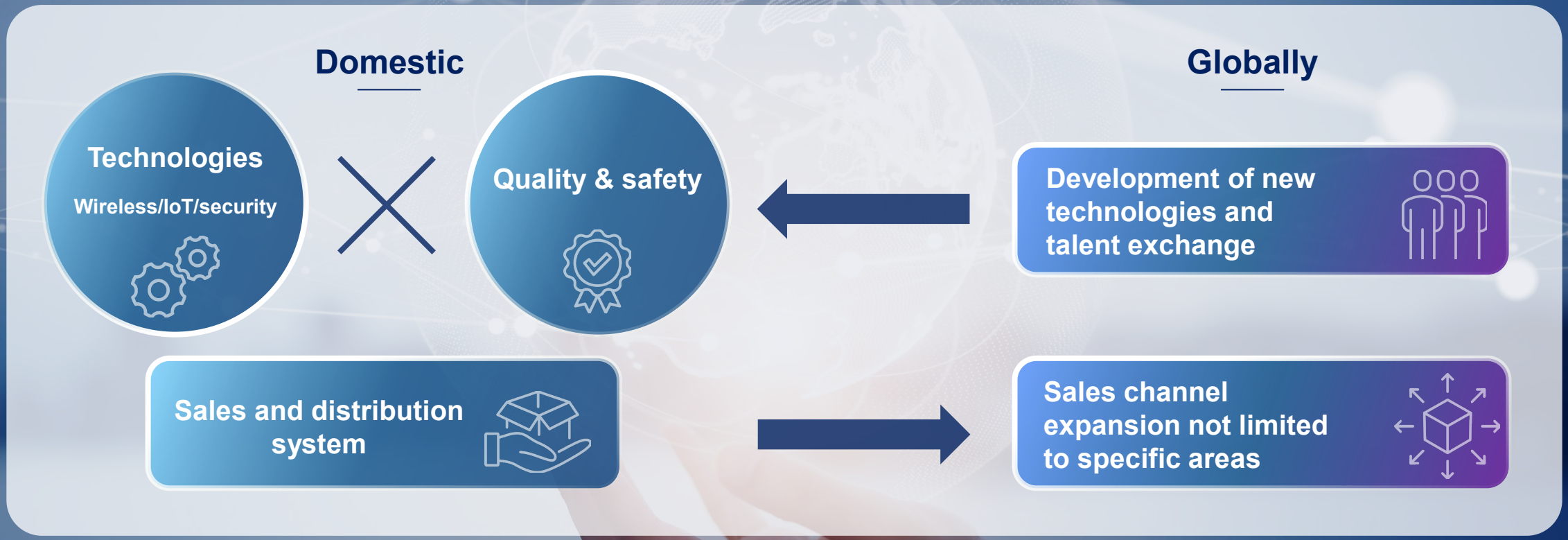
SUNCORPORATION's Global Business

Growing through businesses that are not limited to specific areas by combining technologies and expertise developed in domestic businesses with new technologies and talent exchange acquired globally



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Relationship with Cellebrite (Performance)

Profit or loss on valuation occurring due to the Cellebrite shares we own has an impact on SUNCORPORATION's performance (ordinary profit, current net income)

SUNCORPORATION

- Broad sales network based on sales to domestic law enforcement agencies and sales of communication equipment is a strength
- Listed on the Tokyo Stock Exchange JASDAQ Market (2002)
- Moved to the Tokyo Stock Exchange Standard Market due to the revision of the market classification (2022)



Maintaining uniqueness with respect to various operations

Supporting continuous growth as a stable shareholder

Cellebrite

- Affiliate specializing in digital intelligence with site in Israel
- Listed on U.S. NASDAQ market (2021)



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Relationship with Cellebrite (Business)

Driving domestic forensic products and digital intelligence market
Supplying related products, training, and services

SUNCORPORATION



- Developing and selling our own related products, such as F-Note, for the Japanese market
- Providing original training for forensic product users to the market

Strengths acquired from selling forensic products on the Japanese market

Accumulated experience and know-how for quick and accurate deployment of the latest forensic products and technologies to the Japanese market

InsEYEts
System that facilitates digital investigation agencies' legal access to mobile phones of all kinds and collection of digital evidence

Cellebrite Guardian
SaaS-based system that integrates management of saving evidence data, administrative sharing, etc.

Cellebrite

A leading company in the digital forensics field



Product sales rights in Japan

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Q2 (Interim) Financial Results/ Forecast for Year Ending March 2025

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Summary of Q2 (Interim) Financial Results for Year Ending March 2025

POINT

- Sales progressed YoY in each segment.
- Operating profit decreased YoY by 96 million yen due to increased expenses for strengthening the sales base and expanding the corporate functions for the future, as well as temporary spending.
- The increase in ordinary income of 4,540 million yen was due to the elimination of the equity method investment loss of 4,498 yen in Cellebrite for the fiscal year ended March 31, 2024.
- Net income increased YoY by 4,631 million yen due to the tax effect related to Cellebrite.

(Unit: million yen)	Q2 (Interim) for Year Ended March 2024	Q2 (Interim) for Year Ending March 2025	
	Actual Results	Actual Results	Change
Sales	4,648	5,794	1,146
Operating profit	71	(24)	(96)
Ordinary profit	(4,448)	91	4,540
Net profit attributable to owners of parent	(4,229)	401	4,631

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Sales and Operating Profit by Segment

Segment		FY Ended March 2024 Q2 Actual Results	FY Ending March 2025 Q2 Actual Results	Year-on-Year Change (%)	Topics
Global Data Intelligence	Sales	484	577	19.0%	• Providing cutting-edge digital intelligence tools, associated training, etc. to address the explosive increase in the amount of digital evidence and criminals (organizations) with technological expertise • Expanding full-scale adoption among law enforcement agencies with the sales launch of the next-generation digital forensic solution “InsEYEts” (the successor to the former “UFED”) • **YoY growth in revenue and profits** due to an increase in order amount in the subscription business in the first half of this fiscal year
	Operating profit	59	74	26.5%	
	Operating profit margin	12.2%	12.8%	4.9%	
Entertainment	Sales	2,742	3,633	32.5%	• The game machine-related business achieves content development with strong product appeal and high-quality control boards for specific industries and clients • The game content business provides full in-house services, from development to operation, for mobile games using the “Shanghai” brand, an IP with high visibility • Maintaining cost-effective revenue over the long term • Making effective use of our many IPs in the retro game genre, which is regaining popularity, especially in Western markets • A decline in the operating profit margin due to rising costs, although robust contracted development of Pachinko and Pachislot machines resulted in **YoY increased revenue and profits** in the first half of this fiscal year
	Operating profit	341	391	14.4%	
	Operating profit margin	12.4%	10.8%	(12.9%)	
New IT-Related	Sales	1,430	1,678	17.3%	• Pursuing product development with 5G as a key concept • The industrial network device Rooster is dual SIM compatible, making it possible to duplicate various communication carrier lines. It enables response when faults occur with communication carrier networks • SunDMS enables alive monitoring and Rooster enables integrated management, making it possible to greatly reduce the operation and management burden and maintenance costs of multiple IoT devices installed in remote locations • A decline in the operating profit margin due to rising raw material prices and increased expenses to strengthen the sales base, although solid sales led to **YoY increased revenue and profits** in the first half of this fiscal year
	Operating profit	104	105	0.5%	
	Operating profit margin	7.3%	6.3%	(13.7%)	

* Operating profit is the operating profit before allocating the head office’s management expenses

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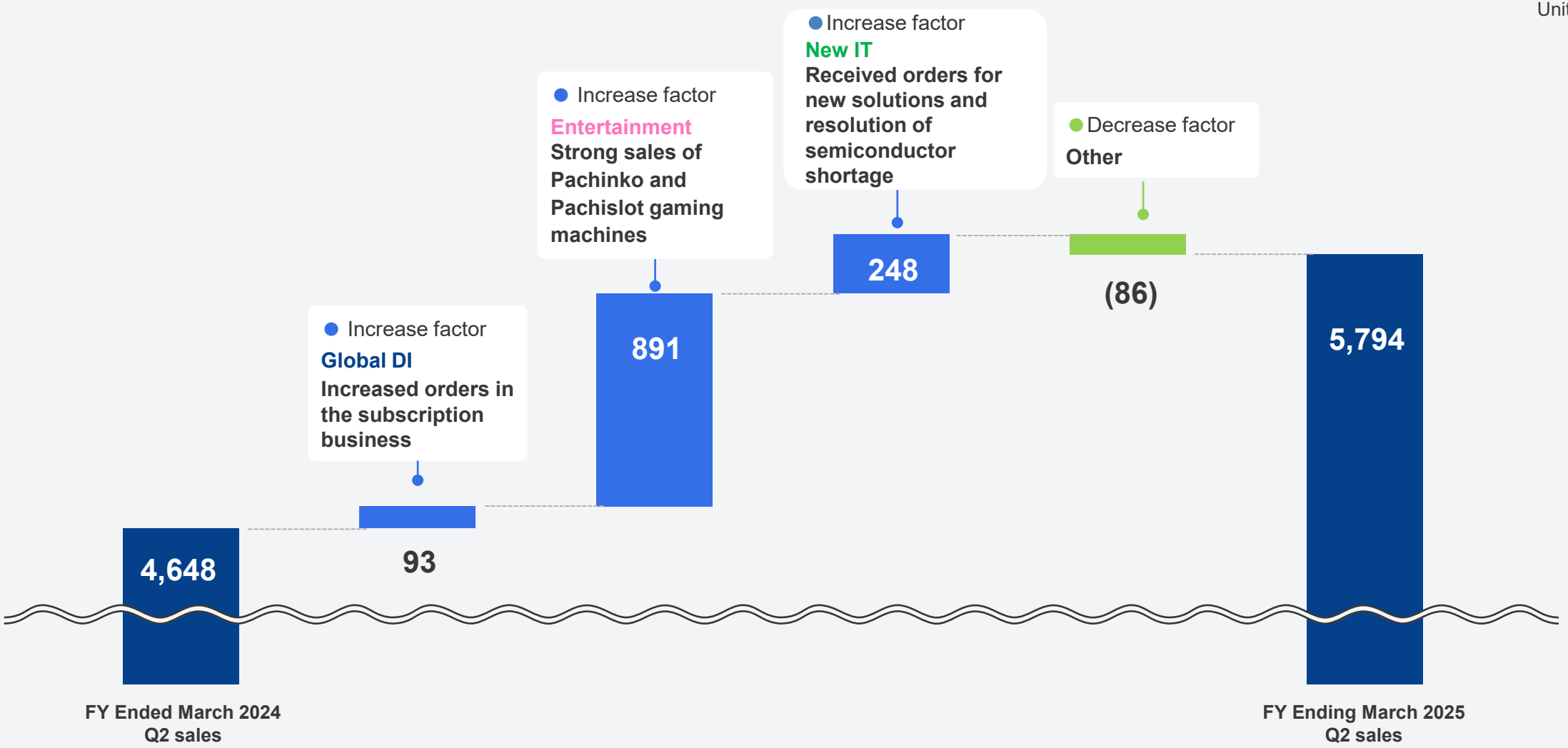
Factors Impacting Changes in Sales

Unit: million yen



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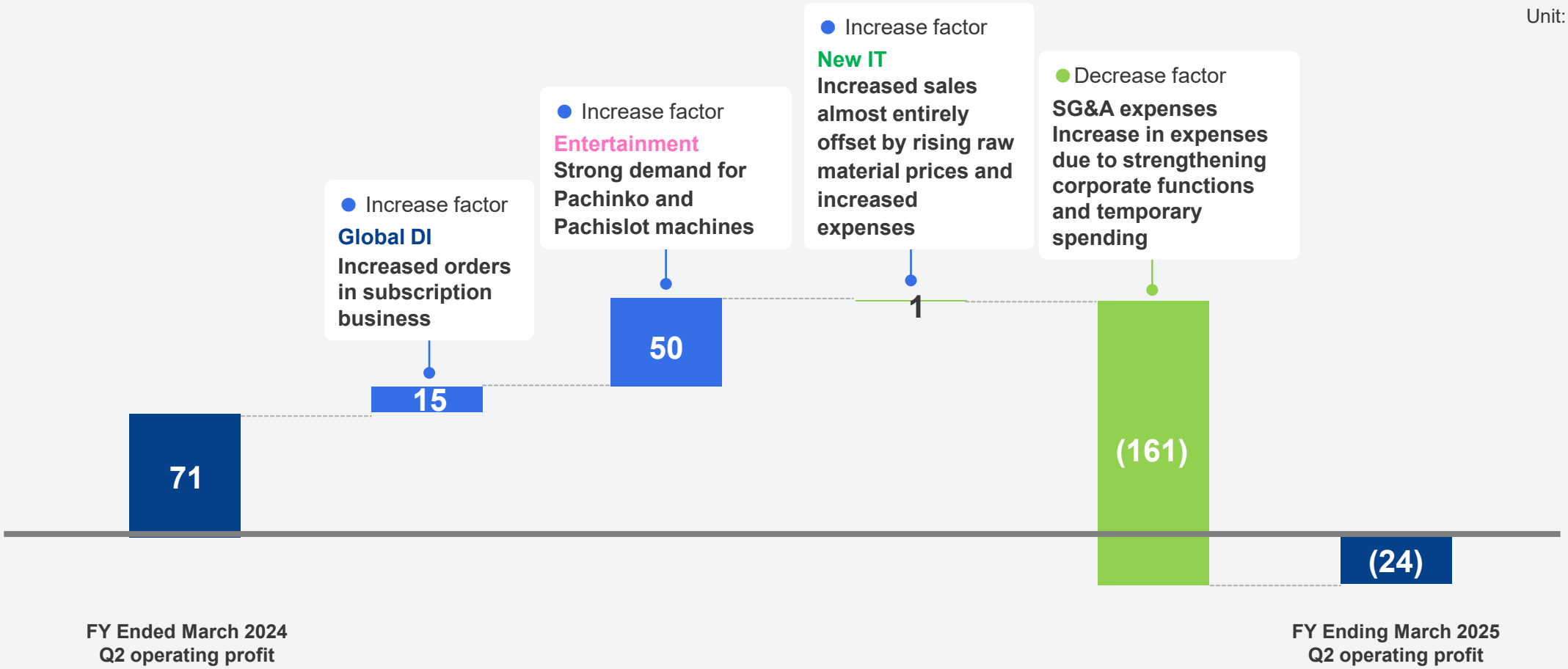
Factors Impacting Changes in Operating Profit

Unit: million yen



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Consolidated Balance Sheet

POINT

A decrease in total assets by 3.7 billion yen partly due to the fulfillment of the rights granted under the price adjustment clause of Cellebrite, leading to the extinguished market value of 4.7 billion yen equivalent to the rights

(Unit: million yen)	End of Year Ended March 2024	Q2 (Interim) of Year Ending March 2025	
	Actual Results	Actual Results	Year-on-Year Change (%)
Cash and deposits	1,732	1,340	(22.6%)
Other current assets	21,717	23,156	6.6%
Property, plant, and equipment	1,580	1,616	2.3%
Intangible fixed assets	687	632	(8.0%)
Investments and other assets	21,121	16,414	(22.3%)
Total assets	**46,838**	**43,160**	**(7.9%)**
Current liabilities	4,905	6,920	41.1%
Non-current liabilities	4,674	2,775	(40.6%)
Total liabilities	**9,579**	**9,695**	**1.2%**
Shareholder equity	28,314	27,894	(1.5%)
Accumulated other comprehensive income	8,843	5,510	(37.7%)
Stock subscription rights	24	15	(39.3%)
Stock acquisition rights	78	46	(40.9%)
Total net assets	**37,259**	**33,464**	**(10.2%)**
Total liabilities and net assets	**46,838**	**43,160**	**(7.9%)**

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Consolidated Cash Flow Statement

POINT

A decrease in free cash flow by 1.3 billion yen mainly due to cash outflows of 700 million yen from an increase in accounts receivable and 700 million yen from an increase in deposits

(Unit: million yen)	Q2 (Interim) of Year Ended March 2024	Q2 (Interim) of Year Ending March 2025		
	Actual Results	Actual Results	Change	Comments
Cash flows from operating activities	3,817	**(1,155)**	(4,972)	Cash outflow due to an increase in accounts receivable of 700 million yen Cash outflow due to an increase in deposits of 700 million yen
Cash flows from investment activities	(3,495)	**(124)**	3,371	Cash outflow due to the acquisition of tangible and intangible fixed assets of 100 million yen
Cash flows from financing activities	(1,385)	**918**	2,303	Cash outflow due to dividend payments of 900 million yen Cash inflow due to an increase in borrowings of 1.8 billion yen
Cash and cash equivalents at the beginning of the fiscal year	2,934	**1,520**	(1,414)	
Cash and cash equivalents at the end of the fiscal year	1,892	**1,157**	(735)	
Free cash flows	322	**(1,280)**	(1,602)	Increase in accounts receivable of 700 million yen and deposits of 700 million yen

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Basic Policy

To strengthen our future business development and management base, we will distribute profit while taking into account medium- and long-term changes in free cash flows and the capital efficiency of growth investments and also considering balancing it with stability and internal reserves

		FY Ended March 2023	FY Ended March 2024	Interim Dividend of FY Ending March 2025
Dividend	(Annual)	**20.00 yen**	**40.00 yen**	**Undetermined**
	(End of period)	20.00 yen	40.00 yen	**Undetermined**
	(Interim)	0 yen	0 yen	**50.00 yen**
Dividend payout ratio (consolidated)		**6.8%**	**–**	**—**

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Topics for the First Half and Initiatives for the Second Half of the Year Ending March 2025

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Regarding the Results of and TWC's View about its Purchase of Our Shares

Through constructive dialogue with TWC, we aim to maximize our potential corporate and stock value in the medium to long term.

TWC (True Wind Capital Management, L.P.)

Purpose

Maximizing the long-term corporate value of SUNCORPORATION and Cellebrite

Result

The tender offer (TOB) was successful. As of August 22, TWC became the second largest shareholder of SUNCORPORATION, with approximately 19% of its voting rights.

TWC

A private equity firm based in San Francisco. TWC partners with companies in the technology business that are expected to grow, such as industrial technology, business services, compliance, and financial services, and invests in all types of transaction structures to maximize enterprise value creation. Since its founding in 2015, TWC has made 13 platform investments and dozens of add-on acquisitions.

TWC acquired SUNCORPORATION's shares through the market at 5,500 yen per share.

Through constructive dialogue, TWC and SUNCORPORATION aim to maximize potential corporate and stock value in the medium to long term.

SUNCORPORATION

- Strengths in a vast sales network based on business with Japan's law enforcement agencies and sales experience in telecommunications equipment
- Listed on the Tokyo Stock Exchange Standard Market

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SUNCORPORATION's Approach to Business



Currently Established Business Areas

Entertainment (Amusement machines & games)

Providing high-quality, comfortable entertainment in high economic growth-era Japan

Global Data Intelligence

Protecting people from unforeseen threats occurring due to IT and the development of the information society and providing peace of mind in their daily lives

New IT-Related (M2M/IoT)

Refining the ability to connect things and people and offering new lifestyles by enriching people's daily lives

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Business Segment Strategies and Progress in the Medium-term Management Plan (Global Data Intelligence (GDI))

Global Data Intelligence Business

Sales

Year ended March 2024 Actual results	Year ending March 2027 Plan
994 million yen	1,879 million yen

Segment profit

Year ended March 2024 Actual results	Year ending March 2027 Plan
131 million yen	312 million yen

Global Data Intelligence vision

With the aim of contributing to safety and peace of mind for people globally, we provide products, services, and solutions needed to achieve them

We aim to be a **one-stop provider trusted** by customers **as the company they call first**

Target customers

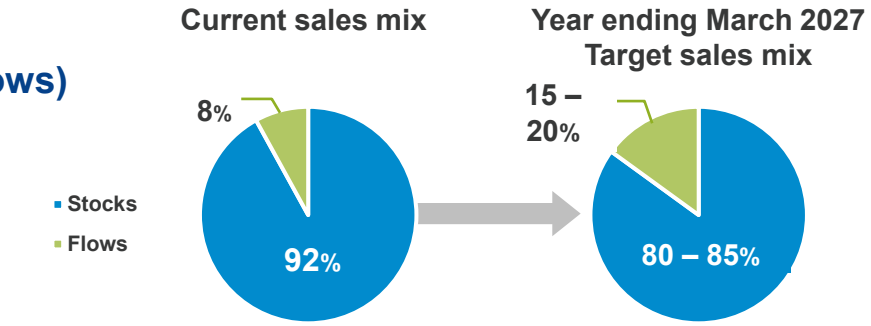
- **Law enforcement agencies**
- **Private companies**
- **Financial services industry security service providers**

Key strategies

Strategic Theme	Issues/Opportunities	Resolution Orientation/Measures
Improving earning power of existing business	Establishing an optimal profit structure	• Enhancing sales activities based on upselling and cross-selling • Reducing churn rate • Increasing flow business while considering sales and profit balance
Creating new growth drivers	Providing new digital tools/solutions not limited to digital forensics	Searching for high-added value products by leveraging networks developed to date, such as Israel

Sales mix (stocks vs. flows)

Correction: In the graph published when the medium-term plan was announced, the legend for stock and flow business was reversed. The correct legend is shown on the right. We apologize for the error.



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Business Segment Strategies and Progress in the Medium-term Management Plan (New IT-related)

New IT-Related Business

Sales

Year ended March 2024 Actual results	Year ending March 2027 Plan
3,002 million yen	5,059 million yen

Segment profit

Year ended March 2024 Actual results	Year ending March 2027 Plan
230 million yen	911 million yen

Features of New IT

Our strength is being able to provide hardware and software on an end-to-end basis

Positioning of SUNCORPORATION

1 Collecting data from various devices

1. Transmitting data with Rooster is the original source of our business
2. Data collection for legacy devices

2 Location for processing data into usable forms

1. Edge processing with LBX*, etc. is possible
2. Processing with SunDMS is possible

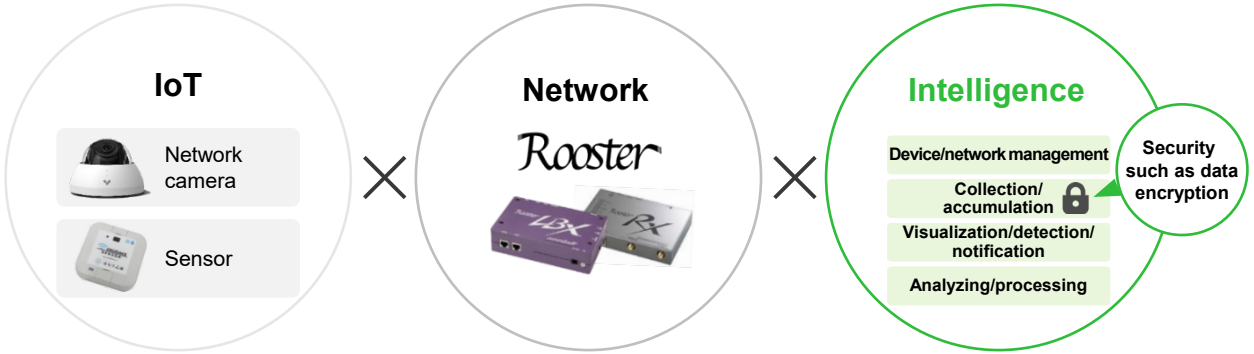
* LBX: In-house product equipped with edge AI

Target customers

- Drink vending machine manufacturers
- Medical equipment manufacturers
- Logistics manufacturers (trucks, trains, buses, etc.)
- Infrastructure, building, and parking lot management companies

Year ending March 2025	Year ending March 2026	Year ending March 2027
Hardware focus	Developing solutions business	Edge AI and device network intelligence
• Further expanding sales of existing Rooster products → reaping 3G → 4G transition projects • Adapting to 5G → Exploring new markets	• IoT solutions and video solutions • Rooster and network data collection and control, visualization, and data analysis (AI/BI*)	• Advanced data processing of sensor data, etc. using edge computing • Overseas development of EKTeck, etc.

Expanding the data business with SunDMS as the core
Aiming to establish growth drivers



* BI (Business Intelligence)
Analyzing data accumulated by companies and using the findings in decision-making by management

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Business Segment Strategies and Progress in the Medium-term Management Plan (Entertainment-related)

Entertainment Business (Amusement/Games)

Sales

Year ended March 2024 Actual results	Year ending March 2027 Plan
6,051 million yen →	8,520 million yen

Segment profit

Year ended March 2024 Actual results	Year ending March 2027 Plan
802 million yen →	1,536 million yen

● Features of Entertainment

Amusement machine business

Able to provide turnkey services for amusement machines, including planning, video development, software development, circuit design, board installation, plastic molding, and assembly

Game business

Aiming to improve the visibility of the SUNSOFT brand with remakes of old games and expanding into the West and Asia by developing new IPs. Also targeting expansion aimed at anime fans, not just pachinko users, with amusement machine apps.

● Target customers

Amusement machine manufacturers	Game users Pachinko users Anime users	New development

Key strategies

Strategic theme	Issues/Opportunities	Resolution Orientation/Measures
Improving earning power of existing business	**Amusement machine business** • Increasing number of developed titles	• Hiring new/mid-career talent needed for development • Developing, co-operating, and collaborating with new partner companies (in game business as well) • Training personnel in a short time through in-house OJT
	Game business • New IP development • Overseas marketing	• Development by in-house team members + outsourced partners • Collaborating with publishers
Creating new growth drivers	**New business** • Partner development	Purchasing/collaborating with partners who excel in the target industry

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Current Overview of Products and Services by Segment

Segment	Topics
Global Data Intelligence 	• **Launched InsEYEts as a next-generation digital forensics solution in place of UFED** which accelerates processes such as automation of collection, extraction, reporting, and triage and eliminates the previous need for manual human intervention between various processes, leading to substantially reduced workload for investigative personnel • **Launched Pathfinder**, which enables investigative teams to efficiently process digital data based on advanced filtering, categorization, tagging, and analysis using AI and machine learning • **Started handling Cybersixgill** as an intelligence solution **specialized in information collection, review, and analysis on the deep web and dark web** • **Started handling a cryptocurrency trading analysis tool** from TRM Labs, a major U.S. blockchain intelligence company
Entertainment 	• The amusement machine-related business is being commissioned to provide a full range of services from total content development (from pachinko and pachislot planning to design, video production, and programming) and control board design to manufacturing • To support operation and improve content visibility in the actual machine market, we are developing pachinko and pachislot machine simulation apps for smartphones, and **in April 2024, we released *P Hi Ammo no Aria – Hihigami Descend – Lucky Trigger Ver*** • The game content business is advancing projects utilizing retro game IPs and **launched "SUNSOFT is Back! Retro Game Selection" globally** on multiple platforms (consumer devices) in April 2024 • **Launched NintendoSwitch version of *Ikki Unite* in April 2024** • **The official version of the new "Ark Of Charon" was released** for Steam **in November 2024** • As a joint project with U.S. Limited Run Games and Wayforward, we **ported the first game of "Clock Tower,"** originally released only in Japan in 1995, **to the current game console** and created **"Clock Tower: Rewind" with additional content, which was released globally in October 2024**
New IT-Related 	• To reduce management costs and make operations such as product restocking more efficient, we are progressing with the launch of A330 and A900, which are strategic products for drink vending machines • Aiming to differentiate Rooster industrial network equipment from other companies through collaboration with the SunDMS device management service • We released LBX8110 in September 2023 as an edge computer that can be equipped with AI image analysis • OKUDAKE Sensor, a sensor device for predictive maintenance through temperature management and acceleration (vibration) sensors in food sanitation management (HACCP), has moved to the full-scale rollout phase • We are **progressing with development of SunDMS-Insight**, which enables collection, control, and visualization of device and network data • **We released a camera solution capable of AI-powered video detection and search**

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Reference Materials: SUNCORPORATION’s Vision and Growth Strategy (Medium-term Management Plan)

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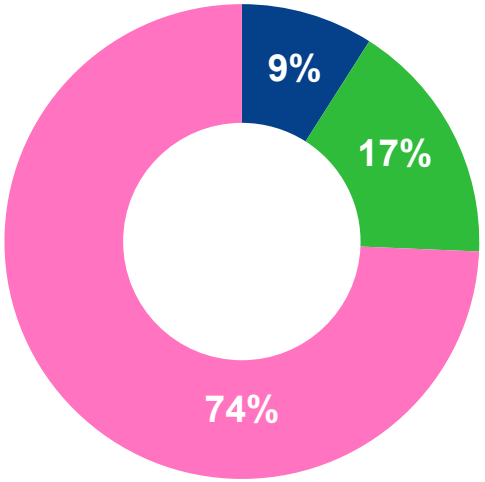
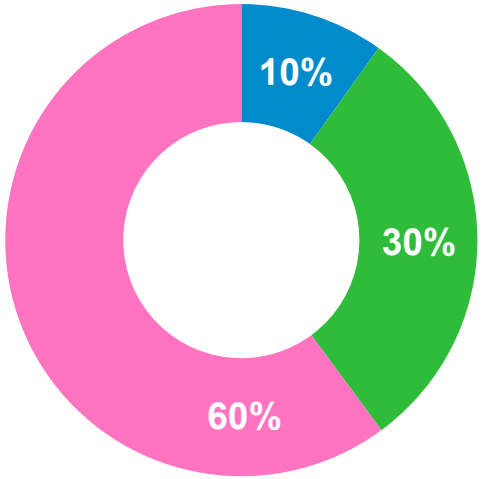
Changes in Business Portfolio

Year Ended March 2019 Sales Mix



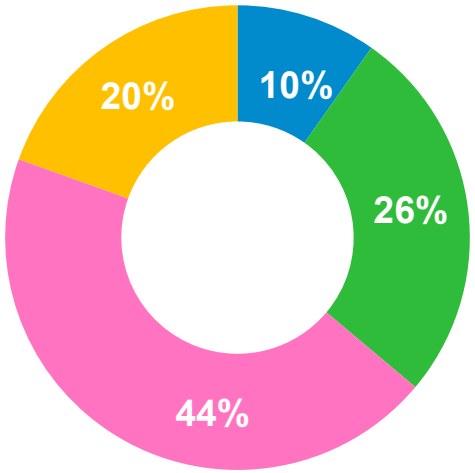
- Former Mobile Data Solutions
- New IT
- Entertainment

Year Ended March 2024 Sales Mix



- Global Data Intelligence
- New IT
- Entertainment

Year Ending March 2027 Target Sales Mix



- Global Data Intelligence
- New IT
- Entertainment
- New areas

* Excluding Cellebrite

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Positioning of New Medium-Term Management Plan

We have revised the previous mid-term management plan and formulated a new Medium-Term Management Plan.
We revised our existing business strategy and are aiming to develop a base for establishing a future growth base.



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Quantitative Targets and Intended Orientation of New Medium-Term Management Plan

Theme of New Medium-Term Management Plan

Aiming to enhance existing business strategy and establish a future growth base

● Quantitative targets (company-wide)

(Unit: million yen)	Year Ended March 2024 Actual results	Year Ending March 2025 Forecast	Year Ending March 2027 Plan
Sales	10,045	12,285	19,200
Operating profit	312	709	2,100
Operating profit margin (%)	3.1%	5.8%	10.9%

● Individual strategic themes in mid-term plan

1. Improving earning power of existing business (implementing price revisions and cost price reductions)
2. Creating new growth drivers (developing new businesses, new products, new services)
3. Establishing management base to support business (organizational operation based on digital transformation of information)

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Global Data Intelligence Business

- **DX of criminal investigations is accelerating in response to cyber threats, which are increasing and growing more sophisticated**
- **Demand for digital tools supporting the DX of criminal investigations is also robust**

Assumed business environment during mid-term plan

Market size:

Digital forensics market

- In 2023, the digital forensics market boasted a size of **around $10,000 million (approx. 1.5 trillion yen)** worldwide
- The market size in 2028 is forecast to be around $18,200 million, with the **CAGR over the 5 years** from 2023 to 2028 expected to be **12.9%**

Threat intelligence market

- In 2023, the threat intelligence market boasted a **size of around $13,000 million (approx. 2 trillion yen)** worldwide
- The **CAGR over the 5 years** from 2019 to 2025 is expected to grow by **around 14.0%**

Competitive environment

Digital forensics market

- **DX of criminal investigations is accelerating** in response to cyber threats, which are increasing and growing more sophisticated, and **adapting** to this is required
- **Demand for digital tools supporting the DX** of criminal investigations is also robust
- Supply of new digital tools/solutions which are not limited to digital forensics is accelerating

Threat intelligence market

- Due to the growth, complexity, and increasing sophistication of cyber threats, **the need for more strategic threat management approaches** is growing
- Due to robust increase in demand, there is **fierce competition between vendors, regardless of their size, to develop more advanced technology**

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Recognition of External Environment (New IT-Related)

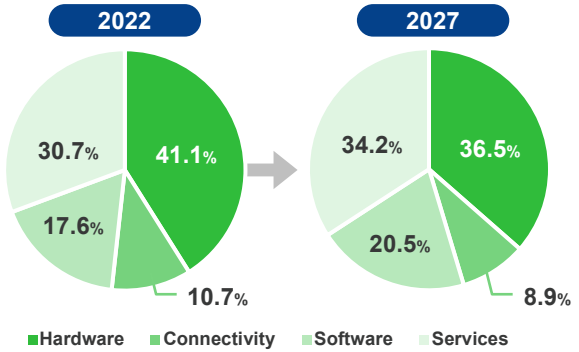
New IT-Related

- Adapting to increased data capacity in preparation for the arrival of 5G and enhancing security measures
- Intensifying price competition with competitors in mind

Assumed business environment during mid-term plan

● **Market size: size of domestic IoT market**

User Spending in Domestic IoT Market



Domestic IoT market growing 8.5% per year
Market size forecast to be 8.7461 trillion yen in FY2027

- **Discontinuation of 3G** (AU: March 2022, Docomo: March 2026, SoftBank: April 2024)
  - Replacement of LTE is also becoming more active
- **Arrival of 5G**
  - At present, NSA (shared use with 4G) and SA (dedicated for 5G) are forecast for 2027 onward
  - Issues are price, straightness of radio waves, increased volume of data
- **Image recognition and analysis of accumulated data using AI**
- **Security measures**

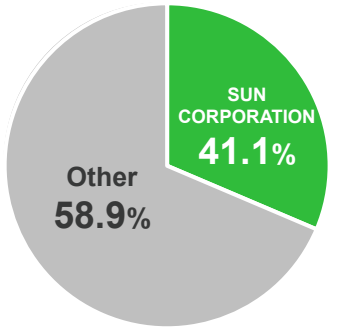
Competitive environment

● **Business environment analysis**

Competitive environment

- **Competitive changes in recent years**
  - Shift from civilian off-the-shelf to industrial products gathering momentum
- **Price reductions**
  - Low-price routers
  - Move toward built-in modules

Domestic IoT Router Share (FY2023)



In the domestic IoT/M2M router sector, SUNCORPORATION has the top share

Fuji Chimera Research Institute “2024 Marketing Research Overview for Communications-Related Products and Services”

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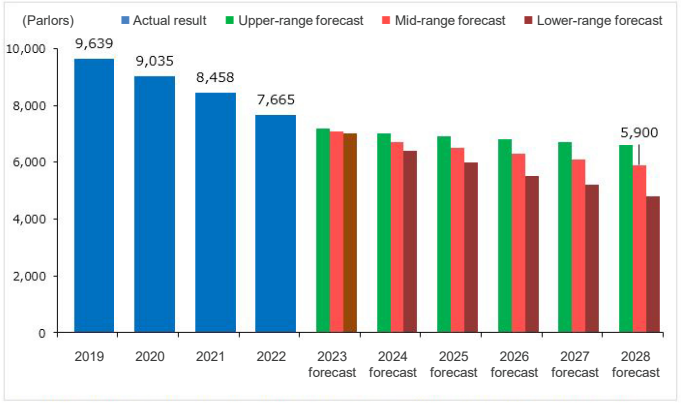
Recognition of External Environment (Entertainment Business)

Entertainment Business

- Although the numbers of Pachinko parlors and participants are declining, a temporary recovery in market size is expected due to the favorable performance of smart Pachislots, introduced in November 2022. Thus, the market size's decline is relatively gradual.
- In the game market, there is margin to use the many IPs we own in the retro game genre, which is regaining popularity in Western markets.

Assumed business environment during mid-term plan

- **Market size: domestic amusement market Forecast number of pachinko parlors**



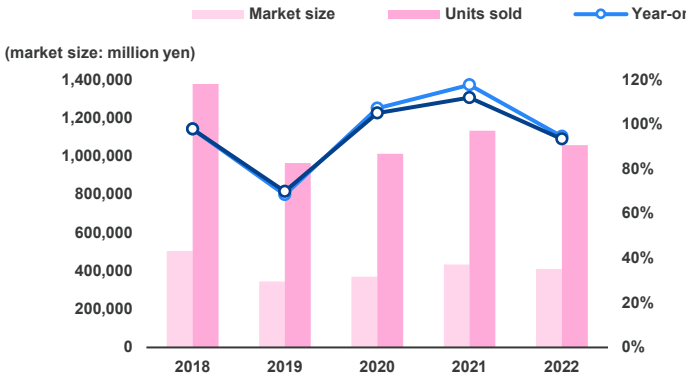
Note: Figures for 2019 to 2022 are taken from National Policy Agency documents, and forecasts for 2023 onward are estimates by Yano Research Institute (number of parlors as of December 31 each year). We forecast the number of parlors for three scenarios based on the Yano Pachinko Database.

Yano Research Institute: https://www.yano.co.jp/press-release/show/press_id/3480

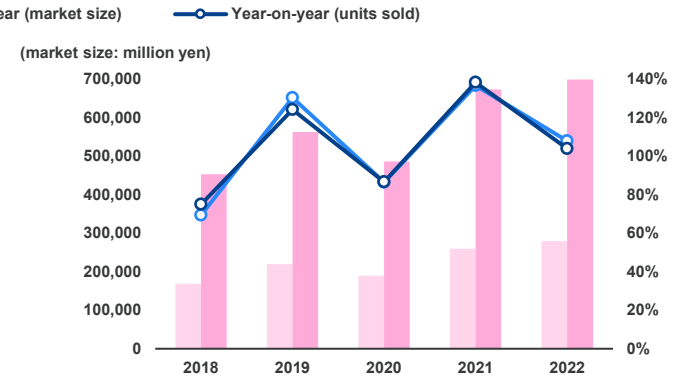
Competitive environment

- **Market size: market size and number of units sold in Pachinko and Pachislot Machine market**

Market Size and Number of Units Sold in Pachinko Machine Market



Market Size and Number of Units Sold in Pachislot Machine Market



* Both SUNCORPORATION estimates * Figures created by using the accounting period for each fiscal year (from July to June) as reference

Yano Research Institute: “2023 Pachinko-Related Manufacturer Trends and Market Share”

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Supporting business expansion by handling development of technologies that will serve as a basis for SUNCORPORATION's cutting-edge technology products

POINT 1

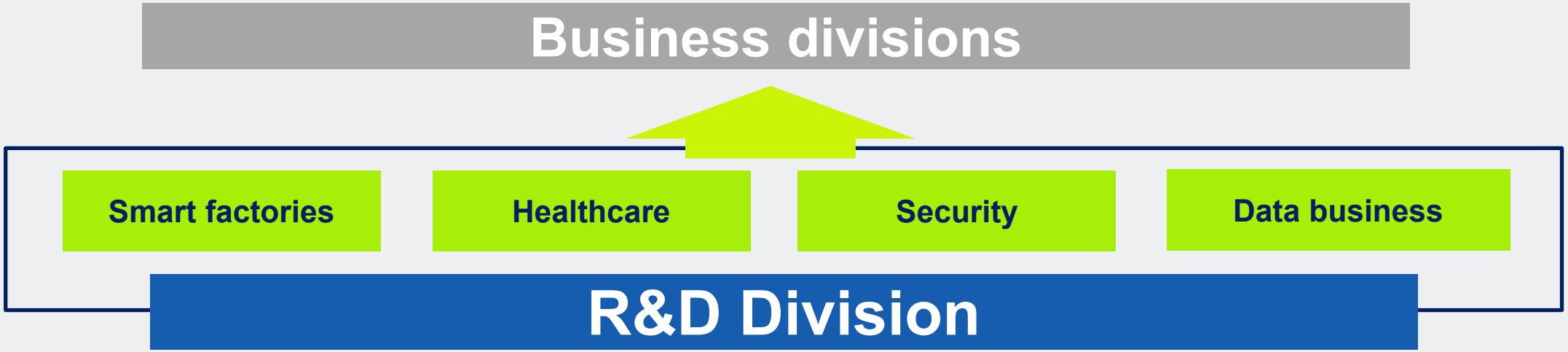
Role of R&D Division

Supporting growth of each SUNCORPORATION business division with cutting-edge technological capabilities

POINT 2

Collaboration with outside companies and universities

Developing constituent technologies and cutting-edge technologies



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Investment in Growth Fields

Establishing cash allocation to maximize corporate value



Anticipated R&D fields

- Smart factories
- Data business
- Healthcare
- New areas
- Security

Term of New Medium-Term Management Plan (3 Years)

Growth investment

12,500 million yen

Expected breakdown:

- M&A and capital alliances
  – 7,500 million
- Capital investment
  – 5,000 million

Shareholder returns

Details	Existing business		New business	Enhancing capabilities
	Enhancing	Maintaining capabilities		
Strengthening business growth base				
M&A	○		○	○
Venture investment	○		○	
Investment in new equipment	○	○	○	
Equipment upgrading		○		
Large-scale improvements	○	○		
Strengthening management base				
HR/training	○		○	○
M&A				○
DX investment				○

Acquisition of treasury shares — Agile acquisition of treasury shares

Dividends — Optimal allocation to growth investment and shareholder dividends

* The total of all the items does not match the total operating cash flow, but the total investment amount is within the range of operating cash flow

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M&A Policy

We are increasing earnings power by shifting from M&A focused on existing business to an M&A policy that seeks a wide range of new growth possibilities, which will lead to increased growth and enhanced corporate value

Basic M&A policy

- Acquisition based on appropriate price
- Emphasizing PMI (80% of M&A-process related resources are assigned to this)

Theme	Business Segment			
	Entertainment	Global Data Intelligence	New IT-Related (M2M/IoT)	Business development/ other
Expansion of products/services	○	○	○	○
Acquiring more of the market		○	○	
Pursuing advantages of scale	○			
Acquiring new business	○	○	○	○
Expanding into adjacent fields		○	○	

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Strengthening Group Management Base through Strengthening Personnel

Enhancing recruitment and development of technical talent, enabling advanced technologies to be linked to improved corporate value



Establishing talent as a management priority

Personnel strategy orientation

Developing human capital

- Enhancing and revising training and education system
- Using talent management system
- Sharing internal expertise
- Practical experience based on OJT

Establishing a work environment that facilitates work

- Improving employee satisfaction
- Enhancing benefits package
- Diversity measures

Talent acquisition

- Using overseas internships
- Strengthening collaboration with educational institutions
- Global recruitment from overseas and abroad

Organization that creates innovation

- Corporate climate that encourages people to take on challenges
- Implementing merit point-based assessment system
- Fostering culture that creates connections between people
- Establishing personal network and information chain

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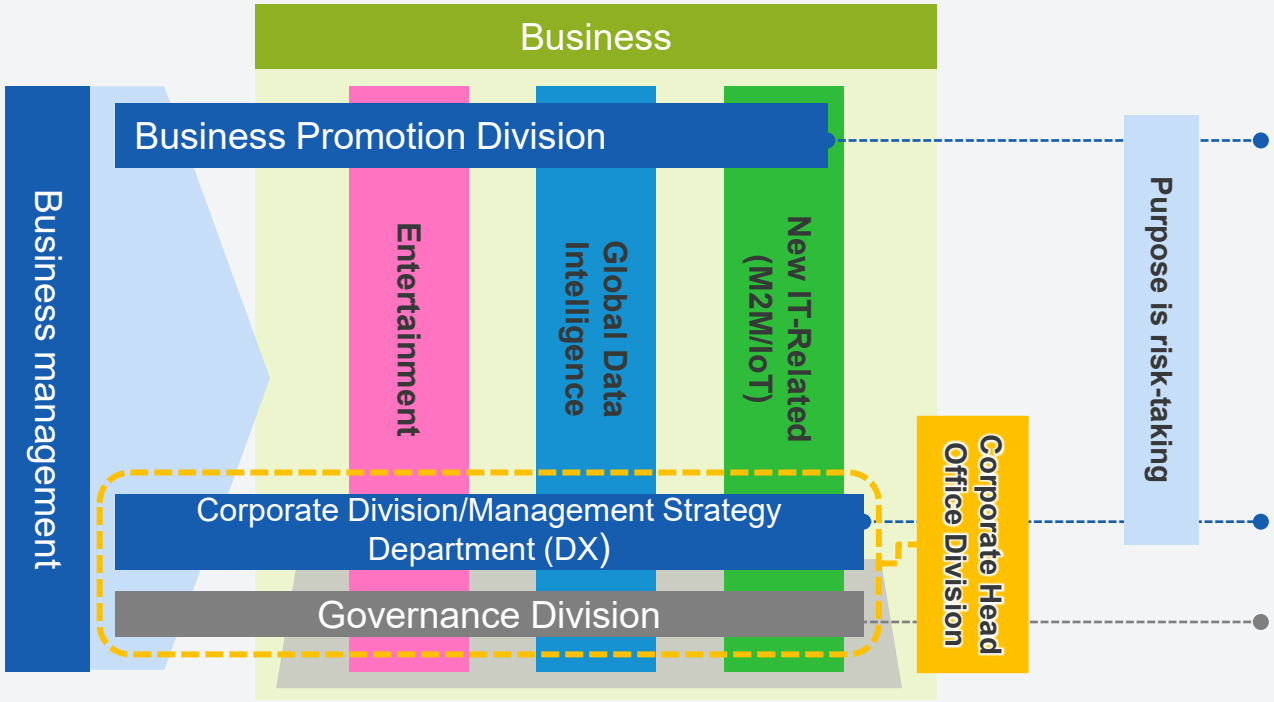
Revamping our organizational structure to enhance business management functions and enable matrix management with the aim of further improving corporate value



Role Fulfilled by Each Organization

At the same time as pursuing and managing top-line growth and higher profits in each business, **plays a role in pursuing and managing inter-segment business and commercialization of new products**
(combines functions of chief product officer, chief technology officer, and chief revenue officer)

Manages corporate (head office) functions other than governance/focuses on systems strategy (e.g., DX)

Oversees governance- and risk-related management functions in order to enhance corporate governance functions

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