

Notice Regarding Announcement of New Medium-term Business Plan "2nd Medium-term Business Plan for Establishment a Foundation"

DAISHINKU CORP. (hereinafter, the "Company") announces that our group has formulated a new Medium-term Business Plan, "2nd Medium-term Business Plan for Establishing a Foundation," which will start in the fiscal year ending March 31, 2025, as follows.

In November 2019, the Company formulated 10-year Long-term Business Plan "OCEAN+2 Strategy" and launched it in April 2020. Breaking away from a red ocean full of excessive competition, we will explore a new market, namely, a blue ocean, based on the development of products with excellent competitive advantages while striving to achieve a stable, highly profitable corporate structure and working to solve social issues. This 10-year Long-term Business Plan is divided into 1 year + 3 years + 3 years + 3 years phases, with the fiscal year ended March 31, 2024 marking the completion of the four-year period up to the "1st Medium-term Business Plan for developing a foundation."

Looking back on the 1st Medium-term Business Plan, despite the confusion caused by COVID-19, record profits were achieved in the first year, ahead of the Medium-term Business Plan, due in part to strong demand for quartz devices and the effect of price correction triggered by a shortage of products. Subsequently, our performance was affected by the end of the stay-at-home demand, rising energy costs, and lower capacity utilization due to a shortage of semiconductors, leading to a slowdown in the second and third years. On the other hand, looking at the crystal devices market in the future, there is no doubt that it will expand driven by the semiconductor movement. In April, we launched the "2nd Medium-term Business Plan for Establishing a Foundation" which aims to achieve record-high profits (on an operating profit basis) in the final year of the plan, the fiscal year ending March 31, 2027, by combining our response to the expanding market with our original initiatives under the "OCEAN+2 Strategy."

In addition, in light of the Tokyo Stock Exchange's request for "Management Conscious of Cost of Capital and Stock Price," we will implement a business plan based on increasing earning power through competitive advantage with the aim of improving corporate value. The current cost of capital is estimated to be 8-10%, and we will achieve a PBR: 1x by targeting ROE: 8% or more in the final year of the plan, the fiscal year ending March 31, 2027.

Outline of "2nd Medium-term Business Plan for Establishing a Foundation"

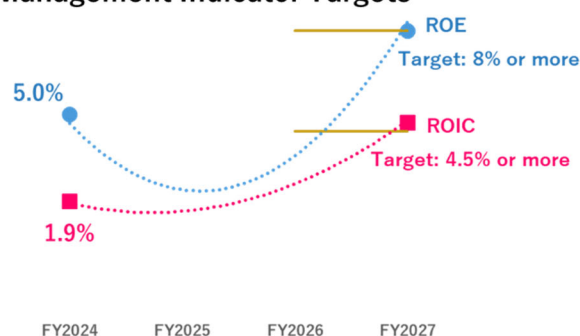
Targets: Record-high profit (operating profit) in the fiscal year ending March 31, 2027

"ROE 8% or more / ROIC 4.5% or more"

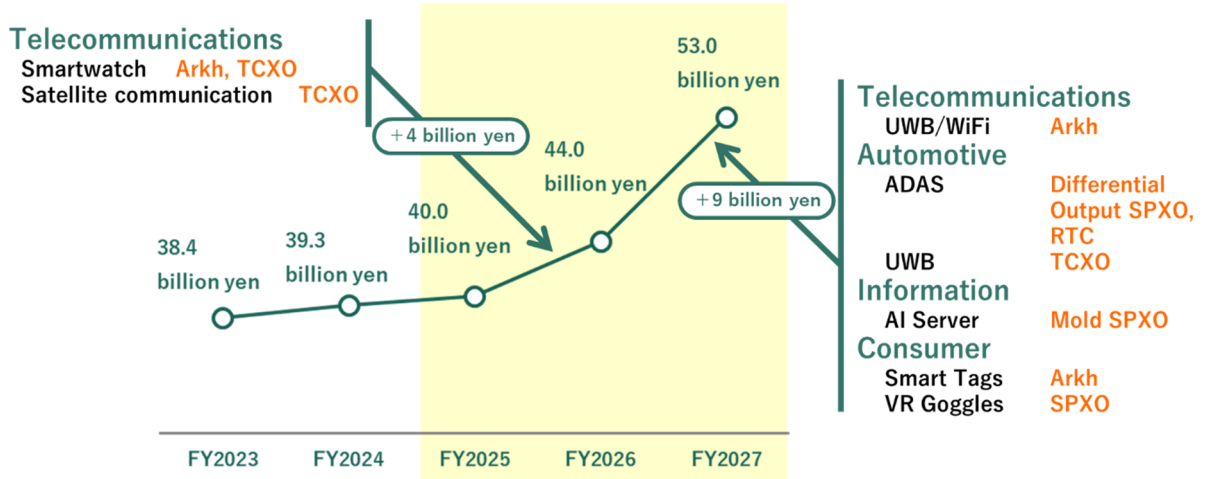
<2nd Medium-term Numerical Plan>

Unit: Billion yen	FY2025	FY2026	FY2027
Net sales	40	44	53
Operating profit	1.5	3.2	5.5
USD Assumed rate (yen)	145	140	135
Capital Expenditures (3-year total)	15		

Management Indicator Targets



Crystal Oscillator Market Expansion and Arkh Concept as Main Sales Plan



*Further details will be explained at the financial results briefing to be held on May 21, 2024.