

For Institutional Investors/Analysts

Kaga Electronics Co.,Ltd.

Financial Results Briefing Material

for the First Half of the Fiscal Year Ending March 31, 2020

November 28, 2019

KAGA ELECTRONICS CO., LTD.

TSE 1st section 8154

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for the 1H of the Fiscal Year ending March 2020**
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Consolidated Financial Results for the First Half of the Fiscal Year ending March 2020

Six months: April 1, 2019 – September 30, 2019

KAGA ELECTRONICS CO., LTD.

Managing Director

Eiji Kawamura

Summary of Financial Results for the First half Ended September 30, 2019

FY2020/3 2Q Results

- Close to twofold increase in net sales with contribution from the conversion of Fujitsu Electronics to a subsidiary.
- Income increases at all income levels, from operating income to profit; operating income and ordinary income at record highs.
- Growth both in sales and profits, in terms of both cumulative total of the 6 months and the most recent 3 months, underpinned by effects of corporate acquisitions and steady EMS business. First half closed on a strong note vis-à-vis full-year forecasts.

Overview of the Electronic Component segment

- Sales expansion in the EMS business notably in the areas of medical equipment and automotive devices.
- In the components sales business, strong performance of LED lightings and other consumer devices; contribution from new revenue sources of mobile phones and automotive devices as a result of the Fujitsu Electronics business addition.

Overview of the Information Equipment segment

- Strong sales of PCs for individuals, schools, and educational institutions driving overall growth of PC sales.
- The LED installation business affected by a pause in replacement demand from major customers. Decline of sales in housing-related home electronic appliances business from the effect of delivery date adjustments by customers.

Forecast for FY2020/3

- After careful assessment of uncertain outlook in the business environment and in view of solid progress made in 2Q, no revision to full year performance forecasts presented at the start of the fiscal year.
- No change in exchange rate assumptions used for the performance forecasts.

Financial Highlights (6 months)

(Million yen)

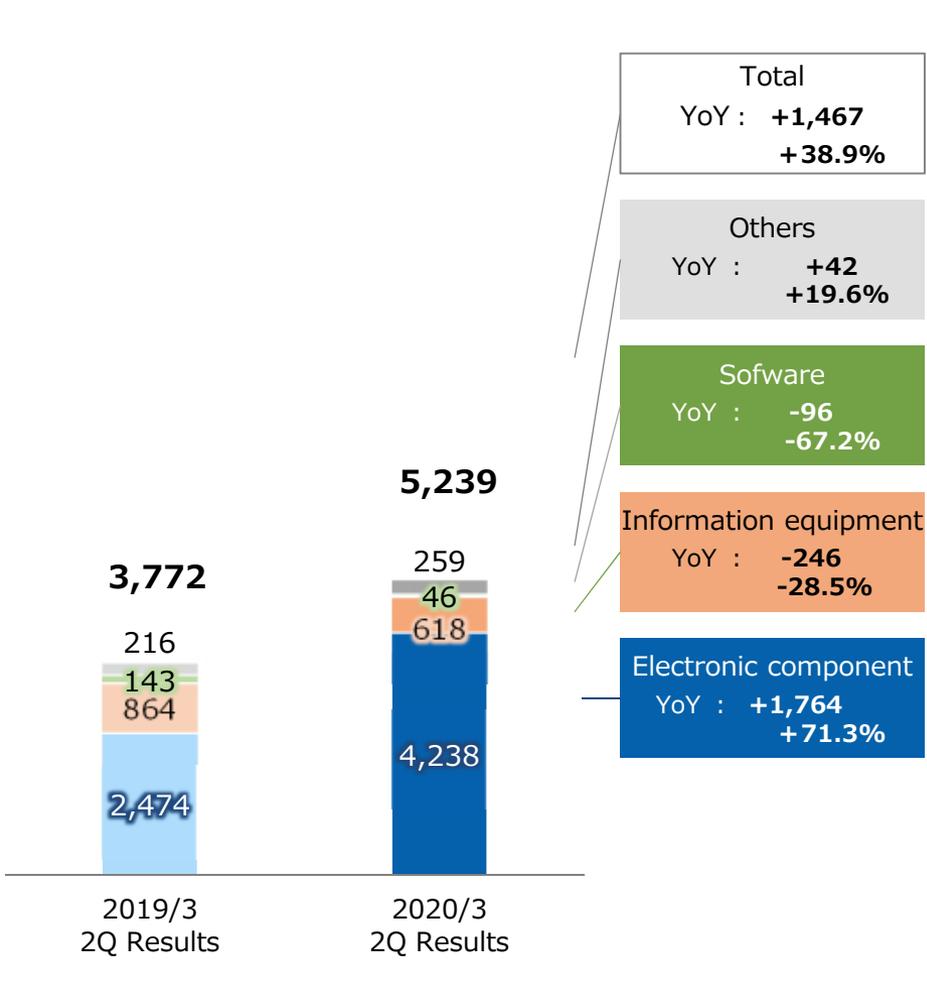
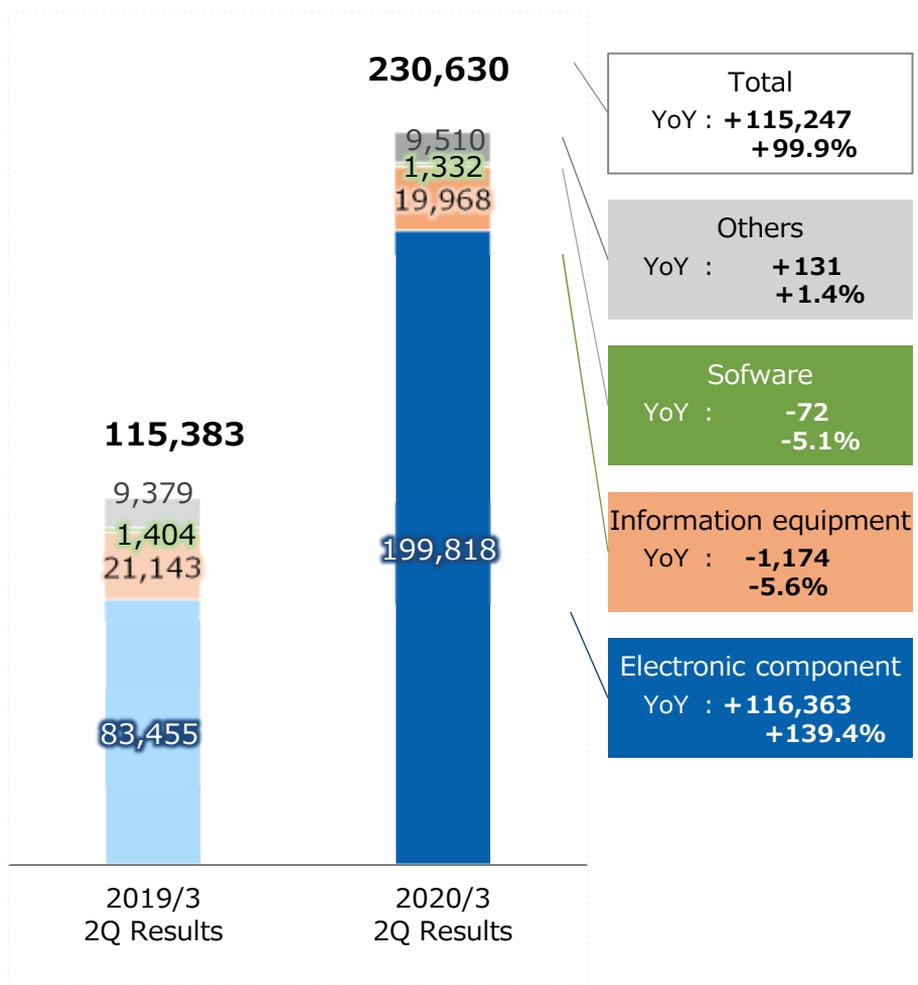
	2Q Results	2Q Results	YoY	Forecasts	Progress Rate
Net sales	115,383	230,630	99.9%	430,000	53.6%
Gross profit	16,023	23,771	48.4%	46,500	51.1%
Gross profit margin	13.9%	10.3%	-3.6pt		
SG&A	12,251	18,531	51.3%	39,500	46.9%
Operating income	3,772	5,239	38.9%	7,000	74.9%
Ordinary income	4,049	5,546	37.0%	7,000	79.2%
Profit attributable to owners of parent	2,750	3,502	27.4%	5,000	70.1%
EPS (Yen)	100.25	127.62	27.37	182.17	-
FOREX US\$ (Yen)	110.26	108.63	1.63	110.00	-

Financial Highlights by Business Segment (6 months)

(Million yen)

Net Sales

Segment income

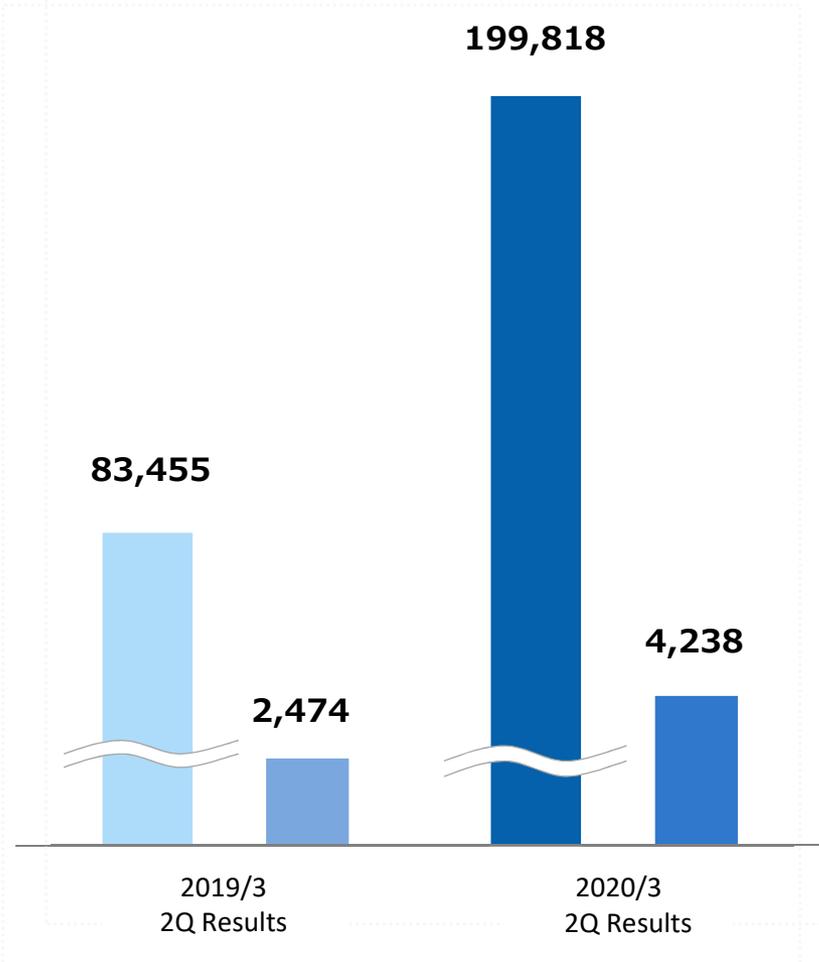


Note: Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).

Financial Highlights: Electronic Component Segment (6 months)

(Million yen)

Net sales/Segment income

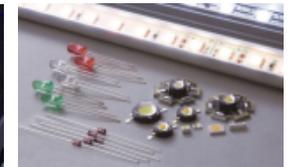


YoY

- Net sales ▶ **+116,363**million Yen **139.4%UP**
- Segment ▶ **+1,764**million Yen **71.3%UP**
Income

Steady performance of the EMS business led by medical equipment and automotive devices

The components sales business enjoys strong performance of LED lightings and other consumer devices, and contribution from new revenue sources of Fujitsu Electronics' mobile phones and automotive devices businesses.



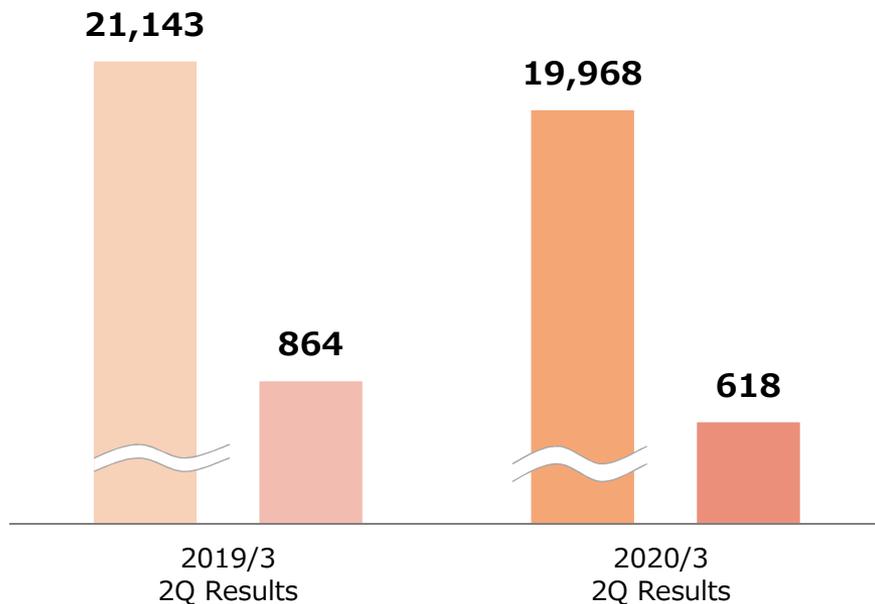
Financial Highlights: Information Equipment segment (6 months)

(Million yen)

Net sales/Segment income

YoY

- Net sales ▶ **-1,174** million Yen **5.6%Down**
- Segment ▶ **-246** million Yen **28.5%Down**
Income



PCs and PC peripherals for individuals, schools, and educational institutions record strong sales.

Pause in replacement demand for commercial facilities-related LED installation business, sales decline in the housing-related home electric appliances business

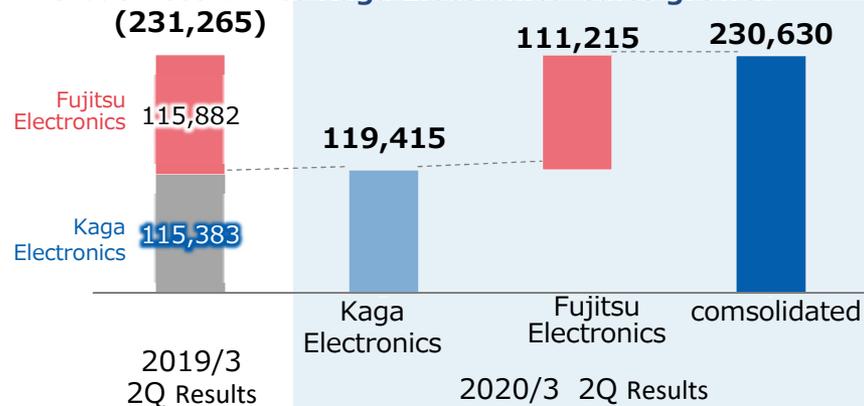


Effect of Fujitsu Electronics conversion to subsidiary (FY2020/3 2Q Results)

※In million yen, figures in () are simple sums. Actual figures of Fujitsu Electronics for the previous period are for reference only.

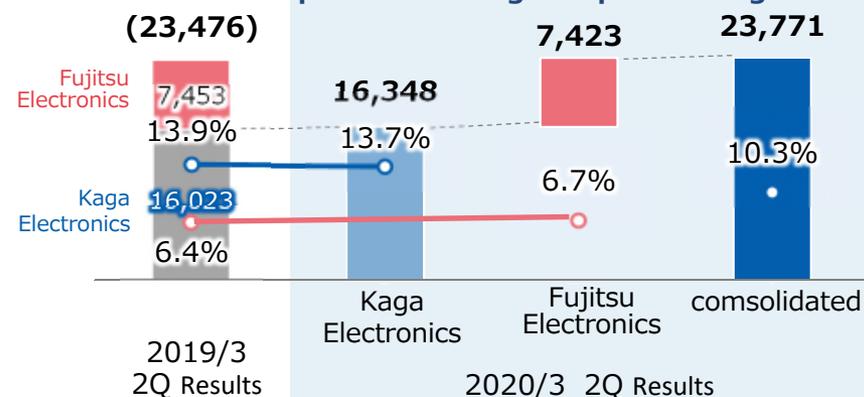
Net Sales

Fujitsu Electronics contributes to consolidated results, EMS business drives Kaga Electronics' sales growth



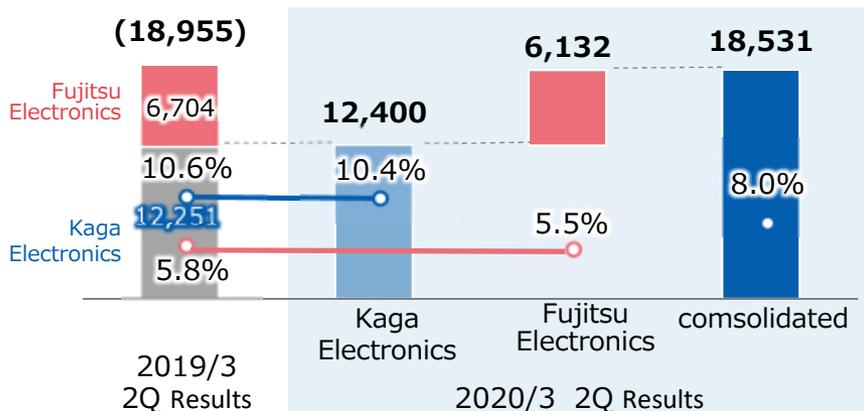
Gross profit / Gross profit margin

Kaga Electronics posts increase in gross profit, Fujitsu Electronics sees improvement in gross profit margin



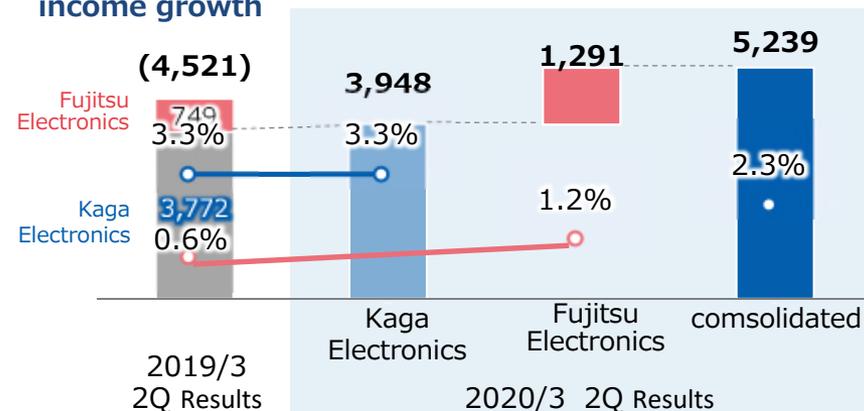
SG&A / SG&A ratio

Both Kaga Electronics and Fujitsu Electronics curb SG&A



Operating income / Operating income margin

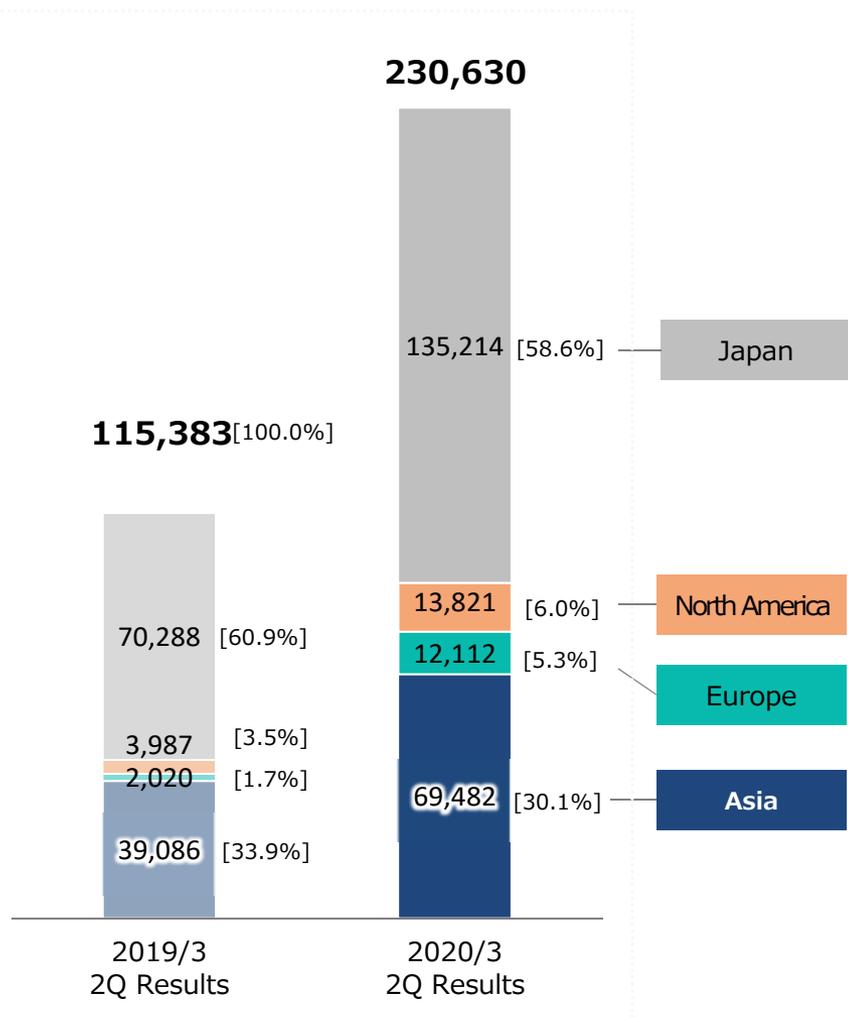
Both Kaga Electronics and Fujitsu Electronics secure income growth



Net Sales by Region (6 months)

(Million Yen)

Net sales



YoY

- Japan ▶ **+64,925** million Yen **92.4%UP**
- North America ▶ **+9,833** million Yen **246.6%UP**
- Europe ▶ **+10,092** million Yen **499.5%UP**
- Asia ▶ **+30,395** million Yen **77.8%UP**



Financial Highlights (3 months)

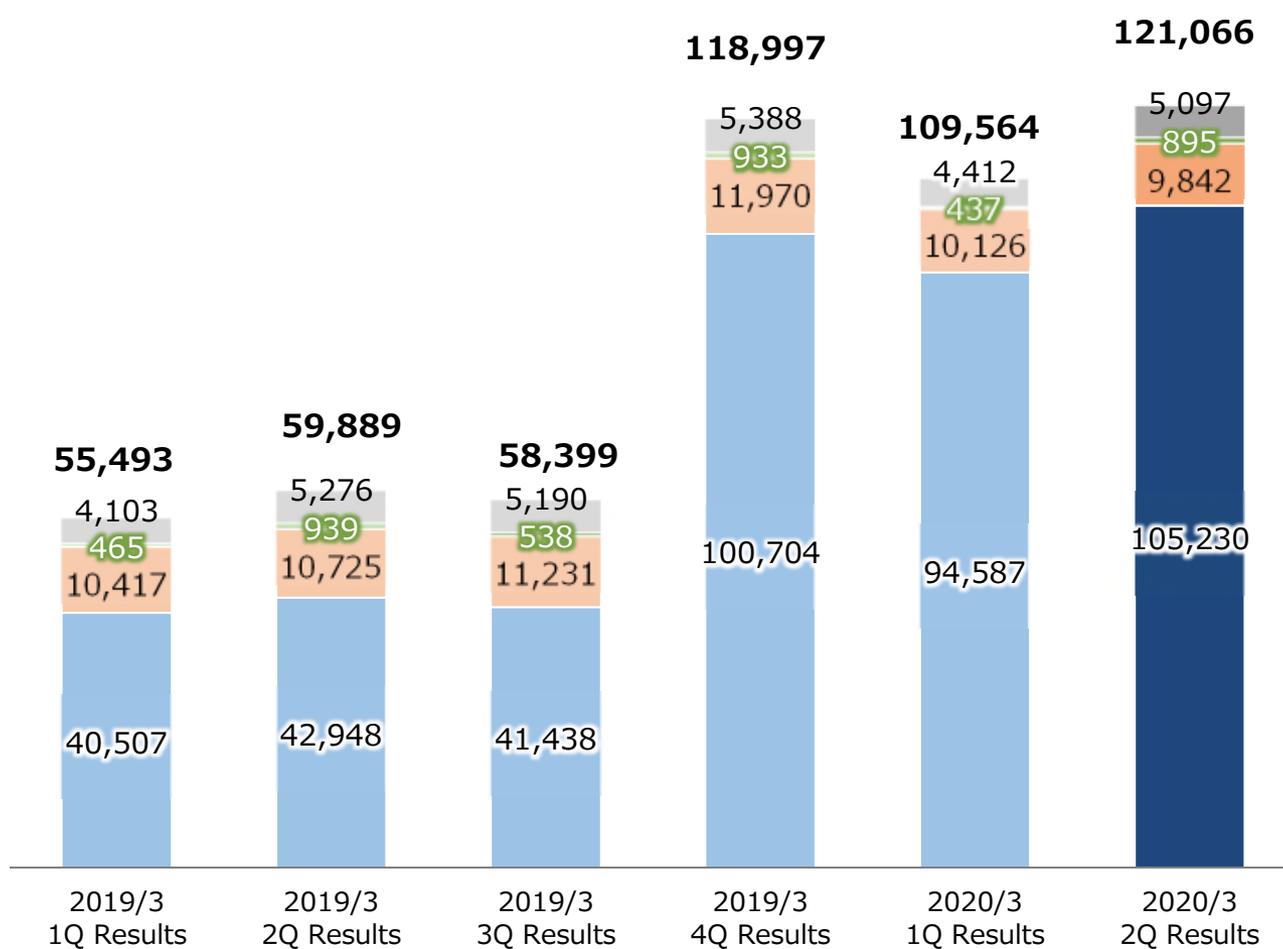
(million Yen)

	2019/3 2Q Results	2020/3 1Q Results	2020/3 2Q Results	YoY	QoQ
Net sales	59,889	109,564	121,066	102.1%	10.5%
Gross profit	8,381	11,062	12,708	51.6%	14.9%
Gross profit margin	14.0%	10.1%	10.5%	-3.5pt	0.4pt
SG&A	6,098	9,212	9,319	52.8%	1.2%
Operating income	2,282	1,850	3,389	48.5%	83.1%
Ordinary income	2,369	2,045	3,500	47.7%	71.1%
Profit attributable to owners of parent	1,601	1,350	2,152	34.4%	59.4%
EPS	(Yen) 58.38	49.20	78.42	20.04	29.22
FOREX	US\$ (Yen) 111.46	109.90	107.35	-4.11	-2.55

Financial Highlights by Business Segment① (Net Sales)

(Million Yen)

Net Sales



Total	
YoY	: +61,176 (102.1%)
QoQ	: +11,501 (10.5%)

Others	
YoY	: -178 (-3.4%)
QoQ	: 685 (15.5%)

Software	
YoY	: -44 (-4.7%)
QoQ	: +457 (104.5%)

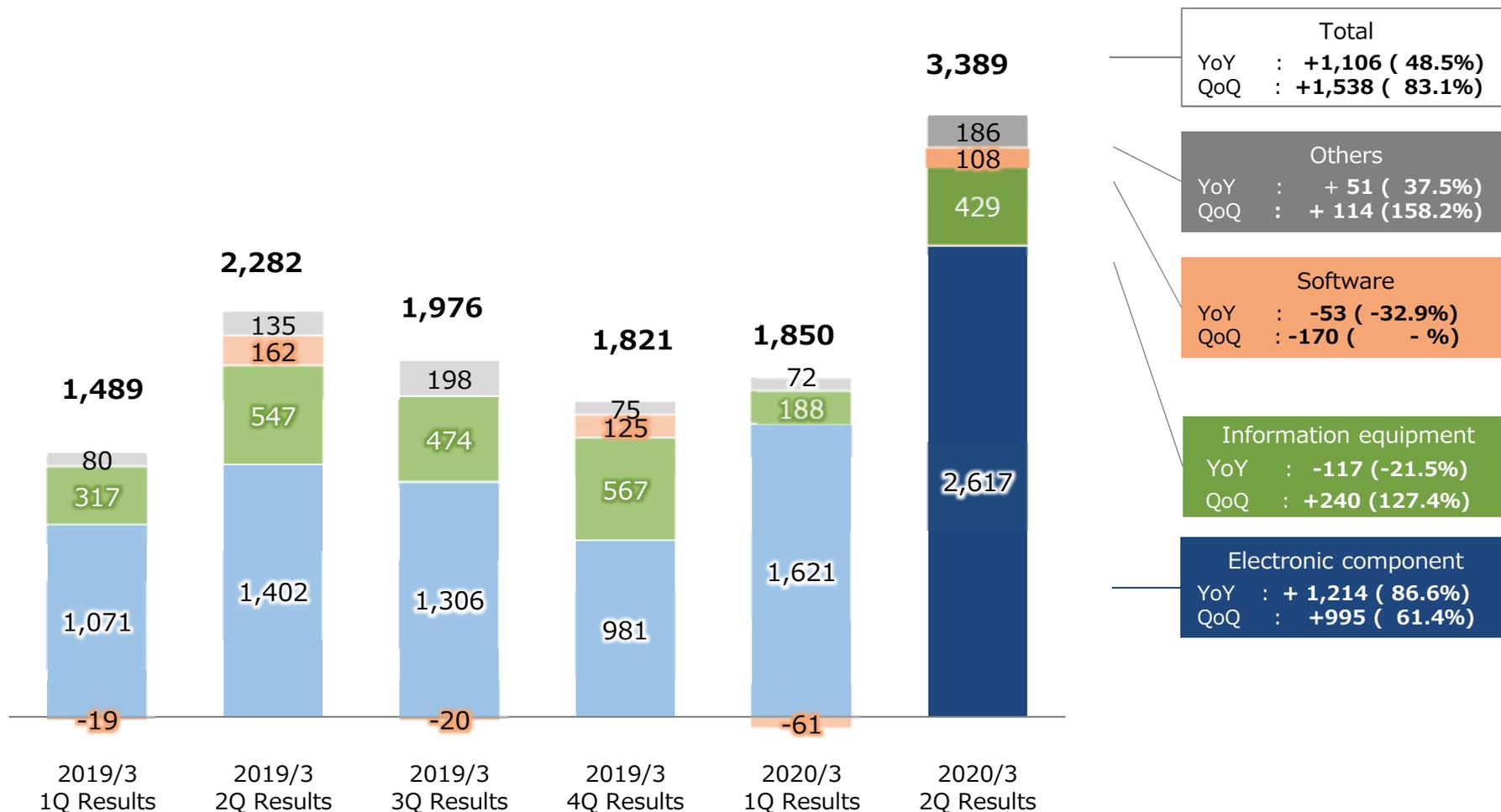
Information equipment	
YoY	: -883 (-8.2%)
QoQ	: -283 (-2.8%)

Electronic component	
YoY	: +62,282 (145.0%)
QoQ	: +10,642 (11.3%)

Financial Highlights by Business Segment② (Segment Income)

(Million Yen)

Segment Income

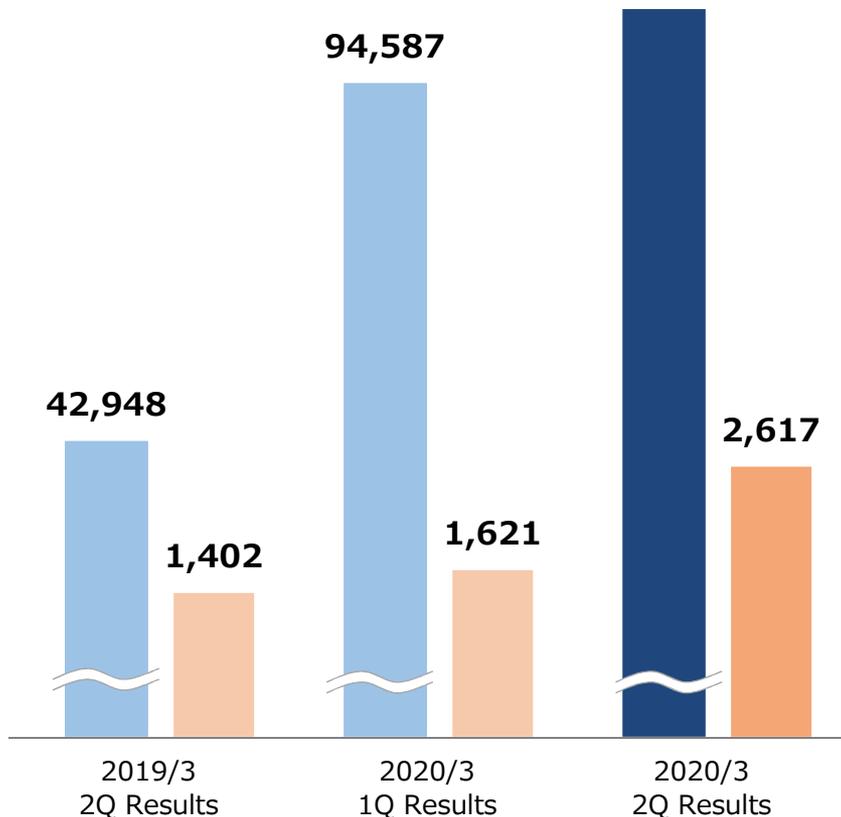


Financial Highlights: Electronic Component Segment (3 months)

(Million Yen)

Net sales/Segment income

■ / ■ Net Sales
 ■ / ■ Segment income
105,230



YoY

- Net sales ▶ **62,282**million Yen **145.0%UP**
- Segment Income ▶ **1,214**million Yen **86.6%UP**

QoQ

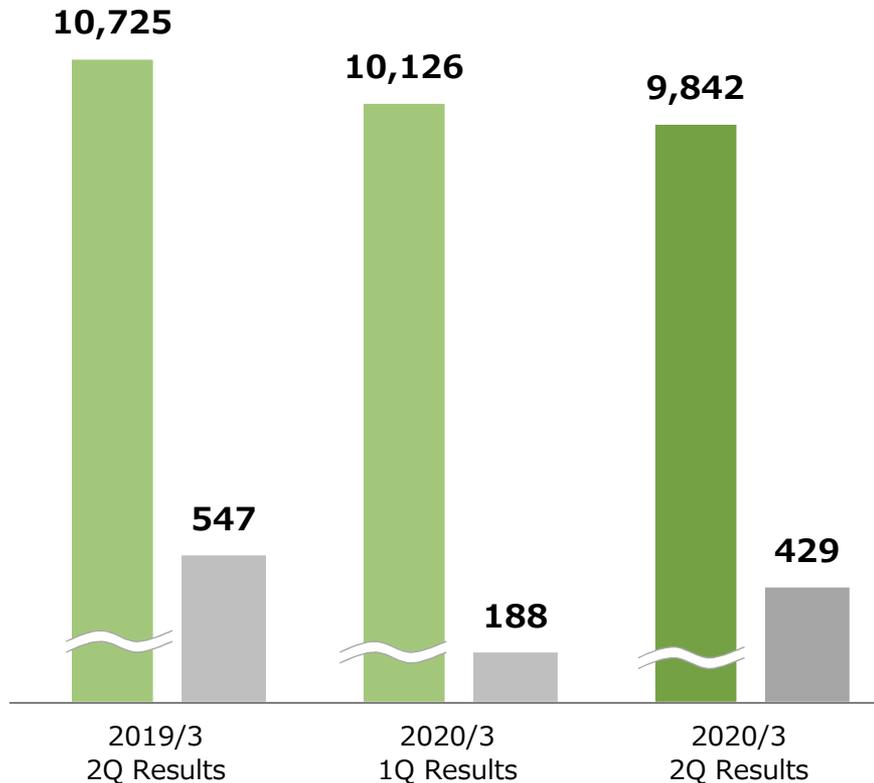
- Net sales ▶ **10,642**million Yen **11.3%UP**
- Segment Income ▶ **995**million Yen **61.4%UP**

Financial Highlights: Information Equipment Segment (3 months)

(Million Yen)

Net sales/Segment income

■ / ■ Net sales
■ / ■ Segment income



YoY

- Net sales ▶ **-883**million Yen **8.2%Down**
- Segment Income ▶ **-117**million Yen **21.5%Down**

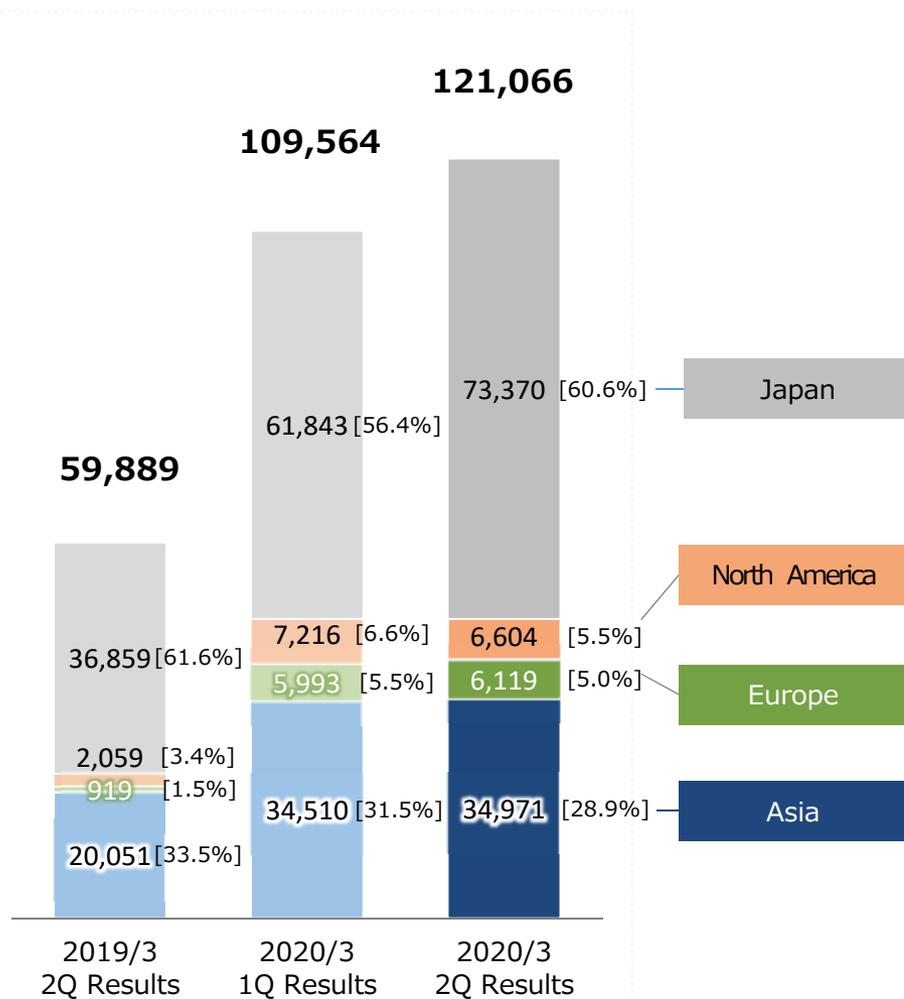
QoQ

- Net sales ▶ **-283**million Yen **2.8%Down**
- Segment Income ▶ **240**million Yen **127.4%UP**

Net Sales by Region (3 months)

(Million Yen)

Net sales



YoY

- Japan ▶ **+ 36,511** million Yen **99.1%UP**
- North America ▶ **+ 4,545** million Yen **220.7%UP**
- Europe ▶ **+ 5,199** million Yen **565.3%UP**
- Asia ▶ **+ 14,920** million Yen **74.4%UP**

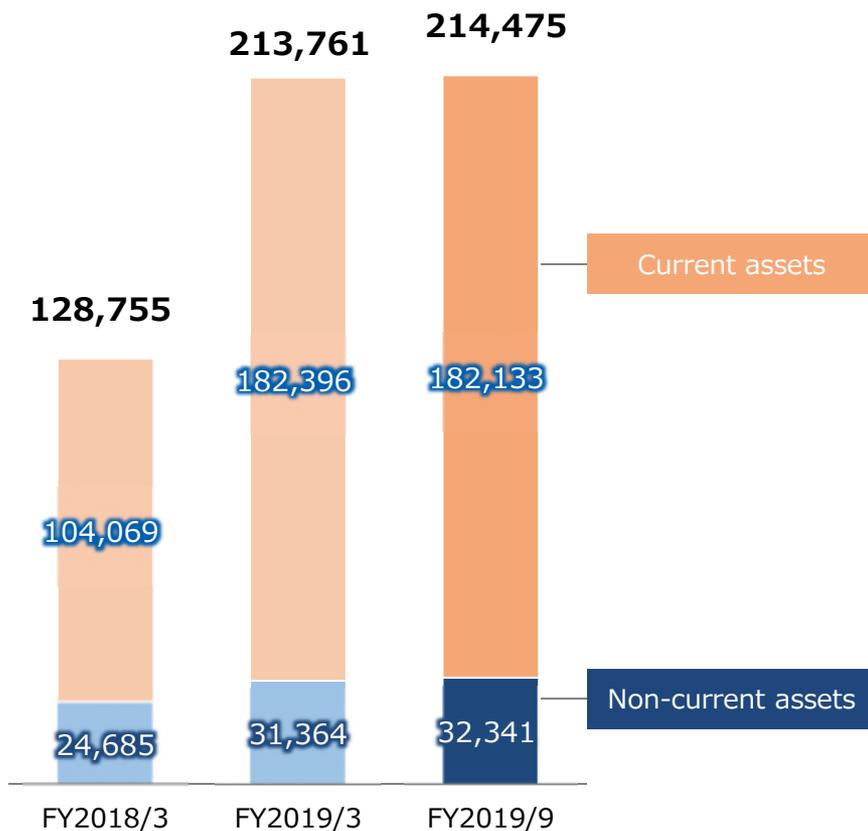
QoQ

- Japan ▶ **+ 11,527** million Yen **18.6%UP**
- North America ▶ **- 612** million Yen **8.5%Down**
- Europe ▶ **+ 125** million Yen **2.1%UP**
- Asia ▶ **+ 460** million Yen **1.3%UP**

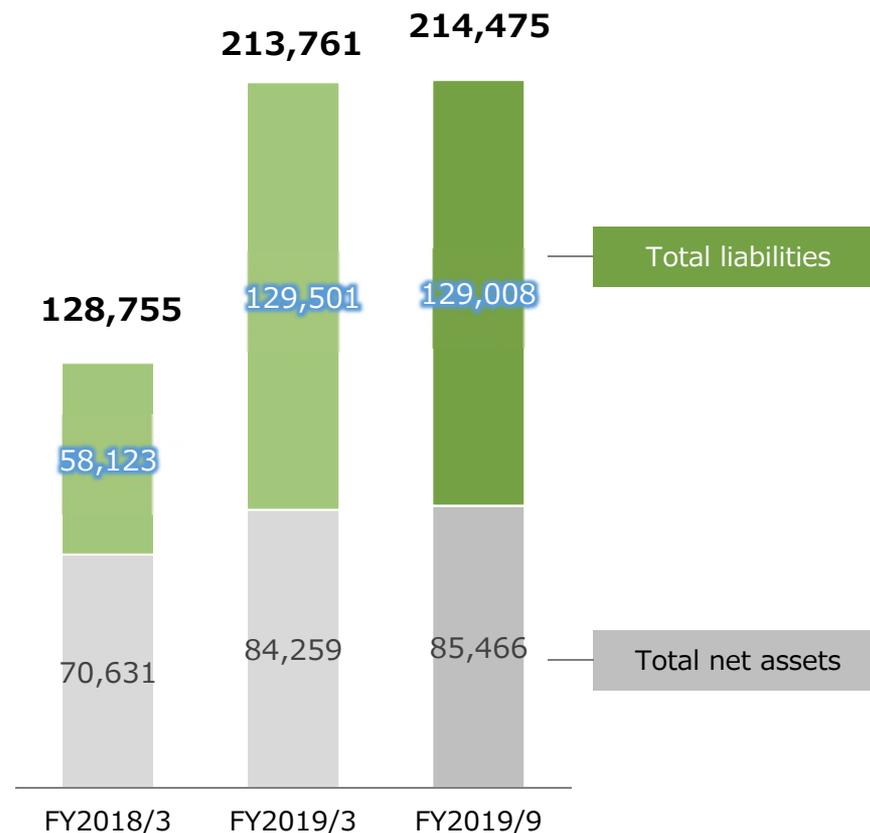
Balance Sheet: Main Items

(Million Yen)

Total assets



Total liabilities and net assets

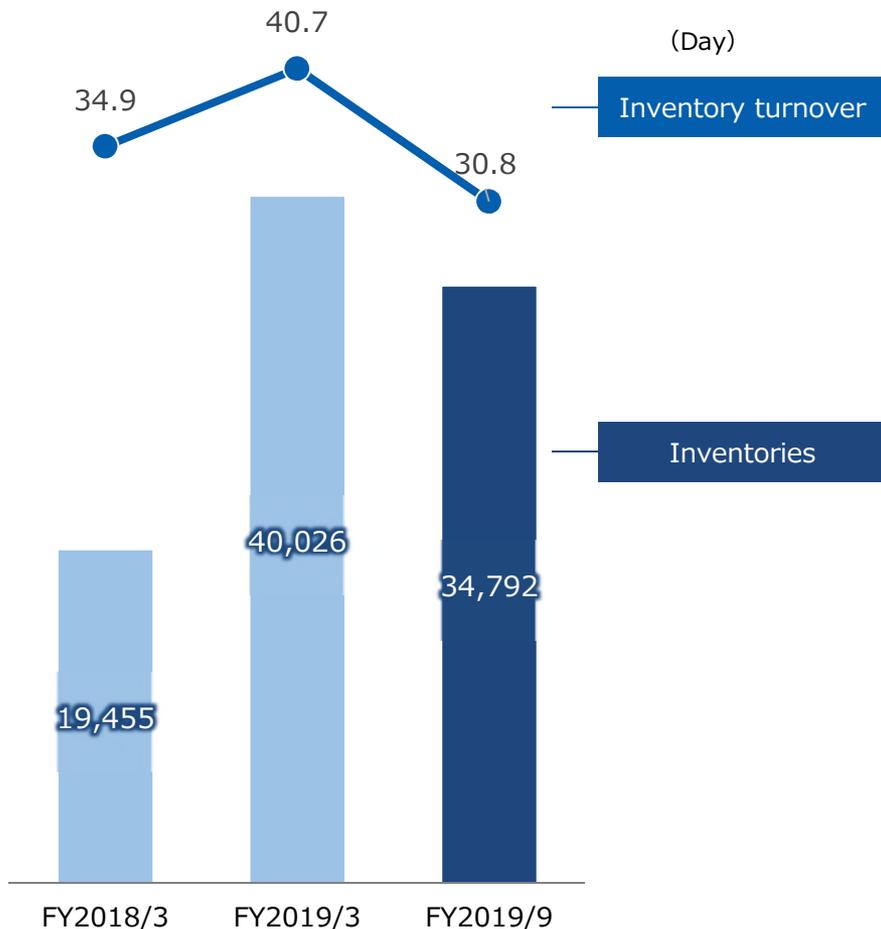


Note: "Partial Amendments to Accounting Standard for Tax Effect Accounting" etc. (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) have been adopted from the beginning of the first quarter of the fiscal year ending March 31, 2019. Accordingly, deferred tax assets are presented under investments and other assets, while deferred tax liabilities are presented under non-current liabilities section.

Balance Sheet: Main Items

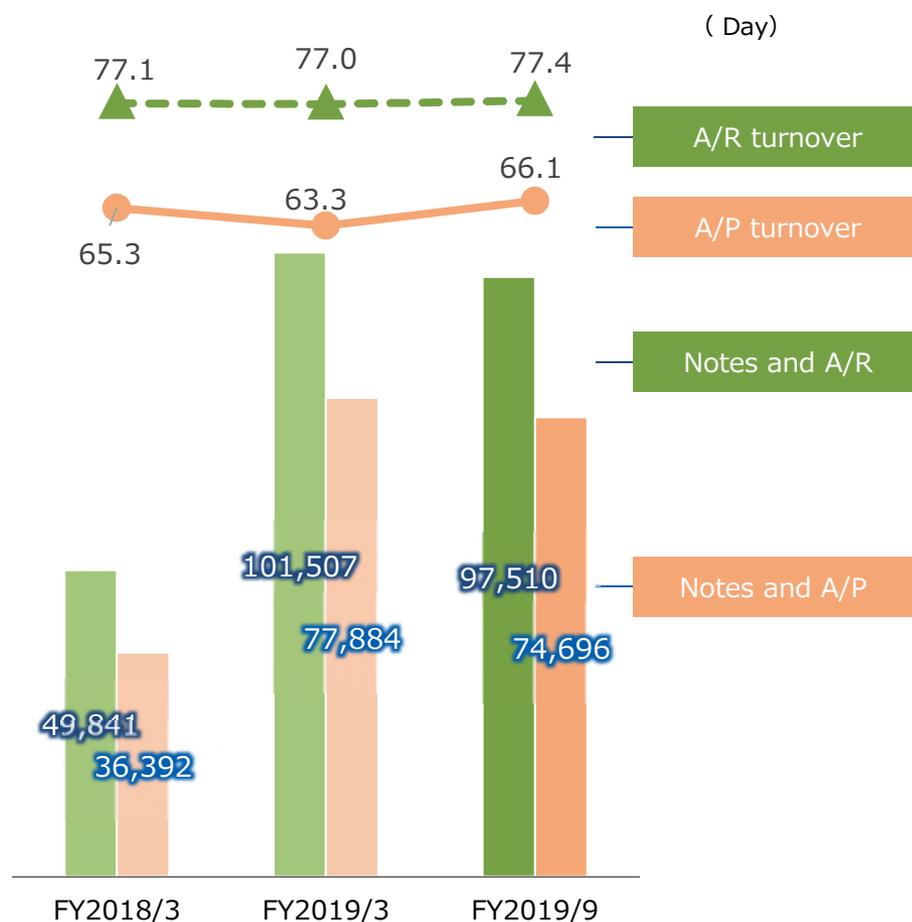
(Million Yen)

Inventories



note : Inventory turnover
 = Inventories ÷ Cost of Sales × 365 (day)
 (2019/9, 183day)

Accounts receivable/Accounts payable

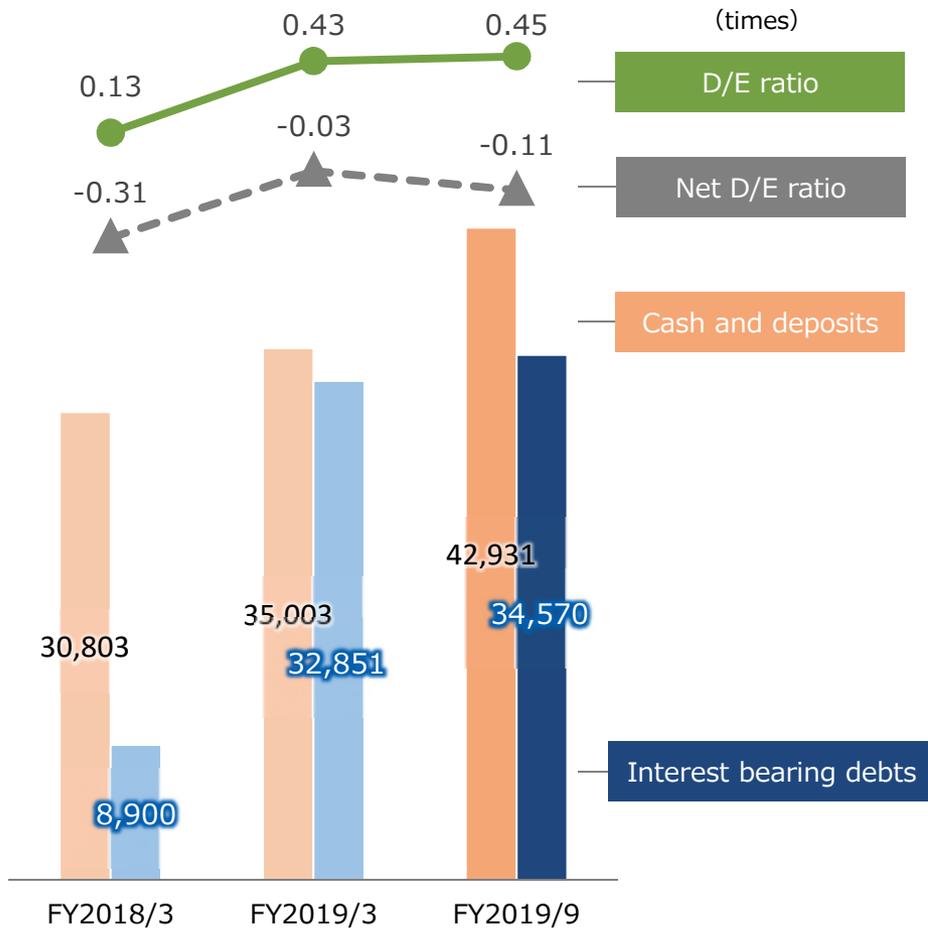


notes : • Notes and A/R are amounts including Electronically recorded monetary claims-operating
 • A/R turnover = Notes and A/R ÷ Net sales × 365 (day)
 • A/P turnover = Notes and A/P ÷ Cost of sales × 365 (day)
 (2019/9, 183day)

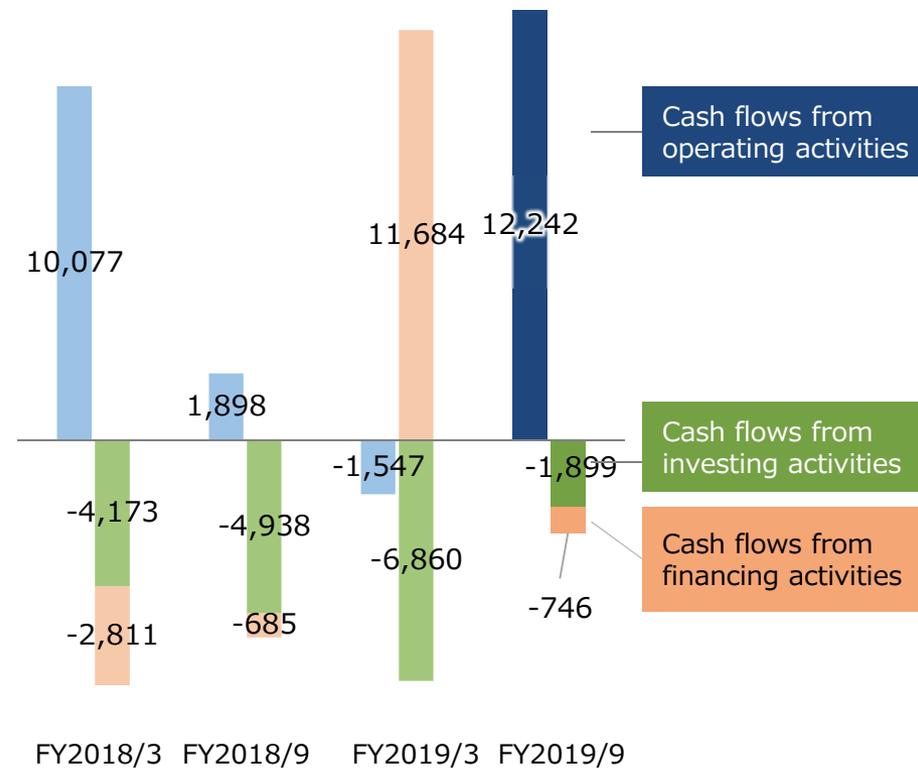
Cash and Deposits/Interest Bearing Debt/Cash Flows

(Million Yen)

Cash and deposits



Cash flows



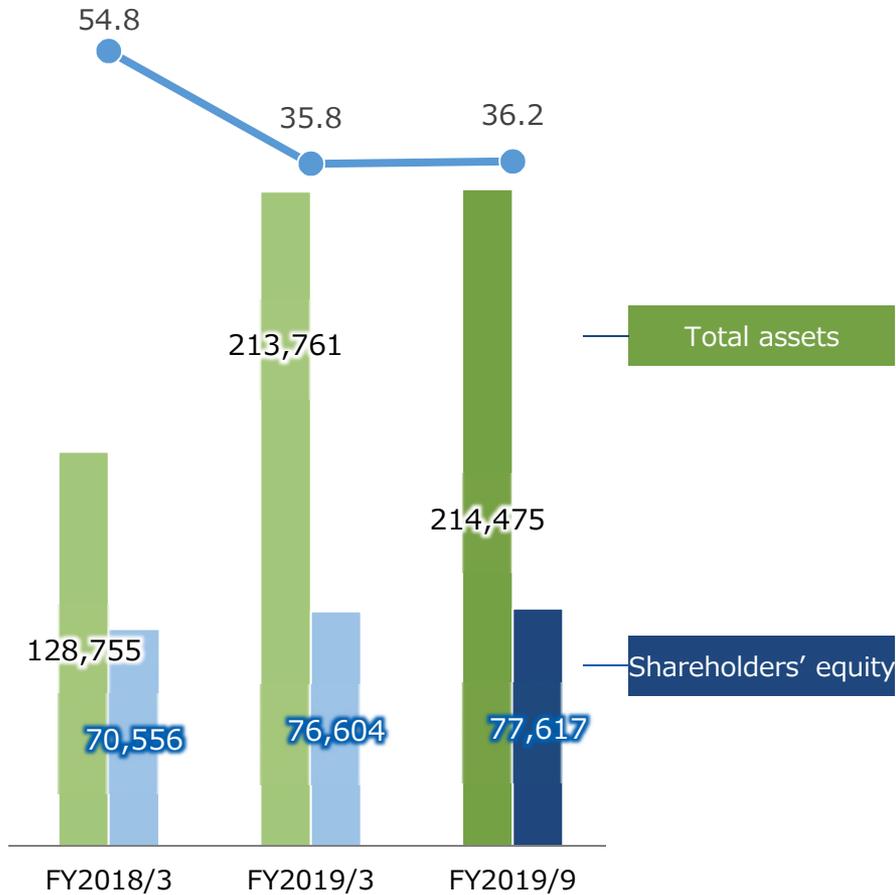
note : D/E ratio = Interest bearing debts ÷ Shareholder's equity

Net D/E ratio = (Interest bearing debts - Cash and deposits) ÷ Shareholder's equity

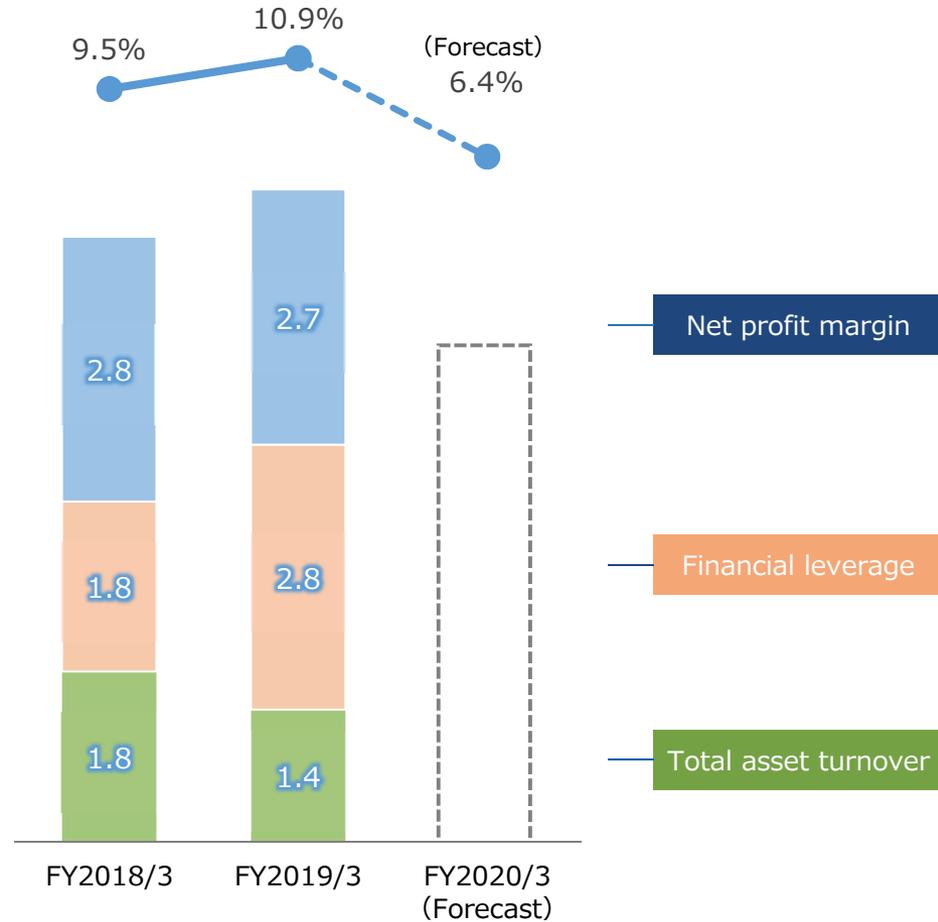
Major Business Indicators

(Million Yen)

Equity ratio



ROE



Forecast for the Fiscal Year ending March 2020 (announced on May 14, 2019)

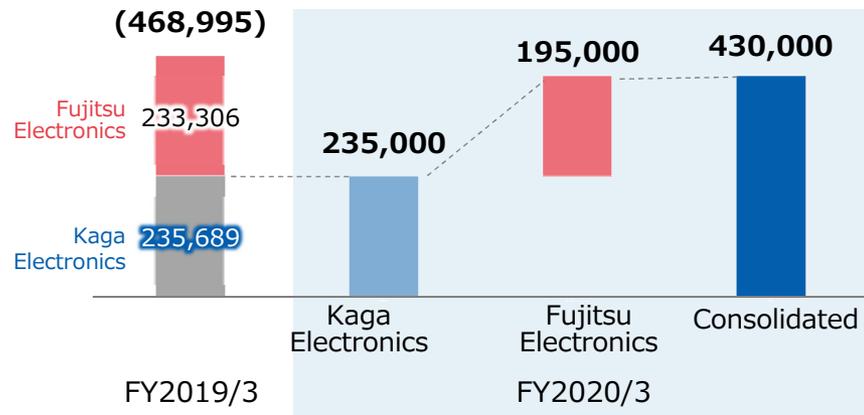
(million yen)

	FY2019/3 Results	FY2020/3 Forecasts	YoY
Net sales	292,779	430,000	46.9%
Gross profit	35,546	46,500	30.8%
Gross profit margin	12.1%	10.8%	
SG&A	27,976	39,500	41.2%
Operating income	7,570	7,000	-7.5%
Ordinary income	7,859	7,000	-10.9%
Profit attributable to owners of parent	8,014	5,000	-37.6%
EPS (Yen)	292.07	182.17	
ROE (%)	10.9	6.4	-

Effect of Fujitsu Electronics conversion to subsidiary (FY2020/3 Forecast)

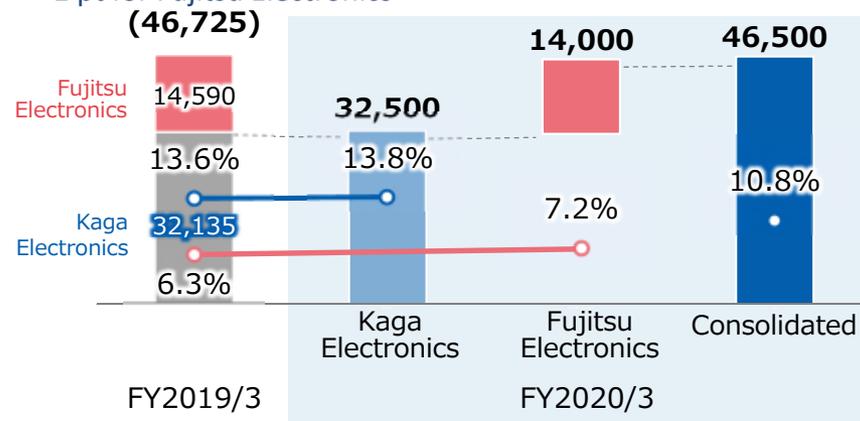
Net Sales

Prudent projection for net sales in view of uncertainty in the future business environment



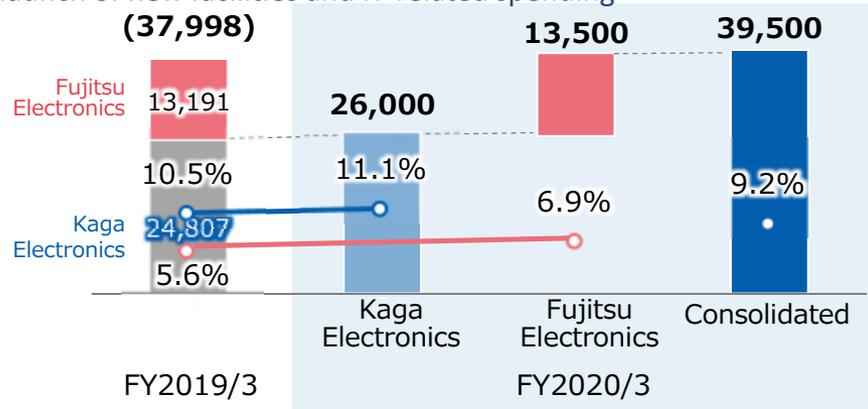
Gross profit / Gross profit margin

Gross profit margin to be flat y-o-y for Kaga Electronics, up 1 pt for Fujitsu Electronics



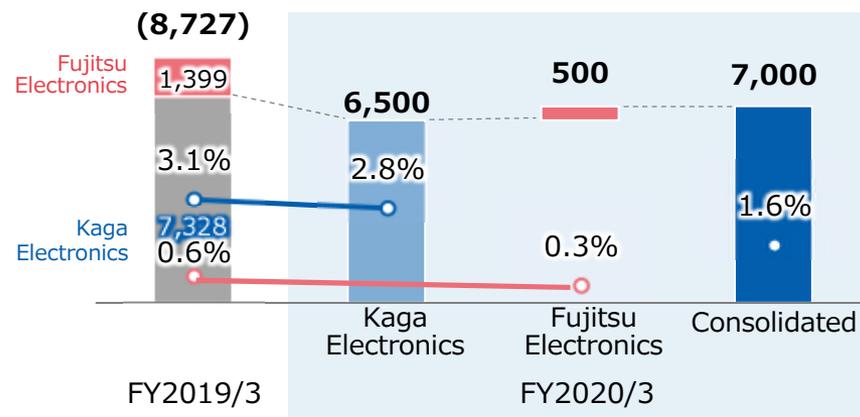
SG&A / SG&A ratio

Expenses to increase for both companies due notably to launch of new facilities and IT-related spending



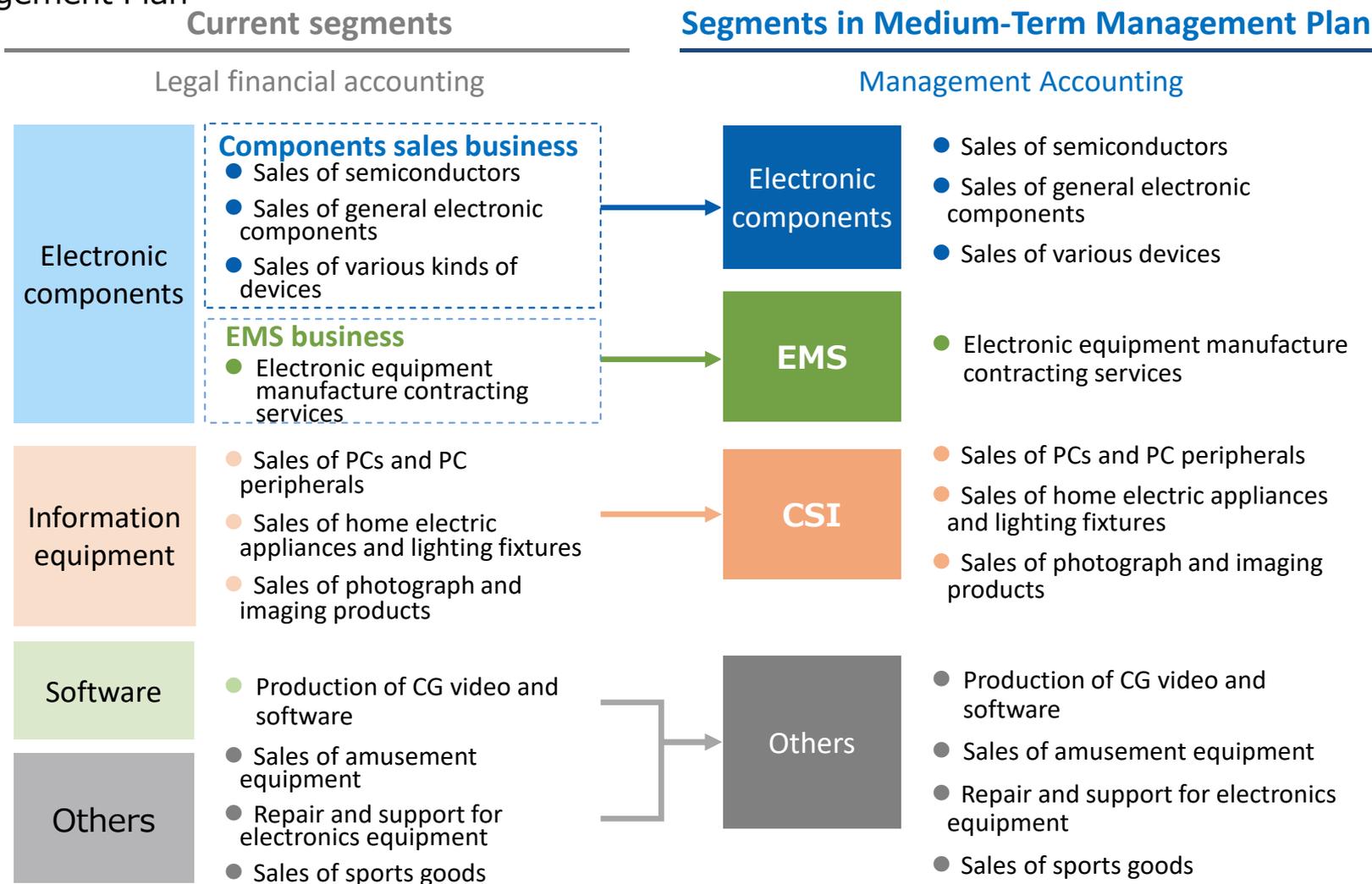
Operating income / Operating income margin

Fujitsu Electronics' contribution to income to remain limited



(Ref) Segment disclosure associated with the start of the Medium-Term Management Plan

Continuous disclosure based on current segmentation according to legal financial accounting, along with voluntary disclosure based on segmentation in line with the new Medium-Term Management Plan



(Ref) Business segments of Parent company and Group companies

	Electronic Components	EMS	CSI	Others
KAGA ELECTRONICS CO., LTD.				
Electronics Business Division	●	●	(●)	●
EMS Business Division		●		
Communication Network Sales Division	●	●	●	(●)
Specific Industry Business Division	●	●	(●)	●
Strategic Customer Sales Division	●	●	(●)	●
Sales Promotion Division	●			
Major Affiliates in Japan				
KAGA TECH CO., LTD.	●	(●)	(●)	(●)
KAGA DEVICES CO., LTD.	●	●	●	●
KAGA SOLUTION NETWORK CO., LTD.			●	
AD DEVICE CO., LTD.	●			
KAGA MICRO SOLUTIONCO., LTD.		●	(●)	●
DIGITAL MEDIA LAB., INC.				●
KAGA SPORTS CO., LTD.				●
KAGA AMUSEMENT CO., LTD.				●
KAGA TECHNOSERVICE CO., LTD.			●	
FUJITSU ELECTRONICS INC.	●			
Major Affiliates Overseas				
KAGA TAXAN (SUZHOU) ELECTRONICS CO., LTD.		●		
KAGA (SHANGHAI) ELECTRONICS CO., LTD.	(●)	●		
KAGA (SHENZHEN) ELECTRONICS CO., LTD.		●		
KAGA (H.K.) ELECTRONICS LIMITED		●		
KAGA DEVICES (H.K.) LIMITED	●			
KAGA (TAIWAN) ELECTRONICS CO., LTD	●	(●)		
KAGA ELECTRONICS (THAILAND) COMPANY LIMITED	(●)	●		
KAGA COMPONENTS (MALAYSIA) SDN.BHD.		●		
KAGA ELECTRONICS INDONESIA, PT	●	●		
KAGA ELECTRONICS (VIETNAM) CO., LTD.		●		
KAGA (SINGAPORE) ELECTRONICS PTE LTD	●	(●)		(●)
KAGA ELECTRONICS (USA) INC.	●	●		
TAXAN MEXICO S.A. de C.V.		●		
KD TEC s.r.o.	●	●		

(Ref) Financial highlights by Business Segment of Medium-Term Management Plan for the FY2020/3 2Q (6 months)

(Million Yen)

		2019/3	2020/3	
		2Q Results	2Q Results	YoY
Electronic Component	Net Sales	44,216	156,803	254.6%
	Segment income	899	2,127	136.6%
EMS	Net Sales	43,031	46,945	9.1%
	Segment income	1,624	2,100	29.3%
CSI	Net Sales	21,143	19,968	-5.6%
	Segment income	864	618	-28.5%
Others	Net Sales	6,991	6,912	-1.1%
	Segment income	310	316	2.1%
Total	Net Sales	115,383	230,630	99.9%
	Segment income	3,772	5,239	38.9%

Note: Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).

(Ref) Financial highlights by Business Segment of Medium-Term Management Plan for the FY2020/3 2Q (3 months)

(Million Yen)

		2019/3	2020/3	
		2Q Results	2Q Results	YoY
Electronic Component	Net Sales	23,208	84,698	265.0%
	Segment income	635	1,651	160.0%
EMS	Net Sales	21,927	22,425	2.3%
	Segment income	786	830	5.6%
CSI	Net Sales	10,725	9,842	-8.2%
	Segment income	547	429	-21.5%
Others	Net Sales	4,028	4,099	1.8%
	Segment income	279	430	54.2%
Total	Net Sales	59,889	121,066	102.1%
	Segment income	2,282	3,389	48.5%

Note: Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).

(Ref) Forecasts by Business Segment of Medium-Term Management Plan for the FY2020/3

(million yen)

		FY2019/3	FY2020/3	
		Results	Forecast	YoY
Electronic Component	Net Sales	145,042	282,000	94.4%
	Segment income	2,278	2,200	-3.4%
EMS	Net Sales	89,481	95,000	6.2%
	Segment income	2,667	2,800	5.0%
CSI	Net Sales	44,344	40,000	-9.8%
	Segment income	1,906	1,500	-21.3%
Others	Net Sales	13,912	13,000	-6.6%
	Segment income	554	500	-9.7%
Total	Net Sales	292,779	430,000	46.9%
	Segment income	7,570	7,000	-7.5%

Note: Figures of each segment income are not inter-segment adjusted.
Total amount is inter-segment adjusted (operating income).

(Ref) Exchange Rate/FOREX Sensitivity

	2019/3 2QResults (Yen)	2020/3 2QResults (Yen)	(Half a Year basis) Effect of 1% change(million Yen)		FY2020/3 Forex Assumption (yen)
			Net sales	Ordinary income	
USD	110.26	108.63	927	20	110.00
THB	3.40	3.49	124	7	3.40
RMB	17.09	16.20	103	4	17.00
HKD	14.05	13.86	113	2	14.00

About Kaga Electronics' EMS Business

Overview and Growth Strategy of EMS Business

KAGA ELECTRONICS CO., LTD.

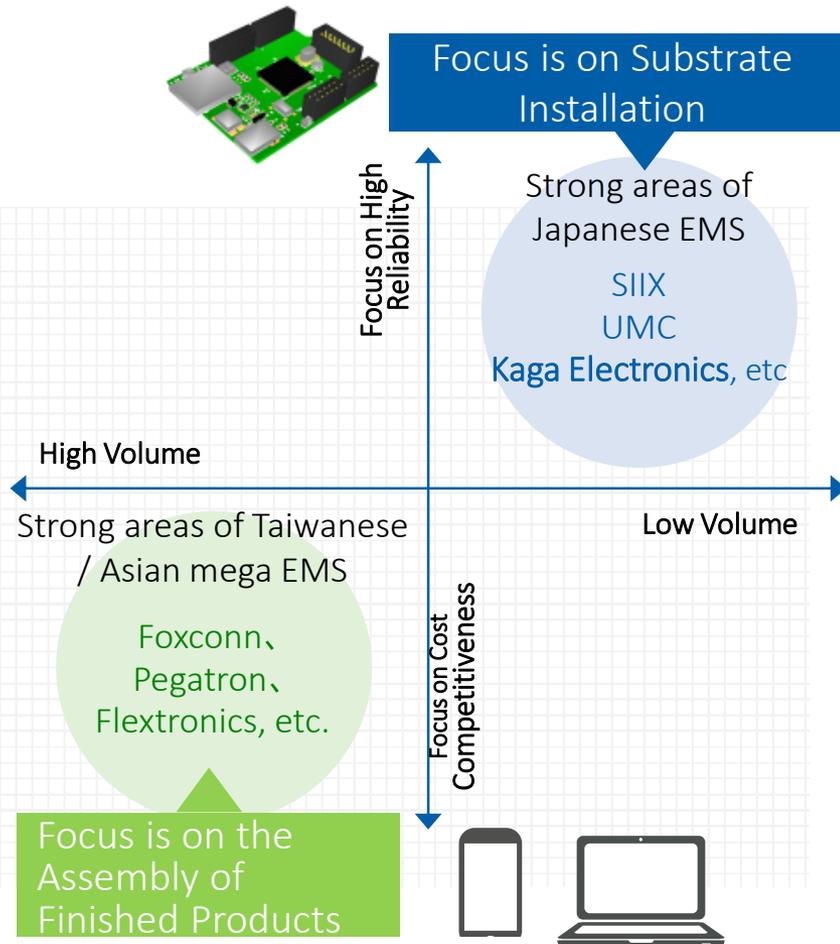
Director

Motonori Toshinari

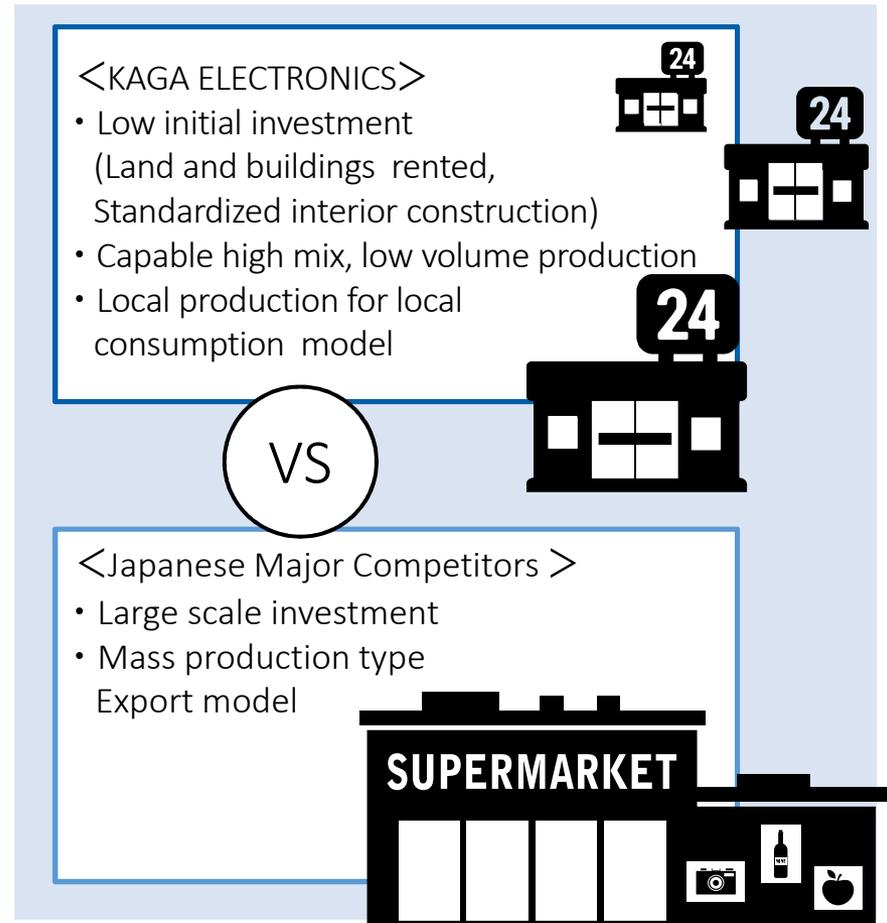
The Strengths of Kaga Electronics' EMS (1): Convenience Store EMS

Kaga Electronics globally deploys a "Convenience Store EMS" that is convenience and valuable for its customers.

Japanese EMS vs Taiwanese / Asian EMS



Convenience Store EMS vs GMS EMS



The Group's Strength-(2) : One Stop

Not just contract manufacturing but offer one-stop service from sales to after-sales support

Planning / Design / Development



Components Procurement / Kitting



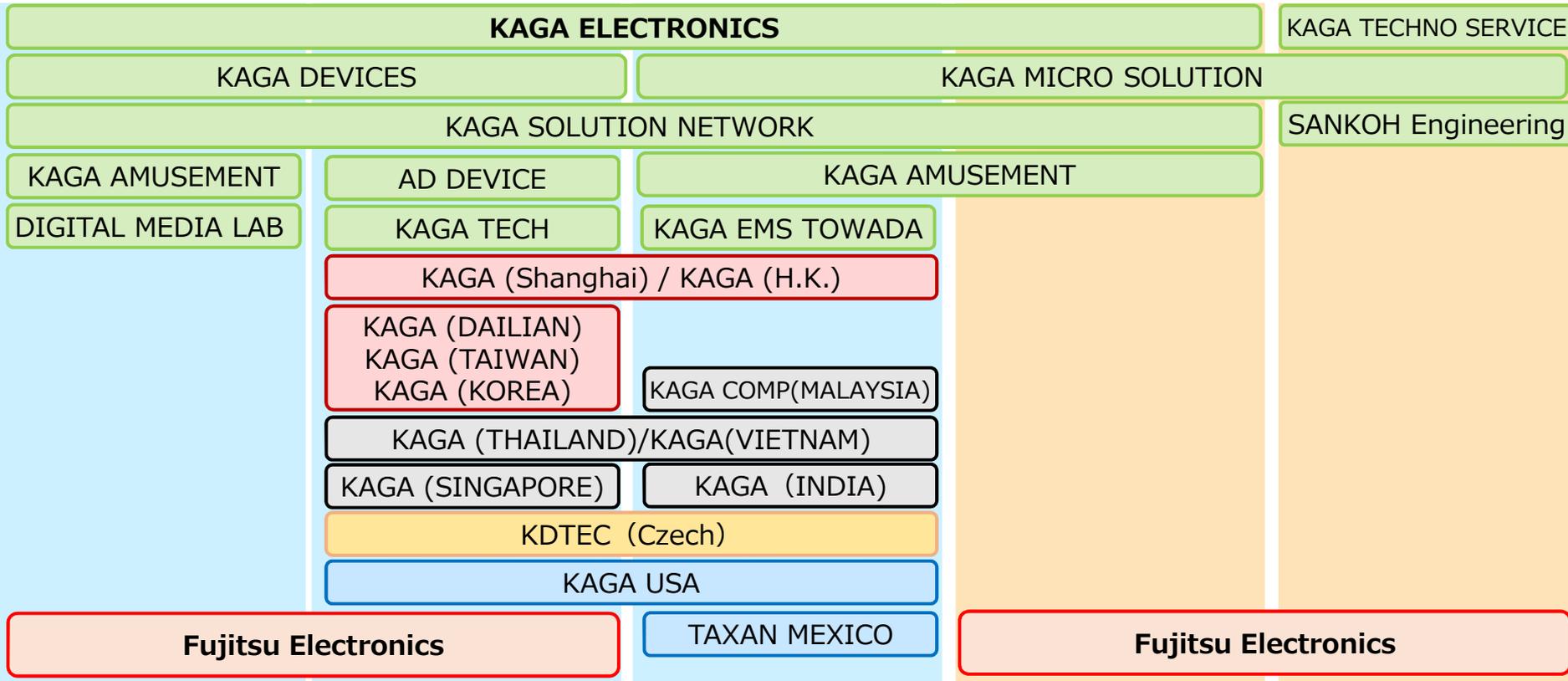
EMS/Contract manufacturing



Sales / Distribution



Support / After-sales service



The Group's Strength-(3) : Global Network

Global EMS production system with 19 bases in 10 countries to respond swiftly and flexibly to customer needs.

- Installed mounting equipment in Czech and started European operation
- Entered into Turkey in order to strengthen Europe business

- Expand sales to local Chinese companies
- Expand sales to European and the U.S. companies
- Expand sales to Japanese companies conducting sales in China

- Expand EMS business
- Increase sales of components kitting business
- Develop new customers

- Increase production in Mexico shifting from China
- Established sales office in Chicago to enhance sales activities in the U.S.

Europe

Hungary
Czech
Germany
Italy
Turkey

China

Hubei
Suzhou
Dalian
Korea
Dongguan
Shengzhen
Hong Kong
Shanghai
Taiwan
India
Thailand
Vietnam
Malaysia
Indonesia
Philippines

Japan

The Americas

San Jose
Sunnyvale
Mexico
Chicago
Detroit
Boston

ASEAN

- Further deepening relationship with Japanese customers
- Centralize the procurement operation to improve efficiency

● Sales base ● Production base

Introduction to Main Production Bases: China

Kaga Electronics (Shenzhen)

Established	1 9 9 9
Number of Employees	9 5 0
Products	Automotive-related units, industrial equipment, OA equipment, amusement equipment, communications equipment.



< Shenzhen Factory >

Kaga Technology (Suzhou) Electronics

Established	2 0 0 9
Number of Employees	3 6 0
Products	Automotive-related units, medical equipment, industrial equipment, residential equipment, electronic musical instruments, communications equipment



< Suzhou First Factory (For Export) >

Introduction to Main Production Bases: ASEAN

KAGA ELECTRONICS (THAILAND)

Established	2 0 0 2
Number of Employees	6 9 0
Products	Automotive-related units, OA equipment, air conditioning equipment, industrial equipment

KAGA ELECTRONICS (VIETNAM)

Established	2 0 1 7
Number of Employees	1 2 0
Products	Automotive-related units, air conditioning equipment, business equipment, medical equipment



<Thailand Factory>



< Vietnam Factory >

Introduction to Main Production Bases: Europe and the Americas

KD TEC

Established 2 0 0 9

Number of Employees 1 2 0

Products Air conditioning equipment.



< Czechia Factory >

TAXAN MEXICO

Established 2 0 1 7

Number of Employees 1 6 0

Products Automotive-related units, business equipment, industrial equipment.



< Mexico Factory >

Main Products: Various Substrates

Substrate for Office Equipment



L Size Substrate for Communications Equipment



Power Supply Substrate



LED-related Substrate

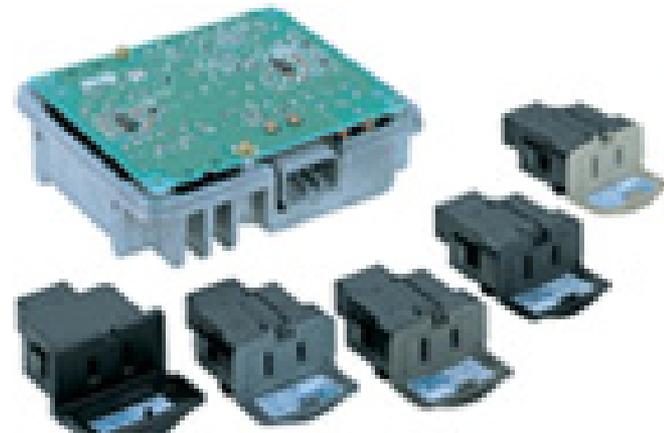


Main Products: Automotive-related Units

Lighting Units for Automotive

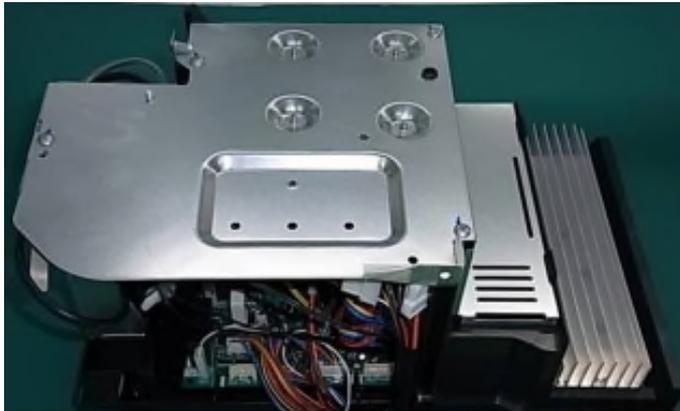


AC Inverter Units



Main Products: Various Units

Air Conditioner Unit



FA Equipment Touch Panel Monitor



Main Products: Various Finished Products

Automotive-related Products



<Automotive Navigation System>

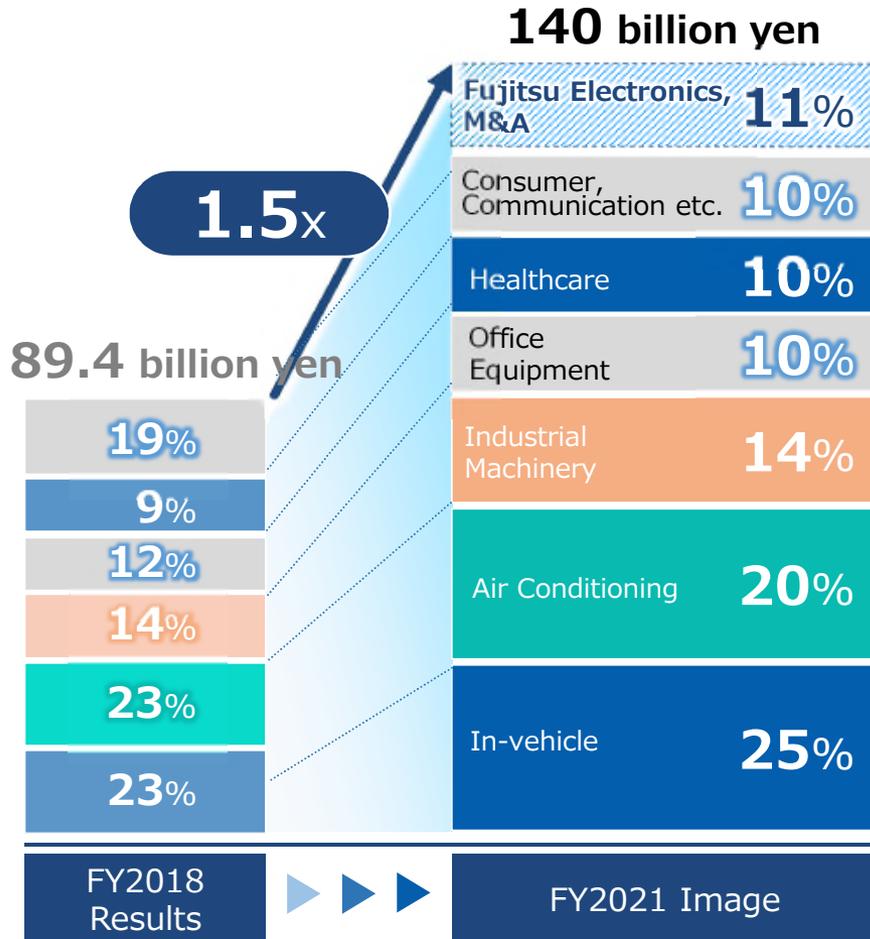
Medical Equipment



<Automated Medication Dispensing Cabinet>

EMS Business Growth Scenario

Driven by the growth of in-vehicle, air conditioning, industrial machinery, and medical/healthcare, we shall aim for drastic growth of business size of 1.5x that of FY2018



Points



- In addition to our existing production capacity in China, ASEAN, and Europe, we shall aim to expand business in growth areas such as in-vehicle, air conditioning, and industrial machinery, through full scale investment in new bases in Vietnam, Mexico, Turkey, and India.
- We shall develop a “Key Device + EMS” approach for the major customers of Fujitsu Electronics.
- We shall aim to further expand the size of the EMS business, and search for new M&A opportunities inside and outside of Japan.

Key Topics for EMS Business Growth

In parallel with the EMS shift of leading European and American customers of Fujitsu Electronics, strengthening volume, quality, and cost, and comprehensively increasing business competitiveness in comparison with competitors.



Increasing of Production Capacity

- Responding flexibly to moves towards the shifting of production away from China in conjunction with the continuing US-China trade issues, as well as moves towards a return of the overseas production to Japan domestic in order to avoid exchange rate fluctuations and soaring labor costs.



Strengthening of Engineering Capabilities

- No longer relying on general-purpose equipment, using in-house engineering capabilities, and internally developing production equipment at an optimal cost for “convenience store EMS”, and increasing cost competitiveness through this.



Strengthening of Manufacturing Capabilities

- Through the acquisition of Towada Pioneer, the manufacturing know-how accumulated over many years as an electronics specialist, exceptional production personnel and production equipment. Further improving the quality level of the EMS business and strengthening competitive advantage against competitors by sharing resources including jig design and quality assurance systems.
- Positioning the Towada Pioneer and Fukushima New Plant as the "Mother Factory", partnering with overseas bases, and promoting overall optimization to strengthen the management structure and to improve business efficiency.

Major Initiatives

Acquisition of Towada Pioneer	 Enhancing of Production Capacity	<ul style="list-style-type: none"> • Capturing increased demand in conjunction with the return to domestic production
	 Strengthening of Manufacturing Capabilities	<ul style="list-style-type: none"> • Sharing of production know-how and excellent production personnel • Mother plant for substrate installation
	 Strengthening of Engineering Capabilities	<ul style="list-style-type: none"> • Sharing of resources, such as production equipment designs and jig production • Verifying own developed production equipment
Construction of Fukushima New Factory	 Enhancing of Production Capacity	<ul style="list-style-type: none"> • Capturing increased demand in conjunction with the return to domestic production
	 Strengthening of Manufacturing Capabilities	<ul style="list-style-type: none"> • Mother plant for assembly of finished products
Construction of Thailand Second Factory	 Enhancing of Production Capacity	<ul style="list-style-type: none"> • Capturing the shift from Chinese production to avoid the effect of US-China trade disputes
Joint Venture in China	 Strengthening of Engineering Capabilities	<ul style="list-style-type: none"> • Differentiation through internally developed production equipment that is suitable for small sized lots of a variety of products

Overview of Acquisition of Towada Pioneer

Towada Pioneer Headquarters Factory



Acquisition Format

Conversion to group company through acquisition of Towada Pioneer shares from Pioneer on October 1, 2019.

Name After Acquisition

KAGA EMS TOWADA CO., LTD.

Address

Towada City, Aomori Prefecture

Business Content

Automotive electronic equipment, installation of substrates in medical equipment, assembly of finished Products

Number of Employees

165 (full time staff)

Acquisition Price

Undisclosed

Construction of New Fukushima Factory

Fukushima Factory



Name

KAGA MICRO SOLUTION CO., LTD.
Fukushima Factory

Address

Sukagawa City, Fukushima Prefecture

Scheduled Launch

October 2019

Business Content

Manufacture, repair, reuse, and recycling of communications equipment, PCs, and PC peripherals

Number of Employees

50
(full time staff)

Investment Amount

Approx. JPY 1.2 bn
(Incl. land acquisition,
buildings, machinery and
equipment)

Construction of Thailand 2nd Factory

Amata Nakhon 2nd Factory



Name

KAGA ELECTRONICS (THAILAND) CO., LTD.
Amata Nakhon 2nd Plant

Address

Amata Nakhon Industrial Estate, Chon Buri,
Thailand

Scheduled Launch

December 2019

Business Content

Installation of substrates for multifunction
devices, printers and automotive related units

Number of Employees

200
(maximum of 350)

Investment Amount

Approx. JPY 500 mil
(Land and buildings
rented)

Own Development of Production Equipment(1)

“HATTEN” Solder Bath



Company Establishment Scheme

October 2018: Establishment of a joint venture by JT*, a Chinese production equipment manufacturer and group company Kaga Technology (Suzhou) Electronics Co., Ltd.

Name of Joint Venture

SUZHOU HATTEN INTELLIGENT EQUIPMENT CO., LTD

Address

Suzhou City, Jiangsu Province, China

Business Content

Development, manufacture, and external sale of production equipment for substrate installation

※Official company name: 深圳市劲拓自动化设备股份有限公司

Own Development of Production Equipment(2)

"HATTEN" Substrate Installation Automation Equipment Line



Company Establishment Scheme

December 2019: Establishment of a joint venture by FAROAD*, a leading Chinese manufacturer of substrate installation equipment, and group company Kaga Technology (Suzhou) Electronics Co., Ltd.

Name of Joint Venture

蘇州路遠加賀實裝技術開發有限公司

Address

Suzhou City, Jiangsu Province, China

Business Content

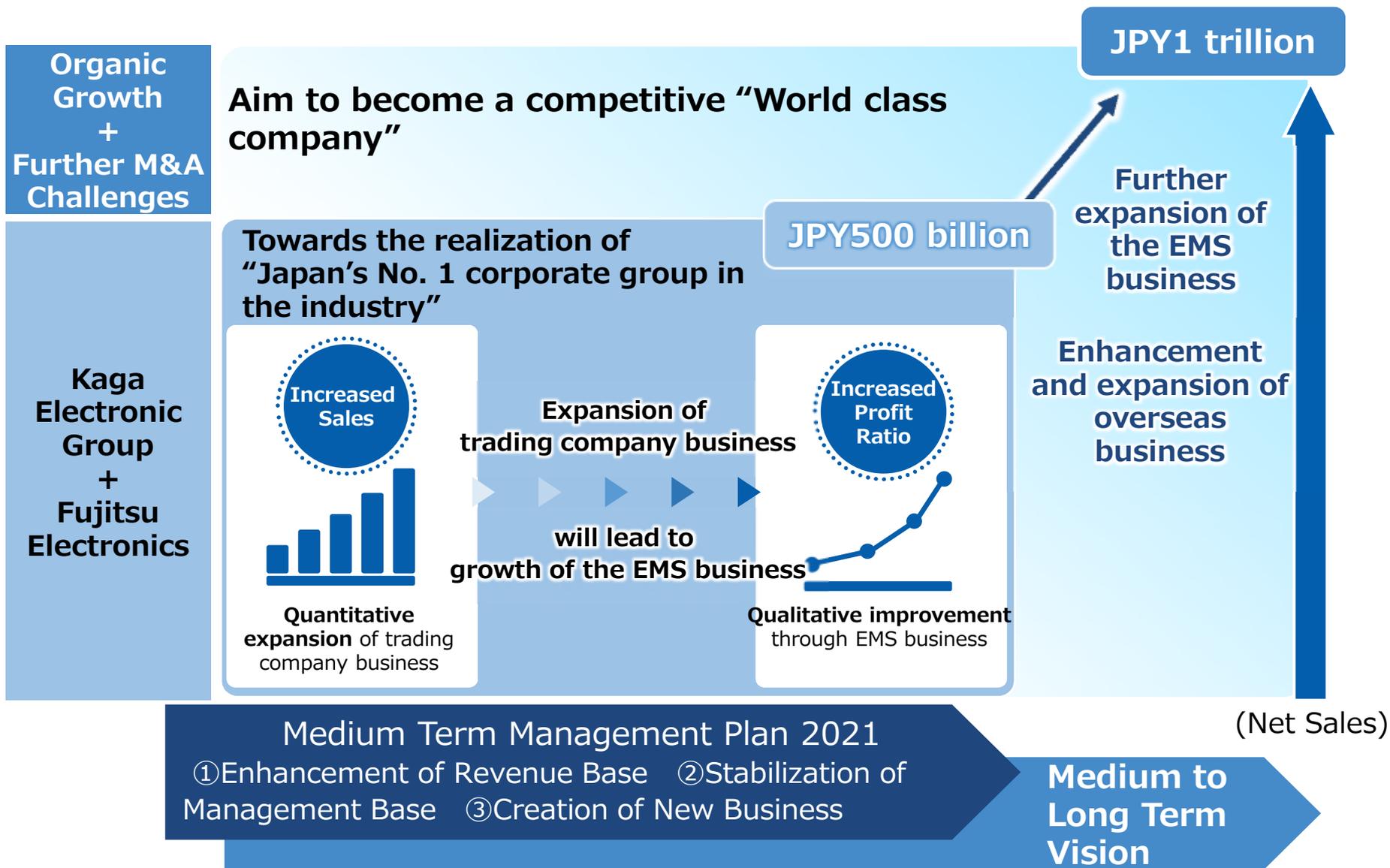
Development, manufacture, and external sale of substrate installation equipment sets (operation to commence in December 2019)

Objectives of the Joint Venture

- In-house development of optimal "automation equipment" for "small lot production of many products"
- Realization of not only a significant reduction in initial introduction costs, but also high quality and low-cost operation

※Official company name: 深圳市路遠智能裝備有限公司

Positioning of "Medium Term Management Plan 2021"



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**“Everything we do is
for our customers”**



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