

An independent general electronics trading company

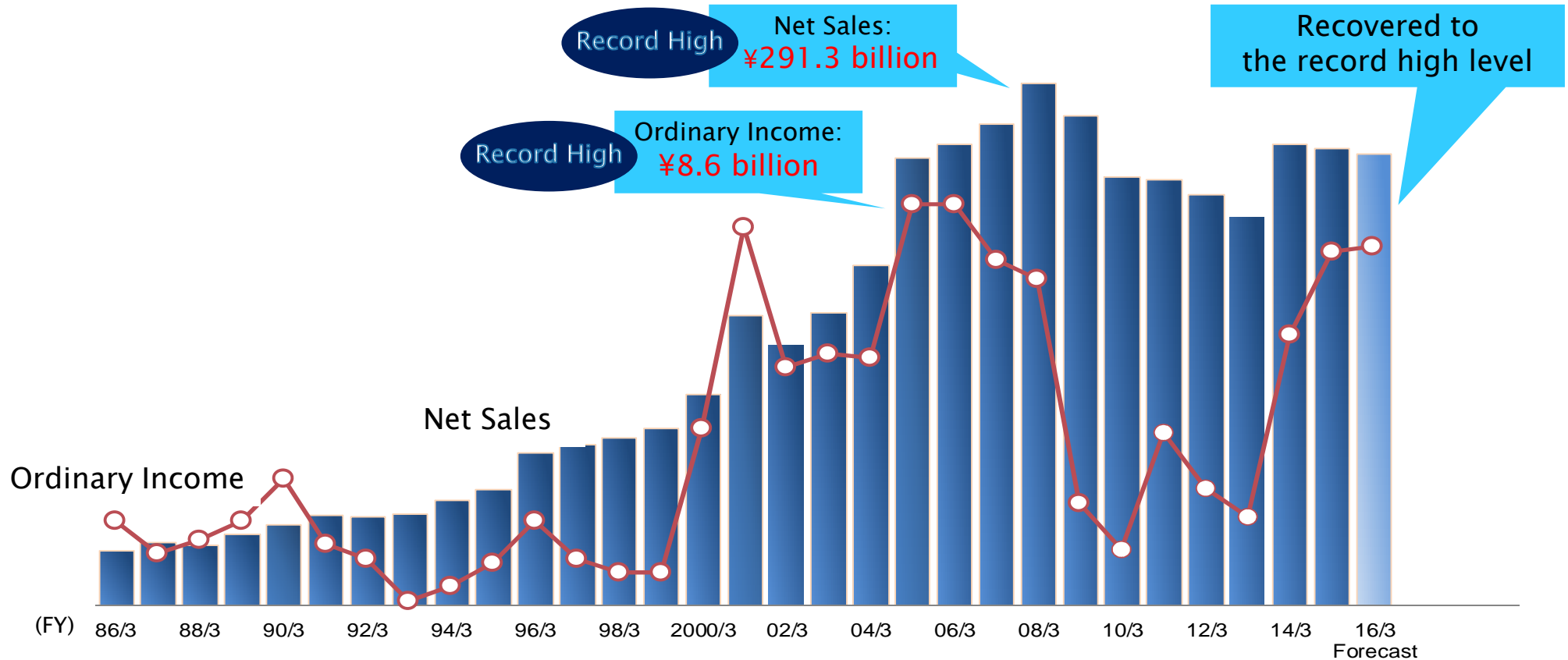
A blue-tinted world map is overlaid on a background of a grid and diagonal lines, creating a sense of global connectivity and technology.

# **KAGA ELECTRONICS Group Medium-term Management Plan 2018 (FY2016/3 – FY2019/3)**

Announced on November 26, 2015

**TAXAN**

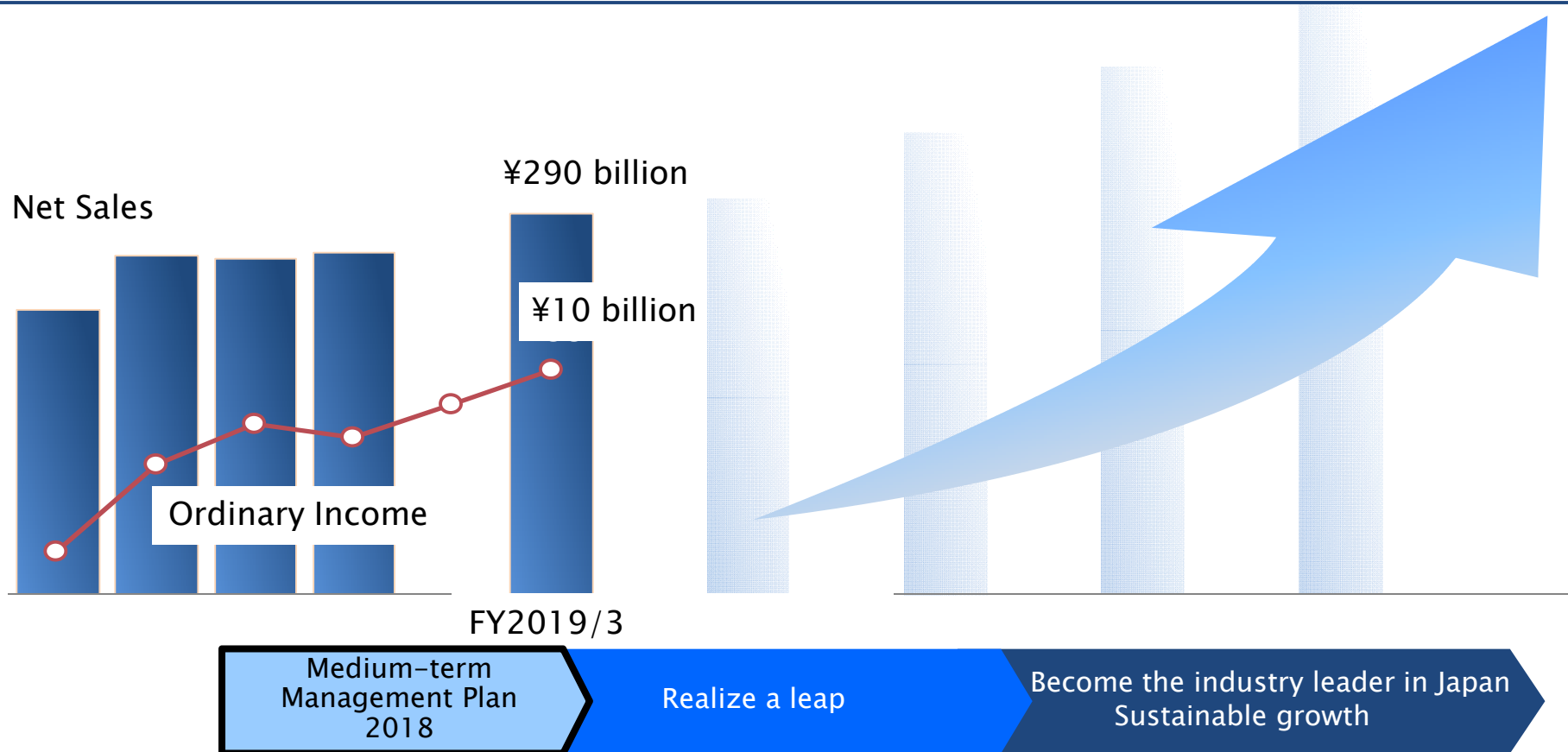
# Performance Summary up to FY2015/3



- Continued structural reform toward the recovery of performance since 2008.
- Shifted into “profit-oriented management” since FY2015/3.
- Recovered to the record high level with profit increase for two consecutive years.
- Reinforce group wide management to realize more effective and efficient operation.

# Positioning of “Medium-term Management Plan 2018”

- Prepare for “profit-oriented management” and “Next generation KAGA ELECTRONICS”
- Aim at ordinary income of ¥10 billion (record high) to mark the 50th anniversary
- Become the industry leader in Japan and aim at sustainable growth as a world-class company



## Management Target

KPI	FY2015/3 Results	FY2019/3 Target
Net Sales	¥255.1 billion	¥290.0 billion
Ordinary Income	¥7.6 billion	¥10.0 billion
ROE	7.9%	8.0% or higher

- **Secure** ROE of 8% or higher **steadily and constantly**.  
→ Work on further profitability improvement and pursue sales growth.

# Basic Policy

## ( 1 ) Enhance revenue base

1. Cultivate priority markets: Automotive devices, Environment, Telecommunication, Industrial equipment, and Amusement
2. Strengthen relationship with priority customers
3. Expand overseas businesses

## ( 2 ) Create new business

1. Medical & Healthcare
2. Materials

## ( 3 ) Strengthen management foundation

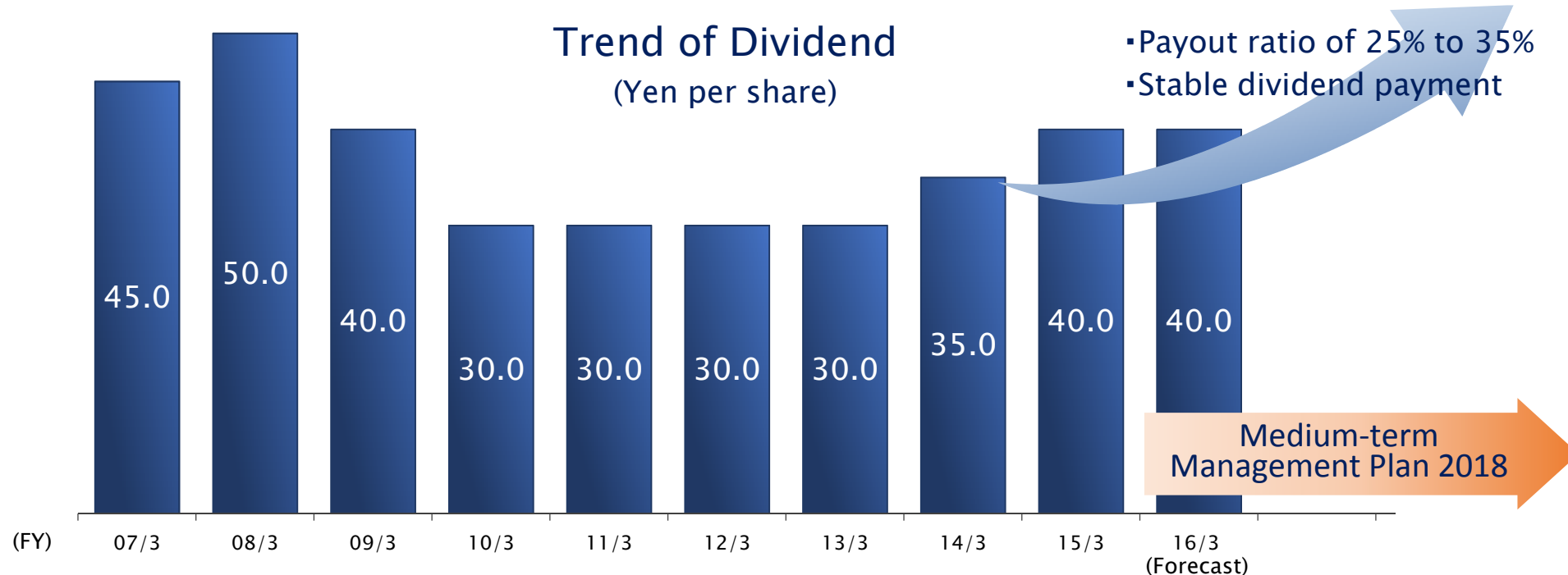
1. Reduce SG&A expenses
2. Reorganize group companies
3. Strengthen corporate governance system
4. Compliance

# Profit Distribution/Shareholder Return

## Basic policy of profit distribution

- Aim at stable dividend payments while maintaining consolidated dividend payout ratio of 25% to 35%
- Share buyback as needed, taking into account the market environment and capital efficiency
- Use internal reserve to business investment, capital expenditures and M&A that will contribute to enhancement of corporate value

## Trend of Dividend (Yen per share)



EPS (Yen)	151.5	128.9	-28.9	-11.5	64.0	33.1	16.0	137.2	156.2	176.9
Payout ratio	29.7%	38.8%	—	—	46.8%	90.5%	186.5%	25.5%	25.6%	22.6%

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



**KAGA ELECTRONICS CO.,LTD.**

20 Kandamatsunagacho, Chiyoda-ku,  
Tokyo 101-8629

Contact: Secretarial & Public Relations Office

TEL: +81-3-5657-0106

FAX: +81-3-3254-7133

E-mail: [webmaster@taxan.co.jp](mailto:webmaster@taxan.co.jp)

<http://www.taxan.co.jp>

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons.