

# Medium Term Management Plan 2021 (2019 - 2021)

## Outline

November 6, 2018

Kaga Electronics Co., Ltd.

# Medium to Long Term Vision of the Kaga Electronics Group

Through the establishment and taking hold of “profit-focused management”,



forming Japan' No.1 corporate group  
in the industry,



and furthermore, aiming to become  
a “World Class Company”.

# “Medium Term Management Plan 2021 (2019 - 2021)” Basic Policies

## Key Issues

### 1 Enhancement of Revenue Base

Utilizing the Group’s DNA to see things ahead of time, we shall **focus on markets and customers forecast to have high growth potential and profitability**, and will aim to strengthen the revenue base

- Strengthening initiatives for growth sectors: In-vehicle, communications, environment, industrial equipment, medical and healthcare
- Enhancement and expansion of EMS business and overseas business

### 2 Stabilization of Management Base

Aiming to stabilize the management base towards **early improvement of efficiency and financial soundness** after conversion of Fujitsu Electronics to subsidiary

- Continuation of group-wide cost reduction measures
- Promotion of improve group management efficiency through the preparation of an organizational structure
- Enhancement of corporate governance, cultivating human resources to lead the next generation

### 3 Creation of New Business

**In order to enhance resistance to changes in the external environment**, we shall endeavor to create new business through the proactive use of our own resources and M&A

- Launching of social issues (childcare, welfare, nursing care, etc.) business and materials business
- Promotion of open innovation through venture investment
- Proactive use of M&A activities

# “Medium Term Management Plan 2021 (2019-2021)” Management Targets

	FY2018 Forecast	Management Targets FY2021	Growth Rate Compared to FY2018
Net Sales	<b>290 billion yen</b>	<b>500 billion yen</b>	Up <b>72%</b>
Operating Income	<b>7.7 billion yen</b>	<b>13 billion yen</b>	Up <b>69%</b>
ROE	<b>9.9%</b>	<b>8% or higher</b>	—

FOREX

• Assumed Exchange Rate : US\$1.00 = ¥ 110

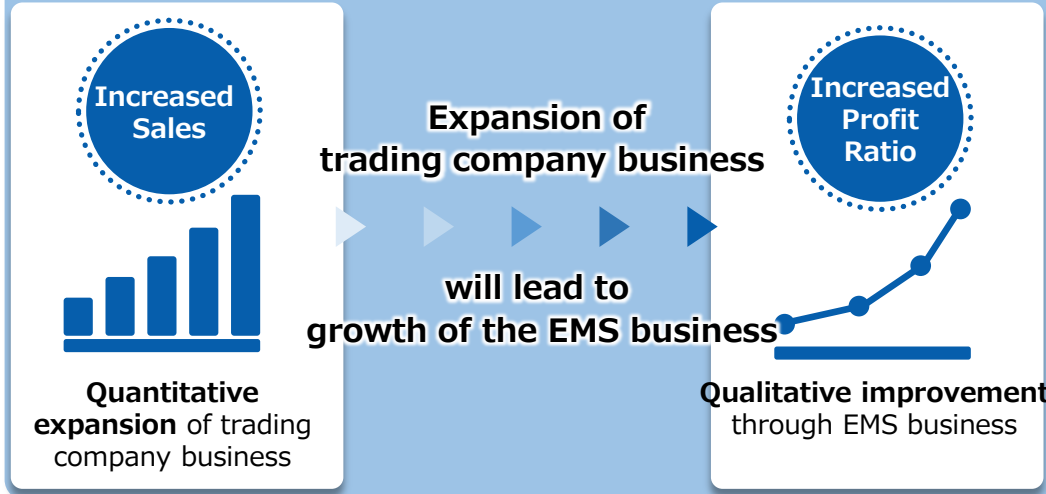
# Positioning of "Medium Term Management Plan 2021 (2019 - 2021)"

Organic Growth  
+  
Further M&A  
Challenges

Kaga  
Electronic  
Group  
+  
Fujitsu  
Electronics

Aim to become a "company that spans the globe"  
that will be victorious in global competition

Towards the realization of  
"Japan's No. 1 corporate group in  
the industry"



1 trillion yen

500 billion yen

Further expansion of the EMS business

Enhancement and expansion of overseas business

Medium Term Management Plan 2021 (2019-2021)

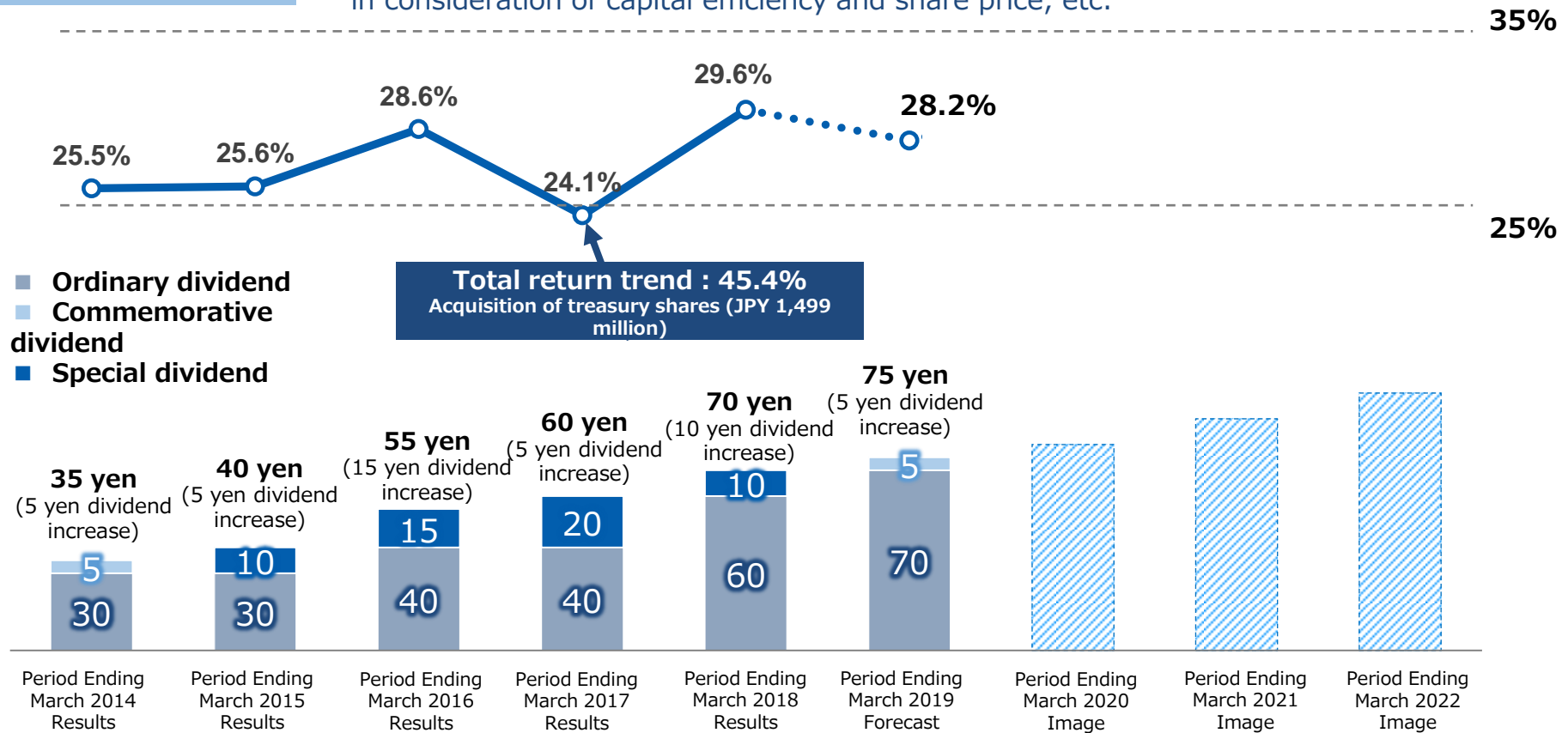
Medium to Long Term  
Vision

(Net Sales)

# Shareholder Return Concept

## Basic Policy on Dividends of Surplus

- We shall perform **stable dividends**, while securing a **consolidated dividend ratio of 25 to 35%**.
- We shall use **funds for business investments, capital investments, and M&A**, etc. in order to contribute to future growth.
- Decisions on the **acquisition of treasury shares** shall be made appropriately, in consideration of capital efficiency and share price, etc.



# “Everything we do is for our customers”



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■ Caution on forward-looking statements

Forwarding look statements included in this document, such as performance forecasts, are based on information that has been obtained at the current time and certain assumptions deemed as reasonable by the company; actual performance, etc. may be significantly different due to various factors.