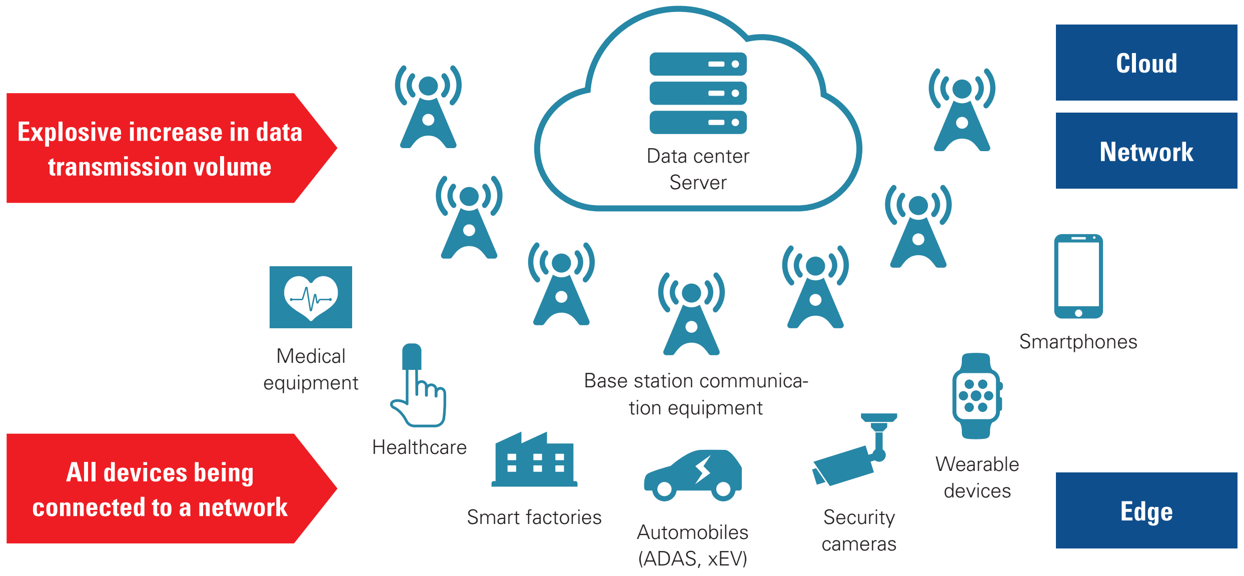
Promoting Growth Strategies Aimed at the Arrival of the IoT Era

The TAIYO YUDEN Group is focused on expanding production capacity and bolstering marketing in the electronic components market, where demand is expected to expand sharply on the increased use of electrical equipment in automobiles and the continued advancement of IT technologies brought about by the realization of IoT and 5G.

External environment



Enhanced demand for electronic components supporting technological advancement, including in IoT, 5G, and the increase use of electrical equipment in automobiles

Focus markets

Automobiles
- Advanced driver assistance systems (ADAS)
- Meter clusters
- Electronic control units

Information infrastructure and Industrial equipment
- Base station communication equipment
- Servers
- Security cameras

Healthcare

Environmental and Energy
- Solar power generators
- Electric bicycles

FOCUS
Computerization and electrification are the keys to the automotive electronics market ➡p.16 Feature

Increasing demand for large, high-voltage-resistant, and highly reliable components

Three growth strategies

1 Expansion in products for the automotive and information infrastructure markets

Boosting sales ratio to 50%

We expect demand in the automotive and information infrastructure markets to continue to expand without any sharp fluctuations. Moreover, we believe an improved sales ratio in these two fields contributes to stability in the capacity utilization rate and earnings overall at TAIYO YUDEN. We target sales ratios of 25% for automotive products and 25% for information infrastructure and industrial equipment, with the combined sales ratio of 50% in these two fields contributing to a business structure less susceptible to the effects from sharp swings in demand.

2 Investing for future growth

Accelerating R&D and capital investment, mainly in capacitors

Continuing to invest aggressively in MLCC, where we expect favorable growth over the medium to long term, TAIYO YUDEN targets capital investment of ¥150 billion in the three years between the fiscal year ended March 31, 2019 and the fiscal year ending March 31, 2021. We will strengthen our production capacity in Japan and overseas to meet expanding demand for MLCC. Moreover, we also will be focusing on advancing our technologies, and deepening our R&D to develop new products and businesses.

3 Promoting advancements in manufacturing

smart.E Project

Production site information is visualized as data and then analyzed. Using the results, we aim to advance efficiency in production by eliminating human and facility wastefulness, inconsistency, and overburdening, with improved productivity resulting in maximized revenue and reduced capital investment. We will continue to pursue our zero defect goal by further evolving and expanding implementation of the smart.E Project.

Numerical targets

Net Sales	Operating Margin	ROE	
¥300 billion	15%	above 10%	Targets for achievement by FY ending March 2021