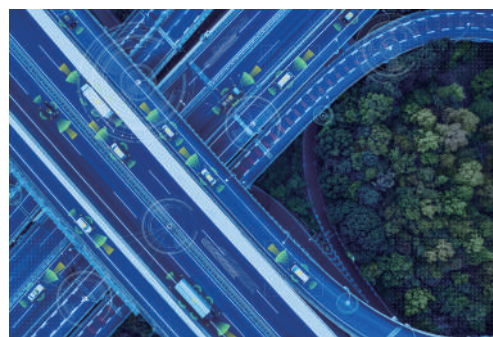


Medium-term Management Plan

Realizing Growth on the Back of Increased Demand for Electronic Components

Basic Measures



Expansion of Focus Markets

Expand the sales composition ratio of focus markets to **50%** in such fields as automobiles and IT infrastructure where growth is marked



Investment for Future Growth

Undertake capital investments of **¥150 billion** in the **three years between the fiscal year ended March 31, 2019 and the fiscal year ending March 31, 2021** to prepare for the explosive growth in demand for multilayer ceramic capacitors (MLCCs) due to the advent of the 5G era and other factors



Advancements in Manufacturing

Carry out the smart.E productivity improvement project centered on the manufacturing floor, **utilize IoT and big data** to eliminate wastefulness, inconsistency and overburden, and advance manufacturing

Returning Profits to Shareholders



Target a **total return ratio of 30%**, including the acquisition of treasury stock, based on efforts aimed at stably increasing dividends

Progress of Plan

Fiscal Year Ended March **2018**

Net Sales ¥244.1 billion, Operating Margin 8.3%, ROE 10.1% (10% target achieved)

- Sales composition ratio of focus markets (automobiles, IT infrastructure/industrial equipment): 32%.
- Capital investment: ¥24.5 billion; increased production capacity of MLCCs by 10-15% year on year.
- 2nd year of the smart.E project; productivity improvement of certain processes around 30% by visualizing production facilities and the labor force.

Fiscal Year Ended March **2019**

Net Sales ¥274.3 billion, Operating Margin 12.8% (10% target achieved), ROE 12.6% (10% target achieved). Upwardly revised operating margin target to 15%

- Sales composition ratio of focus markets: 39% (38% target achieved); upwardly revised target to 50%.
- ELNA CO., LTD., a company that is strong in the automotive market, converted to a wholly owned subsidiary in January 2019.
- Capital investment: ¥38.5 billion; increased production capacity of MLCCs by 10-15% year on year.
- NIIGATA TAIYO YUDEN CO., LTD. completed construction of a new plant, Building No. 3, a production base of MLCCs, in December 2018.
- 3rd year of the smart.E project; early detection and prevention of abnormalities utilizing AI technology.
- Undertook to acquisition of approximately ¥3.0 billion of treasury stock in February 2019.
- Upwardly revised the year-end dividend forecast from ¥10 to ¥11 per share (annual dividend from ¥20 to ¥21 per share).

Fiscal Year Ended March **2020**

Net Sales ¥282.3 billion, Operating Margin 13.2%, ROE 8.7%

- Sales composition ratio of focus markets: 41%; expand, working toward the target of 50%.
- Capital investment: ¥39.3 billion; increased production capacity of MLCCs by 10-15% year on year.
- 4th year of the smart.E project; domestic and overseas central monitoring of production, reduction of equipment operational loss.
- Undertook to acquisition of approximately ¥4.0 billion of treasury stock in June 2019.
- Upwardly revised the year-end dividend forecast from ¥11 to ¥15 per share (annual dividend from ¥22 to ¥26 per share).

Numerical targets

Net Sales ¥300 billion Operating Margin 15% ROE above 10%

*Achievement of the Medium-term Management Plan: While targets are for the fiscal year ending March 31, 2021, achievement is projected in the next fiscal year or after owing the impact of COVID-19 and other factors.