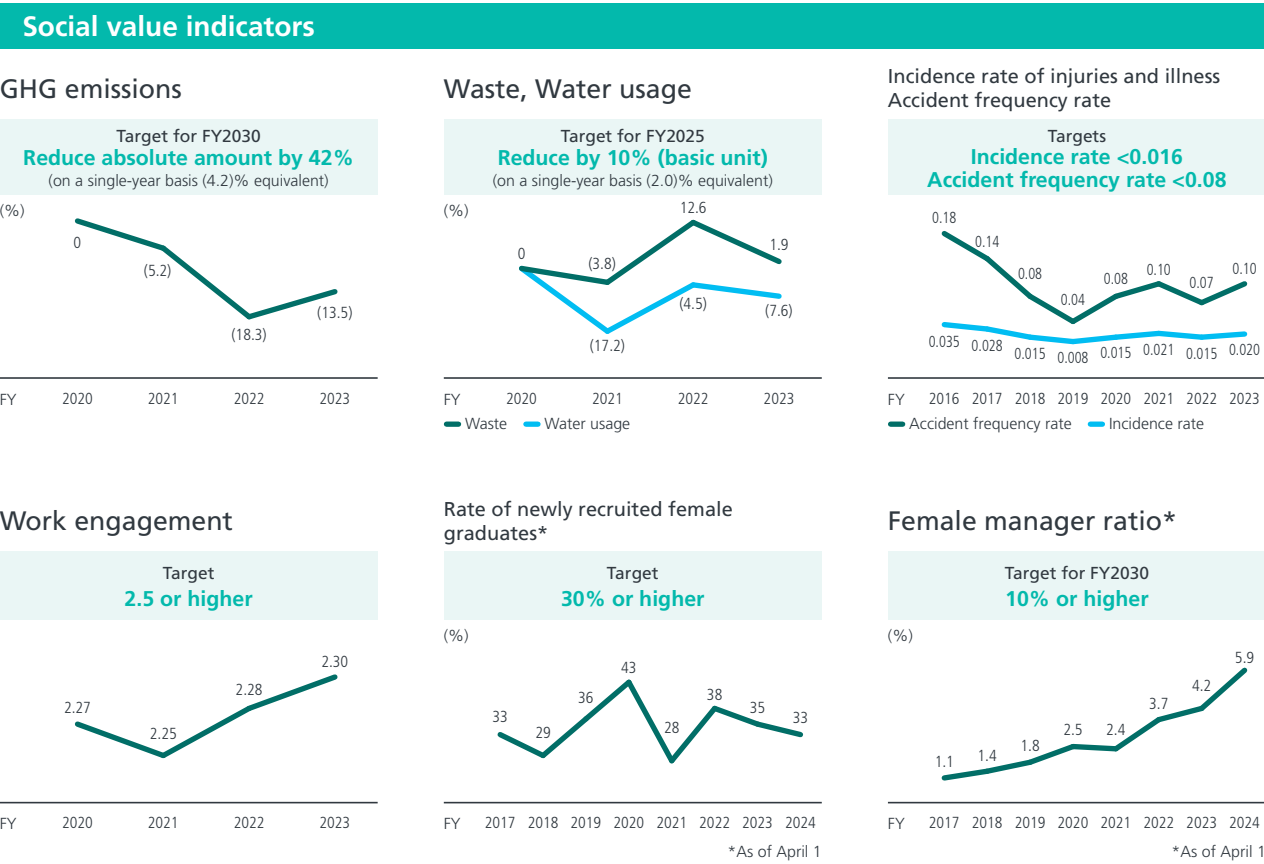
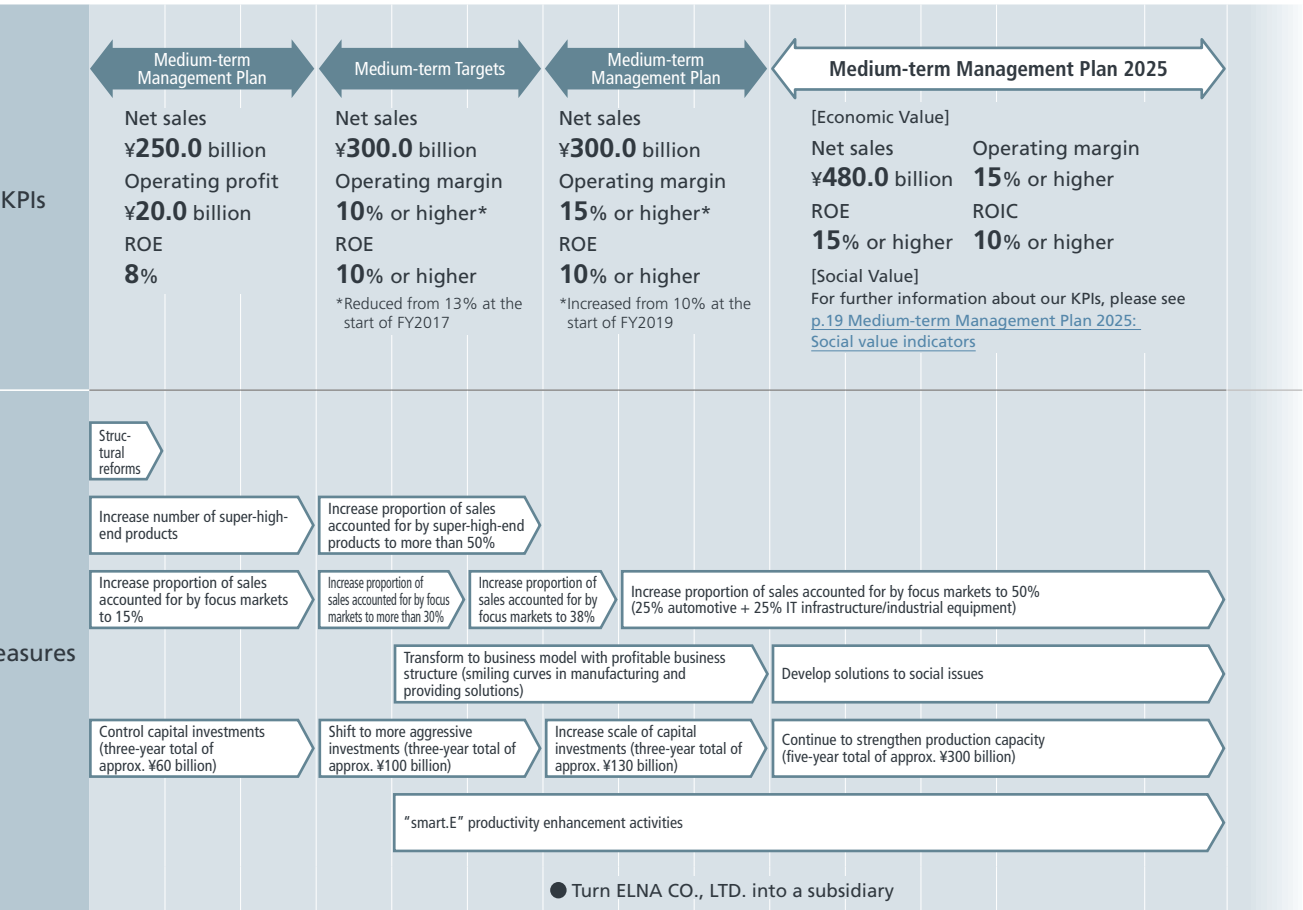
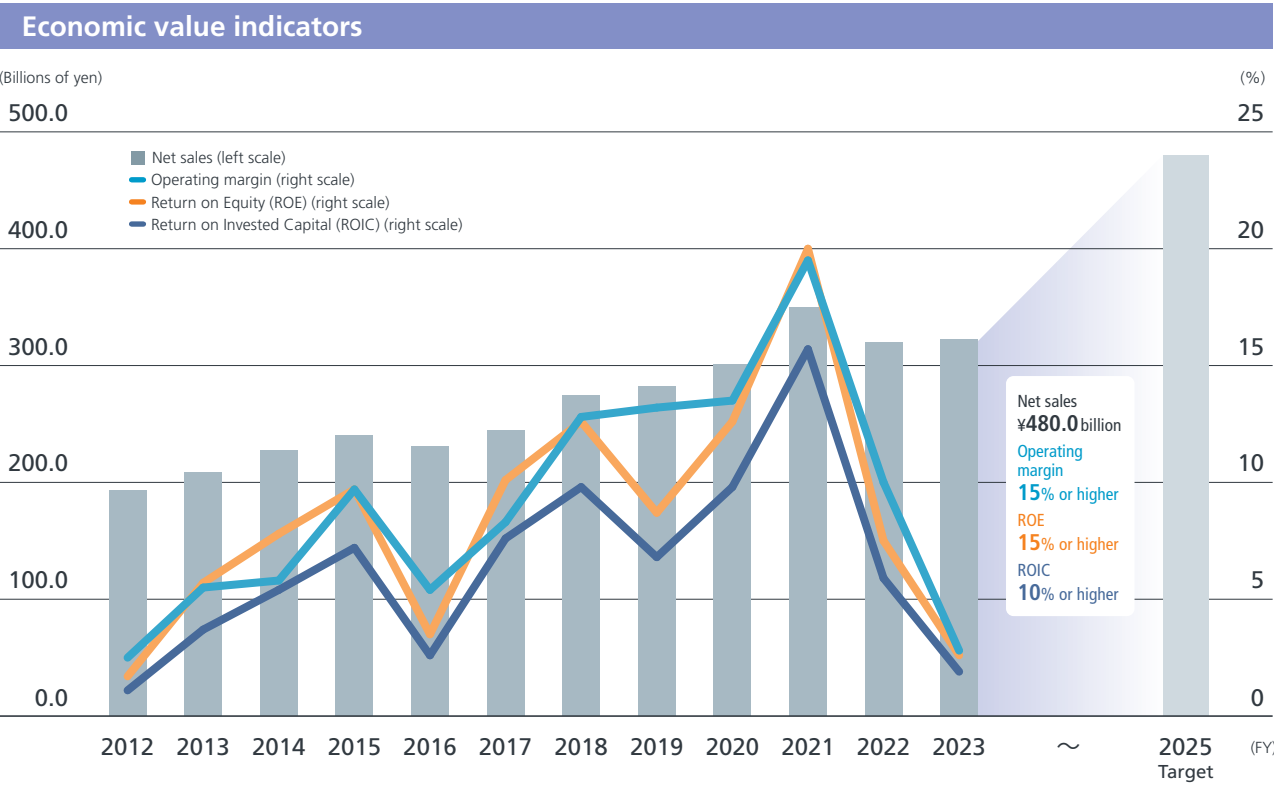


Medium-term Management Plan 2025 (FY2021–FY2025)

Trends and Targets of the KPIs



Medium-term Management Plan 2025: Progress and Issues

In the medium-term management plan 2025 (FY2021 to FY2025), we defined the automotive market and the IT infrastructure/industrial equipment market—two markets for which stable growth can be anticipated—as “focus markets” and while working to increase sales centered on these markets, we are aiming to enhance corporate value through the combination of economic and social value. For economic value, we have set KPIs for net sales, operating margin, ROE, and ROIC. For social value, we have set KPIs for GHG emissions, waste volumes, water usage, workplace safety, diversity, etc. We are also advancing a capital investments plan of ¥300 billion over the five years from FY2021, the first fiscal year of the plan. We will use this money to strengthen our production capacity in readiness for future increases in demand centered on demand for automobiles and to make more proactive capital investments in environmental measures and IT facilities.

In FY2021, against the backdrop of favorable market conditions, we exceeded our final targets for operating margin, ROE, and ROIC, whereas in FY2022 the demand environment for electronic components went into decline and each of the KPIs deteriorated. The information equipment, IT infrastructure/industrial equipment markets did not recover in FY2023, resulting in a continued decline in operating margin, ROE, and ROIC.

The percentage of sales accounted for by our focus markets in FY2023 was 48%, falling short of the target of 50%, as a result of the decreased demand in the IT infrastructure/industrial equipment markets. We anticipate that in FY2024, the market will recover from the decline it experienced towards the second half of the year, and we will continue to maintain our commitment to the final targets of the medium-term management plan 2025 in our business activities.

Further, out of the KPIs concerning social value, we have achieved our target for the percentage of newly recruited female graduates, as we did in the previous year. Regarding the other indicators, GHG emissions, the incidence rate of injuries and illness and the accident frequency rate were worse than the previous year's levels, whereas the waste volumes, water usage, work engagement and percentage of female managers improved. We will continue to keep pushing to achieve our KPIs. Moreover, our climate actions, which include initiatives to save, generate and reuse energy, and joint efforts with suppliers across the supply chain, have been well received by CDP, an international non-profit organization that runs a global environmental disclosure system, and we have been named as an A List company (highest rating) in climate change and Supplier Engagement Leader, following on from the previous year.