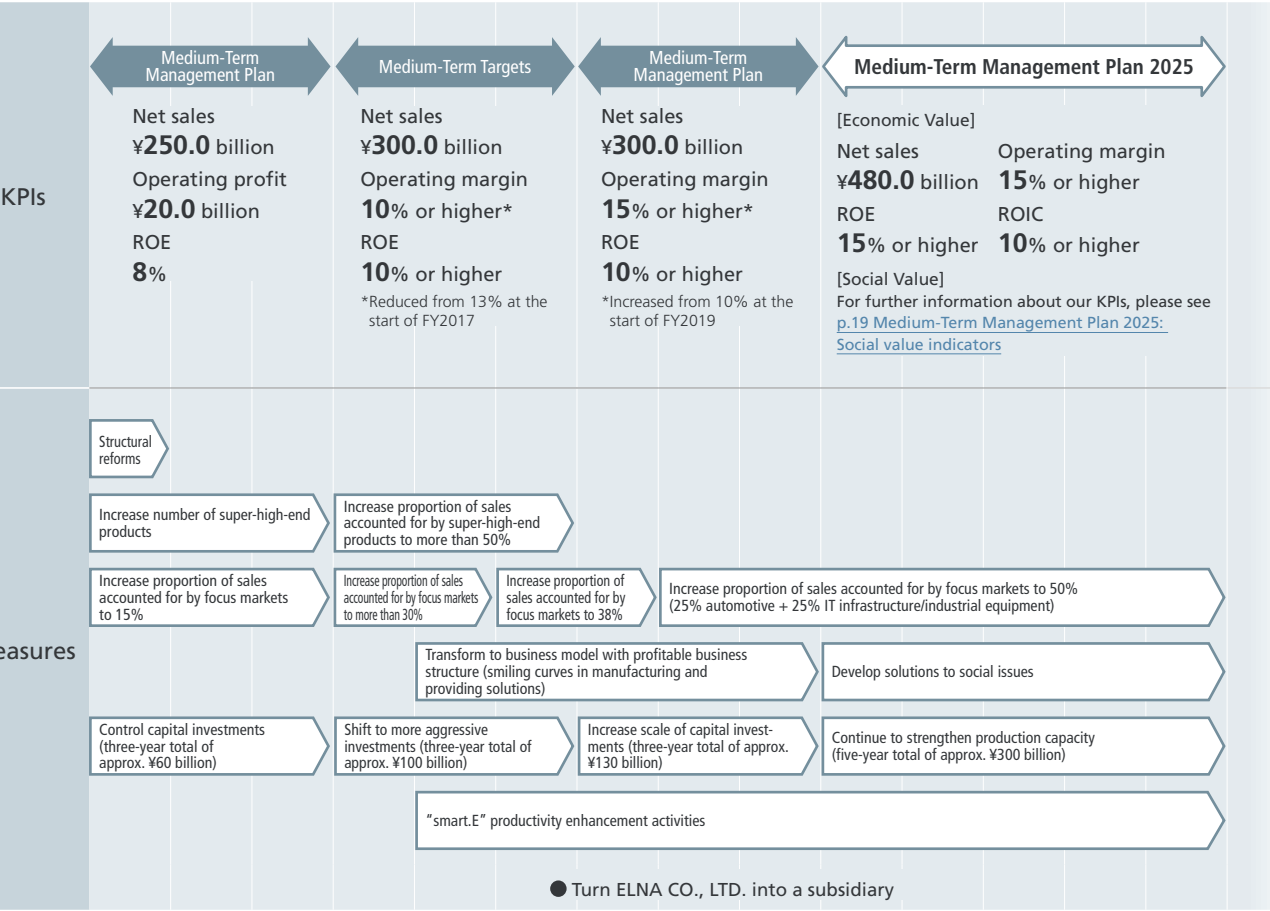
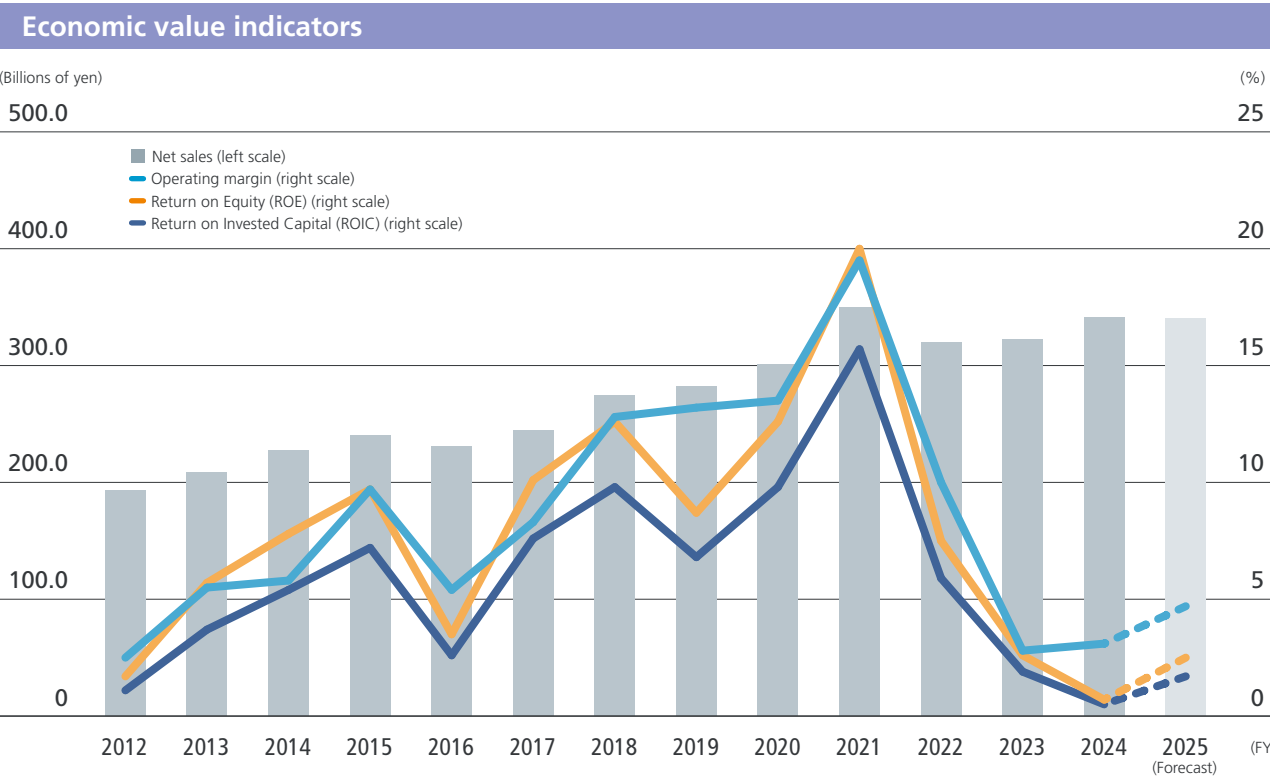


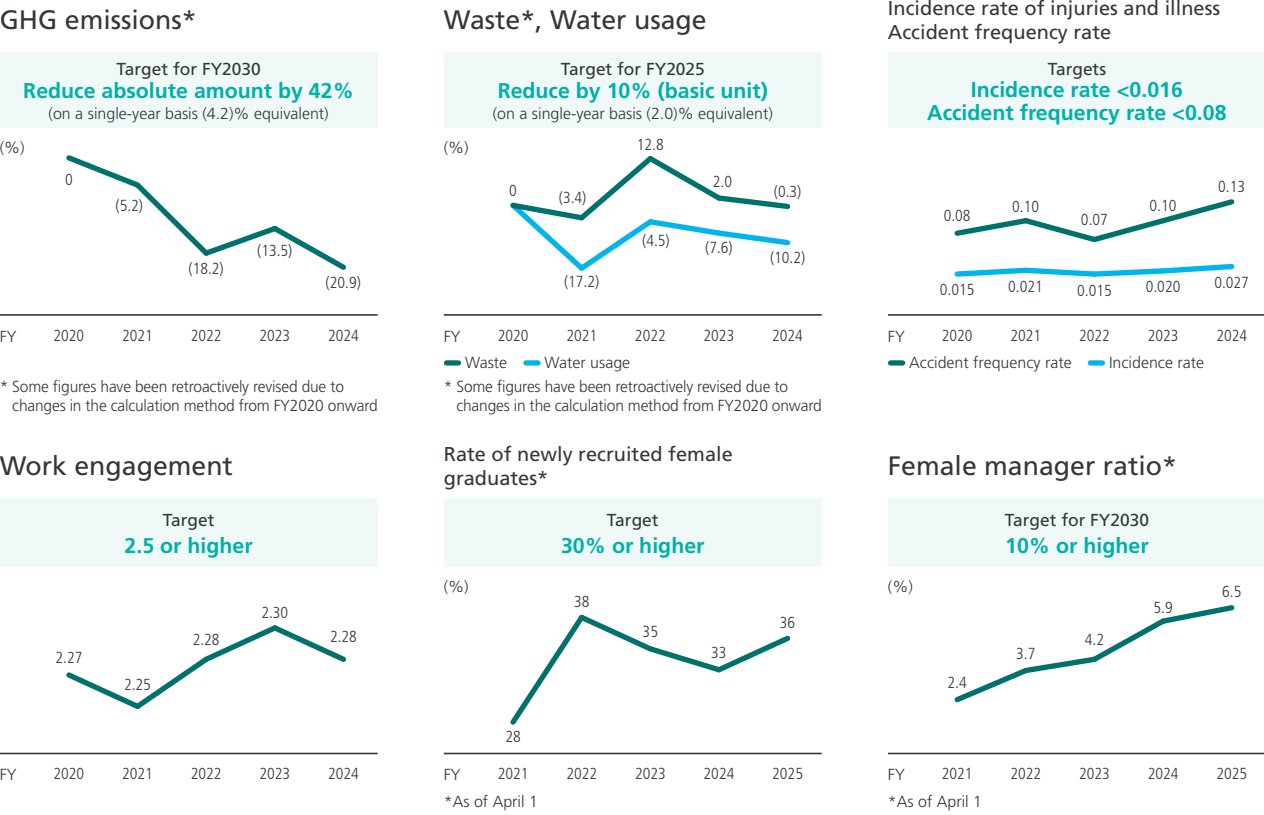
Medium-Term Management Plan 2025

(FY2021–FY2025)

Trends and Targets of the KPIs



Social value indicators



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, and the like. We have also been advancing a capital investment plan of ¥300 billion over the five years from FY2021, the first fiscal year of the plan.

In FY2021, against the backdrop of favorable market conditions, we exceeded our final targets for operating margin, ROE, and ROIC, achieving a strong start. However, in FY2022, demand for electronic components declined sharply, resulting in a deterioration of key management indicators. In FY2023, demand for information equipment and for IT infrastructure and industrial equipment markets did not recover, and the percentage of sales accounted for by our focus markets was 48%, falling short of the 50% target. In FY2024, although demand recovered mainly in information equipment and IT infrastructure and industrial equipment markets, the prolonged downturn in demand since the second half of FY2022 and the impact of prior investments make it unlikely that we will achieve our economic value targets in FY2025, the final year of the plan. Nevertheless, we are steadily advancing our business activities. In particular, demand

for multilayer ceramic capacitors (MLCCs), inductors, and other high-value-added products remained strong, and the percentage of sales accounted for by our focus markets once again reached 50% in FY2024. While we have been advancing efforts according to the capital investments plan up to FY2024, we will limit capital investments in FY2025 to create free cash flow. As such, we expect to fall short of our initial capital investment plan of ¥300 billion cumulatively over five years. Additionally, we will continue to expand our production capacity, with a focus on AI servers and automobile applications.

With respect to our KPIs concerning social value, we have achieved our target for the percentage of newly recruited female graduates, as we did in the previous year, while also making steady improvements to the female manager ratio. Meanwhile, while reductions in GHG emissions and water usage have progressed steadily, waste reduction has lagged behind our plans, and improvements in the accident frequency rate and work engagement remain at a standstill. Going forward, we will continue to keep pushing to achieve our KPIs. Our climate actions, which include initiatives to save, generate and reuse energy, and efforts based on the TCFD recommendations, have been well received by CDP, an international non-profit organization that runs a global environmental disclosure system, and we have been named as a CDP's Climate Change A List Company for the third consecutive year in FY2024. Moreover, we have obtained SBT accreditation for our GHG reduction target, and we will accelerate our initiatives with scientific backing.