

A decorative graphic on the left side of the page, consisting of a large number of small, light blue logos arranged in a curved, upward-pointing shape, resembling a stylized 'Y' or a series of overlapping paths.

# New Medium-Term Management Plan for FY2023–FY2025

May 12, 2023

## Basic Philosophy

Although global economic activities are returning to normalcy at an increasing rate of speed due to the implementation of policies formulated to facilitate pragmatic lifestyles during the COVID-19 era, economic conditions are expected to remain unpredictable due in part to geopolitical risks, high energy and resource prices, ongoing inflation, persistent economic friction between the US and China, and financial instability. Despite this uncertainty, Yamaichi Electronics does not expect circumstances to be entirely unfavorable, partly because many markets are growing and a large number of new products are being created.

During the period covered by the Medium-Term Management Plan, we will further deepen our application of growth strategies and structural reforms as we aim to grow as a company while continuing to meet the needs of our customers. At the same time, we will further strengthen our financial position and reinforce our management base to facilitate future growth as we strive to achieve our management goal of becoming a company with a strong vision for the future.

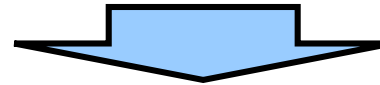
Under this Medium-Term Management Plan, we will aim to achieve net sales of over 50,000 million yen and operating income of more than 10,000 million yen in FY2025 as we strive to become a company that is always capable of adapting to ongoing change. Meanwhile, we will also concentrate on generating growth in priority markets and expanding our core businesses through proactive capital investment; team up with customers across the globe to create products that will lead humanity into the future; and strengthen sustainability management.

# Basic Policy/Management Goals

Proceed even further with policies of our previous Medium-Term Management Plan

Basic policy

Create products that will for the future through global collaboration with our customers



Grow into a company that provides products and services that satisfy customers

Management goals

**For FY2025**

- Strengthen business competitiveness and achieve sustainable growth
  - Further raise productivity and establish a stable supply system
  - Establish mutually beneficial relationships between people, organizations, and society
- ⇒ Become a company with a strong vision for the future

# Basic Strategy

**Growth strategy: Develop and expand core businesses and venture into new business fields: growth markets/regions, active customers, and profitable products**

1. Concentrate on generating growth in priority markets and expanding our core businesses
2. Create and serialize global niche top products
3. Contribute to the resolution of social issues through business activities

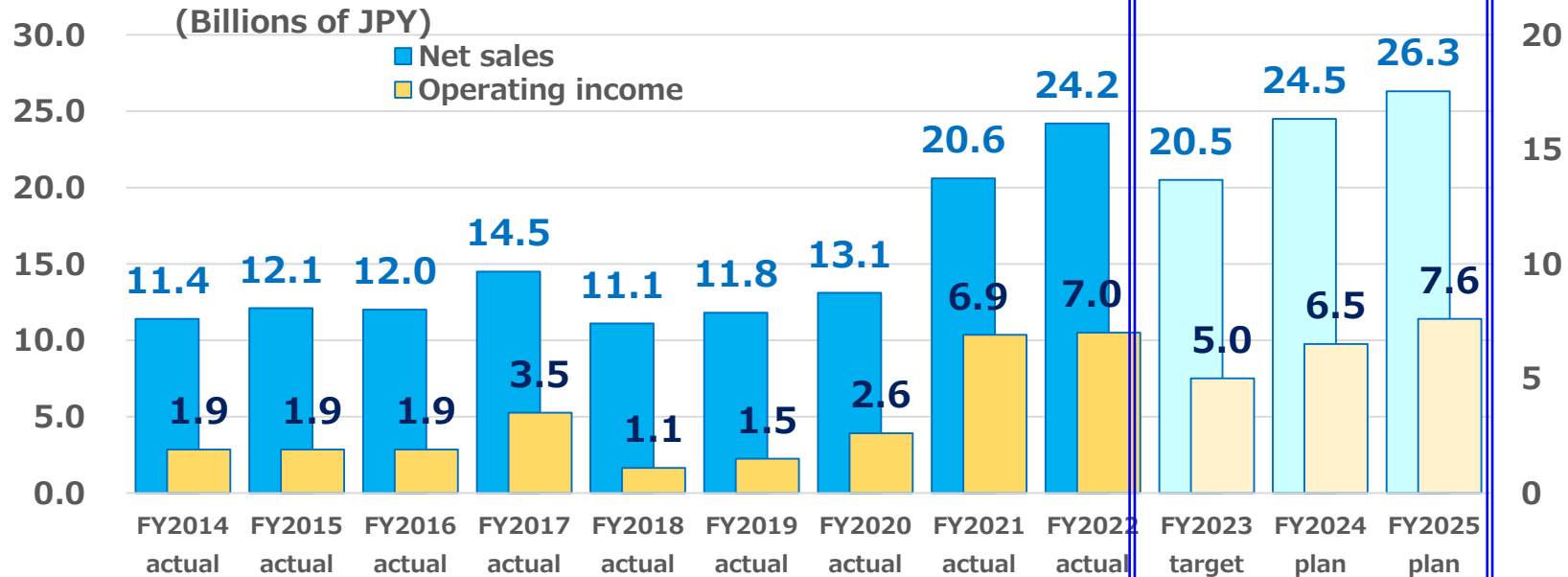
**Structural reforms: Become a corporate entity capable of consistently adapting to ongoing change**

1. Strengthen our global management system
2. Improve the sophistication and efficiency of global manufacturing
3. Fortify global systems

# Test Solutions Business Targets

Net sales

Operating income



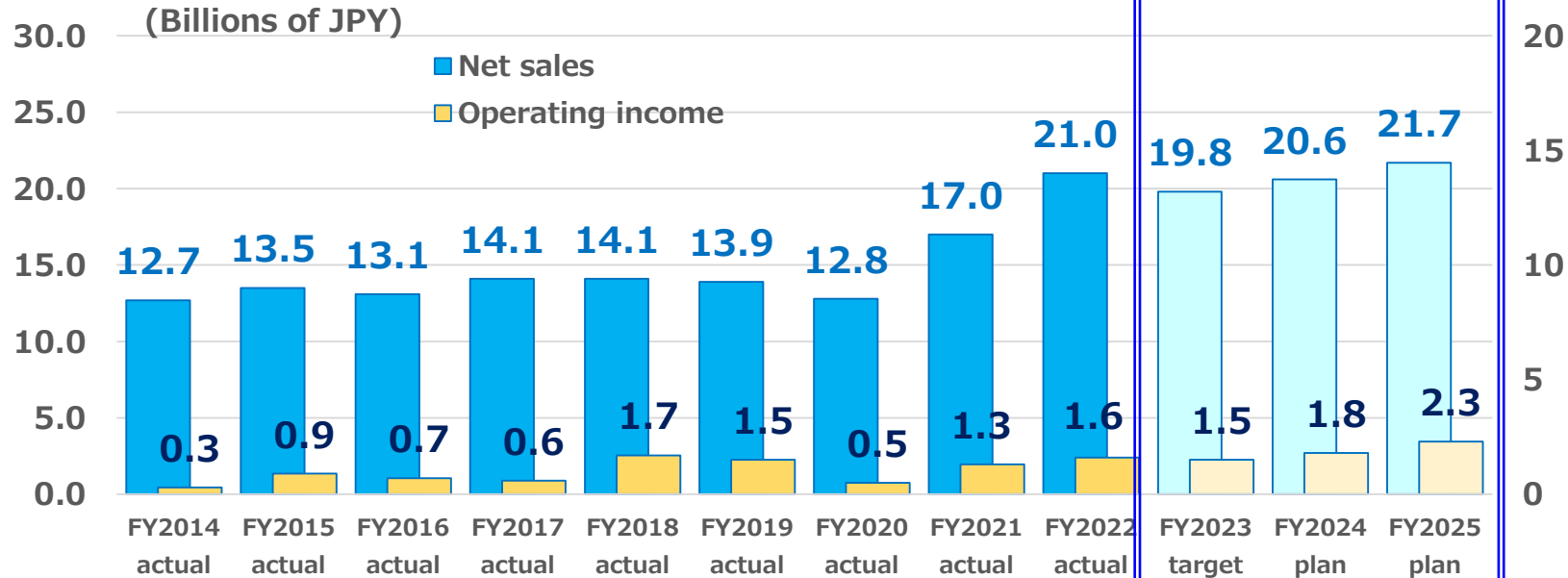
## ◆ Growth strategy

Address next-generation semiconductor requirements through component production technologies that evolve in step with growth and evolution in the semiconductor market and an integrated in-house production system

- **Burn-in memory:** We have achieved growth through products with PC/server-related applications and will keep pace with growth in the memory market and generational shifts associated with memory semiconductors moving forward.
- **Burn-in logic:** Having generated growth through products with applications related to in-vehicle advanced driver-assistance systems (ADASs), we will push forward with an expansion of our selection of next-generation semiconductor-related products that support automatic driving and intelligent transportation systems, which are technologies for which markets are projected to grow as time progresses.
- **Test socket:** In the past, we have achieved growth through smartphone and PC-related products. In the future, we will aim to enter the testing market for next-generation logic semiconductors.

# Connector Solutions Business Targets

**Net sales**



**Operating income**

## ◆ Growth strategy

Invest intensively in priority markets (telecom/datacom, automotive, FA/industrial) while further refining core technologies and creating global niche top products

- With regard to the telecom/datacom market, we will leverage industry-leading high-speed transmission technology while striving to develop products that support next-generation platforms ahead of our competitors.
- We will target further expansion in European markets and aim to enhance our selection of semiconductor manufacturing equipment segment products by enlarging our lineup of I/O connector products with industrial applications.
- We will strive to expand into the electric vehicle (EV) solutions field and enlarge our lineup of products that meet next-generation high-speed transmission standards for advanced driver-assistance and automated driving systems.

# Action Items

1. Strengthen our customer support system and enhance customer satisfaction

2. Create niche top products and become a market leader

3. Build systems that ensure unrivaled quality

Conduct timely development of environmentally friendly, high-quality products that fulfill the needs of customers, thereby ensuring the creation and delivery of satisfying commodities.

4. Restructure our global supply chain and establish a flexible production system

5. Cement our status as an environmentally friendly company

6. Rethink workstyles to create a comfortable corporate climate and agreeable working environments

# Reinforcement of Production Bases



Planned exterior view of Sakura Factory Building No. 2 in Chiba Prefecture



Planned exterior view of our third factory in the Philippines

**Raise the sophistication of our manufacturing and improve our production capabilities and efficiency**

## ◆ Investment in new factories

- Construction of Sakura Factory Building No. 2 Scheduled April 2024 launch
- Construction of third factory in the Philippines Scheduled April 2024 launch

In response to rising global demand for semiconductors, we will start up these factories as quickly as possible and achieve improvements in production capabilities and efficiency, thereby establishing a stable supply system for semiconductor test sockets and ensuring prompt and efficient response to diversifying customer needs associated with telecom/datacom technologies, automotive devices, and industrial equipment. Furthermore, we will encourage the use of natural energy for production moving forward.

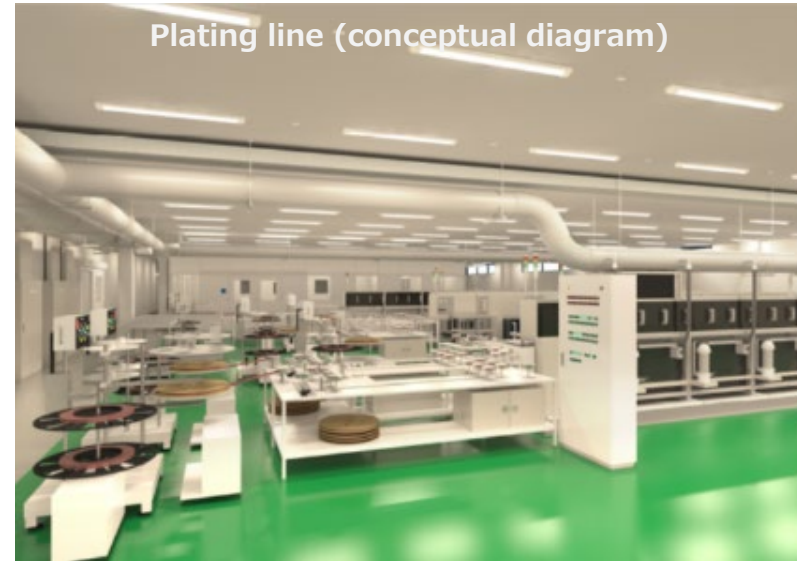


# Enhancement of Manufacturing

Progressive press line (conceptual diagram)



Plating line (conceptual diagram)



Raise the sophistication of our manufacturing and improve our production capabilities and efficiency

- Further reinforcement of our domestic production system
- Achieve advancements in manpower-saving production using robots while expanding production and bolstering our ability to respond to changes in production levels
  - ⇒ Shorten lead times, improve efficiency, and minimize logistical burdens through an integrated production system
- Increase the visibility of production progress and manage traceability while ensuring stronger and more flexible customer support
- Quality target: Production failure rate of 0.09% or less

# Basic Sustainability Policy

Leveraging the dynamic technological capabilities and imaginative powers developed since its founding, the Yamaichi Electronics Group has always responded to the current requirements of its customers. Moving forward, we will further broaden our commitment to sustainability as we collaborate with stakeholders to establish sustainable societies and build a better future.

In pursuit of these goals, we will apply the principles of our management philosophy (respect for people, maximizing corporate value, improving corporate quality, becoming a technology-driven company, and fulfilling our role in society) to create a beneficial, self-perpetuating, and social value-creating cycle through which we enhance the economic values of our products by providing technologies that facilitate the resolution of social issues.

Yamaichi Electronics Group will continue contributing to a sustainable future by ambitiously establishing strong connections between people, companies, society, and the Earth.

## Key issues associated with integrated management (financial and non-financial strategies)

### Material issues

1. Contributing to the resolution of social issues through our business operations
2. Undertaking initiatives to reduce environmental impact
3. Managing human resources
4. Strengthening governance

# Sustainability Promotion System

## Board of Directors

Reporting   Supervision and approval

## Sustainability Committee

Chairperson: President

Members: General Manager, Administration Division

General Manager, Manufacturing Division

Executive office  
Sustainability Promotion Section, Corporate  
Administration Department

Reporting   Instruction

Business divisions, production divisions,  
administrative divisions, and group companies

Topics for deliberation within the Sustainability Committee are proposed by the Sustainability Promotion Division of the Corporate Administration Department, which was established in December 2022. In March 2023, we established a system through which resolutions approved by the Sustainability Committee are reported to the Board of Directors.



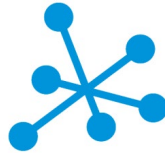
To ensure the achievement of our targets in FY2024 and FY2025, we will conduct proper management of our progress toward these objectives. If actual results diverge from these targets, or if we discover potential for improvement, the Sustainability Committee will play a central role in establishing and maintaining a suitable PDCA cycle that will facilitate the achievement of our performance goals.

# Sustainability Management

Contributing to the resolution of social issues through our business operations

## Products and solution services

- Semiconductor sockets



**NETWORKING**

- Connector
- Flexible cable

- Filters
- Laser source

Achieving digitalization that increases the speeds, capacities, and power efficiencies of networks and contributes to the establishment of social infrastructure



**AUTOMOTIVE**

Creating safe and clean automotive societies while helping develop new mobile cities



**INDUSTRIAL**

Supporting advancements in IoT technology while helping develop automation technologies and control systems that address issues related to labor demographics

## Addressing social issues through all corporate activities

### Environmental

Chemical management  
Use of sustainable resources  
Climate change action

### Social

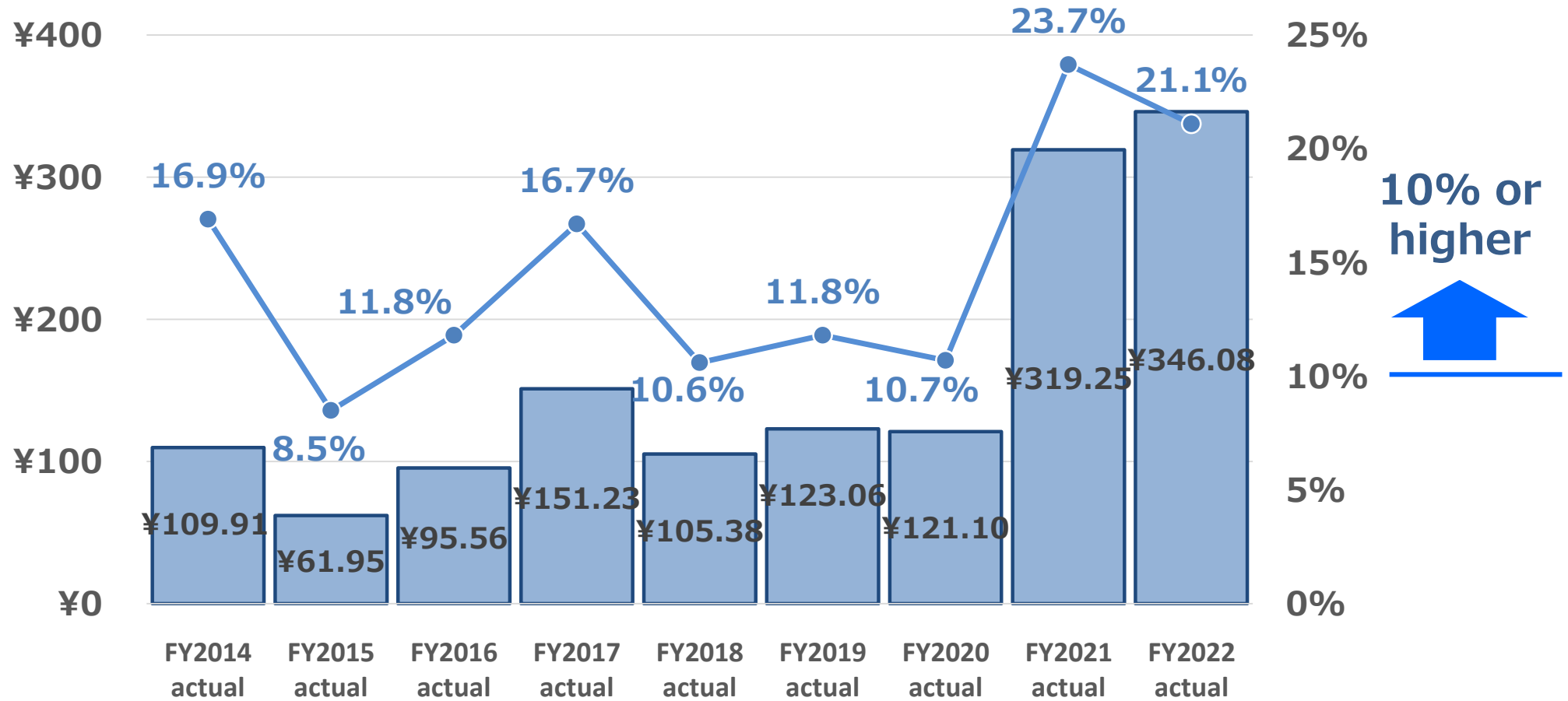
Ensuring safe and secure workplaces  
Enforcing respect for humanity  
Maintaining a harmonious coexistence with local communities

### Governance

Transitioning into a company with an Audit and Supervisory Committee  
Enhancing information security  
Strengthening support for business continuity planning (BCP)  
Ensuring fair trade practices

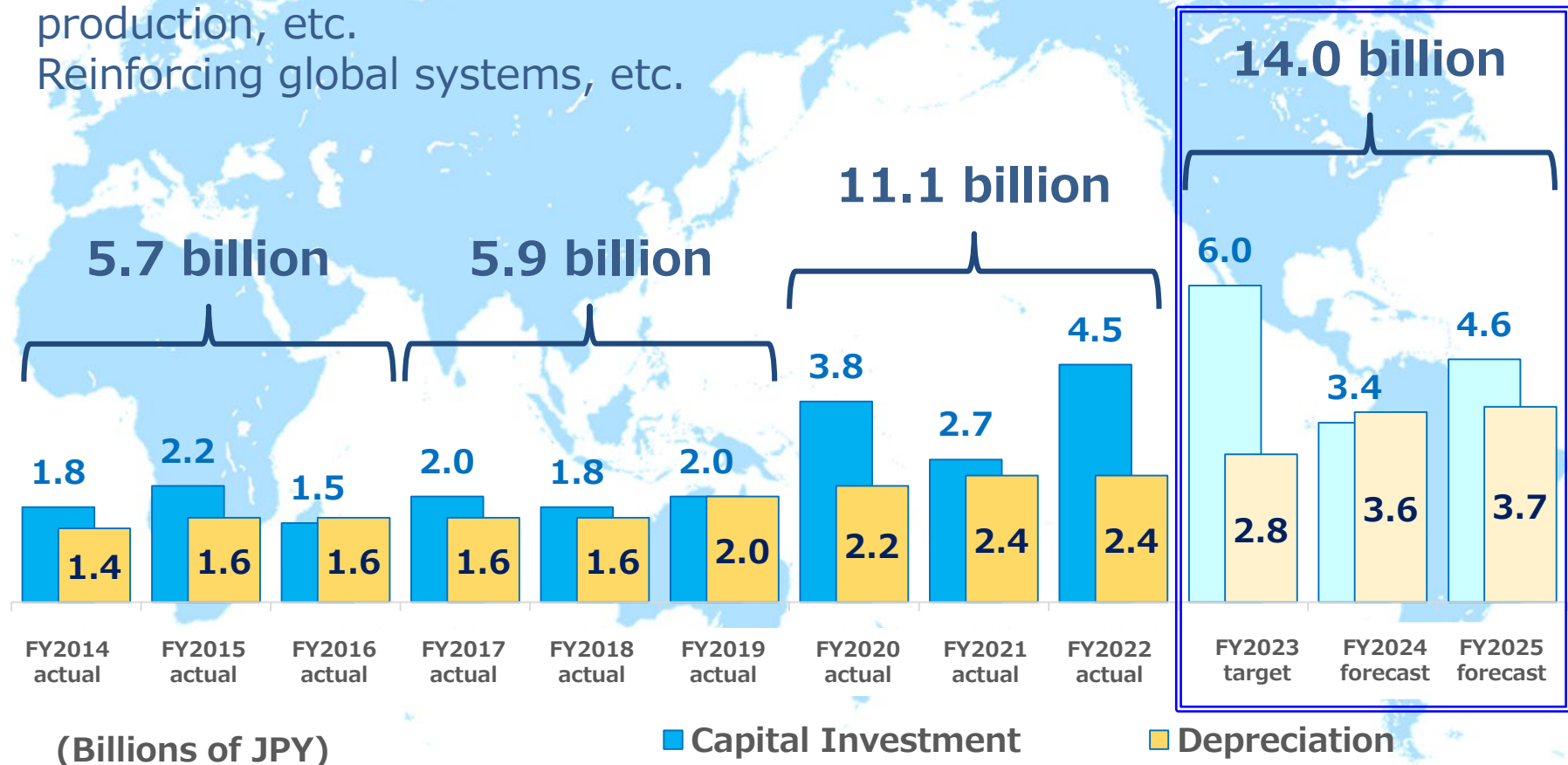
# ROE

## Target: 10% or higher

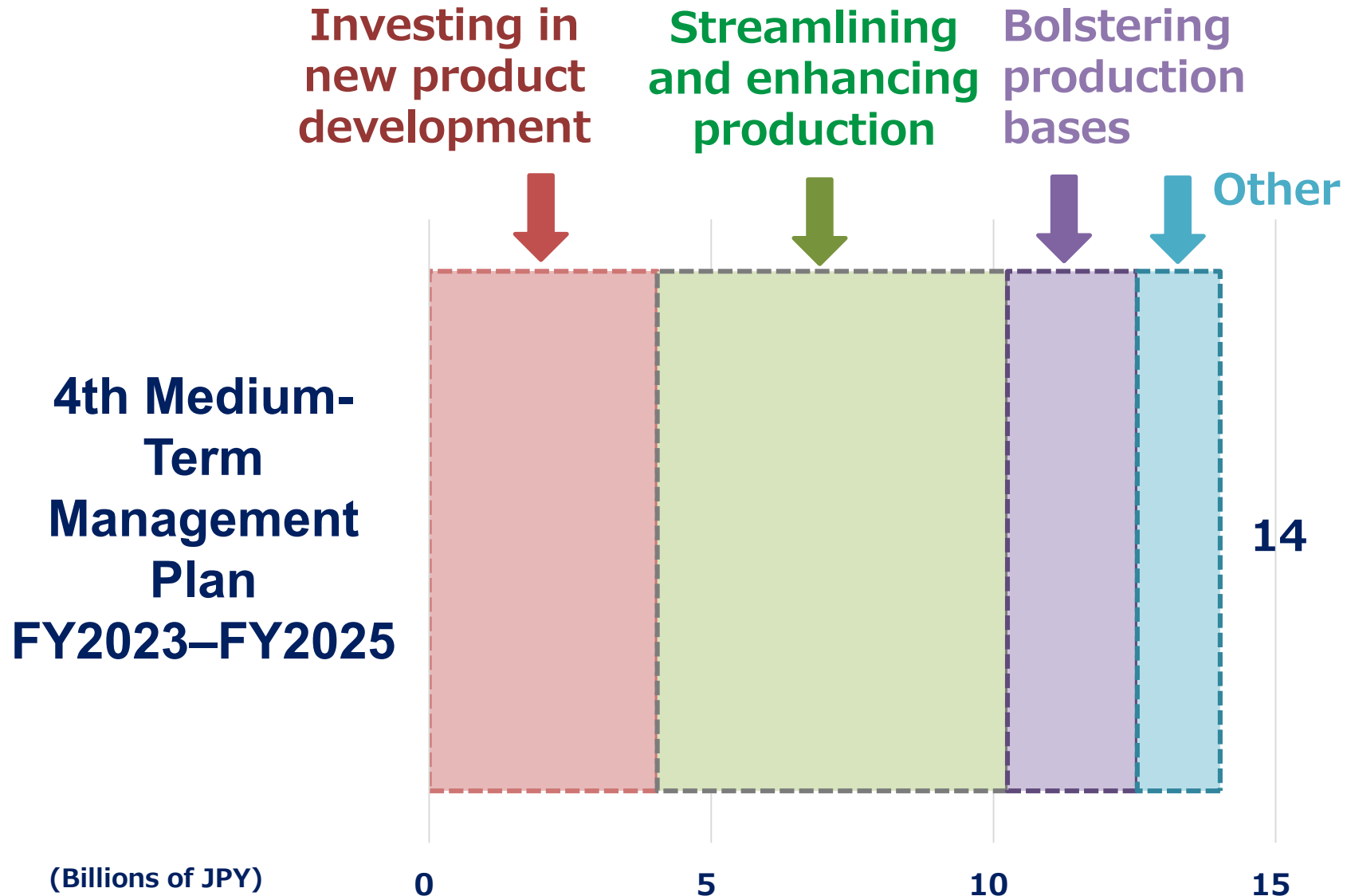


# Capital Expenditure (Proactive Investment Planned)

- Investing in new product development: Strengthening development of global niche top products
- Bolstering production bases: Japan, Germany, the Philippines, etc.
- Streamlining and enhancing production: expanding robotic production, etc.
- Reinforcing global systems, etc.



# Capital Expenditure (Breakdown)



## Capital Policy for the Period Covered by the New Medium-Term Management Plan

**We will aim to improve our capital efficiency and corporate value while ensuring financial stability.**

- 1) Achieve a consolidated dividend payout ratio of least 30%**
- 2) Flexibly conduct share buybacks to achieve a total return ratio of 40% or more**

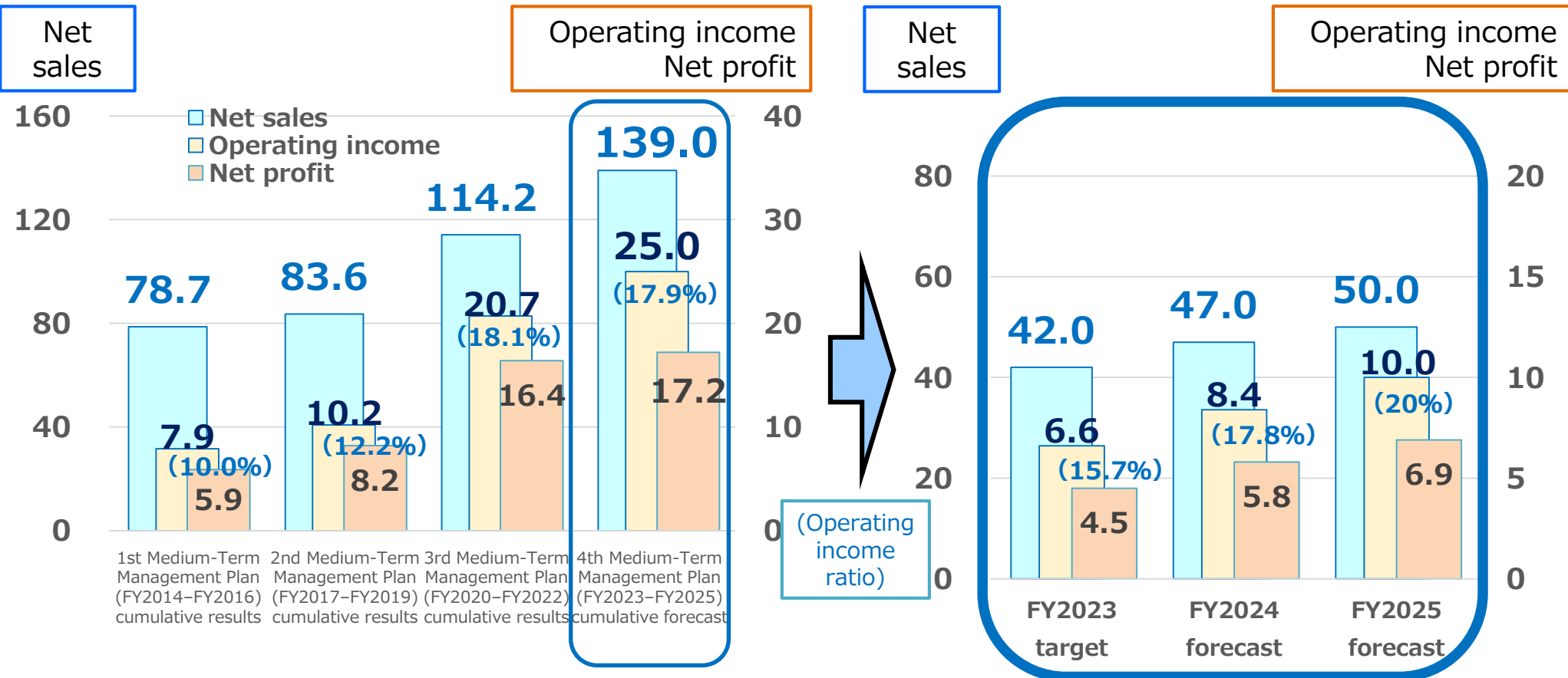


# Targets for fiscal years 2023–2025

◎ Three years total

• Net sales : 139 billion

• Operating income : 25 billion



We will aim to achieve annual net sales of over 50 billion yen and annual operating income of more than 10 billion yen in FY2025.

# Thank you for your attention.

## Disclaimer

**This material is intended to provide information on the Group's business, management strategies, and performance that is current as of May 12, 2023. It is not intended as a solicitation to invest in securities issued by the Company.**

**The opinions and forecasts contained in these materials are based on our own judgments, which were made while preparing these materials. Accordingly, we do not guarantee or promise the accuracy or completeness of these opinions or forecasts, which are subject to change without notice.**

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