

# 2025 Long-Term Vision

We will identify areas where demand is expected to grow and where the TATSUTA Group can make the most of its strength and concentrate our combined efforts on these areas.

In order to become a niche top supplier that provides unique cutting-edge parts and materials, we will actively invest in the fields which are expected to achieve market expansion, namely, functional paste and medical equipment materials in pursuit of growth. For other existing business fields, we will implement strategies such as promoting investment to help enhance efficiency and expanding product groups that match customer needs to pursue the optimization of profit earning.

## Overview of the 2025 Long-Term Vision

Qualitative objective

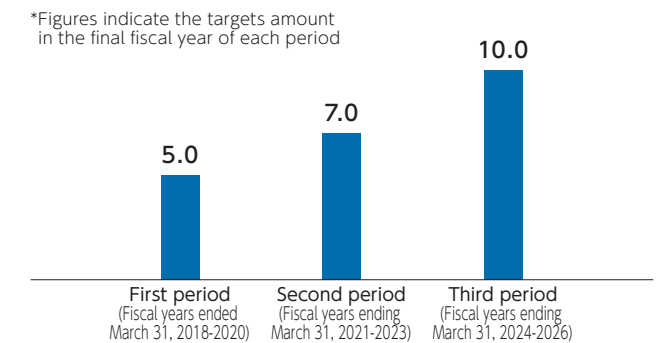
TATSUTA will explore the frontiers of electric wire and electronic materials with the aim of becoming a niche top supplier that provides unique cutting-edge parts and materials.

Quantitative objective

While maintaining high profitability, we will grow the scale of the corporate group by another digit (net sales of 100.0 billion yen and operating income of 10.0 billion yen in the fiscal year ending March 31, 2026).

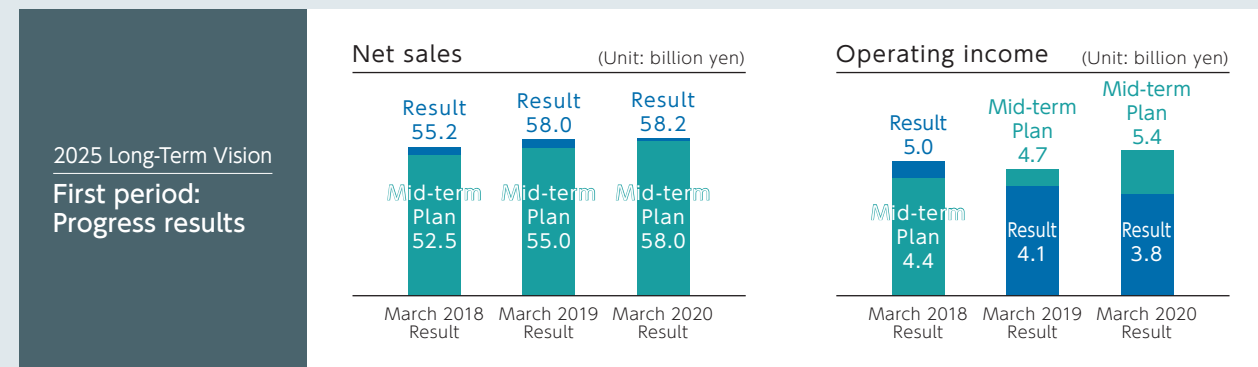
### Target operating income

(Unit: billion yen)



2025 Long-Term Vision First period: Progress results Second period: Policies	Roadmap to 2025			
	Period	First period (Fiscal years ended March 31, 2018-2020)	Second period (Fiscal years ending March 31, 2021-2023)	Third period (Fiscal years ending March 31, 2024-2026)
	Challenge	Establish the business foundation	Shift to mass production of new products	Increase production of new products and contribute to revenue
	Investment and lending	21,000 million yen over 3 years (of which 12,000 million yen held in reserve)	24,000 million yen over 3 years (of which 12,000 million yen held in reserve)	28,000 million yen over 3 years (of which 12,000 million yen held in reserve)
	Target operating income	Fiscal year ended March 31, 2020: 5,000 million yen	Fiscal year ending March 31, 2023: 7,000 million yen	Fiscal year ending March 31, 2026: 10,000 million yen

(Note) "Held in reserve" refers to allowances for strategic investment, including M&A investment designated under the Long-Term Vision. These amounts are set for the nine year period from April 1, 2017 to March 31, 2026, within a range that does not compromise balance sheet soundness.



(Note) The announcement of the Mid-term Plan for the second period has been postponed due to the difficulty of making reasonable forecasts of medium- and long-term sales environments, etc. This is because the expected global expansion and protraction of the COVID-19 pandemic is resulting in given ongoing significant changes in demand assumptions for TATSUTA's core products.

2025 Long-Term Vision Second period: Basic policies	1. Thoroughly implement measures to prevent the spread of COVID-19, and fulfill our responsibility to maintain supply to our customers, while securing the safety of our employees and society.	
	2. Promote operational and production innovation and transformation of the business model through DX.	
	3. Link social changes and issues such as 5G and carbon-neutral to business opportunities.	
	4. Promote business expansion through alliances with startups, M&A, etc.	
For-profit businesses	Maintain and expand existing market share, improve product mix, improve production efficiency, expand business into peripheral fields and strengthen sales capacity to achieve that expansion, etc.	
For-growth businesses	Develop and launch new products, promote alliances with startups and other external companies, etc.	
Mid- to long-term development businesses	Expand sales volumes, enhance sales systems, strengthen cost competitiveness, etc.	

2025 Long-Term Vision	Business Development			
	For-profit businesses	Electric wire and cable business	Electric wire and cable business, domestic equipment wire business	Promote investment to help enhance efficiency and enhance product groups that meet customer needs to pursue the optimization of profit earning.
		Electronic materials business	Functional films business, fine wire business	
		Other businesses	Sensor business, environmental analysis business	
	For-growth businesses	Electronic materials business	Functional paste business	Actively implement investment in business development, production increases, etc. to pursue greater scale and expand revenue.
		Other businesses	Medical equipment materials business	
Mid- to long-term development businesses	Electric wire and cable business	Overseas equipment wire business	Focus on establishing the business foundation at present and pursue greater scale and expanded revenue in the future.	

Requirements for parts and materials, such as electric wire and electronic materials, become more segmented and sophisticated in fields such as the IoT and robotics, in-vehicle equipment, medical equipment, etc.

TATSUTA's Vision for 2025	Qualitative objective	Quantitative objective					
	Expand our businesses globally in the fields of electric wire, electronic materials, and related parts and materials. In particular, explore the frontiers of products for the IoT and robotics, in-vehicle equipment, medical equipment, etc., for which needs are expanding and becoming more segmented and sophisticated. Become the top share supplier in multiple advanced, niche fields as a corporate group that customers trust.	While maintaining high profitability, we will grow the scale of the corporate group by another digit.					
	<table border="1"> <thead> <tr> <th colspan="2">2025 Targets</th> </tr> </thead> <tbody> <tr> <td>Net sales</td> <td>100.0 billion yen or greater</td> </tr> <tr> <td>Operating income</td> <td>10.0 billion yen or greater</td> </tr> </tbody> </table>		2025 Targets		Net sales	100.0 billion yen or greater	Operating income
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