

VALUE INNOVATION 2019

FY2017-2019 3 Year Management Plan

Challenge, Value, Teamwork



VI 19

April 2017
Tokai Electronics Co.,Ltd.

About Our 3 Year Management Plan “VI19”

Tokai Electronics group has been working on business development in automotive market and enhancement of our global network under the preceding two 3 year management plans of “Business Revolution 2013” and “Global Action 2016” with the aspiration to be a “Best Partner of Customer”.

We are pleased to announce the 3rd 3 year management plan “Value Innovation 2019 (VI19)” from FY2017 to create new values for both customers and us on the achievements from the two preceding management plans.

Under VI19, all of Tokai members are committed to provide various solutions to meet customers’ requirements in the growing business field of electronics globally.

Business Fundamentals

- Business shift from Japan to worldwide
- Change in car and demand for ecology
- Progress of “4th industrial revolution
- Change in traditional business model
- New economic power such as China, India
- Reorganization in the industry

Our Strength

- ✓ **Solution :** Device, Software and System
- ✓ **Global Network :** Coverage of Japan and Worldwide
- ✓ **Quality and Technology :** Quality Management, Engineering Support

Value Innovation 2019 Outline

VI 19

◆ Outline

On the basis of the result of the previous Global Action 2016,

1. New Value Creation

~to become the only one partner~

2. Contribute to make better life and environment

~Focus on social and life infrastructure such as
Auto, Medical, Environment and Energy~

We set and execute actions to realize them above.

◆ Target figures in FY2019 (JPY)

- Consolidated Sales: 44,000M
- Ordinary Profit: 1,200M

Value Innovation 2019 Key for Success

1. New Value Creation *~to become the only one partner~*

- ①Let's work to create new value <solution> !
- ②Let's become a global person !
- ③Let's expand software business !
- ④Let's target better and healthy financial status (B/S) !

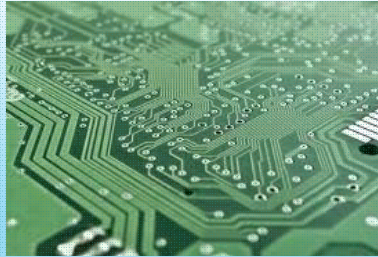


2. Contribute to make better life and environment

~ Focus on social and life infrastructure such as Auto, Medical, Environment and Energy ~

- ①Let's be a professional of auto and its applications !
- ②Let's make our own new value with sensors, materials, software and so on !
- ③Let's contribute in medical and environment/energy field to realize sustainable society !

Tokai Electronics Ideal Status toward FY2019



We are professionals in electronics.

- To apply various possibilities of electronics to Automotive, Factory Automation and Medical.



We are strong players in worldwide market.

- To provide solutions seamlessly in collaboration with our global offices.



We pursue new values.

- To create new values as a “Best Partner for Customer”.

Our activities : Initiatives in Automotive Sector



【The 9th Automotive Electronics Technology EXPO】 (@Tokyo Big Sight)

- We participated from the 1st EXPO and proposed various solutions for Automotive electronics.
(Jan.2017: At our booth exhibition)

【 Solar Car Project】

- The 3 Year Project made a Solar Car with the supports from our partners.
- Young Tokai members had a valuable experiences of production in the project.
(Dec. 2016 : After successful test run)

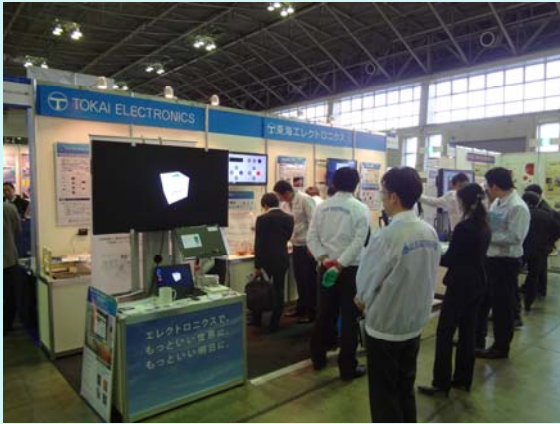


Our Activities: To be a Global Partner of Customer

*Support in Engineering, Quality
and Procurement !*



Our Activities : Development of New Technology, Medical



【The 3rd Medical Messe Nagoya】

(@ Fukiage Hall)

- We proposed various sensor devices applicable to growing medical and healthcare field.
 - Members of Medical Project organize and participate in the EXPO every year.
- (Dec. 2016 : At our booth exhibition)**

【Workshop for new technology】

- We are working on development new technologies at all our global offices.
- We always do not compromise on quality and provide customers with quality improvement support including training and audit.



Division and Internal Company Strategy

Japan Sales Div.

Kanto-Koushinetsu Company

- Enhancement of Automotive Business
- Growing market (Medical, ECO, FA)

Chubu-Kansai #1 Company

- Solution by IoT application
- Enhanced expertise in FA ,Medical

Chubu-Kansai #2 Company

- Enhancement of Automotive business
- Professional personnel in Automotive

System Solution Company

- System solutions by IoT application
- Enhancement in Aerospace Industry

Oversea Sales Div.

Oversea Solution Company

- Strategic action in each regional market
- Enhancement of engineering function
- Best solutions to meet each customer's needs

Marketing Div.

- Project management
(Medical, Energy etc.)

Engineering Div.

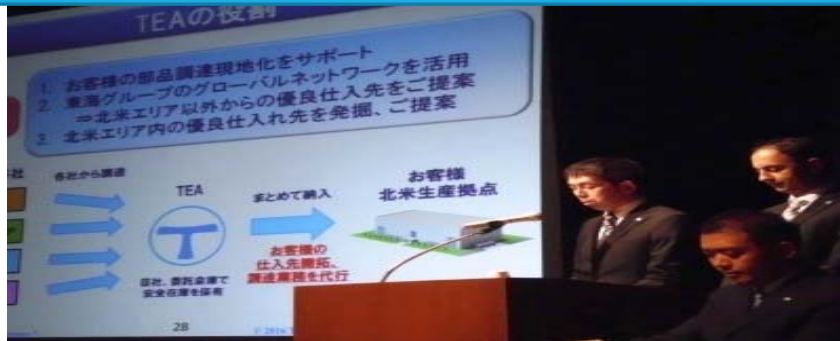
- New car technology engineering
- Proposal for new application

Administration Div.

- Education for global business personnel, Enhancement of risk management
- Strengthen healthy financial status

Investor Relation・Corporate Social Responsibility

IR/ Summer Seminar



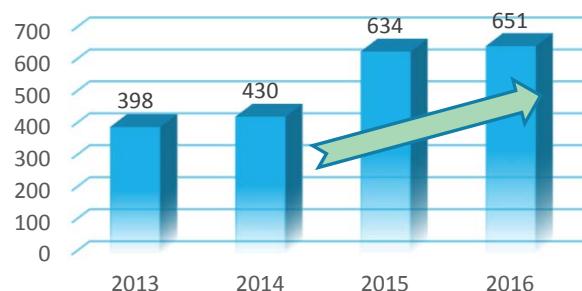
Every year, we participate in the IR seminar at Chuden Hall in the summer. We present our business activities and achievement to investors. A presentation by a national staff from our foreign office was received well and attracted attention from audiences.

CSR : Sustainability

We obtained ISO 14001 certificate for all Japan domestic offices in 2004. Subsequently, five of our foreign subsidiaries obtained the certificate as of today. We make every effort to reduce burdens to the environment such as electricity and disposals. We participate various CSR activities such as volunteer or donations. In the business, we promote Eco-friendly products as per the company's policy of sustainability management.



IR EXPO by Nagoya Stock Exchange



Investors' visit to Tokai Booth

We participate in IR EXPO by Nagoya Stock Exchange at Fukiage Hall every year. The EXPO is a good opportunity to have communications with investors and make Tokai known.



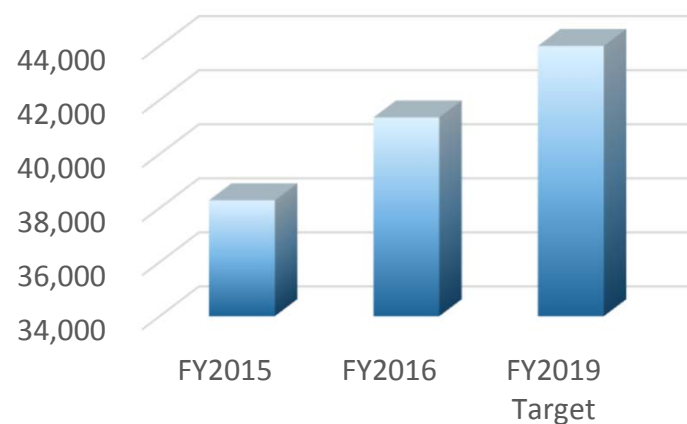
Target Figure

3 Year Plan Target Figure

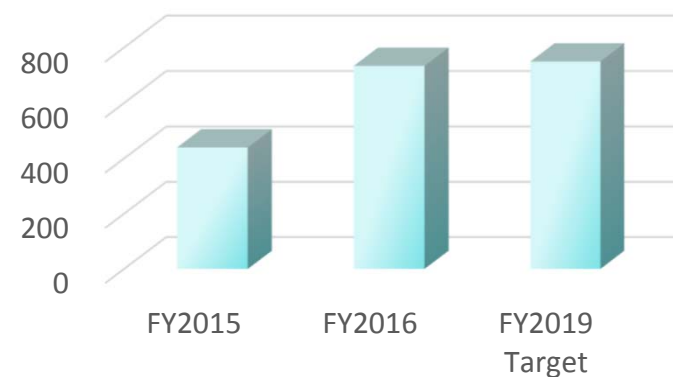
【Consolidated, Unit : M JPY】

	FY2015	FY2016	FY2019 Target
Sales	38,288	41,309	44,000
Operating Income	916	1,005	1,200
(Operating Income Ratio)	2.4%	2.4%	2.7%
Net Income	439	731	750

Sales



Net Income



Better world, and better future by electronics

VI 19