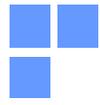


IRISO ELECTRONICS CO.,LTD.

Mid-Term Management Plan
(FY2020 – FY2022)

August 4, 2020



Management Principles

Progress to the next stage, Strive toward true globalization.

**Customer First
Become the
Industry Leader**

~Utilize our knowledge and
experience to assist the customer~

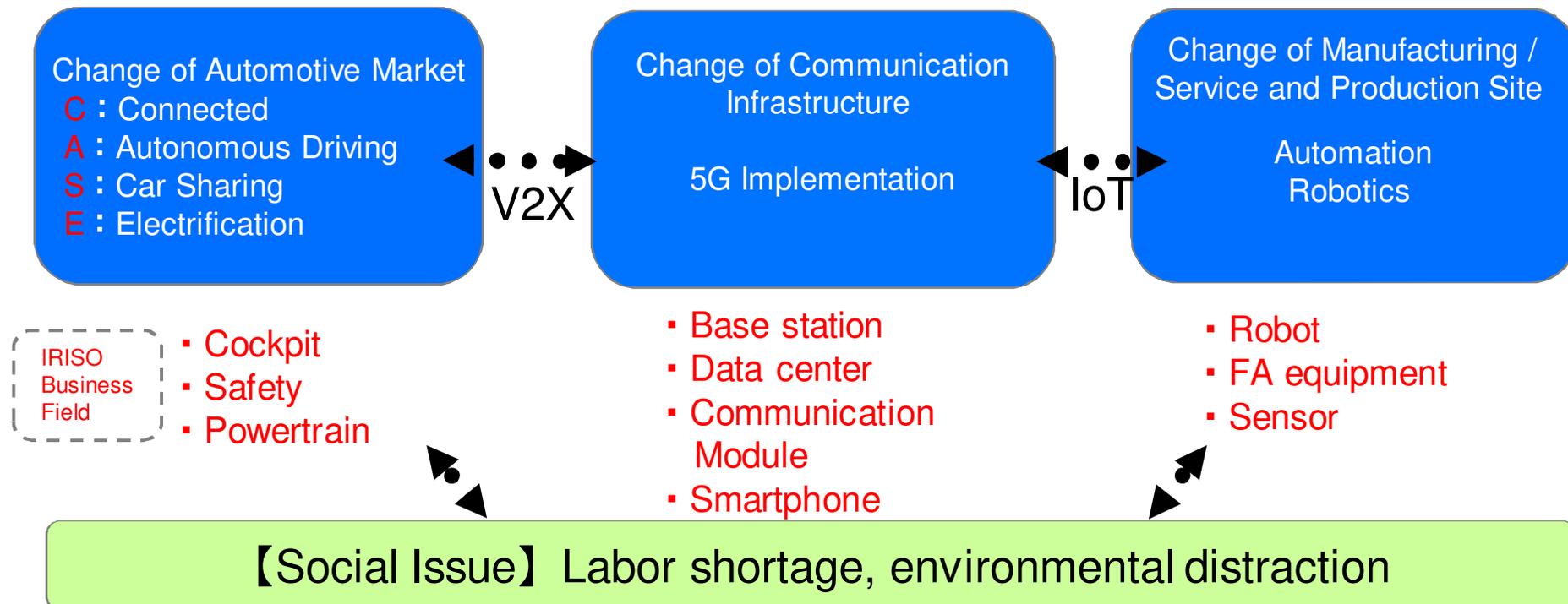
Continue to employ the 3G6S management philosophy
Fusing the spirit of IRISO members from 13 countries

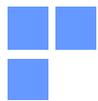
Mustering the Full Power of Team IRISO



Global market change and its further integration
⇒ Rapid expansion of Iriso business field

Supply products and solutions with more functions and values added to our strong technology “Floating” and “Auto I-Lock™”





3. Performance Target

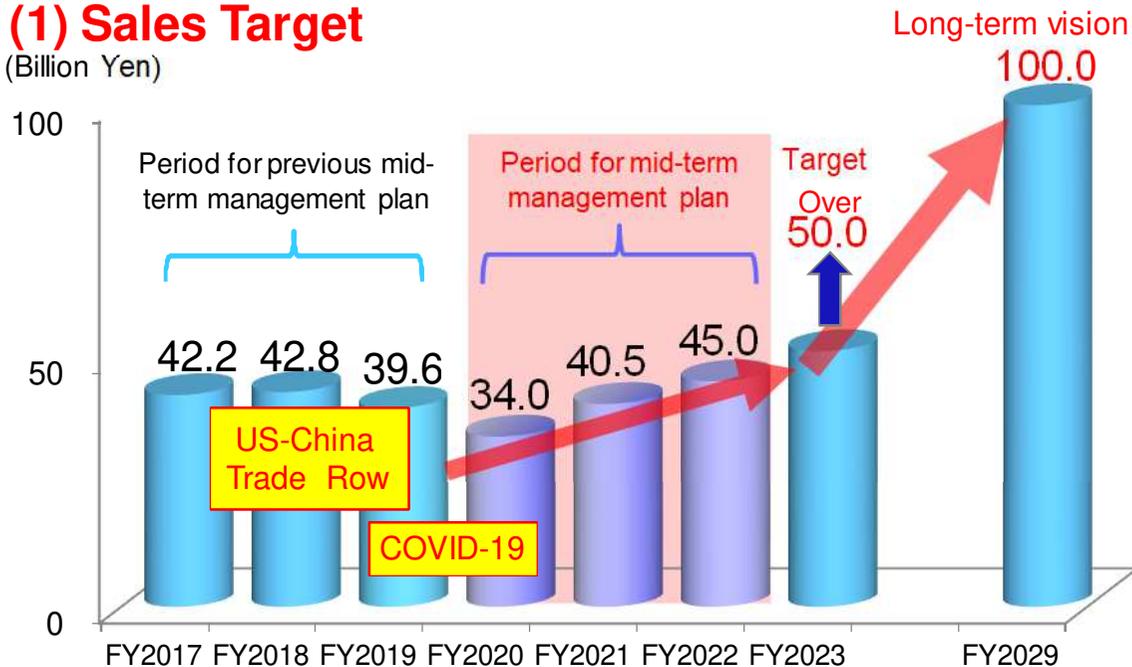


FY2022 : Net Sales of 45 billion yen & Operating margin of more than 16%

- Overcome the COVID-19 impact to **get back on the growth trajectory**
- Spend 3 years in creating the basis for achievement of the long-term vision
(Go beyond the 50 billion-yen sales by FY2023)

(1) Sales Target

(Billion Yen)

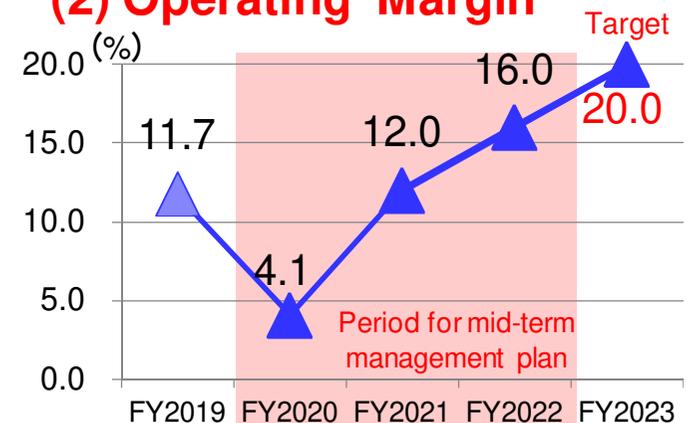


※ Assumed exchange rate

	FY2019	FY2020-2022
USD	109.03	108.00
EUR	119.37	120.00

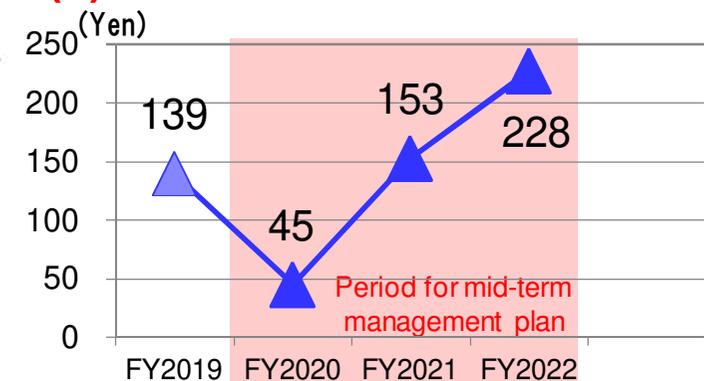
(2) Operating Margin

(%)

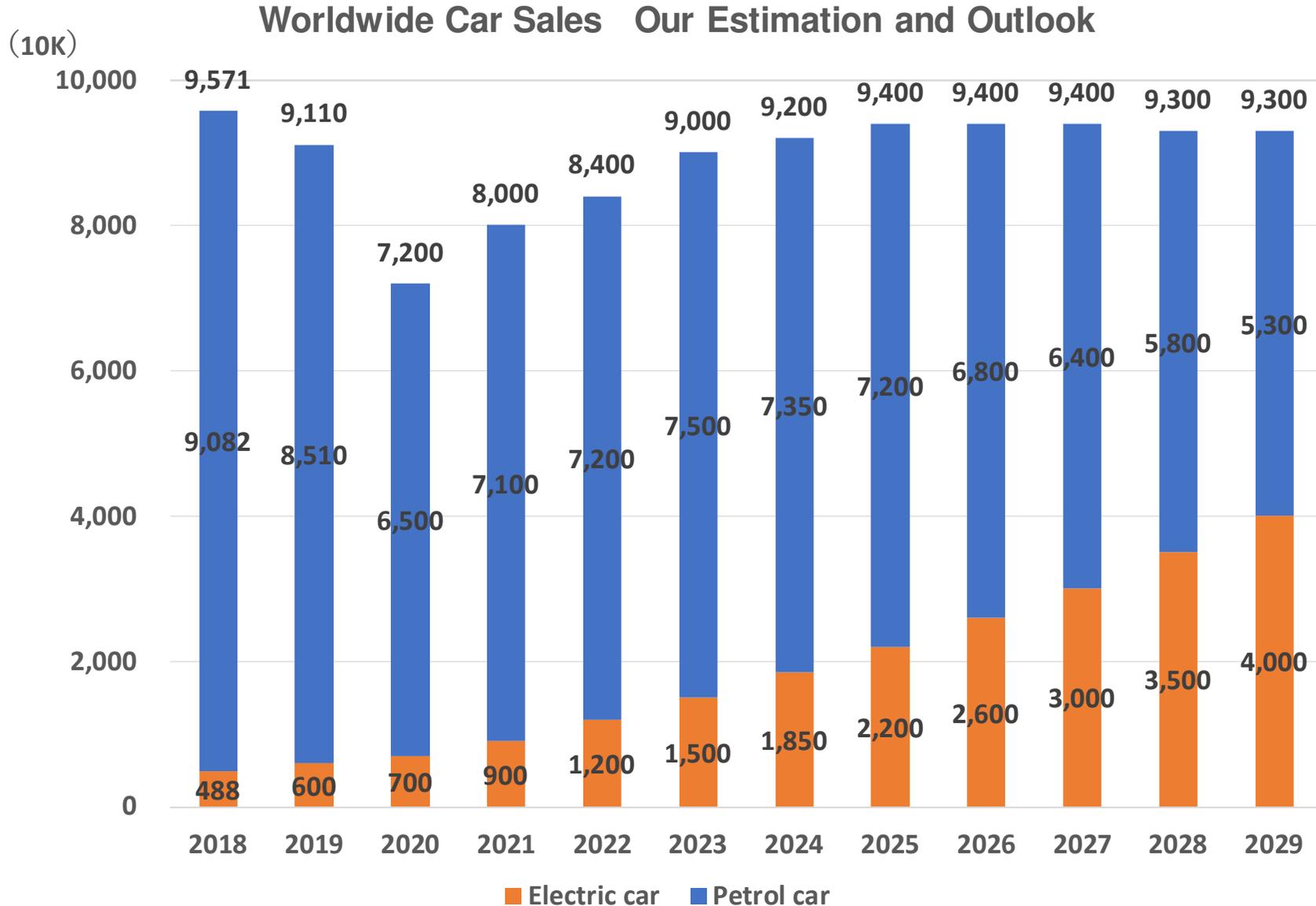


(3) EPS

(Yen)



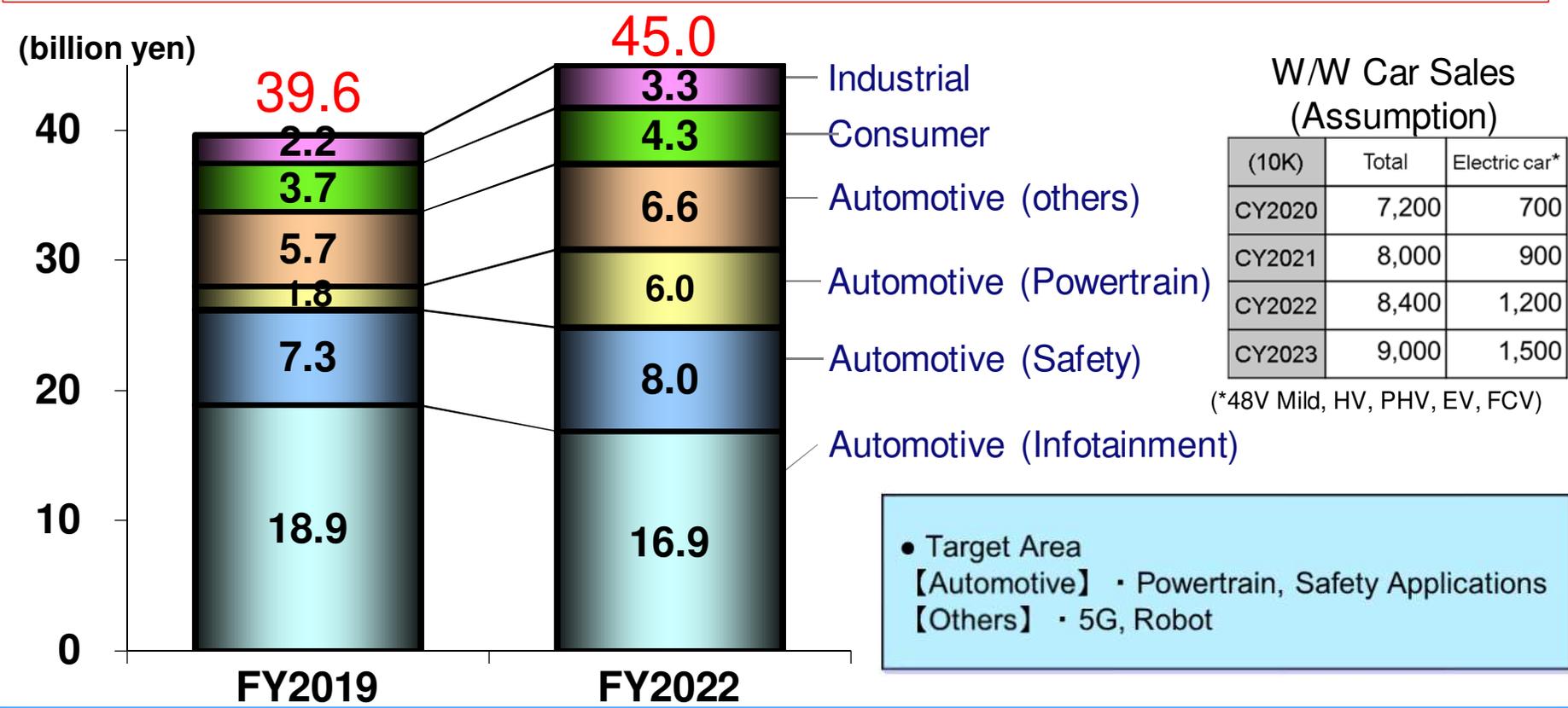
【FYI】 Worldwide Car Sales Growth Our Estimation and Outlook

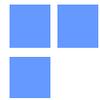


4. Mid-Term Management Plan Sales Target by Market



- Automotive market : It is assumed that car sales volume is unlikely to recover to pre-pandemic level during the period for the mid-term management plan. EV sales will be boosted more quickly as global EV production is increasing.
- New market : new products are developed to meet customers' needs and sold in new markets (automotive, 5G, etc.)





5. High Priority Target



- Overcome the COVID-19 impact to **get back on the growth trajectory**
- Spend 3 years in creating the basis for achievement of the long-term vision (to go beyond 50 billion yen sales by FY2023)

Boost Sales

① Strategic segmentation + Global enhancement

② Strong promotion in the automotive market (PA25)

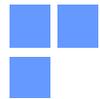
③ Early establishment of the second pillar and industrial market (5G, Robot)

Reinforce Management Base

④ Improve technological innovation capability with main focus on floating technology

⑤ Increase production capability, cost competitiveness and quality competitiveness

⑥ Strengthen management infrastructure



6. High Priority Target ①

① Strategic Segmentation + Global Enhancement

- Define market segments and dominate them by applying different strategies to each market
- Reinforce and support overseas sales organisation
- Provide one-stop shopping experience with IRISO in the most timely manner in the industry

	Existing Technology / Market	New Technology / Market
New Target Area	<p>Dominate product differentiation and customised products</p> <p>Industrial Others in automotive</p>	<p>Attack new applications anticipation of customers' and market needs</p> <p>PA25 Robot AI 5G</p>
Leverage Existing Target Area	<p>Protect value added products and cost competitiveness</p> <p>Consumer Industrial Others in automotive</p>	<p>Leverage New applications anticipation of customers' and market needs</p> <p>PA25 Robot AI 5G</p>



6. High Priority Target ② ③



② Strong promotion in automotive market (PA25)

- ◆ Boost sales in the growing PA 25 area
 - Powertrain
 - Safety
 - Infotainment

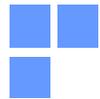
Provide solutions for vibration resistance
(simulation + Z-Move®)

High-speed transmission connector

③ Early establishment of the second pillar and Industrial market (5G, Robot)

- ◆ New product development such as 5G, IoT etc. to meet new market needs and dominate the market
- ◆ Increase coverage of global key customers who buy industrial machines
- ◆ Provide a wide range of sales channels for different customers and markets with different demands

Global enhancement and one-stop shopping experience with IRISO in the most timely manner in the industry



④ Improve Technological Innovation Capability

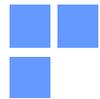
◆ Realise innovative connecting systems by leveraging our floating technology

- No.1 company in the industry and development of only-one product
 - Provide customers with one-stop shopping experience with IRISO in the most timely manner in the industry

■ Product development to add values

- ① High-speed transmission
- ② High current / High voltage
- ③ Weight saving / Minitualized
- ④ Multipolar
- ⑤ Automated
- ⑥ Expand interface product lineup

Suggest solutions by anticipating customers' needs and providing advanced technology products



⑤ Increase production capability, cost competitiveness and product quality competitiveness

◆ Improve manufacturing process

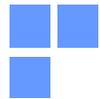
- ① Standardize equipment and toolings
- ② Purchase parts locally and promote local production for local consumption
 - Start preparation for construction of Mexico Plant as market situation allows

◆ Increase cost competitiveness, improve production capability

- ① Promote the smart factory concept
- ② Continuous effort for cost reduction including design standardization
- ③ Reduce production lead time and development TAT (target of 30% reduction)

◆ Improve quality

- ① Ensure good supplier management / quality assurance system
- ② Reduce and control product contamination by pursuing cleanliness



⑥ Strengthen Management Infrastructure

◆ Strengthen Management Infrastructure

① Promotion of BPR and global system construction at the same time

◆ ESG+

① Activities to get to zero emission by 2030

- Installation of solar energy facilities started (Nantong Plant) during FY2020

② Talent management for diverse human resources and their effective use

③ Reinforce corporate governance

- Promote resilience management
(evolve BCP to respond to the COVID-19 pandemic, etc.)

7. Management Target



Unit: billion yen

	FY2019 Results	FY2020 Plan	FY2021 Target	FY2022 Target
Net Sales	39.6	34.0	40.5	45.0
Operating Income	4.6	1.4	4.9	7.2
Operating Margin	11.7%	4.1%	12.0%	16.0%
Net Income (For HQ stockholders)	3.3	1.1	3.6	5.4
Total Assets	60.6	60.0	62.0	67.0
Capital Adequacy Ratio	84.4%	86.2%	86.2%	86.6%
Capital Expenditure	6.4	6.0	6.5	7.0
Research & Development	1.4	1.5	1.6	1.7
EPS	139.5yen	46.7yen	153.1yen	227.6yen
ROE	6.4%	2.1%	6.9%	9.6%
Exchange Rate	USD109.03yen EUR119.37Yen	USD108.00yen EUR120.00yen	USD108.00yen EUR120.00yen	USD108.00yen EUR120.00yen

◆ Shareholder Return ・ ・ ・ Target: dividend ratio of more than 30%

Company name	IRISO ELECTRONICS CO., LTD.
Business description	Manufacture and sales of various types of connectors
Establishment	December 1966
Number of employees	3,370 (as of March 31, 2020)
Capital	5,640 million yen (as of March 31, 2020)
Headquarters	2-13-8, Shinyokohama, Kohoku-ku, Yokohama, Kanagawa
Operations	
Domestic	Headquarters, Fukushima, Ibaraki, Aichi, Osaka
Overseas	Singapore, Hong Kong, U.S.A., Germany, Thailand, South Korea, China (Shanghai, Dalian, Tianjin, Suzhou, Shenzhen, Chongqing), Malaysia, Taiwan, India
Research & development	Headquarters (IRISO Technology Park), Kawasaki(Production Technology Development Center),Shanghai R&D Center
Manufacturing plants	Japan(Ibaraki), China (Shanghai, Nantong), Philippines(Manila), Vietnam (Hai Duong)

The forecasts on this report have been prepared based on information available at the time this report was prepared. Actual business results may differ from the forecasts due to changes in various factors.

The Company strives proactively to disclose information that is important from an investor standpoint. However, investors are cautioned not to place undue reliance on these forecasts, nor to base an investment decision solely on the information contained herein.

The Company is not liable or responsible in any way whatsoever for any damages losses or costs arising from the use of information contained in this report.