

Note: The original disclosure in Japanese was released on February 13 & 14, 2018



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New Mid-term Business Plan (MBP2022)

The Group has endeavored to expand its business in four business domains, primarily in the energy field, centered on power electronics technology, with the "Global Power-Solution Company" in the previous Mid-term Business Plan "MBP 20". However, due to the revision of the renewable energy fixed price purchase system(FIT), the domestic photovoltaic power generation market slumped considerably beyond the expectation due to the reduction of FIT price and the problem of grid connection, and also the Group's overseas market development It was significantly lower than planned. We have decided to revise the sales target for the final year of MBP 20 in October, 2016, as the prerequisite assumed at the time of initial plan formulation changed significantly.

After that, the Group has promoted business reforms such as improving profitability by reducing fixed costs, introducing new business division system, reforming the organization, introducing a powerful product lineup. As a result, the decline in sales bottomed out, and the business reform such as cost reduction have achieved certain results. but as described in the " Notice concerning an estimate of Extraordinary Loss (Impairment Loss) and revisions of Operating Results Forecasts" released today, Consolidated results for the full fiscal year ending March 31, 2018 are expected to be second consecutive loss.

The future task is to realize reform of the business portfolio with the highest priority to maintaining and nurturing human resources which is the greatest source of the Group's competitiveness and to create new sustainable growth route.

For this reason, we will revise the current business environment, announce the new Mid-term Business Plan "MBP 2022" with the fiscal year 2018 as a new start, 2022 fiscal year as the target fiscal year, and we are pleased to announce that it was resolved today by the Board of Directors meeting.

1 . Basic strategy of the new Mid-term Business Plan "MBP2022" "Global Power-Solution Company"

Our Group sets forth the mission of "Contributing to society widely as an advanced energy solution company friendly to the global environment, making full use of the core technologies that are proud of the future". In this Mid-term Business Plan, it will be continued as a corporate mission.

In the international community, efforts to address climate change issues such as the Paris Agreement on Climate Change and the Sustainable Development Goals (SDGs) of the United Nations are more important than ever before. In the area of business, paradigm shifts in economic society, such as ESG (Environment, Social & Governance) investment and progress of rapid EV conversion in the transportation equipment field are accelerating more than ever. In this context, we

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will continue to aim for "Global Power-Solution Company" that contributes to universal value creation through our power electronics technology by actively and flexibly transforming our business portfolio in accordance with the new era, in order to realize sustainable growth and furtherly enhance our corporate value. To that end, we will carry out the following two action plans:

- (1) Redefinition of business field
- (2) Promoting businesses activity close to customers

2 . Individual strategy

(1) Redefinition of business field

We will position the new automotive filed as the third business division in "distinctive devices" and "unique power solution technology" utilizing advanced power electronics technology and start full-scale efforts. We will also promote initiatives that respond to changes in the business environment for existing Energy solution businesses and Power supply and device businesses.

①Energy solution business

- i) Reconstruction of domestic business base (Prioritization for residential and storage systems expected to grow in the future)
- ii) Developed to the Global Distributed Energy Resources (DER) market
- iii) Strengthening cost effectiveness through platformization

②Power supply & device Business division

- i) Steady expansion of transformer, coil for consumer, industrial, and automotive fields
- ii) New development to PDIC applied products cultivated from power supply for amusement machine

③Automotive power electronics development

- i) Full-scale entry into automotive related business such as in-vehicle equipment and wireless power supply equipment, making full use of proprietary power electronics technology cultivated through PV inverter

(2) Promoting businesses activity close to customers

We work closely with customers, planning, development, production, sales and after-sales service of products that truly appreciate at the site of use, sincerely facing various needs and fulfilling their needs.

3 . Revenue plan

In this Mid-term Business Plan, we set revenue targets for the five years from FY 2018 to FY 2022 as follows.

	FY2017 (Forecast)	FY2018 (Plan)	FY2022 (Plan)
Sales	27.5 billion yen	30.8 billion yen	53.2 billion yen
Operating Profit	(3.9) billion yen	0.3 billion yen	2.5 billion yen
%	—	1.0%	4.7%

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