

Review of the medium-term management plan

FY2016~2018		FY2018~2020		FY2021~2023																																																																									
<div>Long-term vision</div> <div>-</div>		Global Power Solution Partner																																																																											
<div>Policy</div> <div>Aiming for stable growth and higher profit through global expansion and the successive launches of new products</div>		<div>Developing new fields by proposing solutions based on technology</div>		<div>Contribution to the resolution of social issues</div> <div>Innovation for continuous growth</div>																																																																									
<div>Priority measures</div> <div><div>1</div><div>Global expansion and strengthening of sales activities</div><div>Overseas expansion of power supplies for surface treatment, uninterruptible power supplies, solar power conditioners and other products</div></div> <div><div>2</div><div>Increase in strengths</div><div>Strengthening of power conditioners for new energy and expansion of high-performance semiconductor models</div></div> <div><div>3</div><div>Introduction of new products</div><div>Strengthening of inverters for storage batteries and mass production and development of a series of SiC modules</div></div>		<div><div>1</div><div>Increase in initiatives for global expansion</div><div>Sales expansion of power supplies for surface treatment and welders in Asia and North America</div></div> <div><div>2</div><div>Cultivation of new fields</div><div>Development of power supplies for lithium batteries and fuel cells, and new SiC and semiconductor products</div></div> <div><div>3</div><div>Strengthening of existing businesses</div><div>Expansion of services using the maintenance history management system</div></div> <div><div>4</div><div>Strengthening of business foundations</div><div>Reconstruction of the quality assurance structure</div></div>		<div><div>1</div><div>Decarbonization and environmental contribution</div><div>Development of high-efficiency products and products related to renewable energy</div></div> <div><div>2</div><div>Infrastructure and industrial support</div><div>Stable supply of uninterruptible power supplies and power supplies for surface treatment</div></div> <div><div>3</div><div>Service improvement</div><div>Reinforcement of system proposals and the remote maintenance system</div></div> <div><div>4</div><div>Strengthening of manufacturing</div><div>Implementation of intellectual property strategy, investment in streamlining and automation, and design standardization</div></div> <div><div>5</div><div>Reduction of environmental impact</div><div>Setup of projects to reduce CO₂ emissions</div></div> <div><div>6</div><div>Development of human resources and diversity</div><div>Increase in education and training and promotion of diversity</div></div>																																																																									
<div>Targets and results</div> <div><div>(billion yen)</div><table><tr><th rowspan="2">Fiscal Year</th><th colspan="2">Net sales</th><th colspan="2">Operating profit</th></tr><tr><th>Plan</th><th>Results</th><th>Plan</th><th>Results</th></tr><tr><td>FY2016</td><td>20.0</td><td>20.0</td><td>1.4</td><td>0.2</td></tr><tr><td>FY2017</td><td>21.5</td><td>23.7</td><td>2.0</td><td>1.4</td></tr><tr><td>FY2018</td><td>23.0</td><td>-</td><td>2.5</td><td>-</td></tr></table><div>(Note) The medium-term management plan was reviewed and a new plan was formulated in FY2017. For this reason, the table above omits results for FY2018.</div></div>		Fiscal Year	Net sales		Operating profit		Plan	Results	Plan	Results	FY2016	20.0	20.0	1.4	0.2	FY2017	21.5	23.7	2.0	1.4	FY2018	23.0	-	2.5	-	<div><div>(billion yen)</div><table><tr><th rowspan="2">Fiscal Year</th><th colspan="2">Net sales</th><th colspan="2">Operating profit</th></tr><tr><th>Plan</th><th>Results</th><th>Plan</th><th>Results</th></tr><tr><td>FY2018</td><td>25.5</td><td>24.3</td><td>1.7</td><td>1.8</td></tr><tr><td>FY2019</td><td>26.5</td><td>21.8</td><td>2.0</td><td>0.2</td></tr><tr><td>FY2020</td><td>28.0</td><td>19.4</td><td>2.5</td><td>0.4</td></tr></table></div>		Fiscal Year	Net sales		Operating profit		Plan	Results	Plan	Results	FY2018	25.5	24.3	1.7	1.8	FY2019	26.5	21.8	2.0	0.2	FY2020	28.0	19.4	2.5	0.4	<div><div>(billion yen)</div><table><tr><th rowspan="2">Fiscal Year</th><th colspan="2">Net sales</th><th colspan="2">Operating profit</th></tr><tr><th>Plan</th><th>Results</th><th>Plan</th><th>Results</th></tr><tr><td>FY2021</td><td>21.8</td><td>22.6</td><td>0.8</td><td>1.3</td></tr><tr><td>FY2022</td><td>24.0</td><td>28.0</td><td>1.3</td><td>1.6</td></tr><tr><td>FY2023</td><td>26.0</td><td>31.0</td><td>1.9</td><td>3.4</td></tr></table></div>		Fiscal Year	Net sales		Operating profit		Plan	Results	Plan	Results	FY2021	21.8	22.6	0.8	1.3	FY2022	24.0	28.0	1.3	1.6	FY2023	26.0	31.0	1.9	3.4
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<div>Review</div> <div><div>Achievements</div><div><div>• Cultivation of new customers for SiC modules</div><div>• Sales growth of localized models of power supplies for surface treatment and welders for China</div><div>• Positive effect of high efficiency power suppliers in the fields of fuel cells and hydrogen on sales</div></div></div> <div><div>Issues</div><div><div>• Development of new products</div><div>• Strengthening of power supply service business</div></div></div>		<div>In the semiconductor business, sales of products with new applications increased in China, but demand declined due to trade friction between the U.S. and China. In the power supply business, the Group obtained a foothold to contribute to hydrogen society by providing fuel cell equipment.</div> <div><div>Achievements</div><div><div>• Development of power conditioners for the evaluation of fuel cells</div><div>• Expansion of sales of uninterruptible power supplies (UPS)</div><div>• Expansion of the semiconductor transfer mold product lineup</div><div>• Chubu Sales Office and the Hokuriku Office opened</div></div></div> <div><div>Issues</div><div><div>• Acceleration of commercialization of SiC modules</div><div>• Development of new products that are cost competitive</div></div></div>		<div>Under adverse business conditions, the development, manufacturing and sales teams made concerted efforts to strengthen the supply structure and to intensively conduct price revision activities to meet an increase in demand in view of trends towards a decarbonized society and mounting awareness of the need to conserve energy. As a result, we met our net sales and operating profit targets.</div> <div><div>Achievements</div><div><div>• Development of SiC discrete semiconductor products</div><div>• Development of high efficiency models of power supplies for surface treatment</div><div>• Establishment of capital and business alliance partnerships</div></div></div> <div><div>Issues</div><div><div>• Expansion of new energy sectors and development of markets that are not affected by business confidence</div><div>• Promotion of design standardization and unitization</div><div>• Strengthening of global strategies through company-wide cooperation</div><div>• Continuing to implement the PDCA cycle for human resource development</div></div></div>																																																																									
<div>Social situation</div> <div><div>FY2016</div><div>The United Kingdom votes to leave the European Union. The Paris Agreement on climate change takes effect.</div></div> <div><div>FY2017</div><div>The first Trump administration is inaugurated. A series of terrorist attacks occur in Europe.</div></div>		<div><div>FY2018</div><div>U.S.-China trade friction intensifies.</div></div> <div><div>FY2020</div><div>The COVID-19 pandemic declaration prompts worldwide lockdowns.</div></div>		<div><div>FY2021</div><div>The China Evergrande Group, China's major real estate developer, begins experiencing financial difficulties.</div></div> <div><div>FY2022</div><div>Russia invades Ukraine.</div></div> <div><div>FY2023</div><div>The World Health Organization (WHO) declares an end to COVID-19 as a public health emergency.</div></div>																																																																									