

FY2026 Medium-Term Management Plan

In May 2024, we announced our three-year Medium-Term Management Plan, “To be enthusiastic, ambitious and sensitive 2026,” which concludes in fiscal 2026. Under the basic policy of “Improvement of corporate value through management emphasizing profit,” we are working toward the must-reach targets of ¥1,250.0 billion in net sales, ¥140.0 billion in operating profit, an operating profit ratio of over 11%, a ratio of profit attributable to owners of parent to net sales of over 7%, an ROE of 12% or more, and an ROIC of 10% or more.

Positioning of the Medium-Term Management Plan

We have positioned this plan as a preparatory period for future growth, aiming to remain a company that contributes to the realization of a sustainable society through our energy and environment businesses. We will do so by adapting to the changing era—including the transition to a decarbonized society and the advancement of digitalization—while leveraging our strengths in power electronics, a field we have refined and evolved throughout our long history.

Priority Measures

Promotion of Growth Strategies

We plan to grow our businesses in the Energy, Industry, and Semiconductors segments. In the growth fields of green transformation (GX), digitalization, and global markets, we aim to expand our businesses by launching new products. (For details, see Research and Development/Intellectual Property, P37-40.)

To expand our overseas businesses, we will advance local design and local production for local consumption while accelerating the launch of global products that meet the growing demand for electricity from renewable energy and other sources as well as meet the need for energy savings, primarily in our focus regions of India and Southeast Asia. (For details, see Overview of Segments, P29-36.)

Furthermore, to drive future growth, we will continue to invest in the growth fields of energy, industry, and semiconductors, executing capital investments at appropriate timings while closely monitoring market trends. To create new businesses that will contribute to sales growth from fiscal 2027 onward, our sales, business, and R&D divisions will collaborate cross-functionally to consider strategies and work toward co-creation with partner companies.

Improvement of Profitability

We will improve productivity and quality while reducing costs at our manufacturing floors by advancing production technologies that utilize digital and AI technologies, in addition to developing automated production facilities, in-house manufacturing, standardization, and platform design. (For details, see Manufacturing and Procurement, P41-44.)

We will allocate the cash generated to capital investment and R&D in growth fields, M&A, and IT investment, and aim to achieve both a stable financial foundation and growth. (For details, see Financial and Capital Strategies, P25, 26.)

Strengthening of Management Foundations

To continuously enhance our corporate value, we will continue to work to strengthen our management foundations, focusing on the environment, human resources, and governance. (For details, see Environment, P45-50; Human Resources, P51-54; and Governance, P55-68.)

Overview of Results (Billions of yen)

	FY2023 Results	FY2026 Medium-Term Management Plan
Net Sales	1,103.2	1,250.0
Operating Profit	106.1	140.0
Operating Profit Ratio	9.6%	11.2%
Profit Attributable to Owners of Parent	75.4	90.0
Ratio of profit attributable to owners of parent to net sales	6.8%	7.2%

Financial Indicators

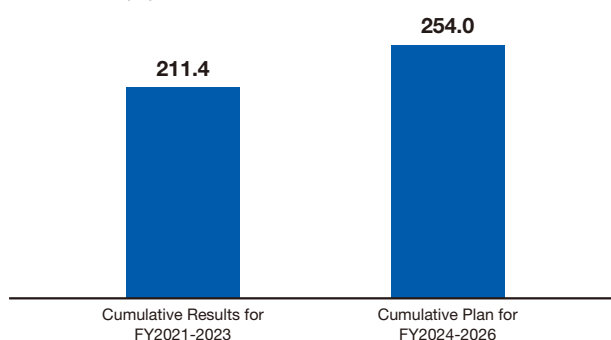
ROE	13.5%	12% or more
ROIC	11.5%	10% or more
Equity Ratio	47.4%	Approx. 50%
Net Debt-Equity Ratio	0.2 times	Approx. 0.2 times
Dividend Payout Ratio	25.6%	Approx. 30%

* Exchange rates

Fiscal 2023 results: US\$ ¥151.41, EURO ¥163.24, RMB ¥20.83

FY2026 Medium-Term Management Plan: US\$ ¥140.00, EURO ¥150.00, RMB ¥19.50

Plant and Equipment Investment (Billions of yen)



R&D Expenditures (Billions of yen)

