



Industry

We will expand our business in growth fields (IDCs and semiconductors) and the GX field. We will further strengthen profitability and achieve an operating profit ratio of 10% or higher in every subsegment.

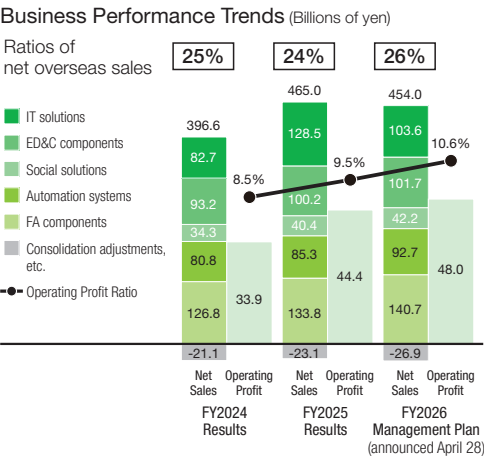
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Market Trends and Business Opportunities

In Japan, demand for the semiconductor production equipment and machine tools is increasing, and GX investment is rising. Overseas, market conditions in China remain sluggish due to weak domestic demand, while data center investment in the United States and semiconductor investment in Asia are active. Capturing this robust growth in Japan and overseas represents a business opportunity for the Company.

	Subsegment	Market Trends and Business Opportunities
Components	FA components	In Japan, semiconductor production equipment is driving growth. Overseas, data-center-related demand in the United States remains strong, and Asia and India are also growing, while China remains weak due to sluggish domestic demand and declining exports; overall, the overseas market is expected to be flat for the year.
	ED&C components	In Japan, semiconductor production equipment and other applications will drive growth. Overseas, the recovery in the semiconductor-related markets in the United States, South Korea, and elsewhere will offset the downturn in China, resulting in slight growth.
Plant and Systems	Automation systems	Japan's steel, nonferrous metals, and chemical markets will grow on GX investment, such as energy-saving measures, as well as equipment replacement. In the overseas harbor crane market, investment is active in India, while weak domestic demand persists in China, and Chinese manufacturers are focusing on winning projects outside China.
	Social solutions	In Japan, railway upgrade and DX as well as nuclear-power-related demand are active. Overseas, metro replacement in the United States and new rail line construction in Asia will continue.
	IT solutions	DX investment in the private and public sectors remains strong. In the academic sector, demand will shift to operation and maintenance following the completion of the NEXT GIGA development.

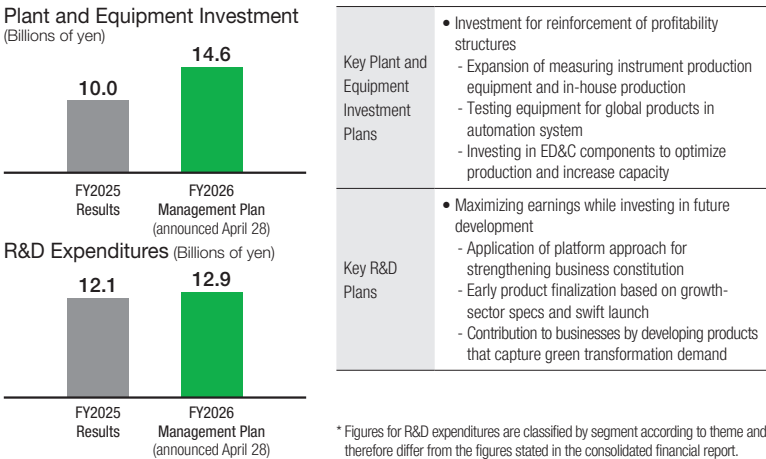
Overview of Results



In fiscal 2025, net sales increased by ¥68.4 billion year on year to ¥465.0 billion, driven by higher sales in all subsegments and steady execution of large-scale NEXT GIGA projects in Japan's academic sector. Operating profit increased by ¥10.5 billion year on year to ¥44.4 billion as profit increased in all subsegments. The components business achieved higher profit by strengthening its earnings structure, including consolidating and discontinuing unprofitable models. In addition, the smart meter business in India secured a large order, establishing a foundation for business expansion in fiscal 2026.

In fiscal 2026, we plan for net sales of ¥454.0 billion, down ¥11.0 billion year on year. This decrease reflects the scaling down of large NEXT GIGA projects in the academic sector within IT

Plant and Equipment Investment and R&D Expenditures



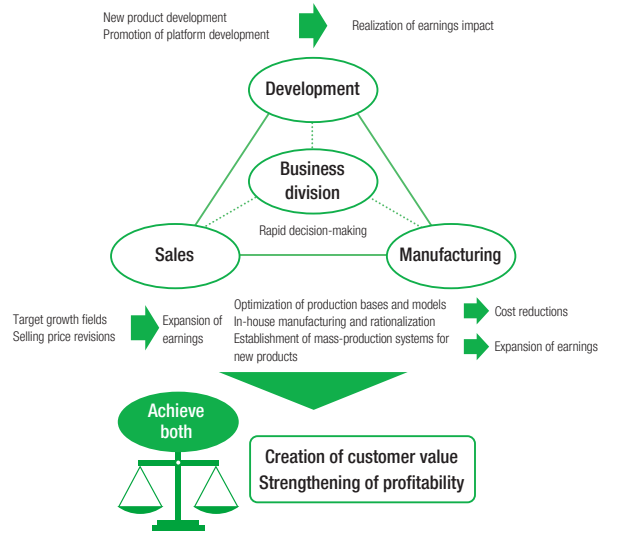
solutions; all other subsegments are planned to increase sales. We plan for operating profit of ¥48.0 billion, up ¥3.6 billion year on year, by steadily executing priority measures, including operational reforms.

FY2025 Achievements	- Achieved higher sales and profit in all subsegments - Strengthening of constitution of FA and ED&C components businesses - Establishment of foundations for expanding operations in India - Ensured execution of large-scale academic sector of IT solutions
FY2026 Challenges	- Allocation of resources to growth fields such as data centers and semiconductors - Expansion of green transformation (GX) and overseas business with new products - Further strengthening of profitability through operational reforms

Priority Measures

General Measures
Operational Reforms to Create Customer Value and Strengthen Profitability

In both components and plant and systems businesses, the sales, development, and manufacturing functions will continue to work as one to make rapid, profit-driven decisions. On the sales side, we will pursue growth fields and implement appropriate selling price revisions. On the manufacturing side, we will consolidate models at the lowest-cost production bases and expand in-house manufacturing to reduce costs, while establishing mass-production systems for new products. On the development side, we will expand the range of models that share common platforms, improving the efficiency of R&D investment and maximizing the earnings impact by launching to market earlier. Through these initiatives, we will both create customer value and further strengthen our earnings structure.



New Product Rollout and Market Development in the Growth Fields of IDCs and Semiconductors

In the data center (IDC) field, we will sequentially launch new products in response to the shift toward liquid cooling for AI servers. We will begin the full-scale roll out of the world's first ejector cooling units, which achieves energy savings of up to 85%, as well as a new ultrasonic flowmeter, while developing harmonic-mitigation inverters. We aim to expand sales to cooling equipment manufacturers through "comprehensive equipment proposals" and integrated electrical, thermal, and DX solutions.

In the semiconductor field, we will expand our lineup of measuring instruments and power supply equipment that is optimized for production equipment and ancillary facilities. We will also roll out new magnetic switches that contribute to energy and space savings, while advancing design wins with major Japanese equipment manufacturers and vendor registration with overseas semiconductor production equipment manufacturers in order to expand sales.

Products for the IDC Field

Automation systems	FA components	
Heat products	Low-voltage Inverters	Measuring instruments
250 kW ejector cooling units (for cooling equipment) Launched in June 2026	Low-voltage harmonic-mitigation inverters (for cooling equipment) Scheduled to launch in FY2028 H1	New ultrasonic flowmeter (for cooling equipment) Launched in June 2026

Products for the Semiconductor Field

FA components		ED&C components
Measuring instruments	Power supply equipment	Power distribution and control equipment
New ultrasonic flowmeter (for semiconductor production equipment) Scheduled to launch in FY2028 H1	Mini-UPS For semiconductor production equipment	New magnetic switch
Ultrasonic flowmeter (for ancillary equipment)	Watt-hour meter For air conditioning equipment	Earth leakage circuit breaker
Ultrasonic flowmeter (for pure water production equipment)		

Business-Specific Measures
Automation systems: Business expansion through global and GX products

In the automation systems business, we will actively launch global and GX products. Specifically, our next-generation high-voltage inverter features enhanced high-reliability functions, compliance with a wider range of standards, and a more compact enclosure than conventional models, thus contributing to stable operation, energy savings, and space savings for equipment such as compressors and conveyors. For induction heating systems that advance electrification, we will combine our in-house power semiconductors with induction heating and simulation technologies. This will promote heat-source conversion in heat-treatment processes for steel, nonferrous metals, chemicals, and other industries, helping to reduce CO₂ emissions, improve energy efficiency, and enhance maintainability.

Automation systems	
High-voltage inverters	Induction heating systems
Next-generation high-voltage inverters	Billet heater ERW pipe welder

Mobility: Contributing to decarbonization with new automotive power electronics products

As Japan tightens its CAFE (fuel economy) regulations, automakers are moving forward with the development of electrified vehicles. By bringing together our in-house power semiconductor (IGBT) technology, which has a proven track record in automotive applications, and our motor control technology to create synergies, we have developed a compact, low-cost automotive inverter that achieves a "low profile, light weight, and high power density." We plan to install this inverter in compact hybrid and electric vehicles. Through automotive inverters, we will contribute both to reducing society's CO₂ emissions and to decarbonization.