

OUR STRATEGY

Public, Industrial & Commercial Sector Business Group



Reflecting on FY2023

- ▶ In the Social Infrastructure Systems Business and Water Infrastructure Business, business segment profits worsened due to the high price of materials cutting into profitability and a decline in sales because of external factors that caused construction delays
- ▶ In the Railway Business, capital investment is recovering in Japan, but the timing of major projects in Japan and overseas remains uncertain
- ▶ On the other hand, demand remained strong, especially in Japan, and total segment orders exceeded 100 billion yen for the first time

“Aiming to improve profitability by capturing firm demand and increasing production capacity”

Senior Managing Executive Officer
Strategic Group Leader, Public, Industrial & Commercial Sector Business Group
Satoshi Momenya

Development in FY2024 and Beyond

Linking large order backlog to high-quality manufacturing to swiftly normalize profitability

Social Infrastructure Systems Business

- ▶ Investment expected to remain steady for the time being, mainly in private sector-initiated projects and public projects in Japan
- ▶ Through capital investment, increase production capacity for strategic products expected to see higher demand
- ▶ Enhancing proposal activities for environmentally friendly products for environmentally conscious private-sector customers

Railway Business

- ▶ In Japan, increase market share for private railroad operators, targeting the timing of equipment updating
- ▶ Overseas, participate in railroad development projects, mainly in Asia

Water Infrastructure Business

- ▶ Risk of construction schedule delays due to external factors remains despite waning impact of soaring material prices and later deliveries
- ▶ Widespread cooperation of local governments and concessions and other public-private partnership (PPP) projects expected to increase

TOPICS

Delivering feeder substation equipment for the Hokuriku Shinkansen Line (Kanazawa-Tsuruga)



IMPACT Quantitative social impact

Travel time from Tokyo Station to Tsuruga Station

Roughly **50** minutes shorter than before

Business Environment

Opportunities

- Growing interest and demand for energy-saving and environmentally friendly products and services
- Steady level of public investment in Japan
- Sustained demand for urban rail in Asia
- Increasing trend of widespread cooperation of local governments, public-private partnership (PPP) projects, etc.

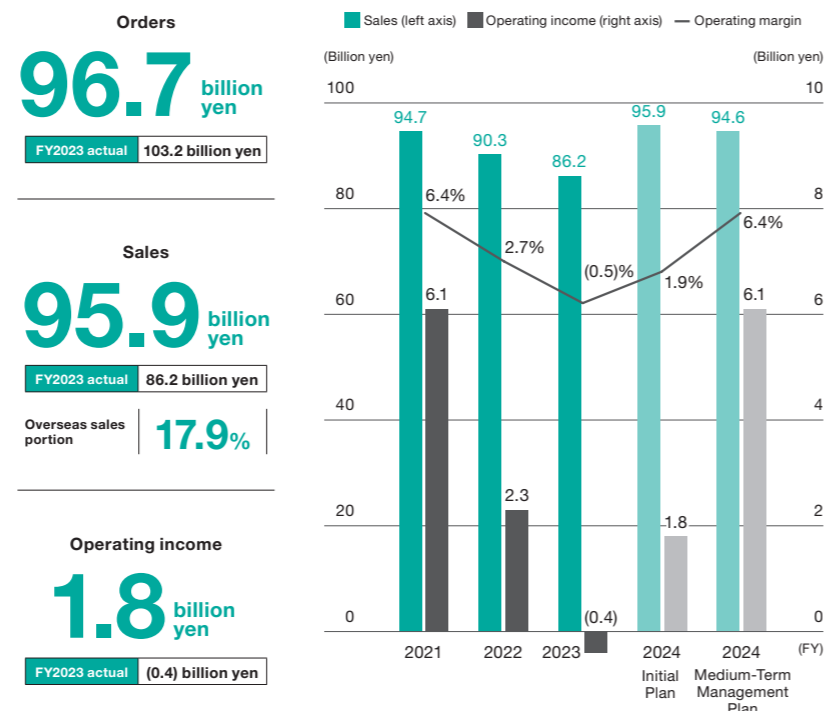
Risks

- Loss of opportunities to receive orders because engineers are occupied with projects that overrun their schedules
- Delay in reflecting material and labor cost increases in selling prices
- Intensified market competition due to the growing trend of performance-based ordering

Strengths

- Courteous, agile responsiveness based on a customer-first attitude
- Extensive experience in system and plant organization
- Product life cycle engineering capabilities, including maintenance, repairs, and servicing

FY2024 Management Targets (as of April 1, 2024)



Meidensha supplied power transmission and distribution equipment and other equipment to supply electricity to rolling stock on the section of the Hokuriku Shinkansen between Kanazawa and Tsuruga stations that opened on March 16, 2024.

In 2017, we received the order from the Japan Railway Construction, Transport and Technology Agency (JRTT) to deliver the equipment to the substations between Kanazawa and Echizen-Takefu stations.

Under this project, we delivered transformers, Ecotank-type circuit breakers, switches, and other power transmission and distribution equipment needed to safely and reliably operate the Shinkansen to eight substation posts (Shin-Sakai Substation, two feeder substations, and five auxiliary feeder substations) in the new section. We also delivered emergency gas turbine power generation systems for station power distribution stations at Awaraonsen, Fukui, and Echizen-Takefu stations.

We will continue to apply our hard-earned, time-tested technologies and experience to provide products and services that contribute to establishing highly reliable

railroad infrastructure, enrich human life, and advance local communities.



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