

OUR STRATEGY

Mobility & Electrical Components Business Group



Reflecting on FY2023

- ▶ In the Motor Drive Solutions Business, earnings improved due to price revisions despite a decline in demand across all major applications
- ▶ In the Electronics Products Business, both sales and profits declined sharply due to the global slowdown of the semiconductor market
- ▶ In the Mobility T&S Business, earnings increased due to the return of some capital investment by customers

“ Striving to recover earnings by capitalizing on the further growth of the semiconductor market and electrification in a broad range of industries ”

Executive Vice President & Executive Officer
Strategic Group Leader, Mobility & Electrical Components Business Group
Masahiko Suzuki

Business Environment

Opportunities

- Advancement of electrification and digitization in society and industry (all segments)
- Increasing need for electrification and labor-saving (Motor Drive)
- Observe future expansion of semiconductor demand amid evolution of generative AI, etc. (Electronics Products)
- Accelerate battery and electric powertrain development for vehicle electrification (Mobility T&S)

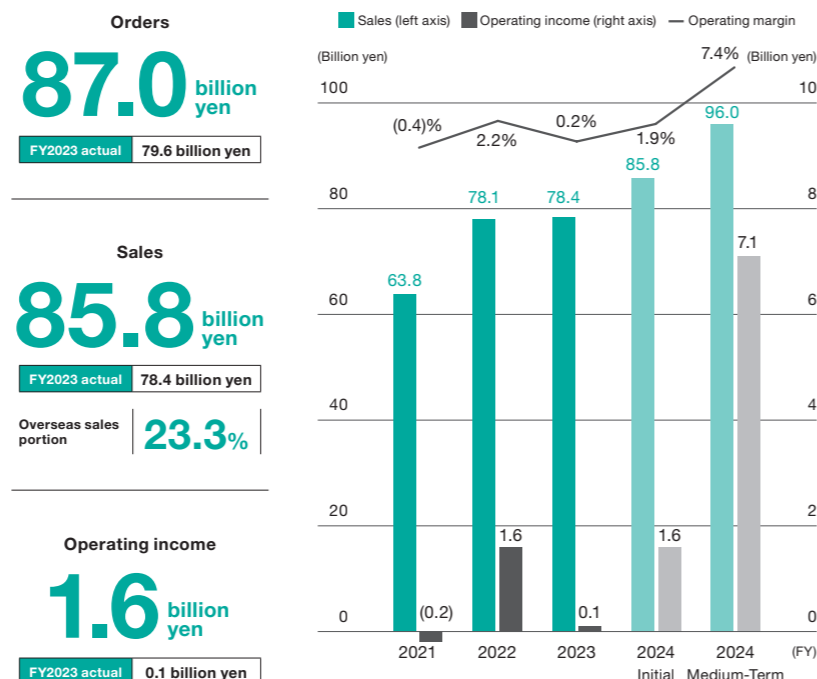
Risks

- Decrease in demand due to customers' shift to in-house component production (Motor Drive)
- Temporary cooling or delayed recovery in the semiconductor market (Electronics Products)
- Shrinking market for testing equipment for ICE vehicles, etc. (Mobility T&S)

Strengths

- Knowledge of motor control for diverse applications (Motor Drive)
- Products based on distinctive technology (Electronics Products)
- Ability to resolve customers' issues backed by extensive delivery experience (Mobility T&S)

FY2024 Management Targets (as of April 1, 2024)



* Mobility & Electrical Components Business Group figures include those of the EV Components Business Group.

Development in FY2024 and Beyond

Recovery and expansion of the semiconductor market drives the Group's growth

Motor Drive Solutions Business

- ▶ Capture new product needs arising from advancing electrification, especially from major domestic customers where demand is expected to recover

Electronics Products Business

- ▶ Market recovery expected over the medium- to long-term starting in late FY2024 due to expanding global demand for semiconductors amid development and popularization of generative AI, etc.

Mobility T&S Business

- ▶ Devote energy to expanding the lineup of automotive development equipment for electrification and proposal activities covering the entire product life cycle

TOPICS

Delivering components for electric mini excavators to Komatsu, contributing to the ongoing electrification of the construction equipment market

IMPACT Quantitative social impact

Replacing the engine with an electric motor

Eliminates exhaust gas and heat



Meidensha began supplying the electric components that serve as the power source for Komatsu's new electric mini excavator.

Komatsu viewed FY2023 as Year 1 of the market for electric construction equipment, and released a 3-ton electric mini excavator for the European and Japanese markets. They decided to use Meidensha components—an inverter to convert and control power from the battery, a motor to power the hydraulic pump, and a power supply controller to supply power to the excavator's electrical components—and we made our first delivery of electric components for construction machinery.

Prior to this effort, we had supplied Komatsu with customized motors and controllers for the drive and lift systems of electric forklifts, and we worked together to apply the hard-earned technologies we shared in the course of their development to the mini excavator. As a result, we created a product that will help promote electrification in the construction machinery market. We

will utilize what we learned about electrified construction equipment from this effort to develop more competitive products.

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