

OUR STRATEGY

EV Components Business Group

* EV Components Business Group figures are included in those of the Mobility & Electrical Components Business Group.



Reflecting on FY2023

- ▶ Revenue increased in part due to firm demand for integrated motor and inverter units in Japan, and the business returned to profitability
- ▶ Demand for the first production line in China remained lower than the target throughout the year
- ▶ Second production line for integrated motor and inverter units came online in the second half
- ▶ Released 150-kW e-Axle and developed 800-V high-output e-Axle

“ Striving to advance our business by strengthening product competitiveness while monitoring the swiftly changing market environment ”

Senior Managing Executive Officer
Strategic Group Leader, EV Components Business Group
Koji Niikura

Business Environment

Opportunities

- Rising environmental awareness, regulations in each countries
- Automakers' changing strategies with a strong focus on electrification
- Growing need for EVs, including in developing countries
- Progress in investment in charging infrastructure and other initiatives to popularize EVs

Risks

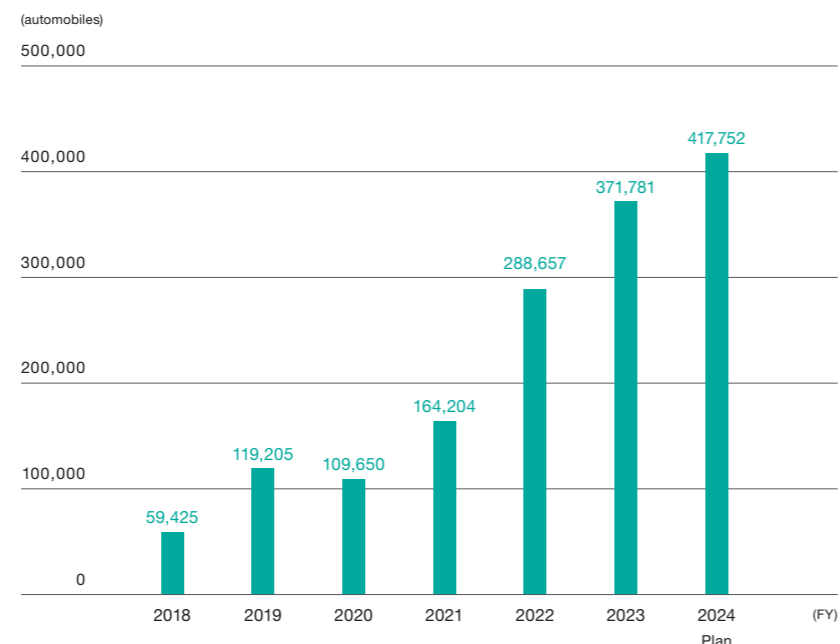
- Increasing commoditization in the electric powertrain sector
- Intensifying competition due to an increase in number of market players
- Shifting balance of power in global automotive competition

Strengths

- Mixed production that provides differentiation in terms of quality, cost, and delivery (QCD) with a proven track record as a pioneer of EV drive units for mass production
- Control technology and design development capabilities for motor and inverter including software
- Balance of customization to meet customer specifications with pursuit of mass-production benefits

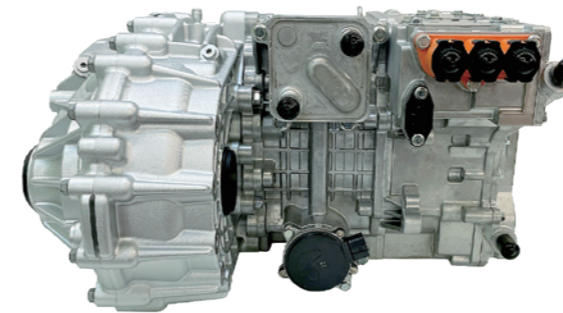
Sales of EV Drive Units

*Figures calculated based on the number of automobiles



Development in FY2024 and Beyond

Devoting energy to strengthening product competitiveness and acquiring new orders while increasing production efficiency



800 V high-output EV drive unit (MEIDEN e-Axle)

- ▶ Overall plan to maintain the same level of sales as in FY2023, including delivery of new vehicle models and a full-year contribution from the second production line in China
- ▶ Establish optimal production systems in Japan and China, promote efforts to optimize production loads
- ▶ Strengthen proposal activities to win future orders, mainly targeting Japanese automakers
- ▶ Strengthen product competitiveness with compact size, high efficiency, and low costs through development for 800-V and silicon carbide (SiC) applications

TOPICS

MEIDEN HANGZHOU DRIVE TECHNOLOGY CO., LTD. launches full-scale operation of second production line, begins mass production and delivery of integrated motors and inverter units

IMPACT Quantitative social impact

Avoided emissions through our EV business in FY2023

(Approach to calculating avoided emissions: Emissions reduced from replacing equivalent grade ICE vehicles)

▶ **1.41** million t-CO₂



In October 2023, the second production line of MEIDEN HANGZHOU DRIVE TECHNOLOGY launched full-scale operations and began producing and delivering integrated motors and inverter units.

Like our Nagoya production line that manufactures the same product, this new line is a mixed production line that produces products with different specifications for multiple vehicle models. To take full advantage of the strength of this production system, we have taken steps to standardize parts to the extent possible with customers from the specification stage to achieve a high utilization rate, while introducing equipment with the latest traceability features to enable mixed production.

We will deliver products produced on this line to local customers in addition to exporting them to Japan to complement the production capacity of our Nagoya Plant, which continues to operate at high capacity.

We will continue to apply the production technology and line operation expertise we have accumulated since 2009, when we made our first delivery for mass-

produced automobiles, and pursue even more efficient manufacturing to provide high-quality products that support automobile electrification, thereby contributing to giving future generations a livable environment.



Yuki Kamiya
MEIDEN HANGZHOU DRIVE TECHNOLOGY CO., LTD.