Power Infrastructures Business Group

Seeking further growth by improving production capacity and efficiency to meet strong demand in Japan and overseas

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Management Indicators

FY2024 result

Orders

125.8 billion yen

FY2027 plan	111.0 billion yen

Net sales

86.4 billion yen

FY2027 plan	111.0 billion yen

Operating income (Operating margin)

7.9 (9.2%) billion yen

FY2027 plan	10.5 billion yen (9.5%)

Results and Challenges in the Previous Medium-Term Management Plan

Results

- **Turned a profit at the U.S. and Indian bases. Improved profitability in Singaporean and German bases**
- **Grew sales of eco-friendly products and developed high-voltage products**
- **Improved profitability by normalizing utilization at domestic factories**

Challenges

- **Expanding facilities to meet production burden and upgrading aging facilities**
- **Promoting DX for greater production efficiency**
- **Securing engineers in production and development**

Opportunities

- Expanded business opportunities for our distinctive products due to stricter environmental regulations in Europe, decarbonization plans in North America, and increased demand for updating
- Expanding demand for planned updates to aging facilities in the wake of the new revenue cap system in Japan
- Increased investment in energy storage systems due to greater demand for hydroelectric and wind power to boost the ratio of renewable energy in Japan and to strengthen the ability to regulate the grid

Risks

- Major changes in geopolitical risks, exchange rates, national trade and investment policies, etc.
- Delayed sales and compromised profitability in large projects
- Market changes due to risk of withdrawal of environmental policies
- Intensifying competition for orders due to competitors' increased capital expenditure

Strengths

- Long-standing track record in delivering products to electric power companies in Japan and maintenance capabilities of domestic bases
- Competitiveness of eco-friendly products and optimal cost and supply capabilities, including at overseas bases
- System compatibility offered by power conversion products, including storage batteries and grid-connected systems
- O&M insights related to renewable energy sources (hydroelectric/wind)

Growth Strategies in Medium-term Management Plan 2027

In Japan, we will concentrate our resources in the three areas of hydroelectric power generation systems, substation equipment, and power storage systems to become a comprehensive provider of small and medium-sized hydroelectric power generation, increase production capacity mainly at our transformer factories, and strengthen our system proposal capabilities through strategic partnering with storage battery manufacturers, respectively. At overseas bases, we will develop 245kV vacuum circuit breakers for North America and cultivate new markets for vacuum circuit breakers in Europe. We will seize the tailwind of the business environment and implement a growth strategy that leverages the technological superiority of the Meiden Group, while also focusing on securing the engineering talent that will be the source of this growth.

Water turbine generator

Growth Strategy 1 Strengthening Equipment and Product Capabilities, Improving Efficiency of Production Processes Through DX

In Japan, we will work to grow our top line, focusing on improving production capacity and efficiency through DX. At our transformer factory, where production capacity is tight, we will expand production capacity by adding testing space and other measures. In addition, we have launched a smart factory project, aiming to establish a system that enables constant directions for improving production processes by utilizing a central control system in the factory to predict equipment failures and identify resources with low utilization.

Expanded transformer factory test area

Growth Strategy 2 Cultivating New Overseas Markets and Expanding Business Fields

Overseas, we will take the opportunity of the introduction of the F-gas Regulation in the European market, which will start in 2028, to expand sales of our vacuum circuit breakers, which are eco-friendly products, in Europe. In the U.S., we have added a 123 kV model to our lineup of vacuum circuit breakers, and furthermore, we have doubled our production capacity by expanding our factory building to accelerate the spread of our vacuum circuit breakers. In India, where we have been growing sales of transformers to meet rising demand for renewable energy, we aim to achieve sustainable growth by increasing production capacity by 20% and expanding our business domain through participation in the Power Grid Corporation of India, Ltd.

Resolving Materiality Through Business Strategy

1 Realization of a carbon-neutral society

Cumulative shipments of SF_6 gas-free vacuum circuit breakers in North American and Canadian markets exceeded 1,500 units

FY2024 results

2 Upgrading value provision

Evolving into a hydropower service provider handling everything from product provision to O&M and electricity sales through co-creation with local governments, etc.

Action in MTMP 2027

3 Realization of a safe, secure, and convenient society

Supporting India's industrial boom with a stable power supply through participation in Power Grid Corporation of India Limited

Action in MTMP 2027

TOPICS

Delivered VSG-PCS to Hahajima, Ogasawara Islands: Stabilizing the Grid on Renewable Energy Introduction with Virtual Sync

Meidensha delivered an inverter for energy storage systems with virtual synchronous generator functionality (VSG-PCS) to TEPCO Power Grid, Incorporated on Hahajima Island in the Ogasawara Islands. VSG-PCS will be utilized in the microgrid demonstration experiment that started in August 2025 to achieve 100% renewable energy generation on Hahajima. As the introduction of renewable energy expands, the decline in frequency stability due to reduced inertia in the power system has become an issue, especially in island areas where there is a high dependence on synchronous generators. VSG-PCS contributes to the stabilization of grid frequency by achieving inertial force[*1] and synchronizing power[*2] equivalent to that of a synchronous generator with an inverter. Meidensha will continue to support greater renewable energy introduction and stable power supply in island areas through the delivery of VSG-PCS.

*1 The force with which the power system tries to maintain the frequency. The greater the inertial force, the smaller the frequency fluctuation (amount and speed of change) when the supply-demand balance is disrupted in the power system.
*2 Resilience to restore the synchronous generators to their original state when they are operating in parallel and there is a system disturbance affecting the synchronization state.