



Field Service Engineering Business Group

Leveraging digital technologies and investing in human resources to capture robust maintenance demand and take on the challenge of creating new value propositions

Senior Managing Executive Officer & Strategic Group Leader, Field Service Engineering Business Group

Tatsuki Mochizuki

Management Indicators

FY2024 result

Orders
51.4 billion yen
FY2027 plan 54.0 billion yen

Net sales
49.5 billion yen
FY2027 plan 50.0 billion yen

Operating income (Operating margin)
9.9 (20.0%) billion yen
FY2027 plan 9.5 billion yen (19.0%)

Results and Challenges in the Previous Medium-Term Management Plan

Results

- Record performance was achieved through capturing firm demand for maintenance services
- Grew the semiconductor equipment maintenance business through expansion of domestic service bases and distributor sales of semiconductor production equipment
- Proactively developed solution proposals that focus on energy conservation and GHG reduction by integrating products and maintenance services

Challenges

- Rectifying high field workload conditions and increasing employee engagement
- Passing on skills and securing young talent to address aging workforce both internally and at subcontractors
- Further advancing field DX and smart maintenance using digital technology

Opportunities

- Increased demand for maintenance services provided by manufacturers amid a declining working-age population and other factors
- Rising awareness of preventive maintenance due to stronger BCP measures by companies, local governments, and others
- Expanding needs for smart maintenance associated with DX promotion
- Increase in business opportunities for related maintenance services in Japan and overseas due to semiconductor market growth

Risks

- Increased difficulty in securing technical service personnel
- Rise in material costs, labor costs of subcontractors, etc.
- Obsolescence of some materials needed to repair products with long expected service lives

Strengths

- Life cycle engineering from product delivery to maintenance services
- Extensive maintenance stock and maintenance service data
- Proposal capability, technical capability, and a maintenance service system to solve customers' issues

Growth Strategies in the Medium-term Management Plan 2027

In the heavy electric equipment maintenance market, an area with expected growth, we will execute the following strategies in response to the growing shortage of technical service personnel in the industry as a whole.

- ① Strengthening proactive investment in human capital, recruiting and training professional human resources, and creating a facilitative working environment
- ② Further advancing smart maintenance utilizing digital technology to enhance preventive maintenance and strengthen remote monitoring systems
- ③ Establishing an efficient service delivery system and increasing the value of services provided through DX measures across divisions and collaboration within the Group and with other companies

Growth Strategy 1

Strengthening products related to smart maintenance

We will strengthen product development with an emphasis on labor savings and reduction of environmental impact by leveraging the product technologies and field insights we have cultivated over many years. In addition to conventional environmental solutions for extra-high-voltage facilities, we will deploy smart maintenance for other products such as high- and low-voltage panels and emergency power generation equipment, and expand remote monitoring and preventive maintenance systems using sensors and measuring devices. We will continue to contribute to the development of a sustainable society by simultaneously addressing human resource issues and creating new added value.



24/7/365 support for customer facilities

Growth Strategy 2

Strengthening the Semiconductor Manufacturing Equipment Maintenance Business

In the semiconductor manufacturing equipment maintenance business, for which further demand growth is expected, we will strengthen the foundation of our service bases in Japan and work to achieve full-scale entry into overseas markets through collaboration within the Group and with other companies. In addition, we will expand our maintenance stock and further develop life cycle engineering, which is one of our strengths, by strengthening our resident services to customers' facilities, in addition to distributor sales of semiconductor manufacturing equipment launched in the previous Medium-term Management Plan.

Resolving Materiality Through Business Strategy

Upgrading value provision

1 Promoting smart maintenance for high-/low-voltage panels and emergency power generation equipment

Action in MTMP 2027

Realization of a carbon-neutral society

2 Reduced environmental impact from customers' facilities by strengthening one-stop services

FY2024 results

Building human resources and corporate culture that take on the challenges of the future

3 Conducted practical training for 58 participants with scenarios for customer facilities through the Manabi-ya technical education center

Action in MTMP 2027

TOPICS

Establishing Maintenance Services with Digital and AI Technologies

As the demand for maintenance services provided by manufacturers increases amid labor shortages, the shortage of maintenance service personnel is a major issue for the Meiden Group. In parallel with strengthening recruitment and training, it is important to both streamline and evolve our maintenance services by harnessing digital technology. Under Medium-term Management Plan 2027, we will strengthen development aimed at transforming maintenance services. Specifically, we will develop remote maintenance services that combine digital twin technology with augmented reality (AR) and virtual space

(the Metaverse) to create 3D models of customer facilities. In addition to the construction of a 24/7 equipment monitoring system and condition based maintenance (CBM) using AI and IoT technologies, we are also working on the implementation of easy inspections and first response using robots and drones. By establishing advanced maintenance services that break away from the traditional dependence on human resources, we will provide added value to our customers and achieve sustainable business growth.