

# New Medium-Term Management Plan “NEXT 100: Beyond 100 Years”

July 11, 2014

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# Long-Term Vision

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The Toyo Denki Group will contribute to the realization of an environmental-compatibility-based society through global business development by fusing advanced breakthrough technologies together with the excellent motor drive technologies it has cultivated since its foundation.



### **Toyo Denki in the Long-Term**

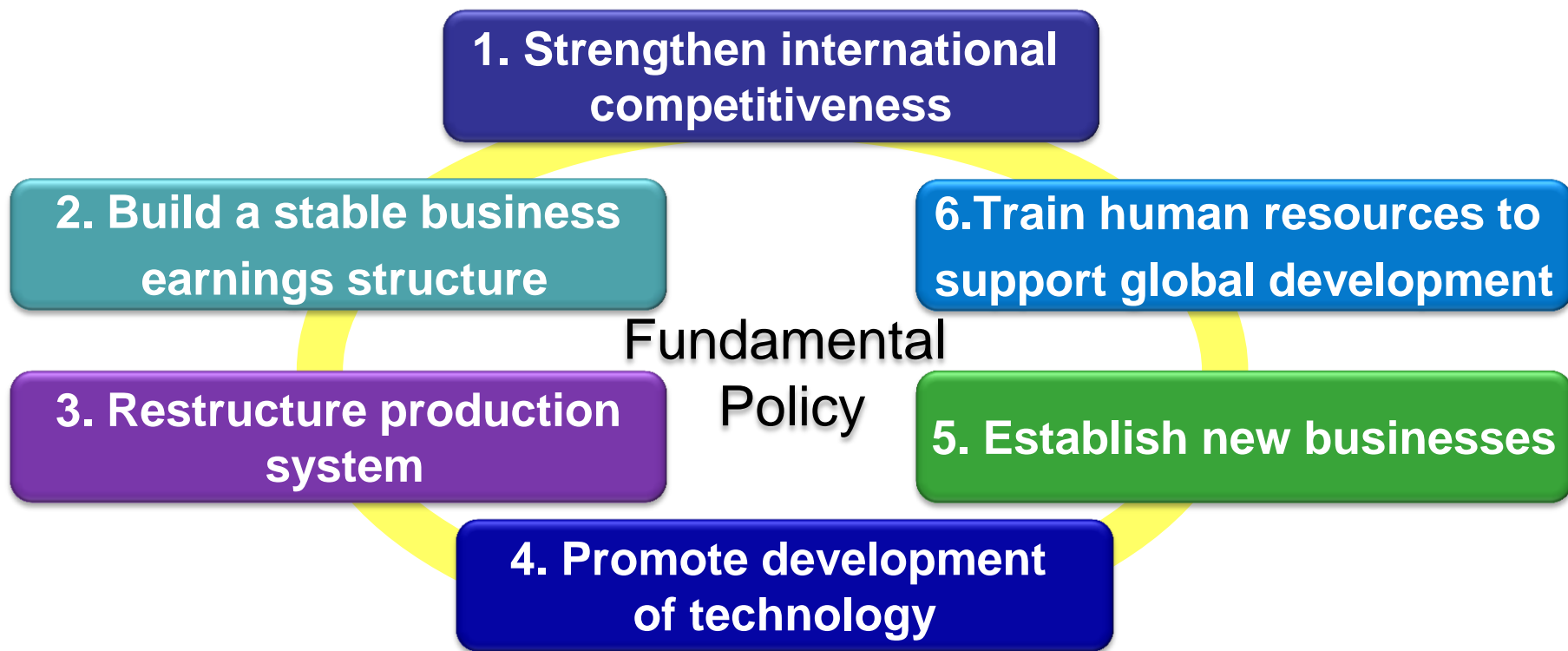
A global company that continues to create technology for the realization of social infrastructure systems that help protect the global environment

# 新中期経営計画と基本方針

Aiming to strengthen the management foundation as a 50 billion yen company in three years under the slogan: “Beyond the 100-Year Mark”

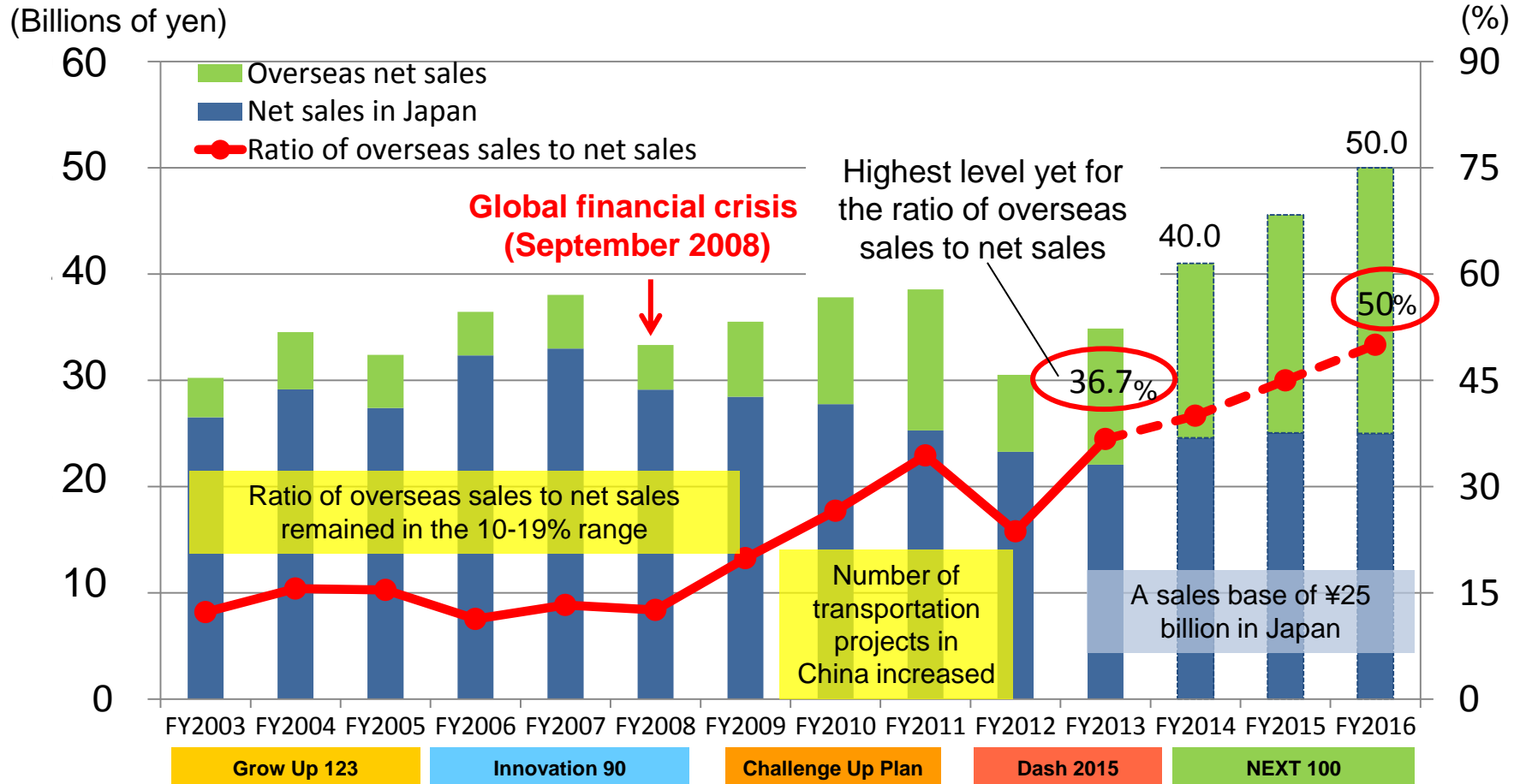
**<Name> “NEXT 100: Beyond 100 Years”**

(June 1, 2014 – May 31 , 2017.)



# Business Area Expansion and Globalization

- Achieve net sales of **¥50 billion**, and operating income of **¥3 billion** by May 31, 2017
- Increase the ratio of overseas sales to net sales to **50%**



# Principal Measures

## 1. Strengthen international competitiveness

- Promote business centered on the Group's bases in overseas markets in China, the U.S., South Korea, India, and Taiwan
- Build up the brand and expand business through bases in Southeast Asia
- Utilize alliances to cultivate new markets

## 2. Build a stable business earnings structure

- Expand its share in Japan's Mothers market
- Stabilize earnings potential in Industrial Systems segment

## 3. Restructure production system

- Expand production capacity and establish global production system as Toyo Denki in view of its 100th year and beyond
- Strengthen global quality control systems, including supplier management
- Reorganize backbone systems

# Principal Measures

## 4. Promote development of technology

- Proactively utilize young human resources with an eye to achieving fresh ideas
- Train advanced engineers through active secondment to research institutions such as universities

## 5. Establish new businesses

- Promote businesses in distributed power sources and electrification

## 6. Train human resources to support global development

- Procure next-generation human resources and capacity-development systems
- Establish working and living environments that the promotion and development of global business

# Management Targets

(Billions of yen)

	Fiscal 2013	Fiscal 2016 Forecast	Difference
Net sales	34.96	50.0	+15.04
Operating income	1.08	3.0	+1.92
Operating income margin	3.1%	6%	+2.9%
Ordinary income	1.04	3.2	+2.16
Net income	0.64	1.9	+1.26
Overseas net sales	12.83	25.0	+12.17
Ratio of overseas sales to net sales	36.7%	50% or higher	+13.3% or higher

# Management Targets by Business Segment

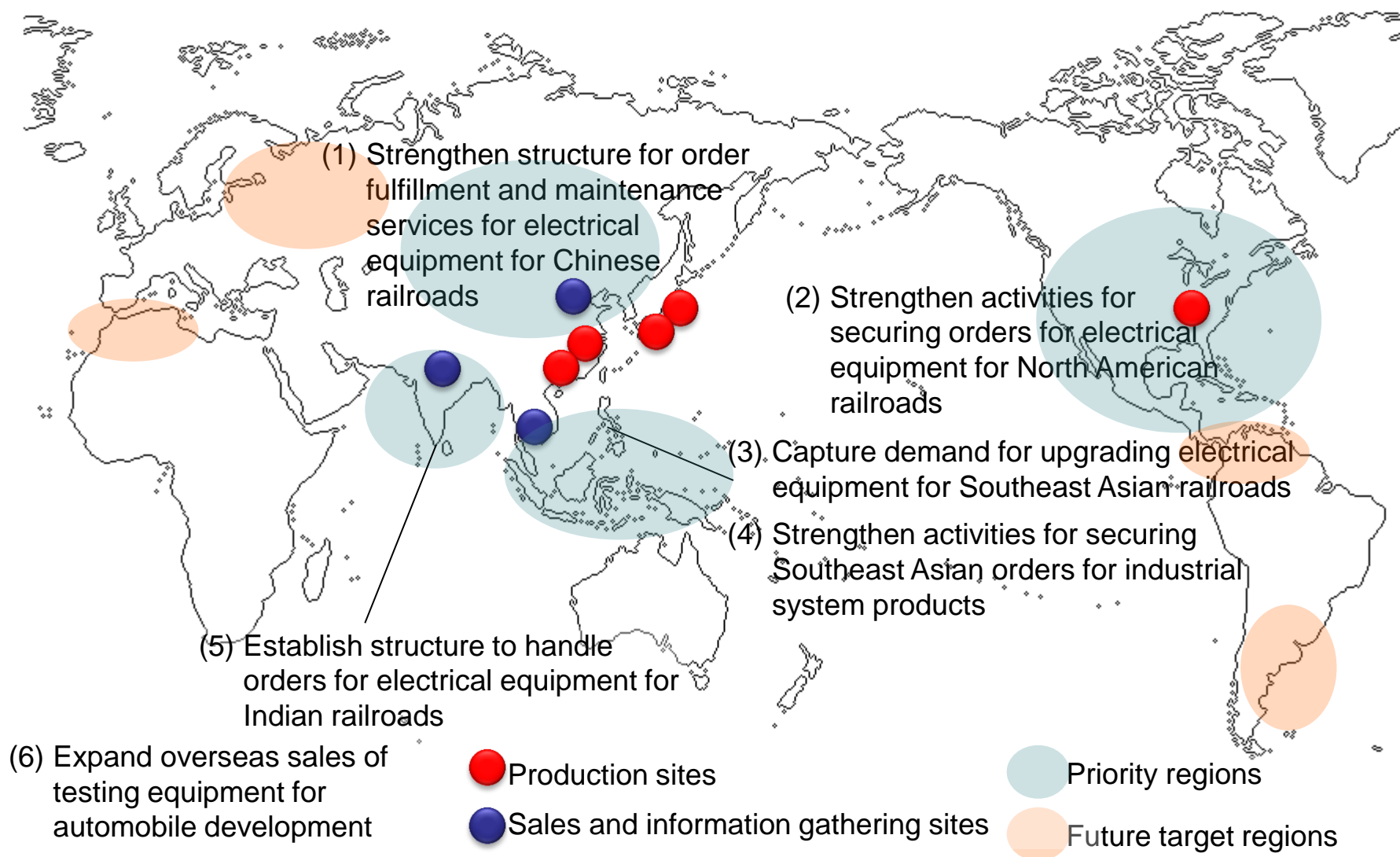
(Billions of yen)

	Fiscal 2013	Fiscal 2016 Forecast	
	Net Sales	Net Sales	Difference
Transportation Systems	22.20	31.0	+8.8
Industrial Systems	10.92	16.0	+5.08
Information Equipment Systems	1.83	3.0	+1.17
Adjustment <sup>1</sup>	—	—	—
Total	34.96	50.0	+15.04

<sup>1</sup> Adjustment is primarily comprised of selling, general and administrative expenses that are not allocated to each business segment.



# Overseas Strategies: Transportation and Industrial Systems



Thank you for your interest.

<http://www.toyodenki.co.jp>

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- Statements concerning financial results forecasts are based on data available as of the date of publication of this material and assumptions concerning the elements of uncertainty that will affect future business performance as of the date of publication of this material. Actual financial results may differ depending on a variety of factors.
- Forward-looking statements contained in this material are the judgments of the Toyo Denki Group based on data available at the time of publication of this material. Such statements and descriptions are by no means comprehensive.