

Contributing to the maintenance and development of a safe, secure, and comfortable society as a global enterprise that continually creates new technologies

Following the General Meeting of Shareholders held in August 2013, Hiroshi Tsuchida was appointed as Chairman and Kenzo Terashima was appointed as President. Our new Chairman and President hereby explain our initiatives moving forward.

In the DASH 2015 three-year medium-term management plan launched in fiscal 2012, our targets for fiscal 2014 are set as follows: net sales of 52.0 billion yen; overseas net sales ratio of 50% or higher (26.0 billion yen); operating income of 3.6 billion yen (operating income margin of 7%); ordinary income of 3.6 billion yen; net income of 1.8 billion yen; and ROE of 8% or higher. Under an environment where the effect of "Abenomics" is expected to drive an economic recovery, in order to achieve our targets, we plan to further expand our Transportation Systems and Industrial Systems segments internationally, and in regard to profits, we will in particular strive to make our Industrial Systems segment profitable.

In fiscal 2013, demand for renewals in the domestic railway market has recovered. Overseas, we have started shipping aforementioned electrical equipment for the "LRV" in Los Angeles, and we have also won contracts for high-speed railroads and subway systems in China thanks to the steady market there. We can thus expect strong growth in sales in our Transportation Systems segment. China and North America will remain the key targets in our overseas sales activities, and we will also make a strategic move focusing on the Indian and Southeast Asian markets centering on the Delhi Liaison Office we have opened in India in August 2012.

In the Industrial Systems segment, we expect a large increase in orders for testing equipment for automotive development and a recovery in capital investment thanks to the upturn of the Japanese economy. During fiscal 2013, we also plan to open representative offices in Thailand and other countries in Southeast Asia, in order to strengthen our expansion in sales of motors and inverters for production facilities into this region. Meanwhile, we have begun full-scale entry into the market for motors and inverters for construction equipment around the summer of 2012. We believe that these initiatives will make our Industrial Systems segment profitable in this fiscal year.

In the Information Equipment Systems segment, we are actively committed to capturing the demand rising from the revision to the consumption tax on equipment relating to railway station operations by leveraging the growth in our customer base won through the development of ticket issuing handy terminals.

Through the above initiatives, we will strive to expand our business in all three segments, increase our corporate value as well as continuously contribute to the maintenance and development of a safe, secure, and comfortable society by continuing a tireless challenge to technological innovation and by offering high-quality products and services.

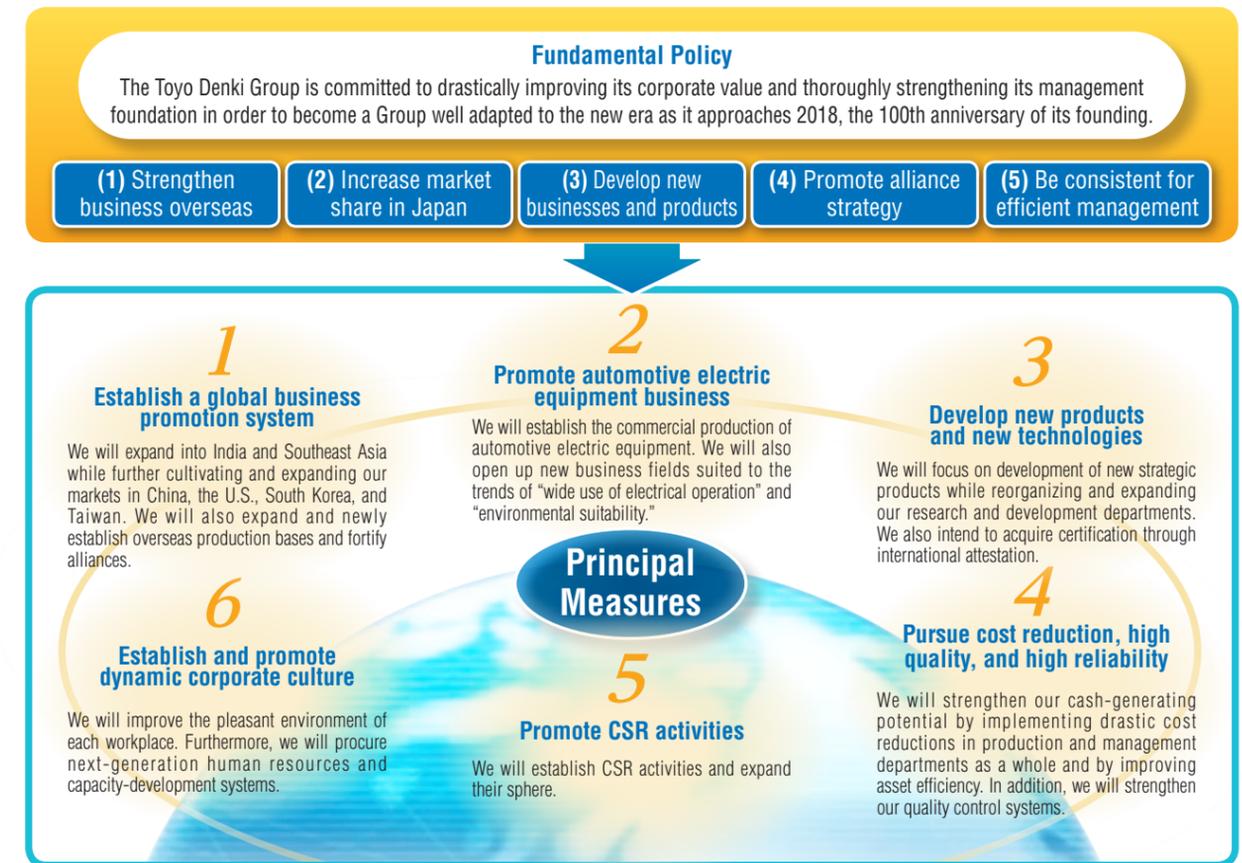
We ask for the continued understanding of our businesses of our stakeholders.

Long-Term Vision

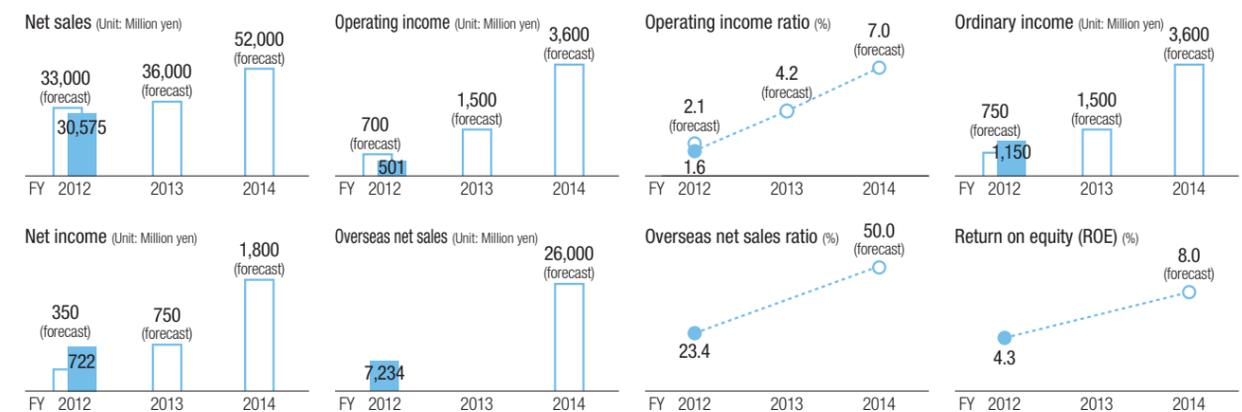
Integrating the exceptional motor drive technologies since establishment with our breakthrough advanced technologies to help build environmentally friendly societies through global business development.

The DASH 2015 Medium-Term Management Plan

In June 2012, we began our DASH 2015 three-year medium-term management plan. We will aim to achieve further growth chiefly by expanding overseas businesses.



Progress and Plans in the DASH 2015 Medium-Term Management Plan



Kenzo Terashima
President



Hiroshi Tsuchida
Chairman

