

# Overseas Expansion in New Medium-Term Management Plan “NEXT 100: Beyond 100 years”

## Measures for Transportation Systems segment

We will promote the following measures to achieve dramatic global expansion of our Transportation Systems segment.

### Utilization of alliances

Through alliances with FUJI ELECTRIC and Hitachi, we will proceed with development of new markets such as North America, Southeast Asia and India, and promote joint purchasing and joint development of products and systems based on market needs to strengthen international competitiveness.

### Approaching rail vehicle manufacturers

We will leverage our strengths as a dedicated manufacturer of electrical equipment for rail vehicles and actively seek export opportunities with rail vehicle manufacturers in Japan and overseas.

### Deployment of maintenance business

We have been delivering electrical equipment for rail vehicles to the Beijing Subway since the late 1990's, boasting the top share of approximately 40% in the electrical equipment delivered to the Subway. In October 2014, we founded a new company, "Beijing Jingche Shuangyang Traction System Co., Ltd." to further strengthen our businesses by capturing demand for maintenance of such equipment.

Additionally, used rail vehicles that were manufactured in Japan are exported to Indonesia and other countries, where they are used for transportation by the local population. We are also aiming to launch a business to upgrade and maintain the electrical equipment for these vehicles.

## Measures for Industrial Systems segment

The Industrial Systems segment will promote specialization in high value-added segments in an aim to achieve steady revenues, while advancing global expansion as a key measure for business growth.

### Respond to demand for energy saving in Southeast Asia

We will grow our business by responding to demand for energy-saving production facilities in Southeast Asia, by offering industrial systems products based on high-efficiency motors and inverters leveraging our motor drive technology, with a center for information collection at our representative office in Bangkok, Thailand opened in September 2014.

### Expand overseas sales of testing equipment for automobile development

Based on the technologies for testing systems for automobile development we have built for automobile manufacturers in Japan, we will promote initiatives aimed at receiving orders from overseas manufacturers as well.

## Restructure production system

We will restructure our production system including our subsidiaries and joint ventures in Japan and overseas, centering on the Company's major production base, the Yokohama Plant, and aim to build a foundation to achieve net sales of 50.0 billion yen by the fiscal year ending May 31, 2017.

