"Working to further increase corporate value, we will secure growth by pursuing overseas expansion and new business development."

Hiroshi Tsuchida, President of Toyo Denki Seizoku K.K., outlines the Company’s progress during the first half and developments going forward.

What issues do you believe the Company will confront as it strives for future growth?

What measure do you plan to implement?

What is the status of technology development going forward?

It appears that the content is related to a company's strategy, including expansion, new business development, and technological advancement. The text is discussing the company's efforts to increase corporate value and secure growth through overseas expansion and new business development. The company's president, Hiroshi Tsuchida, outlines these strategies and their progress during the first half of the fiscal year. The content includes questions about the company's challenges, measures to address them, and the status of technology development.

Please note that the document is not fully visible, and some parts might be missing or unclear. The provided text is based on what is visible and legible in the image.
What is the outlook in this final year of the Group’s Challenge Up Plan?

In the final year of our three-year Challenge Up medium-term management plan, we projected net sales of 40.8 billion yen, operating income of 2.6 billion yen (operating income margin 6.4%), a ratio of overseas sales to total sales of 30%, and a return on equity (ROE) of 10%. This performance, however, by the unprecedented strength of the yen, our results for both net sales and operating income for the first half of fiscal 2011, regrettably, have fallen below plans. On this basis, we have revised downward our forecasts for the full fiscal year. Net sales are now anticipated to come in at 40.0 billion yen (up 5.6% year on year), operating income at 1.8 billion yen (up 15.7% year on year, operating income at 1.6 billion yen (up 5.6% year on year), and net income at 750 million yen (up 10.6% year on year).

Looking to the second half of fiscal 2011, we anticipate posting sales related to postpoison projects. At the same time, we hold high expectations of a concentration of large-scale projects in each of our Industrial Systems and Information Systems businesses in March and April. With this in mind, we are content of achieving our revised plans. Moving forward, we will also continue to pursue improvements in profits through cost reduction measures.

Toyo Denki will carry forward efforts to “further increase Group corporate values,” a major theme of the Challenge Up plan, into our new medium-term management plan scheduled to commence in the next fiscal year. Working toward this end, we will secure renewed growth by accelerating conditions and trends in the domestic market, further strengthening overseas business development, and promoting new businesses. We are currently putting in place specific business strategies and formulating a strategy for the first year of the plan. We intend to clarify three core elements around June 2012.

Do you have any final thoughts you would like to share with our shareholders?

In recent years, we have witnessed significant global economic turmoil as well as natural disasters of unprecedented proportions. This has in turn led to a sense of uncertainty surrounding the overall economy. Looking ahead, however, I am confident that the Japanese economy will experience steady growth. I also anticipate that demand for infrastructure will continue to gain impetus in developing countries and particularly throughout East Asia. Under these circumstances, Toyo Denki will take up the challenge of building a recycling-based society and strive to continue enhancing its corporate value by delivering products and services that fulfill the needs of society. We will also focus on environmental conservation as we practice increasingly innovative manufacturing and expand our overseas business development activities while developing new businesses to increase our earning capacity.

As we work toward achieving our overarching goals, we kindly ask for the continued support and understanding of all shareholders.