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## FOR IMMEDIATE RELEASE

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### Medium-term Management Plan 2027

Meidensha Corporation (Representative Director President and Executive Officer: Akio Inoue) has started initiatives under Medium-term Management Plan 2027 covering the three-year period from fiscal 2025 to fiscal 2027.

#### Introduction

The Group positioned Medium-term Management Plan 2024 starting in 2021 as the “Jump” phase and implemented various measures aimed at achieving “high-quality” growth by both expanding business and improving profit margins. As a result, we achieved our targets for orders, net sales, operating income, ROE, and ROIC in the final fiscal year.

#### Achievement of Numerical Targets under Medium-term Management Plan 2024

|                  | FY2024                  |                |                |
|------------------|-------------------------|----------------|----------------|
|                  | Medium-term plan target | Result         | Difference     |
| Orders           | ¥300 billion            | ¥383.5 billion | +¥83.5 billion |
| Net sales        | ¥300 billion            | ¥301.1 billion | +¥1.1 billion  |
| Operating income | ¥18 billion             | ¥21.5 billion  | +¥3.5 billion  |
| ROE              | 10.0%                   | 13.9%          | +3.9%          |
| ROIC             | 8.0%                    | 8.2%           | +0.2%          |

#### Outline of Medium-term Management Plan 2027

##### 1. Value Creation Process for Achievement of Vision

In recent years, innovative technologies such as generative AI have been put into practical use in quick succession, and it is expected that the environment surrounding companies and the value they should provide will continue to change significantly and diversely in the future. In response to these environmental changes, we have restructured our materiality to include a “digitalization” and added “human resources and corporate

culture that take on the challenges of the future", "upgrading value provision" and "harmony between people and digital technology" as new key issues. In our focus areas of "renewable energy" and "sustainable infrastructure", as we face the need to rebuild social infrastructure that adapts to the background of our times, we will provide product systems and solutions that address these needs and challenges.

In addition, in both the areas of "green mobility" and "smart industry," we will position product technology and production technology as our core competencies, and strive for further advancement in the industrial sector.

## **2. Strategy for Realizing Value Creation**

Medium-term Management Plan 2027 ("MTP 2027") positions the next three years as a period for achieving both "steady growth meeting needs" and "changes and challenges for the future." During this period, we aim to realize both sustainable growth of existing businesses and non-continuous growth, and will promote three growth strategies with "Growth & Challenge" as key words, and strive to strengthen the management foundation supporting these.

### [Growth Strategy 1: Products]

To increase production capacity, we are planning capital investments to strengthen manufacturing facilities for transformers and electronics products in Japan, and to rebuild sites and establish new factories in the United States, Germany, Singapore, and India. We will also work to increase the capacity of our featured products such as vacuum interrupters and vacuum circuit breakers, and continue to advance the "MEIDEN Manufacturing Standard" that we have been developing. We will pursue DX and production process efficiency improvements tailored to our manufacturing approach, with the goal of enhancing production capacity and halving lead times.

### [Growth Strategy 2: Business]

In the power T&D business, we will enter the European market where SF6 gas regulations are being newly introduced, in addition to the North American, Indian, and Singapore markets where growth is expected. In the semiconductor field, which is advancing in miniaturization and layering, we will expand sales of vacuum capacitors, which is a profitable business, in the North American market, while collaborating with semiconductor equipment manufacturers to develop new technologies. We will also pursue data utilization businesses that seek customer experience value, while challenging ourselves to provide value beyond mere equipment sales in the infrastructure and mobility.

### [Growth Strategy 3: Technology]

Through "targeted research" that anticipates the society of tomorrow, we foster sources of future competitiveness. As "targeted research", we have defined three technological directions: direct current & high frequency, power (electronics×electrochemistry), and Digital Twin O&M. We have organized the systems and elements that make up the society

we aim to realize, and within that framework, we will acquire core technologies that our company will particularly focus on.

[Strengthening management foundation supporting growth strategies]

In order to realize the above growth strategies, we will promote the strengthening of our management foundation centered on "deepening of green strategy," "strengthening of human capital", and "Acceleration of internal DX". As part of our "deepening of green strategy," we will accelerate decarbonization management, promote decarbonization of factory units, introduce renewable energy, and advance LCA initiatives. In "Strengthening of human capital," we aim for a qualitative transformation in recruitment, development, and performance under two themes: "Enhancing Organizational strength" and "Enhancing individual." For "Accelerating internal DX," we will update core systems and develop an internal data integration platform to improve the quality and efficiency of both routine and non-routine operations, as well as to enhance management decision-making.

### 3. Financial and Non-financial Targets

Through a series of measures, we have set the following targets for fiscal 2027, the final year of Medium-term Management Plan 2027: orders of 380 billion yen, net sales of ¥370 billion, operating income of ¥25 billion, ROE of 10%, and ROIC of 8%. We have also formulated the Third Meiden Environmental Vision in line with the 1.5°C scenario, setting targets such as a 40% reduction in Scope 1+2 emissions and a 20% reduction in Scope 3 emissions (all categories) compared to fiscal 2019 levels.

<Financial and Non-financial Targets>

|               | FY2024 (Result)                               | FY2025 (Forecast)   | FY2027 (Plan)   |  |
|---------------|---|---------------------|---|--|
| Financial     | Orders  | ¥383.5 billion      | ¥380.0 billion  |  |
|               | Net sales                                     | ¥301.1 billion      | ¥370.0 billion  |  |
|               | Operating income                              | ¥21.5 billion       | ¥25.0 billion   |  |
|               | ROE   | 13.9%               | 10.0%   |  |
|               | ROIC  | 8.2%                | 8.0%  |  |
|               | Net D/E ratio                                 | 0.10                | 0.20 to 0.30  |  |
|               | Capex   | ¥12.0 billion       | Accumulated 3-year total: ¥70.0 billion (of which growth investments and DX investments: ¥35.0 billion) |  |
| Non-Financial | R&D expenses                                  | ¥11.2 billion       | Accumulated 3-year total: ¥43.0 billion   |  |
|               | Scope 1+2                                     | (18%)               | (30%)   |  |
|               | Scope 3                                       | (16%) (Category 11) | -20% (All categories)   |  |
|               | eNPS <sup>1</sup>                             | (69.0%)             | (65.0%)   |  |
|               | Female executives                             | 1                   | 3 or more (FY2030)  |  |
|               | Non-Japanese presidents of local subsidiaries | 2                   | 5 or more (FY2030)  |  |

\*1. Planned exchange rate: 140 yen/USD

2. ROIC = Profit after tax / (Interest-bearing debt + Shareholders' equity)

3. Scope 1, 2, 3: Compared to FY2019 results

4. eNPS: Employee Net Promoter Score (©Net Promoter Score). NPS® is a registered trademark of Bain & Company, Fred Reichheld, and Satmetrix Systems. The unit of eNPS is expressed as %. The scope of eNPS

covers Meidensha Corporation and its domestic affiliated companies.

#### 4. Management Conscious of Cost of Capital and Stock Price

As an initiative to enhance corporate value, we have established policies based on the two perspectives of improving ROE (return on equity) and improving PER (price-earnings ratio), and we are implementing measures based on these policies and aligning them with our growth and investment strategies for Medium-term Management Plan 2027.

In our efforts to improve ROE, we are reinvesting the generated cash into growth investments, leading to further cash generation to enhance growth expectations. At the same time, we are working on sustainable value creation for the future through the enhancement of non-financial value, such as strengthening human capital and governance systems. Regarding capital investment, we plan to invest 70 billion yen over three years with the aim of sustainable business growth and strengthening competitiveness.

Our basic policy on shareholder returns is to balance “implementation of stable and continuous dividends” with “enhancement of long-term shareholder value through growth.” Specifically, we will directly return 30% of net income attributable to owners of the parent through dividends.

<Management with Awareness of Capital Costs and Stock Prices>

