

## **Nissin Electric Establishes the Equipment and Parts Solution Business as a Business Segment**

**—Aiming for business sales of 13.4 billion yen in FY2025 to achieve VISION2025—**

To achieve the Medium-to-Long-Term Business Plan “VISION2025,” Nissin Electric Co., Ltd. reviewed its business structure to establish the Equipment and Parts Solution Business by making the Industrial Equipment and Parts Contract Manufacturing Business (hereinafter “Equipment and Parts Business”), which was included in the Power System Equipment Business field, an independent business segment in order to positively present solutions to customers’ problems making the most of its expertise and experience gained over the past 20 years. As a move to review the supply chain that has been centered on China is accelerating due to the impact of the US-China trade war and the need for local production for local consumption is increasing in the ASEAN region, the company aims to achieve sales of 13.4 billion yen (1.9 times as much as the plan for fiscal 2021) in fiscal 2025 by recognizing these factors and the resulting rapid changes and responding to new needs.

This is a business activity that contributes to one of the six growth strategies in the Nissin Electric Group Medium-to-Long-Term Business Plan VISION2025, which started in this fiscal year, “Increasing environmental awareness in emerging countries” and one of the business foundation strengthening items “Enhancing manufacturing capability.”

### **[Business History]**

Nissin Electric (Thailand) Co., Ltd. (hereinafter “NET”), which was established in Thailand in 1987 as a power system equipment production base and has since been producing capacitors and circuit breakers for the Japanese market, commercialized the Equipment and Parts Business based on the manufacture of heavy electrical machinery in 2000, and started providing products to the Thai and overseas markets. After that, in 2005, Nissin Electric Vietnam Co., Ltd. (hereinafter “NEV”) was established to meet the needs of the Vietnamese market. Furthermore, in 2019, to capture new demand, Nissin Electric Myanmar Co., Ltd. (hereinafter “NEM”) was established.

In 2020, Nissin Electric established the Equipment and Parts Business Management Division as a division to manage NET, NEV and NEM, which are located in the ASEAN region and to formulate their business strategies. Also, it established the Equipment and Parts Business Group within the Production Engineering Department as a department to help expand orders for contract production of equipment and parts in the Japanese market and provide support for safety and quality to overseas bases, and the Technical Team within the Manufacturing Education Group at the Production Engineering Department as a department to provide technical support for sophisticated machining of metal parts to domestic and overseas bases and to develop human resources skilled in the machining of metal parts, thereby building a structure for providing technical support for NET and NEV to respond to technically difficult cases.

### **[Business Strategy]**

By building a support system between overseas bases and the Production Engineering Department, Nissin Electric has established a structure for providing the optimum production site to each customer according to the difficulty and cost of the product. Based on this structure, as a business strategy, the company will promote the global-scale equipment and parts contract manufacturing business and the commercialization of the market-oriented business in the ASEAN region.

#### **<Features of each base>**

- NET : A highly automated production base for high-end equipment and parts that are difficult to produce, which are globally in demand.
- NEV : A company that supplies medium duty parts to advanced countries, including Europe, the U.S. and Japan by capitalizing on its expanded production capacity and high cost competitiveness. It will expand its business to south-central Vietnam.

NEM : A company has captured emerging local demand to expand business by taking advantage of having built a metalworking plant ahead of other companies. It has honed its technology and skills to secure quality and will start export based on its high cost competitiveness.

Nissin Electric : A company that provides technical support and hands down its specialists' expertise and skills to bases in the ASEAN region, and plans to commercialize the market-oriented business in fiscal 2024 by identifying the advanced machining needs required by the Japanese market and establishing a business structure based on the Manufacturing Group at the Production Engineering Department.

### 1. Global-scale equipment and parts contract manufacturing business

- Responding to customer needs by capitalizing on the advantages of bases in Thailand, Vietnam and Myanmar
- Responding to customer needs through production capacity that has expanded in Thailand and Vietnam (plant expansion and production equipment expansion)
- Expanding presence with a view to establishing a base for the south-central Vietnamese market
- Building a wide-ranging production supply structure and an integrated manufacturing technology management structure that incorporates Nissin Electric's manufacturing bases
- Proposing solutions by utilizing the experience and expertise of manufacturing products for various industries

### 2. Commercialization of the market-oriented business in the ASEAN region

Quickly identifying new local needs to develop new products that meet such needs based on the manufacturing technologies that have been accumulated and introduce them into the market. Entering mainly into the rapidly changing environmental field, and the labor-saving and production efficiency improvement field.

- Identifying market needs and commercialization ahead of others
- Quick commercialization through collaboration with Nissin Electric's engineering departments and Japanese specialized equipment manufacturers

With the Equipment and Parts Solution Business as one of its business segments, Nissin Electric will strive to achieve the VISION2025 by focusing on global competitiveness reinforcement by capitalizing on the advantages of each production base, solution offering centered on metalworking technologies, and the commercialization of the market-oriented business based on new demand in the ASEAN region through the production system based on cooperation between bases in Japan and overseas countries and a global collaboration system for manufacturing technologies.

The Nissin Electric Group has been stepping up its efforts to promote the SDGs through its business operations. This accomplishment contributes to the following goals among the 17 SDGs.

- 1.No Poverty
- 6.Clean Water and Sanitation
- 8.Decent Work and Economic Growth
- 9.Industry, Innovation and Infrastructure