Basic Policies for Mid-term Strategy

Overcome low-profit structure

Expand profit in Core growth business
Create new value through co-creation efforts with external partners
Execute structural reform

Aim toward 2030

Become a company that makes contributions in people’s lives

Lifestyle Updates
Focal Points of Mid-term Strategy

Drastically revise business directions and approaches to capital & brand operations

Core growth business
- Spatial Solutions
- Gemba Process
- Industrial Solutions

Co-creation business
- Consumer Electronics
- Housing

Revitalization business
- Automotive Solutions
- Automotive Batteries

Capital Policy
Act flexibly depending on necessity

Brand Policy
Promote more flexible brand usage

Growth Scenario for Core Growth Business

Focus on solutions-type business models shifting from individual hardware sales, based on medium- to long-term perspectives

Spatial Solutions
- Overseas electrical construction materials

Gemba Process
- Supply chain
- Fine processing

Industrial Solutions
- Systems
- Devices

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Initiatives for Core Growth Business

**Spatial Solutions**
- Help people live better, more comfortable lives responding to their needs
- Use IoT to maximize emotional benefit of the people at the office, commercial facilities, etc.
- Achieve profitable growth in ISAMEA, Southeast Asia & China

**Gemba Process**
- Innovate customers’ processes related to producing, transporting and selling
- Help solve problems at frontlines through enhanced software & consulting capabilities
- Smarten manufacturing processes through AI & data analysis

**Industrial Solutions**
- Stay connected to customers and offer solutions based on competitive devices
- Improve customer-contact capabilities and focus on “module” & “package” businesses
- Reinforce material/process technologies to increase ratio of top-market-share products

Enhance Management Structure

Accelerate reduction of fixed costs to generate 100.0 billion yen profit contributions in FY2022

- **Reduce personnel costs** (gap between retiring & hiring)  
  - 30.0 billion yen

- **Improve efficiency by indirect work reduction & site integration, etc.**  
  - 30.0 billion yen

- **Countermeasures for businesses with loss-making structures**  
  - 40.0 billion yen (reduction of loss)
**Business Portfolio Management**

Execute portfolio management in a top-down manner

- **Eradicate businesses with loss-making structures by FY2022**
- **Set new direction in low-profit businesses by FY2022**
- **Find new directions in businesses that are no longer competitive, including drastic capital policies**

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**What we aim to become toward 2030**

Offer new value with solutions-type business models in lifestyle areas

- **Stay close to people**
- **Entire town**
- **Residential space**
- **Public space**
- **Lifestyle Updates**
- **Distribution**
- **Manufacturing**
- **Producing hardware**
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