

# Basic Approach to Mid-term Strategy and Progress with Ongoing Initiatives

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Notes: 1. This is an English translation from the original presentation in Japanese.  
2. In this presentation, "Fiscal 2020" or "FY20" refers to the year ending March 31, 2020.

## 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

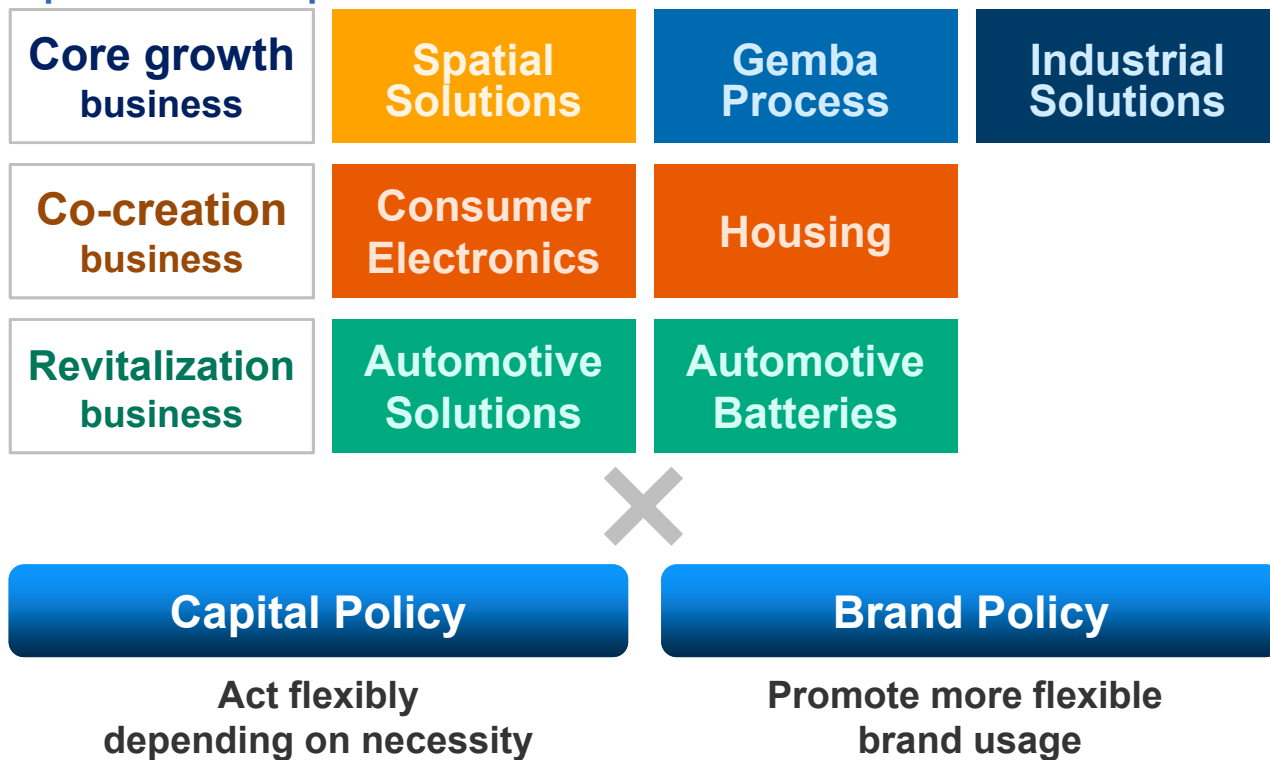
Aim toward 2030

Become a company that  
makes contributions in people's lives

Lifestyle Updates

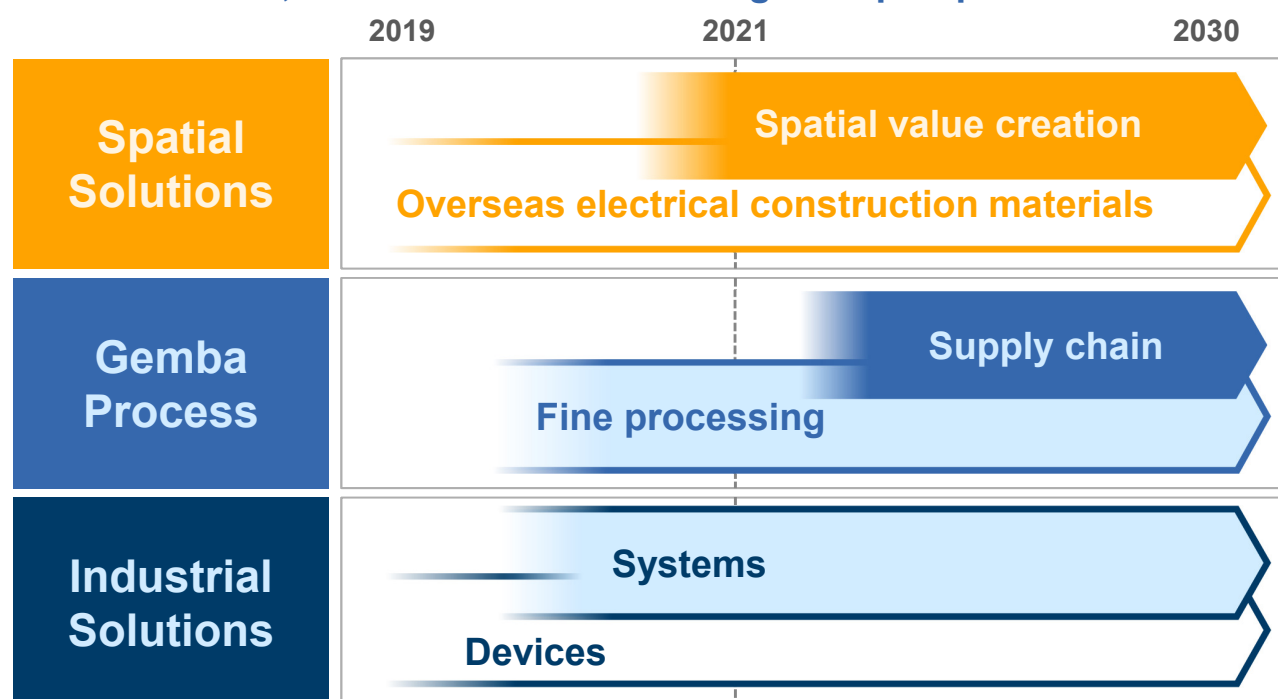
## Focal Points of Mid-term Strategy

**Drastically revise business directions and approaches to capital & brand operations**



## 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



**Help people live better, more comfortable lives responding to their needs**

**Spatial value creation**

Use IoT to maximize emotional benefit of the people at the office, commercial facilities, etc.

**Overseas electrical construction materials**

Achieve profitable growth in ISAMEA, Southeast Asia & China

### Gemba Process



**Innovate customers' processes related to producing, transporting and selling**

**Supply chain**

Help solve problems at frontlines through enhanced software & consulting capabilities

**Fine processing**

*Smarten* manufacturing processes through AI & data analysis

### Industrial Solutions



**Stay connected to customers and offer solutions based on competitive devices**

**Systems**

Improve customer-contact capabilities and focus on "module" & "package" businesses

**Devices**

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)**

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**

## What we aim to become toward 2030

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





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