Questioner 1:
Q: How do you see the political situation in China? How do you manage your business risk in China?
A: Chinese market is important for us, since more than 60% of overseas strategic region business is in China. We work together with local partners in BtoB business as well as BtoC business so that we can minimize political risk factor.

Questioner 2:
Q: What do you think improve your overseas business?
A: It is essential to work together with Chinese partners in China. We can expand business more in Southeast Asia with our high market shares to capture their demand. We have to work with others including ODM in India and to the west to introduce products suitable to local demand in a timely manner.

Q: Why are you based in India?
A: We had a lot of business opportunity in India while their economy was slow down last year. We expect business expansion under their new government this year and it is more convenient to access to the Middle East and Africa from India than Singapore or China.

Q: Are you going to establish operation with local cash flow in Southeast Asia?
A: Vertical integration is not our option in our overseas strategic regions. Capex is not essential for the output.

Questioner 3:
Q: What is your view on human resources in Japan and overseas?
A: We see the opportunity to invest human resources in Japan towards the Olympic Games. We strengthen local human resource overseas by region.

Q: How do you manage profitability and expense in overseas strategic regions while most of the authority is delegated. Do you see any risk factor to get delayed to fix issues?
A: There is no delay to fix issues and no change to evaluate performance.

Questioner 4:
Q: Why are focusing on consumer business in overseas strategic region while the company-wide strategy shifts to BtoB business?
A: We have never said that we are getting out of B2C business. We focus on middle income class in emerging countries. Again we will not do business with vertical integration business model. We would like to promote our branding with B2C business in these regions.
Questioner 5:
Q: Who are your competitors in China, ASEAN, India and Africa? Do you have any benchmark?
A: Local manufacturers are competitive in China. Koreans are doing well in southeast Asia and India. We have to increase product lineups suitable to local demand in a timely manner, utilizing ODM. The Indian market is very tough competing with the Koreans.

Questioner 6:
Q: How do you manage business responsibility, priority and Company’s incentive?
A: We have worked largely with ODM in India. The local sites are the major players in southeast Asia such as Malaysia and Vietnam. We will work close with local partners to introduce products suitable to local demand. We will be flexible to work with ODM.

Q: What is your benchmark to analyze your overseas business?
A: BtoB solution business is obviously more profitable than BtoC business, but we need to have consumer business to promote our brand as an advertisement.

Questioner 7:
Q: Do you have any change on cost reduction such as changing procurement or product planning?
A: We transfer product planning to each regions so that cost structure will be lean and competitive. And we will utilize ODM more. We were stuck to vertical integration business model in the past with less number of product lineups which eventually led to lose competitiveness.

Q: How far are you targeting in low-end market?
A: It depends on by regions and by products. Our health and beauty products are very competitive, focusing on the middle to upper class.

Questioner 8:
Q: What do you think about the idea focusing on small countries in strategic regions?
A: We have focused on ASEAN countries and established strong presence in Malaysia and Indonesia maintaining high market shares. We target that all the operations are done in each regions in 10 years.

Q: What are your key products in your overseas strategy?
A: 1) Appliances. 2) Storage battery, since we believe that cylinder type li-ion storage battery will be our major product in future.

Q: How do you do your storage battery business for governments or public agencies?
A: We do both direct business and business with partners and have produced the results in India, Indonesia and Taiwan.

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