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Excellent Global Corporation Plan Phase V (2016 – 2020)

(Basic Policy)

Embrace the challenge of new growth through a grand strategic transformation

(Key Strategies)

1. Achieve a cost-of-sales ratio of 45%
2. Reinforce and expand new businesses
3. Restructure global sales network
4. Enhance R&D capabilities through open innovation
5. Complete the Three Regional Headquarters management system
Excellent Global Corporation Plan Phase V (2017 Achievements)

- First time in 4 years to post overall sales and profit growth, first time in 9 years to post sales exceeding 4 trillion yen
- Doubled sales of new businesses. Expanded proportion of sales to 24%

![Graph showing sales growth from 2016 to 2017.]

- New Businesses Net Sales
  - 2016: 150.7B yen
  - 2017: 241.9B yen
  - Net sales growth: +20%
  - Net income growth: +60%

(Trillions of yen) (Billions of yen)
Phase V
Future Initiatives and Priority Measures

(Fundamental Policy)

Pursue total optimization and prioritize profits to complete our grand strategic transformation

(Major Measures)

• Thoroughly strengthen manufacturing prowess
• Strengthen product development capability
• Reform sales organization to reflect market changes
Reinforce Profitability of Existing Businesses
(Thoroughly strengthen manufacturing prowess: Automation)
Reinforce Profitability of Existing Businesses
(Thoroughly strengthen manufacturing prowess: In-house Production)

- Expand scope of in-house production to manufacturing equip.
  maximize cost saving throughout the entire factory
Heavily invest resources into specific themes identified as having promising futures

Reinforce Profitability of Existing Businesses (Strengthen Product Development Capacity)

Improve development efficiency through selection and focus
Reinforce Profitability of Existing Businesses
(Gain Market Share)

Interchangeable-lens Cameras

Laser Printers

Share

55%

50%

45%

40%

2012 2014 2016 2018
Projection  Projection

2012 2014 2016 2018
Projection  Projection
Expand and Improve Profitability of New Businesses (4 New Businesses expected to drive overall growth)

- Entering new phase that not only focuses on expanding sales, but also improving profits

**Healthcare**

**Commercial Printing**

**Network Cameras**

**Industrial Equipment**
Expand and Improve Profitability of New Businesses (Healthcare: Products that leverage high definition)

- CT system that realizes the first significant improvement in resolution in 30 years

  Conventional  New Product

  Clearly visualize peripheral vascular level detail that has been difficult to accomplish with conventional CT systems.

  Image source: FUJITA HEALTH UNIVERSITY HOSPITAL

- Ultrasound system that can visualize minute blood flows without the use of a contrast agent
Expand and Improve Profitability of New Businesses
(Healthcare: Medical IT Solutions)

- Medical IT Solutions that support the speeding up and precision of diagnostics in the medical field

- Diagnostic imaging systems

- Collection and integration image data

- Data analysis

- Process and supply information

- Collect, integrate, process, and supply information, leveraging image processing and AI technology
Expand and Improve Profitability of New Businesses (Network Cameras)

- Expand business from both hardware and software perspectives, strengthening cooperation with AXIS and Milestone

Video Analytics

Interchangeable-lens network camera achieved through co-development

Further enhance technology cooperation

People counting in a designated area

Silhouette of people and their movement
Expand and Improve Profitability of New Businesses (Network Cameras)

- Expand usage to various other segments, promoting development of video analytical solutions

**Security**
- Crime prevention, people tracking, evacuation

**Marketing**
- Customer base, people-flow analysis, improve productivity

**Entertainment**
- Live streaming and sports analysis
Expand and Improve Profitability of New Businesses (Commercial Printing: Focus on Graphic Arts Market)

- **High-quality continuous feed color inkjet press “ProStream 1000”**
- **High-speed cut sheet inkjet printer “VarioPrint i300”**
- **Wide-format printer “Colorado 1640”**
Expand and Improve Profitability of New Businesses
(Commercial Printing: Sales Engineer Training)

Corporate customers

End-users

Strong need
• Higher speeds
• Improved quality
• Greater efficiency
• Lower costs etc.

Excellent Sales Engineers

Abundant product knowledge

Deep understanding of complex commercial printing needs

Propose Solutions
Expanding use of OLED panels

- Smartphones
- Foldable Smartphones
- VR
- OLED Panels
- HDTVs
- Automotive
Phase V Target

Net Sales Target
5 Trillion yen

(Trillions of yen)

Overall CAGR: +7%

Existing Businesses
New Businesses

2016
2017
2018
2019
2020

Projection

30%

New Businesses: +12%
Existing Businesses: +5%