



# Mid-term Business plan

**M/P** 24-26

Friday, March 15, 2024

**O-WELL CORPORATION** (securities code: 7670)

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# 1. Corporate philosophy, brand promise, and goal

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# Corporate philosophy

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## Social mission:

The most appropriate coordination  
and distribution

## Company target:

Highly motivated energetic company

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## Management policy

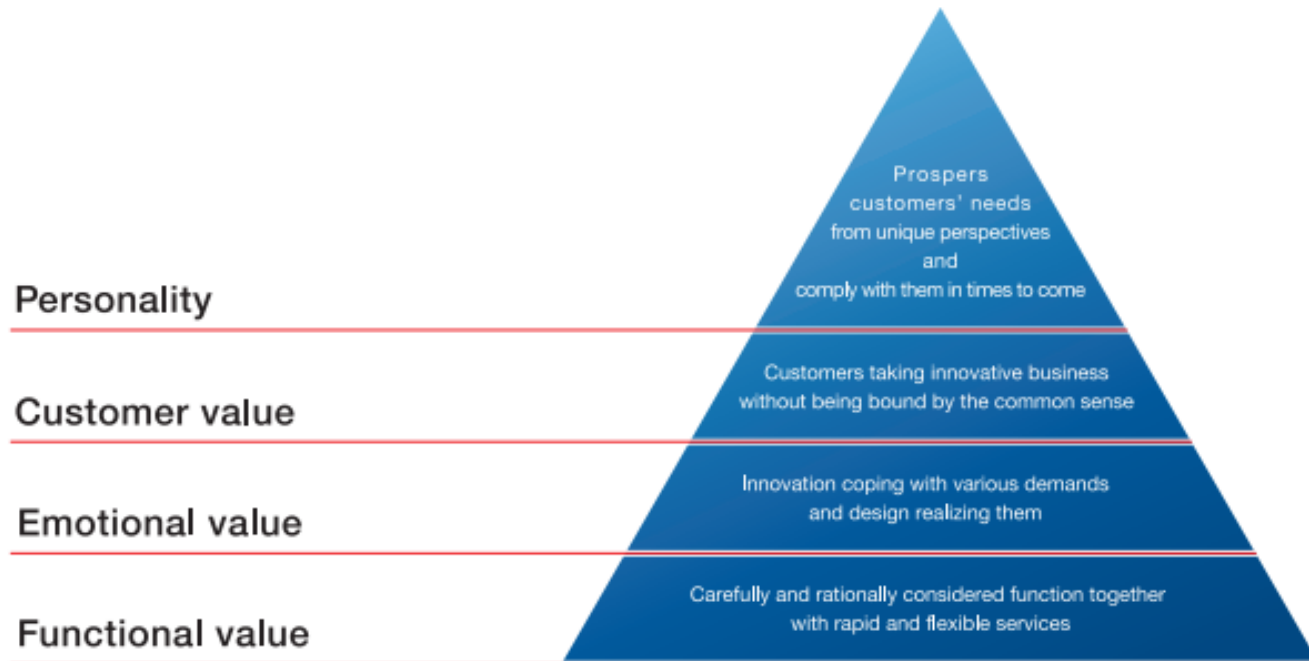
1. Customer-oriented attitude
  2. Logic and emotion
  3. Harmony with society
- 

## Principle of our action

1. Unique thought
  2. The will to go ahead of others
  3. Considerate behavior
-

# Brand Promise

**We, O-WELL, making use of our unique perspectives, provide thoughtful innovative ideas rapidly to the customers challenging themselves to new fields.**



# 10-Year Goal

**Global brand**



**Establishment**

**Support the brand  
"pillar"**

- ▶ **Continuation of creditworthiness**
- ▶ **To exert a film-forming ability**
- ▶ **Challenge to create business**

**Connect pillars  
"beam"**

- ▶ **DX**
- ▶ **SX**
- ▶ **Develop human resources**



**Leading the development and evolution of manufacturing sites,  
Contribute to the creation and realization of a sustainable world**

- DX and globalization of manufacturing sites
- From the "provision of products" type,  
To "provision of one-stop solutions" type



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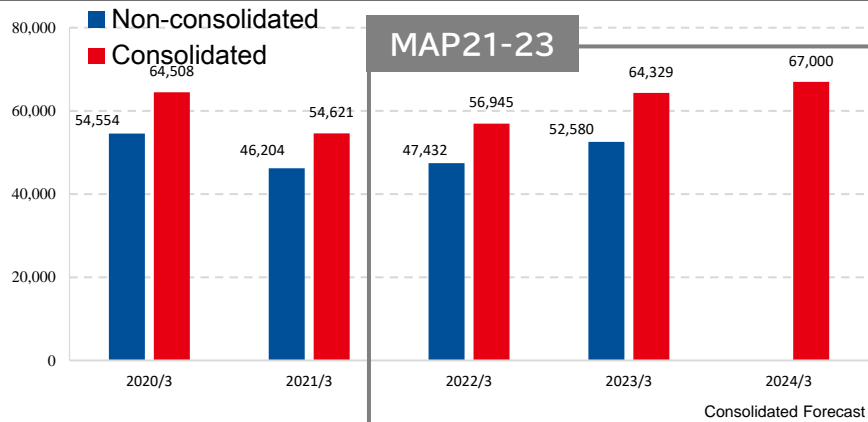
## 2. Recognition of current situation

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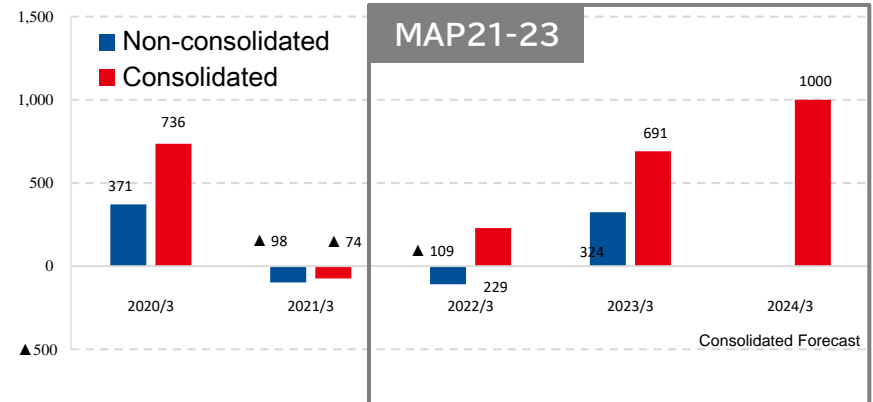


# Business Trends

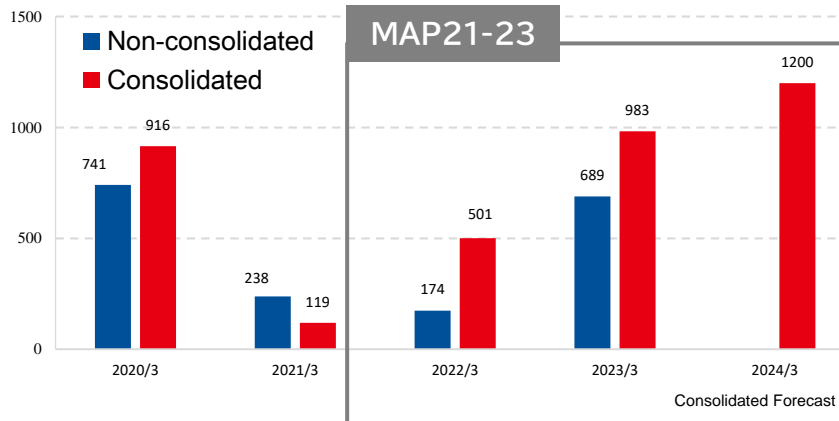
Net Sales (Millions of yen)



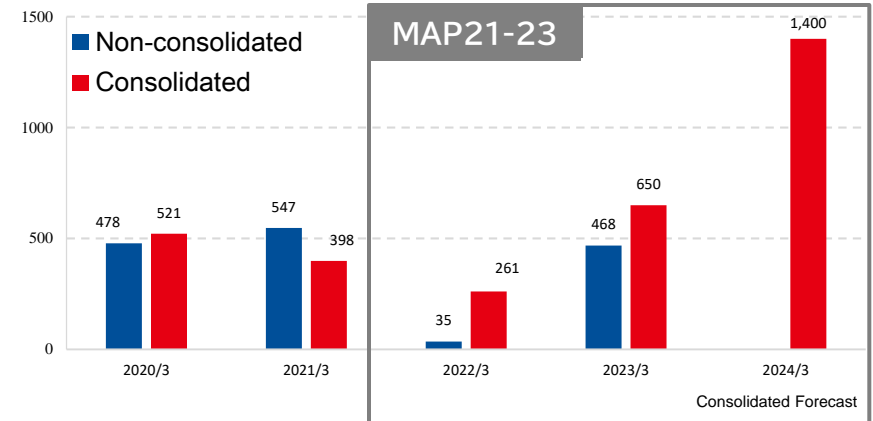
Operating Income (Millions of yen)



Ordinary Income (Millions of yen)



Profit attributable to owners of parent (Millions of yen)



# A Review of MAP21-23 Mid-Term Priority Policy

<b>Common Matters</b>	<b>Strengthen marketing (demand creation) activities</b>
<b>Paint related business</b>	<b>Transform the value we provide</b>
<b>Electric and electronic part business</b>	<b>Identify the DX trends</b>
<b>Management foundation</b>	<b>Strengthen the profitability</b>

# A Review of MAP21-23 Mid-Term Priority Policy

Paint related business

Transform the value we provide

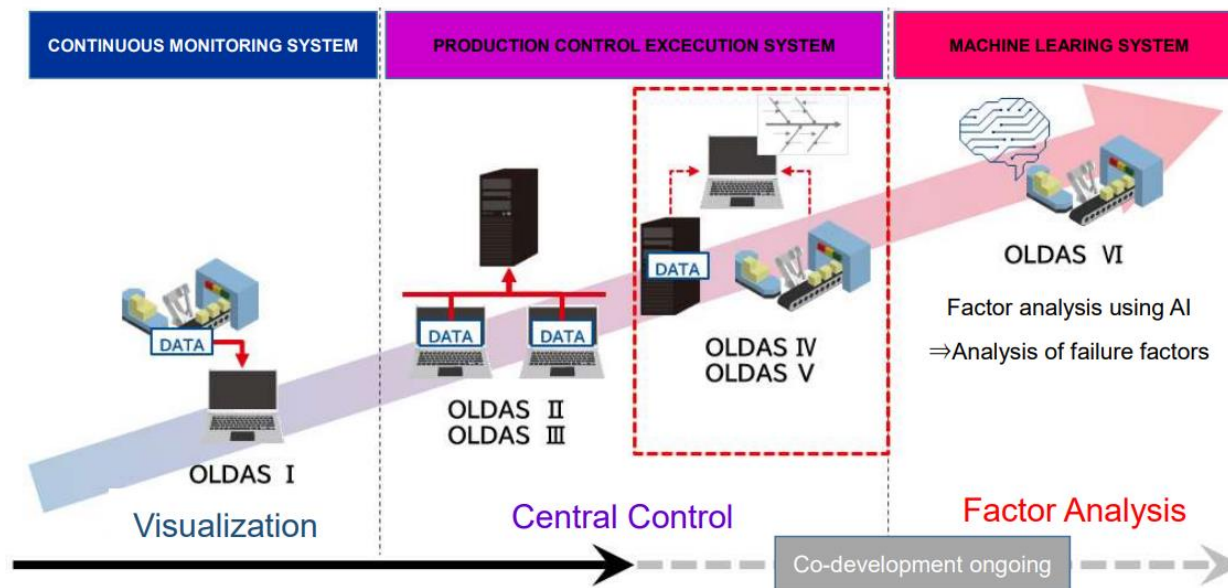
## OLDAS ~ sophistication of coating sites and realization of laborsaving ~

### ▶ Achievements with current joint development partners:

"Realization of Traceability"

### ▶ Centralized management of multiple parameters in real time

### ▶ Significant reduction in time spent investigating defects



# A Review of MAP21-23 Mid-Term Priority Policy

Paint related business

Transform the value we provide

## Efforts to Resolve Social Issues

- ▶ **Implementation of riblet-forming technology on aircraft**  
(jointly developed by JAL, JAXA, O-Well )
- ▶ **Supporting the development of Flying Car with our coating technology**  
(Concluded a supporter agreement with SkyDrive Inc.)
- ▶ **To reduce environmental impact (CN),**  
Start of verification of manufacturing method for waste powder recycling of powder coating materials

Installation area at this trial

JAL331 left side



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JAL331 right side



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# A Review of MAP21-23 Mid-Term Priority Policy

Paint related business

Transform the value we provide

## To expand global business

### ▶ India

O-WELL INDIA COATINGS & ELECTRONICS PRIVATE LIMITED

Established a company in Gurgaon, Haryana



### ▶ Mexico

O-WELL MEXICO COATINGS & ELECTRONICS S.A. DE C.V.

Opened Monterrey Branch in Monterrey, Nuevo Leon



### ▶ Indonesia

PT. O WELL INDONESIA

Opened Surabaya branch in Surabaya, East Java



### ▶ Germany

Transfer of local companies for efficiency of management resources



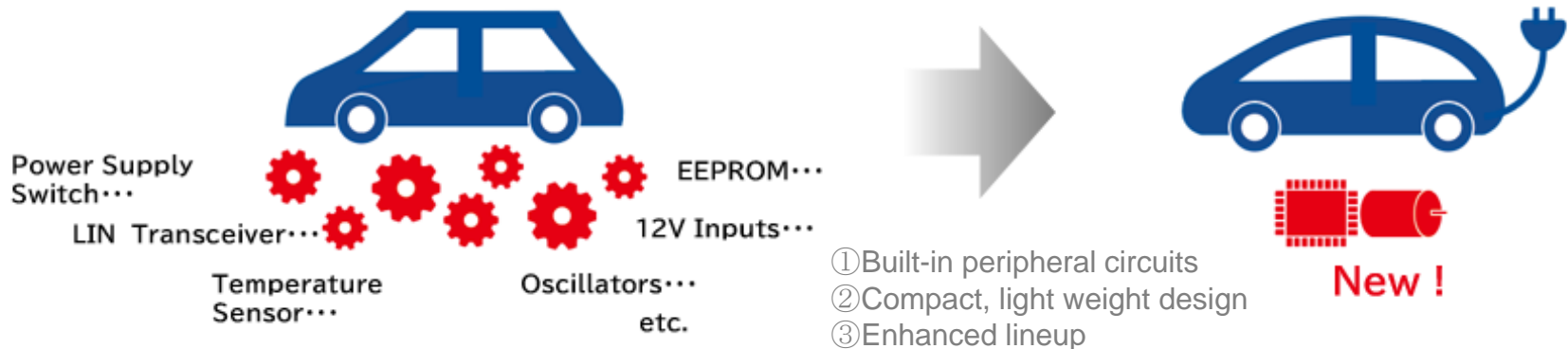
# A Review of MAP21-23 Mid-Term Priority Policy

Electric and electronic  
part business

Identify the DX trends

## Creation of themes for the automotive market (CASE)

- ▶ Adopted in CASE, particularly in the automation of A and electrification of E.  
Microcontroller technology  
(The technique of incorporating and controlling small IC chips in motors)
- ▶ Decision to start delivery from fiscal year 2024



# A Review of MAP21-23 Mid-Term Priority Policy

Electric and electronic  
part business

Identify the DX trends

## Creating demand in new markets

- ▶ Provision of logistics IoT solutions both domestically and overseas
- ▶ Sales of “nagi” Pooled Swimmer Monitoring System



# A Review of MAP21-23 Mid-Term Priority Policy

Management  
foundation

Strengthen the profitability

To improve operational efficiency and strengthen internal controls

To promote the mental and physical health of employees

- ▶ 2024 Excellent Health Management Corporation accreditation by Ministry of Economy, Trade and Industry
- ▶ Sports Yell Company 2024 certification by Sports Agency
- ▶ Establishment of a system for realizing work-life management

Efforts to Achieve Carbon Neutral

- ▶ Calculation of emissions to reduce greenhouse gases
- ▶ To expand sales of products that contribute to the environment





# Changes in the internal and external environment

## [Changes in the external environment]

1

### **Economic environment**

With economic growth in developed countries slowing or stagnating, Growth in developing countries continues

2

### **Manufacturing sites**

In developing countries, Japan's on-site manufacturing know-how, has a presence

3

### **Environment Surrounding Listed Companies**

Achieve both sustained earning power and ESG management initiatives  
Explanation to practice for realizing SX is required.

# Changes in the internal and external environment

## [Changes in the internal environment]

1

### **Reduction of strategic stockholdings and execution of growth investment**

To strengthen partnerships in the development and marketing of software capital alliance through acquisition of shares of MICWEAR Co., Ltd.

2

### **Organizational structure**

As for the organization, extracting and solving customer issues will be strengthened,

In fiscal 2021 for further creation and expansion of themes continue the reorganized organization

In global expansion, we established a local subsidiary in India, expansion of sales offices in Mexico and Indonesia

# Issues to be resolved

**1**

**By implementing OLDAS (coating site management system) realization of laborsaving and sophistication of industrial coating**

**2**

**Expansion of added value by further exercising functions - Improve profitability**

**3**

**Creation and expansion of global business**

**4**

**Review of resource investment - Expansion of business investment (including M&A)**

**5**

**Realization of human capital management**

# Name change of reportable segment

**Paint related business**



**Coating related business**

**Electrical and electronic part  
business**



**Electronics related business**

**From "provision of products" type to "provision of one-stop solutions" type, aim to solve a broader range of issues**

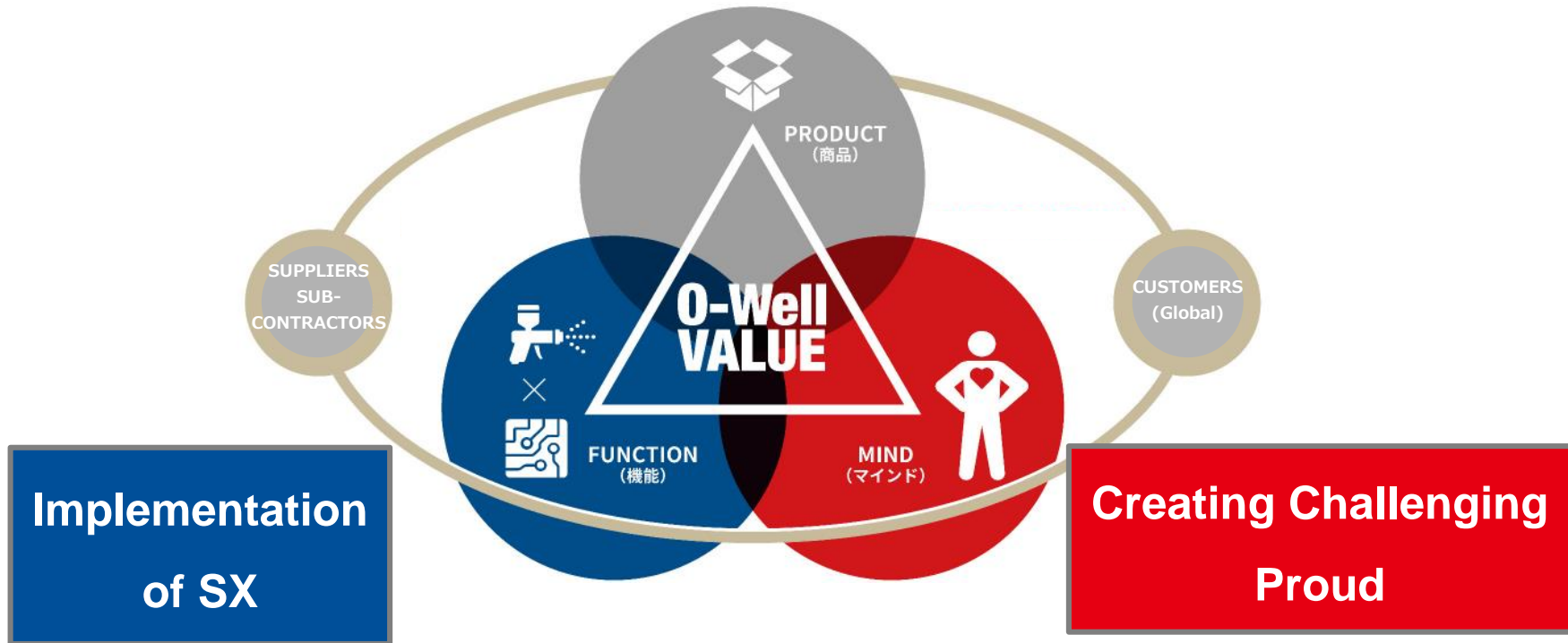
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## 3. Policies and measures

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# Mid-term Business Policy

## Innovating and Creating Value Provided



# Coating related business

## Mid-Term Priority Policy

### Create a future for coating

Enhance the function of the nucleus (core) based on the ability to form a film that has been cultivated

At the same time, in the innovation of future manufacturing,  
Our Value Provided = Business = Creating Profits

## Mid-Term Priority Policy

### Strategy ① Polish the film forming ability



### Strategies ② Planning a new coating business



# Electronics related businesses

## Mid-Term Priority Policy

### Expand the value provided

In the electronics business we have cultivated, further confer and further expand our exerted functions

## Mid-Term Priority Policy

### Strategy ① Expand sensor business



### Strategy ② imparting new functions





## Mid-Term Priority Policy

### Improve capital efficiency

For sustained development and growth while fulfilling social responsibilities to accomplish, resources (people, things, money, information, time, make appropriate and efficient use of intellectual property)

## Mid-Term Priority Policy

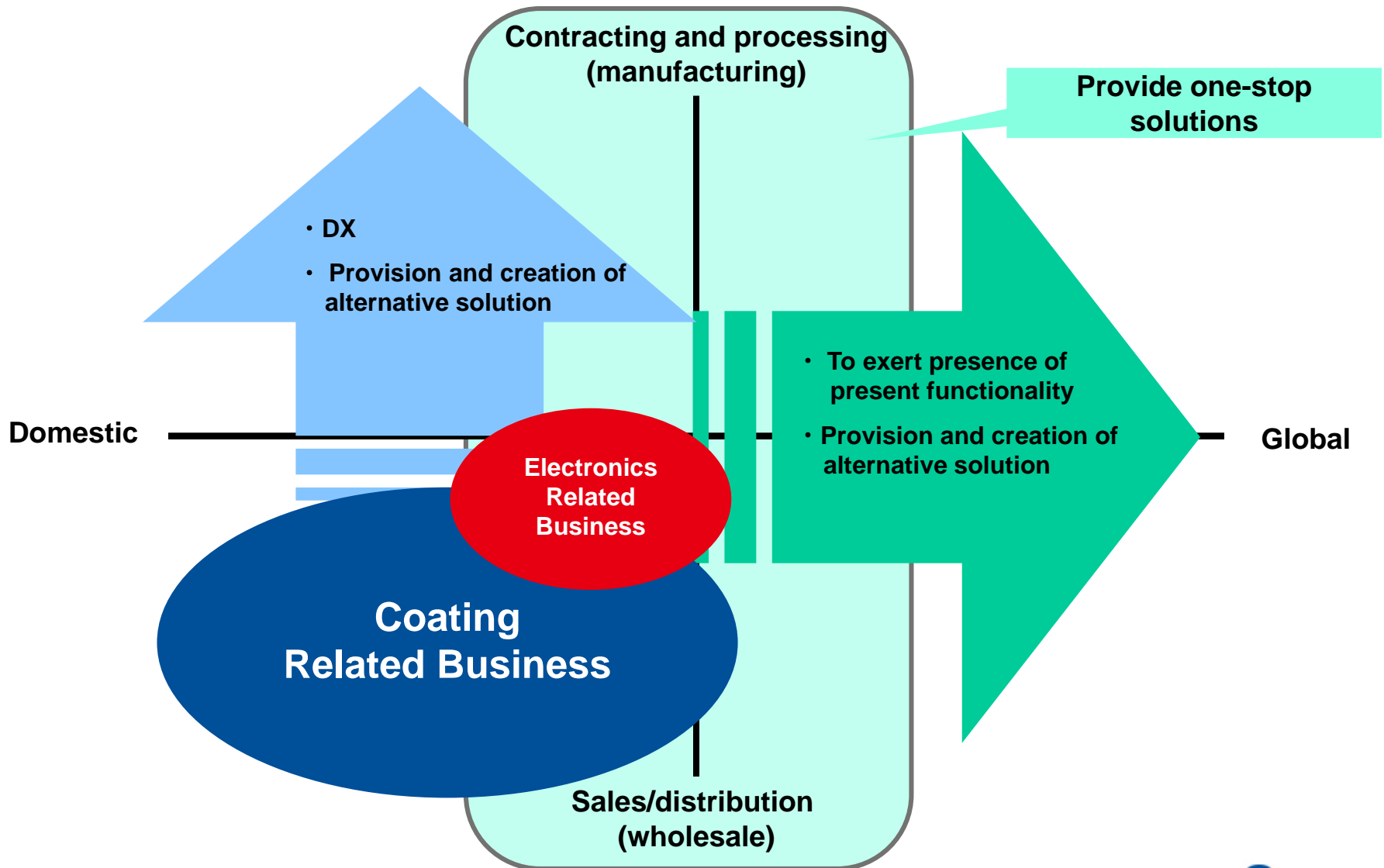
### Strategy ① Implement growth investment



### Measures ② Enhance human capital



# Our group's business domains

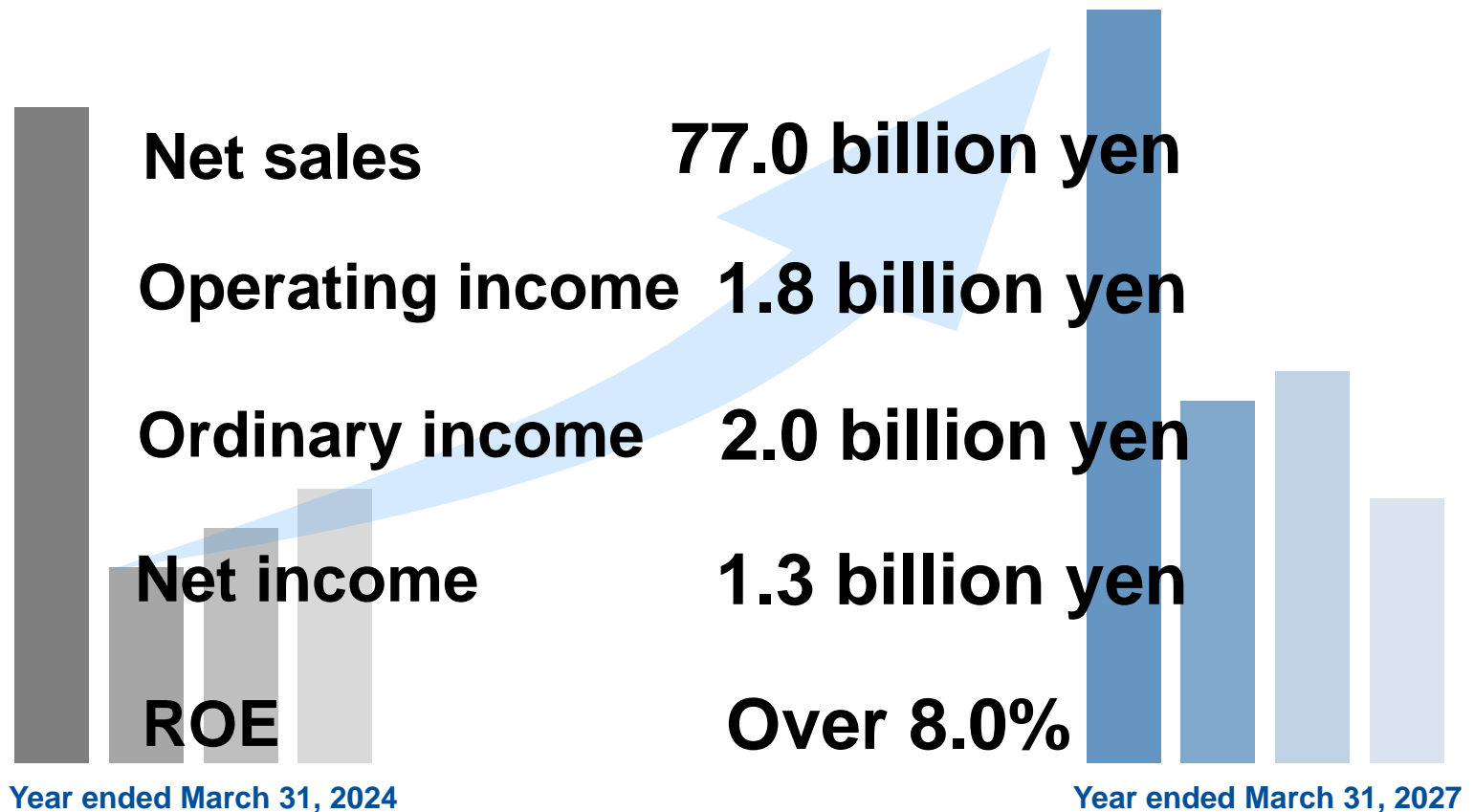


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## 4. Performance indicators

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# Target value for the Year Ending March 31, 2027 (Consolidated)



# Enhancing Corporate Value (More than PBR 1.0 Times)

**Target: Exceeds ROE 8.0 % for the fiscal year ended March 2027**

**1**

## **Growth investment**

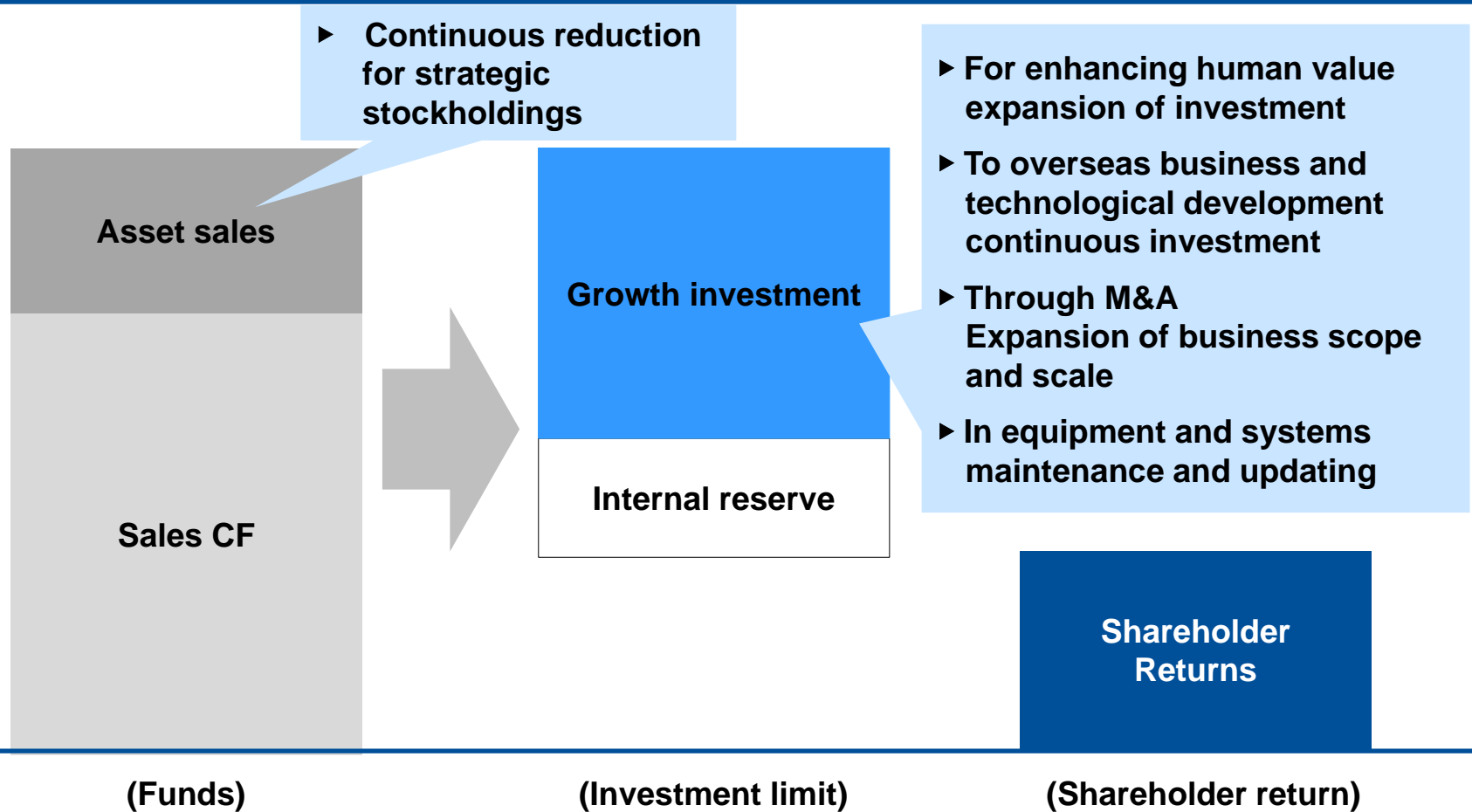
- Expand investment to increase human value
- Continuous investment in overseas business and technological development
- Investment in growth businesses, including M&A
- Streamlining existing businesses-Strengthening earning power

**2**

## **Financial Strategy**

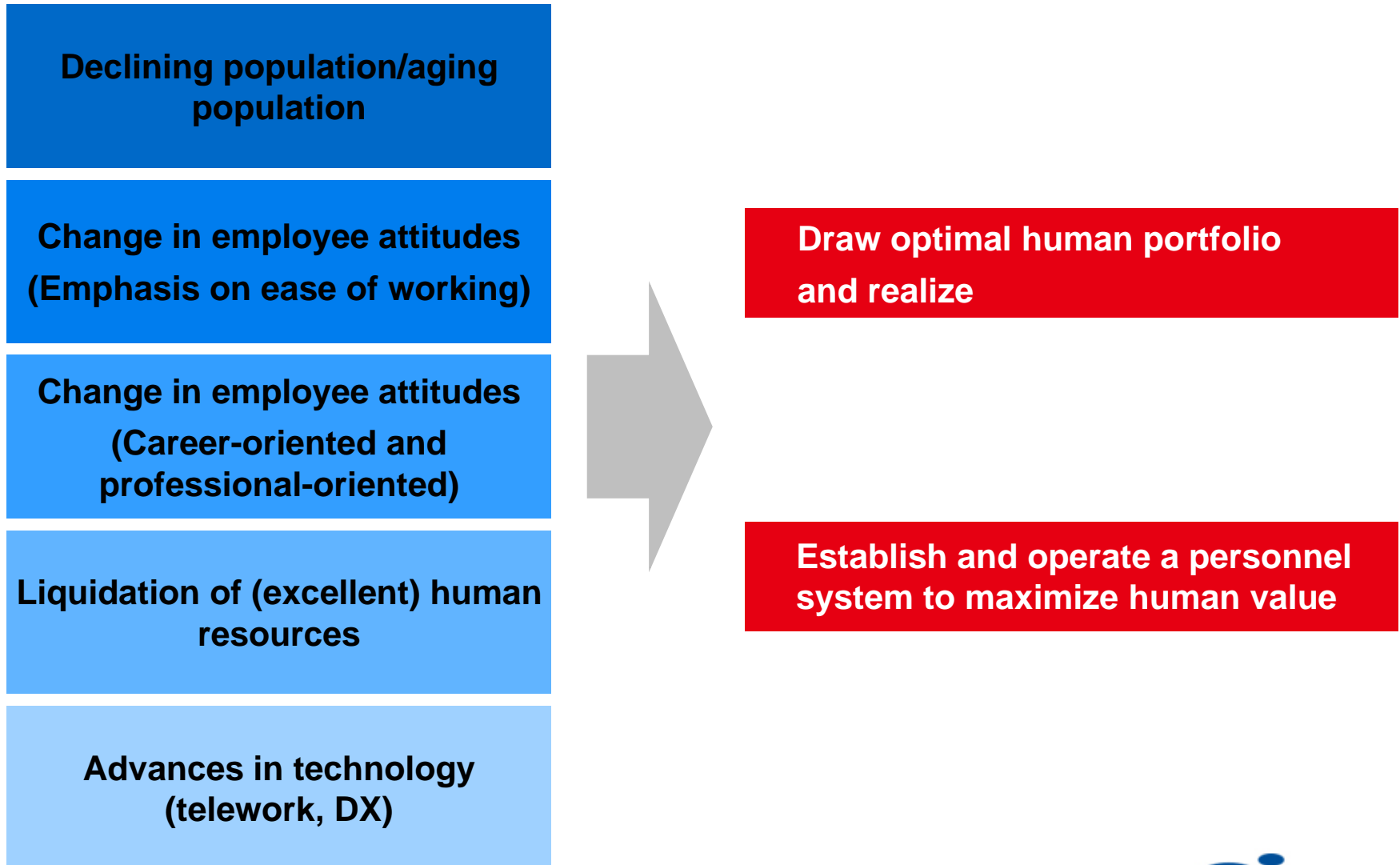
- Continuous reduction of strategic stockholdings
- Internal reserve
- Continuous and stable dividend payouts

# Concept of Growth Investment and Financial Strategy



**To achieve sustainable growth and increase corporate value,  
While securing internal reserves to strengthen our financial position and  
expand our business,  
We will pay stable and continuous dividends.**

# Enhancing Human Capital



**Ö***well*