



# Mid-term Business Plan

**M/P** 21-23

**May 14, 2021 (Friday)**

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

# Table of contents

<b>1. Corporate philosophy and vision</b>	<b>3</b>
<b>2. Recognition of current situation</b>	<b>6</b>
<b>3. Policy</b>	<b>12</b>

## **VMAP 21-23?**

The medium-term business plan of our Group is called as MAP, which is an abbreviation for “My Action Plan” and means a map to be followed.

“21-23” means the three years from 2021 to 2023.

---

# 1. Corporate philosophy and vision

---

# Corporate philosophy

---

---

## Social mission:

The most appropriate coordination and distribution

---

## Company target:

Highly motivated energetic company

---

## 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
-

# Vision

**Become a partner of manufacturers  
for creating a prosperous future  
for people.**

**- We are  -**

Digitalization and globalization for manufacturing sites

Contribution to SDGs  
(SDGs: Sustainable Development Goals)

We are aiming at improving the lives of people around the world through the products and services provided by us and our customers and sustaining the improved level.



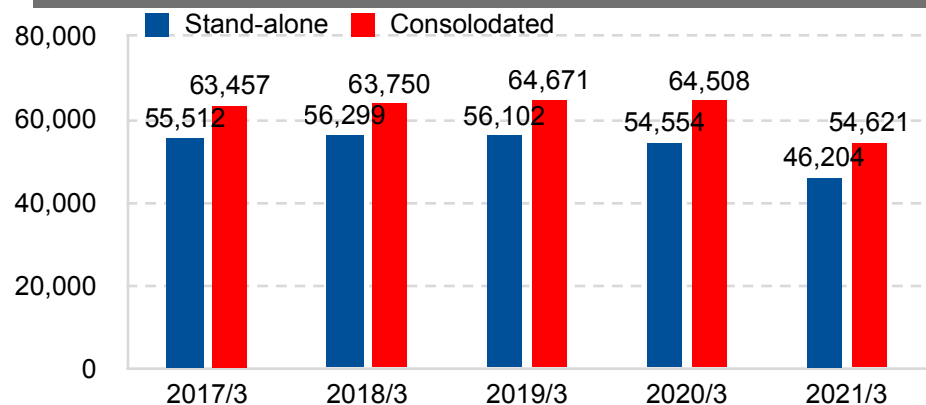
---

## 2. Recognition of current situation

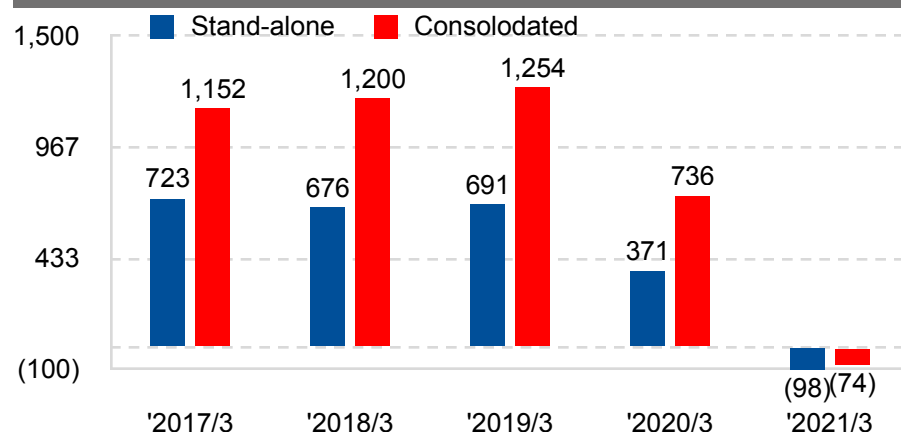
---

# Transition of business performance

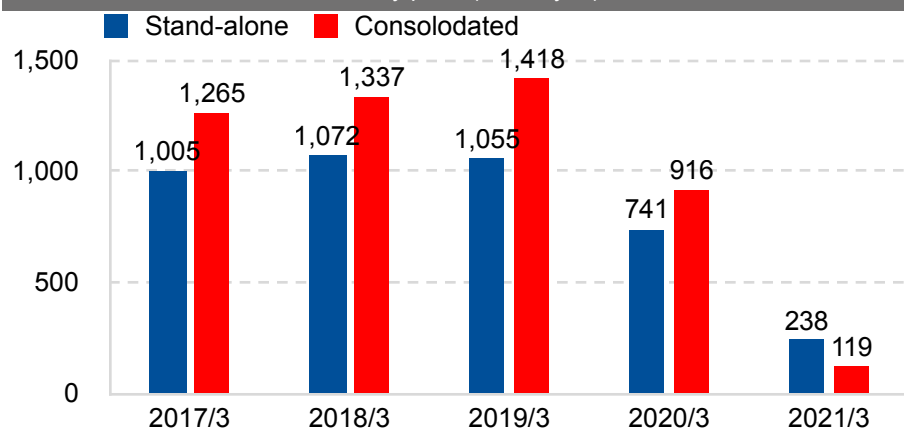
Net sales (million yen)



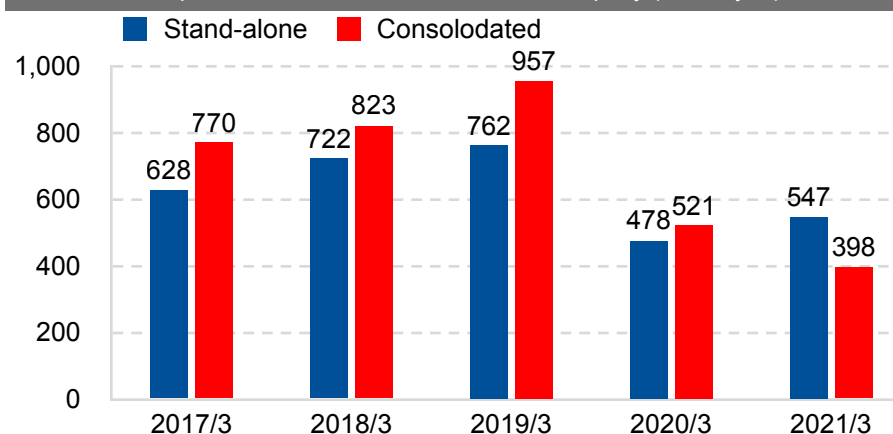
Operating income (million yen)



Ordinary profit (million yen)



Net profit attributable to owners of the Company (million yen)



# Changes in internal and external environment

## [Changes in external environment]

### 1. Economical environment

---

A certain amount of time is required to recover from the economic downturn caused by COVID-19 outbreak.

### 2. Business relating to paint and coatings

---

The paint and coating market in Japan is already mature and is not expected to grow further.

Architectural and general-purpose paint and coatings are selling well globally, but the demand for industrial paint and coatings mainly for automobiles, construction machines and ships is recovering slowly.

### 3. Business relating to electrical and electronic components

---

The spread of DX is drastically accelerated under the influence of expansion of COVID-19. The utilization of big data and AI has been realized and implemented in many fields, and these techniques will be improved in more fields and industries.



# Changes in internal and external environment

## [Changes in internal environment]

### 1. Enhancement of corporate governance

---

Transition to a company with audit and supervisory committee for the purpose of improvement of management transparency and promotion of rapid decision-making. Establishment of a new decision-making organization as a management meeting

### 2. Organizational change

---

Establishment of a sales promotion department for the purpose of enhancement of marketing functions

### 3. Changes in working environment

---

Establishment of a work-from-home system due to expansion of COVID-19  
Aiming at diversification of employment formats and improvement of productivity

# Issues to be solved

## 1. Realization of practical use and monetization of coating site management system (OLDAS)

Realization of practical use and monetization of the coating site management system (OLDAS) developed as a system that embodies the coating film forming ability provided by our Group

## 2. Improvement of abilities to extract and solve customers' problems

The value proposition desired by customers is changing under the influence of internal and external environment at the time.

Our Group should have abilities to grasp the changes, extract visible and potential customers' problems and solve the problems.

## 3. Improvement of profitability and creation of new business in electrical and electronic components field

A new business must be created to meet the continuing trend of CASE (Connected, Autonomous, Shared & Services, Electric).

# Issues to be solved

---

## 4. Action for globalization

---

Our Group should foresee the global economy, establish and reorganize the overseas bases, reinforce the cooperation among the bases and create new businesses.

## 5. Creation of our unique ways of working and reinforcement of profit-earning structure

---

To continuously develop the business, the business structure and distribution of management resources must be fundamentally re-examined, and the profit-earning structure must be reinforced.

---

## 3. Policy

---

# Mid-term management plan

---

## Mid-term management plan

**Clarify the customers' issues,  
and think and act to solve the issues.**

# Mid-term priority policy

## Mid-term priority policy

### Common subject matter

#### **Reinforce the marketing activities.**

Our marketing activities refer to demand creation activities.  
Our value proposition lies in solving customers' issues.  
We will create new demands by extracting the issues at the customers' manufacturing sites and solving the issues.

### Paint Related Business

#### **Innovate the value proposition.**

Based on the idea that the issues in coating processes can be solved by using the coating film forming ability, we are trying to solve higher level issues in a wider range including contract coating as a solution means and peripheral processes and create new businesses.

### Electrical & Electronic Part Business

#### **Grasp the trend of DX.**

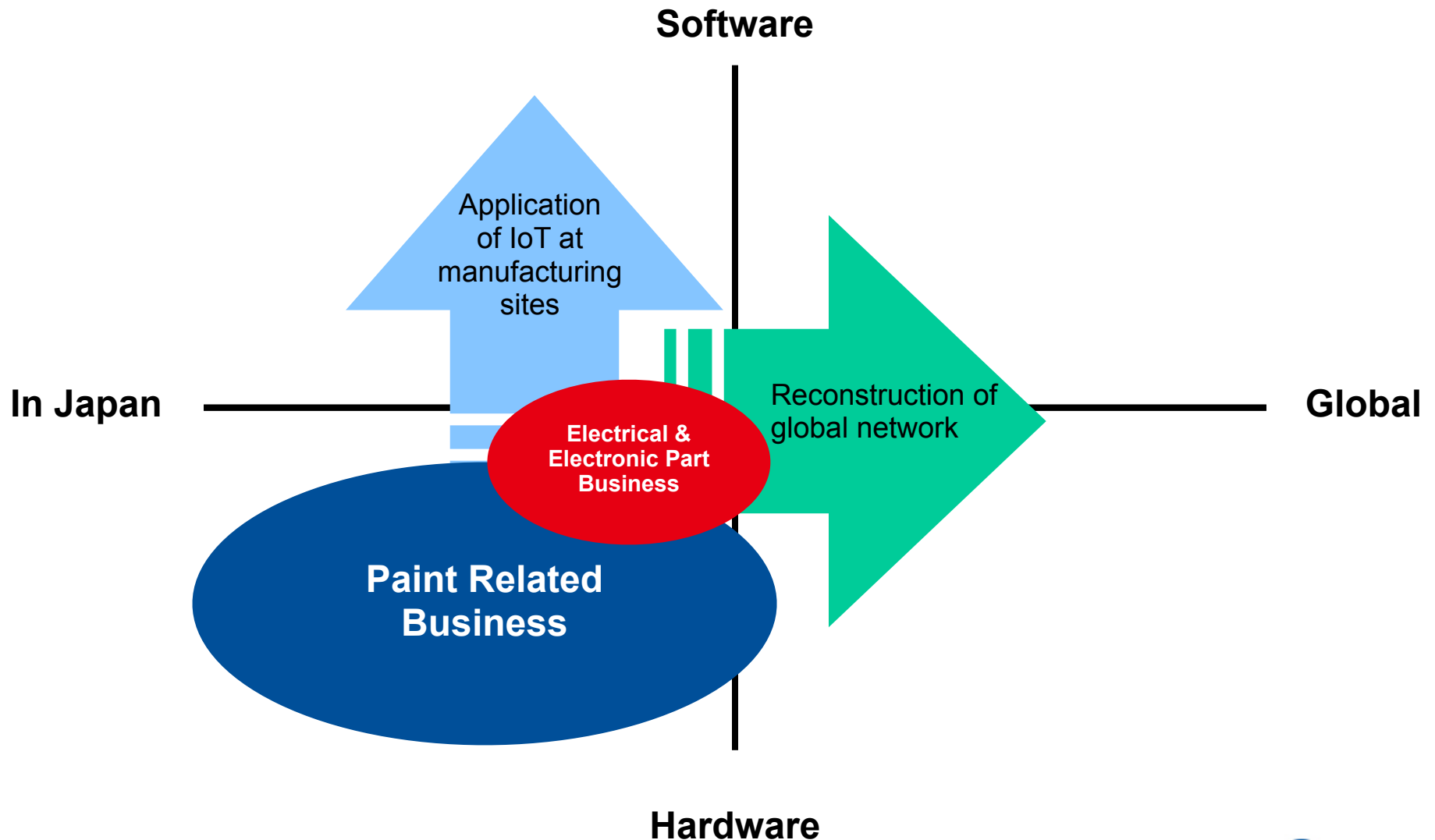
It is certain that the trend of CASE will continue in the future. At the same time, catch up with the wave of DX, and spread our module and software business to markets other than the automobile market.  
Enhance the lighting business focusing on niche markets.

### Management base

#### **Reinforce the profit-earning structure.**

Improvement of operating profit and operating profit margin indicating the sales of our core business is an urgent issue to be approached.  
Fundamentally re-examine the business structure and distribution of management resources, and reinforce the profit-earning structure.

# Business fields of our Group



# Approaches to SDGs

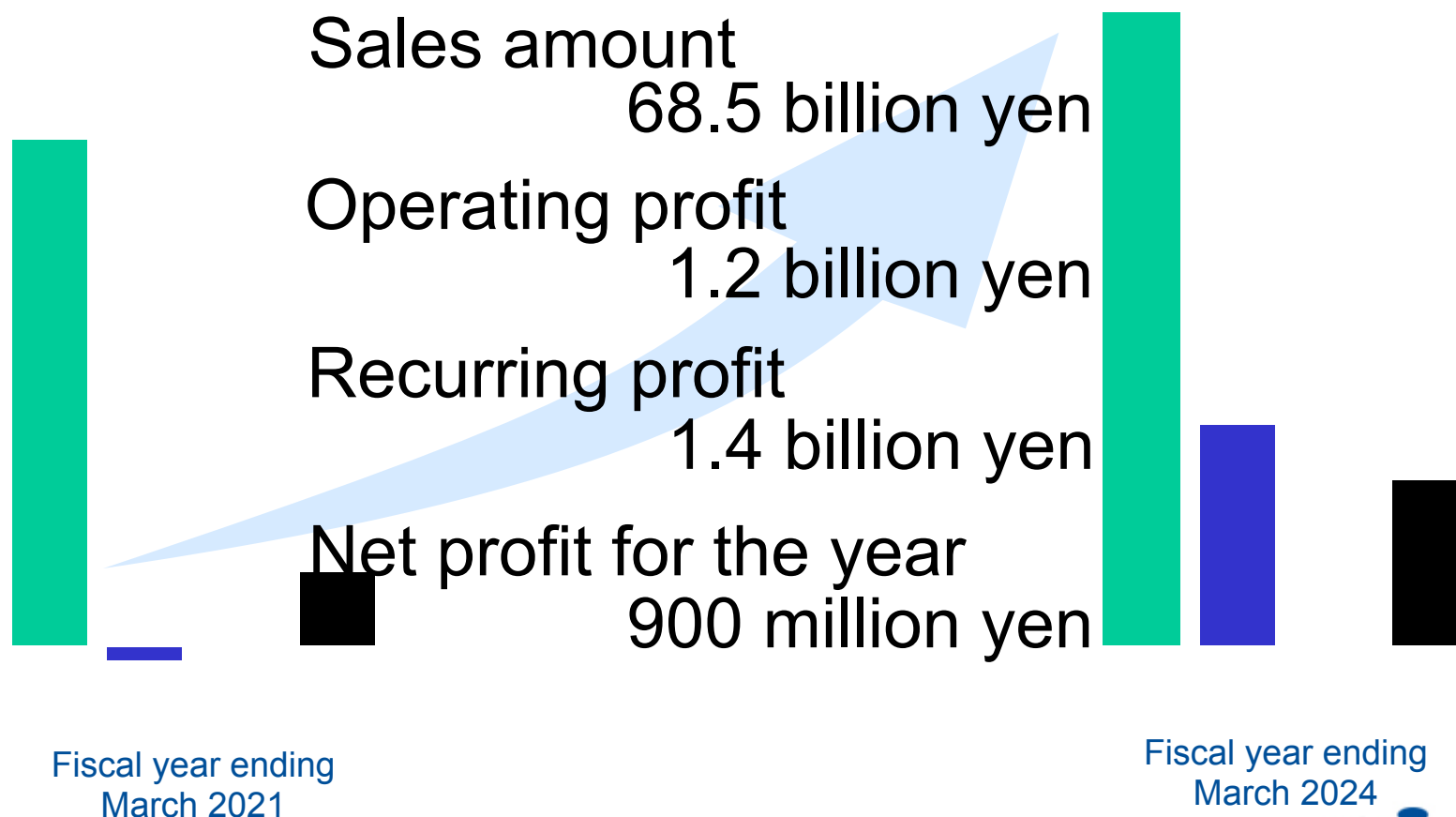
Goals to which O-WELL Group can contribute





# Target values

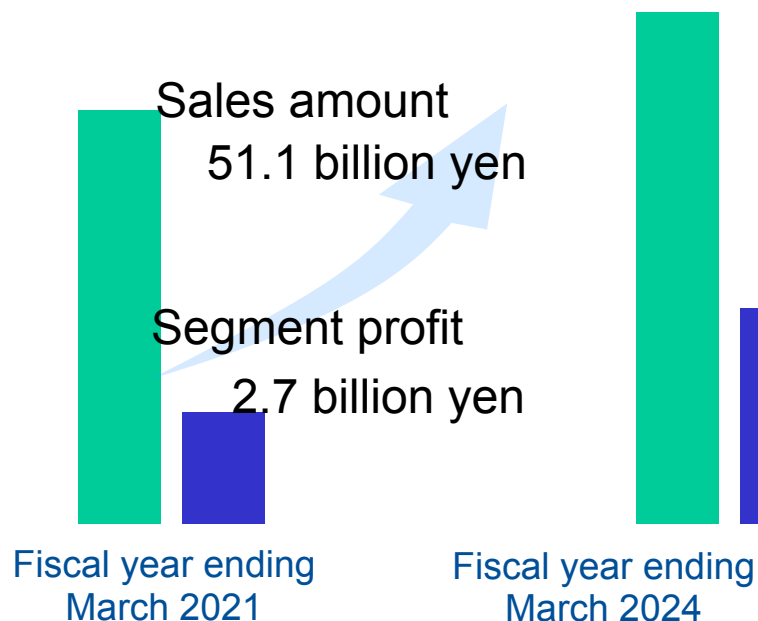
## Target for the fiscal year ending March 2024 (consolidated)



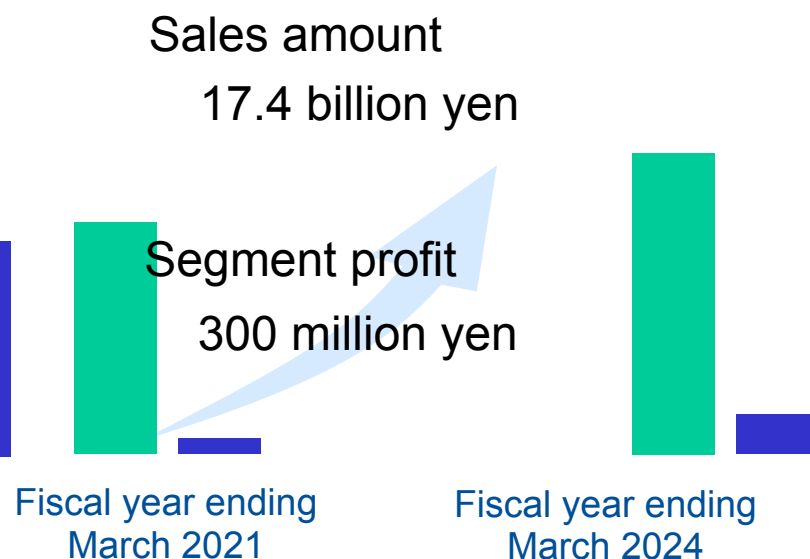
# Target profit of business segments

## Target for the fiscal year ending March 2024 (consolidated)

### Business relating to paint and coatings



### Business relating to electrical and electronic components

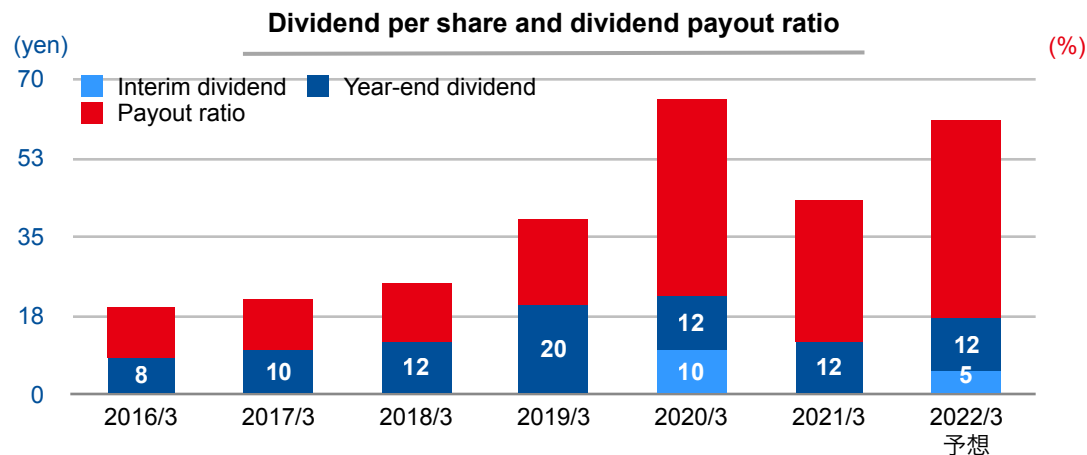


# Shareholder return policy

Our Group recognizes the shareholder return as an important management issue and will provide stable and continuous dividend payments maintaining the retained earnings for continuous growth, improvement of corporate value, enhancement of financial strength and business expansion.

In addition, it will expand opportunities of shareholder return and make a dividend payment twice a year, interim and final, so that the shareholders continue to hold the shares.

It will determine the dividend amount by comprehensively considering the dividend payout ratio and financial outlook.



# Disclaimer and notes on future prospects

## Disclaimer

- This document was prepared by O-WELL CORPORATION (hereinafter, referred to as our Company) for investors' reference so that the investors understand the current situation of our Company.
- The content of this document is based on generally recognized current economic and social conditions and a certain assumption judged as rational by our Company but may be subject to change without prior notice for reasons of changes in management environment.

## Notes on future prospects

- The data and information provided in this presentation contains “forward-looking statements.” These are based on current prospects, forecasts and assumptions with risks and include uncertainties that may cause results practically different from these descriptions.
- These risks and uncertainties include those associated with general industrial and market conditions and general national and international economic conditions, such as interest and currency exchange fluctuation.
- Our Company assumes no obligation to update or correct any forward-looking statements contained in this presentation as a result of new information or future events.

## Contact

- Yoshitaka Ono, Executive Officer, in charge of the General Affairs, Human Resources Department, and Accounting Department  
TEL: 06-6473-0138

**Ö***well*