

■ Critical Issues

■ We'd like to optimize our domestic and overseas production structure and strengthen our product competitiveness.

We would like to increase our product competitiveness by reallocating domestic and overseas manufacturing structure, optimizing our production bases, and establishing mother factories in domestic production bases. In addition, we'd like to reduce costs.

■ We seek to re-evaluate our production bases and reduce costs.

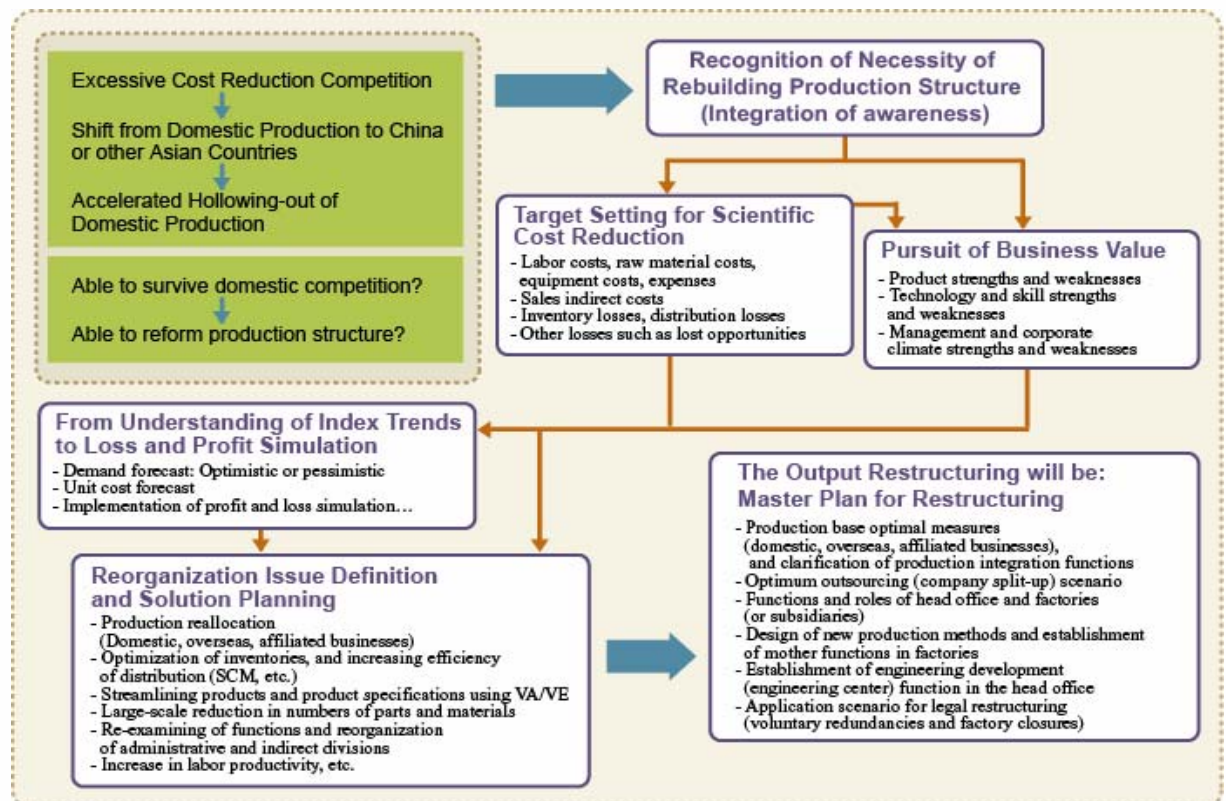
Since domestic production is decreasing, we would like to optimize our manufacturing bases and reduce costs. Further, we'd like to clarify the functions and positions of domestic factories.

■ We don't know the optimum production methods for our company.

We've heard that cell production is effective, but we don't know how to proceed with it. Further, considering our products, we don't know how to develop the most appropriate production methods.

■ JMAC Concept

■ Innovation based on production strategy-building support program



Production Strategy-building Program

Competitiveness strengthening through optimization of production re-organization

GL-PD001

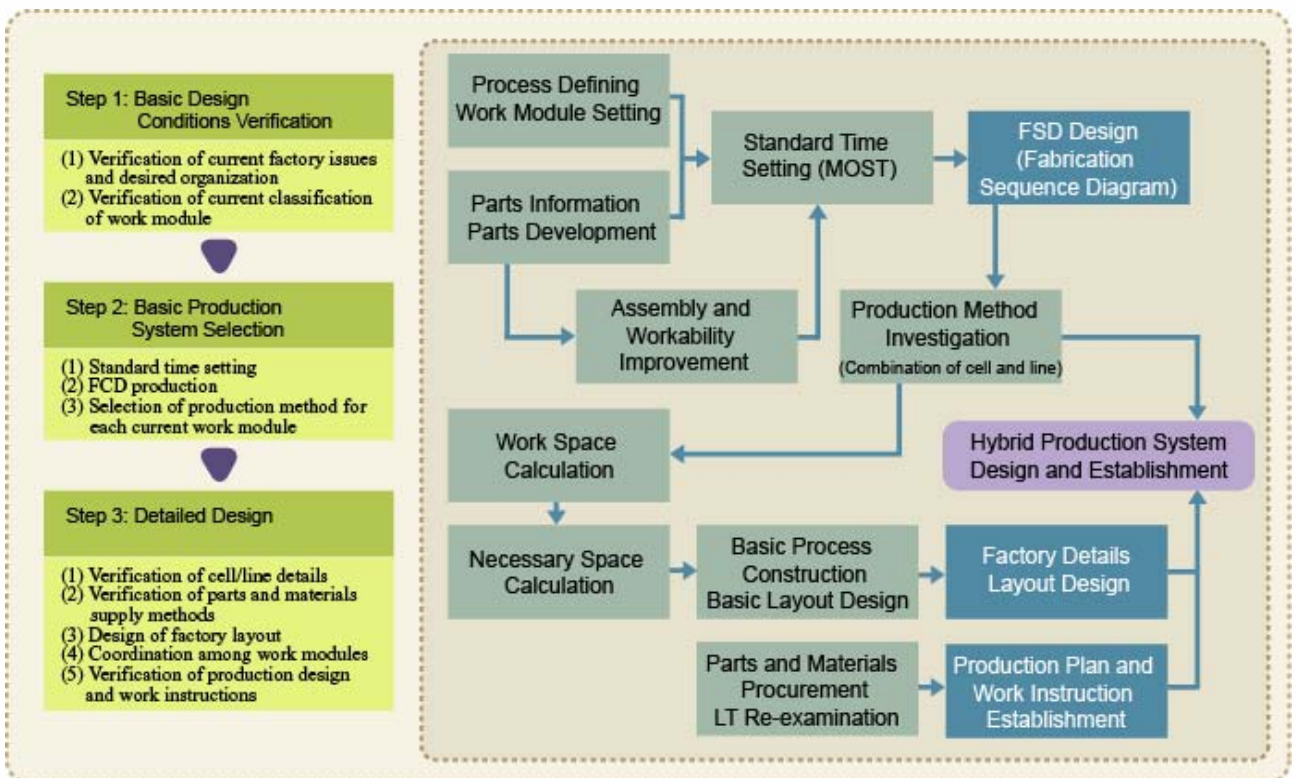


JMAC Features

Full menu for strengthening product competitiveness

This program has a full menu for strengthening product competitiveness in the whole supply chain. In this program, rather than simply optimizing the overseas production rate or reorganizing domestic production bases, the major feature lies in integrating each step to enhance cost competitiveness. Steps consist of conducting preliminary in-depth cost reduction surveys (including VE/VA), purchasing outsourcing reforms, SCM reforms, and scenario making for production base integration and abolition.

The preliminary survey focuses on the design of a new production structure proposed by JMAC (known as a hybrid production structure). Implementing this survey step will solve many issues .



Results

The key for success lies in successful unification of “technology”, “human assets”, and “cooperation”

- ◆ The strengths of Japanese MONODZUKURI are based on unification of “technology”, “human assets”, and “cooperation”. It is essential to make best use of these strengths in production strategy building.
- ◆ These three elements mentioned form the DNA of Japanese MONODZUKURI that has been traditionally passed down. Concurrent activities and full mobilization of organizations will be the key for successful program implementation.