



■ Critical Issues

■ Gap between Development Target Cost and Realized Level

“The gap between the development target cost and the level we can actually realize is large, and we don’t know how to deal with it. Further, the gap is getting larger all the time.”

■ High Cost Structure Compared to Other Companies

“We hear that our company has a high cost structure compared to other companies, but we don’t know the best way to change it.”

■ Aren’t We at the Limit of the Amount of Cost Reduction Possible?

“We have been striving to realize cost reductions for some time now, but feel that there is a limit to further cost-cutting.”

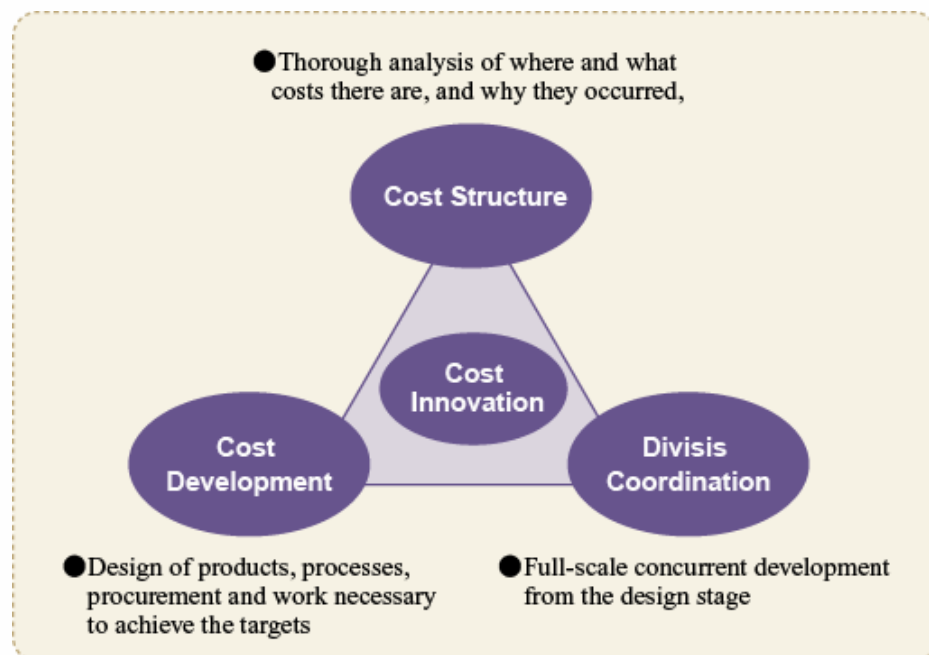
■ Approach Capturing Total Cost

It is becoming difficult to achieve the target reduction only by reducing direct costs, but we don’t have an approach that captures the total costs.

■ JMAC Concept

■ Method for Large-scale Cost Innovation

The Cost Half Program is a method for achieving large cost reductions following the basic concept of (1) thorough analysis of the structure of the costs incurred, (2) cost development, and (3) coordination between all divisions.



Cost Half Program

Cost development for target cost realization

GL-RD001



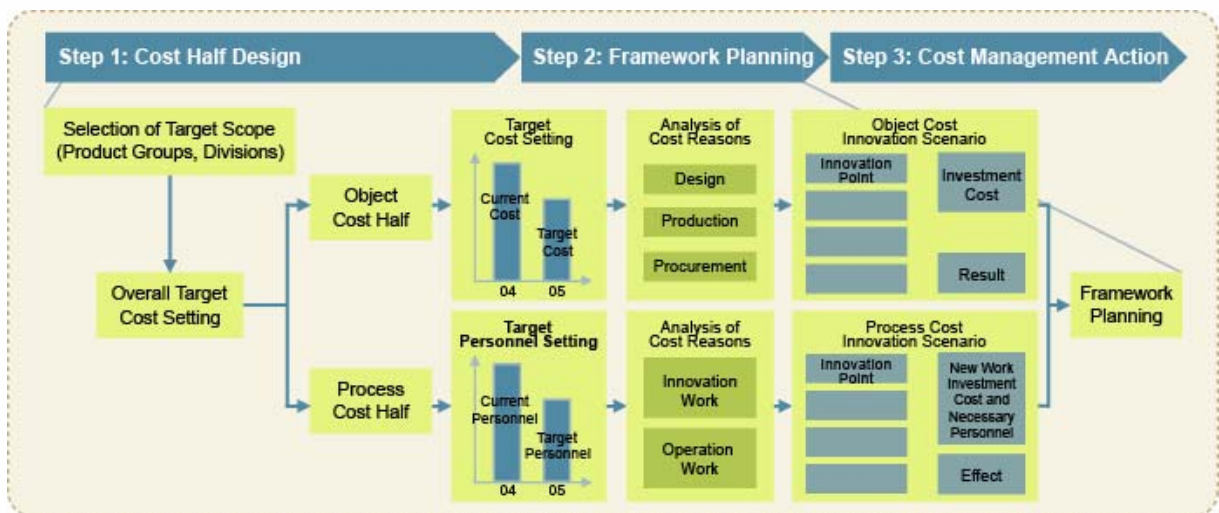
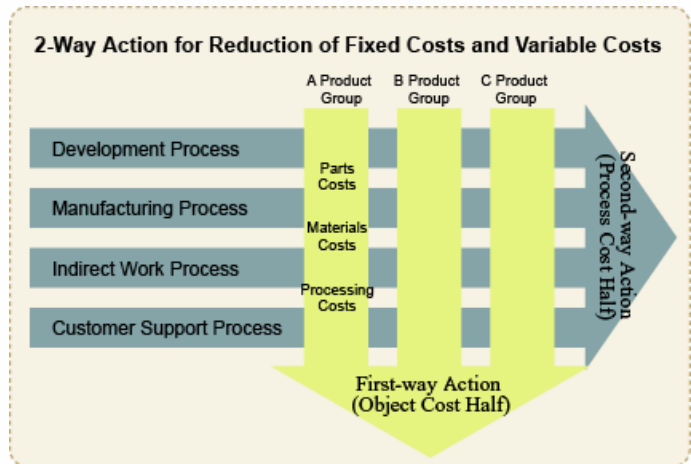
JMAC Features

2-Way Action

In the Cost Half Program, the target cost can be achieved by conducting cost innovation for all cost items. That is, 2-way action is carried out, with the first-way action being the Object Cost Half based on variable cost reduction, while the second-way action is the Process Cost Half focused on the reduction of fixed costs.

Consulting Steps

Depending on the product characteristics and cost characteristics, a unified consulting service will be provided, including Cost Reason Analysis, Scenario Production to Achieve Targets, structure building and the implementation.



Results

Cost Half Activities over a Wide Range of Fields

Cost Half activities have been implemented over a wide range of fields, from systems engineering to device business.

Precision Equipment Manufacturer A	<ul style="list-style-type: none"> From second year, cleared outstanding debts Grew into top-selling business in the company Top global market share
Electronic Equipment Manufacturer B	<ul style="list-style-type: none"> Single fiscal year profit achieved Consecutive profits achieved from following year Became most profitable business in the company
Office Equipment Manufacturer C	<ul style="list-style-type: none"> First to achieve required customer price Realized first entry to the market Digital market share No.1