



■ Critical Issues

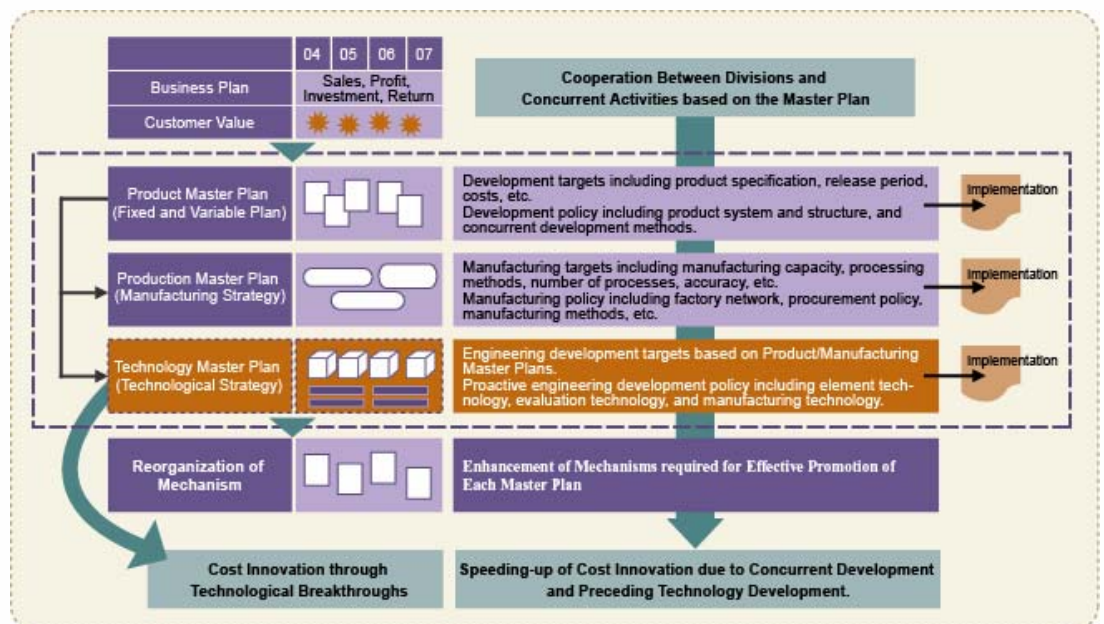
- **Cost Innovation Cannot Keep Pace with the Drop in Market Prices, and Profit is Declining**
 - The drop in market prices has become sharper than expected.
 - Our business plan cannot be achieved, and we cannot get away from being just on the profit line.
 - Compared to our competitors, our cost reductions cannot keep pace, and our sales are slackening.
- **Development (Cost Development) for Cost Innovation is Insufficient**
 - We- We have tried everything we can, but feel we have reached the limit for further cost reductions.
 - Because we prioritized the deadline for achieving mass production, we cannot improve our engineering development for cost reduction.
 - We are uneasy about whether we will be able to maintain our current favorable profit into the future.
- **Cost Innovation Activities for Achieving Business Plans are Weak**
 - Although- Although we are conducting separate measures such as personnel reduction, we cannot develop a growth strategy.
 - The cooperation between divisions required to achieve the cost targets has not been established.
 - There are insufficient personnel capable of making progress in cost innovation activities and management to promote it.

■ JMAC Concept

■ JMAC Profit Doubling Plan

In order to realize cost innovation, we believe that a master plan adopting a medium to long-term viewpoint is required. JMA Consultants Inc. (JMAC) proposes scenarios for doubling profit in an integrated manner based on three master plans; the Product Master Plan, Production Master Plan, and Technology Master Plan. By producing each of these master plans, cost innovation activities will be conducted systematically in an aim to achieve the following results:

- Speeding-up of cost innovation
- Cost innovation due to technological breakthroughs
- Cooperation between each division and concurrent activities



Profit Doubling Plan

Cost innovation from the structure

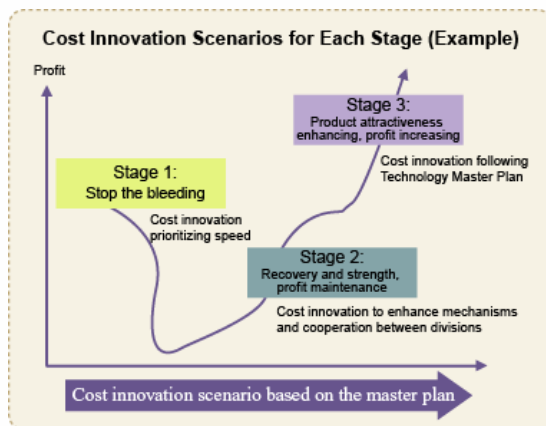
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JMAC Features

Cost innovation scenarios appropriate for your company's business environment

Scenarios will be developed according to the following diagram:



Based on understanding of the current management environment of your company, JMAC develops cost innovation scenarios appropriate for your company. In a situation where profit is worsening, the main priority will be given to halt this worsening. Moreover, based on engineering innovation, JMAC provides support for scenario making to realize future growth.



In order to plan to strengthen the cost structure, it will be necessary to change from transient cost innovation to continuous cost innovation. At JMAC, while implementing cost innovation based on the Cost Half Program (cost innovation technique), we also at the same time build a mechanism for cost innovation that is appropriate for your company.

Results

Practical experience in manufacturers' development/design, production engineering, procurement and manufacturing divisions, and so forth.

Hi-tech Development & Manufacturing Company A	<ul style="list-style-type: none">- Continuous cost structure enhancement realized- Cost innovation mechanism built- Product cost price reduced
Global Competitiveness-seeking Company B	<ul style="list-style-type: none">- Single fiscal year profit achieved- Returned consecutive profits from following year- Became most profitable business in the company
Founder Owner Company C	<ul style="list-style-type: none">- Mechanisms for cost innovation built- Cost reductions in product cost- Next-generation personnel trained