

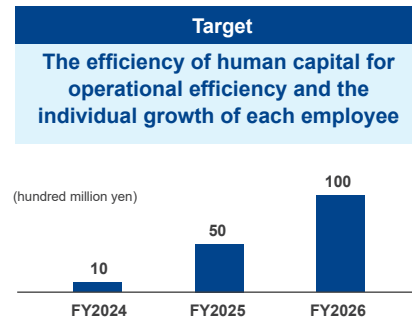
Best Practices Project

Best Practices Project is a project launched in 2024.

While we have tried to reduce costs based on the knowledge within the company, this project will help us tackle thorough reduction of costs by utilizing external knowledge, including the cost benchmark and optimal cost reduction technique, in the system directly managed by President. In addition, the Best Practice Committee, a dedicated team, was established to promote the project at the company.

Through promotion of this project, we aim to achieve company-wide results of 1 billion yen in FY2024, 5 billion yen in FY2025, and 10 billion yen in FY2026.

In addition to this, we will also facilitate human capital for operational efficiency and the growth of each employee.



To Date

Cost reductions based on in-house knowledge

Make full use of external benchmarking and best practice in the system directly managed by the President



Zero-based review

- Conduct thorough review of needs, cost justifications



Global optimization

- Engage in consistent cross-departmental coordination and pursue overall optimization



Scientific approach

- Engage in rational cost management based on facts and data



System

- President personally committed as overall leader
- Establish the Best Practice Promoting Department to act as a dedicated organization
- Appoint an owner with numerical accountability for each team



Governance

- Conduct rigorous progress management and timely visualization of results
- Use monthly policy-making meetings to receive top approvals for goals and measures

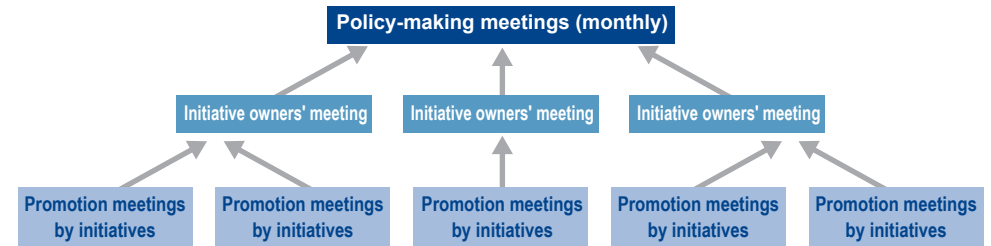


Engagement

- Involve all employees in detailed management-employee dialogues
- Share a portion of successful results with employees

Best Practices
Project

Promotion system of the Best Practices Project



In the Best Practice Project promotion system, initiatives are categorized into some groups, and an owner, leader, and members are assigned to each group.

The meeting bodies consist of the policy-making meeting and initiative-based meeting.

The management team, including the President, attends the policy-making meeting, which is held monthly and functions as a decision-making body.

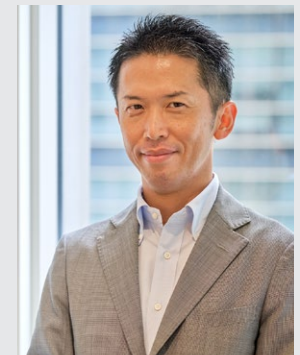
The initiative-based meeting is formed by the applicable initiative team, and initiative owners who are senior executive level are responsible for execution and achievement of objectives. Under the instruction of the owner, the initiative leaders are responsible for executing initiatives, rollout to the entire company, and achieving effects.

Message

The Best Practice Project is our initiative to optimize the cost and operation. It is an initiative featuring, for example, identification of potential opportunities for cost reduction based on comprehensive data analysis, new techniques such as benchmarking of advanced cases related to streamlining, and establishment of promotion organizations and management systems, advancing our previous cost reduction techniques.

We have an aggressive goal to improve profitability to 10 billion yen in FY2026 in this project, but at the same time, I think our ultimate goal is to achieve a corporate culture to pursue best practices. To achieve this, it is necessary for all employees to share clear targets, enhance the awareness of the cost, and keep trying. Our team would like to keep striving to contribute to the success of this project through communication and addressing issues.

The role of this project is quite crucial as a part of our foundation enhancement plan to keep our sustainable growth. Our team is very motivated to participate in such an important initiative and will concentrate all of our efforts together.



Heisuke Sakamoto

Managing Director,
Best Practice Promoting Dept.