The newly formulated “Revitalize 2020” medium-term management plan is successfully moving ahead on track.

This fiscal year we have formulated a new medium-term management plan “Revitalize 2020,” promoting “lean” business operation. In the following interview, I would like to report on business conditions for the first half of the fiscal year, and our approach to the future.

President Kenzo Terashima

Overall, we got off to a good start, with results for the Industrial Systems segment showing improving trends as the benefits of the “Ryuo integration” began to appear.

The overall amount of orders received decreased compared to the same period last year, due to lower amounts in the Transportation Systems and Information Equipment Systems segments. Net sales however grew across all segments, leading to the first half of the fiscal year, and our approach to the future.

As a first step towards realizing two of the Company’s priority policies – “building a stable business earnings structure” and “restructuring the production base to expand production capacity” – in June 2018 we commenced operation of the Shiga Ryuo Plant, consolidating the operations of the Industrial Systems segment, which had been split between Yokohama and Shiga. This “Ryuo integration” brought about a profound transformation in all areas within the Industrial Systems segment, and the resulting improvements in plant profitability are already apparent in the figures for the first half of the fiscal year. Robust demand continued to be an important factor driving the benefits of this integration on design and production capabilities, and we will continue to utilize the merits of integration to respond to production increases in the second half of the fiscal year and beyond. We will continue to engage in research and development of testing equipment for automatic driving and electric vehicles, using the new R&D building. In the Transportation Systems segment we are engaged in expanding production capacity in the Yokohama Plant in response to domestic inbound demand and special events such as the Tokyo Olympics and Osaka Expo, as well as growing overseas demand from China and the ASEAN region. In the Information Equipment Systems segment we have developed and introduced the 100th anniversary of our founding. We took the opportunity to re-examine our management resources, formulated and launched our new medium-term management plan “Revitalize 2020” encompassing the four years to fiscal 2021, with the first target set for 2020.

We will strive to enhance our earning power, consolidate our foundations and develop our businesses within Japan and overseas.

In June 2018 we were fortunate enough to celebrate the 100th anniversary of our founding. We took the opportunity to re-examine our management resources, formulated and launched our new medium-term management plan “Revitalize 2020” encompassing the four years to fiscal 2021, with the first target set for 2020. During the first two years of the four-year plan we are in the process of establishing a “leaner” business operation structure, with a focus on enhancing profitability. As a first step towards realizing two of the Company’s priority policies – “building a stable business earnings structure” and “restructuring the production base to expand production capacity” – in June 2018 we commenced operation of the Shiga Ryuo Plant, consolidating the operations of the Industrial Systems segment, which had been split between Yokohama and Shiga.

The overall amount of orders received decreased compared to the same period last year, due to lower amounts in the Transportation Systems and Information Equipment Systems segments. Net sales however grew across all segments, leading to the first half of the fiscal year, and our approach to the future.

Please tell us about the business conditions in the first half of the fiscal year.

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What is the outlook for the second half of the current fiscal year, and the full-year results forecast?

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In other news this fiscal year, we received the Nikkei Advertising Award (an award for excellence in the Nikkei Business Daily sector) for a newspaper advertisement placed on June 20. On June 29, the anniversary of our founding, we published the 100-year history of the Company in print. An employee at our Yokohama Plant received the 2018 Award for Outstanding Skilled Workers (Corporate Master Craftsman) held by the Japanese Ministry of Health, Labour and Welfare, bringing the total number of employees to receive that privilege to three. We will continue to strive to create a corporate environment that is easy to work in, to encourage diversity, and to promote the transmission of skills and know-how.

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We will strive to strengthen ESG and corporate governance, with our sights set on sustained growth.

Employees across the Group will work together as one, as we strive for growth to last the next 100 years. To realize continued growth, it is vital that we respond to the needs of our external stakeholders, while creating an environment where diverse internal talent can flourish.

Regarding ESG, we will continue to respond to the requirements of corporate governance. During the first half of the fiscal year we altered our operating officer system in order to increase the flexibility of management by having the Board of Directors take responsibility for corporate governance, and delegating operational authority to operating officers. We will also strive to achieve more effective utilization of assets, through a re-evaluation of the significance of our policy of strategic shareholding, based on Japan’s Corporate Governance Code.

We will also strive to strengthen ESG and corporate governance, with our sights set on sustained growth.