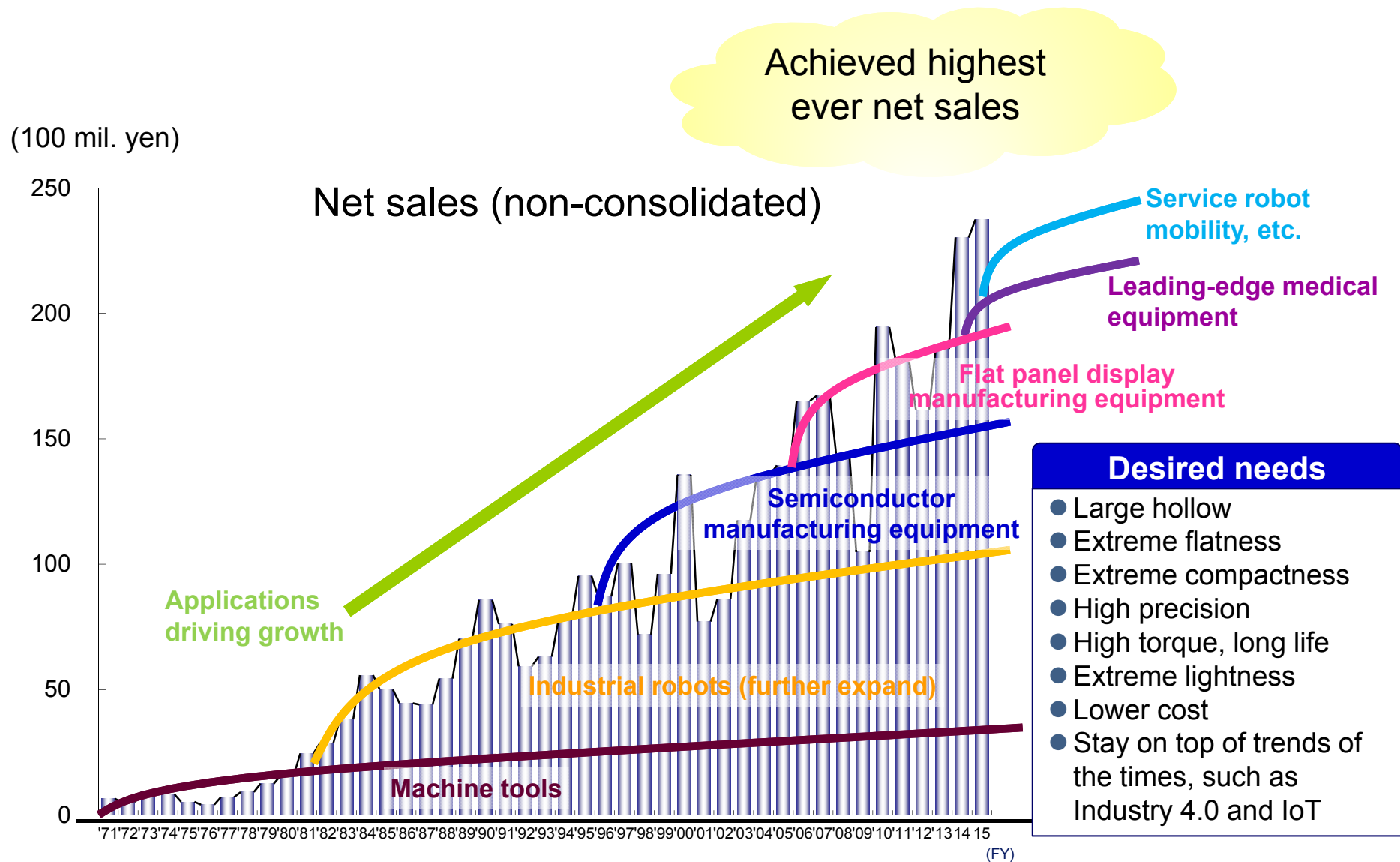


The text 'Long-term Vision' is centered on the slide. It is surrounded by several decorative, hand-drawn style blue lines that swirl around the text, creating a sense of motion or a 'vision' being explored. The lines are thin and light blue.

Long-term Vision

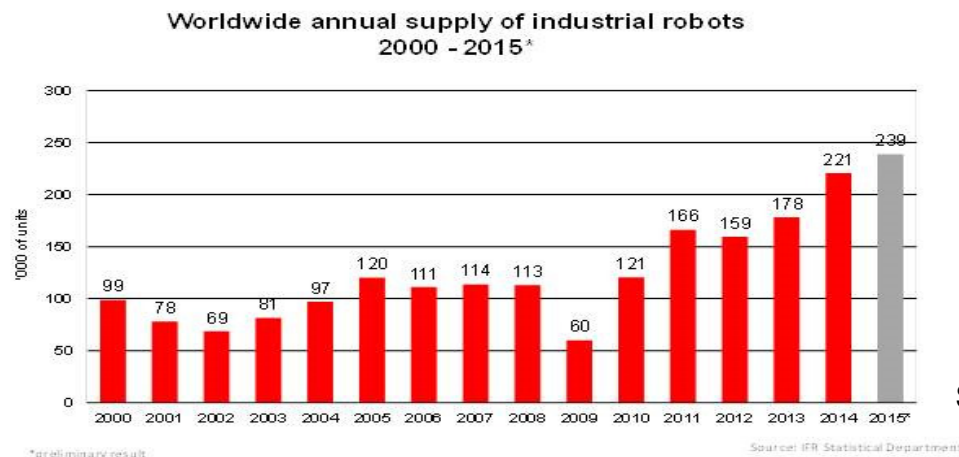
Driving forth of our growth



Global shipments of industrial robots

Industrial robot shipments in 2015: 239,000 (+8% YoY)

New record sales in 2015



Source: IFR website

Main regions	Units sold in 2015	YoY change (%)
China	66,000	16
Asia (other than China)	78,000	-5
Europe	50,000	9
North America (US, Canada, Mexico)	34,000	11

Source: IFR website

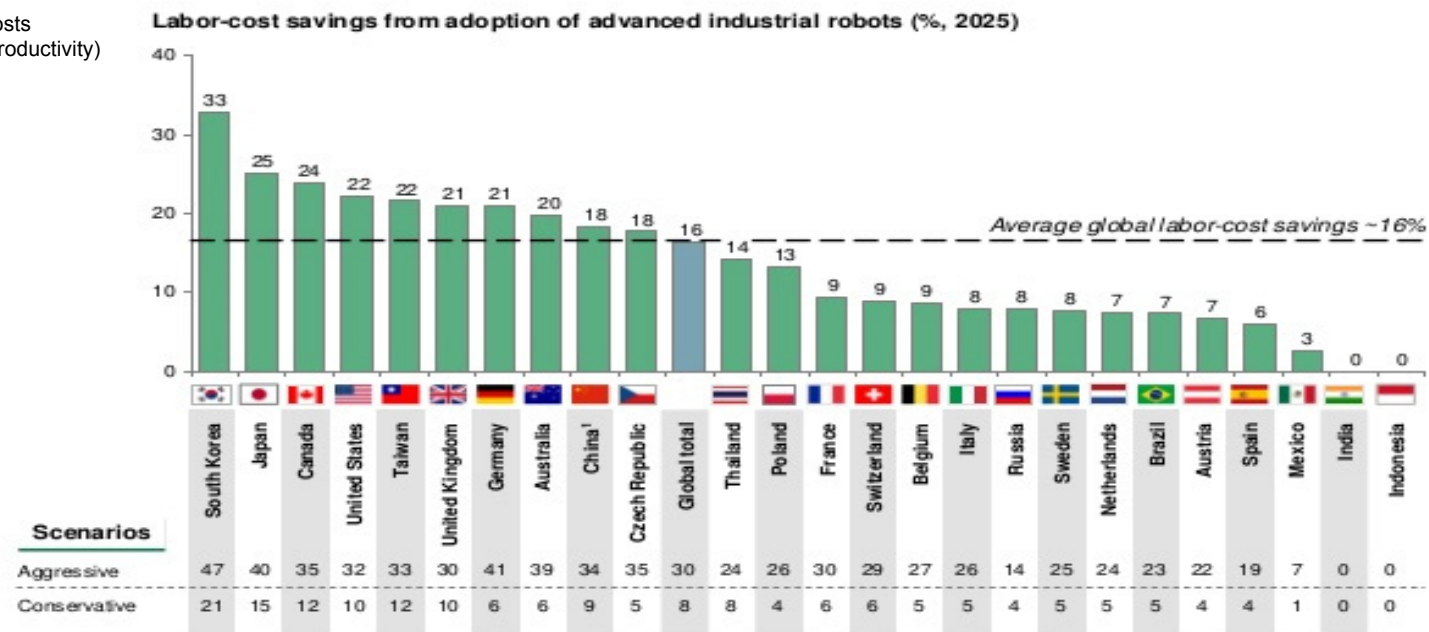
Potential markets

- Rate of labor cost reduction due to rapid expansion of industrial robot use
- The more economically developed a country, the higher its labor costs, raising expectations for robot introduction.

» Rate of labor cost reduction due to rapid expansion of industrial robot use (2014 and 2025 compared)

By 2025, ~25% of all tasks will be automated through robotics, driving ~16% in global labor-cost savings

(%, based on labor costs after adjustment for productivity)



¹China figures based on YRD region. Sources: STAN Bilateral Trade Database, US Bureau of Labor Statistics, BCG analysis

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Note 1: China figures based on Yangtze River Delta region.

Sources: STAN Bilateral Trade Database, US Bureau of Labor Statistics, BCG analysis

Robot classifications

Type		Use	Requirements for speed reducers
I. Industrial robot	Industrial robot	Making things on the factory floor, separated from humans by safety fence	High precision, high reliability, with sensing functions
	Co-bot	Operating alongside human workers, assisting and collaborating	Medium-precision, safety, acceleration efficiency, impact cushioning
II. Service robot	Professional robot	Medical, nursing care, rehabilitation, logistics, resource extraction, agriculture	Compact, light weight, flat, high precision
	Consumer robot	Consumer electronics, hobbies, toys	Low cost

Source: IFR and KDDI Research Institute with our additions

LifeRobotics

Japanese co-bot maker

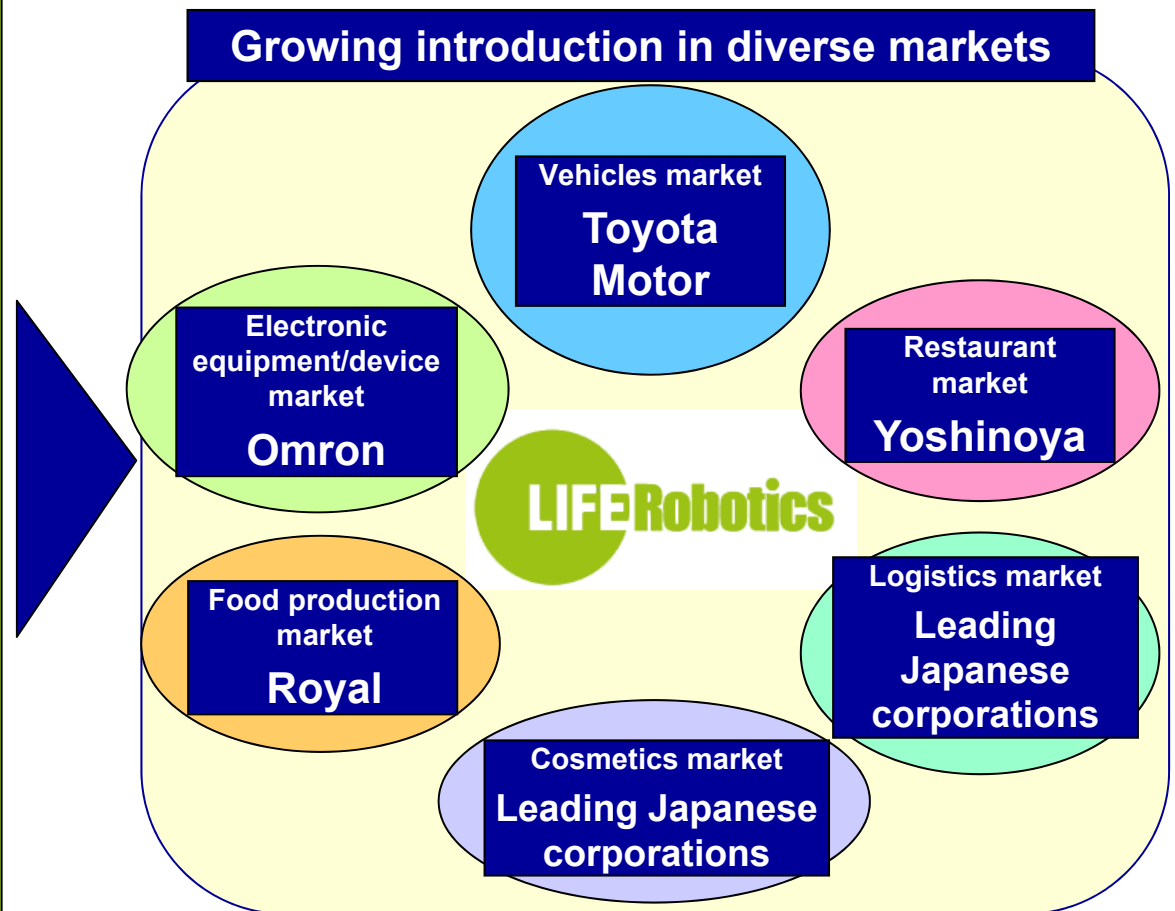
Picking co-bot with the “world’s simplest operation”



Features of CORO® co-bot

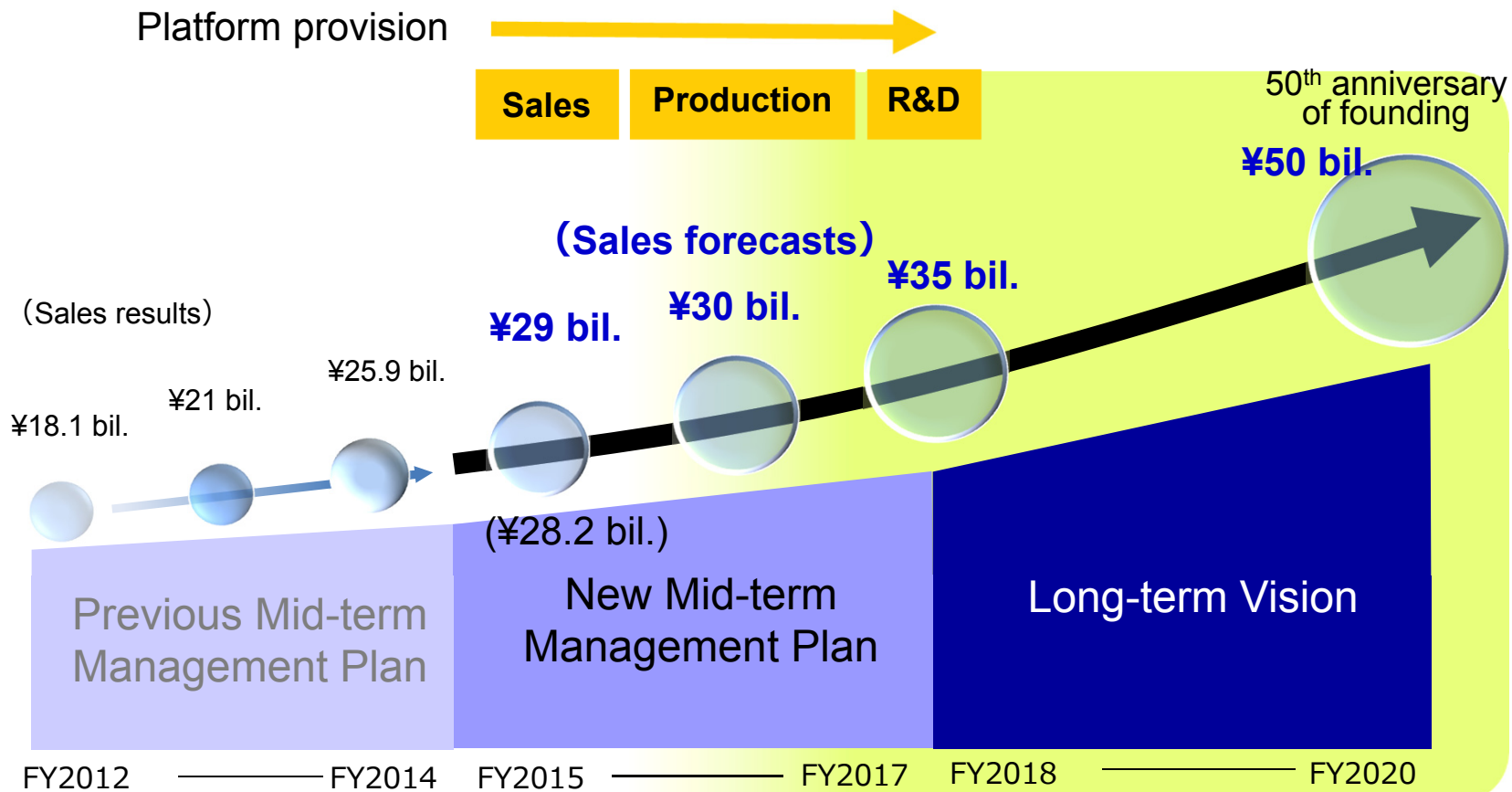
- Highly safe, using extensible arm with no elbow joints
- Simple setting of actions by teaching
- Same size operating space as humans

From LifeRobotics website



Realizing the long-term vision

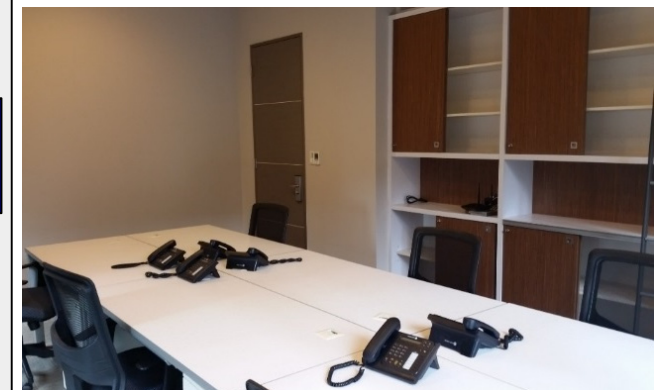
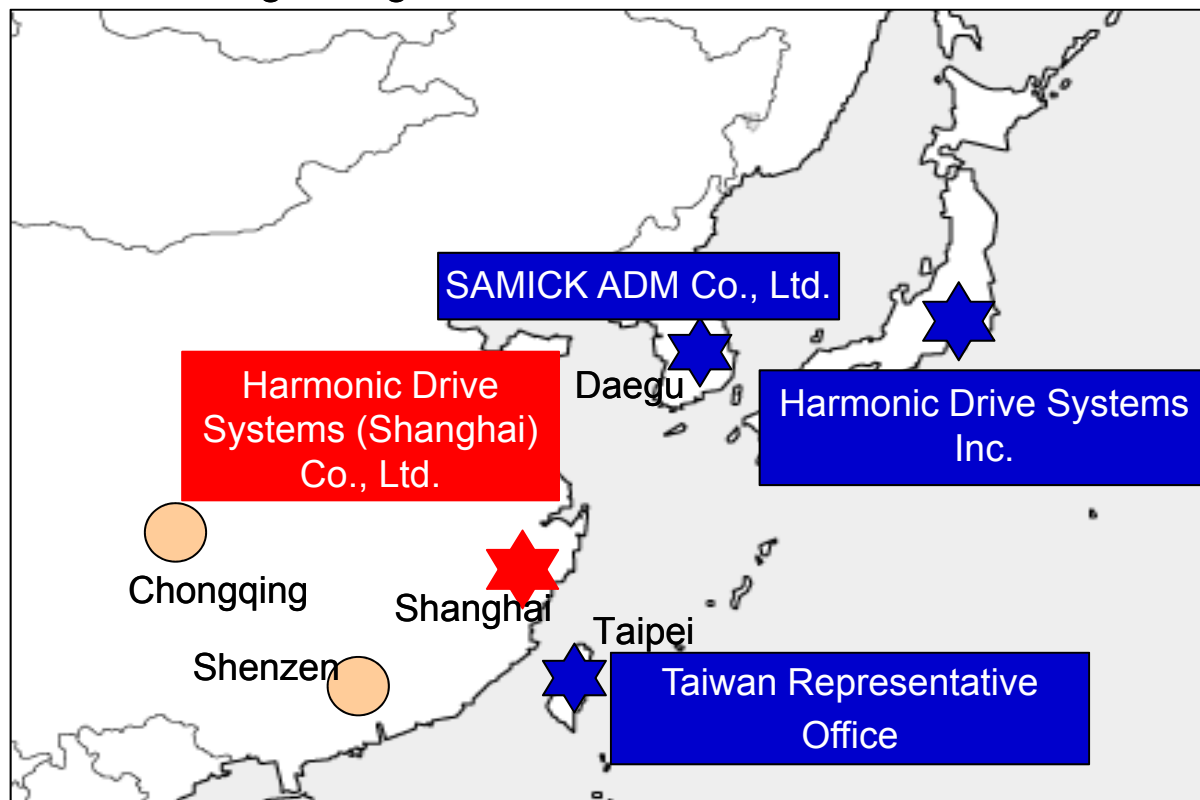
Provision of platforms for sales, R&D, production



Sales: Expanding sales to Asian markets

Planning to establish sales agency in Taiwan

- Electronic parts, semiconductors, EMS and other industries are flourishing
Markets for robots, semiconductor manufacturing equipment, machine tools and other factory automation products are also expanding
- New robot companies, and makers of built-in EMS robots and collaborative robots, are growing



Taiwan Representative Office

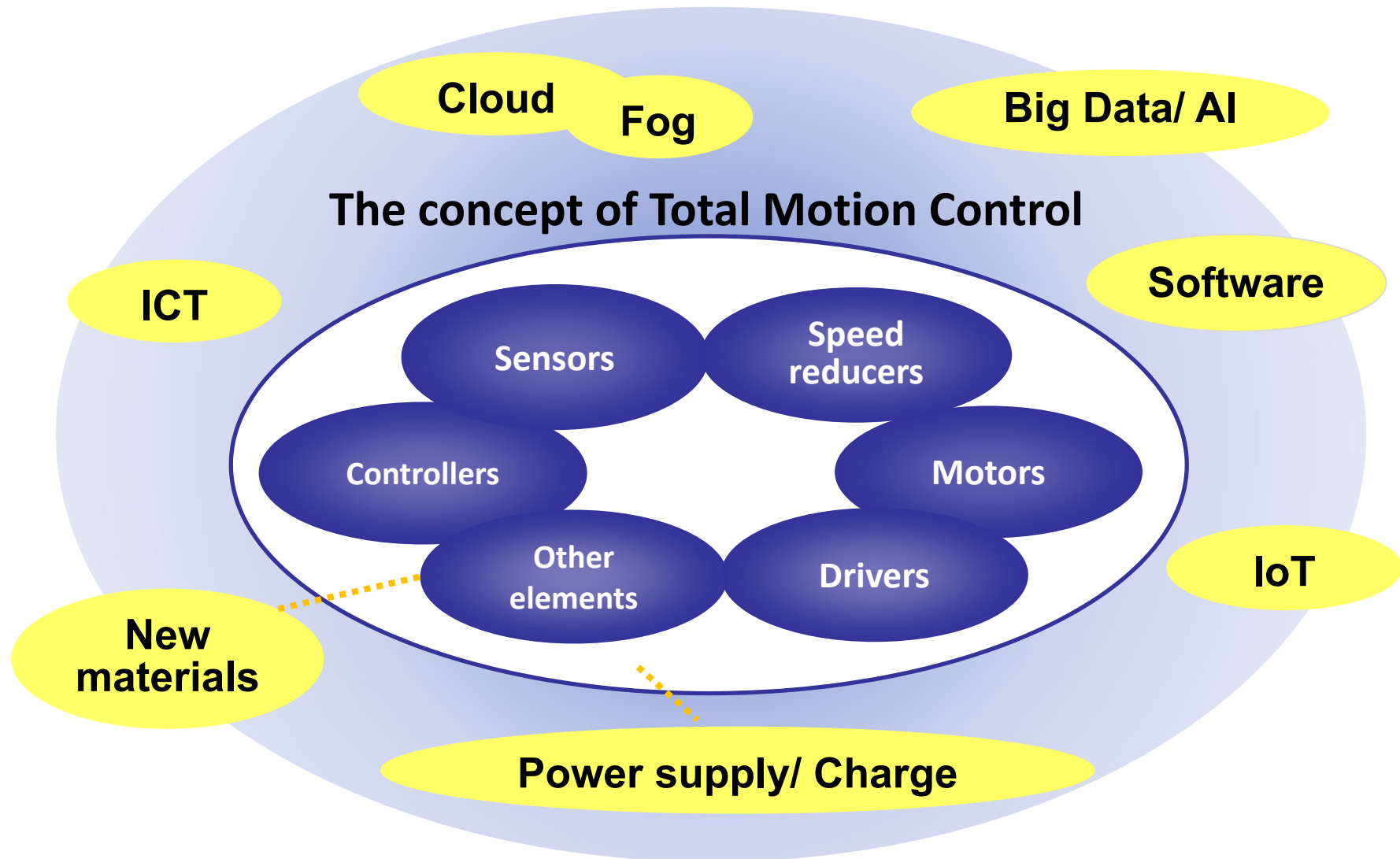
Production capability: Expanding capacity

Completion of new plant building

- Meet medium-term demand increases
- Raise monthly production capacity from 50,000 to 80,000 units
(Investment in machine tools and other equipment will be carried out in phases with an eye on demand trends.)
- Introduce new production engineering to boost efficiency and quality



Research and Development: Total Motion Control and Relation to New Core Technologies



Research and Development: Searching for new technologies and preparing for expansion of applications

New research site planned for Silicon Valley

- Search for new technologies, develop applications, gather information, and build relations with partners
- Take advantage of U.S. subsidiary to station our staff

