

# **Accelerate Plan 2012 "Step on Accelerator"**

3 years management plan  
(March 2013 - March 2015)

SHOWA Holdings Co., Ltd.

Please understand that the results forecasts and statements of future events included in these materials describe the outlook at the present time and may fluctuate due to various factors such as changes in the economy or business environment.

# Mission

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Showa Holdings will continue to foster businesses that provide unique foundations for society and to create security, safety and happiness.

# **Theme of the acceleration plan**

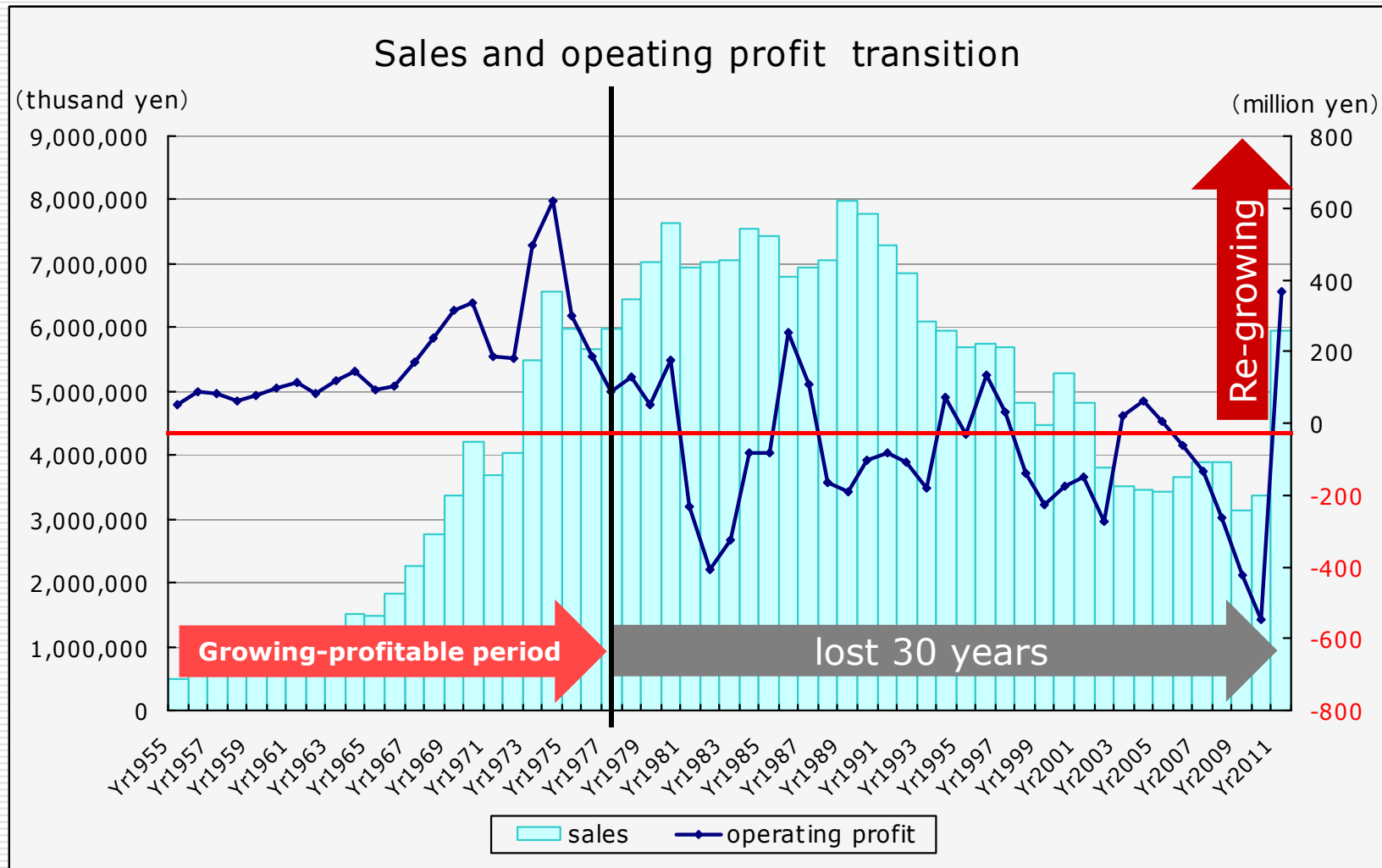
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## The beginnings of growth

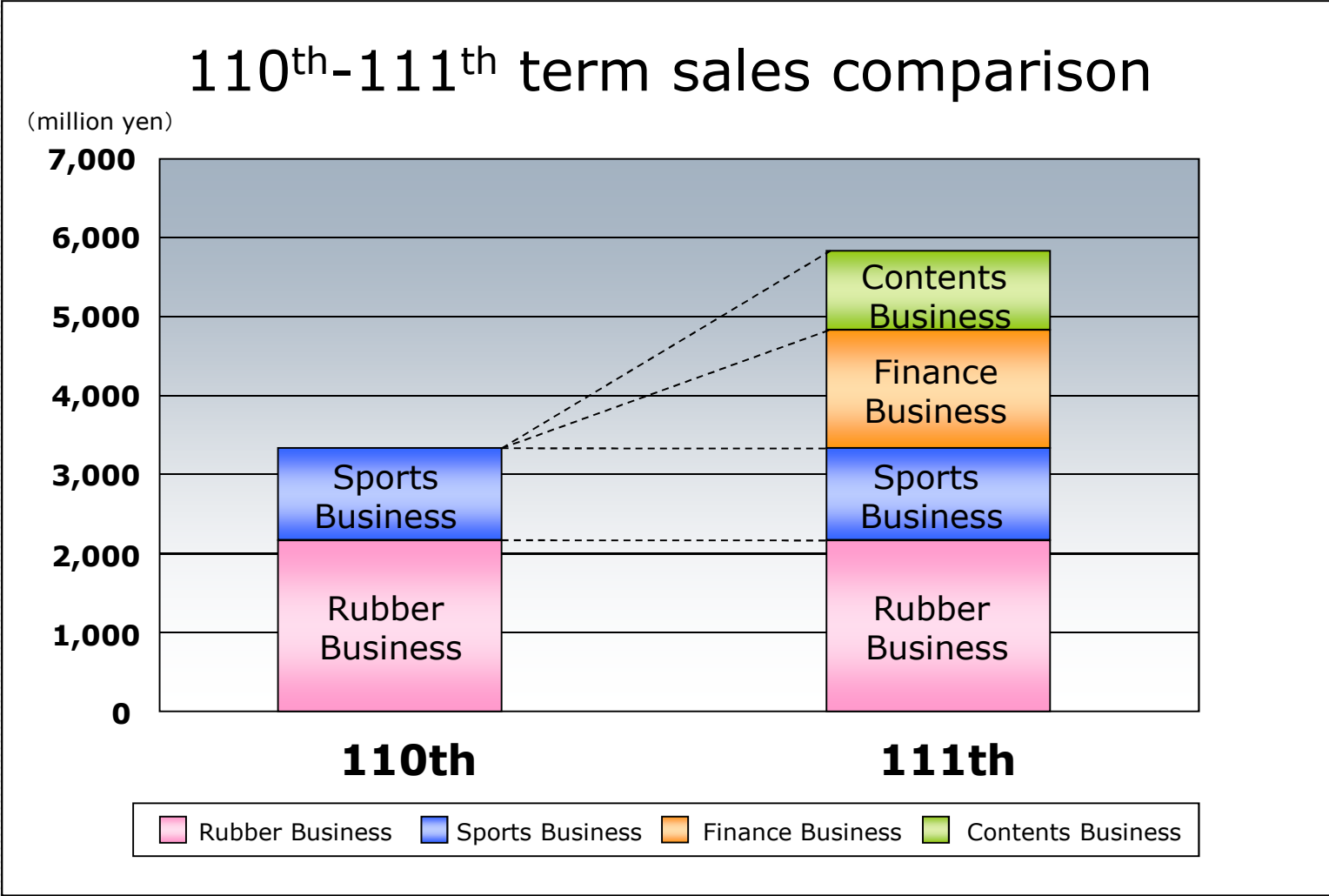
From the lost 30 years to a future of long-term growth

The previous medium-term management plan period  
Leave from the past years

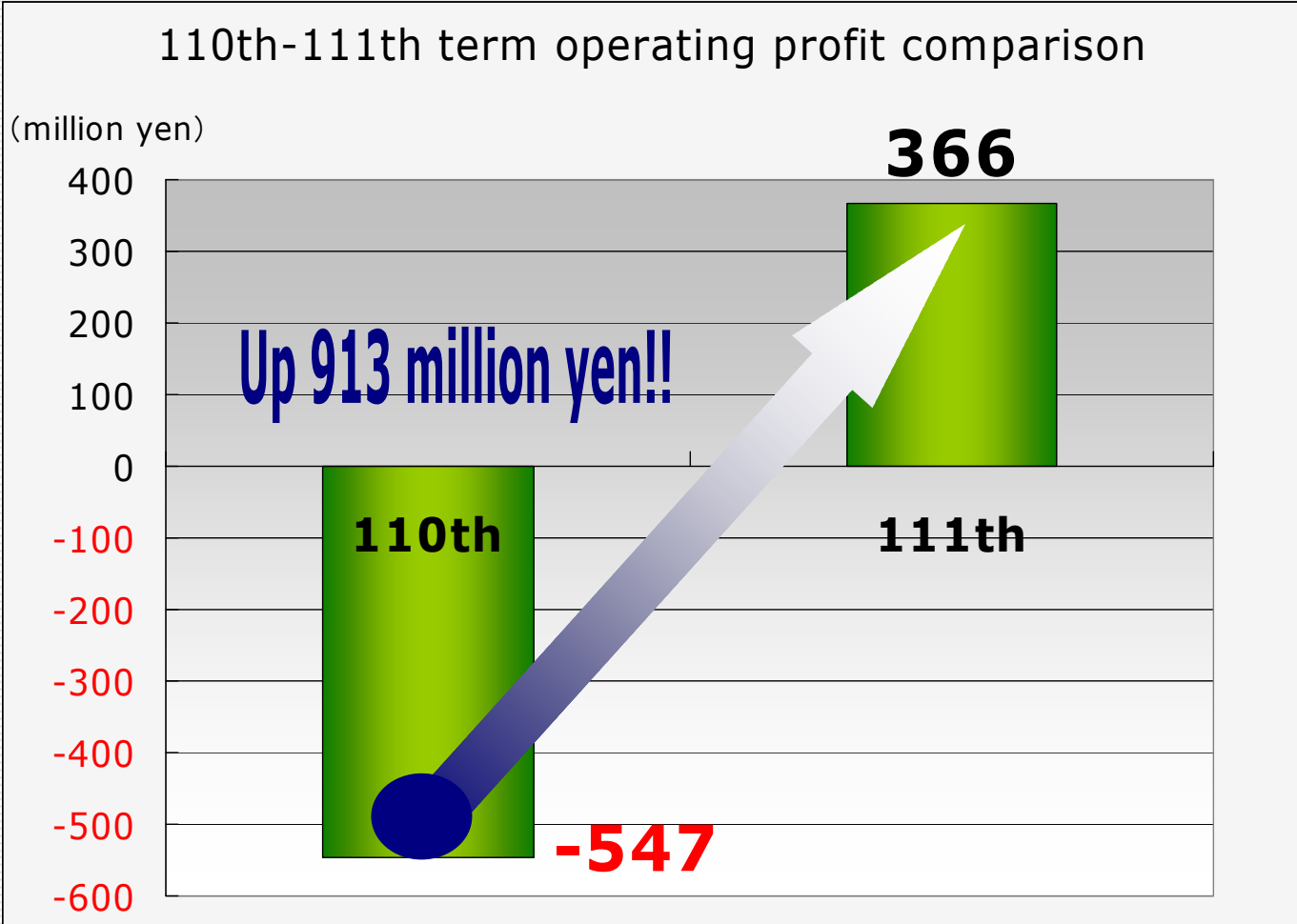
Operating profit declined from the end of the 1970s and it became normal after that to make losses even if sales rose. However, both sales and profits surged greatly in the term ended March 2012.



**Quality companies were added to the group and sales increased significantly.**



**We made a clean break with the lost 30 years during the 111th term of business.**



# **Management philosophy**

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**A pioneering spirit**

# The pioneering spirit of the Showa Holdings Group means

The Showa Holdings Group will:

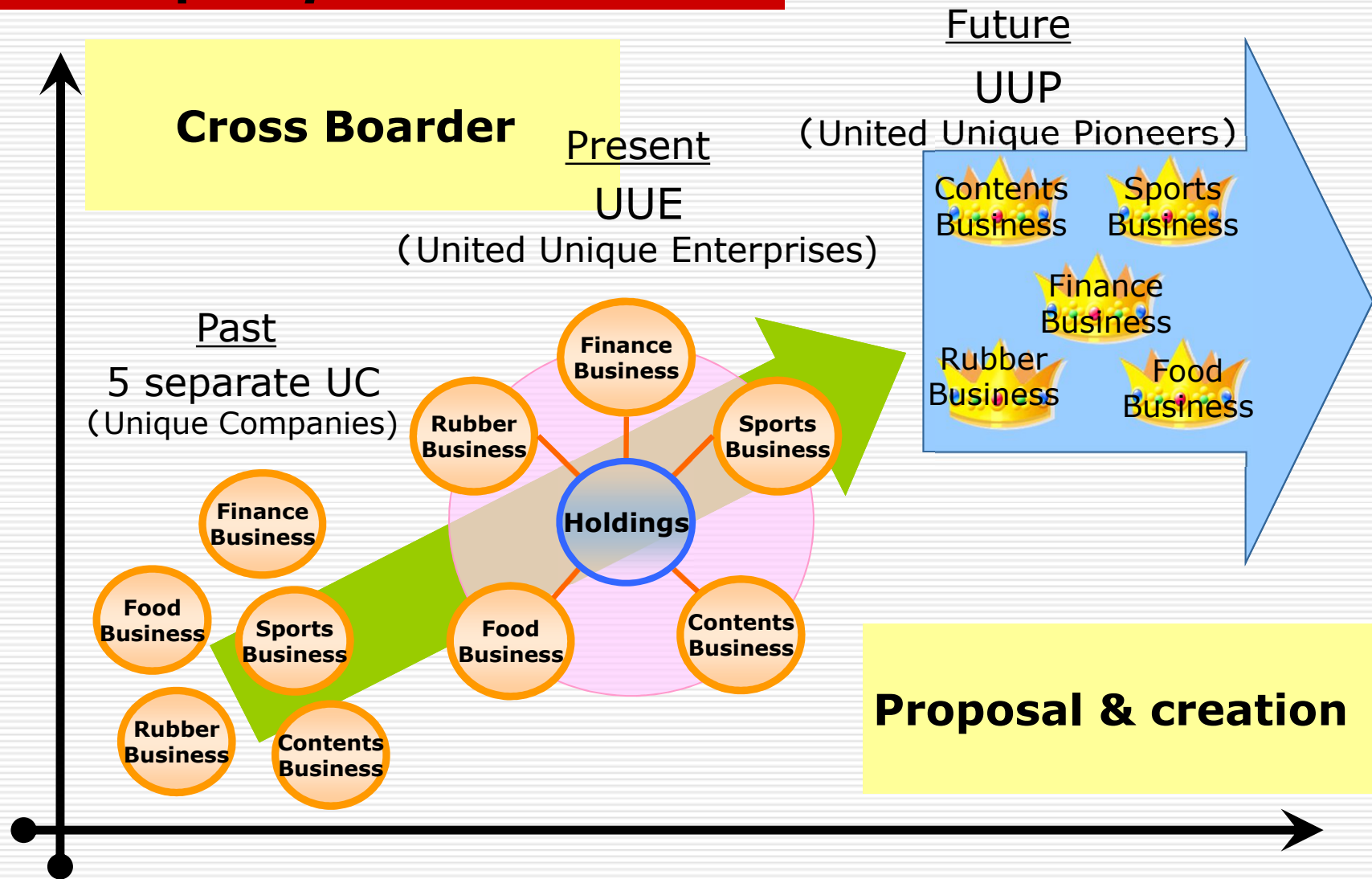
- ◆ Take on the challenge of contributing to the greater development and happiness of more customers, and
- ◆ Focus on creating value that contributes to society with a free and independent spirit, and
- ◆ Continue to drive forward for the development of customers and society.
- ◆ Behaving scrupulously and seizing business opportunities whatever the circumstances,
- ◆ We will esteem long-term business cultivation while celebrating the results we produce today, and
- ◆ Continue to be grateful to all of our stakeholders, starting with our customers.

Furthermore, we will maintain our sincerity and discipline with regard to our own professionalism, and create everyday lives with feelings for the surroundings, actual goods and reality.

This is the pioneering spirit of the Showa Holdings Group.



# Basic policy



# Themes for the Group in this medium-term management plan

[1] We will accomplish “Glocal” development in the ASEAN countries and Japan. \*

[2] We will refine the customer value proposals unique to each business and our ability to bring them to fruition.

[3] We will cultivate and acquire human resources with basic management skills.

\* “Glocal” means” Global +Local

# The roles and duties of Showa Holdings

Showa Holdings supports the development of each respective business to guide them to becoming UUP (United Unique Pioneers) by providing the elements required for each business (human resource development, capital, management support, and support for overseas expansion.)



# Knowledge of the external environment

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- ◆ Lehmann shock
- ◆ Global transformation of the population structure
- ◆ Expansion of virtual markets
- ◆ The progress of globalization
- ◆ The shaking of key currencies
- ◆ global sovereign risk
- ◆ The declining birthrate and aging population of Japan and its declining population
- ◆ The rise of China and the newly developing countries
- ◆ The search for new energy
- ◆ The unification of ASEAN



The contraction of the Japanese market and the expansion of the ASEAN market are forecast and these 3 years are also expected to be an "Uncertain Era" during which the world order will change greatly.

## **With regard to the Company's future undertakings**

With knowledge of the difficult current situation, the development policy of the Showa Holdings Group is as follows:

- [1] We will provide the unique value possessed by each business to customers in growth markets in Japan and in the growing ASEAN markets.
- [2] We will focus on markets where each business is strongly competitive to improve the profitability of those businesses.
- [3] We will discover the strengths possessed by each business, refine them, and create unchanging, unique value even in the coming era of uncertainty.

# **Performance and basic financial aims**

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Group formation by consolidation and applied use of the equity method



Overall optimization of capital investment that goes beyond a business



Increases in the operating profit of each business



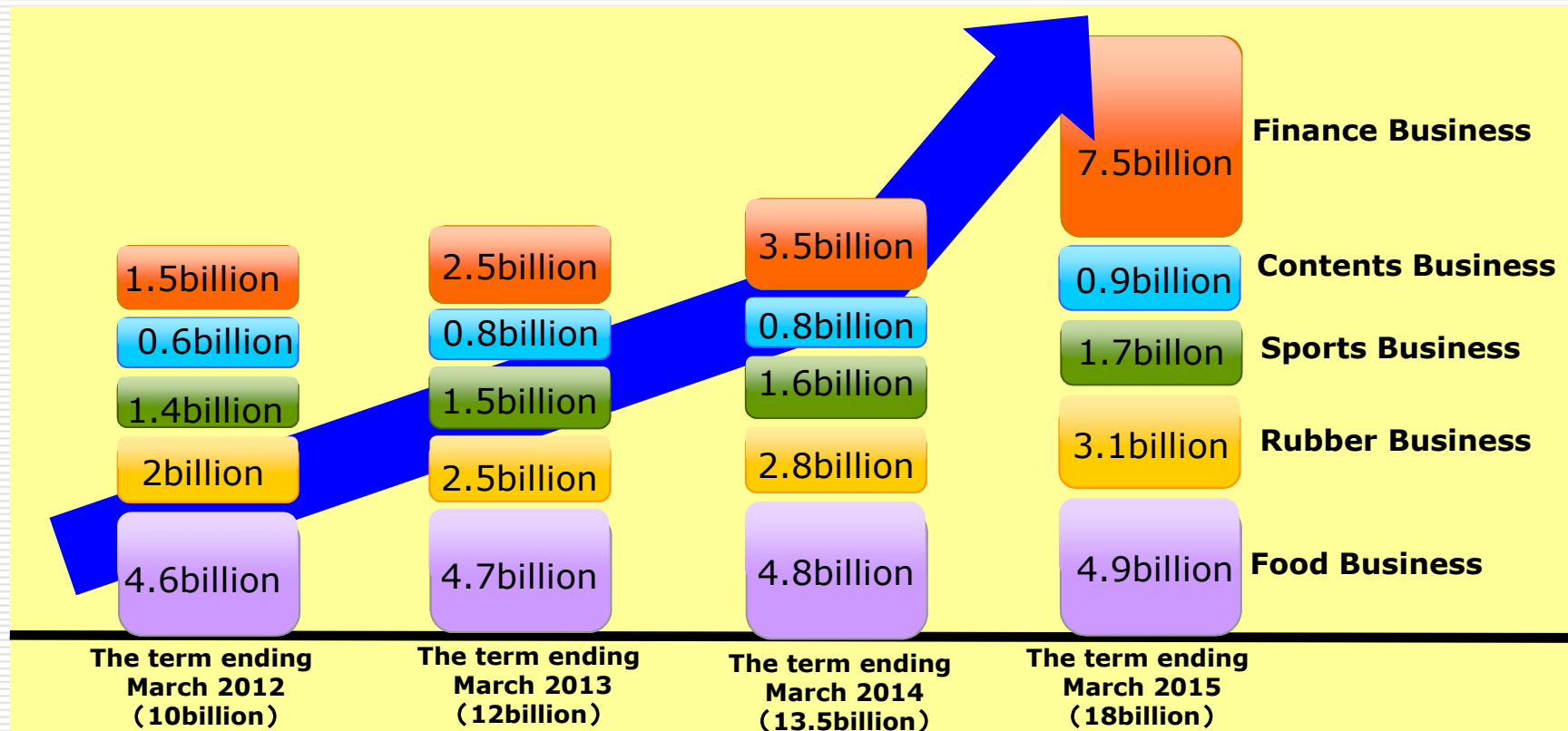
**Sustained expansion of consolidated net profits**



**Long-term increases in shareholders' net assets**

# Sales roadmap based on 5 core businesses

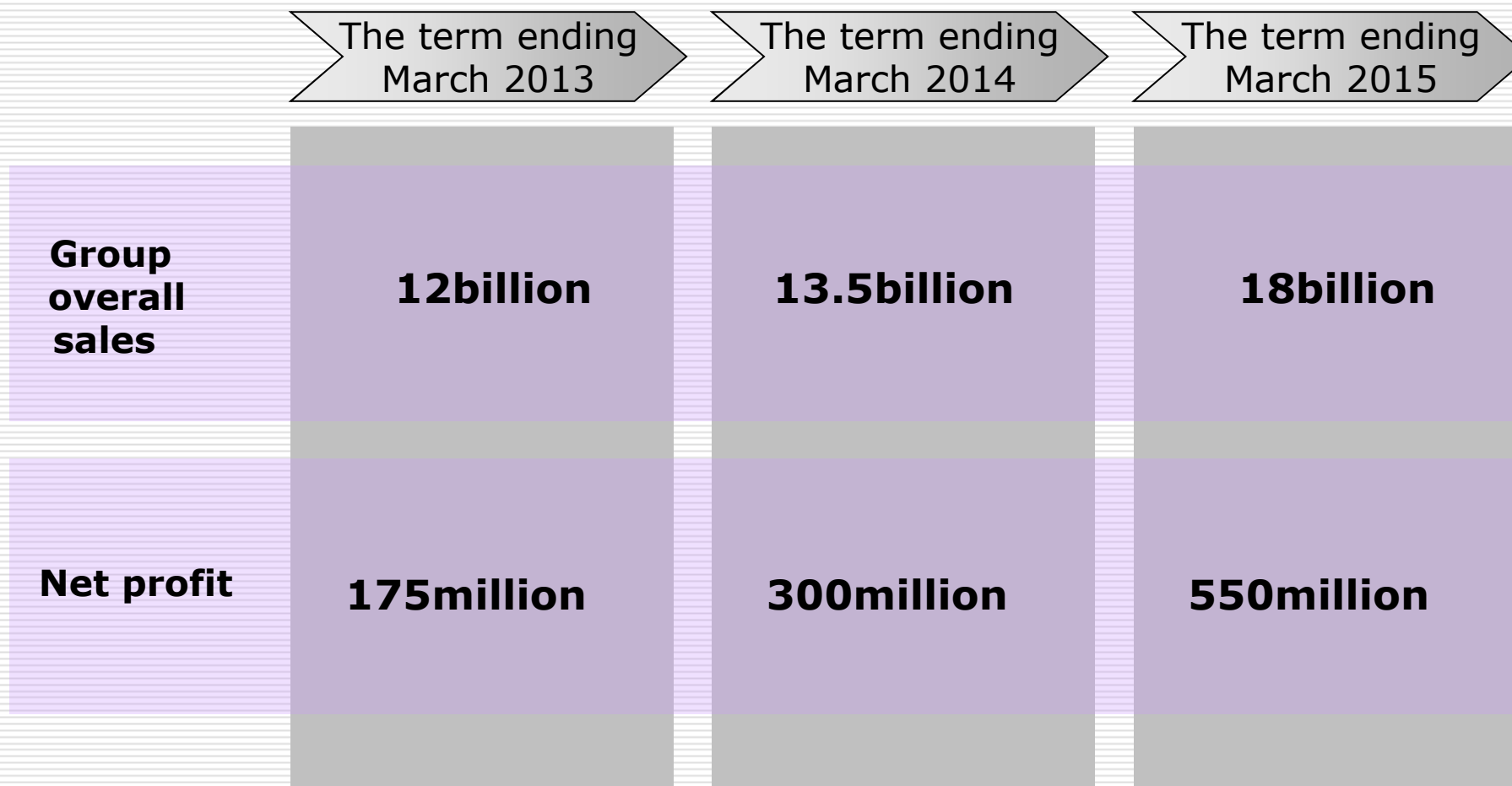
Increase sales of about 10 billion yen in core Group businesses in the term ended March 2012 to about 18 billion yen in the term ending March 2015 in 3 years' time!!



Note: These are sales figures only for the Company's core businesses.

Note: The sales figures in the diagram include consolidated subsidiaries and equity method affiliates and do not correspond to consolidated sales.

# Performance roadmap



Note: The sales figures in the diagram include consolidated subsidiaries and equity method affiliates and do not correspond to consolidated sales.



# Finally

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Showa Holdings will continue to foster businesses that provide unique foundations for society and to create security, safety and happiness.