

1	About business portfolio	What kind of portfolio do you have in mind for the next medium-term management plan, taking into account efficient resource allocation? Are you considering making changes to your portfolio as each business unit needs more investment capital than ever before?	Amid the overall trend toward electrification and systematization, we will concentrate our resources on businesses in which we can identify value. We are building a portfolio in a similar way to establishing a new business unit.
2	Investment in environmental countermeasures	Can you provide the amount and examples of the "investment in environmental countermeasures" described in the NPV graph on page 9?	The amount of investment is still being scrutinized, but it will focus on solar panels, alternative power generators, and plant buildings using state-of-the-art environmental technologies.
3	Long-term environmental targets	I believe that the measures for achieving the long-term targets on page 14 are linked to your long-term vision and financial plan, but could you tell us the background in detail?	As for the targets for 2030, we have developed a plan based on our internal numerical targets for the long-term vision. With regard to the targets for 2050, we plan to achieve the targets by incorporating new technologies such as hydrogen and ammonia, which will be put into practical use in the future.
4	Establishment of environmental targets by suppliers	With regard to your suppliers' initiatives in setting environmental targets, I would like to know specific examples such as how they set reduction targets and what kind of support has been provided.	We will ask our suppliers to take action, with a focus on those with a significant volume of business transactions regardless of business segment.  We support them by sharing our knowhow in setting environmental targets. Specifically, we would like to apply our accumulated experience to our suppliers, such as the efficient usage of compressors and reduction of air leaks through energy saving analysis.
5	TCFD	Do you have any updates on your response to the TCFD?	There have been no updates on the information disclosed in our integrated report and website at this stage. In FY2019, we established a sub-committee by involving the Corporate Planning Department and the Accounting & Finance Department and conducted scenario analysis on physical and transition risks. Currently, each business department is carrying out detailed analysis.
6	Improvement in production efficiency	As for the improvement in production efficiency on page 15, can you achieve the improvement of energy efficiency by 3% per annum based on the current pace of CAPEX (about 4.0 billion yen for FY2021)? Or, will you need to increase CAPEX?	The improvement of production efficiency is an item that evaluates the renewal of facilities from the viewpoint of energy efficiency. It is a new approach to evaluate parts that could not be measured before. Investments in "productivity improvement" disclosed in past IR materials are mainly investments aimed at increasing productivity per hour. Effects of productivity improvement are evaluated separately from the energy efficiency improvement disclosed this time.  We believe that we will be able to achieve the targets with the current pace of investment in principle.
7	Electrification	Regarding the initiatives related to electrification on page 17, can you explain what kind of movements are taking place in each product and customer, and in what time frame? I would like to know the opportunities and risks by application.	Amid the progress in electrification of mother machines such as aircraft, marine equipment, and commercial vehicles, we intend to provide compatible products in the fields of hardware and peripheral parts.  We would like to take aggressive moves from the perspective of fulfilling our social responsibility in "realizing electrification," in addition to achieving growth for the Company.
8	Electrification	What do you think will happen in the future with regard to the electrification of the hydraulic equipment business?	We do not think that hydraulic equipments will disappear completely from construction machinery, but the electrification will progress in the field of small machinery first. Therefore, we would like to respond accordingly. In line with this trend, each division is reviewing its strategies, including those for the precision reduction gears business, which can be our competitive advantage.