Focus on regions, products, and growth markets, which are our strength

Product and development strategy under the Mid-term Management Plan (product development theme)

Social changes and issues

- Increase in size of farm business
- Diversification to field crops and vegetables
- Leasing of agricultural machinery
- Acceleration of smart agriculture
- Needs for low-priced products
- Creation of a decarbonized society
- Stable food production and supply
- Expansion of demand for landscaping
- Improved productivity
- Expansion of agriculture in the ASEAN and East Asian regions
- Lifestyle change

Domestic strategy <Response to large-scale farming>

- Strengthening of large to medium size, low price, smart agricultural machinery and products for field crops and vegetable farming
- Response to changes in agricultural style (contractor leasing)

Overseas strategy <Response to brand expansion>

- Strengthening of products for European and North American markets, which are our strength
- Strengthening of products for ASEAN
- Penetration of brand in China and East Asia

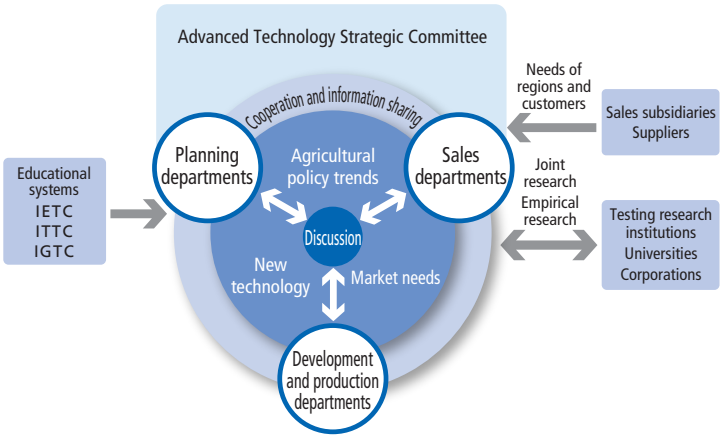
Common strategy <Safety and environmental responses/Frontrunner development>

- Promotion of environmentally-friendly design
- Measures to prevent farming accidents
- Electrification and hydrogen use
- Automation, robotics, use of agricultural ICT data, etc.
- Enhancement of emission regulations-compliant engines produced in-house

Research and development system

We have built a research and development system that displays collective power through collaboration among the planning, development, production, and sales departments, and determine the direction for the product strategy and research and development based on the market needs and market trends, and engage in speedy research and development. The Development & Production Division has strengthened the system related to the latest technologies and increased the number of personnel in the Green Innovation Promotion Section, to address environmental issues including decarbonization and smart agriculture. We are making up for any lacking technologies and human resources through human resources development and internal collaboration. We are also committed to educating engineers to promote research and development of electrification and agricultural machinery using hydrogen, automation, and robotics at IETC, a specialized educational institution for design technologies.

Research and development system



Expand research and development investment in priority strategic fields

Establish development themes that match sales strategies	We focus on product development incorporating new technologies such as automatic control and robot technologies as development themes for food security, field crops, and environmental responses. (Examples of development themes) Japan —— Smart agricultural machinery Data use Overseas — Electrification products for Europe Products to promote mechanization of agriculture in India and Asia
Forward-looking development	We aim to create successful products by setting forward-looking research themes, partnering with Japanese and overseas corporations, universities, and public institutions, and utilizing open innovation. Using technologies cultivated through electrification products and research, we will launch electrification products for professional use in the European landscaping market in response to environmental issues.
Investments in research and development	We are improving development productivity by allocating research and development man-hours to priority strategic fields. To that end, we are developing internal specialized human resources and expanding career recruitment. In addition, we will optimize the upstream development process for improved productivity and optimal placement of personnel.