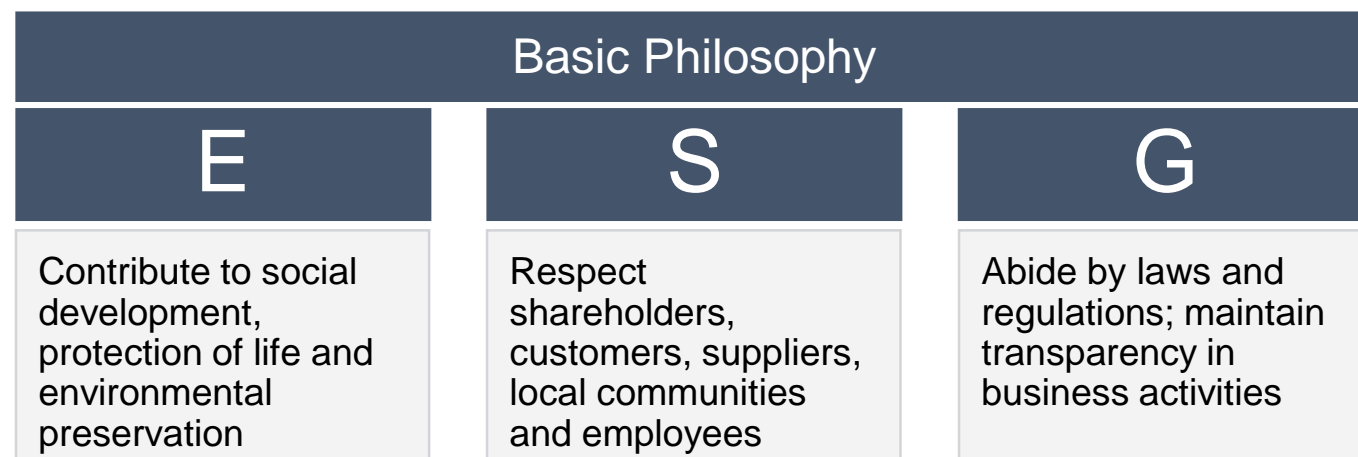


Vision 2030: Ishihara Sangyo Kaisha (ISK)'s Long-term Vision

Ishihara Sangyo Kaisha, Ltd.

May 24, 2021

What's the purpose of ISK?



ISK's three strengths derived from our corporate philosophy and DNA

Corporate Purpose:
To continue contributing to better living environments through chemical technologies.

Code of Conduct

- At ISK Group, we will strictly observe laws, regulations, social norms and Company rules, while steadfastly adhering to high ethical standards, so as to gain social trust in our business.
- In manufacturing activities, we will place the utmost priority on global environmental protection, as well as on worker safety, and will work to prevent any workplace accident or disaster.
- On the basis of respect for human rights, we will promote mutual understanding and cooperation among employees, in order to create an open and friendly workplace.
- To maintain transparency in our business activities, we will promote communication with local communities and society, and will disclose corporate information in a timely and appropriate manner.

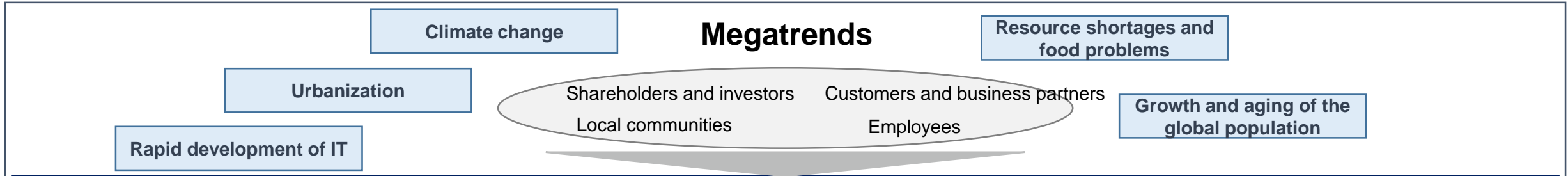
ISK's DNA
A willingness to embrace challenges, passed down from the founder

Originality. Acceleration. Global Reach. Transforming Lives Through the Power of Chemistry.

Value provided by ISK

Ability to accommodate changes in our own makeup and in the environment	Originality	Value as a company
We're accelerating changes in our business strategies, organization, and operations to accommodate rapid changes in the business environment.	We draw on our technological development capabilities, a core strength, to provide new value as a top player in global niche sectors while developing new markets and growing our top line.	We become an essential part of society by accumulating little improvements in environments and lives.

Vision 2030



Vision 2030

Originality. Acceleration. Global Reach. Transforming Lives Through the Power of Chemistry.

① Value provided to stakeholders by our businesses (business initiatives)

Inorganic chemicals

Create new value based on the technologies developed for titanium dioxide products, to support the environment and digital society, and contribute to realizing a sustainable society.

Titanium dioxide → Providing a variety of colors and hues

Functional materials → Creating a range of comfort

Environmental products → Achieving both innovation and environmental protection

- Diversifying the optical characteristics of titanium dioxide to realize new value creation
- Contributing to the resolution of social issues such as the adoption of information and communications technologies and the electrification of automobiles through functional materials
- Reducing environmental impacts while streamlining production through a revolution in production structures

Organic chemicals

Supply unique products that directly enhance customer value across the world, and support people's nutrition, health and life to contribute to realizing a sustainable society.

Agrochemicals → Improving agricultural production stability and quality

Animal health product → Protecting the lives of pets

Pharmaceuticals → Contributing to medical care

- Pursuing development and commercialization in a way that's aware of the value chain
- Accelerating the creation of value and restoring our growth trajectory by improving and evolving in-house technologies
- Manufacturing flagship products at the lowest cost in the world and supplying them in a stable manner to customers

New businesses, others

- Building a new business portfolio
- Strengthening development of environmentally friendly products by investing resources (people and money) with an awareness of environmental, social, and corporate governance (ESG) considerations in areas other than titanium and agrochemicals
- Establishing structures to pursue carbon neutrality by 2050

② Management targets (2030)

· Net sales of greater than ¥200 billion · Operating margin of 15% or more · ROE 10% or more · Continued stable return for shareholders

Contributing to realization of a sustainable society together with improving our corporate value through such business activities.

Path to realizing Vision 2030 targets

Vision 2030

Originality. Acceleration. Global Reach.
Transforming Lives Through the Power of Chemistry.

Originality. Acceleration. Global Reach.

Vision 2030 targets

- ◆ Net sales: Greater than ¥200 billion
- ◆ Operating margin: 15% or more
- ◆ ROE: 10% or more

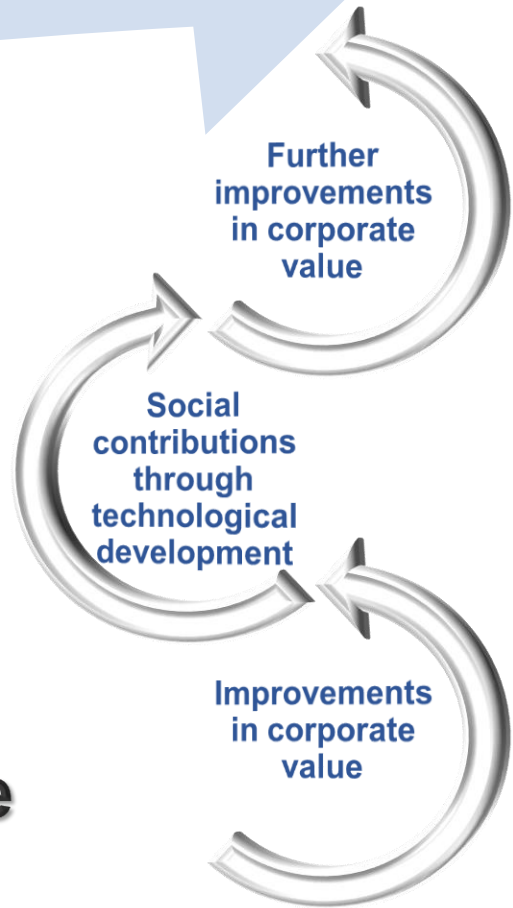
Stage I: FY2023 targets

- ◆ Net sales: Greater than ¥125 billion
- ◆ Operating margin: 13% or more
- ◆ ROE: 10% or more

Vision 2030
Stage II
• FY2024–2026

Vision 2030
Stage III
• FY2027–2029

Vision 2030
Stage I
• FY2021–2023



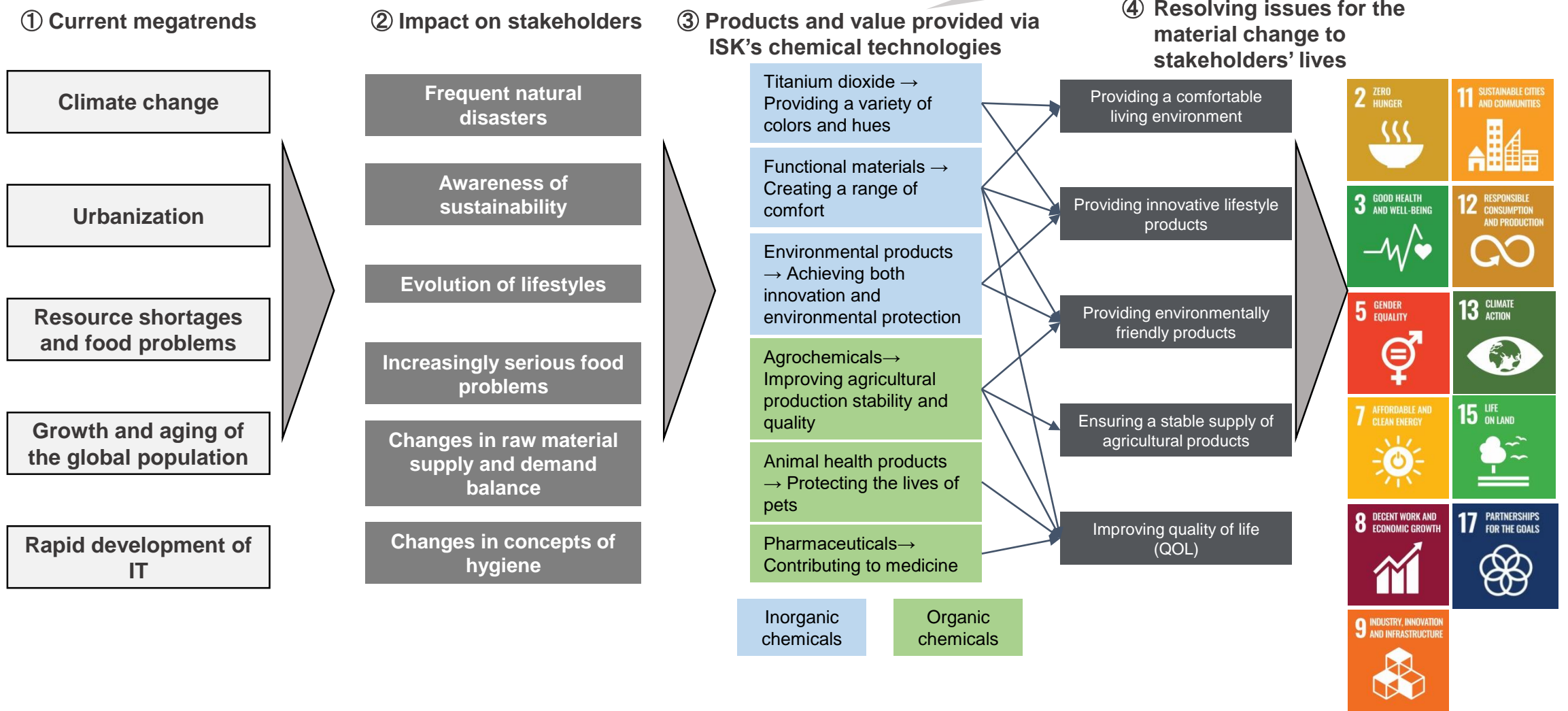
Transforming Lives Through the Power of Chemistry.

Value provided by Ishihara Sangyo Kaisha (ISK)

Vision 2030

Originality. Acceleration. Global Reach.
Transforming Lives Through the Power of Chemistry.

1. Ability to accommodate changes in our own makeup and in the environment
2. Originality
3. Value as a company



Medium-term Business Plan FY2021 to FY2023

Vision 2030 Stage I

Shareholders / Customers / Business partners / Local communities / Employees

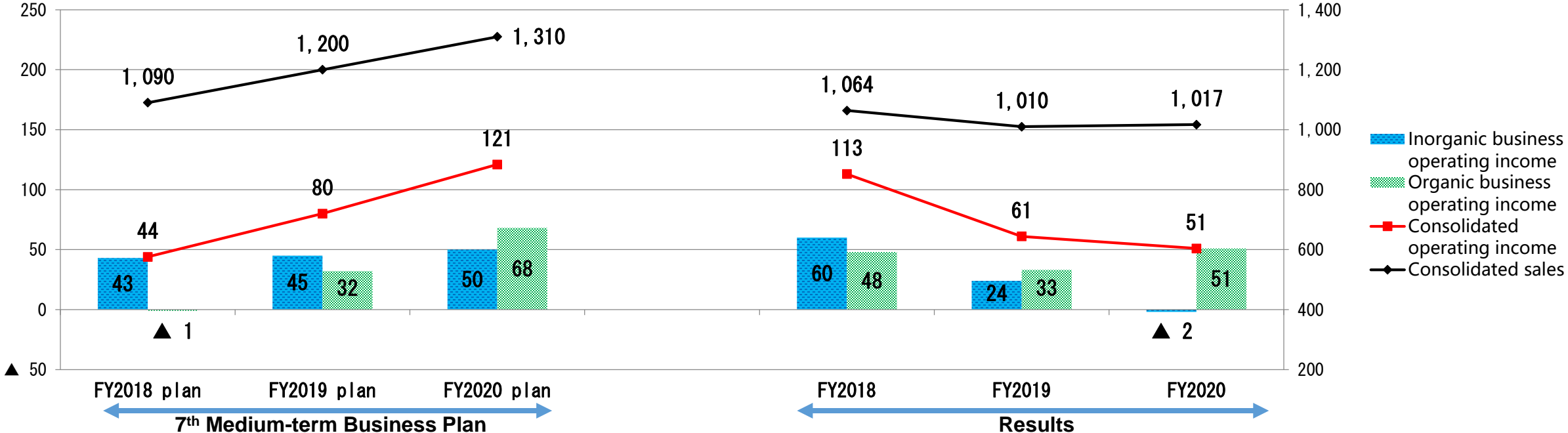
Vision 2030
Originality. Acceleration. Global Reach.
Transforming Lives Through the Power of Chemistry.

Medium-term Business Plan 'Vision 2030 Stage I'
(FY2021 to FY2023)

Basic policy
Creating sustainable corporate value by strengthening management
performance from ESG and SDGs perspective

Results of the previous Medium-term Business Plan and remaining issues

7th Medium-term Business Plan results versus plan targets (100 million yen)



Results

- ❑ We achieved resumed dividend payments in FY2019 and paid a dividend to commemorate the 100th anniversary of our founding in FY2020.
- ❑ We joined Mitsui & Co., Ltd, in making a joint investment in Ouro Fino Química Ltda, a Brazilian manufacturer and distributor of agrochemicals, in FY2019.
- ❑ We began selling animal health product in FY2018. We expanded production facilities for electronic component materials and conductive materials together with our subsidiary, Fuji Titanium Industry Co., Ltd.

Remaining issues

- ❑ Establishing business structures that will not be affected by the external environment
 - Inorganic chemicals: Impacts from trade friction between the U.S. and China (FY2019) and from the COVID-19 pandemic (FY2020)
 - Organic chemicals: Impacts from abnormal weather in Europe and the U.S. (FY2019)
- ❑ Ensuring implementation of both increased added value and reduced costs
- ❑ Increasing resilience while minimizing the impact of external risks through business continuity planning (BCP) and risk management
- ❑ Recouping investments, including capital investments, quickly

Comparison of 7th Medium-term Business Plan with results

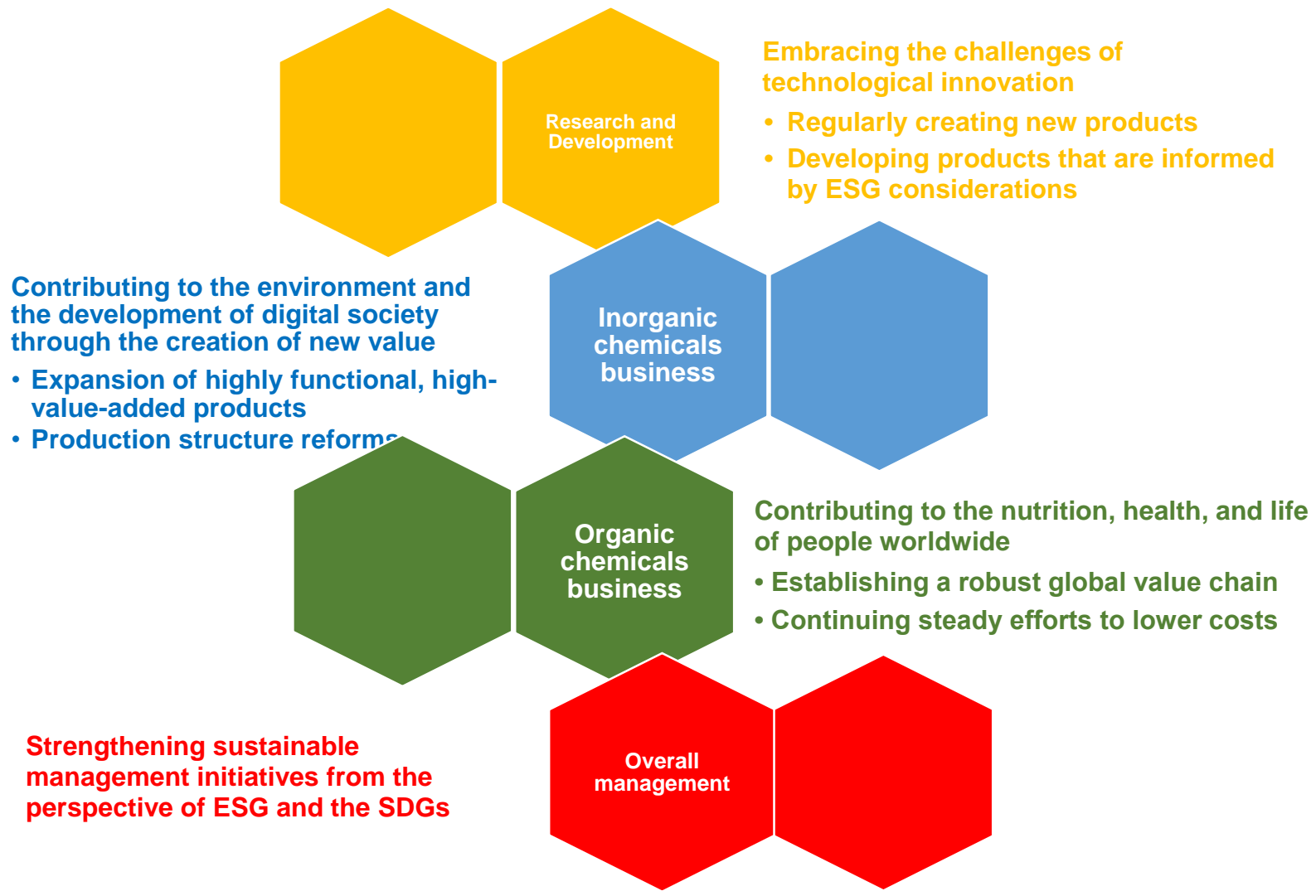
Comparison of cumulative three-year results and targets under the 7th Medium-term Business Plan (FY2018 to FY2020) (100 million yen)

	Previous Medium-term Business Plan	Results	Difference
Net sales	3,600	3,093	$\triangle 507$
(Inorganic Chemicals Division)	(1,807)	(1,563)	($\triangle 245$)
(Organic Chemicals Division)	(1,695)	(1,422)	($\triangle 273$)
Operating income	245	227	$\triangle 17$
(Inorganic Chemicals Division)	(138)	(82)	($\triangle 55$)
(Organic Chemicals Division)	(100)	(133)	(33)
Ordinary income	210	224	15
Net income	148	144	$\triangle 4$
Exchange rate (period average)	110.0	108.5	$\triangle 1.5$
(Top line: JPY/USD; bottom line: JPY/EUR)	130.0	124.1	$\triangle 5.9$

Business environment awareness and strategic directions

Business environment awareness

- Inorganic chemicals segment
 - Growing market penetration of Chinese products and market dominance by a few overseas manufacturers
 - Oligopoly situation of raw materials (ore) and sharp rise in prices
 - Growing demand in the semiconductor and mobility segments for the coming “smart” society
 - More stringent regulations on chemical substances
 - Global warming
 - Changes in concepts of hygiene (anti-virus, thermal insulation)
- Organic chemicals segment
 - Continuously growing global population
 - Stronger synthetic agrochemical regulations and trend toward deregistration of major products
 - Climate change
 - Increasing oligopoly of the agricultural industry
 - Growing awareness of physical and mental health worldwide
 - Expanding market for pet-related products worldwide
 - Accommodation of biodiversity



Overview of Vision 2030 Stage I

Vision 2030

Originality. Acceleration. Global Reach. Transforming Lives Through the Power of Chemistry.

Medium-term Business Plan FY2021 to FY2023 **Vision 2030 Stage I**

Priority measures in our businesses

Inorganic chemicals business

- ✓ Increasing the sales ratio for highly functional, high-value-added products
- ✓ Implementing a strategy to expand sales of high-purity materials for electronic components, and electro-conductive materials
- ✓ Accelerating development of new products that will serve as drivers of further growth
- ✓ Procuring feedstock ore in a stable and favorable terms
- ✓ Lowering costs at the Yokkaichi Plant by reducing wastes and improving manufacturing and operational processes
- ✓ Launching a master plan to optimize manufacturing sites
- ✓ Creating a roadmap to reduce greenhouse gases

Organic chemicals business

- ✓ Increasing our share of the global market by manufacturing flagship agrochemical ingredients at the lowest cost in the world and supplying them in a stable manner
- ✓ Reducing the manufacturing cost of next-generation flagship agrochemicals and increasing demand
- ✓ Developing and commercializing biorational products and deepening integrated pest management (IPM)
- ✓ Implementing strategic, innovative sales measures, for example by utilizing multiple agrochemical sales companies
- ✓ Acquiring and maintaining agrochemical registrations in various countries worldwide
- ✓ Expanding the scale of our businesses by pursuing M&As and partnerships with other companies
- ✓ Strengthening our base for refining and passing on chemical synthesis technologies
- ✓ Rolling out animal health products worldwide

Measures that apply to both businesses

- ✓ Growing our top line (sales)
- ✓ Strengthening our ability to create new businesses and products
- ✓ Carrying out internal structural and awareness reforms so that we can achieve the Vision 2030 goals

Capital policy

- ✓ Strengthening shareholder return (continuing to pay stable dividends)
- ✓ Aggressively pursuing capital cost management (realizing improvements throughout the cash conversion cycle, etc.)

Overall management

Pursuing and strengthening sustainable management initiatives from the perspective of the SDGs

- ✓ Expanding the business opportunities available to us through management from the perspective of ESG and the SDGs
- ✓ Identifying materialities (SDGs) and strengthening initiatives to address them
- ✓ Reforming workstyles by pursuing the digital transformation (DX) and streamlining operations
- ✓ Continuing and strengthening compliance management
- ✓ Strengthening risk management

Strengthening the management foundation: Pursuing management initiatives from the perspective of ESG and the SDGs

We're striving to increase corporate value by expanding the business opportunities available to us through management from the perspective of ESG and the SDGs.

During FY2021, we plan to implement the following two measures to shore up the foundation of our management:

1. Identifying materialities (SDGs)
2. Identifying non-financial targets related to materialities

Planned ESG measures and related SDGs

E: Environment

- ✓ Dealing with climate change
 - Establishing medium- and long-term environmental targets
 - Accepting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and disclosing related information accordingly



S: Society

- ✓ Pursuing human resources development
- ✓ Pursuing diversity and inclusion policies
- ✓ Pursuing initiatives to address human rights (Creating a policy on human rights, offering internal training, and carrying out due diligence for human resources)



G: Governance

- ✓ Complying with the revised Corporate Governance Code
- ✓ Increasing the effectiveness of the Board of Directors
- ✓ Reviewing the remuneration system for directors and officers



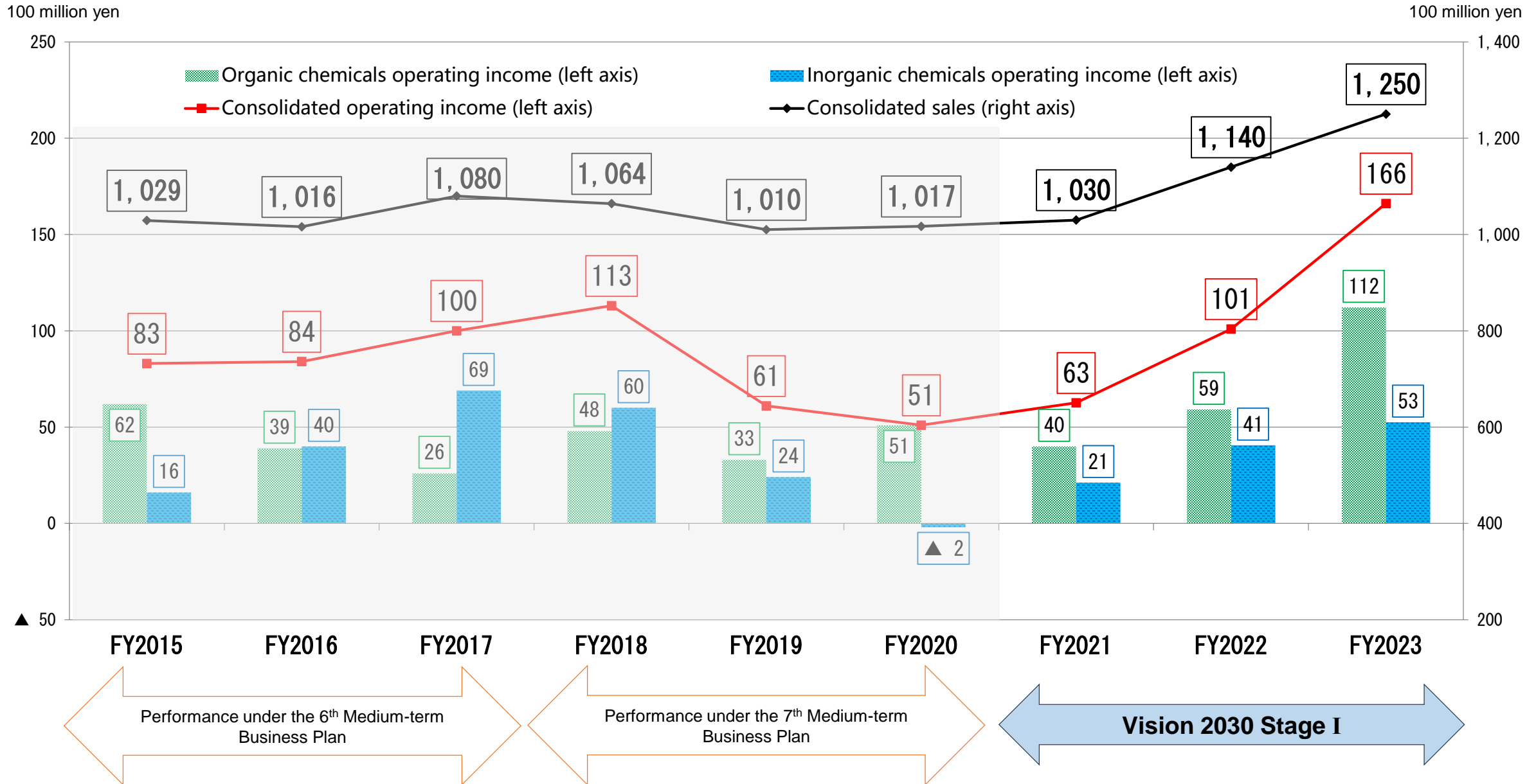
Vision 2030 Stage I management targets

FY2023 management targets, etc.

- Consolidated sales
- Over 125 billion yen
- Consolidated operating margin 13% or more
- ROE 10% or more
- Shareholder return policy
Continue stable dividend payments that reflect consolidated performance

	Fiscal 2023 plan
□ Net sales	125 billion yen
□ Operating income	16.6 billion yen
(Operating margin)	13%
□ Ordinary income	15.8 billion yen
□ Net income	12.4 billion yen
□ ROE	10% or more

Vision 2030 Stage I Consolidated sales and profit targets



Vision 2030 Stage I

Sales and operating income plan by department

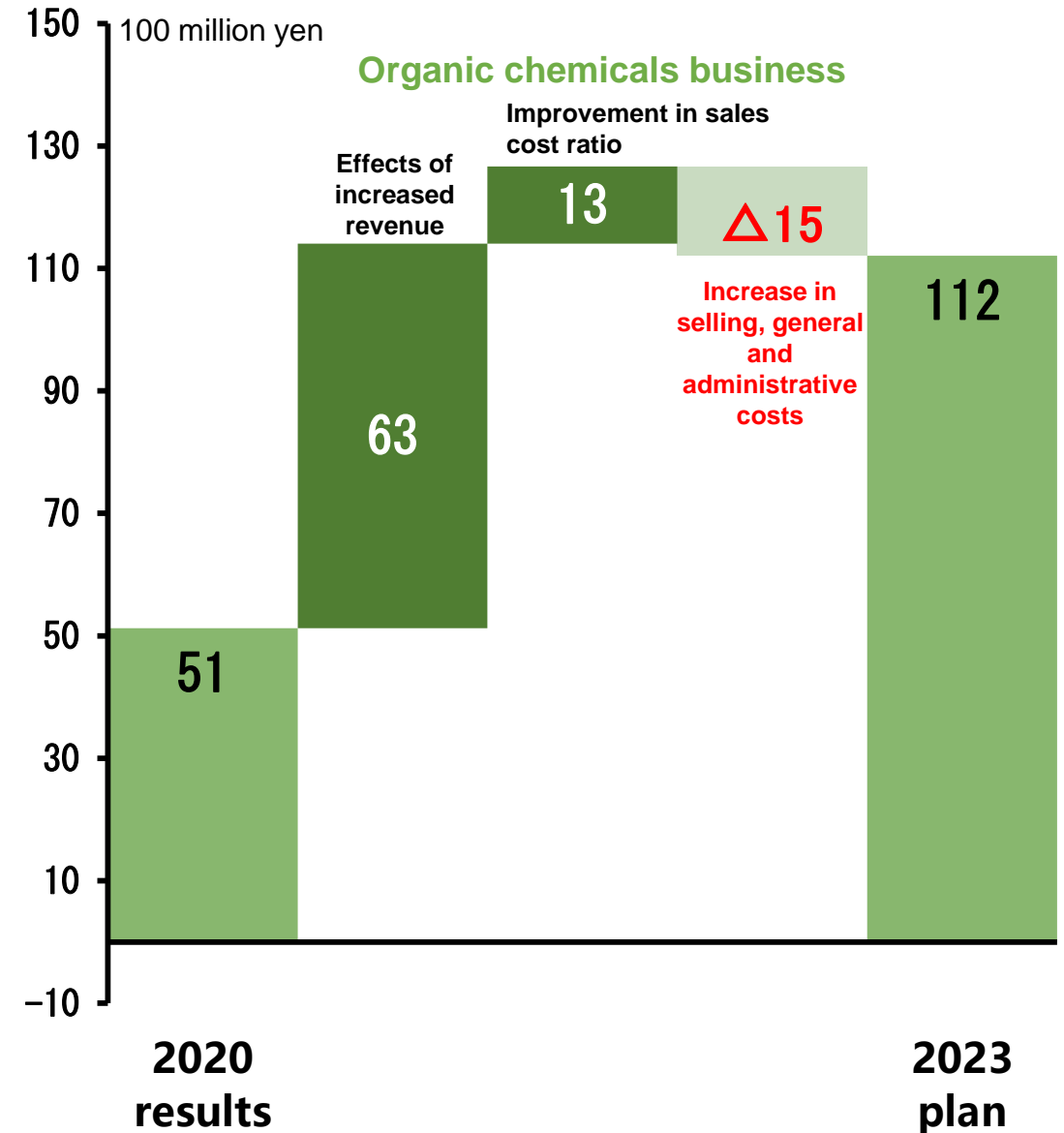
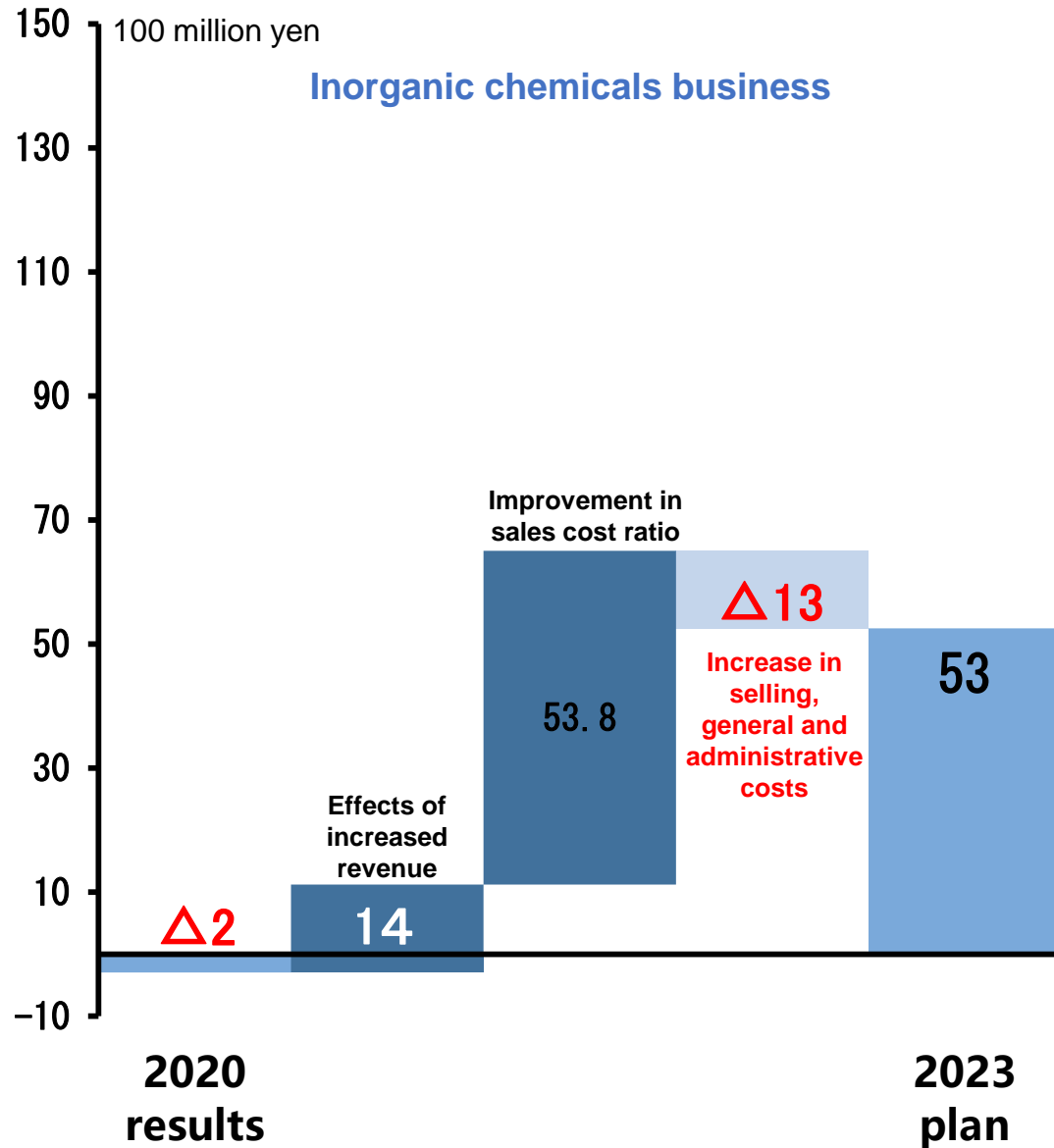
(Unit: 100 million yen, %)

Net sales	FY2020		FY2023		FY2020:FY2023	
	Performance		Plan		Increase/decrease*	Rate of change
Titanium dioxide and other inorganics	379		466		—	—
Functional material	119		168		—	—
Bioscience (agrochemicals)	472		552		—	—
Healthcare (animal health products/ pharmaceuticals)	11		35		—	—
Others	35		29		—	—
Total	1,017		1,250		—	—

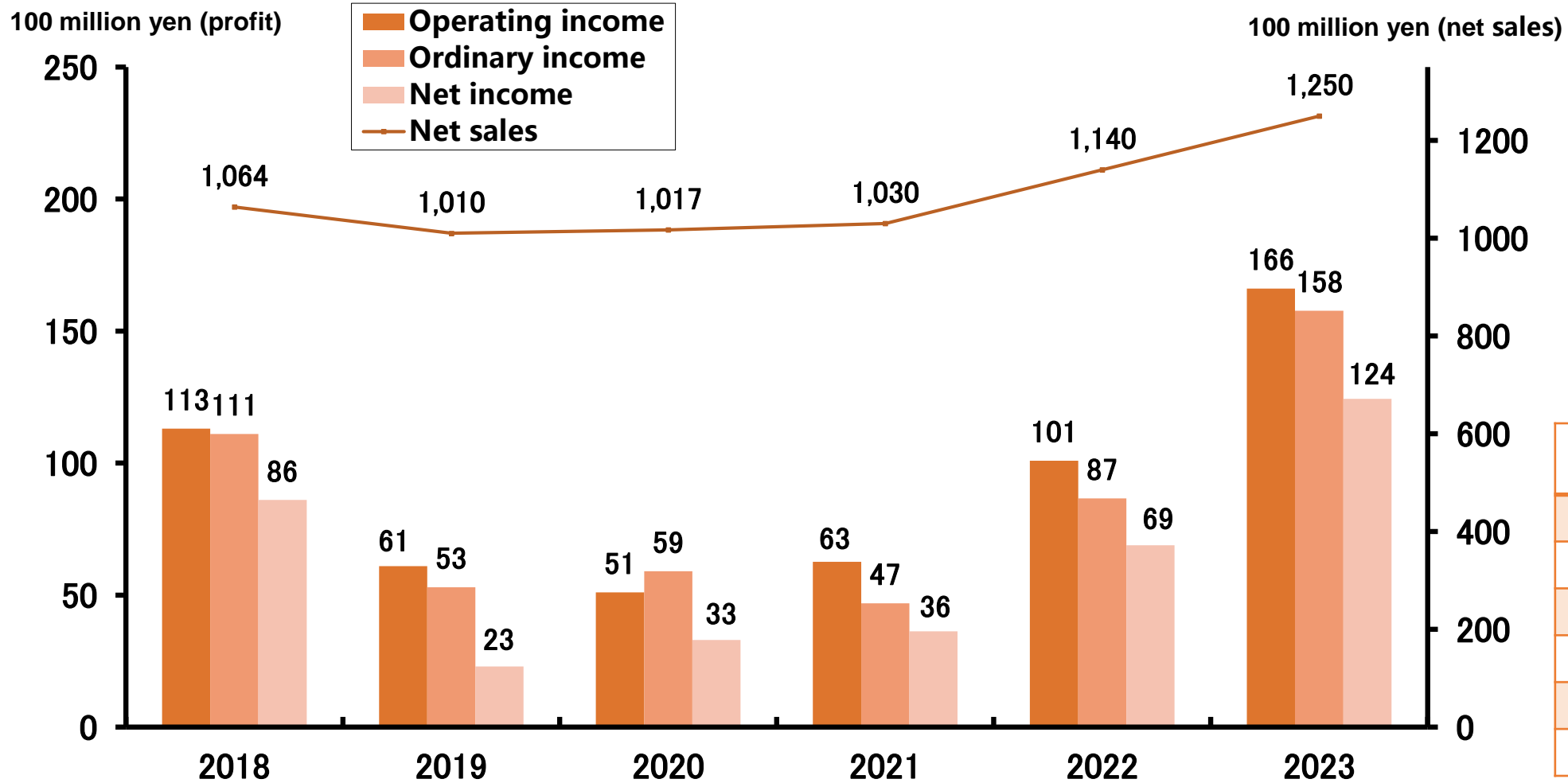
*Since the beginning of the fiscal year 2021, Accounting Standards for Revenue Recognition Standards have been applied and since the forecasts are based on those standards, the amount of increase or decrease in sales is not stated.

Operating income	FY2020		FY2023		FY2020:FY2023	
	Performance	Profit rate	Plan	Profit rate	Increase/decrease	Rate of change
Titanium dioxide and other inorganics	△ 23	△ 6.1%	15	3.1%	38	—
Functional material	20	16.9%	38	22.5%	18	87.9%
Bioscience (agrochemicals)	59	12.7%	106	19.2%	46	77.3%
Healthcare (animal health products/ pharmaceuticals)	△ 8	△ 74.7%	6	17.5%	15	—
Others	3	9.6%	1	5.2%	△ 2	△ 56.4%
Total	51	5.1%	166	13.3%	114	2.2 times

Analysis of differences in operating profit by business unit (FY2020 results vs. FY2023 Medium-term Business Plan)



Vision 2030 Stage I performance targets



Exchange rate	(Yen / USD)	(Yen / EUR)
FY2018	110.9	128.3
FY2019	108.9	121.2
FY2020	105.9	123.6
FY2021	105.0	128.0
FY2022		123.0
FY2023		

7th Medium-term Business Plan Results

Medium-term Business Plan Vision 2030 Stage I

Vision 2030 Stage I management targets

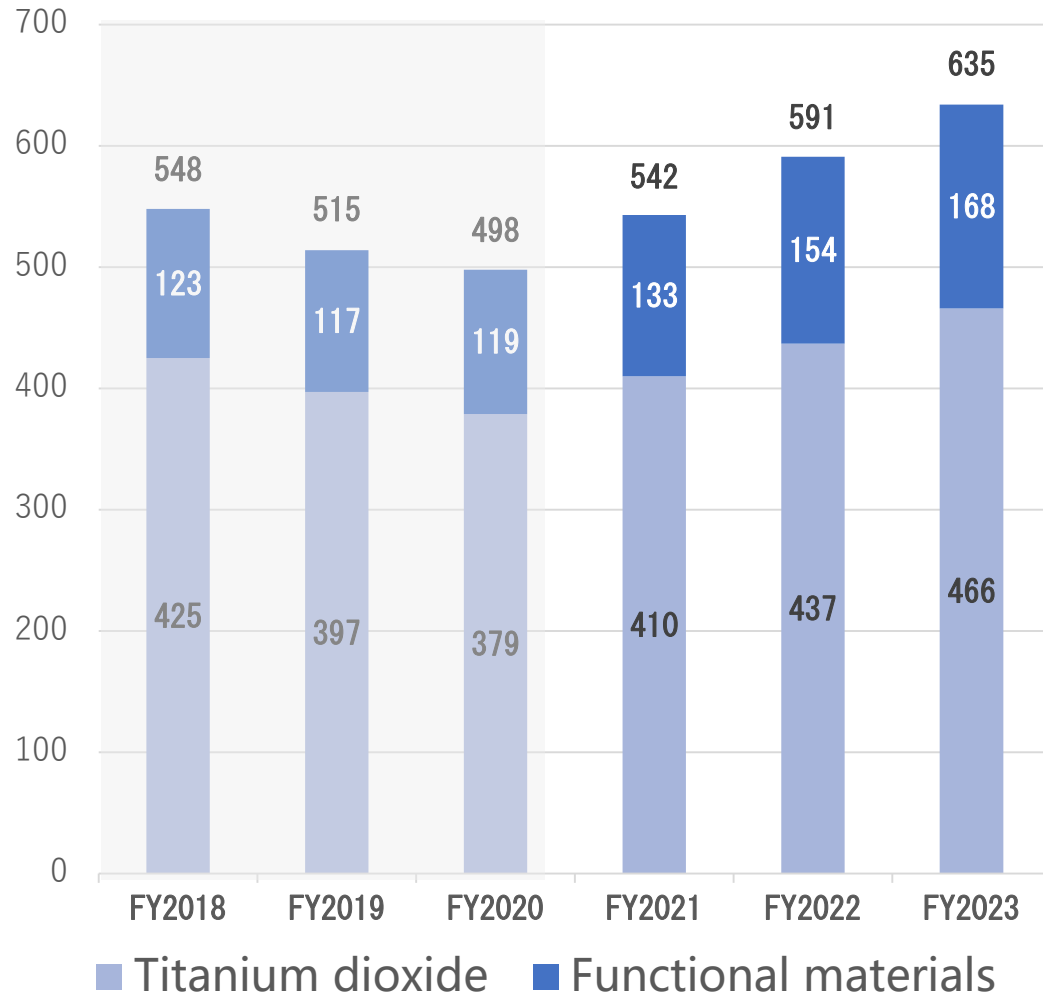
	Results	Vision 2030 Stage I		
	2020	2021	2022	2023
Current net income per share (JPY)	84.4	90.1	172.7	310.3
Net asset balance (100 million yen)	795	824	886	1,003
Interest-bearing debt balance (100 million yen)	601	555	509	414
Return on equity (ROE)	4%	4%	8%	13%
Return on assets (ROA)	3%	4%	6%	9%
Operating margin	5%	6%	9%	13%
Equity capital ratio	44%	46%	49%	54%
Debt as a percentage of total assets	33%	31%	28%	22%

Business Policies and Strategies

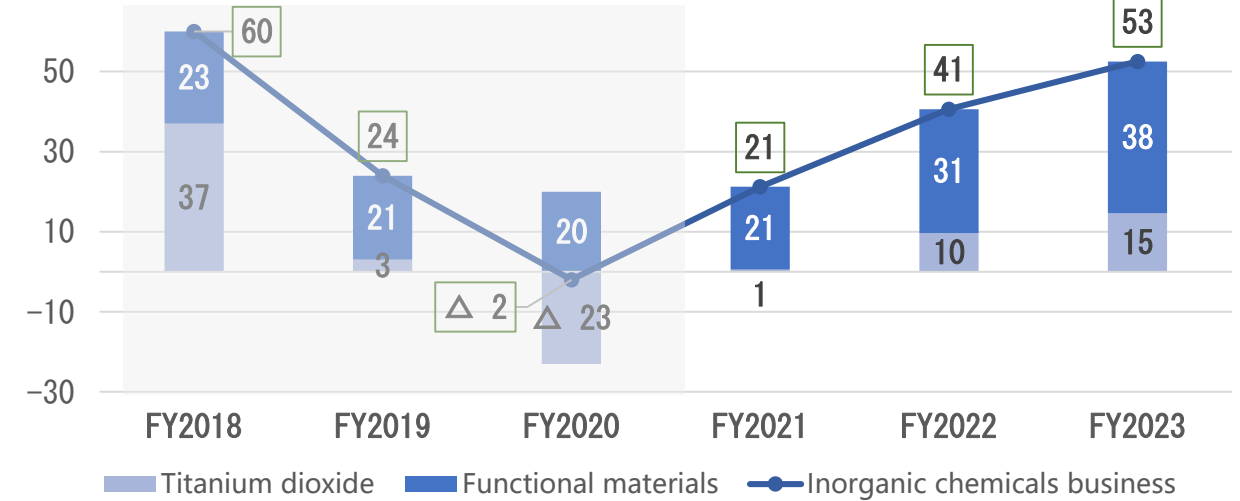
Inorganic chemicals business

Net sales and operating income plan (consolidated)

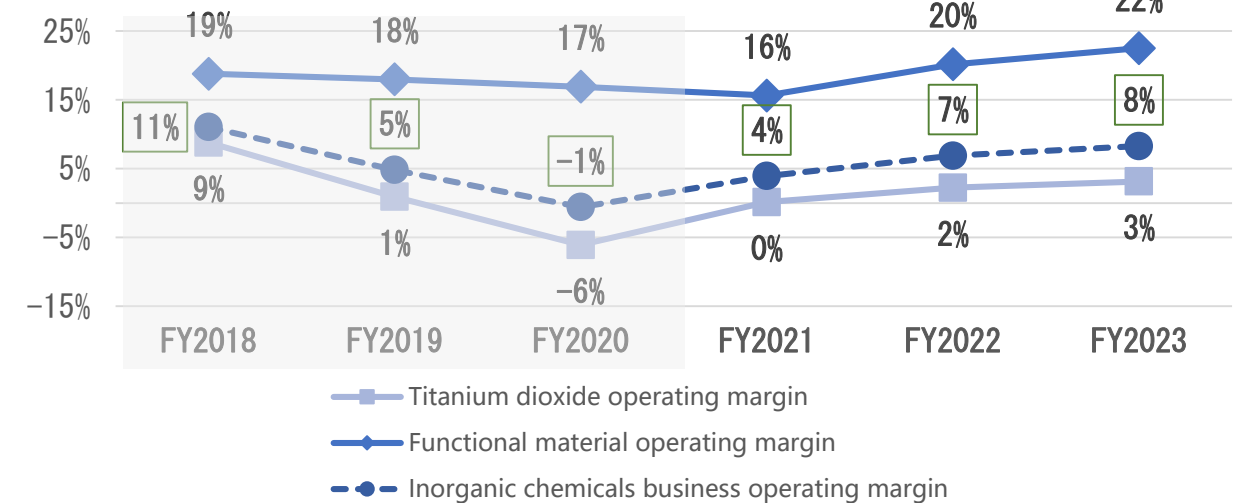
Net sales (100 million yen)



Operating income (100 million yen)



Operating margin (%)

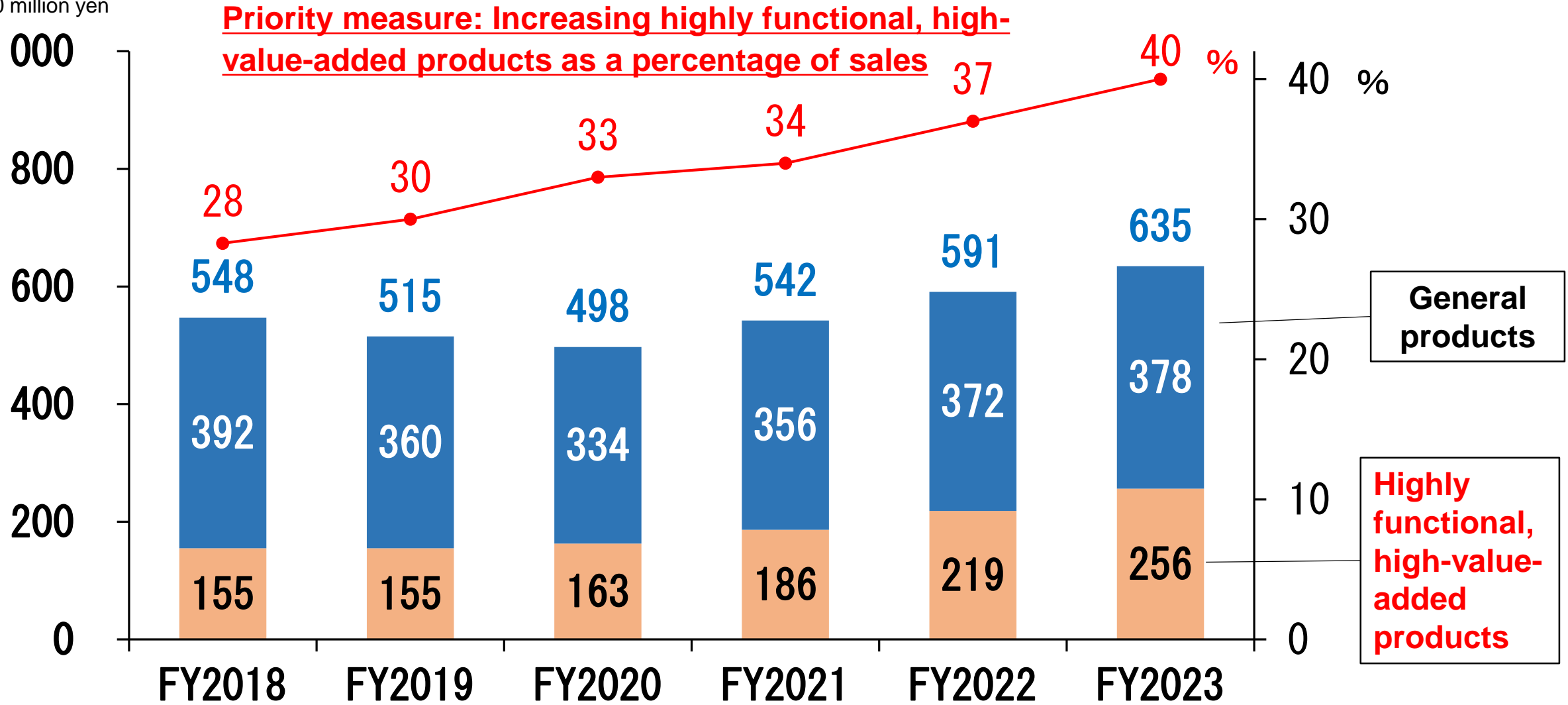


Inorganic chemicals business

Sales ratio for highly functional, high-value-added products

100 million yen

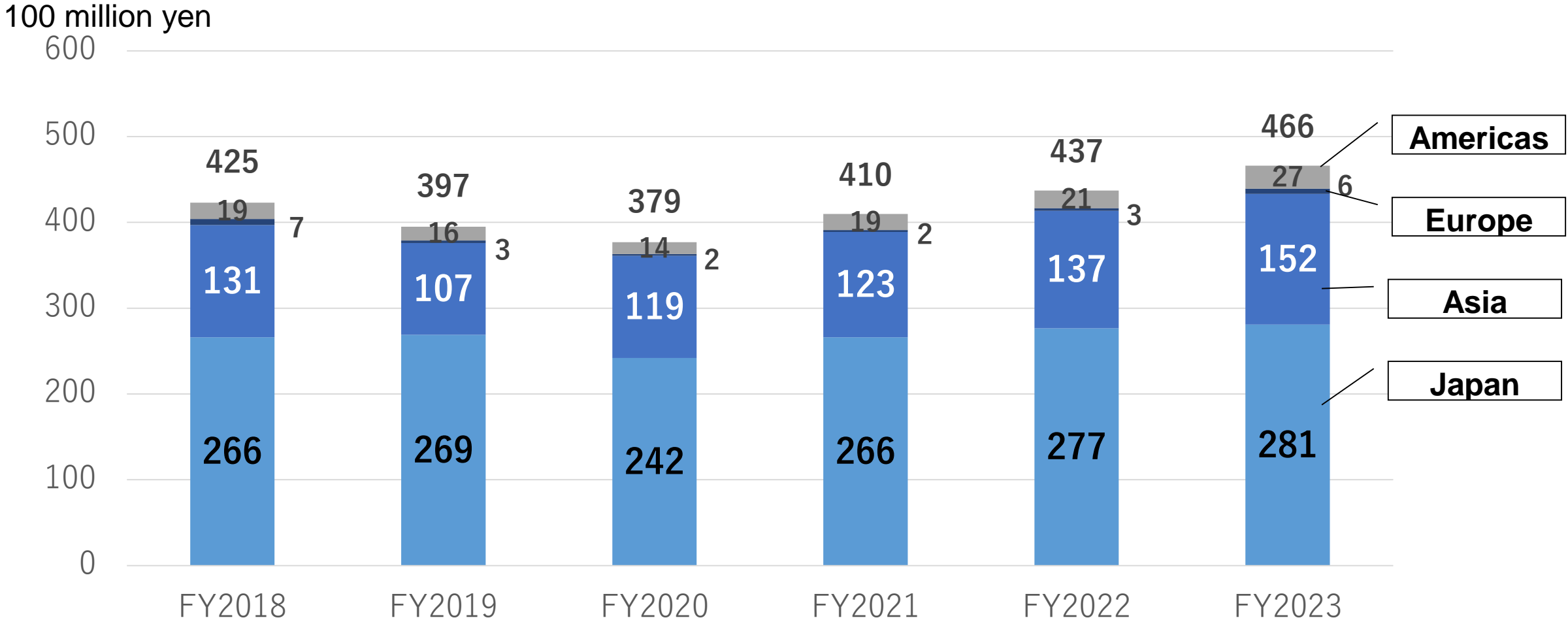
1,000



7th Medium-term Business Plan Results

Medium-term Business Plan Vision 2030
Stage I

Sales of titanium dioxide by region



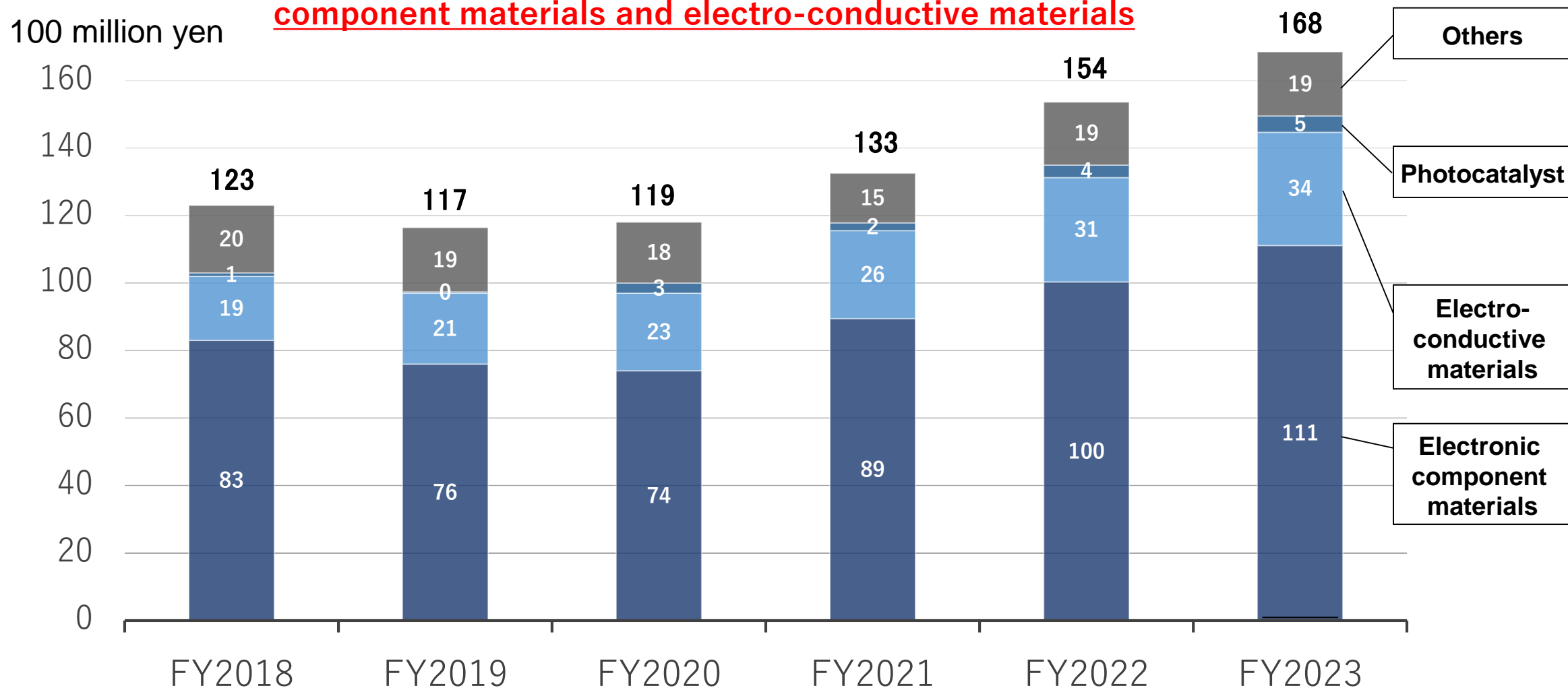
7th Medium-term Business Plan Results

Medium-term Business Plan Vision 2030 Stage I

Functional material sales plan by material

Priority measure: Expanding sales of electronic component materials and electro-conductive materials

100 million yen

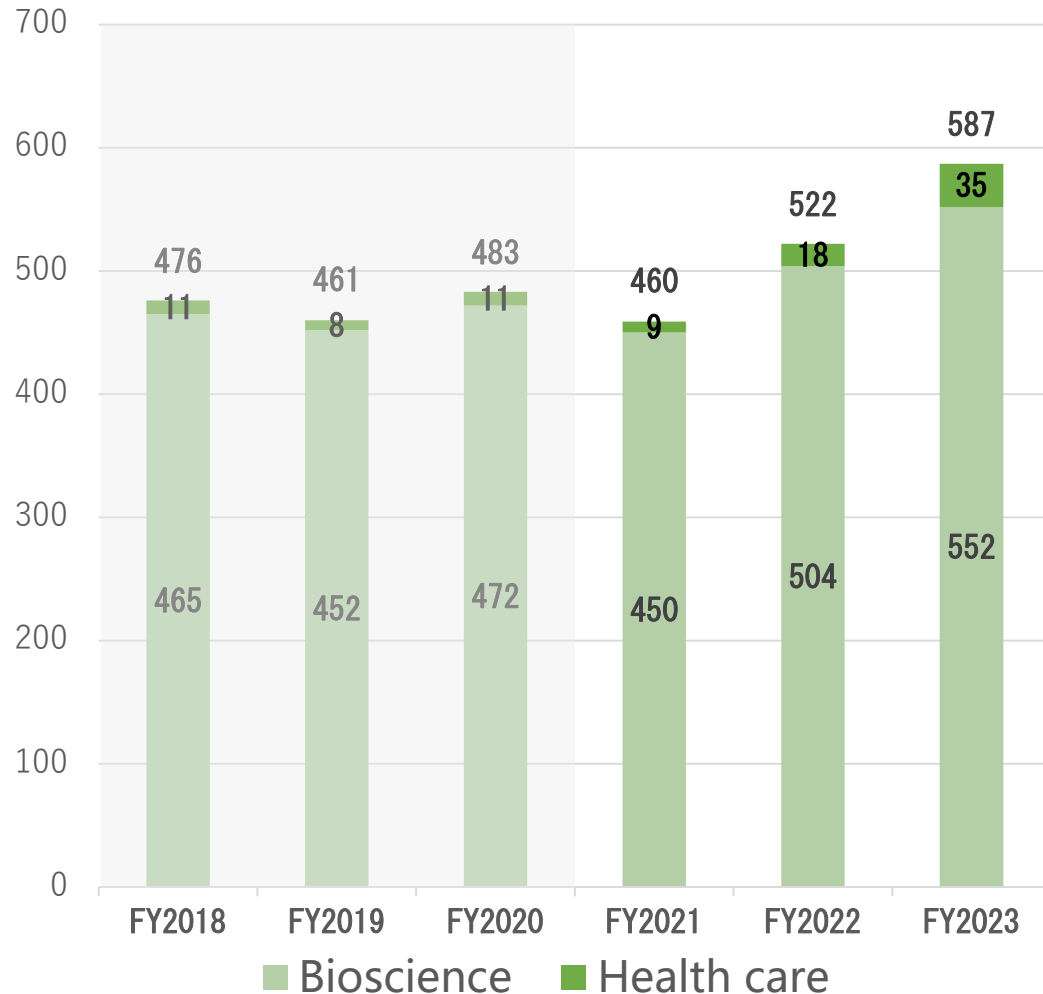


7th Medium-term Business Plan Results

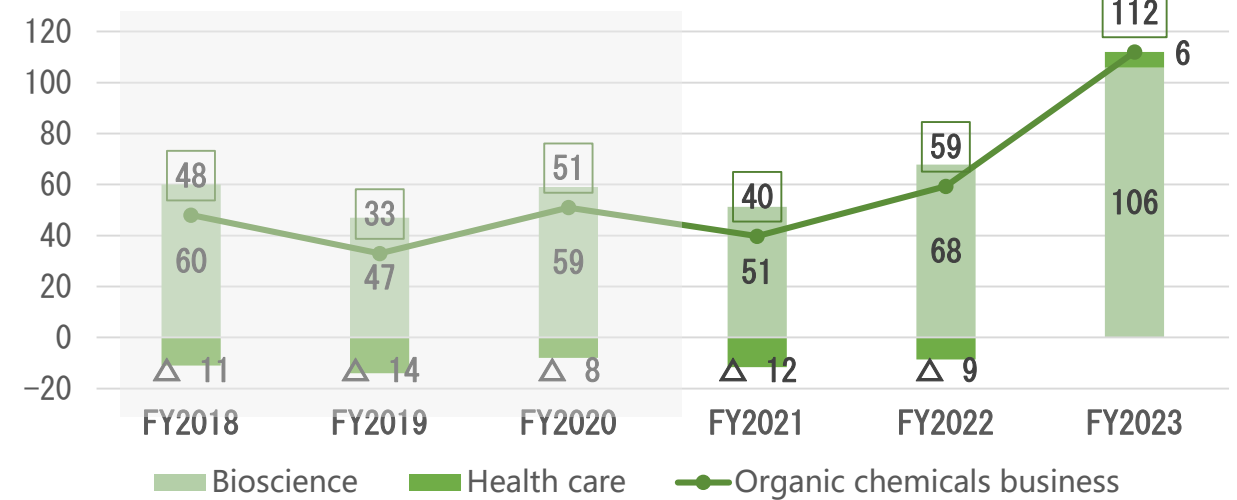
Medium-term Business Plan Vision 2030 Stage I

Organic chemicals business net sales and operating profit plan (consolidated)

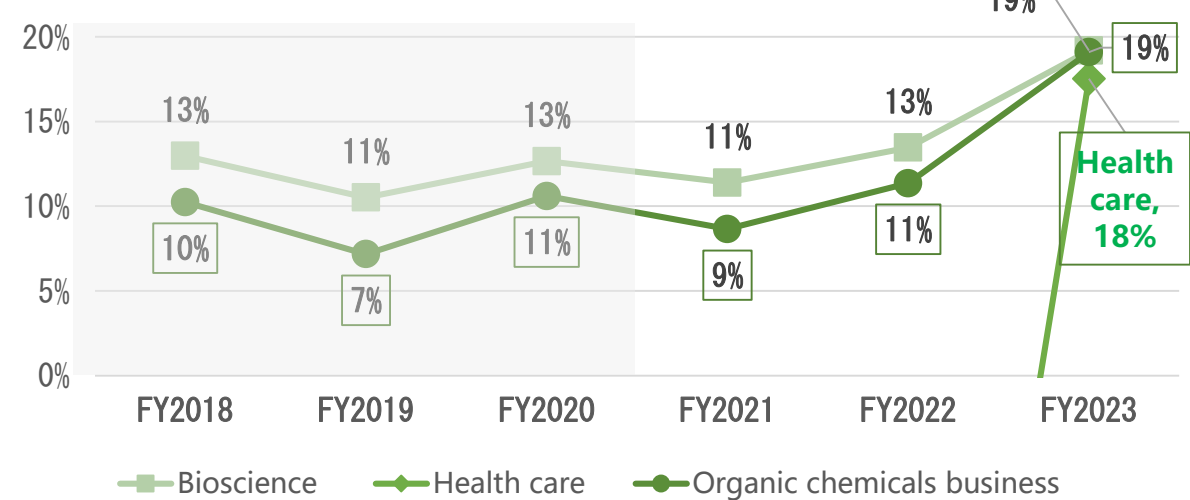
Net sales (100 million yen)



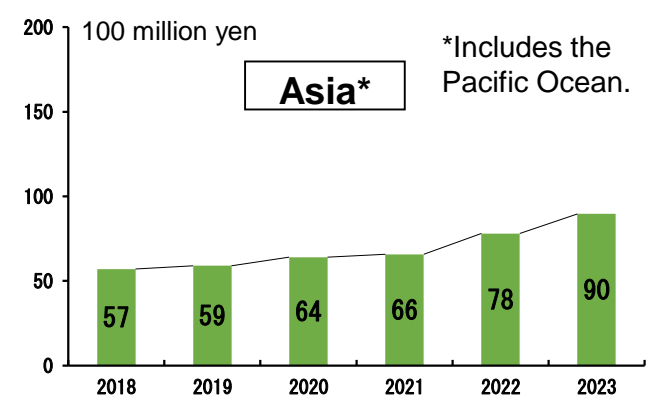
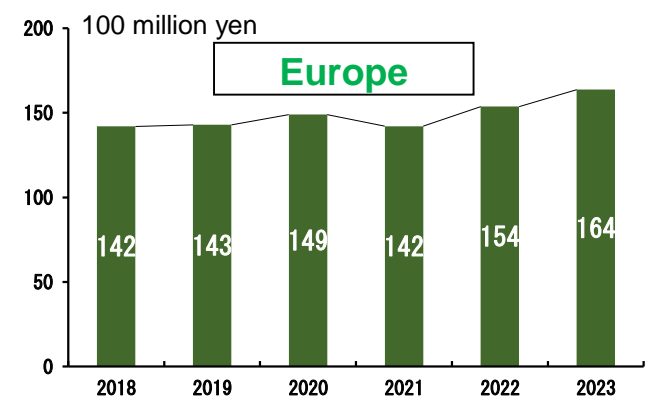
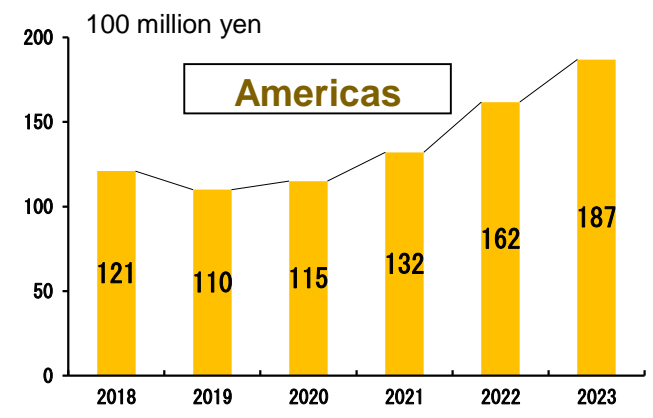
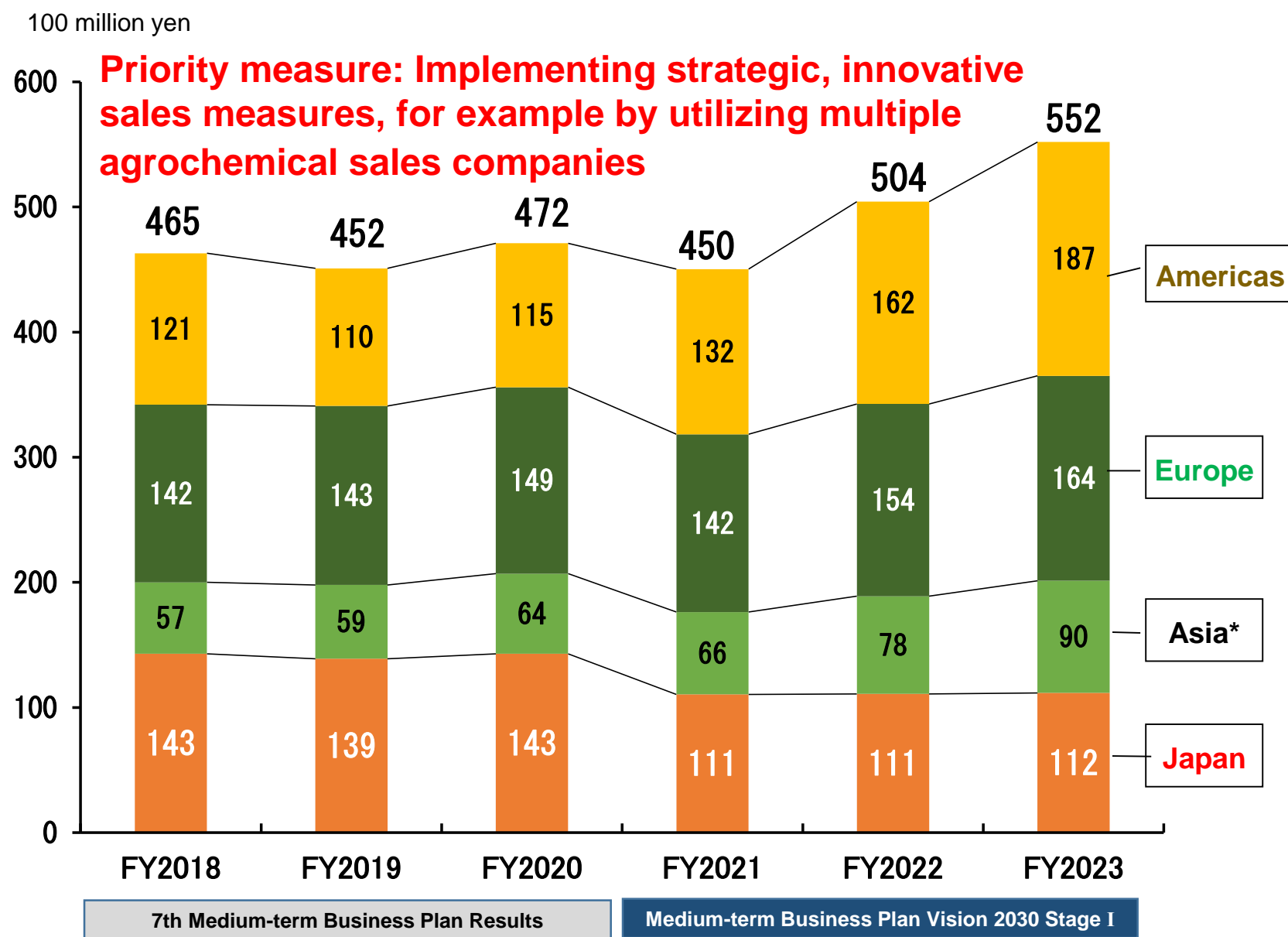
Operating income (100 million yen)



Operating margin (%)

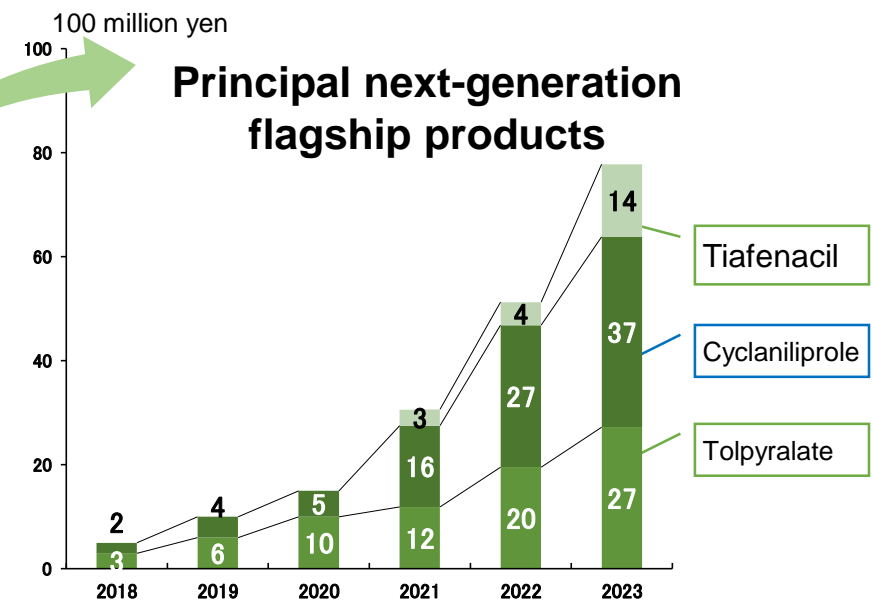
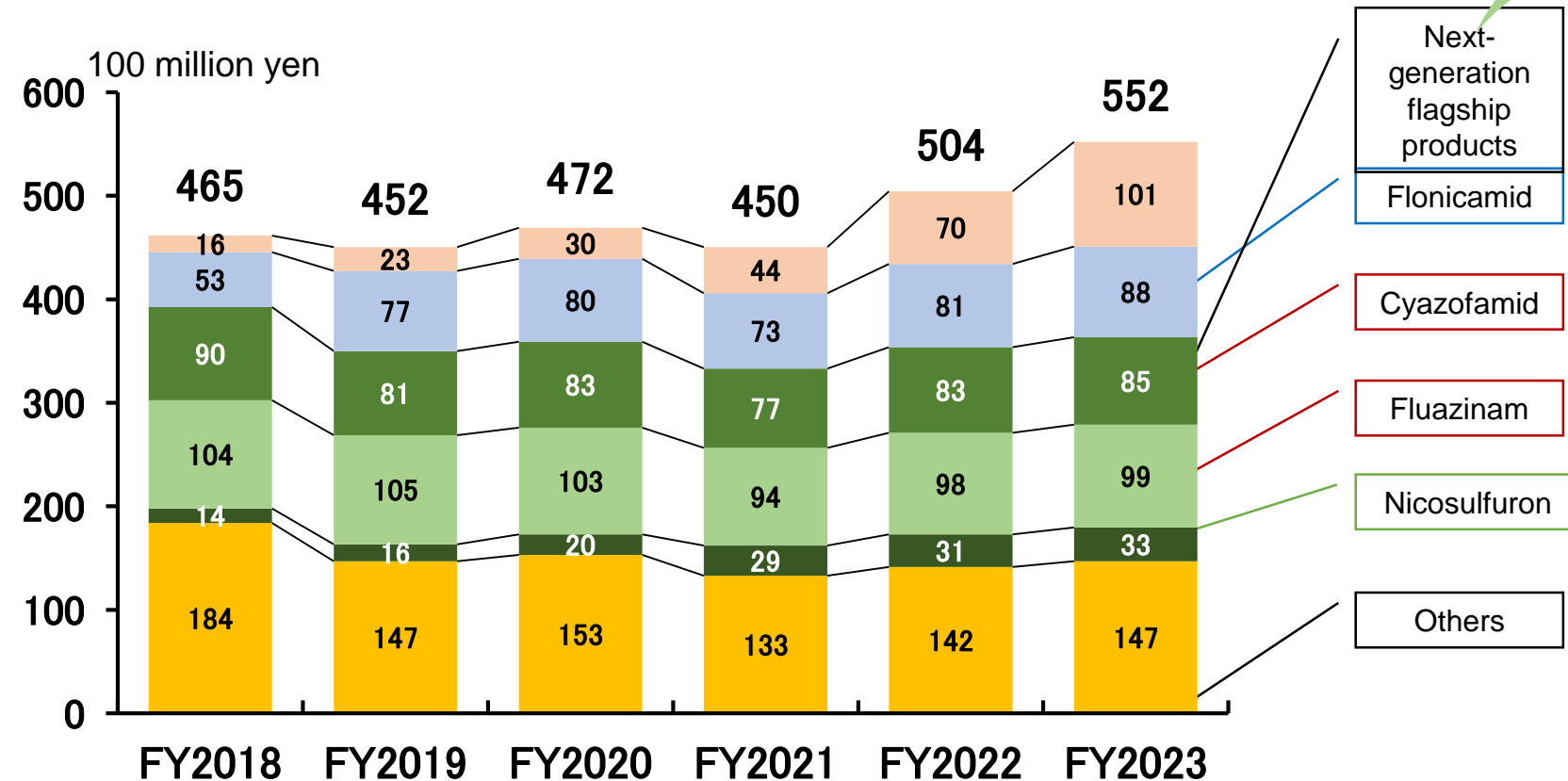


Agrochemical sales plan by region



Agrochemical sales plan by product

Priority measure: Reducing the manufacturing cost of next-generation flagship agrochemicals and increasing demand

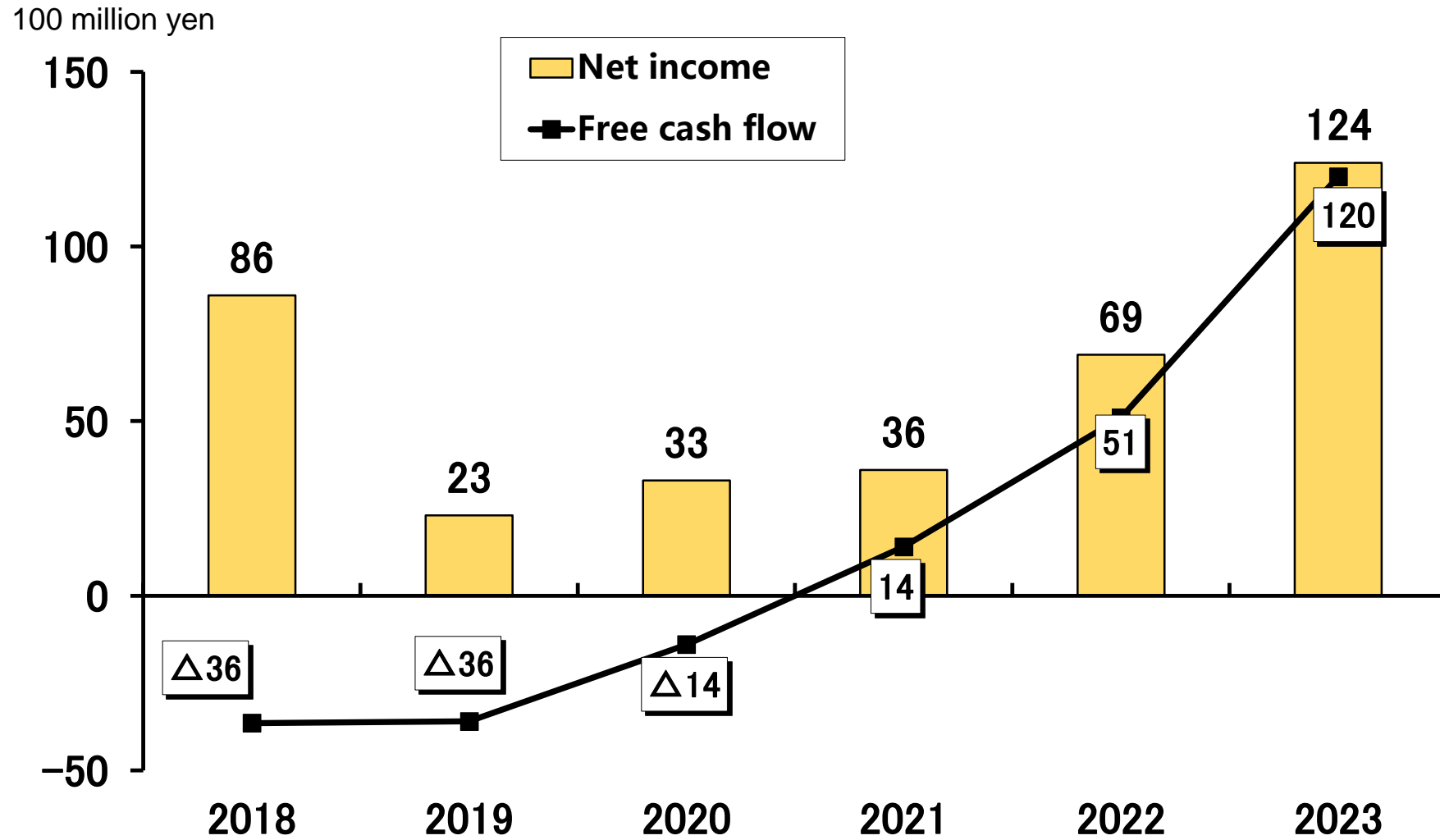


7th Medium-term Business Plan Results

Medium-term Business Plan Vision 2030 Stage I

Other Important Performance Metrics

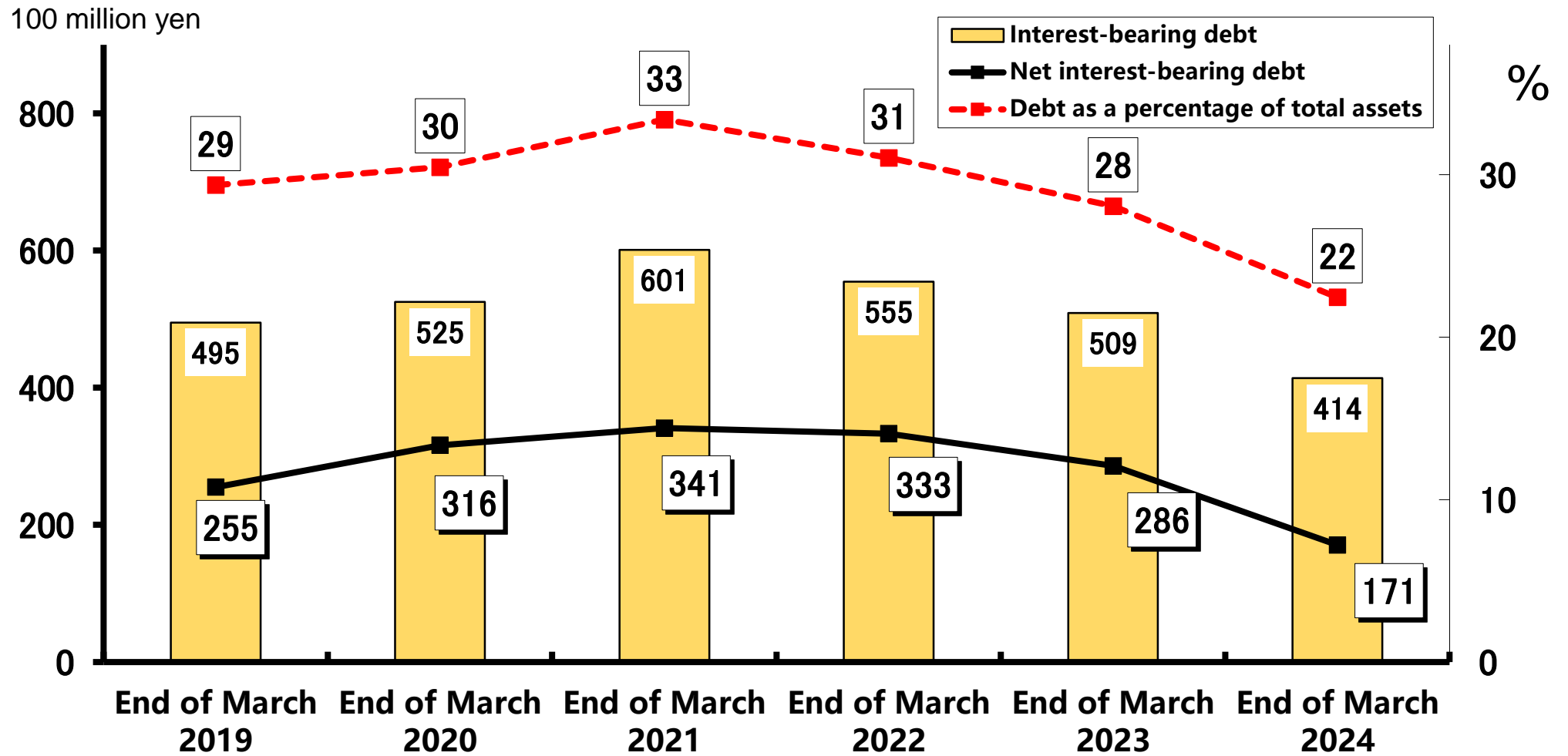
Free cash flow plan



7th Medium-term Business Plan Results

Medium-term Business Plan Vision 2030 Stage I

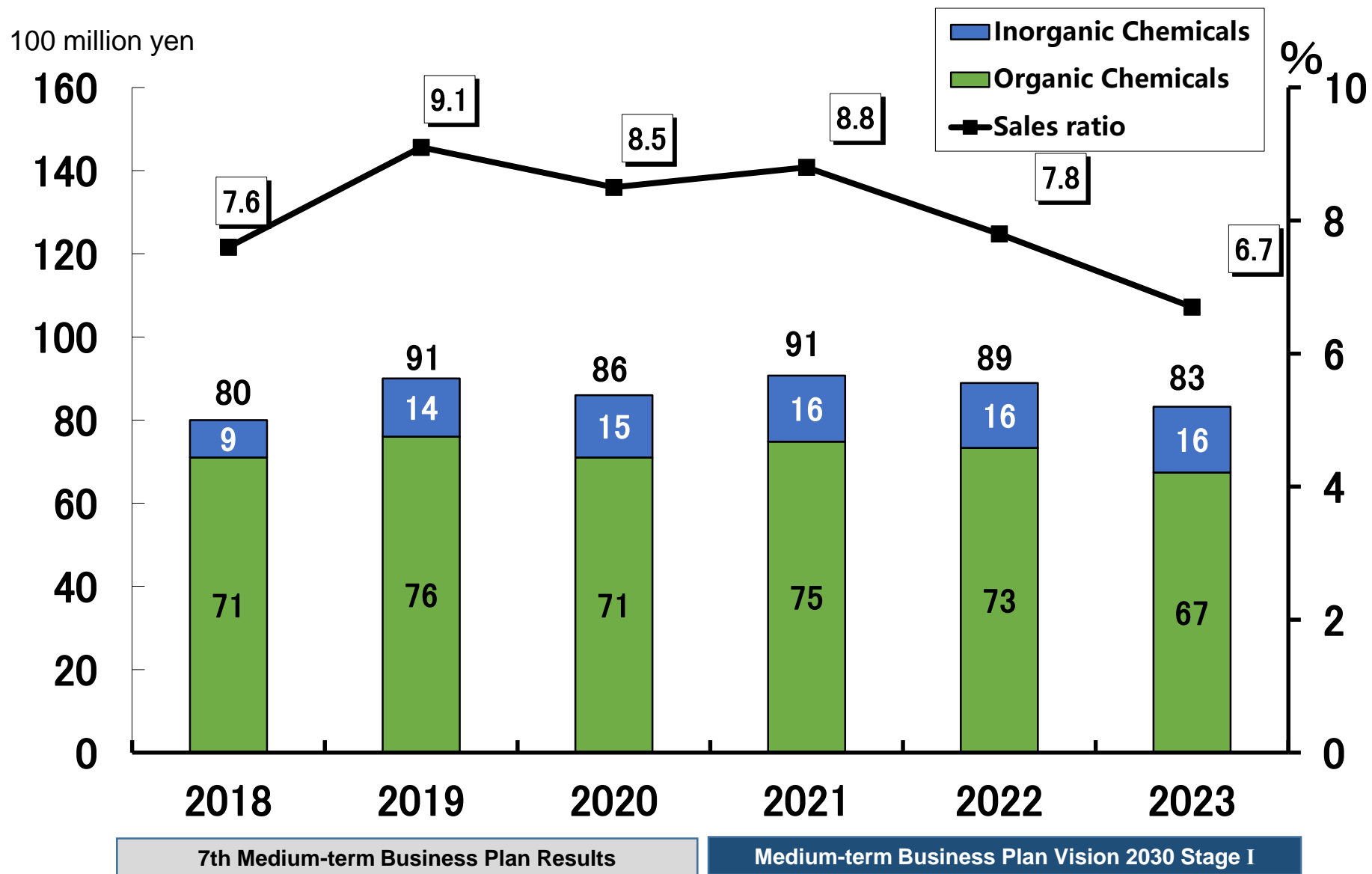
Interest-bearing debt balance plan



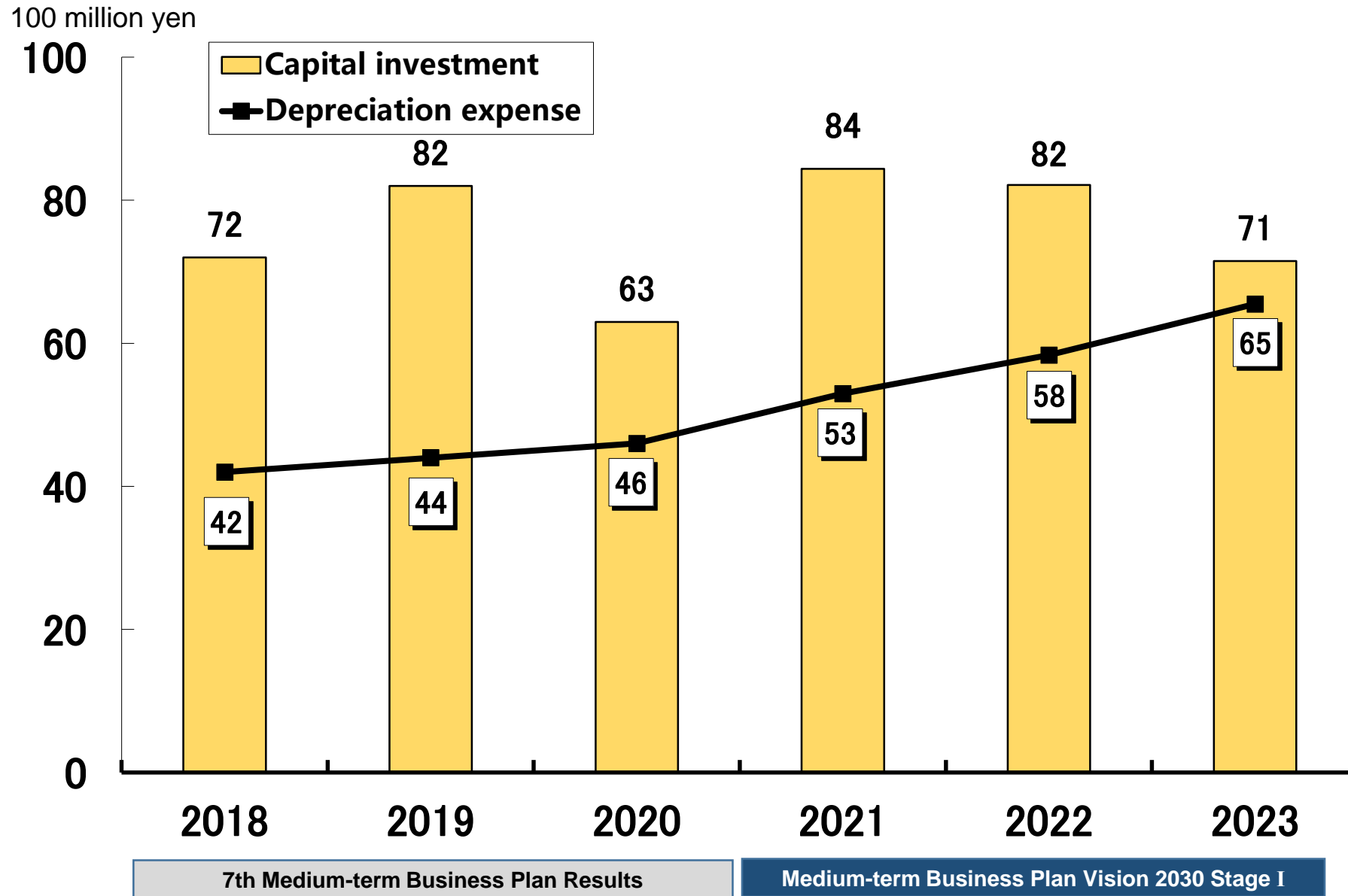
7th Medium-term Business Plan Results

Medium-term Business Plan Vision 2030 Stage I

R&D spending plan



Capital investment and depreciation expense plan



End

- Note concerning forward-looking statements

These presentation materials contain forecasts based on future assumptions, outlooks, and plans that were current as of the time of their announcement. Actual performance may differ materially from these forecasts due to risks and uncertainty associated with factors including economic conditions in Japan and overseas, demand trends, competitive conditions, and exchange rate fluctuations.