

Integrated Report 2025



Accelerating transformation to meet the demands of the times.

Final Year of Stage II (FY2026)

- Operating income: Greater than ¥19 billion
(Estimated net sales: Greater than ¥160 billion)
- ROE: 10% or more
- Consolidated dividend payout ratio: 40%

Toward achieving Vision 2030, we are implementing numerous initiatives in fiscal 2025, the second year of the medium-term business plan Stage II. These focus on strengthening R&D capabilities and improving efficiency for greater originality, accelerating globalization, pursuing ROIC management, and continuing stable returns for shareholders. We continue to grow with people at our core and accelerate transformation.

Vision 2030

- Operating income: Greater than ¥24 billion
(Estimated net sales: Greater than ¥180 billion)
- ROE: Maintaining 10% or more steadily

加速

Acceleration

Purpose

To continue contributing to better living environments through chemical technologies



Corporate Philosophy

Basic Philosophy

Contribute to social development, protection of life and environmental preservation

Respect shareholders, customers, suppliers, Local communities and employees

Abide by laws and regulations; maintain transparency in business activities

Code of Conduct

- At Ishihara 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.

Our Vision Towards 2050

A global company that is cherished by people and society, achieving healthy and fulfilling lives

Three initiatives to realize our vision

Challenges and innovation

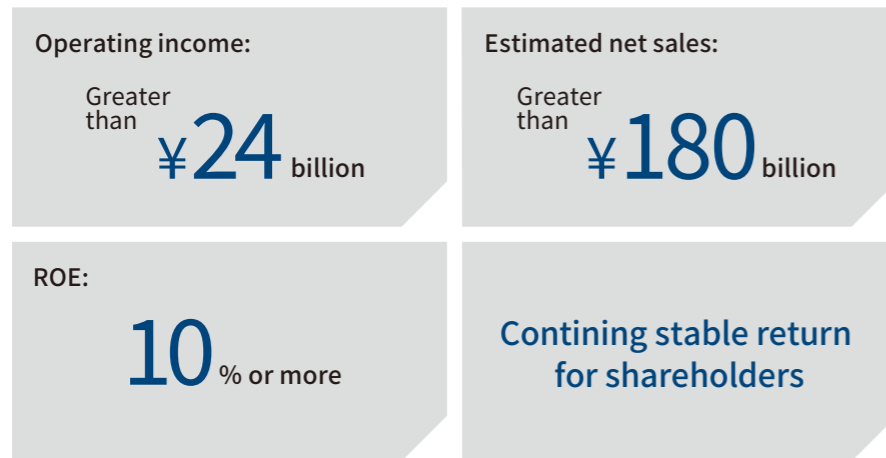
Create society

Organizational and human evolution

Vision 2030

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

Vision 2030 Management targets



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

Megatrends	<ul style="list-style-type: none"> Escalating climate change issues, transition to a carbon-neutral society Aging populations as a result of greater longevity Growth of the global population and food problems Growth of emerging economies Unstable political situations around the world Development of digital technologies Improvement in the standard of living
Stakeholders	<ul style="list-style-type: none"> Shareholders and investors Local communities Customers and business partners Employees

Value Provided by ISK and Our Initiatives

Organic chemicals business	<p>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.</p> <ul style="list-style-type: none"> 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 	<p>Agrochemicals Improving agricultural production stability and quality</p> <p>Animal health products Attain a comfortable life with companion animals</p> <p>Pharmaceuticals Contributing to medical care</p>
Inorganic chemicals business	<p>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.</p> <ul style="list-style-type: none"> Contributing to the resolution of social issues such as the adoption of information and communications technologies and the electrification of automobiles through functional materials Diversifying the optical properties of titanium dioxide to realize new value creation Reducing environmental impacts while streamlining production through a revolution in production structures 	<p>Functional materials Creating a range of comfort</p> <p>Titanium dioxide Providing a variety of colors and hues</p> <p>Environmental products Achieving both innovation and environmental protection</p>
New businesses, others	<ul style="list-style-type: none"> 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 Establishing structures to pursue carbon neutrality by 2050 	

Business in Brief

Organic chemicals business

Underpinning food production worldwide and saving animal lives

Our organic chemicals business, whose flagship agrochemical products include herbicides, fungicides, and insecticides, is building a broad network that encompasses the Americas, Europe, and Asia. The value of its exports places it among the leading domestic businesses in its sector. Furthermore, we've identified animal health products created through the application of agrochemical development technologies as a new growth sector, and we're working to start sales in major countries worldwide.

● Agrochemicals

Since introducing the first agrochemical technologies to Japan about 70 years ago, we've supplied environmentally friendly agrochemicals to the global market by drawing on world-class development capability as a pioneer in the segment. In December 2025, we will open our Technology Research Center, Hyogo-Ono, a new research facility (located in the city of Ono in Hyogo Prefecture) dedicated to further improving our production technologies.

● Animal health products

PANOQUELL™, the world's first canine anti-pancreatitis drug, is a flagship product in this segment. We're already manufacturing and selling it in Japan, and we expect to obtain full regulatory approval and transition to full-scale sales in the U.S. in the near future. We're also working to broaden the applications of the major ingredient fuzapladib sodium hydrate to include other conditions, including other inflammation diseases, in ways that take advantage of its unique action mechanism.

Inorganic chemicals business

Supplying products that help realize a comfortable, sustainable society

The flagship products of our inorganic chemicals business include functional materials like electronic component materials and thermal barrier materials. We're also the only domestic manufacturer to produce titanium dioxide in chloride process*, which has a lower environmental impact, and we supply the material as a white pigment to a broad range of fields, including for use in industrial products like paints, plastics, and inks as well as cosmetics and synthetic fibers.

*A manufacturing method that requires advanced technologies and that is characterized by low industrial waste emissions.

Functional materials, titanium dioxide, and other chemical products

● Electronic materials

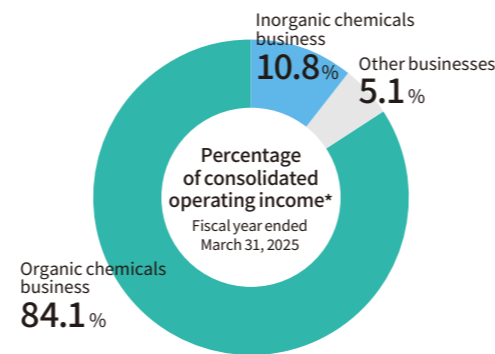
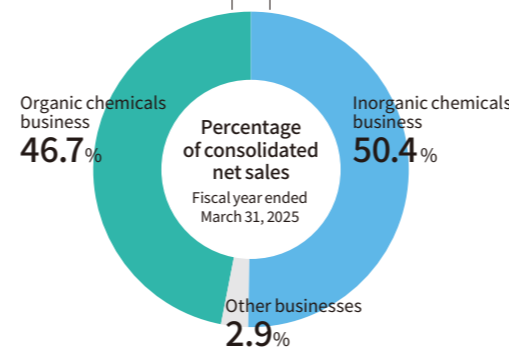
We offer newly developed materials needed to fuel progress in digital technologies, including high-purity titanium dioxide, a raw material used in laminated ceramic capacitors.

● Functional color materials

We contribute to a comfortable living environment by using proprietary material design technologies to develop functional materials. These include high jet-black pigments, conductive materials, layered titanate, cosmetic-use pigments, and micro-granular titanium dioxide.

● Fine chemicals

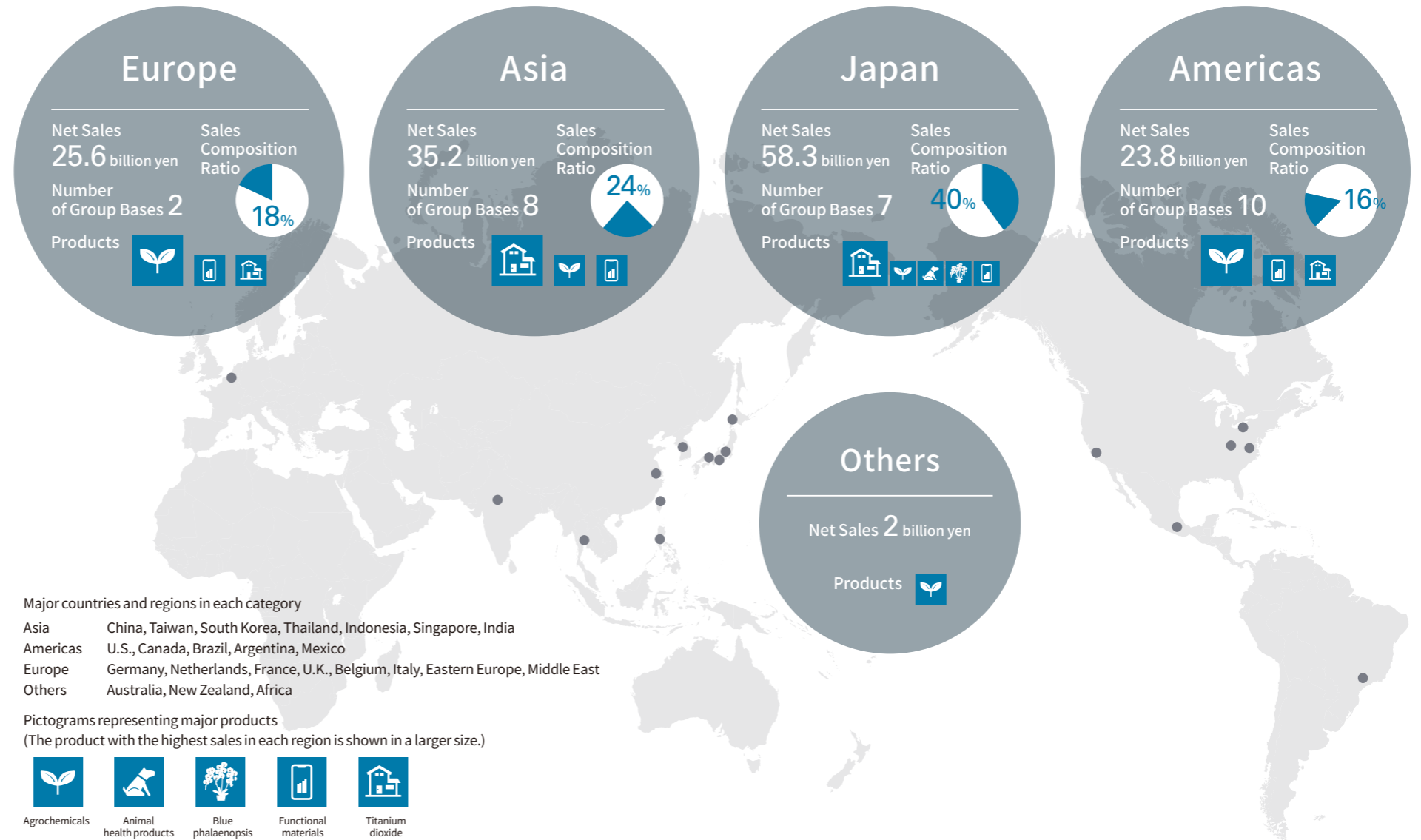
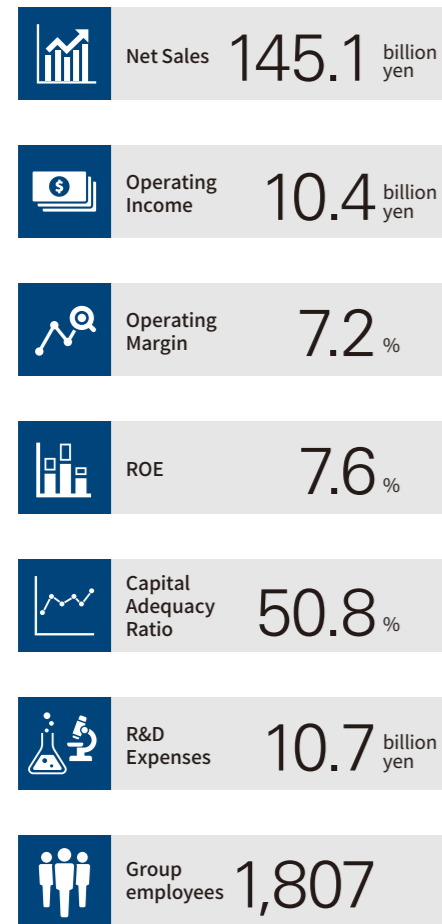
We supply fine chemicals including titanium dioxide for use in pigments, which is our core business, as well as high-weather-resistant titanium dioxide, chemical products, and HASClay™.



*Pre-allocation of corporate expenses

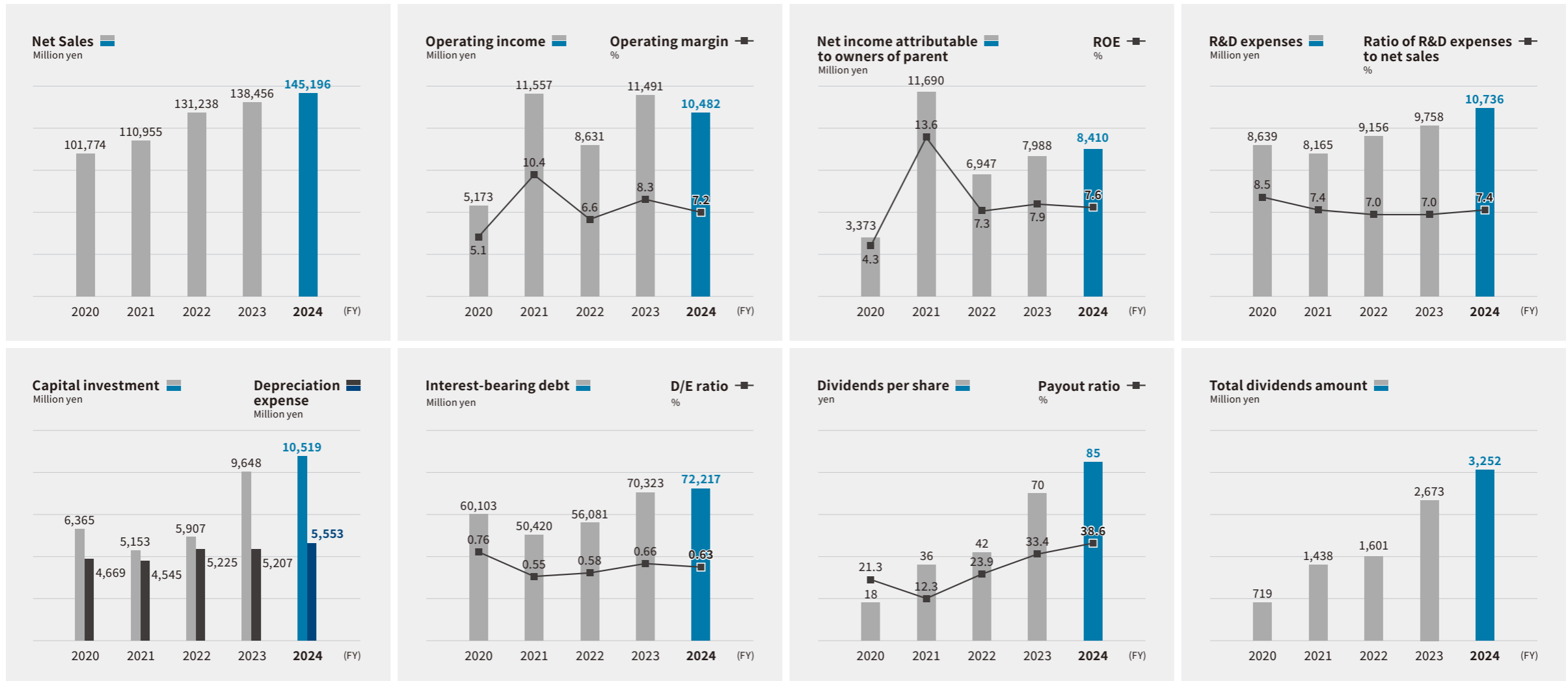
Key Figures

Fiscal year ended March 31, 2025

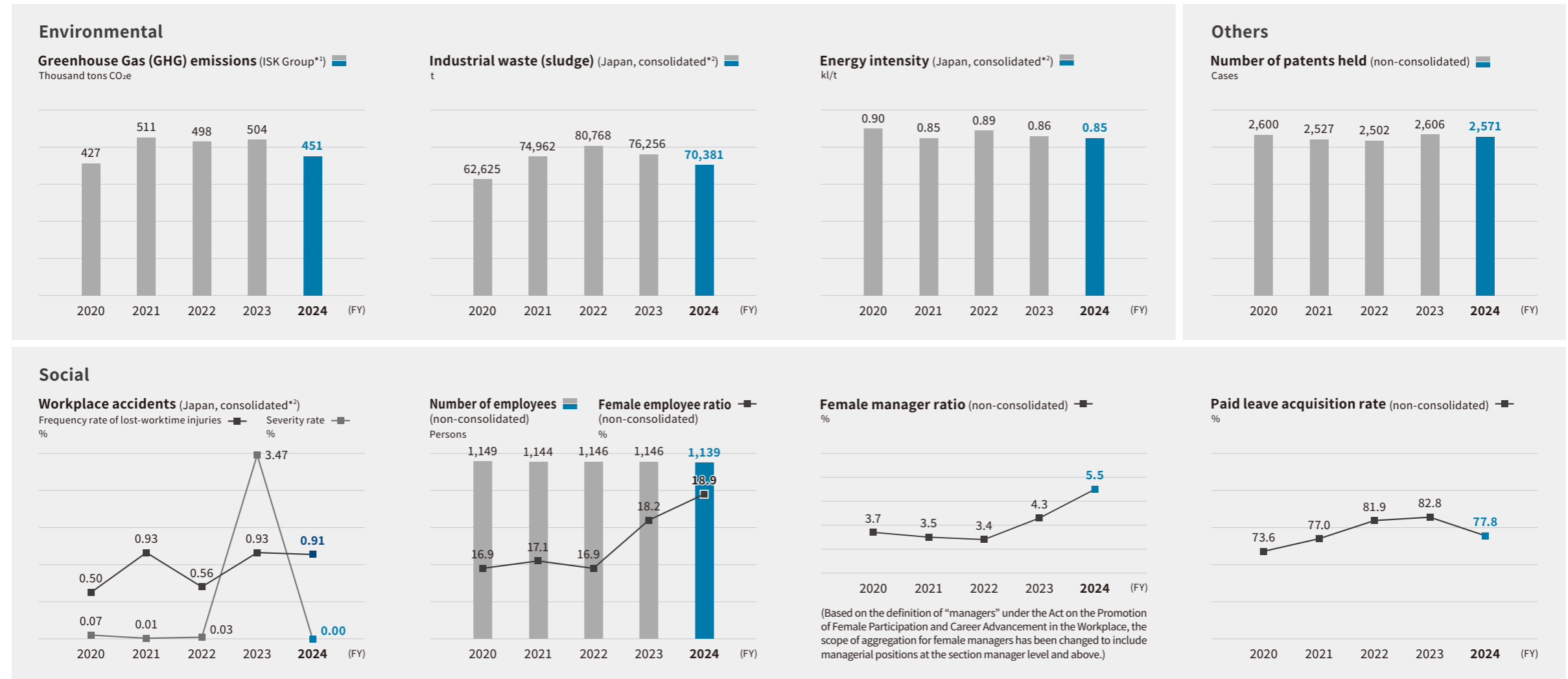


Financial and Non-Financial Highlights

Financial Highlights (Consolidated)



Non-Financial Highlights



Purpose and Contents

Purpose

To continue contributing to better living environments through chemical technologies

Our purpose captures the significance of our existence, the spirit of challenge that the ISK Group has cultivated over its long history. We supply society with products that play an essential role in consumer lifestyles. Agrochemicals make a significant contribution to our ability to feed the Earth's population, which will continue to increase going forward. Titanium dioxide is essential for rich and satisfying lifestyles characterized by vivid color. And barium titanate is an essential material in capacitors, which will be used in an ever-broader range of fields in the future, including computers, smartphones, self-driving systems, and electric vehicles.

Our strengths lie in proprietary chemical technology and technological development. We're proud to offer unique technologies that sparkle with potential. Our mission is to use them to deliver value and products sought by all in society and to create anew that which is lacking.

We will help resolve the world's problems and realize better living environments through chemical technologies. The Company's purpose lies in this mission, and this purpose comprises the foundation of all our business activities.

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Tasking the Current Management Team with Taking Action Focused on the Next 10 Years
 Executive Director and President
Hiroshi Okubo



p33 Special Feature
A Small Team Tackling the Rapidly Changing Needs of Cosmetic Raw Materials

The introduction of a divisional system is changing the business style of the Inorganic Chemicals Business Headquarters. Operations have become faster and more agile, and a system is now in place that enables rapid responsiveness to new needs. We sat down with three members of the Cosmetics Team, which is part of the newly established Functional Color Materials Business Division, to talk with them about their work on commercializing new cosmetic raw materials (positions as of June 2025).

