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

Ishihara Sangyo Kaisha, Ltd.

May 24, 2021
What’s the purpose of ISK?

<table>
<thead>
<tr>
<th>Basic Philosophy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E</strong></td>
</tr>
<tr>
<td>Contribute to social development, protection of life and environmental preservation</td>
</tr>
</tbody>
</table>

ISK’s three strengths derived from our corporate philosophy and DNA:

- **E** (Contribute to social development): Safe and stable Quality, friendly to society, life and environment
- **S** (Respect shareholders, customers, suppliers, local communities and employees): State-of-the-art Capability for technological development, underpinned by a diverse workforce
- **G** (Abide by laws and regulations; maintain transparency in business activities): Management capability with high compliance mind

**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
Vision 2030

<table>
<thead>
<tr>
<th>Ability to accommodate changes in our own makeup and in the environment</th>
<th>Originality</th>
<th>Value as a company</th>
</tr>
</thead>
<tbody>
<tr>
<td>We’re accelerating changes in our business strategies, organization, and operations to accommodate rapid changes in the business environment.</td>
<td>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.</td>
<td>We become an essential part of society by accumulating little improvements in environments and lives.</td>
</tr>
</tbody>
</table>
Megatrends

- Climate change
- Urbanization
- Rapid development of IT
- Resource shortages and food problems
- Growth and aging of the global population

Vision 2030


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
    - 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

  - Pharmaceuticals → Contributing to medical care

**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
Stage III
• FY2027–2029

Vision 2030
Stage II
• FY2024–2026

Vision 2030
Stage I
• FY2021–2023

Stage I: FY2023 targets
◆ Net sales: Greater than ¥125 billion
◆ Operating margin: 13% or more
◆ ROE: 10% or more

Vision 2030 targets
◆ Net sales: Greater than ¥200 billion
◆ Operating margin: 15% or more
◆ ROE: 10% or more

Transforming Lives Through the Power of Chemistry.
Value provided by Ishihara Sangyo Kaisha (ISK)

① Current megatrends
- Climate change
- Urbanization
- Resource shortages and food problems
- Growth and aging of the global population
- Rapid development of IT

② Impact on stakeholders
- Frequent natural disasters
- Awareness of sustainability
- Evolution of lifestyles
- Increasingly serious food problems
- Changes in raw material supply and demand balance
- Changes in concepts of hygiene

③ Products and value provided via ISK’s chemical technologies
- Titanium dioxide → Providing a variety of colors and hues
- Functional materials → Creating a range of comfort
- Environmental products → Achieving both innovation and environmental protection
- Agrochemicals → Improving agricultural production stability and quality
- Animal health products → Protecting the lives of pets
- Pharmaceuticals → Contributing to medicine

④ Resolving issues for the material change to stakeholders’ lives
- Providing a comfortable living environment
- Providing innovative lifestyle products
- Providing environmentally friendly products
- Ensuring a stable supply of agricultural products
- Improving quality of life (QOL)

Vision 2030

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

Vision 2030
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

Shareholders / Customers / Business partners / Local communities / Employees
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)
- 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)

<table>
<thead>
<tr>
<th></th>
<th>Previous Medium-term Business Plan</th>
<th>Results</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Inorganic Chemicals Division)</td>
<td>3,600</td>
<td>3,093</td>
<td>$\triangle 507$</td>
</tr>
<tr>
<td>(Organic Chemicals Division)</td>
<td>(1,807)</td>
<td>(1,563)</td>
<td>($\triangle 245$)</td>
</tr>
<tr>
<td>(Organic Chemicals Division)</td>
<td>(1,695)</td>
<td>(1,422)</td>
<td>($\triangle 273$)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Inorganic Chemicals Division)</td>
<td>245</td>
<td>227</td>
<td>$\triangle 17$</td>
</tr>
<tr>
<td>(Organic Chemicals Division)</td>
<td>(138)</td>
<td>(82)</td>
<td>($\triangle 55$)</td>
</tr>
<tr>
<td>(Organic Chemicals Division)</td>
<td>(100)</td>
<td>(133)</td>
<td>(33)</td>
</tr>
<tr>
<td><strong>Ordinary income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>210</td>
<td>224</td>
<td>15</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>148</td>
<td>144</td>
<td>$\triangle 4$</td>
</tr>
<tr>
<td><strong>Exchange rate (period average)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Top line: JPY/USD; bottom line: JPY/EUR)</td>
<td>110.0</td>
<td>108.5</td>
<td>$\triangle 1.5$</td>
</tr>
<tr>
<td></td>
<td>130.0</td>
<td>124.1</td>
<td>$\triangle 5.9$</td>
</tr>
</tbody>
</table>
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 agrichemical industry
  • Growing awareness of physical and mental health worldwide
  • Expanding market for pet-related products worldwide
  • Accommodation of biodiversity

Research and Development

Embracing the challenges of technological innovation

• Regularly creating new products
• Developing products that are informed by ESG considerations

Contributing to the environment and the development of digital society through the creation of new value

• Expansion of highly functional, high-value-added products
• Production structure reforms

Inorganic chemicals business

Contributing to the nutrition, health, and life of people worldwide

• Establishing a robust global value chain
• Continuing steady efforts to lower costs

Organic chemicals business

Strengthening sustainable management initiatives from the perspective of ESG and the SDGs

Overall management

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## Overview of Vision 2030 Stage I

### Vision 2030

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

<table>
<thead>
<tr>
<th>Medium-term Business Plan FY2021 to FY2023</th>
<th>Vision 2030 Stage I</th>
</tr>
</thead>
</table>

### 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.)

### Capital policy

- 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

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

#### Inorganic chemicals business
- Fourth Medium-term Business Plan FY2018 to FY2020
- Earnings release (FY2018)
- Earnings release (FY2019)
- Earnings release (FY2020)
- Earnings release (FY2021)
- Earnings release (FY2022)

#### Organic chemicals business
- Fourth Medium-term Business Plan FY2018 to FY2020
- Earnings release (FY2018)
- Earnings release (FY2019)
- Earnings release (FY2020)
- Earnings release (FY2021)
- Earnings release (FY2022)
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

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

<table>
<thead>
<tr>
<th></th>
<th>Fiscal 2023 plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>125 billion yen</td>
</tr>
<tr>
<td>Operating income</td>
<td>16.6 billion yen</td>
</tr>
<tr>
<td>(Operating margin)</td>
<td>13%</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>15.8 billion yen</td>
</tr>
<tr>
<td>Net income</td>
<td>12.4 billion yen</td>
</tr>
<tr>
<td>ROE</td>
<td>10% or more</td>
</tr>
</tbody>
</table>
Vision 2030 Stage I  Consolidated sales and profit targets

Performance under the 6th Medium-term Business Plan

Performance under the 7th Medium-term Business Plan

Vision 2030 Stage I
# Vision 2030 Stage I
## Sales and operating income plan by department

(Units: 100 million yen, %)

<table>
<thead>
<tr>
<th>Net sales</th>
<th>FY2020</th>
<th>FY2023</th>
<th>FY2020:FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Performance</td>
<td>Plan</td>
<td>Increase/decrease*</td>
</tr>
<tr>
<td>Titanium dioxide and other inorganics</td>
<td>379</td>
<td>466</td>
<td>--</td>
</tr>
<tr>
<td>Functional material</td>
<td>119</td>
<td>168</td>
<td>--</td>
</tr>
<tr>
<td>Bioscience (agrochemicals)</td>
<td>472</td>
<td>552</td>
<td>--</td>
</tr>
<tr>
<td>Healthcare (animal health products/pharmaceuticals)</td>
<td>11</td>
<td>35</td>
<td>--</td>
</tr>
<tr>
<td>Others</td>
<td>35</td>
<td>29</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,017</td>
<td>1,250</td>
<td>--</td>
</tr>
</tbody>
</table>

*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.

<table>
<thead>
<tr>
<th>Operating income</th>
<th>FY2020</th>
<th>FY2023</th>
<th>FY2020:FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Performance</td>
<td>Profit rate</td>
<td>Plan</td>
</tr>
<tr>
<td>Titanium dioxide and other inorganics</td>
<td>△ 23</td>
<td>△ 6.1%</td>
<td>15</td>
</tr>
<tr>
<td>Functional material</td>
<td>20</td>
<td>16.9%</td>
<td>38</td>
</tr>
<tr>
<td>Bioscience (agrochemicals)</td>
<td>59</td>
<td>12.7%</td>
<td>106</td>
</tr>
<tr>
<td>Healthcare (animal health products/pharmaceuticals)</td>
<td>△ 8</td>
<td>△ 74.7%</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td>9.6%</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>51</td>
<td>5.1%</td>
<td>166</td>
</tr>
</tbody>
</table>

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

**Inorganic chemicals business**

- **2020 results**: 51 million yen
- **2023 plan**: 53 million yen
- **Increase in selling, general and administrative costs**: -2 million yen
- **Improvement in sales cost ratio**: 13.1%

**Organic chemicals business**

- **2020 results**: 110 million yen
- **2023 plan**: 120 million yen
- **Increase in selling, general and administrative costs**: 15 million yen
- **Improvement in sales cost ratio**: 6.3%

**Effects of increased revenue**

- **Inorganic chemicals business**: 14 million yen
- **Organic chemicals business**: 112 million yen
Vision 2030 Stage I performance targets

- Operating income
- Ordinary income
- Net income
- Net sales

Exchange rates (Yen / USD) and (Yen / EUR):
- FY2018: 110.9 / 128.3
- FY2019: 108.9 / 121.2
- FY2020: 105.9 / 123.6
- FY2021: 105.0 / 128.0
- FY2022: 105.0 / 123.0
- FY2023: (not available)

7th Medium-term Business Plan Results

Medium-term Business Plan Vision 2030 Stage I

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating income</th>
<th>Ordinary income</th>
<th>Net income</th>
<th>Net sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>113,111</td>
<td>86</td>
<td>61</td>
<td>23</td>
</tr>
<tr>
<td>2019</td>
<td>61</td>
<td>59</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>2020</td>
<td>51</td>
<td>33</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>2021</td>
<td>63</td>
<td>47</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td>2022</td>
<td>101</td>
<td>87</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td>2023</td>
<td>166</td>
<td>158</td>
<td>124</td>
<td>124</td>
</tr>
</tbody>
</table>
## Vision 2030 Stage I management targets

<table>
<thead>
<tr>
<th></th>
<th>Results</th>
<th>Vision 2030 Stage I</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td>Current net income per share (JPY)</td>
<td>84.4</td>
<td>90.1</td>
</tr>
<tr>
<td>Net asset balance (100 million yen)</td>
<td>795</td>
<td>824</td>
</tr>
<tr>
<td>Interest-bearing debt balance (100 million yen)</td>
<td>601</td>
<td>555</td>
</tr>
<tr>
<td>Return on equity (ROE)</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Return on assets (ROA)</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Equity capital ratio</td>
<td>44%</td>
<td>46%</td>
</tr>
<tr>
<td>Debt as a percentage of total assets</td>
<td>33%</td>
<td>31%</td>
</tr>
</tbody>
</table>
Business Policies and Strategies
Inorganic chemicals business
Net sales and operating income plan (consolidated)

Net sales (100 million yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Titanium dioxide</th>
<th>Functional materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
<td>548</td>
<td>123</td>
</tr>
<tr>
<td>FY2019</td>
<td>515</td>
<td>117</td>
</tr>
<tr>
<td>FY2020</td>
<td>498</td>
<td>119</td>
</tr>
<tr>
<td>FY2021</td>
<td>542</td>
<td>133</td>
</tr>
<tr>
<td>FY2022</td>
<td>591</td>
<td>154</td>
</tr>
<tr>
<td>FY2023</td>
<td>635</td>
<td>168</td>
</tr>
</tbody>
</table>

Operating income (100 million yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Titanium dioxide</th>
<th>Functional materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
<td>60</td>
<td>23</td>
</tr>
<tr>
<td>FY2019</td>
<td>21</td>
<td>37</td>
</tr>
<tr>
<td>FY2020</td>
<td>32</td>
<td>23</td>
</tr>
<tr>
<td>FY2021</td>
<td>23</td>
<td>41</td>
</tr>
<tr>
<td>FY2022</td>
<td>21</td>
<td>31</td>
</tr>
<tr>
<td>FY2023</td>
<td>53</td>
<td>15</td>
</tr>
</tbody>
</table>

Operating margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Titanium dioxide</th>
<th>Functional materials</th>
<th>Inorganic chemicals business</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
<td>11%</td>
<td>9%</td>
<td>19%</td>
</tr>
<tr>
<td>FY2019</td>
<td>5%</td>
<td>1%</td>
<td>18%</td>
</tr>
<tr>
<td>FY2020</td>
<td>-1%</td>
<td>-6%</td>
<td>17%</td>
</tr>
<tr>
<td>FY2021</td>
<td>4%</td>
<td>0%</td>
<td>16%</td>
</tr>
<tr>
<td>FY2022</td>
<td>7%</td>
<td>2%</td>
<td>20%</td>
</tr>
<tr>
<td>FY2023</td>
<td>8%</td>
<td>3%</td>
<td>22%</td>
</tr>
</tbody>
</table>
Inorganic chemicals business
Sales ratio for highly functional, high-value-added products

Priority measure: Increasing highly functional, high-value-added products as a percentage of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>General products</th>
<th>Highly functional, high-value-added products</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
<td>155</td>
<td>392</td>
</tr>
<tr>
<td>FY2019</td>
<td>155</td>
<td>360</td>
</tr>
<tr>
<td>FY2020</td>
<td>163</td>
<td>334</td>
</tr>
<tr>
<td>FY2021</td>
<td>186</td>
<td>356</td>
</tr>
<tr>
<td>FY2022</td>
<td>219</td>
<td>372</td>
</tr>
<tr>
<td>FY2023</td>
<td>256</td>
<td>378</td>
</tr>
</tbody>
</table>
Sales of titanium dioxide by region

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>425</td>
<td>397</td>
<td>379</td>
<td>410</td>
<td>437</td>
<td>466</td>
</tr>
<tr>
<td>Europe</td>
<td>131</td>
<td>107</td>
<td>119</td>
<td>123</td>
<td>137</td>
<td>152</td>
</tr>
<tr>
<td>Asia</td>
<td>266</td>
<td>269</td>
<td>242</td>
<td>266</td>
<td>277</td>
<td>281</td>
</tr>
<tr>
<td>Japan</td>
<td>19</td>
<td>16</td>
<td>14</td>
<td>19</td>
<td>21</td>
<td>27</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Material</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic component materials</td>
<td>123</td>
<td>117</td>
<td>119</td>
<td>133</td>
<td>154</td>
<td>168</td>
</tr>
<tr>
<td>Electro-conductive materials</td>
<td>19</td>
<td>21</td>
<td>18</td>
<td>15</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Photocatalyst</td>
<td>20</td>
<td>19</td>
<td>18</td>
<td>26</td>
<td>31</td>
<td>34</td>
</tr>
<tr>
<td>Others</td>
<td>83</td>
<td>76</td>
<td>74</td>
<td>89</td>
<td>100</td>
<td>111</td>
</tr>
</tbody>
</table>

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

Priority measure: Implementing strategic, innovative sales measures, for example by utilizing multiple agrochemical sales companies

- **Americas**
  - FY2018: 121, 142
  - FY2019: 110, 143
  - FY2020: 115, 149
  - FY2021: 132, 142
  - FY2022: 162, 154
  - FY2023: 187

- **Europe**
  - FY2018: 57, 142
  - FY2019: 59, 143
  - FY2020: 64, 149
  - FY2021: 66, 142
  - FY2022: 78, 154
  - FY2023: 90

- **Asia***
  - FY2018: 143
  - FY2019: 139
  - FY2020: 143
  - FY2021: 111
  - FY2022: 111
  - FY2023: 112

- **Japan**
  - FY2018: 143
  - FY2019: 139
  - FY2020: 143
  - FY2021: 111
  - FY2022: 111
  - FY2023: 112

*Includes the Pacific Ocean.
Agrochemical sales plan by product

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

Principal next-generation flagship products

- **Tiafenacil**
- **Cyclaniliprole**
- **Tolpyralate**

Next-generation flagship products
- **Flinicamid**
- **Cyazofamid**
- **Fluazinam**
- **Nicosulfuron**
- **Others**

Graph showing sales data from FY2018 to FY2023 for different agrochemicals.
Other Important Performance Metrics
Free cash flow plan

- **Net income**
- **Free cash flow**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income (100 million yen)</th>
<th>Free Cash Flow (100 million yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>86</td>
<td>-36</td>
</tr>
<tr>
<td>2019</td>
<td>23</td>
<td>36</td>
</tr>
<tr>
<td>2020</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td>2021</td>
<td>36</td>
<td>14</td>
</tr>
<tr>
<td>2022</td>
<td>69</td>
<td>51</td>
</tr>
<tr>
<td>2023</td>
<td>124</td>
<td>120</td>
</tr>
</tbody>
</table>

**Notes:**
- 7th Medium-term Business Plan Results
- Medium-term Business Plan Vision 2030 Stage I
Interest-bearing debt balance plan

- **Interest-bearing debt**
- **Net interest-bearing debt**
- **Debt as a percentage of total assets**

**7th Medium-term Business Plan Results**

**Medium-term Business Plan Vision 2030 Stage I**
R&D spending plan

The chart shows the R&D spending plan from 2018 to 2023, with the following details:

- **2018**: 80 million yen (9% Inorganic Chemicals, 71% Organic Chemicals)
- **2019**: 91 million yen (14% Inorganic Chemicals, 76% Organic Chemicals)
- **2020**: 86 million yen (15% Inorganic Chemicals, 71% Organic Chemicals)
- **2021**: 91 million yen (16% Inorganic Chemicals, 75% Organic Chemicals)
- **2022**: 89 million yen (16% Inorganic Chemicals, 73% Organic Chemicals)
- **2023**: 83 million yen (16% Inorganic Chemicals, 67% Organic Chemicals)

The chart also indicates the sales ratio, with percentages ranging from 7.6% in 2018 to 8.8% in 2021. The chart is titled "7th Medium-term Business Plan Results" and is part of the "Medium-term Business Plan Vision 2030 Stage I".
Capital investment and depreciation expense plan

- **Capital investment**
- **Depreciation expense**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Investment</th>
<th>Depreciation Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>72</td>
<td>42</td>
</tr>
<tr>
<td>2019</td>
<td>82</td>
<td>44</td>
</tr>
<tr>
<td>2020</td>
<td>63</td>
<td>46</td>
</tr>
<tr>
<td>2021</td>
<td>84</td>
<td>53</td>
</tr>
<tr>
<td>2022</td>
<td>82</td>
<td>58</td>
</tr>
<tr>
<td>2023</td>
<td>71</td>
<td>65</td>
</tr>
</tbody>
</table>
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.