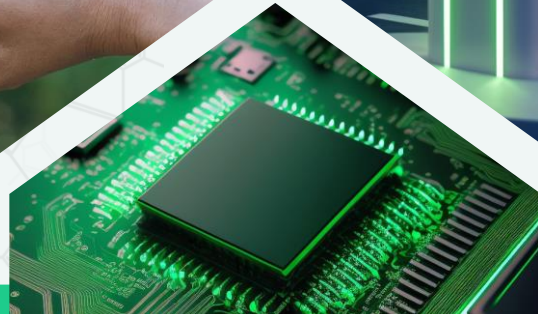




NIPPON
SHOKUBAI



Nippon Shokubai Group

Mid-Term Management Plan *2027*

Providing materials and solutions required by society as we strive to achieve sustainable growth

In the three years since FY2022, we have been laying the groundwork for transformation to achieve our long-term vision. As a result of narrowing down the business areas to focus on and actively allocating resources in these areas—including workforce expansion, capital investment, and M&A—we believe we have successfully built a strong foundation for business transformation.

At the same time, the chemical industry continues to face a challenging environment. Rising costs due mainly to inflation, sluggish domestic demand, and deteriorating market conditions driven by softening supply and demand—particularly in Asia—have had a significant impact. We take very seriously the fact that we fell short of our profit targets under the previous mid-term management plan.

In response, our new mid-term management plan, starting from FY2025, will prioritize the transformation of our business portfolio by further concentrating resources on the Solutions Business.

In the Solutions Business, we will expand business scale and profitability through aggressive capital investment in high-growth areas such as specialty chemicals, electronics, and batteries. Additionally, by leveraging digital technologies to accelerate technological innovation and talent development, we aim to commercialize advanced functional materials more quickly. In the Materials Business, we will enhance productivity through facility optimization while strengthening profitability by expanding sales in global growth markets and forming strategic alliances with other companies.

As a stepping stone for accelerating transformation toward 2030, we aim to achieve 35.0 billion yen in operating profit plus share of profit of investments accounted for using equity method, along with an ROE of 7% or higher, by FY2027.

Under our corporate mission: “TechnoAmenity,” Nippon Shokubai remains committed to providing prosperity and comfort to people and society, with our cutting-edge technology. We sincerely appreciate your continued support.



Kazuhiro Noda

Kazuhiro Noda

Representative Director, President

Key Points of the New Mid-Term Management Plan (FY2025–FY2027)

Key Point

Drive business portfolio transformation through proactively allocating resources to the Solutions Business

➔ Earn over 50% of profits from the Solutions Business

Materials Business

Implement business strengthening measures to enhance profitability

- Business strengthening measures: Expanding sales in growth markets and restructuring production systems (including plant consolidation and closures) to meet regional demand

AA*1 • SAP*2

EO*3

Solutions Business

Make aggressive investment (approximately doubling investment made during the previous mid-term plan period) to expand business scale and profitability

1 Growth business areas

Specialty Chemicals

Electronics

Construction

Energy (Batteries)

2 Next-generation business areas

Energy (Hydrogen)

Health & Medical

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Review and Current Situation Analysis

Future Goals of the Nippon Shokubai Group

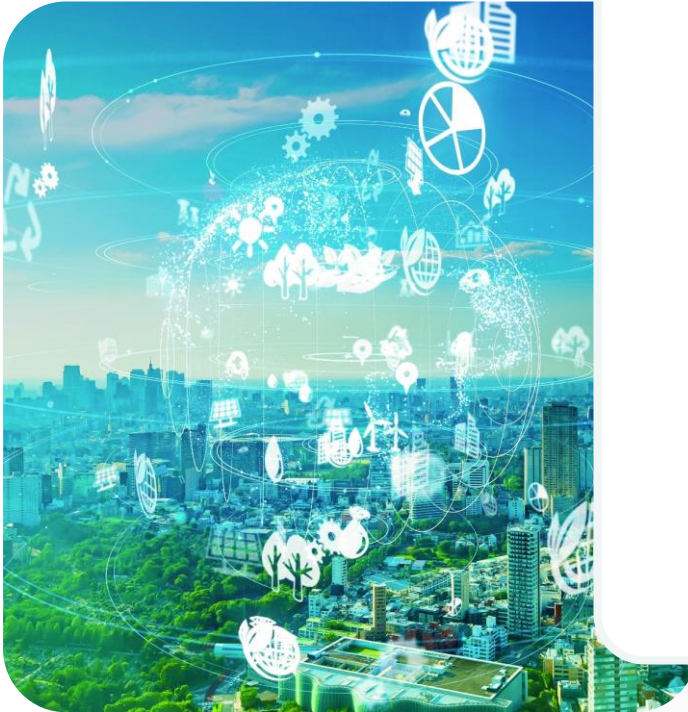
Nippon Shokubai Group Mission

TechnoAmenity

Providing prosperity and comfort to people
and society with our unique technology

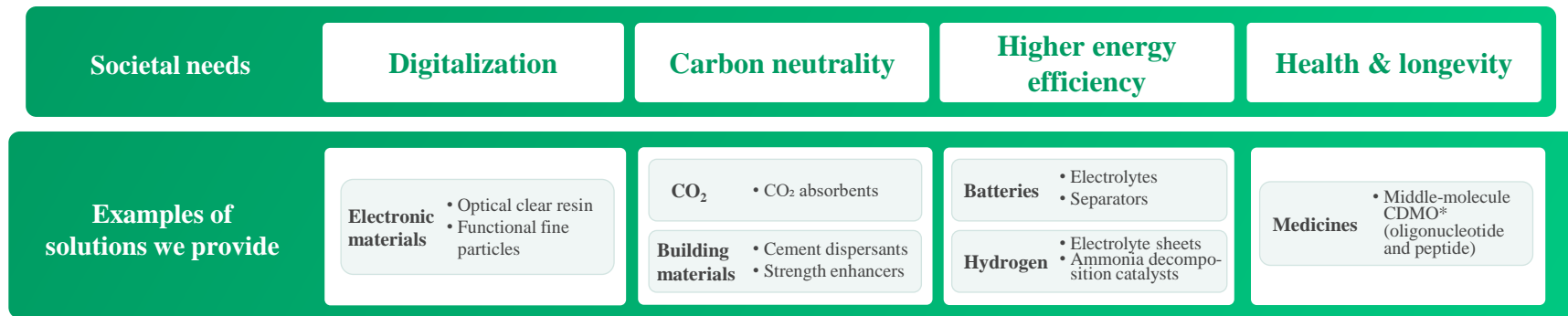
True prosperity and comfort encompass not only economic and material considerations, but also harmony with the global environment in which we live, as well as social and emotional well-being—including diversity, equity, safety, and peace of mind.

Going forward, we will continue to embody our corporate mission, TechnoAmenity, as we contribute to the realization of a sustainable society.



Long-Term Vision: FY2030 Goals

- Provide materials and solutions required by people and society
- Become a chemical company that keeps evolving by identifying social trends



- Develop with various stakeholders inside and outside the company



Quantitative Targets (FY2030)

Operating Profit	ROE
60 billion yen	9% or above

* CDMO: Contract Development and Manufacturing Organization

Summary of the Previous Mid-Term Management Plan (FY2022–FY2024)

Aim: Drive business portfolio transformation through three transformation initiatives

Initiatives Through 2024 (Original Plan)

1

Business Transformation

Expand the Solutions Business

Strengthen solution proposals and concentrate resources on selected markets

Expand sales of strategic product line-up to improve profitability

Achieve the Materials Business Resilience

Strengthen profitability and improve added value through sustainability initiatives

2

Strategic Transformation for Environmental Initiatives

Contribute to reducing our environmental impact throughout the entire life cycle

Reduce GHG emissions from production processes / Develop and expand sales of Environmental Contribution Products

3

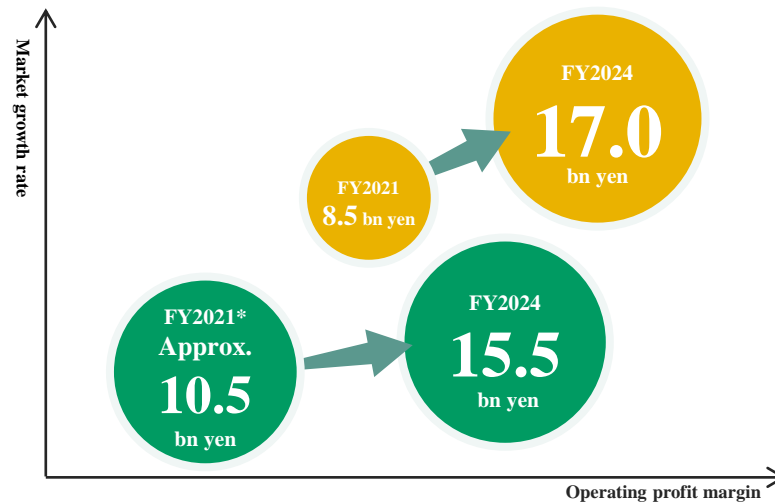
Organizational transformation

Establish frameworks able to foster individual and organizational growth

Revise personnel systems / Strengthen corporate governance / Put in place measure to enhance productivity / Delegate authority

Business Portfolio Transformation (Original Plan)

[Figures shown are operating profit]



* Operating profit excludes the impact of market price surges

Previous Mid-Term Plan: Management Targets and Forecasts

Operating profit fell short of targets (particularly in the Solutions Business). ROE/ROA targets were also not achieved.

(Billion yen, unless otherwise noted)

Target	FY2021 Results	FY2024 Forecasts	FY2024 Mid-Term Plan
Operating Profit	29.1	20.0	33.0
Operating Profit (Solutions Business)	7.8	4.6	17.0
ROE (%)	7.2	4.3	7.5
ROA (%)	6.8	4.2	6.9

Breakdown of Operating Profit Variances: FY2024 Mid-Term Plan vs. FY2024 Forecasts

Business	Operating profit variance (Billion yen)	Main causes
Electronics	-4.5	Sluggish demand for display materials resulting from the global economic slowdown and delays in adoption of our products
Life Science	-2.0	Delays in the development of middle-molecule drugs by domestic pharmaceutical companies as well as delayed expansion in our manufacturing capacity
Energy	-1.5	Slowing growth of the EV market along with in-house production by Chinese battery manufacturers
I&H*	-1.5	Decline in demand for building materials and detergents due to the global economic slowdown
Other	-3.5	Delays in commercialization of new businesses and impacts from affiliated companies, etc.
	-13.0	⇒ Delayed profit growth in the Solutions Business led to shortfalls in ROE and ROA

	Internal and external environment	Key issues to address
Materials	<ul style="list-style-type: none"> Declining domestic demand and growing momentum toward industry consolidation in Japan Intensifying competition with overseas players and a shift in growing regions 	Achieving greater efficiency and competitiveness
Solutions	<ul style="list-style-type: none"> Market growth and the emergence of new markets driven by rapid advancements in digital technology and the need to reduce environmental impact Mid-term plan targets were not met due to decreased sales of existing products and delays in the expansion of new businesses 	Enhancing profitability based on past investments and expanding business scale through continued investment for growth

Overview of Progress Under Previous Mid-Term Plan

- **Business transformation:** Progress made in laying the groundwork for expanding the Solutions Business (despite delayed commercialization and monetization)
- **Strategic transformation for environmental initiatives / Organizational transformation:** Progressing largely as planned

01

Business Transformation

Transform portfolio from existing to growth fields

Focusing on key growth areas (energy, electronics, and life science) and implementing business expansion measures

Start of operations at IONEL's manufacturing site in China, Emulsion Technology Co., Ltd.'s (E-TEC) conversion to a subsidiary, etc.

Enhancing the competitiveness of the Materials Business

Start of operations at expanded AA facilities in Indonesia, decision to expand SAP production in Indonesia, advanced control of the EO production process, etc.

Establishing a framework to strengthen solution proposal capabilities

Expansion of workforce by 100 employees, establishment of an information-sharing platform through the introduction of SFA*1 and CRM*2, etc.

*1 SFA: Sales Force Automation system.

*2 CRM: Customer Relationship Management system.

*3 ISCC PLUS: An international certification system that ensures and manages the use of sustainable raw materials and products throughout the supply chain. It allows for the shipment of products derived from biomass or recycled materials allocated using the mass balance approach.

02

Strategic Transformation for Environmental Initiatives

Promote sustainability to realize carbon neutrality by FY2050

Establishing a foundation for GHG emissions reduction

Obtained ISCC PLUS*3 certification, developed multiple bio-based AA production methods, introduced internal carbon pricing, etc.

03

Organizational Transformation

Transform into an organization with sustainable growth and a company where diverse talent are motivated to work

Enhancing the effectiveness of the Board of Directors

Strengthening the Board's functions (e.g., discussions on medium- to long-term issues), development of a skills matrix, etc.)

Implementation of a new HR system

Process and challenge evaluation system, preferred career declaration system, etc.

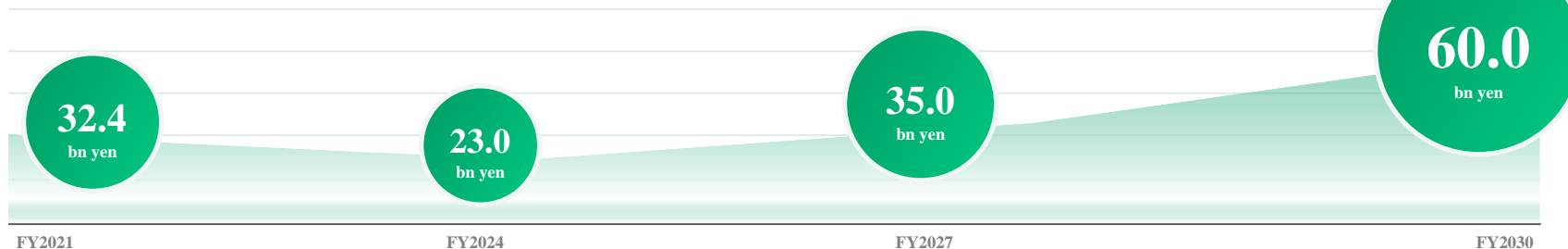


New Mid-Term Management Plan (FY2025–FY2027)



Positioning of the New Mid-Term Management Plan (FY2025–FY2027)

- Operating Profit + Share of profit of investments accounted for using equity method (Equity-method investment profit)



	FY2022–2024	FY2025–2027	FY2028–2030	
	Laying the groundwork and implementing transformation	Accelerating transformation	Breakthrough and realization	Vision
Materials	<ul style="list-style-type: none"> ● Reducing manufacturing costs ● Establishing a supply system for biomass-based products (ISCC PLUS certified) 	<ul style="list-style-type: none"> ● Expanding sales in growth markets ● Restructuring production systems to match demand ● Forming alliances with other companies 	<ul style="list-style-type: none"> ● Business expansion leveraging increased capacity ● Reducing costs through use of digital technologies ● Establishing a small-scale supply system for bio-based AA 	Achieving business resilience through enhanced profitability and sustainability initiatives
Solutions	<ul style="list-style-type: none"> ● Building the foundation through resource allocation (Increasing staff by 100 over 3 years) ● Prioritizing resource allocation ● Executing investments (IONEL, China JV, etc.) 	<ul style="list-style-type: none"> ● Proactive investment (New domestic plant for IONEL, E-TEC becoming a subsidiary, etc.) ● Business expansion and market entry in growth business areas (Introduction of low-cost processes for IONEL, focus on the Chinese market for ACRYVIEWA, etc.) 	<ul style="list-style-type: none"> ● Investing in further business expansion ● Business growth in next-generation business areas 	Achieving business portfolio transformation, with a clear path toward further growth

New Mid-Term Management Plan: Financial Targets

(Billion yen, unless otherwise noted)

Target	FY2024 Forecast	FY2027 New MTMP Targets	FY2030 Goals
Operating profit + Equity-method investment profit	23.0	35.0	60.0
Solutions Business Operating profit + Equity-method investment profit	5.6	18.5	40.0 or above
ROE (%)	4.3	7 or above	9 or above
ROA (%)	4.2	6 or above	9 or above
ROIC* (%)	4.0	6 or above	8 or above
Investments for growth and competitiveness	90.0 (FY22–24 cumulative)	245.0 (FY22–27 cumulative)	400.0 (FY22–30 cumulative)

Assumptions: FY2024 → 149 USD/JPY, 163 EUR/JPY FY2027 → 145 USD/JPY, 155 EUR/JPY

* ROIC (Return on Invested Capital) = (NOPAT + Equity-method investment profit) ÷ (Interest-bearing debt + Shareholders' equity)

Profit targets by segment

Solutions

1 Growth business areas



Specialty
Chemicals



Electronics



Construction



Energy
(Batteries)

2 Next generation business areas



Energy
(Hydrogen)



Health and
Medical

Materials

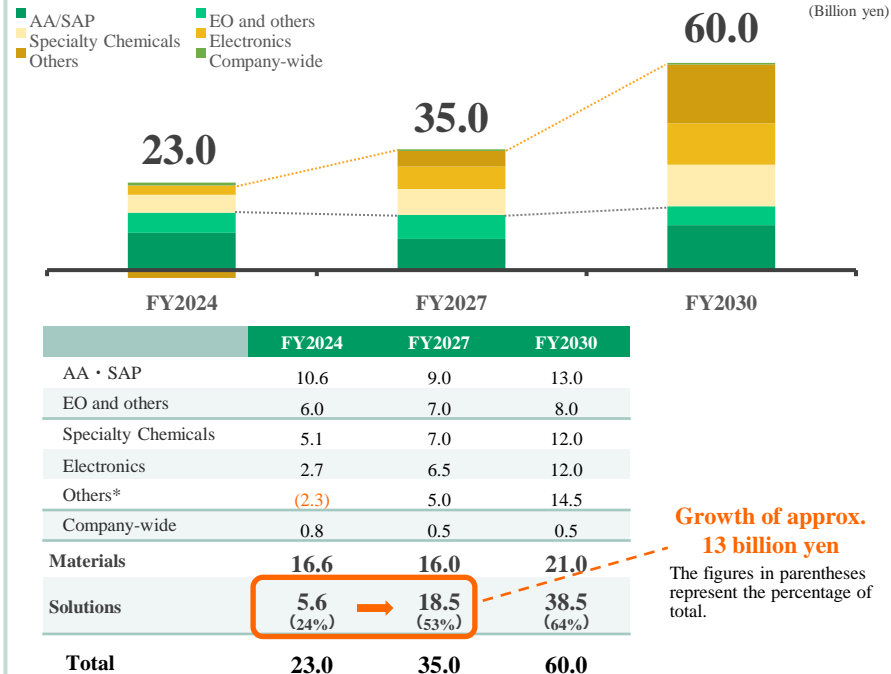


AA · SAP



EO and others

Operating Profit + Equity-method investment profit



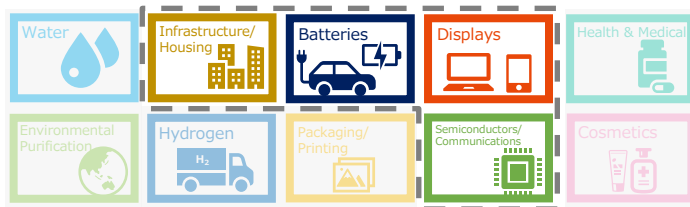
* Includes: Energy (Batteries, Hydrogen), Construction, Life science (Health & Medical, Cosmetics), Household (Detergents, Inks), Environment (Catalysts, Water treatment), etc.

Driving the growth of our Solutions Business

Prioritization of resource allocation

Criteria for prioritization

- Our competitive advantages
- Long-term business expansion potential



Proactive Resource Allocation

Specialty Chemicals

- Strengthening the production system of main product groups

Electronics

- 25% increase in workforce over the past 3 years
- Full-scale operation of mid-sized equipment to accelerate prototype sample supply and production process establishment

Construction

- Acquisition of E-TEC as a subsidiary to strengthen proposal capabilities
- Expansion of emulsion product lineup for civil engineering applications

Energy (Batteries)

- Establishment and operation of IONEL's joint venture in China
- Decision to build a new factory in Fukuoka and increase workforce for factory launch

Business Progress

Collaboration with Downstream Customers

- Acquisition of adoption for components for large/high-resolution displays
- Development progress of environmentally friendly concrete-related products

Early-stage market emergence

- Steady growth of the vehicle LIB* market
- Expansion of water treatment needs due to tighter wastewater regulations

* LIB: lithium-ion batteries

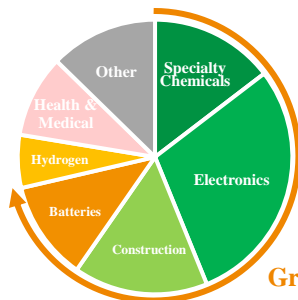
Profit expansion in growth business areas

Growth business areas

- Specialty Chemicals
- Electronics
- Construction
- Energy (Batteries)

Profit Growth Strategy for the Solutions Business

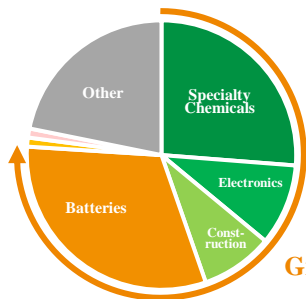
Breakdown of Profit Growth (FY24⇒FY27) Operating Profit + Equity-method investment profit



**13.0 bn yen
growth**

Growth business areas

Breakdown of Investment Amounts (New Mid-Term Plan Period)



**90.0 bn yen
investment**

(approx. double the investment
made during the previous mid-
term plan period)

Growth business areas

Growth business areas

Specialty Chemicals

- Expanding sales of products that contribute to solving social issues, such as raw materials for water treatment agents and CO₂ absorbents

Electronics

- Sales growth of acrylic resins for optical films used in large LCD displays and fine particles for semiconductors

Construction

- Launch of newly developed products that help reduce CO₂ emissions and expansion of the product lineup through synergies with E-TEC

Energy (Batteries)

- Expansion of production capacity at the China JV (Fluopont^{*1}) and cost reduction through the introduction of new processes

Next-generation
business areas

Energy (Hydrogen)

- Sales growth of electrolyte sheets for SOEC^{*2}/SOFC^{*3} driven by the expansion of the hydrogen market

Health and Medical

- Increasing the number of contracted development projects and expanding sales of clinical trial drug contracts through strengthened production capabilities

*1 Fluopont: Hunan Fluopont New Materials Co., Ltd. *2 SOEC: Solid oxide electrolytic cells *3 SOFC: Solid oxide fuel cells

Specialty Chemicals

Strategy

Expand business by providing timely products and technologies that will lead to solutions to social issues

Characteristics of our Specialty Chemicals

- Few competitive manufacturers exist due to unique production method and structure
- Broad application enables us to expand into new markets

Ethyleneimine derivatives

Tighter wastewater regulations

Water treatment agent

Polyvinylpyrrolidone

CO₂ emissions regulations

CO₂ absorbent

Cross-linking agent for water-based resins

Surfactants

VOC* emissions regulations

Water-based cross-linking agent

Amines

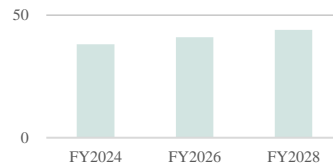
Focus Market

Short to medium term

Water treatment agent market

Global total (billion USD)

CAGR: 3.6%



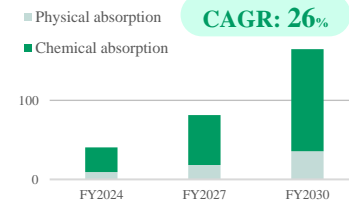
Source: MarketsandMarkets

Medium to long term

CO₂ absorbent market

Global total (10,000 metric tons)

CAGR: 26%



Source: MarketsandMarkets

Eco-friendly products and technologies

Issues to be addressed	Representative product or technology
VOC-free	POLYMENT™ (Polyacrylamine)
CO ₂ emissions reduction	EPOCROS™ low temperature curing technology
Tighter wastewater regulations	High molecular weight polyethyleneimine
Formaldehyde-free	Acrylic binder

*VOC: Volatile organic compound

Electronics

Strategy

Expand leading products in a niche market based on optical control technology and particle materials

Characteristics of our electronic products

- Multiple optical products leveraging technologies developed for LCD panels
- Differentiated products using our unique monomer
- Customizable particle products lines

Transparent resin for optics

Controlling refractive index

Photosensitive resin

Controlling wavelength

Functional particles

Controlling surface

Specific wavelength absorption dye

Making nano size available

Special monomer

Making high purity available

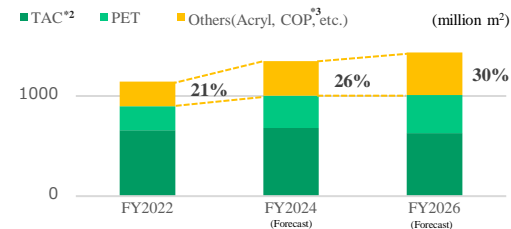
Acrylic resins for optical films

(ACRYVIEWA™)

- Capture expanding demand associated with larger LCD panels
- Expand market share in the Chinese market
- Expand products for high-added value polarizing plate

Market for protection film for polarizing plate

(PVA*1 protection film + phase difference film)



Particles

(SEAHOSTAR™, ZIRCOSTAR™, etc.)

- Expand products for next-generation displays such as AR and VR
- Expand products for more minituarized semiconductors and three-dimensional packaging
- Strengthen capacity of manufacturing facility for particles

Target markets for particles



*1 PVA Polyvinyl alcohol *2 TAC: Cellulose triacetate *3 COP: Cyclic Olefin Polymer

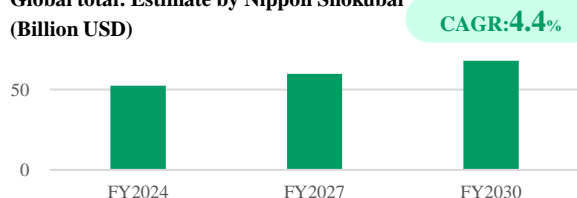
Construction

Strategy

Expand product lineup and expand businesses in growing regions

Construction Chemicals market

Global total: Estimate by Nippon Shokubai
(Billion USD)



- Growing market due to global population increase
- Appearance of market inflection points due to response to CN* and labor shortages

Examples of newly developed items

Societal need	Proposed value	Agent type
CO ₂ emissions reduction	Longer concrete life	Strength enhancer
	Alternative material for cement	Dispersant
Labor reduction	3D printers for construction products	Dispersant

* CN: Carbon neutrality

Our strengths

- Top share in the polymers for concrete admixtures in Japan
- Competitiveness in acrylic emulsion owing to the full lineup of acrylates (top share in the domestic market), and the hybrid and formulation technologies of acrylic emulsion

Expansion strategies

- Strengthen proposals to downstream customers*
*General contractors, concrete manufactures, etc.
- Expand downstream products to improve profitability
*Mixed products using emulsion
- Strengthen development activities in North America
*Establish performance assessment base in FY2025
- Accelerate business development through M&A
*Maximizing synergy from purchase of E-TEC

Energy (Batteries)

Strategy

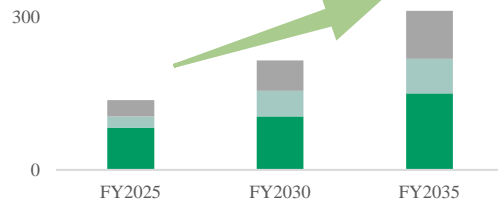
Increase profits by establishing production structure in line with the strategy of local production for local consumption

Vehicle LIB electrolyte market

Global total (1,000 tons)



CAGR: 9%



Expanding EV

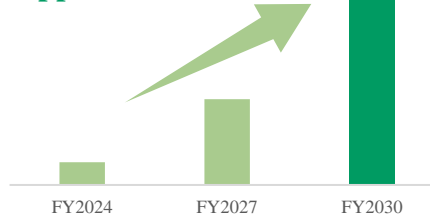


Reinforce LIB safety

IONEL™ production capacity

Global total

Approx. 10 times



By providing high-purity products,
we are contributing to longer LIB life and safety enhancement

In China and Japan,
increase profits through low-cost production

Source: Estimated by Nippon Shokubai

Adopted by
METI-subsidized
project

Region	Business Type	Production Capacity*	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
China	JV (Fluopont)	1,200 tons/year ⇒several k tons/year ⇒over 10k tons/year							
Japan	Own	3k tons/year					Commercial operation to begin		
North America	JV	Several k tons/year						Commercial operation to begin	

METI: Ministry of Economy, Trade and Industry

* In the case of JV, we plan to collect and sell a quantity corresponding to our company's stake.

The study for the plan in Europe will resume in response to future demand trends.

Energy (Hydrogen)

Strategy

Become a major supplier by enhancing performance and production capacity to prepare for full-scale market expansion

Contribution to hydrogen supply chain

Toward carbon neutrality, contribute to build a hydrogen supply chain with omnidirectional strategy

Manufacture (Utilization of renewable energy)



Water electrolysis

Electrolyte sheet for SOEC

Separator for alkaline water electrolysis

From water to hydrogen

Transport (Carried as ammonia)



Transportation

Ammonia decomposition catalyst

Hydrogen conversion at the demand sites

Utilize



Fuel cells

Electrolyte sheet for SOFC

Use hydrogen

Expansion strategies

- **Electrolyte sheet for SOFC and SOEC**
 - Enhance production capacity for the full-scale sales
 - Accelerate development of low-cost processes
- **Separator for alkaline water electrolysis**
 - Examine the possibility to make it wider by introducing large-scale equipment
 - Strengthen marketing in Europe and Asia
- **Ammonia decomposition catalyst**
 - Improve catalyst performance
 - Construct plants for mass-production

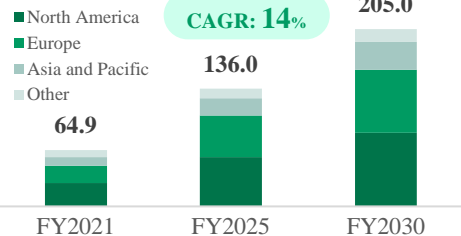
Health & Medical [CDMO business for middle-molecular APIs]

Strategy

Strengthen supply system and increase the number of outsourcing contracts through enhancing production capability

CDMO market for oligonucleotide drugs

Global total (Billion yen)



Source: TPC Marketing Research Corp.

Our strengths

Oligonucleotide drugs



Peptide drugs



Advanced synthesis and analysis technologies

DDS



Unique DDS*1 Technology

R&D flow for pharmaceutical products



Several mgs to several grams

Several hundred grams to several kgs

Number of CDMO contracts

The number of contracts handled

Current capacity

Approx.
15 times

FY2022

FY2024

FY2026



Reinforce system

Increase the number of contracts

Double the number of acceptable orders from that of FY2024



GMP*2 facility
(Osaka)

Production capacity

Examine the capacity expansion from several hundred grams to several kgs/batch and further expansion toward 2030

Enhance production capacity

Build a structure to respond to overseas large projects

*1 DDS: Drug delivery system *2 GMP: Good Manufacturing Practice

AA • SAP

Strategy

Strengthen sales to growing markets and streamline through restructuring of production system by reflecting regional demands

Business environment in Japan and overseas

- Continued growth in the disposable diapers market globally
Particularly in the Global South region, with high growth rates
- Expanding supply capacity and aggressive low-price strategy by Chinese manufactures
- Growing needs for sustainable products
- Expanded our production capacity in Indonesia
(AA: commercial operation started in FY2023, SAP: commercial operation starts in FY2027)

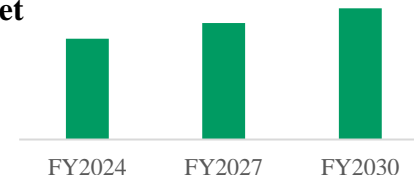
Our strengths

- High supply stability and solid relationships with customers as a global supplier
- High cost-competitiveness due to integrated AA • SAP operation
- Technical development capabilities to respond to customers' needs

Demand forecast for SAP global south market

(Estimate by Nippon Shokubai)

CAGR: 5%



Specific initiatives

AA

Establish optimal production and distribution system mainly in Japan and Indonesia
In the global five production sites, respond to the requests for local production and local consumption

SAP

Strengthen sales in Global South market
Enhance productivity by scrap and build

AA &
SAP

Establish manufacturing system for bio-based AA
Promote sustainable SAP development

EO

Strategy

Fully leverage the existing EO production capacity through enhancing EO derivatives and increasing contract manufacturing services

Business environment in Japan and overseas

- Expanded supply capacity due to new facilities established by Chinese manufactures
 - Decrease in EG* export from Japan
 - Decrease in demand in Japan (sluggish demand in Japan + decrease in export of customers' products)
 - ...resulted in lowering the operating rate of our facilities

Our strengths

- Production system that does not depend on EG (high rate of non-EG products)
- Abundant EO derivatives lineup
- Highly stable supply from two factories and multiple supply means

Specific initiatives

Aim for improving profitability by increasing operating rate of facilities and streamlining production

- Enhance EO derivatives and increase outsourcing contracts for EO-added products
- Enhance EO shipment structure and transportation network, and maintain safe transportation structure
- Enhance productivity (Advanced process control, etc.)
- Examine alliances with other companies

*EG: Ethylene glycol

Overview of the Sustainability Strategy



Strive to realize a sustainable society and increase corporate value by focusing on three key themes and engaging in dialogue with stakeholders

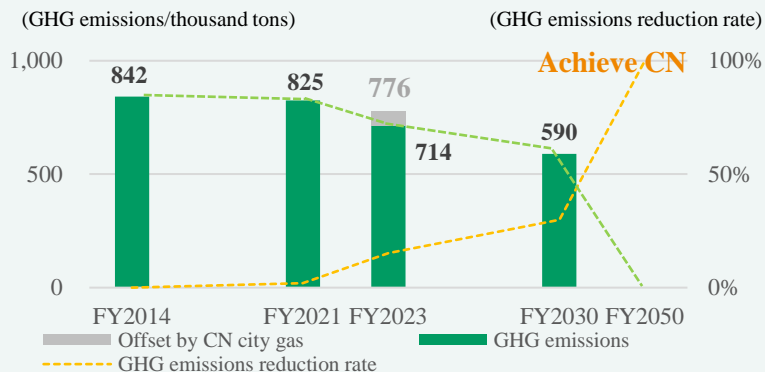
GX Strategy

Strategy

Contribute to the environment through GHG emissions reduction and enhanced environmental contribution products

GHG emission reductions

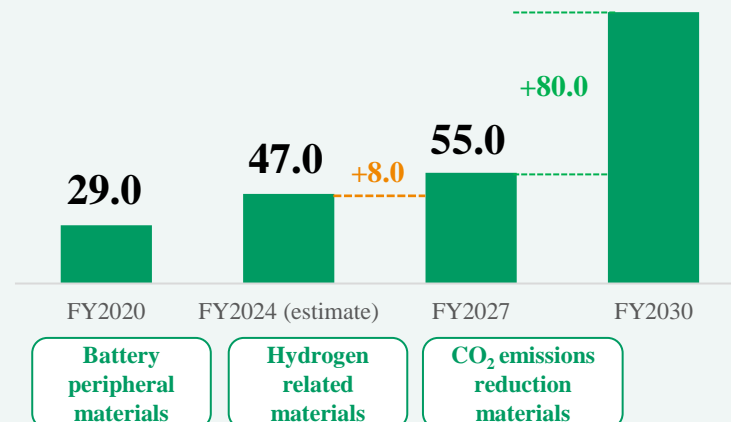
GHG emissions and emissions reduction rate



Steadily moving toward reducing GHG emissions by 30% in FY2030 by improving production process and accelerating the introduction of renewable energies

Environmental contribution products

Sales of environmental contribution products (Billion yen)



Sales are expanding mainly in the above three materials

HR Strategy

Measures for human resources that will expand our business and enable our company to continue to grow

Long-term Vision for FY2030

Our Goals

- Provide materials and solutions required by people and society
- Become a chemical company that keeps evolving by identifying social trends
- Develop with various stakeholders inside and outside the company

Management strategy

- Expand business scale and increase profits of Solutions Business
⇒ Achieve portfolio transformation
- Improve profitability of Materials Business



Main measures of new mid-term management plan

Allocate suitable human resources

- Create human capital portfolio
Specify quality and quantity of human resources necessary for driving business strategies
- Build talent management system
Make employees' skills visible and implement optimal employee allocation
- Implement next generation leadership program

Promote self-growth

- Enhance learning and experience programs to encourage self-learning
- Manage career declaration system
- Manage personnel system to appreciate human resources who take on challenges

Improve job satisfaction

- Identify company's issues by engagement survey and implement actions for improvement
- Promote active participation of diverse human resources by D&I promotion
- Enhance easy working environment and system to work in

HR strategy

Develop and allocate optimal human resources to achieve business strategies, unlocking the full potential of individual capabilities

Four pillars to support HR strategy

MUST

Increase empathy

Employees understand and empathize with business and human resources strategy (specified human resource requirement, suitable allocation, etc.)

WILL

Leverage abilities

The Company leverages abilities of employees who have high aspirations and motivation to grow

CAN

Promote growth

The Company encourages employees' motivation and willingness to grow

TRUST

Cultivate mutual trust

The Company and individual are cultivating mutual trust to build win-win relationship

Priority issues

Strengthen business foundation

Promote human capital investment and develop and allocate suitable human resource to achieve business strategies

Strengthen management foundation

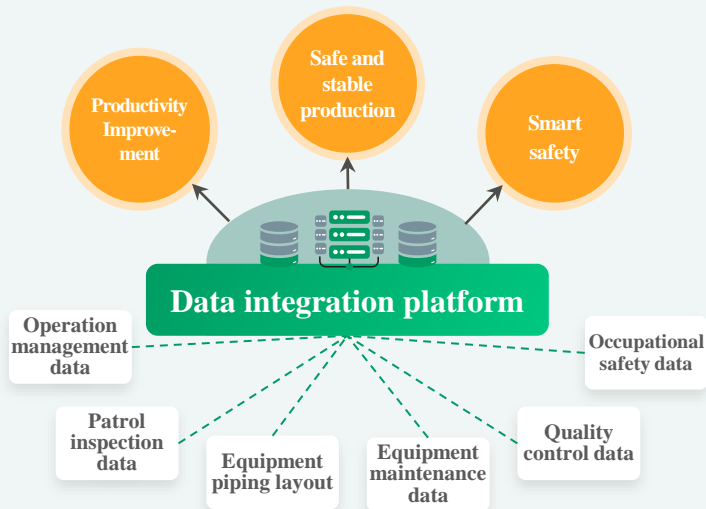
Improve employees' engagement and to become a company that continues to grow

Digital Strategies

Accelerate productivity improvement and product launch through use of DX at plants and R&D

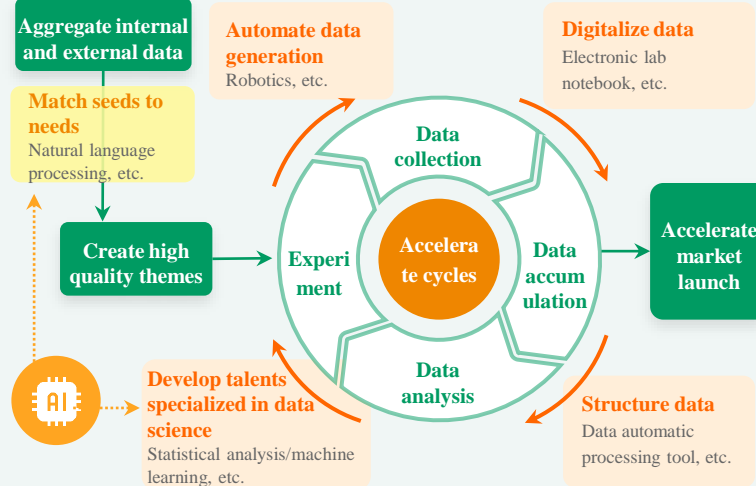
Smart factory transformation

Leverage the data integration platform, which is currently being installed, to reduce man-hours and maintenance cost



Smart lab transformation

Establish a system to accelerate market launch by leveraging data and AI



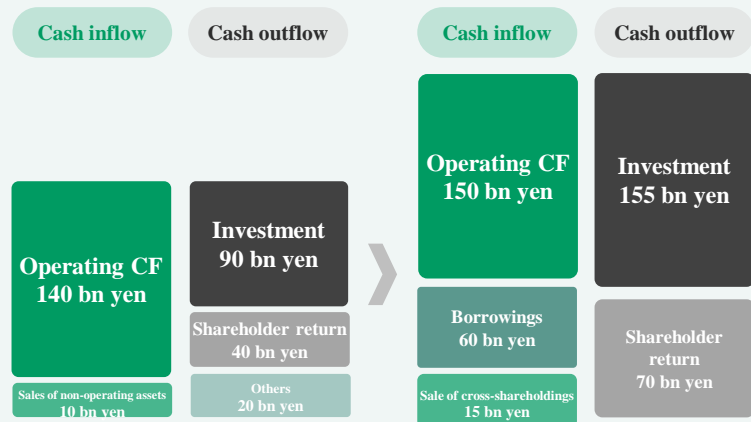
Cash Allocation and Balance Sheet Management

Cash allocation

- Investment plan exceeding the FY2022–2024 cumulative scale
- Approx. 60% of the investments to be spent on growth investments including capacity expansion and M&A
- Sell cross-shareholdings with a reduction target by 50% (compared to FY2023-end)

FY2022–2024 cumulative (forecast)

New MTMP [FY2025–2027] cumulative



Balance sheet management

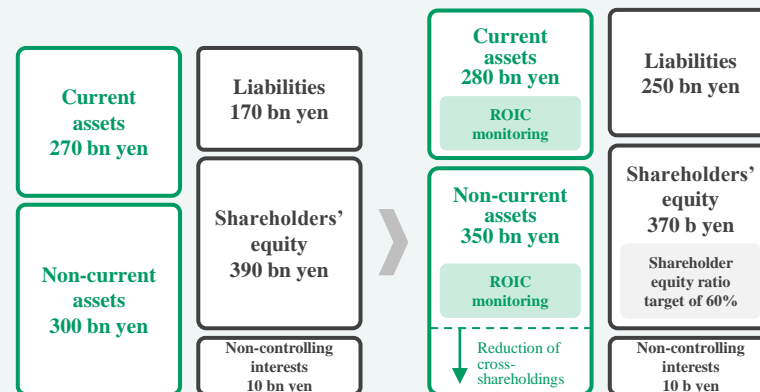
- Control shareholders' equity with the target shareholder equity ratio to around 60%
- Improve CCC* and optimize assets by monitoring ROIC of each business

As of March 31, 2025 (forecast)

As of March 31, 2028 (illustrative)

Total assets: 570 bn yen

Total assets: 630 bn yen



*CCC: Cash Conversion Cycle

Shareholder Returns Policy

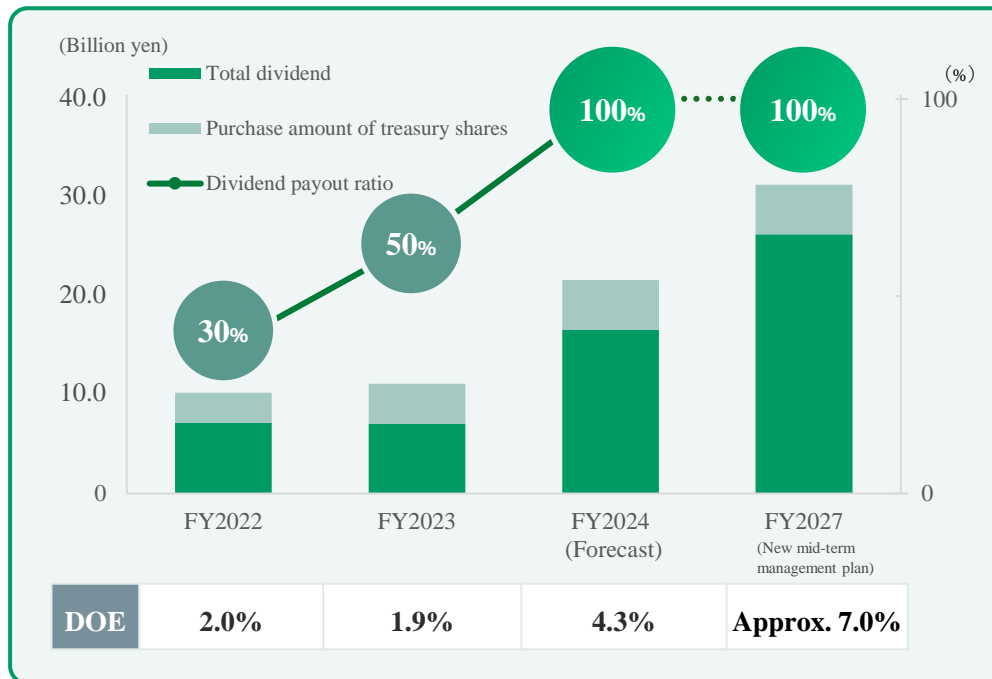
Continue proactive shareholder returns

Policy up to FY2027

- Pay dividends with a dividend payout ratio of 100% or a DOE* of 2.0%, whichever is greater
- Buy back shares by using funds obtained primarily through reduction in cross-shareholdings

*DOE: Dividend on equity ratio

Trend in shareholder returns



Achieve target profit* of 35.0 billion yen and ROE of 7% or more in FY2027 by expanding profits of the Solutions Business and transforming business portfolio

Drive business portfolio transformation to become a company that grows sustainably

Materials Business

Strengthen profitability

Restructure and streamline production systems

- Stop the operation of low-productivity facility
- Transform to smart factory

Strengthen product sales in growing markets

- Expand production capacity and reinforce relationship with customers in growing regions

Solutions Business

Increase profits

Aggressively make investments

- Establish supply system in response to demand
- Enhance product lineup

Maximize development speed

- Strengthen alliance with downstream manufacturers
- Consolidate human resources
- Transform to smart lab

Company-wide efforts

- Reduce fixed cost
- Improve engagement



- The data and future projections disclosed in this document are based on information available as of the date of publication of this document, and do not guarantee the achievement of targets or forecasts or future business results.
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List of Business Categories and Product Examples

Materials

AA · SAP

- SAP
- Acrylic acid
- Acrylic acid acrylates

EO and others

- EO, EG, Ethanolamines
- Organic acids
- Maleimides

Growth business area

Specialty Chemicals

- Amines
(Ethyleneimine derivatives, etc.)
- Pyrrolidones
- Cross-linking agent for water-based resins
- Surfactants

Electronics

- Resins for optical films
- Resist materials
- Fine particles
- Dye
- Iodine

Construction

- Cement admixture polymers
- Emulsions

Energy (Batteries)

- Electrolytes for LIB

Solutions

Next-generation business area

Health & Medical

- Oligonucleotide & peptides CDMO

Energy (Hydrogen)

- Electrolyte sheets
- Ammonia decomposition catalysts

Other

Household

- Raw materials for detergents

Environmental catalysts

- De-NO_x, dioxins decomposition catalysts & equipment
- Wet air oxidation catalysts

Non-financial Targets of New Mid-term Management Plan

Target	FY2024 Forecast	FY2027 New MTMP Targets	FY2030 Goals
GHG emission reductions (Scopes 1 and 2 emissions in Japan compared to FY2014) (%)	17	—	30
Revenue from environmental contribution products (bn yen)	47.0	55.0	135.0
Ratio of female hired in clerical and chemical position (%)	38.8	30 or above	—
Ratio of female managers (%)	6.3	8 or above	—
Ratio of male employees taking childcare leave (15 days or more) (%)	97.4	100	—