

# FY2023-2025 Medium-term Management Plan

Recognize the gap between the current situation and "Vision for 2030" and develop a catch-up strategy to fill that gap. The first three-year action plan is positioned as the "FY2023-2025 Medium-term Management Plan".

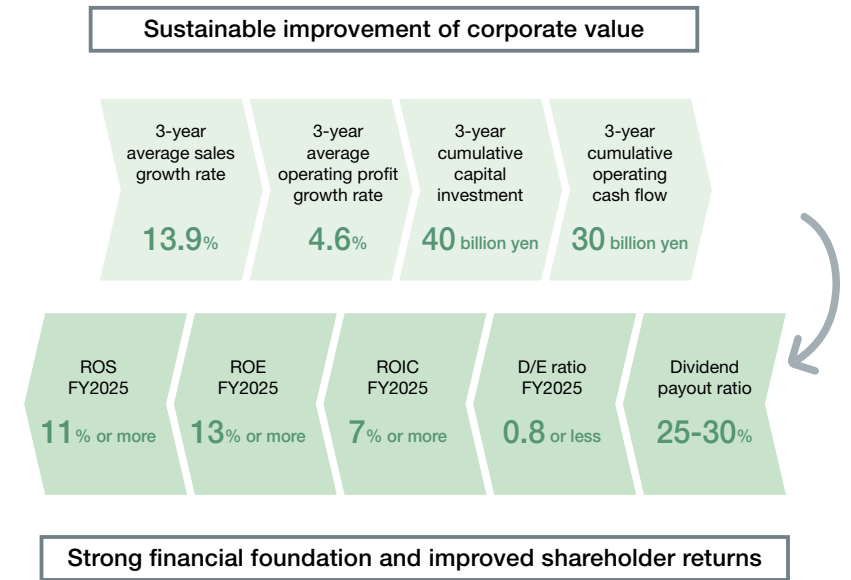
## Net sales and Operating Profit Targets

	FY2022 (results)	FY2023 (forecast)	FY2024 (target)	FY2025 (target)
<b>Sales (Unit: ¥100 million)</b>	804	832	1,070	1,200
Titanium Metal Business	544	587	670	720
Catalyst Business	88	98	130	150
Chemicals Business	172	139	260	300
New Business	-	8	10	30
<b>Operating profit (in hundreds of millions of yen)</b>	107	46	100	130
Titanium Metal Business	65	23	50	60
Catalyst Business	29	28	33	40
Chemicals Business	26	11	29	35
New Business	-	(1)	2	10
Company-wide Expenses	(13)	(15)	(14)	(15)
<b>ROS</b>	13%	5%	9%	11%
<b>ROE</b>	15%	5%	11%	13%
<b>D/E ratio</b>	0.8	1.0	0.9	0.8

## Financial Indicators / Shareholder Returns

In order to improve production efficiency and ensure a steady supply to the growing market, we will proactively increase the capacity of our production sites and update our facilities. To this end, we plan to invest a total of 40 billion yen over the three years of our Medium-term Management Plan.

We will steadily implement our "catch-up strategies" (see diagram below) set for each business. In addition to gaining further growth potential, we will position return on equity (ROE) as the most important management indicator from the perspective of improving capital efficiency, and aim to improve it to above 13%. We will strive to continuously improve corporate value by establishing a resilient financial foundation and enhancing returns to shareholders and investors.



## Strategy by Business

Recognition of the Current Situation	FY2023-2025 Medium-term Management Plan	Catch-up Strategy	Vision for 2030
<b>Titanium Metal Business</b> <ul style="list-style-type: none"> <li>Top 3 in global sales share of titanium sponge</li> <li>Ordinary profit to net sales ratio is zero excluding the influence of inventory in the previous period</li> </ul>	<ul style="list-style-type: none"> <li>Apply a price formula linked to cost fluctuations</li> <li>Increase titanium sponge production capacity at the Wakamatsu/Chigasaki Plants (3 kt/year)</li> <li>Full operation of the Saudi Arabia Sponge Plant (ATTM)</li> <li>Improve titanium ingot production efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Optimization of titanium sponge price levels</li> <li>Increase processing margin due to increased production of titanium ingots</li> <li>Increase capacity through partial improvement of titanium sponge equipment (Wakamatsu/Chigasaki Plants)</li> <li>Consider construction of a new plant that can ensure profitability</li> <li>30% improvement in labor productivity</li> </ul>	<p>The top company in global sales share of titanium sponge for aircrafts with an ordinary profit to net sales ratio of 10% or more</p>
<b>Catalyst Business</b> <ul style="list-style-type: none"> <li>Top 5 in global sales share of PP catalysts</li> <li>Ordinary profit to net sales ratio of 33%</li> </ul>	<ul style="list-style-type: none"> <li>Increase production capacity through improvements in production technology and other areas (approximately 60% increase compared to the current production capacity)</li> <li>Formulate a plan to increase capacity by constructing a new factory</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of production technology at the Kurobe/Chigasaki Plants (approximately 40% increase compared to the current production capacity)</li> <li>Increase production capacity by constructing a new plant (approximately 30% increase compared to the current production capacity)</li> <li>Aggressive market development by improving catalyst performance</li> <li>30% improvement in labor productivity</li> </ul>	<p>A top 3 company in global sales share of PP catalysts with an ordinary profit to net sales ratio of 20% or more</p>
<b>Chemicals Business</b> <ul style="list-style-type: none"> <li>Top 3 in domestic sales share of nickel powder</li> <li>Ordinary profit to net sales ratio of 12% excluding inventory valuation profit and loss</li> </ul>	<ul style="list-style-type: none"> <li>Increase production capacity by operating the fifth plant (scheduled for FY2025) (approximately 20% increase compared to the current production capacity)</li> </ul>	<ul style="list-style-type: none"> <li>Increase production capacity by operating the fifth plant (approximately 40% increase compared to the current production capacity, upon completion)</li> <li>Create concrete plans for the next expansion investment (approximately 30% increase compared to the current production capacity)</li> <li>30% improvement in labor productivity</li> </ul>	<p>The top company in domestic sales share of nickel powder with an ordinary profit to net sales ratio of 15% or more</p>
<b>New Business</b> <ul style="list-style-type: none"> <li>Currently promoting the commercialization of porous titanium material (WEBTi)</li> <li>Currently considering new business projects as a follow-through</li> </ul>	<ul style="list-style-type: none"> <li>Commercialization of WEBTi via the New Materials Division</li> <li>Increase production capacity in line with business expansion</li> <li>Plan and develop new business themes at the Technology Strategy Department and Technology Development Center</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of the WEBTi business</li> <li>Creation of more new businesses</li> </ul>	<p>Net sales of around 10 billion yen</p>
<p>Promotion of ESG Management →p.29</p>			<p>Toward solving materialities</p>