Vision for 2030 and the Positioning of the Medium-term Management Plan

Vision for 2030 (BE2030)

Creating advanced materials and technologies, becoming a highly profitable company that is flexible to environmental changes, and contributing to the development of a highly recycling-oriented society

Vision by Business Segment Global sales share of titanium TOP sponge for aircrafts Net sales 10 billion yen scale Ordinary profit to net sales 10% or more Titanium **New Business** Business Catalyst Chemicals Business Nickel powder domestic Ordinary profit to net **20%** or more Ordinary profit to 15% or more PP catalyst global TOP3

FY2030 target

	FY2030
Net sales	170 billion yen
Ordinary profit	25 billion yen
ROE	10% or more
ROIC	10% or more
D/E ratio	Less than 1.0 times

Positioning of the Medium-term Management Plan Clarify and quantify our goals Recognize the gap between the current status and the 2030 Vision for target, develop a catch-up strategy to close the gap, and incorporate the 3 year action plan into the FY2023-2025 2030 Medium-term Management Plan The gap Catch-up Strategy Action plan

Progress of the FY2023-2025

Medium-term Management Plan

Titanium Business	
Catch-up Strategy	Optimize titanium sponge price levels Increase processing margin due to increased production of titanium ingots Increase capacity through partial improvement of titanium sponge equipment (Wakamatsu/Chigasaki Plants) Consider construction of a new plant that can ensure profitability Improve labor productivity by 30%
Major Measures for FY2023- FY2025	Apply a price formula linked to cost fluctuations Increase titanium sponge production capacity at the Wakamatsu/Chigasaki Plants (3,000 tons per year) Full operation of the Saudi Arabia sponge plant (ATTM)

FY2023 progress

- The measures listed in the Medium-term Management Plan have generally progressed as planned.
- Although titanium sponge production continues to be at full capacity, titanium ingot production is becoming more difficult owing to the slowdown in the Chinese economy. Responding to such environmental changes will be an issue to be addressed in the future

Catalyst Business

Catch-up

- · Improvement of production technology at the Kurobe/ Chigasaki Plants (approximately 40% increase compared to the current production capacity) · Increase production capacity by constructing a new plant (approximately 30% increase compared to the
- current production capacity) · Aggressive market development by improving catalyst
- 30% improvement in labor productivity

Major Measures for FY2023-FY2025

- Increase production capacity through improvements in production technology and other areas (approximately 6% increase compared to the current production
- Formulate a plan to increase capacity by constructing a

FY2023 progress

- Since the formulation of the Medium-term Management Plan, the business environment has changed significantly, and the prospects for achieving the targets for both net sales and ordinary profit in the final fiscal year are grim.
- During the Medium-term Management Plan period, we will make sure to lay the groundwork for market recovery after

Chemicals Business Increase production capacity by operating the 5th plant (approximately 40% increase compared to the current production capacity, upon completion) Catch-up Create concrete plans for the next expansion investment Strategy (approximately 30% increase compared to the current production capacity) Improve labor productivity by 30% Maior Increase production capacity by operating the 5th plant Measures (scheduled for FY2025) (approximately 20% increase for FY2023compared to the current production capacity) FY2025

FY2023 progress

- Achievement of the Medium-term Management Plan targets, which is based on substantial growth, is in an extremely difficult
- The first task is to ensure a solid recovery of earnings in FY2025 and thereby return to the growth path initially assumed in FY2026.

New Materials Business Catch-up Expand WERTi business Strategy Create new businesses Commercialize WEBTi via the New Materials Division Major Increase production capacity in line with business Measures · Plan and develop new business themes at the Technology Strategy Department and Technical for FY2023-

FY2023 progress

FY2025

• Continue to promote commercialization of porous titanium

Development Center

- (Efforts to build production capacity and expand the customer
- Consideration of commercialization of other new business projects currently being pursued at the same time

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