

Progress of the FY2023-2025 Medium-term Management Plan

The three-year Medium-term Management Plan, which began in FY2023, includes a three-year action plan to achieve the Vision for 2030 (BE2030). With FY2025 being the final fiscal year of the plan, we will focus on addressing the challenges we face.

	Titanium Business	Catalyst Business		Chemicals Business	New Materials Business	
Catch-up Strategy	<ul style="list-style-type: none">Optimize titanium sponge price levelsIncrease processing margin due to increased production of titanium ingotsIncrease capacity through partial improvement of titanium sponge equipment (Wakamatsu/Chigasaki Plants)Consider construction of a new plant that can ensure profitabilityImprove labor productivity by 30%	<ul style="list-style-type: none">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 performance30% improvement in labor productivity		<ul style="list-style-type: none">Increase production capacity by operating the 5 plant (approximately 40% increase compared to the current production capacity, upon completion)Create concrete plans for the next expansion investment (approximately 30% increase compared to the current production capacity)Improve labor productivity by 30%	<ul style="list-style-type: none">Expand WEBTi® businessCreate new businesses	Catch-up Strategy
Major Measures for FY2023-FY2025	<ul style="list-style-type: none">Apply a price formula linked to cost fluctuationsIncrease titanium sponge production capacity at the Wakamatsu/Chigasaki Plants (3,000 tons per year)Full operation of the Saudi Arabia sponge plant (ATTM)Improve titanium ingot production efficiency	<ul style="list-style-type: none">Increase production capacity through improvements in production technology and other areas (approximately 6% increase compared to the current production capacity)Formulate a plan to increase capacity by constructing a new plant		<ul style="list-style-type: none">Increase production capacity by operating the 5 plant (scheduled for FY2025) (approximately 20% increase compared to the current production capacity)	<ul style="list-style-type: none">Commercialize WEBTi® via the New Materials DivisionIncrease production capacity in line with business expansionPlan and develop new business themes at the Technology Strategy Department and Technical Development Center	Major Measures for FY2023-FY2025
Progress in FY2024	<ul style="list-style-type: none">The main measures set forth in the Medium-term Management Plan have generally progressed as planned. Sales for aircraft remained strong. Sales of high-purity titanium for semiconductors were recovering, although sales for general industrial applications were weak.Amid intensifying price competition, it is essential to shift to a business that differentiates itself in terms of quality.	<ul style="list-style-type: none">Production volume of our customers in China's neighboring countries was sluggish due to increase in China's export volume resulting from new entry and production increase of Chinese PP manufacturers. Overall sales were on a recovery trend in other regions, partially thanks to a pickup in demand. However, sales were significantly less than the initial target of the Medium-term Management Plan.We will focus on developing high-performance catalysts and increasing production capacity to improve profitability.		<ul style="list-style-type: none">Demand for ultra-fine nickel powder for MLCC, which had been affected by China's economic slump, started to recover, albeit lacking momentum. However, sales prices declined due to the weak nickel price.As competition is expected to intensify, we will focus on shortening development lead times and increasing production capacity.	<ul style="list-style-type: none">The WEBTi® business is unlikely to expand before 2028, as demand for PEM water electrolyzer is not really picking up. Other new business projects are being studied as planned.While preparing for the global expansion of the WEBTi® business, we will accelerate the development of global human resources.	Progress in FY2024

Value Provided

The Toho Titanium Group's products are used in a wide range of markets, including aircraft, chemicals, telecommunications equipment, medical care, and automobiles.



Aircraft
In addition to being used in aircraft engines, our products are widely used in body materials to reduce aircraft weight and improve fuel efficiency.



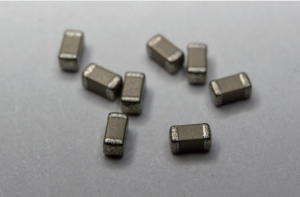
Industry
Titanium, which is resistant to corrosion even in environments where it is exposed to chemicals and seawater, is widely used in LNG plants, seawater desalination plants, and chemical plants.



Construction
Titanium is used as a material for building components that require long-term durability and earthquake resistance, such as roofing materials for temples, shrines, and public buildings.



Automobile and motorcycle
Catalysts for polypropylene production are used in a wide range of industries, including food containers, packaging materials, hygienic consumer materials, and automotive interiors and exteriors.



Electronic materials
Ultra-fine nickel powder is used in MLCC, which is embedded in many electronic devices, such as smartphones, cars, and home appliances.



Health and wellness
High-purity titanium oxide is approved as an additive for pharmaceuticals, such as film coatings of tablets, and is used by many pharmaceutical companies.



Marine civil engineering
Our products are used as a construction material for public facilities such as the pier for Haneda Airport runway and the Tokyo Wan Aqua-Line Expressway, supporting important urban infrastructure.