

Vision for 2030

FY2023-2025 Medium-Term Management Plan

May 8, 2023

1. Vision for 2030

Restructuring the Vision for 2030

- ◆ In 2022, we adopted the basic policy of "promoting ESG management." This involves solving social issues surrounding the company and its stakeholders through its business activities. The aim is to share the idea of contributing to the sustainable development of society throughout the company.
- ◆ In 2023, we will celebrate the 70th anniversary of our founding. From a longer-term perspective, we will strive to contribute to corporate management and society, and we will be conscious of the "100-year company."
- ◆ Accordingly, in addition to updating the "Vision for 2030," which is a milestone, we have decided to restructure it with a new goal in order to foster a sense of unity by bundling the vectors of the entire Group together.



Promotion of ESG management



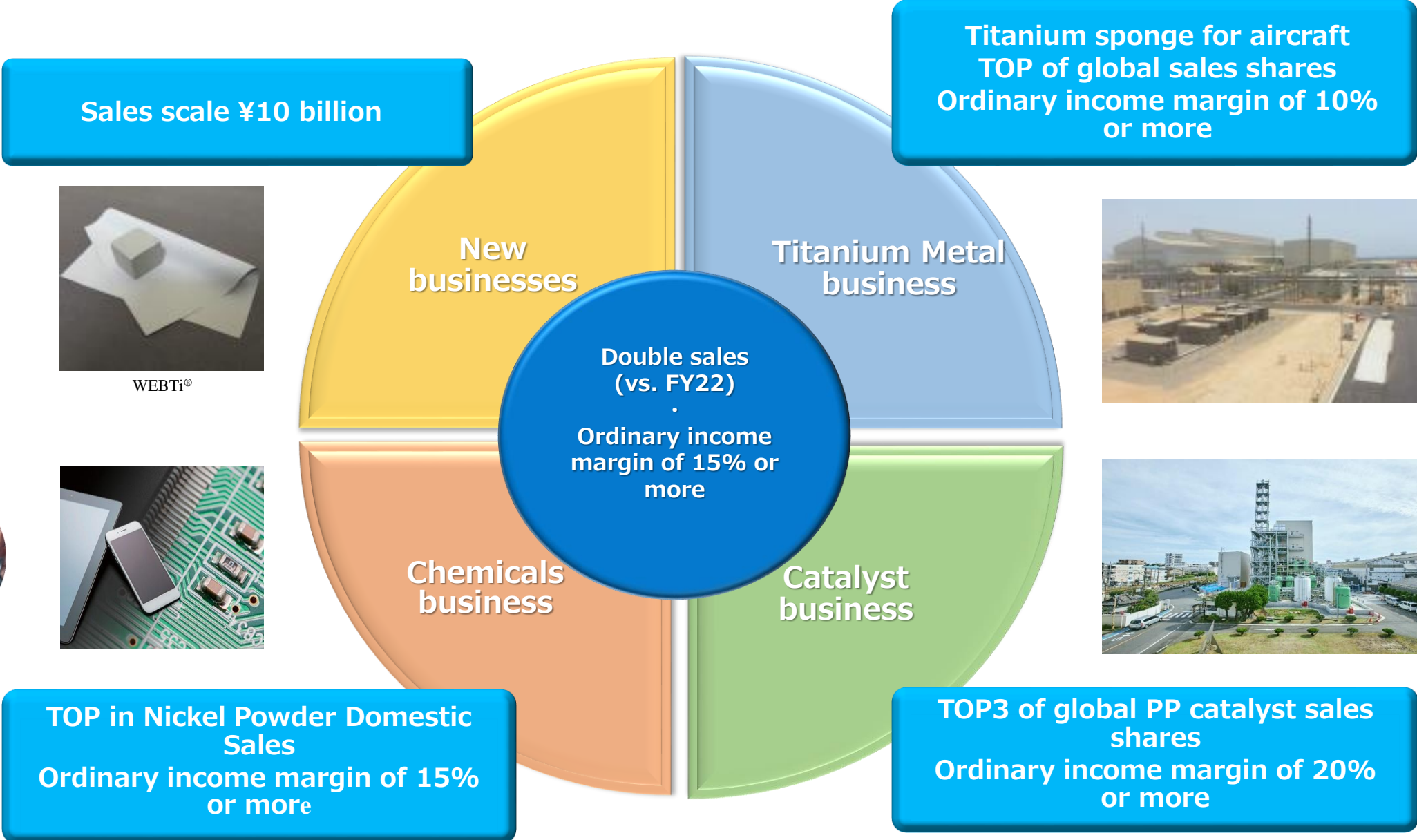
**By creating advanced materials and technologies
Have flexibility to change the environment
As a highly profitable company
Contribute to the development of a highly recycling-oriented society**

[Catchphrase]

**Beyond Expectations!
"BE2030"**

※ Beyond Expectations 2030

Vision by Business in 2030



Targets for FY2030

Net sales : Approx. 2 times compared to FY2022
Ordinary Income : Return on Sales (ROS) 15% or more

(Billions of yen)

	FY2030	[ROS] (15%)	(Reference) FY2022
Net sales	170		80
Ordinary income	25		11
ROE	10% or more		15%
ROIC	10% or more		8%
D/E ratio	Less than 1.0 times		0.84

2.2023-2025 Medium-Term Management Plan

Positioning of the FY2023-2025 Medium-Term Management Plan



Vision by Business Segment and Key Measures in the 23-25 Medium-Term Management Plan

1	Titanium Metal Business	Business environment estimation The aircraft industry is expected to grow at an annual rate of about 4%
2030 Vision	<ul style="list-style-type: none"> ◆ TOP of global sales of titanium sponge for airplanes ◆ Ordinary income margin of 10% or more 	
Current situation	<ul style="list-style-type: none"> ◆ 3rd place in the world market share for titanium sponge ◆ Ordinary income margin below zero excluding inventory impact in the previous fiscal year 	
Catch Up strategy	<ul style="list-style-type: none"> ◆ Optimization of sponge titanium price level ◆ Increase in processing margin due to increased production of titanium ingots ◆ Increase capacity by partial improvement of titanium sponge (Wakamatsu/Chigasaki Plant) ◆ Considering the construction of a new plant capable of securing profitability ◆ 30% improvement in labor productivity 	
23-25 Key Measures	<ul style="list-style-type: none"> ◆ Price formula linked to cost fluctuations ◆ Increase production capacity of titanium sponge at Wakamatsu/Chigasaki Plant (3kt/ year) ◆ Saudi Ponge Plant (ATTM) full-scale operation ◆ Improvement of titanium ingot production efficiency 	

Vision by Business Segment and Key Measures in the 23-25 Medium-Term Management Plan

2	Catalyst Business	Business environment estimation	Polypropylene demand is expected to grow at an annual rate of about 4%
2030 Vision	<ul style="list-style-type: none"> ◆ TOP3 of PP Catalyst Sales Shares ◆ Ordinary income margin of 20% or more 		
Current situation	<ul style="list-style-type: none"> ◆ 5th in the global market for PP catalysts ◆ Ordinary Income to Net Sales 33% 		
Catch Up strategy	<ul style="list-style-type: none"> ◆ Improvement of production technology at the Kurobe and Chigasaki plants (approximately 40% increase compared to the current production capacity) ◆ Increase production capacity by constructing a new plant (approx. 30% increase compared to current production capacity) ◆ Develop aggressive markets by enhancing catalyst performance ◆ 30% improvement in labor productivity 		
23-25 Key Measures	<ul style="list-style-type: none"> ◆ Increase production capacity by improving production technology, etc. (approx. 6% increase compared to current production capacity) ◆ Formulated a plan to increase capacity by constructing a new plant 		

Vision by Business Segment and Key Measures in the 23-25 Medium-Term Management Plan

3

Chemicals Business

Business environment estimation

MLCC demand is expected to grow at an annual rate of about 7%

2030
Vision

- ◆TOP in Nickel Powder Domestic Sales
- ◆Ordinary income margin of 15% or more

Current
situation

- ◆3rd place in the domestic market share for nickel powder
- ◆Ordinary income margin excluding inventory valuation gains/losses: 12%

Catch
Up
strategy

- ◆Increase production capacity by starting operation at the fifth plant (Approx. 40% increase compared to current production capacity at total completion)
- ◆Concrete investments for the next fiscal year (approx. 30% increase compared to the current production capacity)
- ◆30% improvement in labor productivity

23-25 Key
Measures

- ◆Expansion of production capacity by the 5th plant (scheduled for FY25)
(Approx. 20% increase compared to current production capacity)

Vision by Business Segment and Key Measures in the 23-25 Medium-Term Management Plan

4

New businesses

2030 Vision

- ◆ Sales scale ¥10 billion

Current situation

- ◆ Progress in commercialization of titanium porous material (WEBTi®)
- ◆ New business projects under consideration following this

Catch Up strategy

- ◆ WEBTi® business expansion
- ◆ Creation of new businesses

23-25 Key Measures

- ◆ Commercialization of WEBTi® in the New Materials Division
- ◆ To increase production capacity in line with business expansion
- ◆ Planning and development of new business themes at the Technology Strategy Department and the Technology Development Center



Promotion of ESG management (Vision for environmental "E" and main measures in the 23-25 Mid-term Management Plan)

1 Contribution to Conservation of the Global Environment

Vision

Catch-up Strategy and Key Measures of the 23-25 Medium-Term Management Plan

Realization of a decarbonized society
 ★ 2030 CO₂ emissions: 150,000 t/y
 (▲ of 40% compared to fiscal 2018)

◆ Develop new titanium-based smelting techniques, CO₂ free power, introduce carbon neutral LNG, etc.
 *2025 CO₂ emissions: ▲ of 25% compared to 190,000 t/y(2018)

Development of environmentally friendly products
 ★ New materials and technological improvements that take the environment and safety into account, Multiple products by developing new visions

◆ Commercialization of WEBTi®
 ◆ Consider commercialization of new materials other than WEBTi®

Utilizing Sustainable Resources
 ★ For final disposal of waste in 2040
 50% reduction compared to FY2020

◆ Reuse of waste throughout the supply chain
 ◆ Promoting the recycling of raw materials and the effective use of waste

Promotion of ESG Management (Vision for Social "S" and Key Measures for the 23-25 Medium-Term Management Plan)



2 Contributing to Society and Realizing an Attractive Workplace

Vision	Catch-up Strategy and Key Measures of the 23-25 Medium-Term Management Plan
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Respect for human rights in the supply chain
 ★ Human rights of all people in the supply chain
 Respect

- ◆ Surveys and audits of human rights initiatives at suppliers
- ◆ To raise awareness of human rights among all employees

Coexistence with the local community
 ★ Social contribution and regional revitalization support

- ◆ Support for social contributions and regional revitalization at each business site
 (Support for local sports and cultural activities, joint volunteer activities with neighboring schools, and Acceptance of plant tours, etc.)

Improvement of occupational health and safety in the workplace
 ★ In the elimination of serious occupational accidents and in the health to create a work environment

- ◆ Maintenance of JISQ45100
- ◆ Development of various activities related to occupational safety and health based on JISQ45100

Diversity and inclusion
 ★ To create a workplace that takes into account diversity and inclusion

- ◆ Ratio of female managers: 20% or more
- ◆ Maintain female ratio of 20% or more among new graduates and mid-career hires

Promotion of ESG Management (Vision for Social "S" and Key Measures for the 23-25 Medium-Term Management Plan)



2 Contributing to Society and Realizing an Attractive Workplace

Vision	Catch-up Strategy and Key Measures of the 23-25 Medium-Term Management Plan
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Developing Positive Work Environment
 ★ To create a vibrant work environment

- ◆ Establishment of a personnel system that can respond to work style reforms
- ◆ Improvement of treatment conditions
- ◆ Identify and implement areas for improvement by continuously conducting employee satisfaction surveys

Human Resource Development
 ★ Human resources for implementing the long-term vision and Organizational building

- ◆ Aggressive recruitment of highly specialized personnel
- ◆ Cultivate executives and core human resources through transfers based on succession plans, etc.

Strategic DX
 ★ For higher productivity by promoting automation and mechanization realized (30% increase in labor productivity)

- ◆ Formulation of company-wide DX promotion vision/establishment of promotion system
- ◆ Recruitment and development of human resources using data
- ◆ To raise DX literacy companywide

Renovation of Chigasaki and investment in intrinsic safety
 ★ Conversion to urban-type regional symbiotic hubs, Zero accidents

- ◆ Improvement of office buildings and the vicinity of the main gates, renewal of aging facilities, etc.
- ◆ 100% implementation of risk assessment for achieving zero accidents and investment in safety measures

Promotion of ESG Management (Vision for Governance “G” and Key Measures in the 23-25 Medium-Term Management Plan)



3 Strengthening our management base

Vision	Catch-up Strategy and Key Measures of the 23-25 Medium-Term Management Plan
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Enhancement of corporate governance
 ★ Steady operation of the Corporate Governance Code

- ◆ Development and disclosure of transition plan for decarbonisation
- ◆ Appropriate response to disclosure requirements

Thorough Compliance
 ★ Zero compliance violations

- ◆ Raising employee awareness of compliance issues
- ◆ Identify issues and raise awareness specific to the workplace

Promotion of risk management

- ◆ Firm implementation of company-wide risk management
- ◆ PDCA by the risk-management committee
- ◆ Optimization of asset efficiency

Results of the 23-25 Medium-Term Management Plan

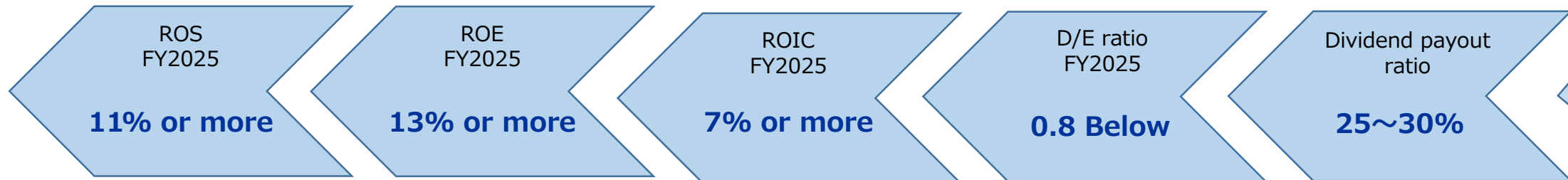
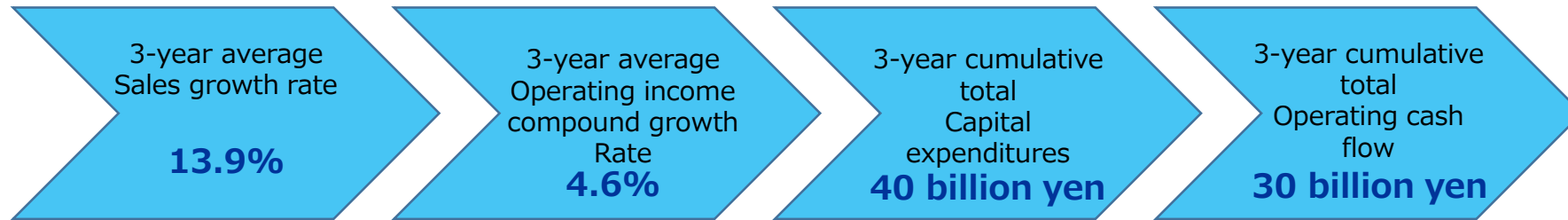
(1) Net Sales, Operating Income, etc.

(Billions of yen)

	FY2023	FY2024	FY2025
Net sales	83	107	120
Titanium Metal	59	67	72
Catalyst	10	13	15
Chemicals	14	26	30
New businesses	1	1	3
Operating income	5	10	13
Titanium Metal	2	5	6
Catalyst	3	3	4
Chemicals	1	3	4
New businesses	▲0	0	1
Common etc.	▲2	▲1	▲2
ROS	5%	9%	11%
ROE	5%	11%	13%
ROIC (non-consolidated)	3%	6%	7%
D/E ratio	1.0	0.9	0.8

(2) Financial Indicators and Shareholder Returns

Sustainable enhancement of enterprise value



Strong Financial Base and Enhancement of Shareholder Returns

Management Philosophy

The Toho Titanium Group pursues the infinite possibility of titanium and the related technologies, and contributes to building a sustainable society by continuously supplying excellent products and services.

Fundamental Policies

To put our Management Philosophy into practice, we adhere to the following three Fundamental Policies:

1. We give the highest priority to safety and compliance and operate a healthy and fair business.
2. We practice innovation and creativity to achieve continuous growth for our employees and organization.
3. We enhance communication with all stakeholders including customers, local communities, and shareholders, to develop relationships of mutual trust and symbiosis.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This material contains "forward-looking statements" related to future events, such as our expectations on future business and financial performance and financial conditions, which reflect the management's views and assumptions derived from information that is currently available, and are subject to risk and uncertainties. All statements other than statements of historical facts are statements that could be considered forward-looking statements. When used in this material, words such as "believe", "estimate", "expect", "intend", "may", "plan", "project", "target", "will" or "would" and similar expressions, as they relate to Toho, are intended to identify forward-looking statements.

Many factors could cause the actual results, performance or achievements to be materially different from any future performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptance of new products by Toho's targeted customers, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, both referenced and not referenced in this material.

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