

## The 4th Medium-Term Management Plan of the group (Basic Policy and Progress)

### Basic policy and numerical targets

In all business segments, we will cultivate existing businesses, develop new businesses, and expand global business to achieve our “Vision2030.” We will also work proactively to solve environmental and other social issues and enhance our corporate value.

**Vision 2030**

To create new value and contribute to the creation of a sustainable society through surface modification technologies

### Promoting sustainability-oriented management

Growth  
strategies

Solving social  
issues

Corporate  
innovation

### Period of the Group's 4th Medium-Term Management Plan

Foundation to  
March 2022

April 2022 to March 2025

To March 2031

The first growth stage  
focuses on metal surface  
treatments.

Building a foundation for the achievement of  
“Vision2030”

We will continue to be a  
company that is trusted by  
our customers and society  
and that continues to grow  
through the resolution of  
social issues.

### Numerical targets (fiscal year ending March 31, 2025)

Net sales ¥130 billion	Operating income ¥16.9 billion	Ordinary income ¥19.5 billion	ROE 8% to 10% or more
Chemicals: ¥56 billion / Engineering: ¥20 billion/ Toll processing: ¥52 billion / Other: ¥2 billion	Operating income to net sales ratio 13% or more	Ordinary income to net sales ratio 15% or more	

### Results (FY2024/3)

Net sales ¥125.0 billion	Operating income ¥15.2 billion	Ordinary income ¥19.9 billion	ROE 7.5%
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In the fiscal year ended March 31, 2024, we achieved gains in sales and income, partly due to a gradual recovery in sales combined with the effects of price increases and a weaker yen. We forecast increased sales in the fiscal year ending March 31, 2025 as well. Although our operating income will fall short of the target, our net sales and ordinary income are expected to reach the targets set out in our Medium-term Management Plan.

### Progress

In the fiscal year ended March 31, 2024, which is the second year under the 4th Group Medium-Term Management Plan (from the fiscal year ended March 31, 2023, to the fiscal year ending March 31, 2025), signs of recovery in personal consumption and corporate production could be seen as social and economic activity continued to normalize. Our business results also showed significant gains in sales and income, partly due to a gradual recovery in sales combined with the effects of a weaker yen and price increases.

However, we are still facing stubbornly high raw materials and energy prices and exchange rate volatility. We will, therefore, push ahead with price increase activities and pursue improvement in productivity to generate adequate profit margins for achieving our medium-term management plan targets. In addition, we decided to make Parker Processing Co., Ltd., the core subsidiary in our domestic processing business, a wholly-owned subsidiary through a share exchange. We will proceed with business restructuring, including the reorganization of the group, to maximize group synergy.

Furthermore, for the realization of Vision 2030, in overseas markets with strong economic growth potential, such as India and ASEAN countries, we will provide products, treatment services and technical support that meet the needs of customers in each region from a market-oriented perspective through the assignment of Regional Heads, the delegation of authority, and the promotion regional management, with the aim of achieving further expansion of overseas business. Moreover, under Vision 2030, we have set ourselves the goal of developing new businesses that account for 20% of our consolidated net sales and with “Challenges for Change” as our company policy, we will take up the challenge of developing new fields without being bound by preconceived ideas and customs.

