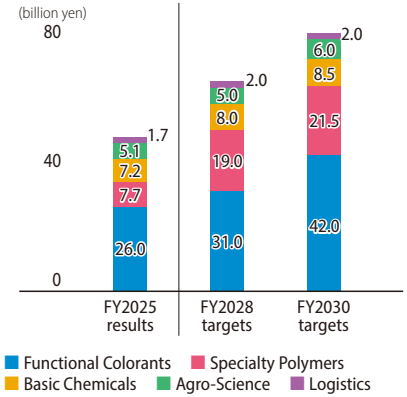
Pillars of the Growth Strategy under the Mid-term Management Plan

Under the new Mid-term Management Plan, we are confronting the issues identified under the previous Mid-term Management Plan and aim to achieve discontinuous growth under our new VISION: "Refining Originality, Co-creating the Future: With our pioneering DNA of Honpo Koshi, we create value and turn dreams into reality." To realize this VISION, we have established three strategic pillars: Business Strategy, which prioritizes speed in investment; Financial Strategy, which aims to improve capital returns and strengthen shareholder returns; and Non-financial Strategy, which advances human capital management and environmental conservation. Through the execution of these strategies, we will work toward achieving our FY2030 targets.

Business Strategy

While securing stable sources of earnings in our core domains, we will actively invest in the Functional Colorants Segment, which we position as a growth business. During the period of the Mid-term Management Plan, we aim to return the Specialty Polymers Segment to profitability at an early stage while expanding into new business domains for discontinuous growth, including the CDMO business for nucleic acid medicines and the semiconductor materials business.

Net sales



Segment	Focus businesses
Functional Colorants	OLED (continuous) Colorant materials (continuous + discontinuous: new domains) Bio - diagnostic oligonucleotides (continuous) Bio - CDMO for nucleic acid medicines (discontinuous: new domain) Semiconductor materials (discontinuous: new domain)
Specialty Polymers	Specialty chemicals (continuous + discontinuous) Polymer materials (continuous + review)
Basic Chemicals	Hydrogen peroxide (continuous + discontinuous)
Agro-Science	Agrochemicals: Herbicides (continuous) Agricultural materials: Peroxide-based materials (continuous)
Logistics	ISO tank container storage (continuous)

Shift to leveraged business strategy and management: "Honing Our Originality, Unlocking New Possibilities through Co-creation"

- Shift the investment paradigm and promote co-creation to support discontinuous growth; accelerate execution of the "buying time" strategy
  - Place the highest priority on investment speed, put versatile and scalable capacity in place in advance, and accurately capture business opportunities
  - Accelerate strategic alliances and M&A: acquire proven management resources to "buy time" for business launches and rapidly establish a market position in the relevant business domains
  - Leverage open innovation in R&D: co-creation with external research institutions, etc.
  - Pursue strategic patent management and licensing: achieve early commercialization through the use of external resources and lay multiple strategic footholds in promising technology domains, etc.
- Expand into new business domains: the CDMO business for nucleic acid medicines, the semiconductor materials business, and other areas through the application of original technologies cultivated in existing businesses and the introduction of external resources

Reinforcing our "Three-in-One" integrated R&D, production, and sales model: Accelerating value creation by enhancing collaboration across functions

Financial Strategy

To achieve ROE above the cost of capital, we will make proactive growth investments while providing stable and appropriate dividends. During the period of the Mid-term Management Plan, we will continue our policy of increasing dividends and plan to provide shareholder returns with a DOE of 3.0% or higher in FY2030. We plan to pay total dividends of 6.0 billion yen or more from FY2026 through FY2030.

Achieve capital returns above the cost of equity

- Implement fundamental measures to address unprofitable businesses
- Implement capital policies that balance capital efficiency and growth potential: optimize assets through a review of holdings, including strategic shareholdings
- Strengthen shareholder returns: continue dividend increases and, through progressive dividends, provide shareholder returns with a DOE of 3.0% or higher in FY2030

Non-financial Strategy

To preserve the global environment, we will focus on addressing climate change and promoting environmentally friendly products, while also strengthening our human capital management initiatives. To realize our Management Philosophy, PURPOSE, and VISION, we regard human resources as a source of corporate competitiveness and the driving force behind sustainable growth, and view investment in human capital as a key management priority for enhancing corporate value.

Sustainability / ESG initiatives

- Preservation of the global environment: reduce CO_2 emissions and industrial waste
- Human capital management: introduce systems and initiatives to enhance engagement
- Contribution to local communities: continue giving back in recognition of our use of social capital
- Enhance Group governance: strengthen risk management and the BCP framework