

Updated  
Version  
in May 2023

# Medium-Term Management Plan “FUSO VISION 2025”

2023.5.11

# Agenda **Updated Version**

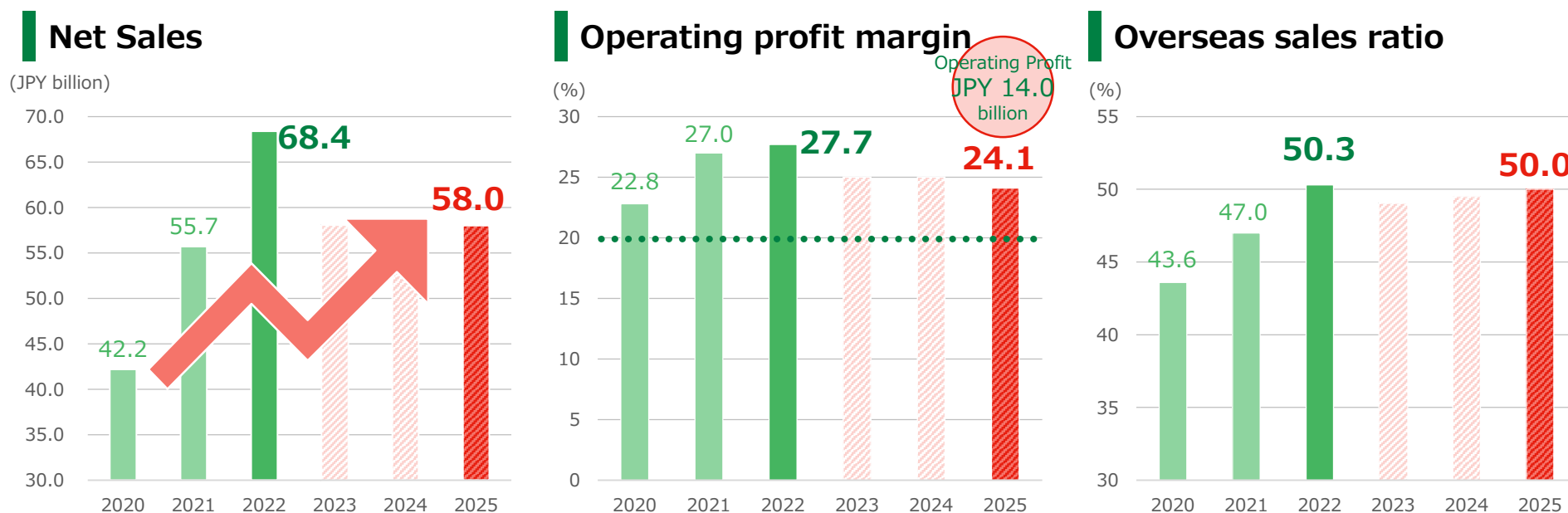
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- 1. Background for the revision to the  
Medium-Term Management plan..... 02**
- 2. New Management Targets for FY2025..... 03**

※ This document is a partial revision and update of the "Medium-Term Management Plan 'FUSO VISION 2025'" announced in May 2021. No changes have been made to the policies and contents other than those described in this document.

# 1. Background for the revision to the Medium-Term Management plan

Dizzying changes in the market environment had a positive impact on our business environment, and our business performance exceeded the initial assumptions made in the existing medium-term management plan.



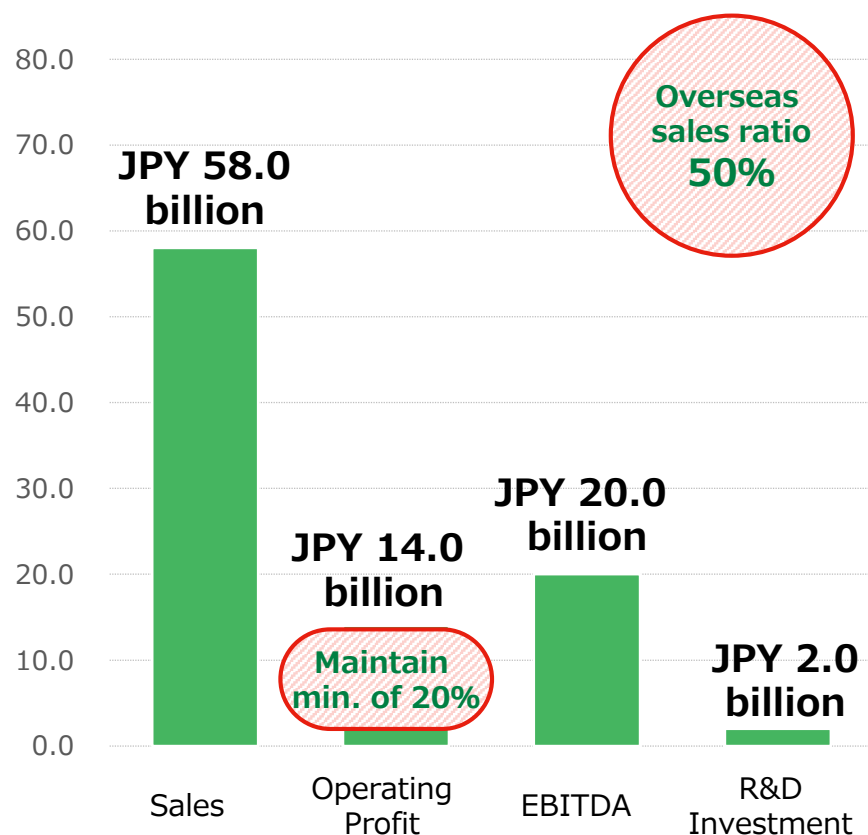
- **Foreign exchange rate : impact of sharp yen depreciation**  
Foreign exchange rate assumption for the existing plan : US\$1 = 107 yen
- **Market prices of raw materials have risen sharply**
- **Advances in semiconductor miniaturization**

## 2. New Management Targets for FY2025

Based on the progress of our business performance, we will set new medium-term management targets.

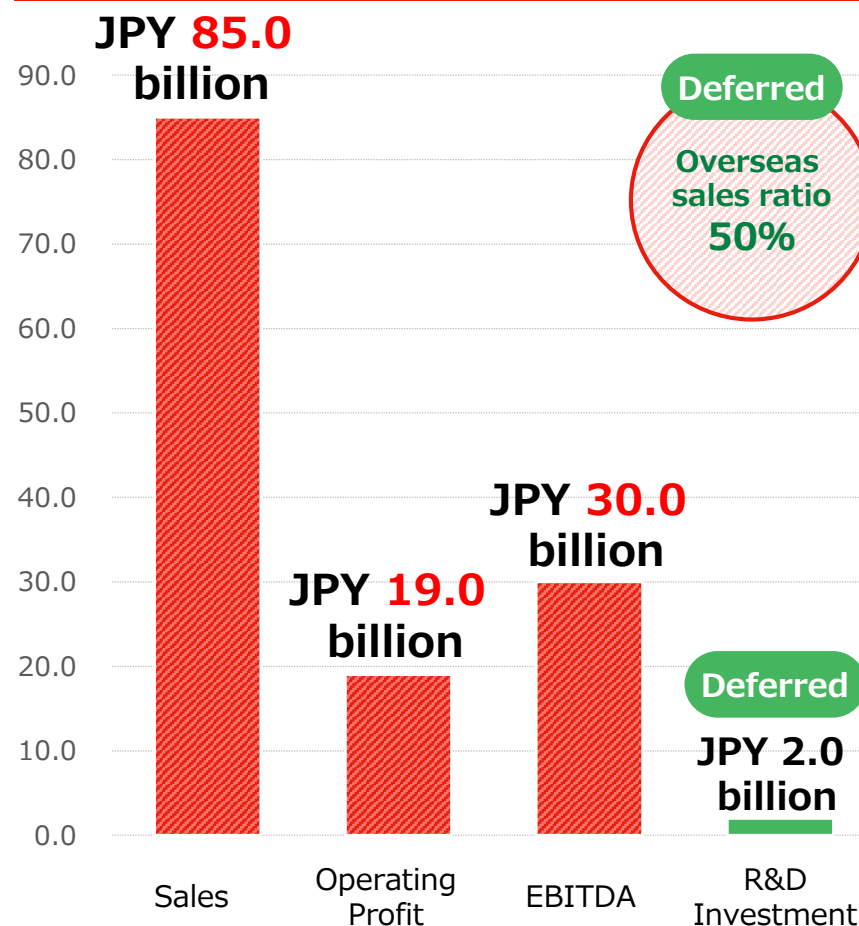
### Initial Plan

**FY2021~2025** ※Final Year



### Revised Plan

**FY2025** ※Final Year





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## Important Notice Regarding the Outlook

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The descriptions and figures stated in this material regarding the future outlook are based on information obtained from our group companies as of the present time as well as certain assumptions deemed to be reasonable. However, due to risks and other variables, we cannot guarantee the attainment of the targets stated herein. In addition, the actual performance may greatly vary in accordance with the economic climate surrounding the business, demand trends, exchange rate movements and other various factors.

# Reference

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Medium-Term Management Plan 'FUSO VISION 2025'  
announced in May 2021.

# Medium-Term Management Plan “FUSO VISION 2025”

2021.5.7

# 1. Long-Term Vision



# Management Philosophy

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Company Motto



**“Limitless Progress  
and Creation”**

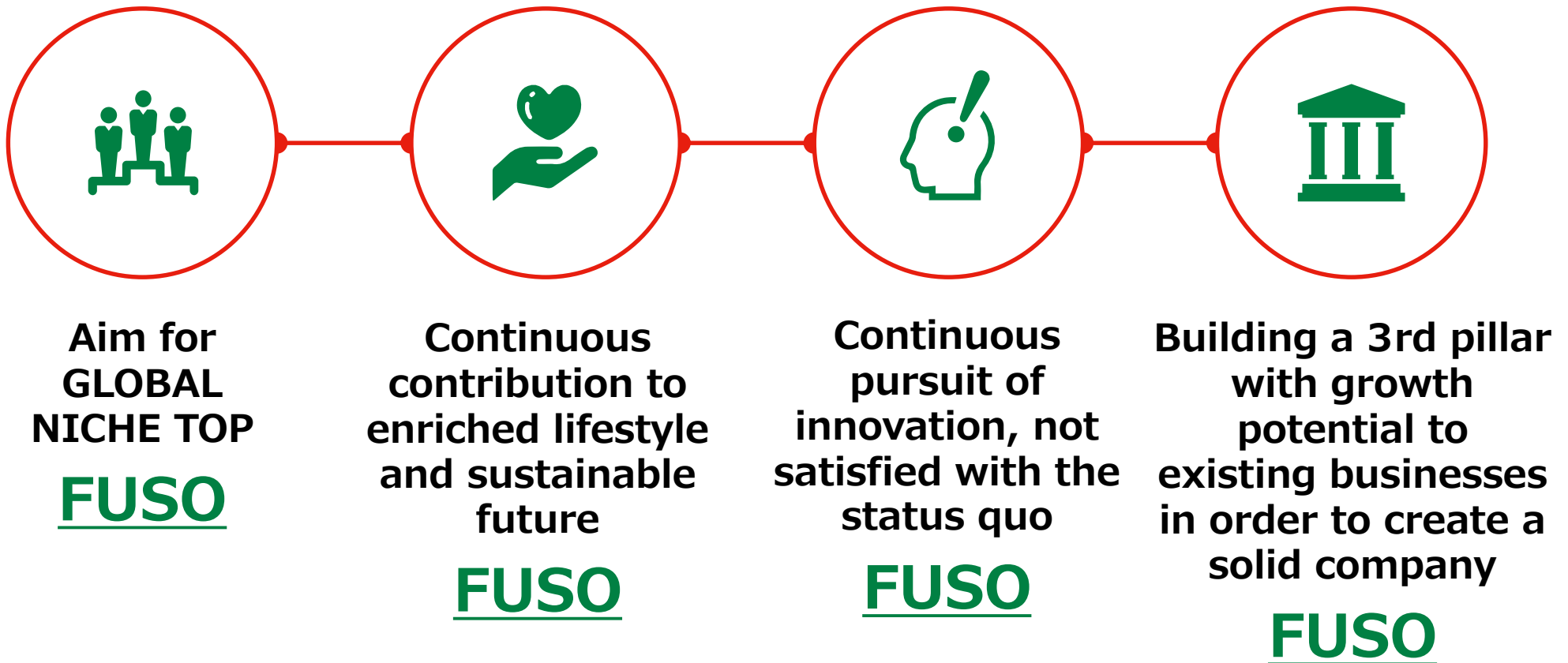


## Management Philosophy

- Value trust and make it a principle to be reliable
- Contribute to the nation and society through technology
- Achieve employee fulfillment through prosperous business

# Ideal Corporate Image

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## 2. Medium-Term Management Plan (5-year)

# Summary of “Medium-Term Management Plan”

## FUSO VISION 2025

Subtheme

To create **FUSO** that contributes to the solution of social issues

Term	2021-2025 (5-year medium-term plan)
Management target	Aim for sales JPY 58.0 billion, operating profit JPY 14.0 billion, EBITDA JPY 20.0 billion
Management Policy	<ol style="list-style-type: none"><li>1 Integrating growing demand into existing businesses and responding steadily thereto</li><li>2 Investing in and exploring new businesses and fields</li><li>3 Reinforcing the management base to support sustainable growth (SDG initiative)</li></ol>

# Medium-Term Management Policy



- 1 Integrating growing demand into existing businesses and responding steadily thereto

## Life Science Business Policy

### Market Environment

 Food	<ul style="list-style-type: none"><li>• Heightened problem awareness toward food waste/loss</li><li>• Growing interest in health</li></ul>
 Industry	<ul style="list-style-type: none"><li>• Heightened awareness toward SDGs</li></ul>
Common	<ul style="list-style-type: none"><li>• Shrinking domestic market</li><li>• Expanding overseas market</li></ul>

### Future Outlook

 Food	<ul style="list-style-type: none"><li>• Develop technology to make efficient use of limited food resources</li><li>• Development of technology to utilize unused resources as food</li><li>• Demand increase in Southeast Asia due to population growth and improved living standards</li></ul>
 Industry	<ul style="list-style-type: none"><li>• Continuous growth in electronic materials-related market</li><li>• Changes in demand structure due to the COVID-19 pandemic</li></ul>

## Business Policy

- Providing technology and products to adapt to social changes and contribute to the solution of social issues
- Continuously providing products that contribute to the enhancement of people's dietary, health, and living environment

# Medium-Term Management Policy

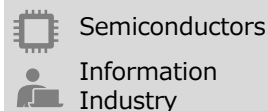
## Life Science

Priority Strategy	Further reinforcement of business structure and lineup expansion as the sole domestic comprehensive fruit acid manufacturer	Providing value to new Food Tech technology	Further strengthening of overseas business
Action	<ul style="list-style-type: none"> <li>Realization of FUSO fruit acid complex concept</li> <li>Development of high-purity products adapted to electronic materials</li> </ul>	<ul style="list-style-type: none"> <li>Proposal of effective food usage technology using FUSO products</li> <li>Development of high value-added product ingredients and food additive preparation</li> </ul>	<ul style="list-style-type: none"> <li>Development of local firms at various overseas bases</li> <li>Conformance to REACH regulations</li> </ul>
Goals	<ul style="list-style-type: none"> <li>Contribution to customer development through stable quality and supply</li> <li>Building of a solid position through value-added proposal-making capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to the solution of various social issues such as food loss reduction and food development</li> <li>Contribution to new-value food development</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to Southeast Asia's diverse food culture</li> <li>Brand power enhancement by new FUSO products entering the North American market</li> <li>Business development and application expansion in the European market</li> </ul>

# Medium-Term Management Policy

## Electronic Materials and Functional Chemicals Business Policy

### Market Environment

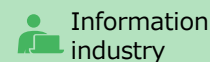


- Increased telecommuting due to the COVID-19 pandemic
- Growing demand for semiconductors due to the spread of 5G, IoT
- Increase in consumers who pursue convenience coupled with abundance
- Growing demand for low environmental load including low power consumption

### Future Outlook



Semiconductors



Information industry

- Growing demand for semiconductors due to the establishment of new lifestyle
- Growing demand due to miniaturization and multi-layering of semiconductor wiring
- Growing demand for advanced materials that support an increasingly sophisticated lifestyle
- Widespread use of materials enabling the reduction of environmental load

## Business Policy

- **Contribution to society through our highly-functional electronics sector with the development and production of advanced materials such as ultra-high-purity colloidal silica, etc.**

# Medium-Term Management Policy

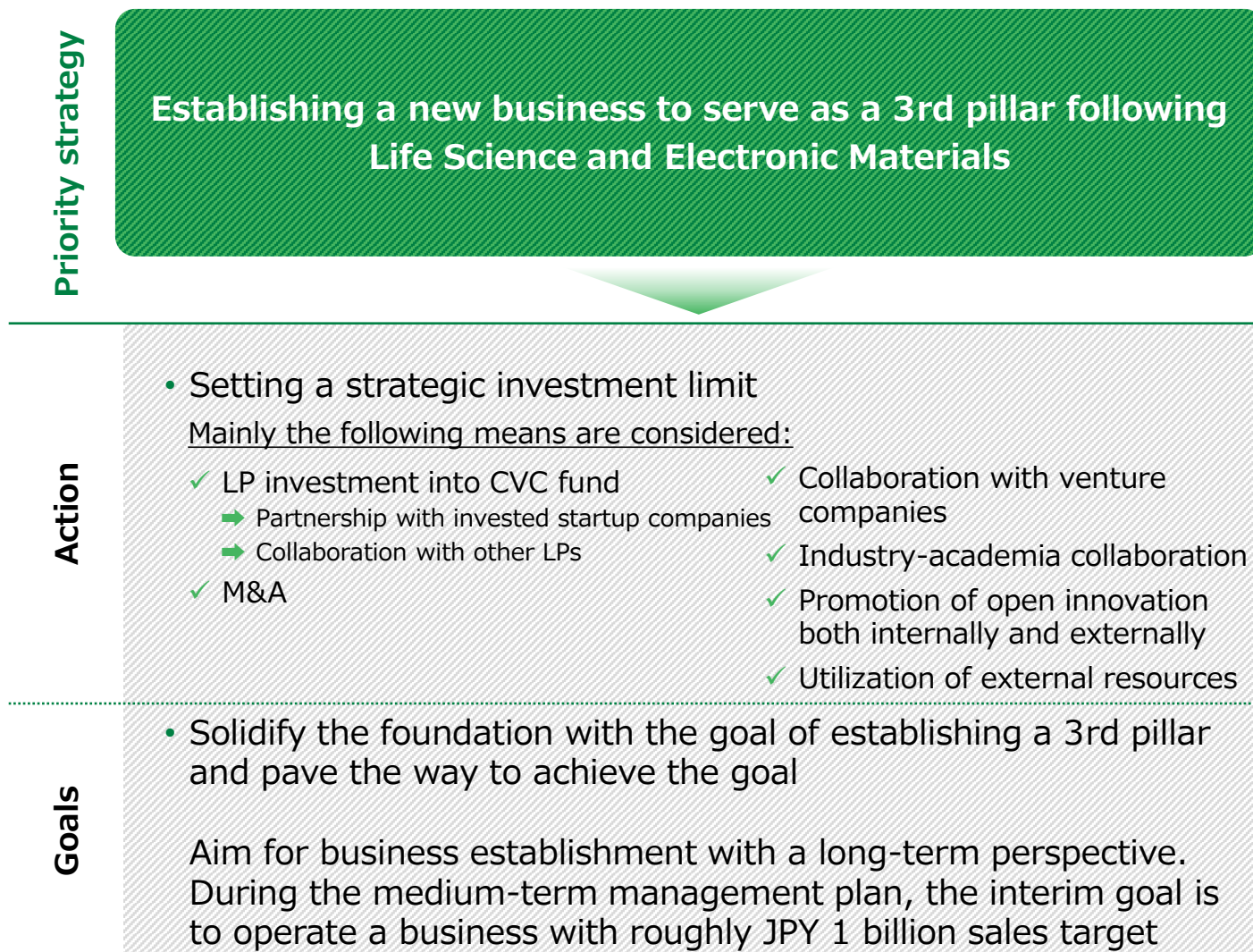
## Electronic Materials and Functional Chemicals

Priority strategy			
	<u>Semiconductors</u> Addressing expanding semiconductor needs such as AI, 5G, IoT and autonomous operations	<u>Information Industry</u> Development of high added-value materials with low environmental load and response to demand	<u>Functional Materials</u> Development of advanced materials with consideration to market needs and exploring new markets
Action	<ul style="list-style-type: none"> <li>Maximization of production efficiency to cope with growing demand; completion and operation of production capacity expansion at Kashima Plant</li> <li>Capacity enhancement of colloidal silica to address developments in wiring miniaturization and planarization</li> </ul>	<ul style="list-style-type: none"> <li>Grasping customer needs and technology trends</li> <li>Development of new materials ahead of other companies</li> </ul>	<ul style="list-style-type: none"> <li>Development of new technology and product line expansion</li> </ul>
Goals	<ul style="list-style-type: none"> <li>Becoming an indispensable existence for next-generation technology development such as AI, 5G, IoT and autonomous operations</li> </ul>	<ul style="list-style-type: none"> <li>Aiming to occupy the top share in new materials by building a mass production system ahead of other companies</li> </ul>	<ul style="list-style-type: none"> <li>Aiming to become the pioneer of advanced material development and to develop industry-standard materials</li> </ul>



# Medium-Term Management Policy

## 2 Investing in and exploring new businesses and fields



# Medium-Term Management Policy

## 3 Reinforcing the management base to support sustainable growth

### Promotion of diversity and awareness reform

#### Diversity

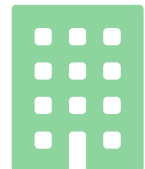
- Organizational climate conducive to innovation
- Workplace in which employees can reach their full potential (various potentials, values)
- Work system reform (self-expression, job satisfaction)



### Corporate responsibility, SDGs initiatives

#### ESG

- Further strengthening of corporate governance
- “Quantification of,” “visualization of” and commitment to non-financial goals



# Promotion of Diversity and Awareness Reform

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**1**

## **Organizational climate conducive to innovation**

- ✓ Corporate structure and organizational reform that encourage employees to undertake challenges
- ✓ Nurturing of next-generation leaders

**2**

## **Workplace in which employees can reach their full potential**

- ✓ Company in which various human resources can individually reach their full potential regardless of gender, age, educational background, place of residence or disability

**3**

## **Work system reform (self-expression, job satisfaction)**

- ✓ Diversity in working style such as telecommuting and staggered work hours
- ✓ Work Environment where employees can demonstrate their ability to the maximum limit, freely express themselves and find job satisfaction

# Corporate Responsibility, SDGs Initiatives

## Life Science

Reduction of food waste/loss through development of food materials and food additive preparations



- Conformance to effluent regulations, thus reducing the environmental load
- Promoting the reduction of industrial waste

## Electronic Materials

Through development and production of ultra-high-purity colloidal silica, we contribute to high-definition, high-performance devices, helping to develop the social infrastructure



- Reduction of landfill waste, thus contributing to the conservation of mountainous regions
- Energy conservation of the entire supply chain and CO2 reduction

## Administration Division

By means of a healthy and work-friendly environment, work productivity is achieved.



- Enhanced training and education system
- Unbiased evaluation and nurturing environment

**Revitalization of production base localities**

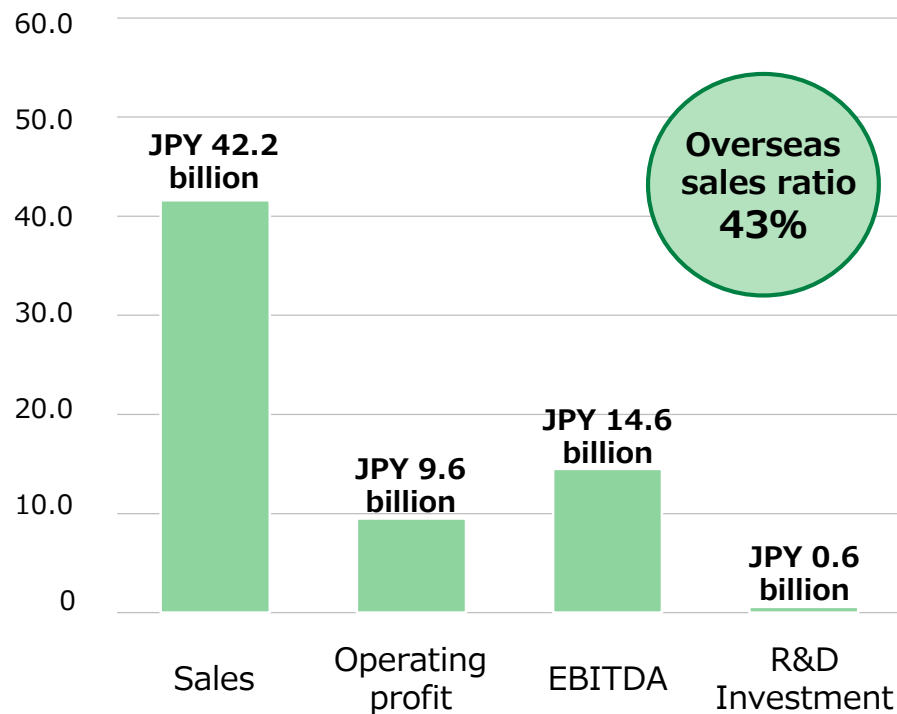
- Promotion of energy conservation at the production base
- Expanding the use of renewable energy

**Promoting capital investment and technological innovation through new product development, contributing to increased employment opportunities**

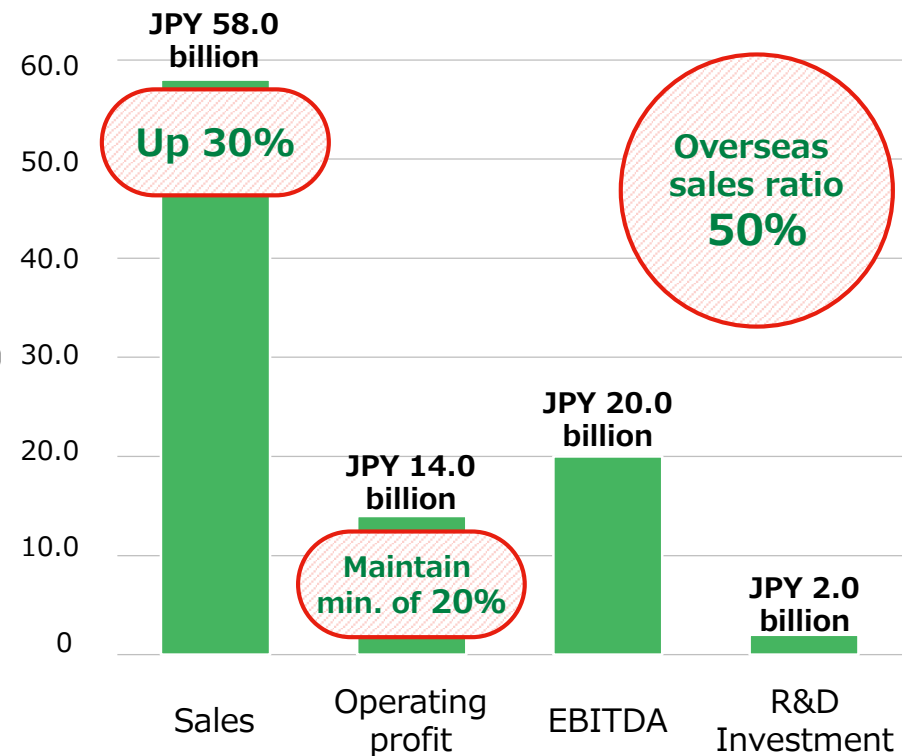
# Medium-Term Management Target (5-year Performance Target)

- ◆ Aim to achieve a 30% increase in sales
- ◆ Aim to secure an operating profit margin of 20% or higher
- ◆ Aim to achieve an overseas sales ratio of 50%

Fiscal 2020 (Performance for March 2021)



Fiscal 2021-2025※Final year





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