

Medium-Term Management Plan “FUSO VISION 2025”

2021.5.7

1. Long-Term Vision

Management Philosophy

Company Motto



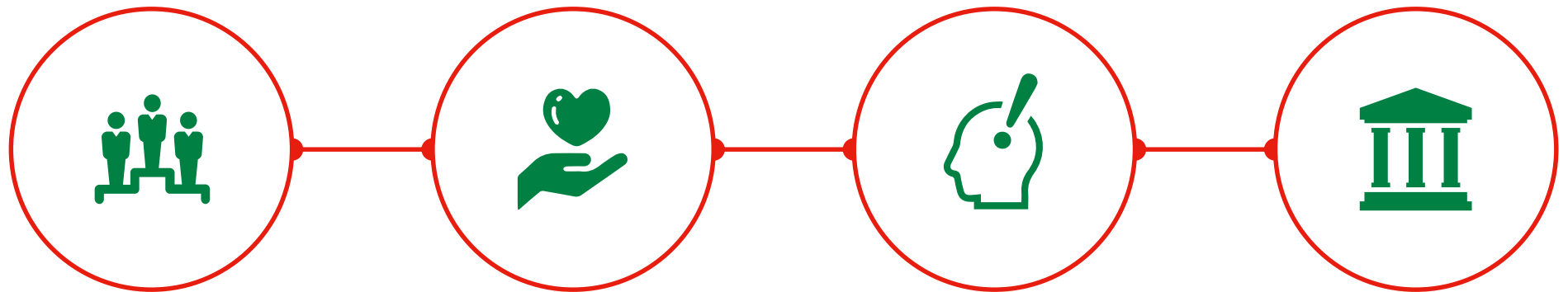
**“Limitless Progress
and Creation”**



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



**Aim for
GLOBAL
NICHE TOP**

FUSO

**Continuous
contribution to
enriched lifestyle
and sustainable
future**

FUSO

**Continuous
pursuit of
innovation, not
satisfied with the
status quo**

FUSO

**Building a 3rd pillar
with growth
potential to
existing businesses
in order to create a
solid company**

FUSO

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">1 Integrating growing demand into existing businesses and responding steadily thereto2 Investing in and exploring new businesses and fields3 Reinforcing the management base to support sustainable growth (SDG initiative) |

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

Future Outlook

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

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

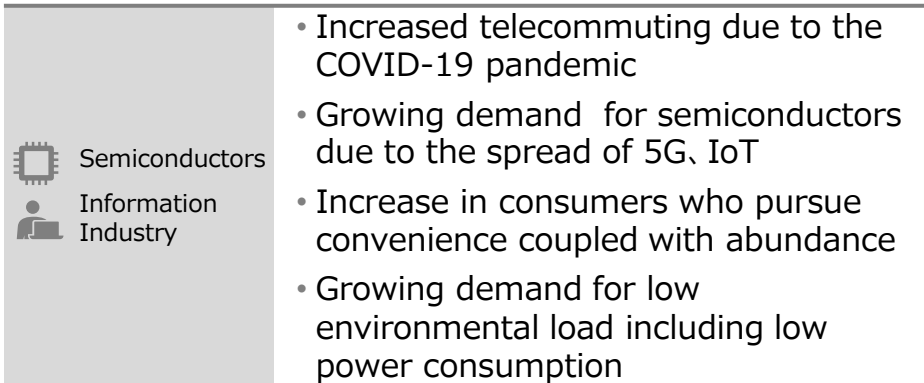
Life Science

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

Medium-Term Management Policy

Electronic Materials and Functional Chemicals Business Policy

Market Environment

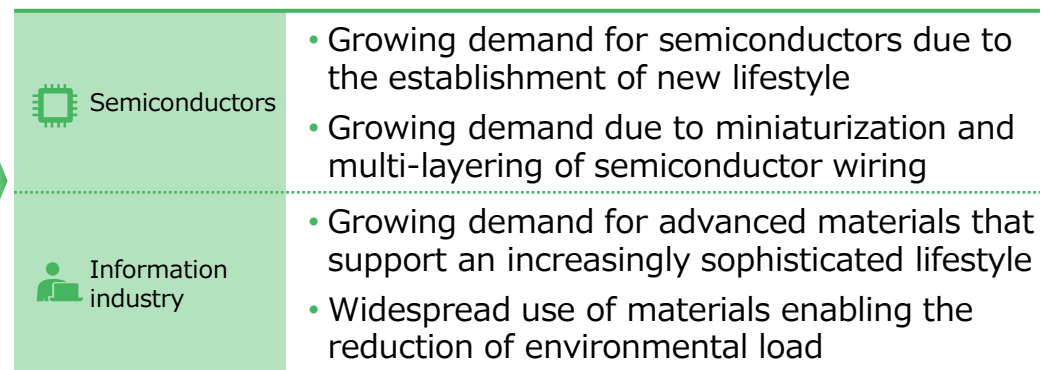


The Market Environment section features a grey background with a list of four bullet points on the right and a legend on the left. The legend includes a chip icon for 'Semiconductors' and a person/laptop icon for 'Information Industry'. A large green arrow points from this section towards the Future Outlook section.

- 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

Semiconductors
Information Industry

Future Outlook



The Future Outlook section features a light green background with a list of four bullet points on the right and a legend on the left. The legend includes a chip icon for 'Semiconductors' and a person/laptop icon for 'Information industry'. A horizontal dotted line separates the two legend items.

- 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

Semiconductors
Information industry

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.**

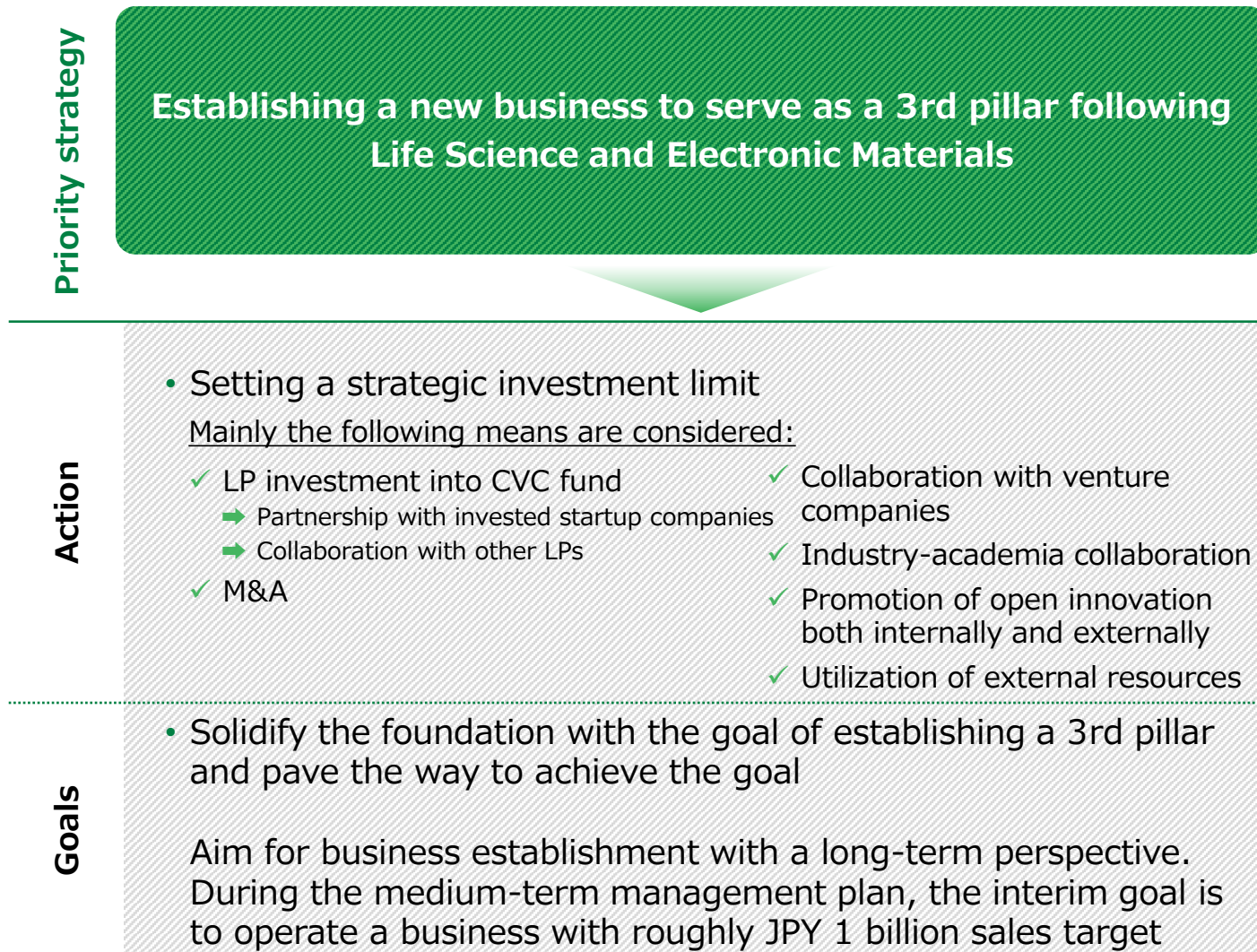
Medium-Term Management Policy

Electronic Materials and Functional Chemicals

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

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

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

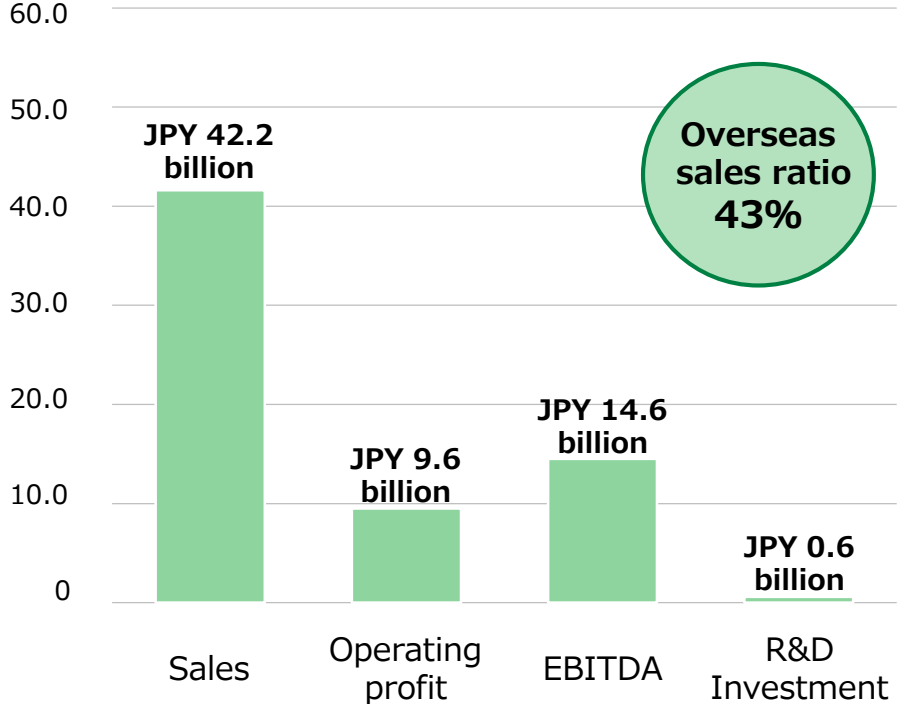
- Promotion of energy conservation at the production base
- Expanding the use of renewable energy

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

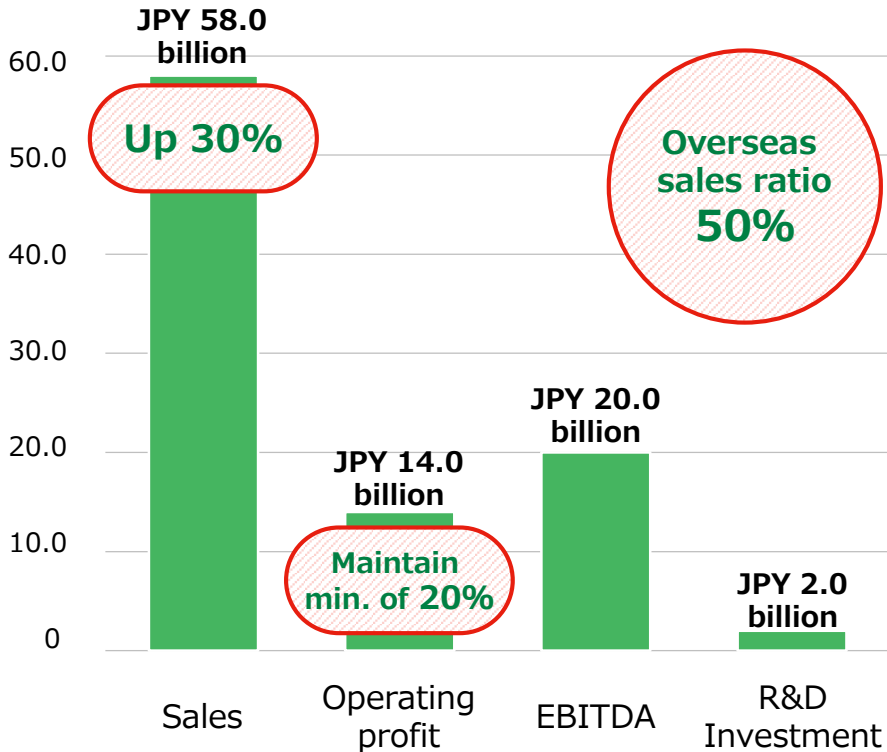
Medium-Term Management Target (5-year Performance Target)

- ◆ 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





Important Notice Regarding the Outlook

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.