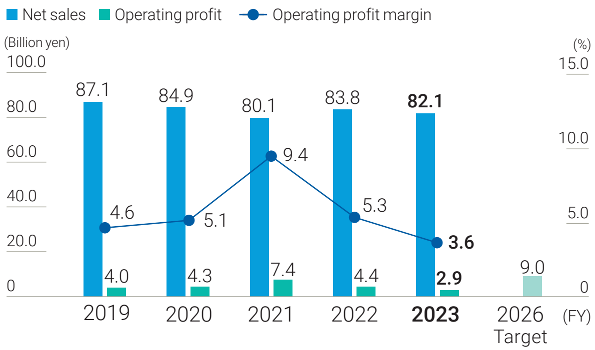
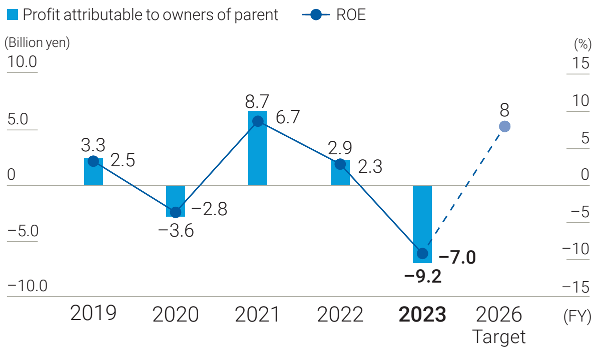
Net sales / Operating profit / Operating profit margin



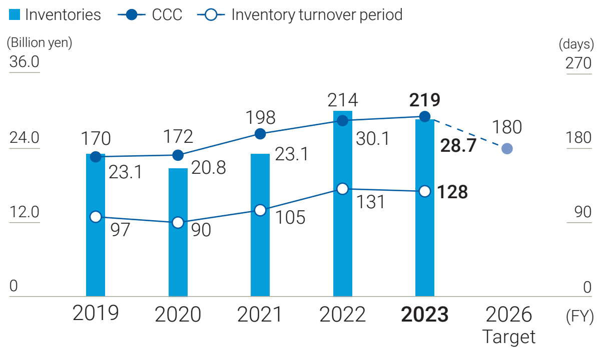
In fiscal 2023, we have maintained net sales by compensating for the decrease in sales volume with an increase in unit price. However, operating profit has decreased due to an increase in manufacturing costs caused by a decrease in factory utilization rate. Going forward, we will expand operating profit by significantly expanding our growth businesses.

Profit attributable to owners of parent and ROE



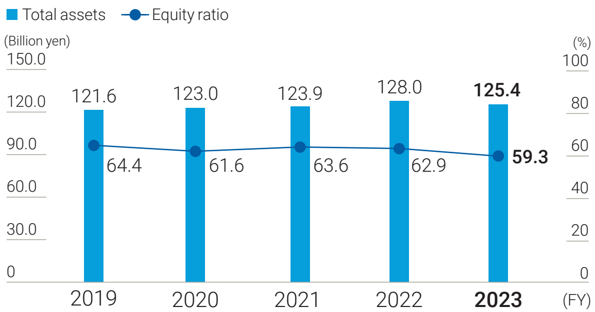
In fiscal 2023, profit attributable to owners of parent was negative due to the reversal of deferred tax assets and the recording of impairment losses.
ROE: Return on Equity

Inventory / Inventory turnover period / CCC



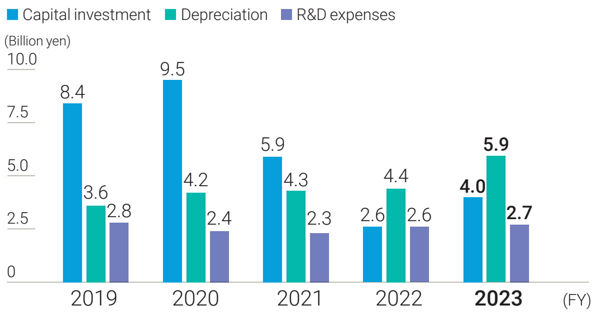
Inventory value has increased due to rising manufacturing costs caused by higher raw material prices. This has caused the CCC and inventory turnover period to worsen. Going forward, we will improve these indicators by reducing inventory.
CCC: Cash conversion cycle (accounts receivable turnover period + inventory turnover period - accounts payable turnover period)

Total assets and equity ratio



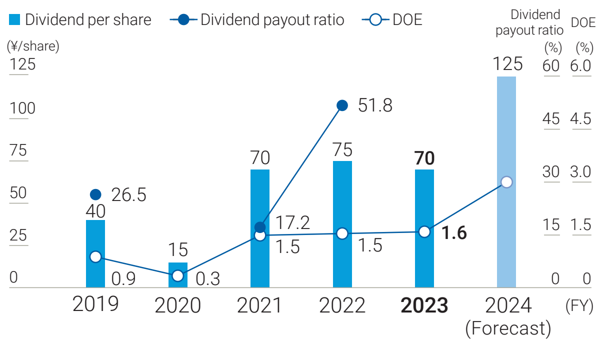
We are maintaining financial stability by keeping an equity ratio of approximately 60%.

Capital investment amount / Depreciation / Research and development expenses



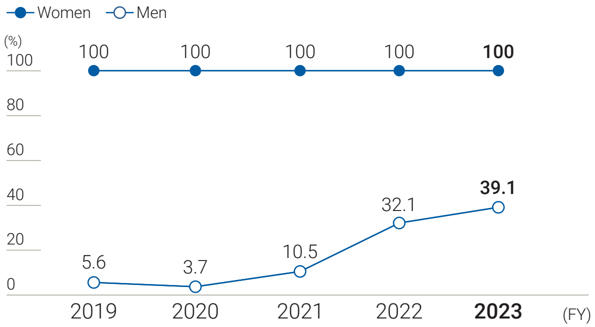
In fiscal 2019 and fiscal 2020, we made large capital investments in our growing electronic materials and cosmetic materials businesses.
Research and development expenses have remained relatively stable.

Dividend per share / Dividend payout ratio / DOE



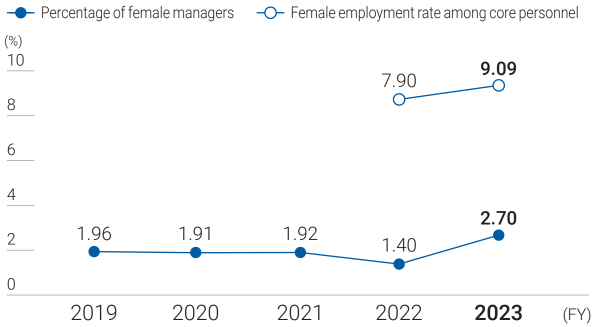
Previously, we had paid dividends at a dividend payout ratio of 30%. However, from fiscal 2024, we will pay dividends based on the guideline of 3% DOE.
In this way, we will continue to provide stable shareholder returns.
DOE: Dividend on Equity

Childcare leave usage rate for both men and women (non-consolidated)



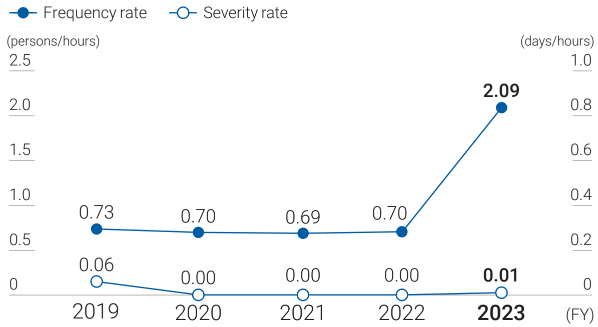
All eligible women are taking childcare leave.
As for men, the rate of taking childcare leave is increasing, due in part to increased understanding from the workplace.

Percentage of female managers / Percentage of female employees among core personnel (non-consolidated)



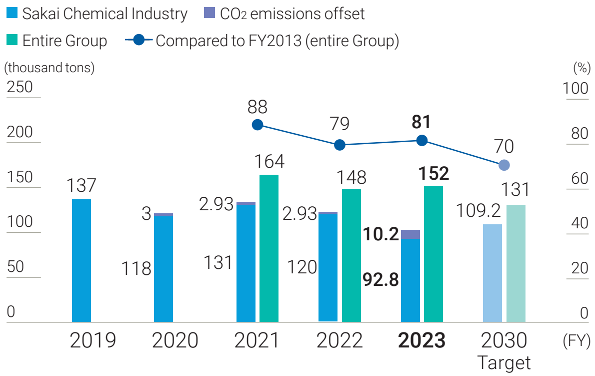
This rate remains low due to the small absolute number of female employees. We will establish a system that allows women to advance their careers, and will engage in appropriate promotion according to ability.
Core personnel: Mid-level employees and above (including managers)

Frequency rate / Severity rate (non-consolidated)



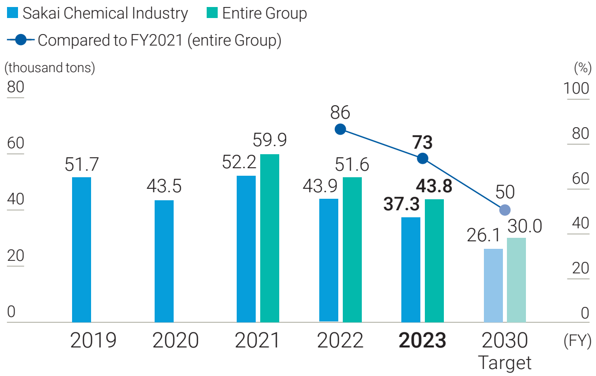
In FY2023, there were three accidents resulting in lost work time. This was an increase of two accidents from the previous fiscal year. Both the frequency rate and severity rate based on lost-time accidents increased compared to the previous fiscal year.
Going forward, we will work together from management to on-site employees to once again ensure safety measures, strengthen safety education, etc.

CO_2 emissions / CO_2 compared to 2013



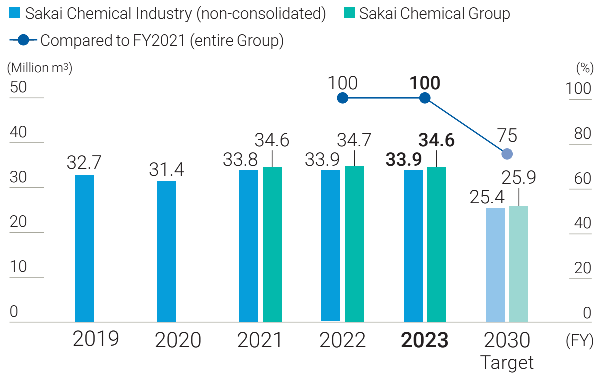
CO_2 emissions in FY2023 were 152,000 tons CO_2eq, an increase of 4,000 tons CO_2eq from the previous fiscal year. While expanding the use of carbon offset city gas and the use of renewable energy, we will continue to strive to reduce emissions throughout the entire Sakai Chemical Group.

Industrial waste emissions / Compared to 2021



Industrial waste emissions in FY2023 were 43,800 tons, a decrease of 7,800 tons from the previous fiscal year. The majority of emissions are waste sludge generated in the titanium dioxide production process. However, we expect to reduce emissions in fiscal 2025 by ending our pigment-grade titanium dioxide business.

Water usage / Compared to 2021



Water usage in FY2023 was 34.6 Million m³.
More than 60% of the water used is seawater, which is mainly used in the production of titanium dioxide. However, we expect to reduce usage in FY2025 by ending our pigment-grade titanium dioxide business.