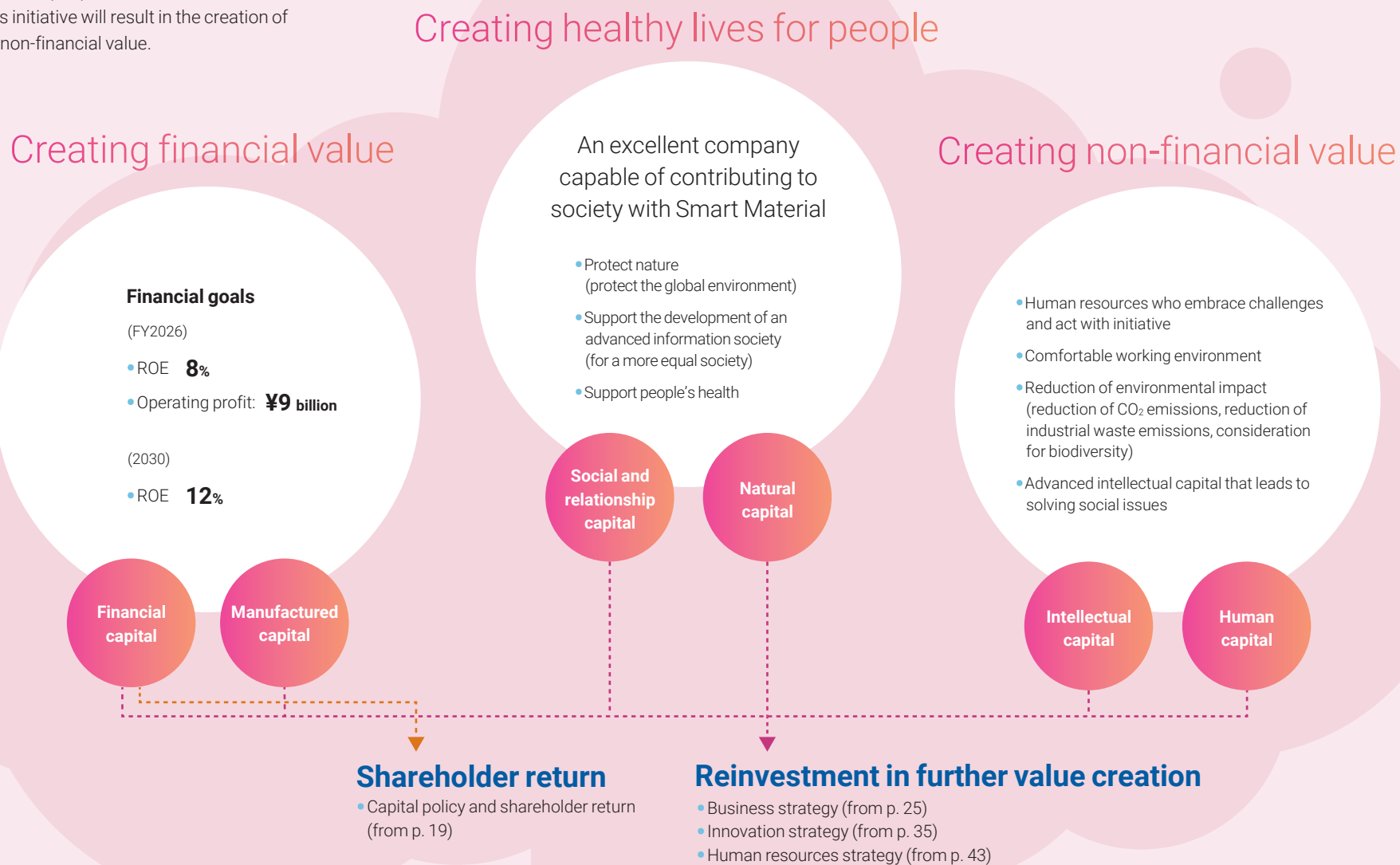


Value created by the Sakai Chemical Group

The Sakai Chemical Group places the highest value on creating healthy lives for people. We believe that this initiative will result in the creation of both financial and non-financial value.



Creating healthy lives for people

Sakai Chemical Industry Co., Ltd. was founded in 1918 in Sakai City, Osaka Prefecture as a zinc oxide manufacturer. At the time, face powder used by women and theater actors contained lead. Chronic lead poisoning due to prolonged use of powder was a social problem. Attention was then placed on lead-free zinc oxide as a raw material for manufacturing face powder. Unfortunately, there were no companies in Japan that could produce high-quality zinc oxide at that time. In response, our founder Ginjiro Tanaka decided to produce high-quality zinc oxide domestically so that people would not suffer from lead poisoning. Despite facing many difficulties, Ginjiro made repeated improvements to the manufacturing method and finally succeeded in producing high-quality zinc oxide in Japan. Ginjiro's zinc oxide was well received by customers and contributed to solving the issue of lead poisoning in Japan.

Since then, the Sakai Chemical Group has spent over 100 years engaging with society and customers with the same level of passion as when our Group was founded. Through chemistry, we want to create healthy lives for people and contribute to a richer, happier society. Regardless of how much the world changes, the Sakai Chemical Group's *raison d'être* will never change.

In 2024, the Sakai Chemical Group launched a new Medium-Term Management Plan, Transformation: BEYOND 2030. With the aim of creating a better way of life for people in 2050, we will continue to pursue the aspirations we have held since our founding by highlighting three ways in which chemistry can contribute: protecting nature (protecting the global environment), supporting the development of an advanced information society (toward a more equal society), and supporting people's health.

Creating financial value

Sustainable corporate growth is essential to continuing to create a better way of life for people. The Sakai Chemical Group will achieve growth by creating and quickly providing materials which will be well received by society and customers. By using limited capital more efficiently, we aim to achieve operating profit of ¥9 billion and an ROE of 8% in fiscal 2026, and an ROE of 12% in 2030.

Creating non-financial value

The Sakai Chemical Group will continue to produce better products, services and financial capital—but we will also do so much more. We strive to bring immense happiness to all our stakeholders, including our employees. We will work even harder for human capital initiatives such as preventing occupational accidents, improving engagement, and promoting diversity, equity, and inclusion. Furthermore, we take action to further strengthen the bonds we form with our business partners and local communities.

Natural capital is another major area of interest for the Sakai Chemical Group. When commercializing our developed products, we emphasize the importance of solving environmental and energy problems and reducing energy consumption and waste during manufacturing.

