### 03 Resonac’s Long-Term Vision

#### How to Change

What We Will Focus on to Achieve Change

What are our specific measures to change society through the power of chemistry? This section describes our sustainability and business strategies to help you understand how we intend to accomplish our purpose.

- **Resonac’s Long-Term Vision**
- **Financial and Capital Strategies**
- **Promoting Sustainability**
- **Material Issues and Non-financial KPIs**
- **Resonac Pride Products & Services**
- **CTO Roundtable with Young Researchers**
- **R&D and Intellectual Property Strategies**
- **Marketing Strategies**
- **Digital Strategies**
- **Semiconductor Materials Global Top Management Roundtable**
- **Semiconductor and Electronic Materials**
- **Mobility**
- **Innovation Enabling Materials**
- **Chemicals**

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**Long-term vision for the Newly Integrated Company (2021–2030) begins**

Former Hitachi Chemical joins the Showa Denko Group

Brief introduction of future-oriented projects
Purpose and Values
Resonac's Purpose and Values

Why We Can
Organizational Capabilities to Help Change Society

Where to Go
Our Goals

How to Change
What We Will Focus on to Achieve Change

What's Resonac?
Re-introducing Ourselves

Resonac's Purpose and Values

2023
Complete integration as Resonac

2025
Establish a leading position and secure strong growth potential on a continuous basis as a materials manufacturer driving the high growth of cutting-edge semiconductors

Financial targets for 2025
EBITDA margin .......................... 20%
ROIC .................................. 10% over the medium to long term
Net D/E ratio ............................. Aim to achieve 1.0

2030
Goals of the long-term vision

Realize our ideal state
Global top-level functional chemical manufacturer from Japan

TSR: Rank among the chemicals industry’s top 25% over the medium to long term
Achieve Sustainability Vision

Yoshishige Okuno
General Manager,
Research Center for Computational Science and Informatics

Now!!
First semiconductor materials manufacturer in Japan to apply virtual reality (VR) in product development
Molecular design applying VR leads to R&D achieving the required properties. This initiative takes advantage of our advanced computational science and technology for deeper material analysis and discovery of new materials. First, we intend to promote the use of VR throughout Resonac, and in the future, we envisage positioning it as an in-house infrastructure. We will accelerate R&D by fully utilizing computational science and simulation.

Yohei Shimizu
Materials Informatics Platform Group
Research Center for Computational Science and Informatics

Future?
Promoting the space business through co-creation with ispace, inc., a startup
A team composed of people who aspire to contribute to the sustainable development of global society by creating functions required of the times as an advanced material partner in the field of space development are promoting a project to establish a space business. Not only through cross-sectional collaboration but also through open innovation with ispace, inc. and other external partners, we are firstly focusing on branding that will lead to enhancement of corporate value with a view to future commercialization.
Overview of the Long-Term Vision

Showa Denko acquired Hitachi Chemical during the period of the medium-term management plan to 2021. The company set its course toward growth and declared its goal of becoming a global top-level functional chemical manufacturer by 2030. In January 2022 Showa Denko and Hitachi Chemical substantially integrated their management and formulated the purpose. In February 2022 Showa Denko revised its long-term vision announced in December 2020 and began value creation as a Co-creative Chemical Company. In January 2023 Resonac was established.

Resonac’s Long-Term Vision: Our Ideal State for 2030

In order to become a global top-level functional chemical manufacturer, we must enable our unique essence to blossom while satisfying the requirements of stakeholders with respect to both financial and nonfinancial aspects. Positioning sustainability as the cornerstone of its corporate strategy, Resonac has established measures and nonfinancial targets linked to its envisioned ideal state and material issues for sustainability (materiality), with a view to achieving its long-term vision by promoting initiatives.

<table>
<thead>
<tr>
<th>Long-term vision</th>
<th>Financial targets and results</th>
<th>Nonfinancial targets and results (examples)</th>
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<tr>
<td>Ideal state</td>
<td>Results in 2022</td>
<td>Results in 2022</td>
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<tr>
<td></td>
<td>Targets for 2025</td>
<td>Targets for 2025</td>
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<td></td>
<td>Net sales</td>
<td>Scores of the survey on implementation of the purpose and values</td>
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<tr>
<td></td>
<td>¥1.4 trillion</td>
<td>Degree of implementation: 30%</td>
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<tr>
<td></td>
<td>Over ¥1 trillion</td>
<td>Degree of empathy: 60%</td>
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<tr>
<td></td>
<td>EBITDA margin</td>
<td>Degree of understanding: 80%</td>
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<td>12.2%</td>
<td>Recognition: Almost 100%</td>
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<td></td>
<td>ROIC</td>
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<td></td>
<td>3.3%</td>
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<td></td>
<td>Net D/E ratio</td>
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<td></td>
<td>1.07</td>
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<td></td>
<td>Aim to achieve 1.0</td>
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<tr>
<td></td>
<td>Nonfinancial targets</td>
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<td></td>
<td>Results in 2022</td>
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<tr>
<td></td>
<td>Net sales</td>
<td>Scores of the survey on implementation of the purpose and values</td>
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<tr>
<td></td>
<td>¥4,270 thousand tons</td>
<td>Degree of implementation: 30%</td>
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<td>30% reduction from the level of 2013</td>
<td></td>
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<tr>
<td></td>
<td>Serious occupational accidents</td>
<td>Zero occurrence</td>
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</tbody>
</table>

In order to become a global top-level functional chemical manufacturer, we must enable our unique essence to blossom while satisfying the requirements of stakeholders with respect to both financial and nonfinancial aspects. Positioning sustainability as the cornerstone of its corporate strategy, Resonac has established measures and nonfinancial targets linked to its envisioned ideal state and material issues for sustainability (materiality), with a view to achieving its long-term vision by promoting initiatives.
Overview of the Long-Term Vision

### Key strategies for achieving the long-term vision

#### Direction and progress

- Letter from the CFO [P25]
- Scale and Profitability to be a Company that can Compete on the World Stage [P24]
- Instillation of ROIC-focused Management [P51]
- Semiconductor Materials Global Top Management Roundtable [P73]
- Business Strategies [P77]

- Financial and Capital Strategies [P45]
- Strategic Allocation of Management Resources [P52]
- Direction and Progress in Portfolio Reform [P42]

- Special Feature: What is a Co-creative Chemical Company? [P13]
- Special Feature: Resonac Pride Products & Services [P58]
- CTO Roundtable with Young Researchers [P59]
- R&D and Intellectual Property Strategies [P54]
- Marketing Strategies [P69]

- Human Capital Management Dialogue [P37]
- Team Takahashi: Aspirations for Human Resources Development [P41]
- Resonac’s Human Capital Management [P89]
- IT and Digital Technology Strategies [P71]
- Roundtable: Our Transformation of the Board of Directors [P113]

### Topics

#### Analysis of Opportunities and Risks for Achieving the Long-Term Vision

We held a workshop in June 2023 to analyze opportunities and risks linked to Resonac’s three material issues. Participants included the CFO, CSO, CHRO, CTO, and other executives, and discussion ranged from financial aspects to nonfinancial aspects such as human resources and R&D. In particular, we need to keep a close eye on changes in the internal environment as a result of company integration. Paying greater attention to internal changes in the process of integration in addition to changes in the external environment in management’s monitoring and evaluation, we will reflect those internal changes in goal setting.

**Opinions expressed at the workshop held in June 2023**

**Opportunities**
- Transformation triggered by the integration of two companies
- New synergy derived from different technological fields
- Greater efficiency and creativity through business process integration
- Creation of new value, mindful that chemistry is a building block of industries

**Risks**
- Decline in engagement of human resources due to changes resulting from the integration of two companies / human resources retention risk / loss of the heritable culture as well as experience and know-how learned from failure
- Decline in co-creation capabilities and competitiveness due to delays in industry restructuring and portfolio reform
- Weakening of the management foundation owing to lack of understanding of potential risks and lack of risk-taking

#### Workshop on opportunities and risks linked to materiality