Marketing Strategies

Mission of Creating Value

To resolve social issues, through proposal activities that help customers resolve their technological issues, we create new business and contribute to Resonac’s sustainable growth. Moreover, we promote Companywide standardization of activities to offer problem-solving value propositions to make them Resonac marketing processes. Furthermore, we will promote construction and operation of digital tools throughout the Company to improve the efficiency of marketing-related operations.

Policies and Management

Our marketing divisions (the CMO organization), comprising the Corporate Marketing Department, Regional Account Planning Department, and the Innovation Center, are executing marketing efforts in collaboration with business units, sales departments, and site oversight departments in Japan and overseas.

In addition to planning of Companywide marketing strategies, the Corporate Marketing Department formulates and implements market-specific or application-specific cross-divisional marketing plans and also constructs and operates the marketing platform common throughout the Company. The Regional Account Planning Department is planning and building a system to promote growth strategies based on regions and customers. The Innovation Center serves as a venue for triggering co-creation and relationship building with stakeholders. Hands-on exhibits enable visitors to experience some of our core technologies, thus facilitating achievement of our goal of engaging in co-creation with customers, business partners, and all of our other stakeholders.

Strategy for Realizing the Long-Term Vision

We have collectively defined our activities for offering problem-solving value propositions to customers as Resonac marketing processes, and utilize frameworks such as MGAP\(^1\) and VP\(^2\) when considering new businesses. We use MGAP to identify technological issues faced by customers, organize VPs in relation to the features of our products (Features), differentiation from competing technologies (Advantages), and benefits to be gained by customers (Benefits), and repeatedly verify product concepts in order to promote marketing. We are promoting Companywide standardization of marketing activities, using the common frameworks in cooperation with the R&D and intellectual property departments (the CTO organization) in the early phase of marketing, and with sales divisions in a later phase once customer evaluation has progressed.

Roadmap for realizing the long-term vision

Resonac marketing processes are activities to identify customers’ issues, transform Resonac’s strengths into value, and offer value propositions.

<table>
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<tr>
<th>Marketing process for new markets and applications</th>
<th>Process for marketing activities for existing markets and applications / sales activities of each business unit</th>
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<tr>
<td>Creation of ideas</td>
<td>Understanding of Resonac products and technologies</td>
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<tr>
<td>Identification of customers’ issues</td>
<td>Market analysis (PEST)</td>
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<td>Identification of Resonac’s strengths (competitive advantages)</td>
<td>Identification of technological turning point of target applications and its timing</td>
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<tr>
<td>Conceptualization</td>
<td>Obtaining data of the Company’s evaluation of products and comparisons with competitors’ products</td>
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<td>Customer evaluation</td>
<td>Competition of 4P analysis</td>
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Promote marketing in cooperation with the CTO organization and business units, using the above processes.

\(^1\) MGAP: Multi-Generation Application Planning
\(^2\) VP: Value Proposition
\(^3\) CRM: Customer Relationship Management
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Targets and results of KPIs on material issues

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<th>KPIs and 2025 targets</th>
<th>Results in 2022</th>
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<td>VITALIZATION OF CUSTOMER- AND MARKET-DRIVEN ACTIVITIES</td>
<td>Execution of marketing based on MGAP and VP</td>
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<td>PROMOTION OF DIGITALIZATION</td>
<td>Execution of digital marketing activities mainly by principal business headquarters</td>
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<td>ENHANCEMENT OF CUSTOMER DATABASE</td>
<td>Identification of key customers and clarification of issues for establishment of a visualization system</td>
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Co-Creation Initiatives to Resolve Social Issues

Marketing Activities in the Automotive Market

While promoting entrenchment of Resonac marketing processes throughout the Company, we are promoting marketing activities in markets with sustainable growth potential in cooperation with R&D and intellectual property departments (the CTO organization) and business units. Specifically, we are focusing on value propositions for batteries for EVs and motor-related materials, demand for which is expected to grow rapidly in the automotive market, and for power module-related materials for the electronics market.

In line with the global expansion of the EV market, power modules are attracting attention as a stable power source for driving the motors used in EVs and for charging the batteries. Resonac has established a Companywide project organization, the Power Module Cluster, to address this market, and it is offering value propositions through the combination of multiple products, rather than creation of a business through provision of standalone products.

Overview of the power module cluster concept

Objective
- Anticipate next-generation power module specifications and develop products ahead of competitors to strengthen the Company’s competitiveness in power module-related products

KGI
- Adoption of all products by key customers

KPI
- Improvement of the evaluation status; sales from the project to exceed the investment required to realize the cluster concept

Collaborating organizations
- Power Module Integration Center and other R&D organizations; Electronics Business Headquarters, Device Solutions Business Unit, High Performance Materials Business Headquarters, and other business units, and sales divisions including those overseas

Corporate Marketing Department
- Overall process management
- Measuring the effectiveness of the Power Module Cluster

Phase 1
- Trend/needs surveys
- Obtaining data of the Company’s evaluation
- Establishment of VP

Phase 2
- Hypotheses of solutions
- Obtaining data of the Company’s evaluation
- Identification of key customers

Phase 3
- Proposal of solutions
- Clarification of priorities among a group of target customers
- Verification of VP
- Pricing