

Long-Term Management Plan 2030

May 2025

ALCONIX CORPORATION



1. Introduction

Six-year “long-term” management plan ending in FY3/31

Clarifying the envisioned future and path forward to survive in an era where VUCA is the norm

Revamping the Group’s Purpose and Vision

While carrying forward the goals, policies, and strategies of Medium-term Management Plan 2024, placing the Group’s renewed Purpose and envisioned future at the core of the plan

ALCONIX Group overhauls its management plan!



Moving beyond the annual rolling three-year medium-term management plan

Setting long-term goals for renewed growth, independent of external changes, and advancing as a Group

Emphasis on dialogue and feedback with Group officers and employees

Aiming for a simple, robust plan, refined through shared understanding, active engagement, and dialogue across all Group officers and employees

2. Purpose and Vision

Defining a New Purpose and Developing a New Vision to Guide the Group Into the Future

Placing the Purpose and Vision at the top of the plan as the axis for all business activities

- ◆ Clarify the Purpose and Vision we aim to achieve while also responding to shareholder expectations for management that is conscious of cost of capital and stock price as a listed company. Through these policies and strategies, establish and communicate to the entire Group a clear pathway to maintain and enhance our sustainability.
- ◆ In all of its business activities, the Group will engage in dialogue based on the three key axes—alignment with its Purpose and Vision, alignment with shareholder expectations, and alignment with strategy—to determine and implement Focus, Optimization, and Transformation.



Purpose: The reason for the Group's existence

Shaping a better future for someone, somewhere.

Many of the materials, products and services that our Group provides may not reveal their purpose only by appearances, but we take pride in knowing that each one is for the well-being* and future of someone, somewhere.

*"Health is a state of complete physical, mental and social well-being." (WHO Charter)



Vision: What the Group aspires to be

Connecting people, connecting things, connecting technology.

Our Group seeks to seize every opportunity to seamlessly connect people, things, and technology—for the future of someone, somewhere.

3. Basic Policies and Key Issues

Group Management Aimed at Sustainable Growth

- ◆ Strengthen the Group's earnings stability and growth potential to chart a new growth curve
- ◆ Achieve both the realization of the Purpose and Vision and management with awareness of capital cost and stock price, to create a virtuous cycle of products, capital, and people
- ◆ Enhance the management foundation that supports the Group's sustainable business growth and contribute to solving social issues through our business activities

	Basic policies	Priority issues (Materiality)
Business strategy – Enhance profitability and generate new profit sources –	<ul style="list-style-type: none"> ➢ Improvement of profitability ➢ New investments for growth (M&A, capital investment) 	<ul style="list-style-type: none"> ➢ Enhance the profitability of existing businesses ➢ Promote self-sustaining growth of Group companies ➢ Pursue synergies within the Group
Financial strategy – Utilize capital and optimize its allocation –	<ul style="list-style-type: none"> ➢ Proactive and effective use of invested capital ➢ Reinvestment of earnings + shareholder returns 	<ul style="list-style-type: none"> ➢ Restructure low-profit businesses ➢ Develop a framework to improve group-wide capital efficiency ➢ Balance growth investment and shareholder returns
Sustainability strategy – Sustainability of the Group and society –	<ul style="list-style-type: none"> ➢ Our Group's Purpose—striving to realize the well-being of someone, somewhere through our business activities—is inseparably linked to our efforts to address essential challenges for social sustainability. ➢ Our Group has defined E (Environment), S (Society), G (Governance), and H (Human capital) as material issues, with a continued focus on addressing them through ongoing initiatives. 	<ul style="list-style-type: none"> ➢ E (Environment): Position recycling as a core business and aim to legitimately realize a recycling-oriented society. Work actively to reduce environmental impact through our business activities. ➢ S (Society): Conduct procurement, manufacturing, and sales with consideration for human rights and the environment, contribute to building a fair supply chain, and work to coexist in harmony with local communities. ➢ G (Governance): In accordance with our basic policy for the internal control system, continuously manage risk while fulfilling our social responsibilities as a Group. ➢ H (Human capital): Secure and develop talent capable of autonomously and actively addressing social issues, while fostering a Group culture rooted in diversity, equity, and inclusion.
HR strategy – Human capital development and productivity improvement –	<ul style="list-style-type: none"> ➢ Undertake strategy-based investment in human capital development (recruitment and training) ➢ Maximize human capital performance (increase productivity) 	<ul style="list-style-type: none"> ➢ Group-wide optimization of human resource allocation in line with strategy ➢ Development of management talent with a Group-wide perspective
DX strategy – Digital utilization –	<ul style="list-style-type: none"> ➢ Provide solutions integrated with business, financial, and human resource strategies ➢ Utilize digital technologies optimized for the Group 	<ul style="list-style-type: none"> ➢ Collect and integrate Group data to effectively facilitate a decision-making process ➢ Enhance the quality of business activities and streamline operations across the entire Group

4. Targets

Achieve Ordinary Profit of ¥15.0 Billion, ROIC of 8%, and ROE of 12% in FY3/31

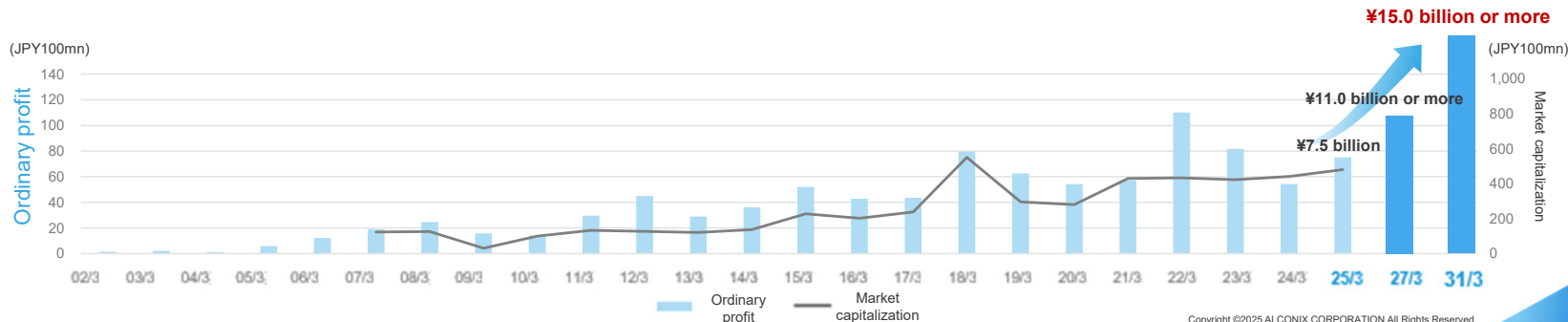
Achieve the revised targets of Medium-term Management Plan 2024 (ordinary profit of ¥11.0 billion and ROIC of 6% in FY3/27) and beyond

* After the revision of Medium-Term Management Plan 2024

	FY3/25 results	FY3/27 targets *	FY3/31 targets
Ordinary profit	¥7.5 billion	¥11.0 billion or more	¥15.0 billion or more
ROIC *1	3.9%	6% or higher	8% or higher
ROE *2	8.6%	12% or higher	12% or higher

*1 ROIC: Return on invested capital (Operating profit after tax / (Interest-bearing debt + Shareholders' equity) x 100)
(Definition of "shareholders' equity": Capital + Capital surplus + Retained earnings on the Consolidated Balance Sheet)

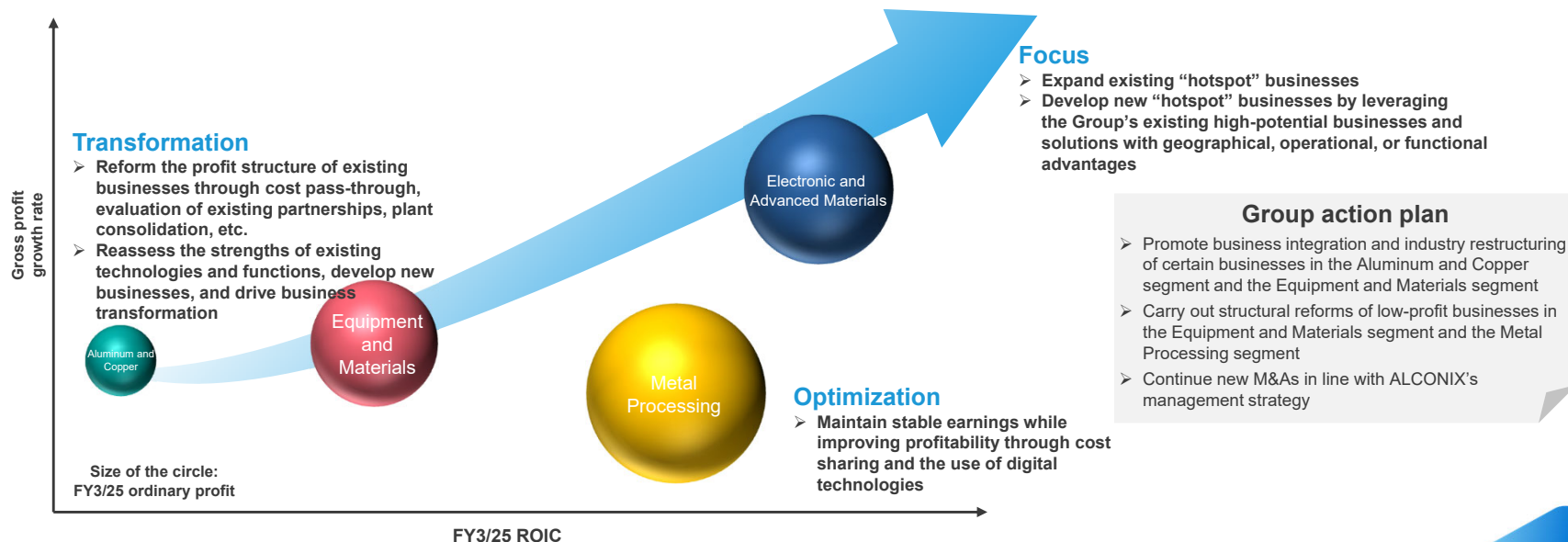
*2 ROE: Return on equity (Profit attributable to owners of / Shareholders' equity x 100)



5. Business Strategy

Maximize Value Creation Through Business Reorganization and Collaboration Across the Group

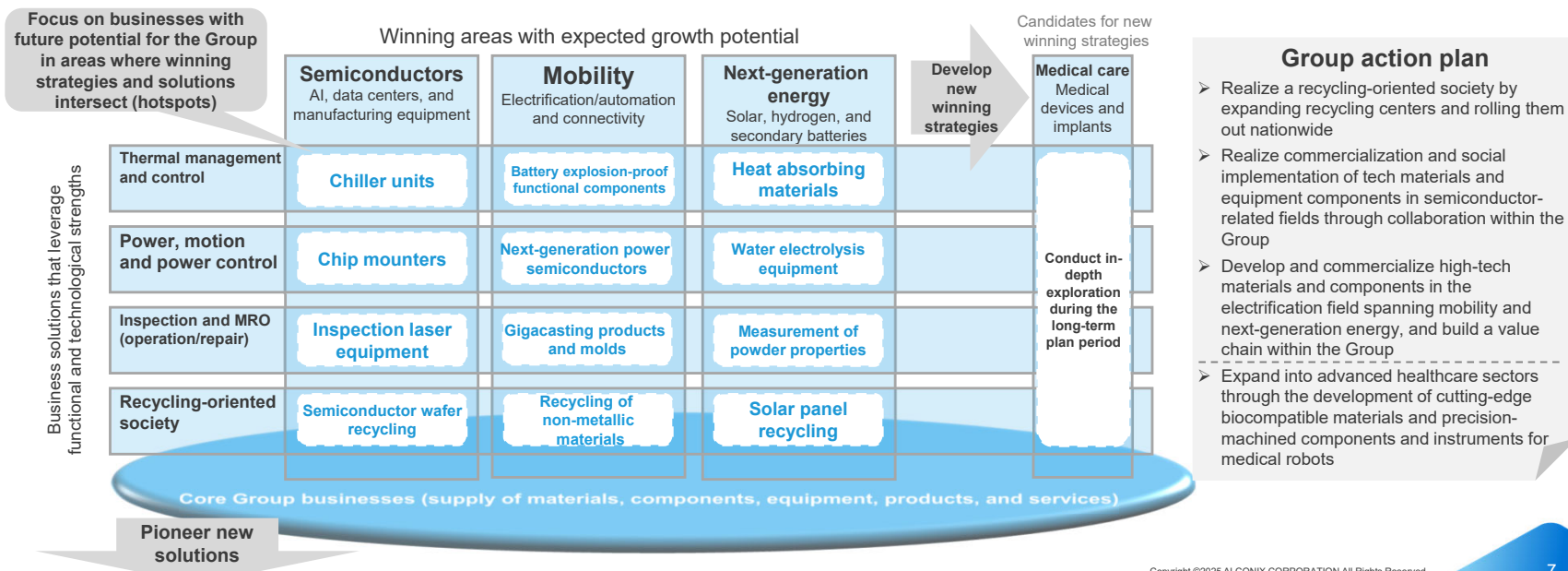
- ◆ For each individual transaction across all Group business units, pursue the development and expansion of Focus businesses, the Optimization of stable and mature businesses, and the Transformation of low-profit businesses
- ◆ Continuously design and reconfigure our business portfolio to ensure effective allocation of management resources
- ◆ Leverage and connect the Group's diverse resources such as knowledge, capabilities, experience, and technology to enhance corporate value



5. Business Strategy

Focus On Businesses Where Growth Markets Align with the Value Provided by the Group

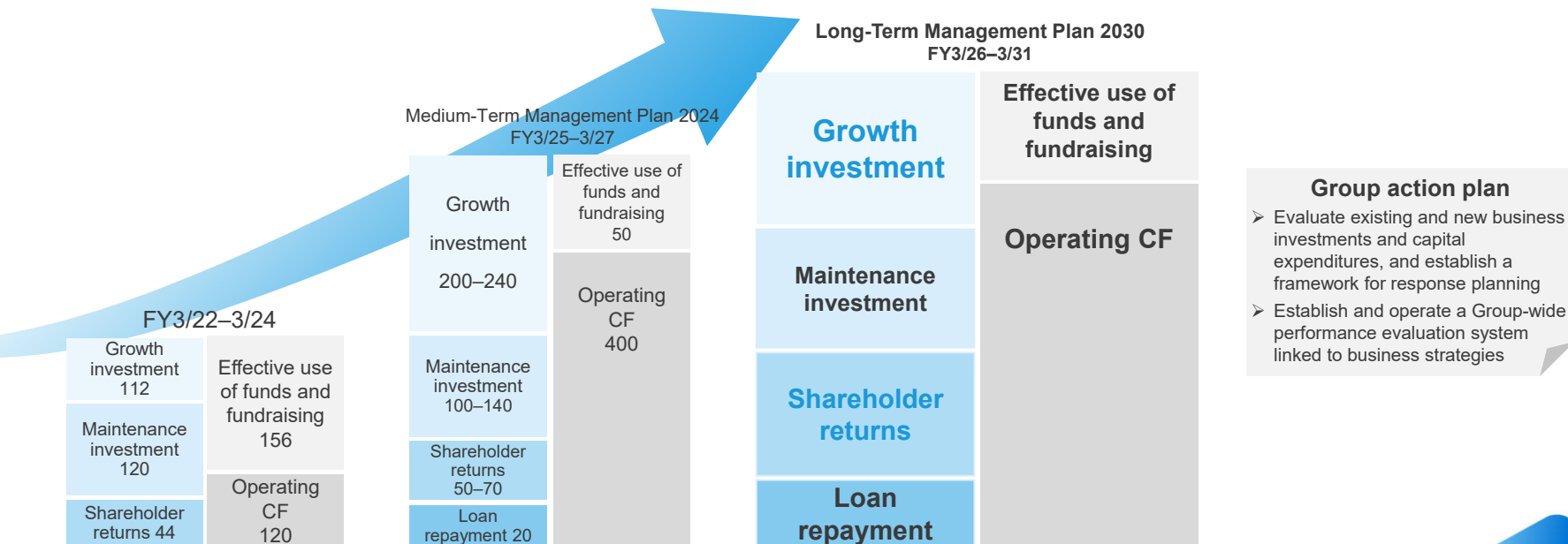
- ◆ Reorganize the focus areas (semiconductors, automobiles, and recycling) in Medium-Term Management Plan 2024, share within the Group a matrix of promising high-growth areas ("winning strategies") against the value propositions ("solutions") that our Group provides, and develop a business strategy toward FY3/31
- ◆ Focus on businesses that can contribute to enhancing the Group's value in areas where winning strategies and solutions intersect ("hotspots"), while also developing new winning strategies and solutions



6. Financial Strategy

Maximize Capital Efficiency by Balancing Growth Investment and Shareholder Returns

- ◆ Optimize capital utilization and allocation to achieve both business growth and capital efficiency
- ◆ Mobilize all available measures to improve capital efficiency and create a virtuous cycle of capital
- ◆ Raise DOE target in Medium-Term Management Plan 2024 from 3% to 4%



7. Human Resource Strategy

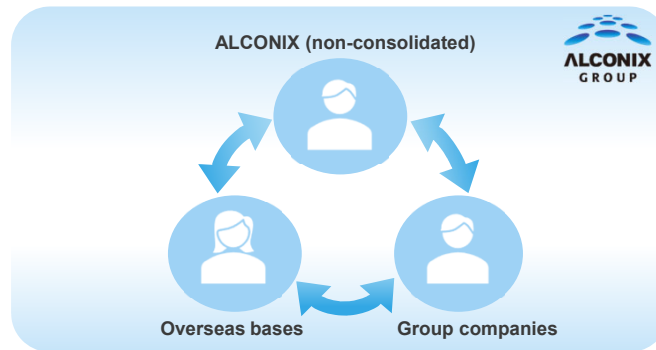
Connect People, Develop Critical Talent, and Strengthen Earning Power

- ◆ Improve work motivation and performance by enhancing employee skills and experience
- ◆ Optimize human resource allocation in line with business portfolio, and secure and develop critical talent who can generate new businesses
- ◆ Develop a talent pipeline to lead the next generation of Group management through a wider range of experiences across trading, manufacturing, and development

Provide employees with education, compensation, and opportunities



Talent development through a wider range of operational experiences across the Group



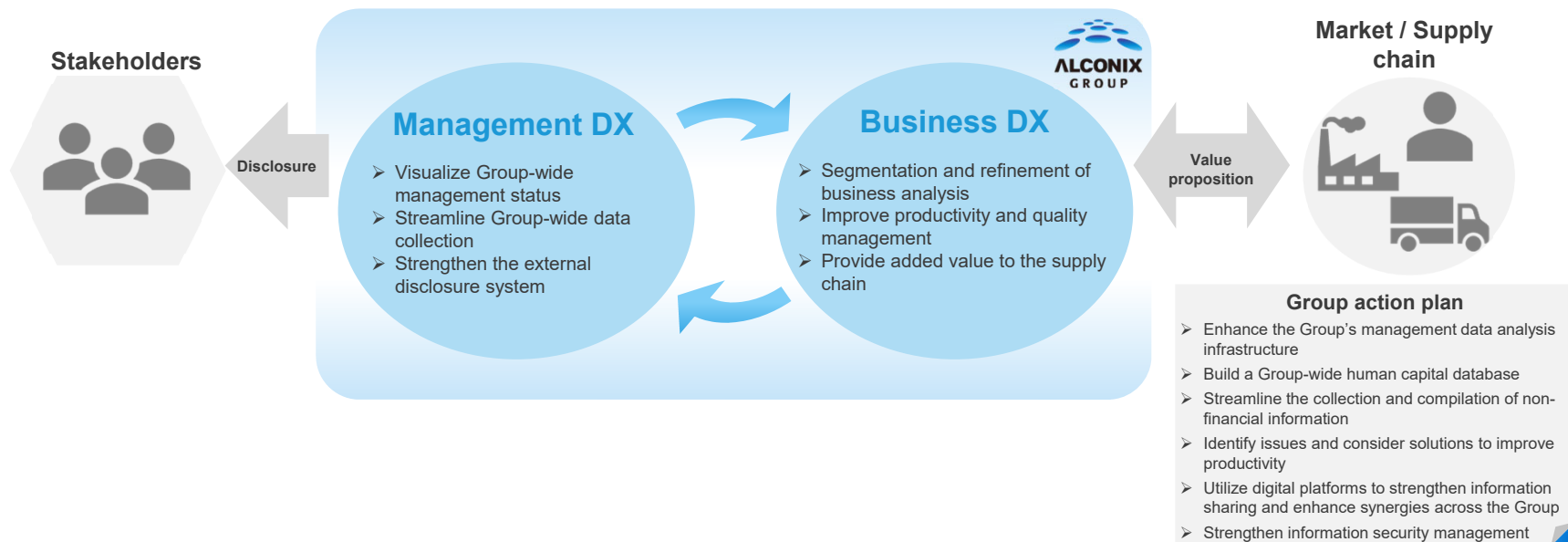
Group action plan

- Visualize and manage talent pools by introducing a Group-wide human capital database
- Promote talent mobility through the job transfer application program
- Expand overseas assignment and secondment programs
- Support self-directed career and skills development

8. DX Strategy

Use Digital Technology to Grasp the Group's Current State and Link It to Future Value Creation

- ◆ Establish a mechanism that enables quick and accurate collecting, processing, and extraction of Group data in coordination with business, financial, and human resource strategies
- ◆ Utilize digital technology to enhance efficiency and streamline various processes across the Group, contributing to both value creation and improvement of the workplace infrastructure



[DISCLAIMER]

This material has been prepared to provide an understanding of the Company and is not intended for soliciting investments. While we have taken care to ensure the accuracy of this material, we do not guarantee its completeness. The Company shall not be held responsible for any damages or issues arising from the information contained herein. The performance forecasts and future projections provided in this material are based on the information available when it was created and carry inherent risks and uncertainties. Please be aware that the actual performance may differ from the projected outlook due to various factors, including changes in the business environment.