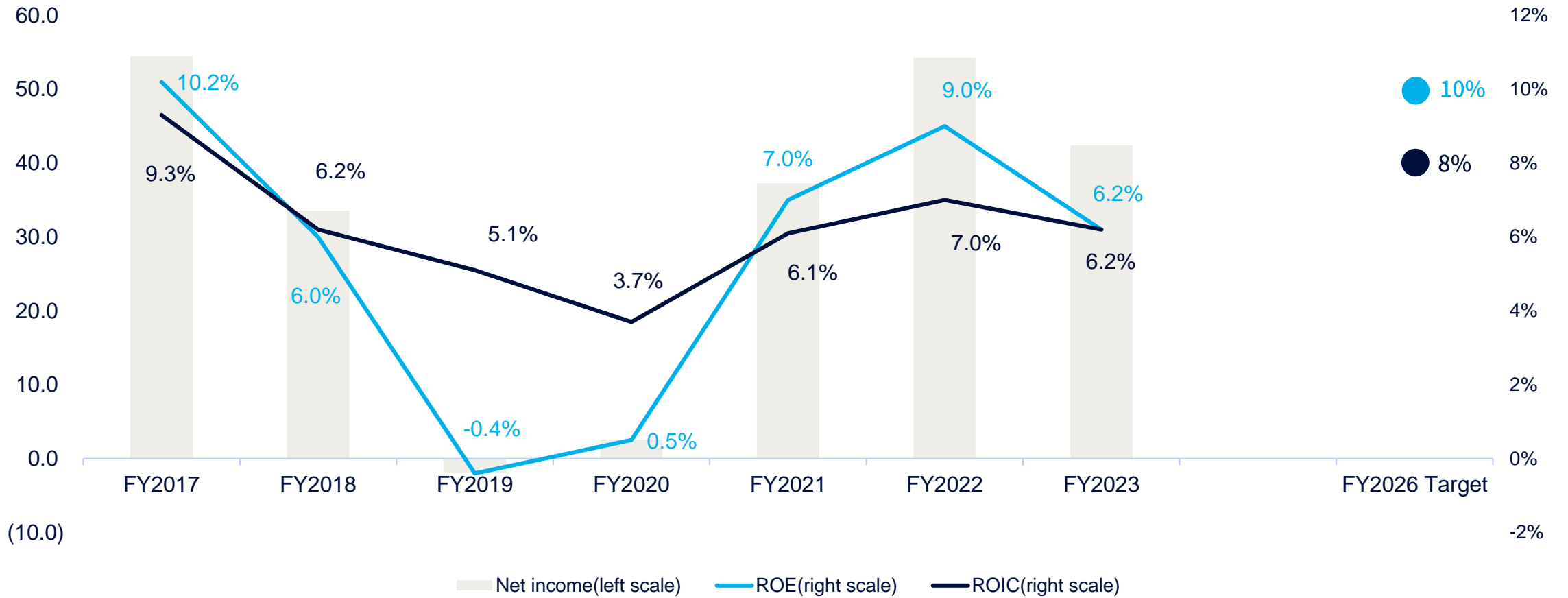
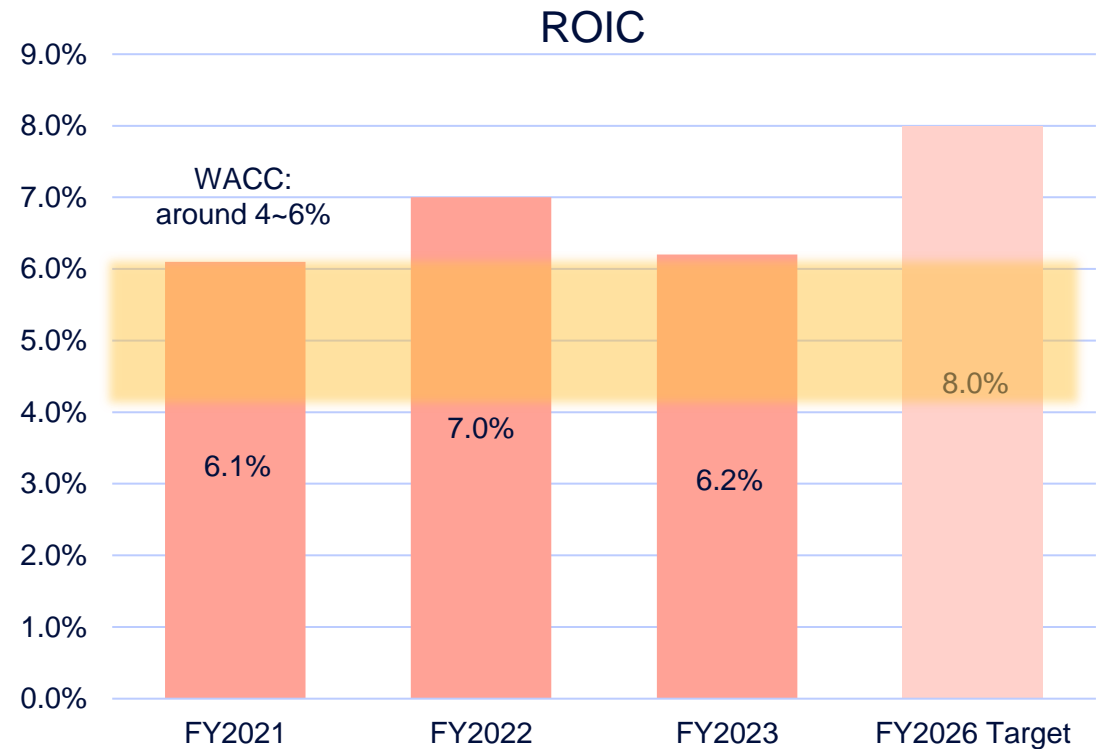
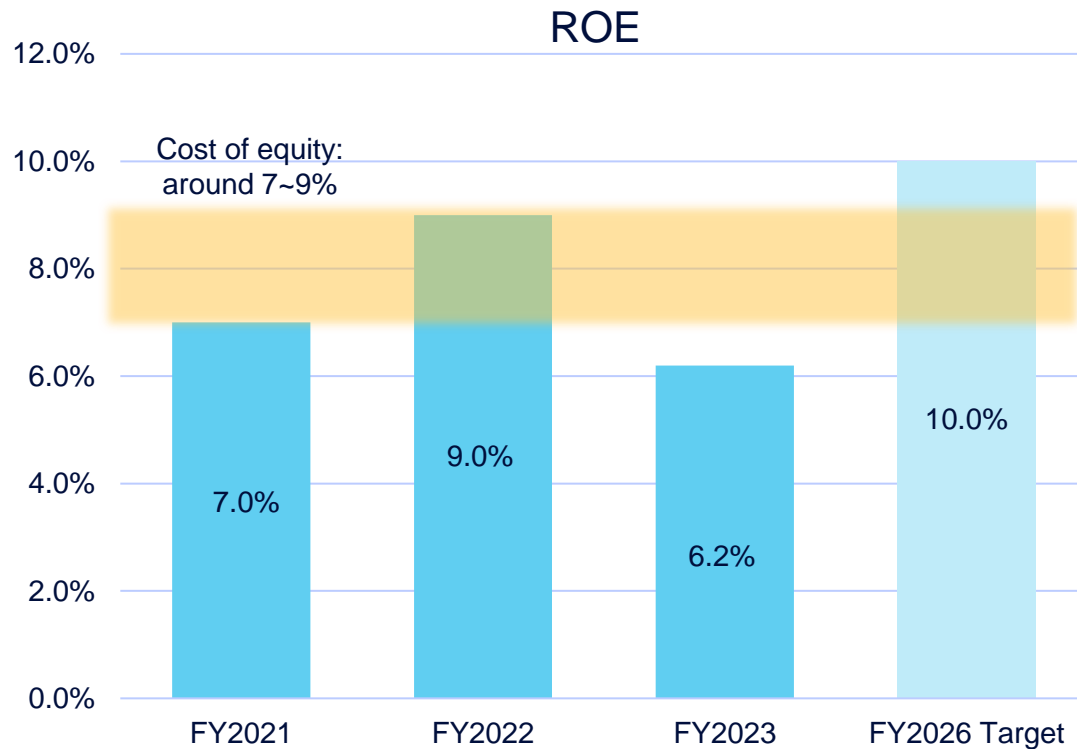


(Billion yen)



- Taking into account the discrepancy between the CAPM^{*2} base and market expectations, cost of equity is around 7~9% and WACC^{*1} is around 4~6%.
- ROE in FY2023 was lower than the cost of equity.
- Further improvement of capital efficiency is an issue to achieve the fiscal 2026 targets.



*1 WACC : Weighted Average Cost of Capital

*2 CAPM : Capital Asset Pricing Model

- Enhance corporate value by steadily implementing various measures in the Medium-Term Management Plan "PASSION 2026"

Improving capital efficiency and enhancing shareholder returns

- Enhance our portfolio by evaluating our business on the two axes of social/environmental value and economic value. Use ROIC to improve and enhance capital efficiency
- Strengthen and expand businesses that we focus on allocating resources through growth investments and M&A. Implemented with an awareness of investment efficiency
- Enhance shareholder returns by expanding profits



Enhance ROE to the 10% target for 2026

Creation of innovation, stable expansion of profits, and sharing and deepening understanding of growth stories

- Accelerate the generation of innovation through our Innovation Networking Center and the R&D Division
- Sustainable growth of core businesses. Early monetization of large-scale investments, such as new Isoprene Thai site and activated carbon production facilities
- Steady implementation of GHG emission reduction program. Reflect the market value generated by natural environment contributing products in our product and service prices
- The U.S. litigation was resolved.
- Share our growth story through individual dialogue and management briefings to deepen understanding within the market



Enhance PER