Value Creation Process

Value Creation Process That Embodies Our Corporate Philosophy

With the Group's Corporate Philosophy as the starting point, we seek to be a high-performance materials company that supports a sustainable society. We have created a great number of original product lines through collaborative creation. These achievements are made possible through our structural and compositional control technologies centered on metals and solid relationships with a wide range of customers developed over more than 100 years since the Group's founding. Leveraging these strengths, we are investing capital in our business activities, including human capital and manufactured capital, and expanding our business activities while fixing our attention on six ESG material issues.

We develop, manufacture and provide high-performance materials that contribute to solving our customers' issues in primarily the automobile, industrial infrastructure, and electronics sectors. Through these activities, we will continue to contribute to realizing a sustainable society and further connect them to our Corporate Philosophy. The Group will continue to proactively engage in solving social issues and support the realization of a sustainable society.

For details, see p.1

United by respect

Mission Corporate Make the best quality **Philosophy** available to everyone Inputs Number of employees (persons) 21,456 Human capital Number of patents held 8,032 ***** (Excluding patents held by certain Group companies) \triangleright The Global Research & Innovative Technology Center (GRIT) Established to promote sustainable growth and the research and development of advanced materials with the potential to make medium- to long-term social contributions. Capital expenditure ¥34.5 billion Number of global production bases Approx. 60 bases Manufactured capital Number of global customers Approx. 15,000 companies Social contribution activity expenses, including Nittoho Tatara startup support Approx. ¥50 million Dindustry-government-academia collaboration, including Social capital participation in the Next-Generation Tatara Co-Creation Centre, NEXTA Number of zero emission works 19 Recycling rate 89.1% Natural capital Financial capital **Our Strengths** A period of continuous evolution over more than 100 years of collaborative creation



Vision

Output Creation of high-performance functional materials that solve customers' issues Providing products in three markets Market segments **Automobile Industrial Infrastructure Electronics** For details, see p.22-23

Values

Unfaltering integrity

Outcomes

Continuing to contribute to the realization of a sustainable society

- Realization of a decarbonized society/circular society as a **Green Enabler**
- Stable supply of products essential to social infrastructure
- Sustainable growth for customers and the Group



For details, see p.18-19

change

Strong relationships

with a wide range of customers

Intensifying climate

Structural and compositional

control technologies centered

on metals

Megatrends that significantly

impact the Company's

business activities

Al technology development

Increasing geopolitical

Increasing demand for high-quality materials

Insufficient human resources and competition for personnel

Public demand for stronger governance

For details, see p.38

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