

Medium-Term Management Plan 2025



Review of Medium-Term Management Plan 2022

Quantitative Targets

	2020	2021	2022
Consolidated profit	¥0.8 billion	¥1.4 billion	¥2.3 billion
	Recover revenue for FY2022 by overcoming the downturn due to the impact of COVID-19.		
R O E	Aim to create a revenue foundation that can maintain 7%, and realize a double-digit percentage in the medium to long term.		
Shareholder return	Pursue flexible shareholder returns based on a consolidated payout ratio of 50% while maintaining financial soundness.		

Basic Strategies & Specific Initiatives

Realize vision through sustainable growth and the creation of new value in the three focus areas of mobility, environment and lifestyle.

- Business expansion for Lithium Ion Battery chain and create new businesses
- Propose environmentally friendly resins and parts
- Develop construction material business solution proposal-based businesses, etc.

Consolidated Management Foundation

Further expand the consolidated management foundation, which supports the implementation of strategies.

Governance	Realize highly effective corporate governance Strengthen of risk management Strengthen of crisis management system
Human resources	Utilize diverse human resources Develop and strengthen human resources that increase “uniqueness” Enhance productivity through the promotion of digitalization

Consolidated Profit:

- Achieved ¥1.2 billion and ¥2.4 billion in FY2020 and FY2021, respectively, but unable to achieve ¥1.7 billion in FY2022.
- Automotive business continued deficit. The immediate improvement of revenue is a significant issue.

ROE:

- Fell short of the target with 3.7% in FY2020, 6.9% in FY2021, and 4.8% in FY2022.

Shareholder Return:

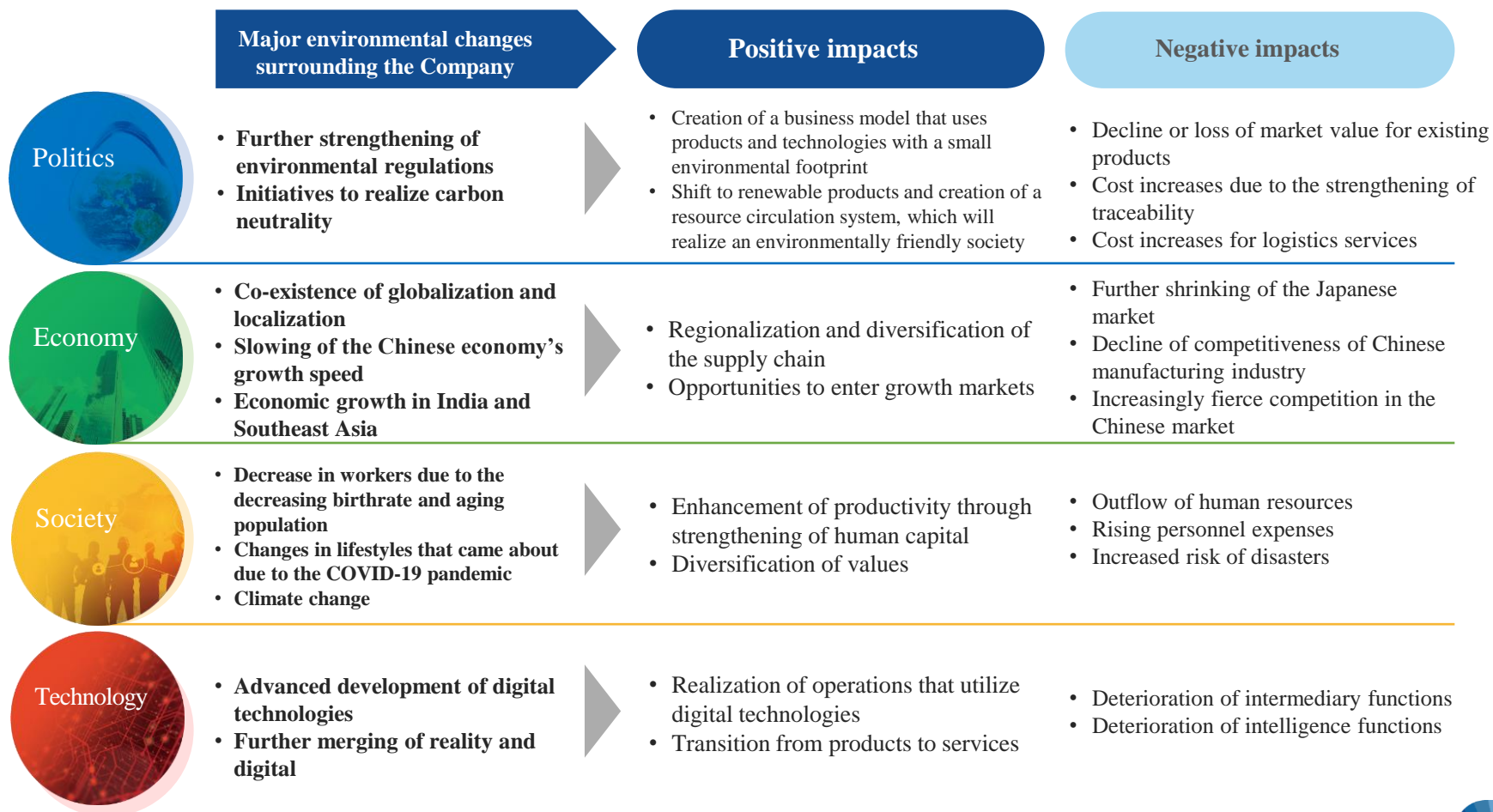
- **Achieve a consolidated payout ratio of 50% or more** while maintaining financial soundness.
- **Unable to create new businesses** despite a certain amount of progression on initiatives in focus areas.
 - Promote environmentally friendly businesses (Reuse and Recycle Business for Chinese automotive batteries, Reusable Plastics Business)
 - Generate demand for new materials (new development of optical materials)
 - Expand regionally-based businesses (purchase of AQEA Corporation. via subsidiary Juzen Corporation)
- Promote the strengthening of consolidated foundation, such as by improving risk management and business management.
- Worked to strengthen the utilization and development of diverse human resources by improving productivity, etc. through the pursuit of working styles unique to the Company, enhancement of training opportunities for employees and officers, and promotion of digitalization.

- Existing businesses broke away from the downturn by strengthening risk management in addition to linking the boost to market conditions with revenue.
The Company achieved record high operating profit of ¥3.6 billion (FY 2022) due to the strengthening of earning power.
 - **It is necessary to achieve sustained growth for existing businesses.**
- Revenue from businesses in which the Company has invested declined significantly, and this significantly impacted the Company's consolidated revenue.
 - **Revenue improvement for businesses in which the Company has invested is an urgent management issue.**
- Although there were external factors such as COVID-19, new investments and business development were limited for the Company's current approach.
 - **Different approaches are necessary for carrying out new investments and business development.**
- Although the strengthening of the consolidated management foundation proceeded, such as by improving risk management and business management, there is room for improvement with regard to governance for consolidated companies.
 - **It is necessary to further strengthen the consolidated management foundation.**

Environment Surrounding the Company and the Impact

Existing businesses have been significantly affected by initiatives for carbon neutrality, the progress of digital technologies, etc., and are unable to sustain revenue.

On the other hand, the Company has been able to create new businesses by understanding societal, market and business changes.





Corporate Philosophy



Exhibiting integrity and truthfulness in all that they do, all employees encourage each other to embrace the principle of teamwork, creating a truly warmhearted organization and contributing widely to society.

Vision Looking Toward the Next 10 Years

From “until now” to “from now on, ”paving the way toward a new future

Realize sustainable growth by continuing to create new value while adapting to a continuously changing environment.



The Group's Material Issues

Identify significant issues to work on for the enhancement of medium- to long-term corporate value

	MATERIAL ISSUES	OVERVIEW	MAIN INITIATIVES
Value Creation	Strengthening of initiatives for reducing the environmental burden	The Company recognizes that climate change and the creation of a circular society are significant social issues, and that they are risks and opportunities that are deeply related to the Group's sustainable growth. The Company will create and promote a business model that contributes to reducing the environmental burden.	<ul style="list-style-type: none"> • Promotion of businesses associated with a circular economy • Expansion of the handling of alternative products that have a small environmental footprint, such as decarbonized products • Reduction of GHG emissions from the Group
	Creation of new value	Amid changes to society and values, the Company will continue to change and take on challenges, and create new businesses in growth areas. The Company aims to create value that contributes to society and people's lives, and achieve sustainable growth for the Group.	<ul style="list-style-type: none"> • Creation of new businesses • Enhancement of productivity and reformation of the business model through the utilization of digital technologies
Management Foundation	Establishment of an environment where diverse employees can be developed and display their capabilities	The Company believes that the acquisition and development of human resources, who are necessary for value creation, are the most important issues for the Group. The Company will continuously improve the environment so that diverse human resources can grow and display their capabilities to the maximum extent.	<ul style="list-style-type: none"> • Enhancement of the human resource development system • Improvement of working styles that promote the display of capabilities
	Strengthening of governance	The Company will create a robust and sound governance structure that can respond to various changes in the business environment, and enhance the capability to respond to risks throughout the Group. The Company will promote highly transparent and fair management, and create positive relationships with stakeholders, such as capital markets.	<ul style="list-style-type: none"> • Strengthening of the governance foundation at various bases • Enhancement of risk management functions • Enhancement of stakeholder engagement



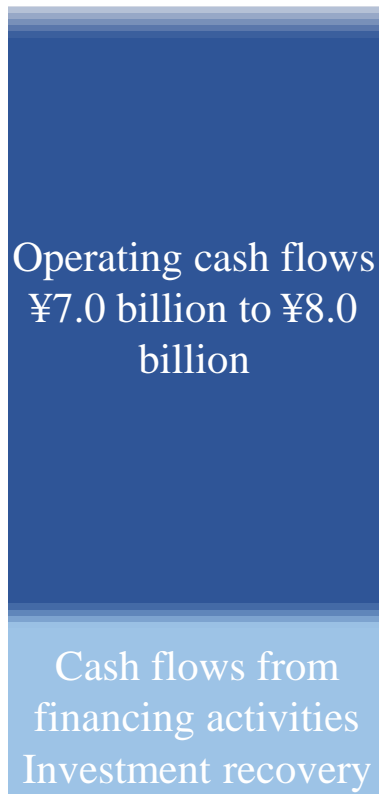
	FY2023	FY2024	FY2025
Consolidated profit	¥2.2 billion	¥2.4 billion	¥2.6 billion
ROE	Aim for the realization of a double-digit percentage in the medium to long term with a target of 7% or above.		
Shareholder return	Carry out flexible shareholder returns based on a consolidated payout ratio of 50% while maintaining financial soundness.		
Amount of foundational and growth investments	¥3.5 billion to ¥4.5 billion		



Medium-Term Management Plan 2025: Cash Allocation

Allocate cash that will be generated over the next three years to growth investments and shareholder returns.

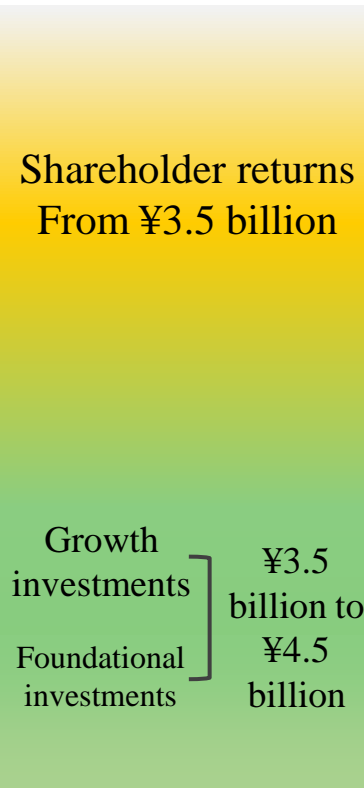
- Generation of sustainable operating cash flows



- Fund procurement within the scope of financial soundness
- Optimization of assets held

Cash in

Three years: ¥7.0 billion to ¥8.5 billion



- Based on consolidated dividend payout ratio of 50% or more
- Flexible shareholder returns

- Investment into the creation of new growth opportunities
- Strengthening of the foundations of existing businesses

Cash out

Three years: ¥7.0 billion to ¥8.5 billion



01

Seek to change various things and continue to take on challenges

02

Facilitate the growth of people and the Company through the creation of new businesses

03

Refine functions and strengths, and increase earning power



Five Measures in Accordance With the Basic Policy



01

Develop businesses in new areas

02

Enhance profitability and efficiency of existing businesses

03

Strengthen investment into human resources

04

Promote digitalization

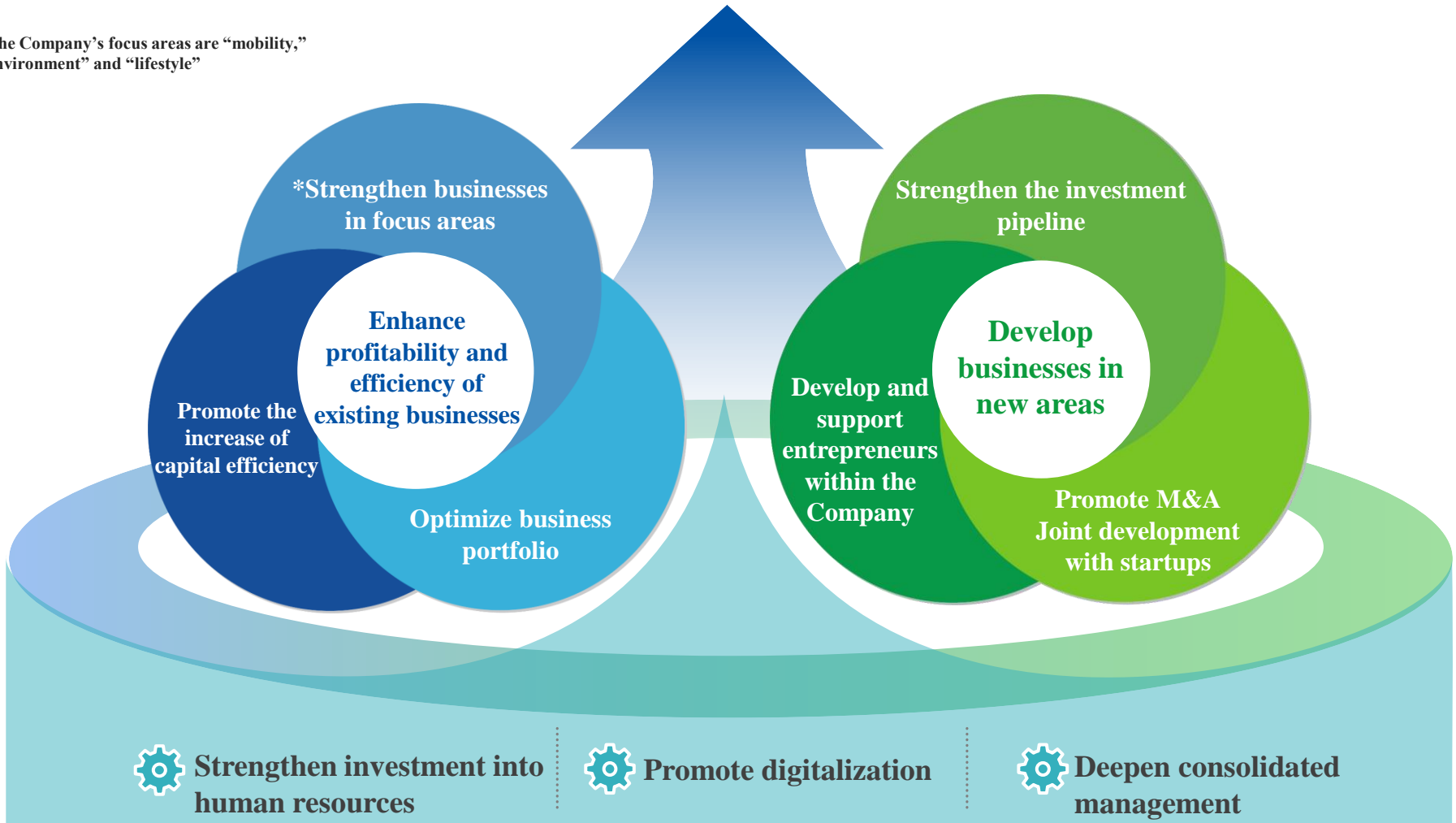
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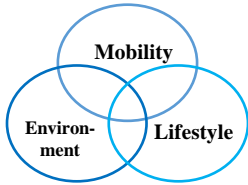
Deepen consolidated management



Further enhance corporate value Create new value

*The Company's focus areas are "mobility," "environment" and "lifestyle"





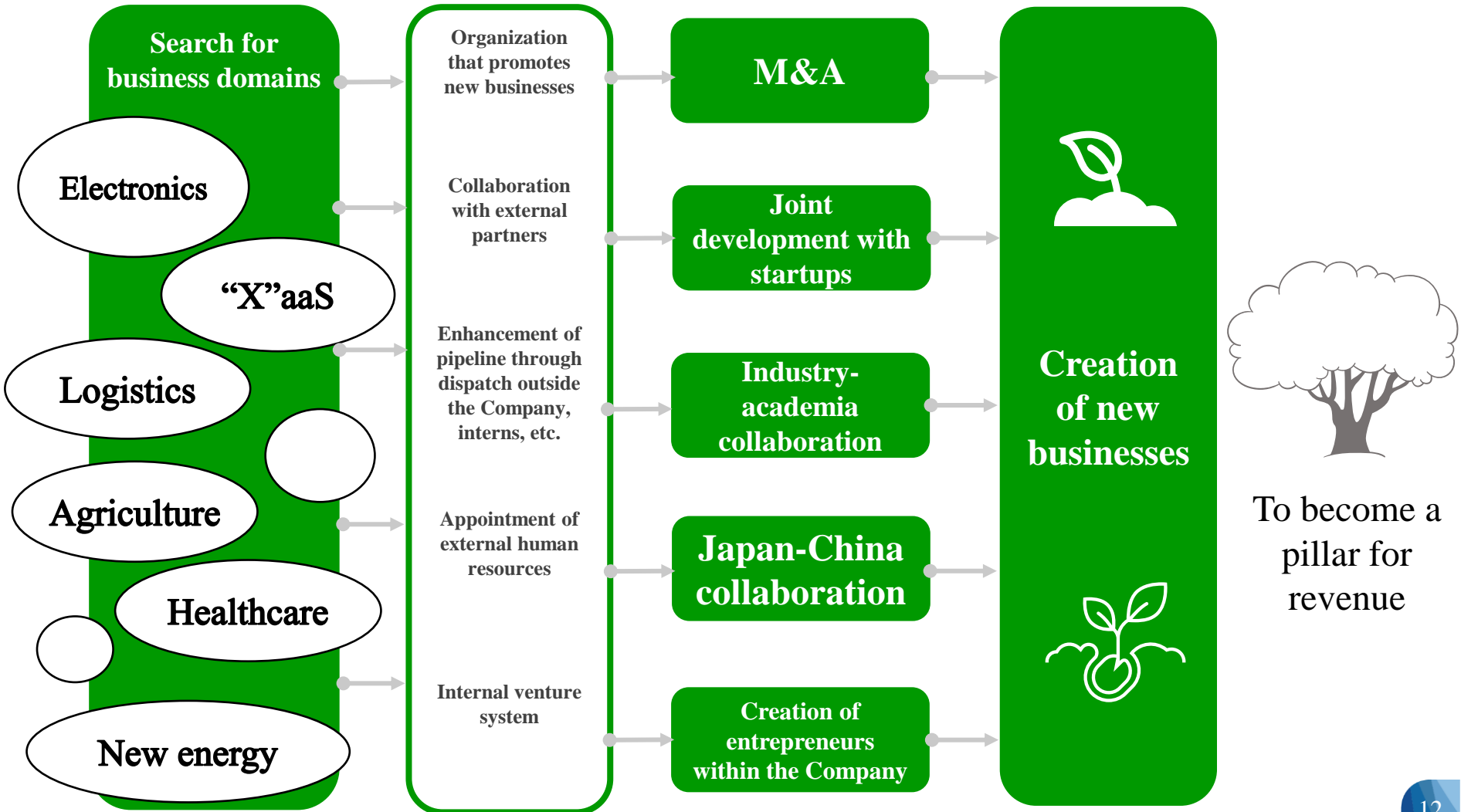
Promote initiatives in the focus areas of “mobility,” “environment” and “lifestyle”

Mobility	Environment	Lifestyle
<ul style="list-style-type: none"> ❑ Revenue improvement for businesses in which the Company has invested ❑ Promotion of Lithium Ion Battery Materials Business <ul style="list-style-type: none"> •Expansion of Lithium Ion Battery Anode Material Business •Business development for each stage in the loop of lithium ion battery value chain. ❑ Promotion of Interchangeable Rechargeable Battery Service Business for electric motorcycles in Indonesia 	<ul style="list-style-type: none"> ❑ Business promotion of Battery Reuse & Recycle Business in China ❑ Establishment of resource circulating businesses through biomass resins and reusable plastics ❑ Sale of lubricants for air conditioner compressors with small environmental footprints in India 	<ul style="list-style-type: none"> ❑ Development of and business expansion for new optical materials ❑ Promotion of Paper Chemical Business in Vietnam ❑ Establishment of new supply system for interior and exterior materials for convenience stores ❑ Development of and business expansion for films for next-generation communication equipment
<p>Visualization of the Interchangeable Rechargeable Battery Service Business for electric motorcycles</p>	<p>Visualization of the Battery Reuse & Recycle Business</p>	<p>Visualization of films for next-generation communication equipment</p>

Develop Businesses in New Areas



The Business Promotion Department will create the pillar that will become the basis for future revenue





Strengthen investment into human resources

Form groups of diverse employees and establish an environment where they can display their capabilities

- Develop human resources that create businesses
- Develop and acquire specialized human resources
- Strengthen development of human resources who can play active roles globally
- Improve working styles that promote the display of capabilities
- Develop all employees as digital human resources

Promote digitalization

Structure that increases operational efficiency and creates new businesses

- Productivity improvement utilizing digital technology
- Development and acquisition of human resources who promote DX



Deepen consolidated management

Corporate functions that link environmental changes with the enhancement of corporate value

- Capability to propose systems and measures that understand and analyze changes
 - Functions that detect and analyze changes to the business environment
 - Proposal-based sales support functions
- Measures to increase capital efficiency
 - Secure financial soundness and pursue the optimal capital structure
 - Enhance fund management and procurement functions for the consolidated group

Strengthen governance of businesses in which the Company has invested

- Enhance the management foundations of businesses in which the Company has invested
- Further enhance risk management functions



MEIWA CORPORATION

Financial forecasts and other forward-looking statements in this document are based on information available at the time of preparation and on certain assumptions that are deemed to be reasonable. These forward-looking statements are not guarantees of future performance and actual results may differ materially from these forecasts due to a variety of reasons.

