

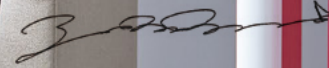
Letter to Investors about the Integrated Report 2023

$$MSV = M(\text{EPS}) \times M(\text{PER})$$

Committing to achieving Maximization of Shareholder Value (MSV) through Asset Assembler model backed by autonomous and decentralized management



Wee Siew Kim
Director, Representative Executive Officer & Co-President

Yuichiro Wakatsuki
Director, Representative Executive Officer & Co-President

Chapter



This is the final year of our Medium-Term Plan (FY2021-2023, "MTP") that started two years ago. Looking back, we went through dramatic changes in our business environment, including but not limited to disruptions in supply chain, inflation-induced raw material price increases and interest rate hikes, caused by the pandemic and Russia's invasion of Ukraine among others. Despite these challenges, our consolidated revenue in FY2022 reached a record high driven by market share gains, continual price increases and relatively small assembling of assets. Our operating profit also rose to a record high on revenue growth and continuous cost control, despite one-off items such as credit loss provisions in China and the adoption of hyperinflationary accounting in Türkiye. In addition, we achieved growth in both revenue and operating profit on a Non-GAAP basis that excludes foreign exchange impact and other one-off items. These results reaffirm the strength of our Asset Assembler model for value creation through both organic and inorganic initiatives. We will continue to mobilize our Group's resources for market share gains and margin improvement with the goal of exceeding MTP target of JPY140 bn operating profit in FY2023.

We have already started our work on the next MTP. We are

assessing what we achieved over the current period and aiming for further growth.

As Co-Presidents, we jointly make management decisions on numerous corporate actions with our partnership, while individually fulfilling our respective roles. We will continue our autonomous and decentralized management that extracts the full talent of our leaders in our partner companies around the world, guided by the Purpose that defines the shared identity of our Group: "Enriching our living world through the power of Science + Imagination." Based on this framework, our partner leaders in our federation burning with desire for growth shall aim for autonomous growth while leveraging on our scale and drawing on mutual collaboration. Further we shall continue our Asset Assembler journey with good and low risk assets.

We appreciate the continued support and guidance from our investors.

September 30, 2023

Yuichiro Wakatsuki
Director, Representative Executive Officer & Co-President

Wee Siew Kim
Director, Representative Executive Officer & Co-President