

## New Medium-term Management Plan “Global Innovation Challenge 2025 (GIC 2025)”

Since our foundation in 1669, Okaya & Co., Ltd. has accumulated a history of trustworthiness, enterprising spirit, and harmony among people. Currently, we are conducting our business in four segments: Iron & Steel, Information & Electronics, Industrial Machinery & Materials, and Living Related Products, with 72 group companies in 22 countries around the world.

As society is undergoing major changes, such as global decarbonization efforts and innovation through digital technology, it is necessary to face the changing times and take on challenges and evolve.

Our Group's new five-year medium-term management plan (“GIC 2025”) was formulated with the final fiscal year set to 2025. We will contribute to the sustainable development of industries and regions around the world and pave the way for the next era by continuing to strive to provide new value in the global market.

### I. Management Philosophy

Be the “Best global sourcing partner” who contributes to manufacturing worldwide

### II. Basic policy

#### ○ G: Global

We will expand Okaya Group’s domestic and overseas bases and build business based on regional needs.

- Enhancement and strengthening of supply chain in the world market
- Strengthening of regional collaboration in North America, China, and ASEAN
- Improvement of our corporate value by exerting the comprehensive strength of our Group

#### ○ I: Innovation

We will flexibly evolve trading company functions through a business model (DX) that utilizes digital technology to provide new value to our customers.

- Initiatives for CASE, smart factories, and carbon neutrality
- Strengthening of system integration and engineering functions
- Strengthening of our management base by improving operating efficiency and productivity

#### ○ C: Challenge

Each employee will proactively take initiatives in a free and open working environment and organization.

- Passing on knowledge and experience and developing human resources who can create new paths for the next generation
- An environment where diverse human resources can play an active role and experience job satisfaction and growth
- A corporate culture that encourages employees to take on challenges toward their dreams

### III. Performance targets

	FY 2021	FY 2025
Consolidated sales*1	900.0 billion yen	1.0 trillion yen or more
Profit attributable to owners of parent	15.0 billion yen	20.0 billion yen or more

\*1 “Accounting Standard for Revenue Recognition (Corporate Accounting Standards No. 29)” is not applied when calculating the target figures.

#### IV. Segment Business Strategy (Important Initiative Themes)

<u>Segment</u>	<u>Important Initiative Themes</u>
○ Iron & Steel segment	
Steel / Specialty Steel:	Enhancement and strengthening of supply chain management
International Trade:	Domestic oriented business
○ Information & Electronics segment	
Non-ferrous metals & Minerals:	High-performance materials, functional parts, and metal recycling
Electronics:	Building a new business model (DX) utilizing digital technology
○ Industrial Machinery & Materials segment	
Industrial Chemicals:	Environmentally-friendly products and engineering plastics
Mechatronics:	Next-generation automobiles, automation and labor saving
○ Living Related Products segment	
Piping components and	
Construction:	Expansion of new energy area
Food Products:	Strengthening of overseas processing and logistics functions

#### V. Sustainability

Since its founding, the Okaya Group has positioned “coexistence with society” as one of its important management issue and has promoted its business activities. Through GIC 2025 we aim to further improve our corporate value by continuing activities to pursue medium- to long-term sustainability.

<u>Areas</u>	<u>Main Activity Themes</u>
○ Environment:	Continuation of group certification of ISO14001 Expansion of handling environmentally-friendly products and carbon-neutrality efforts
○ Society:	Working practices reform and promotion of health management Academic and cultural support, sports promotion, and academic-industrial alliance
○ Governance:	Thorough internal control Strengthening of risk management

#### VI. Results of Gih-2020

The results of the medium-term plan “Gih-2020” that we have been promoting since FY 2016 are as follows:

	FY 2016	FY 2018		FY 2020	
	Results	Targets	Results	Targets	Results
Consolidated sales	753.3 billion yen	850.0 billion yen	948.5 billion yen	1 trillion yen	760.4 billion yen
Net income	11.6 billion yen	15.0 billion yen	16.4 billion yen	20.0 billion yen	12.4 billion yen