



# Medium-term Corporate Strategy 2024

As a Purpose-Driven Company

February 10th, 2022 **Kanro Inc.**

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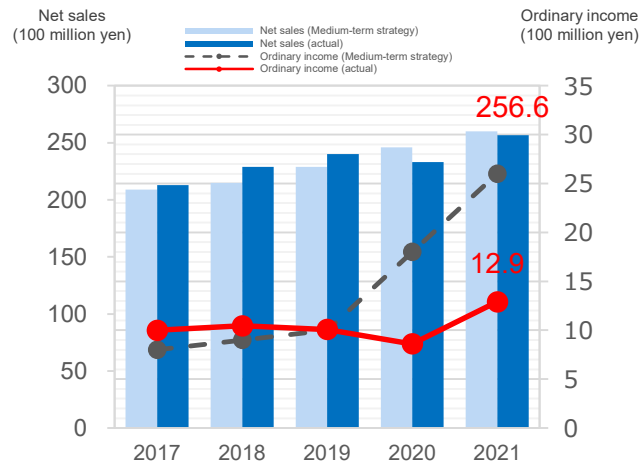
# **I) Review of the Medium-term Corporate Strategy “NewKANRO 2021”**

# I) Review of the Medium-term Corporate Strategy “NewKANRO 2021”

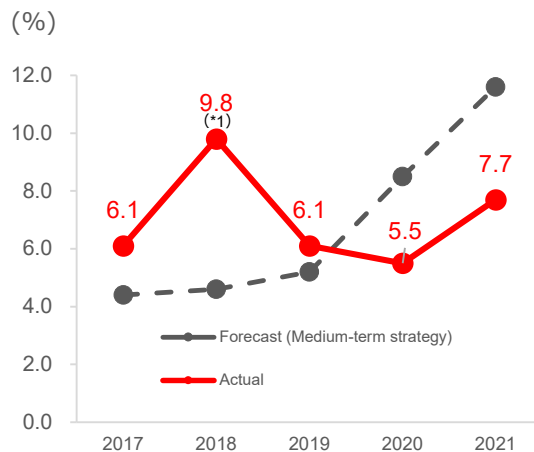
## Performance trends (All figures are non-consolidated)

- ◆ Net sales and ordinary income: forecast achieved in 2017-2019, short of forecast in 2020 and 2021 due to impact of COVID-19 in addition to upfront investment (in equipment and human resources) made in 2020-2021
- ◆ ROE: forecast achieved in 2017-2019, short of forecast in 2020 and 2021
- ◆ Dividend: maintained stable dividend, increased dividend in 2020 and 2021

Net sales/ordinary income (100 million yen)



ROE



(\*1) Recorded extraordinary income in 2018

Dividend per share

		2017	2018	2019	2020	2021
Dividend (yen)	Forecast	30	30	30	30 + $\alpha$	30 + $\alpha$
	Actual	30	32.5 (*3)	30	32	40

(\*2) Factoring in share split and share consolidation  
(\*3) Paid special dividend of 2.5 yen in 2018

## Quantitative results

Indicator	2021 Targets*1	2021 Actual	Evaluation
Net sales	¥26.0 billion	¥25.66 billion	Almost met
Ordinary income	¥2.6 billion	¥1.29 billion	Not met
ROE	10% or higher	7.7%	Not met
Dividend	¥30+ <sup>(*)</sup>	¥40	Met

(\*) factoring in share split and share consolidation

\* Profit and loss targets were withdrawn in July 2020 given the substantial impact of the spread of COVID-19 cases on business environment and unclear outlook on when the situation will settle down.

# I) Review of the Medium-term Corporate Strategy “NewKANRO 2021”

## Reinforcement of management base (1)

### Renewal of corporate identity

- 2017 New corporate slogan “Sweeten the Future”

### Elimination of wastefulness

- Carried out continuous improvement activities across the three production plants, and achieved leaner processes in such areas as operation, disposal and time.
- 2018 Improved operational efficiency by introducing a sales support system

### Reduction of cost of sales

- 2018 Consolidated candy production lines following integration with Hikari Seika Co., Ltd.
- 2019 Improved production efficiency through launch of new gummies production line and structure to boost production at Matsumoto Plant
- Reduced miscellaneous losses through improved sales forecasting accuracy

### Personnel system

- 2019 Introduced a new personnel system to improve employee engagement

### Development of IT infrastructure

- 2018 Enhanced communication through relocation of the Head Office
- 2020 Implemented measures to facilitate promotion of teleworking

### Quality assurance system

- Obtained FSSC 22000 certification, an international standard for food safety management systems, at all plants  
(Certification for Asahi Plant acquired in 2015, Hikari Plant in 2018 and Matsumoto Plant in 2019)

# I) Review of the Medium-term Corporate Strategy “NewKANRO 2021”

## Reinforcement of management base (2)

### CSR and sustainability

- 2017 Launched education-focused CSR programs on a full scale
- 2020 Strengthened activities to support sports from the perspective of creating value through sweetness
- 2020 Launched the “Candy-yell” project of sending cheers to the society through candies
- Started initiatives to switch product packaging materials to eco-friendly materials

### Diversity

- 2018 Established Diversity & Inclusion Office, was selected for the “New Diversity Management Selection 100” in FY2020
- 2020 Opened “Kanro Farm,” an indoor herb garden where diverse workforce can play an active role

### Corporate governance

- 2018 Established the “Governance Committee” comprised mainly of independent outside directors
- Enhanced the Board of Directors (performed evaluation of the effectiveness of the Board of Directors, conducted strategy discussions, increased the number of Board meetings)

### Capital cost management

- Practicing ROIC management (KPI management using ROIC tree, etc.)
- Formulated and introduced investment profitability criterion based on cost of capital
- Reduced strategic shareholdings

### IR activities

- 2019 Established IR Office and implemented initiatives such as enhancement of information disclosure and briefing sessions for investors  
(Number of shareholders increased from 2,869 at 2016 year-end to 7,295 at 2021 year-end)
- Won the best of category “Grand Award” in 2 categories of the “International ARC Awards 2021”

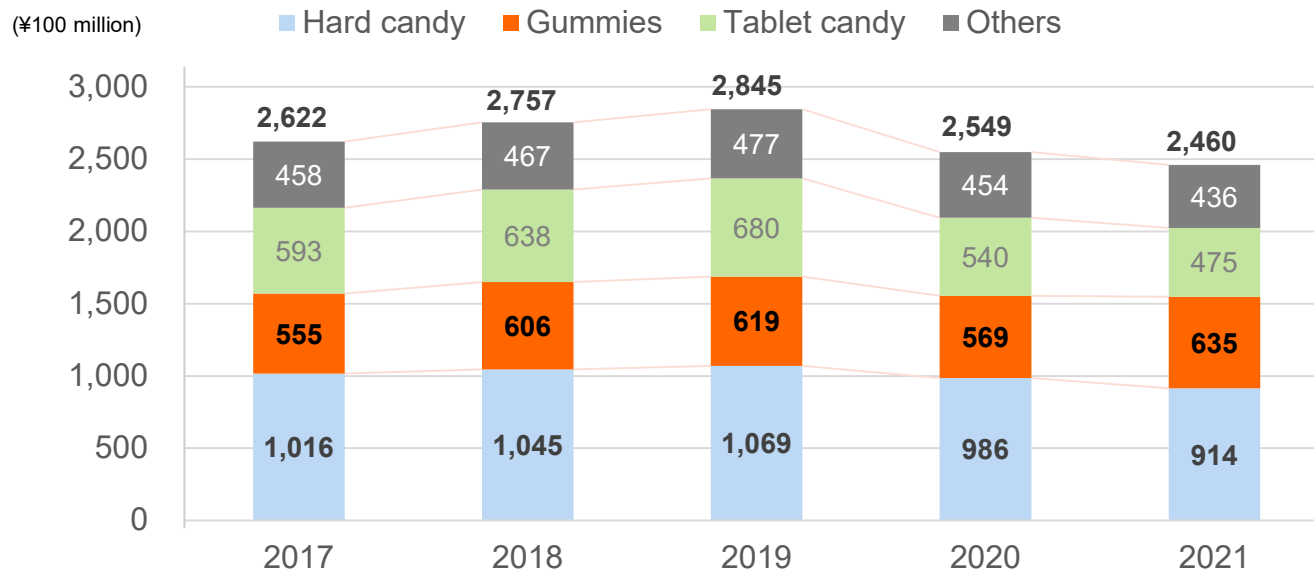
# **II) Awareness of business environment**



## II) Awareness of business environment Candy market trends (1) Trend by composition

- ◆ Hard and tablet candies struggled in the face of a new lifestyle brought about by COVID-19
- ◆ Gummies captured at-home consumption demand and returned to growth track

### Candy Sales amount



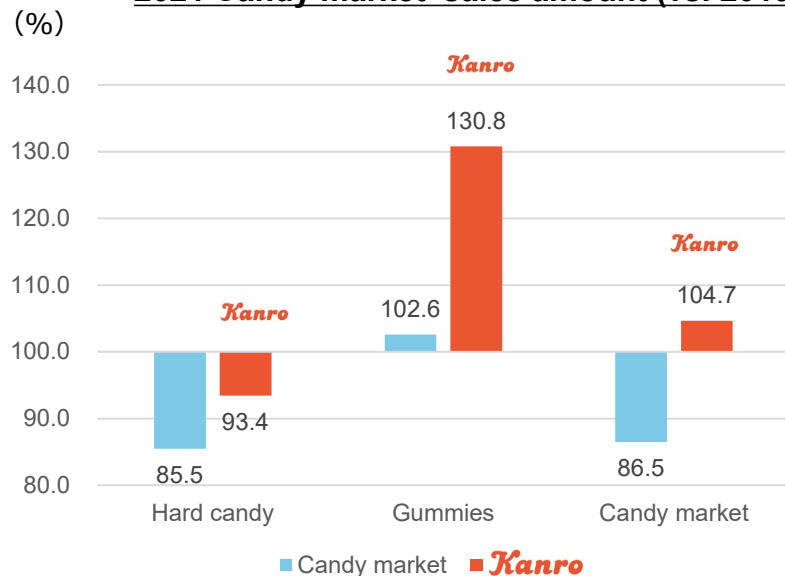
Source: INTAGE Inc. SRI+ Candy market Jan. 2017 - Dec. 2021 cumulative total sales amount

## II) Awareness of business environment

## Candy market trends (2) Market and Kanro (2019 vs. 2021)

- ◆ Candy market recovery lagging in 2021, at 86.5% of the pre-pandemic level (2019)
- ◆ Kanro's performance was driven by gummies, with sales growing above 2019 (resulting in No. 1 share of the candy market)

2021 Candy market sales amount (vs. 2019)



Source: INTAGE Inc. SRI+ Hard candy market, comparison with 2019 of annual sales amount (Jan.-Dec.) by type

Kanro's share of candy market

	2019	2021
Hard candy	No.1 19.0%	No.1 20.7%
Gummies	No.3 13.8%	No.2 17.5%
Candy market	No.2 10.1%	<u>No.1 12.3%</u>

Source: INTAGE Inc. SRI+ Hard candy market Jan.-Dec. annual total for 2019 and 2021, share in terms of sales amount

## II) Awareness of business environment

Macro environment **【PEST analysis】**

## Politics

**Amendments to laws and regulations**

(Food Sanitation Act&lt;Changes in labeling, etc.&gt;etc.)

**Extension of retirement age**

(Amendments to Act on Stabilization of Employment of Elderly Persons)

**Changes in trade environment due to TPP, RCEP, EPA**

(gradual reduction and elimination of tariffs on candies)

Environment  
Economy**Climate change**(concerns over raw materials procurement)  
(greater challenge in demand forecasting)**Exchange rates****Weakening of the yen**(advantageous for exports)  
(disadvantageous for imports)**Surge in raw materials and crude oil prices**(rise in costs)  
(acceleration of shift to clean energy)

## Society

**Declining birthrate and aging society / declining population**

(decreasing number of domestic consumers of candies)

**Negative image associated with carbohydrates and calorie intake**(decrease in candy consumption)  
(increase in zero-carb, low-calorie foods)**Lifestyle changes due to COVID-19  
Shift to value-based purchasing behavior**(increasing awareness towards health and SDGs)  
(increasing attention on Generation Z)

## Technology

**Promotion of DX**(smart factories)  
(digital marketing)**Growth of e-commerce market)**(response to OMO\*)  
(diversification of digital sales channels)**Evolution of food caused by food technology**(expansion of business domains)  
(increase in food substitutes and plant-based products)  
(birth of food 3D printers)

※ Online Merges with Offline

## Direction to be pursued in the Medium-term Corporate Strategy 2024 **Kanro**

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### 1. Changes in consumer lifestyle

- Changes in consumer behavior and values are accelerating
- Life after COVID-19, when it arrives, will not return to the lifestyle before COVID-19
- People's lives will be designed by new values and services, and the economy will gradually recover

### 2. Growth potential of the candy market

- With organic growth, the current trends will continue (gradual decline of hard candies, growth of gummies)
- By creating values through innovation, both hard candies and gummies have potential for further market expansion and development of new markets



**While the future is unpredictable, Kanro is committed to creating the future**

## III) Our vision

## Kanro Vision 2030 (1) The big picture

Kanro Vision  
2030

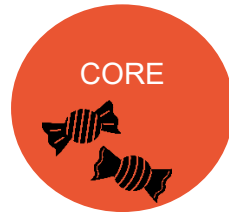
# Sweeten the Future

Creating a healthy future that is filled with smiles by offering products and services focusing on ingredients and functionality

Priority strategies

Value creation, ESG management, and expansion of business domains

Business  
domains



Kanro's strengths

Trust, brand, R&D capabilities, and quality assurance system

Financial targets\*

Net sales of 50 billion yen, operating income ratio of 9% or higher,  
and ROIC of 10% or higher

\*Figures for net sales and operating income ratio are restated due to application of the new revenue recognition standard

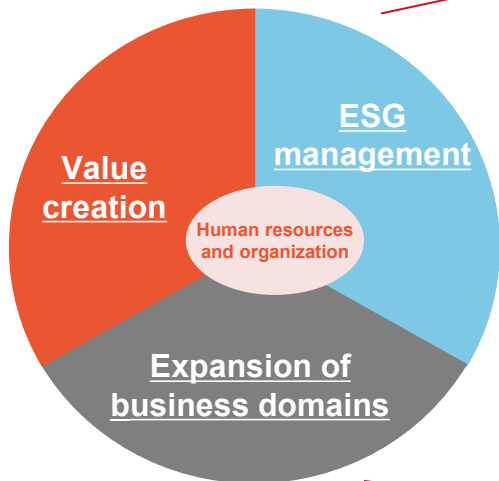
## III) Our vision

## Kanro Vision 2030 (2) Priority strategies

## Kanro Vision 2030

### Sweeten the Future

The “three priority strategies,” supported by “human resources and organization”



## Three priority strategies

### Value creation

A company that creates new values and contributes to health and a better society through its pursuit of “ingredients” and “functionality,” and with its passion for candies cultivated over 110 years of history and tradition.

### ESG management

A company that addresses social issues by creating values through its business, as a company that cherishes harmony with society, that is needed by society, and is chosen by people

### Expansion of business domains

A company that continues to grow through diversified business development with domestic candy business at the core and with an eye on overseas, digital and future markets.

### III) Our vision Kanro's values

In an era of dramatic changes and with uncertainty in the outlook, Kanro has defined its purpose by tracing back the path it has taken to date and putting into words its thoughts for the future

OUR PURPOSE	STATEMENT
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*Sweeten the Future*

We Sweeten the Future to open hearts. It's our purpose.

In a moment of flavor, our confections unleash feelings of relief, excitement, forgiveness, sometimes even inspire a whistle or hum.

Feelings that open hearts.

Championing sweetness, we apply innovative technology to contribute to a thriving tomorrow for humanity and the Earth, opening hearts and minds to possibilities.

**CREDO**  
(Code of Conduct)

Originality and Ingenuity  
Never fear change. Be creative and stay innovative.

Loyalty and Integrity  
Earn the trust of all stakeholders through sincere words and actions.

A Million Hearts as One  
Inclusion by respecting diversity and individual expertise, and leveraging these in helping employees and the company grow together toward our purpose.

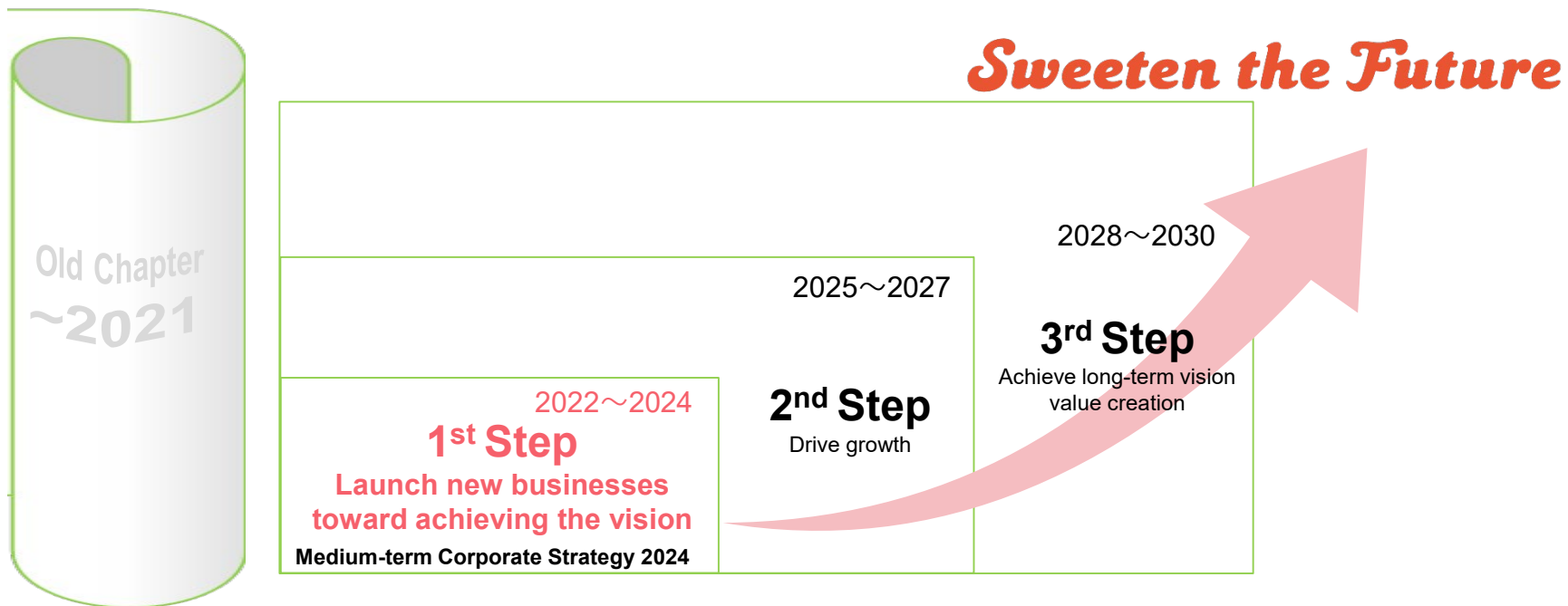


**Medium-term Corporate Strategy 2024**  
**Our vision**

**As a Purpose-Driven Company**

# **IV) Medium-term Corporate Strategy 2024**

With purpose as the starting point, begin a New Chapter in 2022 toward achievement of “Kanro Vision 2030”



## IV) Medium-term Corporate Strategy 2024

## Key initiatives and KPIs

## Key initiatives

*Sweeten the Future*

## Value creation

- ◆ Beef up investment to advance innovation
- ◆ Aim for sustainability and strengthen pursuit of “ingredients” and “functionality”
- ◆ Listen to consumer feedback obtained directly through digital contacts
- ◆ Strengthen research and development from a global perspective

## ESG management

- ◆ Enhance internal structure to achieve SDGs
- ◆ Promote diversity and inclusion
- ◆ Strengthen corporate governance

## Expansion of business domains

- ◆ Build platform for expanding contacts with consumers while deploying the values created to new areas and new channels
- ◆ Continuously implement cost reduction measures to prepare for investing in future growth in the 2nd step

## Human resources and organization

- ◆ Develop environment that allows diverse workforce to play an active role
- ◆ Improve employee engagement

## KPIs

## 2024 targets

Financial indicators	Net sales growth rate (compound annual growth rate)	5% or higher Core 3% or higher Others 30% or higher
	Operating income margin	7%
	ROIC	7.5% or higher
Non-financial indicators	CO <sub>2</sub> emissions (*) (Total of scope 1, 2 and 3)	262.4 t / ¥100 million
	Activities to provide education on the value of sugar	8 million people
	Employee engagement score	55%

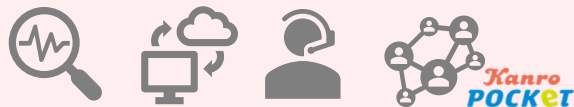
(\*) Per unit of net sales

## Value creation through innovation

<CUSTOMER IN>

<Innovation through  
digital contacts>

Needs × Digital



Digital

Value  
creation

Innovative  
products

Research  
technology

<PRODUCT OUT>

<Innovation of  
research technology>  
Seeds × Research technology



## <Innovation of research technology>

Continue creating new product values by applying every available technology

### Seeds × Research technology

Power of ingredients × new composition  
and manufacturing technology

Production methods and equipment ×  
new technology

Plant-based ingredients ×  
new manufacturing technology

Production plants x streamlining

New applications × new composition and  
manufacturing technology

Ingredient standards and quality control ×  
global standard

Intellectual property in research ×  
food and pharmaceutical technologies

Value  
creation

Research  
technology

Innovative  
products

<Innovation through digital contacts>  
Implement data-driven digital marketing to create new customer value

**Needs** × **Digital**

Social media marketing × Digital

Voice of customer × Digital

Bigdata × Digital

Generation Z × Digital

Brand × Digital

Global × Digital





Digital

Value creation

Innovative products

# Expansion of business domains

In the core business, develop new domains around existing domains through innovation  
 Build new business domains by expanding markets and channels through the three businesses


		Product (domain)		Compound annual growth rate	
		Existing	New		
Market / channel	Existing	 <p><b>Core business</b></p>		3% or higher	5% or higher
	New	 <p>Digital commerce business</p>  <p>Global business</p>  <p>Future design business</p>		30% or higher	




## Priority policy

**Send cheers to consumers with candies, the product that Kanro has been engaged in for many years.**

**Driven by the purpose defined for each brand, realize new co-creation of candies with Generation Z and capture growth of the gummies market through a marketing mix of product, sales and promotion (aim to maintain the top share of the candy market and to achieve No. 1 share of the gummies market).**

Product strategy		
Hard candy	Gummies	Core brands
<ul style="list-style-type: none"> <li>◆ Develop innovative products</li> <li>◆ Co-create with Generation Z</li> </ul>  <ul style="list-style-type: none"> <li>◆ Develop plant-based products</li> <li>◆ Contribute to improving well-being</li> </ul>	<ul style="list-style-type: none"> <li>◆ Cultivate existing brands</li> </ul>  <ul style="list-style-type: none"> <li>◆ Launch products that have agility</li> </ul>	<ul style="list-style-type: none"> <li>◆ Develop brand-specific purpose that is based on corporate purpose</li> </ul> 




## Sales strategy

Digital communication	Store-focused	Channel
<ul style="list-style-type: none"> <li>◆ Use digital data</li> <li>◆ Use SFA (Sales Force Automation)</li> <li>◆ Use digital media</li> </ul>  <p>The image shows a colorful movie poster for 'ASOBON!'. At the top, it says 'Kanro あそぼん! ASOBON!'. Below that, it says 'あそぼん! お菓子な、おもちや。'. In the center, there's a smaller version of the poster with the text 'ASOBON!'. At the bottom, it says 'スペシャルムービー公開中'.</p>	<ul style="list-style-type: none"> <li>◆ Propose sales methods and create sales space aligned to store type</li> <li>◆ Strengthen link between social media promotion and in-store promotion</li> <li>◆ Strengthen on-site visits</li> </ul>	<ul style="list-style-type: none"> <li>◆ Expand sales of core brands</li> <li>◆ Pursue strategic collaboration with retailers and wholesalers</li> <li>◆ Acquire new channels</li> </ul>


## Priority policy

**Expand business by building a business platform with HITOTUBU KANRO as a foothold and reaching out to the world with products and services that seek to create a healthy future filled with smiles, to be made available exclusively in e-commerce stores.**

Business division initiatives <Digital Commerce Business Division (2)>

Product and service strategy		
HITOTUBU KANRO (e-commerce, stores)	New products (e-commerce)	New services
<p>◆ Roll out of Gummitzel variations</p>  <p>◆ Ecoline Launch of "HITOTUBU KANRO earth"</p> <p>ヒトツブ カンロ earth</p> 	<p>◆ Brain x sugar</p> <p>(1) Full-scale launch of "BRAON," an esports product</p> <p>(2) Launch of strategic products pursuing the potential of sugar in the field of brain (exclusively for e-commerce)</p> <p>◆ New ingredient-driven snacks (exclusively for e-commerce)</p>	<p>◆ New member service (subscription) "Kanro POCKET" delivery service (tentative)</p> 

Business division initiatives <Digital Commerce Business Division (3)>

Sales strategy		
Brick-and-mortar store strategy	Kanro POCKeT	Others
<ul style="list-style-type: none"> <li>◆ Strengthen and expand flagship store</li> <li>◆ Actively engage in marketing through popup stores</li> <li>◆ Strengthen the links between members and e-commerce</li> </ul>	<p>◆ Build e-commerce platform</p> 	<ul style="list-style-type: none"> <li>◆ Strengthen platform for cross-border e-commerce</li> <li>◆ Consider preparing for deployment in major e-commerce malls and wholesalers</li> </ul>

## Priority policy



Promote globalization and deliver Kanro quality to the people around the world to contribute to health and life filled with smiles.

Business strategy	Product strategy	Sales strategy
Globalization	Exports	Exports
<ul style="list-style-type: none"> <li>◆ Strengthen quality assurance system, develop human resources</li> <li>◆ Promote collaboration with partners</li> </ul>	<ul style="list-style-type: none"> <li>◆ Develop health problem-solving products</li> <li>◆ Develop products exclusively for overseas markets, products with unified specifications for domestic and international markets</li> </ul>	<ul style="list-style-type: none"> <li>◆ Further cultivate transactions in Greater China</li> <li>◆ Tap into new markets, expand export transactions</li> </ul>  <p>海外販売 現地生産・販売 共同研究・商品開発</p>
	Imports	
		<ul style="list-style-type: none"> <li>◆ Embark on cross-border e-commerce business (collaboration with Digital Commerce Business Division)</li> </ul>

**Business division initiatives <Future Design Business Division>**

**Priority policy**

**Targeting “future market and consumers,” design and create products and services that are earth-friendly and “open people's hearts.”**

<b>Business strategy</b>	<b>Sustainability</b>	<b>Well-being</b>
<ul style="list-style-type: none"> <li>◆ Build business platform with “sustainability” and “well-being” as the key words</li> <li>◆ Implement circular economy initiatives</li> <li>◆ Seek discontinuous growth through capital and business alliances, etc.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Turn non-compliant candies and food waste into products and sell them as “HITOTUBU KANRO earth” products</li> </ul> <div style="text-align: center; margin: 10px 0;"> <p>ヒトツブ カンロ earth</p>  </div> <ul style="list-style-type: none"> <li>◆ Contribute to ESG management through creation of future businesses</li> </ul>	<ul style="list-style-type: none"> <li>◆ Continuously send out messages on earth-friendly “goods” and exciting “experiences”</li> </ul> <div style="text-align: right; margin-top: 20px;">  </div>



<b>Functional divisions</b>		
<b>Research and Technology Division</b>	<b>Marketing Division</b>	<b>Production Division (production plants)</b>
<ul style="list-style-type: none"> <li>◆ Create new snacks</li> <li>◆ Respond to globalization</li> </ul>	<ul style="list-style-type: none"> <li>◆ Promote digital marketing</li> <li>◆ Develop and foster new brands</li> </ul>	<ul style="list-style-type: none"> <li>◆ Realize smart factories</li> <li>◆ Improve man-hour productivity</li> </ul>
<b>Product Quality Division</b>	<b>SCM Division</b>	<b>Corporate Communications Division</b>
<ul style="list-style-type: none"> <li>◆ Set up a quality assurance framework conforming to the global standard</li> <li>◆ Strengthen quality control at production plants</li> </ul>	<ul style="list-style-type: none"> <li>◆ Ensure stable procurement of sustainable raw materials</li> <li>◆ Develop stable logistics systems</li> <li>◆ Reduce waste by improving sales forecasting accuracy</li> </ul>	<ul style="list-style-type: none"> <li>◆ Strengthen stakeholder empathy</li> <li>◆ Enhance customer satisfaction and customer experience</li> </ul>

## IV) Medium-term Corporate Strategy 2024

## ESG management (1)

## Structure for achieving SDGs

Effective April 1, 2022, sustainability promotion efforts will be led by the “Sustainability Committee,” a cross-organizational structure to be newly established with the aim of raising awareness of all employees about sustainability issues and digging deeper into the initiatives implemented to date.



# IV) Medium-term Corporate Strategy 2024

## ESG management (2)

### Main sustainability initiatives by business division

### Business division

	Core	Digital Commerce	Global	Future Design
• Food barrier-free (labeling that clearly indicates ingredients and processing methods used)	●	●	●	●
• Donation linked to product sales	●	●	●	●
• Downsizing of product packaging to reduce use of packaging materials	●	●	●	●
• Promotion of switch to environmentally friendly packaging materials and inks	●	●	●	●
• Extension of best-before dates by reviewing selection of raw materials and composition	●	●	●	●
• Reduction of losses by improving sales forecasting accuracy	●	●	●	●
• Recycling, upcycling and reusing	●	●	●	●
• Recycling program through HITOTUBU KANRO stores	●	●	●	●
• Marketing that contributes to reduction of food loss and waste	●	●	●	●
• Capital investment that contributes to reducing CO <sub>2</sub> emissions	●	●	●	●
• Reduction of energy consumption, study on introduction of clean energy	●	●	●	●
• Disclosure and improvement of environmental data relating to wastes, water resources, etc.	●	●	●	●
• Planned implementation of quality inspection at outsourced manufacturers	●	●	●	●

#### Promotion of diversity & inclusion

- ◆ Develop human rights policy
- ◆ Raise the rates of women in management and employment of persons with disabilities
- ◆ Promote understanding of LGBTQ issues and create a climate that is free from bias
- ◆ Provide an environment that encourages use of childcare and nursing care leaves
- ◆ Promote smart factories for a comfortable working environment at production plants
- ◆ Facilitate use of satellite offices and external co-working spaces, expand the scope of teleworking
- ◆ Examine introduction of a “workcation” system

#### Enhancement of corporate governance

- ◆ Enhance BCP against disasters and spread of infectious diseases
- ◆ Strengthen cyber security measures
- ◆ Enhance information disclosure (disclosure of non-financial information including disclosure in line with TCFD recommendations, sustainability promotion structure, risk management structure)

Human resources and organization that support purpose-driven company

## *Sweeten the Future*

### Develop environment that allows diverse workforce to play an active role

- ◆ Revise systems to promote regeneration and invigoration of the organization
- ◆ Implement global business skills training
- ◆ Strengthen talent management system
- ◆ Implement reskilling programs



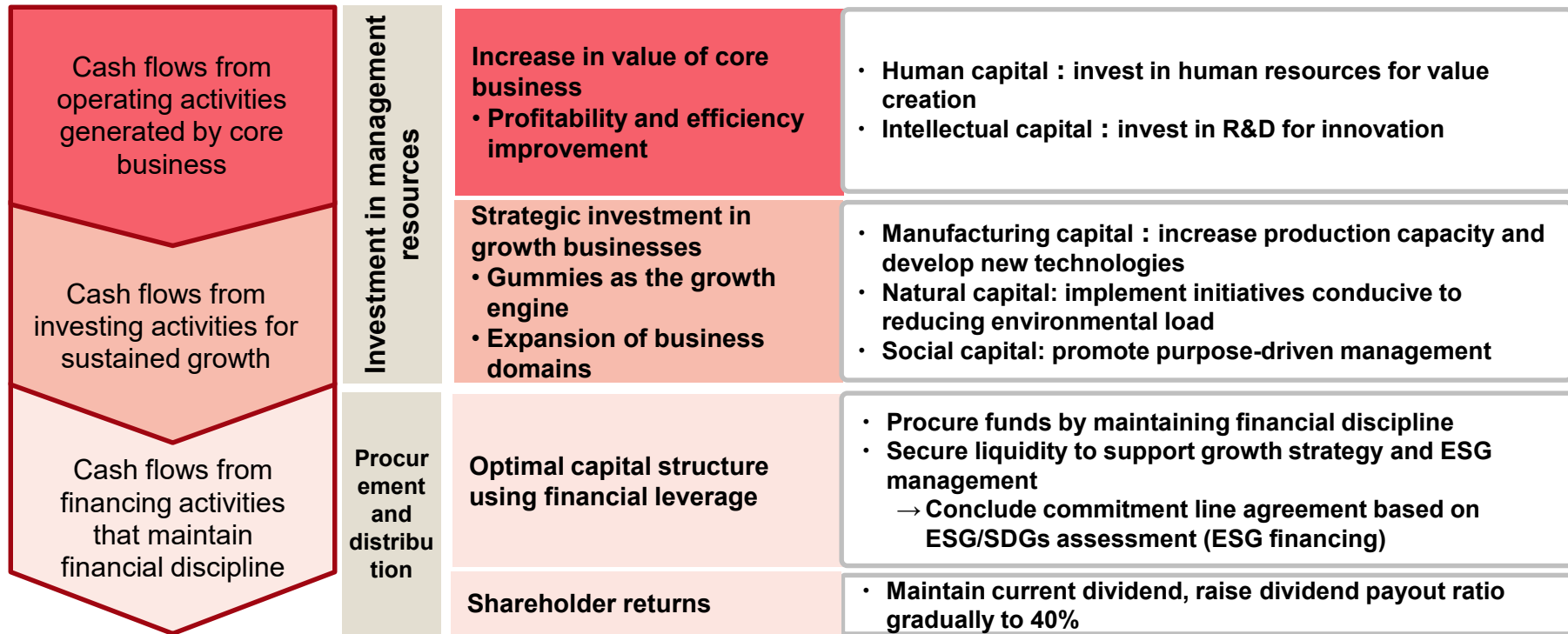
### Improve employee engagement

- ◆ Promote widespread understanding of and sympathy with the purpose, and purpose-driven autonomous organizational management
- ◆ Revamp performance appraisal system
- ◆ Encourage use of communication tools to connect employees

## IV) Medium-term Corporate Strategy 2024

## Financial strategy (1) Basic policy

## Financial strategy based on business management focusing on cost of capital (ROIC) to achieve growth



⇒ Optimize corporate value with profitability×efficiency×growth potential

## IV) Medium-term Corporate Strategy 2024

### Financial strategy (2) 3-year cash flow plan

Use operating cash flow generated from core business for investment in future growth including new business domains (digital commerce business, global business and future design business) and for increasing shareholder returns.

Cumulative cash flow 2022 - 2024

Cash-in Flow	Cash-out Flow
Core business Approx. ¥8 billion	Capital investment Approx. ¥7 billion
	Investment in digital and new businesses
ESG financing and other financial activities	Shareholder returns ¥1 billion or more

**Invest in highly efficient projects that contribute to ROIC improvement (with guideline rates set at levels higher than the cost of capital)**

- Hold down maintenance and replacement investments
- Strengthen production system for gummies that are the growth engine
- Create new values
- Invest in productivity improvement (smart factory)

- Promote digitalization (installation of a new ERP system, etc.)
- Make disciplined investment decisions for expansion of business domains (set guideline rate for each area and region)

- Increase shareholder returns (maintain ¥40 annual dividend, increase dividend payout ratio gradually to 40%)

## IV) Medium-term Corporate Strategy 2024

## Financial strategy (3) Financial indicators

Indicator	2021 Final fiscal year of the previous Medium-term Corporate Strategy	Medium-term Corporate Strategy 2024		Kanro Vision 2030
		2022	2024	
Net sales <sup>*1</sup>	¥21.58 billion	¥22.6 billion	-	¥50 billion <sup>*2</sup>
	<b>Total of 4 businesses</b>	Compound annual growth rate <b>5% or higher</b>		
	<b>Core business</b>	3% or higher		¥30 billion <sup>*2</sup>
	(Digital Commerce/Global/Future Design) <b>3 businesses</b>	30% or higher		¥20 billion
Operating income margin	5.8%	5.0%	<b>7.0%</b>	9% or higher <sup>*2</sup>
ROIC	7.3%	—	<b>7.5% or higher</b>	10% or higher
Dividend payout ratio	32.0%	34.4%	<b>40%</b>	50%

\*1 Restated figures due to application of the new revenue recognition standard

\*2 Restated due to application of the new revenue recognition standard

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## IV) Medium-term Corporate Strategy 2024

### Non-financial indicators

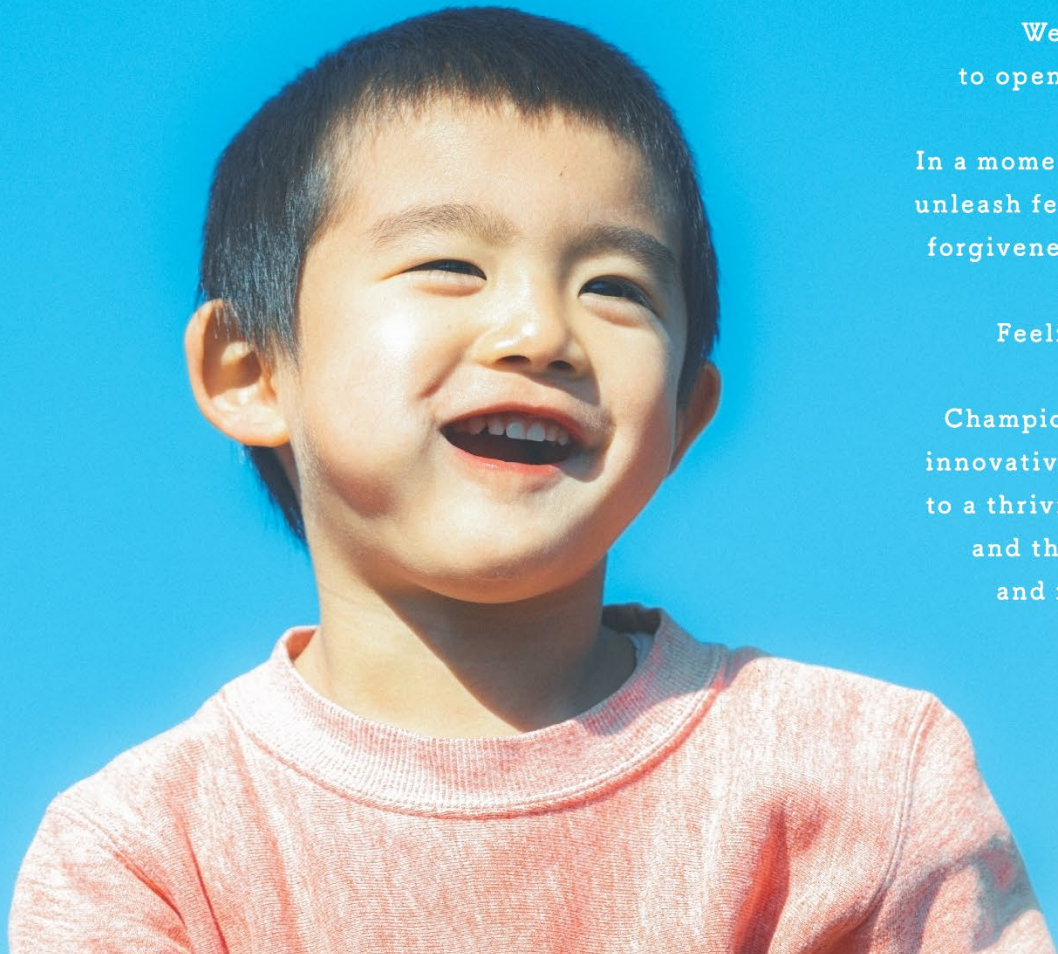
Key sustainability indicators	Base		Medium-term Corporate Strategy	Kanro Vision 2030	
	2019	2020	2024	2030	
Mitigating environmental load through business	• Reduction of CO <sub>2</sub> emissions (scope 1 to 3) (per unit of net sales)		308.6 t/¥100 million* <sup>1</sup>	262.4 t/¥100 million (-15%)* <sup>2</sup>	216.0 t/¥100 million (-30%)* <sup>1</sup>
	• Reduction of food waste (per unit of net sales)		4.63 t/¥100 million * <sup>1</sup>	4.12 t/¥100 million (-11%)* <sup>1</sup>	3.24 t/¥100 million (-30%)* <sup>1</sup>
Promotion of human rights and diversity	• Rate of women in management (manager or above)		12.6%	20%	In the 30% range
	• Employment rate of persons with disabilities		2.6%	3.0% with expansion of Kanro farm	Maintain 3.0%
	• Employee engagement score		47.0%	55.0%	70.0%
Creating value through sweetness	• Activities to disseminate correct information on the value of sugar		480,000 people	8 million people	15 million people

\*1 Restated due to application of the new revenue recognition standard

\*2 Restated due to application of the new revenue recognition standard; reduction target has been revised

# As a Purpose-Driven Company





We Sweeten the Future  
to open hearts. It's our purpose.

In a moment of flavor, our confections  
unleash feelings of relief, excitement,  
forgiveness, sometimes even inspire  
a whistle or hum.  
Feelings that open hearts.

Championing sweetness, we apply  
innovative technology to contribute  
to a thriving tomorrow for humanity  
and the Earth, opening hearts  
and minds to possibilities.

*Sweeten the Future*  
  
**Kanro**