



9th Medium-term Management Plan

FREUND

FREUND CORPORATION
(Securities code: 6312)



Corporate Philosophy

“Develop the Future through Creativity®”



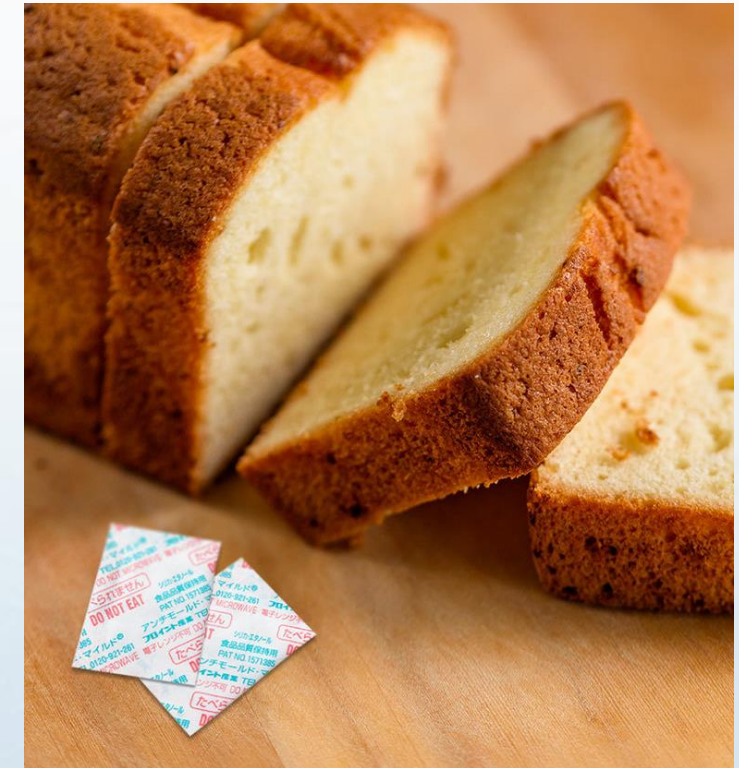
MACHINERY

We specialize in the development of technologies for granulation, coating and various other types of machinery that are used by companies worldwide, mainly in the pharmaceutical industry.



EXICIPIENTS

We manufacture and sell excipients, which are the precisely formulated inactive additives for drugs that help ensure the active ingredients function effectively and properly.



FOOD PRESERVATIVES

We manufacture and sell food preservatives, including substances for suppressing mold and other microbes in bakery products, that preserve the moist feel and extend the shelf life of food products.

Global Network of FREUND Group



 Italy

 China



 Head Office

Tokyo 

Yokosuka



 United States of America



Hamamatsu Office, Research and Development Laboratory

 India



Osaka Office

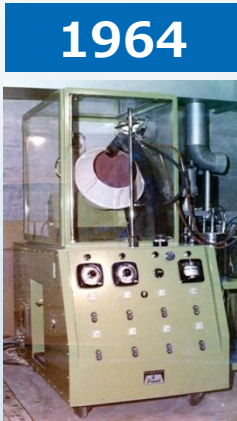


Nagoya Sales Office

FREUND Group Global Business Base

FREUND Strengths

- A leading global manufacturer of drug formulation equipment and the only company in this sector that also supplies excipients
- Product development skills for creating industry firsts and technological skills involving drug formulation
- Manufacturing and sales bases in Japan and other countries for global coverage, including emerging countries
- Food preservatives that help reduce food loss (Japan’s largest ethanol evaporation agent supplier)



1964

Developed and launched testing machine for automated film coating machine “FM-2 model” and manufacturing machine “FM-5 model”

FM-2 automated film coating machine (trial version)



2021

Developed and launched tablet coater “HICOATER HV”

Business climate

Japan

- Shortages of pharmaceuticals
- Decrease in working population
- Rapid development of new technologies
- Increase in unmet medical needs

Overseas

- Increase in world population
- Growing demand for pharmaceuticals
- Diversification and globalization of consumer needs for machinery
- Emergence of regional manufacturers

Sustainability

- Aggravating global environmental problems
- Diversified work styles and lifestyles
- Human resource management
- Requirements for more rigorous governance and compliance

Long-term Vision

ONE FREUND & BEYOND

Values which the FREUND Group holds precious

Number
ONE

Creating special value
Aiming to be No.1
in each business segment

Only
ONE

Putting clients' views 1st
Aiming to be the Only ONE for
clients and society

Be
ONE

Networking
Unite to a "Be One" group

Basic Policy

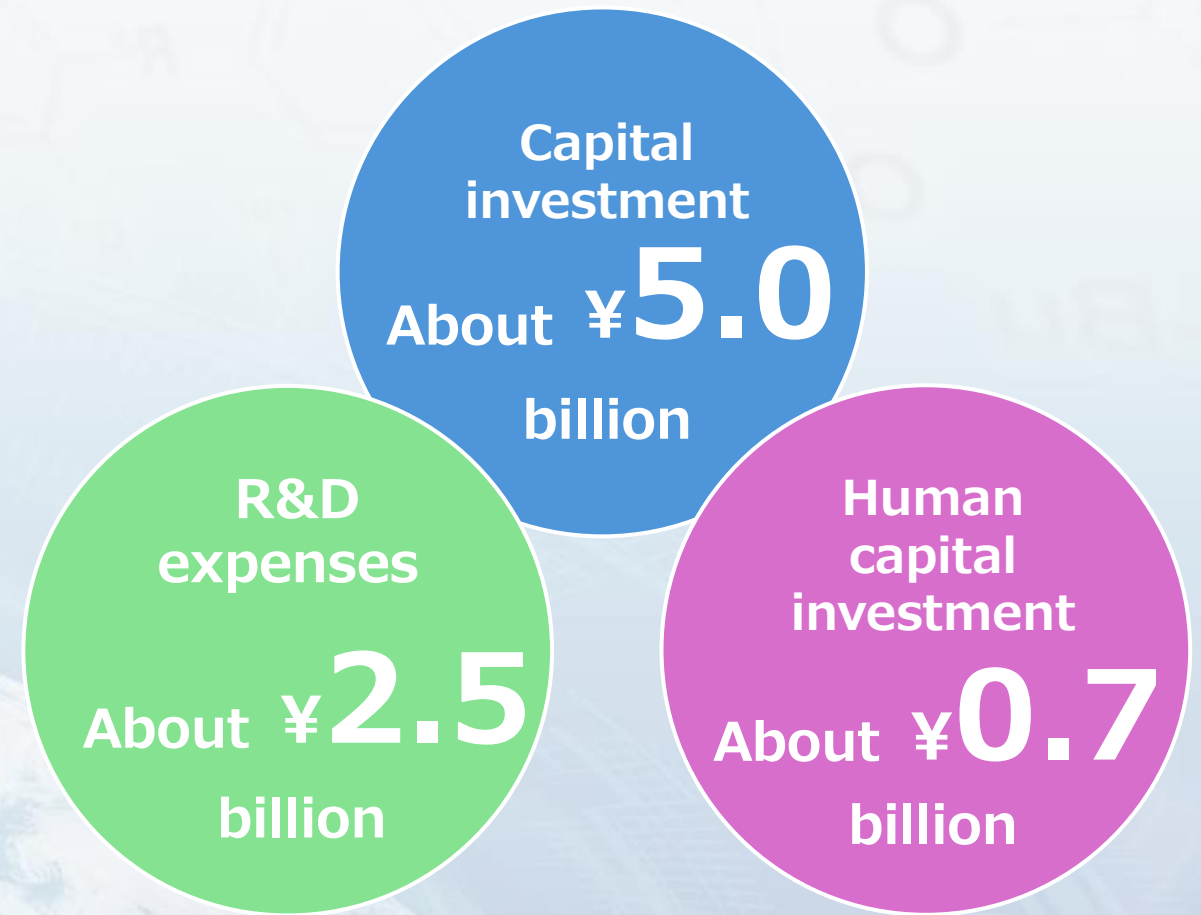
- Use innovative ideas to enable people worldwide to enjoy healthy and fulfilling lives.
- Expand the areas covered by the machinery business and strive to become one of the world's top three suppliers.
- In the chemicals business, aim to become Japan's leading specialty chemical company.
- Create a corporate group with a diverse and productive workforce, fostering an environment where people can upgrade skills and advance their careers



9th Medium-term Management Plan

(FY2/25 – FY2/27)

- **Strengthen and expand core businesses**
- **Develop new products and businesses**
- **Build a stronger base of operations**



Numerical Targets of the 9th Medium-term Management Plan (Consolidated)

(Millions of yen)

	FY2/24	FY2/27
Net sales	22,903	25,000
Machinery	16,158	17,750
Chemicals	6,746	7,250
Operating profit	1,270	1,600
Operating margin	5.5%	6.4%
ROE	5.3%	7.0%



*The Group assumes an average exchange rate of 130 yen to the U.S. dollar and 140 yen for the euro for FY2/27.

Strengthen and expand core businesses

Global

Speed up synergies among group companies

Establish a presence in emerging country markets

Domestic Machinery

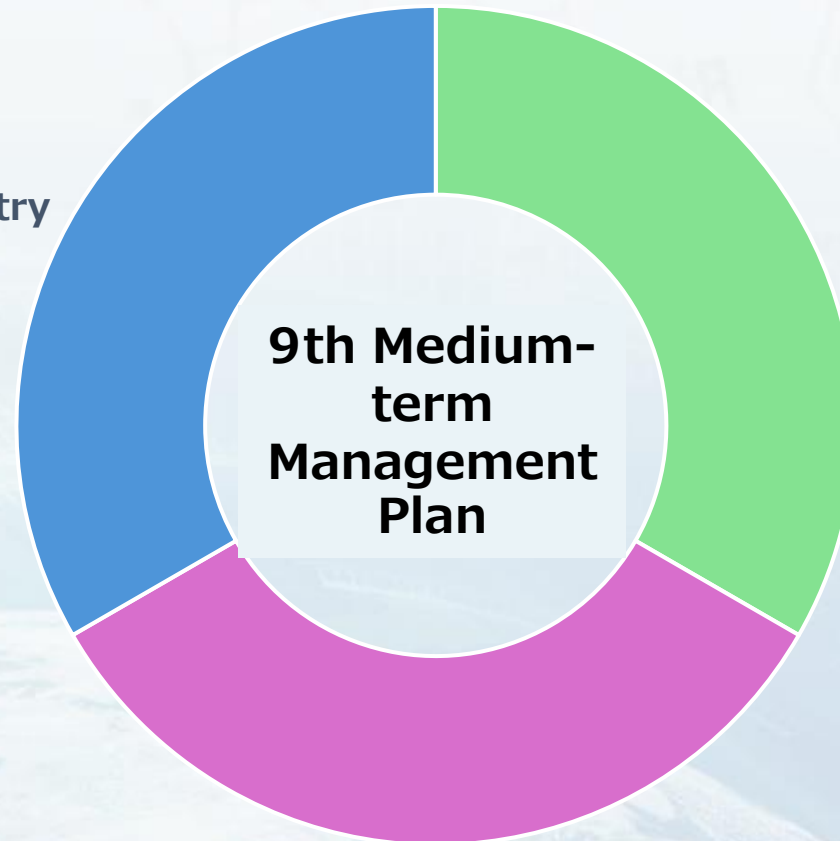
A more powerful framework for supplying products

More after-sales service relationships and sales

Chemicals

Supply chain optimization

Increase sales of the new spherical granule excipients



Build a stronger base of operations

Sustainable management

Investments for growth and consistent dividend payments

Develop new products and businesses

Global

Localize products and services

Extend operations to more business sectors

Domestic Machinery

Use new technologies

Start operating a new continuous production system

Chemicals

Develop excipients for direct compression tablet production

Develop new environmentally responsible food preservatives

Strengthen and expand core businesses

Global

Action Speed up synergies among group companies

Goal Increase the pace and magnitude of group synergies primarily involving sales, marketing and product strategies

Action Establish a presence in emerging country markets

Goal Expansion of the coverage of business activities to more regions of the world

Strengthen and expand core businesses

Domestic Machinery

Action A more powerful framework for supplying products

Goal Supply a larger volume of products while making more improvements concerning quality, delivery times and cost

Action More after-sales service relationships and sales

Goal Ensure the trouble-free operation of Freund machinery and be a source of new value and solutions for customers

Strengthen and expand core businesses

Chemicals

Excipients

Action

Supply chain optimization/construction of new excipient factory

Goal

Stable supply and increased production (scheduled for completion in spring 2026)

Action

Increase sales of the new spherical granule excipients

Goal

Combine drug formulation technologies to cut manufacturing expenses of customers (shorter production time)

Food Preservatives

Action

Supply chain optimization/Automated production systems

Goal

Increase job satisfaction and motivation of employees and cut costs by making production operations more efficient

Develop new products and businesses

Global

Action Localize products and services

Goal Use the Freund Group's five-region global network to meet the increasingly diverse needs of customers, mainly in the pharmaceutical industries of emerging countries.

Action Extend operations to more business sectors

Goal Move faster globally to be a source of solutions concerning batteries and energy

Develop new products and businesses

Domestic Machinery

Action Use new technologies

Goal Further upgrade quality management and maintain a reliable supply of products

Action Start operating a new continuous production system

Goal Make manufacturing operations less labor-intensive and more automated

Develop new products and businesses

Chemicals

Excipients

Action

Develop new excipients for direct compression tablet production

Goal

Reduce time needed to develop drug formulations and make manufacturing operations more efficient

Food Preservatives

Action

Develop new environmentally responsible food preservatives

Goal

Lower food loss and protect the global environment

The Significance of Sustainability at the Freund Group

The Freund Group is guided by the corporate philosophy of “paving the way to the future through creativity®.” Our goal is the sustainable growth of all stakeholders, the Freund Group and society. We are dedicated to using the provision of value to customers through business activities to make contributions to progress involving climate change, the depletion of natural resources, the destruction of forests, respect for human rights and other important issues.

Diversity and inclusion as well as ESG (Environment, Social, Governance) are also priorities for the Freund Group in order to play a role in creating a sustainable society from a long-term perspective.

Build a stronger base of operations

The goal is to use activities in the following four themes to achieve sustained medium- to long-term growth of the Freund Group and of corporate value.

Human resources

More recruiting and training activities



- Increase hiring of new graduates and people with prior work experience
- Expansion of education and training programs
- Job rotations to give people multitasking skills

Environmental programs

Use of business operations for the responsible use of global resources
Activities concerning global environmental problems



- Develop machinery and systems that uses less labor and helps protect the environment
- Modal shift for shipments of pharmaceutical excipients
- Develop environmentally responsible food preservatives

More engagement

Increase job satisfaction and motivation of employees



- Grant restricted stock (more sense of participation in management)
- Hold One Freund Meeting (every month to explain stance of management)
- Health management activities

Diversity

Measures for the advancement of women and assistance to enable people to continue working while meeting responsibilities at home



- Increase pct. of female managers from the current 14.7% to at least 20%
- Increase use of available child care time off by men from the current 33% to at least 50%

Domestic Machinery

Develop and sell machinery that increases automation, uses less labor and helps protect the environment



Tablet Coater
"HICOATER HV"



Tablet Automatic Coating Tool
"TACT"



Titration Image Automation System
"HIPPO SCAN"

Chemicals

Pharmaceutical excipient modal shift



Lower greenhouse gas emissions
(About 5.8 tons)

Develop and sell environmentally responsible food preservatives

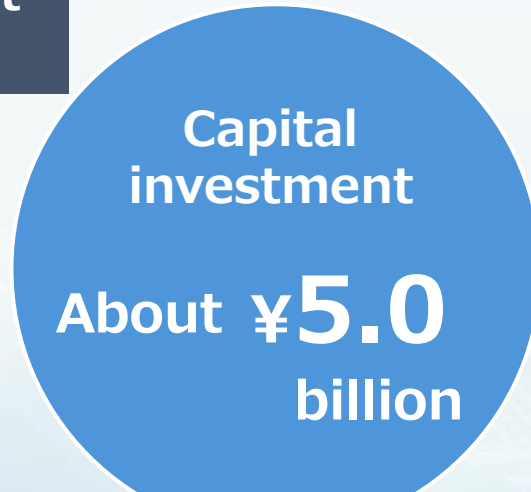


Biomass content ratio is more than 80%
"Antimold-Mild EF"

Build a stronger base of operations

Investment plan

*Totals for three years



- Construction of a new excipient factory
- Automation of food preservative production



- Use new technologies
- Develop new products



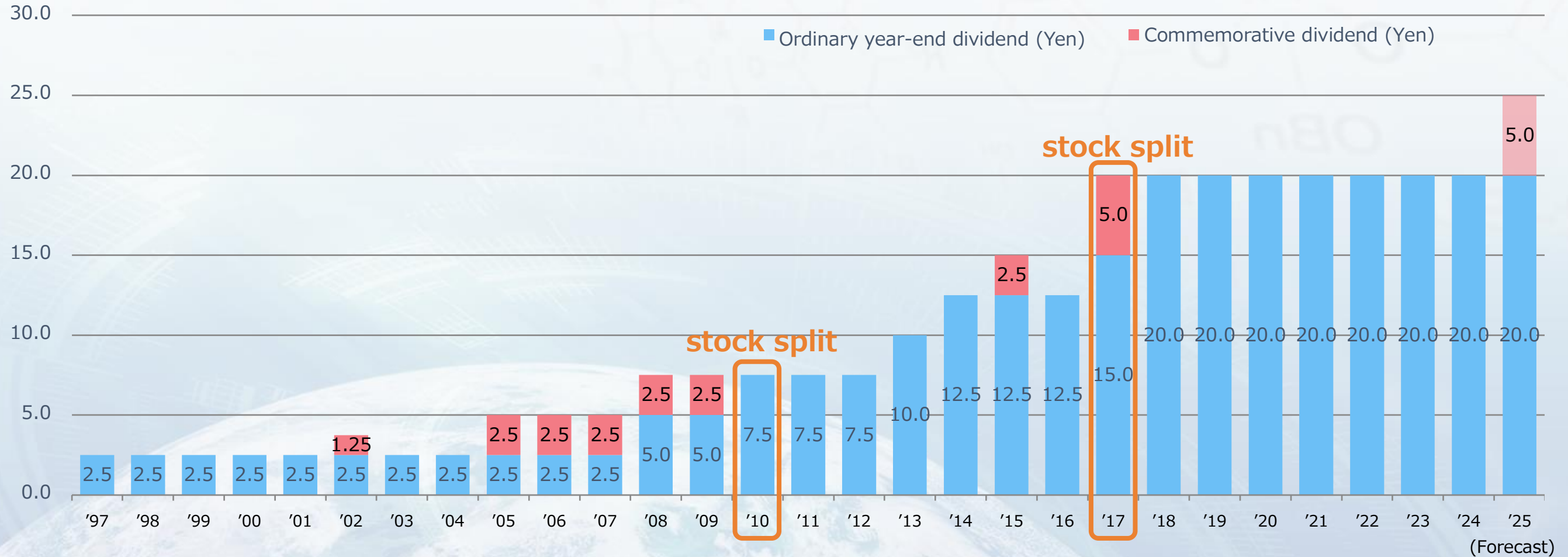
- Expenses for employee education/training
- Grant of restricted stock

Dividend Policy

Distributing earnings to shareholders is one of the highest priorities of Freund. This medium-term plan has the goal of maintaining a suitable balance between investments for sustained growth and consistent dividend payments. Decisions about repurchasing stock will be made based on market conditions, the level of equity and other considerations.

*A commemorative dividend for Freund's 60th anniversary is planned for FY2/25.

Stock dividends and splits since listing



* Freund conducted a 2-for-1 common stock split on June 1, 2009 and March 1, 2016. The dividends per share for FY2/16 and earlier have been adjusted to reflect the stock split.

* Above amounts are current dividend per share.

* There has been no reduction in the ordinary dividend since Freund was listed.

This presentation contains forward-looking statements involving plans, outlooks, strategies and policies.

These statements reflect the judgments of management and assumptions based on information available at the time of this presentation. Actual results of operations may differ from these statements for a number of reasons.