



The Value Creation Story of T.Hasegawa Group

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We will realize our vision by expanding business opportunities through innovation and reducing risks while considering the environment and society.



▲Distillation column

#1 T.Hasegawa Group's purpose

Embracing the corporate motto of being “A Foundation in Technology,” we strive to create an enriched society through flavors and fragrances.

Having adopted our corporate motto, we aim to provide customers with safe and reliable products. Our divisions constantly collaborate and work hard together while also engaging in partnerships and joint research with external parties. As a manufacturing partner, we provide proposals that will lead to customer success by exceeding their expectations and identifying the needs and latent demand of consumers. As a member of society, we will also work to build and strengthen relationships with each of our stakeholders and contribute to the creation of an enriched society by using flavor and fragrance technologies to solve the challenges faced by society.

Value Creation Story of
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The T.Hasegawa Approach

Company Creed

“A Foundation in Technology”

Management policies

- Strive to achieve stable and appropriate profit return to improve corporate value and increase shareholder profit.
- Realize our corporate social responsibilities by being thoroughly compliant with laws and regulations.
- Create a safe and comfortable work environment for our employees.
- Work to resolve social issues and contribute to the creation of a sustainable society.

Vision

Contribute to the creation of an enriched society through flavors and fragrances

Our stakeholders



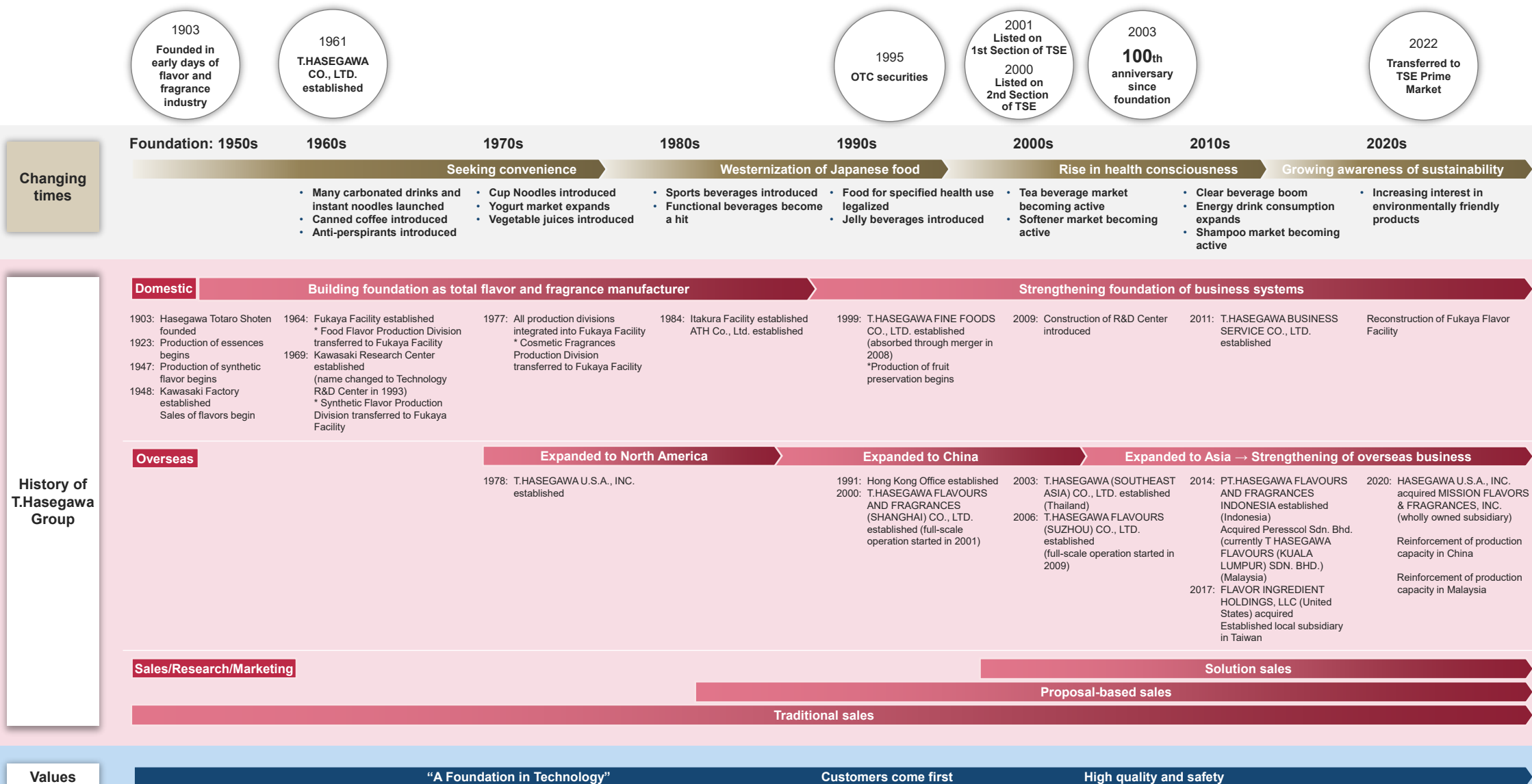
#2 The path to growth

For over 100 years since its foundation, we have grown by responding with attention to detail to customers' needs at the time.

Since its foundation in 1903, the Group has been providing high value-added products and has grown by responding with attention to detail to customers' needs at the time. Furthermore, due to the increased speed of customers' new product developments, the sales approach has also transformed from the traditional approach of responding to customer requests to a problem-solving approach.

In this way, the Group continues to grow by anticipating the changing times.

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#3 Our current state

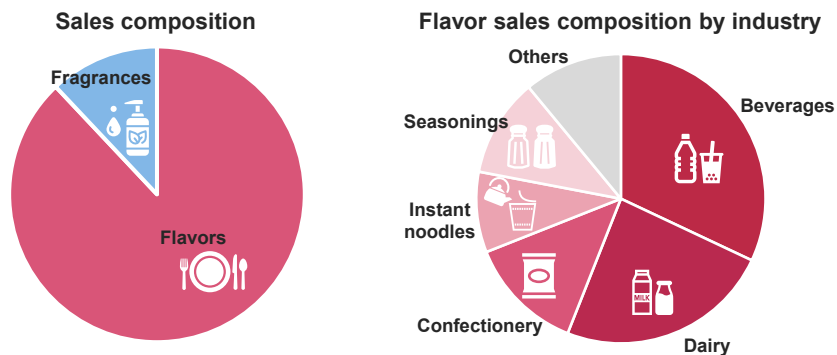
Value Creation Story of
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We have achieved a total flavor and fragrance manufacturer ranking No. 10 in the world and No. 2 in Japan in net sales.

Business areas

Dealing with a wide range of food, beverage and commodity manufacturers as a total flavor and fragrance manufacturer

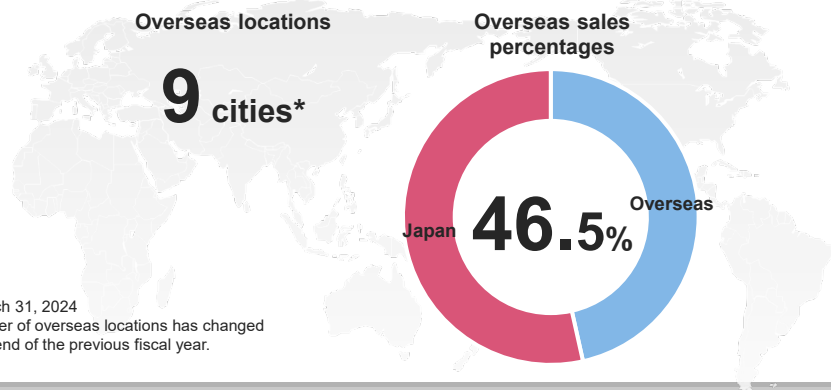
As a total flavor and fragrance manufacturer, the Group is engaged in the research, development, manufacture, and sale of compound flavors, emulsified flavors, powdered flavors, natural extracts, fruit preserves, natural dyes, and other products. In the flavor segment, we deal with a wide range of food and beverage manufacturers, mainly for beverages, dairy, confectionery, and instant noodle products. In the fragrance segment, we sell products to a wide range of customers, mainly in the cosmetics, toiletries, and household product categories.



Regions operating

Expanding business overseas (mainly in North America and Asia) in addition to a solid revenue base in Japan

While striving to expand our market share in the domestic market, which is our revenue base, we are concentrating our overseas expansion in North America, China, and Southeast Asia in order to achieve sustainable and stable growth. For the overseas market, we leverage our “power of flavor and fragrance creation,” which has been cultivated in Japan to provide a stable supply of high-quality flavors and fragrances that suit each country’s tastes. In addition to organic growth, we have also utilized a merger and acquisition strategy to expand our business overseas and have acquired flavor and fragrance companies in the United States and Malaysia.



* As of March 31, 2024

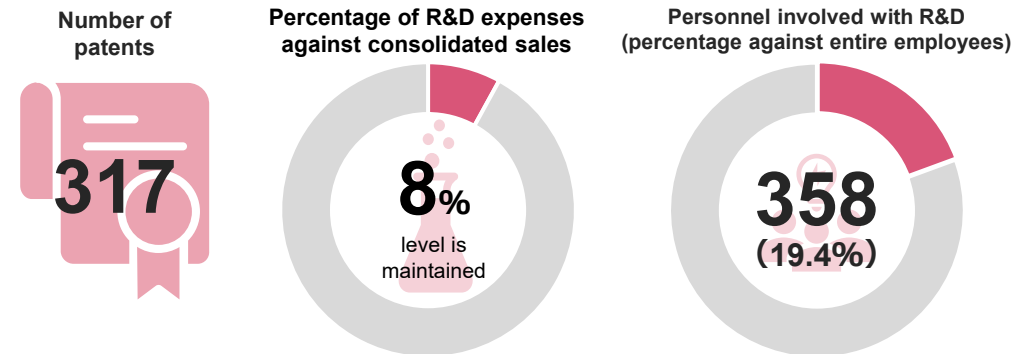
* The number of overseas locations has changed since the end of the previous fiscal year.

“A Foundation in Technology”

(As of the end of September 2023)

Focusing on R&D to create products that exceed customer expectations

Based on our corporate motto, the Group conducts various R&D activities, from the creation of new flavors and fragrances to trial applications for final products. The ratio of R&D expenses to consolidated net sales has remained high at 8%. In addition, the number of personnel involved in R&D accounts for a high percentage of all employees (19.4%).



Position

In terms of sales shares, the Company is ranked 10th in the world and 2nd in Japan

Sales share

10th
in the world

2nd
in Japan

Sales share of the world's top 10 flavor and fragrance companies

(\$1 million)

	Company	Country	2022 net sales	Share
1	IFF	United States	9,130	26.3%
2	Givaudan	Switzerland	7,454	21.4%
3	Firmenich	Switzerland	4,946	14.2%
4	Symrise	Germany	4,835	13.9%
5	ADM	Germany	3,769	10.8%
6	Mane SA	France	1,779	4.5%
7	Takasago International Corporation	Japan	1,421	3.6%
8	Sensient Technologies	United States	738	2.1%
9	Robertet SA	France	716	1.8%
10	T.HASEGAWA	Japan	497	1.4%
Total			35,286	100.0%

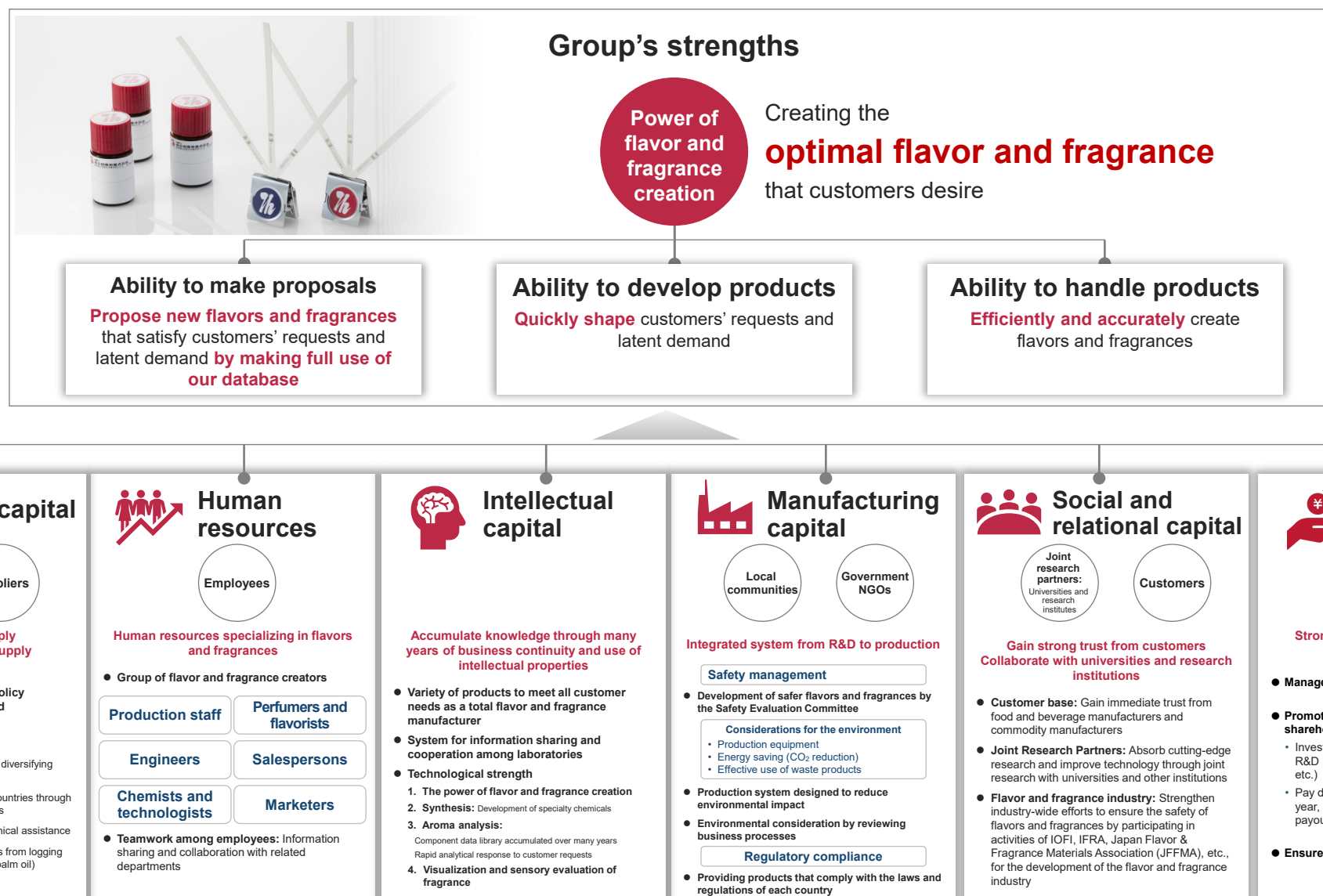
* Estimated by the Company's reference based on the disclosed materials of each company.

#4 The source of value creation

We pursue customers' needs through our "power of flavor and fragrance creation," based on our ability to make proposals, develop products, and handle products.

Combining technology and sensibility, we are exploring the infinite possibilities offered by flavors and fragrances. We aim to manufacture safe and reliable products for our customers and create unique flavors and fragrances in the world that fit the times.

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#5 The value creation process

We lead customers to success by creating unique flavors and fragrances around the world and implementing a production cycle to create high-quality and safe products.

Group's value creation:

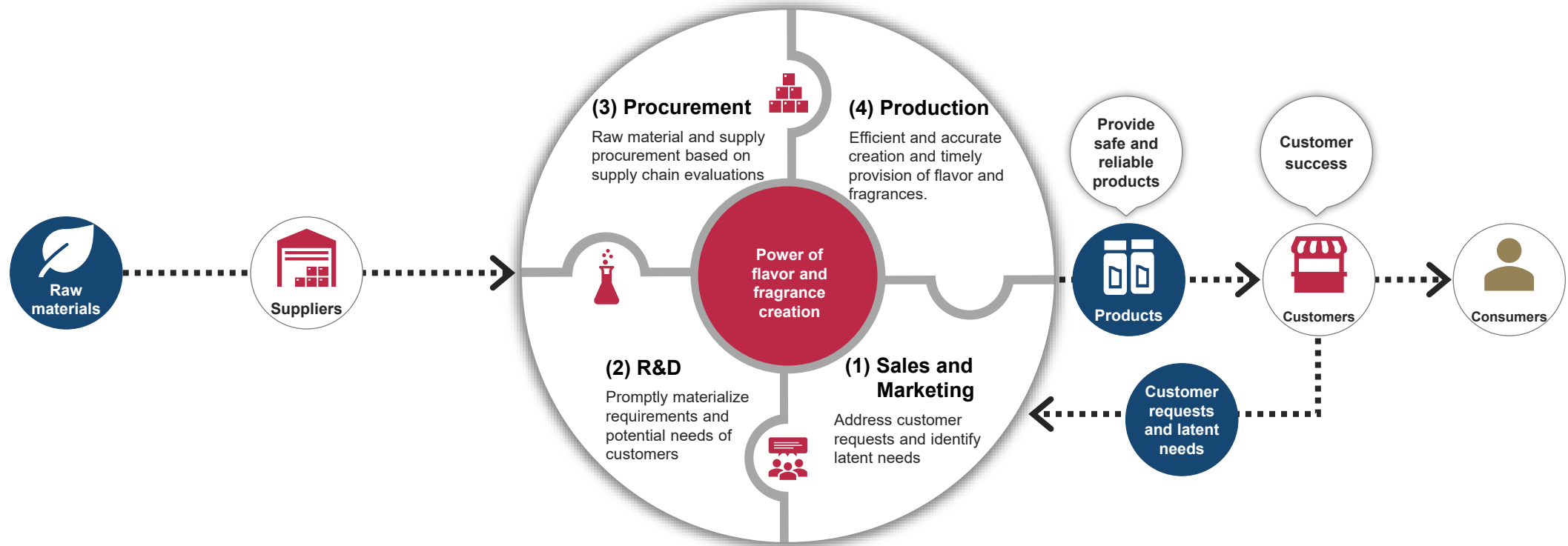
- (1) Our Sales and Marketing Divisions begin the value creation process by analyzing consumer needs to understand customers' requests and latent demand.
- (2) Our R&D Division creates samples of flavors and fragrances that reflect customers' requests and latent demand.
- (3) Our Procurement Division procures raw materials that take into account the supply chain.
- (4) Our Manufacturing Division uses the optimal production equipment to efficiently and accurately create flavors and fragrances.

Lastly, we provide safe and reliable products to customers in a timely manner under a perfect quality control system.

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Value creation at T.Hasegawa

“Production” of high-quality and safe products



“Creation” of the one and only flavors and fragrances around the world

#6 The value creation process and coexistence with environment and community

While realizing an enriched and healthy life through flavors and fragrances, we contribute to establishing a sustainable society by solving social issues.

Through our value-creation process*, we will provide high-value-added products that contribute to the realization of affluent and healthy living. We will also use flavor and fragrance technologies to solve social challenges and contribute to building a sustainable society.

* The “Creation” of unique flavors and fragrances around the world and the “Production” of high-quality and safe products.

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#7 The achievement of sustainable growth

We will realize our vision by expanding business opportunities through innovation and reducing risks while considering the environment and society.

The flavor and fragrance industry is greatly affected by the declining birthrate and aging population in Japan, climate change, food shortages, changes in consumer needs, and so on. In response to such changes in business conditions, we capture business opportunities through innovation with the “power of flavor and fragrance creation” and contribute to the creation of an enriched society through flavors and fragrances. In this process, we will not only strengthen our sustainability initiatives (such as responsible procurement, reducing environmental impact, human rights and labor, and quality safety) but also ensure thorough risk management.

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