Meeting Minutes / Cosmotec BOD meeting on 1st Dec 2022

Edited by Nozaki

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| Mr. Ishimura : I do appreciate the great result. Why does Cosmotec disqualify the oil complex system?  Daniela : We had several difficulties to develop this product. The finally developed product has limited market potential. We have ideas of other product to develop, however, it takes a lot of time to earn substantial profit expected by Sumitomo, therefore we disqualified this initiative.  Nozaki : USA might be a good potential market |
| Mr. Takemoto : Do you have any strategy to reinforce your product portfolio to be more resilient for direct sales risk ?  Leandro : We allocate more resource in development of product of suppliers who are together with us. Multinationals suppliers such as Momentive, Elementis, KOBO, and Evonik are today’s our cash cow, however, they can easily access to our customers by their local representative in Brazil therefore the direct sales risk is higher.  Nozaki : strategic supplier in pipeline is the KPI to monitor this strategy. |
| Mr. Tetsu : What it the difficulty to enter household market ?  Leandro : Cosmotec hired a consultant and tried to promote our ingredient that nowadays we are selling only to personal care market. However, there is lack of expertise for this market and it is a highly price oriented market therefore it is difficult to enter and disqualified from the strategic initiatives./ |
| Mr. Kitamura : I also appreciate the good financial result. Did you include BASF Color & Effect Biz in the MTP?  Vanessa : Yes. We expect that it will start from 2nd half of 2023. There is a risk of delay, however, we are now carefully transferring the biz from IMCD to Cosmotec. |
| Mr. Takemoto : Do you have any request on support from SC Japan?  Daniela : We would like to request to designate a person in charge of global suppliers management. IMCD has such managers who negotiate with multinational manufacturer for global sales right. Sumitomo now only has INEOS as global supplier and we expect more. |
| Luciano : The delivered result is excellent and I think that Cosmotec is on a growing stage. As for the growth strategy, please note that be close to customers. Go to exhibition and always learn the newest technology trend. Maintain always a good team. |