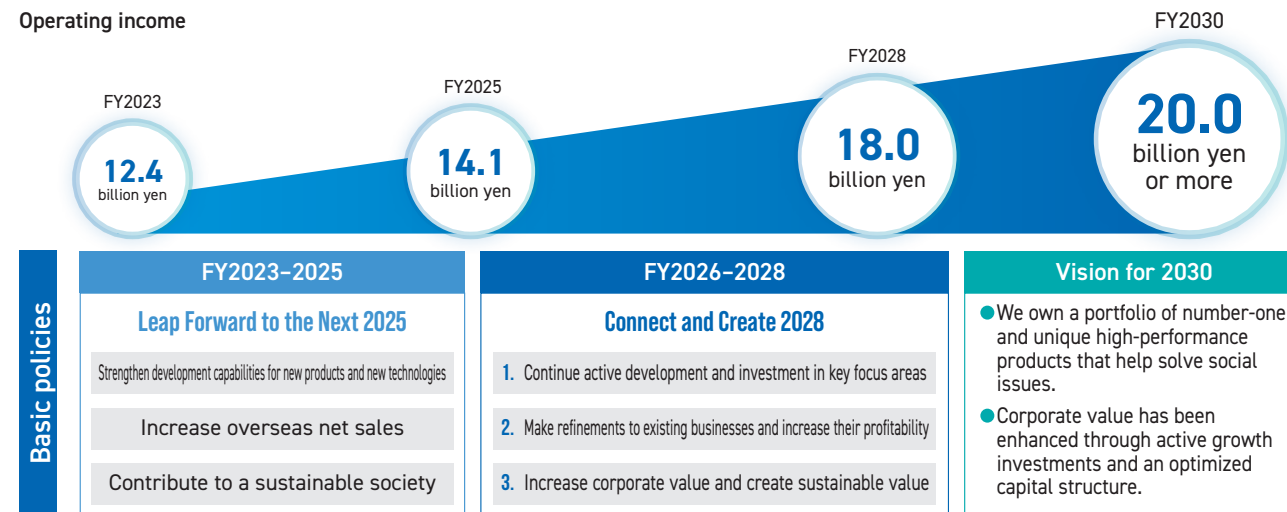


2028 Medium-Term Management Plan (2026–2028)

The Toagosei Group has formulated a new three-year Medium-Term Management Plan titled “Connect and Create 2028,” under which we will create high-performance product lines (Create) through collaboration with customers, academia, and other internal and external stakeholders (Connect), with the aim of enhancing corporate value. Under the three core basic policies, we aim to achieve operating income of 18.0 billion yen in 2028 and over 20.0 billion yen in 2030.

Connect and Create 2028

Operating income



Basic policies and key initiatives

Basic policy 1 Continue active development and investment in key focus areas

- Pursue greater breadth (expansion of applications) and depth (technological differentiation) in key focus areas (semiconductors, mobility, medical, and environmental infrastructure fields) and promote expansion to users both inside Japan and overseas
- In addition to joint development with academia and ventures, promote strengthening of technical capabilities and expansion of business areas through methods such as M&A
- Accelerate R&D and process development and actively take on the challenge of new fields and markets
- Build strong partnerships with customers and establish deeper levels of customer relationships

Basic policy 2 Make refinements to existing businesses and increase their profitability

- Perform selection and concentration aimed at optimizing our business portfolio
- Further advance globalization efforts and provide unique value not available anywhere else in the world
- Advance digital transformation (DX) through the deployment of digital technologies across all areas of operation, including production, quality management, R&D, and indirect operations
- Promote investment recovery
- Optimize production processes, advance quality management, and achieve cost reductions by introducing advanced technologies such as IoT, AI, and big data analysis

Basic policy 3 Increase corporate value and create sustainable value

- Optimize capital structure and reduce total assets by implementing financial strategies, and improve capital efficiency by making more rigorous investment decisions
- Create an environment in which employees can work with pride and develop and secure diverse professional human capital
- Pursue sustainability and promote ESG

Key goal indicators (KGI)

Anticipated business environment and response

Although a highly uncertain business environment is anticipated due to advances in AI and DX, the increasing sophistication of ESG requirements, geopolitical risks, and inflation, we will focus on monetizing growth investments from the 2025 Medium-Term Management Plan while executing active investments in fields such as the semiconductor and mobility to increase our corporate value and grow into our vision for 2030.

	2025 Results	2028 Plan	From 2025
Increasing profitability and sustainable growth			
Net sales	162.3 billion yen	180.0 billion yen	+17.7 billion yen
Operating income (operating income margin)	14.1 billion yen (8.7%)	18.0 billion yen (10.0%)	+3.9 billion yen (+1.3P)
Strengthening technical capabilities and expansion of business areas			
R&D expenses to net sales ratio (R&D expenses)	4.1% (6.7 billion yen)	4% or more (7.2 billion yen or more)	— (+0.5 billion yen or more)
Capital investment (Plan period)	70.6 billion yen (2023–2025)	59.0 billion yen (2026–2028)	(11.6) billion yen
Contributing to a sustainable society			
GHG emission reduction rate (from 2013)	(28)%	(40)%	Improved by 12 pp
Promoting an environment in which diverse employees can play an active role			
Percentage of women in managerial positions	5.1%	8.0%	Increased by 2.9 pp
Management indicators			
EPS (Net income per share)	117 yen per share	130 yen per share	+13 yen per share
ROE	6.0%	6.5%	Increased by 0.5 pp
Increasing corporate value			
PBR	0.8x	1.0x or more	—

2028 Medium-Term Management Plan (2026–2028)

Basic policy 1 Continue active development and investment in key focus areas

Growth strategy – key focus areas

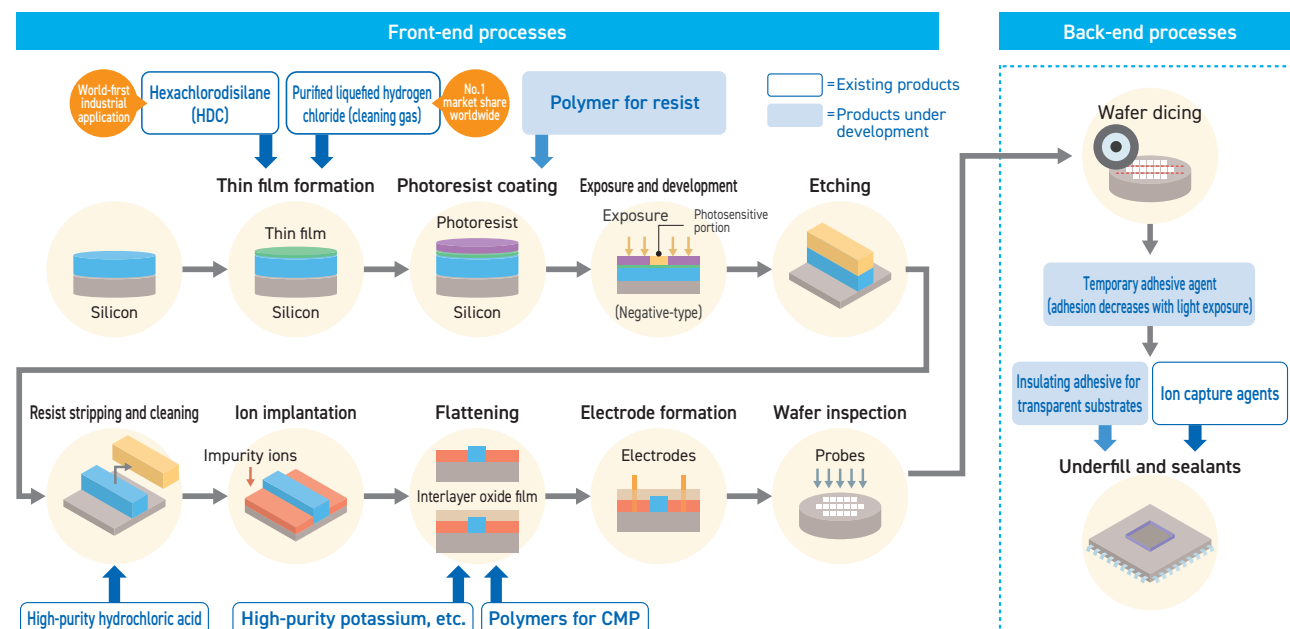
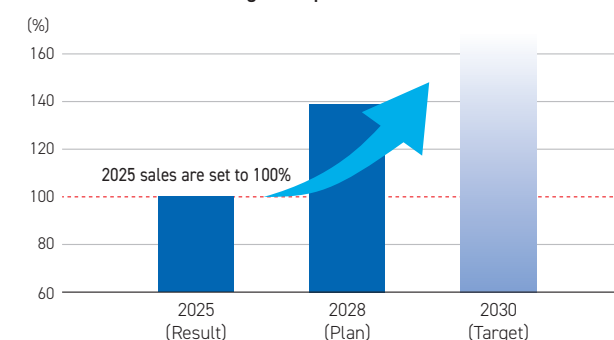
Semiconductors

We envision a business environment in which the utilization of AI and DX will advance further, everything will become digitized, and demand for the semiconductors that support this will accelerate even more.

Strength

- We offer products essential for semiconductor manufacturing, including world number one on purified liquefied hydrogen chloride (cleaning gas), purified caustic potash, and acrylic polymers for chemical mechanical polishing (CMP).
- Leveraging our unique technologies, we excel at achieving higher purity, ensuring stable supply, and providing products that match the needs of our customers.

Semiconductor field sales growth plan



Growth strategy – key focus areas

Medical

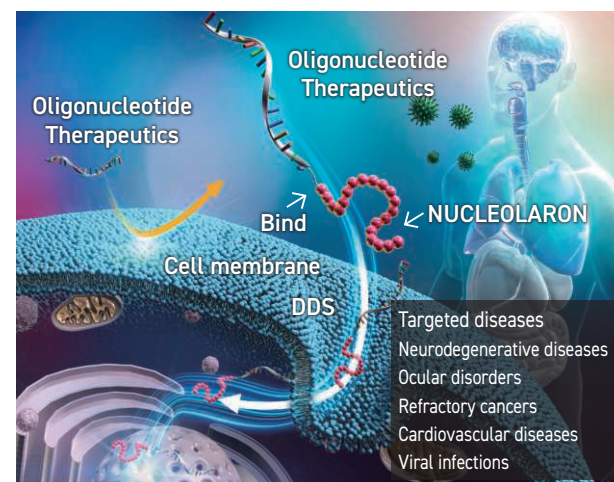
We envision a business environment in which medical demand for refractory diseases and infectious diseases will increase further and the importance of precision medicine will continue to grow.

Strength

- The Company's "siRNA*1," which makes full use of its proprietary drug-design technology, has significant potential as an oligonucleotide therapeutics, while "NUCLEOLARON*2" has great potential as a Drug Delivery System (DDS), and the Company is advancing joint development in collaboration with academia such as universities and venture companies.

*1 siRNA is a nucleic acid capable of suppressing the expression of specific genes. It degrades a target gene to prevent the proliferation of pathogenic proteins. This function is being used to advance R&D on next-generation medications.

*2 NUCLEOLARON is a cell-penetrating peptide developed by Toagosei, and it aims for early practical application as DDS that enhances drug delivery.



Growth strategy – key focus areas

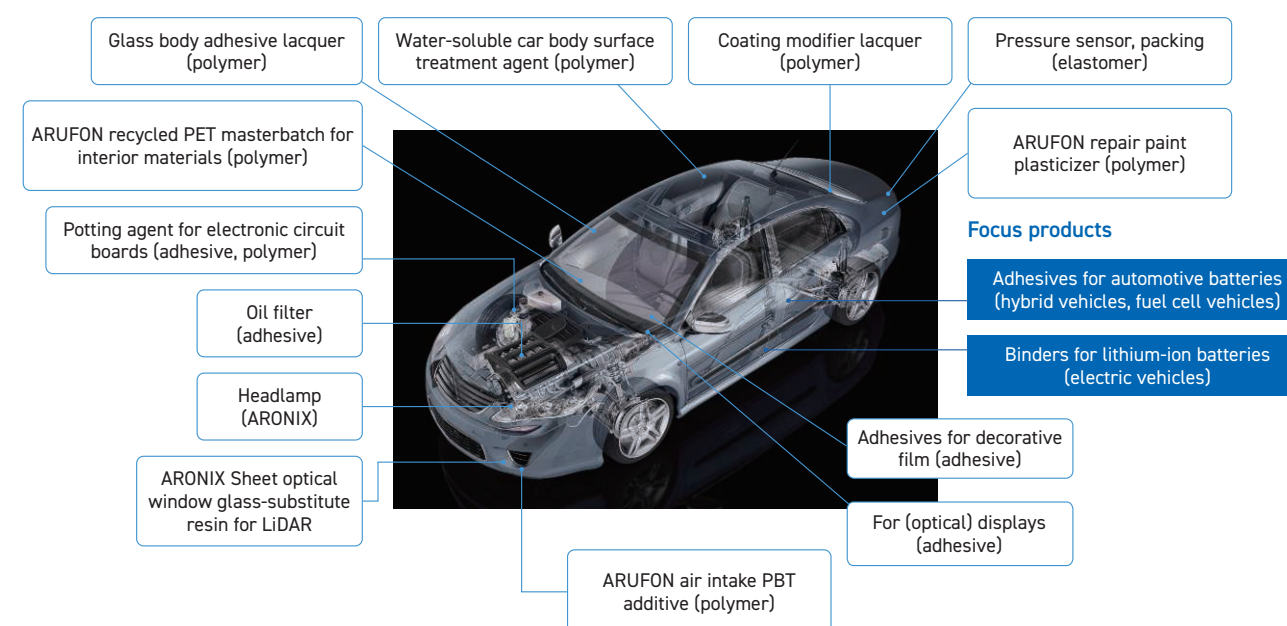
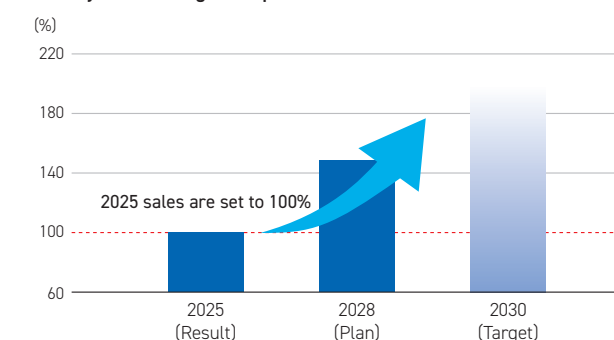
Mobility

We envision a business environment in which decarbonization and safety requirements will be strengthened due to heightened ESG demands, and the introduction of electrified, automated, and environmentally friendly products will continue to advance.

Strength

- We are rolling out omni-directional development for every type of vehicle, including fuel cell vehicles (FCVs), hybrid vehicles (HVs), electric vehicles (EVs), and gasoline vehicles. We secure our competitive advantage by having our core products adopted based on our unique technologies and consistently meeting demands for technological improvement.

Mobility field sales growth plan



Collaborative research into siRNA medications with the Innovation Center of NanoMedicine (iCONM)

We plan to develop pharmaceuticals for the treatment of refractory cancer and start clinical trials within five years.

- The Company is integrating its siRNA design technology with iCONM's Oligonucleotide Therapeutics delivery technology.
- This will also contribute to the treatment of many refractory diseases and the prevention of pandemics caused by new viruses.

Medical field development schedule

Key themes	Main target diseases	2026	2027	2028	2029	2030
siRNA	Refractory cancer, infectious diseases, etc.	Early evaluation		Non-clinical		Clinical
DDS	Cardiovascular diseases, etc. (Gene medication and RNA drug delivery)	Early evaluation	Non-clinical		Clinical	

2028 Medium-Term Management Plan (2026–2028)

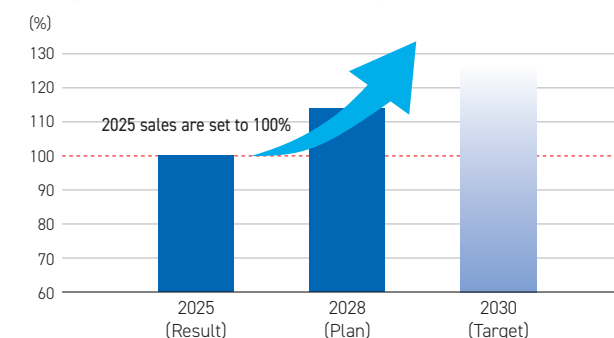
Growth strategy – key focus areas

Measures to address aging sewer pipelines

We envision a business environment in which aging sewer pipes increase the risk of disaster occurrence and accelerate the demand for countermeasures.

- Strength**
- The Company holds the top market share in Japan for PVC mass manholes, and against the backdrop of frequent recent road sinking accidents, demand for products to address aging sewer pipes is increasing.
 - We are developing a solution-proposal-type business for aging sewer pipes by utilizing the know-how we have accumulated up until now.

Sales growth plan for products supporting national resilience



There are 2,600 road collapse accidents per year. 70% of road collapse occur at pipe connections. Countermeasures for aging infrastructure repair are an urgent priority.



Growth strategy – Key initiatives

Each segment

segment	2025	2026–2028		2028
	Operating income (billions of yen)	Key initiatives		Operating income (billions of yen)
Commodity Chemicals	8.7	Expand product applications	Expand sales into diverse applications such as land-based aquaculture, water purification chemicals, and semiconductor chemicals, etc.	8.0
		Increase productivity and reduce energy consumption	Change to bipolar soda electrolysis, renew sulfuric acid plant, and introduce integrated control system	
		Review portfolio	Stop PVC production, streamline and review unprofitable businesses	
Polymer & Oligomer	3.0	Accelerate growth strategy	Develop and expand sales of polymers for automotive batteries, semiconductors, pharmaceuticals, cosmetics, etc.	5.6
		Increase productivity	Streamline through integration of flocculant facilities	
		Promote overseas expansion	Expand sales of high-value-added products in China and Southeast Asia	
Adhesive Material	0.3	Strengthen overseas business	Restore instant glue business in the USA and begin business development in countries around India	1.1
		Implement growth strategy	Develop mobility-related products (fuel cell sheets, LiDAR, etc.)	
		Develop new products	Accelerate development of UV insulating material, hard coatings, etc., and work on new development themes through projects	
Performance Chemicals	1.1	Reinforce chemical agents for semiconductors	Improve quality and strengthen supply systems for liquefied hydrogen chloride and high-purity potassium	1.9
		Expand inorganic functional materials	Accelerate development of new materials for electronics, etc. (ion capture agent, negative thermal expansion material, MOF, etc.)	
		Launch medical business	Begin non-clinical and clinical testing for DDS and siRNA and launch new products for the dental field	
Plastics	2.7	Measures to address aging sewer pipes	Strengthen solution business using mapping cameras and AI	3.4
		Expand lineup of nursing care products	Expand in-home nursing care products such as nursing care robots and monitoring sensors	
		Ecological material products	Develop and promote elastomers with new functions (automotive and semiconductor-related components, etc.)	
Other and adjustments	(1.8)	Sustainability	Promote decarbonization by introducing small-scale hydroelectric power generation, solar power generation, and CN steam	(2.0)
		Corporate and research	Search for new technologies and materials that use AI and promote the use of MI and computational chemistry, etc.	
Total	14.1	*Red text indicates key focus areas		18.0

Basic policy 2

Make refinements to existing businesses and increase their profitability

Capital investment plan

By resource

Growth investment 58%, efficiency investment 20%, other 22%

1. New/expansion projects (44%)

- Soda electrolysis plant update
- High-performance polymer plant expansion
- High-purity potassium plant expansion

2. Streamlining and improvement projects (20%)

- Flocculant facility integration

3. R&D (14%)

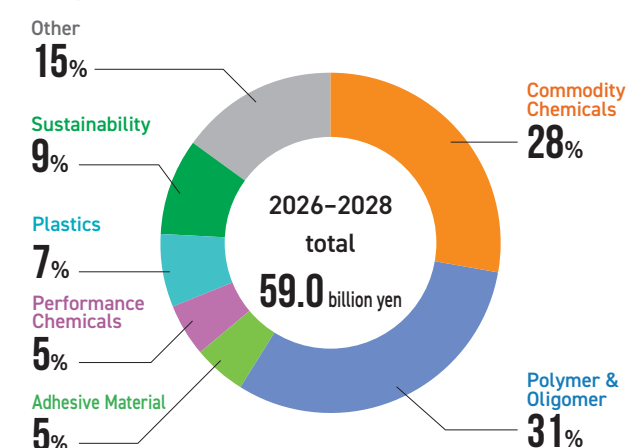
4. Infrastructure, maintenance, and update (13%)

- Core system update

5. Sustainability projects (9%)

- Installation of small-scale hydroelectric and solar power generation facilities

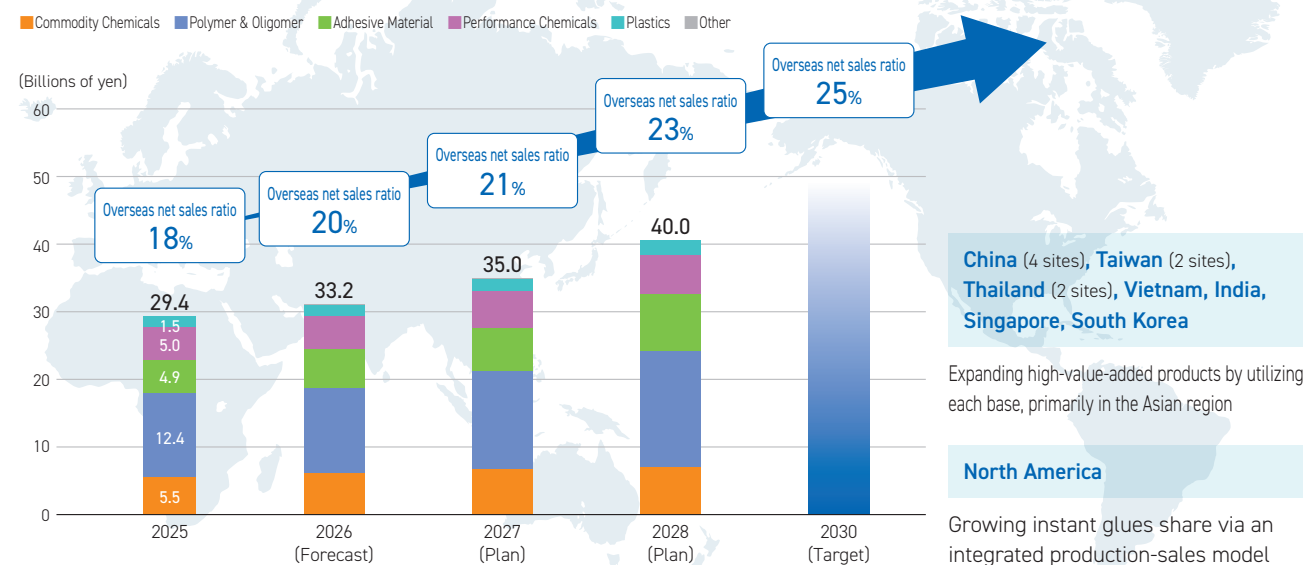
By segment



Global strategy

By utilizing 13 bases in eight countries, we will pursue product development tailored to local needs in new markets and further advance global expansion.

Trend in overseas net sales



Basic policy 3

Increase corporate value and create sustainable value

In this Medium-Term Management Plan, the Company positions the continuous enhancement of corporate value as one of its important basic policies. We will optimize the capital structure and reduce total assets by implementing financial strategies (P30) while improving capital efficiency by making more rigorous investment decisions. In addition, while maintaining a balance between growth investment and financial soundness, we will aim for continuous improvement in PBR and ROE and work to enhance shareholder returns. Moreover, we will promote the creation of an environment in which employees can feel pride and fulfillment in their work, as well as the development and securing of diverse professional human capital (P30). Furthermore, by placing the pursuit of sustainability (P64) and ESG initiatives at the core of management, we will create a virtuous cycle of solving social issues and generating corporate value.