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## Notice Regarding the Formulation of the New Medium-Term Management Plan "CODE/CHORD 2030"

The Company hereby announces that it has formulated a new mid-term management plan, "CODE/CHORD 2030," covering the five-year period from the fiscal year ending March 31, 2027, to the fiscal year ending March 31, 2031. The details of the plan were resolved at a meeting of the Board of Directors held on May 15, 2026, as described below.

Based on our "Management Philosophy," "PURPOSE" and "VISION (Target Corporate Image)," the Group is committed to fulfilling its responsibilities toward achieving a sustainable global environment and society over the medium to long term. Our fundamental principle is to "balance the pursuit of economic interest with the resolution to social issues, providing value to all stakeholders," as we strive to enhance corporate value for another century.

Under the mid-term management plan "SPEED 25/30 Phase 1" (FYE March 2022 to FYE March 2026), all quantitative KPIs—including net sales, operating profit, operating margin, and ROE—fell short of the targets. In particular, although we accelerated upfront investments and R&D focused on the OLED materials business to build a foundation for next-generation growth, operating profit significantly underperformed the target due to slower-than-expected monetization.

Based on the outcomes of "SPEED 25/30 Phase 1," we have decided not to treat the next five years as a mere extension (Phase 2) of our current trajectory. Instead, we are launching a completely renewed mid-term management plan, "CODE/CHORD 2030." Our Vision, "Refining Originality, Co-creating the Future: With our pioneering DNA, we create value and turn dreams into reality," serves as our guiding star. We have divided the next five years into two distinct stages: a "Three-Year Transformation" followed by a "Two-Year Harvest." During the first three years, we will boldly execute structural reforms, portfolio shifts, and discontinuous growth strategies, including M&A. This will enable us to transition into a return-generation phase in the final two years and beyond, where we will realize the fruits of our transformation.

## 1. Review of the Previous Mid-Term Management Plan "SPEED 25/30 Phase 1"

	Management Targets	FYE March 2026 Results	Change
Net Sales	50 billion yen	48 billion yen	▲2 billion yen
Operating Profit	7.5 billion yen	3.7 billion yen	▲3.8 billion yen
Operating Profit Margin	15.0%	7.7%	▲7.3 pt
ROE	9.0%	6.0%	▲3.0 pt

## 2. Overview of the New Medium-Term Management Plan "CODE/CHORD 2030"

### (1) Management Indices

	FYE March 2026 Results	FY2029 Targets (Three-Year Transformation)	FY2031 Targets (Two-Year Harvest)
Net Sales	48 billion yen	65 billion yen	80 billion yen
Operating Profit (Operating Profit Margin)	3.7 billion yen (7.7%)	6.5 billion yen (10.0%)	10 billion yen (12.5%)
EBITDA	7.1 billion yen	13 billion yen	17 billion yen
ROE	6.0%	6.0%	8.0%
Equity Ratio	60.8%	Around 50%	Around 45%
Shareholder Return Policy	5-year dividend growth streak (DOE 1.6%)	Continuous dividend increases --> Progressive Dividend Policy	DOE 3.0%

### (2) Basic Policy

- ① Bold structural reform and portfolio transformation
- ② Laying the groundwork for the future growth and resource reallocation
- ③ Strategic initiatives for securing discontinuous growth

### (3) Policy by Segment

Segments	Positioning / Basic Policy	Focus Businesses
Functional Colorants	[Strategic Investment Areas] -The Group's primary pillar -Creation & expansion of new business domains	-OLED Materials (Core) -Dye Materials (Core + Discontinuous for new domains) -Bio -- Diagnostic Oligo (Core) -Bio -- Nucleic Acid Medicine CDMO (Discontinuous for new domains) -Semiconductor Materials (Discontinuous for new domains)
Specialty Polymers	[Foundation Areas] -Elimination of deficit-prone structure -Securing stable profitability	-Specialty Chemicals (Core + Discontinuous for new domains) -Polymer Materials (Core + Strategic review)
Basic Chemicals	[Foundation Areas] -Establishing a stable domestic supply chain	-Hydrogen Peroxide (Core + Discontinuous for new domains)
Agro-Science	[Foundation Areas] -Selecting focus products in portfolio	-Agrochemicals: Herbicide (Core) -Agricultural Materials: Peroxide Materials (Core)
Logistics	[Foundation Areas] -Maintaining the profitability	-ISO Tank Container Storage (Core)

### (4) Shareholder Return Policy

Under the progressive dividend policy, we set DOE (Dividend on Equity ratio) of 3.0% or higher as a target by the fiscal year ending March 2031, the final year of the plan.