Sanyo Chemical

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 13, 2026

Company: Sanyo Chemical Industries, Ltd.
Representative: Masahiro Harada, President & CEO
(Code Number: 4471, Prime Section, Tokyo Stock Exchange)
Contacts: Mitsuru Maeda
Senior Manager of Corporate Governance Department
(Tel: +81-75-541-4312)

Medium-Term Management Plan 2030

"Accelerating Transformation"

— Refining Responsiveness, Delivering Value —

Sanyo Chemical Industries, Ltd. announces that the company has defined a Medium-Term Management Plan 2030(hereinafter referred to as "Mid-Term Plan 2030") for our further sustainable growth at a meeting of the Board of Directors held today.

Under our previous medium-term management plan launched in FY2023, amid significant changes in the external environment surrounding the chemical industry, including a substantial increase in basic chemicals production in China and persistently high crude oil prices—the Sanyo Chemical Group have implemented structural reforms such as withdrawal from the unprofitable superabsorbent polymer (SAP) business and supply chain reforms,was able to establish a path toward further transformation. However, uncertainties such as supply chain disruptions and fluctuations in raw material prices, driven by geopolitical risks, are expected to continue. Based on this recognition, we must ensure sustainable growth and improved profitability.

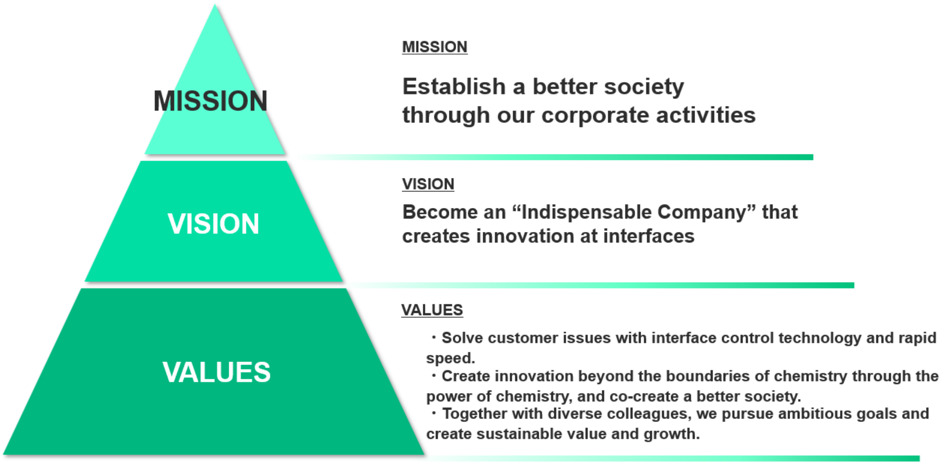
With this understanding,we have formulated a new five-year Mid-Term Plan 2030 with FY2030 as the final fiscal year. In formulating this plan, we have revisited our long-term vision and sources of strength, and updated the Sanyo Chemical Group's long-term aspiration (VISION) and what we value (VALUES). Specifically, by combining interface control technology—our source of strength cultivated since our foundation as a research and development-oriented company, —with our proprietary DX (digital transformation) platform, we aim to become an indispensable presence that swiftly solves issues faced by customers across a wide range of industries. With this in mind, we set our new VISION as: "Become an 'Indispensable Company' that creates innovation at interfaces." We also reorganized our VALUES around three axes: solving customer issues, co-creating a better society, and pursuing ambitious goals together with our colleagues.

In addition, we have clarified our focus areas going forward, and reorganized our reportable segments into three segments: Core Materials, Wellness, and ICT. We will shift to areas such as Wellness and ICT, which are less dependent on petrochemical feedstocks such as naphtha and where we can provide value unique to our company, thereby transforming our earnings structure to be less susceptible to changes in the external environment. To achieve this, we have defined three pillars: “Growth Strategy” (deployment/creation of healthcare and high-value-added products, etc.), “Structural Reforms” (with a focus on consolidation and rationalization of production facilities to support high-mix, low-volume manufacturing), and “Strengthening the Management Foundation” (accelerating transformation through utilization of digital technologies and Human Capital).

Staying ahead of rapid changes in the external environment, we will maximize the value we provide, contribute to establishing a better society, and achieve sustainable growth.

1. Long-Term Vision (New Philosophy Framework)

As our philosophy framework, we have structured our MISSION, VISION, and VALUES into a pyramid-shaped structure, and in conjunction with the launch of our Mid-Term Management Plan 2030, we have updated our VISION and VALUES. Our MISSION remains steadfast in our company mission: “Establish a better society through our corporate activities.” Building on this, we have set our long-term VISION as “Become an ‘Indispensable Company’ that creates innovation at interfaces,” and have organized our VALUES around three pillars: solving customer issues, co-creating a better society, and pursuing ambitious goals together with our colleagues.

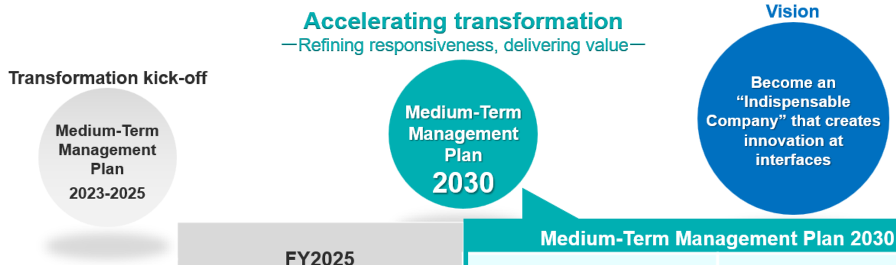


2. Clarification of Focus Areas

Based on the materiality of our business, we have defined our contribution areas as “Carbon Neutrality” and “Improvement of Quality of Life (QOL).” In light of this, we have organized our future focus areas into three categories: “Reducing Environmental Impact,” “Food, Healthcare & Daily Living,” and “Smart Society.” Furthermore, in alignment with these focus areas, we have reorganized our reportable segments into three segments: Core Materials, Wellness, and ICT.

3. Mid-Term Plan 2030 Quantitative Targets

We aim to achieve consolidated operating profit of 20 billion yen and a return on equity (ROE) of 8% or higher by fiscal year 2030. As an intermediate step, we aim to achieve consolidated operating profit of 14 billion yen and an ROE of 6.5% or higher by fiscal year 2028.



		Medium-Term Management Plan 2030	
	FY2025	FY2028	FY2030
Sales	127.8 billion yen	140.0 billion yen	160.0 billion yen
Operating profit	10.0 billion yen	14.0 billion yen	20.0 billion yen
Operating profit ratio	7.8%	10% or more	12% or more
Net income	15.6 billion yen (7.8 billion yen)*	11.0 billion yen	14.0 billion yen
ROIC	10.6% (5.4%) *	5.5% or more	7% or more
ROE	10.6% (5.3%) *	6.5% or more	8% or more

*Calculated value excluding the recorded amount of deferred tax assets, etc. (approx.7.8 billion yen) associated with the absorption-type merger of SDP Global Co., Ltd.

4. Basic Policies of Mid-Term Plan 2030

(1) Growth Strategy

(a) Active Investment in the Healthcare Business

We are considering establishing a new company in the United States for our healthcare-related business and will strengthen the development of medical and pharmaceutical-related products.

(b) Deployment and Creation of High-Value-Added Products

By enhancing the added value of our core products and creating new businesses in growth areas, we will generate new high-value-added products and drive profit growth.

(c) Development of New Businesses

Leveraging the chemical technologies cultivated in the Core Materials field, we will focus on developing new businesses in growth areas by co-creating with customers and making agile investments such as M&A, thereby going beyond the boundaries of chemistry through the power of chemistry.

(2) Structural Reforms

Monozukuri Transformation (Transformation in Production & Supply Chain)

We will accelerate reforms on the hard side (production facilities) in addition to the soft side (such as production processes) implemented during the previous medium-term management plan period. We will also utilize our in-house DX platform to optimize production.

(3) Strengthening the Management Foundation

(a) Digital Utilization Strategy

By digitally connecting work processes, data platform, intellectual property, and analytical instruments, we will enhance the speed and reproducibility of our process—from R&D to manufacturing and delivery of value to customers—thereby creating value at overwhelming speed.

(b) Human Capital Strategy

By transforming our human capital portfolio and creating an environment that rewards proactive initiatives, every employee will act as a key player in executing our strategy and continue to strive to deliver indispensable value.

(c) R&D Strategy

We will strengthen our R&D foundation by accelerating development through digital utilization and prioritizing resource allocation to new growth areas. In addition, we will work on creating new themes, deepening interface control technology, and accelerating development through digital utilization, thereby speeding up the R&D value creation cycle from planning to commercialization.

5. Shareholder Return Policy

We will revise our dividend policy and strengthen shareholder returns through progressive dividends, with a focus on the total payout ratio.

(1) Shareholder Return Policy

We will implement progressive dividends as a general rule, targeting a consolidated total payout ratio of 40% or higher.

(2) Share Buybacks

We will conduct flexible share buybacks during the period of the medium-term management plan.