*Mid-Term Management Strategy*

# *Accelerate 2030*

## Revised Certain Numerical Targets

November 5, 2026

Note: There have been no changes to the basic policy of the Mid-Term Management Strategy from the version announced on May 22, 2026. Only certain numerical targets have been revised.

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# Revisions to the Mid-Term Management Strategy “Accelerate 2030”

➢ **Revised the medium-term plans for the Materials and High Performance Polymers businesses to reflect changes in the business environment since the May 2026 announcement**

| (billion yen) | 2029/3 plan (vs. Previous announcement) | 2031/3 challenge (vs. Previous announcement) |
|---|---|---|
| Net sales | 695.0 (＋20.0) | 775.0< (＋25.0) |
| Operating income | 72.0 (＋9.0) | 118.0< (＋18.0) |
| EBITDA | 129.0 (＋9.0) | 188.0< (＋18.0) |
| ROE(%) | 13 (+1) | 17< (＋2) |
| ROIC(%) | 7.5 (+0.5) | 12< (＋2) |
| ROA(%) | 5 (±0) | 8< (＋1) |
| Exchange rate (yen/dollar) | 150 | 150 |

## Details of the Revisions

**Materials**

➢ **Refinement of sales volume, pricing, investment, and cost reduction plans**

- Expansion of applications for cellulose acetate and revision of sales volume and pricing for each product
- Refinement of investment amounts, timing, and benefits
- Additional cost reductions and benefits through VVCC, pulp utilization, and other initiatives

**High Performance Polymers**

➢ **Growing demand for optical connectors for AI data centers**

- Acceleration of investment in large-scale data centers driven by growing AI adoption
- Expanding supply capacity for DURAFIDE® PPS in Japan and overseas to meet growing demand for optical connector applications

**ROIC: 7.5% in 2029/3; 12% or higher in 2031/3**

Add.1

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# Changes to Targets by Segment and Portfolio

(billion yen)

| | | 2029/3 plan (vs. Previous announcement) | 2031/3 challenge (vs. Previous announcement) |
|---|---|---|---|
| High Performance Polymers | Net sales | 274.0 (+14.0) | 300.0< (+20.0) |
| | Operating income | 34.0 (+4.0) | 45.0< (+5.0) |
| Materials | Net sales | 216.0 (+6.0) | 235.0< (+5.0) |
| | Operating income | 16.0 (+5.0) | 28.0< (+13.0) |
| Safety | Net sales | 129.0 | 132.0< |
| | Operating income | 16.0 | 20.0< |
| Smart | Net sales | 45.0 | 65.0< |
| | Operating income | 2.0 | 13.0< |
| Life Sciences | Net sales | 30.0 | 43.0< |
| | Operating income | 4.0 | 12.0< |
| Total | Net sales | 695.0*1 (+20.0) | 775.0< (+25.0) |
| | Operating income | 72.0 (+9.0) | 118.0< (+18.0) |

(billion yen)

| | | 2029/3 plan (vs. Previous announcement) | 2031/3 challenge (vs. Previous announcement) |
|---|---|---|---|
| Growth | Net sales | 404.0 (+14.0) | 440.0< (+20.0) |
| | Operating income | 47.0 (+4.0) | 63.0< (+5.0) |
| Foundation | Net sales | 191.0 (+6.0) | 210.0< (+5.0) |
| | Operating income | 29.5 (+4.5) | 43.5< (+12.5) |
| Next-Generation | Net sales | 70.0 | 100.0< |
| | Operating income | 3.5 (+0.5) | 17.5< (+0.5) |
| Reform*2 | Net sales | 30.0 | 25.0 |
| | Operating income | -8.0 | -6.0 |
| Total | Net sales | 695.0 (+20.0) | 775.0< (+25.0) |
| | Operating income | 72.0 (+9.0) | 118.0< (+18.0) |

*1 Total sales for FY2029/3 include ¥1.0 billion not attributable to any segment.

*2 Revised because the figures remaining in the Reform Business portfolio for FY2031/3 had been included in the Foundation Business portfolio in the previously announced figures.

Add.2

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# Portfolio Management Efforts

- The Reform Business portfolio maintains its target of eliminating losses by FY2031/3. Revised the presentation to reflect the ¥6.0 billion loss incorporated in the company's plan.
- For the Foundation Business portfolio, reassessed investment benefits and raised sales and profit targets while reducing planned investment.

## Next-Generation

Capital investment** 80 billion yen

2027/3→2029/3 2029/3→2031/3

Sales +20% → +40%<

Smart

Life Sciences

Eco-friendly resin

Shift

## Growth

Capital investment** 115 billion yen

2027/3→2029/3 2029/3→2031/3

EBITDA +30% → +25%<

Engineering Plastics

Safety

## Reform

2027/3 2029/3 2031/3

Operating income -12 → -8 → 0 ➡ -6 billion yen

COC business turnaround

Structural reform of commodity chemicals

Shift

## Foundation

Capital investment** 55 ➡ 45billion yen

2027/3→2031/3

ROIC 20% or more

Cellulose acetate

A loss of ¥6.0 billion remains due to common fixed costs, including depreciation, even after restructuring
Continue to consider further improvements through additional fixed cost reductions and other measures

*Sub-segment for each quadrant of the portfolio
Growth: High Performance Polymers, Safety Foundation: Cellulose, chiral columns, Daicel Miraizu, etc.
Next-Generation: Smart, Life Sciences, eco-friendly resin, cosmetics Reform: COC resin, commodity chemicals, etc.

**Capital investment shows the total amount of FY2027/3 through FY2031/3



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## *Mid-Term Management Strategy*

# *Accelerate 2030*

**May 22,2026**

**Revised November 5, 2026**

The FY2027/3 forecasts presented in this document are based on figures announced on May 22, 2026.

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# What the New Mid-Term Management Strategy aims to achieve

- Further promotion of safety and stability, our most important foundation elements
- Achieving both a more robust earnings base and business growth
  - Material business: Stable profitability
  - Engineering Plastics business:
    Reaping of investment returns and further growth
  - Safety business: Profitability improvement
  - Strengthening of Next-Generation business
  - Initiatives toward OP-Ⅲ


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- Main initiatives implemented and key issues to be addressed
- Large investments

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- Key focuses
- Response to climate change and Human resources strategy
- KGI targets
- Financial strategy




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# 1. Achievements of the former Mid-Term Management Strategy “Accelerate 2025”

- Started the former Mid-Term Management Strategy along with the Long-Term Vision. Implemented initiatives toward future growth and business structure transformation
- Recognized delays/troubles in large capital investments and changes in the competitive environment as key issues

| Main initiatives | | Benefit amount gained in FY2022/3–2026/3[*1] Operating income-based |
|---|---|---|
| **Full acquisition and merger of Polyplastics** | Investments in facility expansion<br>Increased efficiency through merger<br>OP-Ⅲ (Mitsui Chemicals) | **+ 25 billion yen**[*2] |
| **Business structure reform** | Resin compound joint venture<br>Consolidation of safety production areas<br>Withdrawal from defense-related business | **+ 10 billion yen** |
| **Daicel-style production innovation** | Autonomous production system<br>Reduction in production costs | **+ 40 billion yen** |
| **Supply chain reform** | Joint logistics<br>Cost reduction<br>Multi-sources for raw materials and fuel | **+ 5 billion yen** |

*1: Total amount of benefits gained in FY2022/3–2026/3
*2: Total of operating income from expansion investments and cost reductions after full acquisition

| Key issues to be addressed | | Shortfall compared to plan in FY2022/3–2026/3[*3] Operating income-based |
|---|---|---|
| **Delays/troubles in large capital investments** | CO plant | **- 18 billion yen** |
| | COC resin plant* | **- 5 billion yen** |
| | *Extraordinary loss: 32.4 billion yen (FY2026/3) | |
| **Changes in the competitive environment** | POM LCP shortfall | **- 11 billion yen** |
| | Stagnant commodity chemicals market | **- 5 billion yen** |
| | Decreased sales volume of inflators<br>Decreased profitability in North America business | **- 14 billion yen** |
| | Next-Generation business shortfall in cultivation and launch | **- 7 billion yen** |

*3: Compared to the updated Mid-Term Management Strategy (disclosed in May 2023). 20 billion yen increase due to exchange movements (120 yen/dollar → 150 yen/dollar)



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# 1. Achievements of the former Mid-Term Management Strategy: Large investments in CO plant

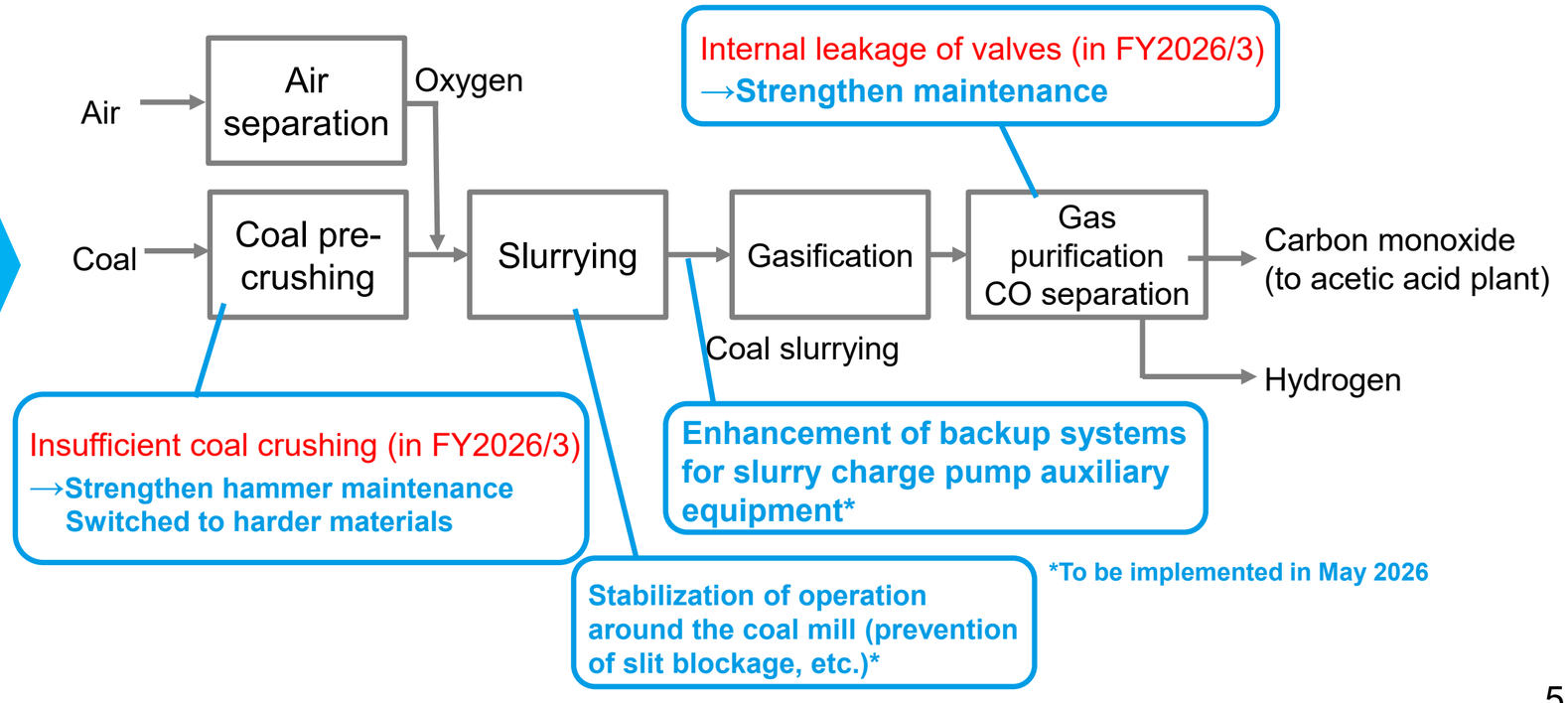
- Establishment of a solid foundation for stable operations to be completed in FY2027/3
- Selection and testing of easy-to-handle raw materials (potential coal types) to be continued
- Strengthened operations for minimizing the impact of troubles

## ● Extract risks exhaustively Implement permanent measures systematically

- Solve problems in facility design
- Improve system problems
- Strengthen facility maintenance
- Standardize on-site operations

## ● Troubles in FY2026/3 and measures not yet taken (Permanent measures to be completed in FY2027/3)

**On-site operational load: 70% reduced (in FY2026/3) from the early stage**






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# 1. Achievements of the former Mid-Term Management Strategy: Large investments in COC resin plant

- **Made all efforts for stable launch and reconsidered when to start commercial operations (FY2028/3)**
- **Established a production and supply system involving existing plants to shift to a business structure whereby stable profits are generated**
- **Investments in the second plant will pay off in FY2034/3** (Calculated based on incremental EBITDA due from the second plant)

## Policy and measures

- Stable production in the existing plant (15 thousand ton) and steady launch of the second plant (20 thousand ton)
- Provide solutions to social issues such as progress in aging, rising demand for self-management medication, and introduction of EU PPWR
- Reform in the earnings structure through productivity improvement and active development of high value-added markets

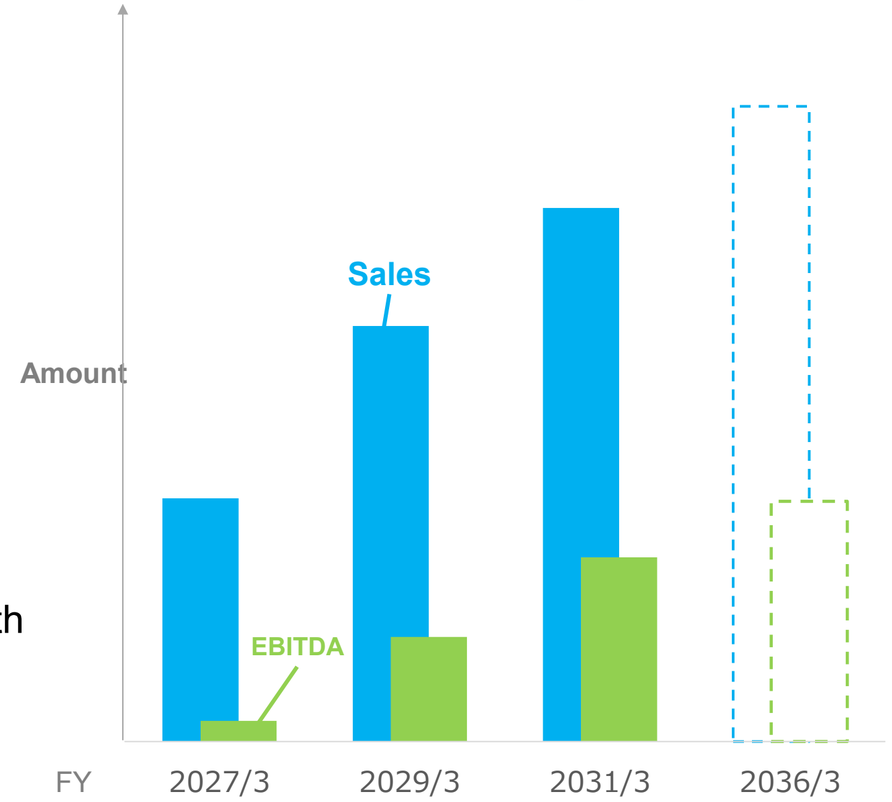
## Meeting demand in strategic markets

- Steadily meet demand for eco-friendly packaging (PPWR) expected in FY2031/3
- Increase sales volumes in medical markets (+50% from FY2027/3 to FY2029/3) by actively developing new uses (self-medication, monitoring)
- Explore and develop new markets by utilizinig COC characteristics (high purity, low extractability, gas barrier property, aroma retaining property, etc.) and collaboration with other companies

## Improving productivity

- The existing plant: dedicated to high value-added uses
  The second plant: focused on eco-friendly packaging uses

## COC business plan




From 2027/3 to the early 2030s, higher demand for advanced packaging solutions and medical equipment will drive market expansion. The market for olefin copolymer (COC) is expected to expand by 5% CAGR.



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# 2. The new Mid-Term Management Strategy

Revisions included

- Focus on important initiatives to further stabilize earnings and promote business growth
- Position FY2029/3 as an important year toward achieving goals. Monitor progress, review measures, and make all-out efforts to reach goals

| (billion yen) | 2022/3 Result | 2024/3 Result | 2026/3 Result | Revisions 2029/3 plan |
|---|---|---|---|---|
| Net sales | 467.9 | 558.1 | 579.6 | 695.0 |
| Operating income | 50.7 | 62.4 | 42.1 | 72.0 |
| EBITDA | 78.9 | 96.1 | 85.4 | 129.0 |
| ROE (%) | 12.3 | 17.1 | 2.8 | 13 |
| ROIC (%) | 6.2 | 6.3 | 4.2 | 7.5 |
| ROA (%) | 4.7 | 7.0 | 1.2 | 5 |
| Exchange rate (yen/dollar) | 112 | 145 | 151 | 150 |

## Focuses of the new Mid-Term Management Strategy

### ✓Strengthen cellulose business

- Production process conversion (Foundation)
- Expansion to new uses



### ✓Growth investment

- Engineering Plastics business (Growth)
- Safety business (Growth)
- Next-Generation business



### ✓Maximize capital efficiency



### ✓Aim to realize OP-Ⅲ (New Business Group)





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# 2. The new Mid-Term Management Strategy: Portfolio management

Revisions included

- Create cash with Foundation, and invest it in Next-Generation and Growth
- Extract shortfall items early and take quick action to achieve management indexes set for each quadrant

## Next-Generation

Capital investment** 80 billion yen

2027/3→2029/3 2029/3→2031/3

Sales +20% → +40%<

Smart

Life Sciences

Eco-friendly resin

Shift

## Growth

Capital investment** 115 billion yen

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Safety

## Reform

Revisions

2027/3 2029/3 2031/3

Operating income -12 → -8 → -6 billion yen

COC business turnaround

Structural reform of commodity chemicals

Shift

## Foundation

Revisions

Capital investment** 45 billion yen

2027/3→2031/3

ROIC 20% or more

Cellulose acetate

*Sub-segment for each quadrant of the portfolio
Growth: High Performance Polymers, Safety Foundation: Cellulose, chiral columns, Daicel Miraizu, etc.
Next-Generation: Smart, Life Sciences, eco-friendly resin, cosmetics Reform: COC resin, commodity chemicals, etc.

**Capital investment shows the total amount of FY2027/3 through FY2031/3



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# 2. The new Mid-Term Management Strategy: Cellulose business

Foundation | Health | Convenience/ Comfort | Safety/ Security | Environment

Revisions included

■ **Completed investments in production process conversion to establish the revenue foundation by 2026/3**

■ **Reap investment returns while creating buds for Next-Generation businesses**

## Policy and measures

- Demand for acetate tow is expected to be flat through FY2031/3
- It continues to drive the company's ROIC (20%+) as a stable revenue foundation
- Implement measures to reduce greenhouse gas emissions
- Optimize the supply chain and expand the value chain across companies
  Establish a virtual value chain control center (VVCC)
- Maintain long-term relationships with major customers

## Transformation to asset light

- Reduce days sales in inventory (2026/3: 127 → 2029/3: 90)
- Reduce inventory by utilizing low-LCA pulp; strengthen BCP
- Optimize the production plan for Aboshi, Ohtake, and Toyama plants using AI

## Development into Next-Generation

- Accelerate development using demonstration facilities
  Biodegradable resin, spherical cellulose acetate particles
  ・CAFBLO® ・BELLOCEA®
  Use eco-friendly materials to provide value to the market

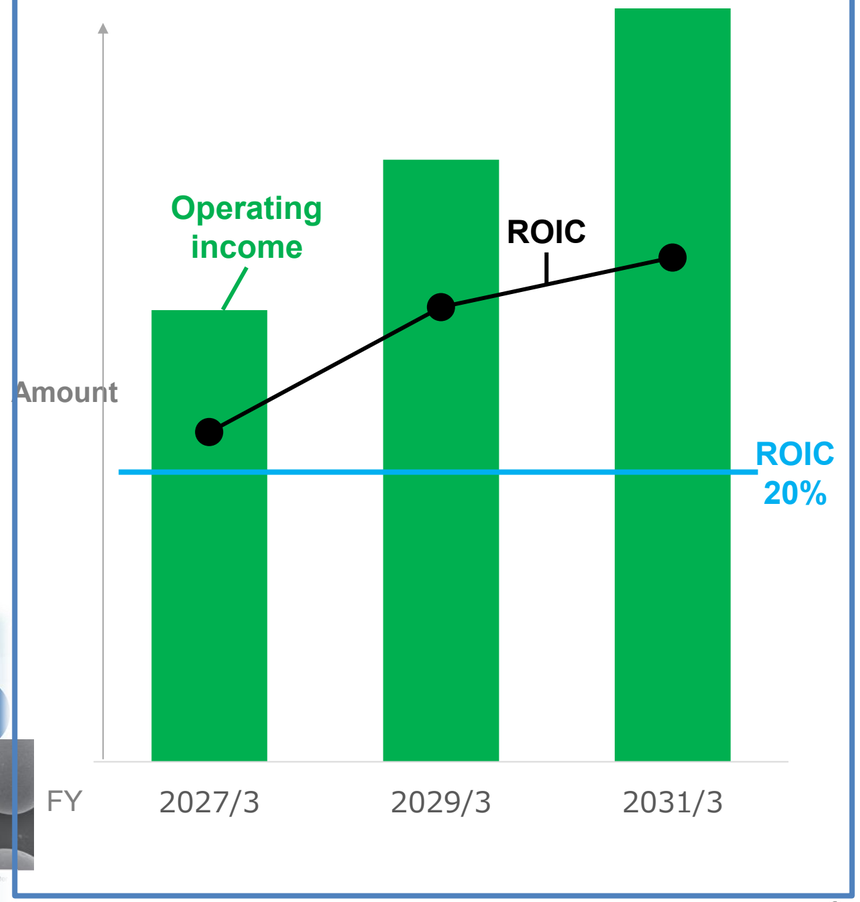


CAFBLO®




BELLOCEA®

Revisions






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# 2. The new Mid-Term Management Strategy: Engineering Plastics business

High Performance Polymers

Growth

①Growth investment

Health | Convenience/ Comfort | Safety/ Security | Environment

■ While new POM and LCP plants have commenced operations, Competition is intensifying.

■ Continue Active Investment in Growth-Driving Resins
■ Establish a local supply system to meet domestic POM demand in China at the 2nd POM plant (capacity: 60,000 tons)
■ Consider expansion investment in LCP to meet strong demand in the high-speed communication market

## Further Strengthen Growth Drivers and Build a Solid Profit Base

- Deploy a multifaceted sales expansion strategy to achieve returns
  - ✓ Steady harvesting in growth segments of existing businesses
  - ✓ Aggressive expansion into high value-added markets( extrusion molding/films)
  - ✓ Leverage cost advantage to achieve high operating rates immediately after start-up
- Further strengthen cost competitiveness by applying Daicel-style production innovation to overseas plants
- Improve eco-friendly performance & cut costs via advanced processes

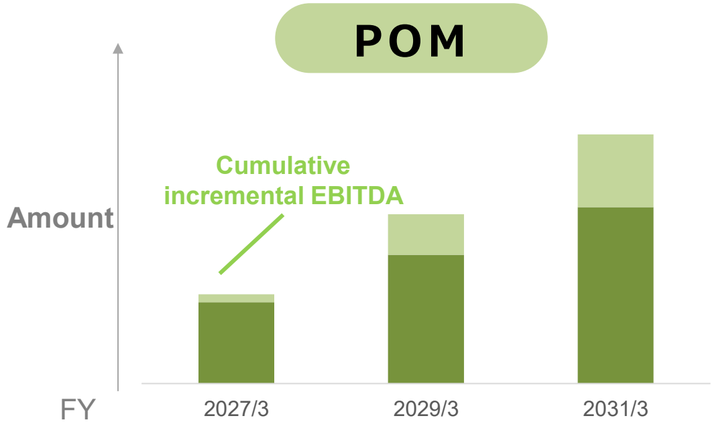
## Mitigate risks with regional supply chains

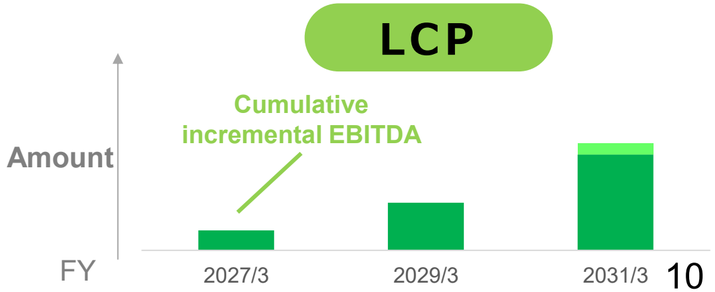
- Minimize the impact of anti-dumping duties in China.
- Further strengthen BCP measures (including in-house production of key raw materials and collaboration with raw material suppliers).
- Reduce logistics costs & inventory, and lower of greenhouse gas emissions through localized production and consumption.

## Capture growth of existing businesses.

- Capture extended ICE* demand and China auto growth.
- Expand sales in the AI server market by low-dielectric LCP (FY2027/3→2031/3 more than 3,000 MT)

| | Operation | Payback |
|---|---|---|
| China's first plant (90,000 tons capacity) | 2025/3 | 2030/3 |
| China's second plant (60,000 tons capacity) | 2027/3 | 2031/3 |
| Taiwan's first plant (5,000 tons capacity) | 2025/3 | 2030/3 |
| LCP expansion (under consideration) | 2030/3~ | |




*ICE refers to vehicles equipped with internal combustion engines



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# 2. The new Mid-Term Management Strategy: Engineering Plastics business

High Performance Polymers

Growth

②Strategic innovation

Health | Convenience/ Comfort | Safety/ Security | Environment

Revisions included

- **Unexpected rise of emerging-market players and intensifying competition**
- **Make use of the increased supply capacity to prosper in growth markets (China and India) with local materials and market development systems**
- **Expand high-end lineups and focus on high value-added areas (Actively pursue collaboration with other companies and M&A)**

## Policy and measures

- Merger of Polyplastics, resulting in strategic use of resources and quick decision-making
- A consistent manufacturing-sales-research system based on local material development for higher speed in the Chinese market
- Strengthen collaboration with other companies (Enhance uses and solutions through “internal materials × external technologies”)
- Strengthen expansion into high value-added areas (Enhance the lineup of high-end resins)

## Speedy market development via local strengthening

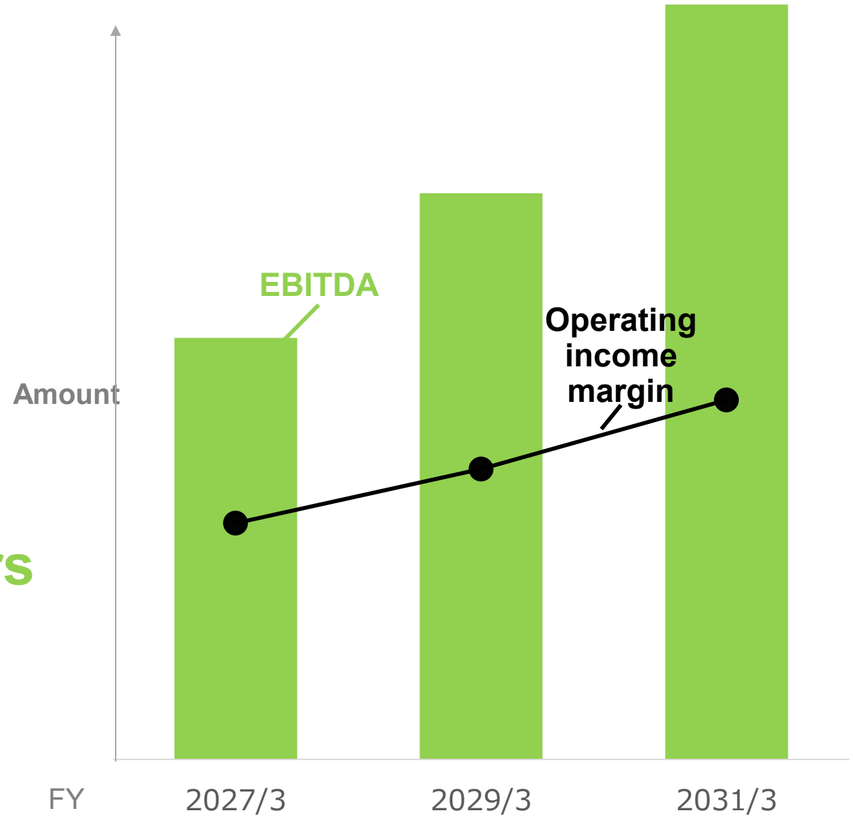
- Strengthen material development functions in China: POM sales volume for Chinese automakers (FY2027/3→2031/3 ＋20%)
- Strengthen TSC system in India: POM, PBT, and PPS sales volume (FY2027/3→2031/3 ＋40%)

## Joint product development with processors and part makers

- Sales volume of LCP film and fiber (FY2027/3→2031/3 ＋140%)
- New electronics materials via polymer modification and OEM collaboration

## Sales expansion in high value-added markets

- PPS, LCP sales volume of the high-speed communications market (FY2027/3→2031/3 ＋100%) **Revisions**
- POM, PBT, PPS, LCP, and COC sales volume in the food-contact and medical markets (FY2027/3→2031/3 ＋65%)






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# 2. The new Mid-Term Management Strategy: Safety business

Growth | Health | Convenience/ Comfort | Safety/ Security | Environment

■ **Despite a steady increase in inflator volumes, there was a shortfall in terms of mid-term performance due to decreased production of automobiles caused by the COVID-19 pandemic**
**Consolidation of production areas was completed as planned: 9 billion yen benefit**

■ **Continue focusing on expanding sales in growth markets (China and India)**

■ **Take measures to improve profitability to achieve an operating income margin of 15%+**

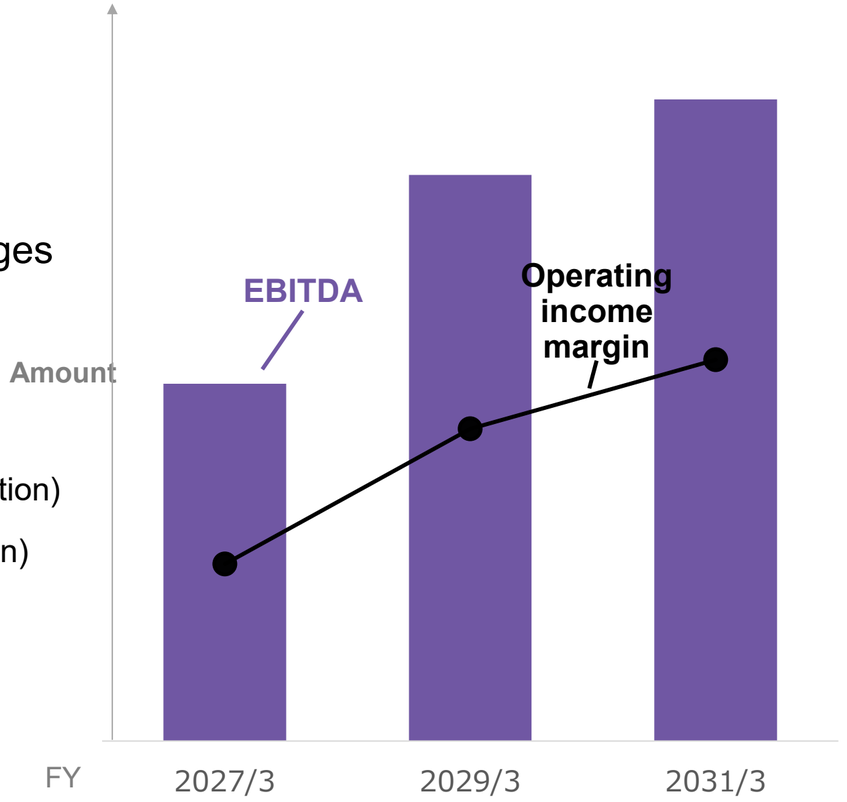
## Policy and measures

Expand total demand through a rise in the airbag installment rate in developing countries (FY2026/3→2031/3 120%)

- Expand sales in growth markets (China and India) (Sales growth: 40%)
  ・Development period to be halved (Design standardization, local equipment procurement)
- Strengthen a development, procurement, and production system that addresses changes in the business environment, such as tougher safety regulations and geopolitical risks

Improve profitability

- Procure parts, raw materials, and production equipment locally (China, India)
- Productivity: Direct labor 1.5 times (Process automation), Indirect labor 1.7 times (Systemization)
- Cataloging of inflators FY2027/3 58%→ 2031/3 70%+ (Material cost reduction, inventory reduction)
- Promote cataloging of initiators and gas generators




## Collaboration with other companies

- Promote (vertical and horizontal) cooperation with other firms to increase global share and strengthen business



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# 2. The new Mid-Term Management Strategy: Smart business

Next-Generation | Health | Convenience/ Comfort | Safety/ Security | Environment

■ **Met higher demand for semiconductors and displays with existing products, which increased sales, but failed to follow the semiconductor development roadmap, ending up just responding to customers**

■ **Semiconductor materials: Expand products for upstream and downstream processes**

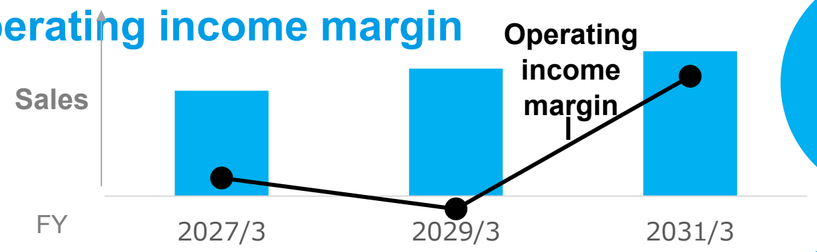
■ **Functional materials: Expand business for the electronic device market by combining materials and processing technologies**

## Semiconductor materials

### Policy and measures

- Advanced semiconductor market
  - Capital investment for further enhancing the quality of high-purity and high-boiling solvents
  - Establish horizontal recycling technology for semiconductor cleaning solvents
  - Accelerate expanding sales of EUV-resist polymers for advanced semiconductors
  - →Expand sales and profits from FY2031/3 onward
- Microfluidic devices
  (Semiconductor polymers: Pilot production in FY2027/3, mass production from FY2031/3)

### Sales and operating income margin



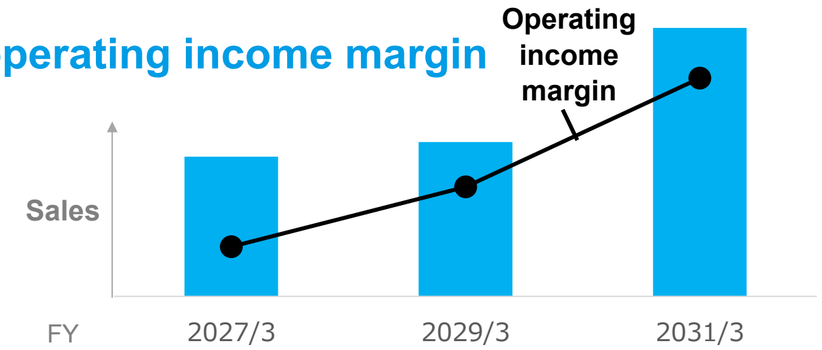

Sales growth rate **70%**

## Functional materials

### Policy and measures

- Explore new applications by combining epoxy resins and high-performance films (high heat-resistance films)
  → Expand sales from FY2030/3 onward
- Enter the large display surface treatment film market
- Provide high heat-resistance epoxy resins/caprolactone derivatives in accordance with target applications

### Sales and operating income margin






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# 2. The new Mid-Term Management Strategy: Life Sciences business

Next-Generation | Health | Convenience/ Comfort | Safety/ Security | Environment

- Grew steadily based on chiral-related businesses, but failed to meet the current mid-term plan targets due to failure to grow with new businesses including M&A
- Focus capital on the Arai Plant to enhance production and quality assurance systems and shorten the development cycle
- Accelerate the global deployment of new products deriving from our own technologies, based on steady revenues from chiral-related businesses

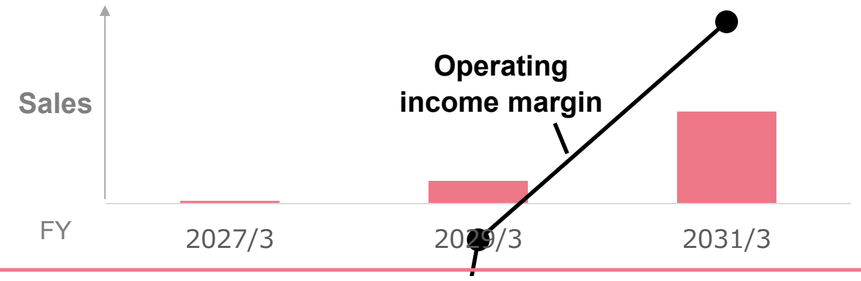
## Medical equipment business

**Using One-Time Energy and separation/refinement technologies**

### Policy and measures

- Enter the vaccine market using the benefits of needleless syringes
- Expand sales channels and applications globally, aiming for production and sales approval for medical equipment
  (Domestic drug approval obtained in FY2026/3; full-scale efforts to obtain FDA approval)
- Enter the bio-drug market by launching exosome isolation and purification equipment using Daicen Membrane's technologies

### Sales and operating income margin




Sales growth rate 100%

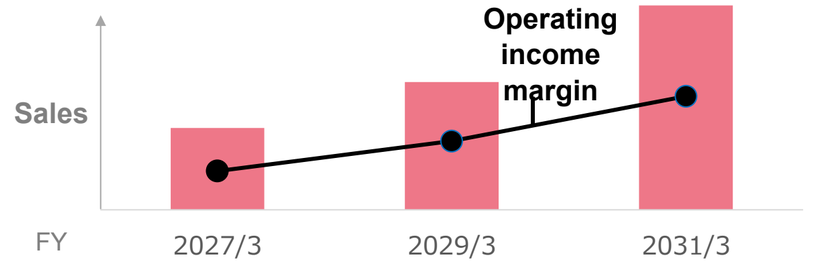
## Health food business

**Using bio-fermentation technology**

### Policy and measures

- Increase equol sales driven by femcare market expansion
- Expand the lineup of impactful intestinal metabolites in addition to equol, based on unique anaerobic fermentation technology, contributing to extending health span
- Strengthen certification acquisition and quality assurance systems toward global promotion (FSSC 22000 to be obtained in FY2028/3)

### Sales and operating income margin






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# 2. The new Mid-Term Management Strategy: Maximizing capital efficiency

Revisions included

■ **Promoted business structure transformation and business restructuring based on the Long-Term Vision and the former Mid-Term Management Strategy**

■ **Accelerate transformation to asset light, business structure reform, and corporate reform**

## Transformation to asset light

| Days sales in inventory | 2026/3 | 2029/3 | 2031/3 |
|---|---|---|---|
| High Performance Polymers | 158 days | 100 | ＜90 |
| Materials | 127 | 90 | ＜85 |
| **Daicel total** | **147** | **100** | **＜90** |

**Main measures**

| | |
|---|---|
| ● Item consolidation | 25% reduction |
| ● Local production and consumption | Local raw material procurement |
| ● Production process improvement | Intermediate product reduction |
| ● Lead time reduction | 7-day reduction |
| ● PSI management upgrading | 7-day reduction using AI |

## Business structure reform

**Commodity chemicals structural reform**

Revisions

**+6 billion yen**

- Withdrawal from low-profitability businesses
- Optimizing acetyl chains
- Promoting cooperation with other firms

## Corporate reform

**Operating income +3 billion yen**

**Productivity 1.5 times**

- Operational overhaul (including merger effect with PPC*)
- Personnel reallocation associated with AI replacement
- ERP renewal, digital platform enhancement

*PPC: Abbreviation for Polyplastics Co., Ltd.



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# 2. The new Mid-Term Management Strategy: Aiming to realize OP-Ⅲ (roadmap)

- As a medium- to long-term theme, create concrete offerings by combining the Company's proprietary materials and technologies
- Supplement the elements required for commercialization through collaboration and M&A with external partners, and define winning strategies by leveraging combined strengths (in-house × external)

**Business model**

**Technologies**

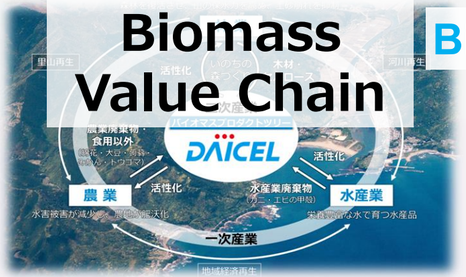
**Materials**

## VVCC*

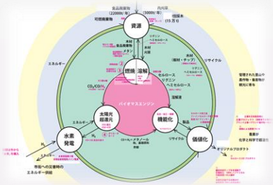
Strengthening the Resilience of Supply Chain and Disaster Prevention Infrastructure



## Biomass Value Chain



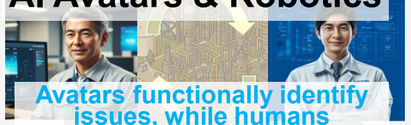

## Biomass Engine



## Human and Environment-Friendly Manufacturing

Contributing to employee well-being, delivering value to customers, and reducing environmental impact

## AI Avatars & Robotics



Avatars functionally identify issues, while humans conduct deductive verification

## Factory Modularization

Enabling the right people to produce what is needed, when it is needed

## Collaboration / M&A

## Autonomous Production Systems

A Cycle in Which People and AI Grow Together



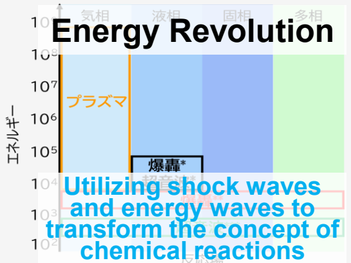

## Five-Sense Sensors and Verbalization of Brainwaves

## Health food equol

## Microfluidic device



## Energy Revolution




Utilizing shock waves and energy waves to transform the concept of chemical reactions

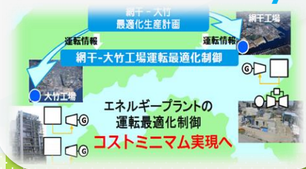
## Current Chemical Plants



Premised on mass production and refining; large-scale, heavy infrastructure with high energy consumption

## DAICEL Production Innovation

Virtual Factory




## eco-friendly materials

CAFBLO®
BELLOCEA®

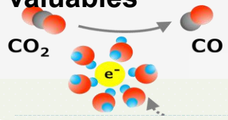
## One Time Energy

Daicel Injector

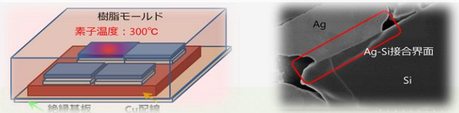


## Nanodiamond

Transform $CO_2$ into valuables




## Materials Combining Inorganic/Organic Components




*VVCC : Virtual Value chain control center



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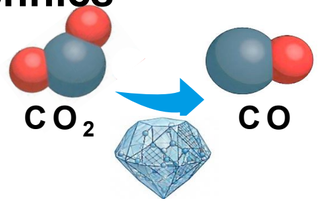
# 2. The new Mid-Term Management Strategy: Items that make dreams come true

## Nanodiamond — Eco-friendly solution / Ultra reduction using sunlight

**Generate diamond with the detonation method, applying pyrotechnics**

**■ Reduce $CO_2$ to CO ■ Reduce energy loss at sliding parts**

FY2028/3: Pilot equipment in Aboshi Plant
FY2031/3–: Commercial operation by Daicel and other firms




- ✓ **Contribute to carbon negative**
- ✓ **Reduce energy in electric society**
- ✓ **Transform $CO_2$ into valuables**
- ✓ **Used for acetic acid and methanol raw materials**

## Microfluidic device — Departure from energy-intensive production / Ultrafine chemical reaction

**Generate materials in micro flow paths**

**■ Ultrafine/high-efficiency reaction ■ Ultimate flow production**

FY2027/3: Pilot production of semiconductor polymers in Arai Plant
FY2029/3: Bench facility for peracetic acid derivatives in Ohtake Plant



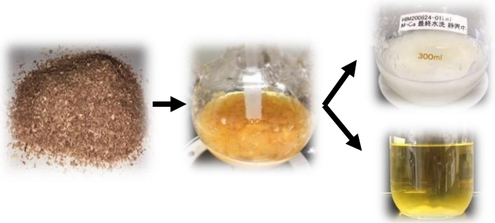
- ✓ **Can produce chemicals anywhere**
- ✓ **Reduce development lead time significantly**
- ✓ **Simplify maintenance**
- ✓ **Simplify factor changes**

## Biomass value chain — High value added using woody raw materials fully

**Dissolve wood under mild conditions**

**■ Local production and consumption of functional items including cellulose**

FY2029/3: Demonstration facility in Kanazawa University BGIC
FY2031/3: Regional implementation process to start



- ✓ **Promote reforestation in Japan**
- ✓ **Revitalize local communities**
- ✓ **Fully use unused resources**
- ✓ **Reduce geopolitical risks in business**
- ✓ **Diversify capital investment risks**



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# 2. The new Mid-Term Management Strategy: Response to climate change

- Updated our greenhouse gas (GHG) emissions reduction targets. We will continue to work steadily toward achieving these targets based on three key approaches.
- By reducing environmental impact and enhancing productivity and competitiveness, we will realize manufacturing that balances ecology and economy.

## Targets Validated by the SBTi (obtained in April 2026)

**Near-term target**

By FY2031/3 （compared to FY2019/3）

- reduce GHG emissions from Scope 1 and Scope 2 by **50**%
- reduce GHG emissions from Scope 3*1 (Raw material procurement, fuel and energy procurement, logistics) by **30**%

**Net-zero target**

By FY2051/3, achieve net-zero greenhouse gas emissions across the entire value chain.

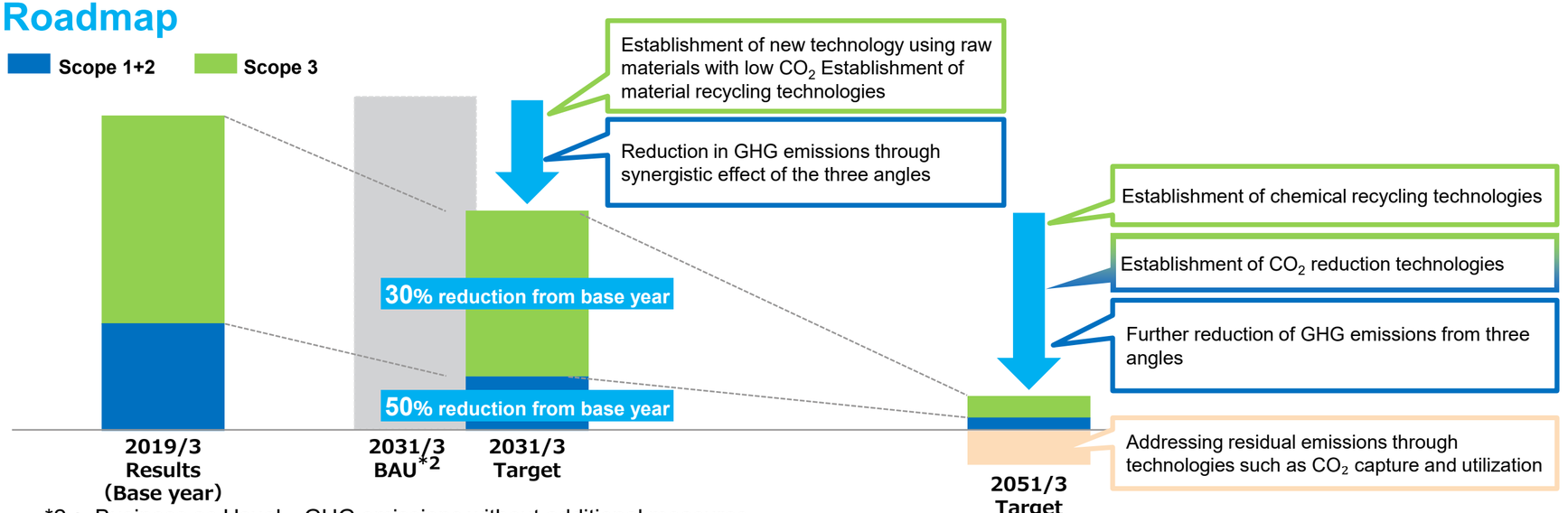
SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

*1：The target is to achieve a 30% reduction in total emissions from Categories 1, 3, and 4.

## Three Angles

| | |
|---|---|
| Reduction in GHG emissions in the current production processes | Autonomous Production Systems |
| Reduction in GHG emissions in innovative technology | Ultra reduction using sunlight<br>Microfluidic device |
| Reduction in GHG emissions in the energy supply divisions | Boiler Fuel Conversion<br>Renewable Energy |

## Roadmap




*2： Business as Usual…GHG emissions without additional measures

*3： Science-Based Net-zero Target



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# 2. The new Mid-Term Management Strategy: Human Resources Strategy（Human Capital Management）

- Human Capital Management Based on the Philosophy of “People-centered Management”
- Driving Corporate Growth Through Leadership
- Building an Organization Capable of Responding to Severe Changes in the Business Environment

## Promoting Active Participation of Human Resources（Strengthening Human Capital Management）

### Positioning Human Capital as an Engine for Corporate Growth

- Strengthening human capital through visualization and development
- Revitalizing the organization by enhancing engagement

### Strengthening Leadership as the Backbone of Strategic Execution Capabilities

- Developing next-generation leaders (strengthening succession planning)
- Developing middle management capable of adapting to an uncertain environment

### Building a Self-Directed, Ownership-Driven Organization

- Visualizing skills through a Human Resources Skill Map
- Expanding opportunities for employees to take on challenges and enhance their individual expertise
- Accelerating growth through optimal talent placement

## Human Capital Management Cycle
### Placement × Development × Evaluation




**Target**

Strengthen the succession plan

Succession readiness rate for key positions globally*1: 200%<

Engagement survey score: 65%＜

## Building Systems to Enhance Employee Engagement

### Positioning Workplace Well-Being and Employee Engagement as Management Assets

- Enabling diverse talent to thrive and enhancing engagement
- Further improving a safe and secure work environment
- Creating AI-enabled workplaces where people can further thrive
- Further promoting Health Management

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

### Realizing the Philosophy of the New Human Resources System

- Enhancing employee motivation to take on challenges
- Providing career paths that support growth
- Strengthening the foundation for developing global human resources

*1: A state in which two or more successor candidates are in place for each position



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# 2. The new Mid-Term Management Strategy: KGI targets

Revisions included

| (billion yen) | | 2027/3 forecast | Revisions 2029/3 plan | Revisions 2031/3 challenge | Growth investment |
|---|---|---|---|---|---|
| Growth | Net sales | 320 | 404 | 440< | 115 |
| | Operating income | 27 | 47 | 63< | |
| Foundation | Net sales | 165 | 191 | 210< | 45 |
| | Operating income | 26 | 29.5 | 43.5< | |
| Next-Generation | Net sales | 60 | 70 | 100< | 80 |
| | Operating income | 1.5 | 3.5 | 17.5< | |
| Reform | Net sales | 50 | 30 | 25< | |
| | Operating income | -12 | -8 | -6< | |
| Total | Net sales | 595 | 695 | 775< | 280 (40*1) |
| | Operating income | 42.5 | 72 | 118< | |

| | 2027/3 forecast | Revisions 2029/3 plan | Revisions 2031/3 challenge |
|---|---|---|---|
| ROE | 9.1% | 13% | 17%< |
| ROIC | 4.3% | 7.5% | 12%< |
| Net income attributable to owners of parent | 32 | 51 | 78 |
| Days sales in inventory | 134 days | 100 days | <90 days |

| | |
|---|---|
| Greenhouse gas emissions reduction | FY2031/3 targets (compared to FY2019/3)<br>Scope 1 and Scope 2: 50% reduction<br>Scope 3: 30% reduction*2 |
| Human capital management | Strengthen the succession plan<br>Succession readiness rate for key positions globally*3: 200%<<br>Engagement survey score: 65% < |

*Sub-segment for each quadrant of the portfolio
Growth: High Performance Polymers, Safety Foundation: Cellulose, chiral columns, Daicel Miraizu, etc.
Next-Generation: Smart, Life Sciences, eco-friendly resin, cosmetics Reform: COC resin, commodity chemicals, etc.

*1: Capital investment common to segments
*2: Reduction categories:1, 3, and 4
*3: A state in which two or more successor candidates are in place for each position


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# 2. The new Mid-Term Management Strategy: Financial strategy

Revisions included

- Target levels for stably exceeding capital costs: ROE 17%+, ROIC 12%+
- Cash generation capability: Achieve EBITDA of 188+ billion yen
- Shareholder return policy: Implement stable and continuous progressive dividends with targets of DOE 5%+ and a total payout ratio 60%+
- Control interest-bearing debt with the net D/E ratio of around 0.7 as an acceptable target

| Item | 2026/3 actual* | 2027/3 forecast | Revisions: 2029/3 plan | Revisions: 2031/3 challenge |
|---|---|---|---|---|
| ROE | 2.8% | 9.1% | **13%** | **17%<** |
| ROIC | 4.2% | 4.3% | **7.5%** | **12%<** |
| ROA | 1.2% | 3.9% | 5% | 8%< |
| WACC | 4.2% | 4.2% | 5% | 6% |
| EBITDA (billion yen) | 85.4 | 87.0 | **129** | **188<** |
| Net D/E ratio | 0.69 | 0.69 | around 0.70 | around 0.70 |
| DOE | 4.3% | 5.0%< | **5%<** | **5%<** |

*FY2026/3 actual: Includes impairment losses from the new COC resin plant



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# 2. The new Mid-Term Management Strategy: Cash allocation

Revisions included

- Focus on growing the topline by allocating more than half the cashflow to growth investment (including environmental measures)
- Maintain or increase total payout amounts by allocating 30% of allocatable amounts to shareholder returns
- Control equity levels with a total payout ratio target of 60%+ while also using share buybacks

## First three years of the mid-term period Cash allocation

Revisions

### Cash in (2027/3–2029/3)

Unit：Billion Yen

| | |
|---|---|
| Operating CF | 300 |
| Selling cross-held shares, etc. | 15 |

Total allocatable amount 315–

### Cash out (2027/3–2029/3)

Unit：Billion Yen

| | |
|---|---|
| Shareholder return | 90– |
| Growth investment | 165– |
| Maintenance investment | 60 |

## Total five years of the mid-term period Cash allocation

### Cash in (2027/3–2031/3)

Unit：Billion Yen

| | |
|---|---|
| Operating CF | 570 |
| Selling cross-held shares, etc. | 20 |

Total allocatable amount 590–

### Cash out (2027/3–2031/3)

Unit：Billion Yen

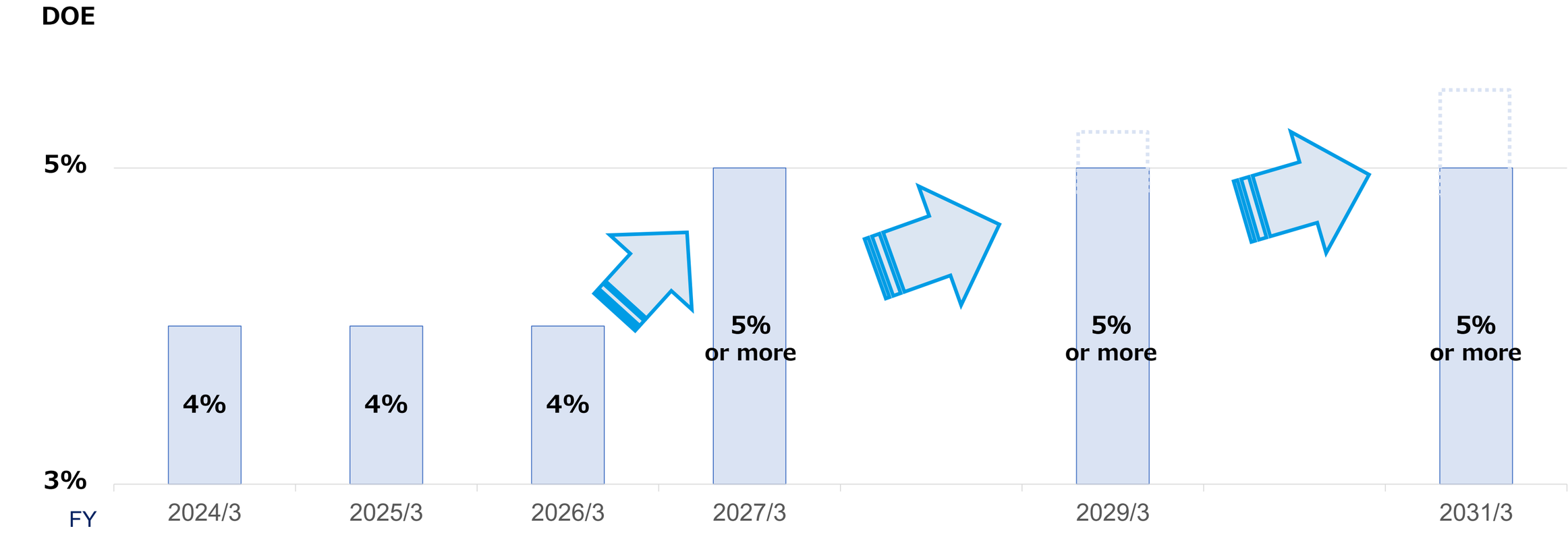
| | |
|---|---|
| Shareholder return | 160– |
| Growth investment | 280– |
| Maintenance investment | 100 |
| Debt Reduction | 50 |



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# 2. The new Mid-Term Management Strategy: Shareholder return policy

- Implement stable and continuous progressive dividends by raising the DOE target from 4% to 5%+
- Also raise the total payout ratio from 40% to 60%+




| Dividends Per Share | 50 yen | 60 yen | 60 yen | forecast 70 yen |
|---|---|---|---|---|



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# Appendix

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# KGI targets by segment

Revisions included

(billion yen)

| | | Revisions | | | EBITDA Revisions | | | Capital investment | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2027/3 forecast | 2029/3 plan | 2031/3 challenge | 2027/3 forecast | 2029/3 plan | 2031/3 challenge | Total*2 | Growth investment only |
| High Performance Polymers | Net sales | 229.0 | 274 | 300< | 34.3 | 49 | 65< | 105 | 88 |
| | Operating income | 21.5 | 34 | 45< | | | | | |
| Materials | Net sales | 194.0 | 216 | 235< | 29.3 | 38 | 55< | 94 | 66 |
| | Operating income | 10.7 | 16 | 28< | | | | | |
| Safety | Net sales | 109.5 | 129 | 132< | 16.8 | 22 | 26< | 30 | 26 |
| | Operating income | 7.7 | 16 | 20< | | | | | |
| Smart | Net sales | 39.0 | 45 | 65< | 3.5 | 10 | 21< | 50 | 42 |
| | Operating income | 1.0 | 2 | 13< | | | | | |
| Life Sciences | Net sales | 21.5 | 30 | 43< | 2.3 | 7 | 16< | 21 | 18 |
| | Operating income | 1.3 | 4 | 12< | | | | | |
| Total | Net sales | 595.0 | 695 | 775< | 87.0 | 129 | 188< | 380 (80*3) | 280 (40*3) |
| | Operating income | 42.5 | 72 | 118< | | | | | |

*1: Exchange rate (USD/JPY): 150
Main raw material and fuels prices: methanol 330 (USD/ton), crude oil 70 (USD/bbl.), domestic naphtha 65,000 (JPY/kl)

*2: Total = Growth investment + Maintenance investment

*3: Common capital investment not included in each segment



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# Capital investment by segment（Growth Investment）

Revisions included

Revisions

(billion yen)

| | Growth investment | Main items |
|---|---|---|
| High Performance Polymers | 88 | Second COC resin plant, POM production capacity increase, collaboration with other companies |
| Materials | 66 | Cellulose acetate filtration equipment, demonstration facility for development of eco-friendly resins |
| Safety | 26 | Inflator production capacity increase for Chinese and Indian markets, collaboration with other companies |
| Smart | 42 | Semiconductor materials (purification of electronic materials solvents), functional materials (high heat-resistance film production facility) |
| Life Sciences | 18 | Functional enhancement of Arai Plant as a site for chiral-related and health food businesses |
| Total | 280* | Others, including R&D-related capital investment |

*Includes capital investment common to segments of 40 billion yen

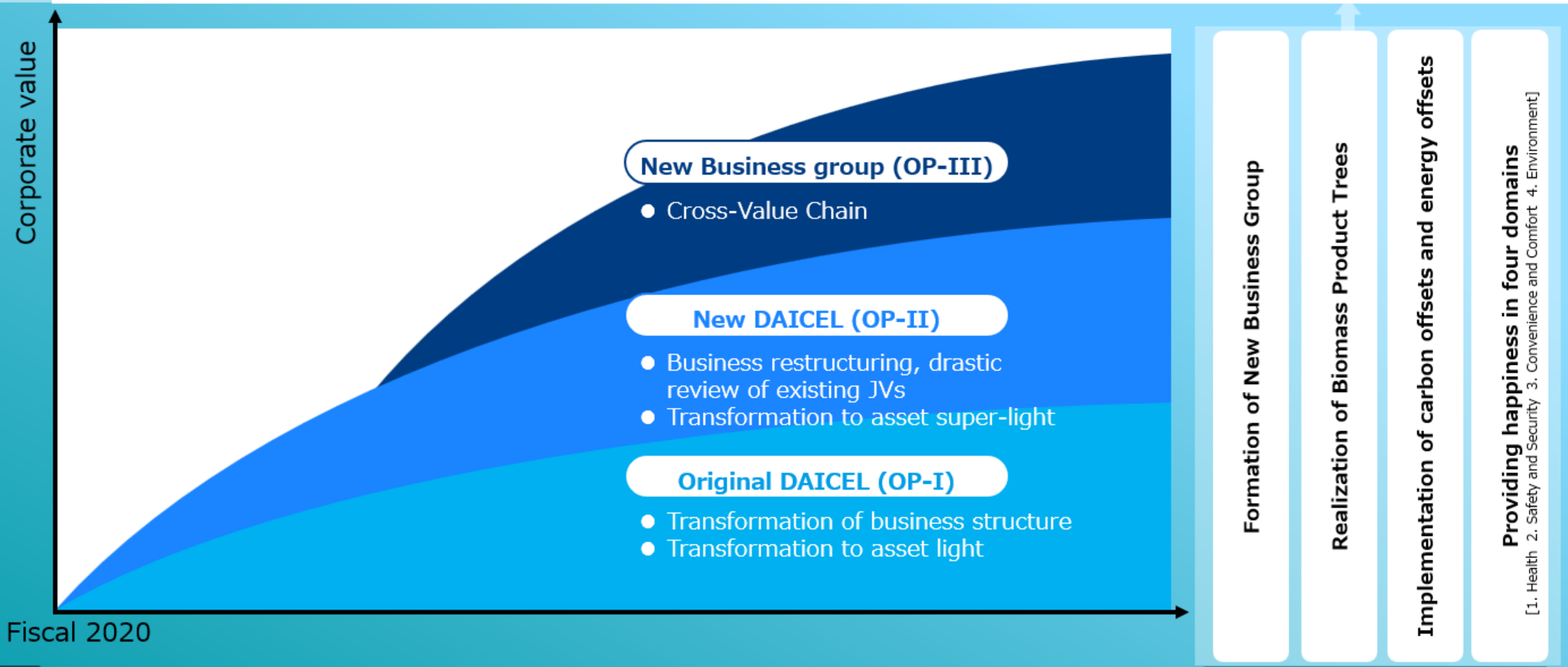


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# Reference: Long-Term Vision “DAICEL VISION 4.0”

**GOAL**

| Become a company that creates businesses by accurately grasping social needs. | | Become a group entity that can co-create with other companies. | | | Co-creation scheme is established. | | | Contributing to build a Circular Society. | |
|---|---|---|---|---|---|---|---|---|---|
| Increase our company’s profitability and ability to create business. | Complete preparation for transforming into a market-in organization. | Increase our group’s profitability and ability to create business. | Turn into a market-in type group entity. | Virtual Company in the group starts operation. | Cross-Value Chain starts to work. | Initiatives for new business creation start. | Transform industrial value. | Propose biomass value chains. | Contribute to carbon neutral efforts. |




| Scope of co-creation | OP-I: Our company | OP-II: Group | OP-III: Partner | OP-Value: Society |
|---|---|---|---|---|
| | Construction of a co-creation entity | | | Practice as a co-creation entity |

# Notes Regarding Forward-Looking Statements

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