



**ASAHI
YUKIZAI**

Mid-Term Management Plan

GNT2030

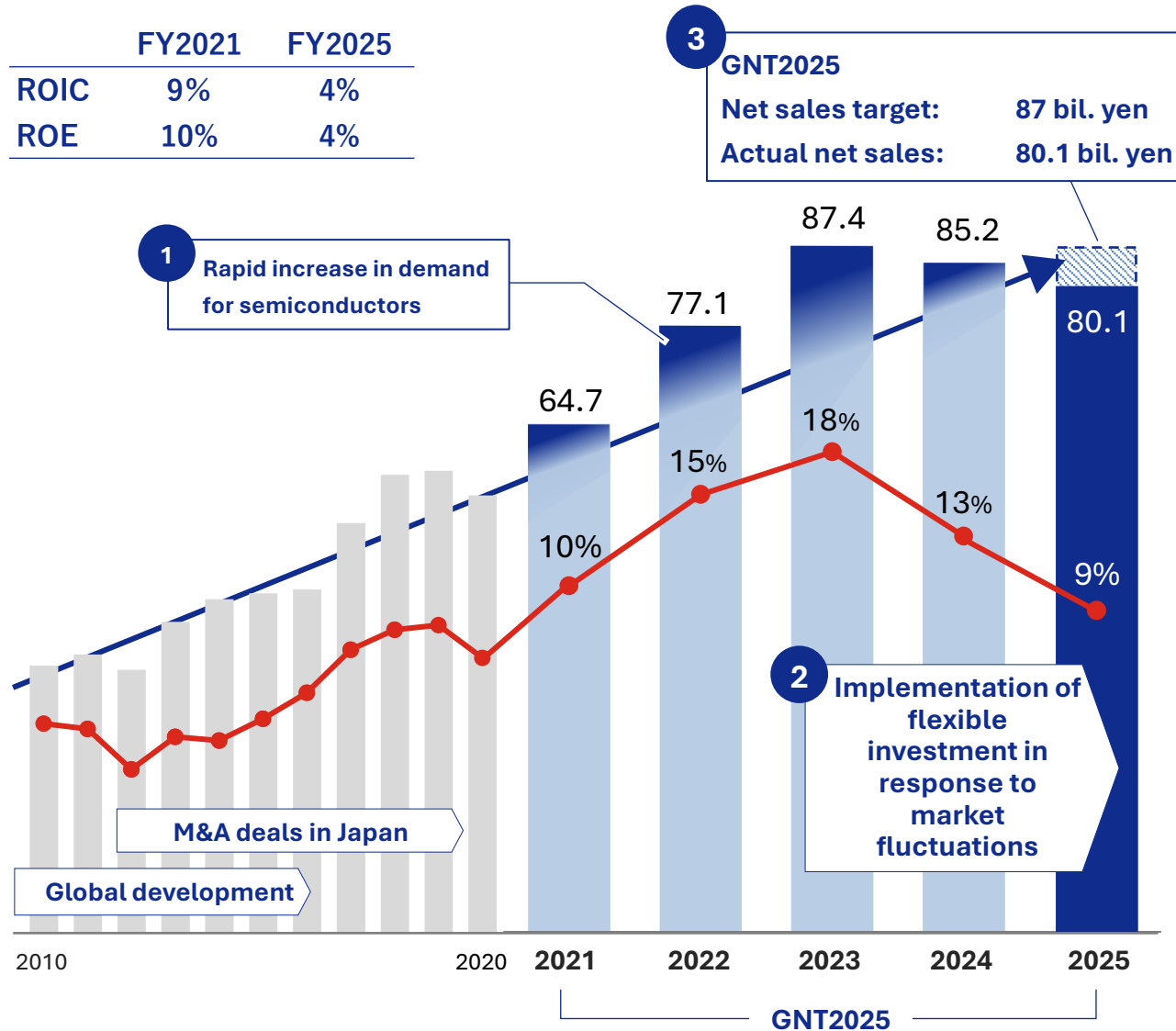
GREAT NICHE TOP

May 15, 2026

ASAHI YUKIZAI CORPORATION

Changes in Net Sales and Operating Margin Unit: billion yen

	FY2021	FY2025
ROIC	9%	4%
ROE	10%	4%



GNT2025 Review

1 Increase in net sales from FY2021 to FY2024 on the back of rapidly expanding demand for semiconductors and related products

- Demand for related products grew faster than expected, reflecting a sharp increase in capital investment in the construction of semiconductor plants in the United States and capital investment in the electronics industry (FPDs, PVs, etc.) against a backdrop of governmental support in China
- Net sales and operating profit both exceeded target values due to the consecutive successes of past initiatives such as the initiative to increase production capacity

2 Implementation of timely and selective investment based on market fluctuations

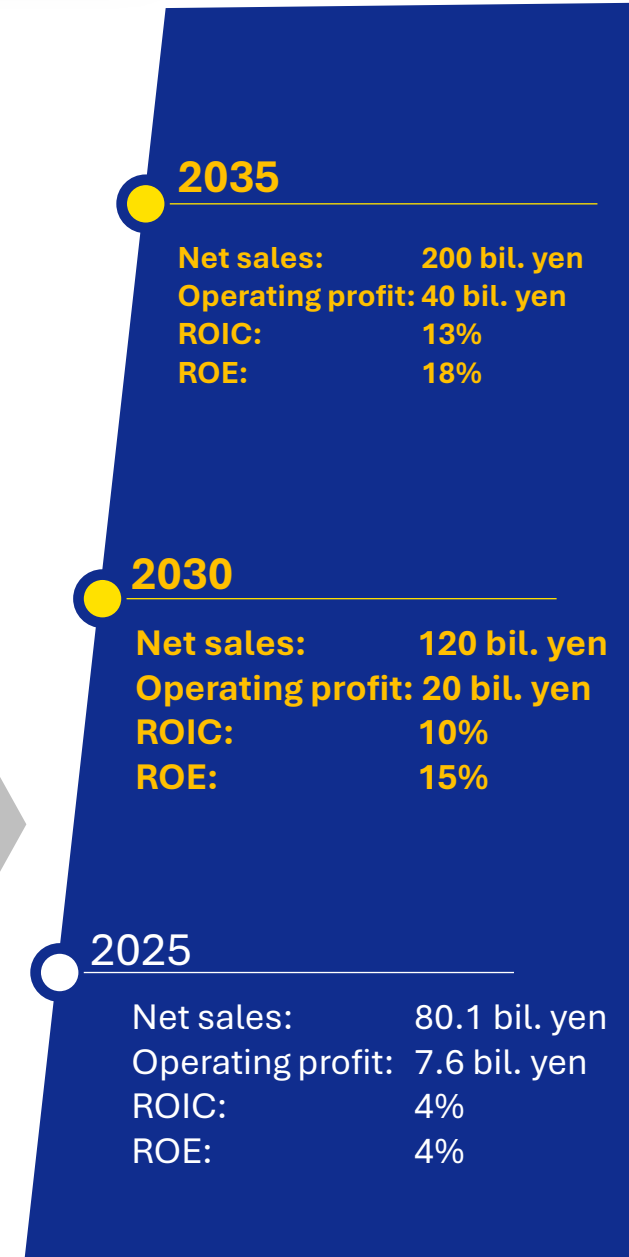
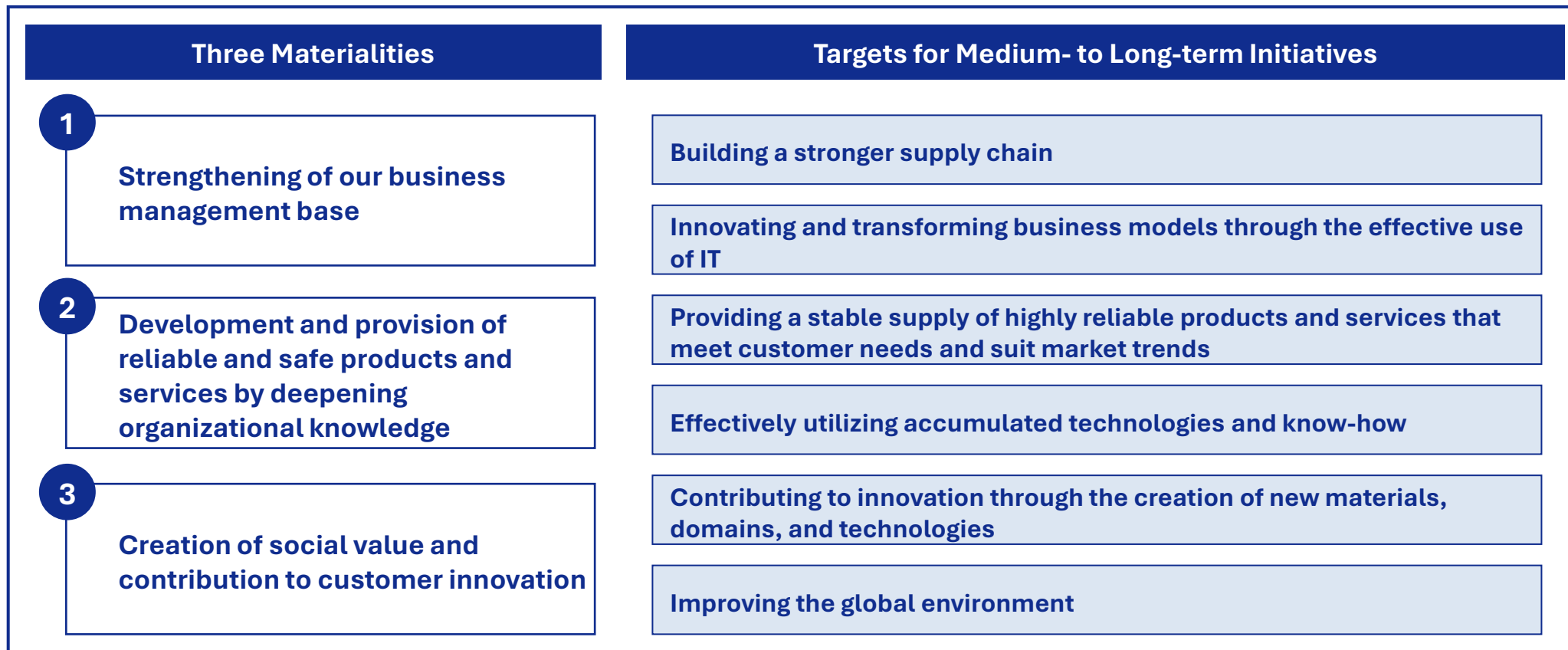
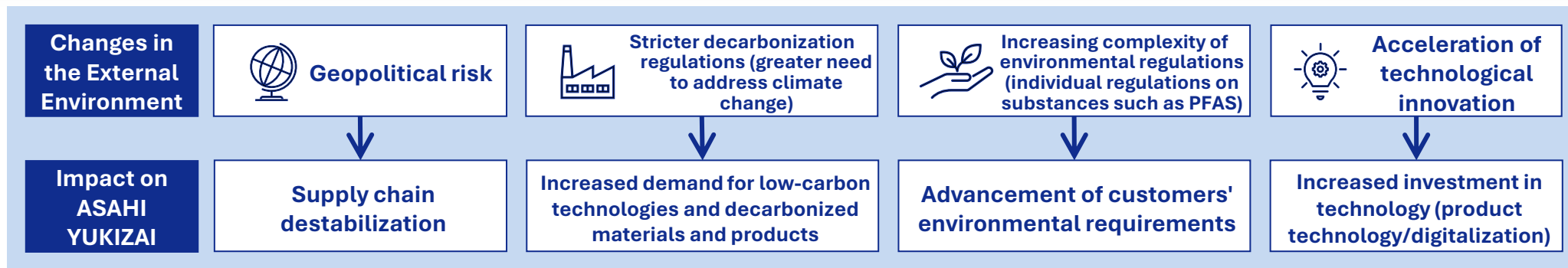
- Based on the expectation of continued growth of the semiconductor manufacturing-related market, we revised our growth strategy and investment plan, and in FY2023, revised our fiscal FY2025 targets upward
- In addition to capital investment in the construction of new plants, we increased investment in talent such as by recruiting and training talent with expertise to prepare for the shortage of experts
- By proactively investing in semiconductor manufacturing-related sectors and strengthening overseas expansion, net sales for the semiconductor industry increased by approximately 89% in FY2025 compared to FY2021

3 Currently, values are lower than planned mainly due to changes in the external environment

- Since FY2024, against the backdrop of rising material costs and personnel costs as well as shortage of talent in the United States, delays in semiconductor plant construction plans have increased, and in China, capital investment related to FPDs and PVs has contracted
- Although demand for products for semiconductor manufacturing equipment was firm on the back of demand for generative AI, it was not enough to compensate for the decline in demand for capital investment in the United States and China, and FY2025 results dipped below targets set after the upward revision
- We are continuing to strengthen our business base with a focus on medium- to long-term growth, and we expect to see results during GNT2030

Business	Major Achievements in GNT2025	Priority Themes for the Next Term
<p>Valve & Piping Systems</p>	<ul style="list-style-type: none"> ■ Increase in net sales due to focused investment in semiconductor manufacturing-related sectors and in international expansion <ul style="list-style-type: none"> In semiconductor manufacturing-related sectors, net sales increased by approximately 91% compared to FY2021 due to business expansion achieved through development of new technologies and expansion of the product lineup for Dymatrix™ products and through international expansion The ratio of overseas net sales increased by approximately 13 points (from 36% to 49%) Net sales increased by approximately 108% due to the establishment of a new plant for prefabricated products in the United States to build a supply system for meeting future growth in demand We decided to make large-scale capital investments such as for the construction of the Valve & Piping 2nd Plant 	<ul style="list-style-type: none"> Developing and securing global talent and expanding and deepening sales channels looking to further expand internationally in the semiconductor sector Increase production capacity and strengthen the supply chain for valves and pipes such as Dymatrix™ products Visualizing manufacturing processes through the introduction of digital tools on manufacturing premises, and reducing lead time by improving the workflow
<p>Resin</p>	<ul style="list-style-type: none"> ■ Increase in net sales by capturing demand in semiconductor manufacturing-related sectors <ul style="list-style-type: none"> In the electronics materials sector, net sales increased by approximately 84% compared to FY2021 since we captured robust demand by leveraging our strength in low-metal technology, which is one of our core technologies We made a decision to build the Aichi Electronics Materials 2nd Plant and the Nantong Electronics Materials 2nd Plant (China) ■ Improvement of profitability through structural reform in the Foundry Materials Business <ul style="list-style-type: none"> We expanded our overseas business, and the ratio of overseas net sales increased by approximately 5 points (from 33% to 38%) compared to FY2021 The ratio of high value-added products increased by approximately 6 points (from 26% to 32%) ■ Development of a new foaming material <ul style="list-style-type: none"> In preparation for the obligation to conform to energy saving standards starting from FY2025, we started to sell the on-the-spot foaming urethane, BEXUR™—which has the world’s best-class heat insulation performance—to address the need for high heat insulation 	<ul style="list-style-type: none"> Developing and increasing the production capacity of high value-added materials in the Aichi Electronics Materials 2nd Plant Increasing production capacity through construction of the Nantong Electronics Materials 2nd Plant (China) Expanding foundry materials internationally with a focus on high value-added products Establishing a sales expansion structure for the on-the-spot foaming urethane, BEXUR™
<p>Water Treatment & Natural Resources Development</p>	<ul style="list-style-type: none"> We enhanced initiatives in the energy saving and energy creation sectors such as biogas power generation 	<ul style="list-style-type: none"> Enhancing value-added proposals by improving drilling equipment and remote management technology
<p>All businesses</p>	<ul style="list-style-type: none"> We withdrew from the Molding Materials Business and Drico Co., Ltd.'s China business after reviewing our business portfolio By establishing a Nomination and Remuneration Committee and introducing a CxO system, we separated the supervisory function and execution function, improved the transparency and objectivity of the decision-making process, and articulated management responsibilities 	<ul style="list-style-type: none"> Examining an optimal capital allocation for each Strategic Business Unit (SBU) and implementing strategies therefor Enhancing intangible assets (human capital, intellectual capital, and customer capital)

Macrostructural Changes and Medium- to Long-Term Initiatives



[Contents]

- 1. Medium- to Long-Term Vision**
- 2. Basic Policy of the New Mid-Term Management Plan (GNT2030)**
- 3. Strategies by Business Area**
- 4. Financial Strategy**
- 5. Enhancing Intangible Assets as a Foundation for Business Growth**

1. Medium- to Long-Term Vision

Great

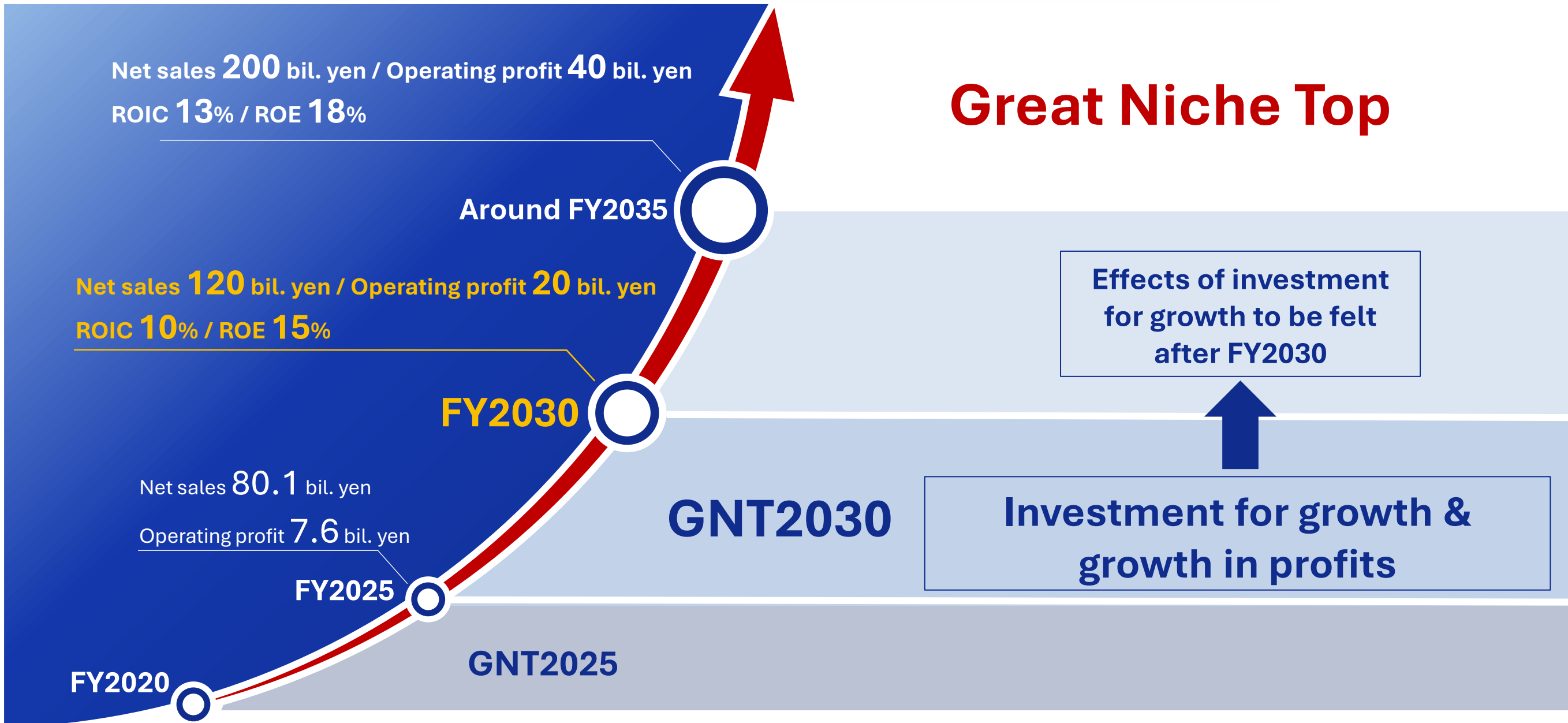
**As being symbolic in
our industry**

Niche

**Enthusiasm to create
and expand unique
markets**

Top

**A leading runner that
also wins the empathy
of society**



2. Basic Policy of the New Mid-Term Management Plan (GNT2030)

Three strategies for growth × Implementation of strategies for each SBU

- ① Deepening and expanding the semiconductor business
- ② Promoting the “niche top” strategy by region
- ③ Transforming domestic business models - Shifting from competition to co-creation

Enhancing Intangible Assets (Driving Force for Growth)

Human capital	Developing ASAHI YUKIZAI-style human resources: "People who take on challenges and move forward together"
Intellectual capital	Contributing to sustainable increases in corporate value using intellectual property
Customer capital	Deepening relationships further with loyal customers
DX	Promoting DX initiatives to transform business, which should result in increased business value

Financial Strategy (to Support Growth)

Cash allocation

Reinforcing investment for growth and returning profits to shareholders by making use of liabilities, while maintaining a certain level of financial soundness

ROIC management

Implementing optimal allocation of managerial resources taking into account capital efficiency



**Great
Niche
Top**

1 Deepening and expanding the semiconductor business



In the advanced semiconductor sector, which is becoming more sophisticated by the day, we will strengthen our supply chain to address rapid fluctuations in demand while further leveraging ASAHI YUKIZAI's strengths such as the customizability and production methods of thermoplastic valves.

Example:

Valve & Piping Systems

Strengthening the competitiveness of Dymatrix™:

We will achieve miniaturization and modularization, while also increasing supply capacity by building new plants

Resin

Development of next-generation electronics materials:

By advancing our synthesis, purification, and low metal technologies, we will develop electronics materials that may be used in advanced and back-end processes

2 Promoting the “Niche Top” strategy by region



By being sensitive to changes in the market, we will redefine the value we provide, applications, and standards to create new markets in each region. We will establish market leadership through product development optimized for local customers and field-based production and supply systems.

Example:

Valve & Piping Systems

North America: We will expand our lineup of high value-added products that meet specific demands of the market such as for prefabricated and assembled products

Resin

India: We will enhance our local supply system by building a new RCS plant. By taking advantage of the demand for sophisticated casted products, we will increase our share in the high-performance RCS market

3 Transforming domestic business models - Shifting from competition to co-creation



We will build a foundation for securing earnings in a sustainable manner through the co-creation of a model for providing an integrated service that covers everything from design to maintenance by combining the strengths of ASAHI YUKIZAI group companies and external partners.

Example:

Valve & Piping Systems

Corrosion-proof solutions:

Across Japan, we will roll out an integrated solution that combines corrosion-resistant piping products and sales with engineering, construction and maintenance services. We will create a business model for providing value throughout the life cycle of customers' equipment by leveraging the commercial distribution and logistics networks of sales companies in the ASAHI YUKIZAI group

Water Treatment & Natural Resources Development

Implementation of strategies for each SBU

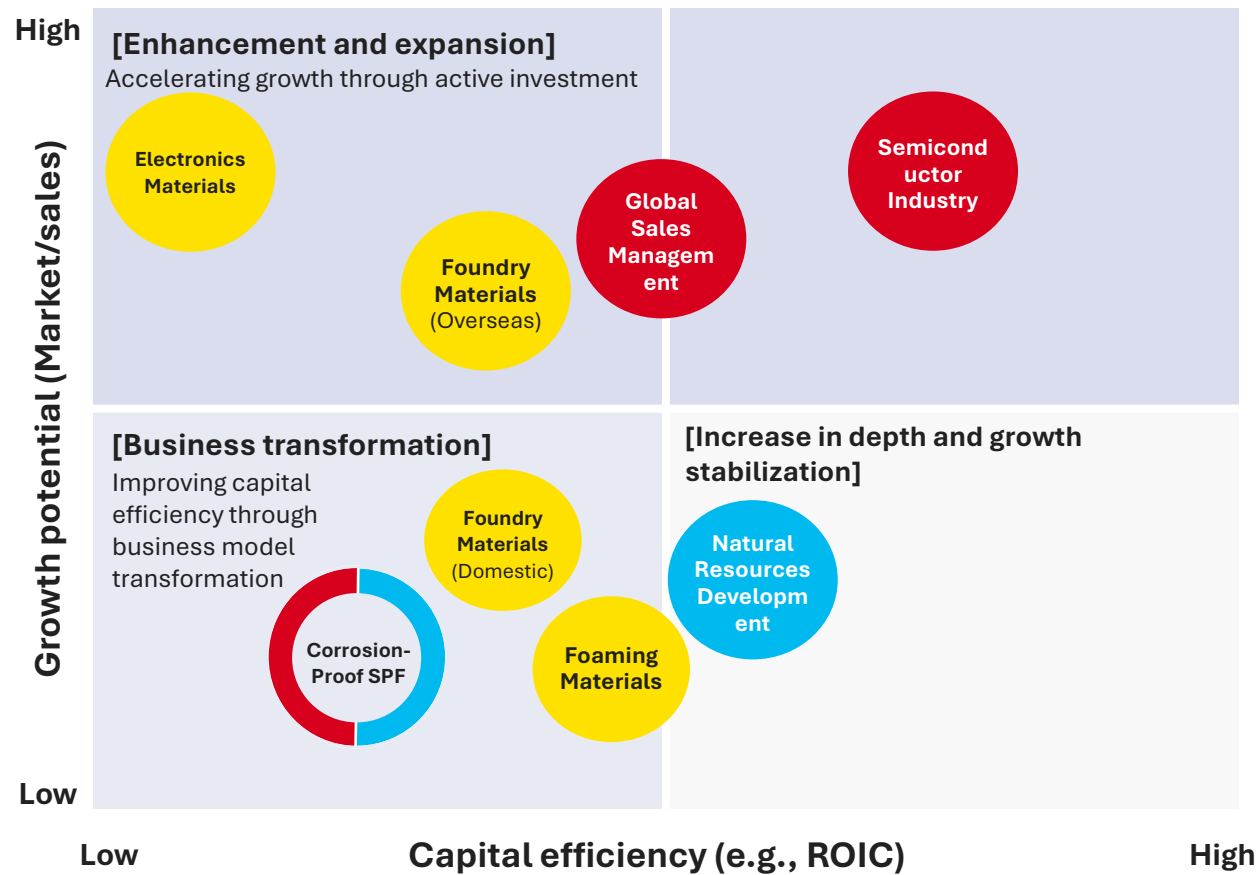
An optimal unit for examining the three strategies for growth will be established named the Strategic Business Unit (SBU).

We will visualize profit structure, competitive advantage, and investment priorities for each of the seven SBUs, and will implement and manage strategies for each unit.

Business	SBU	End-use Market	Main Products and Services	Key Strategy
Valve & Piping Systems	Semiconductor Industry	 <ul style="list-style-type: none"> Semiconductor manufacturing equipment 	 <ul style="list-style-type: none"> Dymatrix™ high-performance plastic valves FALCONICS™ 	 <p>Establish a global supply system for Dymatrix™ by building new plants while also establishing a new product development system</p>
	Global Sales Management	 <ul style="list-style-type: none"> Chemical/steel plants Semiconductor fabrication plants (fabs) 	 <ul style="list-style-type: none"> ASAHI AV manual/auto valves 	 <p>Increase the supply of products with price ranges and performance levels suitable for each of the following markets: the Americas, EMEA, and Asia</p>
	Corrosion-Proof SPF* (Solution Platform)	 <ul style="list-style-type: none"> FPDs, PVs Industrial water, wastewater treatment 	 <ul style="list-style-type: none"> ASAHI AV plastic pipes and fittings Industrial wastewater treatment 	 <p>Revise the business model through the establishment of a corrosion-proof solution integrated with engineering by leveraging the uniqueness of our products</p>
Water Treatment & Natural Resources Development	Natural Resources Development	 <ul style="list-style-type: none"> Hot springs & geothermal 	 <ul style="list-style-type: none"> Hot spring drilling and facilities Geothermal drilling 	<p>Continue delivering value to existing customers and prevent the loss of opportunities by securing talent</p>
Resin	Electronics Materials	 <ul style="list-style-type: none"> Semiconductor materials FPD 	 <ul style="list-style-type: none"> Phenolic resins Novolac resins for photoresists 	 <p>Address market demand through mass-production and supply of high value-added products in niche sectors with high market entry barriers and by developing products for advanced and back-end processes</p>
	Foundry Materials	 <ul style="list-style-type: none"> Automobile parts 	 <ul style="list-style-type: none"> Shell molding resins and RCS using such resins 	 <p>By taking advantage of our competitive strength in high-performance products, we will expand our market share by building new plants in regions where demand is growing, such as India</p>
	Foaming Materials	 <ul style="list-style-type: none"> Construction materials 	 <ul style="list-style-type: none"> On-the-spot foaming urethane, BEXUR™ Heat insulation system, Zero-Flon™ ER-X 	 <p>Expand our share in the housing insulation materials market by integrating materials with construction in cooperation with construction companies of the ASAHI YUKIZAI group</p>

By organizing ASAHI YUKIZAI's business portfolio from the perspectives of growth potential and efficiency, we aim to accelerate growth in enhancement and expansion of SBUs through active investment and to improve capital efficiency in business transformation of SBUs through the revision of each business model.

Business Portfolio (Current Status)



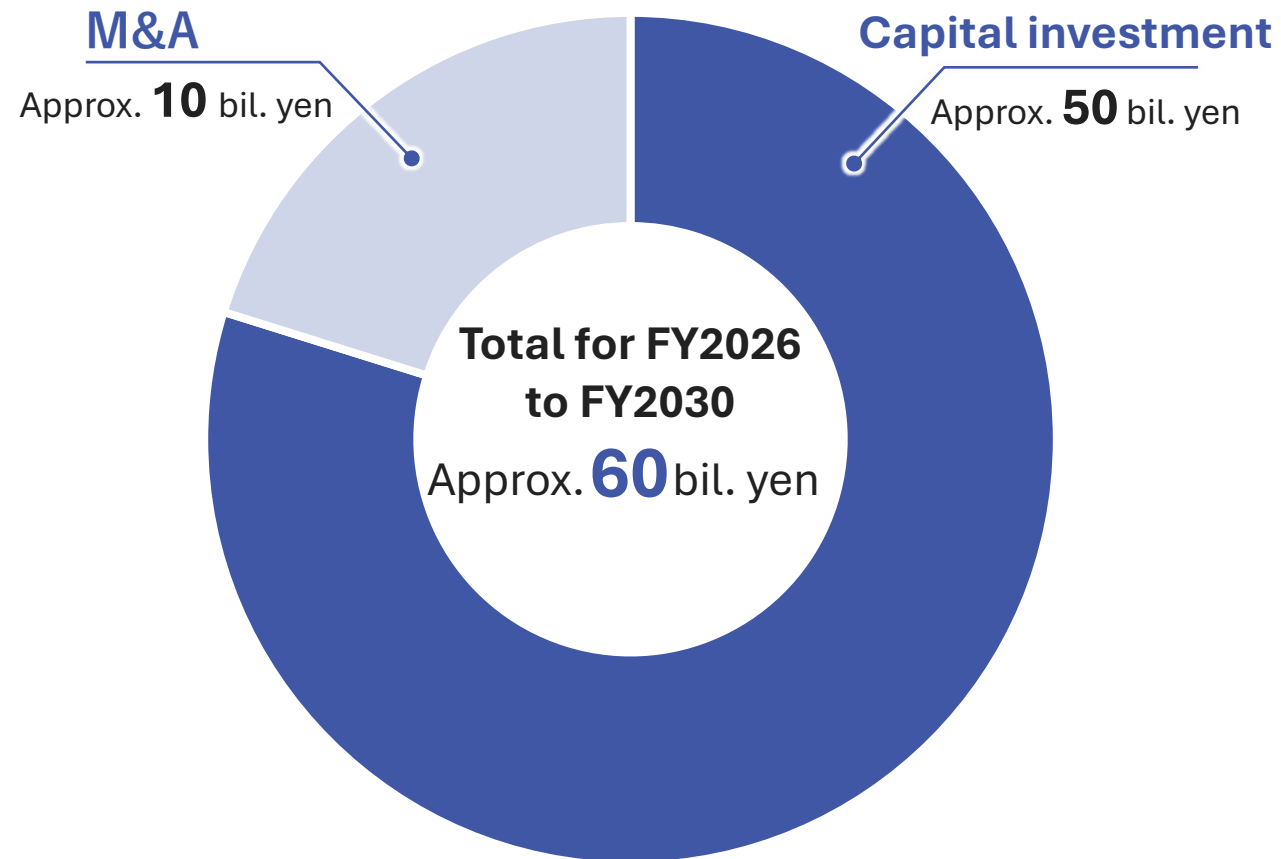
Investment and Reform Policies

	<ul style="list-style-type: none"> Semiconductor Industry We will increase domestic and overseas production capacity by expanding facilities and bases in the semiconductor industry, which is expected to grow going forward Electronics Materials We will improve our product development capability and increase our supply capacity for advanced application products by investing in increased domestic and overseas production while also promoting technology development in an integrated manner
	<ul style="list-style-type: none"> Foundry Materials (Overseas) We will strive to expand market share in growing markets and improve our profitability by increasing supply capacity of high-performance RCS products primarily in India Global Sales Management Focusing on the three segments of the Americas, EMEA, and Asia (excluding Japan), we will promote product strategies tailored to the characteristics of each region
	<ul style="list-style-type: none"> Corrosion-Proof SPF In order to improve our margin, we will roll out a corrosion-proof solution business that integrates sales with engineering, while further optimizing sales bases and personnel allocation Foaming Materials We will reform our profit structure by optimizing our supply chain including the logistics functions, and by switching over to a model that integrates materials with construction Foundry Materials (Domestic) We will improve profitability by reconfiguring our general-purpose RCS and focusing on high value-added products such as our high-strength HexaPass

Investment for growth based on the business portfolio strategy

In particular, we will heavily invest in the Semiconductor Industry SBU and Electronics Materials SBU by positioning them as growth areas. In addition, we will explore multiple growth options with an eye to carrying out M&As or creating alliances with other companies with whom we have complementary business relationships.

Cumulative Investment Over the New Medium-Term Management Plan Period



Major projects	Investment details	Investment amount
<p>Semiconductor Industry</p> <p>Construction of the Valve & Piping 2nd Plant</p>	Construction of a new plant for Dymatrix™ products, upgrading its production process, and updating its order/production management system	17.5 billion yen
<p>Electronics Materials</p> <p>Construction of the Nantong Electronics Materials 2nd Plant (China)</p>	Address the need for domestic production in China by building a new plant there and increasing its supply capacity for resins for electronics materials	Approx. 6 billion yen
<p>M&A</p>	<p>Search for market players who can complement ASAHI YUKIZAI's strengths and determine whether M&As are feasible</p> <ul style="list-style-type: none"> Complements our technology/product portfolio Enhances our access to overseas markets 	Approx. 10 billion yen

Numerical Targets in the New Mid-Term Management Plan (GNT2030)

	Index	FY2024 actual	FY2025 actual	FY2030 targets* ¹	Long-term outlooks (Around FY2035)
Profitability	Net sales	85.2 bil. yen	80.1 bil. yen	120 bil. yen	200 bil. yen
	Operating profit	11.1 bil. yen	7.6 bil. yen	20 bil. yen	40 bil. yen
	EBITDA	14 bil. yen	11 bil. yen	30 bil. yen	-
	Net profit	7.6 bil. yen	3.3 bil. yen	14 bil. yen	-
Capital efficiency	ROIC	10 %	4 %	10 %	13 %
	ROE	10 %	4 %	15 %	18 %
Financial soundness	D/E ratio	0.08	0.08	0.5 or less	-
Shareholder return	Total payout ratio	40 %	68 %	Approx. 50-70 %*²	-

*1: The foreign exchange rate during GNT2030 (from FY2026 to FY2030) is assumed to be 155 yen per USD

*2: We will target a total payout ratio of around 50-70% on a cumulative basis over 6 years, while taking into consideration financial soundness (D/E ratio of 0.5 or less)

3. Strategies by Business Area

Numerical Targets by Business

Business	Item	FY2024 actual	FY2025 actual	FY2030 target	FY2025 to FY2030 CAGR
Valve & Piping Systems	Net sales	52.3 bil. yen	48.1 bil. yen	70 bil. Yen	8 %
	Operating profit (margin)	9.1 bil. yen (17 %)	6.3 bil. yen (13 %)	13 bil. yen (19 %)	16 %
Resin	Net sales	23 bil. yen	23 bil. yen	40 bil. Yen	12 %
	Operating profit (margin)	1.1 bil. yen (5 %)	0.9 bil. yen (4 %)	6 bil. yen (15 %)	46 %
Water Treatment & Natural Resources Development	Net sales	9.8 bil. yen	9 bil. yen	10 bil. yen	2 %
	Operating profit (margin)	0.8 bil. yen (8 %)	0.6 bil. yen (6 %)	1 bil. yen (10 %)	11 %
Total	Net sales	85.2 bil. yen	80.1 bil. yen	120 bil. yen	8 %
	Operating profit (margin)	11.1 bil. yen (13 %)	7.6 bil. yen (9 %)	20 bil. yen (17 %)	21 %

*The foreign exchange rate during GNT2030 (from FY2026 to FY2030) is assumed to be 155 yen per USD

[1 Deepening and Expanding the Semiconductor Business]

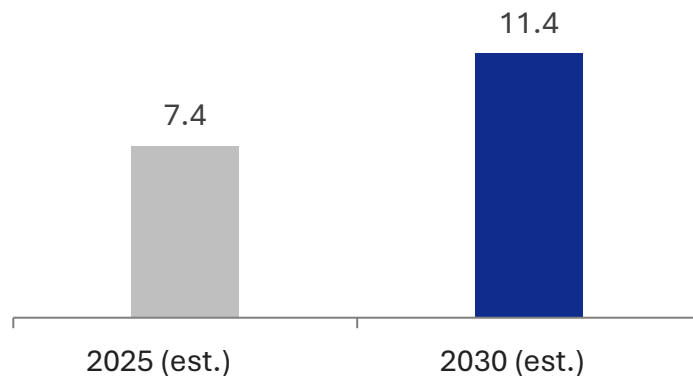
Market Outlook up to FY2030

■ Semiconductor manufacturing-related equipment

- The semiconductor manufacturing-related market is structured so that growth of semiconductors spreads to relevant equipment and materials against the backdrop of expanding investments in AI, cloud computing, and data centers
- Since fluctuations in demand and supply are large, the importance of suppliers who can balance stable supply capacity and quality is growing
- Since China is promoting the improvement of semiconductor self-sufficiency rate as a national strategy, the need for local procurement and local production is expected to continue expanding

Semiconductor manufacturing-related Equipment: Market Size Outlook

Unit: trillion yen CAGR: +9%



Source: "2025 Current Status and Future Prospects of Advanced/Prominent Semiconductor Manufacturing-related Markets: Market Version" published by Fuji Chimera Research Institute Inc.

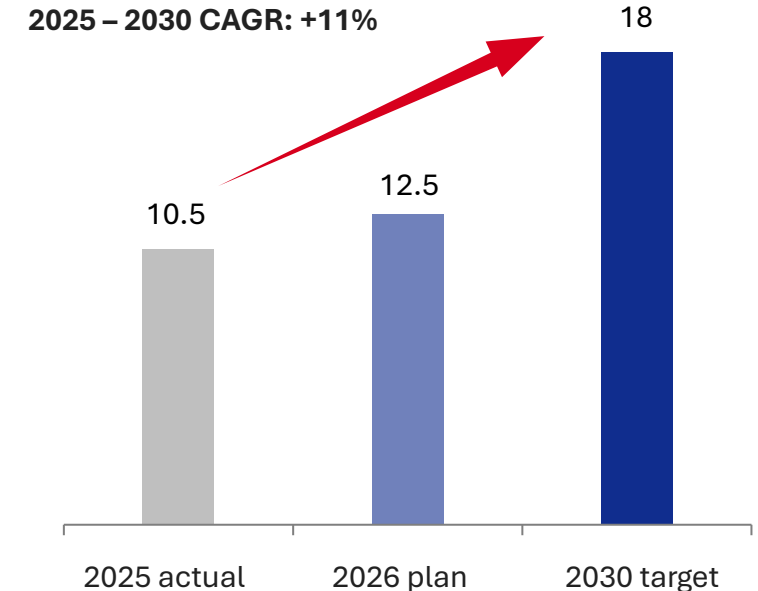
Basic Strategy

- **Capture expanding demand by strengthening product competitiveness and increasing supply capacity**
 - Further strengthen the competitiveness of core products such as Dymatrix™ (via miniaturization and modularization) and renovate domestic production bases in Japan
 - Boost sales to local semiconductor equipment manufacturers in China by leveraging the local production system and our competitive advantage in quality

Key Action Plan

- **Investment in the construction of the Valve & Piping 2nd Plant (Approx. 17.5 bil. yen) (scheduled to start operating in 2028)**
 - In addition to modernizing our production processes, we will also revamp our order and production management systems to create a flexible supply system
 - We will consolidate and upgrade production of key products, which consist of Dymatrix™ and AV products
 - As a parent plant, this new plant will supply parts to other production bases and will develop process designs and quality techniques

GNT2030 Target: Net Sales (Bil. Yen)



KPI

No. of projects won (specs adopted)

(1) No. of projects considered

Adoption rate

(2) No. of visits by engineers to customer offices/plants

(3) Ratio of local production of products for the Chinese market

[2] Promoting the “Niche Top” Strategy by Region

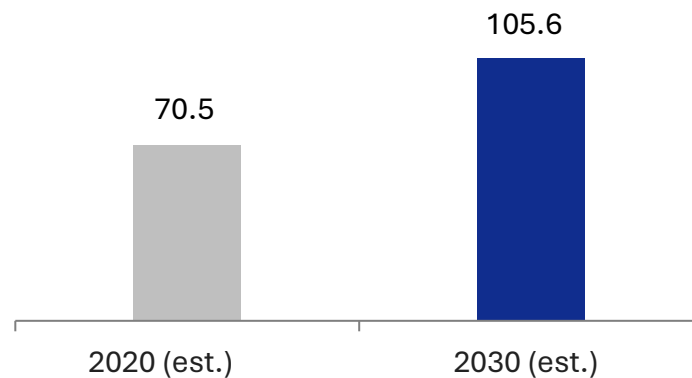
Market Outlook up to FY2030

■ Thermoplastic valves & piping materials

- **U.S.** Demand for prefabricated products is growing due to a labor shortage, high cost structure, and growing need for shorter construction periods
- **EMEA** The seawater desalination market is growing rapidly against the backdrop of increasing demand for water due to urbanization and population growth. As a result, thermoplastic valves are expected to be utilized as part of corrosion-proof measures
- **Asia** Greater emphasis is expected to be placed on price and supply quantity as the market expands against the backdrop of continued development of production facilities and infrastructure

Thermoplastic Valves: Market Size Outlook

Unit: billion yen CAGR: +4%



Estimated by ASAHI YUKIZAI

Basic Strategy

■ Provide value in line with market needs (QCD), which vary by region

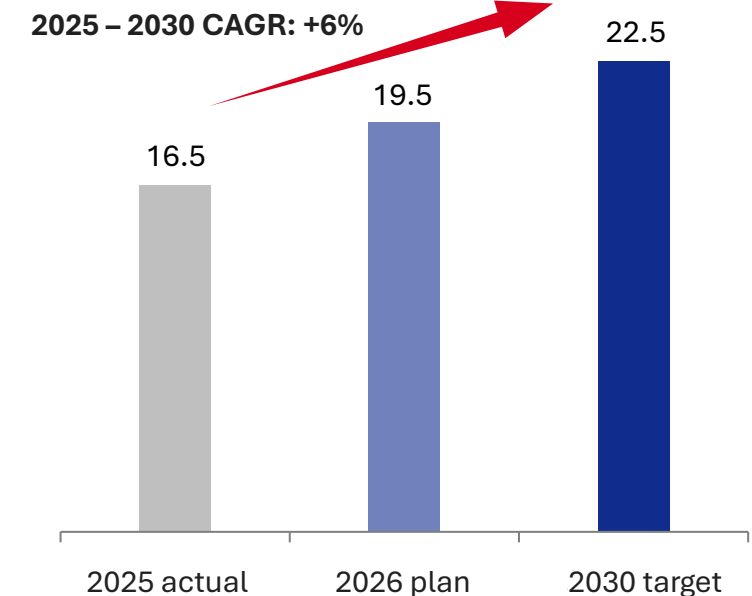
- **Americas** Expand the product lineup according to specific demands
- **EMEA** Expand market share by strengthening sales channels and expand products for seawater desalination with an eye to replacing metal valves
- **Asia** Expand market share by utilizing local OEMs (excluding Japan)

Key Action Plan

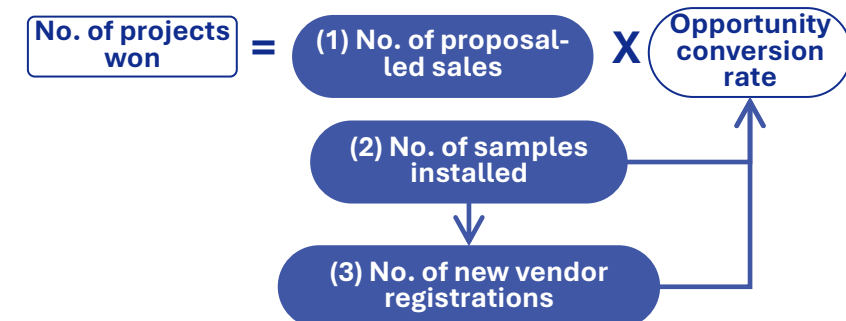
■ Consider M&As and alliances (to expand sales and production bases)

- **Americas** Revise product composition from sales of purchased products to sales of prefabricated products
- **EMEA** Expand distributors, expand direct contact with EPCs and end users, and develop products used for seawater desalination
- **Asia** Increase OEM products and expand market share by focusing on products with price ranges and performance levels suitable for the market

GNT2030 Target: Net Sales (Bil. Yen)



KPI



Market Outlook up to FY2030

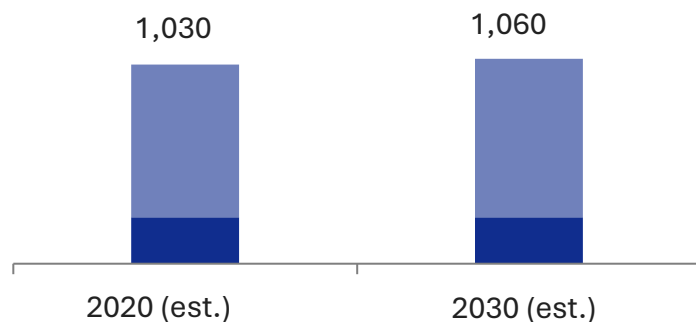
Domestic plant engineering

- In the chemical plant sector and steel & non-ferrous metal plant sector, capital investment has remained flat, but demand for replacing old facilities and the need for stable operations and securing safety remain firm
- Against the backdrop of a serious shortage of design and construction personnel, demand for technical support that goes beyond the mere provision of materials is rising

Domestic Engineering: Market Size Outlook

Unit: billion yen (based on orders) CAGR: +1%

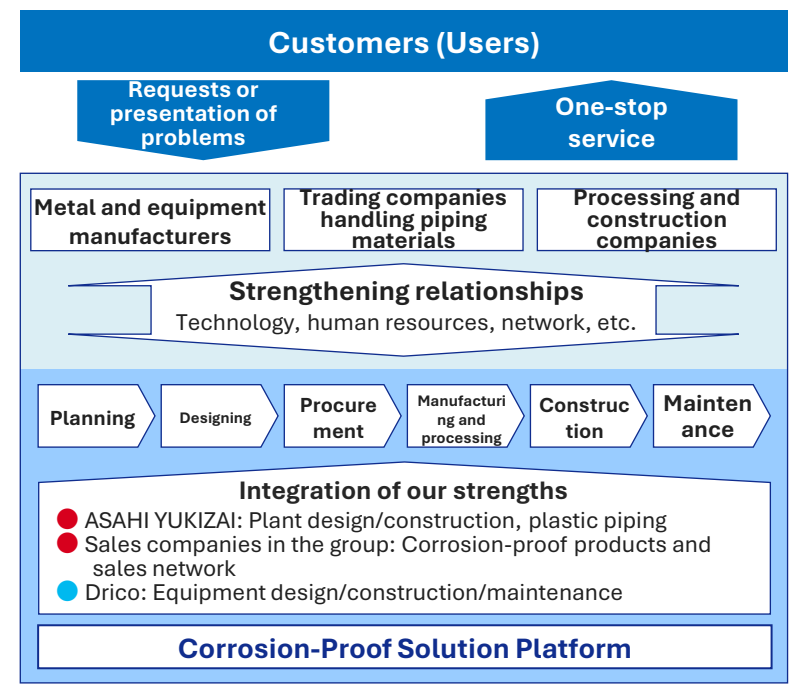
■ Chemical plants
■ Steel & non-ferrous metal plants



Source: Estimated by ASAHI YUKIZAI based on the "State and Trends of the Engineering Industry in FY2025" published by the Engineering Advancement Association of Japan

Basic Strategy

- Our aim is to become a one-of-a-kind company that rolls out a corrosion-proof solution integrated with engineering

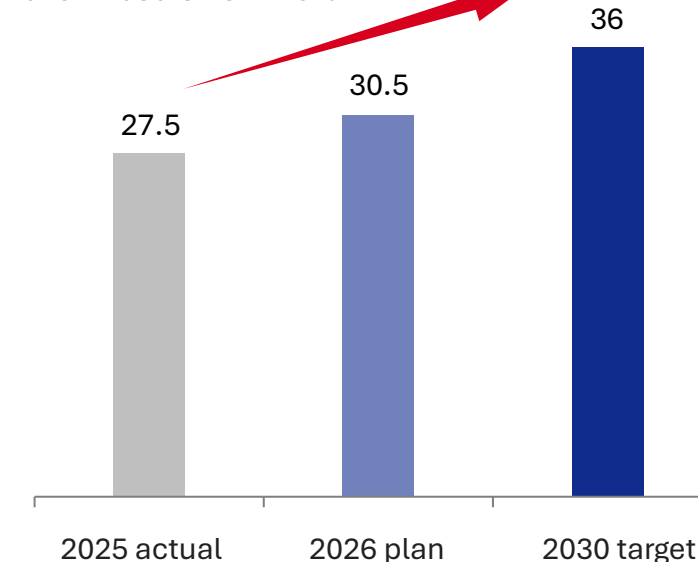


Key Action Plan

- Across Japan, roll out a corrosion-proof solution that integrates sales with engineering by leveraging our broad lineup of corrosion-resistant products, nationwide commercial distribution and logistics network, and strong ability to handle both resins and metals

GNT2030 Target: Net Sales (Bil. Yen)

2025 – 2030 CAGR: +6%



KPI

$$\text{No. of projects won} = \text{(1) No. of proposals for engineering-integrated projects} \times \text{Win rate}$$

*Integrated projects: projects that integrate design, production, and the provision of products

$$\text{Capability of addressing needs} \leftarrow \text{(2) Ability of construction managers improves}$$

*Ability of construction managers: an ASAHI YUKIZAI index that takes into account their qualifications, skills, experience, etc.

[1 Deepening and Expanding the Semiconductor Business]

Market Outlook up to FY2030

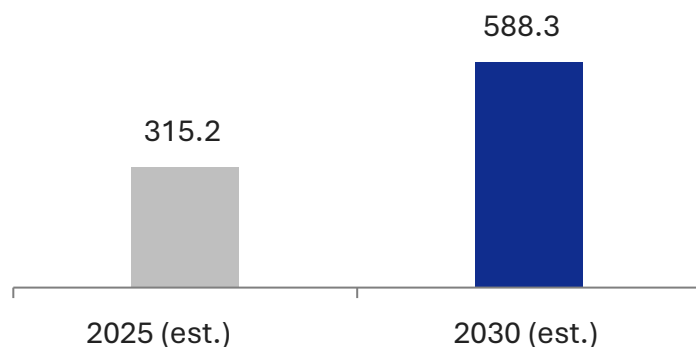
■ Semiconductor materials

- Due to the progress made in the miniaturization and high integration of semiconductors, the semiconductor materials market, which includes products such as photoresists, interlayer insulators, and temporary bonding adhesives, is expected to grow at a fast rate
- In China, investment in the domestic production of semiconductors and FPDs is accelerating, so the need for locally procuring materials is increasing premised on a stable supply of products

Photoresists: Market Size Outlook

Unit: billion yen

CAGR: +13%

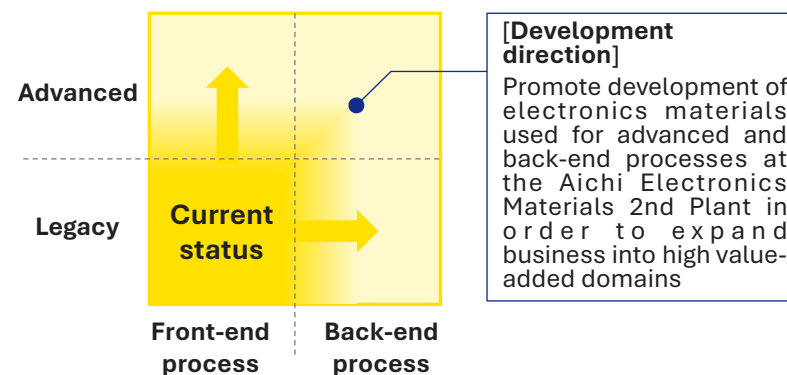


Source: "2025 Current Status and Future Prospects of Advanced/Prominent Semiconductor Manufacturing-related Markets: Market Version" published by Fuji Chimera Research Institute Inc.

*Total for g-line/i-line photoresists, KrF/ArF, and EUV

Basic Strategy

- Develop and increase supply capacity for high value-added materials used for advanced semiconductors and in the back-end process



- We will solidify our position in the Chinese market through a stable supply of products by utilizing the local production system

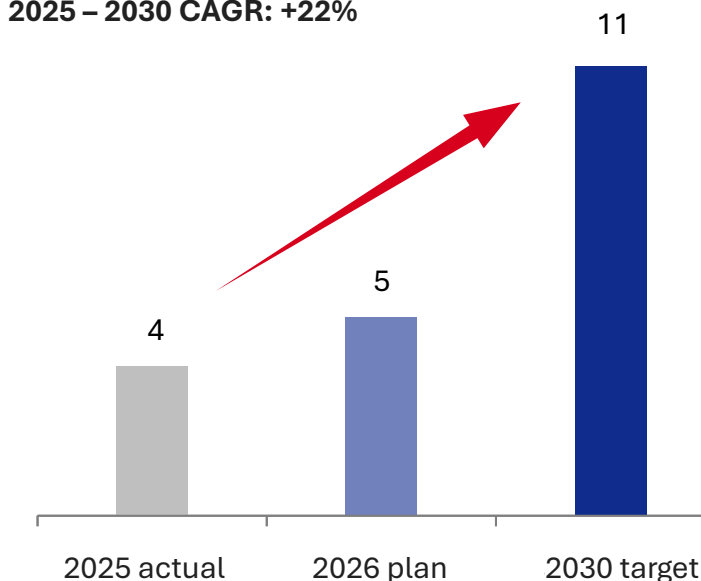
Key Action Plan

- Secure a stable supply by building the Nantong Electronics Materials 2nd Plant (China)

- Promote the development of high value-added materials used in the back-end process by leveraging our strong relationships with customers
- Increase our capacity to supply semiconductor materials used in advanced and back-end processes by operating the Aichi Electronics Materials 2nd Plant
- Build a local product and supply structure to fulfill material procurement needs in China

GNT2030 Target: Net Sales (Bil. Yen)

2025 – 2030 CAGR: +22%



KPI

No. of projects launched in the market

$$= \text{(1) No. of product development projects} \times \text{Mass production conversion rate}$$

No. of mass production transitions

$$= \text{(2) No. of new pilot prototypes} \times \text{Mass production transition rate}$$

[2] Promoting the “Niche Top” Strategy by Region

Market Outlook up to FY2030

■ Automobile manufacturing

- In India, against the backdrop of expanding automobile production, casted products are increasingly becoming sophisticated, especially for automobiles, so the shapes of parts are becoming more complex and parts themselves are becoming thinner and larger
- Demand for high-performance materials such as RCS* is expected to increase as the need for heat resistance, dimensional stability, and processing accuracy increases for resin materials used in the casting process

*RCS (Resin Coated Sand) : a casting material

Automobile Production Outlook in India (Units)

- Number of automobiles produced in India
CAGR (2025-2030): Approx. +5%

Estimated by ASAHI YUKIZAI

Basic Strategy

- Strengthen the development of environmentally-friendly products in Japan with the aim of increasing the added value of products
- Establish superiority in terms of both quality and supply in the Indian market—which is a growing market—by focusing on high-performance RCS that combines RCS technology developed in Japan with resins from Asahi Organic Chemicals (Nantong) Co., Ltd. (China)



Increase supply capacity for high value-added products* such as special aggregate RCS, which deforms less and whose dimensions changes less when heated

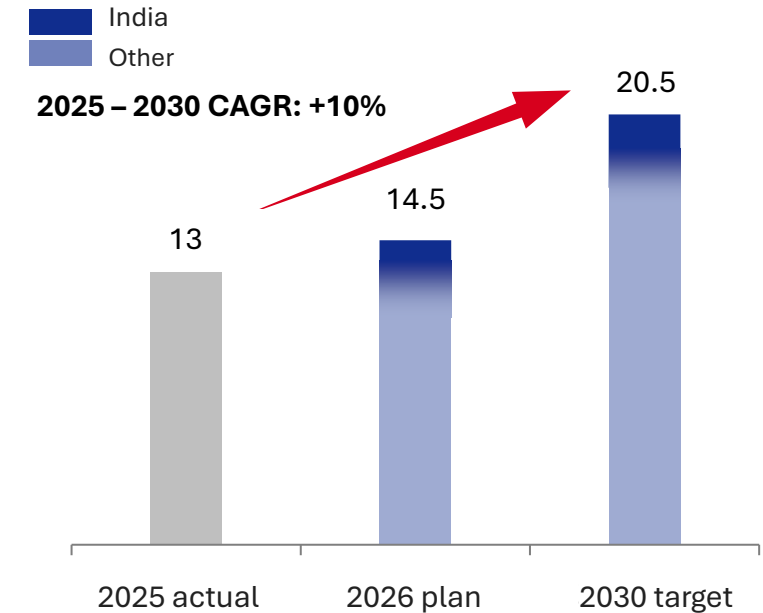
*HexaPass™ low odor RCS, among others

Key Action Plan

■ Investment in the construction of the RCS 2nd Plant in India (approx. 1.6 bil. yen)

- In India, where the automotive casting market is expected to grow, we will substantially increase our local production capacity for RCS, for which we are receiving more sales inquiries
- Establish a unique position in the high-performance RCS market in terms of both quality and supply amid an increasing need for higher performance resins

GNT2030 Target: Net Sales (Bil. Yen)



KPI

(1) Sales ratio of high value-added products in India

No. of mass production transitions

$$= \text{(2) No. of new pilot prototypes} \times \text{Mass production transition rate}$$

Market Outlook up to FY2030

■ Foaming Materials

- The stable growth of residential insulation materials is expected due to a demand for rebuilding old housing and the need for higher housing performance based on the addition of higher primary energy consumption grades*

*Performance indicating the degree of reduction required in primary energy consumption. From April 2025, all buildings will be required to obtain a grade of 4 or higher.

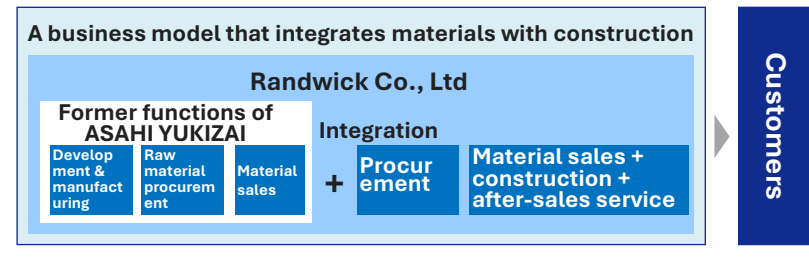
Residential Insulation Materials: Market Size Outlook

- Residential insulation materials market CAGR (2025-2030): Approx. +3%

Estimated by ASAHI YUKIZAI

Basic Strategy

- Further expand our share in the Japanese market by building a business model that integrates provision of materials with construction, which also covers installation and quality assurance, in order to steadily capture demand for meeting system changes associated with higher insulation grade requirements



Key Action Plan

■ Sophistication of proposals that integrate materials with construction

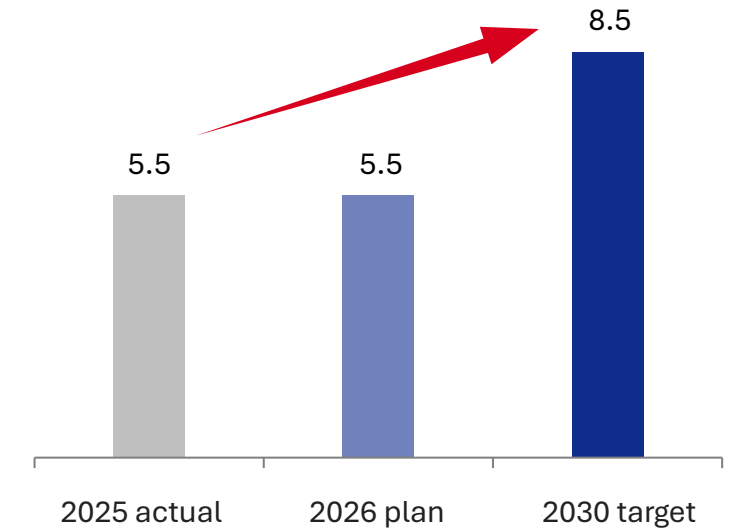
- ASAHI YUKIZAI will focus on in-house product development and manufacturing, and will consolidate customer-facing functions in Randwick Co., Ltd.
- Enhancement of proposals that combine materials and construction, centered on our main product, BEXUR™

■ Reinforcement of construction quality and our after-sales service

- Standardization of our construction guidance and quality control process
- Continuous creation of opportunities to receive orders and referrals by enhancing our after-sales service

GNT2030 Target: Net Sales (Bil. Yen)

2025 – 2030 CAGR: +9%



KPI

No. of new customers acquired

$$= \text{(1) No. of new customer approaches} \times \text{Acquisition rate}$$

Market Outlook up to FY2030

■ Geothermal

- Due to the Japanese government's decarbonization policy, geothermal power generation (i.e., steam power generation and binary power generation) is expected to grow at a CAGR of approximately 10% over the medium to long term

Steam power generation

Several mid- to large-scale development projects are expected from FY2026 onward

Binary power generation

Solid pipeline development is expected, especially for projects utilizing small- and medium-sized heat sources

Domestic Geothermal Energy: Market Size Outlook

- Japanese geothermal energy market CAGR (2025-2030): Approx. +11%

Estimated by ASAHI YUKIZAI

Basic Strategy

- In the geothermal power generation sector, we will increase orders for steam well* projects mainly by differentiating ourselves from competitors through our drilling technology, safety standards, and ability to shorten the construction period. We will also prepare personnel and equipment in advance to build a foundation for sustainable growth
- *Drilling wells for extracting geothermal steam



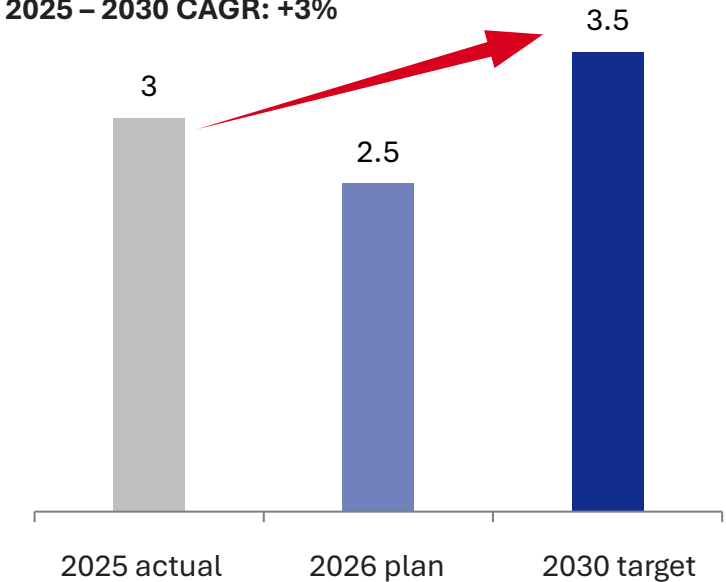
We will help supply energy in a sustainable manner by safely and efficiently extracting geothermal resources

Key Action Plan

- Enhancing value-added proposals by improving drilling equipment (e.g., shortening the construction period, improving safety, increasing the efficiency of customer operations, and reducing effects on the environment)
- Eliminate supply constraints through advance preparation of personnel and equipment

GNT2030 Target: Net Sales (Bil. Yen)

2025 – 2030 CAGR: +3%



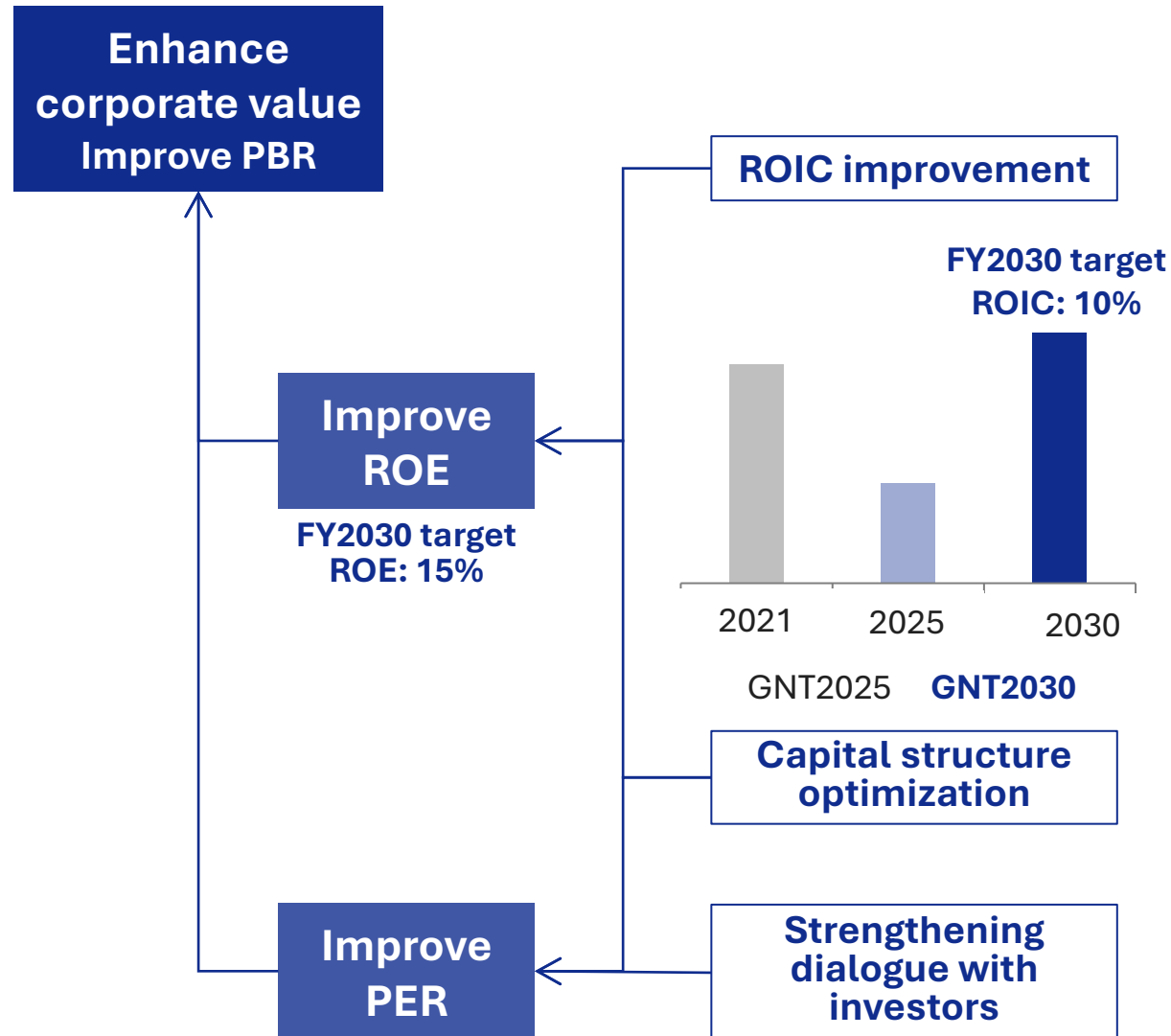
KPI

Sales per equipment

$$= \text{(1) No. of in-house drilling equipment in operation (no. of projects processed per equipment)} \times \text{(2) Price per project}$$

4. Financial Strategy

In order to increase corporate value, we will enhance business management centered on ROIC, implement capital policies, and strengthen dialogue with investors.



Investment details

Evaluate businesses based on growth potential, profitability, and capital efficiency, and clarify investment priorities based on ROIC in order to allocate investments strategically

■ Portfolio management

Allocate investments or make a decision to withdraw from business based on the business portfolio

■ Investment management

When investing for growth, set hurdle rates commensurate with the characteristics of each SBU and manage investments in a disciplined manner

Optimize capital structure by allocating cash while maintaining a balance between financial soundness, investment for growth, and shareholder return

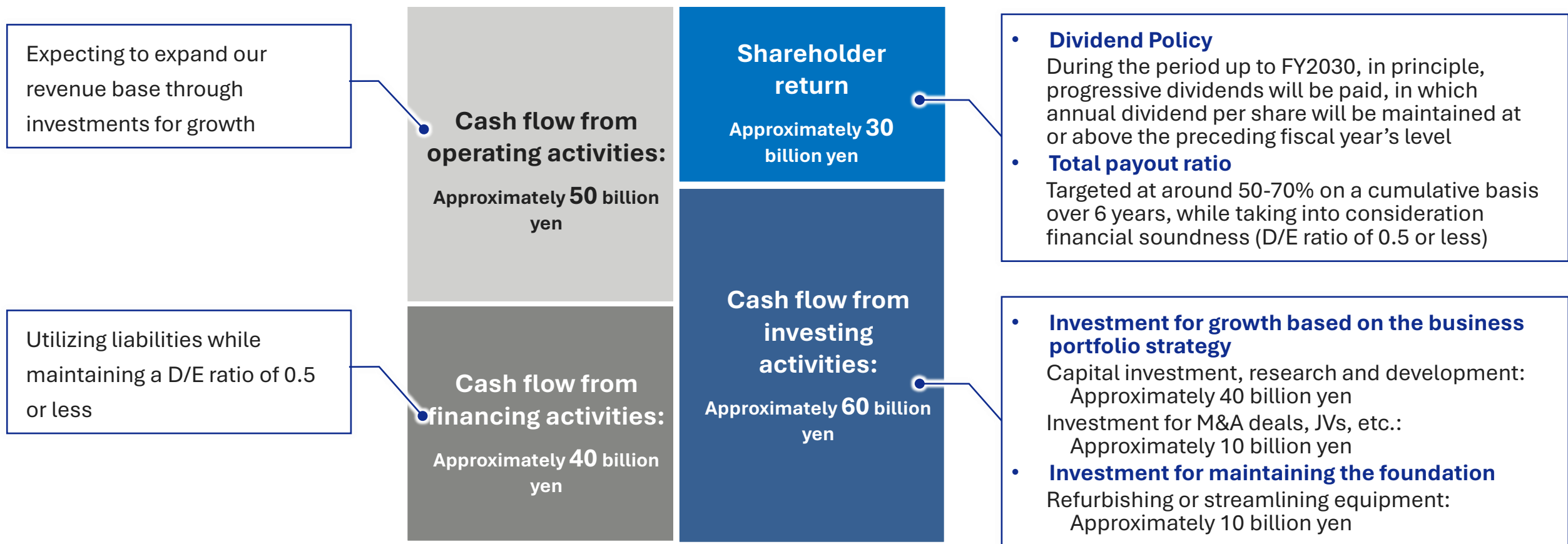
- Set an appropriate equity ratio: D/E ratio of 0.5 or less
- Procure loans by taking into consideration investment and return: active utilization of debt
- Introduce a new shareholder return policy: Progressive dividends and a total payout ratio averaging 50-70% during the Mid-Term Management Plan period

Secure the market's understanding by appropriately communicating our business's growth potential and risks through the provision of greater disclosure of our medium- and long-term strategies, capital policies, and the progress made thus far

- Establish a specialized department (i.e., the Corporate Communications Department)
- Increase and improve the quality of IR meetings and briefings for shareholders and investors

We will maintain financial soundness while leveraging debt to simultaneously enhance shareholder return and proactively invest in growth for the future.

Cumulative Cash Allocation Image for the GNT2030 Period (2026-2030)



Shareholder Return Policy

Progressive dividends

- We recognize that distributing profits to shareholders is one of the most important issues for our company, and will comprehensively consider factors such as business performance trends, financial position, and internal reserves necessary for future investment.
- Through FY2030, we will pay progressive dividends in which annual dividend per share will be maintained at or above the preceding fiscal year's level, and will aim to increase dividends by continuously generating higher revenue.

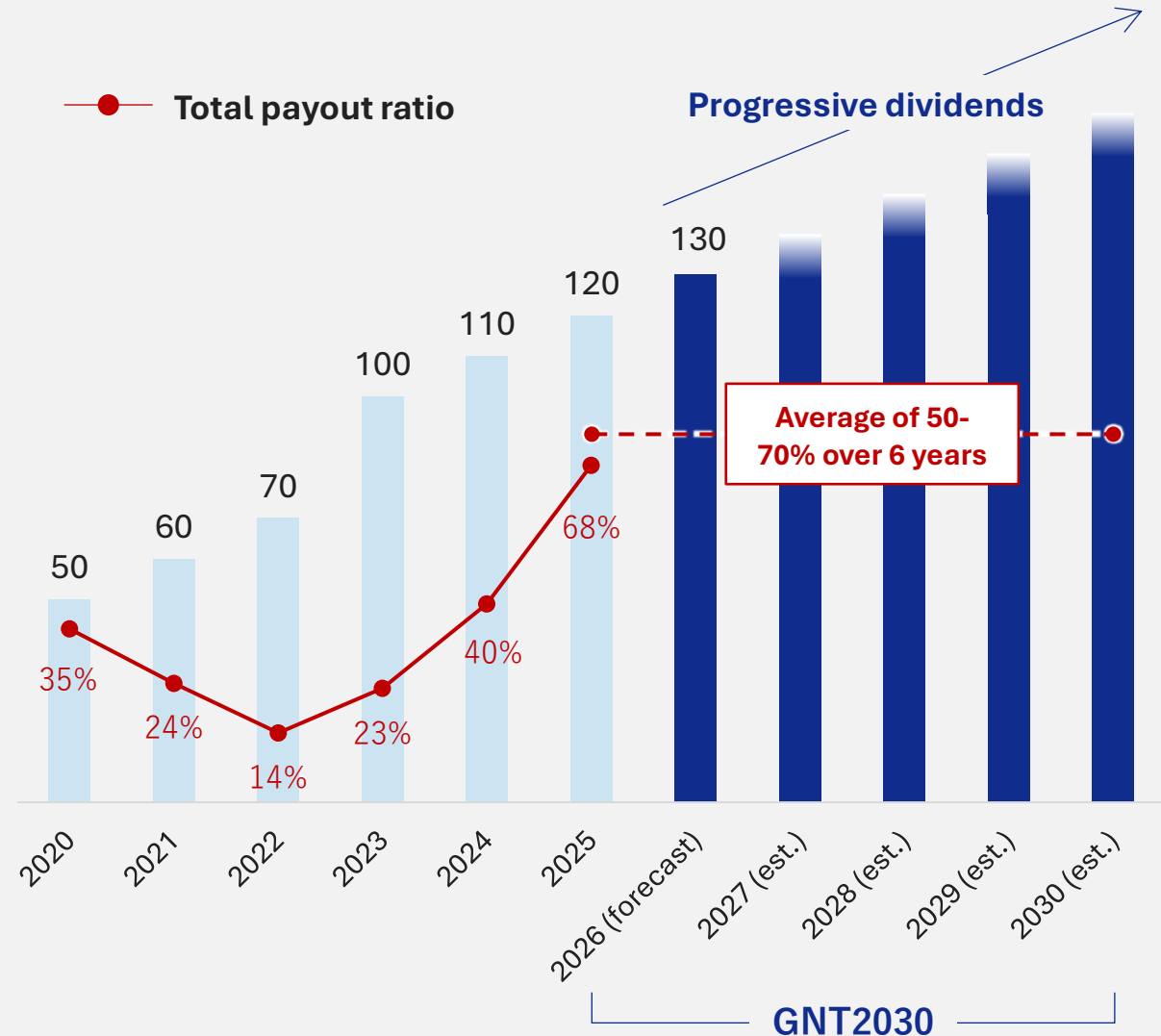
Total payout ratio of 50-70%

- While taking financial soundness (D/E ratio of 0.5 or less) into consideration, we will flexibly implement share buybacks in addition to paying progressive dividends so that the average total payout ratio for each year from FY2025 to FY2030 will approximately be 50-70%.

(Reference) Dividend Estimate for FY2025

ASAHI YUKIZAI is planning to pay a dividend of 120 yen per share, which is an increase of 10 yen from FY2024.

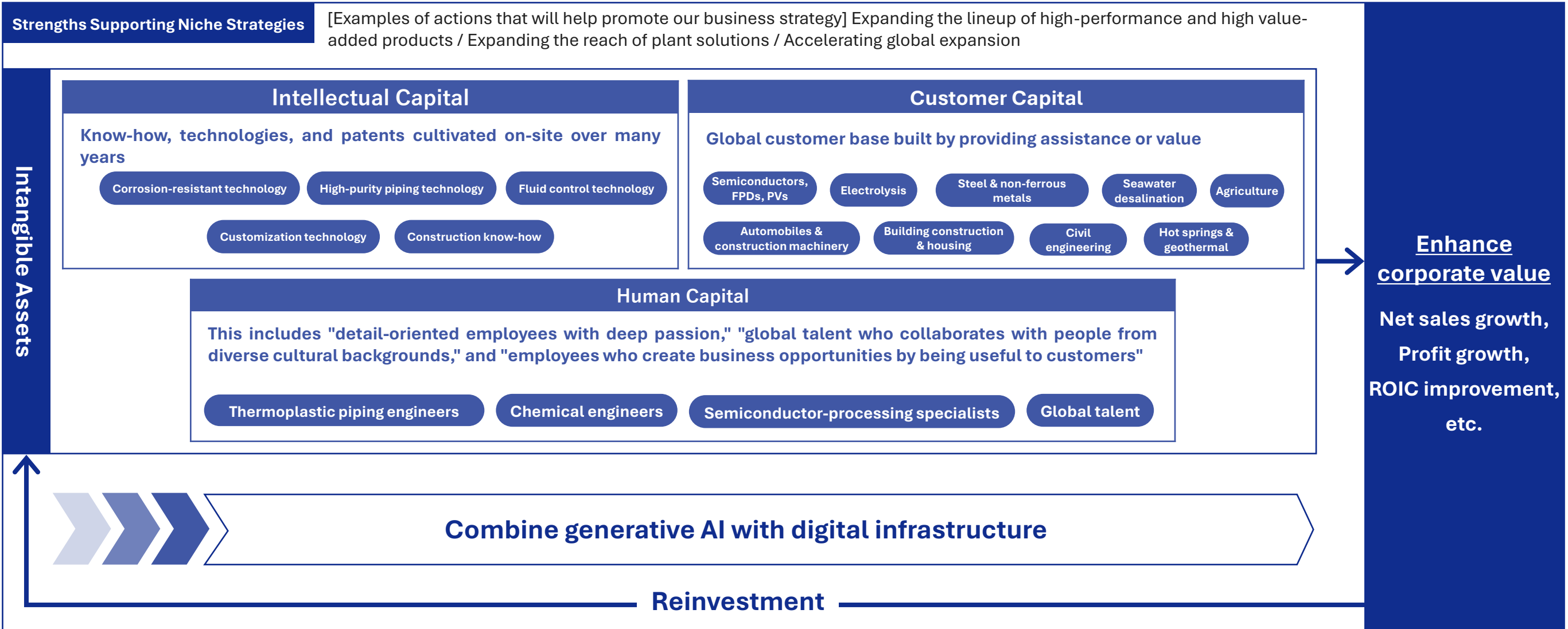
Changes in Dividend Per Share (Yen) and Total Payout Ratio



5. Enhancing Intangible Assets as a Foundation for Business Growth

Redefining Strengths that Support Niche Strategies

ASAHI YUKIZAI carries out its business by leveraging its strengths in the areas of talent, technology, and trust. By redefining and further enhancing these strengths as intangible assets (i.e., human capital, intellectual capital, and customer capital), which will become the source of our niche strategies, we will build a foundation for promoting our business strategy.



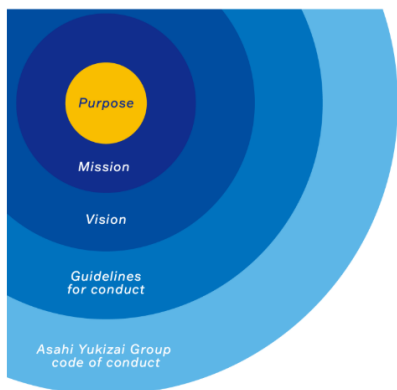
Each and every employee will embody the corporate philosophy and will realize the sustainable development of both the company and its employees.

Basic Policy

[People who take on challenges and move forward together]

Our aim is to increase corporate value in a sustainable manner through employee growth and by creating a rewarding work environment

- Foster next-generation leaders who will demonstrate leadership and will play a central role in maximizing organizational results
- Develop global talent who can carry out business activities in cooperation with people from diverse cultural backgrounds



Purpose

To offer peace of mind through reliable quality and dedicated support.

Mission

To contribute to the customer's manufacturing process with solutions that add value.

Vision

To attempt something that has never been done before and make a real difference in customer experience.

Guidelines for Conduct

Take an interest in and try out new things. Keep enhancing our sophisticated expertise. Deeply understand others and discover their issues. Fulfill our individual roles while remaining mindful of shared goals.

Asahi Yukizai Group Code of Conduct

What we should practice when working for Asahi Yukizai Group and what we should keep in mind.

Priority Measures

Leadership development and organizational development

Next-generation leadership training program

Foster next-generation leaders who will play a central role in maximizing organizational results



Coaching & town-hall meetings

Coaching has been ongoing since FY2023

"Mirai Talks" have continued to be held between CxOs and all employees since FY2025



Achieving growth by enhancing our strengths

Cross-cultural communication training

Develop talent who carry out business activities in cooperation with people from diverse cultural backgrounds



Promoting diversity

Improve the ratio of women in managerial positions

Increase the number of childcare leave days taken by men

...and so on



Position investment in human capital as a fundamental investment for supporting our business strategy

Electronics Materials & Foundry Materials Build a human resource base for accelerating global expansion by developing management personnel who oversee overseas bases such as the new plants to be built in China and India, as well as local personnel responsible for technical management

Key KPI

Work engagement:
Improve the standardized score by 2 points or more



"Work engagement" is a term used to describe a satisfied state of mind in which one feels fulfillment and pride in one's work, and is simultaneously energized by working (the standardized score increased from **48.6** in FY2024 to **49.0** in FY2025)

By leveraging market changes ahead of our competitors and accumulating technology and knowledge, we will continuously maintain leadership in niche markets.

Basic Policy

We will strive to maximize our earning power by utilizing our intellectual capital to secure a competitive advantage and to achieve our company-wide strategy and business strategy

Offense (expansion)

Generating revenue

- Selection and sophistication of themes based on the intellectual property (IP) landscape
- Advertising our brand and added-value
- Creation of new revenue-generating opportunities
- License revenue

Defense (preservation)

Maintaining earning power (maintaining our competitive advantage)

- Prevention of imitation by other companies
- Optimization of our patents
- Controlling our know-how
- Infringement avoidance & risk reduction

Key KPI

No. of patent applications in the key themes for GNT2030:
20 to 40 patents per year



Priority Measures

Offensive tactic (1): Sophistication of the decision-making process by mapping the differences between the patents of our company and those of other companies

We will analyze the number of patents, patent validity, and patented technology domains of our company and other companies to know where we stand in the market. We will then use this market information to develop new products and make investment decisions

Offensive tactic (2): Obtaining license revenue and technology royalties

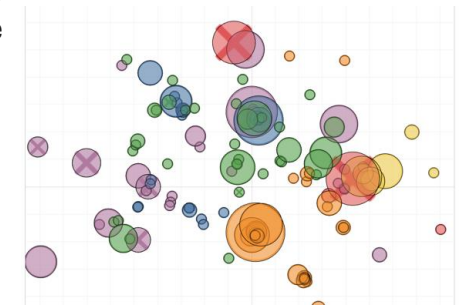
We will generate license revenue by utilizing our patent portfolio in advanced technologies

Defensive tactic: Taking inventory and establishing a patent portfolio by conducting an in-house analysis

We will visualize to what degree patents are protecting products by product type. Simultaneously, in anticipation of patent expiries, we will build a protection mechanism by leveraging our know-how

Map that Compares our Patents and the Patents of Other Companies

We will analyze technology development policies and competitor trends by visualizing the patent information of our company and that of other companies



Ascertaining competitive trends and providing support for our development initiatives by leveraging our IP analysis

We will ascertain technological trends of the industry by carrying out an IP analysis that also covers competitive information and our business environment, and will then share that analysis information with relevant departments. We will support implementation of our business strategy from an IP perspective

By going beyond quality and price, we aim to achieve a state in which empathy for and trust in ASAHI YUKIZAI serve as the foundation for sustainable growth and business expansion, leading to an increase in corporate value.

Basic Policy

Based on the aspects of “empathy” and “trust,” we will strengthen our customer capital by prioritizing our fan base centering on loyal customers. We will then build a foundation for achieving sustainable growth by visualizing and leveraging the value of said customer capital.

- Build a mechanism for continuously ascertaining the "fan level" of customers from the aspects of empathy, trust, and intent to refer us to potential customers, in addition to the evaluations, expectations, and feelings of dissatisfaction from customers
- Establish an operational process to reflect customer feedback into our business improvement process and management's decision-making process
- Leverage customer capital as a foundation for strategic planning and business expansion with an eye toward future growth

Priority Measures

Visualization of customer capital

Implement CS surveys targeting key customers

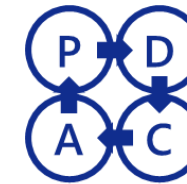
- Guarantee objectivity through third-party investigations
- Dig deeper through questionnaires and interviews



Operation of a PDCA cycle that combines customer capital with our business improvement process

Run this cycle on a departmental basis:

- P: Identify the issue, set a hypothesis, and develop a plan
- D: Implement a CS survey
- C: Analyze the results and devise improvement measures
- A: Implement the improvement measures



Utilization for growth strategies

Utilization of customer capital data

- To figure out attractive pricing
 - To start or develop a new business or service
 - To reflect findings in brand messages
- and so on

Leveraging customer capital to expand business opportunities

Corrosion-Proof SPF We will identify customer needs and issues by utilizing customer capital data that has been accumulated through CS surveys and customer analyses. We will then use this information to expand our business opportunities by selecting co-creation partners, creating new projects, etc.

Key KPI

Implementation of CS surveys:
Once a year



By conducting a CS survey every fiscal year, we will carry out a fixed-point observation of the evaluation scores of our products, services, delivery time, brand, etc. Based on the results of the survey, we will set numerical targets for priority improvement items and will manage their progress in the form of KPIs

Notes

Forecasts and prospects in this document are based on information available at the time the document was prepared. It does not assure or guarantee the realization of future planned figures or measures.

*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.