

**TAYCA** テイカ株式会社

# Medium-term Business Plan

2026



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# Formulation of MOVING-10 STAGE3

- In response to rapid changes in the market, we have formulated a new medium-term business plan, 「MOVING-10 STAGE3 (FY2026-FY2029)」, to balance growth and capital efficiency.  
(The current medium-term business plan, MOVING-10 STAGE2, will end ahead of schedule.)
- Under the new plan, we will expand with a focus on growth businesses and review our capital policy.
- We will execute the plan to achieve an ROE of 8% or higher by FY2029.

		Announced Jun 2020	Announced May 2024	Announced May 2026
<b>Long-term management vision</b> <b>MOVING-10 (FY2020-FY2029)</b>	Basic policy	<ul style="list-style-type: none"> <li>● Shift management resources to growth businesses where we have strengths</li> <li>● Create leading global niche products</li> <li>● Transform business structure in response to changing environment</li> <li>● Leverage Group synergies</li> </ul>		
	Basic policy	<b>Ended in FY2024</b>	<b>Business strategies</b> Improve operating profit margin Actively invest in and strengthen businesses with a competitive advantage Select and consolidate businesses Create new businesses Improve processes and increase productivity  <b>Financial and non-financial strategies</b> Implement capital-efficient management and enhance the Tayca brand Expand human capital Reduce CO <sub>2</sub> emissions	<ul style="list-style-type: none"> <li>● Expand operating profit</li> <li>● Create new businesses</li> <li>● Improve capital efficiency</li> <li>● Actively invest in businesses</li> <li>● Strengthen management foundation</li> </ul>
	Business indicators		<ul style="list-style-type: none"> <li>• Net sales: 68.0 billion yen</li> <li>• Operating profit: 6.0 billion yen</li> <li>• Operating profit ratio: 9% or higher</li> <li>• ROE: 7% or higher</li> <li>• EBITDA: 10.5 billion yen</li> </ul> <p style="text-align: right;">FY2026</p>	<ul style="list-style-type: none"> <li>• ROE: 8% or higher</li> <li>• Operating profit: 4.5 billion yen</li> </ul> <p style="text-align: right;">FY2029</p>
Capital policy		<ul style="list-style-type: none"> <li>• Total investment: 22.0 billion yen (of which, 11.5 billion yen is growth investments)</li> <li>• Total return ratio: 40% or higher</li> </ul> <p style="text-align: right;">FY2024-FY2026</p>	<ul style="list-style-type: none"> <li>• Growth investment: 15.0 billion yen or more</li> <li>• Dividend policy: Pay at a DOE of at least 3% or dividend payout ratio of 100%, whichever is higher</li> </ul> <p style="text-align: right;">FY2026-FY2029</p>	

# Review of previous Medium-term Business Plan

## Consolidated business indicators

		MOVING-10 STAGE2			
		FY2025			
	FY2024 actual	Actual	STAGE2 target	YOY	Compared to STAGE2 target
Net sales	55.7	57.4	63.0	1.7	(5.6)
Operating profit	3.5	2.2	4.0	(1.3)	(1.8)
Operating profit margin	6%	4%	6%	-2pp	-2pp
ROE	4%	(1)%	5%	-5pp	-6pp
EBITDA	6.7	6.1	8.5	(0.6)	(2.4)

(Billion yen)

### FY2025 saw a drop in sales and profit compared to STAGE2 targets

- **Functional Chemical Business performed poorly**
  - Titanium dioxide sales fell due to influx of overseas products and stagnant demand.
  - Overseas sales were stagnant due to industry changes in cosmetics market.
- **Electronic Material and Basic Chemical Business performed well**
  - Sales increased in electroconductive polymers for automotive and AI server applications.
  - Performance was strong in overseas medical equipment applications of piezoelectric materials.
  - Demand was steady for surfactants within and outside Japan.

### FY2025 saw a downturn in ROE

- **The main reasons for the poor ROE were decline in earnings from the Functional Chemical Business and increased business costs such as depreciation.**
- **Capital efficiency had room for improvement.**

## STAGE2 basic policy

Basic policy	Review
Restore operating profit ratio	Operating profit margin of 4% (FY2025, down two points YOY)
Actively invest in and strengthen businesses with a competitive advantage	Production capacity of electroconductive polymers expanded (at least four times that of FY2023)
Select and consolidate businesses	Restructuring is still in progress due to slump in Functional Chemical Business
Create new businesses	Issues remain in turning new business themes into actual businesses
Improve processes and increase productivity	Companywide improvement activities started but have not been fully instilled
Implement capital-efficient management and enhance the Tayca brand	ROE is in a slump, and capital policy and IR strategy are under deliberation
Expand human capital	Engagement survey results increased (61 to 65 pts), but internal mindset has not fully changed
Reduce CO <sub>2</sub> emissions	SBT-compliant emission targets have been set; CDP: B/B; EcoVadis: 65 pts

# Review of previous Medium-term Business Plan

## Management issues

### Electronic Material and Basic Chemical Business

- Established dominant position in medical applications by establishing "US-Japan" manufacturing system and expanded to industrial applications
- Strengthened sales further in automotive applications and carried out development for next-gen condenser applications
- Expanded sales channels in ASEAN market through partnership between Japan, Thailand, and Vietnam, and complied with environmental regulations

Piezoelectric materials

Electroconductive polymers

Surfactants

### Functional Chemical Business

- Strengthened marketing and generated stable operating cash flow by developing new products and driving sales
- Dramatically reduced costs to withstand intensified competition and reformed business structure

Cosmetic ingredients

Titanium dioxide

### New businesses

- Deepened proprietary core technologies through collaboration and co-creation, and accelerated process of prototyping to evaluation to mass production
- Strategically utilized M&A, business alliances, and VC investment, and strengthened organization

### Capital policy

- Improved low capital efficiency (improved ROE and PBR)
- Actively and effectively utilized ample equity (growth investment, talent/infrastructure investment, shareholder returns)
- Properly managed working capital (reduced inventory, shortened payment collection period)

### Sustainability

- Deepened human capital management (promoted motivated human resource development and improved employee growth opportunities and job satisfaction)
- Complied with environmental regulations, worked to achieve decarbonization and acquire SBT certification

**MOVING-10 STAGE3**

# Basic Policy of MOVING-10 STAGE3

## Basic policy

- Expand operating profit
- Create new businesses
- Improve capital efficiency
- Actively invest in businesses
- Strengthen management foundation

Enhance corporate value:  
**ROE of 8% or higher**

## 3-Pillar Integrated Operating Model

### Business strategy

#### Key areas

**Electronic Material Business:** Net sales of double or more (compared to FY2025)

**Medical and Piezoelectric Business:** Net sales of 6.0 billion yen or more

**New business development:** Net sales of 1.0 billion yen or more

#### Profitability improvement

**Functional Chemical Business:** Reform structure and generate operating cash flow

(FY2029)

### Capital policy

#### Investment

**Growth business investment:** 15.0 billion yen or more

Actively utilize strategic investments (including M&A)

(FY2026-FY2029)

#### Shareholder returns

**Dividend policy:** Pay at a DOE of at least 3% or dividend payout ratio of 100%, whichever is higher

**Repurchase of treasury shares:** 10.0 billion yen or more

(FY2026-FY2029)

### Strengthening of management foundation

#### Operational reforms

Shorten inventory turnover period

Optimize payment collection terms

#### Sustainability

Promote strategic talent and strengthen talent investment

Improve efficiency by revamping core systems

Reduce GHG emissions and improve external evaluations

Conduct progress management by managing KPIs

## MOVING-10 STAGE3 Business Indicators

- **MOVING-10 STAGE3:**

We are aiming for operating profit of 4.5 billion yen and ROE of 8% or higher in the final fiscal year.

	MOVING-10 STAGE2		MOVING-10 STAGE3			
	FY2024	FY2025	FY2026		FY2029	
	Actual	Actual	Target	Compared to FY2025	Target	Compared to FY2025
Net sales	55.7	57.4	<b>59.5</b>	2.1	<b>59.0</b>	1.6
Operating profit	3.5	2.2	<b>2.5</b>	0.3	<b>4.5</b>	2.3
Operating profit margin	6%	4%	<b>4%</b>	—	<b>8%</b>	4pp
ROE	4%	(1)%	<b>3%</b>	4pp	<b>8%</b>	9pp
EBITDA	6.7	6.1	<b>6.3</b>	0.2	<b>7.3</b>	1.2

(Billion yen)

# MOVING-10 STAGE3 Summary by Segment

- **Electronic Material and Basic Chemical Business: Maintain growth of electroconductive polymers**
- **Medical and Piezoelectric Business (newly established segment \*): Plan to dramatically grow the business by expanding sales of piezoelectric materials under a US-Japan dual-base system**
- **Functional Chemical Business: Radically rebuild the business so it recovers by FY2029**

\*The TAYCA Group changed its reporting segment classifications in FY2026 to properly reflect business conditions.

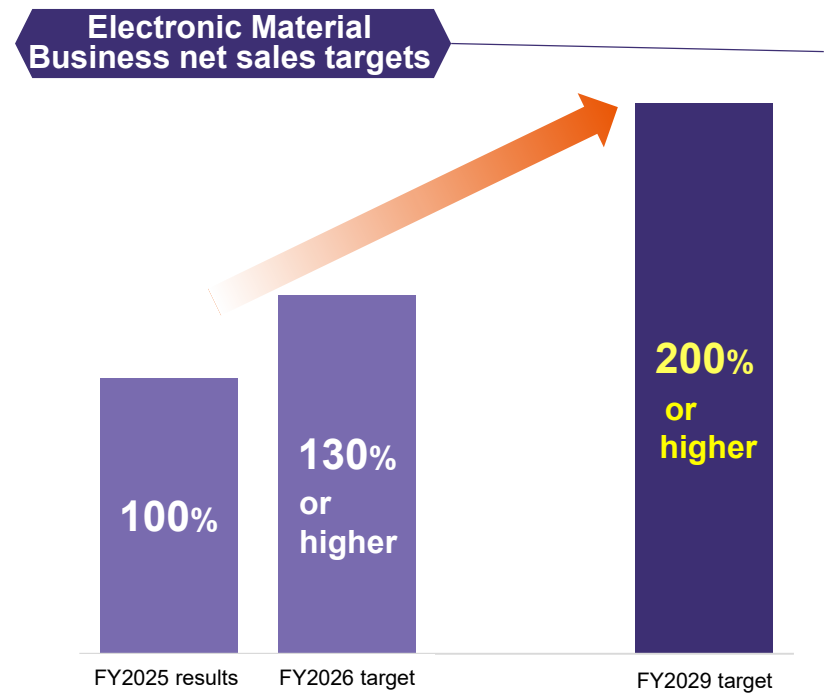
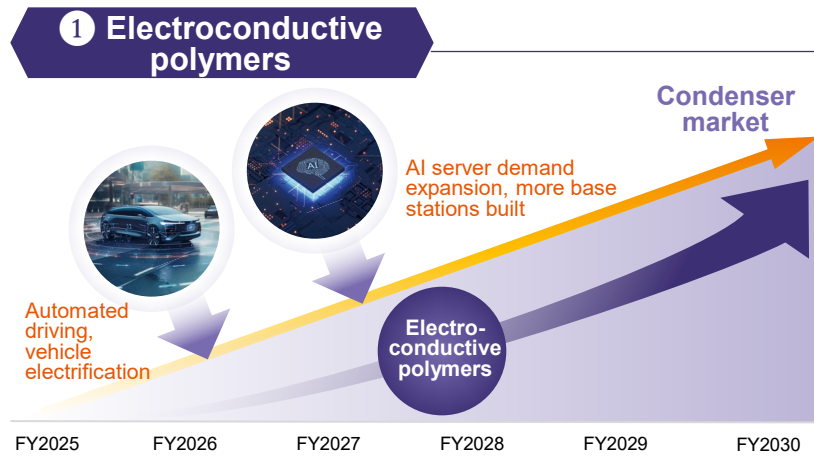
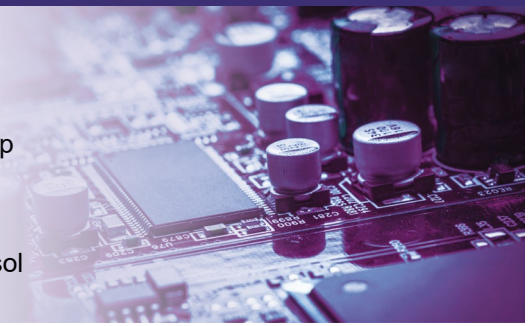
	MOVING-10 STAGE2		MOVING-10 STAGE3			
	FY2024	FY2025	FY2026		FY2029	
	Actual	Actual	Target	Compared to FY2025	Target	Compared to FY2025
Functional Chemical Business (e.g., titanium dioxide, micro titanium dioxide, micro zinc oxide, surface treatment products)						
Net sales	28.5	26.2	<b>27.0</b>	0.8	<b>26.0</b>	(0.2)
Operating profit	1.5	(0.6)	<b>(0.5)</b>	0.1	<b>0.4</b>	1.0
Electronic Material and Basic Chemical Business (e.g., electroconductive polymers, surfactants, sulfuric acid)						
Net sales	22.2	25.8	<b>26.4</b>	0.6	<b>25.9</b>	0.1
Operating profit	1.7	2.3	<b>2.2</b>	(0.1)	<b>2.7</b>	0.4
Medical and Piezoelectric Business (piezoelectric materials)						
Net sales	3.9	4.2	<b>4.9</b>	0.7	<b>6.0</b>	1.8
Operating profit	0	0.2	<b>0.6</b>	0.4	<b>1.2</b>	1.0
Other (warehousing, engineering)						
Net sales	1.1	1.2	<b>1.2</b>	—	<b>1.1</b>	(0.1)
Operating profit	0.3	0.3	<b>0.2</b>	(0.1)	<b>0.2</b>	(0.1)

(Billion yen)

# Key Area: Electronic Material Business

- ① **Grow electroconductive polymers**
- ② **Expand into higher value-added fields**

- **Electroconductive polymers: Develop unique technological capabilities and enhance customer solution proposals**
  - Plan to expand sales further by expanding production capacity
  - Simultaneously develop technology and tap the market for next-gen condensers and develop plans to expand market
- **Expand into higher value-added fields**
  - Strengthen sales by accelerating development and increasing customer adoption of titania sol
  - Create themes and develop materials that will form the core of next-gen business



### ② Higher value-added fields

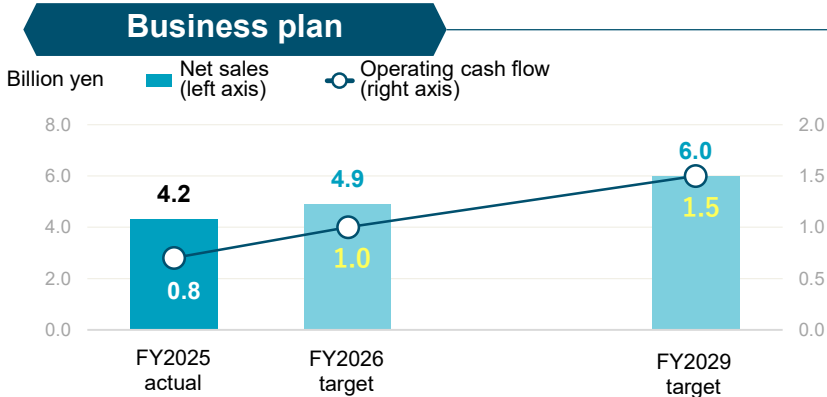
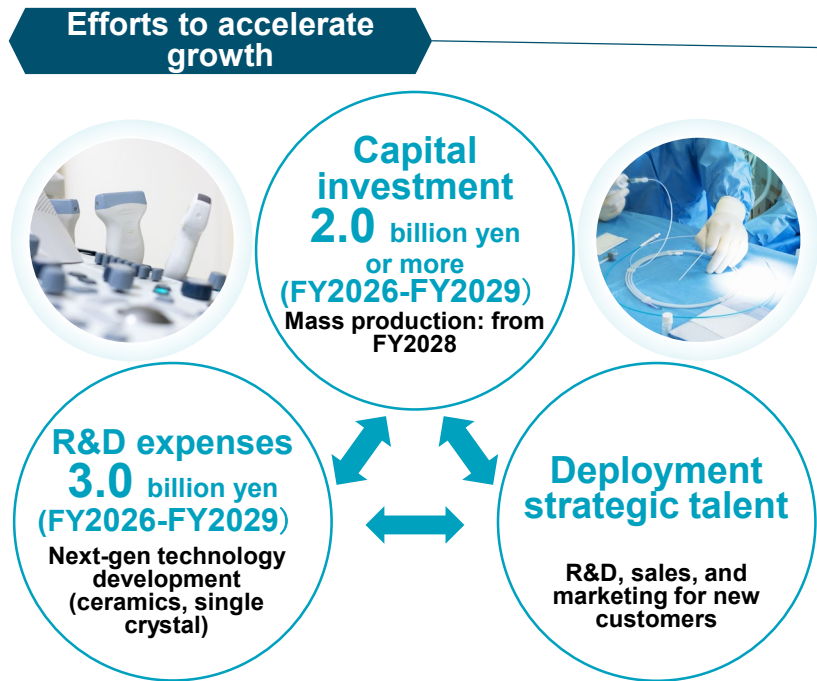
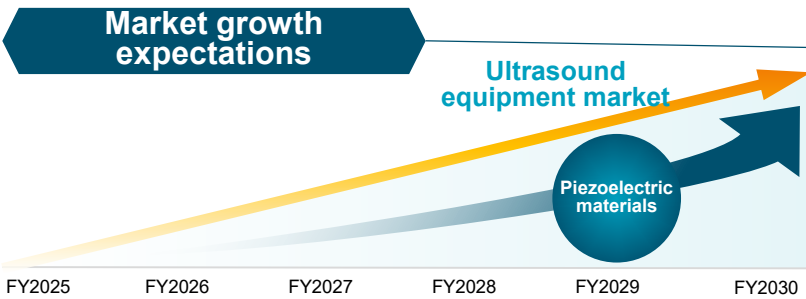
Development materials	Application	Up to FY2025
Titania sol	Automotive displays, video, glasses, etc.	Adopted by customers, mass production under consideration
Next-gen materials	Semiconductors, AI/infrastructure-related, etc.	Themes created, customer proposals delivered

# Key Area: Medical and Piezoelectric Business

## Accelerate growth of Medical and Piezoelectric Business

● **Establish dominant position based on dual-site ("US-Japan") operating model**

- Expand sales under "US-Japan" dual-base system by expanding growth investments and acquiring strategic talent
- Approach customers with a focus on key customers where demand is expected to grow, leveraging "US-Japan" dual-base system
- Explore new applications, expand into downstream areas, and enter markets by improving sophistication of single crystal and ceramic technology



# Key Area: New Business Development

- ① **Investment: Establish new business development investment budget of at least 5.0 billion yen to develop businesses in target fields**
- ② **Collaboration & co-creation: Enter new businesses (actively pursue M&As, business alliances, and joint ventures, and invest in venture capital)**
- ③ **Strengthening organization: Accelerate business development by restructuring organization and acquire strategic talent**

## ① Investment

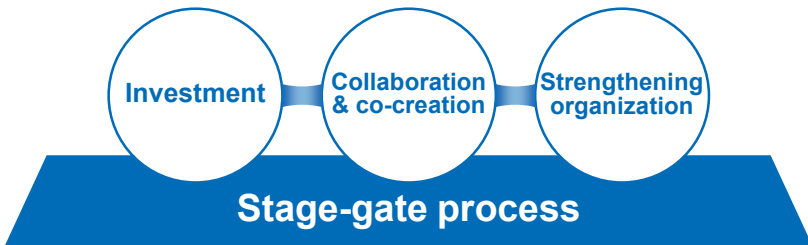
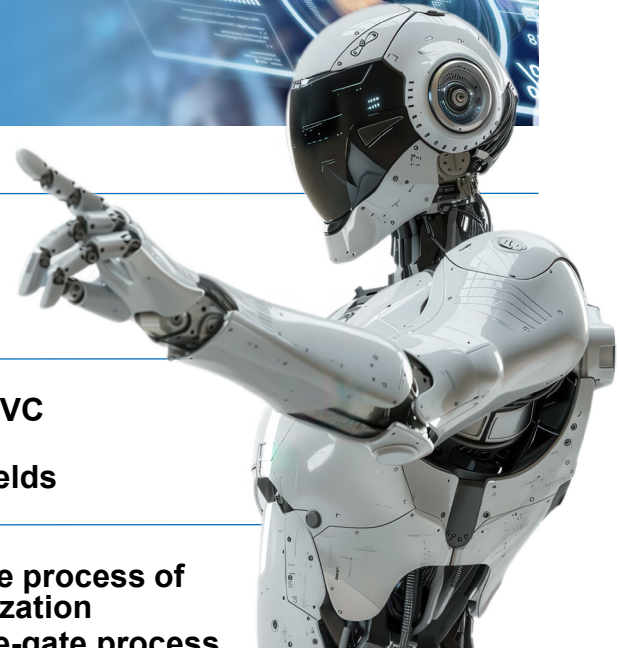
- **Target fields: robotics, XR, biotechnology**
- **Establish new business development investment budget: 5.0 billion yen or more**

## ② Collaboration & co-creation

- **Explore technologies via open innovation and develop businesses with VC investments**
- **Actively pursue M&A, business alliances, and joint ventures in target fields**

## ③ Strengthening organization

- **Acquire strategic talent and strengthen internal organization: Accelerate process of exploring markets/businesses to business development to commercialization**
- **Define go/no-go criteria and carry out execution management with stage-gate process**



**FY2029 net sales: 1.0 billion yen or more**

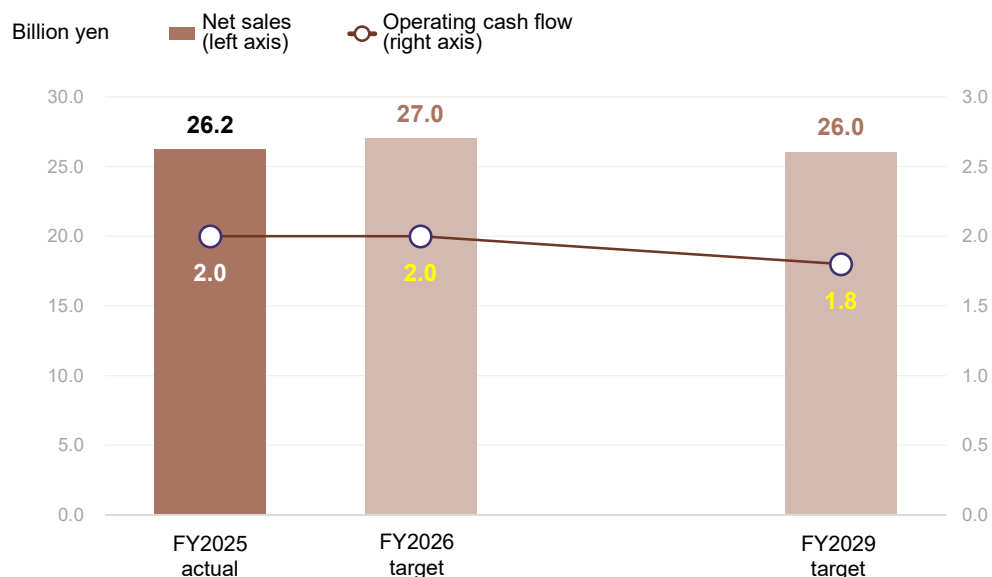
## Profitability Improvement: Functional Chemical Business

### Generate sustainable operating cash flow by restructuring the Functional Chemical Business

- **Cosmetic ingredients: Expand overseas sales, launch new products, and dramatically reduce costs**
  - Strengthen sales targeting existing key customers and develop emerging companies and OEMs in Asia and South America
  - Improve business foundation by developing next-gen high value-added products, strengthening marketing, and improving productivity
- **Titanium dioxide: Stabilize by restructuring business**
  - Reduce fixed and variable costs during the STAGE3 period
  - Identify and revise pricing of unprofitable products, and maintain sales by strengthening relations with existing key customers in Japan



#### Functional Chemical Business Plan



- 1 Improve manufacturing process
- 2 Refine inventory management
- 3 Optimize product lineup
- 4 Focus resources on key customers

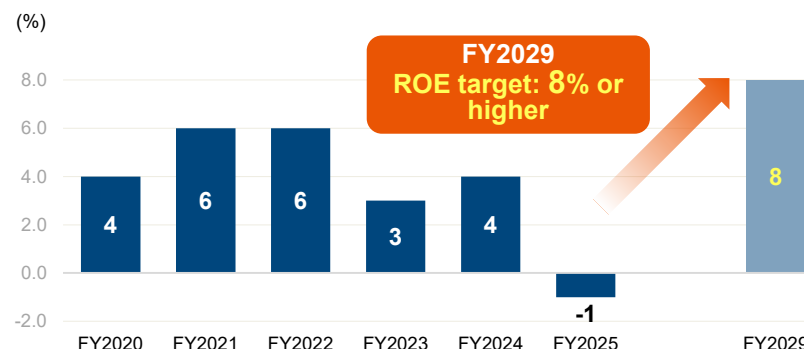
**Generate sustainable operating cash flow in STAGE3**

# Capital Cost Management

## Basic capital policy

- **Establish capital cost management**
  - Enhance earning power by executing business strategy
  - Practice capital-efficient management
- **Ensure financial health with room for growth**
- **Actively deliver shareholder returns by utilizing surplus capital**
- **Enhance IR activities to improve P/B ratio**  
Achieve a P/B ratio of 1.0x or higher as early as possible

## Changes in ROE



## Understanding of current state and policy going forward to improve capital efficiency: Strengthen balance sheet management

### Understanding of current state

- High equity ratio and ample cash reserves
- More raised capital than necessary is being invested in cross-shareholdings, inventory, trade receivables, etc.

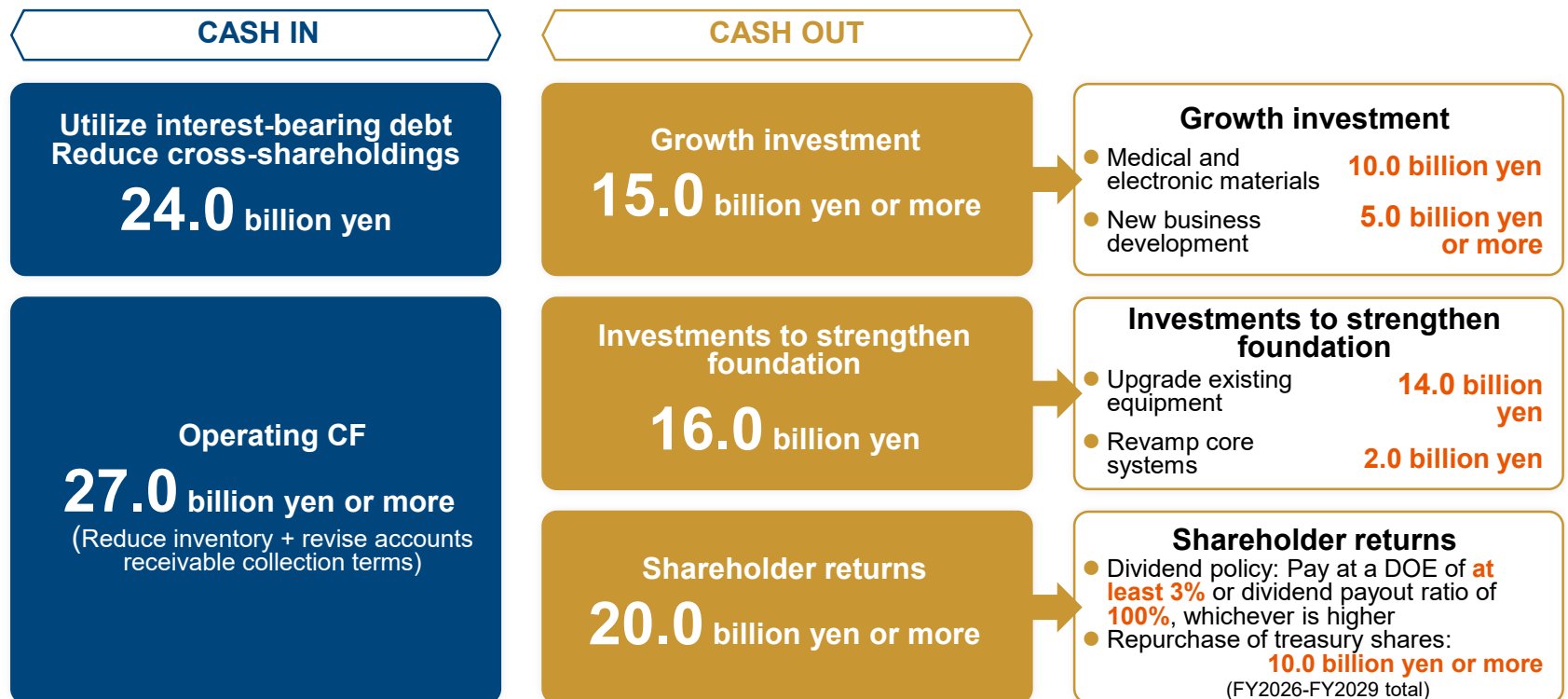
- 1 Activate utilization of capital by investing in growth fields, human capital, and information systems
- 2 Shorten inventory turnover period (by one month more than current)
- 3 Optimize turnover period for receivables and payables
- 4 Reduce cross-shareholdings
- 5 Utilize interest-bearing debt and optimize equity ratio at high level

## Simplified balance sheet (Mar. 2026) →: Future direction (Billion yen)

<b>Current assets</b>	<b>47.9</b>		<b>Current liabilities</b>	<b>16.2</b>	
Cash and cash equivalents	11.3	↘	Accounts payable	6.1	→
Inventory	18.1	↘	Short-term borrowings	6.6	↗
Accounts receivable	17.6	↘	<b>Non-current liabilities</b>	<b>10.9</b>	
<b>Non-current assets</b>	<b>40.7</b>		Long-term borrowings	5.8	↗
Investment securities	17.6	↘	<b>Net assets</b>	<b>61.5</b>	↘
<b>Total assets</b>	<b>88.6</b>		<b>Total liabilities and equity</b>	<b>88.6</b>	

# Capital Allocation

- **Strengthen strategic investments and shareholder returns by generating operating cash flow and utilizing interest-bearing debt**
  - Generate operating cash flow by optimizing working capital (increase inventory turnover and revise accounts receivable collection terms)
  - Increase return on capital by utilizing financial leverage while maintaining financial health and allocate to growth investments and shareholder returns



# Shareholder Returns

## Shareholder return policy

Actively and stably return profit to shareholders

### ● Revise dividend policy

- During the STAGE3 period, our policy will be to pay at a **DOE of at least 3%** or **dividend payout ratio of 100%**, whichever is higher.
- Deliver stable and proactive shareholder returns

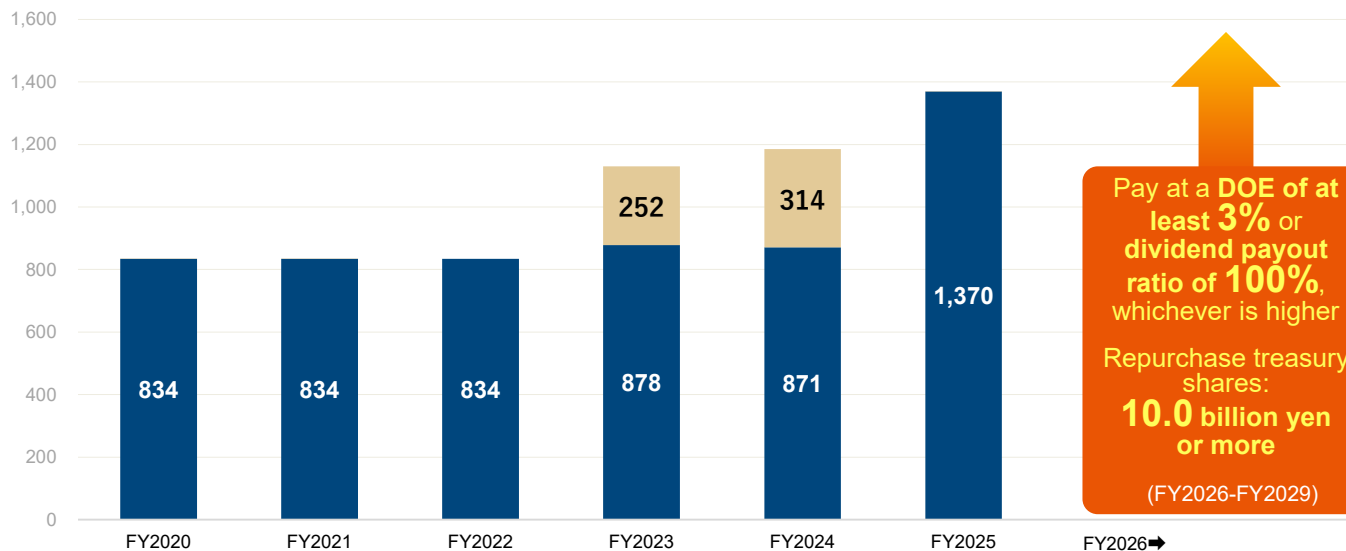
### ● Flexibly repurchase treasury shares

- During the STAGE3 period, our target is **10.0 billion yen or more**.
- Repurchase flexibly based on the level of improvement of capital efficiency



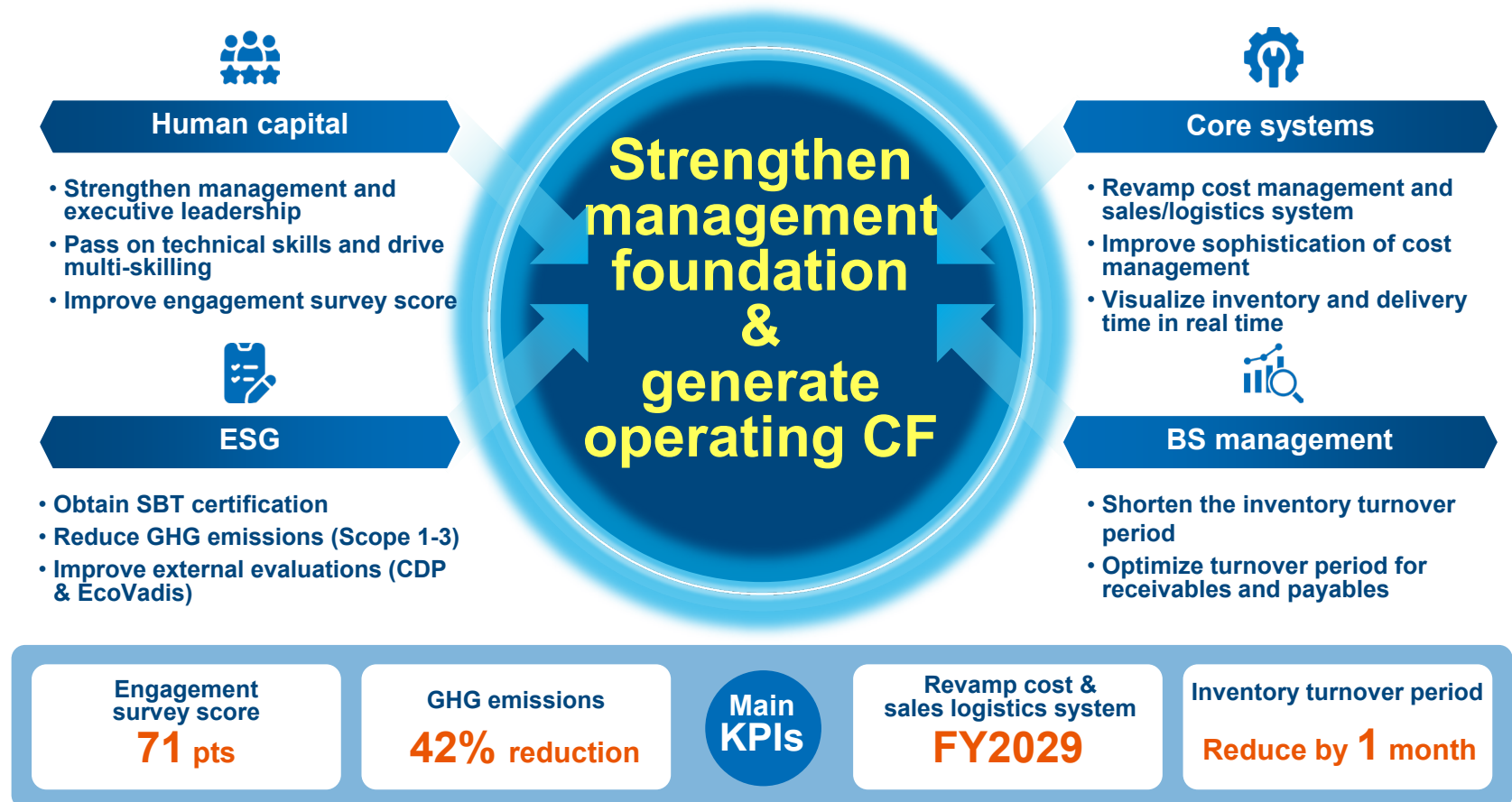
### Changes in shareholder returns

In million yen ■ Dividend amount ■ Treasury share repurchase amount



# MOVING-10 STAGE3 Strengthening the Management Foundation

**During the STAGE3 period, we will establish a management foundation that continuously boosts our competitiveness**



# Human Capital

## Enhance corporate value based on a human capital-centered approach

Develop next generation talent that will contribute to medium- to long-term growth and the business foundation



### Improve employee engagement score

#### Build careers and encourage growth

- **Operate career development program**
  - Define career paths
  - Promote autonomous career building
  - Systematically assign talent
- **Utilize employee talent management**
  - Drive multi-skilling and activate organization

#### Enhance capabilities and create job satisfaction

- **Systematically rebuild the training system**
  - Create training environment and enhance support system
  - Encourage self-growth with self-directed learning
- **Enhance development**
  - Strategically acquire talent
  - Provide opportunities to develop capabilities
  - Promote participation in and drive internal projects

# Systems and ESG

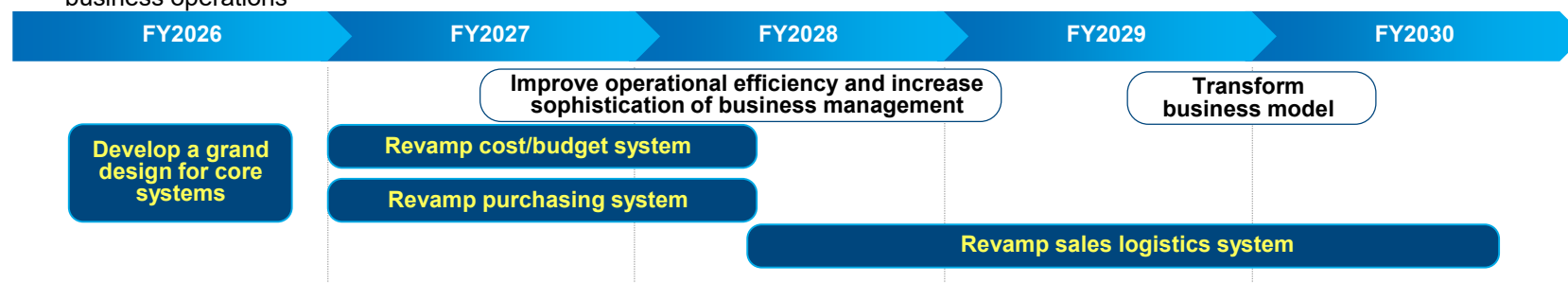
## Revamp core systems

● During the STAGE3 period, we will allocate 2.0 billion yen to invest in information systems and plan to revamp core systems.

- Revamp cost management, budget, and purchasing systems (FY2028)
- Revamp sales logistics system (FY2029)

● Improve sophistication of business management by revamping systems

- Revamp systems to achieve seamless cost, budget, purchasing, and sales logistics management, and reduce working capital by optimizing procurement and inventory
- Build a scalable foundation for growth by increasing speed of internal control, settling accounts, and planning, and by standardizing business operations



## ESG management

● Reduce GHG emissions

Continue efforts to reduce greenhouse gas (GHG) emissions such as carbon dioxide (CO<sub>2</sub>)

● Improve external evaluations (EcoVadis, CDP)

Plan to improve evaluations from external organizations such as CDP and EcoVadis by conducting environment- and society-friendly business activities across the global supply chain

GHG emissions (1,000 metric tons)	FY2024 results	FY2030 target
Scope 1 & 2 (42% reduction)	214	124
Scope 3 (25% reduction)	394	295

External evaluation	FY2025 results	FY2029 target
CDP	Climate change	B
	Water security	B
EcoVadis	65 pts	70 pts or higher



The forecasts and targets in this document are based on information currently available to the Company and reflect its judgment at this time. Actual results may differ materially due to various risk factors and uncertainties.