

# Teijin Group Medium-Term Management Plan 2026-2028

**TEIJIN**

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Teijin Limited

Securities Code: TSE Prime 3401

# Teijin Group Medium-Term Management Plan 2026-2028

## I . Review of the Previous Medium-Term Management Plan

## II . Business Model Transformation and Organizational Change

## III . Key Policies of Medium-Term Management Plan 2026–2028

- Solid profit growth through Customer-Driven business
- Establishing a high-quality profit base through structural reforms
- Strengthening the management system that supports Customer-Driven business

## IV . Financial Targets and Capital Allocation

## V . Teijin Group's Value Creation

## VI . Appendix

# Review of the Previous Medium-Term Management Plan (2024-2025)

To strengthen our core earnings power, we executed a company-wide transformation of our business portfolio with our purpose at the core. However, amid changes in the business environment affecting our materials-driven businesses, we fell short of our mid-term quantitative targets

**Defining Purpose**

Formulating a Purpose to Support Long-Term Value Creation  
*Pioneering solutions together for a healthy planet*

**Business portfolio transformation**

Exiting unprofitable businesses and reviewing others under the best owner principle

- ✓ IT business, Infocom: transferred in October 2024
- ✓ Composites business in North America: transferred in July 2025
- ✓ Loss-making assets decreased (around 10% of total assets), and the D/E ratio improved due to reduction of interest-bearing debt

**Recovery of core profitability**

Due to changes in market conditions  
 Full recovery of earnings has not been achieved

- ✓ Struggled in the aramid and carbon fibers business
- ✓ Implementing fundamental structural reforms unbound by past strategies (aramid/carbon fibers/pharmaceutical business)
- ✓ Achieved high profitability in the Fibers & Products/home healthcare business

		FY2023 Results	FY2024 Plan	FY2024 Actual	FY2025 Plan	FY2025 Actual
Adjusted operating income		¥22.0 billion	¥20.0 billion	¥27.6 billion	¥39.0 billion	¥25.8 billion
Capital efficiency	ROIC	1.8%	2% or more	2.6%	4% or more	2.6%
	ROE	-2.9%	2% or more	6.7%	6% or more	-22%* <sub>1</sub>
Financial soundness	D/E ratio	1.11	around 1.0	0.77	about 0.9	0.78
Shareholder returns	Dividend amount	30 yen	30 yen or more	50 yen	30 yen or more	50 yen

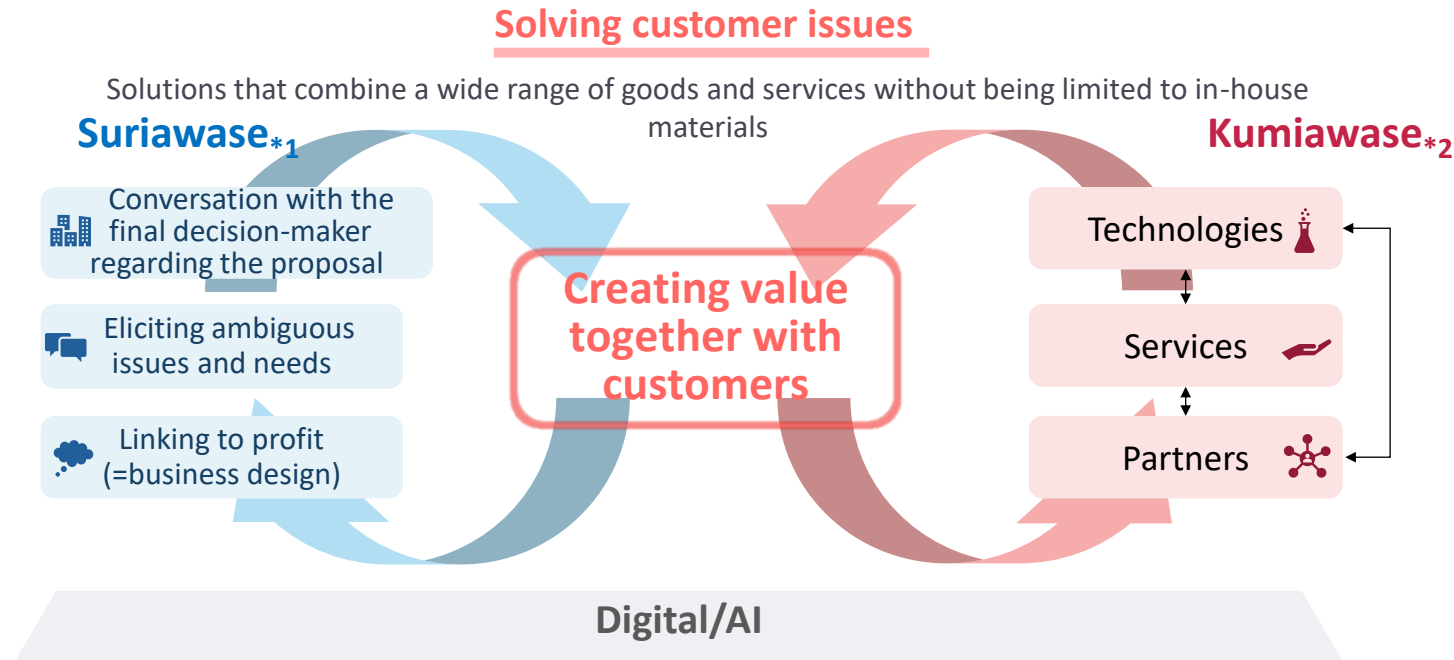
\*1 Impact of impairment losses in the aramid and the pharmaceutical business

## Toward Identifying a Business Model for Success

High-profit Fiber and Products Converting business and home healthcare business are built on Customer-Driven business models. We are shifting from a materials-driven approach grounded in product competitiveness to a Customer-Driven approach leveraging Teijin's distinctive strengths.



### Creating value on the Customer-Driven business model



\*1 Working closely with customers to understand key issues and co-create solutions

\*2 Delivering solutions by combining technologies, services and partners to meet customer needs

## Segment reorganization and positioning of each segment

### To promote Customer-Driven business, reorganize segments by customer domain

#### Sustainable growth

Leveraging strengths to a new stage of growth



**Apparel & Industries**  
(Fibers & Products)

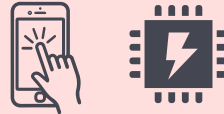


Home healthcare  
including treatment  
for rare/intractable  
diseases

**Healthcare & Life Solutions**  
(healthcare)

#### Stable profit base

Protect high profitability and  
prepare for the next growth



**Electronics & Energy**  
(resin & plastic, battery &  
semiconductor solutions)

#### Reconstruction

Transform the business structure and  
return to a growth trajectory



**Specialty Materials**  
(aramid, carbon fibers, composites)



**Pharmaceuticals**  
excluding treatment for  
rare/intractable diseases

Level of Adoption of a Customer-Driven business

## Medium-term management plan 2026–2028 outline

# Creating value together with customers in a Customer-Driven business

### Key actions



Sustainable profit **growth** with Customer-Driven businesses

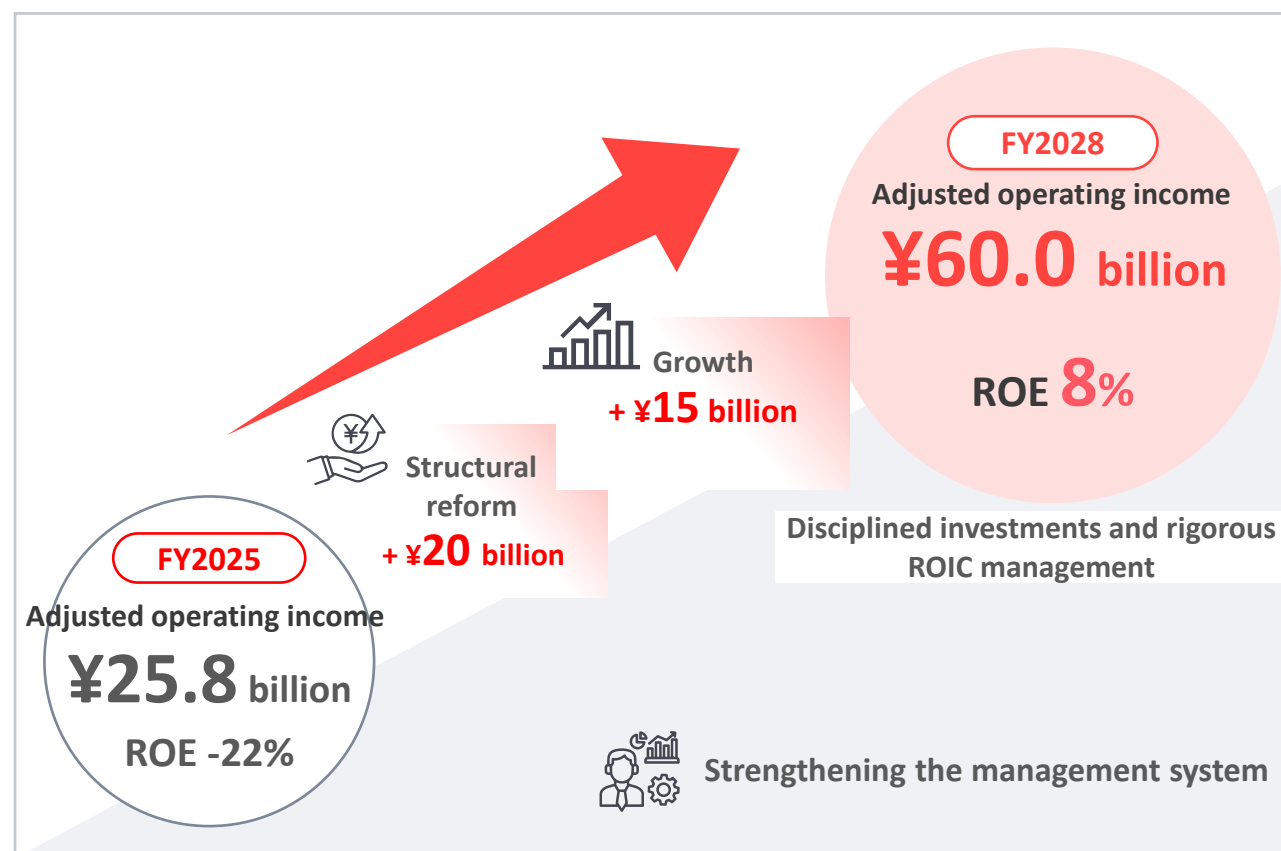


Establishing a high-quality profit base **through structural reforms**



**Strengthening the management system** that supports Customer-Driven business

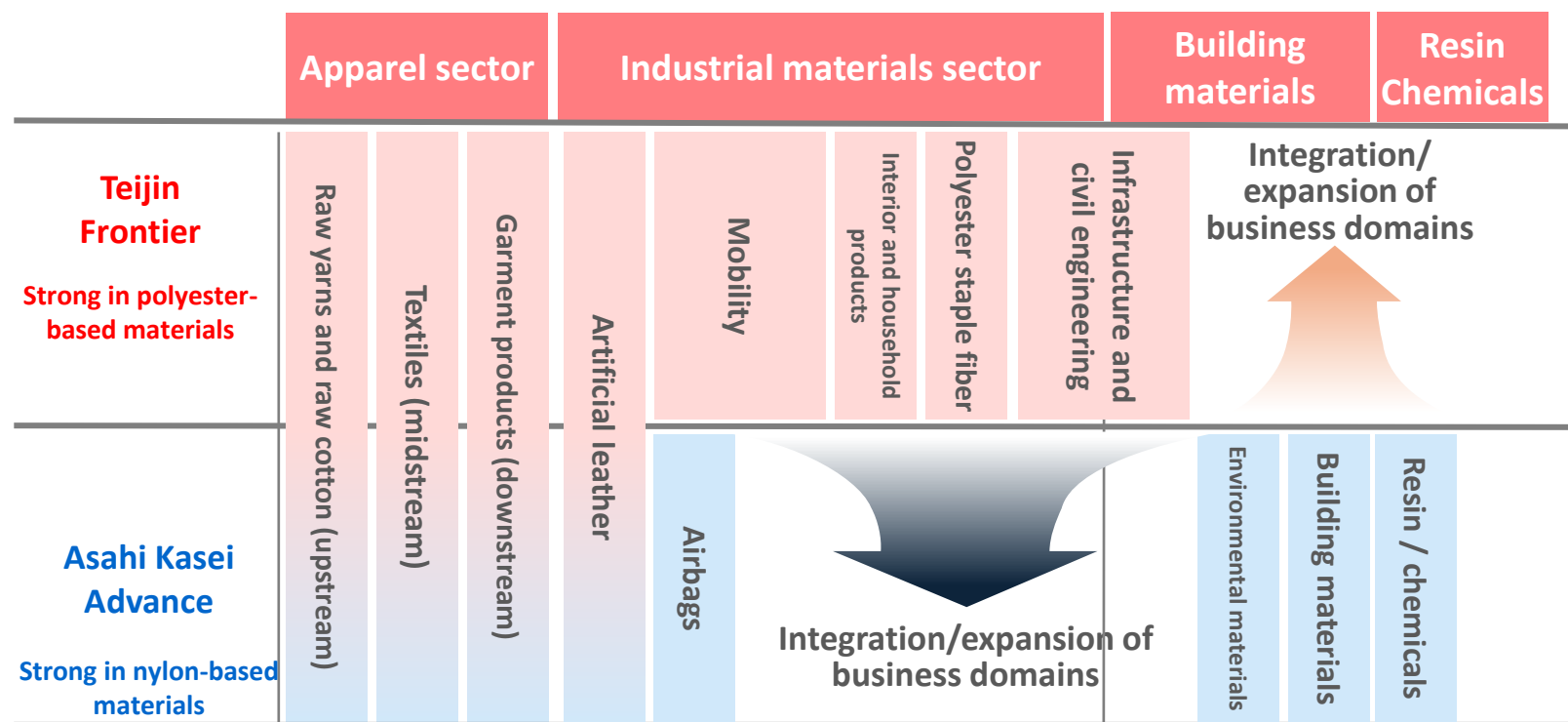
### Financial Targets for FY2028



## Growth Driver: Apparel & Industries

Achieve early realization of synergies from the business integration with Asahi Kasei Advance (the new company is scheduled to launch as "TA FRONTIER CO., LTD." ) and become the industry's market leader through promotion of horizontal integration

### Business integration of Teijin Frontier and Asahi Kasei Advance



### “Synergy” from the business integration

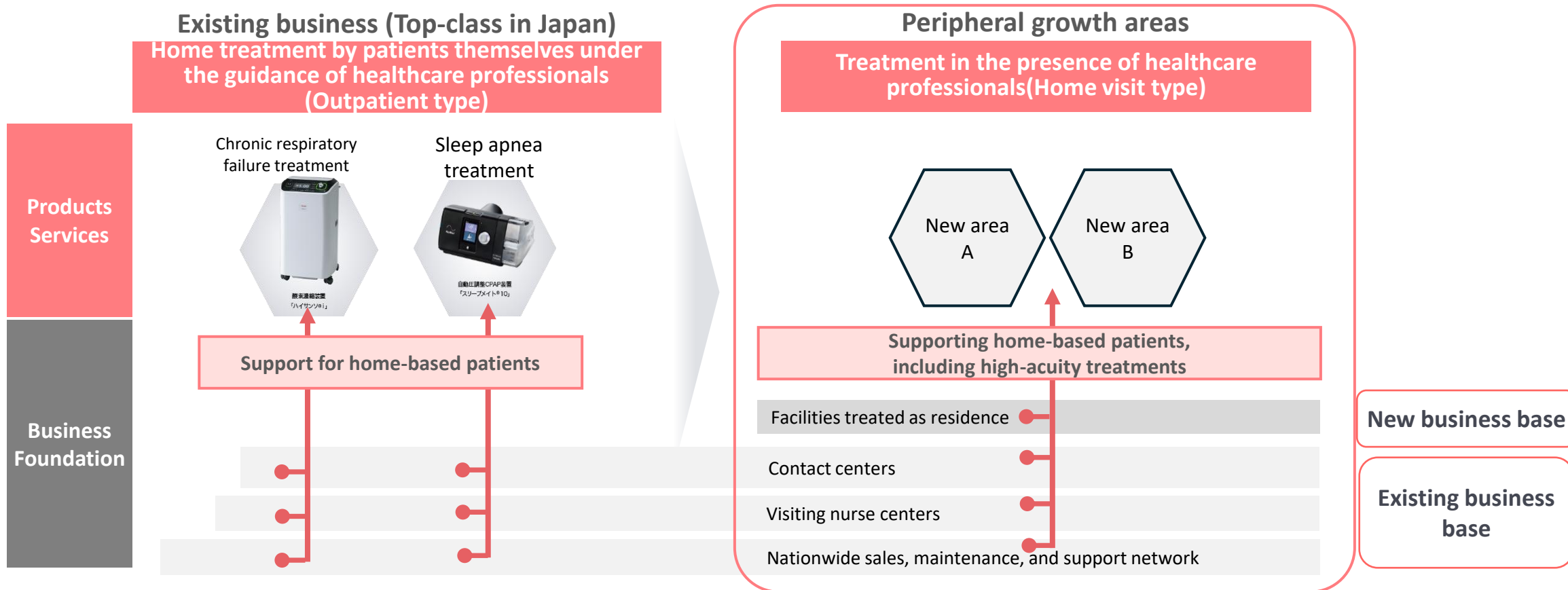
Acquisition of new pieces of **Kumiawase**, such as nylon/Bemberg processing bases and technologies

×

Expanding **Suriawase** opportunities centered on **enhancing customer assets** for building material applications

## Growth Driver: Healthcare & Life Solutions

Starting from expanding the foundation through partnerships and M&A, develop new home medical products and services



Leveraging the strengths of the home medical care business infrastructure built as “a member of the team-based medical care,” expand into adjacent growth areas  
Consider creating added value through enhanced collaboration and use of common foundations in closely related fields of regenerative medicine and implantable medical devices

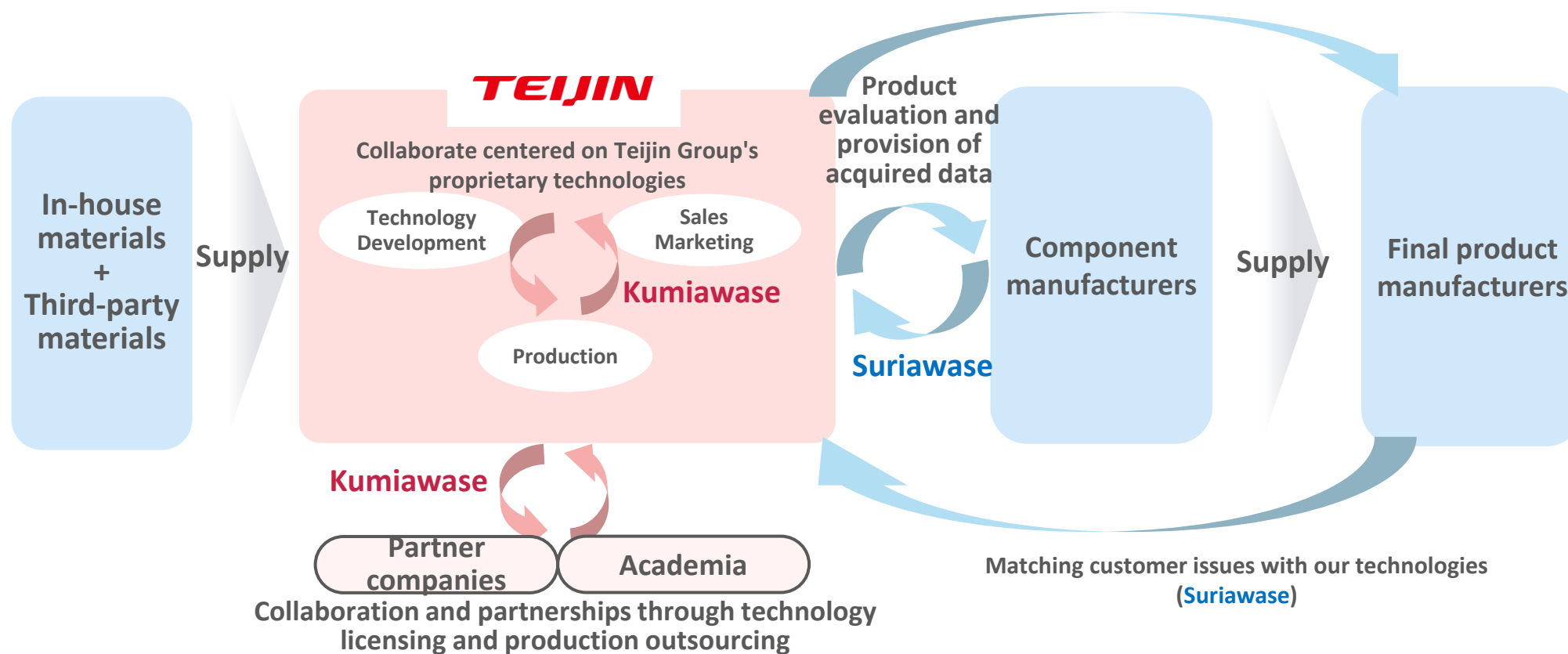
## Transformation to Customer-Driven business: Electronics & Energy

### Enhancing ability to propose solutions to customer issues

- ✓ By integrating our know-how in resin material combinations with our proposal strengths in battery & semiconductor solutions, we will strengthen our ability to solve customer issues in the Electronics & Energy domain.
- ✓ Promote expansion of **Kumiawase** by leveraging in-house materials+third-party materials and technologies

### Promotion of niche-top strategy

- ✓ To become the sole supplier chosen by customers through **Suriawase**, and create the de facto standard together with customers
- ✓ **Kumiawase** = Promote a niche-top strategy that continues to address customer issues through the consolidation of company's comprehensive strengths and collaboration with partners



## Transforming to Customer-Driven business: Specialty Materials

### Promote transformation from material-driven to Customer- and application-Driven organizations

- ✓ Accelerate Suriawase/Kumiawase through sharing of resources such as technology and know-how
- ✓ Consider transitioning from material-driven to Customer- and application-Driven organizations through Kyoso(co-creation) Project

### Leverage existing networks and horizontally expand the business model

- ✓ Deploying aramid fibers, carbon fibers, and related materials by leveraging the Apparel & Industries network and value chain
- ✓ Applying the Apparel & Industries business' Customer-Driven know-how and expertise to the Specialty Materials business

### Transformation from a material-driven to the Customer-Driven organization in Specialty Materials

#### Material-driven organization



Aramid



Carbon Fiber



Composites

#### Customer-Driven organization (image)



Aerospace



Personal protection



Defense



Infrastructure

## Establishing a high-quality profit base through structural reforms

### Execute reforms by confronting the present without being bound by past large investments or initial strategies

#### aramid

- Review cost structure and reorganize production system
- Implement workforce reductions of **over 400 personnel** and **approx. ¥15.0 billion** in cost cuts starting FY2025, with full effect in FY2027
- Implement **further measures to strengthen organizational robustness**

- Focus on higher value-added applications (defense, submarine power cables, etc.)
- Create new businesses driven by customer needs

#### carbon fibers

- Optimize production lines in Japan, the U.S., and Europe (North American plant suspension in Jan. 2026)
- **Reduce about 80 personnel and ¥5.0 billion** in costs starting FY2025, fully realized in FY2028

- Focus on the aircraft business
- Promote development of intermediate materials for next-generation aircraft

#### pharmaceuticals

- Accelerate **narrowing to rare/intractable disease areas** and seek the best owner
- Rebuild the organizational structure specialized in the rare/intractable disease areas.

- Create value using a home healthcare platform in the rare/intractable disease areas

#### Company-wide cost reduction

Next Career Support Program (early retirement incentive program) to reduce **approx. 300 employees and ¥4.0 billion in costs**

## Strengthening the management system that supports Customer-Driven business

### A management system that supports deepening and transforming toward Customer-Driven business

Established technology strategy, DX/AX strategy, and human capital as pillars for strengthening the management system to flexibly respond to changes in the external environment and to promote alignment with customers, integration with technologies and partners, thereby fostering sustainable growth

#### Technology strategy

Lack of sharing of technical information due to silos, redundancy from duplication, and unclear direction of technical R&D



By promoting Kumiwase through cross-business technical collaboration, solve customer issues identified through Suriawase and support the creation of new businesses

#### DX/AX strategy

Data and IT infrastructure fragmented by business and region, with partial AI utilization



While building a globally optimized IT infrastructure and integrating data, fully leveraging AI to realize the promotion of Suriawase and Kumiwase through the power of digital technology

#### Human capital

Transitioning systems to achieve the right person in the right place globally



Accelerating global “right-place and right-person” deployment to achieve the Customer-Driven business transformation

**Built an optimal management system across businesses and regions**

## Segment-level financial plan

### Visualize ROIC targets for each segment and enforce ROIC-focused management

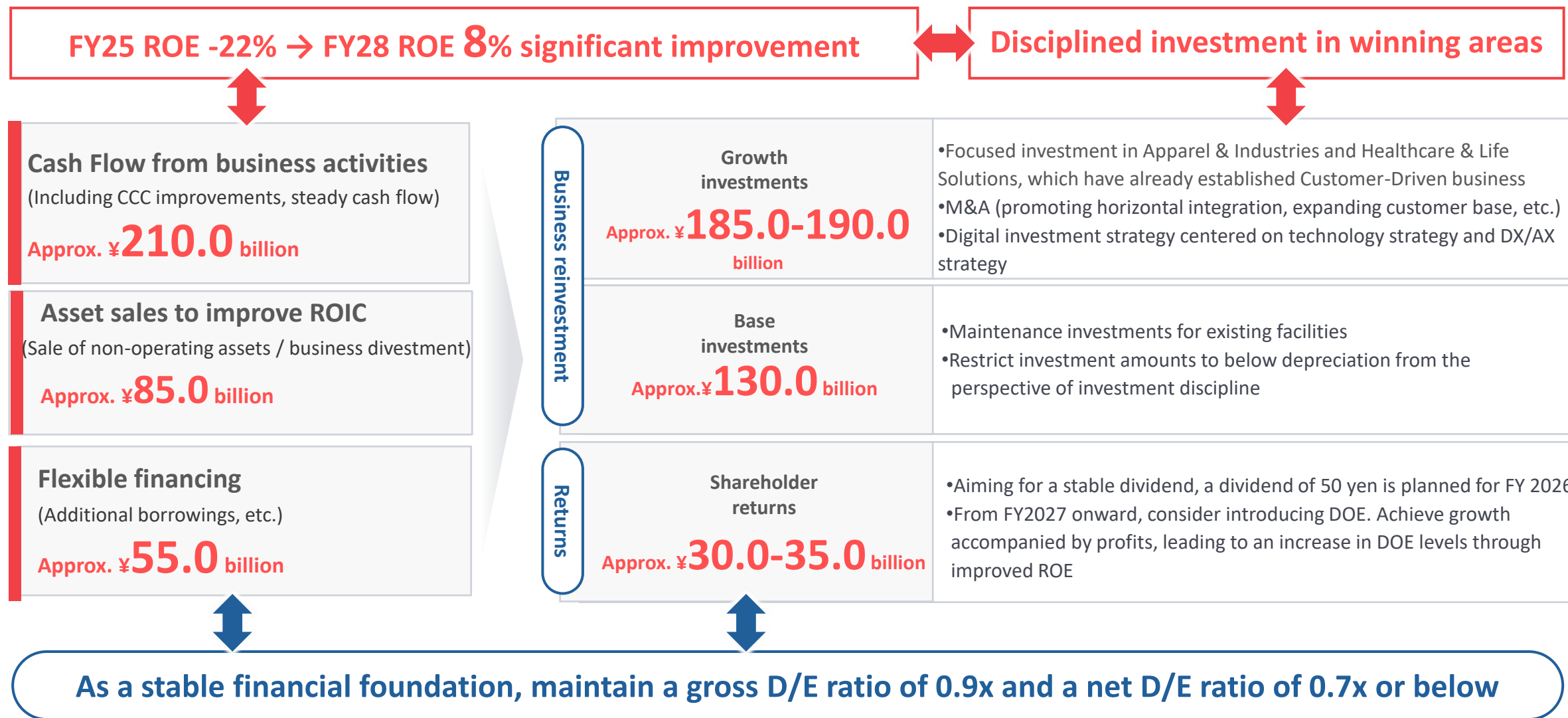
#### FY2025 results

(¥ billion)	Revenue	Adjusted operating income	ROIC
<b>Apparel &amp; Industries</b> (Fibers & Products)	<b>350.1</b>	<b>17.1</b>	<b>8%</b>
<b>Healthcare &amp; Life Solutions</b> (Healthcare)	<b>138.6</b>	<b>13.4</b>	<b>7%</b>
<b>Electronics &amp; Energy</b> (resin & plastic, battery & semiconductor solutions)	<b>149.9</b>	<b>18.9</b>	<b>16%</b>
<b>Specialty Materials</b> (aramid, carbon fibers, composites)	<b>212.8</b>	<b>-9.0</b>	<b>-</b>
<b>Others</b>	<b>21.9</b>	<b>-14.7</b>	<b>-</b>
<b>Consolidated total</b>	<b>873.2</b>	<b>25.8</b>	<b>2.6%</b>

#### FY2028 medium-term targets

Revenue	Adjusted operating income	ROIC
<b>490.0</b>	<b>22.0</b>	<b>8%</b>
<b>105.0</b>	<b>15.0</b>	<b>12%</b>
<b>170.0</b>	<b>19.0</b>	<b>16%</b>
<b>185.0</b>	<b>17.0</b>	<b>6%</b>
<b>20.0</b>	<b>-13.0</b>	<b>-</b>
<b>970.0</b>	<b>60.0</b>	<b>5%</b>

# Capital allocation to transform into a Customer-Driven business



# Teijin Group's value creation

## Purpose

### *Pioneering solutions together for a healthy planet*

Teijin supports the progress of the world. When society seeks progress, we respond with action. Leveraging expertise across industries, together with our employees and customers, we will build the foundations for better living.  
 From materials and solutions that realize a circular society to products and services that support people's health and peace of mind  
 We will continue to protect the health of the global environment and all life that lives there, now and in the future

## Customer-Driven business model

- Apparel & Industries**  
(Fiber & Products Converting)
- Healthcare & Life Solutions**  
(Healthcare)
- Electronics & Energy**  
(resin, battery & semiconductor solutions)
- Specialty Materials**  
(aramid, carbon fibers, composites)

## Solving customer issues

Solutions that combine a wide range of goods and services without being limited to in-house materials

### Suriawase

- Conversation with the final decision-maker regarding the proposal
- Eliciting ambiguous issues and needs
- Linking to profit (=business design)

### Kumiawase

- Technologies
- Services
- Partners

**Creating value together with customers**

Digital/AI

# Appendix

## (Reference) Practicing Management with a Focus on Cost of Capital

By improving ROE and increasing the certainty of achieving the Medium-Term Management Plan, we aim to achieve a PBR of 1x or higher in the near term

### Improving ROE

#### Improving profitability

- ✓ Return to a growth trajectory centered on the Customer-Driven business
- ✓ Stabilization of earnings through progress in business portfolio transformation and cost structural reforms

#### Improving capital efficiency

- ✓ Thorough ROIC-focused management with consideration of the cost of capital
- ✓ Improvement of capital efficiency by combining in-house facilities with external collaboration
- ✓ Disciplined investment in areas where our strengths can be leveraged

#### Appropriate financial leverage

- ✓ Maintain a stable dividend as a basic policy and consider the introduction of DOE from FY2027 onward. Achieve growth accompanied by profits and raise the DOE level through ROE improvement
- ✓ Maintain a D/E ratio of gross 0.9x and net 0.7x or lower, while balancing investments for growth and shareholder returns



### Improving PER

#### Conviction in improving corporate value

- ✓ Build the groundwork to encourage a reappraisal of low PBR
  - Concentrating resources by transforming the business portfolio
  - Promote a Customer-Driven business resilient to environmental changes
- ✓ Due to past structural reforms and impairment losses, the remaining assets with risk are limited
- ✓ Decision-making unconstrained by past strategies (strong commitment from management)

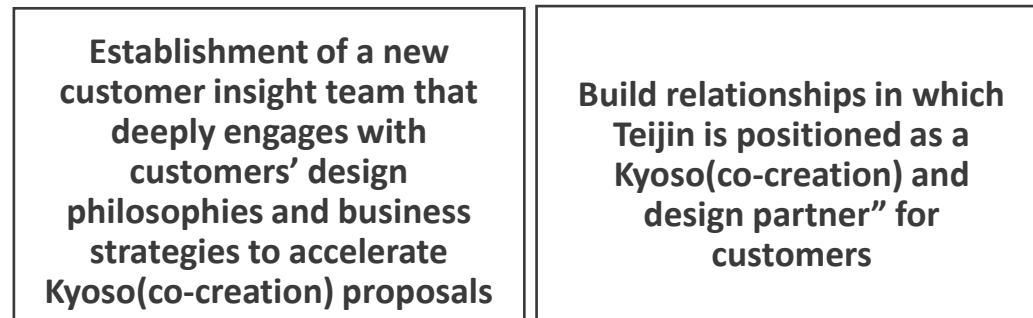
#### Strengthening the management system

- ✓ A management system that enables agile decision-making
  - Reduction in the number of executive officers and transition to CEO-led organizations
  - Recruitment of strong management talent from outside
  - Transition to a Company with an Audit & Supervisory Committee
- ✓ Capability to respond swiftly to environmental changes
  - Promotion of fundamental structural reforms for aramid and carbon fibers

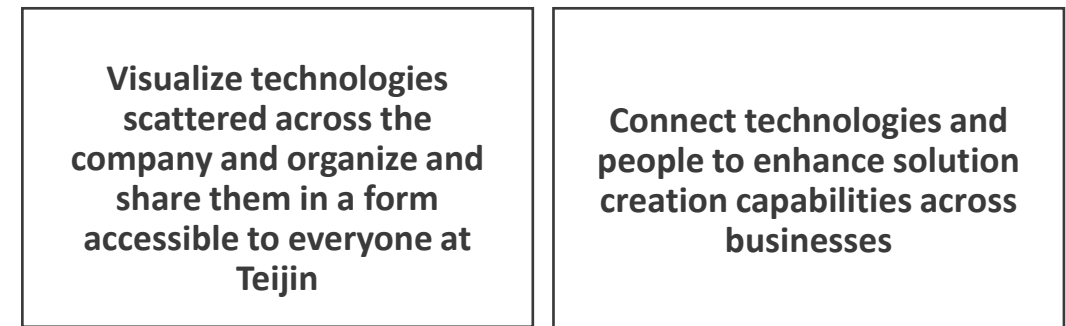
## (Reference) Technology Strategy

By integrating technologies and infrastructure across the Teijin Group and realizing company-wide technology collaboration and synergy creation, we will strongly promote the Customer-Driven business model

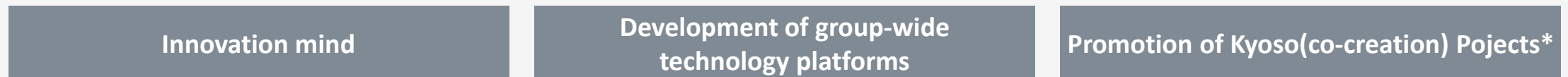
### Promotion of Suriawase



### Foundation of Kumiawase



### Full utilization of digital and AI

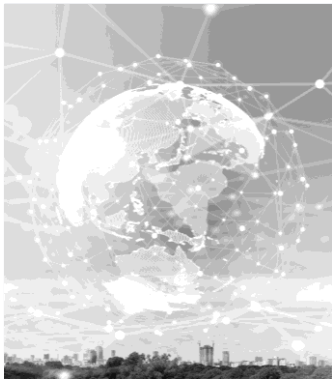


\*An internal project in which cross-cultural teams with multiple businesses and areas of expertise visualize social and customer issues more rapidly and deeply (Suriawase), and create new businesses by integrating internal and external technologies and knowledge (Kumiawase)

## (Reference) DX/AX Strategy

Realize the promotion of Suriawase and Kumiawase through digital capabilities by building a globally optimized integrated IT platform and establishing an AI utilization framework

### Development of digital and IT platforms optimized for the Customer-Driven business



#### Global system reconstruction

- Introduction of a global DWH/BI
- Establishment of a global communication platform
- Introduction of a global CRM
- Reconstruction of ERP systems for selected businesses



#### Promotion of DX/AX

- Strengthening AI governance
- Realization of productivity improvements through company-wide AI deployment and utilization
- Promotion of DX/AX education



#### Strengthening security

- Strengthening global incident response capabilities
- Thorough standardization of network and security configurations
- Enhanced countermeasures against ransomware and other threats

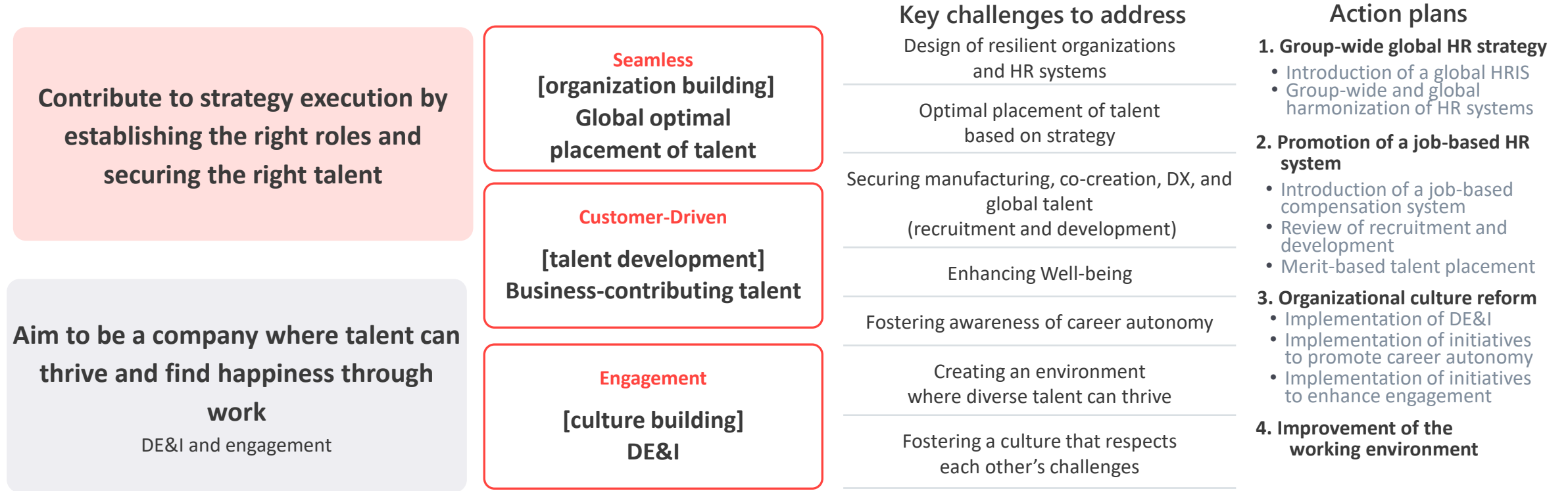


#### Transformation of global DX/IT organizations

- Optimization of global DX/IT costs
- Development of a global DX/IT structure and promotion of offshoring
- Promotion of global procurement with key IT partners

# (Reference) Human Capital

## Accelerate global optimal placement of talent to realize the transformation to a Customer-Driven business

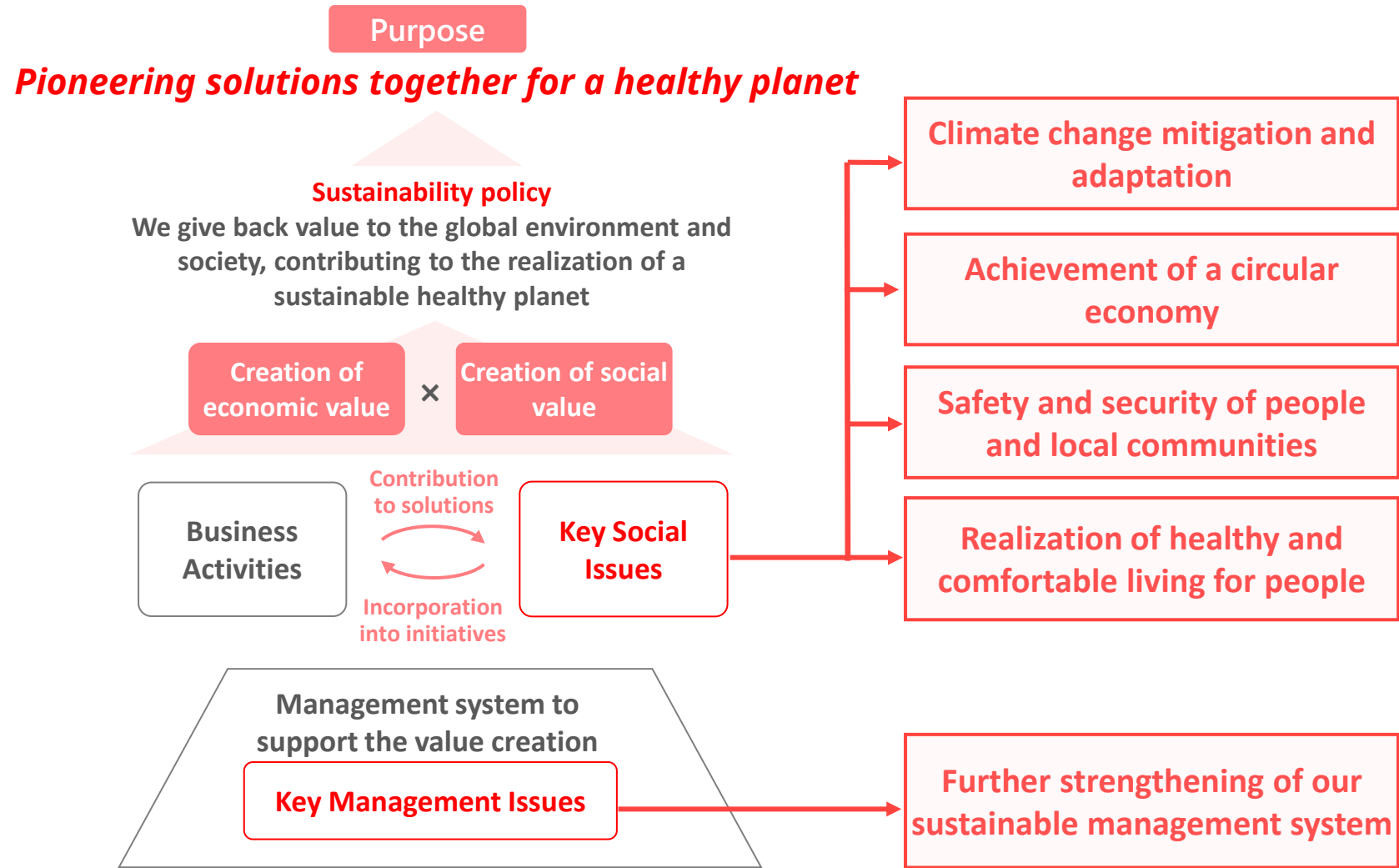


### KPI Targets

Content	FY23	FY25	FY26	FY30	Content	FY23	FY25	FY26	FY30	
Engagement Score	62	64	64	68	Directors	Female	12%	21%	20%	30%
						Non-Japanese nationals	8%	4%	10%	30%
					Managers	Female	10%	10%	12%	20%

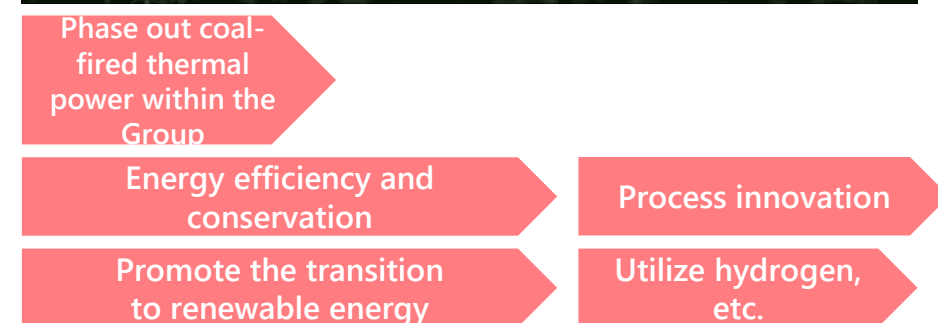
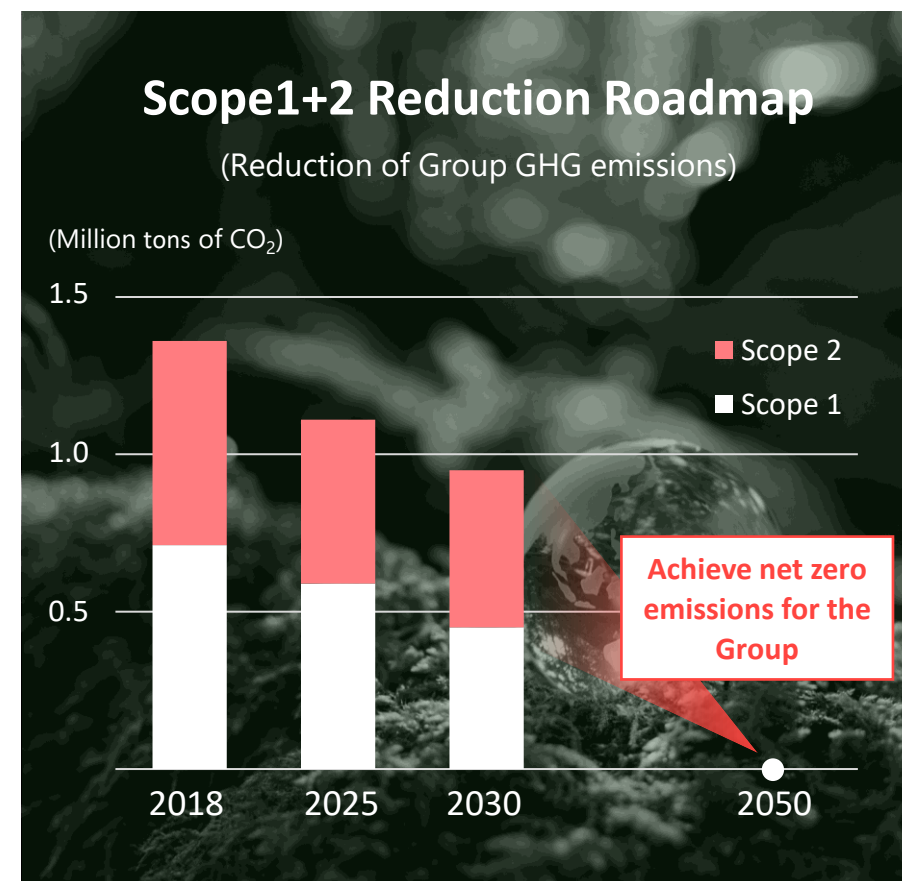
# (Reference) Teijin Group Sustainability Framework

Enhance the sustainability of society and the Teijin Group simultaneously through business activities that create both economic and social value



## (Reference) Sustainability Initiatives (Major KPIs)

Materiality	KPI	Year	Targets
Climate change mitigation and adaptation	Avoided emissions	FY2030	Total GHG emissions < Avoided emissions
	Group GHG emissions (Scope 1 + 2)	FY2030	30% reduction compared to FY2018
		FY2050	Achieve Net Zero
	Supply chain GHG emissions (Scope 3, Category 1)	FY2030	15% reduction compared to FY2018
	Sales ratio of products with calculated carbon footprints	FY2030	Expansion to 70%
Realization of a circular economy	Establish internal management targets for expanding the provision of solutions that contribute to the circular economy		
	Freshwater intake volume per sales unit	FY2030	30% improvement compared to FY2018
Safety and security of people and local communities	Hazardous chemical substance emissions per sales unit	FY2030	20% improvement compared to FY2018
	Total occupational accident frequency rate		Maintain below 1.0
Realization of healthy and comfortable living for people	Establish internal management targets for the number of people supported to receive care in a familiar location		
Further strengthening of our sustainable management system	Employee engagement score	April, 2030	68
	Diversity-related ratios	April, 2030	Ratio of female executives 30% Ratio of Non-Japanese executives 30% Ratio of female department and section managers 20%
	Business model transformation indicators	FY2026	8 or more Kyoso (co-creation) Projects



## (Reference) Apparel & Industries

- Driving horizontal integration starting with the integration with Asahi Kasei Advance to become an industry market leader
- Aim to expand earnings in fiber materials and apparel for sports and outdoor use, and in industrial materials such as mobility applications, short fibers for water treatment, and consumer products

### Business Environment

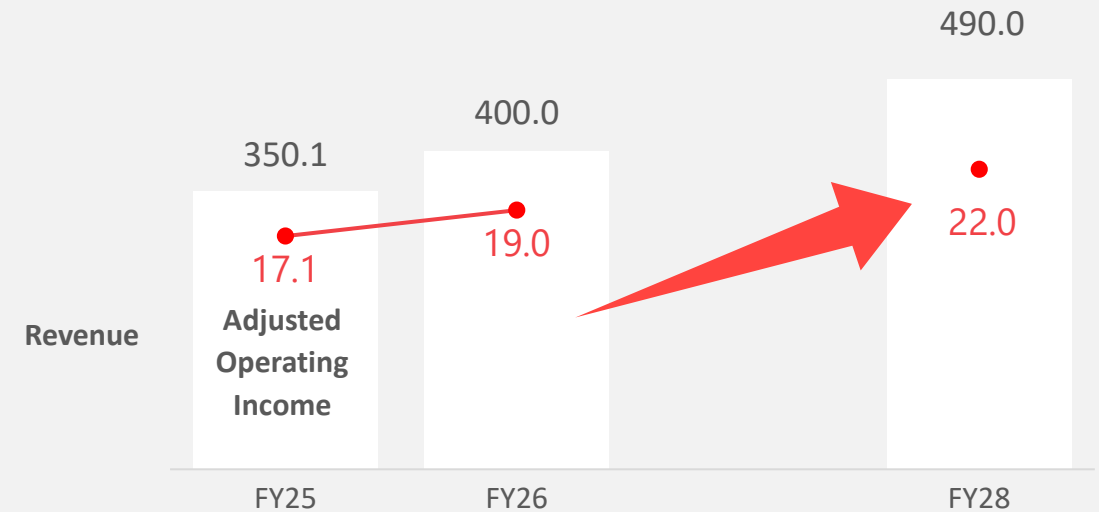
- Domestic textile industry: **Industry consolidation is accelerating** due to population decline, rising labor costs, and inflows of Chinese products
- Apparel fibers: Cost pressures continue due to rising prices. Strengthening ASEAN production bases is urgent due to requests to shift production away from China
- Industrial materials: The mobility field is expanding, including growth in HV/PHEV, mainly in China and India. **Clear Differentiation from Chinese competitors** is essential

### Key Initiatives

- **Driving horizontal integration** starting with the integration with Asahi Kasei Advance **to become an industry market leader**
- Fiber materials and apparel: Aim to expand earnings by increasing sales for **sports and outdoor applications** and **strengthening the ASEAN supply chain**
- Industrial materials: Aim to **expand earnings by improving profitability in mobility applications, increasing capacity for short fibers** for filters, and **strengthening the consumer products business**

### Targets (Unit: Billions of Yen)

Expand the Customer-Driven business, with the business integration with Asahi Kasei Advance as the starting point



## (Reference) Healthcare & Life Solutions

- Redesign organizational structure and resources through the narrowing of the pharmaceuticals business
- Aim for business growth by leveraging the Teijin Group's unique strength in its home healthcare platform

### Environment perception

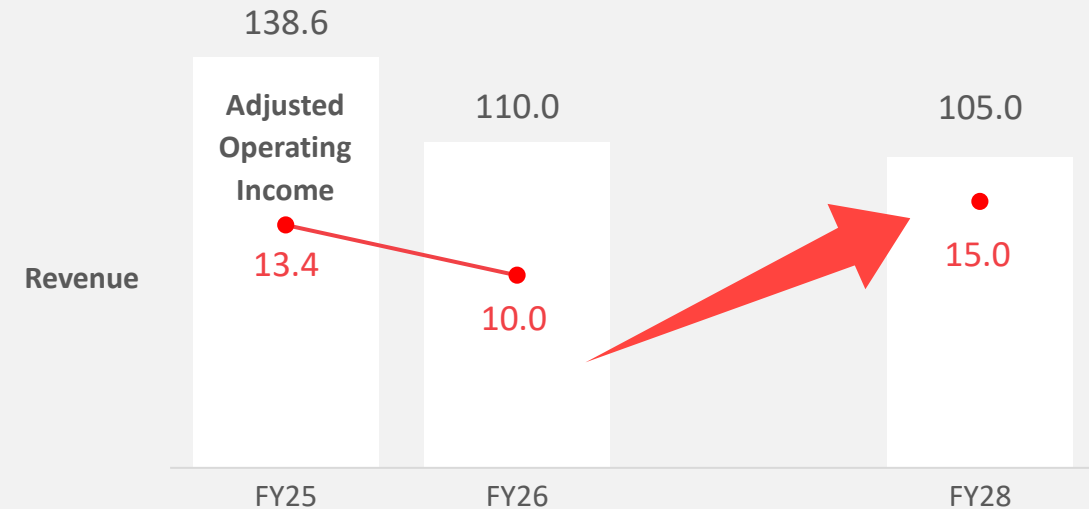
- **Connections with patients and local communities** built over time are becoming increasingly important due to the growth in home healthcare patients and rising medical needs driven by the super-aging society
- In the home healthcare field, which is expected to continue growing, **the highest priority is to pursue business growth by leveraging the Company's unique strengths as a pioneer in home healthcare**
- Need to respond to government policies to curtail medical costs

### Key Initiatives

- Redesign organizational structure and resources through the **narrowing of rare/intractable disease areas**
- **Grow the home healthcare business while maintaining profitability** through CPAP growth and productivity improvements
- **Maximize the value of treatments for rare/intractable diseases** and acquire products by leveraging the home healthcare platform
- **Pursue M&A and partnerships that reinforce and strengthen existing businesses**

### Targets (Unit: Billions of Yen)

Achieve distinctive growth centered on a strong home healthcare platform



## (Reference) Electronics & Energy

- Establish a stable profit base by expanding sales in priority applications and developing environmentally compliant products (e.g. PFAS-free)
- Combine diverse materials and technologies cultivated across fields to deepen and transform the Customer-Driven business

### Resin & plastic processing

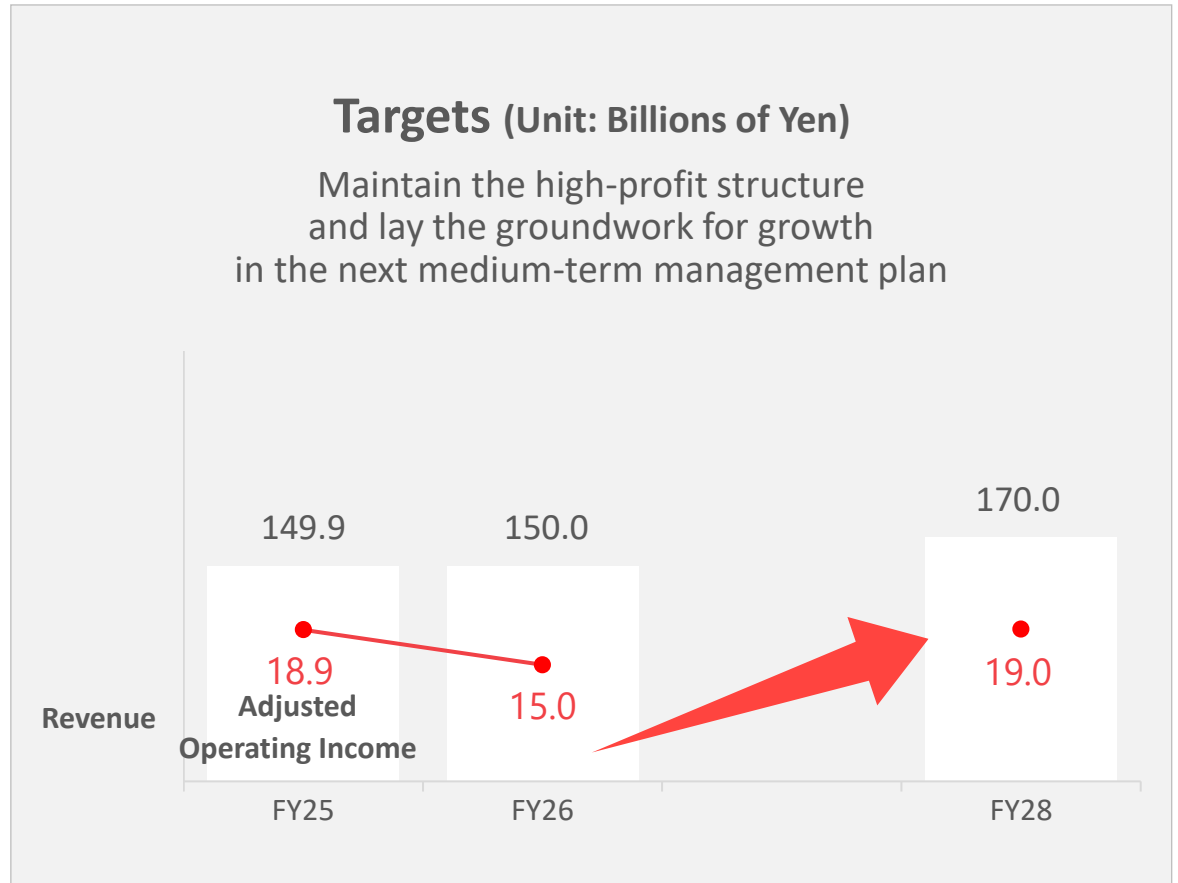
- Environment perception**
- PC resin supply-demand imbalance continues, with intensified competition mainly in commodity applications
  - The automotive, semiconductor, and medical sectors will continue to grow sustainably against the backdrop of macro trends (electrification, digitalization, and increased functionality, etc.).
  - Sustainability requirements from society and customers continue to rise

- Key initiatives**
- Promote **sales expansion in priority applications (automotive, medical, and semiconductor)**
  - Promote the **development of environmentally compliant technologies and products** (solvent-based recycling)
  - Rebuild the PC resin production structure and strengthen customer responsiveness in ASEAN

### Battery & semiconductor solution

- Environment perception**
- Battery materials: Target markets such as smartphones and tablets remain steady, while closely monitoring the tightening of PFAS regulations in Europe
  - Semiconductor solutions (membranes): The semiconductor market continues to expand. The next-generation energy market is also growing, with rising expectations for hydrogen utilization

- Key initiatives**
- Focus on the **development of PFAS-free** battery materials
  - **Enhance the added value** of membranes for semiconductor photoresist filter substrates and **expand new applications** in the energy and life science markets



## (Reference) Specialty Materials

- Rebuild production structures in line with sales volumes for both aramid and carbon fibers, while pursuing fundamental cost structural reforms
- While shifting toward a high-profit business structure, explore transformation into the Customer-Driven business

### Aramid

Environment perception

- The para-aramid market is growing at an annual rate of around 4%, but oversupply continues
- From an economic security perspective, demand for material supply is increasing in defense- and infrastructure-related applications

Key initiatives

- Shift from volume-driven growth to a **value-focused approach**, concentrating on areas where Teijin can maintain competitive advantages, such as ballistic protection and submarine power cables
- Aim to **expand downstream operations in high value-added areas** and realize synergies with other business units

### Carbon Fibers

Environment perception

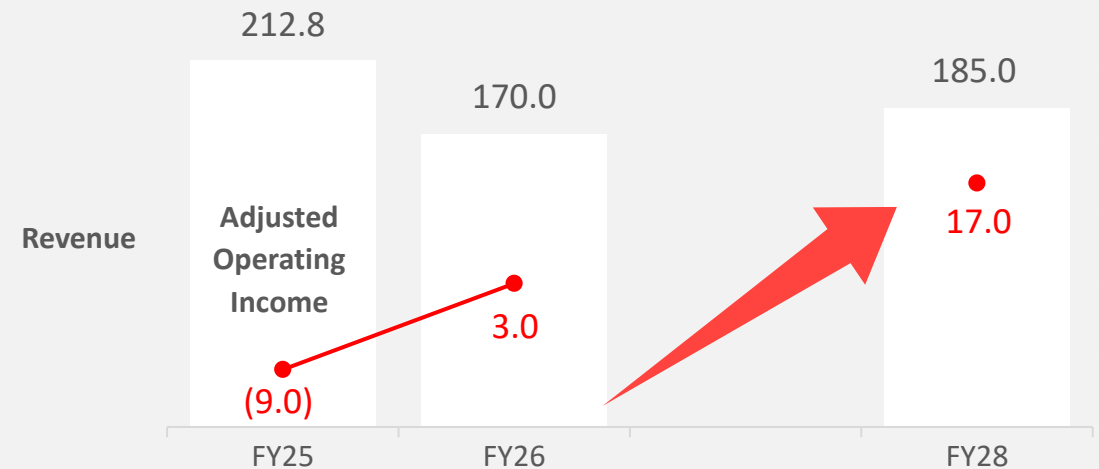
- **Air passenger demand** is expected to continue **growing further**
- The **supply-demand gap** for carbon fibers is **widening**, and **continued price declines are expected** in recreational and industrial applications

Key initiatives

- Promote certification activities for aircraft intermediate material programs
- Exit low-profit businesses and promote fundamental cost structural reforms

### Targets (Unit: Billions of Yen)

Execute decisive structural reforms to achieve profits improvement while pursuing transformation into the Customer-Driven business



## Segment Changes (Effective FY2026)

### Former Segments

Segment	Business
<b>Fibers &amp; Products Converting</b>	Fibers & Products Converting Business
<b>Healthcare</b>	Healthcare Business
<b>Materials</b>	aramid, resin, carbon fibers, composites
<b>Others</b>	battery materials & membrane, regenerative medicine and implantable medical business etc.

### New Segments

Segment	Business
<b>Apparel &amp; Industries</b>	Fibers & Products Converting Business
<b>Healthcare &amp; Life Solutions</b>	Healthcare Business
<b>Electronics &amp; Energy</b>	resin & plastic processing, battery & semiconductor solution*
<b>Specialty Materials</b>	aramid, carbon fibers (including composites)
<b>Others</b>	regenerative medicine, implantable medical business, etc.

\*Former battery materials & membrane business

# Pioneering solutions together for a healthy planet

## Disclaimer

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The figures and indicators for fiscal years 2025 and 2026 presented in this document are based on the information disclosed as of May 11, 2026.

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