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May 14, 2025

To whom it may concern

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Notice Concerning Formulation of Group Medium-Term Management Plan (FY2025 to FY2027) and Review of Materiality

The Toyo Kanetsu Group (the “Group”) has formulated the Group Medium-Term Management Plan (hereinafter referred to as the "Medium-Term Plan") for the three years from FY2025 to FY2027. In addition, upon formulating the plan, we have reviewed the materiality as follows.

■ Group Medium-Term Management Plan (FY2025 to FY2027)

1. Group’s Basic Policy

Positioning the new Medium-Term Plan as the second phase of the Group's long-term strategy toward 2030, the Group continues to adopt the corporate creed "Toyo Kanetsu is always willing to make better products and serve society" as its management philosophy, and will continue to promote the management vision "Become a Solution Innovator that solves social issues through innovative technology and execution capability”. We aim to contribute to the sustainable enhancement of the Group's corporate value and the development of society by using innovative and pioneering technologies and solutions to solve the increasingly more complex business environment and issues facing society.

2. Group Management Strategy

Although the Group was unable to achieve its initial profit and loss plan in the final year of the previous Medium-Term Plan, our core logistics solutions business led the Group's performance. We also built a structure to ensure stable earnings in the plant business, resulting in increased sales and income.

Based on these results, we will continue to implement the measures outlined in the previous Medium-Term Plan while promoting a new Group Management Strategy tailored to the business environment. Specifically, under the basic policy of “Establishing a foundation for future growth”, we will further strengthen our efforts based on the three pillars of (1) Business growth (business portfolio restructuring), (2) Productivity improvement (Standardization of products and operations and promotion of labor-saving), and (3) Strengthening human resources (securing diversity and proactive investment in development).

3. Basic Policies and Priority Measures by Business

The basic policies and priority measures for each division are as follows.

-Logistics Solutions Business

[Basic Policy] Evolution into a High-Growth Company

-Scale expansion as a core business -Expansion of business scope and customer area -Strengthening service business

[Priority measures]

(1) Challenge and expansion into new fields

(2) Realization of thorough standardization

(3) Acquisition of new technology

(4) Improvement of organizational capabilities

-Plant Business

[Basic Policy] Securing stable earnings

-Continuing to receive orders for maintenance demand -Increase in sales by acquiring new projects

-Passing on technologies and securing human resources

[Priority measures]

(1) Securing stable earnings by continuing to receive orders for maintenance projects and acquiring new projects

(2) Improving technical, construction, and mobilization capabilities by securing and fostering human resources

(3) Expanding fields of activity based on the experience and knowledge as a tank manufacturer

-Business Innovation and Other Businesses

[Basic Policy] Taking on the challenge of establishing environmental businesses

-Business expansion in the environmental and disaster prevention fields (including M & A)

-Strengthening corporate governance of group companies

[Priority measures]

(1) Establishing environmental and disaster prevention solution businesses by promoting business selection and concentration

(2) Creating Group synergies and business opportunities through Integrated group management

(3) Building efficient group governance

4. Target management indicators

In FY2027, the final year of this Medium-Term Management Plan period, we aim to achieve our consolidated performance targets of net sales of 680 hundred million yen, operating profit of 43 hundred million yen, and ROE of 8%. Based on “ACTION FOR THE FUTURE: The ability to exceed expectations and become a force for the future”, we will work together as a group to achieve these targets.

Unit: hundred million yen

	FY2025	FY2026	FY2027
Net sales	620	650	680
Logistics Solutions Business	355	380	400
Plant Business	140	140	145
Business Innovation	120	125	130
Other	5	5	5
Operating profit	37.0	40.0	43.0
Logistics Solutions Business	34.0	39.0	41.0
Plant Business	8.5	8.5	9.0
Business Innovation	9.0	10.0	11.0
Other (including company-wide expenses)	(14.5)	(17.5)	(18.0)
ROE	6%	7%	8%

(Note) The target figures of operating profit for each business in the above table do not include adjustments for internal transactions and transfers.

■ Review of Materiality

The Group has identified new materiality to achieve sustainable growth through solving social issues. Several years have passed since the previous materiality was identified in 2019, and the Group's internal and external environments have undergone significant changes. In formulating the new Medium-Term Plan, which starts in FY2025, we have identified key management issues that the Group should prioritize.

They consist of three categories: “Management foundation as a company”, “Key themes contributing to strengthening business competitiveness (Technology for business growth)” and “Key themes contributing to solving social issues through business”. Specific measures (details of initiatives) and KPIs are set for each of the eight types of materiality.

We conduct annual evaluations and disclose the progress of KPIs and measures in the TKK Report (integrated report).