

Plastics Business



Kazumasa Yamawaki*
Senior Officer

ABS resins, a product category in which Techno-UMG holds the largest market share in Japan, can be engineered into materials with new functional properties by varying the combinations of raw materials. We call these AXS resins. Going forward, we will create innovative, high-value-added AXS resins that address our customers' latent needs and challenges, thereby contributing to the cultivation of new markets and the resolution of social issues such as decarbonization.

● Mainstay Product Outline



ABS resins

【Applications】

Automotive parts, appliances, and building materials



HUSHLLOY™ Anti-Squeak Material

【Applications】

Car navigation panels, cup holders, etc.



PLATZON™ High Adhesion Resin for Plating

【Applications】

Steering wheels, etc., other decorative plated parts for automotive interiors, etc.



VIVILLOY™ Highly Colorable, Paint-less High Appearance Material

【Applications】

Radiator grilles, etc., other automotive exterior parts, etc.

● Strengths and Awareness of the Business Environment

Business strengths

- **Japan's No. 1 manufacturer for styrene resins, including ABS resin**
Established through the merger of Techno Polymer and UMG ABS, two of Japan's leading ABS resin manufacturers
- **Global sales/supply system**
Operating from six locations across China, Asia, North America, and Europe, we serve approximately 700 customers in more than 30 countries, supported by a strong customer base and a wide range of grades for diverse applications.
- **Ability to develop high value-added products and sustainable products by our proprietary technology**
Product development that leverages our differentiated technologies and marketing capabilities

Awareness of the business environment

- **Increased demand for high-performance resins due to the expansion of medium-class to high-end vehicle lineups by Chinese and Indian automakers**
- **Growing demand for quieter and lighter vehicles due to the advancement of vehicle electrification (EVs, PHEVs)**
- **Increased opportunities to cultivate new markets due to the growth of new applications such as robotics**
- **Increased needs for carbon neutrality and reduced environmental impact**

● Review of FY2024

Decreases in both revenue and core operating profit were recorded for the Plastics Business in FY2024 due to lower domestic automobile production, reduced output by Japanese automobile manufacturers in China and ASEAN member states, and sluggish demand in the domestic industrial materials sector. In this environment, we focused on expanding our overseas sales footprint and increasing sales of high value-added products to drive future growth, while revising our selling prices in response to soaring raw material prices and rising labor and logistics costs.

● Medium- to Long-term Strategy

In response to the changes in the business environment, we aim to achieve sustainable growth by strengthening our foundation while expanding sales of high value-added products, particularly strategic products, expanding our customer portfolio in the automotive and industrial materials fields, and cultivating new markets.

Growth Strategy

- 1 Expanding sales of high value-added products**
 - ▶ Strategic products: HUSHLLOY™ VIVILLOY™ PLATZON™ (Existing products + products with new functions)
 - ▶ New product lines: Comfortable materials, sustainable products, etc.
- 2 Customer portfolio expansion**
 - ▶ Chinese automobile manufacturers
 - ▶ North American building materials market
 - ▶ Indian market
- 3 Cultivate new markets**
 - ▶ Robotics-related fields: Service robots, cooperative robots, etc.



Strengthening our foundation

- ▶ Optimizing our cost structure
- ▶ Business transformation and new value creation through DX promotion
- ▶ Actions toward carbon neutrality

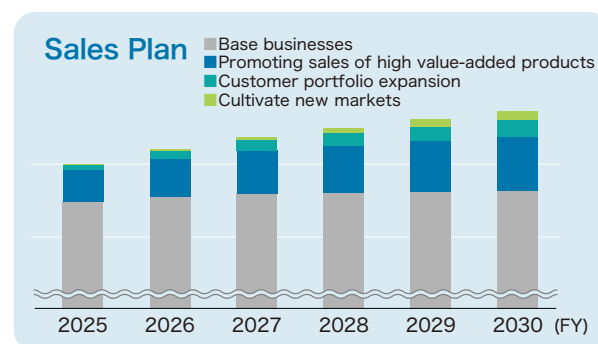
* Mr. Yamawaki retired as Senior Officer and President of Techno-UMG as of the end of June 2025.

Medium- to Long-term Strategy/Initiatives

● Growth Strategy

Toward Significant Strides in Functional Resins and Global Expansion

Launching a new Medium-term Management Plan in FY2025, our company (Techno-UMG) is working to enhance corporate value by pursuing growth strategies and strengthening its foundation. We will steadily take on new challenges in growing markets and optimize our cost structure to maximize profitability, thereby creating corporate value that will drive our future.



● Strengthening Strategic Products

The environment surrounding ABS resins is undergoing major changes, including intensifying price competition and an imbalance in global supply and demand. In this context, we are developing products that are chosen for value beyond price and will strengthen the development of our three strategic products (high value-added products)—HUSHLLOY™, VIVILLOY™, and PLATZON™—which offer vibration damping, sound insulation, and anti-static properties. We also plan to increase the sales ratio of these products from approximately 10% of total sales in FY2024 to 15% by 2030. In addition, our R&D Division is developing new functional materials, such as “soft-touch materials,” and will create new value together with users.

● Customer Portfolio Expansion

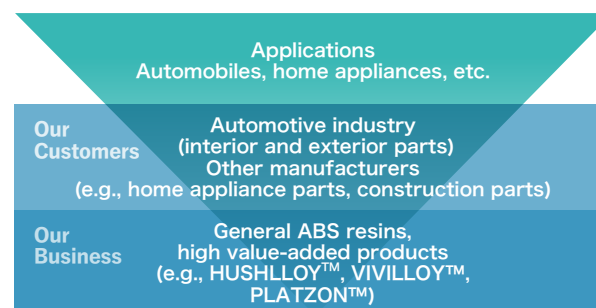
To expand our client base, we have opened new representative offices in Tianjin and Chongqing, China, to strengthen our relationships with local EV manufacturers. We also plan to establish a new sales office in India, a market expected to see robust growth in the coming years. Against the backdrop of rising preference for luxury vehicles, demand for our functional resins is steadily expanding.

In North America, we are strategically expanding our portfolio, targeting the building materials market, which is larger than the automotive market. We are continuing to make efforts to penetrate the market by offering competitive products such as heat-mitigating materials, wood-grain finishes, and highly colored resins.

● Cultivating New Markets

In cultivating new markets, we are currently expanding into the field of robotics. In areas such as factory automation, food delivery, nursing care, collaborative robots, and drones, there is a demand for highly flexible resins that are safe and comfortable for human handling, as well as for properties such as low noise, vibration damping, and stain resistance and trials have already begun in several projects. Our capability to handle small-lot, high-mix production

Techno-UMG's Position



with high precision is a major advantage in this market, which has a complex supply chain.

Meanwhile, as part of our initiative to optimize our cost structure, we will rationalize some of our general-purpose resin production lines to improve production efficiency and profitability.

● Initiatives toward a Decarbonized Society

Having adopted the goal of reducing its Scope 2 greenhouse gas emissions by 40% by 2030 compared with 2018 levels, JSR Group is promoting the use of virtual PPAs and the introduction of natural gas systems. In addition, we are accelerating the development of products that use post-consumer recycled (PCR) materials and open-loop recycled polycarbonate. We have also begun validating recycling technology to comply with European ELV regulations.

● Message from Our New President Who Assumed Office on July 1, 2025



Atsushi Ishii
President and CEO
Techno-UMG Co., Ltd.

As the new president of Techno-UMG, I feel a strong sense of responsibility in being entrusted with steering the ABS business, which has a long history and a diverse technological base, and I see great potential ahead. Under our new Medium-term Management Plan, we will

strengthen our business foundation by prioritizing high value-added products and optimizing production in response to shifts in the supply and demand structure. We will enhance our corporate value by expanding our customer portfolio in growth markets and developing new applications.