TAEKWANG

2026

Taekwang Industrial

CORPORATE VALUE-UP PLAN

Company Profile · Corporate History

Category	Details
CEO	Chung Inchul, Lee Booeui
Founded	October 25, 1950
Headquarters	310 Dongho-ro, Jung-gu, Seoul, Korea
Business Segments	Manufacturing of Petrochemical Products and Synthetic Fibers
Employees	826 (as of December 31, 2025)

Founding Period - Building Business Foundation

1954	Commenced operation of the Munhyeon Textile Plant
1963	Gaya factory(spinning) commenced production
1967	Commenced acrylic production at the Ulsan Plant

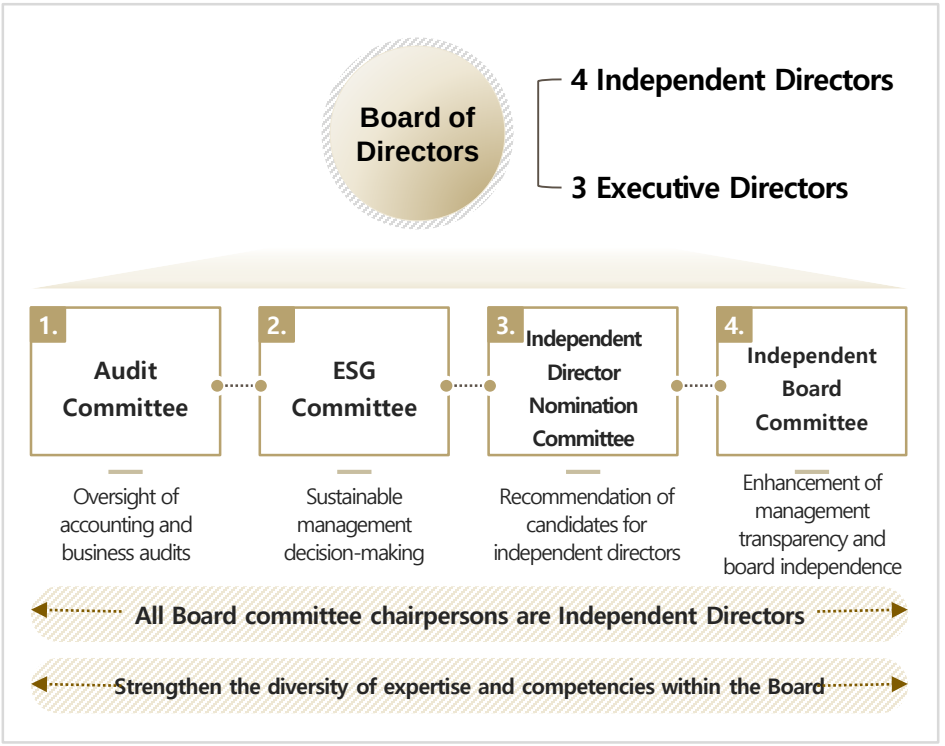
Growth Period - Building a Vertically Integrated Fiber & Petrochemical Business

1979	First company in Korea to produce spandex
1995	Petrochemical Plant 1(PTA) completed
1997	Petrochemical Plant 2(Propylene), 3(AN, NaCN) completed

Expansion Period - Strengthening Core Businesses and Expanding into New Growth Businesses

2012	Completed Hydrogen Peroxide Plant and achieved Korea's first commercial production of carbon fiber
2015	Completed Aramid Plant
2021	Completed Modacrylic Plant
2026	Acquired Aekyung Industrial and Dongsung Pharmaceutical

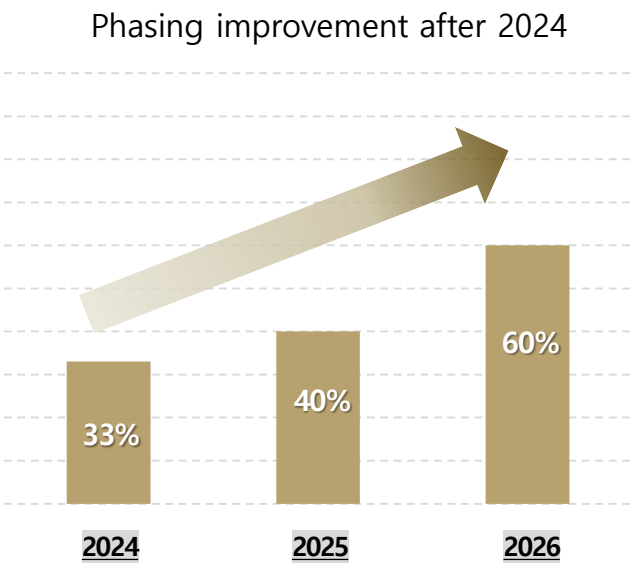
Board of Directors



External ESG Ratings



Corporate Governance Key Indicator Compliance Rate



√ Continuous enhancement of governance policies and operating systems
√ Strengthening shareholder rights protection and management transparency
√ Advancement of internal control and enterprise risk management systems

⇒ **Ongoing implementation of phased governance improvements**

Ⅰ. 2026 Dividend Procedure Enhancement

Previous	Improved
Record Date ↓ Dividend Amount Determination	Dividend Amount Determination ↓ Record Date

Dividend Announcement (Board Approval)	Record Date (Confirmation of Eligible Shareholders)	Dividend Payment
'26.03.12	'26.03.31(AGM)	'26.04.24

Ⅱ. Holding of Annual General Meeting Outside the Concentrated Date in 2026

- Participation in the Korea Listed Companies Association (KLCA) Voluntary Compliance Program for AGM Date Diversification

Ⅲ. Establishment of CEO Succession Policy

- CEO Succession Policy and Candidate of CEO approved by the Board on October 31, 2025

- The policy specifies the definition of the CEO, succession procedures, and candidate pool management.

Ⅳ. Implementation of Integrated Risk Management Framework

- Appointment of Integrated Risk Manager on August 13, 2024

- Establishment of Enterprise-Wide Integrated Risk Management and Regular Reporting Framework to the Board of Directors

Product Overview

Petrochemical Business	Fiber Business	Others
PTA, Hydrogen Peroxide, AN, NaCN etc.	Aramid, Modacrylic, Nylon, Fabrics	-
84% of Revenue	14% of Revenue	2% of Revenue

Upstream	Upstream	Downstream	
Raw Materials	Petrochemicals	Fiber Products	
PX	PTA	Polyester (Daehan Synthetic Fibrer)	Fabrics
	Hydrogen Peroxide		
Propylene	AN	Modacrylic	
	NaCN	Nylon	
	Ammonium Sulfate Fertilizer	Para-Aramid	
	Acetonitrile		

Status of Business Sites



【Petrochemical Plant 1】
- **PTA** (Purified Terephthalic Acid)

【Petrochemical Plant 2】
- Hydrogen Peroxide
- Propylene

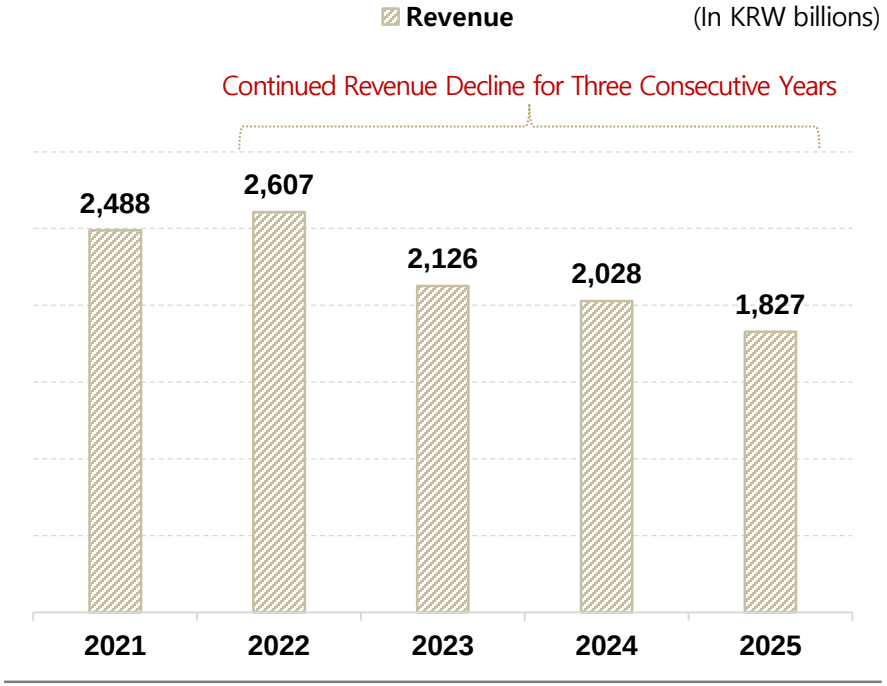
【Petrochemical Plant 3】
- Acrylonitrile (AN)
- Sodium Cyanide (NaCN)
- Ammonium Sulfate Fertilizer
- Acetonitrile

【Fiber Plant】
- Aramid
- Modacrylic
- Nylon

【Daegu Plant】
- Fabrics

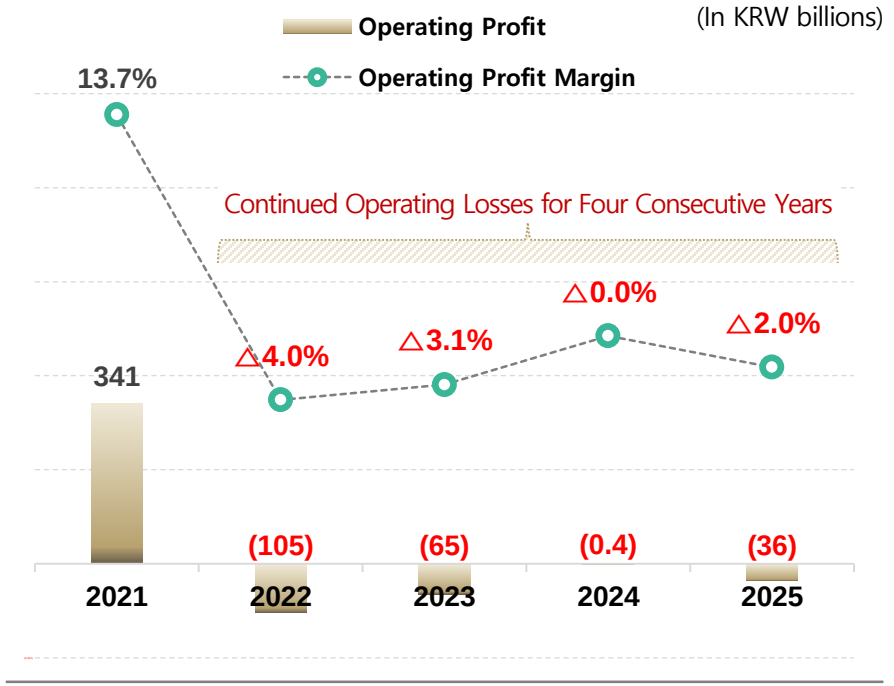
Revenue Trend

*Consolidated Basis



Operating Profit Trend

*Consolidated Basis



Key Drivers of Operating Losses

1. Oversupply from China

- Continued deterioration in profitability driven by global oversupply and price declines, resulting from China's large-scale capacity expansion in petrochemical products(PTA, AN) and textile products

2. Weak Global Demand and Deteriorating Cost Competitiveness

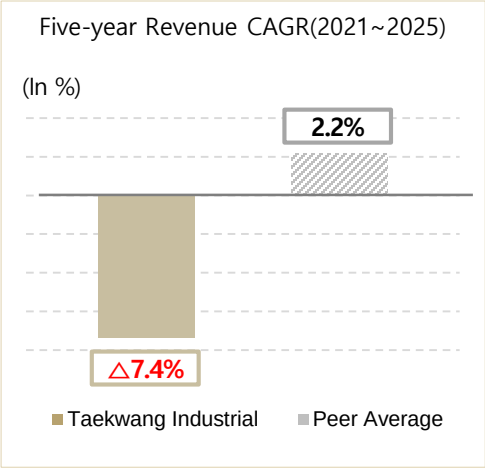
- Demand Contraction in Petrochemical and Textile Products due to Inflation and Interest Rate Hikes
- Rising Costs from Declining Utilization Rates, Inherent to Capital-Intensive Industry Characteristics

3. Structural Limitations of Business Portfolio

- Deterioration in Profitability due to Excessive Concentration in Commodity Products
- Insufficient Pace of Transition to High Value-Added Products

→ Expansion into new growth businesses is essential to enhance profitability

01. Revenue Growth

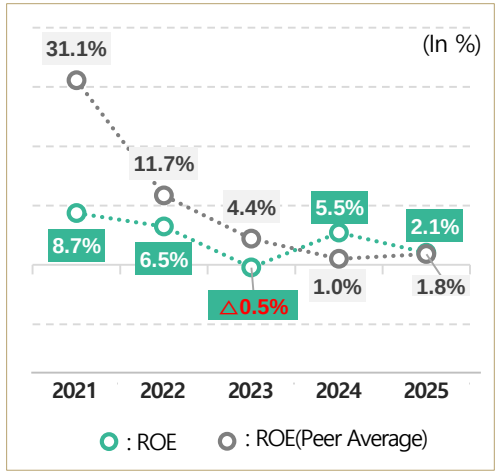


[Five-year Revenue CAGR : △7.4%]

- Decline in Commodity Product Sales due to Intensifying Competition with Chinese Manufacturers
- Revenue Decline from Exit of Low-Profit Businesses

Revenue Growth via Expansion of High-Margin Businesses and Entry into New Businesses

02. ROE (Return on Equity)

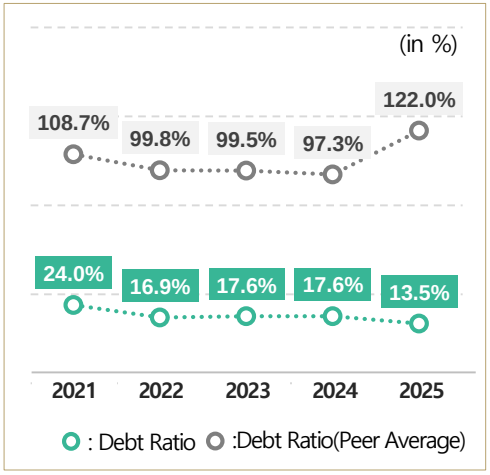


[2025 : ROE 2.1%]

- Industry-wide ROE declined amid a challenging business environment
- Following a temporary recovery, the Company's ROE has weakened

Securing a Diversified Earnings Portfolio through Business Diversification

03. Debt Ratio

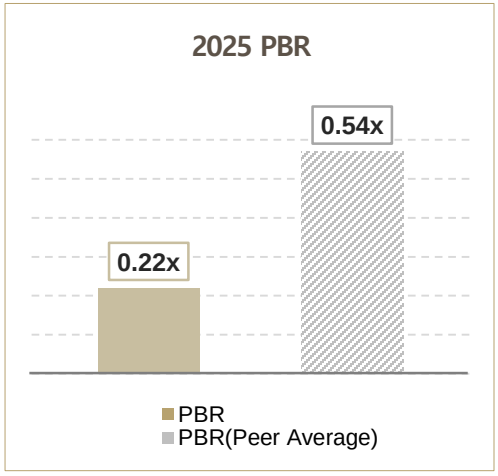


[2025 : Debt Ratio 13.5%]

- Superior Financial Soundness Relative to Industry Peers

Aggressive Investment Backed by a Stable Financial Structure

04. PBR (Price Book-value Ratio)



[2025 : PBR 0.22x]

- Trading below 1.0x, and below the peer average
- Reflects limited market expectations for future profitability and growth

improving PBR by enhancing ROE and fundamentally strengthening corporate value.

✓ Peer Group : Hyosung TNC Corporation, HS Hyosung Advanced Materials, KOLON INDUSTRIES, INC., KUMHO PETRO CHEMICAL CO.,LTD, LOTTE CHEMICAL CORPORATION, Hanwha Impact Corporation, TongSuh Petrochemical Corporation,LTD

✓ ROE = (Net Income Attributable to Owners of the Parent ÷ Average Equity)×100 / Debt Ratio = (Total Liabilities÷Total Equity)×100

【Enhancing Corporate Value through Scale Growth and Profitability Improvement】

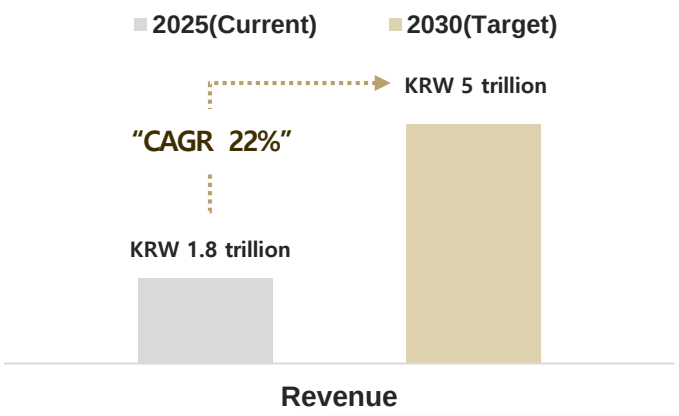
〔2025~2030 : Revenue CAGR of 22%〕

Expanding revenue through the growth of high value-added businesses

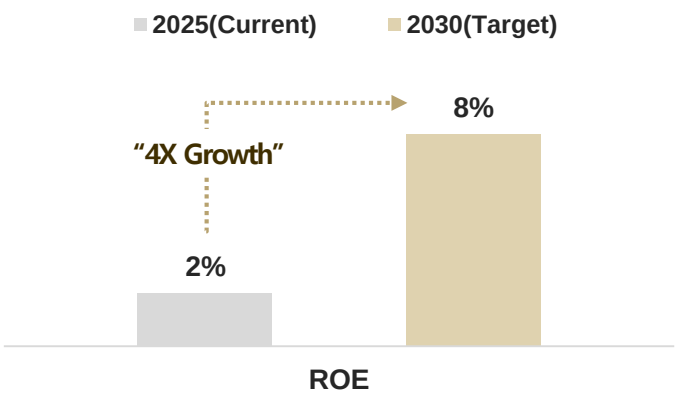
〔2030 : ROE of 8%〕

Improving net profit through expansion into new businesses

① Revenue Growth Outlook



② ROE Growth Outlook



《Two-Track Strategy for Revenue and Earnings Growth》

Strategy #1. Expand High Value-added Businesses

NaCN | Aramid | Modacrylic | Fabrics

Strategy #2. Expand into New Growth Businesses

Beauty & Healthcare | Advanced Materials | Real Estate Development

✓ROE = (Net Income Attributable to Owners of the Parent÷Average Equity)×100

IV. Plan Formulation

- **Improving Profitability (ROE) through Expansion of High-Margin Existing Businesses, Entry into New Businesses, and Real Estate Development**

Corporate Value-up Strategy

【Strategy #1. Expansion of High-Margin Existing Businesses】

Category	Details
Overview	• Expand production capacity for high-margin businesses (NaCN, Aramid and Modacrylic) and increase the proportion of premium fabric products
Expected Outcome	• Enhance manufacturing efficiency and cost competitiveness while strengthening domestic and global market share

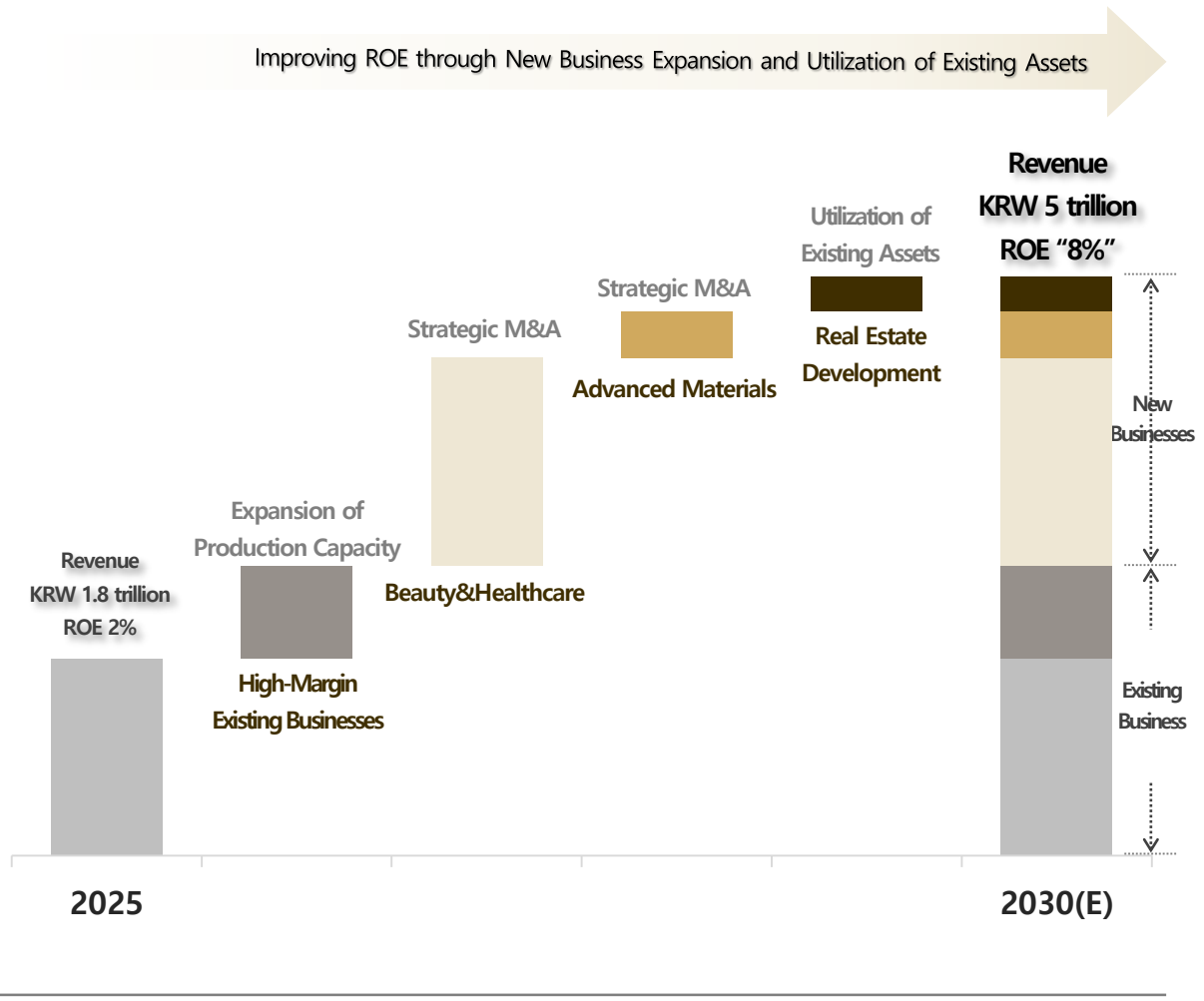
【Strategy #2. Entry into New Businesses】

Category	Details
Overview	• Pursue strategic M&A opportunities in Beauty & Healthcare and Advanced Materials
Expected Outcome	• Create synergies in the Beauty & Healthcare business and establish a presence in high-growth advanced materials markets, including AI-related industries

【Strategy #3. Real Estate Development】

Category	Details
Overview	• Review and pursue development opportunities for owned real estate assets
Expected Outcome	• Transform idle assets into income-generating assets and maximize asset value

Corporate Value-up Roadmap



Ⅳ. Plan Formulation

- Profitability Improvement Strategy #1. **Expansion of High-Margin Existing Businesses**

Strategy

"Strengthening Both Profitability and Growth through Expansion of Production Capacity in High-margin Businesses"

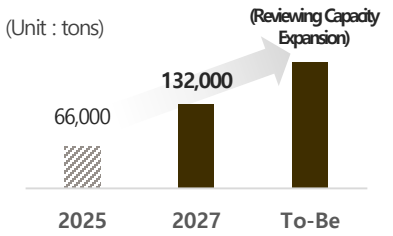
Action Plan

High-Margin Business Portfolio

1. NaCN

Category	Details
Application	• Gold and silver refining, etc.
Outlook	• Sustained Mid-to-Long-Term Growth Driven by Increasing Demand for Gold Mining and Refining

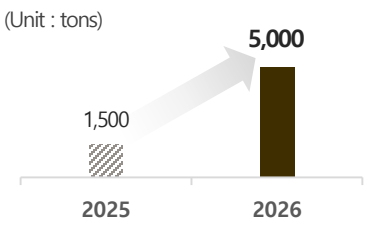
〈Expansion of Production Capacity〉



2. Aramid

Category	Details
Application	• Ballistic protection, Industrial Reinforcement Materials, etc.
Outlook	• Continued Increase in Industrial Demand including Defense Industry and Optical Cables

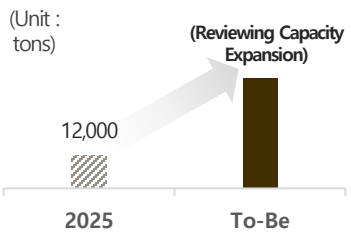
〈Expansion of Production Capacity〉



3. Modacrylic

Category	Details
Application	• Synthetic hair fibers, etc.
Outlook	• Increasing demand for African wig fibers and flame-retardant materials

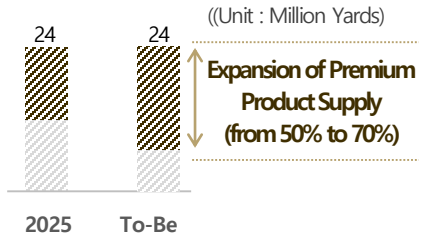
〈Expansion of Production Capacity〉



4. Fabrics

Category	Details
Application	• Traditional Middle Eastern garments, etc.
Outlook	• Growing demand for traditional garments and expansion of the premium textile market

〈Expansion of Premium Products〉



Expected Outcome

1. Securing a foundation for revenue growth

Expansion of Industrial Product Portfolio Weight and Enhancement of Domestic and Overseas Market Share

2. Securing the Foundation for Profitability Improvement

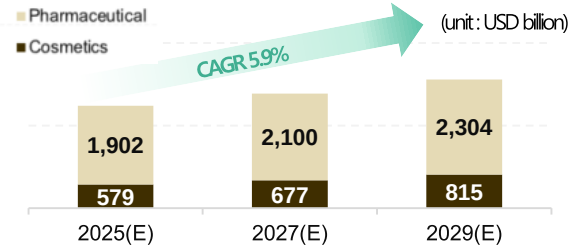
Securing Cost Competitiveness through Capacity Expansion and Expanding Sales of High Value-Added Premium Products

- Profitability Improvement Strategy #2. **Entry into New Businesses** (Beauty & Healthcare)

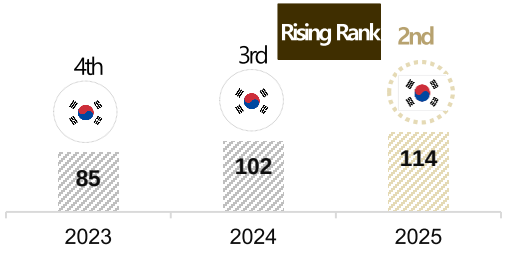
Realizing Sustainable Growth and Corporate Value Enhancement through Entry into High-Growth Markets and Diversification of Business Portfolio via Strategic M&A

Direction of Beauty & Healthcare Business

Market Opportunity Analysis



【Global Cosmetics and Pharmaceutical Market Size and Outlook】



【K-Beauty Export Value & Global Export Ranking】

〈Growing Global Market, Strengthening K-Beauty Competitiveness〉

- Outlook for Continued Robust Growth
- Establishing a Stable Market Entry and Sales Foundation Based on K-Beauty Competitiveness

Key Target Areas / M&A Candidate Pool

Expansion into High Value-Added Areas through M&A



Expected Outcome & Synergies

✓ **Profitability Improvement**
Securing New Growth Drivers
and Diversifying Portfolio

✓ **Synergies with Affiliates**
Manufacturing, Raw Materials, Distribution,
and TV Home Shopping Channel Linkage

✓ **Foundation for Global Market Entry**
Leveraging K-Beauty Competitiveness
and Expanding into Overseas Markets

✓ **Sustainable Growth Platform**
Generating Stable Cash Flow and Improving ROE

Source : Korea Health Industry Development Institute (KHIDI), Ministry of Food and Drug Safety

- Profitability Improvement Strategy #2. **Entry into New Businesses** (Advanced Materials)

Securing Future Growth Potential and Profitability through Entry into "High Value-Added Advanced Materials Business" Related to Promising Industries such as AI/Data Centers, 6G, and Energy

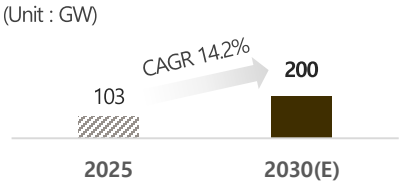
Direction of Advanced Materials Business

Market Opportunity

AI/Data Center



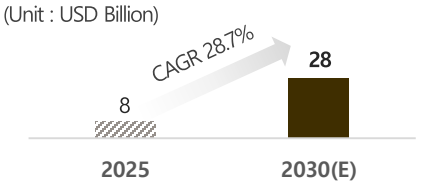
〈Global Data Center Supply Outlook〉



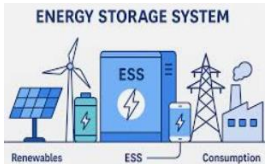
6G

6G

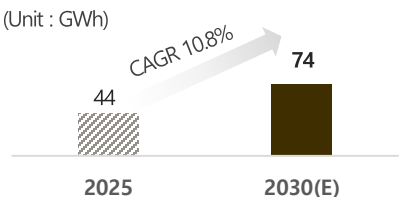
〈Global 6G Market Size〉



Energy



〈Global ESS Market Size〉



Key Target Areas / M&A Candidate Pool

Optical Cables Materials



Data Center Cooling Fluid Materials



Materials for Flexible PCB & RF Filters





Related Materials Business (Excluding Battery Materials; including Flame-Retardant Materials, etc.)



Expected Outcome & Synergies

- ✓ Entry into High-Growth Downstream Markets
- ✓ Expansion of Value Chain (Materials & Components)
- ✓ Transition to Advanced Materials-Centered Portfolio
- ✓ Securing Cash Cow Business
- ✓ Synergies in Chemical and Materials Business (Aramid-Linked Business, etc.)
- ✓ Securing New Customer Base

Source : KPMG, SAMSUNG SDI

- Strategy #3. **Real Estate Development : Securing Stable Profit Base through Phased Utilization of Existing Assets**

《Taekwang Industrial Owned Real Estate Current Status & Utilization Plan》

STATUS

1. Seoul Headquarters Site

Category	Details
Location	• Jangchung-dong, Jung-gu, Seoul
Area	• 9,526m²
Current Status	• Currently Utilized as Headquarters Building

2. Busan Guseo-dong Site

Category	Details
Location	• Guseo-dong, Geumjeong-gu, Busan
Area	• 121,409m²
Current Status	• Idle Status (Building Partially Under Demolition)

3. Seoul Seongsu-dong Site

Category	Details
Location	• Seongsu-dong, Seongdong-gu, Seoul
Area	• 10,050m²
Current Status	• Operated as a Leasing Business for Revenue Generation

PLAN

[Reviewing Mid-to-Long-Term Development Plan and Utilization Strategy]

-

Continuously Reviewing Development and Utilization Strategies to Secure Additional Profitability

[Pursuing Asset Transition from Idle Assets to Income-Generating Assets]

-

Demolition of Part of the Building in Progress for Site Utilization; Detailed Review of Utilization Plans (e.g., Lease Agreements)

[Maintaining Utilization as an Income-Generating Asset]

-

Complying with Remaining Lease Term, Generating Additional Lease and Cash Income

SCHEDULE

- **2024** : Conducting External Consulting for Site Utilization
- **2025** : Negotiating with Local Government on Easing Height Restriction Regulations
- **Future Schedule** : Reviewing Utilization Plans to Secure Profitability

- **2026** : Demolition of Part of the Building in Progress for Site Utilization
- **2027** : Demolition Completed (Scheduled)
- **Future Schedule** : Utilization for Revenue Generation such as Leasing (Scheduled)

- **2026** : Currently Under Lease Agreement and Generating Revenue
  - ☞ Currently Operating at 100% Occupancy
- **Future Schedule** : Pursuing Additional Lease Agreements (Scheduled)

IV. Plan Formulation

- **We will actively utilize treasury stocks as a strategic financing source for M&A to expand corporate scale, improve profitability, and secure future growth drivers. From the perspective of enhancing intrinsic corporate value, we will review a stock split, and despite recent earnings weakness, we will actively consider expanding dividends.**

Reviewing an Increase in Dividends	With four consecutive years of operating losses and a continued inability to generate sustainable profits, the outlook going forward also remains uncertain. The Company is in a position where it must establish new business pillars in order to break away from its loss-making structure and build a sustainable profit base. These new business pillars include the Beauty & Healthcare segment, led by Aekyung Industrial and Dongsung Pharmaceutical, as well as real estate development led by Courtyard by Marriott Seoul Myeongdong, and the Advanced Materials business — all of which require substantial capital investment. Given this current situation, the environment is not favorable for expanding dividends; however, we will keep open the possibility of reasonably adjusting dividend levels by comprehensively considering the trend of earnings recovery, financial soundness, future growth investments, and market expectations in a balanced manner. In addition, we will seek to increase the dividend for FY2026 and actively review a dividend policy linked to mid- to long-term performance.
Pursuing Strategic M&A Utilizing Treasury Stocks	The Company aims to achieve mid-to-long-term sales of KRW 5 trillion and an ROE of 8%, pursuing both growth and profitability improvement. We plan to utilize our held treasury stocks as a financing source for strategic M&A to secure future growth drivers and upgrade our business portfolio. In particular, through transitioning to a portfolio centered on High-margin Businesses and entering new growth businesses, we will enhance corporate value and ensure that these outcomes translate into improved shareholder value. In addition, to pursue strategic M&A utilizing treasury stocks, we will establish a "Treasury Stock Holding and Disposal Plan" reflecting the selection of target business areas and specific implementation plans, and will seek shareholder approval at the 2027 Annual General Meeting (AGM).
Reviewing of Stock Split	Measures to enhance stock liquidity, including a stock split, must be reviewed comprehensively in consideration of the outcomes of corporate value enhancement, stock price levels, trading volume, and market conditions. The Company believes that enhancing intrinsic corporate value should take precedence over simply expanding liquidity. Given the current situation of continued losses, we judge that a stock split without genuine enhancement of intrinsic corporate value — such as improved profitability and sustainable cash-generating capacity — would not be guaranteed to be effective as a short-term measure. The Company will review the optimal implementation approach once sufficient progress has been made in enhancing intrinsic corporate value, and will continue our efforts to enhance the Company's intrinsic value from a mid-to-long-term perspective.

V. Communication

- **Strengthening Market Trust through Transparent Information Disclosure, Board-Centered Governance, and Active Communication with Shareholders and Stakeholders**

1.

IR Materials

- Posting IR materials on the company website
- Publishing quarterly business performance reports
- Sending shareholder letters upon major business developments

※ Providing KR, EN version of materials



2.

Enhanced Disclosure

- Expansion of English and voluntary disclosures
- Disclosure of implementation status of the Corporate Value-up Plan



3.

Strengthening Governance

- Strengthening board-centered decision-making system
  → Expanded reporting of major business issues and investment decisions
- Improving key indicator compliance rate of the corporate governance report



4.

Expansion of Communication Channels

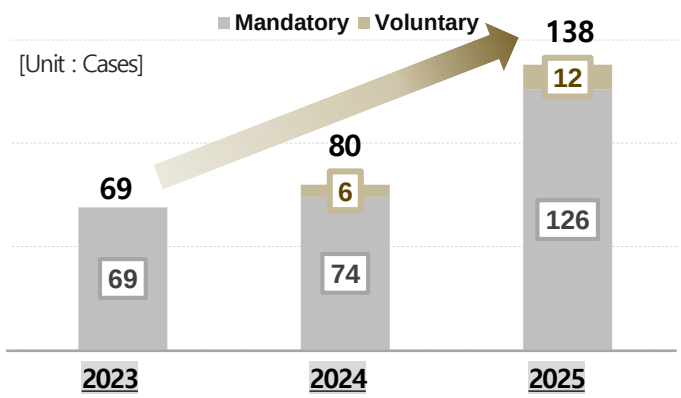
- Responding to shareholder inquiries through IR contact person
- Expansion of conference calls with domestic and overseas institutional investors
- Communication on major issues



V. Communication

- **Pursuing Improvement of Market Trust and Governance Framework Based on Active Disclosure Management and Strengthened Board Functions**

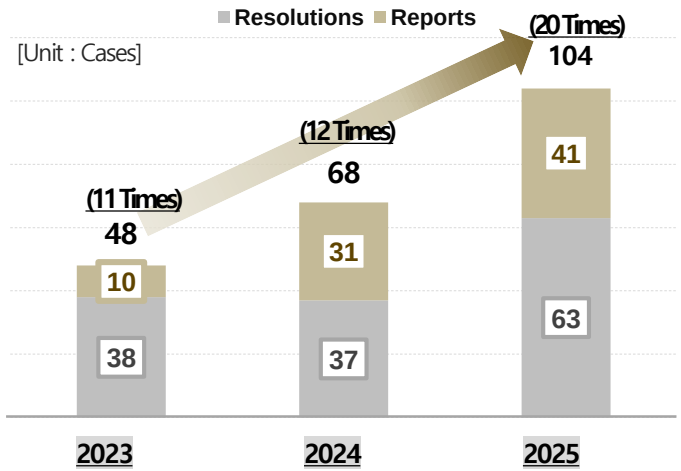
【Disclosure Status】



Ⅰ. Strengthening Communication with Shareholders and the Market through Enhanced Disclosure

- Annual disclosure volume increased approximately twofold from 2023 to 2025, driven by expanded disclosures related to new business initiatives and major business developments
- Continuously improving investor accessibility and information transparency by actively expanding voluntary and English disclosures beyond mandatory disclosure requirements

【Status of Board Meetings and Agenda Items】



Ⅱ. Establishing a Transparent, Board-Centered Decision-Making System

- The number of Board meetings increased approximately twofold, from 11 times in 2023 to 20 times in 2025, to strengthen discussion of major business issues
- Operating a direct reporting system from working-level departments to the Board to support informed decision-making based on sufficient information
- Enhancing the independence and transparency of decision-making through the operation of an Independent Board composed entirely of independent directors

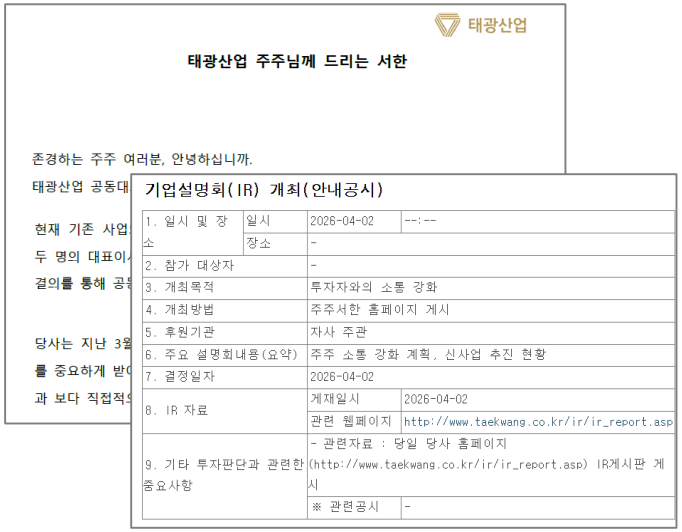
V. Communication

- **Pursuing Improvement of Market Trust and Governance Framework Based on Active Disclosure Management and Strengthened Board Functions**



Ⅲ. Strengthening Information Accessibility through Regular Provision of IR Materials

- Posting quarterly business performance reports on the company website
- Providing sufficient explanatory materials on major business issues and AGM agenda items


태광산업

태광산업 주주님께 드리는 서한

존경하는 주주 여러분, 안녕하십니까.
태광산업 공동대
현재 기존 사업
두 명의 대표이
결의를 통해 공
당사는 지난 3
를 중요하게 받
과 보다 직접적

기업설명회(IR) 개최(안내공시)

1. 일시 및 장소	일시	2026-04-02	--:--
	장소	-	
2. 참가 대상자		-	
3. 개최목적		투자자와의 소통 강화	
4. 개최방법		주주서한 홈페이지 게시	
5. 후원기관		자사 주관	
6. 주요 설명회내용(요약)		주주 소통 강화 계획, 신사업 추진 현황	
7. 결정일자		2026-04-02	
8. IR 자료		게재일시	2026-04-02
		관련 웹페이지	http://www.taekwang.co.kr/ir/ir_report.asp
9. 기타 투자판단과 관련한 중요사항		- 관련자료 : 당일 당사 홈페이지 (http://www.taekwang.co.kr/ir/ir_report.asp) IR게시판 게시	
		※ 관련공시	-

Ⅳ. Expansion of Diverse Communication Channels with Shareholders

- Disclosing an IR contact person to establish a continuous communication channel with investors
- Operating 1:1 conference calls upon request from securities firms and institutional investors
- Periodically distributing shareholder letters covering major business issues and strategic direction