

Pioneering solutions together for a healthy planet



TEIJIN

INTEGRATED REPORT 2025

Year ended March 31, 2025

Our Philosophy

TEIJIN

Purpose

Pioneering solutions together for a healthy planet

Values

Empowering ourselves to address challenges

Fostering growth through diversity and expertise

Safeguarding our planet and all life on it

Long-term vision

To be a company that supports the society of the future

Code of Conduct

Together

We are united in building shared, sustainable values through mutual respect for our unique differences.

Environment, Safety & Health

We put the global environment, human safety and health as our top priorities when conducting business.

Integrity

We act with integrity in compliance with laws and regulations, and show respect for human rights and the local communities in which we operate.

Joy at Work

We are committed to building a fulfilling and joyous workplace, where each of us is passionate about our work.

INnovation

We challenge ourselves for transformation and provide innovative solutions, anticipating the needs of our customers and society.

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The Story Depicted in Integrated Report 2025

The Teijin Group centered on its new Purpose, "Pioneering solutions together for a healthy planet," in FY2024 Teijin worked to transform its business portfolio and strengthen its management base. In FY2025, the Company aims for "Re-Growth in narrowing down the business fields" and will drive a powerful transformation to achieve a further leap forward.

[Long-term Vision]

To be a company that supports the society of the future

P.16

Prioritize the health of the planet, protect the environment, and support a circular society

Resolve issues for patients, families, and communities in need of greater support

[Medium-Term Management Plan 2024–2025]

Business Portfolio Transformation

P.32

Re-Growth by narrowing down businesses

FY2025 Targets

ROIC 4% or higher / ROE 6% or higher

Mobility

Infrastructure & Industrial

Healthcare

Our Core Markets

2024-2025

Re-Growth

Purpose

P.23

Pioneering solutions together for a healthy planet

[Next Medium-Term Management Plan 2026–2028]

Growth in Core Markets

FY2026 onward

Aim to achieve an ROIC of 10% or higher early by expanding and growing businesses narrowed down in the three core markets

What Kind of Company Are We

WHAT



5 Our History of Business Portfolio Transformation and Value Creation
6 At a Glance before Transformation
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9 CEO MESSAGE

Our History of Business Portfolio Transformation and Value Creation

The Teijin Group has continued to transform its portfolio by anticipating social needs and issues, continuously and aiming for the realization of healthy and comfortable living for people. Going forward, we will continue to take on the challenge of creating new value to realize our long-term vision: "To be a company that supports the society of the future."



1918–1960s

From Rayon Fibers to a Global Synthetic Fiber Manufacturer

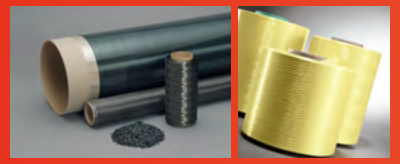
At the time of its founding, Teijin established Japan's first technology for manufacturing semi-synthetic rayon fibers and spearheaded the rayon boom period as an industry leader. Then, supported by the high profitability of its polyester fiber *TETORON*, Teijin proactively expanded its business and successively established manufacturing sites overseas as well, growing into a global synthetic fiber manufacturer.



1970–1980s

Leveraging Our Fundamental Technologies to Pursue New Businesses

While continuing to drive growth with polyester fiber *TETORON* as its mainstay product, Teijin expanded its business into the high-performance materials field by embracing the challenge of developing and commercializing new businesses. The Company also launched its pharmaceuticals and home healthcare businesses by drawing on its expertise and experience in synthetic and polymer chemistry. And by establishing its information systems division as a subsidiary and commencing the external sales business, Teijin created a foundation that spans the three fields of Materials, Healthcare, and IT.



1990–2000s

Expanding Our Business into High-Value-Added Fields

Aiming to enter the carbon fibers business, in 1999 Teijin acquired an equity stake in Toho Rayon Co., Ltd. (later renamed Toho Tenax Co., Ltd.). Then in 2000, the Company acquired the *Twaron* para-aramid business from Acordis B.V. of the Netherlands. These moves propelled Teijin into high-value-added fields. In addition, the Company established the Teijin Composites Innovation Center in 2008, setting the stage for the start of its R&D activities in composite materials.



2010–2020s

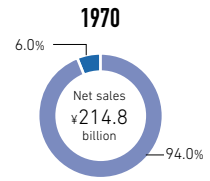
Taking on the Challenge of Transforming Our Business Model to Become a Solutions Provider

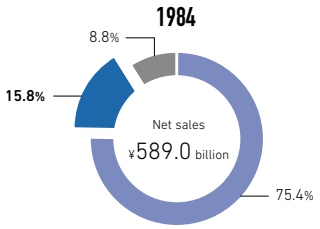
From the second half of the 2010s, in the Materials Business, Teijin worked to strengthen high-value-added applications through high-performance materials and multi-materialization, while in the Healthcare Business, the Company focused on providing and creating comprehensive healthcare services. However, due to the impact of the external environment, Teijin was unable to establish a sufficient foundation for growth, and profitability also significantly deteriorated. In response to these circumstances, Teijin focused on the reforms for profitability improvement in FY2023. In FY2024, under the Medium-Term Management Plan 2024–2025, the Company advanced business portfolio transformation. In FY2025, Teijin aims to further materialize its growth strategies in preparation for the next medium-term management plan.

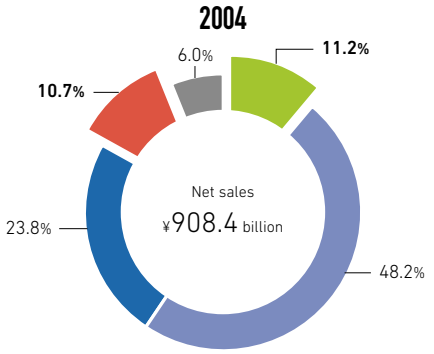
- **1918** Established Teikoku Jinzo-Kenshi Kaisha, Ltd.
- **1927** Began producing rayon filament yarn
- **1958** Began producing polyester fibers
- **1960** Began producing polycarbonate resin and plastics
- **1971** Began producing aramid fibers
- **1974** Entered the healthcare business
- **1983** Entered the IT business
- **1985** Entered the film business
- **1999** Entered the carbon fibers business
- **2000** Expanded the aramid fiber business
- **2017** Entered the composites business
- **2019** Transferred its film business subsidiary
- **2021** Entered the regenerative medicine business
- **2024** Transferred INFOCOM CORPORATION
- **2025** Transferred the composites business in North America

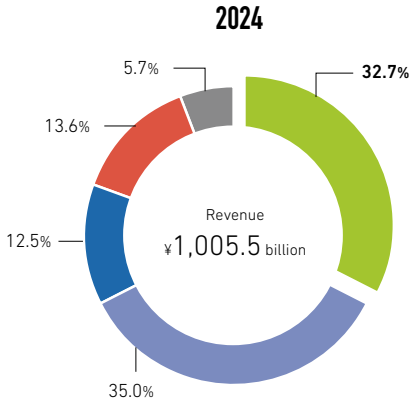
Change in the Sales Composition

High-performance fibers and composites / Fibers & products converting, etc. / Electronic materials and chemicals / Healthcare / Others









At a Glance before Transformation

The Teijin Group is driving a sustainable future with its diverse businesses and advanced technologies.
In addition, our overseas revenue ratio exceeds 50%, and we have secured top global and domestic market shares in multiple fields.

The Teijin Group's Presence (FY2024)

Established
1918

Overseas Employee Ratio
58%
(Overseas: 11,744; Total: 20,279)

Number of Overseas Group Companies
105

Number of Domestic Group Companies
48

Revenue
¥1,005.5 billion

Overseas Revenue Ratio
59.3%

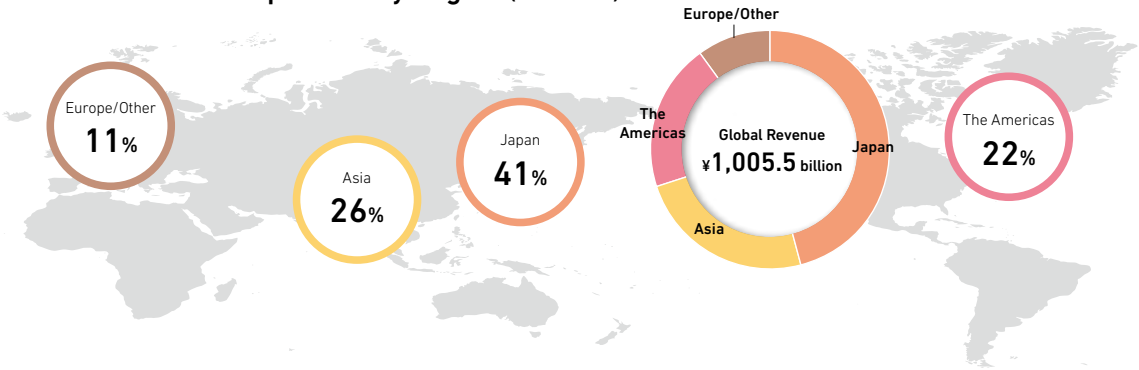
Adjusted Operating Income Margin
2.7%

D/E Ratio*
0.77
* D/E ratio with adjusted capitalization of subordinated bond (60.0 billion yen subordinated bond was issued on July 21, 2021)

ROIC
2.6%

ROE
6.7%

Revenue Composition by Region (FY2024)



Revenue Composition by Segment (FY2024)

Materials Business

Revenue: ¥459.3 billion


Aramid fibers

[Main Products]
- Para-aramid fiber: *Twaron* (Aramid)
- Polycarbonate resin: *Panlite* (Resin & Plastic Processing)
- Carbon fiber: *TENAX* (Carbon Fibers)
- Automotive parts (Composites)

Para-aramid fiber
Global market leader

Carbon fiber share
World-class


Hi-Sanso
Oxygen concentrator

Healthcare Business

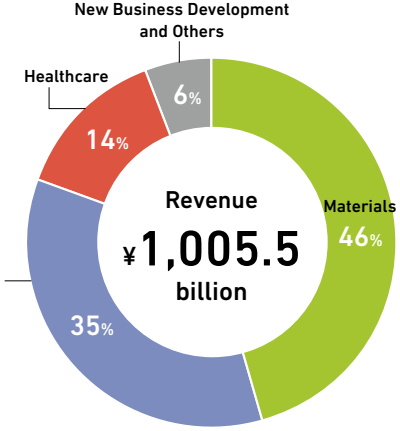
Revenue: ¥137.0 billion

[Main Products]
- Pharmaceuticals
- Home Medical Devices


SLEEPMATE
CPAP (continuous positive airway pressure) device

Oxygen concentrator for home oxygen therapy (HOT)
No.1 share in Japan
* According to Teijin's research

Therapeutic device for home continuous positive airway pressure (CPAP) therapy
No.1 share in Japan
* According to Teijin's research



Fibers & Products Converting Business

Revenue: ¥351.9 billion

[Main Products]
- Polyester raw yarn and cotton
- Various textiles
- Fiber materials and apparel, household goods, and interior products
- Materials for vehicles, the environment, civil engineering, and construction

Specialized textiles trading company
Market leader in Japan


Sportswear and outdoor apparel

New Business Development

Revenue: ¥57.3 billion

[Main Products]
- Separators
- Implantable medical devices


LIELSORT
separators for lithium-ion batteries (LIB)


SYNFOLIUM
a novel cardiovascular surgical patch

Tackling Challenges in Our Core Markets

Centered on a "Customer-Centric Business Model" that provides value and services that help to solve customers' problems,
The Teijin Group will take on the challenge of achieving Re-Growth in three core markets: Mobility, Infrastructure & Industrial, and Healthcare.

In narrowing down the business fields

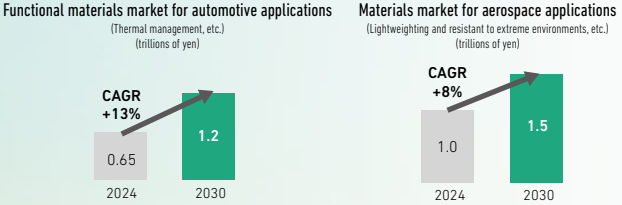
Re-Growth



Mobility



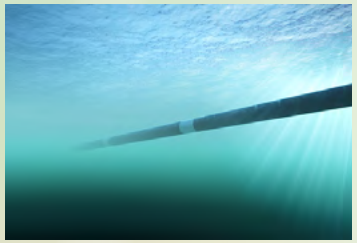
Global target markets for building a new portfolio



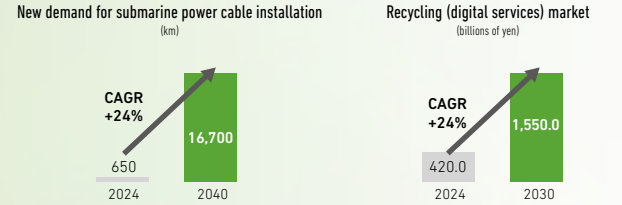
Source: Our estimates based on various materials

While maximizing sales of existing products by leveraging growth opportunities in the mobility domain, we will select core fields with an eye toward future needs and drive business growth with an emphasis on delivering value. We will utilize our strengths by focusing on the automotive and aerospace fields, and aim to expand into other industries in the medium- to long-term.

Infrastructure & Industrial



Global target markets for building a new portfolio



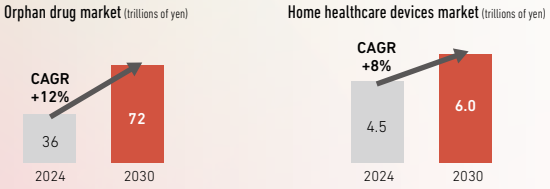
Source: Our estimates based on various materials

We will maximize sales of existing products centered on environmental contribution and functionality. In an energy domain that is shifting toward decarbonization, we will expand our solution-based business to encompass everything from materials to processing and design. While harnessing strengths to grow our business in the cable reinforcement and recycling fields, we aim to expand into the service domain in the medium- to long-term.

Healthcare



Envisioned scale of global target markets in the medium- to long-term



Source: Our estimates based on various materials

We will provide value to people in need of support by combining pharmaceuticals and medical devices with the service platform developed in our home healthcare business. In addition to maximizing profit of existing products, our immediate challenge is to reinforce our revenue base through the planned market launch of three acquired hormone therapy drugs, and we aim for overseas expansion in the medium- to long-term.

Value Creation Model

Purpose Pioneering solutions together for a healthy planet

Three Values
- Empowering ourselves to address challenges
- Fostering growth through diversity and expertise
- Safeguarding our planet and all life on it

Our inherited pioneering spirit

Input

Human Capital
- Diverse expertise
- A corporate culture of diligence and earnestness
- Spirit of altruism (customer focus)

Manufacturing Capital
- Global production bases and supply chain foundation

Social and Relationship Capital
- Global customer base and relationships of trust
- Business platform that supports patients, families, and medical institutions

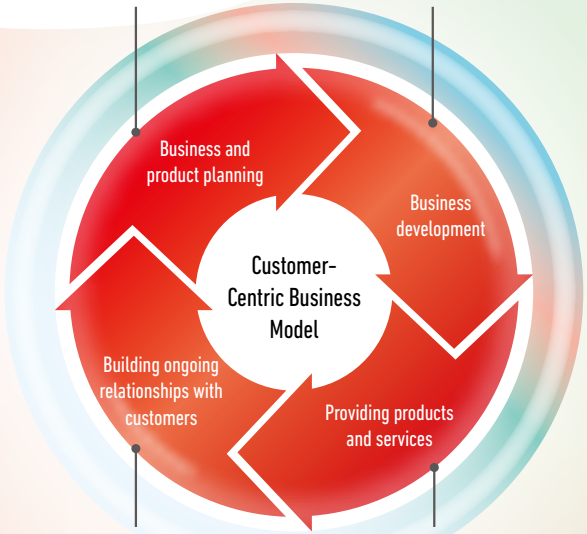
Intellectual Capital
- Abundant knowledge and know-how in high-performance materials and their properties
- Knowledge, technology, and experience in pharmaceuticals and home medical devices

Business Model

Creation of value that contributes to solve social issues

Anticipating the times and pioneering growth fields

Creating innovation through *KUMIAWASE* of technology and human resources



Amplifying value by deepening relationships with stakeholders

Providing solutions through *SURIAWASE* with customers

Further strengthening of our sustainable management base

Output

Core markets and business expansion P.7

Mobility

Contributing to decarbonization and a circular economy through functional materials and processing technologies (thermal management, extreme environment compatibility, etc.)

Infrastructure & Industrial

Contributing to transforming and improving social infrastructure through processing and solution-based businesses (submarine power cables, recycling, etc.)

Healthcare

Patient support that leverages the service and network platform cultivated in the home healthcare business (home medical devices, etc.)

Outcome

Our Vision Toward 2035

Prioritize the health of the planet, protect the environment, and support a circular society
- Climate change mitigation and adaptation
- Achievement of a circular economy

Resolve issues for patients, families, and communities in need of greater support
- Safety and security of people and local communities
- Realization of healthy and comfortable living for people

The Future We Aim For

Realizing a Healthy Planet

Further strengthen our capital position → Strengthen our financial base → Long-term Vision: To be a company that supports the society of the future

CEO MESSAGE

In line with Our Purpose, the Teijin Group will Work as One to Realize its Growth Strategy.



Akimoto Uchikawa
President and CEO
Representative Director of the Board

The Teijin Group unveiled its Medium-Term Management Plan 2024–2025 in May 2024, with which we committed to transforming our portfolio and executing strategic options. As a result, following the transfer of our consolidated subsidiary INFOCOM CORPORATION, we announced the transfer of the composites business in North America, among others. These business transfers were a very tough decision for us, but I believe they were necessary for the sustained growth of the Teijin Group going forward. In FY2025, we will work to realize a transition to a Customer-Centric Business Model that draws on the strengths of the Teijin Group, while also instilling throughout the Group our redefined purpose in order to present a new growth strategy in the next medium-term management plan.

CEO MESSAGE

Three Years that Laid the Groundwork for Transformation

Since taking office as president in April 2022, I have been at the forefront of the Teijin Group's transformation over the last three years, making some big decisions. At the time of my appointment, our patent for *FEBURIC*, a primary source of profit in the treatment of gout and hyperuricemia, was about to expire. On top of that, our Materials Business was affected by unforeseen external factors, such as the COVID-19 pandemic and the war in Ukraine, which hindered our ability to reap the benefits of the investments in plant capacity expansion we had pursued up until then. As a result, achieving the profit targets of the Medium-Term Management Plan 2020–2022 became extremely challenging. In the face of such headwinds, we believed it was essential to focus all of our efforts on improving profitability in FY2023. Therefore, we decided to push back the formulation of a new medium-term management plan and instead dedicate ourselves to implementing reforms for profitability improvement. As a result, we were largely to achieve our profitability improvement targets in the three businesses such as composites, aramid, and Healthcare.

On the other hand, it is also true that I have felt a strong sense of crisis regarding our lack of resilience in responding to unexpected changes in the external environment. When thinking about what might be causing this, the first thing that came to mind was the "siloing" of our businesses. Although we had been driving forward an M&A strategy to quickly strengthen our business portfolio, we ultimately realized that an awareness of stand-alone profitability had grown stronger. In this situation, each business tended to operate individually, leading to a loss of awareness on efficiency, mutual support, and the realization of synergies across the entire Group. We had become a corporate group that is susceptible to what is often referred to as the conglomerate discount. Essentially, if our 20,000 employees unite as one, the Teijin Group should be an organization capable of overcoming any difficulties; however, we have not been able to fully harness that potential.

This is the reason why we have redefined the Teijin Group's purpose (the meaning of our existence). I believe that the shared values that strongly bind the Teijin Group together will serve as the cornerstone of future growth and transformation. That is why we timed the establishment of our purpose to coincide with the start of FY2024. Having done that, we announced our Medium-Term Management Plan 2024–2025. Our aim is to ensure that our purpose is well-entrenched, while also focusing on improving the underlying profitability of our existing businesses, transforming our business portfolio through narrowing down and the careful examination and execution of growth investments, and strengthening our global management system.

From the perspective of strengthening our management system, we first made some major changes to our management structure in FY2023 in order to flexibly respond to changes in the external environment as part of our efforts to improve profitability. More specifically, by establishing a business unit system under the direct control of the CEO, we have been able to strengthen the formulation and monitoring of business strategies and plans by the head office, while balancing the rapid execution by business executive officers with risk management. The establishment of this system has also facilitated faster and more efficient decision-making. And to bolster our management functions, we brought in external talent for the positions of Chief Human Resources Officer/ Chief Sustainability Officer, Chief Technology Officer, and Chief Digital Officer, which were vacant at the time. The reason is that we thought we should act flexibly and as needed, when finding someone who is the best person with excellent qualifications, plenty of experience, and the capabilities to get thigs done, regardless of whether he is an internal personnel or external. I imagined that it would take some time for the newly assigned individuals to understand the Company, however, they have caught on to my thought processes and what Teijin is trying to achieve in no time at all. They have brought new perspectives to management and are becoming key players in our transformation. In addition, through the introduction of global job postings and the rollout of a job-based system for management positions in Japan in an effort to strengthen human capital management, we are creating pathways for employees who wish to try a new role or challenge themselves to break out of their silos and thrive globally.

Also, regarding our transition to a company with an Audit & Supervisory Committee from June 2025, I believe it will contribute to strengthening our management system by facilitating quicker decision-making in business execution and further enhancing discussions on management strategies at the Board of Directors.

In summary, after dedicating ourselves to seeing through profitability improvements, we formulated our purpose and worked on instilling it throughout the Group, all the while divesting businesses on an unprecedented scale and narrowing down operations as part of our business portfolio transformation. We also revised our management structure to be more flexible in responding to changes in the external environment. I believe that these efforts have laid the foundation for a transformation that will rebuild the entire Teijin Group around its inherent strengths. Even though the transformation process is still ongoing, I am confident that the progress is being made toward our goal of becoming a resilient company.

Our Shared Values Will Shape the Future

A Purpose Infused with the Thoughts and Feelings of Our Employees

In order to align the vectors of the Teijin Group after too much "siloing," we established our purpose, "Pioneering solutions together for a healthy planet," in April 2024.

This purpose should serve as a starting point for reexamining the state of the Teijin Group and become the absolute criterion for decision-making during the business portfolio transformation and when undertaking new challenges. While I originally had the idea for the Company to formulate a purpose, I thought it would

be difficult for employees to resonate with and take ownership of it if it were imposed upon them. For that reason, I adopted a bottom-up process to involve our employees in its creation, after explaining why it is necessary that we embrace the "One Teijin" concept and what we hope to achieve as a group. Specifically, with regard to the purpose I tentatively proposed, approximately 40 core members selected from different businesses, job types, and positions engaged in extensive discussions, and we held workshops at locations worldwide, gradually increasing the number of participants and collecting feedback. There were some clashes of opinions, but because we went through a process that involved employee participation rather than relying solely on my own perspective, I believe we were ultimately able to articulate a purpose that is very much in line with Teijin's identity.

This purpose is filled with the thoughts and feelings of our employees in each and every word. "Pioneering" reflects our great pride in having always been a pioneer over its 100+ year history, being action-oriented, foresighted, and producing innovations, as well as our strong commitment to inherit that entrepreneurial spirit going forward. "Solutions" suggests Teijin's intention that the company goes beyond just products and services and addresses social issues using elements of science that it possesses. "Together" embodies our attitude of respecting each other's differences and diversity, encouraging employees to collaborate and work with external partners to co-create value. Lastly, "healthy planet" clearly indicates that we are a corporate group that wishes for both the health of the planet itself and the health of all living beings that inhabit it.



Aiming to Be a Resilient Organization

Understandably, I do not expect that employees who have spent many years in a siloed environment will immediately resonate with the concept of "together" just because it is suddenly presented to them. However, I believe that the strength of such sentiments as "This is something we must do" and "We will succeed at all costs," will greatly impact the success or failure of new challenges. Even in difficult times, being able to confirm why we are doing something supports our determination to persevere without losing heart. From that perspective, since FY2023 we have been promoting the purpose-branding project called Journey to One Teijin. To encourage each employee to think about what they can do under the "One Teijin" concept, we have held town hall meetings in each business and at various locations worldwide, and we are advancing activities to instill the new purpose in all employees.

At the town hall meetings, I have been explaining what I want to achieve by embracing the "One Teijin" concept and also been engaging in discussions that urge employees to share their thoughts on the matter. We are still in the early stages, but my feeling is that at least about 30% of employees have come to understand the necessity of the purpose and how important it is.

I should also add that from the second half of FY2024, we launched the My Action Workshop for individual employees to take ownership of the purpose. This initiative will cascade down from us corporate officers to division general managers, department general managers, section managers, and employees. We are now entering a phase of embedding the purpose into our corporate culture. I have decided that this process will be driven by dialogue within the Company, so we will value feedback from supervisors to team members and vice versa, as we work to align the vectors of each employee. As a result, I am confident that the Teijin Group will become a resilient organization with the ability to take action in response to changes in the operating environment. As for the employees who did not necessarily view the purpose activities in

a positive light, they too have started to say that the workshop is meaningful. Given these developments, I can sense firsthand how the purpose is taking hold within the Company.

Transforming Our Business Portfolio with Determination and a Sense of Mission

Business Portfolio Narrowing Is on Track

Building on the reforms for profitability improvement that we concentrated on in FY2023, the current medium-term management plan, which spans two years, is focused on a recovery in fundamental profitability and the transformation of our business portfolio. In particular, regarding the latter, we are executing strategic options for underperforming and less-focused businesses, and we have also designated "Mobility," "Infrastructure & Industrial," and "Healthcare" as our key industry sectors. By transitioning from the simple supply of materials to a value-driven business structure, we aim to become a corporate group that can achieve an ROE of over 10% in the next medium-term management plan starting in FY2026.



To be honest, in recent years, we have often been unable to hit our targets, and it has not been uncommon for M&A projects to book losses or recognize impairments. Since my appointment as president, I have been considering drastic reforms rather than just stopgap measures to break this trend. As a preliminary step, it was necessary to establish our purpose, and having completed that, we announced the transfer of our composites business in North America, following the divestiture of one of our consolidated subsidiaries, INFOCOM.

Regarding INFOCOM, which develops IT services and internet businesses, we determined that it does not fit into the domain of "solutions" using the elements of science, nor within the "healthy planet" domain. From the standpoints of synergies, capabilities, and resource allocation, we came to the conclusion that transferring this business would be the best way to enhance both companies' values and shareholder value. INFOCOM's earnings and growth potential were beyond reproach, but whether we are its best owner is a separate issue. As to its management, we received numerous proposals from external sources and we certainly felt that it is a company with more room for growth. Conversely, this suggests that there are other "best owners" out there who can further unlock INFOCOM's value, so we are confident that we made the right decision.

Meanwhile, profit vastly improved in our composites business in North America as a result of our efforts to enhance profitability. However, from the perspectives of business stability and growth potential, we determined that it would struggle to become a future pillar of profit, so we made the decision to transfer this business. As for Europe and Japan, we decided to continue our business operations there as a base for utilizing and deploying environmentally advanced technologies in the mobility sector—a key industry sector for the Teijin Group—while keeping abreast of trends in the European automotive industry, a leader in sustainability. We have taken plenty of time to discuss our withdrawal from the North American composites business, thereby ensuring a careful process that would allow both employees moving to the new company and those remaining with the Teijin Group to move forward with understanding.

By executing these two major strategic options, we have rapidly advanced the selection and concentration process for our business portfolio. Moreover, we have also decided to divest our implantable medical devices and functional food business units. At a level smaller than our business units, specifically the SBUs (strategic business units), there is still room for selection and concentration. We will steadily proceed with divestitures of businesses for which we are no longer the best owner, and we plan to largely complete the scaling back of our business portfolio by the end of FY2025.

Targeting Further Growth by Evolving into a Customer-Centric Business Model

In transforming our business portfolio based on our purpose, we have identified three key industry sectors to focus on going forward: Mobility, Infrastructure & Industrial, and Healthcare. What is important here is that, rather than aiming for growth in each individual business, which was our conventional approach, we will combine the Teijin Group's technological strengths, relationships with customers, and both tangible and intangible assets scattered across these key industry sectors to generate significant value as a unified Group. Also, whether it corresponds to the two areas of "healthy planet"—that is, the health of the planet itself and the health of all living beings that inhabit it—is also a very important reference point. We will evolve into a company that closely engages with customers and patients to provide unique and sharp science-based content solutions that resonate deeply with customer needs in order to realize a healthy planet. We like to call this a Customer-Centric Business Model, and we have already established this successful model in areas such as Fibers & Products Converting Business, compounds in the resin and plastic processing business, and home healthcare business.

For example, in the home healthcare business, we have a

business platform consisting of a disaster support system that we developed independently and a call center for patients and medical institutions. By connecting this system with patients in need of greater support through sales representatives and visiting nurses across the country, we have built a unique business model. Even at Teijin Frontier, a core subsidiary of the Fibers & Products Converting Business, we have a platform that sets us apart from other companies, characterized by product processing technology, partner companies, and a global procurement network that is not limited to our own materials. Our sales representatives connect this platform with customers who have wide-ranging needs to provide the best solutions.

In this way, a business model that keeps us in close proximity to customers and enables us to ascertain their needs and connect them with technology and networks is how we can best demonstrate our strengths. We aim to expand this model for demonstrating our strengths across all businesses. When we organize our business methodology through " *Kumiawase*, combining of technologies and materials, and *Suriawase*, understanding and addressing customer needs, and a Customer-Centric approach, the unique business model we want to implement will come into view. Going forward, we will carefully examine how to shift to a Customer-Centric Business Model in various businesses over the course of this year, primarily through downstream business expansion, penetrating in adjustment field, and industry realignments.



Regaining the Trust of the Capital Markets

Teijin's shares are currently trading at a PBR of well below 1.0x. In particular, I believe we have not earned enough trust from the capital markets regarding our future potential. To break free of this situation as quickly as possible, we have focused on improving ROE and PER, and we have implemented the various measures that I just mentioned. Over the past three years, I believe we have properly executed the measures that were needed to address the issues that we previously had no answer for, and I believe we have demonstrated that we are a management team that can be trusted.

We have spent the past three years building a foundation for improving profitability and driving change. Our transformation up ahead will focus on "preparation," centered around a growth strategy. The business environment is constantly changing, and we must address new challenges in rebuilding of revenue bases for the aramid and carbon fibers businesses with a sense of urgency also in FY2025. At the same time, I recognize that my biggest task is to clearly present the substance of our Customer-Centric Business Model, which will likely be at the core of the next medium-term management plan.

In this environment, we are pressing ahead with the formulation of the next medium-term management plan in a different sequence than in the past. Previously, each business division submitted its own plan. Then, we received explanation from them and returned feedback, based on which the division made revisions. And finally, we compiled those plans from the ground up to make the next medium-term management plan. However, this time, we are kicking off the process by discussing what we aim to achieve as a whole, the steps to achieve the overall objectives, and the accompanying sacrifices. Based on these discussions, each business division will revise the plan they were scheduled to submit and bring it back to the table. In other words, instead of simply consolidating the plans from divisions, we are changing our approach by first having the management team discuss what kind of overall vision we want to pursue, and then looking at how each business can contribute before building the individual components into the plan. Teijin's human resources and technology are in no way inferior to those of other companies. As long as the level of understanding among employees concerning the direction we need to take increases, the horizontal collaboration required will occur, and we are confident that the results will naturally follow.

Having each employee aligned with the purpose will be a major

driving force. In the next medium-term management plan, we will enter a phase of rolling out a new growth strategy, namely a Customer-Centric Business Model, across the entire Group to build on the transformations we have made thus far. By delivering results, I hope we can regain the trust of the capital markets as soon as possible.

To Be a Company that Supports the Society of the Future

Finally, I would like to talk about our long-term vision. While we newly established our purpose recently, I think the long-term vision articulated by former President Suzuki—to be a company that supports the society of the future—effectively expresses the path that Teijin should take. The idea of "supporting" rather than "creating" the society of the future accurately reflects what the Group excels at and what we want to achieve with a Customer-Centric Business Model. If I were asked where the Teijin Group will focus its efforts, I would respond by saying it is clearly expressed in our purpose by the Group's employees with the words "healthy planet."

In fact, Teijin Pharma's home healthcare business was initially launched for the purpose of providing oxygen concentrators for home oxygen therapy (HOT) and continuous positive airway pressure (CPAP) units for home treatment. Amid concerns about the sustainability of the healthcare system due to rising medical costs associated with Japan's aging population, this initiative was born out of our desire to support a part of the healthcare infrastructure through home healthcare. Also, our Materials Business supports the reduction of aircraft CO_2 emissions and the circular economy of automakers behind the scenes.

We are not just providing technology; we are laying the foundations of an ecosystem with our technologies and services with the aim of becoming a stronger presence that supports society. As a supporting company, I believe my ultimate mission is to create an organization where each employee thinks about what services and technologies will be needed in the future and acts on their own initiative.

Teijin is neither a volunteer organization nor an NPO, nor is it a company that condones the pursuit of profits without principles. That is why I believe senior management must clearly and loudly state the importance of generating profits in line with our long-term vision and purpose. As I manage the Company with the entrustment of our shareholders, I firmly reject the attitude that it is acceptable not to be generating a profit as long as we are doing good things. Doing good, being recognized by society for it, and having that value measured in profits is the only way for us to remain sustainable.

Having finally established a system for the "preparation" needed for our transformation, we will now look to give concrete shape to a cohesive growth strategy for the entire Group in the next medium-term management plan. In that sense, we will make sure we properly carry out the preparations over the course of this year in order to fulfill our original mission of nurturing the seeds of future growth. With the Teijin Group ready to transform and enter a new stage of growth, I kindly ask for the continued support of our shareholders, investors, and all other stakeholders.

August 2025

A. Uchikawa

President and CEO
Representative Director of the Board



Why We Do It, and Why We Can

WHY

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The Future the Teijin Group Aims For

Under our Purpose, "Pioneering solutions together for a healthy planet," the Teijin Group, prioritizing the health of the planet, will continue to take on the challenge of becoming "a company that supports the society of the future" where everyone can live with peace of mind.

The Future We Aim For

Realizing a "Healthy Planet"

Long-term Vision

To be a company that supports the society of the future

Prioritize the health of the planet, protect the environment, and support a circular society

Resolve issues for patients, families, and communities in need of greater support

Purpose

Pioneering solutions together for a healthy planet

Key Issues (Materiality) to Address in Order to Realize Our Long-term Vision

Materiality refers to the key issues that the Teijin Group prioritizes in order to realize its long-term vision: "To be a company that supports the society of the future." The Teijin Group recognizes issues related to sustainability, including social and environmental problems, as management issues. We have organized the opportunities and risks for our company and, as shown on the right, have identified key social issues and key management issues. By setting KPIs for each and promoting initiatives, we are working toward realizing our long-term vision.

Materiality Identification Process

The Teijin Group grasps and organizes a wide range of social issues, and analyzes and extracts key ones from the perspective of their importance to the Teijin Group and their impact on stakeholders. After the Chief Sustainability Officer engages in dialogue with external experts, the Teijin Group's materiality is ultimately identified at a Management Committee.

STEP 1 Grasp and Organize Issues
Grasp and organize a wide range of trending issues in society, starting with the SDGs

STEP 2 Determine Degree of Importance
Determine the degree of importance to the Teijin Group based on both the degree of impact on the business (considering both positive and negative aspects) and the likelihood/probability of occurrence

STEP 3 Extract Key Issues
From the group of issues analyzed in STEP 2, extract those with a particularly high degree of importance to the Teijin Group and a high impact on stakeholders as key issues

Review

STEP 4 Dialogue with External Experts
Engage in dialogue with external experts about the Teijin Group's materiality identification process and the extracted issues

STEP 5 Identify Materiality
Deliberate and confirm at a Management Committee to identify "The Teijin Group's Materiality"

Materials / Fibers & Products Converting / Healthcare / New Business Development

Key Issues (Materiality)	Opportunities for the Teijin Group	Relevant Businesses and Examples of Products and Services (P.40-43)	Risks for the Teijin Group	KPI (P.55, 57, 82)
Key Social Issue 1 Climate change mitigation and adaptation	• Contribute to "climate change mitigation and adaptation" by applying technologies, sales channels, etc., cultivated in existing businesses 1. Weight reduction, longer driving distances, and electrification in the mobility market 2. Transition to renewable energy in the infrastructure & industrial market	Automotive composites, carbon fiber intermediate materials for aircraft, pressure vessels, submarine power cables, mooring ropes for offshore wind power turbines, battery-related materials, high-performance fiber reinforcing materials, rainwater storage blocks, cooling and cool-touch materials, thermal insulation-related products, etc.	• Environmental impact due to an increase in Group and supply chain CO_2 emissions • Impact on business activities due to storm and flood damage at the head office and factories	• Avoided CO_2 emissions • Group CO_2 emissions • Supply chain CO_2 emissions
Key Social Issue 2 Achievement of a circular economy	• Contribute to establishing a circular economy by extending the lifespans of products and promoting the 3Rs (Reduce, Reuse, Recycle) • Respond to increasingly advanced environmental regulations designed to achieve a circular economy (separation, chemical recycling technology development, etc.)	Reinforcing material for high-performance tires, polyester fiber recycling technology, aramid fiber recycling technology, bio-based materials, chemical recycling licensing services, fishing net recycling business, home medical devices rental business, etc.	• Impact on business activities due to stricter environmental regulations • Resource depletion • Environmental destruction and environmental impact following product disposal • Environmental impact of manufacturing	• Freshwater intake volume per sales unit • Landfill waste volume per sales unit
Key Social Issue 3 Safety and security of people and local communities	• Contribute to preventing and remediating environmental pollution using clean technology. • Contribute to build a safe and resilient society through utilization of high-performance materials • Contribute to realizing more comfortable life through "the power of fibers"	Protective clothing, high-performance fiber reinforcing materials, rainwater storage blocks, disaster response and support map systems for home healthcare patients, seat sensor membranes, ultra-lightweight ceiling materials, airbag fabrics and other safety components, asbestos substitutions, bag filters, disaster mitigation-related fiber products, environmental engineering, etc.	• Impact on business activities due to stricter environmental regulations • Loss of trust due to a decline in the safety of products and services • Damage claims stemming from defects and the like • Destruction of ecosystems and environmental pollution due to hazardous chemical substances, etc.	• Hazardous chemical substance emissions per sales unit
Key Social Issue 4 Realization of healthy and comfortable living for people	• Contribute to resolving issues for patients, families, and communities in need of greater support by leveraging our home healthcare business service platform • Contribute to realizing more comfortable life through "the power of fibers"	Pharmaceuticals, home medical devices, regenerative medical products, services related to comprehensive community-based healthcare systems, functional interior products, high-performance apparel, heat-stroke prevention clothing, etc.	• Waning competitiveness due to an inability to respond to diversifying medical needs • Drop in employee satisfaction due to worsening working environments	• Employee engagement score
Key Management Issues Further strengthening of our sustainable management base	For details of each item under "Further strengthening of our sustainable management base," please refer to the pages below and our sustainability website. P.67 Corporate Governance P.78 Total Risk Management (TRM) P.77 Corporate Ethics and Compliance P.55 Promotion of DE&I P.60 Teijin Group Supplier Survey (CSR Procurement) Information Security and Personal Information Protection https://www.teijin.com/csr/materiality5/security.html Health and Safety https://www.teijin.com/csr/social/health_safety.html Product Liability and Quality Assurance https://www.teijin.com/csr/social/quality_assurance.html			• Diversity of executive officers (female executive officers, non-Japanese executive officers) • Percentage of female department/section managers • All occupational accident frequency rate

Turning Strengths into Competitive Advantages

The Teijin Group has built a business model that anticipates changes in the times and helps to solve social problems. Leveraging our strengths—diverse human resources, a robust and varied supply chain foundation, strong relationships with customers in Japan and overseas, high-performance materials, and our technologies in pharmaceuticals and home healthcare—we will reinforce our competitive advantages to bring about a sustainable society, while building strong barriers to entry and competition.
Going forward, we will expand upon success stories in our narrowed down businesses and aim for a further leap forward with our Customer-Centric Business Model in specified core markets.

Strength 01 Diverse Human Resources

- Employees with diverse backgrounds and expertise are actively contributing
- Born from more than a century of history, a corporate culture that respects mutual cultures and values and embraces diversity
- Diverse human resources mix and create a chemical reaction, spurring innovation

Strength 02 A Robust and Varied Supply Chain Foundation

- A comprehensive network of production and development bases on a global scale
- The foundation for a global supply chain

Strength 03 Strong Relationships with Customers

- A global customer base built through multifaceted business expansion
- By providing high-performance, high-quality materials and products and services that are deeply integrated with customers and communities, we have built strong relationships of trust with customers in Japan and overseas

Strength 04 Technologies in High-Performance Materials, Pharmaceuticals, and Home Healthcare

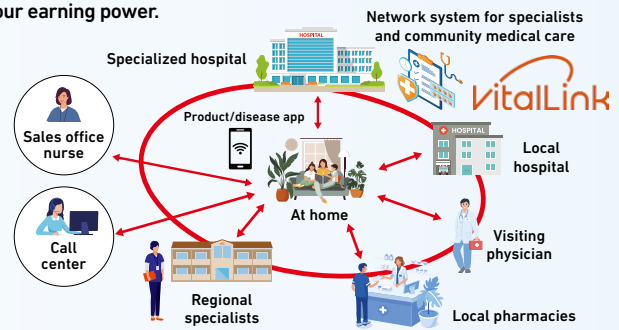
- Abundant knowledge and know-how in materials and their properties, gained through the development, research, and manufacture of high-performance materials
- Technologies and knowledge gained through developing pharmaceuticals and providing home medical device

Competitive Advantage Customer-Centric Business Model

- **The Teijin Group's competitive advantage lies in its "Customer-Centric Business Model," and the source of our earning power is implementing thoroughly of *Kumiawase*, combining of technologies materials, and services, and *Suriawase*, understanding and addressing customer needs.**
- **By sincerely addressing customer concerns and providing what they truly need, when and where they need it, we will refine our "Customer-Centric Business Model" to further enhance our earning power.**

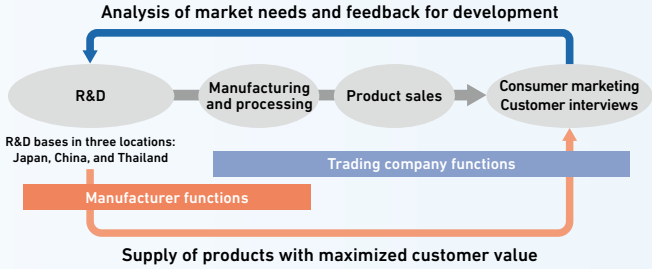
Case 1 Home Healthcare in the Healthcare Business

Leveraging the broad and deep support system built in the home healthcare field, we approach customers (patients, families, and healthcare professionals) who require various forms of support.



Case 2 The Business Model of the Fibers & Products Converting Business

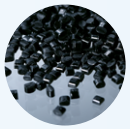
We develop products through anticipating consumer and customer needs, leveraging a business platform that integrates our trading company functions, which is strong in diverse procurement and marketing capabilities, with our development and production capabilities as a manufacturer. Integrating trading company functions and manufacturer functions enables us to quickly roll out the products customers want.



Case 3 Compound Product Development in the Resin & Plastics Processing Business

Through marketing and sales for a wide range of applications, we accurately grasp customer problems and needs, flexibly customize products (filler-reinforce composite, special designs, etc.) according to the application and usage environment, and swiftly develop and propose original compound products. Our production technology and production management systems, which ensure that quality stays high, support the stable supply of newly developed products.





CEO and Institutional Investor Dialogue

Establishing Competitive Advantage in the Global Market



Akimoto Uchikawa
Teijin Limited
President and CEO,
Representative Director of the Board

Yasunori Nakagami
Misaki Capital Inc.
Representative Director and CEO

Following nearly 20 years in consulting, Yasunori Nakagami founded Misaki Capital Inc. in 2013. As a long-term, selective investor, he works alongside management to enhance corporate value.

Qualities Management Must Possess to Lead a Company to Global Growth

Nakagami To be recognized as a true growth company on the global stage, bold risk-taking is essential. It is what we often call "jaw-dropping investment." Without investment, there is no growth, and earning recognition as a growth company at the global level requires extraordinary investment. But to do so, a company must first be profitable enough to make a jaw-dropping investment. That means identifying areas where the company has a competitive edge and focusing resources there. Viewed this way, the qualities required of management come down to three things: a strong focus on profitability, the ability to read the competitive landscape, and taking calculated risks.

Uchikawa I believe our company is facing challenges even before we reach those three key elements. In the past, we had strong technological capabilities and were able to act on those elements naturally. But as customer needs have grown more diverse and complex, and the chemical industry has gone through significant changes, we now find ourselves in a position where, despite understanding the importance of these elements intellectually, we struggle to execute them. That is why the entire company must pause and reexamine what kind of organization we want to become and how we hope to contribute to society. To navigate this era, we believe it is essential for us to win strategically with our narrative, not with hindsight "The end justifies the means."

Nakagami So that's what led to the formulation of your purpose. That said, if it comes across as just another trendy buzzword, it will not resonate with investors.

Uchikawa Our Purpose, "Pioneering solutions together for a healthy planet," was developed over a year through discussions with our employees. It was never intended to be a trendy slogan; instead, we wanted it to reflect the values that are intrinsic to Teijin and genuinely important to our people.

Nakagami Some time ago, I had the opportunity to speak with

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Professor Colin Mayer of Oxford University, a well-known advocate of the purpose concept. He said, "Profit is a by-product of solving social issues." I responded by asking, "Isn't it only when we tackle serious social issues and do so in a unique way that we can actually generate profit?" He nodded in agreement. When I look at Teijin's purpose, I feel you still need to sharpen its clarity by more clearly defining what makes Teijin unique and which challenges you are specifically aiming to solve.

Uchikawa I tell our employees that once our priorities become sharper and more clearly defined, I want them to propose new wording for our purpose. We are also asking each business unit to develop a clear, accessible vision that sits beneath the purpose. At the corporate level, we have a long-term vision, "To be a company that supports the society of the future." On top of that, the Materials and Healthcare Businesses each have their own visions: for example, "a company that prioritizes the health of the planet, protects the environment, and supports a circular society," and "a company that resolves issues for patients, families, and communities in need of greater support."The Healthcare vision effectively highlights our unique focus on supporting local communities through a foundation of home healthcare. For Materials, however, I believe we need a more clearly defined vision. This may not align with what the textbooks say, but I believe purpose and vision should not be rigid; they should evolve flexibly in step with changes in the world around us.

Nakagami I agree with you. Sharpening that clarity is something you should continuously strive for. Looking at Teijin's history, as the company expanded into multiple business areas, it seems that the businesses became increasingly siloed, making it harder to maintain a clear view of the overall strategic landscape. Would you agree with that assessment?

Uchikawa That's exactly right. Our frontline employees are fully committed to their roles. Ideally, the management team should understand the broader strategic landscape and optimize accordingly; however, we had not been doing so. That said, we have since reorganized our structure, and we're finally in a position to consider company-wide strategy based on a unified understanding of the overall situation, with everyone at the same table.

Nakagami There's a company I'm familiar with that restructured its management meetings to exclude business unit leaders entirely, opting instead for discussions among only the Chief Officers responsible for company-wide functions.

Uchikawa When I took on the role of President, I also cut the number of Executive Officers in half and limited participation in Management Committee to the chief officers. Business executive officers were asked to focus solely on operations. We drew a clear line between the roles: the chief officers focus on overall strategic discussions, while business executive officers focus on their business execution —each with a distinct purpose.

Approach to Business Portfolio Transformation

Nakagami With the business environment changing so dramatically, many companies are making portfolio transformation a central management priority. But if all you are doing is mechanically plotting businesses on a "profitability" and "growth" matrix to decide what to sell or buy, anyone can do that. The real job of management is to build a shared understanding of the company's purpose and unique strengths and then determine, based on that foundation, whether a business is something we should pursue over the medium- to long-term.

Uchikawa We had some hesitation about divesting INFOCOM CORPORATION, a company that was both highly profitable and had strong growth potential. But in the end, we decided to transfer the company as we thought Teijin was not the best owner for the business, and it fell outside the scope of what we define as a "healthy planet." Up to now, our divestment decisions were typically based on profitability. This was the first time we made a decision based on whether we were truly the best owners.

Nakagami When companies undertake major reforms, they often



start with purpose and human resource system. I know someone who is now a president, and he became CFO at a time when the company was on the verge of bankruptcy. So when the president at the time said they wanted to create a purpose, he honestly thought, "This is hardly the time for something so leisurely." And yet, the company made a strong recovery and is now generating solid profits. The current president even says that starting with purpose formulation was important. So your point really hits home.

Uchikawa Unless you clarify the purpose, bring together people who are genuinely committed to it, and build an organization capable of execution, nothing else matters. At this point, I believe that transforming the organization around a clearly defined purpose is absolutely essential.

Nakagami The current business portfolio seems, if anything, quite vulnerable to shifts in market conditions.

Uchikawa The Healthcare Business is relatively resistant to economic fluctuations, and the Fibers & Products Converting Business has also become a stable source of profits. That said, it is true that the Materials Business remains vulnerable to market conditions. Right now, the key to maintaining stable profits lies in our ability to pass rising raw material costs onto prices. But looking ahead, we want to shift toward a model that ensures the value we provide is consistently captured in our profits.

CEO and Institutional Investor Dialogue



How Do You Build a Lasting Competitive Advantage?

Nakagami The real question is whether the business is in a position of competitive strength where, even when market conditions fluctuate, it can pass on cost increases and still translate added value into profit. What I emphasize is not short-lived notions of "competitive advantage" or "differentiation" that fade over time, but whether we've built real barriers that are difficult for competitors to overcome. I look at these barriers from two angles. One is a cost advantage, meaning the ability to produce at a lower cost than others and having exclusive, hard-to-replicate technologies. The other is customer lock-in, which might come from habitual use, high switching costs, or the difficulty of finding alternatives. When these elements are combined with economies of scale, the barriers become even more formidable, and the ability to sustain strong profitability is greatly enhanced.

In Teijin's case, such barriers may exist in areas like aramid business or home healthcare business. But judging from your overall performance, it seems those barriers either are not especially strong or may be weakening.

Uchikawa For example, the patent of *FEBURIC*, a gout and hyperuricemia treatment, has expired, so the barrier to entry disappeared. In the Materials Business, too, commoditization is accelerating, and the barriers are steadily eroding year by year. We continue working hard to build barriers through both cost advantage and differentiated technologies. Still, I believe we are in an era where that alone is no longer enough to create truly high walls. That's why we are putting more focus on customer lock-in.

For example, in the commoditized Fibers & Products Converting Business, we have managed to generate steady profits precisely because the barriers are so high. Our strength lies in the long, complex, and resilient supply chain we have built, one that ensures we can deliver precisely what's needed, when and where it's needed. This capability is the result of years of refining our role in linking a wide range of customers around the world with small and midsize suppliers.

In the home healthcare business, we also have a strong competitive edge, thanks to an business platform that extends beyond mere equipment supply. This includes support during disasters and a call center that can respond immediately to patient needs, services competitors do not provide. In the event of an earthquake or other disaster, our sales representatives have even been known to carry oxygen tanks themselves from warehouses to patients. I believe this kind of trust, built up over time, becomes an invisible barrier in itself.

Of course, each business also incorporates proprietary technologies to create differentiation. In short, Teijin's business model is characterized by the combination of customer lock-in and unique technology. That's what strengthens our competitive barriers.

Nakagami When it comes to business models that match a large number of clients and customers, like restaurants and end users, "Ribbon Model" of Recruit Co., Ltd. is a well-known example. But in Teijin's case, even as a manufacturer, the company has managed to build high barriers by functioning as a coordinator that connects parties while also leveraging its differentiated technologies and the intangible trust it has built over time.

Uchikawa Exactly. We're currently working to share across the company the view that this model has become a successful one for generating sustainable profit. I call it our "Customer-Centric Business Model." Customer-centric can take many forms depending on the business, but within Teijin, we are discussing the idea that our success has come from a model that bundles together many small, dispersed relationships. We want to build on that strength, turn it into a real competitive barrier, and evolve our business model from there.

Nakagami Having a clear purpose and defining a vision for each business, while building barriers through a Customer-Centric Business Model, is a compelling idea from an investor's perspective. However, given the significant differences in supply chain structures in the home healthcare, Fibers & Products Converting, and Materials business, can this truly be leveraged as a strength across the entire company?

Uchikawa Initially, we considered defining the "Customer-Centric Business Model" by grouping together businesses with similar operational processes. However, since each business serves different clients and operates under distinct workflows, we realized that approach would lack effectiveness. Instead, we are now working to clarify the essence of the model first and then apply it to each business. As we pursue various initiatives, we are gradually recognizing that the businesses achieving success share certain commonalities. In our next medium-term management plan, we aim to clearly articulate our purpose, business vision, and the meaning behind the Customer-Centric Business Model.

Enhancing Execution Capabilities

Nakagami Stock returns can be broken down into beta, which tracks markets or overall industry trends, and alpha, which represents outperformance. For fund managers, identifying companies capable of generating alpha is essential to gaining an edge. So what sets alpha-generating companies apart from the

CEO and Institutional Investor Dialogue



rest? In my view, it ultimately comes down to people, the strength of the organization. No matter how compelling a company's purpose or business model may be, without the ability to execute, it will not produce results. What is your perspective on this?

Uchikawa We often use land as a metaphor for materials development, saying, "The days when simply offering good land would naturally attract people to build value and innovation on it are over. It is no longer enough just to provide the land; we must actively work to make it a place where value can be created." In other words, we need to become an organization that thinks through how to monetize what we develop and executes on it.

Nakagami Improving execution capabilities also requires a new management structure and personnel system. That said, when it comes to personnel systems, Japanese companies often try to drive organizational transformation through "the right person in the right job," by assigning roles based on the skills of those already within the company. However, in situations that demand transformation, the talent needed may not exist internally to begin with. That is why I believe it is crucial to first identify what kind of talent is truly needed and which positions are missing, and then actively bring in people from outside the company. In other words, perhaps it is time to shift the mindset toward assigning the right people to the right positions.

Uchikawa We are also working to place external talent in key positions and establish a more flexible personnel system that enables employees to proactively pursue new career opportunities.

Nakagami Shifting the collective mindset within an organization is no easy task. However, through numerous conversations with business leaders, I have come to believe that it is the first hurdle that must be overcome, and without question, it serves as the catalyst for transformation.

Uchikawa Since becoming president, I have met with many business leaders and asked them what kinds of initiatives they are pursuing. What struck me was that the companies undergoing real transformation all had leaders who took the initiative themselves and actively drove their employees forward. The idea of holding town hall meetings was something I launched based on that insight.

Expectations for Teijin Moving Forward

Nakagami While there may still be many challenges ahead, I was left with the strong impression that you have a clear sense of direction. It is evident that you are taking the necessary steps, and I found your insights into Teijin's purpose, vision, and the Customer-Centric Business Model both fascinating and interesting. Given how rapidly the external environment is evolving today, I hope you will continue driving transformation in step with that external pace rather than being confined by internal timelines. I am in great hopes to see how the Customer-Centric Business Model is refined and embedded across the organization in your next medium-term management plan.

Uchikawa Whereas such transformations might previously have taken five to ten years, we are now committed to executing them within two to three years and to enhancing our enterprize value.



Special Feature – Our Purpose

OUR PURPOSE











Launch of “My Action” Workshops

In May 2024, the Teijin Group publicly announced its Purpose of “Pioneering solutions together for a healthy planet” along with three Values: “Empowering ourselves to address challenges” “Fostering growth through diversity and expertise,” and “Safeguarding our planet and all life on it.” These are central to realizing our long-term vision of “To be a company that supports the society of the future.”
To ensure that every employee embraces this Purpose as their own, we rolled out “My Action” workshops globally in which employees declare what each of them should do now from the perspective of the societal issues the Teijin Group is facing. The aim is to use the Purpose as a springboard to accelerate two-way communication between managers and subordinates, and across teams, and to continue these activities for the next decade until they become embedded in our corporate culture.






Special Feature – Our Purpose

COMMITMENT

Purpose Engagement Activities: Kick-off in August 2024



I will pursue on-site capabilities to contribute to society as a manufacturer trusted by customers and the market.

Noboru Yamanishi
Executive Officer, Member of the Board
Chief Sustainability Officer, Responsible for Engineering Division

I will create "One Teijin" where no one is left behind. I support the challenges of all those who support this.

Akimoto Uchikawa
President and CEO, Representative Director of the Board

I will continue to generate right profits through fibers business.

Yasunari Hirata
Teijin Group Executive Officer,
General Manager, Fibers & Products Converting Business Unit
President and CEO, Teijin Frontier Co., Ltd.

I will support those who take on challenges to bring about change, and continue to take on challenges myself.

Tomoko Torii
Full-Time Statutory Auditor

Our Way NEVER STOP EXPLORING

Masataka Akiyoshi
Teijin Group Corporate Officer,
General Manager, Composites Business Unit

Live my life for our patients (customers), for society, and for our company.

Naohiko Moriyama
Senior Executive Officer, Representative Director of the Board
Chief Officer, Corporate Strategy, Chief Financial Officer

I'll try and make them try.

Eiji Ogawa
Teijin Group Senior Executive Officer,
Assistant to the President (responsible for special projects) and Responsible for Procurement and Logistics Division

I will improve the overall level of my team, increase job satisfaction, and create a workplace where people can work with high engagement.

Masanori Shimai
Full-Time Statutory Auditor

As of August 2024

Special Feature – Our Purpose

MY ACTION

Employee Voices: The thoughts I put into my "My Action"



MY ACTION IS...

I am building new bridges, between sustainability and business and between Teijin people worldwide. Let's find better solutions together!

Axel Leuchter

Thoughts on MY ACTION

I am driven by the belief that aligning sustainability with business is not just a responsibility, but an opportunity to create long-term value.
By connecting our people, who have such wonderful skills, globally, I aim to foster collaboration that sparks innovative, impactful solutions for a better future.



MY ACTION IS...

To enable the business in my region to focus on their business priorities by removing(admin) burden from them and to advocate Teijin's business to external stakeholders

Karola Japke



MY ACTION IS...

I will continue learning, embrace challenges without fear, and strive for better results rather than simply following instructions. I will engage in self-reflection and work with my colleagues to achieve a sustainable future!

Xianting Yang



MY ACTION IS...

BE HELPFUL BY ACTIVELY LISTENING, OFFERING SUPPORT, AND ASKING CRITICAL QUESTIONS TO ENCOURAGE CLARITY AND GROWTH

Kaily Muller

Thoughts on MY ACTION

I believe it's essential to keep each other sharp by staying curious and asking thoughtful, challenging questions.
By adopting this action, I contribute to a culture of collaboration, curiosity, and continuous learning, ensuring that our team remains adaptable and forward-thinking.



MY ACTION IS...

BEING CONSTANTLY WORKING WITH DIVERSE TEAM, WOULD LIKE TO BE THE BRIDGE AND SUPPORT THE CHANGE NEEDED FOR TEIJIN

Mohd Rashed



MY ACTION IS...

I will work tirelessly with those around me and continue to grow.

Honoka Nishimi

Thoughts on MY ACTION

No task can be completed alone. I think it's important to see failures as positive experiences and insights, and by working tenaciously with colleagues, I aim to achieve long-term goals and keep growing.



MY ACTION IS...

I will pursue every possibility without borders and take on new challenges!

Junya Kawamura



MY ACTION IS...

I will visualize the goal from the purpose to the end state before taking action.

Akari Honda



MY ACTION IS...

EMPOWERMENT AND SUPPORT TO ACHIEVE CHALLENGES.

Narendra Kumar



MY ACTION IS...

I will connect and bring people together proactively, maximizing each individual's strengths!

Mana Nakatani



MY ACTION IS...

I need to increase head count skill of JMAM members more than 50%

Preedaporn Jansri



MY ACTION IS...

Actively create an environment in our region where our Teijin businesses can work together towards our common purpose

Murasaki Schneider



MY ACTION IS...

I will repeat the cycle of thinking, acting and communicating, and keep taking on challenges with everyone, without fear of failure!

Naoki Degawa

Thoughts on MY ACTION

I believe there are challenges being taken on throughout the company, and it is important to keep doing so until success is achieved. I will share both hardships and joys with my colleagues, run at full speed, and never give up on achieving our goals!



MY ACTION IS...

I will continue to take on social issues together with my team and colleagues!

Kousen Ryu

Special Feature – Our Purpose

Dialogue for One Teijin

Creating Opportunities for Direct Dialogue Between Executives and Employees

In addition to the My Action workshop rollouts, we emphasized the importance of processes that foster empathy and unite us towards "One Teijin" by creating opportunities for executives and employees to engage in direct dialogue both in Japan and overseas.

Global Town Hall Meetings

Led by CEO Uchikawa, executives from various regions in Japan and abroad took the stage to share their perspectives on the importance of our Purpose and the activities to promote it, incorporating their own experiences in a panel discussion format. The event was streamed online for all employees, enabling real-time responses from speakers to questions submitted by employees, thereby helping to resolve uncertainties and promote cross-organizational, cross-regional, and cross-hierarchical communication.



Voices from participating employees

"I could truly feel that every level of the company is earnestly working towards 'One Teijin.'"

"It was very motivating."





Small Meetings with CEO Uchikawa

In FY2024, the CEO visited various sites and held direct discussions with employees from different levels, including managers, mid-career staff, and younger employees, to exchange views on the significance of deploying our Purpose across the Teijin Group.









Lectures by Outside Director Onishi*

* Retired as Independent Outside Director in June 2025

In FY2024, Outside Director Onishi delivered approximately 20 lectures at Teijin sites in Japan and overseas, drawing on his experience in revitalizing Japan Airlines from bankruptcy. He spoke on the need for business structure reforms and internal cultural transformation, actively engaging in discussions with employees.

Voices from participating employees

"Hearing directly from a top-class business leader was truly inspiring."





How We Put Our Strategies Into Action

HOW



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CStO/CFO Message



We aim to maximize enterprise value by enhancing sustainable profitability and improving capital efficiency.

Naohiko Moriyama
Senior Executive Officer, Representative Director of the Board
Chief Strategy Officer, Chief Financial Officer

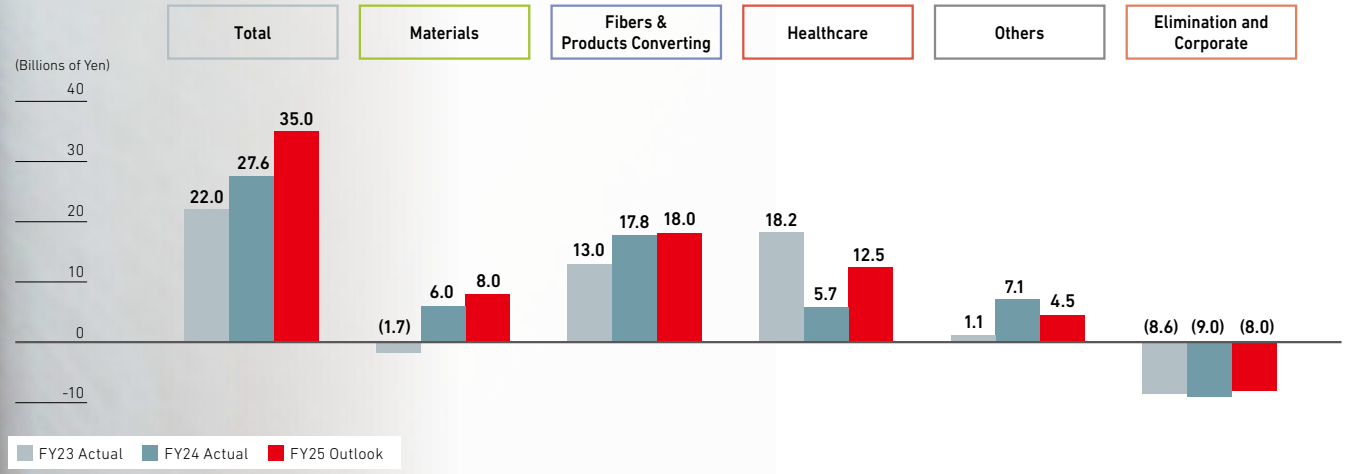
Background to Reforms

In FY2023, the Teijin Group took steps to improve earnings in the three businesses of composites, aramid, and Healthcare with the aim of regaining fundamental profitability. In FY2024, we took stock of underperforming and less-focused businesses, and we have now almost completed transforming our business portfolio. We decided to withdraw from several businesses, both large and small, including INFOCOM CORPORATION and the composites business in North America. The aim of this is to efficiently inject our limited capital—people, goods, and money—into areas where we can leverage the characteristics of the Teijin Group the most.

Working closely with our customers, truly understanding the value they seek, and providing solutions to deliver that value is what characterizes the Teijin Group. In FY2025, we will look to further hone this characteristic in each focused business/domain and endeavor to realize our growth strategy.

As a result of our activities over the past two years, including profitability improvements, our capacity to generate earnings has gradually recovered. Adjusted operating income on an IFRS basis came to ¥22.0 billion in FY2023, ¥27.6 billion in FY2024, and we are forecasting ¥35.0 billion in FY2025. We aim to steadily improve our profit base and use it to fund growth up ahead, thereby driving sustainable growth in the future.

Adjusted Operating Income by Segment





On a personal note, this is the third time I have taken on the role of corporate strategy since joining Teijin in 1990. When I was in charge the previous two times, I worked alongside the then-CEO to implement structural reforms and sought to achieve our next leap forward. I intend to calmly reflect on what worked well and what did not, while also improving the likelihood of realizing our current growth strategy. On the first page of my message, I expressed my intentions as the Chief Strategy Officer and Chief Financial Officer.

Improvement in Profitability

Our PBR (price-to-book ratio) has been stuck below 1.0 times since FY2018, currently hovering around 0.5times to 0.6times. This signifies that not only is our profit base unstable, but also that shareholders and investors have low expectations of our growth potential. You could certainly say that we are in a situation where we need to do something about it. Turning to ROE, even though it rebounded to 6.7% in FY2024 (from –2.9% in the previous fiscal year), it was boosted significantly by one-off earnings from the transfer of our IT subsidiary, INFOCOM. When this impact drops out in FY2025, ROE is expected to be 3%, which is still well below the cost of shareholders' equity expected by the market (estimated to be around 8%–9%). Given this ROE situation, we recognize that lackluster profitability is one of the main factors behind the currently low PBR.

In light of this situation, we have been working on profitability improvement reforms since FY2023. As part of these reforms, we focused on the aramid business and, as a result of our efforts to recover quickly from a factory fire incident, we were able to establish a stable production system in FY2023. Also, in the composites business in North America, we addressed such issues as improving labor productivity and negotiating price increase after recording an extremely heavy loss. As a result, we achieved a return to profitability on a quarterly basis in the second half of FY2024. Furthermore, in the Healthcare Business, we have been working on transforming our business structure from a medium- to long-term perspective. We have focused on switching to a fixed cost structure based on a system that combines the treatment of rare diseases with home healthcare, leveraging our strength of having a home healthcare services platform. We have also addressed the challenges associated with the introduction of pharmaceuticals in the rare and intractable disease areas. In this way, we achieved positive results. In addition, we have implemented measures to lower fixed costs, including an early retirement incentive program centered on our head office, and we expect to achieve the targeted reduction amount of ¥4.0 billion called for in the medium-term management plan ahead of schedule.

In FY2025, we will implement further profitability improvement measures, including a review of our production systems in the aramid and carbon fibers businesses, which have been affected by sluggish demand stemming from economic slowdowns primarily in Europe and China, as well as increasingly intense market competition. Our aim is to further boost the fundamental profitability of our existing businesses. Both aramid and carbon fibers are businesses with enormous future potential. In the aramid business, we aim to develop new applications for submarine power cables and mooring ropes for wind power projects in the infrastructure & industrial sector, which we have designated an area of focus. In the carbon fibers business, we are promoting the development of intermediate materials for next-generation aircraft in the mobility sector. After shoring up our earnings base, we hope to translate these efforts into future growth.

PBR (price-to-book ratio)



Business Portfolio Transformation

We see weaker expectations for longer-term growth to be another major factor contributing to the low PBR. In order to pivot towards growth based on fundamental profitability that continues to recover, we determined that we needed to narrow down our businesses. That is why in FY2024, we executed a bold transformation of our business portfolio. Guided by a policy of

divesting businesses that we have decided are not the best fit for the Teijin Group or are difficult to position as future pillars of the Group, we have taken steps to spin off INFOCOM, the composites business in North America, and the implantable medical devices and functional food ingredients business units.

With the narrowing down of our businesses largely completed, we will effectively transition to a value-driven business model in FY2025 and step up our initiatives in the next medium-term plan starting from FY2026. Our strengths are our framework for R&D, production, services, and support to meet the wide-ranging needs of customers and patients as we work to sincerely address their concerns, as well as the relationships of trust to draw out those needs. Based on these strengths, in the Fibers & Products Converting Business, we have established a global supply chain platform as a trading company, in the home healthcare business, we have built a robust support platform for patients and healthcare providers, and in the resin and plastic processing business, instead of a single resin, we have combined multiple resins to create a high value-added compound business platform to generate stable earnings. We will expand this Customer-Centric Business Model into priority fields, such as the aramid business, the carbon fibers business, the resin and plastic processing business, and other businesses primarily through downstream business expansion, penetrating in adjustment field, and industry realignments.

Approach to Resource Allocation

As I have mentioned so far, we are in a transitional phase toward growth in our business portfolio transformation, and new investments will be required to generate re-growth. However, after reflecting on past investments that failed to generate expected profit, resulting in weakened profitability and the enormous impairment losses, we have decided to tighten the conditions for presenting investment projects to management meetings and will also subject them to a multifaceted review by the Company's chief officers. In addition, we have set hurdle rates for ROIC based on adjusted operating income with WACC assumptions for each business so that we can evaluate capital efficiency, and we have carefully selected businesses and areas for our business portfolio transformation. Furthermore, for each business, we have used ROIC trees to break down the numerator and denominator to establish KPIs for key items according to business characteristics, thereby clarifying which organizations are responsible and implementing initiatives to formulate specific action plans. Also, by expanding this management method to the department and section levels, we are also utilizing it for concentration and selection at the product and transaction unit levels within each business.

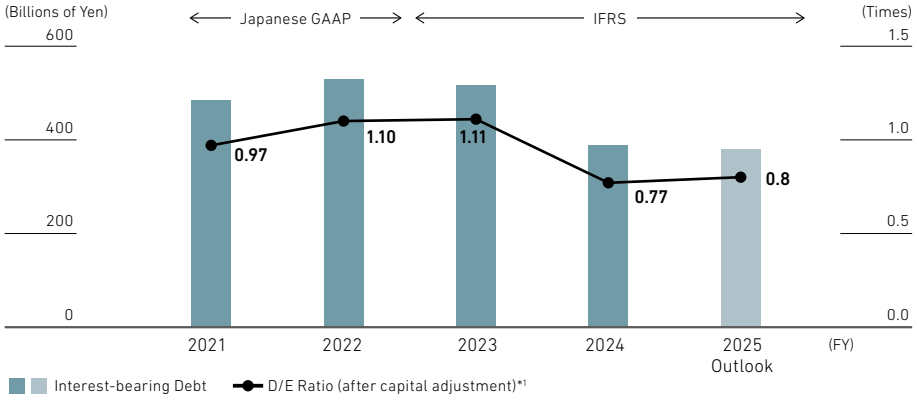
Capital Cost Reduction Strategy

So far, I have explained our efforts geared towards enhancing profitability in order to improve the PBR, fostering growth expectations, and reducing investment and business risks. And we have been expanding our financial soundness and strengthening our management system to support the efforts, which will also be key to regaining the trust of shareholders and investors.

Regarding financial soundness, we have achieved a reduction of approximately ¥130.0 billion in interest-bearing debt as a result of the business portfolio transformation implemented in FY2024, the continuous reduction of cross-shareholdings and idle assets, and the implementation of global cash management to improve cash efficiency. As a result, our D/E ratio (after adjusting for the capital nature of subordinated debt) improved from 1.11 last fiscal year to 0.77, reaching our target level of 0.9 and allowing us to establish a stable financial base. We have always utilized financial leverage appropriately, controlling the ratio of debt to equity within a certain range to keep a lid on capital costs and achieve financial soundness. We will continue to stick to this disciplined financial policy going forward.

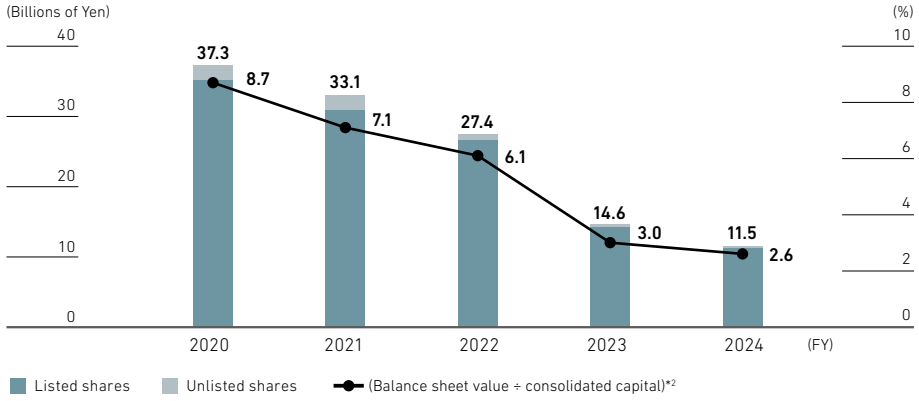
As for the strengthening of our management system, our priority initiatives are to undertake global business operations aligned with our purpose, continuously improve our governance

Trend of Interest-bearing Debt and D/E Ratio



*1 D/E ratio taking into account the equity credit of the subordinated bonds (The Company issued subordinated bonds of ¥60.0 billion on July 21, 2021)

Cross-shareholdings



*2 Non-consolidated carrying amount and ratio to consolidated capital

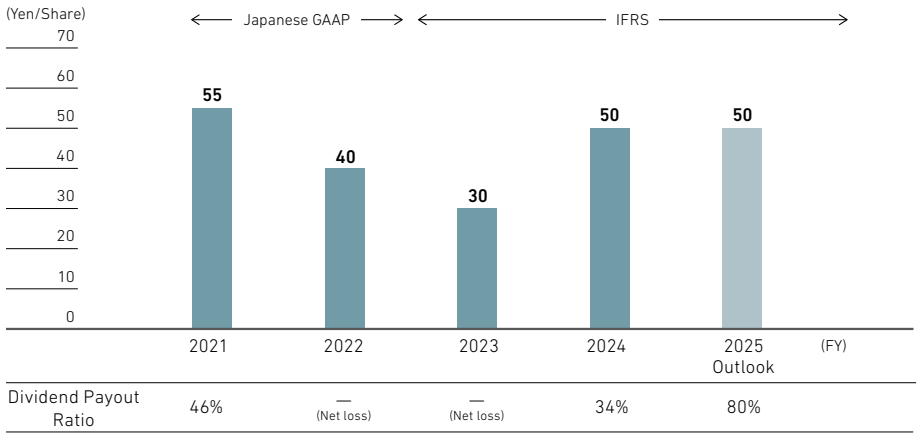
system, enhance our production/manufacturing technology, and human capital management. In particular, regarding corporate governance, we transitioned to a company with an Audit & Supervisory Committee following a resolution at the General Meeting of Shareholders in June 2025. This change has expedited decision-making through the expanded delegation of executive authority to corporate officers and further enriched discussions on important issues at Board of Directors, thereby strengthening its supervisory function. We have also implemented a reorganization of our management functions to address management issues, including those overseen by the Chief Technology Officer and the Chief Digital Officer.

Our initiatives to address these important issues and strengthen our management system are highlighted at our quarterly financial results briefings, other management presentations, and individual meetings, and we make sure to provide in-depth explanations and engage in dialogue with shareholders and investors so they gain a better understanding of our progress. The various opinions obtained through dialogue are shared among the management team and reflected in our strategies and actions. Through these efforts, we aim to gain the trust of shareholders and investors, which we believe can help lower the cost of capital.

Capital Allocation and Shareholder Returns

At our FY2024 second quarter financial results briefing, we presented our capital allocation policy for the medium-term management plan period from FY2024 to 2025, based on an expected cash inflow of ¥325.0–¥345.0 billion. Our plan was to allocate approximately ¥100.0–¥110.0 billion for growth investments, around ¥100.0 billion for base investments, ¥90.0–¥100.0 billion for enhancing financial soundness, and over ¥30.0 billion for shareholder returns. At this point in time, no changes have been made to this policy. However, in FY2024 results, even though non-recurring cash inflow mainly from the execution of strategic options was as expected, the amount allocated to growth investments was smaller than expected due to our cautious approach in evaluating investment projects, as mentioned earlier. As a result, we have allocated a greater amount than anticipated for improving financial soundness. This means that when we need cash again during the execution phase of our growth strategy, we have gained the ability to leverage our position for growth investments. As to shareholder returns, we raised dividends as promised by ¥20 per share and we plan to keep the dividend at ¥50 per share for FY2025, ensuring a stable level of dividends.

Trend of Dividend per Share



In addition, we plan to conduct share buybacks through FY2025, but these will be considered in light of future cash inflow conditions and the progress made on realizing our growth strategy.



In Conclusion

Starting from FY2024, I will oversee both corporate strategy and accounting/finance. As the Chief Strategy Officer, I will spearhead the formulation and execution of plans to enhance the feasibility of our medium-term management plan and the concreteness of our long-term strategies for success. And as the Chief Financial Officer, I have long thrown my weight behind the Company's strategies and execution while taking into account our financial risk tolerance. At the same time, I have been engaging with stakeholders both internally and externally to drive understanding and support for the Teijin Group's strategy.

ROE and ROIC have not yet reached satisfactory levels, and I recognize that we have not been able to deliver results that meet the expectations of our shareholders and investors, as indicated by the PBR level. However, I do feel that we are making steady progress on reforms aimed at achieving our goal of an ROE above 10% at the earliest possible time during the period of the next medium-term management plan. That plan will be announced in the spring of 2026, in which we will present the new vision for the Teijin Group. I kindly ask our shareholders and investors to stay abreast of our upcoming initiatives and continue to support us in the future.

Medium-Term Management Plan 2024–2025

Teijin Group has formulated Medium-Term Management Plan 2024–2025 as a first step to swiftly completing the business portfolio transformation and returning to a growth trajectory, and has been working to implement it.

Positioning of Medium-Term Management Plan 2024-2025

Reforms for Profitability Improvement 2023	Medium-term management plan 2024–2025	Medium-term management plan 2026–2028
Reforms for profitability improvement **Overview** Largely achieved, but issue of production stabilization remains	**Recover fundamental profitability by profitability improvement** × **Execute business portfolio transformation (narrowing down the businesses and investments in growth businesses)** **Strengthen the management system**	**Realize growth based on transformed business portfolio** Mobility / Infrastructure & Industrial / Healthcare

FY2023 results*1			FY2025 targets				Targets for FY2026 onward
ROIC	ROE	Adjusted operating income	ROIC	ROE	D/E ratio*2	Adjusted operating income	
1.8%	-2.9%	¥22.0 billion	4% or higher	6% or higher	Approx. 0.9	¥50.0 billion ¥39.0 billion (excl. IT Business)	Aim for early achievement of ROE of 10%, PBR 1.0x or higher

Progress on Key Initiatives for the Medium-Term Management Plan 2024–2025

In FY2024, we made steady progress in transforming business portfolio and strengthening our management system. In FY2025, we will build a stable profit base through cost structural reforms and formulate a strategy to transform into a value-driven business for the next medium-term management plan.

Priority measures in MTP	FY2024 results	Priority issues for FY2025
(1) Recover fundamental profitability	• Largely achieved planned measures • Aramid and carbon fibers profits declined • Established a stable profit base for Fibers & Products Converting	• Aramid & carbon fibers: Swiftly implement cost structural reforms to address new challenges arising from changes in the external environment • Healthcare: Continue to promote business structure transformation and reduce fixed costs
(2) Execute business portfolio transformation	• Narrowed down business portfolio (strategic option) as planned • Developed new applications in key industry sectors and narrowed down M&A candidates	• Realize growth strategy Horizontal rollout of successful models and shift to value-driven businesses (expanding to downstream, capturing adjacent fields, participating in industry reorganization, etc.)
(3) Strengthen the management system	• Advanced "My Action" activities to embed corporate purpose into employee actions • Decided on transition to a company with an Audit & Supervisory Committee • Introduced the global job posting system and job-based employment system for managerial positions to assign the right people to the right positions	• Implement strategic options executed in FY2024 and consider optimal organizational structure based on the next medium-term management plan (optimization of cross-Group functions, etc.)

Financial Targets and Results for Medium-Term Management Plan 2024-2025

▶ Group Total

Adjusted operating income for FY2024 exceeded the targets set in Medium-Term Management Plan 2024-2025 (excluding IT Business), and ROIC and ROE also achieved their targets. In addition, the repayment of interest-bearing debt contributed to a significant improvement in the D/E ratio. Although the FY2025 outlook is expected to fall short of the Medium-Term Management Plan targets, we will accelerate cost structural reforms in the aramid and carbon fibers businesses, which remain key challenges, and persistently work toward achieving the targets.

(Billions of yen)	FY2023 results*1	MTP FY2024 targets	FY2024 results	MTP FY2025 targets	FY2025 initial outlook
Revenue	960.5	1,050.0 (excl. IT Business) 975.0	**1,005.5**	1,150.0 (excl. IT Business) 1,070.0	**860.0**
Adjusted operating income	22.0	30.0 (excl. IT Business) 20.0	**27.6**	50.0 (excl. IT Business) 39.0	**35.0**
ROIC	1.8%	2%	**2.6%**	4% or higher	**3%**
ROE	-2.9%	2%	**6.7%**	6% or higher	**3%**
D/E ratio*2	1.11	1.0	**0.77**	0.9	**0.8**

*1 IFRS
*2 D/E ratio with adjusted capitalization of subordinated bond (60.0 billion yen subordinated bond was issued on July 21, 2021)

▶ Breakdown by Segment

In FY2024, the Healthcare Business fell short of its targets. However, the Materials Business achieved its targets as planned and the Fibers & Products Converting Business significantly exceeded its targets. In FY2025, although the Materials Business is expected to underperform the initial targets, we expect to achieve our overall targets, with the Fibers & Products Converting Business and Healthcare Business exceeding their targets.

	Revenue					Adjusted operating income				
(Billions of yen)	FY2023 results*1	MTP FY2024 targets	FY2024 results	MTP FY2025 targets	FY2025 initial outlook	FY2023 results*1	MTP FY2024 targets	FY2024 results	MTP FY2025 targets	FY2025 initial outlook
Material	439.2	460.0	**459.3**	530.0	**320.0**	(1.7)	6.0	**6.0**	20.0	**8.0**
Fibers & Products Converting	321.7	320.0	**351.9**	340.0	**350.0**	13.0	12.5	**17.8**	13.0	**18.0**
Healthcare	144.7	140.0	**137.0**	140.0	**135.0**	18.2	8.5	**5.7**	9.0	**12.5**
Others	54.8	55.0	**57.3**	60.0	**55.0**	1.1	1.0	**7.1**	2.0	**4.5**
Elimination and Corporate	—	—	**—**	—	**—**	(8.6)	(8.0)	**(9.0)**	(5.0)	**(8.0)**
Total	960.5	975.0	**1,005.5**	1,070.0	**860.0**	22.0	20.0	**27.6**	39.0	**35.0**

Medium-Term Management Plan 2024–2025

Detailed Progress of Priority Measures

(1) Recover Fundamental Profitability

In FY2024, while we largely achieved the measures to recover our fundamental profitability as planned in the Medium-Term Management Plan 2024-2025, profits in the aramid and carbon fibers businesses deteriorated. Meanwhile, we established a stable profit base for the Fibers & Products Converting Business. In FY2025, we are striving to strengthen our profit base in the aramid and carbon fibers businesses.

▶ Progress to Date

Through the first half of FY2023, business performance was on a recovery trend due to efforts to improve profitability in the aramid business and the steady recovery of aircraft demand in the carbon fibers business. However, from the second half of FY2023 to 2024, profitability declined due to changes in the external environment, including a slowdown in market growth and intensified competition. Accordingly, we determined the need to implement new measures in addition to those in the current medium-term management plan.

	Aramid	Carbon Fibers
FY2022 to FY2023	• Stabilized the business performance by recovering from the fire, profitability improvement, and building a system for a stable supply	• Increased our production capacity by operating a new plant in North America • Sales of aircraft applications gradually recovered after the COVID-19 pandemic was contained
Second half of FY2023 to FY2024	• Changes in the external environment exceeding expectations ✓ Market growth temporarily slowed (in Europe and other regions) ✓ The increased production capacities of competitors softened the supply-demand balance	• The external environment deteriorated ✓ Decrease in demand for certain industrial applications (wind power turbines, etc.) ✓ Increasingly heightened competition caused an oversupply and price dropping

▶ New Initiatives for FY2025

Aramid and carbon fibers are businesses with high growth potential for the future. While steadily implementing the development of new applications to achieve growth and expansion 1, we will also take swift action to address the recent decline in profitability by fully leveraging our expertise and execution capabilities that have enabled us to overcome drastic environmental changes in the past 2.

	Aramid	Carbon Fibers
1	✓ **Accelerate development of new applications (mooring ropes for offshore wind power turbines and submarine power cables)**	✓ **Capture steady aircraft demand and advance development of intermediate materials (developing superior woven fabric materials and thermoplastic prepreg)**
2	✓ Reduce fixed costs, including labor costs, by reviewing the production system ✓ Conducting a fundamental review of the R&D, sales, and head-office functions	✓ Reducing the scale of production by withdrawing from less-profitable businesses ✓ Pursue an optimal global production system and cost structural reform

Implementation and monitoring systems

Forming a special action team that comprises members from both the corporate and business divisions to make a full commitment to additional improvement measures

Setting milestones and KPI and monitoring monthly by application and by region

Medium-Term Management Plan 2024–2025

Detailed Progress of Priority Measures

(2) Execute Business Portfolio Transformation

In FY2024, we steadily narrowed down our business portfolio and largely completed the process. Positioning FY2025 as a preparatory period for the Company to achieve significant growth from FY2026 onward, we promote growth and expansion of narrowing down the businesses around a Customer-Centric Business Model that provides value and services that help address customer issues.

Basic principles

- **If we determine that we are not the best owner of a business from the perspectives of synergy, capability, and resource allocation, or if we determine that it is difficult to position a business as a future pillar for the Teijin Group from various perspectives, including business stability and growth potential, we will promptly divest that business**
- **We will promote growth and expansion by narrowing down the businesses around the Customer-Centric Business Model that focuses on providing value and services to help customers solve the challenges they face**

Achievements to date

▶ INFOCOM CORPORATION

Transfer timing: October 2024
Transfer price: 134.4 billion yen

▶ Composites business in North America

Transfer timing: July 2025

▶ Implantable medical devise

Dissolved joint venture with Teijin Nakashima Medical Co., Ltd.
Transfer timing: June 2025

▶ Functional food

Transferred functional food ingredient business, etc.
Completion timing: June 2025

Future directions

✓ **Execute the Customer-Centric Business Model, Teijin's strength, in priority areas**
1. **Downstream expansion: Shift focus downstream in priority markets**
2. **Penetrate in adjustment field: Expand product lineup through M&As, etc.**
3. **Industry reorganization: Improve operational resource efficiency, achieve scale, and expand market share**

✓ **Identify businesses that fit the Customer-Centric Business Model for priority resource allocation**

✓ **Enhance ROIC management, focus and select products and transactions within each business unit**

(3) Strengthen the Management System

In FY2024, we made progress in establishing a stronger management system as planned in the medium-term management plan. In FY2025, we will further strengthen our management system and establish a solid foundation to support the return to growth in the next medium-term management plan.

FY2024
✓ Formulate "My Action" plans at the department general manager/section manager level

FY2025
✓ Expand "My Action" initiatives to all employees

Ensure global business operation aligned with our purpose

FY2024
✓ Transition to a company with Audit & Supervisory Committee
✓ Strengthen executive functions (establish CTO and CDO*)

FY2025
✓ Study the optimum organizational structure for the future (optimizing cross-Group functions, etc.)

* CTO: Chief Technology Officer, CDO: Chief Digital Officer

Optimize management decisions and execution

Priority Measures

FY2024
✓ Establish Chief Production, Engineering & Procurement Officer to consolidate functions
✓ Improve maintenance functions at major global production bases

FY2025
✓ Expand equipment management standardization to more facilities

Improve production and manufacturing technologies

Reinforce human capital management

FY2024
✓ Introduce a global job posting system
✓ Introduce job-based employment system for managerial positions in Japan

FY2025
✓ Promote global integration of the job grade system

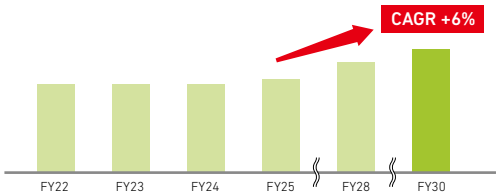
Progress and Key Issues & Measures by Business Unit

Materials - Aramid

In FY2024, we made steady progress in stabilizing production and developing new applications. However, profits declined due to a temporary slowdown in market growth and a softening of the supply-demand balance. In FY2025, we will implement cost structural reforms through a fundamental review of our production system, and establish a foundation for returning to a growth trajectory.

MTP 2024-2025 priority measures	Progress and results for FY2024	Key issues and measures for FY2025
Production stabilization	• Built a stable supply system by strengthening on-site execution capabilities, etc.	• **Maintain stable production**
Regain market share through pricing strategies	• Regained market share in certain applications by leveraging strong, trust-based relationships with customers	• **Continue efforts to regain market share**
	• Profitability deteriorated as competition intensified amid a temporary slowdown in market growth and supply-demand imbalance resulting from capacity expansions by competitors	• **Establish a solid earnings base by optimizing production systems and fundamentally reviewing head office functions**
Develop new applications	• Steady progress in mooring ropes for offshore wind power turbines and submarine power cables, fields expected to show solid market growth	• **Accelerate development toward early commercial production**

Para-aramid Fiber Market Size (based on Teijin's research)



✓ **Market growth stagnated in FY2022-2024 after COVID-19 pandemic**
✓ **From FY2025 onward, the market is expected to return to roughly CAGR +6% growth, driven by EV tires and optical fiber cables, etc.**
✓ **If new applications emerge, even higher growth is possible**

MESSAGE



Peter ter Horst
Teijin Group Corporate Officer
General Manager, Aramid Business Unit
President, Teijin Aramid B.V.

Although we achieved production stabilization in FY2024, market stagnation and excess supply caused by competitors' capacity expansions made the year extremely challenging for us. To secure market competitiveness, we launched cost-reduction and cost structural reform initiatives aimed at future growth in the latter half of last fiscal year. In FY2025, we will firmly implement the structural reforms initiated last fiscal year. These efforts will enhance the efficiency and effectiveness of the entire organization. Alongside these reforms, we will pursue further business growth in selected target markets.

I believe that in these turbulent times, our resilience will be the key. Our determination to drive the necessary changes and achieve growth in a highly competitive environment will lead our transformation to success. While it is extremely difficult to pursue growth and transformation simultaneously, I am confident in our ability to make it happen.

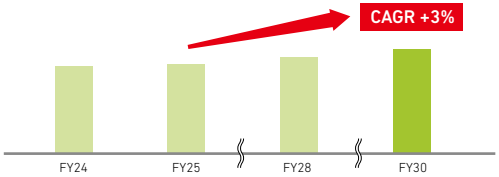
Materials - Resin & Plastic Processing

In FY2024, we made steady progress in developing and expanding sales of Polycarbonate (PC) resin in priority fields, but efforts to expand sales of processed products were delayed. In FY2025, we will continue to expand our sales of compound products, develop processed products, promote sales, and reduce costs, thereby further improving our profitability.

MTP 2024-2025 priority measures	Progress and results for FY2024	Key issues and measures for FY2025
Expand sales of high-value-added PC resin	• Although we were affected by intensified competition in China, sales grew as planned	• **Continue to develop value-added products based on customer needs** • **Expand sales for automotive, high speed telecommunications, and medical products, primarily in China and the ASEAN region**
Non-PC resin*	• Sales of processed products were low due to declining demand	• **Develop high-value-added products that are aligned with customer needs and expand sales** • **Cost reduction by improving productivity**
Promote sustainability	• The development and expansion of sales of recycle-grade products, the development of recycling technologies, and the expansion of biomass-derived PC sales progressed largely as planned	• **Expand sales of recycle-grade and biomass-derive PC, continue development of recycling technologies**

* Resins other than PC resin, processed products, etc.

PC Resin Market Size (based on Teijin's research)



✓ **The office automation equipment market has been shrinking as companies go paperless, but the global PC resin market is expected to have a CAGR of roughly +3%, primarily driven by automotive and electronic devices**

MESSAGE



Junji Kitahama
Teijin Group Corporate Officer
General Manager, Resin & Plastic Processing Business Unit

The resin and plastic processing business aims to be the most highly trusted partner, both of society and of our customers, through relentless pursuit of its materials development capabilities and quality stability.

In FY2024, overall demand declined due to economic stagnation in China, among other factors, but we made steady progress with our development work in the priority field of flagship PC resin and our development and sales expansion of eco-friendly products. As a result, we were able to achieve the adjusted operating income targets of our medium-term management plan. In FY2025, we will strive to turn PC resin into an even stronger profit base. At the same time, we will leverage our core technologies and customer base in fields other than PC resins to set the stage for the transformation of our business structure.

As social and customer needs grow more diverse and there are new technological innovations, such as AI, it will become even more important that we not only leverage our existing technologies and platforms but also create new business models and coordinate with others, both inside and outside our company, so that we can transform our business structure and build a foundation for medium- and long-term growth. Each and every individual will play a role in this, and connecting with each other will enable us to create value that extends across organizations. I myself am filled with respect for everyone involved in our operations and will continue to embrace challenges relentlessly.

Medium-Term Management Plan 2024–2025

Progress and Key Issues & Measures by Business Unit

Materials - Carbon Fibers

Although sales for aerospace applications were strong in FY2024, the competitive environment intensified, primarily for generic products, and profitability declined. In FY2025, we will rebuild our profit base by carrying out cost structural reforms, including reviewing and making changes to our production system (striving to create a globally optimized production system) and we will solidify our business base so that we can achieve growth over the medium- to long-term.

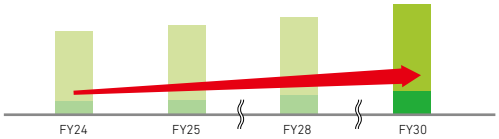
MTP 2024-2025 priority measures	Progress and results for FY2024
Increase sales of aerospace applications and pressure vessel	• Sales of aerospace applications were strong • The competitive environment intensified, especially for generic products, and profitability declined significantly
Carry out development and certification activities for intermediate materials used in next-generation aircraft	• Development and certification activities were carried out, although they were significantly delayed compared to pre-COVID-19 forecasts
Launch and increase sales of eco-friendly products and high-value-added products	• A new recycled raw material brand was launched • Products made using proprietary manufacturing methods for high levels of productivity and performance were launched

Key issues and measures for FY2025

- **Increase sales in line with increase in OEM build rate**
- **Rebuild profit base by implementing structural reforms**
- **Continue and further promote development activities carried out in close conjunction with customers**
- **Focus on development and sales expansion for differentiated products**

Carbon Fiber Market Size (based on Teijin's research)

Carbon fiber (overall) GAGR +4%
Aerospace applications GAGR +10%



✓ **Aerospace applications are expected to see growth that far surpasses the growth rates of the carbon fiber market as a whole**

MESSAGE



Tetsuya Ito

Teijin Group Corporate Officer
General Manager,
Carbon Fibers Business Unit

In FY2024, we worked to create a foundation for both long-term profitability and sustainable business growth. While market demand is recovering for aircraft and industrial applications, the environment has remained highly unpredictable due to supply chain disruptions, shifting trade policies in major markets, and other factors. Furthermore, the rapid expansion of production capacity and market emergence of new manufacturers in countries such as China caused competition to intensify for generic industrial applications at a speed much faster than predicted. Reviewing and revising our profit structure and maintaining our competitiveness have become pressing issues.

Under this circumstance, we have laid the groundwork for future growth through measures such as sweeping reforms to our cost structure, structural reforms such as product portfolio selection and concentration, proposing high-value-added products through collaborations with customers, and expanding our range of recycled products and products with low environmental impacts. However, we expect the business environment to remain challenging. In FY2025, we will advance to full-fledged implementation of structural reforms. We will position it as a year of creating a foundation for our reforms to turn our business structure into a resilient, flexible one with a robust profit base that continuously generates profits and a high level of competitiveness in growth fields.

I believe that knowledge obtained from the business frontline is important, as is the power to see things through to the end. We will share our vision with our diverse stakeholders and respond flexibly with change, building a strong business that society trusts and relies on.

Materials - Composites

In FY2024, we achieved a turnaround to profit in North American operations during the latter half of the fiscal year, as planned, and completed the business transfer in July 2025. In FY2025, we will work to strengthen our profit base, including launching new programs in our European and Japanese businesses.

MTP 2024-2025 priority measures	Progress and results for FY2024	Key issues and measures for FY2025
Turn around underperforming business in North America	• Achieved a turnaround to profit by implementing profitability improvement measures	• **Complete business transfer in July**
Implement strategic options	• Concluded the agreement to transfer underperforming business in North America	
Stabilize European and Japanese businesses	• Implemented price increase and stabilized production in Europe, and developed new business in Europe and Japan according to plan	• **Steadily start up new programs** • **Strengthen profit base by further stabilizing production** • **Accelerate development of new business in the mobility field (leverage advanced environmental technologies)**

MESSAGE



Ichiro Kitano

Teijin Group Corporate Officer
General Manager,
Composites Business Unit

Following on from FY2023, in FY2024 we continued to work to improve profitability through stable production and price increase. Profitability of our business in North America improved even further. Sales were also strong in Europe and Japan, and both revenue and adjusted operating income increased year-on-year for our business unit. In November 2024, we announced that we would be transferring our business in North America, which has made reinforcing our profit base led by our European and Japanese sites a key priority.

In FY2025, we expect to increase both sales and profit by launching new product programs at both sites. The entire business unit is working as one to ensure successful program launches. At the same time, we are leveraging digital technologies to further improve our product quality and productivity and to strengthen our profit base as a material solution provider that can satisfy the needs of next-generation mobility, such as electric vehicles.

In FY2024, we achieved increases in both revenue and adjusted operating income across the entire business unit. This was the result of our working to transform our overall approach to manufacturing from the ground up. The knowledge, expertise, and skilled human resources that we have obtained through our Reforms for Profitability Improvement will enable our business unit to achieve sustainable growth. Through the power of our materials, I am committed to contributing to providing the people of the world with safe, reliable, comfortable transportation and lifestyles. We aim to be a trusted company that is widely recognized and continues to thrive as a lasting presence in society.

Medium-Term Management Plan 2024–2025

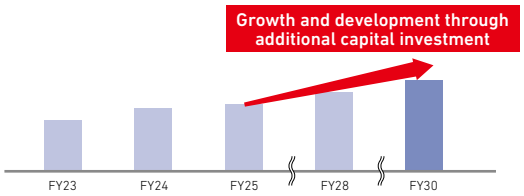
Progress and Key Issues & Measures by Business Unit

Fibers & Products Converting

In FY2024, adjusted operating income surpassed our medium-term management plan targets. Through our sustained reinforcement of fundamental profitability, we made steady progress in establishing our platform for future growth. In FY2025, we will leverage our strengths and further reinforce our profitability while steadily implementing growth strategies.

MTP 2024-2025 priority measures	Progress and results for FY2024	Key issues and measures for FY2025
Reinforce fundamental profitability and reduce invested capital	• Exceeded targets for adjusted operating income and ROIC • Made progress in selling off cross-shareholdings stocks	• **Further reduce costs** • **Thoroughly identify underperforming businesses**
Strengthen sales	• Leveraged strong relationships with customers to maintain high level of sales • Increased profitability by revising sales prices and making improvements to sales mix	• **Take advantage of growth opportunities by accurately meeting the needs of customers in the growth businesses of global apparel, mobility, and infrastructure** • **Expand omnichannel approach for consumer goods**
Promote environmental strategies	• Deployed environmental strategies throughout business unit	• **Implement differentiation strategy through eco-friendly, highly functional material development, accelerating our approach to addressing increasingly diverse customer needs**

Image of Adjusted Operating Income Growth



✓ **End-to-end integrated system from cutting-edge material development to production and sales, fusing our strengths as a manufacturer and trading company**
✓ **Capability to perform agile development that provides market information feedback to development side to anticipate customer needs**

MESSAGE



Yasunari Hirata
Teijin Group Executive Officer
General Manager,
Fibers & Products Converting Business Unit
President and CEO,
Teijin Frontier Co., Ltd.

In FY2024, our results exceeded our expectations for both the pillars of our business—fiber materials and apparel, and industrial materials. The driving force behind this was the growth we experienced as a result of our unique business model, which fuses our functions as a trading company and as a manufacturer. We flexibly combined internal production and external procurement to speedily meet the needs of our diverse customers and heighten our market appeal.

In FY2025, we will leverage the business strengths we have nurtured through the years to further enhance our ability to satisfy the market. In our fiber materials and apparel field, we will realign our manufacturing sites in the ASEAN region to more agilely respond to market needs. In our industrial materials field, we will reinforce production and sales of polyester staple fiber and mobility-related materials. We will also continue to focus on developing new businesses to serve as a third pillar of business.

As the General Manager of this business unit, I always place great importance on three things. The first is "customer focus." We must be attentive to our customers and understand their unstated needs. The second is "hands-on approach." We must go out into the field and see the true essence of operations first-hand. The third is "taking on the challenges of the unknown." I believe that all of these are essential for our business growth. I am committed to demonstrating industry leadership, helping establish "fiber-to-fiber recycling" within society.

Healthcare

In FY2024, we carried out clinical development of hormone therapy drugs, made steady progress in our transition to rare diseases & home healthcare system, and carried out our fixed cost reduction measures even earlier than planned. In FY2025, we will leverage our HOT and CPAP business platforms, in which we have the top market share in Japan, to accelerate our structural transformation, and plan to launch ACP-014 in the Japanese market.

MTP 2024-2025 priority measures	Progress and results for FY2024	Key issues and measures for FY2025
Transform business structure and decrease fixed costs (profitability improvement measures)	• Made steady progress in our transition to rare diseases & home healthcare system (reorganizing our sales organizations and establishing new specialized departments) • Made steady progress in measures to reduce fixed costs ahead of schedule (results anticipated to surpass the MTP2025 targets)	• **Promote business structure transformation and continue cost reductions while establishing operational systems within the newly created organization**
Maximize sales of existing products	• CPAP, *OSTABALO*: Steadily increased rental and sales volume	• **CPAP: Broaden access to simple SAS testing and improve treatment rates for people with untreated SAS** • ***OSTABALO*: Focus on promotion activities such as awareness initiatives**
Rapidly develop three orphan drugs (hormone therapy drugs)	• ACP-014: Applied for approval in Japan • ACP-011, ACP-015: Made steady progress in development	• **ACP-014: Launch within Japan and rapidly achieve broad market penetration** • **ACP-011, ACP-015: Carry out development aimed at quickly bringing these products to market**
Search for and acquire new products	• Established a peritoneal dialysis joint venture with JMS Co., Ltd. (business operations launched in April 2025) • Continued to explore new products and businesses in which we can leverage our platforms	• **Expand peritoneal dialysis business** • **Continue searching for new products, including new technologies and services**

* HOT: Home Oxygen Therapy / CPAP: Continuous Positive Airway Pressure / SAS: Sleep Apnea Syndrome

MESSAGE



Masaki Taneda
Teijin Group Executive Officer
General Manager,
Healthcare Business Unit
President,
Teijin Pharma Limited

In FY2024, to achieve the Teijin Group's long-term vision of resolving issues for patients, families, and communities in need of greater support, we not only worked to increase sales of osteoporosis drug *OSTABALO* and CPAP ventilators for the treatment of sleep apnea syndrome, but we also made steady progress in our efforts to transition to rare diseases & home healthcare system. These included applying for approval in Japan for drugs for treating rare endocrine diseases and entering the home peritoneal dialysis business through our partnership with JMS Co., Ltd.

In FY2025, we will aim to secure approval to sell a drug to treat hypoparathyroidism and receive approval for *XEOMIN* for the additional indication of chronic hypersalivation, the first of its kind in Japan. In addition, led by our long-term vision, we will further transform our business structure and dedicate our efforts to gaining new products, including new technologies and services, in order to provide desired medical treatment in familiar places through the provision of "Cure & Care."

Our business unit is a unique one, encompassing pharmaceuticals, medical devices, and services that provide them. By combining them, we hope to provide a new form of home healthcare and help solve the problems faced by communities.

Medium-Term Management Plan 2024–2025

Progress and Key Issues & Measures by Business Unit

New Business Development

Sales in the battery materials and membrane division continued to be favorable in FY2024. Meanwhile, the scope of the unit's business was narrowed down during FY2024. From FY2025 onward, the unit will strengthen its efforts to address issues in its remaining operations and to implement growth strategies.

MTP 2024-2025 priority measures	Progress and results for FY2024	Key issues and measures for FY2025
Narrow down business scope Assess profitability and whether or not Teijin is the best owner of this business	• Transferred functional food ingredient business (e.g. Meguro Institute, *BARLEYmax*), etc.	**• Dissolve joint venture with Teijin Nakashima Medical Co., Ltd.**
Promptly expand business and achieve profitability	• Battery materials and membrane business: Maintained strong sales and made progress in development • Regenerative medicine business: Began acquiring CDMO customers	**• Battery materials and membrane business: Develop and adopt next-generation projects through closer coordination with existing and envisioned new customers** **• Regenerative medicine business: Increase sales through expanded CDMO contract intake and new products and existing products with expanded indication in J-TEC**

MESSAGE



Noriko Higuchi

Teijin Group Corporate Officer
General Manager,
New Business
Development Unit

In the battery materials and membranes division, sales of existing products were favorable in FY2024, driving profit growth. Going forward, we will strengthen our collaborations with customers and continuously develop next-generation products with the aim of turning this business into one of Teijin's powerful core businesses. In the regenerative medicine and implantable medical devices division, TEIJIN REGENET CO., LTD.'s Iwakuni Factory received manufacturing permission for products including regenerative medical products and the Kashiwanoha Facility received specified cell culture and processing center permission. The launch of our contract development and manufacturing organization (CDMO) is progressing smoothly and we are bringing in new customers. The environmental solutions division has identified energy transition, circular economy, and nature restoration as its focus areas, and through its development efforts, there are now new projects on the horizon. In FY2024, we made the decision to narrow down our businesses—I hope that each of these businesses will find new opportunities and flourish further. Lastly, the issues faced by our ongoing businesses have become clear, so from FY2025 onward we will strive to address these challenges and expand our business. We will clarify our targets for these efforts in the next medium-term management plan (for FY2026 to FY2028).

Company-wide Initiative

In FY2024, we optimized the head office staffing level and sold off company welfare facilities and idle assets in order to improve our asset efficiency. In FY2025, we will consider the optimized organizational structure based on the next medium-term management plan (optimizing cross-Group functions, etc.).

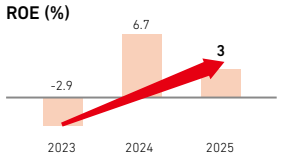
MTP 2024-2025 priority measures	Progress and results for FY2024	Key issues and measures for FY2025
Optimize the allocation and size of head office staff (fixed costs reduction)	• Implemented the Next Career Support Program (early retirement incentive program) and produced results even earlier than planned	**• Implement strategic options executed in FY2024 and consider optimal organizational structure based on the next MTP (optimization of cross-Group functions, etc.)**
Improve capital efficiency	• Decided to sell off multiple company-owned dormitories and the former Tokuyama Factory site	**• Promoting the sell-off of cross-shareholdings stocks and non-business assets**

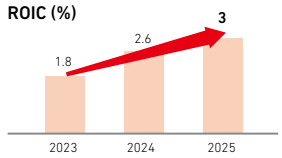
Initiatives to Promote Capital Cost-conscious and Shareholder Value-oriented Management

The Teijin Group is striving to realize sustainable growth and increase its enterprise value over the medium- to long-term to meet the expectations of stakeholders, including shareholders, and to achieve a PBR of 1.0 or higher.

Components of PBR

PBR = ROE × PER



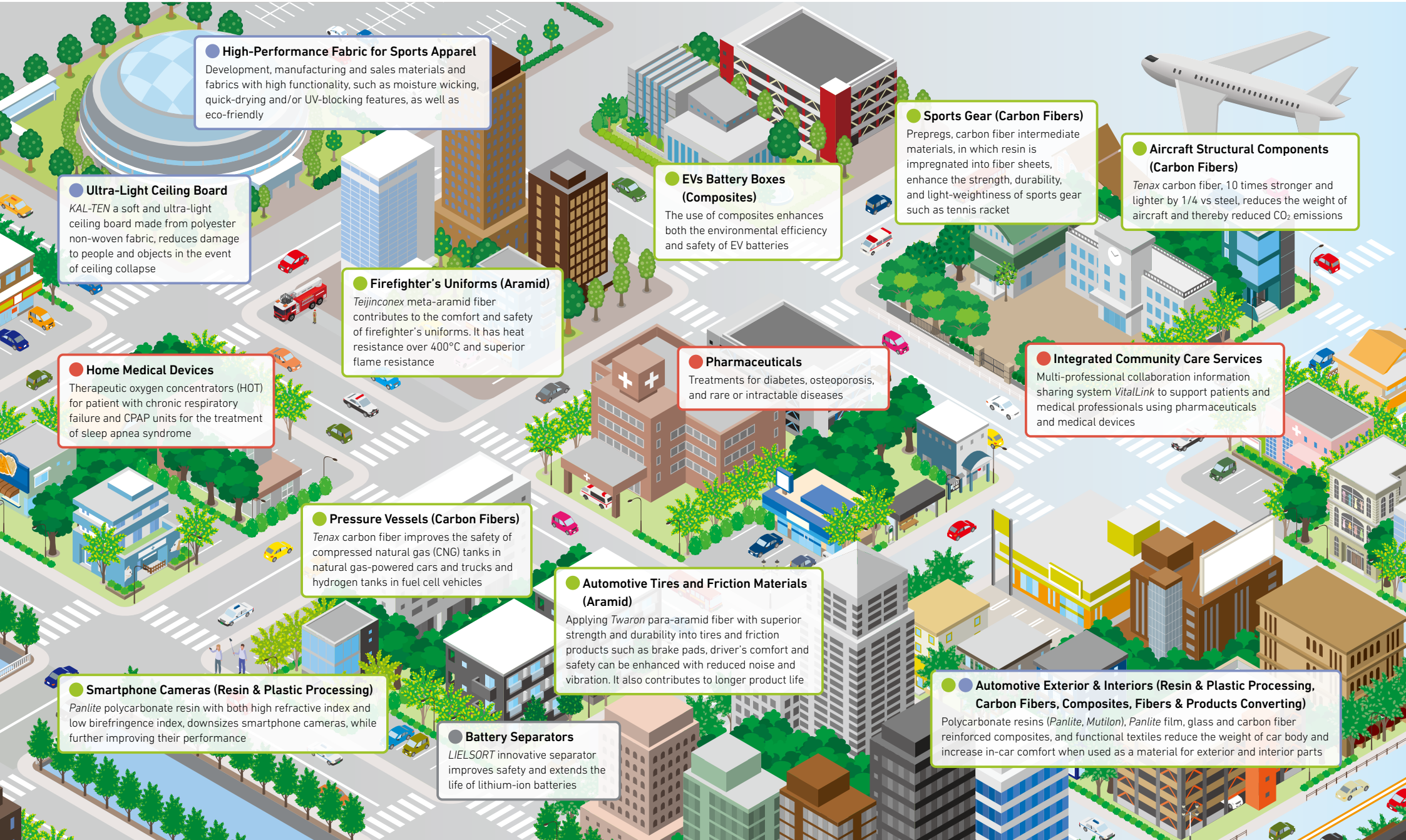


		Progress and results for FY2024	Key issues and measures for FY2025
ROE improvement	Profitability	• Profitability improvement (composites, aramid, healthcare businesses) • Business portfolio transformation (underperforming businesses)	• Aramid and carbon fibers: Execute fundamental cost structural reforms • Healthcare: Continue to promote business structure transformation and reduce fixed costs
	Asset efficiency	• Business portfolio transformation (less-focused businesses) • Reduced cross-shareholdings and idle assets • Increased annual dividend by 20 yen per share	• Thoroughly manage ROIC for each business unit • Sell-off unneeded assets • Provide continuous and stable shareholder returns
	Financial soundness	• Repaid borrowings (to appropriate D/E ratio level)	• Optimize capital structure
PER improvement	Medium- to long-term growth	• Executed measures with a strong commitment to the stock market (implementing business portfolio transformation, etc.)	• Realize growth strategies and shift to value-driven businesses (ex. downstream expansion, penetrate in adjustment field, industry reorganization, etc.)
	Strengthening of global management system	• Promoted purpose-focused initiative • Changed governance structure • Strengthened chief officer functions and actively recruited external talents • Promoted human capital strategies	• Optimize organizational structure (optimizing cross-Group functions, etc.)

Business Outline

Teijin Group's Key Businesses and Solutions

Materials Fibers & Products Converting Healthcare New Business Development



High-Performance Fabric for Sports Apparel

Development, manufacturing and sales materials and fabrics with high functionality, such as moisture wicking, quick-drying and/or UV-blocking features, as well as eco-friendly

Ultra-Light Ceiling Board

KAL-TEN a soft and ultra-light ceiling board made from polyester non-woven fabric, reduces damage to people and objects in the event of ceiling collapse

EVs Battery Boxes (Composites)

The use of composites enhances both the environmental efficiency and safety of EV batteries

Sports Gear (Carbon Fibers)

Prepregs, carbon fiber intermediate materials, in which resin is impregnated into fiber sheets, enhance the strength, durability, and light-weightiness of sports gear such as tennis racket

Aircraft Structural Components (Carbon Fibers)

Tenax carbon fiber, 10 times stronger and lighter by 1/4 vs steel, reduces the weight of aircraft and thereby reduced CO_2 emissions

Firefighter's Uniforms (Aramid)

Teijinconex meta-aramid fiber contributes to the comfort and safety of firefighter's uniforms. It has heat resistance over 400°C and superior flame resistance

Home Medical Devices

Therapeutic oxygen concentrators (HOT) for patient with chronic respiratory failure and CPAP units for the treatment of sleep apnea syndrome

Pharmaceuticals

Treatments for diabetes, osteoporosis, and rare or intractable diseases

Integrated Community Care Services

Multi-professional collaboration information sharing system *VitalLink* to support patients and medical professionals using pharmaceuticals and medical devices

Pressure Vessels (Carbon Fibers)

Tenax carbon fiber improves the safety of compressed natural gas (CNG) tanks in natural gas-powered cars and trucks and hydrogen tanks in fuel cell vehicles

Automotive Tires and Friction Materials (Aramid)

Applying *Twaron* para-aramid fiber with superior strength and durability into tires and friction products such as brake pads, driver's comfort and safety can be enhanced with reduced noise and vibration. It also contributes to longer product life

Smartphone Cameras (Resin & Plastic Processing)

Panlite polycarbonate resin with both high refractive index and low birefringence index, downsizes smartphone cameras, while further improving their performance

Battery Separators

LIELSORT innovative separator improves safety and extends the life of lithium-ion batteries

Automotive Exterior & Interiors (Resin & Plastic Processing, Carbon Fibers, Composites, Fibers & Products Converting)

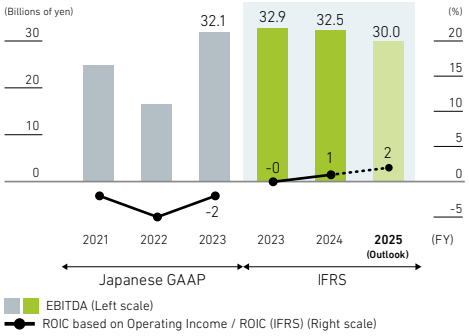
Polycarbonate resins (*Panlite*, *Mutilon*), *Panlite* film, glass and carbon fiber reinforced composites, and functional textiles reduce the weight of car body and increase in-car comfort when used as a material for exterior and interior parts

Business Outline

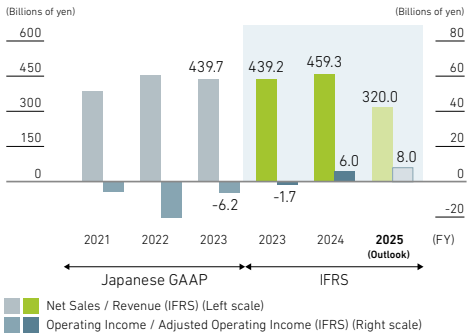
Performance Highlights by Business

Materials

EBITDA / ROIC (ROIC based on Operating Income)

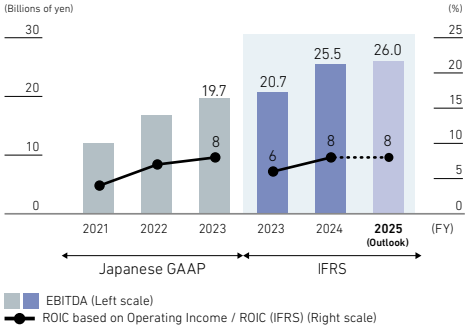


Revenue (Net Sales) / Adjusted Operating Income (Operating Income)

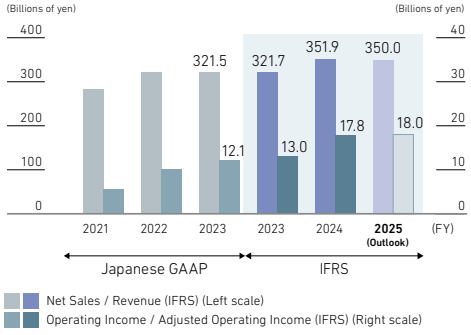


Fibers & Products Converting

EBITDA / ROIC (ROIC based on Operating Income)

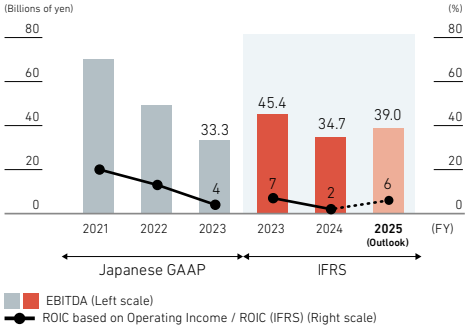


Revenue (Net Sales) / Adjusted Operating Income (Operating Income)

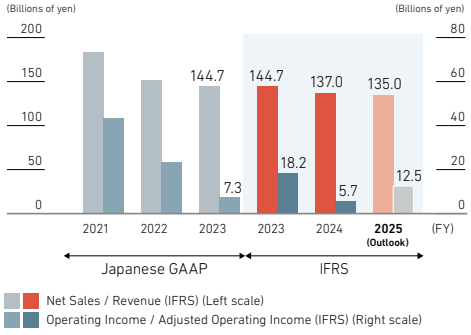


Healthcare

EBITDA / ROIC (ROIC based on Operating Income)



Revenue (Net Sales) / Adjusted Operating Income (Operating Income)



Materials - Aramid

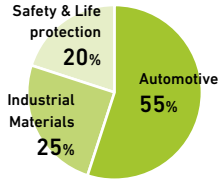
Our Medium- to Long-term Vision

As a market leader in para-aramid fiber, we will expand the range of applications and play a leading role in realizing a sustainable society

Business Information

Main products	Para-aramid fibers: *Twaron* and *Technora* Meta-aramid fiber: *Teijinconex*
Main applications	Reinforcement materials for tires and optical fiber cables, automotive brake pads, protective clothing,etc.
Market share	A global market leader in para-aramid fibers
Competitors	Aramid fiber manufacturers in the U.S., Asia, and other regions
Production bases	The Netherlands (Delfzijl, Emmen), Japan (Matsuyama, Iwakuni), and Thailand (Ayutthaya)

Breakdown by Application (FY2024)



SWOT

Strengths
- A front-runner in sustainable solutions and supply chains
- High quality enabled by an integrated supply chain from raw materials to finished products
- Highly automated and digitalized processes
- Strong relationships with customers

Weaknesses
- Overconcentration of production bases
- High dependence on the automotive market
- Limited ability to respond quickly to changes in the external environment
- High fixed costs

Opportunities
- Growing demand for improved fuel efficiency and durability in automobiles
- Demand in the new energy sector, including mooring ropes for offshore wind turbines and submarine power cables
- Faster and higher-capacity communications, including data centers
- Growing demand for circular raw materials

Threats
- Deteriorating supply-demand balance due to the rise of competing manufacturers
- Volatility in prices for raw materials and fuel due to geopolitical risks
- Decline in consumption owing to the global economic slowdown
- Potential substitution by alternative materials

TOPICS

***Twaron Next* Applied to Bridgestone Tire**

The Aramid Business developed *Twaron Next*, the first aramid fiber made using circular content. The material offers same performance as standard *Twaron* and applied as a reinforcement material to Bridgestone tires for the Bridgestone World Solar Challenge (BWSC) in August 2025. These tires ensure low rolling resistance, wear performance, lightweight construction, and puncture resistance required for solar car. Together, they help support the safe and secure 3,000-kilometer journey across the challenging conditions. In addition, the aramid business is an official sponsor of the Brunel Solar Team, which competes in the event. The team's latest solar car, Nuna 13, equipes Bridgestone tires using *Twaron Next* with circular content.

Business Outline

Materials - Resin & Plastic Processing

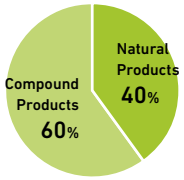
Our Medium- to Long-term Vision

Continuously developing and delivering products that meet the needs of society and customers, becoming the most trusted partner

Business Information

Main products	Polycarbonate (PC) resins: *Panlite*, *Multilon*; PC film: *PURE-ACE*; PC sheet: *Panlite*; and other resins
Main applications	Automotive components, office automation (OA) equipment, personal computers, optical lenses, etc.
Competitors	PC resin manufacturers and compounders in Japan, Europe, South Korea, and China
Production bases	PC resin (polymers): Japan (Matsuyama); 125,000 tons/year, China (Zhejiang Province); 150,000 tons/year

Breakdown by PC resin type (FY2024)



SWOT

Strengths
- Technological capabilities, including resin interface control and specialized design
- Top-class quality on a global scale
- Customer base across a wide range of applications
- Responsiveness to customer requirements (Product customization capabilities)

Weaknesses
- Production and sales sites are concentrated in specific regions
- Price competitiveness in commodity markets
- High dependence on the PC resin business
- Low proportion of non-Japanese customers

Opportunities
- Demand for high-performance materials in electrification, autonomous driving, and enhanced comfort in vehicles
- Expanding need for medical-related products
- Demand for high-speed, high-capacity communications
- Heightened societal expectations to reduce environmental impact, including CO_2 emissions

Threats
- Rising raw material costs due to exchange rate fluctuations and market volatility
- Deteriorating supply-demand balance from new capacity expansions in China and emerging markets
- Continued economic slowdown in China
- Impact of the U.S.-China trade tensions

TOPICS

Environmental Initiatives in the Resin Business

In the resin business, we have established our environmental products vision: "Designing Circular Materials." Based on this vision, we propose optimal solutions from many options to meet the diverse environmental needs of our customers. We design products and services that are friendly to People, The Earth, and Business. (Example: Adopting biomass-derived PC resin for the part of the lens barrel for interchangeable lens cameras P.59).

In addition to conventional open-loop material recycling, we are promoting closed-loop material recycling in collaboration with internal and external partners. Through this approach, we will practice creating products and services that eliminate the concept of waste and we redesign the entire product life cycle by considering waste as a resource. Furthermore, in the future, wastes that are difficult to recycle as materials will be recycled as resources through physical recycling.

Materials - Carbon Fibers

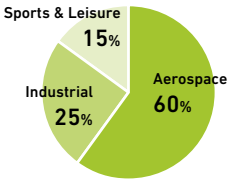
Our Medium- to Long-term Vision

Strengthen cost competitiveness to ensure stable profits even amid changing business environments, while leveraging competitive advantages to expand adoption of highly profitable intermediate materials for aerospace applications

Business Information

Main products	Carbon fiber: *TENAX*; Flame-resistant fiber: *Pyromex*; Intermediate materials: *TENAX*
Main applications	Carbon fiber: Aircraft (primary and secondary structural components, interior parts), Industrial application (Pressure vessels, civil engineering and construction materials, automotive parts), Sports & leisure
Market share	Among the top global players in the carbon fiber market
Competitors	Carbon fiber: Toray Industries, Inc. (Japan), Mitsubishi Chemical Group Corporation (Japan), Hexcel Corporation (The U.S.) and Chinese manufacturers, etc.

Breakdown by Application (FY2024)



SWOT

Strengths
- World-class product quality
- Strong customer relationships
- Technological capabilities for next-generation aerospace intermediate materials
- A differentiated product lineup that includes flame-resistant fibers in addition to carbon fiber

Weaknesses
- Ongoing transition toward a sales mix focused on intermediate materials
- Price competitiveness in commodity products
- High concentration of raw-material production in a single location
- Market share in the U.S.

Opportunities
- Growing demand in aerospace applications
- Need for lightweight materials in the mobility sector to reduce emissions and improve fuel efficiency
- Emerging markets and new applications such as eVTOL and hydrogen infrastructure
- Demand for products that take the environment into consideration

Threats
- Intensifying competition and commoditization driven by emerging manufacturers
- Slower-than-expected increase in aircraft production
- Delays in program qualifications for aerospace intermediate materials
- Rising raw-material costs due to currency fluctuations and market volatility

TOPICS

Launch of 36K Carbon Fiber with High tensile and Intermediate modules

In March 2025, the carbon fibers business launched a newly developed carbon fiber that combines high tensile strength and intermediate modulus at a competitive price. This new 36K carbon fiber, composed of 36,000 single filaments bundled together, achieves high levels of both tensile and modulus through a proprietary manufacturing process, while also significantly improving productivity. Moreover, the product offers good processability characteristics as a carbon fiber material and exhibits high compatibility with molding methods used for pressure vessels*1 and techniques commonly employed in prepreg applications*2. With such versatility, we see the fiber being adopted across a wide range of industries, and research and development are underway to develop versions suitable for aerospace applications. The carbon fibers business will continue to deliver a diverse range of products that meet customer needs.

*1 Filament winding: A molding method in which resin-impregnated fibers are wound around a mandrel or mold for pipes or pressure vessels, then cured.
*2 Spreading: A technique that expands fiber tows laterally into thin, flat layers.

Business Outline

Materials - Composites

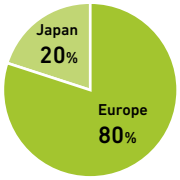
Our Medium- to Long-term Vision

Aiming for growth in the mobility market through product and solution offerings from Japan and Europe

Business Information

Main products	Glass fiber reinforced composites, carbon fiber reinforced composites
Main applications	Automotive (exterior components), battery covers for EVs, etc.
Position in the industry	A leading supplier of advanced molded composite components providing sustainable solutions, with a primary focus on the mobility sector
Key customers	European automotive manufacturers such as Dr.-Ing. h.c. F. Porsche AG, Lotus Cars Ltd., Bayerische Motoren Werke AG, and Audi AG

Regional Breakdown (FY2025 Plan)



SWOT

Strengths
- High-value-added products made possible by cutting-edge technologies
- Ability to meet diverse customer needs through a wide product portfolio
- Good relationships with major customers in Europe and Japan
- Efficient production and stable quality through the use of DX and automated equipment

Weaknesses
- Heavy concentration in the automotive sector within the product portfolio
- Business scale still in the expansion phase
- Market penetration of value propositions for carbon fiber reinforced composites
- Presence and brand recognition outside existing markets

Opportunities
- Growing demand for EVs driven by global ZEV regulations, the introduction of next-generation batteries, and the advancement of autonomous vehicles
- Increasing demand for thermoplastic composites amid tightening environmental regulations
- Emerging industries requiring lightweight solutions, such as "flying cars" and robotics
- Rising demand for heat resistance in response to safety and environmental needs

Threats
- Regulatory restrictions on composites under environmental directives
- Sluggish automotive demand due to economic downturns
- Further functional improvements in competing materials
- Growing presence of Chinese OEMs in the European automotive market

TOPICS

Expansion of Production Capacity for EV Battery Covers at Teijin Automotive Technologies Czech s.r.o.
Teijin Automotive Technologies Czech's Milovice Plant manufactures battery covers for electric vehicles using glass fiber reinforced composites via automated production lines. To meet increasing demand, the plant will expand its production capacity, with operations scheduled to begin in the summer of 2025. This will lift the current annual production capacity of 140,000 units to 200,000 units. Composite battery covers help to improve environmental efficiency and safety by reducing the weight of electric vehicles. Through this capacity expansion, the composites business aims to further advance the realization of a sustainable society.

Fibers & Products Converting

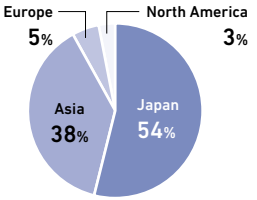
Our Medium- to Long-term Vision

Expanding the profit base by capturing growth opportunities in three key domains: "Mobility," "Infrastructure," and "Global Apparel"

Business Information

Main products	Polyester raw yarn and cotton, textiles, and textile products
Main applications	Fiber materials and apparel: suits, fashionwear, sportswear, etc. Industrial materials: automotive components, infrastructure reinforcement, tents, curtains, functional raw cotton, non-woven fabrics, etc.
Market share	Among the world's top players in polyester staple fibers for reverse-osmosis membrane support layers Domestic leader in tents and heavy-duty fabrics
Competitors	Specialized textiles trading company, domestic and overseas synthetic fiber manufacturers, etc.
Production bases	Japan: Matsuyama Plant (Ehime), Teijin Cordley Co., Ltd. Shimane Plant (Shimane), etc. Overseas: Nantong Teijin Co., Ltd. (China), TEIJIN POLYESTER (THAILAND) LTD. (Thailand), etc.

Regional Breakdown (FY2024)



SWOT

Strengths
- Diverse applications and a broad customer base
- Rapid and efficient product supply
- Active development of environmentally friendly businesses
- Flexibility in responding to market and currency fluctuations

Weaknesses
- Long lead time in developing new businesses
- Expansion of materials other than polyester, which is our strength
- Delays in digital strategies that lead to sales
- Heavy reliance on Japanese and Asian markets

Opportunities
- Growing demand for fuel efficiency, weight reduction, and safety in mobility
- Stronger social initiatives addressing environmental issues, natural disasters, and aging infrastructure
- Progress in implementing circular economy solutions such as chemical recycling

Threats
- Consumption downturn due to global economic slowdown
- Western clients shifting away from China
- Disruptions in the global supply chain
- Rising labor and raw-material costs

TOPICS

Deployment of High-performance Fibers to Solve Consumer's Problems
The "*Karatto Soft Pack Dry*" dehumidifier, developed by a group company, uses the moisture-absorbing fiber *BELL OASIS*, which can be reused by drying. This helps to reduce both the hassle of frequent repurchasing and household waste. Lightweight and soft, it can be conveniently placed in shoes, bags, or any other area of concern, and has received strong positive feedback from customers for its convenience. We remain committed to developing products that closely support the needs and challenges of consumers.



Business Outline

Healthcare

Our Medium- to Long-term Vision

Realizing the desired medical treatment in a familiar location through the provision of "Cure & Care"

Business Information

Main products	Medical devices	Home oxygen therapy (HOT) devices: *Hi-Sanso* series Continuous Positive Airway Pressure (CPAP) Unit: *SLEEPMATES* series Non invasive positive pressure ventilators (NPPV) Unit: *NIP NASAL* series
	Pharmaceuticals	Type 2 Diabetes Treatments: *Nesina*, *Inisync*, *Liovel*, and *Zafatek* Osteoporosis Treatment: *Ostabalo* Treatment for Limb Spasticity and Chronic Sialorrhea: *Xeomin* Treatment for Acromegaly and Pituitary Gigantism, TSH-secreting Pituitary Tumors, and Pancreatic/Gastrointestinal Neuroendocrine Tumors: *Somatuline*
	Community-based integrated care	Medical and Long-term Care Multidisciplinary Information-sharing System: *VitalLink* Hospital Admission and Discharge Support System: Carebook Home-visit Nursing Service Provider Support System: NsPace
Number of business sites		10 Branch Offices and 86 Sales Offices in Japan

SWOT

Strengths
- A unique business entity that integrates pharmaceuticals and medical devices
- Brand strength as the leading company in the domestic HOT and CPAP market
- A business platform built as a pioneer in Japan's home healthcare field, centered on patient support and services for medical professionals
- A nationwide support system for patients and stakeholders, including the disaster response sector

Weaknesses
- Insufficient product pipeline for pharmaceuticals and new products
- Dependence on domestic market
- Entry of generic drugs due to patent expiry of major pharmaceuticals

Opportunities
- Growing demand for patient support and healthcare institution services, driven by the diversification of home healthcare and the super-aged society
- Policy-driven promotion of community-based integrated care and regional healthcare collaborations
- Worsening drug loss and drug lag in Japan, and governmental support for the development of orphan drugs
- Compatibility of a business platform cultivated in the home healthcare business and disease fields such as rare and intractable diseases

Threats
- Slowing growth of the domestic market
- Downward revisions of drug prices and medical service fees based on government policies to curtail medical costs in Japan
- Intensifying competition and entry of generic products within therapeutic fields
- Rising costs of imported goods due to inflation and yen depreciation

TOPICS

Applied for manufacturing and marketing approval in Japan authorization of palopegteriparatide, a treatment for hypoparathyroidism

On December 13, 2024, Teijin Pharma Limited submitted an application for manufacturing and marketing approval in Japan for *palopegteriparatide* (development code: ACP-014), licensed from Ascendis Pharma A/S of Denmark (hereinafter Ascendis), for the indication of hypoparathyroidism in Japan.

Hypoparathyroidism is an endocrine disease caused by insufficient levels of parathyroid hormone (PTH), which regulates the balance of calcium and phosphate in the body. It is a rare disease, with an estimated patient population of approximately 2,300 in Japan.*

This is the first drug in Japan capable of maintaining physiologically active PTH levels for 24 hours with once-daily subcutaneous administration, and is expected to serve as a fundamental treatment for hypoparathyroidism. It has been designated as an orphan drug in Japan, the United States, and European Union, and Ascendis has obtained regulatory approval form the European Medicines Agency (November 2023) and the U.S. Food and Drug Administration (August 2024) for the treatment of adults with hypoparathyroidism.

* Excluding postoperative hypoparathyroidism occurring after thyroid surgery.

New Business Development

Our Medium- to Long-term Vision

Continuously creating new businesses that leverage Teijin's strengths in Materials and Healthcare to contribute to the well-being of people and the planet

Business Information

Main products	Battery materials & membrane	Lithium-ion Battery Separator: *LIELSORT* High-performance Membrane: *MIRAIM*
	Regenerative medicine & implantable medical devices*	Bioresorbable Osteosynthesis Material: *Super Fixsorb* (Teijin Medical Technologies Co., Ltd) Cardiovascular Repair Patch: *Synfolium* (Teijin Medical Technologies Co., Ltd) Autologous Cultured Epidermis: *JACE* (J-TEC) Autologous Cultured Cartilage: *JACC* (J-TEC) Autologous Cultured Epidermis Containing Melanocytes: *JASMIN* (J-TEC)

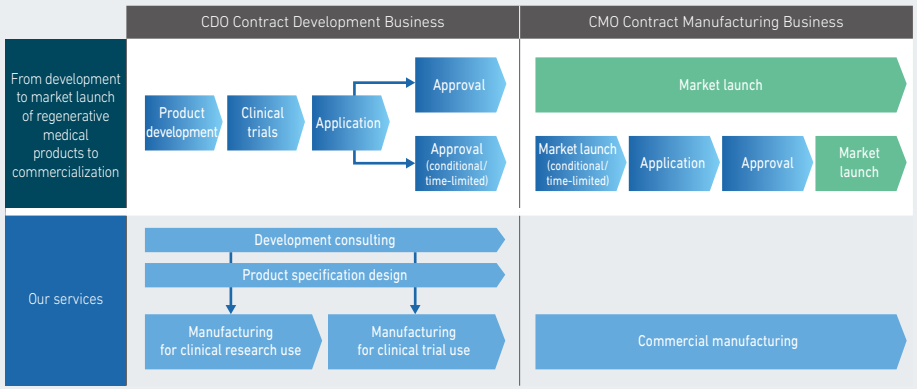
* Company name in parentheses is the sales company.

TOPICS

Expansion of Regenerative Medicine CDMO Business: A One-Stop Solution for Commercializing Regenerative Medicine Seeds

In 2021, Teijin welcomed Japan's pioneer in regenerative medicine, Japan Tissue Engineering Co., Ltd. (J-TEC), into the Teijin Group and entered the regenerative medicine CDMO (Contract Development and Manufacturing Organization) business through collaboration with the company. Anticipating growing demand for regenerative medicine CDMO services, Teijin established TEIJIN REGENET CO., LTD. in 2023 as a company dedicated exclusively to this field. In FY2024, TEIJIN REGENET CO., LTD obtained two key licenses: in July, certification of its "Kashiwanoha Facility" as a Cell Processing Facility under the Act on the Safety of Regenerative Medicine, and in November, approval of its "Iwakuni Factory" as a Manufacturer of Regenerative Medicine Products (General) under the PMDA's framework. Both facilities are now operating smoothly.

Leveraging the strengths of both Teijin and J-TEC, we are building a regenerative medicine platform that provides a one-stop solution—from R&D and business planning to commercial production—for regenerative medical products. By combining Teijin's manufacturing capabilities in the Materials Business, our R&D expertise in the Healthcare Business, and J-TEC's know-how in regenerative medicine, we are advancing the development of CAR-T cell therapy products, cell and tissue culturing technologies, and more. In collaboration with partners both in Japan and abroad, we aim to contribute to the industrialization of regenerative medicine in Japan.



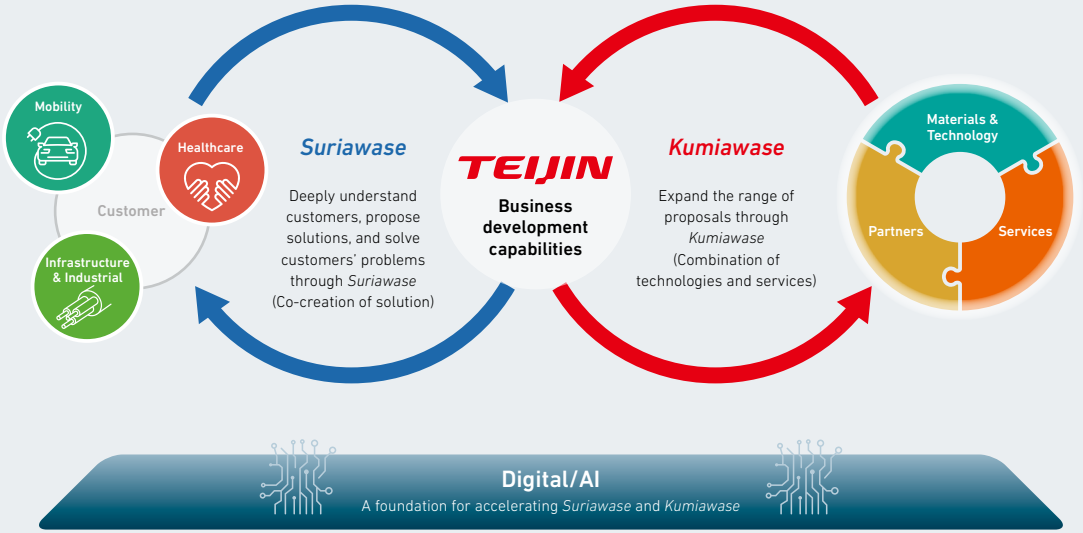
Technology Strategy

Message from the Chief Technology Officer



Developing Teijin's competitive strategy to accelerate innovation

Yuji Nakahara
Corporate Officer, Member of the Board,
Chief Technology Officer



My Mission as Chief Technology Officer (CTO)

Teijin has many superior technologies, but we are no longer in the era when a good product made with superior technology is a guarantee of success. To address this changed world, in October 2024, Teijin created a new position and put me in charge of it: the CTO, whose job is to look at technology and business strategy as a whole. In my earlier career as a chemical engineer, I found my day-to-day work very rewarding. However, when my company's performance started deteriorating due to fierce competition from startups, I came to believe strongly that success on the business side is also essential for the development of technology. Since then, I have continued to address the challenge of how to monetize good technology through my work as a chemical strategy consultant and my management experience in various companies in Japan, Europe, the U.S., and Asia. In my view, "research" is the process of converting capital into technology and knowledge, while "innovation" is the process of monetizing the technology and knowledge created.

In concrete terms, the CTO has three main roles. The first is to strengthen the cross-organizational technology links across businesses. As a side effect of our independent profit-making approach, under which each business is responsible for its own profits, our technology has been siloed within each business, making it difficult to leverage synergies across the entire company, and we need to break free from this trap. The second role is to select and cultivate next-generation core technologies. Taking into account changes in the social environment, we must cultivate technologies to focus on in the future from a company-wide perspective and ensure that business departments have effective access to these technologies. The final role is monetizing technology. Looking at the Teijin Group as a whole, I believe that my greatest mission is to nurture Teijin's technology and ensure that it leads to business success and profits.

Technology Strategy: Basic Policy and Concept

To reach a common understanding of the basic policy for Teijin's overall technology strategy, I created an approach consisting of three elements: *Suriawase*, *Kumiawase*, and Digital/AI.

The first element, *Suriawase*, is a Japanese word meaning "co-creation with customers." The idea is to find and create solutions together with our customers. This means that we emphasize the idea of being close to customers and deeply understanding their issues and needs based on the customer's perspective and the recognition of what are behind those issues. On top of that, in order to propose more advanced solutions, instead of spending time developing and seeking the right answers solely within the company, we shouldn't hesitate to "get in the mud" with customers to get immediate feedback and opinions so that we can iterate improvements quickly.

The second element, *Kumiawase*, is a Japanese word meaning "combining strengths to reach the full potential." The idea is, first of all, to be a "materials integrator" that creates solutions by combining technologies and services to meet customer needs that cannot be met by materials alone. It also means broadening the range of proposals to our customers by actively incorporating collaboration with partners without trying to do everything in-house.

Regarding the third element, Digital/AI, we are already utilizing materials informatics and similar tools, which help make our development processes more efficient. However, I believe that it

is essential to go beyond that and incorporate digital and AI technologies into our business infrastructure more broadly as a way to greatly accelerate *Suriawase* and *Kumiawase* and create a competitive edge that other companies cannot imitate.

To delve a little deeper into AI technology, Silicon Valley has already evolved beyond "generative AI," and is now focused on "agentic AI" that flexibly and autonomously combines and executes objective functions as needed, as well as "physical AI," which is AI that learns and performs tasks in the physical world, not just inside silicon chips. In other words, we will soon enter an era when machines no longer simply understand words and respond in text, but instead AI uses sensors to grasp the real world and makes decisions and takes action based on that information. When that happens, I imagine that AI will begin to learn autonomously and at high speed within virtual reality, and customers will come to want the data they need for design rather than physical samples. Fortunately, Teijin has accumulated mountains of materials data. Once we enter the era of digital materials, when materials are proposed digitally, the most important thing will be leveraging our data advantage into becoming a company that can lead the way for our customers.

With the advancement of digitalization and the accelerating speed at which emerging players are catching up on a global scale, the windows of time during which first movers can maintain high profits are closing faster and faster. To survive in this rapidly changing era, we need to shift to a strategy that is more difficult for competitors to imitate. In this case, the main focus should be the creation of Customer-Centric Business Model, which involves getting close to customers to capture their needs and providing solutions that align with those needs. We already have successful models in our Healthcare and Fibers & Products Converting Businesses, but think it is also important to develop this as a strategy for the entire Teijin Group.

Strengthening Cross-Organizational Technology Links

Teijin has many employees who are serious about realizing its long-term vision "To be a company that supports the society of the future" through technology. However, as business departments and Group companies have become siloed, employees like these are finding it increasingly difficult to collaborate across organizational boundaries and to smoothly share information and technology across departments. To create a *Kumiawase* (combination) of technologies, instead of siloing technical information within individual divisions or departments, it is necessary to organize and store everything in its place in a "shared drawer," to put it metaphorically, and moreover, to create an environment where engineers within the company can freely access it. As a first step, I have reorganized our core technologies (see to the next page for details) and have started creating a system that allows us to quickly obtain information about which person in a specific business department is responsible for specific technology.

Furthermore, since technology is connected to people, you cannot neglect the importance of strengthening human connections when it comes to generating innovation. I have therefore decided to restart the Teijin Group Research & Technology Conference, now renamed the TEIJIN Innovation Forum, which was suspended six years ago due to COVID-19 pandemic but will be relaunched in FY2025. The event will even be held globally for the first time, with our overseas sites participating virtually in order to strengthen our international network of engineers. I also launched an internal podcast called TECH TALK TIME in May 2025, with me as the host, inviting Teijin engineers to talk about their specialized technologies and development anecdotes. These initiatives are intended to convey Teijin's technical capabilities not only to engineers but also to sales and marketing divisions, and to foster a culture of *Suriawase* among divisions.

Furthermore, since I assumed the position of CTO, I have been hosting a monthly Group CTO Meeting, bringing together the technology heads of business departments and the head of corporate intellectual property. The meeting serves as a forum for sharing the direction of Teijin's technological development, how funding is used, and various other issues, and for discussing Teijin's future beyond the boundaries of business departments.

Looking to the Future

Mr. Uchikawa's decision to entrust the newly established role of CTO to me, an external talent, is a reflection of his strong and serious determination to change the company. For my part, I too hope to live up to those expectations, as this is the culmination of my career to date. With regard to the cross-organizational technology links across businesses and other aspects of the organizational restructuring, I have set a personal goal to achieve visible results within two years. I also believe that the results of these efforts must boost employees' confidence and inspire their subsequent personal growth or leap forward.

I spent my first six months visiting our plants around the world and hosting town hall meetings and small meetings with over 200 engineers. At these frontline worksites, I understood that there are many employees who want to modernize and transform the way work is done to fit the times. It was in this context that I organized the basic policy and approach of our technology strategy into the three elements of *Suriawase*, *Kumiawase*, and Digital/AI. This has clarified the direction that Teijin should take, and I feel that the positive atmosphere for creating the future of both the materials and healthcare businesses is gradually strengthening.

After all, it is the power of technology and innovation that will change society for the better. To achieve Teijin's long-term vision "To be a company that supports the society of the future," I will put all my effort into making it possible for the entire company to develop unique technologies and solutions to be implemented in society, to obtain profits commensurate with the value of this contribution, and to re-invest those profits into new development.

Technology Strategy

Teijin Group Technology Strategy: Challenges and Directions of Initiatives

The Teijin Group has been conducting business activities while transforming its business portfolio over many years, and as a result, it possesses a variety of core technologies. Furthermore, the pioneering spirit of developing products that anticipate social needs is embedded in the Teijin Group's DNA.

To meet increasingly diversified and complex customer needs, we will leverage our capabilities through *Kumiawase*, combining of technologies, materials, and services, and *Suriawase*, understanding and addressing customer needs.

Challenges to be tackled

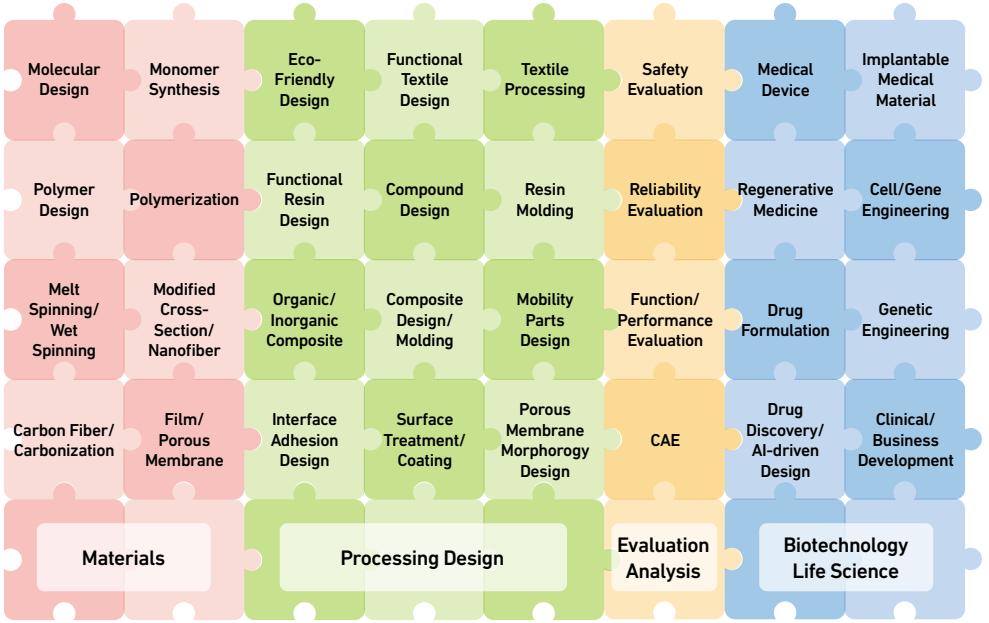
- Addressing increasingly diverse and complex social issues and customer needs
- Strengthening our ability to generate customer value and business profits from technology
- Increasing our intellectual property value
- Technical collaboration among business divisions
- Adapting to rapidly evolving digital and AI technologies

Directions of initiatives

1. In response to increasingly complex customer issues, deepen our understanding of these issues by getting closer to our customers through *Suriawase*, and then provide optimal solutions by leveraging our technologies, services, and partnerships through *Kumiawase*
2. Leverage digital and AI technologies to lead the transformation of value provided in the Materials and Healthcare fields
3. Strategically utilize the IP landscape to integrate technology strategy with intellectual property strategy
4. Optimally utilize technology, human resources, and capital across the company to drive co-creation innovation
5. Strengthen exploration and incubation systems to continuously create new businesses
6. Promote external communication and collaboration while revitalizing the organization through the cultivation of next-generation experts and the active participation of diverse human resources
7. Respond flexibly and quickly to various changes in customer needs through agile management with rapid decision-making

Technology Portfolio

We have systematically organized the diverse technologies that support the Teijin Group's business and reconstructed them as the Teijin Technology Portfolio. This portfolio is positioned as a guideline for creating new value together with people inside and outside the company through the *Suriawase* and *Kumiawase* of these technologies.



The Co-Creation Project: A system to accelerate innovation

Directions 4 × 5 Drive cross-organizational, company-wide co-creation innovation × Systematize continuous search for new businesses

Launch of new project co-hosted by CTO and CStO

Starting in April 2025, the Chief Technology Officer (CTO) and the Chief Strategy Officer (CStO) have jointly launched a task force initiative for new business projects. This is an initiative to create a unique Customer-Centric Business Model by forming a team that transcends traditional boundaries of business, expertise, and nationality. In the near future, we aim to use these results to create the next business that will drive Teijin forward.

Cooperation is the engine of innovation

Our task force worked together with colleagues from a variety of disciplines and nationalities. Working in a team with differences in culture and roles is not easy, but by interacting in an open and respectful way, we can rethink our assumptions and create innovative strategies together. At Teijin, this collaborative attitude is the foundation for co-creation not only within the Company, but also with partners, customers, and sometimes even competitors. Innovation is a journey we embark on together. I believe that collaboration between people and the ability to question the status quo will be the keys to future success.



Jakub Kral
Environmental Solutions Division
New Business Development Unit

Intellectual Property

Activities for Intellectual Property – part of Management System

The Teijin Group recognizes that intellectual property is one of its most important intangible management systems. Accordingly, we are focused on carrying out the following IP activities as part of our proactive involvement in management strategy.

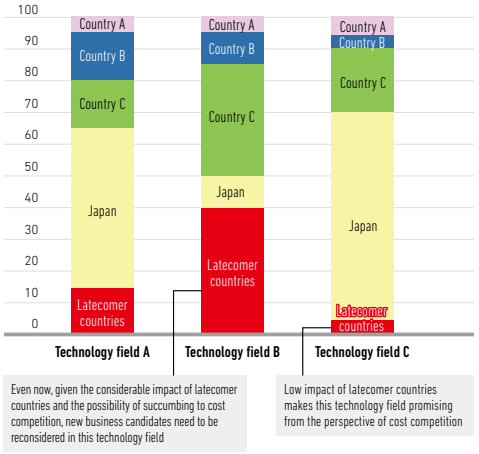
1. Creating Framework for IP Information Utilization for Management Team and Business Divisions

For important management and business decisions, we established a framework to facilitate the objective analysis of the IP landscape from the initial discussion stage. With this framework, we are working to ensure IP is useful for management and business strategies. Accordingly, when making investment decisions, for example, incorporating IP information in the decision-making process enables us to objectively determine the suitability of investment projects.

2. Utilizing IP Information in Business Portfolio Evaluation

When evaluating our business portfolio, we utilize a proprietary product portfolio management (PPM) methodology that incorporates the compound annual growth rate (CAGR) of the number of patents in the technology field to which a business belongs and the total value of patents (Patent Asset Index™ (PAI)) in the business. This enables us to objectively visualize and assess the competitive advantages, growth potential, and lifecycle status of each Teijin Group business from the perspective of intellectual property. We use the results for the benefit of our business portfolio management initiatives. In addition, in technology fields with a high level of entry from latecomer countries, there is a tendency to succumb to cost competition. For this reason, we evaluate the impact of latecomer countries in each technology field using patent value information, and we utilize the results in discussions regarding the examination of potential new businesses.

Weightings (%) of PAI by country for first-country applications in each technology



IP Activities in line with Technology Strategy

In line with the Teijin Group's technology strategy, we have been reorganizing our capabilities for monetizing our technology. We will further integrate our IP strategy with our technology strategy and carry out IP activities aimed at securing competitive advantages.

Since around 2010, not only have we conducted rigorous examinations at the application stage, but we have also thoroughly confirmed the necessity of maintaining patent rights even after filing applications. We have switched from quantity to quality by transferring or relinquishing unnecessary patents. Going forward, to further raise the quality of our patents and increase the value of our intellectual property, we will strengthen our patent applications in the areas of the so-call *Kumiawase* (Combining of technologies and materials) and the so-called *Suriawase* (understanding and addressing customer needs) in line with the direction of our technology strategy.

LIELSORT

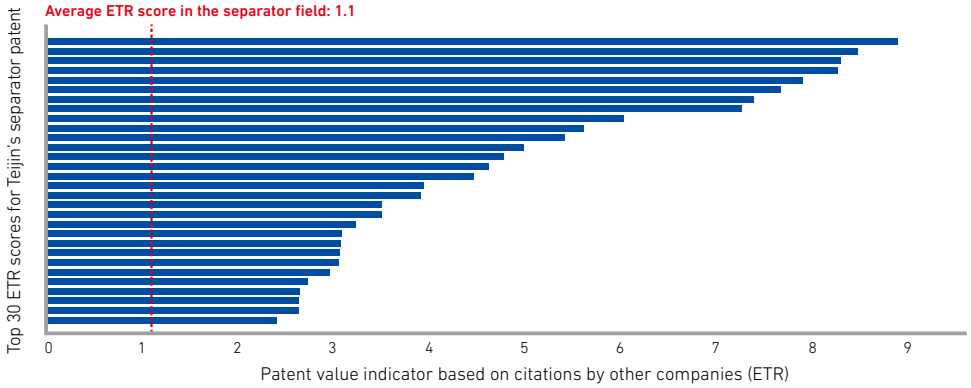


The Teijin Group's new business, a separator for lithium-ion batteries called *LIELSORT*, was developed ahead of the competition by anticipating potential customer needs. We developed the basic technology by combining our proprietary wet phase separation technology and web handling technology (*Kumiawase*). The fact that our customers highly rated this basic technology was what led to product development by way of in-depth discussions with customers (*Suriawase*). At the basic technology building stage (*Kumiawase*), we engaged in development before our competitors while bearing in mind the evaluation process for the end product. This allowed us to obtain a basic patent with a broad scope and build a patent network that commands a group of peripheral technologies. The fact that we have stayed ahead of our rivals in technology development is proved by our high patent value indicator - which shows how often your patent is cited by other companies (ETR*) - for the patents held by the Teijin Group in the separator field compared to the industry average patent value (please see the chart below). Holding a significant number of these high-value patents helps limit market entry by competitors and contributes to higher net sales. It also leads to the generation of licensing revenue. Moreover, at the stage of product development conducted through in-depth discussions with customers (*Suriawase*), we prevent the commoditization of products by filing patent applications related to the technology of high-value-added products.

For the development, research and production of other products, we will leverage the methods for creating high-quality patents in the areas of *Kumiawase* and *Suriawase*, which we have accumulated through the above examples, and we will also use the insights and know-how for monetizing intellectual property and intangible assets. In this way, we will strengthen our IP activities to turn technology into revenue.

* ETR (External Technology Relevance): One of the patent value indicators in the PatentSight® analysis tool provided by LexisNexis® Risk Solutions. A high ETR score indicates that a patent is frequently cited by other companies in patent examinations.

Value from the patent value indicator regarding active patent for Teijin's separator



DX Strategy

Toward the Realization of Autonomous DX

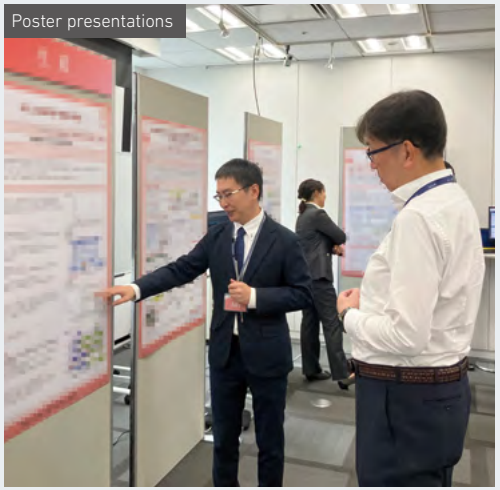
The Teijin Group is utilizing data and digital technology to drive "autonomous digital transformation (DX)" with the aim of creating corporate value, strengthening competitiveness, and improving productivity. To achieve autonomous DX, it is important to foster an organizational climate and culture that utilizes digital technology, cultivate DX talent, and put in place the necessary technology and infrastructure. Therefore, the DX Promotion Department is pursuing the following five activities: project surveys & analysis, human resource development, information dissemination, support for implementation, and acquisition & wide deployment of cutting-edge technologies.

TOPICS

DX Forum: an All-hands Event to Drive DX

Since FY2023, we have been hosting the DX Forum, a DX event for all employees. The DX Forum seeks to inspire a change in mindset in employees and drive autonomous DX by creating opportunities for Teijin employees from around the world to interact with each other. The Forum features poster presentations of in-house case studies, hands-on experience with digital tools, technical presentations where on-site personnel present their in-house DX initiatives, and seminars introducing external case studies and cutting-edge technologies.


Poster presentations


Poster presentations


Technical presentations

Number of attendees in each session (FY2024)				
Session name	Posters	Hands-on	Technical presentations	Seminars
Attendees	268	49	100	83



Taking Teijin DX to the Next Stage

— The Challenge toward Companywide Integration and Global Optimization

Teijin Group Corporate Officer
Chief Digital Officer
Yukihiro Funyu

My name is Yukihiro Funyu and I was appointed Chief Digital Officer (CDO) in charge of digital technology and information systems in April 2025.

The Teijin Group's DX activities have been gradually producing business results mainly through process improvements in plants using digital technologies such as AI, the introduction of the generative AI-based Teijin Brain to improve employee productivity, and the Companywide rollout of DX training, primarily focused on training "business architects." On the other hand, under its traditionally free and open management style, the Teijin Group has lacked Group DX/IT governance as a cross-organizational activity. As a result, we now face the difficulty of data integration, in addition to the challenge of applying AI across the entire Company. To solve these problems, we plan to advance our DX/IT strategy along the following four dimensions.

- **Global IT Optimization:** We will integrate business processes, systems, and data—which were previously built individually for each business and region—in accordance with the priorities of the Teijin Group's business strategy, leading to a reduction in selling, general, and administrative expenses.
- **DX/AX Promotion:** We will scale up our DX and AI activities, which have been partially implemented until now, and then, after strengthening data integration and AI training for employees, transition them to Companywide activities to improve employee productivity.
- **Security Enhancement:** Security technology advances rapidly, and security enhancement is a continuous, never-ending process. In particular, we will strive to reduce security risks by enhancing global security measures.
- **Global IT Transformation:** In order to carry out the above three activities, reforms of the DX/IT Departments are needed urgently. We aim to improve the previously weak cooperation between Japan and Overseas, as well as the DX/IT departments, and to implement globally integrated DX/IT measures under the banner of "One Teijin."

We are currently formulating our next medium-term management plan for FY2026 to FY2028, in which DX/IT strategy is positioned as an important topic, so I will provide a more in-depth look at our activities in next year's Integrated Report.

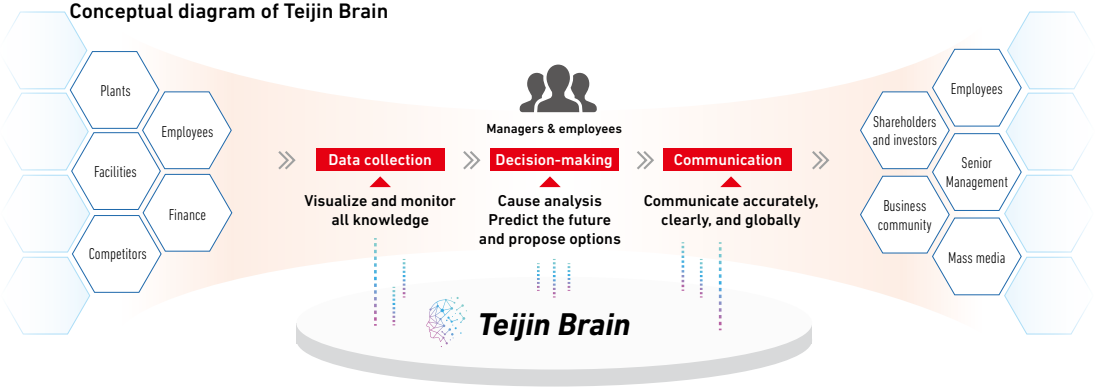
DX Strategy

Autonomous DX Case Study

Data-Driven Value Creation Using AI and Data Infrastructure

The Teijin Group is developing the Teijin Brain platform, which consists of generative AI and other cutting-edge technologies and the data infrastructure to leverage them. The Teijin Brain platform provides systems that contribute to improving productivity and operational sophistication across the entire Group. These include an AI-powered in-house document retrieval system for various industries, a chatbot for handling inquiries more efficiently, a system for proposing measures to improve engagement, and avoice synthesis-powered event venue guidance system. Going forward, we will continue to expand the functionality of Teijin Brain with the aim of realizing data-driven value creation supported by AI based on all kinds of in-house and external knowledge.

Conceptual diagram of Teijin Brain

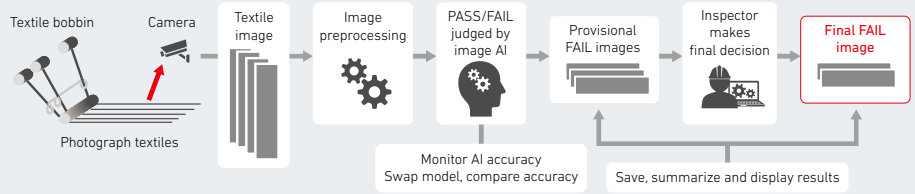


TOPICS

Using image AI to improve the efficiency of inspection work

The Teijin Group is independently developing an automated defect inspection support system that uses image AI to identify defects in the inspection process for some textile products. With the introduction of this system, workers no longer need to observe the actual products for extended periods. Instead, they can reduce their workload and man-hours by evaluating only the images flagged by AI.

Inspection workflow after introducing the AI system

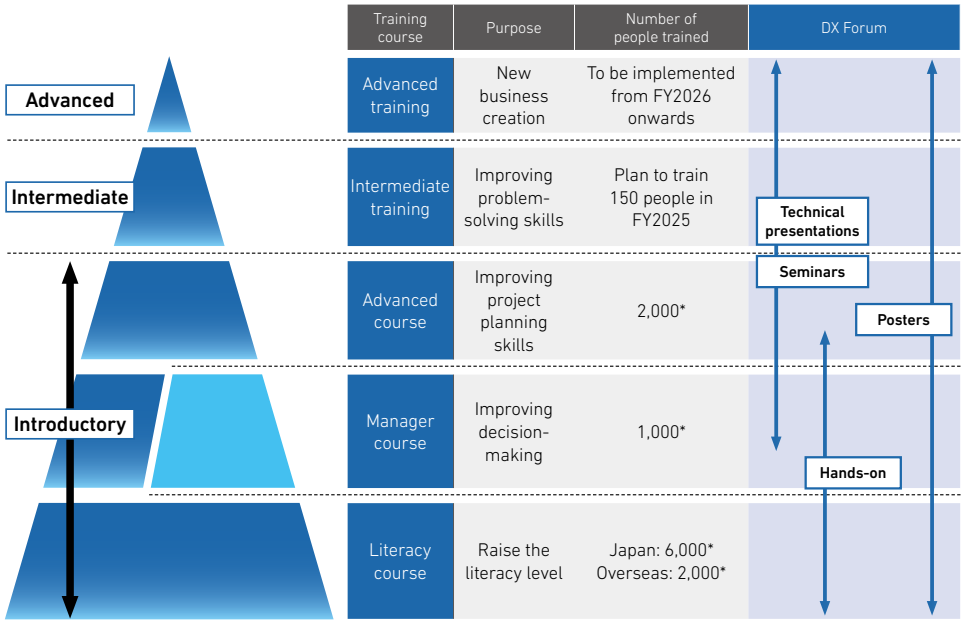


DX Talent Development

Because the Teijin Group considers human resource development to be an important strategic issue for driving autonomous DX, it has formulated a DX Talent Development Roadmap and DX Talent Career Path based on its own unique definitions of DX talent, with the aim of cultivating more advanced DX talent.

We have been committed to providing introductory DX education since FY2023, offering a digital literacy course to raise the digital literacy level of our global employees. We also offer a manager course aimed at managers to develop decision-making skills, and an advanced course aimed at top-performing students from the literacy course to develop planning skills for DX projects. In FY2025, we will start a program to train "business architects," which offers intermediate training for employees selected from each business unit, aimed at developing their ability to solve business challenges using digital technology.

Overview and results of DX talent development



* Number of people trained by the end of FY2024

Sustainability Initiatives



Fumiaki Sakurai
Teijin Group Executive Officer
Chief Human Resources Officer/
Chief Sustainability Officer

Message from the Chief Human Resources Officer/ Chief Sustainability Officer

Why Teijin is Committed to Sustainability

I believe that efforts to address sustainability are like an "admission ticket" for companies to participate in society, and much like paying taxes, it is an obligation that we should naturally fulfill as part of our corporate social responsibilities. In other words, we have reached a stage where it is no longer a question of "why," but rather "how" we contribute.

Since our founding, we have gained recognition for the role we play in society because we have provided what is truly needed, enabling us to sustain our business operations to the present day. Our newly established purpose includes the words "healthy planet," which clearly expresses our commitment to sustainability by safeguarding the global environment, people, and all life as we continue to implement initiatives going forward.

I also believe that sustainability management directly contributes not only to society but also to the enhancement of corporate value. As both the Chief Human Resources Officer (CHRO) and the Chief Sustainability Officer (CSuO), I am responsible for promoting sustainability. By keeping these two wheels spinning and strengthening our human capital, I intend to contribute to addressing social issues and enhance the sustainability of the Teijin Group.

I should also add that providing explanations and communicating about our sustainability initiatives now hold equal importance to financial reporting, so as a company, we will continue to address this as a responsibility that we should naturally fulfill.

Strengthening Human Capital to Be a Company That Supports the Society of the Future

I would first like to discuss the strengthening of human capital, which supports our sustainability efforts. With a view to realizing our long-term vision -To be a company that supports the society of the future, we have positioned our human resources as the ultimate management resource. In addition, we will properly execute management and business strategies that evolve with the times. For example, we will build an organization that can flexibly respond to a new business portfolio and secure talent to ensure that each position is filled appropriately.

At the same time, by having each employee forge their own career and fully unleash their capabilities with a high level of engagement, we can create relationships in which the Company does not simply choose its employees, but rather, the Company and the employee mutually select and spur each other on to greater heights. This will encourage the employees of the future to choose to work for the Teijin Group as well. As the CHRO, I believe that my mission is to create a company that is an "Employer of Choice"—a place where people want to work—and to provide an environment that increases the likelihood of employee happiness.

Significant Progress Made on HR System Reforms in FY2024

In FY2024, we particularly focused on expanding the rollout of the job-based human resource system and changing the mindset of employees regarding career autonomy. We aim to establish a corporate culture in which it is normal for employees to forge their own careers instead of the conventional way of thinking that the company makes all the decisions. In Japan, we run an event called Job Posting Week, which not only allows employees to secure a position that aligns with their career vision, but also gives the heads of business units the chance to communicate the appeal of their organizations in a bid to attract talented individuals. As a result, employees can learn about the various career paths available within the Teijin Group.

Also, even though the Teijin Group has many talented individuals, I feel that HR system reforms have not kept pace with the rapidly changing social environment, and as a result, employees find it difficult to fully demonstrate their capabilities in our current workplace environment. I intend to instill the concept of assigning the right people to the right positions, instead of the other way round. In doing so, we are transitioning to a mechanism conducive to the creation of an organization that fits our strategy, where suitable employees compete with each other to secure positions while improving their own abilities.

Many of Teijin's employees approach their work with diligence and earnestness, but they tend to be somewhat cautious when it comes to change. While this is certainly not a bad thing, we need to accelerate the pace of transformation in the face of an increasingly tough competitive environment. We are advancing HR system reforms through discussions with the management team, recognizing that having disadvantages does not automatically mean we should not proceed. If the advantages outweigh the disadvantages, we will take action.

The challenge going forward will be to foster a "One Teijin" mindset geared towards global expansion so that each and every employee moves in the same direction on a global scale. As the CHRO and CSuO, I will promote both human capital management and sustainability management in tandem, and do everything I can to ensure that the strength of each individual employee becomes a unified force under the "One Teijin" concept to realize our vision - To be a company that supports the society of the future.

Priority Measures for FY2025 Shaping the Future with the Power of People and Organizations

Looking ahead to FY2025, I will further step up the pace of our human resources strategy, mainly by focusing on building an organization where employees can thrive globally and developing

human resources that can generate innovation. Key to this is the adoption of a human resources information system, or HRIS. By centrally managing human resources information globally, we can create a cohesive framework across the entire Group, which will help our human resources thrive on a global basis and lay the groundwork for the "One Teijin."

Furthermore, as a human resources division, we will strengthen the functions of our HR business partners (known as HRBPs) to contribute to the strategies of each business division. By doing so, we will drive the early development of HR professionals who possess knowledge of both business and human resources and change the structure of the organization so that we can provide value to the business division.

Transforming our corporate culture is also important. While the Teijin Group boasts diverse human resources, I believe that our culture that attaches importance to harmony may be slowing the pace of transformation.

As stated in the Company's values, I want to build a corporate culture that embodies the belief of empowering ourselves to address challenges and fostering growth through diversity and expertise. I believe that this corporate culture will serve as a breeding ground for innovation. The enhancement of corporate value come from the power of people and organizations. Guided by this belief, we will steadily press forward.

Tackling Environmental Issues Makes Teijin Stronger

Next, I would like to discuss our environmental initiatives. Teijin's vision is to be a company that prioritizes the health of the planet, protects the environment, and supports a circular society. To achieve this, we have identified two key social issues: (1) climate change mitigation and adaptation; and (2) achievement of a circular economy.

Particularly in the Materials Business and the Fibers & Products Converting Business, we think there are many themes where the call for environmental action is growing louder and where we can leverage Teijin's strengths. We continue to take up the challenge of tackling social issues with the power of materials. For example, we are working on materials that make automobiles and aircraft lighter, materials that can be used in mooring ropes for offshore wind power turbines and submarine power cables, and the development of recycling technologies for various materials.

On a personal note, there is a sustainable outerwear brand called Save the Duck that I am really drawn to. Their products do not use any materials derived from animals. Sales in Japan are handled by Save the Duck Japan, a joint venture between Save the Duck and Teijin Frontier. As the brand goes well with conditions in society beginning to align with the growing momentum for sustainability, and as evidenced by the year-on-year growth in sales of these products, I believe that sustainability initiatives have the potential to impact and inspire society.

Recently, in a meeting where the Company's outside directors were present, the head of the New Business Development Unit spoke about plans related to wind power and hydrogen energy. While these initiatives will take time to become profitable, they are full of potential as future growth drivers, and I was deeply impressed with what was said.

We are also working on improving our wastewater treatment technology and optimizing the amount of dye used to reduce the risk of water contamination in the dyeing process. These improvements not only reduce our environmental impact but also enhance product quality, which is something our customers are increasingly more appreciative of.

Environmental action is not a cost, but a source of competitiveness. I firmly believe that our serious challenge to tackling social issues is the very thing that will place Teijin on the path to becoming a stronger and more sustainable company.

"Furthering" Sustainability Goals, Not Just "Talking About" Them

Just like our finances, sustainability initiatives require quantitative management. The Teijin Group has established KPIs for 2030 and 2050 for each key issue, with avoided CO_2 emissions positioned as an indicator aimed at capturing business opportunities.

We also pioneered the establishment of KPIs related to the reduction of environmental impacts and have continued to steadily implement measures. On the other hand, partly because we were an early adopter of these efforts, I feel that our current KPIs may be somewhat less effective compared to those of other companies who established their KPIs later. Going forward, we will review our KPIs with a greater focus on business opportunities and areas of contribution. Still, our immediate priority is to steadily achieve our current targets before taking the next step. We are currently at the stage where we must further our goals, instead of just talking about them. I will steadily draw up a roadmap with which Teijin-through sustainability management-can remain a company that continues to be recognized for its contributions to society.

Teijin's Unique Brand of Sustainability A Company That Safeguards People and the Planet

At Teijin, we consider sustainability to be at the core of corporate management, encompassing a wide range of areas such as the environment, human resources, human rights, compliance, and risk management. Indeed, it is a source of corporate value and our responsibility for the future.

Looking back on our history, Teijin is a company that started with clothing. The spirit of the Company's founders to produce artificial silk (rayon) in Japan as a substitute for expensive silk embodies the value of contributing to society while cherishing people and the surrounding natural environment. In other words, it reflects the spirit of altruism. This culture continues to thrive today in various aspects of our business, such as Save the Duck, sports recovery wear, home healthcare support during disasters, and Teijin Soleil, a Group company that supports the employment of people with disabilities.

I serve as both CHRO and CSuO to promote sustainability across the entire Teijin Group, starting with human resources. The strength of a company lies in its people, and the implementation of sustainability requires passionate human resources and the systems that support them.

Moving forward, we will aim to create value that only Teijin can deliver, while continuing to safeguard the planet and its people in our pursuit of a healthy planet. This is our challenge—to be a company that supports the society of the future.

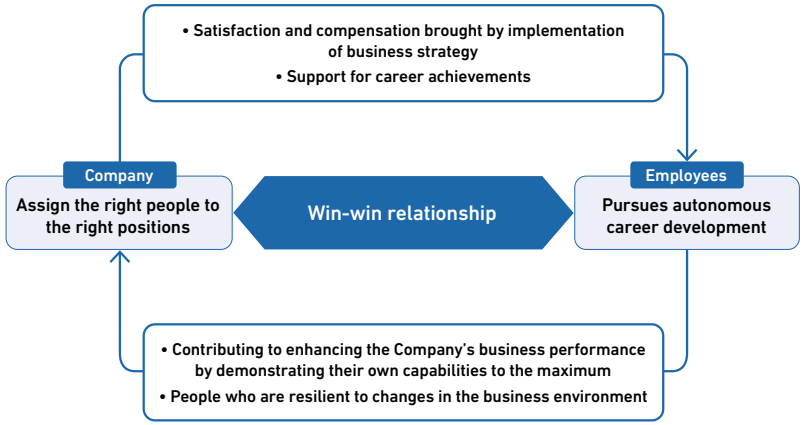
Human Capital Management

The Teijin Group, guided by its purpose "Pioneering solutions together for a healthy planet" and aspiring to become "a company that supports the society of the future" as set out in its long-term vision, has formulated its "Approach to Human Capital" and "Human Resource Strategy" as follows. These are designed to achieve the management and business strategies outlined in the Teijin Group Medium-Term Management Plan 2024–2025 through "organization" and "talent."

Our Approach to Human Capital

The Teijin Group positions our human resources as the ultimate management resource.

- The Teijin Group supports its diverse employees in forging their own careers by maintaining an attractive work environment, enabling them to achieve personal growth and a fulfilling life.
- The growth of our business depends on the development and deployment of the capabilities of organizations and human resources. To achieve this, we will strive to assign the right people to the right positions through a series of human resource measures covering organizational design, recruitment, deployment, HR development, evaluation, and treatment.



Human Resource Strategy

From both the perspective of our Purpose and as a strategic axis for realizing the Medium-Term Management Plan, we examined what the optimal state for our "organization" and "human resources" would be. Based on the gap between our vision and the current situation, we defined the two main pillars of our human resource strategy as: assigning the right people to the right positions to implement strategies, and implementing measures to enable talent to thrive.

Purpose / Management Strategy	Vision	Gap Between Our Vision and the Current Situation	Human Resource Strategy	Key Action Plans	KPI Setting / Monitoring of Implementation Status
Purpose **Pioneering solutions together for a healthy planet** Management Strategy • **Business portfolio transformation** • **Restoration of core profitability through completing profitability improvements**	**Organization** **A resilient organization capable of flexibly responding to business portfolio transformation** **Human Resources** **Ensuring sufficient human resources on a global scale and deploying them appropriately** **Environment** **Establishing a work environment and HR systems that enable employees to work with high motivation and autonomy**	While loyalty to individual organizations is strong, optimization occurs within silos. There is either a shortage of the required talent or an insufficient optimal placement of existing talent. Talent transfers are difficult due to differences in HR systems by country and region. There is no system to centrally manage human resources. Because organizations have been structured around individuals, it is difficult to respond flexibly to changes in the business portfolio. Since cooperativeness has been valued, there is a strong tendency toward homogeneity and passivity.	**Assign the right people to the right positions to implement strategies** (Organizational design, recruitment, deployment, HR development, evaluation and treatment) **Measures to enable talent to thrive** (DE&I and engagement)	**Global** • Enhance global job posting system • Globally integrate job grade system • Develop an HR portfolio (core positions and specialists) • Optimize the job-based evaluation and treatment system on a global basis **In Japan** • Secure the optimal talent that matches organizations and positions (through recruitment, development, and retention) • Support employees' autonomous career development and growth **Environment** • Diversity: Gender, disability , and nationality • Conduct engagement surveys and formulate improvement action plans	**Global and Japan** • Implementation status of job posting system (global / Japan) • Successor coverage ratio (Japan) • Number of participants in training for managers on how to conduct career interviews (Japan) **Environment** • Diversity of executives, ratio of female department and section managers • Engagement score

Human Capital Management

1. Key Action Plans Global

Based on the Group-wide management strategy, we design organizations suitable for executing each business strategy. After defining the duties of each position, we secure and allocate human resources to implement those business strategies, and provide treatment appropriate to the duties, thereby aiming to achieve the strategies and strengthen business competitiveness.

Expanding Global Job Postings System

To create an environment where employees can autonomously build global careers and to promote the right people to the right positions, we are rolling out an in-house job application system (job posting system) globally. In FY2024, there were six applications from Japan, Europe, the United States, and Asia for four positions in Japan and the Netherlands. Although no candidates were hired due to insufficient matching with job content, expected roles, and working conditions, we will continue to provide global opportunities for autonomous career development.

In Japan, the in-house job application "Job Challenge System" was introduced in the 1990s. Since FY2023, we have also held a "Job Posting Week" to increase awareness of in-house career opportunities and to encourage employees to apply for internal jobs. During this event, the heads of the recruiting departments introduce their workplaces and job content through online briefings, which provides opportunities for interactive communication with participants.

In FY2024, the number of postings reached 105 (95 in FY2023) across Japan and globally. In FY2025, we will focus on establishing and expanding the global job posting system.

MESSAGE



Takehiko Fushimi
Business Planning Group,
Regenerative Medicine Business Strategy Department,
Regenerative Medicine &
Implantable Medical Device Division,
New Business Development Unit
Recruitment: September 2023 – Appointment: July 2024

Developing a Career through Job Posting System

I learned about Job Posting Week when I was looking for a new area where I could make use of my past experience. Because this event enabled me to understand the atmosphere at each workplace, subsequent communication went smoothly. At present, while taking advantage of my experience in business planning, logistics, and sales, I feel I am able to grow. I also handle many overseas companies, which makes my work rewarding every day, and in the future I envision a career path where I will be stationed overseas to further rise the ranks.

Formulating the Human Resource Portfolio (Core Positions, Specialists)

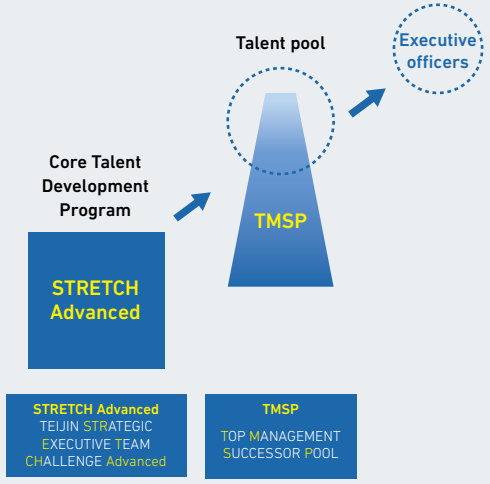
In FY2024, we placed particular emphasis on strengthening core positions. For executive positions, each executive prepares a succession plan that is then updated through a three-way meeting with the CEO and CHRO. Discussions are also held on the possibility of external recruitment and the strategic placement of internal successors, and efforts are being made to accelerate the development of candidates up to the time of appointment. As for the required number of successor candidates, which is set at five to seven per core position, the coverage ratio (successor coverage ratio*) improved from 74% in FY2023 to 84% in FY2024.

* Successor Coverage Ratio:
This is calculated as the number of candidates ÷ (number of positions × number of required candidates per position (maximum of seven)). For example, for an executive position, up to seven successor candidates are designated. A full seven candidates represents 100%, while six candidates would correspond to 86%.

TOPICS

"TMSP" and "STRETCH Advanced"

Centered around key candidates, we have established a talent pool called the TMSP (Top Management Successor Pool). This pool is reviewed annually, and promising candidates are identified for each position, with strategic placement and development carried out in a focused manner. The placement and development program for these candidates is known as STRETCH Advanced, a multifaceted and practical program designed to foster the next generation of management leaders. The program is structured into three phases: diagnosis, confirmation, and capability development. In line with the capability development areas identified during the diagnostic phase, individualized programs are implemented to accelerate the development of core talent.



Globally Integrating the Job Grade System

In FY2024, we examined the optimal organizational structure for each business in order to accelerate the realization of our business strategies. From FY2025 onward, in addition to steadily implementing the organizational changes that have been designed, we will set common grades across global operations for major companies in Japan and overseas in order to align job grades for managers and above. Through this initiative, we aim to improve the mobility of human resources.

★: Independently assured indicators

2. Key Action Plans Global and Japan

To realize assigning the right people to the right positions across the entire Group, we are globally harmonizing our human resource systems. As part of this initiative, in Japan we have revised our evaluation and treatment system to a job-based model, and are providing support to encourage employees' autonomous career development.

Realizing Job-Based Evaluation and Treatment on a Global Scale

In Japan, in April 2023 we introduced a job-based human resource and evaluation system for executives that clearly links the roles and responsibilities of each position with treatment. Subsequently, in April 2024, we moved division general managers and above to a treatment system that determines compensation based on the scope, complexity, and level of the role's responsibility. During FY2024, we expanded preparations to extend this system to managers at levels below department general manager, and full implementation began in April 2025. By clarifying the duties of each position and ensuring that treatment reflects the job content, we aim to strengthen our ability to attract top talent, promote assigning the right people to the right positions, and accelerate tailored HR development.



Job-based evaluation / treatment to achieve a transparent and satisfying human resource system

Supporting Autonomous Career Development and Growth

In FY2024, we carried out training for managers (interviewers) on how to conduct effective career interviews. From FY2025, we will launch a career interview system that provides employees and their supervisors with opportunities to discuss career development.

We have also established mechanisms and programs that enable employees to take ownership of their own career development, including the introduction of Optional Online Training available on demand, ranging from skills acquisition to leadership development.

Going forward, we will continue to provide support for employees' autonomous career development and growth.

Securing the Optimal Human Resources for Each Organization and Position

To achieve our management and business strategies and to enhance business competitiveness, we must acquire highly skilled and experienced specialists who can make an immediate impact. In addition, securing talent with diverse backgrounds promotes organizational diversity, broadens perspectives, and contributes to improved efficiency and innovation.

Recruitment and Retention Status*

Item	FY2023	FY2024
Mid-career recruitment ratio	40.9%	59.8%★
Voluntary turnover rate	2.5%	1.7%
Three-year retention rate for new graduates (career-oriented)	92.2%	91.7%

* Teijin Limited and Teijin Pharma Limited

Workstyle and Health Management

We believe that enabling employees to work in a healthy environment, free from physical and mental stress, is the driving force that supports the company's sustainable growth. For this reason, we are committed to health and productivity management, and have been certified as a Certified Health & Productivity Management Outstanding Organizations Recognition Program for eight consecutive years.

In particular, to maintain the mental and physical well-being of our employees, we encourage the planned use of annual paid leave, strictly enforce advance applications for overtime work, and have introduced "No Overtime Days" to ensure appropriate working hours.

Furthermore, we are working to standardize and streamline operations through the use of RPA*. We also provide flexible workstyles such as teleworking, flextime, and shorter working hours, enabling employees to balance their work and personal lives according to their individual circumstances and life stages. In this way, we are fostering an environment in which employees can maintain a better work-life balance, free from restrictions of time and place.

* Robotic Process Automation

Workstyle-related Indicators*1

Item	FY2023	FY2024
Average monthly overtime hours*2	13.3h	13.2h★
Annual paid leave utilization rate	83%	76%

*1 Teijin Limited and Teijin Pharma Limited
*2 Non-managerial employees (career-oriented and clerical positions)

Human Capital Management

★: Independently assured indicators

3. Key Action Plans Environment

The Teijin Group is implementing measures to enable its diverse human resources to exchange ideas based on their different experiences and values, thereby creating better solutions and innovations, while also working vibrantly with a high level of motivation, and realizing careers true to themselves.

Promotion of DE&I

Diversifying Executive Officers and Promoting Women's Empowerment

We are working to diversify our executive team and promote women's empowerment. In collaboration with other companies, we have implemented cross-mentoring programs targeting female managers. By engaging in mentoring with executives from other companies, participants are encouraged to broaden their perspectives and develop their own authentic leadership and career vision. At the same time, male executives also gain new awareness and undergo a transformation in mindset through the experience of serving as mentors to female managers from other companies.

Furthermore, to ensure that more women can succeed as managers, each business unit has set ratio targets for female department and section managers, and is carrying out planned development initiatives such as external mentoring programs.

Diversity-Related KPIs

	Executive officers*1		Managers*2
	Women	Non-Japanese nationals	Female department and section managers
Results as of October 2023	12%	8%	10%
Results as of October 2024	20%	8%	11%
Milestone as of April 2026	20%	10%	12%
Target for April 2030	30%	30%	20%

*1 Directors and Audit & Supervisory Board Members (from June 2025 onward, Directors who are Audit and Supervisory Committee Members), and Group Corporate Officers
*2 Line managers in global positions, including Japan

Supporting the Active Participation of LGBTQ+ Employees

Since 2017, we have continued initiatives such as clarifying our policy, raising employee awareness, revising HR and compensation systems to take into account the needs of LGBTQ+ employees, and providing individual consultations.

Promoting the Active Participation of Mid-career Hires

By appointing employees with diverse backgrounds to management positions, we promote diversity within the organization and broaden perspectives. As of the end of March 2025, mid-career hires accounted for 40.1%★ of management positions. (Teijin Limited and Teijin Pharma Limited)

Promoting Inclusion of People with Disabilities

Teijin Soleil Limited primarily employs individuals with intellectual, developmental, and mental disabilities, and operates office support and agricultural businesses. By enabling people with disabilities to overcome handicaps and fully demonstrate their abilities, Teijin Soleil aims to provide a workplace where they can experience fulfillment and the joy at work, contribute to the company and its businesses, and feel proud of being members of the workforce that forms economic society.



* Employment rate of people with disabilities at Teijin Limited, Teijin Pharma Limited, Teijin Healthcare Limited, and Teijin Soleil Limited: 2.86%

TOPICS

Teijin Soleil and Phalaenopsis Orchids



(Suzuki appears at the back-left of the photo)

The flower language of the phalaenopsis orchid is "happiness flies to you," and it is often chosen as a gift to express one's feelings toward someone on important occasions in life. A young man in his twenties with developmental disabilities joined our company after graduating from a special-needs high school. When he presented a three-stem phalaenopsis orchid, which he had carefully nurtured, to his grandmother, she was so moved with joy that she burst into tears. Every person has something they excel at. Among people with disabilities, some have rich sensitivity or exceptional concentration. At our company, we embrace the conviction of "providing high quality precisely because of disabilities," making the most of such strengths. We believe that drawing out the potential of people with disabilities and offering them opportunities to build a positive future is a truly meaningful endeavor.

Takayuki Suzuki
Assistant to the President (in charge of Agricultural Business), Teijin Soleil Co., Ltd.

Engagement Survey

Achieving our business strategies requires building a highly engaged organization where each employee empathizes with the company's philosophy and works proactively. For this reason, the Teijin Group conducts an annual engagement survey across the entire Group and works to improve engagement with a strong awareness of "One Teijin."

In FY2024, the survey was conducted with approximately 19,500 Group employees in Japan and overseas (response rate: 76%), and the overall score reached 64, an increase of two points from the previous year. Scores improved or were maintained across all questions, businesses, and regions, showing an overall improvement in employee engagement.

One of the key drivers of improved Group-wide engagement has been "communication." To this end, we regularly provide opportunities for employees to share their ideas and aspirations through initiatives such as town hall meetings and purpose workshops.

Engagement-Related KPIs

	Employee engagement score
Results as of September 2023	62
Results as of September 2024	64
Milestone as of April 2026*	64
Target for April 2030*	68

* Refers to the survey conducted in September of the previous year.

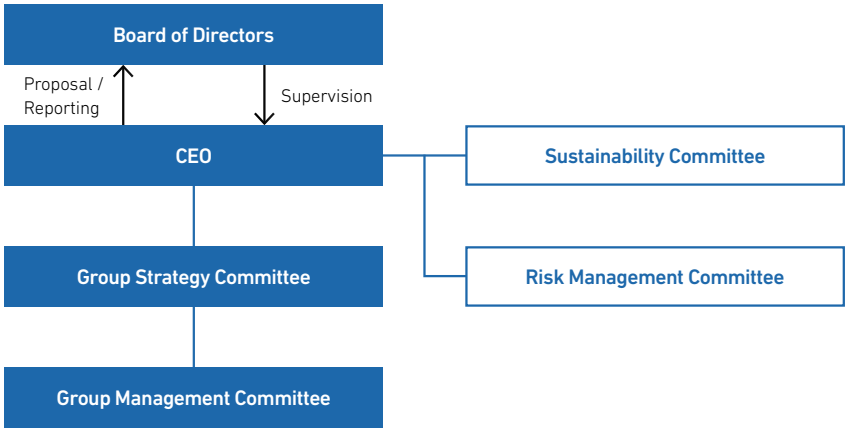
Climate Change Initiatives

Disclosure Based on TCFD

The Teijin Group has designated "climate change mitigation and adaptation" as a key issue. Accordingly, the Group is leveraging lightweight and energy-efficient technologies to contribute to the transition to a carbon-free society. At the same time, the Group is making efforts to reduce greenhouse gas (GHG) emissions from its business activities. In March 2019, the Group expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has since been disclosing information in line with the TCFD framework.

Governance

To implement sustainability activities, including "climate change mitigation and adaptation," the Teijin Group appoints the Chief Human Resources Officer / Chief Sustainability Officer as the person responsible. Under the direction and supervision of the Board of Directors, this officer promotes sustainability initiatives integrated with business operations. Policies and key issues related to sustainability are matters to be resolved by the Board of Directors. In line with these policies, the executive side sets management indicators and implements initiatives, while progress and responses are reported as needed to the Board of Directors by the CEO or this officer for discussion. Furthermore, to ensure prompt and appropriate responses to sustainability issues, the newly established Sustainability Committee, under the leadership of the CEO, deliberates on sustainability policies and promotes initiatives addressing key issues.



Strategy

The Teijin Group views "climate change mitigation and adaptation" as a business growth opportunity and aims to contribute to the sustainable development of society by leveraging the strengths that it has cultivated over the years. For climate change mitigation, we provide solutions centered on lightweighting and enhancing the durability of mobility through high-performance, high value-added materials. In addition, we are working to phase out coal-fired power, promote energy conservation and the use of renewable energy, and focus on technological innovations such as process innovation. For climate change adaptation, we offer solutions that contribute to reducing damage and enabling rapid recovery during natural disasters, such as infrastructure reinforcement materials made from high-performance materials, and support disaster site operations through healthcare services utilizing digital transformation.

Climate Change-Related Opportunities and Risks

Category	Major opportunities	Time frame	Major initiatives
Opportunities concerning products and services	• Increase in profits through the provision of solutions that contribute to "climate change mitigation and adaptation"	Short- to long-term	• Provision of solutions for vehicle electrification extending driving distances and weight reduction in the mobility market • Provision of solutions related to renewable energy in the infrastructure & industrial market

Category		Major risks	Time frame	Major initiatives
Transition risks	Policies and legal regulations	• Increase in costs due to carbon tax, EU Emissions Trading System, etc.	Short- to long-term	• Monitoring of trends in various policies and regulations • Introduction of internal carbon pricing system targeting capital expenditure that can lead to an increase/decrease in CO_2 emissions
	Market and reputation	• Decrease in corporate value and worsening of reputation due to an increase in Group CO_2 emissions	Medium- to long-term	• Management of CO_2 emissions of Group companies both in Japan and overseas, including affiliated companies • Formulation and implementation of roadmap for achieving long-term environmental targets
Physical risks	Acute and chronic risks	• Suspension of business activities as a result of increased intensity of natural disasters such as typhoons and floods, long-term temperature increases, and rising sea levels, stemming from climate change	Short- to long-term	• Regular review of business continuity plan (BCP) and implementation of various disaster prevention drills

Scenario Analysis Related to Climate Change

After identifying businesses and industries that have the potential to be significantly impacted by climate change, the Teijin Group has been conducting an analysis of the level of this impact based on the 1.5°C scenario and the 4°C scenario,* referencing World Energy Outlook (WEO), published by the International Energy Agency (IEA). In either scenario, differences in industry trends will have a minor impact on demand, or the positives and negatives will cancel each other out. Nonetheless, we will monitor industry trends and consider the appropriate time to make investments and allocate resources.

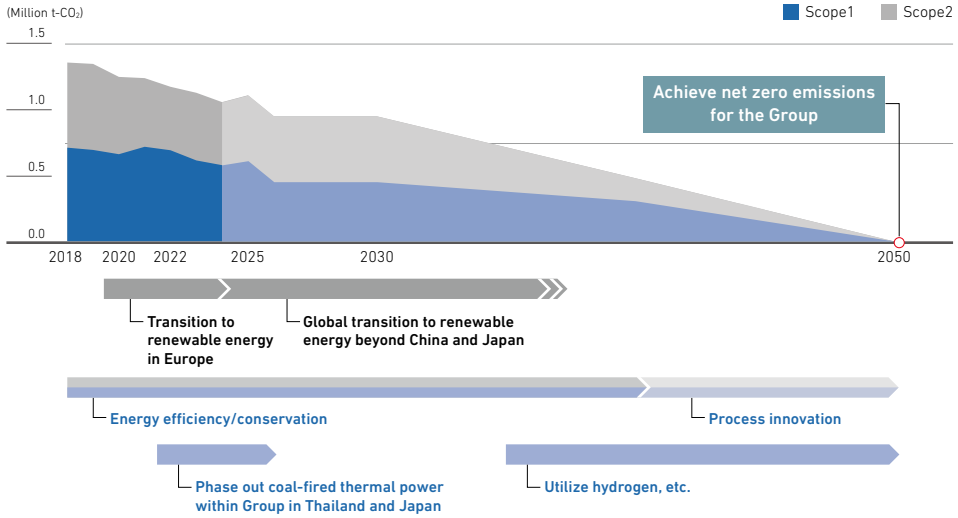
* 1.5°C scenario: IEA NZE 2050 scenario, 4°C scenario: IPCC RCP8.5

Climate Change Initiatives

Roadmap for Reducing Group CO_2 Emissions

The Teijin Group aims to achieve net zero CO_2 emissions by 2050, promoting the shift to renewable energy for power sources and to clean energy for heat sources in line with its roadmap. Renewable energy adoption is progressing steadily in Europe, and developments in China are ahead of schedule. In Japan, following Thailand, decarbonization work is underway at domestic plants and is scheduled for completion by the end of FY2025, with the full-year effects expected from FY2026.

Scope 1+2 Reduction Roadmap



* Teijin Automotive Technologies NA Holdings Corp. (TAT-NA), a consolidated subsidiary in the Materials segment that was engaging in the automotive composites business in North America, is classified as a discontinued operation and has been excluded from figures for all fiscal years.

Risk Management

Sustainability risks are managed under the Total Risk Management (TRM) framework. For transition risks related to climate change, we monitor policy trends and formulate a roadmap towards achieving net zero. Within the Teijin Group and across our supply chain, we have introduced an internal carbon pricing system for capital expenditures that involve increases or decreases in CO_2 emissions, in order to curb risk impacts. In April 2023, we expanded the scope of this system to include decision-making cases that affect CO_2 emissions reductions without capital expenditure, such as investments through M&A or the switch to renewable energy by changing suppliers. For physical risks such as rising temperatures and sea levels, we conduct assessments of water risks and implement necessary measures, while reviewing our BCP as needed and conducting various disaster preparedness drills.

Metrics and Targets

The Teijin Group's greenhouse gas (GHG) emissions targets have been certified by the Science Based Targets initiative (SBTi) as being consistent with the Paris Agreement's scientifically based GHG emissions reduction targets, meeting the "Well-below 2°C" target level. The targets and progress of our major environmental KPIs, including climate change, are as follows.

Major KPIs

Metrics			Targets		Progress*2
KPI aimed at capturing Business Opportunities	Climate Change	Avoided CO_2 emissions	FY2030 **Total CO_2 emissions < Avoided CO_2 emissions**	CO_2 reductions in downstream supply chain due to use of product	**5% increase compared with the previous year**
KPIs aimed at strengthening the Business Platform*1	Climate Change	Group CO_2 emissions	FY2030 **30% reduction**	Aggregate target	**20% reduction compared with FY2018**
			FY2050 **Achieve net zero emissions**	Shift to renewable energy use for power sources and clean energy use for heat sources	
		Supply chain CO_2 emissions	FY2030 **15% reduction**	GHG emissions in Scope 3 Category 1	**9% reduction compared with FY2018**
	Circular Economy	Water	FY2030 **30% improvement**	Freshwater intake volume per sales unit	**21% improvement compared with FY2018**
		Waste	FY2030 **20% improvement**	Landfill waste volume per sales unit	**1% improvement compared with FY2018**
	Safety and Security	Hazardous substances	FY2030 **20% improvement**	Hazardous chemical substance emissions per sales unit	**40% improvement compared with FY2018**

*1 All KPIs aimed at strengthening the business platform are target values set with FY2018 as the base year.
*2 For climate change indicators, calculations for both the current and base fiscal years exclude TAT-NA, whereas for other indicators, calculations for both years include TAT-NA.

Non-financial Highlights ◑ P.82

Initiatives for Biodiversity

Making use of ENCORE*, the Teijin Group has conducted an analysis of the dependence and impact on nature in each business unit. Our study of the dependence on ecosystem services in relevant sectors and the degree of impact on nature by impact drivers confirmed that, in particular, the Materials Business and the Fibers & Products Converting Business depend on groundwater and surface water. It was also found that these businesses might have an impact on nature through water use, GHG emissions, non-GHG air pollutants, soil pollutants, and solid waste. Based on these results, we will proceed to identify risks and opportunities for our businesses going forward.

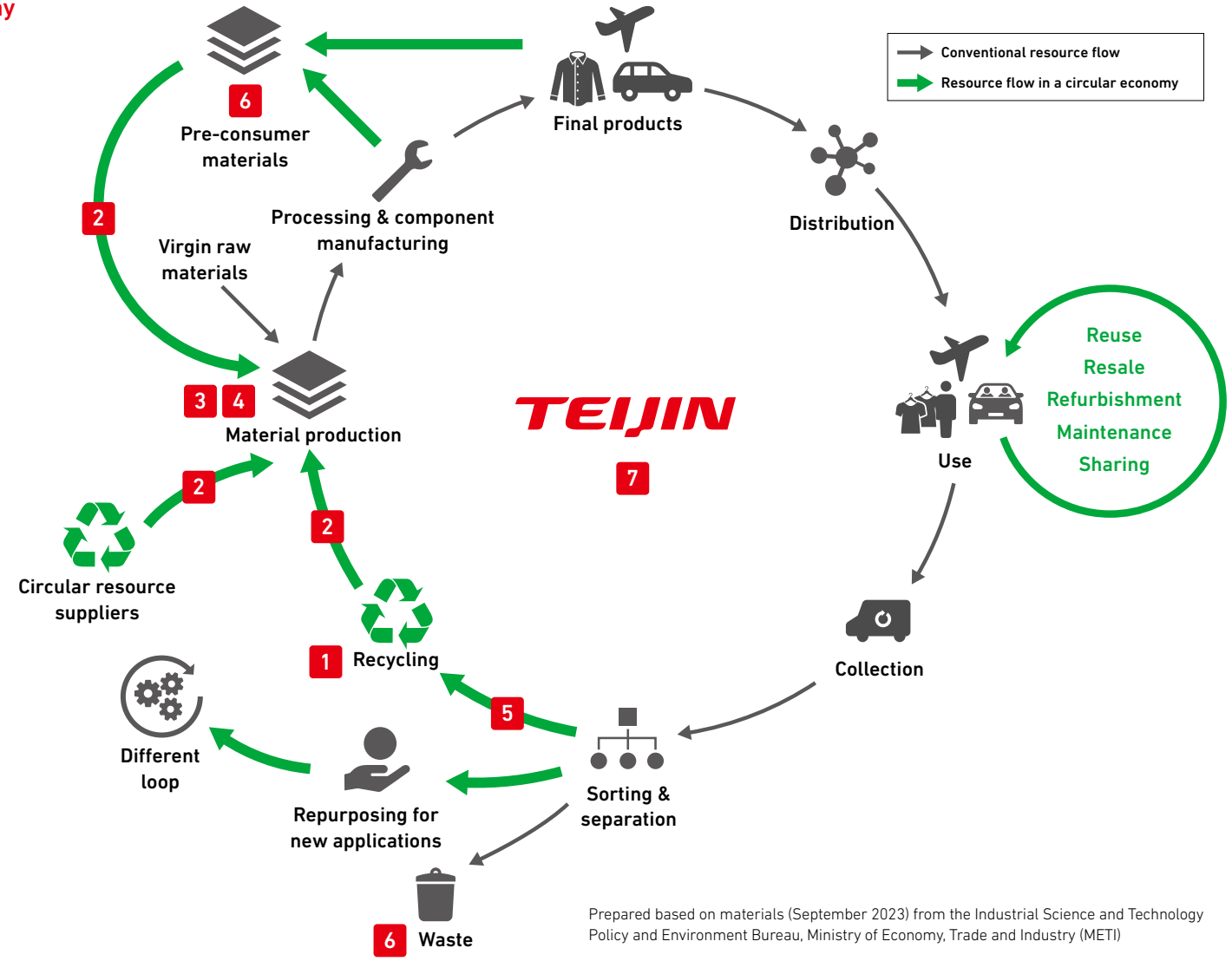
* ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure): A tool jointly developed by the Natural Capital Finance Alliance (NCFA)--a network of international financial institutions--and the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), among others. Its purpose is to help private companies understand the level of their dependence and impact on natural resources.

Toward Realizing a Circular Economy

The Teijin Group is promoting initiatives for the achievement of a circular economy.
The achievement of a circular economy requires using resources efficiently for as long as possible.
By maintaining the value of resources and utilizing them effectively, it is necessary to reduce environmental impact and minimize waste and the release of hazardous substances throughout the entire life cycle of products and services. Working with a broad network of partners, the Teijin Group promotes initiatives such as the seven listed below across different stages of the value chain. (See the following page for some specific examples.)

Teijin Group Initiatives within the Circular Economy

1. Development of recycling technologies
2. Expansion in the use of recycled raw materials, renewable resources, etc.
3. Design, development, and supply of materials that support resource circulation
4. Realization of material-level traceability
5. Establishment of closed-loop systems
6. Waste reduction across the entire supply chain
7. Promotion of partnerships



Prepared based on materials (September 2023) from the Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry (METI)

Toward Realizing a Circular Economy

2 Expansion in the use of recycled raw materials, renewable resources, etc.

Launching a new brand of eco-friendly carbon fiber products

We launched Tenax Next, a brand of eco-friendly carbon fiber products made from recycled and other sustainable materials, and began selling two products under the brand.

Tenax Next™

- Tenax Next is a brand of carbon fiber products that utilize recycled, biomass-derived, and other eco-friendly raw materials. Thanks to efficient production processes and the use of renewable energy and eco-friendly raw materials, these products are expected to cut CO_2 emissions during manufacturing by about 35% compared with conventional alternatives.
- Despite these eco-friendly origins, the products deliver excellent strength, durability, and other material properties expected of carbon fiber products.
- The brand name embodies the idea of next generation materials.

4 Realization of material-level traceability

Release of DPP proof-of-concept compliant with Europe's ESPR

In November 2024, we invested in Circularise B.V., a Dutch IT company, to advance the development of products compliant with the EU Ecodesign for Sustainable Products Regulation (ESPR). Using Circularise's system, we have released proof-of-concept results for selected aramid and carbon fiber products featuring Digital Product Passport (DPP).*

* Digital Product Passport (DPP): a digital certificate that comprehensively records when, where, and with what materials a product is manufactured, used, and disposed of

Aramid fiber

Example of traceability for pulp recycled from end-of-life aramid fiber products

DPP for the recycled product

Carbon fiber

Example of traceability for a tire lever hypothetically manufactured with our carbon fiber for installing and removing bicycle tires

DPP for the tire lever

2 Expansion in the use of recycled raw materials, renewable resources, etc.

Adoption of biomass-derived PC resin by Sigma Corporation for camera lens barrels

Teijin Limited announced that its biomass-derived polycarbonate (PC) resin has been adopted by Sigma Corporation, a Japanese manufacturer of optical equipment such as photographic lenses and cameras, for use in part of the lens barrels for interchangeable lens cameras. Teijin's biomass PC resin applies the mass balance approach* based on ISCC PLUS, an international certification for sustainable products.

* Mass-balance approach: when raw materials with specific attributes (e.g., biomass-derived) are mixed with conventional materials (e.g., fossil-derived) in production and distribution processes, this method allocates those attributes to a portion of the output products in proportion to the amount of attributed material input



Interchangeable camera lens made from biomass PC resin

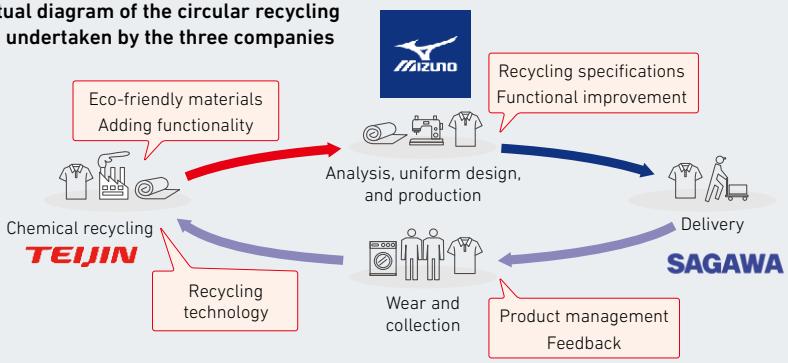
5 Establishment of closed-loop systems 7 Promotion of partnerships

Pioneering trial in the logistics sector of fully circular uniform recycling launched
Sagawa Express, Mizuno, and Teijin Frontier collaborate to realize a sustainable society

Sagawa Express Co., Ltd. ("Sagawa Express"), Mizuno Corporation ("Mizuno"), and Teijin Frontier Co., Ltd. ("Teijin Frontier") have begun trial operations of a resource circulation scheme that recycles Sagawa Express's used uniforms into new uniforms, with the aim of realizing a sustainable society. The trial combines Sagawa Express's long-standing 3R (reduce, reuse, recycle) initiatives based on its environmental philosophy and policy, Mizuno's product design expertise and credentials as a wide-area certified business operator,* and Teijin Frontier's decades of experience in polyester recycling, material development, and resource circulation technology. The companies position this trial as proof of concept prior to full-scale deployment.

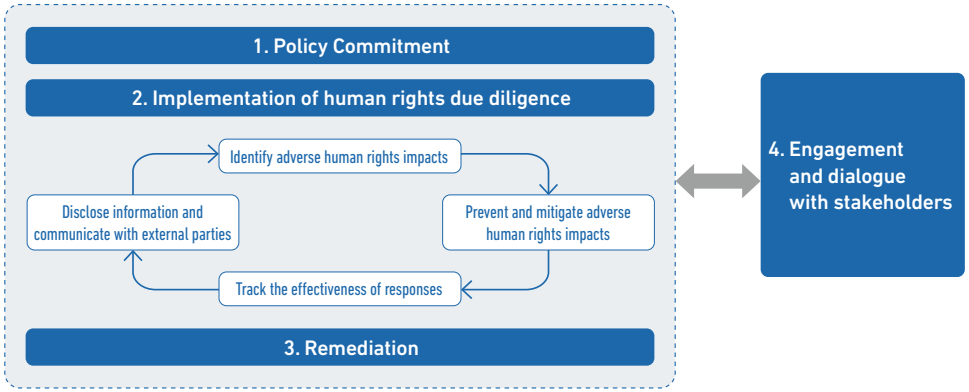
* Wide-area certified business operator: a manufacturer certified by the Minister of the Environment to collect and appropriately manage its own products that have become waste on a wide-area basis

Conceptual diagram of the circular recycling scheme undertaken by the three companies



Human Rights Initiatives

The Teijin Group promotes initiatives to respect human rights in accordance with the United Nations Guiding Principles on Business and Human Rights.



1. Policy Commitment

Human Rights Policy

The Teijin Group has established a human rights policy as its basic stance of respecting every human's dignity and rights. The Teijin Group Human Rights Policy states, "We recognize that respecting human rights is an important social responsibility that a company must fulfill" and "We will take action to ensure that we are not directly involved in any abuse of human rights, nor indirectly complicit through our relevant external parties.*" We also "collaboratively respect for human rights" with "our relevant external parties." Furthermore, it states, "We develop the human rights due diligence process to identify actual or potential negative impacts on human rights and seek to prevent or mitigate these negative impacts." The Group's CEO is responsible for ensuring ongoing implementation of our Human Rights Policy.

*"Our relevant external parties" are all external organizations and people, including suppliers and partners, with whom we do business.

The Teijin Group Human Rights Policy ❯ https://www.teijin.com/csr/social/human_rights.html

2. Implementation of Human Rights Due Diligence

Human Rights Risk Assessment

The Teijin Group conducts human rights risk assessments every few years to identify and understand the negative human rights risks and impacts of each of our businesses.

In the 2023 assessment, we evaluated geographic risk, product risk, employment mode risk, and industry risk based on qualitative information about each business, and quantitatively analyzed the aggregate of these risks as the potential human rights violation risk for each business. We are taking the following measures for the Fibers & Products Converting Business and Aramid Business, which have been assessed as having high product risk and industry risk:

	Identified issues	Countermeasures
Fibers & Products Converting Business Aramid Business	Apparel product manufacturing potentially at high risk due to low wages, poor working conditions, the use of migrant workers, and gender/racial discrimination	• Conduct interviews on the employment status and treatment of migrant workers at each business site • Conduct the CSR Procurement Survey and interviews with suppliers, and visit high-risk suppliers for investigation
Fibers & Products Converting Business	High geographic risk due to business operations in Myanmar, Thailand, China, etc.	
Aramid Business	High geographic risk due to business operations in Russia, China, etc.	Withdraw business from Russia (completed in March 2022)
	Potential risk of facilitating Ukraine human rights violations due to direct/indirect support or goods provided to Russian government (dual-use)	Alert customers, confirm transaction purposes, and conduct thorough risk-based transaction examinations to prevent re-sales from flowing into embargoed areas

Teijin Group Supplier Survey

The Teijin Group conducts a CSR procurement survey every year to investigate and evaluate the status of CSR activities, including human rights risks, of its business partners.

This survey utilizes a questionnaire to confirm whether or not suppliers are complying with the Teijin Group CSR Procurement Guidelines, and the results are used to determine their place in a five-level ranking system. Through such surveys, we identify the risks of each of the suppliers and conduct detailed interviews, etc., with the suppliers that we consider may be at risk based on their responses.

In FY2024, we sent our questionnaire to 1,266 suppliers and received responses from 605. Among the respondents, we identified 89 suppliers ranked low in the general evaluation or in the evaluation of questions regarding human rights issues as high-priority targets for improvement guidance, and requested that they submit improvement plans after confirming the details.

Survey of Suppliers for Sustainable Procurement ❯ https://www.teijin.com/csr/social/supply_chain.html

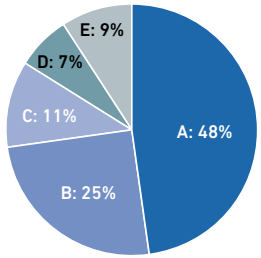
Survey Status

	Number of suppliers surveyed	Response rate
Teijin Group total	1,266	48% (605 suppliers)

Improvement Follow-up Status

	Number of suppliers asked to submit improvement plans	Number of improvement plans received
Teijin Group total	89 (15% of respondents)	54 (submission rate: 61%)

Overall Evaluation



A, B, C: Complying with Teijin's standards ▶ Total 84%
D, E: Needs attention ▶ Total 16%

Human Rights Initiatives

Examples of Supplier Improvements Achieved through the Surveys and Audits

Regarding the management of ID cards and passports for foreign workers, one Chinese supplier said in their survey response that they retained these documents internally and did not return them to workers until their employment contracts expired. Following our request for improvement, the supplier revised its practice so that workers now keep the original documents while the supplier retains copies only when necessary.

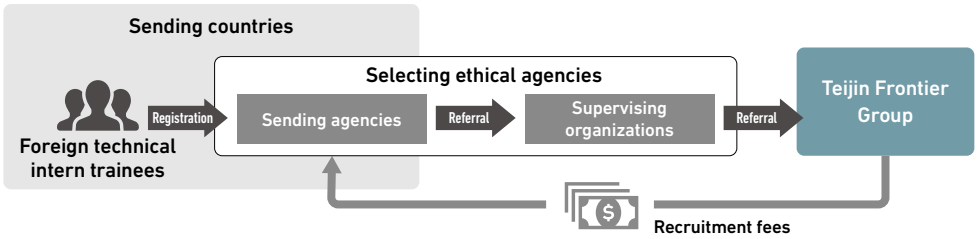
In the Fibers & Products Converting Business, which has been identified as having high product risk and industry risk, Teijin Frontier Co., Ltd. requests that its suppliers cooperate in on-site surveys, based on Teijin Group supplier questionnaire results. Teijin Frontier handles development of materials, procurement, and commercialization on a global basis. In FY2024, surveys were conducted on the actual conditions of 19 processing plants and sewing factories in Japan and overseas. During one on-site survey at a Vietnamese supplier, we discovered an evacuation route map failing to include a "you are here" marking and requested corrective action. The supplier responded by clearly marking the current location on the map, illustrating the effectiveness of our survey activities.

Initiatives for Foreign Technical Intern Trainees in Japan (ZERO-FEE PROJECT)

The Fibers & Products Converting Business, which has accepted foreign technical intern trainees for many years through the foreign technical intern training system, conducted an internal survey and discovered that trainees paid large fees to sending agencies in their home countries for coming to Japan. Since the practice of sending agencies requiring technical intern trainees to bear recruitment costs violates the International Labour Organization (ILO) Private Employment Agencies Convention, Teijin Frontier Group launched the ZERO-FEE PROJECT in FY2019. As the accepting entity, the Group now covers these fees to eliminate the financial burden on trainees.

To ensure the effectiveness of the project, we accept technical intern trainees exclusively from ethical supervising organizations that support Teijin Frontier Group's philosophy and disclose information on sending agencies' fees and related matters.

We are also conducting periodic surveys on the treatment status of the foreign technical intern trainees employed by our suppliers. We have confirmed that there were no serious violations of laws, such as the Japanese Labor Standards Act.



Human Rights Training

The Teijin Group holds corporate ethics training for all executives and employees every October during Corporate Ethics Month. This training deepens their understanding of the Group's policies on human rights.

In the Fibers & Products Converting Business, we offer three e-learning courses for employees. In FY2024, 98% of employees in Japan and overseas participated in these courses.

Each year, we provide each supplier with feedback on their CSR Procurement Survey results and offer actionable guidance, helping them to recognize the issues they face and work toward improvement.

In the Fibers & Products Converting Business, Teijin Frontier has held CSR Supply Chain Seminars every year since 2014 for processing, sewing and embroidery factories, material manufacturers, and other suppliers. In FY2024, we held these seminars in Vietnam, Myanmar, and Japan. The Teijin Group believes it is important to raise awareness of CSR procurement locally on an ongoing basis.

3. Remediation

Whistleblowing

The Teijin Group has established a consultation and reporting desk for employees of Group companies. Teijin's website also provides a contact point for receiving reports from persons other than employees of Teijin Group companies, such as suppliers. These measures ensure that problems are addressed promptly and prevented from recurring (see "Corporate Ethics and Compliance" P77 section for details).

The table on the right shows the number of harassment cases among received internal reports. None of the reports constituted a serious violation of human rights. The Teijin Group believes a certain number of reports is appropriate.

Number of Harassment Reports

	Japan	Europe	USA	Asia	Total
FY2022	18	8	11	0	**37**
FY2023	28	5	10	1	**44**
FY2024	51	2	22	1	**76**

4. Engagement and Dialogue with Stakeholders

Dialogues with External Experts

To advance our human rights initiatives in line with international trends and standards for business and human rights, we hold regular dialogues with external experts versed in domestic and international developments in this field. Through these dialogues, we gain real-time understanding of the Teijin Group's business situation and its human rights impact, and discuss the appropriate direction for our response.

How Do We Strengthen the Foundation for Doing That

FOUNDATION



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77 Corporate Ethics and Compliance

78 Total Risk Management (TRM)

Roundtable Discussion with Outside Directors



Masaaki Tsuya
Independent Outside Director

Reiko Kusunose
Independent Outside Director

Masaru Onishi
Independent Outside Director*1

Tamie Minami
Independent Outside Director*2

*1 Retired as Independent Outside Director in June 2025
*2 Appointed as Independent Outside Director (Audit & Supervisory Committee Member) in June 2025

Enhancing Corporate Governance through Organizational Restructuring and Outlook for the CEO Succession Plan

In June 2025, four Independent Outside Directors held a roundtable discussion on the Teijin Group's efforts to strengthen corporate governance, including the June 2025 transition to a Company with an Audit & Supervisory Committee, and the current state of the CEO succession plan.

Transitioning to a Company with an Audit & Supervisory Committee

Onishi There are generally three main reasons when companies consider transitioning to a Company with an Audit & Supervisory Committee: (1) accelerating decision-making through the delegation of authority, (2) creating a structure that allows more time to be devoted to critical management issues, and (3) strengthening oversight functions.

Among these, what Teijin prioritized most in its deliberations was the second point, i.e., establishing an environment that allows for deeper and more time-intensive discussions on fundamental management matters. As for the first point, accelerating decision-making through the delegation of authority, Teijin believes this can be achieved in the future by further enhancing its executive structure. Previously, under the conventional framework of a Company with a Board of Statutory Auditors, statutory auditors were allowed to speak at Board of Directors but had no voting rights. With this change in governance structure, Audit & Supervisory Committee Members will now participate in the Board of Directors with voting rights, replacing statutory auditors. This shift is expected to significantly enhance the effectiveness of the oversight function, thereby achieving the third objective: strengthening oversight functions.

While transitioning to a Company with a Nomination Committee, etc. was also a potential option, under that structure, the statutory Nomination Committee and Compensation Committee would each hold final decision-making authority over their respective matters.

Roundtable Discussion with Outside Directors

However, we determined that, at present, it is more appropriate and necessary for Teijin to deepen discussions and make decisions collectively with all directors through the Board of Directors. That said, we do not view the structure selected this time as a final form. In the discussions around this transition, we—Outside Directors with experience in various governance structures—shared our perspectives, and we believe that the form chosen reflects what is currently most appropriate for Teijin.

Kusunose In my previous role, I have the experience of working for a Company with a Nomination Committee, etc., and I drew on that experience when participating in the discussions. What I emphasized in particular was the importance of focusing on the relationship between supervision and execution, and that the way a system is actually operated matters more than the framework itself. From my own experience, I have witnessed situations where Outside Directors, who are supposed to remain focused on supervision, stepped into the realm of execution. This made me acutely aware of the gap that can exist between the ideal envisioned by the system and how it works in practice. Based on that, I felt the discussions around changing Teijin's governance structure went beyond a formal or theoretical debate and delved deeply into the realities and discrepancies between theory and practice.

One key outcome of these discussions was a shared understanding among stakeholders that the company can further enhance its oversight function when granting voting rights to Outside Directors who serve as Audit & Supervisory Committee Members within the existing culture at Teijin, where Outside Audit & Supervisory Board Members are already encouraged to speak actively.

Minami I believe I was able to make a well-reasoned decision based on a thorough understanding of the differences between the current structure and the new system. In the past, discussions at the Board of Directors have at times tended to focus on short-term issues or tracing the root causes of problems. Looking ahead, with the transition to a Company with an Audit & Supervisory Committee, I believe that by developing an appropriate organizational structure, talent, and processes, the Board of Directors will be able to concentrate more on its core supervisory responsibilities. I view this change in governance structure as a necessary and meaningful step forward for Teijin. It is an opportunity to reassess the composition and role of the Board of Directors itself.

Tsuya Based on my experience, I believe there is no absolute right answer when it comes to selecting a governance framework. Ultimately, the outcome is heavily influenced by the people who operate the system.

Given Teijin's current circumstances, a flexible governance structure is essential, and I believe that the transition to a company with an Audit & Supervisory Committee is well-suited to fostering more active dialogue and responsible decision-making. That said, no system should be regarded as absolute. I believe that maintaining a willingness to reassess and adapt the structure as circumstances evolve is the foundation of sound governance.

Onishi As discussions progressed, I sensed Mr. Uchikawa's strong commitment and clear awareness of the issues at hand, along with his determination to lead this transformation. At its core, I believe he intended to elevate the Board of Director's discussions to a more strategic and essential level. In the past, statutory auditors were limited in their ability to participate directly in decision-making. I believe his thinking was that by giving all members voting rights and having them engage in responsible dialogue, the company would be able to make stronger, more effective management decisions.

We, the Outside Directors, resonated with Mr. Uchikawa's vision. As a result, a shared understanding emerged across the Board of Directors that this governance transition is not an end in itself but rather a means of creating an environment that enables more strategic discussions.

Looking ahead, strengthening the effectiveness of the oversight function will require a well-developed monitoring structure. To achieve this, we must be mindful of information asymmetry to avoid overlooking risks embedded in reportable matters. Under the previous system, information disparities often arose between statutory auditors and directors, particularly between statutory auditors and Outside Directors, and this gap became evident in strategic discussions. Removing that "wall" is critical to enhancing governance. Moving forward, it will be essential to build a system where execution and oversight, internal and external perspectives, and directors who are Audit & Supervisory Committee Members and those who are not, can all share information and assess the company's direction from a common viewpoint. The transition to a Company with an Audit & Supervisory Committee is merely the first step. True governance is something that must be built day by day through ongoing dialogue and the accumulation of trust.

Kusunose I also consider information asymmetry to be one of the more deep-rooted challenges in corporate governance. Addressing this issue requires the Secretariat to play a particularly vital role. At my previous company, which operated as a Company with a Nomination Committee, etc., each committee was supported by its respective Secretariat, such as the Human Resources Department or the Audit Committee Office. And the Corporate Secretary served as a centralized point of contact, ensuring that essential oversight-related information from the executive side was conveyed appropriately while also building a structure in which information could be shared across all committees without gaps.

At Teijin as well, efforts are being made to review the role of the Secretariat to ensure the effectiveness of the oversight function and prevent information disparities between directors who are Audit & Supervisory Committee Members and those who are not. I believe this will contribute to building an even more robust governance structure following the transition.

Minami From a different point of view, I would like to speak about my expectations for how the Board of Directors will evolve going forward. With the transition to a Company with an Audit & Supervisory Committee, I believe the Board of Directors—previously inclined to focus on short-term issues—will begin to engage in more strategic and fundamentally important discussions from a medium- to long-term perspective.

At present, for Teijin, truly essential discussions are those focused on growth. In turning such discussions into concrete strategies, what is critical is shifting toward a results-oriented process.



Roundtable Discussion with Outside Directors

From my point of view, Teijin has tended to focus on activity-based reporting, i.e., what actions were taken, while paying relatively little attention to what results were achieved. This seems to be part of the corporate culture, and overcoming it will require a mindset shift led by top management. Transitioning to a results-based management approach will, in my view, be a key pillar of Teijin's future growth strategy.

Tsuya I believe that the transition to a Company with an Audit & Supervisory Committee is more than just a structural change. It also brings new expectations for the qualities and perspectives required of directors. At Teijin, where diverse businesses coexist, there are an increasing number of situations that cannot be addressed through conventional experience alone. Given this, directors going forward will need an integrated perspective across businesses, as well as the ability to envision the future and build pillars for growth accordingly.

In addition, directors must be able to accurately read changes in the external environment and lead corporate transformation. Strengthening governance will depend directly on the ability to identify and appoint individuals with the necessary skills from both inside and outside the organization and to incorporate diverse viewpoints. Promoting young talent will also be essential to driving transformation. This governance transition marks the starting point of a broader shift in the skills required of leadership, and it calls for a fundamental rethinking of the company's human capital strategy with the future in mind.

Onishi I fully agree with Mr. Tsuya's comments on the qualities and perspectives that will be required of directors going forward.



At the same time, when considering whether this change in governance structure will dramatically alter the specific skills required of directors, I believe the essence lies in strengthening the foundational skills.

As for emerging themes such as AI and digital technologies, which evolve with the times, directors don't need to cover every area in depth. Instead, it is more effective to supplement where needed through the use of advisors and other external expertise, depending on the situation.

The Board of Directors should fundamentally focus on three key pillars: building a business portfolio, managing risk, and ensuring sustainability. I do not believe the current Board of Directors lacks the skills necessary to engage in these discussions. This governance transition is, in my view, an opportunity to return to the core responsibilities of the Board of Directors and to promote more strategic decision-making.

Kusunose This transition should not be viewed merely as a procedural change in governance but rather as a pivotal opportunity to redefine the division of responsibilities between execution and oversight. When companies face high levels of uncertainty, directors often find themselves compelled to step into operational matters. And indeed, we have seen such situations arise at Teijin in recent years. However, in the context of this transition, I understood Mr. Uchikawa to have clearly expressed his intent by stating, "Leave execution to me."

Going forward, what will be required of directors is not only so much specific technical skills, but also a strategic perspective focused on the company's growth and long-term sustainability. The true value of a director lies in understanding what management envisions and accelerating its realization through accurate advice and effective oversight. I believe this governance transition will help clarify that role and bring it into sharper focus.

Advancing the CEO Succession Plan

Tsuya At Teijin, the succession plan to select CEO has been in place from an early stage as part of the company's framework. Among its initiatives, the establishment of an Advisory Board to introduce a candidate interview process was particularly forward-thinking. However, this approach was based on the premise of



regular leadership transitions and left room for improvement in terms of emergency preparedness.

In today's management environment, the risk of an unexpected leadership change must be realistically considered. Against this backdrop, the Nomination Advisory Committee, primarily composed of Outside Directors, has begun conducting interviews with CEO candidates with unexpected scenarios in mind. Candidates are encouraged to be prepared with the mindset of being ready to take office at any time, marking a new phase focused on strengthening readiness for emergency transitions.

Onishi Through the CEO candidate interviews conducted by the Nomination Advisory Committee, we were able to return to the fundamental principle that you must truly know the person. What emerged through repeated dialogue often differed significantly from our initial impressions or assumptions.

In particular, under Teijin's current executive officer structure, the individuals who attend the Board of Directors are limited, which means there are few opportunities to truly get to know the leaders of the business divisions. By listening to candidates speak about their upbringing, values, and sense of identity, we were able to gain a deeper understanding of their character. These accumulated conversations proved to be an invaluable experience for us, and we strongly feel that such a process is essential to raising the quality of succession plan.

Kusunose I have once again come to recognize the importance of a candidate's personal resolve as a leader, as well as the need to institutionalize successor development as part of corporate management. At my previous company, I underwent leadership

Roundtable Discussion with Outside Directors



training after being nominated, where I was asked to reflect on the question, "What does it mean to be a leader?" That experience impressed upon me the need for a clear sense of determination, not just a vague notion. And we were also required to consistently identify multiple potential successors, and the succession process itself was highly systematized. Seeing Teijin now begin initiatives such as candidate interviews strikes me as a highly forward-thinking step for a Japanese company. I strongly believe in the importance of fostering a culture in which leaders take responsibility for developing their own successors as a foundation for the organization. It is also very encouraging that Mr. Uchikawa himself first prompted this initiative.

Tsuya While conducting actual candidate interviews, the Nomination Advisory Committee has also been engaging in parallel discussions on the qualities required of Teijin's next CEO from multiple perspectives.

Teijin is a corporate group with diverse businesses and a long-standing history of each division independently developing outstanding talent. Within this context, it is essential that the next leader possesses a perspective that enables them to oversee the entire organization and drive transformation into the future. To carry forward and further develop the new direction set by Mr. Uchikawa (who currently serves as CEO), the next CEO will need the ability to make a calm assessment on which businesses to pursue or withdraw from and to take the lead in driving growth.

Moreover, strong leadership and resolve will be required to not only reevaluate the management framework itself but also push through structural reforms in areas such as talent development and organizational operations. The key now is to ensure that the reforms initiated by Mr. Uchikawa are reliably carried forward to the next generation.

Onishi From my perspective, what is required of Teijin's next CEO is that they are someone who can consistently deliver results. And those results should not be the product of chance, but rather the outcome of repeated actions grounded in firm values. It is essential that this unwavering foundation naturally manifests in their behavior across various situations and that this, in turn, leads to tangible outcomes. The ability to generate this kind of chain reaction is what truly matters.

Teijin, as an organization, has traditionally valued a third-person perspective, emphasizing objectivity and rationality. However, that alone is not sufficient. A true leader must also integrate a first-person perspective, which means internalizing issues as their own, and a second-person perspective, which means understanding things from the standpoint of others. Only someone who can combine all three perspectives can genuinely inspire and move people.

I hope to entrust Teijin's future to a leader who embodies this way of thinking, someone who lives out the chain of values, actions, and results.

Minami What struck me most during the interviews was the company's stance on talent development. At Teijin, my impression has been that individual managers have taken the initiative to develop people on their own. Going forward, the company as a whole must establish a more structured and systematic development process.

The era when outstanding talent could be nurtured organically has come to an end. What is now required is intentional development. I was once again reminded that succession plan should not be limited to the top leadership level; it is a responsibility that the company must actively pursue across all organizational layers.

Tsuya At Teijin, the succession plan is steadily advancing, not only for selecting the next CEO, but also with a long-term view toward developing future management talent. Platforms have been established where next-generation leaders from different divisions, including non-Japanese members, engage in discussion. And through two-way dialogue with Outside Directors, efforts are being made to instill and cultivate a management-oriented mindset.

These initiatives further expand what Teijin has built to date and are already yielding tangible results. At the same time, traditional department-based talent development has revealed limitations in fostering a company-wide perspective and the ability to drive transformation. In response, the company is actively promoting the appointment of external talent and the intentional advancement of younger employees. I believe these efforts represent a critical step toward strengthening Teijin's future management foundation.

Looking Ahead

Minami As Teijin stands at a major turning point, I strongly hope that Mr. Uchikawa will continue to demonstrate bold leadership, unbound by conventional frameworks.

Teijin's culture has long valued orderly and structured operations, but true transformation sometimes requires boldness. At this moment, when the company is driving structural reforms such as changes in governance, the succession plan, and business portfolio transformation, it is Mr. Uchikawa's willingness to lead from the front and make decisions without being swayed by internal convention that I believe is helping to bring about genuine transformation at Teijin. I look forward to seeing Mr. Uchikawa pursue an even more dynamic and unfettered style of leadership as he steers Teijin into the future.

Kusunose Like Ms. Minami, I believe that Mr. Uchikawa has shown strong leadership in the face of a challenging business environment, boldly advancing structural reforms such as the transition in governance, the succession plan, and the business portfolio transformation. In particular, I would highlight his efforts to promote diversity by accurately identifying and appointing the right talent from both inside and outside the company. I hope to see these efforts gain further momentum.

Looking ahead, clearly communicating Teijin's medium- to long-term growth story through active engagement with capital markets will be key to enhancing corporate value. I have high expectations for Mr. Uchikawa to proactively communicate through IR activities the progress of reforms, the company's outlook for new business domains, and its ESG initiatives, and to deliver results that meet investor expectations. By doing so, Teijin can firmly establish its presence in the market.

Corporate Governance

Basic Concept

In accordance with the basic mission of the Teijin Group to continually increase its corporate value, the Group is working to strengthen corporate governance to fulfill its responsibilities to various stakeholders. The Group is striving to establish and strengthen an effective corporate governance system based on the principles of improving transparency, ensuring fairness, speeding up decision-making, and ensuring the objectivity of monitoring and supervision through a Board of Directors and Corporate Officer System in which at least half of the members are independent outside directors, an Audit & Supervisory Committee in which the majority of members are Independent outside directors, and a Nomination Advisory Committee and Compensation Advisory Committee in which the majority of members are independent outside directors. The Group has also formulated and published the Teijin Group Corporate Governance Guide, which sets forth guidelines for corporate governance.

Major Initiatives for Strengthening Governance

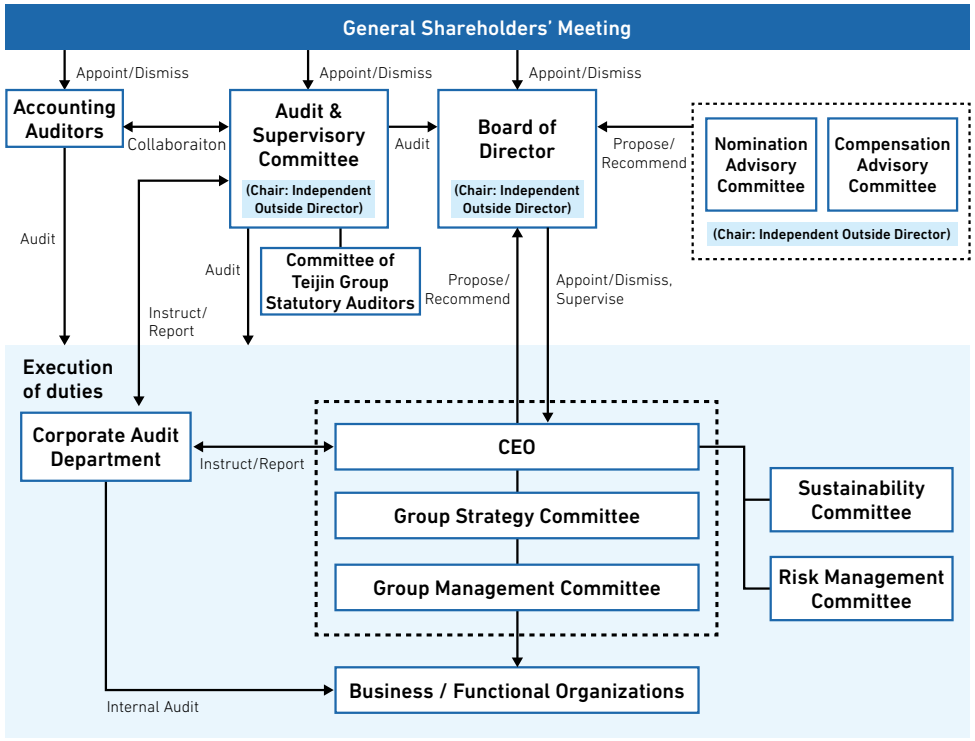
1999	• Reduced number of directors from 24 to 9 • Appointed three independent outside statutory auditors (a majority of the Board of Statutory Auditors) • Introduced the corporate officer system (accelerating decision-making for execution of business and clarifying system of responsibility)
2003	• Appointed three independent outside directors
2012	• Appointed four independent outside directors
2015	• Established Nomination Advisory Committee and Compensation Advisory Committee
2021	• Ensured that an independent outside director will always chair the Board of Directors • Revised the officer compensation system (introducing Restricted Stock and Performance Share Units) • Discontinued the Honorary Advisor system* and the Advisor/Special Advisor system * Applicable from the current Senior Advisor
2022	• Revised the structure and functions of the Advisory Board (the role of chair is now held by the independent outside director who chairs the Board of Directors while the nomination and compensation advisory functions of all directors, including the CEO and Chairperson, were consolidated into a single function in the form of the Nomination Advisory Committee or the Compensation Advisory Committee)
2023	• Revised the composition of the Board of Directors (raised the ratio of independent outside directors on the Board to 50%)
2024	• Revised the composition of the Board of Directors (increased the proportion of independent outside directors to 57%)
2025	• Transitioned to a Company with an Audit & Supervisory Committee • Changed the outside advisor system

Corporate Governance System (As of August 2025)

Organization: A Company with an Audit & Supervisory Committee

The Teijin Group has a policy of adopting the most appropriate corporate governance structure for achieving the Company's objectives and reviewing the structure as and when necessary in response to changes in social and legal environments. In accordance with this policy, in June 2025 we made the transition to a Company with an Audit & Supervisory Committee.

This shift will allow the Company to expand the delegation of authority from the Board of Directors to executive departments and speed up management-related decision-making. The Board of Directors will also strengthen debate on important management issues such as medium- to long-term management strategies, and directors responsible for audits (Audit & Supervisory Committee Members) will get voting rights, in order to enhance the supervisory function of the Board of Directors.



Corporate Governance

Board of Directors

The Board of Directors meets once a month, in principle, and deliberates and determines/approves important matters, such as Groupwide management policies and plans, as well as any other items required by laws, regulations and the Company's Articles of Incorporation. It also oversees Directors' performance of their duties. It sets the agenda items of Board of Directors meetings in accordance with the Regulations for the Board of Directors. Also, to expedite decision-making and clarify accountability of business execution, it properly delegates authority to Corporate Officers regarding important matters related to the business execution of the Teijin Group (individual short- and medium-term plans and individual important matters with respect to each business and functional operation).

To expedite decision-making and clarify accountability of business execution, the Company's Articles of Incorporation set the maximum number of directors at 12, including five or less Directors who are Audit & Supervisory Committee Members, and the Company has introduced a corporate officer system that delegates broad authority to corporate officers. In principle, at least half of the Board members must be outside directors. The Company's Board of Directors is currently composed of 11 members (four women), including six outside directors who satisfy the requirements for Independent Directors specified by the Company. Six Directors who are not Audit & Advisory Committee Members, including three outside independent directors, and their terms of office are set at one year in the Articles of Incorporation. Five Directors who are Audit and Supervisory Committee Members, including three independent outside directors, and their terms of office are set at two years in the Articles of Incorporation.

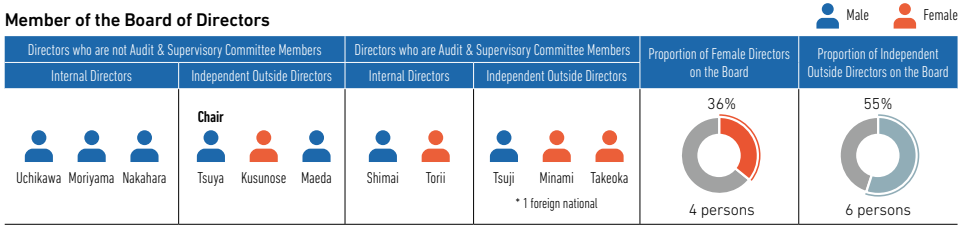
Board of Directors' Meetings in FY2024

Number of meetings held	14

Main Topics and Matters Deliberated

Management/ business strategy	• Rethinking of the long-term vision and business portfolio for the future • Monitoring of the progress of the Medium-Term Management Plan • Sustainability strategy • Initiatives related to human capital/ intellectual property	• Rationale behind the public listing of both parent and subsidiary companies (transfer of INFOCOM CORPORATION) • Priority strategic business investment projects • Progress monitoring of priority investment projects, etc. • FY2025 short-term management plans, etc.
Corporate governance	• Change in the governance structure (Restructuring into a corporation with an Audit & Supervisory Committee) • Evaluation of the effectiveness of the Board of Directors • Internal control system operation evaluation result report and basic policy on internal control system	• Submission of the corporate governance report • Status of cross-shareholdings • Basic plan and annual plan for Total Risk Management (TRM) • Statutory Auditors' audit plans, etc.
Earnings/IR/ Shareholders' meeting	• Earnings results and forecasts • Dividends from surplus	• Status of stakeholder communication activities • Summary of the annual meeting of shareholders, etc.
Appointment and compensation of directors and officers	• Assuming and leaving office of Teijin Group Corporate Officers and duties assigned to each	• Compensation schemes and compensation amounts for Directors and Teijin Group Corporate Officers, etc.

Member of the Board of Directors



Skill matrix of Board Members

In accordance with medium-term management plan and management issues, a skills matrix based on "Reasons for Selecting Skills" was formulated. The "Skills Expected of Directors and Audit & Supervisory Committee Members in Fulfilling Their Roles and Responsibilities" are defined from the various kinds of knowledge, experience, and abilities possessed by Board members, with the aim of ensuring that the Board of Directors and Audit & Supervisory Committee have a good overall balance.

We are also working to increase gender and other diversity. With four female directors (Reiko Kusunose, Tomoko Torii, Tamie Minami, and Yaeko Takeoka), women now make up 36% of the Board of Directors. Tamie Minami is a foreign national.

Reasons for Selecting Skill Items

Category	Skill items	Reasons for selecting skill items
Management / Reform	**Management of a (listed) company**	• In order to identify opportunities and risks in management of a listed company given its management environment and to increase its corporate value, we believe appropriate decision-making and supervision from a comprehensive perspective are important.
	Restructuring of business / Internal reform	• In order to implement portfolio reforms, we believe it is useful to have experience and knowledge of leading change management, such as business restructuring and internal reforms.
Business	**Business of the Company / Related fields**	• We believe it is useful to have knowledge in relevant fields when making important decisions related to the business and supervising the business while taking appropriate risk.
Function / Foundation	**Production / Technology / Quality / Intellectual Property / DX**	• We believe initiatives related to production innovation, quality management and reliability assurance, research and development, intellectual property and DX will become increasingly important as the foundation of competitiveness and profitability improvement.
	Management of a global organization	• We believe knowledge in management of a global organization, which involves different values and complexities, will become useful in maximizing organizational abilities and managing risks.
	Human capital / DE&I	• As initiatives to transform corporate culture through the promotion of the Teijin Group's purpose and initiatives related to human capital to increase the effectiveness of management strategies, we believe it is essential to "ensure that the right people are assigned to the right positions in order to put into practice the strategies" and implement "measures to ensure that human resources can demonstrate their capabilities fully," in order to increase the corporate value.
	Finance / Accounting / IR	• We believe financial strategy, capital policy and communication with capital markets are important in order to build a strong financial foundation that supports portfolio reforms and sustainable growth.
	Risk management / Legal affairs	• In order to maintain and increase the corporate value, we believe it is essential to appropriately address risks that are becoming more complex and sophisticated by gathering and analyzing information.
	Sustainability	• We believe it is important to pursue the enhancement of corporate value from the perspective of sustainability, based on the Teijin Group's purpose of "Pioneering solutions together for a healthy planet."

Corporate Governance

Skill Matrix

Name Attribute*1	Position at the Company	Term of appointment	Management/Reform		Business	Functions/Foundation						Expected role	Attendance at Board of Directors and Board of Statutory Auditors meetings (FY2024)
			Management of a(listed) company	Restructuring of business/ Internal reforms	Business of the Company/ Related fields	Production/ Technology/ Quality/IP/DX	Management of global organizations	Human capital/ DE&I	Finances/ Accounting/ IR	Risk management/ Legal affairs	Sustainability		
Akimoto Uchikawa	**President and CEO, Representative Director of the Board**	4 years	○	○	○ Materials	○	○				○	Strong leadership for driving internal transformation and creating systems for enhancing execution capabilities, and initiatives for increasing profitability, business portfolio transformation, and strengthening management foundation (realization of Medium-Term Management Plan 2024-2025)	Board of Directors: 14/14 times
Naohiko Moriyama	**Senior Executive Officer, Representative Director of the Board**	4 years		○	○ Healthcare	○			○	○		Leadership for transformation and creating and advancing growth strategies, strategic and proper addressing of various barriers and variable factors that arise when advancing a medium-term management plan	Board of Directors: 14/14 times
Yuji Nakahara	**Corporate Officer, Member of the Board**	—		○	○ Infrastructure Materials	○	○				○	Formulating and pursuing a technology strategy based on the management strategy, and promoting growth strategy projects that will drive growth of the Company	Appointed in June 2025
Masaaki Tsuya Outside Independent	**Director**	3 years	○	○	○ Mobility		○			○	○	Experience as CEO and chairperson of a listed company, abundant business experience, decision-making based on exceptional insight, supervision of business execution, advice to management	Board of Directors: 14/14 times
Reiko Kusunose Outside Independent	**Director**	1 year		○	○ Mobility Industrial		○	○	○			Experience in corporate transformation at companies that have undergone management integration and global organizational management, as well as decision-making, supervision of business execution, and advice to management based on broad knowledge and strong insight from a DE&I perspective	Board of Directors: 9/9 times
Toichi Maeda Outside Independent	**Director**	—	○	○	○ Infrastructure Industrial	○	○				○	Supervise decision-making and business execution and advise on management based on personal experience in leading the evolution of business portfolios and ensuring efficient and effective corporate governance as president or chairperson of a listed company	Appointed in June 2025
Masanori Shimai	**Director (Full-time Audit & Supervisory Committee member)**	6 years			○ Materials				○	○		Audit, supervise, and advise on decision-making and business execution, based on knowledge and experience of accounting and finance, and familiarity with business details	Board of Directors: 14/14 times Board of Statutory Auditors: 13/13 times
Tomoko Torii	**Director (Full-time Audit & Supervisory Committee member)**	1 year			○ Healthcare	○		○				Audit, supervise, and advise on decision-making and business execution based on abundant work experience in the healthcare business, grounded in a solid knowledge of science and technology, and strong understanding of the Company's business activities and corporate culture	Board of Directors: 9/9 times Board of Statutory Auditors: 9/9 times
Koichi Tsuji Outside Independent	**Director (Audit & Supervisory Committee Member)**	2 years			○ Infrastructure Industrial		○		○			Audit, supervise, and advise on business execution based on deep insight gained from experience as a certified public accountant or corporate manager, as well as knowledge of risk management	Board of Directors: 14/14 times Board of Statutory Auditors: 13/13 times
Tamie Minami Outside Independent	**Director (Audit & Supervisory Committee Member)**	2 years		○	○ Healthcare		○	○				Audit, supervise, and advise decision-making and business execution based on experience in healthcare and industrial materials business and as a manager in multiple geographical regions in a global company, and marketing knowledge	Board of Directors: 14/14 times
Yaeko Takeoka Outside Independent	**Director (Audit & Supervisory Committee Member)**	—			○ Mobility Materials	○				○		Audit, supervise, and advise on decision-making and business execution based on deep insight into corporate legal affairs (e.g., intellectual property rights, compliance), a management perspective cultivated through extensive experience as an outside director, and knowledge of the Company's internal auditing system	Appointed in June 2025

*1 Independent: Independent Director registered with the Tokyo Stock Exchange
Note: This table lists skills that members are expected to contribute in fulfilling their roles and responsibilities on the Board of Directors and the Audit&Supervisory Committee. It does not list all of their skills. Functions/Foundation show around two items.

Corporate Governance

Evaluation of Board of Directors' Effectiveness

To further ensure the effectiveness and enhance the functions of the Board of Directors, the effectiveness of the Board of Directors is comprehensively analyzed and evaluated every year.

Effectiveness Evaluation Methods in FY2024

■ Process of utilizing third-party organizations

(1) Questionnaire survey of all Directors and Supervisory Auditors (12 persons including outside officers)

↓

(2) Interviews with some (two) Directors for the purpose of in-depth investigation of management issues

↓

(3) Analysis and evaluation by the Bord of Director → (4) Discussion of issues to be addressed and improvement measures by the Bord of Director

Summary of Effectiveness Evaluation Results

The results of the Board of Directors Effectiveness Evaluation conducted in line with the above process found that there is no issue with the current corporate governance system and its implementation, and the Company's Board of Directors is functioning properly as a whole and ensuring effectiveness. It was also confirmed that a strong commitment by each Director and a relationship of mutual trust between Directors and Statutory Auditors that encourages open discussions are functioning as a strength that supports the effectiveness of the Company's Board of Directors.

Results of Measures Implemented in FY2024 to Further Enhance the Effectiveness of the Board of Directors

Item	Specific content
Discussions on an ideal Board of Directors	• Clarified our policy that the function of the Board of Directors is to deepen discussions on medium- to long-term growth strategies and strengthen the supervisory function for monitoring implementation strategies ➡ In line with the above policy, the ideal organizational design was discussed, resulting in the decision to transition from a Company with Board of Statutory Auditors to a Company with an Audit & Supervisory Committee
Sorting out the meeting bodies	• Regular informal meetings of the Board of Directors were established to discuss direction and share information ➡ Substantial improvement in deliberations on medium- to long-term strategies and business portfolios
Sorting out matters to be discussed	• An annual agenda was agreed in advance at the beginning of the fiscal year for priority deliberations such as medium- to long-term growth strategy and business portfolio transformation ➡ A more balanced agenda was achieved, resulting in greater satisfaction with the agenda among Directors

Status of Response to Issues Recognized in or Before FY2024

The Board deepened discussions on issues identified in and before FY2024 from a medium- to long-term perspective. To accelerate the formulation and execution of measures and policies by the CEO and other executive officers, the Board of Directors received reports on the implementation as appropriate, and confirmed the progress.

Issues	Responses
Confirmation of the progress of medium- to long-term management plans and review of strategies as necessary	• Promote the sell-off of underperformance and less-focused businesses • Consider various options, including alliances with other companies, to maintain and increase the profitability of existing businesses that support the promotion of sustainable growth strategies
Measures related to sustainability strategy	• Establish a Sustainability Committee under the CEO to ensure the implementation of the strategy and develop a system for examining and promoting sustainability policies P.56
Measures related to DX strategy	• Appoint a Chief Digital Officer to globally lead and support the transformation and development of the Company into a value-oriented business and speed up and increase the efficiency of corporate and business operations P.48
Measures related to human capital	• To help assign the right people to the right positions globally, a global job posting system, an in-house job application system that enables employees to transfer to overseas bases, and an employment system for managerial positions to help managers receive compensation in accordance with their duties, were introduced P.52
Discussion on rationality of parent-subsidiary listing	• Decided on and completed transfer of all stock of INFOCOM CORPORATION

Issues Identified in the Effectiveness Evaluation Conducted in FY2024 and Future Initiatives

As a result of discussions held at Board of Directors' meetings and based on the evaluation of effectiveness conducted in FY2024, the Company identified and decided to promote efforts to address the following issues in FY2025. Efforts to improve the effectiveness of the Board of Directors and further strengthen corporate governance will continue.

Issues	Responses
Deepening discussions on key issues	**• Review the process of identifying key issues, clarify points to be discussed for each issue in advance, and conduct discussions focusing on the clarified points**
Reorganization and enhancement of function of the management execution system	**• Restructure the execution system to maximize synergies within the Teijin Group** **• Consider a reporting system that allows appropriate monitoring by the Board as a monitoring board**
Development of managerial human resources	**• Strengthen the expertise of current executive managers** **• Develop next-generation executive managers**

Corporate Governance

Audit & Supervisory Committee

In June 2025, the Company transitioned to a Company with an Audit & Supervisory Committee system. The Audit & Supervisory Committee consists of five members (including three women), of whom three—a majority—are outside directors who satisfy all the requirements of independent directors as stipulated by the Company. Audit & Supervisory Committee Members audit the performance of duties by Directors based on their expertise and experience in law, finance, and accounting, etc. Full-time Audit & Supervisory Committee Member Masanori Shimai and Outside Audit & Supervisory Committee Member Koichi Tsuji have ample knowledge of finance and accounting.

Furthermore, the Committee of Teijin Group Statutory Auditors, which comprises the members of the Company's Audit and Supervisory Committee, Full-time Statuary Auditors of group companies, personnel of the Audit & Supervisory Committee Office, the head of the Corporate Audit Department and other members, meets regularly to enhance the effectiveness of groupwide monitoring and audits.

Audit & Supervisory Committee Members

Male Female

Directors who are Audit & Supervisory Committee Members		Proportion of Female Directors in Audit & Supervisory Committee	Proportion of Independent Outside Directors in Audit & Supervisory Committee
Internal Directors	Independent Outside Directors		
Shimai, Torii	Chairperson: Tsuji; Minami, Takeoka	60% 3 persons	60% 3 persons

Board of Statutory Auditors' Meetings in FY2024

In FY2024, the Statutory Auditors conducted audits focused on the following basic guidelines: (1) Focusing audits on the integrity of corporate activities; (2) Emphasizing preventive audits using a risk approach; (3) Strengthening understanding of the actual situation through on-site audits; and (4) Cooperating appropriately with Accounting Auditors and internal audits. The items listed in the table on the right were designated priority items.

Statutory Auditors attended meetings of the Board of Directors and other important meetings (e.g., Group Strategy Committee Meetings, TRM Committee), reviewed important approval documents, etc., and investigated the state of business and assets at head office and major factories. They also communicated and exchanged information with Board members and Statutory Auditors of subsidiaries, visited important subsidiaries, and received business reports from them as and when necessary.

Statutory Auditors also held informal discussions with the CEO and interviewed Directors and key executive officers, giving advice as and when necessary. Full-time Statutory Auditors received reports on the work of each head office staff department and exchanged opinions with them.

Area of audit	Priority audit items
Governance	• Status of key overseas business operations and internal control (including Head Office management) • Response under the new organizational and executive structure • Governance system for listed subsidiaries • Response to the corporate governance code
Corporate ethics/ compliance	• Response to changes in laws and regulations, stricter regulations, and social demands such as respect for human rights • Establishment and operation of compliance systems (including identifying the status of internal reporting systems and branches, sales offices, and group companies) • Establishment and operation of internal control systems
Risk management associated with business operations	• Measures to address human resources management (human capital) issues • (Production related) Measures to prevent ESH-related accidents, establishment and operation of production facilities and management systems • Actions to address information security risks • Effectiveness of head office functions including that of the second line of defense • Response to changes in accounting systems (application of IFRS in the first year, termination of the quarterly reporting system)
Risk management associated with management strategies	• Review of the formulation of the Medium-Term Management Plan and incorporation into the execution plan • Regular monitoring of the execution of plans for businesses/companies requiring special measures • Establishment and operation of the risk management system including incorporation into the risk management regulations

Group Strategy Committee and Group Management Committee

Important matters related to the business execution of the Company and the Teijin Group, for which authority has been delegated from the Board of Directors, are decided upon by the CEO through deliberation in the Group Strategy Committee, which meets at least twice a month in principle, and the Group Management Committee which meets once a month in principle.

The Group Strategy Committee consists of the CEO, executive officers, and other members designated by the CEO. The CEO convenes and chairs the committee meetings. The Group Management Committee consists of the CEO, executive officers, general managers of business units, and other members designated by the CEO. The CEO convenes and chairs the committee meetings. In addition to the members, both committees are also attended by the Full-time Audit & Supervisory Committee Members.

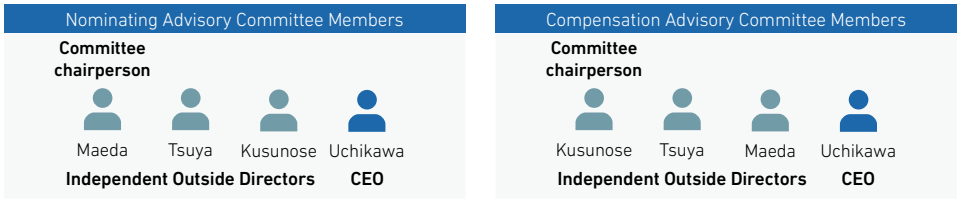
Corporate Governance

Nomination Advisory Committee / Compensation Advisory Committee

To enhance transparency in the appointment and compensation of Directors and Corporate Officers, the Company shall establish and operate the Nomination Advisory Committee and the Compensation Advisory Committee. Each of these committees deliberates on the following matters and formulates proposals and makes recommendations to the Board of Directors.

Both committees shall consist of all outside directors who are not Audit & Supervisory Committee Members, the Chairperson of the Board, and the CEO (in cases where the Chairperson is absent, all outside directors who are not Audit & Supervisory Committee Members and the CEO). The Chair of each committee shall be selected from among outside directors who are not Audit & Supervisory Committee Members and shall preside over the respective committee meetings. The CEO, as an interested party, shall, in principle, not be included as a member of the decision-making body in matters concerning the CEO. Similarly, the Chairperson of the board, as an interested party, shall, in principle, not be included as a member of the decision-making body in matters concerning the Chairperson of the Board.

Outside Internal



Matters to be discussed

Nomination Advisory Committee

(a) Succession of the CEO and nomination of a successor
(b) Appointment, retirement, and removal of the Representative Directors
(c) Election, retirement, and dismissal of Directors who are not Audit & Supervisory Committee Members (including the Chairperson of the Board)
(d) Election, retirement, and dismissal of Directors who are Audit & Supervisory Committee Members
(e) Matters concerning personnel changes of Executive Officers* (including appointment, retirement, removal, promotion, and demotion), and appointment or removal of Senior Advisors
(f) Matters concerning the criteria for independence of outside directors
(g) Selection of candidates to succeed the CEO and review of the succession development plan formulated by the CEO and its progress
(h) Matters concerning internal rules on Directors and Officers (excluding those related to compensation)

* Executive Officers: Corporate Executive Officers of the Teijin Group who serve as core members essential for deliberating on the overall business strategies of the Group

Compensation Advisory Committee

(a) Matters concerning the compensation system for Directors, Executive Officers, and Senior Advisors (hereinafter collectively referred to as "Teijin Group Executives")
(b) Matters concerning the compensation levels of the Teijin Group Executives
(c) Matters concerning the performance evaluation and compensation amounts for Internal Directors (including the CEO) who are not Audit & Supervisory Committee Members, and for Executive Officers
(d) Matters concerning internal rules on Directors and Officers (compensation-related)

Board of Advisory Committees' Meetings in FY2024

Number of meetings held	Nomination Advisory Committee: 12 Compensation Advisory Committee: 14

Main Topics and Matters Deliberated

Nomination Advisory Committee	• Examination on re-election of the CEO; review of the details and implementation status of the training provided by the CEO for CEO successor candidates • Revision of appointment systems for directors and officers • Appointment of directors and officers for FY2025 • The independence of outside directors and officers
Compensation Advisory Committee	• Revision of the executive compensation plan • Consideration of executive compensation levels • Performance evaluation of internal directors, including the CEO, and other management executives, for FY2023; and calculation of compensation amounts

MESSAGE



Reiko Kusunose
Independent Outside Director

Increasing transparency by reviewing complex performance assessment criteria

We feel that Teijin's compensation system is very well designed. In addition to short-term incentive compensation, it incorporates stock-based compensation, which serves as medium- to long-term incentive. On the other hand, performance assessment criteria are too fragmented, making the process of determining compensation overly complicated. We believe that by clearly defining the basic principles of performance-based compensation, e.g., by formulating simple indicators for determining medium- to long-term incentive compensation, we can expect to speed up decision-making and increase satisfaction. From this perspective, we recommend improving the operation of the system rather than redesigning it.

Policy and Procedure Pertaining to the Nomination of Candidates for Director and Election and Dismissal of Senior Management

When nominating the Company's directors, the Board of Directors selects candidates, based on the review by the Nomination Advisory Committee, who are suitable to be directors of the Company with their outstanding personalities and insights, considering their competence, past performance record, and so forth. The candidates are recommended at the General Meeting of Shareholders.

To expedite decision-making and clarify accountability for the execution of business, the Company's Articles of Incorporation set the maximum number of directors at 12, including up to five directors who serve as Audit & Supervisory Committee Members, delegating substantial authority for business execution. The Teijin Regulations for the Board of Directors, which are internal regulations, stipulate that at least half of directors must be outside directors, in principle, to increase management transparency and corporate value by ensuring the diversity and independence of the Board of Directors as a whole.

The selection of Directors (including the Chairperson and CEO) and members of the senior management as well as nomination of a successor CEO are deliberated upon by the Nomination Advisory Committee, after which proposals are submitted to the Board of Directors. The Board of Directors makes decisions on these matters after giving full consideration to the proposals.

If a member of senior management is engaged in improper or unfair conduct, a suspected breach of trust, or other action unbefitting senior management, the Nomination Advisory Committee will deliberate on the matter and the Board of Directors will decide on the dismissal of the individual concerned based on the Committee's advice.

Corporate Governance

Executive Compensation

Teijin's policy for determining the individual compensation of its directors is reviewed annually for its appropriateness by the Compensation Advisory Committee, which consists of a majority of independent outside directors, and approved by resolution of the Board of Directors. These deliberations by the Compensation Advisory Committee take into consideration changes in the business environment as well as the opinions of shareholders and investors, while being informed by third-party organizations with extensive global experience and expertise. The term "Director" below refers to Directors who are not Audit & Supervisory Committee Members unless otherwise specified.

Basic Policy on Compensation Systems

i. The system should motivate employees to achieve short-, medium-, and long-term management targets, as well as enhance awareness of contributing to medium- to long-term increases in profits and corporate value.
ii. The system should be closely linked to the Company's performance and highly transparent and objective.
iii. The system should be primarily focused on sharing value with stakeholders and enhancing shareholders-oriented management.
iv. The system should maintain sufficient compensation levels and content to act as incentives to secure high-quality global management personnel.

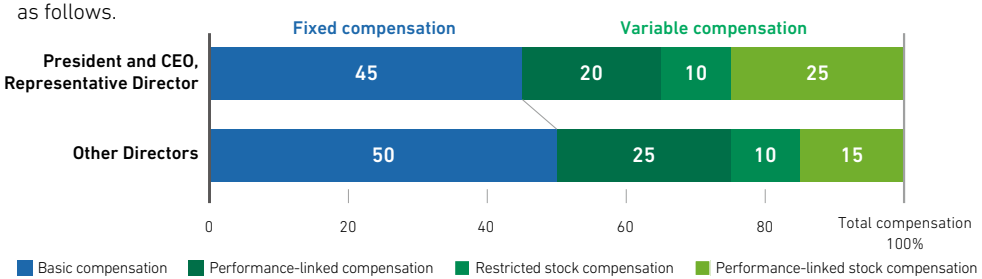
Composition of Compensation for Directors

i. The compensation for Inside Directors who concurrently serve as Corporate Officers is composed of performance-linked compensation (short-term incentive compensation), restricted stock compensation (medium- to long-term incentive compensation), and performance share units compensation (medium- to long-term incentive compensation) which are variable compensations, with the aim of providing an incentive to achieve short-term performance goals, achieve the medium-term management plan, and improve medium- to long-term corporate value, in addition to fixed basic compensation that is not linked with the performance of the Company.

   For Inside Directors who do not concurrently serve as Corporate Officers, only basic compensation and performance-linked compensation, or only basic compensation is granted based on their appointed duties, and restricted stock compensation (medium- to long-term incentive compensation) and performance share units compensation (medium- to long-term incentive compensation) are not granted.
ii. The compensation for outside directors is solely basic compensation that is not linked to the performance of the Company.
iii. The compensation for Directors who are Audit & Supervisory Committee Members is solely basic compensation based on their duties.

Composition Ratio of Executive Compensation

The compensation of Internal Directors who serve concurrently as executive officers is determined as follows.



Fixed Compensation

Basic compensation	A fixed amount of basic compensation is paid to directors according to their position and job grade.

Variable Compensation

Performance-linked compensation	To restore core profitability and promote business portfolio transformation, the Company pays performance-linked compensation based on individual performance targets including adjusted operating income, ROIC based on after-tax adjusted operating income and non-financial indicators (safety).
Restricted stock compensation	Restricted stock and share units equivalent to a standard amount are awarded based on position and job grade.
Performance-linked stock compensation	To enhance corporate value and shareholder value over the medium- to long-term, restricted stock and performance share units are awarded according to the degree of attainment of targets, based on the financial indicators of ROE and TSR (total shareholder return), and sustainability, assessed in terms of non-financial indicators (environment, DE&I, employee engagement). The weighting of these indicators is 40% for ROE, 30% for TSR, and 30% for sustainability.

Note: A stock unit indicates that the Company will pay an amount equivalent to the price of one ordinary share per unit.

Officer Compensation Amounts (FY2024)

Position	Total compensation amount (millions of yen)	Total compensation amount by type (millions of yen)				Number of officers receiving compensation
		Basic compensation	Performance-linked compensation	Restricted stock compensation	Performance-linked stock compensation	
Directors (excluding outside directors)	365	189	75	38	62	4
Outside directors	75	75	—	—	—	5
Statutory auditors (excluding outside statutory auditors)	77	77	—	—	—	3
Outside statutory auditors	45	45	—	—	—	3

Board of Directors and Other Members of Management (As of June 2025)

Board of Directors



President and CEO, Representative Director of the Board

Akimoto Uchikawa

March	1990	Joined Teijin Limited
April	2017	Teijin Group Corporate Officer Management Coordinator for the President, Material Business of Teijin Group
		Assistant to General Manager, Fibers and Products Converting Business Group (Responsible for Technology, Production, Restructuring Initiatives)
April	2020	Teijin Group Corporate Officer General Manager, Composites Business Unit
April	2021	Teijin Group Executive Officer President, Material Business of Teijin Group
June	2021	Director, Executive Officer
April	2022	Representative Director, President and CEO (Incumbent)



Senior Executive Officer, Representative Director of the Board

Naohiko Moriyama

March	1990	Joined Teijin Limited
April	2017	Teijin Group Corporate Officer Management Coordinator for the President, Healthcare Business of Teijin Group
April	2019	Teijin Group Corporate Officer General Manager, Healthcare New Business Division
April	2021	Teijin Group Executive Officer President, Healthcare Business of Teijin Group General Manager, Healthcare New Business Division
June	2021	Director, Executive Officer
October	2022	Director, Executive Officer, Chief Officer (Corporate Strategy)
April	2023	Director, Senior Executive Officer, Chief Officer (Corporate Strategy)
June	2024	Representative Director, Senior Executive Officer (Incumbent) Chief Officer, Corporate Strategy, Chief Financial Officer
September	2024	Representative Director, Senior Executive Officer, Chief Strategy Officer, Chief Financial Officer (Incumbent)



Corporate Officer, Member of the Board

Yuji Nakahara

April	1995	Joined JGC CORPORATION (currently JGC HOLDINGS CORPORATION)
September	2003	Joined McKinsey & Company
December	2009	Partner, Leader of Chemicals, Energy and Material Practice, McKinsey & Company
February	2013	Joined Royal DSM (currently DSM-FIRMENICH)
August	2015	President and Representative Director, DSM Japan K.K. (currently DSM K.K.)
August	2019	Vice President, Global Nutritional Lipids, Royal DSM
June	2023	Vice President, Business Process Excellence, Royal DSM
October	2024	Joined Teijin Limited Teijin Group Corporate Officer, Chief Technology Officer (Incumbent)
June	2025	Corporate Officer, Member of the Board, Teijin Limited (Incumbent)



Independent Outside Director

Masaaki Tsuya

April	1976	Joined Bridgestone Corporation
March	2006	Vice President and Officer, Bridgestone Corporation
March	2008	Director, Vice President and Senior Officer, Bridgestone Corporation
September	2011	Representative Director and Senior Vice President, Bridgestone Corporation
March	2012	Representative Director, CEO, Bridgestone Corporation
March	2013	Representative Director, CEO and Chairperson of the Board, Bridgestone Corporation
March	2016	Representative Executive Officer, CEO and Chairperson of the Board, Bridgestone Corporation
March	2020	Chairperson of the Board, Bridgestone Corporation
March	2021	External Advisor, Bridgestone Corporation (Incumbent)
June	2022	Director, Teijin Limited (Incumbent)



Independent Outside Director

Reiko Kusunose

April	1990	Joined Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)
August	1998	Joined Hyperion Co., Ltd. (currently Oracle Corporation)
October	2001	Joined Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION)
October	2005	Head of Public Relations and Investor Relations, Fuji Heavy Industries Ltd.
July	2011	Deputy General Manager, North America Business Planning Department, SUBARU Overseas Sales & Marketing Division 1, Fuji Heavy Industries Ltd.
June	2013	Joined LIXIL Corporation CFO, Toilet & Vanity GBU, LIXIL Corporation
April	2015	Corporate Director, LIXIL Corporation CFO, LIXIL Water Technology Japan
July	2019	Corporate Officer, LIXIL Corporation Manager of Finance Standardization Promotion Department, Finance and Treasury Division, LIXIL Corporation
February	2020	Joined Nippon Sheet Glass Co., Ltd. Senior Corporate Officer, Deputy Chief Financial Officer, Nippon Sheet Glass Co., Ltd.
July	2020	Senior Executive Officer, Chief Financial Officer, Nippon Sheet Glass Co., Ltd.
May	2022	Outside Director, NIPPO CORPORATION (Incumbent)
June	2024	Director, Teijin Limited (Incumbent) Outside Director, BUNKA SHUTTER CO., LTD. (Incumbent)



Independent Outside Director

Toichi Maeda

April	1981	Joined EBARA CORPORATION
April	2007	Executive Officer, Deputy Head of Custom Pump Business Unit, Fluid Machinery & Systems Company, Director of Haneda Plant, and Deputy Director of Haneda Office, EBARA CORPORATION
April	2010	Managing Executive Officer, EBARA CORPORATION
April	2011	Head of Custom Pump Business Unit, Fluid Machinery & Systems Company, EBARA CORPORATION
June	2011	Director, EBARA CORPORATION
April	2012	President, Fluid Machinery & Systems Company, EBARA CORPORATION
April	2013	Representative Director and President, EBARA CORPORATION
June	2015	President, Representative Executive Officer, EBARA CORPORATION
March	2019	Chairman & Director, EBARA CORPORATION
March	2024	Outside Director, KITZ Corporation (Incumbent)
June	2025	Director, Teijin Limited (Incumbent)

Board of Directors and Other Members of Management (As of June 2025)

Board of Directors (Audit & Supervisory Committee Members)



Director,
Full-time Audit & Supervisory Committee Member

Masanori Shimai

April	1987	Joined Teijin Limited
June	2010	General Manager, Business Strategy Office
April	2013	General Manager, Administration Department, Teijin Pharma Limited
July	2016	General Manager, Accounting Department, Teijin Limited
April	2017	General Manager, Material Business Strategy Division
June	2019	Full-time Statutory Auditor (Incumbent)
June	2025	Director, Full-time Audit & Supervisory Committee Member (Incumbent)



Director,
Full-time Audit & Supervisory Committee Member

Tomoko Torii

April	1992	Joined Teijin Limited
April	2010	Manager, Academic Planning Group, Pharmaceutical Academic Division 2, Marketing Office, Teijin Pharma Limited
May	2019	General Manager, Investor Relations Department, Teijin Limited
April	2022	Teijin Group Corporate Officer Deputy Chief Officer, Corporate Strategy (in charge of stakeholder communication), General Manager, Corporate Communication Department
April	2023	Mission Executive, Teijin Limited Deputy Chief Officer, Corporate Strategy (in charge of public relations and investor relations, and branding), General Manager, Corporate Branding Department, Manager, Stakeholder Communication Group
June	2024	Full-time Statutory Auditor (Incumbent)
June	2025	Director, Full-time Audit & Supervisory Committee Member (Incumbent)



Independent Outside Director,
Audit & Supervisory Committee Member

Koichi Tsuji

October	1984	Joined Peat Marwick Mitchell & Co.
September	1988	Registered as a Certified Public Accountant
July	2004	Senior Partner, ShinNihon LLC
February	2016	Chairman, ShinNihon LLC (currently Ernst & Young ShinNihon LLC)
July	2019	Chairman and CEO of EY Japan Co., Ltd. Member of the Board of Directors of EY Japan Co., Ltd.
June	2021	Outside Director, Mitsubishi UFJ Financial Group, Inc. (Incumbent)
June	2023	Statutory Auditor, Teijin Limited Outside Director, MARUICHI STEEL TUBE LTD. (Incumbent)
June	2025	Director, Audit & Supervisory Committee Member, Teijin Limited (Incumbent)



Independent Outside Director,
Audit & Supervisory Committee Member

Tamie Minami

June	1995	Joined 3M Company
May	2008	Vice President and General Manager, Home Care Division, 3M Company
October	2013	Vice President, Southeast Asia Region, 3M Company
October	2015	Vice President, Latin America Region, 3M Company
November	2017	Vice President, Asia Region, 3M Company
December	2019	Senior Vice President, Safety & Industrial Business Group, Asia, 3M Company
June	2022	Outside Director, Santen Pharmaceutical Co., Ltd.
June	2023	Director, Teijin Limited
June	2025	Director, Audit & Supervisory Committee Member (Incumbent)



Independent Outside Director,
Audit & Supervisory Committee Member

Yaeko Takeoka

April	1985	Registered as an attorney at law (Daini Tokyo Bar Association)
January	2007	Joined KOHWA SOHGOH LAW OFFICES (Incumbent)
June	2015	Outside Audit & Supervisory Board Member, MITSUBISHI MOTORS CORPORATION
March	2019	Outside Audit & Supervisory Board Member, AGC Inc.
June	2019	Outside Director, MITSUBISHI MOTORS CORPORATION (Audit Committee chair)
April	2024	Outside Director, Daiwa Living Co., Ltd. (Incumbent)
June	2025	Director, Audit & Supervisory Committee Member, Teijin Limited (Incumbent)

Teijin Group Executive Officer

Noboru Yamanishi
Chief Production, Engineering & Procurement Officer

Masaki Taneda
General Manager, Healthcare Business Unit
President, Teijin Pharma Limited

Yasunari Hirata
General Manager, Fibers & Products Converting Business Unit
President and Chief Executive Officer, Teijin Frontier Co., Ltd.

Fumiaki Sakurai
Chief Human Resources Officer/Chief Sustainability Officer

Teijin Group Corporate Officer

Tsutomu Igawa
Chief Global Administration Officer

Peter ter Horst
General Manager, Aramid Business Unit
President, Teijin Aramid B.V.

Noriko Higuchi
General Manager, New Business Development Unit
Responsible for Intellectual Property Department

Masato Tanaka
Senior Managing Director, Member of the Board, General Manager, Marketing & Sales Unit, Teijin Pharma Limited

Junji Kitahama
General Manager, Resin & Plastic Processing Business Unit

Yukihiro Funyu
Chief Digital Officer

Ichiro Kitano
General Manager, Composites Business Unit

Tetsuya Ito
General Manager, Carbon Fibers Business Unit

Dialogue with Shareholders and Other Investors

(1) Dialogue Regarding the Capital Market and Information Disclosure

Dialogue Implementation and Main Participants

To build relationships of trust with our shareholders and other investors, we actively engage in dialogues with them in Japan and overseas throughout the year. In this dialogue, senior management, including the CEO, participates in quarterly financial results briefings, meetings with investors, and other events, striving to provide thorough answers to questions about management policy. We also hold briefings on our medium- to long-term management policy, individual businesses, and ESG, as well as plant tours from time to time. We also conduct parallel activities: those to deepen the understanding of the company, and those to listen to the voices of shareholders and investors so we can reflect them in our management. These include participating in overseas IR events and domestic and international IR conferences, holding meetings with major shareholders, exchanging opinions with investors regarding the Integrated Report, and conducting briefings for individual shareholders.

Investor Attributes and Shareholders with Whom We Held Dialogues:
Overseas shareholders and investors: Approx. 40%, Domestic shareholders and investors: Approx. 60%

Activities in FY2024

- Financial results briefings (4 times)
- ESG briefing (April)
- Follow-up meeting on the Teijin Group Medium-Term Management Plan 2024-2025 (May)*
- Briefing on the Healthcare Business (December)
- Individual meetings (approx. 260 times/year, including approx. 30 overseas IR meetings, approx. 30 shareholder meetings, and 6 meetings regarding the Integrated Report)
- Management briefing for individual shareholders (September)
- Tour of product display facility for individual investors (January)

* Participation by an independent outside director



(2) Feedback from Shareholders and Investors: Main Dialogue Themes and Matters of Interest to Shareholders

FY2024 was a year in which we promoted various reforms in line with the goals set forth in the Teijin Group Medium-Term Management Plan 2024-2025. The content of our dialogues with shareholders and investors covered a wide range of topics, including the implementation of measures to improve profitability, the execution of strategic options, and changes to our governance structure.

Specific Requests and Opinions in FY2024

Basic Strategy and Progress of the Medium-Term Management Plan 2024-2025

- It is clear that the business portfolio strategy was considered from the strength and best owner perspectives.
- We understand the direction of the transformation and the general direction for increasing ROE. It would be more convincing if you were to present the challenges you face, the paths to resolving them, and your future growth strategies.
- You can take pride in the fact that you have thoroughly carried out the Restructuring Initiatives, including the improvement of asset efficiency. Next, we would like you to organize and present the direction of your growth investments.

Capital Allocation

- Balance is necessary, but given the large amount of interest-bearing debt, you also need to consider financial soundness.
- The market is doubtful with regard to maintaining the 50-yen annual distribution. Adopting a stable distribution policy would attract more attention.

Purpose Formulation and Permeation Activities

- To resolve differences of opinion between departments and positions, it is important to share common values and a purpose.

Governance

- We recognize that you are a step ahead of your peers, but your ROE and PBR remain low, and we would like to see improved governance lead to better business performance.

ESG Initiatives

- It would be beneficial to present the circular economy by linking it to growth strategies, such as business opportunities and connections to business performance.
- Improving employee motivation and how you utilize human capital will be important for getting back on a growth trajectory.

(3) Providing Feedback to the Company and Management: Addressing Opinions and Suggestions from Shareholders and Investors

We report the opinions gathered through dialogues with shareholders and investors to the Board of Directors and the Management Committee and use them to deepen discussions on the formulation of management strategies, including the medium-term management plan.

In FY2024, we deepened discussions on the formulation of management strategy by reporting opinions concerning business performance and growth potential to the Board of Directors. We will continue to provide feedback regarding opinions and suggestions from shareholders and investors to all levels of the company. By sharing external evaluations of our management strategy, business plans, and corporate value, we will clarify our own issues and link this to the consideration and improvement of our management strategies and measures.

	Frequency	Content of Report
Comments from Shareholders, Other Investors, and Analysts	Monthly	Summary reported to the Board of Directors and Management Committee
Analyst Reports	Quarterly As needed	Summary of analyst reports communicated via email, etc.
IR Activities	Semi-annually	Report activities, key issues, Dialogue with Shareholders and Other Investors, etc., to the Board of Directors and Management Committee

(4) Reflections on Management Strategy: Items Incorporated Based on Dialogues

- Expanded disclosure explaining the capital allocation policy for the current medium-term management plan period (outlook for allocation to growth strategies, financial soundness, and shareholder returns), and the progress of business portfolio transformation and strengthening of our management system
- Participation of an outside director in dialogues (Follow-up meeting on the Teijin Group Medium-Term Management Plan 2024-2025)
- Holding briefings on ESG and businesses (Healthcare) for which there is high investor demand

Corporate Ethics and Compliance

Basic Concept

In the Teijin Group "Corporate governance guide", we have established the basic principles of compliance, requiring corporate officers and employees to act with integrity. This is based not only on compliance with laws and regulations but also on commitment to upholding the ethics and values expected of corporate citizens and members of society. Integrity represents the foundation of Teijin's compliance and serves as the most fundamental course of action. To ensure that our business activities are carried out with integrity, we rigorously promote the practical implementation of our Code of Conduct as the Corporate Code of Ethics, under the supervision of the Board of Directors. To that end, we ensure that the Company's representative directors and other corporate officers lead by example in this regard. At the same time, we provide compliance-related education and awareness activities to the corporate officers and employees of the Company and its subsidiaries. In these ways, we aim to increase shareholder value and enhance the level of employee satisfaction by fostering a corporate culture that respects honest behavior.

Compliance Promotion Structure

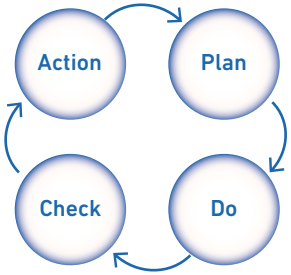
The Group Compliance Subcommittee, chaired by the department general manager of the Compliance and Risk Management Department and composed of compliance managers from each business and region, verifies the progress of compliance promotion across the Teijin Group.

In addition, each business and Group company designates a "CRM (Compliance and Risk Management) Promotion Manager" to oversee implementation activities, while regional headquarter companies also assign persons in charge of compliance to implement initiatives tailored to local characteristics. Within this framework, we respond appropriately to reports made through hotline and line-management reporting channels, as well as identify issues through employee awareness surveys. These findings help influence promotion plans as educational initiatives, awareness-raising campaigns, and additional countermeasures. By applying the PDCA cycle, we consistently evaluate and improve our activities to enhance compliance awareness, foster a culture of legal compliance, and minimize risks.

PDCA Cycle of Compliance Activities

Action
Promote awareness and improvement of compliance-related issues (confirmation via the Group Compliance Subcommittee)

Plan
Reflect compliance-related issues in yearly activities



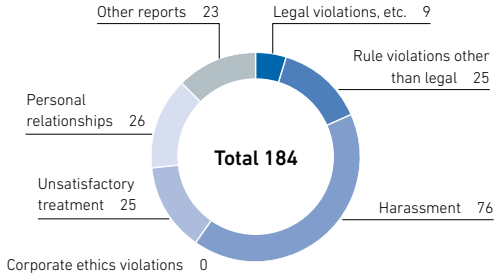
Check
File compliance reports compiled via hotline and line-management reporting channels, implement employee awareness survey (issue identification)

Do
Engage in promotion activities in each internal department
- Make compliance policies well-known
- Implement educational activities
- Hold a corporate ethics month
- Make hotline reporting system well-known

Key Compliance Promotion Activities

Key compliance promotion activities within the Teijin Group include publishing a multilingual Teijin Group Corporate Ethics Handbook and educational videos, conducting Group-wide training sessions during Corporate Ethics Month, carrying out an annual compliance awareness survey, and operating a hotline reporting system as a whistleblowing system that allows employees to directly report misconduct.

Number of Reports (Including Overseas) in FY2024



Anti-Corruption Initiatives

The Teijin Group has established the Teijin Group Anti-Corruption Policy and developed related procedures and systems. In addition, the Teijin Group Corporate Ethics Handbook outlines the expected standards of conduct to ensure that corporate officers and employees clearly understand our anti-corruption policies.

Management of Corruption Risks at Our Business Partners To help eliminate corrupt practices involving external business partners, we conduct due diligence to confirm the eligibility of agents, suppliers, and other business partners.

Risk Assessment To develop a comprehensive understanding of corruption risks, expert-led assessments have been conducted in stages at each business and site since FY2021, with completion in FY2024. No significant corruption risks were identified. Based on the results of these assessments, appropriate measures are put in place according to the specific corruption risks encountered by each business and site. We also conduct due diligence on companies that are potential acquisition targets.

Education Activities Anti-corruption training is provided for newly appointed department general managers and section managers across Teijin Group companies.

Future Issues We will continue to enhance the effectiveness of the PDCA cycle for anti-corruption initiatives through internal audits and risk assessment surveys. In addition, we will gradually implement measures across the Group, such as providing regular anti-corruption education and training, promoting the use of whistleblowing systems and consultation services when encountering bribery or other risks, and establishing reporting systems for external business partners.

Total Risk Management (TRM)

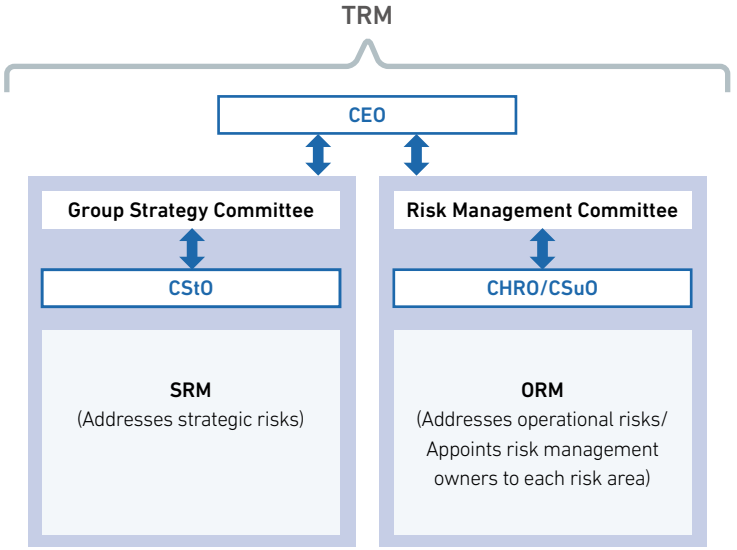
Basic Concept

The Teijin Group positions risk management, alongside compliance, as a key pillar of its internal controls, supported by a comprehensive Total Risk Management (TRM) structure that covers all of its operations.

While improving shareholder value, Teijin believes its mission is to undertake business activities that satisfy shareholders and other stakeholders. In achieving this mission, we must address all risks (uncertainties) that pose a threat to its realization. Accordingly, we have adopted an organizational and systematic approach to comprehensively and efficiently identify, assess, and manage the risks affecting the entire Group, and to integrate these insights into Group management.

The Board of Directors oversees risk management throughout the entire Teijin Group, recognizing the assessment of both "strategic risks," which originate from the formulation of management strategies and plans, strategic actions, and decisions on individual investment projects, and "operational risks," which involve various adverse events that could negatively impact the Company. These are viewed as critical factors in decision-making.

In addition, we require our group companies and their executive officers to fully understand this approach and to address any risks that could threaten our business activities.



Risk Management Structure

Strategic Risk Management (SRM)

The Group Strategy Committee, chaired by the CEO and tasked with deliberating key business execution issues, promotes SRM initiatives.

Specific risks that are currently under review include the potential impact of trade policies resulting from the transition of the U.S. presidency, regulations on carbon fiber in Europe, trends in PFAS regulations, and other case-specific analyses and discussions. The Group also considers various risks such as hostile takeovers, the impact of individual business divestments across the Group as a whole, structural changes in the industry driven by advances in technologies such as AI, and shifts in the global economic framework caused by the fluidity of the international situation and order, thereby responding appropriately to the relevant strategic risks.

Operational Risk Management (ORM)

The Risk Management Committee, which operates under the CEO, is responsible for ORM, with oversight assigned to the Chief Human Resources Officer / Chief Sustainability Officer. This committee sets policies for managing operational risks and promotes and monitors progress on related initiatives. The CEO chairs the committee, and its members include the Chief Human Resources Officer / Chief Sustainability Officer and others appointed by the CEO.

FY2025 TRM Basic Plan for Operational Risks

In FY2025, following deliberations by the Board of Directors, the Company has established a policy for managing operational risks.

Specifically, the Risk Management Committee is responsible for overseeing the organizational response to operational risks that, if realized, could significantly impact the group management. For each risk, the Risk Management Owner (the responsible executive officer) takes the lead to ensure the effective implementation of countermeasures, with clear support from designated organizations and committees.

Under this policy, the Group identified nine key risk areas in FY2025: major natural disasters, information, geopolitics (economic security), quality, compliance, management (human resources), safety, environment, and society. For each area, we evaluated risks based on (1) impact, (2) probability of occurrence, and (3) expected timing of occurrence. The most significant key risks listed in the table on the next page were identified, and a Risk Management Owner (responsible executive officer) was appointed for each, with clearly defined responsibilities and scope. To further improve the effectiveness of risk management, the Group designated a subset of these key risks as "Major Risk A," indicating the highest-priority risks that require intensive management focus.

Total Risk Management (TRM)

Operational Risks: Key Risks and Basic Response Policies

* Evaluation: A = Major risk A, B = Major risk B, C = Other risk

Risk area	Key risks	Risk description	FY2025 Response Policy	Impact	Probability	Time frame	Evaluation*
1 Major natural disasters	**Tokyo Inland Earthquake**	A Southern Central Tokyo Earthquake may cause the largest-scale damage in the Tokyo metropolitan area.	Review and implement training according to the BCP for core management functions.	Large	Medium	Short- to long-term	A
	Nankai Trough Earthquake	A magnitude 9 earthquake may cause damage to factories in the Chugoku–Shikoku and Kansai regions.	Update assumptions regarding potential damage to Teijin Group facilities and review BCP measures at each site.	Large	Low	Short- to long-term	B
	Eruption of Mt. Fuji	Mishima Factory may be completely destroyed by lava flow.	Examine BCP measures in the potential event of a complete destruction of the Mishima Factory.	Large	Low	Medium- to long-term	C
2 Information	**Information security**	Disclosure of critical information due to cyberattacks and suspension of operations during system downtime.	Assess and improve support for security levels across the Group.	Large	High	Short-term	A
	DX/AI	Shortage of DX talent within the Group is leading to a decline in overall competitiveness.	Develop training programs for IT personnel and continue implementing Group-wide DX talent development programs.	Medium	Medium	Medium-term	C
3 Geopolitical risks (economic security)	**Supply chain disruption**	Disruption in the supply chain is leading to the suspension of the raw material supplies.	Collaborate with businesses to secure multiple suppliers and put countermeasures in place.	Large	High	Short-term	A
	Technical information Leakage	Targeted attacks that exploit vulnerable areas in management may lead to the disclosure of critical technical information.	Assess the current management status and examine the implementation of stronger controls at factories.	Medium	High	Short-term	B
	Sharp currency fluctuations/ rising energy costs	Rising energy costs may be caused by military conflicts, economic disputes, and other factors.	Pursue ongoing responses through business profit-and-loss management.	Medium	Medium	Short- to medium-term	C
4 Quality	**Major quality fraud/ falsification**	Noncompliance with laws and regulations during manufacturing or inspection processes.	Conduct corporate quality compliance audits and corrective measures.	Medium	High	Short-term	B
5 Compliance	**Serious misconduct**	Delayed initial response may lead to intense media coverage and damage to reputation.	Develop a rapid response framework in the event of an incident.	Medium	High	Short-term	B
6 Management (human resources)	**Talent outflow/recruitment**	Weakened management foundation caused by the ongoing outflow of talent or challenges in recruitment.	Promote workplace improvements (job-based roles and career autonomy support) while regularly monitoring turnover rates at key Group companies.	Medium	Medium	Medium- to long-term	C
7 Safety	**Fire/explosion**	Long-term suspension of manufacturing and supply caused by fires or explosions at factories, leading to loss of customers or potential lawsuits.	Verify and diagnose site-specific measures to prevent major disasters, such as leaks or fires, and review disaster prevention management.	Medium	Medium	Short-term	C
8 Environment	**Climate change (transition risk)**	Delays in responding to environmental regulations, information disclosure obligations, or customer demands for CO_2 reduction could lead to customer loss and investor defection.	Pursue ongoing monitoring of global regulatory trends and respond promptly.	Small	Medium	Medium- to long-term	C
9 Society	**Supply chains/human rights**	Inadequate response to regulatory tightening or discovery of human rights violations could lead to reputational damage, customer loss, litigation, and talent attrition.	Address and monitor issues in high-risk businesses based on external risk assessments (surveys).	Medium	Low	Medium-term	C

DATA SECTION

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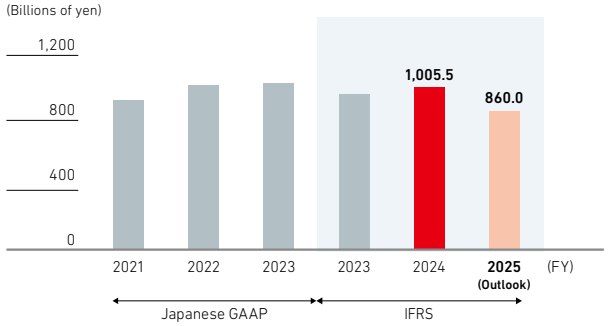
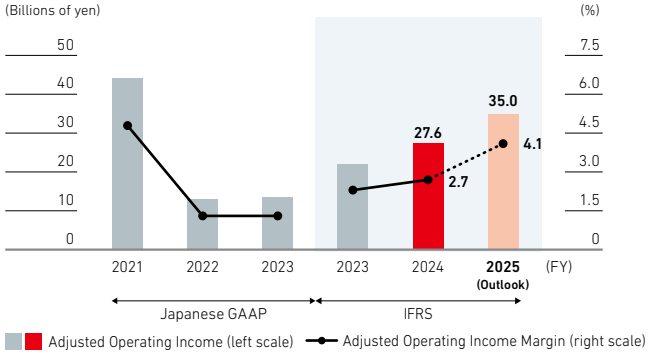
Financial Highlights

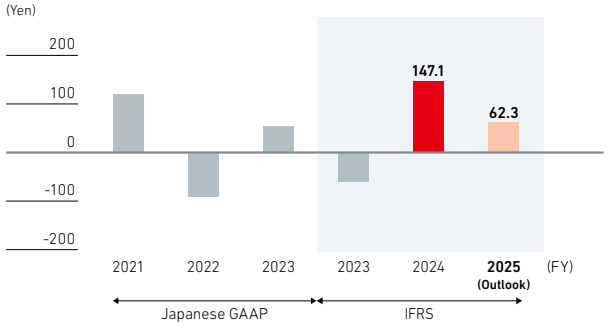
Revenue (Net Sales)



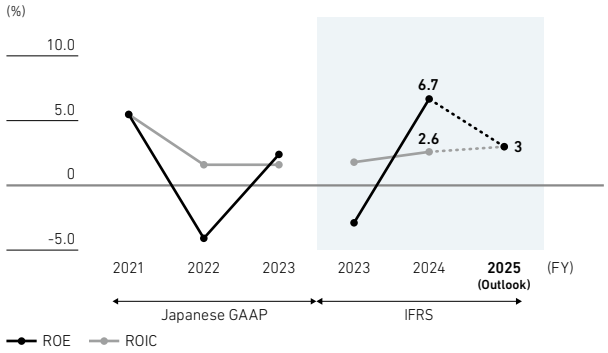
Adjusted Operating Income (Operating Income) / Adjusted Operating Income Margin (Operating Income Margin)



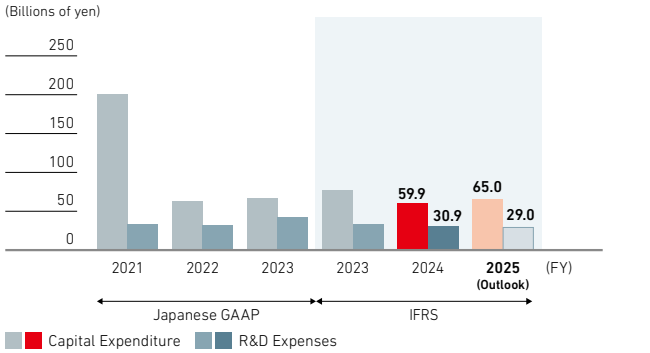
Basic Earnings per Share (Earnings per Share)



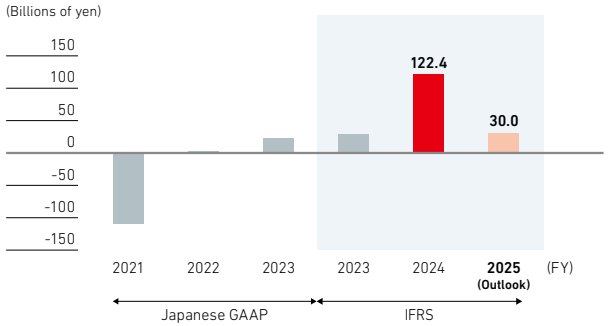
ROE / ROIC (ROIC based on Operating Income)



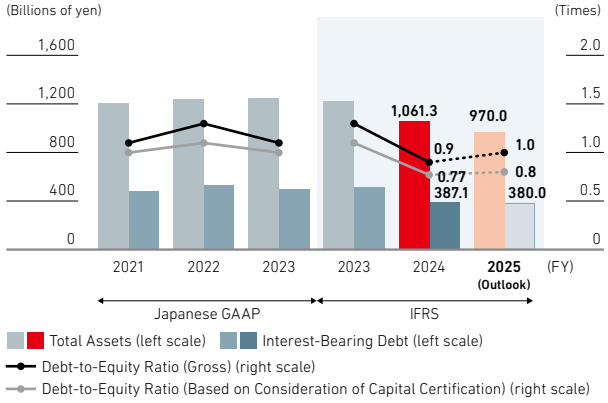
Capital Expenditure / R&D Expenses



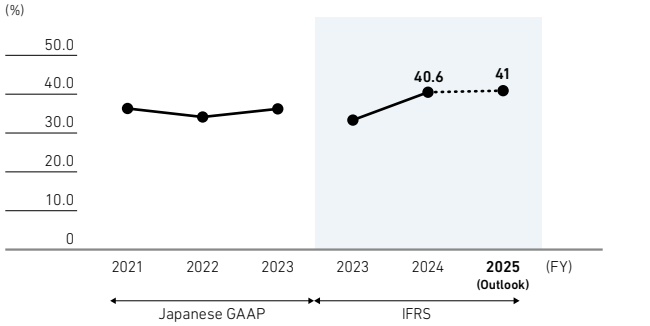
Free Cash Flow



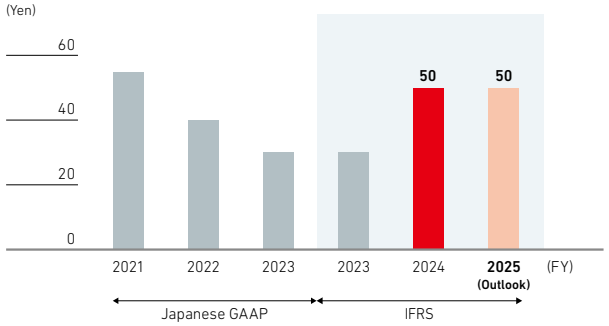
Total Assets / Interest-Bearing Debt / Debt-to-Equity Ratio



Ratio of Equity Attributable to Owners of Parent (Shareholders' Equity Ratio)



Dividends per Share



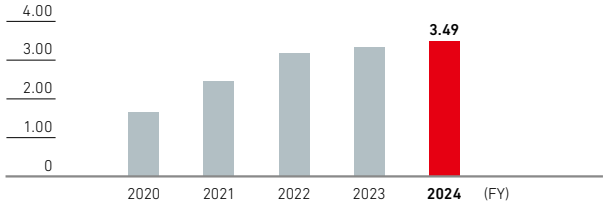
* We have voluntarily applied IFRS since FY2024.

Non-Financial Highlights

★: Independently assured indicators

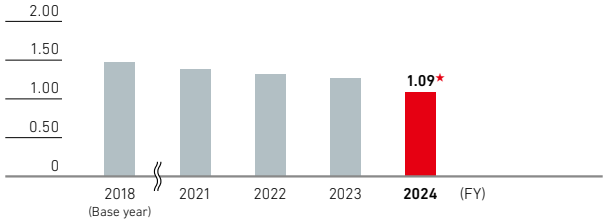
Avoided CO_2 Emissions*1*2*5

(Million tons-CO_2)



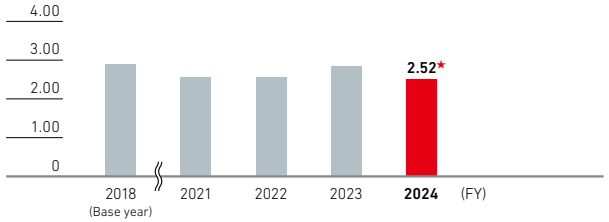
Group CO_2 Emissions*3*4*5

(Million tons-CO_2)



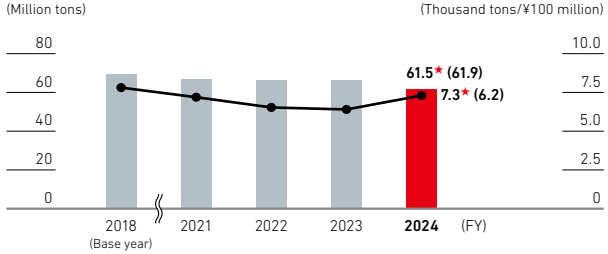
Supply Chain CO_2 Emissions*5*6

(Million tons-CO_2)



Freshwater Intake Volume and Volume per Sales Unit*1*7*8

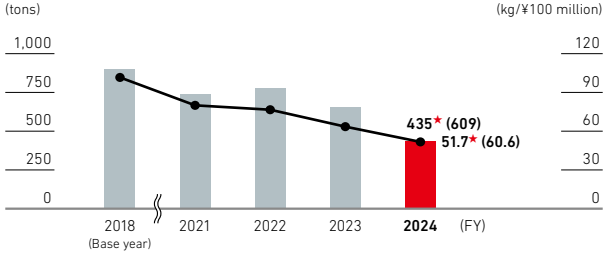
(Million tons) (Thousand tons/¥100 million)



Freshwater Intake Volume (left scale) Per Sales Unit (right scale)

Hazardous Chemical Substance Emissions and Emissions per Sales Unit*1*8*9

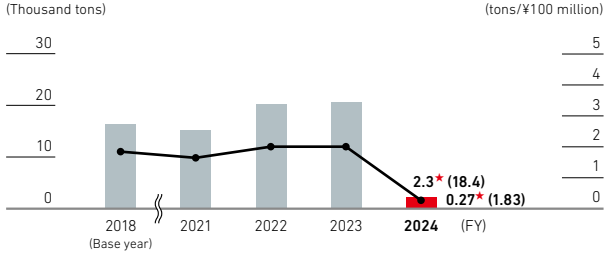
(tons) (kg/¥100 million)



Hazardous Chemical Substance Emissions (left scale) Per Sales Unit (right scale)

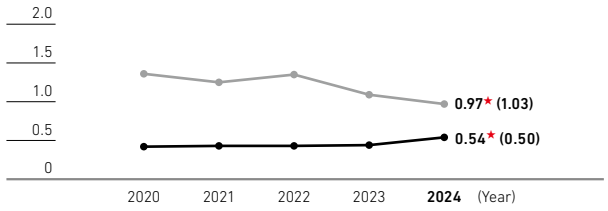
Landfill Waste Volume and Volume per Sales Unit*1*8*10

(Thousand tons) (tons/¥100 million)



Landfill Waste Volume (left scale) Per Sales Unit (right scale)

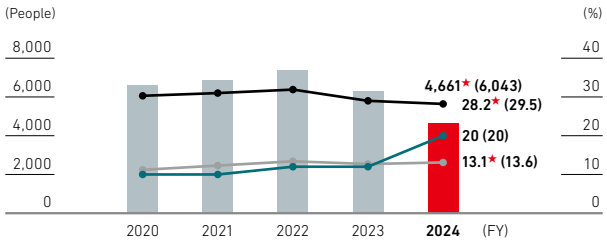
Lost-Time Injury Frequency Rate and All Occupational Accident Frequency Rate*1*11*12



Lost-Time Injury Frequency Rate All Occupational Accident Frequency Rate

Number of Female Employees, Percentage of Female Employees, Percentage of Female Managers, Percentage of Female Executives*1*13

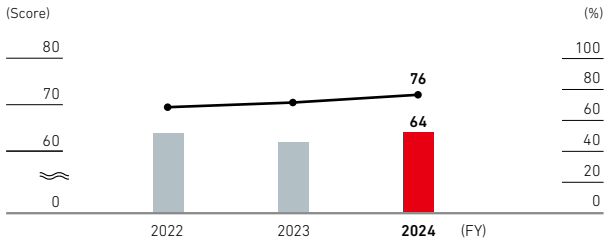
(People) (%)



Number of Female Employees (left scale) Percentage of Female Employees (right scale)
Percentage of Female Managers (right scale) Percentage of Female Executives (right scale)

Engagement Survey

(Score) (%)



Engagement Score (left scale) Response Rate (right scale)

*1 Teijin Automotive Technologies NA Holdings Corp. (hereinafter, "TAT-NA"), a consolidated subsidiary in the materials segment that operates the automotive composites business in North America, has been excluded from the scope of aggregation from FY2024 due to it being a discontinued operation. Past figures include TAT-NA, while figures for FY2024 exclude TAT-NA. The figures in parentheses are reference values that include TAT-NA and are not subject to third-party assurance.
*2 Calculated as the contribution of the CO_2 reduction effect downstream in the supply chain from the use of our products.
*3 Includes CO_2, methane, and N_2O
*4 CO_2 emissions are calculated with the Greenhouse Gas (GHG) Protocol as reference. The amount of CO_2 emissions equivalent to the amount of energy sold to other companies has not been deducted from this data. With regard to coefficients for fuel, we use emissions coefficients based on the Law Concerning the Promotion of the Measures to Cope with Global Warming. As for emissions coefficients for electricity, we use standard emissions coefficients of individual electric power companies for power purchased in Japan. For power purchased overseas, we use power company-specific coefficients, in principle. However, in cases where the power company-specific coefficient is unknown, we apply the latest available International Energy Agency (IEA) country-specific emissions coefficient. As TAT-NA is a discontinued operation, it has been excluded from the scope of aggregation starting from FY2024. In accordance with the GHG Protocol, recalculations were applied retroactively to the base fiscal year, excluding TAT-NA. Note that including TAT-NA in the aggregation would result in emissions of 1.23 million tons-CO_2 for FY2024, and this figure is not subject to third-party assurance.
*5 GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.
*6 Targets Category 1 (purchased goods and services) of Scope 3 emissions. However, this excludes Category 1 emissions related to products purchased for resale in the Fibers & Products Converting Business. Calculated by multiplying the purchase weight or purchase amount of purchased goods and services by the emission intensity per unit of weight or amount. The emission intensity per unit of amount is based on the unit data from the Ministry of the Environment's "Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.4) (March 2024)" (Emission Unit DB V3.4). The emission intensity per unit of weight is based on the unit data from the Ecoinvent Database (operated by the Ecoinvent Association) or the LCA for Experts (GaBi) Database (operated by Sphera). As TAT-NA is a discontinued operation, it has been excluded from the scope of aggregation starting from FY2024. In accordance with the GHG Protocol, recalculations were applied retroactively to the base fiscal year, excluding TAT-NA. Note that calculating the emissions for FY2024 in cases where TAT-NA is included in the aggregation would be difficult, so it is excluded from the scope of this disclosure.
*7 The amount of freshwater intake is the total of industrial water, groundwater, and tap water.
*8 Per sales units are calculated using consolidated net sales as the denominator. Note that for FY2024, the denominator in the calculation is the amount obtained after deducting the net sales of companies outside the boundary from the consolidated net sales.
*9 Among the Class 1 designated chemical substances under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof and chemical substances indicated by the Japan Chemical Industry Association, chemical substances emissions to atmosphere, water, and soil which are harmful to aquatic environments and the ozone layer in the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) classification defined by the United Nations (UN) are subject to the calculation for emissions.
*10 Landfill waste volume is calculated based on the amount of waste disposed of directly in landfills.
*11 Lost-time injury frequency rate indicates the number of lost-time injured persons per one million working hours (figures are calculated based on calendar years).
*12 All occupational accident frequency rate indicates both lost-time injured persons and non-lost-time injured persons per one million working hours (figures are calculated based on calendar years). Includes full-time employees, fixed-term employees, part-time employees, and temporary employees. This rate has been assured independently since 2022.
*13 Figures as of March 31 for each fiscal year (includes employees loaned to companies other than Teijin and its consolidated subsidiaries, excludes employees received from external entities). Figures through FY2022 included number of employees at some equity-method affiliates. From FY2023, figures tabulated only for Teijin and its consolidated subsidiaries. Management positions are at the level of section manager or higher.

Eleven-Year Consolidated Financial Summary

													Millions of yen	Percentage change	Thousands of U.S. dollars
Years ended/As of March 31		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024	2025	2025/2024	2025
Japanese GAAP	IFRS	Japanese GAAP										IFRS			
Management Indicators															
EBITDA		82,116	106,024	95,843	115,478	107,551	107,156	106,771	113,024	87,781	92,427	98,448	**98,230**	-0.2%	**656,969**
ROE (%)		(2.8)	10.6	15.7	12.5	11.2	6.3	(1.7)	5.5	(4.1)	2.4	(2.9)	**6.7**	—	
ROIC (based on operating income) (%)	ROIC(%)	7.1	12.7	10.0	11.2	9.3	8.7	8.6	5.5	1.6	1.6	1.8	**2.6**	—	
Operating Results															
Net sales	Revenue	786,171	790,748	741,292	834,986	888,589	853,746	836,512	926,054	1,018,751	1,032,773	960,459	**1,005,471**	4.7%	**6,724,659**
Operating income	Adjusted operating income	39,086	67,130	56,512	69,823	60,000	56,205	54,931	44,208	12,863	13,542	21,956	**27,594**	25.7%	**184,551**
Profit (loss) attributable to owners of parent	Profit (loss) attributable to owners of parent	(8,086)	31,090	50,133	45,556	45,057	25,252	(6,662)	23,158	(17,695)	10,599	(11,712)	**28,347**	—	**189,587**
Financial Position															
Total assets		823,695	823,429	964,053	981,967	1,020,654	1,004,223	1,041,131	1,207,583	1,242,433	1,251,021	1,226,616	**1,061,272**	-13.5%	**7,097,860**
Interest-bearing debt		308,246	303,298	376,218	344,242	369,195	381,928	380,043	485,167	529,418	498,874	516,936	**387,128**	-25.1%	**2,589,139**
Shareholders' equity	Equity attributable to owners of parent	287,074	300,113	338,384	392,925	410,727	394,162	406,150	439,579	424,983	454,111	409,507	**431,378**	5.3%	**2,885,086**
Cash Flows															
Cash flows from operating activities		76,030	80,641	79,040	80,092	80,899	94,214	107,729	89,656	55,086	69,451	80,595	**69,843**		**467,115**
Cash flows from investing activities		(49,624)	(40,323)	(127,650)	(51,307)	(41,288)	(67,922)	(79,587)	(198,375)	(52,427)	(46,052)	(56,561)	**52,517**		**351,237**
Free cash flow		26,406	40,318	(48,610)	28,784	39,611	26,291	28,142	(108,719)	2,659	23,399	24,034	**122,359**		**818,345**
Cash flows from financing activities		10,394	(8,317)	63,765	(31,485)	(15,353)	(8,059)	(20,878)	71,113	7,180	(43,159)	(43,793)	**(134,459)**		**(899,271)**
Per Share Data													Yen		U.S. dollars
Profit (loss) attributable to owners of parent	Profit (loss) attributable to owners of parent	(41.1)	158.2	254.9	231.3	232.4	131.6	(34.7)	120.6	(92.0)	55.1	(60.9)	**147.2**		**0.98**
Shareholders' equity	Equity attributable to owners of parent	1,460.4	1,526.2	1,720.1	1,986.3	2,141.3	2,053.6	2,115.6	2,288.1	2,209.8	2,358.4	2,126.7	**2,238.4**		**14.97**
Cash dividends		20.0	35.0	55.0	60.0	70.0	60.0	50.0	55.0	40.0	30.0	30.0	**50.0**		**0.33**
Other Data													Millions of yen		Thousands of U.S. dollars
Capital expenditure		28,098	38,341	46,224	44,610	62,828	68,622	60,319	200,801	62,501	66,919	77,427	**59,913**		**400,702**
Depreciation and amortization		43,030	38,894	39,331	45,655	47,551	50,950	51,840	68,816	74,918	78,885	78,032	**71,026**		**475,027**
R&D expenses		32,366	33,285	35,417	35,926	36,423	34,482	32,719	33,341	31,935	42,560	32,656	**30,851**		**206,334**
Number of employees		15,780	15,756	19,292	19,711	20,671	20,075	21,090	21,815	22,484	21,834	21,834	**20,279**		

Notes: 1. The U.S. dollar amounts represent translations of Japanese yen, for convenience only, at the rate of ¥149.52 to US$1.00, the prevailing exchange rate at March 31, 2025.
2. The methods used to calculate each indicator according to Japanese GAAP are as follows:
EBITDA = Operating income + Depreciation and amortization (including goodwill)
ROE = Profit attributable to owners of parent / Average* total shareholders' equity
ROIC based on operating income = Operating income / Average* of invested capital
(Invested capital = Net assets + Interest-bearing debt – Cash and deposits)
3. The methods used to calculate each indicator according to IFRS are as follows:
EBITDA = Adjusted operating income + Depreciation and amortization
ROE = Profit attributable to owners of parent / Average* of equity attributable to owners of parent
ROIC = Adjusted operating income after tax / Average* of invested capital
(Invested capital = Equity + Interest-bearing debt)
4. The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from FY2018, and the posted figures for total assets in FY2017 have had these accounting standards retroactively applied.

* [Beginning balance + Ending balance] / 2

Independent Assurance Report

Independent Practitioner's Limited Assurance Report

To the President and CEO of Teijin Limited

Conclusion

We have performed a limited assurance engagement on whether selected environmental and social performance indicators (the "subject matter information" or the "SMI") presented in Teijin Limited's (the "Company") Integrated Report 2025 (the "Report") as of and for the year ended March 31, 2025 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained in the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol "★".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI as of and for the year ended March 31, 2025 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described in the Report, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the President and CEO of the Company.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- performing a site visit at one of the Company's site which was determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

/s/ Yoshimitsu Nagasaka

Yoshimitsu Nagasaka, Engagement Partner

KPMG AZSA Sustainability Co., Ltd.

Tokyo Office, Japan

October 2, 2025

Notes to the Reader of Assurance Report:
This is a copy of the Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

SASB Standards Comparative Table

The Teijin Group discloses information on the following topics in reference to the SASB Standards (Resource Transformation Sector, Chemicals), published by the former U.S.-based Sustainability Accounting Standards Board (SASB) (now integrated with the International Financial Reporting Standards [IFRS] Foundation).

Sustainability Disclosure Topics & Accounting Metrics

Topic	Code	Accounting Metric	Unit of Measure	Status of Response /Location of Disclosure
Greenhouse Gas Emissions	RT-CH-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO_2-e, Percentage (%)	Gross global Scope 1 emissions: → P.57 Metrics and Targets
	RT-CH-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	→ P.56 Disclosure Based on TCFD
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Metric tons (t)	(1) (2) (3) Pollution https://www.teijin.com/csr/environment/pollution.html (4) —
Energy Management	RT-CH-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, and (4) total self-generated energy	Gigajoules (GJ), Percentage (%)	(1) 14.9×10^6 GJ (2) 19.1% (3) 6.4% (4) 8.7×10^6 GJ
Water Management	RT-CH-140a.1	(1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m^3), Percentage (%)	(1) → P.82 Data Highlights (2) —
	RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	0
	RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	Water https://www.teijin.com/csr/environment/water.html
Hazardous Waste Management	RT-CH-150a.1	Amount of hazardous waste generated, percentage recycled	Metric tons (t), Percentage (%)	—
Community Relations	RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	n/a	Management System and Promotion Activities https://www.teijin.com/csr/management/
Workforce Health & Safety	RT-CH-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Rate	(1) → P.82 Data Highlights (2) 0%
	RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	n/a	ESH Management Activities https://www.teijin.com/csr/social/health_safety.html
Product Design for Use-phase Efficiency	RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Yen	—
Safety & Environmental Stewardship of Chemicals	RT-CH-410b.1	(1) Percentage of products that contain Globally Harmonized System of Classification and Labelling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances and (2) percentage of such products that have undergone a hazard assessment	Percentage (%) by revenue, Percentage (%)	—
	RT-CH-410b.2	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	n/a	(1) Pollution https://www.teijin.com/csr/environment/pollution.html (2) —
Genetically Modified Organisms	RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Percentage (%) by revenue	0%
Management of the Legal & Regulatory Environment	RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	n/a	—
Operational Safety, Emergency Preparedness & Response	RT-CH-540a.1	Process Safety Incident Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Number, Rate	Health and Safety https://www.teijin.com/csr/social/health_safety.html Note: Information on Process Safety Incidents is not disclosed. However, the Group promotes activities aimed at realizing zero disasters and zero accidents following its principle of safety first in everything. In FY2024, the number of serious accidents (as defined by the Company) was zero.
	RT-CH-540a.2	Number of transport incidents	Number	—

Activity Metrics

Activity Metric	Code	Unit of Measure	Location of Disclosure
Production by reportable segment	RT-CH-000.A	Cubic meters (m^3) and/or metric tons (t)	—

On our Sustainability website, we disclose more detailed information regarding the Teijin Group's environmental, social, and governance initiatives, as well as data.

Sustainability
https://www.teijin.com/csr/

ESG Data
https://www.teijin.com/csr/data/

Boundaries for Reporting of ESH Data
https://www.teijin.com/csr/data/esh_boundary.html

ESH-Related Accounting
https://www.teijin.com/csr/data/esh_accounting.html

Corporate Data (As of March 31, 2025)

Established	June 17, 1918		
Head Offices	Tokyo Head Office	Kasumigaseki Common Gate West Tower, 2-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-8585, Japan Phone: +81-3-3506-4529	
	Osaka Head Office	Nakanoshima Festival Tower West, 2-4, Nakanoshima 3-chome, Kita-ku, Osaka 530-8605, Japan Phone: +81-6-6233-3401	
Fiscal Year-End	March 31		
Common Stock Authorized	600,000,000 shares		
Common Stock Issued	197,953,707 shares		
Paid-in Capital	¥71,833 million		
Shareholders	85,175		
Number of Teijin Group Companies	Japan: 48	Overseas: 105	Total: 153
Employees (Consolidated)	Japan: 8,535	Overseas: 11,744	Total: 20,279
Stock Exchange Listing	Tokyo		
Stock Code	3401		
Stock Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation		
Dividends	Dividends are usually resolved and paid in May and November.		
Annual Meeting of Shareholders	The ordinary general meeting of shareholders is held before the end of June.		
Accounting Auditors	KPMG AZSA LLC		
Website	https://www.teijin.com Teijin's website offers a wealth of corporate and product information, including the latest financial results, Corporate Governance Report, and corporate news.		
Investor Relations	If you have any questions, please contact: Corporate Communication Department, Kasumigaseki Common Gate West Tower, 2-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-8585, Japan		

Editorial Policy

In the creation of Integrated Report 2025, we referenced the International Integrated Reporting Framework of the International Financial Reporting Standards (IFRS) Foundation (formerly the International Integrated Reporting Council [IIRC]) as well as the Guidance for Collaborative Value Creation of the Ministry of Economy, Trade and Industry (METI).

Furthermore, in regard to the ESG information contained in this report, we referenced Environmental Reporting Guidelines 2018 of the Ministry of the Environment, the Sustainability Reporting Standards of the Global Reporting Initiative, the latest report by the Task Force on Climate-related Financial Disclosures, and the standards for the Chemical Industry within the SASB Standards disclosed by the IFRS Foundation (formerly disclosed by the U.S.-based Sustainability Accounting Standards Board [SASB]).

Reporting Period

Unless otherwise specified, this report covers the period from April 2024 to March 2025. However, some activities in or after April 2025 are also included.

Reporting Organizations

This report covers the entire Teijin Group (Teijin Limited and 48 domestic Group companies and 105 overseas Group companies). Regarding non-financial information, Teijin Automotive Technologies NA Holdings Corp. (TAT-NA), a consolidated subsidiary in the Materials segment, has been excluded from the scope of reporting starting from FY2024 because it is a discontinued operation.

Information in Integrated Report 2025

This report gives priority to information that is particularly important to the Teijin Group's value creation as well as to the Group's stakeholders. For more comprehensive and detailed information, please refer to Teijin's corporate website in conjunction with this report.

Financial Information

For Investors
https://www.teijin.com/ir/

Non-Financial Information

Sustainability
https://www.teijin.com/csr/

External ESG Evaluations and Stock Selections and Participation in Initiatives

External ESG Evaluations and Stock Selections (As of August 2025)

Dow Jones Best-in-Class Asia Pacific Index

The Company has been selected as a constituent of the Asia-Pacific regional version of the globally recognized Dow Jones Best-in-Class Asia Pacific Index, an ESG investment index that is part of the Dow Jones Best-in-Class Indices*.

* The Dow Jones Sustainability Indices (DJSI) were renamed the Dow Jones Best-in-Class Indices in February 2025.

FTSE4Good Index Series
FTSE Blossom Japan Index
FTSE Blossom Japan Sector Relative Index

FTSE4Good
FTSE Blossom Japan Index
FTSE Blossom Japan Sector Relative Index

MSCI Japan ESG Select Leaders Index
MSCI Japan Empowering Women Index (WIN)

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

MSCI ESG Rating

MSCI ESG RATINGS AA
CCC B BB BBB A AA AAA

S&P/JPX Carbon Efficient Index

S&P/JPX Carbon Efficient Index

SOMPO Sustainability Index

2025 Sompo Sustainability Index

D&I AWARD

D&I AWARD BEST WORKPLACE for diversity & inclusion 2024

KENKO Investment for Health

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Sports Yell Company

SPORTS YELL COMPANY 2025

Participation in Initiatives

UN Global Compact

WE SUPPORT UN GLOBAL COMPACT

Since 2011 Teijin Limited has endorsed and been participating in the UN Global Compact, which sets voluntary principles concerning "human rights," "labor," "the environment," and "anticorruption," to promote and practically implement high-quality CSR management as a global company engaged in business.

Task Force on Climate-related Financial Disclosures

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

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Disclaimer
Any statements in this report, other than those of historical fact, are forward-looking statements about the future performance of the Teijin Group, which are based on management's assumptions and beliefs in light of information available at the time of publication and involve risks and uncertainties. Actual results may differ materially from these forecasts.
The information included in this report on pharmaceuticals, medical devices, and regenerative medicine (including those under development) is not intended to serve as advertising or medical advice.
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TEIJIN

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