



Notice of Convocation

Other Items Provided Electronically for the 160th Ordinary General Meeting of Shareholders
(Items Omitted from the Paper Copy)

TEIJIN LIMITED

Disclaimer: Please note that the following is a translation of the original Japanese documents prepared for the convenience of our non-Japanese shareholders with voting rights. Although this translation is intended to be complete and accurate, the Japanese original shall take precedence in the case of any discrepancies between this translation and the original. Certain information regarding voting procedures that is not applicable for shareholders resident outside Japan has been omitted or modified as applicable. In addition, these materials will not facilitate your status as a registered shareholder authorized to attend the Ordinary General Meeting of Shareholders. Every shareholder attending the Ordinary General Meeting of Shareholders is required to present the Voting Card to the receptionist at the meeting.

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● Corporate Governance System (Reference)

(1) Reasons for Choosing the Current Corporate Governance System

At the Teijin Group, we adopt the corporate governance system that we believe is optimal for achieving the Company's objectives at any given time. Therefore, it will be reviewed as appropriate according to changes in the current social and legal environment.

By adopting a Company with an Audit & Supervisory Committee structure and expanding the delegation of authority from the Board of Directors to the executive management, the Company aims to speed up management-related decision-making and further enhance discussions at Board of Directors meetings on important management issues, such as medium- to long-term business strategies, and strengthen the supervisory function of the Board of Directors. Additionally, the Company will further strengthen the supervisory function of the Board of Directors, such as by enabling Audit & Supervisory Committee Members, who are responsible for audits, etc., to hold voting rights at Board of Directors meetings as Directors.

(2) Outline of Current System

1) Board of Directors

The Board of Directors meets and decides or approves important matters such as the management policy and overall plan of the entire Teijin Group, in addition to the matters stipulated in laws and regulations and the Articles of Incorporation, and supervises the execution of duties by Directors.

To expedite decision-making and clarify accountability of business execution, the Company stipulates in its Articles of Incorporation the maximum number of Directors as 12, of whom up to five (5) shall be Directors who are Audit & Supervisory Committee Members, and has introduced a corporate officer system with appropriate delegation of authority. The Company also stipulates that, in principle, at least half of all Directors shall be Outside Directors. As of March 31, 2026, the Board of Directors of the Company comprises 10 Directors, including four (4) female Directors, and six (6) of them are Outside Directors who fulfill all the requirements of Independent Directors as stipulated by the Company. Of the Directors, six (6) are Directors who are not Audit & Supervisory Committee Members, including three (3) Independent Outside Directors, and their term of office is one (1) year, as stipulated in the Articles of Incorporation. Meanwhile, four (4) are Directors who are Audit & Supervisory Committee Members, including three (3) Independent Outside Directors, and their term of office is stipulated as two (2) years in the Articles of Incorporation.

As a part of separation of oversight and supervision from business execution, the chairperson of the Board of Directors is selected from Outside Directors who are not Audit & Supervisory Committee Members.

2) The Audit & Supervisory Committee

The Audit & Supervisory Committee is composed of Audit & Supervisory Committee Members who possess expertise in areas such as law, finance and accounting, and audits the execution of duties by Directors based on their specialized knowledge. As of March 31, 2026, the Company's Audit & Supervisory Committee is composed of four (4) Directors who are Audit & Supervisory Committee Members (including three (3) female members), and three (3) of them, who constitute a majority, are Outside Directors who are

Audit & Supervisory Committee Members that meet the Company's requirements for Independent Directors, with an Outside Director serving as the chairperson. In order to enhance the effectiveness of Group-wide oversight and audits, the Committee of the Teijin Group Statutory Auditors, which comprises the Audit & Supervisory Committee Members of the Company and the statutory auditors of the Teijin Group companies, etc. is held regularly. The Audit & Supervisory Committee Office has been established as an organization to assist the duties of the Audit & Supervisory Committee, and as of March 31, 2026, six (6) full-time staff members are assigned to the office.

3) Nomination Advisory Committee and Compensation Advisory Committee as consultative bodies

The Nomination Advisory Committee and the Compensation Advisory Committee are established as consultative bodies to the Board of Directors in order to further improve the transparency of executive appointments and compensation. Each Advisory Committee has functions to deliberate on the following matters and make proposals and recommendations to the Board of Directors.

(a) Nomination Advisory Committee

- (i) Succession of the CEO and nomination of a successor
- (ii) Appointment, retirement, and removal of the Representative Directors
- (iii) Election, retirement, and dismissal of Directors who are not Audit & Supervisory Committee Members (including the Chairperson of the Board)
- (iv) Election, retirement, and dismissal of Directors who are Audit & Supervisory Committee Members
- (v) Matters concerning personnel changes of Executive Officers* (including appointment, retirement, removal, promotion, and demotion), and appointment or removal of Senior Advisors
- (vi) Matters concerning the criteria for independence of Outside Directors
- (vii) Selection of candidates to succeed the CEO and review of the succession development plan formulated by the CEO and its progress
- (viii) Matters concerning internal rules on Directors and Officers (excluding those related to compensation)

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

(b) Compensation Advisory Committee

- (i) Matters concerning the compensation system for Directors, Executive Officers, and Senior Advisors (hereinafter collectively referred to as "Teijin Group Executives")
- (ii) Matters concerning the compensation levels of the Teijin Group Executives
- (iii) 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
- (iv) Matters concerning internal rules on Directors and Officers (compensation-related)

Both Committees are composed of all Outside Directors who are not Audit & Supervisory Committee Members, the Chairperson and the CEO (or, in the event that the position of Chairperson is vacant, all Outside Directors who are not Audit & Supervisory Committee Members and the CEO). The chairperson of each Committee shall be selected from among the Outside Directors who are not Audit & Supervisory Committee

Members, and the chairperson shall preside over each Committee. In principle, for matters concerning the CEO, the CEO, as an interested party, is not included as a member of the decision-making body. In addition, for matters concerning the Chairperson, the Chairperson, as an interested party, is in principle not included as a member of the decision-making body.

4) Internal audit system

The Corporate Audit Department has been established as an internal audit organization which reports directly to CEO, and carries out Group-wide and global audits to evaluate the “efficiency and validity of internal control functions,” etc. Furthermore, at certain Group companies including listed subsidiaries and so forth, individual internal audit organizations have been established. As of March 31, 2026, the number of internal auditors in the Teijin Group totaled 20 (excluding internal auditors at listed subsidiaries).

5) Status of accounting audits

The status of certified public accountants who executed auditing is as follows (items in brackets indicate the affiliated auditing firms and the number of consecutive years performing audits).

Hirofumi Tani (KPMG AZSA LLC, 2 years), Yoshihiro Uehara (KPMG AZSA LLC, 5 years), Hiroaki Iwasaki (KPMG AZSA LLC, 5 years)

The status of assistants who executed auditing is as follows.

Certified Public Accountants: 27, others: 70, for a total of 97.

6) Total Risk Management

Risk management is positioned, together with compliance, as a key element supporting internal control, and the Teijin Group has established a Total Risk Management (TRM) framework as a comprehensive structure that covers overall the Teijin Group management. The Company’s Board of Directors oversees risk management for the entire the Teijin Group and positions the assessment of the following as important factors for consideration in its decision-making: “Strategic Management Risks,” arising from the formulation of management strategies and management plans, strategic actions, and decisions on individual investment projects, and “Operational Risks,” which are various adverse events that have negative impacts on the Company. With respect to “Strategic Management Risks”, initiatives that are important to the Teijin Group’s management strategy, as well as responses to risks are being promoted at the “Group Strategy Committee”, which is chaired by CEO and deliberates important matters related to business execution. In addition, “Operational Risks” are overseen by the Chief Sustainability Officer, and at the “Risk Management Committee”, which is established under CEO, policies related to operational risk management are examined and initiatives based on these policies are implemented and their progress is monitored.

(3) Evaluation of the Effectiveness of the Board of Directors

In order to further ensure the effectiveness and enhance the functions of the Board of Directors, the Company conducts an analysis and evaluation of the effectiveness of the entire Board of Directors once a year. The methods used for the evaluation of the effectiveness of the Board of Directors for FY2025 and an outline of the results are as

follows.

1) Analysis and Evaluation Method

- (a) In the effectiveness evaluation for FY2025 as in previous years, an independent third-party evaluation organization was engaged with the aim of further exploring the management issues that should be discussed by the Board of Directors and formulating specific action plans to resolve such issues. The organization evaluated the effectiveness of the Company's Board of Directors and identified issues through a questionnaire survey of all Directors, individual interviews of approximately one (1) hour each, interviews with the secretariat of the Board of Directors, and a review of the minutes of the Board of Directors. Based on these results, the effectiveness of the Board of Directors as well as the issues to be addressed and improvement measures to be implemented were discussed at meetings of the Board of Directors.
- (b) The questionnaire is composed of the following 10 fields, And respondents evaluated 56 questions on a five (5)-point scale and provided free-form comments.
 - i) The Board of Directors as a whole
 - ii) Composition
 - iii) Prior arrangements, etc.
 - iv) Operation
 - v) Deliberation
 - vi) Nomination Advisory Committee
 - vii) Compensation Advisory Committee
 - viii) Monitoring of Execution
 - ix) Self evaluation
 - x) Others

2) Summary of Results of the Board of Directors Effectiveness Evaluation

(a) Summary

As a result of the evaluation of the effectiveness of the Board of Directors based on the aforementioned process, it was confirmed that there were no issues with the Company's current corporate governance system and its implementation, and that the Board of Directors is functioning properly as a whole and ensuring effectiveness. In addition, it was confirmed that the transition to a Company with an Audit & Supervisory Committee has been carried out appropriately, and that initiatives aimed at establishing a monitoring board are progressing, as demonstrated by the promotion of open and active discussions under the strong leadership of the Chairperson of the Board of Directors, as well as efforts by the respective chairpersons of the Audit & Supervisory Committee, the Nomination Advisory Committee, and the Compensation Advisory Committee to enhance information sharing.

On the other hand, it was also confirmed that discussions and initiatives necessary for the realization of a monitoring board remain to be addressed.

- (b) Results of measures implemented in FY2025 to further enhance the effectiveness of the Board of Directors (Items marked with an asterisk (*) represent responses to issues identified in the effectiveness evaluation of the Board of Directors for FY2024.)

(i) Transition to a Company with an Audit & Supervisory Committee

In order to expedite decision-making on management matters, further enhance discussions on important management issues at meetings of the Board of Directors, and further strengthen the supervisory function of the Board of Directors, the Company transitioned from a Company with a Board of Statutory Auditors to a Company with an Audit & Supervisory Committee in June 2025.

(ii) Deepening of discussions on key issues*

At the beginning of the fiscal year, the Company identified and prioritized key issues, organized key points for consideration, and formulated an annual agenda and schedule, thereby deepening discussions.

(iii) Securing opportunities for consultation and information sharing

In addition to meetings of the Board of Directors, the Company arranged regular meetings among Directors to discuss strategic direction and share information, thereby facilitating the sharing of information and perspectives that serve as the basis for deliberations at meetings of the Board of Directors.

(iv) Regular activity reports from the Audit & Supervisory Committee

The Company introduced a framework under which the activities of the Audit & Supervisory Committee are reported to the Board of Directors once every two months, thereby strengthening the supervisory function of the Board of Directors through the early sharing of important audit-related information.

(v) Reorganization of the management execution system and enhancement of its functions*

The corporate functions strengthened various initiatives involving global collaboration with corresponding functions at the Teijin Group companies. In addition, a decision was made to establish the position of “Group President” responsible for optimizing operations for each business domain in order to achieve the new medium-term management plan.

(vi) Development of management personnel (strengthening expertise and cultivating the next generation)*

The Company newly established the position of Chief Digital Officer and appointed highly specialized external talent. In addition, Outside Directors also participated in the next-generation management team development program.

3) Issues Recognized in the Board of Directors Effectiveness Evaluation in FY2025 and Initiatives Going Forward

Based on the effectiveness evaluation implemented in FY2025, the Board of Directors has discussed and decided to further advance its efforts to address the following issues in FY2026.

(a) Establishment of key deliberation topics and enhancing the effectiveness of deliberations in light of the transition to a monitoring board model

- Establishment of an annual agenda and reviewing it as necessary in response to changes in the business environment

- Enhancement of information provided prior to meetings and clarification of key issues, which serve as the basis for improving the quality of discussions and decision-making by the Board of Directors,

- Establishment of an appropriate allocation of roles through the expansion of delegation of authority from the Board of Directors to the executive management

(b) Oversight of the development of a framework to enhance the effectiveness of consolidated group management

Oversight of the status of consideration and implementation of the following:

- Strengthening of the monitoring, support, and advisory functions of the second line of defense (risk management, compliance, etc.), which plays an important role in identifying and managing material risks
- Acceleration of consideration toward strengthening the global internal audit framework, and, based on such considerations, enhancing the foundational elements such as organizational structure, audit methodologies, manuals, and personnel placement and training

(c) Appropriate follow-up on the progress and underlying assumptions of the new medium-term management plan

- Monitoring of the milestones of the new medium-term management plan and the underlying assumptions
- In the event of changes in the business environment or deviations from the plan, identifying issues in a timely manner and overseeing the consideration and implementation status of countermeasures by the execution side

(d) Enhancement of information provision that contributes to supervision by the Board of Directors and the Audit & Supervisory Committee

- Expansion of opportunities for direct discussions on important business execution between business heads/functional heads and Directors
- Enhancement of information sharing among the Audit & Supervisory Committee, the Nomination Advisory Committee, and the Compensation Advisory Committee
- Establishment of a Corporate Secretary function to strengthen the framework for providing information to Outside Directors as well as for communication, coordination, and support of their activities

The Company will strive to enhance the effectiveness of the Board of Directors and further strengthen corporate governance through efforts to address the issues described above.

● Principal Businesses

(As of March 31, 2026)

Category	Business area	Principal products and businesses
Materials	Aramid	Para-aramid fibers, Meta-aramid fibers
	Resin and Plastic Processing	Polycarbonate resin, Polycarbonate sheets & films, PET/PEN/PBN resin, PPS resin, flame-retardant
	Carbon Fibers	Carbon fibers, oxidized PAN fibers, carbon fiber intermediate materials (Prepreg, etc.)
	Composites	Automotive composite products
Fibers & Products Converting	Textiles and Apparel	Yarns, textiles, apparel products, general merchandise
	Industrial materials	Polyester fiber materials, nonwoven fabrics, automotive materials, industrial materials, civil engineering and construction materials, tents and heavy cloths, resin, films, life products, artificial leathers
Healthcare	Pharmaceuticals	Prescription Drugs: Type 2 diabetes treatments, treatment for osteoporosis, treatment for hyperuricemia and gout, sustained-release expectorant, treatment for acromegaly and pituitary gigantism, botulinum toxin type A, hypoparathyroidism treatments
	Home Healthcare Medical Devices	Home Healthcare Services: Oxygen Concentrator for Home Oxygen Therapy (HOT), Continuous Positive Airway Pressure (CPAP) Unit, Bilevel Positive Airway Pressure Unit, Ultrasound Bone Fracture Treatment Device
Others	Others	Lithium-ion battery separators, high-performance membrane, implantable devices such as absorbable osteosynthesis materials, regenerative medicine, etc.

Note: PET (Polyethylene terephthalate), PEN (Polyethylene naphthalate), PBN (Polybutylene naphthalate), PPS (Polyphenylene sulfide)

● Principal Business Locations, etc.

(As of March 31, 2026)

Business	Function	Location	
The Company	Headquarters	Osaka, Tokyo	
Materials	Aramid	Production bases	Ehime, Yamaguchi
			The Netherlands, Thailand
		Operation bases	Tokyo, Osaka
			The Netherlands, Germany, India, Thailand, China, U.S.A., Mexico, Brazil
		Research bases	Ehime, Yamaguchi
			The Netherlands, Germany
	Resin and Plastic Processing	Production bases	Hiroshima, Ehime
			Thailand, China
		Operation bases	Tokyo, Osaka, Aichi
			The Netherlands, Malaysia, Thailand, China, Taiwan, U.S.A.
		Research bases	Chiba, Ehime
			Thailand, China
	Carbon Fibers	Production bases	Shizuoka, Gifu
			Germany, Vietnam, U.S.A.
		Operation bases	Tokyo
			Germany, Vietnam, China, Taiwan, U.S.A.
		Research bases	Shizuoka
			Germany, U.S.A.
Composites	Production bases	Ehime, Gifu	
		Portugal, Czech Republic, Germany	
	Operation bases	Tokyo	
		Portugal, Czech Republic	
	Research bases	Ehime	
		France, Germany	

Business	Function	Location
Fibers & Products Converting	Production bases	Ehime, Ishikawa, Fukui, Gifu, Shiga, Hyogo, Yamaguchi, Shimane, Fukuoka
		China, Thailand, Vietnam, Germany, Hungary
	Operation bases	Osaka, Tokyo, Aichi, Niigata, Fukui
		U.S.A., Germany, China, Thailand, Vietnam, Myanmar, Indonesia, Mexico, India, Taiwan, Philippines, Bangladesh
	Research bases	Ehime
		China, Thailand
Healthcare	Production bases	Yamaguchi
		China
	Operation bases	10 branches and 86 sales offices throughout Japan
	Research bases	Tokyo, Yamaguchi
Other	Production bases	Ehime, Yamaguchi, Aichi, Hyogo, Chiba
		South Korea
	Operation bases	Tokyo, Osaka, Aichi, Hyogo
		South Korea, China
	Research bases	Ehime, Yamaguchi, Tokyo, Aichi, Hyogo, Chiba
The Netherlands		

Note: The “Company” column indicates the locations of the head office functions, while the “Production bases,” “Operation bases,” and “Research bases” columns indicate locations by business segment.

● **Employees**

Business segments	159th Fiscal Year (Previous period) (As of March 31, 2025)	160th Fiscal Year (Period under review) (As of March 31, 2026)	Change in the number of employees
Materials	9,497	5,060	△4,437
Fibers & Products Converting	5,724	5,809	+85
Healthcare	2,634	2,723	+89
Other	2,424	2,097	△327
Total	20,279	15,689	△4,590

Note 1: The number of employees stated above represents the numbers of employees in each segment.

Note 2: The number of employees stated above does not include temporary employees (1,748 employees for the 159th fiscal year and 1,439 employees for the 160th fiscal year).

● **Primary Lenders and Amounts of Borrowings**

(As of March 31, 2026)

Principal lenders	Balance of borrowings (millions of yen)
MUFG Bank, Ltd.	35,881
Mizuho Bank, Ltd.	21,364
Japan Bank for International Cooperation	15,189

Note 1: The balance of borrowings includes borrowings from overseas local subsidiary banks.

Note 2: In addition to the above, as a principal borrowing, there is a balance of 79,800 million yen borrowed through syndicated loans.

● **Matters Regarding the Shares of the Company (as of March 31, 2026)**

(1) Total number of authorized shares 600,000,000 shares

(2) Total number of issued shares 197,953,707 shares

(3) Number of shareholders 80,461

(4) Top 10 shareholders of the Company

Shareholders		Investment in the Company	
		Number of shares held	Shareholding ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust account)	29,667,500	15.37
2	GOLDMAN SACHS INTERNATIONAL	13,278,158	6.88
3	Custody Bank of Japan, Ltd. (Trust account)	9,082,600	4.70
4	MLI FOR SEGREGATED PB CLIENT	8,770,100	4.54
5	STATE STREET BANK AND TRUST COMPANY 505223	7,292,425	3.78
6	Nippon Life Insurance Company	7,045,501	3.65
7	The Employee Stock Ownership Association of Teijin	6,169,970	3.19
8	JP JPMSE LUX RE CITIGROUP GLOBAL MARKETS L EQ CO	5,347,632	2.77
9	JPMSPLC CLIENT ASSETS SK JPY	5,134,200	2.66
10	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	3,939,141	2.04

Note 1: The shareholding ratio has been calculated after excluding treasury stocks (5,037,805 shares) from the issued shares.

Note 2: Shareholding ratios are truncated to two decimal places.

(5) Status of shares issued as compensation to company officers during FY2025

(a) Restricted Stock

The details of the stock compensation issued during FY2025 are as follows.

Category	Class and number of shares	Number of persons
Internal Directors who concurrently serve as Corporate Officers	Ordinary shares of the Company 18,083 shares	3

Note 1: The above stock compensation was not issued to the Internal Directors who do not concurrently serve as Corporate Officers, Outside Directors, Directors who are Audit & Supervisory Committee Members and Statutory Auditors.

Note 2: The number of ordinary shares of the Company stated in the aforementioned "Class and number of shares" includes the stock compensation (1,480 shares) corresponding to the period during which Yuji Nakahara served as a Teijin Group Corporate Officer (from October 2024 to March 2025) prior to his appointment as a Director who is not an Audit & Supervisory Committee Member at the 159th Ordinary General Meeting of Shareholders held on June 25, 2025.

(b) Performance share units compensation

The details of the stock compensation issued during FY2025 are as follows.

Category	Class and number of shares	Number of persons
Internal Directors who concurrently serve as Corporate Officers	Ordinary shares of the Company 16,870 shares	3

Note 1: The above stock compensation was not issued to the Internal Directors who do not concurrently serve as Corporate Officers, Outside Directors, Directors who are Audit & Supervisory Committee Members and Statutory Auditors.

Note 2: As for the performance share units compensation corresponding to the business operations executed during FY2024 and FY2025 that is scheduled to be issued in July 2026, it is not included because it is scheduled to be resolved at the Board of Directors meeting to be held immediately after the Ordinary General Meeting of Shareholders scheduled for June 19, 2026.

● Matters Regarding Stock Acquisition Rights of the Company

(1) Overview of stock acquisition rights as a stock compensation-type stock option

1) Number of stock acquisition rights

The maximum number of stock acquisition rights to be allocated to directors during a period of one (1) year starting the day after the annual Ordinary General Meeting of Shareholders is held shall be set at 200.

2) Amount to be paid in for the stock acquisition rights

The fair value of the stock acquisition rights shall be calculated using the closing price on the allotment date based on the Black-Scholes model.

3) Number of shares to be issued upon exercise of the stock acquisition rights

The number of shares to be issued upon exercise of one stock acquisition right (hereinafter the “number of shares to be granted”) shall be 200 shares. However, if the Company conducts a stock split or stock consolidation (reverse stock split), or if there are other unavoidable reasons that require some adjustment, such adjustment shall be reasonably made.

4) Value of property to be invested upon exercise of the stock acquisition rights

The amount of money to be paid in per share issued or transferred by exercising the stock acquisition rights shall be ¥1, and the amount of money to be paid in upon exercise of the stock acquisition rights shall be the said amount multiplied by the number of shares to be granted.

5) Exercise period of stock acquisition rights

Exercise period shall be 20 years from the allotment date of stock acquisition rights.

6) Restrictions on transfer of stock acquisition rights

Any acquisition of stock acquisition rights shall require approval of the Board of Directors of the Company.

7) Main provisions for acquisition of stock acquisition rights

If a proposal for approval of a merger agreement in which the Company becomes the absorbed company, a proposal for approval of a share exchange agreement in which the Company becomes a wholly-owned subsidiary, or a proposal for share transfer is approved at a General Meeting of Shareholders of the Company, the Company can acquire stock acquisition rights without consideration.

8) Main conditions for exercising stock acquisition rights

Holders of stock acquisition rights may exercise stock acquisition rights for only five (5) years from the date of loss of position as a Director of the Company, its subsidiary and/or affiliate.

9) Other details pertaining to stock acquisition rights (including other matters from those in 1) through 8) above)

Shall be determined by resolution of the Board of Directors.

(2) Summary of stock acquisition rights as a stock option as of the last day of FY2025 as consideration for the performance of duties

Number of issuance (Issuance date)	Number of stock acquisition rights	Class and number of target shares	Issuance price (Per share)	Exercise price (Per share)	Exercise period
15th stock acquisition rights (March 17, 2017)	7	Ordinary shares 1,400 shares	¥1,955	¥1	From March 17, 2017 to March 16, 2037
16th stock acquisition rights (March 16, 2018)	32	Ordinary shares 6,400 shares	¥1,732	¥1	From March 16, 2018 to March 15, 2038
17th stock acquisition rights (March 18, 2019)	59	Ordinary shares 11,800 shares	¥1,627	¥1	From March 18, 2019 to March 17, 2039
18th stock acquisition rights (March 16, 2020)	83	Ordinary shares 16,600 shares	¥1,138	¥1	From March 16, 2020 to March 15, 2040
19th stock acquisition rights (March 15, 2021)	154	Ordinary shares 30,800 shares	¥1,725	¥1	From March 15, 2021 to March 14, 2041

The total number of unexercised stock acquisition rights of the aforementioned stock acquisition rights held by Internal Directors who are not Audit & Supervisory Committee Members of the Company

(As of March 31, 2026)

Number of issuance	Director	
	Number of units	Number of statutory auditors holding rights
16th stock acquisition rights	16	2
17th stock acquisition rights	20	2
18th stock acquisition rights	16	2
19th stock acquisition rights	26	2

Note: Outside Directors who are not Audit & Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members do not hold any stock acquisition rights.

● **Limited Liability Agreements**

The Company has executed a Limited Liability Agreement with each of seven (7) Directors, Masaaki Tsuya, Reiko Kusunose, Toichi Maeda, Tomoko Torii, Koichi Tsuji, Tamie Minami, and Yaeko Takeoka which limits the respective liabilities of each Director to 20 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act, whichever is higher.

The Company had also executed a similar Limited Liability Agreement with Masanori Shimai, who resigned as a Director as of February 2, 2026.

● **Directors and Officers Liability Insurance (D&O insurance)**

The Company has concluded a liability insurance contract with an insurance company for its directors, etc. as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The scope of the insured parties under the insurance contract includes Directors and Corporate Officers of the Company and Directors and Statutory Auditors of Teijin Pharma Limited. Under said insurance contract, the legally mandated amount of indemnification and litigation expenses caused by the performance or omission of the insured's duties, will be covered. However, claims for damages caused by willful misconduct or gross negligence will not be covered. Note that the full amount of the insurance premiums is shouldered by the Company and Teijin Pharma Limited.

● **Matters Concerning the Outside Directors**

(1) Status of Significant Concurrent Positions (As of March 31, 2026)

Category	Name	Significant Concurrent Positions
Directors	Masaaki Tsuya	External Advisor, Bridgestone Corporation
	Reiko Kusunose	Outside Director, NIPPO CORPORATION Outside Director, BUNKA SHUTTER CO., LTD.
	Toichi Maeda	Outside Director, KITZ Corporation
Directors (Audit & Supervisory Committee Members)	Koichi Tsuji	Outside Director, Mitsubishi UFJ Financial Group, Inc. Outside Director, MARUICHI STEEL TUBE LTD.
	Tamie Minami	—
	Yaeko Takeoka	Attorney at law, KOHWA SOHGOH LAW OFFICES Outside Director, Daiwa Living Co., Ltd

Note: There are no special interests between the Company and any of the entities at which the above mentioned Outside Directors.

(2) Main Activities in FY2025

Category	Name	Summary of advice given and duties performed as expected of Outside Directors	Participation in the Board of Directors, Board of Statutory Auditors and the Audit & Supervisory Committee Meetings
Directors	Masaaki Tsuya	<ul style="list-style-type: none"> • He serves as the chairperson of the Board of Directors, taking the lead in the operation of the Board, and actively offers opinions, provides oversight, and gives advice from the perspectives of the appropriateness of management direction and key measures, the soundness and prudence of important management decisions, and the development of a foundation that supports the Company's sustainable growth. Drawing on his insights as a corporate executive, he fulfills an appropriate role in ensuring the validity and propriety of decision-making. • In addition, in his capacity as a member of the Nomination Advisory Committee and the Compensation Advisory Committee, he fulfills a supervisory function from an objective and neutral standpoint with respect to matters such as the appointment of Directors and other officers, the development plans for CEO successor candidates, the review of the compensation system for directors, and the performance evaluation of Directors and other officers including CEO. 	Board of Directors 13/13 times 100%

Category	Name	Summary of advice given and duties performed as expected of Outside Directors	Participation in the Board of Directors, Board of Statutory Auditors and the Audit & Supervisory Committee Meetings
Directors	Reiko Kusunose	<ul style="list-style-type: none"> • She actively offers opinions, provides oversight, and gives advice at the Board of Directors meetings from the perspectives of capital discipline and shareholder value, the effectiveness and competitiveness of business operations, and governance and risk management, and, drawing on her experience in corporate transformation and as a CFO, she fulfills an appropriate role in ensuring the validity and propriety of decision-making. • In addition, as the Chairperson of the Compensation Advisory Committee, she leads discussions on the review of the compensation system for directors and on performance evaluations of Directors and other officers, including CEO, while as a member of the Nomination Advisory Committee, she fulfills a supervisory function from an objective and neutral standpoint with respect to matters such as the appointment of Directors and other officers and the development plans for CEO successor candidates. 	Board of Directors 13/13 times 100%
	Toichi Maeda	<ul style="list-style-type: none"> • He actively offers opinions, provides oversight, and gives advice at the Board of Directors meetings from the perspectives of business restructuring and feasibility of plans, investment discipline and accountability, and governance and Operational Risks, and, drawing on his insights as a corporate executive, he appropriately fulfills his role in ensuring the validity and propriety of decision-making. • In addition, as the Chairperson of the Nomination Advisory Committee, he leads discussions on agenda setting, the appointment of Directors and other officers, and succession plans for CEO candidates, while also fulfilling a supervisory function from an objective and neutral standpoint as a member of the Compensation Advisory Committee with respect to the review of the compensation system for directors and the performance evaluations of Directors and other officers, including CEO. 	Board of Directors 9/9 times 100%
Directors (Audit & Supervisory Committee Members)	Koichi Tsuji	<ul style="list-style-type: none"> • He actively offers opinions, provides oversight, and gives advice at the Board of Directors meetings, drawing on his professional knowledge as a certified public accountant and extensive experience as an outside director, from the perspectives of financial discipline, the appropriateness of accounting, and management of business risks, thereby ensuring the validity and propriety of the decision-making process. • In addition, as the Chairperson of the Audit & Supervisory Committee, he leads the operation of the Audit & Supervisory Committee, while also providing necessary remarks from time to time on governance and risk management, including corporate accounting and internal audits, thereby fulfilling a role in auditing and supervising the decision-making on important matters of the Company and its business execution. 	Board of Directors 13/13 times 100% Board of Statutory Auditors 3/3 times 100% Audit & Supervisory Committee 13/13 times 100%

Category	Name	Summary of advice given and duties performed as expected of Outside Directors	Participation in the Board of Directors, Board of Statutory Auditors and the Audit & Supervisory Committee Meetings
Directors (Audit & Supervisory Committee Members)	Tamie Minami	<ul style="list-style-type: none"> • She actively offers opinions, provides oversight, and gives advice at the Board of Directors meetings, drawing on her experience at companies operating multiple businesses globally, from the perspectives of growth strategies, including the pursuit of competitive advantage, and organizational management, thereby fulfilling a role in ensuring the validity and propriety of decision-making. • In addition, at meetings of the Audit & Supervisory Committee, she provides necessary remarks from time to time regarding the streamlining of the management structure and global group governance, thereby fulfilling a role in auditing the execution of duties by Directors. 	Board of Directors 12/13 times 92% Audit & Supervisory Committee 13/13 times 100%
	Yaeko Takeoka	<ul style="list-style-type: none"> • She actively offers opinions, provides oversight, and gives advice at the Board of Directors meetings, drawing on her high level of expertise in all aspects of corporate legal affairs, including intellectual property rights and compliance, which she has cultivated over many years as a lawyer, as well as her extensive experience as an outside officer, from the perspectives of technology strategy and business portfolio, thereby fulfilling a role in ensuring the validity and propriety of decision-making. • In addition, at meetings of the Audit & Supervisory Committee, she provides remarks from time to time on matters such as enhancing the organizational audit framework, including the strengthening of internal control systems, and compliance, thereby fulfilling a role in auditing the execution of duties by Directors. 	Board of Directors 9/9 times 100% Audit & Supervisory Committee 13/13 times 100%

Note: As of the close of the 159th Ordinary General Meeting of Shareholders held on June 25, 2025, the Company transitioned to a Company with an Audit & Supervisory Committee. In conjunction with this transition, Koichi Tsuji retired as a Statutory Auditor and assumed office as a Director (Audit & Supervisory Committee Member) on the same date.

● **Matters Concerning the Accounting Auditor**

(1) Name of the Accounting Auditor

KPMG AZSA LLC

(2) The amount of the compensation

(Millions of yen)

Details	Amount
1) The amount of compensation to be paid by the Company to the Accounting Auditor	216
2) The total amount of monetary or other economic benefit to be paid by the Company and its subsidiaries to the Accounting Auditor	323

Note 1: Since under the audit contract between the Company and the Accounting Auditor, there is no clear division between the amount of compensation for audits based on the Companies Act and the amount of compensation for audit based on the Financial Instruments and Exchange Act, the amount of the compensation described in 1) is the total amount of both compensations.

Note 2: 14 companies, including Teijin Aramid B.V., among the Company's significant subsidiaries were audited by auditing firms other than the Accounting Auditor.

Note 3: The Company has paid fees to the Accounting Auditor for "accounting advisory services, etc." other than the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountant Act.

Note 4: The Audit & Supervisory Committee, taking into account the scale and attributes of the Company, confirmed and examined the content of the Accounting Auditor's audit plans, status of the Accounting Auditor's execution of duties and the basis for its calculation of compensation estimates. Consequently, in accordance with Article 399, Paragraph 1 and Paragraph 3 of the Companies Act, the Audit & Supervisory Committee consented to the compensation for the Accounting Auditor.

(3) Decision policy for the dismissal or non-reappointment of the Accounting Auditor

It is the policy of the Company that the Audit & Supervisory Committee will dismiss an accounting auditor in accordance with the consent of all Audit & Supervisory Committee Members when the Accounting Auditor is found to fall under any of the items in Article 340, Paragraph 1 of the Companies Act.

In addition to the above, the Audit & Supervisory Committee will determine the details of any proposal for dismissal to be submitted to the General Meeting of Shareholders if it is recognized that a situation has arisen at the Accounting Auditor that triggers a serious hinderance to the auditing work of the Company, and the details of any proposal for non-reappointment to be submitted to the General Meeting of Shareholders if it is recognized that Company needs to change the Accounting Auditor given the independence, credibility or execution of duties, etc. on the part of the Accounting Auditor.

● Summary of the System to Ensure Proper Operations and Its Operational Status

(1) Basic Policy for the Establishment of Internal Control Systems

The Company adopted a resolution on the “Basic Policy for the Establishment of Internal Control Systems” at the Board of Directors meeting held on March 31, 2026. The details of the resolution are as follows:

- 1) Systems to Ensure that the Execution of Duties by Directors, Officers, and Employees of the Company and its Subsidiaries Complies with Laws and the Articles of Incorporation
 - (a) The Company has established the basic principles of compliance in the Teijin Group’s Corporate Governance Guide. They stipulate the following: As responsible members of both the corporate organization and society, all directors, officers, and employees of a company are required to not only comply with laws and regulations but also to act in good faith and in line with ethical standards and shared social values. Based on this recognition, the Company strictly complies with social norms, ethics, and applicable laws and regulations, and strives to achieve fair and appropriate management in harmony with civil society.
 - (b) The Company shall establish systems and organizational structures to ensure the effective implementation and thorough application of the Teijin Group’s Philosophical Framework, Code of Conduct, and Group Corporate Ethics Regulations, among other internal frameworks, in order to practice these basic principles. The Representative Directors, Executive Directors, and Corporate Officers shall take the lead in setting an example by complying with laws, regulations, the Articles of Incorporation, social norms, and ethics, and shall also provide compliance-related education and awareness programs for directors, officers, and employees of the Company and its subsidiaries.
 - (c) To develop a cross-functional compliance framework for the Teijin Group and to identify and address compliance-related issues, the Company appoints the Chief Sustainability Officer as the person responsible for compliance.
 - (d) Directors, officers, and employees of the Company and its subsidiaries shall, upon discovering any violation of laws and regulations or other significant compliance-related issues within any Teijin Group company, report them to their own company or to the Company, in accordance with the Regulations for the Teijin Group’s Corporate Ethics and other relevant rules. The Chief Sustainability Officer shall direct and supervise the investigation of such reported issues and, upon consultation with the President and CEO, determine appropriate measures, if deemed necessary.
 - (e) The Company shall ensure that directors, officers, employees, and business partners of the Company and its subsidiaries have access to channels through which they can directly report any violations or suspected misconduct. As one such channel, the Company shall establish and operate various whistleblowing and consultation hotlines that allow directors, officers, and employees of the Company and its subsidiaries to directly contact external attorneys or other independent professionals. In such cases, the Company shall ensure that the identity of the whistleblower is not disclosed without their consent (guaranteeing anonymity) and that no disadvantage arises from making a report. Furthermore, with respect to material reports, the Company shall appropriately disclose the details of the report, the status of the Company’s response, and the outcome to directors, officers, and employees of the Company and its subsidiaries to ensure broad awareness.
 - (f) The directors of the Company and its subsidiaries shall be subject to oversight and audits by the Audit & Supervisory Committee with respect to their execution of duties, and shall respect any advice or recommendations received from the Audit & Supervisory Committee.
 - (g) The Company places the Corporate Audit Department under the direct supervision of CEO. Under CEO’s direction, it performs internal audits of the Teijin Group’s business operations, evaluates the status of the internal control system, and proposes improvements. The Audit & Supervisory Committee shall receive reports from the Corporate

Audit Department regarding audit results and may instruct the Corporate Audit Department to conduct further investigations as necessary. In the event of a conflict between instructions received from CEO and those received from the Audit & Supervisory Committee, the instructions of the Audit & Supervisory Committee shall take precedence.

- (h) The Teijin Group shall take a resolute stance against antisocial forces, including demands for payoffs from specific shareholders and civil interference by organized crime groups, and shall not tolerate any such intervention. The Chief Sustainability Officer shall be appointed as the person responsible for countermeasures against antisocial forces. This Officer shall establish relevant policies and procedures and shall ensure that all directors, officers, and employees of the Company and its subsidiaries are thoroughly informed of them.
- (i) In principle, at least half of the Board of Directors shall be comprised of outside directors in order to enhance the validity of decision-making by the Board of Directors. These outside directors shall fulfill the independence requirements established by the Company, which are defined in the Guidelines for Independent Directors as determined by the Board of Directors.

2) Rules and Other Systems for the Management of Risk of Loss within the Company and its Subsidiaries

- (a) The Company shall operate the Total Risk Management (TRM) system to deal with all risks (uncertainties) that may threaten the enhancement of corporate value and the achievement of the sustainable business development of the Teijin Group, in accordance with the basic principles of TRM set forth in the Teijin Group's Corporate Governance Guide.
- (b) The Board of Directors of the Company shall supervise risk management across the entire Teijin Group, and shall position the assessment of both "Strategic Management Risks," which arise in connection with the formulation of business strategies and plans, strategic actions, and decisions on individual investment projects, and "Operational Risks," being various adverse events that could negatively affect the Company, as a critical factor in decision-making.
- (c) The Group Strategy Committee, chaired by CEO and tasked with deliberating on important matters concerning business execution, shall promote initiatives to address Strategic Management Risks.
- (d) The Chief Sustainability Officer shall be responsible for overseeing Operational Risks. The Risk Management Committee established under CEO shall be tasked with deliberating on policies related to the management of such risks as well as promoting and monitoring initiatives based on these policies.
- (e) The Chief Sustainability Officer shall establish systems to ensure business continuity within the Teijin Group in relation to the following risks:
 - (i) Risks of significant losses due to disasters, such as earthquakes, floods, accidents and fires
 - (ii) Risks of serious disruption to production, sales, and other operations caused by inappropriate execution of duties by directors, officers, and employees
 - (iii) Risks of significant damage resulting from the malfunction or failure of core IT systems
 - (iv) Risks of significant damage resulting from the impairment of intellectual property or the leakage of technology
 - (v) Other risks deemed extremely significant by the Board of Directors of the Company

3) Systems for Ensuring the Efficient Execution of Duties by Directors, Officers, and Employees of the Company and its Subsidiaries

- (a) The Company shall establish Group Regulations to provide the necessary rules and guidelines for the Group to ensure the efficient performance of duties throughout the Teijin Group, and shall review such regulations as

necessary in response to enactment, revision, or repeal of laws and regulations or the need to improve operational efficiency.

- (b) The Board of Directors of the Company, in accordance with the management structure and division of duties as determined by the Board, shall delegate the execution of operations to the Representative Directors, Executive Directors, and Corporate Officers.
- (c) The Regulation for Group Organizations, the Teijin Group Regulations for Group Responsibilities and Authorities, and other internal regulations of the Teijin Group specify the bodies or procedures by which decisions are to be made on matters delegated to the Representative Directors, Executive Directors, and Corporate Officers. The Company shall review such regulations as necessary in response to enactment, revision, or repeal of laws and regulations or the need to improve operational efficiency.
- (d) The Board of Directors shall establish the core organizational structure of the Teijin Group and develop systems to ensure efficient operations and robust oversight and supervision.
- (e) The Company shall formulate the Teijin Group Medium-Term Management Plan and, to realize this plan, shall develop a short-term plan for each fiscal year. In addition, the Company shall establish key management priorities and budgets for the entire Teijin Group, and shall regularly monitor their progress.

4) Systems to Ensure the Appropriateness of Business Operations across the Teijin Group

- (a) The Company shall establish Group Regulations, comprising standards and rules applicable across the Teijin Group, in order to ensure the appropriateness of business operations across the Teijin Group. Each Teijin Group company shall develop its own internal rules in accordance with these Group Regulations and, when making decisions on important matters, shall follow appropriate procedures, including deliberation by relevant committees.
- (b) The Company shall, in accordance with the Regulations for Teijin Group Responsibilities and Authorities, the Group Risk Management Regulations, and other relevant regulations, deliberate on important matters concerning Teijin Group companies through the Group Strategy Committee and other bodies, and shall require such companies to report on those matters.
- (c) The Representative Directors, Executive Directors, and Corporate Officers shall, in accordance with their respective areas of responsibility, provide guidance to each Teijin Group company to ensure the establishment of an appropriate internal control system.
- (d) The Corporate Audit Department of the Company shall conduct or supervise internal audits across the Teijin Group to ensure the effectiveness and appropriateness of internal controls throughout the Teijin Group's operations. Annual plans for internal audits, their implementation status, and the results shall be reported to the Board of Directors, the Audit & Supervisory Committee, and other designated bodies, as appropriate based on their level of importance.
- (e) The Audit & Supervisory Committee of the Company shall establish a coordination framework with the Accounting Auditor and a reporting system from the Corporate Audit Department to ensure that effective and appropriate oversight and auditing of the entire Teijin Group is able to be conducted in response to the Teijin Group's consolidated management structure. Such oversight and auditing shall be carried out either directly by the Audit & Supervisory Committee or through the Committee of Teijin Group Statutory Auditors, which, in principle, is composed of the Audit & Supervisory Committee Members, Full-time Statutory Auditors of Teijin Group companies, staff of the Audit & Supervisory Committee Office, and the General Manager of the Corporate Audit Department.
- (f) The Company shall establish Teijin Group Regulations for Internal Control Over Financial Reporting to ensure the reliability of financial reporting, and shall develop a system of Group-wide controls and business process-level

controls related to financial reporting across the Teijin Group. The Company shall also ensure that these controls are operated and assessed properly and effectively.

5) Systems for the Retention and Management of Information Related to the Execution of Duties by Directors

- (a) Directors shall appropriately retain and manage the following documents (including electronic records; hereinafter the same shall apply), as well as other important information related to the execution of their duties, in accordance with internal regulations and according to their respective areas of responsibility:
 - (i) Minutes of general shareholders' meetings and related materials
 - (ii) Minutes of meetings of the Board of Directors and related materials
 - (iii) Minutes and related materials of other important meetings held by Directors
 - (iv) Approval documents and attached materials in which Directors serve as the final decision-makers
 - (v) Other important documents related to the execution of duties by Directors
- (b) CEO shall serve as the person responsible for monitoring and supervising the retention and management of the documents and information specified in the preceding item (the "Control and Oversight Officer").
- (c) The General Manager of the Legal Department shall assist the Control and Oversight Officer and provide direction and guidance to the Teijin Group regarding the retention and management of the documents and information specified in item (a).
- (d) The documents specified in item (a) shall be retained for a minimum of 10 years and shall be maintained in a condition that ensures accessibility as necessary.
- (e) The Company shall establish the "Group Rules for Handling Information Concerning the Duties of Directors" to maintain and manage the above-mentioned system, and shall revise them as necessary.

6) Matters Concerning Employees Assigned to Assist the Audit & Supervisory Committee, the Independence of Such Employees from Directors (Excluding Directors Who Are Audit & Supervisory Committee Members), and the Effectiveness of Instructions Given to Such Employees

- (a) The Company shall establish the Audit & Supervisory Committee Office as the organization responsible to assist the Audit & Supervisory Committee in performing its duties. The Office shall comprise personnel assigned to the Committee Secretariat, who support the Committee's operations, and personnel assigned to business audits, who assist with management audits conducted by the Committee members. As a general rule, at least two (2) full-time personnel shall be assigned to the Committee Secretariat, including at least one individual with sufficient expertise in accounting or quantitative analysis.
- (b) Personnel of the Audit & Supervisory Committee Office shall carry out their duties under the direction of the Audit & Supervisory Committee. The Office shall also function as the secretariat of the Committee of the Teijin Group Statutory Auditors. While these personnel may concurrently serve as statutory auditors of the Teijin Group companies, they shall not concurrently hold any position involving the execution of business operations within those companies.
- (c) The Company shall obtain the prior consent of a member of the Audit & Supervisory Committee, designated by its resolution, upon making any decisions regarding personnel matters such as appointments and transfers of personnel assigned to the Audit & Supervisory Committee Office, in order to ensure the independence of such personnel. In principle, performance evaluations of such personnel shall also be conducted by a member of the Committee designated by its resolution.

- 7) Systems for Reporting to the Audit & Supervisory Committee by Directors, Officers, and Employees of the Company and Its Subsidiaries, and Other Systems Related to Such Reporting
- (a) Full-time Audit & Supervisory Committee Members shall attend meetings of the Board of Directors, as well as other important meetings of the Company, including the Group Strategy Committee, and important meetings of major subsidiaries.
 - (b) The Representative Directors, Executive Directors, and Corporate Officers shall, from time to time, report on the status of business execution for the businesses, functions, and subsidiaries under their responsibility at important meetings, including meetings of the Board of Directors.
 - (c) Directors, officers and employees of the Company and its subsidiaries, upon becoming aware of any of the following matters, including those reported or for which consultation was sought via the hotline, shall promptly report to the Company's Audit & Supervisory Committee:
 - (i) Matters that have significantly damaged, or may significantly damage, the Company's credibility
 - (ii) Matters that have had, or may have, a serious adverse effect on the Company's business performance
 - (iii) Matters that have caused, or may cause, significant harm related to ESH (Environment, Safety, and Health) or PL (Product Liability), either internally or externally
 - (iv) Serious violations of the Regulations for the Teijin Group's Corporate Ethics or other internal rules
 - (v) Other matters equivalent to items listed above
 - (d) Directors, officers, and employees of the Company and its subsidiaries shall report on the businesses, functions, and subsidiaries under their responsibility when they deem it necessary or upon request of the Company's Audit & Supervisory Committee, and shall cooperate with any investigations conducted by the Committee.
- 8) Systems to Ensure that Individuals Reporting to the Audit & Supervisory Committee Shall Not Be Subject to Disadvantageous Treatment as a Result of Such Reporting
- (a) The Teijin Group stipulates in the Regulations for the Teijin Group's Corporate Ethics that no individual shall be subjected to disadvantageous treatment for reporting or whistleblowing illegal acts or ethical violations. It also prohibits any such treatment of directors, officers, or employees who report to the Audit & Supervisory Committee for having made such reports.
- 9) Policy on the Treatment of Expenses and Payment Duties Arising from the Execution of Duties by Audit & Supervisory Committee Members, Including Procedures for the Advance Payment and Reimbursement of Such Expenses
- (a) The Company shall bear any expenses or payment duties necessary for the execution of duties by Audit & Supervisory Committee Members (limited to those related to the execution of duties by the Audit & Supervisory Committee). If there are any requests for advance payment or reimbursement in accordance with the Companies Act, the responsible department shall confirm and respond promptly with the request.
- 10) Other Systems to Ensure the Effective Conduct of Audits by the Audit & Supervisory Committee
- (a) While maintaining its independence, the Audit & Supervisory Committee shall hold regular meetings with the Representative Director to exchange views on challenges facing the Company and significant audit-related matters, and to make requests when deemed necessary.
 - (b) The Audit & Supervisory Committee shall hold regular meetings with the Accounting Auditor to exchange views and information in an active manner.

- (c) The Audit & Supervisory Committee shall enter into advisory agreements with external law firms to support the independent formation of opinions by the Company's Audit & Supervisory Committee and the statutory auditors of subsidiaries. When deemed necessary for the execution of audits, the Committee may, at its discretion, engage certified public accountants, consultants, or other external experts.

(2) Overview of the use of the internal control system

An overview of the use of the internal control system in FY2025 in accordance with the "Resolutions on Basic Systems for Internal Control" is as follows.

1) Operations related to legal compliance

The Company shall post the Teijin Group's Corporate Governance Guide, which stipulates the basic principles for compliance, and related regulations for putting those basic principles into practice on the Company intranet. In addition, the Company has designated October of each year as Corporate Ethics Month and plans to make compliance common knowledge, including by holding in-house training. Also, when making important decisions, we aim to avoid violating laws and regulations by confirming with related dedicated departments.

The Company has set up a compliance promotion organization under the Chief Human Resources Officer/Chief Sustainability Officer (currently Chief Sustainability Officer, hereinafter the same shall apply) and is working to grasp and address issues across the Teijin Group. Moreover, the Chief Human Resources Officer/Chief Sustainability Officer shall appropriately handle important compliance issues reported by directors, officers and employees at the Company and its subsidiaries in accordance with the Regulations for Teijin Group Corporate Ethics, etc., which stipulate rules for reporting and responding to violations. These matters shall be reported regularly to the Board of Directors and the Audit & Supervisory Committee.

The Company has established an internal reporting system, including a compliance hotline, that facilitates anonymous reporting. Consultations by domestic and overseas group companies are properly handled, including the protection of whistleblowers. We are working to ensure thorough awareness through the disclosure of the response status on the Company intranet, etc. twice a year.

The Company respects and appropriately responds to matters pointed out by the Audit & Supervisory Committee in its audits and evaluations of the maintenance and operation of the internal control system. In accordance with the annual plan, the Corporate Audit Department of the Company conducts internal audits across the Teijin Group and reports the audit results to the Board of Directors and the Audit & Supervisory Committee.

The Company has established a policy for responding to anti-social forces in its Code of Conduct, and is working to ensure thorough awareness of this policy through Corporate Ethics Month and other events.

2) Operations related to loss risk management

The Board of Directors of the Company receives reports from the Risk Management Committee on proposals for TRM basic policies and annual plans, as well as the status of such risk occurring and the status of response. The Board of Directors develops and maintains a system to manage important risks and for business continuity.

The Chief Human Resources Officer/Chief Sustainability Officer regularly evaluates and monitors Operational Risks, and continuously verifies the validity of risk extraction and countermeasures.

At important meetings, including Board of Directors meetings, the Company evaluates matters for deliberation factoring into the results of a strategic risk assessments conducted in accordance with internal regulations.

The Company, to ensure the continuity of its business, establishes and maintains necessary manuals and an emergency response system, including holding regular drills.

The Company also establishes separate rules for the "protection of personal information" and "information security," and implements various in-house training and measures to strengthen security in an effort to prevent the risk of information leaks.

3) Operations related to ensuring effectiveness

The Company posts the Group Regulations on the Company intranet to ensure thorough awareness.

The Company, in accordance with internal regulations, clarifies its management structure, division of duties, responsibilities and authority, and aims for efficient and effective business execution.

4) Operation of internal controls within the corporate group

The Company regularly conducts self-inspections regarding the establishment and operation of an internal control system, and provides ongoing guidance to each Teijin Group company pertaining to the maintenance of the internal control system, including regulations, meeting bodies, and reporting systems.

The Audit & Supervisory Committee of the Company, to promote fair and efficient auditing activities in the Teijin Group, regularly carries out Committee of Teijin Group Statutory Auditors meetings. It also works closely with the Accounting Auditor and the Corporate Audit Department by attending accounting auditor reporting sessions and reporting the results of operational audits.

5) Operations related to storing information

The Directors of the Company properly store and manage important documents related to the execution of duties in accordance with internal regulations.

6) Operations to ensure the effectiveness of audits by Audit & Supervisory Committee

The Company has established the Audit & Supervisory Committee Office. Its staff members are engaged in audit-related support work based on the instructions and directions of the Audit & Supervisory Committee.

The Company's full-time Audit & Supervisory Committee Members attend important meetings at the Company and its major subsidiaries, and receive reports on the status of business execution from the representative directors, executive directors and corporate officers who attend these meetings.

The Chief Human Resources Officer/Chief Sustainability Officer reports to members of important meetings, including the Full-time Audit & Supervisory Committee Members, individually or through such meetings as soon as matters designated as important are discovered, including matters reported via whistle-blowing hotline.

Directors, officers and employees of the Company and its subsidiaries appropriately respond to requests from the Audit & Supervisory Committee and take steps to ensure the effectiveness of audits carried out by the Audit & Supervisory Committee.

● Basic Policy on Corporate Control

(1) Basic Policy Regarding the Company's Shareholders

(Basic policy regarding those who control decisions on the Company's financial and business policies)

The Company believes that the ideal situation for its shareholders is determined based on free trade in the market. Consequently, decisions, such as whether to accept an acquisition proposal that would accompany a transfer of the Company's control, should ultimately be made based on the wishes of all shareholders.

However, it is envisaged that some large-scale acquisitions of the Company's shares or an acquisition proposals may include "the likelihood of causing obvious harm to the corporate value of the Company and therefore the common interests of the shareholders," "the possible threat to compel shareholders to sell their shares," and "cases where the compensation for the acquisition is insufficient in view of the corporate value of the Company." The Company believes that an entity that engages in such large-scale acquisitions or proposes such acquisitions is not appropriate, in exceptional circumstances, to control decisions on the Company's financial and business policies.

(2) Initiatives that contribute to the realization of this basic policy

To ensure that many investors continue to invest in the Company over the long term, the Company is already implementing the following measures as actions to improve its corporate value and, consequently, the common interests of its shareholders. We believe these actions will contribute to the realization of the Basic Policy in aforementioned (1).

1) Initiatives to improve profit

The Teijin Group announced the "Teijin Group Medium-Term Management Plan 2026-2028" in May 2026, and identified three key issues to be addressed: (i) Sustainable profit growth with Customer-Driven businesses , (ii) Establishing a high-quality profit base through structural reforms , and (iii) Strengthening the management system that supports Customer-Driven business , and is actively working to address these issues. For further details regarding these initiatives, please refer to the business report in the Notice of Convocation of the 160th Ordinary General Meeting of Shareholders, under "1. Status of the Teijin Group (corporate group) (7) Management Policy and Tasks Ahead."

2) Initiatives to improve corporate value through the strengthening of corporate governance

The Company has been promoting and undertaking the strengthening of corporate governance as an important matter, given it is an essential mechanism for improving its corporate value and, consequently, the common interests of its shareholders. For the specific details of these initiatives, refer to the aforementioned "Corporate Governance System (Reference)."

(3) Initiatives to prevent a person/entity deemed inappropriate from controlling decisions on the Company's financial and business policies in light of the Basic Policy

The Company will continue to make requests of parties that conduct or intend to conduct large-scale acquisitions of the Company's shares to provide necessary and sufficient information so that shareholders can make proper decisions on the appropriateness of such large-scale acquisitions. In addition, the Company shall implement adequate measures in accordance with the Financial Instruments and Exchange Act, the Companies Act and other relevant laws and regulations, including the disclosure of the opinions, etc. of the Board of Directors of the Company and steps to secure the time and information necessary for consideration by shareholders.

Please note that aforementioned initiatives (2) and (3) conform with the Basic Policy in aforementioned (1) . In addition, these initiatives are not detrimental to corporate value or the common interests of shareholders, and is not for the purpose

of maintaining the position of the Company's directors.

Note 1: In this Report on Operations, figures less than a unit are rounded off, unless otherwise noted.

Note 2: The names of products and services included in this Report on Operation are trademarks or registered trademarks of the Teijin Group or the relevant companies of the Teijin Group.

Financial Statement

Consolidated Statements of Comprehensive Income (Reference)

(Millions of yen)

	FY2024 (Apr. 2024-Mar. 2025)	FY2025 (Apr. 2025-Mar. 2026)
Profit (loss)	30,310	(87,920)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	638	3,363
Remeasurements of defined benefit plans	743	2,468
Share of other comprehensive income of investments accounted for using equity method	(20)	(14)
Total of items that will not be reclassified to profit or loss	1,362	5,816
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	628	(2,435)
Exchange differences on translation of foreign operations	(3,732)	27,243
Share of other comprehensive income of investments accounted for using equity method	487	163
Total of items that may be reclassified to profit or loss	(2,617)	24,970
Total other comprehensive income(loss), net of tax	(1,256)	30,787
Comprehensive income(loss)	29,055	(57,133)
Comprehensive income(loss) attributable to		
Owners of parent	27,099	(57,225)
Non-controlling interests	1,956	91
Comprehensive income(loss)	29,055	(57,133)

Consolidated Statements of Changes in Equity (Reference)

FY2025

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Share acquisition rights	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of April 1, 2025	71,833	105,708	231,726	(11,411)	162	8,891	—
Profit (loss)	—	—	(88,003)	—	—	—	—
Other comprehensive income	—	—	—	—	—	3,349	2,468
Total	—	—	(88,003)	—	—	3,349	2,468
Purchase of treasury shares	—	—	—	(5)	—	—	—
Disposal of treasury shares	—	(25)	—	82	(57)	—	—
Transfer of loss on disposal of treasury shares	—	193	(193)	—	—	—	—
Share-based payment transactions	—	(175)	—	360	—	—	—
Dividends	—	—	(9,640)	—	—	—	—
Change in treasury shares of parent arising from transactions with non-controlling interests	—	—	—	—	—	—	—
Transfer to non-financial assets	—	—	—	—	—	—	—
Transfers to other comprehensive income associated with to assets held for sale	—	—	—	—	—	(161)	—
Change in scope of consolidation	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	4,620	—	—	(2,152)	(2,468)
Other	—	(0)	—	—	—	—	—
Total transactions with owners	—	(7)	(5,214)	437	(57)	(2,314)	(2,468)
Balance as of March 31, 2026	71,833	105,701	138,509	(10,974)	105	9,926	—

(Millions of yen)

	Equity attributable to owners of parent						
	Other components of equity			Other comprehensive income related to assets held for sale	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Cash flow hedges	Exchange differences on translation of foreign operations	Total				
Balance as of April 1, 2025	930	24,672	34,655	(1,134)	431,378	7,164	438,541
Profit (loss)	—	—	—	—	(88,003)	84	(87,920)
Other comprehensive income	(2,435)	27,398	30,779	—	30,779	8	30,787
Total comprehensive income	(2,435)	27,398	30,779	—	(57,225)	91	(57,133)
Purchase of treasury shares	—	—	—	—	(5)	—	(5)
Disposal of treasury shares	—	—	(57)	—	0	—	0
Transfer of loss on disposal of treasury shares	—	—	—	—	—	—	—
Share-based payment expenses	—	—	—	—	184	—	184
Dividends	—	—	—	—	(9,640)	(40)	(9,681)
Change in treasury shares of parent arising from transactions with non-controlling interests	—	—	—	—	—	—	—
Transfer to non-financial assets	(232)	—	(232)	—	(232)	—	(232)
Transfers to other comprehensive income associated with to assets held for sale	—	(596)	(758)	758	—	—	—
Change in scope of consolidation	—	(1,134)	(1,134)	1,134	—	(3,044)	(3,044)
Transfer from other components of equity to retained earnings	—	—	(4,620)	—	—	—	—
Other	—	—	—	—	—	0	0
Total transactions with owners	(232)	(1,730)	(6,800)	1,891	(9,692)	(3,084)	(12,777)
Balance as of March 31, 2026	(1,736)	50,339	58,634	758	364,461	4,171	368,631

Consolidated Statements of Cash Flows (Reference)

(Millions of yen)

	FY2024 (Apr. 2024-Mar. 2025)	FY2025 (Apr. 2025-Mar. 2026)
Cash flows from operating activities		
Profit (loss) before tax	(78,038)	(74,060)
Profit before tax from discontinued operations	106,601	—
Depreciation and amortization	71,026	60,315
Impairment losses	95,215	88,940
Share of loss (profit) of investments accounted for using equity method	(1,011)	(1,960)
Increase or decrease in retirement benefit asset or liability	(1,012)	4,098
Interest and dividend income	(3,555)	(3,989)
Interest expenses	10,427	6,826
Loss (gain) on sale or disposal of fixed assets	(8,137)	(1,965)
Loss (gain) on sale of shares of affiliates	(102,059)	3,027
Decrease (increase) in trade and other receivables	19,998	8,272
Decrease (increase) in inventories	(10,107)	23,879
Increase (decrease) in trade and other payables	(12,504)	(7,446)
Other	3,907	(2,186)
Subtotal	90,751	103,750
Interest and dividends received	10,608	10,099
Proceeds from insurance income	517	—
Interest paid	(10,285)	(7,304)
Income taxes paid	(21,748)	(7,891)
Net cash provided by (used in) operating activities	69,843	98,654
Cash flows from investing activities		
Purchase of property, plant and equipment	(57,397)	(53,514)
Proceeds from sale of property, plant and equipment	12,155	5,847
Purchase of intangible assets	(4,029)	(6,434)
Purchase of investments	(3,731)	(952)
Proceeds from sale of investment securities	12,058	14,204
Advance receipt from sale of investment securities	—	4,687
Net decrease (increase) in short-term loans receivable	(1,433)	(1,666)

Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(1,277)
Proceeds from (payments for) sale of shares of subsidiaries resulting in change in scope of consolidation	96,071	1,130
Other	(1,178)	(981)
Net cash provided by (used in) investing activities	52,517	(38,956)

(Millions of yen)

	FY2024 (Apr. 2024-Mar. 2025)	FY2025 (Apr. 2025-Mar. 2026)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(56,391)	8,568
Proceeds from long-term borrowings	5,984	—
Repayments of long-term borrowings	(48,543)	(65,915)
Redemption of bonds	(20,090)	—
Repayments of lease liabilities	(7,030)	(6,219)
Purchase of treasury shares	(6)	(5)
Dividends paid to owners of parent	(7,705)	(9,640)
Dividends paid to non-controlling interests	(678)	(40)
Net cash provided by (used in) financing activities	(134,459)	(73,251)
Effect of exchange rate changes on cash and cash equivalents	(1,776)	8,707
Net increase (decrease) in cash and cash equivalents	(13,875)	(4,847)
Cash and cash equivalents at beginning of period	123,212	107,538
Net increase (decrease) in cash and cash equivalents included in assets held for sale	(1,798)	1,782
Cash and cash equivalents at end of period	107,538	104,474