

Pioneering solutions together for a healthy planet



INTEGRATED REPORT **2026**

Year ended March 31, 2026

Our Philosophy, Purpose

The philosophy system diagram expresses how we achieve our long-term vision through prioritizing our values based on our purpose, expanding the possibilities of our future society. In addition, the Teijin Group’s Code of Conduct serves as our moral compass and the basis for how we act and conduct business.

[➔ Code of Conduct](#)

[Our Philosophy](#)



[Explanation of the Purpose](#)

Pioneering solutions

At Teijin, we’re moved to help the world move forward. When society demands progress, we answer with action.

together

We bring together expertise across industries and partner with our customers to provide the building blocks for better living.

for a healthy planet

From materials and solutions that create positive environmental impact, to products and services that support well-being, we help our planet and all life on it stay healthy, today and into tomorrow.

Internal Activities to Instill the Purpose



Our efforts to instill the Purpose as a shared value throughout the Teijin Group have entered their third year. Each employee declares a “My Action,” connecting the Purpose to the challenges they take on. Beginning in 2026, we are recruiting Purpose Supporters and promoting opportunities for interaction across departments to strengthen the “connections” that form the foundation of Customer-Driven business.



TEIJIN

Creating the Future Together with Customers

Integrated Report 2026 shows how Teijin, having clearly defined “what the Company does,” is working under the concept of
“Creating the Future Together with Customers”
to deepen and evolve its Customer-Driven business and enhance corporate value.

CONTENTS

1 Our Philosophy, Purpose

Section 1 Rationale

Why Customer-Driven Business?

- 5 CEO Message
- 11 Why Teijin Pursues a Customer-Driven Business?
- 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for



Section 2 Focus

Growth Areas Created Together with Customers

- 18 Value Creation Model
- 19 Initiatives to Address Key Issues (Materiality) to Enhance Corporate Value Over the Medium- and Long-Term
- 20 Teijin's Transformation Progress At a Glance
- 21 Our History of Business Portfolio Transformation and Value Creation
- 22 Teijin's Customer-Driven Business Growth Map

Editorial Policy

In the creation of Integrated Report 2026, 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).

Reporting Scope

Unless otherwise specified, this report covers the period from April 2025 to March 2026. However, some activities in or after April 2026 are also included. The outlook for FY2026 is based on figures announced on May 11, 2026.

Section 3 Execution

Execution Model for Creating Earning Power through Customer-Driven Business

24 Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- 31 CFO Message
- 35 Financial Targets for FY2028

36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges



- 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

- 42 Teijin Group's Key Businesses and Solutions
- 43 Apparel & Industries
- 43 Healthcare & Life Solutions
- 44 Electronics & Energy
- 45 Specialty Materials
- 46 Topics by Business

Technology Strategy

- 47 Message from the Chief Technology Officer
- 49 Technology Strategy
- 51 Intellectual Property

DX/AX Strategy

- 52 Message from the Chief Digital Officer
- 54 DX/AX Strategy

Human Capital Management

- 56 Message from the Chief Human Resources Officer
- 58 Human Capital Management

Sustainability

- 61 Message from the Chief Sustainability Officer
- 63 Initiatives for the Global Environment
- 65 Toward Realizing a Circular Economy
- 66 For Safety and Security of People and Local Communities/For Healthy and Comfortable Living for People
- 67 Respect for Human Rights

Section 4 Enabler

Governance Foundation Supporting Teijin

69 Roundtable Discussion with Independent Outside Directors

- 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance



Section 5 Data Section

Data Section

- 86 Financial Highlights
- 87 Non-Financial Highlights
- 88 Eleven-Year Consolidated Financial Summary
- 89 Independent Assurance Report
- 90 SASB Standards Comparative Table
- 91 Corporate Data/External Evaluations

How to use the navigation buttons

This report has navigation buttons on each page to make it easy to move between pages

Rationale

Focus

Execution

Enabler

Data Section

Click to go to the top page of each section



Click to go to the relevant page in this report or an external website

Return to the previously viewed page

Go to the previous page



Go to the next page



Return to the table of Contents

Why
Customer-Driven
Business?

- 5 CEO MESSAGE
- 11 Why Teijin Pursues
a Customer-Driven Business?
- 12 Special Feature: CEO & Employee
Roundtable
- 16 The Future the Teijin Group
Aims for

Why
Customer-Driven
Business?
Rationale



Section 1

Rationale

Why Customer-Driven Business?

5 CEO MESSAGE

- 11 Why Teijin Pursues a Customer-Driven Business?
- 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for

Accelerating Growth Through Customer-Driven Business

Akimoto Uchikawa

President and CEO
Representative Director of the Board

Rationale

Focus

Execution

Enabler

Data Section



CEO MESSAGE



Rationale

Why
Customer-Driven
Business?

- 5 CEO MESSAGE
- 11 Why Teijin Pursues a Customer-Driven Business?
- 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for

CEO Message

Under the previous Medium-Term Management Plan 2024–2025, we faced painful decisions head-on, including withdrawals and transfers, and laid the groundwork for returning to a growth trajectory. However, those efforts have not yet fully translated into business results. As CEO, I take this outcome very seriously.

Investors have pointed out that while they understand our direction, the results have yet to follow. Talking about strategy alone will not restore trust. We must deliver on our promises, show results, and win back trust. That conviction shaped the “Teijin Group Medium-Term Management Plan 2026–2028” (hereinafter, the “new medium-term management plan”).

Under the new medium-term management plan, we will thoroughly practice management centered on ROIC, and we have clearly positioned the path to success we have identified thus far as “Customer-Driven business.” Taking a Companywide optimization perspective, we will organically combine the Teijin Group’s materials, technologies, services, and human resources, and provide them as value that leads directly to solving the issues of customers and society. I will carry this work through with resolve and deliver growth for the Teijin Group.

Looking Back on the Previous Medium-Term Management Plan 2024–2025

Pressing Ahead with Business Portfolio Transformation while Identifying Our Path to Success

Under the previous medium-term management plan, we established the Teijin Group’s Purpose, moved as one company to press ahead with business portfolio transformation, and worked toward a recovery in fundamental profitability. The

environment surrounding the Materials-Driven businesses, however, changed more severely than we had assumed, and as a result, we fell short of our financial targets. First and foremost, I sincerely apologize that we could not fully meet the expectations of our shareholders, investors, and all other stakeholders.

In hindsight, just as the initiatives and investments we had pursued from 2015 to 2020 were starting to pay off, the demand shifts triggered by the COVID-19 pandemic, together with oversupply and intensifying competition in materials markets, caused the assumptions behind our medium- to long-term business environment to collapse. More recently, the rapid advancement and spread of AI has been shortening the life of technological advantages. Advantages we could once hold for 10 years may now be overtaken within a few years. I view these changes with a strong sense of crisis. This is especially true in the Materials-Driven businesses, where the competitive environment has changed dramatically, and it has become increasingly clear that we cannot win by simply continuing along the same path as before.

With major environmental changes occurring across every part of the Teijin Group at once, we must rethink our path to success and concentrate management resources on priority fields. Until only a few years ago, however, the Teijin Group had expanded its businesses through diversification. Behind that success, our management resources had become dispersed and our organization had become increasingly siloed. Carrying those structural issues while running the Company in a way that prized business-unit autonomy, we could not implement bold measures quickly enough. There was a time



when swift decision-making within each business and the pursuit of rapid growth at the fastest possible pace drove our growth. Now that social challenges have grown more complex, it has become harder to demonstrate our comprehensive strength with that approach alone.

Acting on this recognition of our challenges, we withdrew from and transferred the unprofitable composites business in North America and moved decisively to divest businesses where Teijin is not the best owner. Specifically, we transferred our shares in INFOCOM CORPORATION in the IT Business and took other steps that cut total assets by roughly 10%. We also paid down interest-bearing debt to strengthen our financial position. Through these measures, I believe we have been able to show that we are a management team capable of deciding for ourselves what to keep and what to let go and seeing those decisions through.

What remained unfinished was the recovery in fundamental

Rationale

Why
Customer-Driven
Business?

- 5 CEO MESSAGE
- 11 Why Teijin Pursues a Customer-Driven Business?
- 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for

CEO Message

profitability. On business portfolio transformation, we did what we set out to do. On rebuilding the revenue sources set to support future growth, however, we are still only halfway. Still, even in this harsh environment, the Apparel & Industries (Fibers & Products Converting Business) and the home health-care business have given us a real sense that we can create value rooted in the challenges of customers and patients and strengthen our competitiveness. Indeed, one real gain of the previous medium-term management plan period was that we clarified our model for success for how to survive and win.

Since becoming President in April 2022, I have been keenly

aware of just how harsh our business environment is. In terms of the “Why,” the “What,” and the “How”: our answer to the “Why” came in 2024, when we established the Teijin Group’s Purpose, “Pioneering solutions together for a healthy planet.” With siloed businesses pulling the Group in different directions, we needed to redefine the meaning of our existence as a corporate group and the value we provide, and to make that a shared conviction. Rather than imposing it from the top down, we chose to focus on the process of thinking together with employees. The reason was that I wanted as many employees as possible to take part in the discussions and each of them



to treat the meaning of the Company’s existence as their own concern. We have now moved from the “Why” to the “What” and the “How.” Under the new medium-term management plan, the focus shifts to executing our path to success in the fields we have chosen.

Medium-Term Management Plan 2026–2028

Deepening Customer-Driven Business
and Taking it Companywide

The new medium-term management plan sets three key policies: solid profit growth through Customer-Driven business; establishing a high-quality profit base through structural reforms; and strengthening the management system that supports Customer-Driven business. All three policies have Customer-Driven business at their core.

Materials commoditize quickly now, and technological value keeps migrating downstream. A business model that leans on upstream technical superiority alone is getting harder to sustain. If we could keep producing patent-protected breakthrough materials one after another, that model might still work. However, that would demand heavy investments and involve high risks. As noted earlier, the advance of AI has also dramatically increased the speed at which technology spreads, steadily shortening the life of competitive advantages. It is becoming ever more difficult to keep winning on the old assumption that a superior product will sell itself.

That is exactly why we are changing how we create value. What the Teijin Group means by Customer-Driven business is more than customer focus. It starts not from what we sell but from the issues our customers actually have. To solve those issues, it combines materials, technologies, services, and human resources and brings in the support from outside

Rationale

Why
Customer-Driven
Business?

- 5 CEO MESSAGE
- 11 Why Teijin Pursues a Customer-Driven Business?
- 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for

CEO Message

partners as needed to create value. It is about conceiving the best solution for the customer and shaping it into a form that delivers value continuously. I believe this shift in thinking will be the key to lifting the Teijin Group to its next stage of growth.

The businesses that are already delivering results share this approach. In the Apparel & Industries, we start from solving the customer’s issues and combine functions inside and outside the Group, earning stable profits even in commoditized areas. In the home healthcare business, likewise, we go beyond supplying medical devices to provide value, which includes services that support patients’ daily lives and treatment, thereby achieving steady growth as a result. In short, they build competitive advantage not by ending the relationship at the sale but by staying engaged with the customer. That, I am convinced, is the Teijin Group’s model for the years ahead.



Creating Value Together with
Customers through
“Kumiawase” and “Suriawase”

The “How” of the new medium-term management plan comes down to two words, “*Kumiawase*” and “*Suriawase*.” “*Kumiawase*” is our ability to flexibly combine technologies, services, and human resources from inside and outside the Group to create value. “*Suriawase*” is our ability to identify and understand key issues through dialogue with customers. Together they are the new source of the Teijin Group’s competitiveness. We are becoming a company capable of designing solutions within its customer relationships rather than competing on materials alone, and these two capabilities of “*Kumiawase*” and “*Suriawase*” are the pillars that make it possible.

In the Apparel & Industries, we combine every function our customers need, from sourcing, processing, and sewing to logistics, inventory, and product planning. In this way, we enhance our value as a single point of contact that customers can entrust with the entire work. We also draw on outside partners as needed. A flexible supply structure that does not depend entirely on our own resources is itself a competitive advantage. For customers, there is real value in being able to settle everything with a single point of contact instead of searching out each function separately. In the home healthcare business, our support system is designed to function not only in normal times but also in times of disaster. It provides reassurance that goes beyond the products themselves. Turning customer needs into value, rather than stopping at the product offering, is what gives these businesses their strength. We will now extend this approach to our other businesses.

The Specialty Materials (Aramid and Carbon Fibers), on the other hand, is still often driven by technology, reflecting

a traditional “technology-push approach” mindset. Behind this lies a challenge. Precisely because we have outstanding proprietary technologies, we have tended to emphasize performance and features rather than fully listening to what customers are actually struggling with. The order must be reversed. Before we talk about technology, we must ask what the customer is struggling with and listen to the very end. That reversal is the essence of this transformation.

We no longer start from having superb materials and our own plants. We start from “which issue to solve and how,” and we address the issue with the Teijin Group’s comprehensive strength. Every conversation begins with the customer’s issue. From there, we bring in and combine Teijin’s technologies and know-how. Where needed, we bring in outside capabilities and build the solution together. This process is what creates relationships that continue beyond the sale of a product. I believe this ability to keep engaging with customers is precisely what becomes a lasting competitive advantage. To support it, we are turning our technologies into shared, Companywide assets that anyone in the Group can draw on. When anyone in the Company can draw on the right capabilities to address customer challenges, the range of combinations widens and so do our future growth opportunities.

Three Initiatives to Demonstrate
Our Comprehensive Strength

The Teijin Group is pursuing three initiatives to demonstrate its comprehensive strength to the fullest. The first is to reposition technology as a Companywide asset, not the property of any individual or business unit. The Group has accumulated outstanding technologies over many years, but as long as they stay within

Why
Customer-Driven
Business?

- 5 CEO MESSAGE
- 11 Why Teijin Pursues a Customer-Driven Business?
- 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for

CEO Message

individual businesses, they do not become a source of competitiveness for the Group as a whole. Led by the Chief Technology Officer (CTO), we are pooling these technology assets to build the foundation for *Kumiawase*. The point is not to fence technology in but to connect and combine it to create new value.

The second is to develop a digital foundation that lets us see at once where technologies sit, who holds the expertise, and what is happening at each customer touchpoint. We are integrating and optimizing data and IT infrastructure across businesses and regions and making full use of AI to enhance collaboration between businesses and accelerate the speed of solving issues. We treat DX and AX as key pillars of the management system that supports Customer-Driven business, led by the Chief Digital Officer (CDO). When all of our technologies are shared across the entire Company and quickly accessed by the right people and expertise, *Kumiawase* gains both quality and speed.

The third is transforming the human capital that puts these foundations to work. We are extending our job-based HR system to build an organization in which each employee steps forward and takes on roles on their own initiative. Policy statements do not change organizations. Strategy only gains execution power as more employees treat these challenges as their own and act. I believe that growing the number of human resources who can think from the customer’s standpoint and work with others to respond to change is what ultimately raises our profitability and corporate value.

Segments Reorganized by
Customer Domain

To advance the shift to Customer-Driven business, we have reorganized our segments along customer domains. In the

Apparel & Industries (Fibers & Products Converting), we will roll out the Customer-Driven business even more widely, in part through the effects of the business integration with Asahi Kasei Advance Corporation. In the Healthcare & Life Solutions (Healthcare), we will build on the strength of the home healthcare platform we have created as part of team-based medical care and broaden our growth fields beyond clinic-based care to home-visit care. These are areas where the path to success is already clear. Our task is to turn them into steady growth.

In the Electronics & Energy (Resin & Plastic Processing, Battery & Semiconductor Solutions), we will maintain a stable profit base while laying the groundwork for the next phase of growth. In the Specialty Materials (Aramid, Carbon Fibers, Composites), we will continue to review our production system and reform our cost structure while advancing the shift from materials provider to solutions provider. In fields such as defense, personal protection, new-energy infrastructure, and aerospace, we will plant the seeds of new businesses rooted in solving customer challenges rather than in material names.

This reorganization is more than a change of organizational names. It makes clear whether each business is meant to drive growth, provide stable profits, or require restructuring. That clarity of the roles and status of each business lets us allocate management resources appropriately. Given how far Customer-Driven business has taken root in each business and the competitive environment each one faces, we will be clearer than ever about where to grow, where to reconstruct, and where to invest. We believe that managing each business according to its own characteristics and its own model for success, rather than uniformly, is what will raise ROIC and maximize corporate value.

From Siloed Optimization to
Enterprise Optimization

The Teijin Group has diverse and unique technologies and human resources, and it is a company where different opinions and areas of expertise coexist. That diversity is a source of innovation, and it deserves respect. At the same time, unless we move in one direction as an organization and combine our efforts, we cannot demonstrate our comprehensive strength. However excellent each business may be, corporate value will not be maximized unless the whole is optimized. This is the limit of individual optimization that we now face. Whether we can break through this barrier will determine the success of this transformation.

The hardest part of making the strategy real is changing our corporate culture and mindset. Each of Teijin’s businesses possesses deep expertise in its own field and has grown autonomously. That was a genuine strength, and it powered our growth for years. As social challenges grow more complex and more of them cannot be solved by a single business alone, however, the same success story has become a barrier to Companywide optimization. That is why we will not take the approach of “drawing the plan and then simply handing it to the front lines.” We, in the management team, will visit the front lines ourselves and communicate the direction repeatedly in our own words. We will spread shared understanding, and increase the number of employees who act on their own initiative.

We do not expect everyone to change in one leap. We will begin by increasing the number of employees who are serious about changing their mindset and behaviors, and widen that circle from there. The steady accumulation of such efforts will ultimately create a difference in execution capability. A Purpose statement and a reorganization do not,

- 5 CEO MESSAGE
- 11 Why Teijin Pursues a Customer-Driven Business?
- 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for

CEO Message

by themselves, change old habits built on previous successes instantly. Organizations change only when each employee on the front lines is convinced and change what they do. That takes patience and needs persistent work. From the outside it may look slow. Skipping this process to chase surface-level change would never produce true execution capability.

Teijin has solid technologies and many employees who work with integrity. This is a company capable of producing significant results if we can unite the strengths in a single direction. Creating the conditions for that is the responsibility of the management team. I believe in this organization’s underlying strength. Converting it into results is one of my most important missions.

Delivering Financial Results to Restore Trust

The new medium-term management plan sets clear targets for FY2028: adjusted operating income of ¥60.0 billion, ROE of 8%, and consolidated ROIC of 5%. These are commitments, not aspirations. They are the levels we must reach to keep earning the trust and support of shareholders and investors. Before any business-level debate on the new medium-term management plan, all of our directors and officers examined ROE and net income over the past 20 years and built a shared view of the challenges. We reasoned that unless the very way we confront the numbers changed, our management itself would not change. ROE of 8% is the minimum we must achieve. With ROIC targets set segment by segment, we ensure throughout the Company that the way each business is run leads to improvements in ROIC. We are re-examining every investment and every operating decision from the standpoint

of ROIC, putting capital efficiency at the center of corporate management. ROE is an outcome that should be achieved as a result of our efforts.

The new medium-term management plan is not a plan to show we are changing. It is a plan to deliver outcomes. The outstanding strategy means nothing until it is executed, turned into earnings, and valued by the capital markets. If we cannot build trust through results, the room to take on future challenges will only narrow.

The Japanese proverb *kateba kangun* means “the winner is always right,” but I believe success should confer legitimacy because it has been earned—not because victory alone is assumed to justify it. We will deliver results first, regain trust, and only then move on to the next challenge. Even to do what we want to do, there are responsibilities we must fulfill first. As management, we will hold to that order without wavering.

The Teijin Group’s Future Vision

Becoming the Partner of Choice for Solving Customer Challenges

The future I picture for the Teijin Group is clear. We will be known as a group of businesses built around solving customer challenges. In each of our businesses, we aim to be the first company customers think of when they face an issue to be solved in that field. I believe that steadily building this up will drive sustainable improvement in corporate value.

From the outside this may look like a small change. For us, however, it is a profound structural transformation. In the Teijin Group, there has been a corporate culture in which employees are committed to solving social issues seriously. Our businesses differ in history and origin, but the spirit of working for



patients, for customers, and for society runs through the entire Group. I am convinced that the conviction will be the greatest driving force behind our shift to Customer-Driven business. By facing the issues of customers and society and taking responsibility for solving them, we will be able to create competitive advantage and, with it, greater corporate value.

I will see this transformation through, return the Teijin Group to a growth trajectory, and show clear, measurable improvement in both profitability and capital efficiency. I ask our shareholders, investors, and all other stakeholders for their continued understanding and support as the Teijin Group transforms and grows.

August 2026

A. Uchikawa
President and CEO
Representative Director of the Board

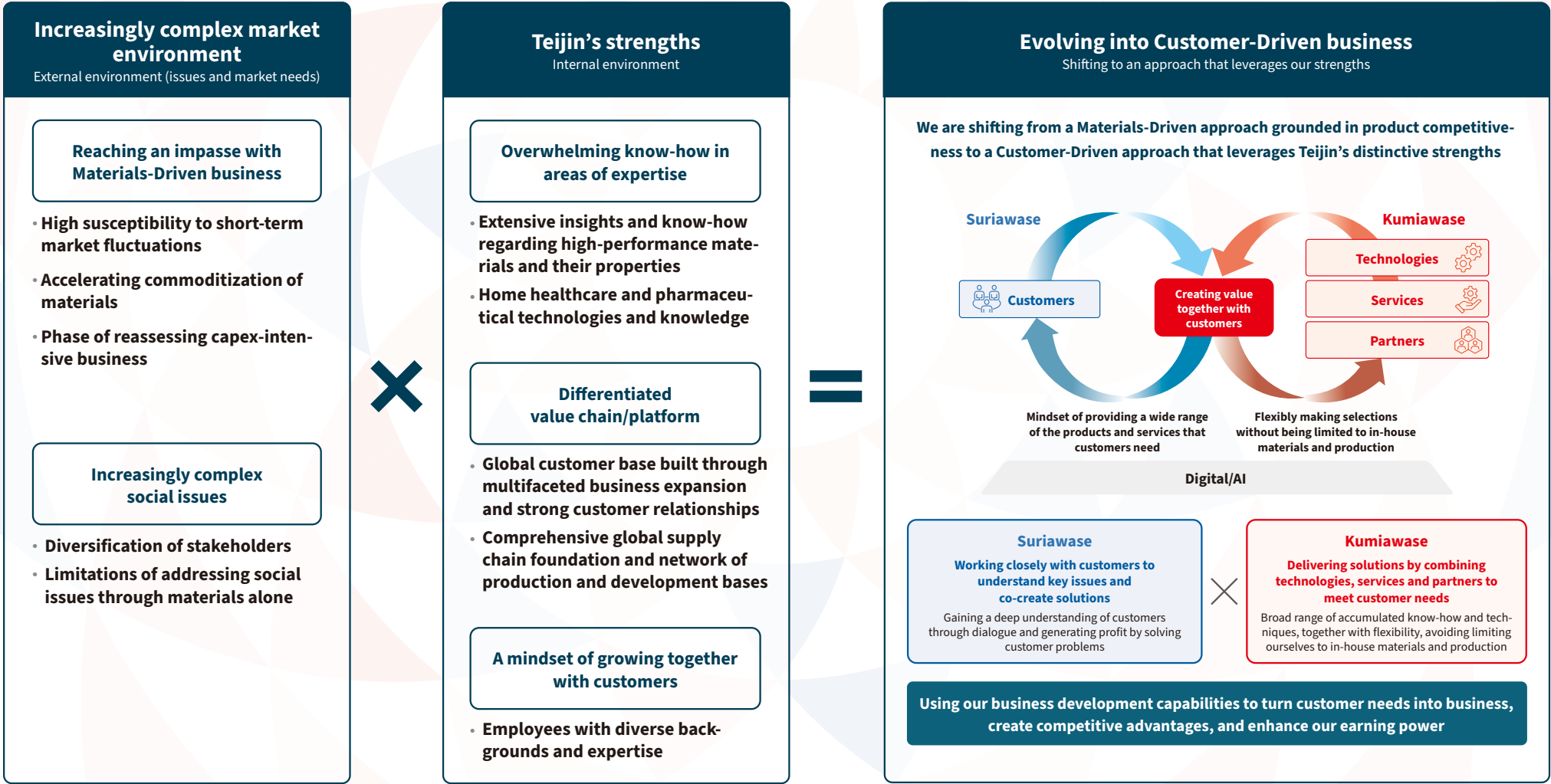
Why Customer-Driven Business?

- 5 CEO MESSAGE
- ▶ 11 Why Teijin Pursues a Customer-Driven Business?
- 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for



Why Teijin Pursues a Customer-Driven Business?

The market environment and social issues are growing more complex. It is becoming increasingly difficult to solve customer issues using approaches based on materials and products alone. That’s why the Teijin Group is focused on Customer-Driven business, gaining a deep understanding of customer issues and needs and then combining technologies, services, and partners, both inside and outside the Group, to provide optimal value. Through these initiatives, we aim to create sustainable competitive advantages.



- 5 CEO MESSAGE
- 11 Why Teijin Pursues
a Customer-Driven Business?
- ▶ 12 **Special Feature: CEO & Employee Roundtable**
- 16 The Future the Teijin Group
Aims for

Special Feature

CEO & Employee Roundtable

Talking about Teijin’s Future

—Transformation to a Customer-Driven Business—

The Teijin Group has set forth “Transformation to a Customer-Driven business” as a primary theme in its Medium-Term Management Plan 2026-2028. Why is the Company shifting toward value creation grounded in customer issues now? In this roundtable discussion, the CEO and five employees spoke candidly about Teijin’s transformation with a focus on addressing customer issues.



Shosaku Motohara
Healthcare Business Unit
Community-based Integrated Care
Business Division

Shinichiro Hori
Carbon Fibers Business Unit
Sales & Marketing, APAC Department

Akimoto Uchikawa
President and CEO,
Representative Director of the Board

Namiko Kumagai
Executive Secretariat
Department

Yohei Oishi
Healthcare Business Unit
Healthcare Business Strategic
Planning Department

Kenta Imazato
Corporate Strategy
Department

Why Customer-Driven Business?

- 5 CEO MESSAGE
- 11 Why Teijin Pursues a Customer-Driven Business?
- ▶ 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for



The Focus of Value Creation Is Shifting Closer to Customers

CEO In the polyester fibers business, I have witnessed the harsh reality that even a technological edge can be quickly eroded as products become commoditized. As commoditization progresses, the source of competitive advantage shifts downstream along the value chain. Of course, that does not mean technology is becoming unimportant. However, the areas where customers perceive value and are willing to pay have been shifting closer to final products, services, and even the customer experience. For example, even with canned coffee of the same quality, its value to the customer changes depending on how it is offered. The days when companies could win customers simply by supplying products are over. I believe we have entered an era in which we must demonstrate value that extends to the experience that comes with our products. In this environment, there are limits to achieving sustainable growth through a Materials-Driven business alone. That is precisely why we need to leverage Teijin’s material and technological strengths while expanding the scope of value creation grounded in customer issues. That is what I envision as our “Transformation to a Customer-Driven business.”

The Strengths and Challenges of Teijin as Seen by Employees

Oishi I believe the New Medium-Term Management Plan 2026-2028 (hereinafter, the “new medium-term management plan”) represents a major turning point for Teijin. We are steering away from a manufacturing business model where we develop, manufacture, and sell materials and pharmaceuticals, and toward one grounded in customer issues where we provide value to customers, even if this means looking beyond our own materials. I see



this as a very significant turning point.

However, I also feel that we must never lose the DNA and identity that we have cultivated thus far. The strengths of Teijin include a willingness to take on challenges and drive transformation, a culture of taking work sincerely, and a strong desire among employees to help others and contribute to the greater good. These strengths support our Customer-Driven approach, and we should harness and build on them. As we build on these strengths, I believe we also need to sharpen our focus on profit going forward.

Hori I believe one of Teijin’s strengths is that our business processes are firmly established. For example, in handling export controls, we follow defined processes properly. The accumulation of these efforts has translated into the trust from customers and track record we have. On the other hand, the Carbon Fibers Business I am part of is also experiencing commoditization, and the rise of emerging-market manufacturers has intensified competition tremendously. In this environment, I often feel that our conventional structures and internal rules have become constraints, and we lack the speed to respond adequately. However, the trust and track record we have built are significant strengths, so it is important for us to think about how to reshape our business while maintaining the strengths.

Kumagai As someone in a staff function with a broad view across our various businesses, I have the same impression as Mr. Hori. Teijin is a company with extremely robust systems for ensuring that work gets done properly. On the other hand, we become cautious when it comes to transformation, and I believe that tends to slow us down. To be honest, we are still feeling our way through what we need to change and what kind of mindset we need to adopt to become truly Customer-Driven. I feel that the other members of the team and I are still finding our way.

Imazato Having worked in both business and corporate functions, I find it difficult to generalize because our understanding of what it means to be Customer-Driven differs considerably depending on where you sit. Behind the strength of our sincere approach, which we touched on earlier, there is a tendency at Teijin for people to view the scope of their own work somewhat narrowly. This is because many employees take great pride in their work, whether it is R&D to hone technical skills or manufacturing to ensure stable production. These employees may feel anxious, wondering what they should



start doing differently tomorrow. Instilling a customer perspective requires more than just selling technologies and products. It is important to understand the market far more deeply, broaden our perspectives, and reexamine our roles within the context of our customer relationships. In some cases, redefining the scope of our own work may be the starting point for this transformation.

What Changes—and What We Need to Change—Under the Customer-Driven Business

Motoshara As someone in the Healthcare Business, I had a strong impression that a patient-first culture had already taken root. So honestly, I felt embarrassed and uneasy about loudly proclaiming a transformation to a Customer-Driven business as a theme of our new medium-term management plan externally at this stage.

On the other hand, when I reflected on whether we had fully addressed the concerns and needs of patients whose conditions could change from moment to moment, I realized that we might have unwittingly focused only on our own area of expertise.

There must be much more we can do to support patients throughout their treatment and recovery. Taking a fresh look at what I had assumed was already a Customer-Driven approach made me recognize our potential for further growth.

CEO I fully understand that feeling. I myself also wondered why we were only saying this now as I put out the message. However, as long as a truly Customer-Driven approach has not yet been fully instilled throughout the Company, I intend to keep repeating this message as many times as necessary. We are approaching the new medium-term management plan with a strong sense of resolve and urgency, determined to see it through with the understanding that if this plan cannot be achieved, there is no future for Teijin. In the Specialty Materials in particular, we have

Why Customer-Driven Business?

- 5 CEO MESSAGE
- 11 Why Teijin Pursues a Customer-Driven Business?
- ▶ 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for

traditionally competed primarily on product specifications. Meeting the specifications requested by customers is often seen as being Customer-Driven. However, as I mentioned earlier, that alone is no longer enough to win customers. As materials of all kinds become increasingly commoditized, there are limits to competing on specifications alone. I believe we cannot build a sustainable competitive advantage unless each and every one of us thinks deeply about the challenges customers face and what only Teijin can do in the context of our own work.

Kumagai For those of us in staff functions, it can honestly be difficult to immediately grasp what being Customer-Driven means. Customers are clearly defined in business units, but how should those of us in staff functions think about the definition of our customers? For example, those of us in the Executive Secretariat Department may wonder whether we should view executives as our customers.

CEO For those in staff functions, I would first ask whether they are reaching out to the relevant departments to understand the issues they face. Unless they communicate closely with the relevant departments and think about what they can offer them, the quality of their output may suffer and they may end up doing unnecessary work. On the other hand, I believe there are also things that only staff functions can do. I would like staff functions to take the lead in creating an environment where people can openly share their views across departmental and hierarchical boundaries.

Whatever department you work in, I want you to keep looking for ways to enhance the value the Teijin Group provides to customers in your own area of work, and to always keep that perspective in mind. However, one thing I do not want anyone to misunderstand is that the purpose of being Customer-Driven is not simply to get closer to customers or listen to what they have to say. It is about



what we can do for customers and how much we can contribute. If we can deliver value as a result, customers will choose us, and that should translate into profits for the Company. I intend to progressively instill this mindset throughout the Company. The primary focus here is Specialty Materials. I believe we need to take this further, moving beyond a Company-centric approach and providing value by, for example, taking on parts of customer operations.

I believe there are three broad types of value that customers demand. The first is functional value. This has traditionally been one of Teijin's strengths, but it is becoming increasingly difficult to differentiate ourselves. The second is emotional value, such as the trust customers feel when they know they can rely on us and count on us to meet their needs. The third is social value, which involves thinking about what we can do to enhance the value of our customers. With these perspectives in mind, we need to think about how we can leverage Teijin's strengths from a variety of angles.

Hori Indeed, Teijin has traditionally competed on the strength of its technology. I come from a sales background, but looking back, when we could compete on technology alone, the job was more like delivery than sales. Now, I sense that this is no longer enough to stay competitive. That said, it is also true that having a distinctive feature makes it easier for us to sell the product. Moreover, quality assurance and reliability, which seemed so obvious that we failed to recognize their value, may actually be important strengths. I also think that Teijin's earnestness itself can be a source of value for customers. However, as someone working on the front line of sales, I also find myself wondering where to begin. I feel a strong sense of urgency about the need to do something, which is why I keep thinking about it every day.

Oishi Being Customer-Driven is a concept that comes relatively naturally to those in the Fibers & Products Converting Business and the Healthcare Business, where it may even seem like a matter of course. However, some employees in materials-focused businesses apparently find it difficult to relate to and wonder whether it means they should stop manufacturing things. But customers always have issues they need to solve. I believe change will come gradually as employees gain a real sense of the value created by solving those issues and build up experience. Even employees in the Healthcare Business may be struck by what they discover when they take a fresh look at whom they are working for. I feel that the new



medium-term management plan was announced at just the right time and conveys an important message to employees.

CEO Indeed, when I talk about this with frontline employees, some take it to mean that we are going to stop manufacturing things. But that is not the point. I believe there are still many things that customers want Teijin to do for them. First, I want employees to recognize that and actively share those insights from the front lines. I personally see enormous potential in that.

Implementing and Scaling Customer-Driven Business: What We Can and Want to Do

Imazato The Corporate Strategy Department was involved in developing the new medium-term management plan. Our work did not end when the plan was completed. I believe our role includes incorporating the concept of Customer-Driven business into each business unit and helping them put it into practice. In my role in the Corporate Strategy Department, I am involved in the Resin and Plastic Processing Business, where some people on the front lines say they have always been Customer-Driven or are already putting the concept into practice. My current challenge is clearly articulating where they are already Customer-Driven and where they still have work to do and engaging in *Suriawase* (identifying key issues) to build a shared understanding with those on the front lines.

CEO Sometimes people on the front lines respond that they have always understood the issues customers face and are already addressing them, but that itself shows that the true intent of this transformation has not yet been fully instilled. I also know that every employee is already working hard for the customers in front of them and engaging with them sincerely. But as Mr. Imazato said, we need to close the gap between their understanding and the true meaning of the Customer-Driven approach set out in the new medium-term management plan,

Rationale

Why Customer-Driven Business?

- 5 CEO MESSAGE
- 11 Why Teijin Pursues a Customer-Driven Business?
- ▶ 12 Special Feature: CEO & Employee Roundtable
- 16 The Future the Teijin Group Aims for

and bring about change that people can actually see.

Imazato For my part, I want to drive transformation along two axes: a vertical axis, working with the business units to create value from a Customer-Driven perspective, and a horizontal axis, sharing knowledge and successful examples across businesses to drive Company-wide transformation. We need to listen to the actual voice of customers and the issues they face, translate them into strategy, and create a successful example first. We can then share the example across the Company. I believe that repeating this cycle will steadily move the transformation forward. As changes in the market environment continue to accelerate, it is also important that we move quickly.

Hori As the business environment has changed dramatically, my team shifted its focus from increasing sales volume to prioritizing profitability. There was some uncertainty within the team at first, but we patiently continued our discussions. By sharing what gives each of us a sense of purpose and what matters to us, we developed greater empathy and gained new insights. The team is now beginning to move in the same direction. However, extending this across the entire business and throughout the Company will not be easy. This experience reminded me that we are expected to drive this kind of change from the bottom up.

CEO I can understand why a business that has focused on raising capacity utilization to secure contribution margins gets confused if I ask them to stop. But the idea that a good product will sell itself can only take us so far. The days when simply making products was enough to sell them are over. That is why we need to think deeply about why customers would be willing to pay more.

Hori The idea of maximizing profits within our limited capacity is steadily being instilled on the front lines. But ultimately, I believe the key to increasing profits is creating greater value by being



Customer-Driven.

Oishi We cannot lose sight of the need to earn profits if we are to remain in business. As the value customers demand continues to change, asking what will generate profits ultimately brings us back to how well we can solve customer issues. Being Customer-Driven is not just an important principle. It is also essential to sustain profitability as a business.

CEO Exactly. We have spent a great deal of time discussing Customer-Driven business with each business unit General Manager. As a result, you will see a common awareness of the issues in what they all have to say and come away feeling that management is firmly aligned. Every business unit General Manager and all executives above them should be able to explain in their own words why we need to become Customer-Driven and the sense of urgency and determination they bring to this transformation.

At first, many employees may simply stand back and see this as something the CEO has decided. But soon, I want us to become an organization where being Customer-Driven is so natural and a given that we no longer need to discuss it consciously.

Oishi In my strategy planning role, it is my responsibility to bring to life new healthcare businesses centered on home healthcare. Rather than simply saying that we successfully turned them into businesses or made a profit, I want to tell the story of the social issues we are addressing, whom we are partnering with to solve them, and what value we will provide. I want to be able to say with confidence that this is exactly what Teijin's Healthcare Business set out to achieve. I also want to be in a position to influence employees. I plan to communicate proactively through our intranet and other Company-wide communication channels.

Motohara I believe the Healthcare Business is expected to lead the way in the Customer-Driven business Teijin is pursuing and drive the Teijin Group forward. Those expectations and responsibilities motivate us, and we want to embrace this as a major opportunity and approach it with a positive mindset. If standing on the sidelines or merely criticizing from the outside comes to be seen as uncool, I believe the mindset of enjoying challenges will return to Teijin.

Hori Since the organizational restructuring in April, several units from the former Materials Business have begun working together to discuss how to put a Customer-Driven approach into practice. Some



have questioned why it would succeed this time when similar efforts had been attempted before. In response, the head of the business said, "The sense of urgency is completely different now. There is no choice but to act." It conveyed the gravity of the situation. I now feel that we are finally at the starting point of transformation.

Empowering Employees to Take on Challenges to Accelerate Transformation

CEO Thank you all for your contribution today. Mr. Motohara brought up the word "challenge," so let me please focus on that for a moment to conclude this discussion.

We are often told not to condemn failure, but simply accepting failure among ourselves is not enough to beat the competition. What matters is what we learn from failure and how we apply those lessons the next time. We must build on what we have learned and take on the challenge again. I especially want to emphasize the importance of never giving up taking on challenges. Our Company has many people who approach their work sincerely, which is precisely why I want everyone to keep this in mind.

At Teijin, even if you fail or make mistakes, you are given another chance. One failure is not the end. You take another step forward and try again. Repeating that process is what leads to growth. I myself have reached where I am today through these experiences. We are not an organization that judges people solely on results and then casts them aside. I am convinced that we have created an environment where everyone can feel secure in taking on challenges.

The "Transformation to a Customer-Driven business" is not simply a change in our business model. It means that each of us must think about the value we provide to customers and society and change how we act. Let us continue taking on challenges without fear of failure.

- 5 CEO MESSAGE
- 11 Why Teijin Pursues a Customer-Driven Business?
- 12 Special Feature: CEO & Employee Roundtable
- ▶ 16 The Future the Teijin Group Aims for

The Future the Teijin Group Aims for

Under our Purpose, “Pioneering solutions together for a healthy planet,” the Teijin Group gives back value to the global environment and society, contributing to the realization of a sustainable healthy planet as a company that supports the society of the future.

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



Section 2

Focus

Growth Areas
Created Together
with Customers

- 18 Value Creation Model
- 19 Initiatives to Address Key Issues (Materiality) to Enhance Corporate Value Over the Medium- and Long-Term
- 20 Teijin's Transformation Progress At a Glance
- 21 Our History of Business Portfolio Transformation and Value Creation
- 22 Teijin's Customer-Driven Business Growth Map

Section 2

Growth Areas
Created Together
with Customers

Focus

Rationale

Focus

Execution

Enabler

Data Section



Focus

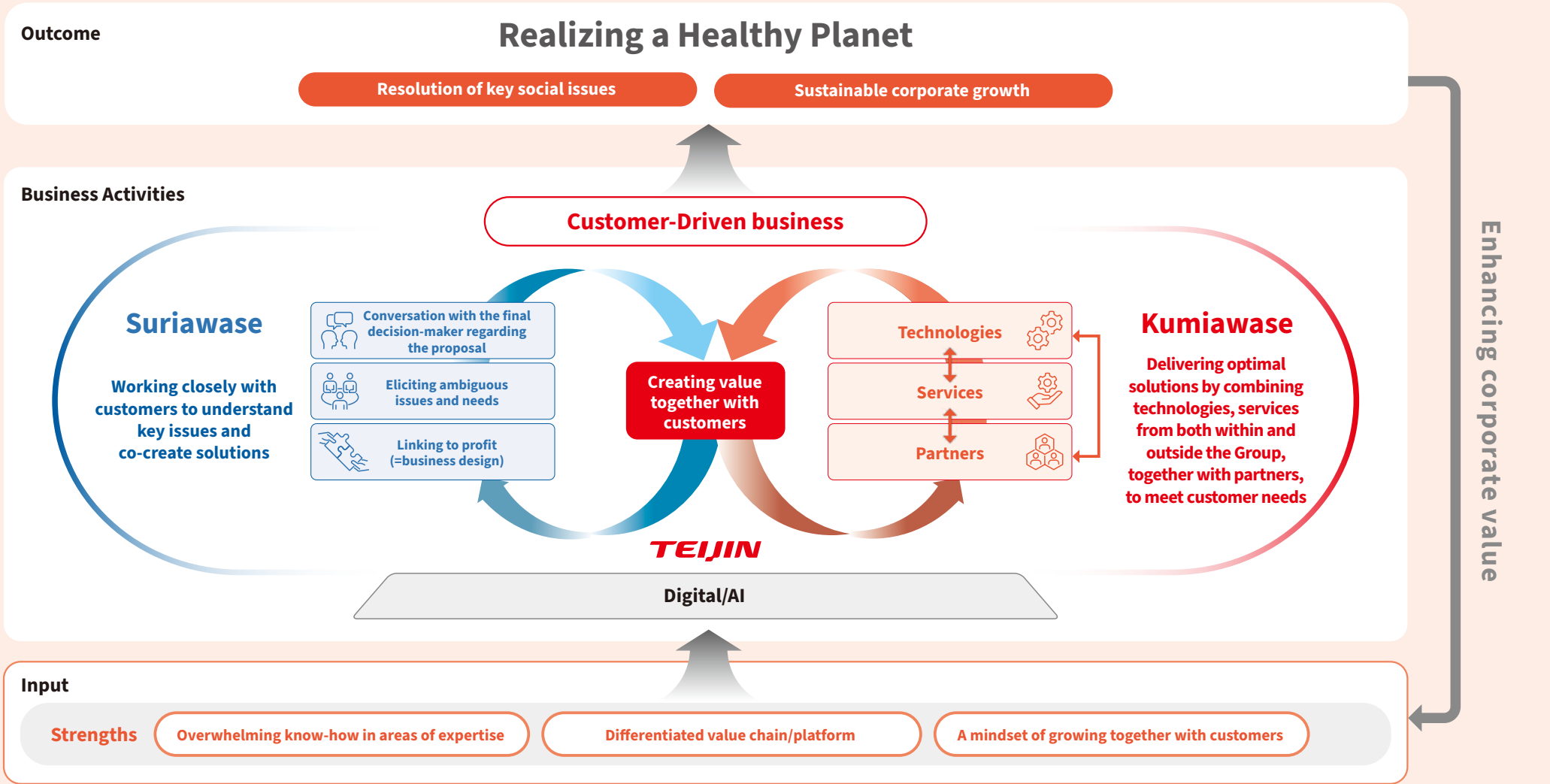
Growth Areas
Created Together
with Customers

- ▶ 18 Value Creation Model
- 19 Initiatives to Address Key Issues (Materiality) to Enhance Corporate Value Over the Medium- and Long-Term
- 20 Teijin's Transformation Progress At a Glance
- 21 Our History of Business Portfolio Transformation and Value Creation
- 22 Teijin's Customer-Driven Business Growth Map

Value Creation Model

Guided by our Purpose (the meaning of our existence), we will realize a “Healthy Planet” by creating value together with our customers through a Customer-Driven business approach, thereby achieving both the resolution of key social issues and the sustainable growth of our company.

Purpose *Pioneering solutions together for a healthy planet*



Focus

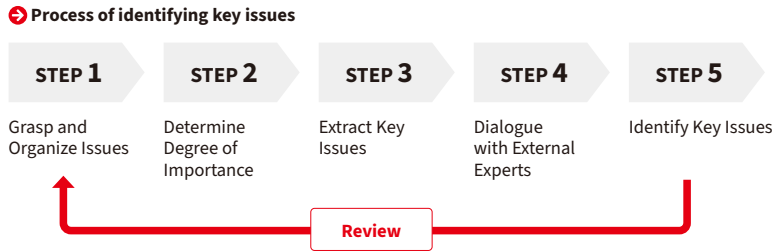
Growth Areas
Created Together
with Customers

- 18 Value Creation Model
- ▶ 19 Initiatives to Address Key Issues (Materiality) to Enhance Corporate Value Over the Medium- and Long-Term
- 20 Teijin’s Transformation Progress At a Glance
- 21 Our History of Business Portfolio Transformation and Value Creation
- 22 Teijin’s Customer-Driven Business Growth Map

Initiatives to Address Key Issues (Materiality) to Enhance Corporate Value Over the Medium- and Long-Term

Through the process shown at right, the Teijin Group has assessed impacts on itself and its stakeholders and identified five key issues (materiality) to prioritize. We reaffirmed during the formulation of our new medium-term management plan that these key issues will continue to be important as we advance portfolio transformation. By helping solve key social issues through our business activities, we strive to create both social and economic value. At the same time, we will tackle key management issues to strengthen the management system that supports the creation of such value. By focusing on these key issues, we will promote the Teijin Group’s sustainability management and enhance our corporate value over the medium- and long-term.

➡ The Teijin Group’s sustainability management P61 “Message from the Chief Sustainability Officer”



Key Social Issues		KPI	Targets		FY2025 Actual
 Climate change mitigation and adaptation	■ Tackling decarbonization and enhancing resilience We will expand our solutions to support the realization of a net-zero society and enhance society's resilience against increasingly severe natural disasters and heat stress. We will not only work to reduce GHG emissions within our group, but also promote visualization of products' environmental impact and, by providing lightweighting and efficiency solutions, contribute to reducing GHG emissions across the entire supply chain.	Avoided emissions	FY2030 Total GHG emissions < Avoided emissions		3.24 million tons-CO ₂ e (Total GHG emissions: 4.48)
		Group GHG emissions (Scope 1 + 2)	30% reduction by FY2030*	28% reduction*	
			Net zero by FY2050		
		Supply chain GHG emissions (Scope 3, Category 1)	15% reduction by FY2030*	12% reduction*	
 Achievement of a circular economy	■ Circulate resources throughout the value chain We will work with our partners to transform resource circulation systems throughout our value chain and reduce environmental impact by utilizing recycling and digital technologies.	Sales ratio of products with calculated carbon footprints	FY2030 Expansion to 70%		—
		Freshwater intake volume per sales unit	30% improvement by FY2030*		24% improvement*
		Establish internal management targets for expanding the provision of solutions that contribute to the circular economy			
 Safety and security of people and local communities	■ We will protect you and the local community We will address the safety and security needs of our customers and partners, providing protection, disaster prevention, and disaster mitigation solutions. We also contribute to preventing environmental pollution and conserving ecosystems to protect the global environment.	Hazardous chemical substance emissions per sales unit	20% improvement by FY2030*		45% improvement*
		Total occupational accident frequency rate	Maintain below 1.0		1.14
 Realization of healthy and comfortable living for people	■ Enriching life through medical innovation and advanced materials We will provide solutions that help realize the medical care people desire in the location of their choice and enhance the well-being of a wide range of people, thereby contributing to a richer life.	Establish internal management targets for the number of people supported to receive care in a familiar location			
Key Management Issues		KPI	Targets		FY2025 Actual
 Further strengthening of our sustainable management system	■ To be an organization that grows with change We will focus on initiatives such as “improving production and manufacturing technologies” and “accelerating innovation creation” to quickly respond to customer and societal demands, “human capital management” to leverage diverse strengths, and “digital transformation” to drive business transformation.	Employee engagement score	April, 2030	Score of 68	64
		Diversity-related ratios	April, 2030	Ratio of female executives 30%	22%
				Ratio of Non-Japanese executives 30%	4%
				Ratio of female department and section managers 20%	10%
Business model transformation indicators	FY2026 8 or more co-creation projects		—		

➡ Progress over time P87 “Non-Financial Highlights”

* Target and actual values based on FY2018 as the base year

Focus

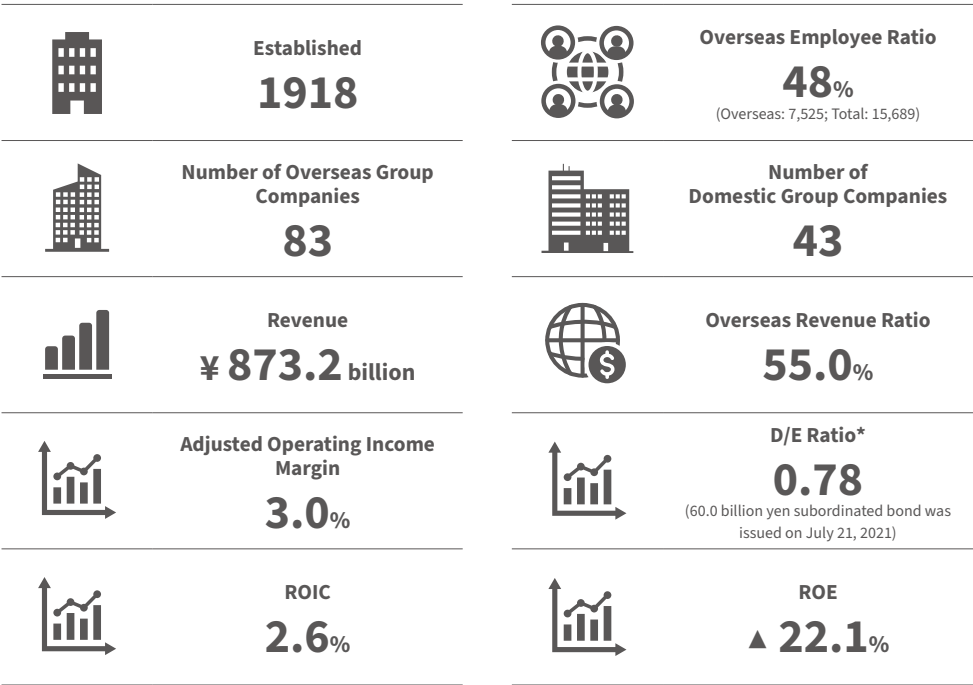
Growth Areas
Created Together
with Customers

- 18 Value Creation Model
- 19 Initiatives to Address Key Issues (Materiality) to Enhance Corporate Value Over the Medium- and Long-Term
- ▶ 20 Teijin's Transformation Progress At a Glance
- 21 Our History of Business Portfolio Transformation and Value Creation
- 22 Teijin's Customer-Driven Business Growth Map

Teijin's Transformation Progress At a Glance

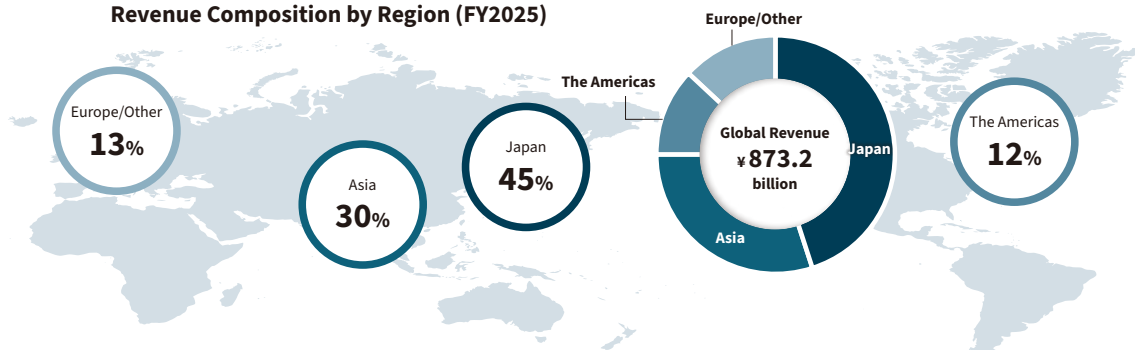
The Teijin Group's business portfolio is growing, driven by our customer-value approach. We have a global presence, with an overseas revenue ratio of over 50%, and we have top class track records in every field.

The Teijin Group's Presence (FY2025)



* D/E ratio with adjusted capitalization of subordinated bond

Revenue Composition by Region (FY2025)



Revenue Composition by Segment (FY2025)



*1 Continuous Positive Airway Pressure
*2 Home Oxygen Therapy

Focus

Growth Areas
Created Together
with Customers

- 18 Value Creation Model
- 19 Initiatives to Address Key Issues (Materiality) to Enhance Corporate Value Over the Medium- and Long-Term
- 20 Teijin's Transformation Progress At a Glance
- ▶ 21 Our History of Business Portfolio Transformation and Value Creation
- 22 Teijin's Customer-Driven Business Growth Map

Our History of Business Portfolio Transformation and Value Creation

The Teijin Group has evolved its business portfolio in response to changes in social needs. Following efforts to improve profitability and implement structural reforms, we will accelerate our transformation to Customer-Driven business and aim to enter a new stage of growth.

Changes in Social Needs

From the 1950s
Need for mass production and mass supply
<Shift from natural materials to man-made materials>

From the 1990s
Needs for more advanced “functionality” and “quality,” and longer life expectancy
<Higher-performance materials and improved quality of medical care>

From the 2000s
Need to address the SDGs and improve well-being
<Value of information, diversification of services, contribution to the environment, and responses to an aging population>

From the 2020s
Increasingly sophisticated and complex social needs
<Diversification of customer requirements, growing prominence of DX/AI, and increasing interest in environmental value>

1918-1960s

From Rayon Fibers to a Global Synthetic Fiber Manufacturer



In our founding rayon business, we established Japan’s first rayon manufacturing technology and led the industry. 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.

- 1918 Established Teikoku Jinzo-Kenshi Kaisha, Ltd.
- 1927 Began production of rayon filament yarn
- 1958 Began production of polyester fibers
- 1960 Began production of polycarbonate (PC) resin

1970-1980s

Leveraging Our Fundamental Technologies to Pursue New Businesses

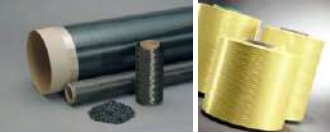


While growing polyester fiber *TETORON* into a mainstay product, we also nurtured the seeds of diverse businesses by applying our basic technologies and expanding into high-performance materials such as resins and films as well as the healthcare and IT fields.

- 1971 Began production of aramid fibers
- 1974 Entered the healthcare business
- 1983 Entered the IT business
- 1985 Entered the film business

1990-2000s

Expanding Our Business into High-Value-Added Fields



Through equity investments and acquisitions, we expanded into the carbon fibers business and grew the para-aramid business while advancing environmentally conscious initiatives, thereby accelerating global business development in high-performance, high-value-added fields. We also began research and development of composite materials.

- 1999 Entered the carbon fibers business (Equity investment in Toho Rayon Co., Ltd. (later renamed Toho Tenax Co., Ltd.))
- 2000 Expanded the aramid fiber business (Acquisition of the *Twaron* para-aramid business)

2010-2020s

Transforming the Value Delivery Model and Pursuing Business Transformation

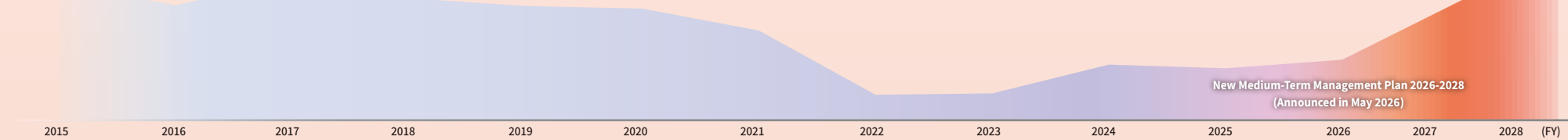


Although we pursued initiatives including strengthening high-value-added applications and creating comprehensive healthcare services, we were unable to establish a sufficient foundation for growth. Since 2023, we have worked to strengthen our fundamental profitability by improving profitability and undertaking sweeping business portfolio transformation, while at the same time accelerating transformation toward new value creation.

- 2017 Entered the composites business
- 2019 Transferred its film business subsidiary
- 2021 Entered the regenerative medicine business
- 2024 Transferred INFOCOM
- 2025 Transferred the composites business in North America

Recent Initiatives for Business Portfolio Transformation

Illustration of adjusted operating income



FY2023
Focus on Improving Profitability
— Laying the groundwork for transformation —

FY2024-2025
Execution of Business Portfolio Transformation
— Narrowing down and re-growth —

FY2026 onward
Transformation to Customer-Driven Business
— High-quality growth —

New Medium-Term Management Plan 2026-2028
(Announced in May 2026)



Focus

Growth Areas
Created Together
with Customers

- 18 Value Creation Model
- 19 Initiatives to Address Key Issues (Materiality) to Enhance Corporate Value Over the Medium- and Long-Term
- 20 Teijin's Transformation Progress At a Glance
- 21 Our History of Business Portfolio Transformation and Value Creation
- ▶ 22 Teijin's Customer-Driven Business Growth Map

Teijin's Customer-Driven Business Growth Map

The Teijin Group aims for medium- to long-term growth and evolution by working closely with customers on their challenges and combining the Group's technologies and business platforms. Based on how deeply Customer-Driven business has taken root, we grouped the business segments into stages and clarified the positioning and direction of growth for each.

Level of Adoption of a Customer-Driven Business

Regeneration

A phase of rebuilding and transforming the business structure and organization to lay a new foundation for growth



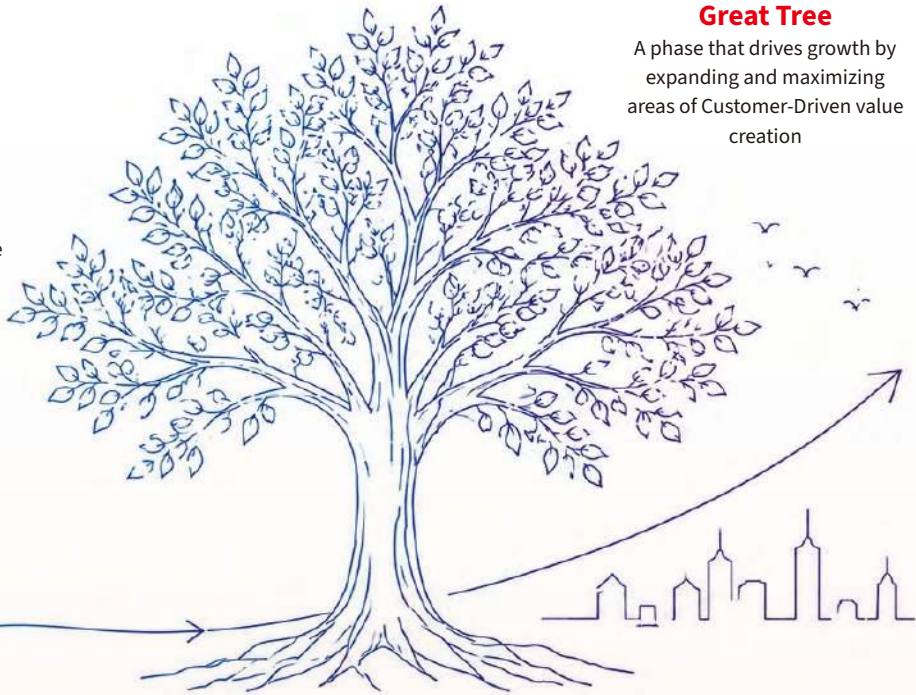
Harvest

A phase of stabilizing earnings by refining Customer-Driven value delivery and nurturing the seeds of the next stage of growth



Great Tree

A phase that drives growth by expanding and maximizing areas of Customer-Driven value creation



Reconstruction

Transform the business structure and return to a growth trajectory



Specialty Materials
(Aramid, Carbon Fibers, Composites)

Promote transformation from Materials-Driven to Customer- and application-Driven organizations

Stable profit base

Protect high profitability and prepare for the next growth



Electronics & Energy
(Resin & Plastics Processing, Battery & Semiconductor Solutions)

Transforming further toward Customer-Driven business by enhancing our ability to propose solutions to customer issues and pursuing a niche-top strategy

Pillar of sustainable growth

Leveraging strengths to a new stage of growth



Apparel & Industries
(Fibers & Products Converting)

Using the business integration with Asahi Kasei Advance as a starting point to become the market leader in the industry



Pharmaceuticals excluding treatment for rare/intractable diseases
(Healthcare)

Accelerate narrowing to rare/intractable disease areas



Healthcare & Life Solutions
(Healthcare)

Entering growth markets through M&A and collaboration with partners to reinforce and strengthen existing businesses

Execution Model for Creating
Earning Power through
Customer-Driven Business

- 24 Chief Strategy Officer (CSO)
Message
- 27 Medium-Term Management Plan
2026–2028
- 42 Business Outline
- 47 Technology Strategy
- 52 DX/AX Strategy
- 56 Human Capital Management
- 61 Sustainability

Execution Model for
Creating Earning Power
through Customer-Driven
Business

Execution



Execution Model for Creating
Earning Power through
Customer-Driven Business

▶ 24 Chief Strategy Officer (CStO)
Message

Medium-Term Management Plan
2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

Chief Strategy Officer (CStO) Message



Toward the next 100 years: Building a foundation for sustainable growth by implementing a Customer-Driven model

Naohiko Moriyama
Senior Executive Officer, Representative Director of the Board
Chief Strategy Officer (CStO)

A Business Model for the Next 100 Years

Since our founding in 1918, Teijin has continued to create value that helps solve social issues while flexibly adapting our businesses over more than a century of history. We began with the production of artificial silk (rayon), our founding business, and went on to provide society with acetate, *Teviron*, polyester, polycarbonate resin, aramid, and carbon fiber. Throughout this evolution, we grew with polymer technology-based businesses at our core.

At the same time, we have diversified beyond materials into different types of businesses, including healthcare, distribution, and retail, thereby building new earnings bases. These businesses are primarily built around customer needs and have grown steadily over our more than 100-year history.

In recent years, the environment surrounding the materials industry has changed dramatically, making it increasingly difficult to continue creating new materials and achieving growth through the same approaches as before. Considering these changes in the business environment, our next stage of growth must be driven by businesses built around customer needs, which represent the earnings model described above. Shifting our focus toward expanding and deepening these businesses is both essential and inevitable.

This customer-needs-based approach is embodied by the Apparel & Industries, which has its roots in distribution and retail, and the home healthcare business within the Healthcare & Life Solutions. Both have built on their customer relationships to create value and have established a solid position as new growth

domains for us. Looking at what the two have in common, their defining feature is the way they have built deep customer relationships and continued to deliver value, going beyond simply responding to market needs. I believe that clarifying these success factors and embedding them across the organization in a reproducible way is a critical task as we look toward the next 100 years. Specifically, in these businesses, the following three perspectives have served as important operational guidelines.

First, we have the breadth of knowledge and perspective to understand the businesses and the value our customers aim to achieve, and to conceptualize how to make them a reality.

Second, we have the flexibility to choose the best approach, whether using in-house or external capabilities, to address

Execution Model for Creating Earning Power through Customer-Driven Business

24 Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

Chief Strategy Officer (CStO) Message

customer needs that have yet to be articulated.

Third, we build on relationships that enable us to grow together with our customers, creating customer value while achieving sustainable earnings growth.

Based on this approach, both businesses have built competitive business foundations over their long histories, while contributing to customers and creating social value. Going forward, we will codify and systematize these success factors as organizational knowledge, rather than leaving them as expertise confined to individual businesses and elevate them into a management system that can be deployed across other businesses.

From a Materials-Driven Approach to a Customer-Issue-Driven Approach —The Commitment to Transformation Behind Our Segment Reorganization

Under the Medium-Term Management Plan 2026-2028 (hereinafter, the “new medium-term management plan”), we reorganized our segments and grouped the Aramid and Carbon Fibers Businesses, under the Specialty Materials. We have traditionally positioned our materials businesses, centered on high-performance fibers such as aramid and carbon fibers, as growth drivers and have been perceived as a company that leverages its technological strengths from a Materials-Driven perspective. Indeed, we have consistently highlighted these materials businesses in past financial results briefings and other communications, which I believe has helped shape this image of the Company.

In a Materials-Driven business, it made sense to secure earnings by ensuring a stable supply of high-quality products and increasing sales volumes. Business operations therefore focused on top-line growth by maximizing capacity utilization and expanding sales volumes. While this model supported our growth, it also created a business structure that was highly susceptible to fluctuations in demand and market conditions. As a result, we also experienced cases where aggressive capital expenditures ultimately resulted in impairment losses.

Consequently, I believe that shifting away from a Materials-Driven and asset-intensive business model reliant on capital expenditures is unavoidable and is also an important management priority for improving the quality of our earnings.

Under the new medium-term management plan, we fundamentally reorganized our segment structure to place business domains focused on customer issues at the top level. This change clearly signals both internally and externally that we are moving beyond the traditional Materials-Driven business to become a company that generates sustainable, high-value-added earnings by solving customer issues.

Meanwhile, the Aramid and Carbon Fibers Businesses grouped under the Specialty Materials remain strongly Materials-Driven, and the shift to a Customer-Driven business is still a work in progress. Although performance is currently under pressure from the operating environment, we will first make steady progress in fundamentally reforming our earnings structure. Over the course of the new medium-term management plan, we will also build a solid foundation for the shift to a Customer-Driven business.

We have also combined the Resin & Plastic Processing and Battery & Semiconductor Solutions Businesses into the Electronics & Energy, where they will primarily serve as a stable earnings base. In this domain, we will strengthen our ability to develop proposals based on customer issues and pursue strategies aimed at establishing leading positions in select niche markets by leveraging our competitive advantages in specific fields. Through these efforts, we aim to achieve sustainable growth while maintaining stable earnings.

At the same time, shifting toward and further developing Customer-Driven business does not mean abandoning our existing strengths in materials and technology. I believe that the proprietary high-performance materials and technologies we have cultivated are themselves one of the factors that enable us to solve customer issues and build high-value-added businesses. The essence of this transformation is to preserve our technological advantages while shifting toward a Customer-Driven approach in how we translate those strengths into value.

To achieve this, we will continue research to maintain the technological advantages of our materials while systematizing the success factors for Customer-Driven business around the concepts of *Suriawase* (alignment) and *Kumiawase* (combination), led by the Chief Technology Officer (CTO). We will then put these concepts into practice across each of our businesses.

We view the new medium-term management plan as a period for building up concrete examples based on these concepts and moving the shift to Customer-Driven business into the implementation phase. Ultimately, when our segments have been reorganized around customer value and applications rather than materials-based labels, including Specialty Materials, and that structure has taken hold, I will see it as clear evidence that our transformation has truly come to fruition. To achieve this, the chief officers overseeing each function will provide operational support based on their respective areas of expertise, helping to ensure successful execution.

Executing Growth Strategies Through the Customer-Driven Model

Under the new medium-term management plan, we aim to achieve growth centered on our two business domains, Apparel & Industries and Healthcare & Life Solutions. As noted earlier, it is distinctive that both have established a solid foundation as Customer-Driven business and are evolving toward models that create value by solving customer issues.

In the Apparel & Industries, we have decided to merge Teijin Frontier Co., Ltd. and Asahi Kasei Advance in October 2026. I believe this merger will not only strengthen the business foundation, but also expand our customer touchpoints and broaden the possibilities for combining products and technologies and working with partners, enabling us to deliver greater value. In other words, as customer issues become increasingly diverse and sophisticated, it is important for us to broaden the scope of the issues we address and further expand the range of solutions we can offer. As we aim to maximize customer value, I believe there are also



Execution Model for Creating Earning Power through Customer-Driven Business

24 Chief Strategy Officer (CStO) Message

- Medium-Term Management Plan 2026–2028
- Business Outline
- Technology Strategy
- DX/AX Strategy
- Human Capital Management
- Sustainability

Chief Strategy Officer (CStO) Message

those who see a need for closer collaboration within the industry to create even greater value. We have long worked to enhance the value we deliver through such collaborative opportunities and will continue to view them as an important means of advancing Customer-Driven value creation.

Teijin Frontier, the core company of the Apparel & Industries (scheduled to begin operations as TA Frontier Co., Ltd. in October 2026), has a proven track record of overcoming numerous difficulties while successfully navigating multiple integrations and reorganizations. Through this process, it has steadily overcome major changes in the business environment and expanded earnings. The capabilities it has developed through these experiences, both in managing businesses following integration and in executing growth initiatives, provide an important foundation for the segment’s strategy. I believe that Teijin Frontier is uniquely positioned to establish a business model that combines assets from both within and outside the Company and translate them into sustainable growth.

Our home healthcare business within the Healthcare & Life Solutions has its origins in the needs of patients and healthcare professionals, particularly the need for patients hospitalized with respiratory diseases and receiving oxygen therapy to be able to return home. This is precisely where our approach to creating customer value began. Making oxygen therapy available in the home requires more than simply providing medical devices. It also requires a framework that allows patients to use the medical devices safely and reliably. Specifically, this has required a multifaceted business infrastructure covering the provision of medical devices, guidance and patient education on proper use, responsive maintenance services, and contingency measures for natural disasters and other emergencies.

To address these issues, we have progressively built and enhanced a framework for providing healthcare in the home by applying *Kumiawase* to combine existing technologies and systems, and *Suriawase* to continuously align the value we provide through ongoing dialogue with customers.

Of course, Healthcare Business is a business that must operate within a regulated environment. Amid various constraints involving regulatory frameworks, operations, and established practices in the field, we have had to continually ask what value is truly needed and refine our business model through ongoing dialogue with a wide range of stakeholders, including government ministries and agencies. Building a Customer-Driven business is by no means easy. However, by developing solutions based on a deep understanding of customer issues and drawing on a diverse range of assets and networks beyond our own, we have built a distinctive business foundation that is difficult to replicate. I believe that continuing to solve issues from a Customer-Driven perspective will provide an important foundation for the Teijin Group’s sustainable growth.

In Closing

Looking back, we also experienced cases where investments in areas that did not necessarily play to Teijin’s strengths failed to deliver the results we had expected. Based on these lessons, we will make disciplined investments in areas where we can clearly leverage our competitive advantages, rather than investing in businesses far removed from our existing strengths. In other words, we aim to pursue steady, grounded growth by building earnings through efficient investment without taking excessive risks. This will also directly contribute to improving capital efficiency.

We have set an ROE target of 8% and view it as an important management benchmark, but it is by no means our ultimate goal. By shifting to Customer-Driven business, we will improve both profitability and capital efficiency and sustainably enhance corporate value. We will make sure we achieve our ROE target of 8% as a milestone on this path and then aim even higher. By maintaining a strong focus on the certainty of growth and the quality of earnings, we will enhance corporate value in a way that is unique to the Teijin Group.



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- 31 CFO Message
- 35 Financial Targets for FY2028
- 36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges
- 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability



Medium-Term Management Plan 2026–2028

Review of the Previous Medium-Term Management Plan

Under the previous medium-term management plan, we worked as one company, guided by our Purpose, to pursue business portfolio transformation and recovery in fundamental profitability. From the perspectives of reviewing businesses under the best owner principle and narrowing down underperforming businesses, we transferred the IT business and the Composites business in North America. As a result, we reduced assets with insufficient profitability and interest-bearing debt, thereby stabilizing our financial foundation. Although the Aramid and Carbon Fibers businesses struggled amid abrupt changes in market conditions and fell short of performance targets, we are swiftly advancing fundamental structural reforms. Meanwhile, the Fibers & Products Converting Business and home healthcare business, which we position as pillars of future growth, are achieving high profitability.

Priority Measures

Business portfolio transformation

Exiting underperforming businesses and reviewing others under the best owner principle

- IT business, INFOCOM: transferred in October 2024
- Composites business in North America: transferred in July 2025
- Loss-making assets decreased (around 10% of total assets), and the D/E ratio improved due to reduction of interest-bearing debt

Recovery of core profitability

Due to changes in market conditions Full recovery of earnings has not been achieved

- Struggled in the Aramid and Carbon Fibers Business
- Implementing fundamental structural reforms unbound by past strategies (Aramid/Carbon Fibers/pharmaceutical business)
- Achieved high profitability in the Fibers & Products Converting Business/ home healthcare business

Rationale

Focus

Execution

Enabler

Data Section

FY2025 results

(↑/↓ indicate performance against the plan)

Adjusted operating income

¥25.8 billion (↓)

FY2025 plan: ¥39.0 billion

ROIC

2.6% (↓)

FY2025 plan: 4% or more

Financial soundness (D/E ratio)

0.78 (↑)

FY2025 plan: about 0.9

Shareholder returns (Annual dividend)

¥50 (↑)

FY2025 plan: ¥30 or more

		FY2023	FY2024		FY2025	
		Results	Plan	Results	Plan	Results
Adjusted operating income		¥22.0 billion	¥20.0 billion	¥27.6 billion	¥39.0 billion	¥25.8 billion
Capital efficiency	ROIC	1.8%	2% or more	2.6%	4% or more	2.6%
	ROE	-2.9%	2% or more	6.7%	6% or more	-22.1%*1
Financial soundness	D/E ratio	1.11	around 1.0	0.77	about 0.9	0.78
Shareholder returns	Dividend amount	¥30	¥30 or more	¥50	¥30 or more	¥50

*1 Impact of impairment losses in the Aramid and the pharmaceutical business

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

27 Review of the Previous Medium-Term Management Plan

▶ 28 Business Model Transformation and Value Creation

29 Three Key Actions under the New Medium-Term Management Plan

30 Strengthening the Management System Supporting Customer-Driven Business

31 CFO Message

35 Financial Targets for FY2028

36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges

39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

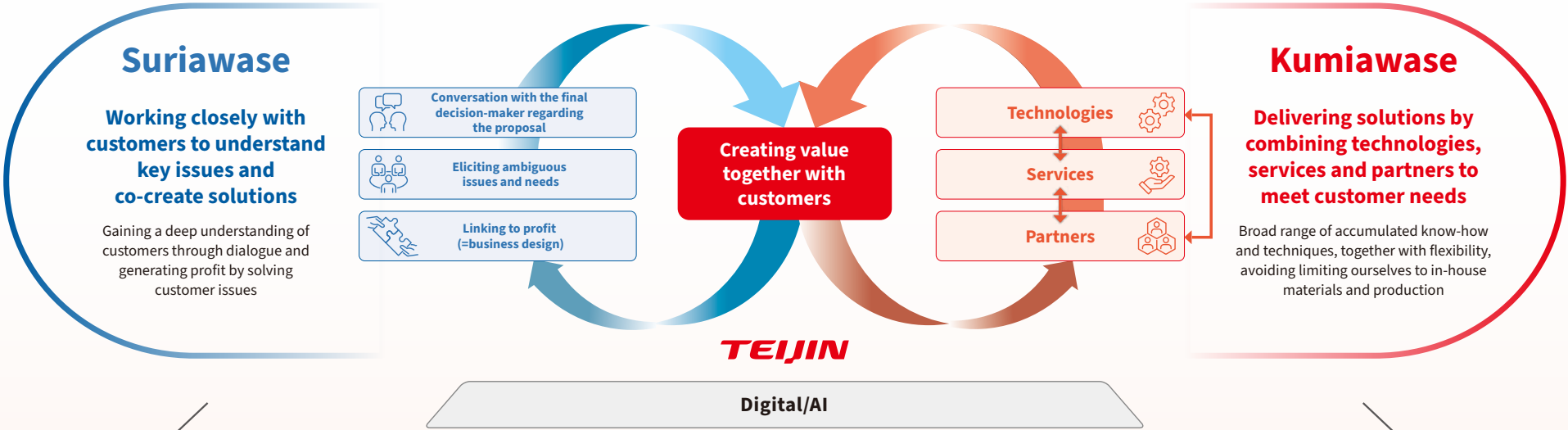


Medium-Term Management Plan 2026–2028

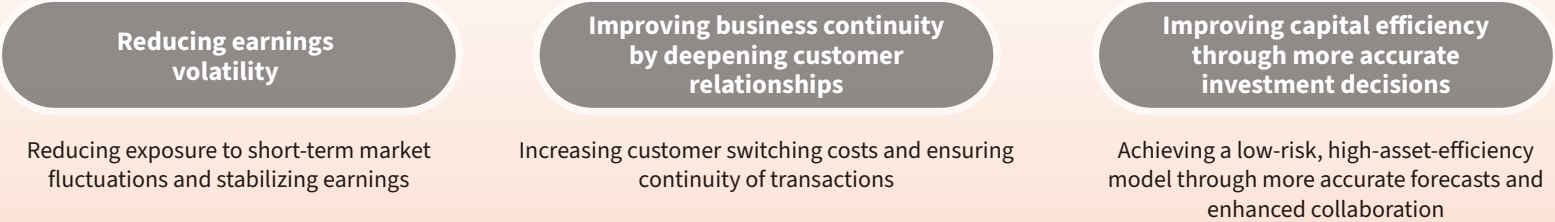
Business Model Transformation and Value Creation

As materials become commoditized and social issues grow more complex, Materials-Driven business is at a turning point. Meanwhile, in the Fibers & Products Converting Business and home healthcare business, we have earned high praise by leveraging our distinctive know-how and service platforms to create value together with customers. We will extend this strength Companywide and transform ourselves into a Customer-Driven business that, without being limited to in-house materials or production, provides optimal combinations of technologies, products, and services based on customer issues. Through this transformation, we aim to reduce earnings volatility, improve business continuity by deepening customer relationships, and improve capital efficiency.

Customer-Driven: Competing through business development capabilities that turn customer needs into business



Value Creation through Customer-Driven Business



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- ▶ 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- 31 CFO Message
- 35 Financial Targets for FY2028
- 36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges
- 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability



Medium-Term Management Plan 2026–2028

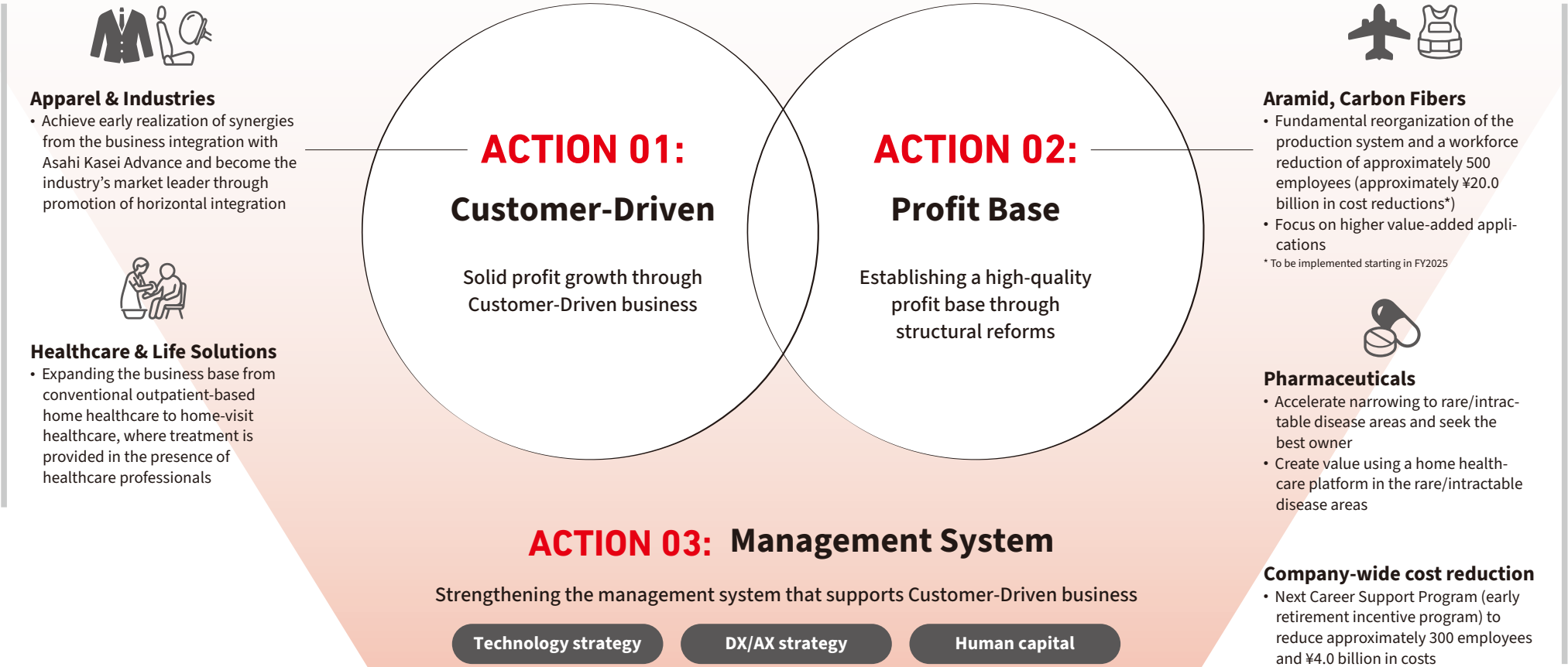
Three Key Actions under the New Medium-Term Management Plan

Under the new medium-term management plan, we will undertake the following three actions.

The first is to deepen Customer-Driven business. In the Fibers & Products Converting Business and home healthcare business, we have realized Customer-Driven business through our overwhelming know-how, differentiated value chain, and service platforms. With Apparel & Industries and Healthcare & Life Solutions as our two pillars, we will leverage our strengths to deepen customer touchpoints and achieve sustainable growth.

The second is to build a high-quality profit base. We will promote structural reforms in Aramid, Carbon Fibers, and the pharmaceuticals business, while thoroughly pursuing further Companywide cost reductions to increase profitability.

The third is to strengthen the management system that supports Customer-Driven business.



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- ▶ 30 **Strengthening the Management System Supporting Customer-Driven Business**
- 31 CFO Message
- 35 Financial Targets for FY2028
- 36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges
- 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

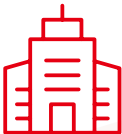
Sustainability



Medium-Term Management Plan 2026–2028

Strengthening the Management System Supporting Customer-Driven Business

In the third action—strengthening the management system that supports Customer-Driven business—we will reinforce our technology strategy, DX/AX strategy, and human capital in an integrated manner to build an optimal management system across businesses and regions. Under our technology strategy, we will share technical information that had previously been siloed within individual businesses as a Companywide asset and aim to create new customer value directly linked to solving customer and market issues. Under our DX/AX strategy, we will integrate dispersed data and IT infrastructure and develop an AI-enabled digital platform to promote *Suriawase* and *Kumiawase*. For human capital, we will further advance systems aimed at placing the best-fit talent in each role globally so that we can identify and deploy talent who support our technology and DX/AX strategies. Through these three initiatives, we will build an optimal functional organization spanning businesses and regions and strengthen our management system.



Establishing an optimal management system across businesses and regions

Technology strategy

➡ P47

Lack of sharing of technical information due to silos, redundancy from duplication, and unclear direction of technical R&D

By promoting *Kumiawase* through cross-business technical collaboration, solve customer issues identified through *Suriawase* and support the creation of new businesses

DX/AX strategy

➡ P52

Data and IT infrastructure fragmented by business and region, with partial AI utilization

While building a globally optimized IT infrastructure and integrating data, fully leveraging AI to realize the promotion of *Suriawase* and *Kumiawase* through the power of digital technology

Human capital

➡ P56

Transitioning systems to place the best-fit talent in each role globally

Accelerating the placement of best-fit talent in each role globally to achieve the Customer-Driven business transformation

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- ▶ 31 CFO Message
 - 35 Financial Targets for FY2028
 - 36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges
 - 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability



Medium-Term Management Plan 2026–2028

CFO Message



Masanori Shimai

Teijin Group Corporate Officer
Chief Financial Officer (CFO)

On My Appointment as CFO

I took on the role of CFO at a time when the Company was facing an extremely challenging business environment. We posted a loss in the second quarter of FY2025 while we were still implementing our structural reforms, making it an urgent priority to rebuild our financial position. The Company needed someone with a deep understanding of its businesses and challenges who could drive reforms from a financial perspective. I felt that I should take responsibility for the effort and accepted the role.

Having advanced our business portfolio transformation, our next key priorities are to carry out fundamental cost structural reforms in low-profit businesses and reassess how we allocate resources to growth areas. Addressing these priority issues required us to strengthen both the strategy function leading to the business portfolio transformation and the finance function responsible for reforming our financial structure. We therefore separated the roles of Chief Strategy Officer (CStO) and CFO, allowing me to focus on driving reforms from a financial perspective.

Throughout my career, I have drawn on my accounting and finance experience to navigate a wide range of situations in Japan

and overseas. During an overseas assignment in particular, I experienced a currency devaluation firsthand and saw the impact that exchange rate movements can have on a company’s financial position. These experiences have reinforced my belief that sustainable growth requires a broader perspective extending beyond profit and loss management to include cash generation, balance sheet improvement, and risk asset management. My mission goes beyond restoring earnings in the short term. By rebuilding our financial foundation, I aim to transform the Company into one capable of creating value consistently over the long term. To achieve this, we will firmly establish management focused on capital efficiency and work as one Company to carry out these reforms.

In FY2025, we posted a net loss due to impairment losses. However, through our business portfolio transformation, we reduced interest-bearing debt, and I do not believe our financial position is a cause of excessive concern. At the same time, the areas requiring improvement have become clear. Our growth investments have not always been sufficiently disciplined from a capital efficiency perspective, resulting in uneven profitability and capital efficiency across the portfolio. We will therefore strengthen both financial and investment discipline. Specifically, we will rigorously assess returns on invested capital when making investment decisions, continuously review and replace low-efficiency assets, and firmly shift toward management that prioritizes cash generation. Improving capital efficiency goes hand in hand with improving the quality of our business portfolio. As CFO, I will be deeply involved in management decisions from a financial perspective and will firmly establish disciplined management practices.

Review of the Previous Medium-Term Management Plan

One area that progressed as expected under the previous medium-term management plan was our ability to maintain a stable financial foundation. As we carried out our business portfolio transformation, we reduced interest-bearing debt and maintained our D/E ratio, an indicator of financial soundness, at 0.9x on a gross basis and 0.7x on a net basis. We also achieved a certain degree

of success in appropriately managing the balance sheet through asset reductions and cash generation while advancing the selection and concentration process for our business portfolio. On the other hand, earnings did not fully recover, and performance varied across businesses. The Fibers & Products Converting Business and home healthcare business maintained high profitability and served as stable earnings bases, while the Materials-Driven aramid and carbon fibers businesses continued to struggle.

I recognize that the changes in the market environment surrounding our Materials-Driven businesses were largely a matter of external factors. The commoditization of materials is accelerating, and competition is intensifying even in areas that were traditionally considered high value-added, making it increasingly difficult to maintain profitability. At the same time, as social issues grow more advanced and complex, the range of stakeholders has broadened, and the value they demand is shifting from stand-alone materials to integrated solutions.

Turning to internal factors within our control, I see our inability to fully capitalize on the strengths of the Company as a key issue. Across the Group, we possess a wide range of competitive technologies and infrastructure, as well as the ability to deliver value seamlessly from materials through final products and services. However, silos in our organizations and businesses have limited our ability to generate synergies. Our IT infrastructure has also been fragmented across businesses and regions, hindering timely decision-making and effective use of data. In other words, as changes in the external environment weakened our traditional competitive advantages, the pace of internal transformation and our ability to integrate across the organization fell short, resulting in a gap between actual and expected performance.

Financial Impact of the Transformation to Customer-Driven Business

The transformation to Customer-Driven business under the new Medium-Term Management Plan 2026-2028 (hereinafter, the “new medium-term management plan”) represents a significant change from the traditional Materials-Driven business from a financial

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- ▶ 31 CFO Message
- 35 Financial Targets for FY2028
- 36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges
- 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability



CFO Message

perspective, particularly in terms of earnings structure, capital efficiency, and the quality of cash generation. I will explain this from three perspectives below.

(1) Reduction in Earnings Volatility (Change in Earnings Structure)

Our traditional Materials-Driven businesses are highly susceptible to market conditions and shifts in supply and demand. They also require substantial upfront capital expenditures and carry a high fixed-cost burden. As a result, the performance of the aramid and carbon fiber businesses has been volatile.

By contrast, Customer-Driven business provides solutions tailored to customer issues by combining products, services, and partners. By creating added value closer to downstream and end-use applications, these businesses can strengthen pricing power, diversify earnings sources, and stabilize demand. Recurring-service businesses such as home healthcare, in particular, can

generate stable earnings through long-term relationships with patients and customers while also reducing the overall business portfolio's sensitivity to economic cycles. As a result, we expect lower earnings volatility and more stable operating cash flow.

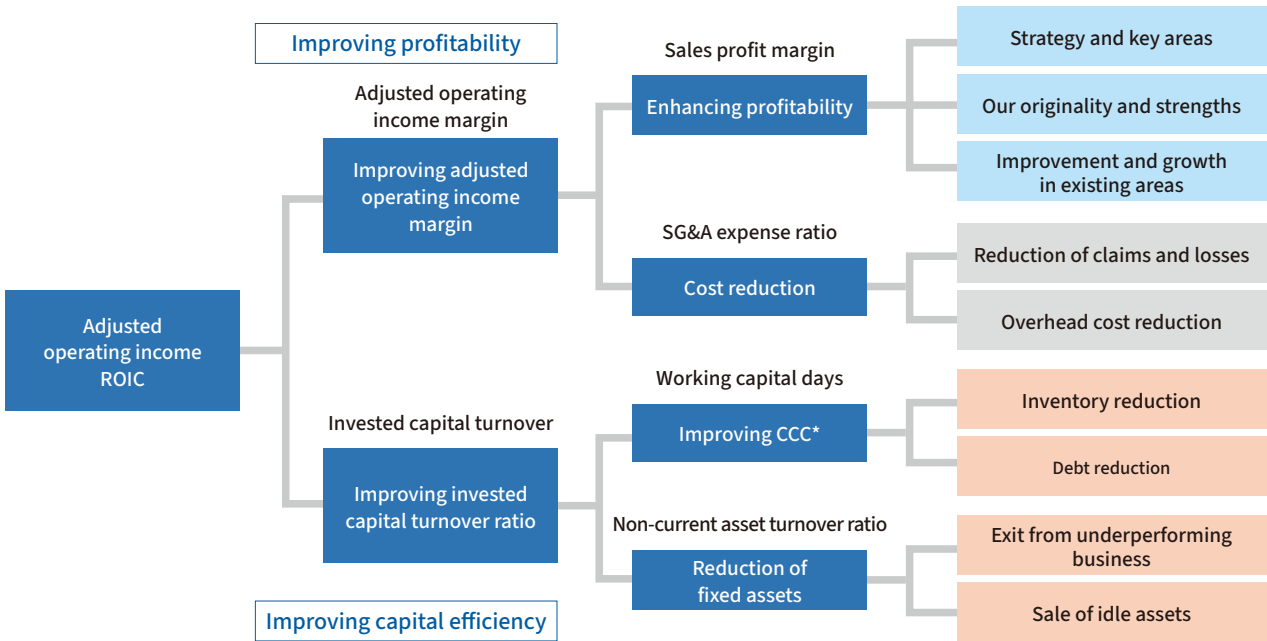
(2) Improved Continuity through Deeper Customer Relationships (Quality of Cash Generation)

Customer-Driven business emphasizes gaining a deeper understanding of customer issues through *Suriawase*, or working closely with customers and building relationships as co-creation partners, rather than simply selling products. This helps increase the continuity of sales by maintaining and expanding customer relationships, while improving the predictability of future cash flow. At the same time, reducing inventories and improving our CCC* will enhance working capital efficiency. As a result, I expect our cash generation capabilities to improve substantially not only in scale, but also in terms of stability, predictability, and sustainability.

(3) More Precise Investment Decisions and Improved Capital Efficiency (Shift to ROIC-focused Management)

The most significant financial change under the new medium-term management plan is the full implementation of ROIC-focused management and the introduction of ROIC targets for each business domain. This represents a shift toward business operations with a much stronger focus on capital efficiency. We will move away from the traditional model characterized by major capital expenditures and dependence on market conditions, which has yielded low ROIC, and generate earnings while limiting invested capital through asset-light operations. We will also strengthen our discipline in resource allocation by reducing low-ROIC assets and concentrating resources in high-ROIC domains, thereby driving a structural transformation that enhances corporate value through improved capital efficiency.

Example of an ROIC tree in Apparel & Industries



Strategy and key areas	- Sales growth in key areas - Strategic resource allocation to key areas	Enhancing profitability
Our originality and strengths	Utilization of proprietary functional materials	
Improvement and growth in existing areas	- Strengthening supply chain management - Improving logistics efficiency	
Reduction of claims and losses	- Reduction of quality claims - Quality management	Cost reduction
Overhead cost reduction	- Efficiency improvements through optimal personnel allocation - Management of controllable expenses	
Reduction of invested capital	- Improving CCC* - Reduction of fixed assets	Capital efficiency

*Cash Conversion Cycle

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- ▶ 31 CFO Message
 - 35 Financial Targets for FY2028
 - 36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges
 - 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability



CFO Message

“Improving the Quality of Earnings” with a Focus on Cost of Capital

The financial targets under the new medium-term management plan mark a shift away from the traditional focus on the scale of earnings toward achieving both profitability and capital efficiency with a focus on cost of capital. In setting these targets, we were keenly mindful of investor expectations and positioned ROE and ROIC as our core metrics. Rather than pursuing top-line growth alone, we are focused on improving quality of earnings through both structural reforms and growth.

We plan to increase adjusted operating income from ¥25.8 billion in FY2025 to ¥60.0 billion in FY2028. This increase is broken down into approximately ¥20.0 billion from our structural reforms and approximately ¥15.0 billion from growth, with the aim of strengthening our underlying earnings capacity while pursuing selective growth. The foundation supporting this is capital efficiency management centered on ROIC. By setting ROIC targets for each segment and incorporating them into investment decisions and business portfolio optimization, we will shift toward management that prioritizes returns on capital rather than absolute profits. This reflects lessons learned from excessive investments in Materials-Driven businesses and the accumulation of low-profit businesses. At the same time, we will improve asset efficiency by selling assets and strengthening our investment discipline.

We aim to improve ROE from -22% in FY2025 to 8% in FY2028. This target represents the minimum level of return required in light of our shareholders’ equity cost, which is generally estimated to be around 7% to 9%, and is positioned as an important milestone toward improving our PBR. We are also focused on maintaining a positive spread between ROIC and the weighted average cost of capital (WACC) and regard sustained ROIC above WACC as a fundamental requirement for management. In terms of capital allocation, we have clarified how funds will be allocated among growth investments, base investments, and shareholder returns, thereby increasing transparency. We are also tightening our investment discipline by continuously reviewing our business portfolio based on capital efficiency, keeping base investments at or below depreciation, and concentrating investment in winning areas where we can compete effectively. These policies demonstrate our commitment to avoiding a repeat of our low-efficiency investments in the past.

To improve the effectiveness of our ROIC-focused management, we must go beyond simply setting ROIC as a KPI. We need to break it down to the level of decision-making and day-to-day operations in each business and on the front lines, and embed it as a metric that guides behavior. The ROIC tree illustrates this approach by providing a visual representation of ROIC and breaking it down into its underlying factors.

Figure P32: Example of an ROIC tree in Apparel & Industries

Under the new medium-term management plan, we have set ROIC targets for each segment and use them as a basis for investment decisions and business evaluations. However, ROIC is a high-level metric that does not readily translate into specific actions at the frontline. Because it encompasses both earnings and assets, responsibility at the divisional level can also become unclear. It is therefore important to break ROIC down into metrics

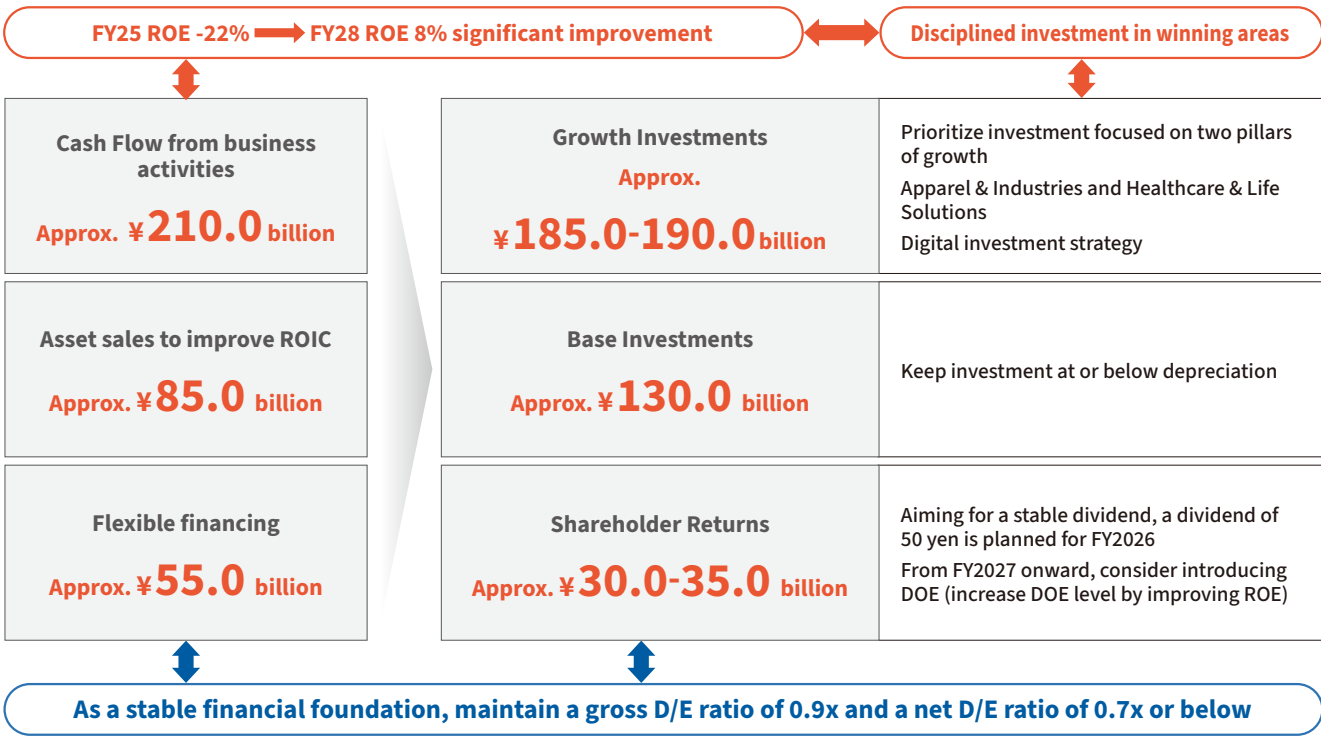
that each function and division can control directly. Particularly for Customer-Driven business, this means linking these metrics to customer-level profitability and inventory and CCC* management.

Specifically, at the frontline level, we break ROIC down into profit margin and asset turnover. We then break down profit margin into selling prices, added value, and costs, and asset turnover into factors such as inventory turnover, accounts receivable collection, and capacity utilization. This enables each function’s KPIs to be directly linked to ROIC, with sales focusing on pricing and added value, production on costs and capacity utilization, and supply chain management on inventories and lead times.

Furthermore, by linking the ROIC tree with our data infrastructure, we can monitor each metric and enable real-time management. Through this approach, we aim to transform ROIC from a simple outcome metric into a foundation for day-to-day decision-making.

*Cash Conversion Cycle

Capital allocation



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- ▶ 31 CFO Message
- 35 Financial Targets for FY2028
- 36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges
- 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

- Business Outline
- Technology Strategy
- DX/AX Strategy
- Human Capital Management
- Sustainability



CFO Message

We need stronger financial discipline, particularly in the areas of making investment decisions with a clear focus on cost of capital and rigorously evaluating and reviewing investments after they are made. We will carefully select investment projects in areas where we have deep expertise, where they can reinforce and strengthen existing businesses, and where returns are expected to exceed our cost of capital. We will then subject these investment projects to a rigorous review process before deciding whether to proceed, thereby enabling us to allocate capital selectively and with clear priorities.

After making an investment, we will continuously monitor ROIC by business as a key metric and strengthen our framework for management to take responsibility for evaluating the performance. This will make capital efficiency visible and allow us to clearly identify both progress and areas requiring improvement. For businesses that are unlikely to generate returns above the cost of capital or where there is no clear path to improvement, we will implement structural reforms, including downsizing or withdrawal. By applying investment discipline together with rigorous post-investment evaluation and review, we aim to improve capital efficiency and sustainably enhance corporate value.

Capital Allocation That Balances Growth and Discipline

Under the new medium-term management plan, we will use operating cash flow as the foundation for flexible capital allocation,



balancing growth investments, base investments, maintenance of financial soundness, and shareholder returns while emphasizing capital efficiency and financial discipline.

For growth investments, we have set a maximum investment amount that would not significantly worsen our D/E ratio. This amount includes M&A, but we do not necessarily intend to use the full amount. Each investment will be assessed rigorously based on its strategic significance and profitability before we decide whether to proceed. Drawing on past experience, we will limit investments to winning areas where we can leverage our strengths and compete effectively, while maintaining strict investment discipline. Our investments will follow an asset-light approach and will be concentrated primarily in the Apparel & Industries and Healthcare & Life Solutions, which have already established Customer-Driven business models. We will also actively invest in technology development and digital transformation (DX) initiatives that strengthen business competitiveness and improve efficiency.

On the financial side, we will prioritize maintaining financial soundness alongside growth investments and rigorously manage our D/E ratio. While continuing to look for promising investment opportunities, if we temporarily accumulate excess cash, we will use it flexibly depending on the circumstances, including by repaying interest-bearing debt to strengthen our financial position and improve capital efficiency.

For shareholder returns, we will consider introducing dividend on equity (DOE) from FY2027 onward. This approach is intended to steadily increase shareholder returns by achieving sustained, profitable growth and improving ROE, rather than tying returns to earnings in any single fiscal year. I therefore believe DOE should be introduced once we reach a stage where we can provide stable shareholder returns over the medium- and long-term.

In this way, the new medium-term management plan prioritizes growth investments while maintaining strict financial discipline and capital efficiency. By allocating cash flexibly according to our circumstances, we aim to enhance corporate value over the medium- and long-term and deliver sustainable shareholder returns.

Toward Achieving a PBR Above 1x

We aim to restore our valuation (PBR) in the capital markets by improving ROE, rigorously implementing ROIC-focused management, and maintaining disciplined capital allocation.

The first and most central pillar is improving our PBR through higher ROE. Under the new medium-term management plan, we aim to raise ROE significantly from -22% in FY2025 to 8% in FY2028. As noted earlier, our goal goes beyond a return to profitability. We place particular importance on reaching a level of returns that reflects our cost of shareholders' equity. Improving ROE, the biggest driver of a higher PBR, is therefore our top priority, and we will see it through.

The second pillar is fundamentally improving capital efficiency through ROIC-focused management. By setting ROIC targets for each segment, we are demonstrating our strong commitment to shifting toward a framework in which capital efficiency is managed at the individual business level.

The third pillar is strengthening discipline in capital allocation. Drawing on lessons from our excessive investments in the past, we will rigorously manage both the overall level of investment and the quality of returns. We will also continue reviewing our business portfolio and replacing assets to improve the balance sheet and lift ROIC. At the same time, we will work to stabilize shareholder returns while continuing to grow earnings.

I understand that the capital market's biggest concern is how we translate the cash we generate into a higher stock price. By improving ROE and increasing confidence in our ability to deliver on the medium-term management plan targets while maintaining a balance of growth investments, shareholder returns, and financial soundness, we aim to regain trust from the capital markets, reflected in a PBR of 1x or higher, as early as possible.

Through the new medium-term management plan, the Teijin Group will move away from an earnings structure dependent on Materials-Driven businesses and advance the transformation to Customer-Driven business, thereby improving both the quality of earnings and capital efficiency. To enhance corporate value over the medium- and long-term, we will pursue these initiatives in an integrated manner: stabilizing and growing earnings through Customer-Driven business, fundamentally improving capital efficiency through ROIC-focused management, restoring our market valuation through higher ROE, and maintaining disciplined capital allocation. Through these efforts, we aim to sustainably generate returns above our cost of capital, achieve a PBR of 1x or higher, and regain our position as a company trusted from both business and financial perspectives.

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- 31 CFO Message
- ▶ 35 Financial Targets for FY2028
- 36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges
- 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability



Medium-Term Management Plan 2026–2028

Financial Targets for FY2028

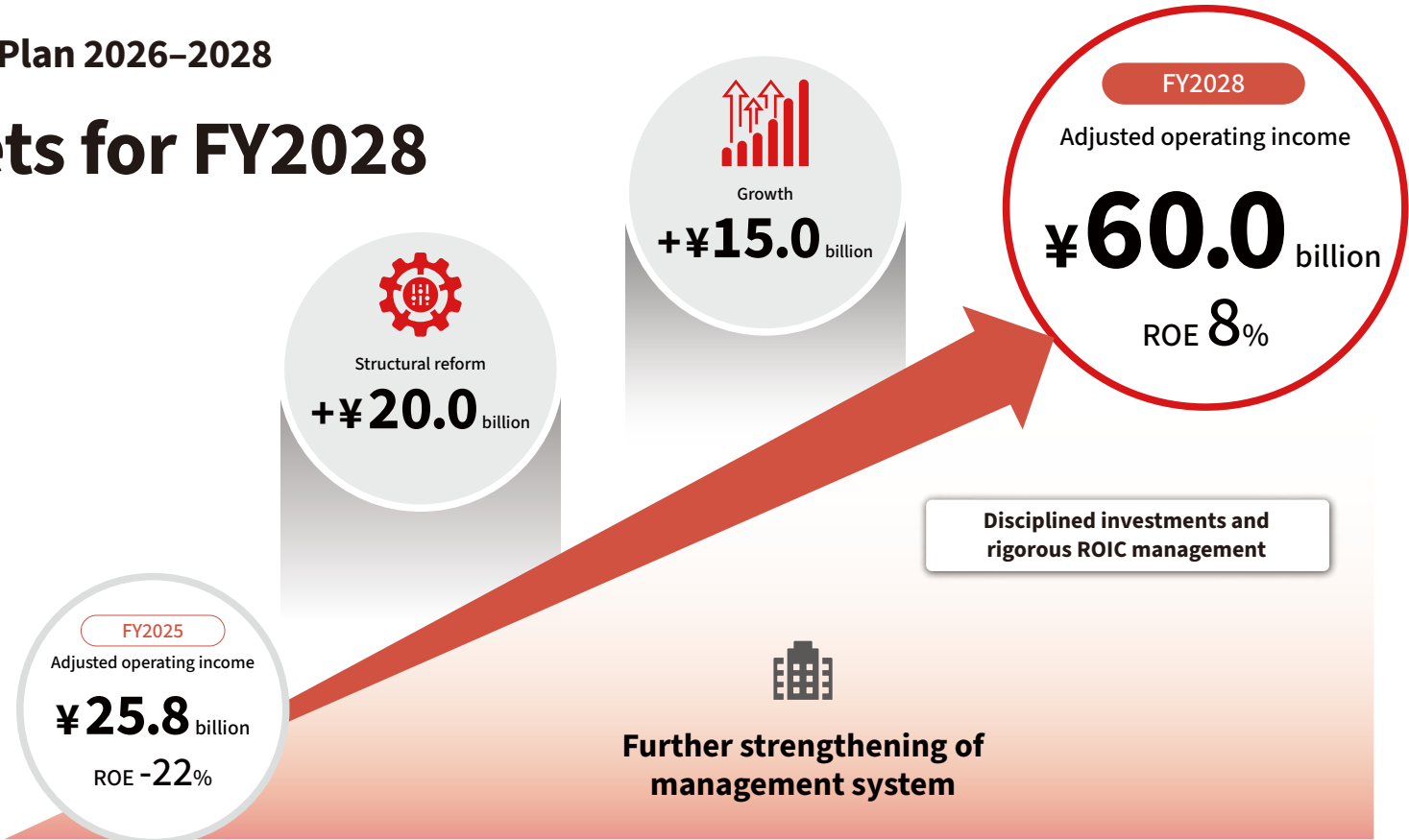
Our FY2028 financial targets are revenue of ¥970.0 billion and adjusted operating income of ¥60.0 billion. We will prioritize profit growth and improved capital efficiency and rigorously pursue management centered on ROIC by making ROIC targets visible for each segment.

In capital allocation, our basic policy is disciplined investment in areas where we can win, with a view to supporting our transformation to Customer-Driven business. Specifically, we will pursue growth investments in Apparel & Industries and Healthcare & Life Solutions, Companywide digital investments, and other initiatives.

For shareholder returns, we will continue stable dividends and are considering introducing DOE (dividend on equity ratio) in the future.

Through these initiatives, we will achieve a significant improvement in ROE to 8% and enhance corporate value through sustainable, profitable growth.

	FY2025 results		
	Revenue	Adjusted operating income	ROIC
Apparel & Industries (Fibers & Products Converting)	¥ 350.1 billion	¥ 17.1 billion	8%
Healthcare & Life Solutions (Healthcare)	¥ 138.6 billion	¥ 13.4 billion	7%
Electronics & Energy (Resin & Plastic Processing, Battery & Semiconductor Solutions)	¥ 149.9 billion	¥ 18.9 billion	16%
Specialty Materials (Aramid, Carbon Fibers, Composites)	¥ 212.8 billion	¥ -9.0 billion	—
Others	¥ 21.9 billion	¥ -14.7 billion	—
Consolidated total	¥ 873.2 billion	¥ 25.8 billion	2.6%



FY2028 medium-term targets		
Revenue	Adjusted operating income	ROIC
¥ 490.0 billion	¥ 22.0 billion	8%
¥ 105.0 billion	¥ 15.0 billion	12%
¥ 170.0 billion	¥ 19.0 billion	16%
¥ 185.0 billion	¥ 17.0 billion	6%
¥ 20.0 billion	¥ -13.0 billion	—
¥ 970.0 billion	¥ 60.0 billion	5%

Execution Model for Creating
Earning Power through
Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan
2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- 31 CFO Message
- 35 Financial Targets for FY2028
- ▶ 36 **Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges**
- 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability



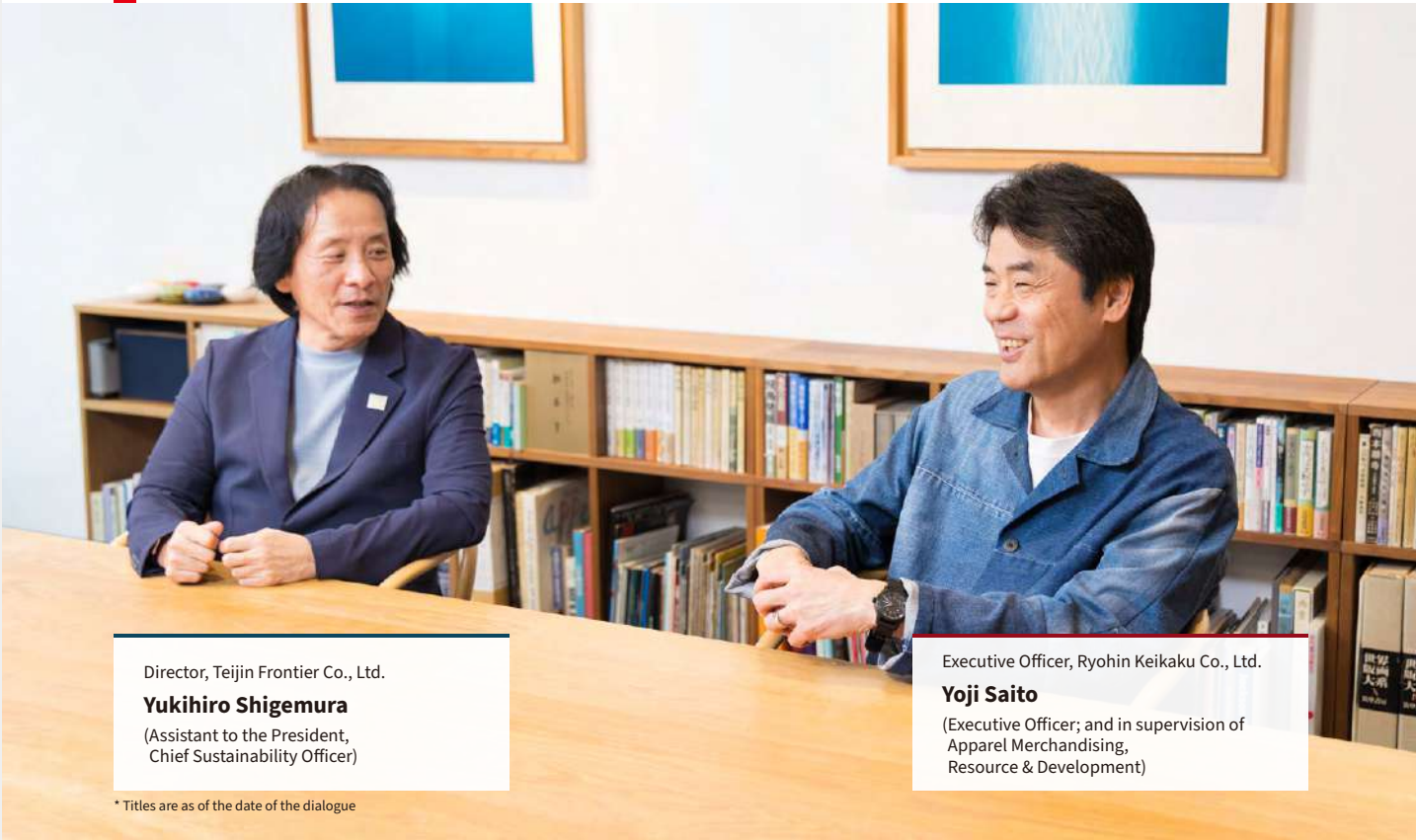
Special Feature

Value Creation Starting from Customer Challenges

—Co-creating a Circular Apparel Business with Ryohin Keikaku—

Starting from customer issues, we unlock the potential for new value creation. Teijin Frontier, which plays a central role in Teijin’s Apparel & Industries business, embodies its “Customer-Driven business” approach, which begins with dialogue with customers, jointly develops solutions, and puts them into practice as viable businesses.

In this dialogue, we explore the journey from sharing issues to co-creation and ultimately to value creation by each company through the initiatives undertaken by Ryohin Keikaku Co., Ltd. (hereinafter, “Ryohin Keikaku”) and Teijin Frontier. (Dialogue conducted in June 2026)



Director, Teijin Frontier Co., Ltd.
Yukihiro Shigemura
(Assistant to the President,
Chief Sustainability Officer)

Executive Officer, Ryohin Keikaku Co., Ltd.
Yoji Saito
(Executive Officer; and in supervision of
Apparel Merchandising,
Resource & Development)

* Titles are as of the date of the dialogue

The Challenges That Sparked Both Companies’ Initiatives

Shigemura Ryohin Keikaku and Teijin Frontier have been working together on a variety of initiatives for many years. More recently, we have also been advancing an initiative to use Teijin’s technology to recycle various polyester apparel collected at Ryohin Keikaku stores and cutting scraps generated during manufacturing into fibers for use in new apparel and household goods.

Saito At Ryohin Keikaku, we produce and sell large quantities of apparel products, but these also generate a great deal of waste and resource loss. For example, producing MUJI’s standard T-shirts generates cutting scraps equivalent to roughly 1.5 million shirts, and this loss was our biggest source of concern. Determined to keep resource waste to a minimum, we re-dye and re-process clothing collected at our stores, before reselling them under the ReMUJI line. However, annual sales of ReMUJI products stand at around 100,000 items, and we still have a long way to go. The fiber-to-fiber recycling rate is generally said to be less than 1%. Figuring out how to change this structure was a major challenge for us. Natural fibers such as cotton and wool can be recycled by garneting (fiber opening), but synthetic fibers are a different story. While we were struggling to figure out what to do, I remembered that Teijin was converting used clothing into fiber with its recycling technology. Reaching out to them was how this all began. We regard Teijin as a pioneer and leader in recycling technology, and we hoped to draw on that expertise to do something together.

Shigemura In 1995, we became an industry pioneer with the launch of *ECOPET* recycled polyester fiber. Since then, we have continued developing fiber-to-fiber recycling technologies that turn used polyester fibers into new fibers. In polyester recycling, the mainstream approach is to use relatively high-purity feed-stock such as plastic bottles. However, we still face many technical challenges in achieving fully circular recycling for waste like

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- 31 CFO Message
- 35 Financial Targets for FY2028
- ▶ 36 **Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges**
- 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability



clothing, which contains a mix of different materials. We also feel that Japan lags behind Europe in corporate and consumer understanding of resource circulation. Under these circumstances, Ryohin Keikaku is deeply committed to resource circulation for clothing and continuously works to engage consumers. Being able to form a partnership with them carries great significance for us.

Saito We offer a wide range of products beyond apparel products, including bags, pouches, and other items. This gives us the flexibility to design applications and outlets for recycled materials. We also have manufacturing, sales, and collection sites for these items. However, recycling products back into resources is not something we can achieve on our own. It requires technology that turns collected products into new textile products. Across these various circulation initiatives, we divide our roles with Teijin Frontier clearly and complement each other.

Deepening the Partnership

Shigemura First, we invited Ryohin Keikaku to visit our show-room, Teijin Mirai Studio, and explained our technology, thought process, and initiatives. We also spoke frankly about what conditions would make this feasible and where the technical constraints lie.

Saito To be honest, at that point I wanted to carefully assess whether fiber-to-fiber recycling would be meaningful. I wanted to understand the differences in energy requirements and costs between producing polyester from petroleum resources and



recycling collected clothing and fabric scraps. Even if an idea is sound in principle, it cannot be put into practice unless it is sustainable as a business. On that point, Teijin Frontier shared a variety of information and insights with us. We were then given a tour of the recycling pilot plant at the Matsuyama Factory. Through further discussions focused on data substantiating the technology, I became convinced that we could move forward with this initiative in earnest. At the same time, I sensed Teijin Frontier’s strong commitment to resource circulation, which deepened my expectations for this initiative even further.



Shigemura They spent a full day with us at the plant, and we were able to have a very substantive discussion. I also believe that our ability to share a mutual commitment to tackle this seriously became the starting point for deepening mutual trust.

Challenges in the Co-Creation Process and How We Overcome Them

Shigemura The first hurdle was that apparel products often consist of multiple materials, so they are difficult to recycle into resources as-is. Among the products currently in distribution, only a small share is 100% polyester. Most are composite materials that blend cotton, wool, or other fibers. Moreover, when secondary materials such as buttons, zippers, and interlinings are considered, apparel products can be extremely complex. Even though single-material recycling technology is available, the world does



not yet have a system in place to completely return all apparel products to their original materials and circulate them. Therefore, we needed to change the composition of apparel products to make them easier to recycle. However, it is not realistic to change everything at once. Instead, we took an approach of narrowing down the materials, establishing a circulation process where feasible, and repeatedly conducting trials.

Saito On the premise of recycling apparel products into resources, we have been engaging in repeated discussions with Teijin Frontier about what product designs would make circulation easier. We refer to the design philosophy premised on circulation as “Circular Design.” To achieve this, we are unifying materials, including secondary materials such as buttons, sewing thread, piping, and care labels, into polyester, and shifting toward designs that can be fed straight into the recycling process and turned back into raw materials. One example is our “Design for Circularity” fleece series. While we have employees with expertise in natural fibers, we do not have anyone with expertise in synthetic fibers. We therefore asked Teijin Frontier to assign employees to work with us, and they participate in the development process from the design stage.

Execution Model for Creating
Earning Power through
Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan
2026–2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- 31 CFO Message
- 35 Financial Targets for FY2028
- ▶ 36 **Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges**
- 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability



Shigemura Another challenge was figuring out how to make it a viable business. Ideally, resource circulation would function as a business. Currently, however, there is no established model for this anywhere in the world. We would normally start by assessing business viability. In this clothing resource circulation project, however, we began by considering what Teijin Frontier could do to help Ryohin Keikaku achieve its goals and resolve the issues it sought to address. Building on that, we explore the necessary technologies and frameworks, with the ultimate goal of making this a viable business. Going forward, I believe it will be impossible to continue operating a textile business unless we can reduce our environmental impact and ensure resource circulation. In other words, rather than figuring out whether it can be a viable business, we are working to develop the necessary systems and technologies with the mindset of making it a viable business.

Saito Contributing to the community and society is a basic requirement for doing business. At the same time, I believe it is also extremely important to ensure that we build a viable business. In doing so, I am mindful of the risk of sustainability being treated as a passing trend. If values such as environmental responsibility and traceability are merely used as marketing buzzwords, substantive efforts will not continue. In that sense, too, we see our work with Teijin Frontier not as being bound by short-term results, but as building a foundation for the future.

Changes Born from the Co-Creation Efforts
of Both Companies

Saito In the past, we designed products with an emphasis on design, functionality, and cost. Now, it has become second nature to question whether a product, including its accessories, can be recycled back into raw materials. We now carefully scrutinize at the sample stage whether the materials and components are suited for circulation. This Circular Design philosophy is now well established within our company. However, I believe it will take some time to take hold among consumers. With that said, as Mr. Shigemura mentioned earlier, I believe it is important to continue doing what we can without overextending



ourselves, and I am confident that consumers will eventually recognize this philosophy.

Shigemura Through co-creating with Ryohin Keikaku, our approach to manufacturing has also changed significantly. In the past, we tended to focus on refining recycling technologies, but we have moved from a technology-first mindset to a strong focus on how those technologies should be developed into successful products. We now think not only about the technology itself but also about how to turn it into value, which I feel is a significant change. I believe this is the essence of the value that customers demand from the Teijin Group.

Our Shared Vision for Value Creation

Saito We are currently working on collecting and recycling our own products, with a particular focus on contributing to the communities where we have stores. As an extension of this, we aim to create a society that is not premised on disposal. In the future, we hope to go beyond our own products and create a resource circulation system that includes products from other companies as well, thereby contributing value to society. That said, this is not something that can be accomplished in a short time. It will take time, not least to build consumer understanding, but by steadily accumulating improvements, we hope to bring about significant change down the road. To that end, we expect Teijin Frontier to develop technologies that extend resource circulation to a wider range of products, and to serve as a driving force for implementing these initiatives in society. As partners,

we also hope to work together to ensure these technologies are widely adopted in society.

Shigemura I believe that implementing resource circulation throughout society requires integrating it into our touchpoints with the market and customers. In this respect as well, it is extremely meaningful for us to work with a partner like Ryohin Keikaku, which has capabilities spanning collection, manufacturing, and sales and is expanding these initiatives across its own business. On the other hand, as composite materials become increasingly common, many technical challenges must be overcome to further expand resource circulation. Accordingly, we set up a consortium to establish fiber-to-fiber resource circulation in collaboration with other textile manufacturers and research institutions and are working to address these challenges. Going forward, it will be important to establish these technologies and to build systems that enable them to actually function in society. To that end, we hope to expand the initiative in stages while continuing to validate our approach with Ryohin Keikaku.

The insights and co-creation methods gained through our work with Ryohin Keikaku are the very embodiment of the Teijin Group's Customer-Driven business. We will deploy these initiatives at Teijin Frontier as a model for Customer-Driven co-creation across the Group. Through this, I would like to drive business growth and expansion for the entire Teijin Group.



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026-2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- 31 CFO Message
- 35 Financial Targets for FY2028
- 36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges
- ▶ 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

- Business Outline
- Technology Strategy
- DX/AX Strategy
- Human Capital Management
- Sustainability



Medium-Term Management Plan 2026-2028

Key initiatives and challenges to address

Apparel & Industries
(Fibers & Products Converting)

1. Sustainable growth

2. Stable profit base

3. Reconstruction

Basic Strategy

Expanding our Customer-Driven business through the integration with Asahi Kasei Advance

Key initiatives and Key challenges to address

Textiles & Apparel

- Further strengthen differentiation in the sports and outdoor markets in Japan and overseas, which are key earnings drivers, through high-performance materials, eco-friendly materials, and other offerings, while also expanding sales
- Expand global supply capacity and profitability by strengthening the supply chain and taking other measures in response to customers' shift to ASEAN

Industrial textiles & Materials

- Increase sales of high-value-added products to improve profitability in mobility applications
- Increase production capacity for polyester staple fibers for various filters, and expand the product lineup and increase earnings in the consumer products business

Targets (Unit: Billions of Yen)

Year	Revenue	Adjusted operating income
2025	350.1	17.1
2026	400.0	19.0
2028 (FY)	490.0	22.0

MESSAGE

Susumu Kamata
Teijin Group Executive Officer
Group President of Apparel & Industries
General Manager, Fibers & Products Converting Business Unit
President and Chief Executive Officer, Teijin Frontier Co., Ltd.

We have pursued sustainable growth by flexibly combining the functions of a trading company and a manufacturer and rapidly responding to diverse customer needs. Taking the business integration with Asahi Kasei Advance as an opportunity, we will work to create new values.

In textiles & apparel in addition to the polyester materials in which we excel, we will utilize the Asahi Kasei Group's nylon and cupro fibers to strengthen sales in sports and fashion, while combining our technologies to develop innovative materials. In industrial textiles & materials, we will strengthen collaboration between the two companies' airbag-related sites and aim to expand sales volumes through proactive cross-selling in areas with little overlap. In new business fields, we will also launch a new lifestyle brand and develop and sell products such as functional apparel incorporating beauty ingredients.

Over these three years, we will steadily advance the business strategies and internal integration associated with the business integration, striving to become a symbol of industry restructuring that transcends corporate group boundaries. We will also continue working to expand eco-friendly businesses toward realizing a circular economy.

Key Points for Growth and Transformation

In December 2025, we decided to merge Teijin Frontier Co., Ltd., a wholly owned subsidiary of Teijin Limited, with Asahi Kasei Advance Corporation, a wholly owned subsidiary of Asahi Kasei Corporation, and entered into a basic agreement regarding the integration. The new company, TA Frontier Co., Ltd. is scheduled to be established on October 1, 2026. This integration is intended to leverage the complementary strengths of the two companies' business platforms, sales networks, and customer assets to achieve sustainable growth and maximize corporate value. We will combine the two companies' unique strengths in textiles, resins and chemical products, and building materials.

This business integration will enable us to acquire new products and technologies for *Kumiawase* and create more opportunities for *Suriawase* with customers who are new to both companies, thereby enabling further expansion of Customer-Driven business. By establishing TA Frontier, we will further strengthen our competitiveness in markets in Japan and overseas and aim to become the market leader in the industry.

Business integration of Teijin Frontier and Asahi Kasei Advance

	Apparel sector	Industrial materials sector	Building materials	Resin chemicals
Teijin Frontier	Raw yarns and raw cotton (upstream)	Textiles (midstream)	Garment products (downstream)	Artificial leather
Asahi Kasei Advance			Mobility	Airbags

Integration / expansion of business domains

Integration/expansion of business domains

Environmental materials, Building materials, Resin/chemicals

"Synergy" from the business integration

Acquisition of new pieces of Kumiawase, such as nylon/cupro processing bases and technologies

Expanding Suriawase opportunities centered on enhancing customer assets for building material applications

Growth through synergy strategy

Standalone growth

Approximately ¥500.0 billion

¥400.0 billion

Asahi Kasei Advance

Teijin Frontier

2026

Around 2030

<Four Priority Measures>

- Integration of both companies' global value chains
- Expanding scale, joint sales activities leveraging both companies' material brands, and developing new customers
- Joint development of high-performance materials
- Sharing technologies and know-how through personnel exchanges

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026-2028

27 Review of the Previous Medium-Term Management Plan

28 Business Model Transformation and Value Creation

29 Three Key Actions under the New Medium-Term Management Plan

30 Strengthening the Management System Supporting Customer-Driven Business

31 CFO Message

35 Financial Targets for FY2028

36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges

39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

Medium-Term Management Plan 2026-2028

Key initiatives and challenges to address

Healthcare & Life Solutions (Healthcare)



1. Sustainable growth

2. Stable profit base

3. Reconstruction

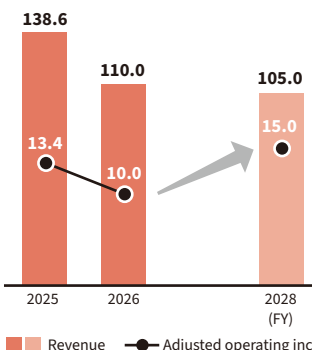
Basic Strategy

Achieve distinctive growth centered on a strong home healthcare platform

Key initiatives and Key challenges to address

- Maximizing business value in the sleep apnea syndrome/respiratory field and further expanding the service platform
- Focusing the pharmaceuticals business on rare/intractable disease areas and shifting resources to core areas
- Maximize the value of treatments for rare/intractable diseases and acquire products by leveraging the home healthcare platform
- Entering the medical services business in the home-visit healthcare field for long-term growth
- Creating opportunities to acquire pharmaceutical and medical device product portfolios for use in home-visit healthcare

Targets (Unit: Billions of Yen)



Year	Revenue	Adjusted operating income
2025	138.6	13.4
2026	110.0	10.0
2028 (FY)	105.0	15.0

MESSAGE



Masaki Taneda
Teijin Group Executive Officer
Group President of Healthcare & Life Solutions
General Manager, Healthcare Business Unit
President, Teijin Pharma Limited

In Healthcare & Life Solutions, toward achieving our business purpose of realizing the desired medical treatment in a familiar location through the provision of “Cure & Care,” we will fully leverage the business platform we have built around home healthcare equipment and our high level of expertise in pharmaceuticals and medical devices, aiming to evolve from a mere provider of products and services into a one-of-a-kind comprehensive home healthcare provider.

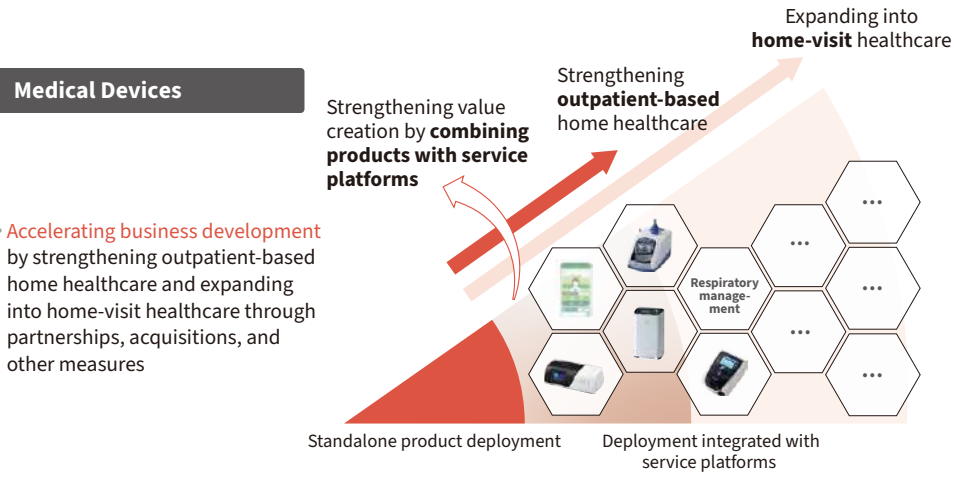
Under the new medium-term management plan, we will broaden the conventional concept of home healthcare and shift to a new business model. We will also develop new business platforms, including facilities classified as home settings, realize a new form of home healthcare through the *Kumiawase* of products and services, contribute to solving issues in local communities, and evolve our business portfolio into one that combines profitability and growth potential.

By engaging closely with all stakeholders and listening to their voices, continually asking ourselves what we should hone and what we should change, and translating transformation into action, we believe that the accumulation of these efforts will enable us to contribute to solving issues in local communities. We will pursue these efforts every day.

Key Points for Growth and Transformation

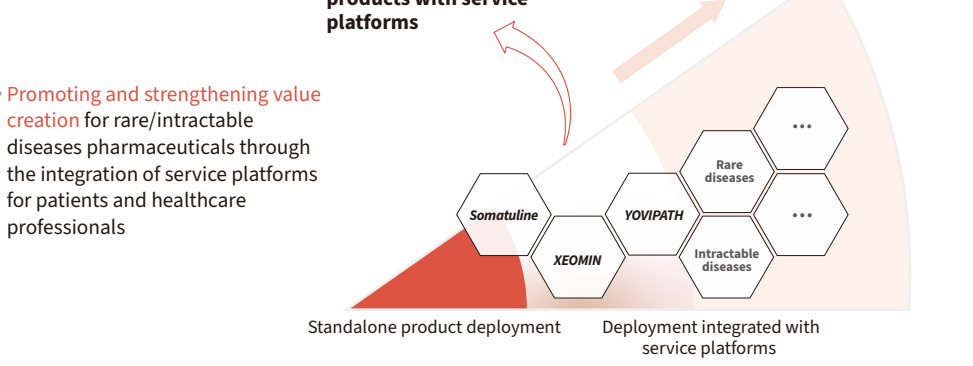
Redefining home healthcare and aiming to become a one-of-a-kind comprehensive home healthcare provider

- Creating value through the *Kumiawase* of products and service platforms based on *Suriawase* with patients and healthcare professionals
- Providing seamless value from outpatient-based home healthcare to home-visit healthcare



Pharmaceuticals for rare/intractable diseases

- Promoting and strengthening value creation for rare/intractable diseases pharmaceuticals through the integration of service platforms for patients and healthcare professionals



Execution

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026-2028

- 27 Review of the Previous Medium-Term Management Plan
- 28 Business Model Transformation and Value Creation
- 29 Three Key Actions under the New Medium-Term Management Plan
- 30 Strengthening the Management System Supporting Customer-Driven Business
- 31 CFO Message
- 35 Financial Targets for FY2028
- 36 Special Feature: Customer Dialogue Value Creation Starting from Customer Challenges

▶ 39 Key initiatives and challenges to address (Apparel & Industries, Healthcare & Life Solutions, Electronics & Energy, Specialty Materials)

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability



Medium-Term Management Plan 2026-2028

Key initiatives and challenges to address

Electronics & Energy
(Resin & Plastic Processing, Battery & Semiconductor Solutions)



1. Sustainable growth
2. Stable profit base
3. Reconstruction

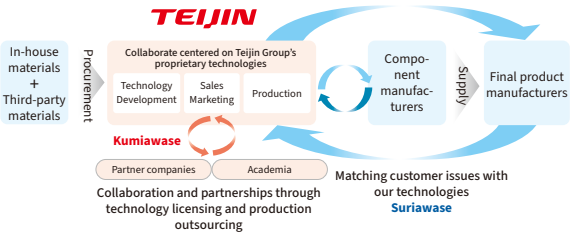
Basic Strategy

Maintain the high-profit structure and lay the groundwork for growth in the next medium-term management plan

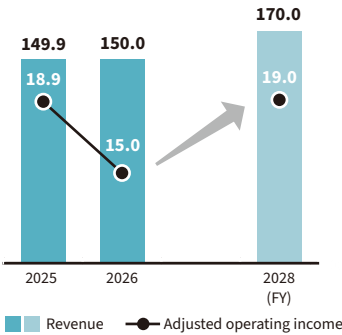
Key initiatives and Key challenges to address

- Establishing a stable profit base, with key initiatives including expanding sales in growth areas and developing environmentally compliant products (e.g., PFAS-free products)
- Combine diverse materials and technologies cultivated across fields to deepen and transform the Customer-Driven business

Initiatives to strengthen customer collaboration in Electronics & Energy



Targets (Unit: Billions of Yen)



MESSAGE



Junji Kitahama
Teijin Group Corporate Officer
Group President of Electronics & Energy
General Manager,
Resin & Plastic Processing Business Unit

Electronics & Energy aims to enhance its ability to propose solutions to social and customer issues, primarily in the electrical, electronics, and semiconductor fields, with high-performance materials at its core.

In the Resin & Plastic Processing Business, in addition to polycarbonate (PC) resin, we offer specialty PC resin for optical applications, functional resins, processed resin products, functional chemicals, and other products. Leveraging stable quality and our ability to respond promptly and meticulously to customer requests, we will steadily develop high-value-added products and expand our business domains.

In the Battery & Semiconductor Solutions Business, we will identify latent issues and needs concerning our differentiated product lineup, including innovative separators, high-performance membranes, and functional ultrafine carbon fibers, and strengthen our response to increasingly sophisticated and diverse demand.

Going forward, building on technologies cultivated by both businesses, including molecular design, compounding, and molding and processing, we will leverage market insights gained through dialogue with customers and collaboration with partners to strengthen our ability to propose solutions that combine technologies and services. Through these efforts, we will deepen existing business domains and develop new ones, contributing to increased corporate value.

Specialty Materials
(Aramid, Carbon Fibers, Composites)



1. Sustainable growth
2. Stable profit base
3. Reconstruction

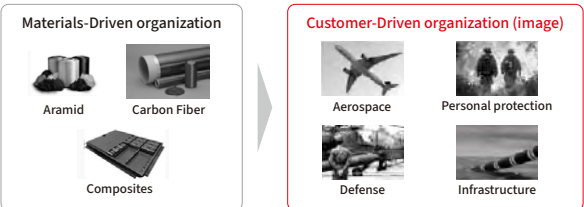
Basic Strategy

Execute decisive structural reforms to achieve profit improvement while pursuing transformation into the Customer-Driven business

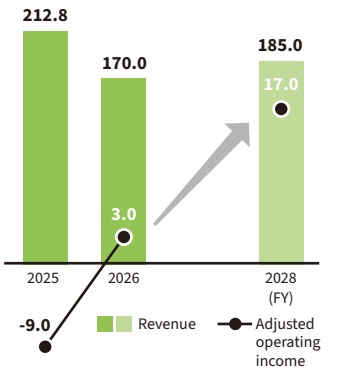
Key initiatives and Key challenges to address

- Rebuild production structures in line with sales volumes for both Aramid and Carbon Fibers, while pursuing fundamental cost structural reforms
- While shifting toward a high-profit business structure, explore transformation into the Customer-Driven business

Transformation from a Materials-Driven to a Customer-Driven organization



Targets (Unit: Billions of Yen)



MESSAGE



Yuji Nakahara
Executive Officer, Member of the Board,
Chief Technology Officer
Group President of Specialty Materials

Throughout its more than 100-year history, Teijin has developed pioneering high-performance materials. Starting with rayon and continuing with polyester, carbon fibers, and aramid, we have established a position as a pioneer in each field. We have also accumulated intangible assets beyond materials technologies, including know-how, human resources, and relationships with partners.

In recent years, however, it has become increasingly difficult to differentiate on materials alone. As customer needs become more diverse and sophisticated, it is essential to combine multiple technologies and expertise to solve customer issues in greater depth.

By treating the Aramid, Carbon Fibers, and Composites businesses as an integrated whole and bringing together technologies, know-how, and customer touchpoints, we will accelerate solution delivery through Suriawase and Kumiwase. We believe that delving into customers' operating environments and applications to create value at the implementation level is a source of our competitive advantage and will also lead to sustainable improvements in profitability.

In Aerospace, Defense, Personal protection, Infrastructure, and Mobility, Specialty Materials that deliver high performance in increasingly harsh and specialized environments will become even more important. By anticipating evolving needs, we will develop this business into a distinctive market leader in this field.

Business Outline Teijin Group's Key Businesses and Solutions

Execution

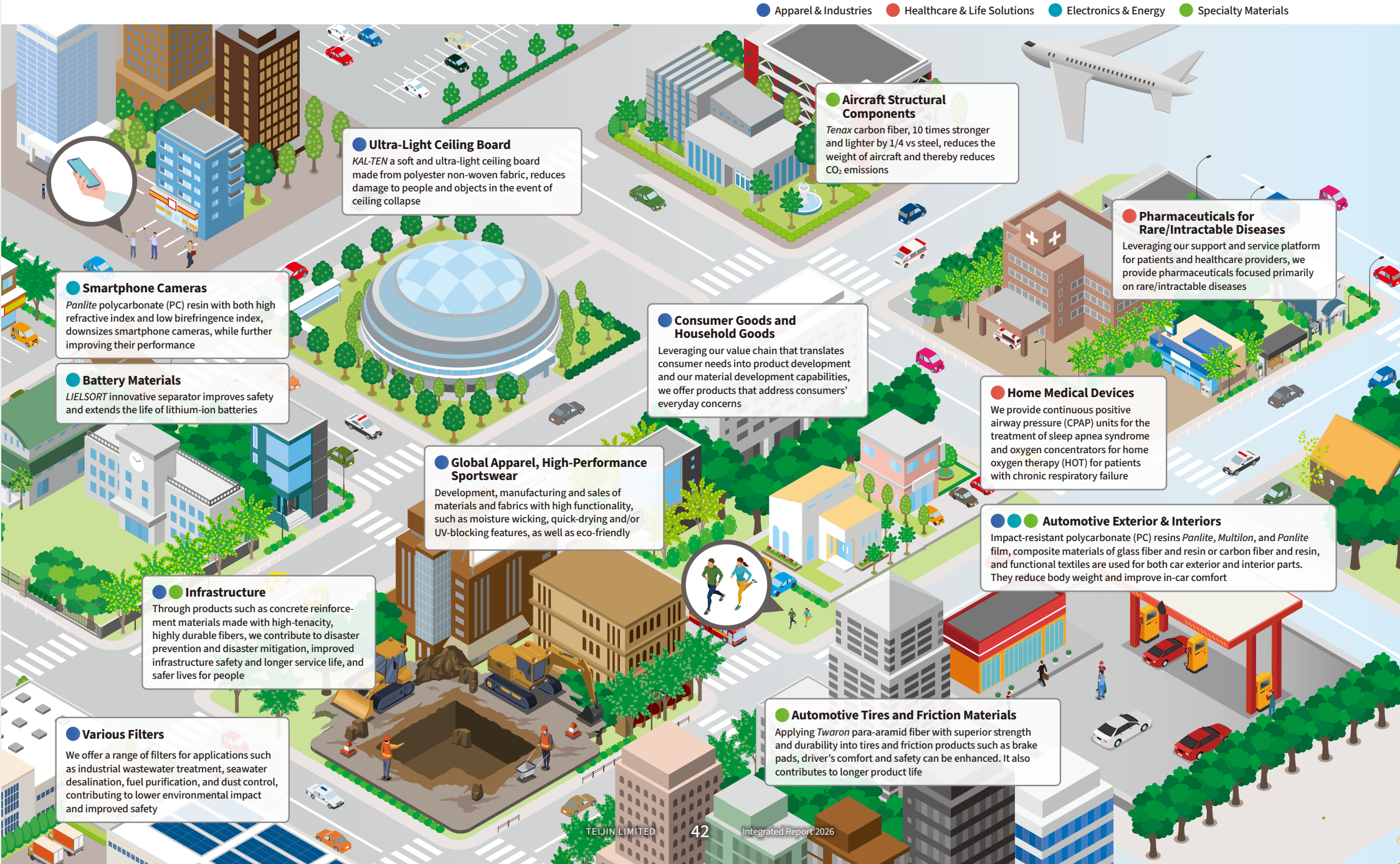
Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message
Medium-Term Management Plan
2026-2028

Business Outline
▶ 42 Teijin Group's Key Businesses and Solutions

- 43 Apparel & Industries
- 43 Healthcare & Life Solutions
- 44 Electronics & Energy
- 45 Specialty Materials
- 46 Topics by Business

Technology Strategy
DX/AX Strategy
Human Capital Management
Sustainability



● Apparel & Industries ● Healthcare & Life Solutions ● Electronics & Energy ● Specialty Materials

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

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

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

Infrastructure
Through products such as concrete reinforcement materials made with high-tenacity, highly durable fibers, we contribute to disaster prevention and disaster mitigation, improved infrastructure safety and longer service life, and safer lives for people

Various Filters
We offer a range of filters for applications such as industrial wastewater treatment, seawater desalination, fuel purification, and dust control, contributing to lower environmental impact and improved safety

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

Consumer Goods and Household Goods
Leveraging our value chain that translates consumer needs into product development and our material development capabilities, we offer products that address consumers' everyday concerns

Aircraft Structural Components
Tenax carbon fiber, 10 times stronger and lighter by 1/4 vs steel, reduces the weight of aircraft and thereby reduces CO₂ emissions

Pharmaceuticals for Rare/Intractable Diseases
Leveraging our support and service platform for patients and healthcare providers, we provide pharmaceuticals focused primarily on rare/intractable diseases

Home Medical Devices
We provide continuous positive airway pressure (CPAP) units for the treatment of sleep apnea syndrome and oxygen concentrators for home oxygen therapy (HOT) for patients with chronic respiratory failure

Automotive Exterior & Interiors
Impact-resistant polycarbonate (PC) resins Panlite, Multilon, and Panlite film, composite materials of glass fiber and resin or carbon fiber and resin, and functional textiles are used for both car exterior and interior parts. They reduce body weight and improve in-car comfort

Automotive Tires and Friction Materials
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. It also contributes to longer product life

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message
Medium-Term Management Plan
2026–2028

Business Outline

42 Teijin Group's Key Businesses and Solutions

▶ 43 Apparel & Industries

▶ 43 Healthcare & Life Solutions

44 Electronics & Energy

45 Specialty Materials

46 Topics by Business

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

Business Outline

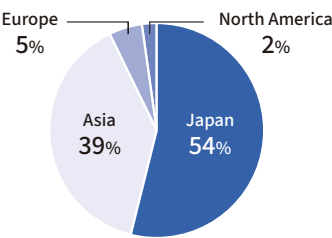


Apparel & Industries
(Fibers & Products Converting)

Business Information ➡ Other fundamental information

Main products	Polyester raw yarn and cotton, textiles, and textile products
Main applications	Textile & apparel (global apparel, high-performance sportswear, heavy apparel, etc.) Industrial textile & materials (automotive components, heavy-duty fabrics and membrane materials, functional raw cotton, consumer goods, etc.)
Market share	Specialized textiles trading company Market leader in Japan Domestic leader in tents and heavy-duty fabrics
Competitors	Specialized textiles trading company, domestic and overseas synthetic fiber manufacturers, etc.

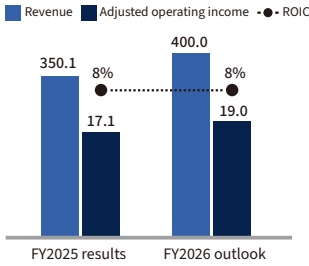
Regional Breakdown (FY2025)



SWOT

Strengths	- Diverse applications and a broad customer base - Flexible and stable product supply through the integration of trading company and manufacturing functions	Weaknesses	- Delays in developing and growing next-generation businesses - Heavy reliance on Japanese and Asian markets
Opportunities	- Growing need for enhanced mobility safety and infrastructure development and repair - Growing societal demand for recycling and other initiatives to realize a circular economy	Threats	- Disruptions in the global supply chain - Rising labor and raw-material costs

Segment Performance Trends (billions of yen)



■FY2025 Results and Review

Revenue and profit were down slightly year on year, but sales remained solid in all fields. In the textile & apparel field, sales of textiles for North America and apparel for the Japanese market were strong, while sales of materials and products in China also made a significant contribution to results. In the industrial textile & materials field, despite the impact of a delayed recovery in demand for mobility applications, sales of polyester staple fibers for various filters and household goods through TV shopping remained strong.

■FY2026 Outlook and Strategy

The benefits of the business integration with Asahi Kasei Advance are expected to emerge gradually from the second half of the fiscal year. In the textile & apparel field, we aim to expand sales for sports and outdoor applications and to global customers. In the industrial textile & materials field, we will work to create synergies with new businesses acquired in the previous fiscal year, including the airbag fabric plant in Changshu, China, while continuing to focus on increasing sales of polyester staple fibers and household goods.



Healthcare & Life Solutions
(Healthcare)

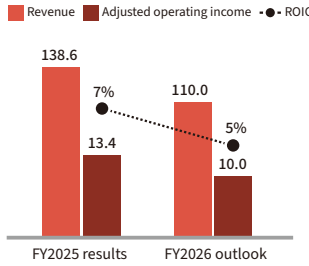
Business Information ➡ Other fundamental information

Main products	Medical devices: Continuous Positive Airway Pressure (CPAP) Unit: <i>SLEEPMATES</i> series Home oxygen therapy (HOT) devices: <i>Hi-Sanso</i> series
	Pharmaceuticals: Pancreatic/Gastrointestinal Neuroendocrine Tumors: <i>Somatuline</i> Treatment for Limb Spasticity and Chronic Sialorrhea: <i>XEOMIN</i> Treatment for hypoparathyroidism: <i>YOVIPATH</i>
	Community-based integrated care: Multi-professional collaboration information sharing system: <i>VitalLink</i> Home-visit Nursing Service Provider Support System: <i>NsSpace</i>

SWOT

Strengths	A business platform built as a pioneer in Japan's home healthcare field, centered on patient support and services for medical professionals	Weaknesses	- Limited ability to respond rapidly to changes in the business environment - Insufficient ability to develop and grow new products and businesses
Opportunities	- Growing need for home healthcare ✓ Super-aged society ✓ Policy measures promoting home healthcare and healthcare collaboration	Threats	- Drug price revisions and revisions to the medical service fee system - Emergence of competitors and alternative treatments

Segment Performance Trends (billions of yen)



■FY2025 Results and Review

In the field of pharmaceuticals, although increased use of generics and drug price revisions had an impact, licensing income contributed to earnings. In the home healthcare device field, rental unit volumes remained solid. *XEOMIN* received approval for an additional indication for chronic sialorrhea, the first such approval in Japan, while *YOVIPATH*, a treatment for hypoparathyroidism, received manufacturing and marketing approval. We also decided to take over *OSTABALO*, steadily advanced the shift to a business structure combining the treatment of rare diseases with home healthcare, and made steady progress in rebuilding our business foundation.

■FY2026 Outlook and Strategy

We will continue to expand sales of CPAP and other products, and expect sales volumes of pharmaceuticals for treating rare/intractable diseases to increase as we expand indications for *XEOMIN* and ramp up sales of *YOVIPATH*. Meanwhile, for pharmaceuticals other than those for rare/intractable diseases, we will steadily explore best-owner options, including the decision in June 2026 to transfer seven pharmaceutical products to third parties. By building the new business platform set out in the medium-term management plan, we will provide a new form of home healthcare through the *Kumiwase* of products and services and contribute to solving issues in local communities.

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message
Medium-Term Management Plan
2026–2028

- Business Outline
- 42 Teijin Group’s Key Businesses and Solutions
 - 43 Apparel & Industries
 - 43 Healthcare & Life Solutions
 - ▶ 44 Electronics & Energy
 - 45 Specialty Materials
 - 46 Topics by Business

- Technology Strategy
- DX/AX Strategy
- Human Capital Management
- Sustainability

Business Outline



Electronics & Energy (Resin & Plastic Processing, Battery & Semiconductor Solutions)

Business Information ⓘ Other fundamental information

[Resin & Plastic Processing]

Main products	Polycarbonate (PC) resins: <i>Panlite, Multilon</i> PC film: <i>PURE-ACE</i> PC sheet: <i>Panlite</i> , etc.
Main applications	Electrical and electronics components, automotive components, office automation (OA) equipment, optical lenses, etc.
Competitors	PC resin manufacturers, compounders, and sheet and film manufacturers
Production bases	PC resin (polymers): Japan (Matsuyama), China (Zhejiang Province) Compounds: Japan (Mihara), China (Shanghai), Thailand (Ayutthaya)

[Battery & Semiconductor Solutions]

Main products	Innovative separator: <i>LIELSORT</i> High-performance membrane: <i>MIRAIM</i> Ultrafine carbon fiber: <i>PotenCia</i>
Main applications	Battery materials for electronic devices, contaminant-removal filters for semiconductor manufacturing processes, high-performance next-generation battery materials
Competitors	Separator manufacturers, Membrane manufacturers
Production bases	Separators: South Korea (Asan) Membranes: Japan (Matsuyama)

■FY2025 Results and Review

[Resin & Plastic Processing]

Although the sluggish Chinese economy and intensifying competition continued to affect our mainstay polycarbonate resin business, sales volumes remained solid, particularly for electrical/electronic and automotive applications.

Meanwhile, revenue declined year on year due to factors including raw material market conditions and product mix. Even amid these difficult conditions, we worked to improve productivity and maintain stable quality and supply, resulting in resilient earnings.

SWOT

[Resin & Plastic Processing]

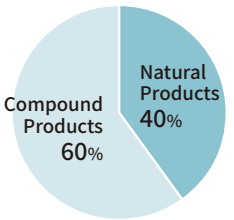
Strengths	- Material modification technologies based on resin interface control, special designs, etc., and highly consistent quality - Customer base built across diverse applications and know-how for translating needs into concrete requirements	Weaknesses	- Relatively high dependence on PC resin for earnings, with business portfolio expansion still underway - Geographic concentration of production and sales bases, with room to deepen relationships with non-Japanese and overseas customers
Opportunities	- Growing demand for high-performance materials as automotive electrification and semiconductors advance - Opportunities to propose materials and technologies that meet quality requirements for medical applications and reduce environmental impact	Threats	- Softening of the supply-demand balance due to stagnation in the Chinese market and capacity expansion by emerging manufacturers, with continued price competition - Impact on profitability and supply from raw material market conditions, exchange rates, trade conditions, and geopolitical risks

[Battery & Semiconductor Solutions]

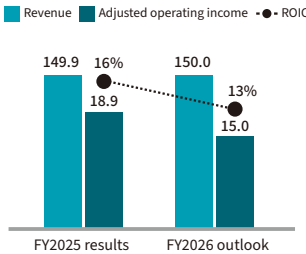
Strengths	- Customer-Driven development capabilities and advanced production and quality management capabilities - High-performance polymer design and microstructure control technologies accumulated through existing businesses	Weaknesses	- Limited ability to respond to supply-demand fluctuations arising from dependence on specific markets and constraints on business scale - Cost structure focused on high value-added products under a niche-market leadership strategy
Opportunities	- Growing demand for high value-added products for high-end consumer electronics applications - Growing demand for high-performance materials as cutting-edge semiconductors evolve	Threats	- Risk of technological obsolescence due to rapid market changes - Difficulty sustaining competitive advantages due to the emergence of new materials

[Resin & Plastic Processing]

Breakdown by PC resin type (FY2025)



Segment Performance Trends (billions of yen)



■FY2026 Outlook and Strategy

[Resin & Plastic Processing]

In growth areas such as automotive, semiconductors, telecommunications, and medical applications, our key initiatives will be to develop and expand sales of high-value-added PC resins, functional resins, and processed resin products, as well as environmentally responsive technologies and products, leveraging our distinctive strengths: outstanding quality (functionality, stability, etc.) and material modification capabilities that meet customer requirements. Through these initiatives, we aim to solve customer issues and strengthen our profit base.

[Battery & Semiconductor Solutions]

In battery solutions, we expect continued strong demand for separators in high-end applications and will promote the development of new materials for next-generation batteries that can become our next key offerings after separators.

In semiconductor solutions, we will develop membranes for high-performance filters compatible with increasingly miniaturized cutting-edge processes, expand their adoption, and also promote expansion into applications such as ion-exchange membranes.



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message
Medium-Term Management Plan 2026–2028

Business Outline

- 42 Teijin Group’s Key Businesses and Solutions
- 43 Apparel & Industries
- 43 Healthcare & Life Solutions
- 44 Electronics & Energy
- ▶ 45 Specialty Materials
- 46 Topics by Business

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

Business Outline



Specialty Materials (Aramid, Carbon Fibers, Composites)

Business Information ⓘ Other fundamental information

[Aramid]

Main products	Para-aramid fibers: <i>Twaron</i> and <i>Technora</i> Meta-aramid fiber: <i>Teijinconex</i>
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

[Carbon Fibers, Composites]

Main products	Carbon fiber, Oxidized PAN fiber, Intermediate materials Glass fiber composite materials, carbon fiber composite materials
Main applications	Carbon fiber: Aerospace, general industrial, sports and leisure Composites: automotive components
Market share	Among the top global players in the carbon fiber market
Competitors	Carbon fibers: Toray, Mitsubishi Chemical, Hexcel Corporation, Chinese manufacturers, etc. Composites: Fritzmeier Composite, Röchling, etc.

■FY2025 Results and Review

[Aramid]

Although our mainstay product *Twaron* was affected by the slow recovery in the European automotive market and delays in projects for ballistic protection applications, sales volume increased due to expanded sales in applications such as optical fibers. Meanwhile, revenue increased but profit declined year on year, as sales prices fell due to a stronger euro and changes in product mix and operating rates declined due to major scheduled maintenance, although lower depreciation resulting from impairment losses provided some support. We are currently implementing fundamental cost structural reforms, aiming for an early recovery in fundamental profitability.

SWOT

[Aramid]

Strengths	• A frontrunner in implementing a circular value chain for aramid • Ability to build customer relationships through technical support	Weaknesses	• Concentration of production at a single location and high fixed costs • High dependence on the automotive market
Opportunities	• Growing demand in the safety and protection and new energy fields • Faster and higher-capacity communications, including data centers	Threats	• Volatility in prices for raw materials and fuel due to geopolitical risks • Deteriorating supply-demand balance due to the rise of competing manufacturers

[Carbon Fibers, Composites]

Strengths	• Integrated technologies spanning filaments through composites, and world-class quality • Ability to respond to diverse customer requirements and technological capabilities in high value-added products such as intermediate materials for next-generation aircraft	Weaknesses	• Limited price competitiveness of commodity products and an ongoing shift to a sales mix centered on intermediate materials • High concentration of raw material production at a single location
Opportunities	• Growing need for lightweighting in fields such as aircraft, mobility, and robotics • Growing demand for eco-friendly products and solutions related to hydrogen, renewable energy, and other environmental needs	Threats	• Intensifying competition in the European automotive and carbon fiber markets due to the rise of emerging Chinese manufacturers • Slow growth in aircraft production volumes and declining automotive demand due to factors such as the economic slowdown

[Carbon Fibers, Composites]

For Carbon Fibers, sales volume declined due to continued supply chain constraints in aerospace applications and the effects of the weak European economy and intensifying competition in industrial applications. In response to pressure on earnings from falling prices for commodity products, we are also implementing fundamental cost structural reforms, including a temporary shutdown of the U.S. plant. Profitability in the Composites Business improved following completion of the transfer of the North American Business on July 1, 2025. We will continue to work on strengthening the business foundation.

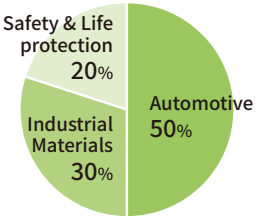
■FY2026 Outlook and Strategy

[Aramid]

The para-aramid market is expected to grow at approximately 4% annually, with demand in the defense and infrastructure sectors expected to expand from an economic security perspective. Meanwhile, oversupply is expected to persist. Going forward, we will shift from pursuing volume to emphasizing value, focus on areas where we can leverage our competitive advantages, such as ballistic protection and submarine cables, and accelerate structural reforms to achieve an early recovery in fundamental profitability. Furthermore, as we work to transform toward Customer-Driven business, we will promote downstream business expansion in high value-added fields.

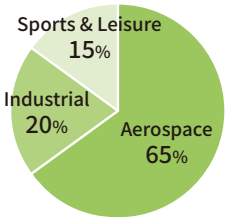
[Aramid]

Sales volume breakdown of para-aramid fibers by application (FY2025)



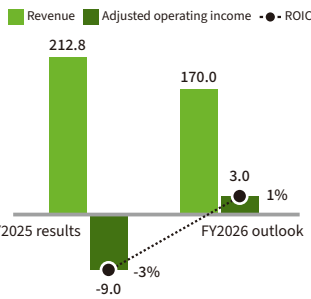
[Carbon Fibers, Composites]

Sales breakdown of carbon fibers by application (FY2025)



Segment Performance Trends

(billions of yen)



[Carbon Fibers, Composites]

For Carbon Fibers, backed by a recovery in aircraft demand, we will shift toward higher-profit applications and expand the intermediate materials business, while reviewing low-profit businesses. For Composites, we will expand into growth areas such as air mobility and robotics and increase sales of new products such as ultra-heat-resistant, flame-retardant, and impact-resistant components. While continuing to restructure production systems and implement fundamental cost structural reforms in both businesses, we will integrate technologies and know-how to accelerate the shift to Customer-Driven business.

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026-2028

Business Outline

- 42 Teijin Group's Key Businesses and Solutions
- 43 Apparel & Industries
- 43 Healthcare & Life Solutions
- 44 Electronics & Energy
- 45 Specialty Materials

46 Topics by Business

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

Topics by Business

Apparel & Industries

A bag developed with Shigeru Joshima to meet the needs of producers and consumers

We were approached by media personality and businessman Shigeru Joshima, who asked whether we could reuse agricultural produce that would otherwise be discarded and create a stylish, easy-to-use bag for mothers. Together, we developed the *RINGO-TEX** bag. *RINGO-TEX* is a high-grade artificial leather made by putting apples that would otherwise have to be discarded to effective use. Using this material, which helps address the challenges faced by apple farmers in Aomori, we developed and sold a bag packed with convenient and delightful ideas that we carefully worked out together with Mr. Joshima, and received a great deal of positive feedback from customers. We will continue to develop and deliver products that meet the needs of producers and consumers.

* *RINGO-TEX* is a trademark of appcycle Inc.



Electronics & Energy

Development of a high-quality solvent-based recycled polycarbonate resin

We have developed a solvent-based recycling technology that uses a new proprietary process to dissolve used polycarbonate (PC) resin in a solvent, remove foreign substances and purify it, regenerating the material as recycled PC resin with transparency and physical properties equivalent to virgin PC resin.

This technology enables transparent-to-transparent recycling, which is difficult to achieve through conventional material recycling, and allows closed-loop recycling for high-value-added applications. It also has lower manufacturing costs and generates fewer CO₂ emissions during production than chemical recycling, which breaks materials down into monomers, thereby achieving both lower environmental impact and resource circulation.

As countries tighten environmental regulations, including the proposed ELV Regulation, toward realizing a circular economy, there is an urgent need to expand the use of recycled materials and develop related technologies. To meet these needs, we aim to commercialize recycled PC resin using this technology at an early stage while further improving quality and expanding the range of applications.



Molded products using solvent-based recycled PC resin

Healthcare & Life Solutions

Expanding the pharmaceutical lineup in the rare/intractable disease areas

We are working to address unmet medical needs and enhance corporate value by expanding our pharmaceutical lineup in the rare/intractable disease areas. In November 2025, we launched *YOVIPATH*. This is the first of three products in-licensed from Ascendis Pharma A/S (Ascendis) to be launched and is Japan's first parathyroid hormone preparation for hypoparathyroidism. By replacing the parathyroid hormone that is deficient in the condition, it enables treatment based on the disease's pathophysiology. We are also advancing the development of the remaining two products in-licensed from Ascendis. In February 2026, we submitted an application for manufacturing and marketing approval for *TransCon hGH* (development code: ACP-011), with short stature due to growth hormone deficiency in patients without epiphyseal closure as the proposed indication. We are also conducting a Phase III clinical trial in Japan of *TransCon CNP* (development code: ACP-015) as a once-weekly treatment for achondroplasia.

XEOMIN, a botulinum toxin type A preparation, received approval in June 2025 for an additional indication for chronic sialorrhea, the first such approval in Japan, and in June 2026 for the additional indications of cervical dystonia and blepharospasm. Through the ongoing expansion of indications, we are helping provide new treatment options and improve patient access in the field of neuromuscular disorders.



Specialty Materials

First adoption of Sereebo P carbon fiber composite molding material in last-mile mobility

The customer was seeking a solution that could simultaneously achieve faithful product design reproduction, weight reduction without compromising strength and functionality, and lower environmental impact. To meet these needs, *Sereebo P* CFP grade, a thermoplastic carbon fiber composite material, was adopted for the latest model, WHILL Model C Lite, last-mile mobility device developed and marketed by WHILL, Inc.

As an alternative to aluminum and magnesium, it helps achieve both weight reduction and improved strength. In addition, its excellent moldability, enabled by high flowability, allows it to meet sophisticated design requirements. It is used for components such as footrests, backrests, arms, and battery cases.

Furthermore, by utilizing recycled carbon fiber generated during the manufacturing process, it also supports the customer's sustainability initiatives and contributes to reducing CO₂ emissions.



Execution Model for Creating Earning Power through Customer-Driven Business

- Chief Strategy Officer (CStO) Message
- Medium-Term Management Plan 2026–2028
- Business Outline
- Technology Strategy
 - ▶ 47 Message from the Chief Technology Officer
 - 49 Technology Strategy
 - 51 Intellectual Property
- DX/AX Strategy
- Human Capital Management
- Sustainability

Technology Strategy

Message from the Chief Technology Officer



Yuji Nakahara
Executive Officer, Member of the Board
Chief Technology Officer (CTO)
Group President of Specialty Materials

Competing in an Age When Materials Alone are Not Enough

It has been a year and a half since I assumed the role of Chief Technology Officer (CTO). During this time, as I have visited our frontlines and spoken with employees, I have gained a renewed appreciation of the wealth of outstanding technologies Teijin possesses. However, I frankly believe that we still have work to do in maximizing those technologies into value that reaches customers through *Suriawase* and *Kumiawase*.

For a long time, we lived in an era where simply developing a stronger, lighter material directly created value. By going back to the molecular structure and designing a new polymer, we could delight our customers. However, in recent years, the share of final product value attributable to material performance has declined. What customers look for are solutions to issues that materials alone cannot address, including shorter development cycles, reduced inventories, and more efficient manufacturing processes. For example, rather than simply delivering sheets for customers to process themselves, we can go into customer operations and provide integrated support covering everything from cutting and processing to operational improvements, helping streamline manufacturing processes and reduce inventories. What matters

is not the material itself, but solving customer issues through optimal solutions that include materials.

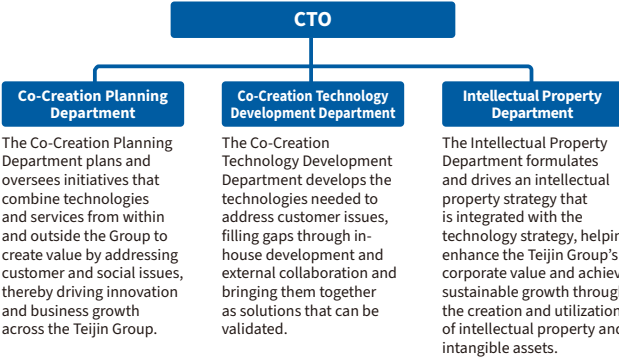
To build the foundation needed to drive these efforts to solve customer issues, we positioned cross-organizational integration of technologies as a key theme when formulating the new medium-term management plan. We cannot support customers across their entire value chains while our organizations remain siloed. If each business unit keeps its technologies to itself, it becomes difficult to combine them across businesses. In addition to providing superior materials, our engineers work closely with sales to identify a wide range of customer needs and issues and propose solutions that combine materials with services and, where appropriate, products from other companies. That is the starting point of our technology strategy.

Shifting the Technology Portfolio from Elemental Technologies to the Value We Provide to Customers

As the first step in transforming our technology strategy, we identified and organized the elemental technologies we considered most important and shared a technology portfolio comprising 32 such technologies across the Company. If every employee has a different view, we cannot prioritize how we allocate resources. We first needed to align the entire Group on which technologies are considered most important. At the same time, we reviewed our principles on technology ownership. After a year of discussions among the technology leaders of all business units, we arrived at the conclusion that technologies belong not to individual business units, but to the Company as a whole. Based on this approach, we assigned a lead expert to each of the 32 elemental technologies so that the technologies accumulated in each business can be shared and leveraged as corporate assets. Using these experts as hubs, we will share insights and know-how across businesses, working to deepen our technologies and broaden their applications. However, organizing and sharing technologies is not an end in itself. What matters is clarifying what value those technologies can deliver to our customers. Naturally, customers

ask us what value our technologies can offer them. In 2026, we therefore took a step beyond the framework organized around the 32 elemental technologies, entering a second stage in which we are reorganizing the technology portfolio around the customer value provided by combining them. We have currently finished consolidating them into about 10 domains.

For example, there is a domain called “impact management.” In this domain, we can build on the impact resistance of our materials to provide integrated capabilities spanning system and material design, quality control, and regulatory compliance, including certification. Rather than seeking to demonstrate our strengths through any single technology, we are beginning to see the customer value that can only be created through the *Kumiawase* of multiple technologies. To execute our technology strategy centered on *Suriawase* and *Kumiawase*, in April 2026 we reorganized the units under the CTO into a new three-department structure. The Co-Creation Planning Department draws out customer insights from a marketing perspective, while also driving external collaboration (open innovation). The Co-Creation Technology Development Department drives the combination of technologies and builds a pipeline for creating new value for customers. The Intellectual Property Department works closely with these departments on a daily basis and oversees the intellectual property strategy for the entire Group. With this new structure, we



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

▶ 47 Message from the Chief Technology Officer

49 Technology Strategy

51 Intellectual Property

DX/AX Strategy

Human Capital Management

Sustainability

Technology Strategy

will oversee the Company-wide technology strategy while leading its transformation as a corporate research unit that embodies Customer-Driven R&D.

The Ability to Grasp Unspoken Needs and an AI Platform that Unlocks Technology Assets

Alongside *Kumiawase*, I also emphasize *Suriawase*, our ability to uncover customer issues and needs through deep dialogue with customers. Simply expressing functional attributes like tensile modulus or specific gravity as numerical specs makes those advantages easy for competitors to imitate and tends to lead to price competition over time.

What matters is drawing out needs that customers themselves cannot yet put into words. I believe this is something that can only be understood by visiting the frontlines and seeing the entire operational value chain. Turning these insights into new value propositions and business models is what creates true differentiation. Our Customer Insight Team under the Co-Creation Planning Department moves quickly and flexibly to grasp customer issues.

Another pillar that will accelerate these efforts is the use of AI to leverage our technology assets. Teijin has amassed a vast wealth of technology data over more than a century, but much of it was dispersed across individual business units, leaving us with a library but no index. To address this, in FY2026 we will implement

a system that centralizes these technology assets and uses AI-powered machine learning to enable employees to freely search across the organization for information such as what technologies we possess, who has relevant expertise, and how those technologies have been applied or failed in the past. Even engineers who have just joined the Company will be able to easily access internal technical information and receive appropriate technical support. Infrastructure like this is extremely important for leveraging the full depth of Teijin’s accumulated technical knowledge. Furthermore, by linking the system with data on customer needs and external information such as academic papers and patents, we will use this AI platform to strengthen our ability to develop proposals for customers. By using AI to help narrow down the countless possible forms of *Kumiawase* to the one best suited to each customer’s needs, we can dramatically shorten the time required to deliver value and turn this speed into a competitive advantage.

Integrating Technology Strategy and Intellectual Property Strategy

The role of intellectual property is also changing. Patenting our internal technologies will remain a key activity, but what will become increasingly important is analyzing published intellectual property to determine the direction of our technology strategy.

Technologies progress from their infancy through growth and maturity. By tracking changes in the number and sources of patent applications, we can see when the competitive landscape shifts dramatically. We use IP landscape analysis like a radar screen to determine where to make our next move. A dedicated IP landscape analysis team in the Intellectual Property Department is driving this effort.

Turning Technology Assets into Customer Value, Then into Results

I am certain of one thing when it comes to innovation. When researchers remain isolated in their laboratories, innovation will not happen, no matter how much money is invested. People deepen ideas through ongoing discussion, while customers put technologies to use through prototypes and products. We then gather their feedback and refine the technologies. Innovation can only emerge from this accumulation of person-to-person discussion through technology. Moreover, when people with different areas of expertise and experience challenge one another, they are more likely to create something truly interesting. Once this is in place, the rest comes down to probability theory. If we can create opportunities for people and technologies to interact, and increase the frequency of those interactions, the results should naturally follow. The 32 elemental technologies and the customer value they generate serve as a rallying point for increasing this probability, and I hope they will bring customers and all our employees together to challenge one another, one after another.

Under the new medium-term management plan, we aim to run 8 co-creation projects annually and advance multiple projects to the commercialization phase. This is an ambitious target, but I see it as a test of whether Teijin’s technology strategy is headed in the right direction. I also expect the shift to a Customer-Driven business to contribute to achieving our earnings targets in growth domains, with the benefits emerging particularly quickly in the Specialty Materials and Electronics & Energy segments. As CTO, I take full responsibility for those numbers and will work to achieve them. I hope our investors will look forward to what we can achieve. We will demonstrate the true value of Teijin.

In-House AI Vision

01

Data accumulation

Continuously ingest internal and external knowledge and data into a data lake through automated integration
Build a cross-functional knowledge base that can be leveraged by AI

Technology assets
(Kumiawase)

- Unique in-house technology assets
- Technical reports

Voice of the customer
(Suriawase)

- Customer Relationship Management (CRM)
- Sales and order information

External/public
information

- Academic papers and patents
- Market information

02

AI platform (RAG)

- Combine RAG with the data lake to search and reference internal knowledge with high accuracy
- Use securely through access controls

Information discovery

Source citation

Continuous learning

Access control

03

Personal AI deployment

- Deploy multiple business-specific AIs
- Each department and employee uses the AI best suited to their own work

Sales AI

Technology AI

Manufacturing AI

Personal optimization

Toward an AI Platform that Integrates Customer, Technology, and Market Insights to Accelerate Co-Creation

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026-2028

Business Outline

Technology Strategy

47 Message from the Chief Technology Officer

▶ 49 Technology Strategy

51 Intellectual Property

DX/AX Strategy

Human Capital Management

Sustainability

Technology Strategy

Basic Approach

The Teijin Group has positioned *Suriawase* and *Kumiawase* at the core of its technology strategy to pursue a Customer-Driven business. *Suriawase* is the process of accurately identifying customers’ increasingly diverse and sophisticated issues and providing solutions that combine a broad range of goods and services to address them. *Kumiawase* involves flexibly drawing not only on our own materials and in-house production, but also on external materials, processing capabilities, and services. Through these approaches, we aim to deliver customer value and maximize the value we provide. Through these initiatives, we will also drive sustainable business growth, including by creating new businesses.

Priority Measures to Drive the Technology Strategy

- Leverage *Suriawase*, *Kumiawase*, and AI & digital technologies to lead the transformation of value provided to customers
- Optimally utilize technology, human resources, and capital across the Company to accelerate innovation through co-creation
- Strengthen exploration and incubation systems to continuously create new businesses
- Strategically utilize the IP landscape to integrate technology strategy with intellectual property strategy
- Promote external communication and collaboration while seeking to revitalize the organization through the cultivation of next-generation experts and the active participation of diverse human resources
- Respond flexibly and quickly to diversifying customer needs through agile management that enables rapid decision-making

Intelligent Platform that Accelerates “Suriawase” and “Kumiawase”

We will build an intelligent platform centered on a common data lake for sharing and utilizing data across the entire Company. By aggregating and integrating the vast technical data accumulated in each business unit and the latest insights gained from ongoing technology development, we will make full use of our proprietary technology assets that are difficult for competitors to replicate.

By also integrating external information, such as patents and academic papers, and utilizing generative AI for knowledge discovery and design support, we will dramatically strengthen our ability to develop proposals through the optimal combination (*Kumiawase*) of internal and external technologies and accelerate the identification of customer issues and delivery of solutions (*Suriawase*) to address customer issues. This will further enhance our technological competitiveness and value delivery capabilities, accelerating sustainable growth and the establishment of a competitive advantage in the market.

Combining Elemental Technologies to Create Customer Value

We will further develop the technology portfolio rebuilt in FY2025 and utilize it as a tool to drive value creation. Specifically, we will systematize our internal technology assets and organically connect the technologies, expertise, human resources, and facilities of each business to accelerate the advancement and application of elemental technologies. We will also complement our capabilities in adjacent domains by collaborating with external partners, broadening the scope of our technology deployment. Furthermore, building on this systematically organized portfolio of technologies, we will deepen our



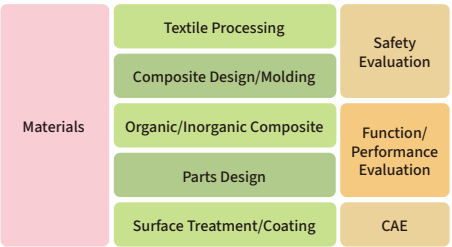
discussion with customers, translate new possibilities created through the *Kumiawase* of internal and external technologies into customer value, and maximize the value we provide through *Suriawase*.

- Materials
- Evaluation/Analysis
- Processing Design
- Biotechnology/Life Science

Example of *Kumiawase*

Impact Management

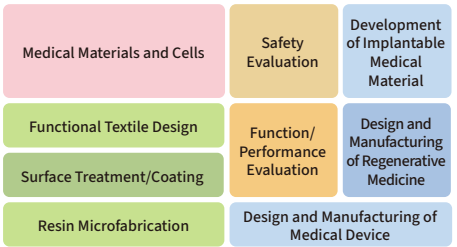
Absorbing, dispersing, and controlling energy from impact



Example of *Kumiawase*

Biocompatibility

Mimicking biological structures and utilizing biocompatible materials



In particular, through vertical collaboration spanning raw material design, processing, simulation, and evaluation, as well as horizontal collaboration across business units, we will achieve the optimal *Kumiawase* of internal and external technologies to create and differentiate the value we provide to customers. For example, building on our technologies for manufacturing and processing implantable medical materials and regenerative medicine products in clean environments, we are developing medical technologies with biocompatibility that enables them to integrate with tissue and function within the body. We aim to apply technologies developed through this *Kumiawase* approach to next-generation healthcare devices and other applications, creating new value for customers.

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026-2028

Business Outline

Technology Strategy

47 Message from the Chief Technology Officer

▶ 49 Technology Strategy

51 Intellectual Property

DX/AX Strategy

Human Capital Management

Sustainability



Technology Strategy

Launching Co-Creation Project

As a key measure to transform our business model from the conventional Materials-Driven to a Customer-Driven, we launched a co-creation project in FY2025. This initiative begins with identifying the true needs and issues of markets and customers and collaborating with internal and external partners to develop solutions.

We emphasize *Suriawase* with customers who ultimately determine value across the supply chain, making proposals quickly and frequently by combining multiple technologies, materials, and services. At the beginning of the fiscal year, we select themes based on discussions with management and each business unit. We then assemble an optimal team of members from across different businesses, areas of expertise, and nationalities to drive the project forward.

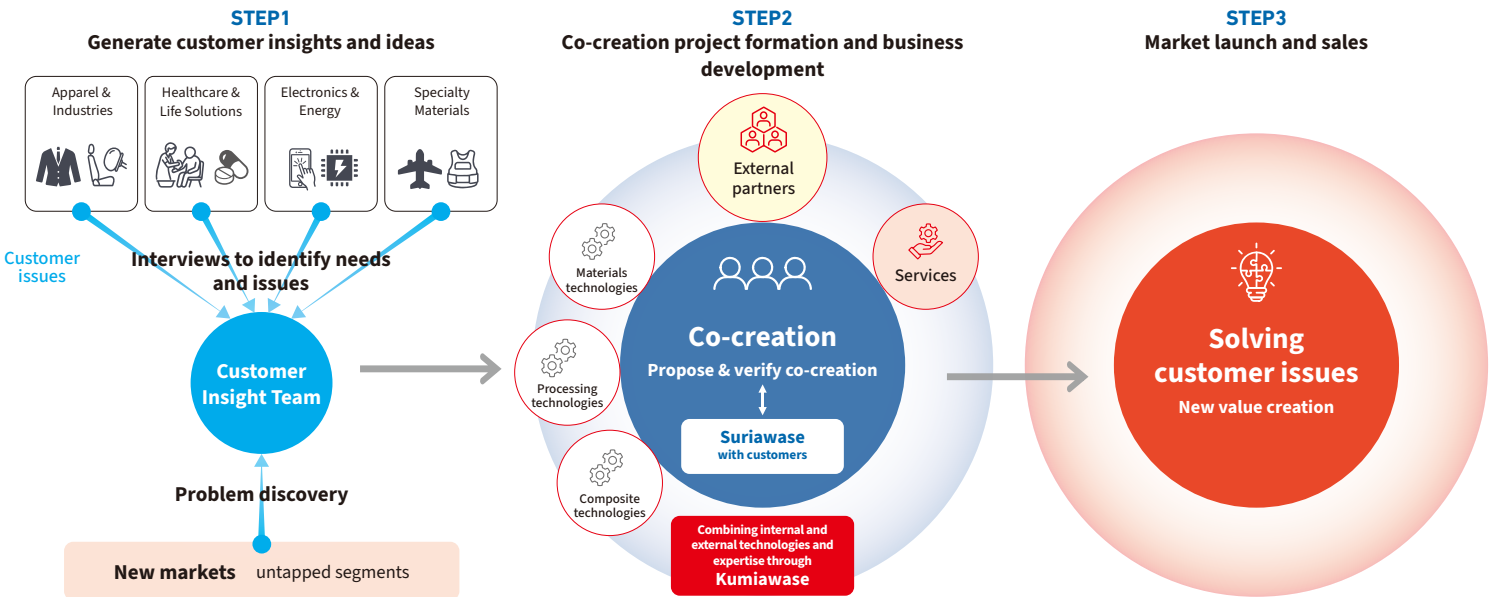
Through these processes, we aim to go beyond solving individual issues and create a mechanism for innovation that brings together diverse knowledge and continuously generates new value. Ultimately, we aim to both solve customer issues and achieve medium- to long-term growth in our business.

Accelerating Co-Creation Project through IP Landscape Analysis

At the customer insight and idea generation stage (STEP 1), we work closely with the Intellectual Property Department and use IP landscape analysis to quantitatively and objectively visualize our technological capabilities and the market potential for priority market domains and potential themes that may involve multiple departments. By combining this analysis with insights from customer interviews, we go beyond assessing our current competitive advantages to identify promising themes with strong market potential that should be advanced to business development at an early stage. In addition, by promptly integrating intellectual property information into the activities of the Customer Insight Team, we have established a framework for rapidly moving to the next steps.

STEP 1: Mechanism for Generating Customer Insights and Ideas

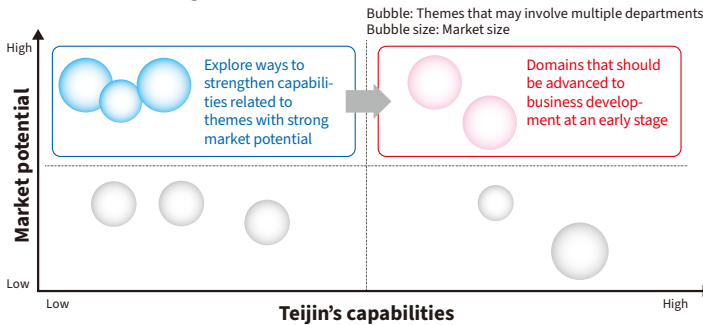
We define our target market domains by using both backcasting and forecasting, and identify the ultimate decision-making unit (DMU) in each domain as the customer. The business units that engage most closely with customers on a daily basis work with the Customer Insight Team to identify their true issues and needs based on firsthand feedback from the front-lines. They then explore these issues from diverse perspectives and develop hypotheses, translating them into concrete business ideas.



STEP 2 & 3: Mechanism for Commercialization

We select promising themes from among these ideas and assemble a project team. The project team fully leverages our internal capabilities while also incorporating technologies and expertise from external partners as needed. Through repeated proofs of concept (PoCs) and hypothesis testing based on *Suriawase* with customers, we refine the solutions. Ultimately, we deliver the value created to customers, helping them solve their issues.

Example Positioning of Potential Themes for a Market Domain



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

47 Message from the Chief Technology Officer

49 Technology Strategy

► 51 Intellectual Property

DX/AX Strategy

Human Capital Management

Sustainability



Intellectual Property

IP Strategy to Drive Customer-Driven Business

The Teijin Group’s intellectual property (IP) strategy is built on securing strong IP rights ahead of competitors and leveraging them to gain a competitive business advantage. With a particular focus on IP intelligence, IP portfolio management, and an integrated use of intellectual property rights, we are driving IP Activities across all businesses. From FY2026 onward, we will carry out IP Activities focused on the following four actions to strengthen the management system that drives our transformation to a Customer-Driven business and promote Customer-Driven business in each business.



(1) Leverage IP landscape to stay ahead of the market

With the aim of entering markets at an early stage, we will use IP information to comprehensively assess the growth potential of technology domains, the competitive landscape, and our capabilities, and identify where to focus our market entry efforts. We will also further drive targeted business development based on information about trends in customer challenges and new applications.

(2) Protect technologies supporting customer solutions through an IP portfolio

As we transition to a Customer-Driven business that addresses customer issues, we will accelerate the development of technologies that support value creation across the entire value chain, from supplying materials to addressing needs in midstream and downstream domains. In these domains, the patent rights we can obtain tend to have a relatively narrow scope. We will therefore aim to pursue the filing of multifaceted patent applications that cover each invention from multiple angles. Furthermore, by strengthening IP creation that encompasses not only material properties but also customers’ processing and molding, we aim to enhance customers’ productivity and establish barriers to entry for competitors.

(3) Strengthen competitive advantages through an integrated use of intellectual property rights

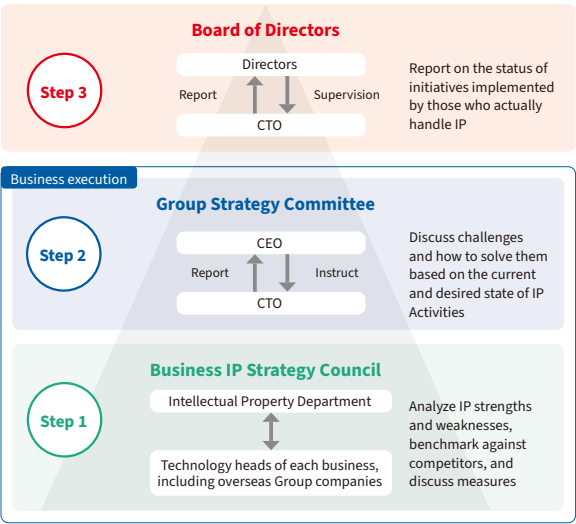
As we drive our transition to a Customer-Driven business, product design and brands will become increasingly important sources of competitiveness alongside technology. We will use a combination of patents, designs, trademarks, trade secrets, and other forms of IP. We will also focus on strategically using IP agreements to build win-win relationships with customers and securing rights through licensing.

(4) Actively leverage IP as a tool for competition and co-creation

We will appropriately exercise our IP rights to maximize the value generated by our R&D and business activities, while flexibly using IP licensing to secure the best partners for addressing customer challenges and expanding into new markets.

IP Governance Structure

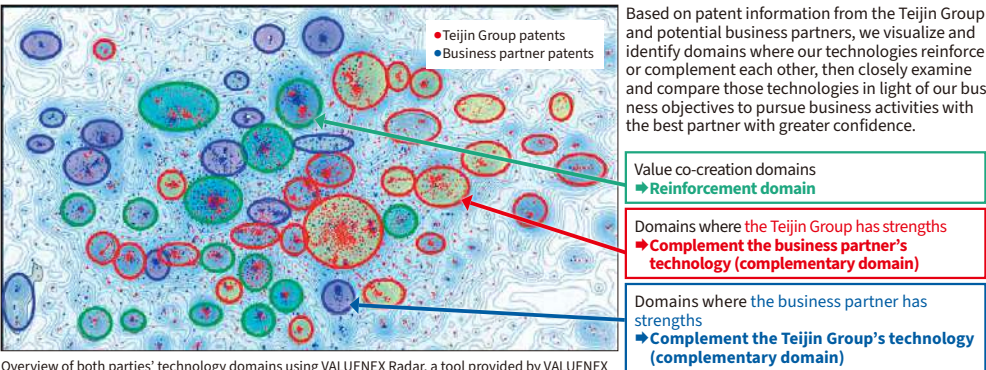
In accordance with the spirit of the Corporate Governance Code published by Japan’s Financial Services Agency, we have established a structure that enables the Board of Directors to effectively supervise IP Activities. Specifically, the structure consists of discussions on IP strategies for each business at the Business IP Strategy Council (Step 1), discussions on IP strategies among the management team including the CEO at the Group Strategy Committee (Step 2), and reporting to the Board of Directors by the Chief Technology Officer (CTO) (Step 3). Through this multi-layered and integrated process, the Teijin Group ensures appropriate governance over IP Activities across the entire Group.



Using IP Landscape for Management Decision-making

For important management and business decisions, the Teijin Group has established a process for conducting objective IP landscape analysis from the initial stages of deliberation and leveraging IP information in formulating management and business strategies.

For example, when selecting business partners, we analyze information on each party’s business foundations, sales networks, and customer bases, together with patent information, to visualize and quantify the extent to which the two parties complement and reinforce each other in each technology domain. This enables more objective evaluation of the suitability of potential business partners.



Overview of both parties’ technology domains using VALUENEX Radar, a tool provided by VALUENEX Japan Inc. (example visualization for business partner selection)

Execution

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

▶ 52 Message from the Chief Digital Officer

54 DX/AX Strategy

Human Capital Management

Sustainability

DX/AX Strategy

Message from the Chief Digital Officer



Yukihiro Funyu
Teijin Group Corporate Officer
Chief Digital Officer (CDO)

Turning Individual Strengths into Collective Strength

Since my appointment as CDO in April 2025, I have viewed the most important challenge as how to translate the DX initiatives built up at each front line into value creation across the Group.

To date, the Teijin Group has steadily improved operational efficiency through frontline-led DX initiatives. These initiatives, deeply rooted in the front lines, have generated solid results and now form the foundation of Teijin’s competitiveness. This front-line capability will continue to play a significant role in the Teijin Group’s transformation going forward. However, many of these initiatives remained confined to individual optimization and had not yet translated fully into value creation across the Group. Even when excellent results were achieved at individual sites, they were often not deployed cross-functionally, making it difficult to translate them into company-wide competitive advantages. This stems from Teijin’s history of prioritizing the autonomy of its business units. This approach has historically been a driving

force behind our growth. However, the nature of competitiveness required today has changed, and we have entered a new phase in which survival depends on building on our frontline strengths and translating them into Group-wide strengths.

Integrating Bottom-Up and Top-Down Approaches

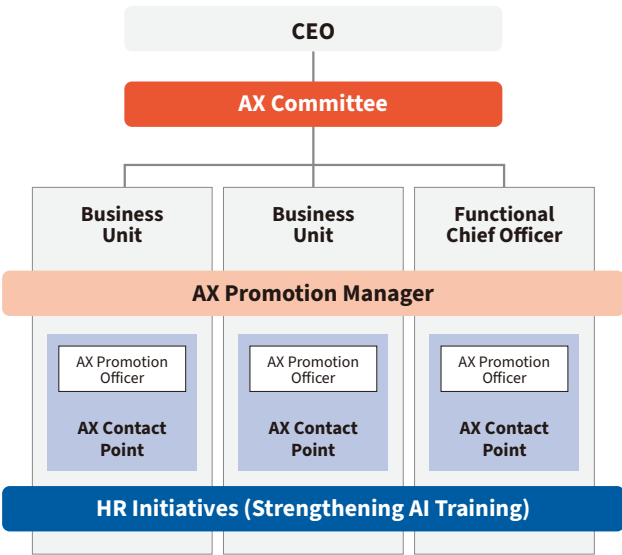
The same applies to how we advance DX. We have traditionally emphasized “autonomous DX,” which starts from issues in the front line. However, when we lean too heavily on bottom-up initiatives originating from frontline issues, the scope of activities narrows, and they seldom translate into major business results. Without a top-down view of where to concentrate resources for maximum value, efforts become fragmented, and we fail to deliver the medium- to long-term outcomes management expects. To translate frontline improvements into business outcomes that enhance corporate value, such as company-wide sales growth and cost reductions, it is essential to prioritize initiatives and allocate resources from an overall perspective. Moreover, unless DX is clearly linked to management strategy, its value will not be fully recognized, and it may be seen as merely adding costs.

Breaking out of this situation will require a framework that links DX initiatives to company-wide strategy and translates individual efforts into value creation across the Company. In other words, the lack of integration between bottom-up and top-down approaches is the fundamental challenge facing the Teijin Group and the highest priority that must now be addressed through our DX strategy. We have now begun solving this issue by translating management strategy KPIs into frontline DX initiatives while visualizing and sharing the results through the company-wide deployment of frontline best practices, thereby establishing a virtuous cycle that accelerates these efforts across the Company.

Four Measures for Overall Optimization

Specifically, we are driving four measures, with overall optimization at the core of our transformation. The first is global optimization, which serves as the foundation for promoting DX and AX company-wide. Currently, systems and business processes are fragmented across regions and businesses, hampering efficiency. To address this, we are integrating data and processes and have begun building a globally optimized IT infrastructure.

The second is the promotion of DX and AX to accelerate corporate value creation through AI. By leveraging digital technologies centered on AI, we focus on creating value across the Company as a whole, rather than merely improving efficiency in isolated areas. Accordingly, in FY2026, we established the AX Promotion Committee, with the CEO serving as chairperson and the CTO/CDO leading its activities.



Execution Model for Creating
Earning Power through
Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan
2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

▶ 52 Message from the Chief Digital
Officer

54 DX/AX Strategy

Human Capital Management

Sustainability

DX/AX Strategy

The third is strengthening security to ensure that DX and AX are promoted safely. As cyber risks increasingly emerge as management risks, we are enhancing our security framework, including our response to ransomware and other threats.

The fourth is the transformation of global DX/IT organizations to enable the efficient and continuous company-wide execution of DX and AX. To implement the three measures described above, we are reorganizing organizations previously dispersed across regions into One Team, thereby strengthening DX/IT governance and accelerating decision-making and execution.

Enhancing Organizational Maturity

Another perspective I am deeply mindful of is the maturity of the Company. Here, maturity means the degree to which the organization operates as one.

Generally, large companies with global operations mature as their organizations and operations evolve from a stage in which individual businesses and regions operate autonomously toward integration at the regional and ultimately global levels. The Teijin Group comprises roughly 130 companies. I believe we are currently at an autonomous and dispersed stage of maturity, where each company acts independently and rationally.

When individual markets were growing rapidly, we were able to pursue growth even with this approach. In fact, this approach enables faster responses and greater agility when expanding a Japan-based business into overseas markets. However, the phase of expanding our business globally has now run its course, and pursuing greater efficiency has become an important theme for further growth. To pursue this, we need to globally integrate and optimize our previously dispersed operations and systems. I view DX and AX as the foundation for raising our maturity and as a source of value creation that enables us to leverage the knowledge, technologies, and expertise accumulated across the Company as shared strengths. By leveraging integrated data using

the latest AI technologies, we can achieve transformation that enhances corporate value.

However, as previously dispersed systems and operations become interconnected, cybersecurity risks for corporate management will also increase. Accordingly, we will also strengthen our security framework at the same time. I also believe that organizational transformation to globally integrate organizational structures, authority, and decision-making is essential to making measures aimed at raising our maturity as a company effective.

Accordingly, the four measures of global system reconstruction, promotion of DX/AX, strengthening security, and transformation of global DX/IT organizations are interconnected. Although these efforts are wide-ranging, we will drive them in an integrated manner as a coordinated set of measures supporting our corporate transformation. This is the overall picture of the DX/AX strategy in the new medium-term management plan.

Balancing Transformation with the Maintenance
and Enhancement of Frontline Competitiveness

Standardizing and optimizing business processes through global system reconstruction is critical to improving company-wide efficiency and reducing costs. On the other hand, when we drive this overall optimization, there is a risk that the flexibility of business processes and systems previously optimized for each frontline operation will be temporarily constrained, potentially eroding frontline capabilities and adding some strain. We need to be mindful of this and proceed carefully, but DX/AX also has an important role to play in striking this difficult balance. I believe that by leveraging AI agents and other technologies to create an environment where frontline operations can work efficiently even on a standardized IT infrastructure, we can avoid simply prioritizing overall optimization and instead balance it with maintaining and improving frontline competitiveness.

Linking DX/AX to Corporate Value

To date, we have received feedback that the results of our DX initiatives have been hard to see. The ultimate aim of driving DX/AX is to increase corporate value by expanding sales, reducing costs, and improving profits. To achieve this, we must go beyond steadily meeting various KPIs. The business outcomes they generate must be clearly visible, and we must be able to explain how they have contributed to increasing corporate value.

Based on this understanding, we will firmly link the measures I have described to management indicators and move forward with visualizing the outcomes. Specifically, we will set the following three metrics as KPIs and monitor on a regular basis.

(1) Reduce costs

Through systems integration, we will standardize business processes and achieve reductions in IT costs and SG&A expenses.

(2) Improve productivity

We will use AI to reduce workload and drive business transformation, thereby improving productivity across the organization. For each of these initiatives, we will set productivity improvement targets and continuously monitor progress to quantitatively demonstrate their contribution to enhancing corporate value.

(3) Reduce management risk

We will minimize the business impact of cyber risks by strengthening security.

Through these initiatives, we aim to demonstrate during the new medium-term management plan period that Teijin's DX has entered a stage of delivering tangible results.



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

52 Message from the Chief Digital Officer

▶ 54 DX/AX Strategy

Human Capital Management

Sustainability

DX/AX Strategy

DX/AX Strategy Overview

The Teijin Group has achieved productivity improvements and other results through problem-solving and operational transformation driven by frontline-led autonomous DX initiatives. To develop these initiatives into a company-wide transformation, we designated AX* as a priority theme in FY2025 and are advancing the following four measures to accelerate AI-enabled changes in how our operations, businesses, and organization function.

We will integrate data and business processes through (1) Global Optimization and accelerate value creation by advancing (2) Promotion of DX/AX on this foundation. At the same time, we will advance

(3) Strengthening Security to ensure these initiatives are carried out securely and (4) Transformation of Global DX/IT Organizations to enable their continuous and efficient implementation worldwide.

By comprehensively implementing these four measures, we will strengthen our management system supporting Customer-Driven business, thereby achieving sustainable growth and enhancing corporate value. Going forward, we will advance each DX/IT measure in line with the medium- to long-term road-map shown below and reflect the resulting business outcomes in our management indicators.

* AX (AI Transformation): An initiative to transform business operations, decision-making, and organizational management with AI at the core to accelerate value creation across the Company.

Medium- to Long-term Roadmap	FY2025	FY2026	FY2027	FY2028	
(1) Global Optimization					
Global DWH/BI	Plan	Design	Development	Feature Additions and Adoption	Enhancing Group-wide performance management and management decision-making
IT Infrastructure Integration		Plan	Design	Integration	
Business System Integration		Plan	Design	Development	
(2) Promotion of DX/AX					
Strengthening AI Governance		Rule Development	Guideline Development	Rule and Guideline Adoption	Enhancing management and business through AI utilization
Driving AX PoC			Driving AX PoC	AX Measure Introduction	
Developing the Teijin Brain				Implementation Benefits Capture	
Strengthening DX/AX Training		Prepare	Introduction	Implementation Benefits Capture	
(3) Strengthening Security					
Establishing and strengthening the Group CIRT*1		Prepare	Introduction	Adoption	Establishing a high-standard security foundation and operational system
Standardizing Security		Plan	Design	Integration	
Strengthening OT*2 Security			Design	Introduction	
(4) Transformation of Global DX/IT Organizations					
Strengthening DX/IT Governance		Rule Development		Rule Adoption	Instilling global governance and achieving an optimal organization
Transformation of DX/IT Organization		Reporting Line Establishment	DX/IT Shared Services Development	DX/IT Shared Services Adoption	

*1 CIRT (Computer Incident Response Team): A team responsible for responding to security incidents
*2 OT (Operational Technology): Systems used to operate and control factories and equipment

Global Optimization Initiatives to Strengthen the Management System

In FY2025, we began developing a global data warehouse/business intelligence (DWH/BI) platform that aggregates and visualizes data for use in management decision-making. This will consolidate management data previously dispersed across the Group and further advance data-driven management. We are also exploring the integration of business systems, including customer relationship management (CRM) platforms and enterprise resource planning (ERP) systems, to optimize resources by reducing manual and redundant work.

In addition, we are considering consolidating IT infrastructure, including communication platforms, to strengthen security and optimize IT costs. In FY2026, we aim to strengthen our management system that supports business growth by further developing and integrating these platforms and accelerating global data linkage.

AX Initiatives to Improve Productivity

In FY2026, we established the AX Committee to promote AX company-wide and strengthen AX governance, with the CEO serving as chairperson and the CTO/CDO leading its activities. The committee comprehensively oversees the design, implementation, and evaluation of AX programs. It corrects issues such as duplication of AI investments caused by individual optimization and siloing within each business unit, as well as structural issues that tend to prevent initiatives from progressing beyond the proof-of-concept stage. Specifically, it is accelerating investment decisions based on common metrics and promoting the broader rollout of widely applicable AI use cases. At the same time, the committee is preparing to formulate policies, internal rules, guidelines, and other provisions for AI utilization and instill them throughout the Company. Through these efforts, it will improve the quality of decision-making and drive improvements in management metrics through higher productivity and the creation of new revenue opportunities.

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

52 Message from the Chief Digital Officer

▶ 54 DX/AX Strategy

Human Capital Management

Sustainability

DX/AX Strategy

Accelerating Business Transformation through AI-based Teijin Brain Platform

The Teijin Group is advancing the development of the AI-based Teijin Brain platform, which is centered on six key AI application domains and structured around advanced technologies such as generative AI as well as data infrastructure. Through the Teijin Brain platform, we will develop and deploy AI agents*1 to support functions such as sales, procurement, manufacturing, R&D, and back-office operations. Going forward, we plan to develop 30 AI agents in FY2026, 100 in FY2027, and 300 in FY2028. In doing so, we expect workload reductions of approximately 100,000 hours, 400,000 hours, and 1,000,000 hours in the respective fiscal years.

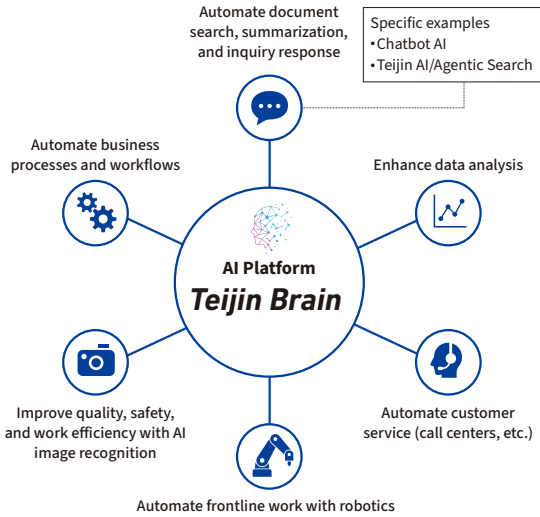
In the domain of document search, summarization, and inquiry handling, we developed a chatbot-based AI tool utilizing retrieval-augmented generation (RAG)*2 in FY2025 and began deploying it in FY2026. For centrally managed documents, we have established an environment that enables employees to use AI according to their business needs, resulting in the creation of approximately 200 use cases.

In addition, we have developed Teijin AI/Agentic Search in-house and deployed the tool to enable users to draw on information dispersed across the Group. Teijin AI Search provides cross-organizational search capabilities, while Teijin Agentic Search generates answers based on accumulated information, enabling centralized use of multiple internal sites covering notices, rules and regulations, public relations, and other information. This resulted in an annual reduction of approximately 2,400 work hours in FY2025.

Furthermore, although this tool was originally developed to improve the efficiency of searching for and using internal information such as rules and notices, its use has since expanded to other business domains, including manufacturing operations. The tool is already being used at some Teijin Group plants, where numerous documents are used to control a wide range of equipment during the manufacturing process. Newly assigned employees in particular faced the challenge of having to spend considerable time locating and understanding the information they needed. After introducing the tool, search time was reduced by more than 70%, and the time required to understand documents has also been shortened. This has also enabled employees, particularly those newly assigned, to acquire knowledge more efficiently. The tool is also being used to solve day-to-day issues, with demonstrable improvements in frontline operations.

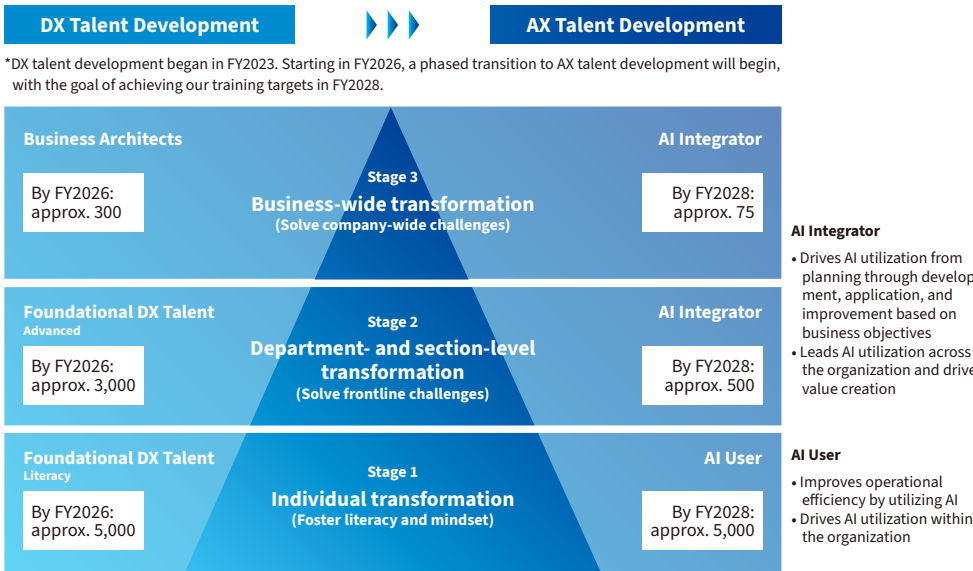
*1 An AI application that autonomously performs specific tasks.

*2 RAG (Retrieval-Augmented Generation): A technology that enables AI to search and reference information from sources such as internal documents and databases and generate responses based on that information.



From DX Talent to AX Talent Accelerating Value Creation Through AI

In FY2024, the Teijin Group launched a training program for business architects (DX professionals), with plans to develop approximately 300 of them by FY2026. As part of this training, participants plan DX projects based on business challenges, some of which have moved forward to implementation. Beginning in FY2026, we will build on our DX talent development program, which covers a broad range of digital technologies, by launching practical training focused on AI to develop AX talent (AI users and AI integrators). AI users will improve operational efficiency through generative AI and drive its adoption across the Company, while AI integrators will lead efforts from planning through development, application and results delivery. Through this phased talent development, we will expand AI utilization beyond individual departments and sections and deploy it company-wide, accelerating the creation of business value.



Comments from participants in business architect development training

Changing data utilization from the front lines through frontline expertise and insights gained from training

I learned to question the purpose of routine work procedures and transform them digitally. This profoundly changed my approach to work. Having frontline domain knowledge has given me the confidence to solve the problems that truly need to be addressed. I am currently developing an AI tool that leverages domain knowledge to support the development of new research proposals.



Kanako Suzuki
New Business Development Division
New Business Technology Department*

*As of the end of June 2026

Execution Model for Creating Earning Power through Customer-Driven Business

- Chief Strategy Officer (CStO) Message
- Medium-Term Management Plan 2026–2028
- Business Outline
- Technology Strategy
- DX/AX Strategy
- Human Capital Management
 - 56 Message from the Chief Human Resources Officer
 - 58 Human Capital Management
- Sustainability

Human Capital Management

Message from the Chief Human Resources Officer



Fumiaki Sakurai
Teijin Group Executive Officer
Chief Human Resources Officer (CHRO)

An Era in which the Focus is on the Success of Organizational Units

I joined the Teijin Group in 2023. Long before that, I had observed the Group as an outsider, and my impression at that time in the 1990s was that Teijin was quick to adopt the nomination committee function, which included discussions around CEO succession planning by an advisory board primarily composed of external experts, and that it was implementing pioneering initiatives in the area of human capital management.

Indeed, a high-quality human resources platform, including training systems and D&I initiatives, has been established. In addition, as the Company expanded its presence overseas, human resource measures designed to keep abreast of globalization were also enhanced. One of the factors that underpinned those efforts was that the previous CHRO hailed from Germany.

On the other hand, looking back at the Company’s history of diversification and structural reforms, there had been periods characterized by a focus on the autonomy of businesses, leading to increasingly stronger forces pushing outward, as well as periods where an emphasis on growth businesses served to strengthen the forces pulling inward. Throughout this, the role of human

resources was focused not only on addressing labor issues but also on enhancing the probability of success at the organizational unit level. Furthermore, in some respects, the transition away from the traditional membership-based employment system and mindset has not advanced enough, thereby constraining the execution of our management strategy. In recognizing this, in the previous medium-term management plan, we organized the challenges related to human capital and pursued initiatives to directly link human resource measures to our management strategy.

The Essence of Human Capital Management and Newly Emerging Issues

Human capital management is a management approach that views human resources as a key management asset and seeks to maximize their value in order to enhance corporate value.

I believe that by executing our strategy, the Company provides employees with a sense of fulfillment, fair evaluation and compensation, and career opportunities, while employees maximize their abilities under autonomous career development and contribute to business growth. The creation of this positive cycle helps us build an organization that is resilient to changes in the operating environment and can generate value in a sustained manner.

In the previous medium-term management plan, we worked

on building a foundation to facilitate the transformation of our business portfolio, especially focusing on improving personnel mobility on a global scale. In Japan, we concentrated on introducing a job-based human resources system and generating awareness of career autonomy.

What I have recognized again over the past two years is that while establishing systems and frameworks is an important first step, continuous efforts are necessary to translate that into actual behavioral transformation.

I personally value opportunities to engage in dialogue with all employees and have listened to the opinions of employees in various positions. Through such dialogue, I have gained a lot of insight. For example, with regard to applications for job postings, I received some honest feedback about how some employees felt awkward about leaving their organization and the sadness they felt when other members departed.

I recognize that this is partly attributable to the fact that there was not enough awareness about utilizing personnel across organizations or pursuing cross-cutting careers because of the Company focusing on maximizing results at the business and organizational unit level.

On the other hand, going through my conversations with employees and comments made in the Company’s engagement

Human capital risks and opportunities ➡ Annual Securities Report P23 (in Japanese)

Organizational and HR issues (gap between our vision and current situation)	Risks (factors that hinder management strategy)	Opportunities (value creation story)
Each organization is individually optimized	Risks arising from diversity and organizational structure The risk that healthy discussions and cross-departmental collaboration are unlikely to materialize	The creation of new value through the accumulation of a wide range of technologies, expertise, and insights The potential for creating new value through collaboration that transcends organizational and business boundaries
There is either a shortage of the required talent or an insufficient optimal placement of existing talent	Risks related to securing and retaining the personnel necessary for strategy execution The lack of capabilities hindering strategy execution	Value creation by securing and retaining the personnel necessary for strategy execution The potential to increase the probability of strategy execution
Movement of people is difficult due to differences in HR systems in each country or region	Risks related to personnel autonomy and engagement The risk that the creation of innovative ideas and the pursuit of challenges become more difficult	Value creation through employee autonomy and co-creation The potential for sparking innovation and improving productivity
There is no system for centralized management of global personnel		
HR strategies are limited due to a personnel-centric approach		
Organizational culture is one that fears failure		

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

▶ 56 Message from the Chief Human Resources Officer

58 Human Capital Management

Sustainability

Human Capital Management

survey, I also feel that those of the younger generation, who are accustomed to personnel mobility and more diverse career choices, are increasingly shedding the sense of being tied to their organization. Employee values are changing, and the number of workers who actively seek out their own growth opportunities and want to accumulate a broad range of experiences is steadily increasing.

I have realized again that in order to achieve mobility among employees beyond organizational boundaries in the future, it is imperative that we ensure a culture that positively embraces challenges and provides psychological safety.

At the same time, as a result of engaging in a wide range of businesses, the accumulation of personnel with various expertise and experiences is one of the Company’s key strengths. Going forward, this strength will become a key competitive advantage as we create value under a Customer-Driven business.

Taking these circumstances into account, we have taken stock of the risks and opportunities that surround the Company’s human capital.

➡ P56 Human capital risks and opportunities

In terms of risks, the siloing of organizations, misalignment between strategies and personnel placement, and a culture that hesitates to embrace challenges may hinder the professional capabilities of our employees and potentially diminish our capacity to create value.

On the other hand, by combining our diverse and highly specialized workforce with initiatives geared towards career autonomy and optimal placement, our human capital can be transformed into a driver of customer value creation and a source of growth in corporate value over the medium- to long-term. This, in other words, is an opportunity.

Evolving from Foundation Building to Strategic Function

In the new medium-term management plan, taking these risks and opportunities into account, we will evolve the human resources function from one focused primarily on building organizational foundations into a strategic function that supports a Customer-Driven business and directly enables business transformation.

A Customer-Driven approach is not a new concept for the Teijin Group; we have long pursued value creation based on customer needs in the Apparel & Industries and Healthcare & Life Solutions. However, this time, the Customer-Driven business goes beyond

the boundaries of businesses and organizations, combining external insights and products as necessary to realize an integrated process from value creation through to monetization, centered on customer issues. To realize this, we need capabilities that can address customer issues across business boundaries rather than within traditional business structures. Achieving this will require us to fundamentally rethink how we deploy and develop talent.

Going forward, we will focus on Placing the best-fit talent in each role globally to enhance the movement of personnel within the Group and globally, optimally allocating employees to positions and harnessing the strengths of diverse talent, thereby accelerating the transition to a Customer-Driven business. To that end, we will advance the development of a global human resources information system and the global harmonization of our human resource systems. In Japan, we will further promote optimal talent deployment based on our job-based Human Resources System and employees’ career autonomy, thereby encouraging behavioral transformation through a framework in which achievements linked to customer value are appropriately reflected in performance evaluation and compensation.

Creating a Virtuous Cycle of Employee Happiness and Growth in Corporate Value

Empowering ourselves to address challenges is one of the values of the Teijin Group. We will respect the challenges of others, believe in our own potential, take a step forward, and endeavor to achieve a Customer-Driven business.

A human resource strategy that spurs such behavioral transformation has meaning only when it is embodied in the actions of everyone and established as a corporate culture. I know that as we make progress on structural reforms and business portfolio optimization, the anxieties and burdens on employees will increase. In such circumstances, to encourage challenges, it is essential that we create an environment based on understanding and trust. We will be transparent about sharing the reasons for decisions and establish an environment where employees can actively pursue a career. In addition, we will fairly evaluate those who take on challenges and foster a culture where individuals do not avoid challenges out of fear of failure but rather learn from mistakes and link those experiences to their next phase of growth.

I believe these continuous efforts will become the foundation that supports sustained corporate growth.

One important role of the CHRO is to design the strategy envisioned by management in a way that is implementable from the perspectives of people and the organization. Our organization has been designed to realize strategies and create customer value. Human resources are a key management asset, optimally placed across the Group worldwide to achieve these strategies.

Based on this thinking, since 2023 our vision for human resources has been to contribute to strategy execution by establishing the right roles and securing the right talent (Placing the best-fit talent in each role globally) and to be a company where talent can thrive and find fulfillment through their work.

Placing the best-fit talent in each role globally refers to the situation in which we design the organization necessary to realize strategies and create customer value, while optimally assigning employees globally to realize that. By creating an environment where employees can thrive beyond the boundaries of organizations and regions, we will enhance the mobility of talent within the Group and support the achievement of our management strategy. Furthermore, a company where talent can thrive and find happiness through work is one in which diverse employees can realize their full potential, experience growth toward their career aspirations, and work with a strong sense of engagement. It is also a state in which employee well-being is realized.

The Company and its employees should be in a relationship of mutual choice, where both choose and are chosen by each other. To that end, it is important for the Teijin Group itself to continue to be an employer of choice for the future. In such a relationship, I believe that creating an environment where employees can realize their full potential and experience personal growth will enhance job satisfaction and engagement, strengthening organizational vitality and corporate value while ultimately enabling each individual to find happiness through work.

The human resources function bears that responsibility, and I am personally committed to taking on and driving this transformation forward.



Execution Model for Creating Earning Power through Customer-Driven Business

- Chief Strategy Officer (CStO) Message
- Medium-Term Management Plan 2026–2028
- Business Outline
- Technology Strategy
- DX/AX Strategy
- Human Capital Management
 - 56 Message from the Chief Human Resources Officer
- ▶ 58 Human Capital Management
- Sustainability

Human Capital Management

Overview of Human Resource Strategy

Approach to Human Capital Management

The Teijin Group positions human resources as the “ultimate” management resource and places the maximization thereof at the core of its strategy. By seamlessly integrating the wide range of technologies and expertise cultivated through the diversification of management, we drive the transformation to a Customer-Driven business by providing comprehensive solutions. Furthermore, we aim to create a culture where both the Company and employees can choose and be chosen to foster mutual growth, and we seek to connect the deepening and evolution of our human resources and organization to the creation of customer value and social value.

Overview of Human Resource Strategy

We have established the following two pillars as a long-term vision to holistically promote a human resource strategy that supports the realization of both our Purpose (vertical axis) and our medium-term management plan (horizontal axis).

- Contribute to strategy execution by establishing the right roles and securing the best-fit talent
- Aim to be a company where employees can thrive and find fulfillment through their work

Based on these pillars, we will organize and evaluate the risks and opportunities of our human capital from the following three “value-creation” perspectives, identify the issues we need to address, and then formulate and implement action plans.

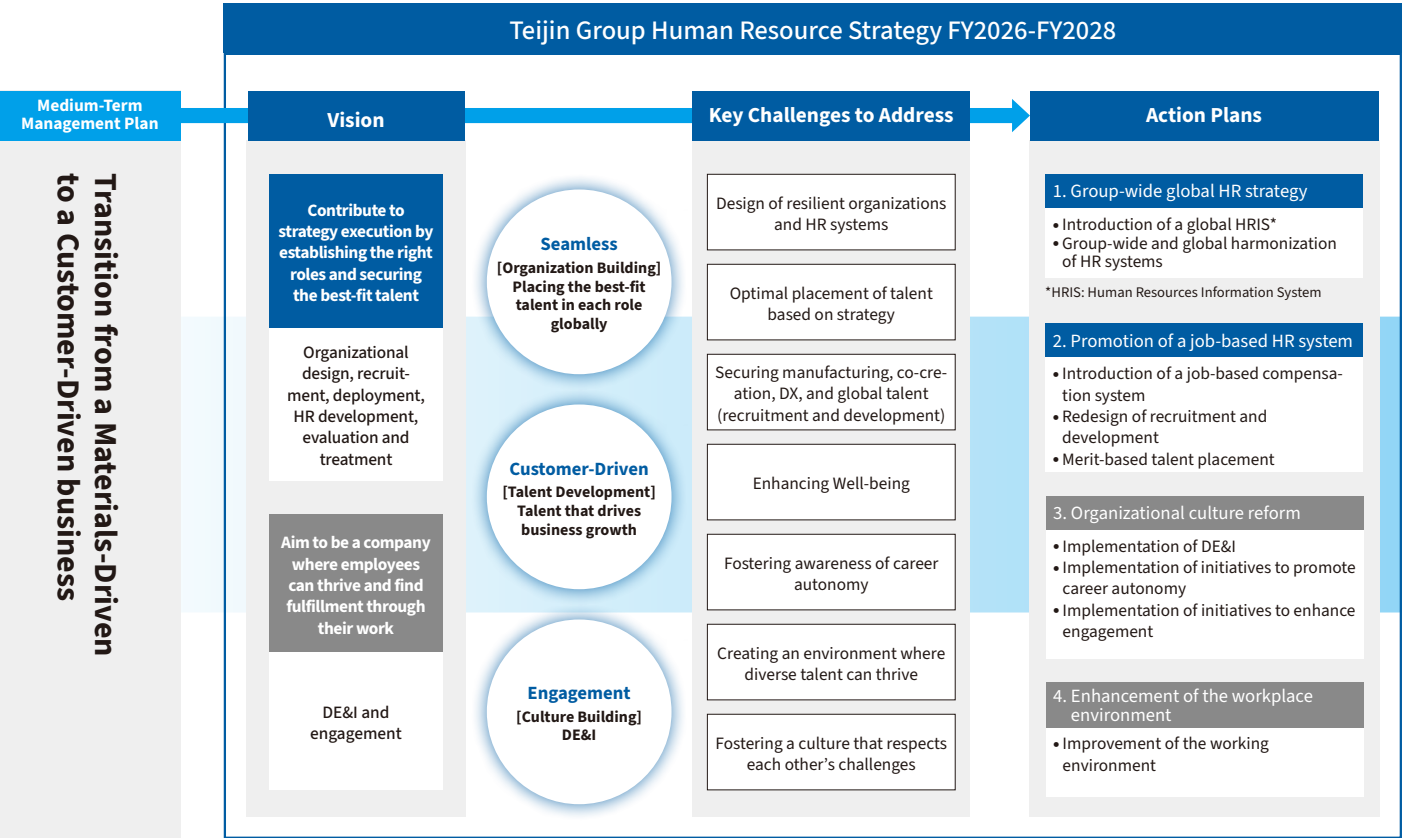
- Build an organization that seamlessly realizes “Placing the best-fit talent in each role globally” (organizations and systems)
- Develop talent capable of realizing Customer-Driven business (behavioral transformation)
- Build a culture that respects the challenges of a diverse workforce and strengthens engagement

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



Execution Model for Creating Earning Power through Customer-Driven Business

- Chief Strategy Officer (CStO) Message
- Medium-Term Management Plan 2026–2028
- Business Outline
- Technology Strategy
- DX/AX Strategy
- Human Capital Management
 - 56 Message from the Chief Human Resources Officer
 - ▶ 58 Human Capital Management
- Sustainability

Human Capital Management

Key Initiatives

Advancing Succession Planning

As part of the transition to a position-based organization, we have been driving improvements in succession planning since 2023, focusing on visualizing and strategically developing talent that will assume future management roles. For each core position, we identify five to seven successor candidates. For executive officer positions, the suitability of the candidates and development policies are discussed at a meeting among the CEO, the CHRO, and the incumbent based on the draft proposal prepared by the incumbent. For division general managers, the same is discussed at HR meetings attended by the CHRO, the responsible executive officer, and the incumbent.

Details of talent development programs

Indicator
2025 successor coverage ratio: 436 %
Total successors ÷ Total positions

Supporting Global Challenges with STAMP

To strengthen the utilization of human resources and collaboration globally, we launched the Short-Term Assignment Mobility Program (STAMP) in FY2025. This program is an initiative designed to broaden the horizons of employees and support autonomous career development through practical experience in different regions and businesses.

In the pilot program for FY2025, we welcomed two people from Singapore to Teijin Limited (Japan) where they engaged in work for approximately four weeks. The participants were exposed to different ways of working and cultures, which deepened their understanding of the organization and the business. The feedback received indicated that the participants were surprised by the high level of expertise of the local employees and realized that collaboration across regions and businesses can lead to further value creation. They also noted that experiencing the corporate culture firsthand made it easier to engage in proactive communication.

Even in a short period, experiences in different environments help employees gain fresh perspectives and contribute to the formation of cross-organizational networks. We position STAMP as an initiative to support the global challenges of employees, and we expect that the insights and confidence the participants gain from the program will encourage them to apply for a global job posting. In the future, we will look to expand the regions and businesses covered by the program and gradually facilitate the mobility of human resources globally. This will help us assign “Placing the best-fit talent in each role” and further propel the “One Teijin” concept.

Accelerating the Introduction of a Job-Based HR System

The Teijin Group is accelerating the introduction of a job-based HR system. This system is designed to establish market-competitive compensation for organizations and positions based on management and business strategies, and aims to enhance corporate value through “Placing the best-fit talent in each role globally.” The system also respects the challenges of each and every employee and provides a foundation to support autonomous career development utilizing a wide range of expertise.

By FY2025, we had completed the rollout of the system for managerial positions at Teijin Limited and Teijin Pharma Limited in Japan, having developed and internally disclosed job descriptions for approximately 600 positions. Going forward, we will expand its scope and strengthen how it is managed in an effort to achieve the optimal placement of human resources and accelerate business growth.

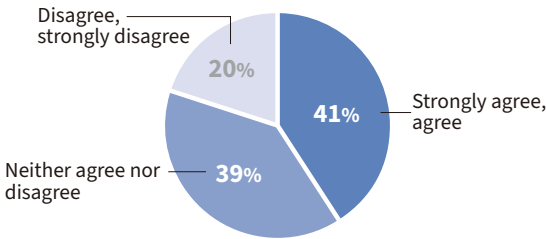
Supporting Autonomous Career Development

The Teijin Group is working on raising Company-wide awareness and the establishment of systems to support each employee’s autonomous career development. At Teijin Limited and Teijin Pharma

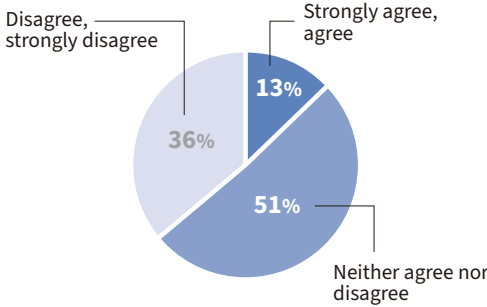
Limited, we started offering career interviews for all job types from April 2025, and we are also running training sessions to help supervisors be more supportive of their subordinates’ careers. In a survey conducted after the interviews, 41% of respondents indicated that they had more opportunities to think about career development, while only 13% reported that it prompted them to take action, such as obtaining qualifications or studying. This tells us that translating awareness into action remains a challenge going forward. Therefore, in addition to career interviews, we will also utilize other schemes, such as optional online training and study assistance grants, to further encourage self-study and challenges.

Indicator
Career interview implementation rate: 96.7 %
(as of November 2025; Teijin and Teijin Pharma)

I have had more opportunities to think about career development



My specific actions (i.e., studying or obtaining certifications) have increased



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

56 Message from the Chief Human Resources Officer

▶ 58 Human Capital Management

Sustainability

Human Capital Management

DE&I That Turns Diversity into Value Creation

Through the diversification of its businesses, the Teijin Group has accumulated a pool of human resources characterized by wide-ranging expertise and experience. In addition, as of March 2026, approximately half of our employees work overseas, and we have a global talent base representing diverse nationalities and values. Such diversity is a source of competitive advantage that supports customer-driven value creation, and at the same time, it serves as the foundation for the growth and fulfillment of each employee.

Going forward, we will further leverage this strength by developing talent capable of connecting diverse knowledge across the organization and translating it into business growth.

On the other hand, in order to adequately reflect such diversity in management and organizational operations, we position the diversification of the management team and expansion of our pipeline as key management issues. The ratio of female executives has steadily improved and we reached our milestone target in 2026. However, there is still room for improvement in the ratio of non-Japanese executives and the ratio of female department and section managers as part of our pipeline.

On the other hand, a large proportion of our executives have global business experience, and those with an understanding of

different markets and cultures are the bedrock of the Company’s management. Going forward, we will strengthen our global management structure by promoting the appointment of non-Japanese talent to leadership positions. To increase the ratio of female department and section managers, we provide tailored support through cross-mentoring and career development programs based on each individual’s challenges and aspirations. Our goal is not simply to achieve KPI targets, but to enable women leaders to thrive and realize their full potential. We will continue to promote DE&I and, by strengthening the organizational base that lets our diverse pool of human resources unleash their full potential, we will drive sustained growth and enhancements in corporate value.

Organizational Transformation Driven by Engagement

The Teijin Group positions improvements in engagement as a key management issue. For that reason, we conduct an engagement survey across the entire Group, including global sites, and drive organizational transformation through improvement actions based on the results of the survey.

During the period of the previous medium-term management plan, we established a common Purpose for the Group in April 2024 and worked to foster an awareness of value creation under the

Diversity-Related KPIs

		Results as of October 2023	Results as of October 2024	Results as of April 2026	Milestone as of April 2026	Target for April 2030
Executive officers*1	Women	12%	20%	22%	20%	30%
	Non-Japanese nationals	8%	8%	4%	10%	30%
Managers*2	Female department and section managers	10%	11%	10%	12%	20%

*1 Directors and Statutory Auditors (from June 2025 onward, Directors who are Audit & Supervisory Committee Members), and Group Corporate Officers

*2 Line managers in global positions, including Japan

Engagement-Related KPIs

	FY2023 Results	FY2024 Results	FY2025 Results	FY2025 Milestones	FY2029 Target (as of April 2030)
Engagement score	62	64	64	64	68

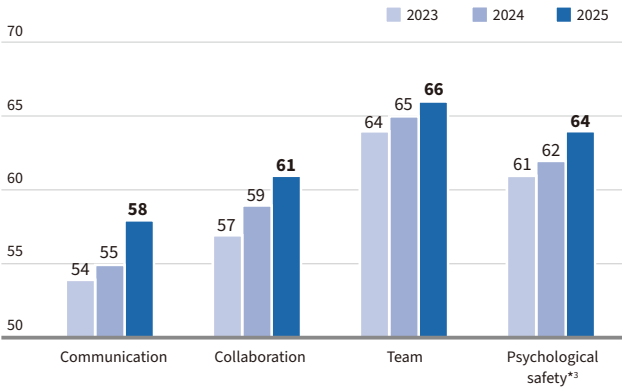
*The actual score will be based on the results of the engagement survey conducted every September

“One Teijin” concept by implementing measures to raise awareness and holding town hall meetings. As a result, our employee engagement score improved from 62 in FY2023 to 64 in FY2024, achieving the milestone we had set for FY2026. The response rate increased from 76% in FY2024 to 82% in FY2025, confirming that employee interest and participation awareness remain high.

In particular, we saw an increase in scores for indicators related to organization and culture, such as “communication,” “collaboration,” “team,” and “psychological safety.” Moreover, expanded opportunities for communication across business units and regions, improvement activities at the team level, and the introduction of career interview has led to an increase in trust and psychological safety, thereby stimulating proactive expression and collaboration among employees.

The engagement survey is the basis for not only understanding the current situation but also for encouraging behavioral changes through dialogue based on employee feedback. Up ahead, not only will we continue to develop an environment where every employee can fully maximize their capabilities but also continue to work on improving employee engagement. Moreover, we will strengthen the “One Teijin” collaboration that underpins our Customer-Driven business with the aim of evolving into an organization that can achieve sustained growth.

Engagement scores related to organization and culture



*3 Psychological safety is the average of three items: Input - Manager, Speak My Mind, and Recognition

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

▶ 61

Message from the Chief Sustainability Officer

63

Initiatives for the Global Environment

65

66

67

Sustainability

Message from the Chief Sustainability Officer



Miho Fujii
Teijin Group Corporate Officer
Chief Sustainability Officer (CSuO)
Corporate Secretary

Our Purpose and the Teijin Group’s DNA

In April 2024, the Teijin Group formulated a new Purpose “Pioneering solutions together for a healthy planet” and set its sights on achieving the long-term vision of becoming “a company that supports the society of the future.” Helping to solve global environmental and social issues through our business activities is the Teijin Group’s meaning of existence and something we consider to be the source of growth in corporate value. This Purpose was developed based on a draft created by employees in response to a call from the CEO, followed by discussions between management and employees to refine it. I personally participated in the discussions from the side of the employees, and I got the feeling that many employees have a strong desire to be involved in businesses that contribute to society, transcending regional and business differences.

Looking back on the Company’s history, Teijin was established in 1918 with the aim of making silk—an expensive material at the time—more accessible to many people by establishing domestic production technology for artificial silk (rayon). Since then, we have continued to address issues in society through our businesses for

over 100 years, including providing high-performance fibers and launching Japan’s first rental business for oxygen concentrators for home oxygen therapy (HOT) for patients with chronic respiratory failure. Furthermore, in 1995, we began manufacturing and selling *ECOPET*, which is made from used plastic bottles, discarded polyester fibers, and offcuts, demonstrating our commitment to addressing environmental issues from an early stage. The values backed by this history are the DNA of the Teijin Group and continue to be passed down unbroken to the present day.

Reorganization Aimed at Promoting a Customer-Driven Business

The Teijin Group has identified, as its key issues (materiality) to be addressed on a priority basis, four key social issues: Climate change mitigation and adaptation; Achievement of a circular economy; Safety and security of people and local communities; and Realization of healthy and comfortable living for people, as well as Further strengthening of our sustainable management system as a key management issue. Through our efforts to address these key issues, we aim to create both social value and economic value, and enhance the sustainability of society and the Teijin Group.

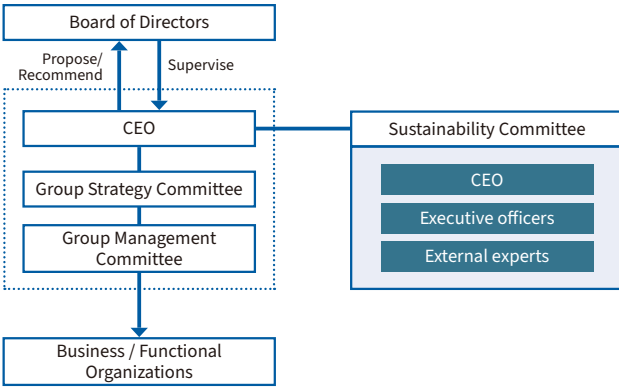
On the other hand, with the increasing complexity of social issues, the solutions needed are becoming more sophisticated. In order to continue providing competitive solutions even under such circumstances, in the Medium-Term Management Plan 2026-2028 (hereinafter, the “new medium-term management plan”), we have reorganized our product-based business segments into customer domains. This will drive our transformation into a business centered on customer issues.

With a Customer-Driven business, we will not limit ourselves to a single business but will utilize technologies, materials, and services across the Group to solve customer issues. Therefore, we are implementing measures to strengthen the Group-wide common

platform. As part of this initiative, in April 2026 we reorganized the staff functions for sustainability, risk management, compliance, legal affairs, and overseas regional entities including regional headquarters and placed them under the control of the Chief Sustainability Officer. This reorganization will allow us to operate functions that were previously handled by individual businesses and regions in an integrated manner, promoting organic collaboration, strengthening our common platform across the Group, and steadily advancing our transformation into a Customer-Driven business, thereby establishing a system that can challenge the entire Group to create new value.

Strengthening Governance to Support Sustainability Management

Sustainability issues are wide-ranging, and earnestly addressing them while providing appropriate disclosure is becoming increasingly important for enhancing corporate value. As indicated in Japan’s Corporate Governance Code (2026 revision) released in July, which says that a company’s Board of Directors ‘should address sustainability matters positively and proactively,’ I believe that sustainability management is a prerequisite for companies



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

- 61 Message from the Chief Sustainability Officer
- 63 Initiatives for the Global Environment
- 65 Toward Realizing a Circular Economy
- 66 For Safety and Security of People and Local Communities/For Healthy and Comfortable Living for People
- 67 Respect for Human Rights

Sustainability

to gain trust from society and continue their business operations. I assumed the role of Chief Sustainability Officer and Corporate Secretary in April 2026. From the perspective of improving the effectiveness of the Board of Directors, I will deepen discussions on sustainability and further strengthen sustainability initiatives jointly implemented by management and business operations.

In the Teijin Group, the Board of Directors makes decisions on policies and key issues related to sustainability, while the executives determine management indicators and report on the progress thereof to the Board of Directors. Furthermore, in FY2025 we established a Sustainability Committee directly under the CEO as a forum where management, together with external experts, gain insights for management execution, and deliberate on important matters. The committee is chaired by the CEO, with members primarily consisting of executive officers. In FY2025, the committee reassessed the Teijin Group’s approach to sustainability management and facilitated discussions on reflecting this in our sustainability policy and value creation. Moving forward, we will enhance this committee’s discussions, expand opportunities for information sharing and exchanges of opinions with directors, and further deepen discussions at the meetings of the Board of Directors.

Value Creation with Sustainability Management

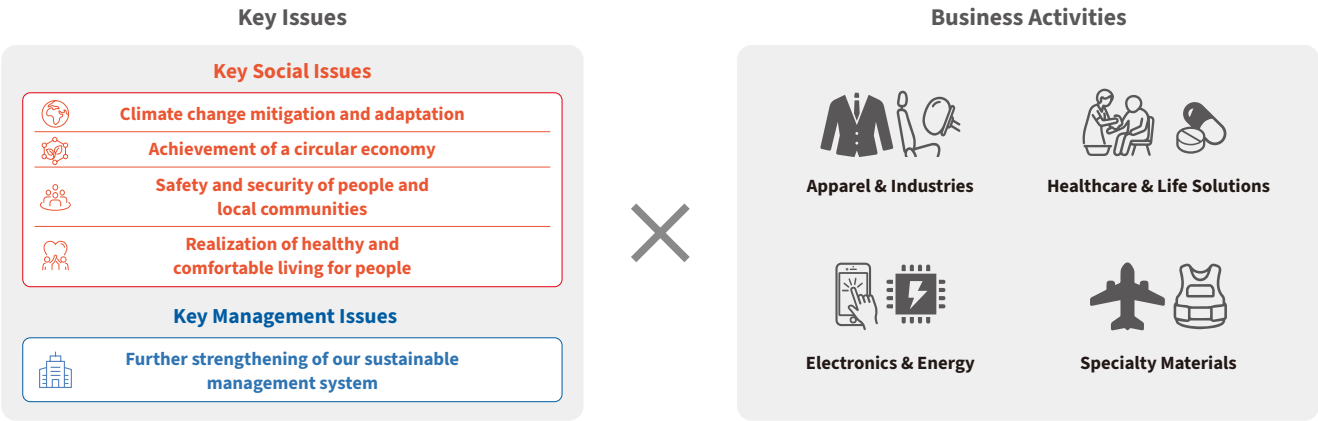
In December 2025, we established the following sustainability policy: We give back value to the global environment and society, contributing to the realization of a sustainable healthy planet. This policy clearly reaffirms our commitment, which we have prioritized, to return value to the global environment and society through our business.

The Teijin Group aims to create both social and economic value through our business activities centering on key issues. For example, in response to climate change, the circular economy, and other environmental issues, we are leveraging the Teijin Group’s strengths in materials and technologies, such as lightweight materials for mobility, high-strength materials for submarine cables, and various recycling technologies, to undertake initiatives across



Sustainability Policy

We give back value to the global environment and society, contributing to the realization of a sustainable healthy planet.



a wide range of areas. In addition, we respond to natural disasters by providing a wide range of solutions that span industrial applications to everyday life, including disaster prevention solutions that support safety and security, as well as apparel products and materials essential for comfortable living. Furthermore, particularly in Japan, where the population is aging, we provide products and services like home oxygen therapy and continuous positive airway pressure devices for the treatment of sleep apnea, enabling patients to receive the medical care they desire in the location of their choice. We are also addressing medical needs in the areas of rare diseases and regenerative medicine. In the future, we will aim to realize a virtuous cycle of growth in corporate value and a stronger foundation by transitioning to a Customer-Driven business, broadening our collaboration beyond our own materials and technologies, and working with customers to create value.

To drive these initiatives, we have adopted KPIs linked to key issues, and from FY2026, we have begun disclosing new KPIs, such as the sales ratio of products with calculated carbon footprints and business model transformation indicators. At the same time, we recognize the importance of clearly demonstrating the connection

between these sustainability initiatives and corporate value to our stakeholders, so we will continuously examine more appropriate metrics and KPIs as we go about transforming our business model.

As for the key issues, we conducted a review when the Medium-Term Management Plan 2026–2028 was being formulated. As a result, considering recent changes in our business portfolio and business model, we determined that these issues remain important and are themes we ought to prioritize. We decided to continue addressing them, but we will also remain mindful of changes in the business environment and social trends with an eye on what the future holds beyond the 2030 deadline for the SDGs and align them with our business strategy, making adjustments as necessary.

The key issues will serve as an important common guideline for us to consider how we can contribute to society together with customers, partner companies, employees, and various other stakeholders. With these key issues at the core of our management approach, we will continue to work in close collaboration with our functional organizations and business units to realize the integrated creation of both social and economic value.

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

61 Message from the Chief Sustainability Officer

▶ 63 Initiatives for the Global Environment

65 Toward Realizing a Circular Economy

66 For Safety and Security of People and Local Communities/For Healthy and Comfortable Living for People

67 Respect for Human Rights

Sustainability — Initiatives for the Global Environment —

Basic Approach

The Teijin Group recognizes that its business activities depend on natural capital and that addressing global environmental issues contributes to conserving natural capital. Based on this recognition, the Group regards protecting and nurturing a healthy global environment as the foundation of a “Healthy Planet” and established the Teijin Group Global Environmental Policy in March 2026 to replace its former Global Environmental Charter. In addition to compliance with applicable laws and regulations and international standards and the reduction of environmental impact, the policy sets out the Group’s approach of viewing global environmental issues as business opportunities and generating a positive impact on the global environment through the provision of solutions that leverage the Group’s technologies and human resources. Furthermore, beginning in FY2026, the Group established a new FY2030 target for the sales ratio of products with calculated carbon footprints and internal management targets for expanding the provision of solutions that contribute to the circular economy, among other measures, to clarify its commitments and further advance its initiatives.

➡ The Teijin Group Global Environmental Policy

Climate Change Initiatives

Governance

The Teijin Group has designated “climate change mitigation and adaptation” as one of its key issues (materiality) and is advancing initiatives under the direction of the Chief Sustainability Officer, based on established management indicators. Progress on these initiatives is reported to the Board of Directors as appropriate.

Strategy

The Teijin Group views “climate change mitigation and adaptation” as an opportunity for business growth toward the realization of a net-zero society. In terms of mitigation, in addition to reducing the Group’s own GHG emissions, the Group works with customers and partners to improve energy efficiency and promote electrification. It also contributes to reducing GHG emissions throughout the supply chain by visualizing the environmental impact of products and providing solutions that contribute to weight reduction and greater efficiency. In terms of adaptation, the Group contributes to enhancing society’s resilience by responding to increasingly severe natural disasters and extreme heat conditions, expanding solutions to reduce damage and enable rapid recovery in the event of a disaster, and using ICT in its home healthcare business to provide prompt support to patients when disasters occur.

Risk Management

The Teijin Group has established a Total Risk Management (TRM) framework covering all aspects of management. Under this framework, it comprehensively identifies, assesses, and manages all risks, including climate-related risks. The risk of “major natural disasters,” which includes physical risks associated with climate change, has been designated as a priority risk requiring particularly intensive management among significant risks. The Group is working to enhance effectiveness at the operational level through measures such as reviewing its disaster response manuals. It also treats transition risks associated with climate change as significant key risks, continuously monitoring global regulatory trends and striving to respond promptly.

Metrics and Targets

The Teijin Group’s GHG emissions reduction targets have been certified as Science Based Targets (SBT), scientifically aligned with the goals of the Paris Agreement, at the “Well-below 2°C” target level. The Group aims to achieve net-zero Group GHG emissions (Scope 1 + 2) by 2050. For Scope 1, the commencement of operation of the gas cogeneration system at the Matsuyama Plant in FY2026 enabled the Group to eliminate coal use from in-house thermal power generation completely. The Group will continue to further reduce emissions by promoting the transition to renewable energy and converting heat sources to clean energy, among other initiatives.

TOPICS

First in the Industry to Completely Eliminate Coal Use from In-House Power Generation

The Teijin Group has commenced full-scale operation of a city gas-fired cogeneration facility at the Matsuyama Plant. The facility is a highly efficient system that combines power generation with the utilization of waste heat and is expected to reduce CO₂ emissions by approximately 200,000 metric tons annually. As a result, the Group has become the first Japanese chemical fiber manufacturer to completely eliminate coal use from in-house power generation, achieving both greater energy efficiency and a stable energy supply.



Gas Cogeneration System

Message

Responsibility and Pride in Providing the Energy that Underpins Business Activities

I am responsible for the electrical design and construction management of in-house power generation facilities at the Matsuyama Plant. Although energy supply may not be highly visible, it is a vital foundation that supports business activities. In transitioning the fuel source from coal to gas, I have experienced firsthand the difficulty of achieving both a stable supply and lower costs. At the same time, I feel a strong sense of responsibility and pride in fulfilling this role. Being involved in environmentally conscious investment also gives me the sense that I am doing work I can be proud of in the local community, which motivates me to take on the next challenge.



Toru Ota
Energy Strategy Department
Matsuyama Utility Section



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

61 Message from the Chief Sustainability Officer

▶ 63 Initiatives for the Global Environment

65 Toward Realizing a Circular Economy

66 For Safety and Security of People and Local Communities/For Healthy and Comfortable Living for People

67 Respect for Human Rights

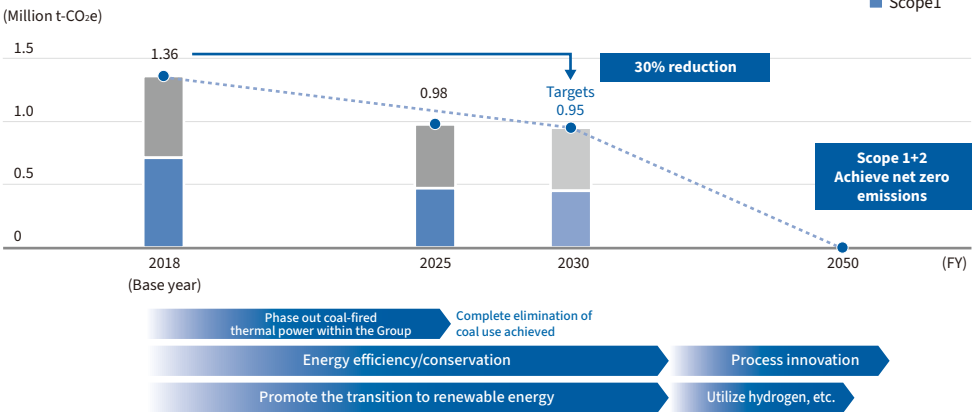
Sustainability — Initiatives for the Global Environment —

Climate Change-Related Opportunities and Risks

Category	Major opportunities	Time frame	Major initiatives
Products, Services and Markets	Increase in profits through the provision of solutions that contribute to “climate change mitigation and adaptation”	Short- to long-term	• Provision of solutions for weight reduction, extending driving distances, and vehicle electrification • Provision of solutions related to renewable energy • Provision of solutions for extreme heat, disaster prevention, and disaster mitigation

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 CO₂ emissions
	Market and reputation	Decrease in corporate value and worsening of reputation due to an increase in Group GHG emissions	Medium- to long-term	• Management of GHG 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 caused by climate change, such as more severe typhoons and floods, long-term temperature increases, and sea level rise	Short- to long-term	• Review of the business continuity plan (BCP) as necessary and implementation of various disaster preparedness drills

Roadmap for Reducing Group GHG Emissions (Scope 1 + 2)



Biodiversity and Water Resource Initiatives

The Teijin Group recognizes that its business activities are closely linked to biodiversity and water resources. Based on this recognition, the Group used ENCORE* with reference to the LEAP approach recommended by TNFD to assess its degree of dependence on ecosystem services in relevant sectors and the extent of its impacts on nature through impact drivers. The assessment confirmed that, in addition to dependence on “groundwater” and “surface water,” the Group’s activities may affect nature through “water use,” “greenhouse gas emissions,” “non-GHG air pollutants,” “soil pollutants,” “solid waste,” and other impact drivers.

With regard to water resources, on which the Group is particularly dependent and where its impact through water use is also significant, the Group has established a Group-wide KPI for freshwater intake volume per sales unit and is working to use water efficiently and curb its consumption. Teijin Frontier is also providing water treatment solutions that contribute to improving wastewater treatment efficiency and reducing sludge generation and industrial waste disposal costs, thereby pursuing both a reduction in environmental impact and contributions to society through its business.

* 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.

TOPICS

Examples of Teijin Frontier’s Water Treatment Solutions

Flodehai Dewatering Aid



Special fibers for sludge dewatering. When added to sludge, the fibers’ drainage effect improves the efficiency of dewatering equipment, thereby reducing the volume of dewatered sludge and industrial waste disposal costs.

Special Fiber Carrier



A fiber carrier with a large surface area. Microorganisms proliferate over its broad surface and treat contaminants (organic matter) in wastewater. It can also be installed in existing wastewater treatment equipment (reaction tanks).

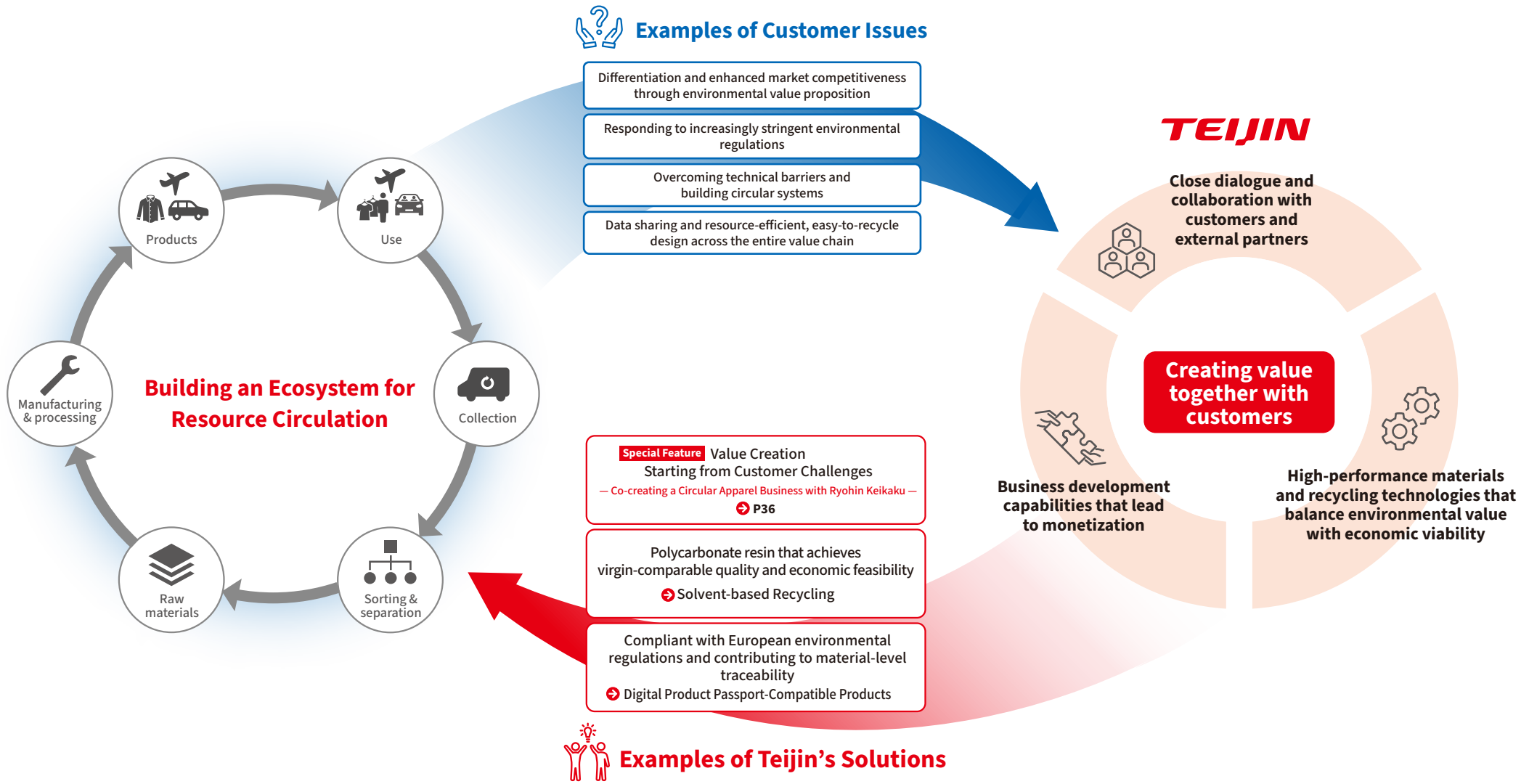
➔ TEIJIN FRONTIER DIGITAL TWIN MARKETING SITE

Execution Model for Creating Earning Power through Customer-Driven Business

- Chief Strategy Officer (CStO) Message
- Medium-Term Management Plan 2026–2028
- Business Outline
- Technology Strategy
- DX/AX Strategy
- Human Capital Management
- Sustainability
 - 61 Message from the Chief Sustainability Officer
 - 63 Initiatives for the Global Environment
 - ▶ 65 Toward Realizing a Circular Economy
 - 66 For Safety and Security of People and Local Communities/For Healthy and Comfortable Living for People
 - 67 Respect for Human Rights

Sustainability — Toward Realizing a Circular Economy —

The Teijin Group is promoting initiatives for the achievement of a circular economy, a global social issue. Achieving a circular economy requires making effective utilization of resources for as long as possible. It is necessary to reduce environmental impact by circulating resources efficiently while maintaining their value and to minimize waste and hazardous substance emissions throughout the entire life cycle of products and services. Starting from the various customer issues that exist throughout the value chain, the Teijin Group contributes to building an ecosystem for resource circulation by providing a broad range of solutions through collaboration with diverse partners while leveraging its own strengths.



Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

Sustainability

- 61 Message from the Chief Sustainability Officer
- 63 Initiatives for the Global Environment
- 65 Toward Realizing a Circular Economy
- ▶ 66 For Safety and Security of People and Local Communities/For Healthy and Comfortable Living for People
- 67 Respect for Human Rights

Sustainability

For Safety and Security of People and Local Communities

The Teijin Group provides solutions that contribute to the safety and security of people and local communities by addressing social issues such as ensuring the safety of people working under harsh conditions, enhancing preparedness for increasingly severe natural disasters, and preventing environmental pollution.

Issues

Balancing the safety and comfort of workwear used under harsh conditions

Environmental pollution caused by hazardous chemical substances emitted from factories and other facilities

Disaster prevention and mitigation measures to prepare for increasing natural disaster risks

Examples of the Teijin Group's Contributions

A meta-aramid fiber with excellent heat resistance, flame resistance, and chemical resistance that provides both safety and comfort in firefighting suits and other protective clothing

➔ Teijinconex



Recovers high-purity solvent from exhaust gas, reducing chemical emissions and promoting reuse

➔ SOLVENT-RIKA Solvent Recovery Device



Provides an evacuation environment rapidly with a large temporary tent that can be quickly installed

➔ AERO SHELTER (in Japanese)



Provides flood protection simply by bracing a lightweight water-stop sheet in place

➔ Tomeppa Light (in Japanese)



For Healthy and Comfortable Living for People

The Teijin Group provides solutions that contribute to healthy and comfortable living for people by addressing issues and needs that arise in various aspects of life, from medical and nursing care to everyday living.

Issues

Creating an environment in which patients can conveniently obtain the information needed for treatment to continue CPAP therapy

Collaboration among medical and nursing care professionals toward the realization of community-based integrated care system

Diversifying needs for comfort and functionality in various aspects of daily life

Examples of the Teijin Group's Contributions

Supports continued treatment by providing information via an app when CPAP-related issues arise

➔ CPARTNERS (in Japanese)



Enables real-time information sharing among professionals from multiple disciplines, improving the efficiency of patient support

➔ VitalLink (in Japanese)



Achieves “overnight beauty simply by wearing” through “beauty fibers”

➔ FILIF (in Japanese)



Uses Teijin's proprietary material NANOFRONT to achieve high heat-shielding performance

➔ Heat-Shielding Parasol for Rain or Shine (in Japanese)



Message



Dr. Axel Leuchter
Deputy General Manager,
Sustainability Development and
Engagement Department,
Head of EU Sustainability Group
Chair of the JBCE Corporate
Sustainability Committee

Promoting Sustainability as a Source of Value Creation

As Head of Teijin's European Sustainability Group and Chair of the Corporate Sustainability Committee of the Japan Business Council in Europe (JBCE), I operate at the intersection of corporate transformation and policy engagement. Headquartered in Brussels, JBCE represents the interests of more than 100 Japanese companies in Europe, providing a platform for dialogue with EU institutions, share best practices, and contribute to the development of pragmatic and forward-looking sustainability policies.

Within Teijin, our European sustainability activities go beyond mere regulatory compliance. We integrate sustainability into our core business strategy, ensuring it becomes a driver of resilience and

value creation. A prime example is our response to the Corporate Sustainability Reporting Directive (CSRD), which introduces numerous new reporting requirements. We view this as a strategic opportunity: enhancing governance, improving data quality, and deepening our understanding of impacts, risks, and opportunities. In fact, the CSRD project has accelerated cross-functional collaboration and contributed to greater alignment across our global operations.

Through my activities at JBCE, I promote constructive dialogue between industry and policymakers on issues such as extended producer responsibility, due diligence requirements across global value chains, and decarbonization pathways. By providing an industry

perspective, we help ensure that emerging frameworks uphold high sustainability standards while remaining practical to implement in complex, international business environments.

Teijin regards sustainability not only as a matter of compliance with legal requirements, but as a source of value creation. From advancing circular economy solutions to developing high-performance materials that support decarbonization, we are connecting sustainability to the creation of new market opportunities and the establishment of competitive advantage. By embedding this approach more deeply throughout our organization, we will achieve both the delivery of value to society and long-term business growth.

Execution Model for Creating Earning Power through Customer-Driven Business

Chief Strategy Officer (CStO) Message

Medium-Term Management Plan 2026–2028

Business Outline

Technology Strategy

DX/AX Strategy

Human Capital Management

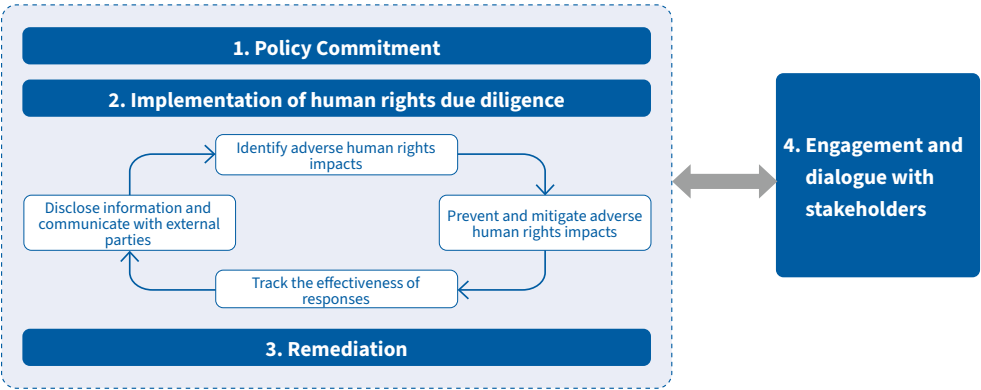
Sustainability

- 61 Message from the Chief Sustainability Officer
- 63 Initiatives for the Global Environment
- 65 Toward Realizing a Circular Economy
- 66 For Safety and Security of People and Local Communities/For Healthy and Comfortable Living for People

67 Respect for Human Rights

Sustainability — Respect for Human Rights —

The Teijin Group promotes initiatives to respect human rights based on 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 and we strive, in all our business activities, to ensure that we are not directly involved in any abuse of human rights, nor indirectly complicit through our relevant external parties.* The Group’s CEO bears ultimate responsibility for the implementation of our Human Rights Policy.

* “Our relevant external parties” are all external organizations and people, including suppliers and partners, with whom the Teijin Group does business.

The Teijin Group Human Rights Policy

2. Implementation of Human Rights Due Diligence

Human Rights Risk Assessment

The Teijin Group conducts human rights risk assessments every few years to identify potential human rights risks across our entire value chain. In 2026, we plan to conduct our third assessment, create a human rights risk map, and identify priority issues to be addressed going forward.

Teijin Group Supplier Survey

Every year, we investigate and evaluate human rights risks among our suppliers via our CSR Procurement Survey. In FY2025, we sent the questionnaire to 1,653 suppliers and received responses from 853 companies (response rate: 51.6%). We designated 119 suppliers (14.0% of respondents) with low overall ratings or low scores on human rights-related questions as priority targets for improvement efforts, and we confirmed the details and requested corrective actions as necessary.

Furthermore, in the Fibers & Products Converting business, which is generally considered an area requiring particular attention regarding human rights risks due to its labor-intensive nature and global

supply chain, Teijin Frontier requests suppliers to cooperate with on-site surveys based on the results of the supplier survey and other information. In FY2025, we conducted on-site assessments at 17 sites, including processing and sewing factories in Japan and overseas.

Survey of Suppliers for Sustainable Procurement

Human Rights Training

During Corporate Ethics Month every October, the Teijin Group holds corporate ethics training for all executives and employees to promote awareness and understanding of the Group’s policies on human rights and other ethics-related policies. In addition, for suppliers, we have held CSR Supply Chain Seminars every year since 2014 for processing, sewing, and embroidery factories and material manufacturers. In FY2025, we held these seminars in Japan, China, and Vietnam.

3. Remediation

Whistleblowing

The Teijin Group has established a consultation and reporting desk for employees of the Group to ensure the prompt resolution of issues and prevent their recurrence. Among the internal reports received in FY2025, there were no cases that constituted serious human rights violations. A total of 69 internal reports were received relating to harassment, which we recognize as evidence that the reporting system is functioning appropriately. Each reported case is reviewed and handled appropriately based on its circumstances.

P84 “Corporate Ethics and Compliance” Number of Harassment Reports

Whistleblowing from External Parties

Teijin’s website provides a contact point for receiving reports from external parties, such as suppliers. Furthermore, in July 2025, we launched the “Teijin Frontier Supplier Hotline” as a grievance mechanism. Through the provision of these reporting systems, we aim to maintain and improve human rights and working environments throughout the supply chain by receiving consultations from employees at supplier companies in Japan and overseas regarding employment, working conditions, compliance and other issues, and responding appropriately.

4. Engagement and Dialogue with Stakeholders

We place great importance on dialogue with a variety of stakeholders, including employees, customers, suppliers, medical professionals and patients, and local communities. Through surveys, questionnaires, the operation of a reporting contact point, and other methods, we collect opinions and feedback, helping us better understand the human rights risks associated with our business and improve our response to them.

Communication with Stakeholders

- 69 Roundtable Discussion with Independent Outside Directors
- 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance

Governance Foundation Supporting Teijin

Enabler

- ▶ 69 Roundtable Discussion with Independent Outside Directors
- 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance

Roundtable Discussion with Independent Outside Directors

A New Chapter for Teijin

—How the New Medium-Term Management Plan Was Shaped and What It Means for the Future—

Having announced a new medium-term management plan, the Teijin Group will fully transition to a Customer-Driven business. In this roundtable discussion, held in May 2026, three of the Company’s Independent Outside Directors spoke candidly about how they reviewed the Medium-Term Management Plan 2024–2025 (hereinafter, the “previous medium-term management plan”), the discussions held by the Board of Directors in formulating the Medium-Term Management Plan 2026–2028 (hereinafter, the “new medium-term management plan”) that was announced in May, and their views on its significance and expectations for its implementation.

Masaaki Tsuya

Independent
Outside Director

Reiko Kusunose

Independent
Outside Director

Toichi Maeda

Independent
Outside Director



Review of the previous medium-term management plan

Tsuya Teijin is a company that has grown by overcoming numerous challenges throughout its long history. However, it is also true that Teijin is currently in an extremely difficult phase amid significant changes in the operating environment. In such circumstances, I believe one of the biggest achievements during the period of the previous medium-term management plan was that the Company actually took actions based on clear-cut decision making. For example, it greatly advanced the transformation of its business portfolio mainly by restructuring underperforming businesses and reviewing its businesses under the best

owner principle. I also applaud the leadership of CEO Uchikawa, who has spearheaded these initiatives.

On the other hand—and this is an issue common to many companies—the greater the past success, the stronger the tendency becomes for inward-looking forces to take hold. At a long-established company like Teijin, driving organizational transformation requires engaging many people and actioning changes in both mindset and behavior, which is why structural reform inevitably takes a certain amount of time. However, the market will not wait. There is no denying that there is a gap between when the results of reforms are realized and the speed demanded by the capital markets. As an Independent Outside Director, I know that some of

the external assessments of this issue are pretty harsh, and I have shared this awareness with the executive team.

Kusunose I also hold CEO Uchikawa’s leadership in very high regard. Among the many executives I have worked with over the years, I consider him to be an outstanding leader. That is precisely why, during the previous medium-term management plan period, I was keenly aware that a transformation would not be accomplished by the CEO alone. No matter how on point the Company’s course direction might be, an organization will not move forward in the truest sense unless the entire management team shares the same determination and sense of urgency and commits as one team. For that reason, I have repeatedly emphasized the

Governance Foundation Supporting Teijin

- ▶ 69 Roundtable Discussion with Independent Outside Directors
- 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance

importance of building a structure in which each member of the management team considers the plan as their own concern and executes it with full accountability.

In addition, Teijin faced structural issues in bringing together the strengths of its various businesses, including the problem of its organization being increasingly siloed, where excessive optimization within individual businesses led to weak ties across the organization. I also felt that the cross-functional support and control mechanisms provided by corporate functions such as finance and audit were not sufficient enough. The framework for recognizing issues from a Company-wide perspective, rather than from the standpoint of individual businesses, and for ensuring that everyone moves forward in the same direction, was weak. I have continued to make recommendations on this point, and they have gradually begun to be reflected in organizational management and information sharing. At present, a strong sense of urgency that things need to change has spread throughout the organization. I believe that the results of the steady execution of the business portfolio transformation based on the sense of crisis will begin to materialize in earnings going forward.

Maeda I have been in my role for under a year, but I feel that the actual operating environment is more challenging than I anticipated before I took the role. Having experienced situations in my previous job where the company’s survival was at stake, I was not particularly surprised by the current situation. However, I felt a strong sense of urgency to quickly restore the Company’s



performance and strengthen its business foundation.

The discussions during Board of Directors are pretty serious, and as an Independent Outside Director, I too don’t hold back with my comments. That is because I believe there is no use in taking part in discussions unless I have a strong awareness of the need to improve the Company as a stakeholder.

Discussions regarding the formulation of the Medium-Term Management Plan 2026-2028

Tsuya Teijin has brand power and is one of the world’s leading companies with a history of transforming itself while adapting to changes. On the flip side, it is fair to say that Teijin’s culture has not exactly been one in which discussions at Board of Directors are characterized by straight talk. It also cannot be said that the Company has been particularly adept at providing explanations to, and engaging in dialogue with, the capital markets. However, the strong sense of crisis expressed by CEO Uchikawa when he said that this situation should not continue has spilled over to the Board of Directors and given rise to more active and constructive discussions. Our role as Independent Outside Directors is to honestly point out issues from an external perspective, such as when an explanation is unclear or if we feel that a certain logic may fail to convince the capital markets, and CEO Uchikawa and the executives have been receptive to our feedback.

We raise questions about matters to be resolved at Board of Directors. For example, we might ask whether the proposed approach is best, if there are other options, and if this is the theme the Company should prioritize right now. If the executive team’s explanations are insufficient, we point that out. With this healthy sense of tension, active discussions are taking place at Board of Directors. In formulating the new medium-term management plan, the Company’s executives approached the task with a strong sense of crisis, believing that changes must be made, which I think has advanced discussions at Board of Directors.

Kusunose One issue I was aware of was that investments were also spread across low-margin areas. Overall, I felt that there was a

lack of alignment from the perspective of capital efficiency. Even if disciplined investments are called for, it is meaningless if the criteria for determining where to concentrate capital are not clear. Therefore, I recommended that the Company establish clear criteria based on capital costs and profitability and share them within the organization. Through these discussions, I feel that the new medium-term management plan has organized the Company’s basic policy regarding how and in which areas to allocate capital.

Furthermore, to prepare for future growth investments, it is imperative that Teijin first strengthens its financial base and ensures that it is in a position to secure flexible financing when necessary. In the medium-to-long term, it is the sustained returns generated from growth investments that will drive growth in corporate value. I have made comments from that perspective as well.

As for M&As, it is rare for any company, including Teijin, to achieve 100% success or to be flawless in every attempt. What is important is the lessons learned from the execution of that investment and how those lessons are applied in the future. I feel that there has been significant improvement and progress over the past two years in thoroughly reflecting on past actions, sharing the lessons learned, and discussing the next steps at Board of Directors. M&A is not an end in itself; it is crucial that the Company prepares for what comes next by, for example, asking itself what its next strategy will be and when it should address any unexpected developments. I get the sense that this kind of thinking is beginning to take root in the words of the Company’s executive officers. However, the role of Independent Outside Directors is strictly supervisory and does not involve the execution of business. While I provide advice and support as needed, I emphasize the importance of not becoming too involved in the finer details of business execution on the assumption that there are asymmetries in information. Instead, I focus on identifying where the fundamental issues lie in the bigger picture. In my view, it is an important responsibility to focus on the fundamental points and ensure that discussions at Board of Directors do not become blurred.

Maeda The starting point for discussions is always the proposals from the Company’s executives. As Independent Outside Directors, we are not in a position to unilaterally propose

Enabler

Governance Foundation Supporting Teijin

- ▶ 69 Roundtable Discussion with Independent Outside Directors
 - 73 Corporate Governance
 - 80 Board of Directors and Other Members of Management
 - 81 Dialogue with Shareholders and Other Investors
 - 82 Total Risk Management (TRM)
 - 83 Information Security
 - 84 Corporate Ethics and Compliance

measures. However, the executives tend to consider past successes and previous decision-making criteria as the basis for their deliberations. That is precisely why we raise questions and express concerns to the executive team considering external perspectives and the norms of the capital markets. Through this back-and-forth exchange of questions and answers, the quality of discussions has undoubtedly improved.

There are also opportunities for briefings and discussions before Board of Directors, during which we receive detailed explanations from the executive officers in charge and business managers regarding important matters. As a result, we can focus on more substantive discussions in the actual meeting based on a certain level of understanding. Even if concerns remain, we revisit and delve deeper into those issues during the meeting and request that they be reconsidered.

Having once been in the position of facing Independent Outside Directors as a company president myself, I know what it is like to be on the receiving end of harsh criticism. That is why I try to make comments that delve deeper into the fundamental point of issues instead of just routine confirmation.

Tsuya As both of you mentioned, in order for us to engage deeply in discussions and share our opinions, the Company’s executives reliably share information with us, including through face-to-face talks. While we cannot eliminate the information gap with the executive team, which is naturally due to our different roles and positions, our questioning and active discussions serve as a foundation for our supervisory function, which I feel is a good thing.

Regarding the Customer-Driven business

Tsuya The very concept of “Customer-Driven” is a standard practice in corporate management. However, there is no denying that Teijin has tended to focus on the idea of optimizing each business based on the accumulation of past successful experiences. Furthermore, being a company with a strong technological orientation, there has not been enough emphasis on how to create the value and advantages sought by customers and how to

nurture new businesses that are not just extensions of previous endeavors. As such, I understand that there was a need to return to the concept of being Customer-Driven.

On the other hand, Teijin is a very diligent and honest organization. Once a clear direction is provided, the Company has the ability to single-mindedly fulfil that mission. That is why I expect that if the transformation to a Customer-Driven business permeates throughout the organization, it is highly likely that the Company will undergo significant change. Whether this can be translated into concrete decision making and daily actions, not just heralded as a strategic direction, will be key.

Kusunose At manufacturing companies, the idea that the customer comes first is often raised when management undergoes a significant shift in direction. However, this time it is not just a slogan; Teijin is genuinely steering its business model in that direction. Given that business domains closer to the end users are starting to generate profits within a structure that has primarily grown around B2B, the Company’s pivot toward those domains is a rational management decision.

However, this is not merely a change in strategy; it is an initiative that will also transform corporate culture. As traditional mindsets and behaviors will not change overnight, the Company must repeatedly communicate and ensure adherence to the principle and strategic policies. For us too, it is important that we incorporate the perspective of “whether decision-making is truly customer driven” as a criterion into our oversight.

In that sense, I have high expectations for a transformation at the operational frontline level. Frontline teams have the deepest understanding of customers. If they work with a Customer-Driven approach and focus on value creation, the results are sure to follow. Manufacturers are inherently meant to be that way, and I believe the Teijin Group is no exception.

Maeda Japanese materials manufacturers share a common success model. It involves developing superior materials, producing them on a large scale, and supplying them in bulk according to market demand. However, the competitive environment has changed considerably, making it difficult to maintain the traditional model in its current form. In this context, I believe that the

shift from “product-out” to “market-in,” or in other words, to a customer driven approach, is an inevitable trend.

Within Teijin’s businesses, the models that provide value based on customer needs and challenges with short lead times have already achieved success. Therefore, the strategy of expanding these success cases throughout the Company is compelling. The new medium-term management plan is built around that very concept. I think the next challenge will be how to give tangible shape to it.

My understanding is that what is most needed is to turn the idea of “Customer-Driven” into concrete action plans within each business and ensure that those efforts lead to tangible results. On this point, we Independent Outside Directors will actively engage in discussions while continuously monitoring the efforts of the executive team.

Kusunose Teijin has many talented people. This is undoubtedly a major strength for Teijin. However, to be blunt, each and every employee needs to seriously consider and reflect on what they can give to the Company and how they can contribute more than ever before. In this day and age, leaving or changing jobs is one option; however, having been fortunate enough to join Teijin in the first place, employees are expected to actively consider and take action on how they can create customer driven value based on their own expertise and strengths, instead of sitting back and only fulfilling the roles assigned to them. Teijin has plenty of talented individuals capable of this, so those in leadership



Governance Foundation
Supporting Teijin

▶ 69 Roundtable Discussion with Independent Outside Directors

73 Corporate Governance

80 Board of Directors and Other Members of Management

81 Dialogue with Shareholders and Other Investors

82 Total Risk Management (TRM)

83 Information Security

84 Corporate Ethics and Compliance

positions should create and provide more opportunities for employees, particularly the younger generation, to think critically. At the same time, I strongly encourage young employees to take ownership of the Company’s current situation and seriously consider what they can do.

Toward the execution of the new medium-term management plan and Teijin’s future

Maeda In my view, the new medium-term management plan has been crafted into a very high-quality document as a result of vigorous and uninhibited discussions. In particular, I believe that the reorganization of the Company’s businesses into distinct areas and the clear categorization of terms such as “sustainable growth,” “stable profit base,” and “reconstruction” represent a big step forward. This has made the positioning and roles of each business much clearer. Even more importantly, the plan has disclosed financial targets for the final year, FY2028, for each business segment. Going forward, progress in each segment will be disclosed annually. This reflects a strong commitment to put initiatives into action based on clear goals rather than being made indistinct due to uncertainty. Of course, we as Independent Outside Directors will also support the attainment of these targets. I would like Teijin’s shareholders and investors to pay attention to whether each segment is making steady progress toward its stated goals under this framework, and whether that progress is of high quality. I have only been in my position for a short time, but I have started to feel attached to Teijin and I sense that it has enormous potential and a strong appeal, which is why my desire to be of service is growing. Corporate governance is an important management base for a corporation. I hope to proactively engage in discussions that contribute to growth in corporate value, instead of just providing oversight, while maintaining an appropriate amount of tension with the Company’s executives to further enhance the effectiveness of the Board of Directors.

Tsuya For a company to regain trust from the capital markets, it is imperative that it discloses concrete figures and results.

Given Teijin’s history of various improvement measures not necessarily delivering good enough results, it was essential that management clearly specify financial targets for each business segment. On top of that, what is important is results—something I have repeated many times. Even if the Company sets targets, there will be no trust earned from the market if it fails to achieve them. In the new medium-term management plan period, execution and results will be scrutinized more rigorously than ever before. It all comes down to how the Company delivers results.

Kusunose Teijin has made the bold decision to embark on the reconstruction of its business portfolio. The decision to discontinue some businesses was reached not simply because of their “low profitability at this point in time.” Teijin also has some businesses that, despite not being profitable in the short term, should be strategically maintained as options in light of their future growth potential. On that point, I certainly hope that shareholders and investors view the rebuilding from a medium- to long-term perspective. In addition, even though the management plan has set out such concepts as Customer Driven, *Kumiawase*, and *Suriawase*, what is important is how they are worked into actual business and revenue models, rather than amounting to just words. What kind of value will the Company provide, and how will it generate earnings? I believe that a clear picture and progress of this will be a key assessment point up ahead. The last thing I



would like to say is that everyone in the management team is executing the new medium-term management plan with an extraordinary level of determination.

Tsuya Communicating the Company’s management approach and progress in a clearer and more convincing manner to the capital markets is key to restoring trust. Enhancing the transparency and consistency of information directly contributes to growth in corporate value. As an Independent Outside Director, I intend to continue expressing my honest opinions from an outsider’s point of view while also encouraging constructive discussions based on what investors are looking for, thereby contributing to improvements in the quality of dialogue with external stakeholders.



Enabler

Governance Foundation Supporting Teijin

Corporate Governance

Basic Approach

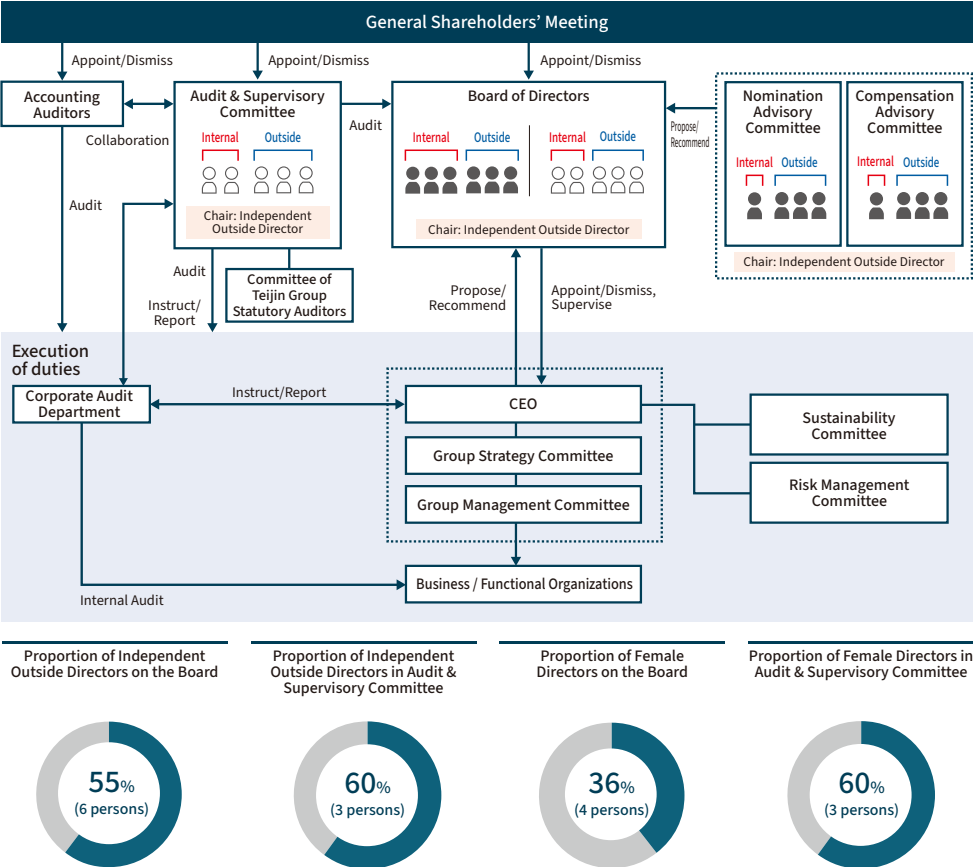
In accordance with the basic mission of the Teijin Group to continually increase its corporate value, the Group is working to strengthen corporate governance to fulfill its responsibilities to various stakeholders. The Group is striving to establish and strengthen an effective corporate governance system 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.

On June 25, 2025, the Company transitioned to a Company with an Audit & Supervisory Committee, thereby enabling faster management-related decision-making, more substantive discussions on key management issues by the Board of Directors, and the strengthening of supervisory functions.

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) - Established the Advisory Board
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 2026)



- 69 Roundtable Discussion with Independent Outside Directors
- ▶ 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance

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. As well as setting the agenda items for Board of Directors meetings in accordance with the Regulations for the Board of Directors, to expedite decision-making and clarify accountability of business execution, it has introduced a corporate officer system that properly delegates authority to Corporate Officers for 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).

The Company’s Articles of Incorporation set the maximum number of directors at 12, including a maximum of five Directors who are Audit & Supervisory Committee Members. The Company also stipulates that, in principle, at least half of all Directors shall be Independent Outside Directors. The Company’s Board of Directors is currently composed of 11 members (four women), including six Independent Outside Directors who satisfy the requirements for Independent Directors specified by the Company. Of the Directors, six are Directors who are not Audit & Supervisory Committee Members, including three Independent Outside Directors, and their term of office is stipulated as one year in the Articles of Incorporation. Meanwhile, five are Directors who are Audit & Supervisory Committee Members, including three Independent Outside Directors, and their term of office is stipulated as two years in the Articles of Incorporation. As a part of the separation of oversight and supervision from business execution, in principle, the chairperson of the Board of Directors is selected from among the Directors who are not Audit & Supervisory Committee Members.

Main Topics and Matters Deliberated

Management/ business strategy	- Review of Long-term Vision and the new medium-term management plan, strategy - Monitoring the progress of Medium-Term Management Plan 2024–2025 - Sustainability policy	- Initiatives related to human capital/intellectual property - Priority strategic business investment projects - Progress monitoring of priority investment projects, etc. - FY2026 short-term management plans, etc.
Corporate governance	- Evaluation of the effectiveness of the Board of Directors - Internal control system operation evaluation result report and basic policy on internal control system - Revisions to the Corporate Governance Guide - Submission of the corporate governance report	- Status of cross-shareholdings - Risk Management Committee achievements in FY2025, plans for FY2026 - Audit & Supervisory Committee audit plans and regular activity reports, 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 (Chief Officers*) and duties assigned to each	Compensation schemes and compensation amounts for Directors and Teijin Group Corporate Officers, etc.

* Chief Officers: Corporate officers of the Teijin Group who serve as core members essential for deliberating the overall business strategies, etc., of the Group

Message from the Chairperson of the Board of Directors

Transforming corporate culture does not happen overnight. However, I believe that sustained, earnest efforts will help enhance corporate value. Going forward, we will continue to further strengthen constructive dialogue with stakeholders while advancing reforms aimed at achieving sustainable growth and enhancing corporate value over the medium- and long-term. The results of these reforms are steadily becoming apparent in our discussions within the Board of Directors. The decision-making process of the Board of Directors is steadily evolving. We are now repeatedly asking ourselves fundamental questions about whether the rationale and underlying assumptions behind decisions are appropriate and whether better alternatives are available, and making discussions drawing on a variety of perspectives.



Masaaki Tsuya
Independent Outside Director

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.
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.”

Enabler

Governance Foundation Supporting Teijin

- 69 Roundtable Discussion with Independent Outside Directors
- ▶ 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance

Corporate Governance

Skill Matrix

Name Attribute ^{*1}	Position at the Company	Term of appointment	Management/Reform		Functions/Foundation						Expected role	Attendance at Board of Directors, Board of Statutory Auditors, and Audit & Supervisory Committee meetings (FY2025)
			Management of a (listed) company	Restructuring of business/ Internal reforms	Production/ Technology/ 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	5 years	●	●	●	●				●	Lead initiatives for business restructuring and improving profitability, drive structural reforms that include the cutting of fixed costs at underperforming businesses, divest non-core businesses and work on strategic business integrations, and accelerate structural transformations aimed at strengthening the profit base (realizing Medium-term Management Plan 2026-2028)	Board of Directors: 13/13 times
Naohiko Moriyama	Senior Executive Officer, Representative Director of the Board	5 years		●	●			●	●		Lead the formulation, promotion, and reform of growth strategies for the Company, establish the direction for business portfolio transformation and sustainable growth, respond strategically to various obstacles that arise during the promotion of the medium-term management plan	Board of Directors: 13/13 times
Yuji Nakahara	Executive Officer, Member of the Board	1 year		●	●	●				●	Create new growth opportunities, enhance the added value of specialty materials, and work to accelerate the transformation of the business model and establish sustainable competitive advantages	Board of Directors: 9/9 times ^{*2}
Masaaki Tsuya OutsideIndependent	Director	4 years	●	●		●			●	●	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: 13/13 times
Reiko Kusunose OutsideIndependent	Director	2 years		●		●	●	●			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 deep insights from a DE&I viewpoint	Board of Directors: 13/13 times
Toichi Maeda OutsideIndependent	Director	1 year	●	●	●	●				●	Experience as president 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: 9/9 times ^{*2}
Tomoko Torii	Director (Full-time Audit & Supervisory Committee Member)	2 years			●		●				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: 13/13 times (4 times as Statutory Auditor) ^{*3} Audit & Supervisory Committee: 13/13 times Board of Statutory Auditors: 3/3 times
Naoki Hamashima	Director (Full-time Audit & Supervisory Committee Member)	—						●	●		Demonstrate his experience and insights in both accounting and finance and business management, as well as his deep understanding of the Company's business structure, use his familiarity with the perspectives of a broad range of stakeholders as a base from which to audit, supervise, and advise on decision-making and business execution	Appointed in June 2026
Koichi Tsuji OutsideIndependent	Director (Audit & Supervisory Committee Member)	3 years				●		●			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: 13/13 times (4 times as Statutory Auditor) ^{*3} Audit & Supervisory Committee: 13/13 times Board of Statutory Auditors: 3/3 times
Tamie Minami OutsideIndependent	Director (Audit & Supervisory Committee Member)	3 years		●		●	●				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: 12/13 times Audit & Supervisory Committee: 13/13 times
Yaeko Takeoka OutsideIndependent	Director (Audit & Supervisory Committee Member)	1 year			●				●		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	Board of Directors: 9/9 times ^{*2} Audit & Supervisory Committee: 13/13 times

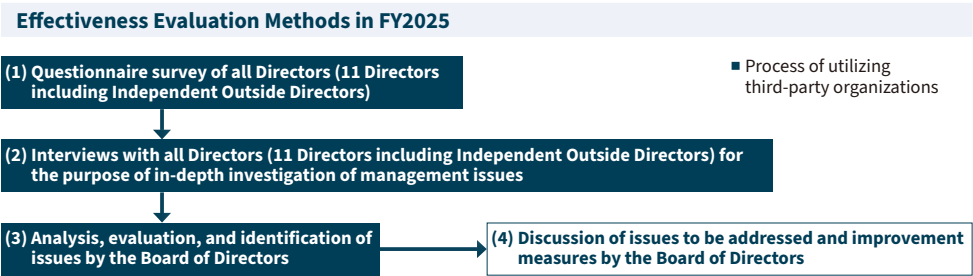
^{*1} Independent: Independent Director registered with the Tokyo Stock Exchange
^{*2} Attendance is from date of appointment in June 2025 to March 2026
^{*3} Attendance as a Statutory Auditor was from April 2025 to June 2025, and as a Director (Audit & Supervisory Committee Member) from their appointment in June 2025 to March 2026
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.

- 69 Roundtable Discussion with Independent Outside Directors
- ▶ 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance

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.



Summary of Effectiveness Evaluation Results

It was found that there was no issue with the current corporate governance system and its implementation, and that the Company’s Board of Directors was generally functioning properly and its effectiveness had been verified. 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 steadily, 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.

Results of Measures Implemented in FY2025 to Further Enhance the Effectiveness of the Board of Directors

Responses to issues identified in the effectiveness evaluation of the Board of Directors for FY2024

Issues	Responses
Deepening of discussions on key issues	- At the beginning of the fiscal year, the Company identified and prioritized key issues, and organized key points for consideration - An annual agenda and schedule were formulated to deepen discussions
Reorganization of the management execution system and enhancement of its functions	- Corporate functions strengthened various initiatives involving global collaboration with corresponding functions at Teijin Group companies - 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
Development of management personnel (strengthening expertise and cultivating the next generation)	- The Company established the new position of Chief Digital Officer, and recruited highly specialized external talent - Independent Outside Directors also participated in the next-generation management team development program

Other initiatives

Item	Specific content
Transitioned to a Company with an Audit & Supervisory Committee	- The Company has transitioned to a Company with an Audit & Supervisory Committee to enable faster management-related decision-making, more substantive discussions on key management issues by the Board of Directors, and the strengthening of supervisory functions ➡ Made steady progress in initiatives to shift to a monitoring board model
Secured opportunities for consultation and information sharing	- In addition to meetings of the Board of Directors, the Company arranged regular meetings among Directors to discuss direction and share information ➡ Facilitated the sharing of matters and perspectives that serve as the basis for deliberations at meetings of the Board of Directors
Regular activity reports from the Audit & Supervisory Committee	- Introduced a framework under which the activities of the Audit & Supervisory Committee are reported to the Board of Directors once every two months ➡ Strengthening the supervisory function of the Board of Directors through the early sharing of important audit-related information

Issues Identified in the Board of Directors Effectiveness Evaluation in FY2025 and Future Initiatives

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. Efforts to improve the effectiveness of the Board of Directors and further strengthen corporate governance will continue.

Issues	Responses
Establish key deliberation topics and enhance the effectiveness of deliberations in light of the transition to a monitoring board model	- Set up an annual agenda and review it as necessary in response to changes in the business environment - Enhance information provided prior to meetings and clarify key issues to serve as the basis for improving the quality of discussions and decision-making by the Board of Directors - Establish appropriate allocation of roles through the expanded use of delegation of authority from the Board of Directors to executive management
Oversee development of a framework to enhance the effectiveness of consolidated group management	- Oversee the status of consideration and implementation of the following - Strengthening 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 - Accelerating consideration of a strengthening of the global internal auditing framework, and, based on such considerations, enhancing the foundational elements such as organizational structure, auditing methodologies, manuals, and personnel placement and training
Appropriately follow up on the progress and underlying assumptions of the new medium-term management plan	- Monitor the milestones of the new medium-term management plan and the underlying assumptions - Oversee the consideration and implementation status of countermeasures by the execution side to enable issues to be identified in a timely manner following changes in the business environment or deviations from plan
Enhancement of information provision that contributes to supervision by the Board of Directors and the Audit & Supervisory Committee	- Expand opportunities for direct discussion of important business execution between business heads/functional heads and Directors - Enhance information sharing among the Audit & Supervisory Committee, the Nomination Advisory Committee, and the Compensation Advisory Committee - Establish a Corporate Secretary function to strengthen the framework for providing information to Independent Outside Directors as well as for communication, coordination, and support of their activities

Enabler

Governance
Foundation
Supporting Teijin

- 69 Roundtable Discussion with Independent Outside Directors
- ▶ 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance

Corporate Governance

Audit & Supervisory Committee

The Audit & Supervisory Committee comprises five Directors who are Audit & Supervisory Committee Members, including three women. Three of the five members meet the requirements of Independent Outside Directors as defined by the Company. In addition, independence is further enhanced by appointing an outside Audit & Supervisory Committee Member as chairperson. The Audit & Supervisory Committee is composed of members who possess expertise in areas such as law, finance, and accounting, and they audit the execution of duties by Directors based on their specialist knowledge.

FY2025 Activities

On June 25, 2025, the Company transitioned to a company with an Audit & Supervisory Committee, with the supervisory function of the Board of Directors strengthened by giving Audit & Supervisory Committee Members Board of Directors voting rights as Directors, and through other measures. Following the transition, the Company has created mechanisms to ensure the smooth operation of the auditing framework by the Audit & Supervisory Committee, with the aim of strengthening the organizational auditing framework.

Under these conditions, audits in FY2025 on the key audit matters below were conducted with a focus on the following basic policies: (1) Focusing audits on the integrity of corporate activities; (2) Emphasizing preventive audits using a risk approach; (3) Enhancing the understanding of the actual situation through on-site audits; and (4) Cooperating appropriately with Accounting Auditors and internal audits.

Key audit matters	
	• Monitoring of progress of improvement plans for businesses and group companies with issues, and of the process of formulating the next medium-term management plan
	• Monitoring of response to new management structures following the transition to a company with an Audit & Supervisory Committee, strengthening of group internal control systems, including those of overseas locations, and of the internal auditing function
	• Response to changes in laws and regulations, stricter regulations, and social demands such as respect for human rights, and establishment and operation of compliance and internal control systems
	• Respond to changes in accounting systems, etc., measures to prevent ESH-related accidents, establishment and operation of production facilities and management systems
	• Development of IT platforms and direction of DX promotion, as well as continuous response to information security risks

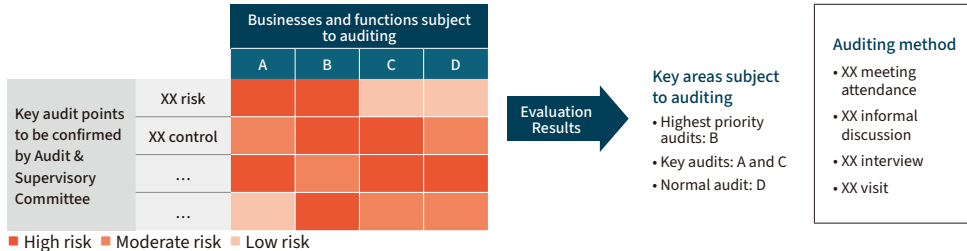
Main activities included attending meetings of the Board of Directors and other important meetings, viewing important approvals and other documents, investigating the state of business and assets at the head office and major factories, visiting important group companies, and conducting interviews and other meetings with the CEO, Directors who are not Audit & Supervisory Committee Members, main Corporate Officers, and general managers of the corporate staff departments to confirm whether there were any internal control issues.

The issues identified through such activities and the details of investigations conducted by the Audit & Supervisory Committee are provided to the Board of Directors in the form of reports and recommendations on a regular basis, and Directors who are not Audit & Supervisory Committee Members share their perceptions and engage in discussions to open the way to improvements to the Company's initiatives concerning internal control. In addition, the Audit & Supervisory Committee confirms the appropriateness of the deliberation process and discussions conducted by the Nomination Advisory Committee and the Compensation Advisory Committee in relation to the appointment and compensation, etc., of Directors who are not Audit & Supervisory Committee Members.

FY2026 Activities

The Audit & Supervisory Committee has designated management's efforts to address important management issues toward a return to a growth trajectory, as set forth in the "Teijin Group Medium-Term Management Plan 2026-2028" that was announced in May 2026, as the most important auditing topic. In order to visualize the risks and their degree of importance for each business and function, the Company has adopted a risk heat map* approach to management. This framework allows high-risk areas to be identified at a glance by assessing and categorizing risks for each of the main audit points for every business and function into three levels. This map is shared with the executive side, and will be used to follow up progress in improvement measures on an ongoing basis, thus leading to more effective auditing activities and improvements in corporate value.

*Risk heat map (conceptual diagram)



Key audit matters	
	• Monitoring of risks in the medium-term management strategy
	• Management through the use of risk heat maps for each business and function and response when risks materialize, plus initiatives to prevent recurrence
	• Establishment and operation of internal controls (including J-SOX) for the Group as a whole
	• Rebuilding of the internal auditing organization, including strengthening of internal auditing frameworks at overseas group companies
	• Appropriateness of examination process and discussions in relation to the appointment and compensation, etc., of Directors who are not Audit & Supervisory Committee Members

Message from the Chairperson of the Audit & Supervisory Committee

I feel that since transitioning to a company with an Audit & Supervisory Committee, Directors who are Audit & Supervisory Committee Members are contributing more significantly to the supervisory function of the Board of Directors. In addition to sharing risk information identified through audit activities, we are able to effectively provide opinions from diverse perspectives, drawing on the expertise of Audit & Supervisory Committee Members. The Audit & Supervisory Committee prioritizes identifying risks from a Group-wide perspective and ensuring the effectiveness of internal controls. The Committee has established priority audit items based on risk heat maps for each business and function and has begun auditing the effectiveness of the PDCA cycles implemented by the Company. In addition, it will continue to direct and supervise the internal audit department to advance internal audits and enhance the effectiveness of our corporate governance.



Koichi Tsuji
Independent Outside Director, Audit & Supervisory Committee Member

69 Roundtable Discussion with Independent Outside Directors

▶ 73 Corporate Governance

80 Board of Directors and Other Members of Management

81 Dialogue with Shareholders and Other Investors

82 Total Risk Management (TRM)

83 Information Security

84 Corporate Ethics and Compliance

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 Independent 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 Independent Outside Directors who are not Audit & Supervisory Committee Members and the CEO). The Chair of each committee shall be selected from among Independent 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.

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 Independent 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)

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)

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

In terms of candidates for director, the Board of Directors considers and proposes to the General Meeting of Shareholders those who are suitable to be directors of the Company by virtue of their outstanding personalities and insights, as well as their competence, past performance record, and so forth.

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.

Main Matters Discussed by the Respective Advisory Committees in FY2025

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 FY2026 • The independence of Independent 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 FY2024; and calculation of compensation amounts

Message from the Chairperson of the Nomination Advisory Committee

Teijin’s Nomination Advisory Committee, a majority of whose members are Independent Outside Directors, is responsible for determining the proposals to be submitted to the Board of Directors concerning the appointment, reappointment, and dismissal of Members of the Board, including Independent Outside Directors, and corporate officers (executive officers). In doing so, the committee considers the Company’s current position and the direction it should pursue, while discussing each matter to be resolved rationally and objectively without being constrained by the Company’s established ways of thinking or past performance. Throughout FY2025, the committee continued to deliberate these matters with due care. We will continue to discuss the structure of the Members of the Board, including the nomination process for executive officers and the corporate governance structure, and move forward with effective reforms.



Toichi Maeda
Independent Outside Director

Message from the Chairperson of the Compensation Advisory Committee

Teijin’s compensation system is built on a well-designed framework. Furthermore, over the past few years, we have driven our business portfolio transformation and pivoted to a Customer-Driven business under the new medium-term management plan. To accurately assess management performance over both the short- and medium-term, we have revised our performance indicators from a system operations perspective. Beginning in FY2026, we will transition to a simple and transparent system that directly links performance indicators to outcomes, placing quantitative measures at its core, including profit as a short-term metric, with a particular focus on improving ROE. In doing so, we aim to align management more closely with shareholders and improve management accountability and effectiveness.



Reiko Kusunose
Independent Outside Director

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.

69 Roundtable Discussion with Independent Outside Directors

▶ 73 Corporate Governance

80 Board of Directors and Other Members of Management

81 Dialogue with Shareholders and Other Investors

82 Total Risk Management (TRM)

83 Information Security

84 Corporate Ethics and Compliance

Corporate Governance

Executive Compensation

The policy for determining the individual compensation, etc., for Directors of the Company (excluding Directors who are Audit & Supervisory Committee Members), is reviewed annually for its appropriateness by the Compensation Advisory Committee, which consists of a majority of Independent Outside Directors, and approved by a 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 shareholder-oriented management
- iv. The system should maintain sufficient compensation levels and content to act as incentives to secure high-quality global management personnel

Compensation Levels

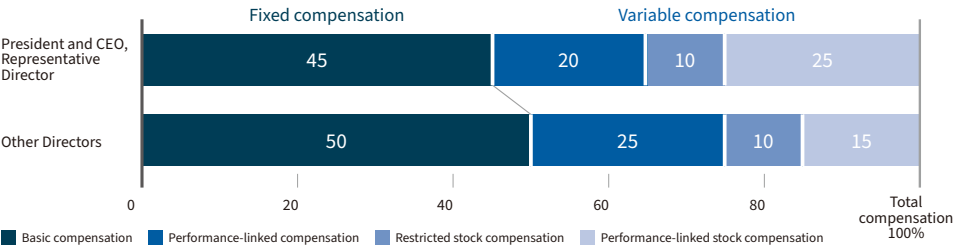
Executive compensation levels for Directors are determined each year after verifying the appropriateness of the standard amount of total compensation for each position and job grade based on the results of a compensation survey in which major corporations in Japan participate.

Composition of Compensation for Directors

- i. The compensation for Inside Directors who concurrently serve as Executive 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 Executive 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.
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 and Variable Compensation

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 enhance corporate value through the execution of management with an emphasis on improving profitability and increasing capital efficiency, Profit, ROIC based on adjusted operating income after tax, and Sustainability (Safety) have been set as performance indicators. Individual Performance Targets have also been set for Internal Directors who concurrently serve as Corporate Officers, excluding the President and CEO, Representative Director of the Board.
	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 motivate recipients to sustainably enhance corporate value and shareholder value over the medium- to long-term, restricted stock and performance share units are provided in accordance with the rate of achievement of targets, etc., based on the performance indicators of ROE, Total Shareholder Return, and Sustainability (environment, DE&I, and 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 (FY2025)

Position		Total compensation amount (millions of yen)	Total compensation amount by type (millions of yen)				Number of officers receiving compensation
			Basic compensation, etc.	Performance-linked compensation	Restricted stock compensation	Performance-linked stock compensation	
Directors who are not Audit & Supervisory Committee Members	Directors (inside)	424	257	64	51	53	4
	Independent Outside Directors	66	66	—	—	—	5
Directors who are Audit & Supervisory Committee Members	Directors (inside)	53	53	—	—	—	2
	Independent Outside Directors	45	45	—	—	—	3
Statutory Auditors	Statutory Auditors (inside)	19	19	—	—	—	2
	Outside Statutory Auditors	12	12	—	—	—	3

Note: On June 25, 2025, the Company transitioned to a Company with an Audit & Supervisory Committee. Compensation for Directors who are not Audit & Supervisory Committee Members includes compensation for Directors prior to the Company’s transition. Compensation for Statutory Auditors pertains to the period prior to the transition, while compensation for Directors who are Audit & Supervisory Committee Members pertains to the period after the transition.

Governance Foundation Supporting Teijin

- 69 Roundtable Discussion with Independent Outside Directors
- 73 Corporate Governance
- ▶ 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance

Board of Directors and Other Members of Management (As of June 2026)

🔗 For each Director's profile

Board of Directors



Akimoto Uchikawa
President and CEO,
Representative Director of the Board



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



Yuji Nakahara
Executive Officer, Member of the Board
Chief Technology Officer
Group President of Specialty Materials



Masaaki Tsuya
Independent Outside Director



Reiko Kusunose
Independent Outside Director



Toichi Maeda
Independent Outside Director

Board of Directors (Audit & Supervisory Committee Members)



Tomoko Torii
Director,
Full-time Audit & Supervisory
Committee Member



Naoki Hamashima
Director,
Full-time Audit & Supervisory
Committee Member



Koichi Tsuji
Independent Outside Director,
Audit & Supervisory Committee
Member



Tamie Minami
Independent Outside Director,
Audit & Supervisory Committee
Member



Yaeko Takeoka
Independent Outside Director,
Audit & Supervisory Committee
Member

Teijin Group Executive Officer

Masaki Taneda
Group President of Healthcare &
Life Solutions
General Manager, Healthcare Business Unit
President, Teijin Pharma Limited

Fumiaki Sakurai
Chief Human Resources Officer

Susumu Kamata
Group President of Apparel & Industries
General Manager, Fibers & Products
Converting Business Unit
President and Chief Executive Officer,
Teijin Frontier Co., Ltd.

Teijin Group Corporate Officer

Masanori Shimai
Chief Financial Officer

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

Junji Kitahama
Group President of Electronics & Energy
General Manager, Resin & Plastic
Processing Business Unit

Yukihiro Funyu
Chief Digital Officer

Ichiro Kitano
Chief Production, Engineering &
Procurement Officer

Tetsuya Ito
General Manager, Carbon Fibers
Business Unit

Taiichi Machida
General Manager, Aramid Business Unit
President, Teijin Aramid B.V.

Miho Fujii
Chief Sustainability Officer
Corporate Secretary



- 69 Roundtable Discussion with Independent Outside Directors
- 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- ▶ 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance

Dialogue with Shareholders and Other Investors

(1) Dialogue Regarding the Capital Market and Information Disclosure: Dialogue Implementation and Main Participants

We actively engage in constructive dialogue with shareholders and investors in Japan and overseas to promote understanding of our strategies and other initiatives and to gain an appropriate evaluation from the capital market. Senior management, including the CEO, participates in financial results briefings, briefings on individual businesses, meetings with major shareholders, overseas IR activities, and other opportunities, striving to provide detailed explanations and engage in two-way dialogue regarding our medium- to long-term management policies, recent business conditions, sustainability initiatives, and other matters. Through these activities, we seek to deepen understanding of the Company while appropriately reflecting the opinions and suggestions received from shareholders and investors in management to sustainably enhance corporate value.

(2) Feedback from Shareholders and Investors

In FY2025, the final year of the Teijin Group Medium-Term Management Plan 2024-2025, we engaged in dialogue with shareholders and investors, focusing primarily on progress in improving profitability and transforming the business portfolio, as well as initiatives to strengthen the global management system. The main dialogue themes and matters of interest to shareholders in FY2025 are shown in the table to the right.

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

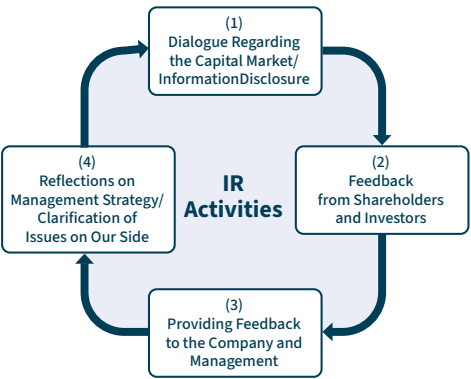
We report the opinions gathered through dialogues with shareholders and investors to the Board of Directors and the Management Committee and use them to deepen discussions on the formulation of management strategies, including the medium-term management plan.

In FY2025, we deepened discussions on the formulation of the medium-term management plan by reporting concerns and opinions regarding business performance, growth strategy, and capital allocation 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.

Content of Report (Frequency)	
Comments from Shareholders, Other Investors, and Analysts	Summary reported to the Board of Directors and Management Committee (monthly)
Analyst Reports	Summary of analyst reports communicated via email, etc. (quarterly as needed)
IR Activities	Report activities, key issues, dialogue with shareholders and other Investors, etc., to the Board of Directors and Management Committee (semi-annually)

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

- Clarification of the growth strategy and business model in the new medium-term management plan, optimization of the business portfolio and reorganization of business segments, and disclosure of ROIC targets
- Clarification and review of the basic capital allocation policy (including consideration of introducing DOE)



Investor Attributes and Shareholders with Whom We Held Dialogues

Overseas shareholders and investors: Approx. 40%
Domestic shareholders and investors: Approx. 60%

Activities in FY2025

- Financial results briefings (4 times)
- Fibers & Products Converting Business briefing (April)
- Resin & Plastic Processing Business briefing (December)
- Battery Materials & Membrane Business briefing (February)
- Individual meetings (approximately 250 per year, including approximately 15 overseas IR meetings, approximately 20 shareholder meetings, and 6 meetings on the Integrated Report)
- Management briefing for individual shareholders (July)
- Tour of product display facility for individual investors (January; in-person and online)

Main Dialogue Themes and Matters of Interest to Shareholders (FY2025)

Progress of the Medium-Term Management Plan (2024-2025)	• The Company has steadily made progress in restructuring underperforming and less-focused businesses, including the IT business and Composites business in North America. • The business integration with Asahi Kasei Advance is a very positive initiative. Together with fundamental cost structure reforms in the Aramid and Carbon Fibers businesses, it demonstrates a strong commitment to transformation.
Direction of the New Medium-Term Management Plan	• While the direction of the strategy and progress of initiatives are convincing, the gap between the ideal and the current situation is not yet fully clear. We would like to see a clear path toward the desired state and specific measures to improve profitability. • We would like Teijin to clearly identify the key elements that will enable it to continue winning and steadily incorporate them into its growth strategy. • With regard to the pharmaceuticals business, the policy of focusing on areas that offer synergy with home healthcare is convincing, taking into account the probability of success and the capital required. • From an investor perspective, ROE of 8% is the minimum necessary level, and we expect further improvement over the long term.
Capital Allocation	• For long-term investors, progressive dividends and DOE are preferable measures. • Improving ROE will require not only a recovery in profitability but also more decisive action on the capital structure.
ESG Initiatives	• We highly value the Company's active recruitment of external talent to executive positions within the Company. • It is important to demonstrate the linkage between management strategy and HR strategy. As the HR strategy reflects the desired future state of the Company and its businesses, we would like the Company to continue considering matters such as clarifying the talent required. • Employee engagement tends to decline during periods of weak business performance, divestitures, workforce reductions, and similar circumstances. We would like to confirm whether employees are maintaining a high level of loyalty and engaging positively in reform initiatives.

Enabler

Governance Foundation Supporting Teijin

- 69 Roundtable Discussion with Independent Outside Directors
- 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- ▶ 82 Total Risk Management (TRM)
- 83 Information Security
- 84 Corporate Ethics and Compliance

Total Risk Management (TRM)

Basic Approach

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 business operations.

While improving corporate 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.

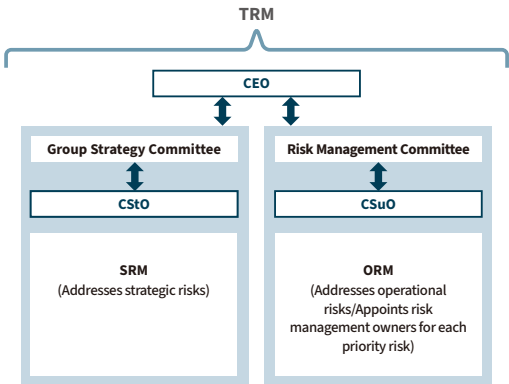
The Board of Directors supervises risk management throughout the entire Teijin Group. It positions the assessment of both “strategic risks,” which originate from the formulation of management strategies and plans, strategic actions, and decisions on individual investment projects, and “operational risks,” which involve various adverse events that could negatively impact the Company, 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

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

The Risk Management Committee, chaired by the CEO, is responsible for operational risk management (ORM), with oversight assigned to the Chief Sustainability Officer. This committee sets policies for managing operational risks and promotes and monitors progress on related initiatives.



Major Risks

Strategic Risks

The main risks we are aware of, as of June 2026, include fluctuations in energy prices and the impact on the procurement of raw materials and the international logistics network due to the destabilization of the situation in the Middle East, the continuation and escalation of geopolitical tensions between major countries, and the uncertainty of trade, industrial, and economic security policies in major countries.

The Group also considers various risks to our medium- to long-term management strategy, such as hostile takeovers, the impact of business structure reviews on the Group as a whole, structural changes in the industry driven by advances in digital technologies such as AI, and shifts in the economic environment caused by the fluidity of the international order.

Operational Risks

The Risk Management Committee has identified nine risk areas: large-scale disasters, information, geopolitics and economic security, quality, compliance, human resources, safety, environment, and society. The committee assesses the risks in each risk area based on (1) impact, (2) probability of occurrence, and (3) expected timing of occurrence, and identifies significant risks that would have a significant impact on management if they occurred.

To further improve the effectiveness of risk management, a Risk Management Owner (responsible executive officer) is appointed for each risk among the identified significant risks that is deemed to require intensive management focus (which are designated as priority risks), and response policies are formulated based on the main anticipated risk scenarios for the current fiscal year.

For FY2026, we have designated information security, supply chain disruptions, major natural disasters, leaks or fires, leakage of technical information, serious quality-related fraud/falsification, and serious misconduct as priority risks. Under the supervision of the Risk Management Committee, each Risk Management Owner is working on countermeasures, as well as developing a rapid response framework for when risks occur.

Annual Securities Report P32–33, “Significant Risks in FY2026” (in Japanese)

			● Priority risk ■ Other significant risk	
Large Medium Small (Impact)	Low	Medium (Probability)	High	
		● Major natural disasters ● Fire/Leaks	● Information security ● Supply chain disruptions	
		■ Human rights in supply chain ■ AI/Digital risks ■ Sharp currency fluctuations ■ Talent outflow/Recruitment	● Technical information Leakage ● Major quality fraud/Falsification ● Serious misconduct	
		■ Climate change (transition risk)		

*In addition to the degree of impact and the probability of occurrence, the expected timing of occurrence is also taken into account when identifying significant risks.

Enabler

Governance Foundation Supporting Teijin

- 69 Roundtable Discussion with Independent Outside Directors
- 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- ▶ 83 Information Security
- 84 Corporate Ethics and Compliance

Information Security

Basic Approach

As digital technology becomes more sophisticated and widely used, the protection of information assets has become an important management foundation that supports business competitiveness and business continuity. The occurrence of an information security incident not only poses the risk of undermining our competitiveness and interrupting business, but may also lead to fines for legal violations and damage to our social credibility.

Aware of these risks, the Teijin Group considers information security to be a priority risk and is working to maintain and improve information security throughout the Group in accordance with the basic policy set out in the Teijin Group Regulations for Information.

To address information security risks, such as the leakage or falsification of confidential information, we work to identify physical, technical, and human threats and vulnerabilities, and continuously promote efforts to improve the security level of the entire Group.

The Teijin Group has also established the Teijin Group Regulations for Personal Information Protection as its basic policy on the protection of personal information, and we are responding appropriately to personal information protection laws, for which legislation is advancing globally.

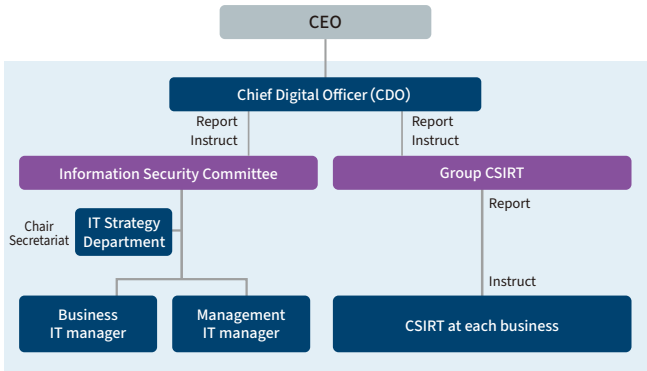
Information Security Management Structure

The Teijin Group has appointed a Chief Digital Officer (CDO) as the person responsible for overseeing global DX/IT governance, including IT policy, IT investment/costs, IT organization/human resources, information security, and AI implementation.

The CDO acts as the Risk Management Owner for information security, and the Teijin Group has established an information management structure within the Group by clearly defining the roles and responsibilities of the general manager of the IT Strategy Department at Teijin, the IT managers of each business unit, department, and Group company, and all employees. Additionally, under the CDO's supervision, we have established the Information Security Committee, with the general manager of the IT Strategy Department serving as chairperson and the IT managers of each business unit and management organization participating as members. This committee considers and implements cross-group information security measures and educational activities.

To respond to information security incidents, the Teijin Group has established a Group Computer Security Incident Response Team (CSIRT), which monitors our information systems and data for attacks and suspicious activity around the clock, while also continuously working to improve its response processes, including prevention, detection, response, and recurrence prevention. We have also been a member of the Nippon CSIRT Association (NCA) since 2016, through which we are able to utilize the latest threat intelligence and case studies from other companies in day-to-day security measures.

Group Information Security Management Structure



Measures for Information Security Management

The Teijin Group periodically reviews the management of information assets held and managed by each organization, such as information systems, networks, facilities, personal information, and confidential information. We strive to maintain and strengthen our level of information security by classifying these assets by importance, identifying threats, assessing risks, and then implementing appropriate countermeasures.

To prepare for ransomware attacks and other threats, we implement technical measures including endpoint detection and response (EDR), data encryption, immutable backups, enhanced multi-factor authentication, and security log monitoring to ensure the integrity and confidentiality of data. We have also established reporting and response procedures for when security incidents occur, and maintain a 24/7 reporting system for suspicious emails and information security incidents, enabling their early detection and prompt response. In addition, we provide all executives and employees with regular e-learning programs and hands-on training to strengthen their practical response capabilities and raise information security awareness.

In addition to these initiatives, the Corporate Auditing Department conducts information security audits for all Group companies from an independent standpoint, verifying the effectiveness of information security management and promoting its continuous improvement.

Message from the Responsible Executive Officer

Nowadays, information security incidents are not limited to mere IT system failures, but actually pose a major risk that can have a direct impact on management, such as the disruption of business operations. For that reason, we have positioned information security as a priority management risk in enterprise risk management, and management and IT will work together to focus on risk reduction and strengthening incident response capabilities.



Yukihiro Funyu
Teijin Group Corporate Officer
Chief Digital Officer (CDO)

Enabler

Governance Foundation Supporting Teijin

- 69 Roundtable Discussion with Independent Outside Directors
- 73 Corporate Governance
- 80 Board of Directors and Other Members of Management
- 81 Dialogue with Shareholders and Other Investors
- 82 Total Risk Management (TRM)
- 83 Information Security
- ▶ 84 Corporate Ethics and Compliance

Corporate Ethics and Compliance

Basic Approach

In the Teijin Group “Corporate Governance Guide,” we have established the basic principles of compliance, requiring corporate officers and employees to act with integrity. Not only is compliance with laws and regulations a given, but we are also committed 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, and endeavor to increase shareholder value and enhance the level of employee satisfaction by fostering a corporate culture that respects honest behavior.

Supervision Undertaken by the Board of Directors and the Executive Framework

The Company’s Board of Directors defines the compliance policy and supervises its implementation. On the executive side, the Chief Sustainability Officer, who is responsible for compliance, maintains a cross-group compliance system, identifies and addresses issues, and reports on the status of compliance to the Board of Directors every six months.

Compliance Promotion Process

The Group Compliance Conference, chaired by the General Manager of the Compliance and Risk Management Department, has been established to verify the progress of compliance promotion across the Teijin Group. Each business and Group company designates a “CRM (Compliance and Risk Management) Promotion Manager,” while regional head-quarter companies also assign people 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. We also identify issues based on the results of responses, and through employee awareness surveys. These findings help influence promotion plans as educational initiatives, awareness-raising campaigns, and additional countermeasures.



Hotline Operation Status

We have established a hotline through which misconduct or suspected misconduct within the Teijin Group can be directly reported. Adverse treatment of whistleblowers is strictly prohibited, and reports that could pose a serious risk are reported to top management and dealt with appropriately. Reports that have been dealt with are published on the company intranet every six months, with due regard for privacy, to help raise awareness among employees. The status of the internal whistleblowing system is reported to the Board of Directors, together with the status of compliance, every six months.



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**
- **Risk Assessment**
- **Education Activities**

- 86 Financial Highlights
- 87 Non-Financial Highlights
- 88 Eleven-Year Consolidated Financial Summary
- 89 Independent Assurance Report
- 90 SASB Standards Comparative Table
- 91 Corporate Data/External Evaluations

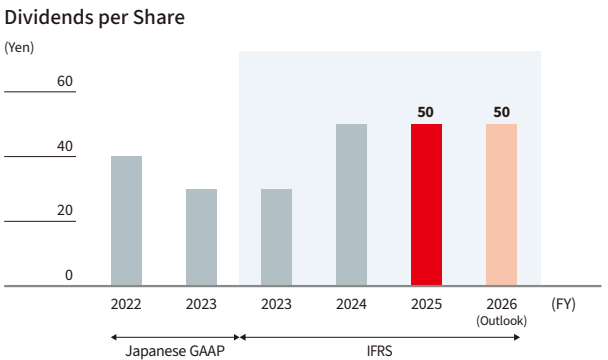
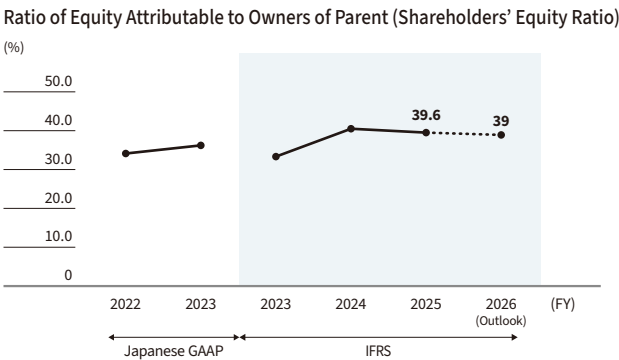
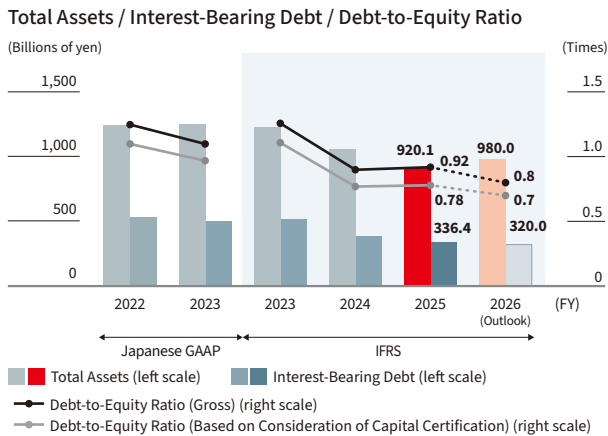
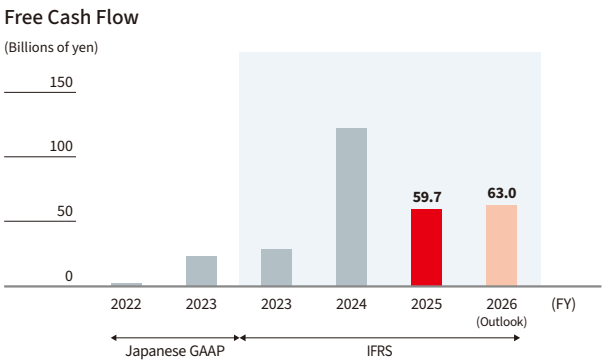
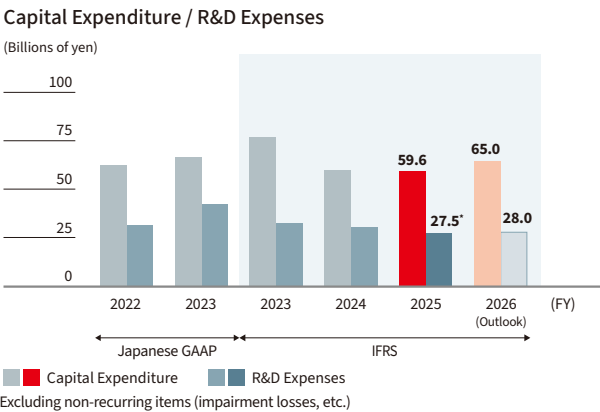
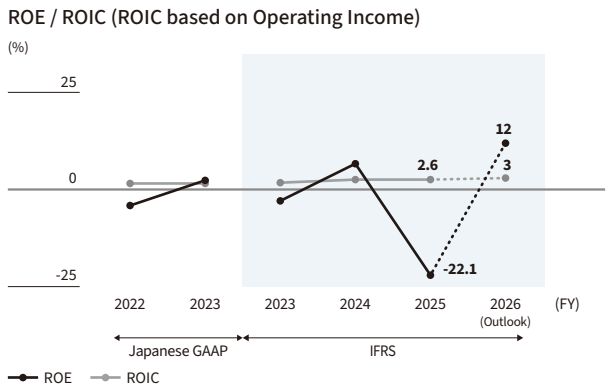
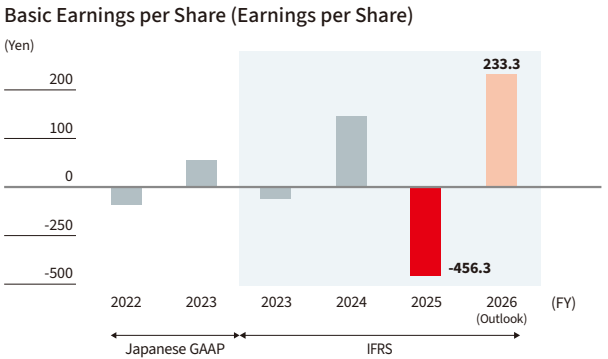
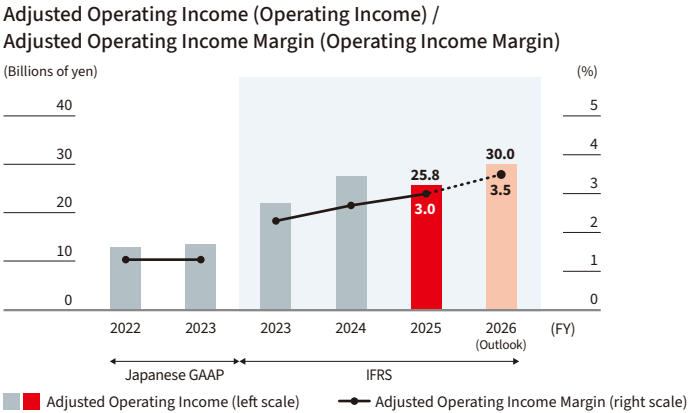
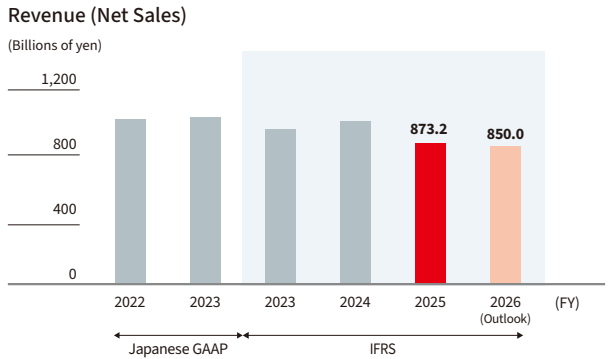
Section 5

Data Section

- 86 Financial Highlights
- 87 Non-Financial Highlights
- 88 Eleven-Year Consolidated Financial Summary
- 89 Independent Assurance Report
- 90 SASB Standards Comparative Table
- 91 Corporate Data/External Evaluations

Financial Highlights

We have voluntarily applied IFRS since FY2024.

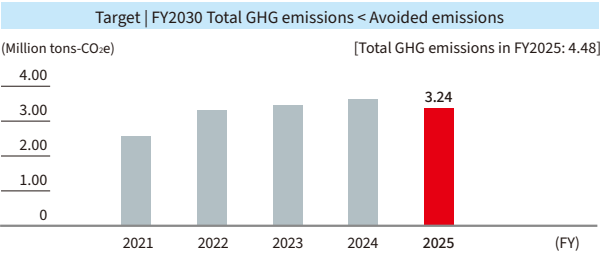


86	Financial Highlights
▶ 87	Non-Financial Highlights
88	Eleven-Year Consolidated Financial Summary
89	Independent Assurance Report
90	SASB Standards Comparative Table
91	Corporate Data/External Evaluations

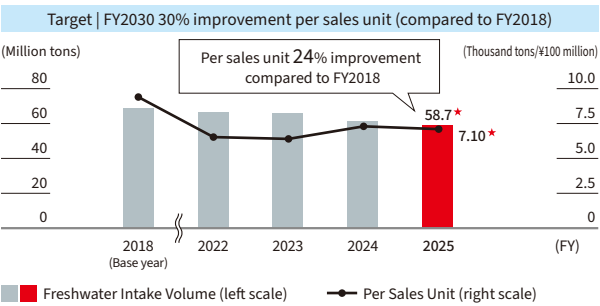
Non-Financial Highlights*1

*: Independently assured indicators

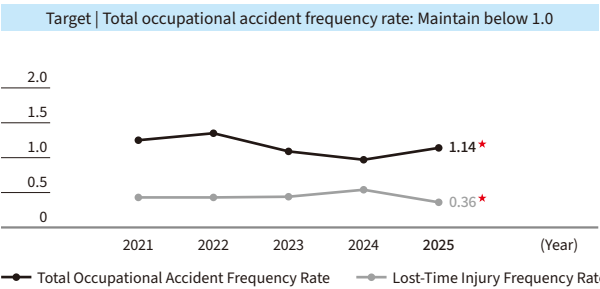
Avoided Emissions*2*3



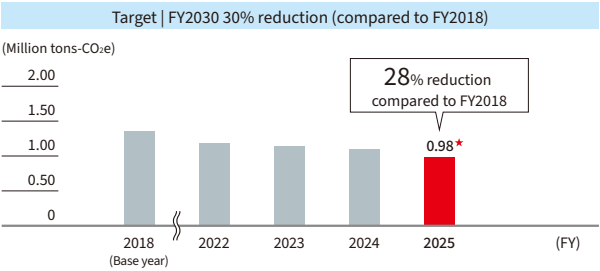
Freshwater Intake Volume and Volume per Sales Unit*7*8



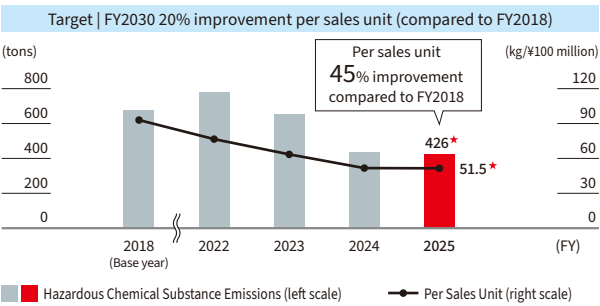
Total Occupational Accident Frequency Rate and Lost-Time Injury Frequency Rate*13*14



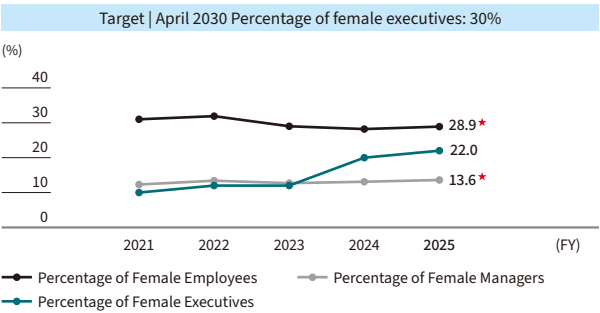
Group GHG Emissions (Scope 1 + 2)*3*4*5



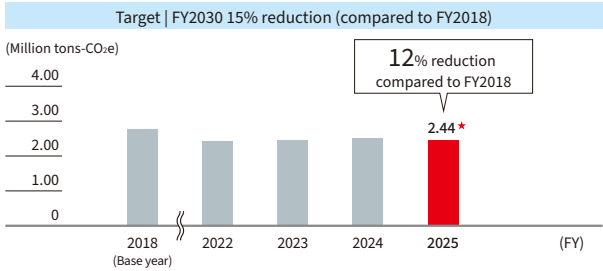
Hazardous Chemical Substance Emissions and Emissions per Sales Unit*8*9



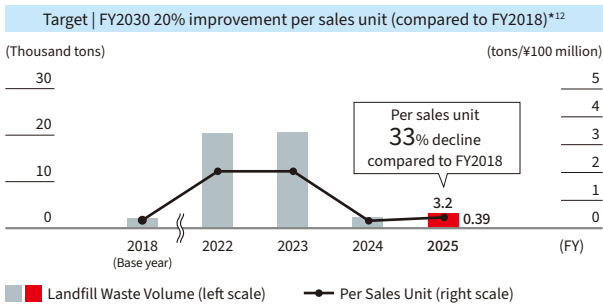
Percentage of Female Employees / Percentage of Female Managers / Percentage of Female Executives*15



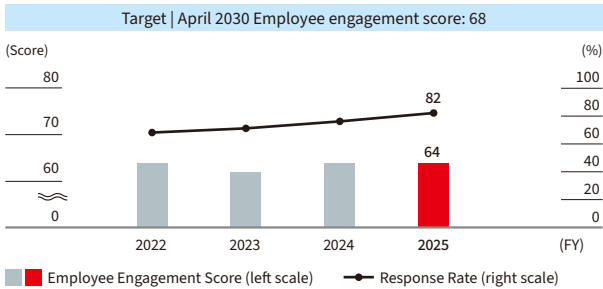
Supply Chain GHG Emissions (Scope 3, Category 1)*3*4*6



Landfill Waste Volume and Volume per Sales Unit*8*10*11



Employee Engagement Score / Response Rate



*1 Teijin Automotive Technologies NA Holdings Corp. (TAT-NA), which had been a consolidated subsidiary of the Materials Segment, was divested in July 2025 following the share transfer agreement concluded in March 2025. Accordingly, GHG-related indicators are excluded for all fiscal years. For other indicators, TAT-NA is included from FY2021 to FY2023 and excluded from both the base year and FY2024 onward.

*2 Calculated as the contribution of the GHG reduction effect downstream in the supply chain from the use of our products.

*3 GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

*4 GHG emissions are calculated with the GHG Protocol as reference. The amount of GHG 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.

*5 Includes CO₂, methane, and N₂O

*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. 3.6) (April 2026)" (Emission Unit DB V3.6). The emission intensity per unit of weight is based on the unit data from the Ecoinvent Database (operated by the Ecoinvent Association, v3.12) or the LCA for Experts (GaBi) Database (operated by Sphera, EF3.1).

*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 from 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 Landfill waste volume has significantly decreased from FY2024 onward, as TAT-NA—which had accounted for a large share of emissions prior to its divestment—has been excluded from the reporting scope.

*12 The target for landfill waste volume per sales unit is removed from FY2026 onward.

*13 Total 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.

*14 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).

*15 Figures are as of March 31 for each fiscal year and include employees loaned to companies other than Teijin Limited and its consolidated subsidiaries, and exclude employees received from external entities. Management positions are at the level of section manager or higher. Executives include Directors, Statutory Auditors (from June 2025 onward, Audit & Supervisory Committee Members), and Group Corporate Officers.

86 Financial Highlights

87 Non-Financial Highlights

▶ 88 Eleven-Year Consolidated Financial Summary

89 Independent Assurance Report

90 SASB Standards Comparative Table

91 Corporate Data/External Evaluations

Eleven-Year Consolidated Financial Summary

												Millions of yen	Percentage change	Thousands of U.S. dollars	
Years ended/As of March 31		2016	2017	2018	2019	2020	2021	2022	2023	2024	2024	2025	2026	2026/2025	2026
Japanese GAAP	IFRS	Japanese GAAP									IFRS				
Management Indicators															
EBITDA		106,024	95,843	115,478	107,551	107,156	106,771	113,024	87,781	92,427	98,448	98,230	86,096	-12.4	538,504
ROE (%)		10.6	15.7	12.5	11.2	6.3	(1.7)	5.5	(4.1)	2.4	(2.9)	6.7	(22.1)	—	
ROIC (based on operating income) (%)	ROIC (%)	12.7	10.0	11.2	9.3	8.7	8.6	5.5	1.6	1.6	1.8	2.6	2.6	—	
Operating Results															
Net sales	Revenue	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	873,190	-13.2	5,461,534
Operating income	Adjusted operating income	67,130	56,512	69,823	60,000	56,205	54,931	44,208	12,863	13,542	21,956	27,594	25,781	-6.6	161,252
Profit (loss) attributable to owners of parent	Profit (loss) attributable to owners of parent	31,090	50,133	45,556	45,057	25,252	(6,662)	23,158	(17,695)	10,599	(11,712)	28,347	(88,003)	—	(550,432)
Financial Position															
Total assets		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	920,115	-13.3	5,755,035
Interest-bearing debt		303,298	376,218	344,242	369,195	381,928	380,043	485,167	529,418	498,874	516,936	387,128	336,411	-13.1	2,104,147
Shareholders' equity	Equity attributable to owners of parent	300,113	338,384	392,925	410,727	394,162	406,150	439,579	424,983	454,111	409,507	431,378	364,461	-15.5	2,279,591
Cash Flows															
Cash flows from operating activities		80,641	79,040	80,092	80,899	94,214	107,729	89,656	55,086	69,451	80,595	69,843	98,654		617,050
Cash flows from investing activities		(40,323)	(127,650)	(51,307)	(41,288)	(67,922)	(79,587)	(198,375)	(52,427)	(46,052)	(56,561)	52,517	(38,956)		(243,658)
Free cash flow		40,318	(48,610)	28,784	39,611	26,291	28,142	(108,719)	2,659	23,399	24,034	122,359	59,697		373,386
Cash flows from financing activities		(8,317)	63,765	(31,485)	(15,353)	(8,059)	(20,878)	71,113	7,180	(43,159)	(43,793)	(134,459)	(73,251)		(458,162)
Per Share Data															
												Yen		U.S. dollars	
Profit (loss) attributable to owners of parent	Profit (loss) attributable to owners of parent	158.2	254.9	231.3	232.4	131.6	(34.7)	120.6	(92.0)	55.1	(60.9)	147.2	(456.3)		(2.85)
Shareholders' equity	Equity attributable to owners of parent	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	1,889.2		11.82
Cash dividends		35.0	55.0	60.0	70.0	60.0	50.0	55.0	40.0	30.0	30.0	50.0	50.0		0.31
Other Data															
												Millions of yen		Thousands of U.S. dollars	
Capital expenditure		38,341	46,224	44,610	62,828	68,622	60,319	200,801	62,501	66,919	77,427	59,913	59,605		372,811
Depreciation and amortization		38,894	39,331	45,655	47,551	50,950	51,840	68,816	74,918	78,885	78,032	71,026	60,315		377,252
R&D expenses		33,285	35,417	35,926	36,423	34,482	32,719	33,341	31,935	42,560	32,656	30,851	27,510*		172,067*
Number of employees		15,756	19,292	19,711	20,671	20,075	21,090	21,815	22,484	21,834	21,834	20,279	15,689		

* Excluding non-recurring items (impairment losses, etc.)
Notes: 1. The U.S. dollar amounts represent translations of Japanese yen, for convenience only, at the rate of ¥159.88 to US\$1.00, the prevailing exchange rate at March 31, 2026.
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

86 Financial Highlights

87 Non-Financial Highlights

88 Eleven-Year Consolidated Financial Summary

▶ 89 Independent Assurance Report

90 SASB Standards Comparative Table

91 Corporate Data/External Evaluations

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 2026 (the “Report”) as of and for the year ended March 31, 2026 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, 2026 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. We do not express any form of conclusions thereon.

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 sites 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 1, 2026

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.

86 Financial Highlights

87 Non-Financial Highlights

88 Eleven-Year Consolidated Financial Summary

89 Independent Assurance Report

▶ 90 SASB Standards Comparative Table

91 Corporate Data/External Evaluations

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: ESG Data
	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	—	P63 “Climate Change Initiatives”
Air Quality	RT-CH-120a.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Metric tons (t)	(1) (2) (3) Pollution (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) 13.8×10 ⁶ GJ (2) 19.0% (3) 6.7% (4) 8.2×10 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) P87 “Non-Financial 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	—	Water
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	—	Teijin Group’s Sustainability Promotion
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) P87 “Non-Financial 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	—	Health and Safety
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	—	(1) Pollution (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	—	—
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 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 FY2025, the number of serious accidents (as defined by the Company) was one.
	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

ESG Data

Boundaries for Reporting of ESH Data

ESH-Related Accounting



86 Financial Highlights

87 Non-Financial Highlights

88 Eleven-Year Consolidated Financial Summary

89 Independent Assurance Report

90 SASB Standards Comparative Table

▶ 91 Corporate Data/External Evaluations

Corporate Data/External Evaluations

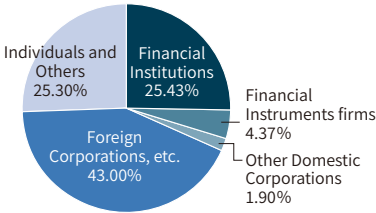
Corporate Data (As of March 31, 2026)

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	
Paid-in Capital	¥71,833 million		
Number of Teijin Group Companies	Japan: 43	Overseas: 83	Total: 126
Employees (Consolidated)	Japan: 8,164	Overseas: 7,525	Total: 15,689
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	Contact: Corporate Communication Department Kasumigaseki Common Gate West Tower, 2-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-8585, Japan		

Stock Information (As of March 31, 2026)

Stock Code	3401
Stock Exchange Listings	Tokyo Stock Exchange (Prime Market)
Minimum Trading Unit	100 shares
Authorized Number of Shares	600,000,000 shares
Number of Shares Issued	197,953,707 shares
Number of Shareholders	80,461
Fiscal Year End	April 1 to March 31
Ordinary Meeting of Shareholders	The ordinary meeting of shareholders is held before the end of June.
Dividends	Dividends are usually resolved and paid in May and November.

Ownership and Distribution of Shares



Shareholders	Investment in the Company	
	Number of shares held	Investment 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

Note1 The investment ratio has been calculated after excluding Treasury stocks (5,037,805 shares).
Note2 The investment ratio has been rounded down to two decimal places.

External Evaluations (As of August 2026) Details of External Evaluations

Dow Jones Best-in-Class Asia Pacific Index

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



FTSE4Good



FTSE JPX Blossom Japan Index



FTSE JPX Blossom Japan Sector Relative Index



THE INCLUSION OF TEIJIN LIMITED IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF TEIJIN LIMITED BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

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.
Note: Italicized product names and service names in this report are trademarks or registered trademarks of the Teijin Group in Japan and/or trademarks of other companies.

©2026 Teijin Limited. All Rights Reserved.

TEIJIN

<https://www.teijin.com>