Sustainability

The Teijin Group Global Environmental Policy

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We believe that protecting and nurturing a healthy global environment is fundamental to the Healthy Planet we aim for. Accordingly, we hereby establish "The Teijin Group Global Environmental Policy" to clearly express our stance on addressing global environmental issues related to our business activities.

1. Foundational principles

   We not only ensure compliance with environmental laws and regulations, international standards, and agreements to which we have committed, but also strive to reduce the negative environmental impacts associated with our business activities, and to promote the conservation of the global environment. Through these efforts, we aim to enhance both the efficiency and resilience of our operations. Furthermore, we regard global environmental issues as business opportunities, and by providing solutions that leverage the Group's technologies and human resources, we aim to generate positive impacts on the global environment.

2. Global environmental issues related to business activities

   We recognize that our business activities depend on natural capital and are related to biodiversity and that our initiatives to address global environmental issues contribute to the conservation of these items. Therefore, we will promote initiatives to address the following issues:

   (1) Climate change

   We strive to reduce greenhouse gas (GHG) emissions associated with our business activities and aim to achieve net-zero GHG emissions for the entire Teijin Group by 2050. Furthermore, we will contribute to GHG emission reductions through solutions that promote climate change mitigation, and we will provide solutions that support climate change adaptation.

   (2) Resource utilization

   We strive to use resources and energy efficiently in our business activities and promote waste reduction and the effective utilization of waste as resources. Furthermore, by collaborating with a wide range of partners at each stage of the value chain, we advance product design, development, supply, and technological innovation that support resource circulation, thereby contributing to the achievement of a circular economy.

   (3) Pollution

   We strive to reduce emissions of pollutants and hazardous substances to prevent pollution of the air, water, oceans, and soil.

   (4) Water resources

   We strive to practice responsible water stewardship, considering local water risks and conditions in each region.

3. Scope of application

   We will promote initiatives in line with this policy across all our business activities, in every region where we operate, and throughout the entire value chain, both upstream and downstream.

4. Management Framework

   We recognize the environmental risks associated with our business and establish an appropriate management framework, including an environmental management system. We set indicators and targets relating to global environmental issues and, through regular monitoring, we work toward their achievement and the continuous improvement of performance. In addition, we designate the Chief Officer responsible for Sustainability as the person accountable for implementing this policy.

5. Employee Education and Awareness

   We promote environmental education and raise awareness for all officers and employees across the Group.

6. Information Disclosure and Stakeholder Engagement

   We regularly disclose our initiatives and progress related to global environmental issues through various reports and our website. Furthermore, we engage in constructive dialogue with diverse stakeholders involved in our business, promote necessary education and capacity building, and actively participate in community activities. In addition, we expect all stakeholders--including suppliers and business partners--to understand support and respect this policy.

(Established in March 2026 at the Group Strategy Committee)

Sustainability

Status of acquisition of environmental management system certifications

The Teijin Group has established the 'Standards for the establishment of the Group's ESH Management System' and is promoting the acquisition of ISO 14001 certification, an international standard for environmental management, according to the level of environmental impact.

Japan (19 companies, 38 sites)

Teijin	Matsuyama, Iwakuni, Ibigawa, Teijin Composites Innovation Center, Mishima, Mihara Factory, Plastics Technical Center
Hiroshima Plastic	Head office
Teiyo	Head office
Teijin Cordley	Shimane
Unisel	Head office
Teijin Frontier Knitting	Komatsu, Kaga, Shibayama, Kushi
Frontier Tex	Head office
Teijin Tedy	Head office
Teijin Frontier	Osaka, Tokyo, Nagoya, Matsuyama
Teijin Frontier Cuore	Osaka, Nagoya, Tokyo
Teiken	Osaka, Tokyo
Teijin Axia	Tokyo, Osaka
Teijin Regenet	Iwakuni
Teijin Medical Technologies	Iwakuni
Teijin Pharma	Tokyo Research Center, Home Healthcare Technical Service Center, Iwakuni
Teijin Eco-Science	Matsuyama

Teijin Kosan	Matsuyama
Toho Chemical Engineering & Construction	Tokushima, Mishima
Toho Machinery	Head office

Overseas (19 companies, 26 sites)

The Netherlands	Teijin Aramid	Delfzijl、Arnhem、Emmen
U.S.	Teijin Carbon America	Rockwood, Greenwood
China	Nantong Teijin	Nantong
	Nantong Teijin Automotive Fabrics Finishing (Nantong)	Nantong
	Teijin Chemicals Plastic Compounds Shanghai	Shanghai
	Teijin Polycarbonate China	Jiaxing
	N.I. TEIJIN AIRBAG FABRIC (NANTONG)	Nantong
Thailand	Teijin Polyester (Thailand)	Pathum Thani
	Teijin (Thailand)	Ayutthaya
	Thai Namsiri Intertex	Weaving：Chacheongsao, Dyeing：Samutprakarn
	Teijin Cord (Thailand)	Ayutthaya
	Teijin Corporation (Thailand)	Ayutthaya
	Teijin FRA Tire Cord (Thailand)	Ayutthaya
Germany	Teijin Carbon Europe	Wuppertal
	J.H. Ziegler	Achern
Portugal	Teijin Automotive Technologies	Leça do Balio, Palmela
Czech Republic	Teijin Automotive Technologies	Čejetice, Čejetičky, Milovice
Hungary	J.H. Ziegler	Bábolna
South Korea	Teijin Lielsort Korea	Chungcheongnam-do

Climate Change

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

Governance

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



Strategy

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

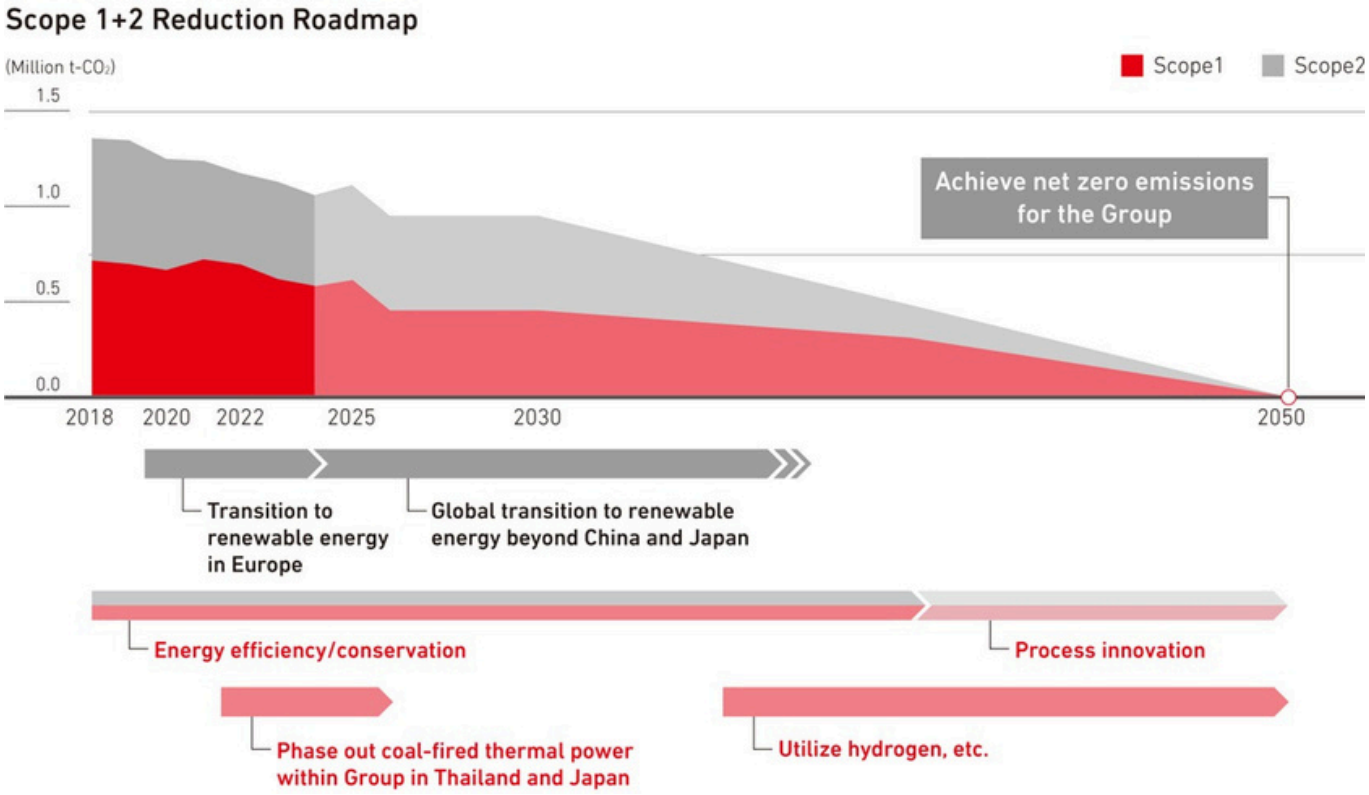
Climate Change-Related Opportunities and Risks

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

Category		Major risks	Time frame	Major initiatives
Transition risks	Policies and legal regulations	• Increase in costs due to carbon tax, EU Emissions Trading System, etc.	Short to long term	• Monitoring of trends in various policies and regulations • Introduction of internal carbon pricing system targeting capital expenditure that can lead to an increase/decrease in CO_2 emissions
	Market and reputation	• Decrease in corporate value and worsening of reputation due to an increase in Group CO2 emissions	Medium to long term	• Management of CO_2 emissions of Group companies both in Japan and overseas, including affiliated companies • Formulation and implementation of roadmap for achieving long-term environmental targets
Physical risks	Acute and chronic risks	• Suspension of business activities as a result of increased intensity of natural disasters such as typhoons and floods, long-term temperature increases, and rising sea levels, stemming from climate change	Short to long term	• Regular review of business continuity plan (BCP) and implementation of various disaster prevention drills

Roadmap for Reducing Group CO_2 Emissions

The Teijin Group aims to achieve net zero CO2 emissions by 2050, promoting the shift to renewable energy for power sources and to clean energy for heat sources in line with its roadmap. Renewable energy adoption is progressing steadily in Europe, and developments in China are ahead of schedule. In Japan, following Thailand, decarbonization work is underway at domestic plants and is scheduled for completion by the end of FY2025, with the full-year effects expected from FY2026.



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

Scenario Analysis Related to Climate Change

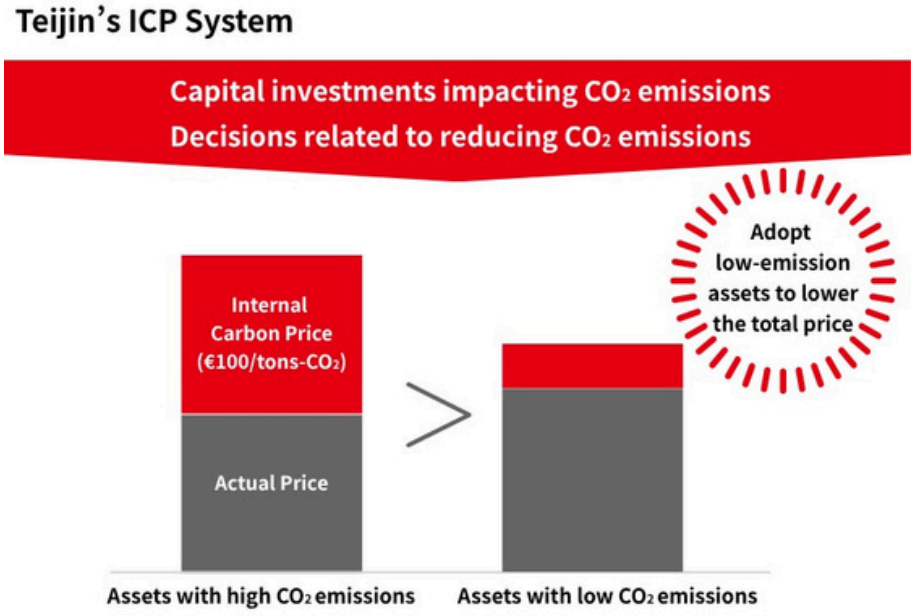
After identifying businesses and industries that have the potential to be significantly impacted by climate change, the Teijin Group has been conducting an analysis of the level of this impact based on the 1.5℃ scenario and the 4℃ scenario,* referencing World Energy Outlook (WEO), published by the International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

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

Internal Carbon Pricing System*

In FY2020, the Teijin Group established and introduced an internal carbon pricing (ICP) system targeting capital expenditure plans throughout the Group that can lead to an increase or decrease in CO2 emissions. In FY2021, we began applying this ICP system to our capital expenditures. In April 2023, we revised the ICP system, making changes to such aspects as set pricing and scope of application, taking into account such factors as the raising of our target for Groupwide CO2 emissions reductions and the recent changes in the external environment. With regard to ICP, we raised this price from €50/tons-CO2 to €100/tons-CO2 to better reflect the increased risks of carbon taxes being introduced and rising tax rates as well as higher emissions trading prices in various countries, especially in Europe. We have expanded the application of our pricing system for in-house CO2 emissions to include investments such as M&A, as well as decisions related to reducing emissions that do not necessarily involve capital expenditure, such as switching to renewable energy. In addition, with regard to indirect emissions from partners in our upstream value chain (Scope 3 Category 1), the revised ICP will be applied to capital expenditure for switching to recycled or biomass-derived raw materials purchased from other companies, thereby encouraging the reduction of CO2 emissions throughout the supply chain.

*A system that creates economic incentives to reduce CO_2 emissions by establishing internal carbon prices to quantify CO_2 emissions as costs, thereby promoting internal efforts to respond to climate change.



Converting to Gas Cogeneration System at the North Plant of Maruyama Factory

In October 2022, the Teijin Group made the decision to convert the in-house fossil fuel-based power generation facilities currently in use at the North Plant of Matsuyama Factory to a cogeneration system* running on city gas. With regard to the Group's specific targets for net zero emissions by FY2030, allowing for future business growth, this target requires us to reduce CO2 emissions by roughly 600,000 tons compared with FY2018 levels. The introduction of this gas cogeneration system in the North Plant of Matsuyama Factory is expected to achieve a reduction of 200,000 tons a year, or around 30% of this reduction. The total investment is expected to be over ¥10 billion, including the replacement of existing aging power receiving and distribution equipment, and the generating capacity of the new power plant is expected to be approximately 30,000 kW.

*Cogeneration systems supply both electricity and heat on-site, and their high energy efficiency results in significant reductions in CO_2 emissions.

Risk Management

Sustainability risks are managed under the Total Risk Management (TRM) framework. For transition risks related to climate change, we monitor policy trends and formulate a roadmap towards achieving net zero. Within the Teijin Group and across our supply chain, we have introduced an internal carbon pricing system for capital expenditures that involve increases or decreases in CO2 emissions, in order to curb risk impacts. In April 2023, we expanded the scope of this system to include decision-making cases that affect CO2 emissions reductions without capital expenditure, such as investments through M&A or the switch to renewable energy by changing suppliers. For physical risks such as rising temperatures and sea levels, we conduct assessments of water risks and implement necessary measures, while reviewing our BCP as needed and conducting various disaster preparedness drills.

Total Risk Management >

Metrics and Targets

The Teijin Group's greenhouse gas (GHG) emissions targets have been certified by the Science Based Targets initiative (SBTi) as being consistent with the Paris Agreement's scientifically based GHG emissions reduction targets, meeting the "Well-below 2℃" target level.

Avoided CO_2 Emissions[*1]

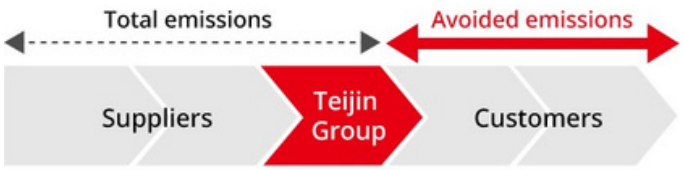
We aim to reduce CO2 emissions throughout the entire supply chain by using our long-cultivated technologies for reducing weight and increasing efficiency. By the early stage of FY2030, we aim to make the amount of our avoided emissions larger than the total CO2 emissions[*2] . We have also been making efforts toward establishing a life cycle assessment (LCA) evaluation system, which visualizes the environmental burden of a product across its entire life cycle. Through these efforts, we aim to reduce CO2 emissions throughout the entire supply chain. In FY2023, we established the LCA Promotion Expert Meeting under which we are proceeding with Groupwide LCA initiatives.

*1Calculated as the contribution of the CO_2 reduction effect downstream in the supply chain from the use of our products.

*2Total CO_2 emissions are calculated for Scope 1, Scope 2, and Category 1 (Purchased goods and services), Category 2 (Capital goods), Category 3 (Fuel- and energy-related activities not included in Scope 1 and Scope 2), Category 4 (Upstream transportation and distribution), Category 5 (Waste generated in operations), Category 6 (Business travel), and Category 7 (Employee commuting) in Scope 3.

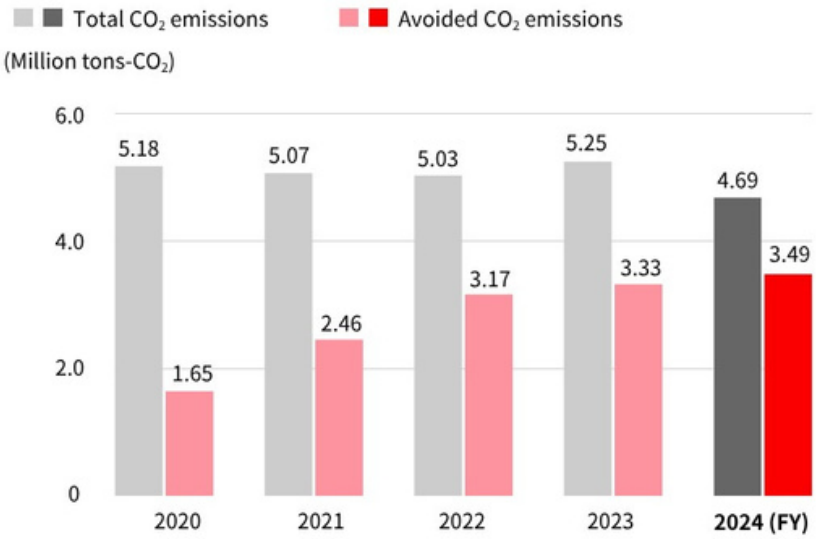
The Group's target (KPI)

FY2030: Achieve total CO2 emissions ＜ avoided CO2 emissions



Trends in total CO_2 emissions and avoided CO_2 emissions

In FY2024, our avoided CO2 emissions were 3.49 million tons-CO2.



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*GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

Group CO_2 Emissions (Scope 1 + Scope 2)

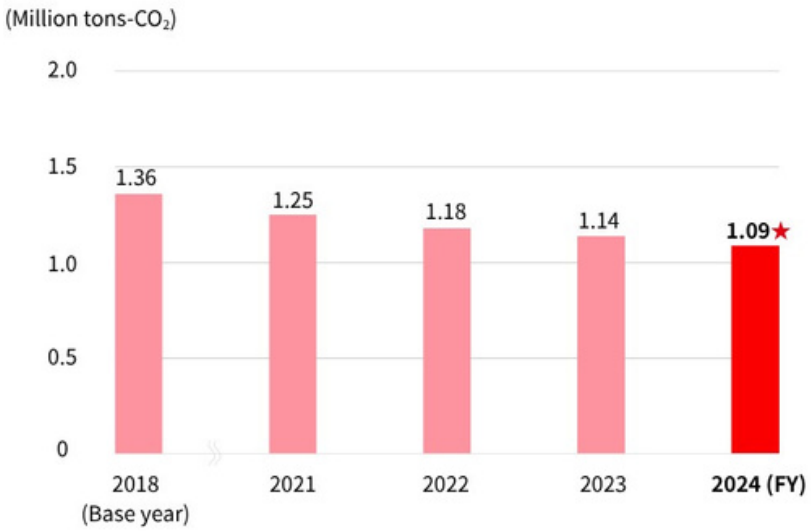
Through the early phase-out of all coal-fired power generation and the gradual transition to renewable energy sources for our electricity, we are working to decouple our business growth from GHG emissions.

The Group's target (KPI)

- FY2030: 30% reduction (vs. 1.36 million tons-CO2 in FY2018)
- FY2050: Achieve net zero

Trends in Group CO_2 emissions

In FY2024, Group CO2 emissions were 1.09 million tons-CO2★ (Scope 1: 0.58 million tons-CO2★, Scope 2: 0.51 million tons-CO2★).



*Includes CO2, methane, and N2O

*CO_2 emissions are calculated with the Greenhouse Gas (GHG) Protocol as reference. The amount of CO_2 emissions equivalent to the amount of energy sold to other companies has not been deducted from this data. With regard to coefficients for fuel, we use emissions coefficients based on the Law Concerning the Promotion of the Measures to Cope with Global Warming. As for emissions coefficients for electricity, we use standard emissions coefficients of individual electric power companies for power purchased in Japan. For power purchased overseas, we use power company-specific coefficients, in principle. However, in cases where the power company-specific coefficient is unknown, we apply the latest available International Energy Agency (IEA) country-specific emissions coefficient. As TAT-NA is a discontinued operation, it has been excluded from the scope of aggregation starting from FY2024. In accordance with the GHG Protocol, recalculations were applied retroactively to the base fiscal year, excluding TAT-NA. Note that including TAT-NA in the aggregation would result in emissions of 1.23 million tons-CO_2 for FY2024, and this figure is not subject to third-party assurance.

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Supply Chain CO_2 Emissions

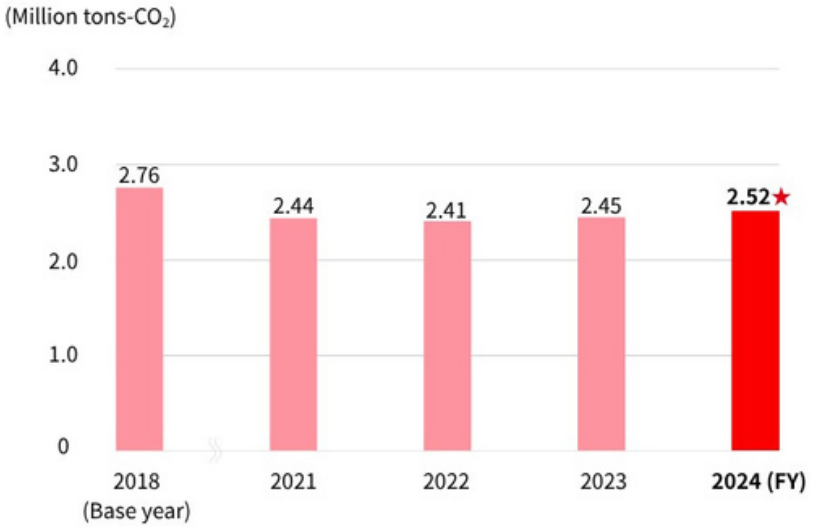
We have set a KPI pertaining to two-thirds of our total supply chain CO2 emissions and are working to reduce these emissions across the entire supply chain.

The Group's target (KPI)

FY2030: 15% reduction (vs. 2.76 million tons-CO2 in FY2018)

Trends in supply chain CO_2 emissions

In FY2024, supply chain CO2 emissions were 2.52 million tons-CO2★.



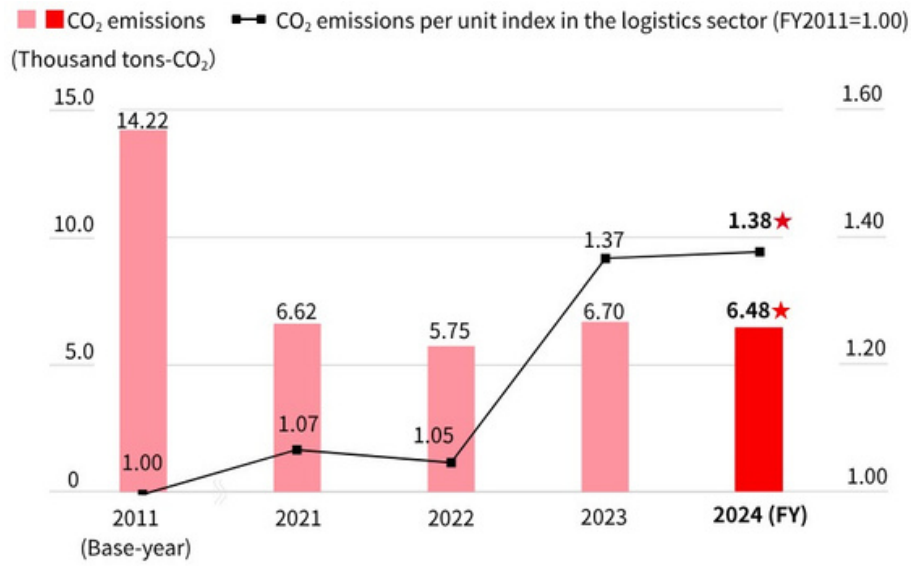
*Targets Category 1 (purchased goods and services) of Scope 3 emissions. However, this excludes Category 1 emissions related to products purchased for resale in the Fibers & Products Converting Business. Calculated by multiplying the purchase weight or purchase amount of purchased goods and services by the emission intensity per unit of weight or amount. The emission intensity per unit of amount is based on the unit data from the Ministry of the Environment's "Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.4) (March 2024)" (Emission Unit DB V3.4). The emission intensity per unit of weight is based on the unit data from the Ecoinvent Database (operated by the Ecoinvent Association) or the LCA for Experts (GaBi) Database (operated by Sphera). As TAT-NA is a discontinued operation, it has been excluded from the scope of aggregation starting from FY2024. In accordance with the GHG Protocol, recalculations were applied retroactively to the base fiscal year, excluding TAT-NA. Note that calculating the emissions for FY2024 in cases where TAT-NA is included in the aggregation would be difficult, so it is excluded from the scope of this disclosure.

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CO_2 Emissions in the Logistics Sector

In FY2024, CO2 emissions in the logistics sector amounted to 6.48 thousand tons-CO2★, a decrease of 0.22 thousand tons-CO2 from FY2023. In FY2024, due to factors including a decrease in the volume of overseas shipments from the carbon fibers business to the Teijin Group and the utilization of storage warehouses for the new healthcare business, the overall total freight transport volume decreased (by 1,883 thousand tons-km/year). A change in the transaction terms for Teijin Healthcare led to a decrease in shipment volume and large-lot shipments, causing a decline in loading efficiency. Consequently, the CO2 emissions per unit of transportation amount in the logistics sector for the Group as a whole increased by 0.01 year on year. Furthermore, the basic unit of intensity per thousand tons-km (tons-CO2/thousand tons-km) was 1.38★, based on an index where FY2011 is set to one. In FY2025, as in the previous fiscal year, we will strive to reduce our emissions intensity by continuing to drive initiatives such as shortening drayage distances by changing the port of discharge and implementing street turns, in addition to switching to larger vehicles (expanding consolidated shipments), improving truck loading efficiency, and promoting a modal shift.

Trends in CO_2 emissions in the logistics sector



*The scopes for calculating CO_2 emitted by logistics for each fiscal year are as follows.
FY2011: Teijin Limited (excluding the aramid fiber business), Teijin Film Solutions Ltd., and the former Teijin Fiber Co., Ltd.'s apparel business that was consolidated with Teijin Frontier Co., Ltd.
FY2020: Teijin Limited, Teijin Frontier Co., Ltd., Teijin Pharma Limited, and Teijin Cordley Limited (*)Teijin Film Solutions Ltd. and Teijin Engineering Ltd. are not included.
FY2021 to FY2023: Teijin Limited, Teijin Frontier Co., Ltd., Teijin Pharma Limited, and Teijin Cordley Limited (*)Teijin Engineering Ltd. is not included.

Since FY2024: Teijin Limited, Teijin Frontier Co., Ltd., Teijin Pharma Limited, and Teijin Cordley Limited (*)Teijin Engineering Ltd. is not included. (*)Added the Composites Business Unit to Teijin Limited.

*GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

*CO_2 emissions in the logistics sector are calculated in accordance with the revised Act on the Rational Use of Energy.

*In November 2025, we revised the CO_2 emissions and CO_2 emissions intensity figures for FY2021 and FY2023 in the logistics sector.

Sustainability

Resource Recycling

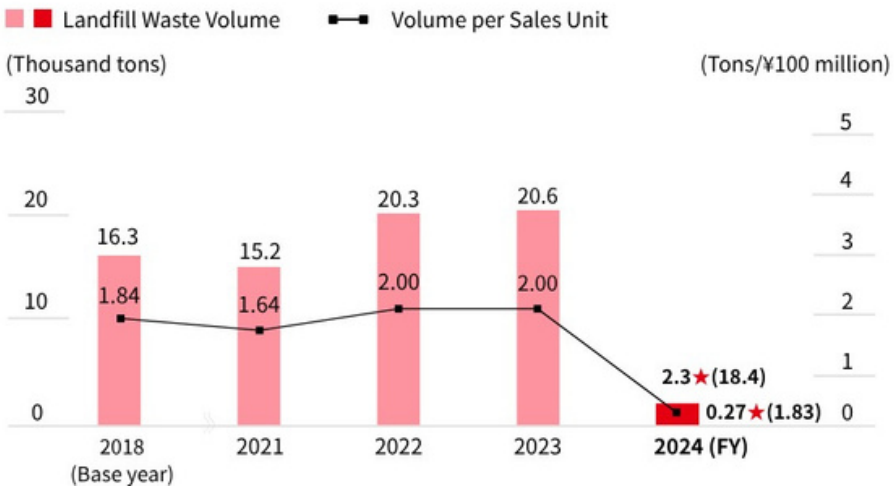
Metrics and Targets

The Group's target (KPI)

FY2030: 20% improvement in landfill waste volume per sales unit (compared with FY2018)

In FY2024, our landfill waste volume was 2.3 thousand tons★, and the volume per sales unit was 0.27 tons/100 million yen★.

Trends in landfill waste volume and volume per sales unit



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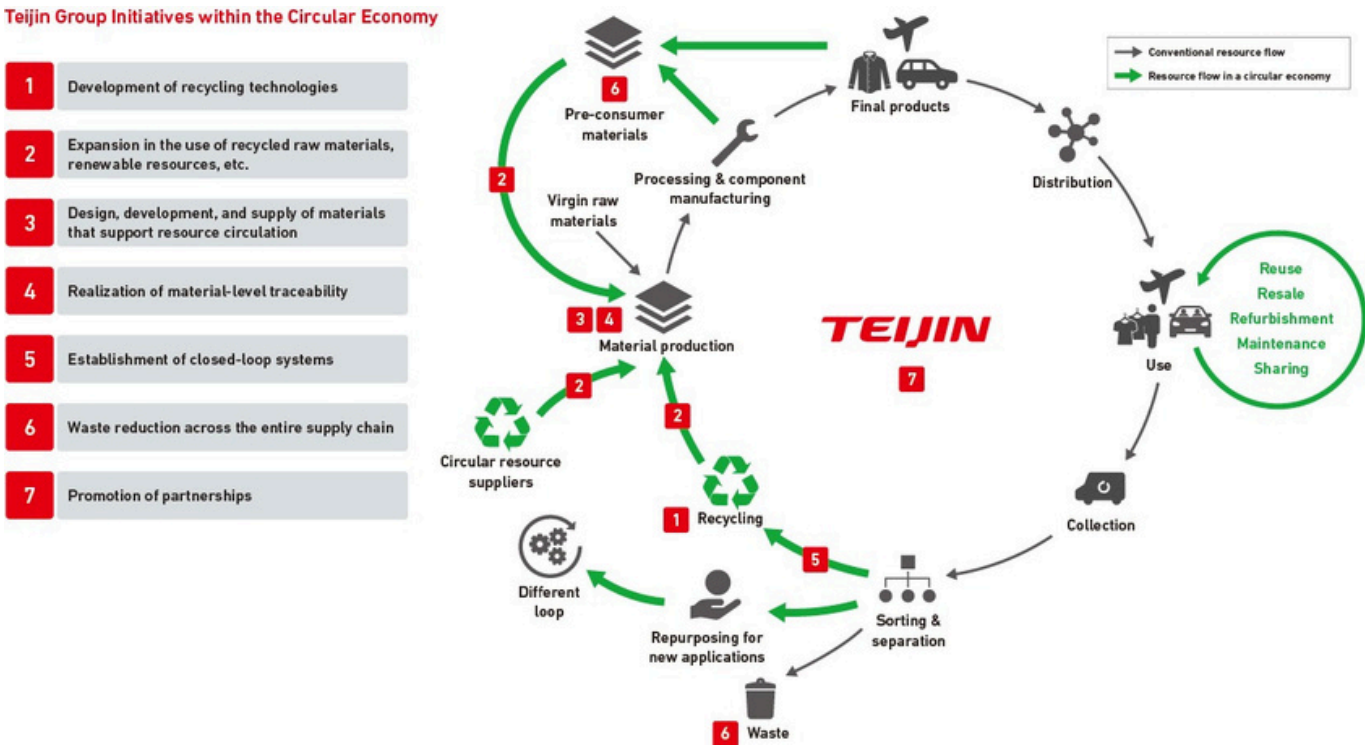
*Per sales units are calculated using consolidated net sales as the denominator. Note that for FY2024, the denominator in the calculation is the amount obtained after deducting the net sales of companies outside the boundary from the consolidated net sales.

*Landfill waste volume is calculated based on the amount of waste disposed of directly in landfills.

Initiatives

Toward Realizing a Circular Economy

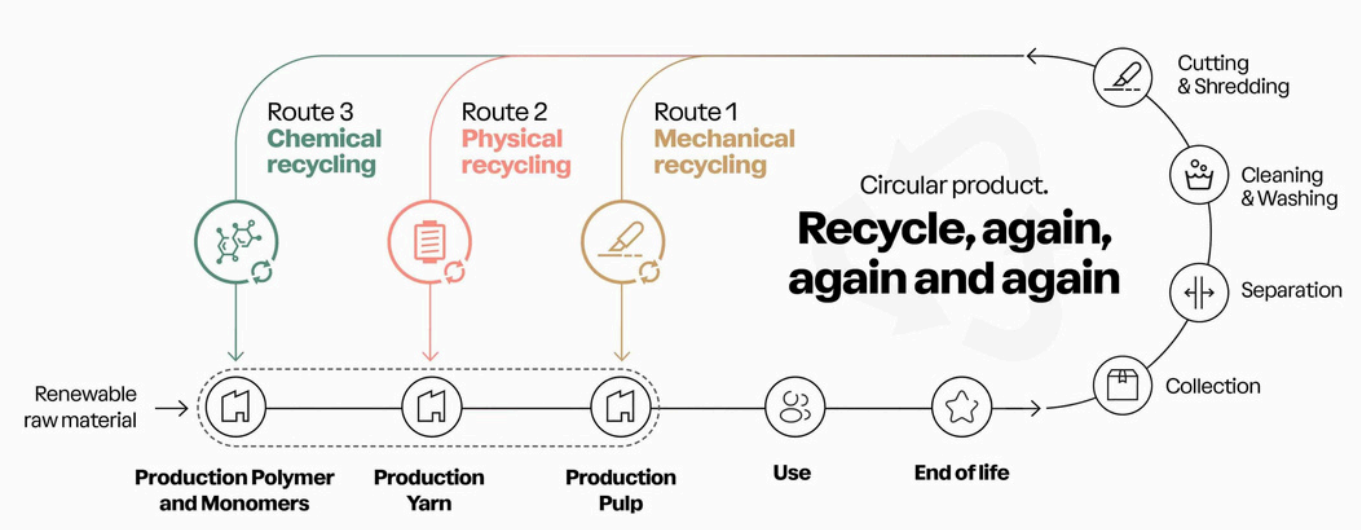
The Teijin Group is promoting initiatives for the achievement of a circular economy. The achievement of a circular economy requires using resources efficiently for as long as possible. By maintaining the value of resources and utilizing them effectively, it is necessary to reduce environmental impact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



Teijin Group Initiatives within the Circular Economy (Integrated Report)

Aramid Fiber Circular Production Process

Teijin Aramid B.V. is working toward a circular economy. For more than 20 years, Teijin Aramid has had a successful record of mechanically recycling end-of-life products to *Twaron* pulp. Teijin Aramid plans to gradually move forward with the circular production process using various innovative technologies and sources of pre- and post-consumer waste. Teijin Aramid has been making progress on developing a physical recycling technology for fiber-to-fiber recycling. The first industrial-scale production run was achieved in April 2023, followed by a second run in April 2024. Teijin Aramid is also working on the development of chemical recycling technology for aramid fibers; this is a longer-term development. Next to the recycling technologies, Teijin Aramid is working on procuring sustainable raw materials from its suppliers. Teijin will comply with future regulations while meeting customer demands.



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

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

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

Aramid fiber (DPP for the recycled product)

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

Carbon fiber (DPP for the tire lever)

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

Sustainability

Pollution

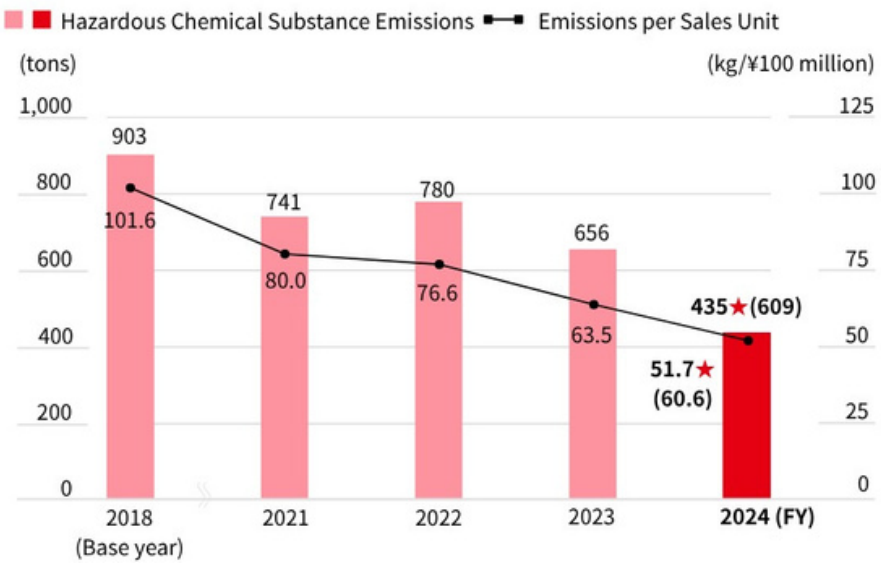
Metrics and Targets

The Group's target (KPI)

FY2030: 20% improvement in hazardous chemical substance emissions per sales unit (compared with FY2018)

We are working to reduce hazardous chemical substance emissions through ongoing efforts to prevent leaks and transition to processes that create fewer emissions. In FY2024, due to those efforts in the carbon fibers and resin and plastic processing businesses, our hazardous chemical substance emissions were 435 tons★, and emissions per sales unit was 51.7kg/100 million yen★.

Trends in hazardous chemical substance emissions and emissions per sales unit

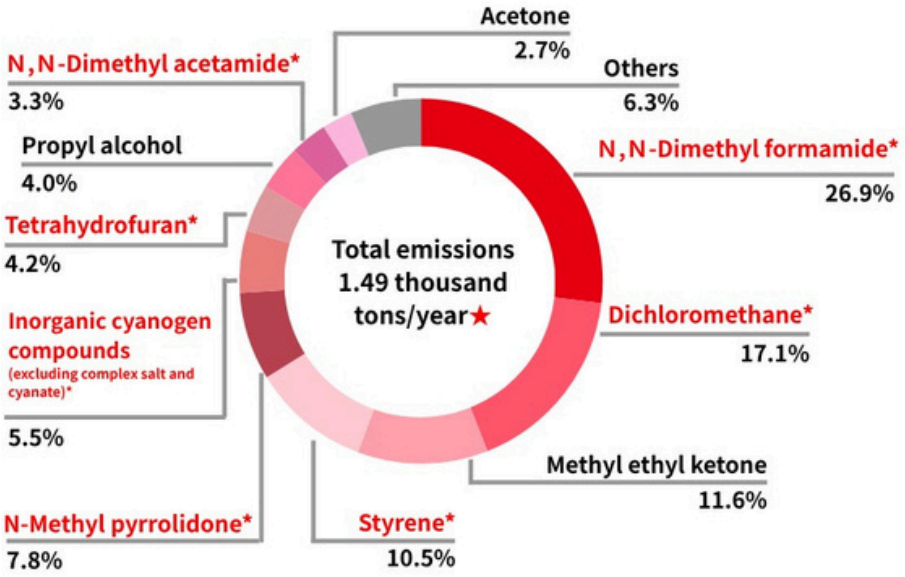


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*Among the Class 1 designated chemical substances under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof and chemical substances indicated by 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.

Top 10 chemical substance emissions



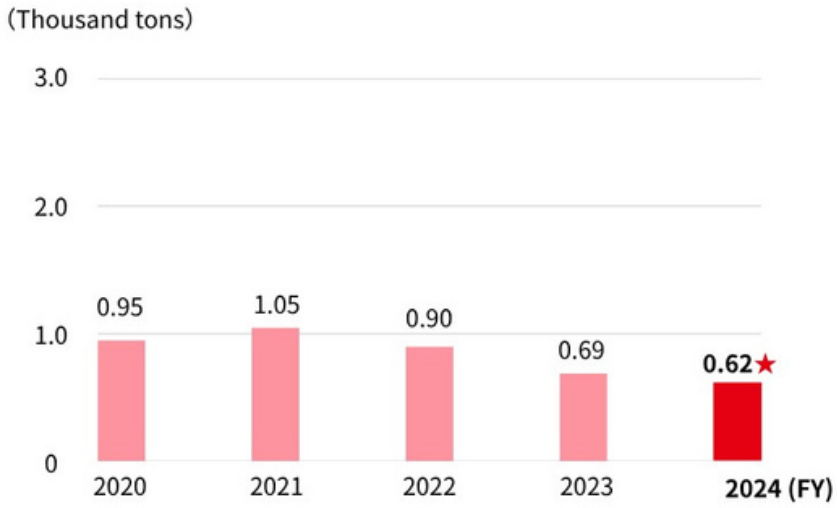
*For the Class 1 designated chemical substances under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof and chemical substances indicated by the Japan Chemical Industry Association, the emissions are subject to the calculation of atmospheric, soil and water, and landfill amounts within business sites.

*Red text: 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.

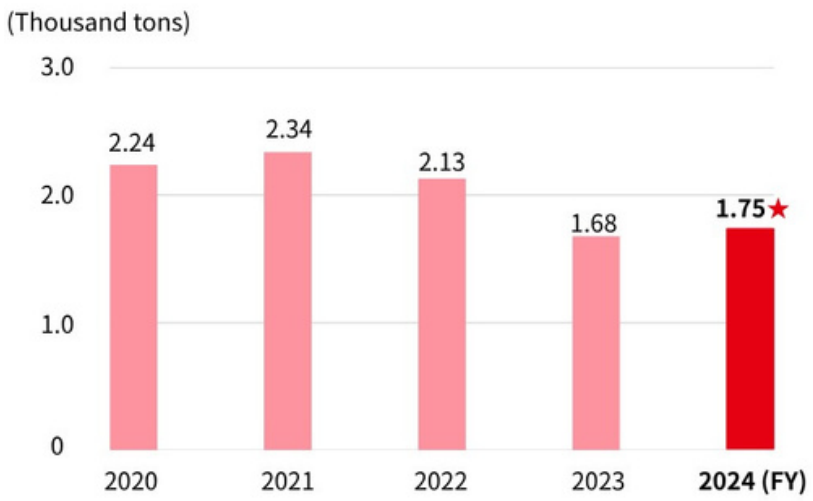
Impact on Atmosphere

NOx emissions resulting from fuel use were 0.62 thousand tons★. SOx emissions were 1.75 thousand tons★. VOC emissions were 1.38 thousand tons★.

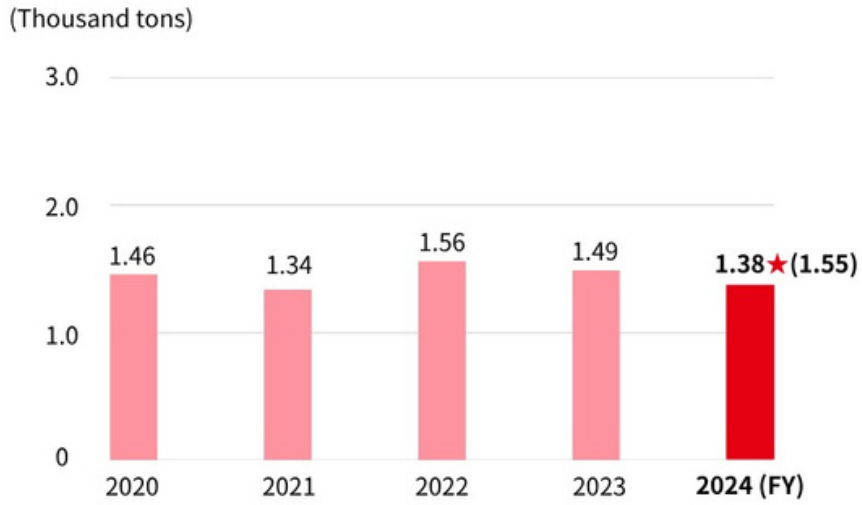
Trends in NOx emissions



Trends in SOx emissions



Trends in VOC emissions



*Teijin Automotive Technologies NA Holdings Corp. (hereinafter, "TAT-NA"), a consolidated subsidiary in the materials segment that operates the automotive composites business in North America, has been excluded from the scope of aggregation from FY2024 due to it being a discontinued operation. Past figures include TAT-NA, while figures for FY2024 exclude TAT-NA. The figures in parentheses are reference values that include TAT-NA and are not subject to third-party assurance.

Initiatives

In addition to conforming to each country's and territory's legislation relating to the prevention of soil pollution, the Teijin Group formulated guidelines for preventing soil and groundwater pollution. Under these guidelines, we are striving to prevent soil and groundwater pollution resulting from our business operations.

Water

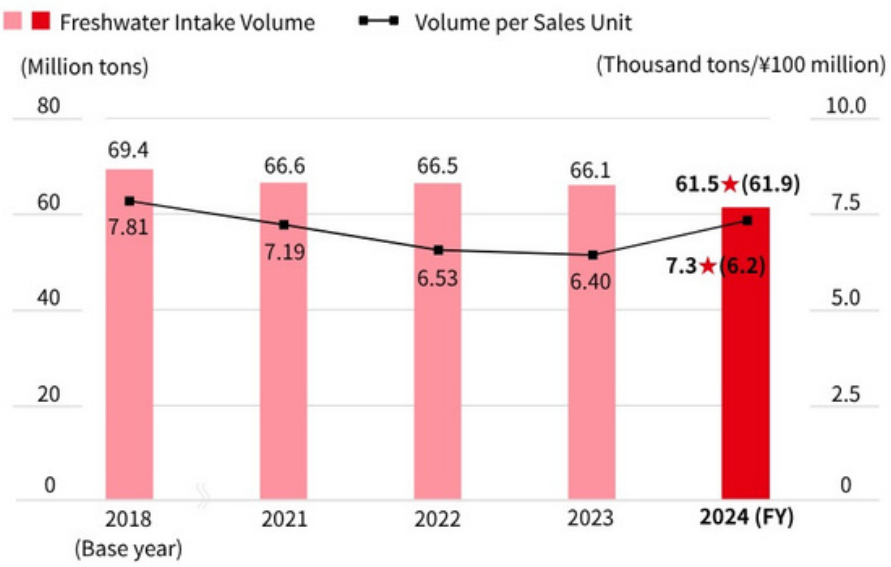
Metrics and Targets

The Group's target (KPI)

FY2030: 30% improvement in freshwater intake volume per sales unit (compared with FY2018)

We are expanding the number of products that use less water during the production process and are using water efficiently in our business activities. In these ways, we aim to achieve our target for reducing the amount of freshwater intake with a focus on curtailing water use at manufacturing sites and other locations that use high volumes of water. In FY2024, the freshwater intake volume were 61.5 million tons★, and volume per sales unit was 7.3 thousand tons/¥100 million★.

Trends in freshwater intake volume and volume per sales unit



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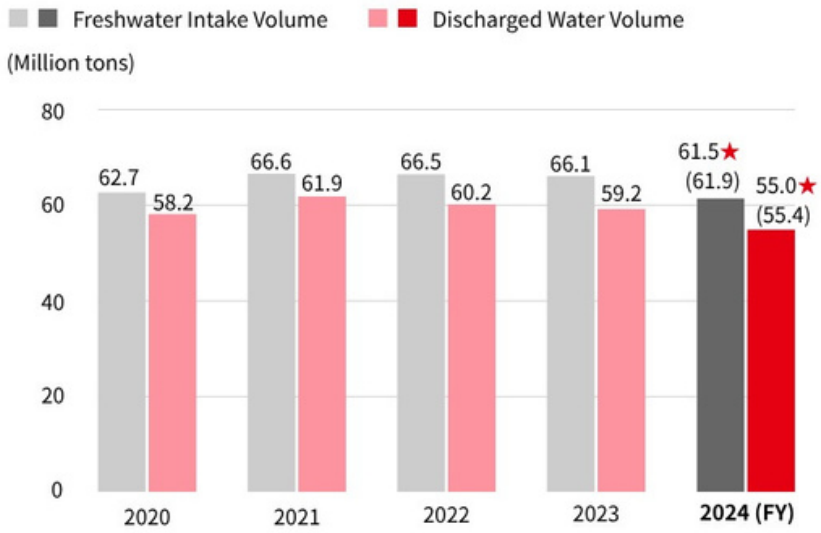
*The amount of freshwater intake is the total of industrial water, groundwater, and tap water.

*Per sales units are calculated using consolidated net sales as the denominator. Note that for FY2024, the denominator in the calculation is the amount obtained after deducting the net sales of companies outside the boundary from the consolidated net sales.

Environmental Load due to Wastewater

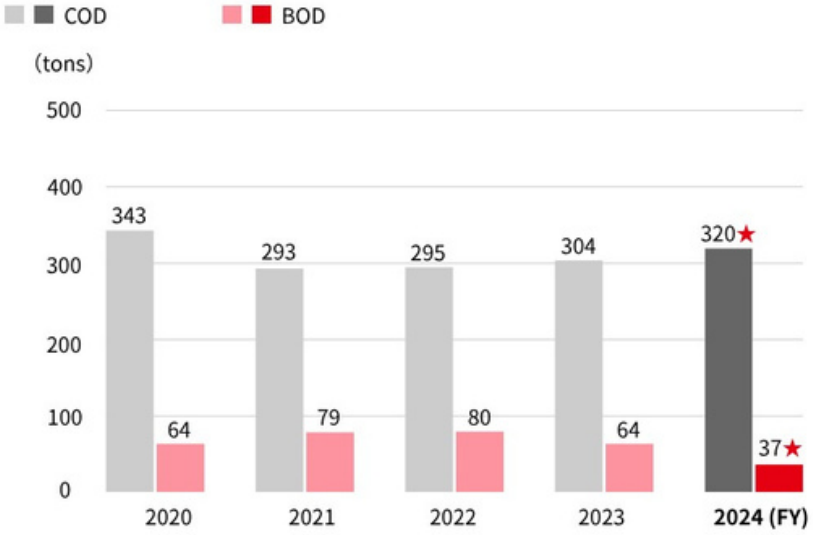
In FY2024, discharged water volume were 55.0 million tons ★. Chemical oxygen demand (COD) were 320 tons ★. Biochemical oxygen demand (BOD) were 37 tons ★.

Trends in freshwater intake volume and discharged water volume



*The amount of freshwater intake is the total of industrial water, groundwater, and tap water.

Trends in COD and BOD

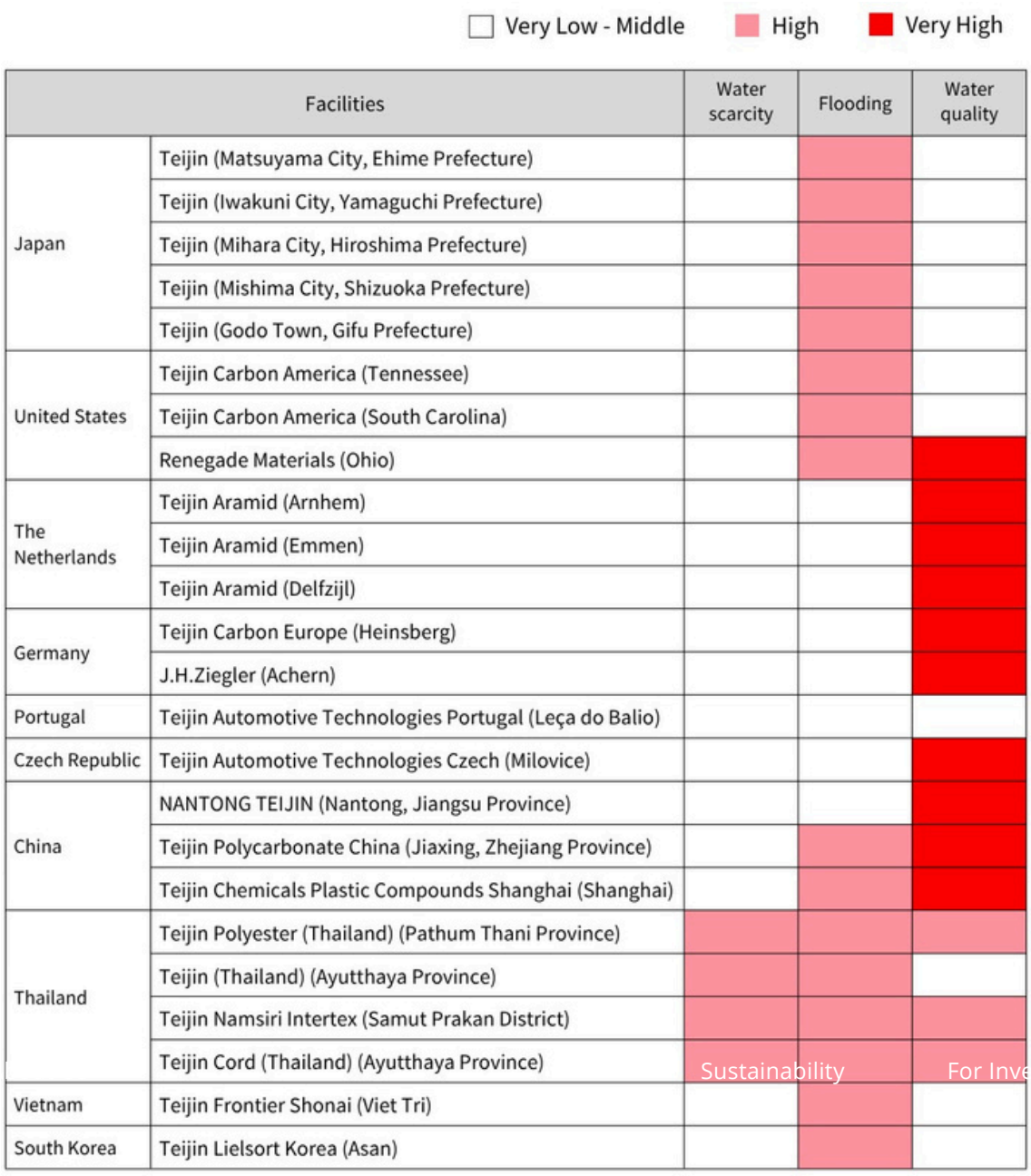


*Applies to wastewater discharged into rivers, oceans and lakes. The COD values is calculated when discharging into sea areas and lakes, and the BOD values is calculated when discharging into rivers.

*Corrected the COD figures for previous fiscal years in October 2025.

Water Risk Evaluation

The Teijin Group's Materials Business and Fibers & Products Converting Business have a high level of dependence and impact on water. At the main manufacturing bases of these businesses (24 bases), we have conducted evaluations of basin water risks and operational water risks using the Water Risk Filter tool developed by the World Wide Fund for Nature (WWF). The evaluation of basin water risks revealed that multiple bases face risks in terms of water scarcity, flooding, and water quality. Following this, we have designated the three bases in Thailand, which were judged to be at particularly high risk, as water-stressed areas. Meanwhile, the evaluation of operational water risks confirmed that all bases are curtailing risks related to water scarcity, floods, and water quality through the promotion of appropriate response measures. Specifically, to address and reduce the risk of water scarcity, these bases are pursuing measures such as projects to reduce the volume of water used in the product cleaning process. For the risks of floods, the bases have formulated business continuity plans to ensure that operations can continue even in the event of a large-scale natural disaster or other unexpected event. With regard to water quality risks, the bases are striving to reduce COD and BOD. In these ways, our manufacturing bases are promoting measures to appropriately respond to water risks.



Sustainability

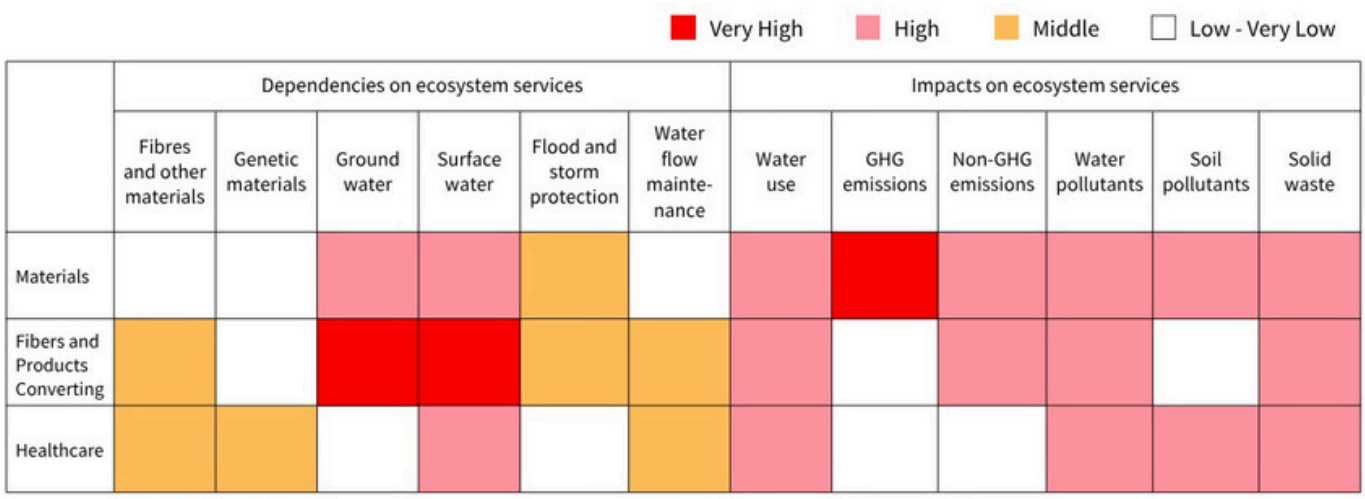
Biodiversity

Analysis of Dependence and Impact on Nature

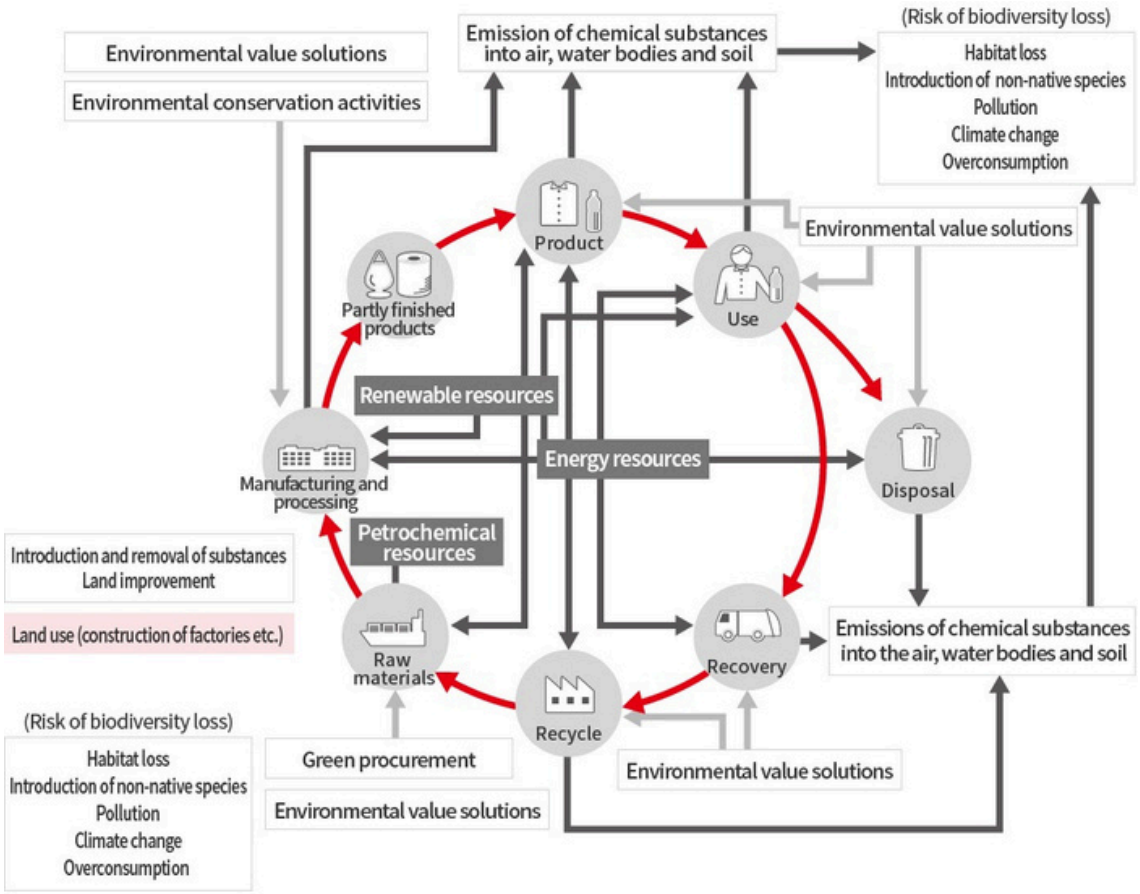
Referring to the LEAP approach recommended by TNFD, the Teijin Group has conducted an analysis of the dependencies and impacts on nature in each business unit, making use of ENCORE*. Based on the results of an analysis of the level of impact of ecosystem services in relevant sectors and the impact on nature caused by impact drivers, we confirmed that primarily the Materials Business and the Fibers & Products Converting Business are dependent on groundwater and surface water. In addition, these businesses have an impact on nature through water use, greenhouse gas (GHG) emissions, non-GHG air pollutants, soil pollutants, and solid waste.

*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.

Teijin Group's Dependence and Impact on Nature



In addition, the Group has created a Risk Map of Biodiversity Loss Due to Business Activities that visually presents the factors that affect biodiversity arising from business activities in the Materials Business and the Fibers & Products Converting Business. We are developing conservation activities based on the recognition of the impact our business activities have on natural capital and biodiversity.



Initiatives

Initiatives to Reduce CO_2, Landfill Waste, Hazardous Chemicals, and Water

To reduce its environmental burden, the Teijin Group has established key performance indicators (KPIs) for CO2 emissions, water use, hazardous chemicals, and landfill waste and are pursuing relevant efforts accordingly. Please click on the following links for more details.

Initiatives for Green Procurement

When purchasing or procuring products and services, the Teijin Group recommends purchasing and procuring from suppliers that strive to reduce environmental burden in such ways as selecting products and services that consider the environment and have the smallest environmental burden possible. Please click on the following link for more details.

Supply Chain Sustainability ›

Initiatives to Address Marine Plastics

As a manufacturing company producing materials and other products, the Teijin Group has been striving to implement the 3Rs (Reduce, Reuse, Recycle) toward the realization of a recycling-oriented society, but we realize that even more effort is required. It is for this reason that we have identified "achievement of a circular economy" as a key issue. A society in which a consumption-only economy continues is not a sustainable one. The Group wants to contribute toward the shift to a circular economy in which, just like the natural ecosystem cycle, resources continue to circulate, and the "throwaway" concept does not exist. We will, of course, endeavor to recycle resources in our production activities. But even more, we will promote the circularization of society by, for example, encouraging material recycling based on local production for local consumption in which discharged resources are used as recycled products and returned to the market. In this way, we will also contribute toward resolving the increasingly serious problem of marine plastics. Please click on the following link for more details.

Materiality 2 Achievement of a Circular Economy >

Teijin Forest in Bangladesh

The Teijin Group is committed to achieving net-zero emissions by 2050. To this end, we are reducing CO2 emissions from our business activities, phasing out coal-fired power generation, and pursuing technological innovations, including energy conservation, the shift to renewable energy, and process innovation. As part of these efforts, we are working on the Teijin Forest reforestation project to offset unavoidable CO2 emissions from our business activities, such as those from business-related air travel. This initiative is being carried out in collaboration with the University of Chittagong in Bangladesh, using the Japanese Miyawaki method of afforestation. The Teijin Forest was established in 2022 along both banks of a small river that runs through the University of Chittagong campus. This forest is planted with seedlings of endangered and critically endangered native plant species of Bangladesh, contributing not only to the removal of atmospheric CO2 but also to the rapid restoration of the degraded forest ecosystem. In this project, university students can learn about the entire life cycle of afforestation by planting seedlings of various species and monitoring their condition at the end of each semester over a four-year period. The students regularly manage the plantation, learning how to nurture seedlings, prepare the site, and procure compost--all while helping to create a small, thriving forest.

Teijin Forest within the University of Chittagong campus



At the start of the project (2022)



Teijin Forest continues its growth (2024)