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**Teijin Limited**

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The corporate governance of Teijin Limited (the “Company”) is described below.

## I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes and

### Other Key Information

#### 1. Basic Views (Updated)

A company is entrusted with capital by its shareholders and is expected to generate profits through its business activities while continuously enhancing corporate value over the medium- to long-term. Fulfilling this responsibility constitutes the core duty of corporate management. Building on this foundation, the company must also fulfill its respective responsibilities to a broad range of stakeholders (interested parties), including employees, business partners such as customers, consumers, and local communities. Furthermore, as a member of society, the company must operate in accordance with social norms and contribute to society through its business activities. The importance of corporate governance lies in the requirement that corporate executives engage in outstanding business activities within this fundamental framework, contributing to the company’s prosperity, fulfilling social responsibilities, and ensuring accountability (responsibility for explanation and necessary information disclosure).

Based on this approach, Teijin Limited positions corporate governance as a key management foundation for achieving its Long-term Vision through realizing its Values based on its Purpose, and is committed to managing its business with transparency, fairness, and social responsibility. Additionally, it ensures the timely disclosure of information while striving to establish organizational structures and systems that enable swift decision-making and execution to enhance its competitiveness.

The Company shall also ensure that its Group companies and their management teams are committed to the sustainable enhancement of corporate value and the execution of outstanding business activities.

#### Philosophical Framework

[Purpose]

Pioneering solutions together for a healthy planet

[Values]

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

[Long-term Vision]

To be a company that supports the society of the future

The Teijin Group has formulated the Teijin Group “Corporate Governance Guide,” which is the Group’s basic view and basic policy on corporate governance. The Guide is published on the Company’s website.

<https://www.teijin.com/ir/management/governance/guide/>

Upon the resolution at the Ordinary General Meeting of Shareholders on June 25, 2025, to approve the amendment to the Articles of Incorporation to establish an Audit & Supervisory Committee, the Company has changed its structure to a Company with an Audit & Supervisory Committee to strengthen its corporate governance system further.

## [Reason for Non-compliance with the Principles of the Corporate Governance Code]

The Company complies with all of the principles provided for in the Corporate Governance Code.

## [Disclosure Based on each Principle of the Corporate Governance Code] (Updated)

### **Principle 1.4 Cross-Shareholdings**

<Basic policy concerning cross-shareholdings>

The Company holds shares of issuing companies that it has determined to be instrumental in increasing its corporate value over the medium to long term, with the objective of maintaining and strengthening transactions, promoting business alliances with them and so on.

Each year, the Board of Directors reviews whether or not it is appropriate to hold shares based on an examination of the holding purpose and rationality for each individual stock from a medium- to long-term perspective.

In these reviews, the Board of Directors takes into account a comprehensive range of factors, including, without limitation, significance from a management strategy standpoint and business relationships, in addition to comparing dividends, transaction amounts, and other quantitative impacts against the cost of capital.

Based on the results of these reviews, the Company proceeded with the sale of the shares deemed to have diminished significance. During fiscal 2024, the Company sold all shares of two specific investment stocks and two deemed investment stocks (with one stock overlapping), as well as part of the shares of two specific investment stocks. The total sale value amounted to 5.5 billion yen, out of which 3.6 billion yen was from deemed investment stocks.

The Company will continue discussions with the companies whose shares the Company currently holds, and in principle, will endeavor to sell all shares of listed companies.

In addition, whenever the shareholders of cross-shareholdings indicate their intention, such as intention to dispose of their shares of the Company, the Company handles the matter appropriately without interfering with disposal of such shares.

Note: The selling price is the amount of the listed shares sold by the Company (on a non-consolidated basis).

<Standards for exercise of voting rights related to cross-shareholdings>

In exercising the voting rights related to the shares that the Company has decided to hold, the Company confirms each proposal from the perspective of its increasing corporate value and shareholder value of the issuing companies over the medium to long term and determines whether to vote for or against. For proposals that may have a significant impact on the corporate value of the investee companies, the Company collects and examines information with particular attention paid.

### **Principle 1.7 Related Party Transactions**

The Company requires Directors' transactions with competitors or transactions between Directors and the Company that cause a conflict of interest to be reported to and approved by the Board of Directors in accordance with the Companies Act and the Regulations for the Board of Directors. In addition, in order to ascertain whether there are any transactions by Directors that could cause a conflict of interest, the Company confirms regularly every year with each Director whether they have conducted any transactions related-parties.

### **Supplementary Principle 2.4.1 Approach to Ensure Diversity through Promotion and Appointment of Core Human Resources**

To promote diversity, equity and inclusion (DE&I) on a global basis, the Group has set KPIs for the ratios of both female executives and non-Japanese executives to reach 30% by April 2030. At the same time, in order to strengthen the candidate pipeline for female executives, we have set targets to increase the ratio of female department or section managers to 12% by April 2026 and to 20% by April 2030. As additional DE&I measures, we set a target for each business unit to achieve the female managers ratio by April 2026 as one of the KPIs used to calculate executives' performance-based compensation. Aiming to accomplish these targets, we are focusing on enhancing the candidate pipeline for female executives and managers, particularly by proactively encouraging female employees to register with succession programs for core posts with a view to increasing the number of female successor candidates, and by running leadership training programs for female employees to support them in their career advancement and maintenance. In fiscal 2024, we provided cross-mentoring programs for female employees in cooperation with other companies.

In addition, we are actively recruiting mid-career hires, aiming principally to bring in fresh ideas and values to revitalize the organization. Since many mid-career hires already play key roles, we have not set any specific quantitative targets. Mid-career hires accounted for 59.8% of new hires in fiscal 2024 and 40.9% of employees and 40.1% of managers at the end of March 2025 (Teijin and Teijin Pharma).

By pursuing these efforts, we will create an organization comprised of diverse team members, to strengthen our management foundation and value creation capacity.

### **Principle 2.6 Roles of Corporate Pension Funds as Asset Owners**

Since October 2012, the Company has fully transitioned to a defined contribution pension plan. The Company applies a defined benefit pension plan—a closed plan comprised solely of beneficiaries—that is limited to employees who retired before the Company transitioned to the defined contribution pension plan. The Company has set up a Group Pension Asset Management and Administration Committee comprising experts in human resources, general affairs, accounting and finance functions and labor union executives as representatives of pension plan beneficiaries. The Committee undertakes appropriate management and administration of the assets held, as well as monitoring the status of employees' asset management in the defined contribution pension plan.

### **Principle 3.1 Full Disclosure**

#### **(1) Corporate Philosophy and Medium-Term Management Plan**

The Teijin Group has established its purpose of, “Pioneering solutions together for a healthy planet” based on the recognition that the Group needs to create an organization under shared values in order to enhance its ability to return to a growth path as “One Teijin.” To clarify and verbalize this purpose (the meaning of our existence) in the “Journey to One Teijin project”, we fostered empathy among employees both in Japan and abroad by focusing on employee participation and the process of visualization. As a result, the purpose which the Group has established reflects employees' strong desire to become a company that strives to provide solutions by going back to the roots of Teijin so that people will be able to continue enjoying life on this beautiful planet in the future.

Based on this purpose, the Teijin Group will put into practice the three value statements that have been formulated along with the purpose: 1) Empowering ourselves to address challenges, 2) Fostering growth through diversity and expertise, and 3) Safeguarding our planet and all life on it. The Group will aim to achieve the long-term vision of “To be a company that supports the society of the future.”

Further information on the philosophy of the Teijin Group is published on the Company's website.

<https://www.teijin.com/about/philosophy>

In May 2024, the Teijin Group formulated and released its Medium-Term Management Plan 2024-2025, representing the first step toward a return to growth.

Further information for the Teijin Group Medium-Term Management Plan is available on the Company's website.

<https://www.teijin.com/ir/management/vision/>

The Company strives to actively provide information on these medium- to long-term strategies and plans by holding its General Meeting of Shareholders and presentations for analysts and investors, and by distributing materials such as the Integrated Report.

#### **(2) The Group's basic view and basic policy on corporate governance**

The Teijin Group has formulated the Teijin Group “Corporate Governance Guide,” which is the Group's basic view and basic policy on corporate governance. The Guide is available on the Company's website.

<https://www.teijin.com/ir/management/governance/guide/>

#### **(3) Policy and procedure pertaining to the setting of compensation for the senior management and Directors**

For information on the policy and procedure pertaining to the setting of compensation for Directors, please refer to “Disclosure of Policy on Determining Compensation Amounts and Calculation Methods” under “Director Compensation” in Section II. 1. in this report.

#### **(4) Policy and procedure pertaining to the election and dismissal of the senior management and nomination of candidates for Director**

<Policy and procedure pertaining to the nomination and election of Directors>

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

To expedite decision-making and clarify accountability for the execution of business, the Company's Articles of Incorporation set the maximum number of directors at 12, including up to five directors who serve as Audit & Supervisory Committee Members, delegating substantial authority for business execution. The Teijin Regulations for the Board of Directors, which are internal regulations, stipulate that a majority of directors

must be outside directors, in principle, to increase management transparency and corporate value by ensuring the diversity and independence of the Board of Directors as a whole.

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

<Procedure for the dismissal of members of senior management>

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

(5) Explanation of the reasons for the nomination, election and dismissal of each candidate for senior management and Director

The reasons for electing each candidate Director at the General Meeting of Shareholders this year are provided in Agenda Items 2, 3 and 4 described in the Reference Documents for the Notice of Convocation for the 159th Ordinary General Meeting of Shareholders, available for review on the following page of our website:

[https://www.teijin.com/ir/stocks/general-meeting/pdf/gm\\_250625\\_01.pdf](https://www.teijin.com/ir/stocks/general-meeting/pdf/gm_250625_01.pdf)

### **Supplementary Principle 3.1.3 Initiatives for Sustainability**

< Material issues initiatives >

The Teijin Group aims to create a "Healthy Planet," where the global environment and all life remain stays healthy, based on its purpose of "Pioneering solutions together for a healthy planet."

The Group has identified opportunities and risks for our business related to sustainability issues, including social and environmental issues, such as consideration of climate change and other global environmental issues, respect for human rights, consideration of employees' health and work environment, fair and appropriate treatment of employees, fair and appropriate business transactions with business partners, and crisis management in response to natural disasters, and has defined and been addressing the following material social and management issues:

#### ■ Material Social Issues

- 1) Climate change mitigation and adaptation
- 2) Achievement of a circular economy
- 3) Safety and security of people and local communities
- 4) Realization of healthy and comfortable living for people

#### ■ Material Management Issues

- 5) Further strengthening of our sustainable management base

(1) Governance

The Company has appointed Chief Human Resources Officer/Chief Sustainability Officer as the officer responsible for the Company's sustainability-related issues, and implements sustainability-related initiatives that are integrated into the business, under the directions and supervision of the Board of Directors. The Company's sustainability policy and material issues are matters to be resolved by the Board of Directors, and sustainability-related initiatives under such policy are carried out with management indicators set by the execution side. The status of such initiatives is reported by CEO or Chief Human Resources Officer/Chief Sustainability Officer, as appropriate, to the Board of Directors for discussion. We have also established a Sustainability Committee under the CEO to review and implement sustainability policies to respond quickly and accurately to sustainability issues.

Please refer to the chart of "The Teijin Group's Corporate Governance System" for information on the corporate governance system, including the Sustainability Committee.

(2) Strategy

By recognizing important social issues as business growth opportunities, the Group aims to achieve the sustainable development of its businesses and society through the creation and provision of new values needed by society.

Our major strategies related to climate change are as follows. To mitigating climate change, we provide solutions centered on the transition to lightweight, highly durable mobility realized through high-performance and high-value-added materials. And for climate change adaptation, we are offering solutions that help reduce damage and facilitate a prompt recovery in the event of a natural disaster through high-performance materials for infrastructure reinforcement and healthcare services that leverage DX. Meanwhile, in an effort to reduce the impact our business activities have on the global environment, we are phasing out coal-fired thermal power

while promoting energy conservation and renewable energy, and also pursuing process innovation and other types of technological innovations. In addition, we analyzed the impact of climate change-related transition risks and physical risks on our operations from the three perspectives listed below. Based on this analysis, we have established long-term environmental targets and are making efforts to reduce our CO<sub>2</sub> emissions accordingly.

- Increase in costs due to the introduction of a carbon tax, EU Emissions Trading Scheme, etc.
- Decrease in corporate value and worsening of reputation due to an increase in Group CO<sub>2</sub> emissions
- Suspension of business activities as a result of climate change, including increased intensity of natural disasters such as typhoons and floods, long-term temperature increases, and rising sea levels

### (3) Risk management

We manage sustainability-related risks under the total risk management (TRM) system.

For climate change-related transition risks, we have established a road map for achieving net zero CO<sub>2</sub> emissions while monitoring the trends of government policies around the globe. We have also introduced an internal carbon pricing (ICP) system that targets capital expenditures linked to increases or decreases in CO<sub>2</sub> emissions. Furthermore, we are striving to reduce Groupwide GHG emissions and GHG emissions within the supply chain. Through such efforts, we are curtailing the impact of transition risks. In April 2023, the scope of the system was expanded to include investment projects such as M&A and projects that require making decisions related to the reduction of CO<sub>2</sub> emissions without capital investment, such as converting to renewable energy as a result of changing suppliers. In addition, to address physical risks such as those involving rising temperatures and sea levels, we are evaluating and implementing the necessary measures to respond to water risks. At the same time, we are revising our BCPs as needed and implementing various kinds of disaster prevention drills.

### (4) Indicators and targets

We identify opportunities and risks to our business, define material social and management issues and set KPIs for each of these issues to promote relevant initiatives. Our greenhouse gas emission targets were validated as targets that limit global temperature rise to "well below 2°C," and have received approval from the Science Based Targets (SBT), which recognizes the greenhouse gas emission targets that are scientifically consistent with the targets of the Paris Accord. We are continuing with our efforts toward net zero by formulating drawing up a roadmap to achieve the long-term targets.

Please refer to the Securities Report, Integrated Report and the Company's website for the information disclosed based on the TCFD recommendations.

(Securities Report) <https://www.teijin.co.jp/ir/library/business-report/> (in Japanese)

(Integrated Report) <https://www.teijin.com/ir/library/annual-report/>

(The Company's website) [https://www.teijin.com/csr/environment/climate\\_change.html](https://www.teijin.com/csr/environment/climate_change.html)

### <Human capital initiatives >

As for our efforts related to human capital, the Teijin Group strives to achieve its long-term vision, "To be a company that supports the future of society," in line with its Purpose of "Pioneering solutions together for a healthy planet." We have redefined our Human Capital Policy as follows to implement the management and business strategies described in the Teijin Group Medium-Term Management Plan 2024-2025 by utilizing the organizational and individual competencies.

#### ■ Our Approach to Human Capital

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

### (1) Governance

The Teijin Group holds the Group Personnel Affairs/D&I Meeting with the participation of the full executive office team (15 times in fiscal 2024) to share updates on the progress of discussions regarding succession plans for executive positions and other important positions at the global level, consider individual assignments, and discuss executive management development and training programs.

Also, among matters concerning personnel affairs and talent development, including issues related to human capital and diversity, those of particular importance are reported to the Management Committee and the Board of Directors. These activities are promoted under the oversight of the Chief Human Resources Officer/Chief Sustainability Officer and in cooperation with head of the personnel division and general personnel manager at



each business unit in Group companies in Japan.

## (2) Strategy

For our management and business strategies to be a success, it is essential to enhance the competitiveness of both our organization and our human resources. With this in mind, our human resource strategy centers on assigning the right people to the right positions to implement strategies, and taking measures to empower human resources.

- 1) For assigning the right people to the right positions to implement strategies, the key issues are to (a) maximize global talent, (b) optimize the HR portfolio, and (c) promote autonomous career development. To address these issues, we will implement measures to assign the right people to the right positions globally, including in Japan, where this will involve revising our personnel evaluation and compensation system to one based on job roles (a job-based human resource system).
- 2) For empowering human resources, the main issues are to (d) facilitate innovation and (e) improve employee engagement. To create an environment where the Teijin Group's diverse talent are empowered to fully leverage their abilities and skills, we will further enrich diversity, identify and address factors that hinder employee engagement, and implement action plans to improve engagement. Teijin formulates and executes business strategies for each of its businesses based on the Group's management strategy.

## (3) Risk management

The Teijin Group regards human resources as its most important business assets and recognizes that they are one of the driving forces for the Group's competitiveness. Risks related to human capital are complicated, involving many factors, including compliance, labor practices, health and safety, diversity and inclusion (DE&I), liquidity, employee engagement, and competency development. Because human capital-related risks will have a significant and wide-ranging impact on corporate value, in addition to measures taken by the HR department at each company and site, we regard them as risks for the Teijin Group as a whole and manage them under our Total Risk Management (TRM) system.

## (4) Indicators and targets

In order to measure the progress of initiatives to ensure individual employees are thriving at work—a pillar of personnel strategies—we have set indicators related to the diversity of executive and managerial teams as well as employee engagement. We are aiming to achieve targets for the former by establishing systematic human resource development and appointment programs while setting and executing actions to improve the latter.

Please refer to the Securities Report, Integrated Report and the Company's website for the details of our initiatives related to human capital.

(Securities Report) <https://www.teijin.co.jp/ir/library/business-report/> (in Japanese)

(Integrated Report) <https://www.teijin.com/ir/library/annual-report/>

(The Company's website) [https://www.teijin.com/csr/social/human\\_capital.html](https://www.teijin.com/csr/social/human_capital.html)

## < Intellectual Property Initiatives >

At Teijin Group, we recognize that intellectual property is one of the important intangible business foundations that drives our competitiveness. Based on this understanding, we have established a basic policy for intellectual property and are implementing an IP strategy to get involved actively in the management strategy along with the business and technology strategies.

The Group has also established the intellectual property strategy for each business from the medium- to long-term perspective to enable each business of the Group to carry out business activities with competitive advantage by creating, protecting and utilizing intellectual property based on this policy. In addition, as we strengthened "IP Intelligence (analysis of IP information that contributes to decision-making)" as one of the most important IP functions of the Group over the past few years, the use of IP landscape analysis in important management and business decision-making has become a regular practice.

## (1) Governance

The Teijin Group's intellectual property and intangible asset governance structure comprises the Intellectual Property Department, individual business divisions, and the Board of Directors. The Intellectual Property Department reports to the Board of Directors on group-wide IP strategies related to management and business strategies, and IP matters related to individual business segments. Each business division reports to the Board of Directors on matters related to their competitive advantage. The Board of Directors effectively oversees the Company's intellectual property and intangible asset strategies and investment activities. Under this structure, the Intellectual Property Department holds business intellectual property strategy meetings with the head of each business unit (including overseas group companies). The Intellectual Property Department reports the IP status of each business unit and the Teijin Group as a whole, collected through these meetings, to the Group Strategy Committee chaired by the CEO, takes necessary action as instructed, and reports the results to the

Board of Directors for supervision.

## (2) Strategy

We use a unique Product Portfolio Management (PPM) methodology that uses information on the CAGR (compound annual growth rate) of patent counts in the technological fields to which each business belongs and the total patent value (Patent Asset Index™) of each business. This enables us to objectively visualize and evaluate the competitive advantages, growth potential, and lifecycle status of each business of the Teijin Group from an IP perspective. The results are utilized in business portfolio management. In addition, we have established a system to conduct objective analysis using IP landscapes from the initial stages of deliberation when making decisions on important management and business matters. This enables us to utilize intellectual property information in our management and business strategies.

## (3) Risk management

The infringement of intellectual property rights or unlawful acquisition of trade secrets may affect Teijin Group's business performance and competitive advantage. These risks are identified and managed in accordance with the Group's standard risk classification system under the Total Risk Management (TRM) framework. At the same time, we regularly monitor the intellectual property rights of other companies, assert our legitimate rights against suspected infringements of our intellectual property rights, and implement management and regular audits in accordance with "Guidelines for Group Management of Trade Secrets".

Please refer to the Securities Report and Integrated Report for the details of specific initiatives and internal systems.

(Securities Report) <https://www.teijin.co.jp/ir/library/business-report/> (in Japanese)

(Integrated Report) <https://www.teijin.com/ir/library/annual-report/>

### **Supplementary Principle 4.1.1 Scope of Authority Delegated to Management**

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

### **Principle 4.9 Independence Standards and Qualification for Independent Outside Directors**

The Company sets out the requirements for independence in the Independent Directors Regulations and elects Independent Outside Directors who meet these requirements.

Further details are provided "Matters Concerning Independent Directors" under "Organizational Composition and Operation" in Section II. 1 . in this report.

### **Supplementary Principle 4.10.1 Views Regarding the Independence of Voluntary Committee(s) Corresponding to Nomination Committee or Compensation Committee and Their Authority, Roles, etc.**

The Nomination Advisory Committee and the Compensation Advisory Committee are established as consultative bodies for the Board of Directors to further enhance the transparency concerning the appointment and remuneration of Directors and officers. The committees are comprised of all outside directors who are not Audit & Supervisory Committee Members, the Chairperson (not applicable if the post of the Chairperson is vacant) and the CEO of the Company. The chairs of these committees will be appointed from among Outside Directors who are not Audit & Supervisory Committee Members, and the chairs host the meetings of the committees. For matters concerning the current CEO, the CEO does not participate in the decision-making process, in principle. For matters concerning the Chairperson, the Chairperson does not participate in the decision-making process, in principle.

Further details are provided in "II. 2. Matters Concerning Functions of Business Execution, Auditing, and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System)" of this report.

### **Supplementary Principle 4.11.1 Views Regarding the Overall Size, Diversity, and Balance of Knowledge, Experience, and Capabilities of the Board of Directors, and Policy and Procedures Pertaining to the Election of Directors**

Our views regarding the overall size, diversity, and balance of knowledge, experience, and capabilities of the Board of Directors are as follows: the Board of Directors needs to be able to deliberate upon validity, economic rationality, risks, and other factors from objective and multidimensional perspectives for the

implementation of medium- to long-term management strategies in order to develop the Group's multifaceted global business activities centering on the materials business and healthcare business, and to oversee the execution of these businesses appropriately. Therefore, our basic policy for electing Directors is to ensure diversity and form a well-balanced team composed of members who have different professional backgrounds and experience, such as engaging in the management of other companies, and are able to contribute a variety of insights, knowledge, and expertise.

Information on policy and procedure pertaining to the election of Directors is provided in "Principle 3.1 Full Disclosure (iv)" under "Disclosure Based on each Principle of the Corporate Governance Code" in Section I. 1. "Basic Views" in this report.

For a skills matrix of each Director that summarizes their expertise and experience, please see [(Reference) Skills Expected of Directors and Audit & Supervisory Committee Members in Fulfilling Their Roles and Responsibilities] (Skill Matrix) included in the Reference Documents for the Notice of Convocation of the 159th Ordinary General Meeting of Shareholders on our website.

[https://www.teijin.com/ir/stocks/general-meeting/pdf/gm\\_250625\\_01.pdf](https://www.teijin.com/ir/stocks/general-meeting/pdf/gm_250625_01.pdf)

#### **Supplementary Principle 4.11.2 Situation Regarding the Holding of Concurrent Positions by Directors**

For the concurrent positions of the directors, please see Agenda Items 2 and 3 in the Reference Documents for the Notice of Convocation of the 159th Ordinary General Meeting of Shareholders.

[https://www.teijin.com/ir/stocks/general-meeting/pdf/gm\\_250625\\_01.pdf](https://www.teijin.com/ir/stocks/general-meeting/pdf/gm_250625_01.pdf)

#### **Supplementary Principle 4.11.3 Analysis and Evaluation of Board of Directors Effectiveness**

In order to further ensure the effectiveness and enhance the functions of the Board of Directors, the Company conducts an analysis and evaluation of the effectiveness of the entire Board of Directors (hereinafter, the "Board of Directors Effectiveness Evaluation") once a year. The method of the Board of Directors Effectiveness Evaluation for fiscal 2024 and an outline of the results are as follows.

##### **(1) Analysis and Evaluation Method**

1) For fiscal 2024 evaluation, a questionnaire survey was conducted for all Directors and Statutory Auditors (12 persons including Outside Directors and Outside Statutory Auditors). The survey items for the questionnaire were created by an independent third-party evaluation organization. In addition, based on the results of the survey, interviews were conducted with certain Directors (in total two persons), with the aim of delving into management issues that should be discussed by the Board of Directors and formulating specific action plans for addressing the issues. Furthermore, with the assistance of a third-party organization, the Board of Directors secretariat created a summary of the questionnaire and interview results, which formed the basis of a discussion on the effectiveness of the Board of Directors, issues to be addressed, and improvement measures at the Board of Directors meeting held in March 2025.

2) The evaluation points in the questionnaire were compiled from the following ten fields. Respondents evaluated 68 topics on a five-point scale and made comments (including any in an additional comments field).

- The Board of Directors as a whole
- Composition
- Prior arrangements, etc.
- Operation
- Deliberation
- The Nomination Advisory Committee
- The Compensation Advisory Committee
- Statutory Auditors
- Self evaluation
- Other

##### **(2) Summary of Results of the Board of Directors Effectiveness Evaluation**

###### **1) Summary**

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

2) Results of measures implemented in fiscal 2024 to further enhance the effectiveness of the Board of Directors

(a) Discussions on an ideal Board of Directors



After thoroughly discussing the role and manner of deliberation of the Board of Directors, the Board of Directors confirmed the policy that the Board of Directors should further deepen discussions on medium- to long-term growth strategies while strengthening its supervisory function to monitor the execution of these strategies. Based on this policy, the Company has discussed its organizational structure and decided to submit a proposal at the 159th Ordinary General Meeting of Shareholders to transition from a company with a Board of Corporate Auditors to a company with an Audit & Supervisory Committee.

(b) Sorting out the meeting bodies

The Board of Directors not only sorted out the functions that should be served by the existing Nomination Advisory Committee and the Compensation Advisory Committee, but also set up informal regular meetings by Directors to utilize discussion of the direction and share of information. In addition to discussions at the Board of Directors meeting, deliberation on matters such as medium- to long-term strategies, business portfolio, etc. has significantly improved.

(c) Sorting out matters to be discussed

By agreeing in advance on the annual agenda for key deliberations such as "medium- to long-term growth strategies" and "business portfolio transformation" at the beginning of the fiscal year, the Board of Directors was able to set a focused agenda, thereby improving the fulfillment of agenda for the Board of Directors.

3) Status of response to issues recognized in or before fiscal 2024

In addition to the above 2), the Board deepened discussions on issues identified in and before fiscal 2024 from a medium- to long-term perspective. To accelerate the formulation and execution of measures and policies by the CEO and other executive officers, the Board of Directors received reports on the implementation as appropriate and confirmed the progress.

(a) Confirmation of the progress of medium- to long-term management plans and review of strategies as necessary

In the current Medium-Term Management Plan, we are considering strategic options for underperforming and non-core businesses to streamline our business operations. At the same time, we are implementing initiatives aimed at growth in the Mobility, Infrastructure & Industrial, and Healthcare sectors, which we have designated as key industrial sectors. In fiscal 2024, we vigorously pursued the sale of underperforming businesses and non-core businesses. Additionally, to maintain and expand the profitability of our existing businesses that support our sustainable growth strategy, we explored various options, including partnerships with other companies.

(b) Measures related to sustainability strategy

To solidify our efforts for sustainability, we have established a Sustainability Committee under the CEO to review and implement sustainability policies.

(c) Measures related to DX strategy

To realize the swift transition to and development of value-offering type businesses, we have newly established the post of Chief Digital Officer, who leads and supports the acceleration and efficiency improvement of corporate and business operations from a DX and information system perspective globally.

(d) Measures related to human capital

We have steadily implemented personnel measures as planned. To achieve the right person in the right place globally, we introduced the Global Job Posting System, an internal job offering system which allows employees to apply for overseas assignments. We also have introduced a job-based compensation system for management positions to ensure that compensation is determined based on job duties.

(e) Discussion on rationality of parent-subsidiary listing

To enhance the corporate value of the Teijin Group and Infocom Corporation and maximize the common interests of shareholders, we determined that the transfer of Infocom shares to the best owner is the optimal course of action. At the June 18, 2024 meeting, the Board of Directors resolved to transfer all shares of Infocom Corporation held by the Company. The transfer was completed on October 22 of the same year.

(3) Issues Recognized in the Board of Directors Effectiveness Evaluation in fiscal 2024 and Initiatives Going Forward

Factoring in the effectiveness evaluation implemented in fiscal 2024, the Board of Directors has discussed and decided to further advance its efforts to address the following issues in fiscal 2025.

1) Deepening discussions on key issues

- Review the process of identifying key issues, clarify points to be discussed for each issue in advance, and conduct discussions focusing on the clarified points.

2) Restructuring the business execution system and improving functions

- Restructure the execution system to maximize synergies within the Teijin Group.
- Consider a reporting system that allows appropriate monitoring by the Board as a monitoring board

3) Developing executive managers

- Strengthen the expertise of current executive managers
- Develop next-generation executive managers

We have restructured into a corporation with an Audit & Supervisory Committee. The purpose of this change is to advance the following initiatives more effectively: expanding the authority delegated from the Board of Directors to the executives, accelerating business decision-making processes, enhancing the Board discussions on critical business issues, such as medium- to long-term business strategies, and strengthening the Board's supervisory functions by giving voting rights as Directors to the Audit & Supervisory Committee Members who are in charge of auditing. At the same time, through our efforts to address the issues above, we will strive to strengthen our corporate governance further.

#### **Supplementary Principle 4.14.2 Policy for Directors' Training**

The Company will provide, as appropriate, the training sessions and information needed by the Directors to properly fulfill their roles and responsibilities.

When Directors are appointed, they attend briefings on Directors' duties and systems, and lectures related to the Companies Act of Japan, given by the head of legal affairs. After appointment, they are provided with opportunities on an ongoing basis to acquire the required knowledge and enhance their understanding, including by attending external training seminars. Upon appointment, outside directors receive briefings on each business and function from the relevant managers (fiscal 2024: approximately 20 hours) and visit business sites in Japan (fiscal 2024: 3 locations). During their office term, outside directors are also provided opportunities to deepen their understanding of the Company's business activities, such as discussions with the business management team and visits to domestic and overseas plants and offices (fiscal 2024: two domestic sites and two overseas sites). Expenses incurred for these activities are borne by the Company.

#### **Principle 5.1 Policy for Constructive Dialogue with Shareholders**

##### **(1) Enhancing dialogue with shareholders**

Dialogue with shareholders and investors is handled by the senior management, including the CEO.

The practical implementation of this dialogue is handled by the IR Division in coordination with relevant internal departments and offices. Feedback from shareholders and investors obtained through the dialogue is compiled by the IR Division and presented to Directors and the senior management.

Furthermore, the Company will plan and implement various briefings by senior management and visits to shareholders and investors, and will actively enhance opportunities for dialogue with institutional and individual shareholders and investors in Japan and overseas.

##### **(2) Disclosure Policy**

The IR Basic Policy has been established as a disclosure policy and is published on the Company's website.

<https://www.teijin.com/ir/disclosure/>

For further information on the disclosure policy and status of establishing a structure for dialogue, please refer to "III. 2. Status of IR-related Activities" in this report.

#### **[Implementation of dialogue with shareholders]**

As described in "III. 2. Status of IR-related Activities" in this report, the Company is actively engaged in dialogue with shareholders in Japan and overseas (both those conducting active and passive management) throughout the year regarding its management policy and operating status, including initiatives related to sustainability.

Inside Directors including the CEO and Chief Strategy Officer, Chief Financial Officer have also participated in dialogue with shareholders. At the follow-up meeting for the Teijin Group's Medium-Term Management Plan 2024-2025 held in May 2024, outside directors also participated in dialogues with shareholders.

The opinions obtained through dialogue with shareholders are included in matters reported to the Board of Directors, which is used for discussion at the Board of Directors meetings. In fiscal 2024, the Board of Directors deepened discussions on the formulation of management strategies, by providing feedback to the Board of Directors on shareholders' views on our company's business performance and concerns on growth potential, which were obtained through dialogue with shareholders.

Furthermore, we strive to improve our management by seeking shareholders' opinions and expanding information disclosure, such as capital allocation policies and financial and non-financial KPIs.

**[Action to Implement Management That Is Conscious of Cost of Capital and Stock Price]**

Content of Disclosure <b>(Updated)</b>	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update <b>(Updated)</b>	7/2/2025

**Explanation of Actions (Updated)**

In the “Results of FY2024 & Outlook for FY2025” presentation materials, we have updated the disclosure on measures and targets to improve PBR set under the “Teijin Group Medium-Term Management Plan 2024-2025”.

Please refer to page 22 of the following report.

[https://ssl4.eir-parts.net/doc/3401/ir\\_material\\_for\\_fiscal\\_ym12/177986/00.pdf](https://ssl4.eir-parts.net/doc/3401/ir_material_for_fiscal_ym12/177986/00.pdf)

**2. Capital Structure**

Foreign Shareholding Ratio	30% or more
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**[Status of Major Shareholders] (Updated)**

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	33,944,100	17.61
GOLDMAN SACHS INTERNATIONAL	11,641,300	6.04
Custody Bank of Japan, Ltd. (Trust account)	10,937,100	5.67
Nippon Life Insurance Company	7,045,501	3.65
The Employee Stock Ownership Association of Teijin	6,509,017	3.37
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	6,047,429	3.13
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	5,878,900	3.05
STATE STREET BANK AND TRUST COMPANY 505223	4,415,638	2.29
STATE STREET BANK AND TRUST COMPANY 505103	4,075,626	2.11
JPMorgan Securities Japan Co., Ltd.	3,331,541	1.72

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	---
Name of Parent Company, if applicable	None

1. The Status of Major Shareholders is as of March 31, 2025.
2. The shareholding ratio has been calculated after excluding treasury stocks (5,236,834 shares) from the issued shares. Shareholding ratios are truncated to two decimal places.
3. The report of possession of large volume or its amendment , which is available for public viewing, indicates that the following companies hold a considerable number of the Company shares. However, the Company was unable to confirm the actual number of shares held by these companies as of March 31, 2025. Therefore, the status of major shareholders above is based on the shareholder register. The share ownership percentages shown in parentheses below represent the percentage against the total number of issued shares, including treasury stocks.
  - MUFG Bank, Ltd. and four other holders: Held 10,186 thousand shares (5.15%) as of November 25, 2024 (report of possession of large volume as of December 2, 2024)
  - Nippon Life Insurance Company and another holder: Held 9,942 thousand shares (5.02%) as of November 29, 2024 (report of possession of large volume as of December 6, 2024)
  - Effissimo Capital Management Pte Ltd: Held 19,854 thousand shares (10.03%) as of January 6, 2025 (report of possession of large volume (amendment report) as of January 10, 2025)
  - Sumitomo Mitsui Trust Asset Management Co., Ltd. and another holder: Held 10,629 thousand shares (5.37%) as of February 28, 2025 (report of possession of large volume as of March 6, 2025)

### 3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market
Fiscal Year-End	March
Business Sector	Textiles & Apparels
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	50 or more but fewer than 100

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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### 5. Other Special Circumstances which may have Material Impact on Corporate Governance (Updated)

<p>(1) Perspectives and Policies on Group Management</p> <p>By recognizing important social issues as business growth opportunities, the Company aims “To be a company that supports the society of the future” through the creation and provision of new values needed by society. The Company believes that doing so will lead to the Teijin Group’s sustainable growth and increase its corporate value over the medium and long term.</p> <p>The Company aims to further increase its corporate value by steadily working on new business creation in the two core business fields that we have cultivated thus far of materials and healthcare, while integrating the Group’s engineering technology base.</p> <p>Investments in Teijin Group companies are made with the goal of obtaining the ownership of a majority of shares in those companies, either directly or indirectly, in principle. Wherever possible, the Company aims for an investment ratio that enables it to establish absolute control over the Group companies. However, Japan Tissue Engineering Co., Ltd. (J-TEC) remains publicly listed, after it was determined that it is reasonable for J-TEC to maintain significant independence in consideration of such factors as the special features of the businesses, the brand power in the business fields, the unique corporate culture, the ability to recruit human resources, and the swiftness of decision-making.</p> <p>The Company regularly reviews the rationale for maintaining the listing of its publicly listed Group companies. In addition, from the perspective of maximizing the corporate value of the Teijin Group, the Company fulfills its accountability by explaining the rationale for each decision and the governance structure of the publicly listed Group companies.</p> <p>(2) Significance of Holding Shares of Publicly Listed Subsidiary</p> <p>Through a tender offer under the Financial Instruments and Exchange Act, the Company acquired 57.72% of J-TEC’s issued shares as of March 9, 2021. The Company holds 57.73% of the voting shares (as of March 31, 2025) of J-TEC, which is listed on the Growth Market of the Tokyo Stock Exchange, making it a consolidated subsidiary.</p> <p>J-TEC is developing three business groups: the regenerative medicine business, which includes the development, manufacturing, and sales of regenerative medicine products; the custom development &amp; manufacturing business in regenerative medicine; and the R&amp;D support business, which includes the development, manufacturing, and sales of cultured human tissues for research use. The alliance with J-TEC, a pioneer in regenerative medicine in Japan with an established track record in manufacturing and the supply of regenerative medicine products, has been indispensable for the Company in entering into the regenerative medicine business and the CDMO business in regenerative medicine. Moreover, by combining the Teijin Group’s core technologies—such as chemosynthesis, polymer chemistry, processing, and engineering—and its healthcare business platform together with J-TEC’s technologies, it will be possible to help J-TEC expand its regenerative medicine business and custom development &amp; manufacturing business in regenerative medicine. The Company therefore believes that its ownership of J-TEC as a subsidiary is highly significant.</p> <p>The Company currently believes that even without making J-TEC a wholly owned subsidiary, both companies</p>
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will be able to share their technologies and expertise, as well as mutually complementing and effectively using each other's managerial resources. Such strong collaboration should enable the generation of synergies between the companies. Moreover, the Company believes that it is beneficial to maintain J-TEC's present corporate culture and managerial independence for the purpose of improving its corporate value. For these reasons, the Company believes that the best way to increase the corporate value of both J-TEC and the Teijin Group is to maintain the public listing of J-TEC.

Note: "CDMO" is an abbreviation for "Contract Development and Manufacturing Organization", which refers to a pharmaceutical contract manufacturing and development organization that accepts the delegation of pharmaceutical development and manufacture.

(3) Measures that Ensure the Effectiveness of the Governance System of the Publicly Listed subsidiary  
Considering that there is a risk of conflicts of interest between the Company and the general shareholders of its publicly listed subsidiary, it is necessary to ensure independent decision-making by J-TEC. To this end, the Company has built effective governance systems through the measures listed below.

- 1) J-TEC's decision-making body on business execution is its Board of Directors, and it ensures shareholder equality, which is fundamental to the governance of publicly listed companies. The Company's regulations stipulate that it may not be directly involved in J-TEC's management decisions, in principle. Meanwhile, in order to fulfill its disclosure obligations and address related issues, the Company requests that J-TEC reports in advance on subjects limited to matters related to voting at the General Meeting of Shareholders, matters that will have an impact on the Company's timely disclosure, and matters that will have a material impact on the Company's consolidated financial statements.
- 2) In the tender offer for shares in J-TEC by the Company, completed in March 2021, the Company executed a capital and business alliance agreement with J-TEC on January 29, 2021, stipulating matters requiring prior consultation with the Company and matters requiring prior consent from the Company. Such matters are limited to material issues that may affect the management of the Teijin Group, taking account of conflicts of interest with the general shareholders.  
Under the agreement, J-TEC must obtain prior consent from the Company only when it takes any of the following actions or decides to take any such action: a) any change to any of its subsidiaries or affiliates; b) any action that falls, or is likely to fall, under criteria for delisting, or any application for delisting; c) any business alliance similar to the business alliance with the Tender Offeror (the Company) (including the establishment of a joint venture company or licensing); or d) any organizational change, merger, share exchange, company split, or assignment or receipt of any part or all of a business or actions similar to any of aforementioned.
- 3) Regarding the composition of J-TEC's Board of Directors, the capital and business alliance agreement stipulates that the Company is entitled to nominate a majority of J-TEC's Directors. The Board of Directors of J-TEC comprises six members, two of whom are assigned from the Company. However, since the Directors position themselves as supervisors of business execution in order to enhance the corporate value of J-TEC, the judgment made by the management of J-TEC is respected in principle, and consideration is given to the extent possible to avoid unfairly impairing the interests of J-TEC and the general shareholders. The Company plans to review the composition of the Board of Directors as needed, aiming to ensure proper governance that respects the independence of J-TEC as a publicly listed company as well as to develop a system to maximize synergies with the Company. Also, J-TEC elected two Independent Outside Directors at its 27th Ordinary General Meeting of Shareholders on June 19, 2025. Efforts will be made for transparent management in order to protect the interest of minority shareholders and to ensure fairness for all shareholders.
- 4) J-TEC's provision to the Company of expertise on the CDMO business in the area of regenerative medicine may create a conflict of interest, considering the competition between the two companies in the market and other issues. Therefore, the capital and business alliance agreement stipulates that it should be carried out with due consideration for the conflict of interest between the Company and the general shareholders of J-TEC. Moreover, with regard to the decisions on prices and conditions related to transactions with the Teijin Group at J-TEC, a special committee consisting of independent members, including Independent Outside Directors, has been established under J-TEC's Board of Directors for the purpose of strengthening corporate governance and ensuring management transparency, as well as protecting the interests of minority shareholders and ensuring equity and fairness for shareholders, and there is a system that verifies the transactions with the Teijin Group. Accordingly, the Company believes that the rights of general shareholders are protected and that the independence of J-TEC's management judgement is ensured.

## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

### 1. Organizational Composition and Operation

Corporate Governance System	Company with an Audit & Supervisory Committee
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#### [Directors]

Number of Directors Stipulated in Articles of Incorporation <b>(Updated)</b>	12
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors <b>(Updated)</b>	11
Election of Outside Directors	Elected
Number of Outside Directors <b>(Updated)</b>	6
Number of Independent Directors <b>(Updated)</b>	6

#### Outside Directors' Relationship with the Company (1) **(Updated)**

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Masaaki Tsuya	From another company								△			
Reiko Kusunose	From another company								△			
Toichi Maeda	From another company								△			
Koichi Tsuji	CPA											
Tamie Minami	From another company								△			
Yaeko Takeoka	Lawyer											

\* Categories for "Relationship with the Company".

(Use "○" when the Director presently falls or has recently fallen under the category; "△" when the Director fell under the category in the past; "●" when a close relative of the Director presently falls or has recently fallen under the category; and "▲" when a close relative of the Director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for a non-executive Director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to compensation as a Director/company auditor
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to Director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to Director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to Director him/herself only)
- Other

Outside Directors' Relationship with the Company (2) (Updated)

Name	Membership of Audit & Supervisory Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Masaaki Tsuya		○	<p>Masaaki Tsuya, Outside Director, comes from Bridgestone Corporation, a client of the Company. However, as transactions between Bridgestone Corporation and the Company are minimal, accounting for less than 1% of the consolidated revenues of the Company and Bridgestone Corporation, respectively (for the fiscal year ended March 2025), we deemed that there is no risk of his independence being affected, and have omitted a summary of our transactions with Bridgestone Corporation.</p>	<p>Masaaki Tsuya has held the posts of CEO and chairperson of a listed company. Leveraging his extensive business experience and high level of insight, he provides appropriate advice and suggestions as an Outside Director of the Company. In fiscal 2024, as the chair of the Nomination Advisory Committee, he led in-depth discussions on matters such as agenda setting, the selection and dismissal of directors and management executives, and the review of the plan to develop CEO successor candidates. He also offers appropriate advice and suggestions on matters such as the review of the executive compensation plan and the performance evaluation of directors, including the CEO, as a member of the Compensation Advisory Committee. In fiscal 2025, he serves as the Chair of the Board of Directors. We have determined that in order to increase shareholder value and corporate value, we need him to supervise decision-making on matters that are significant to the Company and the execution of operations, and to provide objective advice to management as an Outside Director via the Board of Directors, Nomination Advisory Committee, and Compensation Advisory Committee. We therefore support his continued tenure as Outside Director. As he satisfies both the requirements of "Independent Director" stipulated by the Company and the requirements of Independent Directors stipulated by stock exchanges, the Company has judged there to be no risk of conflicts of interest arising between him and the general shareholders.</p>

Reiko Kusunose		○	<p>Reiko Kusunose, Outside Director, comes to us from Nippon Sheet Glass Co., Ltd. and LIXIL Corporation, both of which are clients of the Company. However, as transactions between us and each of these companies are minimal, accounting for less than 1% of the consolidated revenues of the Company and these clients, respectively (for the fiscal year ended March 2025), we deem there to be no risk of her independence being affected, and have omitted a summary of our transactions with Nippon Sheet Glass Co., Ltd. and LIXIL Corporation.</p>	<p>Reiko Kusunose has accumulated experience as CFO in corporate reform and global organizational management at companies that have undergone business mergers. She has also been actively engaged in Diversity, Equity &amp; Inclusion initiatives within and outside the corporate workplace. At our Board of Directors meetings, she has provided accurate observations and effective advice on portfolio transformation and financial strategy. She has also provided accurate observations and advice to the Nomination Advisory Committee and the Compensation Advisory Committee. To enhance shareholder and corporate value, it is essential for the Company to retain her as an Outside Director. We should seek her objective advice at the Board of Directors, the Nomination Advisory Committee, and the Compensation Advisory Committee regarding critical decisions for the Company, supervision of business execution, and overall management. Therefore, we have reappointed her as an Outside Director. As she satisfies both the requirements of “Independent Director” stipulated by the Company and the requirements of Independent Directors stipulated by stock exchanges, the Company has judged there to be no risk of conflicts of interest arising between her and the general shareholders.</p>
Toichi Maeda		○	<p>Toichi Maeda, an Outside Director, is from EBARA CORPORATION which is a client of the Company. However, as transactions between the Company and EBARA CORPORATION are minimal, accounting for less than 1% of the consolidated revenues of the Company and the client, respectively (for the fiscal year ended March 2025), we deem there to be no risk of his independence being affected, and have omitted a summary of our transactions</p>	<p>Toichi Maeda has served as the representative executive officer and president and the chairman of the board at a listed business company. The business company has recently been working to realize “customer-driven value creation” by leveraging its core technologies. This includes transitioning to a market-specific organizational structure, strengthening solution provision, transforming organizational culture, evolving its business</p>

			with CORPORATION EBARA	<p>portfolio, and implementing efficient and effective corporate governance. He has led these efforts. Teijin aims to conduct businesses centered on providing value. With his extensive experience and insight, his services as an Outside Director will be highly beneficial to enhancing our shareholder and corporate value, seeking his objective advice on critical decisions for the Company, supervision of business execution, and overall management from an outside perspective. Therefore, we have appointed him as an Outside Director. As he satisfies both the requirements of “Independent Director” stipulated by the Company and the requirements of Independent Directors stipulated by stock exchanges, the Company has judged there to be no risk of conflicts of interest arising between him and the general shareholders.</p>
Koichi Tsuji	○	○	-	<p>Koichi Tsuji has deep knowledge of finance, accounting, and auditing gained through many years of experience as a certified public accountant and great insight gained through corporate management and experience as an Outside Director. In addition to advice backed by his specialized knowledge and deep insight, he also offers valuable advice to the Company on general management issues such as portfolio transformation and risk management and monitors overall management, contributing to the maintenance and improvement of our compliance. With his extensive experience and insight, his services as an Outside Director who is an Audit &amp; Supervisory Committee Member will be highly beneficial to enhancing our shareholder and corporate value, seeking his objective advice on critical decisions for the Company, audit and supervision of business execution, and overall management from an outside</p>



				perspective. Therefore, we have appointed him as an Outside Director who is an Audit & Supervisory Committee Member. As he satisfies both the requirements of “Independent Director” stipulated by the Company and the requirements of Independent Directors stipulated by stock exchanges, the Company has judged there to be no risk of conflicts of interest arising between him and the general shareholders.
Tamie Minami	○	○	<p>Tamie Minami, an Outside Director, is from 3M Company, which is a client of the Company. However, as transactions between the Company and 3M Company are minimal, accounting for less than 1% of the consolidated revenues of the Company and the client, respectively (for the fiscal year ended March 2025), we deem there to be no risk of her independence being affected, and have omitted a summary of our transactions with 3M.</p>	<p>Tamie Minami has extensive experience and knowledge as a leader in healthcare and industrial materials businesses in global company and in multiple regions. At our Board of Directors, based on her extensive experience and knowledge in company operating multiple businesses globally, she has provided accurate comments and advice as an Outside Director on strengthening operations and marketing from a global perspective. Last year, she served as chair of the Compensation Advisory Committee, working to stimulate discussion within the committee. She also served as a member of the Nomination Advisory Committee, providing accurate comments and advice. With her extensive experience and insight, her services as an Outside Director who is an Audit &amp; Supervisory Committee Member will be highly beneficial to enhancing our shareholder and corporate value, seeking her objective advice on critical decisions for the Company, audit and supervision of business execution, and overall management from an outside perspective. Therefore, we have appointed her as an Outside Director who is an Audit &amp; Supervisory Committee Member. As she satisfies both the requirements of “independent Director” stipulated by the Company and the requirements of Independent Directors</p>

				stipulated by stock exchanges, the Company has judged there to be no risk of conflicts of interest arising between her and the general shareholders.
Yaeko Takeoka	○	○	-	Yaeko Takeoka has extensive knowledge of corporate legal affairs (intellectual property rights, compliance, and other legal affairs) cultivated through many years of experience as a lawyer. She also has a business perspective and insight into internal audit systems cultivated through extensive experience as an Outside Director. With her extensive experience and insight, her services as an Outside Director who is an Audit & Supervisory Committee Member will be highly beneficial to enhancing our shareholder and corporate value, seeking her objective advice on critical decisions for the Company, audit and supervision of business execution, and overall management from an outside perspective. Therefore, we have appointed her as an Outside Director who is an Audit & Supervisory Committee Member. As she satisfies both the requirements of “Independent Outside Director” stipulated by the Company and the requirements of Independent Directors stipulated by stock exchanges, the Company has judged there to be no risk of conflicts of interest arising between her and the general shareholders.

[Audit & Supervisory Committee]

Composition of Audit & Supervisory Committee and Attributes of the Chairperson (Updated)

	Audit & Supervisory Committee	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Audit & Supervisory Committee	5	2	2	3	Outside Director

Appointment of Directors and/or Staff to Support the Audit & Supervisory Committee (Updated)	Appointed
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Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System **(Updated)**

The Company shall establish the Audit & Supervisory Committee Office as the organization responsible to assist the Audit & Supervisory Committee in performing its duties. The Office shall comprise personnel assigned to the Committee Secretariat, who support the Committee's operations, and personnel assigned to business audits, who assist with management audits conducted by the Committee members. As a general rule, at least two full-time personnel shall be assigned to the Committee Secretariat, including at least one individual with sufficient expertise in accounting or quantitative analysis.

Personnel of the Audit & Supervisory Committee Office shall carry out their duties under the direction of the Audit & Supervisory Committee. The Office shall also function as the secretariat of the Committee of Teijin Group Statutory Auditors. While these personnel may concurrently serve as statutory auditors of Teijin Group companies, they shall not concurrently hold any position involving the execution of business operations within those companies.

The Company shall obtain the prior consent of a member of the Audit & Supervisory Committee, designated by its resolution, upon making any decisions regarding personnel matters such as appointments and transfers of personnel assigned to the Audit & Supervisory Committee Office, in order to ensure the independence of such personnel. In principle, performance evaluations of such personnel shall also be conducted by a member of the Committee designated by its resolution.

Cooperation among the Audit & Supervisory Committee, Accounting Auditors and Internal Audit Department **(Updated)**

The Company's Audit & Supervisory Committee receives a summary explanation from the accounting auditor regarding the accounting audit plan, the internal control audit plan, and the semiannual review plan, along with accounting audit reports, internal control audit reports, semiannual review reports, and Group company on-site audit reports. Through these reports, the Audit & Supervisory Committee receives an explanation of issues related to accounting and internal control, discusses important matters related to audits, and undertakes the required countermeasures. Meanwhile, the accounting auditor receives an explanation of the audit policy, audit plan and so forth from the Audit & Supervisory Committee and they exchange opinions and questions.

Moreover, the Company's Audit & Supervisory Committee receives an explanation of matters indicated in the Group company audits from the Accounting Auditor that conducted the Group company audits and the information is shared throughout the Group. Furthermore, the Committee of Teijin Group Statutory Auditors receives explanations from the Accounting Auditor regarding the short-term and medium-term revision trends in the Japanese accounting standards and international accounting standards, as well as their impact on the Teijin Group, issues that should be addressed, and so forth. The "Corporate Audit Department," which is an internal auditing body, also works with the Accounting Auditor in the same way as Audit & Supervisory Committee.

At the time of formulating the annual internal audit plan, the Corporate Audit Department reports to the Audit & Supervisory Committee on the scope of the audit, target companies and departments, and other necessary matters, and obtains the Audit & Supervisory Committee's approval for the internal audit plan, budget, personnel, and changes in the head of the organization and their evaluations. Meanwhile, the Corporate Audit Department provides reports to the Audit & Supervisory Committee on the internal audit execution status at the meeting of the Committee of Teijin Group Statutory Auditors, extraordinary meetings, monthly reports, and so forth. This enables internal audit information to be grasped constantly and comprehensively, and the required action to be shared so as to receive instructions and orders from the Audit & Supervisory Committee. The information about auditing by the Audit & Supervisory Committee is also shared with the Corporate Audit Department.

With regard to the relationship between the Audit & Supervisory audits, accounting audits, and internal audits (hereinafter, "various audits") and the internal control departments (functional departments such as, compliance and risk management corporate strategy and information systems), the internal control departments develop internal control systems and provide related operational support, and provide reporting to each audit organization regularly and as necessary, along with receiving various audits.

In terms of the reporting system for internal control over financial reporting based on the Financial Instruments and Exchange Act of Japan, an Internal Control Report is prepared in consideration of factors such as independent monitoring by the Corporate Audit Department, and the report is audited by the Accounting Auditor.

[Voluntary Established Committee(s)]

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Compensation Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson **(Updated)**

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination Advisory Committee*	4	0	1	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Compensation Committee	Compensation Advisory Committee*	4	0	1	3	0	0	Outside Director

Supplementary Explanation **(Updated)**

\* Nomination Advisory Committee and Compensation Advisory Committee

The Nomination Advisory Committee and the Compensation Advisory Committee are established as consultative bodies of the Board of Directors in order to further improve the transparency of executive appointments and compensation. Each Committee deliberates upon the matters as stipulated in “2. Matters Concerning Functions of Business Execution, Auditing, and Supervision, Nomination and Compensation Decisions (Overview of Current Corporate Governance System).”

The number of meetings, attendance records of members, and main topics and matters deliberated in fiscal 2024 are provided below. For more details, please refer to the Securities Report.

<https://www.teijin.co.jp/ir/library/business-report/> (in Japanese)

<Nomination Advisory Committee>

- Number of meetings: 12
- Attendance records of members: Masaru Onishi (12/12); Masaaki Tsuya (12/12); Tamie Minami (12/12); Reiko Kusunose (10/10); Akimoto Uchikawa (11/12); Yoichi Suzuki (2/2)
- Main topics and matters deliberated upon: 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 fiscal 2025; and the independence of Outside Directors and officers

< Compensation Advisory Committee>

- Number of meetings: 14
- Attendance records of members: Masaru Onishi (14/14); Masaaki Tsuya (14/14); Tamie Minami (14/14); Reiko Kusunose (10/10); Akimoto Uchikawa (14/14); Yoichi Suzuki (4/4)
- Main topics and matters deliberated: Revision of the executive compensation plan; consideration of executive compensation levels; performance evaluation of internal directors, including the CEO, and other management executives, for fiscal 2023; and calculation of compensation amounts

The composition of the Nomination Advisory Committee is as follows (as of the submission date of this report). Toichi Maeda (Chair, Outside Director), Masaaki Tsuya (Outside Director), Reiko Kusunose (Outside Director), and Akimoto Uchikawa (CEO)

The composition of the Compensation Advisory Committee is as follows (as of the submission date of this report).

Reiko Kusunose (Chair, Outside Director), Masaaki Tsuya (Outside Director), Toichi Maeda (Outside Director), and Akimoto Uchikawa (CEO)

## [Matters Concerning Independent Directors]

Number of Independent Directors (Updated)	6
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### Other Matters Concerning Independent Directors

There are no special interests between the Company and the Outside Directors.

The status of concurrent positions held by Outside Directors at other corporate or other entities as well as their Company stock holdings are described in the Securities Report. There are no special interests between the Company and any of the corporate or other entities where Outside Directors hold a concurrent position.

<https://www.teijin.co.jp/ir/library/business-report/> (in Japanese)

The Outside Directors' role is to contribute to improving the transparency and accountability (responsibility for explanation and necessary information disclosure) of the Board of Directors by performing an oversight function over Inside Directors as well as a management advice function based on their expertise.

Moreover, of the Company's five Directors who are members of the Audit & Supervisory Committee, a majority of three are Outside Directors who maintain independence. This ensures transparency, and achieves the management oversight and audit function including audit of risk management.

On April 1, 2003, the Board of Directors of the Company prescribed the requirements for Outside Directors as the "Independent Director Regulations," which serve as the basis for the election of Outside Directors. These conditions for appointment are designed to increase the level of precision and ensure the transparency of the management supervisory function of the Board of Directors.

These requirements are posted on the Company's website at the URL provided below. Moreover, the Company's Outside Directors meet the independence requirements specified by the Tokyo Stock Exchange.

<https://www.teijin.com/ir/management/governance/requirements/>

Outside Directors who are not members of the Audit & Supervisory Committee receive reports on the results of internal audits, audits by the Audit & Supervisory Committee, and accounting audits, as well as reports on the activities by the internal control department, at meetings of the Board of Directors, and exchange opinions as appropriate. Outside Directors who are members of the Audit & Supervisory Committee mainly receive reports on internal control and internal audit and reports on audits and reviews conducted by accounting auditors, mainly through the Audit & Supervisory Committee and the Committee of Teijin Group Statutory Auditors, and exchange opinions as necessary.

The Company has executed a Liabilities Limitation Agreement with Outside Directors which limits the respective liabilities of each Outside Director to the higher amount of 20 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act.

## [Incentives]

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Compensation Scheme / Other
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### Supplementary Explanation for Applicable Items (Updated)

The Company provides Inside Directors who concurrently serve as Corporate Officers with performance-based compensation (short-term incentive compensation), Restricted Stock (medium- to long-term incentive compensation) and Performance Share Units (medium- to long-term incentive compensation), with the aim of providing an incentive to achieve short-term goals, achieve the medium-term management plan, and improve medium- to long-term corporate value. In order to further strengthen Group management, the Company has standardized the composition of compensation provided to all of its Corporate Officers around the world. For details, please refer to "Disclosure of Policy on Determining Compensation Amounts and Calculation Methods."



Persons Eligible for Stock Options	None
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Supplementary Explanation for Applicable Items

[Director Compensation]

Status of Disclosure of Individual Director's Compensation (Updated)	Disclosure for Selected Directors
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Supplementary Explanation for Applicable Items (Updated)

From April 1, 2024, to March 31, 2025, the compensation paid to the Company's directors and statutory auditors were as follows.

[Total amounts of compensation by type of position, total amounts of compensation by type of compensation, and number of applicable directors and statutory auditors]

(1) Directors (excluding Outside Directors)

- Total amounts of compensation: 365 million yen
- Amounts of compensation by type: 189 million yen basic compensation (four people), 75 million yen performance-linked compensation (four people), 38 million yen restricted stock (four people), and 62 million yen performance share units (four people)

(2) Statutory auditors (excluding Outside Statutory Auditors)

- Total amounts of compensation: 77 million yen
- Amounts of compensation by type: 77 million yen basic compensation (three people)

(3) Outside Directors

- Total amounts of compensation: 75 million yen
- Amounts of compensation by type: 75 million yen basic compensation (five people)

(4) Outside Statutory Auditors

- Total amounts of compensation: 45 million yen
- Amounts of compensation by type: 45 million yen basic compensation (three people)

Note 1. The above compensation is set based on the policy on compensation for individual directors as of March 31, 2025.

Note 2. Performance-based compensation, restricted Stock, and performance share units are not granted to Outside Directors or Outside Statutory Auditors.

Note 3. At the 155th Ordinary General Meeting of Shareholders on June 23, 2021, it was resolved that the Directors' monetary compensation for the year should be within 630 million yen (including 100 million yen or less for outside directors). At the 158th Ordinary General Meeting of Shareholders on June 20, 2024, it was resolved that, under the restricted stock compensation program, the total value of cash claims corresponding to the stock during each fiscal year should not exceed 35 million yen (25,000 shares), the total value of stock units to be granted during each fiscal year should not exceed 35 million yen, and the total amount of cash granted during each fiscal year based on the stock units should not exceed 35 million yen. It was also resolved at the same general meeting that, under the performance-based stock compensation program, the total value of cash claims corresponding to stocks during each fiscal year should not exceed 150 million yen (100,000 shares), the total value of stock units granted during each fiscal year should not exceed 150 million yen, and the total value of cash granted during each fiscal year based on the stock units should not exceed 150 million yen.

Note 4. The maximum monthly compensation for Statutory Auditors was 12 million yen as resolved by the

133rd Ordinary General Meeting of Shareholders held on June 25, 1999.

Note 5. Officers whose total consolidated and other compensation was 100 million yen or more are individually disclosed in our securities report.

The above information is included in the Securities Report for your reference.

<https://www.teijin.co.jp/ir/library/business-report/> (in Japanese)

Policy on Determining Compensation Amounts and Calculation Methods (**Updated**)

Established

## Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

The following presents the policy on compensation amounts for executives and their calculation methods.

“Directors” in the overview of the policy below refer to Directors (excluding Directors who are Audit & Supervisory Committee Members), unless otherwise specified.

### (1) Basic policy for compensation plan

- 1) The plan should incentivize the achievement of short-term and medium- to long-term management targets, and enhance awareness of contributing to increase in earnings and corporate value
- 2) The plan should be closely linked to the Company’s performance, and be highly transparent and objective
- 3) The plan should be primarily focused on sharing value with stakeholders and enhancing shareholders-oriented management
- 4) The plan should maintain sufficient compensation levels and content to act as an incentive to globally secure high-quality executives

### (2) Compensation level

The compensation level for Directors is determined each year after verifying the appropriateness of the level of total compensation for each position and job grade based on the results of a compensation survey in which major corporations in Japan participate.

### (3) Composition of compensation, etc. for Directors

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

For Inside Directors who do not concurrently serve as Corporate Officers, only basic compensation and performance-linked compensation, or only basic compensation is granted based on their appointed duties, and restricted stock compensation (medium- to long-term incentive compensation) and performance share units compensation (medium- to long-term incentive compensation) are not granted.

- 2) The compensation for Outside Directors is solely basic compensation that is not linked to the performance of the Company.
- 3) The compensation for Directors who are Audit & Supervisory Committee Members is solely basic compensation based on their duties.

### (4) Composition ratio of compensation

The composition ratio of compensation for Inside Directors who concurrently serve as Corporate Officers is as follows:

#### 1) Representative Director President & CEO

- (a) Basic compensation as fixed compensation: 45%
- (b) Performance-linked compensation as variable compensation: 20%
- (c) Restricted stock as variable compensation: 10%
- (d) Performance share units as variable compensation: 25%

#### 2) Other Directors

- (a) Basic compensation as fixed compensation: 50%

(b) Performance-linked compensation as variable compensation: 25%

(c) Restricted stock as variable compensation: 10%

(d) Performance share units as variable compensation: 15%

(5) Performance indicators for performance-linked compensation etc.

1) Performance-linked compensation

To incentivize the recovery of the fundamental earning power and the promotion of business portfolio reforms, the Company has set “adjusted operating income,” “ROIC based on adjusted operating income after tax,” and “individual performance targets” including non-financial indicators for sustainability (safety) that are applied to all Directors as performance indicators for each Inside Director concurrently serving as Corporate Officer.

2) Performance share units compensation

To incentivize Directors to realize an improvement in corporate value and shareholder value in the medium to long term, the Company employed “ROE,” “TSR,” and “Sustainability” as performance indicators. The Company set the figure the Company should aim for over the medium term as the target for “ROE”. The Company continues to employ “TSR” as a performance indicator to build awareness of management from the perspective of the shareholders. In addition, in order for the Company to achieve its long-term vision of “To be a company that supports the society of the future,” the Company has also set non-financial indicators for sustainability (environment, DE&I, and employee engagement) as performance indicators for each Inside Director who concurrently serving as Corporate Officer.

(6) Policy on determining the timing and conditions for providing compensation, etc.

1) Fixed compensation

(a) Basic compensation

The amount to be paid to each Director is determined according to his or her position and job grade and paid out as a fixed amount. One twelfth of the fixed amount based on position and job grade is provided as monthly compensation.

2) Variable compensation

(a) Performance-linked compensation

Performance-linked compensation is calculated based on position and job grade, the achievement level of the performance indicators, and the individual performance evaluation of Directors, and paid out by the end of June as a year-end bonus. Furthermore, within the scope approved by a resolution of the General Meeting of Shareholders, new performance evaluation periods and performance evaluation indicators will be established.

(b) Restricted stock compensation

Around July or August of each year, shares and share units equivalent to the standard amount determined based on position and job grade will be provided with transfer restrictions and other conditions within the scope of approval by a resolution of the General Meeting of Shareholders. In principle, the transfer restrictions on granted shares are released upon retirement from a position designated in advance by the Board of Directors. Amount of cash to be paid based on share units which is calculated by multiplying the number of granted share units by the share price of the Company’s ordinary shares on the date of release of transfer restrictions is, in principle, provided at the time of release of transfer restrictions.

The upper limit is 35 million yen (25,000 shares) per fiscal year for the stock portion and 35 million yen per fiscal year for the share units portion, and the total maximum amount of cash to be paid based on share units is 300 million yen per fiscal year.

Restricted stock compensation will be provided to each Inside Director who concurrently serves as a Corporate Officer who does not violate any rule stipulated by the Board of Directors of the Company, and meets other requirements necessary for the restricted stock plan stipulated by the Board of Directors of the Company.

(c) Performance share units compensation

Around July or August of each year, the number of shares and share units calculated based on the achievement level of one or more performance indicators set by the Board of Directors of the Company applicable to the performance evaluation periods comprised of one or more fiscal years will be provided after conclusion of the evaluation performance period set for each performance indicator, with transfer restrictions and other conditions within the scope approved by a resolution of the General Meeting of Shareholders. In principle, the transfer restrictions on granted shares are released upon retirement from positions designated in advance by the Board of Directors. Amount of cash to be paid based on share units which is, in principle, provided by multiplying the number of granted share units by the share price of the Company’s ordinary shares on the date of release transfer restrictions is, in principle, provided at the time of release of transfer restrictions.

The upper limit shall be 340 million yen (290,000 shares) per fiscal year for the stock portion and 340 million yen per fiscal year for the share units portion, and the total maximum amount of cash to be paid based on share units is 1.2 billion yen per fiscal year.

Performance share units compensation will be provided to each Inside Director who concurrently serves as Corporate Officer who has served in a position designated by the Board of Directors of the Company for the

entirety or part of the performance evaluation period, does not violate any rule stipulated by the Board of Directors of the Company, and meets other requirements determined necessary for the performance share units plan stipulated by the Board of Directors of the Company.

The above information is included in the Securities Report.  
<https://www.teijin.co.jp/ir/library/business-report/> (in Japanese)

**[Support System for Outside Directors] (Updated)**

The Corporate Strategy Department supports the Outside Directors in all aspects of the performance of their duties by providing them with briefings on matters to be resolved and reported on before meetings of the Board of Directors. In addition, the Executive Secretariat supports the activities of the Outside Directors by providing liaison and coordination between the Outside Directors and other Directors.

In addition, personnel of the Audit & Supervisory Committee Office provide support to enable Outside Directors who are Audit & Supervisory Committee Members to audit the business execution through informal discussions with the CEO and Directors who are not Audit & Supervisory Committee Members, participation in the Committee of Teijin Group Statutory Auditors, and other means.

**[Status of Persons who have Retired as Representative Director and President, etc.]**

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon, etc.*) after Retiring as Representative Director and President, etc.

Name	Job title/position	Responsibilities	Terms and Conditions of Employment (Full /part time, with/without compensation, etc.)	Date when former role as president/CEO ended	Term
Shigeo Ohyagi	Honorary Advisor	Engaged in external affairs such as business community relations.	Part-time, with compensation	March 31, 2014	Provided for in company rules
Jun Suzuki	Senior Advisor	Engaged in external affairs such as business community relations.	Full-time, with compensation	March 31, 2022	Provided for in company rules

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon, etc.*) After Retiring as Representative Director and President, etc.

2

Other Related Matters

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## 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System) (Updated)

### (1) Board of Directors

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

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

In order to fulfill the above roles, persons who are suitable to be Directors of the Company with outstanding personalities and insight are chosen by the Board of Directors as director candidates, in consideration of their personal capabilities, past performance record, and so forth. The candidates are recommended at the General Meeting of Shareholders.

The chair of the Board of Directors meetings is selected from among Outside Directors who are not Audit & Supervisory Committee Members as part of the efforts to separate monitoring and supervision from business execution.

The Board of Directors met 14 times in fiscal 2024. Details on the attendance records of the members and main topics and matters deliberated upon in fiscal 2024 are provided in Attachment 1: Attendance of Individual Directors at Board of Directors Meetings and Main Topics and Matters Deliberated. Equivalent information is contained in the Securities Report (for fiscal 2024).

<https://www.teijin.co.jp/ir/library/business-report/> (in Japanese)

The composition of the Board of Directors is as follows (as of the submission date of this report).

Masaaki Tsuya (Chair, Outside Director), Akimoto Uchikawa (CEO), Naohiko Moriyama, Yuji Nakahara, Reiko Kusunose (Outside Director), Toichi Maeda (Outside Director), Masanori Shimai (Full-time Audit & Supervisory Committee Member), Tomoko Torii (Full-time Audit & Supervisory Committee Member), Koichi Tsuji (Audit & Supervisory Committee Member, Outside Director), Tamie Minami (Audit & Supervisory Committee Member, Outside Director) and Yaeko Takeoka (Audit & Supervisory Committee Member, Outside Director)

### (2) The Audit & Supervisory Committee

The Company's the Audit & Supervisory Committee consists of five members (including three women), of whom three—a majority—are Outside Directors who satisfy all the requirements of Independent Directors as stipulated by the Company.

Audit & Supervisory Committee Members audit the performance of duties by Directors based on their expertise and experience in law, finance, accounting, etc. Full-time Audit & Supervisory Committee Member Masanori Shimai and Outside Audit & Supervisory Committee Member Koichi Tsuji have ample knowledge of finance and accounting.

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

In fiscal 2024, the Company, as a corporation with a Board of Statutory Auditors, held meetings of the Board of Statutory Auditors 13 times. Details regarding members' attendance and priority audit items in fiscal 2024 are provided in Attachment 2: Attendance of Individual Statutory Auditors at Board of Statutory Auditors Meetings and Priority Audit Items. Equivalent information is contained in the Securities Report.

<https://www.teijin.co.jp/ir/library/business-report/> (in Japanese)

The composition of the Audit & Supervisory Committee is as follows (as of the submission date of this report).



Koichi Tsuji (Chair, Outside Director), Masanori Shimai (Full-time Audit & Supervisory Committee Member), Tomoko Torii (Full-time Audit & Supervisory Committee Member), Tamie Minami (Outside Director) and Yaeko Takeoka (Outside Director)

### **(3) 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.

### **(4) Nomination Advisory Committee and 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. Both committees function as advisory bodies to the Board of Directors and are responsible for making proposals and recommendations to the Board concerning the nomination, evaluation, and compensation of Directors who are not Audit & Supervisory Committee Members and of Executive Officers\*, as well as the nomination of Directors who are Audit & Supervisory Committee Members. The Board of Directors shall make decisions with due consideration to such proposals and recommendations.

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

#### **1) Nomination Advisory Committee**

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

#### **2) 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)

Both committees shall consist of all Outside Directors who are not Audit & Supervisory Committee Members, the Chairperson of the Board, and the CEO (in cases where the Chairperson is absent, all Outside Directors who are not Audit & Supervisory Committee Members and the CEO). The Chair of each committee shall be selected from among Outside Directors who are not Audit & Supervisory Committee Members and shall preside over the respective committee meetings.

The CEO, as an interested party, shall, in principle, not be included as a member of the decision-making body in matters concerning the CEO. Similarly, the Chairperson of the board, as an interested party, shall, in principle, not be included as a member of the decision-making body in matters concerning the Chairperson of the Board.

The composition of the Nomination Advisory Committee is as follows (as of the submission date of this report). Toichi Maeda (Chair, Outside Director), Masaaki Tsuya (Outside Director), Reiko Kusunose (Outside Director), and Akimoto Uchikawa (CEO)

The composition of the Compensation Advisory Committee is as follows (as of the submission date of this report).

Reiko Kusunose (Chair, Outside Director), Masaaki Tsuya (Outside Director), Toichi Maeda (Outside

Director), and Akimoto Uchikawa (CEO)

#### **(5) Status of Internal Audit System**

The Corporate Audit Department reports directly to the CEO and was established as an internal audit organization. It carries out Group-wide and global audits to evaluate the efficiency and validity of internal control functions based on the “Group Internal Audit Regulations.” Furthermore, individual internal audit organizations have been established at some listed subsidiaries and elsewhere. As of March 31, 2025 the number of internal auditors in the Teijin Group is 18 (excluding internal auditors at listed subsidiaries).

#### **(6) Status of Accounting Audits**

The status of the certified public accountants (CPAs) who audited the Company is as follows (items in brackets are the affiliated auditing firm and number of consecutive years performing audits):

Hirofumi Tani (KPMG AZSA LLC, one year), Yoshihiro Uehara (KPMG AZSA LLC, four years), and Hiroaki Iwasaki (KPMG AZSA LLC, four years)

The status of assistants in auditing is as follows: 20 CPAs, 53 others, total of 73.

#### **(7) Total Risk Management**

The Company carries out total risk management (TRM) by establishing a TRM system which targets both strategic and operational risks, aiming to address all risks that may threaten the Company’s sustainable growth. We have established a Risk Management Committee chaired by the CEO, primarily focusing on operational risks, to discuss risk management policies and develop a system to implement and manage the progress of measures according to these policies. Strategic risks are discussed at the Group Strategy Committee.

The CEO is directly in charge of assessing strategic risk, and provides assessment results for the Board of Directors and other bodies as key materials in their decision-making process.

The Chief Human Resources Officer/Chief Sustainability Officer is in charge of addressing operational risk by establishing a cross-sectional risk management system, identifying problems, and responding to crises when they occur.

The details of Teijin Group “Corporate Governance Guide” (the Company’s Corporate Governance System) can be viewed at the Company’s website:

<https://www.teijin.com/ir/management/governance/guide/>

#### **(8) Liabilities Limitation Agreement**

The Company has concluded a Liabilities Limitation Agreement with Directors who are not executive directors (Masaaki Tsuya, Reiko Kusunose, Toichi Maeda, Masanori Shimai, Tomoko Torii, Koichi Tsuji, Tamie Minami, and Yaeko Takeoka) which limits the respective liabilities of each Director to the higher amount of 20 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act.

### **3. Reasons for Adoption of Current Corporate Governance System (Updated)**

The Teijin Group has adopted and will adopt from time to time mechanisms for corporate governance which are appropriate for achieving the purposes of the Company. Accordingly, the Company will timely review the mechanisms and such changes may be made in accordance with changes in the social and legal environments. We have restructured into a corporation with an Audit & Supervisory Committee. The purpose of this change is to advance the following initiatives more effectively: expanding the authority delegated from the Board of Directors to the executives to accelerate business decision-making processes, enhance the Board discussions on critical business issues, such as medium- to long-term business strategies, and strengthen the Board’s supervisory functions by giving voting rights as Directors to Audit & Supervisory Committee Members who are in charge of auditing.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights (Updated)

	Supplementary Explanations
Early Posting of Notice of the General Meeting of Shareholders	The Company sends a notification about three weeks prior to the date of the General Meeting of Shareholders. In the fiscal year ended March 2025, the General Meeting of Shareholders was held on June 25, 2025, and the Notice of Convocation was sent on June 3. Ahead of this, on May 28, the Notice of Convocation was posted on the Company's website, the website of the Tokyo Stock Exchange, and others based on electric provision measures. <a href="https://www.teijin.com/ir/stocks/general-meeting/">https://www.teijin.com/ir/stocks/general-meeting/</a>
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The General Meeting of Shareholders for the fiscal year ended March 2025 was held on June 25. The General Meeting of Shareholders for the fiscal year ending March 2026 is also scheduled to be held at a similar timing.
Electronic Exercise of Voting Rights	Voting rights can be exercised through electro-magnetic methods by accessing the Company's designated website for exercising voting rights from a personal computer or smartphone.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	Nominal shareholders (including standing proxy agents), such as managing trust banks, can use the electronic voting platform operated by ICJ, Inc. by applying beforehand.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	The English version of the Notice of Convocation was published at the same time as the Japanese version on the Company's website on May 28. <a href="https://www.teijin.com/ir/stocks/general-meeting/">https://www.teijin.com/ir/stocks/general-meeting/</a>
Other	<ol style="list-style-type: none"> <li>1. The General Meeting of Shareholders is an important opportunity for direct dialogue with shareholders, where we present the true face of Teijin and receive candid opinions and questions from shareholders.</li> <li>2. A live streaming service (a hybrid participation-type virtual meeting) was provided, enabling shareholders to watch the Meeting.</li> <li>3. On June 4, before the General Meeting of Shareholders was held, the Company launched a page on its website to take questions from shareholders.</li> </ol>

#### 2. Status of IR-related Activities (Updated)

	Supplementary Explanations	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	<p>The Teijin Group's IR Basic Policy is available on the Company's website in Japanese and English. (Japanese: <a href="https://www.teijin.co.jp/ir/disclosure/">https://www.teijin.co.jp/ir/disclosure/</a>) (English: <a href="https://www.teijin.com/ir/disclosure/">https://www.teijin.com/ir/disclosure/</a>)</p> <p><b>Disclosure Policy</b></p> <p>Basic Policy</p> <ol style="list-style-type: none"> <li>1. Teijin Ltd. and Teijin Group companies have a basic policy of providing company information to all stakeholders in a timely, fair, accurate, and consistent manner.</li> <li>2. A management priority is to build a relationship of trust with shareholders and investors in particular, and therefore, we shall actively endeavor to enhance information disclosure and two-way communication.</li> <li>3. We believe that accountability (responsibility for explanation and necessary information disclosure) is an essential requirement in securing effective corporate governance.</li> </ol>	

	<p><b>Disclosure Standards</b></p> <p>1. We will promptly disclose information in a fair, accurate, clear, timely and ongoing manner in accordance with various laws and regulations such as Financial Instruments and Exchange Act and Companies Act (“various laws and regulations”) and the “Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities” stipulated by the Tokyo Stock Exchange (TSE) etc. (“timely disclosure rules”). Moreover, for those matters that cannot be disclosed due to business operation reasons, the reason for such nondisclosure must be clearly stated at the time of explanation.</p> <p>2. Information that is not considered important information as established under the various laws or regulations, or under timely disclosure rules, but is deemed to be of use to shareholders and investors—with the exception of information pertaining to the competitive strategies of individual businesses or highly confidential management information—will be disclosed fairly, accurately, clearly, and in a timely and an ongoing manner.</p> <p><b>Disclosure Methods</b></p> <p>1. Information that is considered important under the timely disclosure rules shall be disclosed in accordance with said rules via the TSE’s timely disclosure information system (TDnet), in addition to explanations provided to the TSE.</p> <p>2. Information under the Financial Instruments and Exchange Act shall be disclosed in accordance with said Act via the Financial Services Agency’s Electronic Disclosure for Investors’ NETwork (EDINET), in addition to explanations provided to the Financial Services Agency.</p> <p>3. Information other than the above that is considered to affect investor decisions will also be promptly disclosed as required depending on the importance and urgency of that information through press releases, press conferences, information sessions, or other means.</p> <p>4. Information disclosed in accordance with 1. and 2. above will be posted on the Company’s website immediately after disclosure. Further, for the convenience of shareholders and investors, we will work to provide disclosure in English to accompany our disclosure of information in Japanese.</p> <p>5. In addition to improving the "For Investors" section of the Company’s website, we will also endeavor to provide information appropriately in a variety of media, and disclose easy-to-understand information in an environment easily accessible by shareholders and investors through a range of information media including information sessions and various printed materials.</p> <p><b>Quiet Period</b></p> <p>In the weeks leading up the announcement of each quarterly and annual results, we shall employ a quiet period so as to prevent any leakage of financial information and to maintain impartiality.</p> <p>During this period, we will not provide answers to comments or questions received in relation to the accounts etc.</p> <p>However, if a situation occurs during the quiet period where there is an obvious discrepancy between current estimations and the disclosed forecast that is larger than the range of that specified under the timely disclosure rules, then we shall disclose information as required through press releases, etc.</p>
Regular Investor Briefings held for Individual Investors	<p>The Company holds a presentation meeting for individual shareholders every year, at which the CEO provides an overview of the Company’s management policies. We also offer facility tours to introduce individual shareholders to the Company’s products using exhibits. In fiscal 2024, such tours were held at the Teijin Group’s showroom (Teijin</p> <p>Held</p>

	Mirai Studio).	
Regular Investor Briefings held for Analysts and Institutional Investors	<p>The Company holds presentations on each quarterly financial result announcement. Moreover, the Company also holds presentations related to its medium- to long-term management policy and its progress, individual businesses and other important matters relating to disclosure, and conducts factory tours.</p> <p>The Company held presentations a total of seven times during the period from April 2024 to March 2025, aiming to help investors deepen their understanding of the progress of our efforts. In May 2024, in connection with the announcement of the Teijin Group's Medium-Term Management Plan 2024-2025, we also held a follow-up briefing session for investors and analysts. In this briefing, outside directors also participated in the dialogue to deepen understanding of the background and goals of the new Medium-Term Management Plan. In addition to quarterly performance announcements and briefings on the Medium-Term Management Plan, we held an ESG briefing in April 2024 and a healthcare business briefing in December of the same year, both participated by approximately 100 investors and analysts, to deepen their understanding of our ESG initiatives and healthcare business.</p>	Held
Regular Investor Briefings held for Overseas Investors	<p>In principle, three to five times per year, the CEO, the Chief Strategy Officer, Chief Financial Officer or the officer in charge of IR visits overseas investors—primarily in North America, Europe, and Asia—to hold individual meetings. Moreover, the Company also participates actively in conferences for overseas institutional investors held by securities companies and so forth. From April 2024 to March 2025, after the announcement of the Teijin Group Medium-Term Management Plan 2024-2025 in May 2024, the Chief Strategy Officer visited institutional investors in Europe and the United States, and the Chief Financial Officer and the IR Officer visited institutional investors in Asia. We also actively conducted investor meetings both in person and online. In November 2024, February 2025, and March 2025, we participated in three in-person conferences hosted by securities companies</p>	Held
Online Disclosure of IR Information	<p>In consideration of fair disclosure, in addition to timely disclosure materials related to announcements of the quarterly financial results, integrated reports, fact books, etc., the Company posts materials for institutional investor presentations and individual investor presentations in both Japanese and English in a timely manner. On its website, the Company also provides videos and Q&amp;A summaries regarding business results presentations and business presentations for analysts and institutional investors in both Japanese and English.</p> <p>(Japanese: <a href="https://www.teijin.co.jp/ir/library/">https://www.teijin.co.jp/ir/library/</a>) (English: <a href="https://www.teijin.com/ir/library/">https://www.teijin.com/ir/library/</a>)</p>	
Establishment of Department and/or Placement of a Manager in Charge of IR	<p>Officer in charge of IR: Representative Director, Senior Executive Officer, Chief Strategy Officer, Chief Financial Officer</p> <p>Department in charge of IR: Corporate Communication Department</p>	

### 3. Status of Measures to Ensure Due Respect for Stakeholders (Updated)

	Supplementary Explanations
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	<p>The following is stipulated in the Teijin Group “Corporate Governance Guide”: “A company is entrusted with capital by its shareholders and is expected to generate profits through its business activities while continuously enhancing corporate value over the medium- to long-term. Fulfilling this responsibility constitutes the core duty of corporate management. Building on this foundation, the company must also fulfill its respective responsibilities to a broad range of stakeholders (interested parties), including employees, business partners such as customers, consumers, and local communities.”</p> <p>Moreover, the Company’s Code of Conduct stipulates that we should respect human rights in all business activities and the Company’s supply chain, allow no discrimination or harassment, fulfill our accountability, and engage in business activities trusted by local communities.</p>
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>The Teijin Group has established a Chief Human Resources Officer/ Sustainability Officer as the person in charge of CSR activities, identifying sustainability opportunities and risks for the Company, identified five items the Company is to address as material management issues, and set KPIs accordingly. In our business activities, we reinforce efforts to promote respect for human rights, including due diligence and dialogue, based on the recognition that human rights are the foundation of everything. We firmly believe that strengthening the sustainable management base is essential in order to realize our long-term vision: “To be a company that supports the society of the future.” To this end, we carry out various initiatives including developing environments that enable various human resources to play active roles that drive the Company forward, developing human resources, promoting activities for corporate ethics and compliance that should serve as foundations for trust, taking appropriate measures to respond to various risks, ensuring the information security that is becoming increasingly important in an IT-based society, engaging in responsible procurement, manufacturing products in a way that customers can trust, giving consideration to environmental protection, safety, disaster mitigation, and health.</p> <p>In environmental protection, the Company has set long-term targets to reduce emissions of CO<sub>2</sub>, as well as water usage, hazardous chemicals substances, and landfill waste.</p> <p>The Teijin Group, in accordance with its basic policies for social contributions, will value harmony with nature and achieve growth with local communities. To this end, the Group is conducting appropriate social contribution activities as a good corporate citizen, in line with its business attributes and which respect the local uniqueness of each area in which the Company operates. To provide support to the development of younger generations in the fields of academia/education and sports, we have supported more than 1,700 students specializing in science and engineering fields through Teijin Kumura Scholarship provided by Teijin Scholarship Foundation for about 70 years.</p> <p>For details, please refer to the following page on our website:  <a href="https://www.teijin.com/csr/">https://www.teijin.com/csr/</a></p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>The following is stipulated in the Teijin Group “Corporate Governance Guide”: “The accountability (responsibility for explanation and necessary information disclosure) of a company is an integral part of corporate activities, enabling the business to prosper and enhance its corporate value. The company shall clearly present its mission and vision and shall provide appropriate explanations of its corporate governance mechanisms as necessary. The company shall also work to instill its compliance policies and Total Risk Management (TRM) principles throughout the organization. The Teijin Group operates with a steadfast awareness of the expectations of its shareholders and society, striving to achieve an even higher standard of accountability.”</p>
Other	<p>Diversity, Equity and Inclusion Promotion Policy</p> <p>The Teijin Group positions the promotion of diversity, equity and inclusion as one of its key initiatives for innovation creation in the Medium-Term</p>



Management Plan. The Group will further promote diverse working styles, the advancement of women, and diversity of human resources, with the aim of building an organization where human resources with different values and experiences can come together and demonstrate their abilities to the fullest extent possible.

#### Measures to Realize Diversity, Equity and Inclusion

In 2000, recognizing workforce diversity as the key to sparking creativity and generating innovation, the Teijin Group began to promote various initiatives with the principal aim of empowering women in the workplace and increasing the number of non-Japanese hires. With a view to global business development, we are rolling out activities from Japan to other locations around the world and facilitating the diversity of the senior management by setting KPIs. In order to build a pipeline of candidates for senior management positions and increase the number of women in the position of department/division head, the target ratio of female department and division heads is set for each business unit, with the business units carrying out specific training and appointment programs to achieve the target.

The Company is also committed to the employment of people with disabilities and operates a special subsidiary. Teijin Soleil Co., Ltd., which is engaged in the agriculture business—mainly the production of vegetables, roses, and Phalaenopsis orchids—as well as office support services, and provides disabled employees with suitable job opportunities based on their individual characteristics. We hope that those employees with disabilities will, through using their abilities to make productive contributions to the business, the Company, and the economy, develop a sense of fulfillment and pride at being part of the workforce. Teijin Soleil is striving to expand markets in the agriculture business with the aim of increasing revenue and bringing its operating income into the black. The disability employment rate at Teijin, Teijin Pharma, Teijin Healthcare, and Teijin Soleil was 2.86%, exceeding the mandatory rate of 2.5%, as of March 2025.

Since 2017, the Company has been addressing issues associated with LGBTQ+ employees by conducting a range of measures, such as: (1) announcing the Company's policy; (2) carrying out activities to raise employee awareness; (3) revising the personnel and compensation systems to give consideration to such employees, and (4) providing such employees with individual support. Having implemented necessary actions for items (1) and (3), we are currently focusing on the remaining issues, namely, (2) implementing awareness-raising activities, including showing movies and videos related to LGBTQ+ to employees and incorporating the topic into the training program for each position level, and (4) providing on-going support through individual consultations.

## IV. Matters Related to the Internal Control System

### 1. Basic Views on Internal Control System and the Progress of System Development (Updated)

The Company recognizes internal controls as an essential mechanism for corporate activities, with the goals of 1) raising the effectiveness and efficiency of business management; 2) ensuring the reliability of corporate financial reporting; 3) promoting compliance with laws, regulations, and so forth concerning business management, and 4) preserving assets so that they are acquired, used, and disposed of correctly.

The Company passed a resolution regarding the “Basic Policy for Establishment of Internal Control Systems” at the Board of Directors meeting held on June 25, 2025. The resolution is as follows:

#### **(1) Systems to Ensure that the Execution of Duties by Directors, Officers, and Employees of the Company and its Subsidiaries Complies with Laws and the Articles of Incorporation**

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

subsidiaries are thoroughly informed of them.

- 9) In principle, the majority of the Board of Directors shall be comprised of outside directors in order to enhance the validity of decision-making by the Board of Directors. These outside directors shall satisfy the independence requirements established by the Company, which are defined in the Guidelines for Independent Directors as determined by the Board of Directors.

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

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

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

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

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

- 1) The Company shall establish Group Regulations, comprising standards and rules applicable across the Teijin Group, in order to ensure the appropriateness of business operations across the Group. Each Teijin Group company shall develop its own internal rules in accordance with these Group Regulations and, when making decisions on important matters, shall follow appropriate procedures, including deliberation by relevant committees.
- 2) The Company shall, in accordance with the Teijin Group Regulations for Group Responsibilities and Authorities, the Group Risk Management Regulations, and other relevant regulations, deliberate on important matters concerning Teijin Group companies through the Group Strategy Committee and other

bodies, and shall require such companies to report on those matters.

- 3) The Representative Directors, Executive Directors, and Corporate Officers shall, in accordance with their respective areas of responsibility, provide guidance to each Teijin Group company to ensure the establishment of an appropriate internal control system.
- 4) The Corporate Audit Department of the Company shall conduct or supervise internal audits across the Teijin Group to ensure the effectiveness and appropriateness of internal controls throughout the Group's operations. Annual plans for internal audits, their implementation status, and the results shall be reported to the Board of Directors, the Audit & Supervisory Committee, and other designated bodies, as appropriate based on their level of importance.
- 5) The Audit & Supervisory Committee of the Company shall establish a coordination framework with the Accounting Auditor and a reporting system from the Corporate Audit Department to ensure that effective and appropriate oversight and auditing of the entire Teijin Group is able to be conducted in response to the Group's consolidated management structure. Such oversight and auditing shall be carried out either directly by the Audit & Supervisory Committee or through the Committee of Teijin Group Statutory Auditors, which, in principle, is composed of the Audit & Supervisory Committee Members, full-time statutory auditors of Group companies, staff of the Audit & Supervisory Committee Office, and the General Manager of the Corporate Audit Department.
- 6) The Company shall establish Teijin Group Regulations for Internal Control Over Financial Reporting to ensure the reliability of financial reporting, and shall develop a system of Group-wide controls and business process-level controls related to financial reporting across the Teijin Group. The Company shall also ensure that these controls are operated and assessed properly and effectively.

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

- 1) Directors shall appropriately retain and manage the following documents (including electronic records; hereinafter the same shall apply), as well as other important information related to the execution of their duties, in accordance with internal regulations and according to their respective areas of responsibility:
  - (a) Minutes of general shareholders' meetings and related materials
  - (b) Minutes of meetings of the Board of Directors and related materials
  - (c) Minutes and related materials of other important meetings held by Directors
  - (d) Approval documents and attached materials in which Directors serve as the final decision-makers
  - (e) Other important documents related to the execution of duties by Directors
- 2) The CEO shall serve as the person responsible for monitoring and supervising the retention and management of the documents and information specified in the preceding paragraph (the "Control and Oversight Officer").
- 3) The General Manager of the Legal Department shall assist the Control and Oversight Officer and provide direction and guidance to the Teijin Group regarding the retention and management of the documents and information specified in paragraph 1).
- 4) The documents specified in paragraph 1) shall be retained for a minimum of ten years and shall be maintained in a condition that ensures accessibility as necessary.
- 5) The Company shall establish the "Group Rules for Handling Information Concerning the Duties of Directors" to maintain and manage the above-mentioned system, and shall revise them as necessary.

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

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

**(7) Systems for Reporting to the Audit & Supervisory Committee by Directors, Officers, and Employees of the Company and Its Subsidiaries, and Other Systems Related to Such Reporting**

- 1) Full-time Audit & Supervisory Committee Members shall attend meetings of the Board of Directors, as well as other important meetings of the Company, including the Group Strategy Committee, and important meetings of major subsidiaries.
- 2) The Representative Directors, Executive Directors, and Corporate Officers shall, from time to time, report on the status of business execution for the businesses, functions, and subsidiaries under their responsibility at important meetings, including meetings of the Board of Directors.
- 3) Directors, officers and employees of the Company and its subsidiaries, upon becoming aware of any of the following matters, including those reported or for which consultation was sought via the hotline, shall promptly report to the Company's Audit & Supervisory Committee:
  - (a) Matters that have significantly damaged, or may significantly damage, the Company's credibility
  - (b) Matters that have had, or may have, a serious adverse effect on the Company's business performance
  - (c) Matters that have caused, or may cause, significant harm related to ESH (Environment, Safety, and Health) or PL (Product Liability), either internally or externally
  - (d) Serious violations of the Regulations for the Teijin Group's Corporate Ethics or other internal rules
  - (e) Other matters equivalent to those listed above
- 4) Directors, officers, and employees of the Company and its subsidiaries shall report on the businesses, functions, and subsidiaries under their responsibility when they deem it necessary or upon request of the Company's Audit & Supervisory Committee, and shall cooperate with any investigations conducted by the Committee.

**(8) Systems to Ensure that Individuals Reporting to the Audit & Supervisory Committee Shall Not Be Subject to Disadvantageous Treatment as a Result of Such Reporting**

- 1) The Teijin Group stipulates in the Regulations for the Teijin Group's Corporate Ethics that no individual shall be subjected to disadvantageous treatment for reporting or whistleblowing illegal acts or ethical violations. It also prohibits any such treatment of directors, officers, or employees who report to the Audit & Supervisory Committee for having made such reports.

**(9) Policy on the Treatment of Expenses and Payment Duties Arising from the Execution of Duties by Audit & Supervisory Committee Members, Including Procedures for the Advance Payment and Reimbursement of Such Expenses**

- 1) The Company shall bear any expenses or payment duties necessary for the execution of duties by Audit & Supervisory Committee Members (limited to those related to the execution of duties by the Audit & Supervisory Committee). If there are any requests for advance payment or reimbursement in accordance with the Companies Act, the responsible department shall confirm and respond promptly with the request.

**(10) Other Systems to Ensure the Effective Conduct of Audits by the Audit & Supervisory Committee**

- 1) While maintaining its independence, the Audit & Supervisory Committee shall hold regular meetings with the Representative Director to exchange views on challenges facing the Company and significant audit-related matters, and to make requests when deemed necessary.
- 2) The Audit & Supervisory Committee shall hold regular meetings with the Accounting Auditor to exchange views and information in an active manner.
- 3) The Audit & Supervisory Committee shall enter into advisory agreements with external law firms to support the independent formation of opinions by the Company's Audit & Supervisory Committee and the statutory auditors of subsidiaries. When deemed necessary for the execution of audits, the Committee may, at its discretion, engage certified public accountants, consultants, or other external experts.

**2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development (Updated)**

**(1) Basic Views on Eliminating Anti-Social Forces**

When conducting business activities, the Company observes the laws, regulations, and social norms of the country or region of operation, as well as international norms, and adopts a basic view of not having any relationship with anti-social forces. This view is clearly stated in the Teijin Group's "Code of Conduct," and is shared with all employees of the Teijin Group.

**(2) Establishment Status of Internal Systems for Eliminating Anti-Social Forces**

(Specific Response Standards)

The Teijin Group's "Code of Conduct" instructs employees not to have any involvement with anti-social forces and to take a resolute attitude towards unwarranted violence and demands from such forces. Specific

response measures have been established in a “Countermeasure Manual for Violent Intervention in Civil Affairs,” and this information has been circulated among all employees of the Teijin Group.

(Responding Department)

Compliance and Risk Management Department and the General Administration Department are responsible for overseeing a Company-wide response, and the Chief Human Resources Officer/Chief Sustainability Officer is to be in charge of the response.

(Information Collection and Management)

The Company establishes links with external specialist organizations, including membership in the Special Violence Prevention Measures Association (TOKUBOUREN) and the Corporate Defense Countermeasures Council. The Company also participates in lectures and other activities in an effort to properly collect and manage information.

(Response to Unjustified Demands)

If the Company receives an unjustified demand from an anti-social force, the person in charge of the department concerned is to contact the department responsible for overseeing the response. The department responsible for overseeing the response is to make an organizational response, working in coordination with the department concerned and internal or external related parties including the police to take all available steps to resist the demand under both civil and criminal law.

(Ensuring Circulation of Information to Group Employees)

To share the Company’s basic view on anti-social forces with all the Teijin Group employees, the “Corporate Ethics Guideline”, which summarizes the “Code of Conduct”, is distributed to all employees, and all employees study the content of the Guideline during Corporate Ethics Month each year.



## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation for Applicable Items

### 2. Other Matters Concerning to Corporate Governance System (Updated)

#### (1) The Corporate Governance System

Please refer to the chart of “The Teijin Group’s Corporate Governance System” below.

#### (2) Overview of Timely Disclosure

##### 1) Basic Policy on Information Disclosure

The Company has adopted a basic policy of conducting management with an emphasis on transparency and fairness of management as well as disclosing information in a timely manner. The accountability (responsibility for explanation and necessary information disclosure) of a company is an integral part of corporate activities, enabling the business to prosper and enhance its corporate value, and the Company considers it appropriate to give complete and consistent explanations whenever needed. In disclosing information, the basic policy is to disclose the same contents inside and outside Japan simultaneously.

Guided by this basic policy, the Company follows timely disclosure rules, internal regulations (Regulations on Management of Group Inside Information, etc.) and so forth, in collecting, managing, and publishing information.

Furthermore, the Company considers “appropriate and timely disclosure of financial information” to be an important part of internal controls along with “observing laws and regulations” and “risk management.” In an effort to comply with the requests of investors, the Company has recognized the enhancement of the internal control system as an important management issue, and intends to promote the establishment of systems while also monitoring trends in legal and regulatory revisions.

##### 2) Internal Systems related to Timely Disclosure of Company Information

###### ■ Department in charge of timely disclosure:

Timely disclosure duties are the responsibility of the Chief Strategy Officer, and are conducted by the IR Division.

###### ■ Collection and management of information:

Under the Regulations on Management of Group Inside Information, when material facts (decisions, events, financial report information, and so forth) arise at the Company or its subsidiaries, the division concerned (in the case of financial report information, this is collected and analyzed by the Accounting Division) contacts the Corporate Strategy Division, which manages the information and reports it to the CEO. At the same time, the Corporate Strategy Division contacts the IR Division, which is responsible for external publication and disclosure. Among material facts, material matters requiring a decision by the Board of Directors, including matters stipulated by law, are decided upon by the Board of Directors.

###### ■ Judgments regarding the materiality of information and regarding the requirement for timely disclosure:

The division concerned with the matter, the Corporate Strategy Division, and the IR Division discuss the matter in accordance with the timely disclosure rules and so forth to make a judgment.

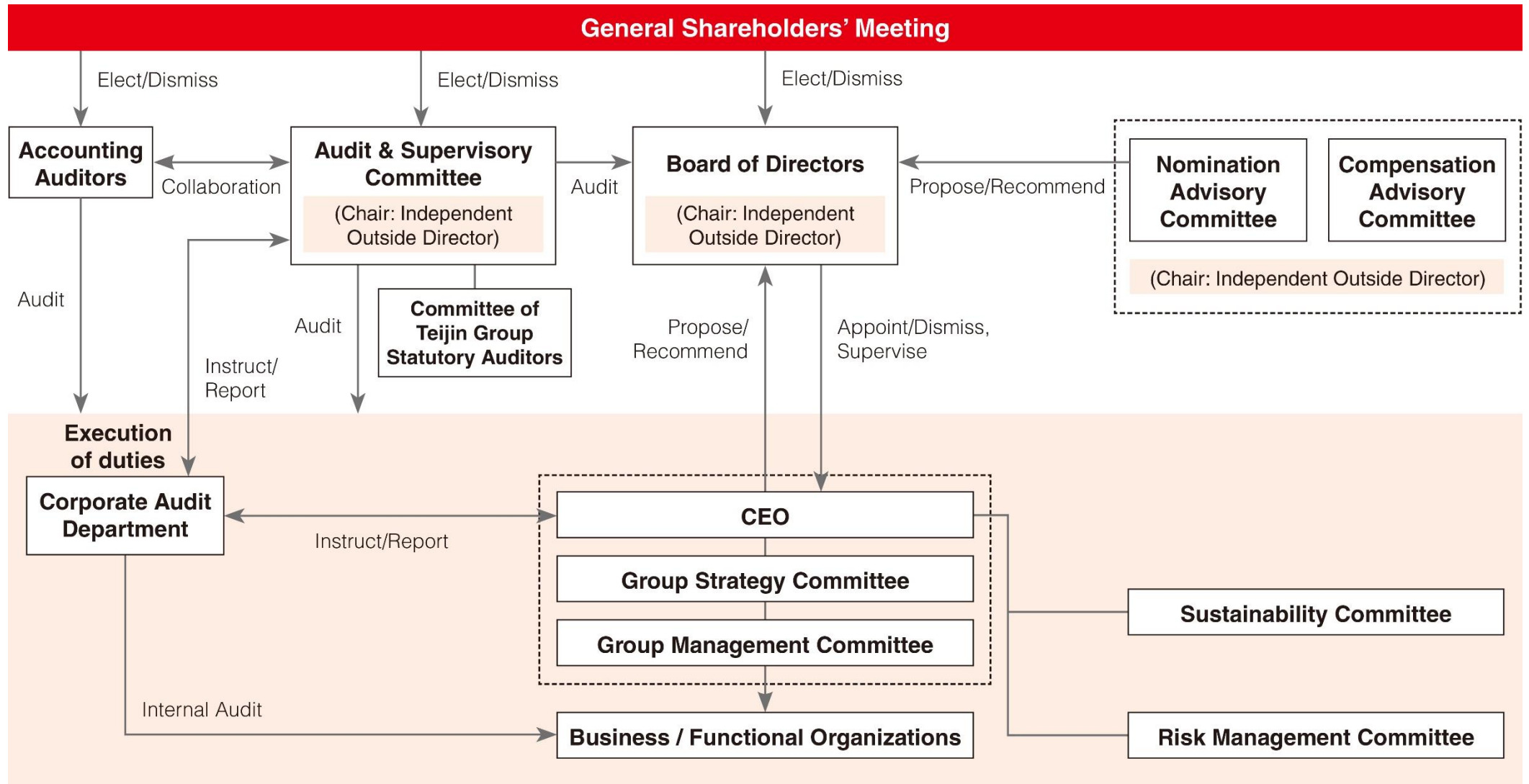
###### ■ Publication of information:

After it has been judged that an event needs to be published, or after an organizational decision regarding decided matters and financial report information, the information is disclosed without delay.

###### ■ System for monitoring internal control:

The internal control activities of each department are monitored and verified by means of audits conducted by the Audit & Supervisory Committee in accordance with the Companies Act. In addition, the Committee of Teijin Group Statutory Auditors, which is composed of the Statutory Auditors of Group companies, forms a structure that enhances the effectiveness of the monitoring and auditing of the entire Group. This corresponds to Group consolidated management, and enables fairer audits. Furthermore, the internal control division and the Corporate Audit Department check and audit the business execution status of the entire Group from a perspective of the effectiveness and efficiency of operating activities and appropriateness in terms of compliance and so forth. The departments issue reports and improvement proposals to the Board of Directors, the CEO, and the presidents of each Group company. Through these internal control measures, the Company ensures the appropriateness and timeliness of the information that is published externally.

## Reference: The Teijin Group's Corporate Governance System



## Attendance of Individual Directors at Board of Directors Meetings and Main Topics and Matters Deliberated

The Board of Directors met 14 times in fiscal 2024. The attendance of individual members and main topics and matters deliberated are summarized as follows.

### Attendance

Position / Name		Participation in the Board of Directors	rate
Inside Director	Akimoto Uchikawa	14 times out of 14	100%
	Naohiko Moriyama	14 times out of 14	100%
	Noboru Yamanishi	14 times out of 14	100%
	Eiji Ogawa *1	5 times out of 5	100%
Outside Director	Masaru Onishi	14 times out of 14	100%
	Masaaki Tsuya	14 times out of 14	100%
	Tamie Minami	14 times out of 14	100%
	Reiko Kusunose *2	9 times out of 9	100%
	Yoichi Suzuki *1	5 times out of 5	100%

\*1. For the period from April 2024 to June 2024 at the time of leaving office

\*2. For the period from June 2024 at the time of assuming office to March 2025

### Main topics and matters deliberated

Management/business strategy	<ul style="list-style-type: none"> <li>• Rethinking of the long-term vision and business portfolio for the future</li> <li>• Monitoring of the progress of the Medium-Term Management Plan</li> <li>• Sustainability strategy</li> <li>• Initiatives related to human capital/intellectual property</li> <li>• Rationality of parent-subsidary listing (sale of Infocom Corporation)</li> <li>• Priority strategic business investment projects</li> <li>• Progress monitoring of priority investment projects, etc.</li> <li>• Fiscal 2025 short-term management plans, etc.</li> </ul>
Corporate governance	<ul style="list-style-type: none"> <li>• Change in the organization design (Restructuring into a corporation with an Audit &amp; Supervisory Committee)</li> <li>• Evaluation of the effectiveness of the Board of Directors</li> <li>• Internal control system operation evaluation result report and basic policy on internal control system</li> <li>• Submission of the corporate governance report</li> <li>• Status of cross-shareholdings</li> <li>• Basic plan and annual plan for Total Risk Management (TRM)</li> <li>• Statutory Auditors' audit plans, etc.</li> </ul>

Earnings/IR/Shareholders' meeting	<ul style="list-style-type: none"> <li>• Earnings results and forecasts</li> <li>• Dividends from surplus</li> <li>• Status of stakeholder communication activities</li> <li>• Summary of the annual meeting of shareholders, etc.</li> </ul>
Appointment and compensation of directors and officers	<ul style="list-style-type: none"> <li>• Assuming and leaving office of Teijin Group Corporate Officers and duties assigned to each</li> <li>• Compensation schemes and compensation amounts for Directors and Teijin Group Corporate Officers, etc.</li> </ul>

## Attendance of Individual Statutory Auditors at Board of Statutory Auditors Meetings and Priority Audit Items

In fiscal 2024, the Company, as a corporation with a board of statutory auditors, held meetings of the Board of Statutory Auditors 13 times. The attendance of individual members and priority audit items are summarized as follows.

### Attendance

Position / Name		Participation in the Board of Statutory Auditors	rate
Full-time Statutory Auditor	Masanori Shimai	13 times out of 13	100%
	Tomoko Torii *1	9 times out of 9	100%
	Akio Nakaishi *2	4 times out of 4	100%
Outside Statutory Auditor	Hitomi Nakayama	13 times out of 13	100%
	Jun Arima	13 times out of 13	100%
	Koichi Tsuji	13 times out of 13	100%

\*1. For the period from June 2024 at the time of assuming office to March 2025

\*2. For the period from April 2024 to June 2024 at the time of leaving office

### Priority audit items

Area of audit	Priority audit items
Governance	<ul style="list-style-type: none"> <li>• Status of key overseas business operations and internal control (including Head Office management)</li> <li>• Response under the new organizational and executive structure</li> <li>• Governance system for listed subsidiaries</li> <li>• Response to the corporate governance code</li> </ul>
Corporate ethics/compliance	<ul style="list-style-type: none"> <li>• Response to changes in laws and regulations, stricter regulations, and social demands such as respect for human rights</li> <li>• Establishment and operation of compliance systems (including identifying the status of internal reporting systems and branches, sales offices, and group companies)</li> <li>• Establishment and operation of internal control systems</li> </ul>
Risk management associated with business operations	<ul style="list-style-type: none"> <li>• Measures to address human resources management (human capital) issues</li> <li>• (Production related) Measures to prevent ESH-related accidents, establishment and operation of production facilities and management systems</li> <li>• Actions to address information security risks</li> <li>• Effectiveness of head office functions including that of the second line of defense</li> <li>• Response to changes in accounting systems ( application of IFRS in the first year, termination of the quarterly reporting system)</li> </ul>

Risk management associated with management strategies	<ul style="list-style-type: none"><li>• Review of the formulation of the Medium-Term Management Plan and incorporation into the execution plan</li><li>• Regular monitoring of the execution of plans for businesses/companies requiring special measures</li><li>• Establishment and operation of the risk management system including incorporation into the risk management regulations</li></ul>
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