



## **Notice of Convocation**

The 159<sup>th</sup> Ordinary General Meeting of Shareholders

TEIJIN LIMITED

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

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## Message from President and Representative Director, Chief Executive Officer

Dear Shareholders and investors

First of all, I would like to extend my heartfelt gratitude to you as share understanding and support of Teijin Group's business activities.

We announced our Medium-Term Management Plan 2024-2025 in May 2024, and promised to recover our earning power by completing profitability improvement measures, while carrying out business portfolio reforms, including the divestment of unprofitable businesses and non-core businesses, to achieve the long-term vision of becoming “a company that supports the society of the future.”

In FY2024, we implemented business portfolio reforms by transferring businesses including the IT Business and the North American composites business. We also worked on strengthening the global management base, while reviewing our governance structure, such as by announcing the transition into a Company with an Audit & Supervisory Committee.

In FY2025, while striving to achieve the goals set in the Medium-Term Management Plan, we will make company-wide efforts to solve social issues based our purpose, “Pioneering solutions together for a healthy planet,” and continue to work on achieving our long-term vision of becoming a “company that supports the society of the future.”

We look forward to the continued understanding and support of our shareholders and investors.

We also ask our shareholders to exercise their voting rights so that their opinions will be reflected in our management.

June 3, 2025

Akimoto Uchikawa

Representative Director

President & CEO

Teijin Limited

2-4, Nakanoshima 3-chome, Kita-ku, Osaka, Japan

Securities code: 3401  
June 3, 2025

Dear Shareholders

**Akimoto Uchikawa**  
Representative Director  
President & CEO  
Teijin Limited  
2-4, Nakanoshima 3-chome,  
Kita-ku, Osaka-city,  
Osaka 530-8605,  
Japan

## Notice of Convocation of the 159th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 159th Ordinary General Meeting of Shareholders of Teijin Limited (“the Company”) to be held as set forth below.

Upon convening a General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents, etc. for the General Meeting of Shareholders in electronic format, and the information is posted on each of the following websites on the Internet. Please review the information by accessing one of the websites.

**[Company Website]**

<https://www.teijin.com/ir/stocks/general-meeting/>

**[Tokyo Stock Exchange's website (Tokyo Stock Exchange listed company search)]**

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the Tokyo Stock Exchange listed company search above and enter the Company’s name (Teijin) under the “Issue name” or the Company’s securities code (3401) under the “Code” and press “Search.” Click “Basic information,” and select “Documents for public inspection/PR information.” Then check the [Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting] under “Filed information available for public inspection.”

**[Website for materials concerning the General Meeting of Shareholders]**

<https://d.sokai.jp/3401/teiji/> \*Japanese only

If you do not expect to attend the meeting, you may exercise your voting rights on the Internet or voting card (by mail). Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5 p.m., Tuesday, June 24, 2025 (Japan Time).

[In case of voting by Mail] Please indicate your approval or disapproval of the proposal on the enclosed Document for the Exercise of Voting Rights, and mail the document so that it arrives by the above deadline.

[In case of voting by Internet etc.] Please access to the web-site to exercising voting rights (<https://evote.tr.mufg.jp/>) through personal Computer or Smartphone with the log-in ID and temporary password indicated in the enclosed Document for the Exercise of Voting Rights, and input your approval or disapproval of the proposals according to the instructions on the window.

## Details

### 1. Date and Time of the Meeting:

Wednesday, June 25, 2025, at 10 a.m. (Japan Time)

(The door will open at 9 a.m. (Japan Time))

### 2. Place:

The Westin Osaka, 2nd Floor, Rose Room, 1-20, Oyodonaka 1-chome, Kita-ku, Osaka, Japan

### 3. Purposes

#### Reports

The Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements and the Report on the results of the audit of Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors for the 159th Fiscal Year (April 1, 2024 to March 31, 2025)

#### Proposals

**Proposal 1: Partial Amendments to the Articles of Incorporation**

**Proposal 2: Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

**Proposal 3: Election of Five (5) Directors Who Are Audit & Supervisory Committee Members**

**Proposal 4 Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member**

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**Proposal 7: Determination of the Restricted Stock Plan and Performance Share Units Plan for Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members)**

### 4. Decision on Convocation

- (1) If you do not indicate either approval or disapproval on the Document for the Exercise of Voting Rights, we shall treat such “no answer” as your approval for the Company’s proposals.
- (2) In the event a shareholder exercises their voting rights several times via the Internet voting system, the final voting rights exercised shall prevail.
- (3) In the event of an overlap in the exercise of voting rights via the voting card for the Exercise of Voting Rights and the Internet voting system, the exercise of voting rights via the Internet voting system shall prevail regardless of the arrival date of the mailed vote.
- (4) In the event of exercising voting rights by proxy, one (1) shareholder with voting rights authorized as your proxy can attend this General Meeting of Shareholders. However, please note that it will be necessary for the proxy to submit written proof of power of attorney.

- ◎ If any modifications occur regarding this Notice of Convocation of the Ordinary General Meeting of Shareholders and the electronic provision measures, we will post the details of the modifications, both before and after, on the websites as indicated above.

## **Reference Documents for the General Meeting of Shareholders**

### **Proposals and Reference Items**

#### **<Reference> Transition to a Company with an Audit & Supervisory Committee**

Amid the rapid changes in the business environment surrounding the Teijin Group, the Company has been working to enhance its corporate governance system to achieve sustainable growth and improve its corporate value over the medium- to long-term.

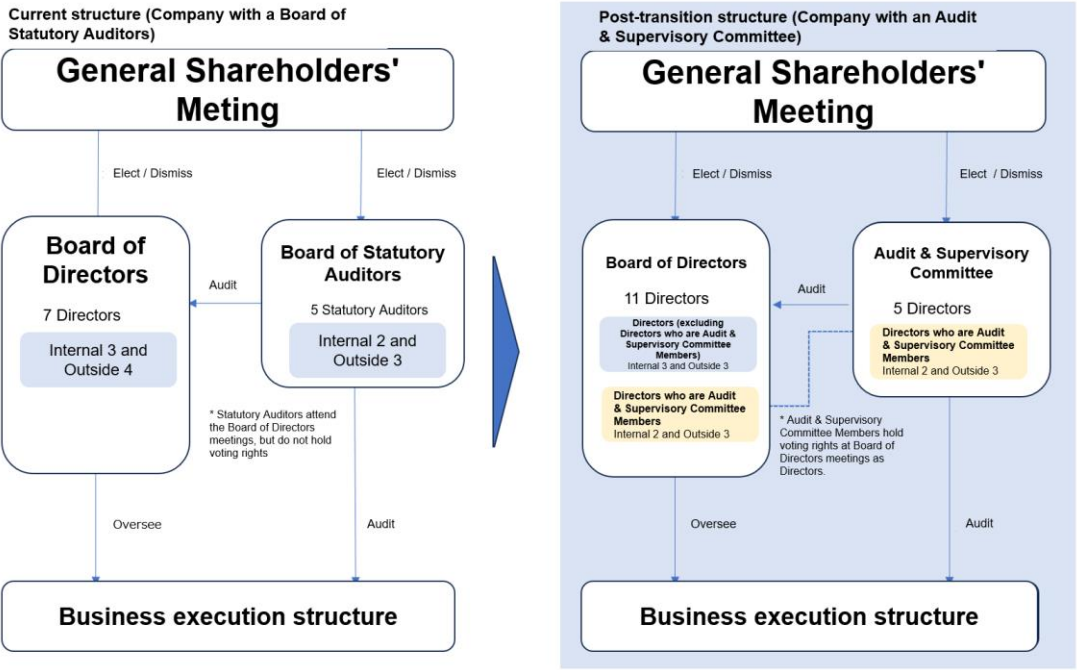
The Company has submitted a proposal to this General Meeting of Shareholders to transition to a “Company with an Audit & Supervisory Committee” with the aim of further enhancing its corporate governance system. By transitioning to a Company with an Audit & Supervisory Committee and expanding the delegation of authority from the Board of Directors to the executive management, the Company aims to speed up decision-making at Board of Directors meetings and further enhance discussions at Board of Directors meetings on important management issues, such as medium- to long-term business strategies. Additionally, the Company will further strengthen the supervisory function of the Board of Directors, such as by having the Audit & Supervisory Committee members responsible for audits, etc. hold voting rights at Board of Directors meetings as Directors.

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition from a Company with a Board of Statutory Auditors to a Company with an Audit & Supervisory Committee at the conclusion of this General Meeting of Shareholders.

#### **● Characteristics of a Company with an Audit & Supervisory Committee**

- An Audit & Supervisory Committee is established as a replacement for Statutory Auditors and the Board of Statutory Auditors. The Audit & Supervisory Committee is comprised of three (3) or more Directors (Audit & Supervisory Committee Members), and the majority of Members must be Outside Directors.
- Directors who are Audit & Supervisory Committee Members hold voting rights at Board of Directors meetings as Directors.
- The term of office for Directors who are not Audit & Supervisory Committee Members is one (1) year, and the term of office for Directors who are Audit & Supervisory Committee Members is two (2) years.
- Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee have the right to state their opinions on matters such as election, dismissal, resignation and compensation of Directors who are not Audit & Supervisory Committee Members at the shareholders meeting.
- If the majority of Directors are Outside Directors, or if stipulated in the Articles of Incorporation, a substantial portion of decisions on execution of important operations may be delegated to Directors by resolution of the Board of Directors

• **Structure After Transition to a Company with an Audit & Supervisory Committee**  
 The structure after transition is shown in the below figure.



\* If Proposal 1 through Proposal 3 are approved  
 as proposed



## Proposal 1: Partial Amendments to the Articles of Incorporation

The Company proposes to amend its Article of Incorporation as follows:

### 1. Reasons for Proposal

The Company intends to transition to a “Company with an Audit & Supervisory Committee” with the aim of further enhancing its corporate governance system. Accordingly, the Company proposes to amend its Article of Incorporation as follows:

- 1) Newly establish a provision for the establishment of an Audit & Supervisory Committee, as well as provisions regarding Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee, and delete the provisions relating to Statutory Auditors and the Board of Statutory Auditors.
- 2) Amend provisions regarding the number of Directors and establish new provisions allowing the delegation of all or part of decisions on execution of important operations to Directors.
- 3) Amend the Article numbers in accordance with above changes, and make other necessary changes.

### 2. Details of the Amendments

The details of the amendments are stated below.

The amendments to the Articles of Incorporation shall take effect at the conclusion of this General Meeting of Shareholders.

(Underlined parts indicate the amendments.)	
Current Articles of Incorporation	Proposed Amendments
Chapter I. General Provisions Article 1. – Article 4.  <Omitted>	Chapter I. General Provisions Article 1. – Article 4.  <Unchanged>
Article 5. (Establishment of Organizations) The Company shall have the following organizations in addition to the Ordinary General Meeting of Shareholders and Directors: (1) <u>The Board of Directors</u> (2) <u>Statutory Auditors</u> (3) <u>The Board of Statutory Auditors</u> (4) <u>Accounting Auditor(s)</u>	Article 5. (Establishment of Organizations) The Company shall have the following organizations in addition to the Ordinary General Meeting of Shareholders and Directors: (1) Board of Directors (2) <u>Audit &amp; Supervisory Committee</u> <Deleted> (3) Accounting Auditor(s)
Chapter II. Shares Article 6. – Article 11.  <Omitted>	Chapter II. Shares Article 6. – Article 11.  <Unchanged>
Chapter III. General Meeting of Shareholders Article 12. – Article 19.  <Omitted>	Chapter III. General Meeting of Shareholders Article 12. – Article 19.  <Unchanged>
Chapter IV. Directors and the Board of Directors Article 20. (Number of Directors) The Directors of the Company shall not be more than <u>ten (10)</u> .  <Newly established>	Chapter IV. Directors and the Board of Directors Article 20. (Number of Directors) <u>1. The Directors of the Company shall not be more than twelve (12).</u> <u>2. Of the Directors in the preceding paragraph, the Directors who are Audit &amp; Supervisory Committee Members shall not be more than five (5).</u>
Article 21. (Election of Directors) 1. Directors shall be elected at a General Meeting of Shareholders.	Article 21. (Election of Directors) 1. Directors shall be elected at a General Meeting of Shareholders, <u>distinguishing between Directors who are Audit &amp; Supervisory Committee Members and other Directors.</u> <paragraph 2. and paragraph 3.: Unchanged>

<p>&lt;paragraph 2. and paragraph 3.: Omitted&gt;</p> <p>Article 22. (Term of Office) The <u>terms</u> of office of <u>Directors</u> shall end at the closing of the Ordinary General Meeting of Shareholders convened for the last fiscal year that closes within one (1) year after his/her election.</p> <p>&lt;Newly established&gt;</p> <p>&lt;Newly established&gt;</p> <p>&lt;Newly established&gt;</p> <p>Article 23. (Election of Representative Director) The Board of Directors shall appoint by its resolution certain number of Representative Directors.</p> <p>Article 24. (Selection of Directors with Executive Power and Appointment of Counselors and Councilors) 1. <u>Among the Directors, the</u> Board of Directors may appoint by its resolution one (1) Chairman, one (1) President, and certain number of Vice-Chairmen, Executive Vice-Presidents, Senior Managing Directors and Managing Directors.</p> <p>&lt;2. Omitted&gt;</p> <p>Article 25. (Directors' Compensation) The <u>remuneration</u>, bonuses and other financial benefits of Directors receivable from the Company in consideration of the execution of duties, <u>(collectively, "Compensation")</u> shall be determined by the General Meeting of Shareholders.</p>	<p>Article 22. (Term of Office) 1. The <u>term</u> of office of a <u>Director (excluding a Director who is an Audit &amp; Supervisory Committee Member)</u> shall end at the closing of the Ordinary General Meeting of Shareholders convened for the last fiscal year that closes within one (1) year after his/her election. 2. <u>The term of office of a Director who is an Audit &amp; Supervisory Committee Member shall end at the closing of the Ordinary General Meeting of Shareholders convened for the last fiscal year that closes within two (2) years after his/her election.</u> 3. <u>The term of office of a Director who is an Audit &amp; Supervisory Committee Member elected to fill the vacancy arising from the resignation of a Director who is an Audit &amp; Supervisory Committee Member prior to the expiration of his/her term shall be the same as the remaining term of the retiring Director who is an Audit &amp; Supervisory Committee Member.</u> 4. <u>A resolution for the election of a Substitute Director who is an Audit &amp; Supervisory Committee Member elected pursuant to Article 329, paragraph 3 of the Companies Act shall remain in effect until the commencement of the Ordinary General Meeting of Shareholders convened for the last fiscal year that closes within two (2) years after his/her election.</u></p> <p>Article 23. (Election of Representative Director) The Board of Directors shall appoint by its resolution certain number of Representative Directors <u>from among the Directors (excluding Directors who are Audit &amp; Supervisory Committee Members).</u></p> <p>Article 24. (Selection of Directors with Executive Power and Appointment of Counselors and Councilors) 1. <u>The</u> Board of Directors may appoint by its resolution one (1) Chairman, one (1) President, and certain number of Vice-Chairmen, Executive Vice-Presidents, Senior Managing Directors and Managing Directors, <u>from among the Directors (excluding Directors who are Audit &amp; Supervisory Committee Members).</u></p> <p>&lt;paragraph 2. : Unchanged&gt;</p> <p>Article 25. (Directors' Compensation) The <u>compensation</u>, bonuses and other financial benefits of Directors receivable from the Company in consideration of the execution of duties shall be determined by the General Meeting of Shareholders, <u>distinguishing between Directors who are Audit &amp; Supervisory Committee Members and other Directors.</u></p>
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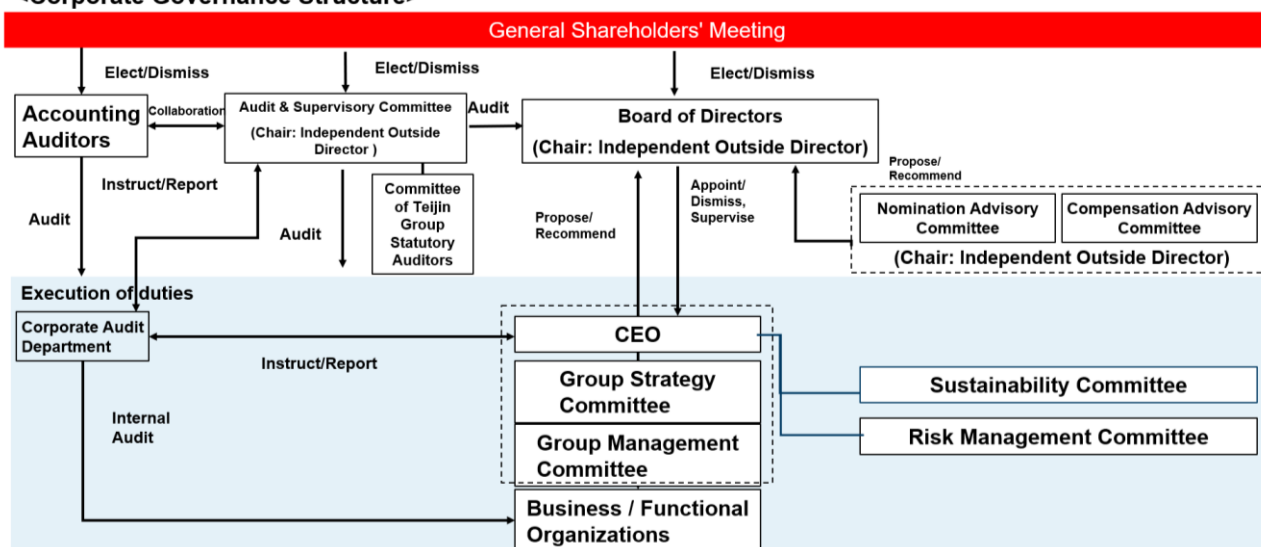
<p>Article 26. &lt;Omitted&gt;</p> <p>Article 27. (Liabilities Limitation Agreement with Directors) The Company may enter into an agreement with any Director(excluding Executive Director) which limits his/her liabilities to the amount equal to the higher of twenty million yen (Yen 20,000,000) and the amount aggregated by each Item of Article 425, Paragraph 1 of the Companies Act, with respect to the liabilities stipulated in Article 423, Paragraph 1 of the Companies Act, in case that such Director performed his/her duties in good faith and without gross negligence in relation to such performance.</p> <p>Article 28. (Notice of Convocation of Meetings of the Board of Directors) Notice of convocation of meeting of the Board of Directors shall be sent to every Director <u>and Statutory Auditor</u> three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>Article 29. (Omission of Resolutions of the Board of Directors) In case a Director proposes a matter to be determined by a resolution of the Board of Directors and all the Directors entitled to vote to the matter express unanimous consent in writing or via an electronic method, the resolution of the Board of Directors to the matter shall be deemed to have been adopted to that effect <u>unless a Statutory Auditor expresses objection</u>.</p> <p style="text-align: center;">&lt;Newly established&gt;</p> <p>Article <u>30</u>. &lt;Omitted&gt;</p> <p>Chapter V. <u>Statutory Auditors and the Board of Statutory Auditors</u></p> <p><u>Article 31. (Number of Statutory Auditors)</u> <u>1. The Statutory Auditors of the Company shall be three (3) or more.</u> <u>2. Even if a vacancy occurs among Statutory Auditors in office, the vacancy may be left until the next election of Statutory Auditor(s) so long as their number does not fall below the number required by laws and is recognized not to</u></p>	<p>Article 26. &lt;Unchanged&gt;</p> <p>Article 27. <i>&lt;For minor changes in the Japanese text, such as converting kanji to hiragana and adjusting punctuation, there is no change in the English text.&gt;</i></p> <p>Article 28. (Notice of Convocation of Meetings of the Board of Directors) Notice of convocation of meeting of the Board of Directors shall be sent to every Director <u>by no later than</u> three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>Article 29. (Omission of Resolutions of the Board of Directors) In case a Director proposes a matter to be determined by a resolution of the Board of Directors and all the Directors entitled to vote to the matter express unanimous consent in writing or via an electronic method, the resolution of the Board of Directors to the matter shall be deemed to have been adopted to that effect.</p> <p><u>Article 30. (Delegation of decisions on execution of important operations)</u> <u>The Company may, pursuant to Article 399-13, Paragraph 6 of the Companies Act, delegate by resolution of the Board of Directors all or part of decisions on execution of important operations (excluding matters set forth in each item in paragraph 5 of the same Article of the Companies Act) to Directors.</u></p> <p>Article <u>31</u>. &lt;Unchanged&gt;</p> <p>Chapter V. <u>Audit &amp; Supervisory Committee</u></p> <p style="text-align: center;">&lt;Deleted&gt;</p>
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<p><u>deteriorate the duties of the other Statutory Auditors.</u></p> <p><u>Article 32. (Election of Statutory Auditors)</u>  <u>1. Statutory Auditors shall be elected at a General Meeting of Shareholders.</u>  <u>2. Resolutions for the election of Statutory Auditors shall be adopted by a majority of the votes of the shareholders present at a General Meeting of Shareholders, a quorum of which is one-third (1/3) or more of voting rights of the shareholders entitled to exercise voting rights.</u></p> <p><u>Article 33. (Term of Office of Statutory Auditors)</u>  <u>1. The term of office of Statutory Auditors shall end at the closing of the Ordinary General Meeting of Shareholders convened for the latest fiscal year that closes within four (4) years after his/her election.</u>  <u>2. The term of office of a Statutory Auditor elected to fill the vacancy arising from the resignation of a Statutory Auditor prior to the expiration of his/her term shall be the same as the remaining term of the retiring Statutory Auditor.</u></p> <p><u>Article 34. (Selection of Full-time Statutory Auditors)</u>  <u>The Board of Statutory Auditors shall appoint by its resolution full-time Statutory Auditor(s).</u></p> <p><u>Article 35. (Statutory Auditors' Compensation)</u>  <u>Compensation payable to Statutory Auditors shall be determined by the General Meeting of Shareholders.</u></p> <p><u>Article 36. (Reduction and Release of Liabilities of Auditors)</u>  <u>The Company may release any Statutory Auditor from its liabilities stipulated in Article 423, Paragraph 1 of the Companies Act, within the limitation provided in the Companies Act by a resolution of the Board of Directors where such Statutory Auditor performed his/her duties in good faith and without gross negligence in relation to such performance and such release is considered necessary in light of the cause of such liabilities, the manner of such performance and any other circumstances.</u></p> <p><u>Article 37. (Liabilities Limitation Agreement with Statutory Auditors)</u>  <u>The Company may enter into an agreement with any Statutory Auditor which limits his/her liabilities to the amount equal to the higher of twenty million yen (Yen 20,000,000) and the amount aggregated by each Item of Article 425, Paragraph 1 of the Companies Act, with respect to the liabilities stipulated in Article 423, Paragraph 1</u></p>	<p>&lt;Deleted&gt;</p> <p>&lt;Deleted&gt;</p> <p>Article <u>32</u>. (Selection of Full-time <u>Audit &amp; Supervisory Committee Members</u>)  The <u>Audit &amp; Supervisory Committee</u> may appoint by its resolution full-time <u>Audit &amp; Supervisory Committee Member(s)</u>.</p> <p>&lt;Deleted&gt;</p> <p>&lt;Deleted&gt;</p> <p>&lt;Deleted&gt;</p>
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<p><u>of the Companies Act, in case that such Statutory Auditor performed his/her duties in good faith and without gross negligence in relation to such performance.</u></p> <p>Article <u>38</u>. (Notice of Convocation of Meetings of the <u>Board of Statutory Auditors</u>)  Notice of convocation of meeting of the <u>Board of Statutory Auditors</u> shall be sent to every <u>Statutory Auditor</u> three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>Article <u>39</u>. (Regulation of the <u>Board of Statutory Auditors</u>)  Matters concerning the <u>Board of Statutory Auditors</u> shall be subject to the Regulations of the <u>Board of Statutory Auditors</u> adopted by the <u>Board of Statutory Auditors</u>.</p> <p>Chapter VI. Accounts  Article <u>40</u>. – Article <u>43</u>.  &lt;Omitted&gt;</p> <p>&lt;Newly established&gt;</p>	<p>Article <u>33</u>. (Notice of Convocation of Meetings of the <u>Audit &amp; Supervisory Committee</u>)  Notice of convocation of meeting of the <u>Audit &amp; Supervisory Committee</u> shall be sent to every <u>Audit &amp; Supervisory Committee Member</u> by no later than three (3) days prior to the date of the meeting; provided, however, that such period may be shortened in case of emergency.</p> <p>Article <u>34</u>. (Regulation of the <u>Audit &amp; Supervisory Committee</u>)  Matters concerning the <u>Audit &amp; Supervisory Committee</u> shall be subject to the Regulations of the <u>Audit &amp; Supervisory Committee</u> adopted by the <u>Audit &amp; Supervisory Committee</u>.</p> <p>Chapter VI. Accounts  Article <u>35</u>. – Article <u>38</u>.  &lt;Unchanged&gt;</p> <p><u>Supplementary Provisions</u>  <u>Article 1. (Transitional Measures Regarding the Reduction and Release of Liabilities, etc. of Statutory Auditors)</u>  <u>1. The release, by resolution of the Board of Directors, from the liabilities stipulated in Article 423, Paragraph 1 of the Companies Act for acts performed by Statutory Auditors (including former Statutory Auditors) prior to the conclusion of the 159th Ordinary General Meeting of Shareholders held in June 2025 shall be governed by Article 36 of the Articles of Incorporation as it existed prior to the amendment resolved by the said Ordinary General Meeting of Shareholders.</u>  <u>2. Agreements limiting the liabilities stipulated in Article 423, Paragraph 1 of the Companies Act for acts performed by Statutory Auditors (including former Statutory Auditors) prior to the conclusion of the 159th Ordinary General Meeting of Shareholders held in June 2025 shall be governed by Article 37 of the Articles of Incorporation as it existed prior to the amendment resolved by the said Ordinary General Meeting of Shareholders.</u></p>
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## Corporate Governance System after Transition to a Company with an Audit & Supervisory Committee

### <Corporate Governance Structure>



#### \*Sustainability Committee

: To address sustainability-related issues promptly and effectively, a "Sustainability Committee" will be newly established under the CEO. The committee will work on the examination and promotion of sustainability policies.

#### \*Risk Management Committee

: The functions of the TRM Committee, which was established as an advisory body to the Board of Directors, have been reviewed. To more effectively implement the PDCA cycle, "Risk Management Committee" will be newly established under the CEO. The committee will work on the examination and promotion of risk management policies.

## Proposal 2: Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The term of office of seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders. If Proposal 1 "Partial Amendments to the Articles of Incorporation" is approved as proposed, the Company will transition to a Company with an Audit & Supervisory Committee at the conclusion of this General Meeting of Shareholders.

Shareholders are therefore requested to elect the following six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members) (four (4) of whom are up for reelection). When selecting candidates, the Nomination Advisory Committee chaired by an Independent Outside Director deliberated on the candidates based on "Skills that are particularly expected to contribute to fulfilling the roles and responsibilities of the Board of Directors and the Audit & Supervisory Committee" (please refer to the skills matrix on page 24). The proposal was then submitted to and approved by the Board of Directors.

The Resolution of this Proposal shall take effect on the condition that the amendments to the Articles of Incorporation in Proposal 1 "Partial Amendments to the Articles of Incorporation" take effect.

The candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

Candidate No.	Candidate attributes (Gender)	Name Date of birth	Current position and responsibility	Participation in the Board of Directors Meetings in FY2024	Tenure	Nomination Advisory Committee	Compensation Advisory Committee
1	Reelection (Male)	Akimoto Uchikawa January 18, 1966	Representative Director, President & CEO	14 times out of 14 (100%)	4 years	○	○
2	Reelection (Male)	Naohiko Moriyama May 20, 1965	Representative Director, Senior Executive Officer, Chief Strategy Officer, Chief Financial Officer	14 times out of 14 (100%)	4 years		

3	New candidate (Male)	Yuji Nakahara June 23, 1969	Teijin Group Corporate Officer, Chief Technology Officer	—	—	—	—
4	Reelection Outside Independent (Male)	Masaaki Tsuya June 22, 1952	Outside Director	14 times out of 14 (100%)	3 years	○	○
5	Reelection Outside Independent (Female)	Reiko Kusunose October 2, 1965	Outside Director	9 times out of 9 (100%)	1 year	○	○
6	New candidate Outside Independent (Male)	Toichi Maeda December 24, 1955	—	—	—	—	—

“Independent” indicates an independent director as stipulated by the Tokyo Stock Exchange.

In the table above, “○” indicates a candidate is a current member of the Nomination Advisory Committee and the Compensation Advisory Committee. The Teijin Advisory Board is scheduled to be abolished in June 2025.

Note 1: There are no special interests between any of the candidates and the Company.

Note 2: For “Directors and Officers Liability Insurance Contract,” please refer to the “Directors and Officers Liability Insurance Contract related to candidates for Directors (including Directors who are Audit & Supervisory Committee Members)” on page 24.

Candidate No.	Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions		Number of Company's Shares Owned
1	[Reelection]  Akimoto Uchikawa January 18, 1966  (FY2024) [Participation in the Board of Directors] 14 times out of 14 (100%)	March 1990 April 2017  April 2020 April 2021 June 2021 April 2022	Joined Teijin Limited Teijin Group Corporate Officer Management Coordinator for the President, Material Business of Teijin Group Assistant to General Manager, Fibers and Products Converting Business Group (Responsible for Technology, Production, Restructuring Initiatives) Teijin Group Corporate Officer General Manager, Composites Business Unit Teijin Group Executive Officer President, Material Business of Teijin Group Director, Executive Officer Representative Director, President and CEO (Incumbent)	44,679 shares
[Reason for nomination of the candidate for Director and expected roles] Based on his extensive knowledge and experience related to technologies, Akimoto Uchikawa worked on restructuring the Company's business and improving its profitability, mainly in the Materials Business Field including its overseas business. After he assumed the post of President and CEO, Representative Director, he formulated a "reform plan to improve the Company's profitability" and the "Medium-Term Management Plan 2024-2025", and worked on improving the profitability of underperforming businesses and has been carrying out business portfolio reforms, while promoting the establishment of a structure to strengthen business execution capabilities and the implementation of internal reforms under his strong leadership. The Company determined that it needs his experience and insights in order to increase shareholder value and corporate value through the realization of the management plan, decision-making on matters that are significant to the Company, and execution of business operations. The Company therefore respectfully requests that he be reelected as a Director.				
2	[Reelection]  Naohiko Moriyama May 20, 1965  (FY2024) [Participation in the Board of Directors] 14 times out of 14 (100%)	March 1990 April 2017  April 2019 April 2021 June 2021 October 2022 April 2023 June 2024 September 2024	Joined Teijin Limited Teijin Group Corporate Officer Management Coordinator for the President, Healthcare Business of Teijin Group Teijin Group Corporate Officer General Manager, Healthcare New Business Division Teijin Group Executive Officer President, Healthcare Business of Teijin Group General Manager, Healthcare New Business Division Director, Executive Officer Director, Executive Officer, Chief Officer (Corporate Strategy) Director, Senior Executive Officer, Chief Officer (Corporate Strategy) Representative Director, Senior Executive Officer (Incumbent) Chief Officer, Corporate Strategy, Chief Financial Officer Representative Director, Senior Executive Officer, Chief Strategy Officer, Chief Financial Officer (Incumbent)	22,166 shares
[Reason for nomination of the candidate for Director and expected roles] Based on his knowledge and experience related to technologies, Naohiko Moriyama has been working on formulating and promoting the Company's growth strategies and implementing reforms in the fields of healthcare business and corporate strategy. Recently, he took a leading role as Chief Strategy Officer in the formulation of the short-term and medium-term management plans and executed important business operations as Chief Financial Officer. The Company determined that it needs his experience and insights in order to increase shareholder value and corporate value through strategic and appropriate responses to various obstacles and variable factors that may arise in implementation of the management plan, decision-making on matters that are significant to the Company and execution of business operations. The Company therefore respectfully requests that he be reelected as a Director.				
3	[New candidate]  Yuji Nakahara June 23, 1969	April 1995 September 2003 December 2009 February 2013 August 2015 August 2019 June 2023 October 2024	Joined JGC CORPORATION (currently JGC HOLDINGS CORPORATION) Joined McKinsey & Company Partner, Leader of Chemicals, Energy and Material Practice, McKinsey & Company Joined Royal DSM (currently DSM-FIRMENICH) President and Representative Director, DSM Japan K.K. (currently DSM K.K.) Vice President, Global Nutrition Lipids, Royal DSM Vice President, Business Process Excellence, Royal DSM Joined Teijin Limited Teijin Group Corporate Officer, Chief Technology Officer (Incumbent)	0 shares



[Reason for nomination of the candidate for Director and expected roles]  
Yuji Nakahara has led various business operations and projects in global business companies and a consulting firm, specializing in engineering and chemistry, while also being involved in company management. After joining the Company, as Chief Technology Officer, he has been working on the formulation and promotion of technology strategies based on management strategies, and advancing growth strategy projects that drive the Company's growth. The Company determined that it needs his experience and insights in order to increase shareholder value and corporate value through decision-making on matters that are significant to the Company and execution of business operations. The Company therefore respectfully requests that he be elected as a Director.

4	[Reelection] [Outside] [Independent]  Masaaki Tsuya June 22, 1952  (FY2024) [Participation in the Board of Directors] 14 times out of 14 (100%)	April 1976    Joined Bridgestone Corporation March 2006    Vice President and Officer, Bridgestone Corporation March 2008    Director, Vice President and Senior Officer, Bridgestone Corporation  September 2011    Representative Director and Senior Vice President, Bridgestone Corporation March 2012    Representative Director, CEO, Bridgestone Corporation March 2013    Representative Director, CEO and Chairperson of the Board, Bridgestone Corporation March 2016    Representative Executive Officer, CEO and Chairperson of the Board, Bridgestone Corporation March 2020    Chairperson of the Board, Bridgestone Corporation March 2021    External Advisor, Bridgestone Corporation (Incumbent) June 2022    Director, Teijin Limited (Incumbent) Advisory Board member of Teijin Limited (Scheduled to retire in June 2025)	2,600 shares
		(Significant Concurrent Positions) External Advisor, Bridgestone Corporation	

[Reason for nomination of the candidate for Outside Director and expected roles]  
Masaaki Tsuya consecutively held the post of Representative Executive Officer, CEO and Chairperson of the Board of Bridgestone Corporation. Leveraging his extensive business experience and a high level of insight, he provides appropriate advice and suggestions as an Outside Director of the Company. As the chair of the Nomination Advisory Committee, he also leads in-depth discussions on matters such as agenda setting, selection and retirement of Directors and management members, and the review of the plan to develop CEO successor candidates. The Company determined that in order to increase shareholder value and corporate value, the Company needs him to participate in decision-making on matters that are significant to the Company, oversee the execution of business operations, and provide advice to the management from an objective standpoint as Outside Director through the Board of Directors, Nomination Advisory Committee, and Compensation Advisory Committee. The Company therefore respectfully requests that he be reelected as an Outside Director. The amount of transactions between Bridgestone Corporation and the Company accounts for less than 1% of the consolidated total revenue of either company.

Note 1: Masaaki Tsuya is a candidate for Outside Director. The Company requires a candidate for Outside Director to satisfy all the requirements for an Independent Director as stipulated by the Company. Masaaki Tsuya satisfies all the prescribed requirements. He also fulfills the requirements for Independent Director set forth by the Tokyo Stock Exchange. In light of this, the Company has registered Masaaki Tsuya as an Independent Director with the Tokyo Stock Exchange. The contents of the requirements of "Independent Director" stipulated by the Company can be viewed at the Company's website:

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

Note 2: Masaaki Tsuya currently serves as an Outside Director of the Company. In accordance with Article 427 of the Companies Act and the Company's Articles of Incorporation, the Company and Masaaki Tsuya have entered into a limited liability agreement in which the limit of liability is ¥20 million or the minimum amount of liability set forth in Article 425, Paragraph 1 of the Companies Act, whichever is higher. When the reelection of Masaaki Tsuya as an Outside Director is approved, the Company will extend its limited liability agreement with him.

Note 3: The date of the first election of Masaaki Tsuya as Outside Director and the tenure in position as Outside Director before the closing of this General Meeting of Shareholders are follows.

Date of first election: June 22, 2022; Tenure in position: 3 years

5	[Reelection] [Outside] [Independent]  Reiko Kusunose October 2, 1965  (FY2024) [Participation in the Board of Directors] 9 times out of 9 (100%)	April 1990 August 1998 October 2001  October 2005  July 2011  June 2013  April 2015  July 2019  February 2020  July 2020  May 2022 June 2024	Joined Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) Joined Hyperion Co., Ltd. (currently Oracle Corporation) Joined Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION) Head of Public Relations and Investor Relations, Fuji Heavy Industries Ltd. Deputy General Manager, North America Business Planning Department, SUBARU Overseas Sales & Marketing Division 1, Fuji Heavy Industries Ltd. Joined LIXIL Corporation CFO, Toilet & Vanity GBU, LIXIL Corporation Corporate Director, LIXIL Corporation CFO, LIXIL Water Technology Japan Corporate Officer, LIXIL Corporation Manager of Finance Standardization Promotion Department, Finance and Treasury Division, LIXIL Corporation Joined Nippon Sheet Glass Co., Ltd. Senior Corporate Officer, Deputy Chief Financial Officer, Nippon Sheet Glass Co., Ltd. Senior Executive Officer, Chief Financial Officer, Nippon Sheet Glass Co., Ltd. Outside Director, NIPPO CORPORATION (Incumbent) Director, Teijin Limited (Incumbent) Advisory Board member of Teijin Limited (Scheduled to retire in June 2025) Outside Director, BUNKA SHUTTER CO., LTD. (Incumbent)	500 shares
<div>(Significant Concurrent Positions) Outside Director, NIPPO CORPORATION Outside Director, BUNKA SHUTTER CO., LTD.</div>				
[Reason for nomination of the candidate for Outside Director and expected roles] Reiko Kusunose has gained experience in corporate reforms and global organizational management, and served as CFO at companies which went through business mergers. She has also been actively engaged in Diversity, Equity & Inclusion within and outside companies. Since assuming the position of a Director of the Company, she has provided effective advice on matters such as portfolio reforms and financial strategy. The Company determined that in order to increase shareholder value and corporate value, the Company needs her to participate in decision-making on matters that are significant to the Company, oversee the execution of operations, and provide advice to the management from an objective standpoint as Outside Director through the Board of Directors, Nomination Advisory Committee, and Compensation Advisory Committee. The Company therefore respectfully requests that she be reelected as an Outside Director. The amounts of transactions between LIXIL Corporation and the Company as well as transactions between Nippon Sheet Glass Co., Ltd. and the Company account for less than 1% of the consolidated total revenue of either company, respectively.				
Note 1: Reiko Kusunose is a candidate for Outside Director. The Company requires a candidate for Outside Director to satisfy all the requirements for an Independent Director as stipulated by the Company. Reiko Kusunose satisfies all the prescribed requirements. She also fulfills the requirements for Independent Director set forth by the Tokyo Stock Exchange. In light of this, the Company has registered Reiko Kusunose as an Independent Director with the Tokyo Stock Exchange. The contents of the requirements of “Independent Director” stipulated by the Company can be viewed at the Company’s website: ( <a href="https://www.teijin.com/ir/management/governance/requirements/">https://www.teijin.com/ir/management/governance/requirements/</a> )				
Note 2: Reiko Kusunose currently serves as an Outside Director of the Company. In accordance with Article 427 of the Companies Act and the Company’s Articles of Incorporation, the Company and Reiko Kusunose have entered into a limited liability agreement in which the limit of liability is ¥20 million or the minimum amount of liability set forth in Article 425, Paragraph 1 of the Companies Act, whichever is higher. When the reelection of Reiko Kusunose as an Outside Director is approved, the Company will extend its limited liability agreement with her.				
Note 3: Reiko Kusunose’s name on the family register is Reiko Ishii.				
Note 4: On April 20, 2024, while she was serving as an Outside Director of NIPPO CORPORATION, the said company publicly disclosed the fact that its subsidiary delivered asphalt mixtures with specifications different from the design documents in some construction projects, and on April 11, 2025, the said company received a suspension of designation for up to four months from the regional development bureaus of the Ministry of Land, Infrastructure, Transport and Tourism, etc. As an Outside Director of NIPPO COPORATION, Reiko Kusunose has been, at the Board of Directors’ meetings of NIPPO CORPORATION, pointing out the importance of complying with laws and regulations, and making suggestions for supervision over the operation of whistle-blowing system, as well as supervision over the operation of the risk management system and improvement thereof. Since she become aware this issue, she has fulfilled her responsibilities as an Outside Director by communicating with the management to ensure compliance and reduce the risk of damage to corporate value, and by supervising to ensure that an external investigation committee is established and appropriate actions are taken within the said company.				
Note 5: The date of the first election of Reiko Kusunose as Outside Director and the tenure in position as Outside Director before the closing of this General Meeting of Shareholders are follows. Date of first election: June 20, 2024; Tenure in position: 1 year				

6	[New_candidate] [Outside] [Independent]	April 1981	Joined EBARA CORPORATION	0 shares
	Toichi Maeda December 24, 1955	April 2007	Executive Officer, Deputy Head of Custom Pump Business Unit, Fluid Machinery & Systems Company, Director of Haneda Plant, and Deputy Director of Haneda Office, EBARA CORPORATION	
		April 2010	Managing Executive Officer, EBARA CORPORATION	
		April 2011	Head of Custom Pump Business Unit, Fluid Machinery & Systems Company, EBARA CORPORATION	
		June 2011	Director, EBARA CORPORATION	
		April 2012	President, Fluid Machinery & Systems Company, EBARA CORPORATION	
		April 2013	Representative Director and President, EBARA CORPORATION	
		June 2015	President, Representative Executive Officer, EBARA CORPORATION	
		March 2019	Chairman & Director, EBARA CORPORATION	
		March 2024	Outside Director, KITZ Corporation (Incumbent)	
(Significant Concurrent Positions)				
Outside Director, KITZ Corporation				

[Reason for nomination of the candidate for Outside Director and expected roles]

Toichi Maeda served as President, Representative Executive Officer, and Chairman & Director of EBARA CORPORATION. In recent years, the said company has been advancing initiatives aimed at realizing “customer-centric value creation” by leveraging its core technologies. These initiatives include shifting to a market facing organization, enhancing solution offerings, evolving its business portfolio, including transforming its organizational culture, and implementing efficient and effective corporate governance. Toichi Maeda played a leading role in driving these efforts. As the Company aims to develop value-driven business, the Company determined that it will be very valuable to the Company in increasing its shareholder value and corporate value if he participates in decision-making on matters that are significant to the Company, oversees the execution of operations, and provides advice to the management from an objective standpoint as Outside Director, leveraging his extensive experience and high level of insight. The Company therefore respectfully requests that he be elected as an Outside Director.

The amount of transactions between EBARA CORPORATION and the Company accounts for less than 1% of the consolidated total revenue of either company.

Note 1: Toichi Maeda is a candidate for Outside Director. The Company requires a candidate for Outside Director to satisfy all the requirements for an Independent Director as stipulated by the Company. Toichi Maeda satisfies all the prescribed requirements. He also fulfills the requirements for Independent Director set forth by the Tokyo Stock Exchange. In light of this, the Company plans to register Toichi Maeda as an Independent Director with the Tokyo Stock Exchange. The contents of the requirements of “Independent Director” stipulated by the Company can be viewed at the Company’s website:

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

Note 2: When the election of Toichi Maeda is approved, in accordance with Article 427 of the Companies Act and the Company’s Articles of Incorporation, the Company and Toichi Maeda will enter into a limited liability agreement in which the limit of liability is ¥20 million or the minimum amount of liability set forth in Article 425, Paragraph 1 of the Companies Act, whichever is higher.

Note 3: On February 20, 2025, while Toichi Maeda was serving as a Director of EBARA CORPORATION, the said company received a recommendation from the Japan Fair Trade Commission under the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. Although Toichi Maeda was not aware of the issue beforehand, he had consistently provided recommendations, etc. from a legal compliance perspective, including at the Board of Directors meeting. After he became aware of the issue, he made further recommendations, etc. regarding the prompt investigation of the issue and the strengthening of the internal control systems and compliance measures to prevent recurrence.

### Proposal 3: Election of Five (5) Directors Who Are Audit & Supervisory Committee Members

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit & Supervisory Committee at the conclusion of this General Meeting of Shareholders.

Shareholders are therefore requested to elect the following five (5) Directors who are Audit & Supervisory Committee Members. When selecting candidates, the Nomination Advisory Committee chaired by an Independent Outside Director deliberated on the candidates based on “Skills that are particularly expected to contribute to fulfilling the roles and responsibilities of the Board of Directors and the Audit & Supervisory Committee” (please refer to the skills matrix on page 24). The proposal was then submitted to and approved by the Board of Directors.

Please note that the consent of the Board of Statutory Auditors has been obtained in advance pertaining to the submission of this proposal.

The Resolution of this Proposal shall take effect on the condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Candidate attributes (Gender)	Name Date of birth	Current position and responsibility	Participation in the Board of Directors and Board of Statutory Auditors Meetings in FY2024	Tenure
1	New candidate (Male)	Masanori Shimai March 7, 1964	Full-time Statutory Auditor	The Board of Directors 14/14 (100%) The Board of Statutory Auditors 13/13 (100%)	6 years as Statutory Auditor
2	New candidate (Female)	Tomoko Torii May 27, 1966	Full-time Statutory Auditor	The Board of Directors 9/9 (100%) The Board of Statutory Auditors 9/9 (100%)	1 year as Statutory Auditor
3	New candidate Outside Independent (Male)	Koichi Tsuji April 10, 1957	Outside Statutory Auditors	The Board of Directors 14/14 (100%) The Board of Statutory Auditors 13/13 (100%)	2 years as Statutory Auditor
4	New candidate Outside Independent (Female)	Tamie Minami February 15, 1959	Outside Directors	The Board of Directors 14/14 (100%)	2 years as Director
5	New candidate Outside Independent (Female)	Yaeko Takeoka May 10, 1957	—	—	—

“Independent” indicates an independent director as stipulated by the Tokyo Stock Exchange.

Note 1: There are no special interests between any of the candidates and the Company.

Note 2: For “Directors and Officers Liability Insurance Contract,” please refer to the “Directors and Officers Liability Insurance Contract related to candidates for Directors (including Directors who are Audit & Supervisory Committee Members)” on page 24.

Candidate No.	Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions		Number of Company's Shares Owned
1	[New candidate] Masanori Shimai March 7, 1964  (FY2024) [Participation in the Board of Directors] 14 times out of 14 (100%) [Participation in the Board of Statutory Auditors] 13 times out of 13 (100%)	April 1987 June 2010 April 2013  July 2016 April 2017 June 2019	Joined Teijin Limited General Manager, Business Strategy Office General Manager, Administration Department, Teijin Pharma Limited General Manager, Accounting Department, Teijin Limited General Manager, Material Business Strategy Division Full-time Statutory Auditor (Incumbent)	8,411 shares
[Reason for nomination of the candidate for Director who is an Audit & Supervisory Committee Member and expected roles] Since joining the Company, Masanori Shimai has gained experience in the Corporate Management and Accounting Departments. He possesses knowledge in accounting and finance and is well versed with the details of business operations at Teijin. Since assuming the position of Full-time Statutory Auditor, he has provided supervision and effective advice on matters related to overall management. The Company determined that it needs his experience and insights in order to increase shareholder value and corporate value through decision-making on matters that are significant to the Company as well as auditing and overseeing the execution of business operations. The Company therefore respectfully requests that he be elected as a Director who is an Audit & Supervisory Committee Member. Note: Masanori Shimai currently serves as a Statutory Auditor of the Company. In accordance with Article 427 of the Companies Act and the Company's Articles of Incorporation, the Company and Masanori Shimai have entered into a limited liability agreement in which the limit of liability is ¥20 million or the minimum amount of liability set forth in Article 425, Paragraph 1 of the Companies Act, whichever is higher. When the election of Masanori Shimai is approved, the Company is scheduled to enter into the same limited liability agreement with him.				
2	[New candidate]  Tomoko Torii May 27, 1966  (FY2024) [Participation in the Board of Directors] 9 times out of 9 (100%) [Participation in the Board of Statutory Auditors] 9 times out of 9 (100%)	April 1992 April 2010  May 2019  April 2022  April 2023  June 2024	Joined Teijin Limited Manager, Academic Planning Group, Pharmaceutical Academic Division 2, Marketing Office, Teijin Pharma Limited General Manager, Investor Relations Department, Teijin Limited Teijin Group Corporate Officer Deputy Chief Officer, Corporate Strategy (in charge of stakeholder communication), General Manager, Corporate Communication Department Mission Executive, Teijin Limited Deputy Chief Officer, Corporate Strategy (in charge of public relations and investor relations, and branding), General Manager, Corporate Branding Department, Manager, Stakeholder Communication Group Full-time Statutory Auditor (Incumbent)	8,438 shares
[Reason for nomination of the candidate for Director who is an Audit & Supervisory Committee Member and expected roles] Tomoko Torii has extensive business experience in overseas pharmaceutical development, business development and licensing, and marketing, etc. in the healthcare field based on her scientific and technical knowledge, as well as deep insights into stakeholder communication including investor relations. She was also in charge of the corporate culture transformation project, and fostered understanding of business activities and corporate culture throughout the Teijin Group as a whole. Since assuming the position of Full-time Statutory Auditor, she has provided supervision and effective advice on matters related to overall management. The Company determined that it needs her experience and insights in order to increase shareholder value and corporate value through decision-making on matters that are significant to the Company as well as auditing and overseeing the execution of business operations. The Company therefore respectfully requests that she be elected as a Director who is an Audit & Supervisory Committee Member. Note: Tomoko Torii currently serves as a Statutory Auditor of the Company. In accordance with Article 427 of the Companies Act and the Company's Articles of Incorporation, the Company and Tomoko Torii have entered into a limited liability agreement in which the limit of liability is ¥20 million or the minimum amount of liability set forth in Article 425, Paragraph 1 of the Companies Act, whichever is higher. When the election of Tomoko Torii is approved, the Company is scheduled to enter into the same limited liability agreement with her.				
3	[New candidate] [Outside] [Independent]  Koichi Tsuji April 10, 1957  (FY2024) [Participation in the Board of Directors] 14 times out of 14 (100%)	October 1984  September 1988 July 2004 February 2016 July 2019  June. 2021 June 2023	Joined Peat Marwick Mitchell & Co. Registered as a Certified Public Accountant Senior Partner, ShinNihon LLC Chairman, ShinNihon LLC (currently Ernst & Young ShinNihon LLC) Chairman and CEO of EY Japan Co., Ltd. Member of the Board of Directors of EY Japan Co., Ltd. Outside Director, Mitsubishi UFJ Financial Group, Inc. (Incumbent) Statutory Auditor, Teijin Limited (Incumbent) Outside Director, MARUICHI STEEL TUBE LTD.	0 shares

	[Participation in the Board of Statutory Auditors] 13 times out of 13 (100%)	(Incumbent)		
		(Significant Concurrent Positions) Outside Director, Mitsubishi UFJ Financial Group, Inc. Outside Director, MARUICHI STEEL TUBE LTD.		
[Reason for nomination of the candidate for Outside Director who is an Audit & Supervisory Committee Member and expected roles] Koichi Tsuji has extensive knowledge of finance, accounting and auditing gained over many years as a CPA, as well as deep insights gained through his experience in corporate management and as Outside Director. Since assuming the position of Statutory Auditor of the Company, he has provided supervision on matters related to overall management and contributed to maintaining and improving compliance at the Company, by providing effective advice backed by his expertise and extensive knowledge. The Company determined that it will be very valuable to the Company in increasing its shareholder value and corporate value if he participates in decision-making on matters that are significant to the Company, audits and oversees the execution of business operations, and provides advice to the management, from an objective standpoint as Outside Director who is an Audit & Supervisory Committee Member, leveraging his extensive experience and high level of insight. The Company therefore respectfully requests that he be elected as an Outside Director who is an Audit & Supervisory Committee Member.				
Note 1: Koichi Tsuji is a candidate for Outside Director. The Company requires a candidate for Outside Director to satisfy all the requirements for an Independent Director as stipulated by the Company. Koichi Tsuji satisfies all the prescribed requirements. He also fulfills the requirements for independence set forth by the Tokyo Stock Exchange. In light of this, the Company has registered Koichi Tsuji as an Independent Director with the Tokyo Stock Exchange. The contents of the requirements of “Independent Director” stipulated by the Company can be viewed at the Company’s website: ( <a href="https://www.teijin.com/ir/management/governance/requirements/">https://www.teijin.com/ir/management/governance/requirements/</a> )				
Notes 2: Koichi Tsuji currently serves as a Statutory Auditor of the Company. In accordance with Article 427 of the Companies Act and the Company’s Articles of Incorporation, the Company and Koichi Tsuji have entered into a limited liability agreement in which the limit of liability is ¥20 million or the minimum amount of liability set forth in Article 425, Paragraph 1 of the Companies Act, whichever is higher. When the election of Koichi Tsuji is approved, the Company is scheduled to enter into the same limited liability agreement with him.				
Note 3: The date of the first election of Koichi Tsuji as Outside Statutory Auditor and the tenure in the position of Outside Statutory Auditor before the closing of this General Meeting of Shareholders are follows. Date of first election: June 21, 2023; Tenure in position: 2 years				
4	[New candidate] [Outside] [Independent]  Tamie Minami February 15, 1959  (FY2024) [Participation in the Board of Directors] 14 times out of 14 (100%)	June 1995 May 2008  October 2013 October 2015 November 2017 December 2019 June 2022 June 2023	Joined 3M Company Vice President and General Manager, Home Care Division, 3M Company Vice President, Southeast Asia Region, 3M Company Vice President, Latin America Region, 3M Company Vice President, Asia Region, 3M Company Senior Vice President, Safety & Industrial Business Group, Asia, 3M Company Outside Director, Santen Pharmaceutical Co., Ltd. (Scheduled to retire in June 2025) Director, Teijin Limited (Incumbent) Advisory Board member of Teijin Limited (Scheduled to retire in June 2025)  (Significant Concurrent Positions) Outside Director, Santen Pharmaceutical Co., Ltd. (Scheduled to retire in June 2025)	0 shares
[Reason for nomination of the candidate for Outside Director who is an Audit & Supervisory Committee Member and expected roles] As Outside Director of the Company, Tamie Minami provides effective suggestions and advice from the perspective of corporate management of multiple businesses spread across the globe and from the perspective of marketing, based on her experience of overseeing healthcare and industrial material businesses across multiple regions at 3M Company, which is a global company. The Company determined that it will be very valuable to the Company in increasing its shareholder value and corporate value if she participates in decision-making on matters that are significant to the Company, audits and oversees the execution of business operations, and provides advice to the management from an objective standpoint as Outside Director who is an Audit & Supervisory Committee Member, leveraging her extensive experience and high level of insight. The Company therefore respectfully requests that she be elected as an Outside Director who is an Audit & Supervisory Committee Member. The amount of transactions between 3M Company and the Company accounts for less than 1% of the consolidated total revenue of either company.				
Note 1: Tamie Minami is a candidate for Outside Director. The Company requires a candidate for Outside Director to satisfy all the requirements for an Independent Director as stipulated by the Company. Tamie Minami satisfies all the prescribed requirements. She also fulfills the requirements for Independent Director set forth by the Tokyo Stock Exchange. In light of this, the Company has registered Tamie Minami as an Independent Director with the Tokyo Stock Exchange. The contents of the requirements of “Independent Director” stipulated by the Company can be viewed at the Company’s website: ( <a href="https://www.teijin.com/ir/management/governance/requirements/">https://www.teijin.com/ir/management/governance/requirements/</a> )				
Notes 2: Tamie Minami currently serves as a Director of the Company. In accordance with Article 427 of the Companies Act and the Company’s Articles of Incorporation, the Company and Tamie Minami have entered into a limited liability agreement in which the				

<p>limit of liability is ¥20 million or the minimum amount of liability set forth in Article 425, Paragraph 1 of the Companies Act, whichever is higher. When the election of Tamie Minami is approved, the Company is scheduled to enter into the same limited liability agreement with her.</p> <p>Note 3: The date of the first election of Tamie Minami as Outside Director and the tenure in position as Outside Director before the closing of this General Meeting of Shareholders are follows.</p> <p>Date of first election: June 21, 2023; Tenure in position: 2 years</p>				
5	<p>[New candidate] [Outside] [Independent]</p> <p>Yaeko Takeoka May 10, 1957</p>	<p>April 1985 Registered as an attorney at law (Daini Tokyo Bar Association)</p> <p>January 2007 Joined KOHWA SOHGOH LAW OFFICES (Incumbent)</p> <p>June 2015 Outside Audit &amp; Supervisory Board Member, MITSUBISHI MOTORS CORPORATION</p> <p>March 2019 Outside Audit &amp; Supervisory Board Member, AGC Inc.</p> <p>June 2019 Outside Director, MITSUBISHI MOTORS CORPORATION (Audit Committee chair)</p> <p>April 2024 Outside Director, Daiwa Living Co., Ltd. (Incumbent)</p>	<p>(Significant Concurrent Positions) Attorney at law, KOHWA SOHGOH LAW OFFICES Outside Director, Daiwa Living Co., Ltd.</p>	0 shares
<p>[Reason for nomination of the candidate for Outside Director who is an Audit &amp; Supervisory Committee Member and expected roles]</p> <p>Although Yaeko Takeoka does not have direct experience in corporate management other than being an outside officer, she has deep knowledge of corporate legal affairs (intellectual property rights and compliance, etc.) gained through her extensive experience as an attorney. She also has the management perspective and insights, etc. into corporate audit systems, which she developed through her rich experience as an outside director. The Company determined that it will be very valuable to the Company in increasing its shareholder value and corporate value if she participates in decision-making on matters that are significant to the Company, audits and oversees the execution of business operations, and provides advice to the management from an objective standpoint as Outside Director who is an Audit &amp; Supervisory Committee Member, leveraging her extensive experience and high level of insight. The Company therefore respectfully requests that she be elected as an Outside Director who is an Audit &amp; Supervisory Committee Member.</p> <p>Note 1: Yaeko Takeoka is a candidate for Outside Director. The Company requires a candidate for Outside Director to satisfy all the requirements for an Independent Director as stipulated by the Company. Yaeko Takeoka satisfies all the prescribed requirements. She also fulfills the requirements for Independent Director set forth by the Tokyo Stock Exchange. In light of this, the Company plans to register Yaeko Takeoka as an Independent Director with the Tokyo Stock Exchange. The contents of the requirements of “Independent Director” stipulated by the Company can be viewed at the Company’s website: (<a href="https://www.teijin.com/ir/management/governance/requirements/">https://www.teijin.com/ir/management/governance/requirements/</a>)</p> <p>Note 2: When the election of Yaeko Takeoka is approved, in accordance with Article 427 of the Companies Act and the Company’s Articles of Incorporation, the Company and Yaeko Takeoka will enter into a limited liability agreement in which the limit of liability is ¥20 million or the minimum amount of liability set forth in Article 425, Paragraph 1 of the Companies Act, whichever is higher.</p>				

#### Proposal 4 Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit & Supervisory Committee at the conclusion of this General Meeting of Shareholders.

To prepare for the event that the number of Directors who are Audit & Supervisory Committee Members falls below the number required by laws and regulations, the Company proposes the election of one (1) substitute Director who is an Audit & Supervisory Committee Member in advance. When selecting the candidate, the Nomination Advisory Committee chaired by an Independent Outside Director deliberated on the candidate based on “Skills that are particularly expected to contribute to fulfilling the roles and responsibilities of the Board of Directors and the Audit & Supervisory Committee” (please refer to the skills matrix on page 24). The proposal was then submitted to and approved by the Board of Directors.

Please note that the consent of the Board of Statutory Auditors has been obtained in advance pertaining to the submission of this proposal.

The Resolution of this Proposal shall take effect on the condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

The candidate for Substitute Director who is an Audit & Supervisory Committee Member is as follows:

Candidate attributes (Gender)	Name Date of birth	Current position and responsibility	Participation in the Board of Directors Meetings in FY2024	Number of Company’s Shares Owned
Outside Independent (Female)	Reiko Kusunose October 2, 1965	Outside Directors	9 times out of 9 (100%)	500 shares

“Independent” indicates an independent director as stipulated by the Tokyo Stock Exchange.

[Reason for nomination of the candidate for Substitute Outside Director who is an Audit & Supervisory Committee Member and expected roles]  
Reiko Kusunose has gained experience in corporate reforms and global organizational management, and served as CFO at companies which went through business mergers. She has also been actively engaged in Diversity, Equity and Inclusion within and outside companies. Since assuming the position of a Director of the Company, she has provided effective advice on matters such as portfolio reforms and financial strategy. The Company determined that it will be very valuable to the Company in increasing its shareholder value and corporate value if she participates in decision-making on matters that are significant to the Company, audits and oversees the execution of business operations, and provides advice to the management from an objective standpoint as Outside Director who is an Audit & Supervisory Committee Member, leveraging her extensive experience and high level of insight. The Company therefore respectfully requests that she be elected as a Substitute Outside Director who is an Audit & Supervisory Committee Member. The amounts of transactions between LIXIL Corporation and the Company as well as transactions between Nippon Sheet Glass Co., Ltd. and the Company account for less than 1% of the consolidated total revenue of either company, respectively.

Note 1: If Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 2 “Election of Six (6) Directors (Excluding Directors who are Audit & Supervisory Committee Members)” are approved as proposed, Reiko Kusunose will take office as a Director who is not an Audit & Supervisory Committee Member. However, in the event that the number of Directors who are Audit & Supervisory Committee Members falls below the number required by laws and regulations, she will resign her position as a Director who is not an Audit & Supervisory Committee Member and take office as a Director who is an Audit & Supervisory Committee Member.

Note 2: There is no special interests between Reiko Kusunose and the Company.

Note 3: For Reiko Kusunose’s personal history and other matters to be stated in the Reference Documents for the General Meeting of Shareholders, please also refer to Proposal 2 “Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members).” With respect to her registration as an Independent Director, Limited Liability Agreement, and Directors and Officers Liability Insurance Contract, they will be continued and maintained even after she takes office as a Director who is an Audit & Supervisory Committee Member.



◆Directors and Officers Liability Insurance Contract related to candidates for Directors (including candidates for Directors who are Audit & Supervisory Committee Members)

The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. Under this insurance contract, the insured are covered for legal damages and litigation costs arising from claims for damages made in connection with the performance of their duties (including omissions). However, claims arising from willful misconduct or gross negligence are not covered under this insurance contract.

Of those candidates for Director proposed in Proposal 2 “Election of Six (6) Directors (Excluding Directors who are Audit & Supervisory Committee Members)” and Proposal 3 “Election of Five (5) Directors who are Audit & Supervisory Committee Members,” candidates who have been in a position of Director or Statutory Auditor are already insureds of said insurance contract. When their reelection is approved, they will continue to be covered under the policy. New candidates will be insured under said insurance contract when their election is approved.

Note that the insurance premiums are covered in full by the Company. In addition, said insurance contracts are scheduled to be renewed in June 2025.

**(Reference) Skills that are particularly expected to contribute to fulfilling the roles and responsibilities of the Board of Directors and the Audit & Supervisory Committee**

If Proposal 2 “Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” and Proposal 3 “Election of Five (5) Directors Who Are Audit & Supervisory Committee Members” are approved as proposed, the composition of directors will be as follows.

Based on the medium-term management plan and management issues, the Company has established a skills matrix, given the “reasons for selecting skill items.”

From the range of knowledge, experience and abilities each person has, we have indicated the “Skills that are particularly expected to contribute to fulfilling the roles and responsibilities of the Board of Directors and the Audit & Supervisory Committee,” with the aim of striking an overall balance in the composition of the Board of Directors and the Audit & Supervisory Committee.

The Company is also making efforts to improve diversity, including gender diversity. If Proposal 2 “Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” and Proposal 3 “Election of Five (5) Directors Who Are Audit & Supervisory Committee Members” are approved as proposed, the ratio of female executives will be 36% (four female executives: Reiko Kusunose, Tomoko Torii, Tamie Minami, and Yaeko Takeoka). Please note that Tamie Minami is a non-Japanese national.

Name	Position at Tojin	Attributes*	Tenure in Position	Management / Reform		Business	Function / Foundation					
				Management of a (listed) company	Restructuring of business / Internal reform		Production / Technology / Quality / Intellectual Property / DX	Management of a global organization	Human capital / DE&I	Finance / Accounting / IR	Risk management / Legal affairs	Sustainability
Akimoto Uchikawa	Representative Director of the Board President & CEO Representative Director,		4	○	○	○ Materials	○	○				○
Naohiko Moriyama	Representative Director of the Board Senior Executive Officer		4		○	○ Healthcare	○			○	○	
Yuji Nakahara	Director Corporate Officer		–		○	○ Infrastructure Materials	○	○				○
Masaaki Tsuya	Director	Outside Director	3	○	○	○ Mobility		○			○	○
Reiko Kusunose	Director	Outside Director	1		○	○ Mobility Industrial		○	○	○		
Toichi Maeda	Director	Outside Director	–	○	○	○ Infrastructure Industrial	○	○				○
Masanori Shimai	Director (Full-time Audit & Supervisory Committee Member)		6			○ Materials				○	○	
Tomoko Torii	Director (Full-time Audit & Supervisory Committee Member)		1			○ Healthcare	○		○			
Koichi Tsuji	Director (Audit & Supervisory Committee Member)	Outside Director	2			○ Infrastructure Industrial		○		○		
Tamie Minami	Director (Audit & Supervisory Committee Member)	Outside Director	2		○	○ Healthcare		○	○			
Yaeko Takeoka	Director (Audit & Supervisory Committee Member)	Outside Director	–			○ Mobility Materials	○				○	

\*1 “Independent” indicates an independent director as stipulated by the Tokyo Stock Exchange.

\*2 The table shows skills that are particularly expected to contribute to fulfilling the roles and responsibilities of the Board of Directors and the Audit & Supervisory Committee, and does not represent all of the skills the candidates have. The criteria for “Function / Foundation” is generally around two items.

## <Reasons for Selecting Skill Items>

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

**Proposal 5: Determination of Compensation Amounts for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)**

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit & Supervisory Committee at the conclusion of this General Meeting of Shareholders.

The total maximum annual monetary compensation, etc. for Directors of the Company has been six hundred thirty (630) million yen (of which the maximum annual monetary compensation, etc. for Outside Directors is one hundred (100) million yen), as approved at the 155th Ordinary General Meeting of Shareholders held on June 23, 2021. As the Company plans to transition to a Company with an Audit & Supervisory Committee, the Company proposes to abolish this total maximum annual monetary compensation, etc. and set a new total maximum monetary annual compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) as six hundred forty (640) million yen (of which, the maximum monetary annual compensation, etc. for Outside Directors is one hundred (100) million yen). This amount of annual monetary compensation, etc. shall not include the employee salary portion for Directors who concurrently serve as employees.

The Company will transition to a Company with an Audit & Supervisory Committee, and if this Proposal, Proposal 6 “Determination of Compensation Amounts for Directors Who Are Audit & Supervisory Committee Members,” and Proposal 7 “Determination of the Restricted Stock Plan and Performance Share Units Plan for Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members)” are approved as proposed, the Company will change its determination policy as stated in Paragraph 3, Item (2)-7 “Method of Determining the Policy for Establishing the Content of Compensation, etc., for Individual Directors Following Transition to a Company with an Audit & Supervisory Committee in FY2025, and Overview of the Policy” of the Attached Reports.

Based on the above determination policy, this proposal takes into account recent economic conditions, the Company’s business size, the future composition of the Board of Directors, and duties to be fulfilled by Directors (excluding Directors who are Audit & Supervisory Committee Members), among other factors and has been deliberated by the Compensation Advisory Committee, a voluntary committee comprised of a majority of Independent Outside Directors with an Independent Outside Director as a chairperson. Accordingly, the Company has determined that this proposal is reasonable in its substance.

There are currently seven (7) Directors (of which four (4) are Outside Directors). If Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 2 “Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” are approved as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be six (6) (of which three (3) are Outside Directors).

The Resolution of this Proposal shall take effect on the condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

**Proposal 6: Determination of Compensation Amounts for Directors Who Are Audit & Supervisory Committee Members**

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit & Supervisory Committee at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes to set the total maximum annual compensation for Directors who are Audit & Supervisory Committee Members as one hundred seventy (170) million yen.

This proposal takes into account recent economic conditions, the Company’s business size, the future composition of the Board of Directors, and duties to be fulfilled by Directors who are Audit & Supervisory Committee Members, among other factors and has been deliberated by the Compensation Advisory Committee, a voluntary committee comprised of a majority of Independent Outside Directors with an Independent Outside Director as a chairperson. Accordingly, the Company has determined that this proposal is reasonable in its substance.

If Proposal 1 “Partial Amendments to the Articles of Incorporation” and Proposal 3 “Election of Five (5) Directors Who Are Audit and Supervisory Committee Members” are approved as proposed, the number of Directors who are Audit & Supervisory Committee Members will be five (5) (of which three (3) are Outside Directors).

The Resolution of this Proposal shall take effect on the condition that the amendments to the Articles of Incorporation in Proposal 1 “Partial Amendments to the Articles of Incorporation” take effect.

## **Proposal 7: Determination of the Restricted Stock Plan and Performance Share Units Plan for Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members)**

If Proposal 1 “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit & Supervisory Committee at the conclusion of this General Meeting of Shareholders.

The total maximum annual monetary compensation, etc. for Directors of the Company has been 1) six hundred thirty (630) million yen (of which the maximum annual monetary compensation, etc. for Outside Directors is one hundred (100) million yen) as approved at the 155th Ordinary General Meeting of Shareholders held on June 23, 2021, 2) thirty five (35) million yen per fiscal year as the total maximum amount of monetary claims for stock portion (the total maximum annual number of the Company’s ordinary shares to be issued or disposed of is twenty five thousand (25,000) shares per fiscal year), thirty five (35) million yen per fiscal year as the total maximum amount of share units to be provided, and thirty five (35) million yen per fiscal year as the total maximum amount of cash to be paid based on such share units, as compensation for granting restricted stock compensation, and 3) one hundred fifty (150) million yen per fiscal year as the total maximum amount of monetary claims for stock portion (the total maximum number of the Company’s ordinary shares to be issued or disposed of is one hundred thousand (100,000) shares per fiscal year), one hundred fifty (150) million yen per fiscal year as the total maximum amount of share units to be provided, and one hundred fifty (150) million yen per fiscal year as the total maximum amount of cash to be paid based on such share units, as compensation for granting performance share units compensation, as approved at the 158th Ordinary General Meeting of Shareholders held on June 20, 2024.

The objective of the current restricted stock plan and performance share units plan (hereinafter referred to as the “Current Plans”) is for corporate governance, and to further strengthen corporate value creation from stakeholders and a medium- to long-term perspectives (sustainability, ESG), as well as to increase the motivation to contribute to increasing the Company’s stock value by adopting an approach to take into account the funds for tax payable upon the time of release of transfer restrictions and enhancing the operability of the stock plan for internal Directors who concurrently serve as Corporate Officers of the Company. In conjunction with the transition to a Company with an Audit & Supervisory Committee, the Company has decided to abolish the Current Plan and introduce a new restricted stock plan and performance share units plan as new stock plans (hereinafter referred to as the “New Plans”). The New Plans apply to internal Directors who concurrently serve as Corporate Officers of the Company (excluding Directors who are Audit & Supervisory Committee Members) (hereinafter referred to as “Eligible Directors”) and, in addition to the objective of the Current Plans, are aimed at establishing the Company’s executive compensation plan as a global company, considering internal Directors of the Company subject to overseas compensation plans (i.e., internal Directors of the Company who have also concluded employment contracts, etc. with Teijin Group companies outside Japan, and originally belong to those companies) (hereinafter referred to as “Eligible Directors subject to Overseas Plans”). Under the New Plans, for Eligible Directors (excluding Eligible Directors subject to Overseas Plans), the Company will provide, in the same manner as the Current Plans, monetary claims to issue or dispose of the Company’s ordinary shares on the condition that, in principle, transfer restrictions be released upon retirement from the positions designated in advance by the Board of Directors of the Company. In addition, to eliminate the need to sell the Company’s ordinary shares to secure funds for tax payment arising upon the release of transfer restrictions, the Company will provide share units (the Company will pay cash equivalent to the share price per the Company’s ordinary share for each unit. The actual amount of cash Eligible Directors will be able to receive will be calculated by multiplying the number of share units provided by the Share Price at the Time of Disbursement (as defined in “1. Outline of the Restricted Stock Plan” below); hereinafter referred to as “Share Units”) for the purpose of securing funds for tax payment at the same time as the provision of monetary claims, and pay cash in an amount calculated, in principle, by multiplying the number of such share units by the Share Price at the Time of Disbursement (as defined in “1. Outline of the Restricted Stock Plan” below) at the same time, in principle, as releasing of transfer restrictions on the Company’s ordinary shares issued or disposed of under the New Plans. For Eligible Directors subject to Overseas Plans, monetary claims for issuance or disposal of the Company’s ordinary shares will be provided subject to transfer restrictions to be released in principle three (3) years after the date that the Company issues or disposes of the Company’s ordinary shares (hereinafter referred to as the “Delivery Date,” including the date share units are provided) for the restricted stock compensation, and, for the performance share units compensation, without transfer restrictions. In addition, the Company will provide Share Units for the purpose of securing funds for tax payment at the same time as the provision of the monetary claims, and

pay cash in an amount calculated by multiplying the number of such Share Units by the Share Price at the Time of Disbursement in principle (as defined in “1. Outline of the restricted stock plan” below) at the same time, in principle, as the release of transfer restrictions on the Company’s ordinary shares issued or disposed of for the restricted stock compensation, and, for the performance share units compensation, at the same time as the disbursement of the Company’s ordinary shares issued or disposed of.

If this Proposal is approved as proposed, the Company will provide to Eligible Directors monetary claims for the issuance or disposal of the Company’s ordinary shares and cash to be paid based on Share Units for securing funds for tax payment, which are both treated separately from the amount of monetary compensation, etc. for which the Company requests approval in Proposal 5 “Determination of Compensation Amounts for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members).”

Based on this proposal, compensation provided for the granting of compensation under the New Plans to Eligible Directors shall be monetary claims (for stock portion) and cash (for share units portion) in principle, and the total maximum number of the Company’s ordinary shares to be issued or disposed of to Eligible Directors as the restricted stock compensation shall be twenty five thousand (25,000) shares per fiscal year, and the total maximum amount of monetary claims for the issuance or disposal of such ordinary shares shall be thirty five (35) million yen per fiscal year. Furthermore, the total maximum amount of Share Units to be provided (which is calculated by multiplying the number of Share Units to be provided by the Share Price at the Time of Resolution (as defined in “1. Outline of the restricted stock plan” below). Hereinafter the same shall apply to the total maximum amount of Share Units) shall be thirty five (35) million yen per fiscal year, and the total maximum amount of cash to be paid based on such Share Units shall be three hundred (300) million yen per fiscal year (\*1). The total maximum number of the Company’s ordinary shares to be issued or disposed of to Eligible Directors as the performance share units compensation shall be two hundred ninety thousand (290,000) shares per fiscal year, and the total maximum amount of monetary claims for the issuance and disposal of such ordinary shares shall be three hundred forty (340) million yen per fiscal year. Furthermore, the total maximum amount of Share Units to be provided shall be three hundred forty (340) million yen per fiscal year, and the total maximum amount of cash to be paid based on such Share Units shall be one point two (1.2) billion yen per fiscal year (\*1).

(\*1) In principle, for Eligible Directors (excluding Eligible Directors subject to Overseas Plan), cash to be paid based on Share Units is paid when an Eligible Director (excluding Eligible Directors subject to Overseas Plan) retires from the position of Eligible Director (excluding Eligible Directors subject to Overseas Plans) or from any other position defined in advance by the Board of Directors of the Company. For Eligible Directors for Overseas Plans, cash to be paid based on Share Units is paid at the time of the release of transfer restrictions on the Company’s ordinary shares issued or disposed of for the restricted stock compensation, and, for the performance share units compensation, at the time of issuance or disposal of the Company’s ordinary shares. The total maximum amount of cash to be paid based on Share Units is therefore set by taking into account the fact that the total amount of cash actually paid varies each fiscal year due to factors such as the share price at the time of disbursement, number of Eligible Directors who satisfy the payment criteria, and the years of their tenure.

For the New Plans, the Company will partially amend the contents of the Current Plans, such as the scope of reasons for acquisition of restricted stock, etc. without consideration, as stated below, and stipulate the treatment of Eligible Directors subject to Overseas Plans that partially differs from the treatment of other Eligible Directors, by taking into account the difference in applicable tax systems, etc. Of the restricted stock compensation and the performance share units compensation under the Current Plans, the Company’s ordinary shares that have not been issued or disposed of; monetary claims and Share Units for issuance or disposal of the Company’s ordinary shares that have not been provided; the Company’s ordinary shares for which transfer restrictions have not been released; and Share Units for which cash has not been paid by the day this proposal is approved will be switched to the contents of the New Plans, respectively, if this proposal is approved.

The specific timing for payment and allocation to each Eligible Director shall be determined by the Board of Directors of the Company following deliberation by the Compensation Advisory Committee of the Company.

The Company will transition to a Company with an Audit & Supervisory Committee, and if this proposal, Proposal 5 “Determination of Compensation Amounts for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members),” and Proposal 6 “Determination of Compensation Amounts for Directors Who Are Audit & Supervisory Committee Members” are approved as proposed, the Company will change its determination policy as stated in “Method of Determining the Policy for Establishing the Content of Compensation, etc., for Individual Directors Following Transition to a Company with an Audit & Supervisory Committee in FY2025, and Overview of the Policy” of the Attached Reports.

The maximum compensation amounts for monetary claims and cash for granting compensation, the

number of the Company's ordinary shares to be issued or disposed of, and the total amount of Share Units to be provided, as well as other conditions for granting compensation to Eligible Directors under the New Plans are based on the aforementioned determination policy and taken into account the aforementioned objective of the New Plans, recent economic conditions, the Company's business size, the future composition of the Board of Directors, and duties to be fulfilled by Eligible Directors, and other factors and has been deliberated by the Compensation Advisory Committee, a voluntary committee comprised of a majority of Independent Outside Directors with an Independent Outside Director as a chairperson. Accordingly, the Company has determined that this proposal is reasonable in its substance.

There are currently seven (7) Directors (of which four (4) are Outside Directors), and Eligible Directors are three (3). If Proposal 1 "Partial Amendments to the Articles of Incorporation" and Proposal 2 "Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)" are approved as proposed, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be six (6) (of which three (3) are Outside Directors), and Eligible Directors will be three (3).

The Resolution of this Proposal shall take effect on the condition that the amendments to the Articles of Incorporation in Proposal 1 "Partial Amendments to the Articles of Incorporation" take effect.

#### **1. Outline of the Restricted Stock Plan**

The restricted stock plan (hereinafter referred to as the "Plan" in this section) is an advance-allotment type share-based compensation plan where the Company issues or disposes of the Company's ordinary shares and provides share units to each Eligible Director for each fiscal year based on a resolution of the Board of Directors of the Company (\*2).

For the stock portion, Eligible Directors are provided with monetary claims for the issuance or disposal of the Company's ordinary shares, and Eligible Directors shall in turn pay all monetary claims in the form of property contributed in kind to receive the Company's ordinary shares to be issued or disposed of by the Company. The total maximum number of ordinary shares to be newly issued or disposed of by the Company shall be no more than twenty five thousand (25,000) shares per fiscal year (however, if a share split (including the allotment of ordinary shares of the Company without contribution), a reverse share split, or any other reason in which adjustment of the total number of the Company's ordinary shares to be issued or disposed of as the restricted stock compensation takes place on or after the day on which this proposal is approved and adopted, such total number will be adjusted to a reasonable extent as necessary). The total maximum amount of monetary claims for issuance or disposal of the Company's ordinary shares shall be thirty five (35) million yen per fiscal year. Furthermore, the amount to be paid per share shall be approved by the Board of Directors of the Company based on the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors (or the closing price on the trading day immediately prior thereto if there is no trading on the said business day, hereinafter referred to as the "Share Price at the Time of Resolution") to the extent that Eligible Directors receiving the Company's ordinary shares do not receive an especially advantageous price.

For the Share Units portion, Share Units shall be provided at the same time as the issuance or disposal of the Company's ordinary shares mentioned above. The total maximum amount of Share Units to be provided shall be thirty five (35) million yen per fiscal year. When the transfer restriction on issued or disposed of the Company's ordinary shares is released, allotted Share Units shall be paid in cash in the amount calculated by multiplying the number of Share Units (however, if a share split (including the allotment of ordinary shares of the Company without consideration), a reverse share split, or any other reason in which adjustment of the number of Share Units is required takes place on or after the day Share Units are provided, the number of Share Units will be adjusted to a reasonable extent as necessary. Hereinafter the same shall apply to the number of Share Units) by the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on the day the transfer restrictions are released (or the closing price on the trading day immediately prior thereto if there is no trading on the said day, hereinafter referred to as the "Share Price at the Time of Disbursement"), in principle. The total maximum amount of cash to be paid based on Share Units shall be three hundred (300) million yen per fiscal year.

#### **[Specific mechanism of the restricted stock plan]**

(1) Based on the disbursement amount that has been set based on position and job grade (hereinafter referred to as the "Disbursement Amount"), and according to the calculation method described in 1) below, the number of the Company's ordinary shares to be issued or disposed of to as well as the amount of monetary claims to be provided to and the number of Share Units to be provided to each Eligible Director will be determined by the Board of Directors of the Company following deliberation by the Compensation Advisory Committee of the Company.

(2) Corresponding to the number of the Company's ordinary shares to be issued or disposed of to each Eligible Director determined in (1) above, the Company will provide monetary claims for the issuance or disposal of the Company's ordinary shares to each Eligible Director based on a resolution of the Board of Directors of the Company, and Eligible Directors shall in turn pay all monetary claims in the form of property contributed in kind and receive the Company's ordinary shares to be issued or disposed of by the Company.

(3) To secure funds for income tax, etc. that will be imposed upon the release of transfer restrictions on the Company's ordinary shares in (2) above, the Company will allot the number of share units determined in (1) above to each Eligible Director, in addition to the monetary claims in (2) above.

(4) For share units in (3) above, the Company will pay cash to each Eligible Director in the amount obtained by multiplying the number of share units allotted in (3) above by, in principle, the Share Price at the Time of Disbursement upon the release of transfer restrictions on the Company's ordinary shares issued or disposed of in (2) in principle, for the purpose of securing funds for the tax payment on the Company's ordinary shares issued or disposed of in (2) above.

1) Calculation methods for the number of the Company's ordinary shares to be issued or disposed of, the amount of monetary claims to be provided, the number of share units to be provided, and the amount of cash to be paid based on share units

The Company calculates the number of the Company's ordinary shares to be issued or disposed of, and the number of share units to be provided, to each Eligible Director based on the calculation method in a) below, the amount of monetary claims to be provided to each Eligible Director based on the calculation method in b) below, and the amount of cash to be paid based on share units to be provided to each Eligible Director based on the calculation method in c) below.

a) Calculation method for the number of the Company's ordinary shares to be issued or disposed of, and the number of share units to be provided, to each Eligible Director

(i) Number of the Company's ordinary shares to be issued or disposed of to each Eligible Director (\*3)

Disbursement amount / Share Price at the Time of Resolution x ratio of allotment (\*4)

(ii) Number of Share Units to be provided to each Eligible Director (\*3)

Disbursement Amount / Share Price at the Time of Resolution x (100% - ratio of allotment mentioned in (i) above) (\*5)

b) Calculation method for monetary claims to be provided to each Eligible Director

The Company will calculate the amount of monetary claims to be provided to each Eligible Director by multiplying the number of the Company's ordinary shares to be issued or disposed of to each Eligible Director, which is calculated using the calculation method in a) (i) above by, in principle, the Share Price at the Time of Resolution. (\*3)

c) Calculation method for the amount of cash to be paid based on Share Units

The Company will calculate the amount of cash to be paid to each Eligible Director by multiplying the number of Share Units which is calculated based on the calculation method in a) (ii) above by, in principle, the Share Price at the Time of Disbursement.

(\*2) If after start of the period defined in advance by the Board of Directors of the Company (hereinafter referred to as the "Service Period"), an Eligible Director retires from the position defined by the Board of Directors of the Company due to legitimate reasons including expiration of term of office, reaching retirement age, or death (hereinafter simply referred to as "Legitimate Reasons") before the issuance or disposal of the Company's ordinary shares and the provision of Share Units, the Company will provide cash to the Eligible Director in an amount reasonably calculated based on the Eligible Director's term of office during the said Service Period promptly after his or her retirement. Additionally, if, after the start of the Service Period, matters relating to a merger agreement in which the Company is an absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc., are approved at a General Meeting of Shareholders of the Company or the Board of Directors of the Company, if the said organizational restructuring, etc., does not require approval of a General Meeting of Shareholders of the Company, before the issuance or disposal of the Company's ordinary shares and the provision of share units, the Company will pay cash to Eligible Directors in an amount reasonably calculated in consideration of the period between the start date of the Service Period and the approval date of the said organizational restructuring, etc., based on a resolution of the Board of Directors of the Company. Furthermore, if the position or job grade of an Eligible Director changes



after the start of the Service Period and the said Eligible Director retires from positions designated in advance by the Board of Directors of the Company due to a Legitimate Reason, prior to the start of the next Service Period, the Company will pay cash to the Eligible Director as required in an amount reasonably calculated in consideration of the timing of the change in position or job grade during the Service Period and the position and job grade after the change.

- (\*3) If the result of calculation using the calculation method in 1) a) through c) above exceeds the total annual maximum number of the Company's ordinary shares to be issued or disposed of (twenty five thousand (25,000) shares per fiscal year), the total annual maximum amount of monetary claims to be provided (thirty five (35) million yen per fiscal year), the total annual maximum amount of Share Units to be provided (thirty five (35) million yen per fiscal year), or the total annual maximum amount of cash to be paid based on Share Units (three hundred (300) million yen per fiscal year), the Company will decrease the number of the Company's ordinary shares to be issued or disposed of, the amount of monetary claims to be provided, the number of share units to be allotted, or the amount of cash to be paid based on share units to each Eligible Director by using a reasonable method determined by the Board of Directors of the Company, such as using a pro rata method, so that they will not exceed the upper limits.
- (\*4) The ratio of allotment refers to the ratio of 1)a)(i) and (ii). The ratio of allotment for the Company's ordinary shares in (i) will be calculated within the range between fifty percent (50%) and one hundred percent (100%), and the remaining portion of the ratio of allotment is for Share Units in (ii). Furthermore, as a result of the above calculation, if there is a fractional share of the Company's ordinary shares to be issued or disposed of less than one (1) share, it shall be rounded to the nearest whole number.
- (\*5) As a result of the above calculation, if there is a fractional unit of share units to be allotted less than one (1) unit, it shall be rounded to the nearest whole number.

## 2) Allotment conditions for Eligible Directors

If the following conditions are met, the Company will issue or dispose of the Company's ordinary shares, and provide Share Units, to each Eligible Director based on the calculation methods in (1):

- a) there has been no certain violation of rules stipulated by the Board of Directors of the Company; and
- b) other required conditions for the restricted stock plan as defined by the Board of Directors of the Company

For the issuance or disposal of the Company's ordinary shares and payment of monetary claims as property contributed in kind as well as the provision of Share Units and payment of cash to be paid based on Share Units under the Plan, the Company and the Eligible Director shall enter into a restricted stock allotment agreement which includes the matters described below.

### [Outline of the restricted stock allotment agreement]

#### (1) Transfer restriction and period thereof

Eligible Directors must not, in principle, transfer, create security interests, or make any disposal of the Company's ordinary shares that have been issued or disposed of to them under the restricted stock allotment agreement (hereinafter referred to as the "Allotted Restricted Shares") from the date the Company's ordinary shares are issued or disposed of to Eligible Directors under the restricted stock allotment agreement to the time immediately after their retirement from positions defined in advance by the Company's Board of Directors (however, for the case of Eligible Directors subject to Overseas Plans, such time or the time three (3) years have elapsed since the date Company's ordinary shares are issued or disposed of to them, whichever comes first. Hereinafter referred to as the "Transfer Restriction Period" in this section) (The above conditions are hereinafter collectively referred to as the "Transfer Restrictions"). In addition, Eligible Directors must not transfer, create security interests, or make any disposal of Share Units that have been allotted to them based on the restricted stock allotment agreement (hereinafter referred to as the "Allotted Share Units" in this section). However, if the time immediately after their retirement is prior to the submission date of the Company's securities report for the fiscal year that includes the date of issuance or disposal of the Allotted Restricted Shares (if the date of issuance or disposal of the Allotted Restricted Shares is within six (6) months from the beginning of the Company's fiscal year, then the submission date of the Company's semi-annual report for that fiscal year), the end of the Transfer Restriction Period may be adjusted to a reasonable extent as necessary according to reasons for retirement, etc.

#### (2) Release of the Transfer Restrictions and payment of cash based on Share Units

Under the condition that an Eligible Director continuously serves over the Service Period in a position

defined in advance by the Board of Directors of the Company, the Company will release all Transfer Restrictions on the Allotted Restricted Shares upon expiration of the Transfer Restriction Period and pay the amount obtained by multiplying the Allotted Share Units by, in principle, the Share Price at the Time of Disbursement upon the release of Transfer Restrictions.

**(3) Handling at the case of retirement**

Notwithstanding the provisions of (2) above, if an Eligible Director retires from a position defined in advance by the Board of Directors of the Company prior to the expiration of the Service Period due to a Legitimate Reason, the Company will release the Transfer Restrictions to a portion of the Allotted Restricted Shares (reasonably calculated in consideration of the term of office, etc. of the said Eligible Director) immediately after the said retirement, and will acquire without consideration any remaining portions to which the Company do not release the Transfer Restrictions. For the Allotted Share Units, the Company will pay the amount of cash obtained by multiplying a portion of the Allotted Share Units (reasonably calculated in consideration of the term of office, etc. of the said Eligible Director) by, in principle, the Share Price at the Time of Disbursement, and acquire without consideration the remaining portions of the Allotted Share Units for which cash will not be paid. Additionally, if an Eligible Director retires from a position defined in advance by the Board of Directors of the Company due to reasons other than a Legitimate Reason, the Company will acquire without consideration all of the Allotted Restricted Shares and Allotted Share Units as a matter of course. However, if an Eligible Director retires from a position defined in advance by the Board of Directors of the Company due to a personal reason other than Legitimate Reasons and the Company's CEO approves the said reason as legitimate (in case the Eligible Director is CEO, the Board of Directors resolves; hereinafter the same applies), the Company will, as a matter of course, acquire without consideration all of the Allotted Restricted Shares for which the Transfer Restriction Period of three (3) years has not elapsed and the Allotted Share Units which have been provided at the same time as disbursement of such Allotted Restricted Shares.

**(4) Handling of organizational restructuring, etc.**

Notwithstanding the provisions of (2) above, if during the Transfer Restriction Period matters relating to a merger agreement in which the Company is an absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc., are approved at a General Meeting of Shareholders of the Company or at the Board of Directors of the Company, if said organizational restructuring, etc., does not require approval of a General Meeting of Shareholders of the Company (only if the effective date thereof arrives before the expiration of the Transfer Restriction Period), the Company will, based on a resolution of the Board of Directors of the Company, release the Transfer Restrictions ahead of the effective date of the said organizational restructuring, etc., for the number of the Allotted Restricted Shares reasonably determined in consideration of the period between the start date of the Service Period and the approval date of said organizational restructuring, etc., and pay cash in the amount obtained by multiplying the number of the Allotted Share Units determined in consideration of the period between the start date of the Service Period and the approval date of said organizational restructuring, etc., by, in principle, the Share Price at the Time of Disbursement. Additionally, in the above case, the Company will, as a matter of course, acquire without consideration all of the Allotted Restricted Shares that the Company does not release from the Transfer Restrictions and the Allotted Share Units for which cash to be paid based on the Allotted Share Units has not been paid, immediately after the Transfer Restrictions are released.

**(5) Other reasons for acquisition without consideration**

During the Transfer Restriction Period, if an Eligible Director is sentenced to imprisonment or more severe punishment, if a petition to commence bankruptcy proceedings, etc. are filed for an Eligible Director, if the Company's CEO finds that an Eligible Director is engaged in operations, etc., that compete with the Teijin Group's businesses without prior authorization from the Company or plans to engage in such operations, etc. after retirement, if the Company's CEO finds that an Eligible Director has violated laws, regulations or the Company's internal regulations, etc., or if any other cause occurs to an Eligible Director, the Company may acquire without consideration all of the Allotted Restricted Shares and Allotted Share Units of the said Eligible Director as a matter of course.

**(6) Other matters**

Other matters regarding the restricted stock allotment agreement shall be defined by the Board of Directors of the Company.

## 2. Outline of the Performance Share Units Plan

The performance share units plan (hereinafter referred to as the “Plan” in this section) is a post-allotment type share-based compensation plan in which the Board of Directors of the Company establishes in advance an evaluation period comprising one (1) or more fiscal years of the applicable fiscal years under the Company’s medium-term management plan (hereinafter referred to as the “Performance Evaluation Period”) and one (1) or more performance indicators from among the performance indicators set in the medium-term management plan (including sustainability-related indicators, hereinafter the same applies). The Company issues or disposes of the Company’s ordinary shares to, and provides share units to, Eligible Directors, according to the level of achievement of said performance indicators.

For the stock portion, Eligible Directors are provided with monetary claims for the issuance or disposal of the Company’s ordinary shares, and Eligible Directors shall in turn pay all monetary claims in the form of property contributed in kind to receive the Company’s ordinary shares to be issued or disposed of by the Company. As such, the provision of monetary claims to Eligible Directors for the issuance or disposal of the Company’s ordinary shares shall be, in principle, after the end of the Performance Evaluation Period set for each performance indicator. The total maximum number of the Company’s ordinary shares to be issued or disposed of by the Company shall be two hundred ninety thousand (290,000) shares per fiscal year (however, if a share split (including allotment of the Company’s ordinary shares without contribution), a reverse share split, or any other reason in which adjustment of the total number of the Company’s ordinary shares to be issued or disposed of as the performance share units compensation is required takes place on or after the day on which this proposal is approved and adopted, such total number will be adjusted to as reasonable extent as possible). The total maximum amount of monetary claims for the issuance or disposal of the Company’s ordinary shares shall be three hundred forty (340) million yen per fiscal year. Furthermore, the amount to be paid per share shall be approved by the Board of Directors of the Company based on the Share Price at the Time of Resolution to the extent that the Eligible Directors receiving the Company’s ordinary shares do not receive an especially advantageous price.

For the share units portion, share units shall be provided at the same time as the issuance or disposal of the Company’s ordinary shares mentioned above. The total maximum amount of share units to be provided shall be three hundred forty (340) million yen per fiscal year. Allotted share units shall be paid in cash upon the release of Transfer Restrictions on the Company’s ordinary shares that have been issued or disposed of (in case of Eligible Directors subject to Overseas Plans, at the same time as the disbursement of the Company’s ordinary shares to be issued or disposed of), in the amount calculated by multiplying the number of share units by, in principle, the Share Price at the Time of Disbursement. The total maximum amount of cash to be paid based on share units shall be one point two (1.2) billion yen per fiscal year.

Additionally, the Plan provides for the issuance or disposal of the Company’s ordinary shares and the provision of monetary claims for the issuance or disposal of the Company’s ordinary shares, as well as the provision of share units, based on the achievement level of the performance indicators mentioned above, and therefore, nothing is determined before the said level of achievement is confirmed with regard to whether or not to issue or dispose of the Company’s ordinary shares or provide share units to each Eligible Director, the number of the Company’s ordinary shares to be issued or disposed of, the amount of monetary claims for the issuance or disposal of the Company’s ordinary shares and the number of share units to be provided to each Eligible Director.

Furthermore, although the Performance Evaluation Period and performance indicators during the initial period (from FY2024 to FY2025) are planned to be those stated in the Attached Report, the contents (including performance indicators used as the basis of calculation, targets, performance evaluation period, composition ratio, etc.) are subject to change during the initial Performance Evaluation Period by a resolution of the Board of Directors within the scope of this Proposal that this General Meeting of Shareholders approves, and the Company may continue to implement the Plan by setting a new Performance Evaluation Period and performance indicators, etc. after the end of the initial Performance Evaluation Period.

[Specific mechanism of the performance share units plan]

(1) Following deliberation by the Compensation Advisory Committee of the Company, the Board of Directors of the Company will determine the performance indicators required for the calculation of the number of the Company’s ordinary shares to be issued or disposed of and the amount of monetary claims to be provided to each Eligible Director, as well as the number of share units to be provided to and the amount of cash to be paid based on share units to each Eligible Director under the Plan, the Performance Evaluation Period thereof, the targets, composition ratios, and evaluation of the level of achievement, etc..

(2) After the end of a Performance Evaluation Period set for each performance indicators, based on the

achievement level, etc. of targets for each performance indicator for the Performance Evaluation Period, in principle, and according to the calculation method described in 1) below, the number of the Company's ordinary shares to be issued or disposed of as well as the amount of monetary claims and the number of share units to be provided to each Eligible Director will be determined by the Board of Directors of the Company following deliberation by the Compensation Advisory Committee of the Company. For the performance share units compensation, the payment amount varies within the range from zero percent (0%) to the upper limit defined in advance by the Board of Directors of the Company, according to the achievement level of each performance indicator.

(3) Corresponding to the number of the Company's ordinary shares to be issued or disposed of to each Eligible Director determined in (2) above, the Company will provide monetary claims for the issuance or disposal of the Company's ordinary shares to each Eligible Director based on a resolution of the Board of Directors of the Company, and Eligible Directors shall in turn pay all monetary claims in the form of property contributed in kind and receive the Company's ordinary shares to be issued or disposed of by the Company.

(4) To secure funds for income tax, etc. that will be imposed upon the release of Transfer Restrictions on the Company's ordinary shares in (3) above (in case of Eligible Directors subject to Overseas Plans, at the same time as the disbursement of the Company's ordinary shares to be issued or disposed of), the Company will allot the number of share units determined in (2) above to each Eligible Director, in addition to the monetary claims in (3) above.

(5) For share units in (4) above, the Company will pay cash to each Eligible Director in the amount obtained by multiplying the number of share units allotted in (4) above by, in principle, the Share Price at the Time of Disbursement upon, in principle, the release of transfer restrictions on the Company's ordinary shares issued or disposed of in (3) above (in case of Eligible Directors subject to Overseas Plans, at the same time as the disbursement of the Company's ordinary shares to be issued or disposed of), for the purpose of securing funds for tax payment on the Company's ordinary shares issued or disposed of in (3) above.

1) Calculation methods for the number of the Company's ordinary shares to be issued or disposed of, the amount of monetary claims to be provided, the number of share units to be provided, and the amount of cash to be paid based on share units

The Company calculates the number of the Company's ordinary shares to be issued or disposed of, and the number of share units to be provided, to each Eligible Director based on the calculation method in a) below, the amount of monetary claims to be provided to each Eligible Director based on the calculation method in b) below, and the amount of cash to be paid based on share units to be provided to each Eligible Director based on the calculation method in c) below.

a) Calculation method for the number of the Company's ordinary shares to be issued or disposed of, and the number of share units to be provided, to each Eligible Director

(i) Number of the Company's ordinary shares to be issued or disposed of to each Eligible Director (\*6)

Standard amount for stock compensation x Payment rate (\*7) / Share Price at the Time of Resolution x ratio of allotment (\*8)

(ii) Number of share units to be provided to each Eligible Director (\*6)

Standard amount for stock compensation x Payment rate (\*7) / Share Price at the Time of Resolution x (100% - ratio of allotment for (i) above) (\*9)

b) Calculation method for monetary claims to be provided to each Eligible Director

The Company will calculate the amount of monetary claims to be provided to each Eligible Director by multiplying the number of the Company's ordinary shares to be issued or disposed of to each Eligible Director, which is calculated using the calculation method in a) (i) above, by, in principle, the Share Price at the Time of Resolution. (\*6)

c) Calculation method for the amount of cash to be paid based on share units

The Company will calculate the amount of cash to be paid to each Eligible Director by multiplying the number of share units which is calculated based on the calculation method in a) (i) above, by, in principle, the Share Price at the Time of Disbursement. (\*6)

(\*6) If the result of calculation using the calculation method in 1) a) through c) above exceeds the total annual maximum number of the Company's ordinary shares to be issued or disposed of (two hundred ninety thousand (290,000) shares per fiscal year), the total annual maximum amount of monetary claims to be provided (three hundred forty (340) million yen per fiscal year), the total annual maximum amount of share units to be provided (three hundred forty (340) million yen per fiscal year), or the

total annual maximum amount of cash to be paid based on share units (one point two (1.2) billion yen per fiscal year), the Company will decrease the number of the Company's ordinary shares to be issued or disposed of, the amount of monetary claims to be provided, the number of share units to be provided, or the amount of cash to be paid based on share units provided to each Eligible Director by using a reasonable method determined by the Board of Directors of the Company, such as using a pro rata method, so that they will not exceed the upper limits.

- (\*7) The payment rate will vary within a certain range that is determined in advance by using a method defined by the Board of Directors of the Company, and the payment rate for each Eligible Director shall be determined by the Board of Directors of the Company after deliberation by the Compensation Advisory Committee of the Company, by taking into the level of achievement of the targets in each performance indicator and other factors during the Performance Evaluation Period.
- (\*8) The ratio of allotment refers to the ratio of 1) a) (i) and (ii). The ratio of allotment for the Company's ordinary shares in (i) will be calculated within the range between fifty percent (50%) and one hundred percent (100%), and the remaining portion of the ratio of allotment is for share units in (ii). Furthermore, as a result of the above calculation, if there is a fractional share of the Company's ordinary shares to be issued or disposed of less than one (1) share, it shall be rounded to the nearest whole number.
- (\*9) As a result of the above calculation, if there is a fractional unit of share units to be allotted, it shall be rounded to the nearest whole number.

## **(2) Allotment conditions for Eligible Directors**

If the following conditions are met after the end of the Performance Evaluation Period, the Company will issue or dispose of the Company's ordinary shares, and provide share units, to each Eligible Director based on the calculation methods in above 1) (\*10, 11, 12):

- a) the Eligible Director was in a position designated by the Board of Directors of the Company for the entirety or a portion of the Performance Evaluation Period;
- b) there has been no certain violation of rules stipulated by the Board of Directors of the Company; and
- c) other required conditions for performance share units plan as defined by the Board of Directors of the Company.

- (\*10) If an Eligible Director retires from a position defined in advance by the Board of Directors of the Company due to a Legitimate Reason during the Performance Evaluation Period, the Company will make a calculation after making reasonable adjustments to the number of the Company's ordinary shares and the number of share units as needed, in consideration of factors including the term of office up to the time of retirement during the Performance Evaluation Period, the position and job grade of the Eligible Director during the said period, and the achievement level of targets for each fiscal year as of the time of retirement, which are separately defined for each performance indicator.
- (\*11) If an Eligible Director retires from a position defined in advance by the Board of Directors of the Company due to a Legitimate Reason during the Performance Evaluation Period, the Company will issue or dispose of the number of the Company's ordinary shares calculated in accordance with (\*10) above and provide the number of share units calculated in accordance with (\*10) above to the Eligible Director (if the retirement is due to death, then the successor in title to the Eligible Director) within a reasonable period after retirement.
- (\*12) If, after the start of the Performance Evaluation Period, matters relating to a merger agreement in which the Company is an absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc., are approved at a General Meeting of Shareholders of the Company (however, if said organizational restructuring, etc., does not require approval of a General Meeting of Shareholders of the Company, the Board of Directors of the Company) before the issuance or disposal of the Company's ordinary shares and the provision of share units, the Company will provide the Company's ordinary shares and share units or pay cash to Eligible Directors based on a resolution of the Board of Directors of the Company. If providing ordinary shares and share units in consideration of factors including the period between the start date of the Performance Evaluation Period and the date of approval of said organizational restructuring, etc., the positions or job grades of the Eligible Directors during the said period, and the level of achievement of targets in performance indicators as of the time of said resolution of the Board of Directors, with reasonable adjustments made to the number of shares and share units as needed, the Company will issue or dispose of the Company's ordinary shares to Eligible Directors ahead of the effective date of said organizational restructuring, etc., and for share

units, the Company will pay cash in the amount obtained by multiplying the number of share units by, in principle, the Share Price at the Time of Disbursement upon the release of Transfer Restrictions on the Company's ordinary shares mentioned above. When paying cash, the Company will pay to Eligible Directors an amount of cash reasonably calculated in consideration of factors including the period between the start date of the Performance Evaluation Period and the date of approval of said organizational restructuring, etc., the positions or job grades of the Eligible Directors during the said period, and the level of achievement of targets in performance indicators as of the time of said resolution of the Board of Directors of the Company.

For the issuance or disposal of the Company's ordinary shares and payment of monetary claims as property contributed in kind as well as the provision of share units and payment of cash to be paid based on share units under the Plan, the Company and the Eligible Director (excluding Eligible Directors subject to Overseas Plans) shall enter into a performance share units allotment agreement which includes the matters described below. Performance share units allotment agreements entered into between the Company and Eligible Directors subject to Overseas Plans do not include the matters described in (1) through (5) below, and the issuance or disposal of the Company's ordinary shares under the Plan shall be without Transfer Restrictions. Furthermore, for those who have already retired from a position defined in advance by the Board of Directors of the Company for a Legitimate Reason at the time of the issuance or disposal, and provision, it is considered that the Transfer Restriction Period has expired at that time.

**[Outline of the performance share units allotment agreement]**

**(1) Transfer restriction and period thereof**

Eligible Directors (excluding Eligible Directors subject to Overseas Plans; hereinafter the same applies to (1) through (5)) must not, in principle, transfer, create security interests, or make any disposal of the Company's ordinary shares that have been issued or disposed of to them under the performance share units allotment agreement (hereinafter referred to as the "Allotted Performance Shares") from the date the Company's ordinary shares are issued or disposed of to Eligible Directors under the performance share units allotment agreement to the time immediately after their retirement from a position defined in advance by the Board of Directors of the Company in principle (hereinafter referred to as the "Transfer Restriction Period" in this section; the above conditions are hereinafter collectively referred to as the "Transfer Restrictions" in this section). In addition, Eligible Directors must not transfer, create security interests, or make any disposal of share units that have been allotted to them under the performance share units allotment agreement (hereinafter referred to as the "Allotted Share Units" in this section). However, if the time immediately after their retirement is prior to the submission date of the Company's securities report for the fiscal year that includes the date of issuance or disposal of the Allotted Performance Shares (if the date of issuance or disposal of Allotted Performance Shares Units is within six (6) months from the beginning of the Company's fiscal year, then the submission date of the Company's semi-annual report for that fiscal year), the end of the Transfer Restriction Period may be adjusted to a reasonable extent as necessary according to reasons for retirement, etc.

**(2) Release of Transfer Restrictions and payment of cash based on share units**

Under the condition that an Eligible Director continuously serves over the Transfer Restriction Period in a position defined in advance by the Board of Directors of the Company, the Company will release all Transfer Restrictions on the Allotted Performance Shares upon expiration of the Transfer Restriction Period and pay the amount obtained by multiplying the Allotted Share Units by, in principle, the Share Price at the Time of Disbursement.

**(3) Handling at the case of retirement**

Notwithstanding the provisions of (2) above, if an Eligible Director retires from a position defined in advance by the Board of Directors of the Company due to reasons other than Legitimate Reason (except when an Eligible Director retires from a position defined in advance by the Board of Directors of the Company due to a personal reason other than Legitimate Reasons and the Company's CEO approves the said reason as legitimate (in case the Eligible Director is CEO, the Board of Directors resolves; hereinafter the same applies)), the Company will acquire without consideration all of the Allotted Performance Share and the Allotted Share Units as a matter of course.

**(4) Handling of organizational restructuring, etc.**

Notwithstanding the provisions of (2) above, if during the Transfer Restriction Period matters relating to a

merger agreement in which the Company is an absorbed company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc., are approved at a General Meeting of Shareholders of the Company or at the Board of Directors of the Company, if said organizational restructuring, etc., does not require approval of a General Meeting of Shareholders of the Company (only if the effective date thereof arrives before the expiration of the Transfer Restriction Period), the Company will release the Transfer Restrictions ahead of the effective date of the said organizational restructuring, etc., for all of the Allotted Performance Shares, and pay cash in the amount obtained by multiplying all of the Allotted Share Units by, in principle, the Share Price at the Time of Disbursement ahead of the effective date of the said organizational restructuring, etc.

**(5) Other reasons for acquisition without consideration**

During the Transfer Restriction Period, if an Eligible Director is sentenced to imprisonment or more severe punishment, if a petition to commence bankruptcy proceedings, etc. are filed for an Eligible Director, if the Company's CEO finds that an Eligible Director is engaged in operations, etc., that compete with the Teijin Group's business without prior authorization from the Company or plans to engage in such operations, etc. after retirement, if the Company's CEO finds that an Eligible Director has violated laws, regulations or the Company's internal regulations, etc., or if any other cause occurs to an Eligible Director, the Company may acquire without consideration all of the Allotted Performance Shares and Allotted Share Units of the said Eligible Director as a matter of course.

**(6) Other matters**

Other matters regarding the performance share units allotment agreement shall be defined by the Board of Directors of the Company.

\*The following information is provided as reference material to enable readers to better understand the proposal. It does not form part of the proposal.

**[Reference] The upper limit of the total amount of compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) per fiscal year and the method of determining compensation amounts after the revision.**

The upper limit of monetary compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) is 640 million yen, of which 100 million yen is the upper limit of monetary compensation for Outside Directors. Furthermore, the upper limit of restricted stock compensation is 35 million yen (25,000 shares) for the stock portion, and 35 million yen in total for share units to be provided, and 300 million yen in total for cash to be paid based on share units for the share units portion. The upper limit for the performance share units compensation is 340 million yen (290,000 shares) for the stock portion, 340 million yen in total for share units to be provided, and 1.2 billion yen in total for cash to be paid for the share units portion.

The amounts of compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) are determined based on deliberation in the Compensation Advisory Committee, in consideration of a third-party survey on executive compensation in which leading corporations in Japan participate.

<New Plans>  
[Directors (Excluding Director who are Audit & Supervisory Committee Members)]

<b>Restricted Stock Compensation</b>
<b>Stock portion</b> Up to 35 million yen, maximum number of shares: 25,000 shares
<b>Share units portion</b> Up to 35 million yen
<b>Cash to be paid based on share units</b> Up to 300 million yen

<b>Performance Share Units Compensation</b>
<b>Stock portion</b> Up to 340 million yen, maximum number of shares: 290,000 shares
<b>Share units portion</b> Up to 340 million yen
<b>Cash to be paid based on share units</b> Up to 1.2 billion yen

<b>Monetary Compensation</b> Up to 640 million yen
Outside Directors Up to 100 million yen

[Director who are Audit & Supervisory Committee Members]

<b>Monetary Compensation</b> Up to 170 million yen
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- ❑ Share Units are provided for the purpose of securing funds for tax payment. The Company will pay cash equivalent to the share price per the Company's ordinary share for each unit. .
- ❑ Cash to be paid based on share units is , in principle, provided at the same time as releasing of transfer restrictions on the Company's ordinary share issued or disposed of under the stock compensation plans. (However, for performance share units compensation for Eligible Directors subject to overseas systems, such cash is provided at the same as disbursement of the Company's ordinary shares issued or disposed of.)
- ❑ The total maximum amount of cash to be paid based on share units is set by taking into account the fact that the total amount of cash actually paid varies each fiscal year due to factors such as the share price at the time of disbursement, number of Eligible Directors who satisfy the payment criteria, and the years of their tenure.

## 1. Matters Concerning the Current Status of The Teijin Group (corporate group)

### (1) Progress and Results of Business Activities

#### 1) Overview

In FY2024, as the global situation became unstable due to the prolonged situation in Ukraine and the outbreak of conflicts in Israel and its surrounding nations, the global economy remained sluggish except for the U.S., where consumer spending remained solid. The future of the global economy remained uncertain primarily due to a slowdown in China's economy resulting from its sluggish real estate market, inflation and high interest rates, and a downturn of European manufacturing industry due to sluggish external demand, in addition to the implications of a shift in the U.S. trade policy following the change of its administration in January 2025.

The Teijin Group announced its Medium-Term Management Plan 2024-2025 in May 2024, and it has been implementing various initiatives under the main goals of the Plan, "Recovering fundamental profitability by completing the profitability improvement measures" and "achieving business portfolio transformation." In FY2024, the Group completed its profitability improvement initiatives mostly in line with the Plan, and narrowed down businesses by executing strategic options. Meanwhile, the Group also faced new issues such as sluggish demand in the Materials Business Field, affected by a slowdown in the economy. While there has been no change in the medium- to long-term policy described in the Medium-Term Management Plan, the Group has been moving swiftly to get back on a growth track and adapt to the current harsh market environment in the short-term, by working on cost reduction, including review of its production system, and taking other necessary measures.

For FY2024, Teijin Group's revenue amounted to 1,005.5 billion yen, an increase by 4.7% year on year, and adjusted operating income (Note) was 27.6 billion yen, an increase by 25.7% year on year. Operating loss was 71.8 billion yen (ref.: operating loss of 4.9 billion yen for the previous fiscal year) mainly due to the recording of impairment losses for the composites business in North America, while the profit attributable to owners of parent was 28.3 billion yen (ref.: loss of 11.7 billion yen for the previous fiscal year). Adjusted operating income of the Materials Business Field increased due to the realization of additional effects of profitability improvement measures and an increase in sales volume for multiple applications mainly in the aramid business and resin and plastic processing business. Adjusted operating income of the Fibers & Products Converting Business also increased due to robust sales. The Healthcare Business experienced a decrease in adjusted operating income mainly due to the effects of drug price revisions and increased cost attributable to the launch of new home medical devices.



As a result, ROE, an indicator of profitability, was 6.7%, and ROIC was 2.6%. EBITDA, an indicator of the ability to generate cash, was 98.2 billion yen.

Note: Adjusted operating income is calculated by adding share of profit (loss) of investments accounted for using the equity method to operating income and excluding gains and losses due to nonrecurring factors, which include nonrecurring gains and losses such as financial gains and losses and impairment losses in share of profit (loss) of investments accounted for using the equity method.

Please see below for the FY2024 business results by segment. In addition, starting from FY2024, the IT Business, which provides system operation, development and maintenance services, and e-comics distribution services, etc., is classified as discontinued operations.

**Segment operating results (sales and operating income) of the Teijin Group are as follows. (100 Millions of yen)**

		Fiscal 2023	Fiscal 2024	Change	Percentage
Net sales	High performance materials	2,623	2,709	+86	+3.3
	Composites	1,769	1,884	+115	+6.5
	Material	4,392	4,593	+201	+4.6
	Fibers & Products Converting	3,217	3,519	+302	+9.4
	Healthcare	1,447	1,370	△77	△5.3
	Others	548	573	+24	+4.4
	Total	9,605	10,055	+450	+4.7
Adjusted Operating Income	Material	△17	60	+78	-
	Fibers & Products Converting	130	178	+49	+37.5
	Healthcare	182	57	△125	△68.7
	Others	11	71	+60	+554.0
	Elimination and Corporate	△86	△90	△5	-
	Consolidated total	220	276	+56	+25.7

## 2) Overview of Each Business Segment

### I. Materials Business Field

**: Factors that contributed to income included the realization of the effects of profitability improvement measures in the composites business, reduced depreciation and amortization as a result of the recording of impairment losses, etc., and an increase in sales volume in the aramid business and the resin and plastic processing business. On the other hand, it was adversely affected by a decrease in selling prices due to fierce competition in the aramid business and carbon fibers business as well as lack of insurance proceeds that had been recorded in the previous year in the aramid business.**

Revenue was 459.3 billion yen, an increase of 20.1 billion yen (4.6%) year on year, while adjusted operating income was 6.0 billion yen, an increase of 7.8 billion yen year on year. EBITDA was 32.5 billion yen, a decrease of 0.4 billion yen year on year, while ROIC was 1%.

In the aramid business, factors behind the decrease in income included a decrease in selling prices in some applications, which had been affected by lower raw material prices and intensifying competition, and lack of insurance proceeds associated with the fire accident that had been recorded in the previous year. While the decrease was partially offset by an increase in sales volume for automotive applications and ballistics and protective applications, as well as cost reduction due to a decline in raw material and fuel prices, revenue and

adjusted operating income decreased year on year.

In the resin and plastic processing business, the overall demand for polycarbonate resin, which is one of the Group's major products, remained weak mainly due to the ongoing sluggish economy in China, however, inventory adjustments for some applications have slowed down in the supply chain, resulting in an increase in sales volume. On the other hand, selling prices fell due to intensifying competition, and the spread also decreased slightly. As a result of these factors, the resin and plastic processing business achieved an increase year on year in both revenue and adjusted operating income.

In the carbon fibers business, the sales volume decreased in industrial applications, etc., mainly due to the intensification of competition for general purpose products. As a result, selling prices also fell. On the other hand, for aircraft applications, the build rate increased against the backdrop of strong passenger demand, despite the adverse effect of procurement constraints in the supply chain, achieving an increase in sales volume. As a result, revenue and adjusted operating income decreased year on year.

In the composites business, revenue and adjusted operating income increased year on year mainly due to the realization of the effects of profitability improvement measures such as revisions of selling prices and cost reduction, as well as reduced depreciation and amortization resulting from the recording of impairment losses for fixed assets.

## II. Fibers & Products Converting Business

### : Robust sales in both field of fiber materials and apparel, and industrial materials

Revenue was 351.9 billion yen, an increase of 30.2 billion yen (9.4%) year on year, while adjusted operating income was 17.8 billion yen, an increase of 4.9 billion yen (37.5%) year on year. EBITDA was 25.5 billion yen, an increase of 4.7 billion yen year on year, while ROIC was 8%.

In the field of fiber materials and apparel, sales of textiles and apparel items for the North American and Chinese markets remained robust, and apparel sales in Japan also remained robust as well. In the field of industrial materials, sales of polyester staple fibers for water treatment filters, high-grade artificial leather, and household merchandise sold through TV shopping programs remained strong. While expenses increased due to the expansion of sales and purchase costs increased due to weaker yen, the Group implemented measures to improve production efficiency and revised selling prices.

## III. Healthcare Business

### : Income was affected by price revisions of pharmaceuticals and increased costs arising from new home healthcare devices put to the market. On the other hand, the home healthcare equipment rental business remained strong, and the sales volume of *Somatuline*, *Xeomin*, and *OSTABALO* steadily increased.

Revenue was 137.0 billion yen, a decrease of 7.7 billion yen (-5.3%) year on year, while adjusted operating income was 5.7 billion yen, a decrease of 12.5 billion yen (-68.7%) year on year. EBITDA was 34.7 billion yen, a decrease of 10.7 billion yen year on year, while ROIC was 2%.

In the field of pharmaceutical, income was affected by the revision of drug prices in April 2024, mainly for drugs that remained on the National Health Insurance drug price list long after the expiration of patents as well as the accelerated widespread use of generic drugs. Meanwhile, the sales volume of *OSTABALO*, *Somatuline*\*1, and *Xeomin*\*2 increased steadily.

\*1 *Somatuline*®, a treatment for acromegaly, pituitary gigantism, neuroendocrine tumors, thyroid-stimulating hormone secreting pituitary tumors, and gastrointestinal and pancreatic neuroendocrine tumors, is the registered trademark of Ipsen Pharma, France.

\*2 *Xeomin*®, a treatment for upper and lower limb spasticity, is the registered trademark of Merz Pharma GmbH & Co. KGaA, Germany.

In the home healthcare equipment field, as the number of examinations increased in the market for continuous positive airway pressure (CPAP) therapy, the number of new prescriptions continued to grow, and the number of rented CPAP devices steadily increased (by approximately 7% from the end of the previous fiscal year). On

the other hand, the costs increased due to an increase in the number of new devices put to the market and increased usage of supplies. In the home oxygen therapy (HOT) market, while the number of rented devices decreased as a whole, the number of rented *Hi-Sanso Portable a III*, a new model of portable oxygen concentrators launched in July 2023, steadily increased.

#### **IV. Other (including the battery materials & membrane field, the regenerative medicine & implantable medical device field, etc.)**

Revenue was 57.3 billion yen, an increase of 2.4 billion yen (4.4%) year on year, while adjusted operating income was 7.1 billion yen, an increase of 6.0 billion yen (554.0%) year on year.

Revenue increased in the battery materials & membrane field due to robust sales.

In the implantable medical device field, which encompasses artificial joints and absorbable osteosynthesis materials, the use of *SYNFOLIUM*, a cardiovascular and vascular repair patch launched by TEIJIN MEDICAL TECHNOLOGIES CO., LTD. in June 2024, has steadily increased.

In the regenerative medicine field, the launch of CDMO\* business progressed steadily, as Iwakuni Factory of TEIJIN REGENET CO., LTD. obtained a license for manufacturing of regenerative medicine products, and its Kashiwanoha Facility obtained a license of manufacturing specific processed cells.

\* Contract Development and Manufacturing Organization, which is engaged in outsourced product development and manufacture

#### **3) Analysis of Assets, Liabilities and Equity**

Total assets at the end of the current consolidated fiscal year decreased by 165.3 billion yen from the end of the previous consolidated fiscal year to 1,061.3 billion yen. This decrease was primarily due to a decline in cash and cash equivalents, trade and other receivables, as well as reductions in property, plant and equipment, and intangible assets resulting from depreciation and impairment losses.

Total liabilities decreased by 167.1 billion yen from the end of the previous consolidated fiscal year to 622.7 billion yen, mainly due to the repayments of borrowings.

Total equity (including non-controlling interests) increased by 1.8 billion yen from the end of the previous consolidated fiscal year to 438.5 billion yen. This increase was primarily attributable to the recognition of a gain on the sale of equity shares of affiliates resulting from the transfer of INFOCOM shares, despite the recording of significant impairment losses.

As a result, the debt-to-equity ratio was 0.9 and the equity ratio was 40.6%. (As of end of the previous consolidated fiscal year, the debt-to-equity ratio was 1.26 and the equity ratio was 33.4%.)

The conversion rates of balance sheets at the end of the current consolidated fiscal year are 150 yen / US dollar, 162 yen / euro, and 1.08 US dollars / euro (151 yen / US dollar, 163 yen / euro, and 1.08 US dollars / euro at the end of the previous consolidated fiscal year).

## (2) Changes in Assets and Profit and Loss

(Millions of yen)

Business Fiscal Period		Japanese accounting standards		IFRS		
		156th Fiscal Period FY2021 (Ended Mar. 2022)	157th Fiscal Period FY2022 (Ended Mar. 2023)	158th Fiscal Period FY2023 (Ended Mar. 2024)	159th Fiscal Period FY2024(period under review) (Ended Mar. 2025)	
Net Sales / Revenue	(Millions of yen)	926,054	1,018,751	1,032,773	960,459	1,005,471
Adjusted Operating Income	(Millions of yen)	—	—	—	21,956	27,594
Operating Income	(Millions of yen)	44,208	12,863	13,542	—	—
Profit Attributable to Owners of Parent	(Millions of yen)	23,158	△17,695	10,599	△11,712	28,347
Earnings per Share /Basic Earnings per Share	(Millions of yen)	120.58	△92.04	55.07	△60.86	147.15
Total Assets	(Millions of yen)	1,207,583	1,242,433	1,251,021	1,226,616	1,061,272
Net Assets/Total Equity	(Millions of yen)	464,811	451,084	481,933	436,759	438,541

(Note 1) From the 159th fiscal year, consolidated financial statements have been prepared based on IFRS. Additionally, figures based on IFRS are also presented for the 158th fiscal year.

(Note 2) Items marked with "/" indicate "Japanese GAAP/IFRS."

(Note 3) Adjusted operating income is calculated by adding equity method investment gains and losses to operating income and excluding non-recurring gains and losses (including non-recurring gains and losses such as financial gains and impairment losses within equity method investment gains and losses).

(Note 4) From the 159th fiscal year, the IT business has been classified as a discontinued operation, and the amounts of sales revenue and adjusted operating income are presented as the amounts of continuing operations excluding discontinued operations.

## (3) Capital Investment

In the fiscal year 2024, capital investments totaling 59.4 billion yen were primarily made to maintain the capabilities of and to enhance the production capacity of factories and the Aramid business.

## (4) Financing

We procured borrowings from financial institutions. Interest-bearing liabilities decreased by 111.8 billion yen from the end of FY2023 to 387.1 billion yen.

## (5) Acquisition or Disposal of Shares, Other Equity Interest, or Stock Acquisition Rights, etc. of Other companies

The Company concluded a basic agreement on transactions with BXJC2 Holding Co., Ltd. (hereinafter, "Tender Offeror") that stipulates that (i) the Company shall not apply to a tender offer that the Tender Offeror plans to make for the common shares of INFOCOM CORPORATION which is the Company's consolidated subsidiary, (hereinafter, "INFOCOM Shares") and stock acquisition rights (hereinafter, "Tender Offer") with regard to all INFOCOM Shares that the Company owns, (ii) procedures (including the consolidation of INFOCOM Shares) shall be implemented to make the Company and the Tender Offeror INFOCOM's only shareholders after the completion of the Tender Offer, and (iii) the Company shall transfer all INFOCOM Shares that it owns at the time to INFOCOM CORPORATION through share repurchase by INFOCOM CORPORATION. Consequently, the Company

transferred all INFOCOM Shares it owned to INFOCOM CORPORATION as of the effective date of October 22, 2024.

On December 19, 2024, the Company concluded a stock transfer agreement to transfer all of its shares in Esteve Teijin Healthcare, S.L to Oximesa S.L.U.

On March 31, 2025, the Company concluded a stock transfer agreement to transfer all of its shares in Teijin Automotive Technologies NA Holdings Corp., a wholly owned consolidated subsidiary, to Stork BidCo Inc, a special purpose company of AURELIUS Private Equity Mid-Market Buyout.

## (6) Significant Subsidiaries

(As of March 31, 2025)

Business segments	Business	Subsidiary	Headquarters location	Capital stock	Investment ratio (%)	Principal business
Materials	Aramid	Teijin Aramid B.V.	The Netherlands	0.02 million euro	* 100.00	Production and sales of para-aramid fibers
		Teijin Corporation (Thailand) Limited	Thailand	2,367 million baht	100.00	Production and sales of aramid fibers and resin
	Resin and Plastic Processing	Teijin Polycarbonate China Ltd.	China	720 million RMB	100.00	Production of polycarbonate resin
		Teijin Chemicals Plastic Compounds Shanghai Ltd.	China	143 million RMB	100.00	Production of resin compound
	Carbon Fibers	Teijin Carbon Europe GmbH	Germany	0.026 million euro	* 100.00	Production and sales of carbon fibers
		Teijin Carbon America, Inc.	U.S.A.	US\$407.5 million	* 100.00	Production and sales of carbon fibers
		Renegade Materials Corporation	U.S.A.	US\$71.6 million	* 100.00	Production and sales of intermediate material (prepreg) for composite materials
	Composites	Teijin Automotive Technologies NA Holdings Corp.	U.S.A.	US\$830 million	* 100.00	Production and sales of composite products
		Teijin Automotive Technologies Portugal, S.A.	Portugal	7.2 million euro	* 100.00	Production and sales of composite products
		Teijin Automotive Technologies Czech s.r.o.	Czech Republic	315 million Czech koruna	* 100.00	Production and sales of composite products

Fibers & Products Converting	Teijin Frontier Co., Ltd.	Osaka	¥2,000 million	100.00	Production and sales of textiles and others
	Nantong Teijin Co., Ltd.	China	287 million RMB	* 100.00	Production and sales of polyester textile goods
	Teijin Polyester (Thailand) Limited	Thailand	548 million baht	* 67.61	Production and sales of polyester fibers
	J.H. Ziegler GmbH	Germany	1.02 million euro	* 100.00	Production and sales of unwoven fabrics
Healthcare	Teijin Pharma Limited	Tokyo	¥10,000 million	100.00	Production and sales of pharmaceuticals and home healthcare equipment
	Teijin Healthcare Limited	Tokyo	¥100 million	* 100.00	Sales and rental of pharmaceuticals and home healthcare equipment, etc., and provision of home healthcare service
Other	Japan Tissue Engineering Co., Ltd.	Aichi	¥4,959 million	57.72	Development, manufacturing, sales, and custom development/manufacturing of regenerative medical products and related products
	Teijin Lielsort Korea Co., Ltd.	South Korea	29,096 million KRW	100.00	Production and sales of lithium-ion battery separators
	Teijin Nakashima Medical Co., Ltd.	Okayama	¥100 million	50.00	Manufacturing and sales of medical devices

\* indicates the investment ratio including investment by subsidiaries.

## (7) Management Policy and Tasks Ahead

### 1) Corporate Vision

In April 2024, the Teijin Group has established the Group's purpose, "Pioneering solutions together for a healthy planet," to clarify its Purpose (the meaning of our existence) and to enhance execution power.

The Purpose embodies the values that have been the most important to the Teijin Group, which have been identified through extensive discussions about Teijin's past, present, and future. It reflects employees' desire to become a company that pursues solutions so that people will be able to continue living on this beautiful planet throughout the future.



[The Meaning behind Our Purpose]

<u>Pioneering</u>	Teijin has always been a pioneer over its 100+ year history. The word is also action-oriented, and alludes to innovation, proactiveness, and entrepreneurship.
<u>Solutions</u>	This word was chosen as it suggests elements of science, innovation, and how Teijin is building more than just products and services to meet market needs, but rather solutions to social issues more broadly.
<u>Together</u>	This word alludes to strong partnerships, employees coming together, collaboration, and breaking down silos.
<u>Healthy Planet</u>	These words express our desire to safeguard the global environment, the people who live there, and all life on it, and to wish their good health and safety.

The Teijin Group also formulated the three value statements along with this purpose, i.e., “i) Empowering ourselves to address challenges,” “ii) Fostering growth through diversity and expertise,” and “iii) Safeguarding our planet and all life on it.” Based on this purpose, the Group aims to achieve the long-term vision “To be a Company that Supports the Society of the Future” (becoming a “company that prioritizes the health of the planet, protects the environment, and supports a circular society” in the mobility, infrastructure and industry fields, and a “resolve issues for patients, families, and communities in need of greater support” in the healthcare field), by embodying and prioritizing these values.

## 2) Issues to Be Addressed

### a) Medium-term management plan

The Teijin Group announced the “Teijin Group Medium-Term Management Plan 2024–2025” in May, 2024, and identified three issues to be addressed, i.e., “Recovering earning power by completing the profitability improvement measures” and “Implementing business portfolio reform,” and “Strengthening the global management base.” The Group has been working on these issues with strong determination to return to the growth trajectory.

#### i) Recovering earning power by completing the profitability improvement measures:

In FY2024, the Company focused on the following initiatives to recover its earning power by completing the profitability improvement measures, which started in FY2023. As a result, the Company achieved a certain level of results, such as improvement of labor productivity and realization of effects of price revisions in the North American composites business, establishment of a stable supply system in the aramid business, early realization of effects of reduced fixed costs in the healthcare business, and execution of fixed costs reduction measures including the “Next Career Support Program” (early retirement incentive program) in Japan.

On the other hand, the aramid business and carbon fibers business were affected by weak demand due to

a slowdown in global economy mainly in Europe and China, as well as the intensification of market competition. In addition, the healthcare business was affected by revisions of drug prices and the accelerated widespread use of generic drugs. As a result, the Company was not able to sufficiently recover the earning power of these businesses. Consequently, improvement their earning power remain as a new issue for FY2025.

[Major initiatives and their progress]

Major initiatives for FY2024-FY2025	Progress
(Composites Business Unit) <ul style="list-style-type: none"> <li>■ Further improvement including stabilization of production</li> </ul>	<ul style="list-style-type: none"> <li>■ Profitability improved through improvement of labor productivity and price revisions</li> <li>■ Sales increased through stable launch of highly profitable new programs</li> <li>■ The performance of the North American business significantly improved and a divestment decision was made</li> </ul>
(Aramid Business Unit) <ul style="list-style-type: none"> <li>■ Restoration of the market share through a stable supply system that has been established</li> <li>■ Continued provision of corporate support for equipment, operation and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>■ Established a stable supply system</li> <li>■ Maintained a high market share for tire applications as well as bulletproof and protective applications, despite the adverse impact of competitors for optical fiber applications</li> <li>■ Steadily promoting sustainability initiatives</li> <li>■ Established a stable supply system with corporate support</li> </ul>
(Healthcare Business Unit) <ul style="list-style-type: none"> <li>■ Preparation for early launch of three products for rare diseases in Japan</li> <li>■ Achievement of the fixed costs reduction target (FY2025: 5 billion yen) without fail</li> </ul>	<ul style="list-style-type: none"> <li>■ Development of three products for rare diseases is steadily progressing</li> <li>■ Promotion of the transformation into an organization optimal for the growth strategy of “rare diseases + home healthcare” through the utilization of service platforms developed in the home healthcare business</li> <li>■ Reduction of fixed costs is progressing and materializing ahead of the schedule. The effects are expected to be fully realized in FY2025, exceeding the target of 5 billion yen.</li> </ul>
(Reduction of fixed costs) <ul style="list-style-type: none"> <li>■ Achievement of the fixed costs reduction target (FY2025: 4 billion yen), including the “Next Career Support Program (early retirement incentive program: 150 employees)” in Japan without fail</li> </ul>	<ul style="list-style-type: none"> <li>■ Executed the “Next Career Support Program” in Japan. The reduction effects are expected to be fully realized in FY2025, achieving the target of 4 billion yen.</li> </ul>

[Issues to Be Addressed]

Profitability improvement measures
(Aramid Business Unit) <ul style="list-style-type: none"> <li>■ The business has been temporarily sluggish due to an economic slowdown mainly in Europe and China and the intensely competitive environment for optical fiber applications. The business needs to shift to an optimal production system and cut down costs so that it can fully leverage its earning power even under a harsh environment.</li> </ul>
(Carbon Fibers Business) <ul style="list-style-type: none"> <li>■ Shift to an optimal production system and cut down costs on the assumption of a highly competitive environment for non-aircraft applications</li> <li>■ Ensure to select profitability-oriented businesses</li> </ul>
(Healthcare Business Unit)



- Maximize the profits of the four main products (HOT, CPAP, diabetes treatments, and *OSTABALO*) by ensuring KPIs
- Achievement of the fixed costs reduction target (FY2025: 5 billion yen) without fail and pursuit of further reduction

ii) Implementing business portfolio reforms

In order to achieve growth through reformed business portfolio during the period of the next medium-term management plan for FY2026 onwards, the Company will execute strategic options for its nonprofitable or non-core businesses and narrow down businesses it operates as part of the current medium-term management plan. In addition, the Company is implementing initiatives for growth in the fields of mobility, infrastructure and industrial, and healthcare, which the Company has identified as key industrial sectors. Specifically, the Company is transforming itself from a business that offers materials and stand-alone products to a value-oriented business with a focus on our customers, by utilizing its strong supply chain in the Fibers & Products Converting Business that vertically integrates processes from development of cutting-edge materials to production and sales, as well as the service platforms the Company has developed through the home healthcare business. In FY2024, the Company firmly proceeded with divestment, etc. of unprofitable businesses and non-core businesses. In October 2024, the Company completed the divestment of Infocom Corporation, which provides e-comic services. In addition, with respect to the North American composites business, which has suffered poor business performance in recent years, the Company concluded a stock transfer agreement to transfer the shares of Teijin Automotive Technologies NA Holdings Corp in March 2025, and is working to complete the transaction. In addition, the Company has decided to withdraw from the Biolier nutraceutical business in the New Business Development Unit, and to transfer the shares of Teijin Nakashima Medical Co., Ltd. to narrow down its businesses. In order to continue implementing the growth strategies, the Company needs to maintain and expand the earning power of its existing businesses that support its growth. The Company therefore is considering various options including partnerships with other companies.

Using FY2025 as a preparation period for reaching a higher level in FY2026 and beyond, the Company will explore specific ways to achieve growth in the future.

[Issues to Be Addressed]

Initiatives for materializing the growth strategies
<ul style="list-style-type: none"> <li>■ With an aim to expand profits in the existing business, explore partnerships with other companies, including industry restructuring, and expansion to the upstream, midstream, and downstream. Explore ways to transform the business structure to achieve success even if products become commodified, while maintaining our competitive advantage in specialty products.</li> <li>■ Pursue synergy between businesses, mainly in the Materials Business Field and the Fibers &amp; Products Converting Business, and explore ways to expand a value-oriented business.</li> <li>■ Consider ways to materialize M&amp;A in key industrial sectors</li> </ul>

iii) Strengthening the global management base

The Company aims to strengthen its global management base and enhance its execution ability based its purpose in conjunction with business portfolio reforms. To achieve this under the medium-term management plan, the Company is working on “corporate governance system optimized for global/diversified companies” from the perspective of governance, “evolution of facility/operation/maintenance through integration of knowledge/technology in and outside Japan” from the perspectives of production, manufacturing and technology, and “ensuring that the right people are assigned to the right positions in order to implement the strategies” from the perspective of human capital.

In 2024, to turn its purpose and values into more than just a slogan, the Company implemented “My Action” activities to incorporate them into specific actions of each employee. By disseminating the Group’s purpose and values to all employees, we will build a structure and corporate culture that embody such purpose and values, and provide the Group’s unique value to society. As a measure to strengthen its governance system, the Company decided to transition to a Company with an Audit & Supervisory Committee, with an aim to accelerate its decision-making process and further enhance discussions on key management issues by the Board of Directors. The Company has also implemented measures to strengthen its global management system by reorganizing the functions of officers in alignment with the management issues, such as the establishment of Chief Technology Officer, and Chief Digital Officer. In terms of the human capital strategy, the Company steadily executed the planned initiatives, such as the introduction of the Global Job Posting System, which is an in-house open call system that allows transfers to overseas offices, to “assign the right

people to the right positions” globally, as well as a job-based employment for employees in management positions to ensure job-based treatment. In addition, the Company is also working on enhancing its production and manufacturing technologies, and implementing sustainability-related initiatives.

In FY2025, the Company will further optimize its organizational structure based on the strategic options implemented in FY2024 and the next medium-term business plan.

**[Issues to Be Addressed]**

Initiatives for strengthening the global management base
<p>■ Consideration of an optimal organizational structure based on the strategic options implemented in FY2024 and the next medium-term business plan (such as the optimization of Group-wide horizontal functions).</p>

In FY2024, the Company made a solid advance in its initiatives, such as a decision to implement business portfolio reforms and change its organizational design through the execution of multiple strategic options. In FY2025, the Company will continue to develop an optimal production system for the aramid business and carbon fibers business in the Materials Business Field to resiliently respond to changes in the environment, while implementing structure reforms. In the Healthcare Business, we will thoroughly prepare for the early market launch of our rare diseases products (three hormone therapy drugs) introduced in November 2023, as part of the growth strategy utilizing the platforms of the home healthcare business.

The earnings forecast for FY2025 is 35.0 billion yen in adjusted operating income, 3% in ROIC based on adjusted operating income after tax, and 3% in ROE (based on IFRS). While the forecasted ROE is below the FY2025 target of 6% set in the current medium-term management plan, the Company considers FY2025 as a year to prepare for achieving growth and development in the next medium-term business plan starting from FY2026, and aims to develop a foundation for growth and complete the measures.

FY2025 is also a year for formulating the next medium-term management plan. The Company will formulate a plan to transition into a company with “earning power” regardless of the products it sells, by evolving from a manufacturer that simply leverages the “quality” of its specialty products such as cutting-edge materials, into a “partner with solutions for issues that goes beyond the scope of materials and healthcare products,” that can provide value and services based on a deep understanding of issues of customers, based on the premise, as a matter of course, that the Company fulfills its responsibility to expand its fundamental earning power. We also understand that the Group needs to move fast to achieve this transformation. We will therefore quickly execute strategies that are aligned with our goals by making prudent decisions even during the process of formulating the plan.

The Group will achieve sustainable growth and enhance medium- to long-term corporate value to meet the expectations of stakeholders including investors, with an aim of achieving 10% or above in ROE and 1x or above in PBR at an early stage.

## **(b) Concept and Actions Related to Sustainability**

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.” Based on issues surrounding sustainability including social and environmental issues, we analyzed opportunities and risks for the Company and identified material issues, and implements measures by setting KPIs for each issue.

The Company has appointed Chief Officer for Human Resources Officer and Sustainability 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 Officer for Human Resources and Sustainability, as appropriate, to the Board of Directors for discussion.

For environment-related issues, the Company has set the long-term KPIs listed in the table below. For in-house CO<sub>2</sub> emissions, the Company is working on achieving net zero by developing a roadmap to achieve long-term goals.

### **<Environmental Issues - Key Performance Indicators (KPIs)>**

KPI to capture business opportunities	climate change Our own CO <sub>2</sub> reduction contribution	FY2030	<b>Total CO<sub>2</sub> emissions &lt; CO<sub>2</sub> reduction contribution</b>	The effect of CO <sub>2</sub> reductions in the downstream supply chain due to product use
KPI to strengthen business base*	Climate change Our own CO <sub>2</sub> emissions	FY2030	<b>30% reduction</b>	Aggregate target
		FY2050	<b>Net ZERO realization</b>	Conversion of power sources to renewable energy and clean energy for heat sources
	Climate change Supply Chain CO <sub>2</sub> Emissions	FY2030	<b>15% reduction</b>	Greenhouse gas emissions in Scope 3 Category 1
	Circular Economy Water	FY2030	<b>30% improvement</b>	Freshwater intake volume per unit of sales
	Circular Economy Waste	FY2030	<b>20% improvement</b>	Landfill waste volume per unit of sales
	Safety/Security Hazardous Substance	FY2030	<b>20% improvement</b>	Hazardous chemicals emission volume per unit of sales

※The target values for KPIs to strengthen the business foundation are all based on the fiscal year 2018.

In terms of measures related to human capital, the Company will work toward achieving the goals by setting indicators for diversity and engagement of executives and managers to assess the progress of “measures to enable employees to thrive.” Specifically, as “KPIs for diversity,” the Company has set targets as follows: 30% female officers ratio in April 2030 (October 2024 • actual: 20%, April 2026 • milestone: 20%), 30% non-Japanese officers ratio in April 2030 (October 2024 • actual: 8%, April 2026 • milestone: 10%), 20% female managers (female department general managers and section managers) ratio in April 2030 (October 2024 • actual: 11%, April 2026 • milestone: 12%). In addition, the Company has set a target for the engagement score of 68 in April 2030 (September 2024 • actual; 64, April 2026 • milestone: 64) as a “KPI for employee engagement survey.”

For initiatives related to intellectual property, the Teijin Group has established a basic policy for intellectual property based on the understanding that intellectual property is one of the important elements of its intangible management base, and executes the intellectual property strategy with active involvement in the management strategy in conjunction with the business strategy and technology strategy. 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.

Note) Officers: Directors, Statutory Auditors, and Corporate Officers

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For details on important issues and KPIs related to the environment and human capital, please refer to our website (<https://www.teijin.co.jp/csr/materiality/>). You can also check the performance against each target.

### 3) Social Contribution Activities

The Teijin Group, in accordance with its basic policies for social contribution, 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 respecting the local uniqueness of each area in which we operate. 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.

Moreover, we are supporting young people's sports activities by co-sponsoring the All Japan High School Soccer Tournament as well as supporting the Children's Rights in Sport Principles announced by the Japan Committee for UNICEF.

The Company is also running various other programs on an ongoing basis, including reconstruction support for the affected areas of the 2024 Noto Peninsula Earthquake and Torrential Rain, the leave of absence system to support employees' volunteer activities, and employee participation programs, etc.

## (8) Principal Businesses

(As of March 31, 2025)

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

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

**(9) Principal Business Locations, etc.**

(As of March 31, 2025)

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

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

Note: The function of headquarters is indicated in the Company, and the manufacturing, operation and research bases are indicated in each business segment.

## (10) Employees

Business segments	158th Fiscal Year (Previous period) (As of March 31, 2024)	159th Fiscal Year (Period under review) (As of March 31, 2025)	Change in the number of employees
Materials	10,051	9,497	△554
Fibers & Products Converting	5,607	5,724	+117
Healthcare	2,835	2,634	△201
Other	2,439	2,424	△15
Total	20,932	20,279	△653

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

Note 2: The number of employees stated above does not include temporary employees (1,983 employees for the 158th fiscal year and 1,748 employees for the 159th fiscal year).

Note 3: Since the transfer of ordinary shares of INFOCOM CORPORATION was completed on October 22, 2024, the 'IT' business is excluded from the above-mentioned description. For reference, the number of employees in the 'IT' business in the 158th fiscal year was 902.

## (11) Primary Lenders and Amount of Borrowings

(As of March 31, 2025)

Principal lenders	Balance of borrowings (millions of yen)
MUFG Bank, Ltd.	38,628
Mizuho Bank, Ltd.	20,515
Japan Bank for International Cooperation	17,942

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

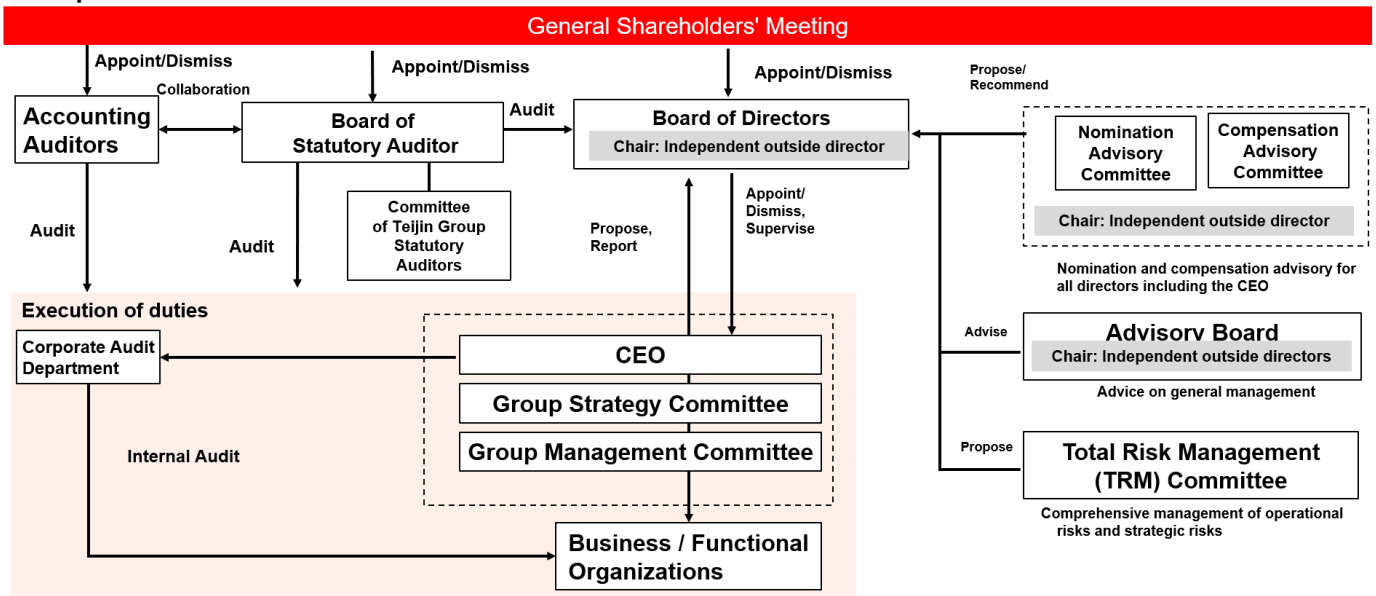
Note 2: In addition to the above, as a principal borrowing, there is a balance of 117,750 million yen borrowed through syndicated loans.

## 2. Corporate Governance System

### Overview

The Teijin Group realizes that its basic mission as a company is to ensure sustainable growth in corporate value. On this basis, and in order to fulfill our responsibilities to various stakeholders, we are striving to strengthen corporate governance. The basic elements of corporate governance include the aim of improving transparency, ensuring fairness, accelerating decision-making, and ensuring the independence of monitoring and supervision. We are working to establish and strengthen an effective corporate governance system through an “corporate officer system and board of directors including independent outside directors”, “statutory auditor system including independent outside statutory auditors”, and “Nomination Advisory Committee and Compensation Advisory Committee in which independent outside directors constitute the majority,” (For the Company’s transition to a Company with an Audit & Supervisory Committee, please see “(1) Reasons for Choosing the Current Corporate Governance System in”).

ensation Advisory Committee in which independent outside directors constitute the majority,” (For the Company’s transition to a Company with an Audit & Supervisory Committee, please see “(1) Reasons for Choosing the Current Corporate Governance System in”).



### (1) Reasons for Choosing the Current Corporate Governance System

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

In accordance with the current Companies Act, the Board of Directors is required to properly function in terms of both important business decisions/decision-making and the monitoring and supervision of management. We have determined that a governance system centered on the two wheels of business execution led by the internal directors, and management oversight and supervision functions that the outside directors emphasize and the oversight and auditing functions of the Statutory Auditors and the Board of Statutory Auditors, is appropriate, and adopted a structure of a company with a board of statutory auditors.

To further strengthen its corporate governance system, the Company has resolved at its Board of Directors meeting held on February 3, 2025 to transition to a Company with an Audit & Supervisory Committee, subject to approval by the Company's 159th Ordinary General Meeting of Shareholders to be held in June 2025. By transitioning to a Company with an Audit & Supervisory Committee and expanding the delegation of authority from the Board of Directors to the executive management, the Company aims to speed up decision-making on operation and further enhance discussions at Board of Directors meetings on important management issues, such as medium- to long-term business strategies. Additionally, the Company will further strengthen the supervisory function of the Board of Directors, such as by having the Audit & Supervisory Committee members responsible for audits, etc. hold voting rights at Board of Directors meetings as Directors.

### (2) Outline of Current System

#### 1) Board of Directors

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

To expedite decision-making and clarify accountability of execution of business, the Company's Articles of Incorporation set the maximum number of Directors at ten (10), and the Company has introduced a corporate officer



system that delegates broad authority to corporate officers. As of March 31, 2025, the Board of Directors of the Company comprises seven (7) Directors. There are four (4) Outside Directors who satisfy all the requirements of Independent Director as stipulated by the Company, two of whom are female. The Articles of Incorporation set the term of office for Directors at one (1) year.

The chair of the Board of Directors is selected from Outside Directors as a part of separation of monitoring and supervision from business execution.

## 2) Nomination Advisory Committee and Compensation Advisory Committee as consultative bodies

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

### a) Nomination Advisory Committee

- i) Replacing CEO and nomination of a successor
- ii) Selection and retirement of candidates of Representative Directors of Board
- iii) Selection and retirement of candidates of Directors (including Chairperson of Teijin Limited)
- iv) Selection and retirement of candidates of Statutory Auditors
- v) Matters concerning promotion/demotion and appointment/retirement of Internal Directors and management executives
- vi) Matters concerning independence standards for Outside Directors and Independent Outside Statutory Auditors
- vii) Selection of candidates of the successor of CEO, and review of succession plans for candidates of the successor of CEO and progress of said succession plan

### b) Compensation Advisory Committee

- i) Matters concerning the compensation plan for Teijin Group officers
- ii) Matters concerning the compensation level of Teijin Group officers
- iii) Matters concerning performance evaluation and compensation amount of Internal Directors (including CEO) and management executives

Both Advisory Committees are made up of four (4) Outside Directors, the Chairperson of Teijin Limited (vacant if absent) and the CEO. The Outside Director who is the chairperson of the Advisory Committee chairs the respective Advisory Committees. In principle, for matters concerning the CEO, the CEO leaves the room and does not participate in the discussions. For matters concerning the Chairperson of Teijin Limited as well, the Chairperson of Teijin Limited leaves the room and does not participate in the discussions.

## 3) Advisory Board

The Advisory Board has been set up with the aim of improving the quality of management through advice of external experts and is positioned and operated as a consultative body to the Board of Directors. The Advisory Board deliberates on the following matters and advises the Board of Directors.

- a) Matters concerning strategies for the Company's material issues (portfolio strategy and human capital strategy, etc.)
- b) Matters concerning corporate governance, CSR, corporate ethics, etc.
- c) Matters concerning company performance

- d) Matters concerning domestic and foreign politics, economy, and legal system
- e) Other matters related to overall management

The Advisory Board is made up of five (5) to seven (7) outside advisors (composed of four (4) Outside Directors and two (2) non-Japanese experts as of March 31, 2025), the Chairperson of Teijin Limited (vacant as of March 31, 2025) and the CEO. The Outside Director who is the chair of the Board of Directors chairs the Advisory Board.

#### 4) Board of Statutory Auditors

The Company's Statutory Auditors have expertise and experience in law, finance, accounting, etc., and, on the basis of plenty of their specialized knowledge and experience, audit execution of business by Directors. The Company's Board of Statutory Auditors consists of five (5) members, and three (3) of them, who make up a majority, are Independent Outside Statutory Auditors (including one (1) female member), who satisfy all the requirements of Independent Statutory Auditor stipulated by the Company. In order to enhance the effectiveness of Group-wide oversight, the Committee of Teijin Group Statutory Auditors, which comprises the statutory auditors of Group companies and other members, is held regularly. Teijin Group Auditors Office, which is under the direct control of full-time Statutory Auditors, has been established as an organization to assist the duties of Statutory Auditors, and as of March 31, 2025, five (5) full-time staff members are assigned.

#### 5) Internal audit system

The Corporate Audit Department has been established as an internal audit organization which reports directly to CEO, and carries out Group-wide and global audits to evaluate the "efficiency and validity of internal control functions", etc.. Furthermore, at certain Group companies including listed subsidiaries and so forth, individual internal audit organizations have been established. As of March 31, 2025, the number of internal auditors in the Teijin Group totaled eighteen (18) (excluding internal auditors at listed subsidiaries).

#### 6) Status of accounting audits

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

Hirofumi Tani (KPMG AZSA LLC, 1 year), Yoshihiro Uehara (KPMG AZSA LLC, 4 years), Hiroaki Iwasaki (KPMG AZSA LLC, 4 years)

The status of assistants who executed auditing is as follows.

Certified Public Accountants: 20, others: 53, for a total of 73.

#### 7) Total Risk Management

The Company has in place a Total Risk Management (TRM) system targeting both strategic and operational risks, as a preventative measure against any risks that the Company may face, and the TRM Committee has been conducting total risk management. The TRM Committee, chaired by CEO, serves under the Board of Directors. The Board of Directors deliberates on and decides the basic policy and annual plan related to TRM proposed by the TRM Committee. At the same time, the Board of Directors formulates our stance on managing important risks and ensuring business continuity. The Statutory Auditors conduct audits to check whether the Board of Directors appropriately decide policy regarding TRM and supervise and monitor risks.

The details of the corporate governance structure of the Company can be viewed on the Company's website as Teijin Group's "Corporate Governance Guide" (the Company's Corporate Governance System):

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

In order to further ensure the effectiveness and enhance the functions of the Board of Directors, the Company conducts an analysis and evaluation of the effectiveness of the entire Board of Directors (hereinafter, the “Board of Directors Effectiveness Evaluation”) once a year. The method of the Board of Directors Effectiveness Evaluation for FY2024 and an outline of the results are as follows.

#### 1) Analysis and Evaluation Method

- a) For FY2024 evaluation, a questionnaire survey was conducted for all Directors and Statutory Auditors (twelve (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 (2) 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.
- b) The evaluation points in the questionnaire were compiled from the following ten fields. Respondents evaluated sixty eight (68) topics on a five-point scale and made comments (including any additional comments field).
  - i) The Board of Directors as a whole
  - ii) Composition
  - iii) Prior arrangements, etc.
  - iv) Operation
  - v) Deliberation
  - vi) Nomination Advisory Committee
  - vii) Compensation Advisory Committee
  - viii) Statutory Auditors
  - ix) Self evaluation
  - x) Others

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

##### a) 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.

##### b) Results of measures implemented in FY2024 to further enhance the effectiveness of the Board of Directors

###### i) 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 Board of Directors discussed the organizational structure and decided to transition from a company with a Board of Corporate Auditors to a company with an Audit & Supervisory Committee.

ii) 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.

iii) 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) Issues Recognized in the Board of Directors Effectiveness Evaluation in FY2024 and Initiatives Going Forward

Based on the effectiveness evaluation implemented in FY2024, the Board of Directors has discussed and decided to further advance its efforts to address the following issues in FY2025.

a) Deepening of discussions on material issues

b) Reorganization and enhancement of function of the management execution system

c) Development of managerial human resources

The Company aims to increase the effectiveness of the Board of Directors and further strengthen corporate governance through these measures.

### **3.Basic Policy Concerning Cross-Shareholdings**

#### **(1) 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 this fiscal year, 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 the shares of which the Company currently holds, and in principle, will endeavor to sell all of the shares of the listed companies.

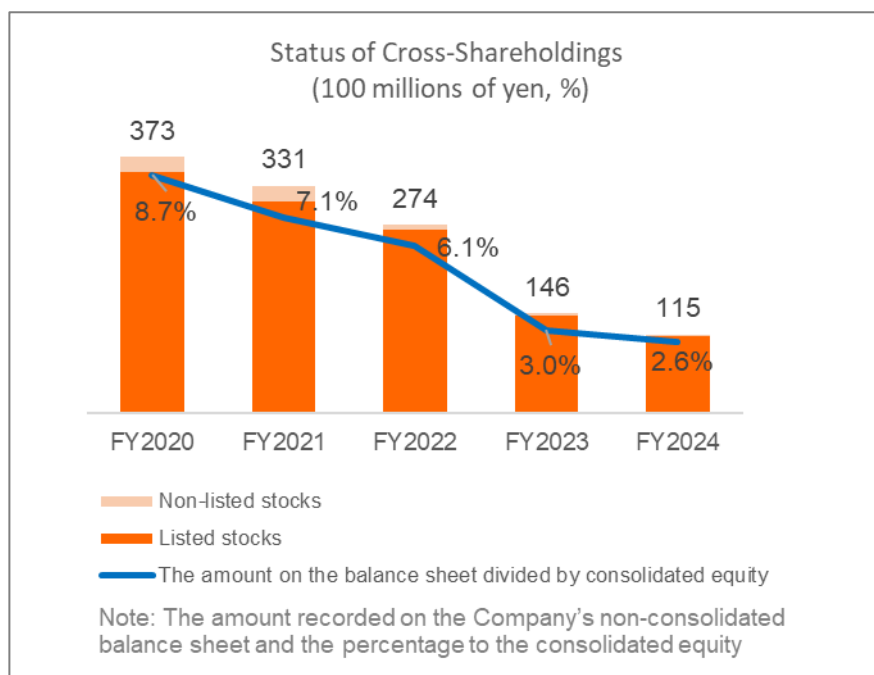
In addition, whenever the shareholders of cross-shareholdings indicate their intention, such as intention to dispose of their shares of the Company, the Company handles the matter appropriately without interfering with disposal of such shares.

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

## (2) Standards for the 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.



## 4. Matters Regarding the Shares of the Company (as of March 31, 2024)

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

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

(3) Number of shareholders 85,175

(4) Top 10 shareholders of the Company

Shareholders		Investment in the Company	
		Number of shares held	Shareholding ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust account)	33,944,100	17.61
2	GOLDMAN SACHS INTERNATIONAL	11,641,300	6.04
3	Custody Bank of Japan, Ltd. (Trust account)	10,937,100	5.67
4	Nippon Life Insurance Company	7,045,501	3.65
5	The Employee Stock Ownership Association of Teijin	6,509,017	3.37
6	BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	6,047,429	3.13
7	BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	5,878,900	3.05

8	STATE STREET BANK AND TRUST COMPANY 505223	4,415,638	2.29
9	STATE STREET BANK AND TRUST COMPANY 505103	4,075,626	2.11
10	JPMorgan Securities Japan Co., Ltd.	3,331,541	1.72

Note 1: The shareholding ratio has been calculated after excluding treasury stocks (5,236,834 shares) from the issued shares.

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

(5) Status of shares issued as compensation to company officers during FY2024

Restricted Stock (RS)

The details of the stock compensation issued during FY2024 are as follows.

Category	Class and number of shares	Number of persons
Internal Directors who concurrently serve as Corporate Officers	Ordinary shares of the Company 13,228 shares	3

Note: The above stock compensation was not granted to the Internal Directors who do not concurrently serve as Corporate Officers, Outside Directors and Statutory Auditors.

## 5. Matters Regarding Stock Acquisition Rights of the Company

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

1) Number of stock acquisition rights

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

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

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

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

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

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

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

5) Exercise period of stock acquisition rights

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

6) Restrictions on transfer of stock acquisition rights

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

7) Main provisions for acquisition of stock acquisition rights

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

8) Main conditions for exercising stock acquisition rights

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

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

Shall be determined by resolution of the Board of Directors.

(2) Summary of stock acquisition rights as a stock option as of the last day of FY2024 as consideration for the performance of duties

Number of issuance (Issuance date)	Number of stock acquisition rights	Class and number of target shares	Issuance price (Per share)	Exercise price (Per share)	Exercise period
11th stock acquisition rights (March 15, 2013)	15	Ordinary shares 3,000 shares	¥980	¥1	From March 15, 2013 to March 14, 2033
12th stock acquisition rights (March 14, 2014)	13	Ordinary shares 2,600 shares	¥1,140	¥1	From March 14, 2014 to March 13, 2034
13th stock acquisition rights (March 18, 2015)	10	Ordinary shares 2,000 shares	¥1,925	¥1	From March 18, 2015 to March 17, 2035
14th stock acquisition rights (March 16, 2016)	4	Ordinary shares 800 shares	¥1,800	¥1	From March 16, 2016 to March 15, 2036
15th stock acquisition rights (March 17, 2017)	11	Ordinary shares 2,200 shares	¥1,955	¥1	From March 17, 2017 to March 16, 2037
16th stock acquisition rights (March 16, 2018)	43	Ordinary shares 8,600 shares	¥1,732	¥1	From March 16, 2018 to March 15, 2038
17th stock acquisition rights (March 18, 2019)	77	Ordinary shares 15,400 shares	¥1,627	¥1	From March 18, 2019 to March 17, 2039
18th stock acquisition rights (March 16, 2020)	123	Ordinary shares 24,600 shares	¥1,138	¥1	From March 16, 2020 to March 15, 2040
19th stock acquisition rights (March 15, 2021)	227	Ordinary shares 45,400 shares	¥1,725	¥1	From March 15, 2021 to March 14, 2041

The total number of unexercised stock acquisition rights of the aforementioned stock acquisition rights held by Directors of the Company

(As of March 31, 2025)

Number of issuance	Director	
	Number of units	Number of statutory auditors holding rights
16th stock acquisition rights	16	2
17th stock acquisition rights	20	2
18th stock acquisition rights	24	3
19th stock acquisition rights	39	3

Note: Stock acquisition rights are not granted to Outside Directors and Statutory Auditors.

## 6. Matters Regarding Directors and Statutory Auditors

# (1) Directors and Statutory Auditors

(As of March 31, 2025)

Position	Name	Responsibilities and significant concurrent positions	Participation in the Board of Directors and Board of Statutory Auditors
Representative Director <del>President, of Board</del>	Akimoto Uchikawa	CEO	The Board of Directors 14/14 (100%)
Representative Director Senior Executive Officer	Naohiko Moriyama	Chief Strategy Officer, Chief Financial Officer	The Board of Directors 14/14 (100%)
Director, Executive Officer	Noboru Yamanishi	Chief Production, Engineering & Procurement Officer	The Board of Directors 14/14 (100%)
Director	Masaru Onishi	Outside Director, Mitsui O.S.K. Lines, Ltd. Outside Director, Kadoya Sesame Mills Incorporated Outside Director, Luup, Inc. Outside Director, Resonac Holdings Corporation	The Board of Directors 14/14 (100%)
Director	Masaaki Tsuya	External Advisor, Bridgestone Corporation	The Board of Directors 14/14 (100%)
Director	Tamie Minami	Outside Director, Santen Pharmaceutical Co., Ltd.	The Board of Directors 14/14 (100%)
*Director	Reiko Kusunose	Outside Director, NIPPO CORPORATION Outside Director, BUNKA SHUTTER CO.,LTD.	The Board of Directors 9/9 (100%)
Full-time Statutory Auditor	Masanori Shimai		The Board of Directors 14/14 (100%) The Board of Statutory Auditors 13/13 (100%)
*Full-time Statutory Auditor	Tomoko Torii		The Board of Directors 9/9 (100%) The Board of Statutory Auditors 9/9 (100%)
Statutory Auditor	Hitomi Nakayama	Partner lawyer, KASUMIGASEKI-SOGO LAW OFFICES Outside Director, ROYAL HOLDINGS Co., Ltd. Outside Statutory Auditor, JAPAN POST Co., Ltd.	The Board of Directors 14/14 (100%) The Board of Statutory Auditors 13/13 (100%)
Statutory Auditor	Jun Arima	Project Professor, Graduate School of Public Policy, The University of Tokyo	The Board of Directors 14/14 (100%) The Board of Statutory Auditors 13/13 (100%)
Statutory Auditor	Koichi Tsuji	Outside Director, Mitsubishi UFJ Financial Group, Inc. Outside Director, MARUICH STEEL TUBE LTD.	The Board of Directors 14/14 (100%) The Board of Statutory Auditors 13/13 (100%)

Note 1: Director and Statutory Auditor marked with \* were newly elected at the 158th Ordinary General Meeting of Shareholders held on June 20, 2024.

Note 2: Of Directors, Masaru Onishi, Masaaki Tsuya, Tamie Minami, and Reiko Kusunose are Outside Directors. The Company requires a candidate for Outside Director to satisfy the requirements of “Independent Director” stipulated by the Company. The aforementioned four (4) Directors satisfied all such requirements and maintained their independence throughout the relevant fiscal year. Since they also satisfy the requirements of independence stipulated by the Tokyo Stock Exchange, they are registered by the Company as “Independent Director” at the said stock exchange. The contents of the requirements of “Independent Director” stipulated by the Company can be viewed at the Company’s website:



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

Note 3: Three (3) Statutory Auditors, Hitomi Nakayama, Jun Arima, and Koichi Tsuji— are Independent Outside Statutory Auditors. The Company requires a candidate for Outside Statutory Auditor to satisfy the requirements of “Independent Statutory Auditor” stipulated by the Company. The aforementioned three (3) Statutory Auditors satisfied all such requirements and maintained their independence throughout the relevant fiscal year. Since they also satisfy the requirements of independence stipulated by the Tokyo Stock Exchange, they were registered by the Company as “Independent Auditor” at the said stock exchange. The contents of the requirements of “Independent Statutory Auditor” stipulated by the Company can be viewed at the Company’s website:

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

Note 4: Full-time Statutory Auditor Masanori Shimai and Statutory Auditor Koichi Tsuji have extensive knowledge of finance and accounting as described below:

- Full-time Statutory Auditor Masanori Shimai has been involved in finance and accounting-related work for many years at the finance and accounting-related department of the Company.
- Statutory Auditor Koichi Tsuji is qualified as a certified public accountant.

Note 5: Statutory Auditor Hitomi Nakayama is qualified as a lawyer and has ample knowledge of compliance and risk management.

Note 6: The following Directors and Statutory Auditor retired as of June 20, 2024 upon the expiration of their term of office.

Director Eiji Ogawa, Director Yoichi Suzuki, and Full-time Statutory Auditor Akio Nakaishi

Note 7: Changes in posts and duties of Directors during FY2024 are as follows.

Name	New post	Former post	Date of change
Naohiko Moriyama	Representative Director Senior Executive Officer, Chief Officer, Corporate Strategy, Chief Financial Office	Director, Senior Executive Officer Chief Officer, Corporate Strategy	June 20, 2024
	Representative Director Senior Executive Officer, Chief Strategy Officer, Chief Financial Officer	Representative Director, Senior Executive Officer, of the Board Chief Officer, Corporate Strategy, Chief Financial Officer	September 1, 2024
Noboru Yamanishi	Director, Executive Officer Chief Sustainability Officer Responsible for the Engineering Division	Director, Executive Officer Chief Sustainability Officer Responsible for the Engineering Division and the Corporate Audit Department	April 1, 2024
	Director, Executive Officer Chief Production, Engineering & Procurement Officer	Director, Executive Officer Chief Sustainability Officer Responsible for the Engineering Division	September 1, 2024

## (2) Limited Liability Agreements

The Company has executed a Limited Liability Agreement with each of four (4) Directors, Masaru Onishi, Masaaki Tsuya, Tamie Minami, and Reiko Kusunose, and each of five (5) Statutory Auditors, Masanori Shimai, Tomoko Torii, Hitomi Nakayama, Jun Arima and Koichi Tsuji, which limits the respective liabilities of each Director and Statutory Auditor to twenty (20) million yen or the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act, whichever is higher.

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

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

### **(4) Compensation, etc. for Directors and Statutory Auditors**

#### **1) Method of Determining the Policy for Establishing the Content of Compensation, etc., for Individual Directors, and Overview of the Policy**

The outline of the content of the policy for the content of compensation, etc. for individual Directors is as follows. The said policy is decided by a resolution of the Board of Directors following deliberation by the Compensation Advisory Committee.

The activities of the Board of Directors and the Compensation Advisory Committee for deliberation and determination regarding the compensation, etc. for Directors in FY2024 are as follows:

The Board of Directors met seven (7) times and the Compensation Advisory Committee met fourteen (14) times

#### **a) Basic policy for the compensation plan**

- i) The plan should incentivize the achievement of the short-term and medium- to long-term management targets, and enhance awareness of contributing to increase in earnings and corporate value.
- ii) The plan should be closely linked to the Company's performance, and be highly transparent and objective.
- iii) The plan should be primarily focused on sharing value with the Company's stakeholders and enhancing shareholders-oriented management.
- iv) The plan should maintain sufficient compensation level and contents to act as an incentive to globally secure high-quality executives.

#### **b) Compensation level**

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

#### **c) Composition of the compensation, etc. for Directors and Statutory Auditors**

- i) The compensation for internal Directors who concurrently serve as Corporate Officer is composed of fixed basic compensation that is not linked with the performance of the Company, and 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.

For internal Directors who do not concurrently serve as Corporate Officer, only monetary compensation is granted based on their appointed duties, and neither restricted stock compensation (medium- to long-term incentive compensation) nor performance share units compensation (medium- to long-term incentive compensation) are granted.

- ii) The compensation for Outside Directors and Statutory Auditors is solely basic compensation that is not linked to the performance of the Company.

d) Composition ratio of the compensation

The composition ratio of the compensation for internal Directors who concurrently serve as Corporate Officer is as follows:

Position	Fixed compensation	Variable compensation			Total compensation
	Basic compensation	Performance-linked compensation	Restricted stock	Performance share units	
Representative Director President & CEO	45%	20%	10%	25%	100%
Other Directors	50%	25%	10%	15%	100%

e) Performance indicators for performance-linked compensation etc.

i) Performance-linked compensation

To incentivize recovery of fundamental earning power and 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 internal Director who concurrently serves as Corporate Officer.

For targets and results, etc. of FY2024 performance indicators, please refer to 5) a).

ii) Performance share units compensation

To incentivize Directors to realize improvement in corporate value and shareholder value in 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 continued 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 also set non-financial indicators for sustainability (environment, DE&I, and employee engagement) as performance indicators for each internal Director who concurrently serves as Corporate Officer.

For targets and results, etc. of FY2024 performance indicators, please refer to 5) b).

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

i) Fixed compensation:

- Basic compensation

The amount to be paid to each Director is determined according to his or her position / job grade and paid out as a fixed amount. One twelfth (1/12) of the fixed amount based on each position / job grade is provided as monthly compensation.

ii) Variable compensation:

- Performance-linked compensation

Performance-linked compensation is calculated based on position / job grade, the achievement level of the performance indicators, and the individual performance evaluation of each Director, 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.

- Restricted stock compensation

Around July or August of each year, shares and share units equivalent to the standard amount determined based on position / job grade will be provided 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 the 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 thirty five (35) million yen (twenty five thousand (25,000) shares) per fiscal year for the stock portion and thirty five (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 thirty five (35) million yen per fiscal year.

Restricted stock compensation will be provided to each internal Director who concurrently serves as 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.

- 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 (1) or more performance indicators set by the Board of Directors of the Company applicable to the performance evaluation periods comprised of one (1) 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 the position designated in advance by the Board of Directors of the Company. 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 one hundred fifty (150) million yen (one hundred thousand (100,000) shares) per fiscal year for the stock portion and one hundred fifty (150) million yen per fiscal year for the share units portion, and the total maximum amount of cash to be paid based on the share units is one hundred fifty (150) million yen per fiscal year. For performance indicators and performance evaluation period for the period of "Teijin Group Medium-Term Management Plan 2024-2025," please refer to the table below.

Performance share units compensation will be provided to each internal 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 performance evaluation criteria and evaluation period, etc. for the performance share units compensation

Performance indicators	Targets	Composition ratio (For one (1) year)	Performance evaluation period	Timing of provision of shares and share units
ROE	10%	40%	One (1) year	Annually
TSR	Benchmark TSR	30%		
Sustainability (Environment, DE&I and employee engagement)	Medium-term target	30%	Two (2) years	The fiscal year following the final fiscal year of the medium-term management plan (The number of allotted shares and share units corresponding to the performance evaluation period is calculated in a lump sum by multiplying the number of years in the performance evaluation period in calculation of the number of shares and share units to be allotted)

Note: All of the contents above are those initially planned for the initial target period (FY2024 and FY2025), and the contents (including performance indicators, targets, performance evaluation period, composition ratio, etc.) are subject to change during the initial target period by the determination of the Board of Directors within the scope that the General Meeting of Shareholders approves. Furthermore, the contents above will be newly established after the end of the initial target period.

g) Matters regarding delegation of determining the compensation, etc. for individual Director

No applicable matters.

h) Other significant matters regarding determining the content of the compensation, etc. for individual Director

The compensation for Directors is proposed to the Board of Directors following deliberation thereof by the Compensation Advisory Committee of the Company, and resolved by the Board of Directors with full consideration of the said proposal.

## **2) Reasons that the Board of Directors Determined that the Content of the Compensation, etc., for Individual Director for FY2024 was in Conformity with the Decision Policy**

In determining the content of the compensation for individual Director, the Compensation Advisory Committee considered the original proposal regarding matters including the alignment with the decision policy before submitting the said proposal to the Board of Directors and then the Board of Directors gave full consideration and resolved the said

proposal. Consequently, the Board of Directors determined that the content of the compensation is in conformity with the decision policy.

### 3) Resolutions of the General Meeting of Shareholders Regarding the Compensation, etc. for Directors and Statutory Auditors

It was resolved at the 155th Ordinary General Meeting of Shareholders held on June 23, 2021 that the total maximum annual amount of the monetary compensation, etc. for Directors was six hundred thirty (630) million yen (of which the total maximum annual amount for Outside Directors is one hundred (100) million yen). As of the conclusion of the said Ordinary General Meeting of Shareholders, the number of Directors totaled ten (10) (of which four (4) were Outside Directors).

It was resolved at the 158th Ordinary General Meeting of Shareholders held on June 20, 2024 that, for the restricted stock compensation, the total maximum amount was thirty five (35) million yen (twenty five thousand (25,000) shares) per fiscal year for monetary claims of the stock portion and thirty five (35) million yen per fiscal year for share units to be provided, and the total maximum amount of cash to be paid based on share units was thirty five (35) million yen per fiscal year; and for the performance share units compensation, the total maximum amount was one hundred fifty (150) million yen (one hundred thousand (100,000) shares) per fiscal year for monetary claims of the stock portion and one hundred fifty (150) million yen per fiscal year for the share units to be provided, and the total maximum amount of cash to be paid based on the share units was one hundred fifty (150) million yen per fiscal year. As of the conclusion of the said Ordinary General Meeting of Shareholders, the number of Directors totaled seven (7) (of which four (4) were Outside Directors).

At the 133rd Ordinary General Meeting of Shareholders held on June 25, 1999, it was resolved that the maximum amount of the compensation for Statutory Auditors of the Company was twelve (12) million yen per month. As of the conclusion of the said Ordinary General Meeting of Shareholders, the number of Statutory Auditors totaled five (5).

### 4) The Compensation, etc. for Directors and Statutory Auditors for FY2024

(headcount; millions of yen)

	Total amount of the compensation, etc.	Total amount of the compensation, etc., by type				Number of applicable Directors and Auditors
		Basic compensation	Performance-linked compensation	Restricted stock	Performance share units	
Directors (Excluding Outside Directors)	365	189	75 (Note 1)	38 (Note 2)	62 (Note 3)	4
Outside Directors	75	75	— (Note 4)	— (Note 4)	— (Note 4)	5
Statutory Auditors (Note 5) (Excluding Outside Statutory Auditors)	77	77	—	—	—	3
Outside Statutory Auditors (Note 5)	45	45	—	—	—	3

Note 1: The performance-linked compensation of seventy five (75) million yen is an estimated amount to be paid by the end of June 2025 to the three (3) internal Directors who were appointed at the 158th Ordinary General Meeting of Shareholders held on June 20, 2024, and one (1) internal Director who retired upon the conclusion of the said General Meeting of the Shareholders.

Note 2: The restricted stock compensation of thirty eight (38) million yen is the compensation amount for the restricted

stock compensation provided in July 2024 to three (3) internal Directors who were appointed at the 158th Ordinary General Meeting of Shareholders held on June 20, 2024, and one (1) internal Director who retired upon the conclusion of the said General Meeting of the Shareholders. The stated amount is the amount that must be recorded as expenses for FY2024 (excluding the portion disclosed in the former fiscal years).

Note 3: The performance share units compensation of sixty two (62) million yen is an estimated amount of the performance share units compensation to be provided in July 2025 to three (3) internal Directors who were appointed at the 158th Ordinary General Meeting of Shareholders held on June 20, 2024, and one (1) internal Director who retired upon the conclusion of the said General Meeting of the Shareholders. The stated amount is the amount that must be recorded as expenses for FY2024 (excluding the portion disclosed in the former fiscal years).

Note 4 The performance-linked compensation, the restricted stock compensation, and the performance share units compensation are not provided to Outside Directors.

Note 5 The compensation, etc. of Statutory Auditors is determined through discussions by Statutory Auditors.

## 5) Matters Regarding the Performance-based Compensation, etc.

### a) The performance-linked compensation

After selecting the indicators stated in 1) e) i) as performance indicators, the amount of the performance-linked compensation for each internal Director was calculated based on the achievement level etc. of the targets of the said performance indicators and the performance evaluation of individual Directors.

The performance results for FY2024, as shown in the following table, indicate that adjusted operating income fell below the standard target value, while ROIC based on adjusted operating income after tax exceeded the standard target value. Consequently, the payment rate for the performance-linked compensation in FY2024 is expected to be 88% of the standard amount of the performance-linked compensation (the amount to be paid if all performance indicators meet the standard target values).

Performance indicators	Standard targets (Note)	Results
Adjusted operating Income	30 billion yen	27.6 billion yen
ROIC based on adjusted operating income after tax	2%	2.6%
Individual performance targets	Set individual performance targets including non-financial indicators (safety)	Based on performance evaluation of individual Director

Note: The standard target values for adjusted operating income and ROIC based on adjusted operating income after tax are figures in the earnings forecast as of the beginning of the fiscal year (announced in May 2024).

### b) The performance share units compensation

#### I. Details of the performance indicators and reasons for the selection

As described in 1) e) ii).

#### II. The amount or calculation method of the performance share units compensation

The Company calculated the number of shares and share units to be provided to each internal Director who concurrently serves as Corporate Officer based on the achievement level of the targets for performance indicators stated in 1) e) ii).

#### III. Results of performance indicators

The results of the performance indicators for FY2024 showed that ROE and TSR were below the standard targets as shown in the table below. Consequently, the payment rate of the performance share units

compensation (the portion using ROE and TSR as performance indicators) corresponding to the execution of business operations in FY2024 is expected to be 77% of the standard amount of the performance share units compensation (i.e., the amount to be paid when both targets of ROE and TSR are achieved).

Performance indicators	Targets	Results	Performance evaluation period
ROE	10%	6.7%	One (1) year
TSR	Benchmark TSR	Below the target	
Sustainability (Environment, DE&I and employee engagement)	Medium-term target	—	Two (2) years

Note: The target for ROE is a figure the Company should aim for over the medium-term.

## 6) Matters Regarding the Non-monetary Compensation, etc.

### a) The restricted stock compensation

The details of the restricted stock compensation issued during FY2024 are as follows.

Category	Class and number of shares	Number of persons
Internal Directors who concurrently serve as Corporate Officer	Ordinary shares of the Company 13,228 shares	3

Note: The restricted stock compensation is not granted to Internal Directors who do not concurrently serve as Corporate Officer, Outside Directors and Statutory Auditors.

Outline of the conditions when the shares were granted is as described in 1) f) ii).

### b) The performance share units compensation

The performance share units compensation was not granted during FY2024. The performance share units compensation corresponding to the business operations executed during FY2024 that is scheduled to be provided in July 2025 is as stated in 5) b) and 1) f) ii).

## 7) Method of Determining the Policy for Establishing the Content of Compensation, etc., for Individual Directors Following Transition to a Company with an Audit & Supervisory Committee in FY2025, and Overview of the said Policy

If Proposal 1 “Partial Amendments to the Articles of Incorporation”, Proposal 5 “Determination of Compensation Amounts for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)”, “ Proposal 6 “Determination of Compensation Amounts for Directors Who Are Audit & Supervisory Committee Members”, and Proposal 7 “Determination of the Restricted Stock Plan and Performance Share Units Plan for Directors (Excluding Outside Directors and Directors Who Are Audit & Supervisory Committee Members)” are approved as proposed, the Company will change its policy for establishing the content of compensation, etc., for individual Director basically as follows. “Directors” in the overview of the policy below refer to Directors (excluding Directors who are Audit & Supervisory Committee Members), unless otherwise specified.

(changes are underlined):

### a) Basic policy for compensation plan

- 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.
- The plan should be closely linked to the Company’s performance, and be highly transparent and objective.
- The plan should be primarily focused on sharing value with stakeholders and enhancing shareholders-oriented



management.

- iv) The plan should maintain sufficient compensation levels and content to act as an incentive to globally secure high-quality executives.

b) 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.

c) Composition of compensation, etc. for Directors

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

- ii) The compensation for Outside Directors is solely basic compensation that is not linked to the performance of the Company.

- iii) The compensation for Directors who are Audit & Supervisory Committee Members is solely basic compensation based on their duties.

d) Composition ratio of compensation

The composition ratio of compensation for internal Directors who concurrently serve as Corporate Officer is as follows:

Position	Fixed compensation	Variable compensation			Total compensation
	Basic compensation	Performance-linked compensation	Restricted stock	Performance share units	
Representative Director President & CEO	45%	20%	10%	25%	100%
Other Directors	50%	25%	10%	15%	100%

e) Performance indicators for performance-linked compensation etc.

i) 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 internal Director concurrently serving as Corporate Officer.

ii) Performance share units compensation

To incentivize Directors to realize an improvement in corporate value and shareholder value in 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 continued 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 internal Director who concurrently serves as Corporate Officer.

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

i) Fixed compensation:

- 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 (1/12) of the fixed amount based on position and job grade is provided as monthly compensation.

ii) Variable compensation:

- 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.

- 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 thirty five (35) million yen (twenty five thousand (25,000) shares) per fiscal year for the stock portion and thirty five (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 three hundred (300) million yen per fiscal year.

Restricted stock compensation will be provided to each internal Director who concurrently serves as 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.

- 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 (1) or more performance indicators set by the Board of Directors of the Company applicable to the performance evaluation periods comprised of one (1) 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 three hundred forty (340) million yen (two hundred ninety thousand (290,000) shares) per fiscal year for the stock portion and three hundred forty (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 one point two (1.2) billion yen per fiscal year. For performance indicators and performance evaluation period for the period of "Teijin Group Medium-Term Management Plan 2024-2025," please refer to table below.

Performance share units compensation will be provided to each internal 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 performance evaluation criteria and evaluation period, etc. for performance share units compensation**

Performance indicators	Target	Composition ratio (For one (1) year)	Performance evaluation period	Timing of provision of shares and share units
ROE	10%	40%	One (1) year	Annually
TSR	Benchmark TSR	30%		
Sustainability (Environment, DE&I and employee engagement)	Medium-term target	30%	Two (2) years	The fiscal year following the final fiscal year of the medium-term management plan (The number of allotted shares and share units corresponding to the performance evaluation period is calculated in a lump sum by multiplying the number of years in the performance evaluation period in the calculation of the number of shares and share units to be allotted)

Note: All of the contents above are those initially planned for the initial target period (FY2024 and FY2025), and the contents (including performance indicators, targets, performance evaluation period, composition ratio, etc.) are subject to change during the initial target period by the decision of the Board of Directors within the scope that has received approval by a resolution of the General Meeting of Shareholders. Furthermore, those contents will be newly established after the end of the initial target period.

**g) Policy for determining the content of the compensation, etc., for individual Eligible Director subject to Overseas Plans**

The compensation level, composition of compensation, and composition ratio of compensation for the Company's internal Directors to whom the Company, as a global company, applies a compensation plan for regions outside Japan (internal Directors who have entered into an employment contract, etc. with any Teijin Group company in any country other than Japan, and are registered employees of the said Group company) (hereinafter referred to as "Eligible Directors subject to Overseas Plans.") shall be determined on an individual basis under the basic policy described in a) above and in consideration of the contents of b) through f) above, by taking into account the compensation level and compensation practice, etc., in the assumed human capital market based on their position and job grade, place of residence, and companies they belong to, etc.

In terms of restricted stock compensation for the Eligible Directors subject to Overseas Plans, transfer restrictions on the shares and share units is, in principle, released and cash is paid based on the share units provided when three (3) years lapses from the date the Company's ordinary shares are issued or disposed of to them. For performance share

units compensation, transfer restrictions shall not be placed on the shares and share units, and cash to be paid based on the share units is paid at the same time as the disbursement of the shares.

h) Matters regarding delegation of determining compensation, etc. for individual directors

No applicable matters.

i) Other significant matters regarding determining the content of individual compensation, etc.

The Compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) is proposed to the Board of Directors following deliberation thereof by the Compensation Advisory Committee of the Company, and resolved by the Board of Directors with full consideration of the proposal.

Compensation for Directors who are Audit & Supervisory Committee Members is determined through discussions by Directors who are Audit & Supervisory Committee Members.

## 7. Matters Concerning the Outside Directors and the Outside Statutory Auditors

(1) Status of Significant Concurrent Positions (As of March 31, 2025)

Category	Name	Significant Concurrent Positions
Outside Directors	Masaru Onishi	Outside Director, Mitsui O.S.K. Lines, Ltd. Outside Director, Kadoya Sesame Mills Incorporated Outside Director, Luup, Inc. Outside Director, Resonac Holdings Corporation
	Masaaki Tsuya	External Advisor, Bridgestone Corporation
	Tamie Minami	Outside Director, Santen Pharmaceutical Co., Ltd.
	Reiko Kusunose	Outside Director, NIPPO CORPORATION Outside Director, BUNKA SHUTTER CO.,LTD.
Outside Statutory Auditors	Hitomi Nakayama	Partner lawyer, KASUMIGASEKI-SOGO LAW OFFICES Outside Director, ROYAL HOLDINGS Co., Ltd. Outside Statutory Auditor, JAPAN POST Co., Ltd.
	Jun Arima	Project Professor, Graduate School of Public Policy, The University of Tokyo
	Koichi Tsuji	Outside Director, Mitsubishi UFJ Financial Group, Inc. Outside Director, MARUICHI STEEL TUBE LTD.

Note: There are no important interests between the Company and any of the entities at which the above mentioned Outside Directors and Outside Statutory Auditors hold positions as director/statutory auditor, etc.

(2) Main Activities in FY2024

Category	Name	Summary of advice given and duties performed as expected of outside directors and outside statutory auditors	Participation in the Board of Directors and Board of Statutory Auditors
Outside Directors	Masaru Onishi	<ul style="list-style-type: none"> <li>• He offered valuable comments from his extensive management experience and knowledge at appropriate opportunities as well as at the Board of Directors meetings.</li> <li>• He served as chairperson of the Board of Directors as part of separation of monitoring/supervision and execution. He vitalized the Board of Directors of the Company and endeavored to secure effectiveness and improve function of the Board of Directors.</li> <li>• As chairperson of the Advisory Board, he gave insightful advice on matters related to overall management.</li> <li>• As a member of the Nomination Advisory Committee, he made valuable comments on the selection of candidates for Directors and corporate officers, etc., the executive personnel system, and the plan to develop CEO successor candidates.</li> <li>• As a member of the Compensation Advisory Committee, he made appropriate comments regarding reform of the remuneration plan and evaluation of the performance of CEO and Directors, etc.</li> </ul>	Board of Directors 14/14 times 100%

Category	Name	Summary of advice given and duties performed as expected of outside directors and outside statutory auditors	Participation in the Board of Directors and Board of Statutory Auditors
Outside Directors	Masaaki Tsuya	<ul style="list-style-type: none"> <li>• He offered valuable comments from his extensive management experience and knowledge at appropriate opportunities as well as at the Board of Directors meetings.</li> <li>• As the chairperson of the Nomination Advisory Committee, he set agenda, facilitated active discussions, and made valuable comments on the selection of candidates for Directors and corporate officers, etc., the executive personnel system, and the plan to develop CEO successor candidates.</li> <li>• As a member of the Compensation Advisory Committee, he made appropriate comments regarding reform of the remuneration plan and evaluation of the performance of CEO and Directors, etc.</li> <li>• As a member of the Advisory Board, he gave insightful advice on matters related to overall management.</li> </ul>	Board of Directors 14/14 times 100%
	Tamie Minami	<ul style="list-style-type: none"> <li>• She made valuable comments, such as comments on initiatives from a global perspective and comments on enhancement of marketing, based on her extensive experience and knowledge gained in a global company at appropriate opportunities as well as at the Board of Directors meetings.</li> <li>• As chairperson of the Compensation Advisory Committee, she set agenda, facilitated active discussions, and made valuable comments on reform of the remuneration plan and evaluation of the performance of CEO and Directors, etc.</li> <li>• As a member of the Nomination Advisory Committee, she made valuable comments on the selection of candidates for Directors and corporate officers, etc., the executive personnel system, and the plan to develop CEO successor candidates.</li> <li>• As a member of the Advisory Board, she gave insightful advice on matters related to overall management.</li> </ul>	Board of Directors 14/14 times 100%
	Reiko Kusunose	<ul style="list-style-type: none"> <li>• She made valuable comments from the perspectives of management, finance, accounting, and IR, based on her experience in global organizational management as CFO of the companies which went through business mergers.</li> <li>• As a member of the Nomination Advisory Committee, she made useful comments on the selection of candidates for Directors and executive officers, the executive personnel system, and the plan to develop CEO successor candidates.</li> <li>• As a member of the Compensation Advisory Committee, she made valuable comments regarding reform of the remuneration plan and evaluation of the performance of CEO and Directors, etc.</li> <li>• As a member of the Advisory Board, she gave insightful advice on matters related to overall management.</li> </ul>	The Board of Directors 9/9 (100%)

Outside Statutory Auditors	H i t o m i N a k a y a m a	She offered valuable comments from her professional knowledge as lawyer, and offered advice and suggestions, in particular, concerning compliance and risk management.	Board of Directors 14/14 times 100% Board of Statutory Auditors 13/13 times 100%
	J u n A r i m a	He offered valuable advice and suggestions on the enhancement of the sustainability system and the environmental management that the Company has aimed for, including maintaining and improving compliance.	Board of Directors 14/14 times 100% Board of Statutory Auditors 13/13 times 100%
	Koichi Tsuji	He offered professional opinions as a certified public accountant as well as beneficial advice and suggestions on matters such as portfolio reforms and risk management.	Board of Directors 14/14 times 100% Board of Statutory Auditors 13/13 times 100%

## 8. Matters Concerning the Accounting Auditors

### (1) Name of the Accounting Auditors

KPMG AZSA LLC

### (2) The amount of the compensation (Millions of yen)

Details	Amount
1) The amount of compensation the Company should pay to the Accounting Auditors	419
2) The total amount of monetary or other economic benefit to be paid by the Company and its subsidiaries to the Accounting Auditors	546

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

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

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

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

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

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

## 9. Summary of a System to Secure Proper Operations and the Status of Use of Said System

### (1) Resolutions on Basic Systems for Internal Control

The Company adopted the “Resolutions on Basic Systems for Internal Control” at the Board of Directors meeting held on March 31, 2025. The content of the resolutions is posted on the Company’s website (<https://www.teijin.com/ir/management/governance/resolution/>). A summary is as follows.

#### 1) Systems for Ensuring the Compliance with Laws and the Articles of Incorporation in the Performance of Duties by Directors, Officers and Employees of the Company and its Subsidiaries

The Company has established basic principles for compliance in Teijin Group’s Corporate Governance Guide.

To practice these basic principles, the Company shall establish systems and organizational structures that ensure practical operation and observation of Teijin Group’s Corporate Philosophy system, Corporate Code of Conduct, Regulations for Teijin Group Corporate Ethics and other related internal regulations.

The representative directors, other executive directors and corporate officers shall take the initiative and set good examples in observing laws, the Articles of Incorporation, social rules and ethics, and shall promote compliance awareness among directors, officers and employees of Teijin and its subsidiaries. In order to supervise the entire Teijin Group’s compliance and identify and address any potential issues, the Company appoints a Chief Officer for Human Resources and Sustainability as the officer in charge of compliance.

The directors, officers and employees of the Company and its subsidiaries shall be required to report to a Teijin entity or to the holding company, i.e. Teijin Limited, any significant violations of laws or other serious information concerning compliance, in accordance with Regulations for Teijin Group Corporate Ethics and others. Chief Officer for Human Resources and Sustainability shall direct and supervise investigations to confirm such facts and, upon consultation with CEO, determine appropriate measures.

The Company shall provide necessary means for directors, officers, employees and business partners to directly report any violation or suspicion of non-compliance in the Company or its subsidiaries. As one of such means, the Company shall establish and operate a reporting and consultation hotline with outside counsel and other experts. The anonymity of the caller shall be protected, and any repercussions to the caller shall be prevented. Important reports as well as measures taken by the relevant Teijin entity and their results shall be announced as appropriate to, and shall be recognized by, all directors, officers and employees of the Company and its subsidiaries.

The directors of the Company and its subsidiaries shall receive audits of their performance of duties by statutory auditors and will respect any advice or recommendations received from the statutory auditors.

The Company has established the Corporate Audit Department, directly supervised by the CEO, to perform internal auditing of Teijin Group’s business operations and conduct evaluation of the internal control system and propose its improvement.

The Teijin Group shall maintain a resolute attitude toward pressure from antisocial forces, including demands for payoffs from specific shareholders or interference by crime syndicates, and shall not allow such interference. The Chief Officer for Human Resources and Sustainability is appointed as the person in charge of dealing with antisocial forces. The Chief Officer for Human Resources and Sustainability shall establish response policies, etc., and thoroughly inform directors, officers and employees of the Company and its subsidiaries.

At least four independent outside directors shall be appointed as members of the Board of Directors in order to further ensure the validity of the decisions made by the Board of Directors in principle. These outside directors must satisfy the requirements for independence set forth by Teijin.



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

The Board of Directors of the Company shall operate a Total Risk Management (TRM) system to deal with every risk that may threaten the mission of achieving sustainable business development of the Teijin Group.

The TRM Committee (Total Risk Management Committee) (Refer to “(Reference) Corporate Governance System ((2) 7) Total Risk Management”) shall mainly deal with both Teijin Group’s operational risks and strategic risks, and shall propose basic policies and annual plans related to TRM to the Company’s Board of Directors. The CEO shall assess the strategic risks of the Teijin Group, and present the assessment to the Board of Directors, etc. of the Company, so that the directors can use it in the course of making managerial decisions.

In addition, the Chief Officer for Human Resources and Sustainability shall implement necessary measures to ensure the continuation of businesses of the Teijin Group in the face of risks arising from disasters, the inappropriate performance of duties by directors, officers and employees, and the technical problems in critical IT systems.

## 3) Systems for Ensuring that Duties by Directors of the Company and Its Subsidiaries Are Performed Efficiently

The Company shall establish the Group Regulations to provide the necessary rules and guidelines for the Group to ensure the efficient performance of duties throughout the Teijin Group.

The Board of Directors of Teijin shall have representative directors, etc. execute business operations, and the matters delegated to the representative directors, etc. shall be determined by the organization and in compliance with the procedures stipulated by internal regulations. These regulations shall be revised as necessary to reflect any revision and/or abolition of laws and/or to increase efficiency.

The Board of Directors of Teijin shall organize the basic structure of the Teijin Group, and shall promote efficient management and supervision of these organizational bodies.

The Company shall formulate the Group medium-term management plan, and each fiscal year it shall formulate short-term management plans and the Group’s entire key management targets and budgets, and check their progress, in order to realize the medium-term management plan.

## 4) Systems for Ensuring that Proper Business Operations Are Conducted within the Teijin Group

The Company shall establish the Group Regulations to provide the necessary rules and guidelines for the Group to ensure appropriate business operations throughout the Teijin Group. Each Teijin Group company shall establish its own regulations based on the Group Regulations, and shall use appropriate processes for deciding on important issues.

The Company shall discuss important matters concerning Teijin Group companies at its Group Strategy Committee meeting, etc. and other meetings, and shall require Teijin Group companies to make reports.

The representative director and other executive directors and corporate officers shall provide necessary instructions to ensure that Teijin Group companies have appropriate internal control systems.

The Corporate Audit Department of the Company shall operate and supervise internal audits of Teijin Group’s business operations to ensure the efficiency and validity of internal control functions over the entire business of the Teijin Group.

The Statutory Auditors of the Company shall establish appropriate systems, such as those for close cooperation with outside accounting auditors and the Corporate Audit Department, to ensure effective and appropriate supervision and auditing of the Group’s entire business operations.

To ensure the reliability of its financial reporting, the Company shall establish a general internal control system over financial reporting covering the general operation of the Teijin Group and specific internal control systems

covering individual operational processes, which shall be properly and efficiently operated and assessed.

5) Systems for the Preservation and Management of Information in Relation with the Directors' Performance of Their Duties

Directors shall preserve and manage, in an appropriate manner and in accordance with the relevant internal regulations, documents related to the execution of their duties, including the minutes of General Meetings of Shareholders and minutes of the Board of Directors meetings, and other important information. The CEO shall be responsible for monitoring and supervising the preservation and management of these documents and information. Documents related to the performance of director duties shall be preserved for at least ten (10) years, and shall be accessible whenever necessary.

6) Provisions Concerning Employees Assigned to Assist the Statutory Auditors in Performing Their Duties, the Independence from Directors of Such Employees, and the Validity of Instructions Given to Such Employees

Teijin Group Auditors Office, under the supervision of a full-time Statutory Auditor, shall be put in place as an organization to assist with the duties of the Statutory Auditors. In principle, the number of members of Teijin Group Statutory Auditors Office shall consist of two or more members. Note that members of Teijin Group Statutory Auditors Office may also concurrently serve as a Statutory Auditor of a Teijin Group company. However, they shall not concurrently hold positions related to the execution of operations at a Teijin Group company.

To secure the independence of members of Teijin Group Statutory Auditors Office, all decisions concerning personnel issues affecting the members require the prior consent of full-time Statutory Auditors, and full-time Statutory Auditors shall assess the performance of the members.

7) Systems for Reporting to Statutory Auditors by Directors, Corporate Officers and Employees of Teijin and its Subsidiaries, and Other Systems for Reports to Statutory Auditors

Full-time Statutory Auditors of the Company shall attend the meetings of the Board of Directors and other important meeting bodies of the Company, as well as those of the important meeting bodies of the main subsidiaries.

Representative directors, etc. shall report at the meetings of the Board of Directors and other important meetings on their performance of duties with regard to the business operations, functions, and subsidiaries under their charge.

Directors, officers and employees of the Company and its subsidiaries shall report to a Statutory Auditor of the Company as soon as they discover a significant decline in Company's credibility, serious adverse effects on the performance of the Company, significant damage related to the environment, safety and health (ESH) or product liability (PL), serious violations of internal rules and other similar events.

Directors, officers and employees of Teijin and its subsidiaries shall report on the business operations, functions, and subsidiaries under their charge, when they deem it necessary to do so, or at the request of the Statutory Auditors of the Company, and shall cooperate with the investigations of the Statutory Auditors of the Company.

8) Systems for Ensuring that Persons Reporting to the Statutory Auditors Are Not Subject to Unfair Treatment Because of Such Reporting

Teijin Group stipulates in the Regulations for Teijin Group Corporate Ethics that no person shall be treated unfairly because of reporting or notifying illegal or unethical conduct and so forth.

9) Policy Regarding Processing of Expenses and Liabilities Arising with Respect to the Statutory Auditors' Performance of Duties, Prepayment of Expenses, and Reimbursement Procedures

The Company shall bear the expenses and liabilities required for the Statutory Auditors' performance of duties, and shall promptly respond to requests for pre-payment of expenses in accordance with the Companies Act after confirmation.

#### 10) Other Systems for Ensuring that the Audits of Statutory Auditors Are Conducted Effectively

The majority of members sitting on the Board of Statutory Auditors shall be Independent Outside Statutory Auditors who satisfy the independence requirements set by the Company, thereby ensuring transparency.

The Company's Statutory Auditors shall enter into advisory agreements with outside law firms in order for themselves and subsidiaries' statutory auditors to form independent opinions. When they consider it necessary in the course of conducting audits, the Auditors can, at their own discretion, retain outside advisers, including certified public accountants and other consultants.

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

An overview of the use of the internal control system in FY2024 in accordance with the "Resolutions on Basic Systems for Internal Control" is as follows.

##### 1) Operations related to legal compliance

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

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

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

The Company respects and appropriately responds to matters pointed out by Statutory Auditors in Statutory Auditor audits and evaluations of the maintenance and operations of the internal control system. In accordance with the annual plan, the Corporate Audit Department of the Company conducts internal audits across the Teijin Group and reports the audit results to the Members of the Board and the Statutory Auditors.

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

##### 2) Operations related to loss risk management

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

The Chief Officer for Human Resources and Sustainability regularly evaluates and monitors operational risks, and continuously verifies the validity of risk extraction and countermeasures.

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

The Company, to ensure the continuity of its business, is establishing necessary manuals and a system prepared for emergencies, including holding regular drills.

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

### 3) Operations related to ensuring effectiveness

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

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

### 4) Operations related to internal controls as a corporate group

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

The Statutory Auditors of the Company, to promote fair and efficient auditing activities in the Teijin Group, regularly carry out Committee of Teijin Group Statutory Auditors meetings. They also work closely with the accounting auditor and the Corporate Audit Department by attending accounting auditor reporting sessions and reporting the results of operational audits.

### 5) Operations related to storing information

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

### 6) Operations to ensure the effectiveness of audits by Statutory Auditors

The Company has established Teijin Group Auditors Office. The staff members of Teijin Group Auditors Office are engaged in audit-related support work based on the instructions and orders of the Statutory Auditors.

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

The Chief Officer for Human Resources and Sustainability reports to meeting members, including the Statutory Auditors, individually or through important meetings as soon as a matter designated to be important is discovered, including whistle-blowing via hotlines.

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

## 10. Basic Policy on Corporate Control

### (1) Basic Policy Regarding the Company's Shareholders

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

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

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

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

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

#### 1) Initiatives to improve profit

the Teijin Group announced the "Teijin Group Medium-Term Management Plan 2024-2025" in May 2024. The Company has been working on initiatives to address three issues that have identified as issues to be addressed, i.e., i) Recovering fundamental earning power by completing the profitability improvement measures, ii) Implementing business portfolio reforms, and iii) Strengthening the global management base. For the specific details of these activities, please refer to "1. Matters Concerning the Current Status of the Teijin Group (corporate group), (7) Management Policy and Tasks Ahead," in the Notice of Convocation of the 159th Ordinary General Meeting of Shareholders.

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

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

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

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

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

position of the Company's directors.

## **11. Policy Regarding the Determination of Dividends from Retained Earnings**

The Company will pay "dividends in line with earnings performance" with a target dividend payout ratio of 30% while considering "stable and continuous dividends." In addition, as stated in the "Teijin Group Medium-Term Management Plan 2024-2025," if funds are obtained through asset sales or the execution of strategic options for unprofitable or non-core businesses, they will be allocated while considering financial soundness, growth investments, and additional shareholder returns (including share buybacks).

### **◎ Dividend of surplus for FY2024**

Based on above policy, the Company will pay the fiscal year-end dividend for the 159th fiscal year as follows. The annual dividend will be fifty (50) yen per share, which includes the interim dividend of twenty five (25) yen per share which was implemented on December 2, 2024.

Fiscal year-end dividend: twenty five (25) yen per share

Date that the dividends of surplus takes effect: June 4, 2025 (Wednesday)

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

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

## 12. Financial Statement

### (1) Consolidated Statements of Financial Position

(Millions of yen)			
	Transition Date (as of April 1, 2023)	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>			
Current assets			
Cash and cash equivalents	140,307	123,212	107,538
Trade and other receivables	201,399	222,629	166,741
Inventories	199,315	233,974	227,032
Other financial assets	26,434	14,542	8,499
Other current assets	46,221	30,438	22,685
Subtotal	613,675	624,796	532,496
Assets held for sale	—	826	55,388
Total current assets	613,675	625,622	587,883
Non-current assets			
Property, plant and equipment	295,355	302,860	250,945
Right-of-use assets	40,187	32,932	23,333
Goodwill	9,659	10,662	8,334
Intangible assets	144,524	138,940	85,511
Investment property	11,535	12,644	11,888
Investments accounted for using the equity method	45,937	47,927	45,602
Other financial assets	57,189	42,348	26,481
Retirement benefit asset	701	1,403	728
Deferred tax assets	5,431	7,999	16,977
Other non-current assets	4,037	3,278	3,589
Total non-current assets	614,554	600,994	473,389
Total assets	1,228,229	1,226,616	1,061,272

	(Millions of yen)		
	Transition Date (as of April 1, 2023)	As of March 31, 2024	As of March 31, 2025
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	148,975	150,778	105,296
Bonds and borrowings	207,897	211,787	124,985
Lease liabilities	10,067	9,765	7,954
Other financial liabilities	9,485	8,379	5,473
Income taxes payable	4,798	12,874	3,693
Provisions	1,315	1,705	1,798
Other current liabilities	43,843	45,061	38,147
Subtotal	426,381	440,348	287,347
Liabilities directly associated with assets held for sale	—	350	31,616
Total current liabilities	426,381	440,698	318,962
Non-current liabilities			
Bonds and borrowings	298,539	270,378	237,494
Lease liabilities	30,543	25,007	16,694
Other financial liabilities	3,402	4,921	4,729
Retirement benefit liability	35,075	34,531	32,375
Provisions	1,888	3,219	992
Deferred tax liabilities	8,655	3,785	3,268
Other non-current liabilities	7,398	7,319	8,215
Total non-current liabilities	385,499	349,159	303,768
Total liabilities	811,880	789,857	622,731
Equity			
Share capital	71,833	71,833	71,833
Capital surplus	103,153	103,133	105,708
Retained earnings	205,913	204,174	231,726
Treasury shares	(12,299)	(11,772)	(11,411)
Other components of equity	22,299	42,139	34,655
Other comprehensive income associated with assets held for sale	—	—	(1,134)
Total equity attributable to owners of parent	390,898	409,507	431,378
Non-controlling interests	25,451	27,252	7,164
Total equity	416,350	436,759	438,541
Total liabilities and equity	1,228,229	1,226,616	1,061,272



(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Profit or Loss)

	(Millions of yen)	
	FY2023 (Apr. 2023-Mar. 2024)	FY2024 (Apr. 2024-Mar. 2025)
Continuing operations		
Revenue	960,459	1,005,471
Cost of sales	(749,815)	(814,020)
Gross profit	210,644	191,452
Selling, general and administrative expenses	(224,669)	(270,330)
Other income	14,825	12,595
Other expenses	(5,712)	(5,545)
Operating income (loss)	(4,912)	(71,828)
Finance income	12,929	4,115
Finance costs	(18,414)	(11,378)
Share of profit of investments accounted for using the equity method	5,259	1,052
Profit (loss) before tax	(5,138)	(78,038)
Income tax expense	(10,230)	2,291
Profit (loss) from continuing operations	(15,368)	(75,747)
Discontinued operations		
Profit from discontinued operations	6,733	106,058
Profit (loss)	(8,635)	30,310
Profit (loss) attributable to:		
Owners of parent	(11,712)	28,347
Non-controlling interests	3,077	1,963
Profit (loss)	(8,635)	30,310
Earnings(loss) per share		
Basic earnings (loss) per share		
Continuing operations	(82.64)	(394.39)
Discontinued operations	21.78	541.54
Total	(60.86)	147.15
Diluted earnings (loss) per share		
Continuing operations	(82.64)	(394.08)
Discontinued operations	21.78	541.11
Total	(60.86)	147.03

**(Consolidated Statements of Comprehensive Income)**  
For FY2023 and FY2024

	(Millions of yen)	
	FY2023 (Apr. 2023-Mar. 2024)	FY2024 (Apr. 2024-Mar. 2025)
Profit (loss)	(8,635)	30,310
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	6,406	638
Remeasurements of defined benefit plans	2,148	743
Share of other comprehensive income of investments accounted for using the equity method	2	(20)
Total of items that will not be reclassified to profit or loss	8,555	1,362
Items that may be reclassified to profit or loss		
Effective portion of cash flow hedges	233	628
Exchange differences on translation of foreign operations	25,985	(3,732)
Share of other comprehensive income of investments accounted for using the equity method	796	487
Total of items that may be reclassified to profit or loss	27,013	(2,617)
Total other comprehensive income (loss), net of tax	35,569	(1,256)
Comprehensive income	26,933	29,055
Comprehensive income attributable to:		
Owners of parent	24,150	27,099
Non-controlling interests	2,784	1,956
Comprehensive income	26,933	29,055

### (3) Consolidated Statements of Changes in Equity

FY2023

(Millions of yen)

	Equity attributable to owners of parent						
	Other components of equity						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Share acquisition rights	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of April 1, 2023	71,833	103,153	205,913	(12,299)	682	21,137	—
Profit (Loss)	—	—	(11,712)	—	—	—	—
Other comprehensive income	—	—	—	—	—	6,690	2,148
Total comprehensive income	—	—	(11,712)	—	—	6,690	2,148
Purchase of treasury shares	—	—	—	(15)	—	—	—
Disposal of treasury shares	—	(64)	—	257	(207)	—	—
Transfer of loss on disposal of treasury shares	—	168	(168)	—	—	—	—
Share-based payment expenses	—	(224)	—	285	—	—	—
Dividends	—	—	(5,292)	—	—	—	—
Change in treasury shares of parent arising from transactions with non-controlling interests	—	101	—	—	—	—	—
Transfer to non-financial assets	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	15,433	—	—	(13,285)	(2,148)
Other	—	—	—	—	—	—	—
Total transactions with owners	—	(20)	9,973	527	(207)	(13,285)	(2,148)
Balance as of March 31, 2024	71,833	103,133	204,174	(11,772)	474	14,541	—

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Other			
Balance as of April 1, 2023	481	—	22,299	390,898	25,451	416,350
Profit (Loss)	—	—	—	(11,712)	3,077	(8,635)
Other comprehensive income	233	26,792	35,862	35,862	(293)	35,569
Total comprehensive income	233	26,792	35,862	24,150	2,784	26,933
Purchase of treasury shares	—	—	—	(15)	—	(15)
Disposal of treasury shares	—	—	(207)	(15)	—	(15)
Transfer of loss on disposal of treasury shares	—	—	—	—	—	—
Share-based payment expenses	—	—	—	61	—	61
Dividends	—	—	—	(5,292)	(981)	(6,273)
Change in treasury shares of parent arising from transactions with non-controlling interests	—	—	—	101	—	101
Transfer to non-financial assets	(381)	—	(381)	(381)	—	(381)
Transfer from other components of equity to retained earnings	—	—	(15,433)	—	—	—
Other	—	—	—	—	(1)	(1)
Total transactions with owners	(381)	—	(16,021)	(5,541)	(983)	(6,524)
Balance as of March 31, 2024	332	26,792	42,139	409,507	27,252	436,759

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Share acquisition rights	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of April 1, 2024	71,833	103,133	204,174	(11,772)	474	14,541	—
Profit (Loss)	—	—	28,347	—	—	—	—
Other comprehensive income	—	—	—	—	—	634	743
Total comprehensive income	—	—	28,347	—	—	634	743
Purchase of treasury shares	—	—	—	(6)	—	—	—
Disposal of treasury shares	—	(39)	—	155	(312)	—	—
Transfer of loss on disposal of treasury shares	—	117	(117)	—	—	—	—
Share-based payment expenses	—	150	—	213	—	—	—
Dividends	—	—	(7,705)	—	—	—	—
Change in treasury shares of parent arising from transactions with non-controlling interests	—	2,347	—	—	—	—	—
Transfer to non-financial assets	—	—	—	—	—	—	—
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	—	—	—
Change in scope of consolidation	—	—	(408)	—	—	408	—
Transfer from other components of equity to retained earnings	—	—	7,434	—	—	(6,692)	(743)
Other	—	(0)	0	0	—	(0)	—
Total transactions with owners	—	2,575	(795)	361	(312)	(6,284)	(743)
Balance as of March 31, 2025	71,833	105,708	231,726	(11,411)	162	8,891	—

	(Millions of yen)						
	Equity attributable to owners of parent						
	Other components of equity			Other comprehensive income associated with assets held for sale	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Other				
Balance as of April 1, 2024	332	26,792	42,139	—	409,507	27,252	436,759
Profit (Loss)	—	—	—	—	28,347	1,963	30,310
Other comprehensive income	628	(3,254)	(1,248)	—	(1,248)	(7)	(1,256)
Total comprehensive income	628	(3,254)	(1,248)	—	27,099	1,956	29,055
Purchase of treasury shares	—	—	—	—	(6)	—	(6)
Disposal of treasury shares	—	—	(312)	—	(197)	—	(197)
Transfer of loss on disposal of treasury shares	—	—	—	—	—	—	—
Share-based payment expenses	—	—	—	—	363	—	363
Dividends	—	—	—	—	(7,705)	(515)	(8,220)
Change in treasury shares of parent arising from transactions with non-controlling interests	—	—	—	—	2,347	(2,341)	6
Transfer to non-financial assets	(30)	—	(30)	—	(30)	—	(30)
Transfer to other comprehensive income associated with assets held for sale	—	1,134	1,134	(1,134)	—	—	—
Change in scope of consolidation	—	—	408	—	—	(19,190)	(19,190)
Transfer from other components of equity to retained earnings	—	—	(7,434)	—	—	—	—
Other	—	—	(0)	—	0	2	2
Total transactions with owners	(30)	1,134	(6,236)	(1,134)	(5,228)	(22,044)	(27,272)
Balance as of March 31, 2025	930	24,672	34,655	(1,134)	431,378	7,164	438,541

## Consolidated Statements of Cash Flows(Reference)

(Millions of yen)

	FY2023 (Apr. 2023-Mar. 2024)	FY2024 (Apr. 2024-Mar. 2025)
Cash flows from operating activities		
Profit (loss) before tax	(5,138)	(78,038)
Profit before tax from discontinued operations	9,596	106,601
Depreciation and amortization	78,032	71,026
Impairment losses	27,309	95,215
Share of loss (profit) of investments accounted for using the equity method	(5,341)	(1,011)
Increase or decrease in retirement benefit asset or liability	1,141	(1,012)
Interest and dividend income	(3,728)	(3,555)
Interest expenses	11,170	10,427
Loss (gain) on sale or disposal of fixed assets	1,616	(8,137)
Loss (gain) on sale of shares of affiliates	984	(102,059)
Decrease (increase) in trade and other receivables	(9,538)	19,998
Decrease (increase) in inventories	(21,806)	(10,107)
Increase (decrease) in trade and other payables	(10,385)	(12,504)
Other	(11,051)	3,907
Subtotal	62,862	90,751
Interest and dividends received	16,772	10,608
Proceeds from insurance income	12,544	517
Interest paid	(11,020)	(10,285)
Income taxes paid	(562)	(21,748)
Net cash provided by (used in) operating activities	80,595	69,843
Cash flows from investing activities		
Purchase of property, plant and equipment	(58,112)	(57,397)
Proceeds from sale of property, plant and equipment	1,229	12,155
Purchase of intangible assets	(17,438)	(4,029)
Purchase of investment securities	(5,432)	(3,731)
Proceeds from sale of investment securities	27,325	12,058
Net decrease (increase) in short-term loans receivable	(2,210)	(1,433)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,332)	—
Proceeds from (payments for) sale of shares of subsidiaries resulting in change in scope of consolidation	550	96,071
Other	(1,141)	(1,178)
Cash flows from investing activities	(56,561)	52,517

(Millions of yen)

	FY2023 (Apr. 2023-Mar. 2024)	FY2024 (Apr. 2024-Mar. 2025)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	9,007	(56,391)
Proceeds from long-term borrowings	25,000	5,984
Repayments of long-term borrowings	(62,936)	(48,543)
Redemption of bonds	(30)	(20,090)
Repayments of lease liabilities	(8,310)	(7,030)
Purchase of treasury shares	(15)	(6)
Dividends paid to owners of parent	(5,292)	(7,705)
Dividends paid to non-controlling interests	(1,208)	(678)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(10)	—
Net cash provided by (used in) financing activities	(43,793)	(134,459)
Effect of exchange rate changes on cash and cash equivalents	3,015	(1,776)
Net increase (decrease) in cash and cash equivalents	(16,745)	(13,875)
Cash and cash equivalents at beginning of period	140,307	123,212
Net increase (decrease) in cash and cash equivalents included in assets held for sale	(350)	(1,798)
Cash and cash equivalents at end of period	123,212	107,538