

May 28, 2026

To our shareholders,

Teijin Limited  
(Stock code: 3401; Prime Market, Tokyo Stock Exchange)

### **Teijin Limited's View on ISS Voting Recommendation**

With respect to “Proposal No. 1: Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)” (the “Proposal”) to be submitted to the 160th Annual General Meeting of Shareholders of Teijin Limited (the “Company”) scheduled for June 19, 2026, Institutional Shareholder Services Inc. (“ISS”), a proxy advisory firm, has issued a report recommending a vote against the election of candidate No. 1, Akimoto Uchikawa.

The Company's view is as set forth below, and we respectfully request that shareholders make an informed decision based on a full understanding of the intent of the Proposal.

#### Details

##### 1. Reasons for ISS's Recommendation Against

ISS has established a voting policy for companies with an Audit and Supervisory Committee under which it recommends voting against the election of top management where the company has underperformed in terms of capital efficiency (i.e., where the company has posted average return on equity (ROE) of less than five percent over the last five fiscal years), unless an improvement is observed.

For the fiscal year ended March 31, 2026 (the “current fiscal year”), the Company recorded revenue of ¥873.2 billion and adjusted operating income of ¥25.8 billion. In addition, due to the recording of impairment losses in the Aramid Business and the Healthcare Business, among others, loss attributable to owners of the parent amounted to ¥88.0 billion (compared with profit attributable to owners of the parent of ¥28.3 billion in the previous fiscal year). As a result, the Company's average ROE over the past five years is as shown below, and we understand that this has led to ISS's adverse recommendation.

### <Company ROE Trends>

FY2021	FY2022	FY2023	FY2024	FY2025 (current fiscal year)	5-Year Average
5.5%	-4.1%	-2.9%	6.7%	-22.1%	-3.4%

Note: Through FY2023: Japanese GAAP / From FY2024 onward: IFRS

## 2. The Company's View

The Company positions ROE as one of its key management indicators and has been continuously working to improve it.

We believe that an evaluation based solely on ISS's criteria does not necessarily fully reflect the progress of the business portfolio transformation and structural reforms that the Company has been implementing, nor the progress of important measures aimed at future growth.

Since assuming office in April 2022, CEO Akimoto Uchikawa has set the "Restoration of Core Profitability through Completing Profitability Improvement" and the "Business Portfolio Transformation" as top priority issues, and has steadily promoted divestment of non-core and unprofitable businesses as well as strategic business integrations.

In the current fiscal year, while advancing fundamental cost structure reforms ahead of schedule in response to delays in the recovery of the Aramid Business and the Carbon Fibers Business, the Company has also implemented important measures for medium- to long-term growth, including the announcement of the business integration between Teijin Frontier Co., Ltd., a core subsidiary in the Fibers & Products Converting Business, and Asahi Kasei Advance Corporation.

As a result of the execution of structural reforms and the recording of impairment losses, ROE for the current fiscal year declined significantly; however, these measures will contribute to strengthening future profitability, and in FY2026 the Company expects to record adjusted operating income of ¥30.0 billion, ROIC based on adjusted operating income after tax of 3%, and ROE of 12%.

Furthermore, through the formulation of the "Teijin Group Medium-Term Management Plan 2026–2028," announced in May 2026, the Company is advancing initiatives aimed at shifting toward "Creating value on the Customer-Driven business model" as the foundation for the next phase of growth, and, to accelerate this transformation, is also promoting a mindset transformation of all employees anchored in its Purpose.

Through these efforts, the Company aims to achieve adjusted operating income of ¥60.0 billion and ROE of 8% in FY2028.

### 3. Reappointment of the CEO (Review of the Nomination Advisory Committee and Resolution by the Board of Directors)

The reappointment of the CEO is determined by resolution of the Board of Directors\*<sup>2</sup> following deliberation by the Nomination Advisory Committee\*<sup>1</sup>.

Notes:

1. Nomination Advisory Committee: Composed of three independent outside directors and the CEO (the CEO does not participate in decision-making regarding matters concerning the CEO).
2. Board of Directors: Composed of six independent outside directors and four internal directors.

In the reappointment review for FY2026, while taking into account that the results for the current fiscal year were below the initial plan, it was confirmed that the business portfolio transformation consistently led by CEO Akimoto Uchikawa has been steadily progressing, and that the results for the current fiscal year reflect the effects of bringing forward structural reforms for businesses facing challenges. Based on these confirmations, and from the perspectives of the continuity of reforms and the certainty of execution, the Nomination Advisory Committee and the Board of Directors determined that it is the most appropriate for the current CEO, who has led these transformations, to continue in his role.

For these reasons, the Company believes that the reappointment of CEO Akimoto Uchikawa will contribute to the enhancement of medium- to long-term shareholder value and corporate value, and therefore respectfully requests shareholders' approval of the election of candidate No. 1, Akimoto Uchikawa, as Director under the Proposal.

- End -

Reference:

“Teijin Group Medium-Term Management Plan 2026–2028”

[https://www.teijin.com/ir/management/vision/pdf/plan\\_pm\\_260511.pdf](https://www.teijin.com/ir/management/vision/pdf/plan_pm_260511.pdf)