

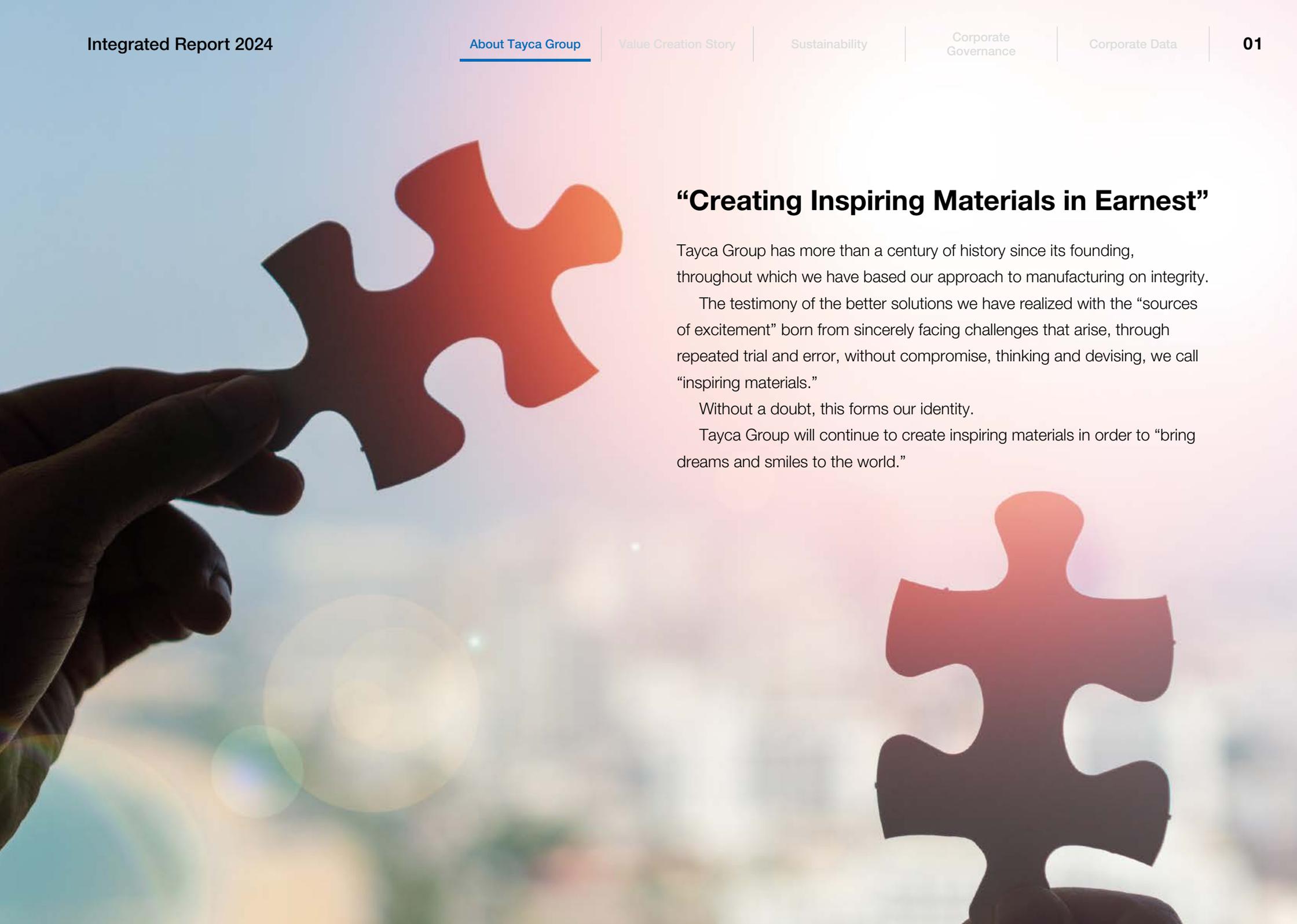


TAYCA

Integrated
Report

2024

TAYCA CORPORATION

A hand holding a red puzzle piece against a blurred background of a city skyline. The puzzle piece is a large, stylized red shape with a central hole and four protruding ends. The background is a soft-focus cityscape with warm, golden light, suggesting a sunset or sunrise. The overall mood is one of hope and achievement.

“Creating Inspiring Materials in Earnest”

Tayca Group has more than a century of history since its founding, throughout which we have based our approach to manufacturing on integrity.

The testimony of the better solutions we have realized with the “sources of excitement” born from sincerely facing challenges that arise, through repeated trial and error, without compromise, thinking and devising, we call “inspiring materials.”

Without a doubt, this forms our identity.

Tayca Group will continue to create inspiring materials in order to “bring dreams and smiles to the world.”

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History since Founding

Tayca was founded in 1919 under the name Teikoku Synthetic Fertilizer Co., Ltd. Tayca started with the manufacturing of fertilizers essential for agricultural products for a rich diet and subsequently started to manufacture sulfuric acid, which is widely used in the fields of agriculture and industry. We later used the related technologies gained in these fields to expand into chemical products such as titanium dioxide and surfactants, and further expanded our business base to include high-performance materials such as cosmetics and piezoelectric materials. The spirit that has been passed down is the passionate belief in our management philosophy that “Tayca Group creates materials that impress customers with the power of chemistry and delivers dreams and smiles to the world.” We will continue to deliver excitement to our stakeholders going forward.

1919

December

Teikoku Synthetic Fertilizer Co., Ltd.* was founded in present-day Funamachi, Taisho-ku, Osaka-shi
*Company name at the time of founding



Osaka Factory shortly after the company's founding

1949

May

Stocks were listed on the Tokyo and Osaka stock exchanges



Notice of construction plan approval (Osaka Asahi Shimbun newspaper)

1961

June

Production of surfactants at Osaka Factory began



Construction of Osaka Factory Research Laboratory completed (March 1, 1958)

1989

August

Celebration held to commemorate the company's 70th anniversary; company name changed to Tayca Corporation



1995

November

Osafune, Okayama Factory (Setouchi-shi, Okayama Prefecture) was completed along with the commercialization of the surface treatment business



Osafune, Okayama Factory

2006

September

Kumayama Factory was completed (Akaikawa-shi, Okayama Prefecture); began production of surface treatment products



Kumayama Factory (Left: Factory building / Right: Office building and research laboratory)

2018

January

Tayca acquired all the share of TRS Technologies, Inc. (Pennsylvania, USA) and made a subsidiary to expand the piezoelectric materials business

2019

December

The Company celebrated the centennial of its founding

2020

June

Named in METI's Global Niche Top Companies Selection 100 List (for piezoelectric materials)

1920

November

Osaka Factory (Funamachi, Taisho-ku, Osaka-shi) was completed and began production of superphosphate fertilizers and lead-chamber sulfuric acid

1938

October

Equipment was installed in Osaka factory to produce sulfuric acid by the Lurgi Contact Process, and production of concentrated sulfuric acid began

1951

April

Production of titanium dioxide at Okayama Factory began

1942

April

Company name changed to Teikoku Kako Co., Ltd.

1941

July

Construction began of Okayama Factory (Nishikozai, Higashi-ku, Okayama-shi)

1979

November

Celebration held to commemorate the company's 60th anniversary



60th anniversary celebration (Hotel Plaza)

1983

July

Production of micro titanium dioxide at Okayama Factory began

2001

October

TAYCA (Thailand) Co., Ltd. was established in Chonburi, Thailand to manufacture surfactants



TAYCA (Thailand) Co., Ltd.

2014

February

TAYCA (VIETNAM) CO., LTD. was established in Dong Nai, Vietnam to manufacture surfactants



TAYCA (VIETNAM) CO., LTD.

March

Named in METI's Global Niche Top Companies Selection 100 List (for functional fine particle products)

2022

January

Piezoelectric Single Crystal Mass-Production Factory completed within Osaka Factory



Piezoelectric Single Crystal Mass-Production Factory

April

Transitioned from the First Section of the Tokyo Stock Exchange to the Prime Market due to a review of the Tokyo Stock Exchange's market sections

[Net sales]



History of the Tayca Group's Inspiring Materials

Providing products that meet the needs of customers and society

Tayca Group has over a century of history since its foundation in 1919, over which time it has established integrity under a common Management Philosophy, Management Policies, and Corporate Slogan. We have been sincerely dealing with customers and society with our integrity, and have repeatedly conducted business activities to bring dreams and smiles to people around the world by providing inspiring products and services that exceed their expectations.

Sulfuric acid

Starting with the manufacturing of lead-chamber sulfuric acid, we now manufacture and sell various types of sulfuric acid, including concentrated sulfuric acid and oleum



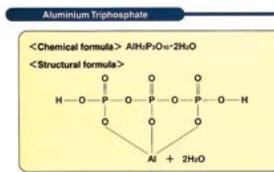
Surfactants

Began manufacturing and sales of surfactants by sulfonation of organic compounds based on sulfuric acid production know-how



Anti-corrosive pigments

Became the first in the world to industrialize aluminum triphosphate as a non-polluting white anti-corrosive pigment



Surface treatment products

Enhanced functions of inorganic powders using surface treatment technology that introduces organic substances onto the surface of inorganic powders



Electroconductive polymers

Developed various related materials, including polymerization oxidants, and contributed to higher capacity in capacitors



Before and after World War II
1919-1950

Established Teikoku Synthetic Fertilizer Co., Ltd. and entered into the chemical industry

Rapid economic growth
1950-1980

Post-war reconstruction and started journey as a modern chemical manufacturer

Bubble economy and low growth era
1980-2010

Transitioned to specialty chemicals with an aim to transform into a highly profitable company

Present days
2010-

Implemented structural reforms with an aim for the globalization of niche areas

Superphosphate fertilizers

Began manufacturing and sales in response to increased demand for fertilizers along with sulfuric acid



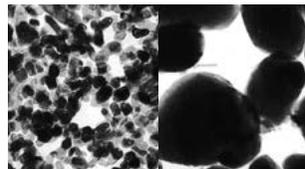
Titanium dioxide

Began manufacturing and sales of titanium dioxide using the sulphate process against a backdrop of industrialization in Japan. Developed various forms to meet the customer needs after that.



Micro titanium dioxide

Applied micro titanium dioxides, which are much smaller than conventional titanium dioxide, as a UV-blocking agent for cosmetics and top coatings for automobiles



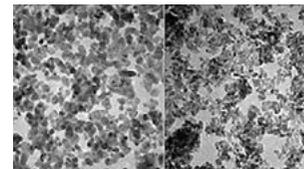
Ceramics materials

Developed in response to the growing demand for electronic components. They are now contributing mainly to the medical field as piezoelectric ceramics.



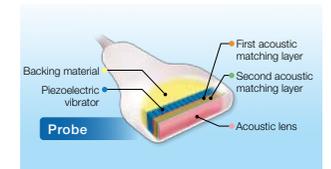
Micro zinc oxide

Established a proprietary production method in response to growing needs from cosmetics manufacturers for UV-A blocking, and launched manufacturing and sales



Piezoelectric single crystals

Piezoelectric single crystals contributed to higher resolution in ultrasound machines such as echo machines



Lineage of the Tayca Group's Core Technologies



Tayca in Daily Life

Tayca's Products Transform into Various Forms to Support People and Society

Micro titanium dioxide, micro zinc oxide

These products are nano/micro particles that have excellent UV-blocking properties. They are mainly used in sunscreens, as well as industrial applications such as automotive paints.

Surface treatment products

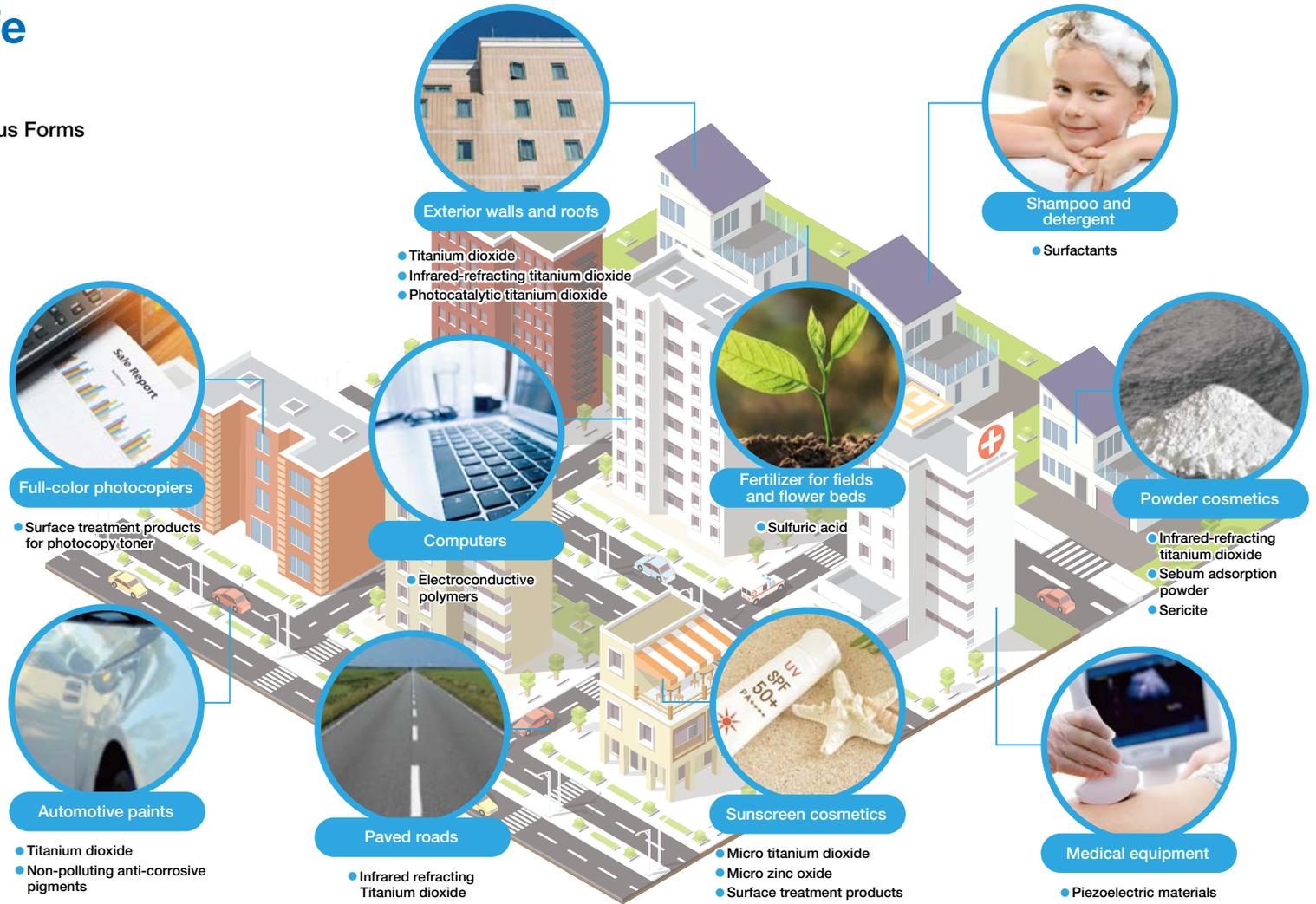
Surface treatment products are functional powders made by surface-treating fine particle products with organic compounds. They are used in a wide range of fields, including cosmetics and printer toner.

Piezoelectric materials

Piezoelectric materials are used in diagnostic ultrasound equipment that can safely examine the inside of the body without using X-rays, etc., during pregnancy checkups and heart and abdominal diagnoses. They are also used in non-destructive testing equipment and silicon wafer cleaning equipment for semiconductor manufacturing.

Electroconductive polymers

Electroconductive polymers convert insulators that do not conduct electricity, such as plastics, into conductors that conduct electricity. By integrating our unique technologies, they are used in capacitors that are indispensable in electronic devices such as PCs.



Titanium dioxide

Our titanium dioxide is used throughout living spaces as a high-quality white pigment for paints, printing inks, plastics, papers, synthetic fibers, and other products.

Surfactants

Surfactants have the property of being compatible with both water and oil, and their actions in cleaning, emulsification, dispersion, and solubilization are utilized for a wide range of household products such as detergents and shampoos, as well as industrial products.

Aluminum triphosphate (non-polluting anti-corrosive pigments)

Aluminum triphosphate is widely used in primer paints as an environmentally friendly pigment that prevents rust and does not contain heavy metals.

Sulfuric acid

Sulfuric acid is a fundamental chemical in all areas, from chemical industries such as pharmaceuticals and fertilizers to heavy industries such as metal and steel.

Infrared-refracting titanium dioxide

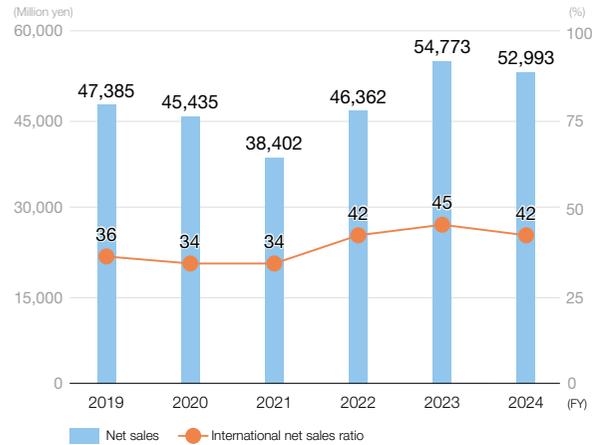
Infrared-refracting titanium dioxide is effective in blocking the near-infrared rays from natural light and preventing the rise in temperatures, and it helps to reduce the heat island effect.

Photocatalytic titanium dioxide

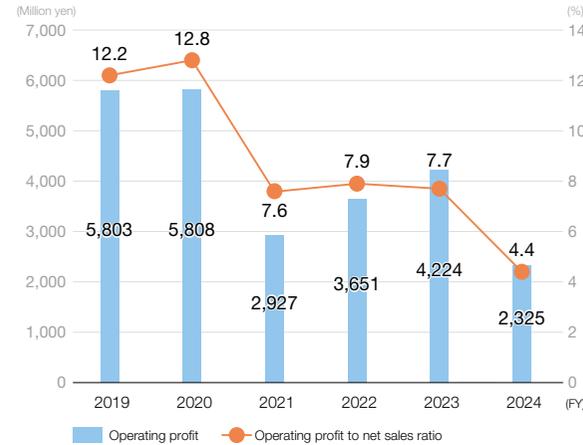
Photocatalytic titanium dioxide uses ultraviolet rays to generate an oxidizing effect that decomposes and eliminates harmful organic substances. This function can also be used for deodorizing and antibacterial applications.

Financial Highlights

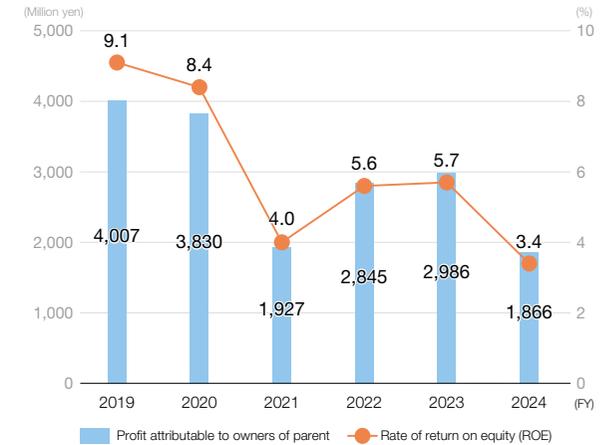
Net Sales / International Net Sales Ratio



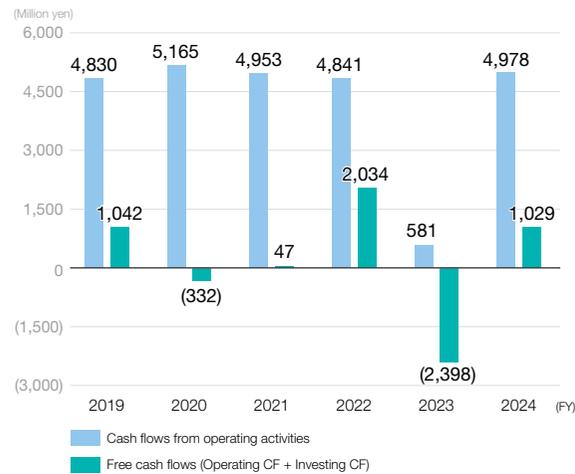
Operating Profit / Operating Profit to Net Sales Ratio



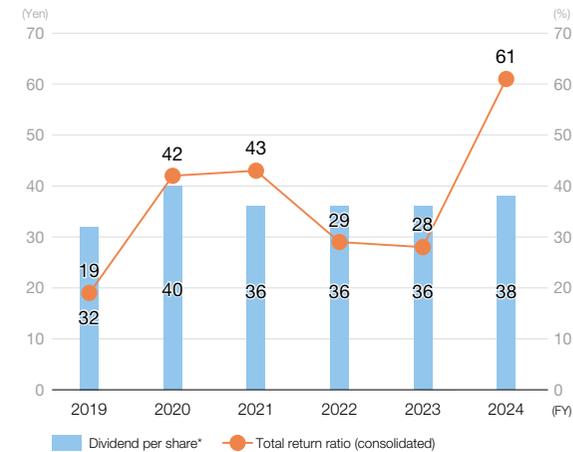
Profit Attributable to Owners of Parent / ROE



Cash Flows from Operating Activities / Free Cash Flows



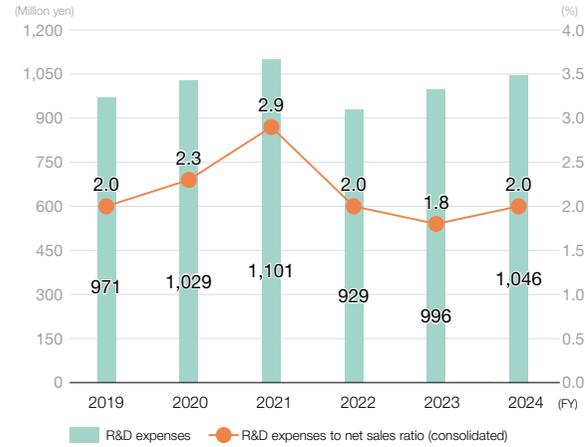
Dividend per Share / Total Return Ratio



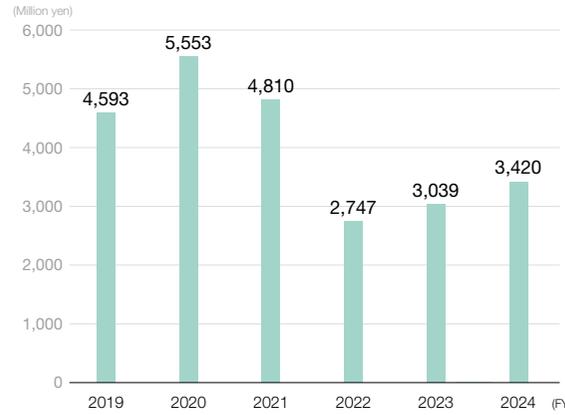
* In FY2020, we implemented a commemorative dividend of 4 yen per share to mark the 100th anniversary of our founding.

Non-financial Highlights

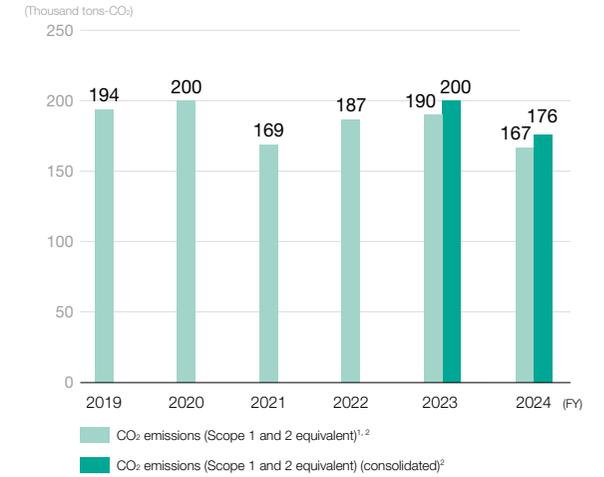
R&D Expenses / R&D Expenses to Net Sales Ratio



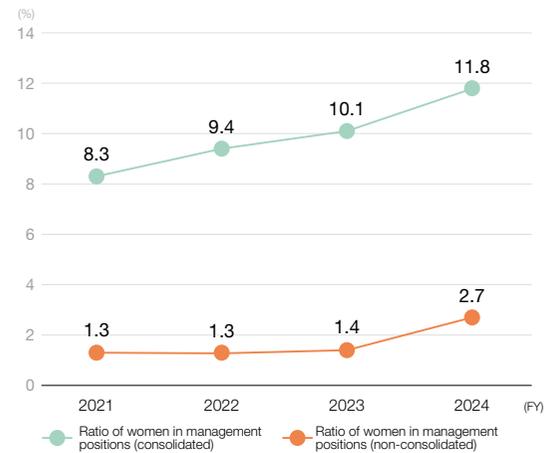
Capital Investment



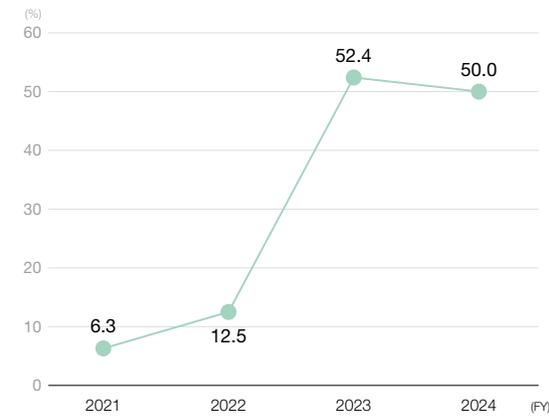
CO₂ Emissions



Ratio of Female workers in Managerial Positions



Ratio of Male Taking Childcare Leave (Non-consolidated)



*1. The scope of CO₂ emissions calculation includes the production sites and non-production sites of Tayca Corporation, as well as Tayca Trading Co., Ltd., which is located at the same sites as Tayca Corporation, TFT Corporation, and parts of Tayca Warehousing Co., Ltd.

*2. Scope 1 and 2 are calculated based on energy sources.

President's Message

With society and customers at the center of our work, we will continue to provide inspiring materials that exceed expectations and predictions.

Shunji Idei

President, CEO & Representative Director



President's Message

Creating an Integrated Report That Reflects the Multifaceted Nature of the Company

To date, the Tayca Group's main external report, other than its financial statements and securities reports, has been the Environmental Report. In order to enrich its contents, we published our first Sustainability Report in FY2023.

However, in reality, the financial and non-financial aspects of corporate activities are not independent from one another; business performance is determined by managing them together. For this reason, we have decided to create an Integrated Report in order to provide stakeholders with a deeper understanding of how the Tayca Group's unique strengths, each of its capitals, and its ESG-related initiatives are being utilized to create sustainable value. The Company has positioned this initiative as one of the training activities for next-generation leaders, forming project teams mainly consisting of young and mid-career employees, who present information only after fully understanding the content of the company. By involving the entire company in the creation process, our intention is to promote growth across the entire Group.

As I repeatedly asked myself about the Tayca Group's value creation process, one unwavering answer came to mind. The answer is that society and customers are always at the center of what we do, and we act according to the values of how we can contribute. As a chemical manufacturer, we have always sought to work closely with customers and impress them by exceeding their expectations. This process gave rise to the Company's keyword: inspiring materials. In other words, creating and providing products and services that exceed expectations and predictions will lead to the realization of our management philosophy "Tayca Group creates materials

that impress customers with the power of chemistry and delivers dreams and smiles to the world."

Operating Profit Target for FY2024 Was Not Achieved Due to Persistently High Raw Material and Fuel Prices

Looking back on FY2024, the WHO lifted the state of emergency for the COVID-19 pandemic in May, and in Japan, COVID-19 was reclassified as a Category V Infectious Disease, which is the same category as the seasonal influenza, etc. Thus, a back to normal could be seen in both name and reality. In this context, we were pleased to be able to meet many customers face-to-face again through exhibitions and academic conferences in Europe, the United States, and Asia, including "CITE JAPAN 2023 (Next Step for Cosmetic Ingredients & Technology)" held in Yokohama.

On the other hand, in terms of geopolitics, the year was marked by increasing uncertainty about the future, with no end to the Ukraine conflict in sight and a new Palestinian-Israeli war breaking out in October. Other factors that contributed to increased uncertainty included not only the continued high level of global inflation, but also the impact of the sluggish Chinese economy on the manufacturing industry as a whole and the accelerating depreciation of the yen due to differences in monetary policies between Japan and the United States.

Under these circumstances, the last fiscal year marked the final year of our previous mid-term management plan, MOVING-10 STAGE1 (hereinafter "STAGE1"), under our MOVING-10 long-term management vision formulated for 2030. In STAGE1, we aimed to recover from the decline caused by COVID-19 as well as expand our business and

strengthen our earnings base by focusing on expansion through innovation and the creation of new materials based on activities that place greater emphasis on profitability. However, despite a relatively smooth increase in net sales, the final target for operating profit was not achieved. The main factor behind this was the sharp rise in prices for raw materials and fuel, which the Company almost entirely imports. In response, we revised sales prices for customers five times over the past three years, but this failed to keep up with rising raw material and fuel prices, and in the end, pushed down profits. We had hoped that the cosmetics ingredients business would pick up with the end of the pandemic, but recovery was delayed. Moreover, due to supply shortages of semiconductors and other products, the piezoelectric materials business and electroconductive polymers business did not grow as expected, and we believe that these factors also had a major negative impact.



President's Message

On the other hand, we undertook various measures in STAGE1. In the life sciences field, we built a new mass-production factory for piezoelectric single-crystal materials and began construction of a new factory for functional fine particle products. We also saw some progress from the perspective of sustainability. In terms of human resources, we have been nurturing employees who hold a management perspective by introducing a new personnel evaluation system in April 2023 and implementing our Management Talent Development Project, as well as by working on our DX Promotion Project to improve business efficiency and productivity. Moreover, regarding the environment, we set targets for reducing CO₂ emissions and announced our support for the TCFD recommendations. Under our new mid-term management plan, MOVING-10 STAGE2 (hereinafter "STAGE2"), we will strive to restore business performance and further enhance



our corporate value by promoting and accelerating these key measures.

Aiming to Quickly Restore Profitability and Capital Efficiency with Our Business Strategies

STAGE2, which began in April 2024, has been positioned as a transitional period for our further development, and as a stepping stone along the way, we aim to achieve an ROE of 7% or higher and an operating profit ratio of 9% or higher. To achieve this, our top priority must be to quickly restore the profitability and capital efficiency that fell short in STAGE1 and put them on an upward trajectory.

The five basic policies of our business strategies are: "restore operating profit," "actively invest in and strengthen businesses with a competitive advantage," "select and focus on businesses," "realize new businesses," and "improve processes and increase productivity."

Going into more detail about each business, we will first work to further expand the life sciences field, which is the Group's most important business. In the cosmetics ingredients business, we will build a new factory as planned at the Osegi industrial park we acquired in Akaiwa-shi, Okayama Prefecture, and in doing so dominate the market as a top manufacturer and solidify our business foundation. In addition, by concentrating management resources, we will accelerate the development and sale of new materials, the implementation of overseas sales measures, and sales expansion into the United States and Asia. We will operate the piezoelectric materials business with a firm determination to make it the second pillar of profits for the Tayca Group. Last fiscal year, our U.S. group company, TRS Technologies, Inc., achieved its highest profit ever. In Japan, we expect to start the full-scale operation of a

mass-production factory for piezoelectric single-crystal materials going forward, and we will work to establish and develop single crystal technology. By continuing to strengthen our resources, we will further increase our production capacity for single crystal and ceramic products, and together with the United States, we will forge ahead to gain market share from our competitors and secure new sales outlets in Europe, the United States, and Asia.

In the environmental energy field, we will focus on developing the electroconductive polymers business into our third pillar of business, and on creating new businesses with the potential of becoming our fourth and fifth pillars. In the electroconductive polymers business, the market is expected to expand due to the shift to electric vehicles, autonomous driving, and the spread of generative artificial intelligence (AI), therefore we will strengthen our research and development systems and work to expand our market share. Moreover, in creating new businesses, we will aim to achieve our sales targets by strengthening collaboration between manufacturing, sales, and research in order to solve our customers' real problems, rather than simply grasp their issues superficially. We will also aim to achieve our sales targets by improving our ability to make essential proposals that go beyond the simple provision of materials.

In the chemical field, the Pigment-grade titanium dioxide business continues to face difficulties due to rising raw material and fuel prices and sluggish demand both in Japan and abroad. In order to stabilize this business, it is essential that we strengthen sales and pass on costs in the sales division, while also reducing costs in the manufacturing division, and we are working to fundamentally improve profitability. As this business accounts for the majority of the Tayca Group's CO₂ emissions, we believe that it is

President's Message

necessary to steadily implement and manage a roadmap for achieving our CO₂ reduction targets, and to realize our future vision with a view toward restructuring the business portfolio. In the surfactants business, an extremely important issue that we are facing is how to maintain profits as the domestic market gradually shrinks. We are aiming to improve profitability by establishing a stable business structure through integrated management of our three bases in Japan, Thailand, and Vietnam, and by maintaining and expanding our customer base.

In the industrial services field, our goal is to record stable sales and profit. By proactively utilizing functions that are not limited to manufacturing, including trading, logistics, and engineering, we are aiming to expand our business while maximizing synergy effects within the Tayca Group and continuing to take on the challenge of turning this field into a core business.

Aiming to Establish the Tayca Brand Through Various Initiatives in Areas Including Finance, Human Resources, and CO₂ Reduction

Recently, we have put a lot of effort into formulating our financial and non-financial strategies. Our three basic policies are: “capital efficient management and establishment of the Tayca brand,” “expansion of human capital,” and “reduction in CO₂ emissions.”

First, in terms of our financial strategy, we have set management targets of improving ROE and PBR. ROE has been set as a key indicator, with a target of 12% or higher by FY2030, the final year of MOVING-10. Specifically, we will thoroughly disseminate within the company the idea that achieving KPI targets set by each department, such as sales and cost reductions, will lead to improved ROE. On

top of this, we will work to improve capital efficiency by implementing the PDCA cycle in daily operations.

Next, regarding our non-financial strategy, it goes without saying that human resources are the driving force behind a company's sustainable growth. In order to expand human capital in STAGE2, we will work to solidify the personnel system that was revamped in STAGE1, while also focusing on human resource development. Specifically, we are aiming to improve individual capabilities and enhance organizational strength through measures such as the revitalization of division-specific on-the-job training, selective training on a project-by-project basis, and off-the-job training for different levels of employees. We believe that we can realize a rewarding work environment by increasing the number of employees who possess a sense of responsibility, who take on tasks rather than leaving them to others, and who act positively.

Regarding reductions in CO₂ emissions, we have set a goal of reducing emissions by 50% by FY2031. As a first step, we have begun converting boiler fuel from coal to LNG. Moreover, by streamlining the manufacturing process and optimizing the heat utilization system, it is predicted that CO₂ emissions will be reduced by approximately 20,000 tons in 2026.

Increasing Opportunities for Dialogue and Strengthening Public Relations Activities to Help People Understand Our Value

Finally, as a message to shareholders and investors, we will strengthen our IR activities during the three years of STAGE2. Specifically, we will enhance shareholder returns and encourage dialogue. Our shareholder return policy targets a total return ratio of 40% or higher, and in April of this year, we cancelled treasury shares. To encourage



dialogue, we plan to hold regular briefings and interviews with individual and institutional investors. In addition, the Company has businesses that have been selected as leading global niche businesses, with a global market share of approximately 60% for micro titanium dioxide and approximately 50% for micro zinc oxide used in sunscreen cosmetics, and approximately 45% for piezoelectric single-crystal materials used in medical diagnostic equipment. In order to properly communicate these achievements to customers, we plan to strengthen our public relations activities, which we have not placed much emphasis on until now, and to systematically disseminate information.

If we were to compare each business in the Tayca Group to a tree, then it could be said that each tree will grow and become a grove, and then new shoots will appear from the ground and grow into an even larger, flourishing forest. With this vision in mind, the entire Group will work together to strive for sustainable growth and value creation.

Value Creation Process

Management Philosophy

Tayca Group creates materials that impress customers with the power of chemistry and delivers dreams and smiles to the world.

Management Policies

- 1.Full participation management
- 2.Increased social contributions and corporate value
- 3.Harmony with the global environment
- 4.Ensure compliance
- 5.Information disclosure



Collecting/exploring/ discovering needs and issues

Overcoming difficulties and challenges



Six capitals
p.14

“心(Shin)-技(Gi)-体(Tai)” is a Japanese concept often used in martial arts and sports, representing the balance of three elements. All of these enhancements are essential for outstanding performance.

In order to inspire our customers, we will continue to take on the challenge of “Creating Inspiring Materials in Earnest” with the aim of exceeding the expectations and predictions of customers and society.

Six Capitals to Realize Value Creation



Turnover rate shows the average for FY2020–FY2024

Energy consumption is calculated in crude oil equivalent
 Water intake includes domestic industrial water, tap water, and seawater

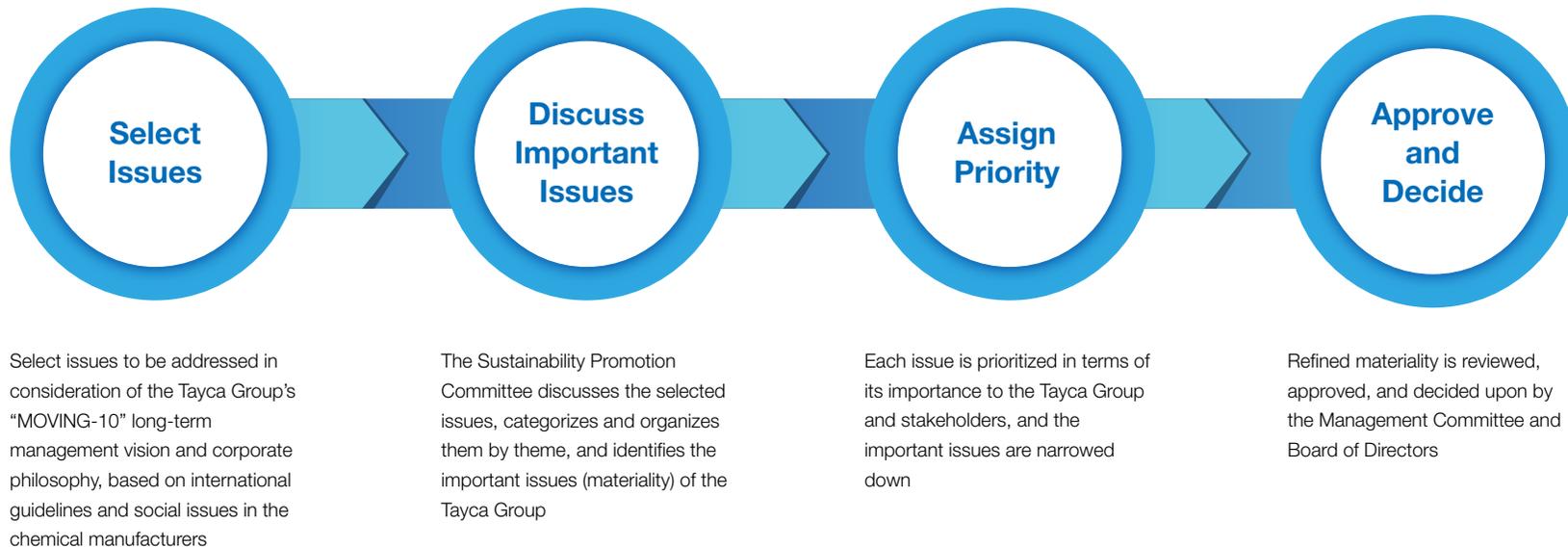
Materiality (Important Issues)

Basic Philosophy

The Tayca Group has been prioritizing its efforts regarding materiality in order to become a company that is trusted by its stakeholders. We aim for sustainable growth by contributing to the environment and society through these initiatives.

Materiality Identification Process

The Tayca Group has identified “Tayca Group Materiality” to address as management in order to strive for the sustainable enhancement of corporate value through the achievement of the “MOVING-10” long-term management vision toward 2030 and business activities that lead to solutions for social issues.



Materiality (Important Issues)

Identified Materiality

Issues that can contribute more to stakeholders through our business are expressed in Tayca’s uniquely established classification of “inspiring materials,” based on issues related to Environment (E), Social (S), and Governance (G), which are important for the promotion of sustainable corporate activities.

Major Materiality Initiatives of the Tayca Group

Category	Important Issues (Materiality)	Overview (Sub-materiality)	Major initiatives of the Tayca Group
Inspiring Materials	Continuously enhance corporate value by solving social and environmental issues	<ul style="list-style-type: none"> ● Create new businesses ● Create high-value-added services 	<ul style="list-style-type: none"> ● Cultivate next-generation businesses ● Enhance research and development capabilities ● Develop leading global niche products ● Promote open innovation
	Contribute to the healthy and prosperous lives of people through the power of chemistry cultivated over many years	<ul style="list-style-type: none"> ● Expand growth businesses ● Transform business model 	<ul style="list-style-type: none"> ● Accelerate global expansion ● Maintain and strengthen quality control standards ● Strengthen solution proposals ● Expand co-creation value
E (Environment) p.38	Promote sustainable corporate activities that consider the global environment and society	<ul style="list-style-type: none"> ● Address climate change issues ● Address product-related regulations ● Environmental conservation 	<ul style="list-style-type: none"> ● Reduce CO₂ emissions ● Address chemical substance regulations ● Maintain low emissions of environmentally hazardous substances
S (Social) p.45	Accelerate innovation creation through human capital management that respects individuals and leverages diversity	<ul style="list-style-type: none"> ● Diversity & inclusion ● Promote human resource development and advancement 	<ul style="list-style-type: none"> ● Respect human rights ● Promote flexible work styles ● Accelerate business efficiency (promoting DX) ● Enhance employee training
G (Governance) p.54	Establish and operate strong corporate governance	<ul style="list-style-type: none"> ● Improve transparency and soundness of management 	<ul style="list-style-type: none"> ● Ensure compliance ● Strengthen information security ● Manage business portfolio ● Enhance stakeholder engagement

Management Strategy

Message from Director

Aiming for Sustainable Growth



Tamataro Iwasaki

Director, Senior Executive Officer
In charge of the Corporate Planning Department, Environmental and Quality Department, Purchasing Department, and Osaka Factory

To Achieve Long-term Management Vision MOVING-10

Tayca Group has set an operating profit ratio of 15% or higher and an ROE of 12% or higher as the final targets for its long-term management vision, MOVING-10.

I believe there are two key elements that are essential to the achievement of these targets. The first one is strengthening human capital. Japan's population peaked around 2010 and has since been declining due to its low birthrate and aging population, making labor shortages inevitable going forward. Perhaps due to these circumstances, the importance of human capital in corporate management has been receiving greater attention in recent years. It has long been said that the essential management resources necessary for running a company are "people, things, and money." However, I believe that going forward, companies will not be able to survive unless they invest in people not as resources to be consumed, but as capital that creates value. At the same time, we must recognize and respect the existence of various positions and values in society, including people of different nationalities, genders, and ages, and I believe that creating a culture and environment in which both individuals and the company can strive for greater heights will lead to a sense of fulfillment and job satisfaction, and will be a major driving force toward achieving the company's targets.

Therefore, in our new mid-term management plan, MOVING-10 STAGE2, we have set a basic policy of creating passionate human resources and improving engagement. Specifically, we have set three pillars: solidifying a new personnel system, accelerating human resource development, and creating job satisfaction.

In FY2024, Tayca Group conducted its first-ever engagement survey. Going forward, we will continue to regularly measure the effectiveness of our measures and work to improve the engagement of all employees, thereby generating significant energy toward achieving our targets.

The second key element is establishing the Tayca brand. As a long-established chemical manufacturer with over 100 years of history, Tayca Group has provided products and services that are closely connected to people's lives and lifestyles. In addition, since we have a long history as an upstream raw materials manufacturer focusing on BtoB, I feel that we have a earnest and solid corporate culture.

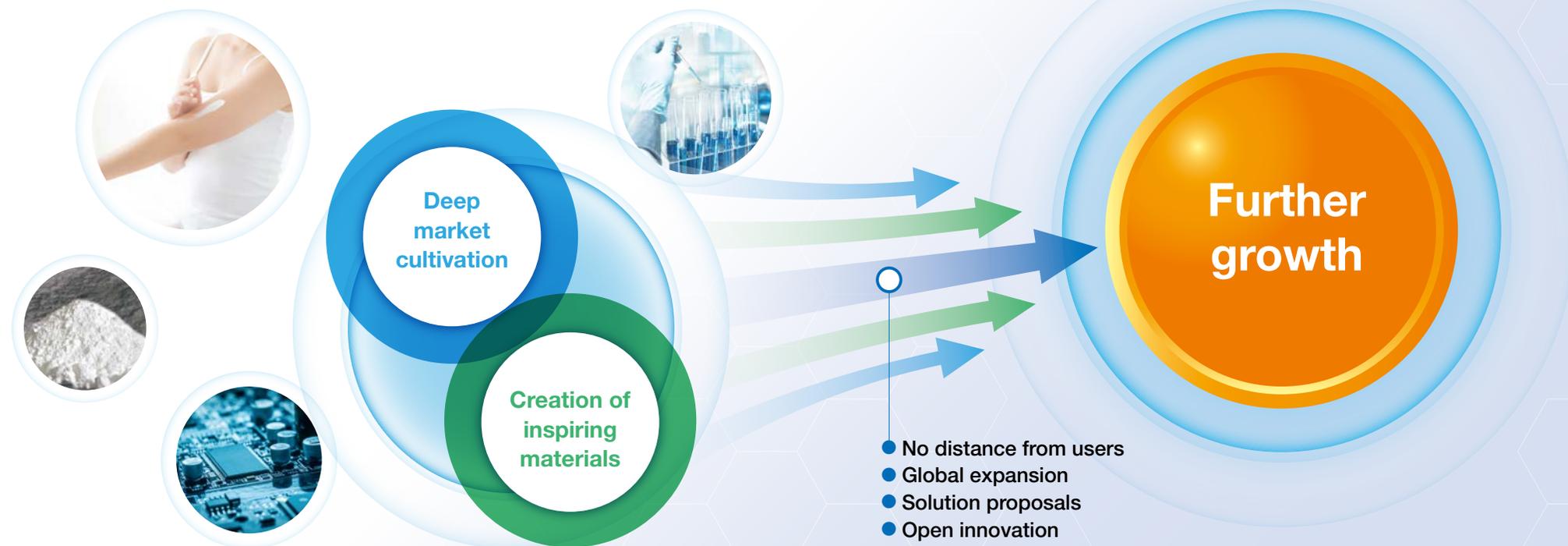
Accordingly, we are consistently tackling various issues, including environmental measures such as the reduction of CO₂ emissions as well as compliance with strict manufacturing and quality control standards such as GMP, and have made steady progress. However, I feel that we have not been able to adequately publicize these initiatives.

In order to be recognized as an even more reliable and trustworthy company by our customers and society, Tayca Group will not only raise the bar by making full use of the extensive know-how and experience it has cultivated over the years, but will also strive to be more proactive than ever before in terms of communication.

I believe that by sustainably developing Tayca Group's activities and continuing to contribute to the resolution of social issues in order to achieve our long-term management vision, we will gain support from our customers and society, which will lead to enhanced corporate value.

Long-term Management Vision MOVING-10

Our management philosophy is “Tayca Group creates materials that impress customers with the power of chemistry and delivers dreams and smiles to the world.” We are working to solve social issues through our business activities. We have begun a new history in FY2021, the 101st year since the establishment of the Tayca Group. As such, we have formulated our long-term management vision “MOVING-10” with a view to the next 10 years in order to realize our management philosophy.



Basic Policy

- 1 Shift management resources to growth businesses where we have strengths
- 2 Create leading global niche products
- 3 Transform business structure in response to changing environment
- 4 Leverage group synergies

Target Management Indicators

	FY2010	FY2020	FY2030
Operating profit ratio	5%	13%	15% or higher
ROE	3%	8%	12% or higher

MOVING-10

Overall Summary of STAGE1

In STAGE1, capital investments were implemented as planned, and steady progression was seen in the establishment of a stable supply system. On the other hand, due to the effects of high raw material and fuel prices as well as the economic slowdown, particularly in China, our targets were not achieved. Nevertheless, we will continue to promote initiatives to achieve the targets of the new mid-term management plan.

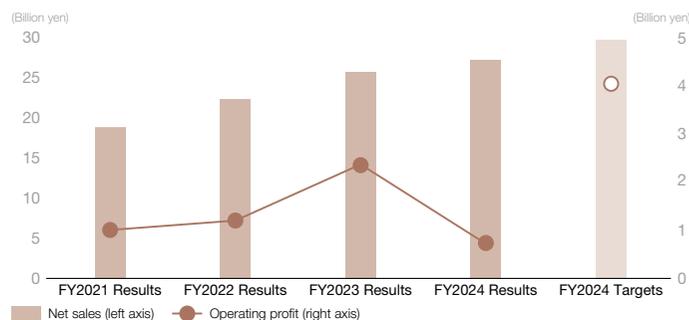
FY2024	
Net sales	53 billion yen
Operating profit	2.3 billion yen
ROE	3%

STAGE1 Key Activities	Overall Summary	Toward STAGE2
Further expand Functional Chemical and Electronic Material businesses	Expanded manufacturing facilities for functional fine particle products Established a new piezoelectric single-crystal mass-production factory	Further expand functional products Increase market share for piezoelectric materials
Cultivate and launch the environmental energy field	Failed to develop businesses that would become pillars of the next generation	Promote commercialization by strengthening sales and development
Promote the creation of new materials	Delayed in the process of new material creation and commercialization	Accelerate the creation of new materials by investing development resources
Promote business efficiency	Implemented the DX Promotion Project Improved the working environment through flextime system, etc.	Seek further improved productivity
Promote human resource development	Implemented the Management Talent Development Project Introduced a new personnel evaluation system	Strengthen the corporate structure through the promotion of human capital management
Enhance corporate value by promoting SDGs management	Created a Sustainability Report Expressed support for the TCFD recommendations	Steadily implement the CO ₂ reduction plan Improve evaluations by external organizations (CDP, EcoVadis, etc.)

Summary of Financial Performance by Segment (Functional Chemical)

p.22

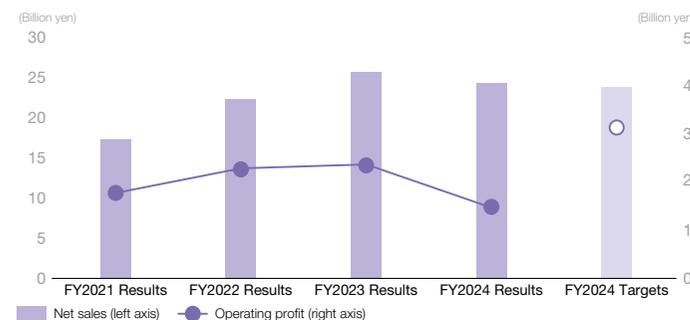
- Net sales increased. Domestic demand for pigment-grade titanium dioxide recovered, while overseas sales of cosmetic ingredients, primarily in the United States, were steady.
- Operating profit decreased. This was mainly due to a rise in costs caused by sustained high raw material and fuel prices.



Summary of Financial Performance by Segment (Electronic Material and Basic Chemical)

p.24

- Net sales increased. Overseas sales of piezoelectric materials and surfactants remained steady, while sales of electroconductive polymers decreased due to sluggish demand for ICT devices.
- Operating profit remained low due to a decline in profits caused by sluggish sales of electroconductive polymers.



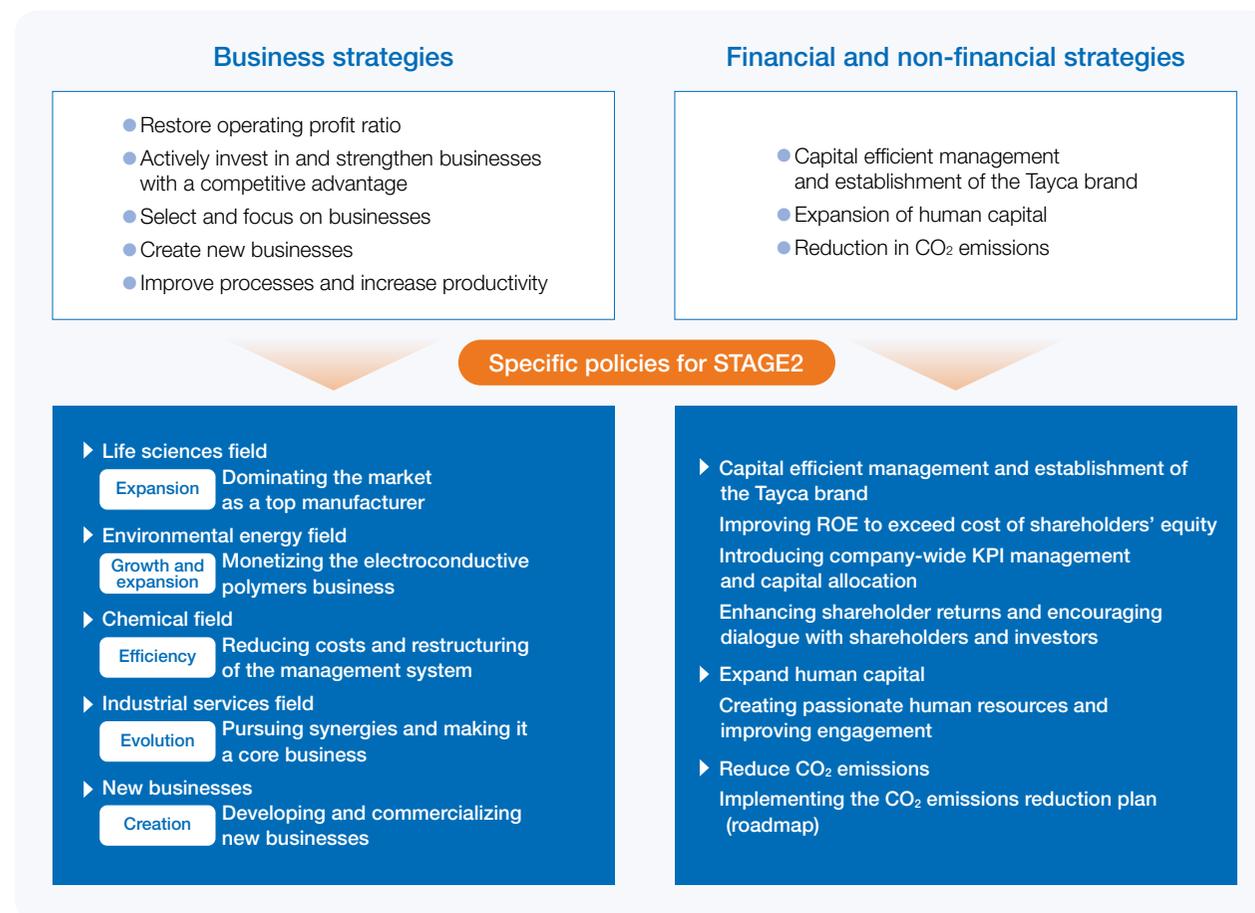
Mid-term Management Plan

MOVING-10 STAGE2 [FY2025–2027]

We formulated the “MOVING-10 STAGE2,” a new mid-term management plan (FY2025–2027), to realize our “MOVING-10” long-term management vision.

For Tayca Group, this mid-term management plan covers three important years leading up to FY2030, the final year of our “MOVING-10” long-term management vision. We will strive to further enhance our corporate value by steadily implementing the business strategies and financial and non-financial strategies formulated in this mid-term management plan.

Basic Policy



Target Management Indicators (Consolidated)

FY2027	
Net sales	68 billion yen
Operating profit	6 billion yen
Operating profit ratio	9% or higher
ROE	7% or higher
EBITDA	10.5 billion yen

Financial and Capital Policy

FY2025–2027	
Total investment amount (of which, growth investments)	22 billion yen (11.5 billion yen)
Total return ratio	40% or higher

Business Strategies

Message from Director

We aim to achieve further growth by meeting the needs of customers and the market, providing the unique value that only Tayca can.

Yoshihiro Murata

Director, Senior Executive Officer
In charge of the Sales Department
Manager of Tokyo Branch



Polishing Our Business Creation Strengths and Elevating Our Corporate Value

COVID-19, which was discovered in 2019, had a significant impact on our sales, but they are making a smooth recovery. In our Functional Chemical Business, demand for our core cosmetic ingredients has steadily recovered, and sales of titanium dioxide for coloring materials are gradually climbing, primarily within Japan. In our Electronic Material and Basic Chemical Business, new adoption of piezoelectric materials and electroconductive polymers is on the rise, and these are consistently developing into the second and third pillars of our business.

FY2025 marks the important first year of MOVING-10 STAGE 2. While we did not achieve our targets in STAGE 1, the long COVID-19 pandemic has come to an end, so we do not foresee any obstacles in our achieving our STAGE 2 targets. Going forward, we will forge even stronger relationships of trust with our customers and expand our business.

Functional Chemical Business

Cosmetic ingredients

To further expand our market share as a top cosmetics ingredient manufacturer, we will strengthen our sales structure, especially in the United States and China. In the United States, we will establish local sales sites that will enable us to gather information even more quickly and further expand our sales activities. In China, we will leverage consultants who are well-versed in the cosmetics market to increase the number of times we approach major local manufacturers and the methods we use in our approaches as we strive to further expand sales.

Titanium dioxide

Improving revenue will be a major theme of the current fiscal year. The market environment is undergoing tremendous change, as competitors, both domestic and global, contract their business operations or pull out entirely. We will flexibly respond to changing conditions to engage in business activities with an eye toward profitability.

Electronic Material and Basic Chemical Business

Piezoelectric materials

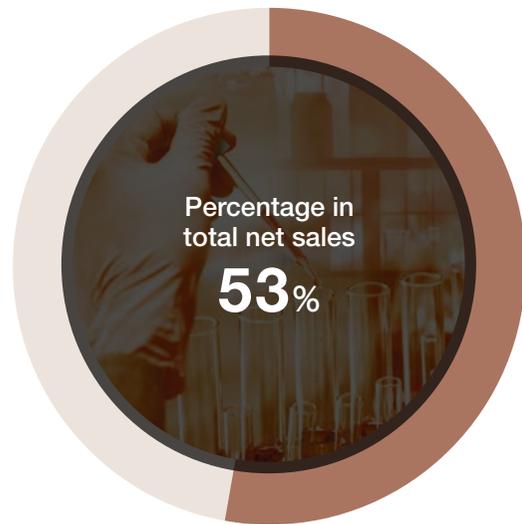
In our main target market, the ultrasound machine market, efforts to develop technologies that offer even higher resolutions are being made, and its market scale is also expected to grow. Our two existing sites, in Japan and the U.S., will function as production, development, marketing, and sales sites, and through them, we will expand the market further.

Electroconductive polymers

It appears certain that the electronic component industry will grow as the use of EVs and automated driving becomes more widespread and next-generation, higher-speed transmission technologies are developed. That is why we will continue what we began with MOVING-10 STAGE1 by focusing on sales activities for electroconductive polymers, primarily for use in automotive applications, with the aim of increasing our market share and our revenue.

Business Strategies

Functional Chemical Business



[Leading products]

Cosmetic ingredients

Cosmetic ingredients, used in sunscreen cosmetics and foundation, block the ultraviolet rays that cause sunburns.



Titanium dioxide

Titanium dioxide is an inorganic white pigment used in a wide range of fields, from paints and printing inks to vehicles and food packaging.



Review of FY2024

Both sales volume and net sales of cosmetic ingredients increased year on year due to a recovery in sales, primarily in Japan.

Net sales of titanium dioxide increased year on year due to our promotion of sales price adjustments, despite a decrease in sales volume caused by a decline in sales for general-purpose paints in Japan and the impact of greater competition with global competitors.

Future Strategy

With respect to cosmetics ingredients, as a global top manufacturer, we will intermittently develop new products to meet market needs so that we can expand our market share in conjunction with the growth of the market. We will also seek to take the market by storm by concentrating our management resources, such as by building a new factory for functional fine particle products or establishing a U.S. sales office.

With respect to titanium dioxide, we will thoroughly increase the efficiency of our production and cut costs to ensure our ability to generate stable revenue in the face of changes in the balance of supply and demand and fluctuations in raw material and fuel prices. We will also actively work to reduce CO₂ emissions. Moreover, we will promote the development of environmentally friendly products such as biomass titanium dioxide, contributing to the creation of a circular economy.

Tayca Group Strengths

For cosmetic ingredients, we do not simply engage in ingredient sales, but also propose formulations. Furthermore, we are working to develop formulations through collaborative creation with customers by leveraging the Tokyo Creation Laboratory.

We have multiple functional fine particle product manufacturing factories in Okayama Prefecture and have one of the world's highest production capacities. In addition, we have established a stable supply system based on quality and management that conforms with the laws and regulations of various countries, including GMP support.

Business Strategies

What Makes Our Cosmetic Ingredients So Impressive

Feature 1 Extremely Small Particle Diameters with Uniform Particle Size

The fine particle products used in Tayca’s cosmetic ingredients come in extremely small and uniform particle sizes, so they are highly transparent to visible spectrum light but efficiently block ultraviolet rays.

Products consisting of extremely small particles with an average primary particle diameter of 100 nm or less are generally referred to as “fine particle products.”

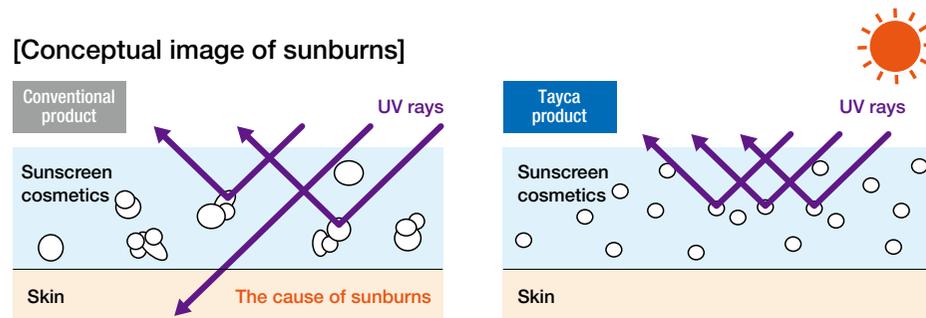
Feature 2 Exceptional Surface Treatment Technologies

When particles are used in cosmetic ingredient formulations, fine particles have a tendency to clump together. However, Tayca’s products undergo uniform surface treatment, which makes fine particles less prone to stick together and enables uniform dispersion.

Feature 3 The No. 1 Market Share in the World

Tayca has the world’s top market share for UV-refracting fine particle products for sunscreen cosmetics. We were named in the Ministry of Economy, Trade and Industry’s Global Niche Top Companies Selection 100 List in 2014 for our micro titanium dioxide products.

[Conceptual image of sunburns]



○Titanium dioxide, zinc oxide

TOPICS

Our Research Presentation Was Selected as One of the Top 10 Presentations at the IFSCC International Cosmetic Science Congress

We gave an oral presentation at IFSCC Congress 2023, the world’s largest and most prestigious cosmetic science congress, held by the International Federation of Societies of Cosmetic Chemists (IFSCC) from September 4 to 7, 2023, in Barcelona, Spain.

Out of the numerous submissions received from around the world, ours was chosen as one of the only 76 for oral presentations at the conference, and selected for the top 10 finalists in recognition of the content of the presentation. Through the presentation, we were able to showcase our technologies to numerous conference attendees.



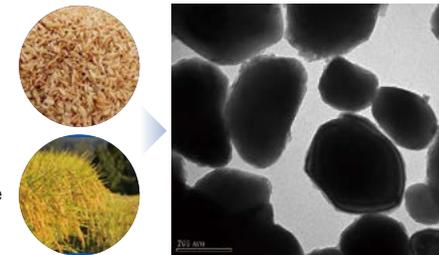
Oil-in-water mineral sunscreen with strong UV protection designed using formulation technology and raw material development



Development of Biomass Titanium Dioxide

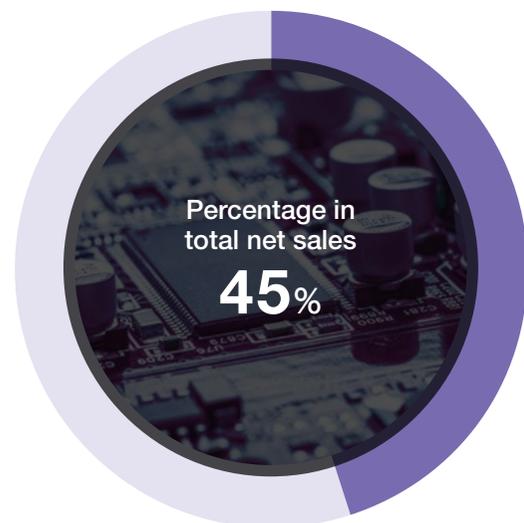
[Features]

- Silica from rice husks is used in the surface treatment of this titanium dioxide.
- This makes it possible to maintain the same quality of conventional products while using biomass-derived materials.
- The biomass percentage of the surface treatment can be adjusted as desired (from 0.1 to 9.9%).



Business Strategies

Electronic Material and Basic Chemical Business



Net sales

FY2024
23.7 billion yen

Operating profit

FY2024
1.5 billion yen

[Leading products]

Piezoelectric materials

Piezoelectric materials, which are used in medical ultrasound machines and other devices, are materials that emit ultrasonic waves when voltage is applied to them.



Electroconductive polymers

These agents are used to provide conductivity for capacitors, antistatic materials, touch panels, organic electroluminescence (EL) devices, and more.



Surfactants

Anionic surfactants are used in a wide range of applications, including toiletry products, industrial emulsifiers, and solubilizing agents.



Review of FY2024

Net sales of piezoelectric materials fell year on year as a result of the impact mainly from overseas customers inventory adjustments due to sluggish market conditions, despite steady sales to domestic medical equipment customers.

Both sales volume and net sales of electroconductive polymers fell year on year due to slow demand for consumer use applications such as smartphones and computers, despite the adoption of these products in new applications.

Both sales volume and net sales of surfactants fell year on year due to a slump in sales for daily-use detergent product applications.

Future Strategy

As a top global manufacturer of piezoelectric materials, we will aim to take the market by storm by establishing a development, manufacturing, and sales system that integrates operations in Japan and the United States, expanding sales of single crystal products, and focusing on sales to overseas customers.

For electroconductive polymers, we will expand sales not only for the current consumer use applications of smartphones, computers, and the like, but also, primarily, capacitors for use in vehicles, such as automated driving and EVs, and for use in AI servers. We will grow and expand this into a new pillar of our business.

For surfactants, we will coordinate with our overseas sites and improve the efficiency of this foundational business, maximizing profits.

Tayca Group Strengths

In the past, for piezoelectric materials, composites of single crystal material and resin had not been commercialized, but we have now developed low-cost, easy-to-process piezoelectric single-crystal composite materials. The first and second generations of piezoelectric single-crystal materials have been made commercially available, but the first-generation materials have problems with standing up to voltages, while the latter have relative permittivity issues. We have developed next-generation technologies that address the problems of these past generations, and we are introducing them to our customers.

Business Strategies

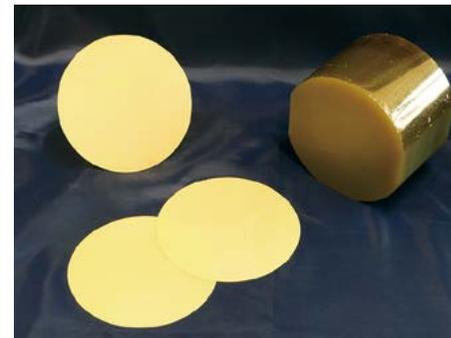
Piezoelectric Materials—Piezoelectric Ceramic Materials and Piezoelectric Single-Crystal Materials

Piezoelectric materials emit ultrasonic waves when voltages are applied to them. This property is leveraged by medical ultrasound machines. In the piezoelectric material market, there is rising demand for higher resolution and higher performance, so while the ultrasound machine field previously used primarily piezoelectric ceramic materials, in recent years, piezoelectric single-crystal materials, which produce higher resolution images, have come into use.



Piezoelectric ceramic materials

- Crystals are randomly oriented.
- High levels of piezoelectricity can be achieved, depending on the type of atom.
- A rich lineup of materials for various specialized purposes is available.



Piezoelectric single-crystal materials

- Crystals are all oriented identically throughout the material.
- Specific crystal orientations produce an even higher level of piezoelectricity than piezoelectric ceramic materials.

Developing Piezoelectric Single Crystal Products with Even Greater Added Value

Development of new piezoelectric single-crystal material processing technologies

In the past, composites of single-crystal material and resin had not been commercialized, but by applying our own unique ingenuity, we have developed processing technologies for low-cost, easy-to-process piezoelectric single-crystal materials.

Development of next-generation technologies for piezoelectric single-crystal materials

The first and second generations of piezoelectric single-crystal materials have already been released to market, but each has its problems. The first-generation materials have low voltage resistance, while the second-generation materials have low relative permittivity. The Tayca Group has developed next-generation technologies that address the shortcomings of the second-generation materials, and we are introducing these technologies to our customers, primarily those using medical ultrasound machines.

TOPICS

Completion of the Piezoelectric Single Crystal Mass-Production Factory

In January 2018, our group welcomed TRS Technologies, Inc., a U.S.-based company with high-quality piezoelectric single-crystal material technologies. In addition, in January 2022, we completed the construction of a new factory on the grounds of our Osaka Factory. Through these initiatives, we now have a facility capable of integrated mass production that encompasses everything from the synthesis of the ingredients used in piezoelectric single-crystal materials to crystal growing and processing (slicing, shaping, and electrode addition).



Exterior view of the piezoelectric single crystal mass-production factory

Business Strategies

Electroconductive polymers

Electroconductive polymers became widely and generally known due to the Nobel Prize received by Dr. Hideki Shirakawa. Additives are used to turn insulators like plastic, through which electricity does not flow, into conductors, through which it does. We were one of the first to combine these conductive polymers with our own unique technologies to develop electroconductive polymers.

Artificial intelligence (AI)

Next generation communications

Automated driving

Wearable devices

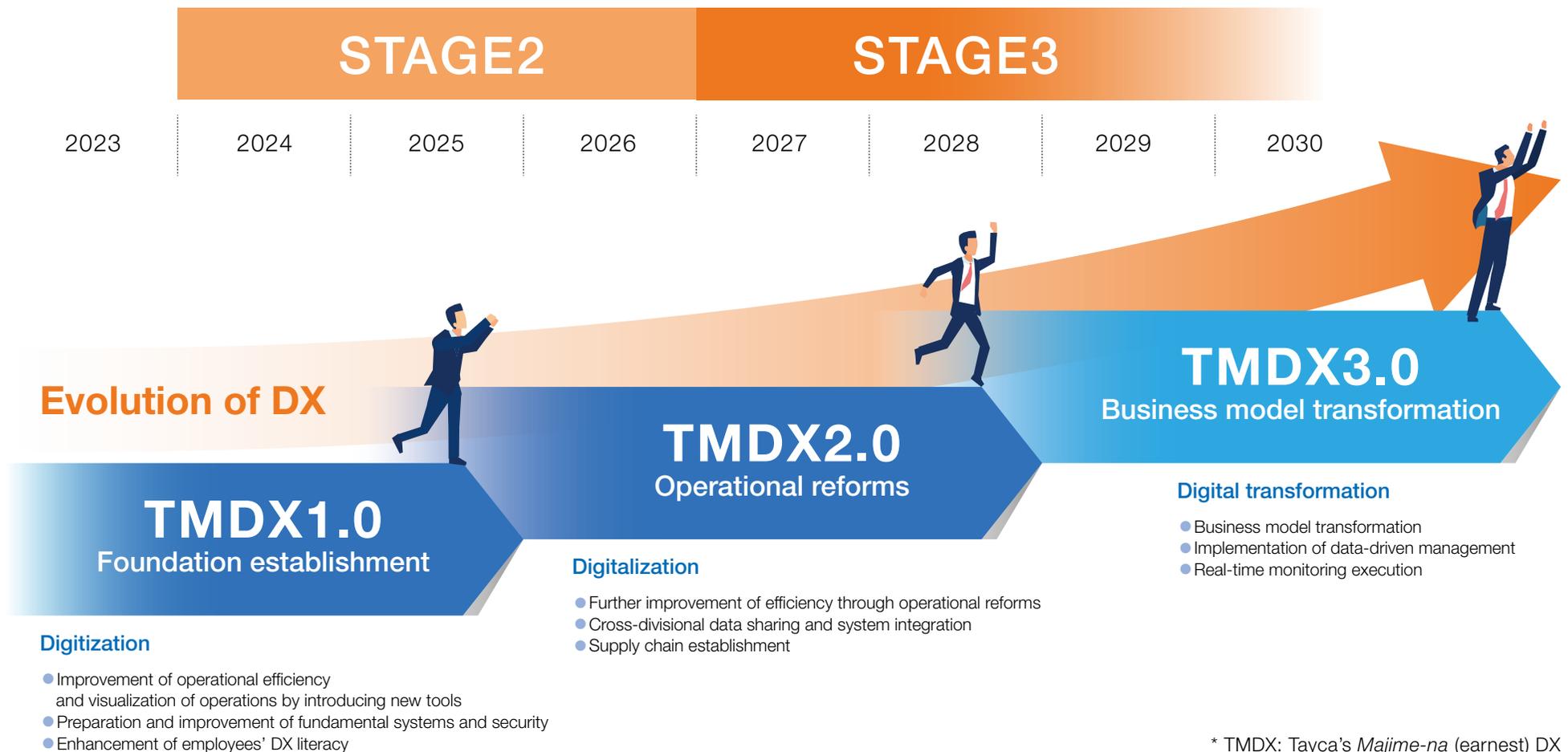
Electroconductive polymers are used in a wide range field of applications, including capacitors, antistatic materials, and touch panels. Our products are primarily adopted in consumer-use applications such as computers and appliances.

We anticipate an increase in demand for them led by the more widespread use of EVs, automated driving, and generative AI.

The Tayca Group integrates manufacturing, sales, and research to make it even more responsive to customer needs, thereby expanding its market share.

DX Strategy

As for the Tayca Group’s DX strategy, Tayca’s *Majime-na* (earnest) DX (“TMDX”) is being carried out in three stages. By using digital technologies to improve efficiency and implement operational reforms, we will become more profitable and increase our corporate value. In MOVING-10 STAGE2, we are completing TMDX 1.0 defined as the foundation we will use to implement TMDX, improving the operational efficiency of our worksites by introducing digital tools, preparing and improving our fundamental systems and security, and working to raise the level of DX literacy.



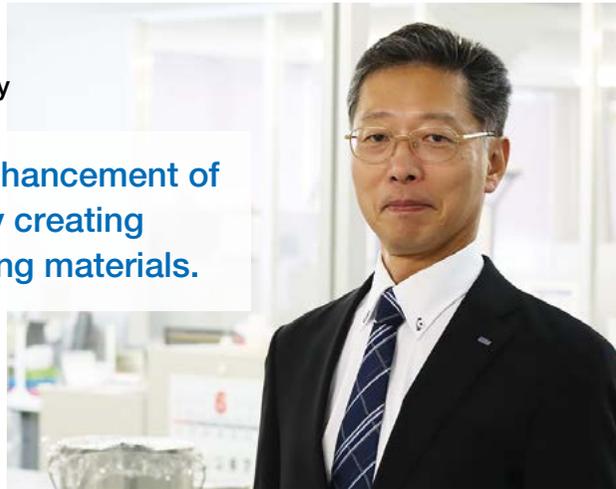
Research and Development

Message from
General Manager of
the Research Laboratory

We will achieve enhancement of corporate value by creating sustainable inspiring materials.

Ryosuke Sugihara

Executive Officer,
General Manager of the Osaka
and Okayama Research
Laboratories



The Role of the Research and Development Division in MOVING-10 and MOVING-10 STAGE2

We have set an operating profit ratio of 15% or higher and an ROE of 12% or higher as targets for our long-term management vision, MOVING-10. Moreover, in the new mid-term management plan MOVING-10 STAGE2, which is positioned as the midpoint of our management vision, in addition to management index targets such as operating profit ratio and ROE, we have set net sales of new businesses as a KPI in order to foster new businesses that will become pillars of the next generation, and we aim to achieve sales of 1 billion yen in the final fiscal year of STAGE2 (FY2027). To achieve this, we will proactively expand the idea of “no distance R&D,” which we have valued in our development for many years, into new fields and achieve sustainable growth in corporate value by creating “inspiring materials.”



KPI

Achieve net sales of new businesses of

1 billion yen

(FY2027)

Creation of Inspiring Materials Through a No Distance R&D Approach and Future Strategies

Tayca’s no distance R&D is an approach in which manufacturing, sales, and research work together to develop products with the aim of eliminating any psychological distance from our customers. In particular, in research and development, we focus on eliminating the gap (distance) in understanding by having our engineers directly discuss with customers’ engineers to fine-tune quality, as well as by experiencing and understanding the characteristic evaluations that customers are actually conducting, thereby creating inspiring materials that lead to true problem-solving.



Going forward, we will strengthen our ability to provide inspiring materials to a wide range of customers through a strategy based on the keywords of “accelerating development and expanding business” and “utilizing and enhancing core competencies.”

1 Accelerating development and expanding business

- Providing new products and services in the healthcare field by using the technologies and channels we have built up to date
- Leveraging our core competencies to advance into new fields, mainly the electronics and environmental fields
- Company-wide cooperation and proactive research and development investment towards commercialization

2 Utilizing and enhancing core competencies

- Strengthening material development and marketing capabilities through DX
- Acquiring unique technologies through collaboration and co-creation
- Sharing and developing core competencies

Research and Development

[Initiatives]

1 Electroconductive polymers

Electroconductive polymers and their dispersions are mainly used in capacitors. In addition to computers and communication base stations, they are expected to be expanded to automotive applications requiring high reliability in the near future. They are products that contribute to the realization of information and low-carbon societies.



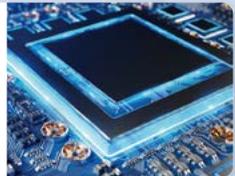
2 Environmentally harmonious materials

We have developed a new manufacturing method for micro zinc oxide that has succeeded in significantly reducing CO₂ emissions while maintaining functionality. We will continue to accelerate research and development based on the keywords of "harmony with the global environment" and "contribution to the global environment," aiming for a sustainable society.



3 Semiconductor packaging materials

We aim to provide high-quality materials for the niche field in semiconductor packaging materials through the miniaturization of newly developed spherical silica and optimal surface treatment. We will also take on the challenge of innovation in digital technology, which will become more sophisticated in the future.



4 Battery device materials

Materials utilizing inorganic synthesis and particulation technologies enable higher energy density, higher output, and longer cycle life for battery devices. We aim to contribute to the popularization and expansion of lithium-ion batteries and the development of a sustainable society.



5 Highly transparent titania materials

Highly transparent titania materials with high transparency and refractive index enable high functionality in optical elements such as displays and AR glasses. We also offer solvent-free products that consider the global environment, including energy-saving products.



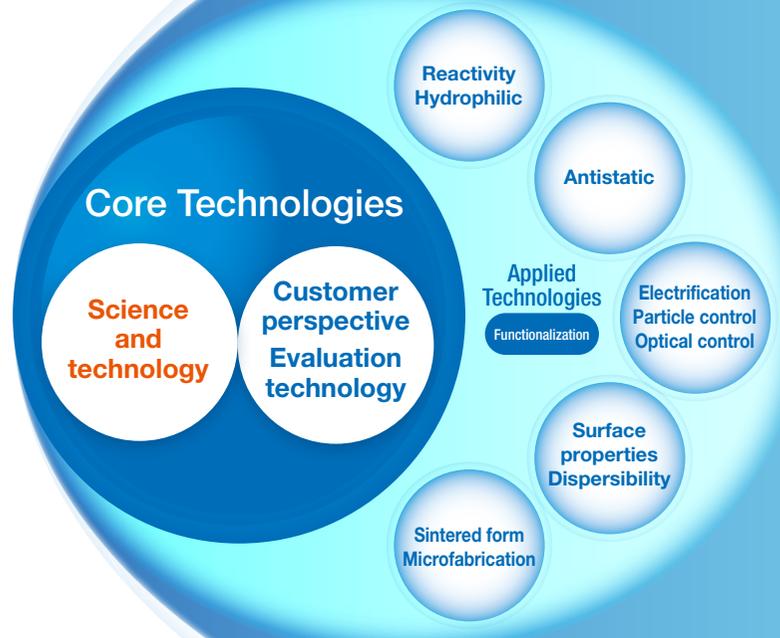
7 Piezoelectric materials

Medical ultrasound imaging machines using piezoelectric single crystals enable sharper echo images. This can improve the accuracy of medical diagnoses. We will contribute to the improvement of people's health through the development of medical technology.



6 Cosmetic ingredients

We have newly developed micro titanium dioxide and zinc oxide powders that can be easily dispersed in mediums. These products simplify the manufacturing process of cosmetics and save energy. We will contribute to an energy-saving and recycling-oriented society by designing products based on their life cycles.

- Research and Development Products**
- 1 Electroconductive polymers
 - 2 Environmentally harmonious materials
 - 3 Semiconductor packaging materials
 - 4 Battery device materials
 - 5 Highly transparent titania materials
 - 6 Cosmetic ingredients
 - 7 Piezoelectric materials
- New product development**

Research and Development

No Distance R&D for Each Product

Cosmetics Development **Co-creation with Customers**

At Tayca, we develop cosmetic ingredients that comply with target specifications, and regulations in various countries, and even propose formulations to match our customers' manufacturing equipment and design concepts. The Tayca Tokyo Creation Laboratory, which was established in 2015, allows customers to experience formulations developed by taking advantage of the laboratory's location, and also provides inspiring materials to customers through the co-creation of cosmetics through discussions between engineers. When we hear customer feedback at the laboratory, and when the products are released to the world as cosmetics, we feel a sense of fulfillment and accomplishment, which becomes our driving force for further development.



Tokyo Creation Laboratory



Image of an experiment

Piezoelectric Materials Development **Emphasis on Evaluations from the Customer's Perspective**

To provide piezoelectric elements that meet the performance and specifications required by our customers, we carry out the entire process ourselves, from raw powder to finished piezoelectric elements. During development, we work to fine-tune the detailed product specifications based on customer specifications to maximize the performance of the piezoelectric elements. We also work on development with the aim of proposing improved products from the perspective of customers' evaluations in order to solve the process issues faced by our customers.

Currently, we regularly exchange technology information with our American subsidiary, TRS Technologies, Inc., and we are working to provide new inspiring materials that combine single-crystal manufacturing technology with processing technology.



Piezoelectric single crystal growth furnace



Piezoelectric materials component analysis

Financial Strategy



Message from Director

The Tayca Group will strive to achieve sustainable growth and enhance corporate value, based on the pillars of ROE improvement and PBR improvement.

Yasuyuki Nakatsuka

Director, Managing Executive Officer
In charge of the General Affairs Department, Personnel Department, Accounting Department, and DX Promotion Office

Looking Back on FY2024, the Final Fiscal Year in Our Mid-term Management Plan, MOVING-10 STAGE1

In FY2021, the Group formulated the MOVING-10 long-term management vision toward 2030 with the aim of quickly recovering from the impact of the COVID-19 pandemic and coming together to grow even further. For MOVING-10, we set the operating profit ratio and ROE as target indicators, instead of the previous indicators of net sales and the ordinary profit ratio, under our basic policy, which calls for moves to “shift management resources to growth businesses where we have strengths” and “create leading global niche products.” We aim to operate our business with an emphasis on the profitability of the entire group.

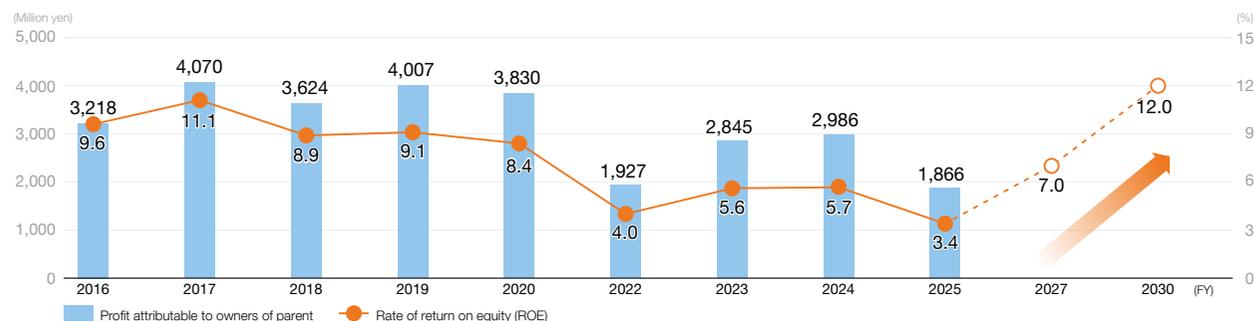
During the four years of our mid-term management plan MOVING-10 STAGE1 (hereinafter “STAGE1”), which was formulated based on MOVING-10, we focused on expanding the cosmetic ingredients and electronic materials businesses and creating new materials, while implementing various initiatives such as reducing manufacturing costs and improving business efficiency.

However, our financial performance in FY2024, the final

fiscal year of STAGE1, was unfavorable, with consolidated net sales coming to 52.9 billion yen (down 3.3% year on year), operating profit to 2.3 billion yen (down 45.0% year on year), the operating profit ratio to 4.4% (down 3.3 points year on year), and ROE to 3.4% (down 2.3 points year on year). The main factors behind this were the recent spike in raw material and fuel prices caused by geopolitical risks, the rise in the cost of raw materials imported from overseas due to yen depreciation, and the weaker-than-expected growth in demand for various products owing partly to the downturn in the Chinese economy. As a result of these negatives, we made downward revisions in fall 2023 to the forecasts we had announced at the beginning of the fiscal year.

Based on these results, we positioned the new mid-term management plan MOVING-10 STAGE2 (hereinafter “STAGE2”) as an important three-year period for achieving our targets for FY2031, and formulated a financial strategy as well as business strategies. The aim of our business strategies is to restore and increase profit, and in our financial strategy, we have set the basic policies of “improving ROE through capital efficient management” and “improving PBR by strengthening IR activities.” By steadily implementing various measures on this front, the Group aims to achieve sustainable growth and enhance corporate value.

Profit Attributable to Owners of Parent / ROE



Financial Strategy

New Mid-term Management Plan MOVING-10 STAGE2 Making a Recovery in ROE and PBR

With regard to ROE improvement, one of the basic policies of our financial strategy under STAGE2, we will improve ROE, which fell sharply in the final fiscal year of STAGE1, to a level exceeding the cost of shareholders' equity by improving profitability through the business strategies for STAGE2 and promoting capital efficient management.

One of the specific initiatives aimed at achieving this goal is conducting KPI management throughout the entire Group. To improve ROE under STAGE2, we incorporated ROE into the targets for each department, section, and individual rather than taking a unilateral top-down approach. This will allow all employees to become aware of and work toward achieving the goal through their day-to-day work duties.

It is important for employees to regularly feel that their



hard work to achieve their goals will lead to the achievement of company-wide targets. I believe that this will not only improve management indicators, but will also be effective in developing passionate human resources. Furthermore, one of the goals of STAGE2 is to create a cycle in which each and every employee can achieve their goals, thereby increasing their motivation to work and leading to improved engagement.

As for PBR improvement, the other basic policy, the Tokyo Stock Exchange (TSE) has requested companies to implement management that is conscious of the cost of capital and share price. Our average PBR during the STAGE1 period was 0.6 times, below the 1 times, a figure called for by the TSE. We thus understand the improvement of PBR as an urgent issue. In order to achieve a PBR of 1.0 or higher, we consider it necessary to achieve ROE that exceeds the cost of shareholders' equity in a stable manner and to enhance our efforts to return profits to shareholders.

Capital Allocation for Capital Efficient Management

In capital allocation, we expect to generate an operating cash flow of 20.0 billion yen and to generate cash of 6.0 billion yen by utilizing interest-bearing debt and reducing strategic shareholdings over the three-year period of STAGE2. Our key point of focus for allocating this cash is strategic investments that will become earnings sources. Accordingly, we plan to invest 11.5 billion yen in such investments. This mainly breaks down to roughly 5.0 billion yen for a new factory for functional fine particle products in Akaiwa-shi, Okayama Prefecture, which is currently under construction with the aim of completion in June 2025, and 4.0 billion yen for new business creation and investments in

research and development.

For new business creation, in STAGE2 we will give concrete shape to new business ideas that utilize the technological synergies we have cultivated thus far, such as cosmetic ingredient proposals and the development of highly transparent inorganic materials, and make investments aimed at further enhancing corporate value.

Next, investments geared toward strengthening our foundation will consist mainly of capital investments in our basic businesses, such as the chemical field. In order to generate stable earnings, we plan to spend just over 3.0 billion yen each year on regular equipment upgrades at existing factories, etc., for a total of 10.5 billion yen over the three years of STAGE2.

Lastly, with regard to shareholder returns, we plan to allocate 4.0 billion yen based on our basic policy of focusing on returning profits to shareholders and providing stable dividends.

The Tayca Group believes that achieving sustainable growth through strategic investments in growth businesses such as cosmetic ingredients and electronic materials will lead to profits for shareholders. Going forward, we will continue to strive for further growth through efficient capital allocation while monitoring the balance between strategic investments and shareholder returns.

Financial Strategy

Set a Total Return Ratio Target of 40% or Higher Under Our Shareholder Return Policy

With regard to shareholder returns, we increased the year-end dividend by two yen, bringing our total annual dividend to 38 yen per share for FY2024, the final fiscal year of STAGE1. We also repurchased shares of the Company, resulting in a total return ratio of 60.6%. For FY2025, the first fiscal year of STAGE2, we plan to pay an annual dividend of 38 yen per share (an interim dividend of 18 yen and a year-end dividend of 20 yen). Moreover, we will actively repurchase shares of the Company in accordance with share price trends and other factors, taking into account our financial position and cash flows.

In addition to our basic policy of providing stable dividends maintained thus far, we have clarified our total return ratio target of 40% or higher. Based on this, we will continue to return profits to shareholders.

Strengthen IR, Public Relations, and Communication Activities

Under STAGE2, we aim to achieve a PBR of 1.0 or higher. I believe this is a target that companies should be aiming for as a matter of course. PBR can be broken down into rate of return on equity (ROE) multiplied by price-earnings ratio (PER). As such, for ROE, we will work to increase profitability based on our business strategies and implement capital efficient management as outlined in our financial strategy.

With regard to PER, we will enhance shareholder returns based on our total return ratio target, as well as strengthening our IR, public relations, and communication activities to foster an understanding of the business activities and growth potential of the Tayca Group.

In terms of strengthening IR activities, we will increase opportunities for dialogue by conveying information about the Tayca Group directly to investors, such as our

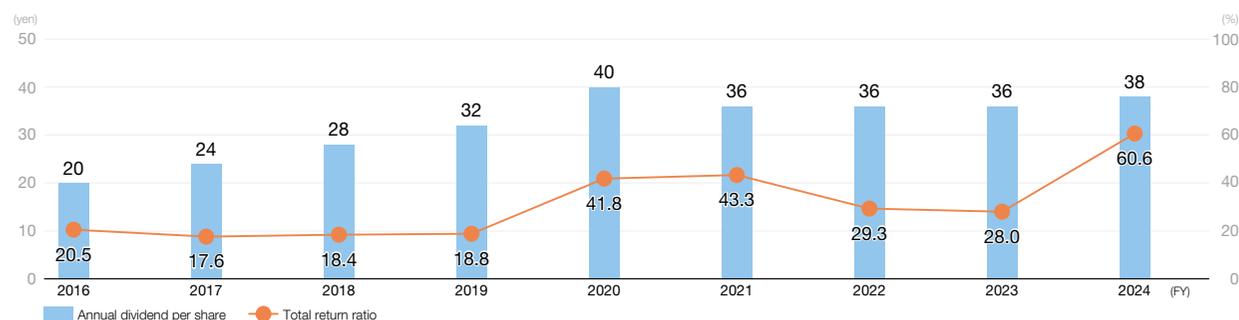
management situation and future vision. Specifically, we plan to hold company information sessions for individual investors at least twice a year and financial results briefings for institutional investors twice a year. We will also hold individual meetings with institutional investors on an ongoing basis.

In strengthening public relations and communication activities, until now we had been releasing limited information such as on factory construction, and also doing so on an infrequent basis. Going forward, however, we intend to active information disclosure about new products and technologies to gain a better understanding of Tayca from everyone. Specifically, we will use various forms of media, such as our website and industry journals, to actively expand on content for products such as cosmetic ingredients and electronic materials and publish news releases on newly developed products, etc.

Through these initiatives, we will firmly establish the Tayca brand and aim to achieve a PBR of 1.0 or higher.

The new mid-term management plan STAGE2 was formulated with employees working together, even more than for STAGE1. By achieving the targets set out in STAGE2, the Company and employees will grow together. That is our ultimate goal. I am confident that these initiatives will ultimately lead to the return of profits to shareholders and investors. By steadily carrying out these initiatives and implementing management that is conscious of the cost of capital and share price, we will continue to strive for sustainable growth and corporate value enhancement of the Tayca Group while placing importance on dialogue with shareholders and investors.

Shareholder Returns



	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Annual dividend per share	(Yen)	20	24	28	32	40	36	36	36	38
Profit attributable to owners of parent	(Million yen)	3,218	4,070	3,624	4,007	3,830	1,927	2,845	2,986	1,866
Total return ratio	(%)	20.5	17.6	18.4	18.8	41.8	43.3	29.3	28.0	60.6

Financial Strategy

In order to realize MOVING-10, our long-term management vision, the Tayca Group aims to improve ROE through capital efficient management and to improve PBR by strengthening IR activities. We will strive to achieve the Group's financial targets, thereby realizing sustainable growth and enhancing corporate value over the medium to long term.

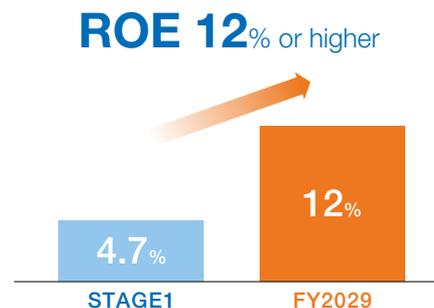
Basic Policy

ROE improvement

Return on capital

Capital efficient management

- Improving ROE to exceed cost of shareholders' equity
- Introducing company-wide KPI management and capital allocation

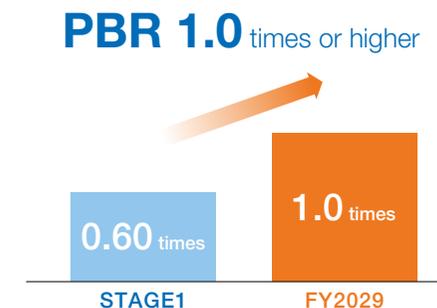


PBR improvement

Market evaluation

Strengthen IR activities

- Enhance shareholder returns and encourage dialogue with shareholders and investors
- Strengthen public relations and communication activities



Tayca Group Financial Targets

Realizing Sustainable Growth and Enhancing Corporate Value over the Medium to Long Term

	Management indicators	STAGE1 average	STAGE2 (FY2026: 161 st term)	MOVING-10 (FY2029: 164 th term)
Capital efficiency	Rate of return on equity (ROE)	4.7%	7% or higher	12% or higher
	Price-to-book ratio (PBR)	0.60 times	1.0 times or higher	1.0 times or higher
Shareholder returns	Total return ratio	40.3%	40% or higher	40% or higher

Financial Strategy

Action Plan Aimed at Achieving the Management Targets of MOVING-10 STAGE2, a New Mid-term Management Plan (FY2025–2027)

Initiative for capital efficient management—Introduction of capital allocation [STAGE2 period]



Initiative for PBR improvement
—Establishment of the Tayca brand



Sustainability

Basic Philosophy

The Tayca Group has provided a variety of chemical industrial products that meet the needs of the times and society since it was established in 1919.

We have established the management policies of “full participation management,” “increased social contributions and corporate value,” “harmony with the global environment,” “thorough compliance,” and “information disclosure.” We comply with the Group Code of Conduct to promote the establishment trustworthy corporate management and realization of our management philosophy.

The Tayca Group has incorporated the promotion of sustainability as an important management theme in our long-term management vision and mid-term management plan, in order to contribute to the realization of a sustainable society. We have also formulated a Basic Policy and promotion system to create value through business activities based on our management philosophy and to contribute to the development of a sustainable society.

Basic Policy

Tayca Group’s management philosophy is “We will use the power of chemistry to create the source of inspiration and bring dreams and smiles to the world.” We have been earnestly dealing with customers and society, and have repeatedly conducted business activities to bring dreams and smiles to people around the world by providing inspiring products that exceed their expectations.

Based on this management philosophy, we have established and put into practice the “Tayca Group Sustainability Basic Policy” as follows.

1 Building Businesses that Create Economic and Social Value

- The Tayca Group’s business activities are to be trusted and valued by society, and we aim to pursue sustainability through innovation and problem solving.
- We strive to maintain and improve product quality and safety.

2 Relationship with Stakeholders

- We will build a stable relationship of trust with our shareholders and investors through timely and appropriate information disclosure and dialogue.
- With customers and business partners, we will provide products and services that prioritize safety and security, and work toward long-term mutual prosperity.
- We will respect the culture and customs of local communities and society, both within and outside of Japan, and develop relationships of mutual trust.
- We will place the highest priority on health and safety for our employees and strive to improve the working environment. In addition, we will actively develop personnel systems and education and training systems for skill development.

3 Harmony with the Global Environment

- We will strive to prevent global warming, reduce environmental impact, and make effective use of resources.
- We will continue to develop environmentally friendly products.

4 Respect for Human Rights

- We will respect human rights and diversity and promote an equal and rewarding personnel system and workplace.
- We will conduct our business activities with respect for human rights and diversity throughout our supply chain.

5 Compliance with Governance

- We will conduct fair and transparent business activities in compliance with international rules, laws, and regulations, and recognize our social responsibility through thorough compliance.

Sustainability

Sustainability Promotion System

Basic Philosophy

With the aim of promoting sustainable corporate activities, the Tayca Group established the Sustainability Promotion Committee in December 2021 to address issues across divisions and departments such as the response to climate change. The environment surrounding companies has become increasingly complex recently, and in order to further strengthen sustainability management, the Tayca Group has shifted to an operational structure of the Sustainability Promotion Committee chaired by the President, CEO & Representative Director and work to address various issues.

Sustainability Committee

Role

- Set targets for the Tayca Group’s sustainability promotion activities
- Verify the status of efforts by each division and links them to the next actions
- Report to the Board of Directors and the Management Committee and disclose information on the status of activities

Organization Chart



As of August 2024

The chairperson of the committee shall report on the activities of the committee to the Management Committee and the Board of Directors, and the Secretariat shall ensure that directions by the Management Committee or the Board of Directors be conveyed to the relevant divisions.

Environment

Basic Philosophy

The Tayca Group recognizes that addressing climate change through our business activities is an important management issue. We are taking appropriate measures in accordance with our Basic Policy on Sustainability.

Environmental Policy

- ① Promote research and study on the environmental impact of our business activities, products, services, and substances we handle. Consider the impact from research and development through to disposal, and strive to develop products and technologies that are more environmentally friendly.
- ② To contribute to resource and energy conservation and global environmental preservation, we will strive to further promote resource and energy conservation.
- ③ Take necessary measures to prevent pollution, including the disposal of soot, sewage, and waste generated by our business activities.
- ④ Promote measures to recycle and reuse waste materials and strive to reduce waste.
- ⑤ Strive to develop an environmental management system, including the securing of qualified personnel necessary for work related to environmental management as stipulated by law, etc., and educate employees on environmental awareness, knowledge, and practices.
- ⑥ In addition to promoting the maintenance of green areas and environmental facilities in and around factories, we shall pay attention to the trends of administrative authorities and local residents regarding products, operations, waste, etc., and strive to communicate with them to gain their correct understanding.
- ⑦ When conducting international business, we shall endeavor to respond to environmental issues in the same manner as we do in Japan to the extent possible, and shall actively provide safety information, etc. on chemical substances related to our business.
- ⑧ We will periodically review our environmental management activities and strive for continuous improvement.

Environmental Management System

Basic Philosophy

The Tayca Group aims to minimize the environmental impact of our activities in order to achieve sustainable development in response to global environmental issues.

Acquisition of ISO14001 at All Factories in Japan

We acquired ISO 14001 certification, an international standard for environmental management systems that aims to reduce environmental risks and contribute to the environment, for all of our factories in Japan. We are continuously improving our environmental management by establishing a general manager policy for each area every year and repeating the PDCA cycle, which is the foundation of management, with a focus on individual management targets.

Environmental Management System Structure

We have appointed an environmental management supervisor (factory manager for factories and general managers of the Environment & Quality Control Department for the head office and branch offices) to oversee each area, headed by the Director in charge of Environment & Quality Control Department. We have established a structure whereby the person responsible for environmental management and the person responsible for implementation are engaged in practical environmental management tasks in each division under the supervision of the environmental management supervisor.

Environment

Message from a Factory Manager

We aim to be an organization that plays a role in achieving community coexistence.

Hiroji Okamoto

Senior Executive Officer, in charge of Kumayama Factory, Factory Manager of Okayama Factory



Toward corporate transformation that achieves both decarbonization and productivity

Up until now, factories have focused on the themes of minimizing costs while maximizing quality and productivity. However, recently, the movement toward decarbonization has accelerated around the world, and we have now entered an era in which all companies are being called on to work toward decarbonization.

The Tayca Group also recognizes the reduction of CO₂ emissions as a management issue, and it aims to reduce CO₂ emissions by 50% (compared with FY2014 levels) by 2030 and to achieve carbon neutrality by 2050.

As part of our efforts to achieve these targets, we are currently installing equipment for fuel conversion while focusing on improving productivity. We will improve the efficiency of factory operations through means including improving processes within the manufacturing process, reducing energy consumption by reviewing heat utilization systems, optimizing inventories of raw materials and fuel, and products, and optimizing the production balance.

We see the global challenge of achieving a decarbonized society as a great opportunity for corporate reform, and we will strive to improve our corporate value by continuing to take on the challenge of contributing to the resolution of social issues.

Fuel Conversion from Coal to LNG (Liquified Natural Gas)

The power generation facilities at the Tayca Okayama Factory use coal and heavy oil as fuels, and steam generated from the boilers is fed into turbines to generate electricity. Since coal emits particularly large amounts of CO₂ compared to other fossil fuels, the factory is in the process of upgrading its facilities to switch from coal to LNG. Full-scale operation is scheduled for 2025. It is expected to reduce CO₂ emissions by approximately 23% relative to the CO₂ emissions reduction target for 2030.



Improving Productivity



Reduce energy consumption and improve factory operation efficiency

Environment

Climate Change

Basic Philosophy

We recognize that addressing climate change is an important issue. As our initiatives for reducing carbon dioxide (CO₂) emissions, we promote the reduction of CO₂ emissions by following our approach to carbon neutrality while combining various options such as converting fuel to low-carbon energy, rationalizing the production process, upgrading production equipment, and shifting production items to environmentally friendly products.

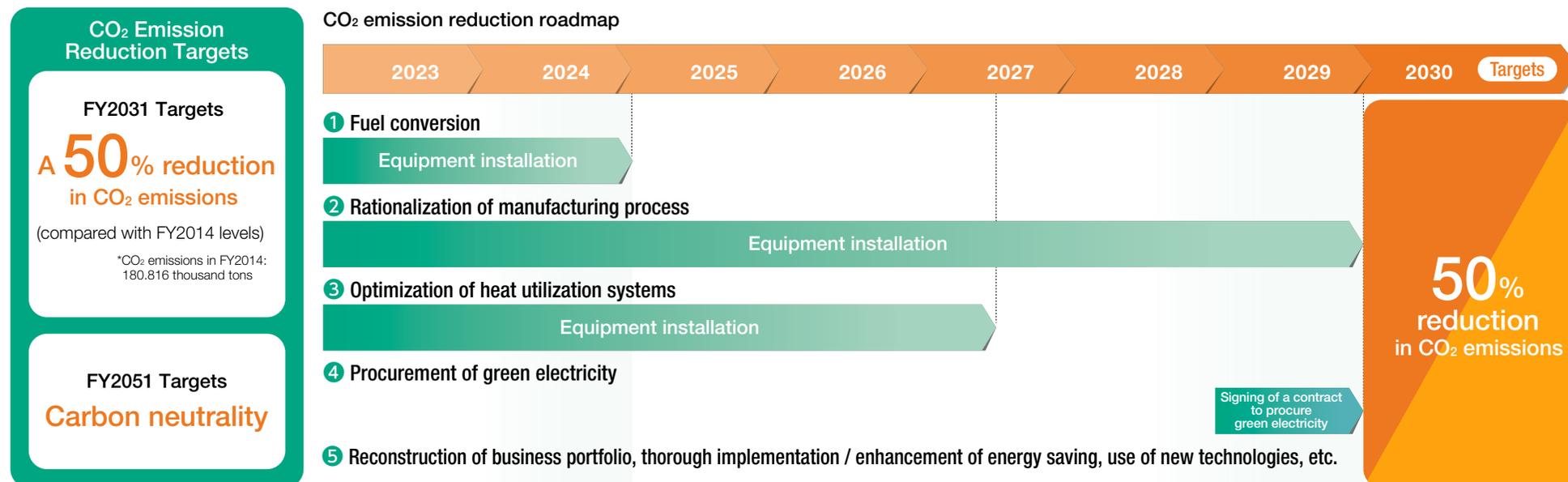
CO ₂ -related data	Scope of data	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Production volume ¹	★	(thousand tons)	225	202	207	224	210
Scope1&2 CO ₂ emissions (non-consolidated) ²	★	(thousand tons)	200	169	187	190	167
Scope1&2 CO ₂ emissions (group) ²	★★	(thousand tons)	—	—	—	10	9

★The scope of data includes the production sites and non-production sites of Tayca Corporation, as well as Tayca Trading Co., Ltd., which is located at the same sites as Tayca Corporation, TFT Corporation, and parts of Tayca Warehousing Co., Ltd.

★★The scope of data includes TAYCA Warehousing Co., Ltd. (excluding the parts mentioned in ★ above), TAYCA M&M Corporation, TAYCA (Thailand) Co., Ltd., TAYCA (VIETNAM) CO., LTD., and TRS Technologies, Inc.

*1. Production volume is an amount obtained by converting it based on the Act on Rationalization of Energy Use and Shift to Non-fossil Energy. It does not include by-products.

*2. CO₂ emissions are the amount of CO₂ generated from energy use.



Environment

Risks and Opportunities Related to Climate Change

Disclosure Items Recommended by the Task Force on Climate-Related Financial Disclosures (TCFD)



Basic Philosophy

We analyzed each scenario in accordance with the process outlined in the TCFD recommendations, assuming a 1.5°C or 4°C increase in global average temperature compared to pre-industrial levels. First, we analyzed the risks and opportunities posed by climate change by dividing them into two broad categories: risks related to the “transition” to a low-carbon economy and risks related to “physical” changes caused by climate change.

We then identified items that we believe will have a high degree of impact. The Tayca Group aims to achieve sustainable growth by incorporating these risks into our management strategies and implementing them.

Governance

The Tayca Group considers addressing issues related to climate change to be one of its most important management challenges. The Sustainability Committee, chaired by the President, CEO & Representative Director manages risk at the management level and works to create opportunities. In addition, progress is reported to the Management Committee and the Board of Directors.

[Refer to Sustainability Promotion System on page 37 for details.](#)

Risk Management

The Sustainability Committee plays a central role in the company-wide identification, evaluation, and response to climate change-related risks and opportunities. It is responsible for improving the level of risk management and ensuring smooth business operations.

In addition, as with the process of company-wide risk management, important risks are analyzed by the Management Committee, and their impact and management status are reported to the Board of Directors as appropriate.

Strategy

The following two scenarios were analyzed based on the TCFD framework with regard to the impact of climate change on the business and financial performance of the Tayca Group.

1.5°C Scenario

Scenario of transition to a low-carbon economy

4°C Scenario

Scenario with increased physical climate change risks

[Refer to Risks/ Opportunities on page 42.](#)

These climate change scenarios refer to information from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). The 1.5°C scenario uses IPCC SSP1-1.9 (a scenario that keeps temperature increase below 1.5°C based on sustainable development), while the 4°C scenario uses IPCC SSP5-8.5 (a maximum emissions scenario without climate policy based on fossil fuel dependent development). The time horizon of the analysis is generally based on the year 2030 for transition risks and the year 2050 for physical risks. The risks and opportunities identified are shown on page 42.

Indicators and Targets

The Tayca Group is also considering reduction targets and major reduction measures for CO₂ emissions to achieve carbon neutrality.

Since last year, we have been calculating Scope 3 for CO₂ emissions. We calculated the entire Tayca Group’s emissions for FY2024. Going forward, we will work to reduce Scope 3 emissions throughout the supply chain with a view to SBTi* certification, and we will also calculate CO₂ emissions other than energy-derived CO₂ emissions and work to reduce emissions.

*SBTi : The Science Based Targets initiative

[Refer to Climate Change on page 40.](#)

Environment

1.5°C Scenario		[Impact on Operating Profit; Legend ■ Negative Impact ■ Positive Impact]				
Global Changes		Risks/Opportunities		Impact on Operating Profit	Proposed Risk Response	Occurrence Timing*
Category	Item	Category	Item			
Policies and Regulations	Introduction of carbon tax and GHG emission regulations	Risk	● Increased carbon tax burden	Large	● Review manufacturing processes and thoroughly save energy ● Convert to low-carbon, renewable energy ● Shift from energy-intensive general purpose products to environmentally-friendly high-performance products	Medium-term
Technological Development	Promotion of energy saving and electrification	Opportunity	● Increased sales of electroconductive polymers for capacitors due to the popularization of electric vehicles ● Increased sales of commercial products (sol, etc.) that contribute to saving energy	Large		Medium-term
	Technological innovation in clean energy	Opportunity	● Increased sales of battery materials to meet growing demand for storage batteries	Large		Medium-term
	Technological innovation in IR and UV light blocking	Opportunity	● Increased sales by maintaining and improving competitive advantage for NIR and UV light-blocking titanium dioxide	Medium		Medium-term
Market	Increase in energy costs	Risk	● Increased energy costs associated with switch to renewable energy	Medium	● Review manufacturing processes and thoroughly save energy ● Invest in power-saving and high-efficiency facilities	Medium-term
	Market demand for low carbon	Risk	● Reduced sales due to delay in response to the demand for low-carbon, especially in Europe	Cannot be calculated	● Accelerate development of products and manufacturing processes that emit less CO ₂ during production	Medium-term
	Return to plant-derived products rather than petrochemical-derived products	Opportunity	● Increase sales of plant-derived surfactants due to shift in preference for plant-derived products	Medium		Medium-term
Reputation	Increasingly strict evaluation by stakeholders	Risk	● Reduced corporate value due to delayed response to climate change and lack of communication	Cannot be calculated	● Proactively disclose information on climate change response strategies, environmentally friendly products, etc. ● Strengthen stakeholder engagement	Medium-term

4°C Scenario		[Impact on Operating Profit; Legend ■ Negative Impact ■ Positive Impact]				
Global Changes		Risks/Opportunities		Impact on Operating Profit	Proposed Risk Response	Occurrence Timing*
Category	Item	Category	Item			
Physical (Chronic)	Increase in average temperature	Risk	● Occurrence of risks to employee health and safety, such as heatstroke on hot days ● Increased air conditioning costs at each factory	Small	● Thoroughly enforce occupational safety ● Automate and reduce manpower in factory operations	Medium- to long-term
		Opportunity	● Increased sales of NIR refracting titanium dioxide, which curbs temperature increases in buildings and roads ● Increased sales of cosmetic ingredients (micro titanium dioxide, micro zinc oxide, surface treatment products, etc.) due to rising demand for UV care	Large		Medium-term
	Increase in frequency of heavy rainfall	Risk	● Increased cost of removing sediment deposited at the mouth of rivers flowing into the Seto Inland Sea	Medium	● Respond thoroughly in cooperation with local governments	Medium-term
Physical (Acute)	Intensification of extreme weather events	Risk	● Damaged company sites due to the frequent occurrence of wind and flood damage ● Factory operations impacted due to supply chain disruptions	Large (Covered by damage insurance)	● Ensure business continuity through BCPs ● Diversify supply chain	Long-term
		Opportunity	● Increased sales of storage battery materials due to expansion of storage battery market in response to disasters	Large		Medium-term

*Medium-term: ~2030, long-term: ~2050

Environment

Preserving Biodiversity

Basic Philosophy

Development of Microplastic Alternatives

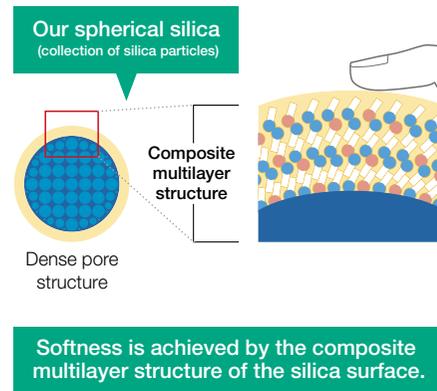
Microplastics are fine plastic debris with a diameter of 5 mm or less that are a cause of marine pollution. These particles are difficult to collect due to their size and continue to accumulate in the ocean without naturally decomposing, which is feared to have a serious impact on the ecosystems of marine organisms. Resin beads, which are widely used in sunscreen and makeup cosmetics to improve skin feel, can become microplastics that pollute the ocean.

The Tayca Group has developed a spherical silica as an alternative to resin beads that is soft and smooth to the touch, which is not possible with conventional inorganic substances, by applying surface treatment to silica, a substance with low environmental impact. Most recently, we have been developing a wide variety of spherical silica with different particle sizes to further enhance tactile characteristics for cosmetic applications.



Microplastics, which are a cause of marine pollution

The Tayca Group's spherical silica



Contributing to Coral Reef Preservation

There has been a growing concern in recent years that some organic ultraviolet absorbers, which are ingredients in sunscreen products, are affecting coral reef ecosystems. Hawaii and Key West, Florida, in the U.S. are working to protect coral reefs by regulating the sale and distribution of sunscreens containing these organic ultraviolet absorber ingredients.

Titanium dioxide and zinc oxide are recognized by the U.S. Food and Drug Administration (FDA) as GRASE (Generally Recognized As Safe and Effective). The Tayca Group's micro titanium dioxide and micro zinc oxide products are inorganic UV dispersant with minimal impact on coral reefs.



Support for Roundtable on Sustainable Palm Oil (RSPO) Activities

The Tayca Group supports the aim of sustainable palm oil production and use, and has been supporting RSPO activities since 2012. We obtained RSPO certification at our Osaka Factory, TAYCA (Thailand), and TAYCA (VIETNAM) in 2017 and at our Okayama and Kumayama Factories in 2020, with each factory using certified raw materials.



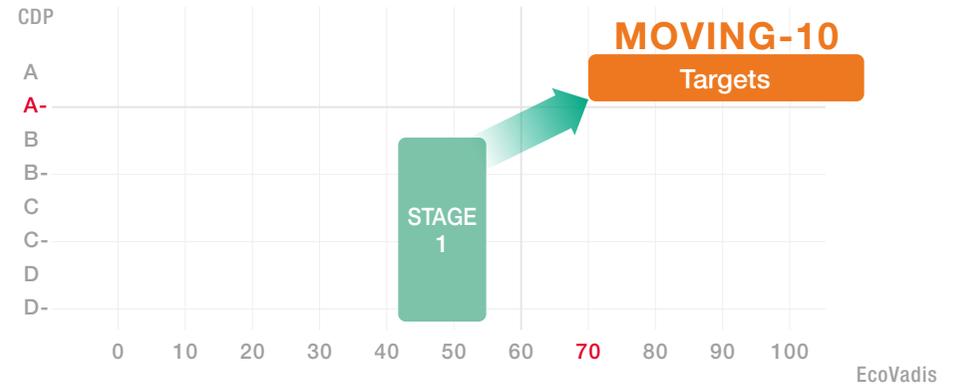
Environment

Improve Evaluations by External Organizations

We will work to further improve our evaluation by external organizations such as CDP and EcoVadis by conducting business activities that take into consideration the global environment and society throughout our global supply chain.

Evaluation Targets

	STAGE1 Results	MOVING-10 (FY2029: 164 th term)
CDP (Climate change)	D- to B	A-
EcoVadis	43 to 56 points	70 points or higher



Responsible Care

Basic Philosophy

The Tayca Group supports the aims of the Responsible Care Global Charter and implements Responsible Care to protect the environment, safety, and health.

Responsible Care Implementation System

The Tayca Group implements and improves safety, health, and environmental measures throughout the entire life cycle from development to manufacturing, distribution, use, final consumption, and disposal based on these basic principles under the supervision of the Director in charge of the Environment & Quality Control Department. The results are reported to the President, who gives instructions for improvement. We also operate an environmental management system based on the ISO 14001 standard to reduce our environmental impact.



Priority Items and Results for Responsible Care Activities in FY2024

Priority Items		FY2024 Targets	FY2024 Results
Environmental conservation	Energy intensity	Reduction of 1% or more from FY2023 levels	Increased by 2% from FY2023
Safety and disaster prevention Occupational health and safety		No equipment accidents	No equipment accidents
		No accidents with lost time	Accidents with lost time: 1
		No accidents with no lost time	Accidents with no lost time: 9 Promotion of risk management / crisis management
Logistics safety		No serious logistics accidents	No serious logistics accidents
Chemical safety		No product liability issues	No product liability issues
Communication with society		Implementation of appropriate information disclosure	Information on Responsible Care activities reported on the left.
		Dialogue with stakeholders	Refer to Social / Co-creation with Stakeholders on page 49.

Social

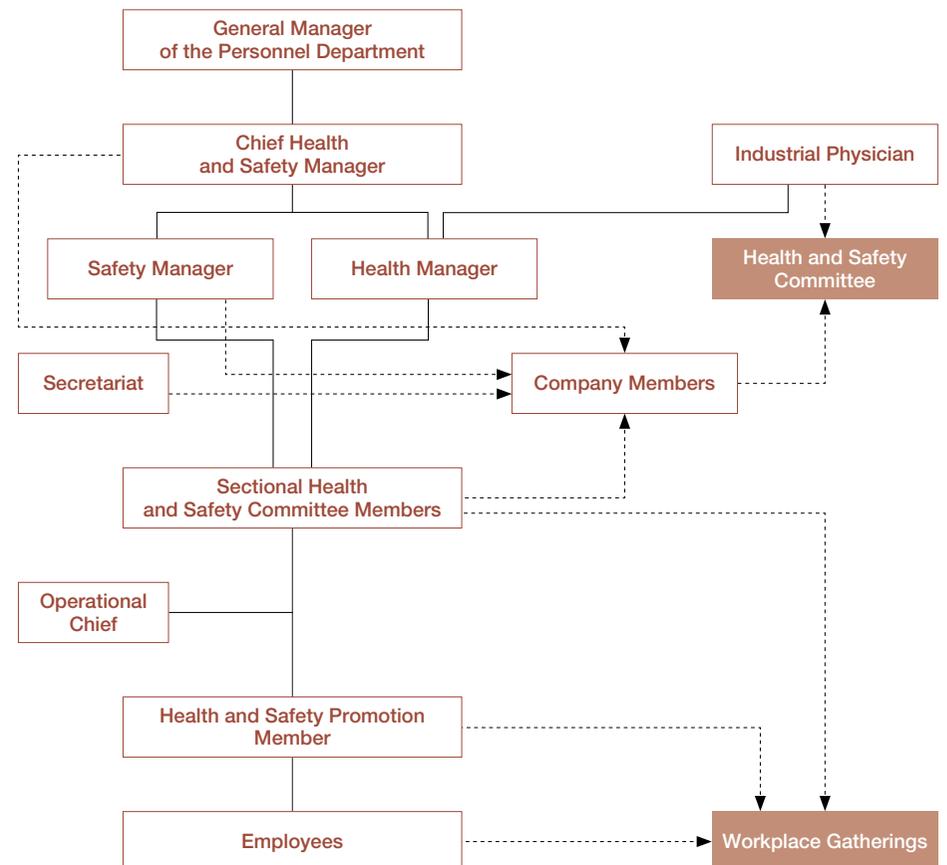
Occupational Health and Safety

General Manager of the Personnel Department has been appointed as the person in charge of the health and safety management organization, which formulates and implements basic policies for promoting company-wide health and safety management. In this way, we strive to maintain and promote the safety and health of our employees.

Main Roles	
Chief Health and Safety Manager	In addition to supervising safety managers and health managers, the chief health and safety manager also oversees overall management of the prevention of hazards or health problems for employees, health and safety education, health checkups and other health maintenance and promotion, and investigation of the causes of industrial accidents and measures to prevent recurrence.
Safety Manager	Management of technical matters related to safety
Health Manager	Management of technical matters related to health
Industrial Physician	Implementation of matters related to employee health management
Sectional Health and Safety Committee Members	Assists safety managers and health managers and promotes safety management at relevant workplaces
Operational Chief	Performs duties stipulated by laws and regulations, such as on-site work supervision and equipment storage and supervision, under the direction of sectional health and safety committee members

Main Activities	
Health and Safety Committee	Meets at least once a month to investigate and discuss important matters related to employee hazards or health problems, and the maintenance and promotion of employee health
Workplace Gatherings	Held at least once a month to promote health and safety management in the workplace by providing instructions and communication regarding health and safety, considering proposed matters, and considering and promoting specific implementation methods

Organizational Structure for Health and Safety Management



Social

Ensure Occupational Health and Safety

We prioritize safety above all else. We always aim to achieve zero occupational accidents and are committed to creating an environment in which employees can work at their best, including the maintenance and promotion of good health and early return to work after recovering from an illness. We will continue our health and safety activities with the aim of achieving zero accidents going forward.

Specific Initiatives

1 Conducting Risk Assessments

- We have created a safe and secure work environment by regularly conducting risk assessments across all work environments and implementing risk mitigation measures.
- Even in individual work duties, we strive for safe work conditions by conducting pre-work risk prediction activities, in which we anticipate potential hazards and take measures to prevent them.

2 Horizontal Dissemination of Near-miss Incidents Reports

- By thoroughly reporting on near-miss incidents that could potentially lead to disasters, we preemptively prevent the occurrence of disasters.
- In the unlikely event of a disaster, the Health and Safety Committee investigates the cause and confirms measures to prevent recurrence. We also promptly disseminate accident information throughout the company to prevent similar accidents from occurring.

3 Safety Patrols

- In addition to regular patrols, every month we conduct themed workplace patrols, such as facility maintenance and the 5S principles to correct hazardous areas.
- We conduct joint patrols with other companies to create an even safer work environment.

4 Safety Review Meetings

- We hold a safety conference once a year, where we provide opportunities to refresh employee knowledge and awareness of safety by using disaster situations from the previous fiscal year and past disaster cases.

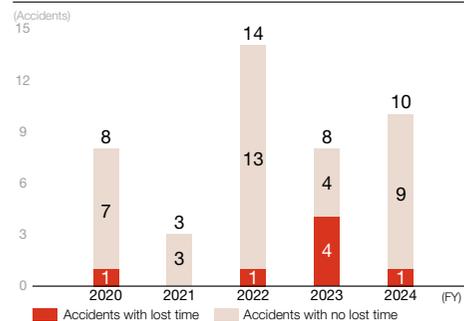
5 Hazard Simulation Training

- We strive to improve safety awareness by having employees participate in external hazard simulation training and actually experiencing hazards.

6 Measures to Prevent Heatstroke

- We check the physical condition of employees before work begins and provide them with fluids and salt.
- Heatstroke warning heat index meters are installed in each workplace. By understanding the situation at individual sites, we optimize hydration and the frequency of breaks.

Number of Occupational Injuries (Non-consolidated)



Safety review meeting



Pre-work risk prediction activity



Hazard simulation training (falling)

Social

Respect for Human Rights

In April 2022, the Tayca Group established the Human Rights Policy as a set of guidelines for respecting human rights. Since then, awareness of and views toward human rights have grown increasingly diverse alongside changes in society, so we have revised the policy in order to further strengthen our commitment to human rights.

Human Rights Policy

1 Basic Philosophy Concerning Human Rights

- The Tayca Group complies with the relevant laws and regulations in the countries and regions in which it operates, and the Group supports and respects international human rights treaties, such as the International Bill of Human Rights of the United Nations (UN) and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO).
- We will make efforts to respect human rights in accordance with the UN's Guiding Principles on Business and Human Rights.

2 Scope of Application

- This policy applies to all officers and employees of the Tayca Group.
- We expect all stakeholders involved in the businesses, products, and services of the Tayca Group to support this policy.

3 Human Rights Due Diligence

- We have established a human rights due diligence system, through which we identify and assess adverse impact on human rights and continually strive to prevent or mitigate such impact.

4 Relief System

- If it becomes clear that Tayca Group activities are causing or contributing to adverse impact on human rights, we will strive to prevent or mitigate such impact through appropriate procedures.

5 Dialogue and Discussions

- We will engage in dialogue and discussions with stakeholders in good faith regarding initiatives related to this policy.

6 Education and Training

- We will provide education and training to all officers and employees in order to instill this policy throughout the Group and implement it effectively.

7 Information Disclosure

- We will disclose our efforts to respect human rights on our website and through other channels to ensure transparency.



Social Respect for Human Rights

Identification of Priority Issues

Among the issues identified through human rights due diligence, we focus our activities on those considered to be particularly high risk.

- ① Illegal labor at suppliers
- ② Violations of health and safety regulations in local communities and within the Tayca Group

Priority Risk	Main Target	Main Human Rights Risk	Initiative
Illegal labor	Suppliers	Child labor Forced labor	Formulation of a procurement policy Promotion of CSR procurement initiatives
Impairment to health and safety	Local communities	Infringement of the rights of local residents	Implementation of traffic patrols Implementation of emergency drills Investments in environmental equipment
	Employees of Tayca Group	Long working hours Harassment and discrimination	Stress checks Education on harassment

<List of identified human rights issues>

- Forced labor
- Freedom of residence and movement
- Child labor
- The right to education
- The rights of young workers
- The right to organize and participate in trade unions
- Equal pay for equal work
- Discrimination in hiring
- Discrimination in employment conditions and wages
- Discrimination in opportunities and evaluations
- Protection of motherhood and children
- Harassment
- Freedom of thought and religion
- Overwork and long working hours
- The right to rest and leisure
- Payment of appropriate remuneration and living wages
- Freedom of labor / employment insurance
- The right to safe and healthy working conditions
- The right to an adequate standard of living and of health
- The right to social security
- The right to privacy
- Impact on the livelihoods of local residents
- Access to water resources
- Environmental management
- Consumer health and safety

CSR Procurement

Basic Philosophy

The Tayca Group aims to build good partnerships based on relationships of mutual trust and enhance mutual corporate value by promoting initiatives aimed at sustainable purchasing and procurement in cooperation with our suppliers to promote supply chain management.

Basic Procurement Policy

Tayca is committed to honest business dealings that are fair, equitable, and transparent, with the aim of building relationships of trust with suppliers and achieving sustainable development, while complying with respect for human rights and compliance.

① Ensure Compliance

- We conduct procurement activities in compliance with relevant domestic and international laws and regulations, as well as social norms.
- We do not have personal relationships or personal interests with all suppliers.

② Information Management

- We maintain the confidentiality of information obtained in the course of business and manage it appropriately.

③ Environmental Conservation

- We will conduct procurement operations in an environmentally friendly manner, such as by reducing the burden on the global environment.

④ Respect for Human Rights

- We respect human rights and strive to eliminate human rights violations such as unfair discrimination, harassment, child labor, and forced labor, and we procure from suppliers that are not complicit in such violations.

⑤ Fair and Equitable Transactions

- We will provide all suppliers with opportunities for fair and equitable competition on an equal footing.
- We will conduct our procurement activities in a globally open manner.

⑥ Supply System

- We will strive to procure from suppliers that maintain and improve their quality, price, stable supply, and technological development capabilities at an appropriate level.

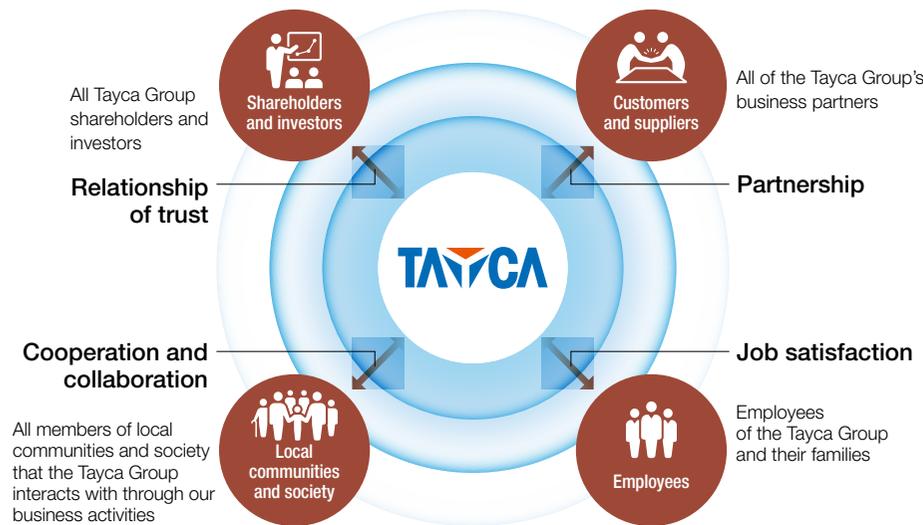
⑦ Supply Chain Management

- We will identify and assess risks related to illegal activities and human rights violations in conflict regions, and if signs of negative impacts on human rights are confirmed, we will promote corrective actions.

Social

Co-creation with Stakeholders

The Tayca Group is a member of the Responsible Care Committee of the Japan Chemical Industry Association. Maintaining the environment, health, and safety, we publicly announce the results of our activities, and engage in dialogue and communication with society.



Dialogue with Stakeholders

Stakeholders	Policy	Tayca's Responsibility	Communication Method
Shareholders and investors	We will build a stable relationship of trust through timely and appropriate information disclosure and dialogue.	<ul style="list-style-type: none"> Maintain and improve corporate value Appropriate return of profits Timely and appropriate disclosure of corporate information Response to ESG investment 	<ul style="list-style-type: none"> Ordinary General Meeting of Shareholders (one time/year) Company information sessions for individual investors Information disclosure on website Contact for inquiries
Customers and suppliers	We will provide products and services that prioritize safety and security, and work toward long-term mutual prosperity.	<ul style="list-style-type: none"> Provision of safe, reliable, and valuable products and services Fair and equitable transactions Support and collaboration for sustainable procurement Appropriate management of supplier information 	<ul style="list-style-type: none"> Implementation of factory tours Supplier support in sales and procurement divisions Holding of exhibitions and information sessions Information disclosure on website
Local communities and society	We will respect cultures and customs, both within and outside of Japan, and develop relationships of mutual trust.	<ul style="list-style-type: none"> Contribution to local development Prevention of accidents/disasters, environmental conservation 	<ul style="list-style-type: none"> Sponsorship of local events, sports organizations (Fagiano Okayama), etc. Holding of dialogue with local residents Holding of roundtable discussions with local students, factory tours Participation in local fire drill competitions Traffic safety patrols
Employees	We will place the highest priority on health and safety and strive to improve the working environment. In addition, we will actively develop personnel systems and education and training systems for skill development.	<ul style="list-style-type: none"> Consideration for health as well as occupational health and safety Utilization and development of human resources Creation of a workplace where diverse human resources can play an active role 	<ul style="list-style-type: none"> Regular health checkups, stress checks, and interview guidance with industrial physicians Self-assessment, feedback interviews (two times/year), 180-degree evaluation (one time/year) Labor-management council meetings Workplace gatherings Company newsletter (four times/year), company intranet

TOPICS

Overview of Main Activities

- In the Okayama region, we conducted cleanup activities in the Nabeshima area on March 9, 2024, and in the Sotowa area on March 17, 2024, together with local residents.
- In Long Duc Ward, Dong Nai Province, where TAYCA (VIETNAM) has a factory, we won the third place out of about 180 companies that participated in a fire drill competition held on September 12, 2023.



Cleanup activities in the Okayama region



Awards received for a fire drill competition in Long Duc Ward

Social

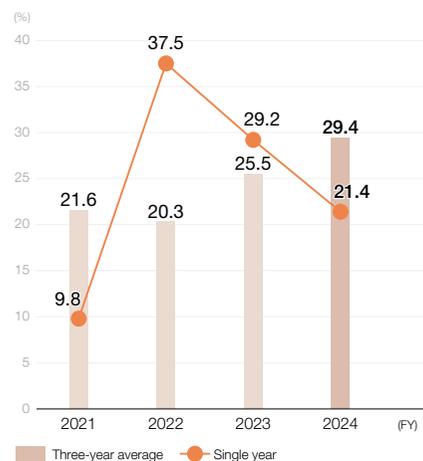
Promotion of Human Capital Management

The Tayca Group has set diversity & inclusion as one of its sub-materiality items, and has been working to promote diversity. We are committed to creating job satisfaction, improving the workplace environment, and developing human resources so that employees can fully demonstrate their skills. To this end, we accept diverse human resources regardless of age, gender, nationality, employment status, and other attributes, while recognizing the differences between them.

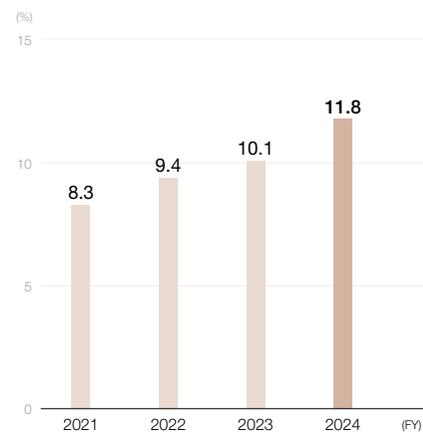
Active Recruitment of Women

In the past, Tayca had been targeting science and engineering students in recruitment as new graduate hires had been assigned to R&D, production management, production engineering, and facility maintenance positions for many years. Since a small percentage of female students major in engineering, the number of female employees used to be low. However, pursuant to the General Employers Action Plan under the Act on Promotion of Women’s Participation and Advancement in the Workplace, we have been conducting recruitment activities with the goal of having female employees account for at least 10% of our workforce. We have continued to achieve this goal by shifting our focus to new graduate recruitment, and actively conducting mid-career recruitment for sales positions, hiring female employees for management divisions, and promoting non-regular workers to full-time positions.

Female Employee Hiring Percentage (Non-consolidated)



Ratio of Female Workers in Managerial Positions (Consolidated)



Mid-career Hires

In order to realize diverse and flexible work styles, the Tayca Group employs not only new graduates but also mid-career personnel with advanced skills and experience. The percentage of regular employees who are mid-career hires was 72% in FY2022, 48% in FY2023, and 41% in FY2024.



Undergoing education and training



Monitoring of the operating status of equipment



Our booth at an exhibition

Social Promotion of Human Capital Management

Creation of Job Satisfaction

The Tayca Group believes that employees can achieve better results by feeling job satisfaction and considers the creation of job satisfaction in each and every employee to be an important issue. In order to achieve this, it is essential to improve our workplace environment, draw up career plans for employees, expand our human resource development system, and revise our wage structure and evaluation system, among other system reforms.

Work Style Reform

The Tayca Group aims to improve the work-life balance of our employees by introducing a system that can flexibly accommodate their lifestyles to create an environment in which they can maximize their abilities.

To date, we have focused on reducing long working hours, improving the paid leave utilization rate, and enhancing our childcare support system.

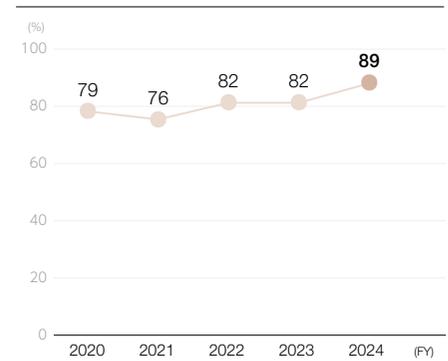
As the paid leave utilization rate of employees, including workers in management positions, has remained at around 80%, we have increased the number of options for taking paid leave, such as introducing half-day and hourly paid leave, and have established a system that allows employees to accumulate up to 40 days of lost paid leave under the accrued paid leave system. In addition, we have put in place a system to ensure that employees who have just joined the company do not have to worry about running out of paid leave due to infectious diseases, etc., such as granting 15 days of leave in their first year.

Regarding childcare support, Tayca established its own childcare support system in FY2022, introducing a system that allows employees with children up to the end of elementary school to choose from five work styles, such as shortened working hours and no overtime. Furthermore, in order to improve support for male employees taking childcare leave, we worked to inform eligible employees of the details of the system for childcare leave at birth. As a result, the ratio of male taking childcare leave exceeded 50% for a second consecutive year. The Tayca Group has set a utilization rate target of 60% or higher. We will continue to engage in promotion activities in an effort to reach this.

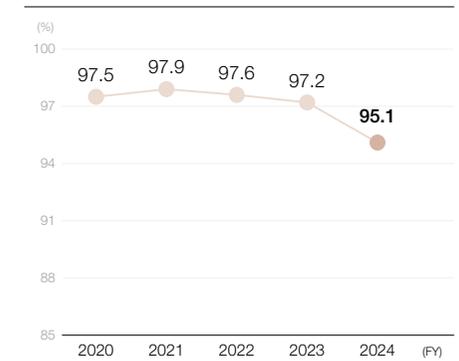
In FY2024, the Tayca Group also introduced telework and flextime systems for management, sales, and research and development divisions as part of our work style reforms. While these systems mainly involve staggered working hours, we will continue to consider introducing flextime systems to production divisions as well as a full-scale flextime system. In doing so, we will strive to reform our systems to allow employees to choose flexible work styles and maintain and improve their motivation to work.

KPI Ratio of Male Taking Childcare Leave
 Target: **60% or higher**

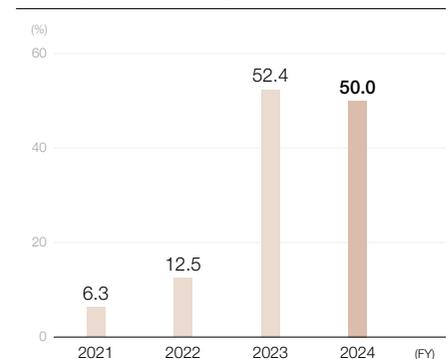
Paid Leave Utilization Rate (Non-consolidated)



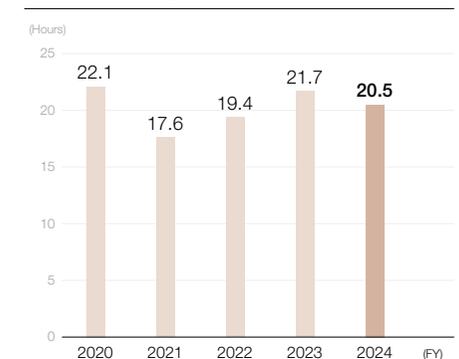
No Overtime Day Implementation Rate (Non-consolidated)



Ratio of Male Employees Taking Childcare Leave (Non-consolidated)



Average Monthly Overtime Hours (Non-consolidated)



Social Promotion of Human Capital Management

Efforts to Nurture Self-directed Employees

We believe that keeping motivation high is important for our employees to continue to perform at a high level. The Tayca Group is currently building a Career Development Program (CDP) with an eye to creating a new career system that will provide employees with opportunities to think about their future careers and allow them to choose the career that best suits them. By continuing to nurture employees, we will strive to improve employee motivation and visualize our human resources.

Acceleration of Development of Human Resources

In light of our global business expansion, the Tayca Group emphasizes the development of core human resources who can be active on a global scale and who can be entrusted with management responsibilities in the future. We are continuously and intensively developing human resources so that they can realize their full potential at an early stage, regardless of their gender, nationality, work history, age, or other factors. We are also working to improve the abilities of all employees by fostering their ability to think independently, willingness to take on new challenges, and mentality of never fearing failure.

Enhancing On-the-Job Training and Expansion of Selective Training

At the Tayca Group, we are working to revitalize our organization by having superiors repeatedly hold one-on-one meetings with employees during on-the-job training, during which they recognize common objectives such as the Group’s management philosophy, long-term management vision, and organizational goals, and set appropriate goals and incorporate activities. We believe that on-the-job training involves other employees and creates synergies. As such, division managers and leaders are aware of not only the most important safety activities for manufacturers, but also how to set development plans and tasks according to career stage when they implement the PDCA cycle.

Moreover, through inter-organizational study sessions and briefing sessions, employees are exposed to stimulation and knowledge that they would not normally experience, and through utilization of the brother/sister system for new recruits, they experience at a young age the difficulties of nurturing young staff.

Furthermore, in order to revitalize on-the-job training, we continue to provide rank-based training every year, thereby enabling employees to acquire certain ways of thinking that they would not normally be able to develop. We also focus on selective training, under which we develop core human resources who will learn managerial thinking and business conceptualization skills through early-stage management educational training. We have also formulated DX projects and new projects as part of next-generation leadership training for young to mid-career employees, giving participants the opportunity to grow by encountering and overcoming obstacles. We also send them to our overseas subsidiaries to gain experience working overseas and develop their management sense.



Development Plan by Job Level

Rank	Training Details	FY2024	FY2025	FY2026	FY2027
Rank M	Management training	●	●	●	●
	Selective training (internal)	●	●	●	●
	Selective training (external)	●	●	●	●
Rank L	Leadership training	●	●	●	●
Rank G	General training	—	●	●	●
Rank S	First, second, and third-year training	●	●	●	●

Social Promotion of Human Capital Management

Personnel System Reform

At the Tayca Group, our management policies call for “full participation management.” To this end, it is important that all employees understand our management philosophy and work toward the achievement of our long-term management vision. In April 2022, we reviewed our previous personnel system, the job qualification system. We introduced a role grading system, initially for management positions, and revised the evaluation system and wage structure. We have eliminated seniority factors and focused solely on the achievement of roles and the progression of abilities, thereby enhancing employees’ desire to take on challenges and leading to steady growth.

In April 2023, we also made major revisions to the system for general employees. The role grading system for managers was introduced for general employees as well. We have set challenging organizational targets as a system to promote growth, and have created an environment that enables employees to boldly take on new challenges. In addition, we have set new goals for employees who are approaching their retirement age. This system allows employees to take on new roles without losing motivation for their work, and passes on the skills they have cultivated to the next generation.

The introduction of the new system is just the start. We recognize that getting it to firmly take root will be no easy task. As such, the Tayca Group has set the goal of having the system take root over a three-year period. In FY2024, we deepened the understanding of executives, employees in management positions and general employees through information sessions and training introducing the new system, and by putting it into practice. In doing so, they spent more time than ever to think about setting their own career goals and direction, and about the employees that would undergo training. Going forward, we will create opportunities and provide an environment in which each and every employee can utilize the experience of the previous fiscal year to work more smoothly and at a higher level.



Implementation of an Employee Engagement Survey

To date, the Tayca Group has sought to hear the honest opinions of employees through internal feedback, labor-management meetings, and 180-degree evaluation, but in March 2024, we conducted a first-ever employee engagement survey.

In addition to confirming the awareness of employees across the entire Group and in each organization, we confirmed the direction and degree of awareness toward our management vision.

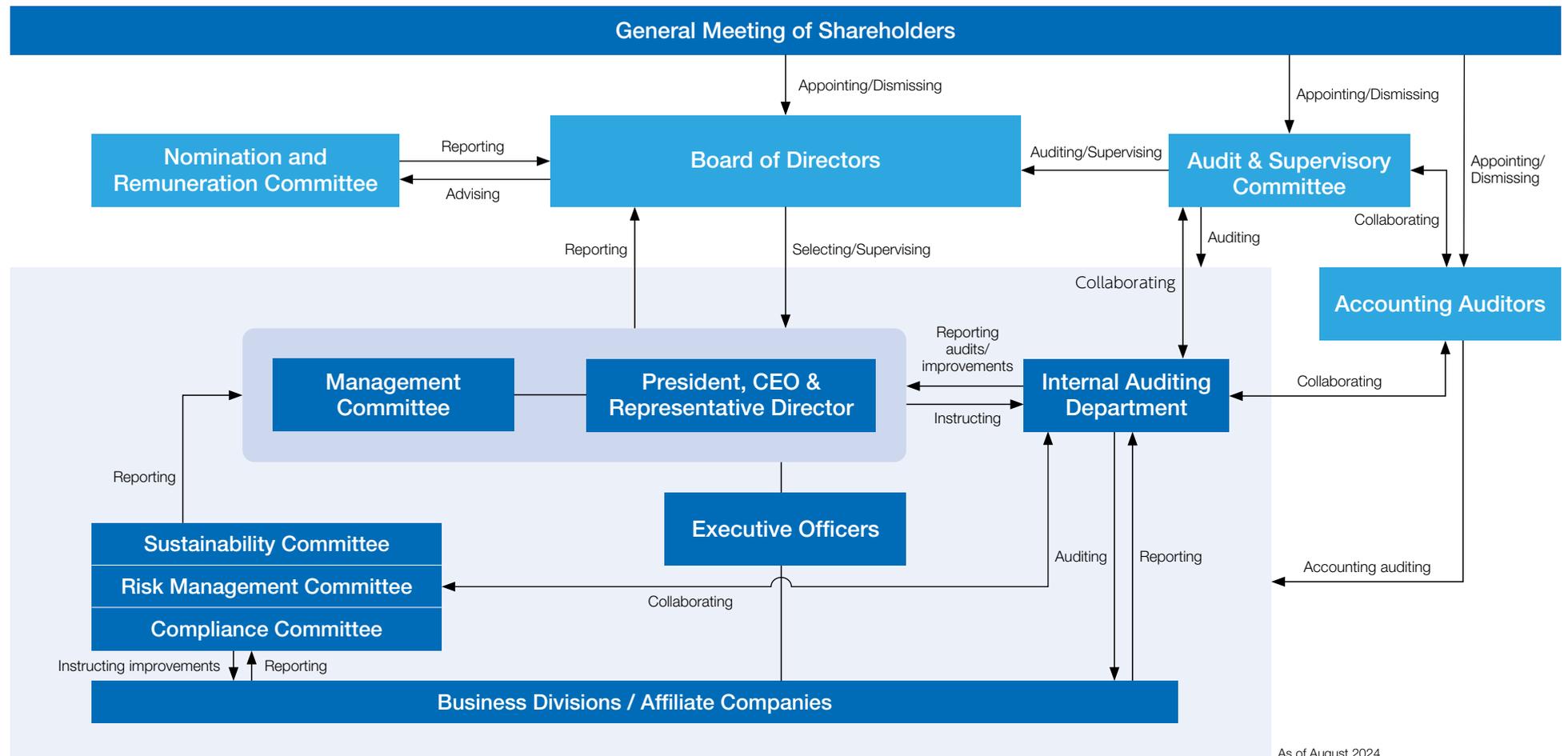
Going forward, we will work to achieve our long-term management vision by formulating concrete targets and increasing passionate human resources through creation of job satisfaction for employees, development of human resources, and establishment of a new personnel system.

KPI Continuous measurement via employee engagement surveys

Corporate Governance

Basic Philosophy

We recognize enhancing corporate governance as one of our most important management issues. Our goal is to establish a corporate governance framework that earns trust from shareholders, customers, and other stakeholders by making swift and appropriate decisions, maintaining and improving transparency and soundness of management.



Corporate Governance

Board of Directors

Basic Philosophy

The Board of Directors consists of nine members, including four outside directors. It meets once a month in principle to make decisions on matters stipulated by law and the Articles of Incorporation and other important management matters, as well as to supervise the execution of director's duties.

Number of directors under the Articles of Incorporation	13
Term of office of directors under the Articles of Incorporation*	1 year
Chairman of the Board of Directors	President
Number of directors (Number of female directors)	9 (1)
Appointment status of outside directors	Appointing
Number of outside directors	4
Number of outside directors designated as independent directors	4

*Term of office of directors who are Audit & Supervisory Committee members is 2 years.

Position, etc.	Name	Responsibilities and Significant Concurrent Positions
President, CEO & Representative Director	Shunji Idei	In charge of the Internal Auditing Department, Osaka Research Laboratory, and Okayama Research Laboratory
Director, Managing Executive Officer	Yasuyuki Nakatsuka	In charge of the General Affairs Department, Personnel Department, Accounting Department, and DX Promotion Office
Director, Senior Executive Officer	Tamataro Iwasaki	In charge of the Corporate Planning Department, Environmental and Quality Department, Purchasing Department, and Osaka Factory
Director, Senior Executive Officer	Yoshihiro Murata	In charge of the Sales Department, Manager of Tokyo Branch
Director, Audit & Supervisory Committee Member (full-time)	Akira Miyazaki	Outside Director, Audit & Supervisory Committee Member
Outside Director, Audit & Supervisory Committee Member	Hitoshi Tanaka	Lawyer of Yodoyabashi & Yamagami Legal Professional Corporation
Outside Director, Audit & Supervisory Committee Member	Koji Yamamoto	Professor, Faculty of Business Administration, Osaka Gakuin University Former Representative Audit Commission member of Osaka Prefecture Dean, Faculty of Business Administration, Osaka Gakuin University
Outside Director, Audit & Supervisory Committee Member	Mamiko Ozaki	Invited Professor of the Department of Chemical Science & Engineering, Kobe University Representative Director, President, and CEO, Scent Fest Co., LTD. Invited Professor of RIKEN Center for Biosystems Dynamics Research
Outside Director, Audit & Supervisory Committee Member	Tsuyoshi Inoue	Advisor, DAIICHI KIGENSO KAGAKU KOGYO CO., LTD

*As of June 30, 2024

Corporate Governance

Audit & Supervisory Committee

Basic Philosophy

The Audit & Supervisory Committee consists of five members: one full-time Audit & Supervisory Committee member and four part-time Audit & Supervisory Committee members (including four outside Audit & Supervisory Committee members). It inspects financial statements and other documents and conducts audits of the execution of duties by directors as well as other matters.

Independent Outside Officers

Name	Supplementary Explanation Regarding Conformance Items	Reason for Appointment
Hitoshi Tanaka	Hitoshi Tanaka is a lawyer at Yodoyabashi & Yamagami Legal Professional Corporation, a company with which we have a consulting agreement.	As a lawyer, Hitoshi Tanaka is well-versed in corporate legal affairs. We believe that his professional insight and wealth of experience cultivated over the years will be reflected in the management of the Company. Reason for Designation as Independent Director We have designated him as an independent director because we believe that his professional insight and wealth of experience cultivated over the years will be reflected in the management of the Company from an independent perspective. In addition, while Yodoyabashi & Yamagami Legal Professional Corporation, to which he belongs, receives advisory fees from the Company based on an advisory contract, the amount is small compared to the size of said corporation. Therefore, we believe that he is independent from the Company's management and maintains a neutral and fair position that does not pose a risk of conflict of interest with general shareholders.
Koji Yamamoto	There are no special interests between Koji Yamamoto and the Company	We believe that his professional knowledge and wealth of experience related to accounting as a longstanding university professor will be reflected in the Company's management. Reason for Designation as Independent Director We have designated him as an independent director because we believe that his professional insight and wealth of experience cultivated over the years will be reflected in the management of the Company from an independent perspective.
Mamiko Ozaki	There are no special interests between Mamiko Ozaki and the Company	Mamiko Ozaki has been active over many years as a university professor and technical researcher. She is also the first woman to serve as Chair of Japanese Society for Comparative Physiology and Biochemistry. We believe that her professional insight and wealth of experience cultivated over the years will be reflected in the management of the Company. Reason for Designation as Independent Director We have designated her as an independent director because we believe that her professional insight and wealth of experience cultivated over the years will be reflected in the management of the Company from an independent perspective.
Tsuyoshi Inoue	Tsuyoshi Inoue is Advisor of DAIICHI KIGENSO KAGAKU KOGYO CO., LTD., one of our suppliers.	We believe that his wealth of experience and broad insights cultivated over the years as a manager will be reflected in the management of the Company. Reason for Designation as Independent Director We have designated him as an independent director because we believe that his wealth of experience and broad insights cultivated over the years as a manager will be reflected in the management of the Company from an independent perspective. In addition, as stated on the left, he is an Advisor at one of our suppliers. However, the transaction amount is small, and said company is not one of our major suppliers, so there is no business relationship that could influence our decision-making. Therefore, we believe that he is independent from the Company's management and maintains a neutral and fair position that does not pose a risk of conflict of interest with general shareholders.

Corporate Governance

Management Committee

Basic Philosophy

The Management Committee consists of the President, CEO & Representative Director, directors in charge of or who head a part of the organization, and directors and executive officers who are full-time Audit & Supervisory Committee members. It meets once a month in principle to discuss and decide on policies and plans for the execution of important business operations and the implementation of such operations. The Management Committee aims to ensure certainty of results as well as to promote the efficiency of business execution.

Agenda Items of the Management Committee

- Matters concerning the budget and settlement of accounts
- Matters concerning the mid-to long-term management plan
- Matters concerning the important new establishment, revision, or abolishment of organizations, division of responsibilities, rules, and systems
- Important matters concerning production, sales, procurement, research and development, general affairs, personnel, and finance
- Matters concerning important external actions
- Matters stipulated in the rules of document for approval in which a wide variety of departments are involved
- Other matters to be submitted to the Board of Directors

Nomination and Remuneration Committee

Basic Philosophy

The Nomination and Remuneration Committee consists of six members: two internal directors and four independent outside directors. It is chaired by the President, CEO & Representative Director. The purpose of the Nomination and Remuneration Committee is to enhance corporate governance by strengthening the fairness, transparency, and objectivity of procedures related to the nomination and remuneration of directors and executive officers.

	Name of the committee	Total Number of members	Number of full-time members	Number of internal directors	Number of outside directors	Number of outside experts	Number of other members	Chairperson
Voluntary committee equivalent to a nomination committee	Nomination and Remuneration Committee	6	2	2	4	0	0	Internal director
Voluntary committee equivalent to a remuneration committee	Nomination and Remuneration Committee	6	2	2	4	0	0	Internal director

Matters Discussed by the Nomination and Remuneration Committee

- 1 **Matters concerning nominations**
 - Matters concerning selection and termination of the Representative Director
 - Matters concerning the appointment and dismissal of directors
 - Matters concerning the appointment and dismissal of executive corporate officers and executive officers
 - Matters concerning the composition of the Board of Directors
 - Matters concerning nomination policy / criteria and decision-making processes
 - Matters concerning the formulation and operation of succession plans
- 2 **Matters concerning remuneration**
 - Matters concerning the total amount of remuneration and individual remuneration for directors
 - Matters concerning remuneration policies and levels for directors and executive officers
- 3 **Other important managerial matters deemed necessary by the Board of Directors**

Corporate Governance

Operation Status of the Board of Directors

Analysis and Evaluation of the Effectiveness

A self-evaluation questionnaire* was conducted with all directors in March 2024 to analyze and evaluate the effectiveness of the Board of Directors.

As a result, it was found that the Company's Board of Directors is operating appropriately and efficiently and that its effectiveness has been ensured. On the other hand, in order to further improve the effectiveness of the Board of Directors, some made comments such as that it is necessary to enhance discussions based on management strategies including CO₂ emissions reductions and new product developments. We will work on improvements while taking these comments into account.

*Main contents: role, function and size, structure and operation of the Board of Directors, cooperation with audit bodies, communication with the Company's management, and relationships with shareholders and investors, etc.

Skill Matrix for Directors

In appointing directors, we comprehensively consider and review factors including the balance to cover all functions and divisions of the company, diversity including gender and international perspectives, and having the right person for the right position to ensure appropriate and prompt decision-making.

Position	Name	Outside/ Independent	Experience/Knowledge/Expertise							
			Corporate Management	Legal/ Risk Management	Finance/ Accounting	Manufacturing Technology/ Research and Development	Sales	Personnel/ Labor	Overseas Experience	Environmental/ Society
President, CEO & Representative Director	Shunji Idei		●			●	●			
Director, Managing Executive Officer	Yasuyuki Nakatsuka			●	●			●		●
Director, Senior Executive Officer	Tamataro Iwasaki		●			●	●	●		●
Director, Senior Executive Officer	Yoshihiro Murata		●				●			
Director, Audit & Supervisory Committee Member (full-time)	Akira Miyazaki			●	●	●	●			
Director, Audit & Supervisory Committee Member	Hitoshi Tanaka	Outside Independent		●				●		●
Director, Audit & Supervisory Committee Member	Koji Yamamoto	Outside Independent	●		●					
Director, Audit & Supervisory Committee Member	Mamiko Ozaki	Outside Independent				●			●	●
Director, Audit & Supervisory Committee Member	Tsuyoshi Inoue	Outside Independent	●			●				●

Message from Outside Director

The long-term management vision MOVING-10 has enlivened discussion. Look forward to even more active business development in the future.



Koji Yamamoto

Outside Director

Supporting Initiatives to Improve Production Efficiency Across the Entire Company

Having studied management accounting at university, I specialize in cost aspects of business such as cost management. I believe that my role is to return the knowledge and insights I have gained through joint research with automobile and home appliance manufacturers to the Company.

Because the Company is a chemical raw materials manufacturer, its manufacturing processes differ from those of processing and assembly manufacturers, and I initially thought that cost management systems, which were my specialty, would have little impact. However, when I toured the factory, I noticed that especially the fields of functional chemicals and piezoelectric materials adopt the processes similar to those used in manufacturing for processing and assembly.

So during a Board of Directors discussion on how improvements in production efficiency can be translated into profits, I introduced the Theory of Constraints (TOC), a management system that aims for overall optimization. There have long been approaches to improving the

efficiency of individual divisions of labor, but I felt that the Company needed the TOC approach, which involves identifying bottlenecks in the least productive processes and making focused improvements to increase the entire company's production efficiency. After that, I led training in which I explained TOC not only to the Company's directors, but also to many employees. Process improvements and increased production efficiency are positioned as major pillars of the new mid-term management plan, MOVING-10 STAGE2, and I intend to continue supporting the resolution of issues in business activities, such as reducing inventory, shortening delivery times, and developing new businesses.

MOVING-10 Bringing Us Closer to Our Targets

In terms of the effectiveness of the Board of Directors, anonymous surveys are conducted for all directors, and opinions are compiled. At Board of Directors meetings, financial and operational statuses as well as matters discussed by the Management Committee are reported, and lively discussions are held. The Company's four outside directors not only proactively express their opinions based on their respective specialized knowledge, but also strive to improve governance by continually monitoring how their opinions are handled within the Company.

I have been involved in management as an outside director of the Company for 10 years, but particularly since celebrating our 100th anniversary in FY2020 and embarking on the new long-term management vision, MOVING-10, I feel that discussion within the company has become even livelier thanks to the breaking down of important management issues into smaller subcommittees. Whereas targets had been set in a

top-down manner focused on sales, MOVING-10 was formulated to further expand on progress made in the field, so it allows each and every employee to feel closer to the targets.

Toward More Proactive Information Dissemination and Application Development

One of our challenges going forward is active publicity. While the Company holds the top share in global niche markets such as cosmetic ingredients and piezoelectric materials, its PBR remains below 1.0. This might be attributable to the facts that the Company's brand value has not been promoted to the public and that the Company has not been able to clearly demonstrate its expectations for future growth. Nevertheless, I feel that the Company has plenty of potential. Tayca gives off the impression of being a somewhat modest company, but just as other materials manufacturers promote their corporate image through various media, I think the Company should do more to highlight the fact that it is earnest about providing "inspiring materials" that are closely related to everyday life. The new mid-term management plan calls for the strengthening of IR activities in this regard, and I hope that this will lead to the establishment of an even stronger Tayca brand.

Another challenge is the creation of new businesses. As Tayca is a company that has a lot of potential for further growth, I look forward to seeing it actively expand the range of applications of its newly developed materials. I believe that a positive approach such as this will inspire employees to be proud of working for the Tayca Group, which will also nurture a sense of belonging and increased motivation.

Risk Management

Basic Philosophy

We established the Risk Management Committee in August 2024 as an advisory body under the direct supervision of the President, CEO & Representative Director for the purpose of deliberating and formulating risk management systems and policies, and monitoring the implementation status of risk management.

Functions of the Risk Management Committee

The Risk Management Committee oversees the following matters and reports the results of deliberations to the President and full-time Audit & Supervisory Committee Members.

- 1 Deliberation and formulation of the risk management system, policies, and measures of the Tayca Group
- 2 Understanding the implementation status of risk management of the Tayca Group and providing necessary guidance and supervision
- 3 Other matters concerning risk management

Risk Management Committee	
Chairperson	Director in charge of General Affairs Department
Vice Chairperson	Appointed by the Chairperson from among the standing committee members
Standing Committee Members	Senior Managing Executive Officer, Managing Executive Officer, Directors in charge of the Internal Auditing Department, Corporate Planning Department, General Affairs Department, Personnel Department, DX Promotion Office, and Environmental and Quality Department
Committee Members	General Manager of the Internal Auditing Department, General Manager of the Corporate Planning Department, General Manager of the General Affairs Department, General Manager of the Personnel Department, General Manager of the DX Promotion Office, and General Manager of the Environmental and Quality Department
Observer	Audit & Supervisory Committee Member (full-time)
Secretariat	General Affairs Department

*By the authority of the chairperson, directors and general managers from relevant Tayca Group companies can be added to committee members, depending on the content of the deliberations.

Action Policy

We aim to minimize losses by preventing the occurrence of risks and taking appropriate measures against the various risks surrounding the Tayca Group (any possibility of causing physical, economic, or credit-related losses or disadvantages).

[Anticipated Risks]

- Risks related to operations
- Risks related to changes in the market environment, such as fluctuations in demand, fluctuations in raw material prices, and changes in laws and regulations
- Risks related to accidents and disasters, such as fires, explosions, earthquakes, and outbreaks of infectious diseases
- Risks related to legal compliance, such as violations of laws and regulations, violations of internal regulations, and unlawful acts
- Risks related to personnel and labor issues, such as various forms of harassment, workplace accidents, and labor disputes
- Risks related to finance, such as procurement of capital and exchange rate fluctuations
- Risks related to information systems, such as major system failures and unauthorized access to information
- Other risks similar to the above items

Implementation of Risk Management

- 1 Narrow down the risks that have a significant impact on our corporate management and require response
- 2 Quantify risks to prioritize responses
- 3 Determine the response for each risk identified, such as risk reduction, risk retention, risk avoidance, or risk transfer, and implement the response
- 4 Conduct continuous operations and internal training

Compliance

Basic Philosophy

All members of the Tayca Group comply with our established Code of Conduct, recognize our corporate social responsibility, and conduct fair and transparent business activities. In addition, we have established a Compliance Committee to oversee compliance status and address any violations that may arise.

Functions of the Compliance Committee

The Compliance Committee oversees the following matters, and reports the results of deliberations, such as the veracity of claims to the President and full-time Audit & Supervisory Committee members.

- 1 **Deliberation and formulation of the compliance system, policies, and measures for the Tayca Group**
- 2 **Understanding the compliance implementation status of the Tayca Group and providing necessary guidance and supervision**
- 3 **Deliberation on the details of whistleblowing reports on compliance violations, investigation of violations, and deliberation and formulation of corrective and preventive measures**
- 4 **Other matters concerning compliance**

Internal Reporting

The following three contact points receive reports from employees and whistleblowers and confirm whether reported incidents constitute legal violations.

- 1 **Shidou Law Office**
- 2 **Secretariat of the Compliance Committee (General Manager of the Corporate Planning Department)**
- 3 **Labor union (Central Secretary General)**

For cases related to various forms of harassment that are not covered by the Whistleblower Protection Act, there are harassment consultants in each region to supplement whistleblowing contact points.

Compliance System	
Chairperson	President
Vice Chairperson	Appointed by the Chairperson from among the standing members of the committee
Standing Members of the Committee	Senior Managing Executive Officer, Managing Executive Officer Directors in charge of the Internal Auditing Department, Corporate Planning Department, General Affairs Department, and Personnel Department
Committee Members	General Manager of the Internal Auditing Department, General Manager of the Corporate Planning Department, General Manager of the General Affairs Department, General Manager of the Personnel Department
Observer	Audit & Supervisory Committee Member (full-time)
Secretariat	Corporate Planning Department

*If a member of the Compliance Committee is involved or has a conflict of interest with the content of a whistleblower's report, the member will be excluded from the people handling the case in question.

Compliance

Tayca Group Code of Conduct

1 Compliance with Laws and In-house Rules

- In performance of our duties, we will comply with any and all applicable laws and ordinances, as well as in-house rules and regulations.
- We will fully recognize social ethics, and act with good judgment and a sense of responsibility as a member of society.

2 Contributions to Society

- We will respect local history, culture and customs, and conduct social activities to contribute to the development thereof.
- As a member of a local community, we will actively foster communication with the local community, and fulfill the role of a corporate citizen.

3 Protection of the Global Environment

- We will endeavor to protect the environment in accordance with laws and ordinances pertaining to the environment, and take a planet friendly approach to our corporate activities.
- We will actively promote energy savings, resource savings and recycling, and endeavor to promote the efficient use of resources and energy, and the reduction of waste.

4 Thoroughness of Corporate Ethics

- We will perform all business transactions according to the principle of fair, transparent and free competition.
- We will take a firm attitude against antisocial forces and organizations.
- We will maintain healthy relations with individuals and organizations concerning political and administrative activities.

5 Respect of Employees' Human Rights

- We will respect individual ability and personality of our employees regardless of their nationality and gender, and behave in good faith and in a fair manner.
- We will endeavor to create a safe, clean and healthy working environment that allows employees to work comfortably.

6 Safety Concerning Products

- In each phase of development, design and manufacture of products, we will always pay attention to safety, and aim at providing high-quality, highly safe products.
- In case of any accident regarding the products provided by us, we will promptly and adequately handle the situation with the safety of consumers and customers as the foremost priority.

7 Strict Management of Corporate Assets and Information

- We will ensure the internal management of the confidential information, intellectual property rights and any other tangible as well as intangible assets of the Corporation. In addition, we will handle personal information with due care to prevent the use of such personal information for purposes other than originally intended, or the loss, leakage and the like thereof.
- We will also respect and properly handle any confidential information, intellectual property rights and personal information of other corporations.
- After retirement from the Corporation, we will observe and fulfill our confidential obligations concerning the confidential information obtained during our tenure of office.

8 Fair Disclosure of Corporate Information

- We will apply proper accounting treatment in accordance with relevant laws and ordinances, and endeavor to rapidly and adequately disclose corporate information.

Business Continuity Plans (BCPs)

Basic Philosophy

In the event of natural disasters such as earthquakes, tsunamis, and typhoons, accidents such as factory fires, and pandemics due to new viruses that threaten business continuity, we prioritize the value of human life and restore supply systems starting from our main products to preserve and enhance corporate reliability.

Basic Policy on BCP

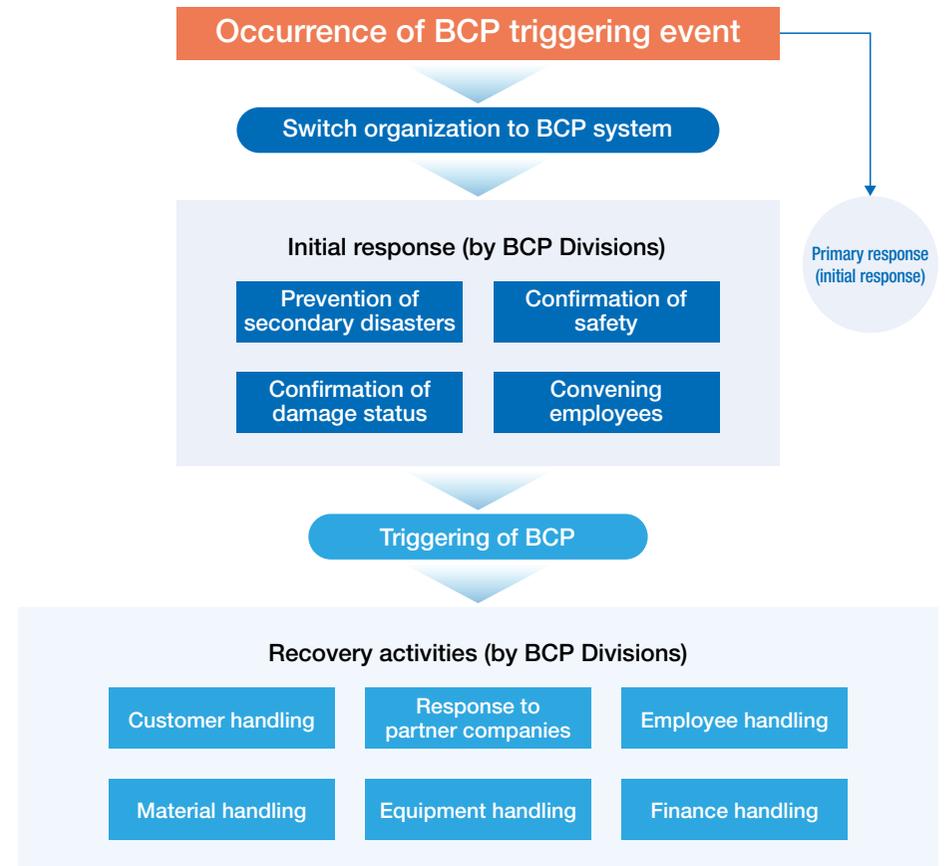
- 1 We will make our utmost efforts to ensure the safety of our employees and their families.
- 2 Strive to prevent secondary disasters so as not to cause inconvenience to the local community.
- 3 We will strive for business continuity by continuing the supply of our main products or restoring the supply system as quickly as possible. We will make every effort to continue our business.
- 4 Contribute to the local community by cooperating in the reconstruction of the surrounding areas.

BCP System

Tayca has implemented a BCP system, comprising the BCP Task Force headquarters at the head office and BCP Divisions in each region. The BCP Task Force is led by the BCP Task Force General Manager, who is the President, and regional BCP Divisions are headed by a general manager representing each region.

BCP Training

We conduct employee training at each business site based on business continuity plans to prepare for unforeseen circumstances. We have prepared a BCP manual and conduct tabletop drills in expectation of disasters so that we can resume production activities and fulfill our supply responsibilities as soon as possible.



Information Security

Basic Philosophy

The use of information systems and DX is essential for the operation of companies and organizations. While there are advantages to managing information digitally, there are also various security threats such as virus infections and unauthorized system access, as well as equipment failures due to disasters and other issues. Therefore, we are taking measures to protect confidential corporate information from these various risks.

Basic Policy

① Protection of Information Assets

- Tayca will strive to fully prepare by putting regulations in place to secure the confidentiality, integrity and availability of information assets and taking appropriate measures organizationally and technologically so that no unauthorized access, leakage, falsification, loss or theft, etc., occurs with regard to information assets.
- Tayca will observe such as laws and regulations, concerning information security.

② Implementation of Education

- Tayca will aim to increase awareness of information security by conducting the required education for all employees so that the importance of information assets is fully recognized.

③ Continuous Improvement

- Tayca will aim for the establishment and continuous maintenance and improvement of information security management systems to respond to new threats by regularly carrying out audits and evaluations of the state of implementation of information security measures, and reviewing information security measures and related regulations and management systems as needed.

Information Security Measures

Our basic approach is based on multifaceted security measures (multi-layered protection and disaster mitigation). We implement the following measures:

- Provide security training for all employees
- Introduce MDR services for early detection of cyber attacks
- Implement security measures when sending and receiving e-mail by moving away from the password-protected attachment protocol
- Introduce a management system for the business use of storage devices
- Formulate guidelines for the safe use of generative AI in business

Key Financial Data (for 10 years)

	Unit	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
P/L (Fiscal Year)											
Net sales	(Million yen)	37,120	36,618	38,241	42,521	47,385	45,435	38,402	46,362	54,773	52,993
Gross profit	(Million yen)	8,723	9,849	11,215	11,977	12,095	12,362	9,025	9,653	10,436	8,691
Selling, general and administrative expenses	(Million yen)	4,919	5,117	5,361	5,935	6,291	6,554	6,097	6,001	6,211	6,366
R&D expenses	(Million yen)	1,057	1,074	1,104	1,069	971	1,029	1,101	929	996	1,046
Operating profit	(Million yen)	3,804	4,731	5,854	6,042	5,803	5,808	2,927	3,651	4,224	2,325
Capital Investment	(Million yen)	2,611	3,263	2,003	1,679	4,593	5,553	4,810	2,747	3,039	3,420
Depreciation	(Million yen)	1,814	1,886	2,043	1,986	2,054	2,590	2,737	3,212	3,138	2,902
Profit attributable to owners of parent	(Million yen)	2,460	3,218	4,070	3,624	4,007	3,830	1,927	2,845	2,986	1,866
Cash flows (Fiscal Year)											
Cash flows from operating activities	(Million yen)	4,675	5,743	7,375	4,002	4,830	5,165	4,953	4,841	581	4,978
Cash flows from investing activities	(Million yen)	(2,254)	(2,881)	(1,749)	(4,992)	(3,787)	(5,498)	(4,905)	(2,807)	(2,980)	(3,949)
Free cash flows (Operating CF + Investing CF)	(Million yen)	2,420	2,861	5,626	(989)	1,042	(332)	47	2,034	(2,398)	1,029
Cash flows from financing activities	(Million yen)	(747)	(1,708)	(1,459)	(536)	1,270	(2,346)	2,519	(2,363)	825	1,453
B/S (Fiscal year-end)											
Total assets	(Million yen)	48,126	48,198	53,975	58,843	63,916	63,554	69,177	72,128	75,717	82,709
Cash and cash equivalents	(Million yen)	7,334	8,461	12,614	11,086	13,388	10,713	13,250	12,981	11,582	14,229
Balance of interest-bearing debt	(Million yen)	3,632	2,481	1,718	1,816	3,817	3,012	6,454	5,007	6,855	9,531
Shareholders' equity	(Million yen)	28,047	30,649	34,047	37,052	40,351	42,714	43,714	45,725	47,876	48,663

Key Financial Data (for 10 years)

	Unit	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Per Share Information											
Earnings per share (EPS) (consolidated) ¹	(Yen/share)	100.52	135.28	172.41	154.13	170.47	163.70	83.16	122.79	128.86	80.60
Net assets per share (BPS) (consolidated) ¹	(Yen/share)	1,383.16	1,446.14	1,659.20	1,819.24	1,916.26	2,010.70	2,152.62	2,196.16	2,296.45	2,489.06
Earnings per share (EPS) (non-consolidated) ¹	(Yen/share)	90.38	133.26	169.57	142.80	170.43	163.34	82.67	108.87	123.15	112.32
Net assets per share (BPS) (non-consolidated) ¹	(Yen/share)	1,302.52	1,374.09	1,586.08	1,730.88	1,836.06	1,922.13	2,073.07	2,088.18	2,153.00	2,356.15
Annual dividend per share ^{1,2}	(Yen/share)	16	20	24	28	32	40	36	36	36	38
Total return ratio (consolidated)	(%)	52.3	20.5	17.6	18.4	18.8	41.8	43.3	29.3	28.0	60.6
Dividend on shareholders' equity	(%)	1.4	1.5	1.7	1.8	1.9	2.2	1.9	1.8	1.7	1.8

*1. On October 1, 2017, we implemented a share consolidation at a ratio two shares for one share. The figures for FY2018 and years earlier have been recalculated based on the number of shares before the share consolidation.

*2. In FY2020, we implemented a commemorative dividend of 4 yen per share to mark the 100th anniversary of our founding.

Main Financial Indicators

Gross profit margin	(%)	23.5	26.9	29.3	28.2	25.5	27.2	23.5	20.8	19.1	16.4
Operating profit to net sales ratio	(%)	10.2	12.9	15.3	14.2	12.2	12.8	7.6	7.9	7.7	4.4
Rate of return on equity (ROE)	(%)	7.8	9.6	11.1	8.9	9.1	8.4	4.0	5.6	5.7	3.4
D/E ratio	(times)	0.11	0.07	0.04	0.04	0.08	0.06	0.13	0.10	0.13	0.17
Equity ratio (consolidated)	(%)	68.4	70.9	72.3	72.7	70.5	73.3	72.1	70.6	70.3	69.3
Price-earnings ratio (PER) (consolidated)	(times)	8.6	7.8	8.8	18.3	14.9	8.7	17.8	10.5	9.1	18.8
Price-to-book-ratio (PBR) (consolidated)	(times)	0.62	0.73	0.91	1.55	1.33	0.71	0.69	0.59	0.51	0.61
International net sales ratio	(%)	30.4	28.4	29.8	32.9	35.7	33.7	34.0	41.6	44.9	41.6
R&D expenses to net sales ratio (consolidated)	(%)	2.8	2.9	2.9	2.5	2.0	2.3	2.9	2.0	1.8	2.0

Key Non-financial Data (6 years)

Unit	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Social data						
Consolidated number of employees	758	793	834	825	832	815
Number of employees of overseas subsidiaries	156	144	149	149	157	158
Ratio of female workers in managerial positions (consolidated) (%)	—	—	8.3	9.4	10.1	11.8
Ratio of female workers in managerial positions (non-consolidated) (%)	—	—	1.3	1.3	1.4	2.7
Gender wage gap for all workers (non-consolidated) ¹ (%)	—	—	61.8	66.7	66.3	66.2
Gender wage gap for regular employees ¹ (%)	—	—	76.4	78.5	78.7	77.8
Gender wage gap for part-time and fixed-term employees ¹ (%)	—	—	88.8	88.9	85.6	86.7
Ratio of Male Employees Taking Childcare Leave (Non-consolidated) (%)	—	—	6.3	12.5	52.4	50.0
Environmental data						
Energy consumption (crude oil equivalent) (non-consolidated) (thousand kl)	68	71	61	67	69	59
CO ₂ emissions (Scope 1 and 2 CO ₂ equivalent) ^{2,3} (Thousand t-CO ₂)	194	200	169	187	190	167
Direct CO ₂ emissions (Scope 1 CO ₂ equivalent) ^{2,3} (Thousand t-CO ₂)	164	172	146	163	165	142
Indirect CO ₂ emissions (Scope 2 CO ₂ equivalent) ^{2,3} (Thousand t-CO ₂)	30	28	23	24	25	25
CO ₂ emissions (Scope 1 and 2 CO ₂ equivalent) (consolidated) ³ (Thousand t-CO ₂)	—	—	—	—	200	176
Direct CO ₂ emissions (Scope 1 CO ₂ equivalent) (consolidated) ³ (Thousand t-CO ₂)	—	—	—	—	166	143
Indirect CO ₂ emissions (Scope 2 CO ₂ equivalent) (consolidated) ³ (Thousand t-CO ₂)	—	—	—	—	34	33
SO _x emissions (non-consolidated) (t)	116	138	114	114	88	103
NO _x emissions (non-consolidated) (t)	52	61	54	59	54	49
Soot and dust emissions (non-consolidated) (t)	7	7	4	4	3	4
Water intake (including domestic industrial water, tap water, and seawater) (non-consolidated) (thousand m ³)	11,000	10,600	10,900	10,900	11,300	9,925

*1. Although there is no gender wage gap for the same work, there are differences in the number of men and women in management positions and the overall number of men and women, as well as differences due to the composition of the workforce.

*2. The scope of data includes the production sites and non-production sites of Tayca Corporation, as well as Tayca Trading Co., Ltd., which is located at the same sites as Tayca Corporation, TFT Corporation, and parts of Tayca Warehousing Co., Ltd.

*3. Scope 1 and 2 are calculated based on energy sources.

Company Profile

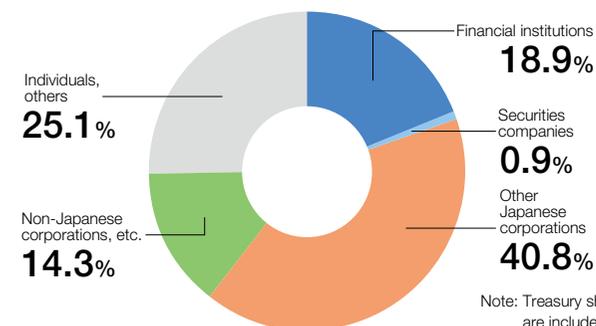
Corporate Information

Trade name	Tayca Corporation
Head Office	4-11-6 Tanimachi, Chuo-ku, Osaka-shi, 540-0012
Head Office Address	1-3-47 Funamachi, Taisho-ku, Osaka-shi, 551-0022
Established	December 22, 1919
Number of employees	815 (consolidated) 540 (non-consolidated) (as of March 31, 2024)
Capital stock	9,855,953,999 yen
Description of business	Manufacture and sale of various industrial chemical products (including titanium dioxide, surfactants, sulfuric acid, micro titanium dioxide, surface treatment products, non-polluting anti-corrosive pigments, piezoelectric materials, and electroconductive polymers)
Factories	Okayama-shi, Akaiwa-shi, Setouchi-shi (all in Okayama Prefecture), Osaka-shi
Consolidated Subsidiaries	Domestic Tayca Warehousing Co., Ltd. Tayca Trading Co., Ltd. TFT Corporation Tayca M&M Corporation JAPAN SERICITE CORPORATION
	Overseas TAYCA (Thailand) Co., Ltd. TAYCA (VIETNAM) CO., LTD. TRS Technologies, Inc.

Stock Status (as of March 31, 2024)

Total number of authorized shares	75,000,000
Total number of issued shares	25,414,414
Number of shareholders	4,255
Listed stock market	Prime Market of the Tokyo Stock Exchange
Securities Code	4027
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation

Shareholder Composition



Major Shareholders (top 10) (as of March 31, 2024)

Name	Number of shares held (Thousands)	Shareholding ratio (%)
CACEIS BANK/QUINTET LUXEMBOURG SUB AC/UCITS CUSTOMERS ACCOUNT	2,437	10.59
The Master Trust Bank of Japan, Ltd. (Trust account)	1,954	8.49
MITSUI & CO., LTD.	1,784	7.75
Mitsubishi Corporation	1,630	7.08
Yamada Sangyo Co., Ltd.	1,470	6.38
Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd. Re-trust Trustee, Custody Bank of Japan, Ltd.	1,009	4.38
Custody Bank of Japan, Ltd. (Trust account)	944	4.10
Tayca Corporation Trading-Partner Shareholding Association	854	3.71
Chuo-Nittochi Group Co., Ltd.	694	3.01
Kansai Paint Co., Ltd.	612	2.66

*In addition to shares described above, Tayca Corporation holds 2,399 thousand shares as treasury shares. The shareholding ratio is calculated excluding treasury shares.

Editorial Policy

This report has been designed to clearly communicate information about the Tayca Group’s efforts to sustainably enhance corporate value to a wide range of stakeholders, including shareholders and investors. Please refer to the Company’s website for more detailed information not covered in this report.

We hope that this report will provide a better understanding of the Tayca Group. We will also continue to attach weight to dialogue with stakeholders and strive to further enhance the content.

Disclosure Policy

Reporting Period	FY2024 (April 1, 2023 to March 31, 2024) The period covered is from January 1, 2023, to December 31, 2023 for consolidated subsidiaries with a fiscal year ended on December 31. <small>*Some parts include content for FY2025.</small>
Reporting Scope	Tayca Corporation and its consolidated subsidiaries <small>*In principle, the reporting scope covers Tayca Corporation and its consolidated subsidiaries. However, the scope is specified separately for some non-financial data.</small>
Published	September 2024
Reference guidelines	Sustainability Reporting Standards published by the GRI Final Report – Recommendations of the Task Force on Climate-related Financial Disclosures published by the TCFD SASB Standards Guidance for Collaborative Value Creation published by the Ministry of Economy, Trade and Industry

Notes and Disclaimers Concerning Forward-looking Statements

The forward-looking statements, including future plans and outlooks, contained in this report are based on information available to the Company at the time of this report issued and on certain assumptions that the Company believes to be reasonable. Actual results and measures may differ from those described due to various factors.

[Introduction of Information Disclosure Content]

Corporate Website of Tayca Corporation

<https://www.tayca.co.jp/english/>

Consolidated Subsidiaries Information

<https://www.tayca.co.jp/company/address/associate.php> (in Japanese only)

Investor Relations Information

<https://www.tayca.co.jp/english/ir/>

Sustainability Information

Initiatives for Sustainability

<https://www.tayca.co.jp/english/environment/>

Sustainability Data Book

<https://www.tayca.co.jp/english/environment/>

Reports

Securities Report

<https://www.tayca.co.jp/ir/library/securities.php>(in Japanese only)

Corporate Governance Report

<https://www.tayca.co.jp/ir/governance.php> (in Japanese only)

Sustainability Report / Environmental Report

<https://www.tayca.co.jp/english/environment/>

