

**For the Fiscal Year Ended March 31, 2018**

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**Annual Select<sup>®</sup> 2018**

# Tayca Corporation

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**3-6-13 Kitahama, Chuo-ku, Osaka**

**(Securities Code: 4027)**

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## **Corporate Profile**

The history of “Tayca Corporation” dates back to 1919, when the company was founded as “Teikoku Jinzo Fertilizer Co., Ltd.,” with sulfuric acid and superphosphate fertilizer as its key products. Ever since its foundation, based on the sulfuric acid-related technology, we have devoted ourselves to the production and marketing of various industrial chemical products, adapting ourselves to the changing needs of time and society. These products include items such as titanium dioxide, surfactants, and various types of phosphates.

At present, we utilize sulfonation, surface treatment, and dispersion technologies that we have perfected over many years to create specialty products, including conductive polymers and related products for high performance capacitors, and surface treatment products and micro titanium dioxide for cosmetics. We are likewise working actively to extend these technologies to expand our business. At the same time, we are striving to construct new businesses that will support Tayca in the future. Our targets include the environment and energy sector, the electrical and electronics sector, and the medical and health care sector, and we are working towards the early commercialization of new products in these sectors.

In 2019, Tayca will celebrate the 100th anniversary of its foundation. To mark this occasion, we defined what the ideal future for Tayca is in our “Challenge 100” vision, and ensured that it was common knowledge for all of our employees. Also, under the motto of “Let’s fly to our limitless future,” we plan on working towards revitalizing our personnel and organization and build a stronger management structure.

## I. Summary of Selected Financial Data (Consolidated)

	148 <sup>th</sup> term Fiscal year ended March 31, 2014	149 <sup>th</sup> term Fiscal year ended March 31, 2015	150 <sup>th</sup> term Fiscal year ended March 31, 2016	151 <sup>st</sup> term Fiscal year ended March 31, 2017	152 <sup>nd</sup> term Fiscal year ended March 31, 2018
Net sales (Millions of yen)	36,186	37,120	36,618	38,241	42,521
Ordinary profit (Millions of yen)	2,682	3,920	4,873	5,969	6,108
Profit attributable to owners of parent (Millions of yen)	1,667	2,460	3,218	4,070	3,624
Comprehensive income (Millions of yen)	2,723	4,646	1,852	5,560	4,422
Net assets (Millions of yen)	30,131	33,113	34,344	39,224	43,043
Total assets (Millions of yen)	42,634	48,126	48,198	53,975	59,189
Net assets per share (Yen)	604.33	691.58	723.07	1,659.21	1,819.24
Basic earnings per share (Yen)	33.61	50.26	67.64	172.41	154.13
Diluted earnings per share (Yen)	–	–	–	–	–
Equity-to-asset ratio (%)	70.3	68.4	70.9	72.3	72.3
Rate of return on equity (ROE) (%)	5.8	7.8	9.6	11.1	8.9
Price-earnings ratio (PER) (Times)	8.7	8.6	7.8	8.8	18.3
Net cash provided by (used in) operating activities (Millions of yen)	6,429	4,675	5,743	7,375	4,002
Net cash provided by (used in) investing activities (Millions of yen)	(2,104)	(2,254)	(2,881)	(1,749)	(4,992)
Net cash provided by (used in) financing activities (Millions of yen)	(2,031)	(747)	(1,708)	(1,459)	(536)
Cash and cash equivalents at end of period (Millions of yen)	5,544	7,334	8,461	12,614	11,086
Number of employees (Persons)	603	617	628	645	702

- Notes:
1. “Net sales” does not include consumption taxes.
  2. “Diluted earnings per share” is not provided since there are no potential shares.
  3. Tayca Corporation conducted a share consolidation of common stock at a ratio of 1 share for every 2 shares on October 1, 2017. Accordingly, “Net assets per share” and “Basic earnings per share” have been calculated on the assumption that the share consolidation was conducted at the beginning of the 151st term (fiscal year ended March 31, 2017).

## II. Top Message



Tayca Corporation's 152nd term (from April 1, 2017 to March 31, 2018) has ended and as such we hereby offer the following report regarding the settlement of accounts, etc.

Masao Nagita  
President

## III. Performance for the Current Fiscal Year

During the current fiscal year, Tayca proactively promoted sales activities in areas such as opening up new markets both in Japan and abroad and expanding business with existing customers. As a result, net sales were ¥42,521 million (up 11.2% from the previous fiscal year).

In addition, Tayca worked on reducing manufacturing costs and increasing efficiency for overall management as measures to improve profitability. As a result, operating profit was ¥6,042 million (up 3.2% from the previous fiscal year) and ordinary profit was ¥6,108 million (up 2.3% from the previous fiscal year). However, profit attributable to owners of parent was ¥3,624 million (down 11.0% from the previous fiscal year) as a result of extraordinary loss including the recognition of impairment loss associated with TAYCA (VIETNAM) CO., LTD.

For the current fiscal year, Tayca plans to pay a year-end dividend of ¥14 per share, bringing the annual dividend to ¥28 per share when combined with the interim dividend, which was ¥14 per share when the share consolidation is considered as having occurred on October 1, 2017.

### *Business Related to Titanium Dioxide*

In regard to general usage titanium dioxide, both sales volume and net sales increased year on year owing to firm sales for paints/inks in Japan, and in exports as well, there was an increase in orders mostly from the Southeast Asian market.

In regard to specialty use micro titanium dioxide and surface treatment products, the inbound demand of tourists to Japan boosted sales for cosmetics products, and with exports also being strong, both sales volume and net sales increased year on year.

As a result of the above, net sales for this business were ¥22,883 million (up 7.9% from the previous fiscal year).

### *Other Business*

With regard to sales of surfactants in Japan, sales to the daily-use items such as detergents, which are the primary use of these products, were robust, with both sales volume and net sales increasing year on year. As for sales of surfactants at overseas consolidated subsidiaries, net sales rose year on year as a result of sales in Vietnam rising year on year, despite falling below the initial sales targets, and strong sales being achieved in Thailand.

Sales volume and net sales of sulfuric acid were on par with the previous fiscal year.

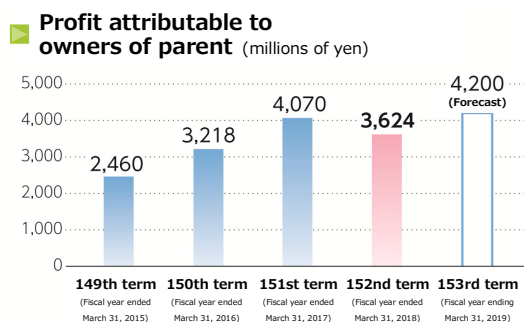
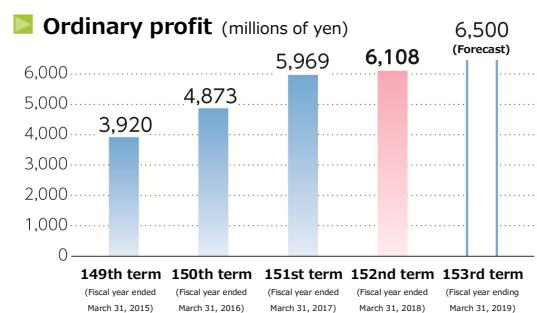
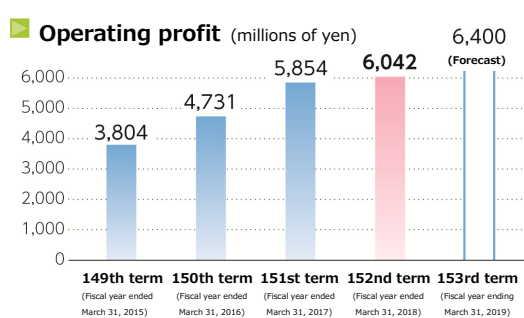
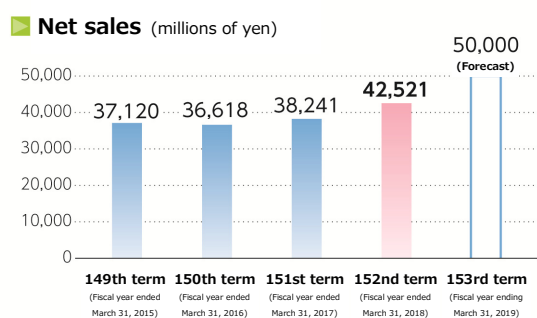
In regard to pollution-free anti-corrosive pigment, although sales in Japan were on par with the previous fiscal year, exports were strong, which led to year-on-year increases for both sales volume and net sales.

In regard to conductive polymers and related products, sales for capacitors proceeded briskly, which led to year-on-year increases for both sales volume and net sales.

Net sales in the warehousing business exceeded those of the previous fiscal year due to year-on-year rises in the quantity of items in storage and transportation income.

In regard to electro-ceramic products for medical devices, net sales fell year on year owing to inventory adjustment on the user side.

As a result of the above, net sales for this business were ¥19,637 million (up 15.3% from the previous fiscal year).



## **IV. Forecasts for the Next Fiscal Year**

In regard to the business environment surrounding the TAYCA Group, although demand is currently stronger than supply regarding general usage titanium dioxide, supply and demand is expected to reach equilibrium in the medium to long term. Also taking into account the continued rise in fuel prices, the situation is expected to become more difficult on the earnings front.

In regard to specialty use micro titanium dioxide, micro zinc oxide, and surface treatment products, as global interest has increased for ultra-violet (UV) radiation protection and because demand was strong for the above-mentioned products as a treatment for preventing damage caused by UV radiation, the market for them is expected to expand in the future. Accordingly, we are working to further expand sales of these products.

In regard to surfactants, while expansion of demand in the Japanese detergent market is not expected, Tayca is working hard in the detergent market in Southeast Asia to expand the sales operations of the Thailand subsidiary and the Vietnam subsidiary, and to further boost its competitive capabilities by ensuring cooperation among the three manufacturing locations, including Japan.

In regard to the consolidated performance for the next fiscal year, Tayca expects net sales of ¥50,000 million, operating profit of ¥6,400 million, ordinary profit of ¥6,500 million, and profit attributable to owners of parent of ¥4,200 million.

Furthermore, in regard to the dividend for the next fiscal year, at this time, Tayca is scheduled to increase the annual dividend by ¥4 per share compared to the current fiscal year, bringing the annual dividend to ¥32 per share: a combination of an interim dividend of ¥16 per share and a year-end dividend of ¥16 per share.

## V. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

	(Millions of yen)	(Thousands of U.S. dollars)	
	As of March 31, 2017	As of March 31, 2018	As of March 31, 2018
<b>Assets</b>			
Current assets			
Cash and deposits	12,693	11,165	105,062
Notes and accounts receivable - trade	11,498	13,381	125,915
Merchandise and finished goods	4,380	4,668	43,925
Work in process	535	731	6,878
Raw materials and supplies	1,956	3,239	30,478
Deferred tax assets	231	260	2,446
Other	266	447	4,206
Allowance for doubtful accounts	-	(2)	(18)
<b>Total current assets</b>	<b>31,561</b>	<b>33,891</b>	<b>318,914</b>
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	4,242	4,316	40,613
Machinery, equipment and vehicles, net	5,118	4,790	45,073
Land	1,272	1,294	12,176
Construction in progress	483	291	2,738
Other, net	389	431	4,055
<b>Total property, plant and equipment</b>	<b>11,507</b>	<b>11,123</b>	<b>104,667</b>
Intangible assets			
Goodwill	-	2,393	22,518
Other	49	58	545
<b>Total intangible assets</b>	<b>49</b>	<b>2,452</b>	<b>23,073</b>
Investments and other assets			
Investment securities	10,067	10,956	103,095
Long-term prepaid expenses	330	290	2,728
Deferred tax assets	137	143	1,345
Other	344	356	3,349
Allowance for doubtful accounts	(23)	(23)	(216)
<b>Total investments and other assets</b>	<b>10,857</b>	<b>11,722</b>	<b>110,303</b>
<b>Total non-current assets</b>	<b>22,414</b>	<b>25,298</b>	<b>238,054</b>
<b>Total assets</b>	<b>53,975</b>	<b>59,189</b>	<b>556,968</b>

	(Millions of yen)	(Thousands of U.S. dollars)	
	As of March 31, 2017	As of March 31, 2018	As of March 31, 2018
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable - trade	3,859	5,234	49,251
Short-term loans payable	146	761	7,161
Current portion of long-term loans payable	516	1,019	9,588
Income taxes payable	1,091	1,084	10,200
Provision for bonuses	367	381	3,585
Other	2,944	2,538	23,882
Total current liabilities	8,925	11,020	103,698
Non-current liabilities			
Long-term loans payable	1,055	35	329
Lease obligations	179	152	1,430
Deferred tax liabilities	1,329	1,688	15,884
Long-term accounts payable - other	16	16	150
Provision for environmental measures	12	1	9
Net defined benefit liability	3,188	3,230	30,394
Other	44	-	-
Total non-current liabilities	5,825	5,125	48,226
Total liabilities	14,751	16,145	151,924
Net assets			
Shareholders' equity			
Capital stock	9,855	9,855	92,735
Capital surplus	6,766	6,766	63,668
Retained earnings	19,204	22,217	209,061
Treasury shares	(1,780)	(1,788)	(16,825)
Total shareholders' equity	34,047	37,052	348,659
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	5,104	5,716	53,787
Deferred gains or losses on hedges	(42)	11	103
Foreign currency translation adjustment	116	205	1,929
Remeasurements of defined benefit plans	(211)	(213)	(2,004)
Total accumulated other comprehensive income	4,967	5,718	53,806
Non-controlling interests	209	272	2,559
Total net assets	39,224	43,043	405,034
Total liabilities and net assets	53,975	59,189	556,968

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### (Consolidated Statements of Income)

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2018
Net sales	38,241	42,521	400,122
Cost of sales	27,026	30,543	287,409
Gross profit	11,215	11,977	112,703
Selling, general and administrative expenses			
Transportation and warehousing expenses	1,843	2,003	18,848
Directors' compensations	235	239	2,248
Salaries and allowances	758	800	7,527
Provision for bonuses	82	83	781
Retirement benefit expenses	56	58	545
Welfare expenses	175	183	1,722
Rent expenses	211	229	2,154
Insurance expenses	14	13	122
Depreciation	49	55	517
Research and development expenses	1,104	1,069	10,059
Other	830	1,199	11,282
Total selling, general and administrative expenses	5,361	5,935	55,848
Operating profit	5,854	6,042	56,855
Non-operating income			
Interest income	3	5	47
Dividend income	149	178	1,674
Other	48	53	498
Total non-operating income	201	237	2,230
Non-operating expenses			
Interest expenses	33	33	310
Loss on abandonment of inventories	15	7	65
Foreign exchange losses	13	120	1,129
Other	22	9	84
Total non-operating expenses	86	171	1,609
Ordinary profit	5,969	6,108	57,476
Extraordinary income			
Gain on sales of investment securities	22	-	-
Total extraordinary income	22	-	-
Extraordinary losses			
Impairment loss	-	472	4,441
Loss on retirement of non-current assets	133	142	1,336
Other	-	1	9
Total extraordinary losses	133	616	5,796
Profit before income taxes	5,858	5,491	51,670
Income taxes - current	1,735	1,882	17,709
Income taxes - deferred	18	(48)	(451)
Total income taxes	1,754	1,834	17,257
Profit	4,104	3,657	34,412
Profit attributable to non-controlling interests	34	33	310
Profit attributable to owners of parent	4,070	3,624	34,101



**(Consolidated Statements of Comprehensive Income)**

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2018
Profit	4,104	3,657	34,412
Other comprehensive income			
Valuation difference on available-for-sale securities	1,554	611	5,749
Deferred gains or losses on hedges	(42)	53	498
Foreign currency translation adjustment	(129)	102	959
Remeasurements of defined benefit plans, net of tax	73	(2)	(18)
Total other comprehensive income	1,456	765	7,198
Comprehensive income	5,560	4,422	41,610
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	5,532	4,375	41,168
Comprehensive income attributable to non-controlling interests	28	46	432

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

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,855	6,766	15,654	(1,627)	30,649
Changes of items during period					
Dividends of surplus			(519)		(519)
Profit attributable to owners of parent			4,070		4,070
Purchase of treasury shares				(152)	(152)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	3,550	(152)	3,397
Balance at end of current period	9,855	6,766	19,204	(1,780)	34,047

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,549	-	240	(285)	3,505	189	34,344
Changes of items during period							
Dividends of surplus							(519)
Profit attributable to owners of parent							4,070
Purchase of treasury shares							(152)
Net changes of items other than shareholders' equity	1,554	(42)	(124)	73	1,461	19	1,481
Total changes of items during period	1,554	(42)	(124)	73	1,461	19	4,879
Balance at end of current period	5,104	(42)	116	(211)	4,967	209	39,224

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,855	6,766	19,204	(1,780)	34,047
Changes of items during period					
Dividends of surplus			(611)		(611)
Profit attributable to owners of parent			3,624		3,624
Purchase of treasury shares				(8)	(8)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	3,012	(8)	3,004
Balance at end of current period	9,855	6,766	22,217	(1,788)	37,052

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	5,104	(42)	116	(211)	4,967	209	39,224
Changes of items during period							
Dividends of surplus							(611)
Profit attributable to owners of parent							3,624
Purchase of treasury shares							(8)
Net changes of items other than shareholders' equity	611	53	89	(2)	751	62	814
Total changes of items during period	611	53	89	(2)	751	62	3,819
Balance at end of current period	5,716	11	205	(213)	5,718	272	43,043

Fiscal year ended March 31, 2018

(Thousands of U.S. dollars)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	92,735	63,668	180,709	(16,749)	320,382
Changes of items during period					
Dividends of surplus			(5,749)		(5,749)
Profit attributable to owners of parent			34,101		34,101
Purchase of treasury shares				(75)	(75)
Net changes of items other than shareholders' equity					
Total changes of items during period		-	28,342	(75)	28,267
Balance at end of current period	92,735	63,668	209,061	(16,825)	348,659

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	48,028	(395)	1,091	(1,985)	46,739	1,966	369,097
Changes of items during period							
Dividends of surplus							(5,749)
Profit attributable to owners of parent							34,101
Purchase of treasury shares							(75)
Net changes of items other than shareholders' equity	5,749	498	837	(18)	7,066	583	7,659
Total changes of items during period	5,749	498	837	(18)	7,066	583	35,936
Balance at end of current period	53,787	103	1,929	(2,004)	53,806	2,559	405,034

#### (4) Consolidated Statements of Cash Flows

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2018
<b>Cash flows from operating activities</b>			
Profit before income taxes	5,858	5,491	51,670
Depreciation	2,043	1,986	18,688
Loss on retirement of non-current assets	133	142	1,336
Increase (decrease) in net defined benefit liability	83	38	357
Interest and dividend income	(153)	(183)	(1,722)
Interest expenses	33	33	310
Decrease (increase) in notes and accounts receivable - trade	(774)	(1,712)	(16,109)
Decrease (increase) in inventories	758	(1,576)	(14,830)
Increase (decrease) in notes and accounts payable - trade	398	1,315	12,374
Increase (decrease) in accrued consumption taxes	245	(261)	(2,456)
Other, net	259	475	4,469
Subtotal	8,886	5,749	54,098
Interest and dividend income received	153	183	1,722
Interest expenses paid	(33)	(33)	(310)
Income taxes paid	(1,630)	(1,897)	(17,850)
Net cash provided by (used in) operating activities	7,375	4,002	37,658
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(1,489)	(2,134)	(20,080)
Purchase of investment securities	(163)	(10)	(94)
Proceeds from sales of investment securities	30	0	0
Purchase of shares of subsidiaries	-	(2,749)	(25,868)
Other, net	(126)	(97)	(912)
Net cash provided by (used in) investing activities	(1,749)	(4,992)	(46,974)
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term loans payable	(131)	605	5,693
Repayments of long-term loans payable	(623)	(516)	(4,855)
Proceeds from share issuance to non-controlling shareholders	-	25	235
Purchase of treasury shares	(152)	(8)	(75)
Cash dividends paid	(518)	(609)	(5,730)
Dividends paid to non-controlling interests	(8)	(8)	(75)
Other, net	(25)	(24)	(225)
Net cash provided by (used in) financing activities	(1,459)	(536)	(5,043)
Effect of exchange rate change on cash and cash equivalents	(13)	(2)	(18)
Net increase (decrease) in cash and cash equivalents	4,153	(1,528)	(14,378)
Cash and cash equivalents at beginning of period	8,461	12,614	118,697
Cash and cash equivalents at end of period	12,614	11,086	104,319

## VI. Segment Information

### 1. Overview of reportable segments

The reportable segments are constituent units of Tayca for which separate financial information is available. The Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance.

Tayca's reportable segments are its core businesses: Business Related to Titanium Dioxide and Other Business. Business Related to Titanium Dioxide involves the production of products related to titanium dioxide, etc., at the factory in the Okayama region, and Other Business primarily involves the production of products, etc., centered on sulfonation at the Osaka Factory.

Main products belonging to each segment are as follows:

(1) Business Related to Titanium Dioxide:

Titanium dioxide, micro titanium dioxide, micro zinc oxide, surface treatment products, photocatalytic titanium dioxide, etc.

(2) Other Business:

Surfactants, sulfuric acid, pollution-free anti-corrosive pigment, conductive polymers and related products, electro-ceramic products, etc.

### 2. Calculation method for net sales, profit or loss, assets, liabilities, and other items by reportable segment

Segment profit of reportable segment is calculated on an operating profit basis.

Inter-segment sales or transfers are based on actual market prices.

### 3. Information about net sales, profit or loss, assets, liabilities, and other items by reportable segment

Fiscal year ended March 31, 2017

	Reportable segment			Adjustment (Notes)	Amount recorded on the consolidated financial statements
	Business Related to Titanium Dioxide	Other Business	Total		
Net sales					
Net sales to external customers	21,215	17,026	38,241	–	38,241
Inter-segment sales or transfers	–	639	639	(639)	–
<b>Total</b>	<b>21,215</b>	<b>17,665</b>	<b>38,881</b>	<b>(639)</b>	<b>38,241</b>
Segment profit	3,789	2,050	5,840	13	5,854
Segment assets	18,702	12,676	31,379	22,596	53,975
Other items					
Depreciation	1,350	699	2,050	(7)	2,043
Increase in property, plant and equipment and intangible assets	1,095	912	2,007	(4)	2,003

Notes: 1. Details of "Adjustment" are as follows:

- (1) The adjustment of ¥13 million on segment profit represents inter-segment transaction eliminations.
  - (2) The adjustment of ¥22,596 million on segment assets includes negative ¥692 million of elimination of inter-segment receivables by offsetting and ¥23,288 million of corporate assets that are not allocated to reportable segments.
2. Segment profit is adjusted to operating profit in the consolidated financial statements.

Fiscal year ended March 31, 2018

(Millions of yen)

	Reportable segment			Adjustment (Notes)	Amount recorded on the consolidated financial statements
	Business Related to Titanium Dioxide	Other Business	Total		
Net sales					
Net sales to external customers	22,883	19,637	42,521	–	42,521
Inter-segment sales or transfers	–	755	755	(755)	–
Total	22,883	20,392	43,276	(755)	42,521
Segment profit	4,319	1,739	6,058	(16)	6,042
Segment assets	20,071	17,481	37,552	21,636	59,189
Other items					
Depreciation	1,182	807	1,989	(2)	1,986
Increase in property, plant and equipment and intangible assets	916	722	1,638	40	1,679

Notes: 1. Details of “Adjustment” are as follows:

- (1) The adjustment of negative ¥16 million on segment profit represents inter-segment transaction eliminations.
  - (2) The adjustment of ¥21,636 million on segment assets includes negative ¥782 million of elimination of inter-segment receivables by offsetting and ¥22,419 million of corporate assets that are not allocated to reportable segments.
2. Segment profit is adjusted to operating profit in the consolidated financial statements.

## VII. History

December 1919	Teikoku Synthetic Fertilizer Co., Ltd. was founded for the production of superphosphate fertilizers.
November 1920	Osaka Factory was built for the production of superphosphate fertilizers and lead-chamber sulfuric acid.
October 1938	Equipment was installed in Osaka Factory to produce sulfuric acid by the Lurgi Contact Process, and production of dilute sulfuric acid began.
June 1939	Production of fluorides, mainly artificial cryolite, began at Osaka Factory.
March 1942	Okayama Factory was built for the production of fluorides.
April 1942	Teikoku Synthetic Fertilizer Co., Ltd. was renamed Teikoku Kako Co., Ltd.
June 1944	A plant in Owada, where sulfuric acid was produced by the Monsanto Contact Process, was acquired.
August 1945	Production of fluorides at Osaka and Okayama Factories was discontinued.
April 1951	Production of titanium dioxide at Okayama Factory began.
June 1961	Production of surfactants at Osaka Factory began.
July 1965	Production of superphosphate fertilizers was discontinued.
April 1967	Warehousing business (Funamachi Warehousing) started in the Osaka Factory premises.
April 1969	Hyakushima Warehouse, now parts of Tayca Warehousing Co., Ltd., was built in the Owada Factory premises, where a warehousing business started.
November 1969	In order to join the Western Japan Sulfuric Acid Center of Dowa Mining Co., Ltd., Owada Factory discontinued its operation and removed its production equipment.
June 1973	To integrate warehousing operations, Tayca Warehousing Co., Ltd., wholly owned by the company, was established.
October 1981	Production of condensed phosphates (K-White, K-Bond and K-Fresh) at Osaka Factory began.
June 1984	Tayca Trading Co., Ltd., wholly owned by the company, was established with the principal objective of selling chemicals.
August 1989	Teikoku Kako Co., Ltd. was renamed Tayca Corporation, marking the 70th anniversary of its foundation.
February 1994	Tayca obtained ISO 9002 certification for the production of phosphoric acid (Osaka Factory), titanium dioxide products (Okayama Factory) and related products.
January 1996	In stride with advances in the surface treatment field, Tayca opened its Osafune, Okayama Factory (current Osafune, Kumayama Factory) and production commenced.
April 1997	Tayca's development division became a separate entity, and TFT Corporation, wholly owned by the company, was established to manufacture and sell electro-ceramic products.
August 2000	Tayca obtained ISO 14001 certification at Osaka Factory and Okayama Factory.
October 2001	TAYCA (Thailand) Co., Ltd. was established in Chonburi, Thailand to manufacture surfactants.
September 2006	To expand surface treatment business, Tayca opened its Kumayama Factory in Akaiwa-shi, Okayama and production commenced.
February 2014	TAYCA (VIETNAM) CO., LTD. was established in Dong Nai, Vietnam to manufacture surfactants.
April 2017	Established JAPAN SERICITE CORPORATION, a joint venture with SANSHIN MINING IND. CO., LTD., for the principal objective of selling sericite products.
January 2018	TRS Technologies, Inc. became a subsidiary in order to expand the piezoelectric materials business.



## VIII. Corporate Data

### Basic Information (as of June 27, 2018)

Trade name:	Tayca Corporation
Established:	December 22, 1919
Listed market:	The First Section of the Tokyo Stock Exchange (Securities Code: 4027)
Listed:	May 1924
Business year:	From April 1 to March 31 of the following year
Capital stock:	9,855,953,999 yen
Number of employees:	484 persons
Head office:	3-6-13 Kitahama, Chuo-ku, Osaka
Telephone:	+81-6-6208-6400
Consolidated subsidiaries:	Tayca Warehousing Co., Ltd. Tayca Trading Co., Ltd. TFT Corporation Tayca M&M Corporation JAPAN SERICITE CORPORATION TAYCA (Thailand) Co., Ltd. TAYCA (VIETNAM) CO., LTD. TRS Technologies, Inc.

### Directors and Audit & Supervisory Board Members (as of June 27, 2018)

President	Masao Nagita
Senior Managing Director	Hirofumi Yamazaki
Managing Director	Takeshi Hemmi
Director Senior Advisor	Manabu Kiyono
Director	Masaaki Tozawa
Director	Masahiko Nishino
Director	Shunji Idei
Director*	Hitoshi Tanaka
Director*	Mamiko Ozaki
Auditor (Standing)**	Norikatsu Okada
Auditor (Standing)	Akira Miyazaki
Auditor**	Hiroyuki Yamada
Auditor**	Koji Yamamoto

\* Outside Director    \*\* Outside Auditor

**Stock Status (as of March 31, 2018)**

Total number of authorized shares:	75,000,000 shares
Total number of issued shares:	25,714,414 shares
Number of shareholders:	3,828

**Major shareholders (Top 10)**

Name	Number of shares held (Thousands)	Shareholding ratio (%)
MITSUI & CO., LTD.	1,784	7.58
Mitsubishi Corporation	1,630	6.93
Yamada Sangyo Co., Ltd.	1,470	6.25
KBL EPB S.A. 107704	1,380	5.87
Trust & Custody Services Bank, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	1,009	4.29
Tayca Corporation Trading-Partner Shareholding Association	960	4.08
Japan Trustee Services Bank, Ltd. (Trust account)	951	4.04
The Master Trust Bank of Japan, Ltd. (Trust account)	711	3.02
NIPPON TOCHI-TATEMONO Co., Ltd.	694	2.95
Kansai Paint Co., Ltd.	612	2.60

\* In addition to shares described above, Tayca Corporation holds 2,203 thousand shares as treasury shares.

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\* The financial statements in this Annual Select are stated in Japanese yen with amounts of less than one million yen omitted. As a result, the totals shown do not necessarily agree with the sums of the individual amounts. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of investors outside Japan. Such translation is carried out at the rate of ¥106.27 = U.S. \$1, the approximate rate of exchange at March 31, 2018, and the resultant amounts are shown with amounts of less than 1,000 U.S. dollars omitted.

\* While every best effort has been made to provide a translation meeting the quality standards required of professionals, the Company does not guarantee it is 100% accurate. Therefore, please verify the original Japanese text for any final judgments made based on this information.