

For the Fiscal Year Ended March 31, 2021

Annual Select[®] 2021

Tayca Corporation

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(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.” Ever since its foundation, based on the sulfuric acid-related technology, we have expanded business through the research, 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 functional fine particle products and piezoelectric materials.

Thanks to your support, we celebrated our 100th anniversary in 2019.

We will aim to be a company needed by society for the next 100 years, with each and every employee using their own mind and making their own proposals in order to respond to the diversification of the market going forward. Furthermore, by creating new value that takes into consideration the global environment, we will work on business activities aiming to realize a sustainable society and to enhance corporate value.

The Group will work together unitedly to further raise corporate value while adequately and flexibly responding with speed to the rapidly changing environment.

I. Summary of Selected Financial Data (Consolidated)

	151 st term Fiscal year ended March 31, 2017	152 nd term Fiscal year ended March 31, 2018	153 rd term Fiscal year ended March 31, 2019	154 th term Fiscal year ended March 31, 2020	155 th term Fiscal year ended March 31, 2021
Net sales (Millions of yen)	38,241	42,521	47,385	45,435	38,402
Ordinary profit (Millions of yen)	5,969	6,108	6,033	5,798	2,740
Profit attributable to owners of parent (Millions of yen)	4,070	3,624	4,007	3,830	1,927
Comprehensive income (Millions of yen)	5,560	4,422	3,029	3,056	4,222
Net assets (Millions of yen)	39,224	43,043	45,356	46,940	50,230
Total assets (Millions of yen)	53,975	58,843	63,916	63,554	69,177
Net assets per share (Yen)	1,659.21	1,819.24	1,916.26	2,010.70	2,152.62
Basic earnings per share (Yen)	172.41	154.13	170.47	163.70	83.16
Diluted earnings per share (Yen)	—	—	—	—	—
Equity-to-asset ratio (%)	72.3	72.7	70.5	73.3	72.1
Rate of return on equity (ROE) (%)	11.1	8.9	9.1	8.4	4.0
Price-earnings ratio (PER) (Times)	8.8	18.3	14.9	8.7	17.8
Net cash provided by (used in) operating activities (Millions of yen)	7,375	4,002	4,830	5,165	4,953
Net cash provided by (used in) investing activities (Millions of yen)	(1,749)	(4,992)	(3,787)	(5,498)	(4,905)
Net cash provided by (used in) financing activities (Millions of yen)	(1,459)	(536)	1,270	(2,346)	2,519
Cash and cash equivalents at end of period (Millions of yen)	12,614	11,086	13,388	10,713	13,250
Number of employees (Persons)	645	702	758	793	834

- 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).
 4. Tayca Corporation and its subsidiaries (the “Group”) have applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the 153rd term (fiscal year ended March 31, 2019). The selected financial data shown for the 152nd term (fiscal year ended March 31, 2018) has been adjusted retrospectively to reflect the new accounting standards.

II. Top Message

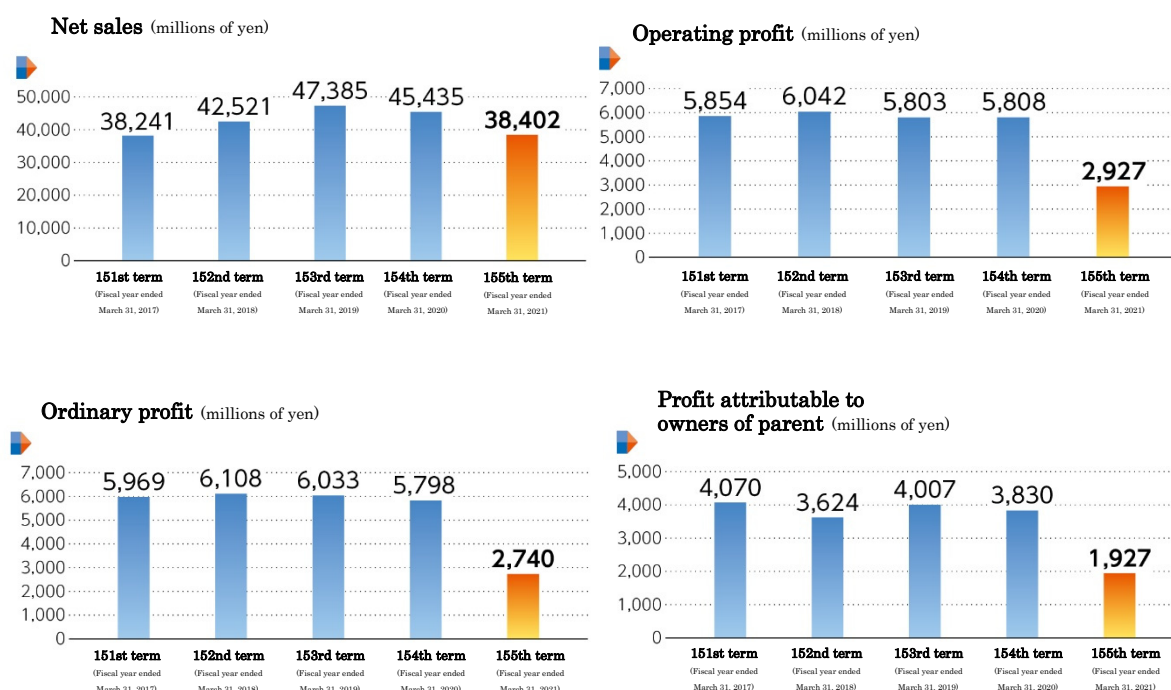


Tayca Corporation's 155th term (from April 1, 2020 to March 31, 2021) has ended and as such we hereby offer the following report regarding the settlement of accounts, etc.

Hirofumi Yamazaki
Representative Director, President Executive Officer

During the fiscal year ended March 31, 2021 (the "current fiscal year"), the Group posted net sales of ¥38,402 million (down 15.5% from the previous fiscal year), operating profit of ¥2,927 million (down 49.6% from the previous fiscal year), ordinary profit of ¥2,740 million (down 52.7% from the previous fiscal year) and profit attributable to owners of parent of ¥1,927 million (down 49.7% from the previous fiscal year).

Effective from the current fiscal year, the Group has reclassified its reportable segments in conjunction with the clarification of operational classifications. The previous two reportable segments, "Business Related to Titanium Dioxide" and "Other Business" have been reclassified as two reportable segments, "Functional Chemical Business" and "Electronic Material and Basic Chemical Business."



The operating results by segment are as follows.

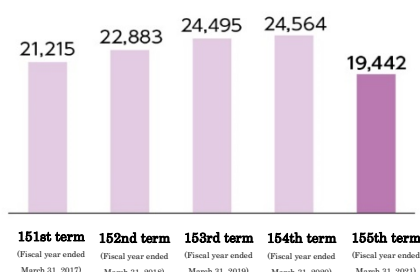
Functional Chemical Business

In regard to general usage titanium dioxide, both sales volume and net sales fell year on year owing to the significant impact of the decline in demand for architecture and automobiles in first half of the fiscal year.

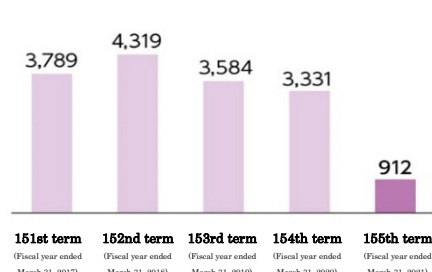
Both sales volume and net sales of specialty use micro titanium dioxide, micro zinc oxide and surface treatment products fell year on year due to decline in demand for ultra-violet (UV) radiation protection, which is a primary use for the above-mentioned products, affected by factors such as people refraining from going out and the dissipation of demand by inbound tourists to Japan.

As a result of the above, net sales for this business were ¥19,442 million (down 20.9% from the previous fiscal year) and segment profit was ¥912 million (down 72.6% from the previous fiscal year).

Net sales (millions of yen)



Operating profit (millions of yen)



Electronic Material and Basic Chemical Business

In regard to surfactants, both sales volume and net sales fell year on year owing to decreased sales for industrial detergents due to weak demand from restaurants.

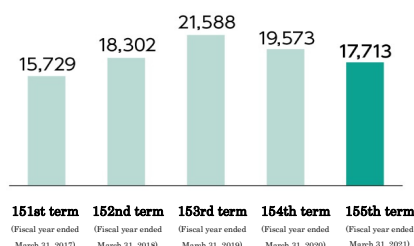
In regard to conductive polymers and related products for capacitors, sales for use in automobiles fell, but sales volume increased from the previous fiscal year and net sales were on par with the previous fiscal year owing to firm sales for use in personal computers due to an increase of people working from home, etc.

Sales volume and net sales of pollution-free anti-corrosive pigment and sulfuric acid were on lower level than the previous fiscal year, affected by a lull in demand.

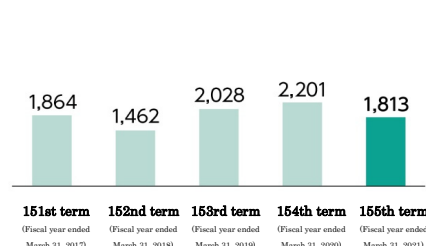
Sales volume and net sales of piezoelectric materials were lower than the previous fiscal year due to the effects of inventory adjustments by some customers, despite robust sales to overseas customers for medical equipment applications.

As a result of the above, net sales for this business were ¥17,713 million (down 9.5% from the previous fiscal year), and segment profit was ¥1,813 million (down 17.6% from the previous fiscal year).

Net sales (millions of yen)



Operating profit (millions of yen)



Other

Net sales in the warehousing business fell below those of the previous fiscal year due to decreases in freight movement as a result of logistics slowdowns.

As a result of the above, net sales for this business were ¥1,245 million (down 4.0% from the previous fiscal year), and segment profit was ¥213 million (down 28.6% from the previous fiscal year).

III. Forecasts for the Next Fiscal Year

Regarding the economic outlook, we expect that the future will remain uncertain due to concern regarding a resurgence of infections because of new COVID-19 variants.

Regarding the impact of the spread of COVID-19, although it is difficult to accurately estimate when the situation will come under control, the Group assumes that the economic environment will move toward a certain degree of recovery by the end of the next fiscal year. Regarding the Group's earnings forecast for the fiscal year ending March 31, 2022, revenue is expected to increase and profits are expected to decline year on year due to rising fuel prices despite the gradual recovery of demand for general usage titanium dioxide, functional fine particle products, etc.

Despite general usage titanium dioxide showing signs of recovery, we expect that the difficult situation on the earnings front will continue due to rising fuel prices.

We are expecting demand for specialty use micro titanium dioxide, micro zinc oxide, and surface treatment products to recover steadily due to widespread vaccination mainly in Europe and the United States, despite declining demand for ultra-violet (UV) radiation protection, which is a primary use for the above-mentioned products, due to the global spread of COVID-19.

As for electronic materials for medical devices, we will work to further expand sales as we expect that demand will continue to be strong going forward.

Regarding the Basic Chemical Business, robust demand is expected for daily goods such as detergents.

Under these circumstances, the Group will work together unitedly to further raise corporate value while adequately and flexibly responding with speed to the rapidly changing environment.

In regard to the forecasts of consolidated performance for the next fiscal year, we expect net sales of ¥42,200 million, operating profit of ¥2,200 million, ordinary profit of ¥2,800 million, and profit attributable to owners of parent of ¥1,800 million.

Furthermore, in regard to the dividend for the next fiscal year, we plan to bring the annual dividend to ¥36 per share: a combination of an interim dividend of ¥18 per share and a year-end dividend of ¥18 per share.

IV. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2020	As of March 31, 2021	As of March 31, 2021
Assets			
Current assets			
Cash and deposits	10,792	13,329	120,384
Notes and accounts receivable - trade	13,302	11,395	102,917
Merchandise and finished goods	6,913	7,164	64,703
Work in process	982	1,116	10,079
Raw materials and supplies	3,728	3,342	30,184
Other	546	634	5,726
Allowance for doubtful accounts	(2)	(2)	(18)
Total current assets	36,261	36,979	333,986
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	5,151	6,724	60,729
Machinery, equipment and vehicles, net	5,646	7,774	70,213
Land	1,699	1,695	15,308
Construction in progress	2,959	936	8,453
Other, net	444	493	4,452
Total property, plant and equipment	15,901	17,624	159,176
Intangible assets			
Goodwill	1,858	1,536	13,872
Other	274	230	2,077
Total intangible assets	2,133	1,767	15,959
Investments and other assets			
Investment securities	8,435	11,797	106,548
Long-term prepaid expenses	481	637	5,753
Deferred tax assets	71	71	641
Other	292	323	2,917
Allowance for doubtful accounts	(23)	(23)	(207)
Total investments and other assets	9,258	12,806	115,661
Total non-current assets	27,293	32,198	290,805
Total assets	63,554	69,177	624,792

		(Millions of yen)	(Thousands of U.S. dollars)
	As of March 31, 2020	As of March 31, 2021	As of March 31, 2021
Liabilities			
Current liabilities			
Notes and accounts payable - trade	4,787	3,914	35,350
Short-term borrowings	605	465	4,199
Current portion of long-term borrowings	754	1,950	17,611
Income taxes payable	1,034	442	3,992
Provision for bonuses	405	350	3,161
Other	3,346	2,875	25,966
Total current liabilities	10,934	9,999	90,308
Non-current liabilities			
Long-term borrowings	1,652	4,038	36,470
Lease obligations	89	56	505
Deferred tax liabilities	608	1,692	15,281
Long-term accounts payable - other	16	9	81
Provision for environmental measures	1	—	—
Retirement benefit liability	3,236	3,152	28,468
Other	75	—	—
Total non-current liabilities	5,679	8,948	80,816
Total liabilities	16,613	18,947	171,125
Net assets			
Shareholders' equity			
Share capital	9,855	9,855	89,008
Capital surplus	6,766	6,766	61,109
Retained earnings	28,551	29,551	266,898
Treasury shares	(2,458)	(2,459)	(22,209)
Total shareholders' equity	42,714	43,714	394,815
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	4,008	6,370	57,532
Deferred gains or losses on hedges	(85)	61	550
Foreign currency translation adjustment	112	(187)	(1,688)
Remeasurements of defined benefit plans	(151)	(71)	(641)
Total accumulated other comprehensive income	3,885	6,173	55,753
Non-controlling interests	340	341	3,079
Total net assets	46,940	50,230	453,666
Total liabilities and net assets	63,554	69,177	624,792

(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, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2021
Net sales	45,435	38,402	346,838
Cost of sales	33,072	29,377	265,326
Gross profit	12,362	9,025	81,511
Selling, general and administrative expenses	6,554	6,097	55,066
Operating profit	5,808	2,927	26,436
Non-operating income			
Interest income	3	1	9
Dividend income	225	213	1,923
Compensation income	—	162	1,463
Income on compensation	—	119	1,074
Subsidies for employment adjustment	—	118	1,065
Foreign exchange gains	—	24	—
Other	68	92	830
Total non-operating income	296	732	6,611
Non-operating expenses			
Interest expenses	45	50	451
Loss on abandonment of inventories	81	19	171
Costs related to the suspension of operations	—	826	7,460
Foreign exchange losses	87	—	—
Other	92	23	207
Total non-operating expenses	307	918	8,291
Ordinary profit	5,798	2,740	24,747
Extraordinary income			
Compensation for forced relocation	—	180	1,625
Gain on sale of investment securities	425	129	1,165
Total extraordinary income	425	309	2,790
Extraordinary losses			
Impairment losses	309	—	—
Loss on retirement of non-current assets	162	261	2,357
Loss on valuation of investments in capital	25	48	433
Head office relocation expenses	—	12	108
Loss on valuation of investment securities	14	—	—
Loss on sale of golf club membership	4	—	—
Total extraordinary losses	515	321	2,899
Profit before income taxes	5,708	2,728	24,638
Income taxes - current	1,864	829	7,487
Income taxes - deferred	(8)	(49)	(442)
Total income taxes	1,855	779	7,035
Profit	3,852	1,949	17,602
Profit attributable to non-controlling interests	22	22	198
Profit attributable to owners of parent	3,830	1,927	17,404

(Consolidated Statements of Comprehensive Income)

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2021
Profit	3,852	1,949	17,602
Other comprehensive income			
Valuation difference on available-for-sale securities	(848)	2,362	21,333
Deferred gains or losses on hedges	(118)	146	1,318
Foreign currency translation adjustment	81	(316)	(2,854)
Remeasurements of defined benefit plans, net of tax	90	79	713
Total other comprehensive income	(795)	2,272	20,520
Comprehensive income	3,056	4,222	38,132
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	3,017	4,215	38,069
Comprehensive income attributable to non-controlling interests	39	6	54

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,855	6,766	25,520	(1,791)	40,351
Changes during period					
Dividends of surplus			(799)		(799)
Profit attributable to owners of parent			3,830		3,830
Purchase of treasury shares				(667)	(667)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,030	(667)	2,363
Balance at end of period	9,855	6,766	28,551	(2,458)	42,714

	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 period	4,856	33	48	(241)	4,698	306	45,356
Changes during period							
Dividends of surplus							(799)
Profit attributable to owners of parent							3,830
Purchase of treasury shares							(667)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	(848)	(118)	64	90	(812)	34	(778)
Total changes during period	(848)	(118)	64	90	(812)	34	1,584
Balance at end of period	4,008	(85)	112	(151)	3,885	340	46,940

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	9,855	6,766	28,551	(2,458)	42,714
Changes during period					
Dividends of surplus			(927)		(927)
Profit attributable to owners of parent			1,927		1,927
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,000	(0)	999
Balance at end of period	9,855	6,766	29,551	(2,459)	43,714

	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 period	4,008	(85)	112	(151)	3,885	340	46,940
Changes during period							
Dividends of surplus							(927)
Profit attributable to owners of parent							1,927
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	2,362	146	(300)	79	2,288	0	2,289
Total changes during period	2,362	146	(300)	79	2,288	0	3,289
Balance at end of period	6,370	61	(187)	(71)	6,173	341	50,230

Fiscal year ended March 31, 2021

(Thousands of U.S. dollars)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	89,008	61,109	257,866	(22,200)	385,783
Changes during period					
Dividends of surplus			(8,372)		(8,372)
Profit attributable to owners of parent			17,404		17,404
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	—	—	9,031	(0)	9,022
Balance at end of period	89,008	61,109	266,898	(22,209)	394,815

	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 period	36,199	(767)	1,011	(1,363)	35,088	3,070	423,952
Changes during period							
Dividends of surplus							(8,372)
Profit attributable to owners of parent							17,404
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes in items other than shareholders' equity	21,333	1,318	(2,709)	713	20,664	0	20,673
Total changes during period	21,333	1,318	(2,709)	713	20,664	0	29,705
Balance at end of period	57,532	550	(1,688)	(641)	55,753	3,079	453,666

(4) Consolidated Statements of Cash Flows

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2021
Cash flows from operating activities			
Profit before income taxes	5,708	2,728	24,638
Depreciation	2,590	2,737	24,720
Amortization of goodwill	232	219	1,977
Loss (gain) on sale of investment securities	(425)	(129)	(1,165)
Impairment losses	309	—	—
Loss on retirement of non-current assets	162	261	2,357
Increase (decrease) in retirement benefit liability	38	31	279
Interest and dividend income	(228)	(215)	(1,941)
Interest expenses	45	50	451
Decrease (increase) in trade receivables	1,577	1,782	16,094
Decrease (increase) in inventories	(2,672)	(48)	(433)
Increase (decrease) in trade payables	(590)	(794)	(7,171)
Increase (decrease) in accrued consumption taxes	(168)	50	451
Other, net	116	(505)	(4,561)
Subtotal	6,693	6,168	55,708
Interest and dividends received	228	215	1,941
Interest paid	(45)	(50)	(451)
Income taxes paid	(1,711)	(1,380)	(12,463)
Net cash provided by (used in) operating activities	5,165	4,953	44,734
Cash flows from investing activities			
Purchase of property, plant and equipment	(5,534)	(4,857)	(43,867)
Purchase of investment securities	(11)	(6)	(54)
Proceeds from sale of investment securities	536	175	1,580
Other, net	(489)	(216)	(1,950)
Net cash provided by (used in) investing activities	(5,498)	(4,905)	(44,300)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(66)	(107)	(966)
Proceeds from long-term borrowings	—	5,000	45,158
Repayments of long-term borrowings	(777)	(1,411)	(12,743)
Purchase of treasury shares	(667)	(0)	0
Dividends paid	(798)	(924)	(8,345)
Dividends paid to non-controlling interests	(5)	(5)	(45)
Other, net	(31)	(31)	(279)
Net cash provided by (used in) financing activities	(2,346)	2,519	22,751
Effect of exchange rate change on cash and cash equivalents	4	(29)	(261)
Net increase (decrease) in cash and cash equivalents	(2,675)	2,537	22,913
Cash and cash equivalents at beginning of period	13,388	10,713	96,757
Cash and cash equivalents at end of period	10,713	13,250	119,671

V. 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: Functional Chemical Business and Electronic Material and Basic Chemical Business.

Effective from the fiscal year ended March 31, 2021, the Group has reclassified its reportable segments in conjunction with the clarification of operational classifications. The previous two reportable segments, "Business Related to Titanium Dioxide" and "Other Business" have been reclassified as two reportable segments, "Functional Chemical Business" and "Electronic Material and Basic Chemical Business."

Segment information of the prior fiscal year is prepared and disclosed based on the reportable segment classifications after the change.

Main products belonging to each segment are as follows:

(1) Functional Chemical Business:

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

(2) Electronic Material and Basic Chemical Business:

Piezoelectric materials, conductive polymers and related products, surfactants, sulfuric acid, pollution-free anti-corrosive pigment, 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, 2020

(Millions of yen)

	Reportable segment			Other (Note 1)	Adjustment (Note 2)	Amount recorded on the consolidated financial statements (Note 3)
	Functional Chemical Business	Electronic Material and Basic Chemical Business	Total			
Net sales						
Net sales to external customers	24,564	19,573	44,137	1,297	—	45,435
Inter-segment sales or transfers	—	—	—	1,476	(1,476)	—
Total	24,564	19,573	44,137	2,774	(1,476)	45,435
Segment profit	3,331	2,201	5,532	299	(23)	5,808
Segment assets	28,085	14,765	42,850	1,875	18,828	63,554
Other items						
Depreciation	1,652	857	2,509	77	3	2,590
Amortization of goodwill	—	232	232	—	—	232
Increase in property, plant and equipment and intangible assets	4,552	836	5,388	9	155	5,553

Notes: 1. The classification "Other" refers to business segments not included in reportable segments, and includes the warehousing

business, engineering, etc.

2. Details of “Adjustment” are as follows:

- (1) The adjustment of negative ¥23 million on segment profit represents inter-segment transaction eliminations.
 - (2) The adjustment of ¥18,828 million on segment assets includes negative ¥524 million of elimination of inter-segment receivables by offsetting, etc. and ¥19,352 million of corporate assets that are not allocated to reportable segments.
 - (3) The adjustment of ¥3 million on depreciation in other items includes negative ¥46 million of inter-segment transaction eliminations and ¥49 million of corporate assets that are not allocated to reportable segments.
 - (4) The adjustment of ¥155 million on increase in property, plant and equipment and intangible assets in other items includes negative ¥64 million of inter-segment transaction eliminations and ¥219 million of corporate assets that are not allocated to reportable segments.
3. Segment profit is adjusted to operating profit in the consolidated statements of income.

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segment			Other (Note 1)	Adjustment (Note 2)	Amount recorded on the consolidated financial statements (Note 3)
	Functional Chemical Business	Electronic Material and Basic Chemical Business	Total			
Net sales						
Net sales to external customers	19,442	17,713	37,156	1,245	–	38,402
Inter-segment sales or transfers	–	–	–	1,479	(1,479)	–
Total	19,442	17,713	37,156	2,725	(1,479)	38,402
Segment profit	912	1,813	2,725	213	(12)	2,927
Segment assets	28,439	14,337	42,776	2,025	24,375	69,177
Other items						
Depreciation	1,808	819	2,628	75	33	2,737
Amortization of goodwill	–	219	219	–	–	219
Increase in property, plant and equipment and intangible assets	3,363	1,222	4,585	100	124	4,810

- Notes:
1. The classification “Other” refers to business segments not included in reportable segments, and includes the warehousing business, engineering, etc.
 2. Details of “Adjustment” are as follows:
 - (1) The adjustment of negative ¥12 million on segment profit represents inter-segment transaction eliminations.
 - (2) The adjustment of ¥24,375 million on segment assets includes negative ¥532 million of elimination of inter-segment receivables by offsetting, etc. and ¥24,908 million of corporate assets that are not allocated to reportable segments.
 - (3) The adjustment of ¥33 million on depreciation in other items includes negative ¥45 million of inter-segment transaction eliminations and ¥79 million of corporate assets that are not allocated to reportable segments.
 - (4) The adjustment of ¥124 million on increase in property, plant and equipment and intangible assets in other items includes negative ¥40 million of inter-segment transaction eliminations and ¥164 million of corporate assets that are not allocated to reportable segments.
 3. Segment profit is adjusted to operating profit in the consolidated financial statements.

VI. 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	Company 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 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 discontinued.
April 1967	A 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.
May 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	Company was renamed Tayca Corporation, marking the 70th anniversary of its foundation.
February 1994	Obtains 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 and production commenced.
April 1997	Tayca's development division became a separate entity, and TFT Corporation was established to manufacture and sell electro-ceramic products.
August 2000	Acquires 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 a surface treatment business, Tayca opened its Kumayama Factory and production commenced.
February 2014	TAYCA (VIETNAM) CO., LTD. was established in Dong Nai, Vietnam to manufacture surfactants.
April 2017	Established JAPAN SERICITE CORPORATION for the principal objective of selling sericite products, a joint venture with SANSHIN MINING IND. CO., LTD.
January 2018	TRS Technologies, Inc. became a subsidiary in order to expand the piezoelectric materials business.

VIII. Corporate Data

Basic Information (as of June 25, 2021)

Trade name:	Tayca Corporation
Established:	December 22, 1919
Listed market:	The First Section of the Tokyo Stock Exchange (Securities Code: 4027)
Listed:	May 1949
Business year:	From April 1 to March 31 of the following year
Capital stock:	9,855,953,999 yen
Number of employees:	558 persons (as of March 31, 2021)
Head office:	4-11-6 Tanimachi, Chuo-ku, Osaka
Telephone:	+81-6-6943-6401
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 25, 2021)

Chairman	Masao Nagita
Representative Director, President Executive Officer	Hirofumi Yamazaki
Director, Senior Managing Executive Officer	Shunji Idei
Director, Managing Executive Officer	Masahiko Nishino
Director, Senior Executive Officer	Tamataro Iwasaki
Director, Audit and Supervisory Committee Member (Standing)	Akira Miyazaki
Director*, Audit and Supervisory Committee Member**	Hiroyuki Yamada
Director*, Audit and Supervisory Committee Member**	Hitoshi Tanaka
Director*, Audit and Supervisory Committee Member**	Koji Yamamoto
Director*, Audit and Supervisory Committee Member**	Mamiko Ozaki

* Outside Director ** Outside Audit and Supervisory Committee Member

Stock Status (as of March 31, 2021)

Total number of authorized shares:	75,000,000 shares
Total number of issued shares:	25,714,414 shares
Number of shareholders:	3,972

Major shareholders (Top 10)

Name	Number of shares held (Thousands)	Shareholding ratio (%)
QUINTET PRIVATE BANK (EUROPE) S.A. 107704	2,903	12.52
MITSUI & CO., LTD.	1,784	7.69
Mitsubishi Corporation	1,630	7.03
Yamada Sangyo Co., Ltd.	1,470	6.34
Custody Bank of Japan, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re- entrusted by Mizuho Trust and Banking Co., Ltd.	1,009	4.35
Tayca Corporation Trading-Partner Shareholding Association	997	4.30
The Master Trust Bank of Japan, Ltd. (Trust account)	976	4.21
NIPPON TOCHI-TATEMONO Co., Ltd.	694	2.99
Kansai Paint Co., Ltd.	612	2.64
SUMITOMO CORPORATION	500	2.15

* In addition to shares described above, Tayca Corporation holds 2,538 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 ¥110.72 = U.S. \$1, the approximate rate of exchange at March 31, 2021, 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.