TAYCA

Integrated Report 2025

TAYCA CORPORATION

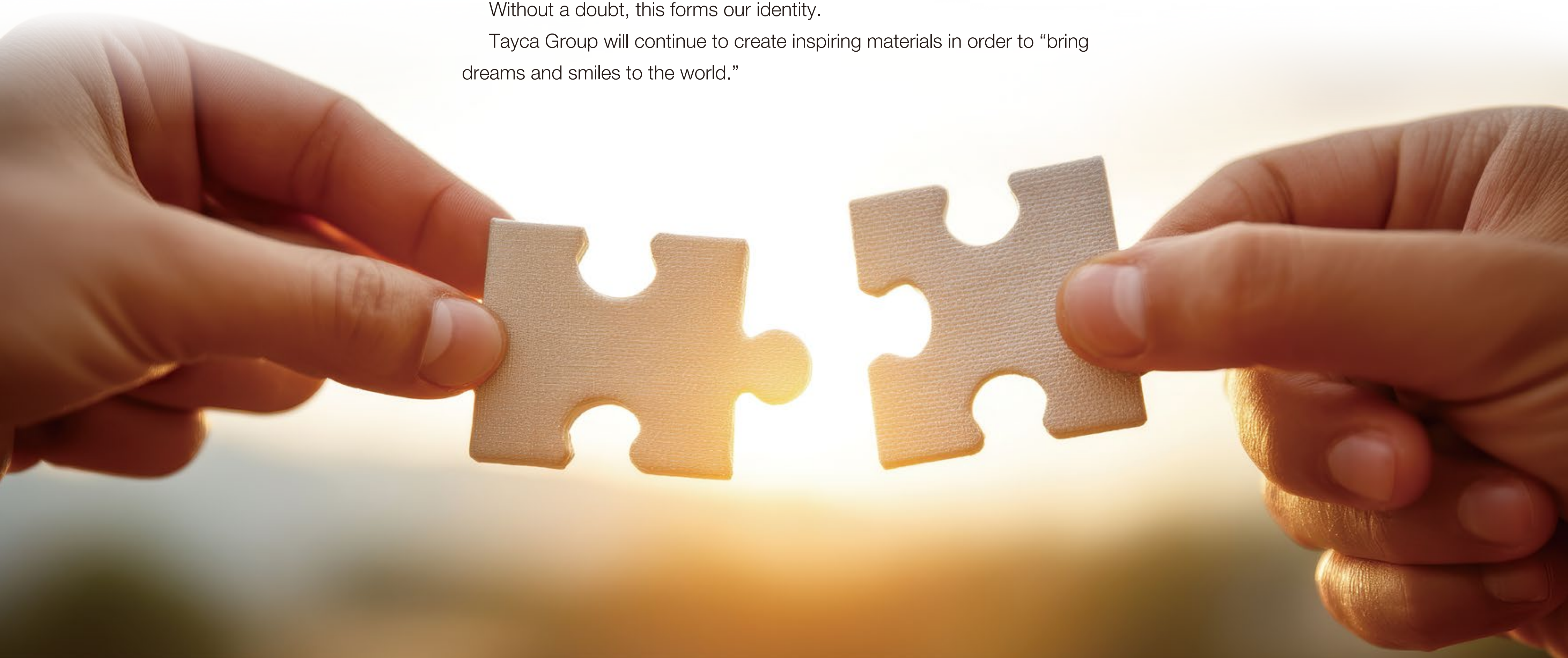
"Creating Inspiring Materials in Earnest"

Tayca Group has more than 100 years 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 cosmetic ingredients 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

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

1941
July
Construction began of Okayama Factory (Nishikozai, Higashi-ku, Okayama-shi)

1942
April
Company name changed to Teikoku Kako Co., Ltd.

1949
May
Stocks were listed on the Tokyo and Osaka stock exchanges


Notice of construction plan approval (Osaka Asahi Shimbun newspaper)

1951
April
Production of titanium dioxide at Okayama Factory began

1961
June
Production of surfactants at Osaka Factory began


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

1983
July
Production of micro titanium dioxide at Okayama Factory began

1989
August
Celebration held to commemorate the company’s 70th anniversary; company name changed to Tayca Corporation

TAYCA CORPORATION

1995
November
Osafune Branch Factory (Setouchi-shi, Okayama Prefecture) was completed along with the commercialization of the surface treatment business


Osafune Branch Factory

2001
October
TAYCA (Thailand) Co., Ltd. was established in Chonburi, Thailand to manufacture surfactants


TAYCA (Thailand) Co., Ltd.

2006
September
Kumayama Factory was completed (Akaiwa-shi, Okayama Prefecture); began production of surface treatment products


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

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)

2018
January
Tayca acquired all the shares of TRS Technologies, Inc. (Pennsylvania, USA) and made a subsidiary to expand the piezoelectric materials business


TRS Technologies, Inc.

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)

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]
1919 1930 1940 1950 1960 1970 1980 1990 2000 2010 2024

History of the Tayca Group’s Inspiring Materials

Providing products that meet the needs of customers and society

Tayca Group has over 100 years 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

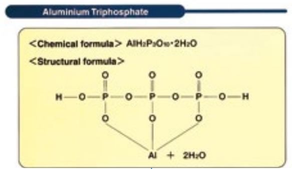
Starting with the manufacturing of lead-chamber sulfuric acid, we now manufacture and sell various types of sulfuric acid, including concentrated sulfuric acid and oleum

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

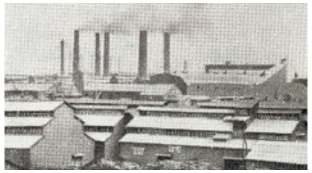
Rapid economic growth
1950-1980
Post-war reconstruction and started journey as a modern chemical manufacturer

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

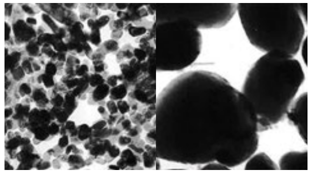


Titanium dioxide

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

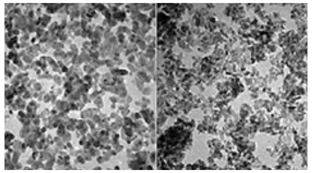


Piezoelectric ceramics

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

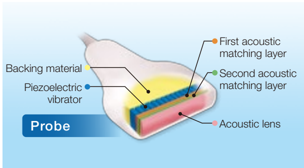
Micro zinc oxide

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



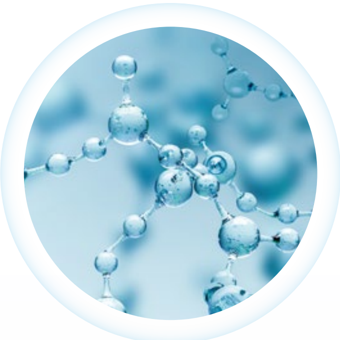
Piezoelectric single crystals

Used as a piezoelectric vibrator in ultrasound machines such as echo machines, contributing to higher image quality in diagnostic images



Lineage of the Tayca Group's Core Technologies

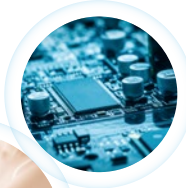
- **Sulfuric acid**
- **Superphosphate fertilizers**



- **Surfactants manufacturing technology** — Introduction of sulfone groups into organic compounds
  - **Sulfonation technology** — High functionality through introduction of sulfone groups → Dopant for electroconductive polymer
    - **Precision synthesis technology** — Synthesis of organic sulfur compounds → Monomers for electroconductive polymer
      - **Polymer particle control technology** — High electrical conductivity through three-dimensional structure control → Electroconductive polymers
    - **Gas-solid phase reaction technology** — Sulfonation of solid surfaces with SO_3 gas → Sulfonation powder

- **Titanium dioxide manufacturing technology** — Titanium dioxide production by the sulphate process
  - **Inorganic surface treatment technology** — Functionalization through inorganic surface treatment → Pigment-grade titanium dioxide
    - **Particle growth technology** — Infrared refracting through large particle size → Infrared-refracting titanium dioxide
  - **Crystal structure control technology** — Synthesis of anatase-type titanium dioxide → Photocatalytic titanium dioxide
    - **Solation technology** — Highly transparent dispersion through fine particles → Titania sol
  - **Fine-particulation technology** — Microparticle production using our unique technologies → Micro titanium dioxide
    - **Organic surface treatment technology** — Functionalization through organic surface treatment → Titanium dioxide for cosmetics
      - **UV blocking technology** — UV-A blocking through particle scattering and absorption → Micro zinc oxide

- **Exploring new technologies** — Technological development for the creation of new business
  - **Ceramics processing technology** — Ceramics synthesis and device processing → Piezoelectric ceramics
    - **Single crystal growth technology** — Integrated production from raw materials to single crystal growth and processing → Piezoelectric single crystal
  - **Biochemical technology** — Drug discovery using microorganisms → Polysaccharides
  - **Inorganic synthesis technology** — Synthesis of functional inorganic materials through wet synthesis → Anti-corrosive pigments
    - **Morphology control technology** — Various forms of filler such as flakes and spheres → Spherical silica



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

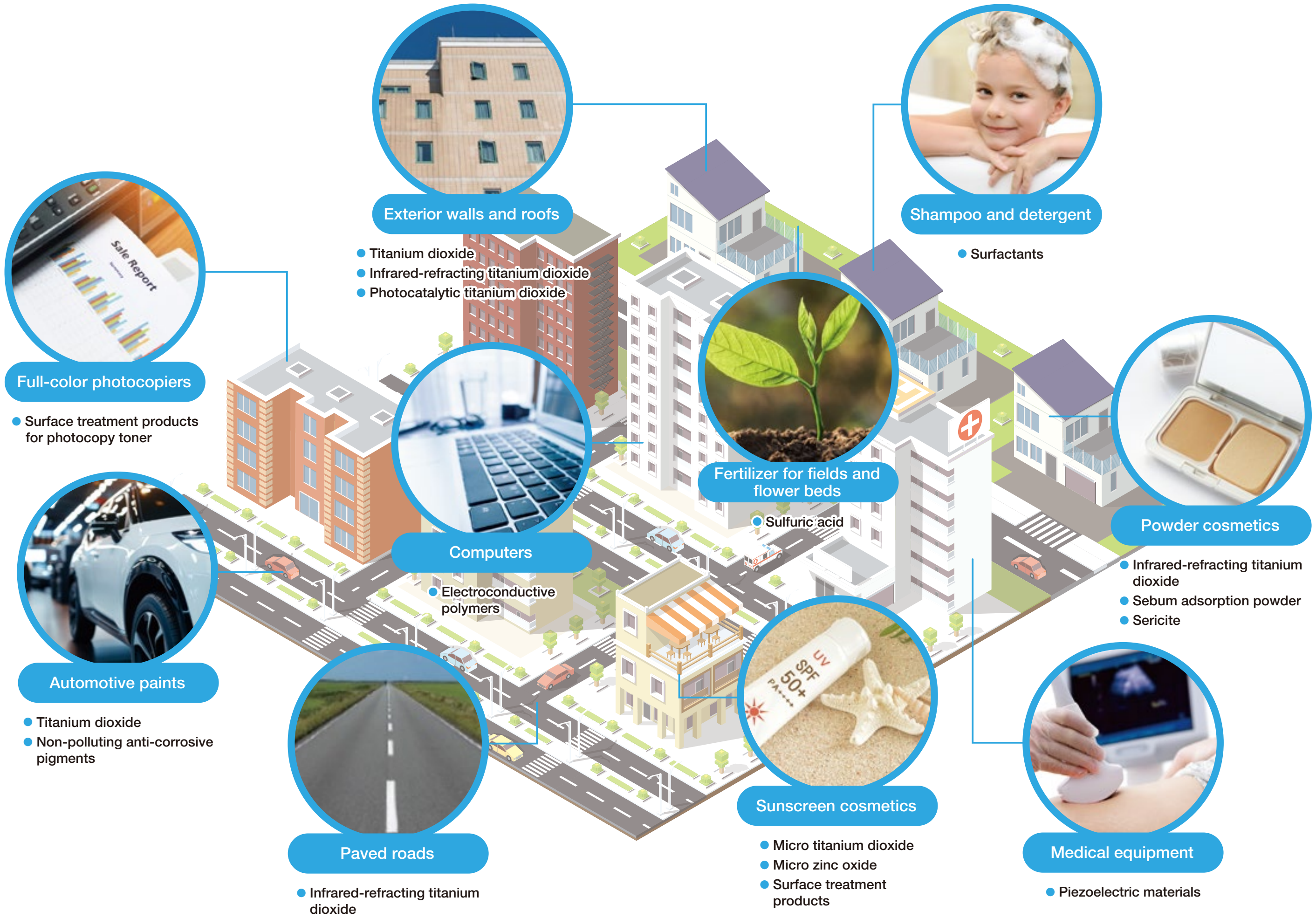
Surface treatment products are functional powders made by surface-treating fine particle products with organic compounds. They are used in a wide range of fields, including cosmetics and printer toner.

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 core 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.

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.

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.

Non-polluting anti-corrosive pigments

Non-polluting anti-corrosive pigments are widely used in primer paints as an environmentally friendly pigment that prevents rust and does not contain heavy metals.

Sulfuric acid

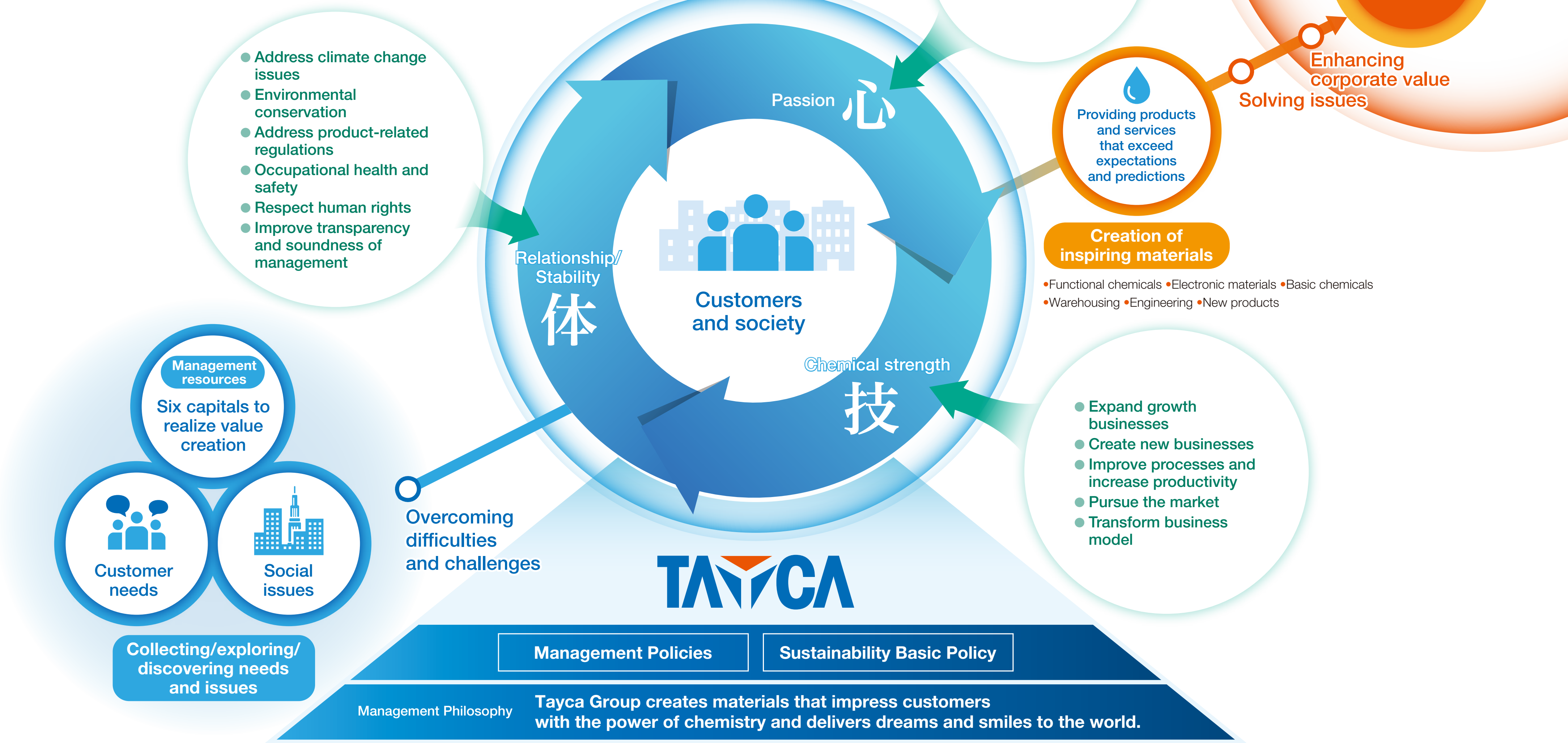
Sulfuric acid is a fundamental chemical in all areas, from chemical industries such as pharmaceuticals and fertilizers to heavy industries such as metal and steel.

■Products in the Functional Chemical Business
■Products in the Electronic Material and Basic Chemical Business

Value Creation Process

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.

Creation of the "sources of excitement"



Materiality

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" in FY2022 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. This time, in response to a review of the importance of materiality and a recommendation on the formulation of KPIs by the Integrated Report 2025 editorial project members, the Sustainability Committee and the Management Committee reviewed and made partial changes to the materiality.

STEP1 Select Issues

Select 19 issues to be addressed in consideration of the Tayca Group's "MOVING-10" long-term management vision and corporate philosophy, based on international guidelines, social issues in the chemical manufacturers, and interviews with the heads of each department by the Integrated Report 2025 editorial project members

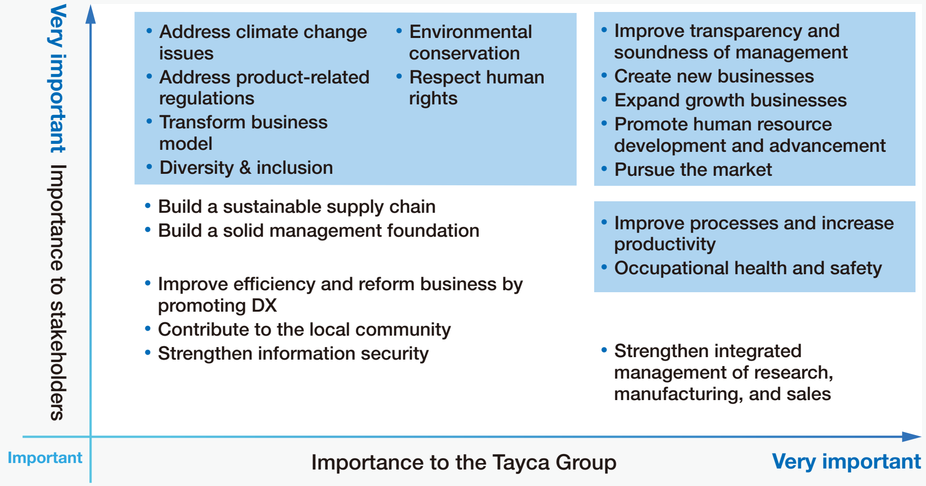
STEP2 Discuss Materiality

The Sustainability Committee discusses the selected issues, categorizes and organizes them by theme based on interviews with the heads of each department, external evaluations, and external reviews, and identifies materiality of the Tayca Group

STEP3 Assign Priority and Formulate KPIs

Each issue is mapped out in terms of its importance to the Tayca Group and stakeholders, and materiality is narrowed down through discussions among the Integrated Report 2025 editorial project members and KPIs are formulated. Then materiality is reviewed, approved, and decided upon by the Sustainability Committee and the Management Committee

Materiality Mapping Evaluation



STEP4 Regular Monitoring

- Report to the Sustainability Committee

STEP5 Disclose Results and Review KPIs

- Deliberate at the Sustainability Committee
- Disclose annually in the Integrated Report

Materiality

Identified Materiality

In promoting sustainable corporate activities, the Tayca Group identifies materiality and strives to contribute to stakeholders.

Materiality and KPIs

Materiality		KPI	FY2025 results	Target/Fiscal year	
心 (Passion)	● Promote human resource development and advancement ● Diversity & inclusion	Ratio of female workers in managerial positions (consolidated)	13.4%	12% or higher	FY2030
		Ratio of male taking childcare leave	50%	80% or higher	FY2030
		Employee engagement survey	65 points	71 points or higher	FY2030
		Average overtime hours	20.1 hours	Within 20 hours	FY2030
		Paid leave utilization rate	82%	90% or higher	FY2030
技 (Chemical strength)	● Expand growth businesses ● Create new businesses ● Improve processes and increase productivity ● Pursue the market ● Transform business model	R&D expenses	1.1 billion yen	4.0 billion yen	Cumulative total for FY2025-FY2027
		R&D expenses to net sales ratio (consolidated)	2.0%	2.5% or higher	FY2027
		Net sales of new businesses	0.18 billion yen	1.0 billion yen	FY2027
		Strategic investments	8.7 billion yen	11.5 billion yen or more	Cumulative total for FY2025-FY2027
体 (Relationship/ Stability)	● Address climate change issues ● Environmental conservation ● Address product-related regulations ● Occupational health and safety ● Respect human rights ● Improve transparency and soundness of management	Reduction of GHG emissions, Scope 1 & 2/Scope 3	214,000 t/394,000 t	42% reduction/25% reduction (compared to FY2025)	FY2031
		External evaluation: CDP (Climate change/water)	B/B-	A- or higher/B or higher	FY2030
		External evaluation: EcoVadis	61 points	70 points or higher	FY2030
		Number of occupational injuries (accidents with lost time of four days or more)	1 accident	0 accident	FY2030
		Number of serious compliance violations	0 cases	0 cases	Cumulative total for FY2025-FY2027

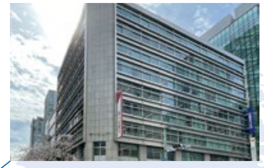
Six Capitals to Realize Value Creation

Manufactured Capital

Number of manufacturing and logistics sites
Domestic: 5
Overseas: 3

Kumayama Factory
Kumayama Branch
(Okayama Research Laboratory)
- Surface treatment products, functional fine particle products

Osafune Branch Factory
(Kumayama Factory)
- Surface treatment products



Tokyo Branch
Tokyo Creation Laboratory
JAPAN SERICITE CORPORATION

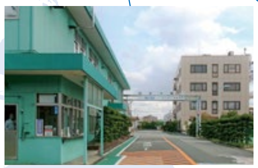
TRS Technologies, Inc. (U.S.)
- Piezoelectric materials

TAYCA (Thailand) Co., Ltd.
(Thailand)
- Surfactants

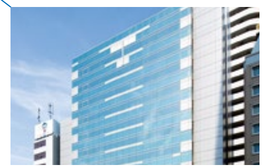
Tayca Warehousing Co., Ltd.
Tayca M&M Corporation

TAYCA (VIETNAM) CO., LTD.
(Vietnam)
- Surfactants

Okayama Factory /
Okayama Research Laboratory
- Titanium dioxide, functional fine particle products, etc.



Osaka Factory /
Osaka Research Laboratory
Electronic Ceramics and Devices Department
TFT Corporation
- Surfactants, sulfuric acid, anti-corrosive pigments, electroconductive polymers, piezoelectric materials, etc.



Head Office
Tayca Trading Co., Ltd.

Financial Capital

Total assets: 88.3 billion yen
Net assets: 59.4 billion yen

Intellectual Capital

Research sites
Domestic: 4
Overseas: 1

Human Capital

Consolidated number of employees:
838 people
Average length of employment*:
19.1 years

*Non-consolidated basis

Social and Relationship Capital

Business partners:
Over 2,000 companies
Shipping destinations:
Over 50 countries

Natural Capital

Energy consumption*:
60,000 KL
Water intake*:
10,442,000 m³

*Non-consolidated basis

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

President's Message

We will strive to become a company that is focused on society and its customers; where all employees embody their own "心(Shin)-技(Gi)-体(Tai)"—put another way, "passion," "technique," and "organization and colleagues." We aim to be an entity that resolves difficult issues, provides "inspiring materials" that surpass expectations and predictions, and ultimately continues to deliver dreams and smiles.

Shunji Idei
Representative Director
President Executive Officer

In 2020, the Tayca Group formulated its long-term management vision "MOVING-10," setting its sights on the next 10-year period to bring its management philosophy to fruition. The Group has established final targets of achieving an operating profit ratio of 15% or higher and ROE of 12% or higher. In 2024, the midpoint of our long-term management vision, we set eight pillars as basic policies under mid-term management plan "MOVING-10 STAGE2" for both business and financial/non-financial strategies, and have operated under these principles.

Business strategies

- Restore operating profit ratio
- Actively invest in and strengthen businesses with a competitive advantage
- Select and focus on businesses
- Create new businesses
- Improve processes and increase productivity

Financial and non-financial strategies

- Capital efficient management and establishment of the Tayca brand
- Expansion of human capital
- Reduction in CO_2 emissions

Reflecting on the First Year of Mid-term Management Plan MOVING-10 STAGE2

In FY2025, amid uncertainty in the environment characterized by persistently high prices for raw materials and fuel resulting from geopolitical risk and the effect of economic stagnation in China on the manufacturing sector overall, we focused on further expanding our growth businesses in cosmetic ingredients and electronic materials, while also endeavoring to create new businesses. Concurrently, in the general-purpose product segment, we reformed our business structure to cope with changing market conditions, looking to further enhance corporate value.

As a result, for the fiscal year ended March 31, 2025, we posted net sales of 55,737 million yen (up 5.2% from the previous fiscal year), operating profit of 3,525 million yen (up 51.6% from the previous fiscal year), and ROE of 4.2% (up 0.8 percentage points from the previous fiscal year). Moreover, it was a year in which products that will become pillars of our business grew, including the expansion of electroconductive polymers sparked by their use in automotive capacitors and the adoption of high refractive titania sols developed through our applied technologies.

Additionally, looking at financial and non-financial aspects, we invested about 5.0 billion yen in the construction of a new factory for functional fine particle products and approximately 3.5 billion yen in purchasing land for the Electronic Material and Basic Chemical Business and renewing manufacturing equipment. Regarding shareholder returns, the total return ratio surpassed the target of 40%, reaching 48.9%. Meanwhile, our PBR has not reached the target of 1x, partly due to sluggish stock price growth. We will continue our pursuit of capital efficient management and further revitalize our IR activities.

Achieving the Goals of our Long-term Management Vision

Above all else, we are absolutely committed to achieving the targets for the final year of mid-term management plan "MOVING-10 STAGE2": an ROE of 7% or higher and a PBR of 1x or higher. As key initiatives within the Group, our key themes in business operations are to "improve processes and increase productivity" and "pursue the market—deliver excitement to our customers." Additionally, looking at both financial and non-financial aspects, we will pursue initiatives more proactively, focusing on the key themes of "accelerating human resource development" and "enhancing IR activities and establishing the Tayca brand."

President’s Message

ROE Improvement

To enhance ROE, beginning in FY2025, we are clarifying our business selection and concentration within the Group. We are allocating resources—people, things, and money—to growth businesses such as life sciences and environmental energy. Moreover, we have initiated comprehensive PDCA management based on company-wide KPI management. And, to realize optimal capital management, we have introduced capital allocation to further refine the allocation of management resources and construct a financial foundation that boosts corporate value. In the final year of mid-term management plan “MOVING-10 STAGE2” and long-term management vision “MOVING-10,” we will earnestly and proactively engage these strategies to achieve a sustainable society and boost corporate value.

To All Stakeholders

Next, I would like to address the significant challenge of boosting PBR. Our company has consistently worked to raise shareholder returns and bolster IR activities including dialogue with investors. Unfortunately, however, the market’s evaluation of the Company is still not sufficient.

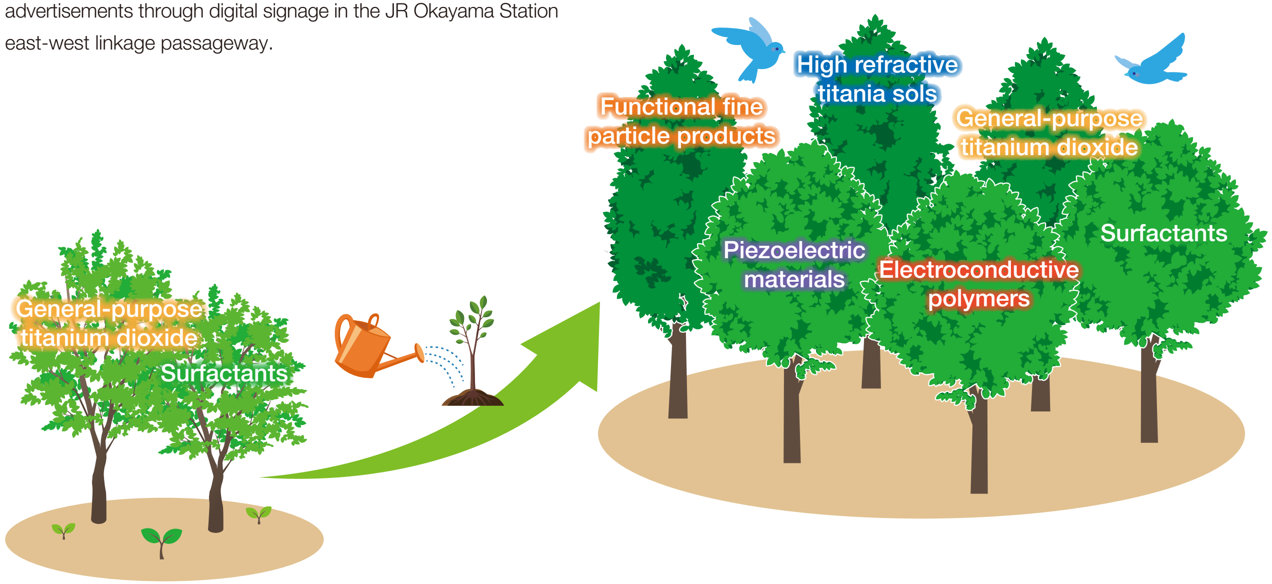
Beginning in FY2026, we intend to enhance shareholder returns beyond what we had previously achieved. Moreover, to ensure stakeholders can evaluate and understand our company, we will create frequent dialogue opportunities to clearly communicate key information including our management direction and business strategies.

Furthermore, as an initiative to increase awareness of our company, we will augment our PR activities. These encompass the publishing of corporate information in stock information magazines through information distribution companies, the securing of media exposure related to the adoption of our functional fine particle products and electroconductive polymers, and the display of advertisements through digital signage in the JR Okayama Station east-west linkage passageway.

New Sprouts, Pioneering the Next Generation

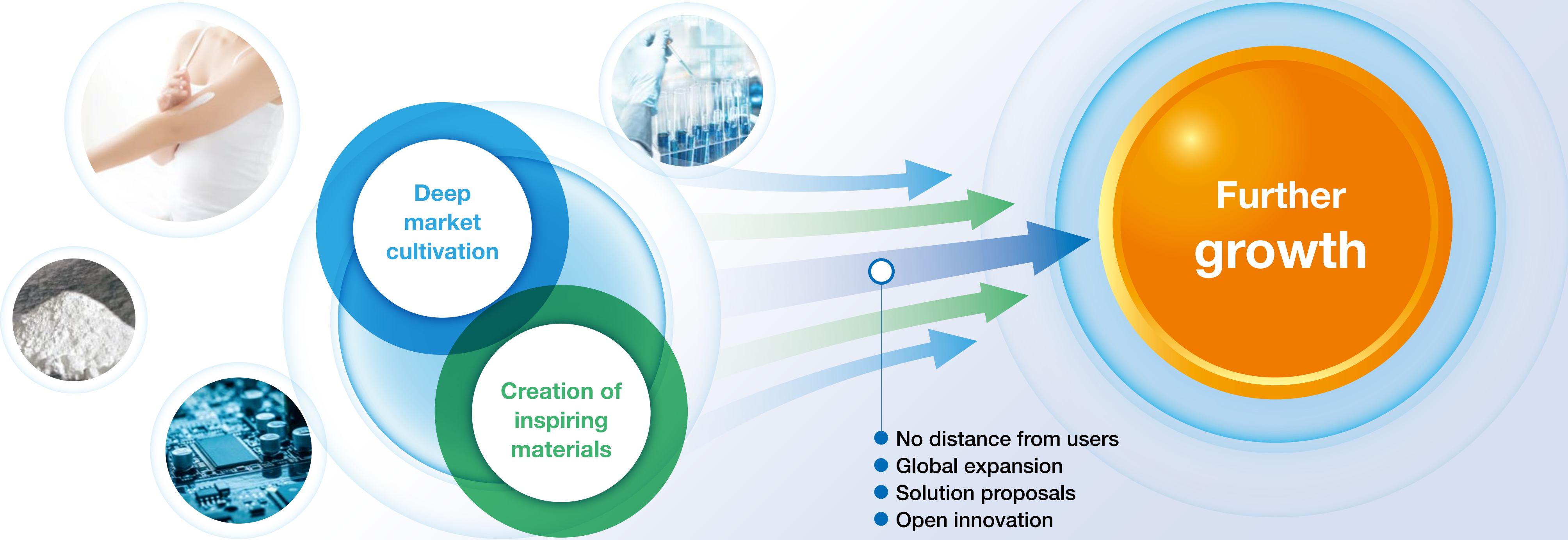
We will continue to create value across all Tayca Group businesses, delivering “inspiring materials” that surpass societal expectations. Each business will take root like a tree, its branches spreading and lush foliage emerging. We intend to expand our business domains in line with the needs of the times and society, deploying products which comprise applied technologies born from our core expertise.

New sprouts are growing steadily, including electroconductive polymers and high refractive titania sols. We envision a future in which these sprouts will eventually evolve into a rich forest, delivering benefits to society and pioneering the next generation. The mission of the Tayca Group is to realize both sustainable growth and societal contribution. We firmly believe this is the very essence of our existence. We will strive for sustainable growth and the creation of value as a group.



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

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

Target Management Indicators

	FY2010	FY2020	FY2030
Operating profit ratio	5%	13%	15% or higher
ROE	4%	8%	12% or higher

Mid-term Management Plan

MOVING-10 STAGE2 [FY2025–2027]

In May 2024, we formulated the “MOVING-10 STAGE2,” a 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

Business strategies

- Restore operating profit ratio
- Actively invest in and strengthen businesses with a competitive advantage
- Select and focus on businesses
- Create new businesses
- Improve processes and increase productivity

Financial and non-financial strategies

- Capital efficient management and establishment of the Tayca brand
- Expansion of human capital
- Reduction in CO_2 emissions

Specific policies for STAGE2

- Life sciences field
  - Expansion: Dominating the market as a top manufacturer
- Environmental energy field
  - Growth and expansion: Monetizing the electroconductive polymers business
- Chemical field
  - Efficiency: Reducing costs and restructuring of the management system
- Industrial services field
  - Evolution: Pursuing synergies and making it a core business
- New businesses
  - Creation: Developing and commercializing new businesses

- Capital efficient management and establishment of the Tayca brand
  - Improving ROE to exceed cost of shareholders’ equity
  - Introducing company-wide KPI management and capital allocation
  - Enhancing shareholder returns and encouraging dialogue with shareholders and investors
- Expand human capital
  - Creating passionate human resources and improving engagement
- Reduce CO_2 emissions
  - Implementing the CO_2 emissions reduction plan (roadmap)

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

MOVING-10

Results for the First Year of STAGE2

In the first year of STAGE2, we surpassed the net sales and operating profit of the final year of STAGE1. While striving to achieve our mid-term management plan, we will continue closely monitoring high raw material and fuel prices as well as geopolitical risk.

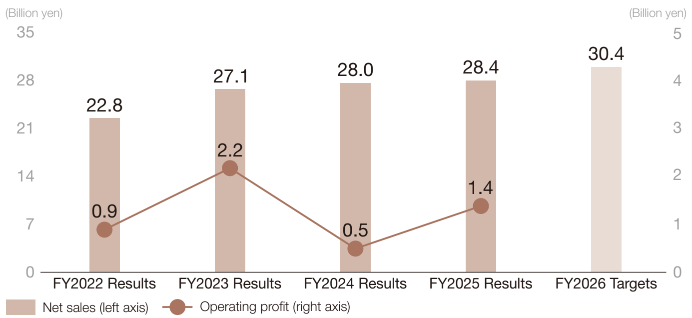
First Year (FY2025)	
Net sales	**55,737** million yen
Operating profit	**3,525** million yen
Ordinary profit	**3,747** million yen
ROE	**4.2**%
EBITDA	**6,725** million yen

STAGE2 Key Activities	First Year Initiatives
Further expand functional fine particle products Increase market share for piezoelectric materials	Construction of Kumayama 4th. Plant is moving forward on schedule Establishing integrated Japan-U.S. operational, manufacturing, and sales system
Strengthening sales and development of electroconductive polymers	Expanding production capacity of manufacturing facilities at the Osaka Factory
Accelerate the creation of new materials by investing development resources	Adoption of high refractive titania sols Joint research with companies and universities Expansion of R&D and sales personnel
Seek further improved productivity	Promotion of Tayca Goal Activities
Strengthen the corporate structure through the promotion of human capital management	Implementation of internal and external training for management, leadership, and younger personnel
Steadily implement the CO_2 reduction plan Improve evaluations by external organizations (CDP, EcoVadis, etc.)	Operation of LNG facilities at the Okayama Factory Analyze external agency evaluations to enhance disclosure

Summary of Financial Performance by Segment (Functional Chemical)

p.21

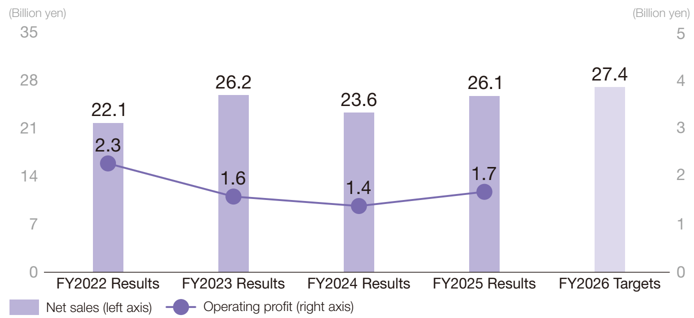
General-purpose titanium dioxide	Sales price revisions and other factors led to increased profits in spite of intensifying competition with manufacturers overseas
Functional fine particle products	Micro titanium dioxide sales remained robust, while customer inventory adjustments resulted in declining profits for other products



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

p.23

Electroconductive polymers	Demand for automotive and AI server applications remained strong, driving increased profits
Piezoelectric materials	Performance was strong and profits rose, including overseas consolidated subsidiaries
Surfactants	Performance of daily-use detergent product applications was strong and profits rose, including overseas consolidated subsidiaries



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.

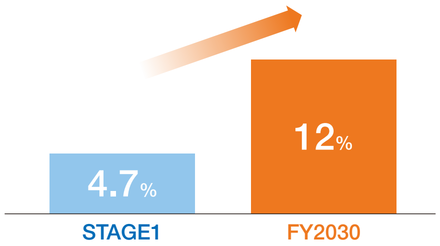
Basic Policy

ROE improvement — Return on capital

Capital efficient management

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

ROE 12% or higher

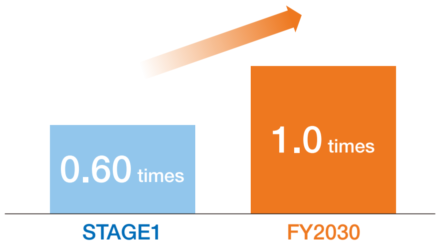


PBR improvement — Market evaluation

Strengthen IR activities

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

PBR 1.0 times or higher



Tayca Group Financial Targets

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

	Management indicators	STAGE1 average	FY2025	STAGE2 (FY2027)	MOVING-10 (FY2030)
Capital efficiency	Rate of return on equity (ROE)	4.7%	4.2%	7% or higher	12% or higher
	Price-to-book ratio (PBR)	0.60 times	0.52 times	1.0 times or higher	1.0 times or higher
Shareholder returns	Total return ratio	40.3%	48.9%	40% or higher	40% or higher

Financial Strategy

Action Plan Aimed at Achieving the Management Targets of Mid-term Management Plan MOVING-10 STAGE2

Initiative for capital efficient management—capital allocation

Utilize interest-bearing debt
+
Reduce relational shareholdings
6.0 billion yen

3-year operating CF
20.0 billion yen

Strategic investments
11.5 billion yen

Investments to strengthen foundation
10.5 billion yen

Shareholder returns
4.0 billion yen

Strategic investments

—Accelerate growth investments that will become an earnings source—

- Construction of new factory for functional fine particle products — Approx. 5.0 billion yen
- Investments in new business creation and research and development — Approx. 4.0 billion yen

Shareholder return policy

—Stable dividends and a focus on returning profits to shareholders—

- Set a total return ratio target of 40% or higher
- Actively repurchase treasury shares

FY2025 Results

Capital investment Approx. **8.7** billion yen

Overview of major capital expenditures

1. Construction of new factory for functional fine particle products — Approx. 5.0 billion yen
2. Site acquisition for the Electronic Material and Basic Chemical Business and other capital expenditures — Approx. 3.5 billion yen

Total return ratio **49**%

1. Dividends — Approx. 870 million yen (38 yen per share annually)
2. Repurchase of treasury shares — Approx. 310 million yen (Repurchased 200,000 shares)

Financial Strategy

Initiatives to Improve PBR: Establishing the Tayca Brand

We continue to follow our shareholder return policy of maintaining a total return ratio target of 40% or higher as outlined in our mid-term management plan. Considering our financial position and cash flows, we are actively pursuing IR initiatives—including share repurchase—in response to factors such as stock price fluctuation. Moreover, we hold company information sessions for individual investors at least twice a year as well as twice-annual financial results briefings for institutional investors, while also conducting ongoing meetings with institutional investors and others. We will also further bolster our public relations and communication activities through various forms of media, including industry journals, as well as our website. This includes enhancing product content information disclosure for cosmetic ingredients and piezoelectric materials, as well as newly developed products. Through these initiatives, we will firmly establish the Tayca brand and aim to achieve a PBR of 1.0 or higher.

Dialogue with institutional and individual investors

- Conducting financial results and mid-term management plan briefing sessions
- Holding company information sessions for individual investors
- Hosting company information sessions for shareholders after general meetings of shareholders

We will continue to strive to engage in various forms of dialogue led by top management—including holding online briefings—to communicate our management direction and business strategies and secure the understanding of stakeholders.

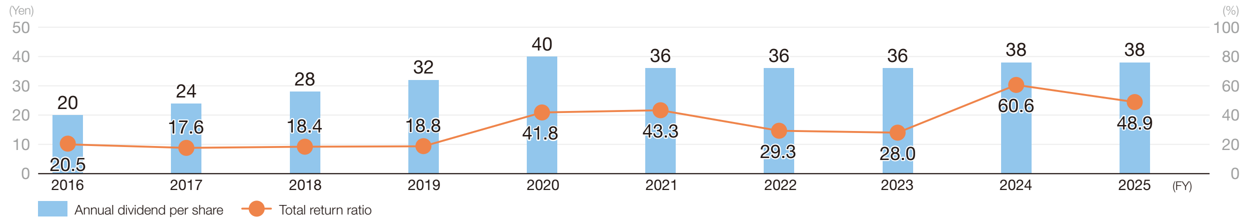
Strengthening public relations and communication activities

- New information about the Company published in newspapers
- Publication of company information in stock information magazines and on radio programs through information distribution companies
- Consideration of introduction and publishing of new content based on analysis of competitors' websites
- Media exposure for high-value-added products (functional fine particle products, electroconductive polymers, piezoelectric materials, etc.)

IR activities

Shareholder Returns

We will continue to return profits to shareholders based on our total return ratio target of 40% or higher, in addition to our basic policy of providing stable dividends maintained thus far.



	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Annual dividend per share	(Yen)	20	24	28	32	40	36	36	36	38	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	2,422
Total return ratio	(%)	20.5	17.6	18.4	18.8	41.8	43.3	29.3	28.0	60.6	48.9

Business Strategies

Message from Director

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

Future Business Strategies

Iwasaki: FY2026 marks the second year of mid-term management plan MOVING-10 STAGE2. As we approach FY2027, the final year, we will steadily implement each initiative we have set forth. We will focus our management resources on the three businesses driving the Tayca Group's growth—cosmetic ingredients, piezoelectric materials, and electroconductive polymers—with the aim of maximizing results. These are areas where the Group is highly competitive and where we anticipate global growth.

Murata: So we're clarifying growth businesses. Meanwhile, we are not neglecting our core businesses, such as titanium dioxide and surfactants. We will instead steadily strengthen our business foundation as the pillar underpinning stable earnings. Our view is that it is important to balance the challenge of entering new areas of growth against stabilizing existing businesses.

Iwasaki: The key indeed lies in achieving the correct balance between a focus on growth businesses and augmenting core businesses. Looking at the external environment, however, there are a number of uncertain factors, including Chinese economic stagnation and U.S. tariff policies. We may see uncertainty continue for some time.

Murata: Yes, that's true. That is precisely why it is vital to build an organization capable of responding swiftly to change. To achieve this, we will establish a framework that allows the entire group to move swiftly and flexibly, centered on our two pillars: Improving processes and increasing productivity, and pursuit of the market.

Iwasaki: We also intend to prioritize the speed at which we reflect feedback from the workplace and market changes in management decisions. We believe that, by doing so, we can create a virtuous cycle for both refining our existing businesses and creating new ones. Maintaining that stance will make the path to becoming a "global niche leader" with new products a reality.

Tamataro Iwasaki
Director, Managing Executive Officer
In charge of the Sustainability & Corporate Planning Department, Purchasing Department, and Osaka Factory

Yoshihiro Murata
Director, Managing Executive Officer
In charge of the Sales Department

Improving Processes and Increasing Productivity / Pursuit of the Market

Iwasaki: We are seeing results across each of our business units from the improvement activities based on the Theory of Constraints introduced in FY2025, known as Tayca Goal Activities. We are seeing concrete results including reduced lead times from receipt of product orders to shipping and cost improvements.

Murata: The scope of activities has expanded beyond the manufacturing divisions to include the sales, R&D, and administrative divisions. I feel that as this has become a company-wide initiative, employee awareness has also changed.

Iwasaki: That's how I feel as well. We also recognize outstanding activities through internal commendation with the Tayca Goal Award, which contributes to fostering a sense of purpose in the workplace. We believe that improving processes leads directly to increased customer satisfaction and the creation of inspiring materials.

Key Initiatives for FY2026

Increasing Productivity—Executing Tayca Goal Activities

- Effective utilization of production lines and pursuit of a production structure that minimizes customer wait times
- Completion of inventory reduction and optimization initiated in FY2025
- Pooling the collective wisdom of all Tayca Group employees

Pursuit of the market—Delivering inspiration to our customers

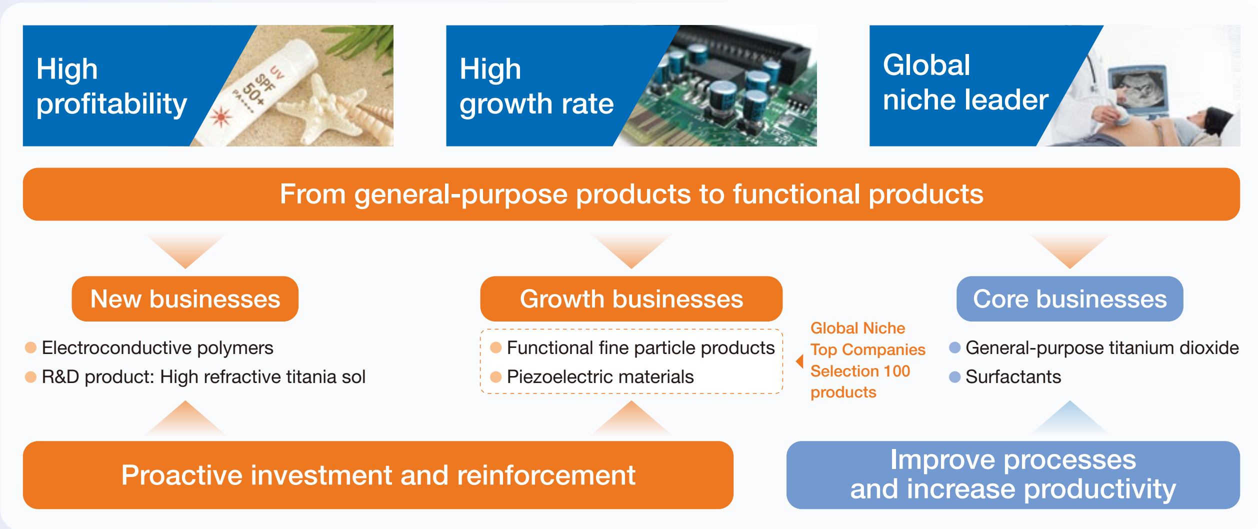
- Revitalize activities to bridge the market-customer gap
  - Unite company to understand customers and get them to open up
  - Revitalize sales visits and market research activities to resolve customer issues

Business Strategies

Murata: Meanwhile, because of the impact of COVID-19, there were times when I felt that human interaction had diminished, and relationships with markets and customers had become superficial. Given this, starting in FY2026, we have designated pursuit of the market as a materiality and are reinforcing activities to deepen relationships with customers.
Iwasaki: In the sales and R&D divisions, we are advancing initiatives to enhance the quality and quantity of customer dialogue and market research. Meanwhile, in manufacturing divisions, we continue to work to reduce lead time focused on a “production structure that minimizes customer wait times.” We believe this approach leads to delivering inspiration.

Direction of Each Business

Murata: Let’s first look at growth businesses. In the cosmetic ingredients business, we completed a new factory for functional fine particle products in July 2025, bolstering our production capabilities. We expect demand for sunscreen to remain high not only in Europe and the U.S. but also in Asia. We will augment our overseas sales, develop products with new features, and advance regulatory compliance to solidify our position as a global niche leader.
Iwasaki: Regulatory compliance is vital. It is my understanding that you are also pursuing the development of new markets. Could you elaborate on the specifics?
Murata: Yes, that’s true. We are also proceeding with the development of ingredients for skincare products other than sunscreen. We will focus particularly on emerging markets abroad and respond to a diverse range of needs.
Iwasaki: What is the status of the piezoelectric materials business?
Murata: With the aim of targeting growth in medical applications, we are leveraging our bases in Japan and the U.S. to penetrate Asian and Western markets. We anticipate the population increase and aging to drive growth in demand.
Iwasaki: The electroconductive polymer business is also growing.
Murata: Yes, I can sense that. We are bolstering our capital investment and increasing production capacity in response to steady demand for automotive and semiconductor applications. We aim for expansion through technology and proposal-based sales.
Iwasaki: Meanwhile, our core businesses—titanium dioxide and surfactants—face intensifying cost competition. We are, however, driving forward fundamental reforms in the titanium dioxide business to lower manufacturing costs and establish an efficient production structure. Looking at surfactants, we will optimize our cost competitiveness by collaborating with our affiliates in Thailand and Vietnam and implementing integrated operations across three bases.



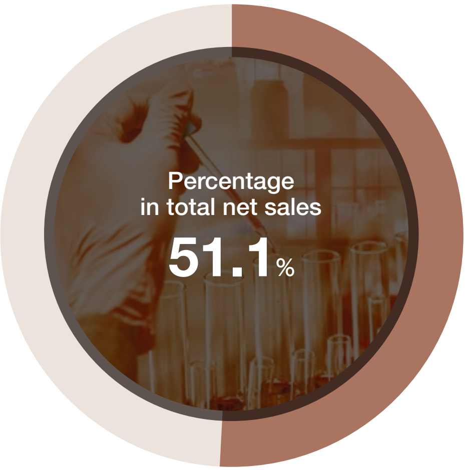
Looking Ahead

Finally, the Tayca Group will steadfastly maintain the stable operation of its core businesses—titanium dioxide and surfactants—building upon the strengths it has cultivated and the trust it has earned in the market. The Group will continue to secure stable profits and ensure reliable supply to its customers. And we will position the cosmetics ingredients, piezoelectric materials, and electroconductive polymers businesses—all of which we expect to deliver high growth and profitability—as next-generation sources of revenue. We will proactively pursue capital investment, augment R&D, and concentrate investment in human and technological resources.

Furthermore, in FY2026, we have also brought to market a high refractive titania sol that is the combined result of our long-cultivated material technology and manufacturing expertise. This will accelerate initiatives oriented toward enhancing competitiveness in the global market and generating new demand. Through these activities, we will continue to urgently pursue challenges aimed at creating the next growth drivers. While achieving both sustainable corporate value enhancement and contribution to society, we will construct a robust, flexible business foundation for the Tayca Group.

Business Strategies

Functional Chemical Business



Net sales
FY2025
28.4 billion yen
Year-on-year Up 1.5%

Operating profit
FY2025
1.4 billion yen
Year-on-year Up 159.7%

[Leading products]

Titanium dioxide

Our titanium dioxide is used in all manner of household products as a high-quality white pigment for paints, printing inks, plastics, papers, synthetic fibers, and other products.

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.

Review of FY2025

Factors such as intensified competition with overseas manufacturers and reduced sales for domestic general-purpose paints contributed to a decline in sales volume of general-purpose titanium dioxide. Net sales were up slightly year on year, however, because of factors including sales price adjustments.

Sales of micro titanium dioxide for functional applications remained robust for cosmetic ingredients, with both sales volume and net sales up year on year. Meanwhile, sales volume and net sales for surface treatment products were down year on year owing to the impact of inventory adjustments by overseas customers and stagnation in sales.

Future Strategy

Regarding our titanium dioxide business going forward, our products are adopted in gravure ink and other relatively high-value-added segments within the general-purpose titanium dioxide market. Our advanced technology makes it possible for us to respond swiftly and precisely to customer requirements. We are also comprehensively implementing cost reductions through activities to improve processes and increase productivity, and will continue to satisfy customer needs.

With respect to cosmetics ingredients, as a global top manufacturer, we will develop new products to meet market needs so that we can expand our market share in conjunction with the growth of the market. Additionally, by expanding our market research in the U.S. and augmenting production capacity through the construction of the Kumayama 4th. Plant, we will take the market by storm.

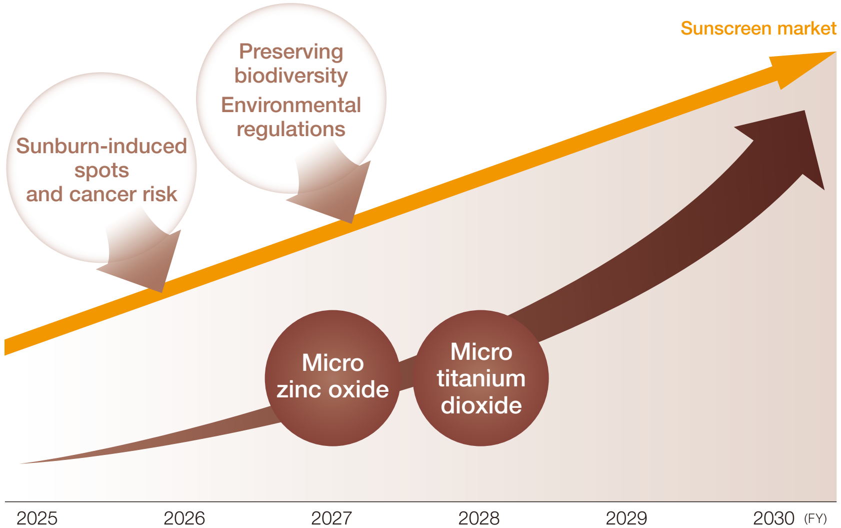
We will also actively pursue greenhouse gas (GHG) emission reductions. In the interest of achieving our 2030 GHG emission reduction targets, we will transition to LNG while also actively driving forward the development of environmentally friendly, high-performance products.

Tayca Group Strengths and Opportunities

Micro titanium dioxide and micro zinc oxide are used globally by customers in sectors such as cosmetics and various functional coatings. For cosmetic ingredients in particular, through with highly appealing new materials, we are solidifying our position as the global niche leader. Our domestic research facilities include the Osaka Research Laboratory, the Okayama Research Laboratory and its Kumayama Branch, and the Tokyo Creation Laboratory. We have established a robust joint development framework by maintaining close collaboration across these facilities.

技 Business Strategies

TOPICS Expansion of Production Capacity for Functional Fine Particle Products



With heightened consumer awareness concerning skin cancer and aging associated with UV exposure, the sunscreen market is forecast to become one of the fastest-growing segments in the personal care industry.

For UV protection, sunscreens employ inorganic dispersants and organic absorbers. In recent years, however, coral reef bleaching caused by environmental runoff of organic absorbers has attracted attention as an international issue. In Hawaii, Florida, and elsewhere, the sale and use of certain sunscreens containing organic absorbers have been prohibited. Given these circumstances, we expect demand for our inorganic dispersants (micro zinc oxide, micro titanium oxide) to increase globally.

Construction of Kumayama 4th. Plant

We currently manufacture functional fine particle products such as micro titanium dioxide and micro zinc oxide at our Okayama and Kumayama Factories and other facilities. We anticipate continued growth in the sales volume of our functional fine particle products, and have therefore decided to establish a new factory.

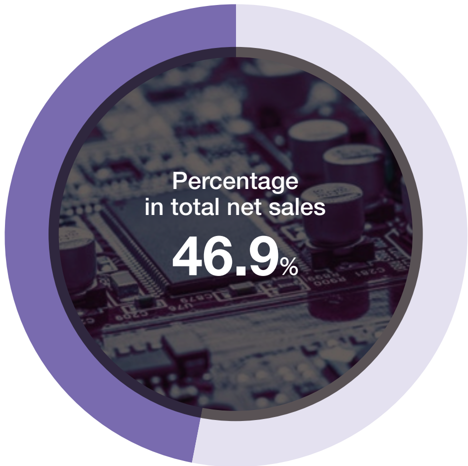
The new factory is located at the Osegi industrial park (50-22 Osegi, Akaiwa-shi, Okayama Prefecture, approximately 25,000 m^2), which the Company acquired in 2019. It is a facility that is in compliance with “Good Manufacturing Practice (GMP) for Active Pharmaceutical Ingredients,” the international manufacturing and quality control standard. We will continue striving to deliver our customers a stable supply of high-quality products.

Our company boasts the top global market share for fine particle products used in sunscreen. Our aim is to further increase our share through this facility and by FY2031 achieve around 5.0 billion yen in additional sales.

Exterior of Kumayama 4th. Plant

Completion ceremony: July 24, 2025

Electronic Material and Basic Chemical Business



Net sales

FY2025
26.1 billion yen
Year-on-year Up 10.4%

Operating profit

FY2025
1.7 billion yen
Year-on-year Up 22.1%

[Leading products]

Piezoelectric materials

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.

Non-polluting anti-corrosive pigments

They are used in a broad range of applications including anti-corrosion agents, hardeners, and adsorbents as an environmentally friendly technology.

Review of FY2025

Sales of surfactants for daily-use detergent product applications, including those at overseas consolidated subsidiaries, were robust, with both sales volume and net sales up year on year.

Sales volume and net sales for electroconductive polymers increased significantly year on year, driven by strong performance in automotive and AI server applications.

Sales volume and net sales for non-polluting anti-corrosive pigments were down year on year because of sluggish exports, despite a recovery in domestic automotive applications.

Net sales of piezoelectric materials increased against the previous year, buoyed by strong sales of medical equipment to overseas customers, including overseas consolidated subsidiaries, despite the effect of inventory adjustments by domestic customers.

Future Strategy

As a top global manufacturer of piezoelectric materials, we will 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, in an attempt to maximize profits, we will coordinate with our overseas sites and improve the efficiency of this foundational business.

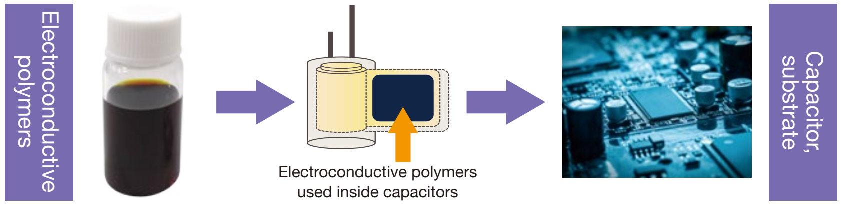
Tayca Group Strengths and Opportunities

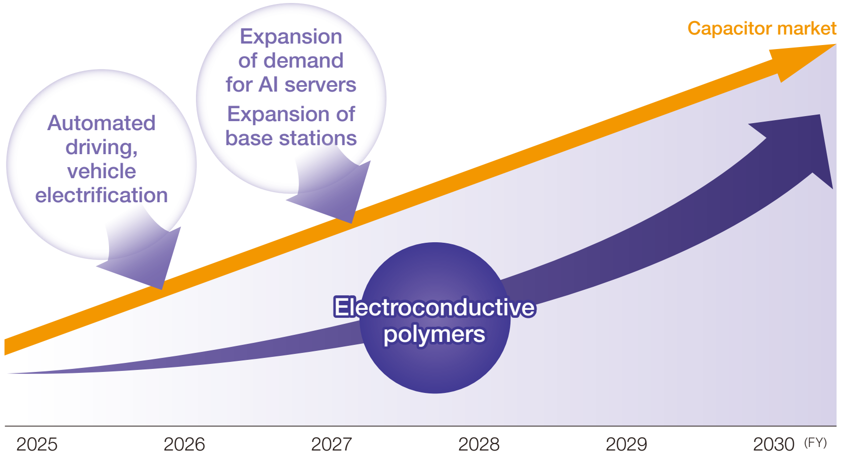
In piezoelectric materials, we are driving forward piezoelectric-related development using the technology of TRS Technologies, a U.S. affiliate that became a wholly owned subsidiary in January 2018, with a focus on healthcare applications. We are deploying development products to the market from both our Japanese and U.S. bases. For electroconductive polymers, we are developing a variety of dopants, monomers, and electroconductive polymer dispersions designed to satisfy a range of requirements by integrating them with our core sulfonation technology.

TOPICS Growth of Electroconductive Polymers

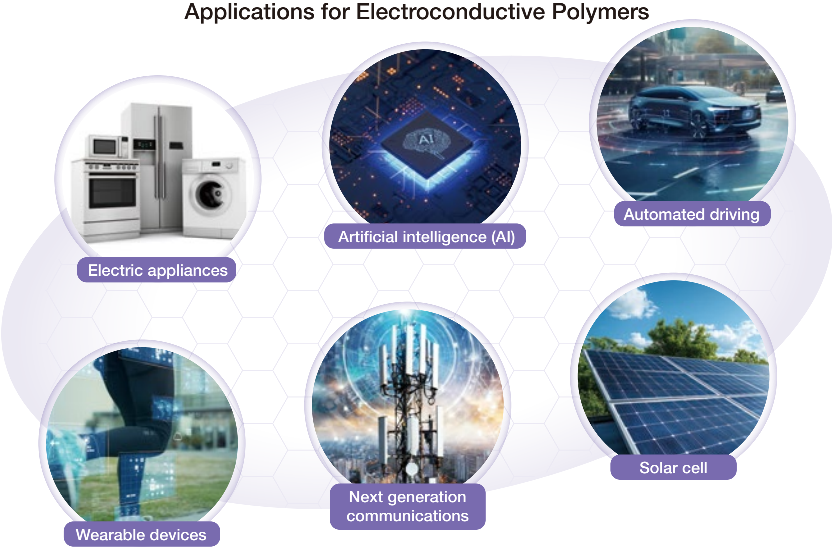
Electroconductive Polymers

Electroconductive polymers, which earned widespread recognition on the strength of Dr. Hideki Shirakawa's Nobel Prize in Chemistry, possess the property of transforming non-conductive materials (insulators such as plastics) into conductive ones through doping (the inclusion of additives).





Applications for Electroconductive Polymers



Expansion of Electroconductive Polymer Production Capacity

Our electroconductive polymers are mainly used in capacitors, essential components for powering devices such as computers and smartphones. We anticipate growth across numerous capacitor markets, encompassing AI servers, base stations, and small mobile applications. Of these, we expect to see particularly significant growth in the automotive capacitor market, driven by the advancement of automated driving and vehicle electrification.

Amidst these circumstances, the Company has conducted extensive research into electroconductive polymers for automotive capacitor applications, and has succeeded in developing high-performance, reliable products. We forecast that sales volume will increase further, and as such we have decided to expand production capacity.

Sales forecast based on increased production capacity

We currently manufacture electroconductive polymers at our Osaka Factory. By 2026, we are looking to triple production capacity and boost net sales to more than three times the present level.

Additionally, we will focus on this business as a pillar of our future operations.

Business Strategies

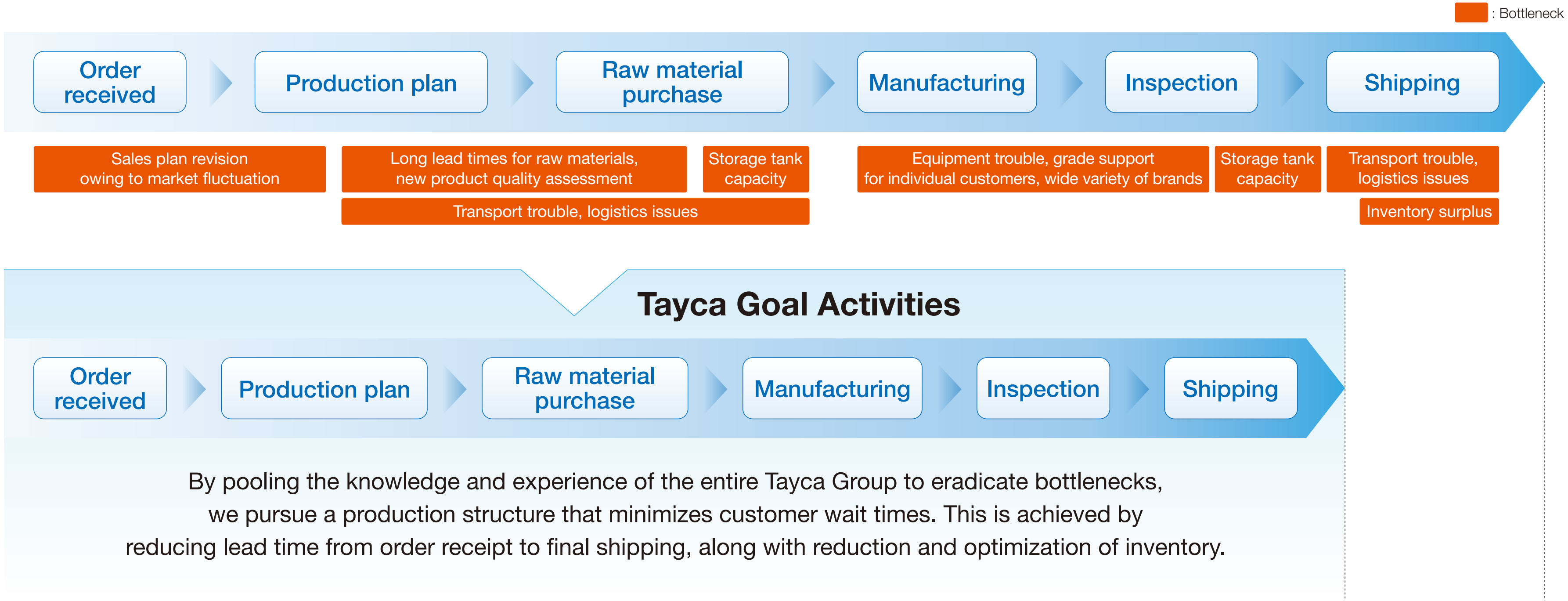
TOPICS Activities to Improve Processes and Increase Productivity

Starting in FY2025, we adopted the productivity improvement approach based on the Theory of Constraints (TOC), introduced by Outside Director Koji Yamamoto.

By identifying bottlenecks in the processes with the lowest productivity and concentrating improvement efforts there, we boost overall corporate productivity. This in turn leads to resolving issues within business activities, including the reduction of inventory, the shortening of delivery times, and the development of new businesses.

We put company-wide management of these process improvement and productivity increase activities into practice under the name Tayca Goal Activities. By conducting an annual Tayca Goal Activities Presentation and acknowledging outstanding themes with the Tayca Goal Award, we encourage the participation of all employees to revitalize these activities and resolve management issues.

Workflow



Research and Development

Relentless Challenge to Create Inspiring Materials

The Tayca Group's research and development efforts are centered in Osaka and Okayama. At the Osaka Research Laboratory, we leverage our proprietary sulfonation technology to reinforce proposal-based R&D while creating a broad range of products. At the Okayama Research Laboratory, we capitalize on our accumulated core technologies for inorganic material synthesis in driving innovation at structural design, particle size control, and dispersion technology. We conduct R&D focused on next-generation environmental/energy, optical, and electronic materials. Moreover, the Electronic Ceramics and Devices Department, based in Osaka, is endeavoring to expand its piezoelectric technology by integrating the piezoelectric single crystal technology held by our U.S. affiliate, TRS Technologies, with the R&D expertise in piezoelectric elements accumulated over many years.

And, through initiatives to fuse and integrate the core technologies of our three divisions with those from other industries, and by proactively promoting technical collaboration with research institutions such as universities, we will continue challenging ourselves to create unique new products and technologies.

Development strategy

- Using the technologies and channels we have built up to date to provide new products and services in the healthcare field
- Leveraging core technologies to advance into new fields, mainly the electronics and environmental fields
- Company-wide cooperation toward commercialization and proactive research and development investment
- Strengthening and integrating development and marketing capabilities
- Creating unique technologies through collaboration and industry-academia collaboration
- Creating leading global niche products
- Accelerating development through DX

The Key to Achieving MOVING-10: Pioneering "Creation of New Businesses" Through No Distance R&D

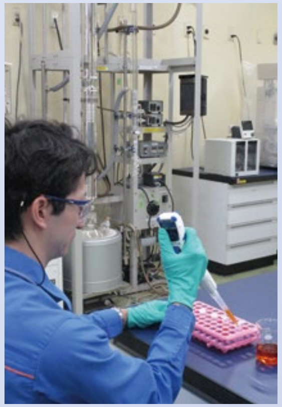
To realize the goals of mid-term management plan "MOVING-10 STAGE2" and long-term management vision "MOVING-10," we must create and grow new core businesses that transcend our present operations. We explore themes across various fields, centered on the environment, digital technologies, cosmetic ingredients, and piezoelectric materials. Through our customer-centric "no distance R&D" approach—a hallmark of Tayca Group development—we ascertain customer and societal needs in our diligent pursuit of R&D. Through the allocation of necessary resources and passionate creation of "inspiring materials," we will contribute to solving the challenges our customers and society face. Our ultimate objective is to deliver dreams and smiles while boosting corporate value.

Integration of Research, Manufacturing, and Sales to Pursue the Market and Accelerate Development

The Tayca Group development's hallmark "no distance R&D" approach is a development structure in which research, manufacturing, and sales form a trinity, with the aim of no psychological distance between us and our customers. To further augment this framework, we are becoming more proactive with customer visits and market research activities to bridge the gap between us and our customers and society. We strive to identify and resolve our customers' true issues by delving more deeply into a diverse range of information. We identify gaps and needs in customer expectations and create "inspiring materials" based on them.

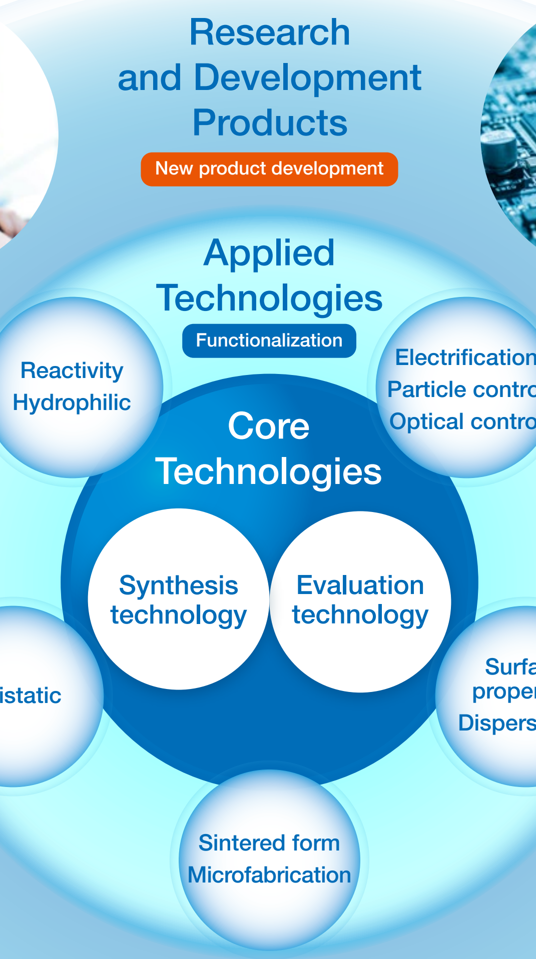
The Tayca Group conducts R&D with a constant focus on originality, speed, and the customer's perspective to resolve social issues and technical issues in its customers' businesses. In developing electroconductive polymers, for instance, we accelerate development and achieve proposal-based R&D by manufacturing the polymer itself and by fully producing the capacitor, which is the application, and conducting characteristic evaluations from the viewpoint of the customer. Moreover, since last fiscal year, we have been examining materials informatics (MI) and chemicals informatics (CI), and will use these to further speed up development.

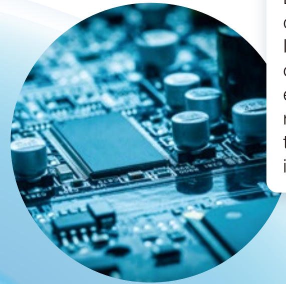
Moving forward, we will continue bolstering our core technologies and collaborating with external partners, pooling the development capabilities and knowledge of the Tayca Group to create inspiring materials. This is how we aim to establish the Tayca brand.



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, we are expanding into automotive applications requiring high reliability. 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 CO_2 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.

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.

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.

Research and Development

Cosmetic Ingredient R&D

No Distance R&D — Development That Is Closer to the Market and in Line with True Needs

The Tayca Group introduces development products and proposes formulations tailored to cosmetic ingredient target specifications, compliance with regulations in various countries, and customer requirements. At the Tayca Tokyo Creation Laboratory, established in 2015, we prepare developed formulas on-site together with our customers, giving them a firsthand experience of development product functionality. We engage in activities to identify customer issues by regularly conducting workshops and creating opportunities for discussion among researchers. Moreover, since last year, we have been conducting local market research in the U.S. to identify genuine needs. By establishing robust collaboration between sales and research, we have built a structure in which these identified needs are immediately applied to R&D.


Tokyo Creation Laboratory

Our Research Presentation Was Selected as One of the Top 10 Presentations at the IFSCC International Cosmetic Science Congress, Just as in 2023

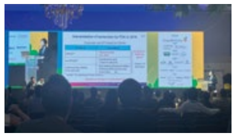
Click here for details

We gave an oral presentation at IFSCC Congress 2024, the world's largest and most prestigious cosmetic science congress, held by the International Federation of Societies of Cosmetic Chemists (IFSCC) from October 14 to 17, 2024, in Iguazu Falls, Brazil.

Out of the numerous submissions received from around the world, just as in 2023, ours was chosen as one of the only 83 for oral presentations at the conference, and selected for the top 10 finalists in recognition of the content of the research presentation. Through this event, we were able to showcase the Tayca Group's high technological capabilities to our customers and society.

Presentation title

Novel Multifunction SPF Booster by Advanced Disperse Technology: Spherical Silica Encapsulating Dispersed Titanium Dioxide for Mineral Sunscreen with Excellent UV Protection



Example of activity in pursuit of the market: Trade shows

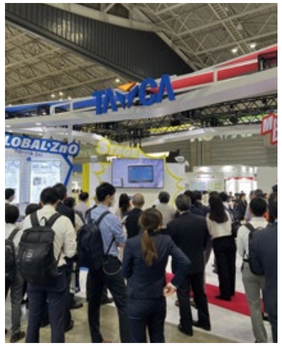
The Tayca Group exhibits regularly at a variety of trade shows to showcase its development and other products. By directly engaging in dialogue with our customers, we identify their true needs and those of society, and then apply these insights to our R&D. We also strive to enhance our corporate value through activities such as participating in research presentations to showcase our technological capabilities.

12th Cosmetic Ingredients & Technology Exhibition Japan (CITE JAPAN 2025)

Click here for details

We exhibited at the "12th Cosmetic Ingredients & Technology Exhibition Japan (CITE JAPAN 2025)," held at Pacifico Yokohama from May 14 to 16, 2025.

We introduced newly developed products with a focus on material development and delivered an oral presentation. The scope encompassed products compliant with regulations, standards, and certifications in a host of countries (including European COSMOS and Indonesian Halal), high dispersion micro titanium dioxide for various oils, aluminum-free micro titanium dioxide that does not negatively impact the effectiveness of carbomer, and micro zinc oxide designed with novel shapes and new dispersions.



Chemical Material Japan 2024

Click here for details

We exhibited at "Chemical Material Japan 2024," held at Tokyo Big Sight on November 21 and 22, 2024.

We apply our core technologies in conducting R&D tailored to the needs of the times and society. Among our cosmetic ingredient developments, we introduced high transparent micro titanium dioxide and B∞st-Touch Silica, along with other functional product developments and piezoelectric materials.

技 Research and Development

Piezoelectric Materials R&D

No Distance R&D Emphasis on Evaluations from the Customer's Perspective

Leveraging our integrated production capabilities from raw powder to piezoelectric elements, along with our proprietary technology and expertise in application, we provide piezoelectric materials that meet the performance and specifications required by our customers. Close relationships with customers are essential in maximizing the performance of piezoelectric elements based on customer specifications. Given this, we are working on development in collaboration with TFT Corporation* with the aim of proposing improved products from the perspective of customers' evaluations. This is to solve the process issues faced by our customers, in addition to fine-tuning the detailed product specifications.

Currently, to further augment integrated Japan-U.S. operations, our research and manufacturing divisions regularly engage in technical exchanges with U.S. affiliate TRS Technologies. By combining the technological strengths of the two companies, we are working to provide new inspiring materials that combine single-crystal manufacturing technology with processing technology.

*TFT Corporation sells piezoelectric-related products, mainly those manufactured by Tayca Corporation and its wholly owned subsidiary TRS Technologies.


Piezoelectric single crystal growth furnace


Piezoelectric materials component analysis

Technical Presentation 2025 International Workshop on Acoustic Transduction Materials & Devices (IWATMD)

TRS Technologies delivered an oral presentation at the 2025 IWATMD, held in Pennsylvania, USA, on May 14, 2025. Companies and universities involved in piezoelectric material and device R&D took part in the workshop. TRS Technologies was able to raise its profile within the industry by presenting the findings of its research.

Presentation title

❶ Update on Relaxor-PT Crystal Development for Cost-effective Production

❷ Commercialization of High Temperature Piezoelectric Ceramics with High Electromechanical Properties


TRS Technologies, Inc.


Piezoelectric single crystals

Research and Development

Introduction of Development Case Studies

High Refractive Titania Sols

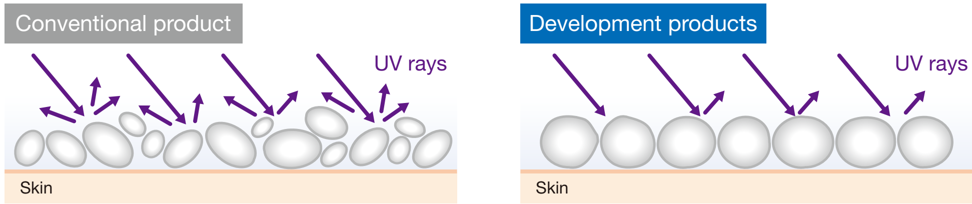
Click here for details

Tayca's titania sol, a high-refractive-index material developed over a number of years, has been adopted as an optical component in the latest in-vehicle displays. The background to this development lies in diversified video-related applications and the increasing sophistication of quality requirements. Through accumulated improvements in high transparency, durability, and compatibility, we have achieved results by providing products that exceed customer expectations. Using our titania sol in in-vehicle displays enables easy refractive index adjustment, significantly improving brightness and contrast and enhancing visibility. By establishing a practical track record for in-vehicle display applications in this project, we expect to participate in video-related innovations including augmented reality (AR) and virtual reality (VR) devices, where increasing development is foreseen. Our titania sol employs rutile crystals with a higher refractive index. Our proprietary dispersion stabilization process enables formulation at high concentrations, resulting in both superior transparency and a high refractive index. Unlike conventional titania sols that use water or organic solutions as solvents, employing monomers as solvents makes it possible to produce cured products and molded articles that are highly efficient in terms of light extraction.

Micro Titanium Dioxide That Harmonizes with the Skin

Micro titanium dioxide offers high UV protection and safety, and is used globally in sunscreen cosmetics. Our micro titanium dioxide provides exceptional transparency and has been highly praised by our customers. As a further improvement, we successfully reduced the pallor upon application to the skin by taking advantage of our core particle synthesis technology to achieve spherical particle shaping and size optimization. This technology produces micro titanium dioxide that blends easily upon application to the skin, making it ideal for use in new sunscreen cosmetics that provide a natural finish.

[Diagram of reduced pallor]



The non-uniform nature of the particles results in visible light being scattered diffusely, giving it a pale appearance.

Diffuse reflection suppression through particle size control → **Reduction of pallor**

○ indicates micro titanium dioxide

Message from Outside Director

Issues toward overall optimization and workplace-driven transformation that leverages human potential

Koji Yamamoto
Outside Director

Given how complex the business environment surrounding companies has become, achieving sustainable growth in corporate value requires both structural reform and robust workplace-based execution. Amidst these circumstances, the Company has initiated management reform to enhance production efficiency using the Theory of Constraints (TOC) approach—which Tayca has been implementing since last fiscal year—in pursuit of bringing long-term management vision MOVING-10 to fruition. This initiative has not only improved our operations; it has positively affected our organizational culture and decision-making processes, which has served to augment the very foundation of the Company.

In actuality, by promoting the isolation and improvement of bottlenecks based on TOC, the system designed to maximize effectiveness from limited management resources is becoming increasingly prevalent. This expansion extends beyond production lines to procurement, logistics, and sales, and has already yielded tangible results in actual business operations, such as reducing inventory and shortening delivery times. Moreover, we will actively deploy the results of improvements achieved thus far across all divisions and ensure the overall optimization concept is instilled throughout all business processes. And we will continuously promote improvement activities based on a workplace-oriented approach, thereby enhancing our overall competitiveness and bolstering our business foundation. Additionally, we are convinced that the know-how cultivated and the growth of our personnel during the reform process will be important assets for new businesses and global expansion.

As an outside director, I objectively monitor these reform efforts while suggesting in-house training and external seminar opportunities as necessary. I also offer advice related to risk management and the decision-making process. I will continue contributing to improvement in management transparency and soundness through objective oversight and advice from an independent perspective. It is my sincere hope that Tayca will further strengthen trust in the Company from society and continue achieving sustainable value creation.

The growth of the Tayca Group, with R&D at the core: Trust and expectations

Mamiko Ozaki
Outside Director

In the world of today, where no company can afford to overlook issues critical to the survival of human society such as climate change and fluctuations in the environment, the effective utilization of material and human resources, and the construction of a sustainable society, the chemical industry is expected to have the awareness and responsibility to apply innovative technologies to the resolution of these issues. In addition to the functional fine particle products and piezoelectric materials that led to our selection as one of the Global Niche Top Companies Selection 100, the advanced materials the Tayca Group continuously develops—including electroconductive polymers, and the high refractive titania sols announced via newspapers in April 2025—respond to societal and environmental needs through adaptive applications. These are the embodiment of Tayca's technological contributions toward resolving issues.

Based on my experience researching and teaching in my specialized field of chemical ecology within the life sciences domain at universities and other institutions, I trust the Company's commitment to innovative technological development based on core technologies cultivated through R&D in functional materials and environmentally conscious products. I also anticipate the potential for significant advancement through applied capabilities that capitalize on our competitive advantage in state-of-the-art technological fields including nanotechnology and microstructure control. Meanwhile, to foster innovation, we must cultivate personnel capable of passing on core technologies and establish an environment in which younger professionals are supported as they take on challenges. It is also necessary to make the most of connections with universities, public research institutions, and other external entities to take the latest knowledge and methodologies on board and update them.

Moving forward, based on scientific insights and the realities on the research front, I will continue to provide valuable advice from multiple perspectives on R&D appropriateness and direction. By fulfilling an advisory role that contributes to the sustained corporate value creation, I am committed to supporting the Tayca Group—as a company worthy of society's trust and expectations—in continuing its efforts toward further growth.

Human Capital Management

Message from Director

Passion: To Become a Company That Provides Sources of Excitement with Active, Passionate Human Resources

Hiroshi Nakamura

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

Creating and Cultivating Passionate Human Resources

Tayca Group's management philosophy is "Tayca Group creates materials that impress customers with the power of chemistry to create the source of inspiration and bring delivers dreams and smiles to the world." With this as our management philosophy, we have consistently pursued business activities in which we earnestly engage with customers and society and deliver awe-inspiring materials beyond expectations. At the core of this are passionate, energetic individuals, and cultivating such passionate personnel is vital for our continued growth toward the next 100 years. The Tayca Group is committed to the continuous, focused cultivation of personnel with environmental, social, and governance perspectives and who will be successful anywhere in the world, enabling them to fully realize their potential early on so that the Group can expand its business on a global scale. 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.

Regarding development, it is crucial to cultivate critical thinking ability through tier-based training programs by job level tailored to necessary roles and on-the-job training (OJT), fostering a sense of ownership that encourages individuals to acknowledge all matters as personal responsibilities. Moreover, I believe it is crucial to foster an organizational culture that develops numerous talented personnel who allows individuals to acquire experience in multiple departments early in their careers, hone their expertise by leveraging that experience mid-career, and then, once they have reached the managerial level, develop numerous talented personnel who in turn can develop people and drive organizational results.

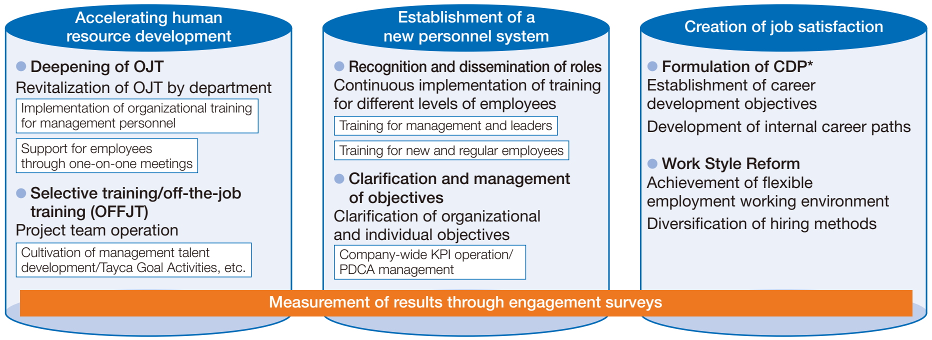
We will also intensify our recruitment activities in the interest of securing the human capital that will carry Tayca forward. In line with increased new businesses, we are challenging ourselves to broaden our recruitment base by hiring not only new graduates but also focusing on mid-career hires and recruiting personnel abroad.

We will establish ourselves as a corporate group that provides inspiring materials by fostering an environment in which diverse talents can freely come up with and share ideas, thereby revitalizing the entire company.

Constructing a System to Foster Growth for Both the Company and Its Employees

To acquire and develop personnel capable of designing, driving, and leading growth strategies, we must continuously evolve our personnel system to serve as a platform that promotes individual performance contributions and growth, adapting it to the times. The new personnel system revised in FY2024 is focused on employee growth, based on the belief that the sum of our employees' demonstrated abilities and untapped potential is the source of the Tayca Group's growth and competitiveness. Organizational and individual objectives are aligned under a single direction, creating an environment in which employees are able to boldly accept challenges. Supervisors are required to take responsibility for team member growth. At the same time, differentiated evaluation results and salary wages will be clearly distinguished to determine compensation treatment based on the degree to which abilities are demonstrated. These institutional reforms approach achieving management objectives targets from a personnel viewpoint. We will continue striving to firmly establish and effectively implement the new personnel system.

Furthermore, by creating an environment that allows a diverse range of employees to thrive, we will strive to enhance sustainable corporate value. We will achieve this by enabling employees to maintain high motivation with work-life balance, thereby raising productivity and generating greater results. We will reflect the results of these initiatives in creating a better environment and augmenting our structure by extracting issues through regularly conducting engagement surveys and implementing measures.



*CDP: Career development program

Human Capital Management

Efforts to Nurture Self-directed Employees

The Tayca Group has identified "Promotion of human resource development and advancement" as a materiality and is concentrating its efforts on personnel development. We are working to create a new career system to provide employees with opportunities to think about their future careers and allow them to choose the most suitable career path. By continuously growing, our employees enhance their motivation, and by consistently demonstrating high capabilities, they contribute to the sustainable enhancement of our corporate value.

Acceleration of Development of Human Resources (key initiatives for FY2026)

The Tayca Group promotes employee growth and organizational vitality by continuously implementing on-the-job training (OJT) at each workplace and utilizing a Brother-Sister System, in which senior employees provide ongoing support and guidance to new hires. Through this approach, we foster a shared understanding between the Company and its employees regarding our management philosophy, long-term management vision, and individual goals. We also conduct training for different levels of employees, next-generation leadership training, and selective training initiatives to instill a clear understanding of the roles expected of each individual. These initiatives aim to enhance employee motivation and drive mindset transformation. For those in management positions, we focus on strengthening management skills, deepening awareness of their responsibilities, and emphasizing the importance of developing subordinates to promote effective leadership practices. Going forward, we will continue to expand and enhance our employee education programs to accelerate the development and growth of our talent.

Moreover, to harness employees' autonomy and motivation as drivers of personal growth, we have introduced a self-declaration system for career development. To foster a sense of ownership among employees, we will design and operate a career development program (CDP), encouraging individuals to take initiative under the concept that your career is something you shape yourself. This approach enables us to implement personnel management that takes into account employees' aspirations and experience, striving to promote their active participation.

Number of participants in training for different levels of employees

FY	FY2023	FY2024	FY2025
Training for executive-level personnel	–	61	80
Rank-L training	–	60	48
Third-year training	15	15	9
Second-year training	14	13	16
Training for new employees	11	14	23
Total	40	163	176

Scene from training for different levels of employees

TOPICS

The Tayca Group has set up a system to acknowledge employees who make significant contributions to the business, with the aim of enhancing employee motivation. In FY2025, six initiatives were commended under this system—two related to research and development, and four related to production.

FY2025 Commended Initiative: Shortening of product inspection lead time

The Tayca Group is working to raise productivity across the organization, endeavoring to reduce expenses and inventory levels. Among the various steps from raw material receipt to shipment, the time required for product inspections was identified as a key factor contributing to increased inventory and was therefore prioritized for improvement. We have set the following targets aimed at shortening the inspection lead time in order to continuously respond promptly to customer requests while simultaneously reducing inventory levels.

Targets Reduction of 30% in product inspection lead time (compared with FY2024 results)

Based on the Theory of Constraint, we implemented measures such as streamlining workflows and strengthening the organizational structure through multi-skilling of QC(Quality Control) analyst, as well as developing a system to visualize analysis progress.

Results Succeeded in reducing product inspection lead time by more than 30%

Our efforts resulted in shortening product inspection lead time by over 30% and lowering inventory levels. This initiative is expected to lead to a reduction in storage and other related expenses. Taking into account the analysis schedule of each QC(Quality Control) analyst, we will continue pursuing further reduction in inspection lead time and labor through measures including the use of equipment during the nighttime and streamlining administrative procedures, with the aim of enhancing overall productivity.

Inventory stored at a plant

Human Capital Management

Promotion of Human Capital Management

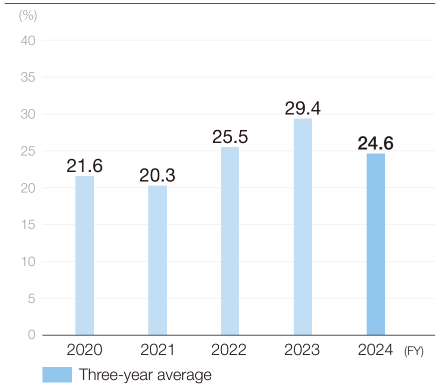
The Tayca Group has identified diversity & inclusion as one of its materiality items, and has been working to promote diversity. We are committed to creating job satisfaction, improving the workplace environment, and developing human resources so that employees can fully demonstrate their skills. To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

Advancing Women's Participation

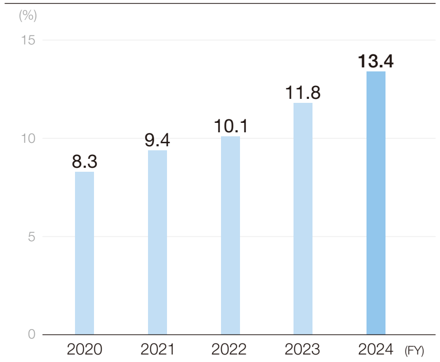
Pursuant to the General Employers Action Plan under the Act on Promotion of Women's Participation and Advancement in the Workplace, we have been conducting recruitment activities with the goal of ensuring that at least 10% of new hires are women.

The proactive appointment of women to a variety of departments fosters a diverse exchange of opinions and contributes to revitalizing the organization. The ratio of female workers in managerial positions in particular has grown each year. We will cooperate with the labor union to create an environment in which women can play increasingly active roles.

Female Employee Hiring Percentage
(Non-consolidated)



Ratio of female workers in managerial positions (consolidated)



Recruitment Activities

Human capital is vital to a company's growth. Recruitment activities to secure talented personnel constitute a strategic initiative that underpins the core of management, directly contributing to the cultivation of corporate culture, higher productivity, and enhanced competitive power. By setting clear recruitment goals, optimizing the hiring process, and securing the next generation of talent, we aim to achieve sustainable corporate development.

To realize diverse and flexible work styles, the Tayca Group conducts not only new graduate recruitment but also mid-career hiring of individuals with advanced skills and experience. The ratio of mid-career hires among regular employees was 48% in FY2023, 41% in FY2024, and 51% in FY2025.

As of the end of March 2025, foreign nationals accounted for 20% of the total workforce. The Tayca Group has consistently pursued the recruitment of individuals with diverse backgrounds. We will continue to actively promote the recruitment of diverse human resources who will contribute to the sustainable growth of the organization.

Comeback system

The Company has introduced a Comeback (Return to Work) system that enables former employees who left their positions due to unavoidable circumstances such as marriage, childcare, or caregiving responsibilities to return and continue their careers with us. Through this system, we aim to support these individuals in leveraging their experience, knowledge, and skills at the Company once again.

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. We are actively promoting the introduction of new systems, the review of existing ones, and improvements in employee treatment. In 2025, for instance, we implemented a significant wage increase while considering the impact of recent inflation on cost of living. Moving forward, we will continue to fulfill our social responsibilities as a corporate entity, while also striving to enhance employee motivation and boost productivity through initiatives aimed at creating a more engaging and rewarding workplace.

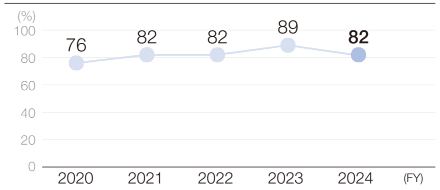
Work Style Reform

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. We will continue focusing on reducing overtime hours and increasing the implementation rate of No Overtime Days, achieving our objectives. Moving forward, we will promote initiatives that support a more comfortable and motivating workplace for all employees.

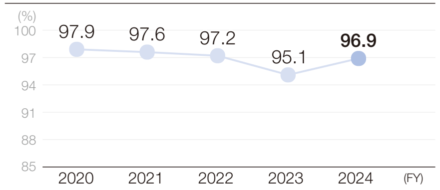
Since April 2021, we have introduced the Tayca Childcare Support Plan a system designed to enable flexible working arrangements for employees raising children, regardless of gender. This is a flexible system that enables employees to choose freely from five different work arrangements—1) teleworking, 2) no overtime, 3) reduced working hours, 4) flexible start and end times, and 5) a four-day workweek—to suit their job responsibilities and their child's development until completion of elementary school. The plan is highly flexible, allowing employees to revise their selected arrangement on a monthly basis. By utilizing this system, employees are better able to actively participate in parenting while continuing their professional duties.

Japan has become one of the most rapidly aging societies in the world, and balancing work and caregiving has already become a pressing issue. In response, we have reviewed our leave policies to also support employees with caregiving needs—these include increasing the number of paid leave days and allowing more flexible use of accumulated annual leave. We will continue to promote the implementation and review of systems from various perspectives.

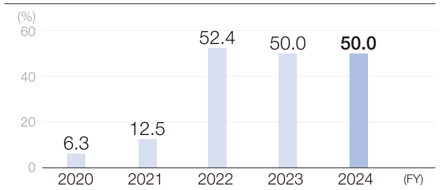
Paid Leave Utilization Rate (Non-consolidated)



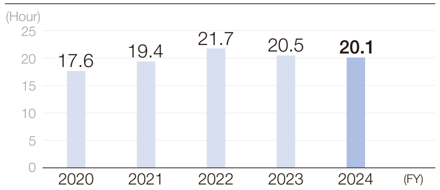
No Overtime Day Implementation Rate (Non-consolidated)



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



Average Monthly Overtime Hours (Non-consolidated)



Implementation of the Employee Engagement Survey

The Tayca Group has long sought to enhance employee engagement by listening to employees' voices through internal feedback and labor-management meetings, supporting organizational activities at each workplace. As part of our efforts to assess the current standing of the Company and measure the effectiveness of improvement initiatives, we conducted an employee engagement survey in March 2024. We took the results seriously, reflected them in the ideal state for the Group overall and for each organization, aiming to further strengthen employee engagement.

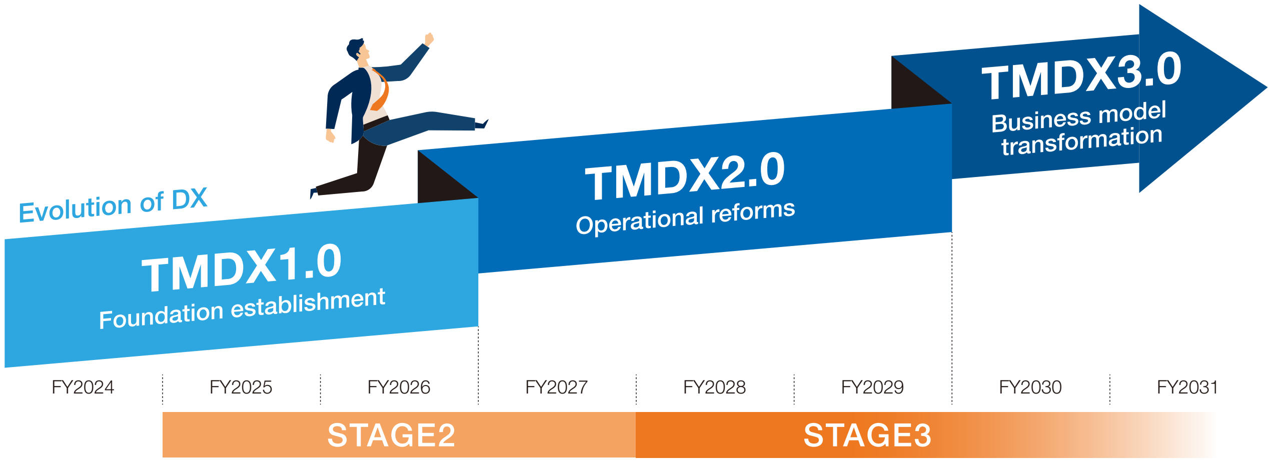
We conducted the survey again in March 2025 and confirmed that the scores were higher. This reaffirmed that the initiatives based on the previous year's results—designed to build better organizations and systems—are working effective.

Moving forward, in order to achieve the goals we have set, we will continue to create job satisfaction for our employees, promote talent development, and embed the new HR system across the Group. We will heighten employee engagement, increase the number of passionate individuals, and work toward bringing our long-term management vision to fruition.

	FY2024	FY2025	Target (FY2030)
Engagement survey score	62 points	65 points	71 points or higher

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 our mid-term management plan 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.



TMDX1.0
Foundation establishment

Digitization

- Improvement of operational efficiency and visualization of operations by introducing new tools
- Preparation and improvement of fundamental systems and security
- Enhancement of employees' DX literacy

TMDX2.0
Operational reforms

Digitization

- Further improvement of efficiency through operational reforms
- Cross-divisional data sharing and system integration
- Supply chain establishment

TMDX3.0
Business model transformation

Digital transformation

- Business model transformation
- Implementation of data-driven management
- Real-time monitoring execution

Examples of Initiatives

Division	Details	
Factories	Robotic process automation (RPA)	Reduction of manufacturing data aggregation time
	AI visual inspection	Improvement of productivity and standardization of inspection quality
	Manufacturing Execution System	Improvement of productivity, information integration and visualization
	Consideration of Laboratory Information Management System implementation	Quality improvement and productivity enhancement through data reliability assurance and utilization
Research laboratory	Exploration of materials informatics (MI) and chemicals informatics (CI)	Reduction of development time
Head Office	Consideration of fundamental system renewal, infrastructure development, and security enhancement	Foundation development

Sustainability

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 of 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 that take the environment, society, and governance into consideration, and to contribute to the development of a sustainable society.

	Environment	Social	Governance
Materiality	● Address climate change issues ● Environmental conservation ● Address product-related regulations	● Occupational safety and health ● Respect human rights	● Improve transparency and soundness of management
Initiatives	● Environmental management system ● Response to issues related to climate change, natural capital, and biodiversity ● Improve evaluations by external organizations ● Responsible care	● Occupational safety and health initiatives ● Co-creation with stakeholders ● Respect human rights ● CSR procurement	● Corporate governance ● Risk management ● Compliance ● Business continuity plan (BCP) ● Information security

Sustainability

Sustainability 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 "Sustainability Basic Policy" as described on the right.

1. Building Businesses that Create Economic and Social Value
2. Relationship with Stakeholders
3. Harmony with the Global Environment
4. Respect for Human Rights
5. Compliance with Governance

For details, please refer to the Company's website.

Sustainability Promotion System

With the aim of promoting sustainable corporate activities, the Tayca Group established the Sustainability Committee chaired by the Representative Director, President Executive Officer.

The Committee meets at least twice a year to address issues across divisions and departments including climate change issues.

Roles of the Sustainability Committee

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

Status of Activities

In FY2025, the Sustainability Committee met twice.

The main activities were as follows.

1. Deliberation and reporting on revision to the Procurement Policy
2. Deliberation and reporting on the formulation of the Responsible Minerals Procurement Policy
3. Deliberation and reporting on revision to the Human Rights Policy
4. Deliberation and reporting on the formulation of the Human Rights Manual
5. Report on the implementation of the Human Rights Policy (establishment of grievance mechanisms, training based on the Human Rights Manual)
6. Report on the preparation status of the Integrated Report for FY2025
7. Report on evaluation results from sustainability rating agencies (CDP, EcoVadis) and deliberation on future responses

Promotion Framework

The chairperson of the committee shall report on the activities of the committee to the Management Committee and the Board of Directors.

The Secretariat shall ensure that directions by the Management Committee or the Board of Directors be conveyed to the relevant divisions and affiliate companies.

Sustainability

Responsible Care

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

Responsible Care Implementation System

The Tayca Group implements and improves the environmental, safety, and health 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 Sustainability & Corporate Planning Department. The results are reported to the President Executive Officer, who gives instructions for improvement. We also operate an environmental management system based on the ISO 14001 standard to reduce our environmental impact.

Responsible Care®

Priority Items and Results for Responsible Care Activities in FY2025

Priority Items		FY2025 Targets	FY2025 Results
Environmental conservation	Energy intensity	Reduction of 1% or more from FY2024 levels	**Reduction of 2% from FY2024 levels**
Safety and disaster prevention Occupational safety and health		No equipment accidents	**No equipment accidents**
		No accidents with lost time	**Accidents with lost time of four or more days: 1** **Accidents with lost time of less than four days: 1**
		No accidents with no lost time	**Accidents with no lost time: 7** **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	**Responsible Care activity results reported in the Integrated Report (see this table).**
		Dialogue with stakeholders	Refer to Social / Co-creation with Stakeholders on page 50.

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 Results and Targets

		FY2025 Results	MOVING-10 (FY2030) Targets
CDP	Climate change	B	A- or higher
	Water security	B-	B or higher
EcoVadis		61 points	70 points or higher

Address Product-related Regulations

Addressing product-related regulations is a materiality that supports the Tayca Group's business, and the Company has established a management system to ensure that all products handled by the Tayca Group comply with applicable laws and regulations.

Product Safety Management

The Product Safety Management Committee is required to convene prior to the launch of any new product. The Committee deliberates on safety-related matters across all stages of the product lifecycle, including development, design, material procurement, manufacturing, sales, use, and disposal.

Product Information Disclosure

The Tayca Group recognizes the importance of appropriately disclosing product safety information to ensure that customers can use our products safely and with confidence. For all products, we prepare and provide product labels and Safety Data Sheets (SDS) in accordance with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), the Industrial Safety and Health Act, and other applicable regulations.

Environment

The Tayca Group recognizes that addressing climate change issues and environmental conservation through our business activities is a materiality. We are taking appropriate measures in accordance with our Sustainability Basic Policy and Environmental Policy.

Environmental Policy

❶ 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.

❷ To contribute to resource and energy conservation and global environmental preservation, we will strive to further promote resource and energy conservation.

❸ Take necessary measures to prevent pollution, including the disposal of soot, sewage, and waste generated by our business activities.

❹ Promote measures to recycle and reuse waste materials and strive to reduce waste.

❺ 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.

❻ 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.

❼ 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.

❽ We will periodically review our environmental management activities and strive for continuous improvement.

Environmental Management System

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 ISO 14001 Certification at All Factories in Japan

We have acquired (and continue to maintain and renew) ISO 14001 certification, an international standard for environmental management systems that aims to reduce environmental risks and contribute to the environment. We are continuously improving our environmental management for each area every year by 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 (general manager of each factory and general manager of the Sustainability & Corporate Planning Department for the Head Office and branch offices) to oversee each area, headed by the Director in charge of Sustainability & Corporate Planning 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

Address Issues Related to Climate Change, Natural Capital, and Biodiversity (Information Disclosure Based on TCFD and TNFD Recommendations)

The Tayca Group recognizes addressing issues related to climate change, natural capital, and biodiversity as one of our most important management issues.

Regarding climate change, we analyzed the risks and opportunities posed by climate change to the Tayca Group in accordance with the process outlined in the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

With respect to natural capital and biodiversity, we followed the process recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) to identify the Tayca Group's dependencies and impacts on natural capital and biodiversity across its business activities. We then evaluated the associated risks and opportunities, and selected those items that were judged to have higher levels of impact. The Tayca Group will incorporate these findings into its management strategies and take action aimed at sustainable growth.

Governance

The Tayca Group strives to create opportunities by managing risks at the executive level through the Sustainability Committee, chaired by the Representative Director, President Executive Officer.

In addressing environment-related issues, we are making efforts to respect human rights in accordance with the UN's Guiding Principles on Business and Human Rights, as set out in our Human Rights Policy. This commitment extends to all people involved in the business of the Tayca Group, including indigenous people, local communities, affected stakeholders, and other relevant parties.

Regarding human rights issues arising from the Tayca Group's business activities throughout its supply chain, the Sustainability Committee examines the status of related initiatives and reports to the Board of Directors and the Management Committee as appropriate.

Refer to Respect for Human Rights on page 51.

Risk Management

The Sustainability Committee plays a central role in the company-wide identification, evaluation, and response to risks and opportunities related to climate change, natural capital, and biodiversity. 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.

Climate Change Strategy

We analyzed two scenarios 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. Based on this analysis, we identified the risks and opportunities related to climate change by dividing them into two broad categories of "transition" to a low-carbon economy and "physical" changes caused by climate change.

Details of the identified risks and opportunities are provided on page 42.

1.5°C Scenario	4°C Scenario
Scenario of transition to a low-carbon economy	**Scenario with increased physical climate change risks**

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.

Environment

Risks and Opportunities Related to Climate Change and Major Responses

1.5°C Scenario

[Impact on Operating Profit: Legend ■Negative Impact ■Positive Impact Large: ¥1.0 billion or more, Medium: ¥0.1 billion – less than ¥1.0 billion, Small: Less than ¥0.1 billion]

Global Changes: Category	Global Changes: Item	Risks/Opportunities: Category	Risks/Opportunities: Item	Impact on Operating Profit	Proposed Risk Response	Occurrence Timing*
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 energ	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 Large: ¥1.0 billion or more, Medium: ¥0.1 billion – less than ¥1.0 billion, Small: Less than ¥0.1 billion]

Global Changes: Category	Global Changes: Item	Risks/Opportunities: Category	Risks/Opportunities: Item	Impact on Operating Profit	Proposed Risk Response	Occurrence Timing*
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

Indicators and Targets Related to Climate Change

The Tayca Group recognizes that addressing climate change issues is a materiality, and is continuously working to reduce greenhouse gas (GHG) emissions, including carbon dioxide (CO_2), in order to achieve carbon neutrality by FY2051.

In order to further advance our climate change initiatives, we have revised our FY2031 GHG emissions reduction targets, as shown on the right, in light of the need for efforts across the entire supply chain.

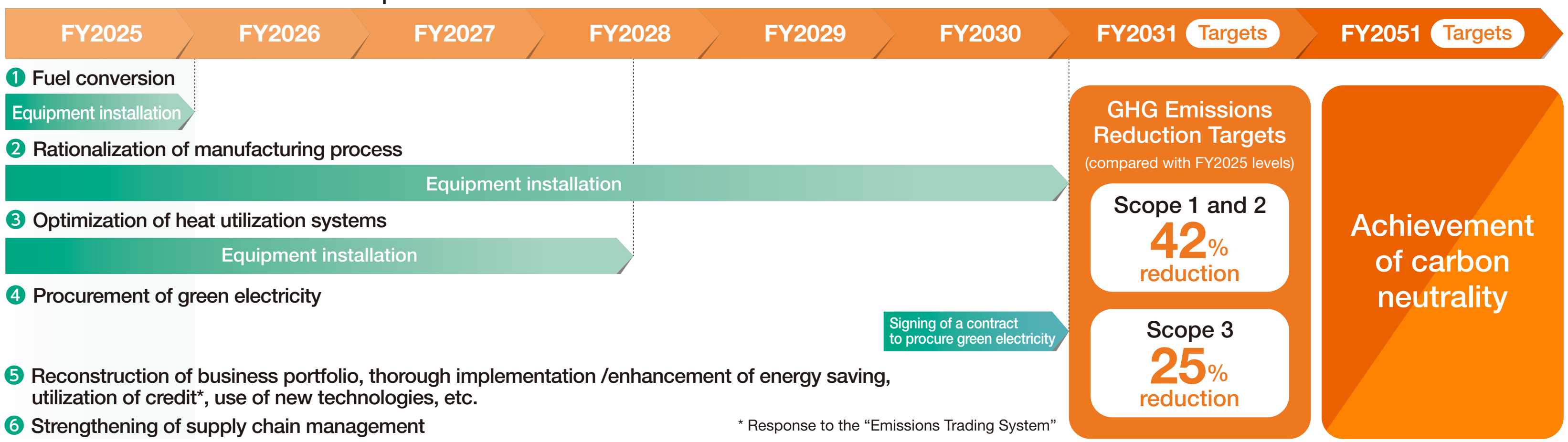
		Previous targets	New targets (set in FY2026)
Scope of calculation		Tayca Corporation standalone	**Entire Tayca Group**
Base year		FY2014	**FY2025**
FY2031 GHG emissions reduction targets	Scope 1 and 2	50% reduction of energy-related emissions only	**42% reduction of energy-related and process-related emissions (set based on SBTi 1.5 °C scenario, in accordance with GHG Protocol)**
	Scope 3	Not set	**25% reduction (set based on SBTi Well-Below 2 °C scenario)**

FY2025 Tayca Group GHG Emissions

Scope 1 and 2
214 thousand tons

Scope 3
394 thousand tons

GHG Emissions Reduction Roadmap



* Response to the "Emissions Trading System"

Results and Targets (entire Tayca Group)

Click here for details

GHG emissions	Unit	Results FY2025	Targets FY2031
Scope 1 and 2	(thousand tons)	214	**124**
Scope 3	(thousand tons)	394	**295**

Example of Initiatives

Fuel Conversion from Coal to LNG (Liquified Natural Gas)

In the past, the power generation facilities at the Tayca Okayama Factory used coal and heavy oil as fuels, and steam generated from the boilers was fed into turbines to generate electricity. Since coal emits particularly large amounts of CO_2 compared to other fossil fuels, the power generation facilities were upgraded to switch from coal to LNG, and began operation in February 2025.

Environment

Strategy for Natural Capital and Biodiversity

The Tayca Group analyzed its dependence and impact on nature with reference to the guidance provided by TNFD recommendations.

The analysis focused on our core business—manufacture of various industrial chemical products—and was conducted with reference to ENCORE*, a tool recommended by the TNFD for such assessments. As a result, potential areas of dependency and impact on nature were identified, as shown on the right.

It should be noted that this assessment represents a general evaluation of the relevant business activities and does not fully reflect the specific geographical context or operational realities of the Tayca Group.

We plan to conduct further investigations and review the materiality of dependencies and impacts based on the actual conditions of the Tayca Group.

* ENCORE stands for *Exploring Natural Capital Opportunities, Risks and Exposure*. It is a tool developed jointly by the Natural Capital Finance Alliance (NCFA) and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), designed to help organizations understand the scale of their dependencies and impacts on nature.

Assessment of Nature Dependencies

Provisioning services	Assessment
Water supply	M
Regulating and maintenance services	
Global climate regulation	VL
Rainfall pattern regulation	VL
Local climate regulation	L
Air filtration	VL
Soil and sediment retention	M
Solid waste remediation	L
Water purification	M
Water flow regulation	M
Flood mitigation	M
Storm mitigation	M
Noise attenuation	VL
Dilution by atmosphere and ecosystems	L
Mediation of sensory impacts (other than noise)	VL

Assessment of Impacts on Nature

Land, freshwater and ocean use change	Assessment
Area of land use	H
Area of freshwater use	H
Climate change	
Emissions of GHG	M
Pollution/pollution removal	
Emissions of non-GHG air pollutants	M
Disturbances (e.g. noise, light)	M
Emissions of toxic soil and water pollutants	H
Emissions of nutrient soil and water pollutants	H
Generation and release of solid waste	H
Pollution/pollution removal	
Volume of water use	VH
Invasive alien species introduction/removal	
Introduction of invasive species	M

VH: Very high, H: High, M: Medium, L: Low, VL: Very low

Risks and Opportunities Related to Natural Capital and Biodiversity and Major Responses

With reference to the risk and opportunity categories defined in the TNFD recommendations, we identified the potential risks and opportunities currently expected in relation to the key dependencies and impacts of the Tayca Group's major business.

Going forward, we will assess the potential financial impacts of these risks and opportunities and strive to further enhance our disclosures.

Category		Risks/Opportunities	Occurrence Timing*
Policies and Regulations	Risk	• Increased operational costs due to tightening of environmental regulations such as wastewater and waste • Rising material costs associated with switching to environmentally friendly packaging materials such as biomass plastics	Medium- to long-term
Technological Development	Opportunity	• Increased sales through development and sales of environmentally friendly, high-performance products • Improved productivity and profitability by reducing the use of raw materials, fuel, and water, as well as waste generation	Medium- to long-term
Physical (Chronic)	Risk	• Increased water use costs and decreased production capacity due to a decrease in water supply	Long-term
Reputation	Risk	• Loss of social credibility due to environmental incidents such as chemical leaks and violation of environmental laws	Medium- to long-term
Reputation	Opportunity	• Enhanced corporate value through proactive nature-related initiatives and information disclosure	Medium- to long-term
Liability	Risk	• Potential compensation liabilities resulting from incidents such as chemical leaks or environmental law violations	Medium- to long-term

*Medium-term: –2030, long-term: –2050

Environment

Preserving Natural Capital and Biodiversity

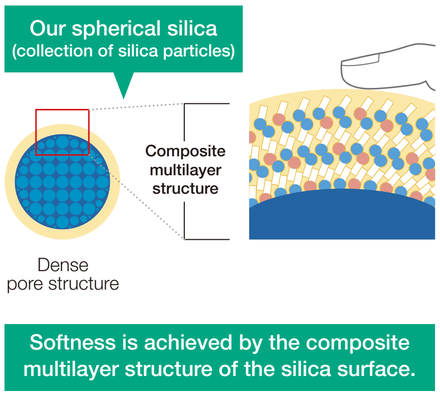
Development of Microplastic Alternatives

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

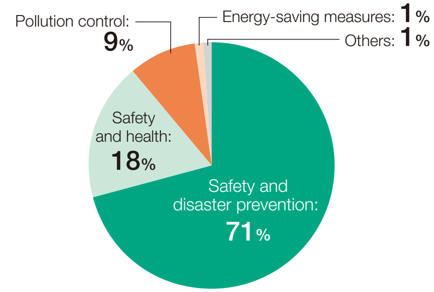
FY2025 Results

Environmental Investments

The total amount of environmental investments was approximately 1.2 billion yen, with a primary focus on safety and disaster prevention measures (such as the renewal of aging facilities) and safety and health improvements (such as enhancing the work environment).

Going forward, we will continue to promote energy-saving initiatives while taking into consideration environmental impact reduction and the safety of manufacturing facilities.

Breakdown of Environmental Investment
(Non-consolidated)



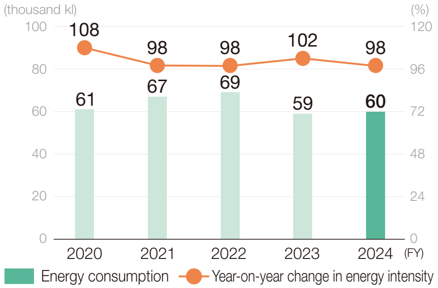
Energy Consumption

Energy consumption increased slightly from the previous fiscal year due to improvements in operating rates.

Energy intensity decreased from the previous fiscal year due to a switch to energy-saving equipment and more efficient production.

Going forward, we will continue to work on reducing both energy consumption and energy intensity by introducing energy-saving equipment and implementing high-efficiency production.

Energy Consumption (Non-consolidated)



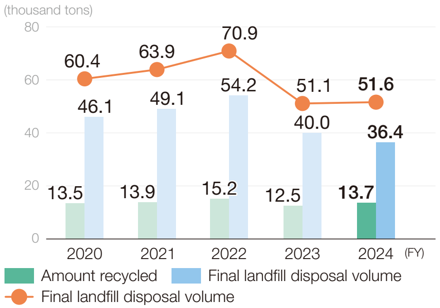
Industrial Waste Generation

The amount of industrial waste generated remained consistent with the previous fiscal year.

We are actively promoting resource recovery, focusing primarily on the reuse of industrial waste as cement raw material.

We will continue our efforts to reduce industrial waste generation and minimize waste through resource recovery.

Trend in Industrial Waste Generation
(Non-consolidated)



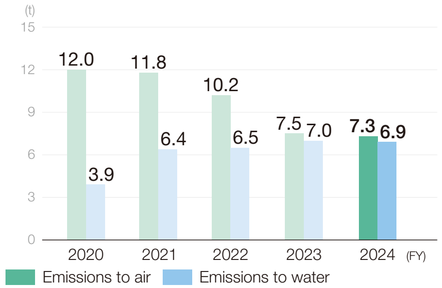
PRTR-Listed Substance Emissions

The total emissions of substances subject to PRTR* reporting requirements slightly decreased from the previous fiscal year.

We are promoting measures to reduce the PRTR-listed substances that minimize the impact of production volume fluctuations.

*PRTR (Pollutant Release and Transfer Register): A system for collecting and disclosing data on the sources and amounts of hazardous chemical substances released into the environment, or contained in waste transported outside the business sites.

PRTR -Listed Substance Emissions (Non-consolidated)

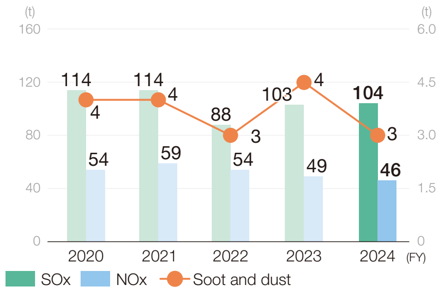


Emissions of Air Pollutants

Sulfur oxides (SOx) emissions increased slightly from the previous fiscal year, while emissions of nitrogen oxide (NOx) and those of soot and dust decreased from the previous fiscal year.

We use low-sulfur heavy oil in our boilers, which are a major source of air pollutants. In addition, high-performance post-treatment equipment has been installed to remove SOx, NOx, and soot and dust from combustion gasses generated during the processes. These efforts are part of our ongoing initiative to achieve reductions in air pollutant emissions.

Trend in Air Pollutants Emissions (Non-consolidated)



Total Wastewater Discharge and COD Emissions

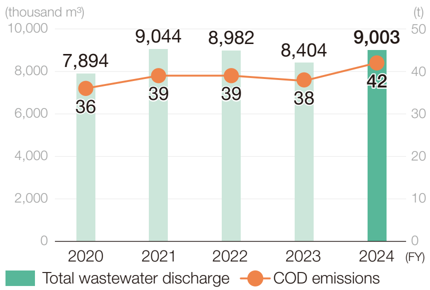
Total wastewater discharge and chemical oxygen demand (COD) emissions increased from the previous fiscal year.

At our main production site, the Okayama Factory, we manage water quality by setting voluntary control values that are stricter than the standards required by the Water Pollution Prevention Act and the Act on Special Measures concerning Conservation of the Environment of the Seto Inland Sea, and we make every effort to comply with them.

For COD, which is subject to total emission control regulations, we reduce emissions through water purification treatment.

We will continue our efforts to reduce total wastewater discharge by conserving water and promoting water recycling.

Trend in Total Wastewater Discharge and COD Emissions (Non-consolidated)



Social

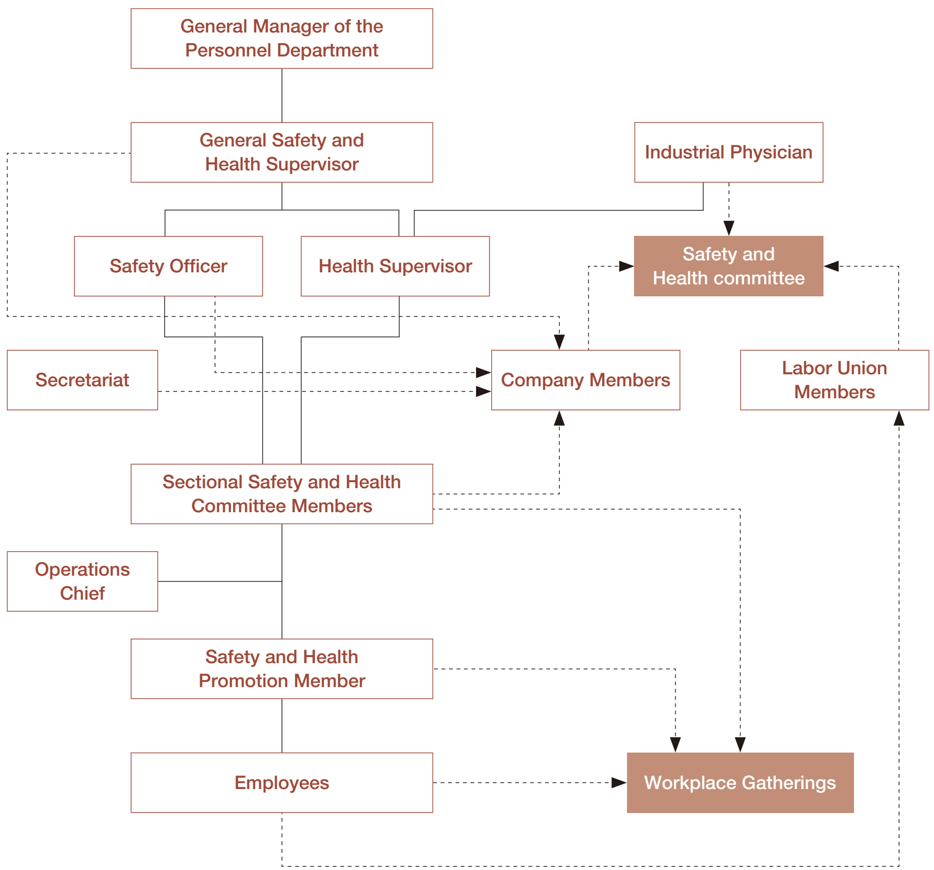
Occupational Safety and Health

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

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

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

Organizational Structure for Safety and Health Management



Social

Ensure Occupational Safety and Health

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 safety and health activities with the aim of achieving zero accidents going forward.

Specific Initiatives

❶ Conducting Risk Assessments and KY (*Kiken Yochi*: Risk Prediction) Activities

- By regularly conducting risk assessments across all work environments and implementing measures for items assessed to have high risks, we have reduced risks and created a safe and secure work environment.
- 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.

❷ Horizontal Dissemination of Near-miss Incidents and Disaster Reports

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

❸ Safety Patrols

- In addition to regular patrols, every month we conduct themed workplace patrols, such as facility maintenance and the 5S principles to identify and correct hazardous areas.
- Not only hazardous spots but also areas where appropriate safety measures have been implemented are recognized as good practices and shared horizontally to raise safety awareness.
- Each workplace appoints a person responsible for managing the use of personal protective equipment (PPE), overseeing the proper selection and usage. PPE inspections are also carried out during safety patrols.
- We conduct joint patrols with other companies to create an even safer work environment.

❹ Safety Review Meetings

- We regularly hold safety review meetings at each business site, 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.

❺ Hazard Simulation Training

- We strive to improve safety awareness by having employees participate in external hazard simulation training and actually experiencing hazards, such as experiencing a fall while wearing a harness and experiencing an electric shock in virtual reality.

❻ Heatstroke Prevention and Response Measures

- We have established a reporting system and response procedures for situations where an employee exhibits symptoms of heatstroke or is identified as being at risk. These protocols are thoroughly communicated to all employees to ensure timely and appropriate action.
- In line with the revised Ordinance on Industrial Safety and Health, which came into effect in June 2025, which mandates business operators to establish systems, develop procedures, and ensure awareness among relevant personnel to prevent severe cases of heatstroke under certain working conditions, we reviewed our internal systems and procedures accordingly.
- In addition to checking the physical condition of employees before work begins, we instruct them to maintain hydration and mineral balance.
- 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.

❼ Health Checkups and Stress Checks

- We conduct regular health checkups twice a year to monitor employees' health, aiming to prevent work-related health issues, detect illnesses at an early stage, and promote overall well-being.
- A stress check is conducted once a year, and employees are notified of the results. If an employee is identified as having high stress and requests support, we arrange interviews with a physician to help prevent mental health issues.
- In addition, we support employees in improving their lifestyle habits through health guidance and counseling.

Social

TOPICS Safety & Productive Maintenance Initiatives Across Surfactant Manufacturing Sites

At the Tayca Osaka Factory, TAYCA (Thailand), and TAYCA (VIETNAM), which are manufacturing sites for surfactants, joint safety & productive maintenance meetings are held every month. At these meetings, various discussions are held to improve the safety of the work environment and ensure stable operations, including the sharing of information on past accident cases and countermeasures, guidance on precautions and improvements in similar operations at each site, the sharing of know-how in facility maintenance, and the confirmation of the status of safety education initiatives.

In addition, employees from the Osaka Factory visit TAYCA (Thailand) and TAYCA (VIETNAM) to conduct on-site factory inspections and provide guidance on facility checks, fostering initiatives that are deeply rooted in the field.

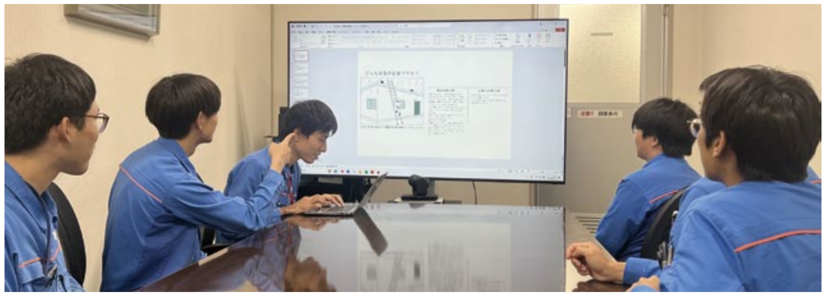
Going forward, we will strive to further improve safety by continuing to closely share information among sites and provide appropriate guidance and proposals.

Safety Week Event at TAYCA (Thailand)

TOPICS Initiatives for Safety Awareness Reform

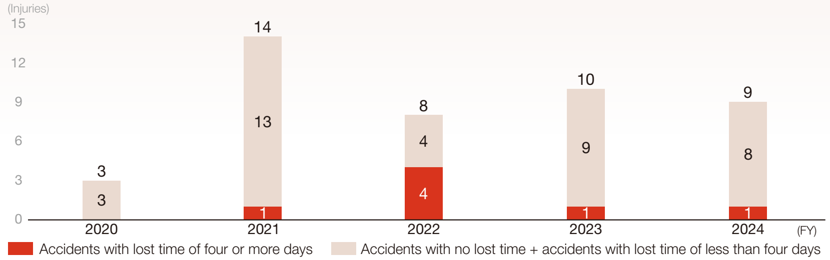
At our factories in Japan, employees conduct monthly training as a form of safety education, using safety and health sheets issued by a publishing company that provides information on safety and health, to discuss potential hazards and possible countermeasures to enhance their hazard prediction sensitivity. In the Okayama region, we conduct activities to raise safety awareness, mainly through HSA activities (H: *Hitori Kiken Yochi* (hazard prediction by individuals), S: *Sogo Chui De* (mutual attention), and A: *Arigato* (thank you)), working to foster a culture of safety.

Moving forward, we will continue to provide opportunities for employees to discuss safety issues with each other, aiming to further enhance safety awareness.



Hazard prediction training using safety and health sheets

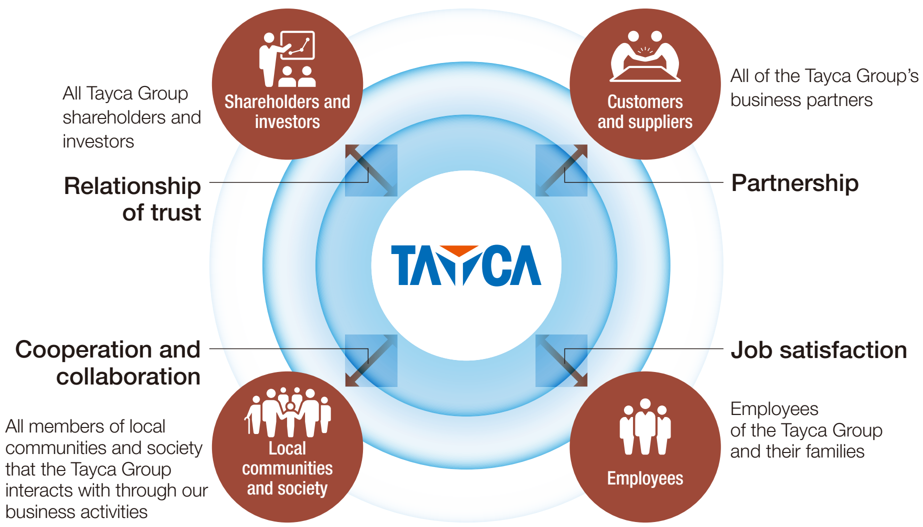
Number of Occupational Injuries (Non-consolidated)



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, safety, and health, we publicly announce the results of our activities, and engage in dialogue and communication with society.



TOPICS Main Community Contribution Activities

In the Okayama region, we held a workplace experience program for local junior high school students on June 17, 2024.

In the Funamachi region, we regularly carry out cleanup activities around our factory.

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.	• Maintain and improve corporate value • Appropriate return of profits • Timely and appropriate disclosure of corporate information • Response to ESG investment	• 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.	• Provision of safe, reliable, and valuable products and services • Fair and equitable transactions • Support and collaboration for sustainable procurement • Appropriate management of supplier information	• 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.	• Contribution to local development • Prevention of accidents/disasters, environmental conservation	• 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.	• Consideration for health as well as occupational safety and health • Utilization and development of human resources • Creation of a workplace where diverse human resources can play an active role	• 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, company intranet

Social

Respect for Human Rights

Human Rights Policy

In April 2022, the Tayca Group established the Human Rights Policy. For details of the Human Rights Policy, please refer to the Company's website.

Establishment of an External Whistleblowing Contact Point

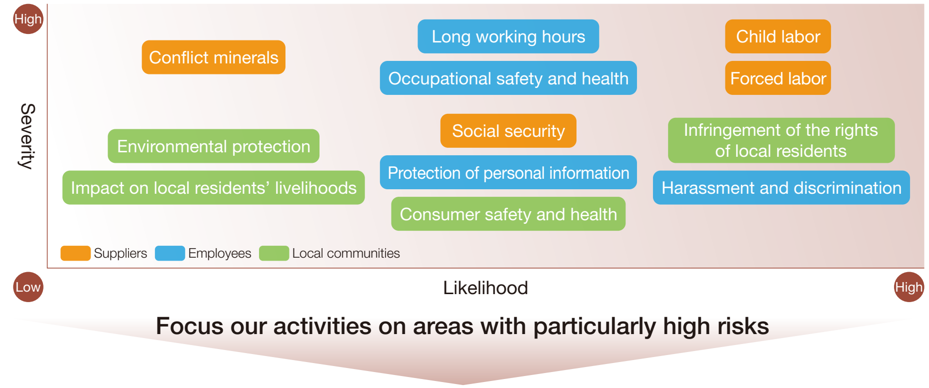
The Tayca Group has established contact points for all stakeholders to implement or cooperate in remedying potential negative impacts on human rights that may arise from business activities in its supply chain, based on its Human Rights Policy and Responsible Minerals Procurement Policy. Reports and consultations can be made either to the Secretariat of the Sustainability Committee or to an external contact point operated by a legal professional.

Process for Identifying Adverse Impact on Human Rights

Identify human rights issues anticipated in business activities

Assess impact and identify priority issues

Risk Map of Issues Identified through Human Rights Due Diligence



❶ Illegal labor at suppliers

❷ Violations of safety and health 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 safety and health	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

CSR Procurement

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 strictly complying with respect for human rights and compliance.

Basic Procurement Policy

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.

Responsible Minerals Procurement Policy

Some of the mineral resources traded around the world are considered high-risk due to links with illegal activities in conflict-affected areas, as well as associated human rights violations and environmental destruction. In response, the Tayca Group has formulated a Responsible Minerals Procurement Policy and is working together with its suppliers to promote CSR procurement.

- Tayca Group continuously conducts due diligence on risks associated to avoid the risks outlined in OECD Annex II with environmental destruction, human rights violations, and for the financing of armed groups within mineral supply chains in conflict-affected and high-risk areas (CAHRAs) when procuring conflict minerals considered high-risk (tin, tantalum, tungsten, gold, etc.).
- If the results of the risk assessment indicate a high risk, we will take corrective measures to address the issue.

Initiatives for CSR Procurement

As corporate activities become increasingly globalized, companies are strongly required to contribute to the establishment and development of a sustainable society as part of their corporate social responsibility (CSR). It has become essential to promote procurement activities that place greater emphasis than ever before not only on conventional factors such as quality, performance, price, and delivery conditions, but also on CSR-related elements such as environmental protection, working environment, and human rights.

The Tayca Group has prepared a proprietary CSR self-check sheet to survey suppliers and promote CSR procurement.

For example, titanium, a constituent of titanium ore, which is one of the main raw materials, is a high-abundance crustal element. In addition to procurement from multiple regions around the world, we strive to ensure stable procurement by being mindful of the reserves in each production region, thereby preventing disruptions caused by depletion.

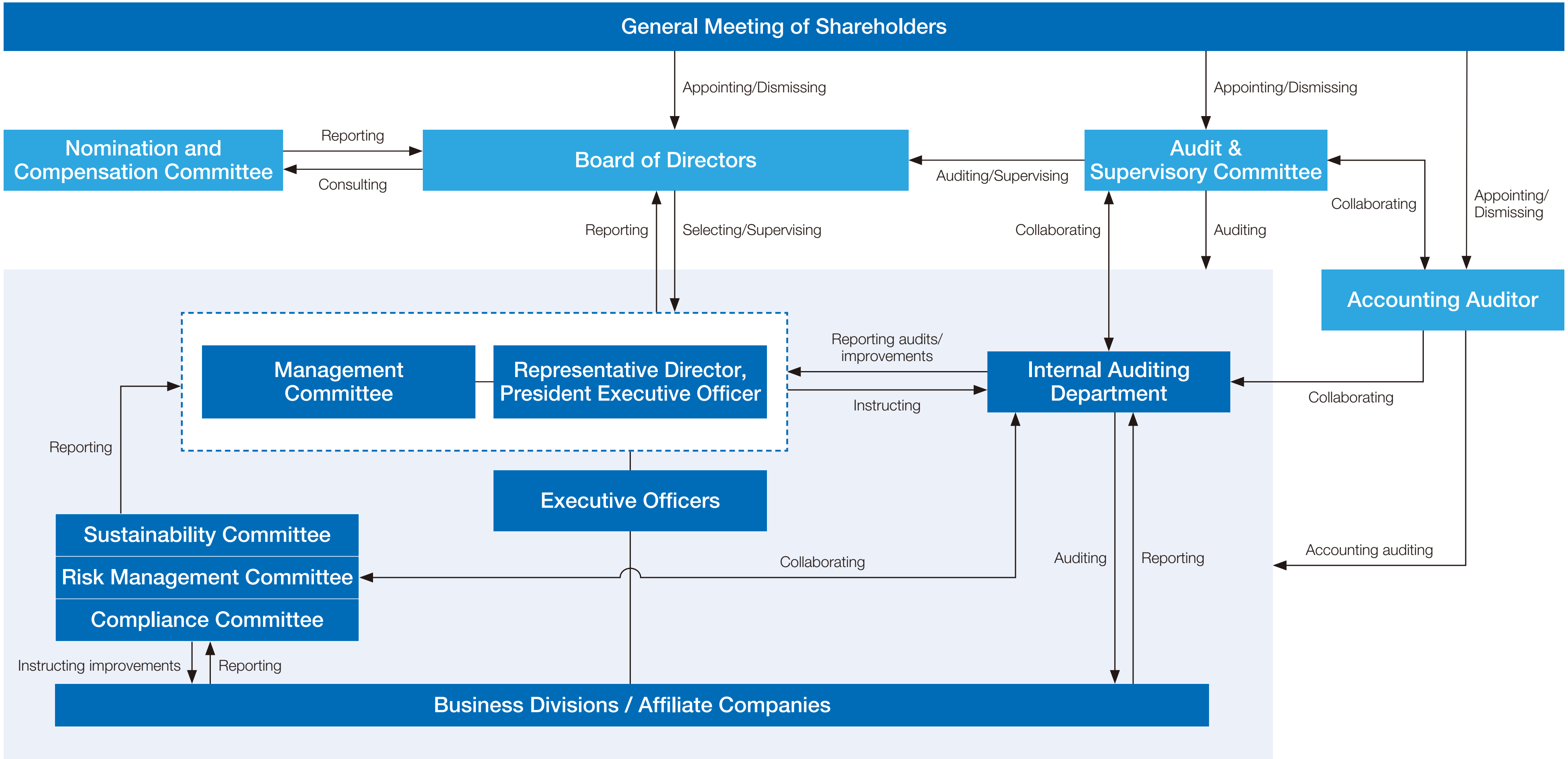
Governance

Tayca Corporate Governance Principles (in Japanese only)

Tayca Corporate Governance Report (in Japanese only)

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 Framework (as of June 30, 2025)



Board of Directors

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 duties by each director.

Position, etc.	Name	Responsibilities and Significant Concurrent Positions
Representative Director, President Executive Officer	Shunji Idei	In charge of the Internal Auditing Department, Osaka Research Laboratory, and Okayama Research Laboratory
Director, Managing Executive Officer	Tamataro Iwasaki	In charge of the Sustainability & Corporate Planning Department, Purchasing Department, and Osaka Factory
Director, Managing Executive Officer	Yoshihiro Murata	In charge of the Sales Department
Director, Senior Executive Officer	Hiroshi Nakamura	General manager of the Personnel Department, in charge of the General Affairs Department, Accounting Department, and DX Promotion Office
Director, Audit & Supervisory Committee Member (full-time)	Yasuyuki Nakatsuka	
Outside Director, Audit & Supervisory Committee Member	Koji Yamamoto	Professor, Faculty of Business Administration, Osaka Gakuin University Dean, Faculty of Business Administration, Osaka Gakuin University Outside Director (Audit & Supervisory Committee Member), F&M CO., LTD.
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.
Outside Director, Audit & Supervisory Committee Member	Tsuyoshi Inoue	
Outside Director, Audit & Supervisory Committee Member	Reiko Kojima	Lawyer of Yodoyabashi & Yamagami Legal Professional Corporation Outside Director (part-time), NICHIA STEEL WORKS, LTD.

*As of June 30, 2025

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 Executive Officer
Number of directors (Number of female directors)	9 (2)
Appointment status of outside directors	Appointed
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.

Tenure

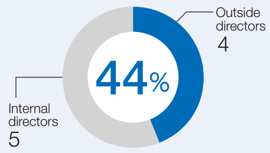
Average of 3 years

Attendance at Board meetings

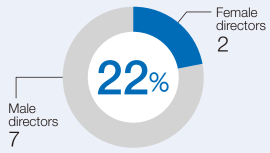
Average of 98 %

(13 meetings held)

Ratio of outside directors



Ratio of female directors



Audit & Supervisory Committee

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.

To ensure proper auditing, a liaison meeting consisting of Audit & Supervisory Committee Members, Accounting Auditors, and General Manager of the Internal Auditing Department is held regularly.

Independent Outside Officers

Name	Supplementary Explanation Regarding Conformance Items	Reason for Appointment
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 leveraged in the management supervision 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.
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 supervision 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 a former Chairman of the Board 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 a former Chairman of the Board 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.
Reiko Kojima	Reiko Kojima is a lawyer at Yodoyabashi & Yamagami Legal Professional Corporation, a company with which we have a consulting agreement.	As a lawyer, Reiko Kojima is well-versed in corporate legal affairs. We believe that her professional insight and wealth of experience cultivated over the years will be reflected in the management supervision 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. In addition, while Yodoyabashi & Yamagami Legal Professional Corporation, to which she 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 she 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.

Governance

Management Committee

The Management Committee consists of the Representative Director, President Executive Officer, 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 Compensation Committee

The Nomination and Remuneration Committee consists of six members: two internal directors and four independent outside directors. It is chaired by the Representative Director, President Executive Officer. The purpose of the Nomination and Compensation 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 Compensation Committee	6	2	2	4	0	0	Internal director
Voluntary committee equivalent to a remuneration committee	Nomination and Compensation Committee	6	2	2	4	0	0	Internal director

Matters Discussed by the Nomination and Remuneration Committee

● 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

● 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

● Other important managerial matters deemed necessary by the Board of Directors

Total Remuneration by Officer Classification, Total by Type of Remuneration, and Number of Officers Covered

Officer classification	Total remuneration (Million yen)	Total by type of remuneration (Million yen)			Number of officers covered
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration, etc.	
Directors (excluding Audit & Supervisory Committee members)	113	77	28	6	5
Directors (Audit & Supervisory Committee members) (excluding outside directors)	13	13	—	—	1
Outside directors (Audit & Supervisory Committee members)	22	22	—	—	4

Since 2023, we have introduced a restricted stock remuneration plan as a form of non-monetary remuneration for directors (excluding directors who are Audit & Supervisory Committee members and outside directors). This plan is intended to provide incentives for the sustainable enhancement of corporate value and to further promote value sharing with our shareholders.

In 2025, following deliberation by the Nomination and Compensation Committee, we also introduced a similar restricted stock remuneration plan for executive officers who do not concurrently serve as directors.

Governance

Operation Status of the Board of Directors

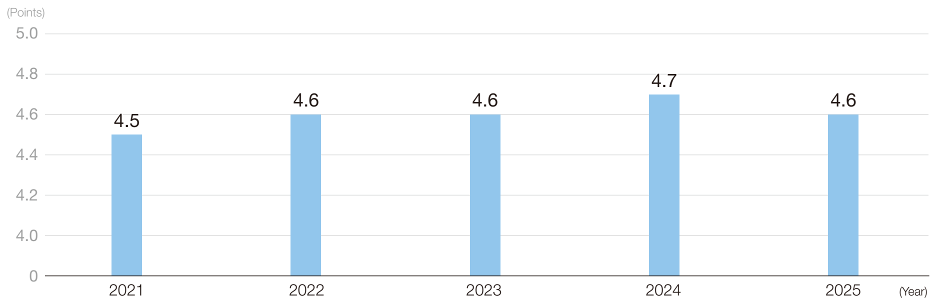
Analysis and Evaluation of the Effectiveness

A questionnaire on the effectiveness of the Board of Directors* was conducted with all directors in March 2025 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 GHG 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.

Results of Board Effectiveness Questionnaire (Average scores based on a 5-point scale for each item)



Skill Matrix for Directors

To achieve sustainable enhancement of corporate value and realize medium- to long-term growth, the Company positions the strengthening of governance as one of its most important management issues. The Board of Directors, which plays a central role in this effort, is composed of members with well-balanced knowledge and experience across a wide range of fields, including management strategies, finance/accounting, legal/risk management, research and development, manufacturing/technology, international operations, and sustainability. This enables constructive discussions and decision-making from a multilateral perspective, enhancing the effectiveness and transparency of management.

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
Representative Director, President Executive Officer	Shunji Idei		●			●	●			
Director, Managing Executive Officer	Tamataro Iwasaki		●			●	●	●		●
Director, Managing Executive Officer	Yoshihiro Murata		●				●			
Director, Senior Executive Officer	Hiroshi Nakamura			●	●			●		
Director, Audit & Supervisory Committee Member (full-time)	Yasuyuki Nakatsuka			●	●			●		●
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	●			●				●
Director, Audit & Supervisory Committee Member	Reiko Kojima	Outside/Independent		●				●		●

Risk Management

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

Functions of the Risk Management Committee

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

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

Details of the Meeting

[Review of Risk Countermeasures]

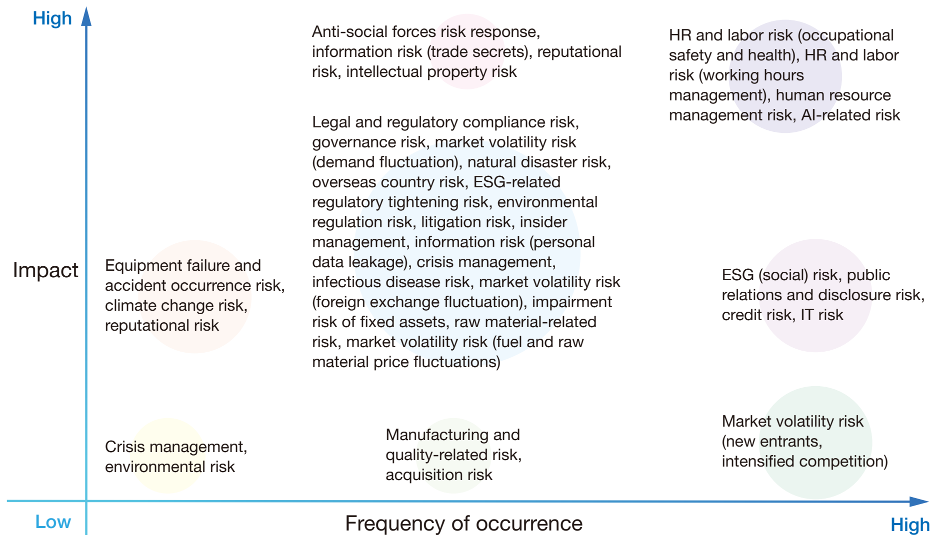
- Revision of supervised risk items, increasing from 4 to 9
- Exchange of views regarding the revised items

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, Sustainability & Corporate Planning Department, General Affairs Department, Personnel Department, and DX Promotion Office
Committee Members	General Manager of the Internal Auditing Department, General Manager of the Sustainability & Corporate Planning Department, General Manager of the General Affairs Department, General Manager of the Personnel Department, and General Manager of the DX Promotion Office
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).



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

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, and free from corruption. 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 Executive Officer and full-time Audit & Supervisory Committee members.

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

Compliance Committee	
Chairperson	Appointed by the President Executive Officer
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, Sustainability & Corporate Planning Department, General Affairs Department, and Personnel Department
Committee Members	General Manager of the Internal Auditing Department, General Manager of the Sustainability & Corporate Planning Department, General Manager of the General Affairs Department, General Manager of the Personnel Department
Observer	Audit & Supervisory Committee member (full-time)
Secretariat	Sustainability & 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.

Internal Reporting

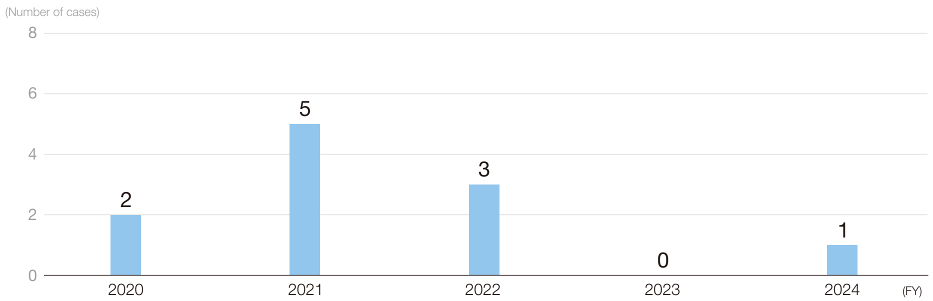
The following three contact points receive reports from employees and whistleblowers and confirm whether reported incidents constitute legal violations.

- **Shidou Law Office**
- **Secretariat of the Compliance Committee (General Manager of the Sustainability & Corporate Planning Department)**
- **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.

We strictly maintain confidentiality and take the utmost care to ensure that whistleblowers are not subject to retaliation or disadvantageous treatment.

Number of Whistleblower Reports

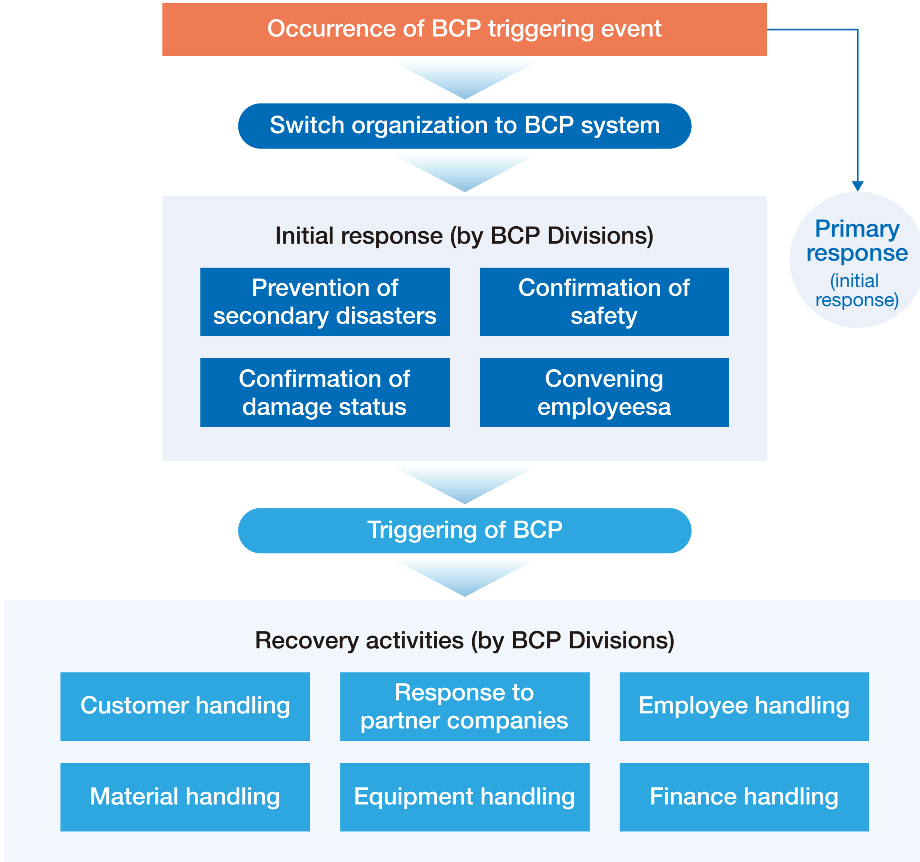


Business Continuity Plan (BCP)

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 with 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

The Company 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 Headquarters is led by the BCP Task Force General Manager, who is the President Executive Officer, 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 simulating the activation of the BCP so that we can resume production activities and fulfill our supply responsibilities as soon as possible.

Evacuation drill in progress

Information Security

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

Information security training

Message from Outside Director

Leveraging practical business knowledge to push Tayca's growth through governance

Tsuyoshi Inoue
Outside Director

From my experience on the frontlines of management, I strongly believe that an effective Board of Directors is vital for a company's sustainable growth. The Board is not just an approval body; rather, it is a forum that comprehensively evaluates whether corporate direction and strategy are appropriate, and through repeated dialogue with management that may at times become tense, offers support for decision-making. We I believe that the substantive function of the Board contributes directly to boosting corporate value.

At Tayca's Board of Directors meetings, outside directors and management exchange views frankly and constructively, engaging in multifaceted discussions on important management issues from a medium- to long-term perspective. A corporate culture that respects free, open debate being deeply rooted in the organization is what enables this style of discussion. That very culture is the foundation underpinning sound, transparent governance, and it is one of Tayca's strengths. Meanwhile, the business environment surrounding companies has entered a period of uncertainty in which predicting the outlook is challenging. Factors include heightened geopolitical risk, addressing climate change, and accelerating development technologies. In this environment, swift, precise decision-making, the flexibility to accept risk to a certain extent, and the strong will to support challenges are indispensable if companies are to remain competitive and realize further growth. As a person with managementn experienced executive, while remaining mindful of governance, I will approach Board discussions with a mindset that values the management team's proactive, bold approach to taking on forward-looking challenges.

Tayca's invaluable strengths include R&D capabilities cultivated over many years, workplace responsiveness, and earnest, highly motivated personnel. We must With an aim to maximize these assets and achieve both the resolution of social issues and the sustainable growth of the Company. With this in mind, as I continue to serve as an outside director, I will work closely with management to sincerely address issues, respect the positive culture and values Tayca has built over many years, and support transformative efforts to generate new value that connects these to the future.

Two pillars of oversight from an independent standpoint and management support that considers legal risks

Reiko Kojima
Outside Director

Guided by its Corporate Slogan, "Creating Iinspiring Materials with in Eearnest," Tayca has long contributed to society through its technological capabilities and sincere management. Tayca's strength lies in its history and achievements spanning more than a century since its establishment, and I firmly believe that this will continue to be the driving force as we work to satisfy society's expectations.

The role of corporate governance in present-day corporate management is becoming increasingly important in realizing sustainable growth. The reason for this is that expectations for companies extend beyond growing their business performance to include complying with laws and regulations, ensuring transparency and accountability, and earning society's trust. As an independent outside director who also leverages my experience as an attorney, I provide objective oversight and advice to ensure Tayca's management satisfies these expectations.

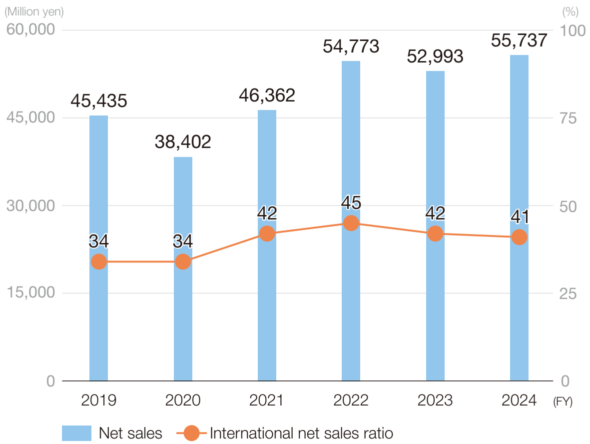
Within the Board of Directors, sound discussions and transparent decision-making along with a reinforced risk management structure directly contribute to boosting corporate value. By exchanging opinions and incorporating different perspectives between management and outside directors, we can develop deeper strategies and solutions for issues. In this regard, Tayca has already achieved results to a certain extentd, and I expect that the role of the Board of Directors will be further strengthened.

Additionally, governance continues to be indispensable as the foundation amidst the global expansion of businesses and the increase in the importance of ESG management in fulfilling environmental and social responsibilities. Integrating non-financial challenges into management, such as reduction of environmental impact, development of personnel, and promotion of social contributions, leads to building a corporate structure that is sustainable over the long term. I have high hopes for Tayca's proactive advancement of these initiatives.

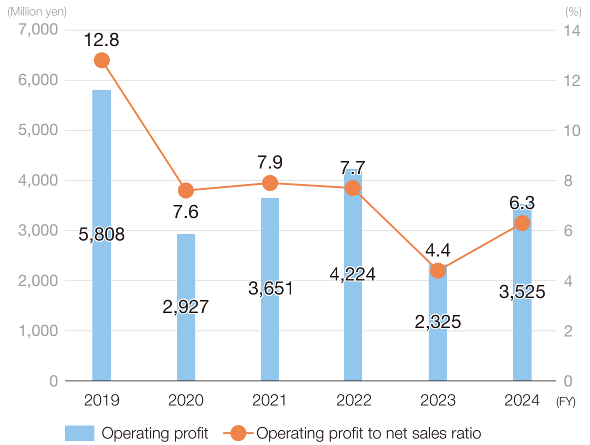
I will continue striving to ensure management transparency and soundness from the viewpoints of laws and independence, while contributing to sustainably enhancing corporate value. I sincerely hope that Tayca will earn society's trust and continue its growth in the years ahead.

Financial Highlights

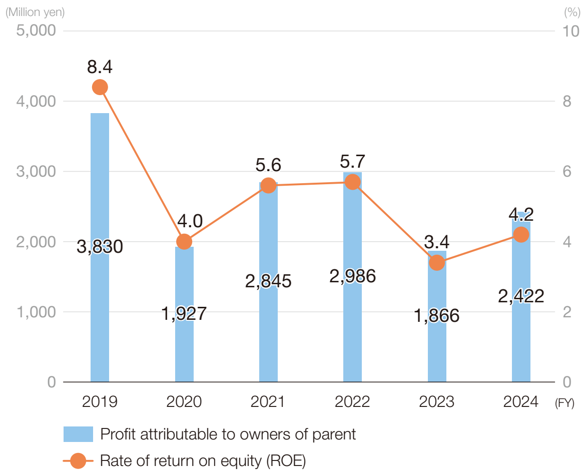
Net Sales / International Net Sales Ratio



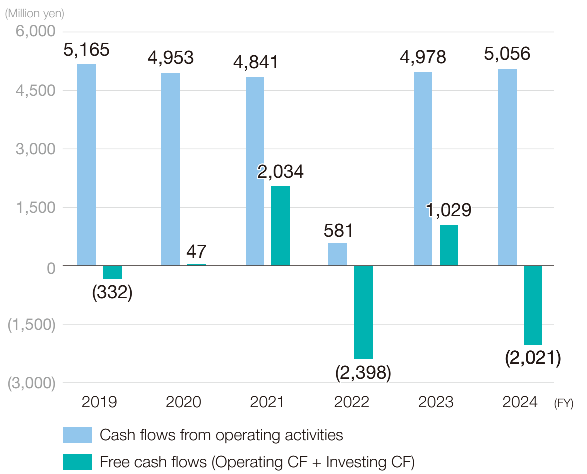
Operating Profit / Operating Profit to Net Sales Ratio



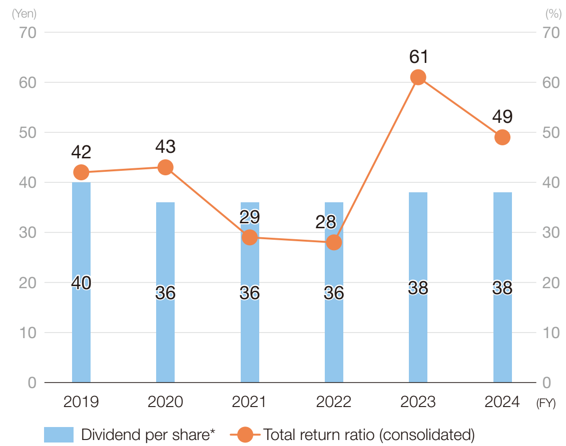
Profit Attributable to Owners of Parent / ROE



Cash Flows from Operating Activities / Free Cash Flows



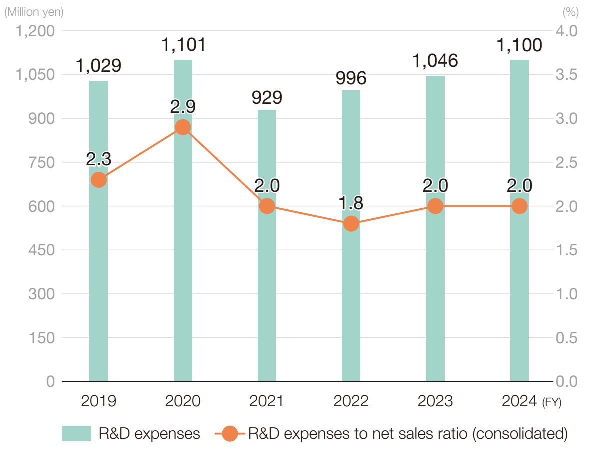
Dividend per Share / Total Return Ratio



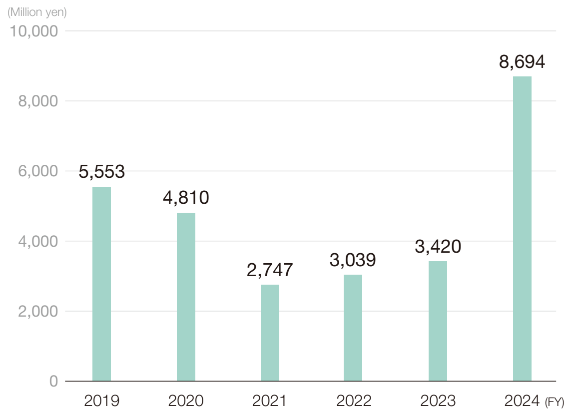
* In FY2020, we implemented a commemorative dividend of 4 yen per share to mark the 100th anniversary of our founding.

Non-financial Highlights

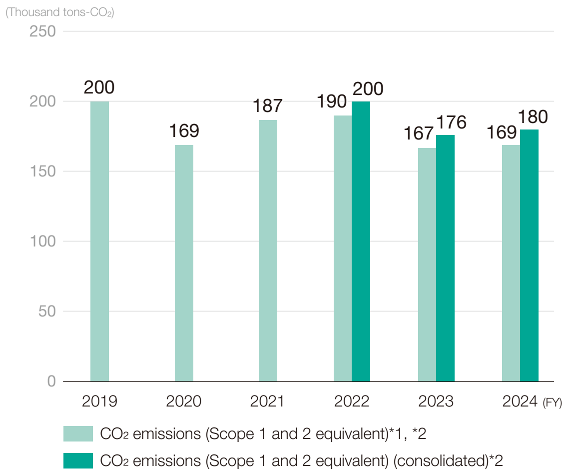
R&D Expenses / R&D Expenses to Net Sales Ratio



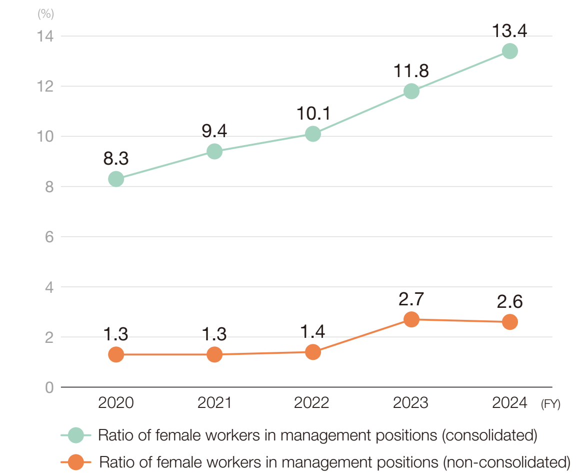
Capital Investment



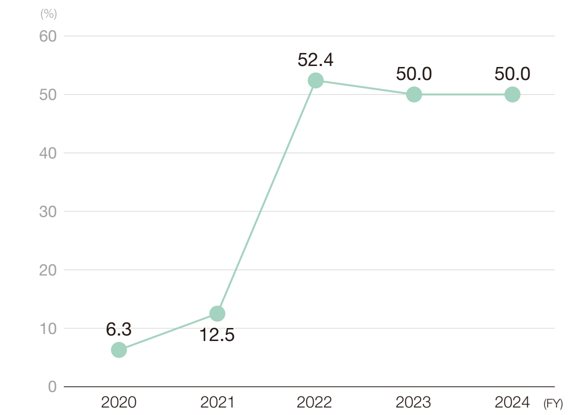
CO_2 Emissions



Ratio of Female Workers in Managerial Positions



Ratio of Male Taking Childcare Leave (Non-consolidated)



*1. The scope of CO_2 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.

Key Financial Data (for 10 years)

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
P/L (Fiscal Year)											
Net sales	(Million yen)	36,618	38,241	42,521	47,385	45,435	38,402	46,362	54,773	52,993	55,737
Gross profit	(Million yen)	9,849	11,215	11,977	12,095	12,362	9,025	9,653	10,436	8,691	10,178
Selling, general and administrative expenses	(Million yen)	5,117	5,361	5,935	6,291	6,554	6,097	6,001	6,211	6,366	6,652
R&D expenses	(Million yen)	1,074	1,104	1,069	971	1,029	1,101	929	996	1,046	1,100
Operating profit	(Million yen)	4,731	5,854	6,042	5,803	5,808	2,927	3,651	4,224	2,325	3,525
Capital investment	(Million yen)	3,263	2,003	1,679	4,593	5,553	4,810	2,747	3,039	3,420	8,694
Depreciation	(Million yen)	1,886	2,043	1,986	2,054	2,590	2,737	3,212	3,138	2,902	2,864
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	2,422
Cash flows (Fiscal Year)											
Cash flows from operating activities	(Million yen)	5,743	7,375	4,002	4,830	5,165	4,953	4,841	581	4,978	5,056
Cash flows from investing activities	(Million yen)	(2,881)	(1,749)	(4,992)	(3,787)	(5,498)	(4,905)	(2,807)	(2,980)	(3,949)	(7,077)
Free cash flows (Operating CF + Investing CF)	(Million yen)	2,861	5,626	(989)	1,042	(332)	47	2,034	(2,398)	1,029	(2,021)
Cash flows from financing activities	(Million yen)	(1,708)	(1,459)	(536)	1,270	(2,346)	2,519	(2,363)	825	1,453	1,678
B/S (Fiscal year-end)											
Total assets	(Million yen)	48,198	53,975	58,843	63,916	63,554	69,177	72,128	75,717	82,709	88,345
Cash and cash equivalents	(Million yen)	8,461	12,614	11,086	13,388	10,713	13,250	12,981	11,582	14,229	14,013
Balance of interest-bearing debt	(Million yen)	2,481	1,718	1,816	3,817	3,012	6,454	5,007	6,855	9,531	12,535
Shareholders' equity	(Million yen)	30,649	34,047	37,052	40,351	42,714	43,714	45,725	47,876	48,663	49,902

Key Financial Data (for 10 years)

	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Per Share Information											
Earnings per share (EPS) (consolidated)*1	(Yen/share)	135.28	172.41	154.13	170.47	163.70	83.16	122.79	128.86	80.60	105.46
Net assets per share (BPS) (consolidated)*1	(Yen/share)	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	2,578.37
Earnings per share (EPS) (non-consolidated)*1	(Yen/share)	133.26	169.57	142.80	170.43	163.34	82.67	108.87	123.15	112.32	96.45
Net assets per share (BPS) (non-consolidated)*1	(Yen/share)	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	2,385.45
Annual dividend per share*1,*2	(Yen/share)	20	24	28	32	40	36	36	36	38	38
Total return ratio (consolidated)	(%)	20.5	17.6	18.4	18.8	41.8	43.3	29.3	28.0	60.6	49.0
Dividend on shareholders' equity	(%)	1.5	1.7	1.8	1.9	2.2	1.9	1.8	1.7	1.8	1.7

*1. On October 1, 2017, we implemented a share consolidation at a ratio of two shares to one share. The figures for FY2018 and years earlier have been recalculated based on the number of shares after 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	Unit	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Gross profit margin	(%)	26.9	29.3	28.2	25.5	27.2	23.5	20.8	19.1	16.4	18.3
Operating profit to net sales ratio	(%)	12.9	15.3	14.2	12.2	12.8	7.6	7.9	7.7	4.4	6.3
Rate of return on equity (ROE)	(%)	9.6	11.1	8.9	9.1	8.4	4.0	5.6	5.7	3.4	4.2
D/E ratio	(times)	0.07	0.04	0.04	0.08	0.06	0.13	0.10	0.13	0.17	0.21
Equity ratio (consolidated)	(%)	70.9	72.3	72.7	70.5	73.3	72.1	70.6	70.3	69.3	66.6
Price-earnings ratio (PER) (consolidated)	(times)	7.8	8.8	18.3	14.9	8.7	17.8	10.5	9.1	18.8	12.6
Price-to-book ratio (PBR) (consolidated)	(times)	0.73	0.91	1.55	1.33	0.71	0.69	0.59	0.51	0.61	0.52
International net sales ratio	(%)	28.4	29.8	32.9	35.7	33.7	34.0	41.6	44.9	41.6	40.9
R&D expenses to net sales ratio (consolidated)	(%)	2.9	2.9	2.5	2.0	2.3	2.9	2.0	1.8	2.0	2.0

Key Non-financial Data (for 6 years)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Social data							
Consolidated number of employees		793	834	825	832	815	838
Number of employees of overseas subsidiaries		144	149	149	157	158	168
Ratio of female workers in managerial positions (consolidated)	(%)	—	8.3	9.4	10.1	11.8	13.4
Ratio of female workers in managerial positions (non-consolidated)	(%)	—	1.3	1.3	1.4	2.7	2.6
Gender wage gap for all workers (non-consolidated)*1	(%)	—	61.8	66.7	66.3	66.2	69.7
Gender wage gap for regular employees*1	(%)	—	76.4	78.5	78.7	77.8	78.2
Gender wage gap for part-time and fixed-term employees*1	(%)	—	88.8	88.9	85.6	86.7	86.0
Ratio of male employees taking childcare leave (non-consolidated)	(%)	—	6.3	12.5	52.4	50.0	50.0
Environmental data							
Energy consumption (crude oil equivalent) (non-consolidated)	(thousand kl)	71	61	67	69	59	60
CO_2 emissions (Scope 1 and 2 CO_2 equivalent)*2,*3	(thousand t-CO_2)	200	169	187	190	167	169
Direct CO_2 emissions (Scope 1 CO_2 equivalent)*2,*3	(thousand t-CO_2)	172	146	163	165	142	144
Indirect CO_2 emissions (Scope 2 CO_2 equivalent)*2,*3	(thousand t-CO_2)	28	23	24	25	25	25
CO_2 emissions (Scope 1 and 2 CO_2 equivalent) (consolidated)*3	(thousand t-CO_2)	—	—	—	200	176	180
Direct CO_2 emissions (Scope 1 CO_2 equivalent) (consolidated)*3	(thousand t-CO_2)	—	—	—	166	143	145
Indirect CO_2 emissions (Scope 2 CO_2 equivalent) (consolidated)*3	(thousand t-CO_2)	—	—	—	34	33	34
SOx emissions (non-consolidated)	(t)	138	114	114	88	103	104
NOx emissions (non-consolidated)	(t)	61	54	59	54	49	46
Soot and dust emissions (non-consolidated)	(t)	7	4	4	3	4	3
Water intake (including domestic industrial water, tap water, and seawater) (non-consolidated)	(thousand m^3)	10,600	10,900	10,900	11,300	9,925	10,442

*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

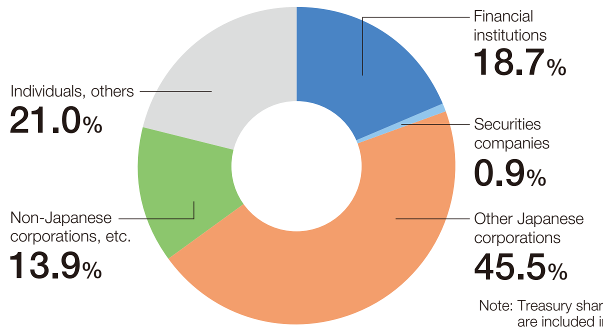
Corporate Information

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	838 (consolidated) 552 (non-consolidated) (as of March 31, 2025)	
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, 2025)

Total number of authorized shares	75,000,000
Total number of issued shares	23,914,414
Number of shareholders	4,215
Listed stock market	Prime Market of the Tokyo Stock Exchange
Securities Code	4027
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation

Shareholder Composition



Note: Treasury shares and odd-lot shares are included in "Individuals, others."

Major Shareholders (top 10) (as of March 31, 2025)

Name	Number of shares held (Thousands)
CACEIS BANK/QUINTET LUXEMBOURG SUB AC/UCITS CUSTOMERS ACCOUNT	2,116
The Master Trust Bank of Japan, Ltd. (Trust account)	1,812
MITSUI & CO., LTD.	1,784
Mitsubishi Corporation	1,630
Yamada Sangyo Co., Ltd.	1,470
Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd. Re-trust Trustee, Custody Bank of Japan, Ltd.	1,009
Tayca Corporation Trading-Partner Shareholding Association	877
Custody Bank of Japan, Ltd. (Trust account)	747
Chuo-Nittochi Group Co., Ltd	694
HIKARI TSUSHIN, INC.	634

*In addition to shares described above, Tayca Corporation holds 1,095 thousand shares as treasury shares.

Disclosure Policy

Reporting Period	FY2025 (April 1, 2024 to March 31, 2025) The period covered is from January 1, 2024, to December 31, 2024 for consolidated subsidiaries with a fiscal year ended on December 31. *Some parts include content for FY2026.
Reporting Scope	Tayca Corporation and its consolidated subsidiaries *In principle, the reporting scope covers Tayca Corporation and its consolidated subsidiaries. However, the scope is specified separately for some non-financial data.
Published	September 2025
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 Recommendations of the Task Force on Nature-related Financial Disclosures published by the TNFD 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/deta.php

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/

Regarding Publication of the Integrated Report 2025

In this Integrated Report, following recommendations from the editorial project team and verification by the Sustainability Committee, we further clarified the value creation process necessary to create inspiring materials and partially revised the materiality.

In addition, based on the discussions at the project team, the editorial policy centered on research and development, which is Tayca's strength, human capital, which is the source of its passionate human resources, and the visualization of management issues. The Company issued the report while taking into consideration that it would be a "report that can be communicated" to its stakeholders.

Although there is still room for improvement, we will continue to develop the Integrated Report so that many people can understand the present and the future of Tayca. We would be grateful if you could give us your frank impressions and opinions after reading the report.

Finally, we would like to express our deep appreciation to all those involved in the preparation of this report for their generous cooperation.

TAYCA CORPORATION

Published in 2025