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## Notes on the Publication of the Integrated Report

C.I. TAKIRON became a privately held company in October 2024 after receiving a takeover bid (tender offer) from Itochu Corporation. In general, the purpose of an integrated report is to disclose corporate information, both financial and non-financial, sought by investors. In that sense, the need to issue integrated reports decreases once a company is taken private and delisted from the stock exchange.

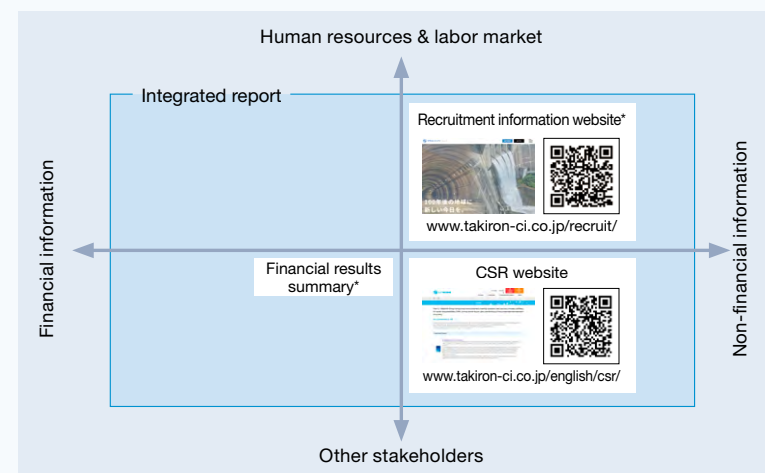
Although we are no longer obligated to publish statutory disclosure materials such as securities reports, I believe it is extremely important to comprehensively communicate, from both a financial and non-financial perspective, what kind of business activities the C.I. TAKIRON Group is engaged in and what kind of future it envisions.

For this reason, the C.I. TAKIRON Group continues to regard the Integrated Report as an important communication tool, and has decided to continue issuing it with the aim of helping stakeholders understand our efforts to enhance our corporate value over the medium to long term, and to further deepen dialogue and enhance the sustainability of our company.

### Noboru Fukushima

Director, Managing Executive Officer, Chief Operating Officer of the Corporate Administration Division, CCO, CIO and Information Control Officer

## C.I. TAKIRON's Information Disclosure System



\*Available only in Japanese

# Our Mission

## Group Corporate Philosophy

### Mission

# “Creating a people- and earth-friendly future”

That is to say, we will carry on fulfilling our responsibility and role in people’s lives and the global environment.

And to do so, we will tap into the various business resources we have built over the years.

Since our founding in 1919, the C.I. Takiron Group has been supporting people’s daily lives and creating a better tomorrow,

and we will continue to be a corporate group that provides peace of mind and comfort for the future.

## Guiding principles for action

### “Take on the unknown; give shape to the future”

We know that we cannot arrive at “a people- and earth-friendly future” by relying on our knowledge and experience so far.

New possibilities emerge precisely because we reconsider the things which are taken for granted and explore without fear of failure.

We will then fully exploit our manufacturing strength to send these out into the real world as reliable products and technologies.

We will keep coming back to these words, moving ever forwards as we continue to open up the unknown.

## Values which should be respected

### Management commitment on enriching lives

Providing a Quality  
Workplace for a Better Life

### Safety, a fundamental principle

Safety comes before everything else

### Environmental philosophy

We always strive to protect the global environment and aim  
for people-, earth-, and future-friendly manufacturing

## Corporate Message

### “Supporting today, changing tomorrow”

The C.I. TAKIRON Group supports the lives of people today and always works to build a better future for people and the environment  
with the courage to change toward more prosperous, comfortable lifestyles in tomorrow.



## Value Creation Story

## The Path We Took

1919

- Takigawa Celluloid Plant founded.

1935

- Aboshi Plant is completed and Takigawa Celluloid Plant incorporates under the name Takigawa Celluloid Co., Ltd.

1948

- Labor union is formed, including the head office and plants
- Start of research on vinyl chloride resin

1955

- Start of commercial production of Takiron Plate, a rigid vinyl chloride sheet

1957

- Itochu Corporation invests in Takigawa Celluloid

1959

- Takigawa Celluloid Co., Ltd. changes its corporate name to Takiron Chemical Co., Ltd.

1961

- Takiron Chemical Co., Ltd. is listed on the Second Section of the Osaka Securities Exchange.
- Start of production of polycarbonate plates

1963

- Tokyo Takiron Co., Ltd. (current Tokyo Plant) is completed
- Hama Kasei Co., Ltd. is established

1964

- Shiga Plant is completed

1965

- Kobe Resin Co., Ltd. founded with 100% investment from Itochu Corporation
- Start of production of agricultural vinyl film at Shiga Plant

1967

- Itochu Corporation invests in Hama Kasei Co., Ltd.
- Hiratsuka Plant is completed

1968

- Start of production of biaxially oriented film

1971

- Hama Kasei Co., Ltd. merges with Kobe Resin, forming C.I. Kasei Co., Ltd.

1972

- Start of sales of drainage

1973

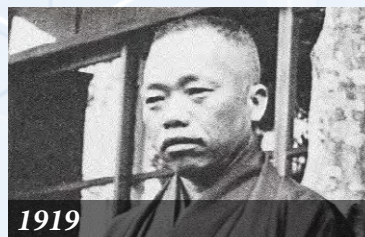
- Tokyo Stock Exchange Listed on the First Section
- Start of sales of "Takistron" slip-resistant vinyl flooring sheet
- Takiron Chemical changes its name to Takiron Co., Ltd.
- Yasutomi Plant is completed
- Tochigi Plant is completed

1978

- Start of sales of "Sky 8" agricultural vinyl film with mist prevention

1980

- Start of sales of "Belbien" decorative sheets with adhesive



1919

Founder Sataro Takikawa and a doll made of celluloid fabric



1961

Polycarbonate plates are adopted in various applications, taking advantage of their excellent properties of natural illumination, strength, and safety



1972

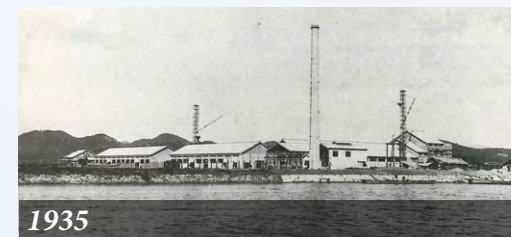
Highly durable polypropylene drainage that does not deteriorate even in the soil



1978

"Sky 8" agricultural vinyl film with mist prevention

● Takiron ● C.I. Kasei ● C.I. TAKIRON



1935

Aboshi Plant at the time



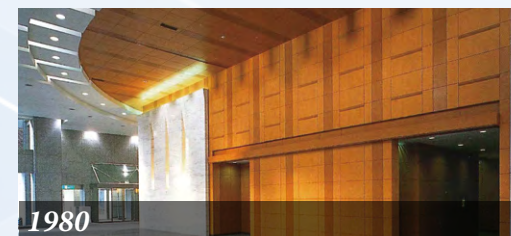
1965

Agricultural vinyl films have made a significant contribution to improving the growing environment of crops



1973

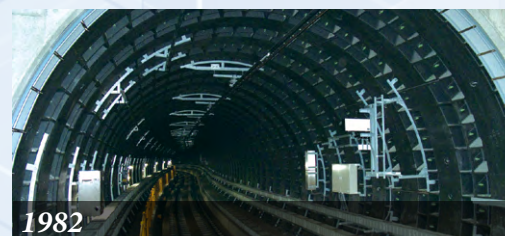
"Takistron" slip-resistant vinyl flooring sheet



1980

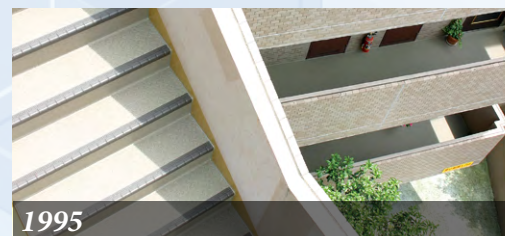
"Belbien" decorative sheets with adhesive combine design aesthetics and functionality

- 1982** ● Start of sales of “Vynon Aqua ATR” (current “Vynon Hydrotite”) hydrophilic water sealing material
- 1986** ● Start of sales of PS shrink label film for PET bottles
- 1993** ● C.I. Kasei Co., Ltd. listed on second section of the Tokyo Stock Exchange
- 1995** ● Start of sales of “Takistep” sound-arresting, slip-resistant flooring material for stairs  
● C.I. Kasei Co., Ltd. listed on first section of the Tokyo Stock Exchange
- 1999** ● Start of sales of “FM Plate” plastic plates conforming to FM4910 standards  
● Okayama Plant is completed
- 2000** ● Ibogawa Plant is completed
- 2005** ● Sales of “Jet Line” siphon rain gutter system
- 2017** ● Takiron and C.I. Kasei integrate their businesses, forming C.I. TAKIRON Corporation
- 2019** ● 100th anniversary of founding
- 2022** ● Switched to Tokyo Stock Exchange Prime Market
- 2024** ● Start of New Medium-term Management Plan “Go Beyond” Innovation 2026  
● Acquired by Itochu Corporation as a wholly owned subsidiary



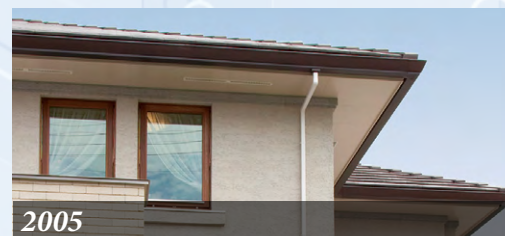
1982

“Vynon Hydrotite,” a hydrophilic water sealing material used in subways, road tunnels, underground parking lots, and factories



1995

“Takistep” sound-arresting, slip-resistant flooring material for stairs was the catalyst for rapid growth in the Flooring Business



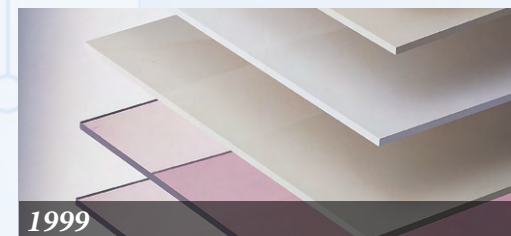
2005

“Jet Line” rain gutters with dramatically improved drainage capacity



1986

“PS shrink label film” for PET bottles



1999

“FM Plate” FM-compliant plastic plates conforming to FM4910 standards

## Core Technologies Cultivated Through Our History

Injection molding	Profile-extrusion molding	Press molding	Powder molding	Sheets, films, extrusion molding	Inflation molding	Calendering
<b>Key products</b> <ul style="list-style-type: none"> <li>· Piping and plumbing equipment (drainage, etc.)</li> <li>· Housing materials (rain gutters, etc.)</li> </ul>	<b>Key products</b> <ul style="list-style-type: none"> <li>· Hydrophilic Water Sealing</li> </ul>	<b>Key products</b> <ul style="list-style-type: none"> <li>· Industrial plate (rigid vinyl chloride sheet, etc.)</li> </ul>	<b>Key products</b> <ul style="list-style-type: none"> <li>· Flooring sheet (Takistron)</li> <li>· Stair flooring (Takistep)</li> </ul>	<b>Key products</b> <ul style="list-style-type: none"> <li>· Corrugated plates, flat panel (plate)</li> <li>· Shrinkable Films</li> </ul>	<b>Key products</b> <ul style="list-style-type: none"> <li>· Agricultural Films for greenhouses (Agricultural PO)</li> </ul>	<b>Key products</b> <ul style="list-style-type: none"> <li>· Decorative sheets for interior and exterior surfaces (Belbien, etc.)</li> <li>· Calendar sheet for press molding</li> <li>· Agricultural films for greenhouses (agricultural vinyl)</li> </ul>
<b>Properties</b> <p>With excellence in mass-producing complex-shaped products, in the area of piping and plumbing equipment for example, we have a lineup of over a hundred different product categories, covering a wide range of needs.</p>	<b>Properties</b> <p>The ability to consolidate multiple resins with disparate functions into a single cross section enables the formation of water sealing material into shapes based on unique concepts.</p>	<b>Properties</b> <p>With manufacturing technology rare in Japan, we create high-quality industrial plates. Additionally, when subjected to heat, difference between lengthwise and lateral expansion is minimized.</p>	<b>Properties</b> <p>The flooring material retains its color scheme even when the surface is removed, enabling aesthetic design that withstands weather and abrasion.</p>	<b>Properties</b> <p>With our wide array of resin materials, we can create all manner of films and sheets across the thickness scale, covering a wide array of needs, from building materials to medical goods and food products.</p>	<b>Properties</b> <p>We have a forming technique specially for bag-shaped films. With the first technology in the industry to form five-layer film with five materials we contribute to the crop farming environment with multifunctional greenhouse film.</p>	<b>Properties</b> <p>With our ability to create sheets with high thickness accuracy, we can post-process laminates and prints to produce exterior and interior surface materials that are highly functional and aesthetically pleasing.</p>

Value Creation Story

# Increased Management Freedom to Accelerate Growth

In 2024, C.I. TAKIRON became a wholly owned subsidiary of Itochu Corporation.

The C.I. TAKIRON Group will achieve autonomous growth by incorporating the management resources of Itochu Corporation, a general trading company, including its network and financial strength.

## Mission

### Creating a people- and earth-friendly future

Creating economic and social value to fulfill our mission  
sustainable enhancement of corporate value

## Materiality



## New Medium-term Management Plan “Go Beyond” Innovation 2026

### Basic Policy

Earn a consolidated net income more than 6 billion yen on a steady basis

Implement structural reforms to earn 10 billion yen in the future

### Inorganic growth

Strengthen profitability of existing businesses (improve ROIC)

Expansion of new businesses

### Main Policy Measures

Optimization of group management

Creation of new products and businesses

Enhancement of departmental capabilities

Expansion of overseas business

Acceleration of M&A

# Increased management freedom to achieve longer-term growth

Stabilize management / accelerate decision-making / drive long-term strategy

Management resources of Itochu Corporation, a general trading company

FY2024

Listing costs

Lowered

Went private

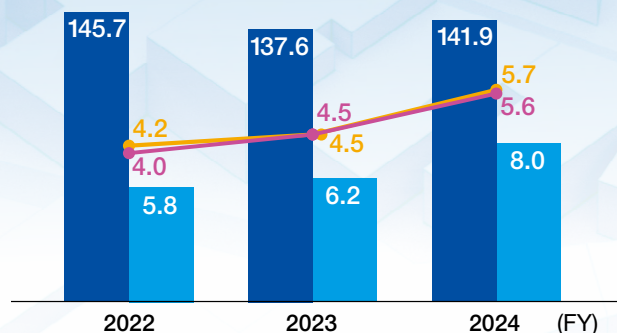
Enhanced

FY2023

Formulated “Go Beyond” Innovation 2026,  
Medium-term Management Plan

FY2022

Implemented Business Structural Reforms



## Accomplishments in Fiscal 2024

Net Sales	141.9 billion yen
Operating Profit	8.0 billion yen
Operating profit margin	5.6%
ROIC	5.7%

### Network

By making the most of the information gathering and negotiating capabilities of a general trading company, as well as its overseas network, value chain, and supply chain, we will expand our sales network and build a strategic raw material purchasing system.

### Financial strength

Becoming a wholly owned subsidiary eliminates conflicts of interest and improves the speed and flexibility of decision-making and execution of financial support.

### Talent exchange

We will dispatch personnel to Itochu Corporation to share know-how, and also accept specialist personnel from Itochu Corporation to enhance our human capital.

Value Creation Story

Top Message

**Go Beyond  
Maximizing management  
freedom to achieve dramatic  
growth**

**Yuji Fukuda**  
President & CEO



## Value Creation Story | Top Message

## | A big step towards further growth

C.I. TAKIRON became a private company on October 29, 2024, following a tender offer by ITOCHU Corporation, with which we have had a long-standing parent-subsidiary relationship. This union was the result of ITOCHU's confidence in our growth potential following the structural reforms of the C.I. TAKIRON Group started in fiscal 2023, as well as our judgment that further utilizing the management resources of a general trading company would serve as an additional engine for accelerating further growth. We aim to be a company that earns a consolidated net profit of more than 10 billion yen. To realize this mission, in addition to extending our current business, we need to achieve non-linear growth primarily through M&A and business model transformation. A powerful engine was needed to drive this growth. By becoming a wholly owned subsidiary of ITOCHU Corporation, we have established a system that allows us to further extend our strengths as a manufacturer in research and manufacturing while utilizing the information, financial strength, global network and other management resources of a general trading company as an additional engine to make management decisions with greater freedom and speed than under the previous listed company structure. It has also allowed us to be free from being overly concerned with the responsibilities unique to listed companies, such as disclosing quarterly results and considering the short-term interests of general shareholders.

Almost a year has passed since our delisting. We have taken measures to achieve growth beyond the conventional framework, and the results are already beginning to appear. We will utilize this additional engine to ensure the achievement of our Medium-term Management Plan "Go Beyond" Innovation 2026 which concludes in fiscal 2026. I ask for your continued support as we strive to be a corporate group that meets the expectations of our stakeholders more than ever before.

## Review of fiscal 2024

## Performance exceeding the plan

In fiscal 2024, we moved a step further from the trust-restoring phase launched in fiscal 2023 and reorganized from a four-division system to a three-division system with the aim of optimizing the entire company (total optimization) and creating synergies. We also announced our Medium-term Management Plan "Go Beyond" Innovation 2026, establishing two basic policies: "Earn a consolidated net income of more than 6 billion yen on a steady basis" and "Implement structural reforms to earn 10 billion yen in the future." We also introduced five key initiatives: (1) Optimization of group management, (2) Creation of new products and businesses, (3) Enhancement of GEMBARYOKU (departmental capabilities), (4) Expansion of overseas business, and (5) Acceleration of M&A. Each business division worked in line with main policy measures, and for specific affiliate subsidiaries that reached milestones in their turnaround, we, for example, provided hands-on guidance on future policies and countermeasures through the Important Monitoring Council. As a result of accumulated implementation of such measures, we steadily advanced business structural reforms such as decisions on plant consolidation and withdrawal from unprofitable businesses, and reduced the number of loss-making group companies, which was nine in fiscal 2022, down to two.

In fiscal 2024, we were able to achieve net sales of 141.9 billion yen (up 3.1% year-on-year), operating profit of 8.0 billion yen (up 28.3% year-on-year), and profit attributable to owners of parent of 5.7 billion yen (up 10.9% year-on-year), exceeding the profits expected at the beginning of the fiscal year. They say "God is in the details," and the same goes for management. While looking at the entire picture, we are taking steps to improve profitability, down to the smallest detail. I think the cumulative effect of these efforts is now showing up in our business results.

## Accomplishments in Fiscal 2024

(unit: millions of yen)

	Accomplishments in fiscal 2023	Accomplishments in fiscal 2024	Year-on-year difference
Net Sales	137,581	141,858	+3.1%
Operating Profit	6,228	7,991	+28.3%
Ordinary Profit	6,501	8,177	+25.8%
Profit Attributable to Owners of Parent	5,102	5,659	+10.9%

## Value Creation Story | Top Message

Key initiatives in the second year of the Medium-term Management Plan  
Promoting the optimization of group management

Manufacturers like us, with a wide range of business areas, need to carefully analyze the revenue structure of each business and implement appropriate measures for each. Only two companies remain in the red—BONLEX EUROPE S.R.L. and MAVERIQ Partners Inc.—and in both cases a concrete path to profitability is now in sight. During the current Medium-term Management Plan, we will make every effort to ensure that all affiliate subsidiaries of the C.I. TAKIRON Group are profitable. Furthermore, rather than simply aiming to turn a profit, we need to take steps to create mutual synergies within the C.I. TAKIRON Group. For example, MAVERIQ Partners Inc., which is working to improve profitability under our New Business Development & Promotion Department, operates a resin compounds business that contributes to a recycling-oriented society, which is of great interest to the public, and we expect to see great synergies with the Group's existing resin-related businesses. However, there were challenges in the stable procurement of high-quality recycled materials necessary for manufacturing the compounds. Therefore, in a capital restructuring in fiscal 2024, we welcomed the Malaysian recycling company MJ Material Technology as a new shareholder (35% stake) to strengthen MAVERIQ Partners' ability to procure recycled materials. Inquiries for the company's resin compounds are strong, and we are aiming to make the company profitable by fiscal 2026, and beyond that to realize synergies across the entire Group. On the other hand, for the Group to make further progress in the future, it is necessary not only to improve unprofitable businesses but also to incorporate external businesses and transform business models according to each challenge. The aim of making CK Adtech Co., Ltd. (formerly CIPS Advance Inc.) an affiliate subsidiary in the High Functional Materials Business was to restructure our sales and logistics strategy, and the aim of making Saito Shubyo Co., Ltd. an affiliate subsidiary in the Films Business was to expand our business and range of applications in a shrinking market. These are examples of strategic M&A that are not simply about expanding the number of business domains. We will continue to steadily advance these initiatives in the future to optimize group management and create a system that can generate solid profits.

Key initiatives in the second year of the Medium-term Management Plan  
Creation of new products and businesses

It goes without saying that for us as a manufacturer, the creation of new products and R&D are sources of growth. To promote these efforts from an organizational perspective, in fiscal 2024 we established the New Business Development & Promotion Department and the New Material & New Business Domain Development Department under the Corporate Planning Division. The purpose was to establish a system to promptly expedite product development and business deployment that accurately captures market needs in an environment closer to management, and to explore, plan, and develop new fields to enter. Among these new fields, we have identified the mobility sector as one of our new growth areas, and we have been studying how to reduce vehicle body weight and meet performance requirements associated with the spread of EVs. As a result, having identified its potential as a future business, we established the Mobility Market Development Department under the Construction Materials & Civil Division in fiscal 2025 to further develop and accelerate this initiative. Since the Construction Materials & Civil Division has the resources to expand into the mobility field, I am confident that by having in-depth conversations with potential customers, we can develop the products that users want.

We also established a new Nanomaterials Group under the R&D Department. The purpose of this is to further deepen collaboration with CIK NanoTek Corporation, which is supervised by the New Business Development & Promotion Department of the Corporate Planning Division. CIK NanoTek's



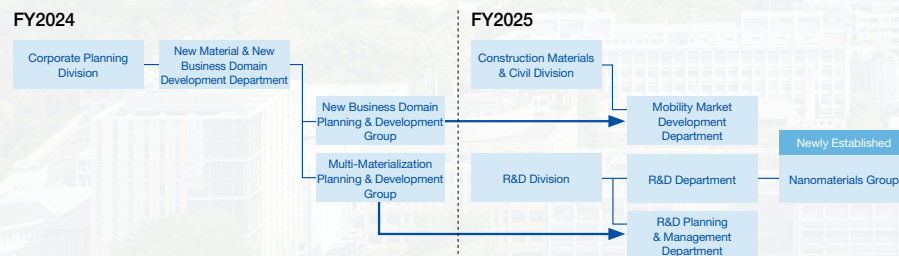
## Value Creation Story | Top Message

nanotechnology, such as dispersion and surface processing, is expected to have great synergy with our products. In the future, we will strengthen our ability to develop new products and expand applications for existing products, with an eye toward creating ultrafine particle materials in-house.

In this way, we are constantly striving to shift to an organizational structure that can quickly respond to changes in the business environment, and this also applies to the locations of our research sites. In April 2026, we will consolidate the research and development functions currently dispersed at various sites in the Sanda R&D Center (located in Sanda City, Hyogo Prefecture). By consolidating not only research and technology development functions but also growth sectors such as ultrafine particle materials and resin compounds, the Sanda R&D Center will serve as a technology hub for the C.I. TAKIRON Group and as an open innovation site for external partners to accelerate the creation of new products and businesses.

Even if the “hard” aspects such as organization and location are in place, new ideas will not emerge until there is a sufficient drive to create new products and new businesses on the “soft” side—namely, human resources. In order to further accelerate our R&D by combining the expertise of our employees with new external perspectives, in 2023 we recruited a General Manager of the R&D Department and a General Manager of the R&D Planning & Management Department from outside the company. This will promote organizational revitalization and capability enhancement at our R&D sites. Furthermore, in April 2025 we welcomed as Director in charge of the R&D Division a senior figure whose experience includes serving as the Chairman of the New Energy and Industrial Technology Development Organization (abbreviated as NEDO). I myself also serve as Chief Operating Officer of the R&D Division. In addition to revitalizing the organization, we also intend to promote industry-academia collaboration, and are already actively applying for various programs such as those from NEDO.

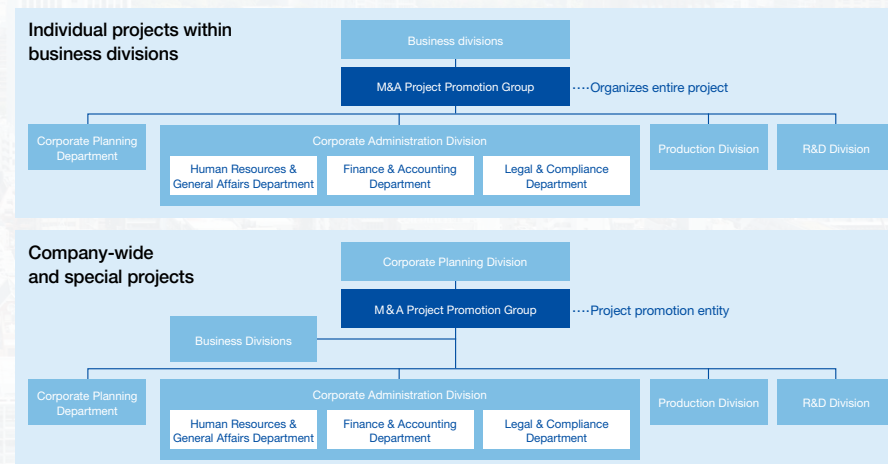
### Shift to an Organizational Structure that Supports the Creation of New Products and Businesses



## Key initiatives in the second year of the Medium-term Management Plan Accelerating M&A and turning around the High Functional Materials Business

As mentioned above, in order to achieve dramatic growth, we need to achieve non-linear growth through M&A and business model transformation, rather than simply extending our current business. The main entities responsible for M&A are the individual business divisions, but of course C.I. TAKIRON does not primarily engage in M&A as a core business, and we were lacking the necessary know-how and personnel for strategic M&A. Therefore, as an additional engine, in fiscal 2025 we established the M&A Project Promotion Group under the New Business Development & Promotion Department of the Corporate Planning Division, and welcomed personnel from ITOCHU Corporation with a track record of leading multiple M&A projects. As a result, while individual projects are led by the respective business department, the M&A Project Promotion Group organizes the entire project, ensuring the steady implementation of M&A projects. Furthermore, by having the M&A Project Promotion Group take the lead in company-wide and special projects,

### New M&A Initiative Structure



## Value Creation Story | Top Message

we believe we will be able to acquire projects that will contribute to the dramatic growth of our company, going beyond what would be possible by simply extending our current business.

A specific example of a previous M&A is the acquisition of CK Adtech Co., Ltd. as an affiliate subsidiary in the High Functional Materials Business. In the semiconductor industry, which is also important at the national policy level, C.I. TAKIRON supplies FM plates, which are used in semiconductor cleaning equipment, and boasts a world-leading market share. Due to the volatility of demand in the semiconductor industry, it is important to maintain appropriate inventory levels. Therefore, by entrusting the entire quantity of our FM plates to CK Adtech Co., Ltd., we can centralize inventory management functions and implement appropriate production estimates to establish a stable supply system. I believe this is an extremely important initiative that only we can undertake. Furthermore, this will make it easier to directly understand the needs of semiconductor cleaning equipment manufacturers, who are our users, and this information can be used in new product development.

### Human resource strategies

## Connecting personal growth to company growth

In April 2025, we updated our desired talent profile, called “Human Resources Required by the Company.” In order to embody our Guiding Principles for Action—Take on the unknown; give shape to the future—which was established when the Group Corporate Philosophy was revised in April 2024, the qualities required of each employee were organized into five keywords: “challenge,” “a sense of ownership,” “customer orientation,” “expertise,” and “executive ability.” In addition to our organizational restructuring, it is important to make slogans actionable toward the desired talent profile. I believe that by linking these keywords with each individual’s goals and ability assessments, we can encourage changes in personal behavior in a more natural and unforced manner. Unless each employee sets high goals and continues to take concrete action to achieve them, the company will not be able to achieve growth.

The profits generated by the hard work of each employee are returned to employees in the form of mainly improved compensation and expanded opportunities for career development. Based on this principle, I want to enrich the lives of all employees so that they can fully exercise their abilities at work. I believe that my ultimate role is to establish this virtuous cycle within C.I. TAKIRON so that employees can feel pride and think, “I’m glad to work at this company,” and “My work is interesting and exciting.”

### Sustainability

## Moving forward as a “social organism”

Just because we are no longer a publicly traded company doesn’t mean we will back down from our sustainability efforts. This is because a company does not exist in isolation. We, as a “social organism” that interacts with various stakeholders, are able to achieve sustainable development only by receiving the Earth’s bounty in the form of raw materials and energy.

C.I. TAKIRON’s history began with the production of remanufactured celluloid fabrics, and awareness of a recycling-oriented society is part of our corporate DNA. It is also reflected in our Mission: “Creating a people- and earth-friendly future.” As stated in our Medium-term Plan for Materiality, we will continue to focus on addressing climate change, including reducing CO<sub>2</sub> emissions, and creating environmentally friendly products, aiming to become a company that employees can be proud of.

## Conclusion

As a general resin processing manufacturer, we have advanced technical capabilities and have produced a variety of top-selling products for over 100 years. From thin materials to thick ones, from plate shapes to complex forms, and from ultrafine particle materials to products used in large facilities like dams, our extensive range of products consistently generates stable profits and supports our business foundation. However, to leverage the advanced technical skills we have cultivated and further contribute to society, non-linear growth is essential.

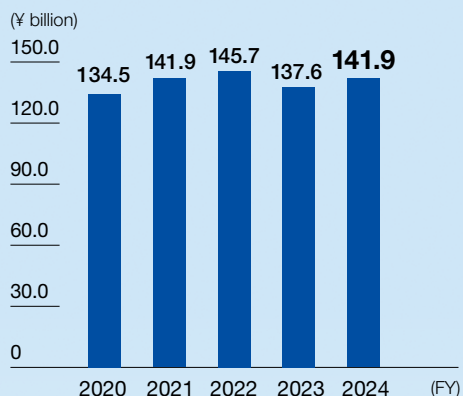
I see going private as a great opportunity to accelerate our growth. Rather than being satisfied with the status quo, we will always aim for even greater heights, taking on new challenges every day to shape the future. The C.I. TAKIRON Group has taken a new step forward, and I hope you will accompany us into the future.

Value Creation Story

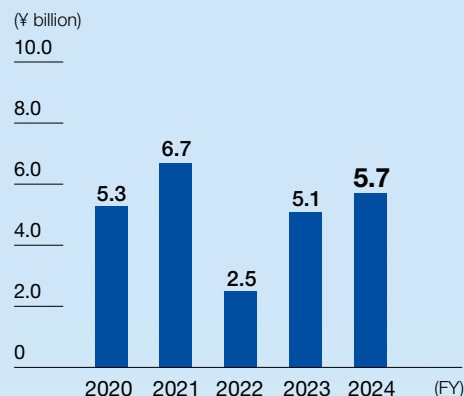
# Financial and Non-financial Highlights

## Financial indicators

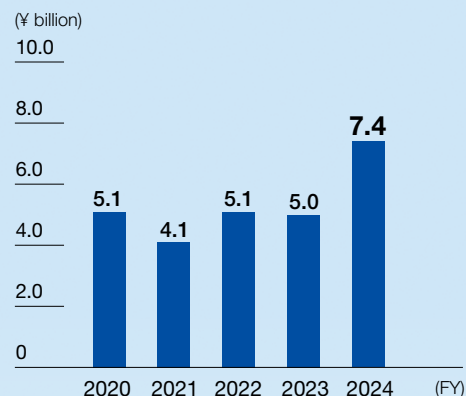
### Net sales



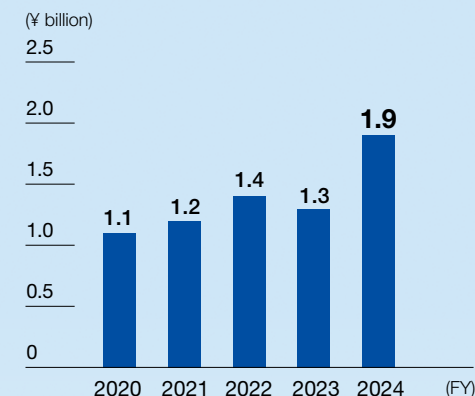
### Profit attributable to owners of parent



### Capital investment

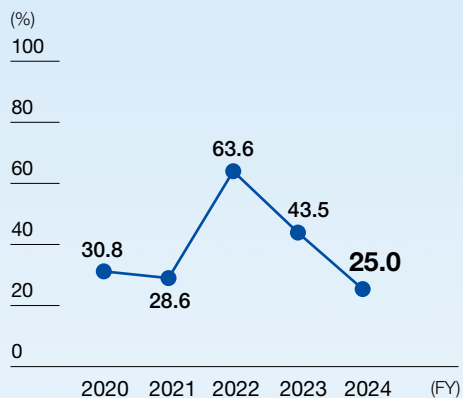


### Research & development expenses

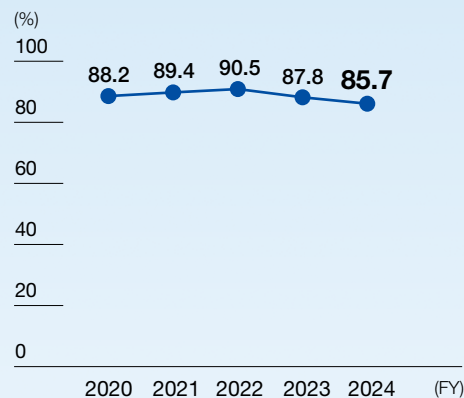


## Non-financial indicators

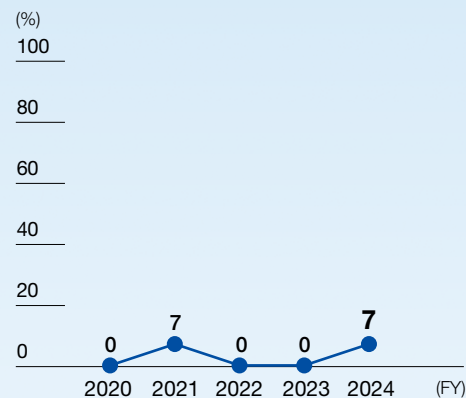
### New female graduate employment ratio



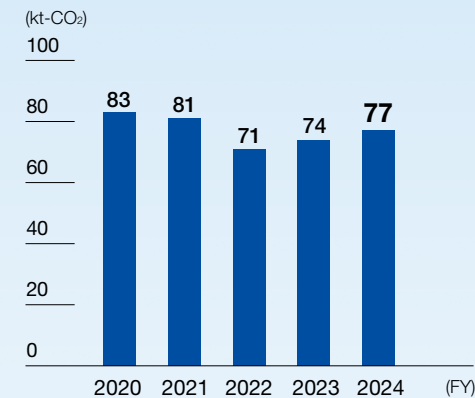
### Rate of paid leave taken by employees



### Percentage of new hires who leave within three years (career-track positions)



### CO<sub>2</sub> emissions at Scope 1 and 2



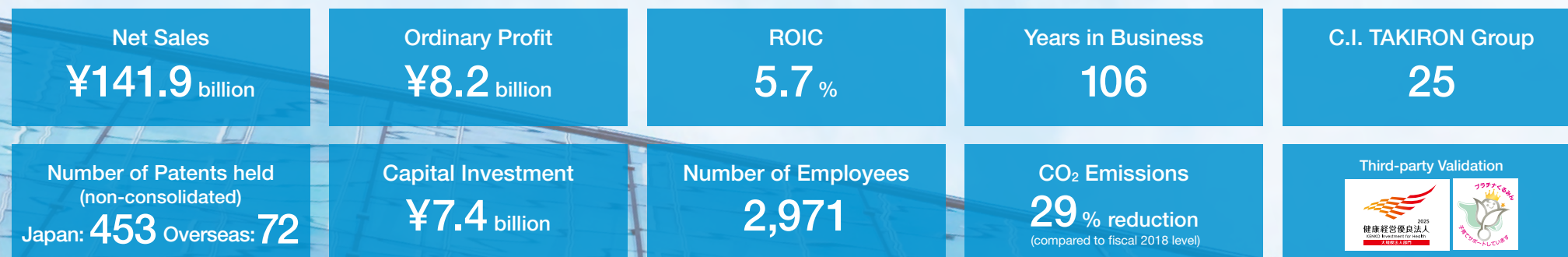
Value Creation Story

# Outline of Our Business

## Business Overview (FY2025)



## Our Snapshot (FY2025 / as of March 31, 2025)



Value Creation Story

# Value Creation Process

With a focus on our five strengths, the C.I. TAKIRON Group will go beyond our own expectations and the expectations of customers, and grow into a corporate group that creates a “people- and earth-friendly future.”

## External Environment Awareness

### Opportunities

- Recovery of domestic demand in the domestic economy
- Increasing demand for functional and environmentally friendly products
- Rising demand for lightweight materials

### Risks

- Concerns about the Chinese economy
- Prolongation of high prices
- Increasing tensions in international situations
- Fluctuations in the financial capital markets materials

### Guiding Principles for Action

Take on the unknown;  
give shape  
to the future

### Five Strengths

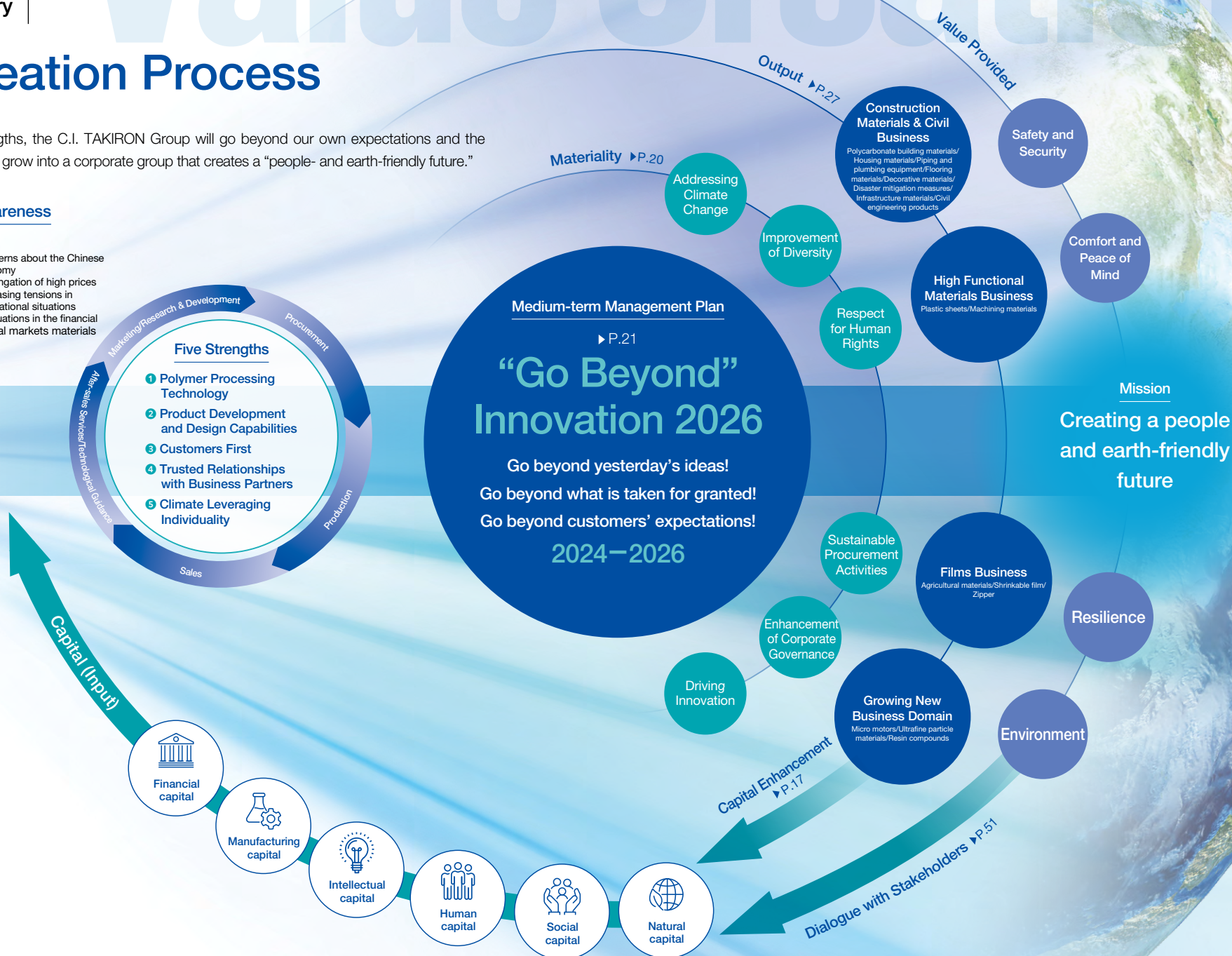
- 1 Polymer Processing Technology
- 2 Product Development and Design Capabilities
- 3 Customers First
- 4 Trusted Relationships with Business Partners
- 5 Climate Leveraging Individuality

### Medium-term Management Plan

► P.21

## “Go Beyond” Innovation 2026

Go beyond yesterday’s ideas!  
Go beyond what is taken for granted!  
Go beyond customers’ expectations!  
**2024–2026**



## Value Creation Story

# Capital Strategy for Accelerating Growth

In the course of our century-long history, C.I. TAKIRON Group has honed six types of capital, which are sources of value creation: financial capital, manufacturing capital, intellectual capital, human capital, social capital, and natural capital. We'll continue deploying a wide variety of capital as effectively and efficiently as possible.

We'll also keep enhancing the capital in the course of our business activities.



## Financial capital

▶ P.25

## Ensuring the financial health necessary for sustained investment toward higher growth

The finances of the C.I. TAKIRON Group remain solid. Against this backdrop, the Group will concentrate its operating cash flow during the period of the Medium-term Management Plan on growth investment while also setting a special investment budget of ¥40 billion for beneficial M&A in order to make a further leap forward. In addition, we will promote the improvement of return on capital through the use of ROIC, thereby strengthening the financial position of the entire company by promoting structural improvements in each business.

## How we strengthen this capital

- ▶ Invest in continued growth
- ▶ Pursue fruitful M&As
- ▶ Enhance earning power by managing ROIC

Equity ratio **65.8%** (as of March 31, 2025)

Net debt-to-equity ratio (D/E ratio) **-0.23**  
(as of March 31, 2025)

OCF **¥9.9 billion** (FY2024)



## Manufacturing capital

▶ P.35

## An international production network that adapts to changing conditions in business environment and customer needs

Our corporate group encompasses 26 production sites in Japan and four overseas. While we aim to bolster our production capacity through active investment in growth fields going forward, our overseas sites work to gain a competitive edge by sourcing locally and producing products for local consumption. In addition, we will further promote smart factory principles based on previous IT infrastructure investments to pursue high efficiency and low costs.

## How we strengthen this capital

- ▶ Bolster production capacity in Japan and overseas
- ▶ Strengthen competitiveness through smart factory principles
- ▶ Establish a policy and structures for managing business continuity planning

## Number of production sites

Japan: **26** (including R&D Centers) Overseas: **4**  
(as of March 31, 2025)

Capital investment **¥7.4 billion** (FY2024)

## Production technology

Technologies related to fabrication, material compounds, analysis and evaluation, and equipment design



## Intellectual capital

▶ P.37

## Core technology for sustainable growth

Based on our core technologies related to fabrication technologies, we will strengthen our advanced material composite technology, surface treatment technology, and performance and analysis evaluation technology, aiming to build a truly differentiated value proposition. We are therefore developing systems to demonstrate the Group's comprehensive capabilities such as strengthening cooperation with the product development departments of each business division, the New Business Development & Promotion Department, and the Mobility Market Development Department, and consolidating the research functions into the Sanda R&D Center (scheduled to open next spring). We will also create new products and businesses by acquiring new technologies through open innovation and M&A based on our research portfolio while strengthening our intellectual property activities, including the creation of intellectual property.

## How we strengthen this capital

- ▶ Strengthen the Group's comprehensive capabilities through the establishment of a new R&D Center and other organizational structures
- ▶ Acquire external technology through open innovation and M&A
- ▶ Strengthen intellectual property activities that contribute to business (utilization of IP landscaping, etc.)

R&D expenses **¥1.9 billion** (FY2024)

New products sales composition (non-consolidated) **13.7%** (FY2024)

## Number of patents held (non-consolidated)

Japan: **453** Overseas: **72** (as of March 31, 2025)

# Our Capitals



## Human capital

▶ P.46

### A diverse workforce supporting corporate growth

Human resources are responsible for the sustainable growth of the company and its increase in value over the medium to long term. We therefore regard our people as an important management resource and will continue to actively invest in them. In 2024, we revised our talent management system and realized more balanced treatment such as the early selection of outstanding and motivated young personnel and revisions to our compensation and evaluation systems. Furthermore, through our "Management Commitment on Enriching Lives," which is an important management policy, we aim to maximize human capital by encouraging the growth of each employee and creating a work environment where everyone can fully demonstrate their abilities.

#### How we strengthen this capital

- ▶ Strategic human resource development, including global human resources
- ▶ Promote diversity & inclusion
- ▶ Manage employee health and productivity and create a work environment where people can work at their best

Training time per person (head office training only) **13.4 hours**  
(FY2024)

Training cost per person **¥82,797** (FY2024)

Ratio of female managers (non-consolidated) **3.2%**  
(as of April 01, 2025)



## Social capital

▶ P.51-55

### A stakeholder network built upon solid trust

The C.I. TAKIRON Group aims to achieve sustainable business operations by building trust-based relationships with internal and external stakeholders and engaging in proactive and constructive dialogue with them. We are also working to build a sustainable supply chain with our valued partners. In addition, through social contribution activities at each business site, we will deepen mutual understanding with the local community and contribute to the realization of a better society.

#### How we strengthen this capital

- ▶ Engage actively and constructively with stakeholders
- ▶ Build a sustainable supply chain
- ▶ Ensure mutual prosperity between business sites and local communities

History years in business: **106** (as of March 31, 2025)

C.I. TAKIRON Group: **25** companies  
(as of April 01, 2025)

Number of social contribution activities at various business sites **285** (FY2024)



## Natural capital

▶ P.41

### Limited natural resources are essential for business activities

We make sustained efforts to use natural resources as effectively and efficiently as possible and to use as few resources as possible in our business activities. In addition to understanding our water consumption and changes in energy use and consumption rate and reducing our consumption, we will analyze and evaluate the impact of climate change risks on our business activities, and work on measures to address such risks. We will also contribute toward a sustainable economy by supplying a wide range of environment-friendly products.

#### How we strengthen this capital

- ▶ Improve engagement based on TCFD-compliant disclosures and press ahead with the goal of carbon neutrality
- ▶ Use natural resources effectively
- ▶ Develop and provide environment-friendly products

Water consumption **842 km<sup>3</sup>** (FY2024)

Changes in energy use and consumption rate **13.4 GJ/Manufacturing ton** (FY2024)

Number of environment-friendly products on the market **5** (products launched) (FY2024)

# Growth Strategy

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# Medium-term Plan for Materiality







With the formulation of its “Go Beyond” Innovation 2026 Medium-term Management Plan, the C.I. TAKIRON Group has set new materiality items and KPIs.

We also used this occasion to simplify the definitions of terms and revised some KPIs to more effectively measure progress.

By applying these materiality items to the action plans of each business segment and executing them, we will accelerate our initiatives to achieve our targets.

## | Materiality

 : Key Themes

Materiality Item	KPI Item Name	FY2024 Results	FY2026 Targets
 <b>Addressing climate change</b>	Greenhouse gas emissions(Scope1・2) [Consolidated]*1	29.4%	<b>31% reduction from FY2018</b>
	Promote emissions reduction [Non-consolidated and domestic Group companies]*1	7,316t	<b>Total waste emissions*2 7,000t or less</b>
 <b>Improvement of diversity</b>	Ratio of female to male employees in management positions*3	3.2%*4	<b>5% or above</b>
	Ratio of female employees in career-track positions	23.3%*4	<b>28% or above</b>
 <b>Respect for human rights</b>	Employee engagement positive response rate	71%	<b>70% or above</b>
	Frequency rate of occupational accidents*5 [Consolidated]*1	1.61	<b>0.9 or lower</b>
 <b>Sustainable procurement activities</b>	Carry out CSR survey	0	<b>Frequency: Once or more/year</b>
 <b>Enhancement of corporate governance</b>	Number of critical compliance violations	0	<b>0</b>
 <b>Driving innovation</b>	Creation of environmentally friendly products	5	<b>Number of product launch: Cumulative total 20 or more</b>
	New product sales composition	13.7%	<b>20% or above</b>
	Acquisition of new technologies	48	<b>Number of patent filings in Japan: Total 150</b>
	Develop new material & new business domain	1	<b>Number of product launch: 3 or more</b>

\*1 Except for GHG emissions, total emissions, and frequency rate, the figures apply to C.I. TAKIRON Corporation alone (non-consolidated)

\*2 Total weight of waste, waste valuables, and other materials discharged from plants

\*3 Includes positions at or equivalent to management rank

\*4 As of April 1, 2025

\*5 Number of lost-time injury cases per one million total actual working hours

# Medium-term Management Plan “Go Beyond” Innovation 2026

## Action Slogan

# “Go Beyond” Innovation

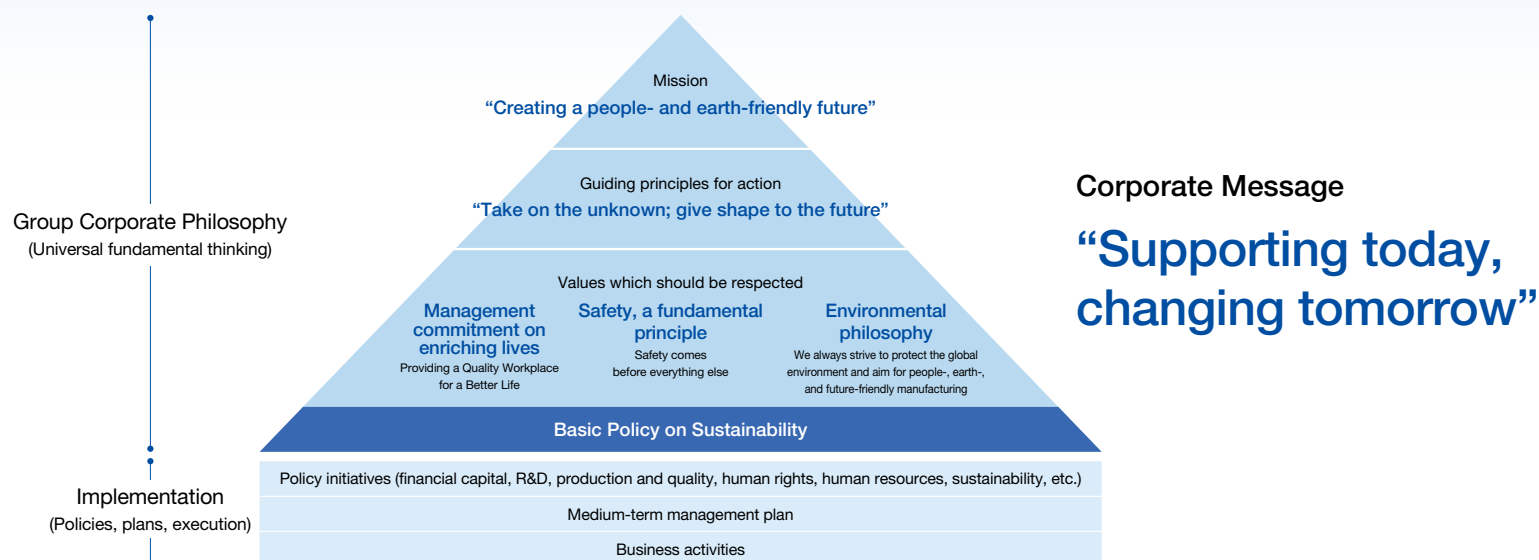
Go beyond yesterday’s ideas!

Go beyond what is taken for granted!

Go beyond customers’ expectations!

## Group Corporate Philosophy

In April 2024, the C.I. TAKIRON Group revised its Group Corporate Philosophy. We clearly stated our Guiding Principles for Action, which will serve as guideposts and criteria for making decisions as we act towards the realization of our mission, “Creating a people- and earth-friendly future,” which is a universal value. We also incorporated “values which should be respected” into the Group Corporate Philosophy and organized the standards for the actions and ideas necessary to realize our mission. Additionally, we established a Basic Sustainability Policy to consolidate the Group’s overall regulations and policies and make it serve as a bridge between practices such as the Medium-term Management Plan and business activities, and the Group Corporate Philosophy.



## Medium-term Management Plan “Go Beyond” Innovation 2026

### Basic policy

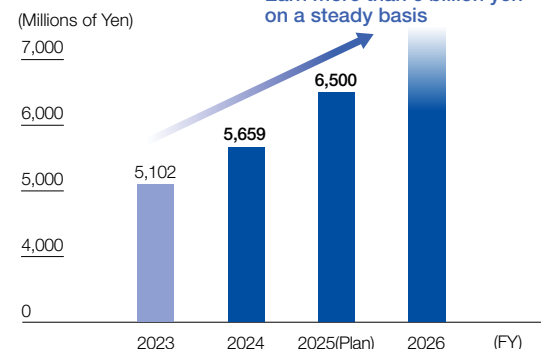
**1** Earn a consolidated net income more than **6 billion yen** on a steady basis

**2** Implement structural reforms to earn **10 billion yen** in the future

#### Management Indicators

	FY2023	FY2024	FY2025 Plan
Consolidated net sales	137.5 billion yen	141.8 billion yen	150.0 billion yen
Consolidated operating profit	6.2 billion yen	7.9 billion yen	9.3 billion yen
Consolidated operating profit margin	4.5%	5.5%	6.2%
Consolidated ordinary profit	6.5 billion yen	8.1 billion yen	9.5 billion yen
Consolidated net profit	5.1 billion yen	5.6 billion yen	6.5 billion yen
Average ROIC	4.5%	5.7%	6.0%

#### Consolidated Net Profit



### Main Policy Measures

- 01** Optimization of group management
- 02** Creation of new products and businesses
- 03** Enhancement of departmental capabilities
- 04** Expansion of overseas business
- 05** Acceleration of M&A

**01**

#### Main Policy Measure

#### Optimization of group management

- Eradication of deficit-ridden affiliate subsidiaries
- Implementation of individual growth strategies for affiliate subsidiaries
- Production framework restructuring from total optimization standpoint

Our efforts to optimize group management are focused on three specific measures.

#### Eradication of deficit-ridden affiliate subsidiaries

To promote structural reform, management carries out direct progress management on a quarterly basis at our Important Monitoring Council. The two companies that were in the red in fiscal 2024 are now on track to turn a profit during the Medium-term Management Plan period.

##### ■ Aim for zero deficit-ridden affiliate subsidiaries

FY2022 Result	FY2023 Result	FY2024 Result	FY2025 Plan	FY2026 Expectation
<b>9</b> companies	<b>3</b> companies	<b>2</b> companies BONLEX EUROPE S.R.L. MAVERIQ Partners Inc.	<b>2</b> companies	<b>0</b> companies

#### Business structure reform council

The Business Structure Reform Council formulates policies for upgrading business structures and streamlining and improving the efficiency of plants to contribute to improving profitability of business divisions. It also checks the progress of each theme and individual measure and discusses future countermeasures, aiming to create and introduce new technologies for product development and expand into high-value-added fields.

#### Important monitoring council

Every fiscal year, the Important Monitoring Council selects Group companies with the potential to have a significant impact on consolidated management. The presidents of the selected Group companies must submit financial and business reports to the president of C.I. TAKIRON Corporation on a quarterly basis. With such reports, the Council checks the progress of the action plan, discusses current issues, and decides on future policies and countermeasures.

#### Implementation of individual growth strategies for affiliate subsidiaries

The planned affiliate subsidiary consolidations have been completed. We will continue to incorporate businesses that will contribute to the growth of the C.I. TAKIRON Group.

##### ■ Trend in total number of affiliate subsidiaries

FY2024 Result	FY2025 Plan	FY2026 Expectation
<b>22</b> companies	<b>22</b> companies +CK Adtech Co., Ltd. +Saito Shubyo Co., Ltd.	<b>24</b> companies (+ a few)

#### Production framework restructuring from total optimization standpoint

We will further promote total optimization by consolidating and eliminating small-scale production sites, unifying our production and sales systems, and building efficient production systems in growth and focus areas.

##### ■ Trend in total number of production sites

FY2024 Result	FY2025 Plan	FY2026 Expectation
<b>30</b> bases	<b>30</b> bases - Sano Plant	<b>29</b> bases (- a few)

## 02

### Main Policy Measure

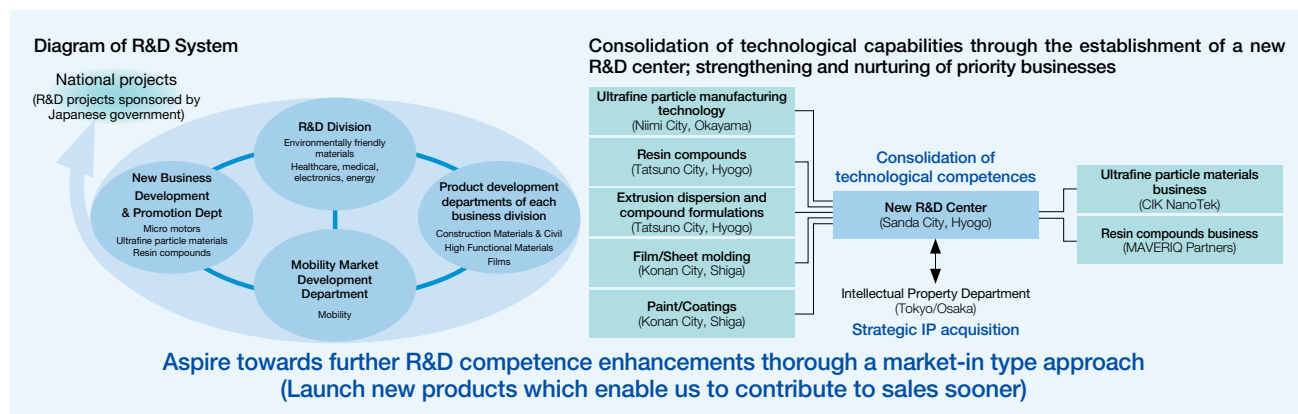
### Creation of new products and businesses

- Consolidation of technological competences and enhancement / development of core business areas through new R&D center establishment
- Concentration on R&D portfolios and management resources on high-value-added business fields

- Novel technology creation / introduction for product development that goes beyond customer expectations
- Securing of competitive advantage through strategic intellectual property acquisitions

To strengthen its R&D system, the C.I. TAKIRON Group is actively welcoming external talent and strongly promoting industry-academia-government collaboration and alliances.

### Development/Enhancement of R&D System



### Sanda R&D Center

The Sanda R&D Center (Sanda City, Hyogo Prefecture) is scheduled to open in April 2026. By consolidating the R&D functions of each site, the Sanda R&D Center will serve as a technology hub to further strengthen internal and external collaboration and promote the creation of new products and new businesses.



## 03

### Main Policy Measure

### Enhancement of departmental capabilities

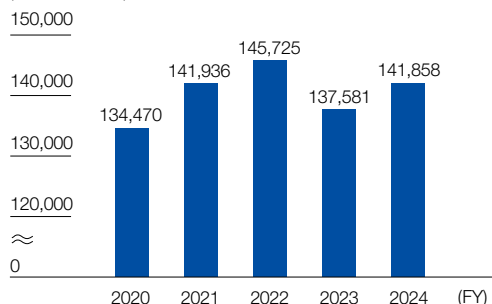
- Relentless pursuit of manufacturing cost reductions
- Sales practices that enable to beat competitors

- Promotion of efficiency and labor saving (including DX)
- Establishing a strategic purchasing system

In fiscal 2024, gross profit reached its highest level in the past five years. Going forward, we will strengthen earning power of the company as a whole by raising transformation awareness across all the different frontlines, including sales and manufacturing.

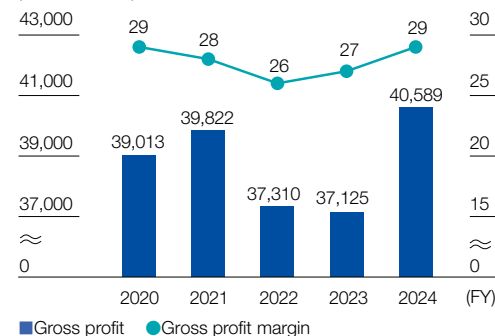
### Net Sales

(Millions of Yen)



### Gross Profit / Gross Profit Margin

(Millions of Yen)



### FY2024 measures

- Relentless pursuit of manufacturing cost reductions
- Promotion of efficiency and labor saving (including DX)
  - Implementation of cost reduction themes (at each plant)
  - Revision of production system
  - Transfer of production (Aboshi), withdrawal of unprofitable products (TCP, TW)
  - Consolidation and elimination of affiliated company production sites
- Sales practices that enable to beat competitors
  - Thorough market-oriented approach and start of system building to strengthen the value chain
- Establishing a strategic purchasing system
  - Cost reduction through strategic purchasing

### Challenges

- Sales practices that enable to beat competitors
  - ▶ **Construction Materials & Civil Division**
    - Improve strategy execution capabilities through timely information sharing and proactive monitoring
  - ▶ **High Functional Materials Division**
    - Sales measures based on strengthening user spec work
  - ▶ **Films Division**
    - Accurate understanding of downstream sales channels and customer needs and optimization of the supply chain
- Thorough reduction of manufacturing costs
  - Extracting the results of smart factories
  - Continued revision of the production system
  - Continued strategic purchasing

## 04

### Main Policy Measure

### Expansion of overseas business

- Strengthen sales and regain profitability in North America and Europe
- Strengthen local sales in the China; Sales expansion and market share recapturing in Asia
- Activate overseas postings by corporate headquarters' supports

Expanding overseas business is essential for the further growth of the C.I. TAKIRON Group. We will formulate policies and strategies for each area and product and move forward with even greater vigor.

### Thorough Implementation of Area Strategies

#### Europe Flagship products

BONLEX	Shrinkable film
Zipper	Micro motors

#### Overseas sales ratio

(Total of exports on a standalone basis and group companies)

FY2023 Result	FY2024 Result
14.6%	15.3%

Accelerate overseas business through company-wide measures

#### China, Korea, Southeast Asia Flagship products

Semiconductor plate	Agricultural films
Micro motors	Hydrotite

#### North America Flagship products

Belbien	BONLEX
Shrinkable film	Zipper
Micro motors	

#### FY2024 measures

- **Construction Materials & Civil Division**
  - Dispatch expat staff
  - Improve profitability
- **High Functional Materials Division**
  - Dispatch expat staff (China)
  - Review distributor policies
- **Films Division**
  - Prepare both production and sales of zippers to be manufactured in North America

#### Challenges

- **Construction Materials & Civil Division**
  - Strengthen cooperation between the head office and local bases with expat staff as hubs
  - Business model reform through value chain review
- **High Functional Materials Division**
  - Further dispatch of expat staff
  - Centralized inventory management
- **Films Division**
  - Understand customer needs and strengthen overseas sales staff

## 05

### Main Policy Measure

### Acceleration of M&A

- M&A acceleration of business restructuring in petrochemical industry and acquisition of residual profit
- M&A acceleration for technology acquisition, overseas business expansion, and sales expansion

The Medium-term Management Plan sets a special investment budget of ¥40 billion for M&A, and two M&A decisions were made in fiscal 2024.

Starting in fiscal 2025, we established an M&A Project Promotion Group in the New Business Development & Promotion Department and assigned dedicated personnel to accelerate the search for projects in target fields and lead M&A projects across all business divisions.

### Identification of acquisition targets

We will accelerate M&A and alliances with the following companies as primary targets for exploration.

	Potential candidate targets for acquisition
For petrochemical industry restructuring	· Acquisition of resin processing businesses that have been split off due to restructuring of major petrochemical manufacturers
To acquire residual profit	· Acquisition of other companies in the same business field with potential residual profit
To acquire novel technologies	· Companies with core technologies enabling entry to new business fields · Companies with resin processing technologies enabling enhancement of value chains
For overseas business expansion	· Acquisition of sales networks enabling effective promotion of growth in overseas net sales · Acquisition of overseas technologies and intellectual property licenses
For domestic sales expansion	· Acquisition of distributors and sales companies enabling expansion of sales routes

### Diagram of M&A Promotion System



#### FY2024 measures

- CK Adtech Co., Ltd.
  - Saito Shubyo Co., Ltd.
- \* Decisions made in FY2024

#### Challenges

- **Business expansion through technology acquisition and overseas M&A**

# Financial Strategy

We will keep profit efficiency in mind and shift from “defense” to “offense” to raise our “earning power” with a view to increasing medium- to long-term corporate value.

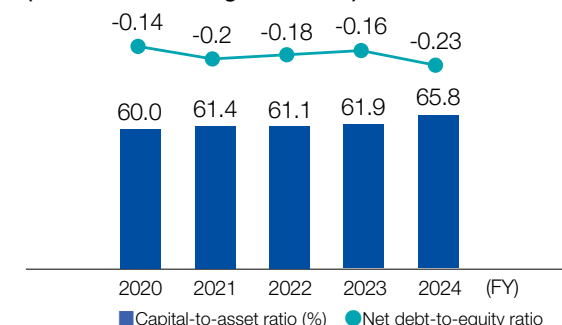
## Cash Generating Ability Enhancement

### Leveraging a stable financial foundation to aim for a virtuous cycle of growth investment and cash generation

The finances of the C.I. TAKIRON Group remain solid. Our capital-to-asset ratio remains above 60%, the net debt-to-equity ratio remains negative, and the indicators of sound financial health are stable. We will allocate the remaining funds to investment in additional growth fields, business expansion through M&A, digital investment, research and development investment, and human capital investment such as human resource development and talent acquisition to ensure that we improve profitability.

Capital-to-asset ratio	Equity capital / total capital × 100	An indicator of a company's financial health. Indicates what proportion of a company's total capital is made up of equity capital.
Net debt-to-equity ratio	(Interest-bearing debt – cash and deposits) / equity capital	An indicator of a company's real borrowing dependence. Indicates how much remains after subtracting cash on hand from debt, relative to equity capital. A negative value indicates virtually no debt (more cash than debt).

Capital-to-asset Ratio/Net Debt-to-equity Ratio  
(Net Interest Bearing Debt Ratio)



## Capital Allocation

### Actively allocating operating cash flow to growth investment

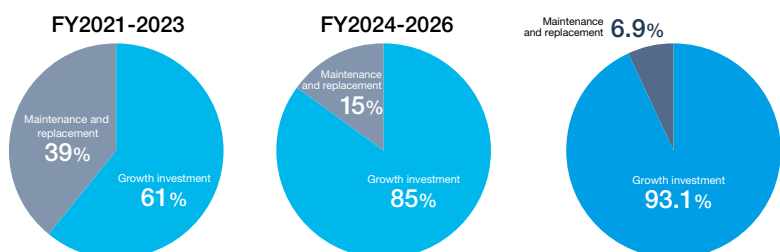
The Medium-term Management Plan sets aside approximately ¥30 billion of the projected operating cash flow over three years for investment. A breakdown of the investment objectives over the last three years shows that maintenance and replacement accounted for 39%, which reflects that investment to boost growth has not been sufficiently implemented. During the three years of the Medium-term Management Plan, we will reduce the current maintenance investment of 39% to 15% and prioritize growth investments that lead to even a small increase in productivity or rationalization, even if they are for maintenance and replacement, when making capital investments. Moreover, we will accelerate business restructuring promotion with a view to using up this ¥30 billion.

### Active M&A with a special investment quota of ¥40 billion

In the Medium-term Management Plan, we have prepared a special investment quota of ¥40 billion separately from the aforementioned amount of approximately ¥30 billion available for investment. In consideration of the company's excellent financial standing, this ¥40 billion was set aside for further growth investment and beneficial M&A. To use this special investment quota effectively, we have clarified the investment targets. Specifically, we are targeting the acquisition of resin processing businesses carved out due to the restructuring in major petrochemical industry, the purchase of other companies in the same industry that are expected to profit due to increased market share as the remaining players, entry into new fields, and M&A to strengthen our value chain, etc. to seize projects that will contribute to our business expansion and technological improvement in a timely and appropriate manner. To further accelerate M&A, we will strive to improve our ability to collect information, conduct research, and most of all execute. In this way, we will aim for further progress of the C.I. TAKIRON Group.

### Drastic shift capital investment objectives

#### Comparison by Investment Objectives



Minimize capital investments for maintenance and replacement, shifting to growth investments drastically such as rationalization

FY2024 Result: **¥12.8billion**

Total investment quota  
Maximum **¥70.0 billion**

Maintenance and replacement quota ¥4.5 billion	Major investment plans		
Growth investment quota ¥25.5 billion	•Business restructuring promotion Approx. ¥1.5 billion	•Production rationalization Approx. ¥6.0 billion	•Research & development Approx. ¥5.5 billion
	•Increasing production/promoting growth Approx. ¥8.0 billion	•IT·DX Approx. ¥3.0 billion	•Maintenance and replacement Approx. ¥4.5 billion
Special investment quota (M&A, etc.,) ¥40.0 billion	M&A		
	Candidates for acquisition		
	1. For petrochemical industry restructuring	·Resin processing businesses, which are carved out due to restructuring of major petrochemical manufacturers	
	2. To acquire residual profit	·Other companies in the same business field with potential residual profit	
	3. To acquire novel technologies	·Companies with core technologies enabling entry to new business fields ·Companies with resin processing technologies enabling enhancement of value chains	
	4. For overseas business expansion	·Acquisition of sales networks enabling effective promotion of growth in overseas net sales ·Acquisition of overseas technologies and intellectual property licenses	
	5. For domestic sales expansion	·Acquisition of distributors and sales companies enabling expansion of sales routes	

# ROIC Management

We have been engaged in full-scale efforts to raise the level of our business portfolio since fiscal 2024, using ROIC as a management index. In this way, we will accelerate the shift from low-efficiency businesses to high-efficiency businesses, and aim for a company-wide ROIC of 7% or higher in fiscal 2026.

## ROIC (Return on Invested Capital)

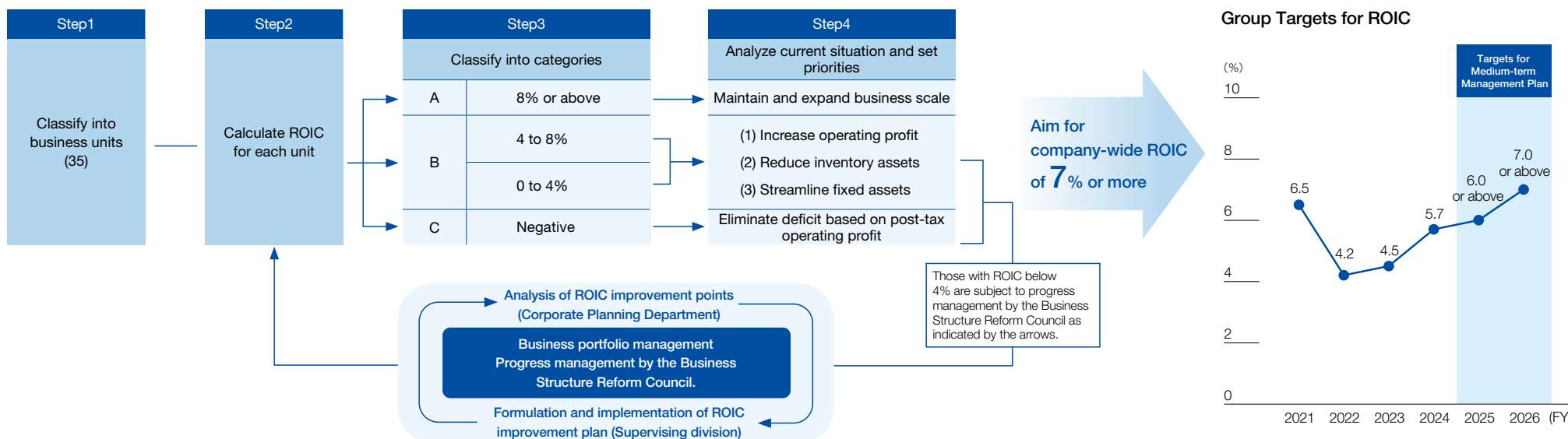
C.I. TAKIRON is promoting the enhancement of our business portfolio using ROIC (Return on Invested Capital) as a management index. ROIC indicates how much profit a company has generated from the capital it has invested in its business. For businesses that fall below standards, we will promptly enact focused improvements through direct management control, while also implementing thorough business structural reforms such as considering a sale or withdrawal, etc. if there is no improvement after a certain period of reprieve. In this way, we will maximize our investment efficiency and optimize the allocation of management resources. We will also ensure the implementation of the aforementioned initiatives to enhance our cash-generating ability and create a virtuous cycle. Then we will make more growth investment and work for sustainable growth and increased corporate value.

$$\text{ROIC} = \frac{\text{Operating profit} \times (1 - \text{effective tax rate})}{(\text{Trade receivables} + \text{inventories} - \text{trade payables} + \text{non-current assets})}$$

(Return on Invested Capital) \* Denominator is a two-year average

## Enhancement of Business Portfolio through ROIC

ROIC has an advantage over other profitability indicators in that it can provide granular data for each business unit. In other words, we can get an ROIC breakdown for each frontline within the business unit in question. With this granular data, we can track and review the ROIC calculation values in a continuous manner, and improve our business portfolio management by promoting improvement of the return of capital. While making these improvements on each business foundation, we'll also make swift and discerning decisions at a higher strategic level, such as decisions on strategic investments in growing businesses and whether to divest an under-performing business. In this way, we aim for optimum business portfolio management.



# Construction Materials & Civil Business



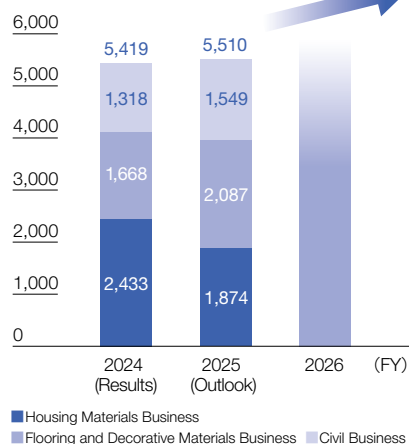
**Kenji Matsui**

Managing Executive Officer Chief Operating Officer of the Construction Materials and Civil Div.

Based on the basic philosophy of “Creating a people- and earth-friendly future” and “Take on the unknown; give shape to the future,” the Construction Materials and Civil Division has further strengthened the development of environment-friendly products that incorporate energy-saving, recycled materials, and bio-based raw materials. We are also focusing on expanding our market share of mainstay products with high durability, outstanding comfort, and design aesthetics. In the previous fiscal year, we improved profitability by strengthening collaboration between production and sales and introducing strategic growth products while accelerating our expansion into overseas markets. In the current fiscal year, we will continue to promote structural reforms to achieve both resource conservation and strengthening of our disaster response capabilities, as well as to improve efficiency in production and logistics and strengthen our sales capabilities, with the aim of building a sustainable social infrastructure and achieving sustainable growth.

## “Go Beyond” Innovation 2026, Trend in Operating Profit

(Millions of Yen)



### TOPIC

To accelerate the development of new markets and products in the mobility field, we strengthened our organizational capabilities by establishing the Mobility Market Development Dept. under the Construction Materials & Civil Division. In the Housing Materials Field, we are promoting the creation of new business models through M&A. In the Flooring and Decorative Materials Field, we aim to expand local production at BONLEX EUROPE S.R.L., reduce costs, and increase sales by restructuring the sales system in North America. In the Civil (Civil Engineering and Environment) Field, we started selling the “Hi-Rays” method, a next-generation light curing technique, in the Pipe Rehabilitation Department, and will expand our market share with a region-specific strategy. We will also work with affiliate subsidiaries to aim for sustainable growth.

## Housing Materials Field



Transparent polycarbonate plates for road construction (SHIN-TOMEI EXPWY)

### Strength

- Polycarbonate building materials and housing materials with a high market share
- Polycarbonate fabrication technology and Japan's top production capacity

### Weakness

- Overseas sales channels for housing materials products

### Opportunity

- Increase in long-term quality housing
- Expansion of the home renovation and remodeling market
- Capturing overseas demand

### Threat

- Shrinking market due to Japan's declining population and fewer new housing starts
- Rapid climate change

### Key products

Polycarbonate plates/Rain gutters/Drainage/Outdoor sinks/Rainwater storage and filtration materials/GranSign/Digital signage

### Core technologies

A wide range of technologies, from extruded products employing material properties, such as corrugated and plastic plates, to formed products with shape functionality such as rain gutters and drainage, as well as design and manufacturing of signs and LED devices / Sheet and profile-extrusion molding technology, injection molding technology / Thermosetting plastic press molding technology / Signage and LED device design technology

### Market environment

The number of new housing starts is decreasing due to Japan's declining population. In addition, reducing costs and passing on product price increases due to rising raw material and logistics costs are urgent issues for improving profitability. Demand for environment-friendly products that address decarbonization and climate change is also increasing.

### Response to risks and opportunities

To prepare for rapid climate change, we are further strengthening our sales system and product development for disaster prevention and mitigation products. To prepare for a shrinking market due to Japan's declining population and fewer new housing starts, we are strengthening our response to the long-term quality housing and renovation markets and flexibly restructuring our production and sales systems to meet diversifying demand.

### Accomplishments in FY2024

Despite the impact of a decline in the number of new housing starts and the suppression of investment due to rising construction material costs, we were able to appropriately pass on the rise in raw material costs and logistics costs in the form of higher product prices, and sales of polycarbonate building materials grew significantly, partly due to demand for repair and recovery after hail damage in the southwestern part of Hyogo Prefecture in April 2024. As a result, both sales and profit increased.

### Outlook for FY2025 and initiatives to achieve the medium-term management plan

In fiscal 2025, we will implement a portfolio strategy for our existing businesses and build an optimal production system for housing materials products in order to establish a stable revenue base. We will deepen collaboration with Group affiliate subsidiaries C.I. TAKIRONPLUS and SANWA SIGNWORKS and tighten collaboration with the Product Development and R&D departments to accelerate the development of new products and technologies. We also aim to maximize the profits of our existing businesses by promoting initiatives such as sales and operational reforms leveraging DX, as well as M&A activities.

## | Flooring and Decorative Materials Field



Haisui Karatto HK (Drain-Dry HK)  
slip-resistant vinyl flooring sheets for  
condominiums

### Strength

- High market in slip-resistant vinyl flooring sheets
- Global expansion through overseas production site (BONLEX EUROPE S.R.L.)
- Integrated production of decorative materials for the domestic market allows for short delivery times and small lot orders
- Technical capabilities that enable the development of high value-added products

### Opportunity

- Changes in lifestyles and values
- Expansion into untapped overseas markets
- Increased demand due to improved living standards in emerging countries

### Weakness

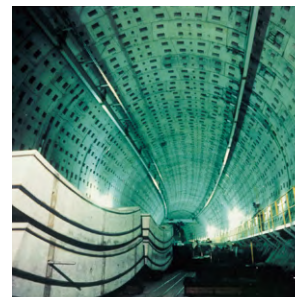
- Smaller scale of business compared to major competitors
- Limited overseas site development
- Not a comprehensive interior manufacturer

### Threat

- Shrinking market due to Japan's declining population
- Lower sales and higher raw material prices due to geopolitical risks
- Decrease in overseas sales due to sudden fluctuations in tariffs

<b>Key products</b>	"Takistron" and "Takistep" slip-resistant vinyl flooring sheets/"Belbien" fireproof decorative films with adhesive/"BONLEX" decorative sheeting for kitchens, furniture, and construction components
<b>Core technologies</b>	Manufacturing technology for flooring materials with outstanding weather and abrasion resistance, that retains its color scheme even when the surface is removed; and interior/ exterior materials with high functionality and design aesthetics, provided through lamination, printing, and other post-processing / Calendaring technology / Powder molding technology
<b>Market environment</b>	In flooring materials, there is increasing demand for not only design aesthetics but also for a long service life, both in the apartment complex renovation market as well as the new construction market. In decorative materials, we are expected to provide decorative sheets that match market trends in terms of design as well as functionality.
<b>Response to risks and opportunities</b>	To prepare for the risk of a shrinking Japanese market, we will accelerate our expansion into overseas markets by leveraging the strengths of local production at our European affiliate subsidiary (BONLEX EUROPE SRL).
<b>Accomplishments in FY2024</b>	In addition to the steady growth in apartment complex renovation work, we also worked to expand sales of high-value-added products, including the launch of Haisui Karatto HK (Drain-Dry HK), a new flooring product, and increased exports of "Belbien" decorative materials. As a result, both sales and profit increased.
<b>Outlook for FY2025 and initiatives to achieve the medium-term management plan</b>	The market environment is expected to remain challenging in terms of both sales and operating profit due to ongoing geopolitical risks as well as the post-COVID-19 decline in demand that has lingered in some areas. Under these circumstances, in flooring materials, we will develop and expand sales of high value-added products with the required functionality and design aesthetics in both the apartment complex renovation market and the new construction market. In decorative materials, we will actively work on overseas expansion to quickly rebuild the European market, which has been slow to recover, and to expand the North American market.

## | Civil (Civil Engineering and Environment) Field



"Hydrotite" hydrophilic water sealing  
material used in tunnels, etc.

### Strength

- Sales system and customer support capability
- Ability to handle everything from manufacturing and sales to processing and construction
- Market share and brand power

### Opportunity

- Growing demand for infrastructure redevelopment and renewal
- Growing demand for environment-friendly and long-life products
- Growing demand in emerging economies

### Weakness

- Group-wide collaboration in new product development

### Threat

- Improvement of quality in overseas products
- Problem of recycling plastic materials
- Shrinking market due to Japan's declining population

<b>Key products</b>	Waterproof geomembranes/Hydrophilic water sealing material/Polyvinyl chloride Waterstop/ High-strength polyethylene pipe/Large tanks for rotational molding/Pipe rehabilitation method
<b>Core technologies</b>	Manufacturing technology for a wide range of waterproof geomembranes that are number one in Japan Profile-extrusion molding technology and special processing technology for hydrophilic rubber / Extrusion molding technology, profile-extrusion molding technology, sheet, film extrusion molding technology
<b>Market environment</b>	The need for maintenance, repair, and renewal of highways, tunnels, and sewer systems is expected to increase, and medium- to long-term growth is expected in emerging markets such as ASEAN.
<b>Response to risks and opportunities</b>	We will accelerate our entry into new fields by quickly developing environment-friendly products and improving existing products. To secure an advantage in competition with overseas manufacturers, we have launched our Hydrophilic Water Sealing Materials "HYDROTITE (with adhesive)" with industry-first functionality.
<b>Accomplishments in FY2024</b>	Despite the impact of construction delays in a large-scale shield tunnel project, deliveries of waterproof sheets to interim storage facilities and intermediate storage sites in Fukushima Prefecture were strong, and exports of waterproofing materials for concrete joints to overseas markets also remained strong. As a result, both sales and profit increased.
<b>Outlook for FY2025 and initiatives to achieve the medium-term management plan</b>	In fiscal 2025, we will implement a portfolio strategy for our existing businesses to establish a stable revenue base and deepen collaboration within the Group. In addition, with an eye on expanding overseas operations, we will accelerate the development of new products and technologies tailored to market needs. We will also boldly review and reform the manufacturing process for hydrophilic rubber products, aiming to develop multi-skilled workers and reduce the number of workers required.

# High Functional Materials Business



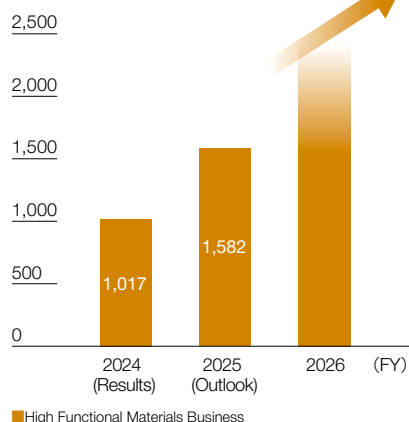
**Hironori Kikuchi**

Director, Senior Managing Executive Officer, Chief Operating Officer of the Corporate Planning Division and the High Functional Materials Dept.

The High Functional Materials Department sells various plastic plates and machining materials for markets related to semiconductors, which are expected to continue growing in line with advances in AI, IoT, and automotive technologies. To keep pace with this growth, we are investing in increasing the production capacity of plastic plates for semiconductor-manufacturing equipment at our main production plant in Aboshi, with the aim of starting operation in fiscal 2027. This will enable us to establish a system to provide our customers with a stable and continuous supply of products.

## “Go Beyond” Innovation 2026, Trend in Operating Profit

(Millions of Yen)



### TOPIC

In April 2025, CIPS Advance, which had been a distributor, became a consolidated subsidiary, and in August, it was newly launched as CK Adtech Co., Ltd. Under this new organization, we will listen more directly to customers and develop new products and services based on their needs.

## Advanced Industrial Fields



Fully automatic wafer cleaning equipment used in the semiconductor manufacturing process

### Strength

- Broad product lineup
- High market share and brand power
- Solid sales channels
- Meticulous technical support

### Weakness

- High dependence on semiconductor and FPD industries

### Opportunity

- AI, automation, and changing work styles
- 5G, 6G, data center growth, metaverse, EV adoption

### Threat

- Sudden fluctuations in demand for semiconductor and FPD manufacturing equipment
- Changes in standards and regulations
- Rising raw material prices and supply chain disruptions due to the political and economic climate
- Opportunity loss due to insufficient supply of materials for semiconductor manufacturing equipment
- Price hikes of utilities such as electricity and gas

### Key products

High functional PVC plates (FM plates, Static dissipative plates, Heat-resistant plates) / Engineering plastics (including TAKIRON POLYMER)

### Core technologies

Ability to handle development of various certified products based on our in-house evaluation system for properties, chemical resistance, processability, and other features we have cultivated over many years, and our extensive accumulated data / PVC plate composite technology / Plate molding and fabrication technology

### Market environment

Demand is expected to increase further in the semiconductor and FPD fields, which are the department's main customer segments, due to factors such as the start of full-scale operation of the next-generation communication standard 5G, replacement demand for smartphones, and data center capacity expansion.

### Response to risks and opportunities

We will propose FM plates as materials to be used in partitions and dividers to improve the cooling efficiency of data centers, thereby contributing to the reduction of fire risk.

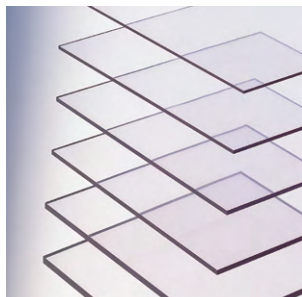
### Accomplishments in FY2024

In the first half of the fiscal year, sales in the AI field and for semiconductor equipment in China were relatively strong. However, in the second half, demand for semiconductor equipment was sluggish overall. In particular, a decline in demand for semiconductor equipment in China resulted in results falling short of the initial plan.

### Outlook for FY2025 and initiatives to achieve the medium-term management plan

Demand for semiconductor devices continues to be sluggish in fiscal 2025, but the semiconductor field is expected to continue to grow. As part of our efforts to achieve the Medium-term Management Plan targets, we have started investing in increased production of plates for semiconductor manufacturing equipment, for which the market is expected to grow, and progress is on track as planned. We are also deploying personnel to the Asia region, focusing on China and Malaysia, where market expansion is anticipated, to deepen marketing efforts and expand sales channels.

## | General Industrial Fields



Transparent plates available in various grades for a wide range of applications

### Strength

- Broad product lineup
- High market share and brand power
- Solid sales channels
- Meticulous technical support

### Weakness

- Limited production efficiency improvement due to the wide range of products

### Opportunity

- Growing trend towards energy conservation (weight reduction, use of resin)
- Rising expectations for SDGs initiatives in the world

### Threat

- Changes in standards and regulations
- Rising raw material prices and supply chain disruptions due to the political and economic climate
- Price hikes of utilities such as electricity and gas
- Opportunity loss in the general industrial fields due to the rapid increase in demand in the semiconductor and FPD industries

### Key products

General-purpose PVC plates / PET plates / PC plates / Aluminum composite plates / Engineering plastics (TAKIRON POLYMER) / Acetate sheet (TAKIRON-ROWLAND products)

### Core technologies

- TAKIRON-ROWLAND has the only manufacturing sites in Japan for eyeglass frame acetate sheets, and an extensive range of colored patterns to meet designer needs
- TAKIRON POLYMER has a wide range of composite technologies, from general plastics to engineering plastics, as well as molding technology and annealing processing technology

### Market environment

Increased capital investment is expected in facilities for next-generation technologies utilizing automation through AI and IT/DX.

### Response to risks and opportunities

We are continuing our efforts to increase production capacity and improve production efficiency.

### Accomplishments in FY2024

Products for general industrial fields showed steady sales, although not significant growth, and there was strong demand for PET plates for factory equipment covers. Acetate sheets for eyeglass frames, a product of TAKIRON-ROWLAND, have been steadily adopted by eyeglass brands in Japan and overseas. Sales of TAKIRON POLYMER products struggled due to sluggish demand for filter plates.

### Outlook for FY2025 and initiatives to achieve the medium-term management plan

Although the market environment remains difficult, we will strengthen our specification activities, focusing on PET plates and Takimetal. For TAKIRON POLYMER, it is predicted that demand for filter plates will continue to be sluggish, so we will strengthen the rationalization of plants and sales of engineering plastic products. For TAKIRON-ROWLAND, we will assign dedicated sales staff to focus on developing new users.

## TOPIC

### Introduction to TAKIRON-ROWLAND products

As the only acetate sheet manufacturing plant in Japan, TAKIRON-ROWLAND offers products with a commitment to stable 'MADE IN JAPAN' quality.

With vibrant colors and a wide variety of color patterns, the products have been well received by many eyeglass brands both in Japan and abroad. Every year, we introduce new products that incorporate the latest trends and flexibly accommodate the requests of brand designers. We have a strong track record of being adopted by high-end brands, and strive to express a sense of luxury and depth of color.

To illustrate, the new colors added to our lineup in 2024 are introduced below.

The designs appear simple at first glance, but the non-assertive colors blend well with skin, and when processed into eyeglass frames, the depth of color is further accentuated, earning high praise from many customers.

Going forward, we will continue to accurately capture customer needs and market trends and support our customers' craftsmanship with products that deliver reliable quality and diverse expressiveness.



L-10367



L-40362



L-50379



L-80361



L-80363



L-90372



L-90380



RS-1962



RS-1964



RS-1965



RS-1966



TN-0330



TN-0331



TN-0332



TN-0333

# Films Business



**Akihiro Ueda**

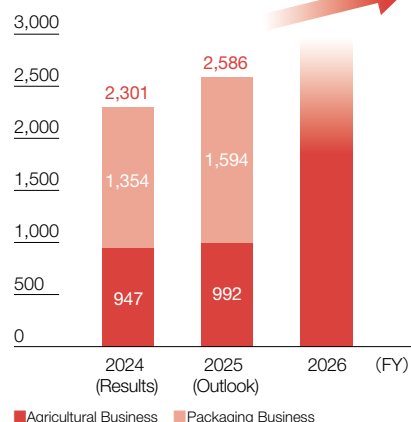
Representative Director Vice Chairman  
Chief Operating Officer of the Films Div.

In fiscal 2024, the Films Division strengthened and reorganized its upstream operations. In the Agricultural Materials Business, thanks to the vertical start-up of the agricultural PO business, which we took over the previous year, we were able to increase our domestic market share by approximately 8%. In the BONSET business, we completed the withdrawal of our South American production site, allowing resources to be concentrated in North America.

In fiscal 2025, we will focus on downstream operations. In the Agricultural Materials Business, as part of our area strategy, we have acquired all shares of Saito Shubyo Co., Ltd., incorporating it into our supply chain as an important site in the Kanto region, where greenhouse horticulture is thriving. In the BONSET business, we will deepen our partnerships with converters to improve our ability to respond to orders. Furthermore, with regard to zippers, we plan to introduce facilities in North America to supplement the existing three production sites in order to incorporate customer needs and lay the foundation for business expansion.

## “Go Beyond” Innovation 2026, Trend in Operating Profit

(Millions of Yen)



### TOPIC

We will continue to actively pursue M&A with the aim of increasing our presence in product development and downstream distribution through market-in approach. We will expand our business to improve the services provided to end users beyond simply making products, we will strive to overcome challenges in development, manufacturing, and sales. These challenges include acquiring development capabilities and new technologies to meet changing customer needs, including addressing climate change and the environment; production technology that enables thorough cost reduction; and eliminating bottlenecks and gaps with a bird's eye view of the supply chain.

## Agricultural Field



Contributing to providing an optimal greenhouse environment for crop cultivation

### Strength

- High market share and brand power
- Production technology and supply capabilities
- Ability to handle everything from manufacturing and sales to processing and construction

### Weakness

- Speedy development of new products including peripheral products
- Collaboration with external partner companies

### Opportunity

- Growing need for labor-saving solutions
- Growing need for environment-friendly and climate-resilient materials
- Growing demand in emerging economies

### Threat

- Decline in domestic demand
- Substitution and regulation of raw materials and resources
- Improvement of quality at overseas manufacturers

### Key products

Agricultural vinyl film / Agricultural polyolefin / Irrigation materials / Silage film / Various greenhouse materials / Fertilizers

### Core technologies

Material design to suit material characteristics, compound technology that imparts functions specific to agricultural applications, and Japan's largest wide-width molding technology using calendaring and multi-layer inflation

### Market environment

In addition to the demand for labor-saving features due to the aging agricultural population and large-scale production, there is also a growing need for materials that can contribute to adding high value to agricultural products and increasing yields and productivity while providing environmental functionality such as heat countermeasures and zero emissions.

### Response to risks and opportunities

In response to the decline in domestic demand, we will actively pursue M&A opportunities to enhance sales capabilities within the Group in the downstream area of the value chain and expand our business domains while pursuing scale advantages through increased market share. Overseas, we aim to expand our accumulated value-added functionality in heat countermeasures and functional product development to differentiate ourselves from local products and create a market for high-value-added products.

### Accomplishments in FY2024

Although sales were sluggish due to agricultural producers refraining from purchasing materials until the second half of the fiscal year, we were able to achieve our operating profit target thanks to the successful implementation of price revisions and the effects of cost reductions. In addition, by taking over the agricultural PO business in the previous year, we have been working to expand our domestic market share and increase our supply capacity, while also phasing out obsolete product varieties and consolidating our production sites, thereby making progress in our efforts to improve asset efficiency.

### Outlook for FY2025 and initiatives to achieve the medium-term management plan

Although a full-scale recovery in domestic demand is unlikely, we aim to achieve our sales target of an 8% year-on-year increase by regaining market share in the agricultural PO business we took over, strengthening downstream sales capabilities using Saito Shubyo Co., Ltd., which joined the Group in March 2025, as a model, and expanding demand by introducing new functional products in our main overseas market, South Korea, among other measures. In addition, we will complete the asset efficiency improvement plan from the previous year and actively engage in M&A that will lead to expansion of sales channels and acquisition of new technologies.

## | Shrinkable Film Field



Films with shrink properties that best fit various container shapes

### Strength

- Supply of diverse products through unique compound technologies
- Printing and processing sites in Japan
- Support for small-lot and short-term delivery to small and medium-sized customers in Japan and overseas

### Weakness

- Development of products that contribute to the development of new fields
- Further strengthening of international intellectual property strategy

### Opportunity

- Growing domestic and international demand and non-beverage applications
- Growing demand for environment-friendly products
- PET materials have become mainstream in the global market, increasing sales opportunities

### Threat

- Addressing environmental issues
- Declining demand and shrinking market due to Japan's declining population
- Tariff risk from trade imbalances
- Rising raw material and freight prices

<b>Key products</b>	Shrinkable film for labels / Shrinkable film for cap sealing / Biomass shrinkable film / Recyclable shrinkable film / Foamed white film / Vertical shrink PET film
<b>Core technologies</b>	Compound technology for imparting diverse functions suited to applications / Film molding technology for secondary processing and meeting stringent quality requirements of end-users / Secondary processing such as extrusion molding processing, drawing and heat shrinkage processing, and printing
<b>Market environment</b>	The global market is growing at an annual rate of 3-4%. It is expected that in the future, due to the trend towards environmental friendliness, the main materials will be replaced in each region.
<b>Response to risks and opportunities</b>	The product development and sales departments are working together to advance development in response to changes in consumer preferences and the demand for environmentally related materials from end users. We will also actively promote the expansion of sales channels to global markets through technological collaboration between production sites in Japan and the United States.
<b>Accomplishments in FY2024</b>	Despite concerns such as the decline in domestic demand due to population decrease and the shift from shrink labels to wrap-around labels, sales of our products remained flat compared to the previous fiscal year. On the other hand, exports increased thanks to the weak yen, resulting in a 2% increase in overall shrinkable film sales compared to the previous fiscal year.
<b>Outlook for FY2025 and initiatives to achieve the medium-term management plan</b>	In addition to expanding our lineup of environment-friendly products, we will strengthen our relationship with major converters through joint development and other means. In Japan, we aim to get customers to switch from our competitors, while in terms of exports, in addition to expanding sales to existing customers, we aim to acquire new customers by launching new products. We will also expand our market share in North America by strengthening the sales capabilities of our overseas affiliate subsidiary (BONSET AMERICA CORPORATION) and developing new applications.

## | Zipper Field



Zipper designs that provide optimal functionality for a variety of applications

### Strength

- Supply of diverse products through unique compound and die technologies
- Flexible production system with three production sites in Japan and overseas
- Comprehensive logistics management system enables fast and flexible delivery of orders

### Weakness

- Few new products launched
- Technological development including intellectual property strategy
- Delay in grade integration between domestic and overseas sites

### Opportunity

- Expanding demand and applications in Japan and overseas (foods, pharmaceuticals, electronic components)
- Japan's strict quality standards make it difficult for low-priced foreign products to enter the market
- Full-scale entry into the U.S. market, the world's largest

### Threat

- Addressing environmental issues
- Stable procurement of raw materials
- Rising raw material, utility, and freight prices

<b>Key products</b>	Zippers for food packaging / Zippers for powders / Child resistant zippers / Sound Zippers / Mono-material zippers
<b>Core technologies</b>	Compound technology for a wide range of performance needs, die making technology that accurately reproduces design shapes and mass-produces them, a variety of packaging formats designed with user operability first
<b>Market environment</b>	The market is expected to grow at an annual rate of 2% to 6% (with some regional variation), mainly in Japan, Asia, North America and Europe. On the other hand, due to the nature of products for the pharmaceutical and food industries, the quality demands for safety and processability (low-temperature sealing, multi-seal performance) are increasing year by year from customers in Japan and overseas.
<b>Response to risks and opportunities</b>	In 2022, in response to the increase in demand for zippers in Japan (related to food and pharmaceuticals), we increased our supply capacity by establishing a second manufacturing site in Japan at the Tochigi Plant of our affiliate subsidiary BONPACK Co., Ltd. For overseas markets, which are expanding, we are gradually rationalizing production at overseas production sites. In the North American market, we plan to introduce production facilities to expand sales. We will also focus on developing new markets and restoring commercial rights with strategic partners.
<b>Accomplishments in FY2024</b>	Sales increased by 9.3% over the previous fiscal year. In response to the increase in demand, we increased our supply capacity and regained our domestic market share, which exceeded 40%. Sales in overseas markets increased by 21.6% compared to the previous fiscal year. In particular, sales recovered in Europe, which had been affected by the prolonged impact of the COVID-19 pandemic even after it subsided, providing a strong boost to overall growth.
<b>Outlook for FY2025 and initiatives to achieve the medium-term management plan</b>	The minimum target for fiscal 2025 is a 4.5% increase in sales over the previous year. We will continue to bring more highly rated product varieties to the market and further expand sales. As a medium-term plan, we aim to achieve the top share in Japan with a target of 45%. In overseas markets, we plan to increase sales by 5.0% compared to the previous year. We will continue to strengthen sales in North America and Europe to restore profitability.

# Growing New Business Domain

## | Micro Motors



Lineup of micro motors from  $\phi$ 4mm to  $\phi$ 22mm

<b>Strength</b> <ul style="list-style-type: none"> <li>Excellent controllability</li> <li>Compact and lightweight</li> <li>Customization to meet customer needs</li> </ul>	<b>Weakness</b> <ul style="list-style-type: none"> <li>Limited lineup of accessories (gearhead, encoder) that add value to the motor</li> </ul>
<b>Opportunity</b> <ul style="list-style-type: none"> <li>Growing trend toward miniaturization and higher precision of medical devices</li> <li>Growing demand for motors for electronic locks</li> </ul>	<b>Threat</b> <ul style="list-style-type: none"> <li>Rise of low-cost motors made by Chinese manufacturers</li> </ul>

Key products	Coreless motors ( $\phi$ 4 mm to $\phi$ 22 mm) / Brushless motors ( $\phi$ 10mm to $\phi$ 17mm) / Gearheads / Encoders
Core technologies	Based on coil winding technology that converts electrical energy into mechanical energy in a space-saving and highly efficient manner, we select the size, characteristics, and output method that meet the customer's requirements to provide the most suitable motor
Market environment	Although we are a niche in the micro motor market, our coreless motors have a market size of approximately ¥44 billion, and growth is expected at an annual rate of more than 5% in applications that require power conservation and advanced control (such as the medical and robotics fields).
Response to risks and opportunities	In July 2025, we established a new manufacturing and development site within the Tokyo Plant. We will accelerate the development of new products to bring to market high-value-added products with significantly improved functions, such as high-torque motors, special silent gearheads, and encoders.
Accomplishments in FY2024	Consolidated net sales in fiscal 2024 rose 33% year on year, driven by increased shipments to major customers. As an initiative, we started a project aimed at establishing a new manufacturing and development site within the Tokyo Plant in fiscal 2025, and started construction on it. As for new product development, a prototype of the silent gearhead has been completed and is in the process of being evaluated by the customer.
Outlook for FY2025 and initiatives to achieve the medium-term management plan	We plan to achieve a 5% increase in consolidated sales in fiscal 2025. We will continue to fundamentally restructure our business by establishing an integrated manufacturing and development site within the Tokyo Plant, optimizing our domestic manufacturing system, including domestic partner companies, and relocating our manufacturing site in China. At the new site in the Tokyo Plant, we will accelerate the development of high-value-added products with significantly improved functions, such as high-torque motors and encoders, and provide them to the market.

## | Ultrafine Particle Materials



Ultrafine particle material with a fine granularity created using our proprietary technology

<b>Strength</b> <ul style="list-style-type: none"> <li>Proprietary ultrafine particle manufacturing and processing technology</li> <li>Customization according to customer needs</li> </ul>	<b>Weakness</b> <ul style="list-style-type: none"> <li>Overemphasis on sales</li> <li>High customer dependency</li> <li>Long review period due to emphasis on reliability</li> </ul>
<b>Opportunity</b> <ul style="list-style-type: none"> <li>Need for ultrafine particles due to lighter, thinner, shorter and smaller devices</li> <li>Growth in semiconductor and nanomaterial markets</li> </ul>	<b>Threat</b> <ul style="list-style-type: none"> <li>Final products have a short market life</li> <li>Technology is evolving rapidly</li> </ul>

Key products	Ultrafine particle materials and their application products
Core technologies	We create customized products (one-of-a-kind products) tailored to our customers' needs by leveraging our core unique powder processing technologies, including our technology for high dispersibility of ultrafine particles with a large specific surface area and strong cohesion and our surface treatment technology for modifying the surface of micro ultrafine particles according to purpose. Ultrafine particle manufacturing technology / Surface treatment technology / Dispersion technology / Classification technology
Market environment	The semiconductor market is expected to continue to grow due to factors such as increased demand for generative AI. At the same time, technological innovations in logic and memory ICs, which contribute to increased communication capacity and speed, are progressing rapidly, and the need for high-performance components to support them is increasing.
Response to risks and opportunities	Failing to keep up with ever-evolving devices brings the of risk losing market share in an instant. We are therefore collecting information (building partnerships with successful companies) to stay ahead of the curve and working to improve our technological capabilities (in collaboration with C.I. TAKIRON's Research & Development Department ) to adapt to these changes, while also proactively taking on new challenges in new fields.
Accomplishments in FY2024	Sales in fiscal 2024 increased slightly by 2% over the previous fiscal year. The stagnation in sales was due to the slowdown in the growth of smartphones and PCs, which drive demand. In anticipation of medium- to long-term growth in semiconductors, we have strengthened our development system (increased personnel, enhanced development facilities, and start of collaboration with C.I. TAKIRON's development department).
Outlook for FY2025 and initiatives to achieve the medium-term management plan	We plan to increase sales by 10% in fiscal 2025. As for the Medium-term Management Plan , we aim to achieve the targets by implementing next-generation product themes acquired through partnerships with successful companies. We will also strive to enhance the value of the C.I. TAKIRON Group by actively participating in the development of new technologies and products at the Sanda R&D Center, which will open in fiscal 2026.

## | Resin Compounds



Pellets made from recycled materials with clear traceability

<b>Strength</b> <ul style="list-style-type: none"><li>Flexible recipe development capabilities</li><li>Securing a stable supply of recycled materials</li><li>Connections with major OA equipment manufacturers, etc.</li></ul>	<b>Weakness</b> <ul style="list-style-type: none"><li>Manufacturing risks due to not having our own factory</li><li>With supply starting in FY2025, there has not yet been time to build up a business track record</li></ul>
<b>Opportunity</b> <ul style="list-style-type: none"><li>Growing demand for recycled materials in various industries worldwide (stricter environmental regulations)</li></ul>	<b>Threat</b> <ul style="list-style-type: none"><li>Price competition with overseas manufacturers</li></ul>

<b>Key products</b>	Environment-friendly resin compound products
<b>Core technologies</b>	We are able to combine MAVERIQ Partners' application-specific recycling-grade knowledge and recipe formulation technology with MJ Material's ability to provide a stable supply of recyclable resources with clear traceability and advanced compound technology. This enables us to provide a stable supply of high-quality, environment-friendly recycled resins.
<b>Market environment</b>	As environmental awareness rises globally and the importance of reducing carbon footprint increases, recycled resin is attracting attention as a sustainable material, and demand for it is expanding worldwide. This growth is expected to continue in a number of industries.
<b>Response to risks and opportunities</b>	In response to the emergence of low-cost recycled materials from overseas manufacturers and the increase in the ratio of recycled materials added to products, we are utilizing our partnership with MJ Material to secure a stable supply of low-cost recycled raw materials. Furthermore, through cooperation with the Shiga Technical Center , we are developing products that can maintain performance even at high rates of recycled content.
<b>Accomplishments in FY2024</b>	In fiscal 2024, we were able to launch mass production and sales for new users for the first time. Aiming to further expand our business, we have laid the foundation for further growth by developing new industries, developing new grades, and strengthening our sales system (increasing personnel ).
<b>Outlook for FY2025 and initiatives to achieve the medium-term management plan</b>	In fiscal 2025, mass production and sales are scheduled to begin in earnest. To achieve the plan, we are diligently focusing on ensuring stable operation for the users we started supplying last year and on beginning mass production for several new users. In addition to expanding sales in existing markets, we will actively approach new markets and focus on developing next-generation product themes.

### TOPIC

#### New motor building established within the Tokyo Plant

A new motor building was established within the Tokyo Plant to serve as a site for manufacturing and development of micro motors. In the motor building, we will not only produce existing mass-produced products, but also carry out the entire process from new product development to prototyping and mass production launch. Currently, there are departments responsible for technology development, production technology, and quality control. In the future, we will work on various themes such as the development of high-value-added new products and accessories and the verification of motor production automation and rationalization.

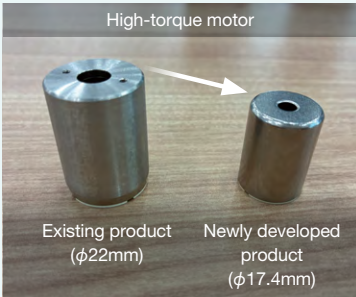


#### Started publicity campaign for newly developed products: high-torque motor, dynamo, silent gear, and encoder

We started a publicity campaign for our newly developed products: high-torque motor, dynamo, silent gear, and encoder. Compared with our existing 22mm diameter motor, the high-torque motor succeeds in exhibiting equal or higher torque while reducing the volume by approximately 50%. Reducing the volume of the motor contributes to making the final product smaller.

The dynamo is a product that uses our coreless motor, which is our mainstay product . Compared to dynamos using cored motors on the market, it can rotate and generate electricity with a smaller force. We aim to utilize this technology in equipment and products where the possibility of power generation has not previously been considered, thereby contributing to the SDGs.

The silent gear is for use in areas close to people where quietness is required, and the encoder is intended to be used in a wide variety of applications, including products that require precise position control.



# Production Technology

## Messages from the Chief Operating Officer



To become one of the world's leading production sites, we strive to raise the bar in terms of environmental impact reduction, quality, efficiency, and cost competitiveness

**Takayuki Fujita**

Executive Officer

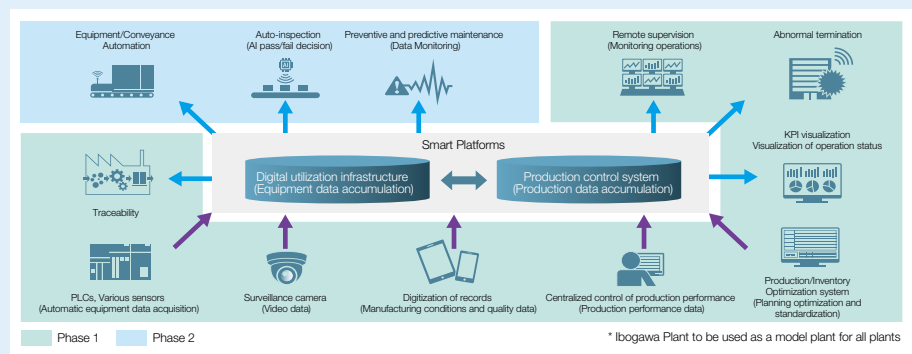
Chief Operating Officer of the Production Div.

The C.I. TAKIRON Group uses its unique core technologies to produce various products from plates to films and complex-shaped products, and our goal is to make our production sites first-class in terms of quality, efficiency, environmental impact reduction, and cost competitiveness.

Most importantly, it is essential that we promote smart factories and manufacturing sites.

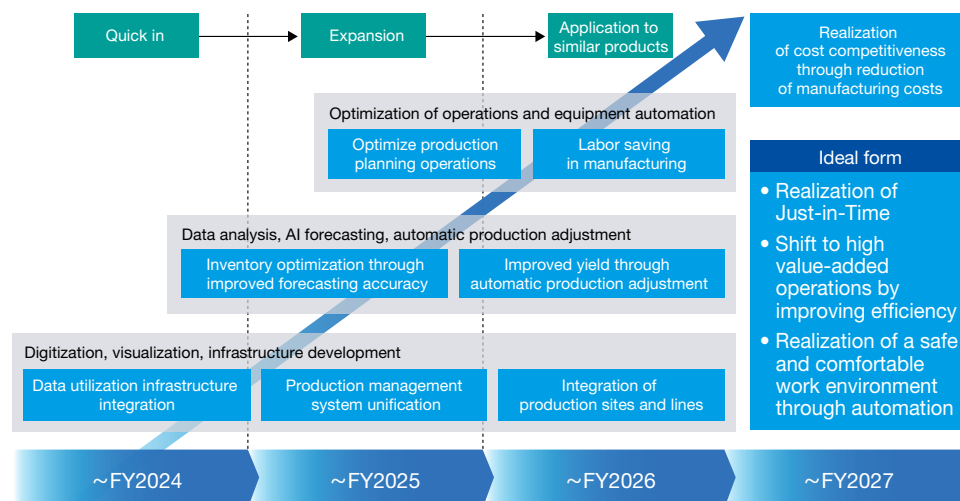
Based on our previously established wireless factory networks, production control systems, and other IT infrastructure, we will advance the optimization of production planning and higher efficiency manufacturing to pursue overwhelming cost competitiveness.

## Ideal Implementation of Smart Factories



\* Ibogawa Plant to be used as a model plant for all plants

## Roadmap for Production Rationalization and IT/DX



To date, the C.I. TAKIRON Group has promoted wireless factory networks, the construction of data utilization platforms, the renovation of production control systems, and other IT infrastructure investments.

Our goal is to utilize that infrastructure to optimize production planning operations with AI and save labor and improve efficiency in manufacturing through automated production adjustment using data analysis results. To make progress toward achieving this ideal form, we have created a roadmap for production rationalization and IT/DX.

In advancing each digital measure, we will create successful examples at production sites and production facilities that can be expected to produce results, take steps to share such examples with other plants, and promote effective and rapid digitization.

## Investment Examples and Expected Results of Production Streamlining and IT/DX

	Investment plan	Expected results (Total from 2024 to 2026)	
		Fixed cost reduction	Variable cost reduction
(1) Introduce a new production control system	¥2.5 billion	¥0.11 billion	¥0.15 billion
(2) Ibogawa Plant smart factory	¥0.7 billion	¥0.23 billion	¥0.64 billion
(3) Hiratsuka Plant smart factory	¥0.35 billion	¥0.12 billion	—
Total	¥3.55 billion	¥0.46 billion	¥0.79 billion

## Bolstering Production Capacity for Growth



The C.I. TAKIRON Group possesses nearly all resin-forming processing technologies and we are actively investing in growth areas in particular to bolster our production capacity and strengthen competitiveness.

For example, as growth investment in the semiconductor field where market growth is expected to continue, we are investing to increase the production of plates for semiconductor manufacturing facilities at our mother plant, Aboshi Plant (scheduled to begin operation in fiscal 2026). We are also expanding facilities and increasing production capacity in other areas, including plans to produce zipper tape at our affiliate subsidiary in North America, increase the production of vinyl chloride laminate sheets at our affiliate subsidiary in Italy, and increase the production of acetate sheets for eyewear frame materials at our domestic affiliate subsidiaries.

### TOPIC

#### Activities and initiatives to reduce environmental impact

In recent years, environmental efforts have been attracting attention worldwide, and the C.I. TAKIRON Group has been conducting Group-wide recycling activities as part of its efforts to reduce the waste it generates.

For example, to reduce waste from our factories, the protective film used to prevent scratches on plate products at our Ibogawa Plant is being reused as a raw material for civil engineering sheet products produced at the Tochigi Plant.

In the future, we will expand this initiative beyond the Ibogawa Plant to the Aboshi and Shiga Plants, which also use protective films on their products, in order to increase the supply of recycled materials and further reduce environmental impact.

We are also promoting activities to reduce the environmental impact of the entire Group, for example by reusing defective items produced at C.I. TAKIRON Corporation's plants at other Group companies.



Used protective film



Recycled material (pellets)



Sheets for civil engineering

# Research & Development

## Messages from the Chief Operating Officer



**We will shift to high value-added fields especially to five focus areas and promote the development of products that exceed customer expectations.**

**Yuji Fukuda**

President & CEO

Chief Operating Officer of the R&D Division

To realize the mission of the C.I. TAKIRON Group which is to “Creating a people – and earth-friendly future,” we will expand our existing business through the deepening of core technologies and the development of new products, etc. by enhancing basic technologies organization-wide while also promoting the creation of new businesses through the acquisition of new technologies and technological innovation. We have established five business domains, which show particular promise for future growth, and consist of “packaging/containers,” “mobility,” “healthcare / medical,” “Ultrafine particle materials,” and “specialty films” as sectors to focus on. By focusing on development in upstream areas such as ultrafine particle materials and other high value-added materials and downstream areas including devices and modules for solar power generation, we will further increase the value of processed goods and intermediate materials in our current business sectors.

### Research & Development policy

Based on the main policy of “Creation of new products and businesses” in the “Go Beyond” Innovation 2026 Medium-term Management Plan, we will deepen core technologies to ensure the development of new products by working with in particular with the new organizations such as New Business Development & Promotion Dept. and Mobility Market Development Dept., aiming to strengthen the product capabilities and expand the businesses of the business divisions and the new organizations. In existing businesses, we are strengthening cooperation with each business division through initiatives such as the Technology Symposium and the Company-wide New Product Study Group. Moreover, by concentrating and investing our management resources in the five sectors designated as attractive business domains, we will convert our portfolio to high-value-added areas and develop products that

exceed customer expectations. In addition, we will also promote the creation as well as research and development of themes to be strengthened and cultivated in key businesses such as ultrafine particle materials and resin compounds at the Sanda R&D Center which we plan to establish in April 2026. At the same time, we will evolve to an IP strategy that is not just defensive but also offensive through the active utilization of IP information and improvements in the quality of IP with the goal of improving our competitive advantages in both our existing business and new sectors.

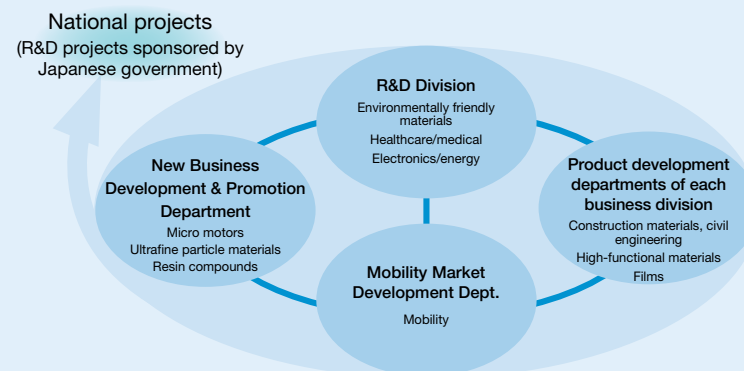
### Establishing a new research and development structure through new organizations

As mentioned above, we established New Business Development & Promotion Dept. and Mobility Market Development Dept. to accelerate the creation and cultivation of new products and businesses. By working with the R&D Division, we will strengthen R&D in upstream areas such as ultrafine particle materials and resin compounds, and explore, plan, and develop new areas of entry such as devices, modules, and mobility components.

Furthermore, we will strengthen the planning functions of the R&D Division by actively promoting cooperation with external research institutions and universities and promoting collaborations, alliances, and M&A with domestic and overseas companies, including startups to acquire the technologies needed for the creation of new businesses. In addition, we will actively apply for various programs such as those of the Japanese government’s New Energy and Industrial Technology Development Organization (NEDO).

Regarding IP, we have strengthened cooperation with development as an organization under the R&D Division since fiscal 2022 and increased the number of patents, etc. Going forward, we will strengthen cooperation with each business division and the new organizations to gain further competitive advantages.

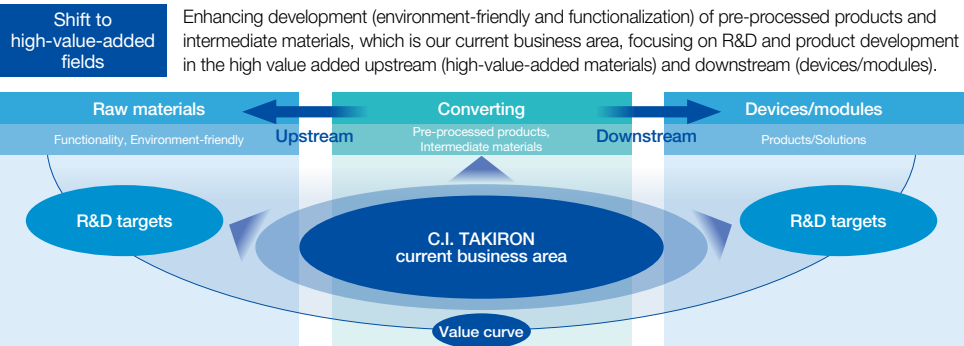
### Diagram of R&D System



## R&D Strategy

Our basic strategy is to “cultivate core technologies and develop new products that contribute to the expansion of existing business and expand into high value-added areas by focusing on business domains that will be attractive in the future.” In existing businesses, we are committed to development that achieves environmental responsiveness such as the recycling of packaging films, further enhanced functionality of agricultural films, and high-value-added sheet products through the combination of various surface functionalization technologies that realize high gloss, scratch resistance, and 3D molding compatibility. In terms of business domains that will be attractive in the future, using our proprietary technologies such as polycarbonate plates, functional films, ultrafine particle materials, and resin coatings as a base, we will focus on sectors such as the mobility sector, where weight reduction and high voltage are accelerating with the spread of EVs, the healthcare and medical sectors, including preventive medicine and personal medicine, which are attracting attention due to the aging of the population, and the semiconductor and communications technology sectors, which are expected to see further market growth due to the advancement of AI. We will also promote the introduction of new technologies while further strengthening our core technologies.

### Overall View of the R&D Strategy



### Key Business Domains for R&D

Business domain	Key focus points	Relationship with SDGs
Packaging/containers	Product Development for environmentally friendly market trends	12 Responsible Consumption and Production, 13 Climate Action
Mobility	Technology development for performance requirement shifts (lighter vehicle bodies and EV transitions, etc.)	9 Industry, Innovation and Infrastructure, 12 Responsible Consumption and Production, 13 Climate Action
Healthcare/medical	Technology development for preventive medicine, personal medicine, and IoMT (Internet of Medical Things)	3 Good Health and Well-being, 9 Industry, Innovation and Infrastructure
Ultrafine particle materials	Enhancement of ultrafine particle materials business, and research on new core technologies	9 Industry, Innovation and Infrastructure, 17 Partnerships for the Goals
Specialty films (electronics)	Technology development for semiconductor and digital communication technology	7 Affordable and Clean Energy, 9 Industry, Innovation and Infrastructure, 17 Partnerships for the Goals

In anticipation of future changes in the market environment, we have set areas where growth is expected, environmental areas that are essential as a manufacturer, and areas where growth is expected if we utilize our unique core technologies as five business domains to focus on.

## Establishment of the Sanda R&D Center

We will consolidate the research and development sites that are currently dispersed across the Shiga Plant (Konan City, Shiga Prefecture), Aboshi Plant (Tatsuno City, Hyogo Prefecture), and the Okayama Plant (Niimi City, Okayama Prefecture) in Sanda, Hyogo Prefecture where we plan to open the Sanda R&D Center in April 2026. In addition to the Research & Development Department at the Shiga Plant and the Plate Research & Development organization at the Aboshi Plant, we will consolidate the ultrafine particle material-related development departments run by CIK NANOTEK at the Okayama Plant to accelerate the creation of new businesses and products. In particular, we plan to expand applications and enter new markets for semiconductors and the automobile industry which are expected to see further growth in the future, and we will develop the technologies that are necessary to do so. In addition, once targets have been clarified, we also aim to engage in domestic M&A and introduce technologies from overseas with the plan of having the R&D Center function as the headquarters for leading the development of key businesses. We are also currently planning an operational concept to promote the Sanda R&D Center’s use as an internal technology hub and a base for open innovation with external parties.



## Core Technology

**Number of new technologies developed (number of patent filings): 48 (fiscal 2024, non-consolidated)**

In existing business areas, we will promote R&D aimed at giving our mainstay products (films, sheets, panels) unique qualities that create a formidable competitive advantage, both by strengthening our core technologies (various fabrication technologies, advanced material composite technologies, performance and analysis evaluation technologies) and through the acquisition of surface functionalization technologies (paint design and coating technologies).

Furthermore, going forward we will strengthen our R&D of ultrafine particle material-related technologies, expand our ultrafine particle material products, and promote the high-functionality of plastic processed products with ultrafine particle materials technology, thereby strengthening our core businesses and entering new markets and businesses. To expand our business sector, we are also focusing on the development of film substrates with elastic properties, and we are thinking of entering the healthcare and medical field as well as the semiconductor field. In terms of environmental measures, in compliance with Japan's Plastic Resource Circulation Act (the New Plastic Law), we are focusing on the development of mono-material packaging materials (Topic 1) that provide the same functionality as conventional materials with a single material. In the future, we will focus on the development of busbars and magnet wires (Topic 2) targeting EVs, which are becoming widespread worldwide.

### TOPIC 1

#### Development of easy-to-recycle, mono-material polyethylene film for packaging

Pouch packaging for daily necessities and food products uses composite films made from multiple materials that offer advantages such as strength, heat resistance, barrier properties, and printability. In recent years, there has been a growing demand for mono-material packaging made from a single material that is easier to recycle. Thanks to innovations in materials and manufacturing processes, the mono-material polyethylene film we are developing achieves high heat resistance, which was previously thought to be difficult to achieve with polyethylene, which has a low melting point, and is similar to general pouch packaging materials in terms of its bag-making processability and barrier properties. We are also promoting the development of zipper tapes for use in mono-material packaging. In this way, we will help realize mono-material packaging using both films and zippers.



Mono-material packaging (Recyclable packaging)  
Picture: manufactured bag using our mono-material zipper and mono-material film

## Creation of New and Environment-friendly Products

Since fiscal 2023, we have been promoting the digital transformation (DX) of our organization-wide, cross-functional development design review (step management) for the purpose of accelerating new product development activities and visualizing their progress as well as accumulating and utilizing data. This will lead to increased operational efficiency including the acceleration of our development speed through progress visualization and the utilization of such data for the progress and aggregate management, etc. of various KPIs.

In addition, we are also starting initiatives to utilize generative AI and MI (Materials Informatics) in research and development activities to further increase productivity.

Developing environmentally friendly products is an organization-wide endeavor. Embracing "3R+Renewable" environmental initiative, we actively promote reduction, recycle, and use of biomass plastics and biodegradable resins. Under reduction, we are promoting the development of biomass filler compounds and films, and for recycling, we are also promoting the development of products that utilize recycled materials. In developing biomass plastics, we follow the mass balance approach in our supply chain. As such, we encourage key production sites to obtain certification from the ISCC (International Sustainability & Carbon Certification) system so that we fulfill our responsibility in supply chain management.

Using our composite technology and molding technologies, we are stepping up development of environmentally friendly products in all directions.

### TOPIC 2

#### Ongoing development of busbars<sup>\*1</sup> and magnet wires<sup>\*2</sup> targeting EVs based on our resin coating technology for metal pipes and wires

We are advancing R&D of busbars for EVs and magnet wires for high-performance motors, both of which are coated with high-performance engineering plastics based on our resin coating technology for metal pipes and wires used in fields such as agriculture. We are proceeding with R&D while also developing our own technologies in terms of both materials and processes.

<sup>\*1</sup> Busbar: A conductor used to conduct large currents in EVs and similar applications. Copper or aluminum is used, and because insulation is required, the conductor needs a resin coating.

<sup>\*2</sup> Magnet wire: A general term for electric wire wound into a coil, used to convert electrical energy into magnetic energy. It is used in motors, transformers, and other parts and is made from copper or aluminum wires covered with an insulating film.



## Our IP Initiatives

### Basic Policy

1. Practical action to create intellectual property to establish a competitive advantage
2. Intellectual property clearance to ensure business execution
3. Development of intellectual property human resources to support business promotion

“Creation of new products and businesses” is stated as the main policy of our “Go Beyond” Innovation 2026 Medium-term Management Plan, and we have established the basic policies shown above regarding investments in intellectual property to support that effort. According to these basic policies, we take the following four actions to enhance organization-wide IP activities:

#### 1. Using IP-related information more effectively

In collaboration with external experts, we implemented application search and other forms of IP landscaping. Going forward, our goal is to continue acquiring new IP through the active use of IP information.

In addition to patent analysis of traditional technology themes, we utilize IP landscaping, an analysis process that considers market information and more. We try to analyze information from various perspectives and explore new business and technology themes. Based on this, we will deepen internal discussions and promote the development of new businesses and new technologies that we should aim for.

#### 2. Strategic approach to acquiring IP protections

We aim to build a robust patent portfolio and engage in focused and strategic IP creation regarding key themes.

We will strive to build a stronger and more extensive IP network for our core technologies and products. Through in-depth exploration of technology, we will discover IP from a single technology or product from various perspectives and build an IP portfolio that no other company can match.

#### 3. Reinforcing infrastructure for IP protection

We ensure safe implementation and prior use rights, etc. through comprehensive clearance investigations and the time stamping of technical documents.

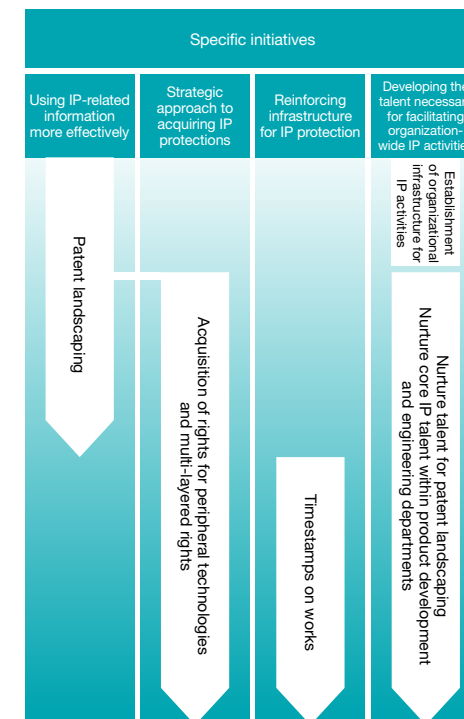
Time stamping is done by using RPA to efficiently process the huge amount of electronic data stored in the target folder.

#### 4. Developing the talent necessary for facilitating organization-wide IP activities

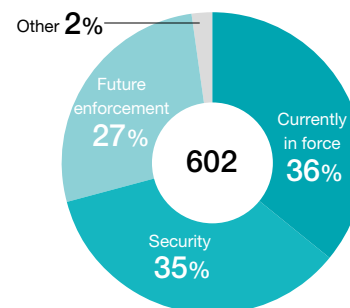
Together with the activities of the IP Promotion Committee, we will provide e-learning and increase organization-wide IP literacy.

The IP Promotion Committee promotes communication across departmental boundaries to encourage greater IP-related activity throughout the company. We have prepared e-learning curricula not only for engineers but also for sales and business department personnel to promote the development of IP talent throughout the company.

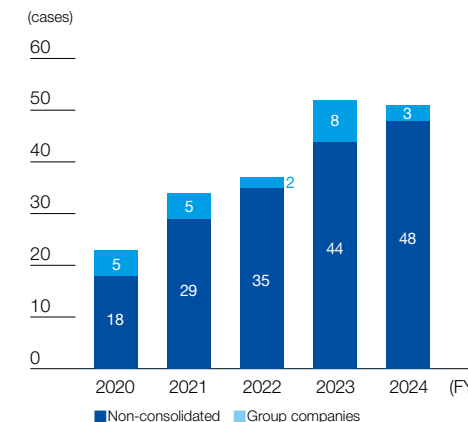
## IP Activities



### Patents Held and Patent Applications Filed in Japan



### Number of Patent Applications in Japan



# Environment

## Environmental Management

The C.I. TAKIRON Group is working toward the goal of production activities and new product development that take into consideration their environmental impact in accordance with its Environmental Philosophy, which is positioned among the “Values which should be respected” in the Group’s Corporate Philosophy system. The Group has designated “addressing climate change” as a materiality item and a key theme, and will steadily execute measures to reduce its environmental impact with the goal of realizing a carbon neutral society.



## Actions for Our Climate-related Disclosures

In May 2021, we endorsed the old Task Force on Climate-related Financial Disclosures (TCFD). We are working to expand information disclosure in the four disclosure areas recommended by TCFD: Governance, Strategies, Risk Management, and Metrics and Targets.

### Governance

Important matters to be decided, including those related to climate change, are brought to Executive Officers Meeting for a decision after deliberation and approval by the Sustainability Committee, which is chaired by the Chief Operating Officer of the Corporate Planning Division. Measures to reduce the Group’s environmental impact are also coordinated with the Meeting to Promote Environmental Conservation, which manages the progress of environmental conservation activities at each site.

## Strategies

The C.I. TAKIRON Group has identified risks and opportunities associated with climate change impacts and assessed their impact factors, impact elements, and business impacts under two scenarios: the 1.5°C scenario, in which transitional impacts become apparent, and the 4°C scenario, in which physical impacts become apparent. We also identified business opportunities in the Group’s business areas based on climate change risks, and formulated our own strategies based on those opportunities.

## Scenario Analysis

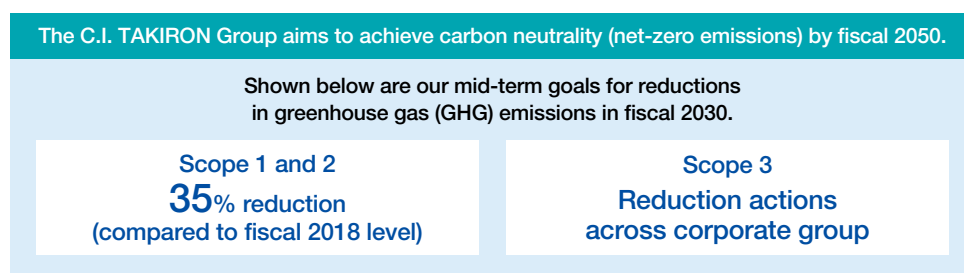
Anticipated Risk Items			Impact elements	Anticipated Business Impact				Actions to address climate-related opportunities
Broad Category	Medium Category	Small Category		Risks and Opportunities	Business area	Time frame	Evaluation	
Transition Risks	Policy and legal	GHG emissions prices (e.g., carbon pricing, introduction of carbon tax)	Costs	· Increased costs due to the introduction of a carbon tax · Increased costs due to purchase of emission credits	All	Medium term	Major	· Contribution to CO <sub>2</sub> reduction and carbon neutrality: Purchase less petroleum-derived virgin materials and switch to alternative resins such as bioresins and recycled resins
	Technology	Development of energy conservation and renewable energy	Costs	· Increased energy costs · Increased costs due to investment in power generation facilities		Medium term	Major	· Commit to energy saving and roll out energy generation to reduce electricity consumption · Promote recycling
	Market	Changes in customer need	Cost of sales	· Decrease in demand due to delay in low-carbon transition		Medium term	Major	· Achieve targets for reducing CO <sub>2</sub> emissions at Scopes 1 and 2 · Supply the demand for environment-friendly products made from low-carbon materials
		Changes in water and raw materials procurement volumes	Cost of sales	· Cost increase due to transition to low-carbon raw materials · Risk of product type consolidation due to restrictions on procurement of fossil-derived raw materials · Decrease in demand due to sales price pass-through		Medium term	Major	· Work with suppliers to ensure supply continuity of resins
Physical Risks	Acute Risks	Natural disasters	Cost of sales	· Damage and suspension of operations due to disaster · Supply chain fragmentation · Decrease in demand due to suspension of shipping operations		Medium term	Major	· Enhance business continuity planning (enhance business continuity plan or strategy) · Diversify inventory across multiple warehouse locations
Opportunities	Products and services	Changes in customer need	Costs	Increased demand for products that can withstand heavy rain	Construction	Short term	Major	Develop and expand sales of flood damage mitigation products
				Preferential procurement of environmentally friendly products in public works	Construction	Short term	Medium	Increase the proportion of plant-derived raw materials in public infrastructure products
				Increased demand for various materials related to renewable energy power generation facilities	Construction	Medium term	Medium	Develop products that contribute to improving the environment surrounding renewable energy systems
				Increased demand for products designed to protect against extreme heat	Construction Films	Short term	Minor	Develop and expand sales of heat-shielding products
				Increased demand for packaging materials compatible with recycling systems	Films	Medium term	Medium	Develop zippers for mono-material packaging
					Films	Medium term	Medium	Develop shrinkable films that contribute to improving the recyclability of PET bottles
				Increased demand for low-carbon products	All	Medium term	Minor	Develop low-carbon products (e.g., increase the proportion of plant-derived raw materials and recycled materials)

## Risk management

Risks related to climate change are managed by the Sustainability Committee and the Meeting to Promote Environmental Conservation, which study and advance specific measures to address risks and opportunities identified in scenario analyses.

## Metrics and targets

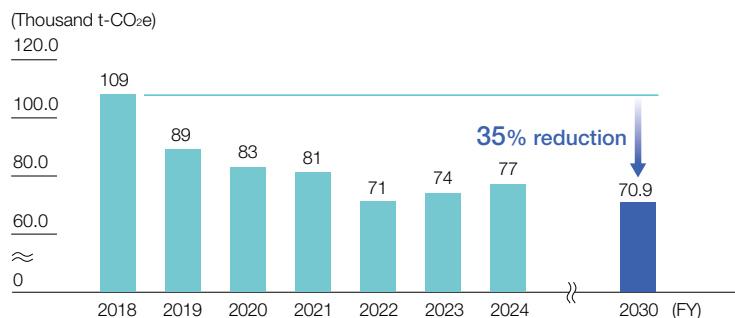
The C.I. TAKIRON Group newly set out a carbon neutrality strategy in fiscal 2022, aiming to achieve net-zero greenhouse gas emissions by 2050. In addition, we have set 2030 as a milestone, the halfway point to 2050, and will take measures to address climate-related risks and opportunities while targeting a 35% reduction in Scope 1 and 2 compared to FY 2018.



## Scope 1 and 2 Emissions

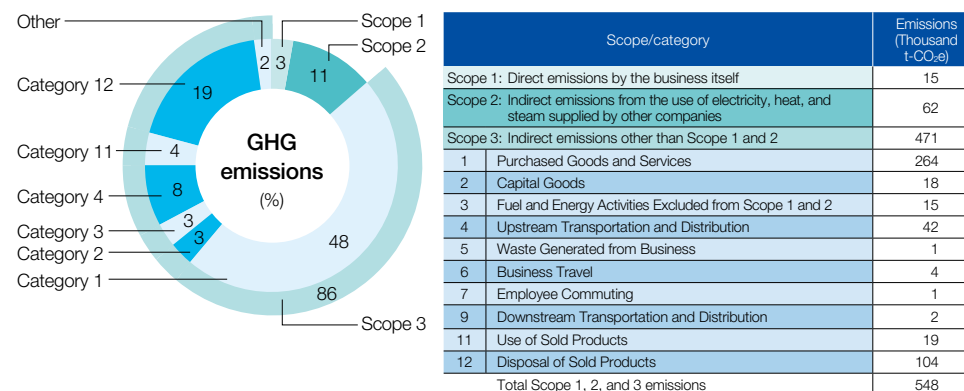
In an effort to reduce our emissions at Scopes 1 and 2, production sites of the C.I. TAKIRON Group have committed to energy-saving practices, and in fiscal 2024 three sites newly started operating solar power generation systems. Consequently, in fiscal 2024, emissions at these scopes were down 29% from the fiscal 2018 level. We will continue to work on energy-saving activities at each production site to achieve our fiscal 2030 GHG emissions reduction target.

### GHG Emissions (Scope 1 and 2) Targets and Results



## Scope 3 Emissions

For Scope 3, calculations were expanded in fiscal 2021 to cover the Group as a whole and all categories from 1 to 15. Scope 3 accounts for approximately 86% of the entire supply chain, with Category 1 (purchased goods and services) accounting for the largest share, followed by Category 12 (disposal of sold products). We will continue to improve the accuracy of our calculations while working to reduce Scope 3 emissions throughout the entire supply chain.

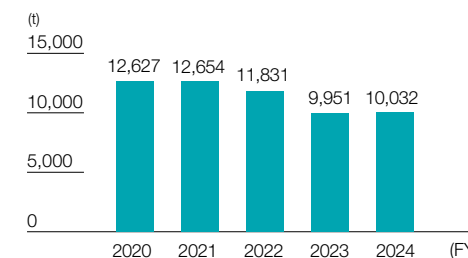


\* Scope 3: Categories 8, 10, 13-15 are excluded from the calculation

## Reducing Waste

At the C.I. TAKIRON Group's production sites, we strive to reduce waste generation by improving productivity and separating out waste. We are actively working to reduce the total amount of waste through resource recycling. Even if waste cannot be reused at the site where it is generated, we consider how to reuse it at other sites.

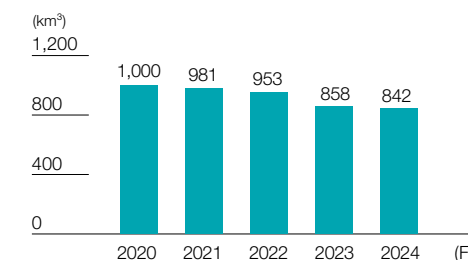
### Total Waste Volume



## Water Reduction

The C.I. TAKIRON Group strives to make effective use of limited water resources, and has reduced water consumption in fiscal 2024 by approximately 16% compared to fiscal 2020. We will continue to promote activities aimed at reducing water consumption, particularly at production sites with high water intake.

### Water Consumption



## Maximizing Human Capital Employee Roundtable Talk

# Go Beyond Shaping the Future of C.I. TAKIRON

# Dialogue



**Kotaro Saji**  
Yasutomi Plant  
Technical Group



**Kenta Asahi**  
Housing Materials Dept.  
Osaka Sales Team, West Japan Housing  
Materials Sales Group



**Kanako Takayama**  
IT & Digital Strategy Dept.  
Infrastructure & Security Group



**Tatsuya Hirano**  
R&D Planning & Management Dept.

C.I. TAKIRON is advancing initiatives aimed at maximizing human capital. In 2024, we revised our talent management system and introduced more balanced human resource measures such as the early selection of outstanding and motivated young personnel, with the goal of developing the human resources that will be responsible for our future and appointing personnel aligned with realizing our management strategy. In April 2025, we updated our desired talent profile, called “Human Resources Required by the Company,” so that it expresses, in five concise keywords, the abilities and qualities considered necessary for people who embody our Guiding Principles for Action. To what extent have these initiatives been accepted and internalized by employees? Also, how do employees feel about the work environment? We assembled four C.I. TAKIRON employees from various job positions and business sites across Japan to share their views on the situation from an employee’s perspective.

### Update of Human Resources Required by the Company

Before revision	After revision
<b>Communicate, Commit, Be Proactive</b> <b>Take Initiative and Drive Forward</b> <b>Communicate</b> Human resources capable of actively communicating with everyone inside and outside the company and conveying their thoughts <b>Commit</b> Human resources who think for themselves, act for themselves, and fulfill their responsibilities <b>Be Proactive</b> Human resources who can anticipate situations and actively realize new business and innovations	<b>Challenge</b> Continue to be creative and ingenious without being bound by the status quo. <b>A sense of ownership</b> Keep thinking about things with a sense of ownership and involving others <b>Customer orientation</b> Stay ahead of market needs and continue to pursue the value that customers demand <b>Expertise</b> Maintain knowledge and deep understanding beyond that of customers, and continue to enhance professionalism <b>Executive ability</b> Accomplish a task at any cost

**In April 2025, the contents of Human Resources Required by the Company were revised.**

**How do you view the difference between the previous and current Human Resources Required by the Company?**

**Also, how do you feel about the changes to the talent management system?**

**Hirano** When I first joined the company, there was a strong culture of “just do whatever it takes.” I got the impression that rather than a specific ideal type of employee, what was naturally required was a proactive attitude and a sense of responsibility on the job. Looking back, that has become the foundation of who I am today.

Before the revision of Human Resources Required by the Company, one of the keywords was “Commit,” about fulfilling our responsibilities. In the R&D department where I work, it was difficult to follow through, as projects often ended at the planning stage, and it’s only recently that a mindset around sales and profits has sprouted. I feel that there is now an expectation that people take responsibility for their projects all the way through to commercialization.

When they updated Human Resources Required by the Company from three keywords to five in 2025, I took this as a message from the company that “we didn’t communicate this clearly enough.” Although the content remains largely unchanged, it is now expressed in specific and clear language, which makes it easier to use for mentoring younger employees.

With regard to the changes to the talent management system, I believe that how it is implemented is more important than the system itself. Whether employees internalize it

depends on how their manager communicates it. I too would like to convey the significance of the system to my juniors and use it to develop my own career. What do you think, Mr. Saji?

**Saji** The keyword “Communicate” was particularly important in the engineering departments, which act as a bridge between the manufacturing site and sales and solve technical issues. Sales and manufacturing have different perspectives, so bridging the gap between them is a necessary role. In addition to reporting, contacting, and consulting, it is essential to have the ability to understand and communicate the other person’s position. Similarly, the keyword



“Commit,” which is about completing your assigned project up to the delivery date, and the keyword “Be Proactive,” which is about actively confronting challenges instead of remaining still, are both essential for business growth, such as resolving product problems and developing new products. So Human Resources Required by the Company was closely tied to business operations, even before it was revised.

On top of that, I feel that the newly revised Human Resources Required by the Company is also linked to the evaluation system, making it clearer and more practical. The mechanisms to allow young people to gain management experience are positive, but the path to managerial positions is still unclear in some areas, so I look forward to further clarification of how the system will work. I also believe that whether the system is effective or not will depend on how it is communicated and implemented. What’s your perspective from the back office?

**Takayama** In the IT department where I work, our daily work was closely related to the three keywords that were in place before the revision: “Be Proactive,” “Commit,” and “Communicate.” In particular, “Commit” embodies the attitude of taking responsibility for ensuring stable system operation and dealing with problems.

On the other hand, this revision makes it more specific and easier to understand. For example, under the header “Sense of ownership,” it states “Embrace challenges as your own and bring others along with you.” This is an attitude I naturally adopted as I faced daily challenges, so it felt like my actions had been put into words.

Regarding the changes to the talent management system, which include clarification of career paths, training systems for nurturing young talent, and establishment of an evaluation system, I feel that these have created an environment where I can approach my work in a more positive manner. Mr. Asahi, you work in sales, where results are more easily reflected in numbers. What’s your perspective?

**Asahi** Sales jobs always require a commitment to numbers. The keywords “Commit” and “Be Proactive” capture our approach of working with customers to achieve goals and sometimes collaborating with the development department to give shape to their needs. Also, “Communicate” plays an important role in conveying customer feedback within the company.

The revised Human Resources Required by the Company seems like it will be easier to translate into actions. In particular, “Customer-oriented” captures the essence of being a manufacturer. Going forward, I would like to focus on proposals that exceed customer expectations.

With regard to the changes to the talent management system, I feel that a system in which you are evaluated according to your results and attitude rather than seniority motivates young employees and creates a healthy sense of pressure throughout the organization. I too would like to re-evaluate my own role and map out my own career.

**In October 2024, we became a wholly-owned subsidiary of Itochu Corporation. Have there been any changes as a result of that?**

**Asahi** I feel that becoming a wholly-owned subsidiary of Itochu Corporation has expanded the possibilities for utilizing the resources of the Itochu Group. In Housing Materials Sales, where I work, we handle building materials related to single-family homes and construction, and I believe that having affiliated subsidiaries within the Group will create new business opportunities.



We have collaborated with Itochu Corporation for a long time, but now that the capital relationship is clearly defined, closer cooperation will be possible, including collaborative development and other new initiatives for new products. From that perspective, I want to be proactive in my sales activities.

**Takayama** In the IT Department, we want to establish uniform information security regulations that meet Itochu Corporation’s high standards in order to create an environment where all employees of the C.I. TAKIRON Group can work with peace of mind. What do you think from an R&D perspective, Mr. Hirano?

**Hirano** In terms of R&D, collaboration with Itochu Corporation has been ongoing for some time. Collaboration with a general trading company has been very beneficial in exploring needs outside the industries related to our business. Being able to obtain market feedback that the sales department may have missed has given us hints for new research topics. In fact, cooperation at the practical level is accelerating new projects on films, such as production support at overseas plants and overseas marketing proposals. Going forward, I would like to continue working with Itochu Corporation to create the next big idea building on the business departments’ compelling product lineup.

**Saji** Mr. Hirano’s observations about R&D match what I have seen at the plants, where production takes place. The collaboration with Itochu Corporation has increased our connections with overseas manufacturers, and has broadened our options for procuring raw materials, which is a major benefit. These connections are also important in terms of fulfilling the plant’s supply responsibilities from the perspectives of quality, cost, and business continuity planning.

At first glance, we seem to have completely different business models as a manufacturer and a trading company. However, as an engineer, I believe that by leveraging Itochu Corporation’s management resources, I can contribute to the transition to new materials and the creation of new businesses without being confined to existing materials.

## How about improvement of diversity, which has been identified as a material issue?

**Saji** At my workplace, the efforts to empower women in the workforce are particularly impressive. The fact that we obtained Platinum Kurumin Certification shows that the company as a whole is serious about promoting diversity.

On the other hand, there is room for improvement in the support system for employees who are dealing with personal family matters. Even if we want to work hard, there are times when we face circumstances that prevent us from doing so. Our company upholds a “Management Commitment on Enriching Lives” as one of its Values which should be respected. I hope that by introducing a system that allows for more flexible work-styles, we will create an environment where a more diverse workforce can play an active role with peace of mind.

**Asahi** In the sales field, the internalization of diversity is still midway, but there are signs of change. For example, more men are taking childcare leave, and we have achieved a 100% success rate, albeit for a short period of time.

**Takayama** I can speak about diversity from the perspective of employees’ careers, not their gender. In the department I belong to, there are few middle-aged people in their 30s and 40s, and I feel that there are challenges in terms of education and training due to the unbalanced age structure.

On the other hand, with roughly equal ratios of new graduates and mid-career hires, we have many employees with a variety of backgrounds, and I feel that this strength of being able to exchange opinions and give advice from various perspectives is helping to resolve issues regarding training.

**Hirano** When I joined C.I. Kasei, it was male-dominated with uniform values, but as time went on, the company began to actively hire female employees, and visible diversity began to spread. After merging with Takiron and becoming a wholly-owned subsidiary of Itochu Corporation, I feel that the scope of our business areas and values has expanded all at once.

Recently, more people are being hired mid-career to become general managers, which has increased the opportunities to exchange opinions with people from different backgrounds. In the field of R&D, such diverse perspectives are a source of new ideas.

Going forward, I believe it will be important to promote more substantial diversity by recruiting talent based not only on formal metrics, but also on what skills and experience are required.



## What are your hopes for the future of C.I. TAKIRON?

**Saji** What I hope for is to create new businesses with a broader perspective, without being limited by existing materials or businesses. As an engineer, I hope to have more opportunities to contribute to such challenges.

That being said, the company’s strength lies in the breadth of its molding technologies. Our expertise in handling everything from films to thick plates and complex injection molded products can also be applied to other materials, and will be a valuable asset in future business development. I believe that by leveraging this technology to advance into new fields, C.I. TAKIRON’s potential will expand even further.

**Asahi** From a sales standpoint, I feel that it is important to foster awareness of winning not only sales but also profits. This direction is clearly stated in the Medium-term Management Plan, and as a salesperson, I would like to contribute to profitability by making high-quality proposals rather than focusing on quantity.

To that end, it is essential to create new products and services suited to the times. As a sales person who is on the front line of contact with customers, I would like to play a role as an “antenna” that picks up the chatter in the field and provides feedback to the development department.

**Takayama** I believe that we in the back office are expected to contribute behind the scenes to support the company’s earning power. To protect operating profit, it is essential to minimize unnecessary expenses and ensure efficient operations. The Infrastructure & Security Group where I work provides a stable work environment through the management of networks and PC equipment. In the future, I would like to build a stable infrastructure and operational system that will earn us recognition from the outside world as a solid and trustworthy company.

**Hirano** What I feel strongly about now is the importance of passing on skills and creating new pillars for our business. As the older generation retires, we have a responsibility to pass on their skills and knowledge to the next generation. In terms of R&D, our greatest mission is to create new products and businesses that will support C.I. TAKIRON going forward.

In the future, I would like to develop a research theme that can support the launch of a new business department.

To that end, I will continue to take on new challenges, thinking outside the box and incorporating free thinking and diverse values.

I believe that C.I. TAKIRON is a company that is not afraid of change and welcomes challenges. I can assure all future employees who join our company that if they have the desire to create something, they will find a home here where they can thrive.



# Human Capital Enhancement

To realize its mission and ensure the achievement of the “Go Beyond” Innovation 2026 Medium-term Management Plan, C.I. TAKIRON reformed its talent management system and revised the Management Commitment on Enriching Lives in 2024. In April 2025, we updated our desired talent profile, called “Human Resources Required by the Company.” In addition to focusing more of our efforts on developing the human resources who will be responsible for continuously increasing corporate value, we aim to maximize our human capital by fostering a culture and creating a workplace environment that respects all employees.

## Messages from the Chief Operating Officer



**We aim to be a company that continues to grow together with our employees by providing an environment where each employee can maximize his or her potential.**

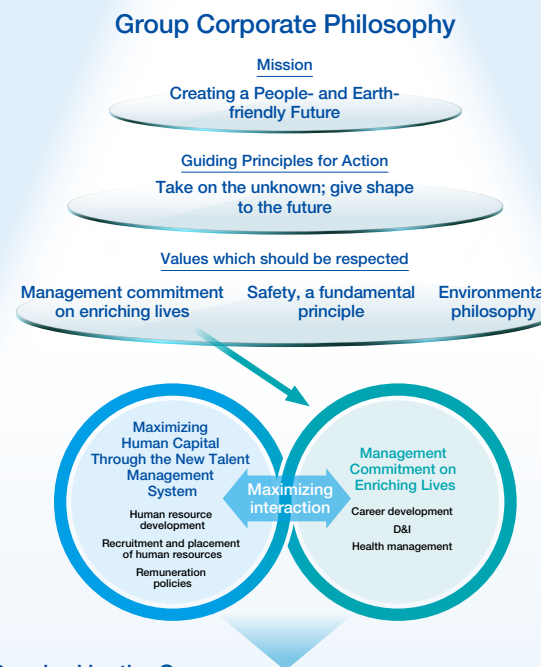
### Noboru Fukushima

Director, Managing Executive Officer  
Chief Operating Officer of the Corporate Administration Division, CCO, CIO and Internal Control Officer

In April 2024, we revised our personnel system with a view to achieving the “Go Beyond” Innovation 2026 Medium-term Management Plan that will conclude in 2026, as well as to achieving growth and enhancing corporate value from a medium - to long-term perspective. These revisions were undertaken with the goal of cultivating future leaders and appointing personnel aligned with implementation of our business strategies. In addition, we are accelerating the development of global human resources by starting full-scale operation of the newly established Overseas Assignment Promotion Program aimed at expansion of overseas business, which is a main policy measure of “Go Beyond” Innovation 2026.

In April 2025, we updated our desired talent profile, called “Human Resources Required by the Company.” This update was the result of reexamining the capabilities and qualities necessary to embody our new Guiding Principle for Action, “Take on the unknown; give shape to the future,” which was established as part of the Group’s Corporate Philosophy revision in 2024. The updated Ideal Human Resources expresses these capabilities and qualities in a simple and clear manner in five concise phrases. As the number of employees possessing these five elements increases, the organization becomes stronger, leading to the company’s growth. At the same time, we are also focusing on spreading the “Management Commitment on Enriching Lives” throughout the company, and are working to establish a foundation that will support the growth of each and every employee.

Our goal through these efforts is to maximize human capital. We will build on these measures to ensure that all employees working at C.I. TAKIRON can fully demonstrate their abilities and use them to increase corporate value.



## Human Resources Required by the Company

### Five keywords

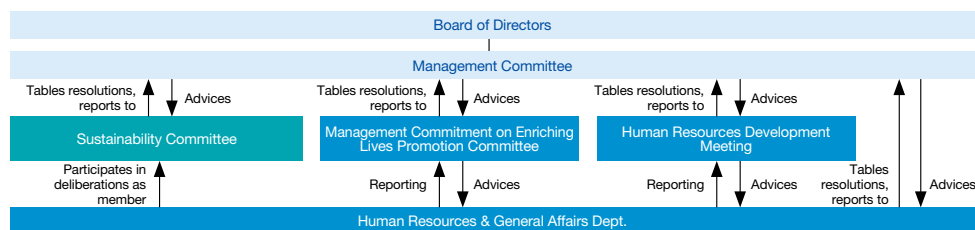
Challenge	Continue to be creative and ingenious without being bound by the status quo. Not bound by yesterday's ideas or the usual corporate norms. People who continue to bring about change without fear of failure, even if it is a small idea or change
A sense of ownership	Keep thinking about things with a sense of ownership and involving others Take responsibility for problems. People who can involve others while considering how their own actions affect the whole
Customer orientation	Stay ahead of market needs and continue to pursue the value that customers demand People who can continue to provide new value that customers desire with an eye on future needs
Expertise	Maintain knowledge and deep understanding beyond that of customers, and continue to enhance professionalism People who absorb new knowledge and continue to improve their expertise every day in order to exceed customer expectations
Executive ability	Accomplish a task at any cost People who do not give up and continue to take the necessary actions when faced with difficult situations

## Governance

### Organizational Infrastructure

The Chief Operating Officer of the Corporate Administration Division is responsible for human capital management, and the Human Resources & General Affairs Department is in charge of formulating and implementing human resource strategies. Depending on the contents, matters to be decided are deliberated at the Management Commitment on Enriching Lives Promotion Committee or the Human Resources Development Meeting (Members: division heads, Secretariat: Human Resources & General Affairs Department) and then submitted and reported to the Management Committee or the Board of Directors for a decision. Sustainability-related measures are deliberated by the Sustainability Committee and then submitted and reported to the Management Committee or the Board of Directors for a decision. The Human Resources & General Affairs Department participates in the committee's deliberations as a member.

#### Diagram of the Organizational Infrastructure for Human Resource Strategies



## Strategy

### Maximizing Human Capital Through the New Talent Management System

We introduced the new talent management system in April 2024 and are swiftly and effectively implementing human resource measures aimed at increasing corporate value. Specifically, we will establish the “construction of a system for developing the human resources that will be responsible for our future and fostering a culture that takes on challenges,” “promotion of human resource planning and the selection of the right person for the right job to realize our management strategy,” and a “simple and performance-based ranking/compensation system” as the basic policies of the new talent management system and realize the early selection of outstanding and motivated young personnel and a more balanced treatment through a revision of our compensation and evaluation systems. This will encourage the growth of each individual employee and deepen the sustainable growth of the entire company. Furthermore, we support long-term career development at the company through career consulting and other measures to support employees' job satisfaction. Going forward, we will continue to formulate and implement human resource strategies with the goal of becoming a company that continues to grow together with its employees.



## COLUMN

### Promotion of talent management

We use a talent management system to centrally manage human resource-related employee data. The information accumulated in the talent management system is utilized as the basis for advancing the strategic use of human resources linked to our management strategies, including enhancement of human resource development and career support, identification of next-generation leader candidates, and formulation of succession plans for important positions. Going forward, we will continue to make efforts to strengthen our organizational capabilities through further utilization of this system.

Areas subject to talent management				
Evaluation	Succession planning	Transfers and rotations	Education and training	Hiring

### Update of Human Resources Required by the Company

In April 2024, the C.I. TAKIRON Group revised its Group Corporate Philosophy and established a new guiding principle for action, “Take on the unknown; give shape to the future.” Following that, in April 2025, we updated the Human Resources Required by the Company, an expression in words of the abilities and qualities that are considered to be necessary for the personnel who embody the guiding principles for action. As a first step to ensure that employees understand and internalize the Human Resources Required by the Company, we are incorporating it into our education and evaluation systems.

### “Management Commitment on Enriching Lives”

#### Promotion Committee

We have established the Management Commitment on Enriching Lives Promotion Committee, chaired by the Chief Operating Officer of the Corporate Administration Division and composed of members selected from each workplace. Starting in fiscal 2025, we established subcommittees in each of the three pillars of career development, D&I, and health management. The members will consider and implement measures from a more practical, on-the-ground perspective. The activities of each subcommittee are reported to the above Promotion Committee, and discussed, submitted and reported to the Management Committee for a decision as necessary.



#### Diagram of Committee Structure



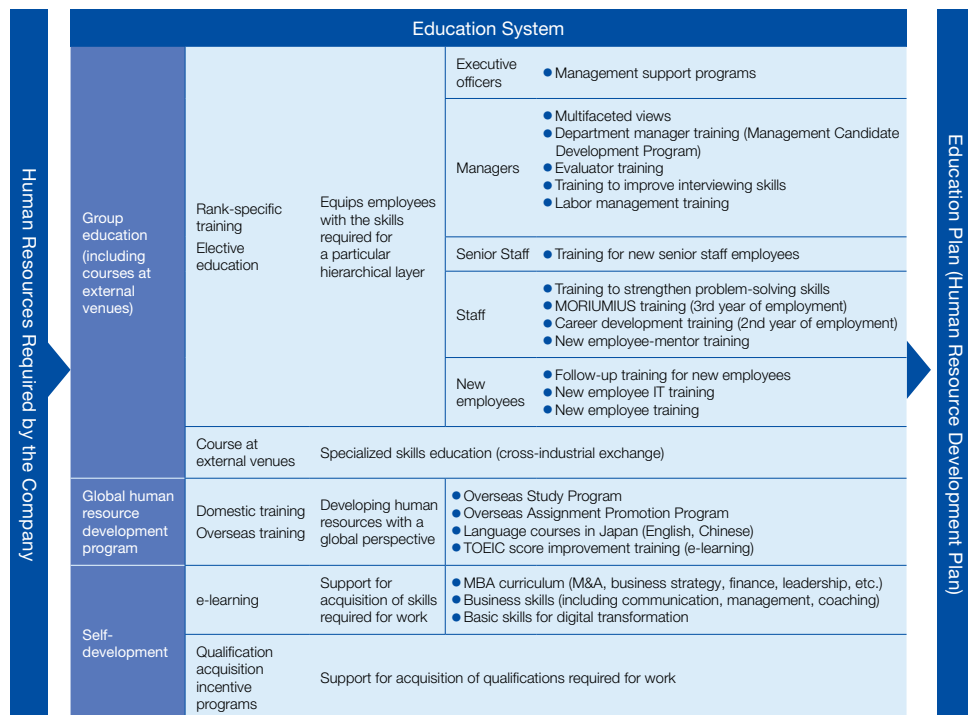
## Career development

We implement a “career consulting” system which provides career development support through consulting with supervisors and check on the growth process by having supervisors and their subordinates share their thoughts about their careers each year. Furthermore, we also have a job rotation system that enables employees to acquire various experiences through systematic transfers to different departments. In addition to these efforts, we are also focusing on career education for younger employees, for example, we have been providing career development training for second-year employees since fiscal 2024.

## Rank-specific training / IT training for new employees

To develop employees who can help increase the value of the company, we provide training to develop the necessary skills according to their occupation and ranking. We have established a system to provide consistent education from new employee training to manager training. In particular, in fiscal 2025 we started providing new employees with approximately six months of IT training. The program aims to raise the level of IT skills and literacy throughout the company and to help employees acquire the practical knowledge and skills needed to improve operational efficiency in their own departments.

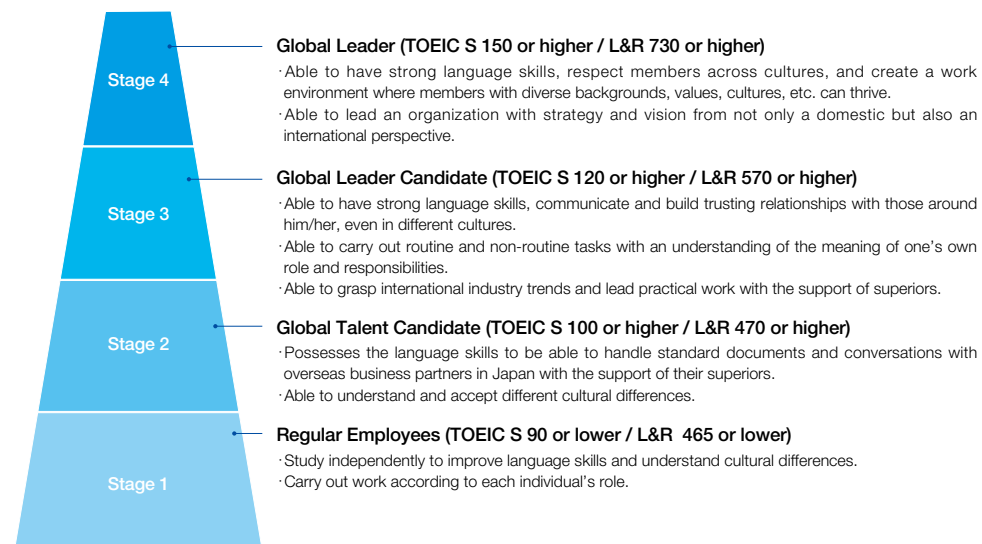
## Education System Diagram



## Global human resources development

We are building programs for each stage aimed at Global Human Resources Development. We provide language learning support for all employees (e-Learning, TOEIC examination cost subsidies), one-on-one online lessons for select employees, and overseas training based on our Overseas Study Program and Overseas Assignment Promotion Program.

## Global Human Resources Development System Diagram



## Overseas assignment promotion program

In addition to the existing Overseas Study Program and support for language learning in Japan, we established the Overseas Assignment Promotion Program in 2024 for the purpose of promoting the expansion of overseas business and transactions and developing future management and leadership candidates. With a view to expanding our overseas business, this program has employees acquire not only language skills but also practical experience in overseas business from an early stage through accompanying customers, attending meetings, and giving operational instructions on-site to develop global leaders who will be able to manager overseas businesses in the future and nurture human resources with an overseas perspective.

## Overseas study program

We offer language study abroad programs in Canada to improve employees' practical English communication skills. In addition to attending a local language school for two months and learning English with students of various nationalities, this program allows students to deepen their understanding of foreign cultures through homestays.

## Diversity & inclusion

We respect the individuality and strengths of each individual employee and support the creation of a workplace where everyone can play an active role.

### Organizational infrastructure

In 2022, we launched the Subcommittee for Empowering Women in the Workplace as a subcommittee of the Management Commitment on “Management Commitment on Enriching Lives” Promotion Committee and advanced the necessary measures after listening to the opinions of the employees. From fiscal 2024, we upgraded the Subcommittee for Promoting Diversity and continue to pursue activities that more closely align with the essence of everyone’s active participation.

### Support for flexible work styles

We continue to support the operation of the hourly leave program and the telework system, etc. and actively encourage the use of childcare leave by male employees.

### Providing education to raise awareness within the company

Since fiscal 2021, we have continued to provide in-house training to all employees for the purpose of understanding basic knowledge about diversity and inclusion.

### Job reinstatement

As part of our diversity and inclusion efforts, we have introduced job reinstatement hiring. The purpose of this program is to support employees who left the company for various reasons (household circumstances, career enhancement, etc.) restart their careers and enable them to build long-term careers at the company.

### Health management

We support the creation of a workplace where each individual employee can work efficiently in good physical and mental health.

### Health maintenance initiative

To maintain the health of our employees, we create annual plans aimed at increasing the rate of paid leave taken by employees and introduce health maintenance programs including online smoking cessation programs among other efforts.

### Cultivation of health awareness

To raise the awareness of each individual employee regarding their mental and physical health, we provide health literacy education and seminars by an industrial physician.

## Metrics and Targets

### Management Commitment on Enriching Lives Evaluation Index

Percentage of positive employees  
engagement responses: FY2026 target of **70%**

### Targets for Women’s Empowerment

Target items (Female ratio %)	FY2024		FY2026
	Target	Results	Target
Managers <sup>*1</sup>	3%	3.2% <sup>*2</sup>	5%
Career-track positions	20%	23.3% <sup>*2</sup>	28%
Percentage of new graduate career-track position hires	40%	25%	40%

<sup>\*1</sup> Includes positions at or equivalent to management rank

<sup>\*2</sup> As of April 1, 2025

### Health Management Targets

Management items	FY2024		FY2025
	Target	Results	Target
Rate of paid leave taken by employees	80%	85.7%	80%
Non-smoking rate	75%	73.4%	75%
Specific health guidance implementation rate	80%	67.4%	80%
Regular medical examination rate	100%	100%	100%
Percentage maintaining a healthy weight	65%	64.7%	65%
Rate of secondary examinations due to the results of physical examinations	80%	78.1%	80%
Long working hours (overtime: over 360 hours in a year)	0	1	0

## Risk Management

### Human Capital Risk Management to Support the Management Strategy

We will put the action slogan “Go Beyond” Innovation for promoting the Medium-term Management Plan into practice in the human resource strategies as well. We recognize that the greatest risk for the C.I. TAKIRON Group is a delay in human capital enhancement. Therefore, we will actively promote rotations that span department boundaries with an organization-wide point of view to develop and promote personnel who possess a broad perspective and the experience to “go beyond” their present circumstances. In addition, by using the global human resources development program including the Overseas Assignment Promotion Program, we will continue to produce human resources who can compete on the global stage and focus more efforts on strengthening professional education aimed at developing core IT personnel.

To spread the “Management Commitment on Enriching Lives,” we will monitor the level of achievement through the annual employee survey and accelerate the identification of issues and the planning and proposal of measures to provide a high-quality workplace.

# Management Foundation Supporting Growth

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# Engagement with Stakeholders

The C.I. TAKIRON Group work to build trust with stakeholders, and aims to be an organization that retains the confidence of all stakeholders, creating a people- and earth-friendly future.

Stakeholders	All	Customers	Business Partners	Local Communities	Government and Municipalities	Employees
<b>C.I. TAKIRON Group Responsibilities</b>	In order to meet the expectations of all our stakeholders, we will strive to increase corporate value through high capital efficiency, fair and impartial information disclosure, and sustainable growth.	We listen sincerely to our customers, provide products and services that continue to be nominated with outstanding technology and quality, and strive to build long-term relationships of trust with our customers.	When procuring materials, we base our actions on openness, fairness and impartiality, legal compliance, mutual trust, and consideration for the environment, striving for coexistence and mutual prosperity by deepening partnerships and through impartial transactions. We will also work to promote CSR and compliance with the cooperation of our business partners.	We contribute to the development of local communities through our business, coexist with them, and emphasize environmental conservation. We consider and implement measures that meet the needs of each region and promote trusted business activities.	We comply with laws and regulations and strive to disclose information in a timely and appropriate manner. In addition, we support disaster recovery and reconstruction through various efforts in cooperation with the government and municipalities.	We support the challenging spirit possessed by our employees and promote the creation of a rewarding workplace where each and every one of us stands out and diverse human resources play an active role.
<b>Stakeholders' Expectation and Interests</b>	<ul style="list-style-type: none"> <li>● Increased corporate value</li> <li>● True, fair, and timely disclosures</li> <li>● Constructive dialogue</li> <li>● Active and sustained ESG action</li> </ul>	<ul style="list-style-type: none"> <li>● High-quality products and services</li> <li>● Fair sales prices</li> <li>● Supply continuity</li> <li>● Continuous adaptation and innovation to keep abreast of evolving needs</li> <li>● Global expansion</li> </ul>	<ul style="list-style-type: none"> <li>● Fair, equitable, transparent, and stable trading practices</li> <li>● Socially and environmentally conscious trading practices</li> <li>● Collaboration and open innovation that benefits both parties</li> <li>● Action to improve quality</li> <li>● Promotion of CSR procurement across supply chain</li> <li>● Coordination in emergencies</li> </ul>	<ul style="list-style-type: none"> <li>● Co-existence and prosperity with local communities</li> <li>● Job creation, contributing to local development</li> <li>● Conserving local environment</li> <li>● Minimizing environmental impact (restricting emissions from business operations)</li> <li>● Compliance with legal and regulatory requirements</li> <li>● Safe operation</li> </ul>	<ul style="list-style-type: none"> <li>● Contribution to a carbon-neutral society</li> <li>● Contribution to a circular economy</li> <li>● Contribution to a sustainability in the entire society</li> </ul>	<ul style="list-style-type: none"> <li>● Vibrant, engaging workplace</li> <li>● Diversity and inclusion</li> <li>● Work-life management (balancing work and private life, giving employees control over how they work)</li> <li>● Talent management (providing opportunities and spaces for self-actualization and growth)</li> </ul>
<b>Frequency of Communication</b>	<p><b>PR Department</b></p> <ul style="list-style-type: none"> <li>● Integrated Report Once a year</li> </ul> <p><b>Sustainability Department</b></p> <ul style="list-style-type: none"> <li>● Responding to ESG rating agency surveys Occasionally</li> </ul>	<p><b>PR Department</b></p> <ul style="list-style-type: none"> <li>● Website and advertisements Occasionally</li> </ul> <p><b>Sales Department</b></p> <ul style="list-style-type: none"> <li>● Sales activities and social media Daily basis</li> <li>● Exhibition spaces, expos, and events Occasionally</li> </ul> <p><b>Quality Assurance Department</b></p> <ul style="list-style-type: none"> <li>● Quality certificates Daily basis</li> <li>● Inspection certificates Daily basis</li> <li>● Delivery specifications Daily basis</li> </ul> <p><b>Customer Support Department</b></p> <ul style="list-style-type: none"> <li>● Contact point for inquiries Daily basis</li> </ul>	<p><b>PR Department</b></p> <ul style="list-style-type: none"> <li>● Website and advertisements Occasionally</li> </ul> <p><b>Compliance Department</b></p> <ul style="list-style-type: none"> <li>● Consultation and report desk Occasionally</li> </ul> <p><b>Purchasing Department</b></p> <ul style="list-style-type: none"> <li>● Material procurement activities Daily basis</li> <li>● Supplier briefing sessions Regularly</li> <li>● CSR procurement surveys Once a year</li> </ul>	<p><b>General Affairs Department</b></p> <ul style="list-style-type: none"> <li>● Employee-based volunteer activities Regularly</li> </ul> <p><b>PR Department</b></p> <ul style="list-style-type: none"> <li>● Press releases Occasionally</li> </ul> <p><b>Sustainability Department</b></p> <ul style="list-style-type: none"> <li>● Dialogues with NPOs and NGOs Occasionally</li> </ul> <p><b>Plants and Offices</b></p> <ul style="list-style-type: none"> <li>● Exchange in local communities, study support, and plant tours Regularly</li> </ul>	<p><b>Sustainability Department</b></p> <ul style="list-style-type: none"> <li>● Employee-based volunteer activities Occasionally</li> </ul> <p><b>Plants and Offices</b></p> <ul style="list-style-type: none"> <li>● Coordination with relevant government organizations Regularly/Occasionally</li> </ul>	<p><b>PR Department</b></p> <ul style="list-style-type: none"> <li>● Messages from the President Occasionally</li> <li>● Intranet Daily basis</li> <li>● In-house bulletins Twice a year</li> </ul> <p><b>Compliance Department</b></p> <ul style="list-style-type: none"> <li>● Internal reporting system Daily basis</li> </ul> <p><b>Human Resource Department</b></p> <ul style="list-style-type: none"> <li>● Counseling with occupational physicians Regularly/Occasionally</li> <li>● Health and Safety Committee Regularly</li> <li>● Labor-management consultations Regularly/Occasionally</li> <li>● Employee surveys Once a year</li> </ul> <p><b>Each Department</b></p> <ul style="list-style-type: none"> <li>● Personal interviews with superiors/subordinates Regularly</li> </ul>

# Basic Policy on Sustainability

## | Management Foundation for Achieving Our Mission

### Organization of our philosophy system and establishment of basic policy on sustainability

Under the Mission, “Create a People and Earth-friendly Future”, the C.I. TAKIRON Group is engaged in business activities that contribute to building a prosperous society. In conjunction with the review of our corporate philosophy system in April 2024, we established Basic Sustainability Policy the top-level policy that encompasses the rules and policies of the entire Group.

Based on the Basic Policy on Sustainability, our Group aims at making a further contribution to creation of a sustainable society as well as work for sustainable growth as corporation.

### Sustainability Management System

As an advisory body to the Management committee, the Sustainability Committee was set up to promote Sustainability Management at C.I. TAKIRON Group. The Committee is involved in planning, formulation, recommendation, and monitoring of management issues related to sustainability and ESG (Environment, Society, and Governance).



### Basic Policy on Sustainability

Under the mission, “Creating a people- and earth-friendly future”, we strive to promote sustainability and aim at high profitability and improved corporate values through our business activities.

1. Environmental conservation initiatives
2. Promote diversity & inclusion
3. Respect human rights
4. Fair and appropriate transactions, Sustainable procurement
5. Enhancement of governance
6. Sustained enhancement in corporate value

## Accomplishments in FY2024

### 1. Addressing climate change

We reviewed the TCFD scenario analysis conducted in fiscal 2022, identified new climate-related opportunities in our business areas, and formulated strategies to respond to these opportunities.

### 2. Promotion of diversity

We reorganized the Subcommittee for Empowering Women in the Workplace into the Subcommittee for Promoting Diversity and expanded our scope of activities in order to foster a corporate culture where everyone can demonstrate their full capabilities and skills, alongside three pillars: development of global human resources, work style reform, and promotion of empowerment of diverse human resources.

(Main initiatives)

- Development of global human resources:  
Operation of Overseas Assignment Promotion Program
- Work style reform:  
Support for male employees to take childcare leave
- Promotion of empowerment of diverse human resource:  
Started one-on-one meetings on a trial basis  
Introduced a job return system  
Implemented basic training on diversity & inclusion (D&I)

## Priority sustainability themes for FY2025

Our three key activity themes for fiscal 2025 include climate change and diversity, which are key sustainability themes in the Medium-term Management Plan, as well as supply chain management, which our business partners have asked us to strengthen in recent years.

### 1. Climate change

- Reduction in greenhouse gas emissions
- Measures to raise awareness of climate change within the company

### 2. Diversity

- Development of global human resources
- Initiatives to promote D&I (work style reform, promotion of empowerment of diverse human resource)
- Measures to raise awareness of D&I within the company

### 3. Supply chain management

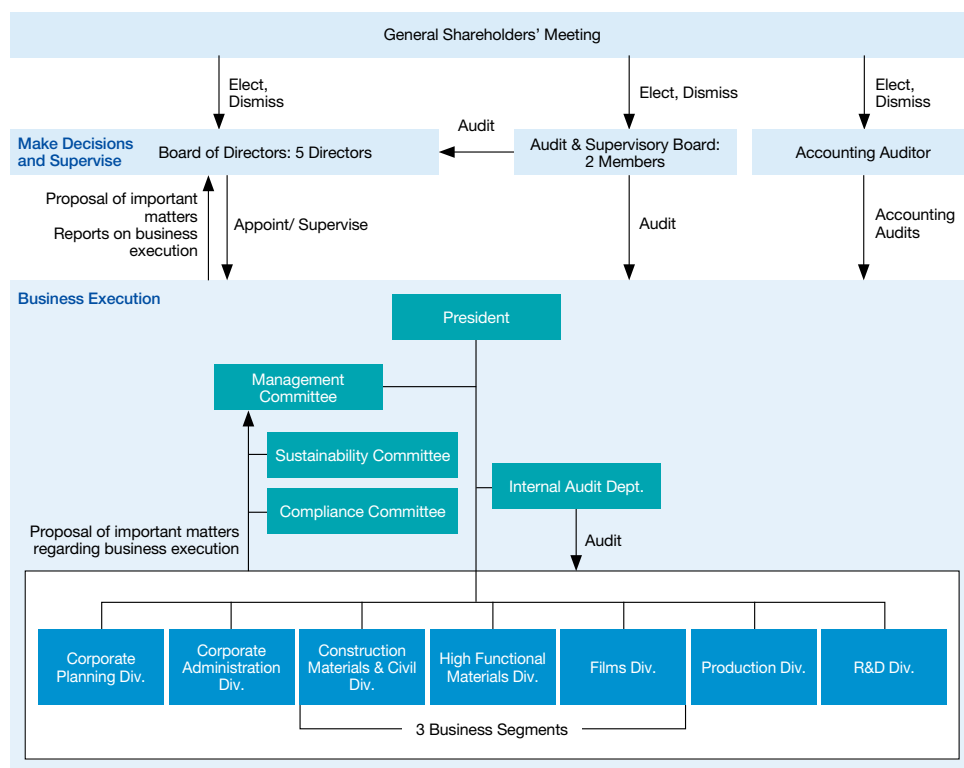
- Identifying issues and formulating countermeasures for implementing sustainable supply chain management

# Corporate Governance

## Basic Policy on Corporate Governance

We will define the ideal direction for the C.I. TAKIRON Group internally and externally by setting the Medium-term Management Plan as a core of management strategies of the entire Group to build a consensus toward accomplishing the corporate goals. In addition, we will actively cooperate with all C.I. TAKIRON stakeholders in activities to achieve the targets laid out in the Medium-term Management Plan from the stance of connecting success to the profit of every stakeholder. From a governance perspective, C.I. TAKIRON has adopted an executive officer system to clearly separate auditing and business execution functions while the Board of Directors conducts highly effective supervision of director and executive officer performance as well as business execution.

## Corporate Governance Framework



## Directors, Audit & Supervisory Board Members, and Executive Officers (as of August 1, 2025)

### Director

#### Yuji Fukuda

Representative Director President  
Chief Operating Officer of R&D Division  
1979 Joined ITOCHU Corporation  
2023 Representative Director President of C.I. TAKIRON (current position)  
2024 Outside Director of Quantum Solutions Co., Ltd. (current position)

#### Akihiro Ueda

Representative Director Vice Chairman,  
Chief Operating Officer of the Films Division  
1982 Joined ITOCHU Corporation  
2024 Representative Director Vice Chairman of C.I. TAKIRON (current position)

#### Hironori Kikuchi

Director, Senior Managing Executive Officer,  
Chief Operating Officer of the Corporate Planning Division and General Manager of the High Functional Materials Div.  
1985 Joined TAKIRON  
2024 Director, Managing Executive Officer of C.I. TAKIRON (current position)

#### Noboru Fukushima

Director, Managing Executive Officer,  
Chief Operating Officer of the Corporate Administration Division, CCO, CIO and Information Control Officer  
1987 Joined ITOCHU Corporation  
2023 Director, Managing Executive Officer of C.I. TAKIRON (current position)  
2025 Outside Director of Quantum Solutions Co., Ltd. (current position)

#### Tadashi Ishibashi

Director  
1990 Joined ITOCHU Corporation  
2025 Director of C.I. TAKIRON (current position)

### Audit & Supervisory Board Member

#### Takahisa Miyake

Audit & Supervisory Board Member  
1984 Joined TAKIRON  
2025 Advisor to the company  
2025 Audit & Supervisory Board Member of C.I. TAKIRON (current position)

#### Hideki Sugiura

Audit & Supervisory Board Member  
1992 Joined ITOCHU Corporation  
2024 CFO of the ITOCHU Energy & Chemicals Company (current position)  
2024 Audit & Supervisory Board Member of C.I. TAKIRON (current position)

### Managing Executive Officer

#### Kenji Matsui

Chief Operating Officer of the Construction Materials and Civil Division

### Executive Officer

#### Kazuhiro Kinpara

General Manager of the Corporate Planning Dept.

#### Norikazu Hamaguchi

C.I. TAKIRON/CIVIL CORPORATION

#### Takayuki Fujita

Chief Operating Officer of the Production Division

#### Osamu Kozui

Deputy Chief Operating Officer of R&D Division

#### Tomoyuki Hiromatsu

General Manager of the New Business Development & Promotion Dept.

#### Toshiteru Shimojo

Deputy Chief Operating Officer of the Production Division and General Manager of the Production and Equipment Engineering Dept.

# Compliance

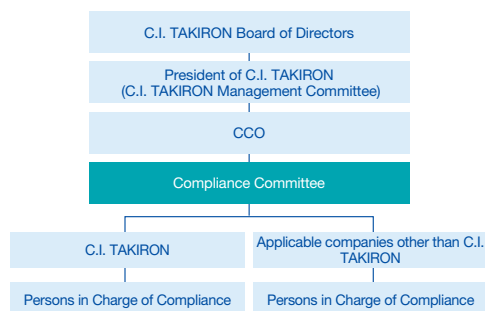
## Basic Policy

Being aware of its social responsibility, the C.I. TAKIRON Group has defined its Guiding Principles for Action for the purpose of taking action deemed suitable by regulatory compliance and social ethics. Also, the C.I. TAKIRON Group Compliance Program has been established for the purpose of strengthening the compliance system, and the following four items have been set as its basic policy.

### Basic Policy on Compliance

1. Create a sound organizational culture and climate
2. Establish and maintain a proper system
3. Maintain a high level of awareness about compliance
4. Fair and impartial compliance

## System



### Internal Reporting System (Hotline)



## FY2024 Results

In fiscal 2024, a total of 71 inquiries were received through the internal reporting system. The results of activities aimed at strengthening the compliance system are shown in the table below.

### Main Activity Results for FY2024

Preparation of systems and frameworks	All officers and employees submitted a Compliance Declaration
	To enhance the compliance system, we revised the compliance program and the manual for compliance officers and other employees
Education/ Enlightenment	A six-month review of compliance incidents was conducted to assess the effectiveness of recurrence prevention measures
	For all officers and employees: Compliance Training (webinar or by viewing recorded materials)
	For officers and managers: E-learning on the Subcontract Act
Surveys	For all officers and employees: Group work for each organization to improve workplace openness (1 session)
	For officers in charge of compliance: CCO meetings (2 sessions), CCO tours (12 sessions)
	For all officers and employees: Survey about their compliance awareness
Surveys	For officers in charge of compliance: A monitoring review survey
	All offices: Inspection of the status of license filings

# Risk Management

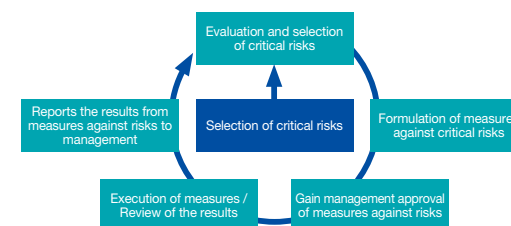
## Basic Policy

We have put in place a risk management system and formulated Risk Management Regulations for the purpose of reducing and preventing losses as well as enhancing corporate value through the organizational management of risk throughout the Group.

## System

The Corporate Planning Department acts as the risk management secretariat and operates the risk management process each fiscal year.

The C.I. TAKIRON Group's risk management process is to comprehensively take into account the impact of each risk on business activities in terms of its frequency of occurrence and progress of countermeasures against it, to select the critical risks and the departments handling the risk, to formulate and approve specific measures, and then to review the results after implementation. Then, in the following fiscal year, we set new critical risks and implement a cycle in which reports and approvals are obtained at the Executive Officers Meeting.



## FY2025 Selection of Risk Management Items

The risk management items for fiscal 2025 are shown in the table below.

### FY2025 Selection of Critical Risk Management Items

Target risk	Department handling the risk	Risk items
Decline in profitability	Each business division Corporate Planning Div.	Shrinking domestic market Delay in developing overseas markets
Changes in raw material prices	Corporate Planning Div.	Rising oil prices due to global tensions Rising domestic naphtha prices due to the weak yen
Risk of reciprocal U.S. tariffs	Each business division Corporate Planning Div.	Slowdown in exports due to a decline in product price competitiveness Deterioration in profitability due to rising raw material prices
Delay in strengthening the information system structure	Corporate Administration Div.	System trouble due to poor IT skills Information leaks and cyberattack damage due to poor information security Increase in system costs due to poor cost management
Human resources		Decline in operational levels due to delays in hiring and developing next-generation core personnel Loss of talented people
Logistics	Production Div. Corporate Planning Div.	Increase in logistics costs Problems associated with Japan's Logistics Amendment Act

# Human Rights

## Basic Policy

C.I. TAKIRON Group Human Rights Policy is based on international standards on human rights, including the UN Guiding Principles on Business and Human Rights. The policy guides our efforts to ensure respect for human rights in all our business activities.



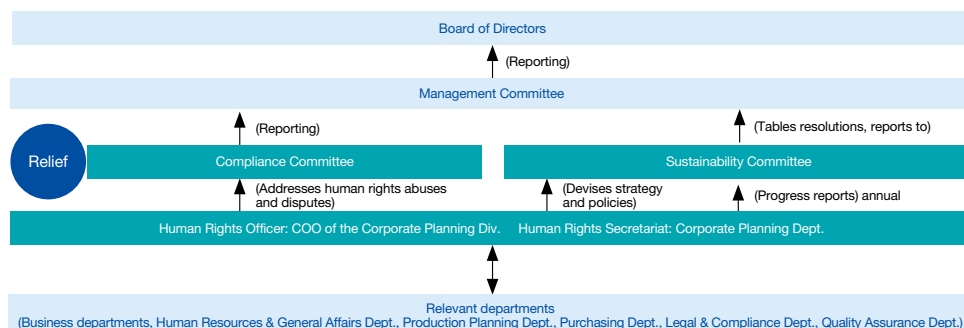
### C.I. TAKIRON Group Human Rights Policy

<https://www.takiron-ci.co.jp/news/assets/pdf/9cb4d7876eee35a1a71db83437e7baf7.pdf>

## System

At the C.I. TAKIRON Group, the Human Rights Secretariat and relevant departments coordinate with each other to promote initiatives to respect human rights. We also work with the Purchasing Department and business departments to urge our business partners to address any issues that arise in the supply chain.

### Diagram of Organizational Infrastructure for Human Rights



## Relief

The C.I. TAKIRON Group has set up an internal hotline and a public contact point as a means of redress for potential human rights risks. Any issues that require action will be dealt with objectively by the Compliance Committee, and countermeasures and measures to prevent recurrence will be put in place.

## FY2024 Results

### Education on human rights awareness

In fiscal 2024, we provided e-learning training on human rights issues to managers, with the aim of helping them acquire basic knowledge about human rights.

# Sustainable Procurement

## CSR Procurement Policies

Having made it our mission to find harmony with the environment and provide people-friendly products to society in all of our activities founded in plastic materials and material processing technologies, we place great importance on building a sustainable supply chain. Under our CSR procurement policies, which take into consideration human rights, health and safety, environmental conservation, and the labor environment, we promote responsible procurement activities while deepening relationships of trust with business partners who share our values.

## Initiatives

To build a sustainable procurement system, we have established CSR Procurement Policy and Guidelines, and hold briefings for suppliers accounting for 90% of our procurement amount to obtain their agreement with the policy.

As another initiative to enhance our procurement system to be more sustainable, we conduct study sessions and individual interviews with suppliers based on the results of the CSR procurement survey in order to understand the actual status of their ESG initiatives and to consider ways to improve them.

## Results

We carried out a CSR procurement survey covering nine aspects, including human rights, environment, and BCP, targeting 64 companies that account for about 90% of the procurement amount. Based on the results (see figure on the right), we held a study session in January 2024 for 14 companies where improvements were expected. We plan to carry out another CSR procurement survey in fiscal 2025. Going forward, we will continue to raise awareness of social responsibility and promote CSR procurement with the understanding and cooperation of our suppliers.

### C.I. TAKIRON Group CSR Procurement Policies

April 1, 2021

1. Respect human rights and the labor environment.
2. Always consider health and safety.
3. Maintain or enhance environmental action.
4. Ensure and improve product safety and quality.
5. Maintain and strengthen information security.
6. Practice fair trade and adhere to business ethics.
7. Dialogue with local communities and participate in social contribution activities.

**CSR procurement policies**  
1. Human rights & labor 2. Health and safety  
3. Environment 4. Safety and quality 5. Information security  
6. Fairness & ethics 7. Social contribution

Feedback study session

Confirmation of consent

**CSR procurement survey**  
0. CSR promotion 1. Human rights & labor  
2. Health and safety 3. Environment 4. Safety and quality  
5. Information security 6. Fairness & ethics  
7. Social contribution

### Survey Items (64 Companies Targeted)



# Workplace Safety

## Basic Policy

In fiscal 2024, “Safety, a fundamental principle” was embedded within the “values which should be respected” of the Group Corporate Philosophy. In addition, each affiliate subsidiary develops and promotes health and safety activities based on the health and safety policies to prevent occupational accidents and recurrences.

### Safety, a fundamental principle

Safety comes before everything else

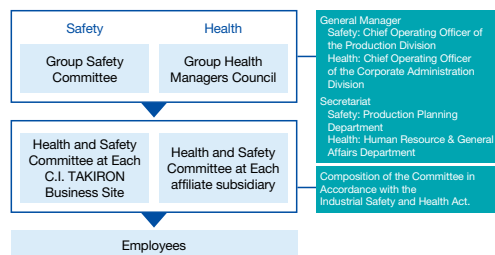
### Health and safety policy

To ensure the safety and health of everyone who works in the C.I. TAKIRON Group, we pursue the creation of a safe working environment and promote the cultivation of safety awareness.

## System

We seamlessly share information on occupational accidents and near-miss incidents, as well as countermeasures, across the entire Group, working together to raise safety awareness and implement initiatives to accurately identify and minimize risks.

### Health and Safety Management System

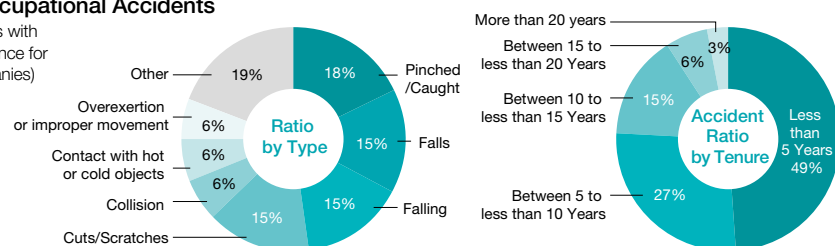


## FY2024 Results

The C.I. TAKIRON Group conducts various health and safety activities at each production site centered around the Health and Safety Committee. In fiscal 2024, we conducted activities to investigate the causes of occupational accidents and near-miss incidents through root cause analysis and to formulate countermeasures. We also hired an external company conduct a safety culture diagnosis to identify the strengths and weaknesses of safety activities at each site, and then implemented activities at each site to remedy the weaknesses. The breakdown of occupational accidents in fiscal 2024 is as follows.

### FY 2024 Occupational Accidents

(including injuries with no leave of absence for all Group companies)



# Quality

## Basic Policy

Under the action slogan “Go Beyond” Innovation, the C.I. TAKIRON Group promotes quality assurance activities aimed at satisfying customer needs and further increasing customers satisfaction to provide products that exceed customers’ expectations without being caught up in preconceived notions.

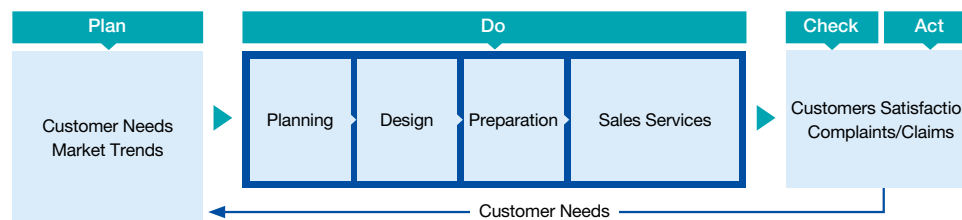
### Basic Quality Policy

We build and strengthen trustful relationships with our customers and improve customer satisfaction in all our business activities.

## System

Each production site operates a Quality Management System (QMS) based on the ISO 9001 standard as the core framework of our quality assurance activities.

### Framework of the Quality Management System



## Management of Chemical Substances

The C.I. TAKIRON Group uses chemical substance content inspection slips and SDSs to strengthen cooperation with suppliers and improve traceability of chemical substances throughout the entire lifecycle on a continuous basis.

In an effort to achieve both safety and environmental friendliness, at the end of last fiscal year we completed the switch to alternative materials with less environmental impact for some products that contained UV-328, which was designated as a Class 1 Specified Chemical Substance under the 2024 amendment to the Law Concerning Examination and Regulation of Manufacture, Applicable Information etc. of Chemical Substances.

# Financial Data

Unit: Millions of yen

(FY)	2020	2021	2022	2023	2024
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## Management Performance

Net Sales	134,470	141,936	145,725	137,581	141,858
Operating Profit	8,511	8,651	5,791	6,228	7,991
Ordinary Profit	8,807	9,084	5,923	6,501	8,177
Profit Attributable to the Owners of Parent	5,332	6,660	2,460	5,102	5,659
Depreciation	5,378	5,244	5,434	5,524	6,052
Capital Investment	5,149	4,145	5,070	4,989	7,393
Research & Development Expenses	1,134	1,214	1,355	1,296	1,879

## Financial Status

Total Assets	142,743	147,061	149,274	156,194	154,724
Net Assets	87,367	92,055	92,658	97,046	101,894
Equity Capital	85,707	90,243	91,186	96,711	101,772
Accumulated Surplus	38,757	43,175	43,003	46,642	51,229

\* Lease liabilities and guaranteed deposits included.

## Cash Flow

Cash Flow from Business Activities	4,365	11,942	5,729	9,309	9,933
Cash Flow from Investment Activities	(2,191)	(7,516)	(6,787)	(6,277)	(8,130)
Cash Flow from Financial Activities	(4,292)	(3,166)	(1,262)	(2,346)	(3,438)
Free Cash Flow	2,174	4,425	(1,057)	3,031	1,802
Balance of Cash and Cash Equivalents (End of Term)	6,712	7,790	5,603	6,661	5,254

Unit: Millions of yen

(FY)	2020	2021	2022	2023	2024
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## Management Index

ROA (%)	3.7	4.6	1.7	3.3	3.6
ROIC (%)	6.2	6.5	4.2	4.5	5.7
ROE (%)	6.4	7.6	2.7	5.4	5.7
Net Debt-to-Equity Ratio (D/E Ratio)	(0.14)	(0.20)	(0.18)	(0.16)	(0.23)
Operating Profit on Sales (%)	6.3	6.1	4.0	4.5	5.6
Capital-to-Asset Ratio (%)	60.0	61.4	61.1	61.9	65.8
Overseas Net Sales Ratio (%)	16.0	17.7	17.7	14.6	15.3

# Non-financial Data

(FY)	2020	2021	2022	2023	2024
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## Environmental Index

Energy Consumption Rate (GJ/Manufacturing Ton)	12.6	13.6	13.1	13.1	13.4
Greenhouse Gas (GHG) Emissions					
Scope 1 and 2 (kt-CO <sub>2</sub> e)	83	81	71	74	77
Scope 3 (kt-CO <sub>2</sub> e)	223	544*	499*	471*	471*
Unit CO <sub>2</sub> Emissions (Scope 1 and 2) (t-CO <sub>2</sub> e/manufacturing ton)	0.52	0.50	0.48	0.59	0.62
Total Waste Emissions (t)	12,627	12,654	11,831	9,951	10,032
Water Consumption (Thousand m <sup>3</sup> )	1,000	981	953	858	842
Waste Water (Thousand m <sup>3</sup> )	801	796	794	728	671

\* From fiscal 2021, the scope of calculation was expanded to include the entire Group and all 15 categories of Scope 3 emissions.

## Social Indicators\*

Number of Employees (Consolidated) (Persons)	3,299	3,227	3,172	3,018	2,971
Number of Employees (Non-consolidated) (Persons)	1,167	1,084	1,095	1,068	1,029
Male (Persons)	969	906	903	867	831
Female (Persons)	198	178	192	201	198
Number of Women in Career-track Positions (Number of Women in Management Roles)*	53(4)	61(5)	71(9)	93(9)	91(9)
Percentage of Management Roles Held by Women	1.8	2.4	3.0	3.2	3.2
Average Years of Service	18.0	19.4	19.4	19.6	18.9
Male (Years)	18.6	20.2	20.3	20.9	20.1
Female (Years)	14.9	15.0	14.8	14.3	13.5
Employment Ratio of Disabled Persons (%)	2.34	2.12	2.20	2.31	2.31
Rate of Paid Leave Taken by Employees (%)	88.2	89.4	90.5	87.8	85.7
Number of Employees Who Started Using Childcare Leave Program in Year Under Review	36	32	27	37	37
Male (Persons)	29	27	23	28	29
Female (Persons)	7	5	4	9	8

\*As of April 1, 2025

(FY)	2020	2021	2022	2023	2024
------	------	------	------	------	------

Percentage of Employees on Childcare Leave Who Have Returned to Work (%)	100	100	100	100	100
Turnover rate: Percentage of Employees Who Voluntarily Resigned (%)	1.05	1.02	1.18	2.80	2.92
Turnover Rate: Percentage of New Hires in Career- track Positions Who Left Within Three Years (%)	0	7	0	0	7
Number of New Graduate Employment (Persons)	13	14	11	23	16
Male (Persons)	9	10	4	13	12
Number of New Graduate Employees (Including Those in Clerical Roles) Who are Women	4	4	7	10	4
Female Employment Ratio (%)	30.8	28.6	63.6	43.5	25.0
Labor Union Membership Rate (%)	66.7	71.1	63.1	61.8	61.1

\* In the social indicators table, the top row shows the consolidated data. All other rows show non-consolidated data.

# Corporate Profile (As of March 31, 2025)

## Company Overview

Trade Name	C.I. TAKIRON Corporation
Established	October 10, 1919
Incorporated	December 20, 1935
Website	<a href="https://www.takiron-ci.co.jp/english/">https://www.takiron-ci.co.jp/english/</a>
Capital	¥15,216 million
Number of Employees	2,971 (Consolidated)

## Business Sites

### Head Office

- 1 Tokyo Head Office 3-5-19 Mita Minato-ku, Tokyo
- 2 Osaka Head Office 3-1-3 Umeda, Kita-ku, Osaka

### Branches/Sales Offices

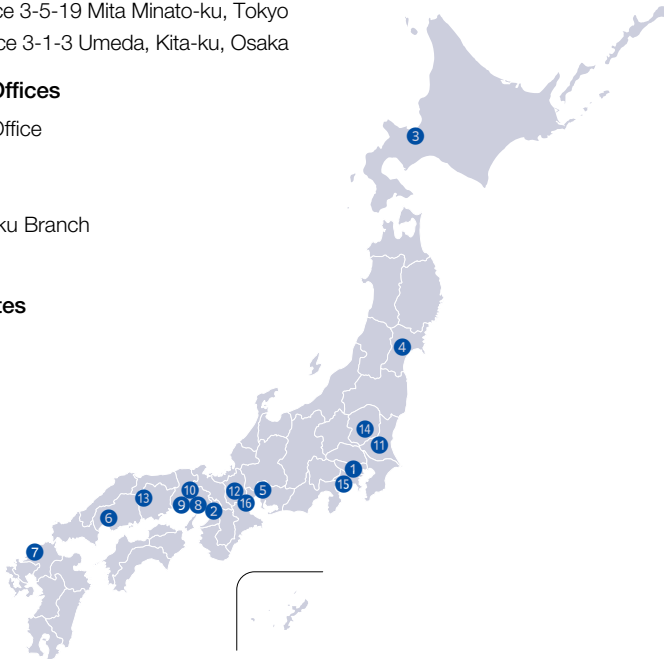
- 3 Sapporo Sales Office
- 4 Tohoku Branch
- 5 Chubu Branch
- 6 Chugoku/ Shikoku Branch
- 7 Kyushu Branch

### Manufacturing Sites

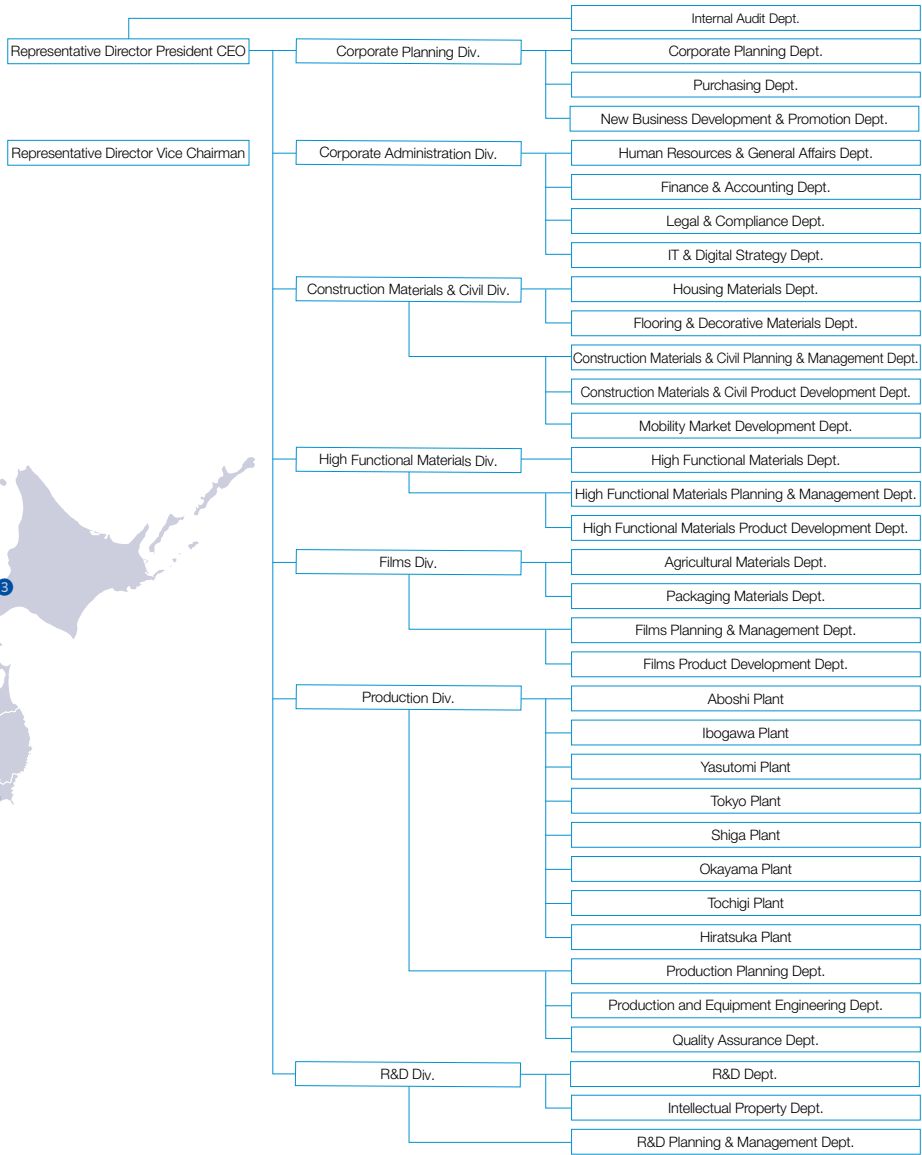
- 8 Aboshi Plant
- 9 Ibogawa Plant
- 10 Yasutomi Plant
- 11 Tokyo Plant
- 12 Shiga Plant
- 13 Okayama Plant
- 14 Tochigi Plant
- 15 Hiratsuka Plant

### R&D Centers

- 16 R&D Center



## Organization Chart (As of September 2025)



## Affiliate Subsidiaries

### Construction Materials and Civil Business

- SANWA SIGNWORKS CO., LTD. (Kita Ward, Osaka City)
- C.I.TAKIRONPLUS CORPORATION (Minato Ward, Tokyo)
- TAKIRON MATEX CO., LTD. (Minato Ward, Tokyo)
- BONLEX EUROPE S.R.L. (Veneto Region, Italy)
- DAILITE CO., LTD. (Minato Ward, Tokyo; Ryugasaki City, Ibaraki Pref.)
- C.I. TAKIRONCIVIL CORPORATION (Kita Ward, Osaka City)

### High Functional Materials Business

- TAKIRON-ROWLAND LIMITED (Tatsuno City, Hyogo Pref.)
- TAKIRON POLYMER CO., LTD. (Yame City, Fukuoka Pref.)
- CK ADTECH CO., LTD. (Chuo Ward, Osaka City)

### Films Business

- HOKKAIDO SANPLUS CO., LTD. (Ishikari City, Hokkaido)
- C.I. TAKIRONAGRI CORPORATION (Chuo Ward, Sapporo City)
- C.I. MATEX CORPORATION (Minato Ward, Tokyo)
- SAITO SHUBYO CO., LTD. (Maebashi City, Gunma Pref.)
- C.I. TAKIRON SUPPLY CORPORATION (Minato Ward, Tokyo)
- BONPACK CO., LTD. (Taito Ward, Tokyo)
- BONSET AMERICA CORPORATION (North Carolina, USA)
- SHANGHAI SANPLUS PLASTIC CO., LTD. (Shanghai, China)

### Other

- TAKIRON TECH CO., LTD. (Tatsuno City, Hyogo Pref.)
- C.I. TAKIRON LOGISTICS CO., LTD. (Minato Ward, Tokyo)
- C.I. TAKIRON (Shanghai) CO., LTD. (Shanghai, China)
- CIK NANOTEK CORPORATION (Minato Ward, Tokyo)
- MAVERIQ PARTNERS INC. (Minato Ward, Tokyo)
- SHANGHAI CIK ELECTRONICS CO., LTD. (Shanghai, China)
- DAIPLA WINTES CO., LTD. (Omiya Ward, Saitama City)

## Editorial Policy

For this Integrated Report 2025, we focused on carefully explaining why going private in October 2024 was essential for the dramatic growth of the C.I. TAKIRON Group, and on clearly communicating that we will continue to pursue ESG initiatives even as a private company. We also endeavored to plan and edit the content of the report in such a way that students and employees, who are our main target readers, will have high expectations for the future of the Group. To this end, the report features an employee roundtable discussion on the topics of updating the Human Resources Required by the Company concept in fiscal 2025, our diversity initiatives, and collaboration with Itochu Corporation.

### Reporting Period

FY2024 (Saturday, April 01, 2024 to Sunday, March 31, 2025)

\* This report includes some information outside of this reporting period.

### Reporting Organizations

C.I. TAKIRON Corporation and its affiliate subsidiaries

### Publication Date

September 2025

### Main Reference Guidelines

- Ministry of Economy, Trade and Industry "Guidance for Collaborative Value Creation"
- Ministry of the Environment "Environmental Reporting Guidelines"
- International Integrated Reporting Council (IIRC) International Integrated Reporting Framework
- GRI (Global Reporting Initiative) Sustainability Reporting Standards
- The SDG Compass



### Introduction of Communication Tools

General information on the C.I. TAKIRON Group is available in the Corporate section of the corporate website.



### Corporate Information

<https://www.takiron-ci.co.jp/english/corporate/>

### Inquiries Regarding this Report

Corporate Communication Group, Human Resources & General Affairs Dept.

Tel: +81-3-6435-0180 (main)

## Promotion and Development of Sports

The C.I. TAKIRON Group contributes to a healthy lifestyle and a harmonious society through the promotion and development of sports.

### C.I. TAKIRON



#### Canoe

C.I. TAKIRON has been co-sponsoring the Japan Canoe Federation since April 2024.

We decided to support canoe racing because we believe that the spirit of canoeing—pressing forward through all challenges—resonates with the slogan of our Medium-term Management Plan launched in 2024: "Go Beyond" Innovation. We also encourage interaction with canoeing through participation in events such as the NHK Trophy and Arakawa River Clean-Aid activities.



#### Skiing

In August 2025, we signed an official sponsorship agreement with the Ski Association of Japan (SAJ). SAJ has long been committed to the development of athletes and the spread and promotion of skiing and snowboarding, and in 2025, it celebrated its 100th anniversary. The sport includes a wide variety of events, and the athletes' attitude of continuing to challenge themselves and captivate spectators resonates with the spirit of C.I. TAKIRON, which is a company that is not afraid of change and welcomes challenges. Seeing athletes excel in competitions inspires us to take on new challenges ourselves.

### C.I. TAKIRONCIVIL



#### Soccer

(INAC KOBE LEONESSA)

Since fiscal 2025, C.I. TAKIRONCIVIL CORPORATION has been supporting INAC KOBE LEONESSA, a women's soccer club based in Kobe, Hyogo Prefecture.

### TAKIRON MATEX



#### Swimming

TAKIRON MATEX CO., LTD. continues its sponsorship and other support of various swimming competitions organized by the Japan Swimming Federation, the Japan Swimming Federation for Persons with an Intellectual Disability, and the Japan Para-Swimming Federation. They also provide anti-slip flooring materials for poolside use, contributing to a wide range of swimming promotion activities with a focus on safety and security.

### HOKKAIDO SANPLUS



#### Basketball

(LEVANGA HOKKAIDO)

HOKKAIDO SANPLUS CO., LTD. is an official partner of LEVANGA HOKKAIDO, a professional basketball team in the B1 League, and is supporting efforts to revitalize the local community and basketball in the region.

**C.I. TAKIRON Corporation**

<https://www.takiron-ci.co.jp/english/>

