

Supporting today. changing tomorrow



C.I. TAKIRON

Annual Report 2019

(2018.4.1~2019.3.31)

C.I. TAKIRON Corporation

Annual Report 2019

For the Fiscal Year Ended March 31, 2019

(This document adopts the format of Annual Select®.)

C.I. TAKIRON Corporation

NORTH GATE BUILDING, 3-1-3, Umeda, Kita-ku, Osaka

(Securities Code: 4215)

Contact us via email from the following website:

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

Corporate Message

Supporting today, changing tomorrow

Here is what we can do for today—

*In order to support the security of the world we live in,
provide a consistent supply of durable, easy-to-use products.*

Here is what we can do for tomorrow—

*In order to make our lives more comfortable
create products that meet contemporary needs by using technologies and ideas.*

Here is what we should do for today and tomorrow—

*Continue to explore the potential of plastics and create
products that contribute comfort and utility to our everyday lives.*

*Make our products even more durable, lightweight,
elegant and environmentally friendly.*

*Utilize flexibility of thought in the continuing challenge
of manufacturing new products.*

Management Philosophy

1. We always try to protect the global environment and aim for permanent development and growth of the Company.
2. We will contribute to society by providing quality and price that will satisfy our customers.
3. We will be ahead of social change and sustain enthusiasm for the challenge to the unknown.
4. We will give consideration to people and respect individual characteristics and ingenuity.
5. We will pursue legitimate profits and strive for fair distribution.

I. Summary of Selected Financial Data (Consolidated)

Year ended March 31,	120 th fiscal year 2015	121 st fiscal year 2016	122 nd fiscal year 2017	123 rd fiscal year 2018	124 th fiscal year 2019
Net sales (Millions of yen)	70,352	72,958	75,118	147,805	150,650
Ordinary profit (Millions of yen)	3,804	3,946	4,519	8,204	9,200
Profit attributable to owners of parent (Millions of yen)	2,168	2,746	2,695	6,579	6,391
Comprehensive income (Millions of yen)	3,452	(62)	3,962	7,351	6,474
Net assets (Millions of yen)	47,501	46,461	49,435	69,909	74,310
Total assets (Millions of yen)	84,018	88,087	88,997	141,116	138,251
Net assets per share (Yen)	659.46	644.22	685.44	700.99	746.42
Basic earnings per share (Yen)	30.50	38.66	37.95	67.49	65.62
Diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	55.8	51.9	54.7	48.4	52.6
Return on equity (ROE) (%)	4.7	5.9	5.7	9.6	8.8
Price earnings ratio (PER) (Times)	17.2	14.4	15.3	10.3	9.1
Net cash provided by (used in) operating activities (Millions of yen)	5,700	5,773	6,579	9,328	9,805
Net cash provided by (used in) investing activities (Millions of yen)	(4,377)	(2,860)	(2,537)	(1,575)	(9,620)
Net cash provided by (used in) financing activities (Millions of yen)	(1,805)	(2,828)	(1,749)	(9,160)	(9,160)
Cash and cash equivalents at end of period (Millions of yen)	13,571	13,760	16,046	15,800	6,835
Number of employees [Separately, average number of temporary employees] (Persons)	1,732 [489]	1,871 [524]	1,889 [497]	3,369 [750]	3,412 [718]

- (Notes)
1. Net sales do not include consumption taxes.
 2. Diluted earnings per share is not presented since there were no potential shares.
 3. The Company carried out an absorption-type merger on April 1, 2017, with the Company as the surviving company and C. I. Kasei Company, Limited as the extinct company. This merger falls under a reverse acquisition for the purpose of accounting for business combinations and as such the Company is the acquiree and C. I. Kasei Company, Limited is the acquirer. Accordingly, the fair value of the assets and liabilities recorded in the Company's consolidated financial statements was measured immediately before the merger, and has been transferred to C. I. Kasei Company, Limited's consolidated balance sheets. Due to this, continuity has been lost between the balance at the end of the fiscal year ended March 31, 2017 and the balance at the end of the fiscal year ended March 31, 2018. As a result, there is a significant difference when comparing the Selected Financial Data figures for the 123rd fiscal year onward with figures from the 122nd fiscal year or before.
 4. The Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the fiscal year under review. The Selected Financial Data pertaining to the previous fiscal year consists of figures that have been adjusted retrospectively to reflect the aforementioned accounting standard, etc.

II. Message from the Chairman & CEO and the President & COO

**“Creating a people- and earth-friendly future through plastics technology”
is C.I. TAKIRON Group’s mission.**



Yosuke Minamitani

Representative Director
Chairman & CEO

Kazuya Saito

Representative Director
President & COO

C.I. TAKIRON Corporation was established in April, 2017, through the integration of Takiron Co., Ltd. and C.I. Kasei Company, Limited, both of which were general plastic manufacturers that had achieved growth through unique technological innovations. C.I. TAKIRON pursues business in four major business fields: Construction Materials Business, Environmental Materials Business, High Functional Materials Business, and Specialty Films Business. As a manufacturing company, we are striving to provide customers with diverse products that make a statement and offer novel value.

In order to maximize the synergies from our merger and boost our market competitiveness, we have worked aggressively on corporate restructuring, including rebuilding our sales framework and optimizing production hubs. Furthermore, we have also directed effort toward strengthening our management foundations, such as revamping our HR programs and building a new corporate culture, which will be platforms for growth. Our Medium-Term Management Plan, “Good Chemistry Good Growth 2020,” has the preparations for achieving our management vision of “Contributing to society as the industry’s leading company by taking on new challenges and continually implementing plans.” We encourage you to look forward to further progress.

In recent years, society has been undergoing great changes, with the world approaching an inflection point in history, accelerating globalization, advancing IT technology, and new types of energy starting to emerge. We recognize that the ocean plastic crisis, in particular, is an acute problem that hits close to home for our company. The mission of the C.I. TAKIRON Group is: “Creating a people- and earth-friendly future through plastics technology.” With our plastics production and processing technologies backed by 100 years of business activities, we will contribute to achieving a sustainable society by continuing to pursue new possibilities and by responding to the changes facing society.

We look forward to your continued and growing support.

III. Business Progress and Results

In the fiscal year under review, the Japanese economy held to a path of gradual recovery overall amid an upturn in corporate earnings and an improving employment and income environment.

At the same time, the business environment continues to necessitate attention particularly with respect to China's slowing economy due to trade friction between the U.S. and China, frequently occurring natural disasters, and political risk in Europe.

Against this background, in the second fiscal year of its Medium-term Business Plan, "Good Chemistry Good Growth 2020," the Company has been focusing its efforts on establishing a growth trajectory toward achieving its targets for fiscal 2020, under the following six basic policies: (1) Strengthen market competitiveness, (2) Create new business and develop new products, (3) Pursue beneficial effects of the merger, (4) Expand existing business domains, (5) Increase asset efficiency, and (6) Create a new corporate culture. Accordingly, this has involved consolidating sites handling production of polycarbonate daylighting building materials, embarking on reorganization of Group companies in the Environmental Materials Business, and consistently implementing measures for enhancing the growth and profit-earning capability of the entire Group.

As a result, the Company reported the following results for the fiscal year ended March 31, 2019. Net sales amounted to ¥150,650 million (up 1.9% year on year), operating profit amounted to ¥9,080 million (up 8.6% year on year), ordinary profit amounted to ¥9,200 million (up 12.1% year on year), and profit attributable to owners of parent amounted to ¥6,391 million (down 2.9% year on year), due to a negative rebound effect following on the recorded ¥1,180 million gain on bargain purchase in the previous year.

Operating results by business segment are as follows.

Construction Materials Business Segment

In the Housing Materials Business, sales of its mainstay polycarbonate daylighting building materials increased as a result of having enhanced its marketing strengths by integrating Group sales and also because of sales involving typhoon disaster recovery efforts. Meanwhile, sales of signage products for commercial offices also increased due to rising demand for signboard upgrades. As a result, the Housing Materials Business generated higher sales overall.

In regard to the Flooring and Decorative Materials Business, sales of the flooring department fell short of previous year levels as a result of delays in condominium renovation work caused by typhoons and continuous rain. Meanwhile, the decorative materials department held steady sales in the Japanese market, yet in overseas markets encountered difficulties in the non-residential sector in the European market. Accordingly, the Flooring and Decorative Materials Business generated lower sales overall.

As a result, net sales of the Construction Materials Business segment was ¥48,502 million (up 3.7% year on year), and operating profit was ¥3,458 million (up 4.9% year on year).

Environmental Materials Business Segment

The Agricultural Materials Business remained strong overall as a result of favorable sales, brought about by rising demand for covering film for agriculture, plastic greenhouses and relevant materials associated with measures being taken to recover from disasters, and also due to an upturn in orders for fertilizer raw materials.

The Infrastructure Materials Business recorded favorable sales overall given that sales of products such as FFT-S (a material for sewage pipe renewal) continued to be solid, and despite a situation regarding its mainstay engineering materials involving delays in projects related to reconstruction following natural disasters and ongoing difficulties with respect to Haver pipes.

As a result, net sales of the Environmental Materials Business segment was ¥62,388 million (up 3.2% year on year), and operating profit was ¥1,878 million (up 34.3% year on year).

High Functional Materials Business Segment

In regard to the High Functional Materials Business, sales took a downward turn beginning in the middle of the second quarter while sales for the full year also fell below those of the previous year. This situation is attributable to effect of declining capital investment in semiconductors and FPDs on the Company's business related to its mainstay industrial plates. On the other hand, sales of various engineering plastics products that underpin a diverse range of applications exceeded previous year results, and sales of large polypropylene filter plates also substantially gained in comparison with the previous year due to recovery in the resources economy. Substantial growth in sales was also achieved with respect to acetate plates for eyeglass frames, magnetic materials for whiteboards (dry erase sheets), and micro motors for cameras. Nevertheless, overall results of the High Functional Materials Business fell below those of the previous year amid a situation whereby such gains were insufficient to cover the drop in sales of industrial plates. As a result, net sales in the High Functional Materials Business segment was ¥18,935 million (down 3.0% year on year) and operating profit was ¥1,767 million (down 17.5% year on year).

Specialty Films Business Segment

The Specialty Films Business remained strong thanks to firm demand for shrinkable film and re-closable zipper tape, both mainstay products, in Japan, Asia, Europe, and North and South Americas.

As a result, net sales in the Specialty Films Business segment was ¥20,824 million (up 3.2% year on year), and operating profit was ¥1,969 million (down 2.1% year on year).

Net Sales and Operating Profit by Business Segment

(Millions of yen)

	Fiscal year ended March 31, 2018		Fiscal year ended March 31, 2019	
	Net sales	Operating profit	Net sales	Operating profit
Construction Materials Business	46,772	3,297	48,502	3,458
Environmental Materials Business	60,478	1,398	62,388	1,878
High Functional Materials Business	19,519	2,141	18,935	1,767
Specialty Films Business	20,169	2,012	20,824	1,969
Other	864	94	–	–
Adjustment	–	(579)	–	6
Total	147,805	8,363	150,650	9,080

- (Notes)
1. The “Other” category is a business segment not included in reportable segments under which operations such as logistics services are classified.
 2. The adjustment to operating profit represents corporate expenses not allocated to each segment.
 3. Total operating profit corresponds to operating profit of Consolidated Statements of Income.

IV. Corporate Governance

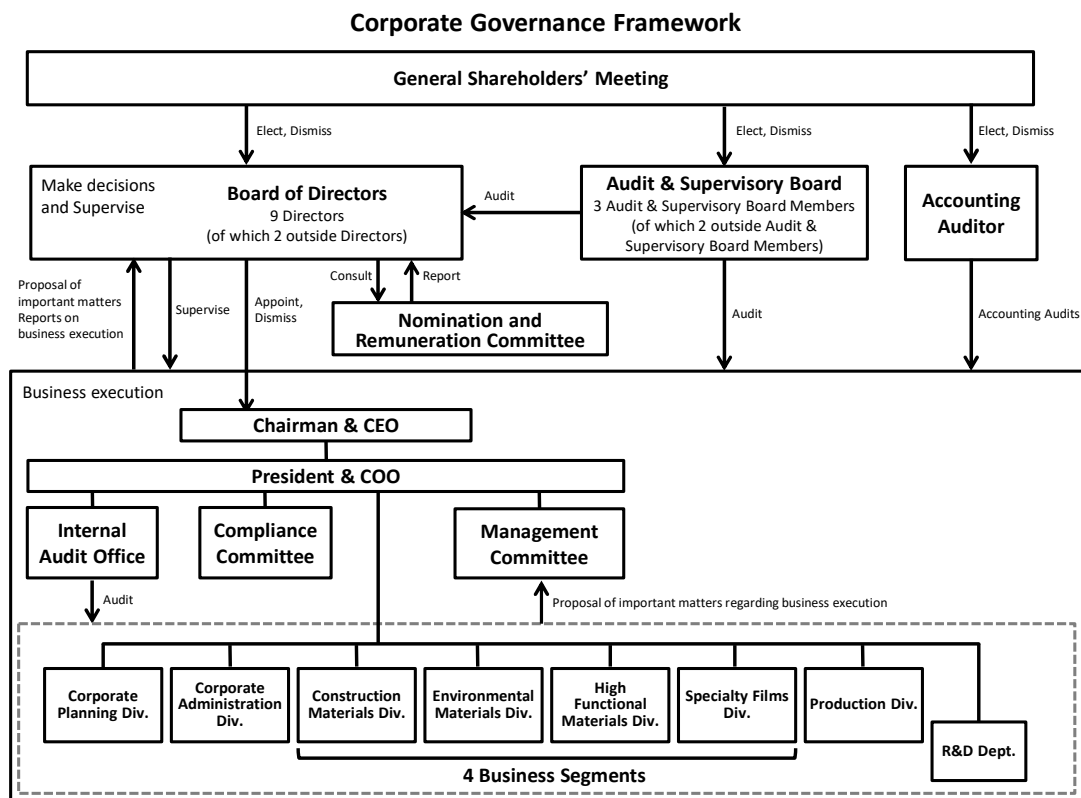
Basic Approach to Corporate Governance

C.I. TAKIRON Corporation regards strengthening corporate governance as a management issue of primary importance in order to improve management efficiency and transparency, earn the trust of all stakeholders including shareholders, and continuously improve corporate value.

Reasons for Implementation of Corporate Governance Framework

C.I. TAKIRON Corporation employs the corporate governance framework of a company with audit and supervisory board members. Two of the directors are outside directors with specialist knowledge, experience and an independent perspective, in order to provide advice from an external viewpoint and enhance deliberations by the directors while also monitoring and supervising the execution of their duties. Alongside auditing with respect to legality by the audit and supervisory board members and the Audit & Supervisory Board, efforts are also made to strengthen governance.

C.I. TAKIRON Corporation's corporate governance framework is as shown in the diagram below.



V. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	15,800	6,835
Notes and accounts receivable - trade	47,111	45,250
Electronically recorded monetary claims - operating	6,670	8,205
Merchandise and finished goods	12,960	14,037
Work in process	2,675	3,187
Raw materials and supplies	5,405	5,404
Deposits paid	4	3,216
Other	1,424	1,859
Allowance for doubtful accounts	(158)	(57)
Total current assets	91,894	87,939
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,617	12,462
Machinery, equipment and vehicles, net	8,847	8,501
Land	13,548	13,437
Leased assets, net	406	368
Construction in progress	392	2,419
Other, net	811	910
Total property, plant and equipment	36,624	38,101
Intangible assets	1,118	2,367
Investments and other assets		
Investment securities	4,625	3,655
Deferred tax assets	3,788	3,258
Net defined benefit asset	216	234
Other	2,905	2,747
Allowance for doubtful accounts	(57)	(53)
Total investments and other assets	11,479	9,842
Total non-current assets	49,222	50,311
Total assets	141,116	138,251

(Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,009	31,766
Electronically recorded obligations - operating	4,582	4,642
Short-term loans payable	2,456	4,896
Current portion of long-term loans payable	4,979	15
Lease obligations	201	211
Income taxes payable	834	1,416
Accrued consumption taxes	308	394
Provision for bonuses	2,056	2,136
Provision for directors' bonuses	188	216
Notes payable - facilities	184	299
Other	6,071	5,923
Total current liabilities	52,873	51,920
Non-current liabilities		
Long-term loans payable	4,292	-
Lease obligations	472	356
Deferred tax liabilities	672	585
Provision for stock benefits	-	23
Net defined benefit liability	9,929	9,035
Asset retirement obligations	498	267
Other	2,467	1,752
Total non-current liabilities	18,333	12,020
Total liabilities	71,207	63,941
Net assets		
Shareholders' equity		
Capital stock	15,189	15,189
Capital surplus	30,914	30,978
Retained earnings	22,031	26,571
Treasury shares	(8)	(80)
Total shareholders' equity	68,126	72,658
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	508	13
Deferred gains or losses on hedges	3	0
Foreign currency translation adjustment	(321)	(282)
Remeasurements of defined benefit plans	15	290
Total accumulated other comprehensive income	206	22
Non-controlling interests	1,577	1,629
Total net assets	69,909	74,310
Total liabilities and net assets	141,116	138,251

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

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	147,805	150,650
Cost of sales	106,502	109,632
Gross profit	41,302	41,018
Selling, general and administrative expenses	32,938	31,937
Operating profit	8,363	9,080
Non-operating income		
Interest income	8	20
Dividend income	103	109
Share of profit of entities accounted for using equity method	18	-
Rent income	139	159
Other	399	469
Total non-operating income	669	758
Non-operating expenses		
Interest expenses	210	181
Sales discounts	78	70
Cost of lease revenue	83	93
Foreign exchange losses	66	51
Other	388	241
Total non-operating expenses	828	638
Ordinary profit	8,204	9,200
Extraordinary income		
Gain on sales of non-current assets	28	398
Gain on sales of investment securities	0	143
Gain on revision of retirement benefit plan	2,555	-
Gain on sales of golf memberships	-	1
Gain on bargain purchase	1,180	-
Gain on reversal of asset retirement obligations	-	203
Total extraordinary income	3,764	746
Extraordinary losses		
Loss on disposal of non-current assets	139	222
Impairment loss	2,727	248
Loss on sales of investment securities	8	2
Loss on valuation of golf club membership	7	-
Loss on sales of golf club memberships	-	1
Total extraordinary losses	2,882	475
Profit before income taxes	9,087	9,471
Income taxes - current	2,041	2,330
Income taxes - deferred	356	519
Total income taxes	2,397	2,850
Profit	6,689	6,621
Profit attributable to non-controlling interests	110	229
Profit attributable to owners of parent	6,579	6,391

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	6,689	6,621
Other comprehensive income		
Valuation difference on available-for-sale securities	512	(493)
Deferred gains or losses on hedges	1	(2)
Foreign currency translation adjustment	(16)	73
Remeasurements of defined benefit plans, net of tax	164	276
Total other comprehensive income	661	(146)
Comprehensive income	7,351	6,474
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,284	6,207
Comprehensive income attributable to non-controlling interests	67	267

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,189	14,667	23,190	(2,323)	50,723
Changes of items during period					
Balance at beginning of period for the acquired company	(15,189)	(14,667)	(23,190)	2,323	(50,723)
Balance at beginning of period for the acquiring company	5,500	3,979	17,361	(4,499)	22,341
Increase by merger	9,689	26,934		4,495	41,119
Dividends of surplus			(1,276)		(1,276)
Profit attributable to owners of parent			6,579		6,579
Purchase of treasury shares				(4)	(4)
Change of scope of equity method			(632)		(632)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	16,246	(1,159)	2,315	17,402
Balance at end of current period	15,189	30,914	22,031	(8)	68,126

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,388	–	2	(3,435)	(2,044)	757	49,435
Changes of items during period							
Balance at beginning of period for the acquired company	(1,388)	–	(2)	3,435	2,044	(757)	(49,435)
Balance at beginning of period for the acquiring company	(1)	2	(350)	(148)	(498)	917	22,760
Increase by merger							41,119
Dividends of surplus							(1,276)
Profit attributable to owners of parent							6,579
Purchase of treasury shares							(4)
Change of scope of equity method							(632)
Net changes of items other than shareholders' equity	510	1	28	164	704	659	1,364
Total changes of items during period	(880)	3	(323)	3,451	2,250	819	20,473
Balance at end of current period	508	3	(321)	15	206	1,577	69,909

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,189	30,914	22,031	(8)	68,126
Changes of items during period					
Dividends of surplus			(1,852)		(1,852)
Profit attributable to owners of parent			6,391		6,391
Purchase of treasury shares				(72)	(72)
Change in ownership interest of parent due to transactions with non-controlling interests		64			64
Net changes of items other than shareholders' equity					
Total changes of items during period	–	64	4,539	(72)	4,531
Balance at end of current period	15,189	30,978	26,571	(80)	72,658

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	508	3	(321)	15	206	1,577	69,909
Changes of items during period							
Dividends of surplus							(1,852)
Profit attributable to owners of parent							6,391
Purchase of treasury shares							(72)
Change in ownership interest of parent due to transactions with non-controlling interests							64
Net changes of items other than shareholders' equity	(495)	(2)	39	274	(184)	52	(131)
Total changes of items during period	(495)	(2)	39	274	(184)	52	4,400
Balance at end of current period	13	0	(282)	290	22	1,629	74,310

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	9,087	9,471
Depreciation	4,896	4,533
Impairment loss	2,727	248
Increase (decrease) in provision for bonuses	320	80
Increase (decrease) in net defined benefit liability	(384)	(532)
Gain on reversal of asset retirement obligations	–	(203)
Interest and dividend income	(111)	(130)
Interest expenses	210	181
Share of loss (profit) of entities accounted for using equity method	(18)	–
Loss (gain) on sales of investment securities	8	(140)
Loss (gain) on disposal of non-current assets	111	(176)
Gain on bargain purchase	(1,180)	–
Gain on retirement benefit system revision	(2,555)	–
Decrease (increase) in notes and accounts receivable - trade	(2,155)	220
Decrease (increase) in inventories	(1,105)	(1,575)
Increase (decrease) in notes and accounts payable - trade	3,056	876
Payments for accounts payable - other resulting from transition to defined contribution pension plan	(683)	(522)
Other, net	(1,164)	(723)
Subtotal	11,060	11,607
Interest and dividend income received	114	130
Interest expenses paid	(220)	(183)
Income taxes paid	(1,625)	(1,748)
Net cash provided by (used in) operating activities	9,328	9,805
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,001)	(5,485)
Proceeds from sales of property, plant and equipment	42	404
Purchase of intangible assets	(411)	(1,597)
Purchase of investment securities	(16)	(15)
Proceeds from sales of investment securities	69	420
Decrease (increase) in deposits paid	–	(3,213)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	1,547	–
Other, net	193	(133)
Net cash provided by (used in) investing activities	(1,575)	(9,620)

(Millions of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,045)	2,409
Proceeds from long-term loans payable	1,606	–
Repayments of long-term loans payable	(6,058)	(9,389)
Repayments of lease obligations	(289)	(105)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(99)
Purchase of treasury shares	(4)	(72)
Cash dividends paid	(1,276)	(1,852)
Dividends paid to non-controlling interests	(93)	(50)
Net cash provided by (used in) financing activities	(9,160)	(9,160)
Effect of exchange rate change on cash and cash equivalents	10	9
Net increase (decrease) in cash and cash equivalents	(1,398)	(8,965)
Cash and cash equivalents at beginning of period	16,046	15,800
Cash and cash equivalents at beginning of period for the acquired company	(16,046)	–
Cash and cash equivalents at beginning of period for the acquiring company	1,151	–
Increase in cash and cash equivalents resulting from merger	16,046	–
Cash and cash equivalents at end of period	15,800	6,835

VI. Company Information

Company Information (as of March 31, 2019)

Trade name:	C.I. TAKIRON Corporation
Date of establishment:	December 1935
Listing date:	October 1961
Business year:	From April 1 to March 31
Paid-in capital:	¥15,189 million
Number of employees:	4,130 (including 718 temporary employees; on a consolidated basis)
Head office:	NORTH GATE BUILDING, 3-1-3, Umeda, Kita-ku, Osaka, 530-0001 Japan
Telephone:	+81-6-6453-3700
Consolidated subsidiaries:	SANWA SIGNWORKS CO., LTD. TAKIRON KC HOME IMPROVEMENT CO., LTD. NIPPON POLYESTER CO., LTD. BONLEX EUROPE S.R.L. TAKIRON MATEX CO., LTD. HOKKAIDO SANPLUS CO., LTD. YOKOBI CO., LTD. C.I. AGRO CO., LTD. C.I. MATEX CORPORATION SHANGHAI C.I. KASEI TRADING COMPANY LTD. PT. TAKIRON INDONESIA DAILITE CO., LTD. DAIPLA CORPORATION HOKKAI DAIPLA CO., LTD. DAIPLA TEC. CO., LTD. DAIPLA WINTES CO., LTD. TAKIRON ENGINEERING CO., LTD. TAKIRON-ROWLAND LIMITED TAKIRON POLYMER CO., LTD. CIK NANOTEK CORPORATION TAKIRON PLASTICS (CHANGZHOU) CO., LTD. SHANGHAI CIK ELECTRONICS CO., LTD. BONPACK CO., LTD. BONSET AMERICA CORPORATION BONSET LATIN AMERICA S.A. SHANGHAI SANPLUS PLASTIC CO., LTD. TAKIRON TECH CO., LTD. C.I. TAKIRON LOGISTICS CO., LTD.

Directors and Audit & Supervisory Board Members (as of June 26, 2019)

Representative Director Chairman & CEO	Yosuke Minamitani
Representative Director President & COO	Kazuya Saito
Director Senior Managing Executive Officer	Takahisa Miyake
Director Senior Managing Executive Officer	Tomomi Umeda
Director Senior Managing Executive Officer	Akihiro Ueda
Director Managing Executive Officer	Hideharu Iwasaki
Director Managing Executive Officer	Hikaru Sakamoto
Director*	Mune Iwamoto
Director*	Kenichi Hatano
Audit & Supervisory Board Member**	Yoshiyuki Fujioka
Audit & Supervisory Board Member**	Kazuhiro Takasaki
Audit & Supervisory Board Member	Kenji Takai
Managing Executive Officer	Hiroyasu Kawakami
Managing Executive Officer	Toshio Tamaki
Executive Officer	Toshiro Okajima
Executive Officer	Hironori Kikuchi
Executive Officer	Hiroji Kimura
Executive Officer	Yukihiro Iwata
Executive Officer	Satoshi Igarashi
Executive Officer	Toshiya Okubo
Executive Officer	Tsutoshi Miki
Executive Officer	Takashi Harada
Executive Officer	Kenji Matsui
Executive Officer	Kenji Watanabe
Executive Officer	Yukio Hiraiwa
Executive Officer	Tetsuo Kaneko

* Outside Director ** Outside Audit & Supervisory Board Member

Stock Status (as of March 31, 2019)

Total number of authorized shares: 220,000,000 shares
Total number of issued shares: 97,500,000 shares
Number of shareholders
(excluding shareholders holding shares less than one unit (100 shares)): 6,002

Major shareholders (Top 10)

Shareholder name	Number of shares held (Thousands)	Share-holding ratio to number of issued shares (excluding treasury shares) (%)
ITOCHU Corporation	49,722	51.01
C.I. TAKIRON Kyowa-Kai	4,898	5.03
Japan Trustee Services Bank, Ltd. [trust fund]	3,608	3.70
The Master Trust Bank of Japan, Ltd. [trust fund]	2,364	2.43
Sekisui Jushi Corporation	1,439	1.48
Nippon Life Insurance Company	1,384	1.42
Kaneka Corporation	1,318	1.35
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank, N.A., Tokyo Branch)	1,117	1.15
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch)	1,117	1.15
Tosoh Corporation	1,070	1.10

(Note) Of the shares held above, the number of shares related to trust business is as follows:

Japan Trustee Services Bank, Ltd. [trust fund] 3,608 thousand shares
The Master Trust Bank of Japan, Ltd. [trust fund] 2,364 thousand shares

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