

The Fiscal Year Ended March 31, 2023

Financial Results Briefing

May 23, 2023



Stock code: 4215 TSE Prime Market

1	Consolidated Financial Results for the Fiscal Year Ended March 31, 2023	P. 3
2	Review of the Medium-term Management Plan	P. 15
3	Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024	P. 21
TOPICS	Expansion of Smoke-proof Hanging Partition Wall Business	P. 30
TOPICS	Expansion of Commercial Signage Business for Major Convenience Store Chains	P. 31
TOPICS	Increase Production Capacity (Domestic and Overseas Group Companies)	P. 32
TOPICS	Promotion of Digital Transformation for Factories	P. 33
TOPICS	Promotion of Sustainable Management	P. 34
Appendix	Qualitative Review of Medium-term Management Plan	P. 35
Appendix	Company Overview and Company Features	P. 40



The Fiscal Year Ended March 31, 2023

Consolidated Financial Results

1-1. Consolidated Financial Highlights

Results for the Fiscal Year Ended March 31, 2023

- Net sales: 145,725 million yen (up 2.7% year on year)
- Operating profit: 5,791 million yen (down 33.1% year on year)
- Interim dividend: 11 yen, year-end dividend: 4 yen, total dividend: 15 yen (initial estimate; interim: 11 yen, year-end: 11 yen)

(millions of yen)

	Results for FY2021	Revised forecast for FY2022 as of February	Results for FY2022	Year on year
Net sales	141,936	145,000	145,725	+3,789
Operating profit	8,651	5,900	5,791	-2,859
Ordinary profit	9,084	6,100	5,923	-3,161
Profit attributable to owners of parent	6,660	2,500	2,460	-4,200

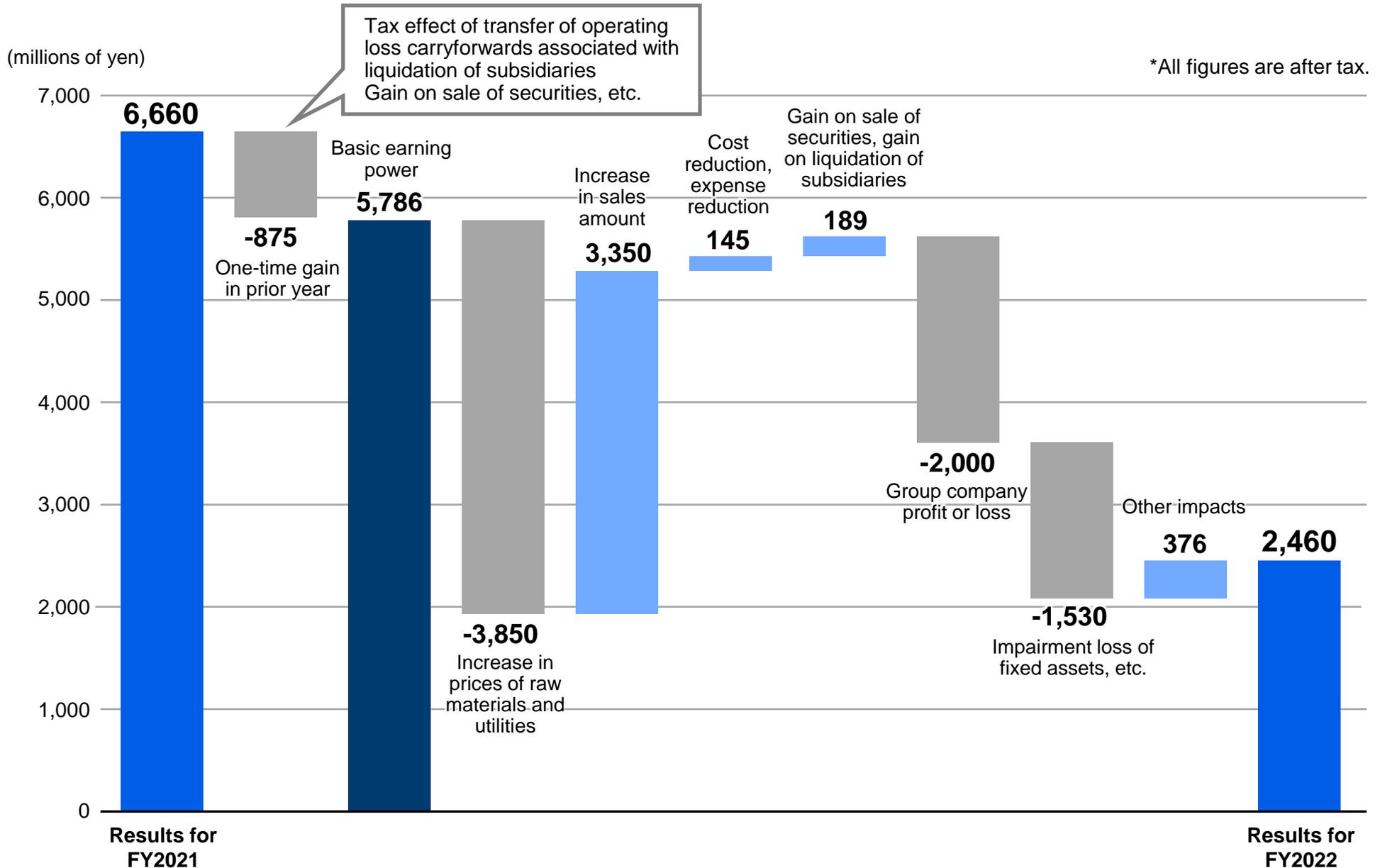
- Net sales increased by 2.7% year on year, as product price increase associated with higher prices of raw materials and a weaker-yen effect exceeded the negative impact of a decline in sales quantity.
- Operating profit decreased by 33.1% year on year due to higher costs resulting from higher raw material prices and lower sales quantity, in particular, the slowdown in the European market for decorative construction materials, the long-term suspension of large-scale construction properties in the infrastructure materials business, the adjustment of distribution inventories in the North American market for the BONSET business, and difficulty in procuring raw materials.
- Profit attributable to owners of the parent decreased by 63.1% year on year, due to a decline at the operating profit stage and an impairment loss of -1,345 million yen in total.

Consolidated Statements of Income

(millions of yen)

	Results					
	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023			
	Amount	Percentage	Amount	Percentage	Year on year	
					Increase/ decrease	Rate of change
Net sales	141,936	100.0%	145,725	100.0%	3,789	+2.7%
Gross profit	39,822	28.1%	37,310	25.6%	-2,512	-6.3%
Selling, general, and administrative expenses	31,171	22.0%	31,518	21.6%	346	+1.1%
Operating profit	8,651	6.1%	5,791	4.0%	-2,859	-33.1%
Ordinary profit	9,084	6.4%	5,923	4.1%	-3,161	-34.8%
Profit attributable to owners of parent	6,660	4.7%	2,460	1.7%	-4,200	-63.1%
Overseas net sales	25,192	17.7%	25,821	17.7%	628	+2.5%
Earnings per share	68.47 yen	—	25.30 yen	—	-43.17 yen	-63.0%
ROE	7.6%	—	2.7%	—	—	—
ROA	4.6%	—	1.7%	—	—	—

Analysis of changes in consolidated net profit



Net Sales by Segment

Specialty Films Business

22,442 million yen



Construction Materials Business

44,795 million yen



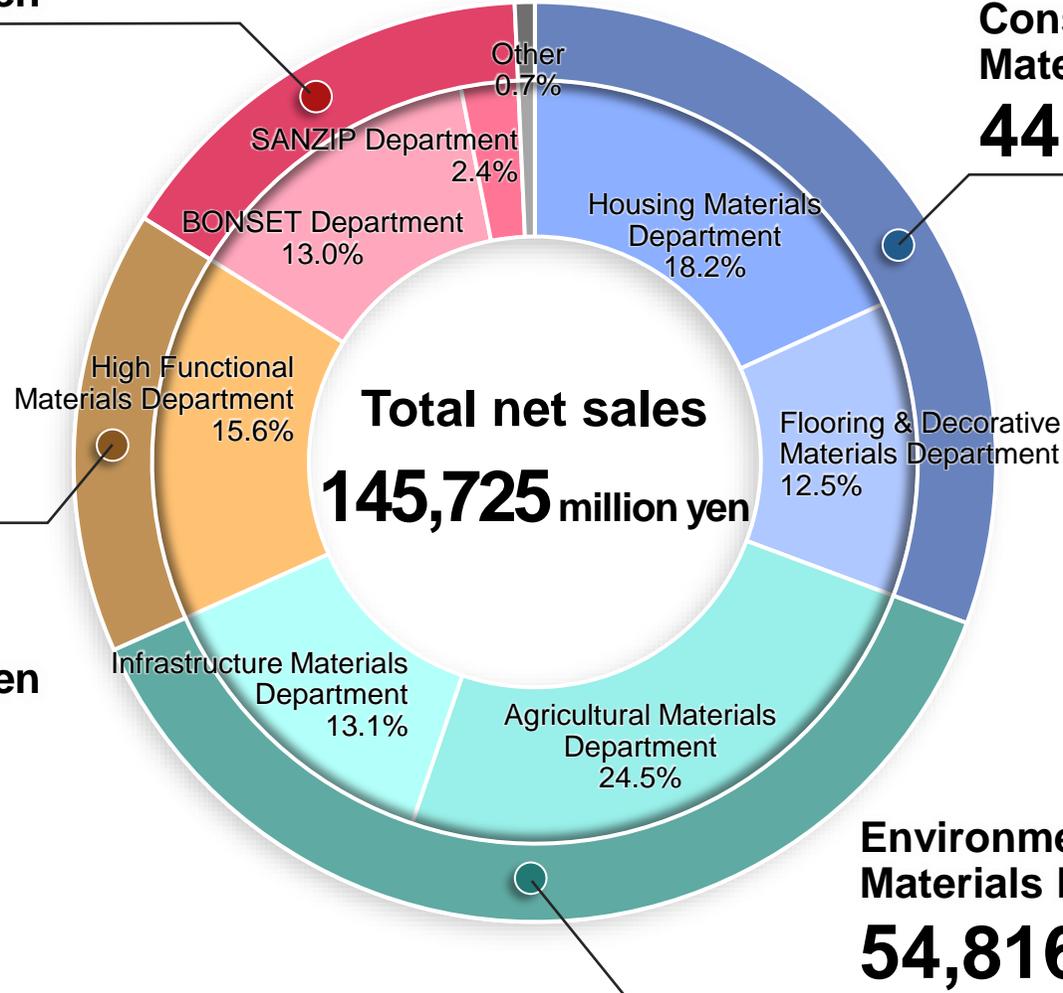
High Functional Materials Business

22,729 million yen



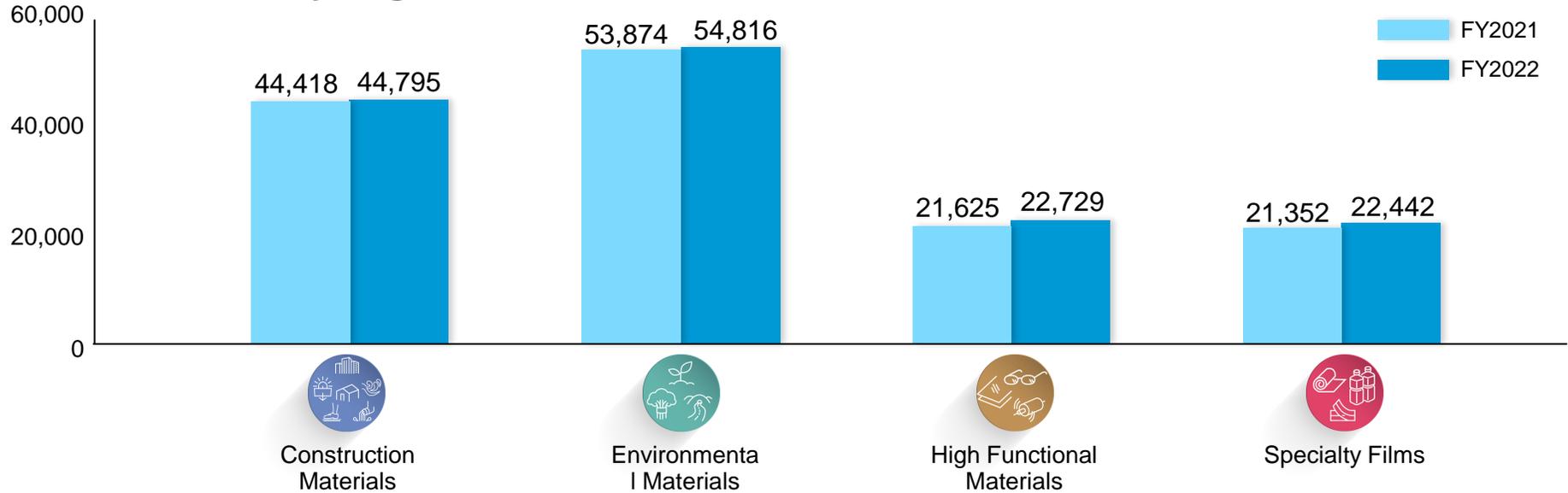
Environmental Materials Business

54,816 million yen

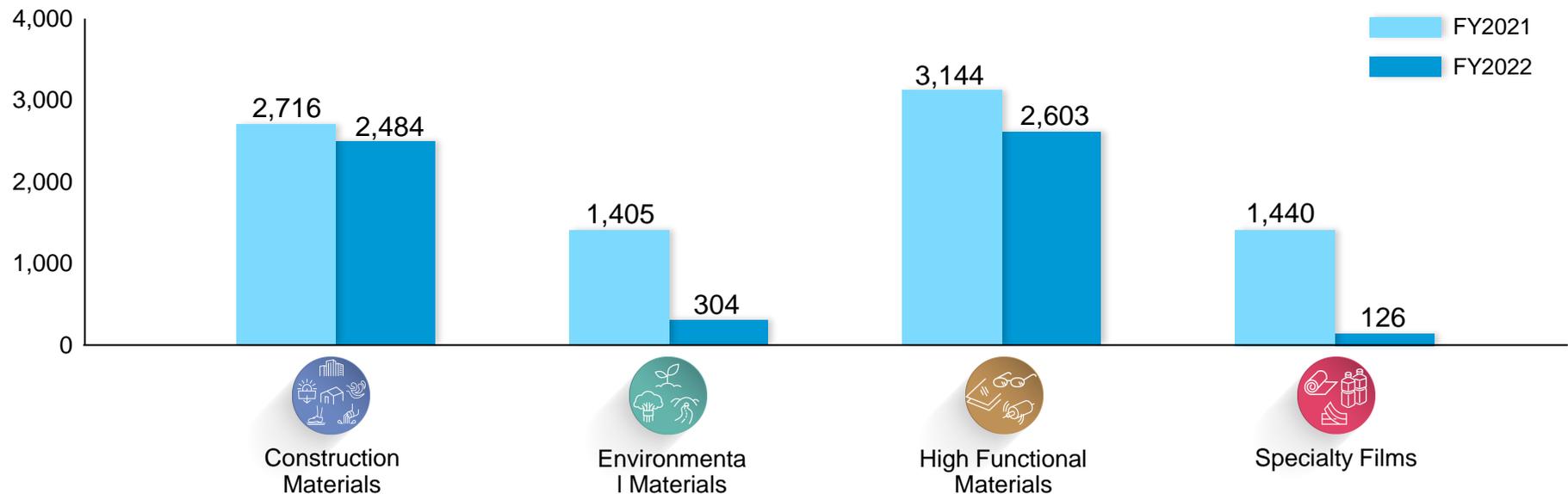


Overview by Segment

(millions of yen) **Net Sales by Segment**



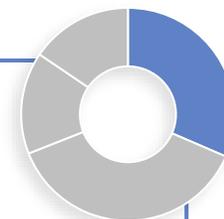
(millions of yen) **Operating Profit by Segment**



Overview by Segment

Construction Materials Business Segment (Housing Materials Business, Flooring and Decorative Materials Business)

- Net sales in the Housing Materials Business increased in total due to an increase in net sales owing to product price increases associated with higher raw material prices and recovery of demand on signage despite continued sluggish sales of non-residential properties and livestock materials affected by a decrease in capital investment due to higher prices of construction materials and livestock feed.
- Operating profit increased due to the control of fixed and logistics costs and the shifting of costs by product price increases.
- In the flooring and decorative materials business, sales of flooring materials in the domestic condominium renovation business were strong, but sales of decorative construction materials in the European market, which is the mainstay of the overseas market, slowed further, and overall net sales of the business were almost unchanged from the previous year.
- Operating profit decreased because of the failure to cover the increase in costs despite efforts to reduce fixed costs and pass the cost on to customers through product price increases.



(millions of yen)



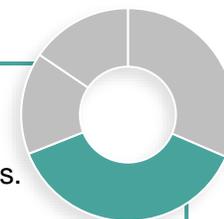
Construction Materials Business

		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023		
		Results	Target	Results	Year on year
Net sales	Construction Materials Business total	44,418	47,700	44,795	+0.8%
	Housing Materials Business	25,927	28,600	26,506	+2.2%
	Flooring and Decorative Materials Business	18,491	19,100	18,288	-1.1%
Operating profit	Construction Materials Business total	2,716 (6.1%)	2,890 (6.1%)	2,484 (5.5%)	-8.5%
	Housing Materials Business	1,099 (4.2%)	1,650 (5.8%)	1,628 (6.1%)	+48.2%
	Flooring and Decorative Materials Business	1,617 (8.7%)	1,240 (6.5%)	856 (4.7%)	-47.1%

Overview by Segment

Environmental Materials Business Segment (Agricultural Materials Business, Infrastructure Materials Business)

- Sales quantity in the Agricultural Materials Business remained weak due to a decline in producers' willingness to invest owing to soaring prices of agricultural materials, including fertilizers, but net sales increased due to price revisions and revised sales strategies.
- Operating profit declined due to the continued rise in raw material prices and the impact of lower sales quantity.
- In the infrastructure materials business, net sales declined due to the continued impact of a decrease in the number of civil engineering orders and construction interruptions caused by COVID-19 on the industry as a whole, as well as the continued impact of long-term interruptions in large-scale orders and changes in construction plans themselves.
- Operating profit fell into the red, largely due to a decline in sales quantity.



TOPIC

The Company has decided to transfer all of its shares in PT. Takiron Indonesia, a consolidated subsidiary engaged in the manufacture, processing, and sale of agricultural and horticultural colored steel pipes, to PT. CAKRA BHAKTI PARA PUTRA (April 20, 2023: agreed to transfer shares, December 15, 2023: scheduled to transfer shares).

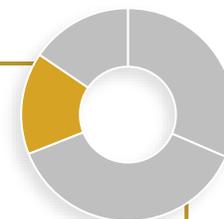
(millions of yen)

Environmental Materials Business		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023		
		Results	Target	Results	Year on year
Net sales	Environmental Materials Business total	53,874	56,800	54,816	+1.7%
	Agricultural Materials Business	33,874	35,600	35,658	+5.3%
	Infrastructure Materials Business	20,000	21,200	19,158	-4.2%
Operating profit	Environmental Materials Business total	1,405 (2.6%)	1,650 (2.9%)	304 (0.6%)	-78.3%
	Agricultural Materials Business	753 (2.2%)	770 (2.2%)	597 (1.7%)	-20.7%
	Infrastructure Materials Business	651 (3.3%)	880 (4.2%)	-292 (-1.5%)	—

Overview by Segment

High Functional Materials Business Segment

- In the high functional materials business, sales of industrial plates and engineering plastic materials for manufacturing equipment slowed sharply in the second half, partly due to export restrictions to China, after a sharp turnaround from solid demand for semiconductors in the first half.
 - Sales of nanomaterials for electronic circuit boards declined due to deteriorating memory market conditions, especially DRAM.
 - Sales of acetate plates for eyeglass frames continued to grow due to strong demand from overseas brands.
 - Micro motors, which were affected by the suspension of operations due to the Shanghai lockdown, remained at a high level after the resumption of operations, mainly for consumer equipment.
- Operating profit declined due to a decline in sales quantity, despite the Company's efforts to revise product prices in line with rising raw material prices.



(millions of yen)



High Functional Materials Business

		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023		
		Results	Target	Results	Year on year
Net sales	High Functional Materials Business total	21,625	22,100	22,729	+5.1%
Operating profit	High Functional Materials Business total	3,144 (14.5%)	2,330 (10.5%)	2,603 (11.5%)	-17.2%

Overview by Segment

Specialty Films Business Segment (BONSET Business, SANZIP Business)

- In the BONSET Business, net sales of shrinkable films increased in the domestic and European markets due to product price increases associated with rising raw material prices, while net sales in the North American market increased due to product price increases and a weak yen, despite the Company struggling in terms of quantity due to impact from raw material shortages in the first half and distribution inventory adjustments in the second half.
 - Operating profit fell sharply due to lower sales quantity in the North American market.
- In the SANZIP Business, while domestic sales of zipper tapes were strong, overseas sales declined due to the Shanghai lockdown, which forced the Company to suspend operations for two months.
 - Operating profit fell sharply due to a delay in product price increases in Japan and the impact of the Shanghai lockdown.

(millions of yen)

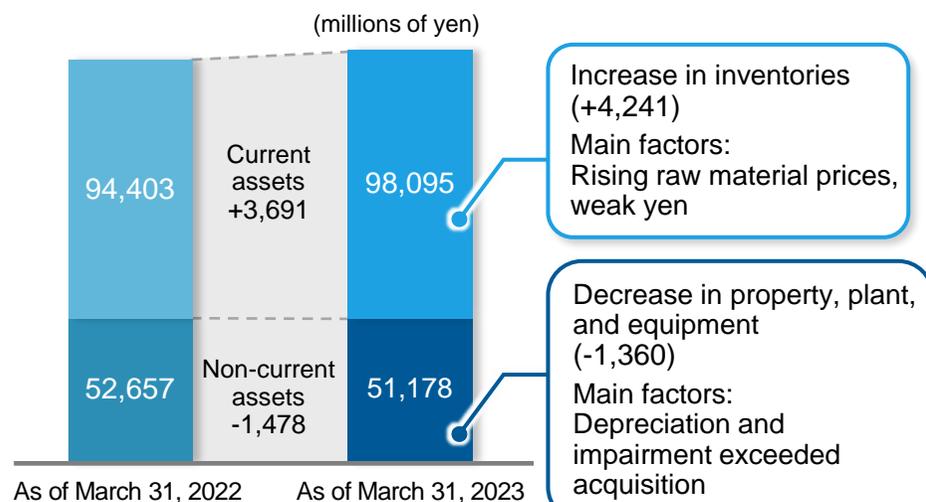


Specialty Films Business

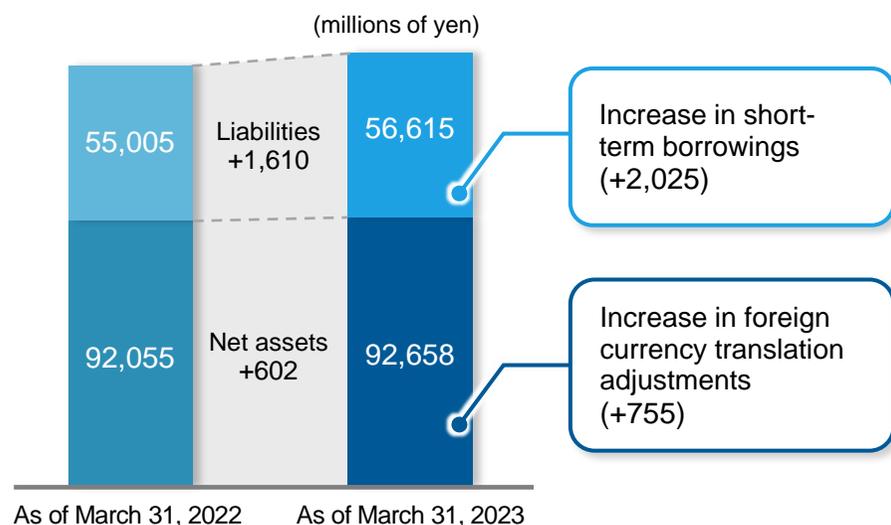
		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023		
		Results	Target	Results	Year on year
Net sales	Specialty Films Business total	21,352	23,300	22,442	+5.1%
	BONSET Business	17,526	19,500	18,987	+8.3%
	SANZIP Business	3,826	3,800	3,455	-9.7%
Operating profit	Specialty Films Business total	1,440 (6.7%)	1,200 (5.2%)	126 (0.6%)	-91.2%
	BONSET Business	1,079 (6.2%)	980 (5.0%)	20 (0.1%)	-98.1%
	SANZIP Business	361 (9.4%)	220 (5.8%)	105 (3.1%)	-70.7%

Consolidated Balance Sheets

Assets



Liabilities and Net Assets



(millions of yen)

	As of March 31, 2022	As of March 31, 2023	Increase/decrease
Current assets	94,403	98,095	+3,691
Cash and deposits	7,790	5,603	-2,186
Accounts receivable - trade	47,119	46,933	-185
Inventories	23,884	28,126	+4,241
Other	15,610	17,432	+1,821
Non-current assets	52,657	51,178	-1,478
Property, plant, and equipment	41,394	40,033	-1,360
Intangible assets	2,485	2,755	+270
Investments and other assets	8,777	8,389	-387
Total assets	147,061	149,274	+2,213

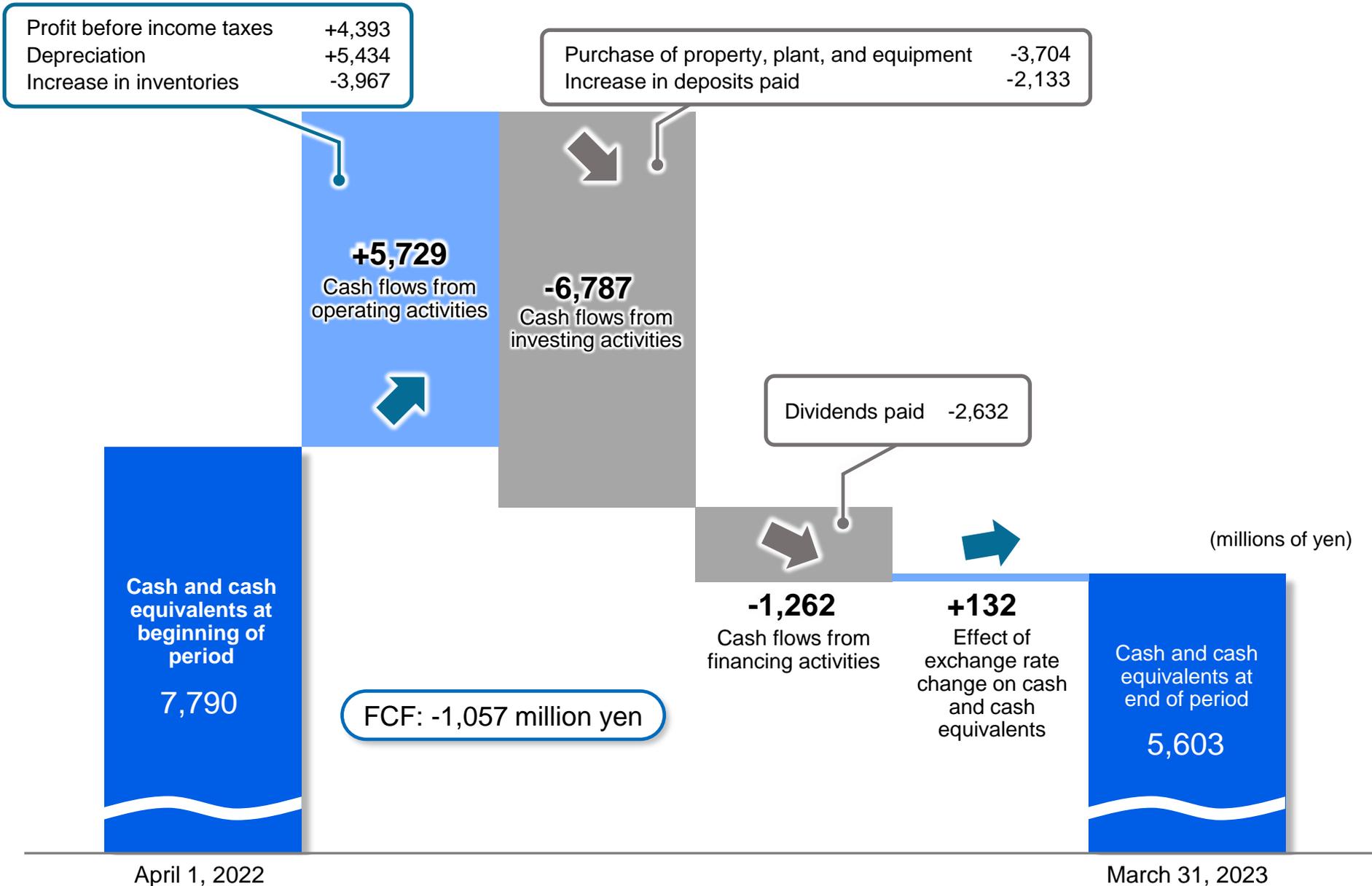
Total liabilities	55,005	56,615	+1,610
(Interest-bearing liabilities)	3,914	5,939	+2,025
Total net assets	92,055	92,658	+602

(%)

Capital-to-asset ratio	61.4	61.1	-0.3
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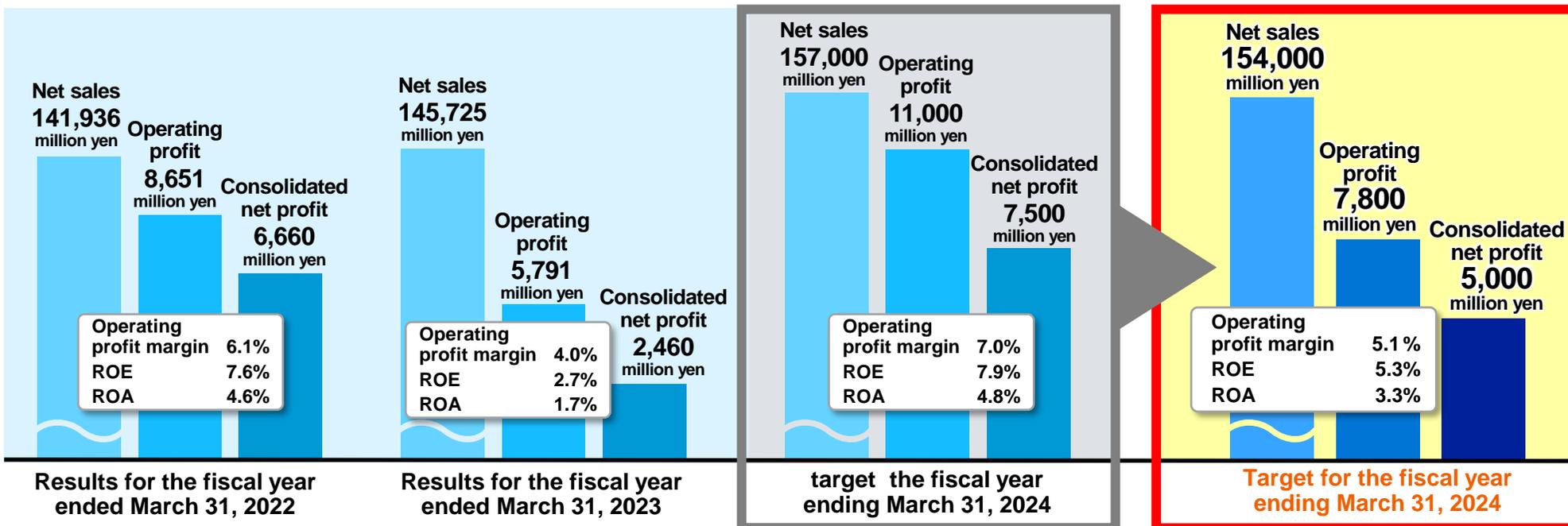
Consolidated Statements of Cash Flows

- Free cash flow decreased by 5,482 million yen to -1,057 million yen from +4,425 million yen in the fiscal year ended March 31, 2022.



2 Review of the Medium-term Management Plan

Medium-term Management Plan <CX 2023> ⇒ to end in 2 years



Reasons for formulating the FY2023 One-year Business Plan

- **Changes in the external environment** (the impact of COVID-19, the global economic situation, soaring raw material prices, and the decrease or interruption of civil engineering works)
- **Business restructuring is urgently needed** (declining profitability, delay in strengthening group management).

- FY2023's plan was replaced with a one-year business plan.
- Initiate Group-wide business structural reforms to improve earnings and plan measures for the next medium-term management plan

I Achieve the One-year Quantitative Plan without Fail

Quantitative plan

(millions of yen)

	Plan for the fiscal year ending March 31, 2024	Year on year
Net sales	154,000	+8,200 (106%)
Operating profit	7,800	+2,000 (135%)
Ordinary profit	8,000	+2,000 (135%)
Profit attributable to owners of parent	5,000	+2,500 (203%)

Measures

1

Steady implementation of improvement in business earnings

- Secure profits by passing on product prices and conduct strategic purchases
Cost reduction through yield and factory fixed cost ratio management, productivity improvement through product integration and abolishment

2

Reduce the number of companies in the red and the amount in the red

- Thoroughly implement reduction of expenses and costs
- Transition to a profit-driven sales style

3

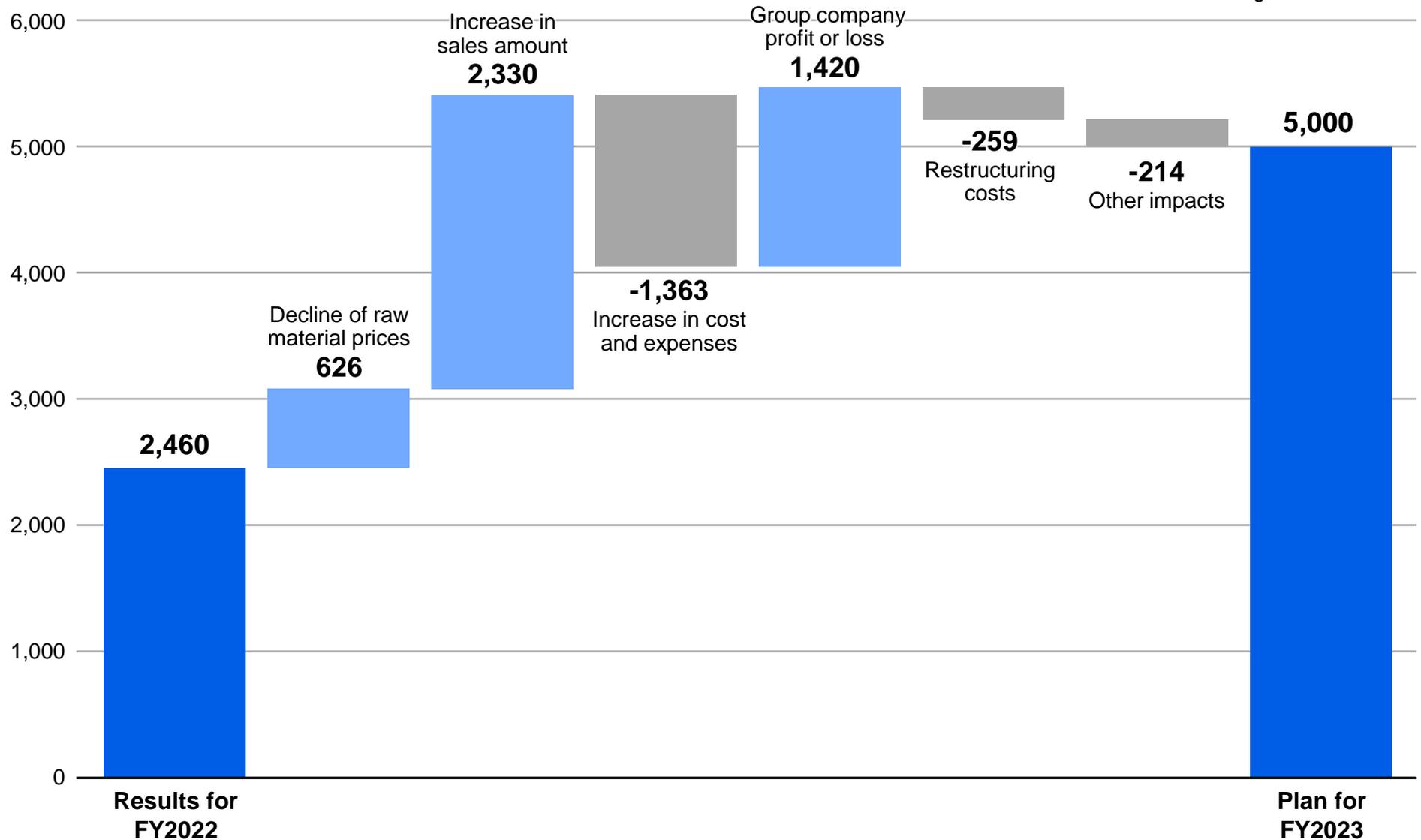
Implement M&A that contributes to business restructuring

- Execute M&A deals for potential areas of synergy and acquisition of new technologies

Analysis of changes in consolidated net profit

(millions of yen)

*All figures are after tax.



II

Certain Execution of One-year Qualitative Plan

1

Promotion of business restructuring

- (1) Develop and implement a business portfolio review plan using ROIC as an indicator
- (2) Pursuit total optimization by establishing a specialized management organization for Group companies

2

Deepen the governance system

- (1) Clarify supervisory and enforcement roles and expedite decision-making
- (2) Realize slimmer organization and stronger risk management by reskilling personnel in administrative department

3

Promote DX implementation

- (1) Utilize DX tools to save labor in factory process management
- (2) Study on improving operational efficiency by promoting RPA and introducing the next core business system

4

Promote SDGs Management

- (1) Achieve FY2023 targets for important issues on sustainability (10 items of materiality)
- (2) Further deepen sustainability management through initiatives such as carbon neutrality (GHG reduction)

Basic Policies of the 2023 One-Year Business Plan



Draft and implement measures for the next medium-term management plan

1

Restructure and strengthen business departments

Restructure business departments, integrate and abolish sales companies, implement business portfolio strategy using ROIC, and increase production capacity in growth areas

2

Develop new products and new technologies and strengthen new business promotion framework

Strengthen development capabilities by establishing a new Company-wide new business development organization

3

Radical review of research and development

Review research portfolio, consider establishing a new research institute, strengthen research and development through the use of intellectual property, and proactively introduce technology including M&A

4

Strengthen the functions of Production Division

Review the organization and structure of the Production Division to strengthen horizontal functions, develop a master plan for plant integration and abolition, and shift to smart factories

5

Strengthen management planning functions

Strengthen ability to plan and implement management strategies, implement M&A strategies that contribute to business expansion, and plan measures that contribute to SDGs management

6

Deepen personnel systems for sustainable growth

Revision toward performance-based grading and compensation systems, personnel planning to realize management strategies, and development of human resources who will bear the future

7

Develop investment policy

Establish investment framework to accelerate business restructuring

3

The Fiscal Year Ending March 31, 2024

Consolidated Financial Results Forecast

Consolidated Statements of Income

(millions of yen)

	Results		Forecast			
	Fiscal year ended March 31, 2023		Fiscal year ending March 31, 2024			
	Amount	Percentage	Amount	Percentage	Year on year	
Increase/ decrease					Rate of change	
Net sales	145,725	100.0%	154,000	100.0%	+8,274	+5.7%
Gross profit	37,310	25.6%	42,000	27.3%	+4,690	+12.6%
Selling, general, and administrative expenses	31,518	21.6%	34,200	22.2%	+2,681	+8.5%
Operating profit	5,791	4.0%	7,800	5.1%	+2,008	+34.7%
Ordinary profit	5,923	4.1%	8,000	5.2%	+2,076	+35.1%
Profit attributable to owners of parent	2,460	1.7%	5,000	3.2%	+2,539	+103.2%
Earnings per share	25.30 yen	—	51.41 yen	—	26.11 yen	103.2%
ROE	2.7%	—	5.3%	—	—	—
ROA	1.7%	—	3.3%	—	—	—

Forecast by Segment

Construction Materials Business Segment

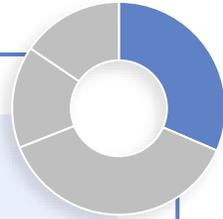
Business strategy

Housing Materials Business

- Maximize profits by restructuring manufacturing and sales systems in existing businesses
- Expand sales of environmentally friendly and disaster prevention/mitigation products
- Establish new business models and promote downstream development by strengthening group management
- Implement sales and operations reforms through DX
- Enhance cost competitiveness through in-house production of outsourced products

Flooring and Decorative Materials Business

- Pursue the establishment of a de facto standard based on the basic concepts of safety and security, and ensure thorough differentiation
- Develop and launch new products, shift to environmentally friendly products and their development promotion by thoroughly meeting deadlines for improvement
- Strengthen sales expansion in North America and China, and enhance customer service capability by increasing local production capacity in Europe



(millions of yen)



Construction Materials Business

		Fiscal year ended March 31, 2023	Fiscal year ending March 31, 2024	
		Results	Forecast	Year on year
Net sales	Construction Materials Business total	44,795	48,950	+9.3%
	Housing Materials Business	26,506	29,520	+11.4%
	Flooring and Decorative Materials Business	18,288	19,430	+6.2%
Operating profit	Construction Materials Business total	2,484	3,670	+47.7%
	Housing Materials Business	1,628	2,060	+26.5%
	Flooring and Decorative Materials Business	856	1,610	+88.1%

Forecast by Segment

Environmental Materials Business Segment

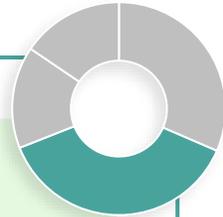
Business strategy

Agricultural Materials Business

- Launch and expand sales of environmentally friendly products
- Strengthen responsiveness to producer needs
- Expand business domain by further strengthening collaboration and deepening marketing capabilities with Group companies
- Promote the commercialization of smart agriculture with materials related to institutional horticulture
- Market penetration and expansion of Japanese-quality agricultural cladding materials in East Asia

Infrastructure Materials Business

- Propose new products in the areas of disaster prevention/mitigation and clean energy, and develop environmentally friendly products
- Capture needs in the area of infrastructure renewal, such as renewal, repair, and maintenance of highways, tunnels, and sewers



(millions of yen)



Environmental Materials Business

		Fiscal year ended March 31, 2023	Fiscal year ending March 31, 2024	
		Results	Forecast	Year on year
Net sales	Environmental Materials Business total	54,816	57,990	+5.8%
	Agricultural Materials Business	35,658	36,880	+3.4%
	Infrastructure Materials Business	19,158	21,110	+10.2%
Operating profit	Environmental Materials Business total	304	1,470	+383.6%
	Agricultural Materials Business	597	940	+57.5%
	Infrastructure Materials Business	-292	530	—

Forecast by Segment

High Functional Materials Business Segment

Business strategy



High Functional Materials Business (Plates)

- Increase production capacity to meet increased demand for semiconductor manufacturing equipment
- Product development of environmentally friendly products
- Promote development of new fields to complement the semiconductor field

High Functional Materials Business (Micro Motors)

- Develop control drivers and promote production automation to increase production capacity and profit margin through modularization
- Promote new field development
- Promote production automation to enhance production capacity

(millions of yen)



High Functional Materials Business

		Fiscal year ended March 31, 2023	Fiscal year ending March 31, 2024	
		Results	Forecast	Year on year
Net sales	High Functional Materials Business total	22,729	23,520	+3.5%
Operating profit	High Functional Materials Business total	2,603	2,380	-8.6%

Forecast by Segment

Specialty Films Business Segment

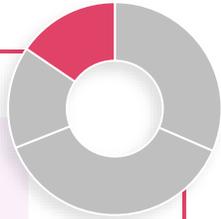
Business strategy

BONSET Business

- Expand lineup of eco-friendly products
- Expand new markets through strategic initiatives with raw material suppliers
- Strengthen sales of BAC in the North American market, boost operations to restore earnings

SANZIP Business

- Increase production and promote stable supply at 3 production sites in Japan and Shanghai
- Further pass-through of higher manufacturing costs to sales prices and targeted shore-ups
- Consider production optimization, including construction of a second overseas plant



(millions of yen)

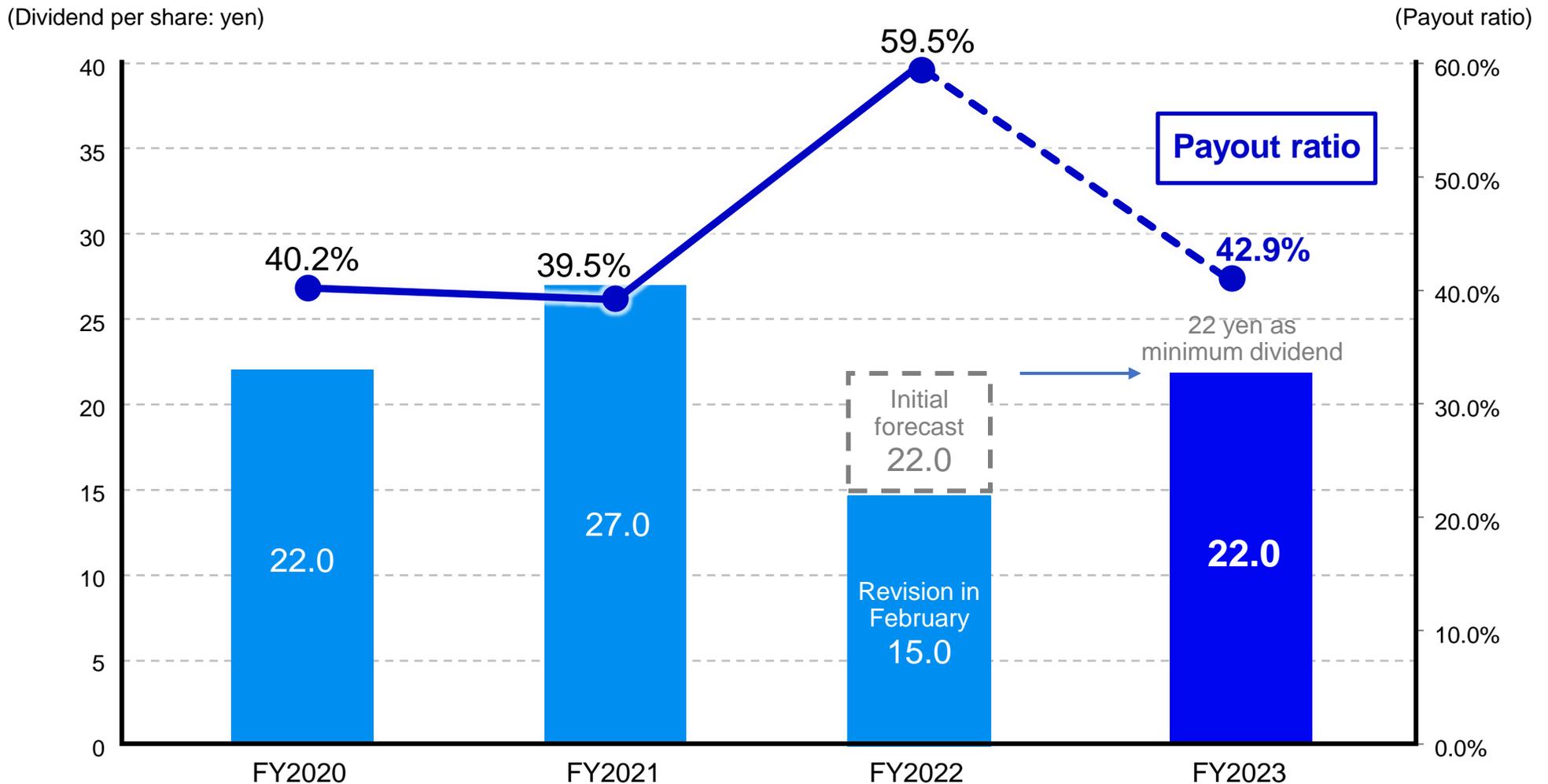


Specialty Films Business

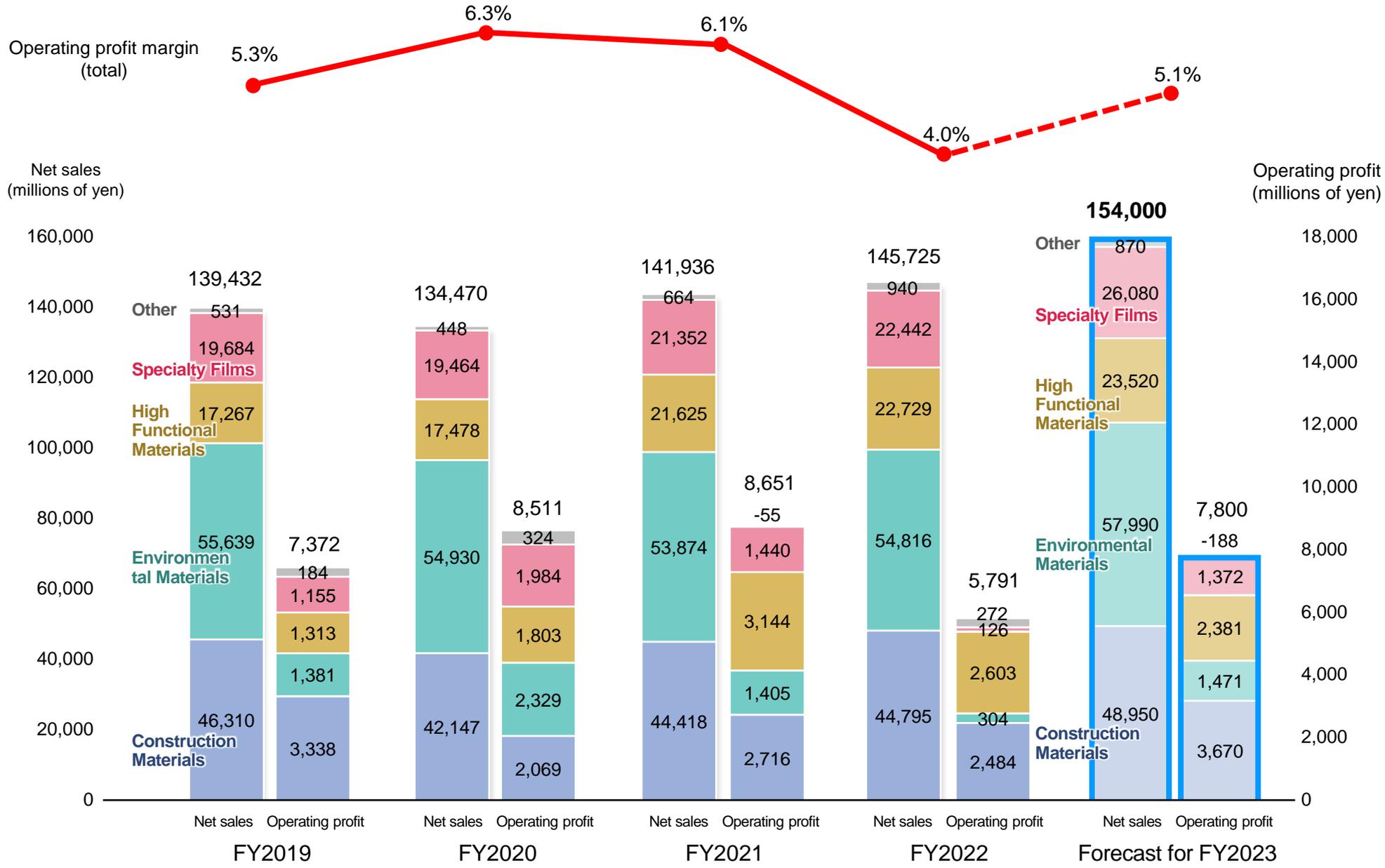
		Fiscal year ended March 31, 2023	Fiscal year ending March 31, 2024	
		Results	Forecast	Year on year
Net sales	Specialty Films Business total	22,442	26,080	+16.2%
	BONSET Business	18,987	22,080	+16.3%
	SANZIP Business	3,455	4,000	+15.8%
Operating profit	Specialty Films Business total	126	1,370	+987.3%
	BONSET Business	20	1,140	—
	SANZIP Business	105	230	+119.0%

Dividend Forecast

- The year-end dividend forecast for the fiscal year ended March 31, 2023 is 4 yen per share (annual total of 15 yen per share).
- The minimum dividend for the fiscal year ending March 31, 2024 is 22 yen per share.
 In line with the Company policy of setting a dividend payout ratio of 40% as a guide, we plan to revise the forecast upward if results exceed projections.



Net Sales and Profit



TOPICS

Expansion of Smoke-proof Hanging Partition Wall Business

On March 2, the Company acquired all of the outstanding shares of MIYOSHI Corporation (Hereinafter referred to as “MIYOSHI”) and made it an equity-method subsidiary.

What is a smoke-proof hanging partition wall?

Safety equipment installed in a building to block the flow of smoke and allow time for evacuation in the event of a fire.

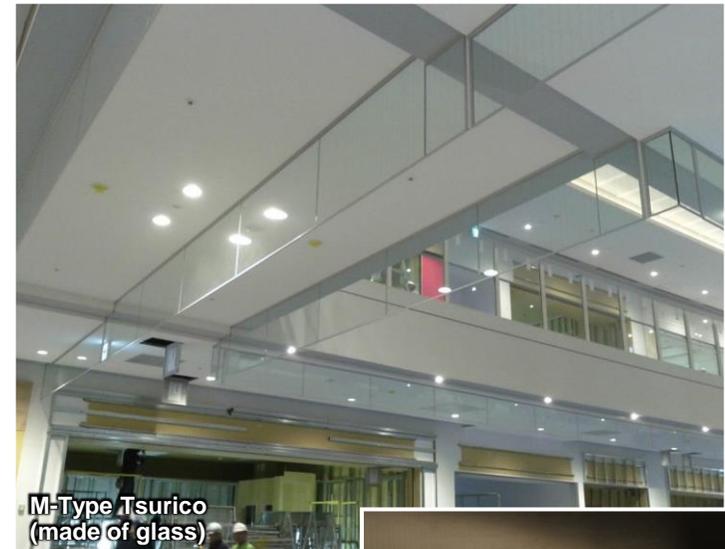
Market

Due to the frequent occurrence of earthquake disasters in recent years, the market is indicating a major expansion phase as we see progress of the replacement of conventional walls made of glass with walls made of sheet, which is lighter in weight and does not break or scatter when dropped during disasters.

Synergy

MIYOSHI is highly recognized in the industry and possesses a large amount of expertise that can create attractive added value, such as solving social issues and creating environmentally friendly products.

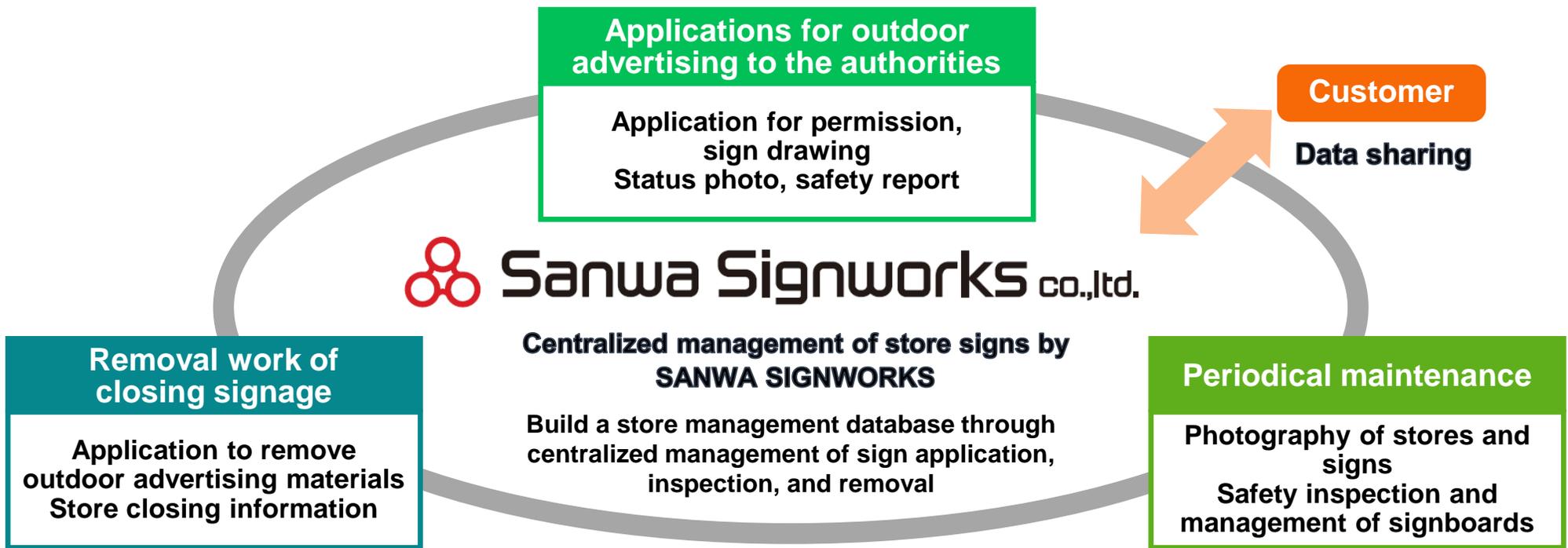
The Company aims to expand its smoke-proof hanging partition wall business by improving production efficiency and demonstrating synergies through collaboration by integrating MIYOSHI's products with the Company's existing Dansumoku N, smoke-proof hanging partition wall products made of fiberglass composite resin sheets.



<Outline of MIYOSHI>

Trade name	MIYOSHI Corporation
Location of Head Office	2-2-38 Kamiyacho, Naka-ku, Hiroshima-shi, Hiroshima
Incorporated	August 1961
Capital	12 million yen
Net sales	336 million yen (fiscal year ended July 2022)

- Move from the traditional focus on product supply to a business model centered on services → **Continuous expansion of business**
- Target of business expansion → **All retail, restaurant, and service companies that are developing store chains**
- Appeal to customers through accumulating store management data and centralized data management → **Propose new products and new construction methods responding to customer needs**

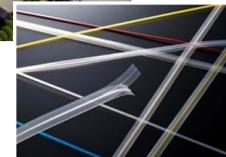


* SANWA SIGNWORKS CO., LTD. is a Group company of the Company whose main business is the manufacture of indoor and outdoor advertising goods, plastic moldings, and LED products.

Increase Production Capacity (Domestic and Overseas Group Companies)

	Construction Materials Business BONLEX EUROPE Italy	High Functional Materials Business TAKIRON TECH Japan	Specialty Films Business	
			BONPACK Japan	BONSET AMERICA USA
Background and Purpose	<ul style="list-style-type: none"> ● Bolster Bonrex's competitiveness in Europe, a major market ● Strengthen customer service by shifting imports from Japan to local production 	<ul style="list-style-type: none"> ● Minimize the risk of lost sales opportunities for PVC plates for semiconductor manufacturing equipment ● Differentiate our products by improving appearance quality through establishment of new technology 	<ul style="list-style-type: none"> ● High need for high-quality domestic products in domestic food and medical applications ● The domestic market is expected to continue to grow by 2-3%. ● Establish 3 bases in Japan and overseas from the perspective of stable supply and BCP 	<ul style="list-style-type: none"> ● Renew aging facilities in a mass ● Establish a production system for environmentally friendly products that contribute to the realization of a circular economy (stable supply of BONPET Renew, a film that can be recycled simultaneously with PET bottles) ● Respond to the growing PET film market
Target Products	PVC decorative sheet	PVC plate	Zipper tape	PET shrink film
Production Capacity	About 130%	About 115%	About 120%	About 110%

Investment amount: About 4,000 million yen for the entire Group



Promotion of Digital Transformation for Factories

Roadmap



Target reduction of 1,000 million yen in FY2026

FY2021 to FY2022	FY2023	From FY2024
STEP1  Wireless network Visualization	STEP2  Fascinating Understandable	STEP3  Enabling
Analog to digital Partial operational efficiency	Digital data utilization Overall operational efficiency	Digital process transformation Overall business sophistication
(1) Wireless network installation (2) Paperless computerization using electronic document tools (3) Improve operational efficiency by introducing RPA	(1) Draw strategy from current visualization, analysis, and data (2) Connect systems and people (3) AI analysis New production control system 	(1) Create new value by using data (2) Change the business model and aim to increase earnings

RPA (Robotic Process Automation): The use of digitalization, AI, and other technologies to substitute or replace advanced tasks previously thought to be possible only by humans.

[Model Plant: Ibogawa Plant]



- (1) A remote monitoring system using cameras has been installed on all lines and surrounding areas.
Increase the ratio of improvement work and promote multi-functional and multi-stage work.
- (2) An automatic data acquisition tool from the sequencer (IoT Data Server) was introduced to automatically acquire temperature data and other data from the extruder. Abnormal change monitoring was also started.
- (3) Introduced the BI tool Tableau to implement visualization. Started to automate the creation of monthly production, cost, and labor data.

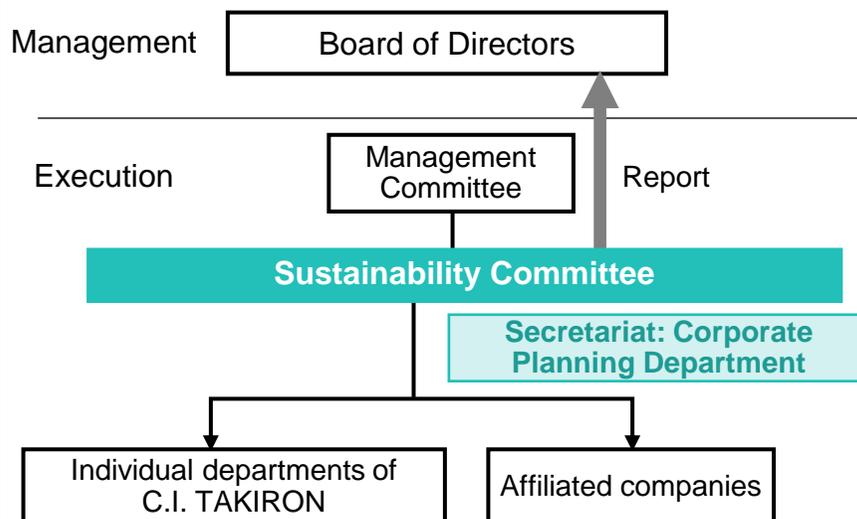
Promote Sustainability Management (from FY2022)

Basic Policy

- (1) Think about the way business and management should be conducted with an outside-in perspective
- (2) Emphasize stakeholder communication



System



Results for FY2022

1. Introduction of a human rights policy

- C.I. TAKIRON Group Human Rights Policy has been established and disclosed.
 - It has been established in accordance with international norms such as the Guiding Principles on Business and Human Rights adopted by the UN Human Rights Council.
 - This is an expression of the idea that respect for human rights is fundamental to all business activities.

2. Establishment of a new carbon neutral strategy

- Adopt measures to combat global warming based on the idea of carbon neutrality
 - Set targets for FY2050: Net zero emissions
 - Set targets for FY2030: Scope 1 and 2: 35% reduction (compared to FY2018)
Scope 3: Reduction across the supply chain

3. Evolution of climate change response

- Determine the short-, medium-, and long-term impacts (initial scope) on the Group of risks and opportunities from climate change
 - Initiatives for TCFD Recommendations (governance, strategy, risk management, metrics and targets)
 - Scenario analysis (transition risk, physical risk)
 - Financial impact assessment, specific actions for risks and opportunities

4. Promotion of CSR procurement

- Set conditions for selecting suppliers from the perspective of social responsibility, and select suppliers
 - Request major domestic business partners to respect CSR procurement guidelines
 - Request major business partners of overseas Group companies to respect CSR procurement guidelines
 - Confirm agreement level of CSR procurement policy (confirmation by questionnaire)

Appendix

Qualitative Review of Medium-term Management Plan

1. Solve social issues

Concretely contribute to the solution of social issues by steadily implementing business activities and materiality based on the SDGs, with an awareness of social sustainability.

	Initial targets for FY2023	FY2022 Results
1. Number of development themes for environmentally friendly products	15 themes/year	6 themes/year
2. CO2 emissions reduction ratio (compared to FY2018)	Initial: 13% reduction After revision: 28% reduction	33% reduction (forecast)
3. Number of participants in Waterside Clean Aid activities	Initial: 1,000 or more After revision: 1,200 or more	2,074

2. Acquire new businesses, new products, and new technologies

Take on the challenge of creating and realizing new businesses, new products, and new technologies that will lead the next generation, with an eye on future changes and demand

	Initial targets for FY2023	Results for FY2022
1. Net sales in new business fields	6,000 million yen or more	260 million yen
2. Net sales ratio of new products (non-consolidated)	20% or more	21.5%
3. Number of new technologies created (number of patent applications)	50 cases or more/year	50 cases/year

3. Accelerate borderless

Pursue corporate value enhancement and business growth from a borderless perspective, including global expansion of sales and production bases, marketing with new value standards, and realization of diversity (gender, race, nationality, religion, age) in the organization and corporate culture

Initial targets for FY2023		Results for FY2022
1. Overseas net sales ratio	20% or more	17.7%
2. Percentage of women in management positions	3% or more	3.0% (as of April 1, 2023)
3. Percentage of women in leadership positions	5% or more	5.7% (as of April 1, 2023)
4. Percentage of women in career-track positions	20% or more	19.4% (as of April 1, 2023)
5. Percentage of women hired for career-track positions	40% or more	63.6%

4. Implement digital

Investigate the use of cutting-edge technology in all business processes and pursue results such as work efficiency, labor savings, and cost reductions. Aim to create new business models by promoting the use of digital technologies that create new added value in sales.

Initial targets for FY2023		Results for FY2022
1. Digital maturity score	Initial: 2.5 or more Changed to target with new diagnostic methods: 3.0 or more	2.09 *Results from new diagnostic methods

5. Reorganize Group management

Realize value creation as a consolidated entity through multiple business collaborations and maximizing investment efficiency

Initial targets for FY2023		Results for FY2022
1. Consolidated operating profit ratio	7% or more	4.0%
2. Loss-making business and loss-making company	Zero	1 business and 6 companies

6. Evolve management base

Evolve the system design based on work-life balance and implement of Management Commitment on Enriching Lives by all employees. Reexamine our work environment and daily communications, including ensuring no accidents and eliminating harassment, and seek to evolve our workplace into a safe and secure one

Initial targets for FY2023		Results for FY2022
1. Employee work engagement score	3.0 or more	2.5
2. Employee loyalty score	3.0 or more	2.8
3. Serious compliance violations	0 cases	0 cases

Two Sources for Growth

(1) Investment quota

Investment quota

33,000 million yen

Cumulative results for FY2021 and FY2022

7,340 million yen

Breakdown

■ Business investment	4,210 million yen
■ Environmental investment	380 million yen
■ Digital	2,750 million yen

(2) Research and development expenses

Target value

**Ratio against sales
2.0% or more**

FY2022 results

**Ratio against sales
0.9%**

Appendix

Company Overview and Company Features

1. Corporate and Stock Information (As of March 31, 2023)

Corporate Information

Trade name	C.I. TAKIRON Corporation
Established	October 10, 1919
Incorporated	December 20, 1935
Head office	Tokyo Head Office 108-6031 2-15-1, Konan, Minato-ku, Tokyo (Shinagawa Intercity Tower A) TEL +81 (3)-6711-3700 Osaka Head Office 530 0001 3-1-3 Umeda, Kita-ku, Osaka-shi, Osaka (North Gate Building) TEL +81 (6)-6453-3700
Website	https://www.takiron-ci.co.jp
Capital	15,204 million yen
Number of employees (consolidated)	3,172

Stock information

Stock code	4215
Total number of issued shares	97,553,655 shares
Number of shareholders	13,718
Stock listing	Tokyo Stock Exchange Prime Market
Share unit	100 shares per unit
Shareholder register administrator	Sumitomo Mitsui Trust Bank, Limited
Accounting auditor	Deloitte Touche Tohmatsu LLC

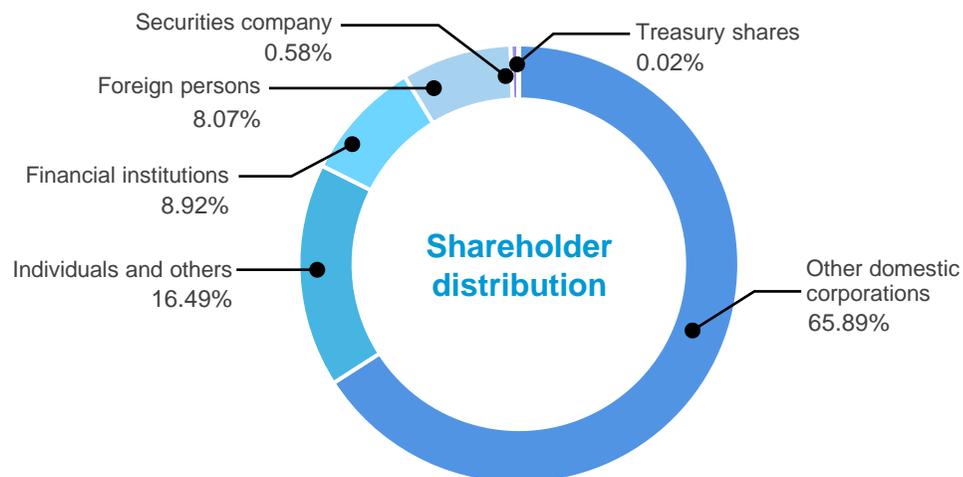
List of major participating organizations

Kansai Chemical Industry Association	Japan PVC Pipe and Fittings Association	Japan Vinyl Goods Manufacturer's Association
Kansai Economic Federation	Japan Agricultural Cooperatives Packaging and Gardening Materials Association	JAPAN PLASTIC SHEET ASSOCIATION
CLOMA (Japan Clean Ocean Material Alliance)	Nippon Interior Association	Agricultural Film Recycling Promotion Association

Major shareholders

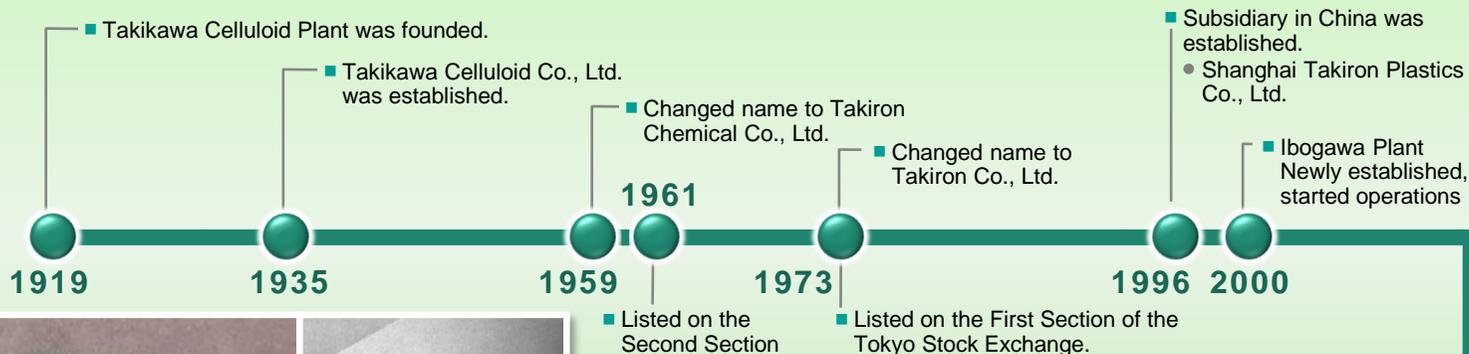
Name of shareholder	Shareholding ratio (%)
ITOCHU Corporation	55.51%
The Master Trust Bank of Japan, Ltd. (trust fund)	5.98%
Custody Bank of Japan, Ltd. (trust fund)	1.91%
C.I. TAKIRON Employee Stock Ownership Association	1.38%
Kaneka Corporation	1.35%
Sekisui Jushi Corporation	1.09%
DFA INTL SMALL CAP VALUE PORTFOLIO	1.01%
Watanabe Pipe Co., Ltd.	0.90%
RE FUND 107-CLIENT AC	0.66%
JP MORGAN CHASE BANK 385781	0.46%

(Note) Shareholding ratios are calculated after deducting treasury shares.



2. Company History

Takiron Co., Ltd.



Founder: Sataro Takikawa

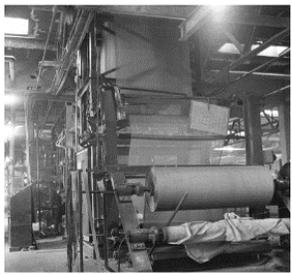
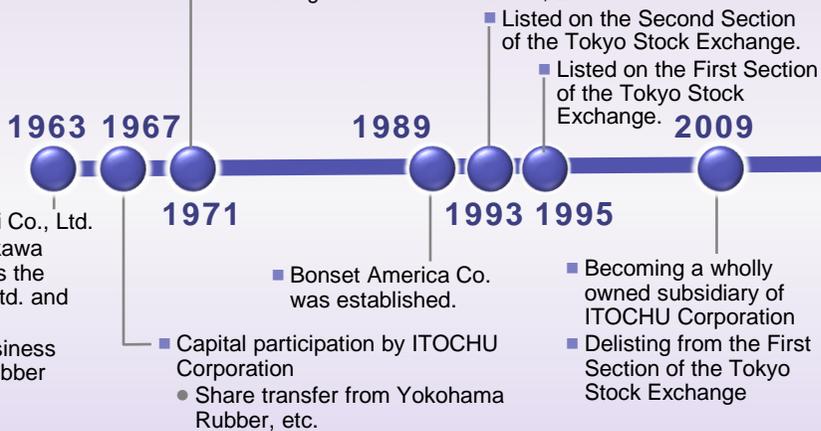


Listed on the Second Section of the Osaka Securities Exchange.



Steady business expansion as paper, wood, and iron were replaced by plastics

Company name changed to C.I. Kasei Co., Ltd. - Merged with Kobe Resin Co., Ltd.



C.I. TAKIRON Corporation



100-year anniversary

2017

2019

Management integration

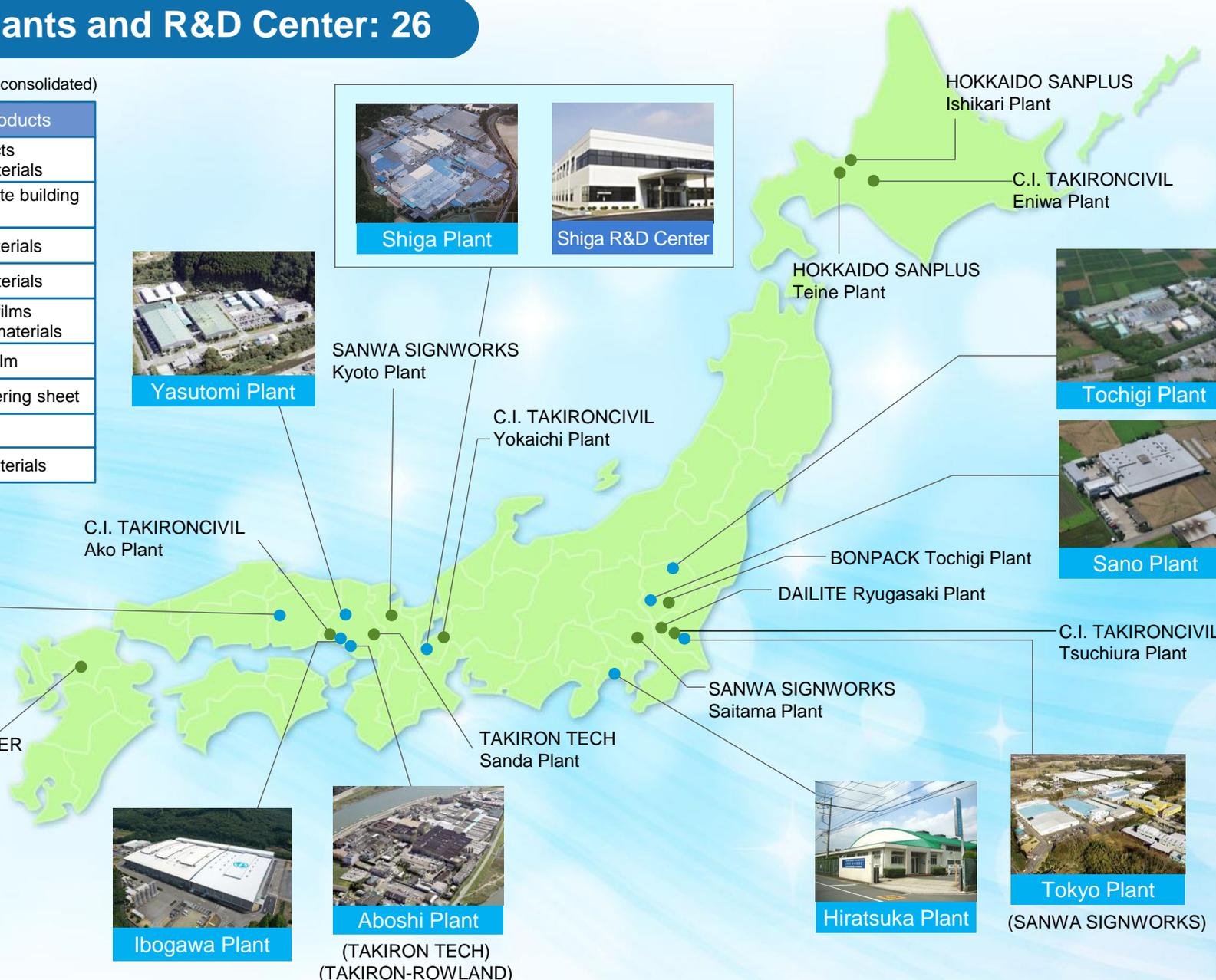
Company name changed to C.I. TAKIRON Corporation.

3. Domestic Bases

Domestic Plants and R&D Center: 26

(C.I. TAKIRON Corporation, not consolidated)

Plants	Main products
Aboshi Plant	Plate products Housing materials
Ibogawa Plant	Polycarbonate building materials
Yasutomi Plant	Flooring materials
Tokyo Plant	Housing materials
Shiga Plant	Agricultural films Decorative materials
Okayama Plant	Shrinkable film
Tochigi Plant	Civil engineering sheet
Hiratsuka Plant	Zipper tape
Sano Plant	Bundling materials



(CIK NANOTEK)

TAKIRON POLYMER Head Office Plant



(TAKIRON TECH)
(TAKIRON-ROWLAND)



(SANWA SIGNWORKS)

4. Overseas Bases

Overseas manufacturing bases: 5

BONLEX EUROPE
(Veneto, Italy)



BONSET AMERICA
(North Carolina, USA)



SHANGHAI CIK
ELECTRONICS
(Shanghai, China)



SHANGHAI SANPLUS
PLASTIC
(Shanghai, China)



BONSET LATIN AMERICA
(Uruguay)

5. Group Overview

C.I. TAKIRON Group

	Domestic	Overse
Construction Materials Business		
Housing Materials Department	<ul style="list-style-type: none"> ● SANWA SIGNWORKS ● MIYOSHI ● C.I. TAKIRONPLUS 	as
Flooring & Decorative Materials Department	<ul style="list-style-type: none"> ● TAKIRON MATEX 	<ul style="list-style-type: none"> ● BONLEX EUROPE
Environmental Materials Business		
Agricultural Materials Department	<ul style="list-style-type: none"> ● HOKKAIDO SANPLUS ● C.I. TAKIRONAGRI ● C.I. MATEX 	
Infrastructure Materials Department	<ul style="list-style-type: none"> ● DAILITE ● C.I. TAKIRONCIVIL 	
High Functional Materials Business		
High Functional Materials Department	<ul style="list-style-type: none"> ● TAKIRON POLYMER ● CIK NANOTEK ● TAKIRON-ROWLAND 	<ul style="list-style-type: none"> ● SHANGHAI CIK ELECTRONICS
Specialty Films Business		
Packaging Materials Department	<ul style="list-style-type: none"> ● BONPACK 	<ul style="list-style-type: none"> ● BONSET AMERICA ● BONSET LATIN AMERICA ● SHANGHAI SANPLUS PLASTIC
Other Group Companies	<ul style="list-style-type: none"> ● TAKIRON TECH ● C.I. TAKIRON LOGISTICS ● DAIPLA WINTES ● MAVERIQ Partners 	<ul style="list-style-type: none"> ● SHANGHAI C.I. KASEI TRADING



- The Housing Materials Business handles water treatment products such as gutters and drainage basins, and Lume Wall, high-insulation hollow panels made of polycarbonate resin, which are widely used for natural indoor lighting from houses to non-residential properties.
- The Flooring and Decorative Materials Business handles flooring materials with excellent slip-resistant properties that protect the safety of poolsides, apartment hallways, stairs, etc., as well as decorative films that enhance the design of interiors and buildings.

Housing Materials Business



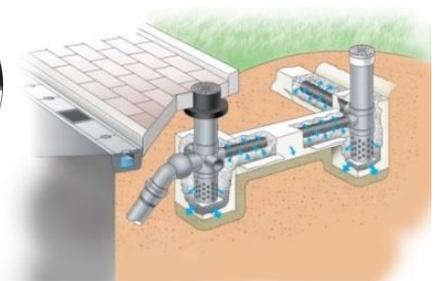
Lume Wall: high-insulation hollow panel made of polycarbonate resin



Plate made of polycarbonate resin



Housing materials rain gutters, etc.)



Piping and plumbing equipment

Flooring and Decorative Materials Business



Slip-resistant vinyl flooring sheet



Interior and exterior decorative materials



Decorative material made of resin

Strengths of major businesses

- Polycarbonate molding and processing technology
- Japan's best production capacity for polycarbonate building materials
- Polycarbonate day-lighting building materials with top market share, and slip-resistant PVC flooring
- Comprehensive development capability to add functionality to decorative materials
- Global expansion through overseas production bases (BLX)



- The Environmental Materials Division consists of the Agricultural Materials Business, which proposes the optimal environment for agricultural cultivation, and the Infrastructure Materials Business, which supports the development of a safe and secure social environment.
- Agricultural Materials Business contributes to agricultural development with a focus on high-performance agricultural films.
- The Infrastructure Materials Business supports social infrastructure through the manufacture and construction of waterproof and impervious sheets, high-density polyethylene pipes, and other related materials.

Agricultural Materials Business

Top Market Share



Agricultural films



Packaging materials



Irrigation tube

Strengths of major businesses

- Industry share
- Production technology capability
- Sales system and customer support capability
- Responsibilities from manufacturing and sales to design, processing, and construction

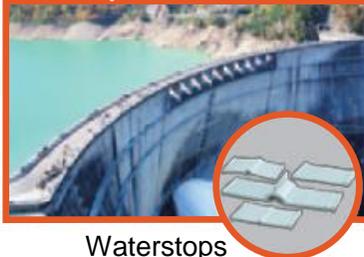
Infrastructure Materials Business

Top Market Share



Waterproof geomembranes

Top Market Share



Waterstops

Top Market Share



Hydrophilic water sealing materials



High-pressure polyethylene pipe
(handling: affiliated company)



Large polyethylene resin tank
(handling: affiliated company)



- Plate Business handling PVC, PC, PET, and other general-purpose and functional resin plates.
- Motor Business dealing with precision micro motors.
- Composed of group companies handling ultrafine particles, engineering plastic materials, and acetate plates.
- Offer products in a wide range of fields, from semiconductor manufacturing equipment, that supports the industrial base, to product materials that enrich people's lives.

Plate Business

Top Market Share



Industrial plate



Laser shield plates

Top Market Share



Static dissipative plate

Motor Business



Micro motors

Acetate plate

(handling: affiliated companies)



Uses: eyeglass frames

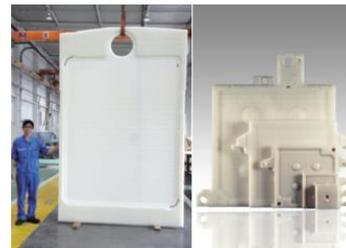
Ultrafine particle material

(handling: affiliated companies)



Filtration plate and large cutting

(handling: affiliated companies)



Strengths of major businesses

- Technology accumulated over many years in the industry
- Rich lineup of high-performance products to meet customer needs
- Strong sales network
- High quality and brand strength



- BONSET is a brand of shrinkable film (heat-shrinkable film) born in Japan. Utilizing the characteristics of various materials, it is used for various applications and contents such as labels, cap seals, and molded products.
- SANZIP is a plastic zipper tape brand used in various fields, including food products.

BONSET Business (heat-shrinkable film)

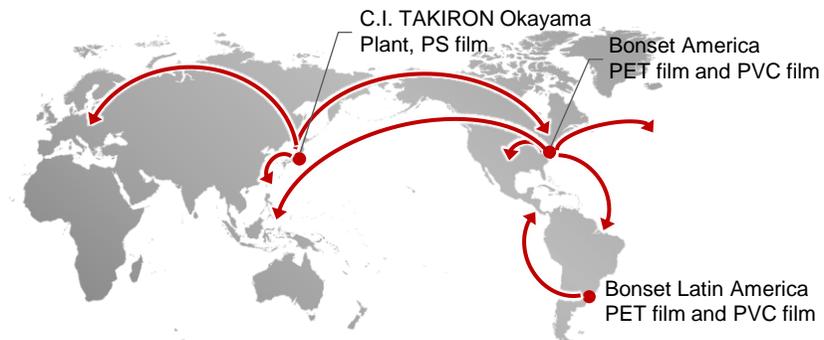


Heat-shrinkable film
Uses: beverage labels, etc.

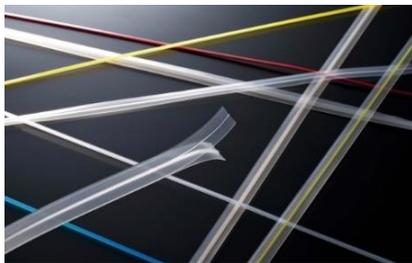


Environmentally friendly products
Bonpet Renew

- Respond to worldwide demand with a global tripartite structure (Japan, North America, and South America)



SANZIP Business (zipper)



Zipper tape
Uses: pouches for food packaging, etc.



Environmentally friendly products
Mono material zipper

Strengths of major businesses

- Manufacturing and processing technology and knowledge accumulated over many years
- Manufacture of a wide variety of products for specific applications using our unique blending technology
- With production bases in Japan (Hiratsuka and Okayama) and overseas (China, the United States, and Uruguay), we are building a global optimal production and sales network (supporting BCP).
- Meticulous response to customer needs through in-house production of dies (SANZIP)
- Expansion and development of environmentally friendly products and their lineups such as biodegradation, mono material, and biomass

Contact Information for IR

C.I. TAKIRON Corporation

Corporate Communication Dept.

Phone: +81 (3)-6711-3718

e-mail: ir@takiron-ci.co.jp

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