

Supporting today, changing tomorrow



C.I. TAKIRON

Annual Report 2020

(2019.4.1 ~ 2020.3.31)

C.I. TAKIRON Corporation

Annual Report 2020

For the Fiscal Year Ended March 31, 2020

(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,	121 st fiscal year 2016	122 nd fiscal year 2017	123 rd fiscal year 2018	124 th fiscal year 2019	125 th fiscal year 2020
Net sales (Millions of yen)	72,958	75,118	147,805	150,650	139,432
Ordinary profit (Millions of yen)	3,946	4,519	8,204	9,200	7,611
Profit attributable to owners of parent (Millions of yen)	2,746	2,695	6,579	6,391	13,091
Comprehensive income (Millions of yen)	(62)	3,962	7,351	6,474	11,685
Net assets (Millions of yen)	46,461	49,435	69,909	74,310	82,840
Total assets (Millions of yen)	88,087	88,997	141,116	138,251	144,956
Net assets per share (Yen)	644.22	685.44	700.99	746.42	835.82
Basic earnings per share (Yen)	38.66	37.95	67.49	65.62	134.47
Diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	51.9	54.7	48.4	52.6	56.1
Return on equity (ROE) (%)	5.9	5.7	9.6	8.8	17.0
Price earnings ratio (PER) (Times)	14.4	15.3	10.3	9.1	4.5
Net cash provided by (used in) operating activities (Millions of yen)	5,773	6,579	9,328	9,805	11,017
Net cash provided by (used in) investing activities (Millions of yen)	(2,860)	(2,537)	(1,575)	(9,620)	(5,922)
Net cash provided by (used in) financing activities (Millions of yen)	(2,828)	(1,749)	(9,160)	(9,160)	(3,115)
Cash and cash equivalents at end of period (Millions of yen)	13,760	16,046	15,800	6,835	8,746
Number of employees [Separately, average number of temporary employees] (Persons)	1,871 [524]	1,889 [497]	3,369 [750]	3,412 [718]	3,369 [687]

- (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 124th fiscal year. The Selected Financial Data pertaining to the 123rd fiscal year consists of figures that have been adjusted retrospectively to reflect the aforementioned accounting standard, etc.

II. Message from the President

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

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.



Kazuya Saito

Representative Director
President

III. Business Progress and Results

In the Japanese economy in the fiscal year under review, production activities in the manufacturing industry were weak due to sluggish exports, the slowdown of capital investment, etc. Furthermore, there was a strong sense of sluggishness regarding personal consumption due to the pull-back following the special demand ahead of the consumption tax hike and a succession of natural disasters such as typhoons and torrential downpours.

On the other hand, just as the global economy was beginning to show positive elements, such as the agreement of the first phase to lower tariffs added during the trade friction between the U.S. and China, and a trend of recovery in semiconductor-related demand, which had remained stagnant, beginning to be seen, economic activity was significantly restricted due to the rapid spread of the novel coronavirus disease (COVID-19). As a result, the outlook for the global economy is extremely uncertain.

Against this background, the Group has been implementing the measures in its Medium-term Business Plan, “Good Chemistry Good Growth 2020,” to maximize beneficial effects of the merger and enhance the growth and profit-earning capability of the entire Group, and focusing on system enhancements for steady growth in the future.

As a result, the Company reported the following results for the fiscal year ended March 31, 2020. Net sales amounted to ¥139,432 million (down 7.4% year on year), operating profit amounted to ¥7,372 million (down 18.8% year on year), ordinary profit amounted to ¥7,611 million (down 17.3% year on year), and profit attributable to owners of parent amounted to ¥13,091 million (up 104.8% year on year), due to an extraordinary income recorded as a result of transfer of non-current assets at a consolidated subsidiary of the Company.

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 decreased as a result of the end of the temporary demand for typhoon disaster recovery, which continued since the previous fiscal year, and the subsequent pull-back. As the other negative factor, in the Commercial Signage Business, the sales of signage products for commercial facilities significantly shrank. As a result, the Housing Materials Business recorded lower sales on a year-on-year basis. The operating profit of Housing Materials Business decreased due to the repercussions of decreased sales, rising logistics costs, and other negative factors, despite efforts for cost reduction related to the integration of production and logistics facilities for daylight building material products.

In the Flooring and Decorative Materials Business, sales of the flooring department remained unfavorable due to the continuing pull-back regarding apartment building renovation work following the special demand ahead of the consumption tax hike. The decorative materials department recorded steady sales of products for construction projects in Japan; however, overseas section suffered due to delays of expected projects in China and Asian countries, which were caused by the COVID-19 pandemic. Accordingly, the

Flooring and Decorative Materials Business recorded slightly lower sales on a year-on-year basis. Despite those disadvantages, the operating profit by Flooring and Decorative Materials Business increased due to continuing efforts to reduce variable and other costs in the decorative materials department.

As a result, for the fiscal year ended March 31, 2020, net sales of the Construction Materials Business segment was ¥46,310 million (down 4.5% year on year), and operating profit was ¥3,338 million (down 3.5% year on year).

Environmental Materials Business Segment

In the Agricultural Materials Business, sales decreased due to the overlapping of the pull-back following the special demand ahead of the consumption tax hike in addition to the end of the demand for repairs associated with disaster recovery in the previous fiscal year, mainly in western Japan, and due to difficulties faced regarding plastic greenhouse-related materials overall, such as the mainstay covering film for agriculture, because of the impact of decreased demand for materials for plastic greenhouses throughout Japan upon entering the third quarter. Operating profit decreased as sales were sluggish and logistics costs increased.

In the Infrastructure Materials Business, sales decreased due to delays in public works projects and the impact of the business sale and the transfer of the business to another segment, despite an increase in demand for waterproof geomembranes due to the receipt of disaster waste from the typhoon disaster in addition to the field of engineering remaining firm. Accordingly, operating profit decreased.

As a result, for the fiscal year ended March 31, 2020, net sales of the Environmental Materials Business segment was ¥55,639 million (down 10.1% year on year), and operating profit was ¥1,381 million (down 24.3% year on year).

High Functional Materials Business Segment

In the High Functional Materials Business, despite an increase in sales of its mainstay industrial plates due to signs of recovery of capital investment in semiconductors upon entering the fourth quarter, these gains were unable to cover the drop in sales thus far and sales decreased.

Sales of various engineering plastics products increased due to the implementation of detailed local sales initiatives and the acquisition of projects using PE plates. Micro motors saw increased sales as a result of developing new applications, large filter press plates saw increased sales as a result of receiving orders for large projects overseas, and the ultrafine particle dispersion business saw increased sales as a result of special demand for smartphone applications. On the other hand, sales of acetate plates and magnetic materials decreased due to a decrease in export-related projects. Operating profit decreased due to the impact of weak sales of industrial plates.

As a result, for the fiscal year ended March 31, 2020, net sales in the High Functional Materials Business segment was ¥17,267 million (down 8.8% year on year) and operating profit was ¥1,313 million (down 29.9% year on year).

Specialty Films Business Segment

In the BONSET Business, despite sluggish sales continuing until the second quarter due to the impact of trade inventory adjustments associated with poor weather in Japan and a revision of labelling methods in North America, sales were firm in Japan and North and South American markets upon entering the third quarter. However, this was unable to cover the drop in sales until the second quarter, and sales decreased. Operating profit decreased due to the impact of North American markets being sluggish.

Sales in the SANZIP Business increased as sales of re-closable zipper tape were firm, mainly in Japan, Asia, Europe and America. Operating profit increased as it was supported by firm sales.

As a result, for the fiscal year ended March 31, 2020, net sales in the Specialty Films Business segment was ¥19,684 million (down 5.5% year on year), and operating profit was ¥1,155 million (down 41.3% year on year).

Net Sales and Operating Profit by Business Segment

(Millions of yen)

	Fiscal year ended March 31, 2019		Fiscal year ended March 31, 2020	
	Net sales	Operating profit	Net sales	Operating profit
Construction Materials Business	48,502	3,458	46,310	3,338
Environmental Materials Business	61,867	1,823	55,639	1,381
High Functional Materials Business	18,935	1,874	17,267	1,313
Specialty Films Business	20,824	1,969	19,684	1,155
Other	520	55	531	66
Adjustment	–	(100)	–	117
Total	150,650	9,080	139,432	7,372

- (Notes)
1. The “Other” category is a business segment not included in reportable segments under which operations such as sales of test machines 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

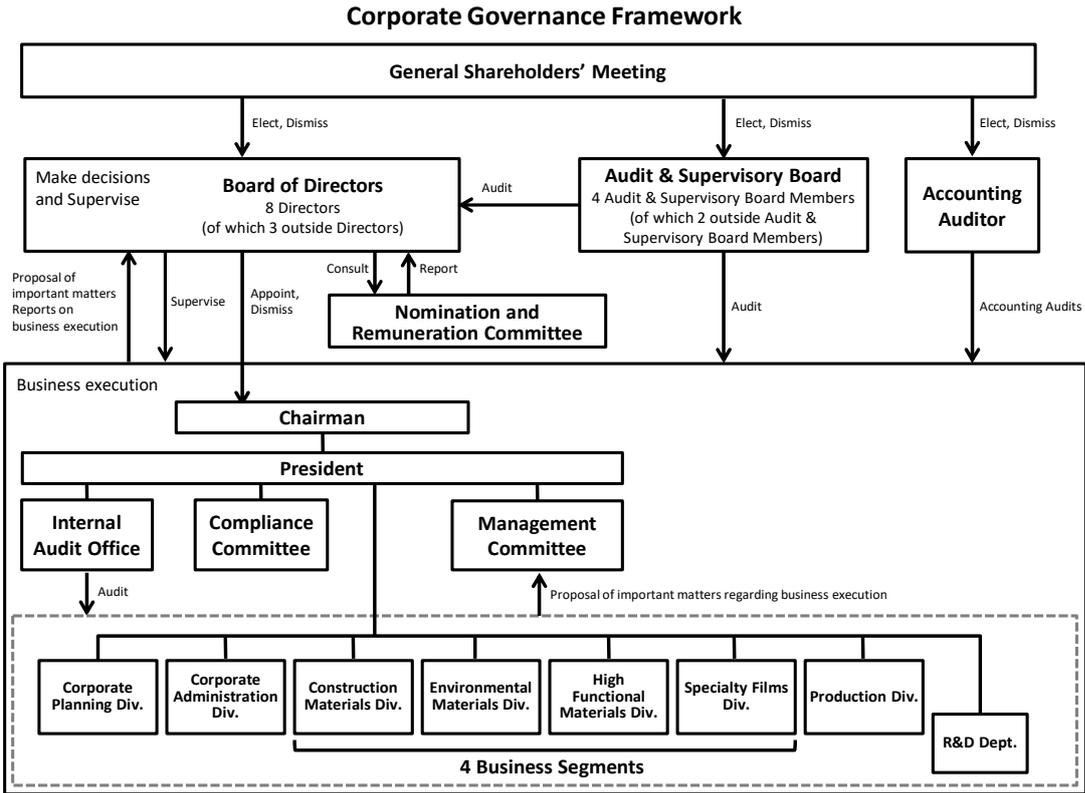
Basic Approach to Corporate Governance

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. Three 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, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	6,835	8,746
Notes and accounts receivable - trade	45,250	38,036
Electronically recorded monetary claims - operating	8,205	7,182
Merchandise and finished goods	14,037	13,779
Work in process	3,187	3,435
Raw materials and supplies	5,404	5,431
Deposits paid	3,216	12,220
Other	1,859	1,378
Allowance for doubtful accounts	(57)	(46)
Total current assets	87,939	90,165
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,462	15,604
Machinery, equipment and vehicles, net	8,501	9,272
Land	13,437	12,903
Leased assets, net	368	294
Construction in progress	2,419	1,909
Other, net	910	2,039
Total property, plant and equipment	38,101	42,023
Intangible assets	2,367	2,956
Investments and other assets		
Investment securities	3,655	3,274
Deferred tax assets	3,258	3,598
Retirement benefit asset	234	22
Other	2,747	2,917
Allowance for doubtful accounts	(53)	(2)
Total investments and other assets	9,842	9,810
Total non-current assets	50,311	54,790
Total assets	138,251	144,956

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	31,766	25,854
Electronically recorded obligations - operating	4,642	4,488
Short-term borrowings	4,896	5,085
Current portion of long-term borrowings	15	–
Lease obligations	211	303
Income taxes payable	1,416	4,854
Accrued consumption taxes	394	684
Provision for bonuses	2,136	2,204
Provision for bonuses for directors (and other officers)	216	262
Notes payable - facilities	299	423
Other	5,923	5,523
Total current liabilities	51,920	49,683
Non-current liabilities		
Lease obligations	356	1,066
Deferred tax liabilities	585	476
Provision for share-based remuneration	23	50
Retirement benefit liability	9,035	8,986
Asset retirement obligations	267	157
Other	1,752	1,695
Total non-current liabilities	12,020	12,432
Total liabilities	63,941	62,115
Net assets		
Shareholders' equity		
Share capital	15,189	15,189
Capital surplus	30,978	30,981
Retained earnings	26,571	36,738
Treasury shares	(80)	(100)
Total shareholders' equity	72,658	82,808
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13	(530)
Deferred gains or losses on hedges	0	(3)
Foreign currency translation adjustment	(282)	(536)
Remeasurements of defined benefit plans	290	(376)
Total accumulated other comprehensive income	22	(1,446)
Non-controlling interests	1,629	1,478
Total net assets	74,310	82,840
Total liabilities and net assets	138,251	144,956

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

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	150,650	139,432
Cost of sales	109,632	100,632
Gross profit	41,018	38,799
Selling, general and administrative expenses	31,937	31,427
Operating profit	9,080	7,372
Non-operating income		
Interest income	20	12
Dividend income	109	142
Rental income	159	155
Other	469	462
Total non-operating income	758	772
Non-operating expenses		
Interest expenses	181	112
Sales discounts	70	57
Rental costs	93	98
Foreign exchange losses	51	55
Restructuring loss	–	91
Other	241	118
Total non-operating expenses	638	534
Ordinary profit	9,200	7,611
Extraordinary income		
Gain on sales of non-current assets	398	12,331
Gain on sales of investment securities	143	59
Gain on sales of golf memberships	1	–
Gain on reversal of asset retirement obligations	203	–
Gain on sale of businesses	–	78
Total extraordinary income	746	12,470
Extraordinary losses		
Loss on disposal of non-current assets	222	258
Impairment loss	248	757
Loss on sales of investment securities	2	0
Loss on valuation of investment securities	–	46
Loss on valuation of golf club membership	–	3
Loss on sales of golf club memberships	1	–
Total extraordinary losses	475	1,065
Profit before income taxes	9,471	19,015
Income taxes - current	2,330	5,754
Income taxes - deferred	519	81
Total income taxes	2,850	5,835
Profit	6,621	13,180
Profit attributable to non-controlling interests	229	88
Profit attributable to owners of parent	6,391	13,091

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	6,621	13,180
Other comprehensive income		
Valuation difference on available-for-sale securities	(493)	(548)
Deferred gains or losses on hedges	(2)	(4)
Foreign currency translation adjustment	73	(274)
Remeasurements of defined benefit plans, net of tax	276	(667)
Total other comprehensive income	(146)	(1,494)
Comprehensive income	6,474	11,685
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,207	11,623
Comprehensive income attributable to non-controlling interests	267	62

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,189	30,914	22,031	(8)	68,126
Changes 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 in items other than shareholders' equity					-
Total changes during period	-	64	4,539	(72)	4,531
Balance at end of 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 period	508	3	(321)	15	206	1,577	69,909
Changes 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 in items other than shareholders' equity	(495)	(2)	39	274	(184)	52	(131)
Total changes during period	(495)	(2)	39	274	(184)	52	4,400
Balance at end of period	13	0	(282)	290	22	1,629	74,310

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	15,189	30,978	26,571	(80)	72,658
Changes during period					
Dividends of surplus			(2,924)		(2,924)
Profit attributable to owners of parent			13,091		13,091
Purchase of treasury shares				(21)	(21)
Disposal of treasury shares				1	1
Change in ownership interest of parent due to transactions with non-controlling interests		2			2
Net changes in items other than shareholders' equity					-
Total changes during period	-	2	10,167	(19)	10,150
Balance at end of period	15,189	30,981	36,738	(100)	82,808

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13	0	(282)	290	22	1,629	74,310
Changes during period							
Dividends of surplus							(2,924)
Profit attributable to owners of parent							13,091
Purchase of treasury shares							(21)
Disposal of treasury shares							1
Change in ownership interest of parent due to transactions with non-controlling interests							2
Net changes in items other than shareholders' equity	(543)	(4)	(254)	(666)	(1,468)	(151)	(1,620)
Total changes during period	(543)	(4)	(254)	(666)	(1,468)	(151)	8,530
Balance at end of period	(530)	(3)	(536)	(376)	(1,446)	1,478	82,840

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	9,471	19,015
Depreciation	4,533	4,682
Impairment loss	248	757
Increase (decrease) in provision for bonuses	80	67
Increase (decrease) in retirement benefit liability	(532)	(902)
Gain on reversal of asset retirement obligations	(203)	–
Interest and dividend income	(130)	(154)
Interest expenses	181	112
Loss (gain) on sales of investment securities	(140)	(59)
Loss (gain) on valuation of investment securities	–	46
Loss (gain) on disposal of non-current assets	(176)	(12,073)
Decrease (increase) in trade receivables	220	8,140
Decrease (increase) in inventories	(1,575)	(267)
Increase (decrease) in trade payables	876	(5,989)
Payments for accounts payable - other resulting from transition to defined contribution pension plan	(522)	(509)
Loss (gain) on sale of businesses	–	(78)
Restructuring loss	–	91
Other, net	(723)	418
Subtotal	11,607	13,298
Interest and dividends received	130	154
Interest paid	(183)	(118)
Income taxes paid	(1,748)	(2,316)
Net cash provided by (used in) operating activities	9,805	11,017
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,485)	(10,433)
Proceeds from sales of property, plant and equipment	404	15,159
Purchase of intangible assets	(1,597)	(936)
Purchase of investment securities	(15)	(490)
Proceeds from sales of investment securities	420	109
Proceeds from sale of businesses	–	95
Decrease (increase) in deposits paid	(3,213)	(9,004)
Other, net	(133)	(421)
Net cash provided by (used in) investing activities	(9,620)	(5,922)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,409	299
Repayments of long-term borrowings	(9,389)	(15)
Repayments of lease obligations	(105)	(243)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(99)	(99)
Purchase of treasury shares	(72)	(21)
Dividends paid	(1,852)	(2,924)
Dividends paid to non-controlling interests	(50)	(111)
Net cash provided by (used in) financing activities	(9,160)	(3,115)
Effect of exchange rate change on cash and cash equivalents	9	(68)
Net increase (decrease) in cash and cash equivalents	(8,965)	1,911
Cash and cash equivalents at beginning of period	15,800	6,835
Cash and cash equivalents at end of period	6,835	8,746

VI. Company Information

Company Information (as of March 31, 2020)

Trade name:	C.I. TAKIRON Corporation
Date of establishment:	December 1935
Listing date:	October 1961
Business year:	From April 1 to March 31
Share capital:	¥15,189 million
Number of employees:	4,056 (including 687 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 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.

(Note) DAIPLA CORPORATION carried out an absorption-type merger of HOKKAI DAIPLA CO., LTD. on April 1, 2020.

Directors and Audit & Supervisory Board Members (as of June 25, 2020)

Director Chairman	Yosuke Minamitani
Representative Director President	Kazuya Saito
Director Senior Managing Executive Officer	Takahisa Miyake
Director Senior Managing Executive Officer	Akihiro Ueda
Director Managing Executive Officer	Hideharu Iwasaki
Director*	Mune Iwamoto
Director*	Kenichi Hatano
Director*	Yoshiko Kosaka
Audit & Supervisory Board Member	Toshiro Okajima
Audit & Supervisory Board Member	Kenji Takai
Audit & Supervisory Board Member**	Masako Osuna
Audit & Supervisory Board Member**	Takashi Araki
Managing Executive Officer	Toshio Tamaki
Managing Executive Officer	Yukihiro Iwata
Executive Officer	Hironori Kikuchi
Executive Officer	Hidehiro Shima
Executive Officer	Hiroji Kimura
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	Ryojiro Ogawa
Executive Officer	Akihiko Shiraishi

* Outside Director ** Outside Audit & Supervisory Board Member

Stock Status (as of March 31, 2020)

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)): 6,775

Major shareholders (Top 10)

Shareholder name	Number of shares held (Thousands)	Share-holding ratio to number of issued shares (excluding treasury shares) (%)
ITOCHU Corporation	49,861	51.15
Japan Trustee Services Bank, Ltd. [trust fund]	3,112	3.19
C.I. TAKIRON Kyowa-Kai	3,039	3.12
The Master Trust Bank of Japan, Ltd. [trust fund]	2,763	2.83
Sekisui Jushi Corporation	1,439	1.48
Nippon Life Insurance Company	1,384	1.42
Kaneka Corporation	1,318	1.35
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch)	1,251	1.28
DFA INTL SMALL CAP VALUE PORTFOLIO (Standing proxy: Citibank, N.A., Tokyo Branch)	1,124	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] 3,112 thousand shares
The Master Trust Bank of Japan, Ltd. [trust fund] 2,763 thousand shares

* Annual Select is an English-language disclosure format developed by ZAIHON, INC. to increase the level of convenience of investors outside Japan based on Japanese-language statutory disclosure material, timely disclosure material prescribed by securities exchanges and voluntarily disclosed IR material. Annual Select is a registered trademark of ZAIHON, INC. Reproduction or copying without prior permission is prohibited.

* 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.