



TAIYO KAGAKU
Report
2022



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Focusing on Global Health





Management Philosophy

We promote healthy, prosperous living around the world.

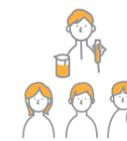
At Taiyo Kagaku, we continue to generate new value in the service of healthier, fuller lives.

Promoting better health and better living around the world for greater safety and peace of mind.

We explore ways to enhance people's health, safety, and wellbeing while actively taking on challenges in new fields with new issues.

Three First-in-Japan Projects

- ① Development of food emulsifiers
- ② Commercial production of processed egg products
- ③ Enzymatic processing of L-theanine



One in four employees works in R&D



Winner of over 60 awards in Japan and overseas



Over 50 joint research projects with outside organizations.



R&D sites around the world
 India : Aurangabad
 China : Shanghai
 Thailand : Bangkok

Code of Conduct

Imagine, Desire and Create

Imagine

Passionately pursuing ideas to improve humanity's future

Desire

A strong will to achieve our goals and deliver solutions

Create

Establish values that inspire people around the globe

We create functional solutions that provide answers to challenges and meet our customers' needs.

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□Editing Policy

Taiyo Kagaku publishes the "Taiyo Kagaku Report" with the aim of disclosing information about the company in order to enhance all stakeholders' understanding of the company's approaches and initiatives regarding CSR and our overall CSR concept. This report describes the role we play and the efforts we pursue in society and for the Earth through our business activities.

□Report Period

While this report principally covers the period from April 2021 to March 2022, the report content also includes activities before and after this period.

□Scope of Reporting

This report focuses on Taiyo Kagaku, but also covers some of the group companies.

□Plan for the Next Report

Scheduled for release in May 2023.

□Reference Guidelines

Editing of the Report makes reference to the ISO26000 international standard for social responsibility.



A Global Diversity of Eating Customs
Robust Capabilities in Proposing Applications



"We promote healthy, prosperous living around the world." Taiyo Kagaku has actively promoted this concept since the 1980s, focusing on research and development of highly functional foods and ingredients derived from natural sources, and in many cases going on to create commercial products from them. Some countries around the world now impose a "soda tax" on sweetened beverages and are taking other steps to improve their citizens' health. We can support these activities by proposing applications for our compound formulations and functional food ingredients that provide satisfaction, even in foods without sugar. We are always thinking of ways we can support the health of people around the world, based on each particular region's conditions.

We continue to stay in the lead in providing value that supports richer and fuller lives, contributing to every culture around the world.

The Procurement Approach to Global Health
RSPO and COSMOS Certification

Demand for sustainable ingredients in Western markets is increasing. RSPO certification is a certification system promoted by an international NPO that aims to promote the production and use of sustainable palm oil. To keep pace with the Western markets at the forefront of this trend, we have acquired this certification and are actively investing in this market, continuing to promote and enhance sustainable business activities.

RSPO Certification History	
2017 : Membership	Growth of MB Products 2019 : Fewer than 5 products 2021 : Expanded to more than 40 products
2018 : Acquired Mass Balance(MB)certification for supply chains	
2019 : Began delivery of MB products	
Current Status	
2021 : All products supplied to Europe now RSPO certified.	
2021 : Over 60% of products supplied to the United States now RSPO certified.	
Target	
2028 : All products to be RSPO certified, with RSPO certified products supplied to Europe, America, South Korea, and all other customers wishing this.	



Growth in COSMOS Certified Products

We have expanded from one product in 2019 to three products in 2020 and eight products in 2021. We will continue to expand our offerings of COSMOS certified products in the future.

Southeast Asia:
Working to prevent iron deficiency.



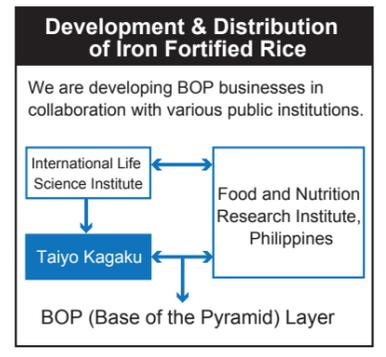
Many women and children in Southeast Asia suffer from iron deficiency anemia. Iron deficiency anemia is recognized as a serious public health issue that often leads to conditions including anemia, immunodeficiency, and poor fetal growth during pregnancy, while also having a significant impact on a country's national productivity. The Taiyo Kagaku Group has been promoting a "Food Fortification Project" with the aim of improving nutrition in the Philippines and other Southeast Asian nations by supplementing people's daily diets with nutrients they require but lack. The global market for products aimed at iron deficiency anemia was estimated to be approximately US \$2.5 billion in 2020, with the figure projected to grow over 7% during the forecast period of 2021-2027. Taiyo Kagaku will continue to develop programs that combine social contribution and business development.

Example of Business Activity

Solving the Problem of Anemia through the Development and Supply of Iron Fortified Rice (IFR) in the Philippines



We have developed an iron fortified rice that tastes delicious, looks just like ordinary rice, and boasts superior iron absorption. This iron fortified rice has proven highly popular in the region and is contributing to solving the problem of anemia among the area's residents.



Rooted in Diverse Lifestyles around the World.

Kosher and Halal Certification

We provide safe and secure food ingredients that have been rigorously checked through the entire manufacturing process, from raw materials to finished products. Many of our products are certified kosher and halal; a fact we indicate for consumers who are highly concerned about food safety as well as for religious reasons. In addition, we are active in acquiring Informed Choice, Non-GMO, and other certifications for a number of our products, allowing them to be purchased with peace of mind.



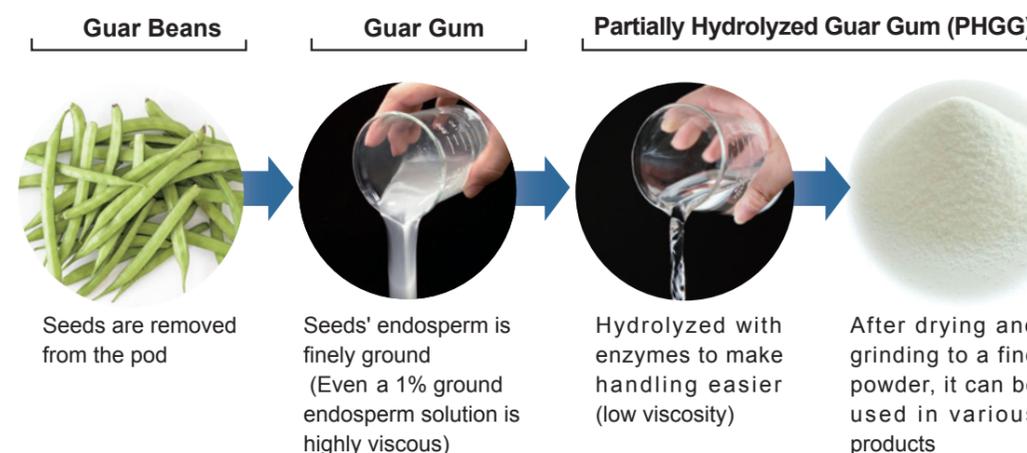


Intestinal Activity Affects Human Health.
Taking on the Challenge of Changing the World
with Naturally-derived Partially Hydrolyzed Guar Gum



Partially Hydrolyzed Guar Gum made from Guar Beans

The raw material, guar beans, are a type of pea harvested in India, Pakistan, and similar regions. It has been eaten as a daily staple in these areas for ages.



**How to Support Intestinal Health
with Today's Diversity of Lifestyles**

Health and the Intestinal Environment

The desire to stay healthy is a common wish for all humans. Daily habits including diet, exercise, and rest are fundamental in maintaining good health, but for a majority of people, today's changing lifestyles and our stressed-filled society have upset these routines. Furthermore, the greater spread and longer duration of infectious diseases in recent years has led to people becoming more conscious of health as they increasingly demand greater functionality from their food. Proper functioning of the digestive tract, where food is digested and nutrients in the food are absorbed, is crucial in maintaining human health. What's more, the GI tract is also

referred to as the "second brain," as it is the largest organ involved in the human body's immune system, and the approximately 10 trillion gut bacteria in the large intestine have a profound role in intestinal functioning.

Modern Diets are Deficient in Dietary Fiber

With a growing awareness of the connection between intestinal health and extension of healthy life expectancy, "intestinal activity" has become a familiar term these days. Eating habits and stress alter the balance of intestinal bacteria, affecting the maintenance of intestinal function, while lactic acid bacteria and dietary fiber have become well known for their role in maintaining the intestinal environment. However, according to Japan's National Nutrition and Health Survey, the daily intake of dietary fiber—which is also called the "sixth nutrient"—has decreased to about half the amount compared to 70 years ago, indicating a deficiency of dietary fiber in today's diet.

We believe that providing supplemental dietary fiber is important for both health and intestinal activity.

**Supporting the Intestinal Environment
with Partially Hydrolyzed Guar Gum (PHGG)**

Among the different types of fiber, water-soluble dietary fiber is reported to possess a variety of functions. For example, it increases the number of beneficial bacteria in the stomach, acts as food for the microbiome, and through adsorption, removes excess sugar and lipids, excreting them from the body. It is a functional ingredient that helps balance and maintain intestinal function. Compared with other types of water-soluble dietary fibers, Partially Hydrolyzed Guar Gum produces greater amounts of fatty acids and total short-chain fatty acids, and it has been found to be involved in relaxing the stomach, preventing diseases of the large intestine, and boosting immune function. Around thirty years after we improved the ingredient's food processing characteristics and released it as a commercial product, it is now recognized

industry-wide and is used in 4,500 medical and nursing care facilities in thirty countries around the world. Submissions for recognition as a "Food with Function Claims" have been accepted in four categories: post-meal blood sugar, bowel movements, intestinal environment (Bifidobacterium), and stomach condition (softer stools). We intend to continue gathering evidence in the future.

**Believing in the Power of Naturally
Derived Ingredients**

Like the guar beans from which Partially Hydrolyzed Guar Gum is made, ingredients that are born from the Earth have wonderful powers beyond our imagination. There are still many of these ingredients around the world. We aim to carefully examine and analyze ingredients that are effective in supporting people's health, then cultivate them through research while reliably ensuring safety and well-being. Through our products, we will continue to promote healthy, prosperous living around the world.

Taiyo Kagaku's Business Model

Taiyo Kagaku utilizes resources developed in-house to create product solutions answering a variety of social issues.

Trust Fostered Through Joint Research



Reliable evidence is obtained from collaborating with universities and research institutions.

We collaborate with academic institutions in conducting research not only to verify physiological effects but also to elucidate the mechanisms, while discovering new ideas based on market needs and designing unique products.

World-Class Quality Control



Our own plant in India, our own stable source of raw materials. Quality and process controls fully meet international certification standards.

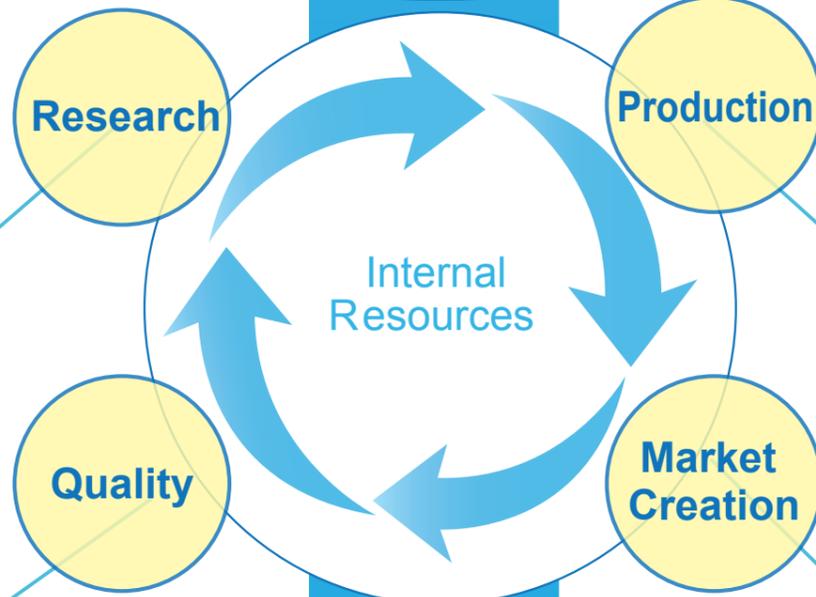
For objectivity in quality assurance, we outsource our product inspections to an independent outside organization. We have also established and adhere to our own stringent guidelines covering all stages, from procurement of the raw materials to manufacturing.

Case Study

Partially Hydrolyzed Guar Gum, as described previously

Social Issue

Decline of modern humans' intestinal environment



In focusing on naturally derived dietary fiber, we researched guar beans that are native to India and Pakistan. We successfully achieved commercialization through enzymatic processing of the guar gum, which is difficult to work with due to its high viscosity.

Global Expansion

A global production system with the required certifications for each region of the world

We develop products in a wide range of industries, including food, beverages, and cosmetics.



Our Approach to QOL

We offer proposals to improve people's quality of life and initiatives to extend healthy life expectancy.

To deepen our communication with the customer, we carry out problem solving and offer proposals while devising and promoting plans that combine strategic sales activities, divisional strategies, and sales strategies.



Creating Social Value

Partially Hydrolyzed Guar Gum has the potential to improve intestinal environments and extend healthy lives.

B to B

Problem Solving

Consultation / Outsourcing Business

Solving problems jointly with the customer.

Highlighting Value

In-House Planning / Proposal Business

Offering our own proposals, we add social values, products, and services developed in-house.

Unique Customer Interaction OISHISA KAGAKUKAN

We approach the customer's issues by clarifying complex and diverse tastes and sensation. At the Oishisa Kagakukan (The Food Analysis Technology Center), we take on the challenge of visualizing human senses.



B to C

Bowel movements, stomach condition, etc.
Proposals Promoting the Value of Health

Example Working in collaboration with nursing care facilities, we utilize our Partially Hydrolyzed Guar Gum in programs to promote healthy bowel movements.

Program Promoting the Value of Health

Zero Diaper Program
[Supporting bowel movements in nursing care facilities]

Market Creation & Partner Development

We collaborate with partners in a variety of sectors to solve social issues and promote the value of our products.

Promote global health and lifestyles

The goal

We promote healthy, prosperous living around the world.

In each of our three divisions (Interface Solution, Nutrition, and Natural Ingredient), the R&D, marketing, and production departments work as one in promoting healthy, prosperous living around the world.

Interface Solution Division

We make full use of our interface control technology to maximize flavor and comfort.

Our food emulsifiers are key materials that have spurred technological innovation in the food industry. Our technologies are widely used not only in foods but also in cosmetics and other non-food products. We aim to resolve various problems through careful analysis of our customers' and society's problems, with daily progress in researching interface control technology. Our desire is based on constantly providing high value-added materials and technologies. Our strengths lie in consulting solutions to that end.



Emulsifiers and Emulsifier Formulations/Protein-Based Materials/Cosmetics and Industrial Chemicals

Water-Oil Interface

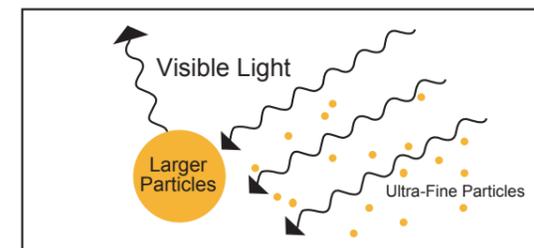
Core value Interface Control Technology

In between water and oil, there is always a boundary between the contact surfaces of the dissimilar substances which prevents mixing. That boundary is called the "interface," and exerting influence on the interface makes it possible to add various functions to the material and design flavors. We control the interface as one means of solving customers' and social issues.

What can be achieved with interface control technology?
Examples of Functions and Performance

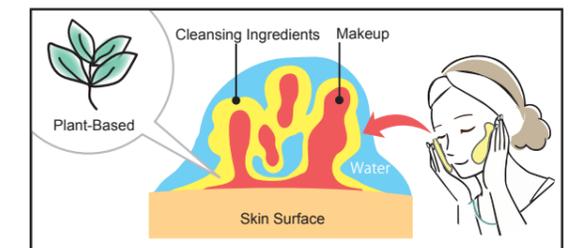
Super Emulsion

Super Emulsion is a new emulsification system developed by Taiyo Kagaku. This revolutionary technology produces ultra-fine sized lipid particles, allowing transparent dispersion of fats and oils that ordinarily do not mix with water. Controlling the size of the emulsified particles in this manner can maximize the various functions of fats and oils.



Hypoallergenic Cleansing Agent

We also propose surfactants that are used in foods for cleansing agents which go easy on the skin. With years of safe use in foods, these products combine superior functionality, low irritation, and excellent safety. And our focus on plant-derived ingredients means we are also contributing to the sustainable development of cosmetics.



Developing products based on solving customer issues.

Consulting Solutions

We promote healthy, prosperous living around the world.

In each of our three divisions (Interface Solution, Nutrition, and Natural Ingredient), the R&D, marketing, and production departments work as one in promoting healthy, prosperous living around the world.

Nutrition Division

Providing modern solutions to health-related issues.

Many natural ingredients contain the nutrients required for vitality in people's lives. We are constantly searching for new functional ingredients which can be found in natural materials from all over the world. Our Partially Hydrolyzed Guar Gum water-soluble dietary fiber, 100% derived from guar beans from India, is one such functional material that was commercialized through this search. We intend to continue extracting and formulating highly functional food ingredients that are easier to use, as proven by evidence both in Japan and abroad, thereby promoting healthier, more prosperous lifestyles.



Green Tea Extract/Water-Soluble Dietary Fiber/ L-Theanine/NDS Products (Iron/Vitamins/PUFA)/ Amla Fruit Extract/Moringa Extract

Natural Ingredient Division

Without compromising the ingredient's power, we maximize its potential and value to provide greater function and flavor.

The foods we eat daily are a source of energy for us. Many are a result of the Earth's blessings. We apply our original processing technologies to provide the world with ingredients possessing a variety of powers. These substances possess marvelous powers that can directly apply to life. Our strength lies in consulting solutions that figure out how those powers are structured and how to best make use of the ingredients' functions and flavors. We have also established Japan's leading chicken egg processing technology and are developing processed egg products.



Processed Eggs/Instant Food Ingredients/Processed Agricultural Products/ Freeze-Ground Products/Processed Milk and Protein Products/Thickening Stabilizers

Example Green Tea Extract

Nutrition Business Model



From Japan to the World = Global Expansion

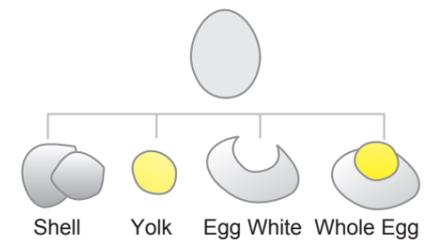
Developing products based on solving customer issues.

Consulting Solutions

Example Processed Eggs

Natural Ingredient Division Business Model

Different components of ingredients have different powers. Through repeated trial and error, Taiyo Kagaku thoroughly extracts and utilizes the ingredients' innate powers to create attractive processed products. Taking eggs as an example, one project involves making full use of various processing methods to shape the different components into various forms. This expands possible applications and uses, fostering diets with more abundant nutrition, all with the aim of contributing to healthy, prosperous living for people around the world.



Powdered Eggs (Yolk, Egg White, Whole Egg) Egg Mixture (Sweetened Concentrated Egg Yolk) Microwave Processed Products

Developing products based on solving customer issues.

Consulting Solutions

Everyday Life with Taiyo Kagaku

Shop

Combining Flavor and Fun

We don't only focus on stabilizing quality; we also have products that incorporate textures and concepts so as to enhance products' commercial value.

Emulsifiers, Thickening stabilizers, Flavorings, Functional ingredients



For Freshly-Made Flavor

In addition to ingredients such as eggs and sweet potatoes, we also offer products that preserve and highlight the delicious flavor of freshly made products, thus not only enhancing taste, but also helping to reduce food loss and waste.

Emulsifiers, Thickening stabilizers, Processed egg products, Processed sweet potato products, Antioxidants



Great Taste, Achieved Easily

We offer ingredients made using a variety of processing techniques to bring much better flavor to the instant foods that are indispensable to everyday life.

Microwave dried ingredients, Noodle quality enhancers, Emulsifiers, Emulsion preparations



"Taiyo Kagaku in our lives" refers to our connection with our customers, from the foods and food-related products we use every day to cosmetics, toiletries, and other products. Like a helpful assistant, we aim to support people in enjoying better, fuller lives.

Life Health

Vibrant Living, Every Day

We offer functional ingredients that are indispensable in health foods and supplements that are both safe and backed by reliable evidence.

Green tea catechins, L-theanine, Partially Hydrolyzed Guar Gum, Minerals, Carotenoids



Long-Lasting Freshness

Decomposition of ethylene gas extends the freshness of vegetables in refrigerator vegetable compartments. This helps to prevent food loss, reduces waste, and promotes eco-friendliness in homes.

TMPS (Mesoporous Silica)

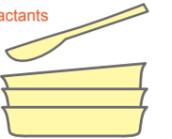


Life Home

Increased Use of Biomass

We are increasing our use of biomass and use of plant-derived surfactants, thus reducing the amount of plastic used while improving physical properties.

Surfactants



Antibacterial

We support people's wellness not only with ingredients for cleaning products, but also with materials featuring antibacterial properties.

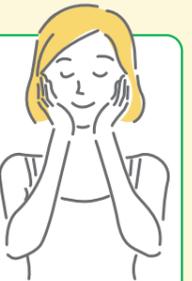
Surfactants, Green tea catechins



Refreshing Makeup Removers

We provide cosmetic ingredients that are safe, reassuring, and provide a superior user experience—something that we, as a manufacturer of food additives, are uniquely positioned to offer.

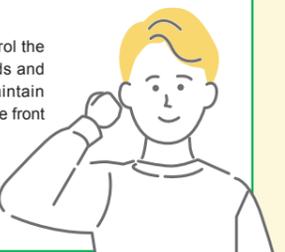
Surfactants, Functional ingredients



Revitalize

With numerous products to control the physical properties of liquid foods and supply nutrients, we help to maintain the balance of the microbiome, the front line of the immune system.

Emulsifiers, Thickening stabilizers, Partially Hydrolyzed Guar Gum



Focus Taiyo-Labo Shop

A Single Stop for Consumers' Needs

Taiyo-Labo Co., Ltd.'s first physical store, Taiyo-Labo Shop, opened in 2020 on the 1st floor of our Tokyo Head Office in Hamamatsu-cho. In addition to offering a line of quality supplements, this shop also features a "health self-check corner" where interested customers can quickly and easily gauge their own physical condition.

In February 2022, we opened our "Stomach Health Lab," a free consultation space featuring gastrointestinal excretion care specialists. We are pleased to create this opportunity to help promote lively, prosperous living.



■Supplement Sales

■Health Self-Checks

Advanced Glycation End Products (AGEs; *aging-related health)/Stress/Vascular age/Brain activity/Hemoglobin count (anemia check)/Blood pressure/Body composition (visceral fat, muscle mass, etc.)

■Health-Related Events

Industry

Industrial Product Technologies

With our food emulsifier technology, we can offer materials with applications for industrial and chemical products.

Surfactants



Increasing Productivity

We help our customers enhance productivity with solutions to issues (such as foaming) that occur in the processing and filling processes of food manufacturing as well as adhesion to production lines, thus shortening production times and increasing yields.

Surfactants, Thickening stabilizers

Imagine, Desire and Create

Taiyo Kagaku's History of Value Creation

"We promote healthy, prosperous living around the world."

Taiyo Kagaku offers a variety of food products and industrial ingredients, from traditional natural ingredients to novel materials produced using the most advanced technologies, and is also engaged in the creation of functional food ingredients that hold unlimited potential. We continue to create new value as a company providing R&D-based solutions in support of people's daily diets and lifestyles.

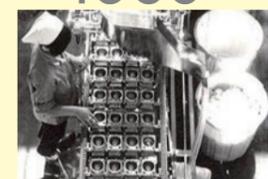
1950~

1960~

1980~

2000~

2010~

<p>Roots</p>  <p>Soap Manufacturing Interface Control Technology</p> <p>Historical Background</p> <p>The postwar period sees shortages of necessary daily supplies, with people suffering from poverty and malnutrition. Japan's food manufacturing infrastructure is underdeveloped, presenting problems for stable production.</p>	<p>Expansion of technologies for creating flavor ingredients to a broader range of fields</p>	<p>Development of various products expanding the range of flavors</p>	<p>Development of flavor ingredients with the added value of supporting health</p>	<p>Global development and expansion into raw materials for cosmetics</p>
<p>Contributing with First-in-Japan Technologies</p> <ul style="list-style-type: none"> Achieved development of Japan's first food emulsifier with interface control technologies used in manufacturing soap 	<p>Further Evolution of Interface Control Technology</p> <ul style="list-style-type: none"> Developed shelf-life improver Established refining system using molecular distillation 	<p>Increased Sense of Security in Food Applications</p> <ul style="list-style-type: none"> Established solubility technologies Developed new high-performance emulsifiers, enabling expansion to more foods and beverages Shifted to plant-based materials and ingredients 	<p>Search for Environmentally and Human Body-Friendly Technologies</p> <ul style="list-style-type: none"> Developed more environmentally-friendly products Full-scale development of raw materials for cosmetics based on technologies cultivated in food applications 	<p>Interface Solution Division</p>
<p>Physical Property Control Technologies for Mass Production</p> <ul style="list-style-type: none"> Developed Japan's first natural gum-based stabilizer formulation Developed Japan's first emulsifier and stabilizer formulations for ice cream 	<p>Processed Egg Products Unprecedented in the World</p> <ul style="list-style-type: none"> Created Japan's first commercialized processed egg product Developed enzyme-processed eggs Developed sweetened concentrated egg product 	<p>Progressing with Our Commitment to Food</p> <ul style="list-style-type: none"> Developed ingredients for instant foods <p>The company fully utilized its freeze-grinding, frozen concentration, microwave processing, and other processing technologies to develop a variety of advanced products.</p>	<p>Global Supply System</p> <ul style="list-style-type: none"> Overseas production of microwave-dried ingredients Stabilizers for nursing care foods 	<p>Natural Ingredient Division</p>
<p>1950~</p>  <ul style="list-style-type: none"> Taiyo Kagaku Corporation founded (1946) Company reorganized as Taiyo Kagaku Kogyo Co., Ltd. (1948) 	<p>1960~</p>  <ul style="list-style-type: none"> Taiyo Food Co., Ltd. established (1958) <p>With mass production firmly in the company's sights, Taiyo Kagaku began its efforts to be the first company to produce processed egg products beyond a cottage industry.</p>	<p>1980~ 1990~</p>  <ul style="list-style-type: none"> Company name changed to Taiyo Kagaku Co., Ltd. (1981) Shiohama Plant completed (1981) Research Institute completed (1987) Nanbu Plant completed (1989) North American Subsidiary Taiyo International, Inc. established (1994) Kaifeng Taiyo Jinming Food Co., Ltd. established in China (1995) Taiyo Lucid Plant completed in India (1995) 	<p>2000~ 2020~</p>  <ul style="list-style-type: none"> OISHISA KAGAKUKAN opened (2006) New emulsifier plant completed (2011) Surfactant manufacturing plant for cosmetic raw materials completed (2021) 	<p>Nutrition Division</p>
<p>Pioneering Functional Food Ingredients</p> <ul style="list-style-type: none"> Developed green tea extracts, water-soluble dietary fiber, and other products while striving for even greater added value Amino Acid L-Theanine Nutrition Delivery System 		<p>Working to Support Healthy Lives</p> <ul style="list-style-type: none"> Amla fruit extract Moringa extract Super-Inclusion 		<p>Working to Support Healthy Lives</p>



"We promote healthy, prosperous living around the world."

How should we go about eliminating the global health information gap and achieving healthy lives for people all over the world?

President and CEO
Nagahiro Yamazaki



Disseminating Information is Key to "Promoting Healthy, Prosperous Living Around the World."

We have committed ourselves to manifesting our management philosophy of "Promoting Healthy, Prosperous Living Around the World." This stance includes recent research to gain a deeper understanding of nutrition's relationship to the body. This active research into how various food ingredients are taken up by the body and where in the body their functions are expressed has taught us that many epidemics are in fact lifestyle-related. I believe that for the food industry to contribute to our world, it is worthwhile to seek out and discover food's various powers and functions and provide them to all who need them. In fact, I believe that the most important element of all is information, and that disseminating information is even more important than supplying products.

I am now convinced that helping consumers deepen their knowledge and wisdom regarding the mechanisms of lifestyle-related diseases, the habits that need to be improved, the nutrients necessary for such improvement, and other matters involved in the relationship between food and health is linked to "promoting healthy, prosperous living around the world," and further that this will lead to the development of the company's business. I want to help increase the number of people in the world leading fulfilling lives by extending their healthy periods, while preventing illness not only thanks to the capabilities of medical science, but even more fundamentally through the power of food. To that end, I believe that our mission is to provide information—in other words, knowledge and wisdom—that is ahead of the times.

Through collaborations with universities and researchers, by conducting seminars, and with other such efforts, we are striving to inform more people about the very latest research. Our aim is to realize a society where people can maintain their health through the food they consume every day.

Covid-19 Making People Increasingly Health-Conscious

The Covid-19 pandemic has brought about many changes in society. Given the environment our company faces, the increased awareness of prevention and immunity has proved to be a tailwind for our business. With people seeking to enhance their own ability to protect themselves against this strange, unknown epidemic, it is only natural that they have turned their attention to improving their understanding of immunity, which has been accompanied by increased demand globally for health foods. I believe this will help us ensure that the current flow of information is not merely a temporary phenomenon, while further increasing opportunities to proactively supply and lock in more accurate information, knowledge, and wisdom, thereby leading to a society seeking ways to enhance immunity.

Accelerating Co-Creation: The Reason Behind Our Selections and Focus

These are not the only changes prompted by the Covid-19 pandemic. Widespread use of online communications during the pandemic has made it easier to reach others around the world. Before, face-to-face meetings were the primary means that employees overseas used in conducting development and sales, but Covid-19 has rendered that impossible. However, online communications have made it possible to interact directly with overseas researchers from Japan, conducting business with our customers' researchers through our sales representatives. This has not only improved the accuracy of the information exchanged, it has also generated rapid co-creation. It is a new way of creating value that results from direct connections between individuals with high levels of expertise. This is a profoundly significant turn of events in the R&D field. As the industry becomes increasingly open, such closer collaboration will serve to further accelerate selection and focus. We see this as an opportunity and intend to promote businesses that exhibit our strengths.

What is Our Approach to Health?

Various substances manifest in humans as responses to stimuli from the outside world. Some are beneficial, some are harmful. Might it be possible to retain those that are beneficial while counteracting the harmful ones using ingredients' natural powers? What can we do to help people around the world live healthy, prosperous lives? This is our approach to health. Although our company deals with food additives, more and more of these are naturally derived. There are also cases where we have the capability to include functions in additives that are not possible with natural products. That is why we aim to continue working on mastering factors impacting health as we continue to realize our philosophy.

Being Social

As we move forward, businesses will need to show exceptional focus in their social aspects. Companies that fail to address social contribution risk being in danger of surviving. Our aim in effecting CSV management is to make the business itself social. Now even more businesses will be linked to the happiness of even more of the world's people. While expanding our business into diverse areas, we will proceed with a constant, unwavering effort until the day comes when every single person in the world is able to lead a healthy life.

Joining with Our Stakeholders

We cannot create such a monumental business by ourselves. It cannot be achieved without the help of our shareholders, suppliers, employees, local communities, and all other stakeholders. We are grateful for the support of so many people that allows us to conduct our business, and I aim to promote the style of corporate management that embodies stakeholder engagement.



CSR Management

The Taiyo Kagaku Group is committed to being a company that society trusts and relies on. We believe the Taiyo Kagaku Group's social responsibility is for each and every one of our employees to strive in their work to be in line with our fundamental philosophy of "Imagine, Desire and Create."

Imagine, Desire and Create

In order to achieve our goal of promoting healthy, prosperous living with a global perspective, Taiyo Kagaku aims to be a company that continues to develop and grow; one whose employees are all united and which enjoys society's enduring trust, based on the fundamental philosophy of "Imagine, Desire and Create." In support of this corporate concept, our Code of Conduct is intended to instill awareness in all Taiyo Kagaku executives, employees, and organizations of the company's role in and responsibilities to society, which is foundational to our employees' proper conduct.

Management Philosophy

"We promote healthy, prosperous living around the world."

Code of Conduct



CSR Basic Policy

CSR Basic Policy

Social

We value communication with and strive to improve satisfaction for our employees, shareholders and investors, customers, business partners, and all other stakeholders.

P21·P23~P24

[ISO26000 Core Subjects]
Human rights and labor practices / Fair Operating Practices / Consumer issues



Social

We endeavor to contribute to society by not only complying with laws and regulations, but also by addressing the impact our business activities have on society and meeting the expectations and needs of society overall.

P25

[ISO26000 Core Subjects]
Community Involvement and Development



Environment

As a human- and eco-friendly company, we will actively work to reduce our impact on the global environment.

P22

[ISO26000 Core Subjects]
Environment



Governance

We actively work to further strengthen our risk management and compliance systems to ensure strict adherence to the law, regulatory compliance, and preventing misconduct.

P26~P27

[ISO26000 Core Subjects]
Organization Governance

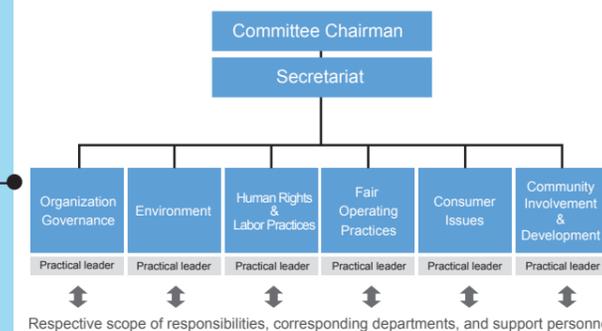
The United Nations Global Compact (UNGC) is a voluntary initiative in which companies and organizations participate in the creation of a global framework to achieve sustainable growth, acting as good members of society by demonstrating responsible and creative leadership. We have been a member of the United Nations Global Compact since September 2019.



Taiyo Kagaku is a member of the United Nations Global Compact

Structure of CSR Advancement

In accordance with the ISO26000 core subjects, we have assigned practical leaders and are implementing both measures and verifications to achieve our goals. The practical leaders determine their respective issues and themes, managing them throughout the year, thus contributing to the implementation of our basic CSR policy.



Together with Suppliers and Customers

We view our suppliers to be important partners, so we thoroughly carry out appropriate transactions and maintain fair, impartial relationships. Furthermore, we value communication with our customers, develop excellent products that meet market needs, and provide high-quality services and information, thereby building good relationships with everyone.

Procurement Policy

- | | |
|---|--|
| 1. Quality Orientation | We place safety as a priority during procurement. |
| 2. Supplier | We view suppliers as our important partners. |
| 3. Environmental Consideration | As a company who is friendly to people and the earth, we actively engage in procurement with an emphasis on reducing the burden on the global environment. |
| 4. Compliance with Laws and Regulations | We comply with laws and regulations, engaging in procurement with the aim of becoming a trusted corporation. |
| 5. Social contribution | We will make further social contributions through transparent and reliable procurement activities. |

Quality Policy

- We comply with food-related regulations and provide safe products which bring peace of mind to our customers.
- We establish and maintain quality systems to ensure the safety of our products.
- We position HACCP as the foundation of our quality system.
- We thoroughly fulfill our reporting obligations in the event of a product safety issue.
- We review and improve our quality system every year.

Based on the Quality Policy stated above, we will carry out quality management activities, extrapolate risks through those activities, control those risks, and promote the production of safe products which provide peace of mind by creating products in their ideal form. We will also expand our quality management certification through the GFSI certification scheme, which is a global food safety management standard. (Domestic plants: SQF, Overseas Plants: FSSC22000)

Establishing CSR Procurement and Supplier Notification Guidelines

With the aim of contributing to the sustainable growth of society, we promote "CSR procurement" for expanding our CSR initiatives to the entire supply chain in cooperation with suppliers. Through this initiative, we also aim to improve the corporate value of both Taiyo Kagaku and our suppliers. Moreover, we have established guidelines for CSR procurement and shared those guidelines with our suppliers.

Procurement of Raw Materials

We procure raw materials by establishing guidelines in accordance with the requirements of the Safe Quality Food (SQF) Program, which is centered on HACCP as certified by the Global Food Safety Initiative (GFSI).

■RSPO Certification

Taiyo Kagaku is proactive in procuring sustainable palm oil. In particular, we joined RSPO in 2017, which is the year in which demand for cosmetics expanded, and obtained supply chain certification in 2018. In 2021, all products supplied to Europe have been transitioned to RSPO-certified products. Also, more than 60% of the products supplied to the United States have been transitioned to RSPO-certified products. We aim to transition all products by 2028.

■COSMOS Certification

■Kosher and Halal Compliant

Please refer to the 2021 Topics section for information on procurement initiatives. [P3 P4](#)



Unique Customer Interaction OISHISA KAGAKUKAN

We will work to resolve customer issues by unraveling complex and diverse tastes and sensations.

The Food Analysis Technology Center (OISHISA KAGAKUKAN) at our Tokyo head office provides customers with an analysis of taste and sensation. We analyze by using a variety of instruments to objectively judge the chemical verification and sensory evaluation of taste, which is a sensation without an absolute value, and to derive analysis results. These results are useful in advancing our customers' product development and market sales. We value discussions with our customers. From those exchanges, we encourage analysis motivation and analysis planning.

Human Senses

Deliciousness of food products
Feeling of using cosmetics
Feeling on skin

Instrument Analysis

Quantification: Sensation sensor/physical property analysis
Visualization: Electron microscope/IR imaging

Sensory evaluation **Statistical analysis** **Machine analysis data**

Use of graphs and diagrams for an easy-to-understand visualization of human senses

For the Earth

As a company who is friendly to people and the earth, we constantly consider the environmental impact of our business activities and actively work to reduce the burden on the global environment.

Environmental Policy

As a food material manufacturer, Taiyo Kagaku is grateful for the blessings of nature. Furthermore, as a company who is friendly to people and the Earth, we actively work to reduce the burden on the global environment. We aim to be a corporation that is trusted by everyone.

- Comply with environment-related laws and regulations.
- Take measures to save resources and energy. Electricity, fuel (LNG, city gas, LPG, gasoline, light oil), industrial gas, water, paper.
- Reduce waste and promote 3R.
- Strengthen the maintenance and management of wastewater.
- Consider green procurement.
- Set environmental goals and promote activities to realize initiatives by all employees.
- Implement thorough measures against leaks.

Environmental Education

Taiyo Kagaku strives to reduce environmental burdens in all aspects of our business activities, and we continually hold company-wide environmental activities. We have established an Environmental Management Committee within our company whose sub-committees are actively engaged in efforts such as reducing the amount of CO₂ emissions, controlling waste generation, and recycling through the activities of the subcommittee. In 2009, we received the Minister of Agriculture, Forestry and Fisheries Award in the Environmental Category, which commends excellent companies in the food industry. The award recognized Taiyo Kagaku's initiatives to raise awareness and establish environmental awareness through daily activities.

Environmental Management Committee

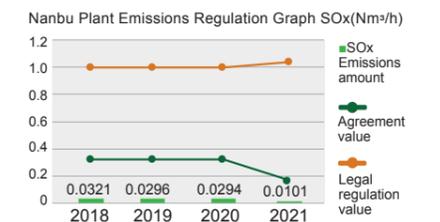
Holding of periodic study sessions for sub-committees

Example of Activities

- Energy Sub-Committee** Promote reduction activities using visuals of energy use.
- Wastewater Sub-Committee** Promote wastewater management that complies with agreed-upon values that are stricter than laws and regulations
- Waste Material Sub-Committee** Achieve a waste recycling rate of 97%

Prevention of Air Pollution

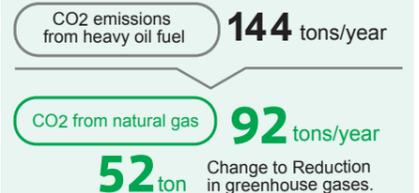
Although there are legal standards for exhaust gas, Taiyo Kagaku has entered into agreements with cities and set standards that are stricter than legal regulations. We use LNG (liquefied natural gas) and city gas to reduce sulfur oxides (SO_x). Also, we use low NO_x burners in steam boiler equipment to reduce nitrogen oxide emissions.



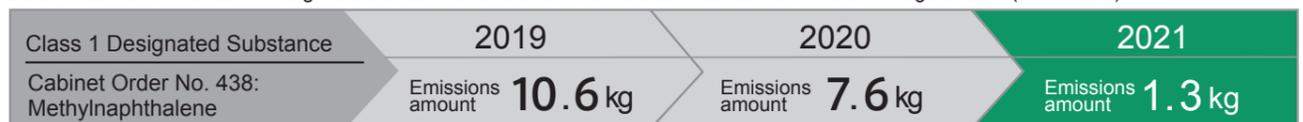
Management of Chemical Substances

Taiyo Kagaku is a food manufacturer, and our production processes include a heating and sterilization process. This means that heat generating equipment is absolutely necessary. Since the heating and sterilization process uses fuel and emits greenhouse gases, we view it as a major issue that leads to the risk of climate change. In order to promote the reduction of carbon released from generating heat, we have been working to introduce new technologies with low greenhouse gas emissions and have been sequentially implementing fuel conversion from heavy oil to natural gas. In fiscal 2021, we updated the last heavy oil boiler at a domestic site with a boiler using natural gas for fuel. By doing so, we completed our fuel conversion plan for domestic sites.

Reduction by converting from heavy oil fuel



■Calculation for the amount of target substances handled under the Pollutant Release and Transfer Register Law (PRTR Law)



Other information on "Together with Suppliers and Customers" can be found on our website. ▶



Other information on our "For the Earth" activities can be found on our website. ▶



Our Employees

We respect each other's personality and individuality, promoting the creation of a healthy, motivated workplace where diverse human resources can work while maintaining a work-life balance.

Human Rights Policy

- | | |
|--|---|
| 1. Respect for human rights | We respect the human rights of each and every person involved in our business activities. |
| 2. Prohibition of discrimination | We do not discriminate on the basis of race, nationality, place of origin, religion/faith, gender, sexual orientation, gender identity, social status, disabilities, etc. |
| 3. Prevention of harassment | We do not engage in or permit any form of harassment. |
| 4. Prohibition of forced labor and child labor | We do not engage in or permit forced labor or child labor. |
| 5. Promotion of diversity | We respect the individuality of our diverse workforce and aim to be a company that maximizes the strengths of each individual. |
| 6. Promotion of awareness for human rights | We continually educate our employees to deepen their understanding and knowledge of respect for human rights. |
| 7. Together with our suppliers | We also urge our suppliers to understand this policy, respect human rights, and not infringe on those rights. |

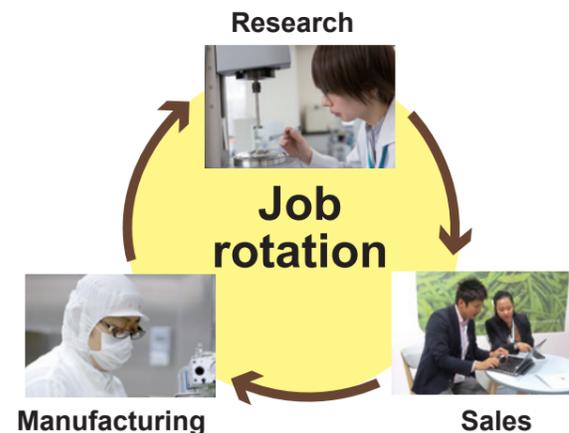
Diversity and Equal Opportunity

Employees are given the opportunity every year to self-report on their current work situation and future career aspirations. We have introduced a system that reflects the employee's desire to expand his/her work domain while considering their own careers. We have developed an environment in which employees can take on challenges in new work areas in addition to contents related to their current job duties. Furthermore, employees can utilize the shortened working hours system for childcare until the child reaches the start of the second grade of elementary school. This enables employees who are raising children to balance their work and family. By clarifying work processes and procedures, we strive to share work contents among employees, creating an environment where employees can continue to work with peace of mind; for example, making it easier to use leave for childcare or family care and the system for shortened working hours.

Job Rotation: A work initiative by Taiyo Kagaku

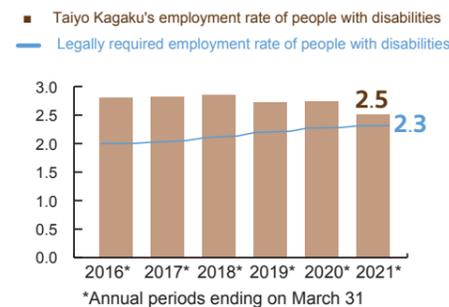
Each employee improves their skills and becomes a professional

Although there is also a need for specialists who pursue expertise in a certain field, Taiyo Kagaku expects our employees to become professionals who possess expertise in multiple fields rather than becoming such specialists. For that purpose, we implement periodic job rotations that are intended to expand our employee's horizons through broad experiences. Furthermore, we frequently hold internal training which is led not only by external instructors, but also by employees who serve as in-house instructors who provide instruction to other employees. We promote the growth of our employees by encouraging them to think and take action.

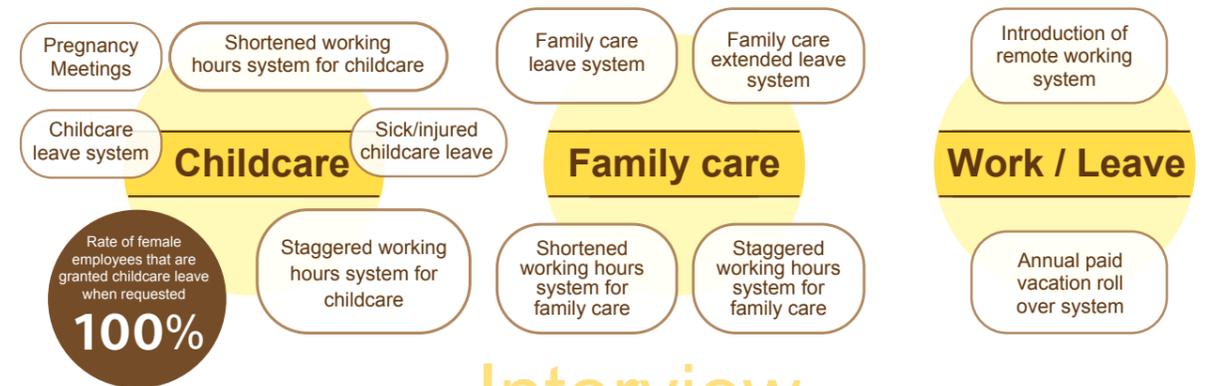


Employment of people with disabilities

By hiring people with disabilities and providing them with opportunities to continue working, we support the achievement of a stable and independent life. Our Code of Conduct states that we shall strive to cooperate with the local community, aim to be a trusted company, respect each other's character and individuality, and act based on compassion and trust.



Work-Life Balance (promotion of workstyle reform)



Interview

Improving my career after taking childcare leave



Ai Yamamoto
 【 Years at Taiyo Kagaku 】 : 9 years
 【 Department 】
 Research and Development Group,
 Natural Ingredient Division
 【 Occupation 】 Research and
 development staff
 【 Position 】 Assistant Chief

*Has taken child care leave twice

First time: July, 2017 ~ May, 2018
 Second time: June, 2021 ~ April, 2022

Before taking childcare leave, I was a little worried that it would negatively affect my career advancement. However, I had the opportunity to test for promotion just before taking my second maternity leave, and I received the promotion. It was then that I realized that taking childcare leave would not affect my future career. After taking childcare leave for the second time, I now feel even more responsible for my work. Although I currently work shortened hours, I am always conscious of how to work efficiently with limited time. When finishing a day's work, I try to anticipate my work in the upcoming days. If I need to concentrate, I use remote work. I share information on work with my team members, and we help each other. Childcare leave was a valuable time for me and my family. I was able to cherish my time with my family and also had the opportunity to reflect on my career. In this way, I believe that it was an important break that contributes to my future work. I look forward to continuing to achieve even greater personal growth balancing my career and family.

Taking childcare leave with the support of my entire team



Mafumi Isegawa
 【 Years at Taiyo Kagaku 】 : 13 years
 【 Department 】
 Production Group, Natural
 Ingredient Division
 【 Occupation 】 Manufacturing staff
 【 Position 】 Team Leader

I thought about taking childcare leave because both my parents and my wife's parents live far away. Before taking leave, I never questioned my own work duties. However, when I began allocating my work in preparation for leave, I realized that individual employees have too much ownership over certain duties, and I strongly felt the need to create a support system for when some members of our team are unable to work. It was my first experience in caring for a child and I found it quite difficult. Nevertheless, I felt the joy of being involved with my child every day. Prior to taking childcare leave, I thought that the disadvantages of leave outweighed the benefits. However, I could feel the kindness and unity of my team when I was supported by its members. Even if you feel that no one else can handle your duties at work, consulting with other team members in advance will enable you to find a way to take leave. I was the first male employee to take childcare leave, and it made me very happy to hear that other male employees followed my example and took leave themselves. Spending time with your child is an irreplaceable experience. We have entered an era in which both spouses cooperate to raise their children. From now on, we are in an era of cooperating and raising children regardless of gender. Currently, I am in the position of team leader. I feel that balancing my work and family leads to increased daily motivation. Moving forward, as Taiyo Kagaku is a company that assists employees in balancing work and family, I hope that taking childcare leave becomes more common.

*Comprehensive information on systems/initiatives related to family care and childcare is posted on our website, in addition to full interviews on childcare. ▶



With Our Communities

Taiyo Kagaku strives to coexist with the local community by supporting society, fostering academia, and growing industries through local activities. We also work hard to be a corporation trusted by society.



In-class visit to AKATSUKI GAKUEN (Junior High School)

Taiyo Kagaku held an in-class visit at AKATSUKI GAKUEN, which is a junior high school located near our Yokkaichi Head Office in Mie Prefecture. Under the theme of “Talking About the Stomach: Intestines are the Source of Energy,” students learned about nutrition while conducting experiments. We held a class on the relationship of nutrition and intestinal function, as well as the importance of that relationship. After the class, we discussed diet and health from the perspective of sales staff, researchers, and developers.



Global Corporation Field Trip

Taiyo Kagaku welcomed freshmen from Mie Prefectural Yokkaichi High School as part of the Global Corporation Field Trip sponsored by Mie Prefectural Yokkaichi High School. As part of our efforts to cultivate the next generation as a local corporation, we discussed what it means to work for a research-oriented company that handles food. In addition to a plant tour, we held a roundtable discussion with employees who are alumni of Mie Prefectural Yokkaichi High School. The theme of the discussion was “What is the meaning of work? What should I concentrate on in high school in order to pursue my goals?”



Activities at Shinmei Iki-Iki Plaza

The Shinmei Iki-Iki Plaza is located adjacent to our Tokyo Office (Hama-matsu-cho, Minato-ku). Based on the keywords of “congregating,” “learning,” and “nurturing,” the Plaza is a place mainly for people aged 60 years and older to engage in hobbies, recreation, learning, care prevention, and health promotion. It is also a center for exchange among ward residents and for community activities. The Plaza plans activities to address the concerns and interests of a wide range of generations, from the elderly to new mothers. This fiscal year, Shinmei Iki-Iki Plaza and Taiyo Kagaku cooperated to hold lectures on sleep and cognitive function. Through the lectures, we introduced a wide range of both familiar and fresh knowledge that is still novel in regards to tea and sleep quality, which is a topic deeply related to corporations in Mie Prefecture.



Corporate Governance

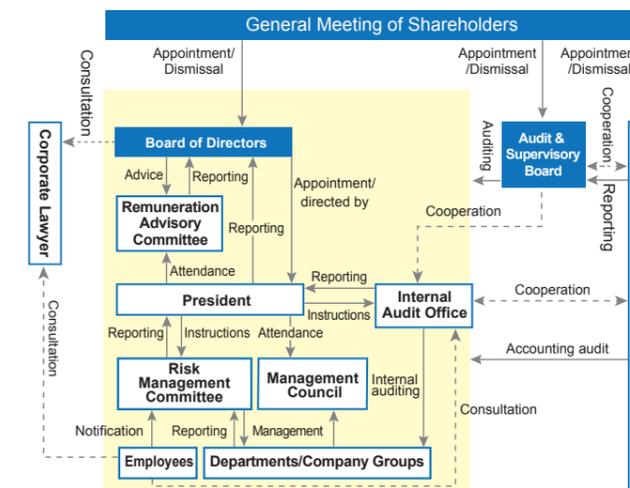
As a trusted company, Taiyo Kagaku continues to build healthy and strong corporate governance systems.

Basic concept

Based on the recognition that it is important for the Taiyo Group to fulfill our social responsibility of achieving sustainable growth and development, we work to improve management transparency and ensure thorough compliance. We are also striving to strengthen our corporate governance.

Corporate Governance System

In order for a company to continue healthy, sustainable growth, it is important for management to make quick decisions and to have a system to implement those decisions. Taiyo Kagaku has created mechanisms such as increasing the number of outside directors, evaluating and analyzing the effectiveness of the entire Board of Directors, and evaluating candidates for accounting auditors. The Board of Directors makes swift management decisions, and the Audit and Supervisory Board audits the execution of business decisions by directors to heighten corporate transparency.



Board of Directors

The Board of Directors consists of eight members, including two outside directors. In addition to promptly executing important management decisions, the Board holds periodic meetings (in principle, monthly meetings) to fulfill the function of auditing the status of business execution by each director.

Management Council

The management council is composed of the President and full-time corporate auditors. The Council holds meetings as necessary in order to discuss and decide on topics such as management strategy and medium- to long-term plans, with the aim of further heightening management strategy.

Audit and Supervisory Board

The Audit and Supervisory Board consists of three members, including two outside auditors. The Board holds periodic meetings (in principle, monthly meetings) in order to conduct audits from the perspective of the legality and validity of business execution by directors.

Organizational Form	Board of Directors & Auditors
Board of Directors	Number of people: No. of Directors: 8 (including 2 Outside Directors) Term: 1 year
Auditor	Number of people: No. of Directors: 3 (including 2 Outside Directors) Term: 4 years
Independent officer	Outside Director: 1 Outside Auditor: 1
Implementation status for incentives given to Directors	Implementation of Performance-Based Remuneration System, etc.

Internal Audit System

In order to support the internal control reporting system (J-SOX) for the appropriateness of financial reporting based on the Financial Instruments and Exchange Act, the Internal Audit Office has been promoting the establishment of an internal control system since October 2005, which is before the Act was enacted. We have also set up a reliable operation system for this system both inside and outside the company. With the Board of Directors, we passed a resolution on “systems to ensure that the execution of duties by directors complies with laws, regulations, the Articles of Incorporation, and other systems to ensure the appropriateness of company business” as stipulated in the Companies Act and the Ordinance for Enforcement of the Companies Act. We have resolved to establish a system to steadily operate based on these resolutions.

Internal Audit Office

The Internal Audit Office was established as an independent organization staffed by two people under the direct control of the President. The two staff members are corporate auditors who conduct internal audits from the perspective of legality, validity, and efficiency based on the internal audit plan.

Evaluation of the Board of Directors' Efficacy

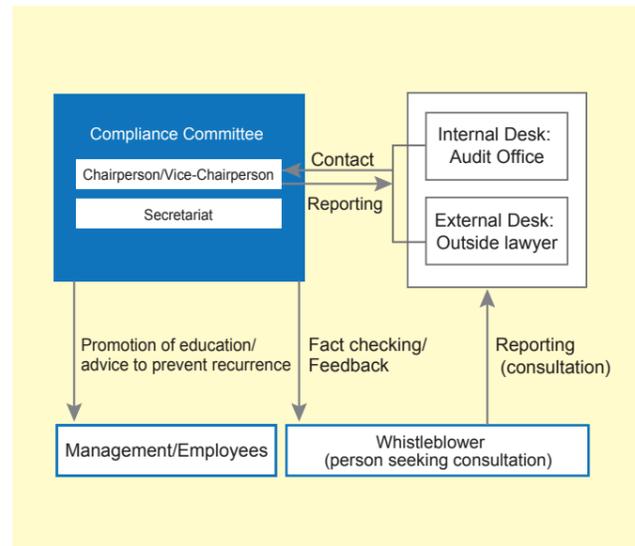
In order to improve the effectiveness of the Board of Directors, Taiyo Kagaku administers a questionnaire to directors and corporate auditors every year. The questionnaire addresses the topics of (1) effectiveness of discussion and review, (2) effectiveness of supervisory functions, (3) effectiveness of leadership, (4) effectiveness of environmental improvement conditions, (5) effectiveness of supporting shareholders and stakeholders, and (6) effectiveness of the composition of the Board of Directors, etc. After evaluating and analyzing the questionnaire results, the Board of Directors deliberates on how to better improve its functions.

Basic Compliance Policy

1. We place compliance as the highest priority in all aspects of our business activities.
2. In addition to laws and regulations, we will comply with internal rules and corporate ethics, and will strictly refrain from any actions that may raise doubts about the appropriateness of our business activities.
3. We view our suppliers to be important partners and strive for fair, transparent transactions aimed at mutual growth.
4. As a company who is friendly to people and the Earth, we actively work to reduce the burden on the global environment.
5. We properly manage company assets and information, only using them for their specified purposes.
6. We ensure management transparency by disclosing information in a timely and appropriate manner.

Implementing the Compliance System

We have established a Compliance Committee for the purpose of establishing, permeating, and instilling a company-wide compliance system. It also heightens the effectiveness of compliance through activities such as ascertaining potential risks related to business activities, responding to compliance violations, formulating measures to prevent recurrence, and providing education.



Whistleblowing System

We have set up a consultation service so that all employees can consult and report on compliance matters. The aim of the whistleblowing system is early detection to prevent legal violations and fraudulent activities. In addition, to enable employees to contact the consultation service with peace of mind, we have stipulated that the whistleblower will not be disadvantaged due to filing a report. We also accept anonymous contributions.

Risk Management

We recognize that it is important to identify, ascertain, and evaluate various risks surrounding the Group, to thoroughly reduce and prevent the occurrence of risks, and to promptly resolve any incidents or accidents that have occurred.

Risk Management System

Taiyo Kagaku defines business risk as "losses that may have a significant impact on operations." In addition to formulating risk management and crisis management rules, the Risk Management Committee monitors the status of ascertaining, controlling, and avoiding business risks of the Company and its subsidiaries. The Committee also reports the results of monitoring to the Board of Directors.

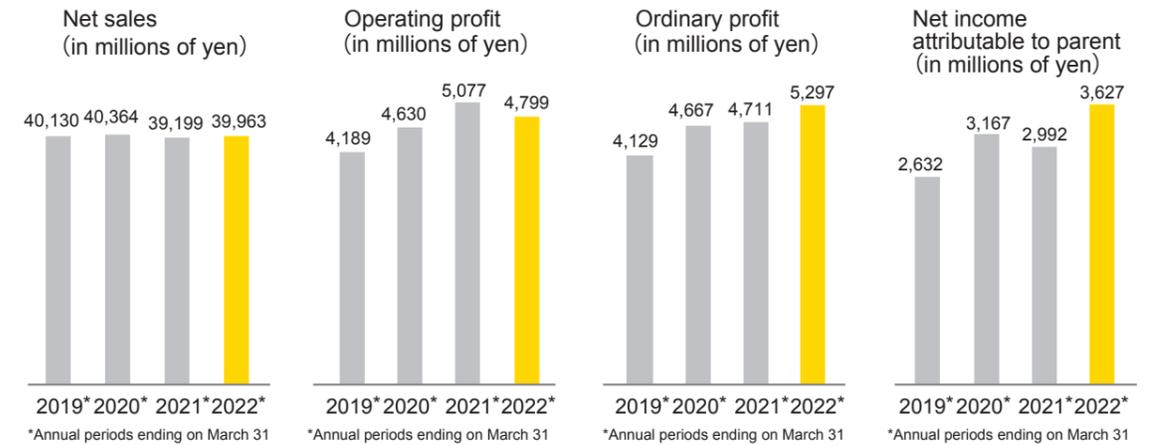
Protection and Management of Information

In order to appropriately handle various types of important information, Taiyo Kagaku has established internal rules such as Information Management Rules and an Information Security Policy. Furthermore, for the purpose of reducing risks related to information systems, we have established an IT Committee that takes inventory of information and evaluates management methods every year. We have also defined security ranks for all information, set access restrictions for confidential information, introduced IT asset management tools, and implemented physical and technical measures for information security.

Initiatives for Business Continuity

Taiyo Kagaku is working to strengthen our voluntary security management system by forming a crisis management network that anticipates events such as natural disasters, accidents, and risks related to products and services. We perform biannual safety confirmation drills and evacuation drills to prepare for emergencies such as a major earthquake or fire. Additionally, in response to the global COVID-19 pandemic, we established the COVID-19 Response Task Force with the President serving as Chief. The Task Force formulated an "Action Plan for Preventing the Spread of COVID-19" and a "Manual for Response to Suspected COVID-19 Infection." It also holds meetings with the Risk Management Committee to discuss infection countermeasures and issue internal notifications. Moreover, to prepare for the possible infection of an employee in a production department, we are implementing business continuity measures such as preparing disinfection procedure manuals, listing support personnel, and simulating support measures.

Financial/Non-Financial Highlights



Financial Information (Consolidated)

	Units	2018*	2019*	2020*	2021*	2022*
		*Annual periods ending on March 31				
Net sales	in millions of yen	38,689	40,130	40,364	39,199	39,963
Operating profit	in millions of yen	3,802	4,189	4,630	5,077	4,799
Ordinary profit	in millions of yen	3,813	4,129	4,667	4,711	5,297
Net income attributable to parent	in millions of yen	2,584	2,632	3,167	2,992	3,627
Net assets	in millions of yen	37,784	38,297	40,078	42,338	44,159
Total assets	in millions of yen	48,301	48,813	49,751	52,867	54,714
Return on equity (ROE)	%	7.3	7.1	8.3	7.4	8.6
Capital investment	in millions of yen	2,334	2,465	2,305	3,836	4,051
Depreciation	in millions of yen	1,137	1,136	1,138	1,272	1,497
R&D expenses	in millions of yen	1,304	1,309	1,413	1,392	1,379
Ratio of R&D expenses to net sales	%	3.37	3.26	3.50	3.55	3.50
Equity ratio	%	75.9	76.7	78.8	78.0	78.3
Cash flow from operating activities	in millions of yen	3,983	3,266	4,217	4,674	5,122
Cash flow from investing activities	in millions of yen	△2,242	△3,654	△2,869	△4,365	△2,915
Cash flow from financial activities	in millions of yen	△968	△2,081	△1,002	△1,506	△2,379
Net income per share	Yen	140.88	143.71	174.64	165.42	209.04
Dividend per share	Yen	43.00	44.00	53.00	50.00	64.00
Dividend payout ratio	%	30.5	30.6	30.3	30.2	30.6

Non-Financial Information (Social Indicators)

	Units	2017	2018	2019	2020	2021
Rate of occupational accidents ※1	%	0.84	2.45	0.00	2.21	2.28
Domestic employees ※2	People	556	541	547	534	519
Overseas employees ※3	People	339	322	311	305	411
Average years of service	Years/Months	20 yrs & 4 mos	19 yrs & 10 mos	20 yrs & 1 mo	20 years & 9 mos	20 years & 7 mos
Hiring ratio for women	%	33.3	37.5	37.5	33.3	50.0
Ratio of women in management positions	%	3.3	4.4	5.8	5.7	4.7
Employment ratio of persons with disabilities	%	2.81	2.85	2.71	2.73	2.50
Rate of female employees taking long-term childcare leave	%	100	100	100	100	100
Rate of employees taking paid leave ※2,4	%	65.98	66.00	67.07	62.93	61.40
Number of employees taking childcare leave	People	15	11	14	14	16

※1 Calculated using the following formula : (number of injuries & deaths due to occupational accidents / total number of actual working hours) x 1,000,000

※2 Employees/contract employees ※3 Employees of overseas subsidiaries

※4 Calculated based on date on which paid leave was granted (as of March 31, 2022)

Trade name Taiyo Kagaku Co., Ltd.
 Established January 28, 1948 (founded: May, 1946)
 Capital 7,730.62 million yen
 Representative Nagahiro Yamazaki
 Employees 939 (plus 145 temporary employees) /consolidated
 Net sales 39.963 billion yen / consolidated
 Head office location Yokkaichi Head Office:
 800 Yamada-cho, Yokkaichi, Mie 512-1111
 Tokyo Head Office: 1-6-3 Hamamatsu-cho,
 Minato-ku, Tokyo 105-0013
<https://www.taiyokagaku.com/>

Overseas Sites

**Germany
Taiyo GmbH**
 Established 2012 in Germany as a sales subsidiary for our products in the EMEA (Europe, Middle East, Africa) region.



**China
Taiyo Green Power**
 A plant producing plant-derived functional ingredients such as green tea extract. It also supplies Kosher and Halal-certified food products to global markets.



**China
Kaifeng Jinming Food**
 Uses microwave processing technology to supply products for the rapidly-growing instant food markets in China and other parts of Asia.



**China
JEANAVICE (Tianjin) Food Co., Ltd.**
 Established 2012 in Tianjin, China to manufacture and sell bakery products.



**China
Taiyo Kagaku China Co., Ltd.**
 Identifying Asia as an important region for international strategy, Taiyo Kagaku China was established in January 2006 as a sales subsidiary of raw materials for food processing as well as functional ingredients.



**U.S.A.
Taiyo International, Inc.**
 A wholly owned subsidiary established in 1994 as a base for the sale and manufacture of our products in the United States market. It is conducting sales activities in order to further our products' penetration into the United States market.



**South Korea
TAIYO INTER KOREA Co., Ltd**
 Established in 2001 as a sales subsidiary for the South Korean market. It is actively conducting sales activities for the food product and cosmetics markets in South Korea.



**Taiwan
Taiwan Office**

**Philippines
Philippines Office**

**Indonesia
Indonesia Office**

**Thailand
Bangkok Office**

**Vietnam
Vietnam Office**

**India
TAIYO KAGAKU INDIA Pvt. Ltd.**
 A plant producing water-soluble dietary fiber. It also supplies Halal-certified food texture improvers to Southeast Asian markets.



Tokyo Head Office
 Food Analysis Technology Center (OISHISA KAGAKUKAN)
 Taiyo-labo Shop




Domestic Sites

Shiohama
 Research Center
 Shiohama Plant



Nanbu
 Yokkaichi Head Office
 Nanbu Plant




Sales Offices
 U.S.A., Thailand, China, Taiwan, Korea, Vietnam, Philippines, Indonesia, Europe

Sales Agents
 Argentina, United Kingdom, Italy, India, Uruguay, Ecuador, Netherlands, Australia, Austria, Canada, Greece, Colombia, Singapore, Switzerland, Spain, Czech Republic, Chile, Finland, Brazil, Bulgaria, Peru, Belgium, Poland, Malaysia, South Africa