

# New Medium-Term Management Plan Overview of Teisen 2028

February 13, 2026

**Teikoku Sen-i Co., Ltd.**  
(Securities Code: 3302, Tokyo Stock  
Exchange Prime Market)



**Teisen** 帝国繊維株式会社

5-1, Nihonbashi 2-Chome, Chuo-Ku, Tokyo 103-6115  
(15th floor, Nihonbashi Takashimaya Mitsui Building)

 [www.teisen.co.jp](http://www.teisen.co.jp)

Securities Code: 3302

# Table of Contents

<b>01</b>	<b>Understanding the Business Environment Surrounding Teisen</b>	03
<b>02</b>	<b>Review of the Previous Medium-Term Management Plan</b>	06
<b>03</b>	<b>The Company's Vision</b>	12
	<b>New Medium-Term Management Plan Basic Policy</b>	13
	<b>Plans by Business Segment</b>	20
	<b>Earnings Plan</b>	27
	<b>Capital Strategy</b>	28
	<b>Digital Transformation (DX) Strategy</b>	29
	<b>Green Transformation (GX) Strategy</b>	30
	<b>Human Capital</b>	31
	<b>Corporate Governance</b>	32
	<b>Engagement with Investors</b>	33

# 01 Understanding the Business Environment Surrounding Teisen

# The Environment Surrounding Teisen

## Accelerating Digital Transformation

- Rapid advancement of AI
- Advancements in disaster prediction and risk analysis
- Improved efficiency in disaster response operations
- Entry of new game-changing players
- Creation of new service models
- Labor savings through automation

## Declining Working-Age Population

- Operational risks from labor shortages
- Lack of on-site experience
- Growing need for automation and labor savings
- Promotion of a regionally decentralized national structure



## Intensifying Climate Change

- Increasing and diversifying disaster risks
- Mainstreaming of climate policies and strengthening of regional responses
- Shift from “restoration to original state” to “adaptive reconstruction”
- Emergence of new market opportunities
- Advancement of electrification and renewable energy initiatives

## Rising Geopolitical Risks

- Increasing complexity and unpredictability of impacts
- Increase in defense expenditures
- Importance of domestic manufacturing capabilities
- Risk of supply chain disruptions

## Aging Social and Disaster Prevention Infrastructure

Even among river management facilities (including designated facilities defined under the Act on the Japan Water Agency), the number of concrete structures that are 50 years of age or older will increase rapidly in and after 2025.

# 01 The Business Environment Surrounding Teisen

## Business Continuity Planning (BCP) in the Corporate Sector

Company Size	Number of Business Establishments (Estimated BCP Formulation Rates)
Listed Companies	Approx. 3,900 (BCP formulation rate: 75%)
Large Non-Listed Companies	Approx. 30,000 (BCP formulation rate: 70%)
Small and Medium-Sized Enterprises (SMEs)	Approx. 4.2 million (BCP formulation rate: 15%)

⇒ BCP development among companies still remains insufficient overall.  
 Even listed companies alone are required to have BCPs capable of addressing economic impacts on the scale of hundreds of billions to trillions of yen.

## Firefighting and Disaster Prevention Sector

The number of volunteer firefighters has declined to approximately 750,000, reaching the lowest level on record and causing a significant manpower shortage.

⇒ Consequently, the need for multifunctional equipment and labor-saving solutions is becoming increasingly urgent, even as the growth of the firefighting and disaster prevention market is expected to be limited.

## Security Sector

Japan faces the inherent risk of terrorism on the same level as terrorist incidents occurring frequently worldwide.

⇒ This, in turn, underscores the growing need for security systems capable of preventing such threats before they occur.

Potential market segments include:

- High-traffic public spaces (e.g., train stations, airports, and venues for sports events and concerts)
- Critical infrastructure (e.g., public transportation) and facilities related to government and public administration
- Locations that are internationally significant or symbolic (e.g., tourist destinations, bustling streets, and venues associated with global events)

02

**Review of the Previous  
Medium-Term Management  
Plan (Teisen 2025)**

# Consolidated Profit and Loss Trends

- Despite the anticipated downturn in the nuclear power segment during a transitional period, growth in other business areas offset the decline, resulting in higher net sales and profits.
- In response to rising procurement costs driven by inflation, we adjusted sales prices and optimized administrative expenses, improving profit margins.
- Against the ROE target of 8%, the ROE for FY2025 was 5.4%.

(Millions of yen)

	FY2023	FY2024	FY2025	Year-on-Year
Net sales	28,032	31,481	33,639	2,158
Gross profit	7,640	8,633	9,635	1,002
Operating profit	2,585	3,459	4,055	595
Ordinary profit	3,569	4,553	5,308	754
Profit	2,445	3,253	3,742	489
Gross profit margin	27.3%	27.4%	28.6%	1.2pt
Operating profit margin	9.2%	11.0%	12.1%	1.1pt
Net Sales (Non-consolidated)				
Firefighting	8,443	6,720	7,710	990
Nuclear power	1,687	468	1,109	641
Water supply and drainage and industrial complexes	2,184	2,526	1,728	- 797
Security	1,578	3,171	4,084	913
Special-purpose vehicles for airports	1,465	3,311	3,893	582
Textiles	4,746	6,440	6,565	124

# 02 Orders Received and Order Backlogs for FY2025

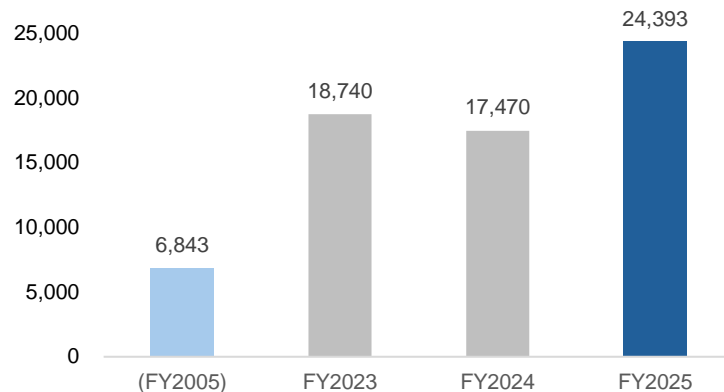
(Teikoku Sen-i on unconsolidated basis)

- Orders received remained strong, and some deliveries were pushed into later periods. As a result, order backlogs increased by 5.4 billion yen year on year at the end of FY2025.
- Due to changes in the business portfolio and core product offerings, the year-end order backlogs are now more than tenfold from 20 years ago.

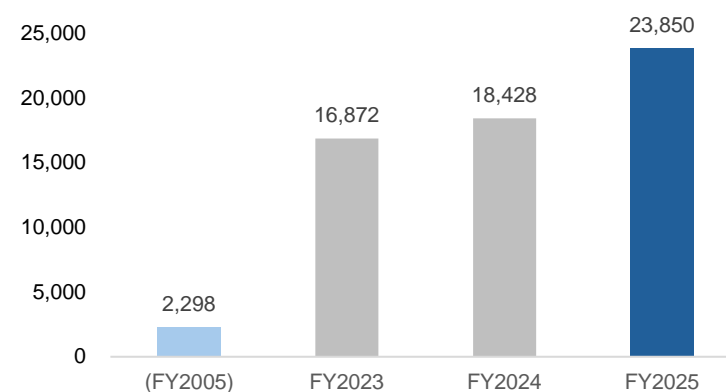
(Millions of yen)

	FY2023	FY2024	FY2025	Year-on-Year
Orders received	18,740	17,470	24,393	+39.6%
Order backlogs	16,872	18,428	23,850	+29.4%

## Orders received

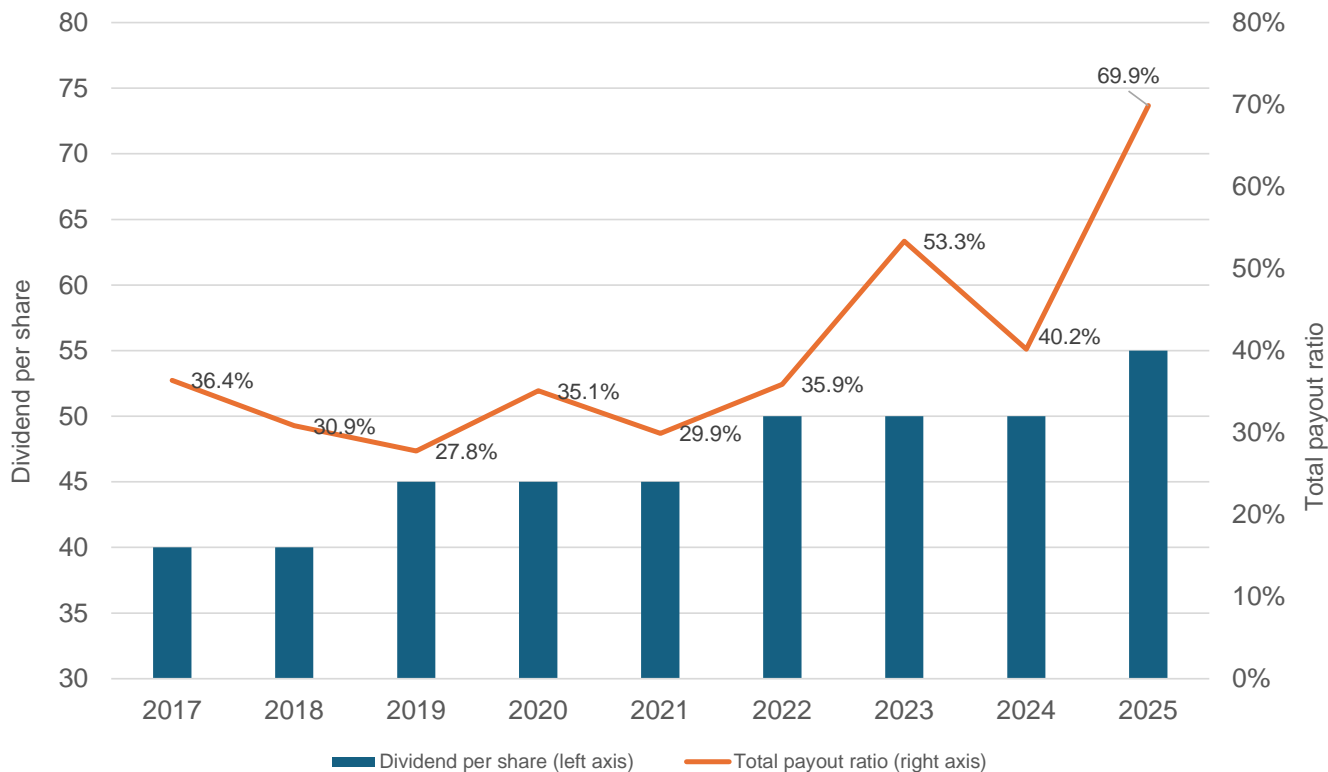


## Order backlogs



# 02 Shareholder Returns

- The total payout ratio exceeded the benchmark of 40% throughout the medium-term management plan period.
- In FY2025, the ratio rose to 70%, driven by share repurchases totaling 1.17 billion yen.



(Note) The total payout ratio represents the shareholder return ratio including share repurchases.

# Cash Flow Results

- During the medium-term management plan period, cash flow turned negative due to increased working capital requirements driven by inventory investments associated with higher order volumes, as well as enhanced shareholder returns through dividend increases and share repurchases.

## <Cash Flow Results for the Three Years (2023–2025)>

Cash Inflows (2023-2025)	Cash Outflows (2023-2025)	Cash Inflows
<p>Operating CF 4.86 billion yen</p> <p>( Profit Depreciation Working capital, etc. )</p>	<p>Shareholder Returns 5.5 billion yen</p> <p>( Dividends Share repurchase )</p>	<ul style="list-style-type: none"> <li>● Operating Cash Flow 4.86 billion yen Profit 9.47 billion yen + Depreciation 2.18 billion yen - Increase in working capital, etc. 6.79 billion yen <small>*Profit represents the amount after deducting corporate taxes and other payments from profit before income taxes. The amount of operating cash flow is presented after adjustments for expenses related to R&amp;D and personnel investments.</small></li> <li>● The portion of expenditures (shareholder returns and investments) that exceeds operating cash flow is covered by drawing down cash on hand.</li> </ul>
	<p>Investment expenditures 3.58 billion yen</p> <p>( Capital investment System investment R&amp;D investment Personnel investment )</p>	<p style="text-align: center;">Cash Outflows</p> <ul style="list-style-type: none"> <li>● Shareholder Returns 5.5 billion yen Dividends: 3.96 billion yen; Share repurchases: 1.53 billion yen (including 0.36 billion yen acquired through the stock compensation trust)</li> <li>● Investments, etc. 3.58 billion yen Capital investment: 1.79 billion yen; System investment: 0.49 billion yen; R&amp;D investment: 0.57 billion yen; Personnel investment: 0.36 billion yen; others</li> </ul>

Excess expenditures  
4.22 billion yen

# 02 Progress on Strategic Themes of Medium-Term Management Plan Teisen 2025

- The self-assessment and progress for the strategic themes set out in the previous Medium-Term Management Plan are summarized in the table below.

Strategic Themes of Teisen 2025	Self-Assessment and Progress	
<p><b>01. Strengthening Market Development and Establishing Overwhelming Market Competitiveness</b></p> <ul style="list-style-type: none"> <li>Expansion of the water supply and drainage business</li> <li>Development of the security business</li> <li>Creation of a specialized disaster response vehicle business</li> <li>Commercialization of maintenance services</li> <li>Further enhancement of core businesses (hoses, equipment, vehicles, and firefighting suits)</li> </ul>	Achieved	<p>The individually defined strategic themes, namely <u>the water supply and drainage business and the security business, have continued to deliver steady results</u>. Additionally, <u>development of next-generation disaster response vehicles has made progress</u> within the core businesses. Meanwhile, the commercialization of maintenance services and the refinement of core businesses other than vehicles have only been partially achieved. We will rebuild our business model based on our understanding of the organization's business environment.</p>
<p><b>02. Enhancing and Strengthening the Functions of the Shimotsuke and Kanuma Plants, Which Support Our Sales Activities</b></p> <ul style="list-style-type: none"> <li>Thorough fulfilling of roles as cost and quality control center</li> <li>Strengthening of capabilities as the technology and development center</li> <li>Enhancement and utilization of facilities in a wide range of fields, including education, training, and experimental tests</li> </ul>	Partially Achieved	<p>Both plants have made progress on initiatives to strengthen quality-control systems and improve operational efficiency. As the manufacturing base, they are <u>steadily reinforcing the production framework that supports business growth</u>. Moving forward, we will focus on further enhancing our technological and developmental functions, as well as upgrading our facilities, to establish the plants as integrated technical hubs for training and other activities.</p>
<p><b>03. Strengthening Sustainable Earning Power</b></p>	Partially Achieved	<p>The profit targets for the final year of the previous Medium-Term Management Plan (5.0 billion yen in consolidated operating profit and 6.0 billion yen in consolidated ordinary profit) were not achieved. However, <u>the year-end order backlogs reached a record high</u> and will support performance from fiscal year 2026 onward. Additionally, <u>the year-end price-to-book ratio (PBR) increased to 1.17x</u> (compared to 0.93x at the end of the previous fiscal year). Looking ahead, we plan to accelerate our efforts to expand existing businesses and pursue new markets and product domains to strengthen our earning power.</p>

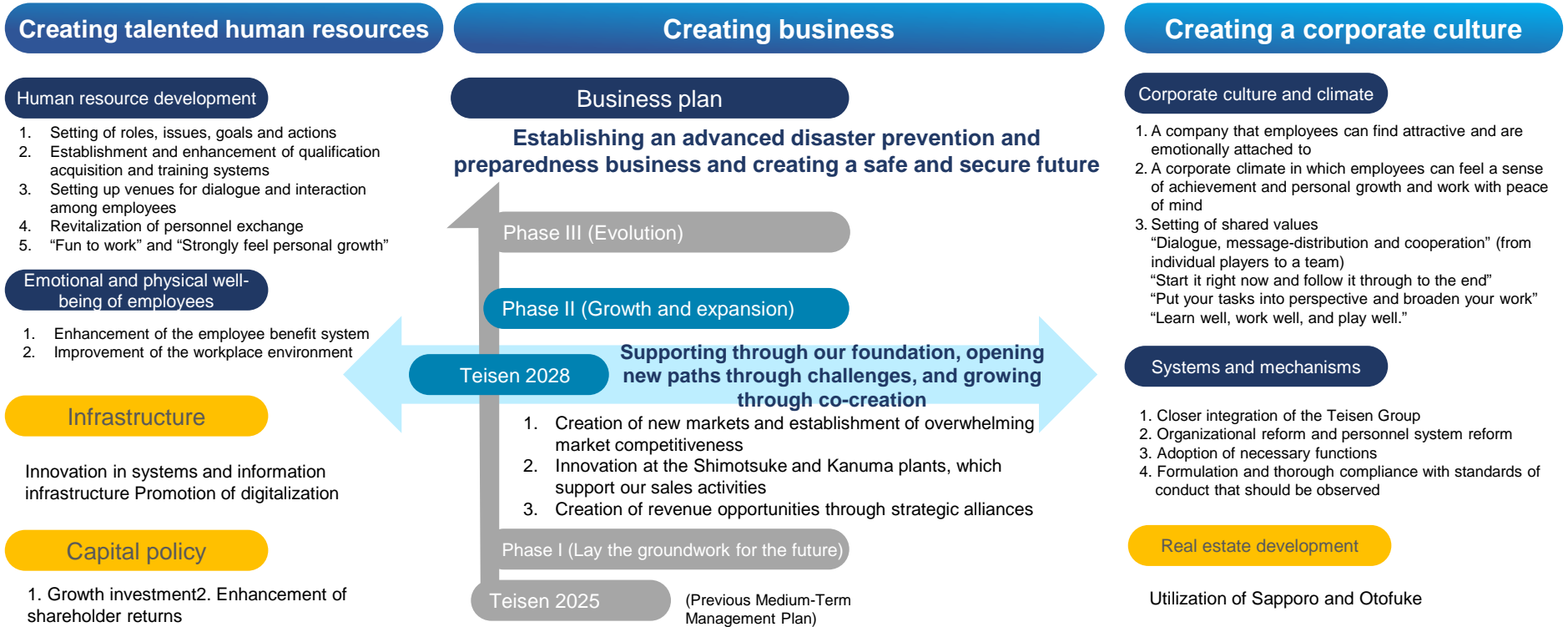
03

# The Company's Vision

# Teisen Future Creation Plan and Medium-Term Management Plan

## Medium- to Long-Term Vision “Teisen Future Creation Plan” (From 2023 to 2032)

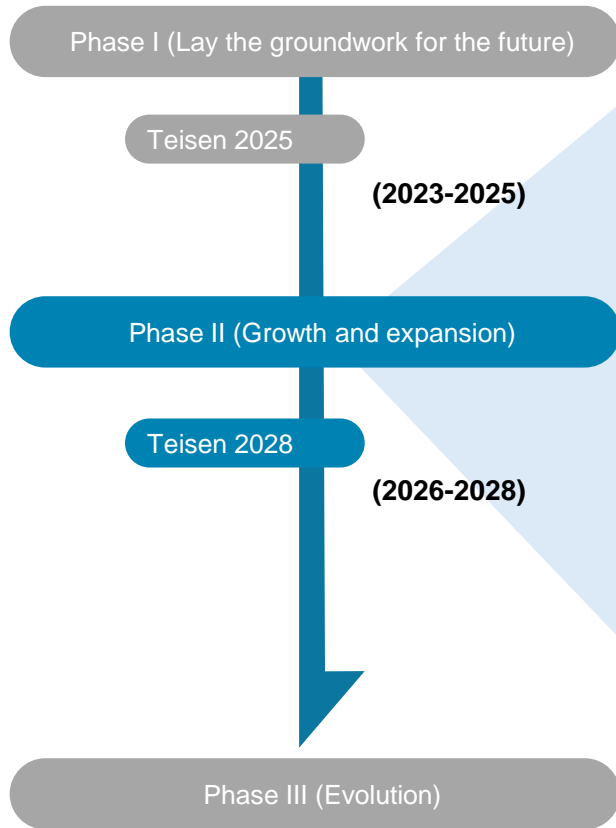
Under the theme of “Creating talented human resources, creating business, and creating a corporate culture that connects people and business,” the plan describes details of the efforts that we undertake to achieve the company’s envisioned position 10 years after the formulation of the plan.



# 03 Teisen Future Creation Plan and Medium-Term Management Plan

Based on the progress of Teisen 2025's strategic themes and the Company's business environment, we have reviewed and updated the themes.

## Teisen Future Creation Plan



**テイセン**  
**未来創造計画**  
人を創る・仕事を創る・企業文化を創る

わたしたちのミッション  
先進的防災事業を確立し  
安心安全な未来を創る

**テイセン 2028**  
基盤で支え、挑戦で拓き、共創で成長する

I 未来への基盤づくり    II 成長・発展    III 進化

01 市場創造と圧倒的市場競争力の確立

- 自治体・コンビナート・原子力向け送排水ビジネスの拡大
- セキュリティビジネスのマーケット開拓
- 次世代型防災特殊車輛マーケットの創造
- 基盤事業(ホース・機材・車輛・消防被服)の拡大、発展

02 営業を支える下野・鹿沼両工場の革新

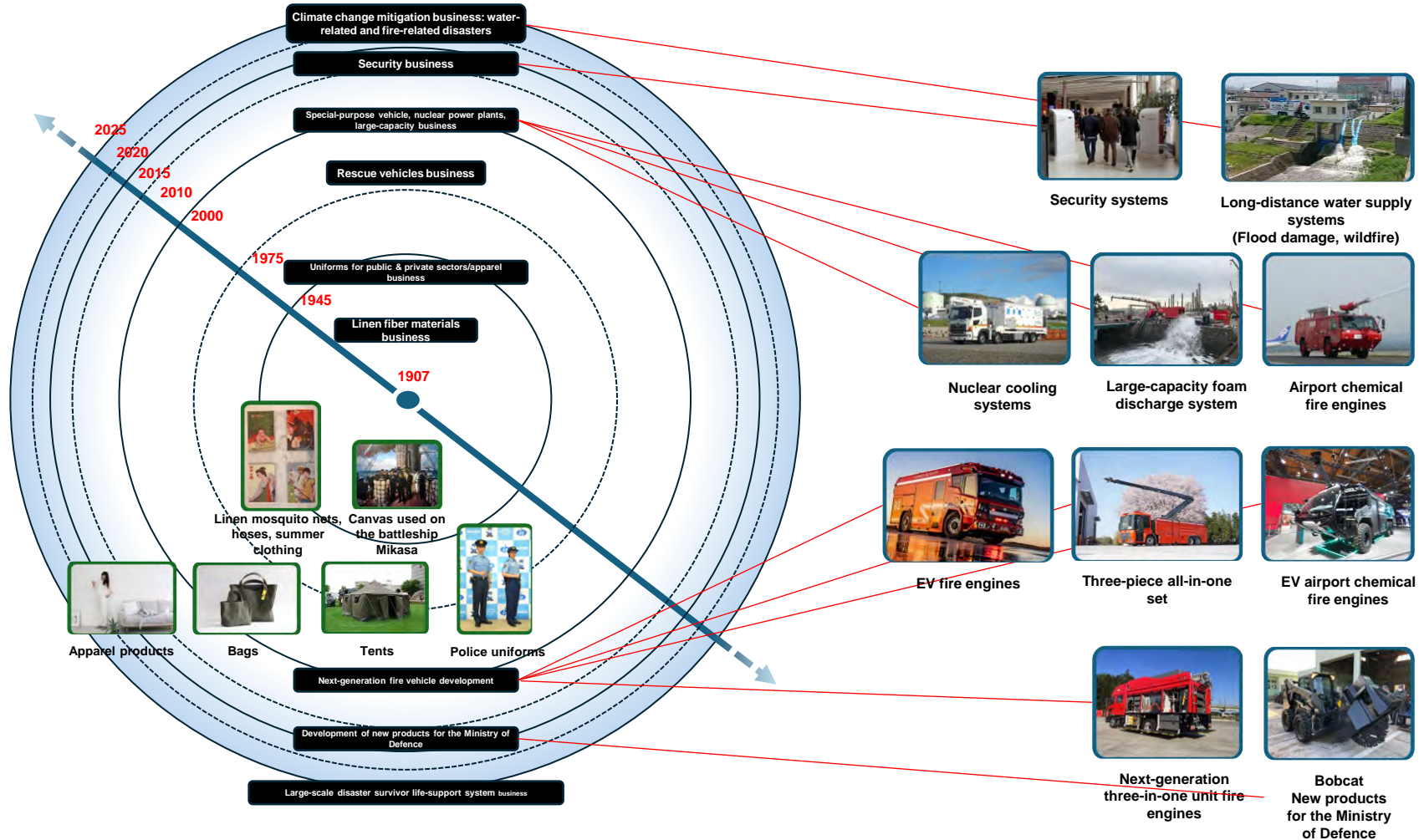
- 「製造拠点」から「技術集約拠点」への脱皮
  - ▶ 技術・開発機能の強化
  - ▶ コスト・品質管理機能の強化と定着
  - ▶ 教育・訓練・実証実験等の機能を備えた施設の充実

03 アライアンスによる収益機会の創出

# Teisen Group's Challenge to the Next Stage

## The Group's 120-Year History of Product Development

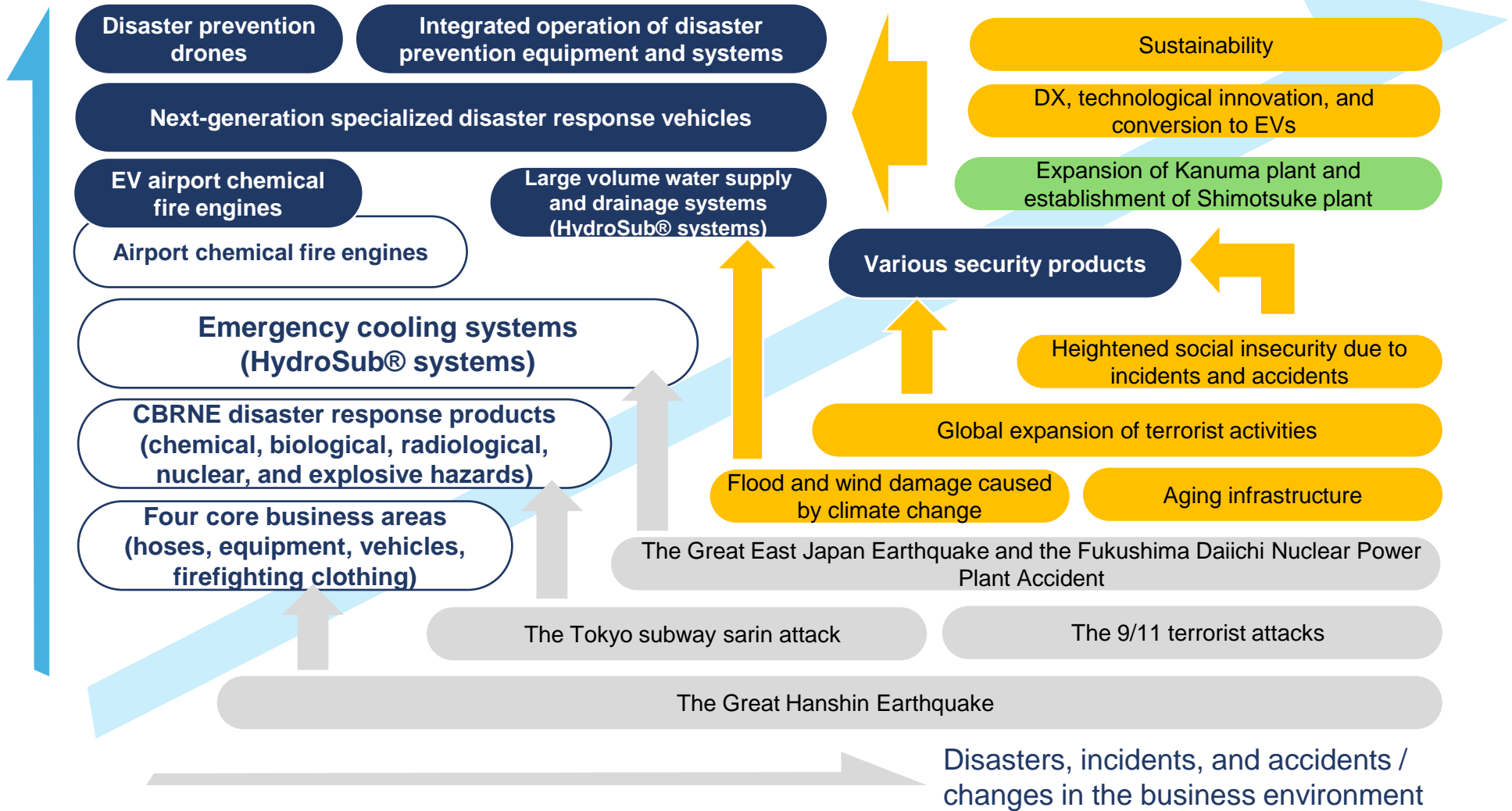
A rapid acceleration in product and service development over the past 20 years, driven by changes in the business environment



# 03 Teisen Group's Challenge to the Next Stage

Expanding Our Business to Contribute to the Development of a Safe and Secure Society

Expansion of product lines and applications



# 03 Business Policy in the Disaster Prevention Sector

## (1) Expansion of Disaster Prevention Scope and Deepening & Expansion of Our Group's Disaster Prevention and Preparedness Business - Environment & Background

17 Strategic Fields of the Headquarters for Japan's Growth Strategy

Disaster prevention and national resilience

Basic Policy for Making Japan a Disaster-Resilient Nation

Establishment of the Disaster Management Agency

Basic Plan for National Resilience

Five-Year accelerated measures for disaster prevention and mitigation, and national resilience (through 2025)

### First medium-term implementation plan for national resilience (2026–2030)

#### Development and management of disaster prevention infrastructure

- Enhancement of flood-risk information
- Promotion of basin-wide flood-control measures
- Strengthened information provision for people requiring assistance during disasters
- Management of residual risks after a disaster occurs
- Transition to preventive, condition-based maintenance, etc.

#### Enhancement of the resilience of lifeline systems

- Transition to preventive, condition-based maintenance
- Strengthening coordination of transportation networks
- Enhancement of disaster resilience of water and sewer systems
- Reinforcement of power grids and decentralized energy
- Improvement of autonomy of communication systems in disasters, etc.

#### Utilization of digital and other advanced technologies

- Enhancement of equipment and materials (police, fire departments, Self-Defense Forces, TEC-FORCE, etc.)
- Integrated system for information collection and dissemination
- Phase-free digital framework (usable in both daily life and emergencies), etc.

#### Enhancement of public-private collaboration

- Seismic reinforcement of housing and buildings
- Earthquake-resistance and fire-prevention measures in densely built urban areas
- Enhancement of health, medical, and welfare support systems
- Coordination with location optimization plans
- Integrated promotion with regional revitalization, etc.

#### Reinforcement of community disaster resilience

- Shelter measures (Sphere Standards)
- Decentralized stockpiling of pre-positioned relief supplies
- Enhancement of disaster resilience of schools
- Power and energy systems for evacuation shelters
- Improvement of the operating environment for volunteers, etc.

Budget scale: approx. 20 trillion yen

Firefighting and disaster prevention

Municipalities disaster management

Corporate disaster management

and more

The roles (domains) to be fulfilled by each disaster prevention sector will continue to expand

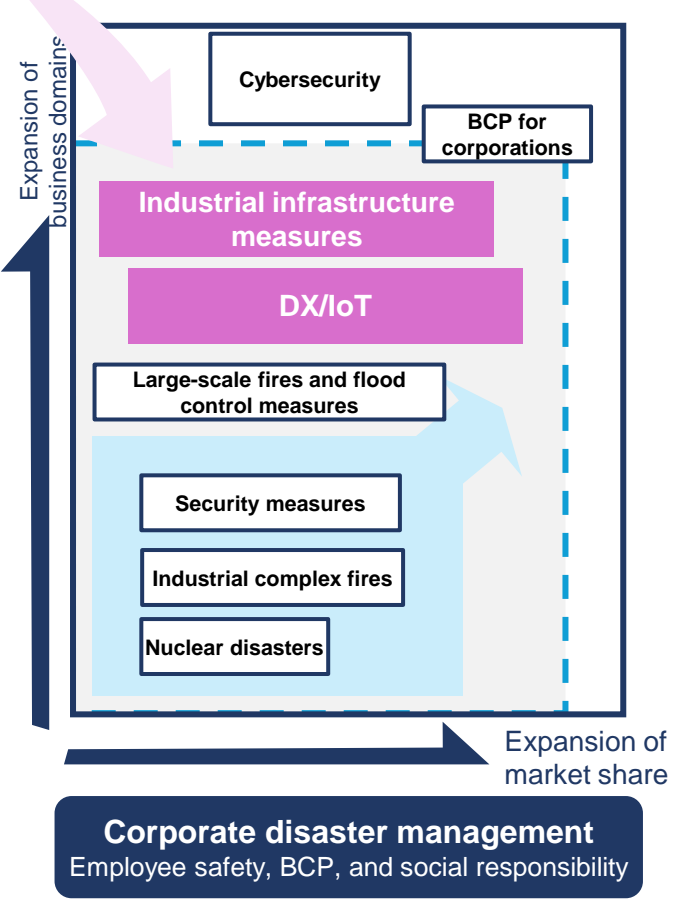
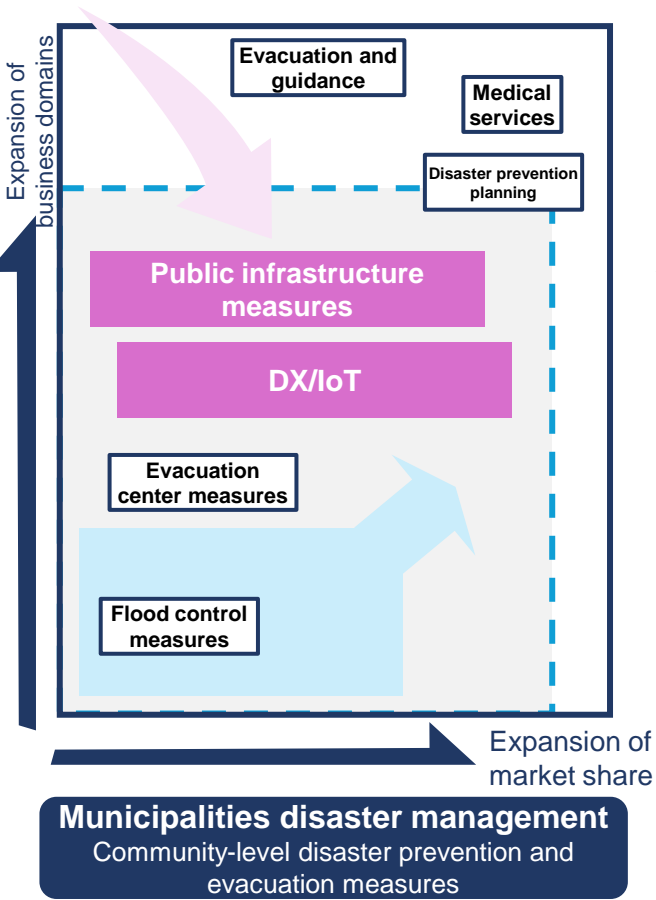
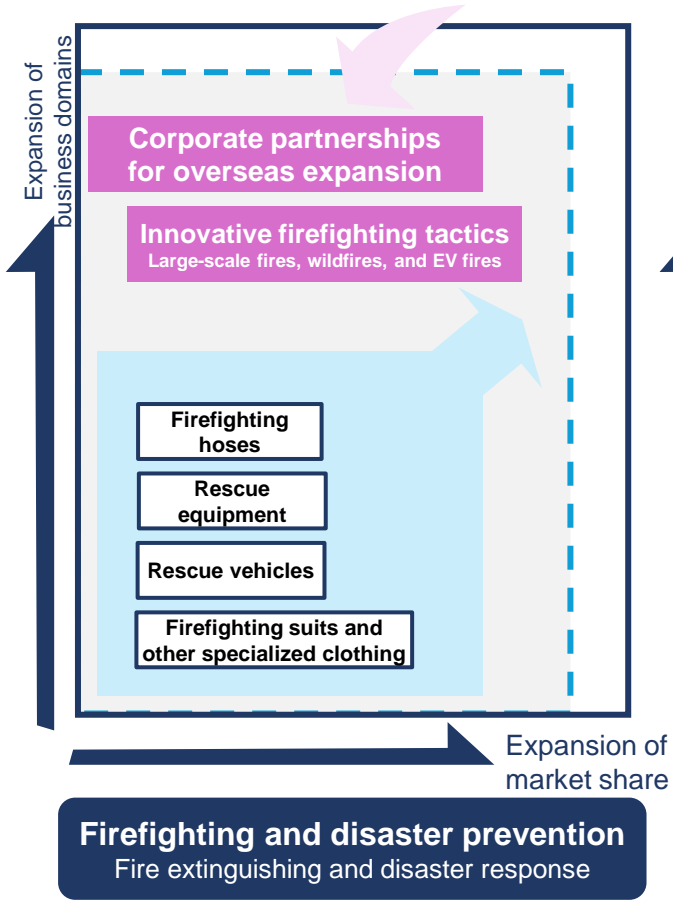
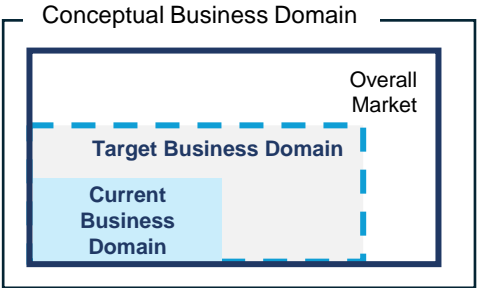
Further deepening and expansion of Teisen Group's disaster prevention and preparedness business

# Business Policy in the Disaster Prevention Sector

## (2) Business Expansion Strategy and Investment Focus Areas (Including Alliances and M&A)

**Target areas for growth investment**

- Teisen Disaster Prevention Study Group (Disaster Prevention Platform)
- Collaboration with other companies including M&A \*



\* Exploring co-creation and network building with domestic and international disaster prevention-related companies, cross-industry companies, startup companies, universities and research institutions, and financial institutions

# 03 Business Policy in the Disaster Prevention Sector

Innovation of the Shimotsuke and Kanuma plants, which support our sales activities - from a manufacturing base to a technology-intensive hub

Transforming into a comprehensive education, training, and testing facility that provides disaster prevention technologies to users involved in disaster management

TRES (an annual event)



Teisen Rescue Academy (technology-intensive base)

Traffic Rescue and Vehicle Destruction



Hydraulic and electric rescue tools  
Pneumatic lifting bags, etc.  
Training in vehicle destruction and rescue techniques

Advanced Equipment and Multi-Hazard Response



Equipment for wind, flood, and landslide disaster response  
Amphibious ATVs and drones, etc.

CBRNE Special Terrorism Countermeasures



Equipment for responding to chemical agents, biological agents, nuclear/radiological threats, and explosives, etc.

Measures to Improve Living Conditions in Evacuation Shelters



Disaster response by municipalities and businesses  
Shelter management that meets Sphere Standards

Water supply and drainage systems, large-capacity water cannons



Drainage pumps and long-distance large-capacity water supply  
Water discharge using water cannons, etc.  
Demonstrations tailored to operational scenarios

Hose Handling Training



Anti-unexpected-disconnection coupling (Lock Machino coupling) and proper hose handling

Maintenance and Cleaning of Firefighting Protective Clothing



Proper post-operation cleaning and maintenance methods for personal firefighting equipment

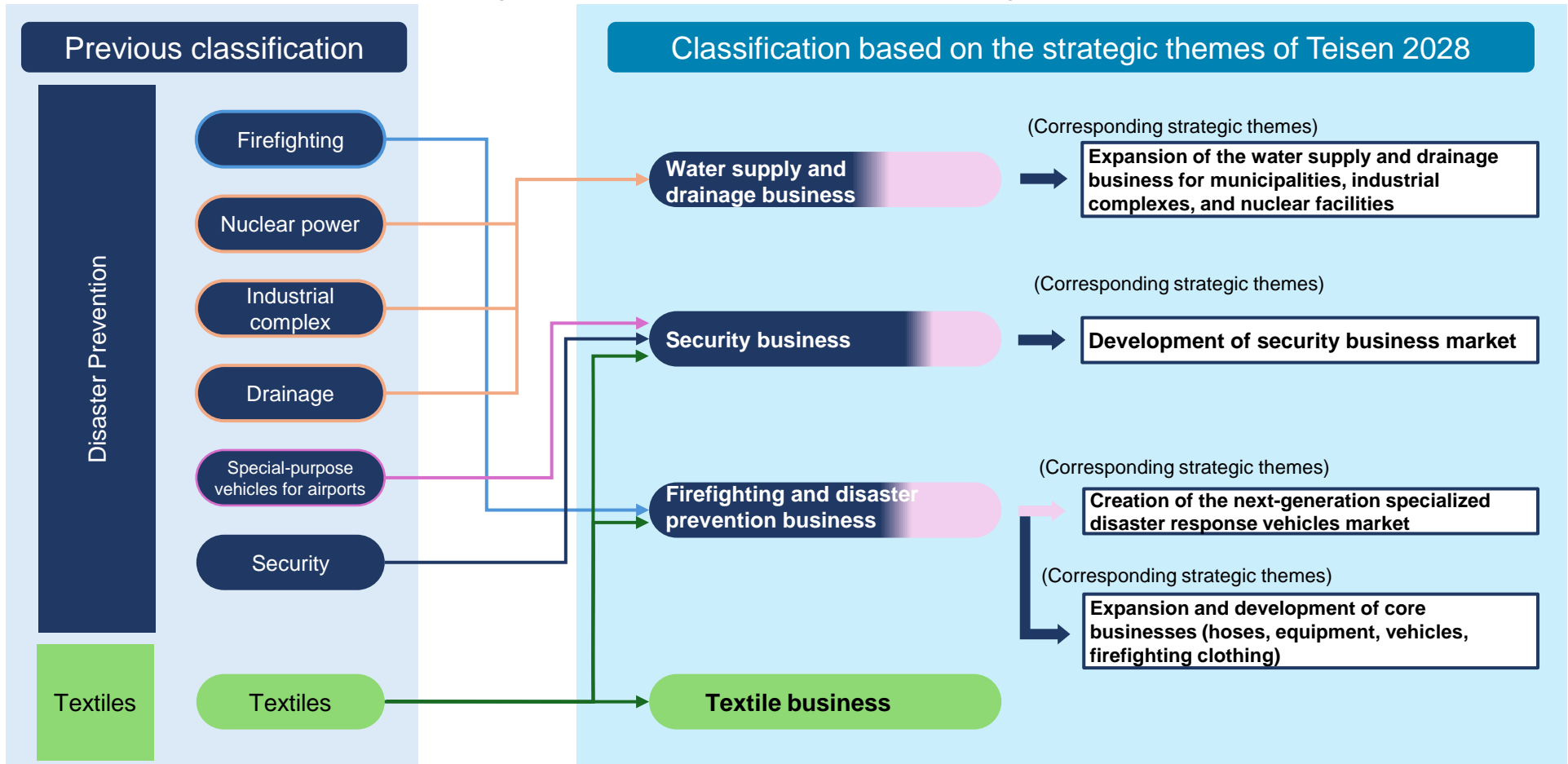
New Firefighting Tactics and the Latest Vehicles



New equipment for EV fires and other emerging fire risks  
Providing the latest information on next-generation vehicles

# Reclassification of Our Business Segments

Reclassifying the disaster prevention and preparedness business domain based on market and product perspectives, in line with the strategic themes of the Medium-Term Management Plan



# 03 Business Strategy for the Disaster Prevention Sector (1) Water Supply and Drainage Business

## Key Product Lineup

- ▶ Large-scale water supply and drainage systems



- ▶ Drainage pump trucks



- ▶ Large-diameter hose



## Business Environment Assessment

### External environment

- Intensifying climate change
- Declining working-age population
- Aging social and disaster prevention infrastructure

### Key challenges to address

- Enhancing corporate BCP and disaster response capabilities
- Responding to increasingly frequent and severe wind and flood disasters
- Strengthening severe accident (SA) countermeasures for nuclear facilities

## Major Initiatives

Large-scale disaster countermeasures for industrial complexes

Proposing the latest systems that support workforce reduction and labor saving amid declining labor availability

Enhancing corporate BCP

Proposing systems with statutory functions and additional features that support advanced BCP measures against the increasing risks of large-scale disasters such as earthquakes and floods

Drainage system proposals for government agencies and municipalities

Proposing drainage systems that address increasingly frequent and severe water-related disasters, such as linear precipitation zones and sudden downpours, as well as aging infrastructure

Renovation of existing equipment for nuclear facilities

Proposing systematic upgrades to maintain and enhance the safety of the existing severe-accident (SA) countermeasure equipment that is required for nuclear facilities

Advancing SA equipment for nuclear facilities

Proposing workforce reduction and labor-saving SA countermeasure equipment to ensure safety amid declining labor availability

# 03 Business Strategy for the Disaster Prevention Sector (2) Security Business

## Key Product Lineup

- ▶ Special-purpose vehicles for airports



- ▶ Explosives detectors and body scanners



- ▶ Various products for the Ministry of Defense



## Business Environment Assessment

### External environment

- Intensifying climate change
- Declining working-age population
- Accelerating digital transformation
- Rising geopolitical risks

### Key challenges to address

- Countermeasures against terrorism for public transportation and large-scale public venues
- Proposing the latest vehicles and equipment that support airport safety
- Enhancing existing equipment to address labor shortages and climate change
- Identifying the need for new equipment based on domestic and international trends

## Major Initiatives

Proposing airport chemical fire engines that meet international standards

Proposing vehicles and equipment with internationally compliant functions and technologies, based on past aircraft accident cases in Japan and abroad, as well as effective firefighting tactics

Proposing cutting-edge security equipment for airports and other critical facilities

Proposing cutting-edge security screening systems with performance suited to emerging threats, while supporting workforce-reduced and labor-saving inspection operations

Proposals to strengthen facility security and access control

Proposing security systems for large-scale public venues, such as event sites and theme parks, and facilities requiring advanced security measures

Proposals to improve working and living conditions through intense heat-mitigation measures

Developing and proposing products and technologies that address intense heat and other environmental issues to improve the living and working conditions of Ministry of Defense personnel and service members

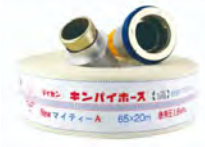
Proposing equipment aligned with changing domestic and international trends

Proposing products required in response to evolving social and security environments, including incidents and terrorist attacks occurring in Japan and abroad, as well as the recovery of inbound demand

# 03 Business Strategy for the Disaster Prevention Sector (3) Firefighting and Disaster Prevention Business

## Key Product Lineup

### ▶ Firefighting hoses



### ▶ Disaster prevention equipment



### ▶ Next-generation specialized disaster response vehicles



### ▶ Firefighting clothing



## Business Environment Assessment

### External environment

- Intensifying climate change
- Declining working-age population
- Accelerating digital transformation

### Key challenges to address

- Strengthening disaster response capabilities
- Promoting labor-saving and workforce-reduced firefighting operations

## Major Initiatives

Large-scale earthquake countermeasures	Developing and proposing equipment and vehicles that support effective rescue operations, based on lessons learned from major earthquakes such as the Noto Peninsula earthquake
Countermeasures for landslides and composite disasters	Increasing the sale of materials, equipment, and vehicles used to respond to landslides and composite disasters, including debris flows triggered by volcanic eruptions (e.g., Mt. Fuji) and heavy rainfall
Ensuring firefighter safety	Developing and proposing technologies that enhance firefighter safety by preventing accidents during firefighting and rescue operations
New firefighting technologies	Developing and proposing new technologies, equipment, and vehicles for firefighting incidents, such as wildfires, EV fires, and fires involving mobile batteries
Expanding the market scope	Approaching markets other than firefighting and disaster prevention

# 03 Business Strategy for the Textile Business

## Key Product Lineup

- ▶ Special protective clothes
- ▶ Industrial materials



- ▶ Linen materials
- ▶ Linen products



## Business Environment Assessment

External environment	Key challenges to address
<ul style="list-style-type: none"> <li>• Intensifying climate change</li> <li>• Declining working-age population</li> <li>• Rising geopolitical risks</li> </ul>	<ul style="list-style-type: none"> <li>• Addressing social issues through high-performance materials</li> <li>• Promoting the adoption of linen, a sustainable fiber</li> </ul>

## Major Initiatives

Developing and proposing intense heat-mitigation products	Developing and proposing intense heat-mitigation products based on on-site operational needs
Fire-safety measures for EVs and lithium-ion batteries	Developing products to address fire incidents associated with the growing use of mobile batteries
Expanding applications of high-performance materials for industrial use	Expanding sales and applications of various industrial materials centered on high-performance materials
Establishing our brand presence in linen	Expanding high-quality, high-performance linen as an all-season material aligned with the SDGs

## TOPIC

Fire blanket for mobile-battery fires (under development)



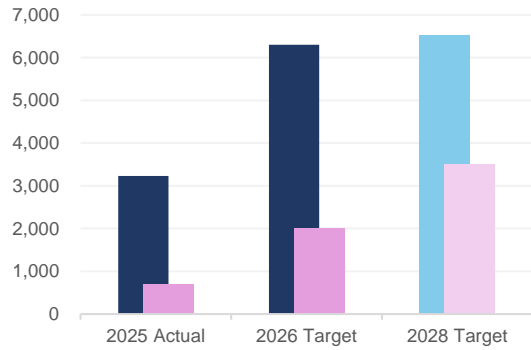
(concept image)

Leveraging our advanced material development technologies cultivated so far in the fields of firefighting and disaster prevention, we are developing a fire-retardant blanket designed to suppress flames caused by the ignition of personal mobile batteries, which has become a growing social concern.

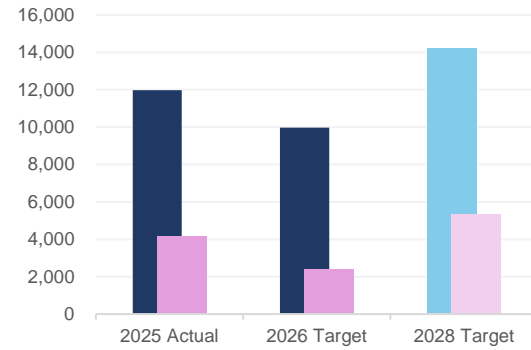
# 03 Results and Targets of Net Sales by Business Segment 1

(Millions of yen)

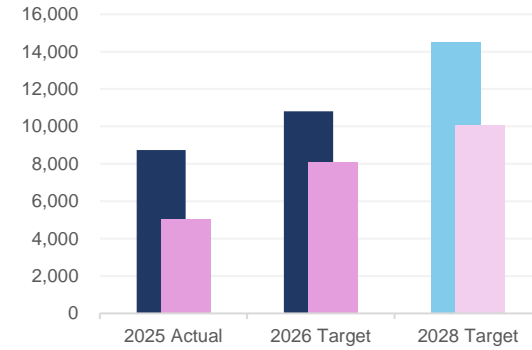
(1) Water Supply and Drainage Business



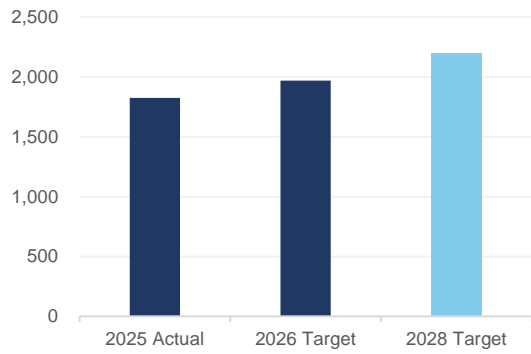
(2) Security Business



(3) Firefighting and Disaster Prevention Business



(4) Textile Business

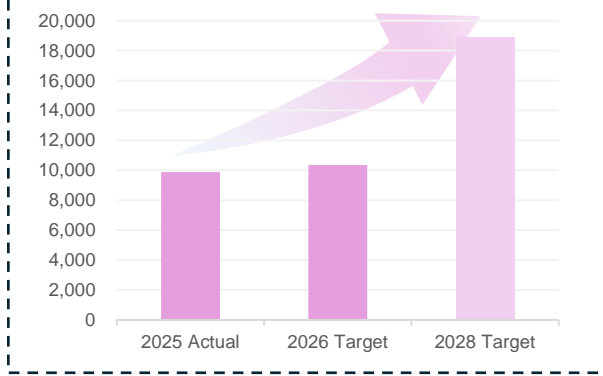


About the bar chart colors

- Net sales by business segment
- Projected net sales by business segment
- Net sales of disaster response vehicles within each segment
- Projected net sales of disaster response vehicles within each segment

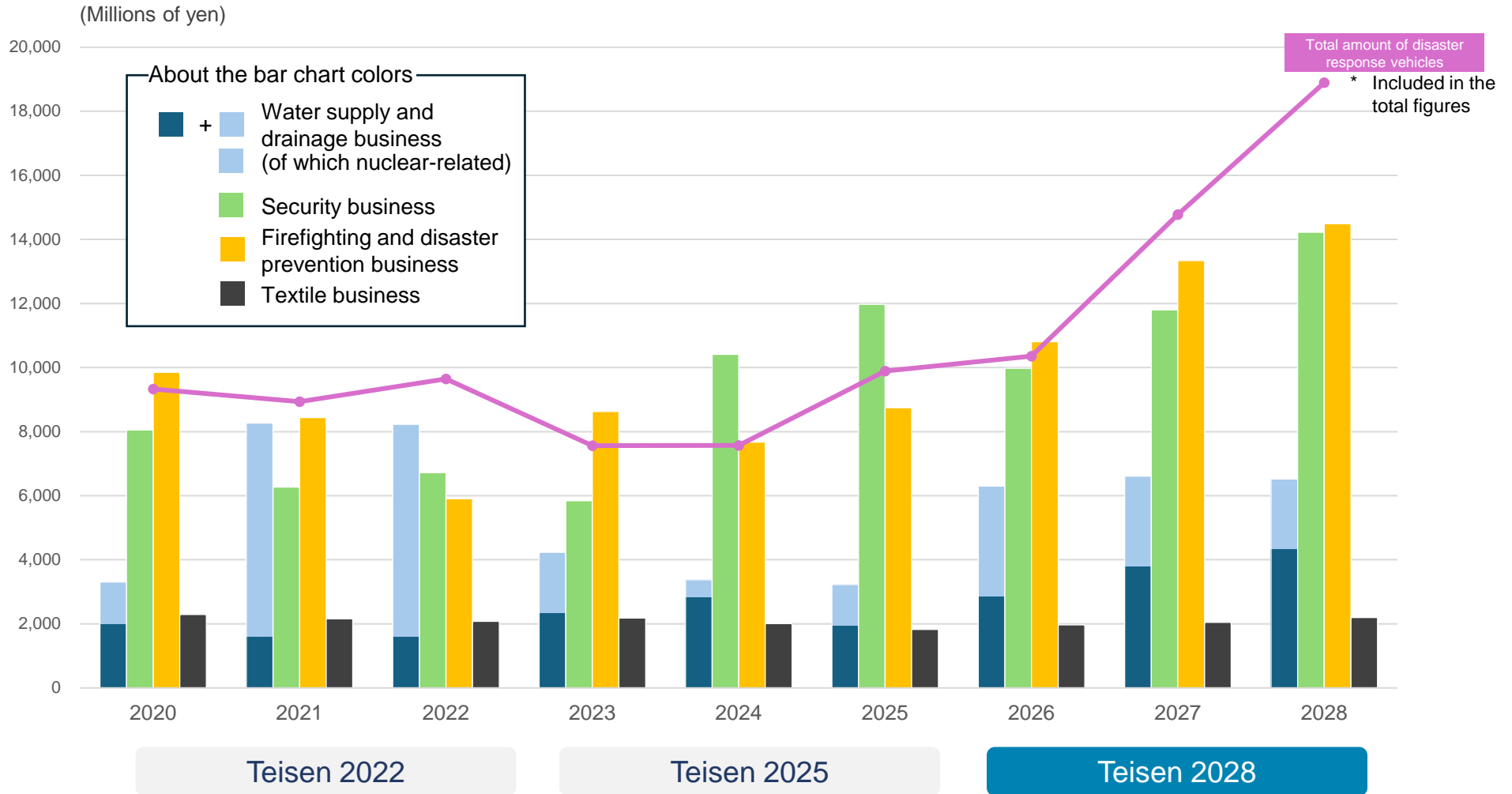
\* Net sales and projected net sales of disaster response vehicles are included within the total figures

Total net sales of disaster response vehicles



# 03 Results and Targets of Net Sales by Business Segment 2

Due to the development of next-generation specialized disaster response vehicles and changes in the business environment, we expect sales growth in our Firefighting and Disaster Prevention and Security Business domains.



# 03 Earnings Plan in the New Medium-Term Management Plan Teisen 2028

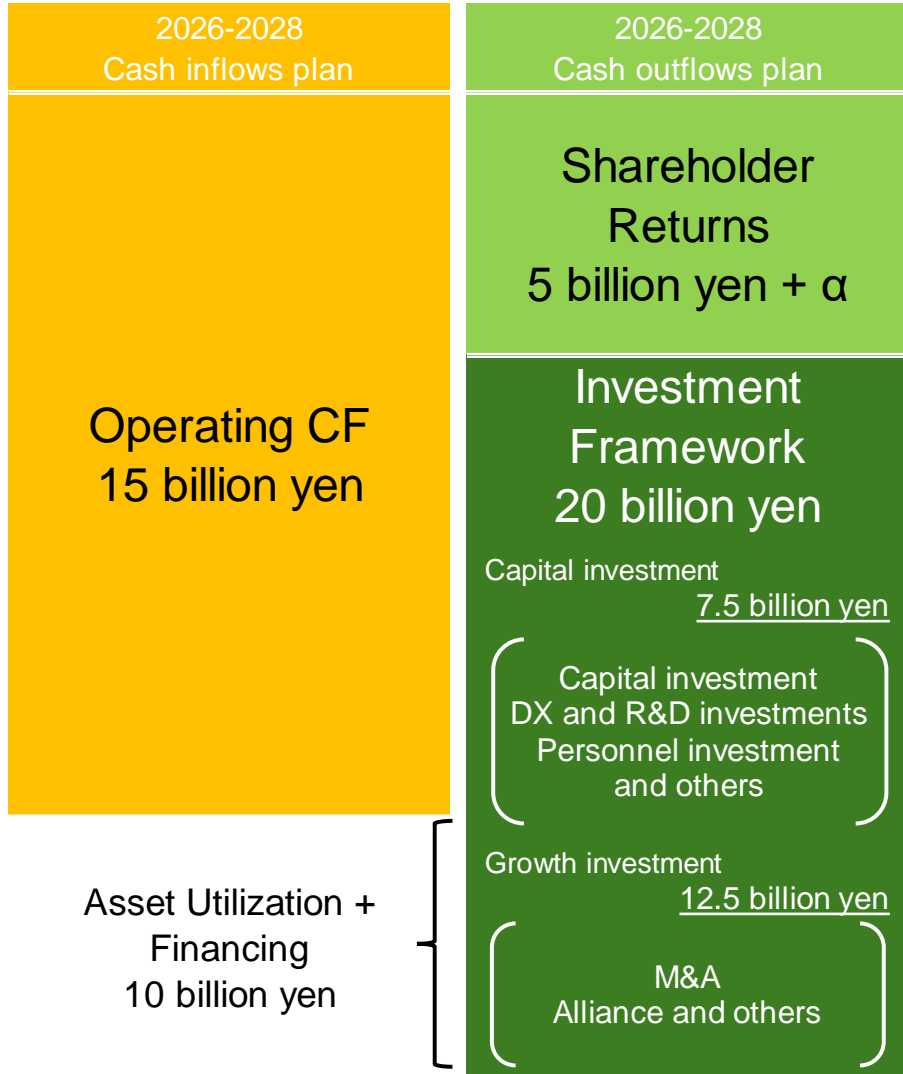
The new medium-term management plan, Teisen 2028, represents the second phase (the mid-term stage) of the Teisen Future Creation Plan, and aims to achieve an ROE level of 8% by creating revenue opportunities through strategic alliances.

(100 millions of yen)

Indicator	2025 Actual	2026 Target	2028 Target	Vision for 2032
Consolidated net sales	336.3	360	420	<b>Consolidated net sales</b> <b>50 billion yen</b> <b>or more</b>  <b>ROE</b> <b>8% level</b>
Consolidated operating profit	40.5	43	58	
Consolidated ordinary profit	53.0	55	70	
Profit	37.4	38	49	
ROE	5.4%	5.2%	6.2%	

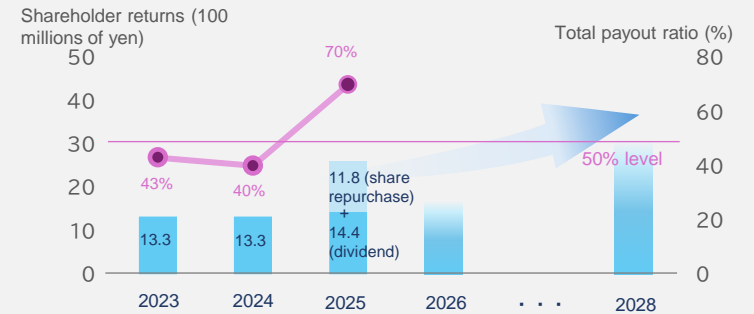
# 03 Cash Flow Plan (Shareholder Returns and Investments)

<Cash Flow Plan for the New Medium-Term Management Plan (2026-2028)>



## Shareholder Returns

- We aim for a **total payout ratio of 50% level**, and will make flexible decisions regarding share repurchase while considering funding needs, our share price, and other conditions.



## Investment Framework

- Capital expenditures **7.5 billion yen (Total of 10 billion yen for FY2024-FY2028)**  
(Investments aimed at improving profitability within existing business domains)
- Growth investment **12.5 billion yen**  
(Growth investments, including M&A, to expand and deepen our business domains in the disaster prevention sector)

Investment framework for the New Medium-Term Management Plan **20 billion yen**

\* This plan updates the measures announced on February 20, 2025, in "Measures to realize management that values capital costs and share price."

# Digital Transformation (DX) Strategy

As part of our DX strategy, we will focus on two core themes: "**Data-Driven Management**" and "**Strengthening Customer Relationships through Data Utilization.**" Our goal is to enhance our corporate competitiveness. To achieve this, we have established three categories: "Growth Areas," "Business Process Reform," and "Infrastructure Development." We will promote company-wide initiatives across these categories.

## [Three Categories to Promote]

### Promotion of DX in Growth Areas



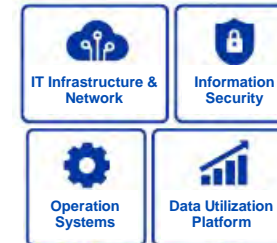
- Creation of new businesses
- Development of sales support systems
- Designing synergies between existing businesses and digital technologies
- Collaboration strategy with external partners

### Enhancing Productivity and Competitiveness through Business Process Reform



- Review and redesign of operation processes
- Promotion of automation and labor-saving initiatives
- Human resource development and re-skilling
- RPA, generative AI, AI-powered OCR

### DX Infrastructure Development for Greater Resilience

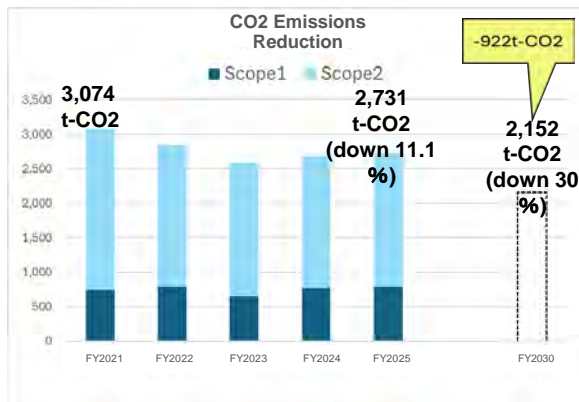


- Enhancement of IT infrastructure & networks
- Zero trust implementation
- Enhancement of information security
- Renewal of operation systems
- Development of a data utilization platform

# Green Transformation (GX) Strategy

## Initiatives to Reduce CO2 Emissions

- We aim to reduce CO2 emissions by 30% by FY2030 compared to FY2021 levels.
- In FY2025, emissions decreased by 11.1% compared to FY2021 levels.



## Utilization of Renewable Energy

- Teisen Group actively utilizes renewable energy.
- At the Shimotsuke Plant, we transmit surplus renewable energy to our other facilities through the self-transmission program.



• Solar power generation system at the Kanuma Plant (since 2023)



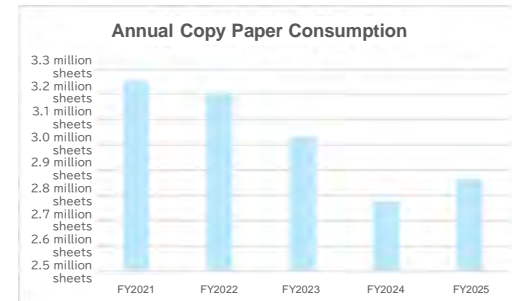
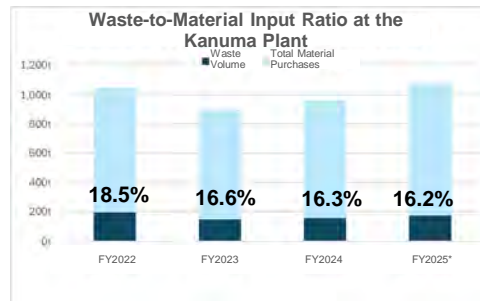
• Solar power generation and self-transmission at the Shimotsuke Plant (scheduled from 2026)

## ISO 14001 Certification

Site	Kanuma Plant	Year of Certification	2011
Site	Teisen Techno	Year of Certification	2022

## Initiatives to Reduce Industrial Waste

- At our core manufacturing site, the Kanuma Plant, our goal is to keep the waste-to-material input ratio at 15% or less. Additionally, we are promoting the reduction of copy paper usage across the entire Group.



## Reducing Environmental Impact

- We reduce environmental impact through initiatives such as the 3Rs (reduce, reuse, recycle) and the electrification of disaster response vehicles.



Bags partially made from surplus tent fabric



Carpets and fuel pellets recycled from discarded hoses



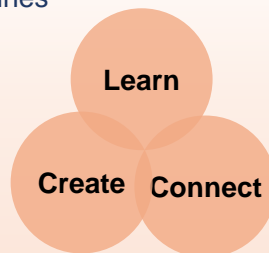
EV fire engine



EV airport chemical fire engine

# Human Capital

Daily Action Guidelines



An organization where autonomous and self-directed talent thrives

Human resource development  
Growth support

Revision of the Personnel Evaluation System

Diversity and meaningful work

Initiatives to link values with actions

Evaluating initiatives through engagement surveys

Creating talented human resources

Creating business

Creating a corporate culture

Values to be embraced by all executives and employees

## Human Resource Development and Growth Support <Teisen Business College>

- We have organized all of Teisen Group's learning programs under the "Teisen Business College" framework, providing a wide range of learning opportunities. In addition to tier-based programs, such as new-employee and management training, we offer mandatory programs for all employees, including those on compliance, harassment prevention, and information security, as well as seminars led by external instructors.
- In 2025, we introduced a new "Internal Application-based Study Abroad Program," which aims to gain knowledge from both domestic and international sources and broaden global perspectives. We have also established the voluntary "Teisen Future Creation Seminar," in which participants freely exchange ideas and explore solutions together to foster autonomous and self-directed talent development.
- We have also launched generative AI training programs to support practical application in daily operations and further expand learning opportunities.

## Revision of the HR Evaluation System That Rewards Challenges and Accelerates Growth

- By around FY2026, we will revise our HR system to ensure fairness and transparency. This will enable employees to proactively understand their "Create" roles and actions, respect individual challenges, and experience achievement and satisfaction as they grow.

## Diversity and Meaningful Work

- We will continue to promote a workplace where everyone can thrive, regardless of gender or life stage, while advancing diversity and meaningful work.

Item	2024 Actual	2028 Target
Annual paid leave utilization rate	60.5%	65% or higher
Ratio of female managers	7.9%	10% or higher
Male parental leave utilization rate	100%	71% or higher
Compliance and harassment prevention training participation rate	100%	100%
Turnover rate	3.6%	10% or less each fiscal year

# 03 Corporate Governance

## Strengthening Corporate Governance

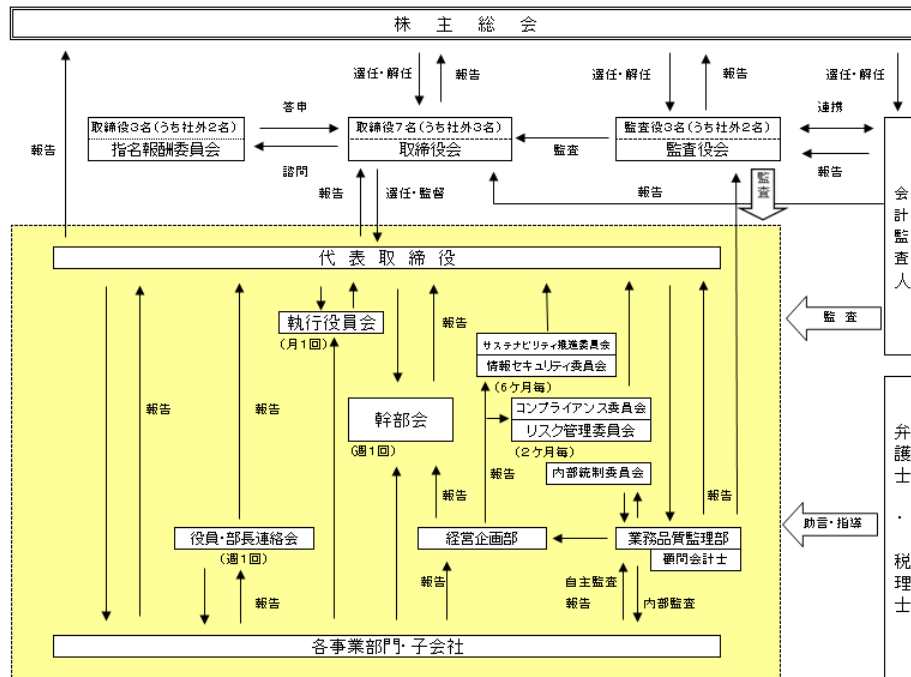
### Basic approach

We recognize that establishing and maintaining a management structure capable of rapidly responding to environmental changes is a critical priority. Based on the belief that improving corporate governance, including respecting the rights and interests of shareholders and other stakeholders, ensuring legal and ethical compliance, improving management transparency, and strengthening management oversight functions, leads to sustainable corporate value enhancement, both the Board of Directors and the Board of Corporate Auditors will continue to fulfill their respective roles.

### Overview of the corporate governance structure

We have established a Board of Directors and a Board of Corporate Auditors. In addition, we have set up a voluntary Nomination and Compensation Committee to advise the Board of Directors and introduced an Executive Officer system to further strengthen our governance framework.

(Corporate Governance Structure Chart)



## Promoting Corporate Governance

### Establishment of Committees Chaired by the President & CEO

#### <Compliance Committee>

The Compliance Committee meets every two months to report on and discuss the status of our compliance framework.

#### <Risk Management Committee>

The Risk Management Committee meets every two months to report on and examine potential business risks and corresponding countermeasures.

#### <Information Security Committee>

To strengthen our information security foundation, the Information Security Committee meets every six months to implement related initiatives.

#### <Sustainability Promotion Committee>

The Sustainability Promotion Committee meets every six months to advance activities toward a sustainable society in a more systematic manner. By monitoring progress and reporting to the Board of Directors, the committee strengthens our sustainability initiatives.

- We have established the "Teisen Group Corporate Code of Conduct," which requires strict adherence to laws and regulations, and internal regulations. To reinforce and embed compliance awareness throughout the organization, we conduct annual training sessions.

## Internal Audit, Internal Controls, and Quality Management Structure

We have established the Quality Assurance Department, which is directly under representative director. The department implements internal audits and internal control evaluations for the Company and its Group companies. The department also manages the development and operation of the ISO 9001 quality management system, as well as quality control for our products. It serves as the central department responsible for quality control in corporate activities across the entire Group.

## Whistle-Blowing System

We have established the "Teisen Direct Line," an internal and external hotline that allows anyone involved in the operations of the company or its group companies to seek advice or report concerns directly. Additionally, we have set up the "Teisen Consultation Desk" within the company to provide employees with a comfortable environment to discuss work-related issues or propose improvements without hesitation.

# Status of Engagement with Investors

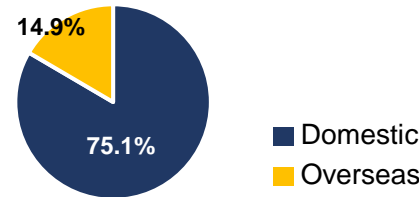
## Main Activities Implemented

Activity	2023	2024	2025
Financial results briefings	2 times	2 times <sup>*1</sup>	2 times <sup>*1</sup>
Product/business briefings	1 time	1 time	1 time
One-on-one meetings <sup>*3</sup>	27 times	20 times	48 times
IR events	-	-	2 times <sup>*2</sup>
Total investors engaged	61 companies	63 companies	67 companies

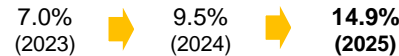
<sup>\*1</sup> Total number of individual investors participating: 2,951 in 2024 and 3,779 in 2025  
<sup>\*2</sup> Total event visitors (two events combined): 23,759 (including virtual booth visitors)  
<sup>\*3</sup> The number of one-on-one meetings includes multiple meetings with the same investor.

## Investor Breakdown (2025)

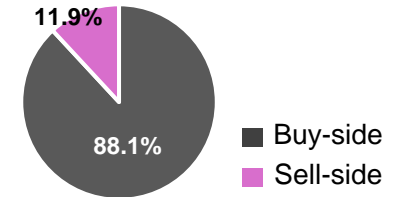
[Domestic vs. Overseas]



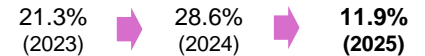
Trend in overseas investor ratio



[Buy-Side vs. Sell-Side]



Trend in sell-side investor ratio



## Investor Concerns and Requests, and Our Primary Responses Based on Dialogue (2025)

The most frequently raised topics among the questions and comments received from institutional and individual investors are summarized below.

Based on this feedback, we will continue our business initiatives aimed at improving profitability and capital efficiency and IR activities.

### Key investor concerns and requests

- Industry structure and trends in the disaster prevention industry (bidding systems and relevant laws and regulations)
- Business details (market, market share, competitors, products/services)
- Business strategy and growth story
- Capital efficiency, capital allocation, and strategical shareholdings
- Enhancing corporate recognition (gap between company name and business activities)
- Shareholder returns

### Actions Taken and Items Under Consideration

- Continued disclosure of information through financial results briefings and other presentations
- English disclosure of IR materials on our corporate website
- Participation in IR events
- Enhanced shareholder returns (total payout ratio of 40% or more)
- Consideration of flexible share repurchase

- IR activities
- Engagement with investors
- Share price and related indicators etc...

Management receives quarterly and annual feedback

# Disclaimer

---

## **Information provision**

Teikoku Sen-i Co., Ltd. (hereinafter referred to as “we” or “the Company”) has made sufficient efforts to ensure the accuracy of information it provides. However, the Company is not responsible for any damage or other inconvenience that the user may suffer by using said information. In addition, although the Company pays close attention, there may be unforeseen errors in the information provided herein. Please manage the information that you use at your own responsibility.

## **Future predictions**

Among the information provided herein, plans and policies other than past facts are forecasts related to future business results, and all of them were calculated on the basis of assumptions and opinions about business management based on information that the Company grasps at the present moment. Therefore, these forecast values include risks and uncertainties, and actual results may differ from such forecast values due to various factors. Please note that the Company does not bear any responsibility for any damage caused to users by using the information. Such potential risks and uncertainties include changes in economic conditions and product demand in major markets, fluctuations in exchange rates, changes in domestic and overseas laws and regulations, and changes in accounting standards and practices.

## **Investment decisions**

The information provided herein is not intended to induce investment activities such as the purchase or sale of shares of the Company. When investing, please make decisions at your own responsibility and discretion.

