

May 26, 2022

Sustainable Vision 2030 2025 Medium-Term Management Plan (FY 3/23 - FY 3/26)



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President & Representative Director

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Start of New Transformation

In May 2022, TOYOBO observed the 140th anniversary of its founding.



We took this occasion to renew our corporate logo for the first time in 60 years and launched our Sustainable Vision 2030.

The curved line running across the lettermark at the center indicates the Earth's outline, or the horizon. Included in the logo is TOYOBO's motto, "Adhering to reason leads to prosperity (Jun-Ri-Soku-Yu)," which reflects the company's aim to create solutions needed by people and the earth.

Sustainable Vision 2030 projects changes in the future business environment and shows the ideal state we seek based on our corporate philosophy, as well as our sustainability indices and action plans.

We want to be a sustainable company that helps promote sustainability, while changing our corporate culture to one oriented toward sustainable growth.

Beyond Horizons--Let's go beyond and further forward



**I . Overview of the Previous Medium-Term Management Plan
(FY 3/19 to FY 3/22)**

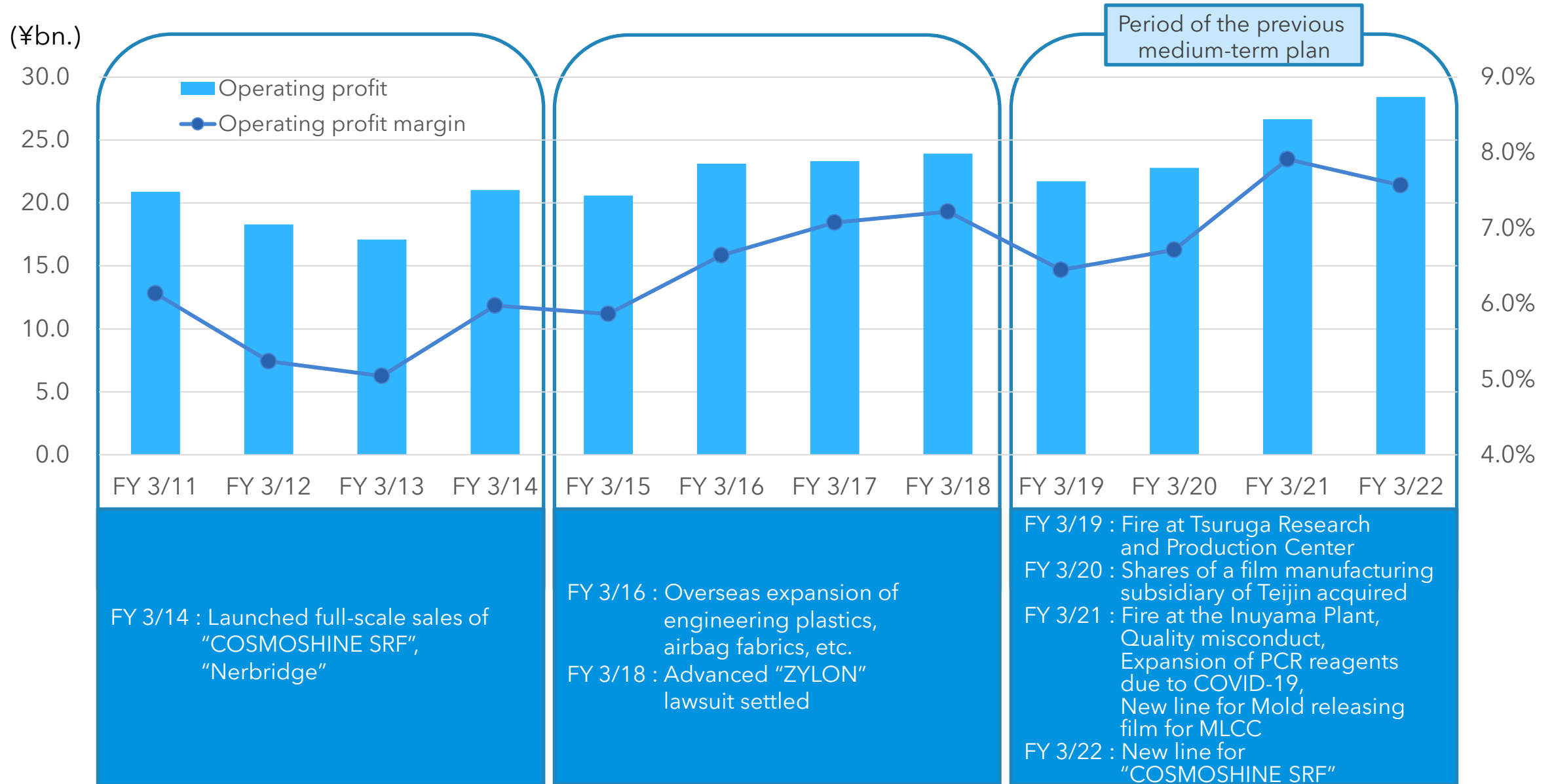
II . Sustainable Vision 2030

III . 2025 Medium-Term Management Plan (FY 3/23 to FY 3/26)

IV . Appendix

I . Overview of the Previous Medium-Term Management Plan (FY 3/19 to FY 3/22)

Progress from the Past (Results): The Previous Medium-Term Management Plan (FY 3/19 to FY 3/22)



Results:

The Previous Medium-Term Management Plan (FY 3/19 to FY 3/22)



| | FY 3/19 | FY 3/20 | FY 3/21 | FY 3/22 | FY 3/19 - FY 3/22 Targets |
|---|---------|---------|---------|--------------|------------------------------|
| Net sales (¥bn.) | 336.7 | 339.6 | 337.4 | 375.7 | 375.0 |
| Operating profit (¥bn.) | 21.7 | 22.8 | 26.7 | 28.4 | 30.0 |
| (Ratio to sales) (%) | 6.5 | 6.7 | 7.9 | 7.6 | 8.0 |
| Profit attributable to owners of parent (¥bn.) | -0.6 | 13.8 | 4.2 | 12.9 | 16.0 |
| ROE (%) | -0.3 | 7.8 | 2.3 | 6.8 | ≥ 8.0 |
| D/E ratio | 0.93 | 0.98 | 1.01 | 0.98 | < 1.0 |

CAPEX ¥115.8 billion/4 years

What has achieved

- Corporate philosophy system "TOYOBO PVVs" organized
- Expansion of the industrial films business
(Operating profit approx. triple)
- Expansion of the biotechnology and the medical materials
business (Operating profit approx. twice)
- Maintaining a sound financial structure

What haven't been achieved and New issues

- Fluctuations in reliability: large-scale fire accidents,
the quality misconduct incident
- Delay in business expansion targeting growth
- Delay in the normalization of challenging projects
(including additional challenging projects)

From survival thinking to sustainable-growth orientation

Deficits are bad, surpluses are good

- Contributing to social sustainability
- Becoming a sustainable (growing) company

Current situation

- 1 Growth in film business, but leveling off in the entire Group's performance
- 2 Company-wide efforts to restore trust
- 3 Strengths: Cutting-edge products and technologies, production infrastructure, human resources, sincerity

Business environment

Changes fundamentally, rapidly and nonconsecutively
→ **major impacts**

- 1 How a company operates changes under stakeholder capitalism
- 2 Decarbonization, circular economy, electrification of vehicles
- 3 Technological advances, acceleration in commercializing new technologies (digital transformation, life science, etc.)
- 4 Gradual shrinking of the domestic market, prices of resources remaining high and risks involved in procurement
- 5 Changes in people's awareness, values and behavior

II . Sustainable Vision 2030

“Realizing sustainable growth”

- “Spiraling up” to a prosperous society where people can live with peace of mind and the enhancement of corporate value

Note:

This presentation shows an extract of “Sustainable Vision 2030”.

Detailed information is available at:

<https://www.toyobo-global.com/sustainability/>

We will be a group that continues to create the solutions needed by people and the Earth with materials and science

1. Contributing to solving social issues through business operations
2. Sustainable growth (solid foundation and track for future growth)
3. People First (safe working environment where employees can work with peace of mind, pride and rewarding work, self-growth)

Sustainability indices

Serious incidents

ZERO

Employee engagement score

Over **70%**

GHG emissions cut (over FY 3/14)

Over **46%**

Carbon neutrality in FY 3/51

Ratio of green materials in main business operation*

60%

*Assumed to be film business

Financial indices

Consolidated sales

600 billion yen

Operating profit margin

Over **8.3%**

ROE

Over **9%**

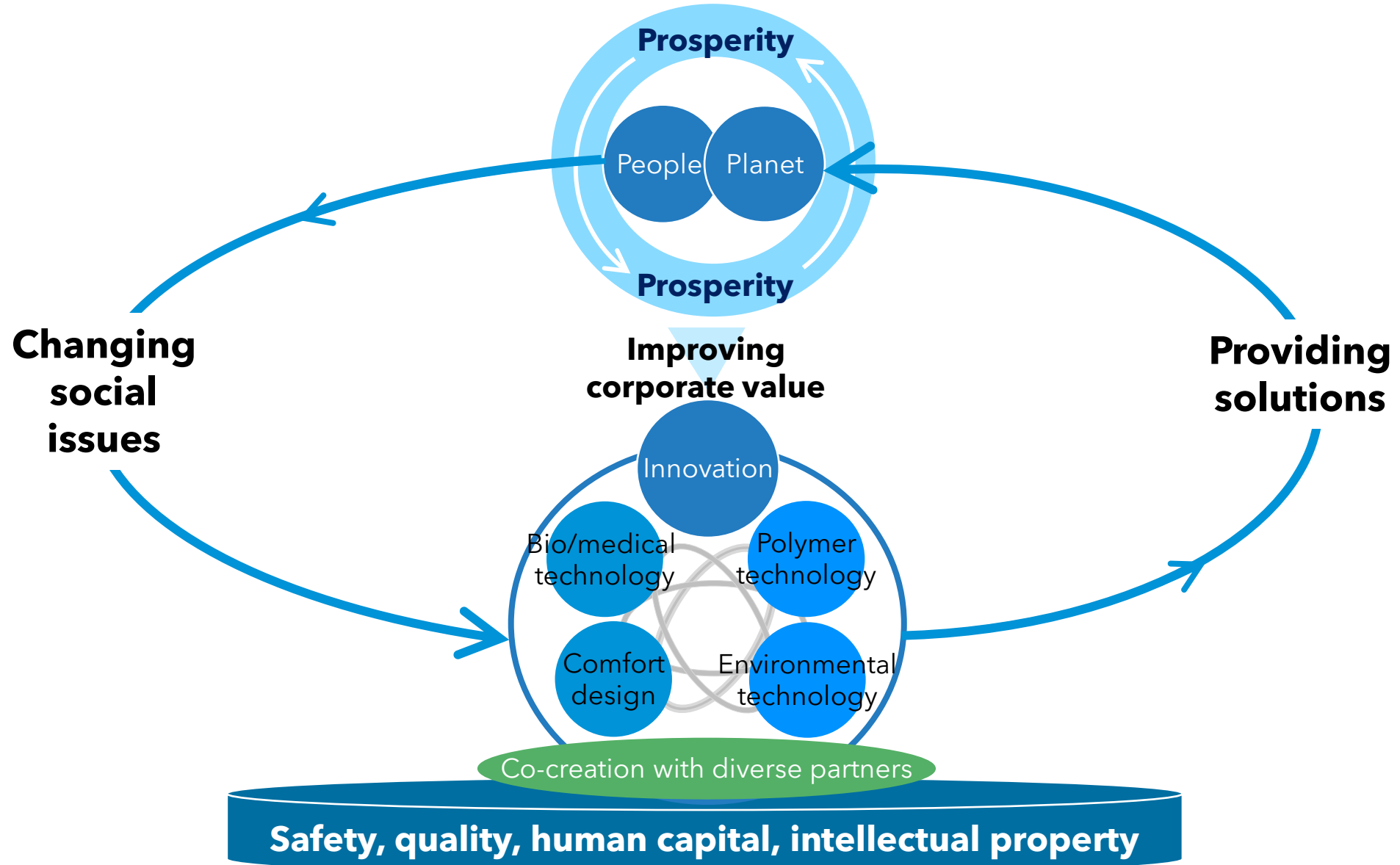
ROIC

Over **7%**

Relations between five social issues and SDGs

| | | | |
|--------|---|---|---|
| People |  <p>Employees' well-being and human rights in the supply chains</p> |    | <ul style="list-style-type: none"> - People First: employees' safety, pride, rewarding work - Respecting human rights in the entire supply chain |
| |  <p>Healthy lifestyle and health care</p> |  | <ul style="list-style-type: none"> - Contributing to the field of infectious diseases - Improving QOL with medical membranes, etc. |
| |  <p>Smart community and comfortable space</p> |  | <ul style="list-style-type: none"> - Creating a humancentric, digital society with highly functional films and advanced materials - Dealing with new technologies such as CASE and MaaS and creating safe and comfortable mobility space |
| Planet |  <p>Decarbonized society and circulating society</p> |    | <ul style="list-style-type: none"> - Achieving carbon neutrality in Scope 1,2 by FY 3/51 - Establishing and joining an ecosystem for circulating resources used in products |
| |  <p>Good condition of water area, atmosphere and soils, and biodiversity</p> |    | <ul style="list-style-type: none"> - Reducing the impact on and bettering the environment with functional membranes and equipment to recover solvents - Contributing to reducing food loss with highly functional packaging films - Sustainable food |

A prosperous society in which people can live with peace of mind



Safe working environment where employees can work with peace of mind
(Facilities and equipment, working arrangements, infrastructure)

Deeply instill "safety first" in the company's organizational culture

Investment in safety and industrial accident prevention

Realizing resilience against natural disasters

Expansion and improvement of safety education, seminars and training programs

Operational reform:
All employees participate in the practice of "seeing, quitting and then changing"

Production innovation:
Enhancing workplace capabilities in manufacturing

Creating safe workplaces where employees can work with peace of mind, pride and satisfaction

Pride and satisfaction

Workplaces where employees genuinely enjoy "KAERU (to change)" (organizational culture)

Workstyle reform:
Improving working environment, effectively using time, energizing employees
















Penetration of the TOYOBO PWs corporate philosophy system among employees

Visualization of employees' engagement

Expanding educational systems, reskilling

Self-growth
(human capital)

Jun-Ri-Soku-Yu, or adhering to reason leads to prosperity

| | | | | | | | | | | | | | | | |
|---|--|--|--|--|---|---------------|--|--|---------------|--|---|---|--|--|--|
| Ideals we seek to realize | <h3 style="text-align: center;">Innovation</h3> <p style="text-align: center;">We will be a group that continues to create the solutions needed by people and the Earth with materials and science</p> | | | | | | | | | | | | | | |
| Social change and trends in 2030 | Standardization in dealing with safety, human rights and social justice issues | Increased and diversified needs concerning access to medical care/health promotion | Demographic change, humancentric innovation, accelerated urbanization | Decarbonization, resources circulation, limited natural resources | | | | | | | | | | | |
| Social issues to be solved through commitment | <table border="0" style="width: 100%; text-align: center;"> <tr> <td colspan="3" data-bbox="384 591 1531 686">People</td> <td colspan="2" data-bbox="1538 591 2438 686">Planet</td> </tr> <tr> <td data-bbox="384 691 886 958">  Employees' well-being and human rights in the supply chain </td> <td data-bbox="894 691 1225 958">  Healthy lifestyle and health care </td> <td data-bbox="1233 691 1531 958">  Smart community and comfortable space </td> <td data-bbox="1538 691 1931 958">  Decarbonized society and circular society </td> <td data-bbox="1939 691 2438 958">  Good condition of water area, atmosphere and soil, and biodiversity </td> </tr> </table> | | | | | People | | | Planet | |  Employees' well-being and human rights in the supply chain |  Healthy lifestyle and health care |  Smart community and comfortable space |  Decarbonized society and circular society |  Good condition of water area, atmosphere and soil, and biodiversity |
| People | | | Planet | | | | | | | | | | | | |
|  Employees' well-being and human rights in the supply chain |  Healthy lifestyle and health care |  Smart community and comfortable space |  Decarbonized society and circular society |  Good condition of water area, atmosphere and soil, and biodiversity | | | | | | | | | | | |
| Challenges toward the future | People First: Employees' safety, pride and rewarding work Respecting human rights in the entire supply chain | Contributing to the field of infectious diseases Contributing to improving QOL | Contributing to realizing humancentric, digital society Creating comfortable space | Helping achieve carbon neutrality Establishing an ecosystem for circulating resources | Bettering the environment through solutions Food loss reduction and sustainable food | | | | | | | | | | |
| The state it wants to be in by 2030 | <h3 style="text-align: center;">Prosperity</h3> <p style="text-align: center;">"Spiraling up" to a prosperous society where people can live with peace of mind and enhancement of corporate value</p> | | | | | | | | | | | | | | |

Main goals for 2030

People: Helping to solve social issues in a humancentric way

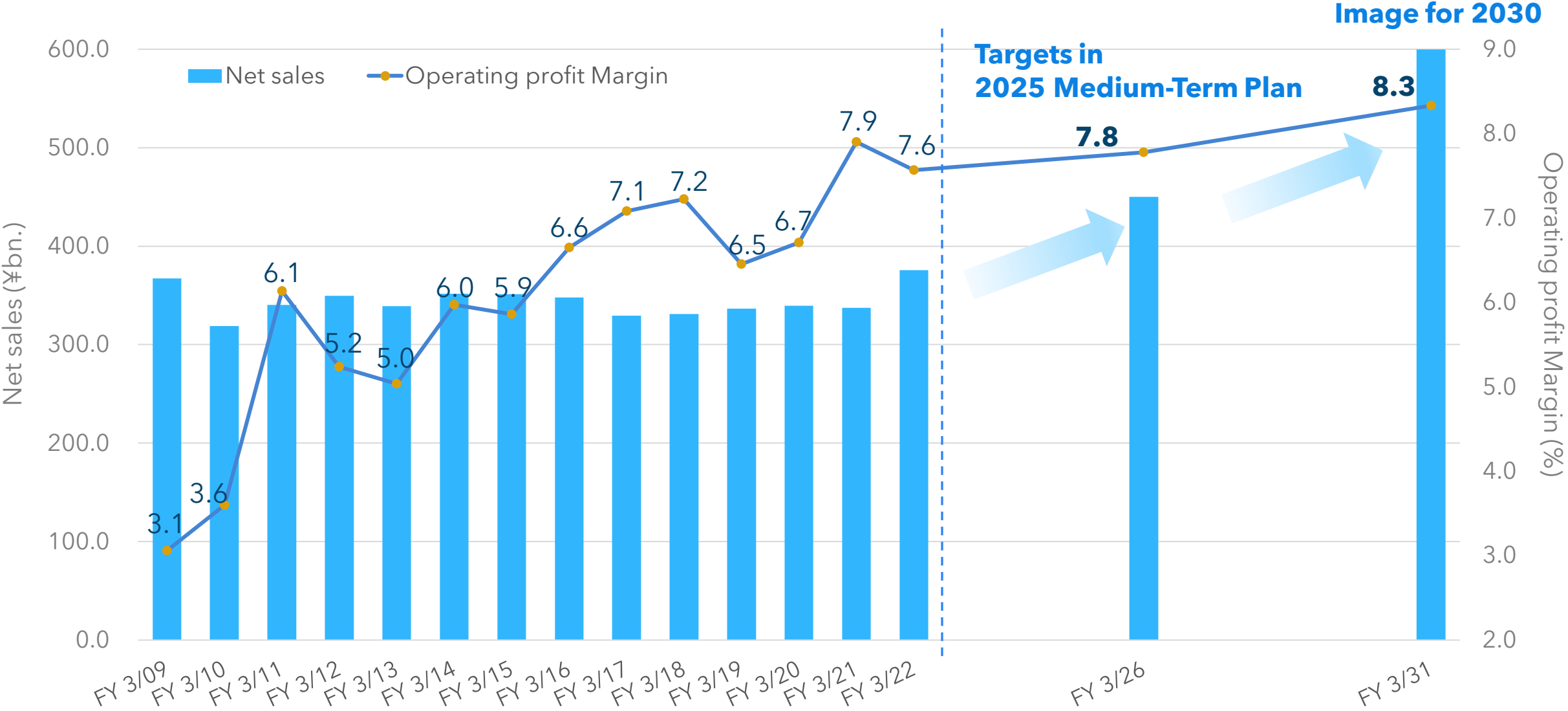
| | | | | |
|--|---|--|--|--|
| | Employees' well-being and human rights in the supply chain | ZERO industrial accidents in all workplaces | over 70% in employee engagement score | Respect for human rights in the entire supply chain |
| | Healthy lifestyle and health care | 10 million annual tests conducted through the provision of diagnostics of infectious diseases | Number of dialysis patients provided with dialysis membranes: 250,000 | Annual number of patients provided with regeneration inducers: 100,000 |
| | Smart community and comfortable space | Sales volume of product groups supporting digital transformation increased 1.5 percent over FY 3/21 | Total number of car cabin air filters sold: 1.2 million units | Creation of a comfortable space inside electric vehicles through sound and heat management |

Planet: Helping to solve social issues in consideration of the entire Earth

| | | | | |
|--|--|---|---|---|
| | Decarbonized society and circular society | Ratio of GHG emissions cut in Scope 1, 2: over 46% compared with FY 3/14 | Ratio of green films: 60% | Osmotic power/wind power generation domains Entry into the market of electrode materials for large storage batteries |
| | Good condition of water area, atmosphere, soils, and biodiversity | Air volume of volatile organic compounds treated by recovery equipment 7 billion Nm ³ per year | Desalination of sea water by membrane equivalent to the volume of tap water for 10 million people | Sales volume of highly functional films that contribute to reducing food loss Fourfold increase over FY 3/21 |

**Ⅲ. 2025 Medium-Term Management Plan
(FY 3/23 to FY 3/26)
“Change to Sustainable Growth”**

Change to Sustainable Growth - 2025 is a pass point -



| | | |
|------------------|--|---|
| Measure 1 | Thorough safety, disaster prevention, and quality assurance | <ul style="list-style-type: none"> - Execute a master plan for safety and disaster prevention “zero accidents” - Reconstruct the quality assurance management structure - Risk management structure |
| Measure 2 | Reorganization of the business portfolio | <ul style="list-style-type: none"> - Stratify businesses (return on capital employed and growth potential) <ul style="list-style-type: none"> (1) Focused expansion: proposal and implementation of growth measures, and enhancement of competitive advantage (2) Stable earning: seeking growth or maintenance and improvement (3) Requiring improvement: implementation of the master plan for what the business should be |
| Measure 3 | Preparations for the future | <ul style="list-style-type: none"> - Creation of new businesses and technologies: strengthening of environment and biotechnology related business, and Mirai Pro POC - DX strategy : SFA, MI, Smart Factory, and new earning ways - Roadmap for carbon neutrality (2050) |
| Measure 4 | Reestablishment of foundation | <ul style="list-style-type: none"> - Promote Human resources development, diversity - Workplace capabilities in manufacturing - Development of the business base - Governance / Compliance - Change of the organizational culture |

Execute a master plan for safety and disaster prevention “zero accidents”

- Measures for issues detected through on-site inspections and comprehensive disaster prevention checks
- Investment in safety and industrial accident prevention, and renovation of aging equipment
- Safety and industrial accident prevention training, and creation of safety culture (secure and safe workplace)

Reconstruct the quality assurance management structure

- Enhancement of personnel and structure, creation of mechanisms, and introduction of systems
- Quality assurance training, and creation of quality culture

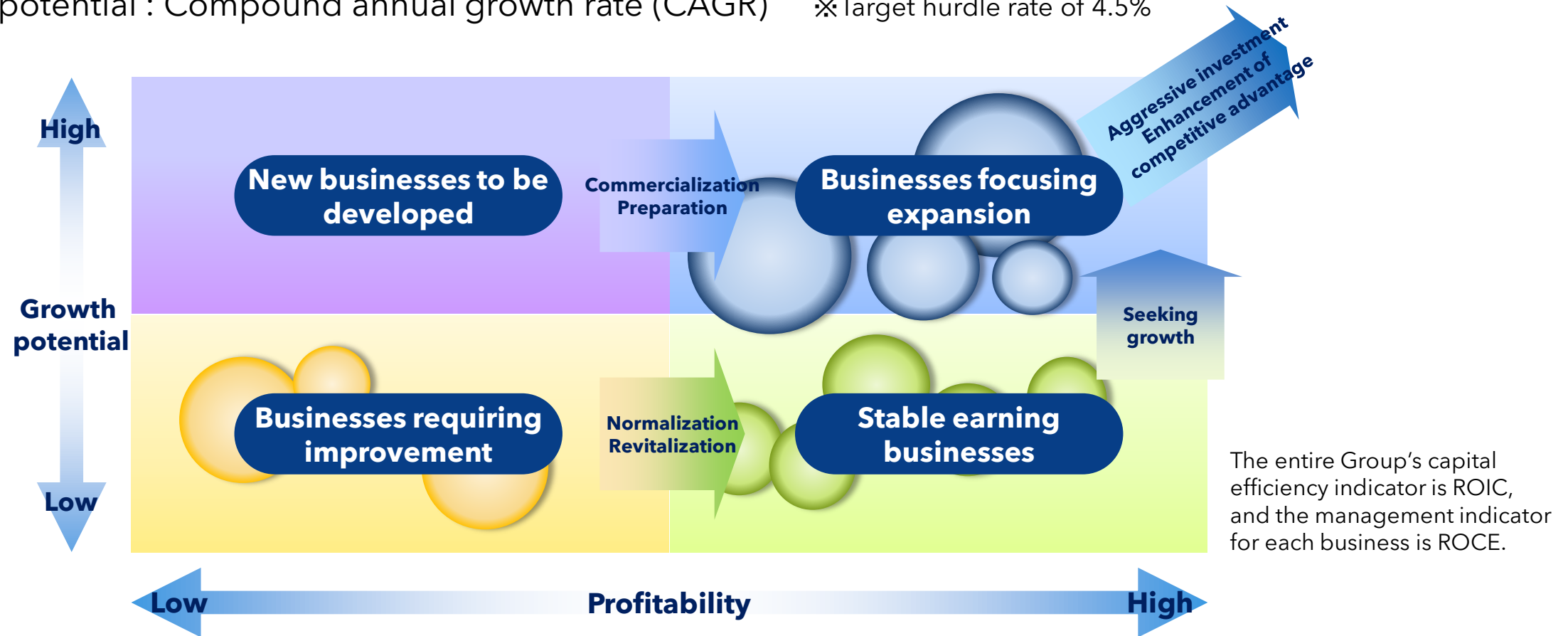
Risk management structure

- Risk map (identifying locations of risks and degree of impact: preparation)
- Improvement of the Group’s corporate governance
 - establishment of the “Corporate Business Management Dept. of Subsidiaries and Affiliates”
- Enhancement of monitoring system

Measure 2: Reorganization of the Business Portfolio- Concept of Business Stratification

Assess and stratify each business into 4 quadrants with 2 axes: “Profitability” and “Growth potential”

- Profitability : Return on capital employed (ROCE) = Operating profit / Capital employed ※Target hurdle rate of 6.5%
- Growth potential : Compound annual growth rate (CAGR) ※Target hurdle rate of 4.5%



Determine whether the business is a “stable earning business” or a “business requiring improvement,” taking into account not only the hurdle rate but also qualitative information. Consider measures by stratified business.

Measure 2: Reorganization of the Business Portfolio- Measures for Businesses Requiring Improvement

Textiles

- Developing businesses for uniforms, underwear, sports and thobe fabrics
- Profitability declined in the wake of the trend of fast fashion.
- Measures : Concentrate resources
 - (1) Establish TOYOBO Textiles Co., Ltd. (From April 2022)
 - (2) Consolidate Toyama Production Center (To March 2024)

Airbag fabrics

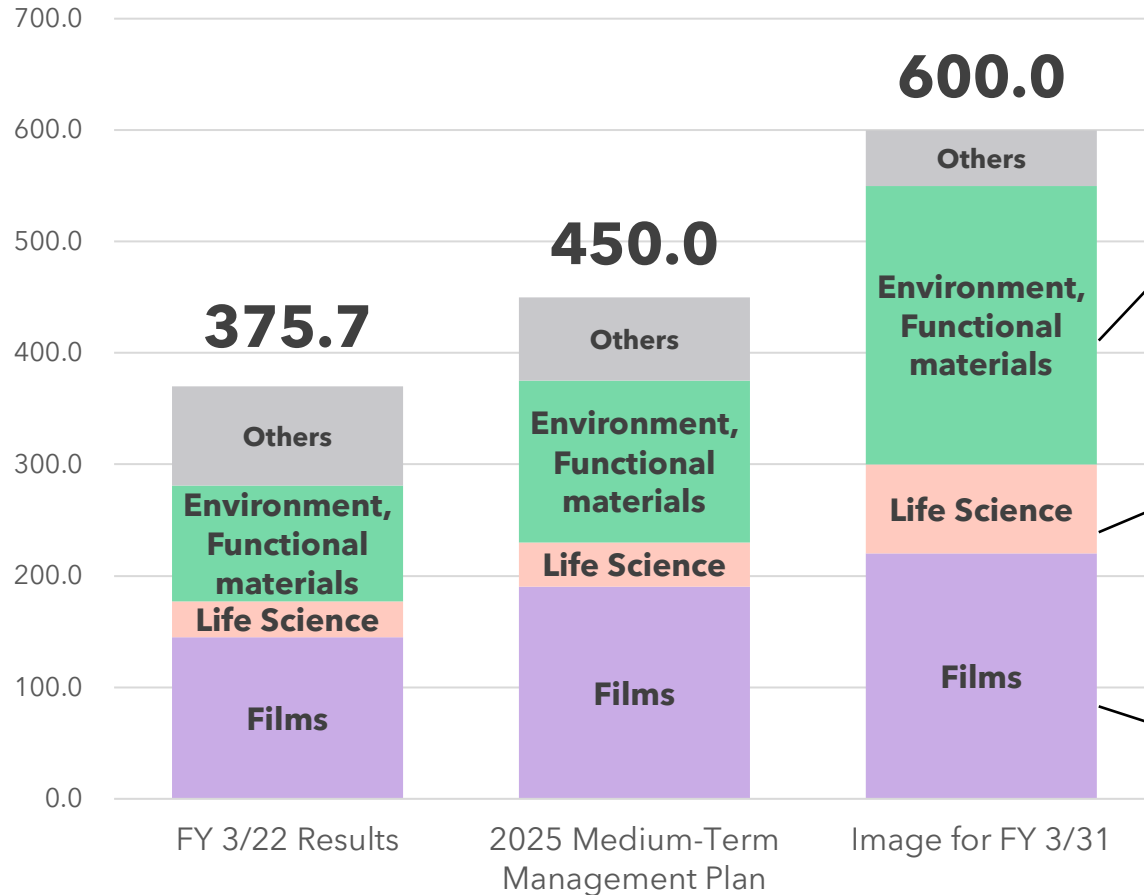
- In the previous medium-term management plan, sales expansion was planned at 5 bases in Japan and overseas, as a global maker engaged in integrated production of items from yarn to fabrics.
- After a yarn factory was burned down in 2018, profitability worsened significantly due to continued sales of fabrics using yarn made by other companies.
- Measures :
 - (1) Launch a new yarn plant operated by joint venture company with Indorama Ventures in FY 3/23
 - (2) Conduct price revision, procurement of raw materials, and drastic review of spread
 - (3) Accelerate more use of polyester
 - (4) Strengthen a global supply structure conducting spinning and weaving in an integrated manner

Contract manufacturing of pharmaceuticals

- Despite a competitive advantage in responses to the 3 regions for sterile injectables, higher GMP-related expenses and declining operating rate mainly due to responses to the FDA
- Measures :
 - (1) Complete responses to the FDA
 - (2) Renovate manufacturing equipment for responses to GMP
 - (3) Maintenance and strengthening of quality culture, price revision
 - (4) Price revision

Measure 2: Reorganization of the Business Portfolio- Aggressive Expansion Measures in Three Fields

Changes in net sales of the Group (¥bn.)

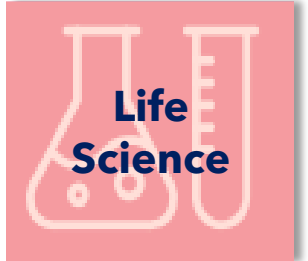


Main expanding businesses

- Engineering plastics
- "VYLON", "HARDLEN"
- VOC emissions treatment equipment
- RO, FO membranes
- High-performance fibers



- Infection diagnosis-related products
- Artificial kidney hollow fiber
- Virus removing filters
- Blood purification membranes



- Mold releasing film for MLCC
- Transparent vapor-deposited film
- Laminate film for steel plates
- Eco-friendly films



To be the world's leading green film maker

Accelerate shift to environmentally friendly products

The target greening rate of 60% in FY 3/31 and 100% in FY 3/51 (Biomass, Recycling, Volume reduction)

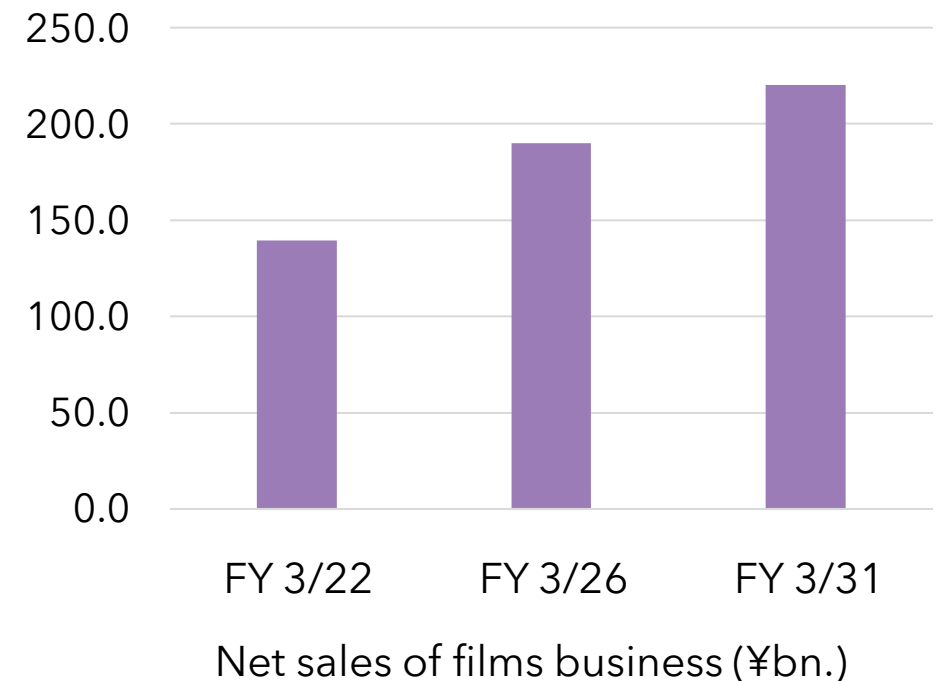
Industrial film

- Continue sales expansion of highly functional film and make further capital investment with growth in markets for IT (information technology) and mobility (electrification)
- Increase synergies with the combined film manufacturing subsidiary of Teijin
- Expand development with recycled film



Packaging film

- Contribute to decarbonization and realization of a recycling-oriented society by providing films using biomass and recycled raw materials
- Fourfold the sales volume of barrier film that contributes to reducing food loss in FY 3/31 compared to FY 3/21
- Contribute to resource conservation through volume reduction by using film with high rigidity



Measure 2: Reorganization of the Business Portfolio- Growth Strategy for Film Business (2)

Mold releasing film for MLCC

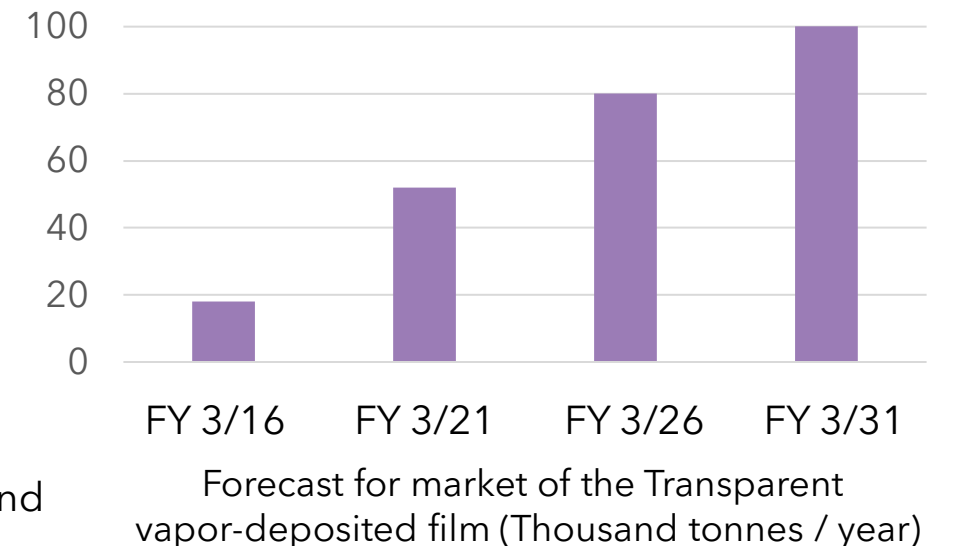
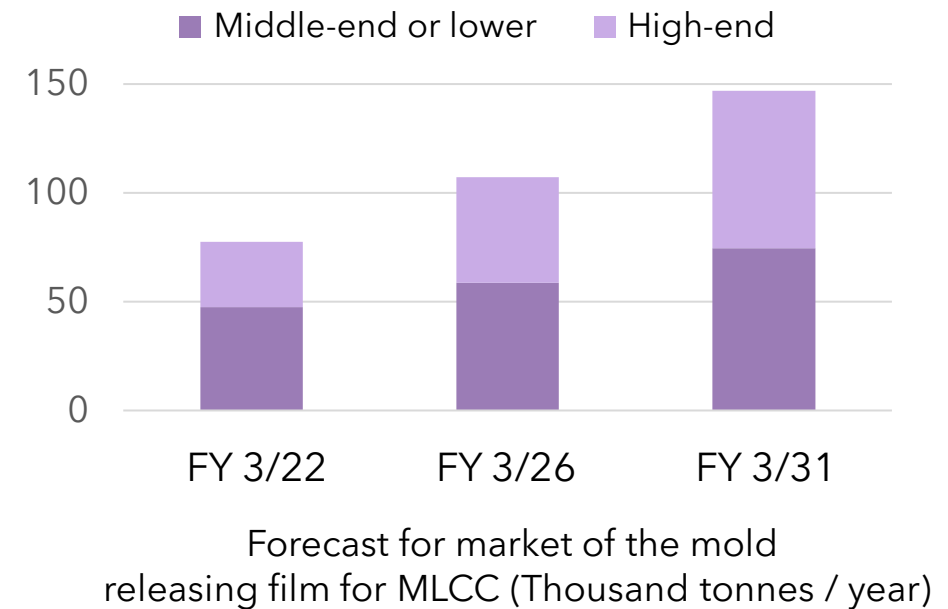
Expand high-end applications with film with superior smoothness

- Integrated manufacturing from film forming to coating
- Film forming technology that realizes superior smoothness
- Planning to manufacture film for high-end products through inline coating (Introduce inline coating equipment at the Utsunomiya Plant in FY 3/25)
- Developed for automotive applications and consumer equipment
- Lineup from general-purpose items to high-end products

Transparent vapor-deposited film "ECOSYAR"

Film that contributes to reducing food loss

- Transparent vapor deposition film market achieving the growth rate of 10% per year globally
- Extend food's best before date with superior barrier properties
- Transparent and microwave-safe
- Does not contain chloride and not generate chlorine gas at the time of combustion
- Full-fledged operation of a plant in Indonesia to contribute to global demand



Measure 2: Reorganization of the Business Portfolio- Growth Strategy for Film Business (3)



Material Recycling

- Polyester polymerization catalyst with superior recyclability
- "TOYOBO GS Catalyst"

Chemical Recycling

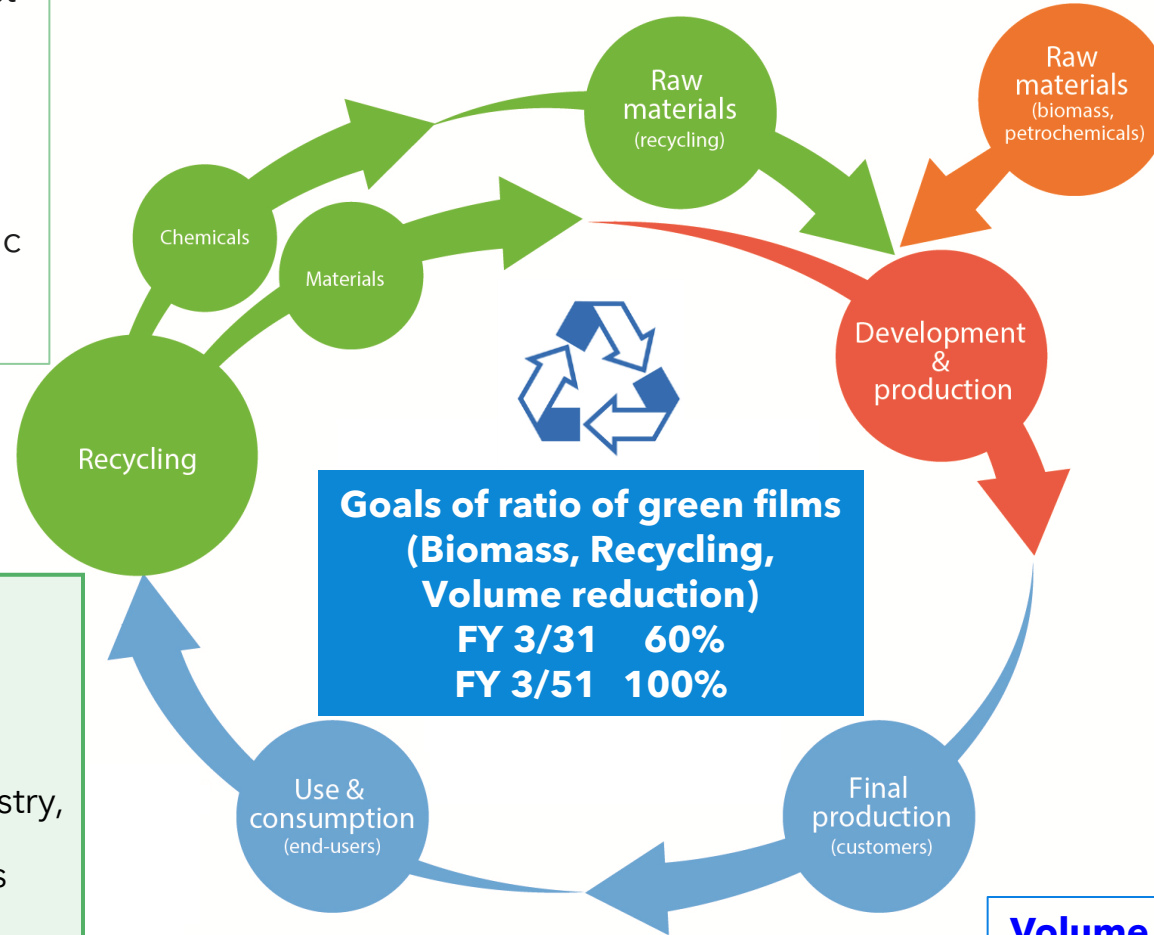
- Support development for thermal pyrolysis of waste plastic to raw materials
- R Plus Japan, Ltd.

R Plus Japan, Ltd.

Jointly established company that transcends industry

Cooperation that transcends industry, such as packaging container manufacturers, trading companies and beverage manufacturers

Aim for practical application in 2027



Biomass

- Resins from 100% biomass
- PEF
- Uses approx. 20% plant-derived ingredients
- "BIOPLANA" (PET, PP/PE, NY)

Recycled resin

- Films made using over 80% recycled resin from beverage PET bottles
- "CYCLE CLEAN"

Mono-material

Volume reduction, thickness reduction

- Film made thinner by 50% or more
- "SPACECLEAN" (20µm←40µm)
- "CYCLE CLEAN" (12µm←30µm)



Biotechnology

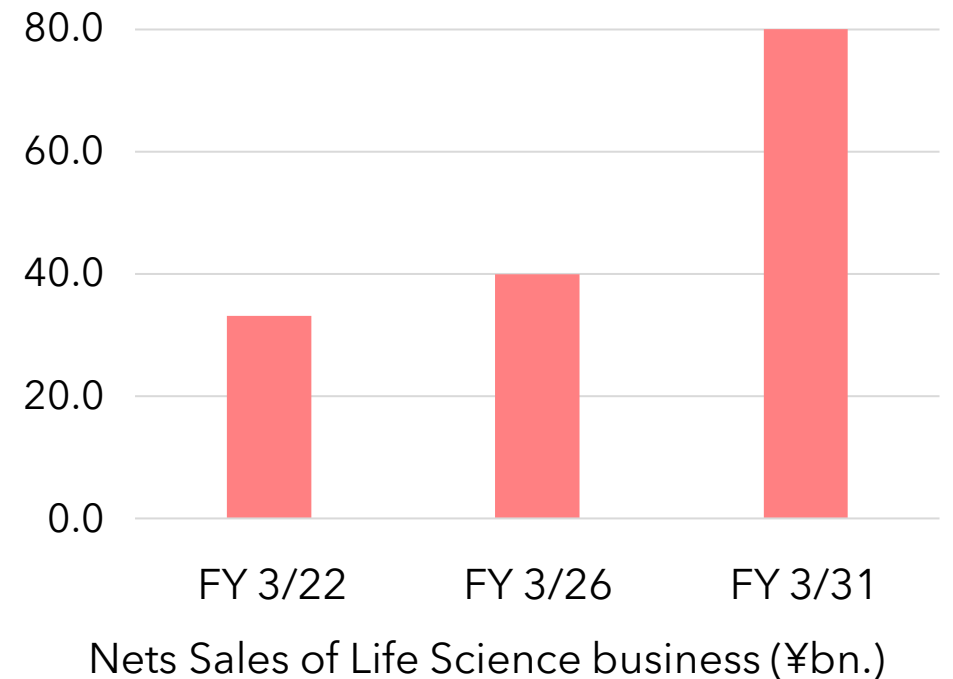
To be a leading global company of the solution business for infection diagnosis

- The technology to make highly functional protein is a strength.
- Expand the diagnosis business from enzyme as a raw material, reagents, diagnostic reagents to diagnosis devices for genetic testing
- Also contribute to overseas demand with enzyme for biochemical diagnosis (such as blood sugar, cholesterol, creatinine and γ -GT)

Medical materials

Improve QOL of patients with membrane technology

- Expand in artificial kidney hollow fiber and virus removal membrane by leveraging separation membrane technology for hollow fibers



Measure 2: Reorganization of the Business Portfolio- Growth Strategy for Life Science Business (2)

Raw enzyme, reagents, diagnostic reagents, diagnostic equipment for genetic testing

Expand in the genetic testing field such as PCR testing

- Technology to enhance the functionality of protein and efficiently produce protein
- Enzyme with superior accuracy and speed for gene amplification (such as PCR enzyme)
- Sell not only diagnostic reagents but also gene analysis devices

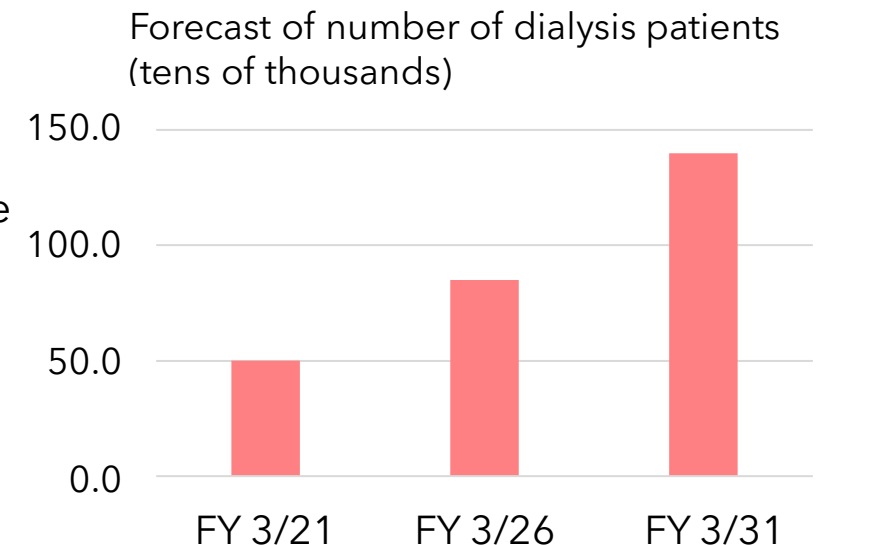
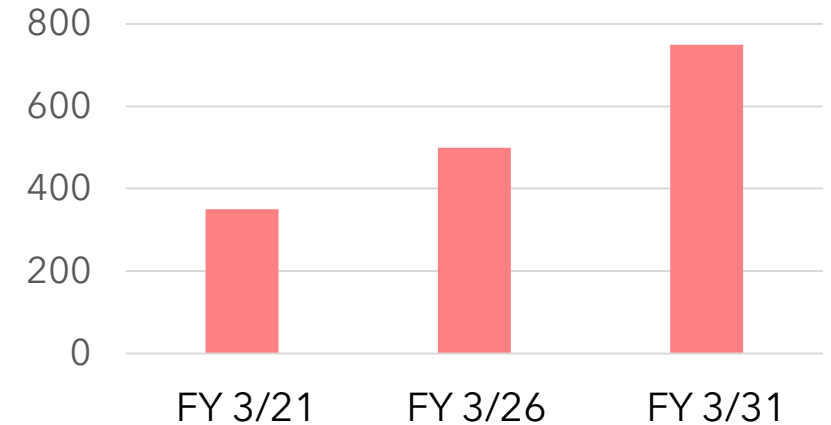
Artificial kidney hollow fiber

Excellent biocompatibility due to cellulosic membrane

- Extremely low allergy manifestations due to being free from PVP
- Improve QOL of long-term dialyzed patients with high diafiltration performance
- Plant for integrated production from hollow fiber production to processing and commercialization into dialyzers (jointly with NIPRO CORPORATION; expected to start operation in July 2024)
- Expand sales globally

Virus removing filters

- The antibody drug market is a growth market
- The processing volume is large because of the hollow fiber structure
- Plan to increase production, expected to start operation in 2026



Toyobo Co., Ltd. and Mitsubishi Corporation are pleased to announce our agreement to establish a new joint venture company that will specialize in the planning, development, manufacturing and sales of functional materials.

Separate a portion of the Company's businesses after the establishment of the new company, and Mitsubishi Corporation will fund the new company.

- Investment ratio: Toyobo Co., Ltd. 51 %, Mitsubishi Corporation 49 %
- Aims: New company will combine Toyobo's technological expertise and Mitsubishi Corporation's collective capabilities to capture growth in global markets
- Launch date: In January 2023 or sometime thereabouts
- Business divisions transferring to the new company
 - " Environment, Functional materials" (Sales scale: approx. ¥100 bn.)
 - "VYLON", "HARDLEN", Photo Functional Materials, Fine Chemicals, Engineering Plastics, Water Treatment Membranes, VOC Emissions Treatment Equipment, Functional Filters, Spunbond Nonwoven Fabrics, Lifestyle Materials, High-performance Fibers etc.

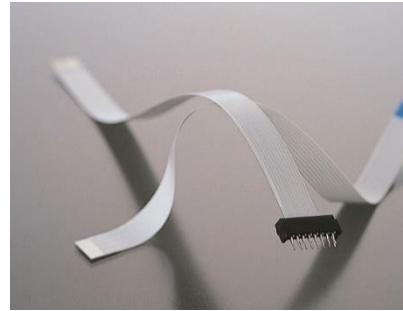
Measure 2: Reorganization of the Business Portfolio- Growth Strategy for Environment, Functional Materials Business (2)



VOC emissions treatment equipment

Purification and recovery of industrial wastewater

Accelerate global development in the LIB growth market due to the shift to electric vehicles



"VYLON", "HARDLEN"

Lithium-ion battery (LIB),
Electronic Substrate etc.

- Expand sales towards overseas markets for LIB, FPC
- Establish a position in the high-growth CASE market



Engineering plastics

Weight reduction and higher performance to support EVs

- Weight reduction and higher performance according to the trend of shifting to electric vehicles
- Expand sales of products overseas



RO, FO membranes

Seawater desalination,
osmotic power generation etc.

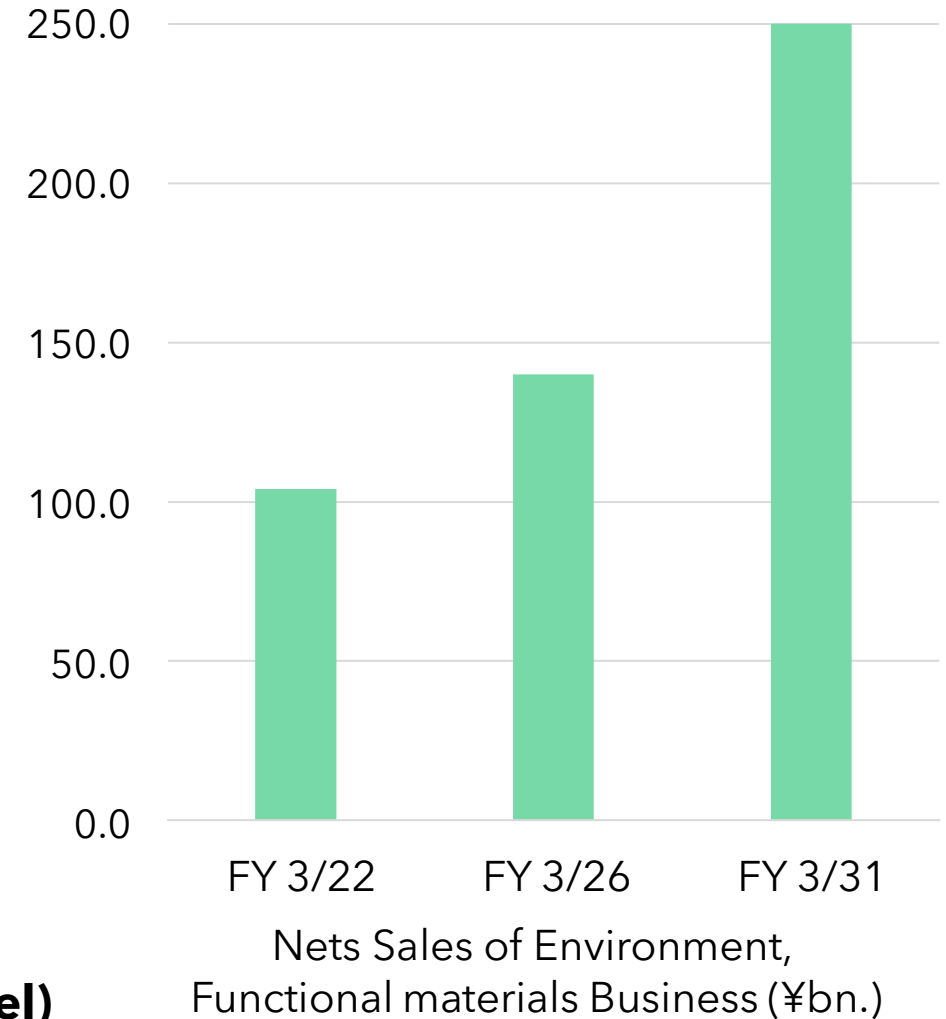
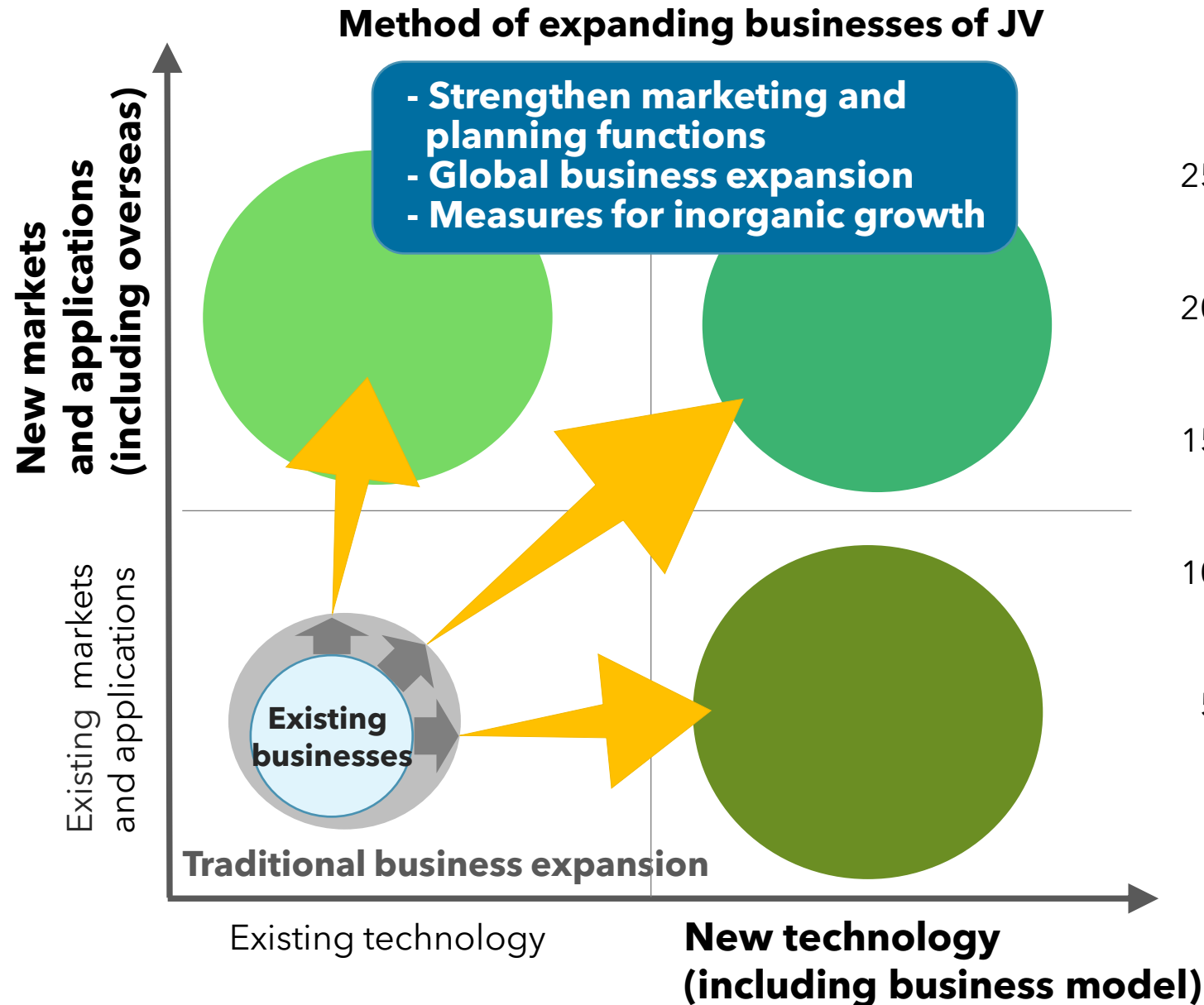
Also develop into osmotic power generation, drainage treatment and salt production as well as seawater desalination



High-performance fibers

Used for floating offshore
wind power generation, etc.

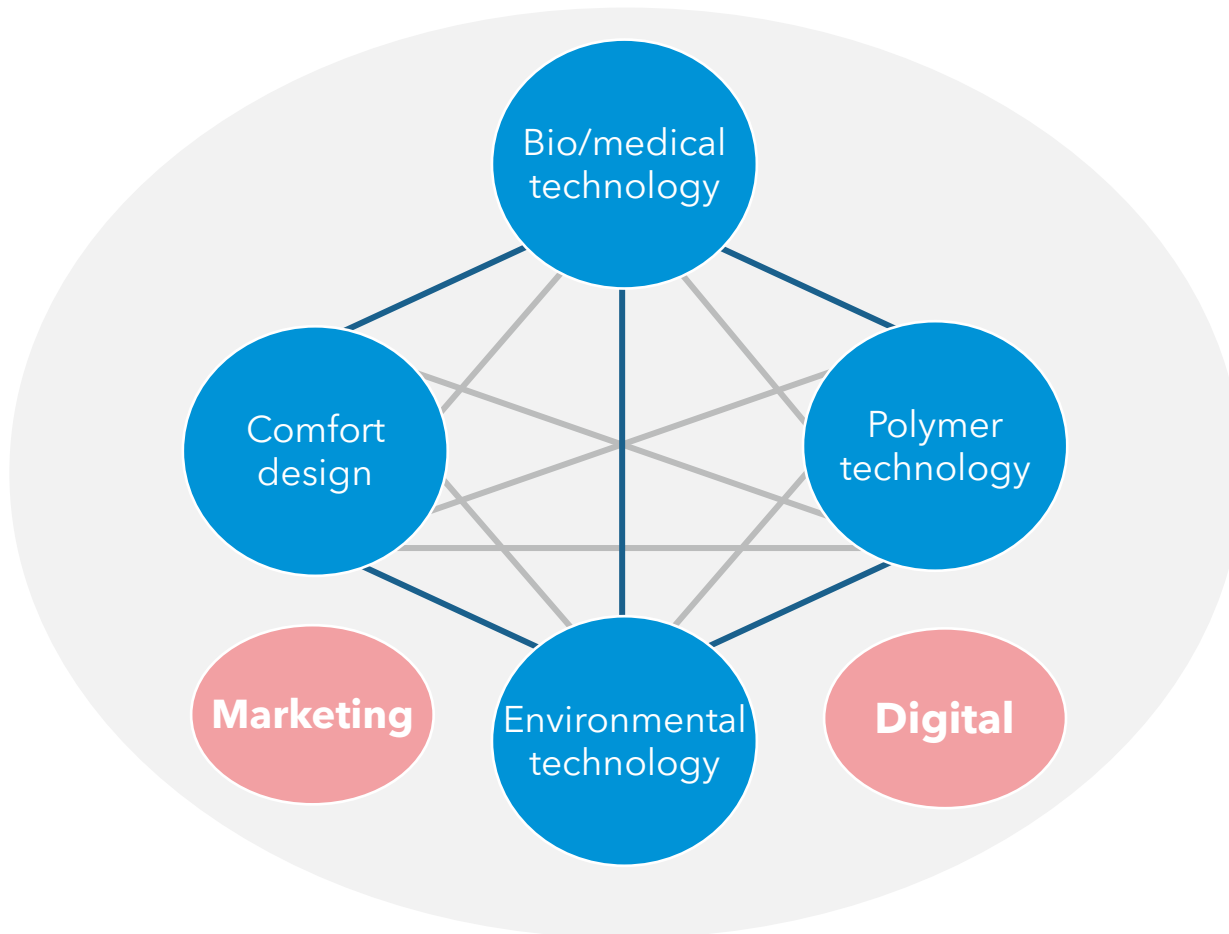
Measure 2: Reorganization of the Business Portfolio- Growth Strategy for Environment, Functional Materials Business (3)



Measure 3: Preparations for the Future- Creation of New Businesses and Technologies

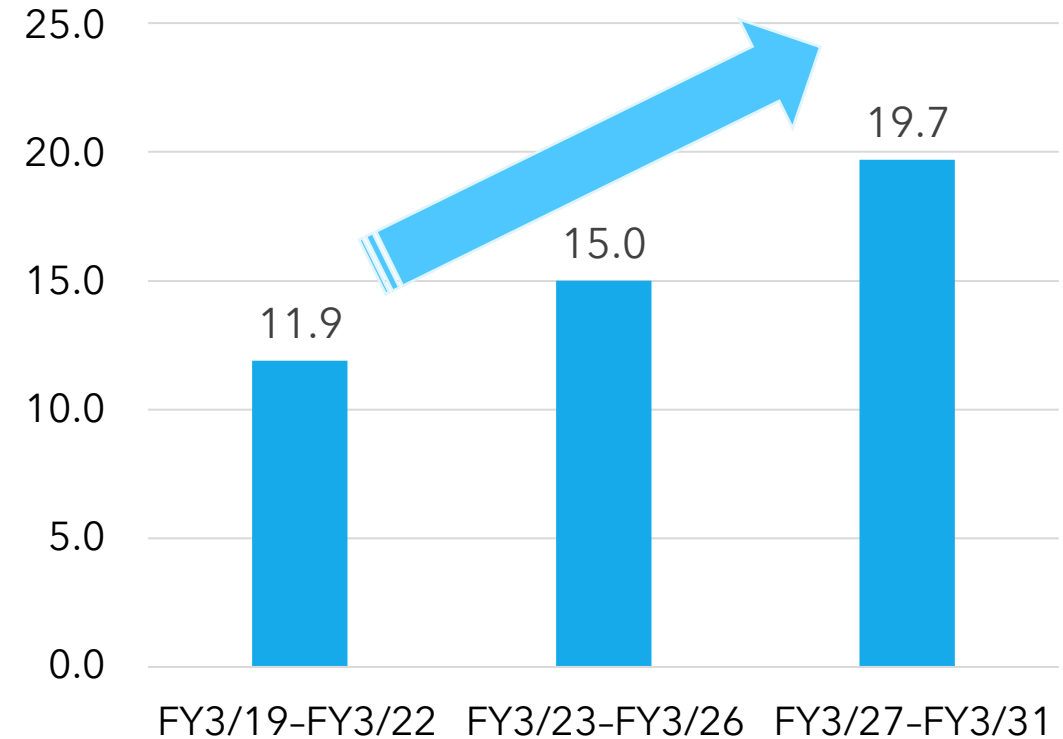
Sparking innovations

Fusing technologies:
combining four core technologies with
marketing and digitalization



Amount of research and development investments

Ratio of research and development expenses to net sales 3.6-3.8%



Annual amount of research and development investments (billions of yen/year) (including intellectual property-related expenses)

1st in "Patent overall ranking for technologies related to polymer films and sheets" (Calculated by Patent Result Co., Ltd.)

Renewable polymer

- Chemical recycling in which waste plastic is turned into raw materials for PET by being decomposed only to BTX (benzene, toluene and xylene) without liquefaction process.
- 100% biomass plastic (PEF : Polyethylene furanoate)



Make inroads into the acute blood purification market

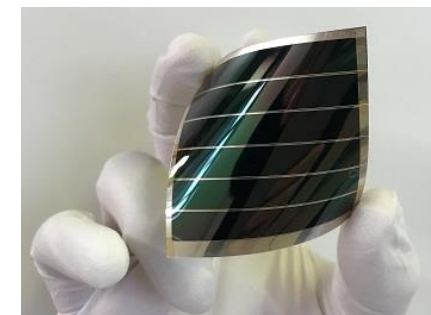
- Development of Cell-free and Concentrated Ascites Reinfusion Therapy (CART)
- Develop therapeutic devices for sepsis
- Establishment of Medical Research Laboratory

Enter into the business of raw materials for manufacturing nucleic acid medicines

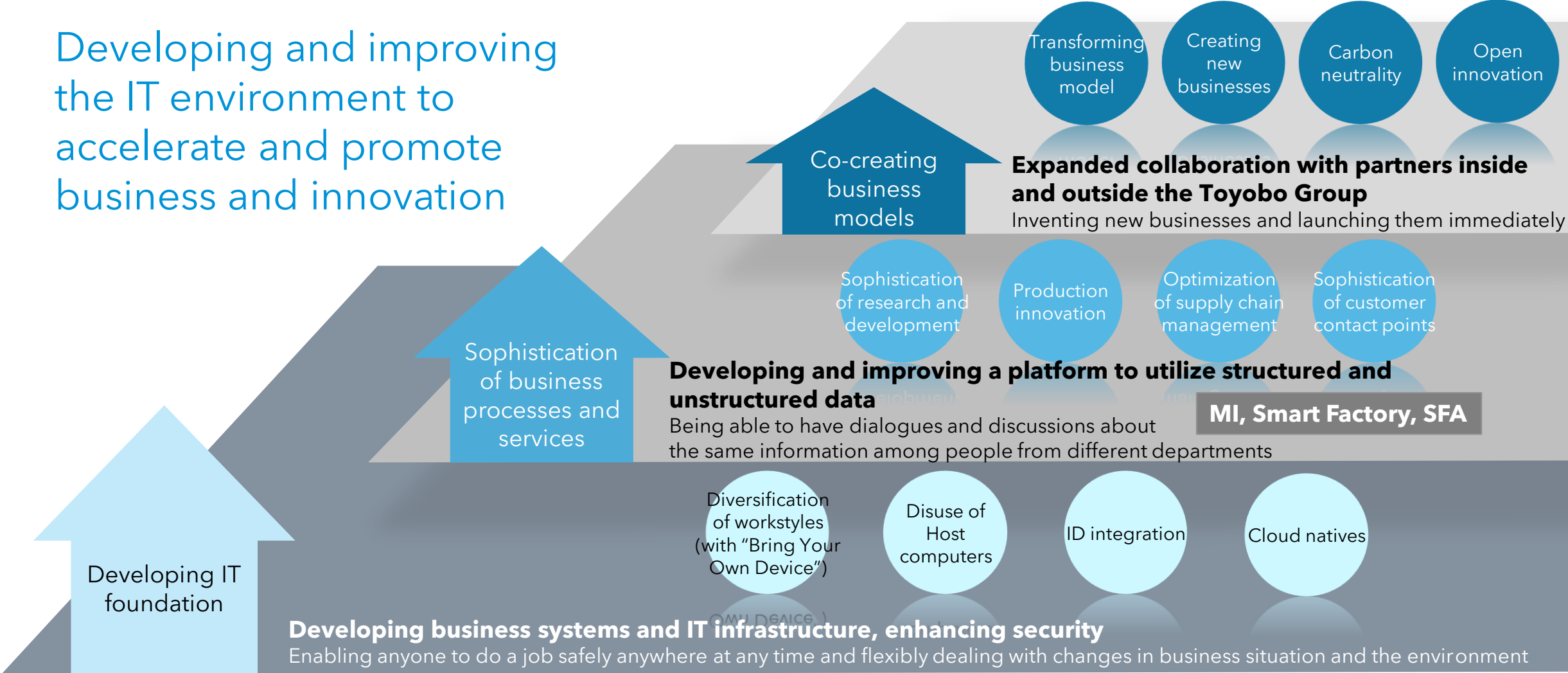
- Deploy technology for producing enzyme for nucleic acid amplification

Material for organic photovoltaics

- Outstanding energy-saving technology
- Achieve the world's highest level of conversion efficiency in a dim room
- Make use of organic synthesis technology
- Expected to expand for dispersed power system, which is indispensable in the advancement of "IoT"



Developing and improving the IT environment to accelerate and promote business and innovation



Developing business systems and IT infrastructure, enhancing security
Enabling anyone to do a job safely anywhere at any time and flexibly dealing with changes in business situation and the environment

【FY 3/21 Results】 GHG emissions Scope1 : 718 Thousand tonnes-CO2
Scope2 : 184 Thousand tonnes-CO2

Rate of reduction of GHG emissions
26% compared with FY 3/14

※Scope 1: Direct emissions from owned or controlled sources
Scope 2: Indirect emissions from the use of purchased electricity, heat and steam

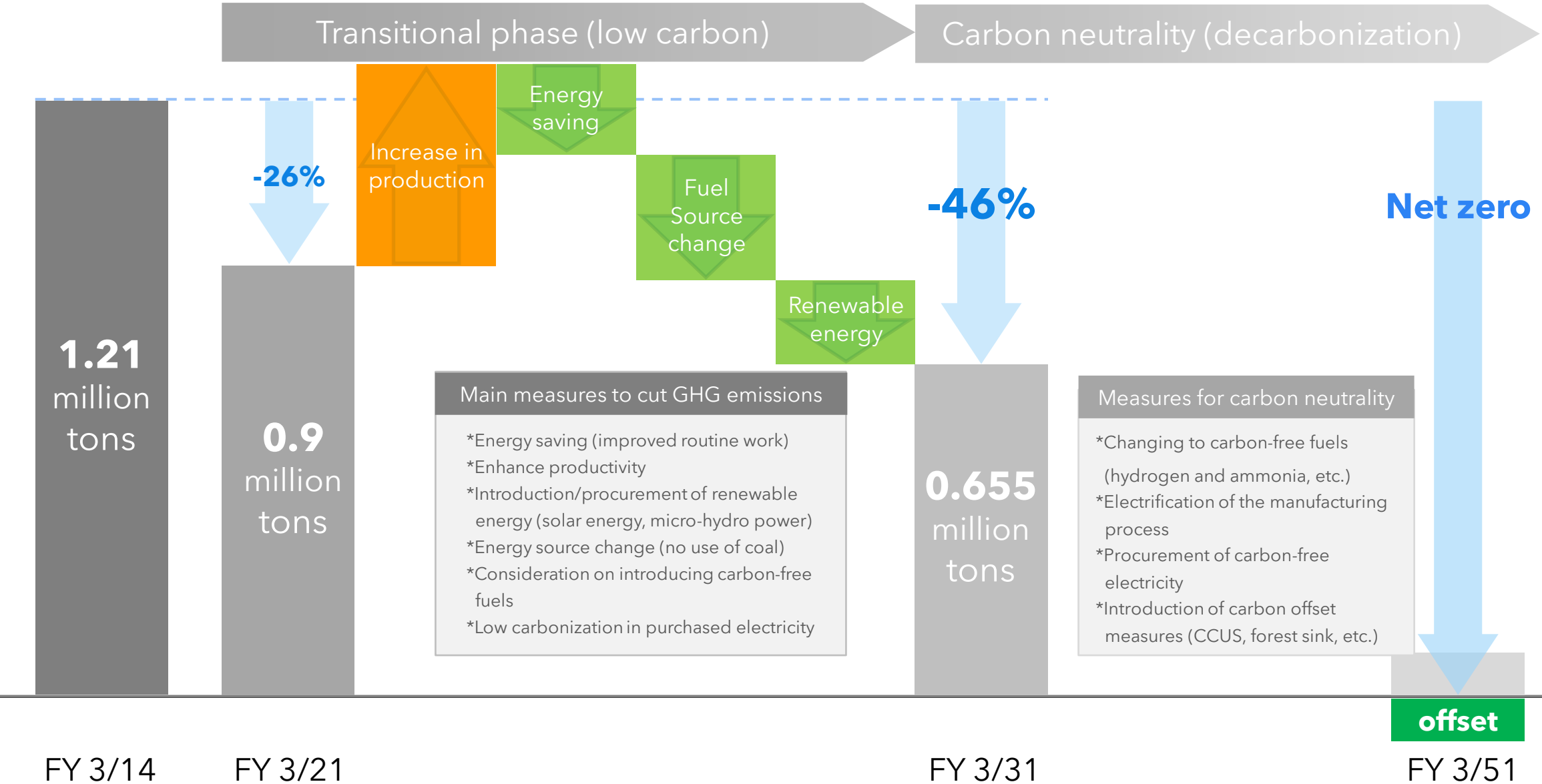
【FY 3/31 Targets】 Scope1,2 : **Reduce by 46% or more (Compared to FY 3/14)** GHG emissions

【FY 3/51 Targets】 Scope1,2 : **Aim for net zero** GHG emissions

Volume of avoided GHG emissions >
Amount of GHG output in the Company's value chain

- Membranes for seawater desalination
- FO membranes for osmotic power plants - Bioplastics
- Weight reduction of engineering plastics (improvement in fuel economy in automobiles)
- Films for wind power generation - Power generation resources for organic thin-film solar cells
- CO₂ separation membranes, etc.

Measure3: Preparations for the future- Roadmap for Carbon Neutrality **TOYOTO**



Developing Human Resources, Workstyle reform, Diversity Promotion

- Reform human resource system: Evaluation, educational expansion, rotation, appoint suitable personnel for the right position
- The next generation of management, promotion of women's participation and advancement (Female leader development seminars)

Governance / Compliance

- Restructuring of governance structure
- Group Business Management
- Strengthen Compliance Structure and the internal auditing function
- Respect for Human Rights in the Supply Chain

Reestablishment of foundation

Workplace capabilities in manufacturing

- Production innovation activities, Systematize engineering education

Change of the organizational culture

- Instillation of "TOYOBO PVVs", organizational development, addressing people with the polite suffix "-san" attached to their name, and serious chat

Development of the business base

- Renewal investment, Consider a concept for the entire company and office bases
- Update legacy systems

Each of our employees can individually work with a sense of growth, pride, and satisfaction

New Human Resources System

- Promotion and support of capacity building
- Treatment and evaluations in accordance with job responsibilities
- Enhancement of management skills
- Encourage the active participation of diverse professional human resources

Promotion requirement review

- Find way out of seniority-based system

“Human Resource Meeting ”

- Discussion on training measures for training management personnel at an early stage

Expansion of system reemploying retired employees

- Expect continued employment after the age of 60

Professional roles

- Treat and cultivate highly specialized human resources

Review performance-based pay and base pay

- Reward based on positions (responsibilities) as well as job role competence rank

Female leader development seminars

FY 3/26 Targets

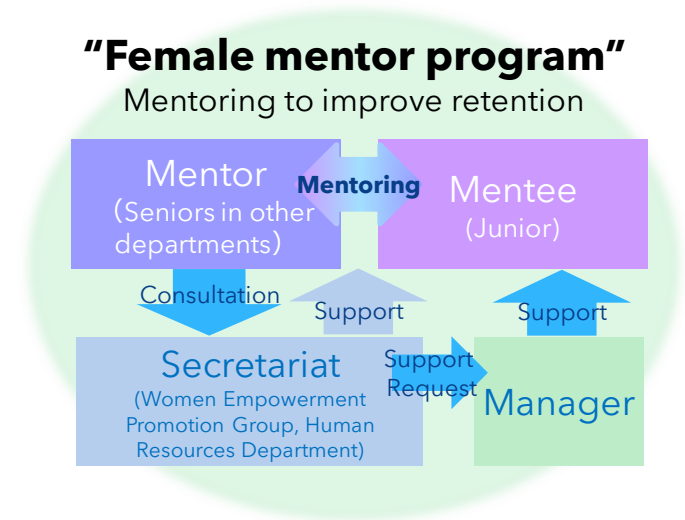
| | |
|--|---|
| Female ratio in manager | 5.0% or above (FY 3/22 : 3.7%) |
| Female ratio in the career track | 22% or above (FY 3/22 : 17.3%) |
| Ratio of male employees taking childcare leave | 80% or above (FY 3/22 : 64%) |
| The number of days | 20% or above increase (FY 3/22 : 9 days) |

Initiatives

- Maintain women's share of new graduate recruitment at a level of at least 40%
- Implement "Female leader training seminars", "Female mentor program" etc.
- Implement "Career Development Support Program" for female employees who are currently on the regional career track
- Establish and implement women empowerment promotion action plans at the unit level
- Support for taking parental leave and going back to work, and assistance in using a babysitter, in-house nursery schools

"Female mentor program"

Mentoring to improve retention



Certified as an Eruboshi*

The "Eruboshi" certification is given to companies that have made excellent efforts to promote the activities of women in accordance with the "Women's Activity Promotion Act"

*As of 2022 "2-star"



Increase workplace capabilities for manufacturing

- Utilizing digital technology - Smart Factory
- Instillation of "TOYOBO PVVs" (Manufacturing Way)
- Enhance safety and disaster prevention, Stabilization of processes and operations
- Improve the foundation for 3S, etc.
- Take advantage through development of 3 quality tables

Concentrate the wisdom of the entire company

- Creation of mechanism to count and examine troubles
- On-site interaction such as 3S; Seiri (sort), Seiton (set in order), and Seiso (shine)
- Development of technology standards
- Prominent engineers conference

Accelerate the company-wide implementation of production innovation

Train personnel for manufacturing

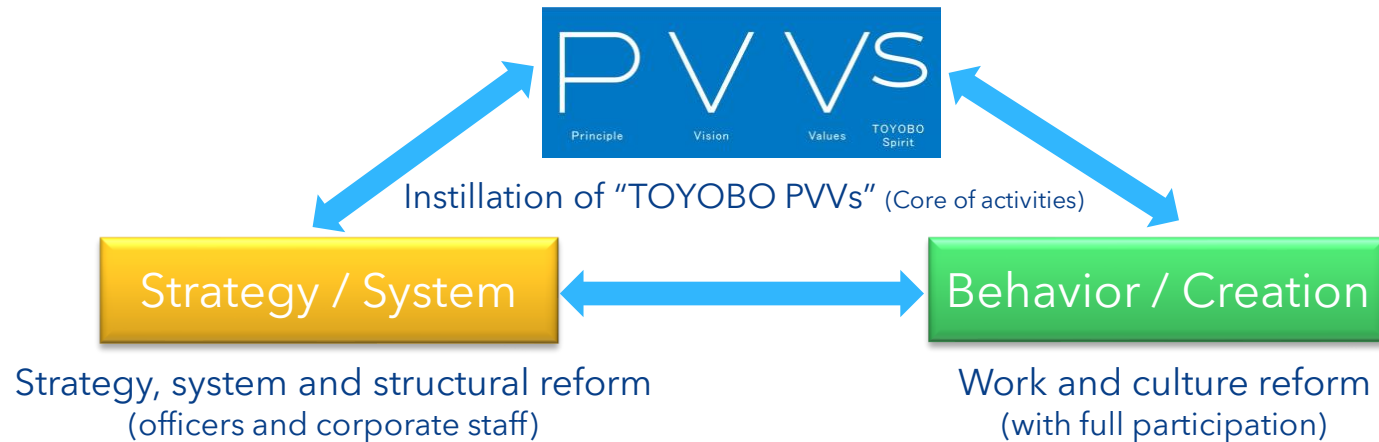
- Redevelop education for engineers (review of education at each office, and education on production innovation)
- Technology Operating Department Technology Center

Measure 4: Reestablishment of Foundation-Change of the Organizational Culture

Connect awareness to improvement and reforms across departments, centering on "KAERU activities" and "TOYOBO PVVs"

Change to "Workplace where each person can continue to work at ease and actively. Company that can draw a growth path while continuing to change"

Achievement of corporate philosophy framework "TOYOBO PVVs"



Strategy, system and structural reform (officers and corporate staff)

Work and culture reform (with full participation)

People First

Find a rewarding sense of satisfaction on your own, work harmoniously, and inspire each other

Cross Boundaries

Connect awareness gained through dialogues and interactions to improvement and reforms

Employees

Work with pride, and feel their own growth

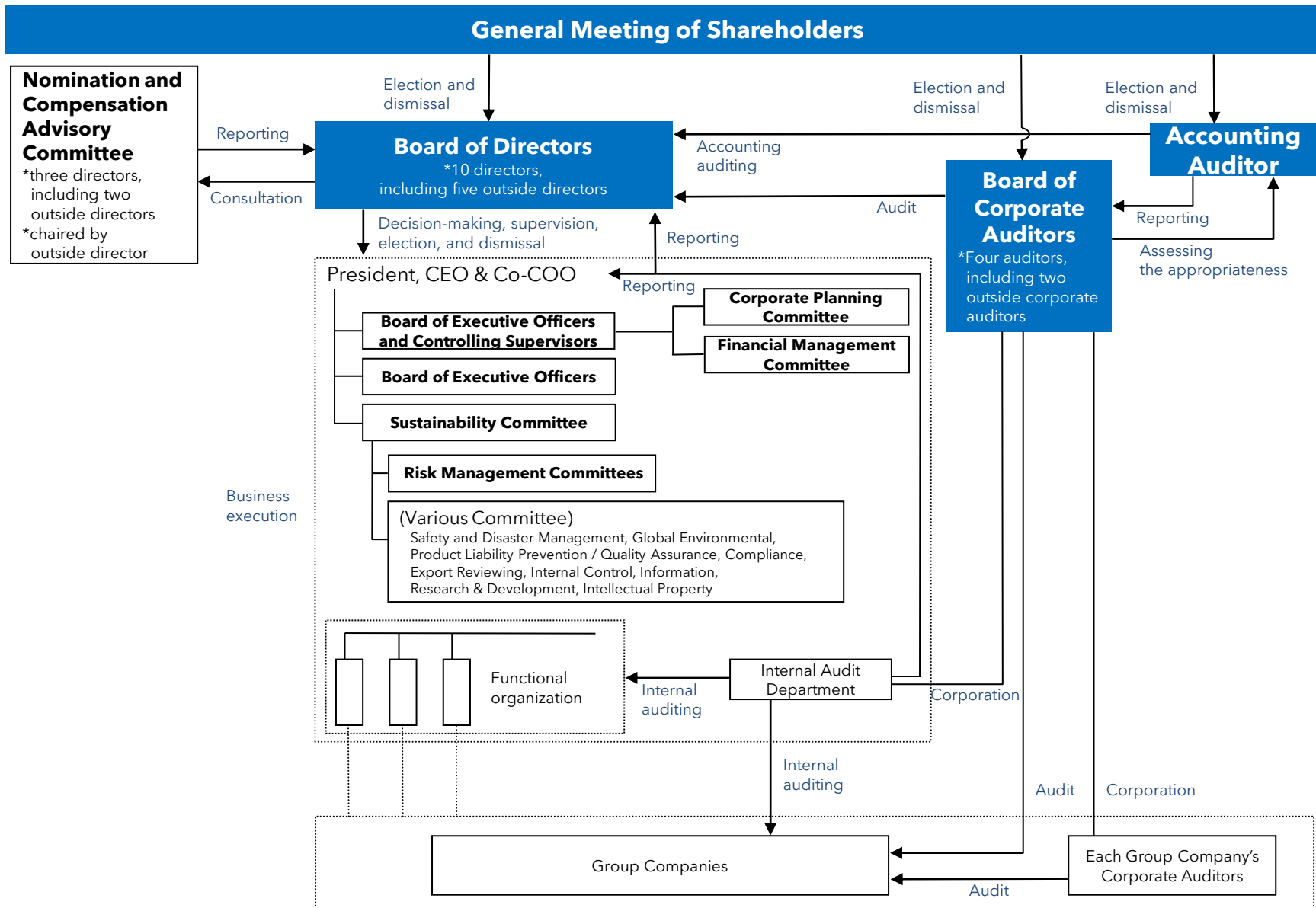
Society

Contribute to Problem Solving

Company

Sustainable Growth

Measure 4: Reestablishment of foundation - Governance / Compliance: Corporate Governance Structure



Board of Directors
 - 10 Directors
 (including 5 Outside Directors and 1 female Director)

Composition after the conclusion of the Annual General Meeting of Shareholders held on June 24, 2022 (planned)

Nomination and Compensation Advisory Committee
 - 3 Directors
 (including 2 Outside Directors)
 - Chairperson : Outside Director

Measure 4: Reestablishment of Foundation - Governance / Compliance: Skill Matrix

- 1 Outside Director will be added
- Enhance skills for “general management”; Candidate for Director to be newly appointed: Mr. Fukushi (incumbent Member of the Board, Executive Officer of Ajinomoto Co., Inc.)
- Include safety, disaster prevention and quality of management issues in “production and technology/R&D”

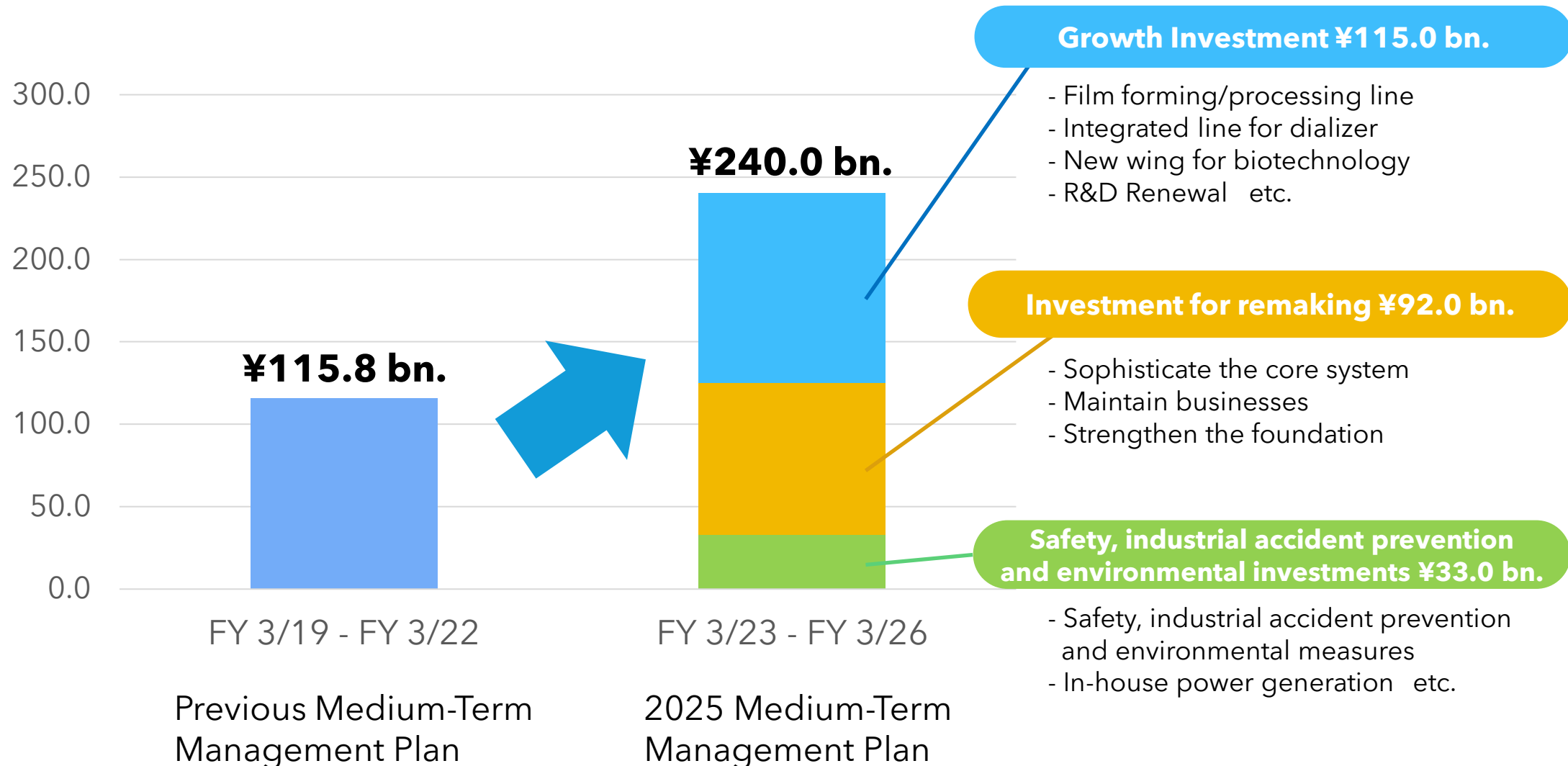
Composition after the conclusion of the Annual General Meeting of Shareholders held on June 24, 2022 (planned)

| | | General Management | Business Operation / Sales | Production Technology / R&D | Finance / Accounting | Risk Management / Compliance | International Experience |
|-------------------|-------------------|--------------------|----------------------------|-----------------------------|----------------------|------------------------------|--------------------------|
| Inside Director | Seiji Narahara | ● | | | ● | | ● |
| | Ikuo Takeuchi | ● | ● | | | | ● |
| | Chikao Morishige | ● | ● | ● | | | |
| | Hiroshi Otsuki | | | | ● | ● | |
| | Yutaka Ouchi | | ● | | | | ● |
| Outside Director | Masaru Nakamura | ● | ● | | | | ● |
| | Takafumi Isogai | | | ● | | | |
| | Kimie Sakuragi | | ● | | | ● | |
| | Masaaki Harima | | | | | ● | |
| | Hiroshi Fukushi | ● | ● | ● | | | ● |
| Corporate Auditor | Yasuhiro Iizuka | | ● | ● | | | |
| | Takayuki Tabo | | ● | | ● | ● | ● |
| | Hiroyuki Sugimoto | | | | ● | ● | ● |
| | Akihiko Irie | | ● | | | ● | |

Financial Targets

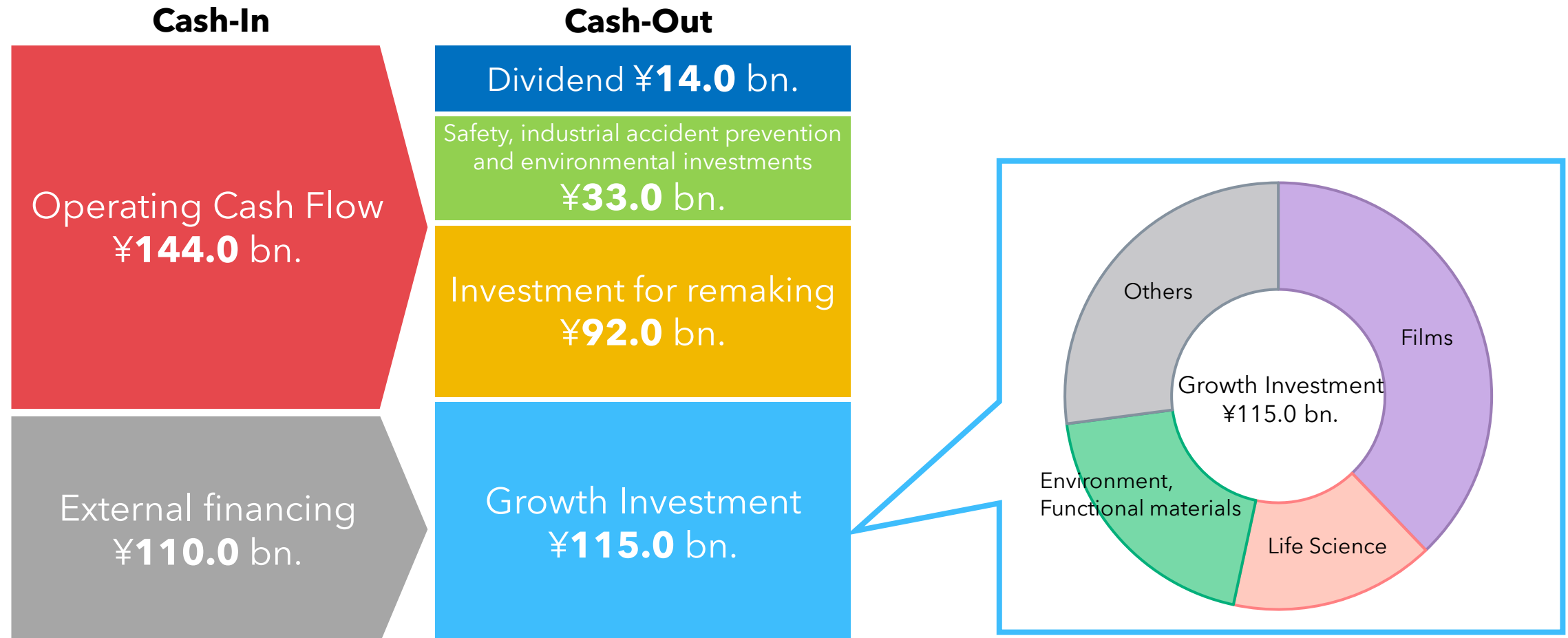
| | FY 3/22 Results | FY 3/23 Forecasts | FY 3/26 Targets | FY 3/31 Image |
|---|--------------------|----------------------|--------------------|------------------|
| Net sales (¥bn.) | 375.7 | 410.0 | 450.0 | 600.0 |
| Operating profit (¥bn.) | 28.4 | 24.0 | 35.0 | 50.0 |
| (Ratio to sales) (%) | 7.6 | 5.9 | 7.8 | 8.3 |
| EBITDA (¥bn.) | 48.5 | 45.0 | 63.0 | 90.0 |
| Profit attributable to owners of parent (¥bn.) | 12.9 | 13.0 | 15.0 | 23.0 |
| ROE (%) | 6.8 | 6.6 | ≥ 7.0 | ≥ 9.0 |
| ROIC (%) * | 5.1 | 4.1 | ≥ 5.0 | ≥ 7.0 |
| D / E ratio | 0.98 | 1.05 | < 1.20 | < 1.00 |
| Net Debt / EBITDA ratio | 3.4 | 4.0 | < 5.0 | < 4.0 |

*NOPAT / (Interest-bearing debt + Net assets)

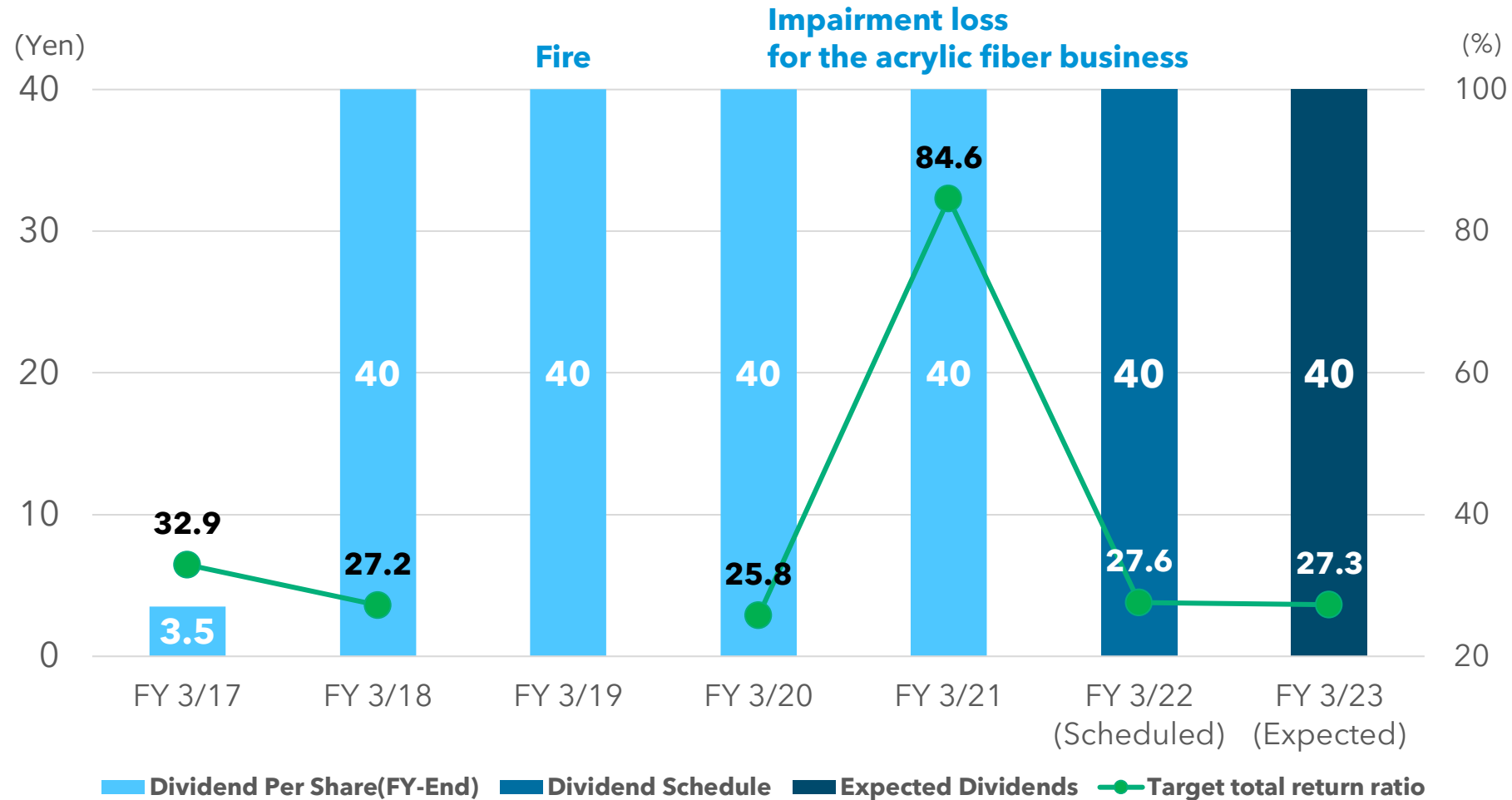


Capital Policy : Cash Flow allocation (FY 3/23 - FY 3/26)

- Give first priority to safety, disaster prevention and environmental responses, and at the same time, make aggressive investment in growing businesses
- Financial management: External financing within the range of D/E ratio of less than 1.2 times, and Net Debt / EBITDA ratio of the 4 times level



The target for the total shareholder return ratio during the term of 2025 Medium-Term Management Plan (FY 3/23 to FY 3/26) is 30%.



TOYOBO

Beyond Horizons

Exceed and proceed

Solve the various issues surrounding people and the earth through TOYOBO's technology and products.

Exist to exceed limits.

Continue to take on challenges together for the future.

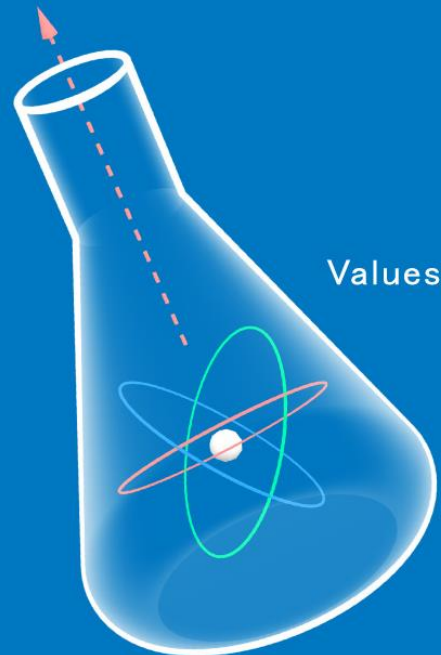


TOYOBO

IV. Appendix

● Principle

● Vision



Values

Principle

“Jun-Ri-Soku-Yu”

Adhering to reason leads to prosperity

Vision

We will continue to create the solutions needed by people and the earth with our materials and science.

Values

We welcome change, enjoy change, and create change.

TOYOBO Spirit:

Challenge, Reliability, Collaboration

Three Part Harmony

Three Growth Fields

- Concentration of managerial resources on growth fields
- KPI by business
- Variation and prioritization

Prioritizing businesses and harvesting crops

Films & Coatings

- "COSMOSHINE SRF"
- Mold releasing films for ceramic capacitors
- Overseas business of Packaging film

Mobility

- Airbag fabrics
- Engineering plastics

- Advance investment for the future
- Preparation for growth

Enhance the development of new products and new businesses in the medium- and long- term

Healthcare & Wellness

- "Nerbridge"
- "Bonarc"
- Functional filter

"Open Innovation"

- Reform organizational atmosphere
- KAERU Project
- Corporate Philosophy "Jun-Ri-Soku-Yu"

Strengthen the business base

Winning a neck-and-neck race

Our approaches toward sustainable management: **Innovation** and **three Ps**

Innovation

- Marketing thinking that considers "People" and "Planet" as our ultimate customers
- Science-based innovation achieved thanks to Toyobo's own ingenuity and ideas centering around "materials and science"
- Value co-creation made mainly through open innovation with diverse partners



Humancentric solutions to solve social issues



Solutions to social issues by considering the entire planet



We consider "Prosperity" as making not only society but also Toyobo prosperous through solving issues

1 Employees' well-being and human rights in the supply chain

Requirements of society

- Corporate responsibility toward realizing a prosperous society where nobody is left behind
- Developing an environment where employees can fulfill their potential and continue to grow as workers
- Safety and respect for human rights in the entire supply chain

What Toyobo places emphasis on

WHY TOYOBO

People First:
Safety and health of employees
(health and productivity management),
pride and rewarding work

Expanding/improving and providing
reskilling and recurrent education

Respect for human rights in the
entire supply chain



Achieving **Zero Accidents**
in all workplaces



健康経営優良法人
Health and productivity

Certified as health and
productivity management
organization (**White 500**)
through 2025



A company where employees feel
a sense of pride and satisfaction
Engagement score:
over **70 %**



Respect for human rights in the
entire supply chain



Expanding and improving educational and
training systems for employees
(Reskilling and recurrent education, etc.)

2

Healthy lifestyle and health care

Requirements of society

- Overcoming infectious diseases is an important global issue requiring coordinated action across states and industrial sectors
- Greater efficiency is needed in medical and nursing care services since their demands are expanding under the worsening labor shortage
- Meticulously catering to diversifying health and medical needs

What Toyobo can contribute:

WHY TOYOBO

Providing solutions in the field of infectious diseases

Producing vaccines or biosimilar sterile-injectable solutions

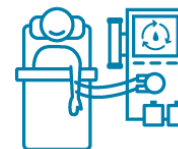
Providing materials essential for QOL improvement and medical treatment, such as medical membranes and regenerative inducers

Providing 3D network-structured fiber materials for medical and nursing care purposes



Number of tests conducted by its provision of infectious disease diagnostics, etc.:

10 million per year



Number of dialysis patients receiving Toyobo's dialysis membranes:

250,000



Share in the market of raw materials for biochemical and other tests:

30 %



Number of patients provided with Toyobo's regenerative inducers:

100,000 per year



Proliferation and expanded sales of 3D network-structured fiber materials in the medical and nursing care fields

Requirements of society

- A humancentric, digital society where anyone can use digital technology with peace of mind
- Providing product materials necessary for advancing digital technology as well as solutions to support the manufacturing process
- Providing solutions that contribute to realizing a comfortable space

What Toyobo can contribute:

WHY TOYOBO

Contributing to the transition process to humancentric, digital society in addition to sparking innovation

Improving comfort in rooms and public and mobility space

Providing new materials and proposing future mobility means (in dealing with CASE and MaaS)

3 Smart community and comfortable space



Supporting digital society
An increase in sales of Toyobo's product groups by **50%** over FY2020



Total sales of Car cabin filters:
1.20 million units



Creation of a comfortable space inside electric vehicles through sound and heat management

4

Decarbonized society

Requirements of society


- Top priority for the Earth is addressing climate change
- Reducing greenhouse gases emitted by the company's operations as well as by the entire value chain
- Providing solutions that contribute to realizing a decarbonized society

What Toyobo can contribute:

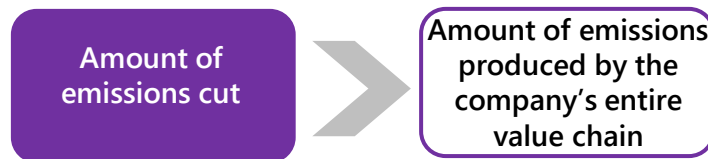
WHY TOYOBO

Promoting reduction of greenhouse gas emissions caused by its business operations and achieving net zero in 2050

Providing various solutions that contribute to realizing a decarbonized society

 Cutting emissions in Scope 1 and 2 by over **46 %** in FY **3/31** (compared with FY 3/14)
Net **ZERO** in FY **3/51**

The amount of emissions Toyobo cuts will exceed that of GHG emitted by its entire value chain by the end of 2050



Toyobo's endeavors



Osmotic power generation



Wind power generation, offshore cable, insulating resin



Adhesive sheet for cells used in fuel cell vehicles



Electrode materials for large storage batteries



Hydrogen-related materials

Providing solutions

4

Circulating society

Requirements of society

- Responsibilities as a plastics maker

- *Reducing waste in the manufacturing process, recycling, minimizing the final volume of waste disposed of
- *Utilizing biomass and recycled materials, taking steps to realize a circulating society

What Toyobo can contribute:

WHY TOYOBO

Reducing the percentage of freshly processed materials used in the manufacturing process and pursuing greater use of recycled materials

Contributing to reducing the use of resources through the life cycle of products by providing products and solutions

Establishing and joining an ecosystem for circulating resources



Final disposal rate
: less than **1** %



Ratio of **green films***:
60 %



Circulating resources
Joining ecosystem

* Use of biomass or recycled materials and volume reduction



Toyobo's endeavors

Providing solutions

5 Good condition of water area, atmosphere and soil, and biodiversity

Requirements of society

- Improvement of the environment in addition to reducing environmental impacts
 - *Measures to reduce the environmental impact of the company's business operations
 - *Providing solutions to ensure water, atmosphere and soil are in good condition
- Preserving biodiversity
 - *Contributing to "nature positive" (prioritizing the preservation of nature and biodiversity to reverse damage to the environment)

What Toyobo can contribute:

WHY TOYOBO

Adequately manage chemical substances generated during the manufacturing process and prevent their external leakage

Helping to reduce impact on and improving the environment through a Toyobo device that recovers volatile organic compounds and membranes for treating water

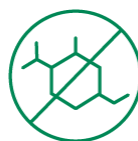
Helping to preserve biodiversity by expanding the sales of highly functional films that help reduce food loss and entering the sustainable food domain

Reducing environmental impacts



Reducing exhaust gas emissions:
15 % (2015→2030)

Toyobo's endeavors



Device to recover volatile organic compounds
Air volume treated:
70 billion Nm³/ per year



Desalination of sea water by membrane
Equivalent to the volume of tap water for
10 million people



Sales volume of highly functional films that help reduce food loss
Fourfold increase over FY 3/21



Sustainable food

Entry

Providing solutions

The business performance forecasts and targets included in the business plans contained in this presentation are based on information known to the Company's management as of the day of presentation. Please be aware that the content of the future forecasts may differ significantly from actual results, due to a number of unforeseeable factors.

TOYOBO CO., LTD.

TOYOBO
Beyond Horizons