

May 11, 2023

TOYOBO
Beyond Horizons

2025 Medium-Term Management Plan
(FY 3/23 - FY 3/26)
~ Progress and Growth Strategy ~

TOYOBO CO., LTD.

Greetings, I am Takeuchi, the President of TOYOBO. Thank you for joining us for today's announcement. We would also like to thank you for your continued support of our company.

From survival thinking to sustainable-growth orientation

Deficits are bad, surpluses are good

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

I would like to review the progress of the first year of the medium-term management plan and discuss the growth strategies and other aspects of the plan. Some of the material is a review of which I discussed in last May, but I will discuss how we are doing now in response.

Last May, we set our direction "From Survival Thinking to Sustainable-Growth Orientation." In other words, although we have not been able to grow the business for the past 10 years, we will make it happen in the coming years. We have had two major fire accidents and a quality emergency in the past. We are determined to transform into a sustainable organization and with that we published this direction for sustainable growth.

The business environment assumed at that time is described here. We have been saying that change is fundamentally, rapidly, and nonconsecutively, but turning out to be a bigger change than we thought in last May, which means that we have to speed up the change.

Ideals we seek to realize in 2030 (Announced in May 2022)

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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%

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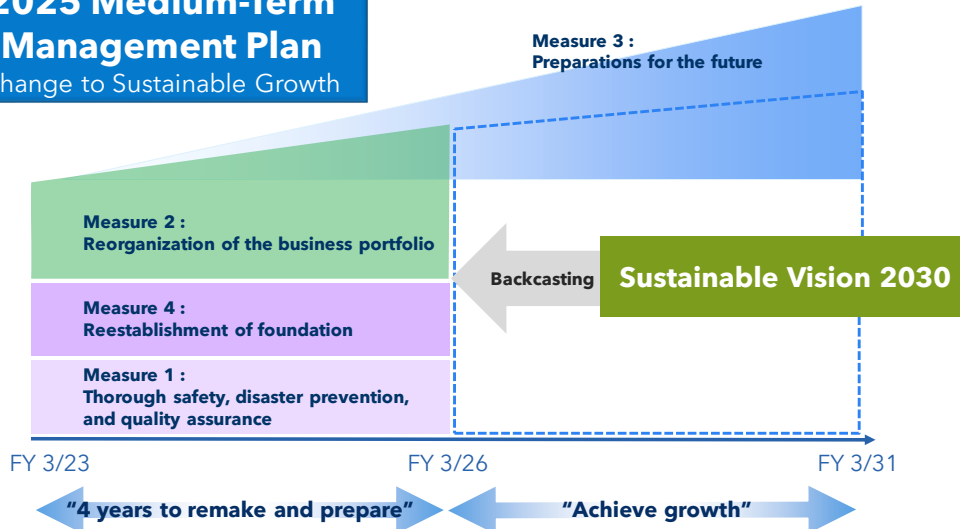
This is the goal for the year 2030. Our vision is to embody “Jun-Ri-Soku-Yu”, one of the motto of our founder Mr. Eiichi Shibusawa. The meaning of “Jun-Ri-Soku-Yu” is to do what should be done, to keep the society safe and stable, and as a result, the Company will grow.

To this end, we aim to be a company that continues to create the solutions needed by people and the earth. There are three elements. The first is to contribute to solving society's issues, the second is to be a sustainable company that continues to envision growth, and the third is that it is people who drive it forward, and it is a team of people connected to each other.

Obviously, in order to achieve this, we have set forth not only financial indices, but also non-financial ones, sustainability indices.

2025 Medium-Term Management Plan

Change to Sustainable Growth



We have set forth four measures to achieve this. From this vision in 2030, the question is what to do with 2025 as a passing point. As written here, the time span between now and 2025 will be four years of remaking and preparation, which means that some investments and reforms will lead partially. We are working on four measures to achieve our vision for 2025 and beyond.

2025 Medium-Term Management Plan: Four Measures (Announced in May 2022)

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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) (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

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These are the concrete actions of four measures. I will discuss the progress one by one later, but as shown in the previous diagram, the first priority is to establish unwavering trust in safety, disaster prevention, and quality assurance.

In addition, we are promoting the development of people, organizations, and infrastructure in Measure 4 as the foundation to support this. Based on this, we have been reorganizing our business portfolio and preparing for the future over the past year.

2025 Medium-Term Management Plan: Progress of Four Measures

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Measure 1 : Thorough safety, disaster prevention, and quality assurance

- Zero serious incident in FY 3/23
- Enhancement of quality assurance training, thorough PL/QA assessment
- Improvement of governance for group companies

Measure 2 : Reorganization of the business portfolio

- Businesses focusing expansion: **CAPEX currently proceeding according to plan**
- Stable earning businesses: **TOYOBO MC Corporation started operations**
- Businesses Requiring Improvement : **Reforms underway such as plant suspension and consolidations**

Measure 3 : Preparations for the future

- Creation of new businesses and technologies: **Formulate Innovation Creation Vision, Mirai PJ**
- DX strategy: **Update legacy systems, MI utilization**
- Carbon neutrality: Roadmap formulation, **obtained SBT certification**

Measure 4 : Reestablishment of foundation

- Promote human resources development, diversity ⇒
Start of new human resource system, next generation of management
- Workplace capabilities in manufacturing ⇒ **Development of training for engineers**
- Development of the business base ⇒ **Proceed with renewal of each office**
- Governance / Compliance ⇒ **Strengthening the group governance structure**
- Change of the organizational culture ⇒ **Instillation of corporate philosophy framework "TOYOBO PVVs"**

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Retrospectively, safety, disaster prevention, and quality assurance are still in the process of being thoroughly implemented. There is a master plan, and we are working on it mindfully and steadily.

We are still in the process, but last year we were able to reduce the number of serious incidents to zero, and since then we have made steady progress in quality assurance training and fostering a culture of quality. We have also put in place a governance structure that includes risk management for Group companies, and we are aware that this was a year in which we were able to steadily implement the decisions we made.

Measure two is the reorganization of the business portfolio, which I will discuss later including growth measures, and we have stratified it into these categories. I believe that this year was a year in which we were forced to review the positioning of some of our businesses as a result of the major changes in our cost structure.

We have made aggressive capital investments for expansion in the businesses focusing expansion, and we have started to explore growth opportunities in what we have positioned as stable earning businesses through the establishment of TOYOBO MC. Then, reforms are underway, for businesses requiring improvement, such as suspension, consolidation of some plants, and so on.

There are many ways to look at measure three, "preparing for the future," but one is to create new businesses, and we have formulated the Innovation Creation Vision. In terms of our uniqueness, we have both polymer technology and biotechnology, hence our vision explores possibilities in mixing these technologies.

Regarding the DX strategy, we are aware of DX to ultimately create new business models, but we have been slow in investing in IT infrastructure, which is the foundation of the DX strategy, so we have been investing in legacy system renewal.

We have been working on a roadmap for carbon neutrality for some time and we were able to obtain the SBT certification. The carbon neutrality is in part due to the increased costs. But because the cost of carbon will increase in the future, we have begun to move forward with this as planned.

Reestablishment of foundation of measure four is for people, infrastructure, and systems, and we are proceeding with what needs to be done as described here. In particular, with regard to human resources, we are preparing to increase opportunities for motivated people to play an active role in the new personnel system, and to prepare and rejuvenate management personnel as well.

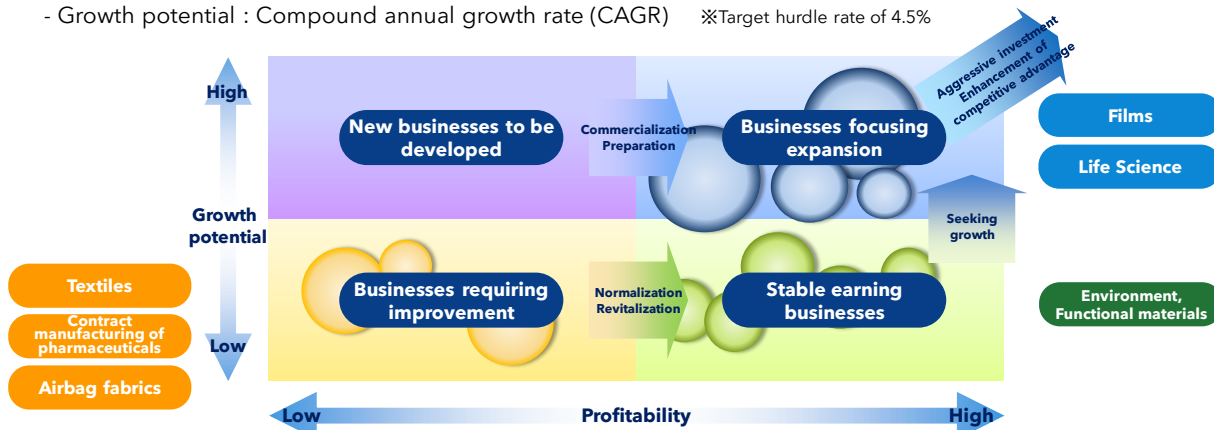
On the other hand, we are always thinking about the meaning of our work and ways to permeate the corporate philosophy, and we are promoting a variety of dialogues, including mine.

2025 Medium-Term Management Plan: Reorganization of the Business Portfolio (Announced in May 2022)

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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.
- The entire Group's capital efficiency indicator is ROIC, and the management indicator for each business is ROCE.

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I will discuss the reorganization of business portfolio.

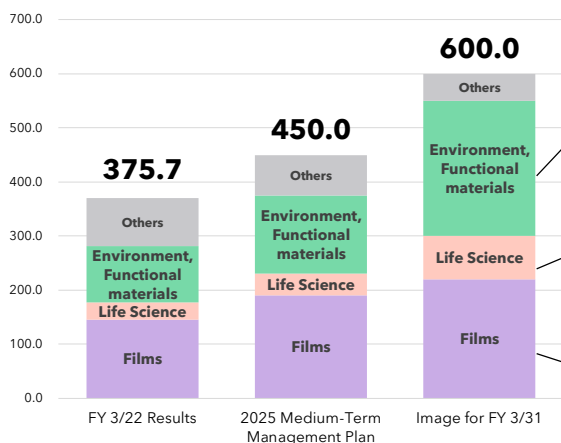
The reorganization of our business portfolio was presented to you in May last year. In the midst of this major change in the cost structure, we have returned to stable earnings for packaging films in the businesses focusing expansion, because we believe that stable earnings should be prioritized over growth.

Conversely, while we were in the stable earning businesses, but we can go a little further in engineering plastics, functional materials, and environment-related businesses, and we will position them higher in TOYOBO MC for aggressive expansion. I will discuss later.

The master plans for the businesses requiring improvement are underway for each of the three businesses listed here: textiles, contract manufacturing business of pharmaceuticals, and airbag fabrics. We are steadily moving forward, but the effect has not yet been fully demonstrated numerically, and we hope to show this effect in FY 3/24.

Reorganization of the Business Portfolio: Aggressive Expansion Measures in Three Fields (Announced in May 2022)

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



Main expanding businesses

<ul style="list-style-type: none"> - Engineering plastics - "VYLON", "HARDLEN" - VOC recovery equipment - RO, FO membranes - High-performance fibers 	<p>Environment, Functional materials (Mainly TOYOBO MC Corporation)</p>
<ul style="list-style-type: none"> - Infection diagnosis-related products - Artificial kidney hollow fiber - Virus removing filters - Blood purification membranes 	<p>Life Science</p>
<ul style="list-style-type: none"> - Mold releasing film for MLCC - Transparent vapor-deposited film - Laminate film for steel plates - Eco-friendly films 	<p>Films</p>

This is net sales we are aiming for in 2030.

First, we will increase the sales amount to JPY450.0 billion in 2025 as an intermediate point. We did not read price pass-through to this extent in May last year, but once we do, we aim to expand to JPY450.0 billion.

The pillars are, in descending order: films, life sciences, and environment, functional materials.

For environment, functional materials, it is to seize growth opportunities in the environmental field within the new framework of TOYOBO MC.

Growth Strategy for Films Business

TOYOBO

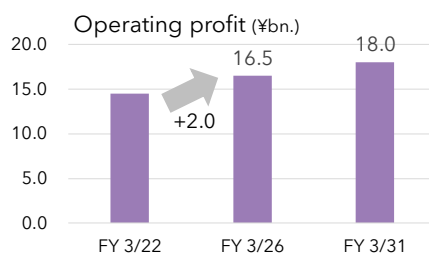
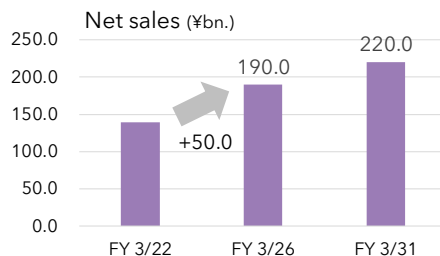
Contribute to a digital society

※ Compared to FY 3/22

- Continue to increase production and expand sales in line with recovery of market for highly functional films
 - New equipment for mold releasing film for MLCC, processing equipment Unit 2. **Approx. 2.5x increase in production capacity**
 - Polarizer protective films "COSMOSHINE SRF" thickness reduction. **Approx. 1.2x increase in production volume**
- Development and deployment of new highly functional film
 - PEN film (wind power generation (isolation), sealers for fuel battery cells)
 - Post-"COSMOSHINE SRF", Post-mold releasing film for MLCC

Contribute to decarbonized and circulating society

- Expand into new markets ~ Eco-Conscious Products ~
 - Shift from can coating to laminate films. Shift from release paper for labels to release films
- Expand development of green film
 - Resource conservation through volume reduction by using film with high rigidity (**Operation of new equipment for OPP film**)
 - 100% bio-based resin film
 - Film using recycled raw materials
 - Recycling of used processing film from within and outside the Company



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Next is the growth strategy for the films business.

In addition to the mold releasing film for MLCC and display-related products, we are working to develop next products unrelated to them. We cannot give specifics at this time, but we hope to make an announcement in the near future if it materializes.

In terms of dealing with plastic waste, films are at the forefront of environmental issues. In terms of contributing to a recycling-oriented society, as described here, we will continue to reduce the volume of the materials or use biomass raw materials.

The new OPP film equipment, which we are struggling to launch this time, is for a much thinner film than conventional olefin, which can retain its strength and contribute to mono-materials. Packaging film itself is a necessary material, although it is not expected to grow significantly. In this context, we are in the process of expanding our lineup of environmentally friendly products, each of which is being developed in its own right.

Growth Strategy for Life Science Business

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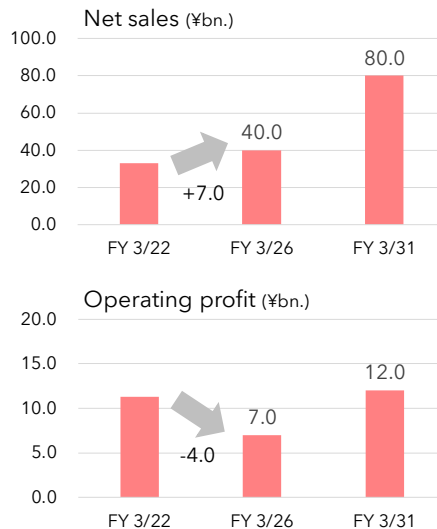
Biotechnology

- Expansion of solutions business for infectious diseases
 - Enzymes, reagents, diagnostic reagents and diagnostic devices for genetic testing
 - New equipment for raw materials for genetic diagnostic reagents.

Approx. 3x increase in production capacity (from 2024)
- Expansion of overseas development, such as enzymes
 - Enzymes for biochemical diagnosis (Blood glucose, Cholesterol, Creatinine etc.)

Medical materials

- Increase production of artificial kidney hollow fiber while closely watching overseas development
 - Integrated production plant jointly with Nipro Corporation (from 2024, Odate City, Akita Prefecture)
- Expansion of applications for acute blood purification membranes and process membranes
 - CART membranes (ascites filtration and concentration), virus removing membranes, filtration membranes for culture media
- Expansion of biomaterials business
 - Nerve regeneration conduit "Nerbridge"
 - Bone regeneration inducing materials "Bonarc"



Increased sales of reagents for PCR testing

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This is life science business.

As for life science business, profits increased very much in the last two years due to PCR, but once they normalize, the graph shows a decrease in profits for FY3/26.

In biotechnology, we are planning to increase our capacity together with this renewable investment. We have enzymes, reagents, and diagnostic reagents, which are the kind that only we can produce, and we see strong overseas sales hence we will be sure to meet the demand for this type of enzyme.

In the medical field, the number of dialysis patients in Japan is not expected to increase very much, but the number of patients worldwide, including the aging population, is expected to increase, especially in China. To take an initiative, we decided to build integrated production plant jointly with Nipro Corporation. We are making a strategic move to produce in Japan and bring the same model overseas.

In addition, other than artificial kidney hollow fibers, we are considering expanding to selling modules.

In the area of biomaterials, sales of bone regeneration inducing materials began in the previous fiscal year and are off to a good start, with adoption increasing.

**Joint venture company between Toyobo Co., Ltd. and
Mitsubishi Corporation in functional materials
" TOYOBO MC Corporation " started operations**

- Investment ratio: Toyobo Co., Ltd. 51 %, Mitsubishi Corporation 49 %
- Aims: **Combining our product and technology development capabilities with Mitsubishi Corporation's broad industry knowledge and management expertise**
- Launch date: April 1, 2023
- Business divisions transferring to TOYOBO MC **"Environment, Functional materials"**
"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.



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Next is the environment, functional materials field.

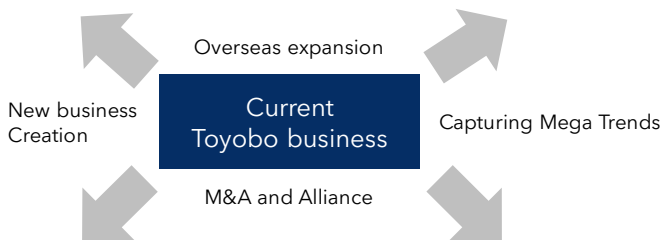
TOYOBO MC was established in April, with Mr. Morishige serving as President. At the beginning of April, we gave a press conference to the media.

Our original intention was to make our cutting-edge technologies and products more useful to the world. We joined the force with MITSUBISHI CORPORATION, with an expectation to seize the opportunities that would be otherwise challenging to pull off by individual effort.

Growth Strategy for Environment, Functional Materials Business: Direction of Expansion

TOYOBO

A higher perspective that overlooks the entire supply chain



Be a winner in global market

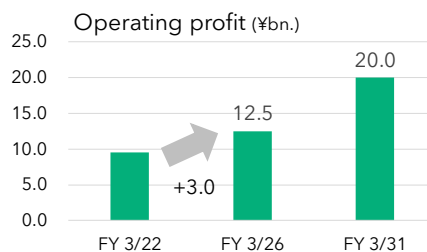
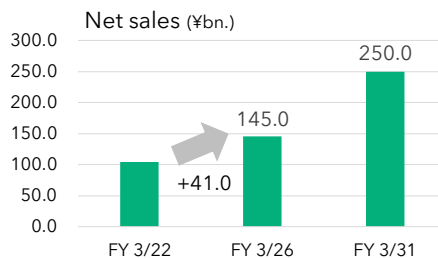
Toyobo's technology

- Professionals of functional materials
- Edgy products with high market share
- Customer base in Japanese market
- R&D capabilities



Mitsubishi Corporation's management resource

- Experienced management and marketing staffs
- Overseas marketing and procurement network
- Promotion of inorganic strategy
- Management know-how
- Energy Transformation (EX) / Digitization (DX)

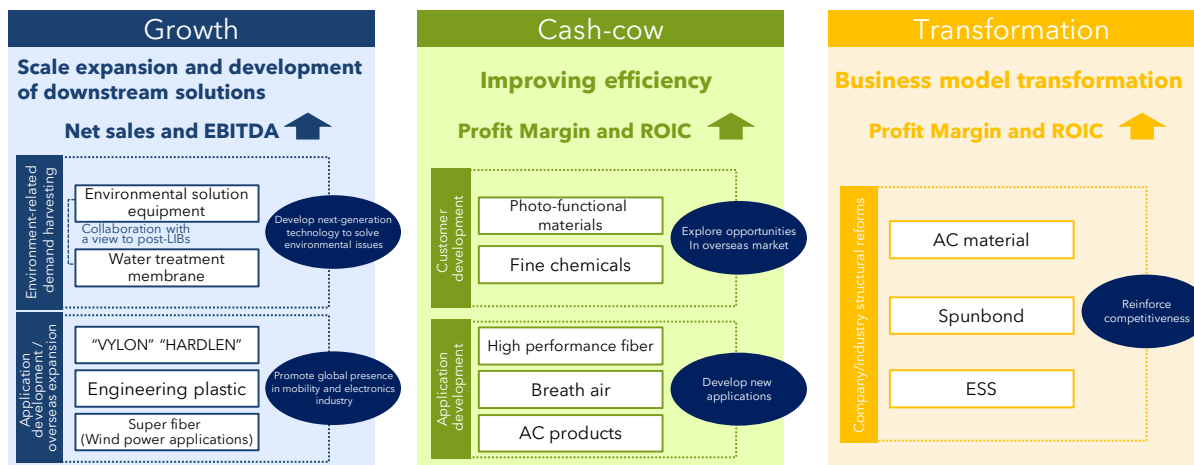


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This means combining our strengths with the platform or expertise of MITSUBISHI. In particular, MITSUBISHI's global management capabilities will enable us to achieve what would be difficult for TOYOBO alone, including inorganic strategies, when the market is more overseas than domestic in the future.

Growth Strategy for Environment, Functional Materials Business: Portfolio Management

Execute actions according to business strata (Growth / Cash-cow / Transformation)



The new company handles multiple businesses operations with more than 10 business sectors, some of which are expected to grow and some of which need to be reformed, and we will make the best use of this new company by reforming the business portfolio. We are particularly interested in developing environmental and resin-related areas.

Environmental Solutions

TOYOBO

■ VOC recovery equipment

Recovery and absorption of dichloromethane emitted in the manufacturing processes of Lithium-Ion Battery (LIB) separator

- Top share for absorption type VOC recovery equipment



■ FO, BC membranes

Applications in wastewater treatment, sale production and recovery of lithium

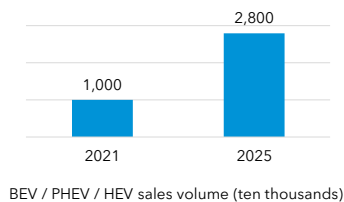


Mitsubishi Corporation

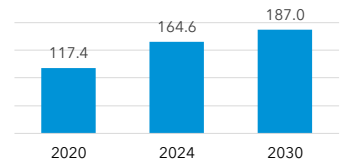
- Have needs for processing methods that realize energy conservation and low costs through new technologies
- Utilize 111 overseas bases, 1,700 operating companies
- Organize projects with downstream players, such as plant manufacturers

TOYOBO MC

Reinforce global marketing and business creation capability, leveraging with market intelligence and global network



BEV / PHEV / HEV sales volume (ten thousands)



Market size of RO / NF membranes module (¥bn.)

We provide a specific example of an environmental solutions. We have a cutting-edge technology for purifying air and water, and we are now exploring and considering what business opportunities are out there to further broaden the scope of this customer base. Especially in relation to overseas, we are making sales pitch to places that TOYOBO alone has not yet been able to reach.

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Mobility and Electronics

■ **Polyester resin used in low-pressure molds "VYLOSHOT"**

Protection of printed circuit boards and electronic parts by low-pressure sealing molds



■ **Adhesion promoter for polyolefin "HARDLEN"**

Development of applications for high-speed, high-capacity telecommunication using 5G/6G with low dielectric constant materials

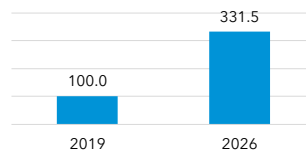
■ **Engineering plastics**

Accelerate development in Japan and overseas in line with the trend of the shift to EV



- Application engineers
- Not only provide materials that meet demands, but also counter-propose materials that extend into the final design of products
- Provide broad customer access to top OEMs in Europe and US market

Transform business model from simple material sales to providing material solution in the global market



Market size of low dielectric FPC for 5G/6G (¥bn.)

Mitsubishi Corporation

TOYOBO MC

Mobility and electronics.

Electronic materials used for mobility-related applications include polyester resins for low-pressure molding "VYLOSHOT".

We have been selling "HARDLEN", an adhesion promoter for polyolefins, for some time, but we were wondering if we could sell it for 5G and 6G applications.

Combining this with the expertise of BEYOND MATERIALS, a joint venture established by MITSUBISHI with FEV of Germany, we are currently exploring new business opportunities.

These are the growth areas.

Businesses Requiring Improvement : Progress of Measures **TOYOBO**

Businesses requiring improvement aim to return to profitability by FY 3/26

Textiles

- Establish TOYOBO TEXTILE CO. LTD. (April 2022)
(Reorganize and integrate group companies.
Improve profitability and asset efficiency)
- Consolidate Toyama Production Center (~March 2024)
Stop production at Inami Mill and Nyuzen Mill.
Reduction of woven fabric production at Shogawa Mill.
Utilize production and development system at Shogawa Mill
and production bases in Malaysia.

Airbag fabrics

- Joint venture company with Indorama Polyester Industries PCL
TIAF (Toyobo Indorama Advanced Fibers Co., Ltd.)
Plant out into production for airbag yarns (October 2022)
- Focus on product price revisions

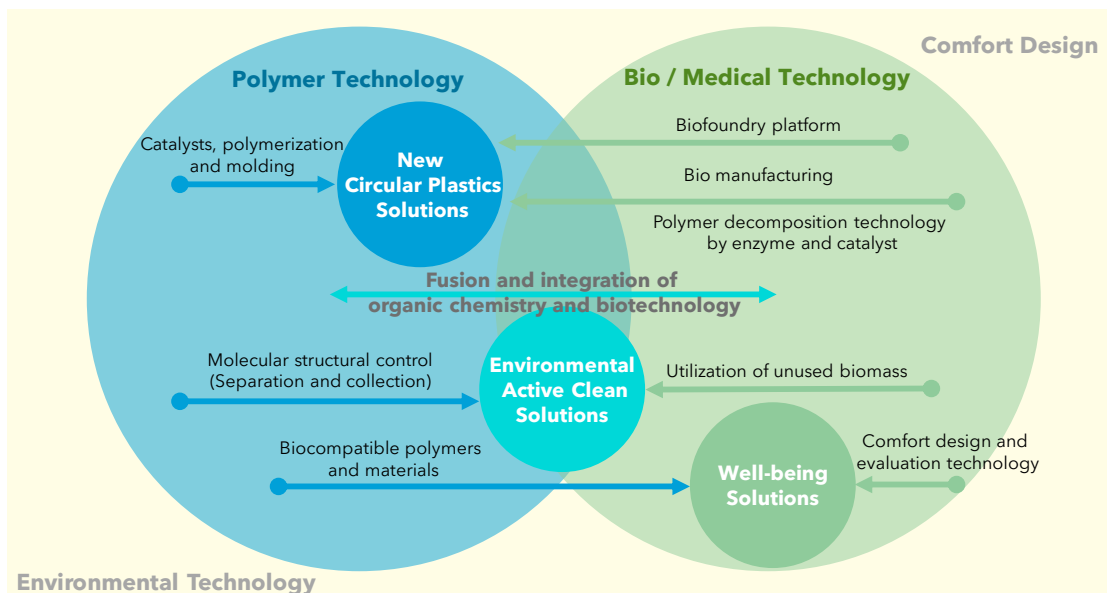
Contract manufacturing of pharmaceuticals

- Currently working towards the warning letter from the FDA
- Production and shipment of over-the-counter
formulations resumed in sequence



Production plant for airbag nylon yarns of TIAF
(Rayong Province, Thailand)

Each of the three businesses requiring improvement is in the process of being reformed according to master plans.



Then, we are preparing for the future. It is a combination of bio/medical technology and polymer technology. Innovation Creation Vision is partly quoted here. I would like to discuss this when I have a chance to do so.

The idea is that until now biomedical and polymer have been two separate technologies, but by combining them, there may be many opportunities. In the area of new circular plastics solutions, which you can see here, biofoundry and other bio-manufacturing technologies could also be applied here.

We are also exploring the possibility of using biomass for environmental active clean solutions, as well as for wellbeing solutions, including medical applications for some of the biocompatible polymers we have.



Specifically, for renewable polymer, we are promoting complete chemical recycling, and we are developing a 100% biomass plastic similar to PET with barrier properties.

As for organic photovoltaics materials, we have found a high-efficiency material that can be used for solar cells indoors, and we are currently working on trial sales with a target year of 2024.

As for well-being solutions, we have developed membranes that can adsorb cytokines for sepsis and we will shift from selling conventional threads to membranes.

We are also working on some research reagents in the area of raw materials for nucleic acid medicine manufacturing, although we have not yet fully fleshed out the details of this business. We have an enzyme that is used for manufacturing pharmaceuticals of mRNA, and we are in the process of shipping some samples.

2025 Medium-Term Management Plan: Financial Targets (Announced in May 2022)

TOYOTO

	FY 3/22 Results	FY 3/23 Results	FY 3/26 Targets	FY 3/31 Image
Net sales (¥bn.)	375.7	399.9	450.0	600.0
Operating profit (¥bn.)	28.4	10.1	35.0	50.0
(Ratio to sales) (%)	7.6	2.5	7.8	8.3
EBITDA (¥bn.)	48.5	29.1	63.0	90.0
Profit attributable to owners of parent (¥bn.)	12.9	-0.7	15.0	23.0
ROE (%)	6.8	-	≥ 7.0	≥ 9.0
ROIC (%) *1	5.1	1.7	≥ 5.0	≥ 7.0
D/E ratio	0.98	1.21	< 1.20	< 1.00
Net Debt / EBITDA ratio *2	3.4	5.8	< 5.0	< 4.0

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

*2 (Interest-bearing debt - Cash and deposits) <Ending> / EBITDA

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That was a lot to cover in a short time. These are the financial goals based on what I went over.

At this time, the figures for 2025 and 2030 have not been changed. We are aiming for a recovery in earnings this fiscal year and stable earnings of at least JPY20.0 billion in FY 3/25.

Depending on the earnings, we may change the target or review capital expenditures, so there is a possibility that this part may change, but at this point, we would like to proceed with the same target.

Recover earning power to create the future

1. Thorough safety, disaster prevention and quality assurance, and compliance

2. Recover earning power

- (1) Price revisions: Prices that match value. Carrying out our responsibility for supply. Creating the future.
- (2) Cost reduction: Narrow down manufacturing, procurement and logistics costs, and SGA expenses
- (3) Improve cash flow: Compress inventory, narrow down CAPEX, and realize effects of investment
- (4) Measures and initiatives for businesses requiring improvement

3. Implementation of four measures of Medium-Term Management Plan

- (1) Thorough safety, disaster prevention, and quality assurance
- (2) Reorganization of the business portfolio (measures for businesses requiring improvement and starting up of TOYOBO MC Corporation)
- (3) Preparations for the future
- (4) Reestablishment of foundation

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In closing, I would like to summarize what I explain today.

As part of our management policy for FY 3/24, "Recover earning power to create the future," we will once again thoroughly implement safety, disaster prevention, quality assurance, and compliance to ensure unwavering trust as a company.

Second, in terms of recovering earning power, there are four areas: price revisions, cost reduction, cash flow improvement, and measures for businesses requiring improvement.

We will not only focus on the short term, but also on the medium to long term, and do what needs to be done to achieve sustainable growth without ever falling into survival mode.

We would like to ask for your continued support and understanding. That's all from me.

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.

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Appendix

Safety and Disaster Prevention Master Plan

Execution of safety and disaster prevention master plan "Zero Disaster" ~Roadmap for labor safety & disaster management

	FY 3/22	FY 3/23	FY 3/24	FY 3/25 - FY 3/26
Priority issues for the year	<ul style="list-style-type: none"> ● Top management commitment statement ● Start on-site dialogues ● Start safety and disaster prevention workshops ● Organize the mission of the Safety and Disaster Management Division ● Organize the SMS and EMS policies of all companies 	<ul style="list-style-type: none"> ● Establish on-site dialogue as standard ● Establish safety and disaster prevention workshops as standard ● Construct a Group SMS and EMS system ● Create overview of on-site inspection activities ● Start of new 3K human resource development exchange meetings 	<ul style="list-style-type: none"> ● Expand to all Group companies ● Establish the Group SMS and EMS system ● Establish new 3K human resource development exchange meetings as standard 	<ul style="list-style-type: none"> ● Develop for overseas sites
Fostering a culture of safety (employee behavior and awareness)	<p>Mostly dependent stage → Increasing independent stage → Emerging interdependent stage</p>			
Reestablish shared values and communications	<p>Top management commitment statement *An expression of management commitment and action, and a demonstration of tangible leadership (Declaration of Action, on-site dialogues)</p> <p>Workshops for specific position levels (all levels → broaden to Group companies and overseas bases)</p>			
Safety infrastructure (systems, human resource development)	<p>3S activities (production innovation, small group)</p> <p>* Continuously improve ability to identify on-site risks, develop new 3K human resources capable of noticing and rectifying abnormalities</p> <p>Establish safety and disaster prevention training centers at all bases, construct a disaster prevention education program</p> <p>Appoint disaster prevention personnel, strengthen organization (secure personnel and specialists)</p>			
Steadily implement emergency response and incorporate into daily Management	<p>Reconstruct the safety and security disaster prevention risk management system</p> <p>* Continuous risk management at all companies</p> <p>Audit Project</p>			
Synchronize with all-company risk management activities	<p>Conduct on-site inspections → Establish RA activities, review of case studies (strengthen horizontal development)</p> <p>Review the comprehensive disaster prevention checks + Additional investment (2 billion yen) * Disaster prevention budget, set work stoppage schedule</p>			
Mechanism to establish a tradition of learning	<p>Inspect ducts → Duct fire countermeasures</p> <p>Medium-term safety and disaster prevention plan (update aging equipment, remove wooden buildings, replace firefighting equipment, etc.)</p>			

➤ **Zero serious incident in FY 3/23**

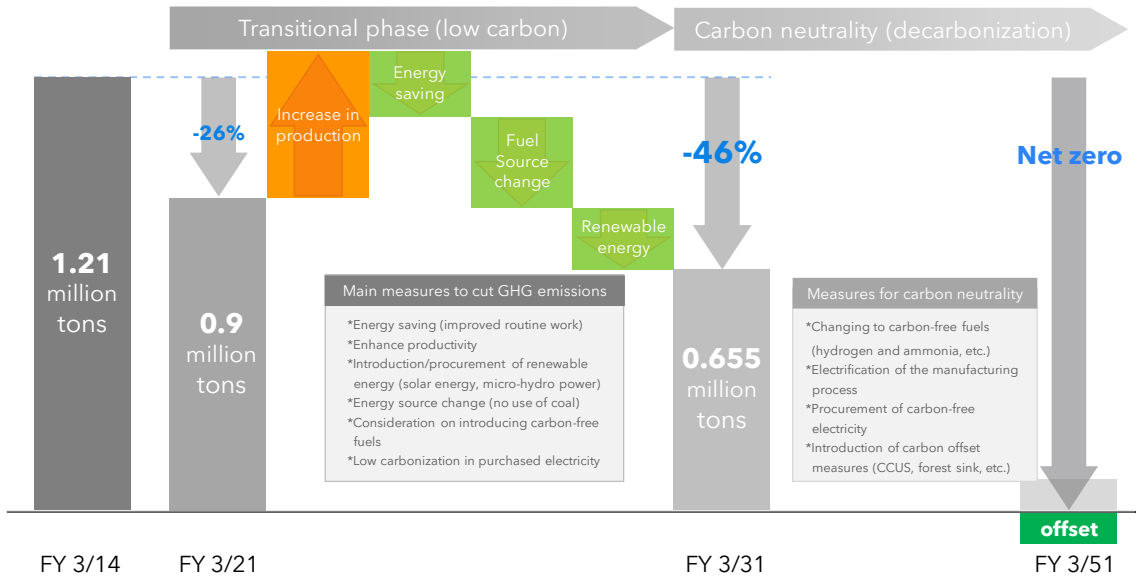
New 3K : Kiduku (Notice), Kangaeru (Think), Koudou suru (Act)

Quality Assurance Management

Roadmap for reconstruct the quality assurance management structure

	FY 3/22	FY 3/23	FY 3/24	FY 3/25	FY 3/26
Priority Issues	Regain trust			Unwavering trust	
	Inspections to guarantee quality, build quality in the processes			Instill the concept of quality assurance across the product lifecycle	
Emergency Measures	Respond to external certifications				
	Revise assessment processes Respond to customers				
Corrective Measures	Create guidelines for Quality DX	Horizontally expand to affiliates and overseas offices Horizontally develop quality DX examples Accelerate conversion to smart factories			
Standardization	Management structure (verification of effectiveness): Three lines of defense system, Risk Management Committee				
	Diligent quality assurance management (actively apply ISO to operations) Create a map of quality-related human resources, train and actively use specialists in the professional system				
Changing Awareness	Corporate Philosophy: Return to the roots of Jun-Ri-Soku-Yu, deeply instill "safety first"				
	Change the organizational culture and awareness	Instill QA as an activity for everyone!			
	Train QA personnel and foster quality awareness				

Roadmap for Carbon Neutrality



Obtained SBT certification



Obtained SBT (Science Based Targets) certification

SBT refers to corporate reduction targets for greenhouse gases in conformity with the levels set in the Paris Agreement

The Toyobo Group's targets of reducing GHG emissions by FY 3/31 have been validated by the SBT initiative. (December 2022)



Toyobo Group's GHG emissions reduction targets validated by SBT

Scope1,2	27.0% reduction in GHG emissions by FY 3/31 over FY 3/21
Scope3	12.5% reduction in GHG emissions by FY 3/31 over FY 3/21

※Target of net zero emissions by FY 3/51 (Scope1,2)

- 350 SBT certified companies in Japan
- Second company to obtain certification in the fiber product sector
(As of January 10, 2023)

Main measures until FY 3/31	
Scope1,2	<ul style="list-style-type: none"> - Energy saving (Improvements in business operations) - Improvement in productivity - Introduction/procurement of renewable energy - Energy source change (no use of coal) - Consideration of introducing carbon-free fuels - Low carbonization in purchased electricity etc.
Scope3	<ul style="list-style-type: none"> - Increase procurement of low carbon/carbon-free raw materials - Reduce GHG through cooperation with suppliers - Promote green logistics - Expand use of recycled and biomass materials - Shift toward eco-friendly equipment for VOC emissions treatment, etc. etc.