

Mar. 2023



# TOYOBO INVESTORS GUIDE (FY 3/23)

TOYOBO CO., LTD. (3101)



Ikuo Takeuchi  
President & Representative Director

*Ikuo Takeuchi*

## Start of New Transformation

In May 2022, TOYOBO observed the 140<sup>th</sup> 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 . Company Profile (page 4~12)
- II . Sustainable Vision 2030,  
2025 Medium-Term Management Plan (page 13~16)
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# I . Company Profile

- Basic Information
- Corporate Philosophy Framework “TOYOBO PVVs”
- Net Sales and Product Case Studies by Segment
- Domestic and Overseas Bases, Ratio of Net Sales by Region
- Our History

# Basic Information

Company Name : **TOYOBO CO., LTD.** (Oct. 1, 2012, Change the company name from Toyo Boseki)

Established : May 3, 1882

Incorporated : June 26, 1914

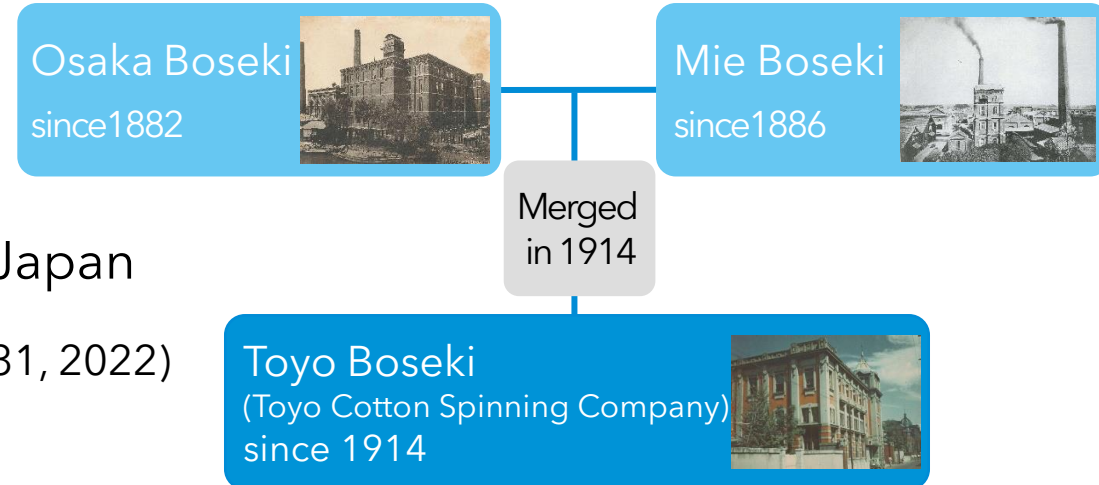
Paid-in Capital : 51,730 million yen

Head Office : 1-13-1 Umeda, Kita-ku, Osaka 530-0001, Japan

Number of Employees : 10,503 (Consolidated) (As of March 31, 2022)

Business Profile : Original business is cotton spinning.

Currently, manufacture, processing, and sales of various products in the fields of films and functional materials, mobility, lifestyle and environment, and life sciences.



**140th anniversary in May 2022**

**Renewal of corporate logo** (from April 2022)

**TOYOBO**  
Beyond Horizons



Founder  
Shibusawa Eiichi

## TOYOBO Group Philosophy "Jun-Ri-Soku-Yu"

One of Shibusawa Eiichi's mottos, originally from the Northern Song Dynasty Confucian scholar Cheng Yi. Inheriting the spirit of our founder, who preached the importance of aligning morality and economics, we have adopted this as our corporate philosophy.



Written by Shibusawa Eiichi in 1921

## Corporate Philosophy Framework "TOYOBO PVVs"

In 2019, we systematized the TOYOBO Group Philosophy of "Jun-Ri-Soku-Yu". The TOYOBO PVVs is the foundation on which we actively seek to build a flourishing society while also growing as a company.



# Net Sales and Product Case Studies by Segment

## Life Science Ratio of Net sales 9.3%

- Biotechnology
- Contract manufacturing of pharmaceuticals
- Medical materials



Enzymes



Detection kit for COVID-19



Fully automated gene analysis system



Artificial kidney hollow fiber



Bone regeneration inducing materials

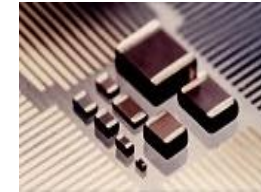
## Films and Functional Materials Ratio of Net sales 45.3%

Ratio of Net sales 45.3%

- Industrial film
- Packaging film
- Functional materials



Transparent vapor-deposited film



Mold releasing film for MLCC



Industrial adhesives



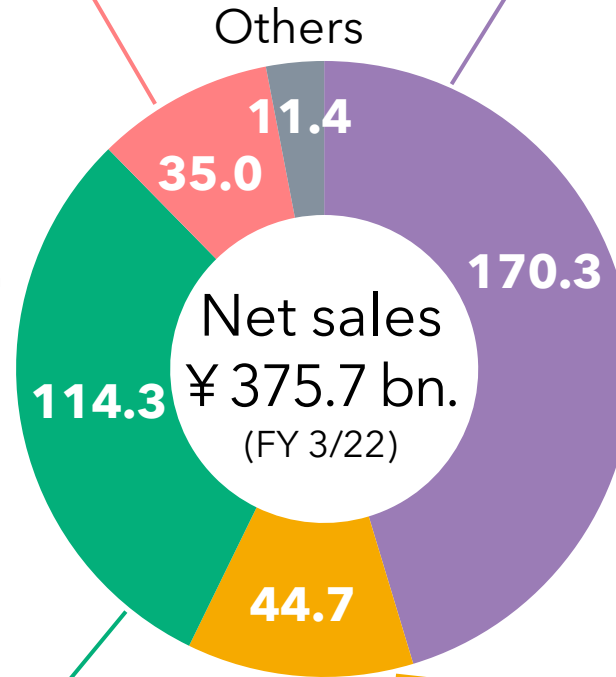
Recycled PET film



Polarizer protective films for LCDs



Photopolymer printing plate



Net sales  
¥ 375.7 bn.  
(FY 3/22)

## Mobility Ratio of Net sales 11.9%

- Engineering plastics
- Airbag fabrics



Thermoplastic polyester elastomer



High-Performance polyester resin



Airbag fabrics

## Lifestyle and Environment Ratio of Net sales 30.4%

Ratio of Net sales 30.4%

- Environmental solutions
- Nonwoven materials
- High performance fibers



Reverse osmosis Membranes for seawater desalination



VOC recovery equipment



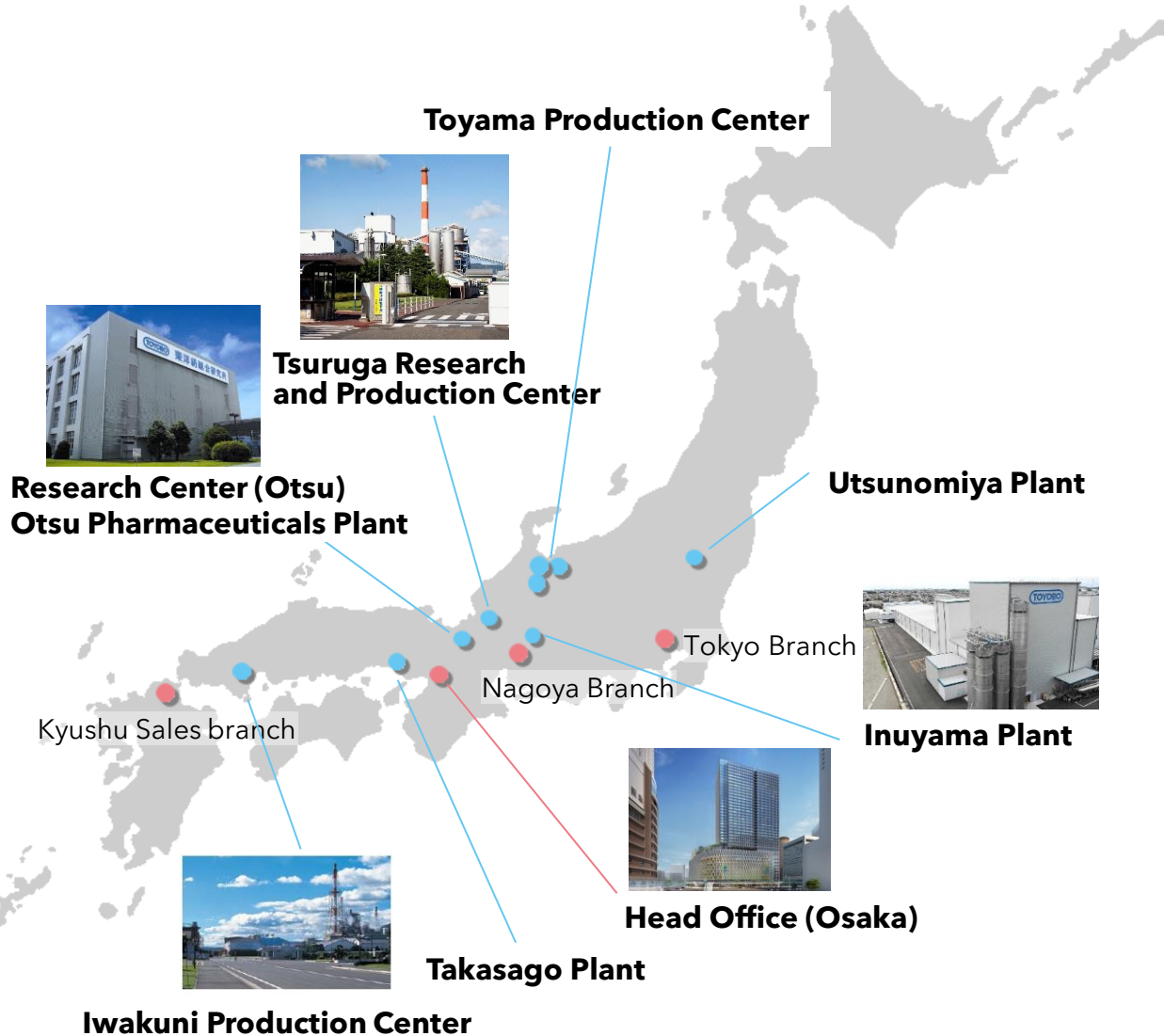
Three-dimensional cushion material



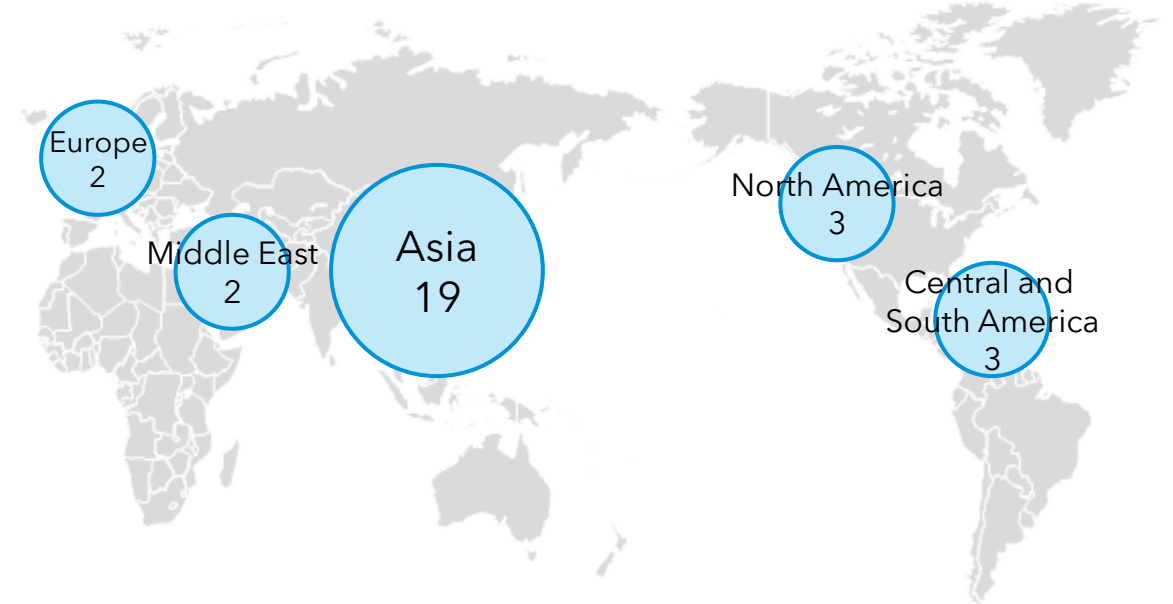
High-performance fibers

# Domestic and Overseas Bases, Ratio of Net Sales by Region

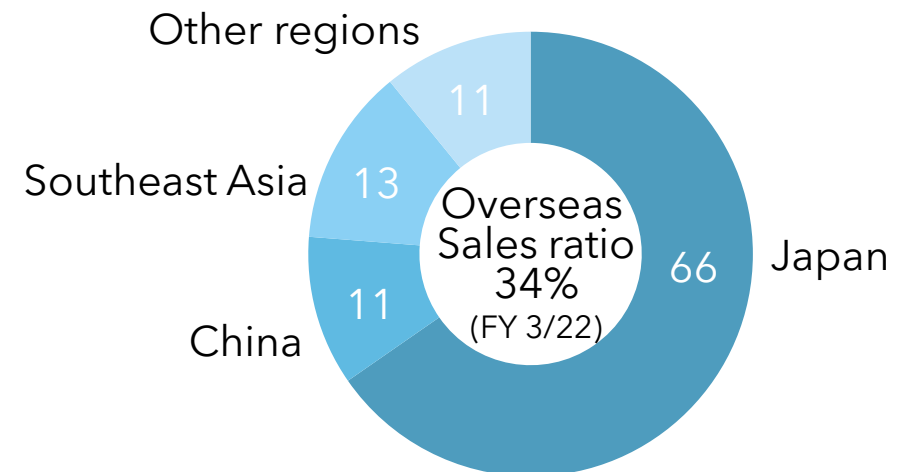
## ◆ Bases in Japan



## ◆ Number of overseas bases

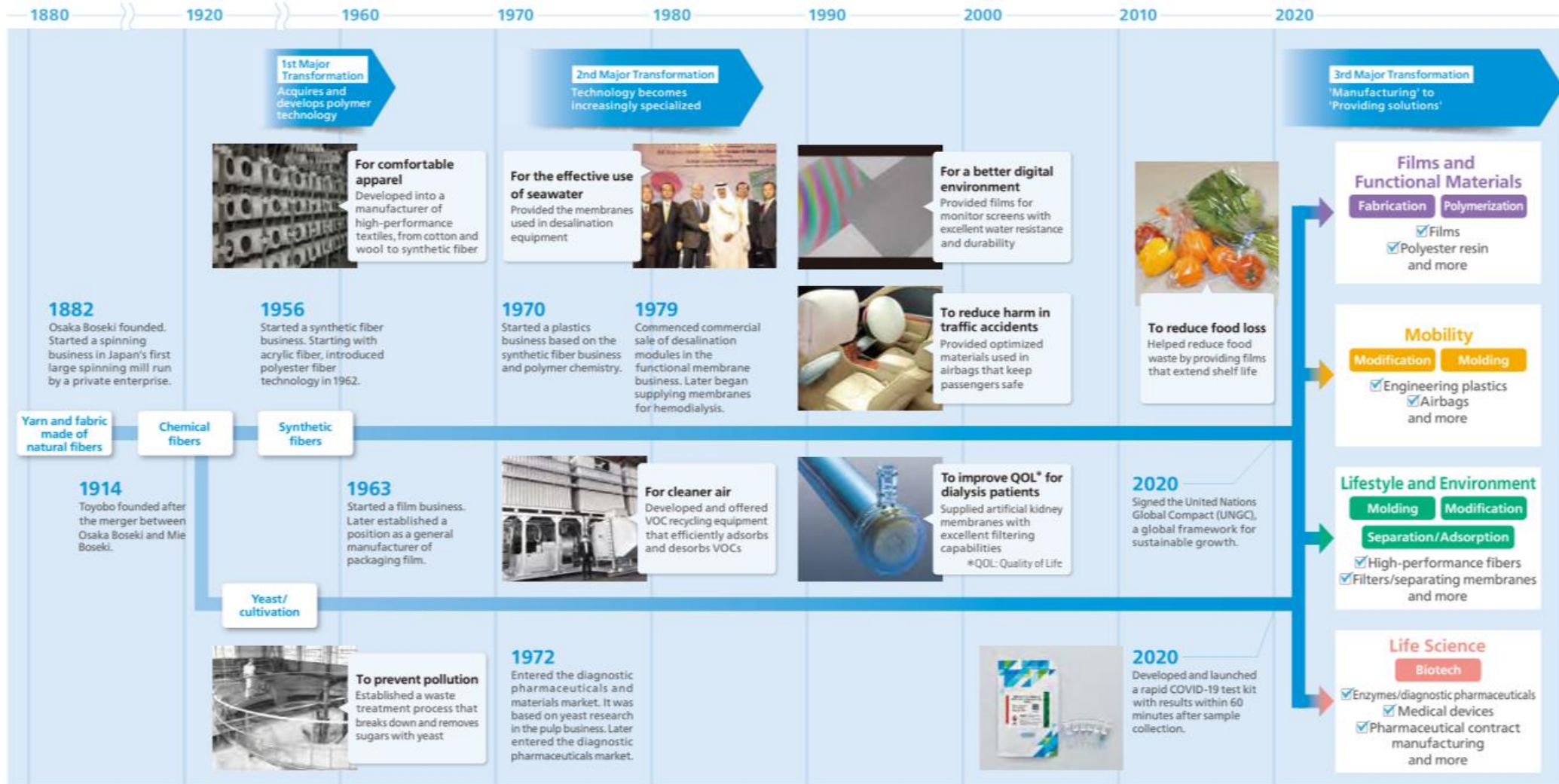


## ◆ Ratio of net sales by region (%)





# Our History (1) The Evolution of Toyobo and its Technology **TOYOBO**



## Market Needs & Social Issues

Japan's industrial development	Postwar rebuilding, rapid economic growth	Steady growth period	Progressing informatization and internationalization	Growing environmental awareness, advances in digital technology
<ul style="list-style-type: none"> <li>Stimulate light industry such as cotton and yarn spinning</li> </ul>	<ul style="list-style-type: none"> <li>Build up daily necessities</li> </ul>	<ul style="list-style-type: none"> <li>Growing public hazards from air pollution</li> <li>Pursuit of clothing comfort</li> <li>Increasing traffic accidents from motorization</li> </ul>	<ul style="list-style-type: none"> <li>Increasing lifestyle diseases</li> <li>Water scarcity observed in locations around the world</li> <li>Spread of LCD TVs</li> </ul>	<ul style="list-style-type: none"> <li>COVID-19 pandemic</li> <li>Spotlight on food loss</li> <li>Spread of smartphones</li> </ul>

# Our History (2) Changes in Profitability

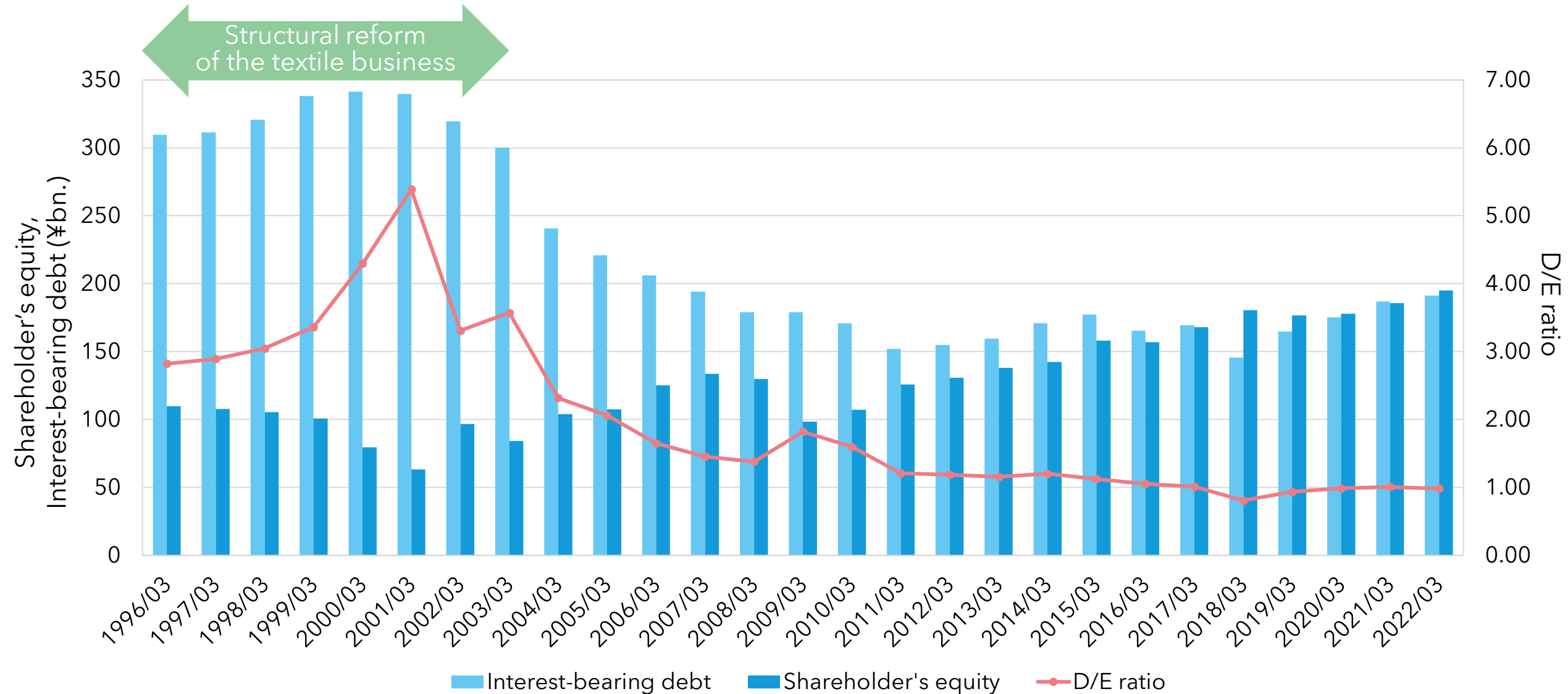
Structural reform of the textile business



# Our History (3) Changes in Capital Efficiency



# Our History (4) Changes in Financial Position



## Ⅱ . Sustainable Vision 2030, 2025 Medium-Term Management Plan

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

## Formulating the long-term “Sustainable Vision 2030” in May 2022

### Perception of the current state of affairs and the changing business environment

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

### Where we'd like to be by 2030

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

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	<b>ZERO</b>
Employee engagement score	Over <b>70%</b>
GHG emissions cut (over FY 3/14)	Over <b>46%</b> Carbon neutrality in FY 3/51
Ratio of green materials in main business operation*	<b>60%</b>

\*Assumed to be film business

#### Financial indices

Consolidated sales	
Operating profit margin	Over <b>8.3%</b>
ROE	Over <b>9%</b>
ROIC	Over <b>7%</b>

### Total Picture of the Sustainable Vision 2030

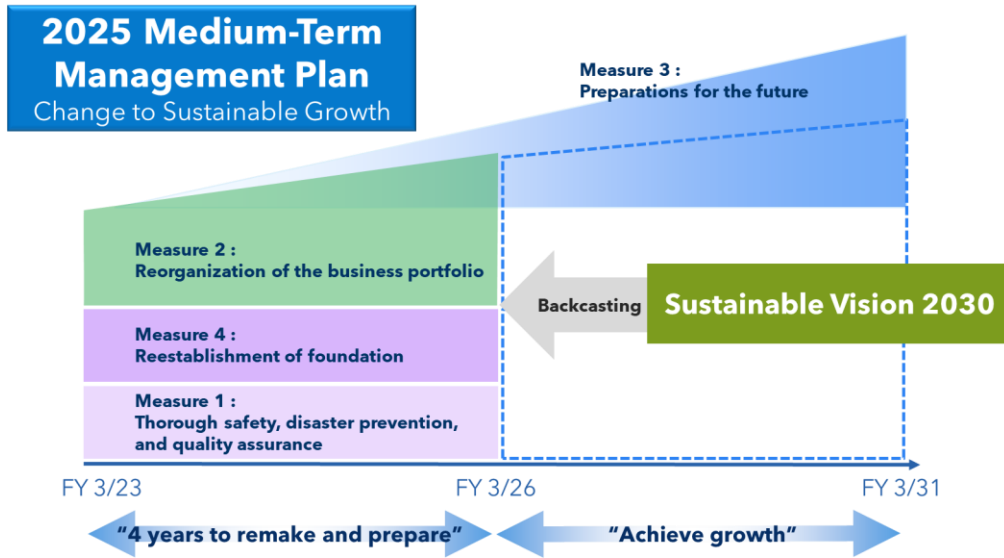
Jun-Ri-Soku-Yu, or adhering to reason leads to prosperity

Ideals we seek to realize	<b>Innovation</b> We will be a group that continues to create the solutions needed by people and the Earth with materials and science				
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	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	Contributing to the field of infectious diseases	Contributing to realizing humancentric, digital society	Helping achieve carbon neutrality	Bettering the environment through solutions
	Respecting human rights in the entire supply chain	Contributing to improving QOL	Creating comfortable space	Establishing an ecosystem for circulating resources	Food loss reduction and sustainable food
The state it wants to be in by 2030	<b>Prosperity</b> “Spiraling up” to a prosperous society where people can live with peace of mind and enhancement of corporate value				

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

## (1) Entire picture

### Basic Policy and 4 Measures



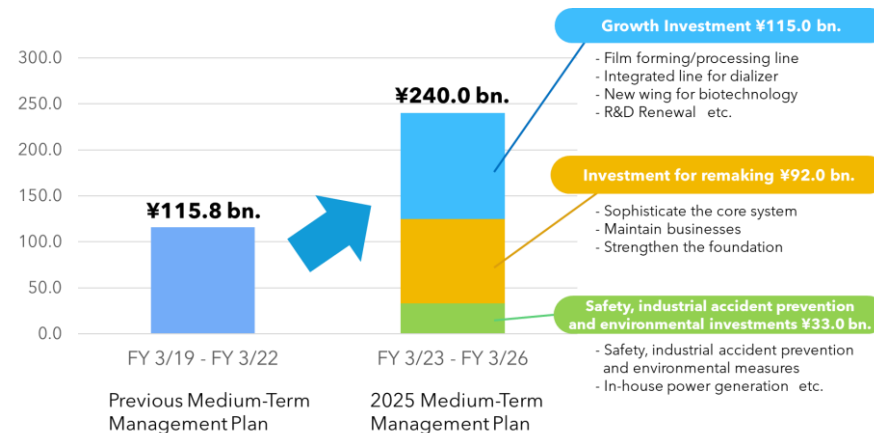
<b>Measure 1</b>	<b>Thorough safety, disaster prevention, and quality assurance</b>	<ul style="list-style-type: none"> <li>- Execute a master plan for safety and disaster prevention "zero accidents"</li> <li>- Reconstruct the quality assurance management structure</li> <li>- Risk management structure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

### Financial Targets

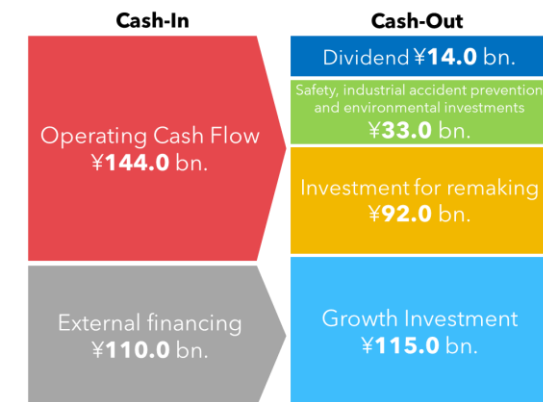
	FY 3/22 Results	FY 3/26 Targets	FY 3/31 Image
Net sales (¥bn.)	375.7	<b>450.0</b>	600.0
Operating profit (¥bn.)	28.4	<b>35.0</b>	50.0
(Ratio to sales) (%)	7.6	<b>7.8</b>	8.3
EBITDA (¥bn.)	48.5	<b>63.0</b>	90.0
Profit attributable to owners of parent (¥bn.)	12.9	<b>15.0</b>	23.0
ROE (%)	6.8	<b>≥ 7.0</b>	≥ 9.0
ROIC (%) *	5.1	<b>≥ 5.0</b>	≥ 7.0
D / E ratio	0.98	<b>&lt; 1.20</b>	< 1.00
Net Debt / EBITDA ratio	3.4	<b>&lt; 5.0</b>	< 4.0

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

### Capital Expenditure Plan



### Capital Policy Cash Flow allocation



### Policy on Shareholders Returns

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%.

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

## (2) Measure 2, 3

### Measure 2 : Reorganization of the Business Portfolio

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

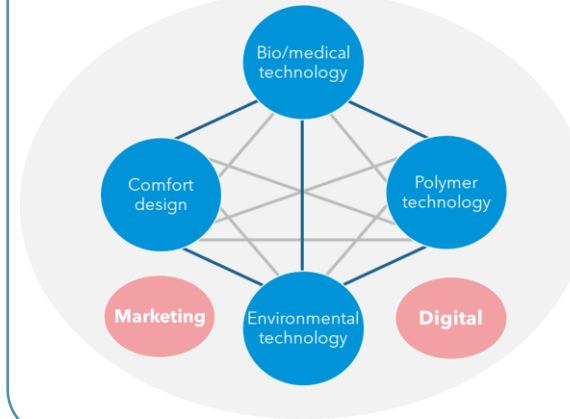
- Profitability : Return on capital employed (ROCE) = Operating profit / Capital employed ※Target hurdle rate of 6.5%
- Growth potential : Compound annual growth rate (CAGR) ※Target hurdle rate of 4.5%



### Measure 3 : Preparations for the Future

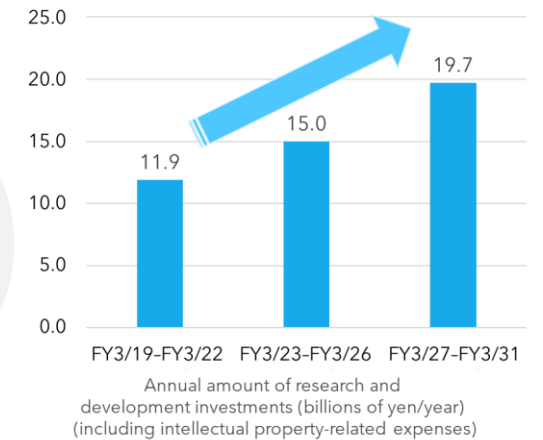
#### Sparking innovations

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%

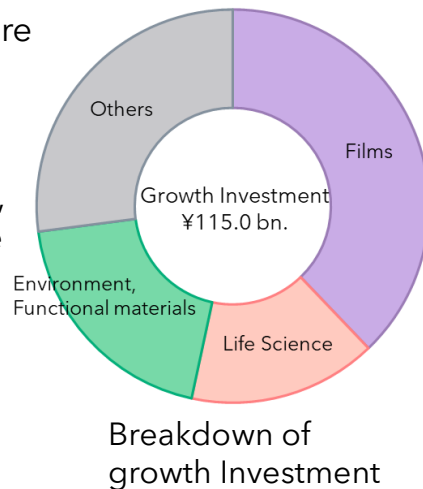


### Expanding Businesses in 2025 Medium-Term Management Plan

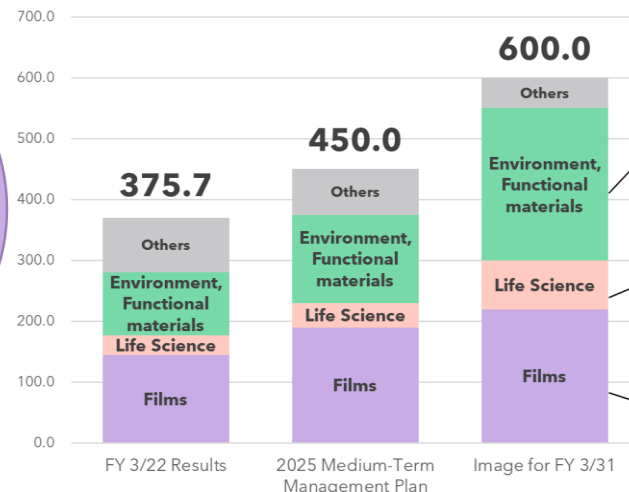
- **Film Business, Life Science Business**, which are "businesses focusing on expansion", continue to invest aggressively
- **Environmental and Functional Materials Business**, which are "stable earning businesses", aims for the further expansion and growth in the new joint venture with Mitsubishi Corporation.

#### Businesses Requiring Improvement

- We are aiming for the normalization of the textiles, airbag fabrics, and contract manufacturing of pharmaceuticals businesses by FY 3/26.



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



#### Main expanding businesses

- Environment, Functional materials**
  - Engineering plastics
  - "VYLON", "HARDLEN"
  - VOC emissions treatment equipment
  - RO, FO membranes
  - High-performance fibers
- Life Science**
  - Infection diagnosis-related products
  - Artificial kidney hollow fiber
  - Virus removing filters
  - Blood purification membranes
- Films**
  - Mold releasing film for MLCC
  - Transparent vapor-deposited film
  - Laminate film for steel plates
  - Eco-friendly films



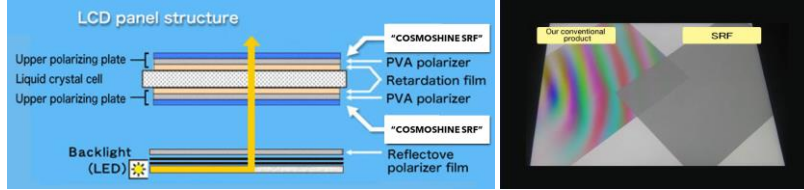
### III. Expanding Businesses in 2025 Medium-Term Management Plan

- Films Business
- Life Science Business
- Environmental and Functional Materials Business

## Main Products

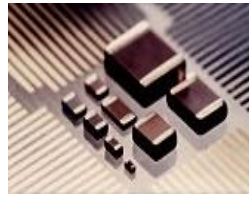
### Industrial Film

Materials: Polyester, etc.



### Polarizer protective films for LCDs "COSMOSHINE SRF"

- Polyester-based super retarder film.
- Elimination of coloration (rainbow pattern) caused by birefringence
- Our strengths: Handling ability (superior dimensional stability, low degree of warping), price competitive
- LCD TV share: Approx. 50% (Our estimate)
- Future Development: Pursue thickness reduction



### Mold releasing film for MLCC

- Our strengths: Integrated manufacturing from film forming to coating, film forming technology that realizes superior smoothness, lineup from general-purpose items to high-end products
- Final products: Developed for automotive and smartphone applications
- Share: Approx. 25 % (Our estimate), a world-leading share

### Packaging Film

Possesses multiple materials: Polyester, Nylon, Polypropylene, Polyethylene  
 Applications: **Food** packaging films, laminating films for cans, etc.  
 Share: **Top share overall in Japan** (Our estimate)

### Transparent vapor-deposited film "ECOSYAR"

- Binary vapor deposition of alumina and silica.  
Both flexibility and gas barrier property
- Extend food's best before date
- Market: Growth rate of 10% per year globally



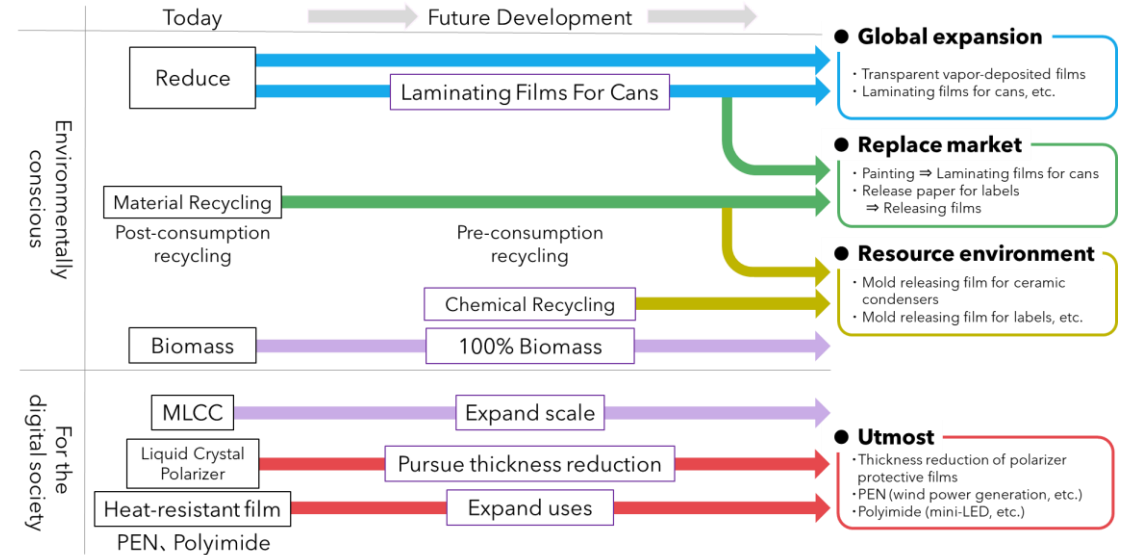
### Recycled PET film "CYCLE CLEAN"

- Uses of 80% recycled resin, reduces CO<sub>2</sub> emissions by approx. 20%

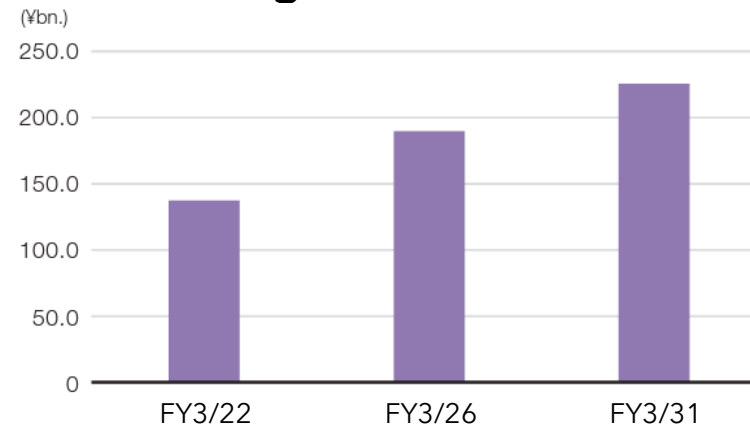
## Growth strategy

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)



## Net sales target



**CAPEX**  
 approx. ¥88.0bn. in 4 years

- New equipment for mold releasing film for MLCC ¥20.0 billion (2024)
- Expansion of manufacturing equipment for packaging polyester film (Indonesia) ¥10.0 billion (2025)

## Main Products

### ➤ Biotechnology

Our strengths: Technology for making high-functionality proteins

#### Enzymes, research reagents, diagnostic systems for genetic testing

- Example of enzymes: PCR enzymes  
→ amplify rapidly, copy accurately, highly resistant to contaminants  
Share: Domestic approx. 15%  
← Pre-Corona approx. 5% (Our estimate) Top 3 in Japan
- Example of research reagents: Detection kit for COVID-19  
→ Short time testing is possible

#### Enzymes for biochemical diagnosis

(Blood glucose, Cholesterol, Creatinine etc.)

- Genetic recombination technology for microorganisms → functional modification and mass production of enzymes, Large product lineup
- Share: Approx. 25% (Our estimate) (2nd in the world)
- Overseas sales ratio: Approx. 70%

### ➤ Medical materials

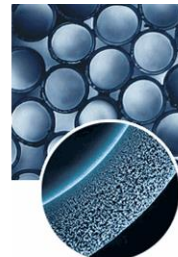
Hollow-type separation membranes: Separation membranes with microscopic pores in the cross section of the hollow fiber  
Our strengths: Membrane production technology (control of pore size, design of cross-sectional structure)

#### Artificial kidney hollow fiber

- Excellent biocompatibility due to cellulose-based membranes
- Share: Global 6% (domestic approx.20%,China13%, etc.)

#### Virus removing membranes

- Membrane that separates antibodies and viruses for use in the final manufacturing process for antibody drugs. Hollow-fiber structure allows for a large treatment volume
- Antibody drugs are a growing market tripling in size over the ten years period



Enlarged cross-sectional view of hollow fiber membranes

## Growth strategy

### ~ Global Niche Category Leader Strategy ~

Aiming to be the top global niche company !

### ➤ Biotechnology

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

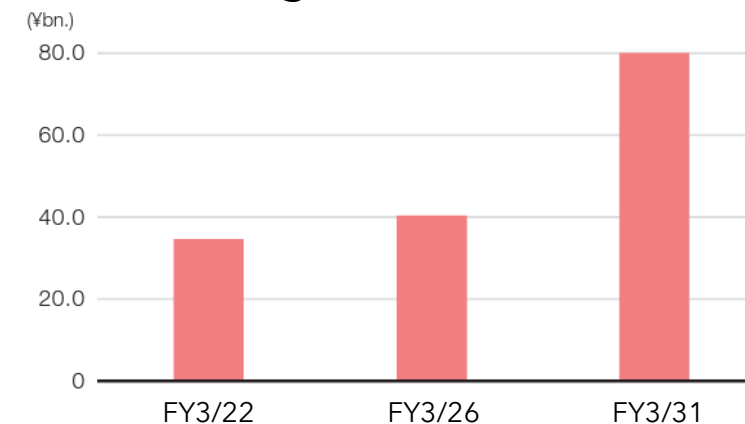
- Expansion of solutions business for infectious diseases. Aiming to be the industry's number one player, providing integrated solutions from raw materials to testing and diagnosis
- Expansion of overseas development, such as enzymes

### ➤ Medical materials

#### Improve QOL of patients with membrane technology

- Expanding overseas development of artificial kidney hollow fiber  
\*Plan to build an integrated production plant jointly with Nipro Corporation (FY 3/25)  
Commercial distribution: TOYOBO (Membrane production) ⇒ Nipro (Modularization and commercialization) ⇒ Hospitals in Japan and overseas
- Expansion of applications for blood purification membranes and antibody drug manufacturing process membranes

## Net sales target



## CAPEX approx. ¥20.0bn. in 4 years

- New biotechnology building (2024)
- Medical Research Laboratory (2024)
- Construction of a plant for dialysis membranes for artificial kidneys (2024)

## Main Products

### VOC emissions treatment equipment

- VOC recovery system using high-performance activated carbon fiber
- Purification and recovery of industrial wastewater
- Accelerate global development in the LIB growth market due to the shift to electric vehicles



### "VYLON", "HARDLEN"

- Resins used as a film adhesive and an adhesion promoter for polyolefin. Adhesiveness, durability, etc.
- Establish a position in the high-growth CASE market

### Engineering plastics

- Automotive parts applications account for the majority
- Features include light weight, heat resistance, good appearance, etc.
- Weight reduction and higher performance according to the trend of shifting to electric vehicles. Expand sales of products overseas



### Reverse osmosis membrane for seawater desalination

- Excellent chlorine resistance, prevents microbial contamination
- Producing high quality domestic water in the Middle East Gulf countries with high temperature and high density seawater



### High-performance fibers

- "Izanas" : Strength, light weight, water resistance, shock absorption, etc.
- "Zylon" : World's highest level of strength, modulus of elasticity, heat resistance, etc.
- Expanding to floating offshore wind power generation.

## Growth strategy

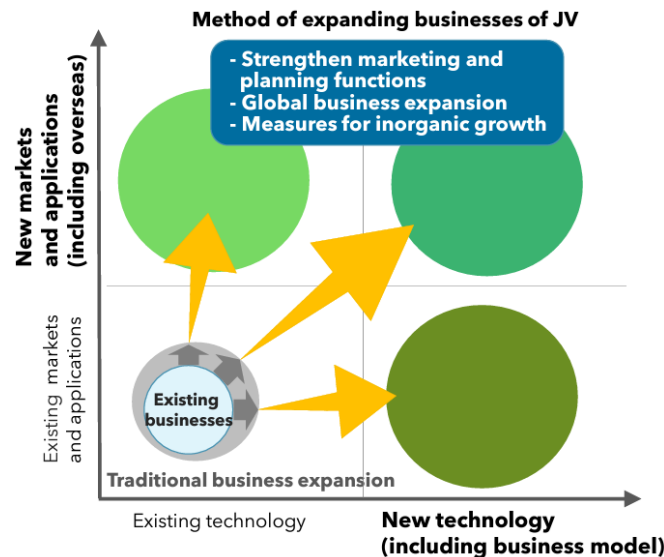
Toyobo Co., Ltd. (Toyobo) and Mitsubishi Corporation (MC) announced our agreement to establish a new joint venture company that will specialize in the planning, development, manufacturing and sales of functional materials.

Toyobo's environment, functional materials business is split off to the newly established company, in which Toyobo and MC will invest.

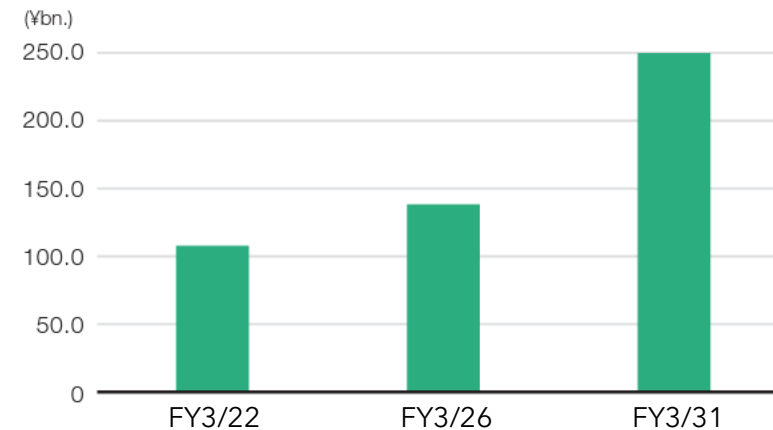
The aim is to combine Toyobo's technological expertise and MC's collective capabilities to capture growth in global markets

- New Company Name : **TOYOBO MC Corporation**
- Investment ratio : Toyobo Co.,Ltd. 51%, Mitsubishi Corporation 49%
- Launch date : April 1, 2023 (Established: September 5, 2022)
- Business transferring to the new company :

Business areas where we aim to contribute in areas where growth is expected, such as water, air, lightweight, batteries, etc. (Sales scale : approx.¥100bn.)



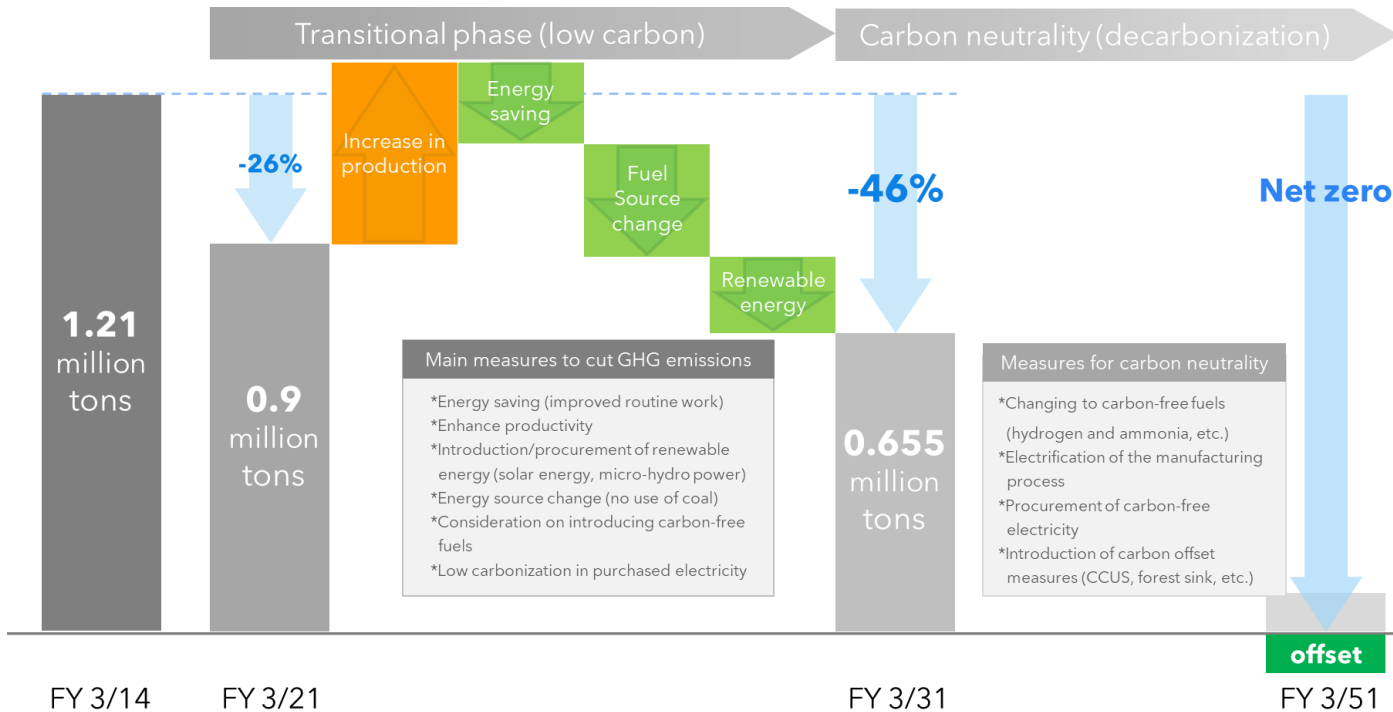
### Net sales target



## IV. ESG

- Environment
- Social
- Governance

## ◆ Roadmap for Carbon Neutrality (Scope 1,2)



## ◆ Disclosure based on TCFD Recommendations

Analyzed how climate change would impact our business based on two scenarios (the 2°C and the 4°C scenarios) for our film business.

## ◆ Internal carbon pricing system introduced (April 2022)

Internal carbon pricing fee (tax) 10,000 yen/t-CO<sub>2</sub>  
 Based on the internal carbon pricing fee, calculating CO<sub>2</sub> fluctuation by the proposed facilities as costs. The calculations will be made in accordance with capital investment plans.

## ◆ External Recognition

- Selected as a constituent of all five Japanese ESG indexes adopted by GPIF

- FTSE Blossom Japan Index (from June 2021)
- FTSE Blossom Japan Sector Relative Index (from March 2022)
- MSCI Japan ESG Select Leaders Index (from December 2021)
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index



2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX



2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

- First selected as a Supplier Engagement Leader (February 2022)

CDP's Supplier Engagement Rating assessment evaluates a company's engagement with their supply chains on climate change issues.

\*CDP is a British not-for-profit organization that runs a global disclosure system on supply chain environmental impacts



- Obtained SBT certification (December 2022)

GHG emission reduction targets certified by the SBT initiative as science-based targets

<Targets validated by SBT>

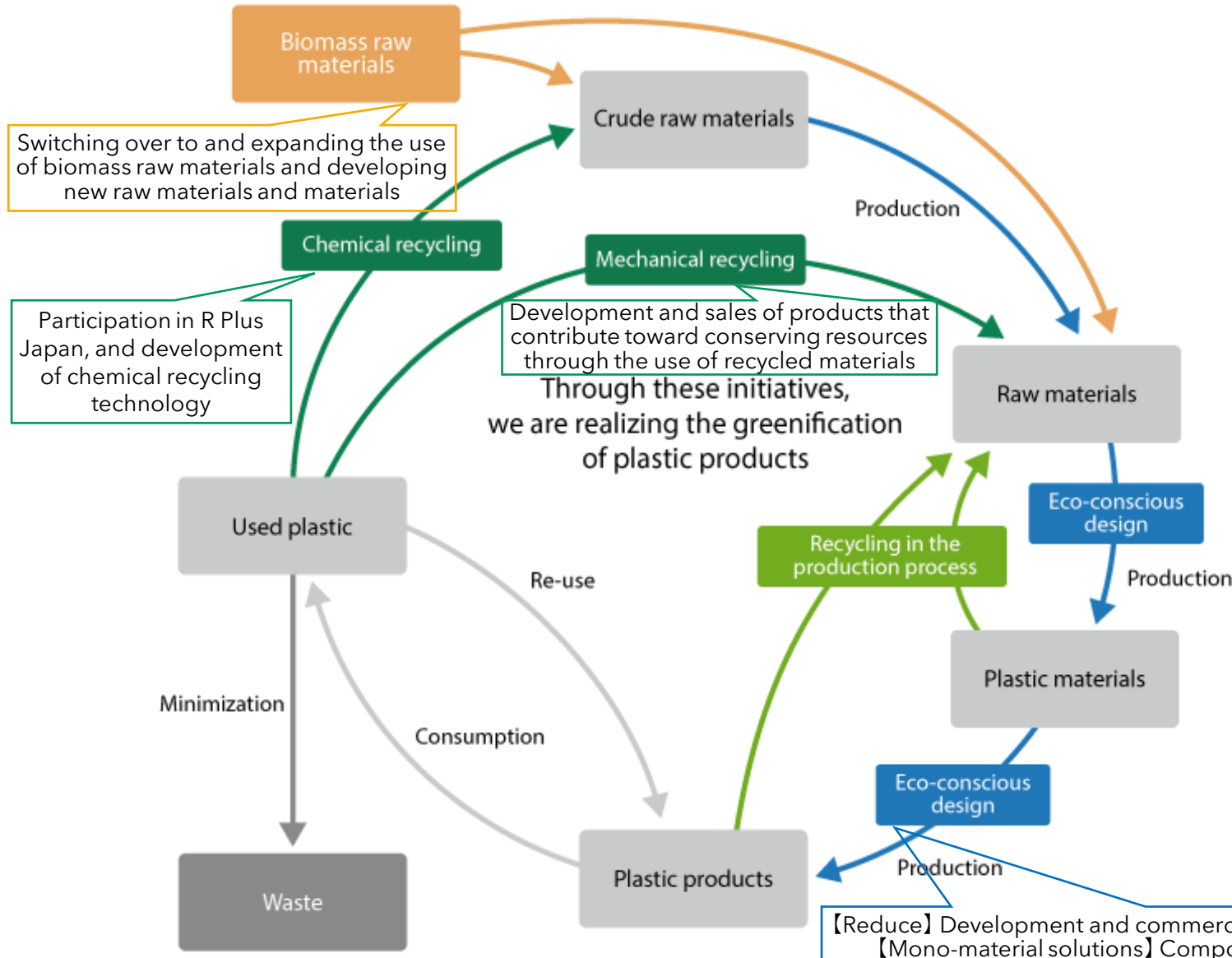
GHG emissions by FY 3/31 compared to FY 3/21  
 Scope 1,2 27.0% reduction, Scope 3 12.5% reduction



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

# Environment : Plastic Resource Circulation, Eco-Conscious Products

## ◆ Initiatives in Relation to the Plastic Lifecycle and Resource Circulation ◆ Eco-Conscious Products



### Eco-Review System from 1998

Our system for defining and evaluating our "products and technologies that contribute to reducing environmental impact".

Products that meet or exceed certain standards are certified as "ECO-PARTNER SYSTEM" products.

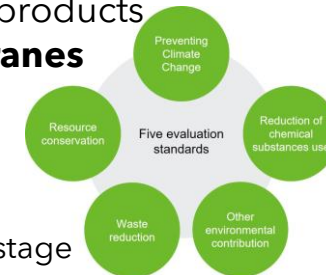


Initiatives	Results (FY3/22)	Targets (FY3/31)
Sales ratio held by "ECO-PARTNER SYSTEM" products (TOYOBO CO., LTD. only)	33.8%	40%

### Examples of "ECO-PARTNER SYSTEM" products

#### Hollow fiber reverse osmosis membranes

- Reverse osmosis membrane for seawater desalination that can produce fresh water from seawater with low energy consumption
- Main raw material is biomass material
- By comparison with the conventional multi-stage flush (MSF) method, possible to achieve a substantial reduction in CO<sub>2</sub> emissions



#### VOC emissions treatment equipment

- Controlling emissions of volatile organic compounds (VOCs), which are feared to affect the atmosphere and human health
- Recover dichloromethane (used in the lithium battery separator manufacturing process) etc.
- Incorporate an innovative built-in activated carbon fiber "K-FILTER". Enables high quality solvent recovery and energy savings



## ◆ Human resource development policy

Each individual can work with a sense of growth, pride, and satisfaction.

### ■ New human resource system (From July 2022)

- 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)
- Professional roles (treat highly specialized human resources)
- Review performance-based pay and base pay, Expansion of system reemploying retired employees

### ■ Diversity of core human resources

- Taking proactive steps to promote mid-career hires with advanced skills to managerial positions
- ⇒ Ratio of mid-career hires in managerial positions of 20% or higher

## ◆ Employee engagement (From 2021)

- We started surveys on organizational climate and job satisfaction targeting all officers and employees
- Increase in employee work satisfaction
- The target of employee engagement score : over 70% (FY 3/31)

## ◆ Work-life balance

- Establishment of systems : Childcare Shortened Work Hour Program, Nursing Care Leave, Flextime System, Teleworking Scheme etc.

## ◆ Diversity & Inclusion

### ■ FY 3/26 Targets

Ratio of women in manager	<b>5.0% or above (FY 3/22 : 3.7%)</b>
Ratio of women on the managerial career track	<b>22% or above (FY 3/22 : 17.3%)</b>
Ratio of men employees taking childcare leave	<b>80% or above (FY 3/22 : 64%)</b>
The number of days	<b>20% or above increase (FY 3/22: 9 days)</b>



### ■ Initiatives

- Continue to maintain the target of having women account for at least 40% of recent graduates recruited onto the managerial career track (Average of last 5 years approx. 37%)
- A "Career Development Support Program" for women employees on the regional career track: started in FY 3/22
- Babysitter support system, a nursery within the company (cumulative total no. of users: 33 children over four years)
- Notice provided on childcare leave system to men applicable employees and guidance provided to superiors on recommended use

## ◆ External evaluation

### First certified as a top tier company for Outstanding Health and Productivity Management

A joint program between the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



### Certified as "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"

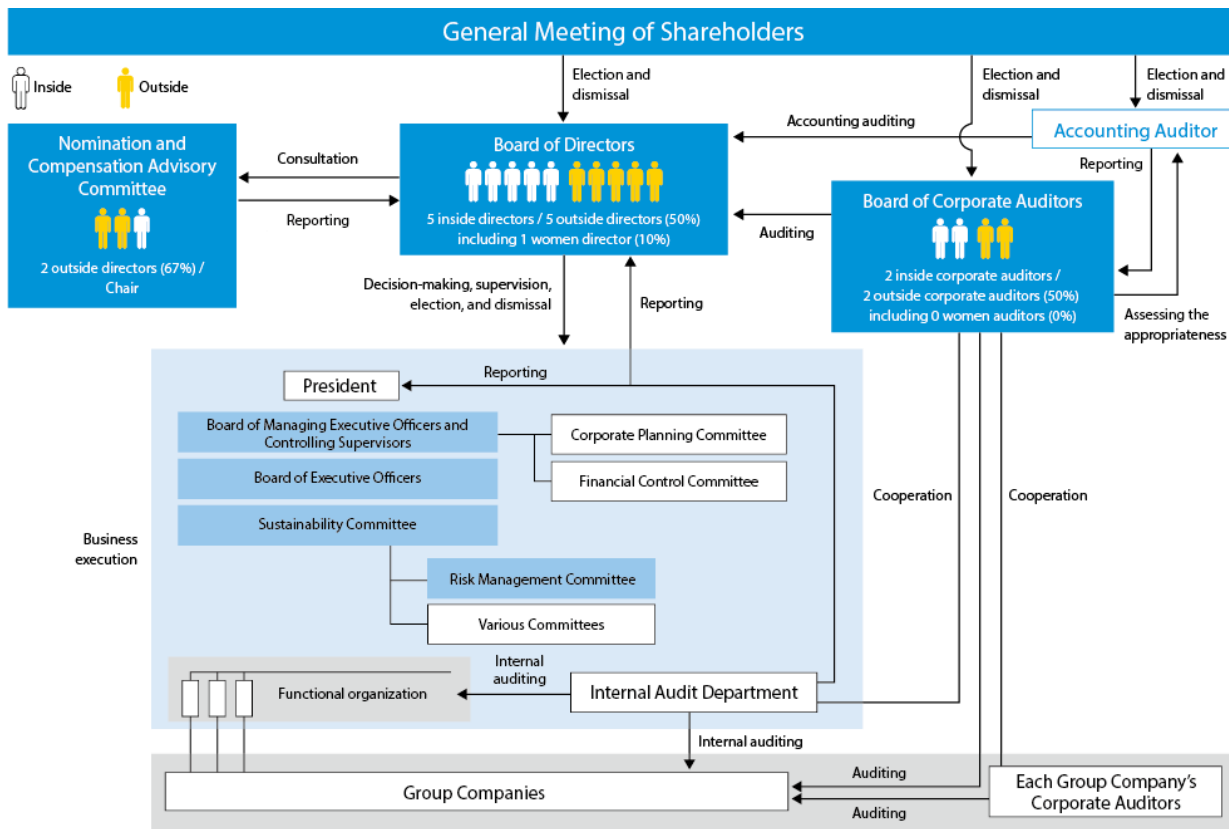


### Certified as "Kurumin" (July 2023)

Certified by the Minister of Health, Labor and Welfare as a childcare support company



## ◆ Corporate Governance Structure (as of June 2022)



## ◆ Initiatives to Strengthen Corporate Governance

- From 2019, promoted a female outside director to ensure diversity.
- From 2022, increased the number of independent outside directors by one to five. The ratio of outside directors was increased to 50%, and monitoring was strengthened. Management skills enhanced.

Executive Officer Skill Matrix (as of June 2022)

	Name	Position	Of the experience and background required by the company, skills that are particularly beneficial					
			General Management	Business Operation / Sales	Production Technology / R&D	Finance / Accounting	Risk Management / Compliance	
Inside	Seiji Narahara	Chairman & Director	○				○	
	Ikuo Takeuchi	President & Representative Director, CEO & Co-COO	○	○				
	Chikao Morishige	Representative Director, Co-COO & CTO	○	○	○			
	Hiroshi Otsuki	Representative Director, CFO & Senior Managing Executive Officer				○	○	
	Yutaka Ouchi	Director & Managing Executive Officers		○				
Outside	Masaru Nakamura	Outside Director	○	○				
	Takafumi Isogai	Outside Director			○			
	Kimie Sakuragi	Outside Director		○			○	
	Masaaki Harima	Outside Director					○	
	Hiroshi Fukushi	Outside Director	○	○	○			

## ◆ Review of officer compensation system (from July 2022)

Basic compensation : Short-term incentive compensation : Long-term incentive compensation should be 6 : 3 : 1  
 (Fixed portion by position) (Reflect the previous fiscal year's compensation of short-term incentive compensation ※1) (Compensation for granting restricted shares) **(Change ratio from 7:2:1)**

※1 - **The performance indicator** used to evaluate company-wide performance will be **changed from operating profit to EBITDA**, in turn linking it to the goals of 2025 Medium-Term Management Plan.  
 - Performance evaluations of overseen departments will be determined by a comprehensive overview taking into account improvements in operating profit and ROA.

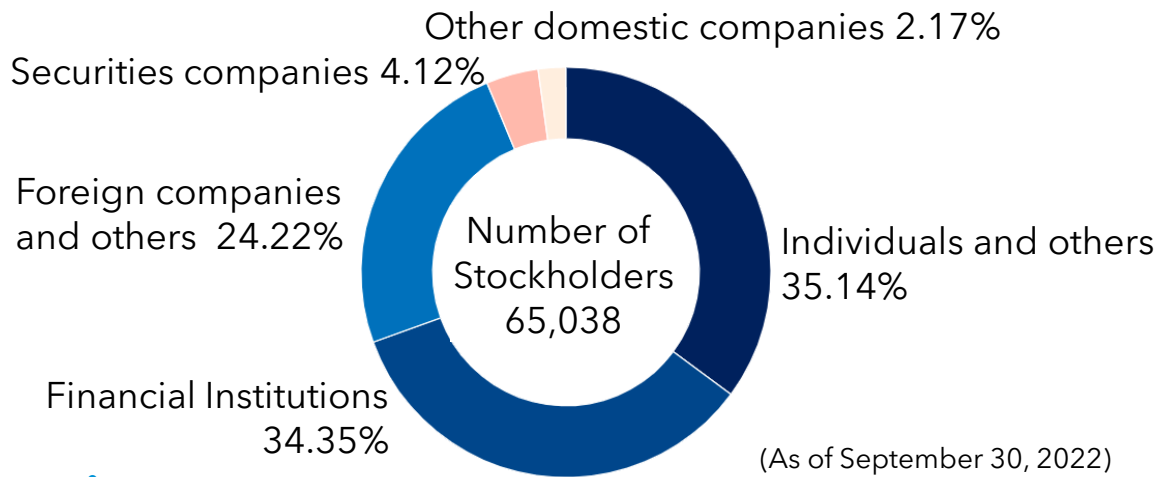
## V. Stock Information

# Stock Information

Stock Listings	The Prime market of the Tokyo Stock Exchange
Stock Code	3101
Common Stock	Authorized: 200,000,000 shares Issued: 89,048,792 shares (Including 68,074 shares of treasury stock)
Paid-in Capital	51,730 million yen

(As of September 30, 2022)

## Distribution of Shareholders



## Ratings

Rating Agency	Rating Date	Rating
Rating & Investment Information (R&I)	January 31, 2023	<b>A-</b>
Japan Credit Rating Agency (JCR)	February 20, 2023	<b>A</b>

## Stock Prices (Highest / lowest stock prices for the past five years)

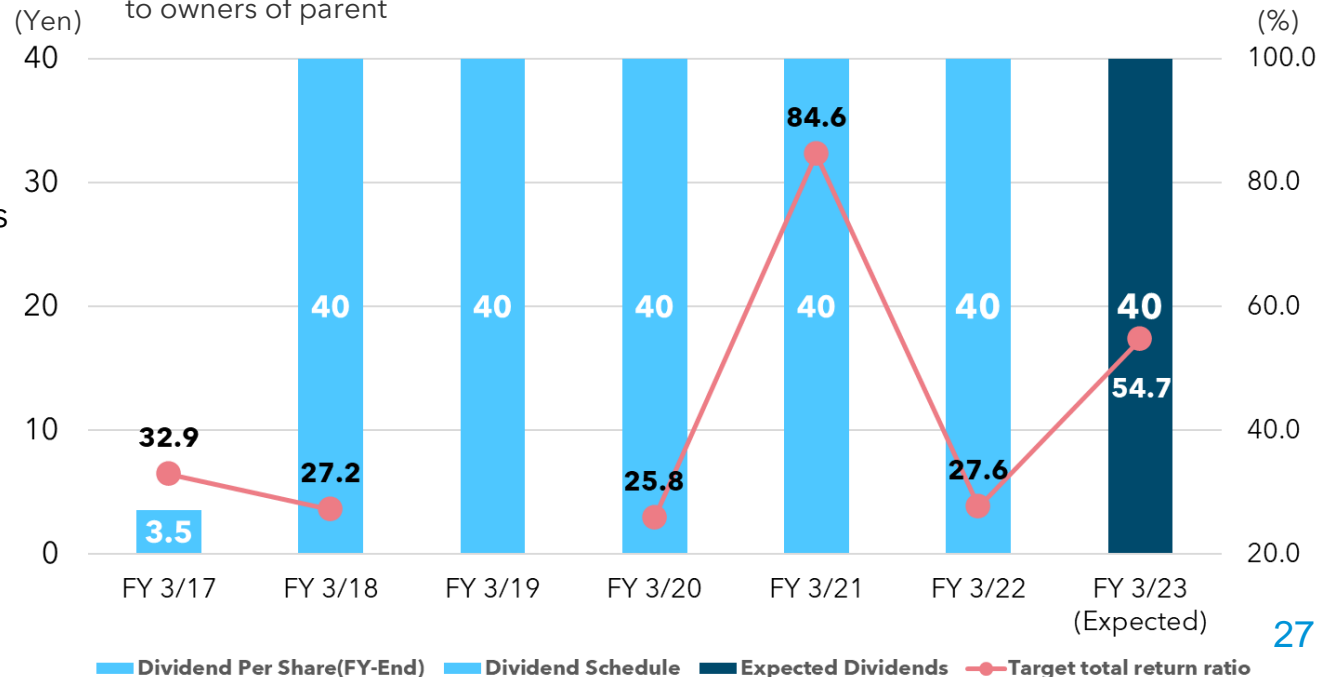
Fiscal year	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22
Highest (yen)	2,249 (218)	2,164	1,684	1,687	1,505
Lowest (yen)	1,900 (184)	1,386	903	1,033	1,046

1. Stock price quotations are from the Tokyo Stock Exchange (First Section).
2. The highest and lowest stock prices shown for FY 3/18 are figures following the share consolidation. Figures in parentheses show pre-share consolidation amounts.

## Basic Policy Regarding Earnings Distribution

Target total return ratio (\*) of 30%.

(\*) Total return ratio = (total dividend + total amount of share buybacks) / profit attributable to owners of parent



## VI. Links

Investor Relations TOP <https://ir.toyobo.co.jp/en/ir.html>

✓ Business Results Presentation <https://ir.toyobo.co.jp/en/ir/library/presentation.html>

✓ Sustainable Vision 2030 [https://www.toyobo-global.com/sustainability/group\\_sustainability/vision/](https://www.toyobo-global.com/sustainability/group_sustainability/vision/)

✓ 2025 Medium-Term Management Plan (FY3/23-FY3/26) <https://ir.toyobo.co.jp/en/ir/library/plan.html>

✓ 2022 Integrated Report (Year Ended March 31, 2022) <https://ir.toyobo.co.jp/en/ir/library/integrated.html>

✓ Business Briefing (Films Business, Life Science Business) <https://ir.toyobo.co.jp/en/ir/library/meeting.html>

✓ Factbook <https://ir.toyobo.co.jp/en/ir/library/fact.html>

✓ Company Brochure [https://www.toyobo-global.com/pdf/company/profile/companyguide\\_20221122.pdf](https://www.toyobo-global.com/pdf/company/profile/companyguide_20221122.pdf)

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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