

April 6, 2026



2030 Medium-Term Management Plan (FY 3/27 - FY 3/31)

~ Realizing the results of growth investment and preparation ~

TOYOBO CO., LTD.

Hello everyone. My name is Takeuchi, the President of TOYOBO. Thank you very much for attending today's briefing on our medium-term management plan. I would also like to thank you for your continued support of our group.

The medium-term management plan announced this time is positioned as the latter half of the Sustainable Vision 2030 announced in May 2022. While the 2025 Medium-term Management Plan was positioned as four years to remake and prepare, the 2030 Medium-term Management Plan is a plan to realize the results of growth investment and preparation.

The heightened geopolitical risks including the current tense situation in Iran makes it very difficult to predict the outlook for the business environment. Despite these circumstances, as we have begun a new medium-term management plan, we believe it is important to present our management's thoughts on how this company can contribute to society and how we can increase our earning power and corporate value, which is why we have reached today's briefing.

I . Review of 2025 Medium-Term Management Plan (FY 3/23 - FY 3/26)

- The first half of Sustainable Vision 2030: 4 years to remake and prepare
- Financial targets: Recovered in the latter half of the plan but fell short of targets
- Aggressively executed capital investment. Improved profitability of three businesses requiring improvement. Launch of TOYOBO MC and development of infrastructure
- Delayed launch of growth investment. Deterioration of profitability of some businesses

II . Ideal State and Value Creation Story

- Help to solve social issues and create customers value in priority areas "Advanced materials", "Healthcare", "Environment and energy" underpinned by our core technologies: Polymer and Biotechnology. We also continue to seek growth and development of our people and the Group.

III . 2030 Medium-Term Management Plan (FY 3/27 - FY 3/31)

- Positioned as the latter half of Sustainable Vision 2030: Realizing the results of growth investment and preparation
- Financial targets: Strike a balance between financial structure improvement and earnings growth and attain ROE of over 8% earlier
- Three measures: (1) Business portfolio reforms (2) Laying the groundwork for the future (3) Foundation establishment and strengthening
- Peaked out of large-scale investment in Films. Improve financial structure by increasing free cash flow and improving financial efficiency
- Shareholder returns: Continually provide a stable dividend with a target total return ratio of 30%

Here are three points for a summary.

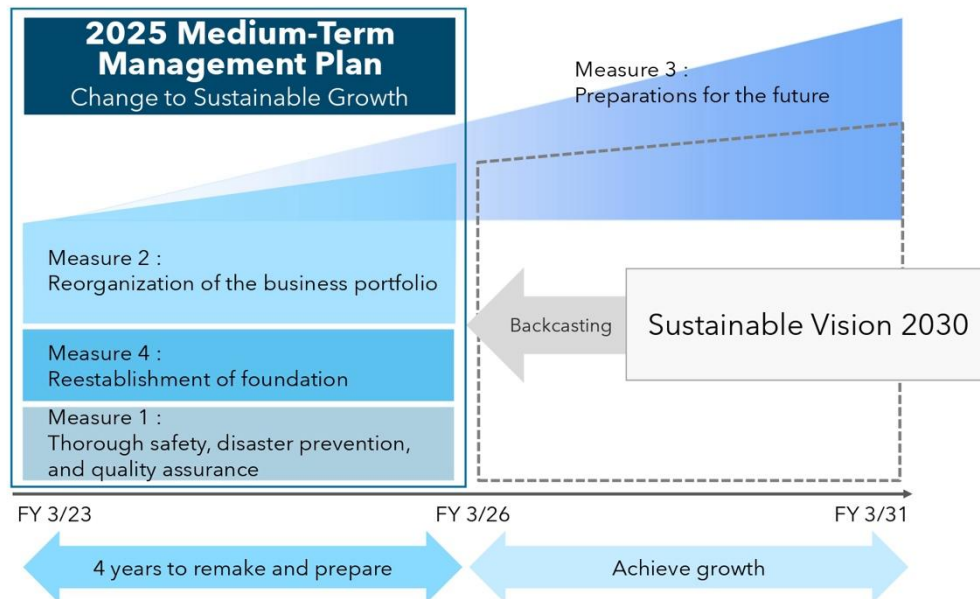
Number one, review of 2025 Medium-term Management Plan. I will discuss how we applied our reflections to build the next medium-term management plan.

Number two, our company's ideal state and value creation story. We have been communicating value creation story to this day, and we reworked it even more. Three priority areas have been newly defined this time.

Number three, 2030 Medium-term Management Plan. Our financial goal is to swiftly attain ROE of over 8% by improving our financial structure and achieving profit growth.

2025 Medium-Term Management Plan: the First Half of Sustainable Vision 2030

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We will now begin our review of the 2025 Medium-term Management Plan. This is the overall positioning.

Looking back on the background when we created Sustainability Vision 2030, on FY 3/21, there was a fire accident in Inuyama Plant, and on FY 3/19, a fire accident in Tsuruga Research and Production Center, so there were major problems in terms of safety and disaster prevention. Moreover, we have found cases of improper quality in the resin and pharmaceutical related businesses. This meant that the very foundations of the manufacturing industry were shaken. Overall business performance was solid, but stalled except for Films.

That was the background. Therefore, when I formulated the 2025 Medium-term Management Plan in FY 3/22, the four years of the Plan were designated as the four years to remake and prepare in order to become a sustainable and resilient company.

Financial Indicators: Profit Targets Not Achieved, the Financial Structure Deteriorated

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

	FY 3/22	FY 3/23	FY 3/24	FY 3/25	FY 3/26	
	Results	Results	Results	Results	Forecasts	Initial plan (May 2022)
Net sales (¥bn.)	375.7	399.9	414.3	422.0	430.0	450.0
Operating profit (¥bn.)	28.4	10.1	9.0	16.7	24.0	35.0
(Ratio to sales) (%)	7.6	2.5	2.2	3.9	5.6	7.8
EBITDA (¥bn.) ^{*1}	48.5	29.1	28.8	39.4	48.5	63.0
Profit attributable to owners of parent (¥bn.)	12.9	- 0.7	2.5	2.0	8.5	15.0
ROE (%) ^{*2}	6.8	-	1.3	1.0	4.3	≥ 7.0
ROIC (%) ^{*3}	5.1	1.7	1.3	2.3	3.3	≥ 5.0
D/E ratio	0.98	1.21	1.26	1.37	1.29	< 1.20
Net Debt / EBITDA ratio ^{*4}	3.4	5.8	7.5	6.1	4.9	< 5.0
CAPEX (¥bn.)	33.6	42.7	61.6	43.2	31.0	-

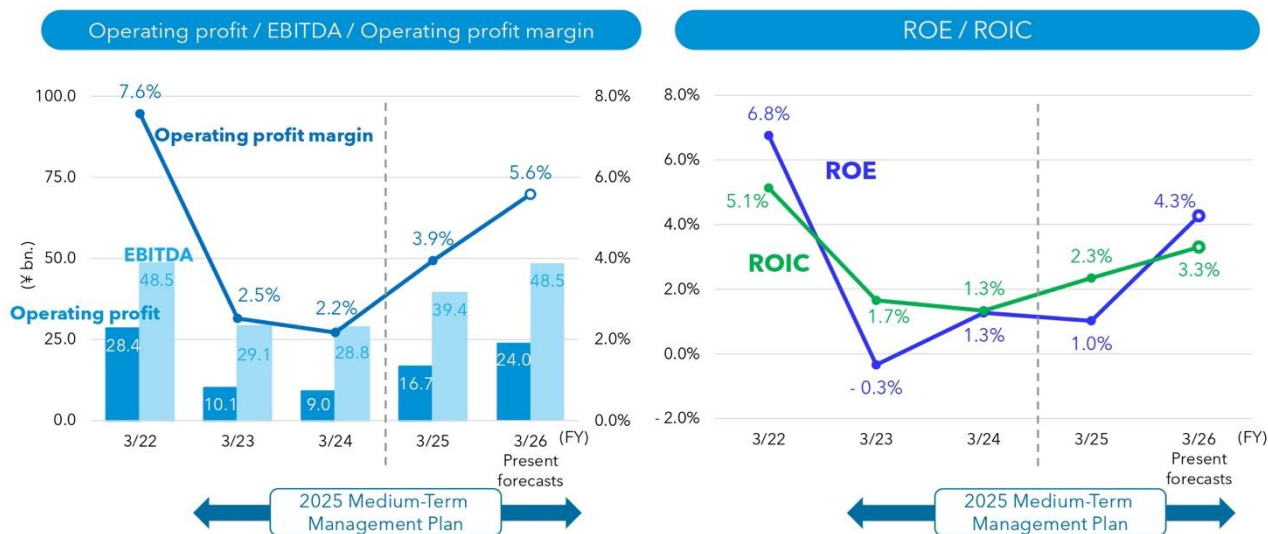
^{*1} Operating profit + Depreciation (includes goodwill) ^{*2} Profit / Beginning and ending balance average shareholder's equity
^{*3} NOPAT / (Interest-bearing debt + Net assets) ^{*4} (Interest-bearing debt-Cash and deposits) <Ending> / EBITDA

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The profit items are forecasted not to meet the initial target for FY 3/26. The Company made capital investment aggressively, where depreciation and amortization have been less than JPY30.0 billion and operating cash flow has been around JPY30.0 billion. So, our financial position has deteriorated more than initially prepared.

Performance Review: Decline and Recovery of Earning Power

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When reviewing these four years, after a significant drop in performance in FY 3/23 and FY 3/24, we are on a recovery trend in FY 3/25 and FY 3/26. EBITDA, one of our earning powers, has been steadily improving. On the other hand, ROE and ROIC have fallen sharply along with the decline in business performance and are still in the process of improvement. The current situation is that we have not reached the 8% ROE required by the market.

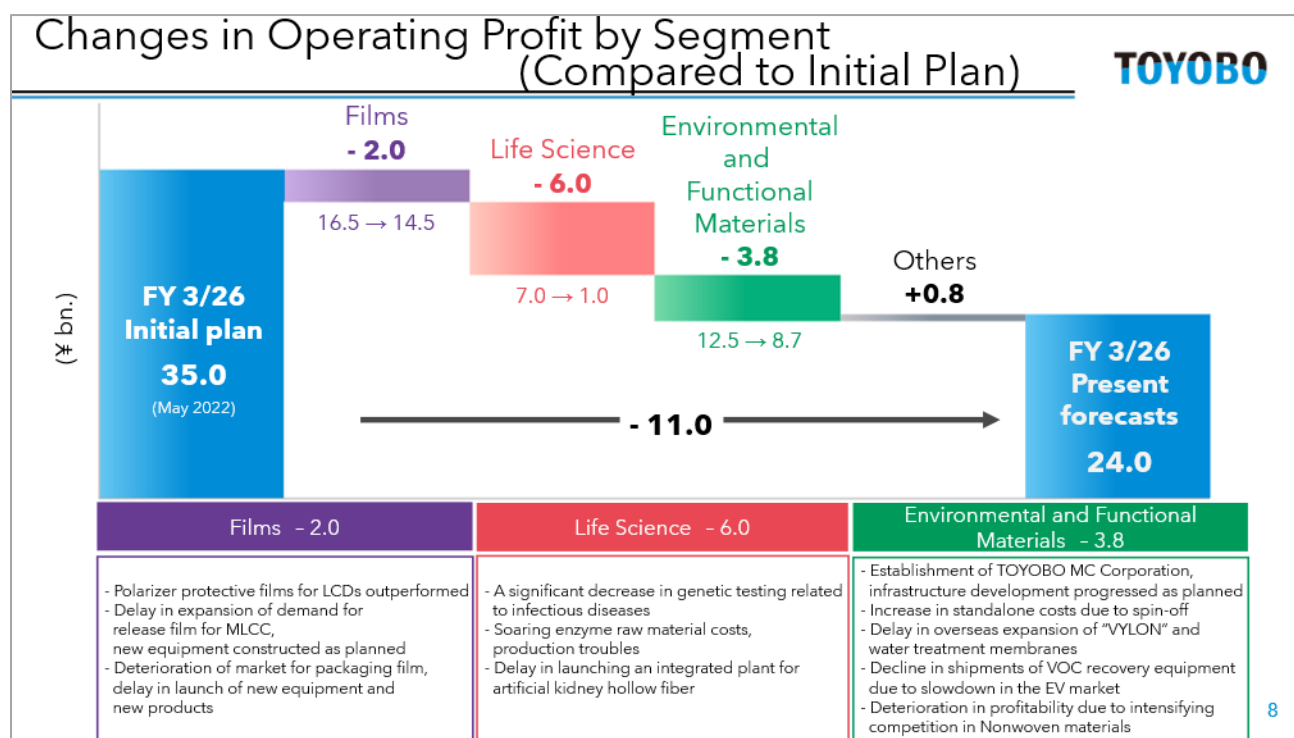
Financial Indicators: Segment

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	FY 3/23	FY 3/24	FY 3/25	FY 3/26		(¥ bn.)
	Results	Results	Results	Forecasts	Initial plan (May 2022)	
Net sales	399.9	414.3	422.0	430.0	450.0	
Films	146.1	156.5	166.8	177.0	190.0	
Life Science	38.1	34.6	34.3	36.0	43.0	
Environmental and Functional Materials	110.8	115.3	110.8	111.0	145.0	
Others	104.9	107.8	110.0	106.0	72.0	
Operating profit	10.1	9.0	16.7	24.0	35.0	
Films	1.6	2.7	6.9	14.5	16.5	
Life Science	9.2	4.4	2.0	1.0	7.0	
Environmental and Functional Materials	4.0	4.7	8.0	8.7	12.5	
Others	- 4.8	- 2.8	- 0.2	- 0.2	- 1.0	
EBITDA	29.1	28.8	39.4	48.5	63.0	
Films	9.4	11.6	16.6			
Life Science	11.4	6.6	5.3			
Environmental and Functional Materials	8.4	8.4	12.5			
Others	- 0.1	2.2	5.0			

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Looking into the details, the largest deviation was in Life Science.



Performance deviated across all segments.

In Films, polarizer protective films for LCDs performed better than initially expected. Although demand for release film for MLCC increased, it was not as much as we had initially expected.

Packaging film did well until FY 3/22. However, market conditions worsened, and the new equipment did not start up as expected.

Regarding Life Science, in FY 3/22, COVID-19 was spreading, hence our pandemic related products saw a large sales increase. In FY 3/26, that impact was no longer significant. Additionally, aggressive investments in enzyme-related and dialysis-related businesses have not started up as planned, and depreciation and amortization has increased.

Environmental and Functional Materials, mainly TOYOBO MC, has made steady progress in the development of its infrastructure since the Company was established. However, "Vylon" and Aquatic Membrane, which were aiming to expand overseas sales, did not expand as much as expected, and VOC recovery equipment dropped due to the slowdown in the EV market. The profitability of Nonwoven materials deteriorated due to intensifying competition from China. In addition, stand-alone costs increased from the original estimate due to the establishment of the new company.

Delayed Response to Environmental Changes

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Deterioration in terms of trade due to delay in price pass-through against soaring raw materials and fuel prices. Packaging film and Nonwoven materials shifted to businesses requiring improvement

Impact of raw material and fuel costs on Toyobo

● Change of Naphtha price in Japan and Coal prices

(Australian thermal coal market prices)



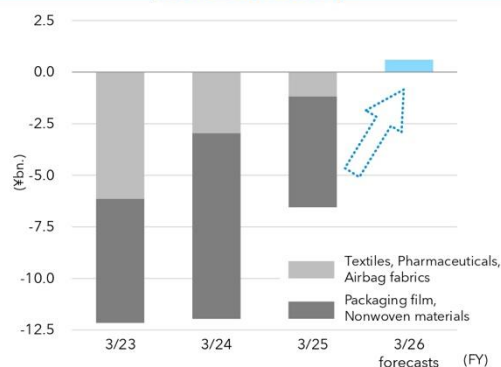
● Impact of "raw material and fuel costs" and "prices" on Toyobo

(YOY increase/decrease)

(¥ bn.)	3/22	3/23	3/24	3/25	3/26 forecasts
Raw material and fuel costs (A)	- 11.2	- 17.0	- 1.0	+0.5	+5.0
Prices (B)	+4.7	+11.9	+4.4	+5.1	+4.0
Spread (A + B)	- 6.5	- 5.1	+3.4	+5.6	+9.0

Endured pricing commensurate with value and improvement of terms of trade

Change of operating profit of businesses requiring improvement (Total of 5 businesses)



Total of five businesses poised to achieve profitability ¥7.0 bn. compared to FY 3/25 (FY 3/26)

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Many factors of this discrepancy including changes in the business environment were summarized into two.

One of the issues is the delay in identifying and addressing environmental changes.

The price of raw materials and fuels has been rising at a furious pace. The cost increase factor was about JPY28.0 billion in FY 3/22 and FY 3/23. It took us five years to get it back. We did not update prices quickly enough, resulting in lower profits overall.

Currently, we are proceeding with the direction to approach pricing activity as a company-wide effort.

In addition, Packaging film that we initially anticipated growth potential and Nonwoven materials for which we initially saw stable earnings, have fallen into the category of businesses requiring improvement due to deteriorating market conditions and intensifying competition in China, respectively. The three businesses that were originally envisioned, are steadily improving. We have taken action on Packaging film and Nonwoven materials including measures to address fixed costs, and we are finally on track to return to profitability overall.

Delay in Launch of Large-Scale Growth Investment

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Delay in launching and achieving benefits from CAPEX projects due to concentration of large-scale investment and insufficient follow-up on progress.
Insufficient preparation for uncertainty

Major growth investments (Lines above: Films, Lines below: Life Science)	Investment amount ^{*1} (¥bn.)	Launch period (FY)			
		3/24	3/25	3/26	3/27~
OPP film equipment (Inuyama)	7.0				
Processing equipment Unit 2 of release film for MLCC (Tsuruga)	6.0 ^{*2}				
Equipment of release film for MLCC (Utsunomiya)	20.0				
Equipment of polarizer protective films for LCDs (Tsuruga) ^{*3}	-				
Equipment for raw enzymes for biochemical diagnosis (Tsuruga)	7.0				
Equipment for reagents for PCR testing and genetic diagnostic reagents (Tsuruga)	6.5				
Integrated production plant for artificial kidney hollow fiber (Akita)	5.0				

*1 Rounded number *2 Total with Unit 1 *3 Renovation of an existing production line □ : Plan □ : Forecast ■ : Result

Company-wide follow-up.

Strengthening of the horizontal function of the Production Technology Division.

Review process of investment decisions.

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The other of the issues is a delay in the launch of large-scale growth investment.

The overall medium-term management plan was affected by a 1.2- to 1.3-fold increased capital expenditures than initially anticipated. Investment was so concentrated that it exceeded the overall capability of the Company's execution structure, as it invested over JPY50.0 billion while depreciation and amortization was less than JPY30.0 billion.

In addition, we reflected on the lack of follow-up on progress and are currently in the process of reestablishing this area.

We have also reflected on the need to make our investment decision-making process more rigorously going forward, including the evaluation of market trends and our technological capabilities.

Progress of Four Measures

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Measure 1	Thorough safety, disaster prevention, and quality assurance	○ Zero serious incident since FY 3/22 ○ Development of safety, disaster prevention structure and progress of acquisition of ISO 45001 certification on each site ○ Development of the quality assurance structure and mechanism. Regaining of ISO 9001 certification for engineering plastic and the lifting of the WL* by the FDA for pharmaceuticals *Warning Letter
Measure 2	Reorganization of the business portfolio	▲ Businesses focusing expansion: Growth investment was executed as planned but launch of new equipment was delayed in some areas ○ Stable earning businesses: Establishment of TOYOBO MC Corporation. Strengthening of the management base, revision of systems and operations and earnings improvement ▲ Businesses requiring improvement: - Achieved profitability in Textiles / Airbag fabrics and Pharmaceuticals narrowed their losses and were on track to return to profitability / Deterioration of profitability in Packaging film and Nonwoven materials and shifted to businesses requiring improvement → Total of five businesses poised to achieve profitability in FY 3/26
Measure 3	Preparations for the future	○ Setting of three areas of innovation creation. Transition of the three priority themes to the commercialization stage ○ Legacy systems update in progress. Companywide project to reform operations ○ Renewal of telecommunications and information security infrastructure ○ Acquisition of SBT approval, third-party verification of environmental data, and participation in GX League
Measure 4	Reestablishment of foundation	○ Selection of next-generation personnel and establishment of training system. Development of training for onsite leaders and other engineers ○ Promote diversity and human rights due diligence ○ Development and renewal of business sites and plant infrastructure ○ Strengthening the group governance and risk management structure ○ Development of compliance structure and training ○ Instillation of corporate philosophy framework "TOYOBO PVVs"

(○: As planned, ▲: Delayed)

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Of the four measures, we are making steady progress on one, three, and four, generally as planned. In particular, I recognize that the level of safety, disaster prevention, and quality assurance has improved significantly compared to when I took office as president.

With regard to the reorganization of the business portfolio, there were some things we were able to do and some things we were not able to do.

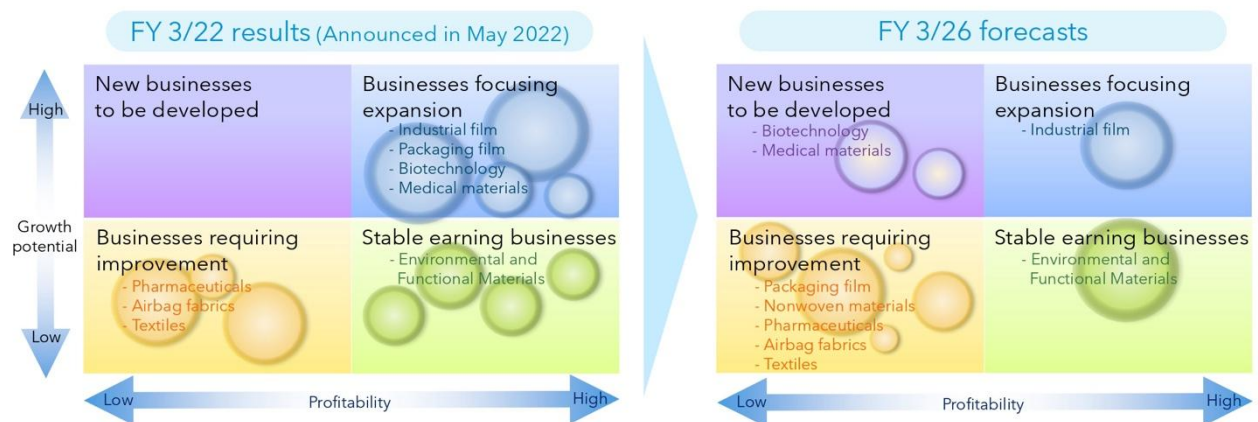
One of the things we were able to do was to turn around the Textiles business, which was originally a business requiring improvement, as well as to put the Airbag fabrics and Pharmaceuticals businesses on a path to profitability. In addition, the infrastructure of TOYOBO MC has been developed, which is generally in line with the plan.

However, due to delays in the launch of capital investments, the businesses focusing expansion did not generate as much profit as initially expected, and earnings from Packaging film and Nonwoven materials deteriorated.

Business Portfolio: Change in Positioning

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)



Regarding business portfolio, the horizontal axis represents profitability, the vertical axis represents growth potential, and the intersection represents the hurdle rate. At the beginning of FY 3/22, only three projects were below the hurdle rate. However, in the FY 3/26 forecast, about half of all businesses are below the hurdle rate, and the businesses focusing on expansion decreased.

Allocation of Capital Employed (FY 3/22 results → FY 3/26 forecasts)

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Business portfolio	FY 3/22 results			Business portfolio	FY 3/26 forecasts		
	Ratio of capital employed	ROCE	businesses		Ratio of capital employed	ROCE	businesses
Businesses focusing expansion	51%	16%	Industrial film Packaging film Biotechnology Medical materials	Businesses focusing expansion	27%	11%	Industrial film
Stable earning businesses	26%	10%	Environmental and Functional Materials	Stable earning businesses	23%	12%	Environmental and Functional Materials
New businesses to be developed	—	—		New businesses to be developed	15%	3%	Biotechnology Medical materials
Businesses requiring improvement	22%	—	Textiles Airbag fabrics Pharmaceuticals	Businesses requiring improvement	35%	2%	Packaging film Nonwoven materials Textiles Airbag fabrics Pharmaceuticals

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See page 15 for slightly more detailed information. Here we provide a breakdown of each business segment, the specific business, and the percentage of capital employed. With regard to priority expansion and stable earnings exceeding the hurdle rate, only about half of them, 27% and 23% respectively, exceeded the hurdle rate in the current period, and conversely, the ratio of businesses requiring improvement is increasing.

Here we provide a breakdown by business portfolio, showing the specific businesses, the percentage of capital employed, and ROCE. With regard to businesses focusing on expansion and stable earning businesses exceeding the hurdle rate, in the FY 3/26 forecast, only about half of the businesses exceed the hurdle rate, with capital employed ratios of 27% and 23%, respectively. Conversely, the ratio of businesses that do not exceed the hurdle rate is increasing.

Summary: Review of the 2025 Medium-Term Plan and Reflecting Such Findings in the New Plan

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Review

- Foundation strengthened in areas such as safety, disaster prevention, and quality assurance
- Aggressively executed capital investment but delayed launch of growth investment
- TOYOBO MC: Launch and development of infrastructure
- Improved profitability of three businesses requiring improvement
- Deterioration of financial structure

Reflection in the new medium-term management plan

- Reorganization of business portfolio
- Realization of results from growth investment
- TOYOBO MC: Outcomes of reformation and growth strategies
- Measures for challenged businesses
- Improvement of capital efficiency and stringent management of working capital
- One-team management

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In summary, the business portfolio reorganization did not proceed as planned, and as a result, ROE fell significantly short of the original plan, leading to a deterioration in the financial structure. This is the key issue we need to address in the next medium-term management plan.

In the capital markets, there is a very strong demand to ROE of over 8%. In the new medium-term management plan, the key question is how to increase ROE. Accordingly, we have reorganized our business portfolio to clarify which businesses we need to grow and which businesses present challenges. We also recognize the importance of steadily executing the initiatives we have undertaken. We will place greater emphasis on asset efficiency and asset turnover within the Company, and will be more thorough in improving asset efficiency and working capital management.

Overall, we will further strengthen our one-team management approach.

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.
TOYOBOPV Spirit: Challenge, Reliability, Collaboration

*"Jun-Ri-Soku-Yu" was a personal maxim of our founder Eiichi Shibusawa, an industrialist who contributed greatly to Japan's modernization. Embracing the philosophy of the founder, who preached the importance of unifying morals and economics, it has been Toyobo Group's principle ever since.

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Let's move on to the ideal state and the value-creation story. Our corporate philosophy is based on a motto set by Mr. Eiichi Shibusawa. Now we have further reorganized the vision into a value-creation story.

Vision

Continue to create the solutions needed by people and the earth with our materials and science

Priority areas: Advanced materials, Healthcare, Environment and energy

Value Creation Story

- Under the principle of “Jun-Ri-Soku-Yu” (Adhering to reason leads to prosperity),
- we will continue helping to solve social issues through a corporate culture defined by our DNA of flexibility and transformation, perseverance, and sincerity, underpinned by our core technologies: Polymer and Biotechnology.
- By optimizing a diverse range of materials to achieve target performance through co-creation with customers and collaboration with partners, we create customer value and sustainable prosperity for people and the planet.
In so doing, we also continue to seek growth and development of our people and the Group.

Brand Slogan

いのちと世界の、役に立て。

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The vision remains unchanged; however, we have designated Advanced materials, Healthcare, and Environmental and energy as priority areas where TOYOBO can demonstrate its strengths.

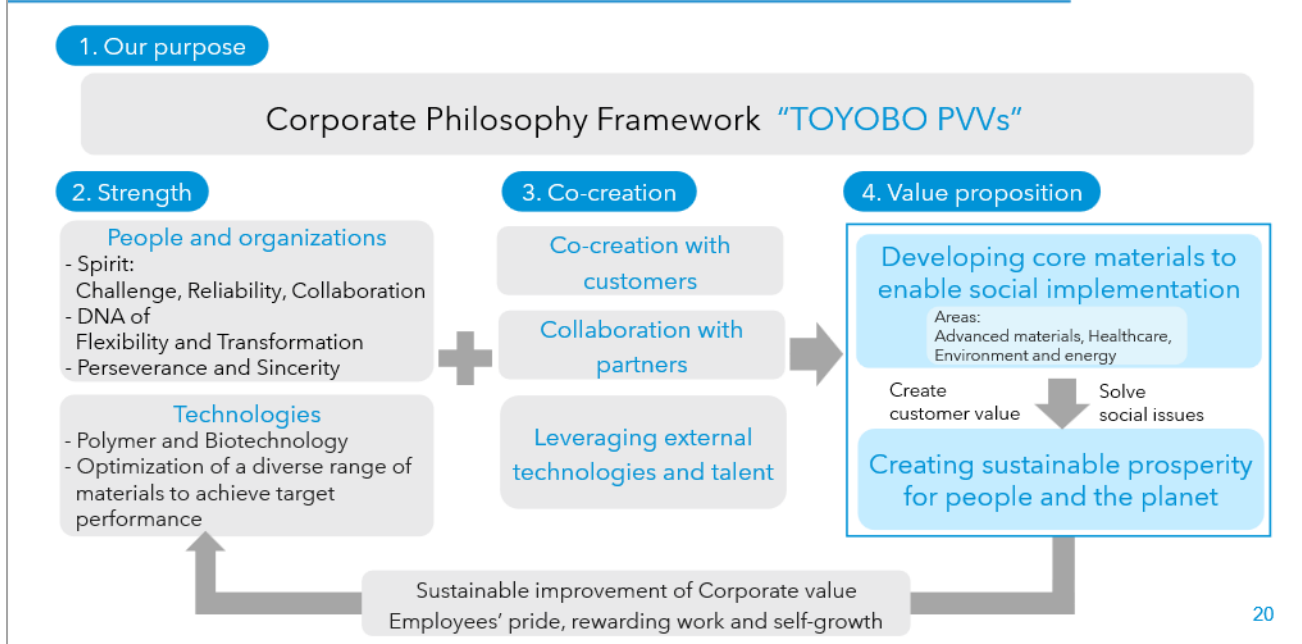
We have communicated our value creation story in the integrated report, but this time, Management team gathered to discuss it again, based on how our successful businesses have been created.

Under our corporate philosophy, we leverage our core technologies in Polymer and Biotechnology, together with the strength of our People and organizations as part of TOYOBO's culture. Then co-create and collaborate with customers and partners. Then create value by delivering the required performance. We recognize that this is our value-creation story.

As a result, both our people and the Group grow and develop, and we aim to continue driving this value creation cycle.

At the same time, we are launching a new brand slogan. This slogan encourages our employees to take pride in their work and engage positively, and also represents our promise to society.

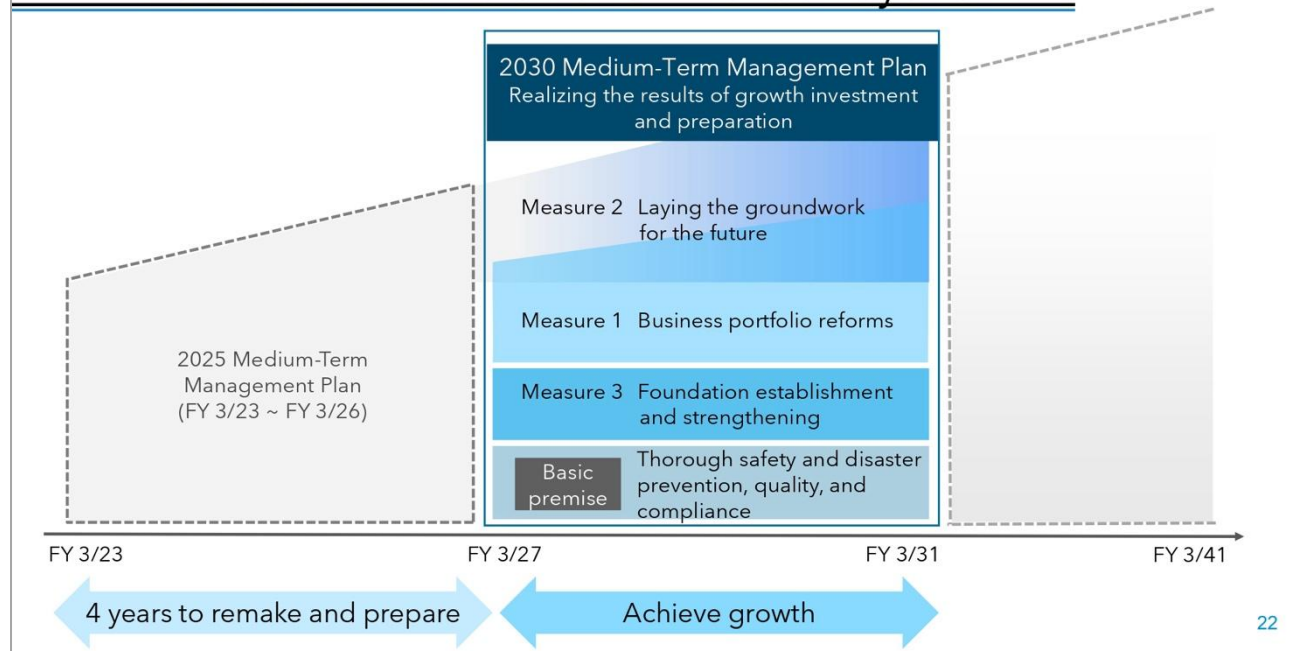
(Reference) Toyobo's Value Creation Story Framework **TOYOBO**



This is a framework of value creation story.

This Medium-term Plan Encompasses the Latter half of the Sustainable Vision and Extends Beyond It

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Let me now move on to the 2030 Medium-term Management Plan. We have formulated the plan based on the review of the 2025 Medium-term Management Plan and the reorganized value creation story. In terms of its positioning, while the 2025 Medium-term Management Plan was four years to remake and prepare, this plan is aimed at achieving growth. We do not intend to end on FY 3/31, and we will also make strategic moves as groundwork for the period beyond that.

Increasing uncertainty,
discontinuity



Preparing for unforeseen circumstances and
downside risk (One-team management)

- Actualized geopolitical risk, era of fragmentation, supply chain changes, intensifying competition with China
- Intensify focus on climate change and environmental issues
- Japan: Reevaluate Japan as a production base amid population decline, labor shortages, yen depreciation and rising interest rates
- Technological evolution: AI, quantum technology, biotechnology, new energy and space industries

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This is recognition of business environment in formulating this plan. Even before the situation in Iran worsened, we recognized that uncertainty was increasing, and the current situation is even more uncertain than we had anticipated. As changes in the environment always occur, we need to be prepared for unforeseen circumstances and downside risk.

Management Targets: Shift from Scale to Efficiency

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Striking a balance between financial structure improvement and profit growth and attaining ROE of over 8%

	FY 3/26 forecasts	FY 3/29 medium- term targets	FY 3/31 targets
Serious incident	zero	zero	
ROE (%) ^{*1}	4.3	> 6	> 8
ROIC (%) ^{*2}	3.3	> 4.5	> 6
Operating profit margin (%)	5.6	> 7	> 8
D/E ratio	1.29	< 1.2	
Ratio of Priority businesses (capital employed) (%)	27	> 50	
Employee engagement score	52%	≧ 60%	≧ 70%

^{*1} Profit / Beginning and ending balance average shareholder's equity

^{*2} NOPAT / (Interest-bearing debt + Net assets)

(Reference: p.40 Financial Indicators) 24

We shift our management targets from scale to efficiency, with an awareness of ROE, and improve our financial structure. By improving our financial structure while achieving profit growth, we aim to attain ROE of over 8% as early as possible.

We have set seven key indicators. Even though these are rate-based targets, the most important priority is to avoid serious incidents related to safety and disaster prevention, quality, and compliance.

To attain ROE of over 8%, we will increase ROIC to a level that covers our cost of capital. Within the Company, we have set a hurdle rate of 8% for ROA by business, and each business is working daily to clear this hurdle.

In order to increase ROIC and ROA by business, we will place strong emphasis on the operating profit of each business. When focusing on scale, there is a tendency to maintain businesses even with low profit.

As a result, through business portfolio reforms and improved asset turnover, we will reduce total assets and improve the D/E ratio. As for business portfolio, we will increase the ratio of priority businesses with growth potential that exceeds the hurdle rate to more than half of the total.

In addition, employee engagement metrics that support these initiatives are positioned as important indicators from the perspective of human capital.

Basic premise	Thorough safety and disaster prevention, quality, and compliance	
Measure 1	Business portfolio reforms	- Concentration of resources to priority businesses (toward capital employed of over 50%) - Achievement of growth investment results - Address to challenged businesses
Measure 2	Laying the groundwork for the future	- Research and development: : Shift resources to three value proposition areas and accelerate commercialization : Strengthen marketing functions (fusion of technology development and customer development) - Environmental initiatives: GHG emissions reduction, product development related to environmental responses
Measure 3	Foundation establishment and strengthening	- Human capital - TX (Toyobo-Transformation) - Safety and disaster prevention, and quality - Risk management and Governance - Infrastructure development

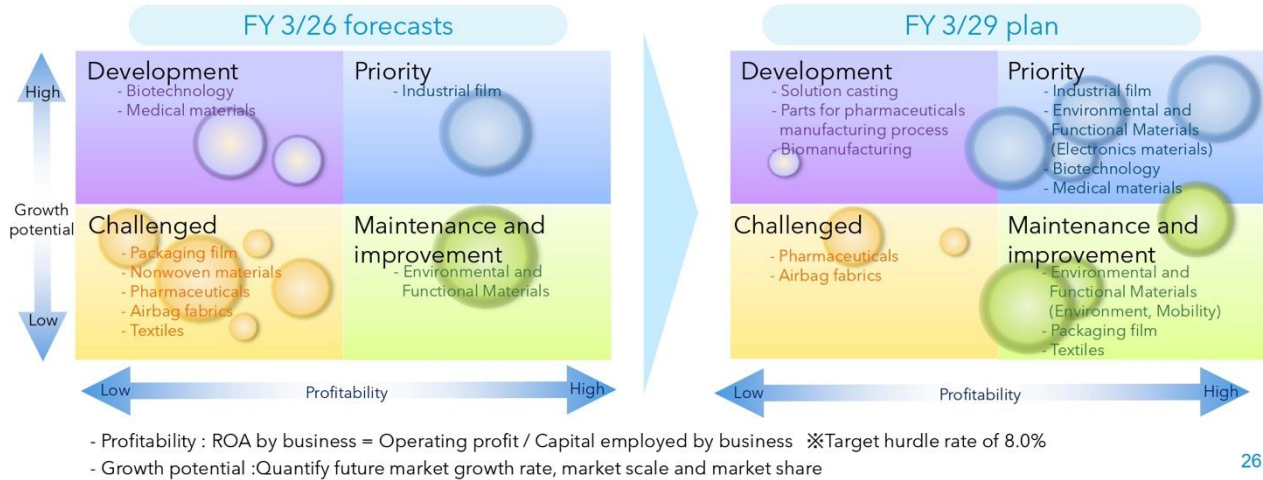
To achieve this, we have three measures. The basic premises are safety and disaster prevention, quality, and compliance, which are to be thorough and not to forget.

The measures are listed here: business portfolio reforms, laying the groundwork for the future, and foundation establishment and strengthening.

Business Portfolio Reforms

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

- Priority businesses: Actively allocate resources to expand earnings
- Maintenance and improvement businesses: Maximize earnings while curbing investment
- Development businesses: Strengthen competitiveness and enhance profitability
- Challenged businesses: Improve profitability



As for the business portfolio toward FY 3/29 we will reduce the number of challenged businesses and increase the number of priority businesses. In particular, we will focus on improving earnings from Packaging film and rebuilding Biotechnology and Medical material businesses.

Business Portfolio Reforms (Toward Ratio of Priority Businesses of Over 50%) **TOYOB**

*Inorganic and carve-out are not included

Business portfolio	FY 3/26 forecasts			Business portfolio	FY 3/29 plan*		
	Ratio of capital employed	ROA by business	businesses		Ratio of capital employed	ROA by business	businesses
Priority	27%	11%	Industrial film	Priority	55%	11%	Industrial film
Maintenance and improvement	23%	12%	Environmental and Functional Materials				Environmental and Functional Materials (electronics)
Development	15%	3%	Biotechnology				Biotechnology
			Medical materials				Medical materials
Challenged	35%	2%	Packaging film	Maintenance and improvement	40%	10%	Environmental and Functional Materials
			Nonwoven materials				Packaging film
			Textiles	Development	—	—	Textiles
			Airbag fabrics				- Solution casting - Parts for pharmaceuticals manufacturing process - Biomanufacturing
			Pharmaceuticals	Challenged	5%	4%	Airbag fabrics
							Pharmaceuticals

In terms of the ratio of capital employed, businesses that clear the hurdle rate currently account for a total of 50%, at 27% and 23%, respectively. We aim to increase this ratio to 95% in FY 3/29.

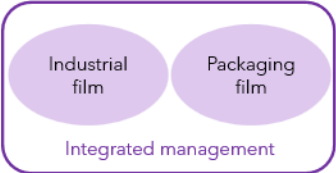
In addition, we have newly added solution casting, parts for pharmaceuticals manufacturing process, and biomanufacturing as areas for development, with the expectation that they will contribute to earnings from FY 3/31.

We are also considering inorganic measures and best-owner options. While these have not been factored into the numerical plan, we would like you to understand that we do not rule them out as options.

Business: Direction of Films

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Business environment	● Accelerating shift to high-performance materials in growth markets in areas such as semiconductor and other electronic component applications ● Heightened demand in next-generation fields such as energy and space ● Transition to integrated competition combining "functionality", "environmental performance", and "cost competitiveness"
Strength	● Comprehensive ownership of process technologies ranging from polymer design to film production and coating ● First point of contact due to our diverse range of materials, application development capabilities, and R&D strengths
Direction	Sustainable growth as core business. Achievement of investment results and integrated management as Films

Becoming a category leader in high performance industrial applications	Portfolio reform toward eco-friendly, high-quality products	Strengthen synergy by integrated management of Industrial and Packaging film
● For semiconductor - "XENOMAX": Heat-resistant polyimide film - PEN film: High electric insulation under high temperature and hydrolysis - Release film using OPP film with high rigidity - Biaxially oriented PLA film ● For fuel battery cells, wind power generation and solar battery - PEN film ● For energy and aerospace - "XENOMAX" - PEN film	● New environmentally friendly film ● Food packaging + new field such as medical applications ● Toward initiatives for resources circulation in the entire supply chain - Establishment of Film to Film resource recycling scheme - "KAMISHINE NEO": Label liner applications, horizontal recycling - Chemical recycling of used plastics	 Integrated management - Technology, Know-how - Material - Production equipment, infrastructure

(Reference) p48 Expansion into Semiconductor Related Market (Films)

28

Now, let me continue with the direction of the three main businesses. First, Films accounts for approximately 40% of TOYOBO's total sales and is positioned as a core business to achieve sustainable growth.

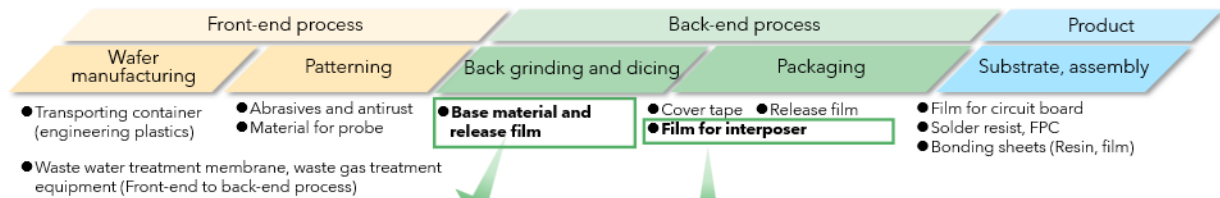
To achieve this, we will steadily convert the impact of nearly JPY40.0 billion in capital investment into profits, while improving the profitability of Packaging film and advancing portfolio reform. In addition to price pass through, we are focusing on environmentally friendly films and applications outside the food field. To support this, we will operate Industrial film and Packaging film under an integrated management as Films.

In terms of focusing on growth markets, we aim to become a category leader in high performance industrial applications, including the semiconductor market.

Expansion into Semiconductor Related Market (Films) **TOYOBO**

Semiconductor related sales (Films): ¥28.0 bn. in FY 3/26 ⇒ ¥45.5 bn. in FY 3/31

Semiconductor business value chain and Toyobo's products



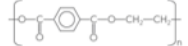
Example: Expansion of PEN film to release film

- Excellent heat resistance compared to PET
- ➡ ■ Escalating demand for heat resistance in base film and release film to handle processes for fabricating increasingly powerful semiconductors
- Expand by "integrated production know-how" x "characteristics of PEN" x "design and processing technology of release layer"

PEN [Polyethylene 2-6-Naphthalate]

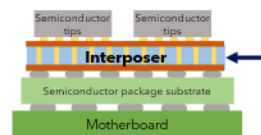


PET [Polyethylene Terephthalate]



Example: High heat resistant polyimide film "XENOMAX" (interposer)

- Dimensional stability equal to glass and Si wafer + smoothness and processing ability of film
- ➡ ■ Alignment with needs for microfabrication driven by higher integration densities
- Expand to film for interposer



48

More details are provided on page 48. Traditionally, films for back-end process have been mainly PET films; however, we are exploring the potential of developing "XENOMAX", PEN film, and high rigidity OPP films. We aim to grow this business from the current level of approximately JPY28.0 billion to over JPY45.0 billion by FY 3/31.

Business: Strategy of Films

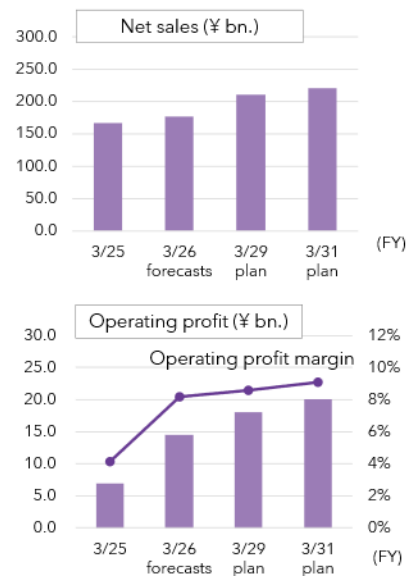
TOYOBO

Major initiatives toward growth

- Achievement of investment results
 - Expansion of supply capacity of polarizer protective films for LCDs "COSMOSHINE SRF"
 - Share increase of release film for MLCC. Moreover, expansion of focus areas through high-grade products and advanced development
- Earnings improvement through product mix optimization (packaging film)
 - Strategic pricing commensurate with value, business portfolio reform by strengthening high quality products and environmentally friendly products
- Strengthen integrated management as Films (sales, production, R&D)

Development of new high performance film

- Positioning energy and space industries as next-generation growth areas and building a foundation for commercialization
 - Aiming to enter and expand into new areas with new materials such as PEN film and "XENOMAX" (perovskite solar battery, products for semiconductor processing, etc.)



29

Specifically, we are investing in capacity expansion for polarizer protective films for LCDs that is currently supporting our earnings. The equipment is scheduled to launch in the first half of FY 3/27, and when comparing FY 3/26 with FY 3/28, we expect production capacity to increase by 1.3 times.

Release film for MLCC aims to further increase global market share, which currently stands at approximately 25%, and aims at target annual growth of 10%, exceeding overall market growth.

Business: Direction of Life Science

TOYOBO

Business environment

- Increase in chronic illnesses and expansion of medical demand driven by the aging population
- Persisting growth in global markets, primarily in emerging economies
- Slowing growth and intensifying competition in the Chinese market

Direction

Achievement of investment results. Global expansion and new markets development of products that contribute to improving QOL (transition to therapeutics areas)

Value proposition areas aligned with the patient journey*

*the process of people's engagement with healthcare

Already entered

Expansion in the future

Fusion

	Awareness and information collection (prevention)	Consultation and diagnostics (testing)	Therapeutics	Support and follow up (prognosis)	Measures in 2030 Medium-Term Plan
Bio-technology		Raw enzymes for biochemical diagnosis			Improvement of price competitiveness (establish continuous culturing technology for enzymes) Transition to high value-added areas (therapeutics areas)
		Research reagents and diagnostic reagents for genetic testing	Raw materials for manufacturing nucleic acid medicines		
		Diagnostic systems			
	Fusion of Biotechnology X Membrane (ex: exosome testing and therapeutics)				Fusion of Biotechnology X Membrane
Medical materials			Artificial kidney hollow fiber		Acceleration of usage development (blood purification, pharmaceuticals manufacturing process)
			Acute blood purification membranes		
			Membrane for pharmaceuticals manufacturing process		
			Medical devices and coating materials		
Pharmaceuticals			Pharmaceuticals CMO		Synergy in therapeutics areas (Biotechnology)

30

Next is Life Science. Earnings have declined significantly compared with initial expectations. We will firmly reflect investment of nearly JPY20.0 billion in profits and realize its effects, while capturing the expected market expansion in overseas emerging countries.

To do so, we have reevaluated the value proposition areas. We have organized the areas aligned with the patient journey, which represents the process of people's engagement with healthcare. The gray zone represents areas where we have already developed our business, while the pink zone represents areas we will expand going forward.

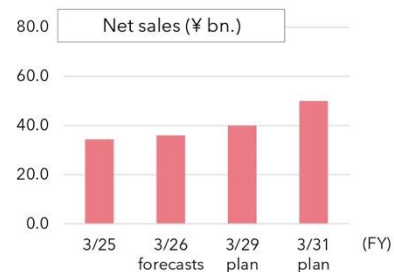
For example, in Medical materials, we have already shipped samples in other fields beyond traditional artificial kidney hollow fiber. In Biotechnology, we will provide raw materials for manufacturing nucleic acid medicines. Furthermore, we are exploring new business opportunities unique to TOYOBO, such as the fusion of biotechnology and membrane technology.

Business: Strategy of Life Science

TOYOBO

Biotechnology

- Direction: No.1 as supplier of raw materials for biochemistry and genetics (shifting upstream)
- Business strategy:
 - Biochemical (raw material): Expansion of market share by improving cost competitiveness through establishment of continuous cultivation technology
 - Genetic (raw material): Strengthening of customer development (diagnostics) and transition to high value-added areas (therapeutics)
 - Genetic (diagnostics): Shift to a development-focused model
- Development plan: Development of applications for biomanufacturing technologies (biopesticides, immunoassay raw materials)



Medical materials

- Direction: Increased share of dialysis membranes.
New businesses entry through deployment of dialysis membrane technology
- Business strategy:
 - Dialysis membranes: Overseas expansion and growth investment by leveraging CTA membrane strengths and co-creation with medical device manufacturers
 - Blood purification device: Creation of new businesses through deployment of dialysis membrane technology
 - Membranes for the antibody drug manufacturing process: Targeting adoption by pharmaceutical manufacturers leveraging high performance as a strength
- Development plan: Accelerated application development (blood purification, pharmaceutical manufacturing processes)



Specifically, in Biotechnology, in the previous medium-term management plan, we adopted a strategy of providing one-stop solutions covering the entire infectious disease related area. However, now we have concluded that our strength lies in raw materials, and we are therefore revising our strategy and shifting resources to strengthen it.

In Medical materials, in addition to expanding into new areas, our proprietary CTA membranes in the dialysis field have been receiving increasingly positive evaluations. We will develop this business both domestically and internationally, and will make proactive investments to capture market expansion and growth in cooperation with our business partner.

Business: Direction of Environmental and Functional Materials (mainly TOYOBO MC)

TOYOBO

- | | |
|-----------------------------|---|
| Business environment | <ul style="list-style-type: none"> ● Heightening prominence of social issues such as decarbonization and securing water resources, along with further tightening of environmental regulations ● Sharp increase in data traffic driven by digitalization and EV adoption, and rapid transformation of industrial framework |
| Direction | <ul style="list-style-type: none"> ● Corporate resources concentrated on three focus areas of electronics materials (adhesion and synthesis), the environment (spinning), and mobility ● Portfolio reform accelerated through enhancement of overseas operations, new development, and inorganic measures and alliances |

Present status

Growth

- Engineering plastic
- "VYLON"/"HARDLEN"
- Environmental solutions

Cash-cow

- Photo-functional materials
- Fine chemicals
- High performance fiber

Transformation

- Nonwoven materials

Concentration on focus areas

Electronics materials

- High speed communication
- Smaller packages
- Adaptation to low dielectric property

Expansion of proprietary adhesion and synthesis technologies to become a key player supporting the electronics materials areas

Environment

- Resource Circulation (Lithium, etc.)
- Emissions reductions (PFAS, etc.)
- Decarbonization

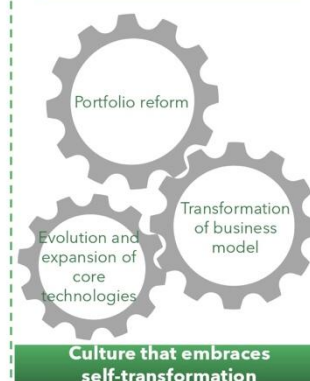
Solutions partner providing new environmental value, centered on distinctive materials

Mobility

- Weight reduction
- Electrification
- Material recycle

Global company of high-performance materials supporting next-generation mobility

Strength of TOYOBO MC



32

Next is Environmental and Functional Materials, mainly led by TOYOBO MC. Over the past three years, we have steadily improved our infrastructure, and going forward, we will deliver the results of the reforms we have promoted and implement growth measures.

This business, which previously consisted of more than 10 individual businesses, has now been reorganized into three business areas: electrical materials, environment, and mobility.

In the electrical materials area, while our presence is still limited, we have a range of distinctive technologies and low-dielectric materials. By utilizing alliances and inorganic measures, we aim to connect these strengths to actual business and expand the scale of this area.

In the environmental area, we have been developing businesses related to water and air purification and resource recovery. As our overseas groundwork has progressed, we will now move into the harvesting phase.

The same applies to the mobility area, where there are various business opportunities through direct dialogue with OEM automakers. For example, we are currently working with an OEM manufacturer to develop recyclable leather seats with reticular seats, in response to demand in Europe.

Business: Strategy of Environmental and Functional Materials

TOYOBO

	Electronics materials	Environment	Mobility
Market	● Shift to more powerful semiconductors and higher communication speeds to accommodate increased information traffic driven by the rapid expansion of AI ● Greater supply chain resiliency driven by geopolitical risk Electronics (communication) market: CAGR 8%	● Mandatory actions required to address the transition to a decarbonized and circular economy along with increasingly stringent environmental regulations ● Transition in new materials and technologies from the embryonic stage to the growth stage Lithium market: CAGR 16% ZLD* market: CAGR 8% *Zero Liquid Discharge	● Shift to value-added competition in the automotive sector, with sales set to peak in 2030 ● Growing need for weight reduction and automotive materials recycling due to electrification Reduced weight materials market: CAGR 6% Automotive recycling market: CAGR 11%
Strength	● Proprietary material and resin design capabilities coupled with responsiveness to customer needs centered on polymers and organic synthesis technologies ● Portfolio of products with low dielectric properties, high heat resistance, and superior surface treatment characteristics	● Distinctive materials developed from spinning technology (hollow fiber, activated carbon fiber, high-strength fiber) ● Development of equipment businesses centered on materials (concentration and recovery equipment)	● Proprietary compounding technologies and responsiveness to customer needs such as those for high rigidity and weight reduction ● Asset light operations
Direction	● Building foundations and accelerating new development and business expansion by combining organic and inorganic measures centered on proprietary materials	● Transitioning to a solutions business by combining equipment development and end-customer engagement approach, centered on distinctive materials ● Acceleration of application development for new materials, etc.	● Strengthening cost competitiveness and global sales expansion drawing on alliances and local partners ● Transition to high value-added businesses through joint development with OEMs

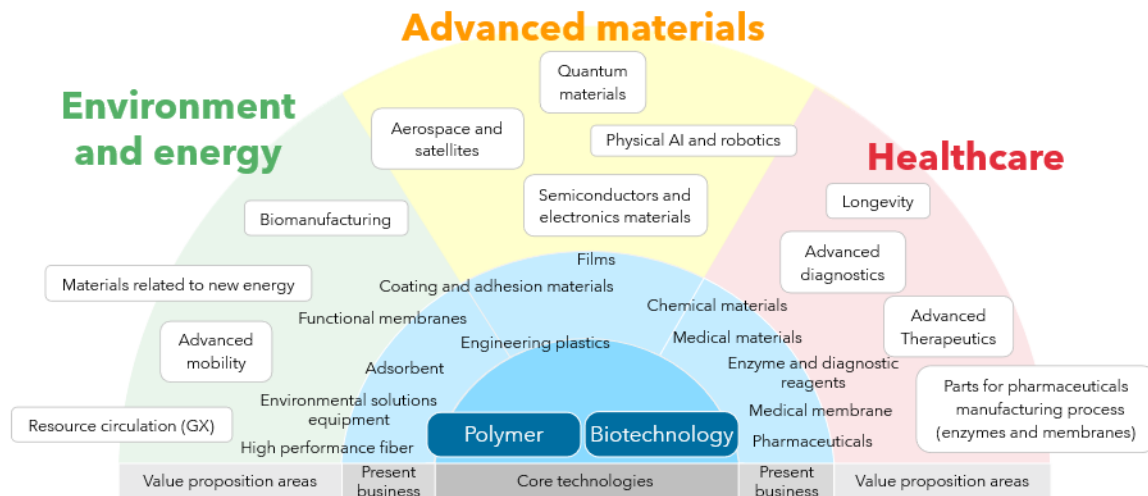
(Reference) p49 Expansion into Semiconductor Related Market (Resin)

33

Page 33 is specific information. This concludes the strategies for each of our businesses.

Laying the Groundwork for the Future: Value Proposition Areas

TOYOB0



Policy - Shift resources to three value proposition areas and accelerate commercialization

- Strengthen marketing functions (fusion of technology development with market and customer development)

Resource allocation - New creation and basic technology: 20%, New product development: 65%, Support of businesses: 15%

34

Next is Laying the groundwork for the future. I would like to explain how we will bring our value creation story into concrete action.

The center of this diagram consists of our core technologies, Polymer and Biotechnology, which are currently deployed in our present businesses shown in light blue. We will expand these businesses across the three priority areas.

While technology itself is interesting, we recognize that turning it into a business is challenging. The key points this time is to strengthen the marketing function from an early stage and integrate it with customer development.

In terms of R&D resources, we will keep them to less than 3% to 4% of sales.

Laying the Groundwork for the Future: Three Priority Areas

TOYOBO

Advanced materials	Advanced materials (films, resins) utilizing synthesis and adhesion technologies as well as surface processing and membrane production technologies - Heat resistant polyimide film "XENOMAX" - Low dielectric material "HARDLEN" - Adhesion of electronic material "Vitrimer"* *"Vitrimer" is a registered trademark of FONDS ESPCI PARIS.
Healthcare	Expansion into high value-added areas leveraging spinning, membrane production, and membrane separation technologies, as well as biomanufacturing technologies - Acute blood purification membranes "REMCYTO" - Exosome purification kit "CATAROSEV" - Parts for pharmaceuticals manufacturing process (enzymes for mRNA pharmaceuticals and Membranes for the antibody drug manufacturing process)
Environment and energy	Recycled materials utilizing membrane separation, polymer and film production technologies, and fusion technology combining biotechnology with polymers - Biomanufacturing (Biosurfactant: MEL and functional biological raw materials) - Removal of PFAS ("K-Filter" and absorption by activated carbon fiber) - Green plastics (100% biomass plastic: PEF, "RENASHINE" and "KAMISHINE NEO")

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These are specific efforts. Actual contribution to earnings will take until about FY 3/36, but we have an extremely unique lineup.

Foundation Establishment: Human Capital

Executing the human resources strategy aligned with the business strategy



Next, foundation establishment starts with human capital. We have organized what kind of input we should provide in order to increase engagement.

Many companies are discussing how to enhance human capital, and what is distinctive about our approach is "1 on ALL." Executives, managers, and general employees gather together and declare their goals for the current fiscal year. This helps to increase commitment and deepen understanding of what others are working on.

In addition, management processes tend to become personalized, but by documenting and sharing how decisions are made, what processes are followed, and how budget management is carried out, we have introduced new initiatives since last year and will continue to implement them.

We are seeing a strong sense of progress in scores related to ease of communication within our engagement score.

Foundation Establishment: TX (Toyobo Changes)

TOYOBO

*Toyobo-Transformation

Basic policy of TX* initiatives

Eliminate unnecessary tasks

Consolidate with the same goal

Connect by utilization of digital technology

Overview of TX

Develop infrastructure

Achieve growth

Achieve Sustainable Vision 2030

Launch of TX initiatives

Create added-value

Develop infrastructure and improve productivity

(FY) 3/25 3/26 3/27 3/28 3/29 3/30 3/31

Investments

2.8

5.4

0.3

Effects

2.0

6.0

7.2

(¥ bn.)

Toyobo's major initiatives to achieve growth

Transformation of manufacturing

- Improvement of cash flow through a radical review of SCM
- Exploration of automation through robotics and physical AI
- Reduction of issues and shortening of response time through the utilization of internal knowledge

Transformation of productivity and creation of added value

- Automation of accounting and other staff tasks through the use of Agentic AI
- Faster decision-making and increased productivity through data-driven management
- Increased productivity in R&D activities through utilization of past knowledge

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(Reference) p52 Toyobo Group Information Security Management Structure

Next, the second part of foundation establishment, TX. TX is a TOYOBO term and is generally referred to as DX. However, our objective is not digitalization itself, but for TOYOBO to change, with digital being one of the means to achieve that change. Our basic policy is to eliminate, consolidate, and connect, and we believe that digital can be used most effectively in connecting.

Overall, investment related to digital has increased significantly. Over the past few years, we have focused on building the foundation and strengthening security, including the renewal of legacy systems. Going forward, the key will be the implementation of AI, using AI to transform work processes.

For example, in manufacturing reform at Films plant, we have reduced troubles by organizing craftspeople's know-how and large volumes of data.

In terms of value-added creation, we have begun implementing initiatives to upgrade staff operations and to make better use of past R&D knowledge. In the area of risk management, cybersecurity has been strengthened over the past one to two years, and we will continue to further enhance these efforts.

Foundation Establishment: Safety and Disaster Prevention, Quality

TOYOB

Safety and disaster prevention

Initiatives for zero serious incidents

Initiatives (FY 3/27 ~ FY 3/31)

Promote activities according to the roadmap

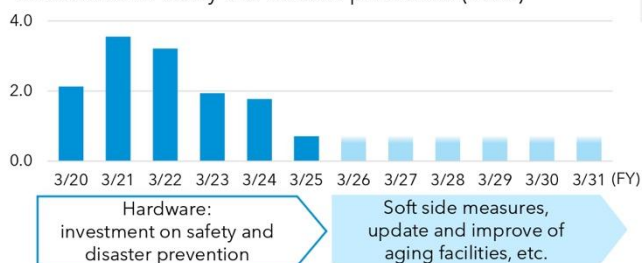
● Develop safety infrastructure

- Promote of on-site 3S (continued)
- Establish and promote labor safety and disaster prevention management system
- Exterminate similar disaster: Use previous safety incident data for safety and disaster prevention training
- Company-wide BCM/BCP: On-site first respond coordinated with company-wide activities

● Foster safety culture

- Enrich training by position levels and expansion to Group companies
- Apply results of safety awareness survey: enrich opportunity to take part in and expansion of safety dialogue

Investment on safety and disaster prevention (¥ bn.)



Quality

Aggressive quality assurance
"From zero defects to zero anxiety"

Initiatives (FY 3/27 ~ FY 3/31)

Promote activities according to the roadmap

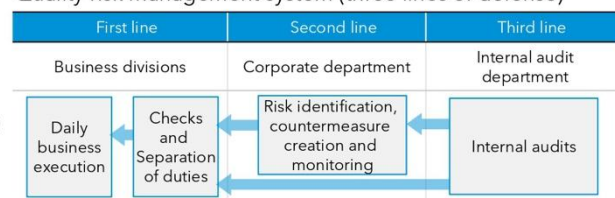
● Develop quality assurance infrastructure

- Comply with laws: strengthen management of product chemical substances, company-wide structure (continued)
- Secure product safety: check and support improvement by assessment (continued)
- Secure product safety promotion system: Reduce manual intervention through the development of a system for the quality assurance process

● Foster quality assurance culture

- Information protection and provision:
Thorough communication of information necessary for product safety and quality assurance activities (confidentiality ensured)
- Training and education:
Improvement of quality assurance education system (continued), strategic rotation and improvement of application skills of expertise

Quality risk management system (three lines of defense)



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Safety and disaster prevention, quality are the basic premise of this medium-term management plan. We have made significant progress over the past few years in line with our roadmap, and going forward, we will take the actions described here to further enhance these initiatives. Quality assurance is promoted under a system of three lines of defense.

Foundation Establishment: Risk Management

● Serious risk management

(Geopolitical risk, natural disaster and information security)

- Formulation of response policy and plan
- Monitoring and inspection of emergency response

● Business Continuity Management (BCM)

- Formulation and training of BCP (Business Continuity Plan) in each department
- Formulation of BCP guideline under assumption of major earthquake
- Promoting efforts to secure multiple sourcing options and alternative supply routes in procurement and logistics

Till FY 3/26

- Promotion of risk reduction and management initiatives
- Comprehensive risk visualization, system development, and execution

From FY 3/27

Assessment of risk reduction and management effectiveness

Continued strengthen under risk management committee



Next is risk management. While geopolitical risks are currently emerging, we have completed a comprehensive visualization of risks such as natural disasters and information security, including where risks exist. The next step is how to address these risks organizationally to minimize risk.

These are the details of the measures.

Financial Indicators

TOYOBO

	FY 3/25 Results	FY 3/26 Forecasts	FY 3/29 Plan ^{*5}	FY 3/31 Plan ^{*5}
Net sales (¥bn.)	422.0	430.0	470.0	500.0
Operating profit (¥bn.)	16.7	24.0	35.0	45.0
(Ratio to sales) (%)	3.9	5.6	7.4	9.0
EBITDA (¥bn.) ^{*1}	39.4	48.5	64.0	76.2
Profit attributable to owners of parent (¥bn.)	2.0	8.5	14.0	19.0
ROE (%) ^{*2}	1.0	4.3	> 6	> 8
ROIC (%) ^{*3}	2.3	3.3	> 4.5	> 6
D/E ratio	1.37	1.29	< 1.2	
Net Debt / EBITDA ratio ^{*4}	6.1	4.9	< 4.0	
CAPEX (¥bn.)	43.2	31.0	35.0	31.5
R&D expenses (¥bn.)	14.3	15.0	Ratio to sales of 3~4%	

^{*1} Operating profit + Depreciation (includes goodwill) ^{*2} Profit / Beginning and ending balance average shareholder's equity

^{*3} NOPAT / (Interest-bearing debt + Net assets) ^{*4} (Interest-bearing debt-Cash and deposits) <Ending> / EBITDA

^{*5} Inorganic and carve-out are not included

40

At the beginning, I mentioned that we would stick to efficiency, and I provide the scale portion of the basis for the target. The point is that capital investment has peaked out since major investments have run their course.

Financial Indicators: Segment

TOYOBO

(¥ bn.)

	Net sales			Operating profit		
	FY 3/26 Forecasts	FY 3/29 Plan	FY 3/31 Plan	FY 3/26 Forecasts	FY 3/29 Plan	FY 3/31 Plan
Films	177.0	210.0	220.0	14.5	18.0	20.0
Life Science	36.0	40.0	50.0	1.0	5.0	9.0
Environmental and Functional Materials	111.0	130.0	150.0	8.7	13.0	15.0
Others	106.0	90.0	80.0	-0.2	-1.0	1.0
Total	430.0	470.0	500.0	24.0	35.0	45.0

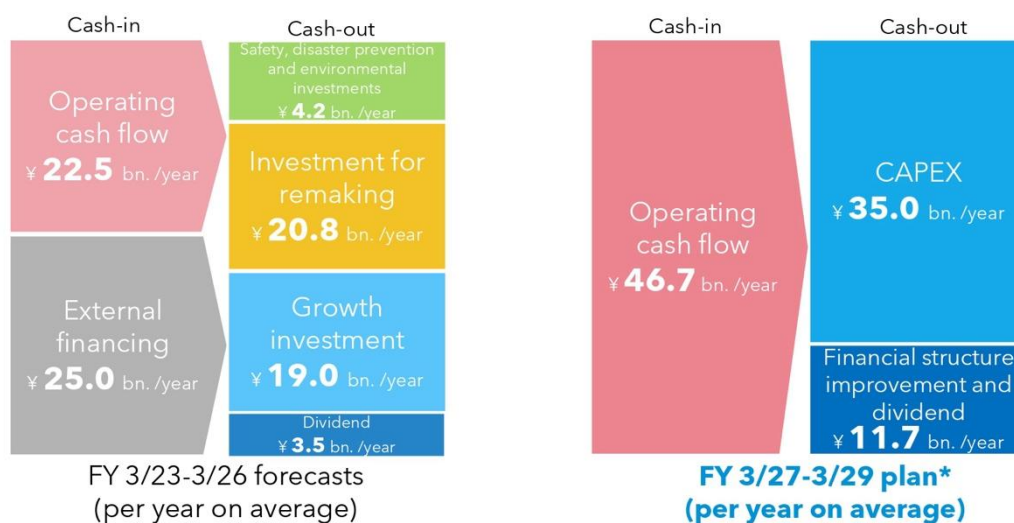
41

This is a breakdown by segment. Note that inorganic and carve-outs are not included.

Financial Strategy: Cash Flow Allocation

TOYOB0

Aim to improve financial structure by increasing free cash flow (~FY 3/29)



*Inorganic and carve-out are not included

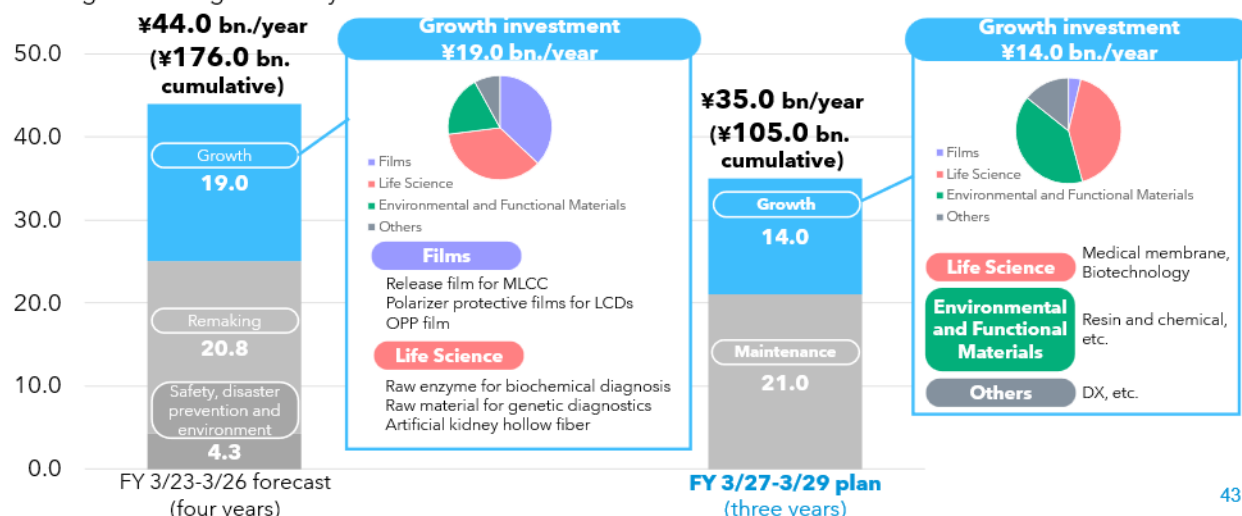
42

The cash flow allocation to achieve targets. On the left is the forecasts of the previous medium-term management plan, restated on an annual basis. We made capital investment under significant decline of operating cash flow, resulting in increased external financing. This time, as capital investments have largely run their course, we believe that we will be able to improve our financial structure and secure funds for dividends going forward.

CAPEX

TOYOBO

Aggressive investment in priority businesses and development businesses.
 Peaked out of large-scale investment and completion of growth investment in Films.
 Aggressive investment in Life Science and Environmental and Functional Materials.
 Inorganic strategies flexibly assessed and executed.



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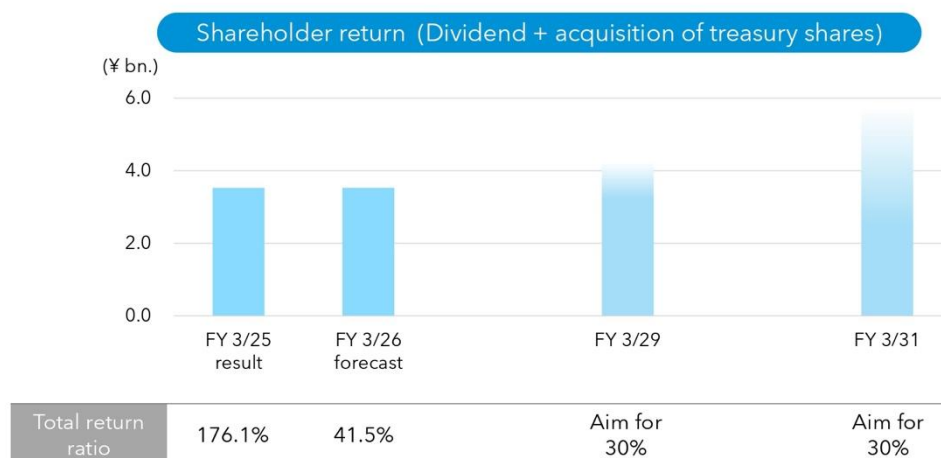
Next, capital expenditure. As the previous medium-term management plan and the current plan cover four years and three years, respectively, the figures are converted to an annual basis for comparison. Capital expenditure will be reduced from the previous level of approximately JPY44.0 billion to around JPY35.0 billion.

This is mainly because growth investments will pause as major Films investments run their course. As shown in the pie chart, Films and Life Science accounted for the majority in the past, whereas going forward, Life Science and Environmental and Functional Materials will be the main focus. Maintenance investments can be reduced somewhat; however, fuel conversion will continue to require costs in order to address environmental issues.

Policy on Shareholders Returns

TOYOB0

Continually provide a stable dividend in a comprehensive consideration of such factors as sustainable profit levels, retention of earnings for future investment, and improving the financial position, with a target total return ratio of 30%.



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Next is policy on shareholders returns. We have not changed our basic policy. We continually provide a stable dividend in a comprehensive consideration of such factors as sustainable profit levels, retain of earnings for future investment, and improving the financial position, with a target total return ratio of 30%. Therefore, we would like to leave room to increase dividends by increasing net profit.

Toward Improvement of Corporate Value: ~Realizing the Results of Growth Investment and Preparation~ **TOYOBOK**

Striking a balance between financial structure improvement and profit growth and attaining ROE of over 8%

➔ Aim for PBR over 1.0 by thorough management that is conscious of cost of capital and stock price



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Lastly, the current medium-term management plan is positioned to realize the results of growth investment and preparation in order to improve corporate value. By improving our financial structure and achieving profit growth, we aim to exceed ROE of over 8% as early as possible. While continuing thorough management with a consciousness of cost of capital stock price, we will aim to exceed a PBR of over 1.0x at an early stage.

We will continue to promote the transformation of TOYOBOK and are determined to deliver solid results. We sincerely appreciate your continued support. Thank you very much for your attention.

Preparation and Addressing Geopolitical Risk

TOYOB0

In the short term, we will prepare for emergency scenarios such as those on the procurement front. Over the medium term, we will forge ahead in decentralization of procurement and logistics, portfolio reform, and strengthening of our financial structure.

Risk from rising tensions in the Middle East

Change of business environment

- Soaring crude oil and energy prices
- Supply chain fragmentation
- Confusion in financial market and exchange market
- Recession and market contraction

Major risks on Toyobo

- Rising raw material and fuel costs
- Confusion in procurement and logistics network and rising costs
- Delay in growth investment returns

Measures

Short-term measures

- Share information and take actions
- Secure supply chain (secure alternative route)
- Secure ample funds on hand
- Visualize impact on cost
- Organized and timely price review
- Narrow down of investment and expenses

Medium-term measures

- Transformation to resilient business structure (continued)
- Reduction of risk impact by decentralization of procurement and logistics network
- Improvement of financial structure

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Appendix

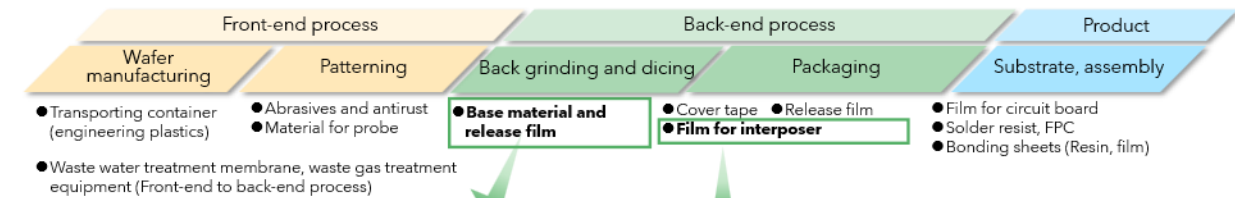
TOYOB0

47

Expansion into Semiconductor Related Market (Films) **TOYOBO**

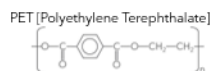
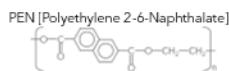
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Semiconductor business value chain and Toyobo's products



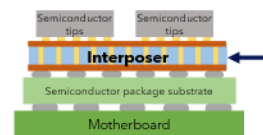
Example: Expansion of PEN film to release film

- Excellent heat resistance compared to PET
- ➡ ■ Escalating demand for heat resistance in base film and release film to handle processes for fabricating increasingly powerful semiconductors
- Expand by "integrated production know-how" x "characteristics of PEN" x "design and processing technology of release layer"



Example: High heat resistant polyimide film "XENOMAX" (interposer)

- Dimensional stability equal to glass and Si wafer + smoothness and processing ability of film
- ➡ ■ Alignment with needs for microfabrication driven by higher integration densities
- Expand to film for interposer

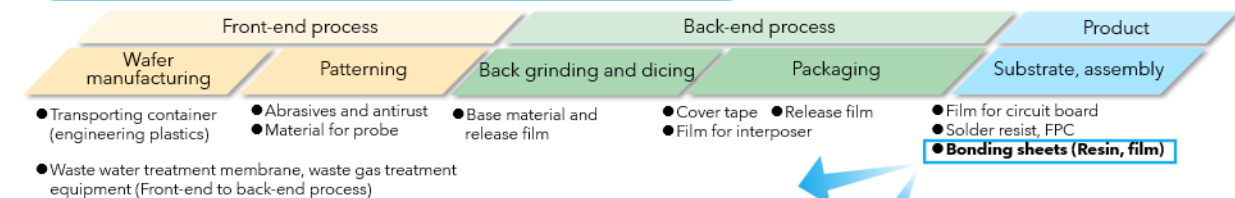


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Expansion into Semiconductor Related Market (Resin) **TOYOBO**

Semiconductor related sales (mainly TOYOBO MC): ¥5.0 bn. in FY 3/26 ⇒ ¥9.8 bn. in FY 3/31

Semiconductor business value chain and Toyobo's products



Example: water-soluble tetrazole compound

- Decomposition of nitrogen, etc., due to friction and shock, or application of heat
- Development of a new water-soluble grade of tetrazole mixed with triethylamine through a neutralization reaction
- Although it is a self-reactive substance, it is not categorized as a hazardous material under the Fire Service Act because it is provided as a 50% aqueous solution, which significantly reduces transportation and storage constraints
- ➡ ■ Poised for use in water-based processes in semiconductor manufacturing, such as planarization, cleaning solutions, and etching solutions



Water-soluble tetrazole compound

Example: Poly phenylene ether (PPE) soluble to organic solvent

- We have established the world's first* technology for producing fibers from PPE alone using a melt spinning process. PPE offers heat resistance, flame retardancy, chemical resistance, and superior insulating properties.
- ➡ ■ Aiming to expand into applications such as adhesives for electronic materials, leveraging the heat resistant, insulating and low dielectric properties of PPE



PPE soluble to organic solvent

*As of released date of February 12, 2025 by TOYOBO MC Corporation

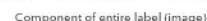
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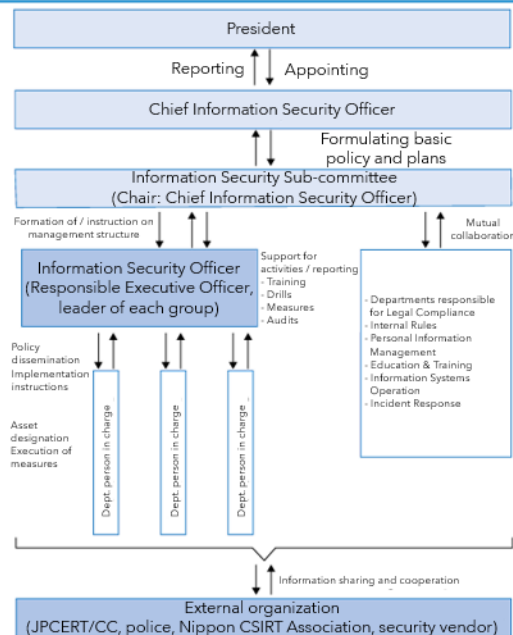
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Results: Evaluation of calculation methods of Greening rate. Greening rate in FY 3/25: **14%**



Toyobo Group Information Security Management Structure

TOYOBO



Toyobo Group Security Features

- (1) Terminate external intrusions and access to illegal website at gateway
- (2) Detect suspicious activity of malware and terminate automatically by correlation analysis of PC and network activity
- (3) Authentication and authorization: Manage who / by which terminal / use what (system and data operation environment with secured authenticity)

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ESG External Evaluation

TOYOBO

Selected as constituent of five ESG indices adopted by GPIF

FTSE score: 4.2 (FY 3/26) (FY 3/25: 4.1)
FTSE Blossom Japan Index
(Since June 2021~)



FTSE Blossom Japan Sector Relative Index
(Since March 2022~)



MSCI score: AA (FY 3/26) (FY 3/25: AA)
MSCI Nihonkabu ESG Select Leaders Index
(Since December 2021~)

2025 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

MSCI Japan Empowering Women Index (WIN)

2025 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

S&P/JPX Carbon Efficient Index



CDP (December 2025)

Awarded the highest rating of A List for two critical areas: "Climate Change" and "Water Security." The first time that Toyobo has received an A List rating in multiple categories in the same year.



Acquisition of SBT certification (December 2022)



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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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