

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.

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

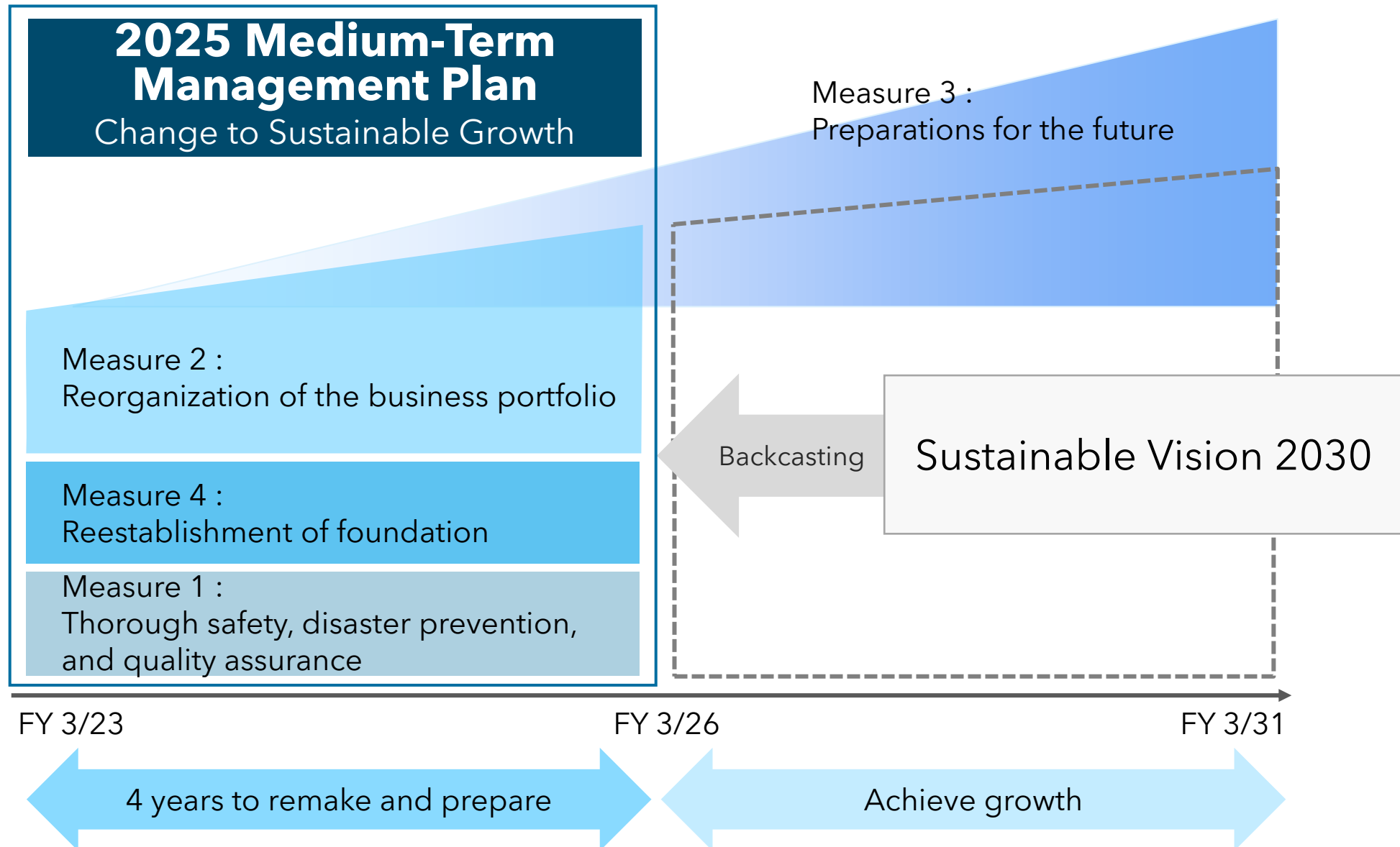
- Help to solve social issues and create customers value in priority areas “Advanced materials”, “Healthcare”, “Environment and energy” underpinned by our core technologies: Polymer and Biotechnology.
We also continue to seek growth and development of our people and the Group.

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%

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

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



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

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

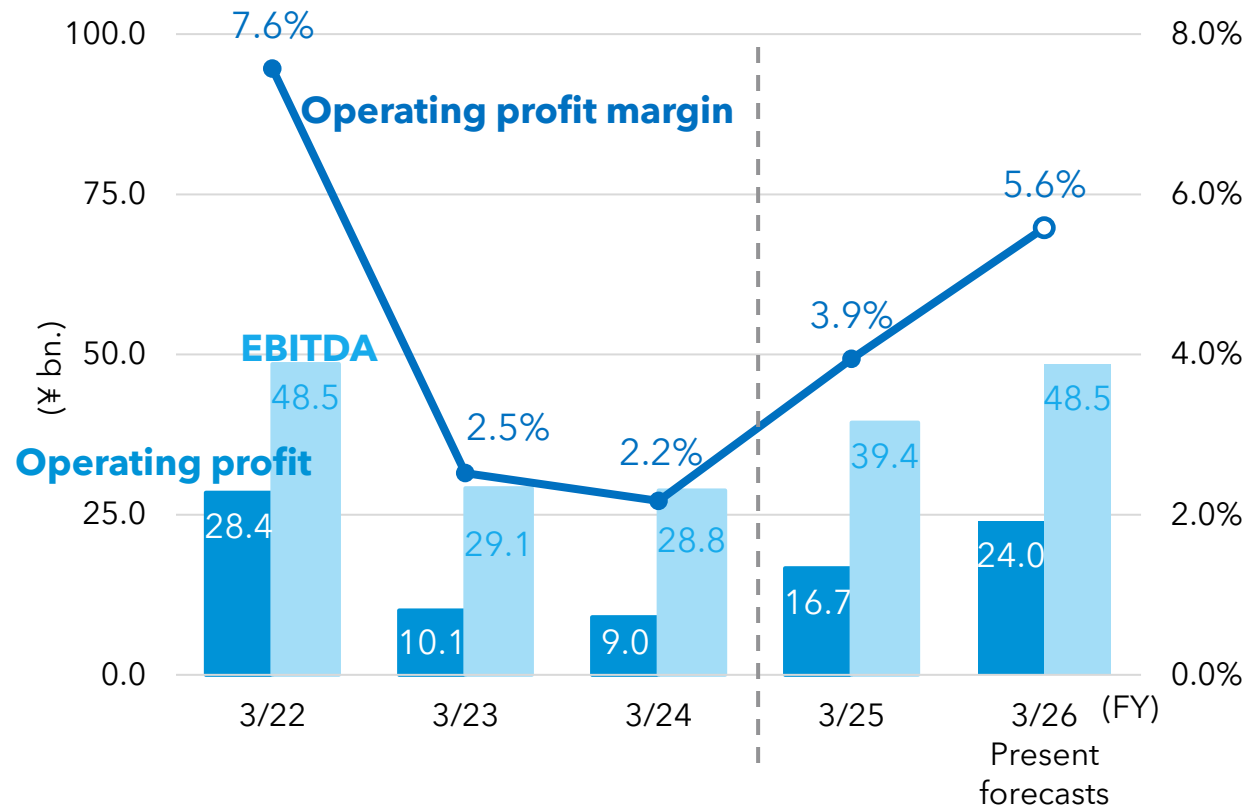
	FY 3/22 Results	FY 3/23 Results	FY 3/24 Results	FY 3/25 Results	FY 3/26 Forecasts Initial plan (May 2022)	
Net sales (¥bn.)	375.7	399.9	414.3	422.0	430.0	450.0
Operating profit (¥bn.)	28.4	10.1	9.0	16.7	24.0	35.0
(Ratio to sales) (%)	7.6	2.5	2.2	3.9	5.6	7.8
EBITDA (¥bn.) ^{*1}	48.5	29.1	28.8	39.4	48.5	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

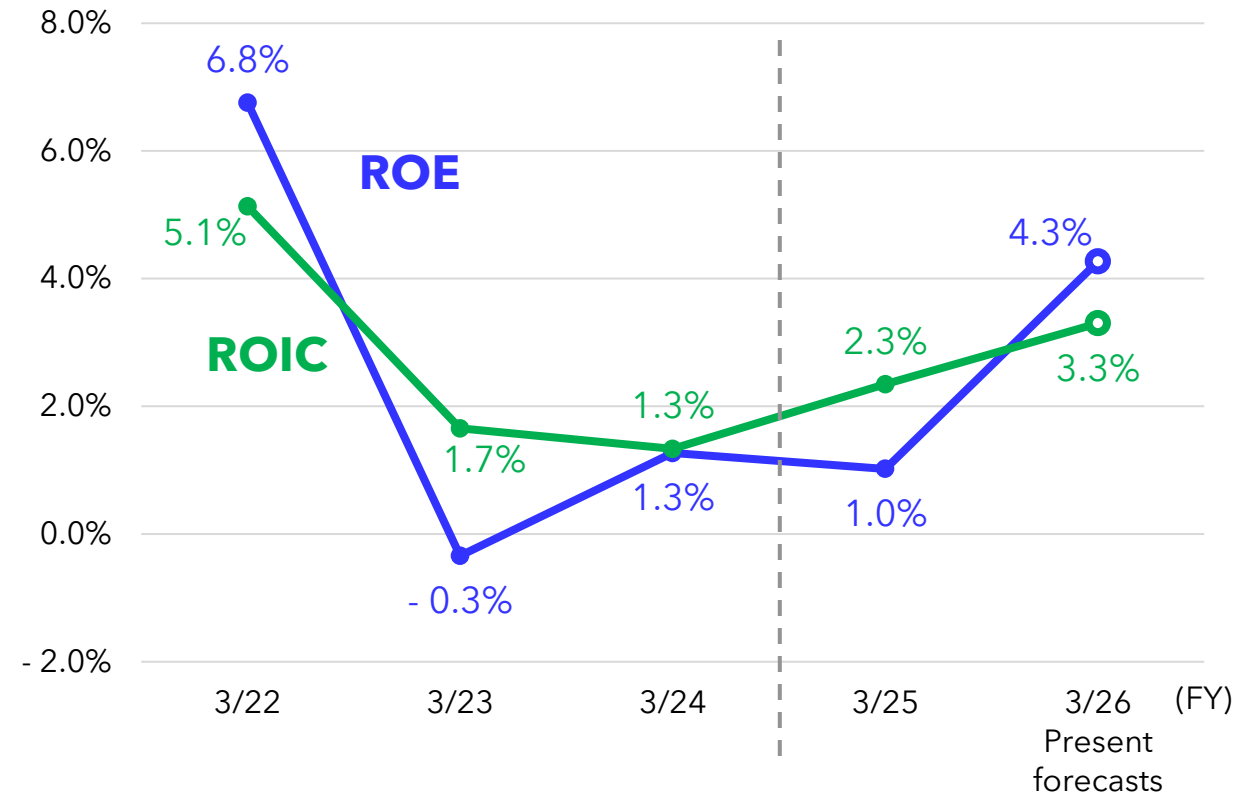
Performance Review: Decline and Recovery of Earning Power

Operating profit / EBITDA / Operating profit margin



2025 Medium-Term
Management Plan

ROE / ROIC

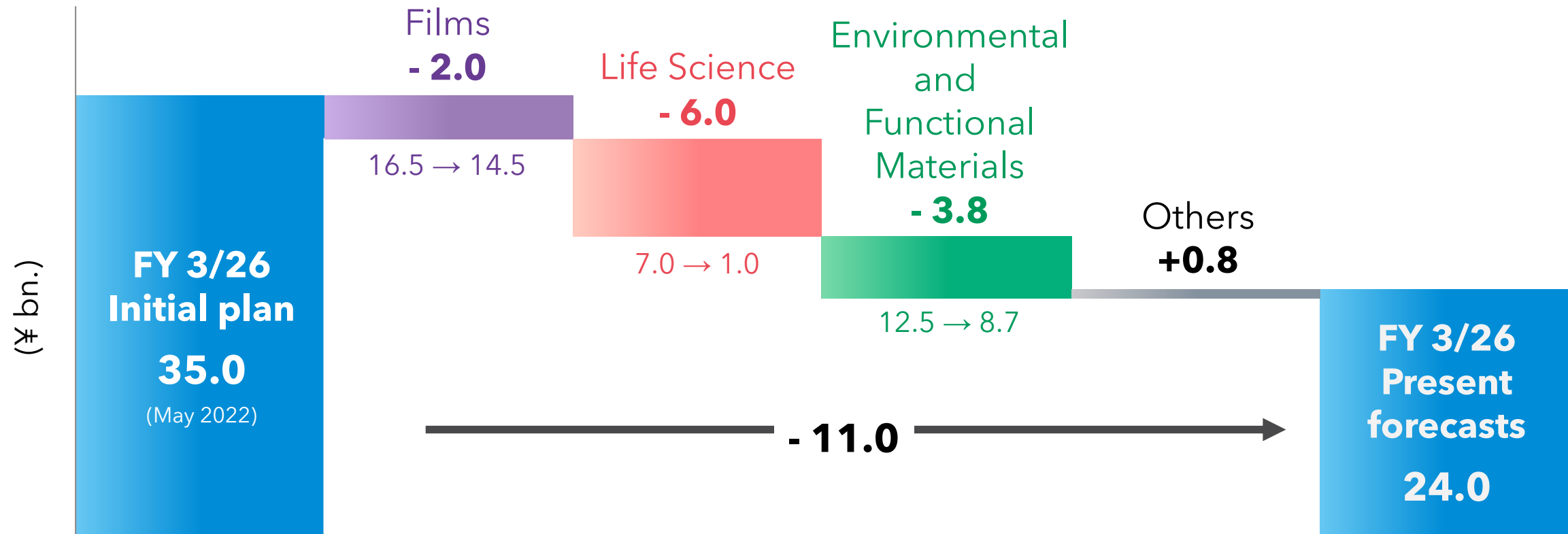


2025 Medium-Term
Management Plan

Financial Indicators: Segment

	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	
Envrionmental 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	
Envrionmental 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			
Envrionmental and Functional Materials	8.4	8.4	12.5			
Others	- 0.1	2.2	5.0			

Changes in Operating Profit by Segment (Compared to Initial Plan)



Films - 2.0	Life Science - 6.0	Environmental and Functional Materials - 3.8
<div><ul style="list-style-type: none">- Polarizer protective films for LCDs outperformed- Delay in expansion of demand for mold releasing film for MLCC, new equipment constructed as planned- Deterioration of market for packaging film, delay in launch of new equipment and new products</div>	<div><ul style="list-style-type: none">- A significant decrease in genetic testing related to infectious diseases- Soaring enzyme raw material costs, production troubles- Delay in launching an integrated plant for artificial kidney hollow fiber</div>	<div><ul style="list-style-type: none">- Establishment of TOYOBO MC Corporation, infrastructure development progressed as planned- Increase in standalone costs due to spin-off- Delay in overseas expansion of "VYLON" and water treatment membranes- Decline in shipments of VOC recovery equipment due to slowdown in the EV market- Deterioration in profitability due to intensifying competition in Nonwoven materials</div>

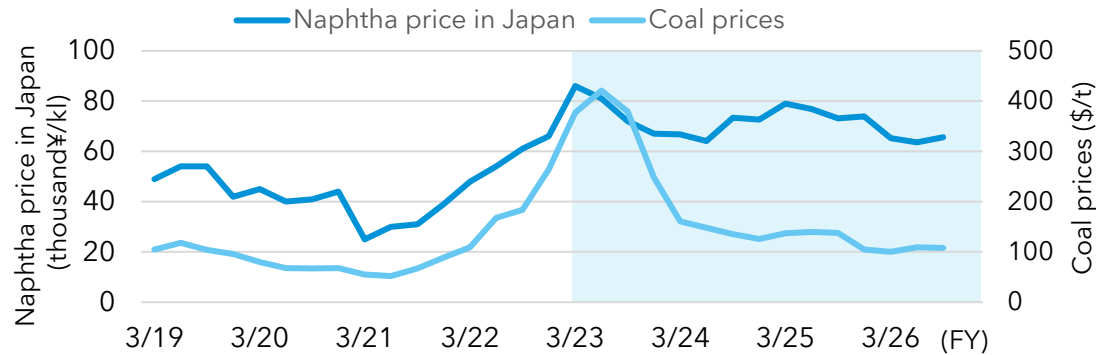
Delayed Response to Environmental Changes

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)



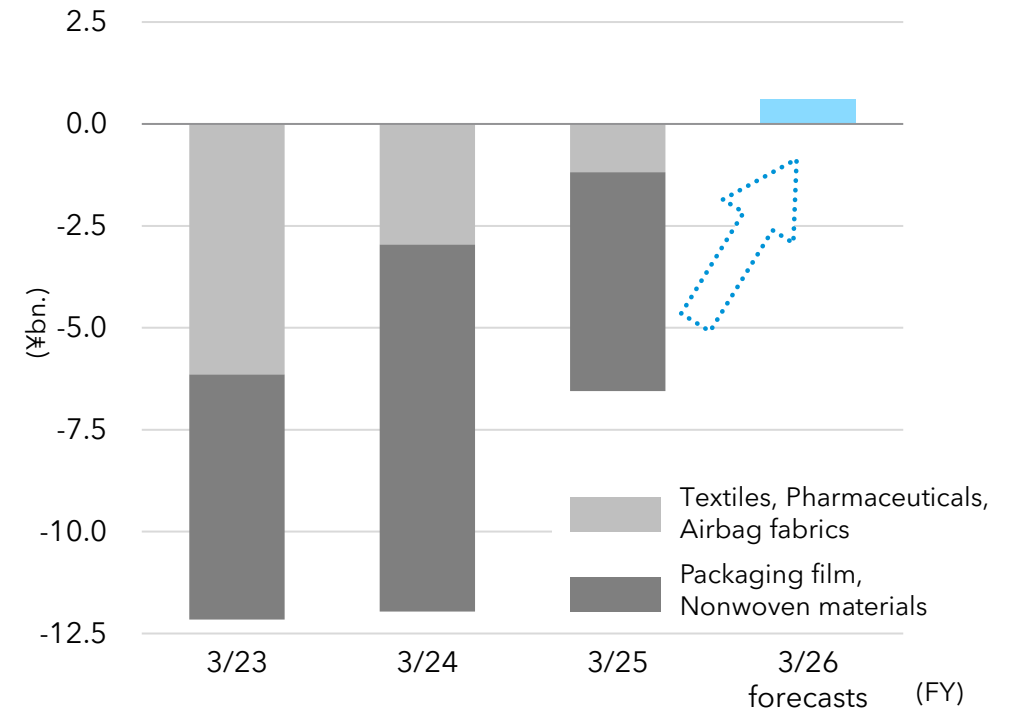
● Impact of "raw material and fuel costs" and "prices" on Toyobo

(YOY increase/decrease)

(¥ bn.)	3/22	3/23	3/24	3/25	3/26 forecasts	(FY)
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)

Delay in Launch of Large-Scale Growth Investment

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 mold releasing film for MLCC (Tsuruga)	6.0* ²				
Equipment of mold releasing 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.

Progress of Four Measures

Measure 1	Thorough safety, disaster prevention, and quality assurance	<ul style="list-style-type: none"> ○ 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 <p>*Warning Letter</p>
Measure 2	Reorganization of the business portfolio	<ul style="list-style-type: none"> ▲ 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	<ul style="list-style-type: none"> ○ 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	<ul style="list-style-type: none"> ○ 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"

(Reference) Summary of TOYOBO MC (FY 3/24-3/26)



Within three years of TOYOBO MC’s launch, completed construction of the management base and strengthening earnings while also initiating mechanisms for growth

Combination of
Toyobo x Mitsubishi Corporation

topics

Aim of establishment

- Aiming to achieve growth and co-create value by leveraging Toyobo’s technological capabilities as well as Mitsubishi Corporation’s global network and management know-how, and globally deploying functional materials

Company-wide management policy and portfolio management

Shift from siloed optimization to overall optimization

- Entrench portfolio strategy and business strategy labels
- Address businesses undergoing structural reform (transfer of Nonwoven materials business overseas, sale of subsidiaries)

Functional division strategy

Division strategies subject to enhancement to achieve change

- Initiatives for overall optimization and streamlining by function
 - Sales Division: Earnings improvement measures and working capital compression, establishment of framework for global sales expansion
 - Production Division: Selective capital investment, cost visualization, reduction in the number of changeovers for product types
 - R&D Division: Launch of Development committee, decision of roadmap (electronics materials, environment and mobility)
 - Mobility business strategy: Launch of new organization, joint development with OEMs/Tier 1 suppliers

Development and enhancement of the management base

Foundation strengthening looking toward change

- Instilling the vision, mission, and management policies
- Strengthening the consolidated management base, upgrading the management cycle

Issues for the next Medium-Term Management Plan

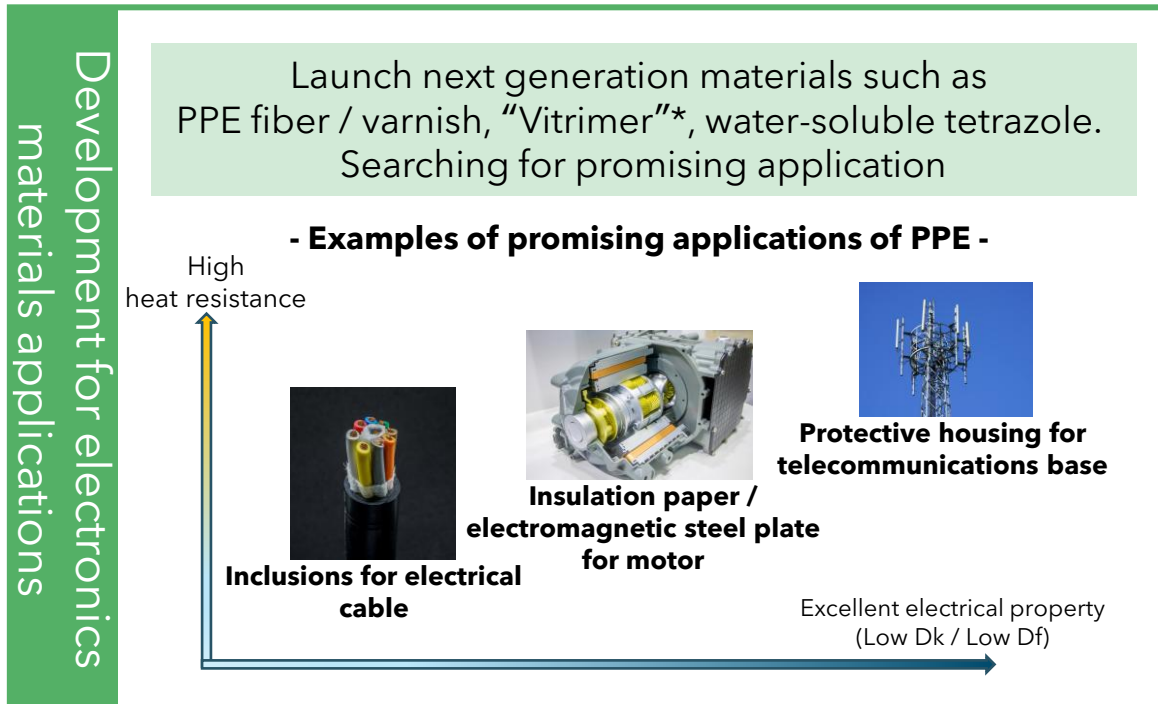
- Achieving further growth (portfolio replacement, consolidation, and shift; acceleration of global sales expansion)
- Creating new large-scale development themes aligned with macro trends
- Strengthening competitiveness of business sites (reduction of shared fixed costs)

(Reference) Summary of TOYOBO MC (Initiatives)

After the establishment of TOYOBO MC, we have advanced our development and sales efforts through new ideas and networks

New developments

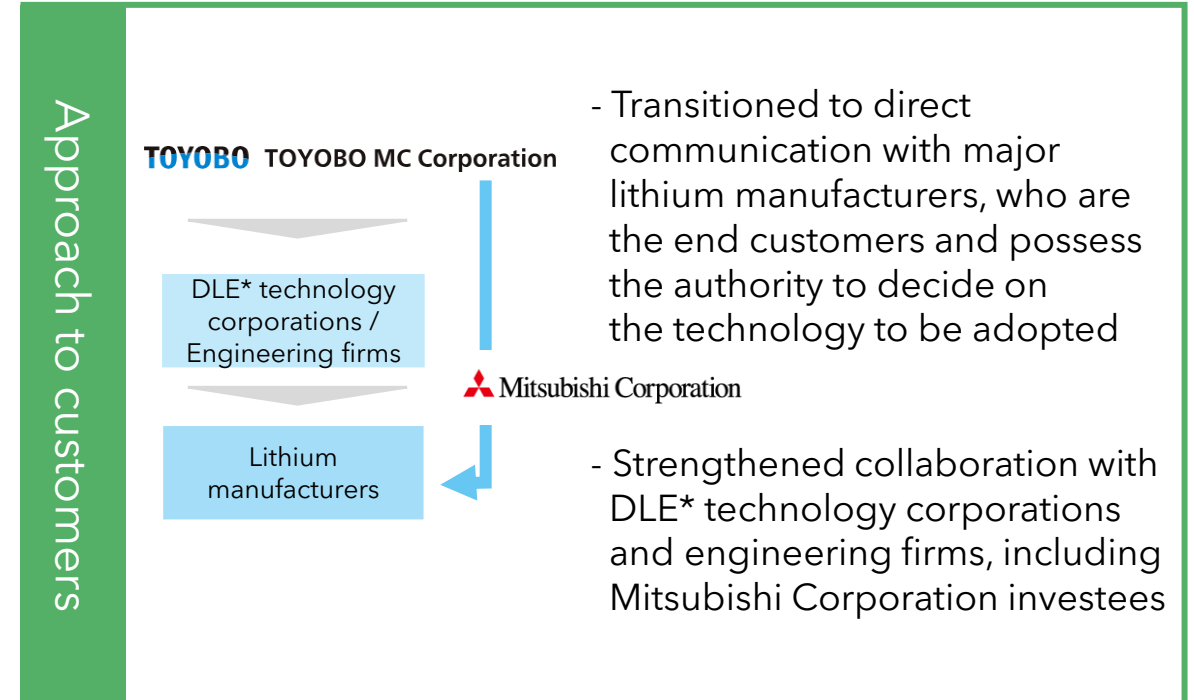
- New developments based on roadmap creation and macro trends



*"Vitrimers" is a registered trademark of FONDS ESPCI PARIS.

Business model

- Initiated the expansion of sales through collaborations with external partners and approaches to end users, etc.



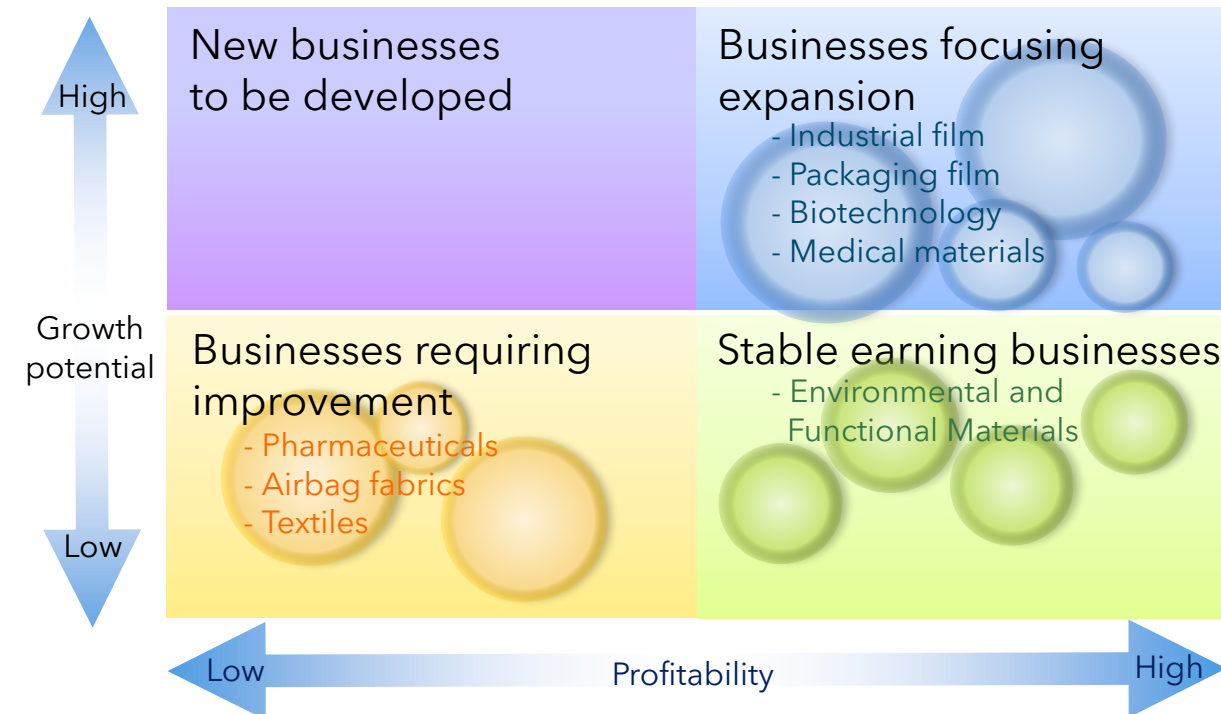
*Direct Lithium Extraction

Business Portfolio: Change in Positioning

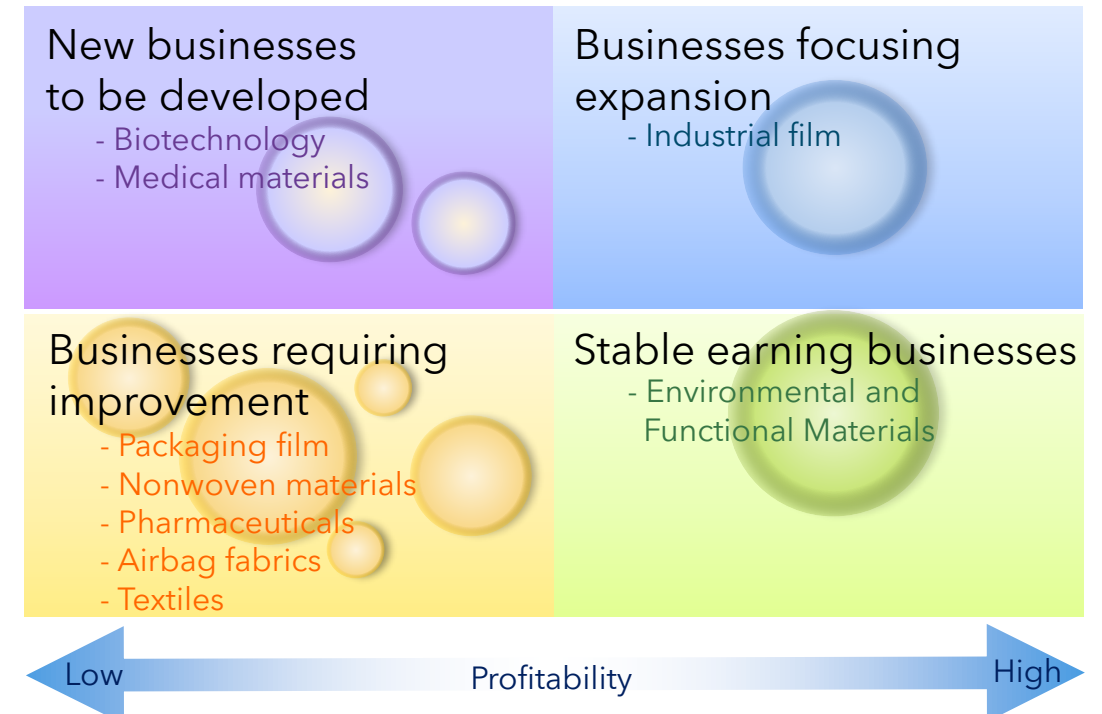
Assess and stratify each business into 4 quadrants with 2 axes: "Profitability" and "Growth potential"

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

FY 3/22 results (Announced in May 2022)

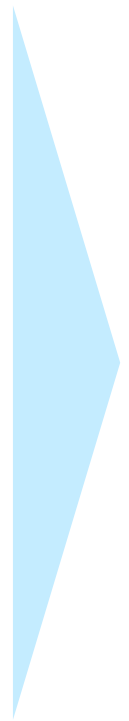


FY 3/26 forecasts



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

Business portfolio	FY 3/22 results		
	Ratio of capital employed	ROCE	businesses
Businesses focusing expansion	51%	16%	<div>Industrial film</div> <div>Packaging film</div> <div>Biotechnology</div> <div>Medical materials</div>
Stable earning businesses	26%	10%	<div>Environmental and Functional Materials</div>
New businesses to be developed	—	—	
Businesses requiring improvement	22%	—	<div>Textiles</div> <div>Airbag fabrics</div> <div>Pharmaceuticals</div>



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

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

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

Ⅱ . Ideal State and Value Creation Story

Principle

“Jun-Ri-Soku-Yu”*

Adhering to reason leads to prosperity

Vision

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

Values

We welcome change, enjoy change, and create change.

TOYOBO Spirit: Challenge, Reliability, Collaboration

*“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.

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 customers 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。

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

1. Our purpose

Corporate Philosophy Framework "TOYOBO PVVs"

2. Strength

People and organizations

- Spirit: Challenge, Reliability, Collaboration
- DNA of Flexibility and Transformation
- Perseverance and Sincerity

Technologies

- Polymer and Biotechnology
- Optimization of a diverse range of materials to achieve target performance

3. Co-creation

Co-creation with customers

Collaboration with partners

Leveraging external technologies and talent

4. Value proposition

Developing core materials to enable social implementation

Areas:

Advanced materials, Healthcare, Environment and energy

Create customers value

Solve social issues

Creating sustainable prosperity for people and the planet

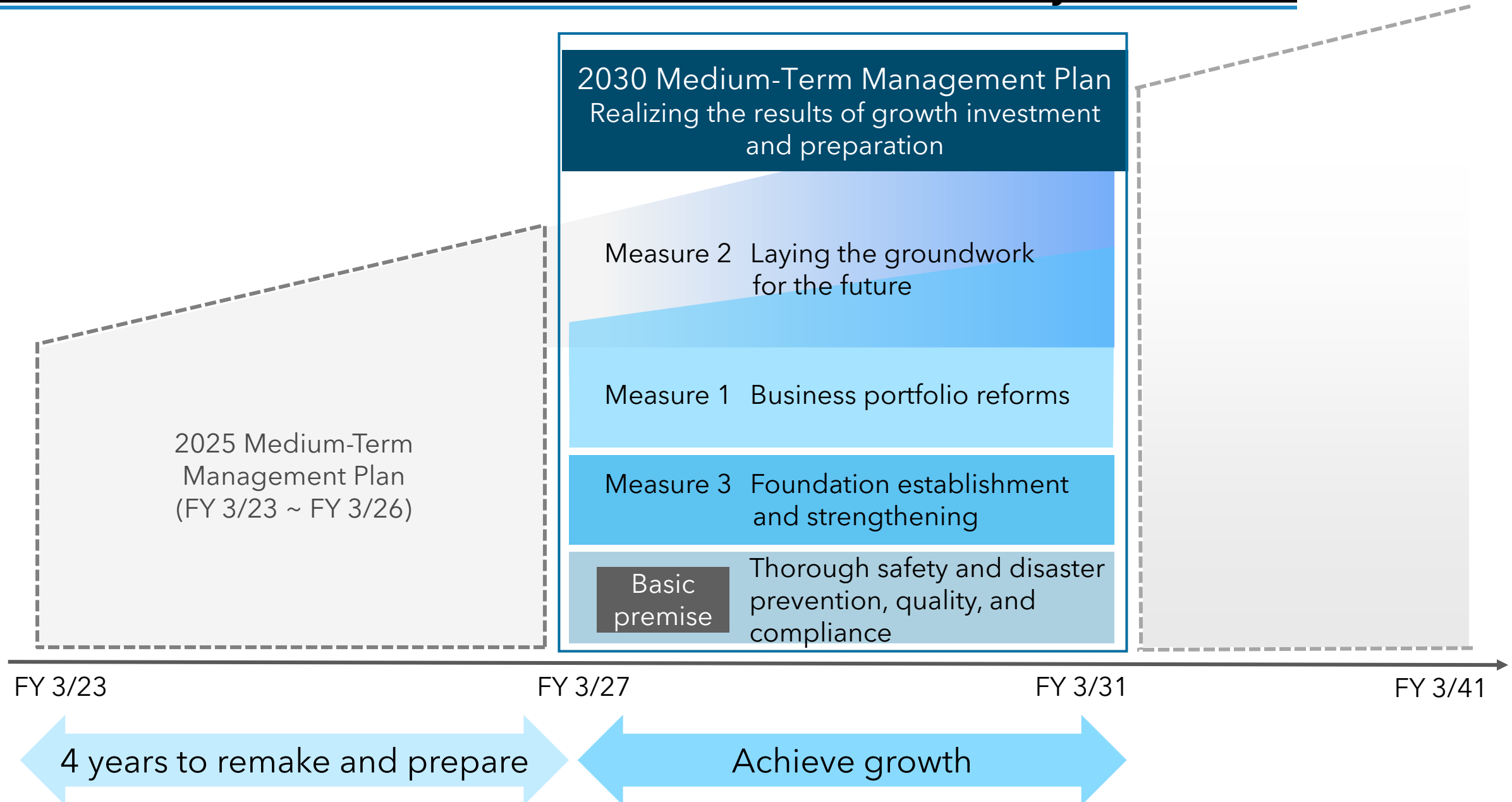
Sustainable improvement of Corporate value
Employees' pride, rewarding work and self-growth

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

~ Realizing the results of growth investment and preparation ~

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

TOYOTO



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

Management Targets: Shift from Scale to Efficiency

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
Operation 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)

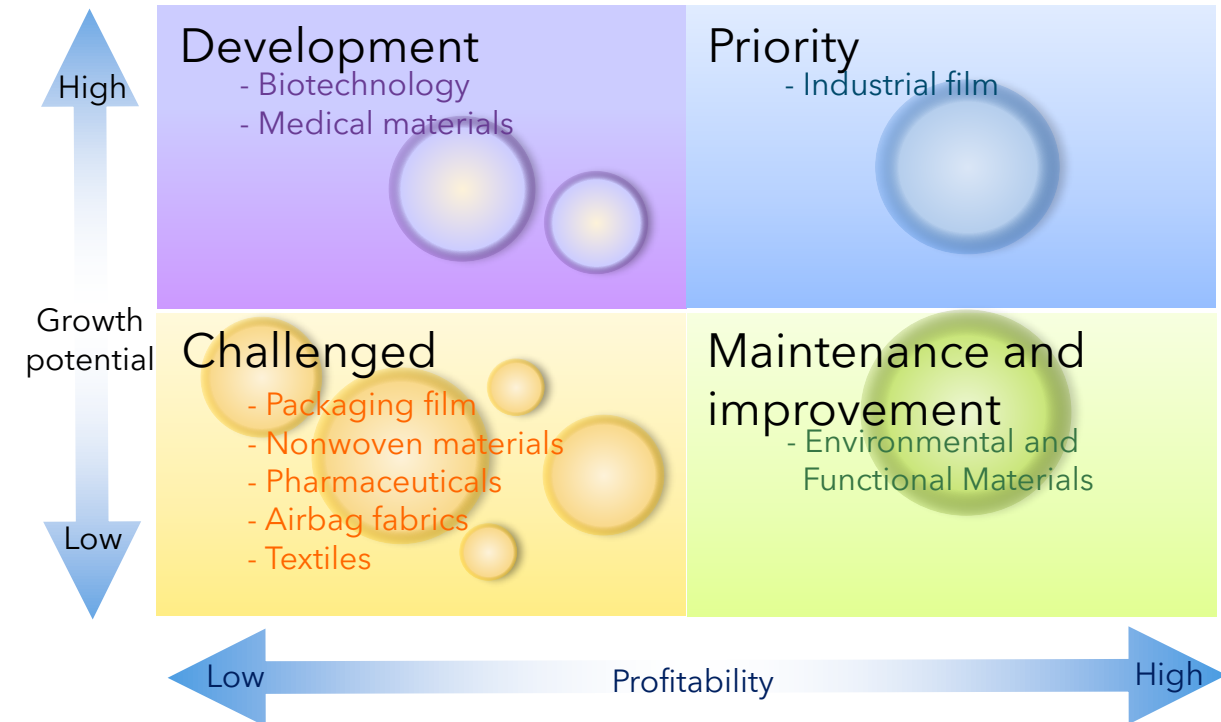
Basic premise	Thorough safety and disaster prevention, quality, and compliance	
Measure 1	Business portfolio reforms	<ul style="list-style-type: none"> - Concentration of resources to priority businesses (toward capital employed of over 50%) - Achievement of growth investment results - Address to challenged businesses
Measure 2	Laying the groundwork for the future	<ul style="list-style-type: none"> - Research and development: <ul style="list-style-type: none"> : 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	<ul style="list-style-type: none"> - Human capital - TX (Toyobo-Transformation) - Safety and disaster prevention, and quality - Risk management and Governance - Infrastructure development

Business Portfolio Reforms

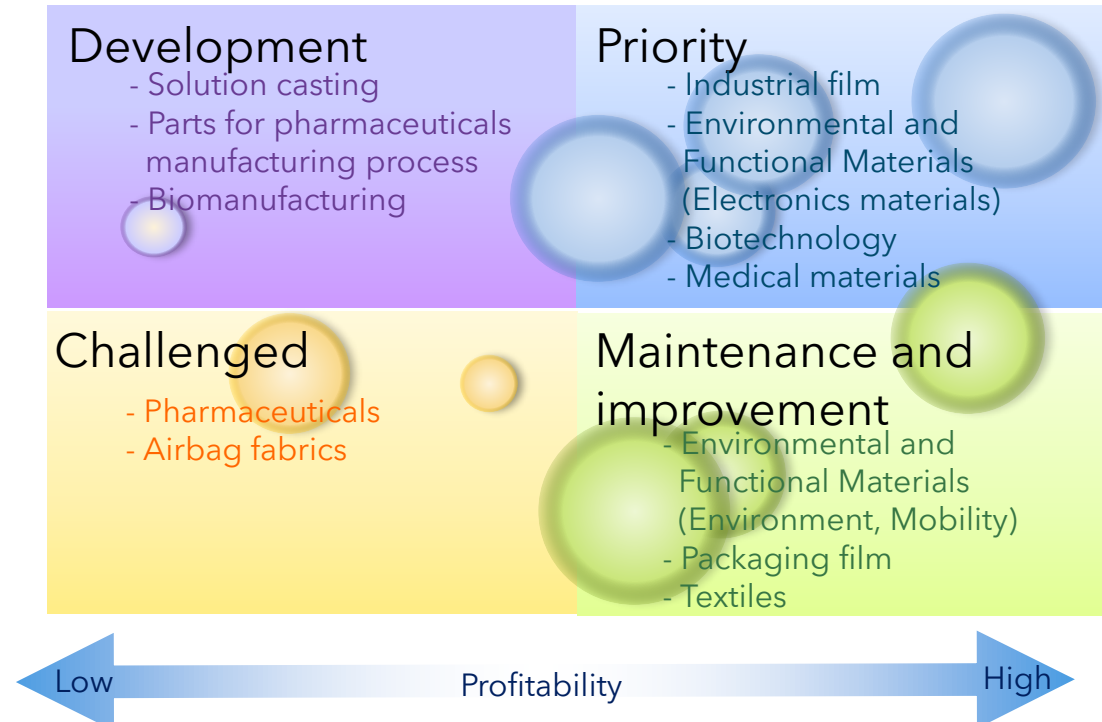
Stratify each business into 4 quadrants with 2 axes: "Profitability" and "Growth potential"

- 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

FY 3/26 forecasts



FY 3/29 plan



- Profitability : $\text{ROA by business} = \frac{\text{Operating profit}}{\text{Capital employed by business}}$ ※Target hurdle rate of 8.0%
- Growth potential : Quantify future market growth rate, market scale and market share

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

*Inorganic and carve-out are not included

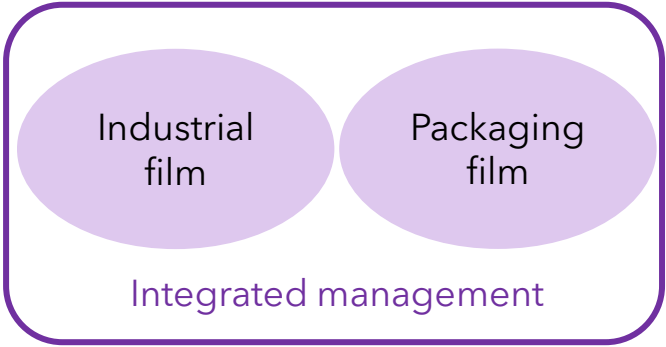
Business portfolio	FY 3/26 forecasts		
	Ratio of capital employed	ROA by business	businesses
Priority	27%	11%	Industrial film
Maintenance and improvement	23%	12%	Environmental and Functional Materials
Development	15%	3%	Biotechnology Medical materials
Challenged	35%	2%	Packaging film Nonwoven materials Textiles Airbag fabrics Pharmaceuticals

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

Business environment	<ul style="list-style-type: none">● 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	<ul style="list-style-type: none">● 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	<p>Sustainable growth as core business.</p> <p>Achievement of investment results and integrated management as Films</p>

Becoming a category leader in high performance industrial applications	Portfolio reform toward eco-friendly, high-quality products
<ul style="list-style-type: none">● For semiconductor<ul style="list-style-type: none">- “XENOMAX”: Heat-resistant polyimide film- PEN film: High electric insulation under high temperature and hydrolysis- Releasing film using OPP film with high rigidity- Biaxially oriented PLA film● For fuel battery cells, wind power generation and solar battery<ul style="list-style-type: none">- PEN film● For energy and aerospace<ul style="list-style-type: none">- “XENOMAX”- PEN film	<ul style="list-style-type: none">● New environmentally friendly film● Food packaging + new field such as medical applications● Toward initiatives for resources circulation in the entire supply chain<ul style="list-style-type: none">- Establishment of Film to Film resource recycling scheme- “KAMISHINE NEO”: Label liner applications, horizontal recycling- Chemical recycling of used plastics

Strengthen synergy by integrated management of Industrial and Packaging film



- Technology, Know-how
- Material
- Production equipment, infrastructure

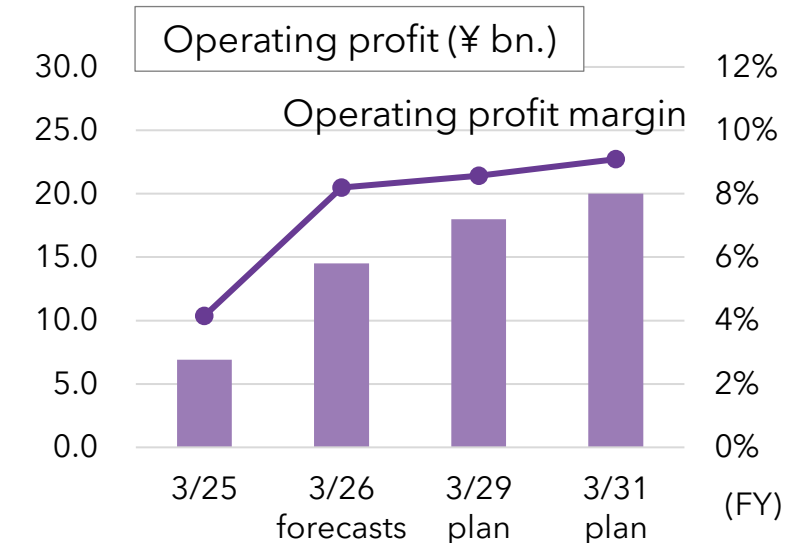
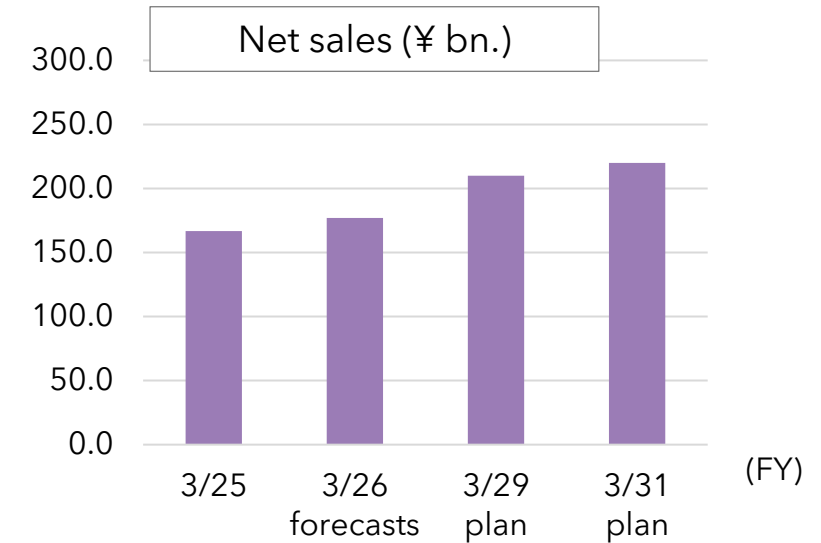
(Reference) p48 Expansion into Semiconductor Related Market (Films)

Major initiatives toward growth

- Achievement of investment results
 - Expansion of supply capacity of polarizer protective films for LCDs "COSMOSHINE SRF"
 - Share increase of mold releasing 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.)





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

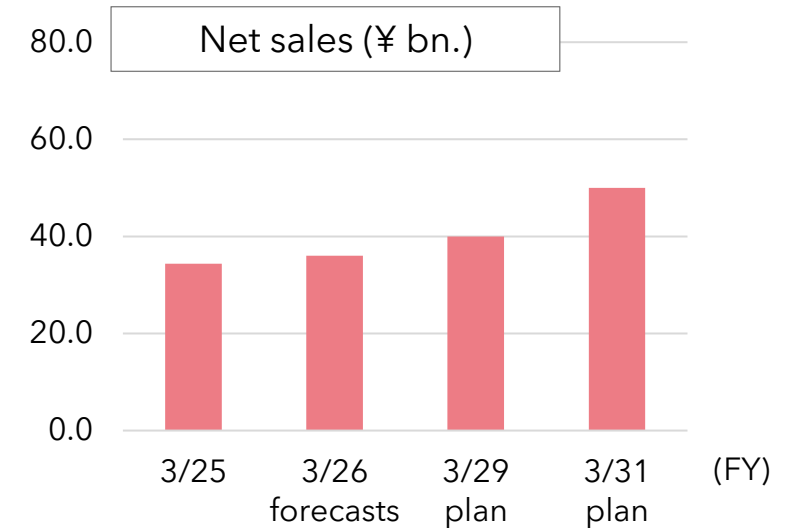
Direction

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* <small>*the process of people's engagement with healthcare</small>					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				
Pharma-ceuticals			Pharmaceuticals CMO		Synergy in therapeutics areas (Biotechnology)		

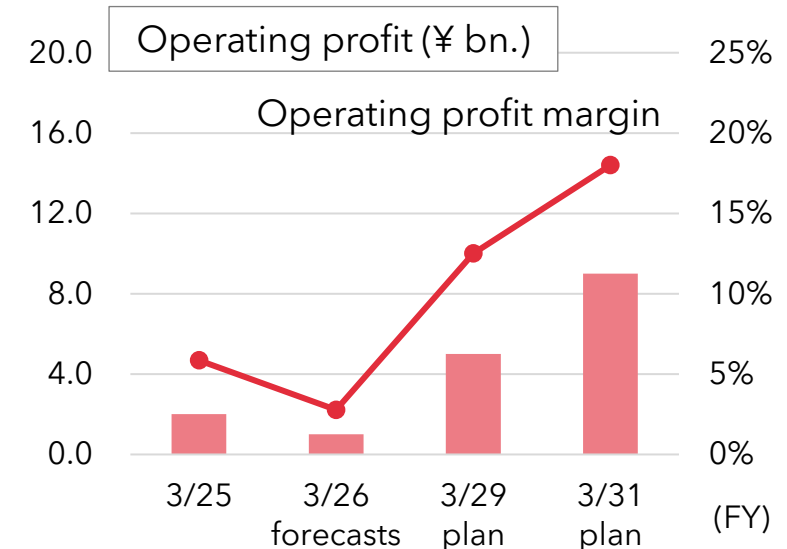
Biotechnology

- 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)



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

TOYOBO

Business environment

- 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

- 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

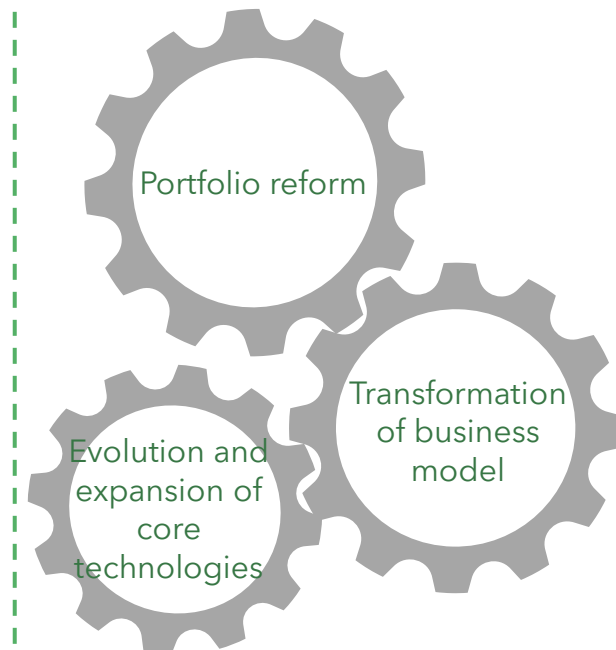
Solutions partner providing new environmental value, centered on distinctive materials

Mobility

- Weight reduction
- Electrification
- Material recycle

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

Strength of TOYOBO MC



Culture that embraces self-transformation

Business: Strategy of Environmental and Functional Materials

TOYOB0

Electronics materials

- 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%

- 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

- **Building foundations and accelerating new development and business expansion by combining organic and inorganic measures** centered on proprietary materials

Environment

- 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

- 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)

- **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.

Mobility

- 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

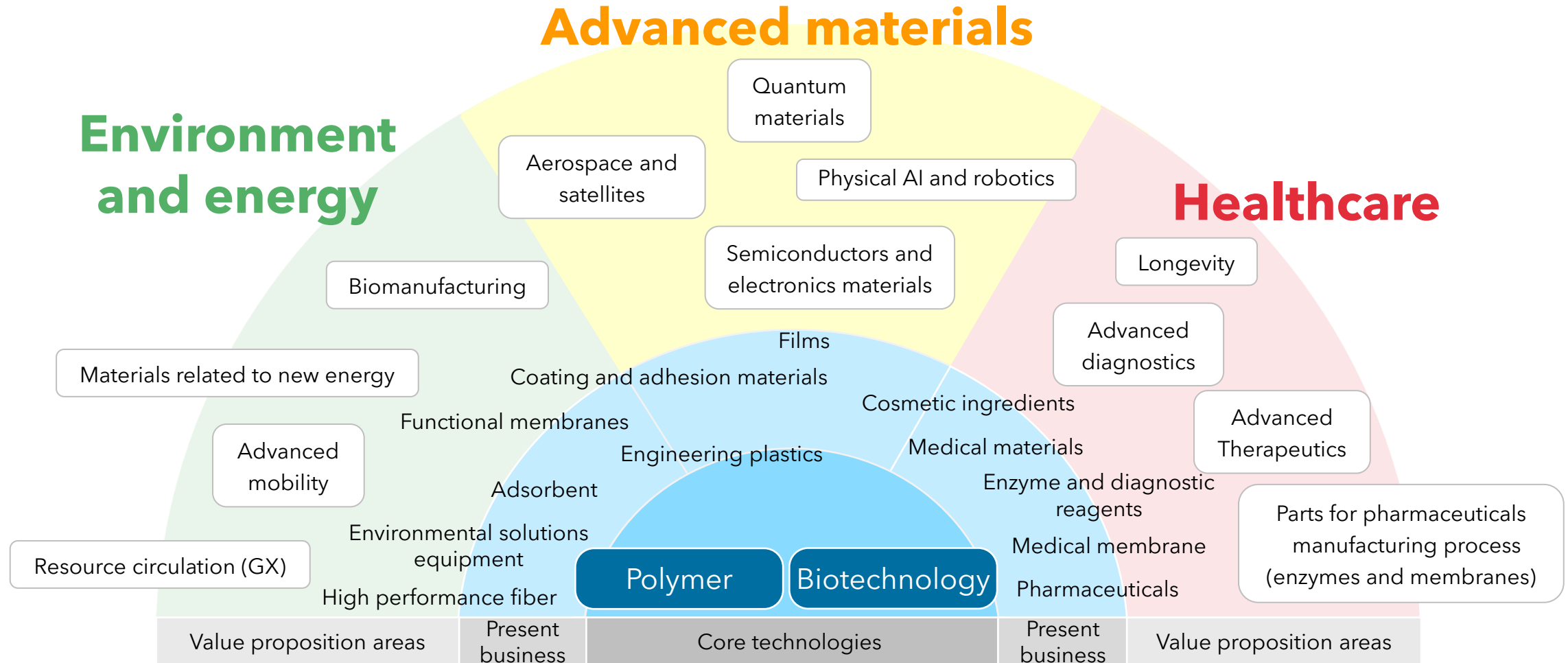
Reduced weight materials market: CAGR 6%

Automotive recycling market: CAGR 11%

- **Proprietary compounding technologies and responsiveness to customer needs** such as those for high rigidity and weight reduction
- **Asset light** operations

- Strengthening cost competitiveness and **global sales expansion** drawing on **alliances** and local partners
- **Transition to high value-added businesses through joint development with OEMs**

Laying the Groundwork for the Future: Value Proposition Areas



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%

Laying the Groundwork for the Future: Three Priority Areas

Advanced materials	<p>Advanced materials (films, resins) utilizing synthesis and adhesion technologies as well as surface processing and membrane production technologies</p> <ul style="list-style-type: none">- Heat resistant polyimide film "XENOMAX"- Low dielectric material "HARDLEN"- Adhesion of electronic material "Vitrimers" <p><small>*"Vitrimers" is a registered trademark of FONDS ESPCI PARIS.</small></p>
Healthcare	<p>Expansion into high value-added areas leveraging spinning, membrane production, and membrane separation technologies, as well as biomanufacturing technologies</p> <ul style="list-style-type: none">- 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	<p>Recycled materials utilizing membrane separation, polymer and film production technologies, and fusion technology combining biotechnology with polymers</p> <ul style="list-style-type: none">- 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")

Foundation Establishment: Human Capital

Executing the human resources strategy aligned with the business strategy

Ideals we seek to realize

Co-creation and change agents

Active engagement of human resources who create new value transcending organizational and company lines

Agile and robust organization

An organization that adapts to change and leverages talent through optimal human resource allocation

Peace of mind and job satisfaction

Diverse human resources support one another in experiencing a sense of security and job satisfaction

Inputs (initiatives)

Developing human resources, creating opportunities, and engaging in dialogue so that employees embrace change and achieve transformation

- Promotion of collaboration and job rotations across divisions
- Provision of opportunities for co-creation with external partners and active support of such initiatives
- 1 on ALL

Human resources management aligned with the business strategy

- Articulation of requirements for human resources necessary to implement the business strategy
- Allocation of human resources laterally across divisions and businesses
- Management policy
- Implementation of development programs for next-generation leaders and on-site leaders
- Recruitment producing diversity

Encouraging self-directed learning and growth, simultaneously enabling individual and corporate growth

- Initiatives that promote self-directed learning and enhance both job satisfaction and a tangible sense of growth
- Fostering an organizational culture that embraces diversity
- Ensuring a safe workplace environment where employees can work with peace of mind

Outputs (progress indicators)

- Improvement in internal collaboration score*
- Improvement in co-creation contribution score*

- Improvement in rate of successor readiness for key positions
- Improvement in human capital ROI*

- Improvement in employee engagement score
- Improvement in workplace environment score for harnessing employee potential

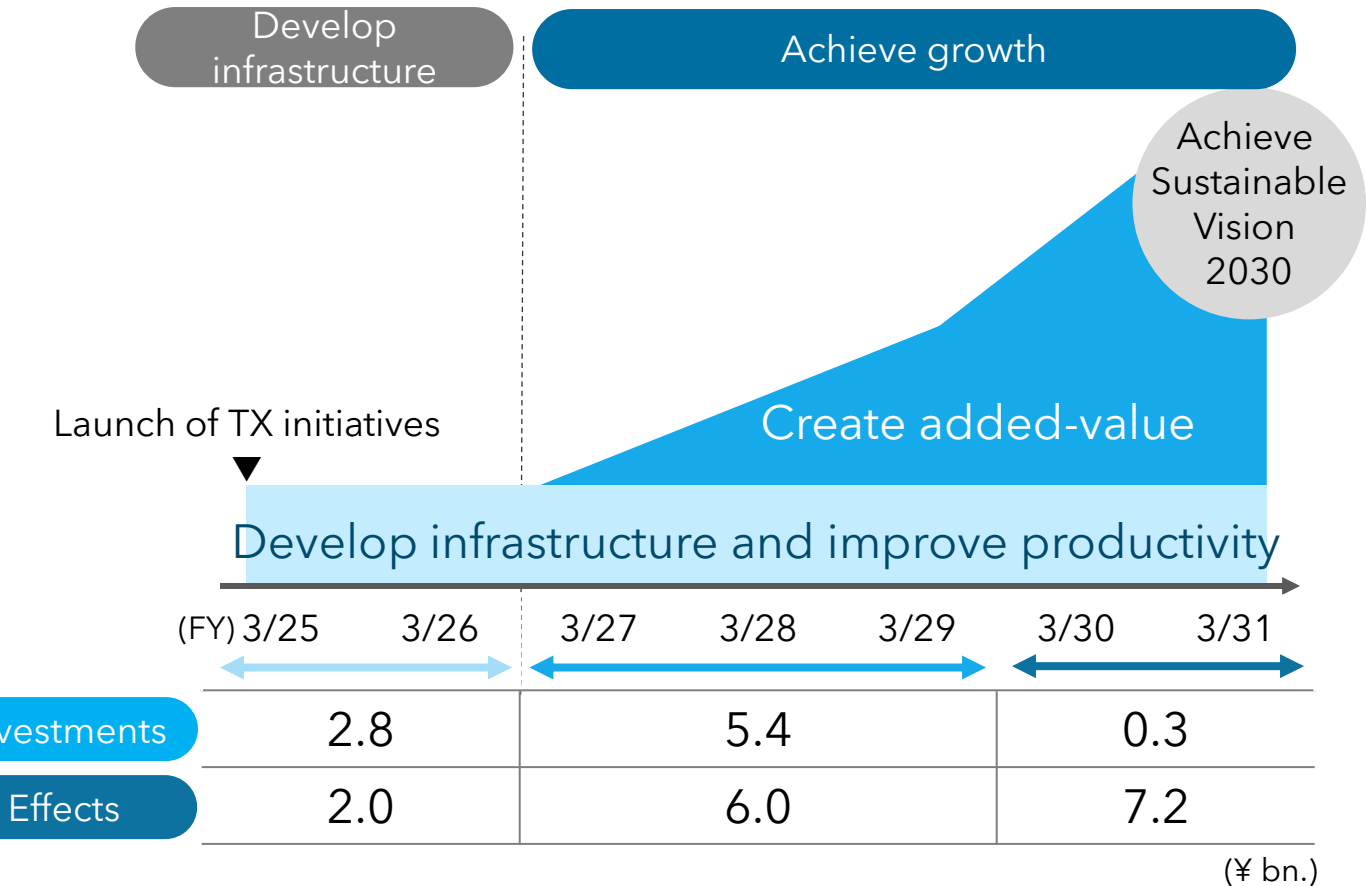
Foundation Establishment: TX (Toyobo Changes)



*Toyobo-Transformation



Overview of TX



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

Foundation Establishment: Safety and Disaster Prevention, Quality

Safety and disaster prevention

Initiatives for zero serious incidents

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

Promote activities according to the roadmap

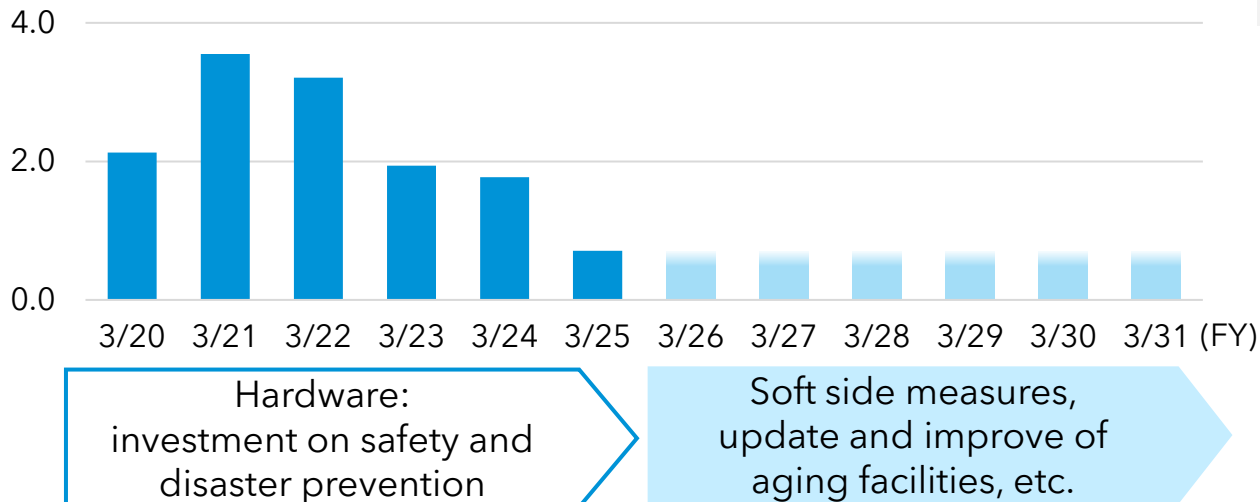
● Develop safety infrastructure

- 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

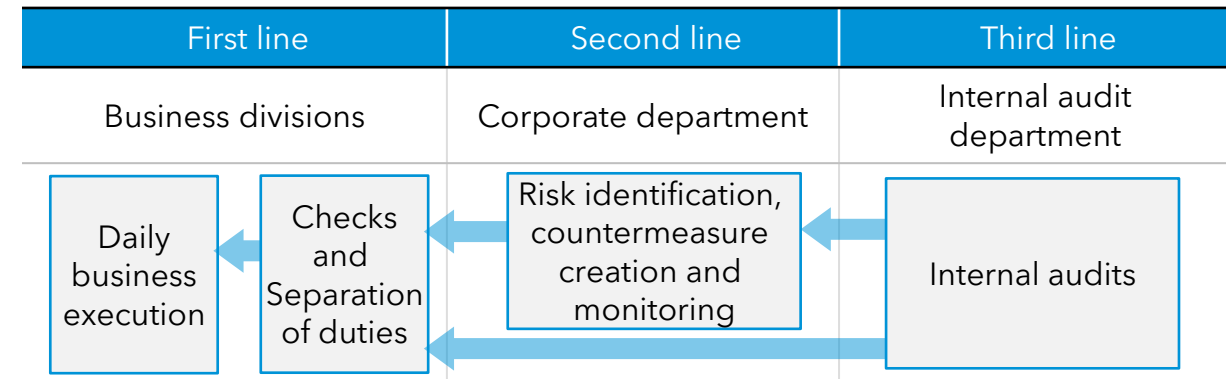
● Develop quality assurance infrastructure

- 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)



● 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

Risk management structure

Board of directors / Board of Managing Executive Officers and Controlling Supervisors

reporting

Sustainability committee

reporting

Risk management committee (chaired by president)

Participation and reporting

Risk management department

Summary of activities

Participation and reporting

Follow-up

Risk management and compliance function (Staff)

Considering / expanding / monitoring measures

Risk owners (business unit, affiliates)

Execution of measurement / self inspection

Financial Indicators

	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

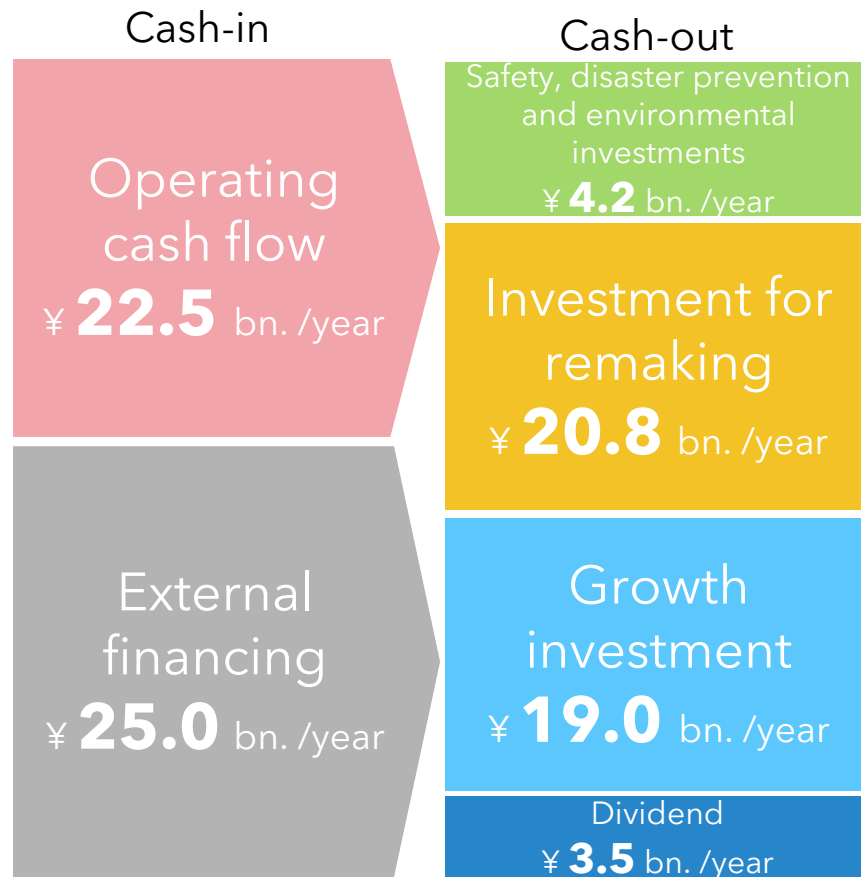
Financial Indicators: Segment

(¥ bn.)

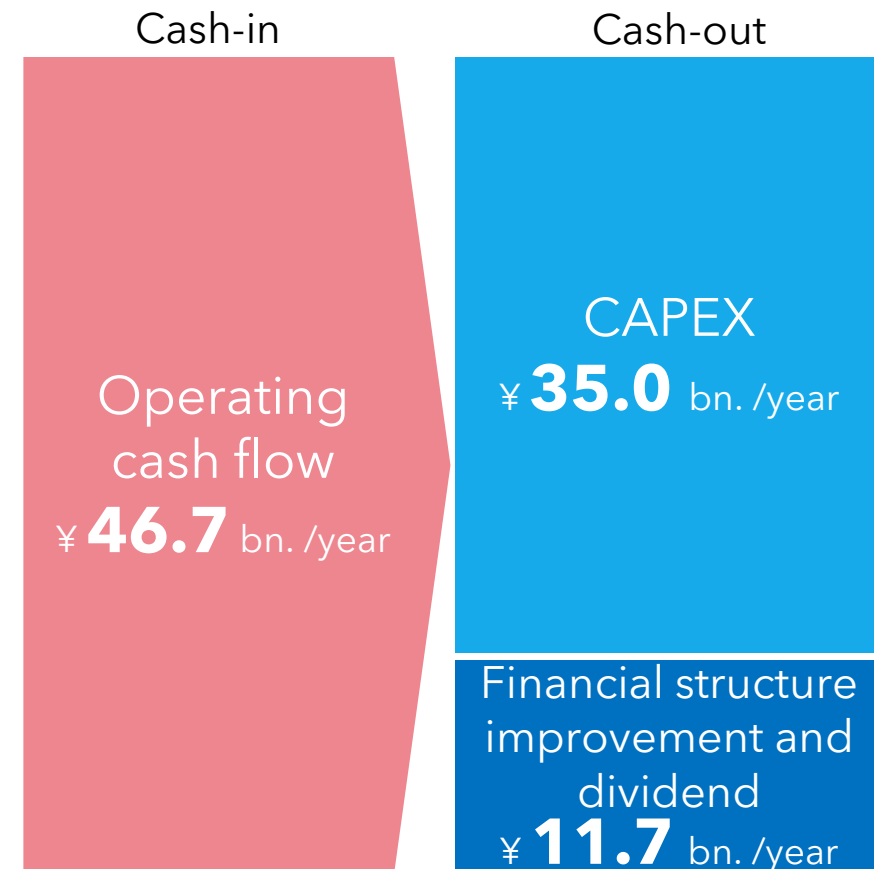
	Net sales			Operating profit		
	FY 3/26 Forecasts	FY 3/29 Plan	FY 3/31 Plan	FY 3/26 Forecasts	FY 3/29 Plan	FY 3/31 Plan
Films	177.0	210.0	220.0	14.5	18.0	20.0
Life Science	36.0	40.0	50.0	1.0	5.0	9.0
Environmental and Functional Materials	111.0	130.0	150.0	8.7	13.0	15.0
Others	106.0	90.0	80.0	-0.2	-1.0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

Financial Strategy: Cash Flow Allocation

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



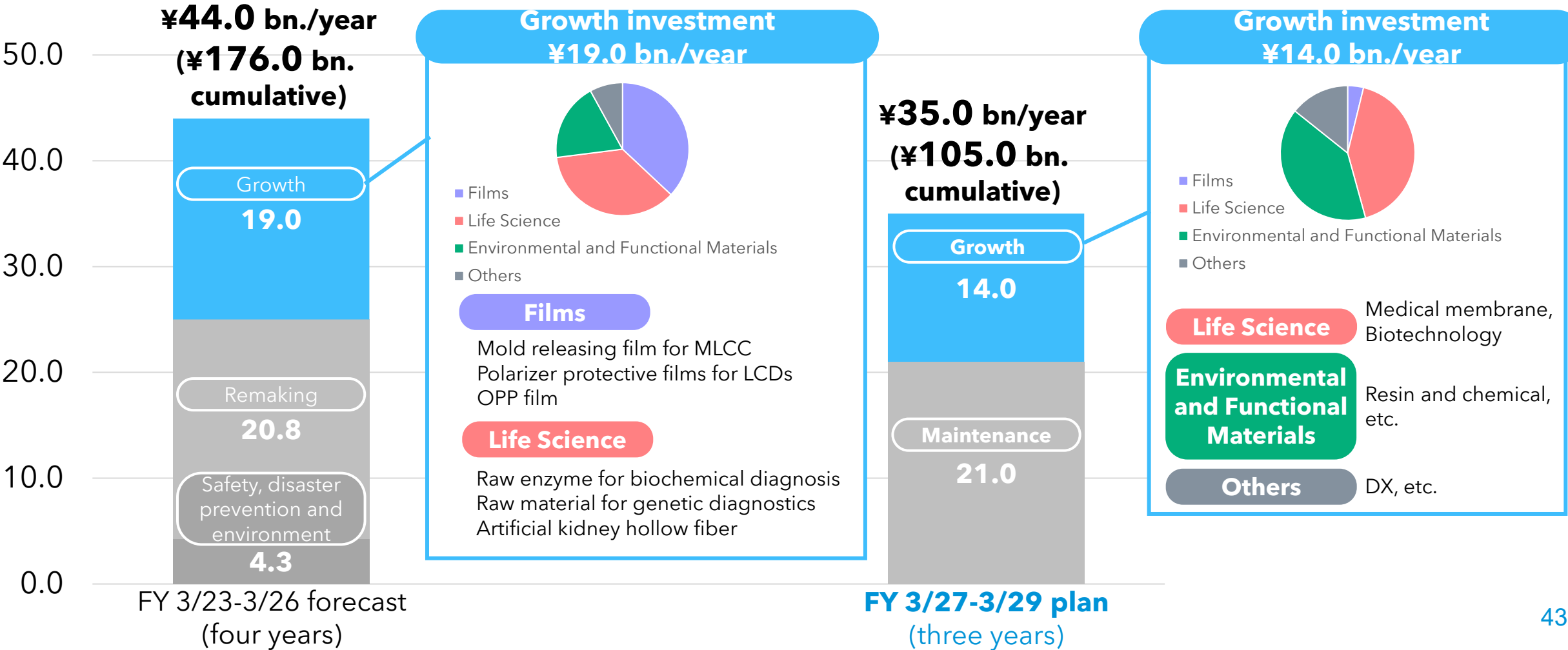
FY 3/23-3/26 forecasts
(per year on average)



FY 3/27-3/29 plan*
(per year on average)

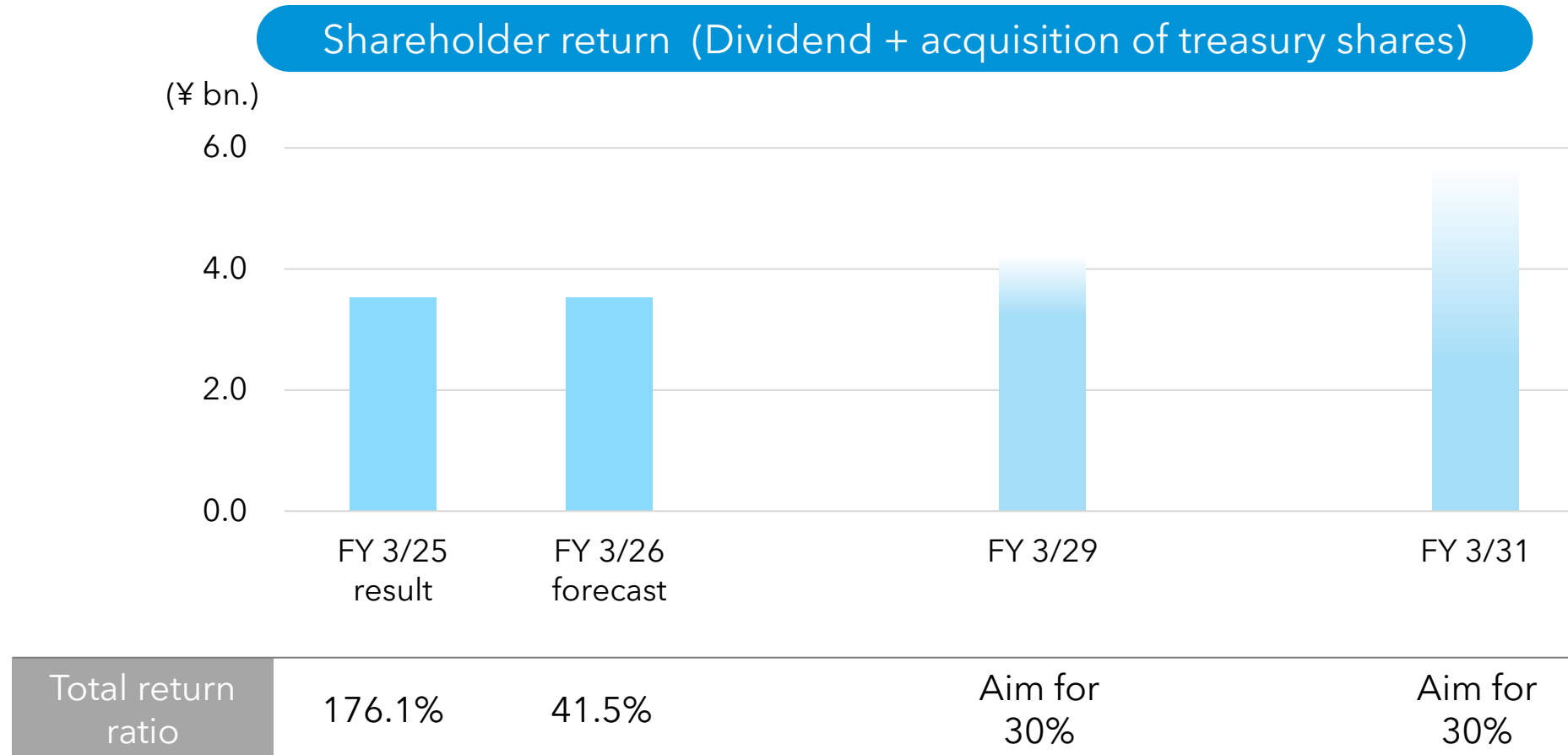
*Inorganic and carve-out are not included

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.



Policy on Shareholders Returns

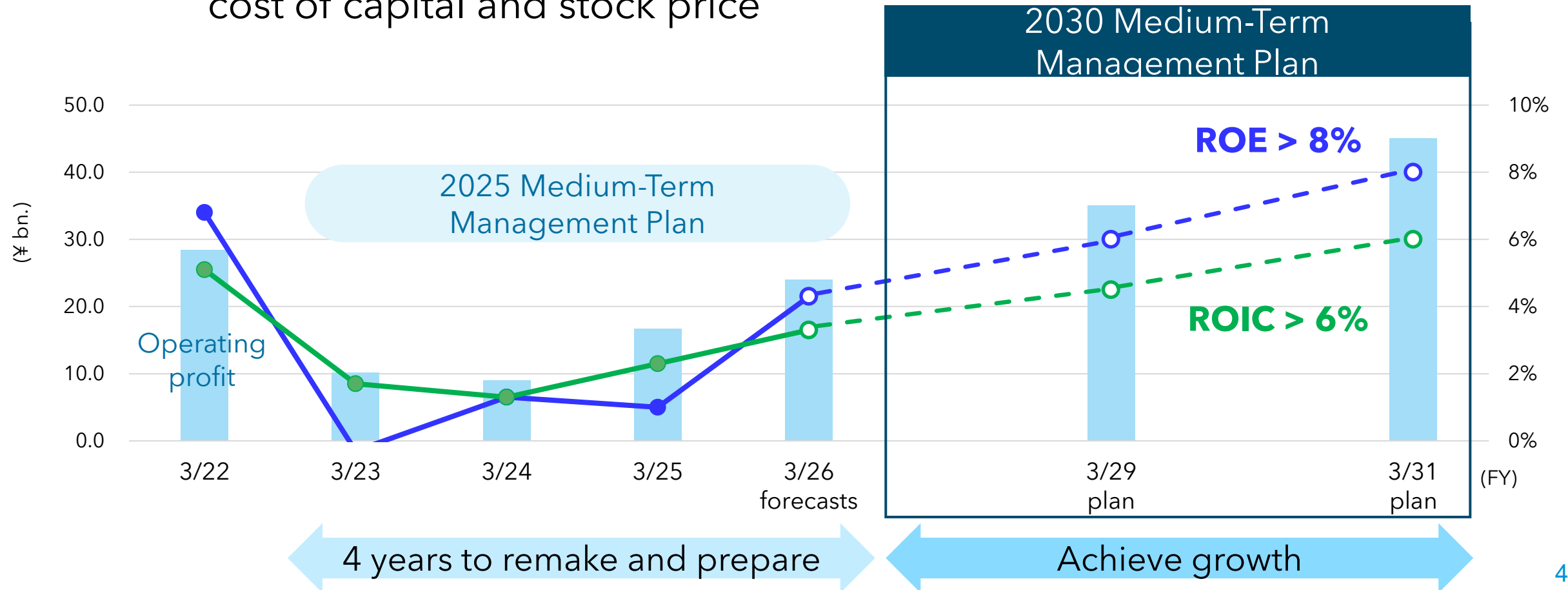
Continually provide a stable dividend in a comprehensive consideration of such factors as sustainable profit levels, retention of earnings for future investment, and improving the financial position, with a target total return ratio of 30%.



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

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



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

Measurements

Short-term measurements

- 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 measurements

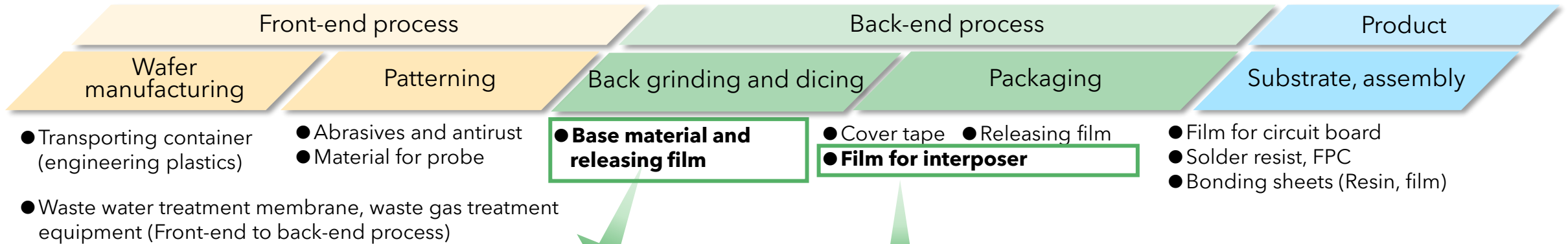
- Transformation to resilient business structure (continued)
- Reduction of risk impact by decentralization of procurement and logistics network
- Improvement of financial structure

Appendix

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

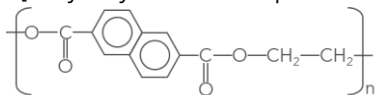
Semiconductor business value chain and Toyobo's products



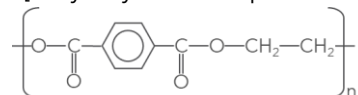
Example: Expansion of PEN film to releasing film

- Excellent heat resistance compared to PET
- ➡ ■ Escalating demand for heat resistance in base film and mold releasing 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 releasing layer"

PEN [Polyethylene 2-6-Naphthalate]

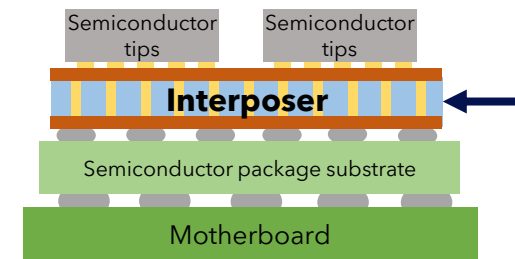


PET [Polyethylene Terephthalate]



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

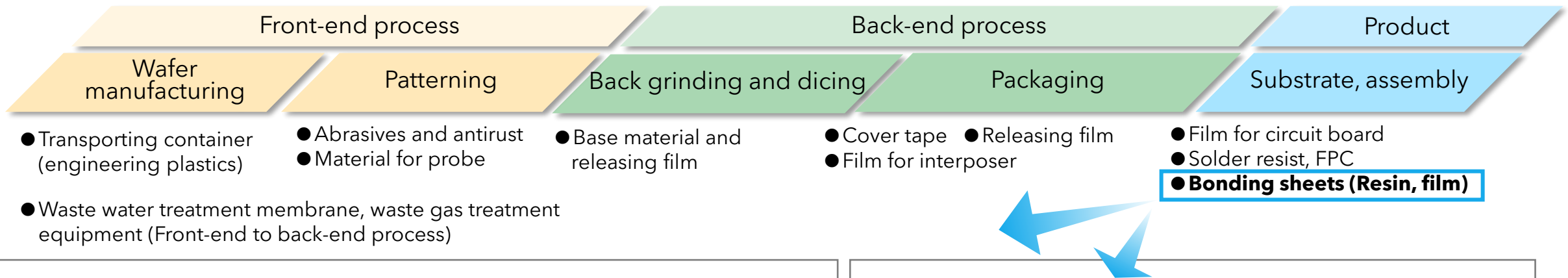
- Dimensional stability equal to glass and Si wafer + smoothness and processing ability of film
- ➡ ■ Alignment with needs for microfabrication driven by higher integration densities
- Expand to film for interposer



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

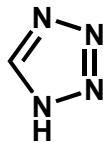
Semiconductor business value chain and Toyobo's products



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 ethel (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.

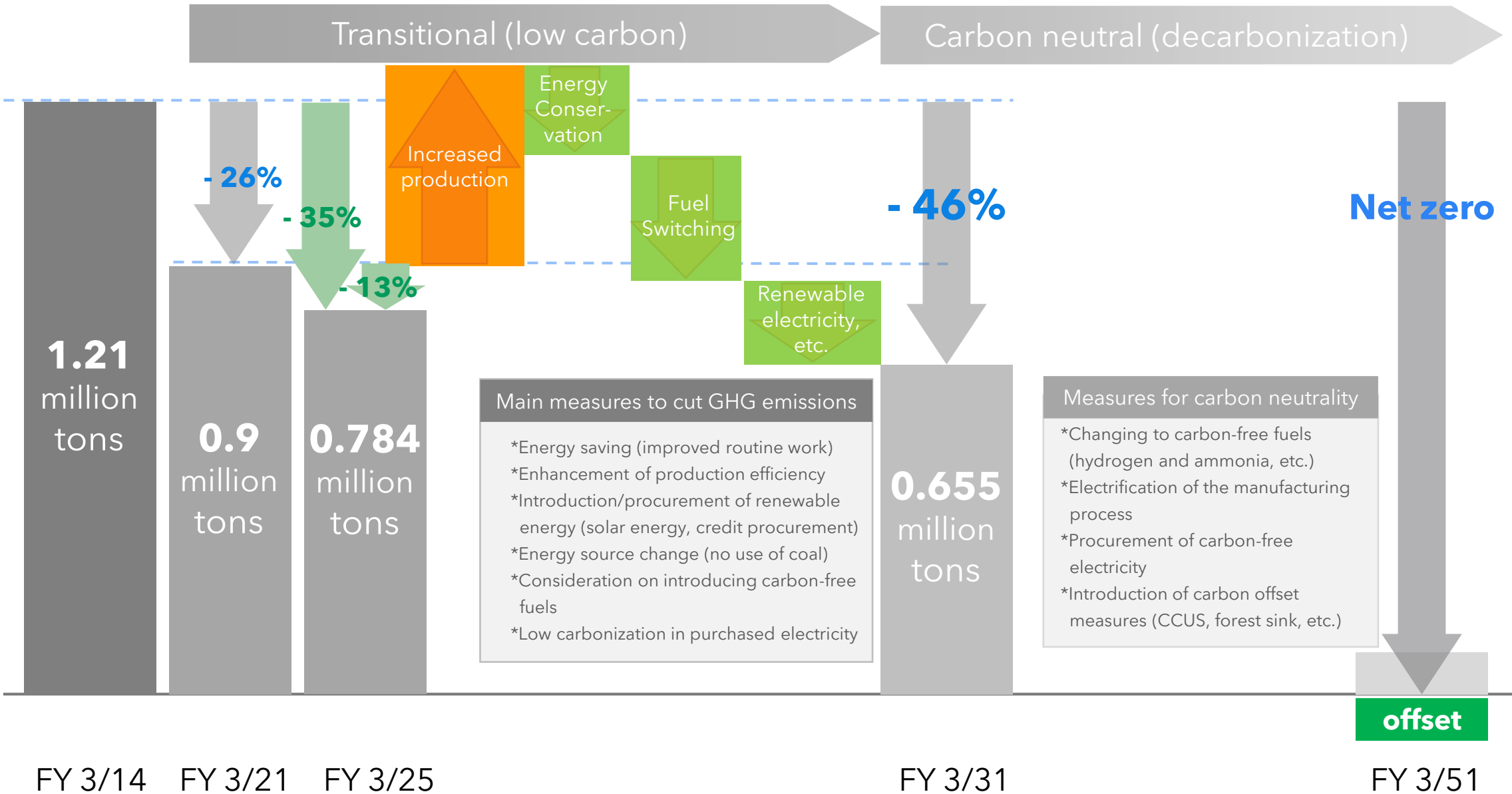
- ➡ ■ Aiming to expand into applications such as adhesives for electronic materials, leveraging the heat resistant, insulating and low dielectric properties of PPE



PPE soluble to organic solvent

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

Roadmap for Carbon Neutrality

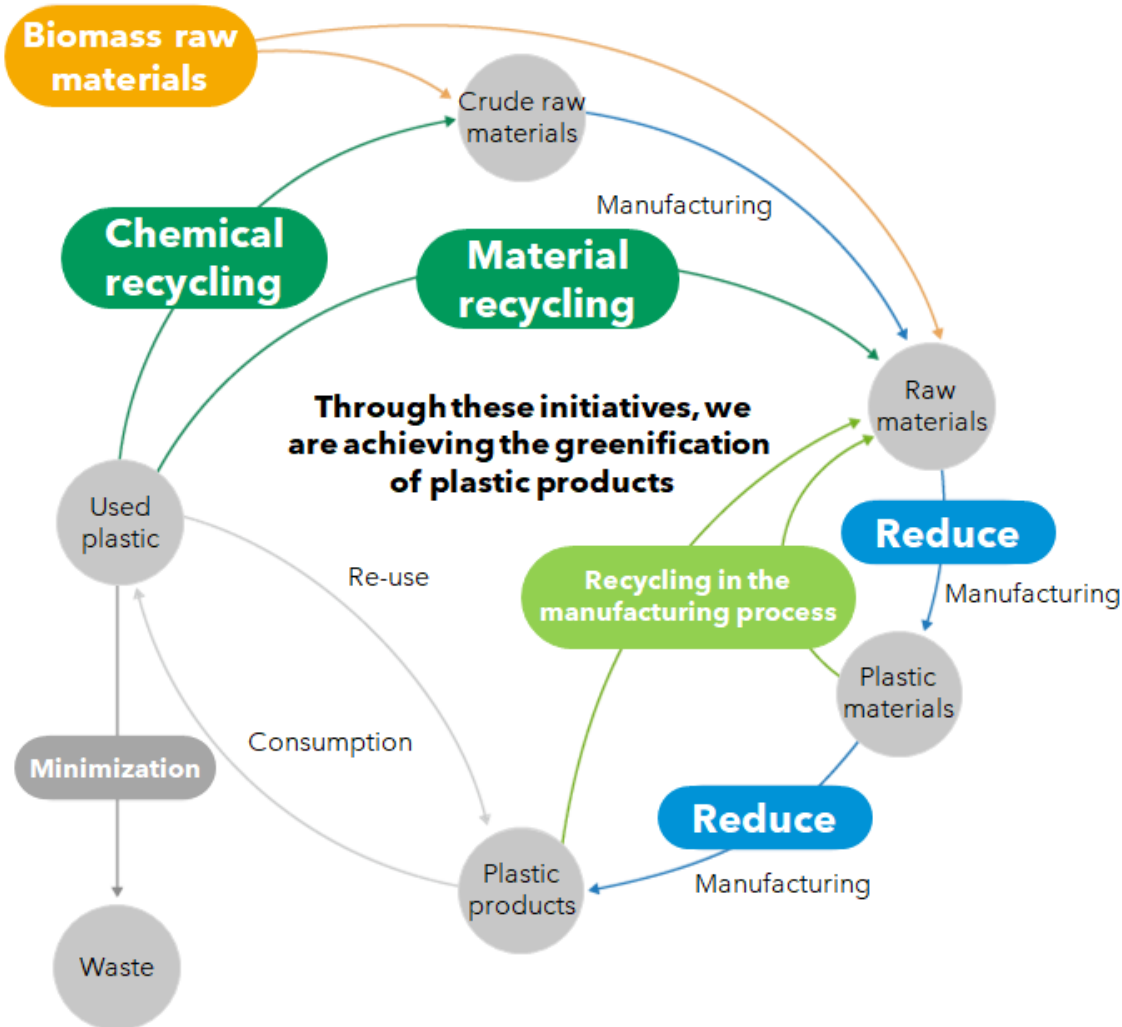


Films Products related to Resource Circulation

To Be the World's Leading Green Film Maker

Target: Greening rate of 60% in FY 3/31 and 100% in FY 3/51 (Biomass, Recycling, Volume reduction)

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



Example of material recycling initiatives

Resource recycling project

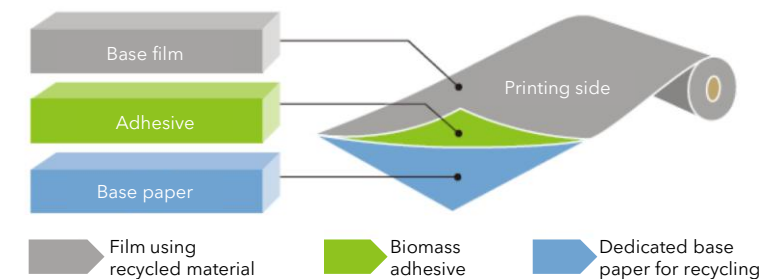


- Promote activities toward zero waste of label liner by six* cross-industrial companies including Toyobo
- Horizontal recycling project of label liner using "KAMISHINE NEO"
- Expecting 12.4% reduction of CO₂ emissions

*NEION Film Coatings Corp., TOPPAN INFOMEDIA CO., LTD., Shionogi Pharma Co., Ltd., MITSUI BUSSAN CHEMICALS CO., LTD. and YAMATO BOX CHARTER CO., LTD.

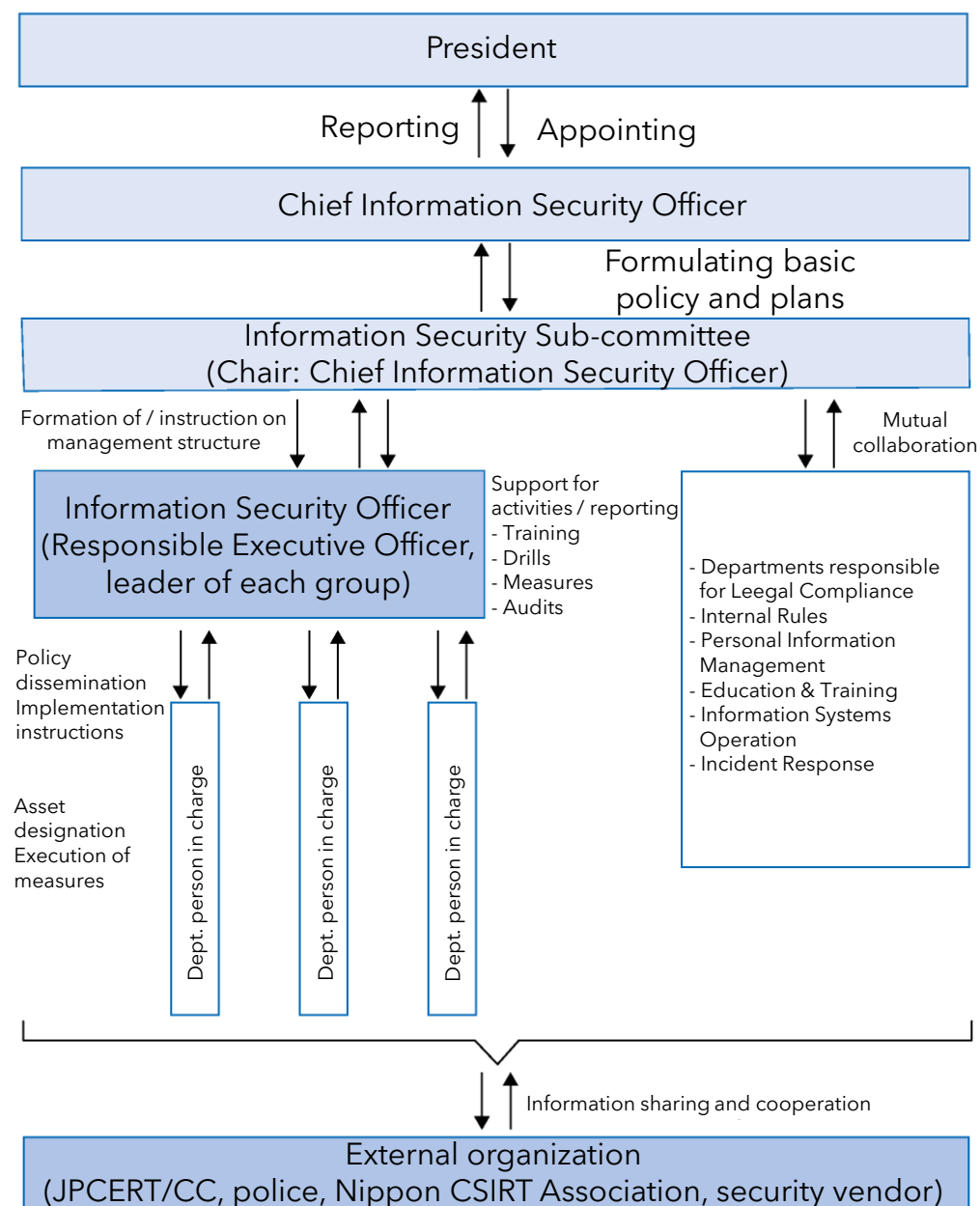


"KAMISHINE NEO"
Releasing film for
label liner applications



Component of entire label (image)

Toyobo Group Information Security Management Structure



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)

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)

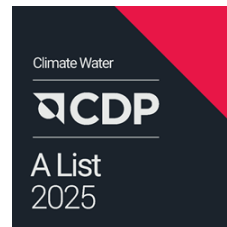
S&P/JPX Carbon Efficient Index



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)



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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