

March 17, 2022
Toyobo Co., Ltd.

To whom it may concern,

Report on investigations into possible incidents similar to misconduct over quality

We deeply apologize once again to our customers and other stakeholders for the trouble and anxiety we caused regarding the misconduct over the quality of the engineering plastic products we manufacture and sell, details of which were released in a document dated March 26, 2021, and so forth. Taking the misconduct very seriously, we have provided explanations to the customers involved, while being engaged in company-wide activities to rectify the situation, such as the implementation of preventive measures based on proposals made by a response committee that is independent from our top management.

As part of our efforts, we conducted a thorough investigation (hereafter, “the investigation”), covering employees and executives of the Toyobo Group in Japan and abroad, with the aim of confirming whether there have been any grave instances of misconduct over quality similar to the cases mentioned above, as well as unrelated but grave quality issues. We thus report as follows the investigation’s circumstance up till now. The investigation was mainly conducted by our Quality Assurance Division, which is independent from our business divisions, also was receiving advice and support from the misconduct investigation team of a major auditing firm to ensure the investigation’s validity.

1. Outline of the investigation

(1) Information-gathering via questionnaires

We conducted a multi-language, anonymous survey between February and March 2021 with the aim of broadly gathering information regarding suspected cases of misconduct over quality. To further ensure the investigation’s validity, we conducted another multi-language survey between July 2021 and January 2022, covering 9,452*1 executives and employees in Japan and abroad of the Toyobo Group (including contract and dispatch employees). The second survey, which required the respondents to write their name down*2, was aimed at investigating if there were instances of misconduct over quality. A total of 8,866 people responded to the survey (response rate: 93.8%).

(2) Detailed investigation

Since August 2021, we have contacted all those who responded to the survey by name as described in 1. (1), who reported suspected cases, via interviews, telephone calls, letters, emails, etc., on a priority basis, to confirm facts and details about the reported cases. If necessary, we have conducted additional investigations such as verifying documented evidence and records, as well as interviews with the parties concerned*3.

(3) Investigation results

According to the result of the investigation described in 1. (2), we did not find any grave case of misconduct over the quality at this point. However, we found cases of incompatibility with client agreements and noncompliance with or lack of internal rules, as well as concerns related to our awareness of compliance, which need to be addressed continuously.

*1: The countries and region where our Group companies whose executives and employees responded to the surveys are located are as follows: Japan, the United States, Mexico, El Salvador, Brazil, Germany, Spain, Slovakia, Saudi Arabia, China, South Korea, Taiwan, India, Thailand, Vietnam, Malaysia and Indonesia.

*2: Respondents to the survey where they were asked to provide their name were asked to report everything within their knowledge (what they had done, seen and heard, as well as anything that rang a bell) after being informed that confidentiality would be protected; false reports were subject to disciplinary punishment; and internal leniency was considered for voluntary reports about cases of misconduct over quality. By doing so, we are broadly gathering information about cases of misconduct over quality.

*3: When a language other than Japanese is needed for investigation, the local language is used. For detailed investigations, we take due consideration to protect the confidentiality of the respondents.

2. Future responses

We will continue company-wide activities to rectify the situation, including issues that were discovered by the investigation. Also, we will further enhance the compliance awareness that the Toyobo Group has promoted, change the awareness about quality assurance and improve the organizational culture. We will immediately take the necessary measures, as well as swiftly inform you if we confirm in the investigation any grave case of misconduct over quality that must be disclosed.

Toyobo Group will do its best – with all executives and employees being united – to restore its trust among clients and other stakeholders by rebuilding a robust quality control system and enhancing our corporate governance through going back to the corporate philosophy of “Jun-Ri-Soku-Yu (adhering to reason leads to prosperity).”

For more information, contact:

Public Relations Group, Corporate Communication Department, Toyobo Co., Ltd.

Email: pr_g@toyobo.jp