

Roundtable discussion with Outside Directors

Demanding the pursuit of new challenges and commitment to growth

Features and challenges of the Board of Directors

Harima At Toyobo's Board of Directors' meetings, while there are active discussions on various proposals, occasionally there isn't enough time for important individual proposals.

Takase One of the features of the board is the ability to freely and openly express opinions based on individual expertise.

Fukushi The chairperson is adept at effectively summarizing the numerous opinions presented during meetings, contributing to a generally positive atmosphere for discussions. However, a challenge faced by traditional Japanese companies is that internal directors often speak from the perspective of their own departments. It would be beneficial if Toyobo's internal directors could consider all stakeholders and provide input from a company-wide perspective. Given their earnest nature, they are likely to develop this capability through continued discussions.

Harima Adding a question about whether directors speak from a company-wide perspective to the board's effectiveness evaluation survey could provide a valuable opportunity for individuals to reflect on their own approach.

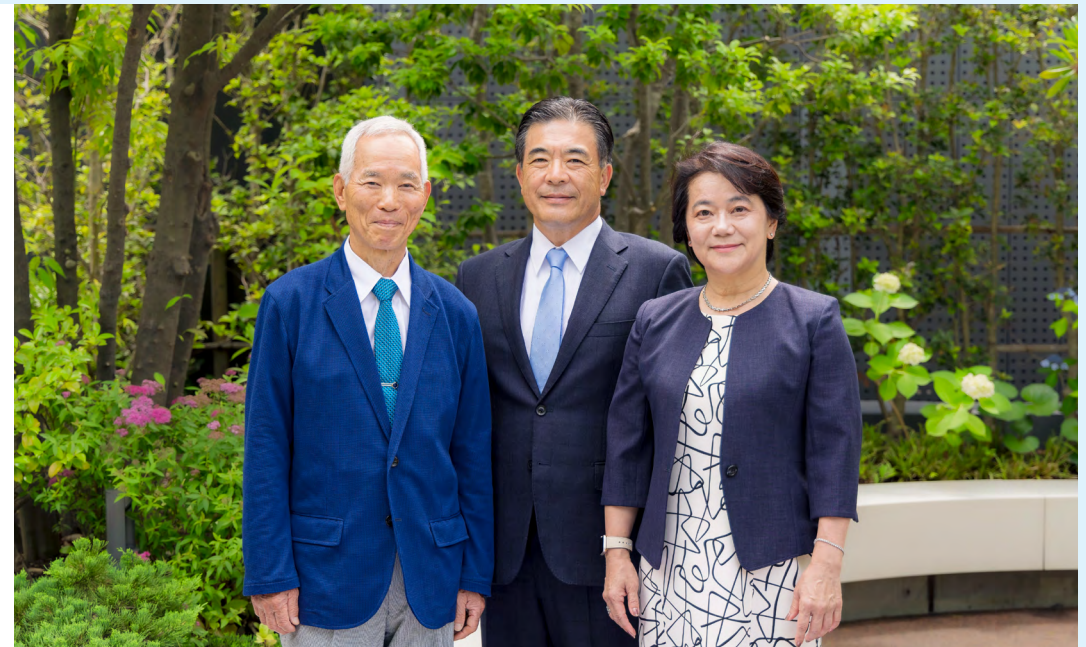
Takase To achieve sustainable growth and continue pursuing challenges, we need to better understand Toyobo's position

globally, within Japan, and within the industry, and to increase discussions about Toyobo's desired future direction.

Evaluation of Toyobo and challenges for sustainable growth

Fukushi Toyobo possesses a strong corporate DNA. The corporate philosophy "*Jun-Ri-Soku-Yu*" is deeply ingrained in the company, and the approach to solving social issues feels like a foundational element of Toyobo's DNA.

Takase There is reassurance in the serious and sincere discussions about what Toyobo can do based on the idea of enriching society and customers. Essential topics for building trust, such as compliance, human rights, and diversity, are frequently addressed, and the results are gradually taking



**Masaaki
Harima**
Outside Director

**Hiroshi
Fukushi**
Outside Director

**Shoko
Takase**
Outside Director

shape. In addition, while Toyobo's commitment to safety, disaster prevention, and mobilizing all resources in case of issues is very strong, there is a sense of inadequacy regarding the pursuit of new challenges and a strong commitment to growth.

Harima I also share the sentiment that the commitment to growth is somewhat lacking.

Takase I hope that Toyobo will utilize its strengths—technical expertise, seriousness, integrity, and the ability to collaborate effectively in challenging situations—not just to recover earning power, a goal stated in the management policy for this fiscal year, but also to develop new strategic initiatives.

Fukushi "Challenge" is one aspect of the TOYOBO Spirit, and the corporate philosophy framework, TOYOBO PVVs, reflects the president's belief that change should be embraced and even enjoyed. However, there appears to be a lack of initiative to break

out of traditional silos of business and functions. At this stage, it is crucial to focus on generating profits by embracing various challenges. The old methods are no longer sufficient. When these limitations are overcome, new strengths are likely to emerge.

Takase In daily communications, there are many discussions about what is good or what will definitely sell. While having numerous growth opportunities is essential for a commitment to growth, it seems that there is still some weakness in Toyobo's dedication to achieving goals and taking on challenges. Thinking about what can be done as "One Toyobo," beyond the boundaries of business divisions, could further strengthen the company. It seems a waste not to fully utilize the existing technical expertise and enthusiasm.

Fukushi At TOYOBORO MC Corporation, there are bold initiatives that could lay the groundwork for future success. I hope that similar challenges will spread throughout the entire group.

Harima Indeed, a focus on numbers is essential for growth, but it seems to be lacking at Toyobo. Also, I believe that one of the measures in the 2025 Medium-Term Management Plan, "thorough safety, disaster prevention, and quality assurance," is also crucial for building a solid foundation and driving growth. Last year, there were numerous discussions about quality assurance. While the management team has been diligently investigating and fostering the right culture, efforts are ongoing and there are challenges to address.

Takase It is clear that a transformation in the internal atmosphere and culture is necessary.

Fukushi The key to rapidly transforming the corporate culture lies in human resources. The current human resource rotation system, which primarily focuses on transfers within business units, tends to reinforce a monocultural mindset and does not encourage breaking through the silos of each

division. Without breaking through these silos, the corporate culture will not change.

Harima You are absolutely right. Often, operations become more personalized and difficult to replace, but I believe that implementing a three- to five-year human resource rotation system could significantly improve the quality management system as well.

Expectations for the future of Toyobo

Takase My foremost wish is for each employee to focus on growth and results that are true to Toyobo's values. I hope that a culture of excitement and willingness to embrace various challenges will become established. I also aim to leverage my own experience not only to track progress toward goals but also to discuss how to navigate current situations and what actions can be taken to achieve results, thereby fostering as much growth as possible.

Harima In addition to recovering earning power from existing resources, I hope to see the creation of new ideas from different perspectives that contribute to Toyobo's development. I am committed to supporting such forward-looking management. Furthermore, I will provide robust support from a legal standpoint for efforts related to the "reestablishment of foundation" and "thorough safety, disaster prevention, and quality assurance."

Fukushi Under the strong leadership of the president and the management team, I hope to see Toyobo unite and break through its limitations to transform into a sustainable company. Drawing on my own experience with corporate reform, I am wholly committed to supporting Toyobo's challenge toward transformation.

