

CEO × Outside Directors cross-talk session

Toyobo Group is advancing its transition to One-team management. In this cross-talk session, the CEO and outside directors discuss the evolution of the Board of Directors, as well as the expectations and challenges surrounding the execution of the 2030 Medium-Term Management Plan.

Looking back on management

Fukushi When I joined the Board four years ago, my first impression was that Toyobo was managed very much as a collection of individual business divisions, with a somewhat limited Company-wide perspective. There was still insufficient Company-wide discussion of capital efficiency, profitability, and the effective use of cross-functional capabilities, and business divisions largely made decisions independently. Even when discussing investments and the business portfolio, it was difficult to build a shared understanding of the direction the Company should take. Against this backdrop, one of the Board's key priorities has been to move beyond a management structure centered on individual business divisions and transition to One-team management capable of making decisions as a unified organization. With this awareness of the challenges we faced, we also began reviewing the role and operation of the Board.

Transition to a company with an Audit and Supervisory Committee

Takeuchi One of the most significant changes to the Board was the transition to a company with an Audit and Supervisory Committee in June 2025. Even before the transition, I felt that the Audit and Supervisory Committee members had a strong interest in Toyobo Group and consistently expressed their views candidly from a wide range of perspectives. Now that they serve as directors with voting rights on the Board, they have strengthened not only the quality of our discussions but also the Board's ability to provide ongoing oversight from a long-term perspective. By taking on greater responsibility as directors, the Audit and Supervisory Committee members' perspectives and advice carry



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President & Representative Director
CEO and Co-CEO

Shoko Takase
Outside Director

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Outside Director

greater weight. I believe their contributions have added further depth to the Board's discussions.

Takeuchi The purpose of this governance structure is not for the Board to become overly involved in the details of execution. Rather, it is to delegate responsibility to the executive team, enabling faster decision-making while allowing the Board to focus more fully on its monitoring role. At this stage, however, I believe there is still room to strengthen the relationship of trust between the Board and the executive team, and I believe we are still in a period of transition.

As that relationship of trust continues to deepen, the Board will be better positioned to strengthen its monitoring function as originally intended and devote more attention to discussions on enhancing corporate value over the medium- to long-term.

Fukushi My sense is that the Board is still operating more like an advisory board. Rather than simply monitoring management and judging its performance, the Board's role at this stage is to provide advice to the executive team. As that relationship of trust develops, I believe we can gradually move closer to fulfilling the Board's intended monitoring role. That is why I believe we are still in a transitional phase.

Takeuchi Our first priority is to build that relationship of trust. By strengthening a framework in which the executive team can make decisions and execute them autonomously as one team, the Board can move closer to fulfilling its intended monitoring role.

Transition to One-team management

Fukushi One of the most significant changes over the past year has been the clear expectation under President Takeuchi's leadership that executive officers make decisions not as representatives of their individual businesses, but on behalf of the Company as a whole. Business portfolio reform, ROE, and other key concepts have become part of our shared management language, and executive officers are now engaging in candid, Company-wide discussions based on their genuine views. As a result, I believe the quality of the proposals brought before the Board has improved significantly.

A key initiative supporting this transformation is the Management Policy. Rather than relying on unspoken understanding, it establishes a shared set of management principles and decision-making criteria across the organization. It provides clear guidance on how we manage our people; approach R&D; integrate technology, production, and sales; and reshape our business portfolio. By articulating these principles and sharing them across both management and the organization, the Management Policy extends governance to the middle management level while also improving transparency.

For Toyobo Group, where management has traditionally been driven largely by individual business divisions, I believe this

Introduction	Commitment to realizing our vision	Toyobo's earning power			Achieving sustainable growth				Corporate governance	Data
		Management strategy to enhance earning power	Value creation story	Business strategy	Business development strategy	Human resource strategy	Green strategy	Sustainability strategy		

framework is particularly effective. After many discussions with President Takeuchi, the Management Policy was introduced on a trial basis in the second half of last year and has been rolled out Company-wide this year.

Takeuchi Creating the Management Policy is only the first step. What matters is ensuring that our management principles are understood throughout the organization and translated into action at every level. To achieve this, we need to communicate clearly where the Company is headed and what it expects of each organization. Bridging differences in understanding across organizational levels and turning our policies into concrete actions are essential to making the policy truly effective. At the same time, I believe One-team management is steadily taking root within the executive team. Rather than making decisions based on what is best for individual businesses, there is a growing commitment to making decisions from a Company-wide perspective. This spring, in response to rising geopolitical risks, executive officers met frequently to

coordinate the procurement and allocation of raw materials and fuel. They also coordinated resources across plants as needed, taking a Company-wide approach to addressing these challenges. By continuing to make decisions and take action in this way, we will translate One-team management into tangible results.

Takase President Takeuchi spoke about the importance of taking a Company-wide perspective and working across organizational boundaries. As an outside director, I have had opportunities to visit our plants and speak directly with employees on the shop floor. One experience that left a particularly strong impression on me was hearing them openly explain the challenges they faced in bringing new equipment online. More importantly, they described in their own words how leaders and team members from across the organization were working together as one team to overcome those challenges.

What impressed me most was that, rather than trying to solve problems on their own, people on the shop floor were willing to seek help and draw on expertise from across the Company. That mindset has clearly taken root throughout the organization. I believe it leads to faster problem-solving, higher productivity, and ultimately greater capital efficiency. To me, it was clear evidence that One-team management is beginning to take hold on the shop floor as well. In fact, One-team management is a much broader



concept than simply helping one another across teams and departments. It also means sharing individual expertise across teams and departments, as well as connecting processes and data across organizational boundaries. These cumulative efforts will ultimately help accelerate improvements in ROE.

Expectations and challenges for the 2030 Medium-Term Management Plan

Takase In our discussions on the revised 2030 Medium-Term Management Plan, I particularly appreciated how President Takeuchi's focus on restoring earning power has evolved into enhancing both earning power and capital efficiency. The thinking behind management's priorities has been brought together into a clear and consistent narrative. We have also had more opportunities, as outside directors, to discuss each business division's medium-term plan, and my visits to operational sites have further deepened my understanding.

That said, there is still room to improve both the consistency of the business divisions' plans and the way their progress is managed. As a company, we need a simple set of management indicators that enables us to monitor execution on an ongoing basis. At the Board, we discussed not only the assumptions behind the targets in the Medium-Term Management Plan but also the potential downside risks and opportunities for outperformance.

A medium-term management plan is not something that is completed once it is published. It must be reviewed continuously on both a quarterly and monthly basis, with progress shared across the Company and translated into results. Based on my previous experience, I believe that strengthening execution as one team requires more than the cross-organizational information sharing promoted through Toyobo-Transformation (TX). It also depends on people moving across business divisions and functions,

maintaining a genuine interest in one another's work, and working as one team across organizational boundaries at every level.

It is equally important to tailor the way we communicate to the level of understanding of our audience. These ongoing efforts strengthen both the quality and speed of execution by enabling people to share challenges across organizational and hierarchical boundaries.

The new Medium-Term Management Plan represents an important first step by giving us a shared sense of direction. The real challenge now is to ensure that it



becomes an effective management system. While we have already seen encouraging progress, I do not believe we should be satisfied yet. Instead, I am genuinely excited by how much further we can still go.

Fukushi I also believe this Medium-Term Management Plan marks a significant step toward the Company-wide management approach we have long recognized as necessary. In the past, investment decisions and business plans tended to be driven by individual business divisions, and we did not always assess capital efficiency and risk from a Company-wide perspective.

Establishing ROE as a clear management target and shifting discussions of the business portfolio and investment decisions to a Company-wide perspective represent important progress. That is why the next challenge is ensuring that the plan is executed effectively. It is essential that we continuously assess risks during the planning stage, monitor execution, and review resource allocation as needed while leveraging our cross-functional capabilities. As the Board, we also intend to further strengthen our monitoring so that the executive team can execute the plan from a Company-wide perspective and drive improvements in ROE.

Takeuchi We will take both of your comments to heart as we put the Medium-Term Management Plan into action. Our efforts to date have laid the groundwork for Company-wide discussions with everyone moving in the same direction. The important thing now is to ensure that this new way of working does not remain a one-time initiative but rather becomes embedded in our daily decision-making and actions across the organization. The Medium-Term Management Plan clearly defines the role each business is expected to play and how it will improve both profitability and capital efficiency. At this year's Executive Retreat, under the theme of "Executing as One Team and Delivering Results," we will revisit the Company-wide Medium-Term Management Plan and encourage discussions that extend beyond individual functional responsibilities to identify challenges and put forward recommendations.

When gaps emerge between the plan and actual performance, it is essential that we do not leave individual businesses to address them in isolation. Instead, management must quickly identify the underlying issues from a Company-wide perspective and take the necessary action. We will also treat the Board's candid feedback as valuable input that helps deepen discussions among the executive team. By having each executive officer step beyond his or her own area of responsibility and by working together across Toyobo Group to solve challenges, we will deliver results that enhance corporate value.



Note: This cross-talk session has been edited and condensed based on the actual interview, discussions, and related materials.