

Materiality

Materiality KPIs

April 1, 2023

Category	Major items	Related SDGs	Officer in charge	KPIs: Timeframe for achievement set for each theme		
				Themes	Targets (single fiscal year targets)	FY2023 results
Area of contributing to the solving of social issues through business	E : A decarbonized and circular society	 	Taichi Sakai Managing Executive Officer Head of Safety and Disaster Management Division	1) Scope 1, 2 greenhouse gas emissions (consolidated) 2) Expansion of ECO-PARTNER SYSTEM® products and services that contribute to the environment (TOYOBO CO., LTD. only)	1) Reduction of emissions by at least 46% compared to FY2014* 2) Sales ratio of 40%** *Target set in anticipation of increase in greenhouse gas emissions associated with expansion of targeted sales in FY2031 (assumed ¥500 billion in FY2031) **FY2031 target	1) 26.4% reduction (894 thousand t-CO ₂) 2) 35%
	S : Employee well-being (diversity and inclusion, health and productivity management, occupational safety and health) S : Human capital	   	Takehiko Inada Executive Officer Controlling Supervisor of HR, Administration and Legal Division	1) Number of core overseas personnel undergoing training in Japan 2) Training investment per employee (and training time) 3) Ratio of women managers 4) Ratio of annual paid leave taken 5) Reduction in annual time worked outside specified working hours (no. of employees working more than 360 hours of overtime per year / total no. of employees) 6) Ratio of men employees taking childcare leave 7) Certification as a "Top 500 Company" for Outstanding Health and Productivity Management 8) Improvement in how positive employees feel about their work, based on employee engagement surveys a. Percentage of respondents agreeing with the statement that they do not feel that their day-to-day work is difficult to perform b. Percentage of respondents agreeing with the statement that the company respects the diverse views and ideas of each individual employee	1) 15 employees per year* 2) ¥50,000 per year, 21 hours* 3) 5.0% or above* 4) 75%* 5) 2.0% or lower (reduction of 20% from FY2020)* 6) At least 80% of eligible men employees taking childcare leave, with average leave of 14 days or more (20% increase from FY2021)* 7) Acquisition/maintenance* 8) Increase in the percentage of respondents agreeing with this statement * FY2026 target	1) Canceled because of COVID-19 2) ¥50,000 (17.97 hours) 3) 4.7% 4) 80.2% 5) 4.2% 6) 104.3% of eligible men employees; average leave taken: 14.8 days 7) Certification as a 2023 "Top 500 Company" for Outstanding Health and Productivity Management 8) a. 38% b. 50%
	S : Human rights (Toyobo group)	   	Takehiko Inada Executive Officer Controlling Supervisor of HR, Administration and Legal Division	1) Implementation of human rights education and training 2) Employment ratio of people with disabilities	1) Once a year for 20% of non-consolidated* employees 2) 2.3% * TOYOBO CO., LTD., TOYOBO STC CO., LTD., and TOYOBO INFORMATION SYSTEM CREATE CO., LTD. * FY2026 target	1) 48.0% 2) 2.3%
Area of environment and manufacturing	E, S, G : Safety and disaster prevention	 	Taichi Sakai Managing Executive Officer Head of Safety and Disaster Management Division	1) No. of major accidents* 2) Frequency rate of workplace accidents resulting in lost workdays 3) No. of fires or explosions 4) No. of spills * Set internal standards based on definitions stipulated by the Ministry of Health, Labour and Welfare	1) 0 accidents per year 2) 0.25 or less 3) 0 accidents per year 4) 0 accidents per year Tabulated by calendar year	1) 0 accidents 2) 0.55 3) 0 accidents 4) 0 accidents
	S, G : Quality	 	Masakazu Iwasaki Executive Officer Head of Quality Assurance Division	1) No. of incidents related to products* 2) Implementation of product safety and quality assurance training * Set internal standards based on definitions stipulated by the Ministry of Economy, Trade and Industry	1) 0 accidents per year 2) 100%	1) 0 accidents 2) 100%
	E : A decarbonized and circular society (environmental impact reduction)	 	Taichi Sakai Managing Executive Officer Head of Safety and Disaster Management Division	1) VOC emissions (total for operations in Japan) 2) Discharge of hazardous substances into water (total for operations in Japan) 3) Waste volume (consolidated) 4) Final disposal (landfill disposal) rate (total for operations in Japan)	1) 60% reduction from FY2015* 2) 80% reduction from FY2015* 3) 15% reduction from FY2016* 4) Less than 1% every year * FY2031 target	1) 60% reduction 2) 71% reduction 3) 13% increase 4) 0.4%

* In April 2023, the company merged with TOYOBO INFORMATION SYSTEM CREATE CO., LTD.

Materiality

Materiality KPIs

April 1, 2023

Category	Major items	Related SDGs	Officer in charge	KPIs: Timeframe for achievement set for each theme		
				Themes	Targets (single fiscal year targets)	FY2023 results
Areas of business Bases	G: Governance		Takehiko Inada Executive Officer Controlling Supervisor of HR, Administration and Legal Division	1) No. of meetings of the Board of Directors/committees 2) Attendance rate of officers at meetings in 1) 3) Effectiveness evaluation of the Board of Directors, content disclosure	1) Disclosure of results 2) Disclosure of results 3) Disclosure of details of effectiveness evaluation	1) 23 meetings 2) Attendance by directors and corporate auditors at meetings >p.71 3) Evaluation of the effectiveness of the Board of Directors >p.75
	E, S: Innovation		Katsuya Ito Executive Officer Controlling Supervisor of Innovation Division	1) Percentage of research themes that contribute to achievement of Sustainable Vision 2030 2) Direct investment in open innovation (commercialization PoC with invested companies, start of joint development, etc.) 3) No. of cases of intellectual property information analysis 4) No. of cases of business termination due to patent infringement 5) No. of intellectual property training sessions for employees (Toyobo and group companies) 6) Profit contribution through the securing of intellectual property rights (expansion of intangible assets) 7) No. of industry-academia-government comprehensive cooperative projects	1) At least 90% in FY2026 2) 4 cases or more per year 3) 20 cases per year 4) 0 accidents per year 5) Toyobo: 13 times; group companies: 6 times 6) Under review 7) 2 cases	1) July 2023 evaluation 2) 2 cases 3) 17 cases (FY2023 target: 14 cases) 4) 0 accidents per year 5) Toyobo: 15 times; group companies: 7 times 6) — 7) 2 cases
	E, S: Partnerships (supply chain)		Nobuya Fujiwara Managing Executive Officer Head of Corporate Sustainability Division Controlling Supervisor of Procurement and Logistics Department	1) Ratio of biennial CSR procurement surveys returned 2) Ratio of reduction in CO ₂ emissions (basic unit) related to logistics (sales)	1) 90% or above (In years when survey is not implemented, we carry out dialogue with business partners that had issues in past surveys) 2) Year on year reduction of 0.5%	1) Response and engagement following surveys 2) Year on year reduction of 5.3%
	S, G: Partnerships (stakeholder engagement)		Nobuya Fujiwara Managing Executive Officer Head of Corporate Sustainability Division Controlling Supervisor of Procurement and Logistics Department	1) No. of press releases 2) No. of interviews with investors 3) Frequency of meetings with employees and labor unions 4) Frequency of engagement with stakeholders	1) 75 per year 2) 150 per year* 3) At least 30 times per year 4) Twice a year * 2) covers the period from August 2022 to July 2023	1) 103 2) 124 3) 77 times 4) 3 times
	S, G: Partnerships (social contribution)		Nobuya Fujiwara Managing Executive Officer Head of Corporate Sustainability Division Controlling Supervisor of Procurement and Logistics Department	1) Clean activities (outside company)	1) 70% (Non-consolidated + domestic group companies, implementation rate at all sites)	1) FY2023: 93%
	S, G: Digital transformation (data security, privacy)		Ichiro Takai Senior Managing Executive Officer Controlling Supervisor of Corporate Planning Division	1) No. of information security education sessions* 2) No. of incidents (information leaks, service outages, etc.)* 3) Implementation of information security measures** * Scope is TOYOBO CO., LTD., TOYOBO STC CO., LTD., and TOYOBO INFORMATION SYSTEM CREATE CO., LTD. ** Scope is 63 directly or indirectly held group companies; Specific measures for target group companies: • Roll-out of Information Security Policy • Implementation of education and training • Roll-out of IT reinforcement measures • Development of incident structure	1) 15 times per year 2) 0 incidents per year 3) 100% completion (FY2023-2025)	1) 51 times 2) 0 incidents 3) Promotion of activities with the Cyber Security Committee in central role
	S, G: Compliance		Takehiko Inada Executive Officer Controlling Supervisor of HR, Administration and Legal Division	1) Increase in awareness of compliance 2) Awareness and use of Compliance Consultation Desks 3) No. of serious legal violations	1) Improvement in compliance questionnaire responses a. Does the company emphasize compliance? b. Awareness of case study reports, expansion of compliance study sessions and other training c. Frequency of compliance study sessions (managers) and other training 2) Improvement in compliance questionnaire responses a. Awareness of Compliance Consultation Desks b. Ease of use of Compliance Consultation Desks c. Disclosure of no. of cases handled 3) 0 cases	1) a. I feel that it does, or by and large I feel that it does: 81% b. I read every issue, or I sometimes read it, or I read those articles that are of interest to me: 78% c. Compliance study sessions: 20 times + video streaming to all employees Other training: 38 times 2) a. 90% b. I would like to try using it, or I can't really say one way or the other: 92% 78 cases 3) 0 violations
	S, G: Compliance (R&D, intellectual property)		Katsuya Ito Executive Officer Controlling Supervisor of Innovation Division	1) No. of product safety or quality assurance violations in the R&D QA system 2) No. of violations of ministerial guidelines or of funding bodies' rules 3) No. of violations of rules governing handling of research topics 4) No. of cease and desist orders received relating to display/items	1) 0 violations per year 2) 0 violations per year 3) 0 violations per year 4) 0 orders per year	1) 0 violations 2) 0 violations 3) 0 violations 4) 0 orders

* In April 2023, the company merged with TOYOBO INFORMATION SYSTEM CREATE CO., LTD.