

Materiality

Toyobo Group, in response to stakeholder demands and expectations, identifies material issues and drives various initiatives through its business activities to achieve its vision of “a Group that continues to create the solutions needed by people and the planet.”

Toyobo Group’s materiality

The materiality of the Group was initially identified in May 2020 and has since been reviewed considering our Sustainable Vision 2030, leading to the current framework. By assessing both the impact on stakeholders and the Group, we have clarified high-priority goals and organized them into four key areas: contributing to the solving of social issues through business, human capital, environment and manufacturing, and business foundations (see diagram below).

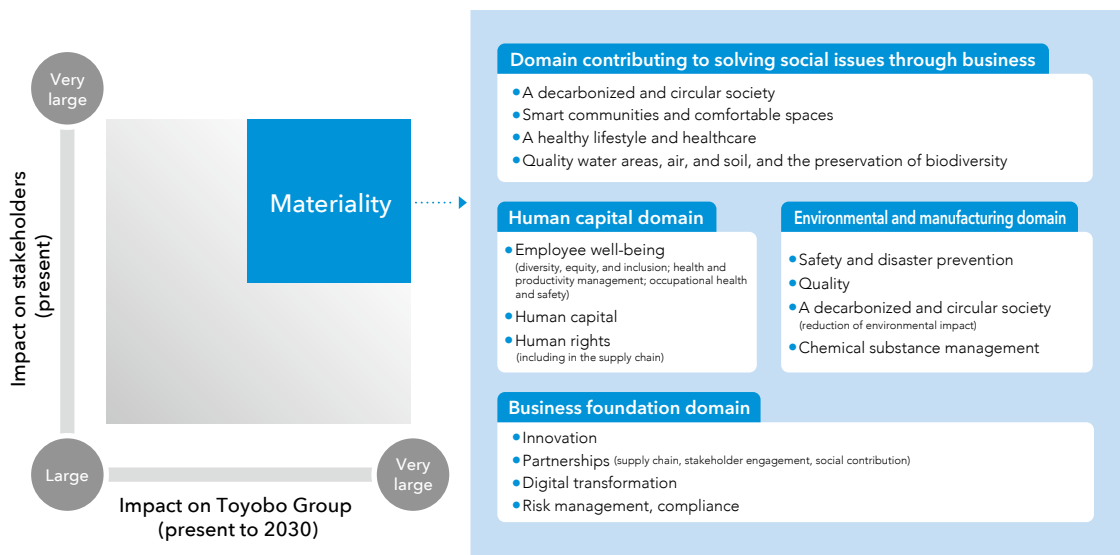
Process of identifying material issues

We reviewed external initiatives and 12 international guidelines, including the GRI Standards, to select candidate items. The positive and negative impacts of these issues were assessed through internal questionnaires and interviews. After considering feedback from external parties, such as institutional investors, we finalized our material issues with the approval of the Board of Directors. We will continuously review our material issues in line with changes in the external environment and management policies.

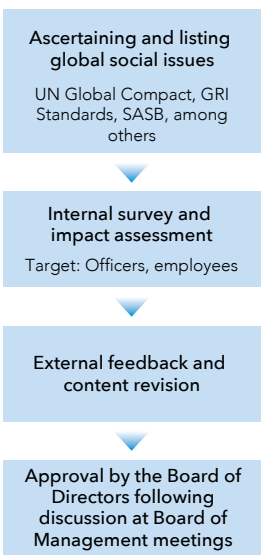
Management of materiality indicators (PDCA)

To ensure steady progress on our materiality initiatives, we have assigned officers to each materiality and established corresponding targets and indicators. We report and share progress on indicators at least once a year within the Sustainability Committee and, based on this progress, review and adjust targets and indicators to continuously enhance our efforts. In addition, the discussions within the Sustainability Committee are reported to the Board of Directors as appropriate. In fiscal 2026, we will review the materiality indicators and reflect them in the next Medium-Term Management Plan.

Materiality map



Identification process



TOPICS

Enhancing R&D personnel’s intellectual property mindset and motivation to contribute to business

Distinctive indicator–Innovation domain:
Number of first-time inventors

We have set as an indicator the number of R&D personnel listed as inventors on a patent application for the first time. This aims to raise awareness of translating R&D outcomes into patent applications, with a particular focus on the following two objectives:

- 1 Cultivating an intellectual property mindset among R&D personnel with limited development experience and building organizational support for it
- 2 Increasing motivation to contribute to business revenue

In the first year of measurement, fiscal 2025, supervisors and members of the Intellectual Property Department provided intensive guidance and advice to the targeted R&D personnel, resulting in achievement of 180% of the target indicator, significantly exceeding expectations.