

TOYOBO GROUP SUSTAINABILITY REPORT 2025

● Sustainability

Sustainability of the Toyobo group is to contribute to solving issues for people and the Planet through our business, and to aim for our "Sustainable Growth".

SUSTAINABLE VISION 2030 >

We launched our SUSTAINABLE VISION 2030 in May 2022



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Contribution through Our Business →

TOYOBO Group's Sustainability →

Communication with Stakeholders →

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ESG Related Data

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TOYOBO GROUP SUSTAINABILITY REPORT 2025

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● Message from the President

Enriching people and the planet: Toyobo Group's challenge and transformation

As a business leader, what I value most is Toyobo Group's corporate philosophy, *"Jun-Ri-Soku-Yu."* This phrase was one of the guiding maxims of our founder, Eiichi Shibusawa, and it means that adhering to reason leads to prosperity for society. In other words, by contributing to the resolution of social issues through our products, services, and technologies, we enrich both people and the planet while supporting the growth of the Group.

In recent years, as social demands such as responding to climate change, promoting resource circulation, respecting human rights, and ensuring diversity have continued to grow, Toyobo Group formulated Sustainable Vision 2030 in 2022 and has been accelerating initiatives toward the realization of a sustainable society. We view changes in the external environment not merely as risks but as business opportunities, and together with society, we aim to achieve resilient growth and development for the Group.



Specifically, in response to the trends of decarbonization and resource circulation, we are advancing the development and supply of biomass materials and recycled plastic materials. Centering on our three core businesses—Films, Life Science, and Environment and Functional Materials—we are sharing our technological foundations to drive the creation of original products and services that cannot be easily imitated by others, thereby building a competitive edge.

In February 2024, we revised the TOYOBO Group Human Rights Policy and formulated the TOYOBO Group Diversity Promotion Policy. As part of our diversity initiatives, we have been developing an inclusive workplace environment by establishing an LGBTQ+ consultation desk and introducing a same-sex partnership system. As a result, in the PRIDE Index 2024, we received the highest ranking of "Gold."

In addition, we are actively leveraging rapidly evolving digital and AI technologies to promote Toyobo Transformation (TX), an initiative in which each employee takes an active role in improving work efficiency and productivity. This initiative is a key measure that also contributes to transforming our organizational culture and developing innovative talent.



Through these challenges and transformations, the true source of creating new value lies in the employees who work within our Group. From management to staff, we operate as one team, vigorously driving the realization of a sustainable society, forward-looking value creation, and the enhancement of corporate value.

We sincerely ask our stakeholders to continue placing their expectations on the future growth of Toyobo Group.

August 29, 2025
President & Representative Director, CEO & Co-COO

Shuo Takenchi

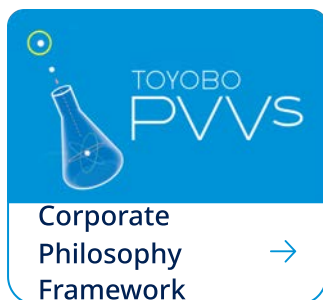
A message from the president is also posted here.

- [Sustainable Vision 2030 \(2.1MB\)](#) 
- [CEO Message in the Integrated Report 2024 \(848KB\)](#) 

< Related information >

- Corporate Philosophy Framework TOYOBO PVVs
<https://www.toyobo-global.com/company/philosophy.html>
- 2025 Medium-Term Management Plan
<https://ir.toyobo.co.jp/en/ir/library/plan.html>
- 140th anniversary project
<https://www.toyobo-global.com/140th/logo-and-monument/>

● TOYOBO Group's Sustainability



In March 2019, we established the corporate philosophy framework TOYOBO PVVs. "PVVs" is the name of the TOYOBO group's and philosophy framework and is a combination of the English acronyms for "principle," "vision," and "values".



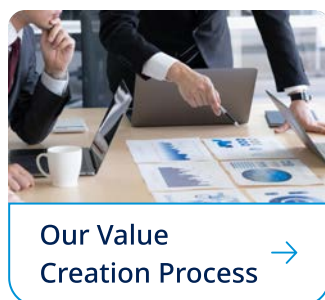
We will act with high ethical standards and social common sense based on the ten principles in order to continue being a corporation that people trust.



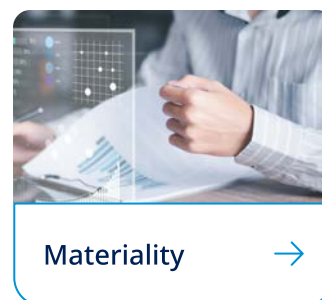
Sustainable Vision 2030 projects changes in the future business environment and shows the ideal state we seek based on our corporate philosophy, as well as our sustainability indices and action plans.



We are instilling the concept of sustainability along with our corporate philosophy into our business approach and integrating sustainability into our management and business strategies as we seek to fulfill our long-term vision.



Our value creation process takes the TOYOBO PVVs corporate philosophy framework as its starting point, and demonstrates how we use various types of capital to create value and increase value for all stakeholders.



Our materiality is organized along the two axes of "materiality for stakeholders" and "materiality for the group." We will also regularly review the material issues.



We announced our support for the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), and have been working on initiatives and disclosures that follow them.

The photo shows the "TOYOBO WINDOW," a monument in the lobby of the head office.

The round shape represents the "TOYOBO WINDOW," open to society and a bridge between people.

It expresses the significance of TOYOBO's mission to help solve problems for people and the earth and make lasting changes for the future.



● Corporate Philosophy Framework

We systematized the TOYOBO Group philosophy of “Jun-Ri-Soku-Yu”.

The TOYOBO PVVs is the foundation on which we actively seek to build a flourishing society while also growing as a company.

P V V S

Principle

TOYOBO's
founding spirit
and beliefs

Vision

What kind of
added value
should we provide
to society?

Values

The standards
that we prize

TOYOBO
Spirit

Principle

“Jun-Ri-Soku-Yu”

Adhering to reason leads to prosperity

“Jun-Ri”

Do what should be done (positive standpoint)
Don't do what should not be done (defensive standpoint)

“Soku-Yu”

Adhering to “Jun-Ri” leads to a prosperous society while also realizing self-growth

Vision

**We will continue to create
the solutions needed by people
and the earth with our materials
and science.**

We aim to go beyond mere manufacturing (providing materials) to create science, in other words: new value through ingenuity and ideas.

We aim to be a group that realizes unique benefits (provides solutions) by combining materials and science.

Values

We welcome change, enjoy change, and create change.

TOYOBO Spirit9 Commitments

Challenge Value the courage to try reaching beyond conventional limits



Think Ahead

Constantly look for changes and needs, and swiftly do what must be done



Create

Approach our daily routines with a flexible mind and devise better ways to carry out our jobs



Accomplish

Think of feasible ways to fulfill our work without compromising quality. Complete to the very end

Reliability Value a safe and secure workplace and solutions that surpass customers' expectations



Safety First

Priority on safety first for ourselves, our associates, and society



Customer Satisfaction

Do our utmost to discern precisely what the customer wants and always stay one step ahead



Factual Basis

Go to the actual worksite, verify the actual conditions, and identify the actual issue

Collaboration Value individuality and diverse viewpoints



Mutual Communication

Discuss issues with everyone involved regardless of their position in their company, the organizational structure, or the client's company until a mutually acceptable solution is found



Diversity

Recognize the value of people with different opinions and backgrounds and work together to achieve high targets



Providing Opportunities

People grow by trying, no matter if they succeed or fail. Provide opportunities to the next generation and learn for ourselves

● TOYOBO Group Charter of Corporate Behavior

This Charter of Corporate Behavior applies to all directors, corporate auditors, executive officers, and employees of the Toyobo Group (TOYOBO CO., LTD. and all of its affiliated companies). The term “Toyobo Group” as used in this charter refers to all of these people.

We here at the Toyobo Group contribute to the realization of a sustainable society by aiming to become a Group that continues to create the solutions needed by people and the earth with materials and science. Also, in order to continue being a corporation that people trust, we will act with high ethical standards and social common sense based on the following ten principles.

1. Contribution to a sustainable society

We will contribute to sustainable economic growth and the resolution of social issues by developing and providing products and services that will create a safe and affluent future.

2. Fair business practices

We will maintain a sound relationship with society, including our customers and business partners, by engaging in fair competition and transactions, and responsible procurement.

- 2-1. We will appropriately use and manage trade secrets, personal data and other such forms of information.
- 2-2. We will engage in fair and unrestricted competition in adherence to laws and regulations relevant to fair competition such as antitrust law.
- 2-3. We will establish proper transaction policies and engage in responsible procurement and logistics in a manner that supports development of a sustainable society.
- 2-4. We will properly manage and declare cargo when importing and exporting, in adherence to relevant laws and regulations.
- 2-5. We will not engage in corrupt practices such as offering gifts, hospitality, monies, or other benefits to public officials, customers or business partners, whether locally or overseas, that would result in gaining unfair benefits, or accepting offers of such gifts, hospitality, monies or other benefits.
- 2-6. We will build highly transparent relationships with those in politics and government.
- 2-7. We will protect and make effective use of our intellectual property rights derived from results we have obtained through research and development, and will

likewise respect the intellectual property rights of others. We will appropriately display our trademarks and otherwise take steps to heighten the brand value of the Toyobo Group.

- 2-8. We will not engage in accounting practices that would result in erroneous financial statements.
- 2-9. We will make decisions based on our *Jun-Ri-Soku-Yu* (adhering to reason leads to prosperity) corporate philosophy and adhere to our in-house rules.

3. Communication with stakeholders

We will carry out fair and appropriate information disclosure and enhance corporate value through communication with our stakeholders.

- 3-1. We will appropriately disclose information in a timely manner and otherwise strive to maintain constructive dialogue with society.
- 3-2. We will carefully handle information and will not engage in insider trading.

4. Respect for human rights

We support the International Bill of Human Rights and Guiding Principles on Business and Human Rights and will conduct business activities that respect the human rights of all persons.

- 4-1. We will conduct our business activities in a manner that shuns harassment and discrimination on grounds of race, religion, gender, age, family origin, nationality, disability, sexual orientation or otherwise. Moreover, we will reject child and forced labor. We will also respect collective bargaining rights and freedom of association based on the laws and regulations of the countries and regions in which we do business.

5. Earn customers' trust and satisfaction

We will strive to ensure the quality and safety of our products and services and earn the trust and satisfaction of customers and consumers.

- 5-1. We will take steps to ensure the quality and safety of our products and services by building appropriate Quality Management System.
- 5-2. We will provide accurate and precise information regarding our products and services in order to earn our customers' satisfaction and trust.
- 5-3. We will engage the proper procedures in carrying out quality inspections and other such testing, and will appropriately handle data and other information.
- 5-4. We will strive to develop products that contribute to society. Moreover, we will appropriately manage and use external funds particularly those covering research expenses, and will strongly refrain from acts that involve fabrication or falsification of data results.
- 5-5. We will sincerely address customer inquiries, complaints and other interactions and will strive to manufacture products and provide services in a manner that leverages such feedback.

6. Active employee participation

We will respect employee diversity and support work practices that allow employees to demonstrate their individual skills. Also, we will provide workplaces that are

conducive to productive work while taking health and safety into consideration.

- 6-1. We will work toward developing workplace environments that facilitate active participation among a diverse range of human talent.
- 6-2. We will prevent various types of harassment and other forms of mistreatment in our workplaces, and accordingly we will not engage in discriminatory practices neither in regard to hiring nor terms of employment.
- 6-3. We will strive to create workplaces that are safe, hygienic and rewarding, and will work to prevent excessive workloads and reduce overtime work.

7. Engagement in environmental issues

We will strive to improve energy conservation and reduce/recycle the resources used by our business, and move forward with the development of products and technologies that contribute to reducing the burden on the environment.

- 7-1. We will strive to improve energy conservation and reduce/reuse the resources used by our business, and will implement measures that address our environmental risks.

8. Social contribution

We will actively participate in society as a good corporate citizen and contribute to its development.

9. Thorough crisis management

We will conduct thorough crisis management in the face of actions by antisocial forces, terrorism, cyber attacks, natural disasters and other crises that pose a threat to corporate activity.

- 9-1. We will strive to prevent disasters and will also develop a crisis management framework for addressing emergency situations.
- 9-2. We will take a firm stand against antisocial forces and otherwise fully reject any and all ties therewith.
- 9-3. We will strive to ensure cyber-security.

10. Responsibilities of the management

Directors and the Board of Directors, operating under the spirit of this Charter, shall strive to resolve issues while working together with the entire Group and should also encourage behavior based on the principles of this Charter within the Group's supply chain. In the event that the Group violates the spirit of this Charter and loses the trust of society, directors and the Board of Directors shall proactively take responsibility to respond to the situation, including resolving the problem, investigating the causes, and preventing the problem from recurring.

Seiji Narahara
Representative Director, President and CEO, Co-COO
TOYOBOKU CO., LTD.
October 26, 2020

● Sustainable Vision 2030

Sustainable Vision 2030

In May 2022, Toyobo observed the 140th anniversary of its founding. We launched our Sustainable Vision 2030 and 2025 Medium-Term Management Plan.

Sustainable Vision 2030 anticipates changes in the business environment of the future and shows the ideal state we seek based on our corporate philosophy, as well as our sustainability indicators and action plans. We want to be a sustainable company that helps promote sustainability, while changing our corporate culture to one oriented toward sustainable growth.

Realizing Sustainable Growth

Toyobo has formulated Sustainable Vision 2030 in May 2022 to achieve sustainable growth while moving away from survival thinking that overemphasizes short-term results. Through innovation and the 3Ps (people, planet, and prosperity), we aim to usher in both a prosperous society and the enhancement of corporate value by making contributions to solving social issues.

From survival thinking

Deficits are bad, surpluses are good

to sustainable-growth orientation

- Contributing to social sustainability
- Becoming a sustainable (growing) company

In formulating the vision

We have formulated this vision with a strong determination to make sustainability the cornerstone of our management. The subtitle of our long-term vision is "Achieving Sustainable Growth". Going forward, we will make a major shift to a "sustainable growth orientation," moving away from the culture of "survival thinking" that was fostered during the long-term structural reform period, in other words, away from an emphasis on short-term results.

Our company's "Sustainable Growth" has two meanings. The first is that our company itself is sustainable and sustainable. The second is to improve the sustainability of society. "Sustainable Growth" expresses our desire to realize the former by contributing to the latter.

Our Vision for 2030

— Realization of a "prosperous" society where people can live with peace of mind and a spiral increase in corporate value —

From the perspective of sustainability, which is a global issue, we have clarified more specifically "in what areas and how we will contribute to sustainability."

The "ideal state" of our group in 2030 is a state of spiral improvement, in which we realize a "prosperous" society where people can live with peace of mind by solving the following five social issues, and as a result, our corporate value will also increase.

"Jun-Ri-Soku-Yu" : adhering to reason leads to prosperity

Ideals we seek to realize	Innovation		To be a group that continually creates materials and science that become solutions for people and the planet			
Social change and trends in 2030	Standardization in handling safety, human rights and social justice issues	Increased and diversified needs concerning access to medical care/health promotion	Demographic changes, humancentric innovation, accelerated urbanization	Decarbonization, resource circulation, limited natural resources		
Social issues to be solved through commitment	Goals for the future		People		Planet	
			1	Employee well-being and human rights in the supply chain		
			• People First: employee safety, company pride and rewarding work			
			• Respect for human rights across the entire supply chain			
			2	A healthy lifestyle and health care		
			• Contributing to the field of epidemiology			
• Contributing to improve quality of life						
3	Smart communities and comfortable spaces					
• Contributing to the realization of a humancentric digital society						
• Creating comfortable spaces						
4	A decarbonized and circular society					
• Contributing to carbon neutrality						
• Establishment of an ecosystem for circulating resources						
5	Quality water areas, air and soil, and the preservation of biodiversity					
• Improving the environment through solutions						
• Contributing to food loss reduction						
Where we'd like to be by 2030	Prosperity		Ushering in both a prosperous society where people can live with peace of mind, and the enhancement of corporate value			
	1) Contributing to solving social issues through our business 2) Sustainable growth: a solid foundation and trajectory for future growth 3) People First: safe and secure workplaces, rewarding work employees can be proud of, and the opportunity for personal development					
	■ Sustainability Indicators		■ Financial Indicators			
	Serious incidents	zero	Consolidated sales	600 billion yen		
	Employee engagement score	over 70%	Operating profit margin	over 8.3%		
	GHG emissions cut (over FY2014) Scope1 and 2	over 46% Carbon neutrality in FY2051	ROE	over 9%		
	Ratio of green materials in main business operations*	In reference to film business 60%	ROIC	over 7%		

Challenges toward the future — Solving five social issues —

With an eye on various environmental changes and issues, we forecast how the business environment will evolve in the next 10 years. Based on these forecasts, we have established "five social issues" that the group can contribute to solving, such as human rights throughout the supply chain, people's health, creating comfortable spaces, and realizing a decarbonized society. We will contribute to solving these issues through our own endeavors and by providing solutions.

"People: contributing to solutions for social issues in a humancentric way"

1. Employee well-being and human rights in the supply chain
2. A healthy lifestyle and health care
3. Smart communities and comfortable spaces

"Planet: contributing to solutions for social issues in consideration of the entire Earth"

1. A decarbonized and circular society
2. Quality water areas, air and soil, and the preservation of biodiversity

What society requires, what Toyobo
can contribute,
and targets for FY2030 (597KB)



Sustainability goals by social issue

Five Social Issues FY2031 target



Employee well-being and human rights in the supply chain

- **Zero** industrial accidents in workplaces
- **Certification as a “Top 500 Company”** for Outstanding Health and Productivity Management by FY2026
- Employee engagement score: **over 70%**
- Respect for human rights across the entire supply chain
- Expanding and improving educational and training systems for employees

- [Human Resource Management](#)
- [Health and Productivity Management](#)
- [Diversity, Equity, & Inclusion \(DE&I\)](#)
- [Supply Chain Management](#)



A healthy lifestyle and health care

- Number of tests conducted by the provision of infectious disease diagnostics: **10 million per year**
- Number of dialysis patients provided with dialysis membranes: **250,000**
- Share in the market of raw materials for biochemical and other tests: **30%**
- Number of patients provided with regenerative inducers: **100,000 per year**
- Proliferation and expanded sales of 3D network-structured fiber materials in the medical and nursing care fields



Smart communities and comfortable spaces

- Sales volume of product groups supporting DX: **1.5-fold** increase over FY2021
- Total sales of car cabin air filters: **1.2 million units**
- **Creation of a comfortable space** inside electric vehicles through sound and heat management



A decarbonized and circular society

A decarbonized society

- Cutting emissions in Scope 1 & 2 by **over 46%** in FY2031 vs FY2014
Net zero in FY2051 (Avoided emissions > Amount of GHG emissions throughout the entire value chain)

- **Entry into new solution fields**

Osmotic power generation, offshore cables and insulating resin for wind power generation, adhesive sheets for cells used in fuel cell vehicles, electrode materials for large storage batteries, hydrogen-related materials, etc

A circular society

- Achieve final disposal rate from business activities: **less than 1%**
- Ratio of green films: **60%**
- Join resource circulation ecosystem (R PLUS JAPAN)

- [Climate Change](#)
- [Plastic Resource Circulation](#)
- [Waste Reduction](#)
- [Chemical Substance Management and Reducing Environmental Impact](#)



Quality water areas,
air and
soil, and
preservation of
biodiversity

- Air volume treated by the volatile organic compound recovery unit: **7 billion Nm³ per year**
- Desalination of sea water by membrane: equivalent to the volume of tap water for **10 million people**
- Sales volume of highly functional films that contribute to reducing food loss: **fourfold** increase over FY2021

- [Water Resources](#)

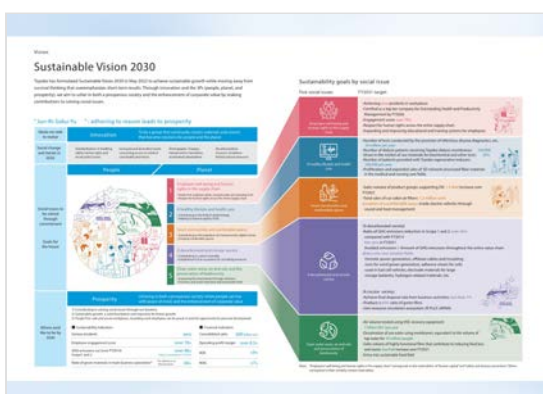
- [Biodiversity](#)

Note) "Employees' well-being and human rights in the supply chain" corresponds to the materialities of "human capital" and "safety and disaster prevention."

Others correspond to their similarly named materialities.

For achieving sustainable vision 2030 — the people at our worksites —

Being a company where each and every person works with a sense of pride and purpose is fundamentally essential to achieving sustainable growth. The people at our worksites are naturally the central players in the long-term vision. The long-term vision shows clearly the company what we want to be and the areas we want to contribute. Linking the work in front of us to company's future gives meaning to the work each of us is doing so we can all make the vision our own.



Sustainable Vision 2030 in the
Integrated Report (2.8MB)



Sustainable Vision 2030 press
release (2.1MB)



- [Medium-Term Management Plan](#)

● Sustainability Management

↓ [Policy and approach](#)

↓ [Participation in initiatives](#)

Policy and approach

Approach

Since being founded in 1882 as Japan's first large-scale spinning mill company in the private sector, Toyobo group has addressed a range of issues as a good member of society through the supply of clothing fibers. We have also expanded and grown with the times and contributed to solving social issues with a focus on the environment in our aim to realize better lives for people around the world.

In 2019, we redefined our corporate philosophy “*Jun-Ri-Soku-Yu* (adhering to reason leads to prosperity).” After many discussions based on it, we enhanced our corporate philosophy framework TOYOBO PVVs. Through this discussion process, we were convinced that the essence of Toyobo group's activities to date lies in making a contribution to ensuring the sustainability of people and the earth.

We announced our Sustainable Vision 2030 (long-term vision) in May 2022.

- [Sustainable Vision 2030](#)

Contributing to the realization of a sustainable society is the embodiment of Toyobo group's vision “We will continue to create the solutions needed by people and the earth with materials and science.” This expresses Toyobo group's approach to sustainability.

At the same time, it is important to continually enhancing corporate value. Toyobo group's contribution to realizing a sustainable society generates profits leading to enhancement of the group's corporate value. This enhancement of corporate value leads in turn to the next level of realization of a sustainable society through growth in the group's business. Maintaining this positive spiral is what Toyobo group regards as sustainability.

To meet the expectations of stakeholders, Toyobo group will further enhance its dissemination of information as well as taking active initiatives so that all employees feel personally involved in sustainability in order to promote companywide activities as a united force.

Policy

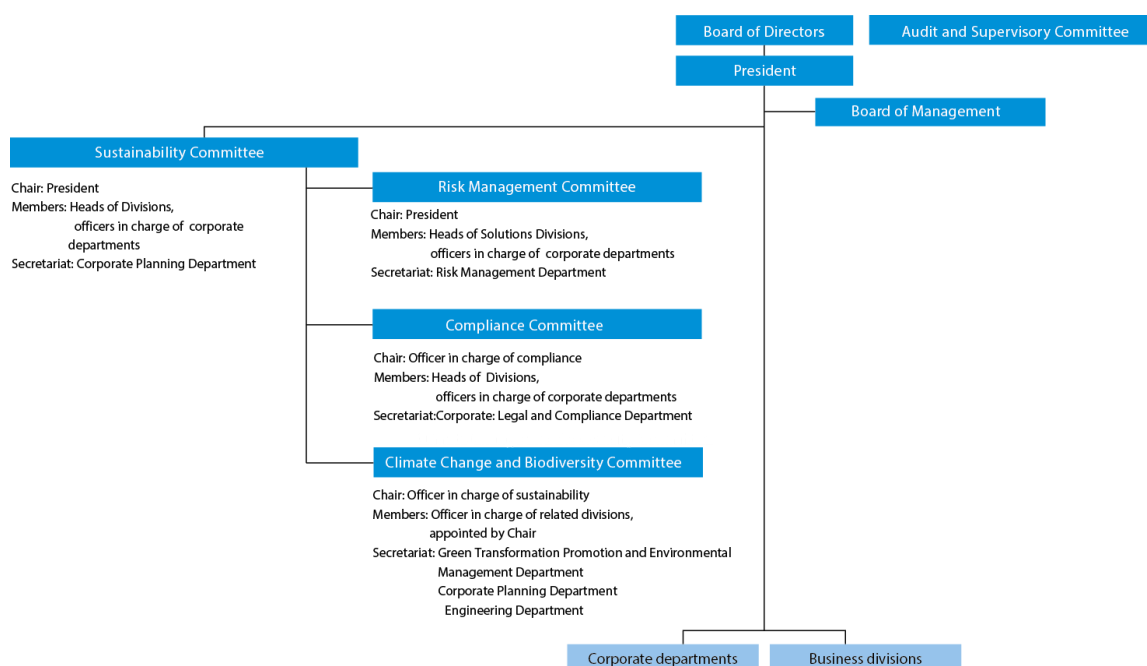
1. Management that takes the sustainability of society into consideration, and thus management that increases the sustainability of the Group
2. Sustainability that builds a solid management foundation: the axis of our management foundation (ESG)
3. Sustainability that strengthens our competitiveness and drives growth: the axis of our business (CSV)

Conceptual Framework-Sustainability, CSV and ESG



Sustainability management structure

Toyobo Group has established the Sustainability Committee, with the President serving as chairperson. Committee meetings were held six times in fiscal 2025 to review the progress of the Group's sustainability activities, with deliberations covering themes including: 1) materiality and progress on related indicators, 2) sustainability disclosure standards, 3) the value creation process, 4) integration of sustainability indicators into the executive compensation system, 5) business continuity management (BCM) development, 6) climate change response, 7) biodiversity conservation, and 8) external evaluations related to ESG. In addition, under this committee, we have established the Risk Management Committee, the Climate Change and Biodiversity Committee, and the Compliance Committee to facilitate cross-Company discussions.



Our sustainability activities

Since our group's founding by Eiichi Shibusawa, we have taken the philosophy of one of his mottoes, "*Jun-Ri-Soku-Yu* (Adhering to reason leads to prosperity)," as the basis for our concept that we grow our own business by enriching society. By putting this into practice, we have anticipated modern CSV.

Since fiscal 2021, we have been moving ahead with activities under a full-fledged sustainability management orientation. Our efforts have been particularly directed toward carbon neutrality, the circular economy, human rights, human capital, and biodiversity, and upon formulating these strategies, we have specified milestones.

Period	Initiatives and their purpose
Apr. 2024	Certified as a 2024 White 500 Enterprise for Outstanding Health & Productivity Management for the second consecutive year
Jun. 2024	Resource recycling project received the Excellence Award at the 51st Environmental Award
Jul. 2024	Continuously selected as a constituent stock in six ESG investment indices adopted by the Government Pension Investment Fund (GPIF)
Sep. 2024	Company-owned forest Toyobo Aya-no-Mori registered in the international database as an OECM (Other Effective Area-based Conservation Measures)

Period	Initiatives and their purpose
Nov. 2024	Awarded the highest rating, Gold, in the PRIDE Index 2024

- [Our sustainability activities\(80KB\)](#) 

Participation in initiatives

UN Global Compact (UNGC)

In January 2020, we became a signatory to the United Nations Global Compact (UNGC) and joined the Global Compact Network Japan (GCNJ), which comprises Japanese companies and organizations that are UNGC signatories. We have done so because we agree with the principle of solving global issues and achieving sustainable growth as a responsible corporate citizen. Moreover, we participate in subcommittees of the GCNJ. In fiscal 2025, we participated in the Business & Human Rights Accelerator (Japan Edition) through the Human Rights Subcommittee, gathering information on international human rights issues and other considerations that companies should be aware of, thereby deepening our understanding of human rights challenges.

Moving forward, we will strengthen our efforts in keeping with the Ten Principles of the UNGC as we contribute to the realization of a sustainable society.

WE SUPPORT



The Ten Principles of UNGC

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: the elimination of all forms of forced and compulsory labour;
	Principle 5: the effective abolition of child labour; and
	Principle 6: the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: undertake initiatives to promote greater environmental responsibility; and
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Task Force on Climate-related Financial Disclosures (TCFD)

Recognizing the scale of the impact of climate change on our group and stakeholders, we have identified a “decarbonized society and circular society” as one of our materialities. In January 2020, we announced our support for the



recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD), and have been working on initiatives and disclosures that follow them.

Based on the below 1.5°C scenario and the 4°C scenario, we identified climate change-specific risks and opportunities for the group. By identifying the financial impacts of these risks and opportunities, we aim to strengthen the resilience of our business strategy through the development of targeted countermeasures and the establishment of relevant indicators and goals. For details, please refer to the integrated report.

Disclosure based on TCFD recommendations in the Integrated Report 2025 (94KB)



[Climate Change](#)

WWF Japan

Since June 2022, TOYOBO CO., LTD. has been supporting the environmental conservation efforts of the World Wide Fund for Nature (WWF) by participating as a corporate member of WWF Japan.

WWF is a global environmental conservation organization active in over 100 countries, founded in Switzerland in 1961. Aiming for a future where people and nature can live in harmony, WWF promotes the realization of a sustainable society. In particular, it engages



in efforts to restore biodiversity and to build a decarbonized society in order to combat global warming.

For more information on the initiatives in which we are participating, please see below.


- [Climate Change](#)
- [Plastic Resource Circulation](#)
- [Biodiversity](#)
- [Respect for Human Rights](#)
- [Supply Chain Management](#)

Disclosure of financial information related to climate change (based on the TCFD recommendations)

Materiality indicators

 Climate Change
  ESG Performance Data (Environment)

Indicators and fiscal 2025 results for a decarbonized and circular society > p.16

In January 2020, Toyobo Group endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and has been advancing the disclosure of our initiatives in line with these recommendations. For details, please refer to the Annual Securities Report.  Annual Securities Reports

Governance

We have established the Sustainability Committee, chaired by the President and Chief Executive Officer, who has the highest seniority regarding issues related to climate change. The committee deliberates on setting high-level policies and targets for addressing these issues. The Board of Directors regularly receives reports from the committee, approves important items such as high-level policies and targets, and monitors the progress of related activities.

Strategy

In Sustainable Vision 2030, Toyobo Group has designated the achievement of a decarbonized and circular society as a key sustainability goal. Consistent with the TCFD recommendations, we have analyzed and organized future risks and business opportunities based on climate change scenarios aligned with the Paris Agreement. By identifying the financial impacts of these risks and opportunities, we aim to strengthen the resilience of our business strategy through the establishment of relevant goals and indicators and the implementation of targeted countermeasures.

Scenario analysis

Considering the range of possible scenarios arising from the severity of climate change impacts and progress in countermeasures, we referred to the following scenarios as typical examples. For the time horizon, “short term” is defined as approximately three years, “medium term” up to 2030, and “long term” up to 2050.

- Decarbonized society transition (1.5° C) scenario: NZE (IEA WEO 2024) and others
- Severe climate change (4° C) scenario: SSP5-8.5 (IPCC AR6) and others

Risk management

Based on the results of a Company-wide risk assessment, we manage natural disaster risks, including those exacerbated by climate change such as severe flooding and storm surges, as key risks for Toyobo Group.

Risks, opportunities, and mitigation measures by scenario

Social changes and their impact	Risks and opportunities		Measures taken by Toyobo Group			
	Category	Details				
Impacts of transitioning to a decarbonized society Changes in policies, regulations, technology, and markets on a broad scale, etc.	Transition risks	Short term	Introduction of carbon pricing	<ul style="list-style-type: none">● Promotion of GHG emission-reduction plans (including energy conservation, production efficiency enhancements, fuel conversion, and adoption of renewable energy)● Use of internal carbon pricing systems		
		Medium to long term	Increases in raw material and fuel prices (e.g., carbon price pass-through)	<ul style="list-style-type: none">● Shift to non-petroleum-based resources● Engagement and collaboration with suppliers (e.g., development of low-carbon raw materials)● Diversification of raw material procurement methods (expanding multiple sourcing and local procurement)		
			Increased costs associated with energy efficiency initiatives and introduction of high-efficiency equipment, etc.	<ul style="list-style-type: none">● Innovation and pursuit of ultra-high efficiency in production processes● Utilization of sustainable finance and transition finance● Enhancement of production efficiency across the value chain (e.g., integration and collaboration with affiliates, M&A)		
			Increased costs due to low-carbon/ decarbonization requirements in product manufacturing	<ul style="list-style-type: none">● Expansion of renewable energy adoption and procurement● Enhancement of production process efficiency and promotion of energy conservation● Cost pass-through to product prices		
			Increasing calls for reduction or substitution of petroleum-based resources	<ul style="list-style-type: none">● Acceleration of the shift to recycled and biomass-derived raw materials● Review of general-purpose material businesses reliant on petroleum-based resources		
	Transition opportunities		Increasing demand for low-carbon and decarbonized materials and products	<ul style="list-style-type: none">● Acceleration of the shift to recycled and biomass-derived raw materials● Innovation in production processes for biotechnology businesses using microorganisms such as yeast for bio-manufacturing● Addressing procurement challenges related to raw materials (recycled and biomass-derived) due to material scarcity● Promotion of product development and planning with low-carbon and decarbonized materials● Acceleration of the development of innovative low-carbon and decarbonized materials● Strengthening of production and quality management systems for low-carbon and decarbonized products		
			Expansion of demand for products contributing to greenhouse gas (GHG) emission reduction	<ul style="list-style-type: none">● Collaboration within the supply chain, including customers, from the perspective of contributing to emission reduction● Acceleration of product development and planning* that contributes to emission reduction through replacement of conventional technologies <p>* Examples include energy-efficient seawater desalination membranes, VOC recovery equipment that enables reuse by avoiding solvent combustion treatment, water-developed flexo plates that contribute to reducing GHG emissions from wastewater treatment, materials for fuel cells, and coating replacement films that substitute for high-GHG-emission coating processes.</p>		
			Growth in renewable energy and battery storage markets	<ul style="list-style-type: none">● Strengthening of product development and planning for renewable energy and storage battery-related businesses*● Enhancement of capabilities in anticipating mega-trends, expanding overseas, and providing solutions through the establishment of the joint venture TOYOBO MC Corporation by Toyobo and Mitsubishi Corporation <p>* Examples include osmotic power generation membranes, super fibers and films for floating offshore wind power, VOC recovery equipment for lithium-ion secondary battery factories, membranes and systems for concentrating valuable substances such as lithium, materials related to hydrogen generation systems, materials related to hydrogen carriers, and donor materials for organic photovoltaic (OPV) cells.</p>		
			Physical risks	Present to medium term	Decline in productivity due to extreme heat	<ul style="list-style-type: none">● Clarification of basic policy on heatstroke prevention● Work environment and proper management of operations (such as installing additional sunshades, air conditioning, and ventilation systems, and shortening continuous working hours in hot and humid workplaces)● Expansion of factory automation● Heatstroke management for on-site workers using IoT devices and other technologies
					Disruption of raw material supply due to natural disasters	<ul style="list-style-type: none">● Review of inventory levels and expansion of bulk purchases● Diversification of logistics routes● Exploration of alternative raw materials less affected by climate change
Instability in raw material procurement						
Damage to equipment and operational shutdowns caused by flooding and storm surges	<ul style="list-style-type: none">● Clarification of the basic policy on flood countermeasures● Enhancement of durability for production and power facilities, relocation, and raising of equipment● Diversification and relocation of production bases● BCP training					
Impacts of climate change progression Direct damage to assets, indirect effects from supply chain disruptions, and changes in technology and markets, etc.	Physical opportunities	Medium term	Increased demand for civil engineering projects	<ul style="list-style-type: none">● Expansion of products used in disaster mitigation and restoration work* <p>* Examples include sand-proofing sheets, concrete delamination prevention sheets, and soft roadbed improvement materials.</p>		
			Increased need for desalination due to water shortages and droughts Rising demand for zero liquid discharge (ZLD) solutions due to freshwater scarcity	<ul style="list-style-type: none">● Expansion of sales for seawater desalination membranes such as RO/FO membranes*¹● Development of energy-efficient and durable RO/FO membranes, etc.● System development for high-efficiency concentration membranes (BC membranes)*²● Strengthening of production and quality control systems for RO/FO/BC membranes, etc.● Enhancement of sales capabilities through TOYOBO MC Corporation leveraging Mitsubishi Corporation's overseas network <p>*¹ RO/FO: Reverse Osmosis/Forward Osmosis *² BC: Brine Concentration</p>		
		Long term	Increased demand for infection control measures (prevention and treatment) due to rising temperatures	<ul style="list-style-type: none">● Expansion of sales of food packaging-related products in response to increasing demand for food hygiene● Promotion of research and development for infectious disease-related products and technologies		

Green strategy

Disclosure of financial information related to climate change (based on the TCFD recommendations)

 Climate Change
  ESG Performance Data (Environment)

Materiality indicators Indicators and fiscal 2025 results for a decarbonized and circular society > p.16

Indicators and goals

Toyobo Group has set goals for climate change and is advancing various initiatives to achieve them.

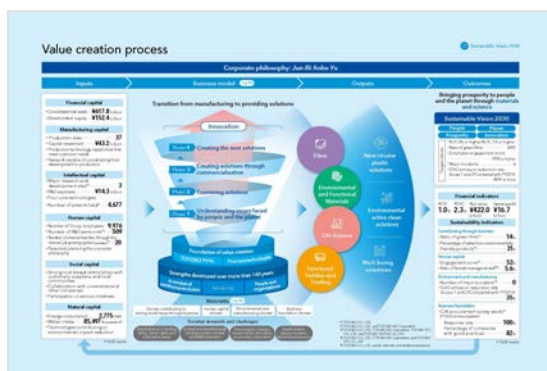
Key risks and opportunities	Financial impact		
	Summary	Impact amount	Mitigation costs
Key risk 1 Risk of damage to buildings and equipment due to water-related disasters (e.g., floods, storm surges)	Our main facilities (Tsuruga, Iwakuni, and Inuyama) are exposed to water-related risks, which are expected to increase due to climate change. An estimate has been made of the potential loss of assets at these facilities due to water damage.	Time frame: 2030s Estimated asset loss: Up to approx. ¥65 billion* * Estimated based on the book value of the facility and the damage ratio from water-related disasters (as published by the Ministry of Land, Infrastructure, Transport and Tourism)	FY2023–2026 cumulative total: A portion of the ¥17 billion investment in safety, disaster prevention, and environmental measures is applicable.
Key risk 2 Introduction of carbon pricing	Assuming a carbon price of ¥15,000 per ton of CO ₂ for fiscal 2031, we compare the carbon tax burden under two scenarios: one without additional GHG emission-reduction measures (BAU* scenario) and one with implemented measures (transition scenario). * BAU: Business As Usual	Time frame: FY2031 Cost reduction: approx. ¥10 billion* * Difference in the carbon tax burden between the BAU scenario and the transition scenario • BAU scenario: ¥20 billion (carbon price for approximately 1.3 million tons of CO ₂ emissions) • Transition scenario: ¥10 billion (carbon price for approximately 655,000 tons of CO ₂ emissions)	
Key risk 3 Increasing calls for reduction or substitution of petroleum-based resources Key opportunity 1 Growing demand for low-carbon and decarbonized materials and products	In anticipation of increasing societal demands, including from customers, for the reduction and substitution of petroleum-based resources as part of future decarbonization efforts, we estimate the revenue from low-carbon and decarbonized materials and products in the film business for fiscal 2031.	Time frame: FY2031 Films segment revenue from opportunities: approx. ¥130 billion* * Estimated as 60% of the target revenue for FY2031 (¥220 billion) from low-carbon and decarbonized materials and products	
Key opportunity 2 Rising demand for advanced water treatment due to the scarcity of water resources	Given advancing climate change and societal shifts toward decarbonization, we anticipate increased demand for products and services* that contribute to GHG reduction for customers and water treatment membranes. We estimate revenue for fiscal 2031 in the Environmental and Functional Materials segment, which encompasses many of these materials and products.	Time frame: FY2031 Revenue for the Environmental and Functional Materials segment: approx. ¥250 billion* * Includes not only water treatment membranes and VOC recovery equipment but also mooring lines for floating offshore wind power, engineering plastics for EVs, storage battery-related materials, hydrogen carrier-related materials, and donor materials for organic photovoltaic (OPV) cells.	Part of the ¥3.8 billion R&D expenditure for the Environmental and Functional Materials segment in fiscal 2025
Key opportunity 3 Expansion of demand for products contributing to greenhouse gas (GHG) emission reduction	* Examples include energy-efficient seawater desalination membranes, VOC recovery equipment that enables reuse by avoiding solvent combustion treatment, and water-processed flexo plates that contribute to reducing GHG emissions from wastewater treatment.		

Category	Indicator		Target	Main initiatives	Fiscal 2025 performance
GHG	GHG emissions	Scope 1, 2	FY2031: 27% reduction (SBT) (base year: FY2021) Note: Equivalent to a 46% reduction compared with FY2014	<ul style="list-style-type: none"> Improved energy conservation, enhanced production efficiency, fuel conversion, and adoption of renewable energy, among others 	13% reduction compared with FY2021 (784 thousand t-CO ₂)
			FY2051: Net zero	<ul style="list-style-type: none"> Adoption of carbon-free fuels, renewable energy procurement, and production process innovation, among others 	Electricity generated from renewable energy in fiscal 2025 was 1,487 MWh
		Scope 3 (Category 1 and 11)	FY2031: 12.5% reduction (SBT) (Base year: FY2021)	<ul style="list-style-type: none"> Category 1*: Acceleration in the shift to recycled and biomass-derived raw materials * Emissions from activities related to purchased raw materials and services such as manufacturing Category 11*: Energy conservation with VOC recovery equipment, among others * Emissions from the use of products sold 	44% increase (3.34 million t-CO ₂)
Environmental investment			<ul style="list-style-type: none"> Plan: ¥17 billion cumulative for FY2023–2026 (total investment in safety, disaster prevention, and environmental measures) Initiatives: Low carbonization of in-house power generation facilities, introduction of renewable energy equipment, and water damage countermeasures for production and power equipment (such as relocation and raising of facilities) Fiscal 2025 performance: Full-scale operation of the LNG-fired power plant at the Iwakuni Production Center (coal phase-out), additional solar power installations at the Inuyama Plant, and new solar power installations at overseas subsidiaries 		
Internal carbon pricing			<ul style="list-style-type: none"> The internal carbon pricing system was introduced in fiscal 2023 and is still in operation: ¥10,000 per ton of CO₂ emissions Expansion of decision-making on capital investment and investment in development facilities, considering variations in CO₂ emissions 		
Compensation			It was decided to add GHG emission reduction as a climate-related indicator to the sustainability metrics reflected in executive compensation incentives. This applies to compensation paid from July 2025 onward, based on fiscal 2025 results.		
Climate-related opportunities	Greening ratio of films (Set as a measure to also address transition risks)		FY2031: 60%	<ul style="list-style-type: none"> Promotion of material and chemical recycling, development and increased adoption of biomass raw materials, and reduction of film thickness volume, among others 	14%
	Seawater desalination with membranes		FY2031: Equivalent to tap water volume for 10 million people	<ul style="list-style-type: none"> Expansion of sales of membranes for seawater desalination such as RO/FO membranes Development of energy-efficient and high-durability RO/FO membranes, among others Strengthening of production and quality control systems for RO/FO membranes, among others Start of sales of RO membranes in India 	Tap water volume for 5.2 million people
	Air volume treated by VOC recovery equipment for lithium-ion battery separator factories* * Air volume treated by devices that have been sold and are currently in operation		FY2031: 7 billion Nm ³ per year	<ul style="list-style-type: none"> Strengthening of sales activities focused on GHG reduction contributions from customers (replacement of combustion-based methods) Enhancement of the sales structure through TOYOBOMC Corporation Expansion of sales beyond the storage battery sector, targeting processing industries such as printing, films, and seals 	5.4 billion Nm ³ per year

● Our Value Creation Process

Our value creation process arises from TOYOBOS corporate philosophy framework and demonstrates how we use various types of capital to create value and increase value for all stakeholders. Through this process, Toyobo group aims to accumulate and convert capital to continue creating the solutions needed by people and the earth.

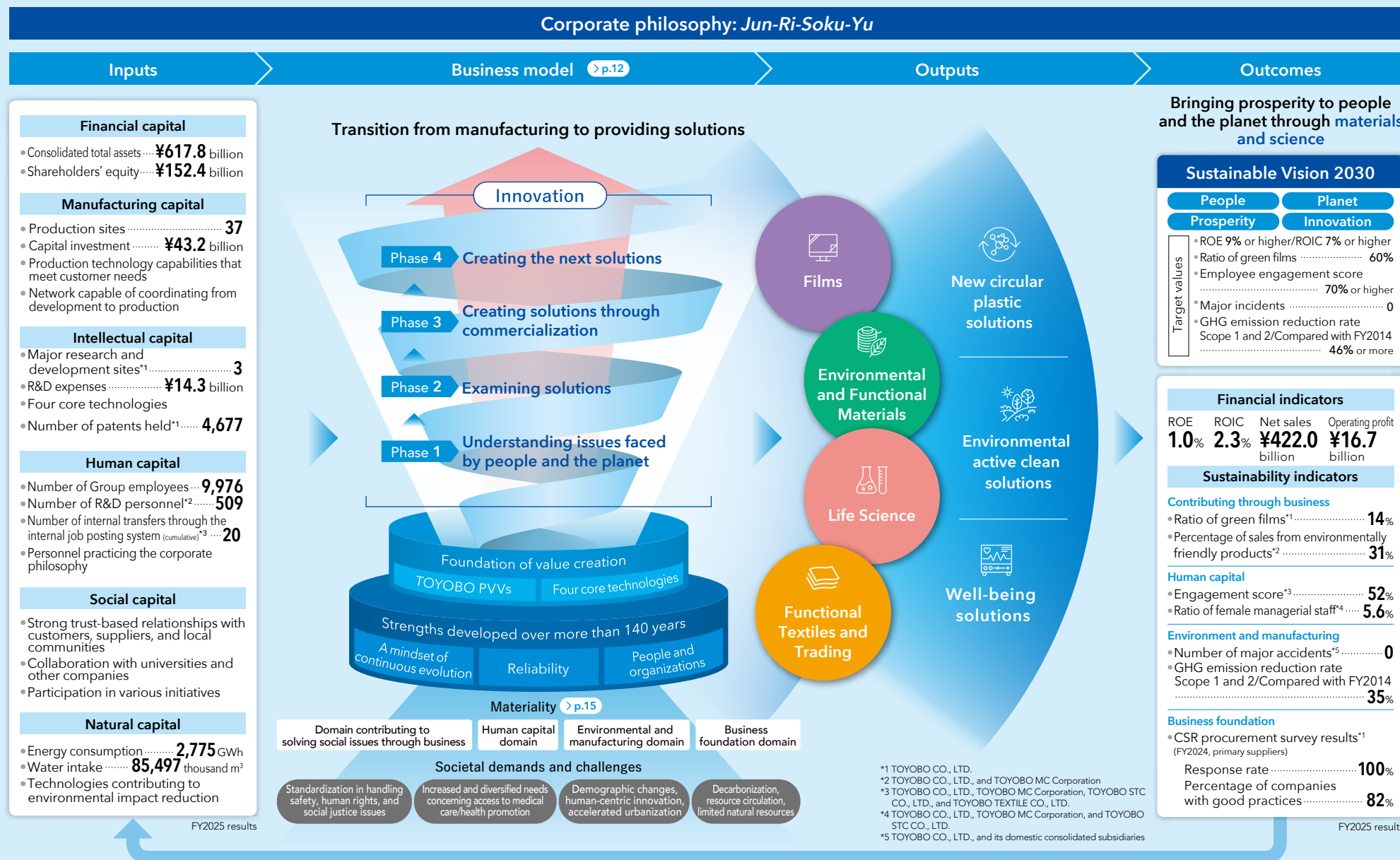
● [Materiality](#)



Value Creation Process in the
Integrate Report 2025 (2.1MB)



Value creation process



● Materiality

Toyobo Group's materiality

Our Group's material issues are set on the basis of Sustainable Vision 2030, which we announced in May 2022.

Working from the two axes of influence on stakeholders and influence on our Group, we clarified high-priority targets and organized them into four areas: "contributing to the solving of social issues through business," "human capital," "environment and manufacturing," and "business bases."

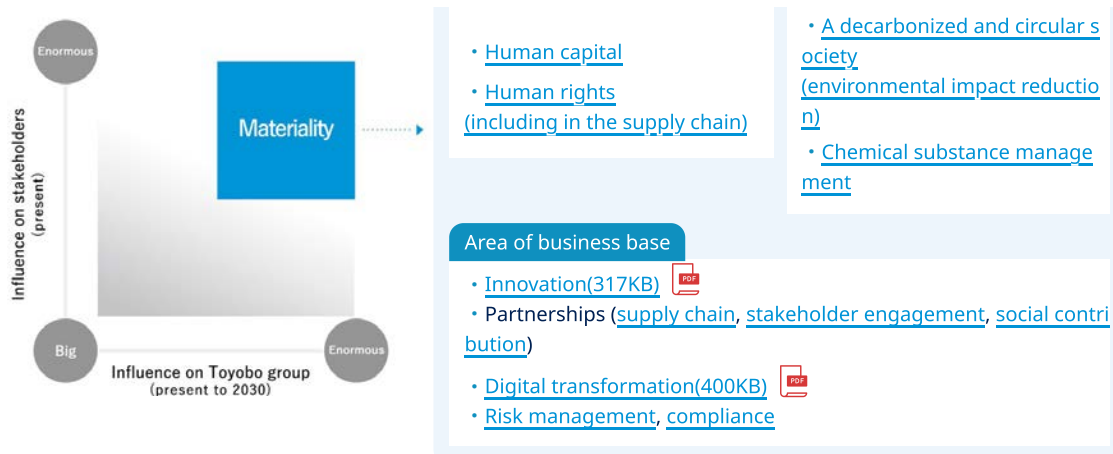
Given the Group's situation from fiscal 2023 to fiscal 2024, we decided to separate the quality from compliance and add chemical substance management.

Process of identifying material issues

With reference to external initiatives and 12 international guidelines, including the GRI Standards, we selected candidate items. The positive and negative impact of these social issues were clarified through internal questionnaires and interviews, and, taking into account the views of external parties such as institutional investors, we finally determined our material issues with approval by the Board of Directors.

Materiality map





Materiality in the Integrate Report 2025 (153KB)



Materiality indicators

To steadily ensure the progress of our materiality initiatives, we have assigned a responsible executive to each materiality topic and established relevant indicators. Progress on these indicators is reported and shared at every meeting of the Sustainability Committee. In accordance with the status of progress, we continuously enhance our efforts by reviewing the indicators as needed.

Risks, opportunities, and materiality in achieving the vision(As of April 1, 2025)(83KB)



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).

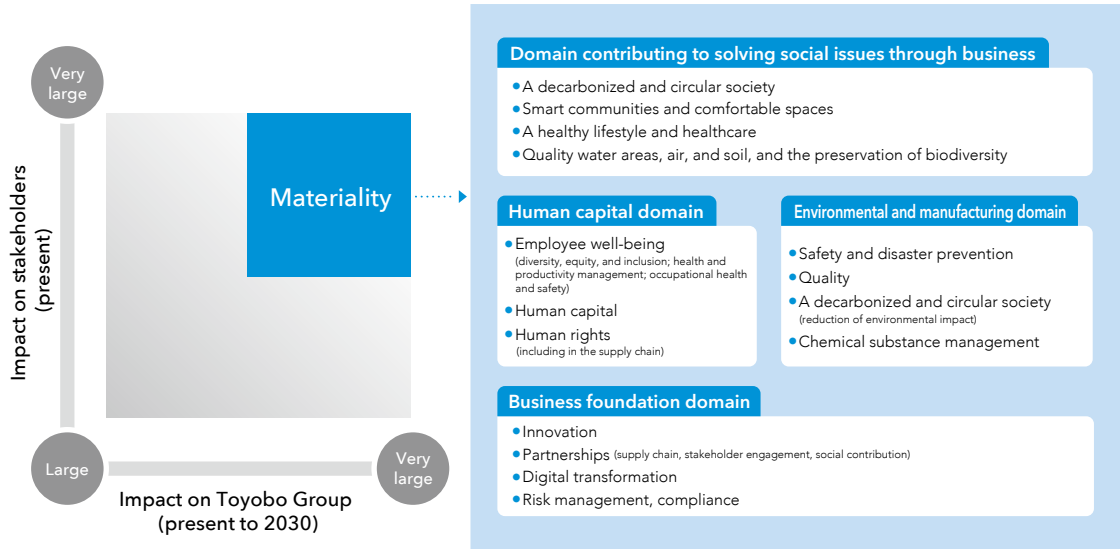
Process of identifying material issues

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.

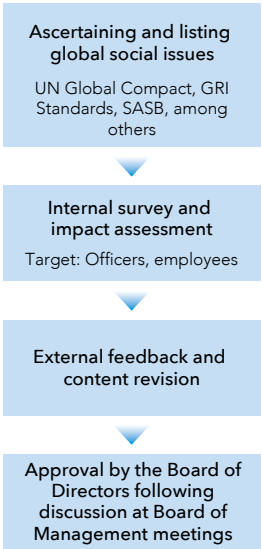
Management of materiality indicators (PDCA)

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.

Risks, opportunities, and materiality in achieving the vision

Materiality indicators

April 1, 2025

Category	Major items	Risks	Opportunities	Indicators			
				Themes	FY2026 indicators	FY2025 results	Officer in charge
Domain contributing to solving social issues through business	A decarbonized and circular society	Short, medium, and long term • Greenhouse gas (GHG) reduction efforts • Increase in environmental impact costs • Losses due to environmental pollution	Short, medium, and long term Growth and expansion of products and businesses contributing to the following: • A decarbonized society • A resource-circulating society • People's well-being • Comfortable living	1. Expansion of ECO-PARTNER SYSTEM® products and services that contribute to the environment 2. Greening of the film business	1. Sales ratio of 40%*1 2. 60%*1	1. 31% 2. 14%	1. Taichi Sakai 2. Masanao Kudo
	A healthy lifestyle and healthcare			1. Number of tests through the provision of infectious disease diagnostic reagents 2. Number of dialysis patients provided with dialysis membranes	1. 10 million times per year*1 2. 250,000 patients*1	1. 1.29 million times per year 2. 198,000 patients	Takahito Sagara
	Smart communities and comfortable spaces			1. Expansion of sales volume for products supporting DX	1. 1.5 times FY2021*1	1. 1.38 times	Masanao Kudo
Human capital domain	Employee well-being (diversity, equity, and inclusion, health and productivity management, occupational health and safety)	Short and medium term • Human rights violations in the supply chain • Absences due to mental health issues and reduced productivity due to lower job satisfaction • Losses and business impact from occupational accidents	Medium and long term • Work-style reforms emphasizing diversity • Talent development and creating a supportive workplace • Retaining top talent through health and productivity management	1. Training investment per employee and training time 2. Ratio of female managerial staff 3. Ratio of male employees taking childcare leave 4. Employment ratio of people with disabilities 5. Ratio of overworked employees 6. Ratio of annual paid leave taken per year 7. Certification as a "2025 Health & Productivity Management Outstanding Organization" (Large Enterprise Category) 8. Employee engagement score 9. Positive response rate of employee engagement score ① Items related to daily work execution ② Items related to respect for diverse opinions and perspectives 10. Number of key overseas personnel attending training in Japan	1. ¥50,000 per year, 21 hours 2. 5.0% or more 3. At least 80% of eligible employees (Average number of days taken: 14 days or more) 4. 2.5% (2.7%*) 5. Year-on-year improvement 6. 75% or more 7. Acquire or maintain 8. At least 70%*1 9. Improvement in score (year on year) 10. 15 people per year	1. ¥44,000 per year, 14.35 hours 2. 5.6% 3. 86.3% (Average number of days taken: 28.2 days) 4. 2.24% 5. 0.26% 6. 79% 7. Maintained 8. 52% 9. ① 42% ② 53% 10. 20 people per year	Takehiko Inada 10. Norio Iizuka
	Human capital						
	Human rights (Toyobo Group)			1. Implementation of human rights education and training	1. Holding human rights study sessions and training for Group employees 10 times or more per year	1. 2 sessions for managerial staff, 15 sessions for others Number of participants: 792 per year	Norio Iizuka
Environmental and manufacturing domain	Safety and disaster prevention	Short and medium term • Recurrence of similar disasters or troubles • Loss of social credibility due to accidents or scandals	Short, medium, and long term • Cultivating a safety culture • Accumulating know-how in preventive maintenance	1. Number of major accidents* 2. Frequency rate of workplace accidents resulting in lost workdays 3. Number of fires or explosions 4. Number of environmental and spill accidents * Set internal standards based on definitions stipulated by the Ministry of Health, Labour and Welfare Note: Items 1-4 are aggregated from January to December.	1. 0 incidents per year 2. 0.25 or less 3. 0 incidents per year 4. 0 incidents per year	1. 0 incidents per year 2. 0.40 3. 0 incidents per year 4. 1 incident per year	Taichi Sakai
	Quality	Short, medium, and long term • Loss of social credibility due to inaccurate data handling or inappropriate product shipments	Short, medium, and long term • Improving customer satisfaction and social credibility	1. Number 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 incidents per year 2. 100%	1. 0 incidents per year 2. 100%	Masakazu Iwasaki
	Chemical substances management	Short, medium, and long term • Loss of business opportunities due to non-compliance with chemical substance regulations	Short, medium, and long term • Strengthening business profitability through compliance with laws and regulations • Improving customer satisfaction and social credibility	1. Major disasters (Level IV) 2. Number of environmental and spill accidents (Level III) 3. Environmental law violations (Level III): Pollution control laws, Poisonous and Deleterious Substances Control Act, Act on Waste Management and Public Cleansing Note: Items 1-3 are aggregated from January to December.	1. 0 incidents per year 2. 0 incidents per year 3. 0 incidents per year	1. 0 incidents per year 2. 1 incident per year 3. 0 incidents per year	Taichi Sakai
	A decarbonized and circular society (reducing environmental impact)	Short, medium, and long term • Increased risk of extreme weather and natural disasters due to climate change • Environmental impact from waste and emissions • Water resource shortages or depletion	Short, medium, and long term • Expanding demand for products contributing to climate change mitigation (resource conservation, energy saving, low carbon) • Reducing energy costs through improved production efficiency • Lowering environmental conservation costs	1. GHG emissions Scope 1 and 2 (consolidated) 2. VOC emissions (domestic total) 3. Discharge of hazardous substances into water bodies (domestic total) 4. Amount of waste emissions (consolidated) 5. Final disposal (landfill disposal) rate (domestic total)	1. At least 46% reduction compared with FY2014*1 2. 60% reduction compared with FY2015*1 3. 80% reduction compared with FY2024*1 4. 15% reduction compared with FY2016*1 5. Less than 1% per year	1. 35.4% reduction (784 thousand t-CO ₂) 2. 86% reduction 3. 41% reduction 4. 3% reduction 5. 0.40%	Taichi Sakai

Some indicators do not cover all Group companies.

*1 FY2031 indicators *2 FY2027 indicators

Risks, opportunities, and materiality in achieving the vision

Materiality indicators

April 1, 2025

Category	Major items	Risks	Opportunities	Indicators			
				Themes	FY2026 indicators	FY2025 results	Officer in charge
Business foundation domain	Governance	Medium and long term <ul style="list-style-type: none"> Compliance with laws and regulations, and responding to system changes Social demands for strengthening corporate governance 	Medium and long term <ul style="list-style-type: none"> Practicing sustainability management aimed at enhancing corporate value 	1. Number of meetings of the Board of Directors/ Nomination and Compensation Advisory Committee 2. Attendance rate of officers at meetings in 1. above 3. Content disclosure on effectiveness evaluation of the Board of Directors	1. Disclosure of results 2. Disclosure of results 3. Disclosure of contents of effectiveness evaluation	1. 25 times (17 times / 8 times) 2. Attendance by directors at meetings ^(a) 3. Evaluation of the effectiveness of the Board of Directors ^(a)	Takehiko Inada
	Innovation	Medium and long term <ul style="list-style-type: none"> Delays in creating new products and new businesses due to decreased competitiveness in R&D Decline in product demand due to changes in customer needs 	Medium and long term <ul style="list-style-type: none"> Creating new markets by developing new products and businesses that address social issues Early response to changes in customer needs and strengthened regulations 	1. Promotion of development in the three key themes 2. Number of new inventors 3. Number of intellectual property education sessions for Toyobo and Group companies	1. At least 75% 2. At least 30 people 3. 20 times per year	1. 92% (11 out of 12 organizational tasks achieved) 2. 54 people 3. 24 times per year	Katsuya Ito
	Partnerships (supply chain)	Short, medium, and long term <ul style="list-style-type: none"> Negative impact on business activities due to illegal actions or compliance violations by suppliers 	Short, medium, and long term <ul style="list-style-type: none"> Securing social sustainability and long-term competitive advantage 	1. Ratio of CSR procurement surveys returned (conducted every other year) 2. Ratio of reduction in CO ₂ emissions (intensity) related to logistics (sales)	1. 90% or more 2. Reduction of 0.5% year on year	1. Not conducted 2. Increase of 3.4% year on year	Taichi Sakai
	Partnerships (stakeholder engagement)	Short, medium, and long term <ul style="list-style-type: none"> Failure to fulfill accountability leading to unestablished trust with stakeholders Reputational risk 	Short, medium, and long term <ul style="list-style-type: none"> Building strong trust relationships with diverse stakeholders 	1. Number of press releases 2. Number of dialogue sessions with investors 3. Frequency of engagement with stakeholders 4. Number of meetings with employees and labor unions	1. At least 75 per year 2. At least 150 per year 3. At least 3 times per year 4. 60 times per year	1. 81 cases 2. 130 cases 3. 3 times 4. 62 times	Norio Iizuka 4. Takehiko Inada
	Data security, privacy	Short, medium, and long term <ul style="list-style-type: none"> Information leaks, system failures, or stoppages due to cyberattacks Loss of customer trust, deterioration of relationships with business partners, and decreased competitiveness 	Short, medium, and long term <ul style="list-style-type: none"> Gaining customer trust, maintaining good relationships with business partners, and improving competitiveness 	1. Promotion of information security measures <ul style="list-style-type: none"> Renewal of network security infrastructure Renewal of computer security infrastructure 2. Number of information security training sessions 3. Number of incidents (e.g., information leaks, service outages)	1. 100% completion of renewal 2. 15 sessions per year 3. 0 incidents per year	1. Renewal completion 55% <ul style="list-style-type: none"> Network measures 16% Computer measures 93% 2. 13 times per year 3. 0 incidents per year	Norio Iizuka
	Compliance	Short, medium, and long term <ul style="list-style-type: none"> Business activity stagnation, loss of social credibility, and damage to corporate value 	Short, medium, and long term <ul style="list-style-type: none"> Establishing a stable management foundation Strengthening risk management systems Fostering a culture of compliance awareness 	1. Improvement of compliance awareness <ul style="list-style-type: none"> (1) Sufficient dissemination of top management messages (2) Actions mindful of compliance (3) Enhancement of compliance study sessions and various training programs 2. Awareness and use of the compliance consultation desk <ul style="list-style-type: none"> (1) Awareness of the compliance consultation desk (2) Existence of a desk where employees can consult or report with confidence and trust (3) Disclosure of the number of cases handled by the compliance consultation desk 3. Number of serious violations of laws and regulations	1. (1) Positive survey responses: 80% or higher (2) Positive survey responses: 80% or higher (3) 100% attendance by mandatory participants; at least 12 awareness materials issued per year 2. (1) Positive survey responses: 95% or higher (2) Positive survey responses: 70% or higher (3) Disclosure of actual results 3. Disclosure of actual results	1. (1) Perception of the Company as compliance-focused: 83% ("Strongly agree" or "Somewhat agree") (2) Awareness of case study reports: 79% ("Read every time," "Read occasionally," or "Read topics of interest") (3) Enhancement of compliance study sessions and various training: <ul style="list-style-type: none"> Compliance study sessions—100% attendance by required participants In-house education and training—30 sessions per year 2. (1) 91% (2) Self-policing mechanism (consultation when a violation is recognized)—83%* (3) 116 cases handled 3. 0 cases * Percentage of employees who consult their supervisor (including their supervisor's superior), a specialized department, the labor union, or a consultation desk when they become aware of or are instructed regarding legal or compliance violations.	Takehiko Inada
	Compliance (R&D, intellectual property)			1. Achievement rate of education and anti-fraud activities related to R&D 2. Implementation of audits related to compliance with intellectual property regulations	1. 100% 2. 100%	1. 100% 2. 100%	Katsuya Ito

Some indicators do not cover all Group companies.

● Contribution through Our Business

↓ [Overview by Solution Business](#)

↓ [Features in the past](#)



Contributing to Solving Social Issues through Business Operations →

Through our business, we will contribute to solving the following four social areas.

- A healthy lifestyle and health care
- Smart communities and comfortable spaces
- A decarbonized and circular society
- Clean water areas, air and soil, and the preservation of biodiversity



Major Business Growth Strategies →

We launched the 2025 Medium-Term Management Plan in April 2022.

We designate three businesses of film, life science, and environment and functional materials as businesses focusing on expansion.

Features in the past

FY2023



Polymerization
of 100% bio-
based PET resin
in the
Integrated
Report 2022
(193KB)



FY2021



The Future our
R&D is Creating
(542KB)



The
development of
ImmunoArrow®
SARS-CoV-2 (354KB)



Integrating
materials
informatics (269KB)



FY2020



TOYOBO's Way
of
Manufacturing (1.1MB)





● Contributing to Solving Social Issues through Business Operations

↓ [Contributing through business operations](#)

↓ [CSV examples](#)

Contributing through business operations

Through our business activities, we contribute to solving the following four social issues. The main goals for FY2031 are as follows.

Four social issues		The main goals for FY2031
People Contributing to solutions for social issues in a human-centric way	 A healthy lifestyle and health care <ul style="list-style-type: none"> • Contributing to the field of epidemiology • Contributing to improve quality of life (QOL) 	<ul style="list-style-type: none"> • Number of tests conducted by the provision of infectious disease diagnostics: 10 million per year • Number of dialysis patients provided with dialysis membranes: 250,000 • Share in the market of raw materials for biochemical and other tests: 30% • Number of patients provided with regenerative inducers: 100,000 per year • Proliferation and expanded sales of 3D network-structured fiber materials in the medical and nursing care fields
	 Smart communities and comfortable spaces <ul style="list-style-type: none"> • Contributing to the realization of a humancentric digital society • Creating comfortable spaces 	<ul style="list-style-type: none"> • Sales volume of product groups supporting DX: 1.5-fold increase over FY2021 • Total sales of car cabin air filters: 1.2 million units • Creation of a comfortable space inside electric vehicles through sound and heat management


Four social issues	The main goals for FY2031
<p>Planet Contributing to solutions for social issues in consideration of the entire Earth</p>	<p>A decarbonized society</p> <ul style="list-style-type: none"> • Cutting emissions in Scope 1 & 2 by over 46% in FY2031 vs FY2014 Net zero in FY2051 (Avoided emissions > Amount of GHG emissions throughout the entire value chain) <ul style="list-style-type: none"> • Entry into new solution fields Osmotic power generation, offshore cables and insulating resin for wind power generation, adhesive sheets for cells used in fuel cell vehicles, electrode materials for large storage batteries, hydrogen-related materials, etc <p>A circular society</p> <ul style="list-style-type: none"> • Achieve final disposal rate from business activities: less than 1% • Ratio of green films: 60% • Join resource circulation ecosystem (R PLUS JAPAN)
	<p>Quality water areas, air and soil, and preservation of biodiversity</p> <ul style="list-style-type: none"> • Improving the environment through solutions • Food loss reduction <ul style="list-style-type: none"> • Air volume treated by the volatile organic compound recovery unit: 7 billion Nm³ per year • Desalination of sea water by membrane: equivalent to the volume of tap water for 10 million people • Sales volume of highly functional films that contribute to reducing food loss: fourfold increase over FY2021

CSV examples




A healthy lifestyle and health care

Life Science

- [Contributing to measures against unknown infectious and other diseases that threaten humanity](#)
[GENECUBE® fully automated gene analysis system for PCR testing, and specialized reagents \(248KB\)](#) 

Product site (Biotechnology operating) 

- [Contributing to both patients and the earth through high permeability](#)
[Cellulose-derived artificial kidney hollow fiber membrane unique to Toyobo \(248KB\)](#) 



Smart communities and comfortable spaces


Environmental and Functional Materials

- [Contributing to enhanced performance and safety in lithium-ion batteries](#)
[HARDLEN® sustainable adhesive \(244KB\)](#) 

Product site (HARDLEN®) 

- [Helping to bring on the 6G communication era](#)
[HARDLEN® leverages the strength of low dielectric properties \(242KB\)](#) 

Functional Textiles and Trading

- [Contributing to the protection of lives and the environment](#)
[Successful development of airbag fabric technologies \(215KB\)](#) 



A decarbonized society

Films

- [Contributing to reducing plastic volume](#)

[New development of the world's thinnest 20μm shrink film \(269KB\)](#) 



Product site (Packaging films) 

- [Contributing to the proliferation of next-generation energy and a carbon-neutral society](#)

[TEONEX® PEN film adopted for use in Toyota's fuel cell vehicles \(270KB\)](#) 

Product site (Industrial films) 

Environmental and Functional Materials

- [Provision and development of materials for next-generation mobility \(227KB\)](#) 
- [Separation technology for water and valuable substances: BC membrane \(207KB\)](#) 


Product site(HOLLOSEP® BC Membrane) 

Functional Textiles and Trading

- [Contributing to the advancement of the domestic recycling market through our technology](#)

[Taking on the upcycling of apparel \(216KB\)](#) 

TOYOBO TEXTILE CO., LTD. 



- [Contributing to the reduction of environmental impacts through high energy efficiency](#)
[Joint development of energy-saving air conditioner components and materials together with Panasonic \(240KB\)](#) 

Japan Exlan Co., Ltd. 




Quality water areas, air and soil, and preservation of biodiversity

Life Science

- [Expansion of biosurfactant MEL \(503KB\)](#) 
- [Progress of biosurfactant MEL \(227KB\)](#) 

Functional Textiles and Trading

- [Contributing to the prevention of damage to health and reduction of environmental impacts](#)
[Development of adhesive-free waterproof sheets \(239KB\)](#) 

TOYOBO STC CO., LTD. 

● Major Business Growth Strategies

↓ [Overview by business](#)

Overview by business

Please see the PDF for the overview by business(Films, Life Science, Environmental and Functional Materials, Functional Textiles and Trading).



Overview by
business (360KB)



Overview by
business: Films
(171KB)



Overview by
business: Life
Science (161KB)



Overview by
business:
Environmental
and Functional
Materials (179KB)




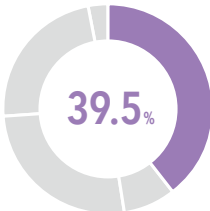


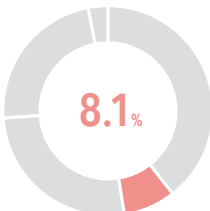


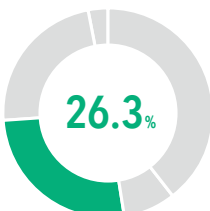


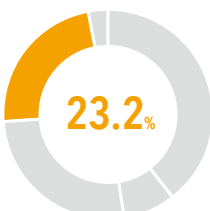



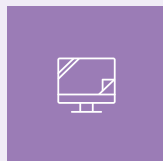
Overview by
business:
Functional
Textiles and
Trading (177KB)



- [Sustainable Vision 2030](#)
- [Medium-Term Management Plan](#)
- [CSV examples](#)

Overview by segment

		Net sales composition ratio (FY2025)	Net sales and operating profit (FY2025)	Main applications	Examples of products
 Films	<p>This business leverages its strength in handling diverse materials and its integrated development and production capabilities, from raw materials to film formation and post-processing (coating and vapor deposition). Backed by a broad product lineup, it possesses the technical capability to provide comprehensive total solutions.</p> <p>Under the 2025 Medium-Term Management Plan, as part of “create new value,” the business will focus on expanding green films to contribute to a decarbonized and circular society, and on launching new high-performance films in the electronics sector.</p>		<p>Net sales ¥166.8 bn</p> <p>Operating profit ¥6.9 bn</p>	<ul style="list-style-type: none"> Industrial films Packaging films 	
 Life Science	<p>This business, operating under a top-level production system in the medical, healthcare, and pharmaceutical fields, aims to bring smiles to everyday life and deliver unexpected value. To meet customer needs at different health stages, it focuses on two core technologies: biotechnology for producing high-performance proteins and membrane-forming technologies contributing to the medical field, continually strengthening these capabilities.</p> <p>Under the 2025 Medium-Term Management Plan, as part of “create new value,” the business will focus on expanding applications of separation membranes, bio-manufacturing, infection control solution businesses, and increasing market share primarily in emerging countries.</p>		<p>Net sales ¥34.3 bn</p> <p>Operating profit ¥2.0 bn</p>	<ul style="list-style-type: none"> Bio-related products Cosmetic ingredients Medical separation membranes and modules Medical equipment Pharmaceutical-related products 	
 Environmental and Functional Materials	<p>This business is operated through TOYOBO MC Corporation, a joint venture between TOYOBO CO., LTD., and Mitsubishi Corporation. By leveraging Mitsubishi Corporation’s domestic and international networks, the business aims to link its advanced technologies to market needs in rapidly evolving areas such as mobility, environment, and electronic materials, targeting significant growth.</p> <p>Under the 2025 Medium-Term Management Plan, as part of “create new value,” the business will pursue new development and overseas market expansion in line with the development road map for priority business areas.</p>		<p>Net sales ¥110.8 bn</p> <p>Operating profit ¥8.0 bn</p>	<ul style="list-style-type: none"> Adhesion and coating agents Engineering plastics Elastomers Seawater desalination membranes and modules Environmental solution equipment and filters High-performance fibers Lifestyle materials 	
 Functional Textiles and Trading	<p>This business consists of the airbag business, functional textiles business, textile business, and trading operations (TOYOBO STC CO, LTD.). The airbag business operates in Thailand, China, and the United States; the textile business in Southeast Asia and Central America; and the trading operations have bases in Thailand, China, and India, reflecting a global business presence.</p> <p>Under the 2025 Medium-Term Management Plan, the textile business improved profitability through business structure reforms, including consolidation of domestic production sites and withdrawal from unprofitable products, as well as product price revisions. The airbag business also improved profitability, supported by increased sales volumes from the recovery of automobile production and product price adjustments.</p>		<p>Net sales ¥98.1 bn</p> <p>Operating profit ¥0.5 bn</p>	<ul style="list-style-type: none"> Airbag fabrics and yarn Sports, inner wear, uniforms, and other apparel 	



Films

Masanao Kudo

Managing Executive Officer, Head, Films Division



Focusing on DX and environmental initiatives to accelerate the realization of a sustainable society

Review of the past year and business environment analysis

1 Industrial film

The market for key applications such as optical and electronic components continued to grow steadily, driven by larger liquid crystal displays (LCDs), expanding demand for AI servers, and the spread of electric vehicles (EVs) and autonomous driving technologies. Leveraging its integrated technological capabilities—from raw material design to film formation and coating—the business holds a high market share in films for LCDs and ceramic capacitors. To meet the expected further growth in DX-related demand, a new film production machine was commissioned at the Utsunomiya Plant.

2 Packaging film

Although demand temporarily declined due to lower consumer spending amid rising prices and the post-COVID-19 adjustment of distribution inventories, the market gradually recovered with the return of inbound demand. At the same time, volatile petrochemical raw material prices, driven by uncertain geopolitical risks, along with a weak yen and general price increases, raised utility, logistics, and labor costs, contributing to higher overall business expenses. Despite these challenges, the business advanced environmentally conscious initiatives, leveraging proprietary production technologies and patents to develop innovative products—such as recycled and biomass-derived plastics and high-rigidity films for plastic reduction—resulting in a 10% year-on-year increase in green film sales.

Initiatives to restore profitability and summary of the current Medium-Term Management Plan

In fiscal 2025, net sales reached ¥166.8 billion and operating profit was ¥6.9 billion. The operating profit forecast for fiscal 2026, the final year of the current Medium-Term Management Plan, has been revised to ¥8.0 billion^{*1} (previous forecast: ¥10.0 billion^{*2}). To achieve the target, the following initiatives will be implemented.

^{*1} Forecast as of May 2025 ^{*2} Forecast as of May 2024

The business division will focus on integrated operations, aiming to expand into new markets and applications by strengthening marketing capabilities and optimizing manufacturing facilities.

1 Industrial film

Against the backdrop of expanding optical markets, the COSMOSHINE SRF[®] polarizer protective films for LCDs have performed well, and further revenue growth is targeted. At the Tsuruga Films Plant, manufacturing equipment has been modified to establish an expanded production system aimed at increasing market share in the liquid crystal display sector. In addition, the full-scale operation of newly installed mold releasing film for MLCC at the Utsunomiya Plant has strengthened the production system to meet growing demand in the ceramic capacitor market.

2 Packaging film

To restore profitability, the business is working to pass rising costs on to sales prices, improve productivity, optimize procurement, and reduce fixed costs by shutting down aging facilities, while also pursuing the expansion of green film sales.

Focus areas for the next Medium-Term Management Plan

During the current plan period, we faced unprecedented and rapid changes in the business environment—including soaring raw material and fuel prices, supply chain disruptions, and a sharp depreciation of the yen, triggered by the COVID-19 pandemic and the invasion of Ukraine. In addition, delays in bringing the new packaging film production facilities, established in 2022, into full operation led to deviations from the initial plan. In the next Medium-Term Management Plan, we will address the following priority issues with the goal of building a business structure that is more resilient to environmental fluctuations.

1 Expansion of sustainable business

Focus on products that contribute to the realization of a sustainable society

- Expansion of green films, including recycled, biomass, and volume-reduction types
- Expansion of sales of DX-supporting products such as COSMOSHINE SRF[®] and mold releasing film for MLCC, leveraging growth investments

2 Profitability improvement through productivity enhancement

- Early launch of new film-forming machines for industrial film and productivity improvements at packaging film production facilities to strengthen profitability

3 Strengthening organizational capabilities through unified operations in the business division

- Human resource development through cross-functional exchange among the development, sales, and staff divisions
- Enhancement of sales and development capabilities, and promotion of business expansion into new markets and applications, by reinforcing the DX and marketing functions
- Profitability improvement through resource optimization within the business and cost reductions in raw materials and logistics

Initiatives for securing growth investments

Strengthening the profitability of high-performance films through strategic capital investment

At the Utsunomiya Plant, a new production line for mold releasing film for MLCC (investment: ¥20.0 billion; production capacity: 20,000 tons/year) was launched in September 2024, with full-scale mass production starting in 2025. The purpose is to strengthen the production system in response to the expanding ceramic capacitor market driven by growing demand for AI servers, the shift to EVs, and increasing automotive electrification including autonomous driving. With proprietary film-forming technology that achieves the smoothness required for mold releasing film for MLCC and advanced coating technology, the Company can flexibly meet customer needs across a wide range from high-end to mid-tier products.

In addition, to respond to rising demand for polarizers accompanying the trend toward larger LCDs, facilities at the Tsuruga Films Plant have been modified to increase capacity for COSMOSHINE SRF[®] by approximately 30%. COSMOSHINE SRF[®], which combines the Company's unique film-forming and material technologies with the concept of "super retarder," is highly valued for its superior water resistance and low distortion compared to other materials, and holds a strong market share. Expanded production capacity will be in place within fiscal 2026, with mass production beginning in fiscal 2027.



Newly installed production equipment at the Utsunomiya Plant



Life Science

Takahito Sagara
Managing Executive Officer
Head, Life Science Division



Enhancing our contribution to the diagnostic enzyme market by expanding enzyme production facilities

Review of the past year and business environment analysis

With the reclassification of COVID-19 as a Category V infectious disease, the diagnostic reagent market has stabilized. However, demand for biochemical diagnostic enzymes remains strong in overseas markets, particularly in emerging economies supported by economic growth, and the market is expected to continue expanding at an annual rate of 5%–7%. To meet this growing demand, a phased investment plan to expand production facilities at the Tsuruga Biochemicals Plant has been implemented, with operations at a new culture and purification building commencing in fiscal 2025. In addition, with the number of dialysis patients increasing, particularly in developing countries, a new dialysis membrane plant in Odate was established in collaboration with NIPRO CORPORATION to enable integrated production from processing to final products. The facility was designed to improve production efficiency and strengthen the supply system in response to growing demand. Amid this environment, in June 2024, a preparatory committee was launched to establish a medical consortium for the development of therapeutic medical devices and creation of healthcare-related businesses, with Toyobo serving as the secretariat. As of February 2025, approximately 50 companies have joined the consortium. By sharing the expertise of lead companies for each development theme and working toward early commercialization, the initiative aims to deliver effective medical devices more quickly to patients worldwide.

Initiatives to recover earning power and summary of the current Medium-Term Management Plan

Under the current Medium-Term Management Plan, measures have been implemented to recover earning power, focusing particularly on three areas: manufacturing, sales, and development.

1 Manufacturing

- Efforts have focused on expanding production capacity and improving efficiency. In the medical membrane business, operations have been consolidated across two sites to mitigate risk. In the biotechnology business, the new culture and purification building began operations in April 2024, followed by the research reagent building and the gene manufacturing and quality testing building in April 2025.

- In 2025, efforts are being concentrated on improving productivity at the Tsuruga Biochemicals Plant, commencing full-scale operations at the Odate Membrane Plant, and increasing production and productivity of asymmetric triacetate (ATAC*) at the Iwakuni Membrane Plant.

* ATAC exhibits superior performance compared to cellulose triacetate (CTA) due to its asymmetric structure.

2 Sales

- Efforts are focused on ensuring appropriate pricing, strengthening sales bases to acquire new customers, optimizing personnel allocation and sharing knowledge within the business, and reducing manufacturing and SG&A costs.
- In fiscal 2026, the aim is to increase revenue through promotional activities in overseas markets, launch new products, and secure new high-value projects.

3 Development

- The new Medical Research Laboratory, established in April 2024, strengthens product development capabilities for medical membranes, process membranes, and biocompatible polymers.
- In the field of infectious disease diagnostics, the Company developed a new test kit with improved detection sensitivity for Mycobacterium tuberculosis, responding to the need for rapid testing compared to conventional products.
- In the blood purification area, the VolSep® ascites filtration and VolSep® ascites concentration filters received manufacturing and marketing approval from the Ministry of Health, Labour and Welfare and are covered by insurance. In addition to expanding the lineup of blood purification products, we are promoting the development of process membranes, including virus removal membranes for pharmaceutical manufacturing processes.
- To strengthen the framework for fiscal 2026, we established the Life Sciences Development Operating Department, while a medical consortium with industry-academia collaboration will be created through a preparatory committee, aiming to further enhance development capabilities and speed to commercialization.

Focus areas for the next Medium-Term Management Plan

During the current plan period, efforts have focused on strengthening the business through expansion of diagnostic reagent enzymes and dialysis membranes, as well as on restoring unprofitable operations.

In the next Medium-Term Management Plan, to achieve growth to the next stage, research and development for the future will be enhanced. Priority areas include expanding production in the strengthened businesses, growing the infectious disease business—covering immunoassays and genetic testing—where market expansion and potential pandemic resurgence are expected, and entering the blood purification device market. The following measures are considered essential to achieve these objectives.

1 Strengthening the foundation

- Efforts will be thoroughly implemented to improve production technology, budget management, talent development, and organizational capabilities, as well as to ensure labor safety, disaster prevention, and product quality. Standards and manuals for various operations, including work standards, quality standards, and safety manuals, will be developed and properly maintained.

2 Accelerating development for entry into new markets

- Building on the stabilized production and expanded foundation of diagnostic reagent enzymes and dialysis membranes, which are the business's strengths, development speed will be accelerated to enter new markets with high-value-added products leveraging specialized core technologies.

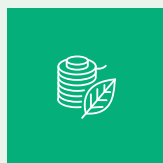
Initiatives for recovering growth investments

Increasing production of diagnostic reagent enzymes to meet global demand

Our diagnostic reagent enzymes are used in blood glucose sensors and diagnostic reagents for kidney function and triglycerides, with more than 70% of sales directed overseas. In addition to high quality, their flexible customization and after-sales support have been highly valued, allowing us to capture approximately 25% of the global market and secure the world's second-largest position (Toyobo estimate). Sales have grown faster than the market growth rate, and to meet increasing demand, a new culture and purification building was established at the Tsuruga Biochemicals Plant in April 2024. Further expansion of enzyme production facilities is planned in fiscal 2027 to strengthen the supply system.



Image of enzyme products Newly established culture and purification building



Environmental and Functional Materials

(TOYOBO MC Corporation)

Chikao Morishige

CTO
Head, Environmental and Functional Materials Division
President and Representative Director, CEO, TOYOBO MC Corporation



Contributing to solving global challenges by focusing on priority business areas and strengthening co-creation capabilities

Review of the past year and business environment analysis

In fiscal 2025, international uncertainty increased due to U.S.-China tensions, the prolonged situation in Ukraine and the Middle East, and additional U.S. tariffs. Domestically, competitor withdrawals also changed the business environment significantly. Amid these conditions, the business achieved net sales of ¥110.8 billion and operating profit of ¥8.0 billion, an improvement of ¥3.3 billion year on year. Price revisions and cost-reduction initiatives across the business, including in the resin and chemical sector, contributed significantly to this improvement in profitability.

As a new business initiative in fiscal 2025, the Mobility Business Strategy Unit was launched in April to respond to the dramatic changes in the automotive industry, including the shift to EVs. This unit has begun direct approaches to domestic and overseas OEMs and aims to conduct medium- to long-term advanced technology development.

In addition, HOLLOSEP® BC membrane, an aqua membrane, was adopted for the lithium concentration and recovery process from used lithium-ion batteries (LIBs) for the first time. Through this product, the Company contributes to more efficient resource recycling and effective utilization of used LIBs accompanying the spread of EVs.

Green strategy Separation technology for water and valuable substances: BC membrane > p.36

Initiatives to restore profitability and summary of the current Medium-Term Management Plan

Since the first year of operations of TOYOBO MC Corporation in fiscal 2024, the business has been managed with a clear focus based on the business strategy labels (growth, revenue

enhancement, and business reform), strengthening initiatives in priority business areas.

In growth areas, the decision was made to expand RO membrane production facilities at the Iwakuni Environmental and Fiber Plant. This expansion aims to increase production capacity, reduce costs, and respond to strong seawater desalination demand, particularly in the Middle East, thereby creating new business opportunities.

In the areas focused on revenue enhancement, we steadily implemented price revisions for optical functional materials and fine chemicals, significantly contributing to the profitability required to maintain and expand the business.

In terms of business reform, we reviewed the business portfolio to prepare for future growth investments. All shares of affiliated companies Kureha Ltd. and Toyobo Kankyo Techno Co., Ltd. (at the time of transfer), were divested to advance a strategy of selection and concentration. In the spunbond (nonwoven fabrics) business, profitability was improved through the implementation of price revisions.

Furthermore, as achieving the fiscal 2031 targets (net sales of ¥250 billion and operating profit of ¥20 billion) depends on expanding overseas markets, in fiscal 2025 we focused on securing experienced international personnel and strengthening the global sales structure.

Focus areas for the next Medium-Term Management Plan

To achieve sustainable growth, we will actively pursue both organic initiatives and inorganic approaches such as M&A. The priority business areas are mobility, environment, and electronic materials, with an initial focus on expanding sales of our core VOC recovery equipment. Although shipments of VOC recovery equipment for LIB separator plants declined in fiscal 2025 due to a slowdown in the EV market, these products—capable of adsorbing VOCs and recovering and

reusing solvents—are highly valued for their greenhouse gas reduction effects.

Going forward, we will promote wider adoption across manufacturing processes and accelerate global expansion beyond Asia. In the next Medium-Term Management Plan, the three growth pillars of “enhancement of overseas operations,” “new development,” and “inorganic growth,” along with strengthening cost competitiveness, will be essential. We will accurately capture market trends and promptly deliver products that meet evolving needs.

Further value creation in revenue enhancement areas

Examples of initiatives to achieve the fiscal 2031 targets

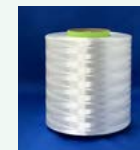
To achieve the fiscal 2031 targets of ¥250 billion in net sales and ¥20 billion in operating profit, the following initiatives are being implemented.

① Mobility Business Strategy Unit

Launched as an organization directly under the president, it aims to create collaborative opportunities with OEMs, lead the development of the global mobility industry, and generate new businesses that will become a pillar of future revenue.

② Development of creep-resistant ultra-high-strength polyethylene fiber IZANAS® ULC

We participated in demonstration tests in real sea conditions for TLP-type floating offshore wind turbines, targeting mooring line applications for floating offshore wind power.



IZANAS® ULC

③ Implementation of a recycling program for futons using the 3D network-structured fiber materials BREATHAIR®

In collaboration with dinos Inc., used BREATHAIR® futons are collected from households and recycled into new 3D network-structured fiber materials, BREATHAIR MEBIUS®, contributing to reduced use of fossil-based raw materials and decreased plastic waste.



Functional Textiles and Trading

Eiichi Shimizu

Managing Executive Officer
Head, Functional Textiles and Trading Division



Contributing to a safe, comfortable, and sustainable future through trusted textile technology and high-performance materials

Review of the past year and business environment analysis

Over the past year, the textile business has focused on products that prioritize environmental and human considerations, leveraging its long-cultivated polymerization and modification technologies as a synthetic fiber manufacturer. The recent surge in demand for environmentally friendly materials is seen as an opportunity for business expansion. On the other hand, rising raw material and fuel costs, the accelerated closure of domestic sewing subcontractors, and securing labor in factories remain significant concerns. Amid this environment, in fiscal 2025, the textile segment (TOYOCO TEXTILE CO., LTD.) saw sales growth driven by strong demand for fabrics specialized for the Middle East. Favorable foreign exchange rates also improved export profitability, contributing to higher earnings. In addition, the withdrawal from unprofitable operations and the rationalization of domestic factories allowed the segment to maintain profitability, while progress on addressing other operational challenges unrelated to rising costs proceeded as planned. In the airbag business, sales of airbag fabrics increased slightly in line with growth in automobile production. Efforts to improve the profitability structure, which had been negatively impacted by a past fire at the yarn plant, progressed smoothly through price revisions, significantly reducing losses. However, at some sites, unexpected costs arose due to the rapid recovery in demand, preventing the business from returning to profitability and resulting in a challenging performance.

Initiatives to recover earning power and summary of the current Medium-Term Management Plan

The airbag business is currently facing performance challenges, but growing demand for safety positions it as a business with

strong potential for future growth. Profitability will continue to be enhanced through base price revisions, while cost reductions will be pursued by consolidating the product lineup and improving manufacturing process efficiency, aiming for an early return to profitability. Among these measures, increasing the operating rate of the new yarn plant in Thailand is an urgent priority, and steady progress will be made with the cooperation of customers.

Focus areas for the next Medium-Term Management Plan

In the textile business, efforts are being made to maintain and strengthen the position as a top brand by developing new texture treatments for tobe, traditional Middle Eastern garments. As a result, the adoption of materials from the Group is expanding, and the Shogawa Plant is increasing equipment to strengthen the production system. In addition, for recycled nylon LOOPLON®, the lineup of materials with new false-twist processing* has been expanded, leading to increased adoption in outerwear and knitwear applications. As an application of the long-cultivated technologies in the textile business, efforts are focused on developing new products for industrial applications. Using proprietary composite spinning yarn technology that combines different materials to maximize their respective properties, hybrid yarns composed of carbon fiber, glass fiber, and thermoplastic resin fibers—CfCyarn® and GfCyarn™—have been developed. These yarns have been highly praised for their exceptional strength and moldability, earning the 2024 Senken Gosen Award in the technical category. The application of spinning technology to non-apparel fields is gaining attention, and these high-performance, environmentally conscious materials are expected to achieve further growth in industrial applications.

In the airbag business, efforts toward carbon neutrality include developing woven fabrics using recycled polyethylene terephthalate (PET) fibers and processing agents that reduce carbon dioxide emissions during manufacturing. In addition, the full-scale operation of the solar power generation system installed at the textile plant in Thailand will help reduce GHG emissions. Furthermore, the currently mainstream nylon fabrics will be gradually shifted from using domestically produced yarn to using nylon yarn produced at the yarn plant in Thailand, with efforts to expand sales of these fabrics.

* False-twist processing: A processing technique in which synthetic fibers are temporarily twisted and heat-treated to impart stretch, loft, and a soft texture.

Efforts to improve the profitability structure

Pursuing management efficiency and creating new value

The business faces key challenges in improving profitability and return on assets (ROA). Amid continued cost increases due to a weak yen, efforts are ongoing to reduce expenses and inventory, aiming to establish a sustainable and resilient corporate structure. Measures are focused on improving contribution margins and reducing fixed costs through a review of domestic production scale. To expand the market base, the business is leveraging its product development capabilities to advance and deploy high-performance materials such as the thermoplastic carbon fiber composite yarn CfCyarn® and the thermoplastic glass fiber composite yarn GfCyarn™. These new materials, featuring lightweight construction, high strength, and excellent moldability, contribute to opening new markets and expanding sales in the materials sector. Furthermore, by integrating operations among subsidiaries, the Company aims to enable proposals of new products across a broader range of markets and establish a system that continues to provide customers with optimal products and services.



From left:
GfCyarn™ and CfCyarn®

● Communication with Stakeholders



Dialogue with Stakeholders



As a member of society, we meet the expectations of our stakeholders and contribute to the sustainable development of the community through collaboration with our partners to solve social issues and cooperation in the areas where we operate.



Dialogue with ESG Investors



We engage in active communication with our stakeholders to enhance our corporate value.




External Evaluation (ESG Factors)



The indexes in which we are included as well as evaluations from ESG rating agencies are as follows.

● Dialogue with Stakeholders

Materiality	
Related ESG : S G	
Partnership: Stakeholder engagement	

↓ [Policy and approach](#)

↓ [Dialogue with stakeholders and investors](#)

Policy and approach

Based on its corporate philosophy *Jun-Ri-Soku-Yu* (adhering to reason leads to prosperity), the TOYOBO Group Charter of Corporate Behavior states “Communication with stakeholders: We will carry out fair and appropriate information disclosure and enhance corporate value through communication with our stakeholders.” In accordance with this basic approach, Toyobo Group actively disseminates information and engages in communication activities. The content of activities are also regularly reported to the management team. The Group strives to disseminate information in a timely, appropriate, and accurate manner to society as a whole, including our stakeholders such as customers, suppliers, shareholders and investors, employees, and local communities.

In our communication activities, we aim to promote an accurate understanding of Toyobo Group and continuously enhance the Toyobo brand and corporate value while building relationships of trust by striving for two-way communication with stakeholders and the wider society as a whole.

Basic approach to information disclosure

Toyobo Group endeavors to provide timely and appropriate information disclosure with consideration given to fairness and impartiality in order to continue to be a trusted company. The Group also communicates actively with stakeholders, including

shareholders and investors, to enhance its corporate value. These activities are based on the following approaches.

- a. Information disclosure as a social responsibility (accountability)
- b. Communication to enhance corporate value
- c. Communication to prevent damage to corporate value

< Targets >

As a member of society, Toyobo Group will meet the expectations of stakeholders and contribute to the sustainable development of communities through collaboration with partners and cooperation in the regions where the Group operates with the aim of solving social issues.

< Indicators and results >

Initiatives	Indicators	Targets (FY2025)	Results (FY2025)
<ul style="list-style-type: none"> • Active dissemination of information, strengthening of disclosure • Dialogue with shareholders and investors • Dialogue with employees • Collaboration and dialogue with industry, government, and academia • Coexistence with local communities 	1. No. of press releases	75 per year	81
	2. No. of interviews with investors	150 per year	130
	3. Frequency of meetings with employees and labor unions	At least 60 times per year	62
	4. Frequency of engagement with stakeholders	Three times a year	3

Dialogue with stakeholders and investors

Financial results

Holding a financial results briefing

Every fiscal year, Toyobo holds online financial results briefings for financial institutions, including for institutional investors and analysts. The President provides briefings for full-year and second-quarter results, covering both the financial performance and the future management policy. For first and third quarters, the Controlling Supervisor of the Management and Administration Division presents the financial results.

IR information

Toyobo is enhancing and expediting information disclosure in Japanese and English on the investor relations section of the Company's website.

The site provides a wide range of materials, including the medium-term management plan, financial results summaries, business results presentation, annual securities reports, integrated reports, and fact books, along with an archive of past publications. Timely disclosure materials, such as financial results summaries, are posted on the investor relations website at the same time as public announcements are made. For financial results briefings and medium-term plan briefings, the website also provides videos of the presentations, summaries of Q&A sessions, and presentation scripts, in an effort to promote fair disclosure.

Going forward, Toyobo will endeavor to enhance the materials and functions it provides to facilitate ease-of-use for all shareholders and investors.

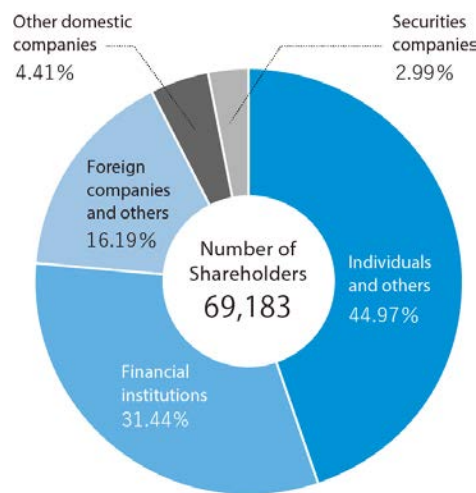
Annual general meetings of shareholders

The Annual General Meeting of Shareholders is held each year in late June at Toyobo's Head Office in Osaka.

Number of shares and shareholders (As of March 31, 2025)

Number of shares authorized for issue	200,000,000
Shares issued to date	89,048,792 (Including 876,140 treasury shares)
Number of shareholders	69,183

Composition of shareholders (Based on number of shares held) (As of March 31, 2025)



Employees

Toyobo Group communicates with employees by introducing the company's management policies and activities through various media such as the Group newsletter in booklet form, the intranet, and the company-wide bulletin board.

The Group started an “organizational culture and job satisfaction survey” for all employees in 2021. Most recently, the third survey was conducted in July 2024.

- [Human Resource Management](#) > [Employee engagement](#)

● Dialogue between management and labor

We are promoting open discussions between labor and management towards achieving the “TOYOBO PVVs” and fostering the foundation for each employee to find fulfillment and satisfaction in their work.

Meetings of the Central Management Council, attended by representatives of the labor union headquarters and of company management, are held once a year, and meetings of the Branch Management Councils are held once a year at each of the nine branches in Japan.

The labor union is represented at meetings of the Central Management Council by staff from the union headquarters, and is represented at Branch Management Council meetings by staff from the relevant union branch, while the company is represented by the President at meetings of the Central Management Council, and by the business site manager or plant manager at Branch Management Council meetings.

In labor-management discussions, we discuss themes such as business conditions, wage increase adjustments, and the status of the work environment.

● Enhancing communication between executives and employees

Since April 2018, Toyobo has been promoting Company-wide organizational culture reform. To foster alignment with the Company’s philosophy, we have conducted dialogue and exchange workshops to deepen communication between executives and employees.

We are also actively advancing organizational development initiatives to encourage more open dialogue in the workplace.

- Dialogue and exchange workshops: FY2025: Conducted 143 times with 1,255 participants (total number of times conducted since FY2019: 550, with 5,142 participants)
 - * Out of the above, there were 41 dialogues and exchange workshops between executives and employees, with 125 participants (cumulatively held 135 sessions since FY2019, involving a total of 602 participants).
- Organizational development workshops: FY2025: Conducted 46 times, with 95 participants (total number of times conducted since FY2019: 260, with 1,730 participants)
- Briefings on organizational culture reform, etc.: FY2025: Conducted twice, with 519 participants (total number of times conducted since FY2019: 27, with 1,989 participants)

● Toyobo Group Learning

Since 2022, we have been hosting a event called “Toyobo Group Learning” approximately once a month, providing employees with an opportunity to learn about the Group's businesses, products, and the roles of fellow employees.

Through this event, employees interact with one another, helping to foster communication across the Company. In FY2025, the event was held at various Toyobo Group offices, plants, and branches in Japan, introducing the unique characteristics of each site and the products they manufacture.



A scene from the event held at the Tsuruga Research and Production Center

● Personalizing sustainability

To encourage employees to take ownership of sustainability, Toyobo organizes an employee-participatory event each February called “Sustainability Week,” in addition to regularly sharing information via the intranet. In FY2025, one of the featured events was a dialogue on sustainability initiatives, where management and employees engaged in lively discussions and shared their perspectives with one another.



Dialogue on sustainability efforts

Overseas business sites

Information exchange previously focused primarily on financial data, but in recent years, Toyobo has been actively sharing sustainability-related information, including governance, risk management, and compliance. In particular, risk management has been a key focus, with risk assessments conducted at all Group companies in both Japan and overseas over the past two years. Information on significant risks was shared with the responsible departments.

While face-to-face communication is ideal, since the COVID-19 pandemic, Toyobo has been actively utilizing online meetings to enhance the frequency and quality of everyday communication.

As part of efforts to educate and develop the next generation of overseas talent, Toyobo conducts training programs for local staff twice a year. These programs provide opportunities to learn about the Company's management policies and business operations, while also fostering interaction among local staff and Japanese employees through plant tours and workshops.

Additionally, there is an overseas business training program for domestic employees. Selected young employees participate in a one-year training program, spending six months at an overseas office where they engage with local staff to learn language skills, culture, and the fundamentals of overseas operations. The program will be reviewed and enhanced to include more practical content going forward.

Local communities

Please see the Social Contribution page for more details.

- [Social Contribution](#)

Other

Communication activities since FY2023 are as follows (position at that time):

- In June 2022, "Business and human rights" - Human rights initiatives in the Corporate Sector -

Ms. Akiko Sato, Business and Human Rights Liaison Officer, United Nations Development Programme

- In September 2022, "BASF initiatives to accelerate sustainability management"

Mr. Hiroki Ishida, Representative Director and President, BASF Japan Ltd.

- In February 2023, "Practice of sustainability and information disclosure - Initiatives based on the ISSB disclosure draft-"

Mr. Katsuya Kikuchi, Head of Responsible Investment Department, Tokio Marine Asset Management Co., Ltd.

- In April 2024, “The outline of sustainability disclosure standards”
Mr. Katsuya Kikuchi, ESG specialist, Tokio Marine Asset Management Co., Ltd.
- In February 2025, “Promoting DEI So Everyone Can Take Ownership — Toward an Enriched Society”
Mariko Mori, Senior Manager, DEI Promotion Section, Diversity Promotion Division, Corporate General Affairs Human Resources Group, Kyocera Corporation



Ms. Akiko Sato
Liaison Officer, UNDP



Mr. Hiroki Ishida
Representative
Director and President,
BASF Japan Ltd.



Mr. Katsuya Kikuchi
Head of Responsible
Investment
Department, Tokio
Marine Asset
Management Co., Ltd.



Mr. Katsuya Kikuchi
ESG specialist, Tokio
Marine Asset
Management Co., Ltd.



Mariko Mori, Senior
Manager
DEI Promotion Section,
Diversity Promotion
Division, Corporate
General Affairs Human
Resources Group,
Kyocera Corporation

Please see below for our past communication.

- [Communication in the past \(400KB\)](#) 

● Dialogue with ESG Investors

We are engaging in active communication with our stakeholders to enhance our corporate value.

Please see below for the contents of the dialogues.



Toyobo President Ikuo Takeuchi sat down with Mr. Megumi Sakuramoto, Executive ESG Analyst at Asset Management One Co., Ltd. to discuss the sustainable growth of the Toyobo group on May, 2022.

Dialogue with ESG Investors in the Integrate Report 2022 (223KB)



Toyobo President (At the time) Seiji Narahara sat down with Mr. Ken Shibusawa, founder of Commons Asset Management and the great-great-grandson of Toyobo founder, Eiichi Shibusawa, to talk about sustainability within the Toyobo group on May, 2020.

Dialogue with ESG Investors in the Integrate Report 2020 (699KB)



● External Evaluation (ESG Factors)

↓ Inclusion in ESG indices

↓ Other evaluations

Inclusion in ESG indices

Toyobo has been continuously selected for the following major ESG investment indices as of July 2025, in recognition of its initiatives related to environmental, social, and governance (ESG) practices.

ESG indices for Japanese equities adopted by the Government Pension Investment Fund (GPIF).

- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Nihonkabu ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- Morningstar Japan ex-REIT Gender Diversity Tilt Index
- S&P/JPX Carbon Efficient Index

These indices are adopted by institutional investors, including the GPIF, and Toyobo has been selected as a constituent of all ESG indices for Japanese equities adopted by GPIF. This recognition indicates that Toyobo's efforts to enhance long-term corporate value and contribute to a sustainable society are being positively evaluated by external stakeholders. We will continue striving to achieve sustainable growth while fulfilling our social responsibilities.

In addition, Toyobo has been selected as a constituent of the Sampo Sustainability Index, established by Sampo Asset Management Co., Ltd.



FTSE Blossom Japan

The FTSE Blossom Japan Index is designed to measure the performance of Japanese companies that enjoy high reputations in the area of ESG.

- [FTSE Blossom Japan Index Series](#) 

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

THE INCLUSION OF TOYOBO CO., LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF TOYOBO CO., LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

The MSCI Japan ESG Select Leaders Index is composed by selecting companies with outstanding ESG (Environmental, Social, and Governance) ratings from within the constituents of its parent index, the MSCI Japan IMI Index. Approximately 50% of companies from each GICS® industry classification are targeted for inclusion.



FTSE Blossom Japan Sector Relative Index

The FTSE Blossom Japan Sector Relative Index is designed to be sector-neutral, reflecting the performance of Japanese companies that exhibit relatively outstanding ESG actions in their sectors.

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF TOYOBO CO., LTD. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF TOYOBO CO., LTD. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

The MSCI Japan Empowering Women Index (WIN) is constructed on the basis of disclosed information concerning gender diversity. Companies that promote high-level gender diversity in the workplace are considered more capable of adapting to the risk of talent shortages in a future shrinking workforce, and thereby better able to yield sustainable earnings over the long term.



The S&P/JPX Carbon Efficient Index is designed to measure the performance of



Sompo Sustainability Index

The Sompo Sustainability Index is an active index independently developed by

companies included in the Tokyo Stock Price Index (TOPIX), which is calculated and published by the Tokyo Stock Exchange. The index assigns overweight or underweight positions to companies based on their carbon efficiency, specifically their carbon emissions per unit of revenue.

Sompo Asset Management. It is based on ESG scores derived from the environmental management survey and ESG management survey^{*1} conducted by Sompo Risk Management, combined with Sompo Asset Management's own equity valuation assessments. The index is composed of approximately 300 companies with high ESG ratings. Sompo Asset Management has been managing a long-term investment ESG product called Sustainable Investment^{*2} since August 2012, by constructing a portfolio that tracks this index using a buy-and-hold approach. This product has been adopted by multiple institutional investors, including pension funds.

* 1 Sompo Risk Management's Methodology for ESG Evaluation and Survey (in Japanese)

<https://www.sompo-rc.co.jp/services/view/259> 

* 2 Sompo Asset Management's Sustainable Investment (in Japanese)

<https://www.sompo-am.co.jp/institutional/product/06/> 

Other evaluations

Toyobo has received the following evaluations.



We have received a bronze medal in a sustainability assessment by EcoVadis (headquartered in France), which evaluates the corporate ESG-related initiatives. The Bronze medal is given to the top 35% of all evaluated companies.

EcoVadis has assessed over 130,000 companies (from 180 countries and over 220 industries) on corporate policies, measures, and performance in four areas: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. The evaluation results are widely used as supplier selection criteria by many companies in Europe and the United States.



The Certified Health & Productivity Management Outstanding Organizations Recognition Program is operated jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi. This program recognizes companies of varied size that practice particularly outstanding health and productivity management, based on initiatives rooted in community health issues and health promotion initiatives advanced by Nippon Kenko Kaigi.

Toyobo has been certified under the 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program in the Large Enterprise Category.



The Platinum Kurumin certification is awarded to companies that have achieved a higher level of initiative, such as the



The Eruboshi Certification is awarded to companies that demonstrate outstanding implementation of initiatives related to

introduction and use of systems to support a balance between childcare and work, selected from among those that have received Kurumin certification as companies that support the childcare of their employees in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children.

In June 2023, we were certified as a Platinum Kurumin in evaluation of our various initiatives.



Toyobo received "Bronze" rating in the "PRIDE Index 2025," which evaluates initiatives related to sexual minorities (LGBTQ+) in the workplace.

The PRIDE Index was established in 2016 by work with Pride as Japan's first evaluation index for LGBTQ+-related initiatives by companies and organizations, with the goal of creating more inclusive workplaces for sexual minorities in Japan. The index consists of five categories: Policy (organizational declaration), Representation (building a supportive community), Inspiration (awareness-raising activities), Development (HR systems and programs), and Engagement/Empowerment (external outreach and social contributions). Companies and organizations are certified as Gold, Silver, or Bronze based on their total score across these categories, which is determined by the number of specified criteria met within each category.

participation and advancement by women in the company under the Act on Promotion of Women's Participation and Advancement in the Workplace.

Our company was recognized for achieving prescribed standards for items including "Employment", "Continued Length of Employment", "Working Hours and Work Styles", and "Diverse Career Paths", receiving two out of a maximum of three stars.



Science Based Targets (SBT) are greenhouse gas (GHG) reduction targets advocated by an international initiative, the Science Based Targets initiative (SBTi), jointly operated by the environmental NGO CDP (formerly the Carbon Disclosure Project), the United Nations Global Compact, and others. When the SBTi recognizes that a company's GHG emission reduction targets align with the levels deemed necessary by the latest climate science to achieve the goals set forth in the Paris Agreement, it certifies these targets as Science Based Targets (SBT).

Toyobo group has obtained certification for our goals of reducing Scope 1 and 2 emissions by 27%, and Scope 3 emissions* by 12.5%, from fiscal 2021 levels, by fiscal 2031, as these targets are recognized as SBT.

* The certification for Scope 3 emissions covers emissions related to activities associated with purchased goods and services (such as manufacturing) and emissions from the use of sold products.



“Natural Symbiosis Sites” are sites certified by the Ministry of the Environment, recognizing areas where biodiversity conservation is achieved through private sector initiatives and other efforts.

Toyobo group has obtained certification for our privately owned forest, “Toyobo Aya-no-Mori” forest, in Higashimorokata-gun district, Miyazaki Prefecture. We have entered into a comprehensive partnership agreement with the local municipality of Aya-cho to jointly promote proactive initiatives for biodiversity conservation in the Aya-no-Mori Forest.

In addition, Aya-no-Mori Forest is registered in the World Database on Other Effective area-based Conservation Measures (OECD).



Toyobo was also selected as a recipient of the IT Award under the 42nd IT Awards 2024, presented by the Japan Institute of Information Technology. This award recognizes companies and organizations in Japan’s industrial sector that have achieved outstanding results through management innovation utilizing IT. This marks Toyobo’s first time receiving this award in the Management Category.

- [Health and Productivity Management](#)
- [Biodiversity](#)
- [Promotion of Women's Participation and Advancement](#)
- [Climate Change](#)
- [Diversity, Equity, & Inclusion \(DE&I\)](#)

● Environment

These sections introduce our group's environmental policy, environmental management structure, and related initiatives.



Management
Approach →



Eco-Conscious
Products →



A decarbonized and circular society

Toyobo group recognizes climate change as a very significant social issue that will have a significant impact on our business. We support the "Glasgow Climate Pact" and aim to achieve carbon neutrality by the fiscal year 2051, which is consistent with the global 1.5°C target.



Climate Change →

- [TCFD index](#)

Targets for FY2031

Sustainable Vision 2030 →



Cutting emissions in Scope 1 & 2 by **over 46%** in FY2031 vs FY2014,
Net zero in FY2051

Increasing consumption of natural resources and energy, and increasing generation of waste, are becoming serious problems throughout the world. As a result, there is a global trend to realize a transition away from conventional uni-directional resource usage toward the circular economy, in which resources are used in a sustainable manner.

Toyobo group is aiming to help realize the circular economy through its business activities by implementing initiatives to achieve the greenification (i.e., utilization of biomass and recycled raw materials, and volume reduction) of plastic in the value chain, reduce waste, and conserve water resources.



Plastic Resource
Circulation →



Waste
Reduction →



Water
Resources →



Clean water areas, air and soil, and preservation of biodiversity

Our daily lives and our economy are supported by the benefits that we receive from a wide range of living creatures and ecosystems, or in other words, from biodiversity.

Toyobo group handles a wide range of chemical products, and produces items such as textile products, containers and packaging, and raw materials for pharmaceutical products. To minimize the negative impact that our operations have on the global environment and on ecosystems, we are working to conserve biodiversity, by implementing thorough management of chemical substances, as well as striving to reduce our impact on the environment, including the atmosphere and on water area.



Chemical
Substance
Management



Biodiversity



ESG Performance Data →

● Management Approach

- ↓ Policy and approach
- ↓ Structure
- ↓ Environmental management system
- ↓ Other Initiatives

Policy and approach

In 1992, we established our Global Environmental Charter and Action Guidelines, and in 1997, compiled our Environmental Philosophy, Environmental Activity Policy, and Code of Conduct into the "TOYOBOKU Group Fundamental Policy on the Global Environment" and launched a company-wide global environmental conservation initiative.

In addition to reducing the environmental impact of our business activities, we will contribute to society through people- and planet-friendly technologies.

TOYOBOKU Group Fundamental Policy on the Global Environment

1. Environmental philosophy

We are striving to contribute to society through technologies friendly to both people and the environment, protect the global environment, and to leave a better planet and a more prosperous society to future generations.

2. Environmental activity policy

(1) Development of technologies

By devoting all of our efforts, the Toyoko group is developing technologies (products and manufacturing processes) that are friendly to both people and the environment, and we are promoting environmental measures.

(2) Environmental protection

At every stage, from product development through to design, manufacture, sale, disposal, and collection, we are forecasting,

evaluating, and reducing their impact on the environment, working towards its protection.

(3) Contribute to society

With the aim of bringing about a better global environment, as well as using our business activities, as a good corporate citizen we will actively support and participate in environmental protection and biodiversity conservation activities throughout society and in local regions.

3. Code of conduct

(1) Think : Technical development and evaluation

In development and design, strive to develop environmental technology and evaluate environmental protections.

(2) Value: Environmental protection and reuse

Strive to develop, improve, and reuse environmental technologies in the production, sales, distribution, and disposal phases.

(3) Participate: Disclose technologies and share information

Strive to disclose developed environmental technologies and provide environmental information.

(4) Protect: Environmental compliance and auditing

Strive to set and maintain environmental regulations and self-management standards set by national and local governments, etc., and carry out audits.

(5) Train: Internal and external systems

Strive to enhance our internal environment-related systems, and carry out education and awareness-raising activities.

Structure

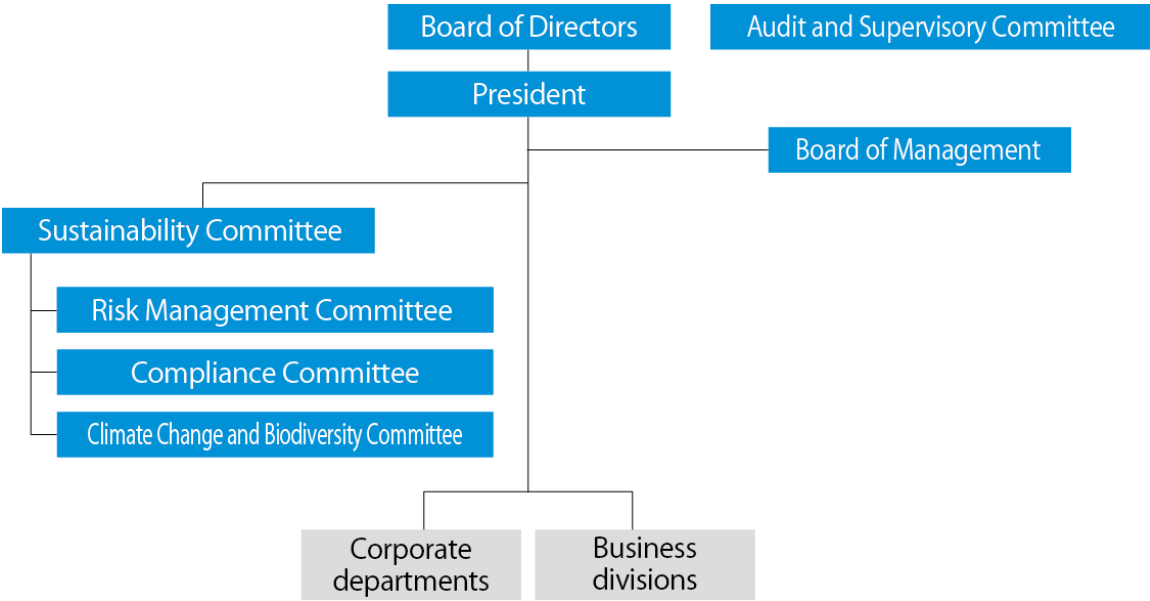
In the Toyobo Group, the Sustainability Committee deliberates on top-level policies and targets for overall sustainability activities, including climate change response. The Board of Directors regularly receives reports from the committee, approves these top-level policies, targets, and other key matters, and supervises the progress of its activities. In fiscal 2025, the Sustainability Committee met six times.

The committee also manages activities aimed at achieving “a decarbonized and circular society,” one of the “five social issues” set forth in our Sustainable Vision 2030.

Under the Sustainability Committee, we have established the Climate Change and Biodiversity Committee, which mainly deliberates on policies and activities related to climate change response and biodiversity conservation. In addition, to promote concrete environmental conservation initiatives at our business sites and plants—covering areas such as climate change, waste management, water resources, and biodiversity conservation—we have set up the Global Environmental Conference.

The Global Environmental Conference is responsible for deliberating, deciding, and executing specific initiatives aimed at achieving the TOYOBO Group Fundamental Policy on the Global Environment. It also facilitates information exchange on general global environmental issues and determines and implements responses when problems arise. The conference is chaired by the Manager of the Green Transformation Promotion and Environmental Management Department and is composed of executive officers from the business divisions and departments. In principle, the conference meets four times a year. During these meetings, results from the environmental and chemical substance management assessments conducted at our business sites, plants, and Group companies are reported, and compliance with local environmental regulations is also reviewed.

Organizational Chart



Environmental management system

Basic approach

Toyobo Group identifies and assesses the environmental impact of activities at each site on both the global and local levels as risks and opportunities. We have established and operate environmental management systems, such as ISO 14001, aimed at maintaining and improving these impacts.

In addition, to enhance the overall environmental and chemical substance management standards across the Group, the Green Transformation Promotion and Environmental Management Department has established and operates Company-wide regulations for conducting environmental and chemical substance management assessments for monitoring and oversight purposes.

We continue to provide environmental education for management and employees with the aim of raising awareness of environmental issues within the Group.

Certification status of the Environmental Management System

As of Sep 30, 2025, 19 business sites—representing 50% of all Group production sites (19 out of 38)—have acquired external certification for environmental management system standards.

ISO 14001 certification coverage:

- 45% of all Toyobo Group production sites (17 out of 38)
- 100% of all Toyobo standalone production sites (6 out of 6)

Business Sites Acquiring ISO 14001 Certification

TOYOBO CO., LTD. Business Sites	Date of Certification
Research Center (Otsu, Shiga)	Dec. 1996
Tsuruga Research and Production Center (Tsuruga, Fukui)	Dec. 1996
Inuyama Plant (Inuyama, Aichi)	Mar. 1998
Utsunomiya Plant (Utsunomiya, Tochigi)	Feb. 1999
Shogawa Plant (Imizu, Toyama)	Jul. 2001
Iwakuni Production Center (Iwakuni, Yamaguchi)	Nov. 2002

Group Companies (consolidated subsidiaries)	Date of Certification
TOYOBO MC Corporation, Takasago Plant (Takasago, Hyogo)	Mar. 1999
Toyo Cloth Co., Ltd., Tarui Plant (Sennan, Osaka)	Dec. 1999
Japan Exlan Co., Ltd., Saidaiji Plant (Okayama, Okayama)	Jun. 2001

Group Companies (consolidated subsidiaries)	Date of Certification
PT. INDONESIA TOYOBO FILM SOLUTIONS (Indonesia)	Jun. 2001
Miyukikeori Co., Ltd., Yokkaichi Plant (Yokkaichi, Mie)	Apr. 2002
Cosmo Electronics Co., Ltd., (Yokkaichi, Mie)	Jan. 2004
Toyo Cloth Co., Ltd., Iwakuni Plant (Iwakuni, Yamaguchi)	Oct. 2005
Spinreact, S.A.U. (SPAIN)	Jul.2013
Toyobo Photo Chemicals Co., Ltd., Saidaiji Factory (Okayama, Okayama)	Oct. 2017
Toyobo Saha Safety Weave Co., Ltd. (Thailand)	May. 2019

Group Companies (Equity Method Affiliate)	Date of Certification
Cast Film Japan Co., Ltd., Tsuruga Plant (Tsuruga, Fukui)	Dec. 2000

Business Sites Acquiring “Eco Action 21*”

Group Companies (consolidated subsidiaries)	Date of Certification
Japan Exlan Co., Ltd., Environment Engineering-analysis Center (Okayama, Okayama)	May 2007
Mitsumoto Chemicals Co., Ltd. (Nabari, Mie)	Nov. 2011
TNC, LTD. (Yokkaichi.Mie)	Sep. 2025

“Eco Action 21” is one of environmental management systems and was developed by Japanese government.

Environmental and chemical substance management assessments

To improve environmental and chemical substance management standards across the Group, members of the Global Environmental Conference conduct environmental and chemical substance management assessments at production sites and research centers. These assessments verify compliance with various environmental laws, efforts in managing environmental pollution risks, and the status of chemical substance management.

In addition to annual self-assessments using a checklist, each site undergoes an on-site audit once every three years and takes corrective action if any issues are pointed out. In this way, we are working to maintain and improve the level of management.

Partial list of items checked in the environmental and chemical substance management assessment

- Implementing identification and compliance of legal requirements, meeting regulation values and notification, for factory operation
- Managing the risk of environmental pollution (risk identification, risk assessment, and implementation of preventive measures)
- Promoting environmental conservation activities (energy conservation, waste reduction, green purchasing, etc.)
- Acquiring third-party certification for its environmental management system
- Implementing appropriate management of chemical substances
- Providing education and training

Locations at which audits have been performed in the last three years

FY	TOYOBO CO., LTD.	Group companies	Audit results
2023	3 business sites	7 companies	All performed well
2024	5 business sites*	8 companies	All performed well
2025	2 business sites	5 companies	All performed well

* Including Takasago Plant.

Corrective mechanisms for environmental problems

Our group has a group-wide system for managing and correcting environmental problems. We strive to prevent recurrence of problems at the site where the trouble occurred by taking emergency measures, investigating the cause, formulating and implementing measures to prevent recurrence, and confirming the effectiveness of the measures. Furthermore, if it is determined that the environmental trouble has a

significant impact on other divisions (other offices and plants), the preventive measures are horizontally deployed throughout the group.

Environmental compliance

In addition to complying with applicable laws and regulations, such as the Air Pollution Control Act and the Water Pollution Prevention Act in Japan, the Toyobo group is committed to reducing emissions by not only complying with legal and regulatory standards, but by also making continuous improvements in the prevention of air and water pollution. We will continue to further reduce our environmental impact.

No environmental-related fines or penalties were imposed from fiscal years 2023 through 2025.

- [ESG Performance Data \(344KB\)](#) 

Environmental education

Toyobo Group promotes a variety of educational and awareness activities to raise environmental awareness among all employees, including management.

During Environment Month, we invite external speakers to hold environmental seminars, attended by many employees and corporate officers, including management. In addition, each business site holds environmental exhibitions featuring panels about the Group's environmental activities and showcasing our eco-conscious products, helping to raise awareness of Toyobo Group's environmental activities among employees.

In addition, we promote environmental education through a unique curriculum for new employees and training programs tailored to different job levels.

Environmental seminars

In fiscal 2024, the Toyobo group held a seminar on the topic of biodiversity conservation and introduction of environment DNA methods. Both face-to-face and online seminars were held, with a total of approximately 200 participants.

In March, we held the “Biological Survey Results Debriefing 2023,” with approximately 100 attendees.



Past Seminar Themes

FY 2024: Introduction to biodiversity conservation and environmental DNA techniques

FY 2023: Domestic and overseas initiatives for biodiversity and natural capital-conscious management

Biodiversity and human world (What is required of us?)

FY 2022: Policy trends toward carbon neutrality by 2050

FY 2021: From CSR as ethics to ESG as strategy new normal in the age of SDGs

FY 2020: Achieving the SDGs and corporate initiatives

FY 2019: A changing world with the sustainable development goals (SDGs)

FY 2018: CSR and corporate environmental activities

Sustainability Week

We plan events to deepen understanding of the Group's initiatives and help everyone feel closer to sustainability. In fiscal 2025, we held a dialogue between the president and young employees, a panel discussion on products and technologies contributing to resource circulation, and presentations on initiatives by Group companies.



FY2025: Dialogue between the president and young employees

Past Sustainability Week themes

FY 2025: "See, Learn, and Experience Toyobo Group's Sustainability"

FY 2024: "Sustainability: Feel It, Learn It, Live It"

FY 2023: "Learn, Share, and Spread the Word on Sustainability"

FY 2022: "Getting to Know ESG"

Environmental exhibition

Since 1996, the Toyobo group has held an annual environmental exhibition on employee to deepen employees' understanding of the group's efforts to conserve the global environment (since fiscal 2022, the exhibition has also been held via the Internet). At the exhibition, we share our targets and environmental performance data such as greenhouse gas emissions. In fiscal 2025, the exhibition took up a special feature entitled "Efforts by Business Sites and Plants for Preservation of the Global environment and Coexistence with Local Communities" and introduced the activities being carried out at business sites and plants throughout Japan to preserve and improve the environment and coexist with local communities.

Past seminar themes

FY 2025: Efforts by business sites and plants for preservation of the global environment and coexistence with local communities

FY 2024: Efforts by business sites and plants for preservation of the global environment and coexistence with local communities

FY 2023: Action for "biodiversity conservation"

Environmental education for new employees

Education upon joining the Company is provided not only to new employees but also to mid-career hires at all locations, including Group companies. In addition to explaining the TOYOBO Group Fundamental Policy on the Global Environment, we provide an overview of the Group's environmental conservation activities, including their policies, goals, and achievements. This helps employees understand why environmental conservation is important and what is expected of them as members of Toyobo Group.

Session for management

In May 2024, we invited an outside lecturer to have sessions on the topic of the "Study Session on Legal Liability for Chemical Accidents" for Executive Officer. In particular, we deepened our knowledge of regarding chemical substance leaks.

Past Seminar Themes

FY 2024: Sustainability and corporate value creation

FY 2023: Practice of sustainability and disclosure of information

FY 2022: Carbon neutrality

Other Initiatives

Green purchasing

For general purchases such as office supplies, Toyobo Group promotes green purchasing by specifying target items and utilizing environmental labels.

In fiscal 2025, 11 out of 12 targeted items* were purchased, achieving a green purchasing rate of 99.6%. The slight shortfall was due to some business sites purchasing non-targeted copy paper.

We will continue to promote sustainable procurement through green purchasing initiatives.

* Copy paper, toilet paper, files, tape for label printers, computers, copy machines, printers, fax machines, lighting fixtures (fluorescent lamps except for those for insect control), fire extinguishers, air conditioners (for home use), work clothes and uniforms

● Eco-Conscious Products

↓ Basic approach

↓ Structure

↓ Targets and results

↓ Initiatives related to eco-conscious products

↓ Initiatives related to LCA calculations

Basic approach

Under the "TOYOBOKU Group Fundamental Policy on the Global Environment," the Toyoko group promotes to reduce and improve the impact on environment by developing new technologies. At every stage, from product development through to design, manufacture, sale, disposal, and collection, we are forecasting, evaluating, and reducing their impact on the environment, and working towards its protection.

- [TOYOBOKU Group Fundamental Policy on the Global Environment](#)

Structure

Mechanism for certification of eco-conscious products

Since 1998, Toyoko Group has operated the Eco-Review System to evaluate the environmental impact and eco-friendliness of our products from an environmental conservation perspective.

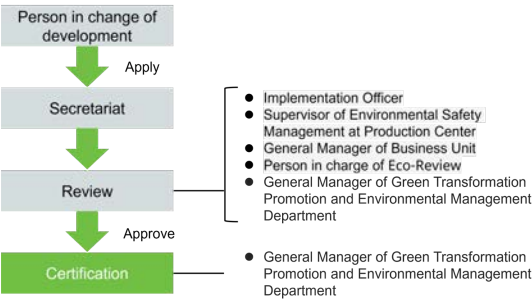
Under this system, we assess our products and technologies according to proprietary criteria, based on evaluation items categorized as preventing climate change, reduction of chemical substance use, resource conservation, waste reduction, and biodiversity and other environmental factors. The assessments take a life cycle perspective, covering every stage from raw material procurement through to disposal.

Products that receive an evaluation above a certain standard are certified under our ECO-PARTNER SYSTEM®. Eco Reviews are conducted at every stage from research and development through to commercialization. For themes deemed to require improvement during the R&D stage, an additional Eco Review is carried out before commercialization to ensure enhancements are made. This process enables us to continuously improve our products and technologies during development, further reducing their environmental impact and enhancing their contribution to environmental conservation.

Eco-Review Evaluation Items

Design and development	<ul style="list-style-type: none"> Designing eco-conscious products
Raw materials	<ul style="list-style-type: none"> Using recycled materials and alternative raw materials to petroleum-based raw materials Considering biodiversity
Production	<ul style="list-style-type: none"> Using energy-saving and clean energy Reducing water use and effectively using raw materials Reducing waste
Distribution and packaging	<ul style="list-style-type: none"> Reducing transportation energy Reducing packaging waste
Use and consumption	<ul style="list-style-type: none"> Reducing resource consumption Increasing lifespan
Recycling, disposal, and incineration	<ul style="list-style-type: none"> Reducing hazardous chemical emissions Biodegradability and recyclability

Review and Certification Process



ECO-PARTNER SYSTEM®

Products that meet or exceed a certain standard in the Eco-Review System are designated as ECO-PARTNER SYSTEM® products, contributing to reduced environmental impact and enhanced environmental performance.

The evaluation criteria for the ECO-PARTNER SYSTEM® are divided into five categories, including “resource conservation.” A product's life cycle—from raw materials through to disposal—is divided into six stages, and the environmental impact at each stage is evaluated as part of the certification process.



Targets and results

We aim to increase the ratio of sales of ECO-PARTNER SYSTEM® products to 40% of total sales by fiscal 2031 and 60% by fiscal 2051.

Initiatives	Targets (FY2031)	Results (FY2025)
Sales ratio held by ECO-PARTNER SYSTEM® products (TOYOBO,TMC)	40%	30.7%

Sales by Evaluation Standard of ECO-PARTNER SYSTEM® Products (FY2025)



Note: Net sales in the figure include duplicates because they are determined based on multiple criteria.

Initiative

ECO-PARTNER SYSTEM® Products

Below are examples of products certified under our ECO-PARTNER SYSTEM®, which contribute to mitigating climate change, reduction of chemical substance use, resource conservation, waste reduction, and biodiversity and other environmental factors.

Initiatives for LCA calculation

We calculate LCA as appropriate by introducing MiLCA, a software for computing LCA.

In addition, LCA calculations are based on the following standards.

LCA Principles and Framework: ISO 14040

Calculation of reduction contribution

By comparing the carbon-life cycle assessment (cLCA) of a baseline product with that of high environmental performance product, it is possible to visualize the contribution to CO₂ reduction achieved by replacing the baseline product with the higher-performance alternative. We began calculating the amount of contribution to reduction in fiscal 2023 for reverse osmosis (RO) membranes and VOC (volatile organic compound) recovery equipment. In calculating the amount of reduction contribution, we have established our own guidelines based on the "Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions" issued by the institute of Life Cycle Assessment, Japan. We also refer to the Ministry of Economy, Trade and Industry's "Guidelines for Quantifying GHG emission reductions of goods or services through Global Value Chain " and other guidelines. We will continue to expand the number of products subject to calculation, reduce CO₂ emissions generated when our customers use our products, and contribute to the mitigation of climate change throughout our supply chain.

Case ① VOC recovery equipment



Toyobo's VOC recovery equipment is used around the world to control emissions of volatile organic compounds (VOC), which are feared to affect the atmosphere and human health. Our VOC recovery equipment incorporates "K-FILTER®", an unique activated carbon fiber, and it is used in various industries to recover dichloromethane used in the lithium battery separator manufacturing process and to control emissions and recover ethyl acetate (which is used in dry lamination and adhesive processes), toluene, and IPA etc.

Assuming that the steam desorption VOC recovery equipment sold by our group in fiscal 2023 operates for 15 years, the amount of VOC (methylene chloride, etc.) recovered will be approximately 6 million tonnes*. In addition, "K Filter®" makes it possible to recover high-quality solvents and save energy because it is a high-performance adsorbent that has a faster adsorption rate than granular activated carbon and contains fewer impurities. Our VOC recovery equipment can reduce carbon dioxide emissions by approximately 50 to 70% compared to conventional VOC combustion equipment when treating combustible VOC such as ethyl acetate and toluene (according to research by Toyobo).

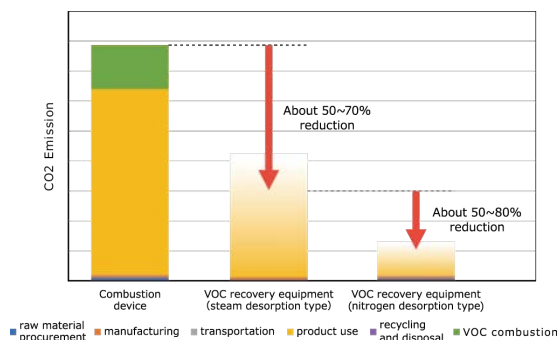
Furthermore, our group also sells the nitrogen desorption type "K Filter®" VOC recovery equipment, which is even more energy-saving. Since nitrogen is purified and reused using a unique circulation method, it can be processed at low running costs, and it is also possible to recover and reuse water-soluble solvents and significantly reduce wastewater. Compared to conventional steam desorption methods, CO₂ emissions during treatment are expected to be reduced by approximately 50 to 80%*.

Going forward, to contribute toward the realization of the decarbonized society, we will expand applications of our VOC recovery equipment and sales promotion of our nitrogen desorption type VOC recovery equipment, which is more energy efficient.

* Our group calculations

- [VOC recovery apparatus \(steam desorption type\) K-FILTER®](#) 
- [VOC recovery apparatus \(nitrogen desorption type\) K-FILTER®](#) 

VOC treatment equipment's CO₂ emissions compare (e.g.)



* Calculation Conditions: VOC Processing Capacity is calculated by setting the same conditions for the combustion device and the recovery device our group-wide calculation.



VOC recovery equipment

Case ② RO Membrane for seawater desalination

Globally, water shortages are becoming an increasingly serious problem. We provide hollow fiber reverse osmosis (RO) membrane, which enables desalination with low energy consumption, to countries throughout the world, especially in regions where there is inadequate access to fresh water. By comparison with the conventional multi-stage flash (MSF) method, Toyobo's method using RO membrane makes it possible to achieve a substantial reduction in CO₂ emissions.

Toyobo's RO membrane is made mainly from biomass material, and it has a number of unique features, including long product lifespan of eight years or more, and being able to produce high-purity fresh water. Additionally, the superior chlorine resistance of the membrane material keeps maintenance costs down.

Assuming that the RO membrane elements sold by our group is used for eight years, freshwater production would be approximately 900million m³*, and avoided emissions (reducing CO₂ emissions) will be approximately 9 million tonnes*.

Going forward, we will be expanding production of RO membrane so that it can be used to meet the daily water needs of around 10 million people through seawater desalination (this is the target for Sustainable Vision 2030).

* Our group estimate.






Seawater desalination plants



Biomass Mark for our hollow fiber membrane in HOLLOSEP®.

● Climate Change

Materiality	
Related ESG : E	  
A decarbonized and circular society	

- ↓ Basic approach ↓ Structure (Governance)
- ↓ Strategy for realizing a decarbonized society ↓ Indicators, targets, and results
- ↓ Initiatives related to our manufacturing business ↓ Initiatives related to the entire value chain
- ↓ Strengthening climate change measures ↓ Collaboration with stakeholders

Basic approach

The Glasgow Climate Pact was adopted at the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26) in 2021, with the aim of addressing the global issue of climate change. The Pact incorporates a commitment to strive to keep the rise in average global temperatures within 1.5°C, which would have a less severe impact than the earlier target of 2°C, by utilizing the latest scientific know-how, and it thus set a de facto goal for the world to work toward. The Pact confirmed that the next 10 years will be vitally important for realizing this, and that it is important to reduce overall global greenhouse gas emissions by 45% by 2030 compared to 2010, and to cut emissions to net zero by 2050.

Toyobo group recognizes climate change as a very significant social issue that will have a critical impact on our business. We support the "Paris Agreement*" and "Glasgow Climate Pact" and aim to achieve carbon neutrality by the fiscal year 2051, consistent with the global 1.5°C target.

We also believe that it is important to collaborate with our customers, business partners, industries, local communities, the national government, and society as a whole in order

to resolve climate change issues. Our group engages in discussions and dialogue with various stakeholders and works collaboratively to realize the net zero emissions and the goals of the Paris Agreements.

In addition, in January 2020, we expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and have been promoting initiatives and information disclosure in line with these recommendations.

* The Paris Agreement is a global framework adopted in COP21 in 2015 to reduce greenhouse gas emissions after 2020. For the first time in history, it is a fair agreement involving all countries and including the goal of keeping temperature rise below 2 degrees Celsius, and preferably 1.5 degrees Celsius.

- [TCFD Index](#)

Structure (Governance)

President & Representative Director, CEO & Co-COO has the highest responsibility for climate change-related issues. The Board of Directors receives regular reports on climate change policies and significant matters discussed by the Sustainability Committee and provides supervision and guidance. The Sustainability Committee, chaired by the President & Representative Director, CEO & Co-COO, handles company-wide issues and risks, including climate change issues.

In fiscal 2025, the Sustainability Committee met six times, and the results of the meetings were reported to the Board of Directors. Following this, the Board resolved to adopt a climate change-related indicator within the sustainability metrics used as evaluation criteria for the executive compensation system, thereby accelerating efforts to reduce greenhouse gas (GHG) emissions.

The climate change-related indicator is defined as the year-on-year reduction rate of GHG emissions (Scope 1 and 2). It will be applied to compensation paid from July 2025 onward, based on the results for fiscal 2025.

Past results

- Revised the committee structure under the Sustainability Committee, establishing a new “Climate Change and Biodiversity Committee”
- Officially joined the “GX League” established by the Ministry of Economy, Trade and Industry and approved and announced voluntary targets aimed at the voluntary emissions transaction scheme under GX League (GX-ETS)
- [Structure on corporate environmental issue](#)

Risk management

In fiscal 2022, our group established a Risk Management Committee, which conducts uniform group-wide management of risks including climate change issues. In addition to its overall administration of risk management activities (identification, analysis, assessment, and response), the committee formulates policy related to risk management for the whole group, builds and operates effective, sustainable organizations and systems by running the PDCA cycle, and works to strengthen the risk management system. As our point of departure for risk management activities, we identify serious company-wide risks requiring intensive attention from the results of evaluations in terms of the two axes of severity of impact^{*1} and likelihood of occurrence^{*2} based on each risk scenario. Toyobo group manages its important risks based on a companywide assessment of risks that include natural disasters such as flooding (floods, storm surges, etc.), which are increasing in severity due to climate change.

* 1 Scope of impact, duration of business operation stoppage, personal damage, reputation, and financials are evaluated on a three-point scale that includes “major damage equivalent,” “moderate damage equivalent,” and “minor damage equivalent.”

* 2 Evaluations use a three-point scale including “occurs frequently,” “occurs occasionally,” and “occurs infrequently.”

● [Risk Management](#)

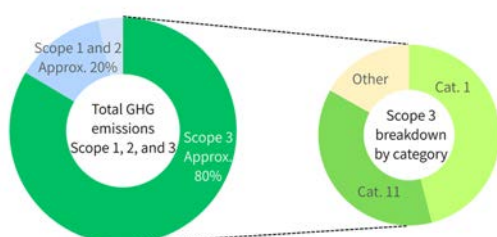
Strategy for realizing a decarbonized society

The Group aims has identified “decarbonized society & circular economy” as one of its materiality priorities, aiming to reduce environmental impacts from business activities—including GHG emission reductions—and to contribute to realizing a decarbonized and circular society through our operations.

We also approach reducing GHG emissions throughout the entire supply chain, including raw material procurement, as both a means to mitigate risks and create opportunities. Through planned reductions of Scope 1 and 2 emissions, we seek to alleviate potential costs associated with future carbon pricing schemes and ensure we can consistently meet our customers' decarbonization expectations.

The total GHG emissions across the Group's supply chain amount to approximately 4.78 million tonnes-CO₂, which can be categorized into two sources: “business activity areas (Scope 1 and 2)” and “the entire value chain (Scope 3).”

Proportion of Scope 1, 2, and 3



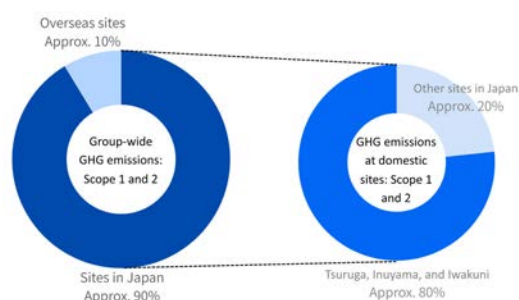
* Scope 1: Direct emissions from sources owned or controlled by the company

- * Scope 2: Indirect emissions from the consumption of purchased electricity, heat, or steam
- * Scope 3: Indirect emissions not included in Scope 1 and Scope 2. These are divided into 15 categories, including the emissions from activities related to purchased products and services such as manufacturing (Category-1) and from the use of products sold (Category 11).

Business activity areas

Approximately 20% of our group's total GHG emissions come from business activities (Scope 1 and 2). These emissions are primarily from fuel combustion at our on-site power generation facilities located at three sites in Japan (Tsuruga Research and Production Center, Inuyama Plant, and Iwakuni Production Center). It is therefore a crucial GHG reduction measure for our group to transition to low-carbon and decarbonization of its on-site power generation facilities. In fiscal 2023, we formulated and announced the "Scope 1 and 2 Reduction Plan (Roadmap to Carbon Neutrality)" as part of our transition plan to carbon neutrality, and we are promoting various measures. For more details on other initiatives, please refer to "Initiatives related to our manufacturing business."

GHG emission rate by site

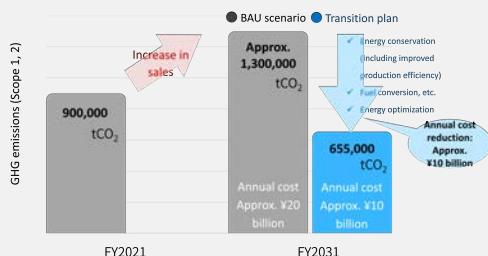


Estimating the financial impact of carbon pricing on our company

In the BAU^{*1} scenario, with fiscal 2021 as the base year, Scope 1 and 2 emissions would increase to about 1.3 million tonnes-CO₂ in fiscal 2031 as our sales are expected to expand. If it is assumed that the carbon price in fiscal 2031 will be ¥15,000/tonne-CO₂, the annual cost will be about ¥20.0 billion.

On the other hand, in the transition plan, we aim to reduce our Scope 1 and 2 emissions in fiscal 2031 to 0.655 million tonnes-CO₂ or less by implementing measures such as "energy reductions and greater energy saving (including improvement of production efficiency)," "fuel conversion," and "optimization of energy sources including the introduction of renewable energy." In this case, the annual cost of the carbon price will be approximately ¥10.0 billion, resulting in a cost reduction of about ¥10.0 billion compared to the BAU scenario.

The cumulative capital expenditure (CAPEX) from 2022 to 2025 in accordance with this transition plan is included in the amount of investment in safety, disaster prevention, and environmental investment amount (approximately ¥17.0 billion)^{*2}.



- * 1:BAU stands for Business As Usual. In this case, it refers to a scenario in which no particular measures are taken to reduce GHG emissions.
- * 2:For details, please refer to the “2025 Medium-Term Management Plan (FY 3/23 to FY 3/26) - Confirmation of progress and initiatives from FY 3/26 onward” published in May 2025.

• [Medium-Term Management Plan\(FY2023-FY2026\)](#)

Entire value chain

Approximately 80% of the Group's total GHG emissions come from indirect emissions associated with business activities (Scope 3). Within Scope 3, “procurement of materials and raw materials (Category 1)” and “use of sold products (Category 11)” account for the majority. Accordingly, we are focusing on procuring low-carbon and decarbonized materials and raw materials, as well as improving the energy efficiency of sold products as key measures. For more details, please refer to “Initiatives related to the entire value chain.”

Indicators, targets, and results

Medium- to long-term targets

With regard to Scope 1 and 2 greenhouse gas (GHG) emissions associated with our business activities, we have set ourselves the target of realizing net zero emissions by fiscal 2051. The midterm target for fiscal year 2030 is to reduce GHG emissions by more than 46% compared to fiscal year 2014.

To contribute toward realizing the decarbonized society, we are proceeding with efforts to reduce GHG emissions and energy use from the entire value chain deriving from activities that are related to our own business, while also working to expand the contribution that we make toward reducing GHG emissions through our products and services.

Short-term targets

As short-term targets, our group has set reduction rates for GHG emissions intensity relative to sales in Scope 1 and Scope 2. The targets are utilized as evaluation indicators in sustainable finance.

- [Investor Relations > Stock and Bond Information > Sustainable Finance](#)

Results of Scope 1 and 2

The actual Scope 1 and Scope 2 emissions for fiscal 2025 were 784,000 tonnes of CO₂, representing a 35.4% reduction compared to fiscal 2014.

In October 2023, we renovated the private power plant at the Iwakuni site, significantly reducing Scope 1 emissions by switching from coal to LNG and other fuels.

	Indicators	Targets			Progress (FY2025 Results)		Our Evaluation
		Base year	Target year	Targeted percentage change from base year (%)	Results	Reduction Rate	
Mid-Term target	GHG Emissions Scope 1 and 2 (Consolidated)	FY2014 (FY2021)	FY2031	46% or more reduction (27.0% or more reduction)	784 thousand tonnes of CO ₂	35.4% (13.0%)	On Track
Short-Term Targets	Reduction Rate of GHG Emissions Intensity Relative to Sales	FY2021	FY2027	Reduction of 28.5%	1.86 tonnes of CO ₂ per million yen	30.3%	On Track
		FY2021	FY2028	Reduction of 35.0%			

* Calculation Scope: Total of Toyobo Co., Ltd. and Consolidated Subsidiaries

Results of Scope 3

In fiscal 2025, total Scope 3 emissions amounted to 3,996 million tons of CO₂, a decrease of approximately 27% year on year, mainly due to reductions in Category 11. This was driven by a 50% drop in emissions from the operation of VOC treatment equipment during customer use, which makes up the majority of Category 11. The slowdown in the EV market led to reduced shipments of VOC treatment equipment used in the lithium-ion battery separator manufacturing process.

Emissions by Category for Scope 3

Category	GHG emission Thousand tonnes-CO ₂
1. Purchased goods and services	1,881
2. Capital goods	122
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	114
4. Upstream transportation and distribution	48
5. Waste generated in operations	61
6. Business travel	7
7. Employee commuting	4
8. Upstream leased assets	Not applicable to the company
9. Downstream transportation and distribution	GHG emissions of transportation to the shipping destination includes in the category 4.
10. Processing of sold products	—
11. Use of sold products	1,458
12. End-of-life treatment of sold products	300
13. Downstream leased assets	Not applicable to the company
14. Franchises	Not applicable to the company
15. Investments	Very low emissions
Total	3,996

Acquisition of SBT Certification

In December 2022, our group's GHG emissions reduction targets were recognized as science-based targets, or SBT*, by the global initiative SBTi.



The targets approved by SBTi are as follows.

Category	Target	Progress (FY2025 Results)	Our Evaluation
Scope1、 2	27.0% reduction in GHG emissions by FY2031 over FY2021	13% reduction from FY2021 level	On Track
Scope3 (Category 1+11)	12.5% reduction in GHG emissions by FY2031 over FY2021	44% increase from FY2021 level	In Progress

The target for Scope 1 and 2 corresponds to a reduction of GHG emissions by at least 46% by fiscal 2031 compared with fiscal 2014.

* A target to reduce greenhouse gas emissions in line with what is considered to be a state-of-the-art climate-science requirement to meet the Paris Agreement targets

Independent Verification by third party

To increase reliability of our information, we have obtained independent verification from KPMG AZSA Sustainability Co., Ltd., that covers our Scope1,2, a portion of Scope3, and data on energy-consumption for fiscal 2023.

Scope of Assurance: Scope 1, 2, and Scope 3 (Categories 3 and 11), Energy Amount

Initiatives related to our manufacturing business

Reduction of Scope 1 and 2 emissions

Formulating transition plan towards achieving a decarbonized society and economy

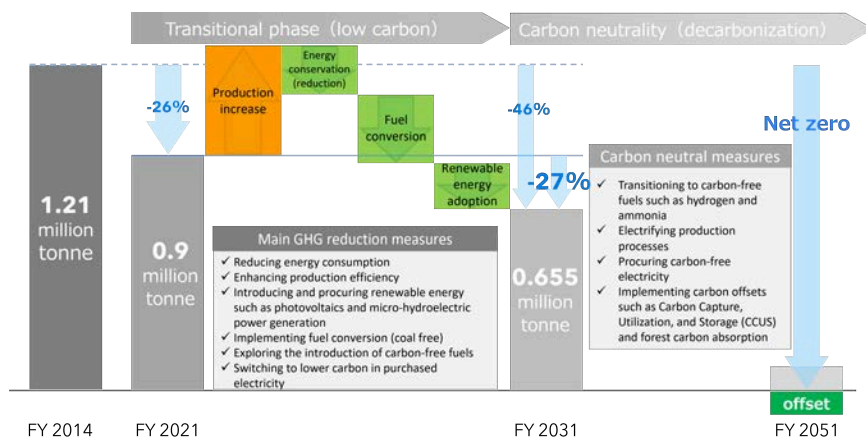
As a transition plan towards achieving a decarbonized society and economy, we have formulated a reduction plan for Scope 1 and Scope 2 (a roadmap to carbon neutrality). With business expansion expected to increase production activities by fiscal year 2031, it is anticipated that GHG emissions would also increase if no action is taken. To counter this, we will promote energy reduction (including energy conservation and improvement of production efficiency), fuel conversion (de-coal), and optimization of electricity use, including renewable energy, to curb energy consumption and reduce GHG emissions (Scope 1 and Scope 2). The contributions of major GHG reduction measures are as follows:

Future capital investments in self-generation power and utility equipment, as well as renewable energy, will be made in line with the transition plan, utilizing the Internal Carbon Pricing (ICP) system. The cumulative environmental investment through 2025, aligned with this carbon-neutral roadmap, is included in the safety, disaster prevention, and environmental investment budget of the 2025 Medium-Term Management Plan, totaling ¥17 billion.

Key elements	Contribution
Fuel conversion	Approximately 40%
The others • Energy reduction (including energy conservation increased production efficiency) • Introduction of renewable energy	Approximately 60%

* An acronym for "Business as Usual," indicating a case in which no particular GHG emission reduction measures are taken.

Roadmap for Carbon Neutrality



Energy reduction and conservation

TOYOBO CO., LTD. has set a shared goal of improving energy-efficiency* by 1.0% or more annually. In fiscal 2025, we achieved this target through various energy-saving efforts.

Specifically, we improved the power generation efficiency of our in-house power generation facilities, added waste heat recovery systems to production lines, enhanced insulation, and introduced energy-saving equipment. In particular, we are actively working to reduce energy consumption at four major sites—Tsuruga, Iwakuni, Inuyama, and Utsunomiya—where energy use is especially high.

In addition, we hold monthly meetings of the Energy Use Efficiency Committee, which consists of members from our main business sites and plants. The committee monitors the energy conservation activities of each site and shares know-how on energy conservation. Each committee member also conducts simple audits ("energy-saving patrols") at each factory site as appropriate to maintain and improve the level of activity.

* Energy consumption per sales and production volume in accordance with Japan's act on rationalizing energy use

Energy Use Policy

We are committed to energy conservation and the reduction and reuse of resources. At the same time, we strive to develop products and implement measures that consider the environment, including water, air, soil, and biodiversity.

(From TOYOBO Group Employee Conduct Standards, 27. Business activities taking the global environment into consideration)

The highest rank in "Business Operator Classification Evaluation System"

The "Business Operator Classification Evaluation System," led by the Ministry of Economy in Japan classifies all business operators that submit regular reports under the Act on the Rational Use of Energy (Energy Conservation Act) into four

categories: S (excellent business operators), A (business operators expected to make further efforts), B (stagnant business operators), and C (business operators requiring attention).

Our group has achieved energy-saving targets through the introduction of energy-saving equipment and received S-class evaluations as follows:

TOYOBO CO., LTD	: For six years in a row from fiscal 2020 to fiscal 2025
YUHO CO., LTD	: For two years in a row from fiscal 2024 to fiscal 2025
TOYOSHINA FILM CO., LTD	: For five years in a row from fiscal 2020 to fiscal 2024
TOYO CLOTH CO., LTD	: For six years in a row from fiscal 2019 to fiscal 2024
MIYUKI KEORI CO.,LTD	: Fiscal 2024
Japan Exlan Co., Ltd.	: Fiscal 2023

Fuel conversion (away from coal)

We are also implementing a transition toward low-carbon energy use, by switching to fuels with lower carbon contents for our in-house electricity generating equipment and installing additional gas co-generation system^{*1} equipment.

Track record to date

Iwakuni Production Center: Renewed the in-house thermal power generation plant, converting the fuel from coal to liquefied natural gas and RPF^{*2}.

Inuyama Plant: Installed an additional gas cogeneration system to improve energy efficiency of the entire plant.

We are carrying out GHG reduction measures including fuel conversion at other business sites as well.

Future investments in power and utility facilities, including in-house power generation and renewable energy, will be carried out using the Internal Carbon Pricing (ICP) system, in line with the "Roadmap to Carbon Neutrality."

* 1: Gas co-generation systems are systems that use natural gas to generate electricity, with the waste heat being harnessed to produce steam and hot water that are used in manufacturing processes, for supplying hot water, for air conditioning, etc.

* 2: An acronym for "Refuse-derived Paper & Plastics Densified Fuel," solid fuel made mainly from used paper and waste plastic

Introduction of renewable energy

We are proceeding with the installation of photovoltaic power generation at each of our business sites and plants, making use of roof spaces and unused land.

In fiscal 2025, in addition to newly introducing solar power equipment at our plant in Thailand (TSSW), we also expanded installations at the Inuyama Plant. The total renewable energy generated in fiscal 2025 amounted to approximately 1.5 GWh.

TSSW (Thailand) initiatives



Solar panels installed on the roof of TSSW with a power generation capacity of approximately 2,300 kW.

TOYOBO SAHA SAFETY WEAVE CO., LTD. (TSSW), located in Thailand, manufactures base fabrics for airbags. TSSW plans to operate solar power generation equipment utilizing a Power Purchase Agreement (PPA*), which will replace approximately 15% of the energy used at the plant with renewable energy. This will enable the reduction of GHG emissions, stabilization of energy sources, and supply of low-carbon products to customers.

* PPA (Power Purchase Agreement): A system where a business operator rents the roof or idle land of a facility owned by a company, installs power generation equipment free of charge, and the company uses the generated electricity at the facility. This has the advantage of reducing electricity costs and CO₂ emissions.

Voice of the Person in Charge

In recent years, "environmental responsiveness" has become a value in the automotive industry, and we recognize that this may influence our customers' selection of suppliers. At our plant, we decided to install solar power generation equipment because it contributes to increasing the use of renewable energy and leads to cost reduction. In Thailand, introduction of solar power generation equipment is increasing. Although it took a long time to obtain a construction permit under this influence, the installation was successfully completed. We will continue to promote environmental initiatives suitable for our plant.

Inuyama Plant initiatives



Solar panels with a rated output of 495kW were installed on the rooftop of Inuyama Plant in fiscal 2023.

Solar panels with a rated output of 900kW were installed on the rooftop of Inuyama Plant in fiscal 2025.

Inuyama Plant has adopted the slogan “Aiming for a Sustainable Plant” and is committed to improving energy efficiency, introducing energy-conserving facilities, and utilizing renewable energy. In fiscal 2023, the plant installed a new solar power generation facility of approximately 500 kW through a Power Purchase Agreement (PPA*), followed by an additional installation of about 900 kW of solar panels in fiscal 2025. We have also installed monitors in the office that display real-time electricity consumption and generation data to raise employee awareness. Going forward, we plan to implement fuel switching among other measures and continue exploring and introducing various initiatives to realize a sustainable plant.

Voice of the person in charge

This was the first time our company had tried a PPA, so we got the cooperation of a range of people, and the manufacturer of the solar power generation facilities, our company headquarters and the manufacturing division within the plant all worked together. It was a particular struggle connecting these facilities while giving consideration to the effect it would have on our existing electrical system. When it started generating electricity without a hitch, our hard work was paying off even more as it leads to reduced electric charges which continue to soar.

Initiatives related to the entire value chain

Reduction of Scope 3 emissions

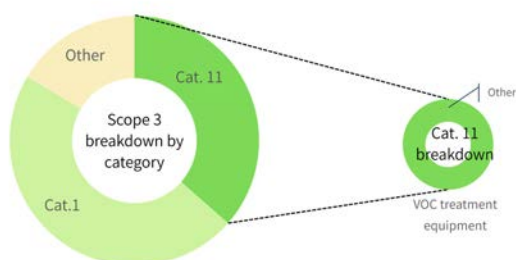
The Group is committed to reducing Scope 3 emissions, focusing particularly on reducing emissions in Category 1*¹ and Category 11*², which represent the largest sources of emissions.

Initiatives for Category 11

The majority of Category 11 emissions (just over 90%) come from VOC treatment equipment*³ sold by our Group, representing indirect GHG emissions from the utilities such as steam, electricity, and cooling water required for its operation.

We are advancing the introduction of new and energy-saving technologies for these devices to reduce utility consumption, promote reuse, and enhance energy efficiency, thereby lowering GHG emissions. The Group's VOC treatment equipment processes VOCs generated at customers' factories (such as those in the battery, pharmaceutical, and printing industries) with high energy efficiency, and in some cases, enables recovery and reuse of organic solvents. This contributes not only to GHG emission reductions but also to the overall reduction of environmental impact.

Scope 3 Breakdown



- * 1: Emissions from activities (such as manufacturing) relating to purchased goods and services
- * 2: Emissions from use of sold products
- * 3: apparatus that removes VOC, Volatile Organic Compounds, by an adsorptive method, an absorptive method, or a chilling method, and recovers VOC as a liquid organic solvent. CO₂ emission from VOC decomposition is zero. Moreover, the recovered organic solvent can be reused. VOC is a generic term for volatile organic compounds such as toluene, ethyl acetate, and dichloromethane. It causes atmospheric pollution / air pollution and is responsible for asthmatic and other health-related problems.

• Eco-Conscious Products

Energy-saving and CO₂ reduction initiatives in logistics

Our annual goal is to achieve a 0.5% year-on-year reduction in CO₂ emissions intensity per unit of logistics transportation.

In the Logistics Department, we launched the Green Logistics Promotion Project in 2006, and as well as working to improve quality and cost rationality, we are also continuously working on environmental conservation such as energy saving, resource saving, and prevention of global warming. Up until now, we have implemented a variety of measures in order to reduce the environmental impact of logistics. These measures include shortening transportation distances by using the nearest port to our production sites, and using efficient stacking and bulk transport of cargo in order to reduce the number of vehicles used. We are also actively promoting the usage of ship and rail transportation which have lower specific energy consumption than truck transportation, together with lower CO₂ emissions.

We have been introducing a logistics system since 2019. Based on dispatch simulations, we worked to further improve loading efficiency by optimizing the allocation of vehicles.

As a result of these efforts, we were able to reduce CO₂ emissions from logistics by approximately 7% in fiscal 2025. However, due to a decrease in logistics volume and other

factors, efficiency declined, leading to a year-on-year increase in CO₂ emissions intensity per unit by about 3.4%.

Strengthening climate change measures

Structure to achieve carbon neutrality

Starting from fiscal 2024, we have established a new "Climate Change and Biodiversity Committee." Recognizing that "responding to climate change" and "conserving biodiversity" are among the most critical business issues, we will promote activities to minimize our group's risks and seize business growth opportunities through the business operations of the Toyobo Group and its supply chain.

Additionally, we will promote companywide climate change responses with a view to internationally applicable sustainability standards.

Achievements of the Climate Change and Biodiversity Committee

- Implementation of GHG reduction measures in line with the Carbon Neutral Roadmap
- Obtaining third-party assurance for GHG emissions
- Participation in and goal setting for the emissions trading system (GX-ETS) in Japan

Introduction of internal carbon pricing system

In April 2022, we introduced an "Internal Carbon Pricing System," setting an internal carbon price to guide investment decisions. To achieve our group's "Roadmap to Carbon Neutrality" in line with the Paris Agreement and Japan's NDC, we use this system as one of the criteria for investment decisions. This promotes investments that contribute to GHG emissions reductions, including investment in low-carbon and decarbonization apparatus and development facilities.

Outline of Toyobo's ICP system

Internal carbon pricing fee (tax)	10,000 yen per tonne-CO ₂
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Targets of investment	Capital investment in facilities with fluctuating CO ₂ emissions
How to use it	Based on the internal carbon pricing fee, calculating CO ₂ fluctuation by the proposed facilities (including facilities for research and development) as costs. The calculations will be made in accordance with capital investment plans.

Introduction of executive compensation linked to climate-related performance

In fiscal 2025, we decided to add GHG emission reductions as a climate-related performance indicator among the non-financial evaluation criteria reflected in executive incentive compensation. This will be applied to compensation paid from July 2025 onward, based on the results for fiscal 2025.

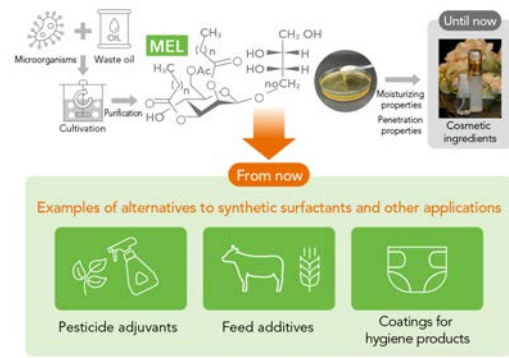
- [Corporate Governance](#)

Development of technologies that contribute to the realization of a decarbonized society

Bio-Manufacturing: Initiatives to develop revolutionary production systems begin



Mannosylerythritol Lipid, a surfactant produced by microorganisms



"Bio-Manufacturing" is a new technology that utilizes genetic engineering to produce useful target substances from cells of microorganisms, plants, and animals. Unlike traditional chemical manufacturing processes that use fossil resources as raw materials, this technology does not require multi-step chemical reactions and can be produced under natural conditions such as normal temperature and pressure. These features contribute to reducing GHG emissions and the use of fossil resource raw materials, and been increasingly anticipated in recent years.

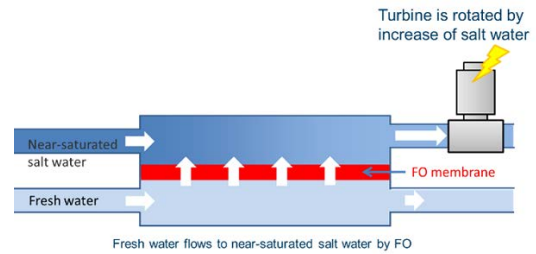
Our company, in collaboration with the National Institute of Advanced Industrial Science and Technology (AIST), has been selected for the "Bio-Manufacturing Revolution Promotion Project" by the New Energy and Industrial Technology Development Organization (NEDO). Together, we are advancing the research and development of a revolutionary production system aimed at expanding the application fields of "Manosylerythritol Lipid (MEL)," a natural surfactant produced by microorganisms (yeast). For more details, please refer to the news release below.

- [Selected for NEDO's "Bio-Manufacturing Revolution Promotion Project"](#) 

Contribution to next-generation renewable energy power generation systems



Osmotic power generation plant



Mechanism of osmotic power generation

Osmotic power generation using high-salinity water, a source of renewable energy, has been receiving public attention. Toyobo Group has developed a forward osmosis (FO) membrane for the power plant core used in this method, and it has been used in osmotic power generation plants of Danish venture firm SaltPower.

In April 2023, it was installed at Nobians saltworks in Denmark and is now in operation.

Geothermal water osmosis power generation uses the high osmotic pressure of water with high salt concentrations pumped from underground. Compared with solar and wind power, the weather and time of day does not affect geothermal power generation. Furthermore, compared to coal-fired power generation, no harmful substances such as nitrogen oxides or sulfur oxides are emitted during combustion.

Find more information about the other technologies [here](#).

- [Toyobo's hollow-fiber FO membrane used at osmotic power plant](#)

Contribution to energy-efficient next-generation seawater desalination Systems



Trevi Systems' demonstration seawater desalination plant



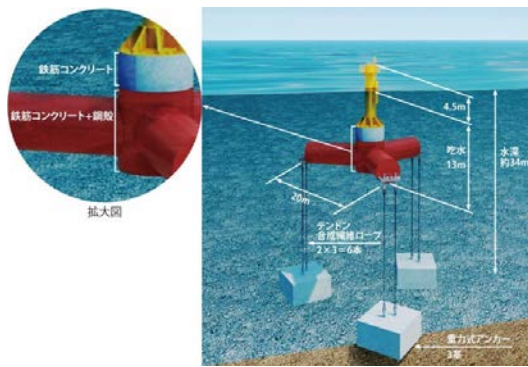
Hollow fiber forward osmosis (FO) membrane

Through the development and performance improvement of high-efficiency FO membranes with low pressure loss, we are collaborating with Trevi Systems, Inc. in the United States to commercialize energy-efficient seawater desalination systems. The FO membrane method, which utilizes osmotic pressure difference as a driving force, can extract fresh water from seawater with less electricity compared to traditional evaporation or RO membrane methods.

Our group's FO membranes were also adopted in the seawater desalination demonstration experiment conducted by Trevi Systems in Hawaii, USA, from June 2022 to September 2023. The plant where the demonstration was conducted is an "energy-efficient seawater desalination system" that converts the energy of sunlight into heat using concentrated solar power technology, generating most of the energy required for the plant's operation.

- [Toyobo MC's FO membrane achieved a freshwater recovery ratio of over 65% at Trevi System's renewable seawater desalination plant.](#) 

Contribution to offshore wind power generation



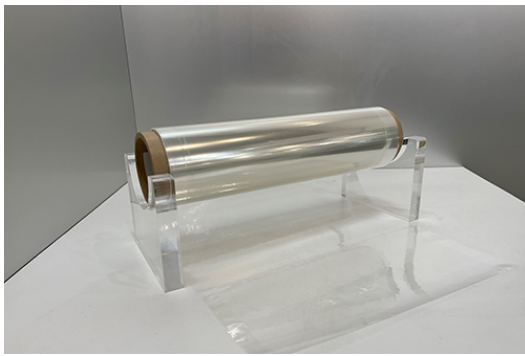
TLP-Type Floating Structure and Configuration
Image (Image Courtesy: Obayashi Corporation)

The Group is participating in Japan's first Tension Leg Platform (TLP) type floating offshore wind power facility installation experiment conducted in real sea conditions by Obayashi Corporation. Together with Obayashi Corporation and Tokyo Seiko Rope Mfg. Co., Ltd., we are conducting joint research and development on mooring lines that connect the floating structure to the seabed. The mooring lines used in the experiment feature ropes made from our newly developed creep-resistant ultra-high-strength polyethylene fiber "IZANAS® ULC."

By advancing the development and production of high-performance materials for the social implementation of offshore wind power generation, we contribute to the spread of renewable energy and the realization of a carbon-neutral society.

- [Participation in Japan's First Real-Sea Demonstration Experiment of TLP-Type Floating Offshore Wind Power Facility - Newly Developed Ultra-High-Strength Polyethylene Fiber "IZANAS® ULC" Receives First Approval from ClassNK \(Nippon Kaiji Kyokai\)](#)

Practical application of high-heat-resistant adhesive material 'Vitrimer' for ambient temperature distribution



A roll of highly heat-resistant adhesive sheet

Toyobo Co., Ltd. and Toyobo MC Corporation have developed a high-heat-resistant polyester adhesive sheet for electronic materials by applying a new material called “Vitrimers*.” This adhesive sheet can be transported and stored at ambient temperatures, eliminating the need for long-term heat curing (typically around 150°C for about 4 hours). These features contribute to energy savings during the distribution of adhesive sheets, as well as the simplification and energy efficiency of thermal processing steps, thereby reducing GHG emissions across the entire value chain of the electronics industry. Additionally, since the sheet is solvent-free, it also helps reduce VOC (volatile organic compounds) emissions.

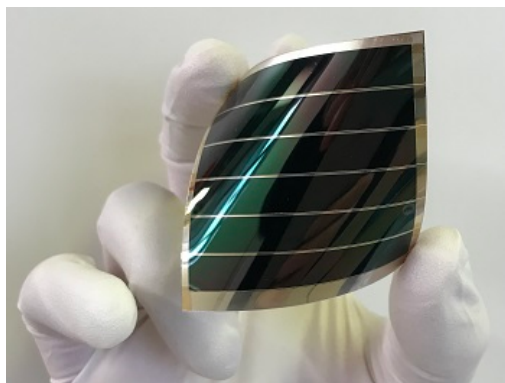
- [Putting vitrimers \(resin possessing dynamic covalent bonds with associative bond exchange mechanism\) into practical use for electronic materials](#)

* “Vitrimers” is a registered trademark of FONDS ESPCI PARIS.

Power-generating material for organic photovoltaics



Power-generating material for OPV



OPV module on PET film substrate

In pursuit of a decarbonized society, the market for next-generation solar cells utilizing renewable solar energy is expected to expand. Our group has been developing power-generating materials for organic photovoltaic (OPV) cells, which can achieve high output even under low-light indoor conditions, by applying organic synthesis technologies cultivated over many years in the fine chemicals business. In 2020, we completed the material design and successfully prototyped modules on lightweight and thin PET film substrates. OPV is expected to play a significant role in reducing the size and weight of sensors and as a communication power source and a weather-independent power source due to its power generation performance across a wide range of illuminance, flexibility, transparency, and environmental adaptability. In addition, compared to perovskite solar cells (PSC), another type of organic solar cell, OPV does not use lead, which is harmful to humans and the environment, making it a more environmentally friendly option.

- [Toyobo to practicalize power-generating material for organic photovoltaics with world's top-level conversion efficiency under room light](#)

Strengthening climate change adaptation measures

In 2024, the world's average temperature rose 1.6°C above pre-industrial levels, surpassing the 1.5°C limit set as a target under the Paris Agreement for the first time in a single year. This temperature increase directly impacts human health and labor productivity due to extreme heat. Additionally, rising sea temperatures are intensifying typhoons, hurricanes, and cyclones, raising concerns about damage to crops, buildings, and infrastructure.

Reducing flood risk

In fiscal 2025, we established a new flood countermeasure guideline to clarify the basic policy for flood risk management at the Group's production sites. Flood prevention measures are being implemented in order of priority, including flood countermeasures for new production and power equipment (such as elevated or raised installations), as well as the addition of waterproof doors and protective fences to existing facilities.

Reducing risks from extreme heat

In fiscal 2023, we established a heat stroke prevention guideline to clarify the basic policy for heat stroke prevention measures at all workplaces across the Group, including production sites. Specific measures include proper management of work environments and tasks (such as installing additional sunshades, air conditioning, and ventilation equipment, and shortening continuous work time in hot and humid areas), expanding automation of factory work, and monitoring workers' heat stress using IoT devices.

Collaboration with stakeholders

Toyobo group believes that it is important to collaborate with our customers, business partners, industries, local communities, the national government, and society as a whole in order to resolve climate change issues. Our group engages in discussions and dialogue with various stakeholders and works collaboratively to realize the net zero emissions and the goals of the Paris Agreements.

In addition, our group supports the climate change initiatives of industry associations and actively participates in their activities. In cases where there is a conflict or inconsistency between our group's policies and those of the industry associations we will take appropriate action to resolve these discrepancies.

Communication and collaboration with business partners

Our group has established the "CSR Procurement Guidelines," which incorporate the TOYOBO Group Fundamental Policy on the Global Environment. We request our business partners to cooperate in efforts to support the development of a sustainable society throughout the entire supply chain. The "CSR Procurement Guidelines" ask our business partners to continue and strengthen their environmental activities, including initiatives to address climate change issues.

- To strive to reduce greenhouse gas (CO₂ and other gases) emissions, and mitigate climate change
- To strive for effective use of resources and energy savings such as improving the efficiency of water and energy use

Since fiscal 2024, we have been distributing a video of the Toyobo Group CSR Procurement Briefing to approximately 500 major business partners worldwide as part of their training. In the briefing, we explained the Toyobo group's sustainability initiatives (such as carbon neutrality, respect for human rights, CSR procurement policies, and environmental policies) and requested compliance with the "Toyobo Group CSR Procurement Guidelines." We also expressed our desire to collaborate with our business partners to contribute to the development of a sustainable society throughout the entire supply chain. Based on the guidelines, our group's procurement department conducts a "CSR Procurement Survey" for business partners to monitor and evaluate their efforts to reduce GHG emissions and other risk factors. If the survey finds issues with business partners, we ask them to make improvements. Please see the following sections for the latest survey results and corrective actions.

- [Supply Chain Management > CSR procurement survey](#)
- [CSR Procurement Guidelines](#)

Involvement in organizations dedicated specifically to climate-related issues

GX League

Our group participates in the "GX (Green Transformation) League," led by the Japanese government (Ministry of Economy, Trade and Industry). By engaging in activities such as voluntary emissions trading (GX-ETS), rule making for market creation, and the generation of business opportunities, we are accelerating our efforts towards achieving carbon neutrality. We aim to drive economic growth and transform social structures by collaborating with participating companies, government agencies, universities, financial institutions, and other stakeholders.

Green x Digital Consortium

We participate in the "Green x Digital Consortium", which aims to create a new society and market using digital technology to achieve carbon neutrality in society as a whole.

Keidanren Carbon Neutrality Action Plan




As a member of the Japan Chemical Industry Association (JCIA), our group participates in the "Carbon Neutrality Action Plan" of the Japan Business Federation (Keidanren). Through the initiative, we confirm the Japanese government's climate change policy and reflect it in our group-wide policy. We are working with the association on a variety of

engagement activities related to climate change measures, including the submission of comments on government policies, and are working to realize a decarbonized society.

Keidanren “Challenge Zero” initiative

In support of the “Challenge Zero” managed by the Japan Business Federation (Keidanren) in cooperation with the Japanese government, we have announced specific initiatives for challenge innovation to create a decarbonized society.

● Plastic Resource Circulation

Materiality	
Related ESG : E	  
Decarbonized society and a recycling-oriented society	

↓ Basic approach ↓ Targets and results ↓ Initiatives

↓ Strengthening resource recycling measures

↓ Acquire ISCC PLUS certification (internationally sustainable carbon certification)

↓ Participating in initiatives

Basic approach

Plastic is an indispensable material for modern society, but it is also associated with issues such as the problem of waste, depletion of natural resources, and its impact on climate change. Against this backdrop, in 2019 Resource Circulation Strategy for Plastics was formulated in Japan. The basic principles of 3R+Renewable ^{*1} and ambitious milestones up to 2030 ^{*2} were set out as directions to be taken. In order to accelerate these efforts, the Act on Promotion of Resource Circulation for Plastics was enacted in April 2022.

TOYOBO group handles a large number of plastic products, including films, which are our mainstay products. We recognize that the transition to a resource circulation society can be a major opportunity at the same time as business risks. In 2022, we clarified that our group can contribute to a recycling-oriented society under the Sustainable Vision 2030 and set targets for 2030. We will begin by promoting the use of green materials (biomass, recycled raw materials, volume reduction, and material conversion) from film-based ^{*3}.

Having adopted the slogan “Catalyzing Circular Economy,” Toyobo group is contributing toward the realization of the circular economy through a wide range of initiatives, and by fulfilling our responsibility to future generations, we are aiming to realize sustainable growth.

- * 1 Streamlining (Reduce • Reuse) the use of avoidable plastics. The essential use is switched to recycled materials and renewable resources (Renewable) and thorough recycling (Recycle).
- * 2 Numerical targets from the perspectives of "Reduce," "Reuse • Recycle," and "Recyclable Use • Bioplastics." "Effective use of used plastics by 100% reuse by 2035, through recycling, etc." etc.
- * 3 This excludes some products where safety or lifespan is an issue.

Targets and results

In May 2022, Toyobo group announced its Sustainable Vision 2030, which outlines its aspirations for the year 2030.

In this vision, we set a target of ratio of green materials in main business operation for 60% in 2030.

Through this greening, we will contribute to reducing the use of petroleum-derived resources and making them alternative.

Item	FY2031 Targets	FY2025 Results
Percentage of green films*	60%	14%

* Quantity ratio

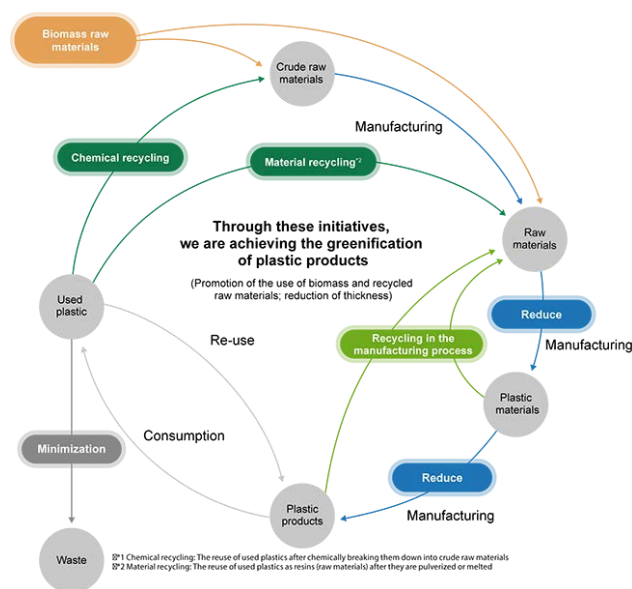
Initiatives

Since the 1990s, our group has been engaged in recycling and the use of biomass raw materials, and has accumulated a variety of technologies and know-how. Going forward, we will aim to realize circular economy from 3R+Renewable perspective.

The following is an overview of initiatives from each viewpoint.

The goal of "green" is to replace products that incorporate the following perspectives.

Our Group-wide efforts for the life cycle of plastics and resource circulation / resource recycling



Reduce

Development of thin, lightweight materials

We reduce the amount of raw material used by reducing thickness while retaining strength and functionality. When these kinds of materials are used by customers, packaging can be simplified and the amount of packaging materials used in the final product can be reduced.

Related technologies and products

- HARDEN[®] DN036
- SPACECLEAN[®]

Development of mono-materialization technologies and products

We are reducing the amount of raw materials used while increasing recyclability by replacing previous products consisting of several different materials with those using a single material while maintaining strength and functionality.

Related technologies and products

- ECOSYAR[®] VP Series
- PYLEN EXTOP[®]

Reuse - Recycle

Recycling in the manufacturing process

We collect scrap materials generated in the manufacturing process (originating from airbags and film products) and reuse them as materials for products in the same and other categories. In doing so, we reduce waste generated in the production process.

In addition to the manufacturing processes of our group, we also implement initiatives to advance recycling in the manufacturing processes of our customers.

Related technologies and products

- ECKURELEAF®
- ECOVLOPET®
- COSMOSHINE SRF®

Collaborations and initiatives

- Resource Recycling Project (KAMISHINE NEO® release film)

Chemical recycling* technology development

In developing and practically applying chemical recycling technologies, we seek out technologies from around the world and collaborate proactively with external organizations and companies. For example, we participate in the R Plus Japan project, actively pursuing development of chemical recycling technologies for converting recycled plastic into raw material for the production of high-quality recycled plastic.

* Chemical recycling: The reuse of used plastics after chemically breaking them down into crude raw materials

Collaborations and initiatives

- R PLUS JAPAN
- Anellotech, Inc.
- Japan Chemical Industry Association

Development of technology and products for material recycling*

We proactively develop and market products made of used plastics as raw materials. We have also developed and are marketing TOYOBO GS Catalyst®, a polymerization catalyst for PET resin designed to make resin recyclable after polymerization reactions.

Through efforts centering on the PET material to which this technology is applied, we are advancing the expansion of material recycling technologies and materials in the global market.

* Material recycling: The reuse of used plastics as resins (raw materials) after they are pulverized or melted

Related technologies and products

- ECKORCLUB®

Collaborations and initiatives

- Licensing of technology to

<ul style="list-style-type: none"> - Crisper® - TOYOBO GS Catalyst® - ReCrysta™ 	Indorama Ventures Public Company Limited
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Renewable

Product development using biomass raw materials	
<p>By reducing CO2 emissions and reliance on petroleum-derived resources, biomass raw material is expected to serve as a climate change mitigation measure.</p> <p>Our group is working for the conversion and expanded use of biomass raw materials, and for the practical application of biomass plastics that remain highly functional.</p>	
Related technologies and products	Collaborations and initiatives
<ul style="list-style-type: none"> - BIOPRANA® - VYLOAMIDE® - HOLLOSEP® - Polyethylene furanoate (PEF) resin (under development) - Biaxially oriented polylactic acid (BOPLA) film 	<ul style="list-style-type: none"> - PEF Resin Partnership (Avantium) - Partnership for PET resin made using 100% plant-derived raw materials (Suntory group and Anellotech) - Japan BioPlastics Association - THE JAPAN PLASTICS INDUSTRY FEDERATION

Other initiatives

Waste reduction

Marine plastic and microplastic response
To help reduce marine plastic waste, we participate in the Clean Ocean Material Alliance (CLOMA) established in Japan, as well as other initiatives in our efforts to develop and advance alternative materials.
Collaborations and initiatives
- CLOMA

Waste reduction
- Waste reduction

Examples of initiatives

Reduce

Contributing to the reduction of plastic use in packaging by making thinner and using a single material

Reduce

In line with Japanese policies such as the "Plastics resource circulation / resource recycling Strategy," demand is increasing for film-based products that contribute to reducing the use of plastics in packaging materials and making them suitable for recycling. However, packaging materials such as foods that require a variety of performance, such as heat resistance and processing suitability, are generally designed by laminating several materials that have distinct characteristics. As a result, the number of raw materials used increased, and it was difficult to separate them separately. As a result, recycling was difficult.

Our film-forming and other techniques have been cultivated over many years to enhance the rigidity and functionality of biaxially oriented ^{※1} polypropylene (hereinafter referred to as "OPP") film, which is a single material, making the film 20% ^{※2} thinner than conventional composites.

In addition, the unique vapor deposition processing has enabled us to achieve both high-heat resistance and high-barrier properties, which have been considered difficult with OPP films.

We are working to reduce the volume of packaging materials by replacing them with new OPP films, and to contribute to the realization of a recycling-oriented society by promoting the use of materials.

- [To develop a new ECOSYAR[®] VP001 of transparent deposition OPP films, here.](#)

* 1 Extending the film in two axial directions (vertical and horizontal) during film formation

* 2 For the PYLEN EXTOP[®] series of ultra-high-rigidity OPP films

Reuse -Recycle

ReCrysta™ is an eco-friendly film and can be manufactured using over 50% materials sourced from recycled PET resins. It avoids the use of monomers*¹ found in traditional PET films for shrink labels, opting instead for the same constituent monomers found in PET bottles. Until now PET films for shrink labels using conventional monomers have to be sorted separately from PET bottles, because such monomers compromise the properties of recycled PET bottles. On the other hand, PET films for shrink labels using ReCrysta™ that contains the same monomers as PET bottles, eliminate the need for separate sorting when producing PET resin flakes for recycling*², thus enhance recyclability.

In 2024, based on third-party testing results of the PET film manufactured using ReCrysta™, APR determined that the product meets or exceeds the strict guidance criteria of the Critical Guidance Recognition pathway, enabling it to receive the APR recognition.

* 1 Neopentyl glycol, cyclohexanedimethanol, etc.

* 2 Use of film with ink removed

* 3 The Association of Plastic Recyclers

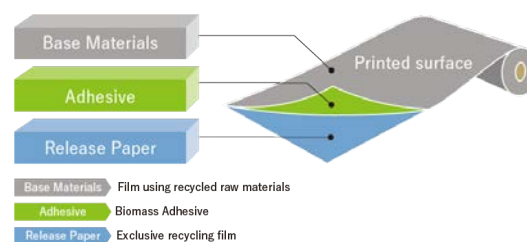
- [Newly developed "ReCrysta™," a PET film for shrink labels, receives recognition for APR Design® for Recyclability](#)

Material recycling of label boards

In KAMISHINE® series of polyester-based synthetic papers made from recycled plastic bottles, we have developed a new recycling technique for KAMISHINE NEO® release film, which is used in label mount (release film/separator) applications.

Until now, the label base paper is often made of paper coated with resin or the like on the surface, and it has been difficult to recycle the material because it is a composite material of resin and paper. In the process of attaching labels to products, the label backing after the surface substrate (seal) was peeled off was generally discarded incinerated.

In 2022, we developed a new technology to produce the "KAMISHINE®" series. This technique uses the label backing paper (KAMISHINE NEO® release film) after use as part of the raw material to produce the same performance as conventional products. Resource Recycling Project was launched under the initiative of NEION Film Coatings Corp. a comprehensive manufacturer of adhesive film - coating technology, in order to implement resource circulation initiatives using this product and technology.



Entire label structure (image)

- [Toyobo promotes global use of its aluminum catalyst technology through polymerization technology licensing contract with world's largest PET producer, Indorama Ventures Pcl](#)
- [Toyobo wins Chemical Society of Japan Award for Technical Development for 2022; helping realize a circular economy with an eco-friendly aluminum catalyst for polyester polymerization](#)
- [TOYOBO GS Catalyst®, an eco-friendly aluminum catalyst for polyester polymerization, receives recognition for APR Design® for Recyclability](#)



TOYOBO GS Catalyst® (front) enables synthesis of resins with higher transparency than other catalysts



PET bottles synthesized using TOYOBO GS Catalyst®

Recycling of used plastics beyond the industry

Chemical recycling

In June 2020 the joint venture company R Plus Japan, Ltd. was established by a group of 12 companies operating in Japan's plastics value chain, which includes Toyobo. As of September 2024, this number has grown to 45 companies, and together with Anellotech it is continuing with the development of new technologies.

Anellotech's recycling techniques

Anellotech's new technology is a chemical recycling technology that uses used plastics as raw materials to produce crude raw materials for common plastics. It is characterized by the ability to produce a variety of crude raw materials from the mixed state of multiple types of plastics, and by the low loss in the process. Because it can be processed by fewer processes than the conventional method, it is expected to reduce CO₂ emissions and energy-consumption. If this technology is established, it is possible to return used plastics, which have been used in heat, to raw materials, and it is possible to add more value to used plastics.

So that we can contribute to solving the common worldwide problem of plastics, we aim to have this technology in practical use by 2030. To do this, we are collaborating with companies in a range of industries, including those in sorting and processing of collected plastics, distribution, and production of monomers, polymers, packaging and containers, and beverages.

Renewable

Biaxially oriented polylactic acid (BOPLA) film for industrial applications using 100% plant-derived resin

Biomass feedstock

Polylactic acid (PLA) is a type of biodegradable resin produced from plant-derived starches and sugars.

Since the plants used as raw materials absorb CO₂ through photosynthesis during their growth, PLA has been used as an environmentally friendly material in a variety of products, primarily for packaging applications such as food containers and films. PLA resin, which is generally highly transparent, has also been anticipated for industrial applications such as optical films for liquid crystal displays. However, its low heat resistance has made it difficult to achieve sufficient strength and rigidity at high temperatures. Under conventional film production conditions, its inherent transparency could be compromised, and industrial processing involving heat and stress often caused dimensional changes or cracking.

Our BOPLA film for industrial applications, developed using proprietary film production technology, achieves the heat resistance and mechanical properties^{*1} required for industrial use while maintaining high transparency and superior surface characteristics. Going forward, we plan to expand its use as an alternative to PET (polyethylene terephthalate) films in optical films, electronic device component materials, and release-film substrates.

Currently, we are actively exhibiting the film at domestic and international trade shows and providing samples. In May 2025, we exhibited it at Display Week 2025^{*2} in the United States, receiving high praise for its transparency, which even surpasses that of PET films.

*1: Refers to high values of tensile strength, which indicates resistance to breakage under tension, and elongation at break, which indicates stretchability.

*2: One of the world's largest international conferences on display devices.



Newly developed biaxially oriented polylactic acid (BOPLA) film (prototype)

- [Newly developed biaxially oriented polylactic acid \(BOPLA\) film for industrial applications using 100% plant-derived resin](#) 

Polymerization of 100% bio-based PET resin

Biomass feedstock

In December 2021, Suntory Group and Anellotech, Inc. jointly developed a prototype PET bottle made from 100% plant-derived raw materials. Toyobo contributed to the development through its polymerization technology.



Polymerization of 100% bio-based PET resin in the Integrated Report 2022 (193KB)



Waste reduction initiatives

Minimizing waste

Our manufacturing sites are working under TOYOBORO Group Fundamental Policy on the Global Environment to reduce, reuse, and recycle waste. We strive to minimize the amount of landfill waste by reducing the amount of waste generated by reusing non-standard products and scrap materials, and by making the most effective use of waste generated.

- [Waste Reduction](#)

Compliance with the Plastic Resource Circulation Act

The following Toyobo Group business operators are classified as large-quantity emitters* under the Plastic Resource Circulation Act.

* Refers to industrial waste from plastic products totaling 250 tonnes or more per year.

FY2025 Results

Company	Emissions (t)	Recycled or otherwise utilized (t)	Direct landfill disposal (t)	Recycled or otherwise utilized (%)
TOYOBO Co., Ltd.	2,310	1,435	0	63
TOYOBO MC Corporation	2,400	1,899	0	79
TOYO CLOTH CO., LTD.	358	275	0	77
TOYOBO PHOTO CHEMICALS CO., LTD.	276	276	0	100

Toyobo Group promotes the effective use of industrial waste from plastic products generated within its operations through recycling and energy recovery, and does not directly dispose of such waste in landfills.

Going forward, we will continue to maintain zero direct landfill disposal, while also working to reduce waste generation through process improvements and to thoroughly separate and recycle the waste that is generated.

Strengthening resource recycling measures

Renewable-resource business development

In April 2020, we established Renewable Resources Business Development Department in order to further accelerate our efforts related to plastic resource circulation and contribute to a sustainable society. In April 2025, the department was abolished, and its functions were integrated into the Innovation Strategy Department, enabling initiatives for plastic resource circulation to be advanced in conjunction with development strategy.

Renewable Resources Business Development Department is searching for technologies and collaborating with other companies to promote the conversion to biomass raw materials and the use of recycled raw materials.

We have drawn up a roadmap to 2030 — while also looking towards 2050 — based on government policies in Japan and overseas, as well industry targets for the environment. In collaboration with our partners worldwide, we aim to shift to biobased products focused on polyester resin, and to establish technologies related to mechanical and chemical recycling. Working closely with each Solutions Division, we will also adapt flexibly to changes in the business environment.

Mission

Ensuring the supply
of renewable
resources

Developing recycling-
related technologies

Expanding business

Long-term outlook

2040–50

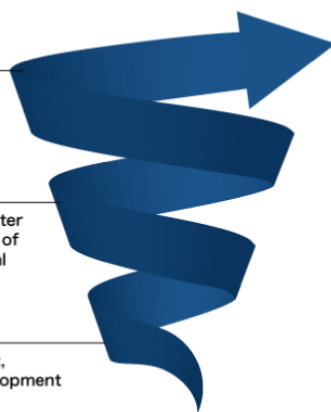
Realization of a
circular economy

2030

Shift to biobased polyester
resin and establishment of
mechanical and chemical
recycling technologies

2020

Launch new department,
establish concrete development
themes



Acquire ISCC PLUS certification (internationally sustainable carbon certification)

Toyobo Co., Ltd. and Toyoshina Film K.K., a Toyobo Group company, have received ISCC (International Sustainability and Carbon Certification) Plus certification, an international certification designed to confirm the sustainable content of products. The properties of bio-based raw materials in the OPP film to be manufactured by Toyoshina Film will be assigned to a portion of the product based on the mass balance approach*.

ISCC Plus certification, which is part of the ISCC certification system, is aimed at confirming that mainly bio-based feedstocks and recyclables are properly managed in the process of turning raw materials into final products in the entire supply chain using the mass balance approach.

- [Toyobo obtains ISCC Plus certification; ready to sell bio-based, biaxially oriented polypropylene films based on mass balance approach](#)

* A method in which during the process of turning raw materials into final products and the distribution process, raw materials with certain properties (e.g., bio-based raw materials) are mixed with raw materials that do not have the properties (e.g., petroleum-based raw materials); the properties are thus assigned to a portion of the product according to the input of the raw materials having those properties. (Source: Ministry of Environment, "Roadmap for Bioplastics Introduction.")

Participating in initiatives

The Toyobo group is working closely with a variety of companies and organizations, and is active in a number of initiatives aimed at contributing to the construction of a plastics value chain that is appropriate to the era of the circular economy.

Japan BioPlastics Association

This group was established in 1989 with the aim of promoting the use of bioplastics,* and establishing a testing and evaluation system. An executive from Toyobo serves as the Vice Chairman, and we are active in the association's activities including participation in executive meetings and various committees.



* Collective term for biodegradable and biomass plastics

CLOMA (Clean Ocean Material Alliance)

CLOMA is an organization established in Japan with the aim of increasing the effective use of marine plastic waste through reductions and recycling. Its members include more than 350 companies throughout the supply chain involved in the manufacturing, processing, and use of packaging and other materials. Toyobo has been a member of the alliance since it was established in 2019.



Through collaboration with other CLOMA members, which includes manufacturers, processors and users of packaging and other materials, we will work to develop and promote the use of alternative materials.

J4CE (Recycling Economic Partnership)

This partnership was founded for the purpose of strengthening public and private partnerships, with the aim of further fostering understanding of the circular economy among a wide range of stakeholders, including domestic companies, and promoting initiatives in response to the accelerating global trend toward a circular economy. We participated in J4CE in September 2022.



Circular Partners

Circular Partners (CPs) is an industry-government-academia consultative body launched by the Ministry of Economy, Trade and Industry to help realize a circular economy.

Circular Partners aims to create a vision, medium- to long-term roadmap, and information distribution platform for the realization of a circular economy in Japan through collaboration among industry, government, municipalities, universities, and business and industry organizations. TOYOBO and TOYOBO MC participated in the project in 2023.



APR(The Association of Plastic Recyclers)

This is an international industry organization that represents the recycling industry for plastics. We are supporting circular economy through unique certification programs to ensure high-quality recycled plastics, testing methods to evaluate recyclability, and educational activities. We joined in March 2023.






CEFLEX (Circular Economy for Flexible Packaging)

In August 2019, Toyobo group joined the European consortium Circular Economy for Flexible Packaging (CEFLEX). Established in 2017, CEFLEX is a consortium that promotes the realization of a circular economy through the use of flexible packaging. This includes more than 130 companies and organizations involved in the flexible packaging value chain, including leading materials manufacturers and recycling companies. Its goals include establishing by 2025 a Europe-wide collection, sorting, and reprocessing infrastructure for used flexible packaging. While understanding the latest information and trends regarding recovery systems and regulations, we will focus on developing and supplying eco-friendly technologies and products to contribute to the realization of a circular economy.



● Waste Reduction

Materiality	
Related ESG : E	
A decarbonized and circular society	  

↓ Basic approach

↓ Targets and results

↓ Environmental compliance

↓ Initiatives

Basic approach

In line with the TOYOBO Group Fundamental Policy on the Global Environment, each of Toyobo group's production sites is implementing initiatives to reduce, reuse, and recycle waste. By reducing the amount of waste through measures such as recycling non-conforming products and offcuts, and by finding ways to effectively utilize, as far as possible, the waste that we do generate, we are striving to minimize the amount of waste sent to landfill.

Targets and results

We have set a target of 15% reduction in waste emissions by fiscal 2031 (compared to fiscal 2016), and we will keep the final disposal (landfill disposal) rate down to less than 1% while proceeding with waste reduction.

Initiatives	Targets (FY2031)	Results (FY2025)
Waste volume (consolidated)	15% reduction (compared to FY2016)	3% reduction

Consolidated: TOYOBO CO., LTD. and consolidated subsidiaries

In fiscal 2025, waste emissions were reduced by 3% compared to fiscal 2016. The final disposal rate for the Company and its domestic consolidated subsidiaries totaled 0.4%, continuing to meet the target.

- [waste data](#)

Environmental compliance

There were no violations related to waste, such as permits, standards, or regulatory breaches, during the three-year period from fiscal 2023 to fiscal 2025.

We comply with all relevant laws and regulations, such as the Act on Waste Management and Public Cleaning and the Basel Convention and conduct proper management and disposal.

Initiatives

To reduce the amount of waste, we are collecting offcuts produced during manufacturing processes and reusing them as material for producing either the same type of product or different products. We are also making effective use of items such as used plastic packaging materials by recycling them in the form of pallets. Furthermore, when outsourcing the disposal of industrial waste, we select outsourcing providers that are capable of implementing recycling.

With regard to polychlorinated biphenyl (PCB) waste, we are proceeding with appropriate disposal in a systematic manner. We are proceeding with systematic renewal of electric facilities containing low-concentration PCBs that are currently still in use.

Achievement of Zero Landfill of Plastic Waste (Efforts of Mitsumoto Chemicals Co., Ltd.)

In response to the enforcement of the Plastic Resource Circulation Act in 2022, Mitsumoto Chemicals Co., Ltd. made efforts to improve the recycling rate of waste (mainly products mixed with plastics and different materials) and achieved zero landfill.

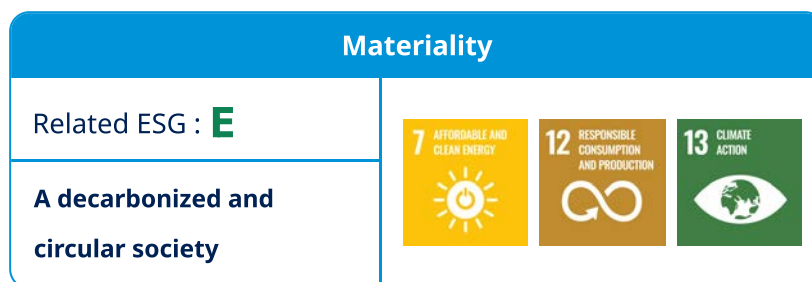
Specifically, the following measures were taken.

- (1) Separating materials until they can be recycled
- (2) Developing new recycling contractors
- (3) Continuing waste separation by raising awareness of employee through in-house training

In the future, we will expand this initiative within the group to promote recycling.

Plastic Resource Circulation →

● Water Resources



↓ Basic approach ↓ Structure ↓ Identifying risks ↓ Targets and results

↓ Environmental compliance ↓ Initiatives related to risk reduction

↓ Initiatives related to identifying opportunities

↓ Initiatives related to expansion of opportunities

Basic approach

Water is a precious resource that keeps us alive and supports our lifestyles, and conserving water resources is an important global issue.

Toyobo Group has committed in the TOYOBO Group Charter of Corporate Behavior to reduce and reuse resources used, including water resources, and to take measures to address environmental risks. In the area of business activities, we are working to minimize the use of water resources and conserve them by promoting water recycling.

Meanwhile, aiming to be a group that "continue to create the solutions needed by people and the earth with materials and science", our Group will contribute to the conservation of water resources in Japan and abroad through our seawater desalination business and other activities.

- [TOYOBO Group Charter of Corporate Behavior](#)

Structure

The Global Environment Promotion Conference is primarily responsible for formulating and monitoring policies and measures to conserve water resources.

The content of deliberations at the Global Environment Promotion Conference is reported and shared as appropriate by Sustainability Committee.

Board of Directors receives regular reports on the content of discussions at Sustainability Committee, approves key issues such as senior policies and targets, and oversees the progress of activities.

- [Structure on corporate environmental issue](#)

Identifying risks

To identify water risks (water stress, drought, flooding, water quality, etc.) in the operations of our business sites around the world, we use the AQUEDUCT Water Risk Atlas published by the World Resources Institute (WRI) to conduct our annual periodic assessment. In addition, if there is a change in the planned construction of a plant, an extraordinary assessment is conducted at that time to confirm the risks prior to the construction of a new site.

As a result of this periodic evaluation, our two production sites in Thailand and Saudi Arabia were assessed as having high risk related to the amount of water available.

Based on these results, we discussed with the relevant departments and confirmed the following for the two sites concerned.

- Located in an industrial park that is properly managed under the regulations of the country where the site is located, and measures are in place to minimize risk to an extent feasible (e.g., water supply backup system, etc.).
- Water consumption is less than 0.1% of the Toyobo's total water intake.

The Group therefore does not currently consider itself to be exposed to any water risks that could have a significant financial or strategic impact.

Targets and results

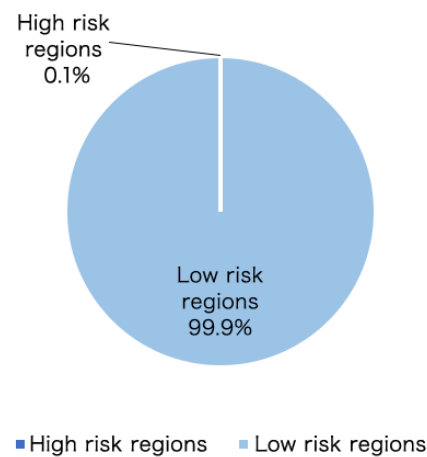
To protect water resources, we are looking into setting targets for the efficient use of water, with implementation planned from fiscal 2027.

The following table shows the water intake by region for fiscal 2025.

Draw water volume by Region

	(thousand m ³)		
	FY2022	FY2023	FY2025
High risk regions ^{*1}	94	86	89
Low risk regions ^{*2}	85,830	86,111	85,409
Total	85,924	86,197	85,497

Draw Water Volume by Region for FY2024



*1: High-risk regions: Regions rated as high risk in terms of the amount of water available in the AQUEDUCT Water Risk Atlas.

*2: Low-risk regions: Regions other than high-risk areas.

In fiscal 2025, the Group's water intake decreased by approximately 1% year on year as a result of ongoing water conservation efforts at each site to reduce the amount of water intake.

• [ESG Performance Data \(344KB\)](#) 

Environmental compliance

Three years from fiscal 2023 to fiscal 2025, there were no regulatory violations related water quantity permits, standards and regulations.

Initiatives

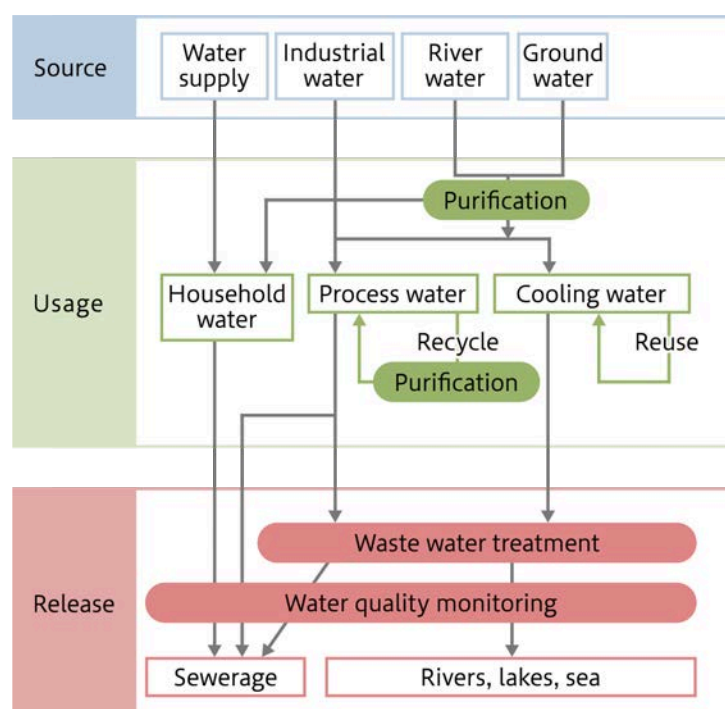
Risk reduction

Initiatives to reduce water usage

Toyobo Group is committed to reducing and reusing resources, including water, and addressing environmental risks, as set forth in the TOYOBO Group Charter of Corporate Behavior. At all production sites, water management plans have been established, and efforts are underway to reduce water usage through improvements in manufacturing processes, water conservation activities, and the use of recycled water.

Water resource management

Our Group promotes appropriate management of water resources at all of its production sites through improvements in manufacturing processes, water conservation activities, and the use of recycled water.



Water reusing and recycling system

Our Group's manufacturing facilities process includes the cooling process for plastic resin products. Water used as cooling water is repeatedly used without being discharged.

Collaboration with local community

The Tsuruga Research and Production Center of our Group participates in the "Tsuruga City Water Environment Improvement Roundtable," which consists of local government officials, academics, residents, companies, and NGOs that have come together for the purpose of groundwater management. At that community, we report on methods to achieve the water withdrawal reduction targets promised to the government and citizens, as well as the results of our activities and plans for the future.

Identifying opportunities

Contributing to the elimination of water shortage through business operations

Almost all of the water covering the globe is seawater, with limited quantities of the fresh water that we use. As a result, regions where fresh water is difficult to use are facing water shortages. The Middle East and the Gulf region in particular are seeing ongoing, remarkable economic development, with improved living standards and increased populations. As a result, securing water for both industrial and domestic use has become problematic, and the introduction of desalination plants* is underway. The Toyobo Group supplies the membranes used in seawater desalination facilities, thereby helping to eliminate water shortages in these regions.

* Seawater desalination facilities: These removes the various salts present in seawater in order to produce fresh water, providing water for drinking and industrial use.

Expansion of opportunities

HOLLOSEP® hollow fiber reverse osmosis membranes

Toyobo Group's hollow fiber type reverse-osmosis (RO) membrane element HOLLOSEP® is a membrane that contributes to desalination of seawater. It boasts high water recovery rate, offers superior chlorine tolerance, and can inhibit the proliferation of microorganisms through chlorine sterilization. We produce high quality drinking water in the Middle East and Gulf countries that have high-temperature, highly saline seawater, harsh conditions for reverse osmosis membranes. With over 30 years' usage, these are highly acclaimed and hold a high market share. These are also used domestically, in Japan's largest seawater desalination plant.

- [Hollow-fiber Reverse Osmosis membrane module HOLLOSEP® RO Membrane](#) 

● Chemical Substance Management

Materiality	
Related ESG : E	
Clean water areas, air and soil, and preservation of biodiversity	    

↓ [Policy and approach](#) ↓ [Structure](#) ↓ [Product safety management](#)

↓ [Place safety management](#)

Policy and approach

Toyobo Group considers the proper management of chemical substances crucial for both product safety, which protects our customers, and site safety, which safeguards the environment as well as the people working at our production sites and research centers and the surrounding communities.

In terms of product safety, under the The Toyobo Group's Basic Policy on Product Safety and Quality Assurance, we are striving to properly manage chemical substances throughout the product life cycle, from research, development, design, manufacturing, and sales to use and disposal, in order to ensure product safety and comply with chemical substance regulations in countries around the world.

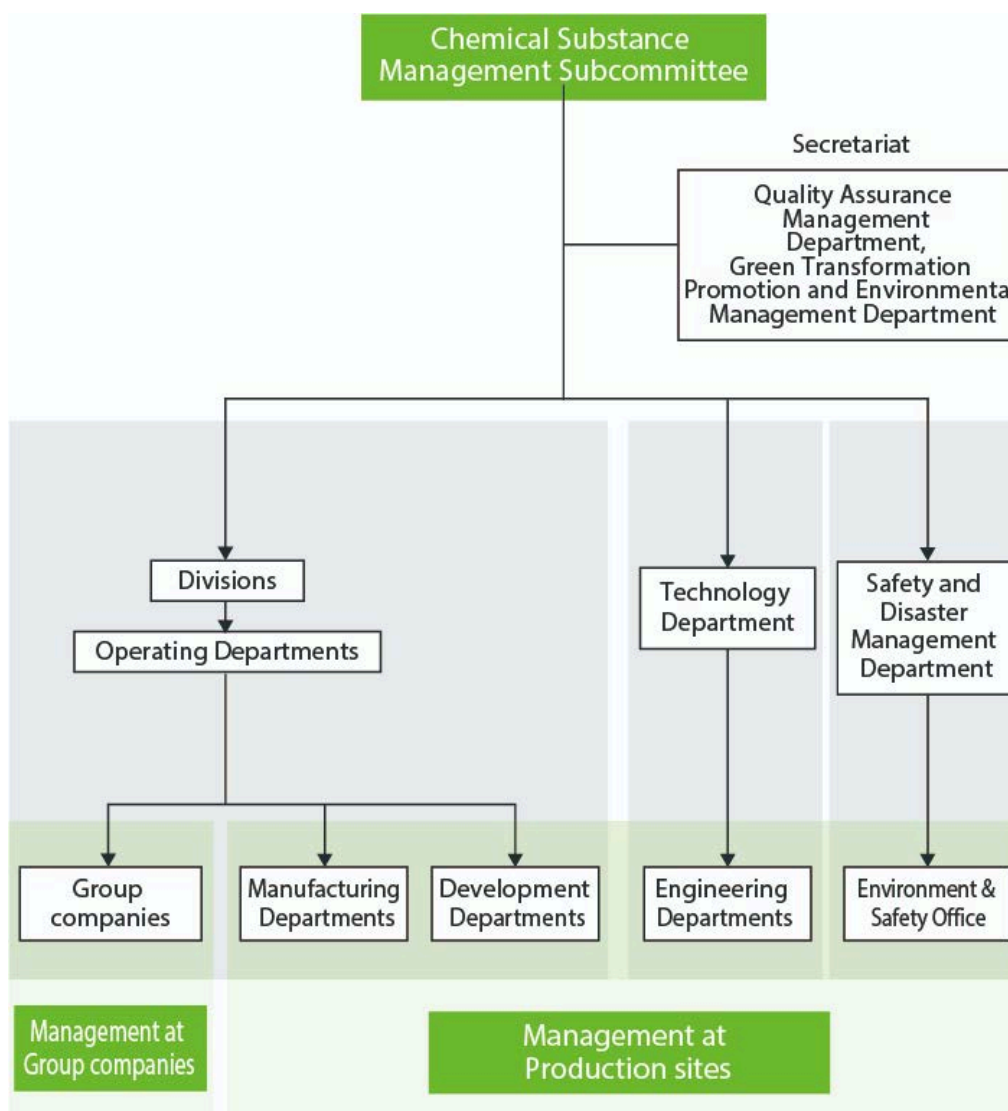
In terms of place safety, under the TOYOBORO Group Fundamental Policy on the Global Environment, we set voluntary standards and reduction targets—stricter than legal regulatory limits—for chemical substances released into the atmosphere and water, thoroughly manage them to protect the global environment, prevent disasters, and ensure occupational safety and health, and actively work to reduce emissions.

Structure

To appropriately manage chemical substances, Toyobo Group has established management systems at each site and has each division oversee the activities of the sites under its jurisdiction.

In addition, we have established the TOYOBO Chemical Substance Management Classification in compliance with domestic and international laws and regulations, and client requirements. Chemical substances are classified into three ranks, with specific management procedures for each. Substances in rank A and B may only be handled after thorough risk assessment, implementation of mitigation measures, and confirmation that the risk is acceptable. The Group is also promoting more efficient use and substitution of rank A and B substances to reduce their usage.

Toyobo Group's chemical substance management structure



TOYOBO Chemical Substance Management Classification

Rank	Management Category	Notes (laws and regulations, etc.)
A	Substances requiring particularly strict management	<p>Chemical Substances Control Law: Act on the Regulation of Manufacture and Evaluation of Chemical Substances</p> <p>Industrial Safety and Health Act</p> <p>Poisonous and Deleterious Substances Control Act</p> <p>Act on the Protection of the Ozone Layer Through the Control of Specified Substances and Other Measures</p> <p>Act on Prohibition of Chemical Weapons and Control of Specific Chemicals</p> <p>POPs (treaty): Stockholm Convention on Persistent Organic Pollutants</p> <p>PIC (treaty): Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade</p> <p>RoHS: Restriction of the use of certain Hazardous Substances in electrical and electronic equipment etc.</p>
B	Substances requiring strict management	<p>Chemical Substances Control Law: Act on the Regulation of Manufacture and Evaluation of Chemical Substances</p> <p>Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (PRTR Act)</p> <p>Industrial Safety and Health Act</p> <p>Poisonous and Deleterious Substances Control Act</p> <p>REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals</p>

*1 Chemical Substances Control Law: Act on the Regulation of Manufacture and Evaluation of Chemical Substances

*2 POPs (treaty): Stockholm Convention on Persistent Organic Pollutants

*3 PIC (treaty): Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade

*4 RoHS: Restriction of the use of certain Hazardous Substances in electrical and electronic equipment

*5 REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals

*6 PRTR: Pollutant Release and Transfer Register

Product Safety Management

Initiatives

Chemical substance regulation compliance

In Japan, regulations on chemical substance management, such as the Chemical Substances Control Law and the Industrial Safety and Health Act, are becoming increasingly stringent each year. Globally, regulations are also being strengthened in many countries. In response, the United Nations established the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) to promote the safe handling, transport, and disposal of chemical substances and to facilitate international trade.

In light of this situation, the Group utilizes chemical substance management systems to accurately and promptly conduct regulatory surveys in each country, manage information on procured items, and respond to customers.

We provide information on chemical substances contained in our products to our business partners by using chemSHERPA[®]*, a common scheme led by the Ministry of Economy, Trade and Industry to efficiently convey information on chemical substances in products throughout the supply chain.

* A scheme that facilitates sharing information on chemical substances in products led by the Ministry of Economy, Trade and Industry

Green procurement

We prioritize procurement of raw materials with a low environmental impact, and work with business partners who take a proactive approach to protecting the environment. To this purpose, we have established our Group-wide Green Procurement Standards (selection standards for suppliers and selection standards for materials) in Green Procurement Guidelines, which are made known to our suppliers and widely available on our website.

With regard to chemical substance management, we survey suppliers to determine whether their materials contain any controlled substances under the TOYOBOKU Chemical Substance Management Classification and ensure compliance with various chemical substance regulations, including EU RoHS Directive and REACH Regulation.

- [Green Procurement Guidelines](#)

Supplier monitoring

Our Group has established "CSR Procurement Guidelines", and we ask our business partners to cooperate in initiatives that support the development of a sustainable society throughout the supply chain. "CSR Procurement Guidelines" also includes the above-mentioned promotion of green procurement.

In addition, we conduct a CSR procurement survey based on the CSR Procurement Guidelines to evaluate CSR-related risks within our supply chain. For suppliers identified as having issues in the survey, we request corrective actions. Please refer to the following items for the latest survey results and the corresponding measures taken.

- [Supply Chain Management > CSR procurement survey](#)
- [CSR Procurement Guidelines](#)

Participating in initiatives

We also participate in Joint Article Management Promotion-consortium (JAMP) for the smooth disclosure and transmission of information on chemical substances contained in products in supply chain.

Place safety management

Targets and results

The Group has set reduction targets for environmental pollutants, aiming to cut emissions to the atmosphere by 60% compared with fiscal 2015 levels, and emissions to water bodies by 80% compared with fiscal 2024 levels, and is working toward achieving these targets by fiscal 2031.

Category	Initiatives	Targets (FY2031)	Results (FY2025)	Progress (FY2025)
Atmosphere	VOC emissions (Japan total)	60% reduction (compared to FY2015)	86% reduction	Exceeding plan
Water	Discharge of hazardous substances into water (Japan total)	80% reduction (compared to FY2015)	41% reduction	Exceeding plan

Japan Total: TOYOBOKO CO., LTD. and domestic consolidated subsidiaries

In fiscal 2022, we succeeded in reducing emissions into the atmosphere by 60%, compared to fiscal 2015. This was due to an operation of VOC recovery equipment at several plants.

Emissions of environment pollutants into water also reduced by 71% compared to fiscal 2015.

Initiatives

Compliance with the Pollutant Release and Transfer Register Act (PRTR Law)

Toyobo Group calculates and reports the amount of emissions and transfers of chemical substances subject to the PRTR Act at each site to reduce the release of hazardous chemicals. We analyze the overall results published by Ministry of the Environment annually and use the findings to reduce our own emissions and transfers.

To achieve emission reductions, we are improving and upgrading production equipment and facilities, optimizing operating conditions, installing systems to remove relevant substances, and adopting substitute raw and auxiliary materials.

Initiatives for preventing air and water pollution

Toyobo Group complies with environmental regulations set by national and local governments, as well as environmental conservation agreements. In addition, we set and manage voluntary standards for gases and water discharged from our business sites and plants that are stricter than legal requirements where necessary.




We have installed monitoring systems within our production processes and use various environmental protection technologies, including our in-house VOC treatment equipment, to remove harmful chemical substances from exhaust gases and wastewater at our production sites. We also strive to improve manufacturing processes to minimize the use and emissions of these substances.

Efforts to prevent water pollution

At the Iwakuni Production Center, we are working on recovering solvents used in the manufacturing process. Recently, by reviewing the solvent recovery method, the recovery rate has improved significantly, leading to a reduction in the amount of chemical substances in wastewater. We will continue to examine and implement further measures to prevent water pollution.

The recovered solvents are purified and reused, contributing to further resource circulation.

● Biodiversity

Materiality	
Related ESG : E	  
Clean water areas, air and soil, and preservation of biodiversity	

- ↓ Policy and approach ↓ Identifying risks ↓ Initiatives for reducing environmental impact
- ↓ Initiatives for nature positive
- ↓ Engagement and collaboration with governments, non-profit organizations and local community

Policy and approach

Natural capital and the ecosystem services it provides form the foundation of human activities, with an estimated USD\$44 trillion—equivalent to half of the global GDP—directly dependent on natural capital (WEF, *The Future of Nature and Business*, 2020). In recent years, the degradation of natural capital and loss of biodiversity have been increasingly recognized as socio-economic risks.

At the second part of the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD-COP15), held in Canada in December 2022, the new global framework, the Kunming-Montreal Global Biodiversity Framework (GBF), was adopted. The GBF sets a 2050 vision of “a world living in harmony with nature” and establishes a 2030 mission to achieve nature-positive outcomes by halting and reversing biodiversity loss to put nature on a path to recovery.

In response, the Japanese Cabinet approved the National Biodiversity Strategy and Action Plan of Japan 2023-2030 in March 2023 to realize nature-positive outcomes domestically. Under its Sustainable Vision 2030, Toyobo Group identifies “quality water areas, air and soil, and preservation of biodiversity” as one of the social challenges to which it can contribute. Through products that reduce environmental impact and environmentally conscious manufacturing, the Group aims to mitigate negative impacts on biodiversity.

The TOYOB0 Group Fundamental Policy on the Global Environment calls on the Group to actively support and participate in environmental protection and biodiversity conservation activities throughout society and in local regions, as a good corporate citizen. In doing this, we strive to minimize the impact of our business activities on ecosystems and contribute to a nature-positive society through conservation and protection initiatives in collaboration with local communities.

Action Guidelines for Biodiversity Conservation

We recognize that biodiversity is an essential part of a sustainable society. As a group which continues to create the solutions needed by people and the earth, understanding the impact of our business activities on conservation of biodiversity, we will endeavor to conserve the three types of biodiversity (species, genetic, and ecosystem diversity) through various activities.

- We will work to understand how the Group's business activities depend on and affect biodiversity, and endeavor to avoid or minimize negative impacts.
- We will strive to give consideration to biodiversity conservation throughout the entire value chain.
- We will contribute to the conservation by promoting development of Biodiversity-conscious products and technology.
- We will support and promote conservation activities through the employee's participation, and cooperation and collaboration with various stakeholders including local communities and NGOs.
- We will comply with domestic and overseas agreements on biodiversity.

- [TOYOB0 Group Fundamental Policy on the Global Environment](#)

Participation status of biodiversity conservation

We are promoting activities based on the "Action Guidelines for Biodiversity Conservation" with respecting "Declaration of Biodiversity, Guide to Action Policy" issued by Keidanren (Japan Business Federation), and "Guidelines for Private Sector Engagement in Biodiversity" formulated by the Ministry of the Environment, Japan.

Period	Initiatives
Nov.2021	Formulated the "Action Guidelines for Biodiversity Conservation."
Jan.2022	Endorsed the "Initiative based on the Declaration of Biodiversity by Keidanren."

Period	Initiatives
Nov.2022	Participated in 30by30 Alliance for biodiversity.
First half of fiscal 2024	"Toyobo Aya-no-Mori" forest was certified as a "Nationally Certified Sustainably Managed Natural Site" by the Ministry of the Environment, Japan
Aug.2024	"Toyobo Aya-no-Mori" forest was listed in the World Database on Other Effective area-based Conservation Measures.

Identifying risks

Toyobo Group's business activities and its involvement in biodiversity

For all of the Group's domestic and overseas production sites, we surveyed the 1 km area surrounding each site using the biodiversity assessment tool using IBAT^{*1} to determine proximity to protected areas, including World Natural Heritage Sites, IUCN^{*2} Protected Area Management Categories I-VI, the Ramsar Convention^{*3} wetlands, and KBAs^{*4}. The sites located near such protected areas are listed in the table below.

Going forward, Toyobo Group will assess the dependence of its business activities on nature and biodiversity, as well as their impacts, and will implement biodiversity conservation activities that take into account the environmental characteristics of the regions where our sites are located.

^{*1} The abbreviation of "Integrated Biodiversity Assessment Tool" refers to a database of the world's protected areas in which the United Nations Environment Programme (UNEP) and other organizations participate.

^{*2} The abbreviation of "International Union for Conservation of Nature" refers to an international nature conservation network consisting of national, governmental and non-governmental agencies.

^{*3} Official name is "Convention on Wetlands of International Importance Especially as Waterfowl Habitat". It aims to conserve wetlands, which are an important habitat for a variety of organisms and a valuable resource for human life, through international cooperation and promote the wise use.

^{*4} KBA: Abbreviation for Key Biodiversity Area, referring to locations in terrestrial, freshwater, or marine ecosystems that host diverse natural environments and contribute to the survival of biodiversity.

Sites located near protected areas

Site name	IBAT assessment result	Explanation
Toyobo Iwakuni Production Center Toyobo MC Iwakuni site TOYO CLOTH CO., LTD Iwakuni Plant (Iwakuni, Yamaguchi)	Protected landscape areas Resource conservation areas	Part of a national park or quasi-national park Areas to be protected for the sustainable use of natural resources
Toyobo Shogawa Plant (Imizu, Toyama)	Species and habitat management areas	Natural Habitat Conservation Areas, National Wildlife Protection Areas
Toyobo Inuyama Plant (Inuyama, Aichi)	Protected landscape areas Key biodiversity areas	Part of a national park or quasi-national park Area critical for biodiversity conservation
Toyobo Odate Membrane Plant (Odate, Akita)	Species and habitat management areas	Natural Habitat Conservation Areas, National Wildlife Protection Areas
Toyobo Research Center (Otsu, Shiga)	Species and habitat management areas Protected landscape areas Ramsar Convention wetlands Key biodiversity areas	Natural Habitat Conservation Areas, National Wildlife Protection Areas Part of a national park or quasi-national park Wetlands of international importance Areas critical for biodiversity conservation
TOYO CLOTH CO., LTD Tarui Plant (Sennan, Osaka)	Resource conservation areas	Areas to be protected for the sustainable use of natural resources
MIYUKIKEORI CO., LTD. (Yokkaichi, Mie)	Species and habitat management areas	Natural Habitat Conservation Areas, National Wildlife Protection Areas
Toyobo Tsuruga Research and Production Center (Tsuruga, Fukui) * Toyobo MC Tsuruga site * Xenomax - Japan CO., LTD. *(Tsuruga City, Fukui)	Species and habitat management areas Resource conservation areas Ramsar Convention wetlands	Natural Habitat Conservation Areas, National Wildlife Protection Areas Areas to be protected for the sustainable use of natural resources Wetlands of international importance

To minimize the negative impact on biodiversity, we are proceeding following activities.

Reduction of environmentally hazardous substances emitted from production sites and plants

Under TOYOB0 Group Fundamental Policy on the Global Environment, we have established voluntary standards for chemical substances discharged into the atmosphere and water that are stricter than those required by law, and we are working to thoroughly manage these substances and reduce their emissions.

Please see chemical substance management section for targets and achievements for fiscal 2031.

- [Chemical Substance Management](#)

Environment impact assessment (Eco-Review System) at development

Since 1998, the Group has been using the Eco-Review System to evaluate the environmental impact and eco-friendliness of our products from the perspective of environment conservation. Under this system, we evaluate our products and technologies at every stage—from raw materials to disposal—based on their impact on climate change prevention, chemical substance reduction, resource conservation, waste minimization, contribution to the environment, and biodiversity.

Since this system is applied at every stage from R&D to commercialization, issues identified as needing improvement during the R&D stage are addressed by the next Eco-Review before commercialization. As a result, in developing products and technologies, we work to reduce environmental impact and enhance features that contribute to biodiversity conservation and other environmental benefits.

- [Eco-Conscious Products](#)

Implementation of cleanup activities to preserve the biodiversity of the Seto Inland Sea

The Seto Inland Sea is one of the most important areas for biodiversity conservation. Our business sites and Group companies (Iwakuni Production Center, Toyobo MC Takasago Plant, Toyo Cloth Co., Ltd., Japan Exlan Co., Ltd., Toyobo Photo Chemicals Co., Ltd.) are located in this surrounding area. These business sites, and companies conduct cleanup

activities at least once a year to pick up litter along the coast and in rivers flowing into the Seto Inland Sea.



Cleanup activity near Iwakuni
Production Center



Cleanup activity at Japan Exlan
Co., Ltd.

We are also expanding our activity areas to areas outside the Seto Inland Sea, and are working as a group to conserve habitats.

Initiatives for nature positive

Research Center

Biodiversity conservation initiatives at Research Center

The Research Center is located adjacent to Lake Biwa, which is a "species and habitat management area" based on IBAT's risk assessment. We are grateful for our location, which is blessed with remaining biodiversity not only in Lake Biwa but also in the rivers and satoyama landscape, and are committed to conservation activities aimed at creating an environment where people and living things can coexist in harmony.

Conducting biological surveys

In fiscal 2024, we conducted a survey of plants, insects, birds, amphibians, reptiles, mammals, and aquatic organisms at the Research Center. As a result, about 600 species of organisms were found, including about 500 native species, 100 non-native species, and 20 species listed in the Red Data Book. The survey revealed that the Research Center is a "buffer zone between people and Lake Biwa" with remnants and



connections to Lake Biwa, as there are lakeside forests such as willow and hackberry, reed beds growing in the adjustment pond, and dragonflies and aquatic species that breed in Lake Biwa. The survey debriefing session held in March 2024 was attended by about 100 people, including online participants, who were able to once again experience the rich nature of the Research Center, leading to an increased awareness of biodiversity conservation. Based on the survey results, we have started removing specific invasive alien species within our Research Center during the annual lakeside cleanup activities. Going forward, we will continue planning conservation activities suited to the local environment.

Biological surveys at Research Center

Lake Biwa shoreline cleanup activities

Every year, we conduct cleanup activities in the Research Center and neighboring areas, with particular emphasis on picking up trash and removing weeds along the shores of Lake Biwa. Based on the results of the biological survey, in fiscal 2025, we also started extermination of designed invasive alien species in the Research Center. On the day of the activity, a total of 524 employees including those from partner companies participated. These activities are linked to raising employee awareness and contributing to the local community through beautification of the surrounding area. We will continue our efforts to preserve the rich ecosystem.



Scene from a cleanup activity

TOYOBO Forest in AYA

We had purchased forests since the 1950s to ensure domestic self-sufficiency of chemical fiber raw materials. Subsequently, due to changes in the composition of the chemical fiber business, the forests ceased to be a source of raw materials and we now hold only a portion of the forests for timber production.

We promote forestry activities while maintaining its function as a water source conservation forest. We will also promote sustainable forest management with the aim of

coexistence between people and nature by placing emphasis on continuity with the abundant forests surrounding us.

Biodiversity conservation initiatives at “TOYOBO Forest in AYA”

In fiscal 2023, we began a monitoring survey of company-owned forests located in Aya Town, Miyazaki Prefecture. Through surveys, we confirmed the existence of rare organisms (e.g., domestic rare wild fauna and flora species, Ministry of the Environment Red List 2020: endangered IB species, and Miyazaki Prefectural Red List 2022: endangered I species) exist and feeding damages caused by deer and other predators. Regarding animal pollution, we have already implemented measures such as installing a deer fence in the afforestation area, but this is the first time we have conducted a survey of the entire forest.

In the future, we will continue monitoring surveys and consider new activities in collaboration with local communities and recovery from animal damage.



“Toyobo Aya-no-Mori,” a forest in Aya-cho, Miyazaki Prefecture

Participation in biodiversity certification programs

The Ministry of the Environment, Japan, began in fiscal 2024 certifying areas where biodiversity conservation is promoted through private-sector initiatives (OECMs*) as Nationally Certified Sustainably Managed Natural Sites.

In the first half of fiscal 2024, the “Toyobo Aya-no-Mori” forest was certified as “Nationally Certified Sustainably Managed Natural Sites” in recognition of the Group's efforts to conserve biodiversity in the forest. Subsequently, in August 2024, the forest was listed in the World Database on Other Effective Area-Based Conservation Measures (WD-OECM). This will contribute to achieving the “30by30” goal, an international target to conserve at least 30% of the Earth's land and oceans by 2030.



- [“Toyobo Aya-no-Mori” forest receives certification to be registered as OECM](#)

Calculation of CO₂ absorption

The amount of CO₂ absorbed in our company-owned forests is currently estimated to be approximately 6 thousand tonnes/year for a forest area of 1500 ha.

Contributing through business processes and products

Environment and fiber business

We are also contributing to reduce impact on the environment of our customers through the markets of waste fluids, drain, and exhaust gas treatment equipment, as well as water treatment membranes.

Engagement and collaboration with governments, non-profit organizations and local community

Environmental education activities

The Group conducts environmental seminars as part of its environmental education program. In June 2023, as part of biodiversity conservation activities of Toyobo Research Center, (Otsu City, Shiga Prefecture) we invited a professor from Biodiversity Science Research Centre, Ryukoku University (Otsu City) to give a lecture on biodiversity conservation and its significance: environment DNA analysis as an observation technology.

A total of about 200 participants studied cutting-edge science studies on biodiversity conservation, with Toyobo Research Center as their primary venue and company-wide online.



Scenes of environmental seminars in FY2024

Cooperative management of groundwater (Tsuruga Research and Production Center)

Tsuruga Research and Production Center of our Group participates in the "Tsuruga City Water Environment Improvement Roundtable", which consists of local government officials, academics, residents, companies, and NGOs that have come together for the purpose of groundwater management. The report provides information on measures to achieve the reduction targets promised to the local government and citizens, as well as the results of activities and future plans.

Toyobo Group will continue to work with local communities to properly manage groundwater use in order to conserve biodiversity.

Lake Biwa day event: 100 sites eDNA survey (Research Center)

Toyobo Group has supported "Lake Biwa Challenge: 100 sites eDNA survey," a project to research living organisms in Lake Biwa, Japan's largest lake in Shiga Prefecture. The survey, conducted by Ryukoku University's Center for Biodiversity Science, is a sub-project of "Ryukoku Lecture with Shiga Prefecture related to Lake Biwa Day," an open lecture of Ryukoku University. In this survey, local citizens, organizations, and companies collect water samples at 100 locations around the lake each year. The samples are analyzed for environmental DNA* to provide data essential for biodiversity conservation, such as habitat distribution and the spread of invasive species.



Water sampling

The Research Center has participated in local environmental activities and launched its own campaigns to clean up the lake with the aim of conserving the lake's biodiversity. Furthermore, we have been participating in the survey since fiscal 2023. We will continue to collect water on a regular basis for the future and contribute to the survey of Lake Biwa.

* DNA expelled by living organisms, such as those originating in their body fluids and feces.

- [Toyobo supports "Lake Biwa Challenge: 100 sites eDNA survey" to accelerate efforts for biodiversity conservation](#)

Participation in local environmental citizen surveys (Research Center)

At our Research Center, we strive to enhance environmental education and engage in dialogue with local communities in line with our environmental policy.

In Otsu City, where the Research Center is located, a local environmental citizen survey is conducted annually to raise citizens' environmental awareness and compile environmental information. Since fiscal 2020, Toyobo has participated in this survey as the Research Center. Employees and their families who wish to participate observe designated species and record their findings, including species types and locations, on survey forms submitted to Otsu City.

Participants reported that the survey provided an opportunity to observe local nature and that they were pleasantly surprised by the diversity of species, such as acorns and swallows. Going forward, we will continue to promote awareness of nature conservation through participation in such activities.

Promotion of greening at Shikinomori (Japan Exlan Co., Ltd.)

At the Saidaiji Plant of Japan Exlan Co., Ltd., the former company housing site has been developed into the green space park Shikinomori for over 30 years, actively promoting greening efforts. The park features approximately 30 species of trees and is home to wildlife such as cicadas, dragonflies, and rhinoceros beetles. The park is open to the local community and is enjoyed as a place of relaxation, with nearby residents using it as a walking route. It also serves as a space for community engagement, including hosting school field trips.



Shikinomori



Scene from a school field trip

Forest conservation activities at "Toyobo Future Forest" in Wakayama prefecture

We have worked on Forest Conservation Activities of "Toyobo Future Forest" in a mountain forest in central Wakayama prefecture. Since its inception in 2006, in cooperation with the local Hidaka town and the forest association of Kichuu (or central Wakayama prefecture), we have been working on tree planting and weeding, etc. In November 2021, we supplementally planted broadleaf trees such as wild cherry, sawtooth oak, and maple.



Putting covers preventing feeding damage by deer on saplings

Wild deer live in this area of the forest and sometimes eat the seedlings of the trees. For the coexistence of deer and trees, the area around the "Future Forest" is enclosed with nets which use our material, IZANAS® to prevent animals from entering. We also installed deer protection covers on the seedlings.

Through forest conservation activities in Wakayama prefecture, we will contribute to issues such as biodiversity and climate change.

Join the 30by30 alliance

In November 2022, TOYOBO and Toyobo Real Estate Co., Ltd. joined 30by30 alliance for biodiversity to promote activities aimed at halting and restoring biodiversity losses.

- [Toyobo joins 30by30 Alliance for Biodiversity](#)

Comprehensive partnership agreement with the town of Aya, Miyazaki Prefecture (TOYOBO Forest in AYA)

In June 2023, we concluded a comprehensive collaboration agreement with Aya town, Miyazaki Prefecture, where one of our Group-owned forests is located.

Aya town has one of the largest laurel forests in Japan, and has been registered as a UNESCO Eco Park by UNESCO (United Nations Educational, Science and Cultural Organization) in 2012, receiving high praise worldwide for its efforts to create a community that coexists with nature.

In the future, we will work together to revitalize the Aya town area using our company-owned forests and to coexist with our sustainable manufacturing and conservation of the natural environment.

- [Toyobo signs a comprehensive partnership agreement with the town of Aya, Miyazaki Prefecture](#)

● Social



Employee well-being and human rights in the supply chain

We are working to create workplaces ("People Fast") where employees feel safe secure and comfortable, and pride and rewarded, to ensure the safety and health of employees (health and productivity management), to enhance reskilling and recurrent education, and to respect human rights throughout the supply chain.



Respect for
Human Rights



Safety, Disaster
Prevention



Quality



Supply Chain
Management



Human
Resource
Management



Diversity, Equity,
& Inclusion
(DE&I)





Health and
Productivity
Management



Social
Contribution





Zero industrial accidents in workplaces



Respect for human rights across the entire supply chain



Employee engagement score: **over 70%**



Expanding and improving educational and training systems for employees reskilling and recurrent education, etc.

ESG Performance Data →

● Respect for Human Rights



↓ [Management approach](#)

↓ [Initiatives](#)

Management approach

Policy and approach

Respecting human rights is essential for Toyobo group to fulfill its responsibilities as a member of society and continue as a trusted company. In this regard, respecting the rights of employees and trading partners, who are important stakeholders for the group, is crucial to enabling them to demonstrate their abilities, and to work with vigor and energy. In recognition of this, we have included “4. Respect for Human Rights” and “6. Active Employee Participation” within the 10 principles of the Toyobo Group Charter of Corporate Behavior. We also support and respect other international agreements relating to human rights, such as the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the Children’s Rights and Business Principles, and the UN Guiding Principles on Business and Human Rights.

< TOYOBO Group Human Rights Policy >

Toyobo group defines its corporate philosophy as “*Jun-Ri-Soku-Yu*” (adhering to reason leads to prosperity) in the corporate philosophy framework “TOYOBO PVVs” and aims to be a group that will continue to create the solutions needed

by people and the earth with materials and science. We also uphold the respect for human rights in the TOYOBO Group Charter of Corporate Behavior and Employee Conduct Standards, and are always aware that all individuals are born free and equal in dignity & rights, and fulfills the responsibility to respect human rights in our all activities.

1. Compliance with laws and norms related to respect for human rights

Based on the United Nations Guiding Principles on Business and Human Rights, Toyobo group supports and respects international norms on human rights, including the United Nations International Bill of Human Rights (the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights) which stipulates fundamental human rights for all people, and core labor standards according to the International Labor Organization (ILO) "the ILO Declaration on Fundamental Principles and Rights at Work.

In addition, as a signatory to the United Nations Global Compact, the group supports and respects its ten principles and others.

The group complies with the laws and norms of each country and region in which it conducts its business activities. Where there are differences between internationally recognized human rights norms and the laws and regulations of each country, it will seek ways to maximize respect for internationally recognized human rights norms.

2. Scope of application

This policy applies to all officers and employees of Toyobo group.

Furthermore, the group seeks the support of all stakeholders involved in its business, products, and services and expects them to work together with the group to respect human rights.

3. Responsibility for respecting human rights throughout business activities

Toyobo group not only ensures that it does not infringe on human rights, but also fulfills its responsibility of respecting human rights by taking appropriate measures to remedy the adverse impacts on human rights that are found in its activities.

4. Human rights due diligence

Toyobo group establishes a system of conducting human rights due diligence in line with the United Nations Guiding Principles on Business and Human Rights. Through this system, the group identifies the adverse impacts on rightsholders* and prevent or mitigate such impacts.

* Stakeholders whose human rights are affected through the corporate activities, such as employees, consumers, and local residents

5. Remediation and relief

If the corporate activities of Toyobo group have caused adverse impacts on human rights or if there are indications or suspicions of involvement in such

impacts through business partners or other parties, the group will remedy and relieve the situation through appropriate measures and procedures.

6. Education

Toyobo group strives to reflect this policy in the necessary procedures to root in the entire corporate activities. We educate and train the officers and employees to ensure that this policy is correctly understood and appropriately applied and that our business partners and other related parties also understand the policy.

7. Dialogue

In the process of implementing this policy, Toyobo group appropriately utilizes the knowledge of external experts and specialists on human rights and engage in sincere dialogue with rightsholders.

8. Information disclosure

Toyobo group discloses and reports the status and results of its efforts for respecting human rights and the implementation of human rights due diligence on its website and other media.

This policy was approved at the Board of Directors meeting of TOYOBO CO., LTD. on February 21, 2024.

Established on October 26, 2020
Revised on February 25, 2024

Ikuo Takeuchi
President & Representative Director
CEO & Co-COO
TOYOBO CO., LTD.

Toyobo Group Priority Issues on Human Rights(As of March, 2025)

Toyobo group has identified its priority issues concerning human rights as follows. Based on this policy, it appropriately implements them through the system of human rights due diligence.

These issues will be reviewed accordingly, considering changes in social conditions and other factors.

Cross-Company Issues:

-Forced labor, child labor, human trafficking, poor working conditions, restrictions on freedom of association and collective bargaining rights, inadequate DE&I consideration, inappropriate working conditions and wages, inadequate occupational health and safety, inappropriate working hours, violation of foreign workers' rights, violation of privacy rights, etc.

-All forms of discrimination, such as race, gender, sexual orientation, gender identity, age, place of origin, nationality, language, religion, and disability

-All forms of harassment and bullying

Related Policies

- [TOYOB0 Group Charter of Corporate Behavior: 4. Respect for human rights, 6. Active employee participation](#)
- [TOYOB0 Group Diversity Promotion Policy](#)

Structure

Toyobo Group is committed to proactively and systematically respecting human rights. To support this, dedicated staff are assigned to the Human Resources and Labor Relations Department for employee-related matters, and to the Planning Group within the Procurement and Logistics Department for supply chain-related issues.

We are deepening our understanding of international human rights issues that companies must recognize and are preparing for initiatives on human rights due diligence.

The Senior Managing Executive Officer who serves as the Controlling Supervisor of the Sustainability and Corporate Planning Division holds overall responsibility for human rights-related matters.

Targets and indicators

< Targets >

- Toyobo group will carry out initiatives to ensure respect for basic human rights and diversity throughout the entire group, including providing training to foster such respect among employees.
- Through these initiatives, we will aim to be a fair company that is trusted by society.

< Indicators and results >

Initiatives	Indicator	Target (FY2025)	Result (FY2025)
<ul style="list-style-type: none"> • Avoid human rights violations • Eliminate forced and child labor • Respond to human rights laws and regulations (Modern Slavery Act, etc.) • Ensure equality in recruitment and treatment of employees 	1. Implementation status of human rights education and training	Study sessions and training programs on human rights for Group employees At least 10 per year	For management: 2 sessions For others: 15 sessions

Initiatives

Respect for human rights from a global perspective

In the countries and regions where Toyobo Group has business sites, there are various human rights related issues that reflect the specific political, economic and social circumstances. Such issues may include discrimination in regard to employment and work roles, unfair labor practices, forced labor and child labor, infringement of the human rights of foreign workers, and involvement in corruption. For each Toyobo Group business site, it is vitally important to give due consideration to these human rights related issues.

In order to identify the issues that Toyobo Group needs to take into consideration, we are participating in the relevant sub committees of Global Compact Network Japan, alongside other participant companies. We are aiming to deepen our understanding of human rights by gathering information on international human rights issues and other issues that corporations need to pay attention to. Going forward, we will continue to identify human rights related issues that we need to consider at each of Toyobo Group's business sites.

In FY2025, we conducted a Business and Human Rights survey targeting all overseas Group companies based on the United Nations Global Compact customer questionnaire. The survey confirmed that there were no significant human rights violations such as child labor or forced labor. Moving forward, we will continue dialogues with overseas managers to deepen our understanding of conditions in each country.

Theme	Details of initiatives
Prevention of child labor	We prohibit the employment of persons under the age of 15, or the age for completing compulsory education, or under the minimum employment age set by the country or region whichever is highest in all our business activities. Across all domestic Group companies, we verify the absence of child labor by checking official identification after hiring.
Prevention of forced labor	In recruiting personnel, we always require applicants to apply voluntarily and notify them of acceptance only after at least one round of selection. Additionally, at all domestic Group companies, employment conditions are presented at the time of hiring, and employment begins based on mutual agreement with the applicant.
Support for living wages	We pay wages in compliance with laws and ordinances that stipulate minimum wages in the countries and regions in which we operate.

Labor and human rights survey

At our domestic (non-consolidated) business sites in FY2024, we conducted a Labor and Human Rights survey addressing matters including child labor, employment equality, and occupational safety and health. The survey confirmed that there were no violations of human rights laws or ordinances.

For technical intern trainees from overseas, we surveyed implementation and management of technical internship program, as well as compliance with labor-related laws and ordinances, at relevant business sites and Group companies. The survey confirmed that all sites comply with regulations and appropriately manage the internships.

Furthermore, we conducted interviews directly with technical intern trainees from overseas at the relevant business sites and Group companies, as well as on-site inspections. Through these measures, we confirmed firsthand that human rights are being properly respected across all business locations without any issues.

In FY2025, we conducted interviews with the supervising organizations of factories accepting technical intern trainees from overseas regarding recruitment methods in their home countries and the costs and items borne by the trainees themselves, confirming that there are no issues with the current situation.

Additionally, starting from March 2025, we began an annual regular survey targeting technical intern trainees and specified skilled workers.

Enhancing diversity and equal opportunities

Toyobo group believes that personal and organizational growth is achieved through a process of mutual respect among our employees, with their differing work styles, careers, gender, nationality, race, and beliefs, and through cooperation to achieve our shared objectives. We respect different opinions and a wide range of values, and cooperate to achieve ambitious goals together.

- [Diversity, Equity & Inclusion](#)

Respecting workers' rights

Respecting freedom of association and collective bargaining rights

Toyobo Group respects freedom of association and collective bargaining rights.

We have set shared targets for labor and management to realize TOYOBO PVVs and we strive to build constructive and stable relationships between management and workers. Labor union activity at Toyobo is based on the union shop system,* and all employees that are eligible to join a labor union under the labor-management agreement reached between labor and management join the labor union. Our unions represent all their members and the results of negotiations between management and labor are applied to all members without conditions. However, employees in management and other positions above management level are not eligible to join based on a labor-management agreement, and the union membership rate for all employees is 84.8% (as of the end of FY2025).

* The union shop system is a system whereby all workers employed at a particular workplace are required to join the labor union for that workplace.

Dialogue between management and labor

We arrange repeated opportunities for frank discussion between labor and management aimed at realizing the TOYOBO PVVs, and we promote the building of the foundations needed for every single employee to be able to work with energy and enthusiasm.

Meetings of the Central Management Council, attended by representatives of the labor union headquarters and of company management, are held once a year, and meetings of the Branch Management Councils are held once a year at each of the nine branches in Japan.

The labor union is represented at meetings of the Central Management Council by staff from the union headquarters, and is represented at Branch Management Council meetings by staff from the relevant union branch, while the company is represented by the President at meetings of the Central Management Council, and by the business site manager or plant manager at Branch Management Council meetings. Topics addressed during discussions between labor and management include the operational status of the company, changes in the amount of pay rises, and the working environment.

Decent wages

We comply with laws and regulations regarding minimum wages and equal pay for equal work, etc., stipulated in the countries and regions where we operate, and apply a remuneration system that does not differentiate by gender or other factors for the same position.

Reducing excessive working hours

We are engaged in workstyle reform, so that our employees can work with renewed efficiency and achieve a good balance between work and personal life. We aim to ensure that our employees will take at least one day off every seven days in the future.

Handling of non-compliance with labor standards

	Unit	Scope	FY2021	FY2022	FY2023	FY2024	FY2025
Major violations of laws, regulations, or rules	Incidents	Global	0	0	0	0	0
Serious non-compliance with labor standards	Incidents	Total in Japan	0	0	0	0	0
Number of incidents of serious human rights violations	Incidents	Total in Japan	0	0	0	0	0
Compliance-related incidents that resulted in a criminal complaint	Incidents	Total in Japan	0	0	0	0	0

Establishment of complaint handling and internal reporting systems

The Complaint Handling Committee, the Compliance Consultation Service, which is an internal reporting system, and the recently opened the LGBTQ+ Consultation Service accept human rights-related consultations and reports. At each business site, members representing both the company and labor are elected to the Complaint Handling Committee that handles requests for consultation from employees concerning issues related to the Equal Employment Opportunity Law.

In order to ensure that employees can use these systems without concern, the name and other details of employees making reports or receiving consultations are kept private and we guarantee that these individuals will not be negatively affected by their action. We also strive to detect and solve human rights issues at an early stage through compliance surveys.

- [Compliance consultation desks](#)
 - [LGBTQ+ consultation desk](#)
 - [Initiatives to prevent harassment](#)
-

Internal education initiatives

Internal communication of our Code of Conduct and Compliance Manual

Toyobo group has created English and Chinese versions of the TOYOBO Group Charter of Corporate Behavior in order to implement internal education that enables employees around the world to share the same vision.

We use our TOYOBO Group Compliance Manual to familiarize employees with rules and case studies concerning respect for human rights, prohibition of discrimination, prohibition of child labor and forced labor, and protection of personal information.

We also familiarize and educate hiring recruiters on human rights-related cautions to be observed in interviews.

Human rights-related training

Since FY2020, we have been promoting human rights awareness among Group company employees primarily through seminars and training sessions.

In FY2025, we conducted various activities including training for new hires, grade-specific training, lectures, and human rights-themed workshops at each business site, with a total of 792 individuals participating in such activities.

Since FY2024, the Corporate Planning Department, Human Resources and Labor Relations Department, and Procurement and Logistics Department have jointly launched “business and human rights training.” This initiative provides an opportunity to promote awareness of the TOYOBO Group Human Rights Policy and deepen understanding of human rights due diligence.

We are raising awareness of “business and human rights” through various opportunities and expanding these initiatives across Group companies to broaden their impact. In addition, we have introduced e-learning programs on “business and human rights” to provide employees with the flexibility to participate voluntarily. These efforts aim to foster a workplace environment that nurtures long-term sensitivity to human rights issues, including bullying and harassment.

Business and human rights study session in FY2025

Months	Instructor	Participant
June	Corporate Planning Department, Human Resources and Labor Relations Department	Managers of overseas Group companies
August	Minako Yoshikawa, Executive Advisor, ASICS Corporation	Business and human rights ambassador for aspiring enterprises
February	Mariko Mori, General Manager, DEI Promotion Section, Diversity Promotion Division, Corporate General Affairs Human Resources Group, Kyocera Corporation	Officers and employees
February	Corporate Planning Department, Human Resources and Labor Relations Department, and Procurement and Logistics Department	Officers and employees



Business and human rights ambassador for aspiring enterprises in Aug. 2024



Study session for executives and employees (KYOCERA Corporation) in Feb. 2025



Study session for officers and employees in Feb. 2025

In our compliance study sessions, we addressed “business and human rights” in FY2024 and “harassment (including bullying)” in FY2025.

We have added "business and human rights" to the theme of our compliance study sessions for managers since FY2024. We plan to hold these sessions at 12 group companies, which hold them by the end of the fiscal year.

Participation in the Global Compact Network Japan Subcommittees

We participate in the human rights subcommittees of Global Compact Network Japan, where we engage in learning opportunities alongside human rights NGOs and other participating companies to deepen our understanding of human rights issues and other issues companies should be mindful of.

In FY2025, two members from our Corporate Planning Department’s Sustainability Group completed the “Business and Human Rights Accelerator - Japan Edition” program, deepening their understanding of human rights issues. They are applying this knowledge to enhance our awareness-raising activities.



Business and Human Rights
Accelerator - Japan Edition
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Business and Human Rights
Accelerator - Japan Edition
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Respecting human rights in the supply chain

Revision and communication of the CSR Procurement Guidelines

To achieve the SDGs throughout our supply chain, with a particular focus on strengthening respect for human rights and environmental considerations, we revised our CSR Procurement Guidelines most recently in September 2022 and January 2025. By regularly reviewing and updating these guidelines, we respond to the rapidly evolving global environment. The guidelines explicitly require consideration of human rights issues—such as prohibiting child labor, forced labor, and discrimination against all individuals, including LGBTQ+ persons—in the selection of business partners. We have communicated these guidelines to our key suppliers and business partners.

Human rights risk assessment based on the CSR procurement survey

The Company also conducts a CSR procurement survey based on our CSR Procurement Guidelines, targeting our major business partners. We evaluate partners' human rights initiatives using the human rights-related items in the survey.

After analyzing and evaluating survey responses, we perform appropriate follow-up actions such as onsite dialogues and interviews, to address business partners identified as high risk.

Dealing with new and existing business partners

For new business partners, we obtain a written confirmation of agreement to the CSR Procurement Guidelines at the start of the relationship. For existing partners, we regularly request their cooperation in surveys to conduct risk assessments.

- [Supply Chain Management](#)
- [CSR Procurement Guidelines](#)

Engagement with stakeholders

Engagement with local communities

To protect the human rights of stakeholders in local areas, in cooperation with government bodies we engage with issues that affect human rights in communities through information exchanges with neighboring residents, community associations, cooperatives, and other parties, as well as steadfast public relations activities. The results of this engagement are of aid in measures to combat noise, odors, wastewater, and other issues.

As an example, our Tsuruga Research and Production Center conducts information exchanges with local community associations and cooperatives once a year. We also provide neighboring areas with advance notice when performing periodic inspections.

Engagement with overseas technical intern trainees

In our engagement with overseas technical intern trainees, we provide support at relevant business sites by preparing materials in their native languages, assisting with official procedures, and addressing daily life consultations. We also hold sessions to listen to concerns arising from differences in lifestyle and respond to them as needed.

Participation in initiatives

We participate in the labor subcommittee meetings of the industry associations, Spinners' Association of Japan and Chemical Fibers Association of Japan. The subcommittee discusses work-related issues (working hours, leave systems, personnel systems, retirement benefits, etc.), including labor standards, and labor issues (e.g., measures against COVID-19, teleworking and other work styles).

In September 2023, we participated in the declaration for Responsible Business Conduct for the Textile and Clothing industry of Japan by the Japan Textile Federation. This declaration indicates that the company understands the purpose of the Guideline for Responsible Business Conduct for the Textile and Clothing Industry of Japan released by the Federation in 2022 and agrees to promote respect for human rights in accordance with the Guidelines (As of April 2025, 1,112 companies have declared).

In November 2023, the Chemical Fibers Association of Japan established the Human Rights DD Response Committee consisting of the regular members of the association, in which we are also participating. The committee members share information and exchange opinions on human rights issues in the supply chain, including trends of government policy and the Japan Textile Federation, as well as the status of responses at each company, and hold seminars and other events.

● Safety, Disaster Prevention



↓ Management approach

↓ Initiatives

↓ Fire prevention measures (FY2024)

Management approach

Policy and approach

Toyobo Group recognizes that ensuring health and safety is a precondition for corporate activities. We have formulated the Toyobo Group Basic Policy on Health & Safety, which applies not only to our employees but also to the personnel of partner companies (contractors), and we are striving to build a safe workplace environment.

Our safety declaration, instituted in April 2022, states that “We will ensure ‘safety first’—occupational safety, environmental safety, product safety, and equipment safety.” Our slogan in FY2025 was “Protect yourself, protect your colleagues, and speak up when noticing something.”

Toyobo Group designates September as “Disaster Preparedness Month” and September 6 as “Toyobo Group Disaster Preparedness Day,” when we conduct awareness-raising activities related to preparedness for fires and other disasters.

We do so out of a powerful determination to never forget the fatal fires that occurred at the Tsuruga Research and Production Center (No. 2 Plant) on September 6, 2018, and the Inuyama Plant on September 27, 2020, and to never allow the lessons learned from these to fade away.

We are committed to creating fire-resistant workplaces and developing personnel with the competence to securely prevent fires, aiming to rebuild trust from society by establishing robust production sites.

< TOYOBO Group Basic Policy on Health & Safety >

1. Health & safety principle

Based on the concept that ensuring safety and sanitation is a major premise for business activities, we will actively work to ensure the safety of employees, enhance the cleanliness of working environments, and improve health under the spirit of respect between people with the aim of creating cheerful, happy workplaces and a prosperous society.

2. Policy for health & safety activities

(1) Ensuring workplace safety

Toyobo group works to enhance the safety and security of environments at its workplaces with the aim of achieving zero accidents.

(2) Enhancing environmental sanitation and improving health

Toyobo group is enhancing the sanitation of environments at its workplaces and working to improve the health of its employees with the aim of realizing happy workplaces.

(3) Compliance with social norms

Toyobo group complies with social rules and works to realize a prosperous society and communities with which the company can coexist.

Structure

To ensure steady progress in safety and disaster prevention initiatives, which are among our most important management issues, we have established the Environment, Safety and Disaster Management Division.

This division reports directly to the President and is vested with strong decision-making authority.

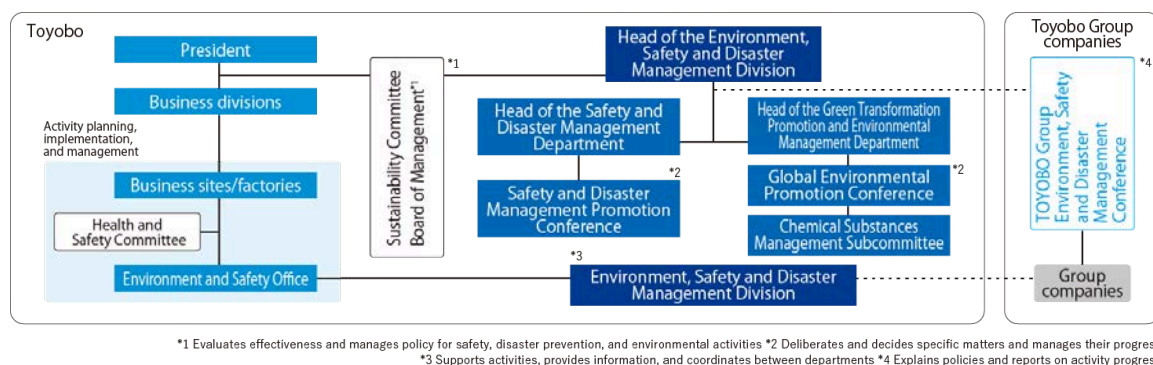
The Head of the Environment, Safety and Disaster Management Division, who is also the Representative Director and Senior Managing Executive Officer, formulates Toyobo Group's basic policy on safety and disaster prevention, as well as the key initiatives for each fiscal year. These are reported to and decided by the Sustainability Committee. Progress is reported as needed to the Board of Management. In addition, the Head chairs the Toyobo Group Environment, Safety and Disaster Management Conference, which includes representatives from each site and department. This forum is used to share established policies and initiatives and to evaluate the effectiveness of safety and disaster prevention activities across all departments.

The Safety and Disaster Management Department, which operates under the Environment, Safety and Disaster Management Division, plans and promotes safety and disaster prevention activities. This department hosts the Safety and Disaster Management Promotion Conference, comprised of experts from various fields. The conference deliberates and decides on specific measures based on established policies and manages their progress. Additionally, the conference chair and members form teams that visit each of our business sites, plants, and Group companies to conduct safety and environmental assessments and inspect on-site activities.

Furthermore, each production center, plant, and research center has its own Health and Safety Committee. These committees, composed of employee representatives, managers and experts, investigate and deliberate on matters relating to employee safety, health, and workplace conditions, including the status of risk assessments.

Labor union representatives also participate in the discussions of the Safety and Disaster Management Promotion Conference and the Health and Safety Committee.

Toyobo Group structure for safety, disaster prevention, and the environment



Targets and indicators

< Targets >

- We will strive to prevent disasters and accidents by clarifying and thoroughly complying with basic safety throughout the entire Toyobo group.

< Indicators and results >

Initiatives	Indicators	Targets	Results (2024)
<ul style="list-style-type: none"> ● Build a culture of safety ● Fortify our safety infrastructure 	1. Number of major accidents*	0 accidents per year	0 accidents
	2. Frequency rate of workplace accidents resulting in lost workdays	0.25 or less	0.40
	3. Number of fires or explosions	0 accidents per year	0 accidents
	4. Number of spill accidents	0 accidents per year	1 accidents

* Major accidents: Defined according to internal standards based on the definition stipulated by the Ministry of Health, Labour and Welfare

Initiatives

Safety initiatives

As part of our commitment to occupational safety, we advance the following initiatives based on the TOYOBORO Group Basic Policy on Health & Safety. These efforts focus on two key areas: fostering a safety culture—such as establishing a safety-first mindset and reviewing the education framework—and strengthening the safety infrastructure—such as enhancing on-site safety management and building a Plan-Do-Check-Act (PDCA) system.

Fostering a culture of safety

We have always emphasized “safety as the highest priority” at each worksite. However, insufficient involvement from management had been identified as a challenge. To further cultivate a safety-first culture, we formulated the Safety Declaration and clearly communicated to all employees our renewed commitment to prioritizing safety across labor, environment, products, and equipment.

Furthermore, we conducted a safety awareness survey targeting management, Toyobo employees, and employees of partner companies at each production site to assess the level of safety awareness within each organization. Based on the results, we visualized strengths and weaknesses in leadership, organizational structure, and operational

practices related to safety. Using this insight, we are driving activities to address the weaknesses (issues) in each organization, aiming to enhance the overall safety culture.

As part of our efforts to reform awareness, we have revised the safety education framework by hierarchy. For newly appointed executives and Group company presidents, we conduct safety workshops for management and leadership training utilizing external organizations.

Fortifying the safety infrastructure

The entire Company is engaged in 3S activities—Sort, Set in order, and Shine—which form the foundation of our safety and disaster prevention efforts. We identify major hazards and implement countermeasures to prevent serious accidents. Specifically, we assess risks on-site through risk assessments and work studies and improve equipment and work processes accordingly. These improvements are incorporated into standard operating procedures, which are then used to educate employees and prevent accidents. When accidents happen at other companies or workplaces, we conduct case studies to prevent similar incidents and inspect our own workplaces for comparable risks, taking appropriate action as needed.

For new businesses and projects, we have established and operate a system to conduct pre-investment surveys and risk evaluations related to occupational health and safety, reviewing the effectiveness of countermeasures.

Regarding natural disasters, we continuously implement mitigation measures including seismic reinforcement of buildings, infrastructure improvements at business sites and plants, and emergency response drills. We create risk maps for Toyobo Group to evaluate natural disaster risks at each location, advance disaster countermeasures, and incorporate these findings into future site planning.

Safety education

We have established a Company-wide safety and disaster prevention education system, providing the necessary training according to employee level. We also distribute a publication called Safety and Disaster Prevention News, which uses illustrations to clearly convey important safety precautions and emergency response measures, drawing on lessons learned from actual accidents and incidents to raise awareness and promote safe work practices. This publication is widely used as a discussion tool in workplace safety meetings, and back issues are made available on the Company intranet for easy access at any time.

In addition, at sites that operate a technical intern training program for non-Japanese trainees, dedicated staff are assigned to support the trainees' safety and daily life, including Japanese language instruction and lifestyle assistance. For example, to help trainees work safely, standard operating procedures (SOPs) are translated, and pronunciation aids in hiragana are added to enhance comprehension.

To promote knowledge of safety and disaster prevention, each business site has a designated training space centered on panel displays, and major sites have hands-on safety and disaster training facilities.

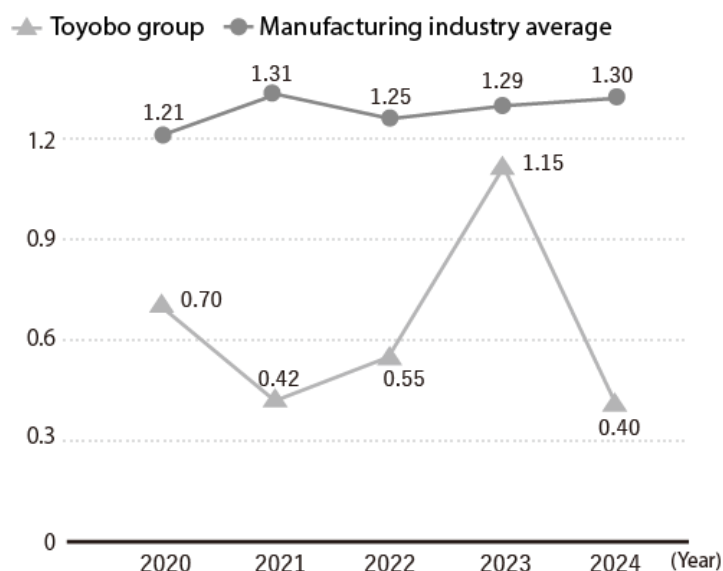
Utilization of facilities for experiential safety and disaster preparedness training

To review past disaster incidents and prevent them from fading into obscurity, disaster prevention training centers have been established at the Tsuruga Research and Production Center, the Iwakuni Production Center, and the Inuyama Plant. These facilities aim to enhance knowledge and awareness of safety and disaster prevention, allowing participants, from both within and outside the company, the opportunity to experience the severity of disasters through simulated equipment.

These facilities provide a range of experiences, from common scenarios like slips and falls during walking, which are widespread nationally as well as within our group, to incidents involving falls from steps and platforms, accidents where individuals are pulled into machinery, and the challenges of dealing with smoke and evacuations during fires. Additionally, they simulate the risks associated with fires and explosions caused by dust and static electricity. The centers also share case studies of accidents that have occurred in Toyobo group in the past through digital signage and other means, providing a platform for trainees to gain fresh insights into safety and disaster prevention.



Frequency rate of lost workday injuries (Japan)



Toyobo Group is striving to achieve zero accidents in accordance with the TOYOBO Group Basic Policy on Health & Safety. The frequency rate of workplace accidents resulting in lost workdays^{*1} stood at 0.40 in 2024, including affiliated businesses at the same business site.

For each lost time accident, we conduct case studies to identify the root causes and implement appropriate countermeasures.

The main types of accidents and the corresponding countermeasures are as follows.

- (1) Reactionary movement: Review of work procedures and training for older workers
- (2) Falls: Stricter management of stepladder use and reminders to take extra care when ascending or descending

The cases are shared across the entire Toyobo Group to prevent similar accidents from recurring at other sites.

We have set zero major incidents^{*2} as a target indicator and recorded no such accidents in 2024.

*1: Frequency rate of workplace accidents resulting in lost workdays: Number of accidents resulting in lost workdays per one million working hours.

*2: Major accidents: Defined based on internal standards aligned with the definition set by the Ministry of Health, Labour and Welfare of Japan.

- [Health and Productivity Management](#)

Acquisition of occupational safety and health management system certification (ISO45001)

Toyobo is working to reduce occupational health and safety risks by obtaining certification for ISO 45001, the international standard for occupational safety and health management systems. As of 2025, four sites—Tsuruga Research and Production Center, Iwakuni Production Center, Utsunomiya Plant, and Inuyama Plant—have achieved certification. We plan to expand certifications at additional production centers and plants.

Efforts to prevent the recurrence of fire accidents

In the wake of the September 2018 fire accident at Tsuruga Research and Production Center (No. 2 Plant) and the September 2020 fire accident at Inuyama Plant, Toyobo formulated the Medium-Term Safety and Disaster Prevention Plan to promote measures aimed at preventing the recurrence of fire accidents.

Specifically, we are focusing on enhancing disaster prevention education and training to strengthen the disaster prevention systems at each site. Through these efforts, we aim

not only to prevent fires from occurring but also to create workplaces where, in the unlikely event of a fire, human casualties are avoided and other damages are minimized.

Promotion of Disaster Prevention Measures

In reviewing the disaster prevention functions at all Toyobo Group sites, we created a fire risk assessment matrix and fire protection equipment guidelines to identify locations requiring countermeasures. As a result, the Group has made additional investments totaling approximately ¥18 billion to reduce fire risks at our sites.

We also launched a disaster prevention management project to develop a robust disaster prevention management system. Specifically, drawing on expert knowledge, we established unified disaster prevention management standards for Toyobo Group to prevent fires. These standards were designed to be practical and tailored to actual site conditions, enabling autonomous inspections at the workplace level.

Furthermore, we have built a system in which experts regularly review the implementation status of disaster prevention measures at each workplace.

Enhancement of Disaster Prevention Education and Training

Learning from past fire accidents, Toyobo Group holds an annual disaster prevention conference to educate all employees on the details of these incidents and appropriate response measures, helping prevent the fading of awareness over time.

Additionally, focused primarily on managers, group discussions are held using these fire accidents as case studies to raise awareness about the mindset and actions required of supervisors.

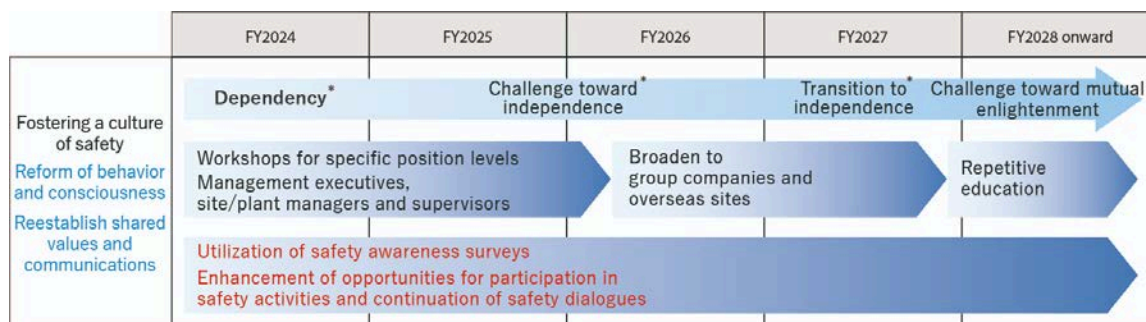
To ensure employees can protect their own workplaces in the event of a fire, the content of disaster prevention drills has been revised to be more practical. All employees, including those from partner companies, at every Toyobo Group site participate in at least one drill annually. Furthermore, training programs are continuously enhanced year by year, including nighttime drills and joint exercises with local fire departments, tailored to the circumstances of each site.

Key issues in FY2026

In FY2026, we will advance initiatives with the following set as key issues:

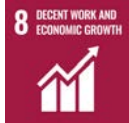

- Deployment of safety and disaster prevention activities with participation by all employees
- Prevention of recurring occupational accidents
- Enhancement of hierarchy-specific training

Steps to enhance our culture of safety



* This expression is a quote from the dss+ Bradley curve of the stages of safety culture development

● Quality

Materiality	
Related ESG : S G	 
Quality	

↓ [Management approach](#)

↓ [Initiatives](#)

Management approach

Policy and approach

Toyobo group is striving to ensure customer satisfaction and win customers' trust, not only through the safety of our products and services, demonstrating concern for the environment, and maintaining compliance with relevant laws and regulations, but also through high quality standards. In order to achieve this, we have formulated The Toyobo Group's Basic Policy on Product Safety and Quality Assurance. To safeguard the quality and safety of the products and services that we provide, we have established an appropriate management system, we perform quality inspections using suitable procedures, and we also strive to ensure that data is properly handled.

< The Toyobo Group's Basic Policy on Product Safety and Quality Assurance >

1. Product Safety and Quality Assurance Principle

The Toyobo Group will strive to provide products and services that satisfy and earn the trust of society, consumers, and customers.

- We will ensure all employees have a keen awareness of the need to prioritize quality while keeping the customer's perspective in mind.
- We will provide products and services that meet the changing needs and expectations of the times, that are useful to society, and that give due consideration to the safety and protection of the environment and information.

2. Activity Policy for Product Safety and Quality Assurance

- (1) Comply with all applicable laws and regulations
We will comply with all relevant laws, regulations, standards, and norms in relation to the safety of our products and services.
- (2) Ensure product safety
We will ensure the safety of our products and services not only for their intended use but also against any reasonable, foreseeable misuse.
We will also strive to improve safety by voluntarily setting higher safety standards when necessary.
- (3) Establish a system for promoting product safety
We will promote product safety and quality assurance throughout the product lifecycle, from development, design, manufacturing, sales, use and disposal, as well as throughout the supply chain.
- (4) Protect and provide information appropriately
We will strive to protect all confidential information obtained through any product safety and quality assurance activities as set forth in the Toyobo Group Privacy Policy.
We will also proactively provide relevant information to stakeholders whenever appropriate.
- (5) Promote education and awareness
We will promote awareness of product safety and quality assurance through education and awareness activities of all employees, including officers.

Structure

The Group has established a Quality Assurance Division Conference to oversee product liability (PL) and quality assurance (QA). This conference is composed of executives responsible for quality, the General Manager of the Quality Assurance Department in charge of each business division, and members of the Quality Assurance Management Department, and it meets monthly. Additionally, the PL/QA Promotion Committee, consisting of business division General Managers as promotion members, is scheduled to meet six times a year; in FY2025, the committee convened six times as planned.

The Group has implemented a "three lines of defense" system since FY2022, consisting of three departments: the first line (business divisions/production sites), the second line

(Quality Assurance Division), and the third line (Internal Audit Department), creating a multilayered framework to detect and prevent misconduct.

The three lines model for quality assurance



Targets and indicators

< Targets >

- We will increase customer satisfaction by practicing quality management throughout our entire supply chain, including upstream areas, and ensuring quality that can be trusted.

< Indicators and results >

Initiatives	Indicators	Targets	Results (FY2025)
<ul style="list-style-type: none"> Realize stable supply, contribute to solutions for customer issues, fulfill customer needs Ensure product safety and quality 	1. No. of incidents related to products [*]	0 incidents per year	0 incidents
	2. Implemented status of products safety and quality assurance training	100%	100%

^{*} Incidents related to products: Defined according to internal standards based on the definition stipulated by the Ministry of Economy, Trade and Industry

Initiatives

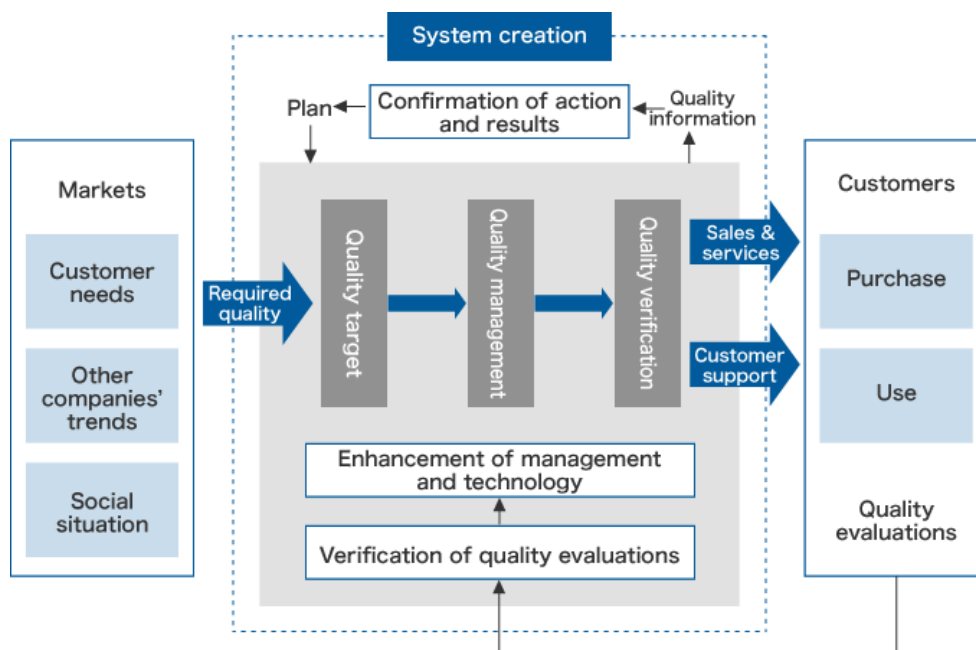
QA initiatives

Employees have shared access to the Quality Assurance Manual, which describes the basic approach and code of conduct for executing Toyobo Group's development, production, and sales activities. This manual represents the basic philosophy of manufacturing within Toyobo Group.

The Quality Assurance Manual has been translated into multiple languages and is distributed globally to each site. Additionally, study sessions using a digest version are held to deepen employees' understanding of manufacturing across the Group.

We have established a QA system for each product and service to ensure quality and product safety at every stage. We have also formulated Quality Assurance Guidelines and are working to build a structure that guarantees quality.

Overview of QA initiatives



To strengthen the quality assurance system and quality governance, the General Manager of the Quality Assurance Division conducts an annual review of the quality assurance initiatives in each business division. This review includes discussions to identify and address challenges specific to each business and to verify the soundness of their activities. Additionally, interim reviews are held to monitor progress on improvements.

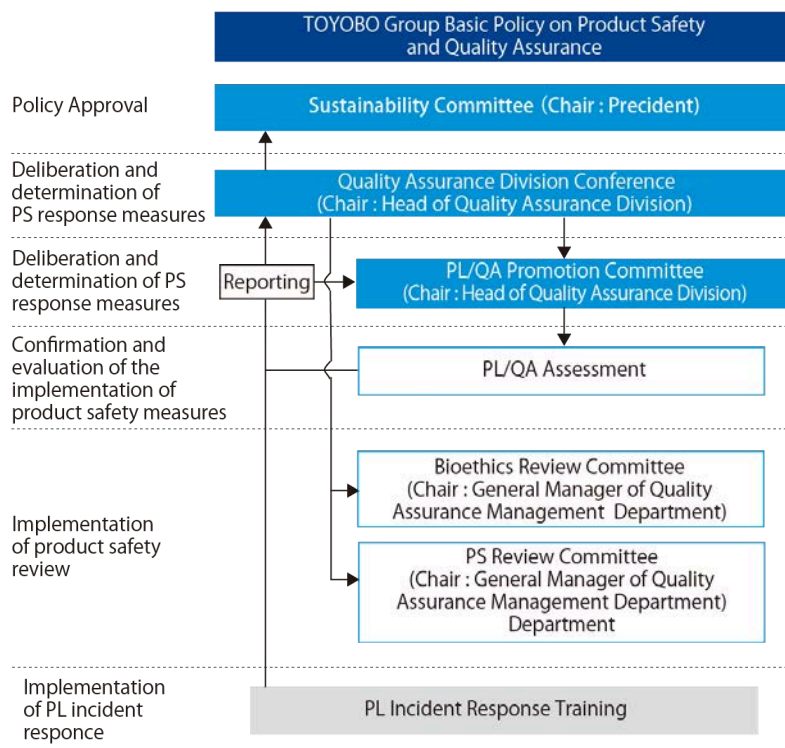
November was again designated as Quality Month for FY2025. During this period, key initiatives included disseminating quality assurance messages from the president and division heads, along with displaying Quality Month posters and digital signage across all sites. We also held PL/QA seminars, and discussions were conducted at each workplace using examples of quality-related misconduct as reference.

Product safety promotion activities

For each department and group company, we conduct PL/QA assessments carried out by the Quality Assurance Division, which has been made independent of the business divisions, or by QA personnel from different departments, to verify and improve PS activities. Moreover, we have established criteria for assessing PL and PS risk, and based on these criteria, we carry out inspections at each stage, from product development to sales, striving to reduce risk.

All possible measures are taken to ensure PS, and training drills are also conducted on a regular basis at all business divisions based on PL incident scenarios. PS remains a crucial theme throughout the whole of the group, and we will continue to mitigate risk as much as possible and strive to fulfill our social responsibility.

PL response system



Product safety and quality assurance education

We implement PS and QA education not only for new employees and new managers, but also for other employees at each level.

Name of seminar	Number of times held	Target / purpose	Notes
Seminar on basics of quality assurance	3 times per year	Education for new employees and department-specific education	Packaged into e-learning format
Qace seminar*	4 times each in the first half and the second half of the year	Development of core human resources for quality control and quality assurance, and construction of an in-house human resource network for quality	Held FY2023 to FY2025
Quality Exchange Meeting	Once a year	Improve engagement in quality assurance departments	Launched in FY2023

Name of seminar	Number of times held	Target / purpose	Notes
Education on cases of quality irregularities	79 times per year	Awareness education for development and sales departments	Launched in FY2025

* "Qace" is an acronym formed from "Qa_assurance," "Qc_control," and "Qe_ensureance."

Name of seminar	Month held	Target / purpose	Theme in FY2025
PL/QA seminar	November	Held as a component of quality assurance in which all employees participate	Creating a workplace that does not tolerate misconduct
Quality management seminar	February	Held as an opportunity for top management to consider quality management	Can trust be maintained without integrity?

ISO 9001 Certification Status

- [ISO9001 Certification Status](#)

● Supply Chain Management



↓ Management approach

↓ Initiatives

Management approach

Policy and approach

Amid accelerating globalization and the growing scope of social issues to be addressed, corporate social responsibility now demands greater engagement in CSR activities and risk management, with “contribution to the building and development of a sustainable society” seen as a core responsibility of business.

In this context, Toyobo Group recognizes that promoting procurement activities that place greater emphasis than ever on CSR factors—such as the natural environment, labor conditions, and human rights—is essential, in addition to conventional considerations like quality, performance, price, and delivery terms, when sourcing products, materials, and raw materials.

Toyobo Group contributes to the achievement of the SDGs and the development of a sustainable society across the entire supply chain by establishing fair trading policies and conducting responsible procurement and logistics.

Based on Principle 2: “Fair business practices” of the TOYOB0 Group Charter of Corporate Behavior, we ensure fair competition and transactions, responsible procurement and logistics, and maintain sound relationships with society and stakeholders, including customers and business partners.

We have established CSR Procurement Guidelines to address matters such as legal compliance, fair trade, environmental responsibility, and respect for human rights (including the prohibition of child labor, forced labor, and discrimination against people of any attributes, including LGBTQ+), as well as Green Procurement Guidelines for environmental considerations. Most recently, we revised the CSR Procurement Guidelines in September 2022 and January 2025 considering emerging global challenges.

< Basic Policy on Transactions in Procurement and Logistics >

1. Compliance

We comply with the laws and regulations of the countries and regions in which we operate, respect corporate ethics and social norms, and behave conscientiously.

2. Securing fairness, equality and transparency

We open the door wide to all companies and make fair and impartial judgments to ensure that business transactions are conducted in a highly transparent manner.

3. Partnership

We make efforts to build sustainable partnerships with our business associates so that we can all grow by deepening mutual understanding through active dialogue.

4. Promotion of CSR-based procurement

We promote business practices that meet our standard of corporate social responsibility, such as respect for human rights, environmental protection, product safety, quality assurance, and industrial safety and health.

- Promote CSR and actively work toward social contribution
- Maintain and strengthen legal and other compliance, fair business transactions, and corporate ethics
- Maintain and strengthen environmental activities
- Assure quality and safety in our supply of products
- Respect human rights
- Disclose information to stakeholders and engage in dialogue in a timely and appropriate manner, and maintain and strengthen information security measures

CSR procurement

We have formulated our CSR Procurement Guidelines and Green Procurement Guidelines with the aim of fulfilling our social responsibilities, such as ensuring legal compliance, product quality and safety and respect for human rights, and enhancing value throughout our entire supply chain through initiatives such as contributing to regional communities and environmental conservation. For new suppliers, we request to submit a Consent Confirmation Form stating that they agree to the Guidelines. In addition to sharing these guidelines through our website, we carry out CSR procurement surveys for business partners requesting their understanding and cooperation in actively advancing initiatives.

- [CSR Procurement Guidelines](#)
- [Green Procurement Guidelines](#)

Targets and indicators

< Targets >

- Throughout its supply chain, Toyobo group aims to realize procurement and logistics that involve fair and sincere transactions, respect human rights, are environmentally friendly, and consider impact on both society and the environment.
- We will reduce CO₂ emissions by promoting green logistics, such as implementing a modal shift to rail and sea transportation and improving loading efficiency.

< Indicators and results >

Initiatives	Indicators	Targets	Results (FY2025)
<ul style="list-style-type: none"> ● Realize sustainable, responsible procurement and logistics ● Carry out transactions that are fair and respect human rights ● Build a low-carbon society 	1. Ratio of CSR procurement surveys returned	90% or above (In years when a survey is not implemented, we carry out dialogue with business partners that past surveys have shown have issues)	1. - (Scheduled for FY2026)
	2. Ratio of reduction in CO ₂ emissions per unit of transportation* in relation to logistics	Year on year reduction of 0.5%	2. 3.4% increase year on year

* CO₂ emissions per unit of transportation (in g-CO₂/t-km) represents the number of grams (g) of CO₂ emitted per tonne of goods transported over one kilometer.

Initiatives

Fairness and transparency in trade

We take a rigorous approach to ensuring fairness and transparency, based on sound trading. We do not give or accept gifts or entertainment in order to secure unjust profit or preferential treatment from our business partners, and we have established a prior consent system to strengthen our checking system to ensure that actions that go beyond what is deemed socially acceptable do not occur.

Toyobo group CSR procurement seminar

In October 2023, we conducted a briefing on the Toyobo group CSR procurement through video distribution to our major suppliers (approximately 500 companies) around the world. As part of the training program, we held a seminar to deepen suppliers'

understanding of the Toyobo group's sustainability initiatives in terms of carbon neutrality, respect for human rights, DE&I (diversity) , CSR procurement policy, etc., in promoting social responsibility activities with our suppliers. In addition to requesting compliance with the Toyobo group CSR Procurement Guidelines, we expressed our commitment to cooperate with suppliers and contribute to the development of a sustainable society throughout supply chain.

CSR procurement survey

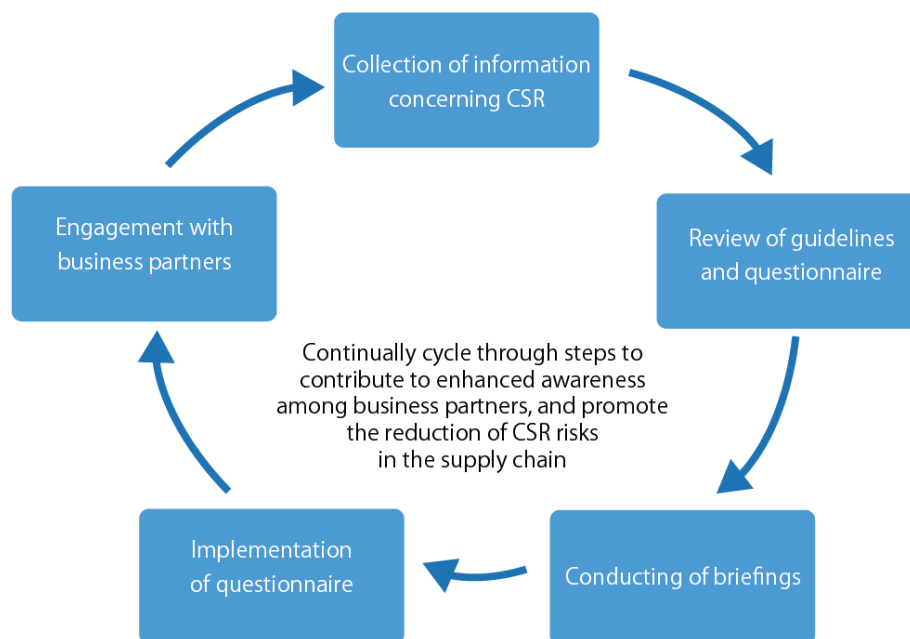
Implementation of the CSR procurement survey and risk assessments

Our company communicates our CSR Procurement Guidelines to major business partners worldwide and conducts risk assessments concerning information security and social issues that include the environment, safety, human rights, labor, and compliance (including the prevention of graft, bribery, fraud, money laundering, and other corruption). These risk assessments involve questionnaire surveys distributed to our major business partners worldwide, aligning with our CSR Procurement Guidelines. Based on the self-assessments received from these questionnaires, we initiate improvement activities aimed at mitigating societal and environmental impacts and reducing risks. Collaborating closely with both suppliers and buyers, we work to advance CSR procurement practices that promote the sustainability of society.

We conduct annual surveys and follow-up dialogues with our business partners, completing a supplier engagement cycle every two years. The most recent survey was conducted in fiscal 2024, and we requested initiatives for improvement individually based on the survey results in fiscal 2025.

Engagement with new and existing business partners

We regularly ask existing business partners to cooperate with our questionnaires and then perform risk assessments. In addition, for new business partners, we conduct a risk assessment through a preliminary CSR survey prior to the start of transactions as part of the due diligence process to determine whether or not a transaction is feasible.



Results obtained in CSR procurement surveys in FY2024

Through these surveys, we evaluate suppliers' risk related to social issues. We collaborate with suppliers to address identified issues from the risk assessment and aim to elevate CSR across the entire supply chain. When onboarding new suppliers, we request their participation in surveys, and we engage existing suppliers in ongoing survey collaboration. If CSR procurement surveys reveal issues, we implement corrective measures.

1. Survey overview

- Aggregation scope and no. of suppliers covered: 456 suppliers representing 90% of overall transaction volume

● Breakdown of Suppliers

Raw materials suppliers	Equipment and machinery suppliers	Logistics providers	Outsourced manufactures, etc.
69%	23%	4%	4%

● Survey content

The survey was drawn up based on the CSR Procurement Self-Assessment Questionnaire issued by Global Compact Network Japan.

● Survey items

Corporate governance, human rights, labor practices, environment, fair business practices, quality and safety, information security, supply chain, and coexistence with local communities

2. Aggregated results

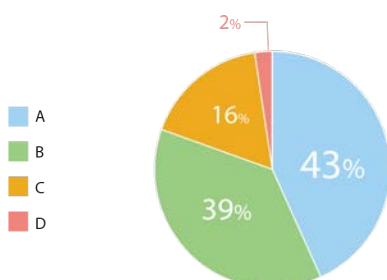
The response rate was 100%.

Risk assessment rank	Points band	No. of companies	Share of total	Content and response
A	90 points or higher	195	43%	CSR measures implemented are excellent → Feedback on survey results
B	61-89 points	179	39%	CSR measures implemented are adequate → Feedback on survey results
C	Total 60 or under with no significant risk items	72	16%	Progress is being made in CSR initiatives and significant risks are low → Feedback on survey results
D	Total 60 or under with low scores for significant risk items	10	2%	For items with risks, particularly regarding human rights, we will request initiatives for improvement individually.
-	Total	456	-	-

Number of companies requested 456

Response rate 100%

Evaluation results of CSR procurement survey



Evaluation scores of CSR procurement survey



3. Evaluation results

The average score of the survey was 79%. After survey responses were collected, we provided feedback in the form of an “evaluation score” and a “radar chart” to help respondents identify their strengths and weaknesses. For identified weaknesses, we requested ongoing efforts toward improvement.

Based on the analysis and evaluation of the survey results, we asked suppliers assessed as high risk (Rank D) to implement improvement measures and obtained their agreement to understand and support our CSR Procurement Guidelines and human rights initiatives.

Additionally, following the previous survey conducted in FY2022, we held direct dialogues with suppliers who had been assessed as high risk. Although no serious issues such as compliance violations were found, we introduced our internal case examples related to the areas of concern and requested that they strengthen their CSR initiatives. As a result, in the current survey, we confirmed that these suppliers have made progress in their CSR efforts.

In FY2025, we conducted on-site interviews with certain business partners who received low scores in the human rights category. During these on-site interviews, we held discussions on topics such as human rights due diligence, environmental initiatives, and anti-corruption efforts, working to understand actual conditions and address any issues. As a result, we confirmed that there were no serious human rights violations such as child labor or forced labor, nor any major environmental problems or compliance violations.

Green procurement

In order to contribute to the creation of a sustainable society, we carry out procurement from suppliers who actively work to conserve the environment and procure materials that have low environmental impact on a priority basis. Additionally, we have formulated Green Procurement Guidelines with the aim of promoting environmentally friendly procurement. We ask our business partners to understand our green procurement approach and provide the following information regarding chemical content.

(1) That the material does not contain any of the prohibited substances specified by Toyobo.

(2) That the content of hazardous substances specified by Toyobo has been identified.

In fiscal 2025, we revised our "Chemical Content Information Sheet" based on the information sharing scheme "chemSHERPA®", developed by Japan's Ministry of Economy, and the 'Information Sheet on Chemical Substance Content' has been revised in accordance with amendments to laws and regulations, and the survey has been carried out among suppliers. For general purchased goods, we are promoting green purchasing with the use of environmental labels.

* "chemSHERPA®" is a registered trademark of the Japan Environmental Management Association for Industry (JEMAI).

- [Green Procurement Guidelines](#)

Educational activities for sustainable procurement

We conduct training once a year for all personnel in charge of procurement and logistics (100%) to ensure that they are thoroughly familiar with our CSR Procurement Guidelines.

We incorporate goals related to “contribution to sustainable procurement (stable procurement)” into the personnel performance evaluations of procurement and logistics staff, and manage their progress as part of their guidance and training. We also solicit improvement proposals related to sustainable procurement activities and award outstanding suggestions.

Addressing conflict minerals

In our CSR Procurement Guidelines, our group calls for the promotion of responsible procurement with respect to regulations on conflict minerals.

Using Specified Chemical Substances Data Sheets, we investigate whether conflict minerals (tin, tantalum, tungsten, and gold) are used in our raw materials.

In FY2023, we conducted investigations into the presence of conflict minerals in our raw materials. There were no responses indicating the use of raw materials from conflict areas. We also prepared an internal survey and response system to enable us to provide prompt and appropriate responses to survey requests from customers regarding conflict minerals.

Resolving social issues in logistics

To resolve social issues in logistics, we are pushing forward with initiatives to reduce environmental impact and realize sustainable logistics. To reduce our environmental impacts, we are working to shorten transport distances by utilizing the ports closest to our business sites, to make modal shifts to ships and railroads, and to enhance loading efficiency through vehicle allocation simulations using logistics systems.

In 2019, we submitted a voluntary action declaration in support of the “White Logistics Movement”^{*} advocated by Japan’s Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry and Ministry of Agriculture, Forestry and Fisheries.

Starting in 2023, we joined the Chemicals Working Group, a subcommittee of the Physical Internet Realization Conference promoted by Japan’s Ministry of Land, Infrastructure, Transport and Tourism and Ministry of Economy, Trade and Industry. Through this group, we developed a voluntary action plan to respond to amendments to two logistics-related laws.

The main objectives include reducing waiting and handling times (within two hours per operation) and promoting palletization, aiming to alleviate driver burdens and enhance logistics efficiency.

Examples of our company's responses to logistics-related legislative amendments

Logistics-related legislative amendments	Example of Chemicals Working Group voluntary action plan	Key actions by the company
Implementation status report and submission of our company's medium to long-term logistics efficiency improvement plan (voluntary action plan) to the relevant authorities	Understanding waiting and handling times	<ul style="list-style-type: none"> • Monitor waiting times and handling durations for shipments and receipts.
	Waiting and handling times within 2 hours	<ul style="list-style-type: none"> • Ensure waiting and handling times are within 2 hours per operation.
	Promotion of palletization, etc.	<ul style="list-style-type: none"> • After assessing the current situation, promote palletization in product handling to reduce handling times for drivers.
	Lead time assurance	<ul style="list-style-type: none"> • Ensure adequate lead time from order to delivery, aiming to reduce logistics burdens.
	Logistics improvement proposals and cooperation	<ul style="list-style-type: none"> • Engage in sincere discussions with suppliers and logistics providers when we receive proposals for improvement and requests for cooperation.
Mandatory appointment of a Chief Logistics Officer (CLO)	Selection of CLO	<ul style="list-style-type: none"> • Select and appoint suitable personnel.

Response to natural disasters, etc.

In recent years, various areas have experienced significant damage from earthquakes, typhoons, and sudden localized rainstorms. We have gained knowledge in the process of responding to these events, and aim to realize even more stable procurement and logistics.

As part of our Business Continuity Plan (BCP), we strive to identify and manage risks throughout the supply chain. For procurement, we are looking to procure raw materials from multiple regions, and for logistics, we are establishing alternative transportation means and routes in collaboration with logistics operators.

Participation in initiatives

In January 2020, we joined the "Global Compact Network Japan", and since FY2022, through participation in its supply chain subcommittee, we have been gathering information and applying it to our daily activities.

Declaration of partnership building

In October 2020, we agreed with the aims of the Council on Promoting Partnership Building for Cultivating the Future promoted by the Cabinet Office and the Small and Medium Enterprise Agency, and announced our "Declaration of Partnership Building".

In this declaration, We expressed our commitment to contribute to solving social and environmental issues throughout our supply chain. Based on the declaration, we will endeavor to add value with our entire supply chain.

Response to whistleblower protection system

We have established a consultation and contact point for business partners on our website.

It receives reports and inquiries for violations or suspected violations of laws and regulations, and corporate ethics. In compliance with the Privacy Policy, we have established a system to prevent any disadvantage to the persons consulting with us as a result of consultation or reporting.

Main items for consultation

1. Violations or suspected violations of laws and regulations, and corporate ethics, etc.
 2. Acts violating respect for human rights
 3. Acts violating our CSR Procurement Guidelines
- [Receiving reports from business partners \(Japanese only\)](#)

● Human Resource Management



↓ [Management approach](#)

↓ [Initiatives](#)

Management approach

Policy and approach

Toyobo Group aims to realize its corporate philosophy framework, "TOYOBO PVVs," and to become an organization that continues to transform itself to create new value.

We put into operation the new human resource system in July 2022. implements specific policies such as promoting and supporting capacity building, treating and evaluating in accordance with job responsibilities, enhancing management skills, and encouraging the active participation of diverse professional human resources, so that each of our employees can feel growth, pride, and satisfaction.

Structure

The Managing Executive Officer in charge of the HR Division is responsible for the Group's human resources management. Our operating departments responsible for human resources and labor affairs create regular opportunities for discussion and information sharing with the departments responsible for human resources at each business site and affiliated company, which leads to the formulation and execution of

human resources management plans. Regarding key issues in the annual management plan, reports are made to the relevant executive officer each quarter and the issues are also deliberated on by the Sustainability Committee. Important measures are also discussed by the Board of Corporate Executive Officers and Controlling Supervisors and Board of Directors.

Targets and indicators

< Targets >

Toyobo group will build an organizational structure for the entire group that enables employees to work easily and feel satisfaction with their work, that ensures fairness and integrity, and that is considerate of diversity and human rights.

< Indicators and results >

Initiatives	Indicators	Targets	Results (FY2025)
<ul style="list-style-type: none"> ● Nurture human resources (build careers, develop capabilities) ● Promote work-life balance ● Ensure equality in recruitment and treatment of employees ● Maintain people-friendly work environments (promote health) 	1. Training core overseas personnel in Japan	15 employees per year ^{*1}	20 employees per year
	2. Training investment per employee (Time spent on education)	¥50,000 per year ^{*1} , 21hrs	¥44,000, 14.35hrs
	3. Ratio of annual paid leave taken	75% or higher ^{*1}	79.0%
	4. Ratio of overworked employees	Improvement from the previous fiscal year ^{*2}	0.26%
	5. Employee engagement score (percentage of positive responses) (1) Items related to daily operations (2) Items related to respect for diverse opinions and perspectives	Score improvement (Year on year)	(1) 42.0% (2) 53.0% ^{*3} (1)38.0% (2)50.0%

*1: Target for FY2026

*2: From FY2025 onward, the focus will shift to preventing health issues caused by long working hours, and the indicator will be changed from "Reduction of annual statutory overtime hours" to "Ratio of overworked employees".

*3: As the survey has been conducted biennially since FY2023, it was not conducted in FY2024. Therefore, figures from FY2023 are provided for reference.

Initiatives

Human resources development

Systems, education, and training for human resources development

Toyobo Group considers human resources to be our most important asset. We support the growth of each and every one of our employees, while respecting their diversity. We believe that the continuation and development of the Group as a whole can be achieved by building an environment in which our employees can flourish both inside and outside the company and realize their own potential.

Toyobo carries out human resource development based on a training program categorized by job level, type and objective, from the newly employed to top management. Over our long history, we have fostered an approach of valuing “people”—our most important asset—and this is shared throughout the Group.

Based on this idea, under the Managing Executive Officer in charge of the HR Division and is responsible for the execution of human resources management we have established a Group specializing in human resource development and actively support training for employee skill development.

Education & training system

- [Toyobo Education and Training System for FY2026 \(2.6MB\)](#) 

Education & training-related results

	Results (FY2024)
Training hours per employee	14.35hrs
Training investment per employee	¥44,000
Total training attendees	1,954
Total training hours	36,212hrs
Implementation status of training in career and skills	79%



Training in FY2025

Main personnel systems

Personnel appraisal system ※1	We perform personnel appraisals for all employees, with evaluations annually in October and interim checks in April. Employees and their supervisors together review the state of achievement toward goals, actions, and capacity development, then connect this to medium- to long-term growth and capacity development for individual employees.
Self-reporting system (Career Development Sheet)	This is a system by which individuals use the Career Development Sheet during personnel appraisals to express their career path-related wishes to the company. Individuals report to superiors their thoughts concerning their job category, location of work, and career. The supervisors then consider placement and personal development methods that will allow the employees to further grow and play active roles in the company.
Career challenge system (in-house recruitment)	This system is implemented as a component of human resources development to encourage employees to independently expand their careers and take on the challenge of new work.
Mirai Jinzai Juku	This in-house program for human resource development makes use of crowdfunding to promote the launch of new businesses. Employees gain practical experience in processes spanning product planning and development to sales.

※1 Addresses all employees, including managers.

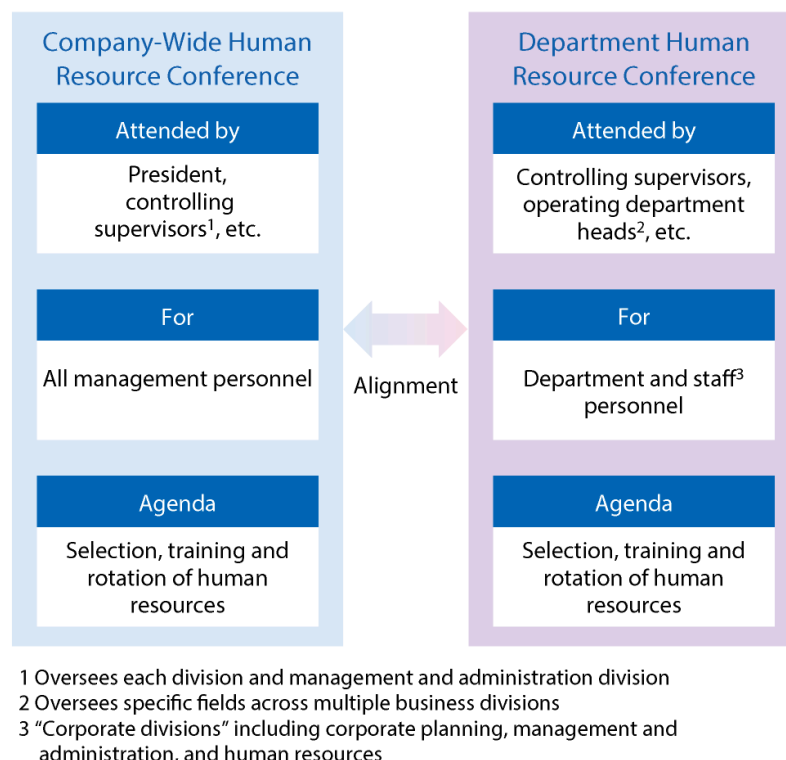
Nurturing the next generation of management

For Toyobo Group's initiative to train the next generation of management, the Group plans to provide chosen personnel with internal and external management executive development training. In order to further broaden their experience, we will also give them the opportunity to undertake business operation and management duties to hone their management skills, which will help us achieve our succession plan.

In response, from FY2022, the Group has operated a Human Resources Conference to discuss measures for the development of next-generation management human resources. We divide this into a Company-Wide Human Resources Conference that mainly discusses successors for management posts and a Departmental Human Resources Conference that mainly discusses successors for highly specialized positions, and implement actions including policy support for the development of successor candidates as well as selection and rotation of human resources. By linking these two conference bodies, we will uncover and develop human resources and increase their effectiveness.

At the same time, we are promoting diversity and inclusion in order to increase our medium to long term capabilities. Besides promoting the participation and advancement of women, we are actively taking on mid-career hires and staff from overseas so that we can bring in more knowledge and experience.

Under our TOYOBO PVVs corporate philosophy framework, we conduct company-wide training for all management positions to ensure awareness of security and disaster preparedness, occupational safety, quality, and compliance, and to advance organizational initiatives.



Developing global human resources

Toyobo has been conducting a short-term overseas assignment training program since 2011 for domestic employees at overseas Group companies, aiming to secure and systematically develop personnel capable of expanding overseas markets. The program has reached a total of 100 participants and has served as a strong motivator for young and mid-level employees to engage in global business, while also providing valuable career development opportunities. On the other hand, as opportunities for overseas assignments as part of regular business operations have become more common, starting in FY2026, such training will be integrated into business-specific overseas assignments.

In addition, Toyobo conducts a training program annually for local management candidates from our overseas Group companies. More than 100 staff members have participated in the program in Japan to date. The program aims to deepen their understanding of Toyobo's initiatives and products, while also encouraging interaction with employees working in Japan. In FY2025, 20 participants from nine countries—Spain, Mexico, El Salvador, China, Thailand, Indonesia, India, and Saudi Arabia, Malaysia—joined the program. For Japanese employees, the program also provides a valuable opportunity to gain a better understanding of different cultures and values.

Initiatives for preventing harassment

Toyobo Group strives to maintain harassment-free workplace environments and we are focusing on anti-bullying and anti-harassment measures based on an approach that providing work incentives and raising job satisfaction leads to the securement and cultivation of excellent human resources. As a preventative measure, we are implementing management training to deepen understanding within the organization, and as a response measure, we carry out thorough internal reporting through the

compliance consultation centers and the Complaint Handling Committee, which includes labor union representatives, so that we can detect and solve issues at an early stage.

- [Efforts for establishment of complaint handling and internal reporting systems](#)
- [Compliance consultation desks](#)

Employee engagement

Under a relationship of equality between the company and individual employees, it is necessary that we align the vectors of organizational goal achievement and personal growth. Toward this end, in 2021 we launched a survey on organizational climate and job satisfaction, targeting all officers and employees.

These surveys will keep us periodically appraised of employee engagement, and create an environment in which they can proactively work with a sense of pride and fulfillment.

Engagement survey results

We conducted the third Engagement Survey in July 2024. In addition to communicating an overview of the survey results to employees, we offer feedback on the survey results at the workplace level and are advancing dialogue and action plans within workplaces.

Employee engagement score (percentage of positive responses)	(FY)	
	2023	2025
(1) Items related to daily operations	38%	42%
(2) Items related to respect for diverse opinions and perspectives	50%	53%

* As the survey has been conducted biennially since FY2023, it was not conducted in FY2024. Therefore, figures from FY2023 are provided for reference.

Work-life balance

Measures for the reform of working style

Toyobo Group is engaged in work style reform so that our employees can work with renewed efficiency and achieve a good balance between work and personal life. We also provide support such as the Childcare Shortened Work Hour Program, nursing care and flextime system, and telecommuting. Building an environment that enables more flexible work styles tailored to each employee's life stage provides an opportunity to enhance creativity. Letting each individual do their best with confidence, pride, peace of mind, and a forward-looking mindset helps to build a stronger foundation for the company.

The TOYOBO Group Charter of Corporate Behavior declares, "We will respect employee diversity and support work practices that allow employees to demonstrate their

individual skills. Moreover, we will provide workplaces that are conducive to productive work while taking health and safety into consideration.”

Development of systems

Toyobo has introduced schemes that go above and beyond the legal requirements, including the childcare shortened work hour program and nursing care leave, and we also provide a flextime system. Since FY2020, five days of paid leave has been offered as childcare leave. In conjunction with this change in the system, we are encouraging men to take childcare leave. Men employees who have a child are notified of the system individually and are recommended to take this leave by their immediate supervisor. We will continue these promotion efforts until it becomes normal for men employees to take childcare leave.

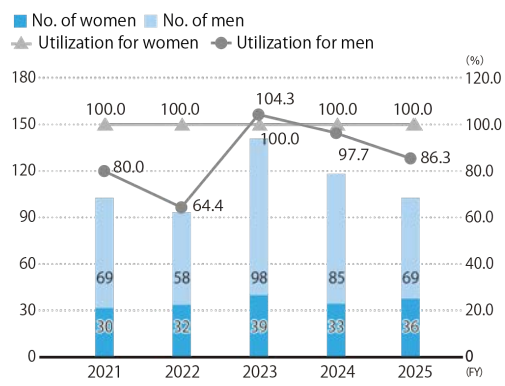
We introduced a 15-Minute Shortened Work Hour Program at head and branch offices in FY2018, and at the Research Center in FY2019. In FY2025, the number of annual holidays was increased and daily working hours were reduced by 10 minutes at other sites, thereby unifying the number of annual holidays and prescribed working hours across all domestic sites, including the head and branch offices.

We are also creating opportunities for employees to spend quality personal time together with family and friends, such as holding a No Overtime Day at least once a month. In FY2020, we introduced a Teleworking scheme at head and branch offices, and have expanded to also include other offices in FY2021.

Scheme usage

	(FY)				
	2021	2022	2023	2024	2025
Women taking childcare leave	30	32	39	33	36
Ratio of women taking childcare leave (%)	100	100	100	100	100
Men taking childcare leave	69	58	98	85	69
Ratio of men taking childcare leave (%)	80	64	104.3	97.7	86.3
Employees taking childcare shortened work hour program	70	67	83	97	98
Annual paid leave utilization ratio (%)	64	72	80	83	79
Taking telecommuting systems	2,045	2,413	2,520	2,357	2,239

Childcare leave utilization


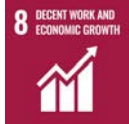


Main support systems

	Main system	Details
Systems supporting diverse work styles	Teleworking scheme	Employees can work outside the office, in principle at their home. Can be used in conjunction with Half-Day Annual Leave, Childcare and Nursing Care Shortened Work Hour Programs, and the Flextime system.
	Flextime system	Managed in one-month installments with core time set from 11:00 to 14:00. Introduced in 1990.
	Half-day annual leave	Annual paid leave can be taken in half-day installments. Introduced in 1990.
	Volunteer leave	Applies to employees participating in the Japan Overseas Cooperation Volunteers initiative. In principle, leave can be up to two years and four months.

	Main system	Details
Systems supporting work-life balance	Childcare leave	Can be taken up to the day the child turns two. * Salary is paid from the first day for a period of up to five consecutive days
	Childcare shortened work hour program	One workday can be shortened in 15-minute installments up to two hours. However, the period from 10:00 to 16:00 has to be worked (including designated breaks). (Can be used up to the child finishes the third grade of elementary school)
	Nursing care leave	Can be taken up to three times per case (same illness of the same family member) for a maximum of 366 days (which can be taken in installments).
	Nursing care shortened work hour program	Designated work hours for a single day can be shortened by up to two hours for up to two times per case (same illness of the same family member).
	No overtime day	At least once a month, employees are able to spend quality personal time together with family and friends as an opportunity to improve motivation and enhance creativity.
	Childcare facilities	In April 2018, a nursery was established inside the Research Center.
	Babysitters	The company assists with babysitting expenses during business travel and company-designated training.

● Diversity, Equity, & Inclusion (DE&I)

Materiality	
Related ESG : S	
Employee well-being: Diversity and inclusion	 

↓ [Management approach](#)

↓ [Initiatives](#)

Management approach

Policy and approach

Toyobo Group believes that personal and organizational growth is achieved through a process of mutual respect among our employees, with their differing work styles, careers, gender, nationality, race, and beliefs, and through cooperation to achieve our shared objectives.

We respect different opinions and a wide range of values, and cooperate to achieve ambitious goals together.

The TOYOBO Group Charter of Corporate Behavior also contains the following declaration.

6. Active employee participation

We will respect employee diversity and support work practices that allow employees to demonstrate their individual skills. Also, we will provide workplaces that are conducive to productive work while taking health and safety into consideration.

6-1. We will work toward developing workplace environments that facilitate active participation among a diverse range of human talent.

- 6-2. We will prevent various types of harassment and other forms of mistreatment in our workplaces, and accordingly we will not engage in discriminatory practices neither in regard to hiring nor terms of employment.
- 6-3. We will strive to create workplaces that are safe, hygienic and rewarding, and will work to prevent excessive workloads and reduce overtime work.

<TOYOBO Group Diversity Promotion Policy>

Toyobo Group is convinced that the happiness of its employees and the sustainable growth of the Group stem from diverse employees being able to fully participate in the organization and society with pride and fulfillment.

For the creation of such a workplace, the Group is committed to the promotion of diversity based on the following three elements.

1. Diversity:

Diversity is a strategy that leverages individuality to enhance corporate value. It means mutually accepting, respecting, and maximizing the individuality. Individuality here refers to the inner and outer aspects of a person including sense of values, culture, religion, personality, experience, sexual orientation, gender identity, gender expression, race, ethnicity, nationality, language, gender, age, disability, health, family, social status, educational background, work experience, and all other differences. Toyobo Group respects differences as diversity and strives to turn them into the strength and vitality of the Group.

2. Equity:

Equity is a pursuit of "provision of opportunity" and "fairness" to each individual who takes boldly on the task. It is to devise a way for everyone to have the opportunity to take on new leaps forward by utilizing information, tools, and mechanisms according to the individuality of each person and to transform them into the vitality of the Toyobo Group. The Group continues to reform the workplaces and work styles where diverse human resources can work fairly, without fixing job classifications based on gender, age, or any other attributes.

3. Inclusion:

Inclusion means that each individual who boldly takes on the task demonstrates their individuality, mutually recognizes others, and make the most of them as an organization. Each employee of the Toyobo Group wishing to contribute in the organization and society thinks independently and realizes the corporate philosophy of *"Jun-Ri-Soku-Yu"*.

* *"Jun-Ri-Soku-Yu"* means adhering to reason leads to prosperity.

We at the Toyobo Group believe to be able to create even more value both internally and externally by promoting Diversity, Equity and Inclusion.

Date of enactment: February 21, 2024

Targets and indicators

< Indicators and results >

Initiatives	Indicators	Targets (FY2026)	Results (FY2025)
Realize diversity and inclusion	1. Women manager ratio	5.0% or above	5.6%
	2. Ratio of men employees taking childcare leave	Over 80% of eligible persons take absence leave, averaging 14 or more days (20% increase from FY2021)	86.3%
	3. Employment ratio of people with disabilities	2.5%	2.24%

Initiatives

Participation of women in the workforce

Toyobo Group established the Diversity & Inclusion Group within the Human Resources Department, and the Group has been engaged in activities to promote the empowerment of women. We hold events such as presentations, seminars for managers, women leader development seminars, and Women Empowerment Promotion Project on a continuous basis, in order to realize a change of mentality among our employees.

We have also opened a nursery school within in the Research Center in Otsu, Shiga Prefecture, as a means of support for childcare. This enables early return to work from childcare leave and planned return to work, and supports the development of an environment in which employees can approach childbirth with peace of mind.



Toyobo Nursery School at the Research Center

- [Promotion of Women's Participation and Advancement](#)

External evaluation

Certified as an Eruboshi (second level) company based on the Law for Promotion of Women's Activities

Toyobo received the second level Eruboshi certification from the Minister of Health, Labour and Welfare as a company that actively promotes the advancement of women on December 14, 2021.

The "Eruboshi" certification is given to companies that have made excellent efforts to promote the activities of women in accordance with the "Act on Advancement of Women in Employment" (Women's Activity Promotion Act).

In 2015, we established a dedicated organization, the Women Empowerment Promotion Group (the Diversity & Inclusion Group, in April 2023), which has been active in creating an environment and organizational climate where women can play an active role.

Since then, we have held seminars for managers and women employees and introduced a mentoring system. In 2018, we opened a nursery within the company at the Research Center (Otsu City, Shiga Prefecture). We made revisions to the childcare leave system to encourage men employees to take paternity leave, including setting five days of paid paternity leave. The rate of men employees taking paternity leave exceeded 80% in FY2021 and has remained high since.

We are certified as a "2-star" company, the second of three levels, based on the evaluation that the items of "recruitment," "continued employment," "work styles such as working hours," and "various career courses" have reached the specified levels.



Acquisition of Platinum Kurumin certification

The Platinum Kurumin certification is awarded to companies that have achieved a higher level of initiative, such as the introduction and use of systems to support a balance between childcare and work, selected from among those that have received Kurumin certification as companies that support the childcare of their employees in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children. In June 2023, we were certified as a Platinum Kurumin in evaluation of our various initiatives.



Active participation of diverse human resources

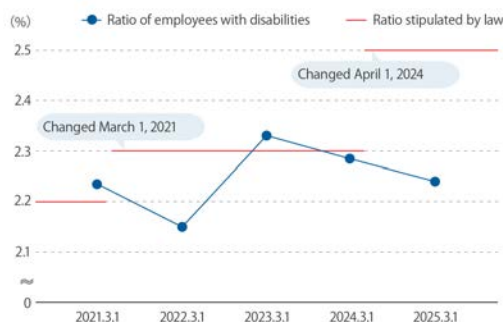
In addition to activities to promote the participation and advancement of women, we are also working to ensure that the assessment and treatment of employees focuses on ability and is not influenced by differences such as gender and nationality, and we are aiming to cultivate a corporate culture in which diverse employees can participate actively and find job satisfaction.

Promotion of employment of persons with disabilities

To raise the employment rate of persons with disabilities, it is crucial to implement initiatives at a Company-wide level. Accordingly, the current status and challenges are shared during the meetings of the General Administration Department managers from each business site, which are held four times a year. As part of our efforts to improve the working environment, we have made the offices at the Tsuruga Research and Production Center and Inuyama Plant barrier-free, and are also progressively upgrading other business sites with accessibility in mind.

To deepen Company-wide understanding of the employment of persons with disabilities, we are expanding the range of job types available and conducting awareness-raising activities at workplaces that accept these employees.

Ratio of employees with disabilities



Promotion of employment of senior employees

We have introduced a senior employee system to promote employment by rehiring employees who have retired at the retirement age of 60 and who wish to continue working and are considered capable of working normally. The rehired senior employees actively help to train younger employees and pass on skills.

Support system for employees on leave

To enable the smooth return to work by employees who have taken childcare leave, family care leave, or mental health leave, we provide the following support.

Targets	Details
Persons taking childcare or long-term care leave	<ul style="list-style-type: none"> Employees meet with their supervisor upon returning to work to ensure a smooth transition back to the workplace. (For childcare leave, interviews are also mandatory before maternity leave and prior to returning to work.) A return-to-work preparation seminar is offered to employees on childcare leave.
Persons taking mental health leave	<ul style="list-style-type: none"> The "gradual return-to-work program" supports employees after leave, allowing them to ease back into their duties in stages.

To support employees raising children, we have introduced the following systems.

System	Details
Establishment of a nursery school in the company	Opened in Research Center (Otsu, Shiga Prefecture)
Baby-sitter support program	The company assists with babysitter expenses during business travel and company-designated training

LGBTQ+ initiatives

To foster a work environment where diverse individuals, including gender minorities, can thrive, we have implemented the following initiatives.

Actions implemented	Details
Consultation desk	Toyobo has established a LGBTQ+ consultation desk. To ensure a worry-free experience, we guarantee strict privacy protection, including confidentiality of individuals seeking consultations. We also assure that there will be no repercussions for employees who seek advice or report issues, and we accept anonymous consultation requests.
Furthering use of preferred names	Starting in FY2025, we have introduced a system that allows the use of preferred names based on gender identity. This enables individuals to use their chosen names that align with their gender identity.
Same-sex partnership	Since December 2024, we have extended some of the same benefits and rules to the same-sex partners of employees as we do to legally married spouses.
Training for operations staff	We provided LGBTQ+ training to all operational staff, including those in the Human Resources Department, deepening their understanding of sexual minorities and the prohibition of outing, creating a supportive environment where they can engage in their work with a sense of security.
Application form at the time of recruitment	We revised our job application form to be more inclusive of diversity.
Adopted unisex standard work uniforms	In FY2023, we made all standard work uniforms worn in manufacturing sites unisex.
Gender-neutral restrooms	We have completed the installation of restrooms that can be used regardless of gender across all sites (excluding certain tenant-occupied locations).
In-house awareness activities	In addition to addressing this theme in relevant training sessions, we regularly post information on our internal portal to deepen understanding of LGBTQ+ issues. Through these initiatives, we are working to foster an LGBTQ+ friendly culture within the Group.

Regarding the PRIDE Index

2024: Received the highest rating of “Gold” 2025: Received the “Bronze”

Toyobo received the highest rank of "Gold" certification in the PRIDE Index 2024, which evaluates initiatives related to sexual minorities (LGBTQ+) in the workplace. This was the first time that Toyobo was evaluated by the PRIDE Index.

Under the Toyobo Group Diversity Promotion Policy, we have been progressively advancing various initiatives to promote understanding of LGBTQ+. These activities were recognized, leading to the “Gold” certification. In 2025, we also received “Bronze” certification in recognition of our ongoing efforts.

We will further promote diversity, equity, and inclusion, aiming to become an organization that mutually recognizes the value of different opinions and diverse human resources, and strive to create a workplace that is comfortable for everyone.

Overview of the PRIDE Index

The PRIDE Index is an index used by the general incorporated association "work with Pride" to evaluate the efforts of companies and organizations related to LGBTQ+ to create workplaces where sexual minorities (LGBTQ+) can work comfortably. The index evaluates companies and organizations based on the following five indicators, which are the following acronyms for PRIDE: Policy (declaration of action), Representation (community for LGBTQ+), Inspiration (awareness-raising activities), Development (personnel systems and programs), and Engagement/Empowerment (social contribution and external relations activities).



● Promotion of Women's Participation and Advancement

↓ [Progress so far, and the key issues](#)

↓ [Targets and action plans](#)

↓ [Message from manager](#)

Progress so far, and the key issues

Promoting women's participation and advancement from the three perspectives of recruitment, cultivation, and support for employment continuation

As of 2015, our Group was predominantly male-oriented and did not provide adequate opportunities for women to thrive and grow. However, the Group began full-scale efforts to promote women's participation and advancement in the workplace with the establishment of the Women Empowerment Promotion Group in 2015.

Under our Phase One Action Plan, spanning FY2017 to FY2021, we set goals to double the number of women in managerial positions compared to FY2016 and to raise the ratio of women in career-track positions^{*1} to 15%. We implemented a range of initiatives focused on three key areas: recruitment, development, and support for continued employment. As a result, by the end of FY2021, we had tripled the number of women in managerial roles to 13 and increased the ratio of women in career-track positions to 17.1%, thereby achieving our targets.

For our Phase Two Action Plan (April 1, 2021 - March 31, 2026), we set new goals: to raise the proportion of women in managerial positions to at least 5% and the ratio of women in career-track roles to at least 22%. We also set targets for at least 80% of eligible men employees to take paternity leave and to increase the average number of days taken for parental leave by 20% compared to FY2021. We have already exceeded both the women-in-management and men's parental leave uptake targets ahead of schedule.

A significant factor behind the achievement of these goals was the establishment of a recruitment policy that set a target of 40% women among new graduate hires for the global career track^{*2}. In parallel, we worked to broaden the scope of roles available to women by significantly increasing their placement in departments where women had previously not been assigned, such as sales and manufacturing. As a result, the

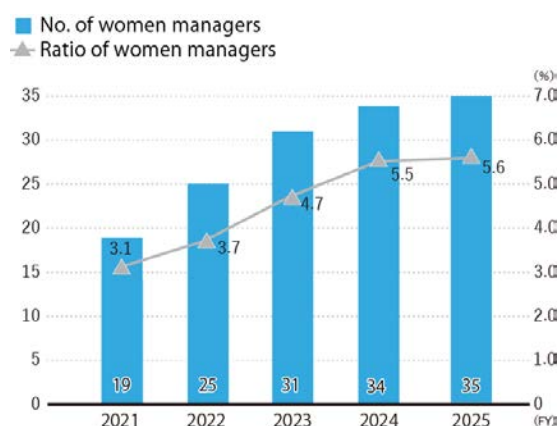
promotion of women became a personal matter for many managers, driving a shift in mindset and contributing to a broader transformation of our organizational culture.

In addition to continuing these measures, our ongoing challenge is to establish equal opportunities and responsibilities without gender discrimination as the standard practice, eliminating the need for affirmative action. We believe that achieving our Phase Two Action Plan is crucial for this transition, emphasizing the importance of increasing employee awareness and sensitivity toward diversity issues.

*1 Defined as employees at or above the entry-level grade of the global career track.

*2 Career track for employees expected to play active roles across the entire organization.

Ratio of women Managers



Main measures implemented

- Women leader development seminars
- Diversity & inclusion training seminars for managers
- Career development support program
- Mentoring system
- Promoting notification to superiors and employees planning to take leave, and conducting pre- and post-leave interviews to encourage more employees to take leave
- Babysitter support system, including partial coverage of childcare costs during business trips
- Establishment of an on-site nursery at the Research Center, with a capacity for 10 children
- Introducing maternity workwear for women employees at business sites

Targets and action plans

In April 2021, we started our Phase Two Action Plan for promoting participation and advancement by women. We set numerical targets to be achieved by FY2026 including at least 5% ratio of women managerial staff^{*3}. To meet these targets, we are advancing an initiative to increase the ratio of women among recent graduate hires on the global career track to 40%. In FY2025, our ratio of women managerial staff was 5.6% and the ratio of women among recent graduates hires on the global career track was 34%.

Toyobo also has a policy of participating actively in external initiatives. The company has already expressed its support for 30% by 2030 Challenge^{*5} goal announced by the Japan Business Federation (Keidanren) to raise the ratio of women executives to 30% by 2030, and for the Women's Empowerment Principles^{*6}, which outline a code of conduct for actively promoting women empowerment; Toyobo has signed a statement committing itself to act in accordance with the WEPS.

Targets and Initiative Content

【Target No.1】 Raise the share of managers who are women to at least 5% by the end of fiscal 2026	
April 2021 onwards:	Implement women leader cultivation training for managers and women candidates for managerial positions (continued implementation since August 2017)
April 2021 onwards:	Implement women leader cultivation training for section chiefs and women candidates for section chief positions (continued implementation since September 2019)
April 2021 onwards:	Implement mid-career hiring of women managers
May 2022 onwards:	Launch diversity & inclusion training seminars for managers Aim to enhance communication with diverse employees
【Target No.2】 Raise the share of women on the career track to at least 22% by the end of fiscal 2026	
April 2021 onwards:	Maintain women's share of new graduate recruitment at a level of at least 40%
April 2021 onwards:	Actively promote mid-career hiring of women employees

【Target No.2】 Raise the share of women on the career track to at least 22% by the end of fiscal 2026

April 2021 onwards:	Implement follow-up interviews for women employees (continued implementation since April 2015)
April 2021 onwards:	Establishment and operation of a three-year career development support program

【Target No.3】 Raise the percentage of eligible men employees taking childcare leave to at least 80%, and increase the number of days of childcare leave taken by at least 20% by the end of fiscal 2026

April 2021 onwards:	Make eligible employees aware of the childcare leave system (continued implementation since April 2019)
April 2021 onwards:	Send eligible employees' supervisors details of the encouragement that should be provided to subordinates to encourage them to take childcare leave (continued implementation since September 2019)
October 2022 onwards:	To support trouble-free acquisition of leave and return to work, interviews between superiors and leave-takers before and after taking childcare leave are mandatory

*3 Career track for employees who are expected to be active throughout the entire company.

*4 Career track for employees whose career is expected to be confined to one specific business site.

*5 This is one of the targets for promoting D&I to realize sustainable growth in line with “The NEW Growth Strategy” announced by the Keidanren in November, 2020.

*6 The Women's Empowerment Principles were formulated jointly by UNGC and UN Women in 2010.

*7 Eruboshi (2-star) criteria: Must meet 3–4 of the specified criteria, and must demonstrate continued improvement for a period of at least two consecutive years.

Message from manager

The Group's activities to promote women's participation and advancement in the workplace started in earnest with the launch of the Women Empowerment Promotion Group in 2015.

In 2023, the department name was changed to the Diversity & Inclusion Group. Its scope has expanded beyond promoting women's advancement to include initiatives for employees with disabilities, foreign nationals, sexual minorities, and efforts to create a workplace environment where all employees can work with peace of mind.

The steady efforts to promote women's participation and advancement since 2015 have certainly led to an increase in the ratio of female managers and the uptake rate of childcare leave among men. These activities have also resulted in the creation of systems supporting diverse workstyles and brought about changes in the Company's internal culture.

We will continue activities that support and encourage female employees, while gradually working toward creating a workplace where each employee can utilize their abilities without being conscious of their gender or other attributes.



Diversity & Inclusion Group Manager,
Labor Affairs Department
Masako Tezuka

● Health and Productivity Management

Materiality	
Related ESG : S	
Employee well-being: Health and productivity management	

↓ [Management approach](#)

↓ [Initiatives](#)

Management approach

Policy and approach

Our Group believes that investing in the health of employees and vibrant workplaces where employees can work with motivation will lead to long-term growth for the company.

To create workplaces that are comfortable places to work and that take employees' health into account, we are advancing initiatives for the occupational safety and health underlying such workplaces. From FY2020, we have undertaken health and productivity management that strategically implements health management considered from a managerial perspective.

Until now, the company and the health insurance association have cooperated in supporting health. To continue those activities and to positively and systematically undertake even more health and productivity management, we built a system for its promotion and formulated the TOYOBO Health & Productivity Management Declaration that was announced by the President in March 2020.

< TOYOBO Health & Productivity Management Declaration >

Under the Group's corporate philosophy, *Jun-Ri-Soku-Yu* (adhering to reason leads to prosperity), we aim to become a company which achieves sustainable growth.

We believe that in order to ensure strong, sustainable growth, we need the capabilities, effort, and energy of every employee, and that the growth of the Group is linked to the job satisfaction of our employees and the feeling that they and their families are being enriched.

Health is the source of our employees' energy and effort, and as a Group we recognize that actively working to maintain and improve employee health is an important management issue. At the same time, we believe that this initiative will contribute to realizing a sustainable society.

It is also important that employees themselves realize the importance of their health.

Therefore, we declare that we will actively engage in health and productivity management.

Ikuo Takeuchi
Representative Director, President, and CEO
April, 2021

Key measures under the TOYOBO Health & Productivity Management Declaration

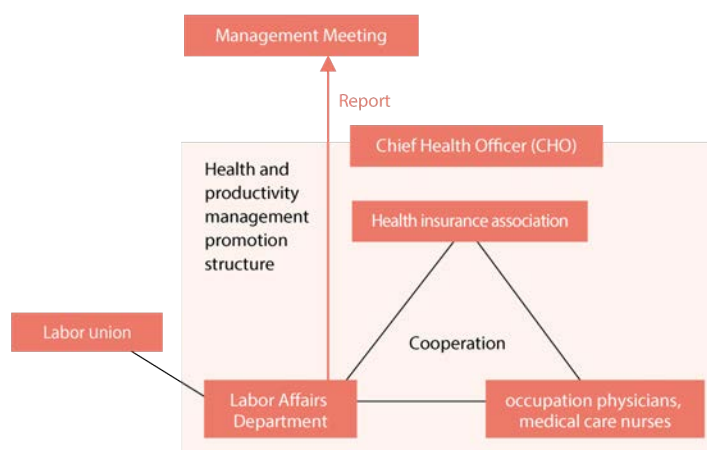
1. Initiatives for raising employees' health awareness: education and training
2. Initiatives for improving employees' lifestyle habits: exercise, diet, support for quitting smoking, etc.
3. Initiatives for strengthening mental health, including improvement measures for high-stress employees and workplaces

Structure

Health management system

Aiming to positively and systematically address health and productivity management, Toyobo Group is working on the above priority measures in cooperation with the Labor

Affairs Department, occupation physicians/medical care nurses, and health insurance union under the Executive Officer supervising the HR Department, who serves as Chief Health Officer (CHO), while also hearing opinions from labor union.



Health and productivity management strategy (strategy map)

Toyobo positions health and productivity management as a key part of its management strategy. Under Sustainable Vision 2030 announced in May 2022, we have begun initiatives to realize employees' well-being. Moving forward, we will continue to promote health management to create an environment where employees can work healthily and with peace of mind.

As a specific indicator, we aim for an engagement score of 70% or higher by fiscal 2031. To achieve this overall health and productivity management target, under the aforementioned framework, Toyobo organizes the connection between "management challenges to be addressed through health and productivity management," "expected outcomes," and "specific initiatives."

Targets and indicators

< Indicator and result >

Initiative	Indicator	Target(FY2026)	Result(FY2025)
Maintain people-friendly work environments (Promote health)	1. Certified as a top 500 for Outstanding Health and Productivity Management	Obtain / Maintain	Certified as a Health & Productivity Management Outstanding Organization 2025 (Large-scale Corporation Category)

We set targets and check our performance over time for various indicators related to health and productivity management. By leveraging quantitative data to guide health initiatives, we aim to precisely identify and address health-related challenges.

Initiatives

Toyobo collaborates with insurers on health and productivity management initiatives by sharing regular health checkup results, scoring reports, and longitudinal data on various indicators. This partnership supports the identification and analysis of health issues and the implementation of related measures.

We respond annually to the survey of health and productivity management by the Ministry of Economy, Trade and Industry (METI), we utilize the feedback received to inform activities in the following fiscal year. We believe that continuous efforts help us identify issues and trends effectively. Moving forward, through health and productivity management, we aim to address these challenges, becoming a company where employees can work healthily and with peace of mind, ultimately leading to improved productivity and enhanced corporate value.

Specific examples of initiatives

In addition to the population-based approach measures implemented since the start of our health and productivity management initiatives, we are strengthening high-risk approaches and individual support as part of efforts to improve employees' lifestyle habits.

Health staff at each business site encourage employees identified for secondary examinations based on regular health checkups to undergo further testing, and employees are required to report their results. At headquarters, we have implemented a "Health Care Plan" that provides health guidance to certain employees aged 39 and under with specific findings, aiming to prevent lifestyle-related diseases early and raise awareness. Through these efforts, we support further health promotion among employees.

Going forward, Toyobo will continue actively promoting health and productivity management to create workplaces where employees can work with physical and mental well-being and peace of mind, ultimately aiming to enhance corporate value.



Activities to raise awareness among employees

It is important for each employee to be aware that their own health is their responsibility, to review their lifestyle habits, and to continuously engage in initiatives for healthier living.

To support this, we conduct various seminars and experiential programs to encourage employees to be mindful of their health and to promote wellness from their own perspectives.

Implementation in FY2025

	Number of times	Theme
Seminar	1	<ul style="list-style-type: none"> ● Lifestyle disease prevention seminar by a contract physician
Awareness-raising event	1	<ul style="list-style-type: none"> ● Arteriosclerosis and blood pressure pulse wave test
	1	<ul style="list-style-type: none"> ● Health Care Plan: Health guidance for younger employees

Support for employees' health maintenance and promotion through health checkups

Toyobo aims for an actual 100% health checkup participation rate among employees, led mainly by industrial health staff at each business site.

Our health checkups include examinations that go beyond the legally required items.

Based on health checkup results, health staff provide guidance and encourage employees who require follow-up examinations or treatment, offering individualized support to promote healthy lifestyle habits.

In cooperation with the health insurance association, we conduct cancer screenings for any staff (employees and their dependents) who want them, aiming for early detection and treatment of diseases including in family members. Our onsite health offices also provide consultations on health concerns and refers employees to specialized medical institutions as needed, supporting the maintenance and promotion of employee health.

Improvement of implementation rate of specified health guidance

As an example of improvements made with respect to a specific issue, by undertaking a variety of measures and cooperating with insurers on strengthening the implementation rate for specific health guidance to raise awareness concerning exercise and eating habits, we achieved a decline in the number of persons targeted for specific health guidance by approximately 2% between FY2021 and 2022.

Restricting long working hours

To curb long working hours, in management meetings we examine measures to prevent recurrence when employees (including managerial staff) anywhere in the company exceed certain working hour standards for three consecutive months*. Management and employees at each business site have set a specific cutoff point, and keep tabs on work that leads to excessive hours in order to promote their reduction. We have also set the number of employees doing overtime as a KPI, and have set a reduction of 20% as a target.

Management and employees at each business site have designated a no overtime day, and we encourage employees to go home on time so they can enjoy personal and family time.

Furthermore, in order to prevent mental health issues caused by long working hours, we have put in place stricter standards than legally mandated, and we hold interviews with occupation physicians.

* Over 80 hours overtime in two consecutive months + over 45 hours in the third month

Mental healthcare initiatives

We promote mental health awareness through training programs for new employees and managers. Based on the results of stress checks, employees identified as high-stress cases receive individual support from occupational health staff. Results of the group analysis are shared with workplace managers to help them better understand and address stress conditions within their teams.


Health care support for expatriates

The number of Group employees posted overseas is growing year by year in line with our accelerating global business expansion. For employees and their families preparing for overseas assignments, we provide medical checkups, vaccinations recommended by the Ministry of Health, Labour and Welfare (hepatitis AB, measles/rubella, tetanus, etc.), local medical system support in cooperation with medical assistance services, information on travel destinations, and more. We recognize the importance of the world's three major infectious diseases—tuberculosis, malaria, and HIV/AIDS—and will consider necessary measures in line with the expansion of our business.

We provide follow-up medical checkups after traveling to the destination and support them in maintaining their health status while engaged in their work. We have a system in

place to support the health management of expatriates and their families through collaboration among various internal organizations.

● Social Contribution

Materiality	
Related ESG : E S	
Partnership: Social contribution	

↓ [Management approach](#)

↓ [Initiatives](#)

Management approach

Policy and approach

The TOYOBOK Group Charter of Corporate Behavior declares that “we will actively participate in society and contribute to its development as a good corporate citizen.” It is our belief that fulfilling our responsibilities as a good corporate citizen and making investments for the future is one way for us to put our corporate principle of “*Jun-Ri-Soku-Yu* (Adhering to reason leads to prosperity)” into practice.

In fiscal 2024, we established the TOYOBOK Group Social Contribution Policy to actively encourage employee participation. To build and support a better society as a member of that society, we will engage in the promotion of science and technology, environmental conservation, and communication with local communities, and will incorporate what we gain from these activities into our corporate activities.

Through our website and other means, we will communicate information that allows people to learn about our group’s thinking and its businesses.

< TOYOBOK Group Social Contribution Policy >

1. Toyobo group will conduct social contribution activities based on the corporate principle of “*Jun-Ri-Soku-Yu* (Adhering to reason leads to prosperity),”

- contributing to a sustainable society and the group's sustainable development.
2. Toyobo group will identify the promotion of science and technology, next generation development, environmental conservation, and contribution to local communities as key focus areas for social contribution activities, supporting "Innovation and the three Ps: Plant, People, and Prosperity" as outlined in our Sustainable Vision 2030.
 3. Toyobo group will actively support the volunteer activities of employees.
 4. Toyobo group will value bi-directional communication and partnerships with local communities, government bodies, NGOs, and NPOs.

< Focus areas >

- Next Generation Development: By conducting activities such as promoting science and technology through the Toyobo Biotechnology Foundation, we support the healthy development of youth who will lead the next generation primarily at operational sites, thereby contributing to the realization of a vibrant society.
- Environmental Conservation: With a focus primarily on operational sites, Toyobo group actively participates in environmental conservation efforts, contributing to society's sustainable development.
- Contribution to Local Communities: As a responsible corporate citizen, the Toyobo group builds strong relationships with local communities around operational sites, engaging in dialogue and collaboration to earn trust and support.

Related policies:

- [TOYOBO Group Charter of Corporate Behavior: 8. Social contribution](#)
- [TOYOBO Group Basic Policy on Health & Safety](#)
- [TOYOBO Group Fundamental Policy on the Global Environment](#)

Initiatives

Cultivating future generations

In order for our society to continue developing into the future, it is vital that we foster the human resources who will lead that future. Toward that end, our group is undertaking promotion of science and technology through research grants and other support via the Toyobo Biotechnology Foundation.

< Supporting science and technology >

A foundation that contributes to the biotechnology field by supporting young researchers

In 1982, Toyobo Group established the Toyobo Biotechnology Foundation (hereafter "the Foundation"). Through activities such as research subsidies without restrictions on the use of funds, study groups, and symposiums, the Foundation has supported interdisciplinary research in the field of biotechnology. In recent years, we have also concentrated on research subsidies for those studying abroad, as support for young researchers who will shoulder the future of the field.



Recipients of FY2025 long-term research subsidies and other people connected to the Foundation

In FY2025, five young researchers were granted long-term research subsidies totaling 35 million yen.

One recipient is focusing on studying the role of interleukin-18 in atopic dermatitis and its potential for therapeutic use. During her overseas study, she researched on how itching—a key symptom of the condition—develops and can be controlled. As of fiscal 2025, a total of 228 researchers have received these grants, many of whom are leading figures in the field of biotechnology. Several past recipients also support the foundation by serving as directors and advisors, contributing to the nurturing of the next generation of researchers.

66th L-GRANT Research "Toyobo Polymer Science Award" selected

Using the mechanism of the Leave a Nest Research Fund operated by Leave a Nest Co., Ltd., Toyobo Group established an open research grant system in FY2022, and through the awarding of the TOYOBO POLYMER SCIENCE Award, we support young researchers.



Award winners and our company's concerned personnel

Based on our desire to highlight the work of researchers who passionately advance steady materials research, rather than just the applied development often required by competitive research funds in recent years, we have set basic and general-purpose research on polymer materials as the target field for four consecutive years.

Support for R&D startups and next generation cultivation through the Shiga-based Growth Business Identification and Cultivation Consortium

Toyobo Group supports the goals of the Shiga-based Growth Business Identification and Cultivation Consortium (hereafter "the Consortium"), an industry-academic-government collaborative organization that aims to encourage industry in Shiga Prefecture and revitalize the region, where the Group's Research Center is located. Since the start, we have been a partner company of the Consortium's Shiga Tech Planter, an R&D startup support program, the Shiga Tech Plan Grand Prix, a business plan contest, and the Shiga Junior Research Grant, which aims to support the research activities of junior and senior high school students in Shiga Prefecture.

For detailed information on the latest Shiga Tech Plan Grand Prix and Shiga Junior Research Grant, please refer to the ["Case Studies"](#) section.



Shiga Tech Plan Grand Prix
Toyobo Prize was awarded.



Shiga Junior Research Grant
Award winners and our
company's concerned personnel

< Visiting lectures and career education >

Visiting lecture on technology related to semipermeable membranes, and science careers

(Aqua Membrane Sales Unit, Iwakuni Environment and Fiber Plant, TOYOBO MC Corporation

Toyobo Corporate Sustainability Department, Green Transformation Promotion Department)

On June 1, 2024, we conducted a visiting lecture for 67 students of Kobe Ryukoku Junior High School related to semipermeable membranes and science careers.

In the lecture on semipermeable membranes, we explained the phenomenon of osmosis, the function of semipermeable membranes, and introduced the semipermeable membrane manufacturing process at a seawater desalination plant in operation in an area where water is scarce. The students experienced how water is extracted from seawater using semipermeable membranes by using our "Aqua Hum Hum" reverse osmosis experience machine. Additionally, the lecturers introduced our sustainability initiatives, insights from employees about their student life, work at the company, and experiences overseas as part of career education.



A scene from the lecture

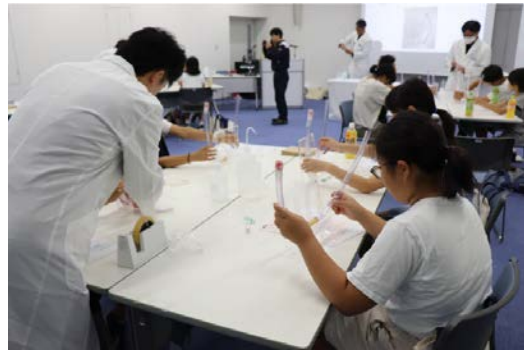


Demonstration of reverse osmosis using Aqua Hum Hum

36th Summer Vacation Junior Science Class (held since 2019) (Toyobo Iwakuni Production Center)

On July 23, 2024, the Iwakuni Production Center hosted the 36th Summer Junior Science Class, a science event for elementary and junior high school students organized by the Public Interest Incorporated Foundation Yamaguchi Industrial Promotion Foundation. A total of 35 participants, including students and their guardians from within Yamaguchi Prefecture, attended the event.

With the theme of osmosis experiments using semi-permeable membranes, employees acted as instructors, explaining how semi-permeable membranes work using experimental apparatus. Participants also had a hands-on opportunity to learn how fresh water is extracted from seawater through semi-permeable membranes by using the reverse osmosis demonstration device Aqua Hum Hum, making the learning experience both interactive and enjoyable.



A scene from the osmosis experiment workshop

< Other initiatives >

Toyobo Tsuruga Research and Production Center

- Hosted a workplace experience for one junior high school student from a nearby school (July 2024)

Inuyama Plant

- Held two workplace experience sessions for a total of five junior high school students from nearby schools (October 2024)

COSMO ELECTRONICS Co., LTD.

- Conducted workplace experience programs twice during the year for two students each from local junior high and high schools (June and November 2024)

TOYO CLOTH CO., LTD.

- Delivered a classroom lecture on the theme of “employment and working” at a nearby high school (November 2024)

Japan Exlan Co., Ltd.

- Gave a lecture on greenery and environmental topics to 10 elementary school students from a nearby school (November 2024)

Environmental conservation

< Tree planting activity >

Tree planting activity by employees of the Group and their families (TOYOBO (THAILAND) CO., LTD.)

In December 2024, a tree-planting activity was carried out by employees of the Group and their families. This initiative contributed to environmental conservation while also raising environmental awareness among participants.



Participants in the tree-planting activity

< Cleanup activities >

Participation in the lakeshore cleanup activity (independently organized since 2015) (Toyobo Research Center)

On May 15, 2024, a lakeshore cleanup activity was held with the aim of environmental beautification and biodiversity conservation around Lake Biwa. A total of 524 employees from the Group and its partner companies participated in cleaning activities within and around the Group's Research Center. In addition to the cleanup, invasive lanceleaf coreopsis (a species in the Asteraceae family) was also removed.



A scene from the cleanup activity

Participation in the Clean-up Fukui Drive (Toyobo Tsuruga Research and Production Center, CAST FILM JAPAN CO., LTD., Xenomax - Japan Co., Ltd., TOYOBO Engineering Co., Ltd., and others)

In June 2024, employees of Toyobo Group and partner company staff participated in the environmental beautification event "Clean-up Fukui Drive" hosted by Fukui Prefecture. Approximately 30 participants cleaned Kehi no Matsubara, one of Japan's three great pine groves, while around 100 took part in cleaning the areas surrounding the business sites.



A scene from the cleanup activity

< Other initiatives >

Shogawa Plant

- Conducted road cleanup activities in front of the plant, with a total of approximately 210 Toyobo Group employees participating (seven sessions in FY2025)

Takasago Plant

- Carried out road cleanup activities along public rivers connected to the Seto Inland Sea, involving about 390 Toyobo Group employees (nine sessions in FY2025)

Inuyama Plant

- Hosted factory-area cleanup activities involving Toyobo Group employees, partner company employees, and their families, with a total of 104 participants (June 2024)

COSMO ELECTRONICS Co., LTD.

- Performed cleanup activities around the factory area, with about 180 Toyobo Group employees participating (12 sessions in FY2025)

TOYO CLOTH CO., LTD.

- Conducted cleanup activities around the business site, involving approximately 150 Toyobo Group employees across (six sessions in FY2025)

TOYOBO LOGISTICS CO., LTD.

- Held cleanup activities around the business site, with around 168 Toyobo Group employees participating (12 sessions in FY 2024)

Arabian Japanese Membrane Company, LLC

- Conducts cleanup activities around the company premises (weekly)

Click here to investigate our initiatives regarding biodiversity.

- [Biodiversity](#)

Contribution to local communities

As a manufacturer of materials, Toyobo group provides a variety of information for the peace of mind of local communities and engages in educational and awareness-raising activities for residents. We undertake activities that contribute to creating flourishing towns and cities, advancing together with communities as a good corporate citizen. Toward that end, the group collaborates with government bodies and industry organizations to provide support to disaster-affected areas, participates in cultural events in the vicinity of our facilities, and holds open house activities that let residents learn about our group's businesses and initiatives. Our business sites also work to employ local human resources for the vitalization of regions where we operate.

< Company tours >

Manufacturing experience bus tour (implemented since 2024)
(Toyobo Tsuruga Research and Production Center)

On March 27, 2025, about 20 elementary school students and their parents from Tsuruga City participated in a manufacturing experience bus tour organized to encourage children's interest in manufacturing and help parents gain a deeper understanding of the Company.

The participants visited the exhibition area and the film production factory, where they learned about the functions of film materials. The event included a hands-on workshop where children made original bottles using shrink film, which was popular among the children. The tour was well received, with parents appreciating the opportunity to learn about the Company's activities and production processes firsthand.



The original bottle-making workshop

Plant tours for local high school students (implemented since 2015) (Toyobo Inuyama Plant)

On May 21, 2024, a plant tour was conducted for 36 students from Komaki High School of Technology and Engineering. After an overview of the facility, the students observed the film production process and the power center, gaining a better understanding of the equipment involved in manufacturing. Looking ahead, there are plans to enhance students' interest in films by offering demonstrations of packaging and wrapping.



Providing an explanation of the facility

< Others >

Participation in the Tsuruga Festival carnival parade (Toyobo Tsuruga Research and Production Center)

Approximately 70 participants, including employees from Toyobo, its Group and partner companies, and their families, took part in the carnival parade segment of the Tsuruga Festival, held alongside the annual grand festival of Kehi-jingu Shrine. With guidance from the local Yosakoi dance group "Maido Kagura," participants practiced for about two months to learn the Yosakoi dance and gave a performance on the day of the event.



Participants in the Yosakoi dance performance

**Industry-academia collaboration: WOOL NO HATAKE Project utilizing waste wool (implemented since 2021)
(MIYUKI KEORI CO., LTD.)**

MIYUKI KEORI CO., LTD. is promoting environmentally friendly initiatives under the theme "WOOL × AGURI." Driven by the desire to support local agricultural products through the power of wool, it collaborated with Miyuki Keori, Yokkaichi Agricultural High School in Mie Prefecture and Marushige Shimizu Seicha Co., Ltd. to develop and commercialize a unique tea cultivated using wool.



Tea cultivation

**Support for areas affected by flooding
(TOYOBO DO BRASIL PARTICIPACOES LTDA.)**

In April 2024, the state of Rio Grande do Sul experienced severe flooding due to record-breaking rainfall. In response, Toyobo Group provided relief supplies to the affected areas, including preserved food, drinking water, blankets, clothing, and diapers.



Toyobo Group employees with relief supplies

< Other initiatives >

Utsunomiya Plant

- Sponsor of the FIBA 3x3 World Tour, organized by the International Basketball Federation (FIBA)

TOYOBO MC Corporation

- Appointed as an "Animal Supporter" for the Ezo brown bear at Kobe Oji Zoo (October 2024).

MIYUKI KEORI CO., LTD.

- Conducting joint research with Yokkaichi Agricultural High School on cultivating vegetables and rice using wool, which is usually discarded, as fertilizer (since July 2021).
- Producing and selling upcycled products using textile scraps (*hagire*) in collaboration with a welfare facility for people with disabilities in Aichi Prefecture (since April 2022)

TOYOBO SAHA SAFETY WEAVE CO.,LTD.

- Donated supplies to an NPO supporting the social reintegration of people recovering from drug addiction (May 2024)

TOYOBO DO BRASIL PARTICIPACOES LTDA.

- Sponsored the 25th Festival do Japão, one of the world's largest Japanese cultural events, organized by the Federation of Japanese Prefectural Associations in Brazil.

Click here to investigate our case studies regarding contribution to local communities.

- [Case Studies](#)

● Governance



Corporate
Governance



Compliance



Risk
Management




Tax Affairs
Policy



ESG Performance Data →

● Corporate Governance

Materiality	
Related ESG : G	
Governance	

- ↓ Management approach
- ↓ Structure
- ↓ Overview of boards and committees
- ↓ Targets and indicators
- ↓ Progress in system enhancement
- ↓ Officer compensation system
- ↓ Evaluating the effectiveness of the Board of Directors
- ↓ Dialogue with outside directors
- ↓ Cross-shareholding

Management approach

Policy and approach

Based on the corporate philosophy “*Jun-Ri-Soku-Yu*,” the company believes that its purpose is to contribute to solving social issues through its proprietary technologies after ascertaining these issues from a long-term perspective.

The company, to respond to the changing times and enhance sustainable corporate value in the future as well, has established the policies of (1) ensuring timeliness and accuracy in decision-making, (2) ensuring transparency in management, and (3) emphasizing fairness, and will work to appropriately collaborate with all stakeholders, such as shareholders. Furthermore, by carrying out its fiduciary responsibility and accountability to shareholders, the company will ensure the effectiveness of corporate governance and continually work on its improvement.

- [Corporate Governance Report](#)

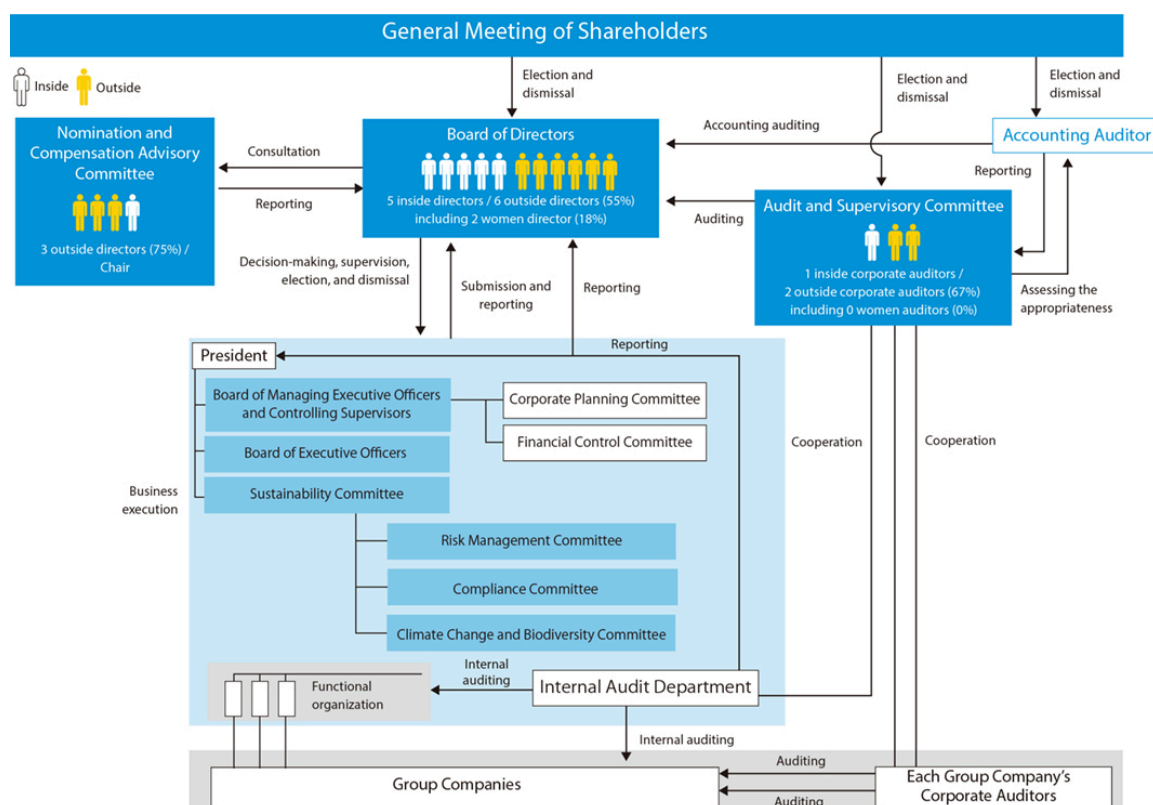
Structure

The Company adopts an executive officer system and, following a resolution at the General Meeting of Shareholder held in June 2025, transitioned to a company with an audit and supervisory committee. To respond swiftly to significant changes in the business environment, a portion of decision-making authority over business execution will be delegated to the President and Representative Director (who also serves as an executive officer) and other executive officers, as necessary.

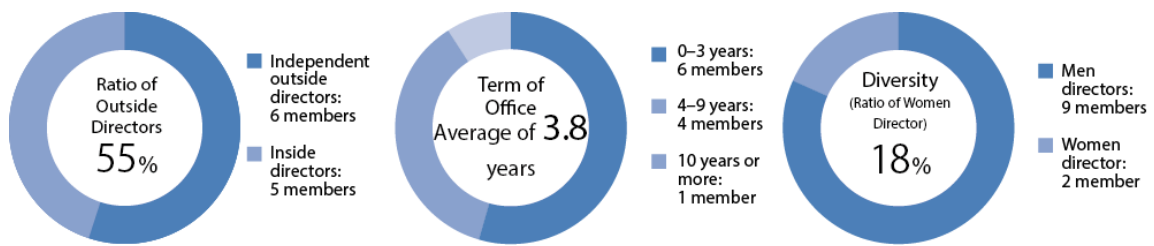
The Board of Directors places emphasis on deliberating and determining fundamental management policies and supervising business execution. The proportion of outside directors has been increased to enhance objectivity, and members responsible for audits now serve as voting members of the Board, further reinforcing the supervisory function. This structure enables the Company to balance prompt, efficient execution with robust governance.

To ensure transparency and fairness in the nomination and remuneration processes, the Company has established a Nomination and Compensation Advisory Committee. This committee, chaired by an outside director and composed mainly of outside directors, serves as an advisory body to the Board of Directors.

Corporate governance structure (as of the end of June 2025)



Composition of the Board of Directors



Overview of boards and committees

* Members and roles as of the end of June 2025.

	Members and roles		Main issues (FY2025)*
Board of Directors Number of meetings held in FY2025:17	Members	<p>The Board consists of 11 members, including the Chairperson who presides over meetings, six independent outside directors, and directors who concurrently serve as executive officers. The Articles of Incorporation stipulate that the number of directors shall not exceed 15, including no more than five directors who are members of the Audit and Supervisory Committee. Appointments are made to ensure that a majority of the Board consists of outside directors.</p>	<ul style="list-style-type: none"> - Review of 2025 medium-term management plan - Consideration of the next Medium-Term Management Plan - Management policy for fiscal 2026 - Business strategy and management issues - Safety, disaster prevention, and quality initiatives - Important investment projects - Respect for human rights, diversity promotion, human resource development - Matters related to cross-shareholdings - Matters related to R&D
	Role	<p>The Board of Directors receives reports on the progress of medium- and long-term themes, including from the perspective of sustainability, and the status of business execution in each business, and conduct appropriate supervision. In addition, by taking our fiduciary responsibility and accountability to shareholders into account, it works to build a corporate governance structure that will enable us to sustainably enhance corporate value.</p>	

	Members and roles		Main issues (FY2025)*
Audit and Supervisory Committee* Number of meetings held in FY2025: 15	Members	3 members, including two independent outside directors.	<ul style="list-style-type: none"> - Determination of auditing policy and auditing plans - Sharing the results of operational and accounting audits, and visiting audit to group companies - Confirmation of the content of proceedings at Board of Directors meetings and other important meetings - Sharing details of discussions with board - Confirming important documents - Confirmation of matters related to accounting auditor
	Role	As a statutory and independent body entrusted by shareholders, it collaborates with the Board of Directors to support the Company's oversight functions and audits the execution of duties by directors. To ensure sound and transparent management, and to strengthen corporate governance while promoting the Company's sustainable growth, the committee is responsible for auditing and supervising the legality and appropriateness of directors' business execution, making decisions regarding the appointment and dismissal of accounting auditors, and auditing the development and operation of the internal control system.	

	Members and roles		Main issues (FY2025)*
Nomination and Compensation Advisory Committee Number of meetings held in FY2025: 8	Members	4 members, including 3 independent outside directors and the Chair. The Nomination and Compensation Advisory Committee is led by an outside director. 1 outside corporate auditor also participates as an observer.	<ul style="list-style-type: none"> - Director nomination proposals - Setting of company-wide performance targets used in calculating short-term incentive compensation - Revising of officer compensation system
	Role	Based on proposals from the President, the Nomination and Compensation Advisory Committee objectively and fairly deliberates on basic policies for nominations, including proposals for individual director nominations, as well as the system, level, and calculation method of officer compensation. Subsequently, it reports to the Board of Directors.	

	Members and roles		Main issues (FY2025)*
Board of Management Number of meetings held in FY2025: 31	Members	11 members, including those who concurrently serve as directors. The Chairperson and members of the Audit and Supervisory Committee also attend and may express their opinions.	Same issues as the Board of Directors
	Role	The Board of Management conducts preliminary reviews of matters requiring resolution by the Board of Directors and makes decisions on business execution matters delegated by the Board or individual directors. It also oversees risk management and other related matters in business operations through its subordinate bodies—the Corporate Planning Committee and the Financial Control Committee.	

	Members and roles		Main issues (FY2025)*
Sustainability Committee Number of meetings held in FY2025: 6	Members	11 members, primarily drawn from the Board of Management. The President serves as the Chair. Members of the Audit and Supervisory Committee also participate and may express opinions.	<ul style="list-style-type: none"> - Progress on material issues and related indicators - Sustainability disclosure standards - Value creation process - Integration of sustainability indicators into the officer compensation system - Development of a business continuity management (BCM) system - Climate change initiatives - Biodiversity conservation - External Environmental, Social, and Governance (ESG) evaluations and ratings
	Role	The Sustainability Committees convenes six times per year to comprehensively discuss key issues (materiality), deliberate on strategies, measures, and indicators from the perspectives of risks and opportunities, and manage progress. The content of the Committee's discussions is reported to the Board of Directors on a regular basis.	

	Members and roles		Main issues (FY2025)*
Corporate Planning Committee Number of meetings held in FY2025: 13	Members	20 members. The Corporate Planning Committee members are selected from each specialized field and business departments. The Director in charge of planning serves as chair.	<ul style="list-style-type: none"> - Significant capital investment projects - Matters regarding new businesses - Other important matters (investments, technology introductions, business alliances, acquisitions, etc.) - Review of major Corporate Planning Committee matters - Review of past capital investment projects
	Role	Delegated by the Board of Management, this committee provides expert and managerial opinions on strategic matters such as significant capital investments, new business initiatives, company formations, technology adoption, and business alliances. Its role is to enhance the efficiency of deliberations and decisions by the Board, as well as to ensure appropriate approval processes, including those related to affiliated companies.	

	Members and roles		Main issues (FY2025)*
Financial Control Committee Number of meetings held in FY2025: 14	Members	1 Chairperson, and 4 standing committee members.	The following matters of individual importance:
	Role	The Financial Control Committee aims to improve the efficiency of deliberations and resolutions at the Board of Management, as well as ensure the appropriateness of the approval process. It does so by providing opinions and deliberating from both professional and managerial perspectives on important individual investments, loans, guarantees, and related matters. In addition, the committee facilitates the efficient deliberation or approval of issues not covered by the Board's deliberations or decisions, in accordance with relevant rules and regulations.	<ul style="list-style-type: none"> - Investments and lending - Guarantees and reservations of guarantees (including management awareness letters) - Collateral provision for third parties

* The audit results for fiscal 2025 are based on the Board of Corporate Auditors prior to the transition to a company with an Audit and Supervisory Committee.

Targets and Indicators

< Targets >

Toyobo group is building a fair and highly transparent governance structure through compliance with the Corporate Governance Code and proactive information disclosure.

< Indicators and results >

Initiatives	Indicators	Targets	Results (FY2025)
<ul style="list-style-type: none"> ● Strengthen corporate governance ● Strengthen information disclosure 	1. Number of Board of Directors' and committee meetings*	1. Disclose results	1. 25
	2. Attendance rate of officers at meetings in 1.	2. Disclose results	2. Share on the company website
	3. Disclosure of details of evaluation of Board of Directors' effectiveness	3. Disclose details of effectiveness evaluation	3. Share on the company website

* Nomination and Compensation Advisory Committee

Progress in system enhancement

Toyobo group has worked continuously to strengthen corporate governance.

Initiatives to strengthen corporate governance

Year	Initiative & objective
1998	<ul style="list-style-type: none"> - Established the Ethics Committee (the current Compliance Committee) To promote company-wide compliance activities as a key element of management
2004	<ul style="list-style-type: none"> - Appointed one outside director, shortened the term of office for directors to one year To clarify management accountability by strengthening the supervisory function and shortening the term of office - Established an Advisory Board on Officer Provisions, etc. (the current Nomination and Compensation Advisory Committee) To ensure transparency and fairness in procedures for determining officer compensation
2005	<ul style="list-style-type: none"> - Introduced a corporate officer system and reduced the number of directors To split the decision-making/supervisory and executive functions

Year	Initiative & objective
2015	<ul style="list-style-type: none"> - Increased number of outside directors to two To strengthen the supervisory function by multiple appointments - Established an outside officer liaison meeting Held regular opportunities for sharing of understanding and exchange of information by outside officers only - Established the Nomination Committee (the current Nomination and Compensation Advisory Committee) To ensure transparency and fairness in procedures for nominating/dismissing directors
2016	<ul style="list-style-type: none"> - Made an analysis/evaluation of the overall effectiveness of the Board of Directors Will annually identify issues and make improvements
2018	<ul style="list-style-type: none"> - Increased number of outside directors to three, raising their ratio to one third of all directors To ensure diversity among members of the Board of Directors, as well as strengthen governance
2019	<ul style="list-style-type: none"> - Increased number of outside directors to four (adding a female director) To further promote diversity among members of the Board of Directors - Revised the officer compensation system (introduced compensation in the form of restricted stock units) To offer longer term incentives and realize greater sharing of value with shareholders
2021	<ul style="list-style-type: none"> - Established the Nomination and Compensation Advisory Committee Integrated advisory and compensation advisory bodies, and improved their functionality
2022	<ul style="list-style-type: none"> - Increased number outside directors to five - Review of the executive compensation system (changes in the composition ratio of compensation and KPIs)
2023	<ul style="list-style-type: none"> - Increase in the number of female directors to two
2024	<ul style="list-style-type: none"> - Revised the officer compensation system (incorporated sustainability indicators as one of the evaluation criteria) Election and dismissal of top management and nomination of candidates for directors and corporate auditors
2025	<ul style="list-style-type: none"> - Transition to a company with an Audit and Supervisory Committee

Election and dismissal of top management and nomination of candidates for directors

Policy

When selecting senior management (executive officers who also serve as directors) and nominating candidates for directors, the primary criterion is whether the individual possesses the character and insight suitable for their respective responsibilities. Selection is conducted with consideration of the standards for nominating officers, and decisions are made by the Board of Directors following deliberation by the Nomination and Compensation Advisory Committee.

(1) Stance on composition of the Board of Directors and Audit and Supervisory Committee

a) Board of Directors

The Board of Directors is required to possess the expertise and skills necessary to appropriately carry out strategic direction and key business decisions, as well as the independence required to strengthen oversight of the management team. Additionally, to ensure a balanced structure overall while securing diversity in professional background, gender, age, and other aspects, the Board is composed of the Chair of the Board, outside directors, and directors who concurrently serve as executive officers. Regarding the number of Board members, based on the principles of (1) ensuring timeliness and accuracy in decision-making, (2) securing transparency in management, and (3) emphasizing fairness, the Articles of Incorporation stipulate that the Board of Directors must have no more than 15 members, including up to five who serve as members of the Audit and Supervisory Committee. The Articles also require that outside directors constitute a majority of the Board.

b) Audit and Supervisory Committee

The Audit and Supervisory Committee is composed not only of members with expertise and skills in finance and accounting but also includes individuals with knowledge of the Group's business, in order to ensure the effectiveness of auditing and supervision.

(2) Summary of criteria for nomination, etc.

- a) Candidates for directors (excluding directors who are Audit and Supervisory Committee members) must possess knowledge, achievements, experience, and skills as executives, along with a Company-wide perspective
- b) Candidates for outside directors should have extensive experience and broad insight that contribute to enhancing corporate value through business advice and management support, and must meet the Company's independence criteria.
- c) Candidates for directors who are Audit and Supervisory Committee members must be able to make appropriate judgments from an independent and objective standpoint in auditing the execution of duties.
- d) Candidates for outside directors who are Audit and Supervisory Committee members must also meet the independence criteria.

The Company's criteria for independence of outside directors

The company has deemed that if none of the attributes in the following items apply, the outside Director (or the candidate for outside Director) has a high degree of

independence from the company, and there are no concerns of conflicts of interest with general shareholders.

(1) A major shareholder in the company (refers to a shareholder with a voting rights ownership ratio of 10% or more; the same applies below) or an individual who executes business for the shareholder

(2) An individual who executes business for a company of which the company is a major shareholder

(3) A business partner of the company for which the company is a major partner (refers to a party that provides products or services to the company for which the average annual transaction amount for the past three fiscal years is over 2% of that business partner's annual gross sales) or an individual who executes business for that company

(4) A major business partner of the company (refers to a party that the company provides products or services to for which the average annual transaction amount for the past three fiscal years is over 2% of the company's annual gross sales) or an individual who executes business for that company

(5) An individual who executes business as an employee of a financial institution that is a major lender to the company (refers to a lender for which the loan balance amount is equivalent to over 2% of the company's total assets)

(6) An individual who obtains over ¥10 million per year in cash or other assets in profit from the company as a specialist, such as a consultant, accountant, or attorney at law, other than officers' compensation (or an individual who belongs to a corporation, etc., that obtains over ¥100 million per year in this matter)

(7) Executives of companies with mutual outside director appointments

(8) An individual for which any item in (1) to (7) above has applied within the past three years

(9) A relation within the second degree of an individual for which any item in (1) to (8) above applies

Note: Even if none of the attributes above apply, in some cases it may be deemed that there is no independence in consideration of matters such as transaction volumes at a group company of the company or a group company of a business partner.

Procedures for nominations, etc.

The Nomination and Compensation Advisory Committee, comprising a majority of outside directors, has been established as an advisory body to the Board of Directors to ensure fairness and transparency, and is chaired by an outside director.

The Committee deliberates and reports to the Board of Directors on basic policies and criteria for nominating officers and succession planning, etc., based on proposals from the President.

Dismissal policy and procedures

In the event of an act of misconduct, impropriety, or actions suggesting a breach of trust, or of other reasons that make the member unsuitable to serve as an officer, after deliberation by the Nomination and Compensation Advisory Committee, a decision will be made by the Board of Directors on their dismissal.

Board of Directors meeting attendance and skills matrix

Attendance Record at Board of Directors, Skills (As of the end of June 2023)																		
	Outside	Independent	Age	Gender	Nomination and Compensation Advisory Committee	Chair of Each Committee	Attendance record (attendance percentage) FY2023					Expertise and skills expected of directors					Term of Office	Reason for Appointment
							Board of Directors	Board of Corporate Auditors	Nomination and Compensation Advisory Committee	Corporate Management	Production/Technology Development	Marketing/Sales	Finance/Accounting	Business Strategy	Government/NGO Management/Compliance	ESG		
C o r p o r a t e M a n a g e m e n t	Seiji Nishitani		68	Men		Board of Directors	11/17 (100%)		6/8 (100%)							14 years	Based on his deep knowledge of finance, accounting, and other areas, Mr. Nishitani has supported the long-term reform of the company's business portfolio, and, acting as President and Representative Director from April 2021, has led the management of the group, including the reworking of our corporate philosophy structure and the expansion of the firm. He has made an effort to contribute to the enhancement of corporate value. He assumed the post of Chair of the Board & Director in 2021. As the Chairman of the board, plays an appropriate role in decision-making on key matters and in the oversight of execution.	
	Hirotaka Takemitsu		62	Men		Board of Managing Executive Officers and Controlling Supervisors	11/17 (100%)									5 years	After serving in key positions in corporate planning and overseas business sites of the company, Mr. Takemitsu was appointed as head of the Functional Management and Environment Division, a position from which he set a concrete path toward growth of the business. From April 2021, he undertook formulation of the 2025 medium-term management plan as President and Representative Director, demonstrating strong leadership and ensuring the sustainable growth of the group.	
	Takashi Sasaki		62	Men			11/17 (100%)									2 years	Mr. Sasaki has held key problems in the company's Production Technology Division and core manufacturing sites and, drawing on his abundant experience and expertise in the field of production technology, contributes to initiatives aimed at technological innovation.	
	Seiya Segawa		58	Men			11/18 (100%)									1 years	Mr. Segawa has held key problems in the medical materials business within the Life Science Division of the company. Leveraging his expertise in the field of research and development and extensive experience in the field of marketing and sales, he has contributed to business development.	
	Masaaki Harima			74	Men		11/17 (100%)									5 years	Leveraging specialized knowledge and wide-ranging insights gained as an attorney, Mr. Harima made proactive statements from an independent standpoint at meetings of the Board of Directors. He appropriately fulfills roles expected of him by the company, including those of supervising management through vital decision-making and providing counsel to management, advising management with the aim of strengthening risk management and governance.	
	Hiroyuki Fukuchi			67	Men		11/17 (100%)		6/8 (100%)							3 years	Leveraging specialized knowledge and wide-ranging insights gained as a business manager, Mr. Fukuchi made proactive statements from an independent standpoint at meetings of the Board of Directors. He appropriately fulfills roles expected of him by the company, including those of supervising management through vital decision-making and providing counsel to management, drawing on his high-level expertise in the IoT and digital fields to advise management.	
	Shoko Takase			60	Women		11/17 (100%)									2 years	Leveraging her abundant experience and wide-ranging insights gained as a business manager, Ms. Takase made proactive statements from an independent standpoint at meetings of the Board of Directors. She appropriately fulfills roles expected of her by the company, including those of supervising management through vital decision-making and providing counsel to management, advising management in the IT and digital fields.	
E n v i r o n m e n t a l S o c i e t y	Yuki Kanazaki (duly appointed)			62	Women											2 years	In addition to her abundant experience and wide-ranging insights gained as a business manager, Ms. Kanazaki possesses a high-level expertise in the fields of production, and research and development. The company has determined that she is well qualified to fulfill roles expected of her by the company, including those of supervising management through vital decision-making and providing counsel to management.	
	Takayuki Tabe (duly appointed)			64	Men		11/17 (100%)	11/15 (100%)								4 years	Mr. Tabe has a long involvement in the Accounting and Control Department of the company, possesses considerable knowledge of finance and accounting, and has a deep understanding of the management and business operations of the group.	
	Ashiko Irie (duly appointed)			68	Men		11/17 (100%)	11/15 (100%)								4 years	Mr. Irie possesses abundant experience in auditing and has served as a corporate auditor at listed companies.	
F i n a n c e a n d a c c o u n t i n g	Wataru Ohnishi (duly appointed)			68	Men		11/17 (100%)	11/15 (100%)	6/8 (100%)							2 years	Mr. Ohnishi possesses abundant experience in auditing as a certified public accountant.	

* Click to enlarge the diagram

Expected expertise and skills for each item in the skills matrix

Skills	Details of skills
Corporate management	Possesses the skills to enhance corporate value by overseeing and driving strategies for sustainable growth by managing the restructuring of the overall Group's business portfolio, considering business opportunities and risks both domestically and internationally
Production, technology and development	Possesses the skills to oversee and promote strategies related to strengthening manufacturing capabilities and future-oriented initiatives, such as exploring new businesses, new technologies, and commercializing related themes
Marketing and sales	Possesses the skills to oversee and promote sales strategies for deepening existing businesses and creating new business opportunities in growth areas
Finance and accounting	Possesses advanced expertise in finance and accounting to oversee and promote financial strategies and capital policies aimed at achieving management plans
Environment and society	Possesses the skills to oversee and promote strategies that contribute to solving social issues as stated in the Sustainable Vision 2030 and realize a sustainable society through business activities

Skills	Details of skills
Governance, risk management, and compliance	Possesses the skills to oversee and drive strategies to strengthen risk management and compliance, including key themes such as safety, disaster prevention, and quality under the 2025 Medium-Term Management Plan , based on the recognition that continually reinforcing governance and ensuring thorough legal compliance are fundamental to business operations
IT and digital transformation (DX)	Possesses the skills to oversee and promote digital strategies to transform business models and establish competitive advantages through IT technology and DX

CEO succession plan

The Company regards human resource strategy—including the succession of the President and CEO—as one of its top management priorities. With respect to the CEO succession plan, the Nomination and Compensation Advisory Committee identifies the qualities required of future leaders based on the anticipated management environment, and discusses the knowledge and experience that potential successors should further develop. In addition, the Board of Directors is regularly updated on the development status of executive officer candidates.

Training for officers

Newly appointed directors receive explanations regarding their roles and responsibilities, and are also sent to external training programs upon their appointment as executive officers or directors to support the acquisition of necessary knowledge.

In addition, newly appointed outside directors are provided with briefings on the Company's operations, finances, and organizational structure, and are given opportunities to visit business sites.

Officer compensation system

Basic policy

Toyobo's system of officer compensation is designed as follows, in line with basic policy, within the monetary amount resolved at the Annual General Meeting of Shareholders.

- 1) Provide incentives that lead to Toyobo group's sustained growth and enhance corporate value over the longer term
- 2) Secure highly talented management personnel
- 3) Set determination procedures that are objective and highly transparent

Compensation structure and levels are reviewed based upon the company's business environment, levels of employee salaries, and other companies' levels based upon surveys conducted by specialized external organizations.

Monetary compensation (including performance-based amounts)

(1) Composition of monetary compensation

Monetary compensation for directors (excluding outside directors and directors who are Audit and Supervisory Committee members) and executive officers consists of fixed monthly compensation, comprising the following two components:

- 1) Basic compensation
- 2) Short-term incentive compensation

(2) Short-term incentive compensation

- 1) Short-term incentive compensation reflects evaluations of both Company-wide performance and individual performance, with the weighting varying by position:
 - Chair of the Board and Director: Company-wide performance only
 - Representative Directors: Company-wide performance : individual performance = 2 : 1
 - Directors concurrently serving as Executive Officers: Company-wide performance : individual performance = 1 : 1
 - Full-time Executive Officers: Company-wide performance : individual performance = 1 : 2
- 2) Individual compensation amounts are calculated by reflecting both Company-wide performance and individual performance.
- 3)) Company-wide performance is evaluated using EBITDA, a key management indicator, as the KPI. The compensation fluctuates within a range of 0% to 200% based on the achievement level against the target value.
Starting with the remuneration for July 2026, ROE will be added as a performance indicator for the Representative Director.
- 4) Specific target values are proposed to the Nomination and Remuneration Advisory Committee, and based on their recommendations, are decided by the Board of Directors.
- 5) Individual performance is evaluated on a five-level scale, comprehensively considering the achievement of both departmental and personal objectives, and the resulting score is adjusted within a range of 0 to 200%.
- 6) Sustainability indicators have been incorporated into the evaluation criteria as common goals for all executive officers, based on the annual management policy, and are assessed according to the degree of achievement.

Sustainability indicators

The Company incorporates sustainability indices, such as Environment, Society, Governance (ESG) factors, into the executive compensation system.

Key performance indicators (KPIs) related to safety and disaster prevention, human capital, and climate-change response will be established annually and their achievement levels evaluated. The indicators for safety and disaster prevention, as well as human capital have each been applied to compensation from July 2024, based on fiscal 2024 results. The indicator for climate-change response will be applied from July 2025, based on fiscal 2025 results.

Sustainability indicators	KPIs	FY2026 targets	Reflection method
Safety and disaster prevention Indicators	Number of major accidents	0 accidents per year	An additional 5% of the total short-term incentive compensation base amount* will be added if all items are achieved.
	Frequency rate of workplace accidents resulting in lost workdays	0.25 or less	
	Number of fires or explosions	0 accidents per year	
	Number of spill accidents	0 accidents per year	
Human capital indicators	Results of the engagement survey	+5% vs. last year	An additional 5% of the total short-term incentive compensation base amount*
Climate-change response indicator	Reduction in GHG emissions (Scope 1 and 2)	Down 2.7% vs. last year	5% of overall short-term incentive is added

* The base amount is set at 100% of the short-term incentive compensation.

Stock compensation

In order to increase incentives to sustainably enhance corporate value and to promote more value sharing with shareholders, a certain percentage of compensation is granted annually as non-monetary compensation for granting restricted shares (non-performance-based, provided in advance).

Compensation ratio

To ensure appropriate incentives for enhancing corporate value, the ratio of basic compensation, short-term incentive compensation, and long-term incentive compensation for directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee) and executive officers is designed to be approximately 6:3:1 assuming 100% achievement of KPIs.

Other

- (1) Compensation for outside directors consists of fixed monetary compensation, in light of their roles and independence.
- (2) Compensation for directors who are members of the Audit and Supervisory Committee also consists solely of fixed monetary compensation, determined through discussions among the committee members, based on their respective duties and responsibilities, taking into account their roles and independence.
- (3) To ensure transparency and objectivity in compensation decisions, the Nomination and Compensation Advisory Committee, comprising a majority of outside directors, has been established as an advisory body to the Board of Directors. This committee, in response to requests from the Board of Directors, deliberates not only on the structure, level, and calculation methods of executive compensation, but also on matters such as the performance targets for Company-wide evaluations, which form part of the compensation for each position. The Board of Directors makes the final decision on the amount of individual compensation based on the committee's recommendations.

Details of officer compensation (FY2025)

* Including mid-period appointments and resignations

Position	Total compensation, etc.	Total compensation by type			Number of officers*
		Basic compensation	Performance-based compensation	Non-monetary compensation (Compensation for granting restricted shares)	
	(¥ mn)	(¥ mn)	(¥ mn)	(¥ mn)	
Directors (Including outside directors)	309(53)	234(53)	45(-)	30(-)	12(5)

Position	Total compensation, etc.	Total compensation by type			Number of officers*
		Basic compensation	Performance-based compensation	Non-monetary compensation (Compensation for granting restricted shares)	
		(¥ mn)	(¥ mn)	(¥ mn)	
Corporate Auditors (Including outside corporate auditors)	71(18)	71(18)	—(—)	—(—)	4(2)
Total (Including outside officers)	380(71)	305(71)	45(-)	30(-)	16(7)

Evaluating the effectiveness of the Board of Directors

To further enhance the effectiveness of the Board of Directors, the Company conducted an overall analysis and evaluation of the Board's effectiveness in fiscal 2025, with input from an external organization. The key points of the evaluation are summarized below.

Implementation method

- (1) Participants: All directors and Audit and Supervisory Board members
- (2) Method: A questionnaire consisting of 43 questions was conducted, with responses submitted directly to an external organization commissioned for the task.
- (3) Analysis and evaluation: Based on the aggregated results reported by the external organization, the evaluation was carried out by the Board of Directors.

Summary of analysis and evaluation results

- (1) The Board's composition and the support systems in place for directors and corporate auditors continued to receive high marks, consistent with the previous year's results. While multiple responses noted that Board discussions remain active and effective, there were some differences in evaluation depending on individual roles and backgrounds.

(2) Of the five issues identified in the previous year—(i) risk management measures for safety, disaster prevention, and quality assurance; (ii) understanding capital cost and profitability, and developing improvement strategies; (iii) reviewing the business portfolio; (iv) CEO succession planning and selection process; and (v) strengthening Group governance—most saw improved evaluations due to ongoing initiatives. However, some respondents noted that progress in certain areas remained insufficient.

In particular, items (ii), (iii), and (iv) received relatively lower evaluations and will remain areas for continued focus. Although improvements were noted for (i) and (v), sustained attention is needed to further enhance performance.

(3) With the transition to a company with an Audit and Supervisory Committee, a new priority is to consider the delegation of decision-making authority for business execution to directors, with the aim of establishing a structure that enables both swift, efficient operations and enhanced management oversight.

Issues and future initiatives

The Board of Directors is working to improve its overall effectiveness through the following initiatives.

(1) Understanding capital cost and profitability, and developing improvement strategies

The Board of Directors will position “Promotion of efforts to enhance capital profitability” (tentative) as an important agenda item and will actively oversee and support efforts to drive improvement in this area.

(2) Review of the business portfolio

The Board of Directors will position “Promotion of efforts to review the business portfolio” (tentative) as an important agenda item and will monitor and support progress on business portfolio reforms.

(3) Initiatives for CEO succession planning and appointment procedures

Strengthen the activities of the Nomination and Compensation Advisory Committee and enhance reporting to the Board of Directors.

(4) Review the operation of the Board of Directors following the transition to a company with an audit and supervisory committee

Revise the submission criteria to accelerate decision-making in management and promote the transition to a supervisory board.

Dialogue with outside directors



Dialogue with outside directors in the Integrate Report 2025 (269KB)



Cross-shareholdings

The company shall periodically review cross-shareholdings from assorted perspectives, such as the impact on improving medium-to long-term corporate value and economic rationality, and sell any stock which is no longer meaningful as is appropriate. On the other hand, the company shall enter into cross-shareholdings with key business partners when judging that the maintenance and strengthening of stable relationships with the business partners will contribute to sustainable growth and enhancement of medium-to long-term corporate value of the company.

The Board of Directors individually reviews cross-shareholdings every year, including future business strategies and operational relationships, and determines whether or not to continue holding these shares.

Also, with regard to the exercise of voting rights in cross-shareholdings, the company deeply considers the status of the business partner and the content of the proposals, and as needed, discusses with the business partner. The company thereby confirms whether these holdings contribute to the sustainable growth and medium-to long-term enhancement of corporate value of the company and its business partner, and makes a comprehensive decision.

Attendance Record at Board of Directors, Skills (As of the end of June 2025)

		Outside	Independent	Age	Gender	Nomination and Compensation Advisory Committee	Chair of Each Committee	Attendance record (attendance percentage) FY2023			Expertise and skills expected of directors							Term of Office	Reason for Appointment
								Board of Directors	Board of Corporate Auditors	Nomination and Compensation Advisory Committee	Corporate Management	Production/Technology/Development	Marketing/Sales	Finance/Accounting	Environment/Society	Governance/Risk Management/Compliance	IT/DX		
D i r e c t o r s	Seiji Narahara			68	Men	○	Board of Directors	17/17 (100%)		8/8 (100%)	○			○	○	○		14 years	Based on his deep knowledge of finance, accounting, and other areas, Mr. Narahara has supported the long-term reform of the company's business portfolio, and, acting as President and Representative Director from April 2014, has led the management of the group, including the reworking of our corporate philosophy structure and the expansion of the film business. He has made an effort to contribute to the enhancement of corporate value. He assumed the post of Chair of the Board & Director in April 2021, and as the Chairman of the board, plays an appropriate role in decision-making on key matters and in the oversight of execution.
	Ikuo Takeuchi			62	Men		Board of Managing Executive Officers and Controlling Supervisors	17/17 (100%)			○		○	○	○	○		5 years	After serving in key positions in corporate planning and overseas business sites of the company, Mr. Takeuchi was appointed as Head of the Functional Membranes and Environment Division, a position from which he set a concrete path toward growth of the business. From April 2021, he undertook formulation of the 2025 medium-term management plan as President and Representative Director, demonstrating strong leadership and steering the sustainable growth of the group.
	Taichi Sakai			62	Men			17/17 (100%)			○	○			○	○	○	2 years	Mr. Sakai has held key positions in the company's Production Technology Division and core manufacturing sites and, drawing on his abundant experience and expertise in the field of production technology, contributes to initiatives aimed at technological innovation.
	Takahito Sagara			58	Men			13/13 (100%)				○	○		○	○		1 years	Mr. Sagara has held key positions in the medical materials business within the Life Science Division of the company. Leveraging his expertise in the field of research and development and extensive experience in the field of marketing and sales, he has contributed to business development.
	Masaaki Harima	○	○	74	Men			17/17 (100%)							○	○		5 years	Leveraging specialized knowledge and wide-ranging insights gained as an attorney, Mr. Harima made proactive statements from an independent standpoint at meetings of the Board of Directors. He appropriately fulfills roles expected of him by the company, including those of supervising management through vital decision-making and providing counsel to management, advising management with the aim of strengthening risk management and governance.
	Hiroshi Fukushi	○	○	67	Men	○		17/17 (100%)		8/8 (100%)	○	○		○		○	○	3 years	Leveraging specialized knowledge and wide-ranging insights gained as a business manager, Mr. Fukushi made proactive statements from an independent standpoint at meetings of the Board of Directors. He appropriately fulfills roles expected of him by the company, including those of supervising management through vital decision-making and providing counsel to management, drawing on his high-level expertise in the bio and digital fields to advise management.
	Shoko Takase	○	○	60	Women	○		17/17 (100%)				○	○			○	○	2 years	Leveraging her abundant experience and wide-ranging insights gained as a business manager, Ms. Takase made proactive statements from an independent standpoint at meetings of the Board of Directors. She appropriately fulfills roles expected of her by the company, including those of supervising management through vital decision-making and providing counsel to management, advising management in the IT and digital fields.
	Yuki Kanzaki (Newly appointed)	○	○	62	Women							○			○	○		0 years	In addition to her abundant experience and wide-ranging insights gained as a business manager, Ms. Kanzaki possesses a high-level expertise in the fields of production, and research and development. The company has determined that she is well qualified to fulfill roles expected of her by the company, including those of supervising management through vital decision-making and providing counsel to management.
D i r e c t o r s C o r p o r a t e M e m b e r s	Takayuki Tabo (Newly appointed)			64	Men			17/17 (100%)	15/15 (100%)				○	○		○		4 years	Mr. Tabo has a long involvement in the Accounting and Control Department of the company, possesses considerable knowledge of finance and accounting, and has a deep understanding of the management and business operations of the group.
	Akihiko Irie (Newly appointed)	○	○	68	Men			17/17 (100%)	15/15 (100%)				○			○	○	4 years	Mr. Irie possesses abundant experience in auditing and has served as a corporate auditor at listed companies.
	Wakyu Shinmen (Newly appointed)	○	○	68	Men	○		17/17 (100%)	15/15 (100%)	8/8 (100%)				○		○		2 years	Mr. Shinmen possesses abundant experience in auditing as a certified public accountant.

Dialogue with outside directors

We asked outside directors Fukushi and Takase to share their perspectives on the Group's initiatives to enhance corporate value.

Q Three years have passed since the start of the 2025 Medium-Term Management Plan. How do you evaluate the initiatives taken so far?

Fukushi: In the first half of the 2025 Medium-Term Management Plan, the Group focused on strengthening the foundations of safety, disaster prevention, and quality assurance, dedicating significant resources to these areas. Following the road map, it achieved notable results, including zero serious incidents and the re-acquisition of ISO 9001 certification for engineering plastics, which I view positively. Regarding the reorganization of the business portfolio, the textile business underwent structural reforms and returned to profitability. Looking ahead, I expect the textile business to further improve asset efficiency through differentiated strategies.

On the other hand, in fiscal 2025, operational issues became apparent across multiple businesses, such as delays in launching new equipment for packaging film, and the Group is currently focusing on addressing these challenges. Within the Group, there is a culture of divisional management, where people, assets, and capital are managed along vertically segmented business lines. As a result, oversight and follow-up from a Group-wide perspective have been insufficient. As an outside director, I share a strong sense of urgency regarding this issue and have engaged in spirited discussions at the Board of Directors.

Takase: I feel that the phrases “recover earning power” and “reorganization of the business portfolio” have become well ingrained throughout the Group, from directors and executive officers to employees across all levels. Achieving internal alignment is crucial when driving reforms, and I highly value the progress made in this regard. Many of the topics discussed at the Board of Directors focus on earning power, and over the two years since my appointment, I have seen discussions steadily advance, step by step.

At the same time, I feel that there are challenges in the management processes and mechanisms for achieving



Hiroshi Fukushi
Outside Director

Shoko Takase
Outside Director

performance targets. In practice, I believe it is essential to maintain a focus on results while also creating processes that allow activities to be adjusted based on ongoing progress. This includes, for example, establishing multiple decision-making criteria, defining the timing and amounts for target achievement, and concretely formulating recovery plans in case targets are not met.

Q From your perspective as someone with a background in manufacturing, what should be strengthened to recover earning power?

Fukushi: The Group has historically focused on bulk materials, where customer transactions were often driven by volume and price. This created a tendency to prioritize plant utilization and sales volume, making it difficult to consistently achieve appropriate profits. Looking ahead, I believe it is necessary to transform the business structure toward high-value-added specialty products.

What is important is to base pricing on the value of high-quality, high-value-added products. In the specialty business, it is essential to clearly convey the appeal and value of the Group's products to customers and ensure they recognize the price as commensurate with that value: further strengthening the intangible assets embedded in the products—such as intellectual property, technical expertise, product development capabilities, and marketing strength—is necessary so that they are fully recognized as part of the product's overall value.

The Group's business operations have traditionally been characterized by a strong vertical structure, which has weakened cross-functional capabilities in areas such as research and development, marketing, and production technology, and slowed Group-wide, agile business portfolio restructuring. To address these challenges and strengthen cross-functional capabilities, various projects were consolidated and reorganized under the president's direct oversight as transformation initiatives, known as Toyobo Transformation (TX). I believe that the promotion of TX is enabling the Group to evolve toward faster decision-making and a more effective execution structure.

Innovation strategy Driving transformation toward a stronger company through Toyobo Transformation (TX) > p.32

Q Have you observed any changes regarding last year's identified challenge of “commitment to taking on challenges and pursuing growth”?

Takase: I highly value the fact that, in budget planning, target figures are now set in two stages, reflecting a stronger focus on results. For example, the operating profit target for fiscal 2026 was clearly defined not only as the “must-achieve target” of ¥21.0 billion but also as an “execution target.” Moving forward, it will be important to enhance the quantifiability of individual



initiatives and deepen discussions on how to achieve these targets. That said, commitment to speed remains an area requiring further effort. To enhance speed, it is essential for business divisions to transcend their individual boundaries and operate with a unified “One Toyobo” mindset. Discussions at the Board of Management and the

Board of Directors on specific actions for business portfolio reorganization to drive growth have gradually matured, but it would be a missed opportunity to remain confined within the framework of each business. Preconceptions that leaders must not step beyond the scope of their assigned businesses should be dispelled. By engaging in dialogue and sharing insights across divisions, leaders can expand the scope of each business. From my previous professional experience as well, I am convinced that the role of leaders is not only to listen to opinions within their own divisions but also to draw on diverse perspectives and determine the right course of action. In addition, on the premise that the Group should pursue businesses aligned with market growth, actively discussing what the market and customers are seeking will further reinforce the commitment to growth. Looking ahead, if collaboration extends beyond the boundaries of individual businesses and the market becomes the central driver, many exciting and promising changes will emerge. I believe this will become a new source of strength for the Group as “One Toyobo.” With experience in risk management at a global company, I recognize that risk management is an area that must be continuously strengthened and evolved in response to changing environments, serving as a foundation for corporate trust as well as for taking on challenges and achieving growth. Within the Group, systems and frameworks are being established, and efforts are under way to ensure that these initiatives are well understood by external stakeholders. To further reinforce this foundation, I am proposing the creation of concrete rules and mechanisms at the Board of Directors. In critical areas such as safety, disaster prevention, quality assurance, and compliance, it is the company’s responsibility to establish systems that are not influenced by individual values or judgments, thereby protecting employees.

Q What do you see as the key points for continuously enhancing corporate value?

Fukushi: The Group’s strength lies in its deep attachment to its businesses and in its persistent accumulation of production technologies and expertise, enabling the creation of products with a sharp competitive edge that others cannot easily replicate. Conversely, a weakness has been an overreliance on past experience, which has led to insufficiently objective risk assessments in production technology and quality control. As a result, delays have occurred in areas such as the start-up of new equipment. Going forward, it will be important to strengthen risk assessment and follow-up in production technology and quality control from a Group-wide, cross-functional perspective. As an outside director, I will provide rigorous oversight of management execution, not only through discussions at the Board of Directors but also, where necessary, by engaging directly with the front lines to support transformation.

In June 2025, Toyobo transitioned to a company with an Audit and Supervisory Committee. With outside directors holding the majority, more advanced monitoring of management is now possible. However, the Board of Directors cannot fully exercise its oversight function by looking only at results; it is also necessary to understand the processes that led to them. To address this, the Group has implemented organization-wide management policies—documents specifying how each business division manages its own organization. With these in place, when reports are presented to the Board, it is possible to understand the processes and background leading to the results, thereby strengthening the Board’s role as a monitoring body. The introduction of this system is expected to enable the Board to engage in deeper discussions on key matters, including reorganization of the business portfolio, and to accelerate transformation across the Group. From the perspective of human capital management, enhancing employee engagement is essential. In my experience, activities such as “1on ALL,” where individuals present their personal goals and exchange opinions in front of the entire workplace, as well as direct dialogue between management and employees, are extremely effective in

strengthening organizational engagement. Through repeated dialogue between organizational leaders and all members, individual roles and objectives in relation to organizational goals become clearer, reinforcing awareness and commitment to achievement. Sustained efforts over time will likely yield even greater results in the medium to long term.

Through these various initiatives, achieving a “One Toyobo” mindset is expected to enable the continuous enhancement of corporate value toward the Group’s envisioned goals.


Takase: The Group can steadily advance plans step by step, along with a culture of engaging in open and sincere discussions throughout the process. These qualities are not easily replicated by other companies, and it is remarkable that they have been preserved as a tradition. It is important for leaders to recognize that maintaining this “Toyobo way” as a valued aspect of the Group’s culture is a key responsibility. Still, achieving continuous enhancement of corporate value requires responding flexibly to changing social environments and values, and transforming the aspects of the business and organizational structures that need change, operating as “One Toyobo.” Having pursued transformation for more than 140 years, the Group is well positioned to do so.

Enhancing corporate value, as expected by the capital markets, means improving profitability and growing the business. By logically communicating to the capital markets why Toyobo is pursuing a particular business, why a given investment is necessary, and the expected timeline for returns—while also addressing associated risks—the Group can raise market confidence and strengthen expectations for its growth strategy and results.

Over the past year, through extensive dialogue with many employees, it has become clear that the Group has an abundance of talented individuals. This reinforces the conviction that, by harnessing their collective capabilities, the Group can recover its earning power. I will continue to support efforts to ensure that the capital markets clearly understand what will emerge next from the Group and how corporate value will be enhanced.



● Compliance

Materiality	
Related ESG : S G	
Compliance	

- ↓ Management approach
- ↓ Structure
- ↓ Targets and indicators
- ↓ Initiatives
- ↓ Education and awareness-raising activities
- ↓ Compliance and risk assessment
- ↓ Anti-corruption initiatives

Management approach

Policy and approach

Based upon our corporate philosophy of *Jun-Ri-Soku-Yu* (adhering to reason leads to prosperity), at the core of Toyobo group's compliance activities is the idea of "Do what should be done" and "Don't do what should not be done."

Furthermore, based on the fundamental principles stated in the TOYOBO Group Charter of Corporate Behavior, we have established the TOYOBO Group Employee Conduct Standards as the rules all employees must follow. To promote understanding and widespread awareness of the rules among group employees, we distribute the TOYOBO Group Compliance Manual, which clearly explains the standards, and conduct group readings.

TOYOBO Group Compliance Manual / TOYOBO Group Employee Conduct Standards (theme excerpts only)
(23th edition, September 1, 2024)



〈Contribution to a sustainable society〉

1. Contribution to a sustainable society

〈Proper business practices〉

2. Handling of company secrets

3. Handling of personal information

4. Engaging in fair transactions

5. Appropriate transactions with subcontractors

6. Responsible procurement and logistics

7. Rules regarding export and import

8. Security trade control (export management)

9. Handling of gifts and entertainment (prevention of bribery)

10. Handling of political donations, etc.

11. Intellectual property

12. Proper accounting

13. Conclusion of contracts

14. Credit management

〈Communication with stakeholders〉

15. Timely and appropriate information disclosure

16. Prohibition of insider trading

〈Respect for human rights〉

17. Respect for human rights

〈Earning trust and ensuring satisfaction〉

18. Ensuring the quality and safety of products and services

19. Provision of information on products and services

20. Appropriate handling of quality data, etc.

21. Rules on research and development activities

22. Responding to customers and related parties

〈Empowering employees〉

23. Respect for diversity in the workplace

24. Prevention of harassment

25. Safety and health

26. Appropriate working hours management

〈Addressing environmental issues〉

27. Business activities taking the global environment into consideration

〈Social contribution〉

28. Promotion of social contribution

〈Thorough crisis management〉

29. Process safety and disaster prevention

30. Crisis management overseas

31. Response to anti-social forces, etc.

32. Ensuring cybersecurity

33. Social rules

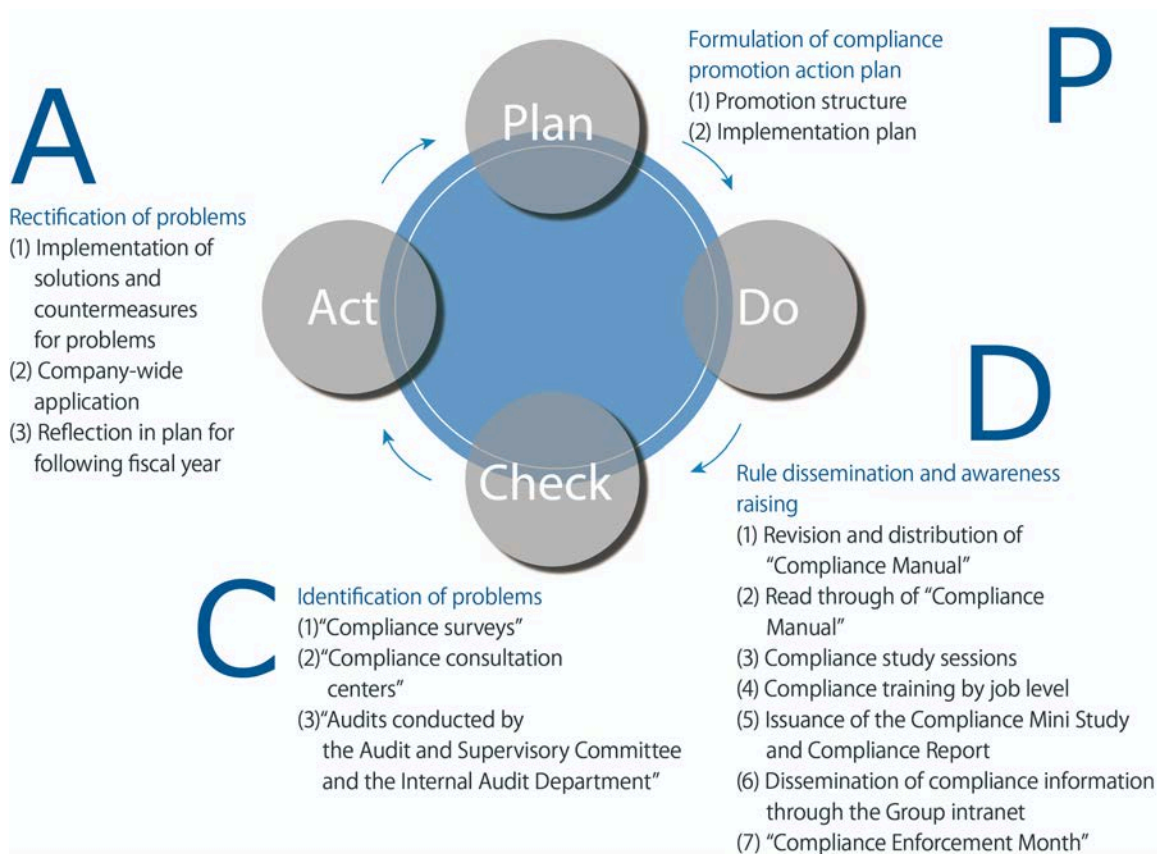
Relevant policies and guidelines, etc.

- [TOYOBO Group Human Rights Policy](#)
- [Toyobo Group Personal Information Protection Policy](#)
- [Our Anti-Bribery Policy](#)
- [Method of Requesting Disclosure etc.](#)
- [Operation and management of public research funds and efforts to address research misconduct](#)
- [Social Media Policy](#)

Structure

The Compliance Committee, composed of members from the Board of Management, promotes Group-wide compliance from a management perspective. A sub-committee, the Compliance Promotion Committee, has been established to consider specific initiatives. The Legal and Compliance Department serves as the secretariat for both committees, driving legal compliance and fostering adherence to compliance standards throughout the group.

Compliance promotion cycle



Targets and indicators

Targets

Each and every employee complies with laws, regulations, and rules, and acts with integrity. By fostering a shared strong sense of ethics, we aim to cultivate a corporate environment and culture founded on trust.

Indicators and results

Initiatives	Targets (FY2025)	Results (FY2025)
Increase in awareness of compliance	Improvement in compliance questionnaire responses	<ul style="list-style-type: none"> - Does the company emphasize compliance? I feel that it does, or by and large I feel that it does: 83% (up 5% YoY) - Awareness of "Compliance Mini Study" I read every issue, or I sometimes read it, or I read those articles that are of interest to me: 79% (up 2% YoY)
	Expansion of compliance study sessions (Managers) and various other trainings	<ul style="list-style-type: none"> - Compliance study sessions: 100% attendance by those required to participate - Various other trainings: Held 30 times
Awareness and use of compliance consultation desks	Improvement in compliance questionnaire responses	<ul style="list-style-type: none"> - Awareness of compliance consultation desks: 91%(up 2% YoY) - Ease of use of compliance consultation desks: —^{*1} - Self-regulatory function (avoiding concealment of adverse information): 83%^{*2}
	Disclosure of no. of cases handled	116 cases handled
Disclosure of the number of serious legal violations	—	0 violations

*1: Not aggregated due to changes in the survey questions for fiscal 2025.

*2: The percentage of employees who would consider consulting their supervisor, specialized department, labor union, or helpline when recognizing a violation of laws or compliance.

Initiatives

Compliance promotion activities

In fiscal 2025, the Compliance Committee convened twice, and the Compliance Promotion Committee convened four times. Working with the theme of "strengthening organizational capabilities through openness and active listening," we carried out

awareness-raising activities to enhance compliance consciousness, provided education and training, handled compliance consultations, and established a global reporting desk that supports overseas operations and multiple languages.

Compliance consultation desks

The Group has established various compliance consultation desks (internal reporting desks) for all employees and executives. These desks receive reports and requests for consultation regarding violations of laws and rules, misconduct, unethical behavior, including corruption such as bribery, embezzlement, and other corrupt practices, violations of competition laws such as bid-rigging and cartels, and bullying and harassment, as well as other issues occurring in the workplace. We strive for early detection, correction, and prevention of these issues.

In fiscal 2025, we began establishing a global internal reporting desk that supports overseas operations and multiple languages, with implementation progressing in stages.

To ensure worry-free use of these consultation desks, we guarantee protection of privacy, including the names of people who seek consultations, ensure that there will be no disadvantage for employees who consult or report, and accept anonymous requests for consultation.

We are making efforts to raise awareness of these consultation desks through means including the distribution of stickers with information on the desks' usage and the publication of Compliance Mini Study for learning about compliance through case studies.

Topics for consultation

1. Legal violations and violations of internal regulations and rules
2. Acts that violate the Compliance Manual "Corporate Code of Conduct"
3. Workplace harassment
4. Consultation on other compliance issues that are difficult to judge, etc.

* The global reporting desk is intended for serious violations, misconduct, and wrongdoing involving executives.

Types of compliance consultation desk

1. Internal consultation desk
2. External professional service company consultation desk (corporate ethics hotline, including the global internal reporting desk)
3. External legal counsel desk
4. Audit and Supervisory Committee desk

In fiscal 2025, there were a total of 116 consultations, 11 of which were made through the external compliance consultation desk. The most frequent breakdown was communication, personal relationships, harassment, followed by personnel, labor relations (attendance, treatment, etc.). Depending on the contents of the consultation, we implemented corrective measures, recommended disciplinary action, provided advice to the consulting parties, and answered their questions.

Number of consultations for compliance consultation desks (internal reporting service)

FY2021	FY2022	FY2023	FY2024	FY2025
37	62	78	102	116

Details of consultations (FY2025)

Details of consultations	Incidents
Communication, personal relations, harassment	40
Personnel, labor relations (attendance, treatment, etc.)	22
Misconduct, violations, and breaches of work rules, etc.	7
Workplace issues concerning the company as a whole (systems, policies, etc.)	18
Work attitude	3
Others	26
Total	116

Process for handling consultations at compliance consultation desks

1. Verify the content of the consultation or report received at the reporting desk.
2. Conduct fact-finding investigations through the reporting desk and relevant departments or companies, including verification of evidence and interviews with the involved parties or third parties.
3. Assess the presence and severity of any violations or misconduct based on the investigation results.
4. If a violation or misconduct is confirmed, implement corrective and recurrence prevention measures through the relevant departments or companies based on the nature of the issue. Provide guidance or impose disciplinary action on the responsible individuals as appropriate, and implement recurrence prevention measures across the group.
5. Provide feedback to the reporting or consulting individual via the reporting desk and follow up on corrective actions as needed.

- [Our establishment of complaint handling and internal reporting systems](#)
- [Our initiatives for preventing harassment](#)

Education and awareness-raising activities

Formulation, revision and dissemination of compliance manual

We established the TOYOBO Group Employee Conduct Standards, which outline the rules that all employees of Toyobo Group must adhere to, in accordance with the corporate ethics provisions outlined in the TOYOBO Group Charter of Corporate Behavior.

In 2000, we issued the TOYOBO Group Compliance Manual, which provides a clear and understandable explanation of the Employee Conduct Standards, and distributed it to all employees. Subsequently, we have issued global versions in English and Chinese and have been revising the Manual gradually. At overseas locations, we are creating localized versions tailored to the laws, regulations, and customs of each country or region.

We promote awareness of the Charter of Corporate Behavior and Employee Conduct Standards through training that includes readings of the Manual at workplaces, among other efforts.

The Manual includes measures to prevent corruption, bribery, and other corrupt practices, bid-rigging, cartels, unfair competition, improper accounting, along with provisions for health and safety, proper management of working hours, and prevention of bullying and harassment.

Awareness-raising activities during Compliance Enforcement Month

Every October is designated as Compliance Enforcement Month within Toyobo Group. During this time, various initiatives are undertaken collectively throughout the Group, including the dissemination of a message from the president, readings of the Compliance Manual, hosting of compliance study sessions, and conducting compliance questionnaires. We also use posters and digital signage to communicate information about the consultation desk for compliance.

Holding compliance study sessions (training)

In fiscal 2025, we distributed a video of the compliance study sessions (training) targeting management-level personnel—including general managers, managers, section chiefs, and supervisors—as well as general employees across all Toyobo business sites and affiliate companies. Instructors from the Compliance Department and HR and Labor Department led the sessions, which covered topics such as general compliance and

harassment prevention. A total of 4,472 employees participated in these sessions, including 812 mandatory participants.

Various other trainings

As part of level-specific and occupation-specific training for managers, new employees, sales staff, and personnel being sent on overseas assignments, compliance education is provided. In fiscal 2025, a total of 30 various training sessions were held.

We also implemented discussion-type training for managers, focusing on topics that are of particular importance to the company, such as safety, quality, and compliance (e.g., accounting fraud prevention, bullying and harassment prevention).

Mini study and report issuance

We publish the "Compliance Mini Study," which educates employees on potential workplace violations using a case study format (in principle, Japanese versions in odd-numbered months and multilingual versions in even-numbered months), as well as "Compliance Reports," issued on an ad hoc basis and based on actual cases of workplace violations.

Compliance and risk assessment

During Compliance Enforcement Month held each year, we conduct an anonymous questionnaire to assess compliance awareness and to identify any compliance-related issues within Toyobo Group companies. When issues are identified, we take corrective action and work to improve our compliance initiatives. The survey also serves as a self-check tool for respondents, and by conducting it regularly, we aim to further raise compliance awareness across the organization.

In fiscal 2025, we received 7,660 responses from employees, with the aggregated and analyzed results of the questionnaire disclosed to all employees. Details on individual problems and issues are shared with related departments in a form that does not identify the respondent—this proves useful in improving the situation and preventing problems.

Anti-corruption initiatives

The Group positions the prevention of corruption, bribery and other corrupt practices, bid-rigging, cartels, unfair competition, and improper accounting, as priority issues in compliance. In particular, to prevent bribery and other corrupt practices, along with policies and regulations, we have also set guidelines that detail specific rules covering matters such as judgments and monetary standards when giving gifts and entertainment. We work to make these known through inclusion in the Compliance Manual and explanations given during training programs.

To build fair and sound business relationships with partners, we have put in place rules for the receipt of gifts or entertainment. These include a requirement to refuse money or the equivalent, or gifts and entertainment that exceed socially accepted norms, and we have introduced a reporting system for the receipt of gifts and entertainment. In fiscal 2025, we conducted a survey of departments more likely to receive such offerings and confirmed that there were no problematic instances.

In fiscal 2022, as part of our company-wide risk management activities, we implemented a legal compliance risk assessment. Based on a variety of risk scenarios, we evaluated the likelihood and impact of potential risks and found that corruption risks, such as bribery, were relatively low across business divisions.

From FY2023 to the end of the first half of FY2025, we conducted a survey of major risks of Group companies, including legal compliance risks. As a risk assessment including overseas offices, we conducted dialogue based on possible risk scenarios and confirmed the status of risk response. As a result, it was confirmed that corruption risk remained relatively low.

In fiscal 2025, there were no violations of anti-corruption laws, no administrative penalties, employee dismissals, fines, or surcharges related to corrupt practices.

Supervision by Directors

Every year, the Board of Directors receives a report on compliance activities, including anti-corruption efforts. Outside Directors and Corporate Auditors (who have served as Audit and Supervisory Committee members since June 2025) provide effective oversight from an external perspective.

Related Pages

- [Toyobo Group Anti-Bribery Policy](#)

● Risk Management

Materiality	
Related ESG : E S G	
Risk Management	

↓ Management approach ↓ Data security, privacy

↓ Business continuity management(BCM) ↓ Business continuity plan (BCP)

Management approach

Policy and approach

Toyobo Group, guided by its corporate philosophy of "Jun-Ri-Soku-Yu" (Adhering to reason leads to prosperity), aims to achieve sustainable growth and contribute to society by appropriately managing risks associated with its business activities. In our risk management activities, the risk-owning departments, such as front-line departments, identify and evaluate risks. These departments work in collaboration with corporate departments in charge of risk oversight to develop and implement risk mitigation measures. The Risk Management Department, is responsible for planning and promoting these risk management activities.

The Group reviews significant risks that need to be addressed annually, and by conducting appropriate evaluation and management, strives to earn the trust of stakeholders such as customers, local communities, and shareholders.

< Basic policy on business risk >

1. Establish a mechanism to visualize and understand where risks lie and the scale of their potential impact across Toyobo Group.
2. Allocate resources appropriately to avoid or mitigate the identified risks.
3. Continuously improve and enhance risk management activities by applying the PDCA (Plan-Do-Check-Act) cycle.
4. Raise individual awareness and responsiveness to risks through information sharing and training, eliminating lack of knowledge.
5. Foster a sense of ownership in risk management and promote team-based efforts to ensure participation by all members.

Business risks

The main risks recognized that could have a material impact on Toyobo Group's operating results and financial position are as listed below. The list does not include all the risks related to Toyobo Group.

Forward-looking statements were determined by the Group as of fiscal 2024-end.

< Incurred or highly probable risks >

- (1) Occurrence of disasters, accidents, and infections
- (2) Worsening of political and economic situations
- (3) Legal proceedings and other matters

< Medium- to long-term risks >

- (4) Purchase of raw materials
- (5) Product defects
- (6) Securing of human resources
- (7) Climate change
- (8) Environmental burden
- (9) Information security
- (10) Laws, regulations and compliance
- (11) Overseas business activities

< Financial risks >

- (12) Large forex movement
- (13) Large rise in interest rates
- (14) Sharp drop in share prices
- (15) Impairment loss of fixed assets

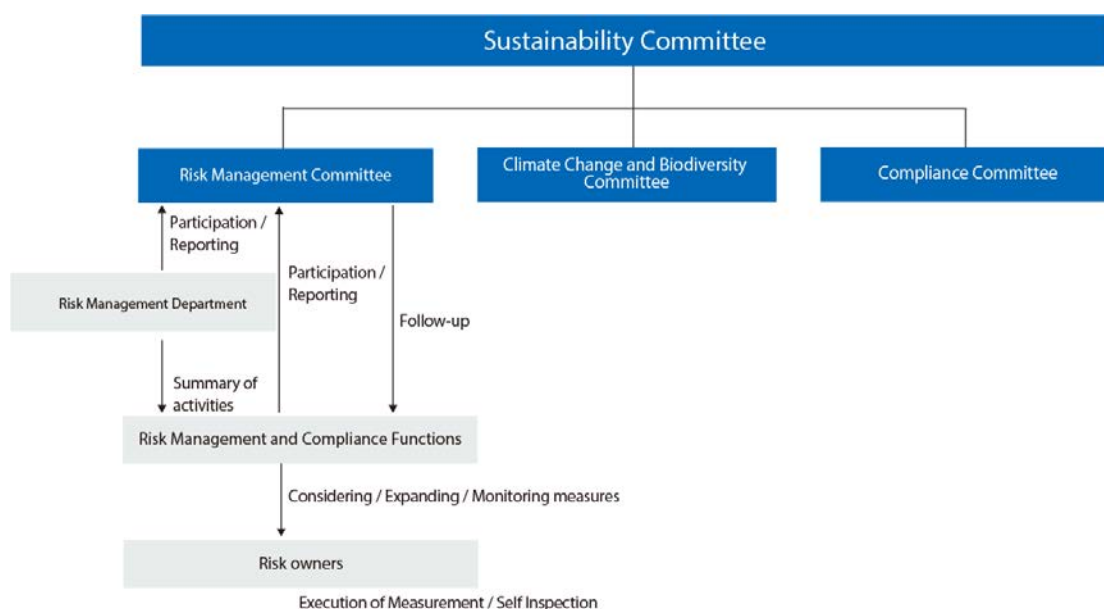
- [Annual Financial Report and the Business risks](#)

Structure

On April 1, 2021, Toyobo Group established the Risk Management Committee chaired by the President for centralized management of risks throughout the Group. The committee comprises executive officers of the business divisions and corporate departments as well as heads of risk-related departments, and members nominated by the chair. It convenes twice a year, every six months.

The committee discusses and deliberates on significant risks that may impact the entire Toyobo Group, as well as major issues that require management decisions, with the aim of ensuring comprehensive understanding and strategic management and response. It formulates and monitors the direction and plans for specific risk management initiatives, verifies responses during emergencies, and examines countermeasures for emerging issues, thereby working to strengthen the overall risk management framework.

Management structures



Initiatives

As part of our management policy, we seek to be a company that is able to grow sustainably by shifting from the survival-based thinking of the past to a sustainable growth orientation. We establish self-directed management activities appropriate to business areas and roles, assess company-wide risks and work toward their prevention and early detection, and, united as a Group, will build a system to advance measures for preventing recurrence of risks.


As a starting point for these activities, we conducted an assessment of company-wide risks. We identified serious risks from the results of evaluations in terms of the two axes of severity of impact and likelihood of occurrence, and monitor these risks regularly.

Major risks defined by the Group include those related to quality, safety and security disaster prevention, and legal compliance. In the Major Risks Survey of the Group companies, which was continuously conducted from FY2023 to the end of the first half of FY2025, we ascertained the status of risk responses at each company through dialogue based on possible risk scenarios. As a result of the risk assessment including overseas bases, we confirmed that there were no risks, including legal compliance risks, that would make it difficult for the Group to continue its business.

For risk items that require measures based on common frameworks, such as cybersecurity response and virus infection prevention, we collaborated with departments managing risk management to implement uniform risk measures, regardless of domestic or overseas locations. However, for risk items requiring regulatory compliance measures, we have recognized that each Group company is taking independent risk measures in their operating regions.

Any detected items that are common across the Group and that require attention are reported to the Risk Management Committee. Group-wide risk reduction activities are undertaken in collaboration with the departments managing risk management, business divisions, and Group companies.

Data security, privacy

Materiality	
Related ESG : S G	
Digital transformation	

Policy and approach

Today, as significance of information increasingly grows, how a company utilizes necessary information, advances development of products and technologies, and develops businesses in line with the times is a crucial factor in the company's survival.

The improper management of information can also have severe repercussions to a company from legal and social standpoints. As stated in our TOYOBO Group Charter of Corporate Behavior, our Group must properly manage information and prevent problems involving information security from occurring if we are to contribute to society and remain a company that earns people's trust.

Restated, it is necessary that every one of our officers and employees recognizes the importance of information security and the information assets that are the key to corporate survival, and, while effectively utilizing our information assets throughout the organization, maintains and secures the confidentiality, integrity, and availability of those information assets. Based on this thinking, our Group has declared our basic policies as follows:

< Information security policy (theme excerpts only) >

- 1. Management system
We will establish an information security management system with responsible executives placed at top, and will strive for proper management in line with the importance of and risks to information.
- 2. Legal compliance and internal regulations
We will establish internal rules in accordance with information security-related laws and ordinances, countries' national guidelines, and other social norms, and will take strict action against violators of these rules.
- 3. Education and training
We will conduct education and training for our employees on an ongoing basis to ensure that information assets are used properly, and will work to enforce compliance with rules.

- 4. Operation of information systems

We will enact appropriate measures and endeavor to operate information systems stably to prevent unauthorized intrusion and the leak, falsification, loss, theft, destruction, obstruction of use, etc. of information assets.

- 5. Handling of incidents

In the event of a problem involving information security, we will enact measures to minimize the damage, promptly investigate the cause, and strive to prevent recurrence.

Structure

Our Group has established the TOYOBO-CSIRT, led by a CISO appointed by top management, as an organization to promote information security measures and activities. TOYOBO-CSIRT assesses the status of information security across the company, formulates basic policies, maintains management systems, and implements and supervises specific measures.

To advance measures based on the decisions of TOYOBO-CSIRT, we have established a front-line operations team. We also convene TOYOBO-CSIRT on a regular basis to evaluate risk countermeasures, each time also reporting on activities related to information security.

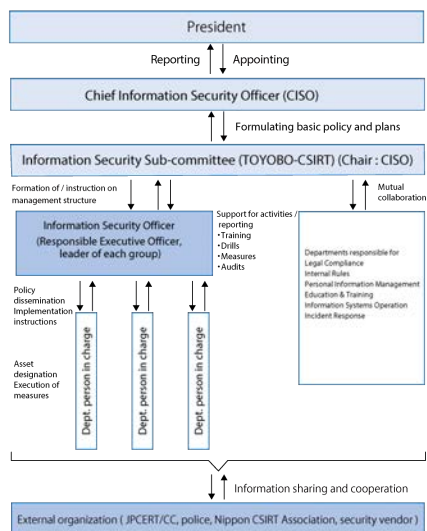
By expanding the activities of TOYOBO-CSIRT throughout our entire Group, we will work to instill understanding of information security and enforce the protection of information assets, creating a state across the Group in which data, security, and privacy are secured and trusted.

Our Toyobo Transformation and Business Innovation Department, which has acquired ISO 27001* certification, undergoes a yearly external audit based on ISO 27001 to confirm proper operation of information security management. The Department conducts on-duty management at five business sites of the company (the head office, Research Center, Tsuruga Research and Production Center, Iwakuni Production Center, Inuyama Plant: 50% of all business sites), and also performs comprehensive management of other business sites through the Department's management system.

* An international standard for information security management systems

Toyobo Group information security management structure

We assign a person responsible for information security to each department and built a company-wide information management system to ensure the required information security level.



Targets and indicators

< Targets >

Toyobo Group establishes a structure to ensure cyber security as well as deepening employee understanding of information security and thoroughly ensuring protection of information.

< Indicators and results >

Initiatives	Indicators	Targets (FY2025)	Results (FY2025)
<ul style="list-style-type: none"> • Ensure cyber security • Protect confidential corporate information, personal information, and customer information 	1. Promotion of information security measures <ul style="list-style-type: none"> • Renewal of network security infrastructure • Renewal of computer security infrastructure 	Renewal completion rate: 50% completed (FY2025–FY2026)	Renewal completion rate: 55% <ul style="list-style-type: none"> • Network: 16% • Computer: 93%
	2. No. of times information security education provided	2. 15 times per year	2. 13 times
	3. No. of incidents (information leaks, service outages, etc.)	3. 0 incidents per year	3. 0 incidents

The scope covers TOYOBO CO., LTD., its subsidiaries, as well as affiliates accounted for by the equity method and over which Toyobo has significant influence.

Initiatives

Protection of personal information

Awareness of the protection of personal information is increasing worldwide. Toyobo Group has established internal regulations and ensures their dissemination to comply with personal data protection laws in various countries, including the Act on the Protection of Personal Information in Japan, the General Data Protection Regulation (GDPR) in the European Union, and the Personal Information Protection Law in China. These internal regulations are reviewed and updated as necessary.

We will continue to strengthen our systems for protection of the personal information of customers, our business associates, shareholders, and employees.

- [Privacy Policy \(Personal Information Protection Policy\)](#)

Promotion of digitalization

Digitalization is advancing rapidly with the development of IT. Amid this change, Toyobo Group is advancing the construction of an IT system infrastructure that encompasses the entire value chain and is tackling the transformation of our business style and the

creation of new solutions, making full use of digital technologies. By doing so, we seek to not only improve the efficiency of work but also strengthen our provision of value to society and to customers.

Additionally, we have promoted the digitalization of business by actively incorporating IT in our operations, including streamlining sales activities through IT tools, using IT to enhance manufacturing control, and enhancing the efficiency of intellectual property management through AI.

The IT and DX Planning Department, established in fiscal 2024 and reorganized into the Toyobo Transformation and Business Innovation Department from fiscal 2026, received recognition in February 2024 as a^{*1} for meeting the certification criteria set by the Ministry of Economy, Trade and Industry (METI) regarding DX promotion initiatives within Toyobo Group. Additionally, in December 2024, the division won the IT Award^{*2} for the first time, in recognition of its organizational restructuring and efforts in IT talent development, aimed at expanding business through DX promotion.

The Transformation and Business Innovation Department serves as a bridge connecting digital and business. It has begun various initiatives to drive organizational and business transformation across the entire Company and its businesses. Going forward, the entire Company will collaborate even more closely to expand the scope and utilization of digitalization.

*1: This system is certified by the government under the Digital Governance Code compiled by METI. It recognizes companies that promote initiatives such as formulating visions and establishing systems for achieving DX, based on the Act on Facilitation of Information Processing.

*2: The IT Award is presented by the Japan Institute of Information Technology, a public interest incorporated association, to companies and organizations in Japan's industrial sector that have made outstanding achievements in management innovation through the effective use of IT.

Education and awareness-raising activities

As a part of our education and awareness-raising activities, we deliver the “Cyber Security Communication” newsletter every month to all employees of Toyobo Group in Japan and overseas. We also conduct testing of security comprehension twice a year to let employees self-check and reflect on their understanding of our education and awareness-raising activities.

Information security measures

Cyber attacks are intensifying year by year, often targeting overseas sites and Group companies. In response, we are working to raise the information security measures of our domestic and overseas affiliates to the same level as that of our headquarters, and to strengthen information security across the Group.

Specific measures include communication of policies and regulations and support for their improvement, support for the introduction of education for employees and managers, implementation of targeted email attack drills, deployment and inspection of IT reinforcement measures, and continuous strengthening of our contact system for security and incident response.

We conduct biannual targeted email attack drills, varying the level of difficulty and subject matter each time, for all employees of Toyobo Group in Japan and overseas. To ensure the safety of customer information and our internal information, including

confidential information, we continually assess new threats and take appropriate countermeasures, including strengthened monitoring of both IT and OT*, patching of vulnerabilities, and prevention of unauthorized intrusions.

In addition, to promote and accelerate business innovation through digital transformation and to enable the effective use of data across Group companies and external partners, we are developing an IT infrastructure that allows users to access systems securely from any location.

* IT (Information Technology), OT (Operational Technology)

Protection of information in outsourcing

When outsourcing information assets containing confidential information, the Company has established outsourcing management rules for the following procedures: (1) evaluation and contracting of outsourcing partners; (2) monitoring of operations after the contract has been concluded; and (3) handling of information assets after the contract has been terminated.

When newly implementing operations to be outsourced (hereinafter referred to as "specified operations"), the department outsourcing the specified operations evaluates whether or not the candidate companies conform to outsourcer evaluation criteria in accordance with these rules. After the selection, the department submits the outsourcer evaluation results to the head of the information security department for approval. In addition, it is also stipulated that the implementation status of specified operations is to be regularly evaluated by the head of the information security department.

Outsourcer evaluation criteria are clearly stated in the Information Security Policy.

Initiative participation

Under the idea that we must address cyber attacks not only in our Group companies and supply chains but across society as a whole, we engage in active information sharing in cooperation with the JPCERT Coordination Center and the Nippon CSIRT Association.

Business continuity management (BCM)

Policy and approach

Business Continuity Management (BCM) within our Group is based on our corporate philosophy of "Jun-Ri-Soku-Yu" (Adhering to reason leads to prosperity). It is designed to support the Group's sustainable growth by recognizing potential threats to our organization and their impact and responding effectively when disruptions occur. In practicing BCM, we prioritize the protection of human life, work to prevent secondary

damage, and aim for a swift recovery to fulfill our social responsibilities and support the business continuity of our customers and partners through effective response measures.

Business continuity plan (BCP)

Policy and approach

Toyobo Group prioritizes the safety of employees and their families above all else and is committed to balancing the fulfillment of our supply responsibilities as a manufacturer with harmonious coexistence with the local environment and society. By detecting emergencies at an early stage and responding swiftly with necessary actions, we work collectively across the organization to minimize damage and achieve rapid recovery.

Structure

Under the Risk Management Committee, we have established a BCM Subcommittee composed of members selected from each department to promote BCM across the Group. This subcommittee leads the formulation of Business Continuity Plans (BCPs), training, and drills within each department. It also serves as the contact point for gathering and disseminating information and coordinating necessary actions to ensure business continuity in the event of major emergencies such as large-scale earthquakes. When an emergency occurs or is anticipated, a Companywide BCP Task Force is established to quickly bring the situation under control through prompt and effective action.

Initiatives

In fiscal 2025, we formulated the TOYOBORO Group Business Continuity Plan (BCP) Guidelines to address the potential impact of a major earthquake (seismic intensity of upper 5 or higher), with a focus on a possible Nankai Trough Earthquake. These guidelines define procedures for assessing damage, communication systems, the designation of command personnel, recovery structures and roles, and task prioritization. We are also working to identify and manage risks across the entire supply chain. Building on this, we strive to diversify procurement sources across multiple countries and regions, and collaborate with logistics partners to establish alternative transport methods and routes. Moving forward, we will continue to regularly conduct

employee training and drills to raise awareness and enhance the organization's capacity to respond effectively and ensure business continuity.

● Tax Affairs Policy

Toyobo Group's Tax Policy

The Toyobo Group (hereafter the Group) is committed to contributing to society by providing solutions needed by people and the earth while trying to improve corporate values of the Group in a sustainable manner, based on the corporate philosophy of Jun-Ri-Soku-Yu (adhering to reason leads to prosperity).

The Group is engaged in business activities in various countries and regions around the world. Therefore, the Group has a basic policy to respect the taxation laws of all the international tax jurisdictions it operates in, as well as international taxation rules, and to pay taxes properly. At the same time, it will contribute to the development of those countries and regions to fulfill its social responsibilities.

Compliance

The Group properly files corporate tax returns and pays taxes due, observing taxation laws applied in the countries/regions where it is engaged in business, and international taxation rules. Moreover, the Group uses its Toyobo Group Compliance Manual to maintain and enhance tax compliance by heightening awareness of compliance among its employees.

Governance

The Group is committed to establishing an effective tax governance system by appointing the CFO of Toyobo Co. Ltd., as the leader of the task, with Toyobo's Accounting and Control Department sharing information with the accounting division of each Group company.

If any tax issue arises, the accounting division is required to report it to the Accounting and Control Department of Toyobo and if necessary, the department will report it to the Board of Directors.

When improvement is required, Toyobo's Accounting and Control Department will monitor such efforts and report the result to the President, the CFO , Corporate Auditors and other parties concerned.

Tax Planning

The Group undertakes legitimate and proper tax planning to improve cash flow in its business operations, but it is implemented in compliance with related laws and regulations and not for the purpose of avoiding tax excessively.

Managing Tax Risk

If its tax position is uncertain, the Group endeavors to minimize tax risks by seeking the advice of qualified external experts and consulting with the tax authorities in advance.

Transfer Pricing

In transactions with foreign affiliated parties, the Group observes the OECD Transfer Pricing Guidelines; establishes prices in accordance with the arm's length principle and transfer pricing taxation in each country; and distributes income appropriately among the concerned parties. The Group also prepares proper transfer pricing documentation based on transfer pricing taxation in each country.

Relationship with Taxation Authorities

The Group endeavors to build and maintain healthy and amicable relationships with the taxation authorities by responding to requests from them in good faith.

● ESG Performance Data

Please refer to the data on E (Environment), S (Social), and G (Governance) here.

E (Environment) Update: August 29, 2025

E (Environment) Data (344KB)



S (Social) Update: July 1, 2025

S (Social) Data (501KB)



G (Governance) Update: July 1, 2025

G (Governance) Data (308KB)



● Responses to CDP

We are responding to a questionnaires from the international NGO "CDP".

CDP Questionnaire (Answer date: October 1, 2024)

CDP Corporate Questionnaire 2024 (1.8MB)



Scope of Environmental Data Collection

Basically, the scope of data collection covers the Toyobo Group (Toyobo Co., Ltd. and its consolidated subsidiaries), but the scope of data collection for each item is as described in the 'Scope of Data Collection' column.

In addition, changes to the scope of data collection for the environmental data publication period (fiscal 2021 onwards) are as follows.

- From fiscal 2024, two equity method affiliates (Cast Film Japan Co., Ltd. and Toyoshina Film Co., Ltd.) have been excluded from the calculation, and the results have been revised accordingly.
- From fiscal 2025, Toyobo Kankyo Techno Co., Ltd., Kureha Ltd., and TOYOBO KUREHA AMERICA CO., LTD., which have been excluded from the consolidated scope, have been excluded from the scope of aggregation.

However, Scope 1 and 2 emissions for Kureha Ltd. and TOYOBO KUREHA AMERICA CO., LTD. are included for the period until they are excluded from the scope of consolidation (until August 25, 2024).

(FY) *1

Greenhouse gas (GHG) emissions from business activities			Scope*	Unit	2021	2022	2023	2024	2025	
Scope1、Scope2			Japan	Thousand tonnes-CO ₂	844	833	824	751	705	
			Overseas		58	67	69	80	79	
			Global		902	900	894	831	784	
			Scope1* ²		Japan	702	700	692	635	592
			Overseas		16	19	20	24	23	
			Global		718	718	712	659	615	
			Scope2* ²		Japan	142	135	132	116	114
			Overseas		41	49	49	56	56	
			Global		183	183	182	172	169	
			GHG emissions reduction rate (base: FY2014)			KPI	Global	%	25.7	25.9
GHG emissions reduction rate (base: FY2021)				Global		—	0.2	0.9	7.9	13.1
GHG emissions intensity per unit of sales* ³				Global	Tonnes-CO ₂ /millions of yen	2.67	2.40	2.23	2.01	1.86
Energy consumption				Global	GWh			2,937	2,810	2,775
Renewable enerav consumption				Global				0.0	0.9	1.5

*1 Year Ended March 31.

*2 Calculation methods(fiscal2025)

In reference to the GHG Protocol, we include GHG emissions, calculated by converting the quantity of energy required to produce electricity or steam sold to other companies. GHG emissions with non-energy origins are calculated for TOYOBO CO., LTD. and Group companies in Japan.

The factors shown below are used in the respective calculations.

■ CO₂ emission factors for purchased gas:

(Domestic) Emission factors by gas supplier as listed in the Ministry of the Environment's "Emission Factors by Gas Supplier (for Calculating Greenhouse Gas Emissions of Specified Emitters) - FY2024 Supply Data" (In cases where the emission factor of a given gas supplier was unknown, the "national average factor" was used.)

■ CO₂ emission factors for purchased electricity:

(Domestic) Adjusted emission factor for each electric power service provider listed in "Emission Factors by Electric Utility (for Use in Calculating Greenhouse Gas Emissions of Specific Emitters), FY2024 Results," Ministry of the Environment.

In cases where the emission factor of a given utility was unknown, the "national average factor" was used.) (Overseas) Factors for 2022 listed by country "Emission Factors 2024" (2024), IEA

■ CO₂ emission factors other than for purchased electricity:

"Greenhouse Gas Emissions Calculation and Reporting Manual (v6.0)" (2025),

Ministry of the Environment and Ministry of Economy, Trade and Industry (used for both domestic and overseas subjects)

*3 (Scope1 Global+Scope2 Global)/Consolidated Net sales

(FY)

Scope1		Scope*	Unit	2021	2022	2023	2024	(FY) 2025
Energy-related GHG emissions	CO ₂	Global	Thousand tonnes-CO ₂	710.3	712.5	706.9	655.4	611.4
Non energy-related GHG emissions	CO ₂	Japan		6.3	6.1	3.2	0.7	1.0
	N ₂ O			1.1	1.2	1.2	2.2	1.8
	HFC			0.4	0.7	0.5	0.5	0.3
	PFC			0.0	0.0	0.0	0.0	0.0
	CH ₄			0.2	0.2	0.2	0.3	0.3
	SF ₆			0.0	0.0	0.0	0.0	0.0
	NF ₃			0.0	0.0	0.0	0.0	0.0

(FY)

GHG emissions throughout the value chain			Scope*	Unit	2021	2022	2023	2024	(FY) 2025
Scope3**4			Global	Thousand tonnes-CO ₂	2,714	3,415	5,290	5,499	3,996
	1. Purchased goods and services	1,028			1,707	2,055	1,894	1,881	
	2. Capital goods	104			115	55	126	122	
	3. Fuel- and energy-related activities(not included in Scope 1 or Scope 2)	54			115	113	108	114	
	4. Upstream transportation and	55			52	50	50	48	
	5. Waste generated in operations	35			49	53	45	61	
	6. Business travel	1			2	7	9	7	
	7. Employee commuting	5			5	6	5	4	
	8. Upstream leased assets	—			—	—	—	—	
	9. Downstream transportation and	—			—	—	—	—	
	10. Processing of sold products	—			—	—	—	—	
	11. Use of sold products	1,288			1,209	2,745	2,944	1,458	
	12. End-of-life treatment of sold products	143			161	207	318	300	
	13. Downstream leased assets	—			—	—	—	—	
	14. Franchises	—			—	—	—	—	
15. Investments	—	—	—	—	—				
Ratio of reduction in CO2 emissions (intensity) related to logistics (sales)		KPI	TOYOBO CO., LTD.	%	0.6	0.5	5.3	0.5	▲3.4 increase

*3 changed the calculation method from FY2022 (see IDEAv2.3 and v3.4 information).

8, 13, 14 are not applicable to the company.

9, the emissions up to the shipping destination are included in 4. Due to the varying processing conditions of the products at the destination, the transportation after the destination is excluded from the calculation as it is not possible to make a reasonable calculation.

10The downstream of the product destination has a large number of potential uses and it is not possible to determine all GHG profiles, so a reasonable calculation is not possible.

Therefore, a reasonable calculation is not possible and is not disclosed.

12, the calculation method has been established and the calculation is carried out retrospectively to 2020.

15 is not disclosed due to very low emissions.

(FY)

Waste	Scope*	Unit	2021	2022	2023	2024	2025
Amount of waste generation	Japan	Thousand tonnes	110	109	106	98	98
	Overseas		6	11	16	15	39
	Global		116	120	122	113	137
Amount of waste emission	Japan		104	103	102	96	95
	Overseas		6	11	16	14	39
	Global*5		109	114	118	111	135
Amount recycled externally	Japan		99	98	97	90	89
	Overseas		6	11	16	7	34
	Global		104	109	112	97	123
Landfill	Japan	%	0.3	0.2	0.4	0.5	0.4
	Overseas		0.2	0.2	0.2	1.8	1.0
	Global		0.5	0.5	0.6	2.3	1.4
Landfill rate	Japan		0.23	0.22	0.38	0.52	0.39
	Overseas		3.42	2.21	1.53	12.59	2.47
	Global		0.39	0.40	0.53	2.08	0.98

*5 Excluding the amount of construction waste from affiliated companies

(FY)

Water accounting		Scope*	Unit	2021	2022	2023	2024	2025
Total water intake		Japan	Thousand m ³	83,411	84,494	84,714	84,994	83,689
		Overseas		1,061	1,430	1,482	1,821	1,808
		Global		84,472	85,924	86,197	86,815	85,497
	Tap water	Japan		439	452	442	452	481
		Overseas		120	170	509	599	689
		Global		559	622	951	1,051	1,170
	Groundwater	Japan		28,783	29,708	28,841	29,040	26,447
		Overseas		450	565	684	662	561
		Global		29,233	30,273	29,526	29,702	27,008
	Industrial water	Japan		2,551	2,700	2,894	2,550	2,875
		Overseas		452	639	289	560	558
		Global		3,003	3,339	3,183	3,110	3,432
	Seawater	Japan		0	0	0	0	0
		Overseas		0	0	0	0	0
		Global		0	0	0	0	0
	River water	Japan		51,638	51,634	52,537	52,952	53,886
		Overseas		45	0	0	0	0
		Global		51,683	51,634	52,537	52,952	53,886
	Other	Japan		0	0	0	0	0
		Overseas		38	56	0	0	0
		Global		38	56	0	0	0
Recycled water	Japan	59,182		57,527	53,440	52,646	50,837	
	Overseas	0		0	46	121	118	
	Global	59,182		57,527	53,486	52,768	50,955	
Total water consumption	Japan	3,143		1,883	2,829	1,519	1,757	
	Overseas	424		470	458	628	568	
	Global	3,568		2,353	3,287	2,147	2,325	
Total water discharge		Japan		80,267	82,611	81,885	83,474	81,933
		Overseas		636	960	1,024	1,193	1,239
		Global		80,904	83,571	82,909	84,667	83,172
	Sewage system	Japan		324	377	164	139	118
		Overseas		76	167	580	764	934
		Global		400	544	744	903	1052
	Freshwater	Japan		35,473	35,968	34,132	35,067	33,620
		Overseas		519	734	440	353	301
		Global		35,992	36,702	34,572	35,420	33,921
	Seawater	Japan		44,020	46,064	47,384	48,084	47,776
		Overseas		4	3	4	5	4
		Global		44,024	46,067	47,388	48,089	47,780
	Groundwater	Japan		0	0	0	0	0
		Overseas		0	0	0	0	0
		Global		0	0	0	0	0
	Other	Japan		450	202	205	184	419
		Overseas		38	56	0	71	0
		Global		488	258	205	255	419

(FY)

PRTR Substances		Scope*	Unit	2021	2022	2023	2024*6	2025*6
Emissions		Japan	Tonnes	221	197	108	771	457
	Emissions to atmosphere			200	166	94	53	33
	Emissions to rivers and other waterways			21	32	14	718	423
	Emissions to soil			0	0	0	0	0
Transfer volume		Japan	Tonnes	1,237	2,302	2,668	2,196	3,125
	Transfer to public sewage system			0	0	1	1	0
	Transfer to waste			1,237	2,302	2,667	2,195	3,125

*6 Based on the revision of the Cabinet Order in 2021, the chemical substances subject to calculation have been changed since FY2024.

(FY)

Air emissions		Scope*	Unit	2021	2022	2023	2024	2025
VOC emissions		Japan	Tonnes	200	166	94	53	33
VOC emissions reduction rate (base: FY2015)	KPI		%	15	29	60	78	86
NOx emissions			Tonnes	1,251	1,077	1,361	1,147	966
SOx emissions			Tonnes	968	907	1,033	755	689

(FY)

Effluents	Scope*	Unit	2021	2022	2023	2024	2025
COD emissions	Japan	Tonnes	860	1,022	1,031	854	816
Total nitrogen emissions			156	200	187	203	187
Total phosphorus emissions			37	35	35	72	46

(FY)

Visualization of Environmental Contribution		Scope*	Unit	2021	2022	2023	2024*7	2025*7
ECO-PARTNER SYSTEM® products sales		TOYOBO CO., LTD.	Billion yen	59.0	81.8	89.2	84.7	86.3
ECO-PARTNER SYSTEM® products sales ratio	KPI		%	29.9	33.8	35.2	31.2	30.7

*7 FY2024 totals include TOYOBO CO., LTD., and TOYOBO MC Corporation.

(FY)

Compliance with Environmental Laws and	Scope*	Unit	2021	2022	2023	2024	2025
Serious environment-related accidents	Japan	Cases	0	0	0	0	0
Serious violations to environmental laws and regulations			0	0	0	0	0

* Scope

TOYOBO CO., LTD.: TOYOBO CO., LTD. only

Group companies in Japan: domestic consolidated subsidiaries

Japan: TOYOBO CO., LTD. and Group companies in Japan

Overseas: Overseas consolidated subsidiaries

Global: Whole Group in Japan and overseas

—: No data

Employees		Scope※	Unit	2021	2022	2023	2024	2025
Number of employees by region		TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	people	3,365	3,831	4,015	4,336	4,205
		Global		10,149	10,503	10,885	10,668	9,976
Number of employees by gender	Male	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	people	2,479	2,868	3,006	3,186	3,081
	Female			886	963	1,009	1,150	1,124
	Total			3,365	3,831	4,015	4,336	4,205
	Female ratio		%	26.3	25.1	25.1	26.5	26.7
Number of employees by age	10s (Ages 18 or over)	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	people	62	82	79	77	64
	20s			559	684	787	885	904
	30s			775	841	874	951	921
	40s			994	1,096	1,084	1,160	1,067
	Over 50s			975	1,128	1,191	1,263	1,249
Ratio of employees with disabilities	KPI	TOYOBO CO., LTD.	%	2.2	2.2	2.3	2.3	2.2
Number of Management personnel	Male	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	people	589	648	626	589	585
	Female			19	25	31	34	35
	Total			608	673	657	623	620
	Female ratio		%	3.1	3.7	4.7	☑ 5.5	5.6
Number of Management personnel (manager-class)	Male		people	498	546	527	504	504
	Female			18	23	28	32	33
	Total			516	569	555	536	537
	Female ratio		%	3.5	4.0	5.0	5.9	6.1
Number of Management personnel (general manager-class)	Male		people	91	102	99	85	81
	Female			1	2	3	2	2
	Total			92	104	102	87	83
	Female ratio		%	1.1	1.9	2.9	2.2	2.4

(FY)

Comfortable Working Environment		Scope※	Unit	2021	2022	2023	2024	2025
Average years of service	Male	TOYOBO CO., LTD.	Years	17.1	15.1	14.9	13.3	13.9
	Female			16.7	15.3	14.4	13.6	13.9
	Total			17.0	15.2	14.7	13.4	13.9
Number of Employee turnover	Male	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD..	people	106	124	204	215	236
	Female			28	35	63	88	70
	Total			134	159	267	303	306
Number of Voluntary turnover	Male	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD..	people	70	87	118	114	133
	Female			21	14	18	43	42
	Total			91	101	136	157	175
Number of employees whose overtime hours exceeded 80 hours a month	Non-management employees	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	people	0	0	0	0	2
	Management personnel			95	68	10	51	103
	Total			95	68	10	51	105
	Ratio		%	2.8	1.8	0.2	1.7	0.1
Ratio of overworked employees	KPI	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	%	-	-	-	-	0.26*
Monthly average overtime hours		TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	Hours	9.4	10.4	10.7	10.1	11.12
Ratio of taking paid leave	KPI		%	64.0	72.3	80.2	83.2	79.0
Number of employees taking childcare leave	Male	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	people	69	58	98	85	69
	Female			30	32	39	33	36
	Total			99	90	137	118	105
Ratio of taking childcare leave	Male	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	%	80.0	64.4	104.3	97.7	86.3
	Female			100	100	100	100	100
	Total			85.0	73.8	103.0	98.3	90.5
Return rate of employees from childcare leave	Male	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	%	100	100	100	100	100
	Female			100	100	100	97	100
	Total			100	100	100	99.2	100

*To place greater emphasis on preventing health issues caused by long working hours, the previous indicator

“reduction in annual time worked outside statutory working hours” has been revised to “ratio of overworked employees”, effective from fiscal 2025.

(FY)

Comfortable Working Environment		Scope※	Unit	2021	2022	2023	2024	2025
Number of employees taking short working hour program for childcare	Male	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	people	2	2	4	4	3
	Female			68	65	79	93	95
	Total			70	67	83	97	98
Number of employees taking telecommuting systems	Male	TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	people	1,415	1,688	1,750	1,585	1,458
	Female			630	725	770	772	781
	Total			2,045	2,413	2,520	2,357	2,239
Number of employees taking family care leave		TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	people	0	1	2	1	0
Number of employees taking short working hour program for family care				0	2	2	2	2
Number of employees taking telecommuting systems for family care				0	0	0	0	0
Union membership rate			%	84.3	79.0	85.1	84.9	84.8
Positive response rate on employee engagement score		TOYOBO CO., LTD., TOYOBO MC Corporation,TOYOBO STC CO., LTD.	%	-	①33 ②42	①38 ②50	-	①42 ②53
①Items related to daily work performance								
②Items related to respect for diverse opinions and perspectives								

(FY)

Recruitment		Scope※	Unit	2021	2022	2023	2024	2025
Number of new hires	Male	TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD.	people	277	507	323	230	154
	Female			102	130	123	81	62
	Total			379	637	446	311	216
	Female ratio		%	26.9	20.4	27.6	26.0	28.7
Number of mid-career hires	Male	TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD.	people	183	371	198	98	41
	Female			43	76	65	29	20
	Total			226	447	263	127	61
	Female ratio		%	19.0	17.0	24.7	29.6	41.5
Number of new university graduates (technical positions)	Male	TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD.	people	31	43	37	47	41
	Female			13	13	20	22	19
	Total			44	56	57	69	60
	Female ratio		%	29.5	23.2	35.1	31.9	31.7
Number of new university graduates (administrative positions)	Male	TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD.	people	10	12	14	17	5
	Female			10	13	7	11	8
	Total			20	25	21	28	13
	Female ratio		%	50.0	52.0	33.3	39.3	61.5
Number of new junior college /high school graduates	Male	TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD.	people	68	81	74	68	67
	Female			27	28	31	19	15
	Total			95	109	105	87	82
	Female ratio		%	28.4	25.7	29.5	21.8	18.3

(FY)

HR Development & Evaluation, Human Rights		Scope※	Unit	2021	2022	2023	2024	2025
Education hours per employee	KPI	TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD.	Hours	12.8	17.67	17.97	18.22	14.35
Education investment per employee	KPI		Ten thousand yen	2.4	5.0	5.0	5.0	4.4
Number of overseas core personnel trained in Japan	KPI	Global	people	※Canceled because of COVID-19			7	20
Education & Training-Related Total training attendees		TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD.	people	1,558	2,269*	2,410*	2,709*	1,954*
Education & training Total training hours			Hours	25,120	38,936*	39,816*	43,340*	36,212*
Implementation status of human rights education and training	KPI		%	24.1	27.6	48.0	58.1	83.0

*Includes trainings related to women empowerment promotion from FY2022

(Year)

Safety/Prevention		Scope※	Unit	2020	2021	2023	2024	(Year) 2025
Number of major accidents	KPI	Japan	Cases	1	0	0	0	0
		Global		—	—	0	0	0
Number of abnormal events, accidents (fire & explosion accidents)	KPI	Japan		1	1	0	0	0
Number of environmental accidents and spills	KPI			0	2	0	1	1

(Year)

Safety/Prevention	Scope※	Unit	2020	2021	2023	2024	2025
Occupational accident frequency rate (lost time) (including accidents at affiliated companies)	Japan	Lost workday injuries per million hours worked	0.70	0.42	0.55	1.15	0.40
Number of fatalities due to work-related accidents (employees)	Japan	people	2	0	0	0	0
Number of fatalities due to occupational accidents (cooperative companies(contractor))			0	0	0	0	0
Number of employees trained on safety	Japan	people	—	7,152	4,331	5,192	9,179*
ISO45001 Number of certified sites **	TOYOBO CO., LTD.	site	—	1	2	3	4
Number of sites in denominator			—	7	7	7	7
Ratio of certified sites			—	14.3	28.6	42.9	57.1

* The aggregation method was revised starting in 2024.

** is the fiscal year

(FY)

Quality	Scope※	Unit	2021	2022	2023	2024	2025
Number of incidents related to products	Japan	Cases	0	0	0	0	0
Implementation status of product safety and quality assurance training		%	80	100	100	100	100

(FY)

Occupational Health	Scope※	Unit	2021	2022	2023	2024	2025
Average rate of lifestyle-related diseases	TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD.	%	36.7	35.0	35.4	38.7	38.8
Severity rate of sick leave		Total number of sick leave days / total number of actual working hours x 1,000	0.45	0.55	0.86	0.79	0.84
Smoking rate		%	24.6	23.2	22.9	23.0	23.3
Injury and illness allowance		Yen	30,843,349	27,360,253	55,101,222	89,925,026	67,581,017
Legal benefit cost			502,477,649	620,239,062	758,820,258	874,635,984	840,429,350

(FY)

Supply Chain	Scope※	Unit	2021	2022	2023	2024	2025
CSR Procurement Survey(conducted every other year) response ratio	TOYOBO CO., LTD.	%	—	93	Follow-up on survey results	93	Follow-up on survey results

(FY)

Data Security & Privacy	Scope※	Unit	2021	2022	2023	2024	2025
Number of instances of information security education implementations	TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD.	Cases	19	23	51*	97**	13**
Number of incidents (information leaks, service outages, etc.)		Cases	0	0	0	0	0

* The aggregation method was changed in FY2023.

**Scope : TOYOBO CO., LTD, its subsidiaries, and affiliated companies accounted for using the equity method and over which Toyobo has influence.

(FY)

Communication with stakeholders	Scope※	Unit	2021	2022	2023	2024	2025
Number of press releases	TOYOBO CO., LTD.	Cases	90	93	103	84	81
Number of interviews with investors		Cases	144	148	124	113	130
Number of meetings with employees and labor unions		Cases	14	47	77	60	62
Number of engagement with stakeholders		Cases	2	1	3	3	3

(FY)

Social Contributions	Scope※	Unit	2021	2022	2023	2024	2025
Social contribution expenditure	Japan	Million yen	28	123	119	128	206

※ Scope

TOYOBO CO., LTD. : TOYOBO CO., LTD. Only

Japan : TOYOBO CO., LTD. and domestic consolidated subsidiaries

Overseas : Overseas consolidated subsidiaries

Global : Whole Group in Japan and overseas

☒ Indicators for fiscal 2024 with this icon are externally assured by KPMG AZSA Sustainability Co., Ltd.

Governance

July 2025

(FY)

Board of Directors		Scope*	Unit	2021	2022	2023	2024	2025
Number of Directors	Male	TOYOBO CO., LTD.	people	9	10	9	8	8
	Female			1	1	1	2	2
	Total			10	11	10	10	10
	Outside directors			(4)	(4)	(5)	(5)	(5)
	Independent directors			(4)	(4)	(5)	(5)	(5)
	Ratio of outside directors		%	40	36	50	50	50
	Female ratio			10	9	10	20	20
Number of Corporate Auditors	Male	TOYOBO CO., LTD.	people	4	4	4	4	4
	Female			0	0	0	0	0
	Total			4	4	4	4	4
	Outside corporate auditors			(2)	(2)	(2)	(2)	(2)
	Independent corporate auditors			(2)	(2)	(2)	(2)	(2)
	Ratio of outside corporate auditors		%	50	50	50	50	50
	Female ratio			0	0	0	0	0
Number of meetings of the Board of Directors / committees** KPI		TOYOBO CO., LTD.	cases	25	24	23	22	25

** Nomination and Compensation Advisory Committee

Research & Development	Scope*	Unit	2021	2022	2023	2024	2025
R&D expenses	Global	Billion yen	12.7	13.8	14.1	15.3	14.3
Ratio of R&D expenses to net sales		%	3.8	3.7	3.5	3.7	3.4

Compliance		Scope*	Unit	2021	2022	2023	2024	2025
Serious legal and regulatory violations	KPI	Global	cases	2	0	0	0	0
Number of consultations for compliance consultation desks (including internal report contact office)				37	62	78	102	116
Recommendations for exclusion by relevant authorities (including the Japan Fair Trade Commission)		Japan		0	0	0	0	0
Operational suspension due to misconduct				0	0	0	0	0
Criminal prosecution for compliance-related incidents and accidents				0	0	0	0	0
Exposure of price cartels		Overseas		0	0	0	0	0
Exposure of bribery				0	0	0	0	0
Exposure of other violations				0	0	0	0	0
Violations and administrative disciplines relating to corrupt activities		Global		0	0	0	0	0
Dismissal of employees relating to corrupt activities				0	0	0	0	0
Fines and penalties relating to corrupt activities				0	0	0	0	0
Number of Compliance study sessions for managers and various other trainings		Global		24 + video distribution for all employees	31 + video distribution for all employees	58 + video distribution for all employees	62 + video distribution for all employees	Study sessions for managers via video distribution: 100% attendance by those obligated to attend + 30 other compliance training sessions

Other		Scope*	Unit	2021	2022	2023	2024	2025
Political donations		TOYOBO CO., LTD.	Million yen	0.05	0.05	0.05	0.03	0

* Scope

TOYOBO CO., LTD.: TOYOBO CO., LTD. only

Japan: TOYOBO CO., LTD. and domestic consolidated subsidiaries

Overseas: Overseas consolidated subsidiaries

Global: Whole Group in Japan and overseas

● Policies and Guidelines

Policies and guidelines related to Toyobo group are listed below.

Category	Policies and guidelines
Management	<ul style="list-style-type: none"> ● TOYOBO Group Charter of Corporate Behavior ● Policy and approach regarding on sustainability management
Governance	<ul style="list-style-type: none"> ● Policy and approach regarding on corporate governance ● Basic policy on business risk ● Information security policy (theme excerpts only)
Human rights and human resources	<ul style="list-style-type: none"> ● TOYOBO Group Human Rights Policy ● TOYOBO Group Diversity Promotion Policy ● Policy and approach regarding on human resource management ● TOYOBO Health & Productivity Management Declaration
Compliance	<ul style="list-style-type: none"> ● Policy and approach regarding on compliance ● Privacy Policy (Personal Information Protection Policy) ● Toyobo Group Anti-Bribery policy ● Toyobo Group's Tax Policy
Safety, disaster prevention, and quality	<ul style="list-style-type: none"> ● TOYOBO Group Basic Policy on Health & Safety ● The Toyobo Group's Basic Policy on Product Safety and Quality Assurance
Environment	<ul style="list-style-type: none"> ● TOYOBO Group Fundamental Policy on the Global Environment ● Action Guidelines for Biodiversity Conservation

Category	Policies and guidelines
Procurement and Logistics	<ul style="list-style-type: none"> ● Basic Policy on Transactions in Procurement and Logistics ● CSR Procurement Guidelines ● Green Procurement Guidelines
Others	<ul style="list-style-type: none"> ● TOYOBO Group Social Contribution Policy ● Policy and approach regarding on dialogue with stakeholders ● Editorial Policy

● GRI Content Index

The statement of use;	TOYOBO CO., LTD. has reported in accordance with the GRI Standards for the period from 1 April 2024 to 31 March 2025.
The title of GRI 1 used;	GRI 1: Foundation 2021

[↓ General Disclosures](#)
[↓ Economic](#)
[↓ Environmental](#)
[↓ Social](#)

GRI Standards	Disclosures	References
GRI2 : General Disclosures 2021		
1. The organization and its reporting practices		
2-1	Organizational details	● Corporate Data
2-2	Entities included in the organization's sustainability reporting	● Corporate Data
2-3	Reporting period, frequency and contact point	● Editorial Policy
2-4	Restatements of information	Not applicable
2-5	External Assurance	● External Assurance
2. Activities and workers		

GRI Standards	Disclosures	References
2-6	Activities, value chain and other business relationships	<ul style="list-style-type: none"> • Corporate Data • Products • Annual Securities Reports • Supply Chain Management
2-7	Employees	<ul style="list-style-type: none"> • ESG Performance Data > Social
2-8	Workers who are not employees	—
3. Governance		
2-9	Governance structure and composition	<ul style="list-style-type: none"> • Corporate Governance > Structure • Corporate Governance Report
2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> • Corporate Governance > Election and dismissal of top management and nomination of candidates for directors • Corporate Governance Report
2-11	Chair of the highest governance body	<ul style="list-style-type: none"> • Corporate Governance > Structure • Corporate Governance > Election and dismissal of top management and nomination of candidates for directors > Board of Directors meeting attendance and skills matrix • Corporate Governance Report
2-12	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> • Corporate Governance > Overview of boards and committees • Corporate Governance Report
2-13	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> • Corporate Governance > Structure • Corporate Governance Report • Sustainability Management > Policy and approach > Sustainability management structure
2-14	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> • Sustainability Management > Policy and approach > Sustainability management structure

GRI Standards	Disclosures	References
2-15	Conflicts of interest	<ul style="list-style-type: none"> • Corporate Governance Report
2-16	Communication of critical concerns	<ul style="list-style-type: none"> • Sustainability Management > Policy and approach > Sustainability management structure • Risk Management > Structure
2-17	Collective knowledge of the highest governance body	<ul style="list-style-type: none"> • Corporate Governance > Structure • Corporate Governance > Progress in system enhancement • Corporate Governance > Expected expertise and skills for each item in the skills matrix
2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> • Corporate Governance > Evaluating the effectiveness of the Board of Directors
2-19	Remuneration policies	<ul style="list-style-type: none"> • Corporate Governance > Officer compensation system • Corporate Governance Report
2-20	Process to determine remuneration	<ul style="list-style-type: none"> • Corporate Governance > Officer compensation system • Corporate Governance Report
2-21	Annual total compensation ratio	—
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	<ul style="list-style-type: none"> • Message from the President • Sustainability Management > Policy and approach • Sustainable Vision 2030
2-23	Policy commitments	<ul style="list-style-type: none"> • TOYOB0 Group Charter of Corporate Behavior • Respect for Human Rights
2-24	Embedding policy commitments	<ul style="list-style-type: none"> • Respect for Human Rights • Supply Chain Management • Compliance

GRI Standards	Disclosures	References
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> • Respect for Human Rights>Initiatives>Establishment of complaint handling and internal reporting systems • Compliance>Initiatives>Compliance consultation desks
2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> • Compliance>Initiatives>Compliance consultation desks
2-27	Compliance with laws and regulations	<ul style="list-style-type: none"> • Respect for Human Rights>Initiatives>Reducing excessive working hours • Compliance>Anti-corruption initiatives • ESG Performance Data>Governance
2-28	Membership associations	<ul style="list-style-type: none"> • Japan Business Federation (Keidanren) • Kansai Economic Federation (Kankeiren) • Japan Chemical Industry Association • Japan BioPlastics Association (JBPA) • Japan Chemical Fibers Association (JCFA) • Japan Spinners' Association • Sustainability Management>Participation in initiatives • Plastic Resource Circulation>Participating in initiatives • External Evaluation (ESG Factors)
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	<ul style="list-style-type: none"> • Dialogue with Stakeholders • Social Contribution
2-30	Collective bargaining agreements	<ul style="list-style-type: none"> • Dialogue with Stakeholders>Dialogue with stakeholders and investors>Employees>Dialogue between management and labor • Respect for Human Rights>Initiatives>Respecting workers' rights

GRI Standards	Disclosures	References
GRI3 : Material Topics 2021		
3-1	Process to determine material topics	<ul style="list-style-type: none"> ● Materiality
3-2	List of material topics	<ul style="list-style-type: none"> ● Materiality
3-3	Management of material topics	<ul style="list-style-type: none"> ● Corporate Governance > Management approach ● Safety, Disaster Prevention > Management approach ● Quality > Management approach ● Respect for Human Rights > Management approach ● Materiality ● Environment > Management Approach ● Supply Chain Management > Management approach ● Human Resource Management > Management approach ● Diversity, Equity, & Inclusion (DE &I) > Management approach ● Health and Productivity Management > Management approach ● Social Contribution > Management approach ● Compliance > Management approach ● Risk Management > Management approach

GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> • Annual Securities Reports • Financial Results • ESG Performance Data > Social > Social contribution expenditure
201-2	Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> • Annual Securities Reports • Sustainability Management > Participation in initiatives > Task Force on Climate-related Financial Disclosures (TCFD)
201-3	Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> • Annual Securities Reports
201-4	Financial assistance received from government	—
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	—
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	—
203-2	Significant indirect economic impacts	—
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	—
GRI 205: Anti-corruption 2016		

205-1	Operations assessed for risks related to corruption	—
205-2	Communication and training about anti-corruption policies and procedures	● Compliance
205-3	Confirmed incidents of corruption and actions taken	—
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—
GRI 207: Tax 2019		
207-1	Approach to tax	● Tax Affairs Policy
207-2	Tax governance, control, and risk management	—
207-3	Stakeholder engagement and management of concerns related to tax	—
207-4	Country-by-country reporting	—

GRI 301: Materials 2016		
301-1	Materials used by weight or volume	—
301-2	Recycled input materials used	—
301-3	Reclaimed products and their packaging materials	—
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	<ul style="list-style-type: none"> • ESG Performance Data > Environment
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	—
302-4	Reduction of energy consumption	<ul style="list-style-type: none"> • Management Approach > Environmental management system > Environmental and chemical substance management assessments • Climate Change • ESG Performance Data > Environment
302-5	Reductions in energy requirements of products and services	<ul style="list-style-type: none"> • Eco-Conscious Products > Initiative > Initiatives for LCA calculation • Climate Change > Initiatives related to the entire value chain > Reduction of Scope 3 emissions
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	<ul style="list-style-type: none"> • Water Resources
303-2	Management of water discharge-related impacts	<ul style="list-style-type: none"> • Chemical Substance Management > Reducing Environmental Impact > Initiatives • Water Resources > Initiative > Risk reduction

303-3	Water withdrawal	<ul style="list-style-type: none"> • Water Resources • ESG Performance Data > Environment
303-4	Water discharge	<ul style="list-style-type: none"> • ESG Performance Data > Environment
303-5	Water consumption	<ul style="list-style-type: none"> • ESG Performance Data > Environment
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> • Biodiversity > Identifying risks
304-2	Significant impacts of activities, products, and services on biodiversity	<ul style="list-style-type: none"> • Biodiversity > Initiatives for reducing environmental impact
304-3	Habitats protected or restored	<ul style="list-style-type: none"> • Biodiversity > Initiatives for reducing environmental impact
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> • Climate Change • ESG Performance Data > Environment
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> • Climate Change • ESG Performance Data > Environment
305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> • Climate Change • ESG Performance Data > Environment
305-4	GHG emissions intensity	<ul style="list-style-type: none"> • ESG Performance Data > Environment

305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> ● Climate Change ● ESG Performance Data > Environment
305-6	Emissions of ozone-depleting substances (ODS)	—
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<ul style="list-style-type: none"> ● ESG Performance Data > Environment

GRI 306: Waste 2020


306-1	Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> ● Waste Reduction ● ESG Performance Data > Environment
306-2	Management of significant waste-related impacts	<ul style="list-style-type: none"> ● Waste Reduction ● ESG Performance Data > Environment
306-3	Waste generated	<ul style="list-style-type: none"> ● Waste Reduction ● ESG Performance Data > Environment
306-4	Waste diverted from disposal	<ul style="list-style-type: none"> ● ESG Performance Data > Environment
306-5	Waste directed to disposal	<ul style="list-style-type: none"> ● ESG Performance Data > Environment

GRI306: Effluents and Waste 2016

306-3	Significant spills	<ul style="list-style-type: none"> ● ESG Performance Data > Environment
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GRI 308: Supplier Environmental Assessment 2016

308-1	New suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> ● Supply Chain Management ● CSR Procurement Guidelines ● Green Procurement Guidelines
308-2	Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> ● Supply Chain Management > Initiatives

GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	<ul style="list-style-type: none"> • ESG Performance Data>Social
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
401-3	Parental leave	<ul style="list-style-type: none"> • Human Resource Management>Initiatives>Work-life balance • ESG Performance Data>Social
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	—
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	<ul style="list-style-type: none"> • Safety, Disaster Prevention
403-2	Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> • Safety, Disaster Prevention • TOYOBO's Way of Manufacturing >Security and Disaster prevention Initiatives(1.1MB) 
403-3	Occupational health services	<ul style="list-style-type: none"> • Safety, Disaster Prevention
403-4	Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> • Safety, Disaster Prevention
403-5	Worker training on occupational health and safety	<ul style="list-style-type: none"> • Safety, Disaster Prevention
403-6	Promotion of worker health	<ul style="list-style-type: none"> • Health and Productivity Management

403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> ● Safety, Disaster Prevention
403-8	Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> ● Safety, Disaster Prevention
403-9	Work-related injuries	<ul style="list-style-type: none"> ● Safety, Disaster Prevention ● ESG Performance Data>Social
403-10	Work-related injuries	<ul style="list-style-type: none"> ● Safety, Disaster Prevention ● ESG Performance Data>Social
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	<ul style="list-style-type: none"> ● Human Resource Management>Initiatives>Human resources development ● ESG Performance Data>Social
404-2	Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> ● Human Resource Management>Initiatives>Human resources development
404-3	Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> ● Human Resource Management
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	<ul style="list-style-type: none"> ● Corporate Governance ● ESG Performance Data>Governance ● Human Resource Management ● Diversity, Equity, & Inclusion (DE&I) ● ESG Performance Data>Social
405-2	Ratio of basic salary and remuneration of women to men	<ul style="list-style-type: none"> ● Annual Securities Reports
GRI406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> ● Compliance>Initiatives>Compliance consultation desks

GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<ul style="list-style-type: none"> • Respect for Human Rights > Initiatives > Respecting worker's right
GRI 408 : Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none"> • Respect for Human Rights • Supply Chain Management
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<ul style="list-style-type: none"> • Respect for Human Rights • Supply Chain Management
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	—
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	—
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	—
413-2	Operations with significant actual and potential negative impacts on local communities	—
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none"> • Supply Chain Management • CSR Procurement Guidelines
414-2	Negative social impacts in the supply chain and actions taken	—

GRI 415: Public Policy 2016		
415-1	Political contributions	<ul style="list-style-type: none"> • ESG Performance Data > Governance
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	—
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<ul style="list-style-type: none"> • ESG Performance Data > Governance
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	<ul style="list-style-type: none"> • Quality
417-2	Incidents of non-compliance concerning product and service information and labeling	<ul style="list-style-type: none"> • Quality
417-3	Incidents of non-compliance concerning marketing communications	—
GRI418 : Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> • Risk Management > Data security, privacy

● TCFD index

Disclosure based on TCFD recommendations in the Integrated Report 2025 (90KB)



↓ Governance ↓ Strategy ↓ Risk management ↓ Metrics and targets

Governance

Disclose the organization’s governance around climate-related risks and opportunities.

Recommended disclosure content	Relevant sections
a)The board’s oversight of climate-related risks and opportunities	<ul style="list-style-type: none">• Environment>Management Approach>Structure• Environment>Climate Change>Structure(Governance)
b)Management’s role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none">• Sustainability>Governance>Corporate Governance>Officer compensation system• ESG Performance Data>Responses to CDP• Annual Securities Reports• Integrated Report

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Recommended disclosure content	Relevant sections
a)The climate-related risks and opportunities the organization has identified over the short,medium, and long term.	<ul style="list-style-type: none"> ● Sustainability>TOYOBO Group's Sustainability>Materiality ● Environment>Climate Change>Initiatives related to our manufacturing businesses ● Environment>Climate Change>Initiatives related to the entire value chain ● Environment>Climate Change>Strengthening climate change measures>Development of technologies that contribute to the realization of a decarbonized society ● Investor Relations>IR Library>Medium-Term Management Plan>2025 Medium-Term Management Plan (FY3/23-FY3/26) ● ESG Performance Data>Responses to CDP ● Annual Securities Reports ● Integrated Report
b)The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
c)The resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	

Risk management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Recommended disclosure content	Relevant sections
a)The organization's processes for identifying and assessing climate-related risks	<ul style="list-style-type: none"> • Governance>Risk Management • Environment>Climate Change>Structure(Governance)>Risk Management
b)The organization's processes for managing climate-related risks	<ul style="list-style-type: none"> • ESG Performance Data>Responses to CDP • Annual Securities Reports
c)How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<ul style="list-style-type: none"> • Integrated Report

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommended disclosure content	Relevant sections
a)The metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> • Environment>Climate Change>Indicators, Targets, and Results • Environment>Climate Change>Strengthening climate change measures>Introduction of internal carbon pricing system
b)Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	<ul style="list-style-type: none"> • Plastic Resource Circulation>Targets and results • Sustainability>TOYOTO Group's Sustainability>Sustainable Vision 2030 • Investor Relations>IR Library>Medium-Term Management Plan>2025 Medium-Term Management Plan (FY3/23-FY3/26)
c)The targets used by the organization to manage climate-related risks and opportunities and performance against targets	<ul style="list-style-type: none"> • ESG Performance Data>Environment • ESG Performance Data>Responses to CDP • Annual Securities Reports • Integrated Report

● External Assurance

Independent assurance report

To enhance the reliability of the data disclosed, selected environmental data has obtained independent assurance by KPMG AZSA Sustainability Co., Ltd.. In the information given below, the ☒ mark indicates fiscal year 2025 data that has obtained independent assurance.



Independent assurance
report (4.2MB)



- [Data including items of independent assurance \(75KB\)](#) 
- [ESG Performance Data](#)



Independent Practitioner's Limited Assurance Report

To the President & Representative Director, CEO & Co-COO of TOYOBO CO., LTD.

Conclusion

We have performed a limited assurance engagement on whether selected environmental performance indicators (the "subject matter information" or the "SMI") presented in TOYOBO CO., LTD.'s (the "Company") TOYOBO REPORT 2025 (the "Report") for the year ended March 31, 2025 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained in the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol "☑".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI for the year ended March 31, 2025 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described in the Report, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Company's management.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- evaluating whether the Company's process for developing estimates as well as its use of data, selection of the methods and assumptions were appropriate;
- performing site visits at one of the Company's factories and one of the Company's subsidiaries which were determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Shinnosuke Kayumi

Shinnosuke Kayumi, Engagement Partner

KPMG AZSA Sustainability Co., Ltd.

Osaka Office, Japan

October 16, 2025

Key sustainability data

FY2025 results

Planet

Data aggregation period: (Domestic) April 1, 2024, to March 31, 2025 (Overseas) January 1, 2024, to December 31, 2024 Scope: Toyobo Group

		FY2025 results	Calculation methods
Scope 1	<input checked="" type="checkbox"/>	615 thousand t-CO ₂	In reference to the GHG Protocol, we include GHG emissions, calculated by converting the energy required to produce electricity or steam sold to other companies. GHG emissions with non-energy origins are calculated for Toyobo (non-consolidated) and domestic Group companies. The emission factors shown below are used in the respective calculations. ■CO ₂ emission factors for purchased gas: (Domestic) Basic emission factors by gas supplier as listed in the Ministry of the Environment's "Emission Factors by Gas Supplier (for Calculating Greenhouse Gas Emissions of Specified Emitters)—FY2024 Supply Data" (In cases where the emission factor of a given gas supplier was unknown, the "alternative factor" was used.) ■CO ₂ emission factors for purchased electricity: (Domestic) Basic emission factors by electricity supplier as listed in the Ministry of the Environment's "Emission Factors by Electricity Supplier (for Calculating Greenhouse Gas Emissions of Specified Emitters)—FY2024 Results" (In cases where the emission factor of a given utility was unknown, the "national average factor" was used.) (Overseas) Factors for 2022 listed by country "Emission Factors 2024" (2024), International Energy Agency (IEA) ■CO ₂ emission factors other than for purchased electricity: "Greenhouse Gas Emissions Calculation and Reporting Manual (v6.0)" (2025) issued by the Ministry of the Environment and the Ministry of Economy, Trade and Industry (used for both domestic and overseas subjects).
Scope 2	<input checked="" type="checkbox"/>	169 thousand t-CO ₂	
GHG emissions per unit of sales	<input checked="" type="checkbox"/>	1.86 t-CO ₂ per million yen	Total Scope 1 and Scope 2 emissions ÷ consolidated net sales
Energy consumption	<input checked="" type="checkbox"/>	2,775 GWh	In reference to the GHG Protocol, the energy required to produce electricity or steam sold to other companies is not deducted. The unit calorific values of fuels are based on the Energy Conservation Act and are expressed as higher heating values.
Scope 3	<input checked="" type="checkbox"/>	114 thousand t-CO ₂	The total value obtained by multiplying the amount of fuel and electricity purchased over one year (activity data) by the emission intensity per unit for each type of fuel and electricity, as provided by the Ministry of the Environment database and the Inventory Database for Environmental Analysis (IDEA).
	<input checked="" type="checkbox"/>	1,458 thousand t-CO ₂	The total value is calculated by multiplying the amount of utilities consumed during the use of final products sold over one year (activity data), such as electricity, steam, and chilled water, by the emission factors, useful life, and operating rate. Emission intensity per unit is based on proprietary data derived from the Ministry of the Environment database, IDEA, IEA, and equipment specifications used in the generation of each utility. The calculation focuses on VOC recovery equipment, urine sediment testing equipment, and fully automated gene analysis systems.
		3,996 thousand t-CO ₂	Calculations are made using weighted averages for some subsidiaries and affiliated companies, according to ratios of sales, sales volume, and number of employees.

People

	FY2025 results
Ratio of female managerial staff ^{*1,*2}	5.6%
Ratio of female directors ^{*3}	20.0%
Training investment per employee (and training time) ^{*1}	¥44,000 (14.35 hours)
Ratio of annual paid leave taken ^{*1}	79.0%
Ratio of male employees taking childcare leave ^{*1}	86.3%
Employment ratio of people with disabilities ^{*3}	2.24%
Frequency rate of workplace accidents resulting in lost workdays ^{*4}	0.40
Frequency of meetings with employees and labor unions ^{*3}	62
Implementation of human rights education and training ^{*1}	83.0%
Number of internal transfers through the internal recruitment system (cumulative) ^{*5,*6}	20

Innovation

	FY2025 results
R&D expenses	¥14.3 billion
Number of patents held ^{*3}	4,677

Referenced guidelines

- In making the calculations, we referred to the "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and its evaluation guidelines from the GHG Protocol; the "Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain" from the World Business Council for Sustainable Development (WBCSD); and various sources of information on the Green Value Chain Platform.
- With regard to emission intensity per unit, we referred to the following databases as of March 2025.
 - "Emissions Intensity Database for Accounting for Greenhouse Gas Emissions from Organization Supply Chains ver. 3.5" (2025), Ministry of the Environment. Cited as "Ministry of the Environment DB."
 - "IDEA (Inventory Database for Environmental Analysis) ver3.4" (2024), National Institute of Advanced Industrial Science and Technology/Sustainable Management Promotion Organization. Cited as "IDEA."
 - "Emission Factors 2024" (2024), International Energy Agency (IEA). Cited as "IEA."
- Scope: TOYOB0 CO., LTD., TOYOB0 MC Corporation, and TOYOB0 STC CO., LTD.
- Calculation method: Calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (including those on secondment who are primarily employed by the three companies mentioned above).
- Scope: TOYOB0 CO., LTD.
- Scope: TOYOB0 CO., LTD., and domestic consolidated subsidiaries. Aggregation period: January 1, 2024, to December 31, 2024.
- Scope: TOYOB0 CO., LTD., TOYOB0 MC Corporation, TOYOB0 STC CO., LTD., and TOYOB0 TEXTILE CO., LTD.
- Cumulative number of transfers since the start of the system in fiscal 2023.

☒ Indicators for fiscal 2025 with this icon are externally assured by KPMG AZSA Sustainability Co., Ltd. See page 65 of this Integrated Report for the independent practitioner's limited assurance report. [Details](#) > p.65

GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

Relevant laws are abbreviated. Act on the Rational Use of Energy and Shift to Non-Fossil Energy (Energy Conservation Act), Act on Promotion of Women's Participation and Advancement in the Workplace (Act on Promotion of Women's Participation)

● Editorial Policy

Toyobo group endeavors to provide comprehensive and easy-to-understand information disclosure, with a focus on sustainability information, to communicate initiatives for sustainable development of society and our group to our stakeholders on our sustainability website.

We also disclose basic company information on the About Toyobo website and information on financial results on the Investor Relations website. In addition, since fiscal 2020, we have issued the Integrated Report which summarizes financial and sustainability information in one publication as a tool for gaining understanding of our medium- to long-term growth strategy.

Period covered by the report

Fiscal 2025 (April 1, 2024 to March 31, 2025)

* Results of some activities in fiscal 2026 are also included

Scope of the report

The scope of the report is TOYOBO CO., LTD. and its consolidated group companies. However, where it is difficult to gather information on the consolidated basis, the report discloses information on a non-consolidated basis or for group companies in Japan. In either of these cases, the scope of reporting is stated.

Updated

October 2025 (next update planned: October 2026)

Guidelines referenced

- GRI Standards (Japanese version)
- VRF “International Integrated Reporting Framework”
- Task Force on Climate-related Financial Disclosures (TCFD Recommendations)
- Ministry of the Environment “Environmental Reporting Guidelines” (2018 versions)
- Ministry of Economy Trade and Industry “Guidance for Collaborative Value Creation 2.0”

Disclosure of information

TOYOBO REPORT (Integrated Report)

This report outlines our company's value creation-oriented growth strategy, and presents an overview of our business operations. We actively utilize this report as a tool for dialogue with shareholders, investors and other stakeholders.

[Integrated Report](#)



Our website

Investor Relations

Here, we bring together investor relations (IR) materials such as financial results, annual financial reports and business results presentations for the benefit of shareholders and investors. We also present an overview of the company's current financial status and business performance, stock information, an IR calendar, and a

Our website

Sustainability

Here, we present information about Toyobo group's ESG-related initiatives, along with relevant data.

[Sustainability ESG Performance Data](#)

Sustainability Report

PDF versions, compiled in November each year, of sustainability-related information posted on the

FAQ, etc.

[Investor Relations](#)

Annual Financial Report

Prepared in accordance with the requirements of Paragraph (1), Article 24 of the Financial Instruments and Exchange Act, the Annual Financial Report presents a summary of the company's current situation, details of its business areas, the current state of its facilities, its operational status, and its financial statements, etc.

[Annual Securities Reports](#)

FACT BOOK

The FACT BOOK presents key financial data, for both the company as a whole and individual segments, covering a period of 11 years. It also presents non-financial data covering a period of five years.

[Factbook](#)

company's website.

[Sustainability Report](#)

Corporate Governance Report

This report presents information about Toyobo group's approaches and systems, in accordance with Japan's Corporate Governance Code.

[Corporate Governance Report](#)



● CSR Procurement Guidelines

As of January 31, 2025

TOYOBO Group has established CSR procurement guidelines to support sustainable social development across the supply chain and contribute to the achievement of the SDGs.

When conducting transactions, we request that suppliers understand and comply with our CSR Procurement Guidelines. These guidelines, along with criteria such as management, quality, price, delivery, service, and technological development capabilities, are used to determine whether or not to do business with a supplier.

In addition, we will conduct a questionnaire to monitor the status of CSR initiatives and, as a result of the survey, we will request improvements from suppliers that have issues to address.

1. Promote CSR and engage proactively in social contributions.

- Respect stakeholders and contribute to the creation of a sound and sustainable society.
- Actively work on social contribution and community activities (such as environmental maintenance and improvement).

2. Maintain and strengthen compliance (including legal compliance), fair trading, and corporate ethics.

- Conduct business fairly and impartially without violating social norms in corporate activities.
- Observe laws and regulations (such as the Antimonopoly Act, the Commercial Code, the Companies Act, the Subcontract Act, the Act on the Protection of Personal Information, and the Foreign Exchange Act, etc.)
- Prohibit corruption and bribery of all stakeholders. (such as Illegal gifts, payments, consideration, provision of monetary or non-monetary benefits)
- Do not have a relationship with antisocial individuals or groups.
- Take measures to prevent and detect misconduct.

3. Maintain and strengthen environmental activities.

- Promote ongoing environmental protection activities (e.g. acquisition of ISO 14001).

- Strive for effective use of resources and energy savings such as improving the efficiency in the use of raw materials, water, and energy.
- Reduce emissions of pollutants into the air, water, and soil.
- Promote the three Rs for waste (Reduce: Reduce waste generation, Reuse: Reusing, Recycle: Recycling).
- Promote green procurement and green purchasing to reduce environmental impact.
- Strive to reduce greenhouse gas (CO₂ and other gases) emissions, and mitigate climate change.
- Promote efforts to conserve biodiversity, including nature conservation.

4. Strive to ensure stable supply of products and guarantee quality and product safety.

- Promote quality assurance activities and continuous improvement (e.g. ISO 9001 certification).
- Comply with laws and regulations, strive to reduce potential risks, and ensure product safety.
- Assuming in advance situations and events that may occur in an emergency and developing a Business Continuity Plan (BCP).

5. Respect for human rights.

- Prohibit inhumane acts such as child labor, forced labor, corporal punishment, ill treatment, and human trafficking.
- Prohibit all forms of discrimination, including those based on gender, nationality, race, creed, age, disability, and LGBTQ+.
- Prevent harassment that harms the dignity of individuals (including sexual and power harassment).
- Protect the rights of foreign workers, including foreign apprentices, and provide a safe and secure working environment.
- Promote responsible procurement in response to the Conflict Minerals Regulation.
- Comply with the occupational health and safety laws and regulations of each country and region in which activities are conducted, pay attention to the health of employees, and through health and productivity management, ensure that occupational health and safety standards do not fall below the residential and health and safety standards of the country concerned, and strive to realize safe and comfortable workplaces.
- Try to reduce excessive working hours in accordance with the laws and regulations of the country or region in which the company operates.
- Pay wages in excess of the minimum wage in accordance with the laws and regulations of the country or region in which the company operates.
- Support and respect the right of workers to freedom of association in accordance with the laws and regulations of the country or region in which the company operates.

- Support and respect the right of workers to collective bargaining and other rights in accordance with the laws and regulations of the country or region in which the company operates.
- Animal experiments and other issues should be considered for the welfare of animals.

6. Disclose information to and have a dialogue with stakeholders in a timely and appropriate manner, and maintain and strengthen information security measures.

- Timely disclose product and service information, financial and non-financial information, and risk information.
- Appropriately manage confidential and personal information, and strive to prevent information leakage and loss.
- Respect the intellectual property rights of others and ensure thorough compliance with related laws and regulations so as not to unreasonably infringe such rights.
- Establishing a mechanism for resolving internal and external complaints and problems, including the establishment of a consultation service, as well as protecting those who report and consult with.
- To fulfill its social responsibility throughout the entire supply chain, the company will strive to communicate the items stipulated in these Guidelines also to business partners and request their compliance.



● Green Procurement Guidelines

As of March 1, 2023

1. Introduction

Global environmental problems, including global warming, are becoming increasingly severe. Therefore, governments, industry, and consumers must work together to preserve the global environment and develop a recycling-oriented society. Based on the Toyobo Group's Fundamental Policy on the Global Environment, Toyobo is making efforts to “contribute to society, preserve the global environment, and leave behind a comfortable earth and prosperous society through human- and environmentally-friendly technologies” as a key corporate management issue. As a manufacturer, Toyobo works to preserve the environment through its products and the production activities that make those products and has published the Green Procurement Guidelines as part of this. Therefore, we ask for understanding of the principles and the cooperation of our trading partners.

2. Toyobo's approach to green procurement

2-1.Purpose

The purpose of the Green Procurement Guidelines is to contribute to the development of a sustainable society in partnership with companies that are taking proactive steps toward conservation of the environment by prioritizing procurement of materials and general purchased products with low environmental impact.

2-2.Definitions

- (1) Materials: a collective term for raw materials, fuel, and packaging materials used in the manufacture and sale of products;
- (2) General purchased products: a collective term for paper, stationary, office equipment, lighting equipment, fire extinguishers, and vehicles, etc. not directly related to the manufacture, etc. of products.

2-3.Scope of Application

These guidelines apply to all materials and general purchased products at Toyobo.

3. Green procurement standards

3-1.Green Procurement Standards for Materials

The following two green procurement standards are stipulated for materials.

3-1-1.Selection Standards for Trading Partners

In the selection of trading partners, the following will be considered in addition to other factors such as management, quality, price, lead time, service, and technical development capabilities. Therefore, trading partners are requested to proactively implement initiatives for environmental conservation.

- (1) Develop and make constant efforts to maintain and improve a management system. Also, proactively engage in environmental conservation activities
- (2) Respond to surveys on chemical substance content information

If the trading partner is a trading company, the selection standards apply to both the trading partner and the actual manufacturer.

3-1-2.Selection Standards for Materials

In the selection of materials, the following factors will be considered in addition to the required quality, function, and cost performance.

- (1) That the material does not contain any of the prohibited substances specified by Toyobo.
- (2) That the content of hazardous substances specified by Toyobo has been identified.

Prohibited substances and harmful chemical substances are specified in "TOYOBO Chemical Substance Management Classification."

Based on the TOYOBO Chemical Substance Management Classification, we are conducting surveys of suppliers to determine whether or not their materials contain substances subject to various regulations such as the RoHS Directive and REACH Regulation.

3-2.Green Procurement Standards for General Purchased Products

The standards for general purchased products are specified in Green Purchasing Standards.

4. Surveys of trading partners

4-1.Content of Surveys

- (1) Surveys on status of environmental conservation activities and initiatives
- (2) Surveys on chemical substance content information for materials

4-2.Timing of Surveys

- (1) A survey is performed when transactions commence.
- (2) Surveys of ongoing trading partners are performed regularly.

Supplementary Rules

1. The guidelines will be revised in accordance with changes in social conditions, etc.
2. The results of surveys submitted by trading partners in accordance with these guidelines will not be disclosed externally.

Inquiries

For inquiries about the guidelines:
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TOYOBO CO., LTD.