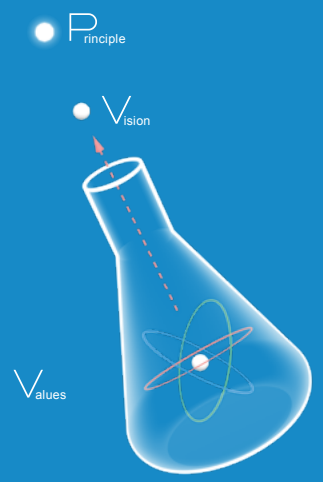
TOYOBO REPORT 2026

Toyobo Group Integrated Report
for the fiscal year ended March 31, 2026

Dedicated to Life and the Planet TOYOBO

Corporate philosophy framework



TOYOBO PVVS

Principle	***Jun-Ri-Soku-Yu*** Adhering to reason leads to prosperity
Vision	We will continue to create the solutions needed by people and the earth with our materials and science.
Values	We welcome change, enjoy change, and create change.

Brand slogan

Dedicated to Life and the Planet

Statement

If anything, materials are out of the spotlight.

Yet, when you look closely, you find they are all indispensable.

We remain deeply committed to life.

We serve broadly across the globe.

If these two things are our true essence, we aim to pursue their further horizons.

We catch even the faintest signs of concern in everyday life and the human journey.

We endeavor to be dedicated to life and the planet.

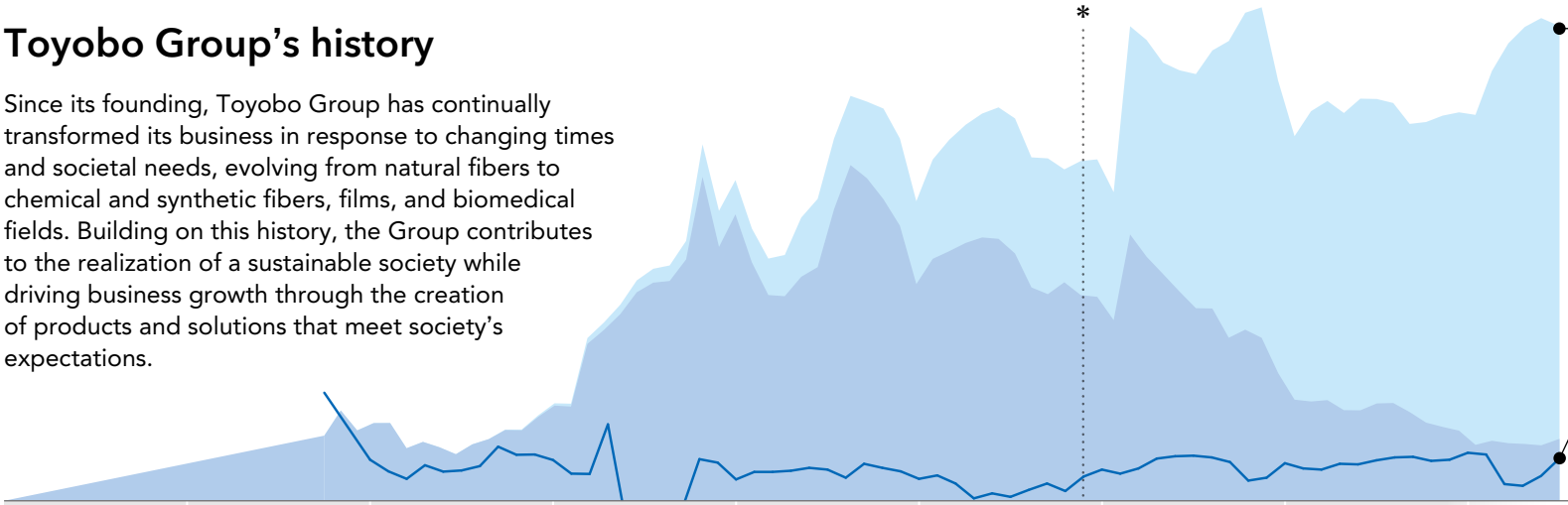
Sustainable Vision 2030 (Announced in May 2022)

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

Ideals we seek to realize	Innovation We aim 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, human-centric innovation, accelerated urbanization	Decarbonization, resource circulation, limited natural resources	
Social issues to be solved through commitment	People		Planet		
	Employee well-being and human rights in the supply chain	A healthy lifestyle and healthcare	Smart communities and comfortable spaces	A decarbonized and circular society	Quality water areas, air, and soil, and the preservation of biodiversity
Goals for the future	• People First: employee safety, company pride, and rewarding work • Respecting human rights across the entire supply chain	• Contributing to the field of epidemiology • Contributing to improving quality of life	• Contributing to the realization of a human-centric digital society • Creating comfortable spaces	• Contributing to carbon neutrality • Establishing an ecosystem for circulating resources	• Improving the environment through solutions • Reducing food loss
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				

Toyobo Group's history

Since its founding, Toyobo Group has continually transformed its business in response to changing times and societal needs, evolving from natural fibers to chemical and synthetic fibers, films, and biomedical fields. Building on this history, the Group contributes to the realization of a sustainable society while driving business growth through the creation of products and solutions that meet society's expectations.



Net sales

¥421.6 billion

Non-textiles business ¥367.4 billion

+

Textiles business ¥54.2 billion

Operating profit margin

6.6%

Note: Consolidated net sales and operating profit margin from fiscal 2000 onward.

1880 | 1920 | 1960 | 1970 | 1980 | 1990 | 2000 | 2010 | 2020

First transformation — Acquisition and advancement of polymer technology

Second transformation — Technological advancement and business diversification

Third transformation — From manufacturing to solutions

For more comfortable clothing
Developed into a manufacturer of high-performance fibers, from cotton and wool to synthetic fibers

To make effective use of seawater
Provides membranes used in seawater desalination systems

To improve the digital environment
Provides highly transparent film with excellent adhesion properties used in display panels

To reduce food loss
Helps reduce food waste by providing films that extend the shelf life of food

1882
Osaka Boseki established. Began the spinning business as Japan's first large-scale spinning mill operated by a private-sector company.

1956
Entered the synthetic fiber business. Began with acrylic fibers, followed by the introduction of polyester fiber technology in 1962.

1970
Entered the plastics business, building on technologies developed through the synthetic fiber business and polymer chemistry.

1979
Began commercial sales of seawater desalination modules as part of the functional membranes business. Later expanded into membranes for hemodialysis.

To enhance the safety of firefighting operations
Provides high-strength, flame-retardant fibers that support everyday life across a wide range of applications, including firefighting gear

Spinning and weaving of natural fibers → Chemical fibers → Synthetic fibers

1963
Entered the film business. Subsequently established a strong position as a comprehensive manufacturer of packaging films.

To ensure cleaner air
Develops and provides systems that efficiently adsorb and desorb volatile organic compounds (VOCs), enabling the recovered VOCs to be reused

2020
Developed and launched a COVID-19 detection kit capable of extraction, detection, and measurement in as little as 60 minutes.

Yeast and cell culture

1914
Osaka Boseki and Mie Boseki merged to establish Toyobo.

To prevent environmental pollution
Developed wastewater treatment technology that uses yeast to break down and remove sugars

1972
Entered the diagnostic pharmaceuticals and materials business, building on yeast research conducted as part of the pulp business. Later expanded into the diagnostic pharmaceuticals market.

To support healthcare
Provides membranes for artificial kidneys used in dialysis treatment

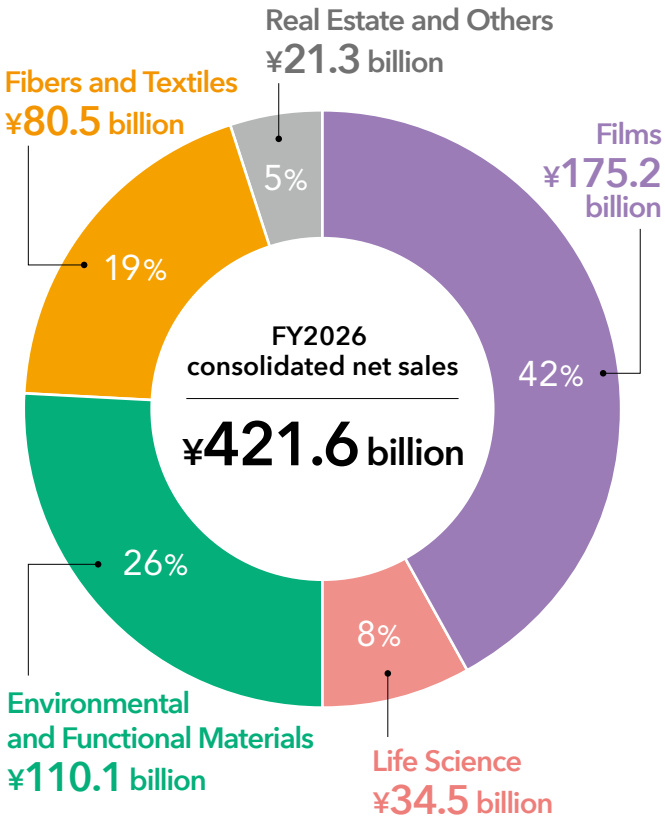
2020
Signed the United Nations Global Compact (UNGC), a global framework for achieving sustainable growth.

Core technologies	Business domains	Value proposition areas
Polymer	Films	Advanced materials
	Life Science	Healthcare
Biotechnology	Environmental and Functional Materials	Environment and energy
	Fibers and Textiles	

Social challenges and market needs

Industrial development in Japan → Postwar reconstruction and rapid economic growth → Period of stable growth → Advancing digitalization and globalization → Growing environmental awareness and advances in digital technology

Toyobo Group businesses



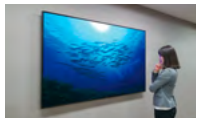
Note: Beginning in fiscal 2027, the reporting segments have been changed as follows.
Figures are presented based on the revised reporting segments.
Figures for the revised segments have not been audited by the independent auditor.

- Changed the name of the previous "Functional Textiles and Trading" to "Fibers and Textiles."
- Reclassified some businesses previously included in "Functional Textiles and Trading" into "Others."

Films

Leveraging our integrated technologies spanning polymerization, film formation, and coating, we create new value by providing advanced IT materials and contributing to reduced environmental impact.

Industrial film



COSMOSHINE SRF™
A super retarder film that eliminates tinting (rainbow pattern)

COSMOPEEL™, PUREX™
Release film with excellent release properties
* Image of a ceramic capacitor

Packaging film

SPACE CLEAN™
Environmentally friendly heat-shrink film

F&G™
Anti-fog film that helps maintain freshness and quality

Life Science

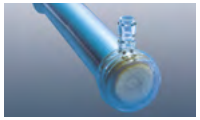
With biotechnology and membrane formation as the two core technologies, we contribute to advances in healthcare and improvements in quality of life by integrating a diverse range of technologies.

Bio-related products

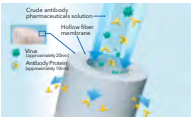
FAD-GDH
Enzyme for blood glucose monitoring sensors

Genetic diagnostic reagents
Supporting the diagnosis of infectious diseases

Separation membranes and modules



Artificial kidney hollow fibers
Delivering outstanding filtration performance



Virus removal membranes for manufacturing antibody pharmaceuticals

Environmental and Functional Materials

In the fields of electronics materials, environment, and mobility, we globally provide high-value-added functional materials that help address global challenges.

Resins and chemicals

PELPRENE™
Thermoplastic polyester elastomer

VYLON™, HARDLEN™
Resins for paints, coatings, and adhesives

Environment and fiber

K-FILTER™ VOC recovery equipment
Efficiently adsorbs and recovers VOCs from exhaust gases

HOLLOSEP™ BC membrane
Membrane capable of highly concentrating seawater, wastewater, and other liquids to recover valuable resources

Fibers and Textiles

Comprising the airbag fabric and textiles businesses, we leverage the technologies cultivated over many years as a high-performance fiber manufacturer to support comfortable living.

Airbag fabric and yarn

Airbag fabric

Industrial materials/ Medical materials

Medical materials
Safe and reliable functional materials for use in the medical field

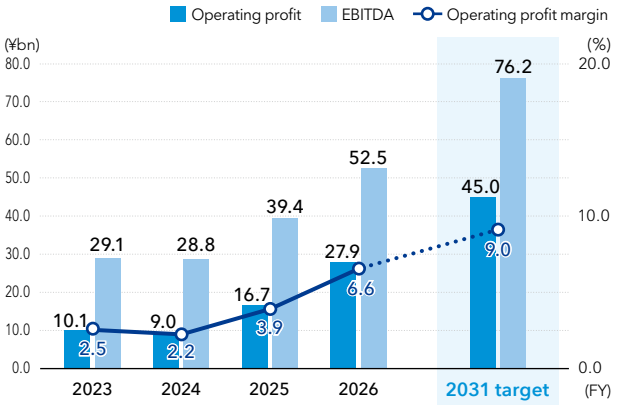
Textiles

Premium thobe fabrics
Highest-quality fabrics produced using advanced spinning technologies and other proprietary techniques

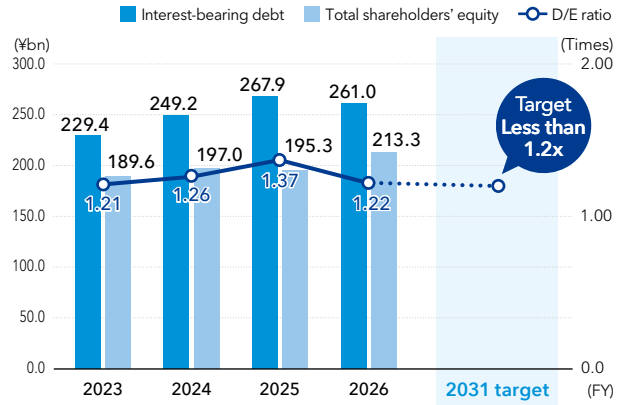
Management targets | 2030 Medium-Term Management Plan: Management focused not only on scale but also on efficiency

Financial indicators

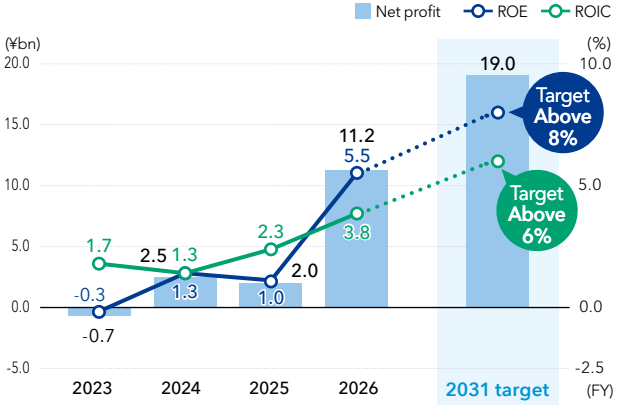
Operating profit/EBITDA/Operating profit margin



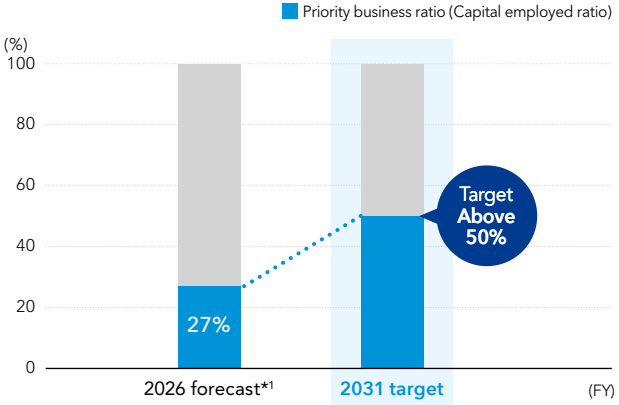
Interest-bearing debt/Total shareholders' equity/D/E ratio



Net profit/ROE/ROIC



Priority business ratio



Sustainability indicators

Major incidents

2025 Results **Zero** → 2030 Target **Zero**

Employee engagement score*2

FY2026 Results **52%** → FY2031 Target **70%** or higher

GHG emissions reduction
(Scope 1 and 2) (compared with FY2014)

FY2026 Results **37%** reduction → FY2031 Target **46%** or greater reduction

Greening rate of film products

FY2026 Results **18%** → FY2031 Target **60%**

*1 Forecast as of April 2026
*2 TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD., and TOYOBO TEXTILE CO., LTD.

Editorial policy

Toyobo Group's Integrated Report is published to deepen the understanding of shareholders, investors, and other stakeholders as to the Group's commitment to continuing to create the solutions needed by people and the earth through materials and science, as well as its medium- to long-term value creation story. In the 2026 edition, we focus on presenting a coherent road map toward achieving our management targets by highlighting the three measures set out in the 2030 Medium-Term Management Plan, representing the second half of Sustainable Vision 2030: Business portfolio reforms, Laying the groundwork for the future, and Foundation establishment and strengthening.
Editorial and production of this report drew on frameworks such as the International Integrated Reporting Framework, recommended by the IFRS Foundation, and the Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry. The report was produced through cross-functional collaboration led by the Sustainability and Corporate Planning Division.

Corporate value enhancement and report content

In this report, content is linked to each page under three categories, Corporate value, Economic value, and Social value, based on the concept that corporate value is created through the combination of economic and social value.
Economic value refers to the Group's "earning power," or its ability to generate profits through its businesses, while social value refers to the "trust" it earns from society and its stakeholders. By explaining the specific initiatives that support each of these values, we clearly illustrate the Group's road map for enhancing corporate value over the medium- to long-term.

Corporate value = Economic value × Social value

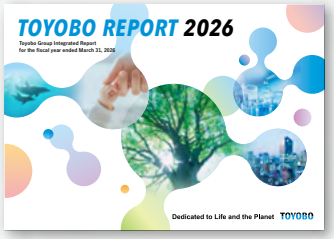
Main related content	
Corporate value	Value creation story, CEO message, CTO message, Human resource strategy
Economic value	Medium-term management plan, Business strategy, CFO message
Social value	Sustainability strategy, Corporate governance

Report framework	Unless otherwise stated, this report refers to Toyobo Group. Financial information is presented on a consolidated basis.
Reporting period	April 2025–March 2026 (Certain information from after April 2026 is also included where relevant.)
Published	October 2026 In this report, each fiscal year (FY) refers to the period from April 1 of the preceding year to March 31 of the current year.
Reference guidelines	• GRI Standards (Japanese version) • IFRS Foundation's International Integrated Reporting Framework • Task Force on Climate-related Financial Disclosures (TCFD) recommendations • Ministry of the Environment's Environmental Reporting Guidelines 2018 • Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation 2.0

Cautionary statement regarding forward-looking information

This report contains forward-looking statements, including forecasts and targets, that are based on information available at the time of its preparation. Actual results might differ materially from those described in this report due to various factors.

Disclosure of information



TOYOBO REPORT
(Integrated Report)

Financial information

Investor Relations section on our website

Here, we bring together investor relations (IR) materials such as the Financial Report, the Annual Securities Report, and business results presentations for the benefit of shareholders and investors. We also present an overview of the Group's current financial status and business performance, stock information, an IR calendar, and FAQs, among other relevant information.

Annual Securities Reports

Prepared in accordance with the requirements of Paragraph (1), Article 24, of the Financial Instruments and Exchange Act, the Annual Securities Report presents a summary of the Group's current situation, details of its business areas, the current state of its facilities, its operational status, and its financial statements, among other relevant information.

Fact Book

The Fact Book presents 11 years of key financial data for the Group and individual segments, as well as five years of non-financial data for the Company.

Sustainability information

Sustainability section on our website

Here, we present information concerning the Group's sustainability-related initiatives, along with relevant data.

Sustainability

ESG Performance Data

Sustainability Report

Compiled in November each year, this is a PDF version of the sustainability-related information posted on the Group's website.

Corporate Governance Report

This report presents information about the Group's approaches and systems, in accordance with Japan's Corporate Governance Code.

Note: The names marked with "TM" throughout this report are trademarks registered or pending registration in Japan for the Group.

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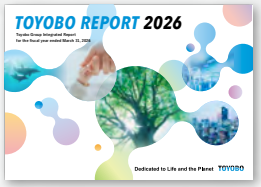
COVER STORY



The cover design illustrates how Toyobo Group's strengths in polymer and biotechnology come together to connect its diverse businesses and generate new innovation through an organic motif inspired by molecular structures. By combining visuals that symbolize the environment, people's lives, and science, it conveys the Group's commitment to "continue to create the solutions needed by people and the earth with materials and science," as well as its aspiration to dedicate itself to life and the planet.

Using this report (PDF)

Category tabs and navigation buttons at the top of every page make it easy to navigate between pages. Clicking a link button in the text will take you directly to the relevant website or page within this report.

Navigation buttons

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Toyobo's ideal state

Vision

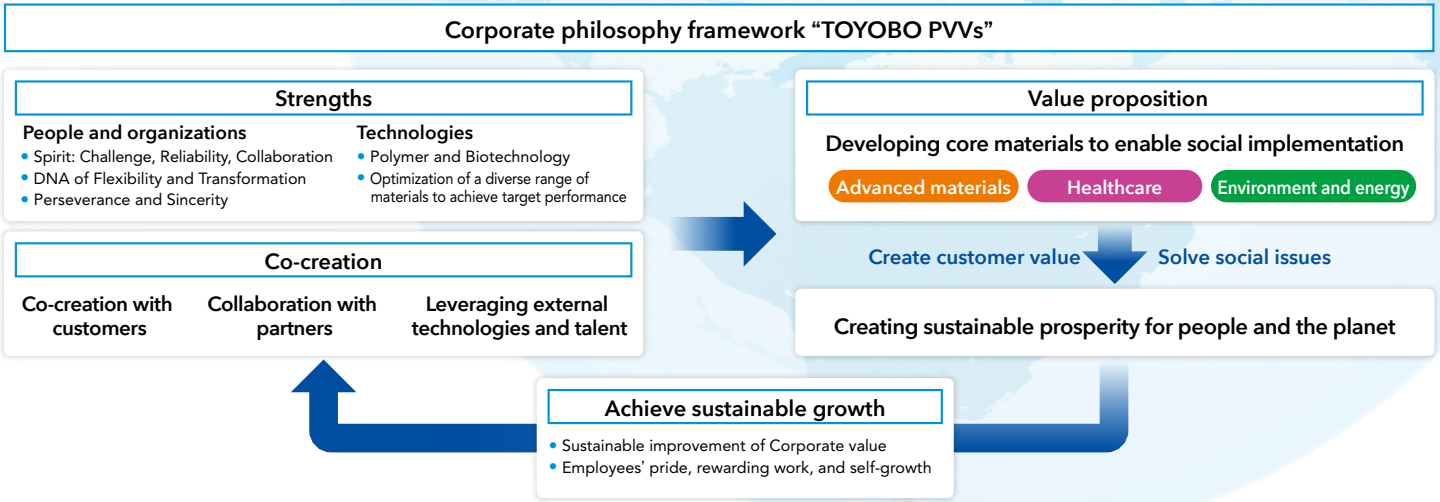
Continue to create the solutions needed by people and the earth with our materials and science

Priority areas: Advanced materials, Healthcare, Environment and energy

Value creation story

- **Under the principle of "*Jun-Ri-Soku-Yu*" (Adhering to reason leads to prosperity),**
- **we will continue helping to solve social issues through a corporate culture defined by our DNA of flexibility and transformation, perseverance, and sincerity, underpinned by our core technologies: Polymer and Biotechnology.**
- **By optimizing a diverse range of materials to achieve target performance through co-creation with customers and collaboration with partners, we create customer value and sustainable prosperity for people and the planet. In so doing, we also continue to seek growth and development of our people and the Group.**

Toyobo's value creation story framework



Discussion process leading to the development of the value creation story

Why does Toyobo Group exist, what are its strengths, and how will it continue to create value? In conjunction with the formulation of the 2030 Medium-Term Management Plan, executive officers engaged in extensive discussions through off-site workshops and meetings. Examining the Group's approach to value creation and sources of competitive advantage from seven perspectives, including strengths and resources, the mechanism for generating earnings, and the value it provides, they developed the Value creation story as a structured framework illustrating how the Group will continue to create value sustainably.

CEO message

Ikuo Takeuchi
President & Representative Director
CEO & Co-COO

One-team management to deliver on commitments and achieve an ROE above 8%

Creating a plan is only the beginning.
What I believe in is working as one team, following through on what needs to be done, and delivering results.
Achieving our goals is what drives the team.

Realizing our corporate philosophy to enhance corporate value

The Toyobo Group corporate philosophy, "*Jun-Ri-Soku-Yu*" (Adhering to reason leads to prosperity), means that by doing what society needs, we can contribute to greater prosperity in society while achieving our own growth. As President, my mission is to put this philosophy into practice through our businesses and, in doing so, enhance our corporate value.
I believe corporate value is created by combining economic and social value. Economic value is our ability to generate profits through our businesses, while social value is the trust we earn from society and our stakeholders. No matter how strong a company's earning power might be, it cannot survive if it loses society's trust. Conversely, even a highly trusted company cannot sustain or grow without the ability to generate profits. Only by enhancing both our earning power and the trust we have earned can we achieve sustainable growth in corporate value.
In May 2022, we announced Sustainable Vision 2030, which outlined our road map for enhancing corporate value through fiscal 2031 by dividing the nine-year period beginning in fiscal 2023 into two stages. At the time, the Group's credibility as a manufacturer had been shaken by two major factory fires and a series of quality misconduct incidents. Although our Industrial film business was performing well, growth across the Group as a whole had stalled.
We therefore positioned the 2025 Medium-Term Management Plan from fiscal 2023 to fiscal 2026 (2025 MTP), covering the first stage of Sustainable Vision 2030, as four years to remake and prepare the Group for future growth. During this period, we pursued four key initiatives: thorough safety, disaster prevention, and quality assurance; reorganization of the business portfolio; preparations for the future; and reestablishment of foundation.

Lessons from the 2025 Medium-Term Management Plan: The starting point for One-team management

Under 2025 MTP, our highest priority was to restore society's trust by thoroughly reinforcing safety, disaster prevention, and quality assurance. We established a road map through fiscal 2031, clarified

CEO MESSAGE

CEO MESSAGE

CEO message

the actions required to achieve our goals, strengthened the systems and frameworks that form the foundation of lasting trust, and advanced reforms to our organizational culture. As a result, over the past four years, we have enhanced reliability in the areas of safety, disaster prevention, and quality assurance.
In terms of reorganization of the business portfolio, we classified each business into one of four categories based on two dimensions—growth potential and profitability: businesses focusing expansion, stable earning businesses, new businesses to be developed, and businesses requiring improvement, and reallocated management resources accordingly.
This encouraged each business to focus not only on the absolute amount of profit it generates but also on exceeding its hurdle rate (cost of capital). As a result, profitability improved in the businesses requiring improvement—Textiles, Pharmaceuticals, and Airbag fabrics. We also made growth investments in our businesses focusing expansion: Films and Life Science. In our stable earning businesses, Environmental and Functional Materials, we established TOYOBO MC Corporation, a joint venture with Mitsubishi Corporation, and advanced the development of the business foundation needed for future growth.
However, in part due to changes in the business environment, delays in reorganization of the business portfolio meant that we fell short of our targets, including those for operating profit, return on equity (ROE), and return on invested capital (ROIC). One of the main reasons was our slow response to changes in the business environment. In particular, during the first two years of 2025 MTP, we were slow to pass on higher raw material and fuel costs to customers, significantly reducing the profitability of Packaging film and Nonwoven materials, which had traditionally been stable sources of earnings. As a result, the proportion of capital employed by businesses requiring improvement increased. In addition, although we made aggressive growth investments, delays in bringing new equipment online and expanding sales prevented us from realizing the expected returns on those investments.
We must be candid in acknowledging this shortcoming. Looking back, when the business environment changed and conditions diverged significantly from our original assumptions, we responded to those challenges primarily at the business division level rather than as one unified team across the Company. Our management team must be more than a gathering of representatives from individual businesses and functions. We must make decisions from the perspective of optimizing the Company as a whole and, even when addressing issues specific to individual businesses, share information and respond swiftly as one management team. This experience has reinforced my conviction that such an approach is essential.

Review of 2025 Medium-Term Management Plan > p.13

Focusing not only on scale but also on efficiency

2030 Medium-Term Management Plan (2030 MTP), announced in April 2026, marks the second stage of Sustainable Vision 2030. We are now entering the phase of realizing the benefits of the growth investments and preparations made under 2025 MTP. Although the business environment is becoming increasingly uncertain, particularly in light of the situation in the Middle East, we will draw on the lessons learned from 2025 MTP, respond swiftly to unforeseen events and downside risks, and achieve profit growth through One-team management.
A defining feature of 2030 MTP is that it was formulated with the capital markets' expectation that we achieve an ROE above 8% as its starting point. In the past, our approach was to build operating profit and improve ROE as a result. This time, however, we began by asking what we must do to achieve the level of performance expected by the capital markets. In other words, we are evolving our management approach to focus not only on scale but also on efficiency by placing equal emphasis on asset efficiency and profitability.
Over the four years of 2025 MTP, we completed most of the capital investments needed to support future growth. Our priority now is to make up for delays in bringing new equipment online and realize the benefits of those investments. With thorough safety and disaster prevention, quality, and compliance as our basic premise, we will pursue three key initiatives: business portfolio reforms; laying the groundwork for the future; and foundation establishment and strengthening, to achieve both profit growth and a stronger financial position.
Under our business portfolio reforms, we have set a hurdle rate of a return on assets (ROA) above 8% by business as the threshold for sustainable operations. Business leaders will continuously monitor and manage asset efficiency within their respective businesses. The key is to focus not only on the amount of operating profit we generate but also on the asset base required to generate those profits. Specifically, in addition to improving the operating profit margin, we will increase asset turnover by reducing working capital. By improving the performance of low-profit businesses and reallocating management resources to growth areas, we aim to have businesses representing 95% of capital employed exceed the hurdle rate by fiscal 2029.
By business segment, Films and Life Science will focus on fully realizing the benefits of the growth investments made to date and translating them into sustained earnings expansion. TOYOBO MC Corporation will likewise move from the foundation-building stage to the growth stage. In Fibers and Textiles, we will continue to advance structural reforms and improve profitability while enhancing asset efficiency.

2030 Medium-Term Management Plan > p.14

Connecting the Company-wide Medium-Term Management Plan to each division's plan and policies

2030 MTP is built around the concept of One-team management. Under this approach, responsibility for key issues does not rest solely with the department in charge. Instead, progress is monitored across the Company, and when delays arise, the entire organization works together to implement recovery measures. To achieve this, we will further strengthen information sharing within the management team, ensuring that every executive officer understands the Company-wide strategy and takes ownership of its key priorities. Rather than drawing boundaries around individual responsibilities, each of us must consider what the Group as a whole should do when business conditions change or circumstances diverge from our assumptions—and speak up. By working together in this way, we will enhance corporate value across the Group. This is the kind of management we are committed to achieving.

CEO MESSAGE

CEO message

Another initiative that has played a significant role in advancing One-team management is the Executive Retreat, which we launched in fiscal 2025. It provides an opportunity for the entire executive team to share the Company's overall situation and challenges, exchange perspectives, and discuss Company-wide issues as their own. Through these discussions, we foster a stronger sense of unity and shared ownership. In fiscal 2026, the executive officers were divided into several teams to discuss Toyobo's value creation process. One conclusion that emerged was that, in addition to our technological capabilities, one of the Group's greatest strengths is our sincere and attentive approach to serving our customers. We have since incorporated that shared understanding into our value creation story. We also held in-depth discussions among all executive officers on how to achieve an ROE above 8% under 2030 MTP and reaffirmed that the key lies in business portfolio reforms. In the past, the process of formulating our medium-term management plans centered on each division developing its own plan based on the Company's management policy. I would then work with the corporate planning function to consolidate those plans into a draft, which was circulated for comments. However, this approach did not encourage each executive officer to view the Company-wide plan as their own. During this Executive Retreat, we discussed not only the final outputs, such as the Company-wide earnings plan, but also the thinking and process behind them. That process of understanding one another's perspectives proved especially valuable. It also deepened our shared understanding of what stakeholders, including the capital markets and our employees, expect of us.

Daily dialogue drives execution Taking ownership of the corporate goal

The key to enhancing corporate value lies in execution. No matter how well a plan is conceived, it will not deliver results unless it is translated into actions on the front lines and carried through to completion. Execution becomes stronger when every employee understands and embraces the role their work plays in the Company as a whole and approaches it with a sense of personal ownership.

One initiative that helps strengthen execution is our "1 on ALL" program. In addition to the conventional 1 on 1 meeting, "1 on ALL" asks employees to declare their goals in front of their colleagues. Based on the Company's management policy and their division head's policy, not only leaders but also every team member presents their goals. This creates a stronger sense of commitment and reinforces each individual's determination to fulfill their role. At the same time, by gaining a better understanding of one another's goals and challenges, team members deepen mutual understanding, offer advice, and build a stronger sense of unity as a team.

I regularly take part in informal dialogue sessions in which the President or other executives talk directly with small groups of employees. These ongoing conversations provide opportunities for mutual learning and can also bring important issues to light that might otherwise go unnoticed. These conversations not only boost participants' motivation but also provide me with invaluable insights and renewed energy by showing me how keenly aware our employees are of the challenges they face in their work and how seriously they approach them. During a visit to a manufacturing site where new production facilities were being brought online, I heard employees say that launching a new facility was difficult and challenging, but also rewarding and enjoyable, and that after all the hard work, they were moved to tears when the first shipment of the new product left the plant. Their words left a lasting impression on me. They reflected the pride and sense of responsibility of our people on the front lines and reminded me that they are the true source of the Group's strength.

Confucius once said, "Those who know it are not equal to those who love it, and those who love it are not equal to those who delight in it." The lesson is that true strength comes not simply from knowledge or action, but from genuinely enjoying what you do. Of course, work is not always enjoyable. Even so, there is great satisfaction in thinking for yourself, embracing challenges, and experiencing personal growth. I believe that the key to enjoying your work is to think independently and take positive action.

Execution does not improve overnight. It is built through the steady accumulation of daily dialogue and follow-up, as leaders and team members review progress and refine or add actions as needed. It is this ongoing cycle of communication and follow-up that strengthens an organization's ability to execute.

Following through on what needs to be done to achieve an ROE above 8%

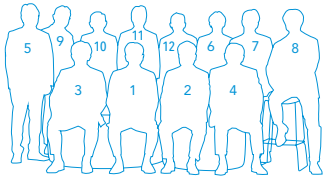
Under 2030 MTP, we have clearly established achieving an ROE above 8% as our target, based on the principle of shifting our focus from scale to efficiency. We will steadily improve both profitability and asset efficiency, ensuring that asset efficiency is a central consideration in every business and investment decision, both at the management level and on the front lines.

Business portfolio reforms are our highest priority. Under 2025 MTP, the sharp deterioration in earnings made it difficult to take bold action. Now that performance has begun to recover, however, we have entered a stage where we can realistically consider a broader range of strategic options. Through fiscal 2029, we will focus on fully realizing the benefits of the investments we have already made. Looking ahead to fiscal 2031, we will also strengthen our financial position while ensuring that new growth investments generate returns. By carrying our business portfolio reforms through to completion, we will improve asset efficiency and achieve the level of profitability expected by the capital markets, namely an ROE above 8% in fiscal 2031. Through sustained growth in corporate value, we also aim to achieve a price-to-book (P/B) ratio above 1.0.

I repeatedly tell all of our executive officers that results are what matter. To achieve those results, we must identify the right priorities and see them through together as one team. I am confident that the direction of the initiatives we are pursuing is the right one. What remains is to execute them as one team and deliver results. Through One-team management, we will achieve an ROE above 8%, enhance both our economic and social value, and thereby increase the corporate value of Toyobo Group.

Determination of the leaders driving One-team management

Achieving the ROE target above 8% set out in the 2030 Medium-Term Management Plan requires everyone—from management to frontline employees—to work toward the same goals, break down organizational silos, and follow through on what needs to be done as One-team. Here, the heads of each division share their determination to advance One-team management from their respective perspectives.



Getting the job done as one team and delivering results.

President and Representative Director
(CEO and Co-COO)
Ikuo Takeuchi 1

To pave the way for Toyobo's future, I will lead One-team management from the front and achieve transformation and growth.

Representative Director and Senior Managing Executive Officer (Co-COO)
Controlling Supervisor of Safety and Production Technology Division and Procurement and Logistics Department
Taichi Sakai 2

I will foster shared understanding, commitment, and alignment around our vision and unite all employees behind our goals through One-team management.

Director and Managing Executive Officer
Head, Life Science Division
Kazuhito Ikeda 3

As one team, we will go beyond organizational boundaries to create future value and advance to our next stage of growth.

Senior Managing Executive Officer
Head, Films Division
Masanao Kudo 4

I will break down organizational silos, proactively provide data-driven input across divisions, and steadily drive Toyobo's growth.

Managing Executive Officer
Head, Fibers and Textiles Division
Tadao Kuroki 5

As the driving force behind One-team management, I will continue to foster open and candid discussion while ensuring the execution and delivery of our plans.

Managing Executive Officer
Head, Sustainability and Corporate Planning Division
Norio Iizuka 6

Guided by the spirit of "All for one, one for all," I will work toward our shared purpose as one team.

Managing Executive Officer
Controlling Supervisor of HR, Administration and Legal Division
Takehiko Inada 7

I will respond flexibly to changes in the business environment, align the entire Company behind our long-term vision, and move us forward together.

Managing Executive Officer
Head, Environmental and Functional Materials Division
Naoki Fujii 8

By harnessing the strengths of every team member, I will earn our customers' satisfaction and trust while enhancing corporate value.

Executive Officer
Controlling Supervisor of Risk Management Department and Head, Quality Assurance Division
Masakazu Iwasaki 9

Together with the entire management team, I will drive TX (Toyobo-Transformation) to realize a sustainable company.

Executive Officer, CDO and CISO
Controlling Supervisor of Toyobo Transformation and Business Innovation Division
Tetsuro Yabuki 10

Through cross-functional collaboration, I will bring technologies together to create new value and new businesses as one team.

Executive Officer, CTO
Controlling Supervisor of Research and Business Development Division
Toshiyuki Oya 11

Through ongoing dialogue with everyone, I will address today's challenges and support our frontline teams so that future generations can thrive on a broader stage.

Executive Officer, CFO
Controlling Supervisor of Management and Administration Division
Hidekazu Takahashi 12

Medium-Term Management Plan

Previous medium-term management plans and ideal state

Sustainable Vision 2030

FY2015–FY2018 Medium-Term Management Plan

Building a strong Toyobo through continuous portfolio reform

Basic policies
- A company that generates stable profits, rewards stakeholders, and earns their trust and peace of mind
- A company that envisions the future, shares that vision, and works to realize it
- A company that, as a responsible member of society, abides by social rules and meets societal expectations

Review
- Improved financial structure (D/E ratio below 1.0)
- Withdrawal from unprofitable businesses (reduction of overseas textile operations)
- Expansion of main new product: COSMOSHINE SRF™
- Implementation of asset efficiency initiatives and business layer strategies
- Accelerated global expansion
- Occurrence of compliance violations
- Frequent severe disasters

Issue Thorough implementation and prioritization by business layer

Targets Net sales: ¥420.0 billion
Operating profit: ¥30.0 billion

FY2019–FY2022 Medium-Term Management Plan

Renewed challenge to achieve ¥30.0 billion in operating profit through continuous portfolio reform

Basic policies
- Focus management resources on growth areas (execute harvesting strategies)
- Set and manage business-specific KPIs
- Make proactive investments for future growth (laying the groundwork for growth)
- Reform the organizational culture (Kaeru Project)

Review
- Expansion of the Films business
- Expansion of the hollow fiber membrane business for artificial kidneys
- Growing demand for PCR diagnostic enzymes for COVID-19
- Establishment of a corporate philosophy framework, TOYOBO PVVs
- Formulation of Sustainable Vision 2030
- Initiation of major renewal of aging facilities
- Fires occurred (2018: Tsuruga Research and Production Center; 2020: Inuyama Plant)
- Discovery of quality-related misconduct incidents (2020: Engineering plastics ISO 9001 certification revoked)
- Received U.S. Food and Drug Administration (FDA) Warning Letter for the Pharmaceuticals business

Issue Thorough safety, disaster prevention, and quality assurance, restoration of trust

Targets Net sales: ¥375.0 billion
Operating profit: ¥30.0 billion

FY2023–FY2026 Medium-Term Management Plan

Change to sustainable growth Four years to remake and prepare

Basic policies
- Build the foundation for sustainable growth through four measures:
  - Measure 1 Thorough safety, disaster prevention, and quality assurance
  - Measure 2 Reorganization of the business portfolio
  - Measure 3 Preparations for the future
  - Measure 4 Reestablishment of foundation

Review
- Zero major incidents
- Quality responses (Pharmaceuticals Warning Letter lifted, Engineering plastics ISO 9001 reacquired)
- Promotion and implementation of various sustainability initiatives
- Launch of TOYOBO MC Corporation and establishment of its business foundation
- Increase in fixed costs and expenses (defensive and growth measures)
- Significant decline in earning power
- Delays in business portfolio reforms
  - Delays in launching large-scale growth investments
  - Improved the profitability of the three businesses requiring improvement
  - Declining profitability in Packaging film and Nonwoven materials

Issue Balance financial soundness and profit growth

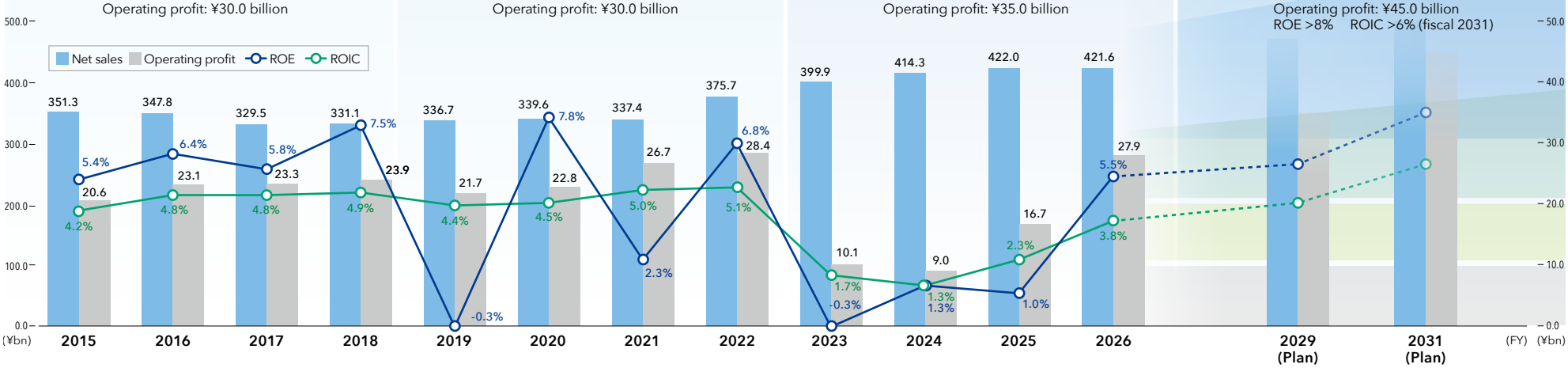
Targets Net sales: ¥450.0 billion
Operating profit: ¥35.0 billion

FY2027–FY2031 Medium-Term Management Plan

Realizing the results of growth investment and preparation

- Financial targets:
  Strike a balance between financial structure improvement and earnings growth and attain an ROE above 8% earlier
- Basic premise:
  Thorough safety and disaster prevention, quality, and compliance
- Three measures:
  - Measure 1 Business portfolio reforms
  - Measure 2 Laying the groundwork for the future
  - Measure 3 Foundation establishment and strengthening
- Large-scale investment in Films has peaked. Improve the financial structure by increasing free cash flow and improving asset efficiency.
- Shareholder returns:
  Continually provide a stable dividend with a target total return ratio of 30%

Targets Net sales: ¥500.0 billion
Operating profit: ¥45.0 billion
ROE >8% ROIC >6% (fiscal 2031)



Medium-Term Management Plan

Review of 2025 Medium-Term Management Plan

2025 Medium-Term Management Plan (2025 MTP) (fiscal 2023–fiscal 2026) was positioned as four years to remake and prepare aimed at achieving the goals of Sustainable Vision 2030. Accordingly, we established four key initiatives. During the plan period, we strengthened our foundations in areas such as safety, disaster prevention, and quality assurance while simultaneously executing proactive growth investments. Over the first two years, we made steady progress on Measures 1, 3, and 4. However, Measure 2, reorganization of the business portfolio, did not progress as planned due to delays in bringing certain new equipment online and delays in responding to changes in the business environment, including the sharp rise in raw material and fuel prices. During the latter half of the plan period, we focused on implementing value-based pricing, reducing expenses through Company-wide projects, and normalizing and carrying out structural reforms in the businesses requiring improvement. Although these efforts helped recover and improve profitability, we fell short of our targets for financial indicators such as operating profit, ROE, and ROIC. In addition, despite declining operating cash flow, we continued to prioritize large-scale investments in growth businesses, including Films and Life Science. As a result, our debt-to-equity (D/E) ratio and net debt/EBITDA ratio deteriorated.

Financial indicators

		2025 MTP (FY2023–FY2026)				
	FY2022 results	FY2023 results	FY2024 results	FY2025 results	FY2026 results	Initial FY2026 plan*5
Net sales (¥bn)	375.7	399.9	414.3	422.0	421.6	450.0
Operating profit (¥bn)	28.4	10.1	9.0	16.7	27.9	35.0
Operating profit margin (%)	7.6	2.5	2.2	3.9	6.6	7.8
EBITDA (¥bn)*1	48.5	29.1	28.8	39.4	52.5	63.0
Net profit (¥bn)	12.9	-0.7	2.5	2.0	11.2	15.0
ROE (%)*2	6.8	-	1.3	1.0	5.5	≧7.0
ROIC (%)*3	5.1	1.7	1.3	2.3	3.8	≧5.0
D/E ratio (times)	0.98	1.21	1.26	1.37	1.22	<1.20
Net debt/EBITDA ratio*4	3.4	5.8	7.5	6.1	4.4	<5.0
Capital investment (¥bn)	33.6	42.7	61.6	43.2	29.0	-

*1 Operating profit + Depreciation (including goodwill)
*2 Net profit ÷ average Total shareholders' equity at the beginning and end of period
*3 NOPAT ÷ (Interest-bearing debt + Net assets)
*4 (Interest-bearing debt − Cash and cash equivalents) (Period-end) ÷ EBITDA
*5 As of May 2022

Review of 2025 MTP and Reflecting the findings in the new plan

Review

- Foundation strengthened in areas such as safety, disaster prevention, and quality assurance
- Aggressively executed capital investment but delayed the launch of growth investment
- TOYOBO MC Corporation: Launch and development of infrastructure
- Improved profitability of three businesses requiring improvement
- Deterioration of financial structure

Reflected in the new medium-term management plan

- Reorganization of business portfolio
- Realizing the results of growth investment and preparation
- TOYOBO MC Corporation: Outcomes of reforms and growth strategies
- Measures for challenged businesses
- Improvement of asset efficiency and stringent management of working capital
- One-team management

Progress of four measures

Measure 1 — Thorough safety, disaster prevention, and quality assurance

- ○ Zero serious incidents since FY2022
- ○ Strengthening safety and disaster prevention systems and progress in acquiring ISO 45001 certification at each site
- ○ Development of a quality assurance structure and mechanism. Regaining of ISO 9001 certification for Engineering plastics and the lifting of the Warning Letter by the FDA for Pharmaceuticals

Measure 2 — Reorganization of the business portfolio

- ▲ Businesses focusing expansion: Growth investment was executed as planned, but the launch of new equipment was delayed in some areas
- ○ Stable earning businesses: Established TOYOBO MC Corporation; strengthened the management base, revised systems and operations, and improved earnings
- ▲ Businesses requiring improvement: Achieved profitability in Textiles, Airbag fabrics and Pharmaceuticals narrowed their losses and were on track to return to profitability, and profitability deteriorated in Packaging film and Nonwoven materials so these were shifted to businesses requiring improvement → Five businesses poised to achieve profitability in FY2026

Measure 3 — Preparations for the future

- ○ Setting of three areas of innovation creation. Transition of the three priority themes to the commercialization stage.
- ○ Legacy systems update in progress. Company-wide project to reform operations.
- ○ Renewal of telecommunications and information security infrastructure.
- ○ Acquisition of SBT approval, third-party verification of environmental data, and participation in the GX League.

Measure 4 — Reestablishment of foundation

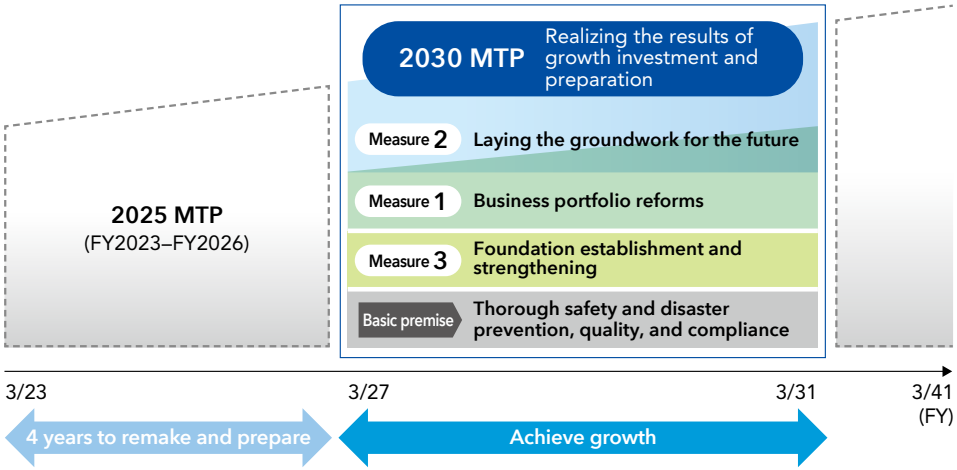
- ○ Selection of next-generation personnel and establishment of a training system. Development of training for onsite leaders and other engineers.
- ○ Promotion of diversity and human rights due diligence
- ○ Development and renewal of business sites and plant infrastructure
- ○ Strengthening the Group governance and risk management structure
- ○ Development of compliance structure and training
- ○ Instillation of corporate philosophy framework, "TOYOBO PVVs"

○ As planned ▲ Delayed

Medium-Term Management Plan

2030 Medium-Term Management Plan

2030 Medium-Term Management Plan (2030 MTP) (fiscal 2027–fiscal 2031) represents the second half of Sustainable Vision 2030. Based on the fundamental premise of ensuring thorough safety and disaster prevention, quality, and compliance, we will pursue three key measures. By achieving both an improved financial structure and profit growth, we aim to achieve an ROE above 8% and a P/B ratio above 1.0x by fiscal 2031 through the sustained enhancement of corporate value.



Measure 1 Business portfolio reforms

- Concentrate resources on priority businesses (toward a capital employed ratio above 50%)
- Realizing the results of growth investment and preparation
- Measures for challenged businesses

Business portfolio reforms > p.15

Measure 2 Laying the groundwork for the future

- Research and development:
  Shift resources to three value proposition areas and accelerate commercialization
  Strengthen marketing functions (fusion of technology development and customer development)
- Environmental initiatives: GHG emissions reduction, product development related to environmental responses

CTO message > p.31
Green strategy > p.40

Measure 3 Foundation establishment and strengthening

- Human capital
- Toyobo-Transformation (TX)
- Safety and disaster prevention, and quality
- Risk management and governance
- Infrastructure development

Human resource strategy > p.35
TX > p.34
Safety and disaster prevention > p.47
Quality > p.48
Risk management > p.50
Corporate governance > p.55

Basic premise Thorough safety and disaster prevention, quality, and compliance

Sustainability management > p.45

Management targets: Shift from scale to efficiency

Toyobo Group takes seriously the fact that its price-to-book (P/B) ratio remains below 1.0 and will continue to pursue management with a focus on the cost of capital and share price. Under 2030 MTP, we have adopted a policy of "Shifting from scale to efficiency." By placing greater emphasis on efficiency, we will restore earning power, advance business portfolio reforms, and significantly enhance our ability to generate operating cash flow. At the same time, we will continue to invest in growth areas as well as in safety, disaster prevention, and the environment. While maintaining financial discipline, we will work to improve the debt-to-equity (D/E) ratio and progressively enhance capital efficiency.

	FY2025 results	FY2026 results	FY2029 plan*4	FY2031 plan*4
Major incidents	Zero	Zero	Zero	
Net sales (¥bn)	422.0	421.6	470.0	500.0
Operating profit (¥bn)	16.7	27.9	35.0	45.0
Operating profit margin (%)	3.9	6.6	7.4	9.0
EBITDA (¥bn)*1	39.4	52.5	64.0	76.2
Net profit (¥bn)	2.0	11.2	14.0	19.0
ROE (%)*2	1.0	5.5	> 6	> 8
ROIC (%)*3	2.3	3.8	> 4.5	> 6
D/E ratio (times)	1.37	1.22	< 1.2	
Capital employed in priority businesses (%)	–	27*5	> 50	
Employee engagement score (%)	–	52	≧ 60	≧ 70

By segment

(¥bn)

	Net sales			Operating profit		
	FY2026 results	FY2029 plan	FY2031 plan	FY2026 results	FY2029 plan*4	FY2031 plan*4
Films	175.2	210.0	220.0	16.6	18.0	20.0
Life Science	34.5	40.0	50.0	0.1	5.0	9.0
Environmental and Functional Materials	110.1	130.0	150.0	9.7	13.0	15.0
Other	101.8	90.0	80.0	1.5	-1.0	1.0
Total	421.6	470.0	500.0	27.9	35.0	45.0

*1 Operating profit + Depreciation (including goodwill)
*2 Net profit ÷ average Total shareholders' equity at the beginning and end of the fiscal year
*3 NOPAT ÷ (Interest-bearing debt + Net assets)
*4 Excluding inorganic initiatives and carve-outs
*5 Forecast as of April 2026

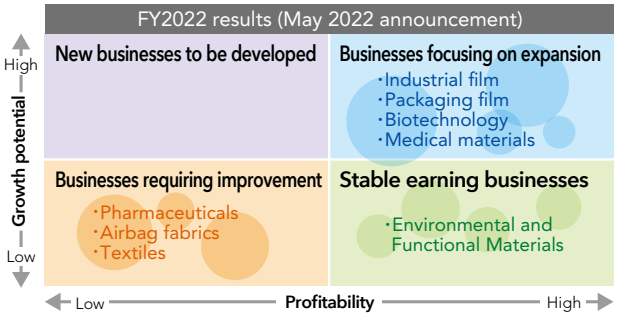
Business portfolio reforms

Under the 2030 Medium-Term Management Plan, we evaluated our principal businesses based on two dimensions: profitability (ROA by business) and growth potential (including projected market growth and market share). Based on this assessment, we classified them into four categories: Priority, Improvement, Development, and Challenged. As we work toward our fiscal 2031 goals, we will actively allocate resources to the Priority businesses to drive earnings growth. For the Improvement businesses, we will maximize profitability while restraining investment. For the Development businesses, we will strengthen competitiveness and enhance profitability. Meanwhile, for the Challenged businesses, we will focus on improving profitability and asset efficiency. Through these initiatives, we plan to increase the share of capital employed accounted for by the Priority businesses from 27% in fiscal 2026 to more than 50% in fiscal 2029.

FY2022 results

Businesses evaluated and classified into four categories based on profitability and growth potential

Profitability	Return on capital employed (ROCE) = Operating profit ÷ Capital employed Note:Target hurdle rate of approx. 6.5%
Growth potential	Compound annual growth rate (CAGR)



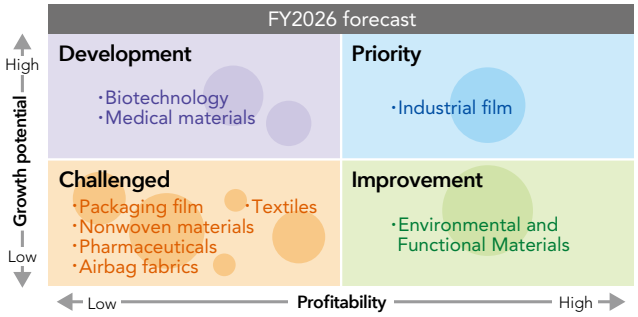
Allocation of capital employed (FY2022 results)

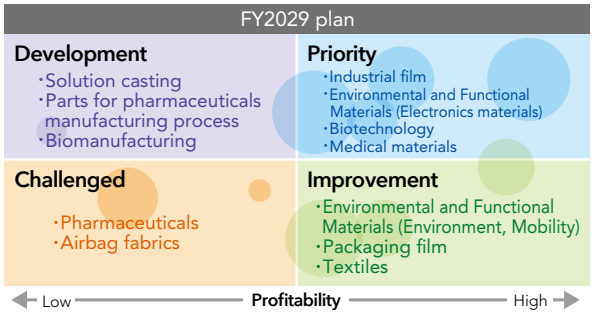
Business portfolio	FY2022 results		
	Share of capital employed	ROCE	Business
Businesses focusing on expansion	51%	16%	Industrial film Packaging film Biotechnology Medical materials
Stable earning businesses	26%	10%	Environmental and Functional Materials
New businesses to be developed	–	–	
Businesses requiring improvement	22%	–	Textiles Airbag fabrics Pharmaceuticals

2030 Medium-Term Management Plan

Businesses classified into four categories: Priority, Improvement, Development, and Challenged based on profitability and growth potential

Profitability	ROA by business = Operating profit ÷ Capital employed by business Note:Target hurdle rate of 8.0%
Growth potential	Indicators include projected market growth, market size, and market share





Allocation of capital employed (Increasing the priority business ratio above 50%)

Business portfolio	FY2026 forecast*		
	Share of capital employed	ROA by business	Business
Priority	27%	11%	Industrial film
Improvement	23%	12%	Environmental and Functional Materials
Development	15%	3%	Biotechnology Medical materials
Challenged	35%	2%	Packaging film Nonwoven materials Textiles Airbag fabrics Pharmaceuticals

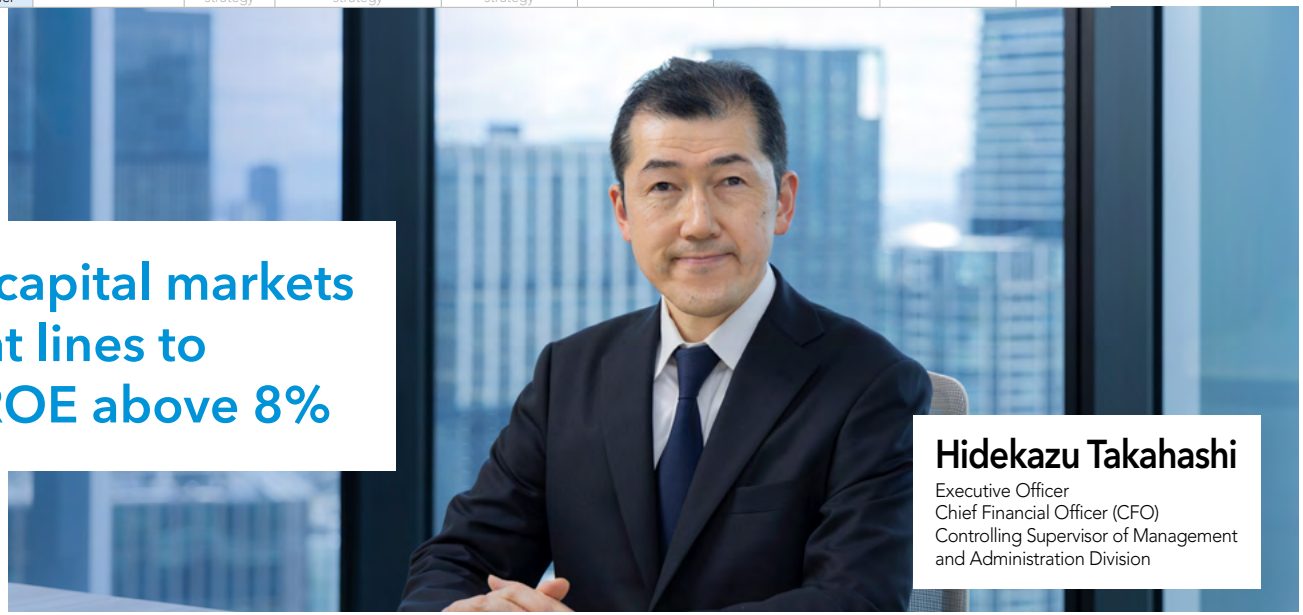
*Forecast as of April 2026

Business portfolio	FY2029 plan*		
	Share of capital employed	ROA by business	Business
Priority	55%	11%	Industrial film Environmental and Functional Materials (Electronics materials) Biotechnology Medical materials
Improvement	40%	10%	Environmental and Functional Materials Packaging film Textiles
Development	–	–	・Solution casting ・Parts for pharmaceuticals manufacturing process ・Biomanufacturing
Challenged	5%	4%	Airbag fabrics Pharmaceuticals

*Excluding inorganic initiatives and carve-outs

CFO message

Connecting the voice of the capital markets to management and the front lines to establish a clear path to an ROE above 8%



Hidekazu Takahashi
Executive Officer
Chief Financial Officer (CFO)
Controlling Supervisor of Management and Administration Division

Using numbers as a common language to support challenges on the front lines

Since joining the Company, I have built a career spanning a wide range of fields, beginning with 11 years as a biotechnology researcher before moving into intellectual property, accounting, overseas assignments, and finance. I am not a CFO who has followed a conventional career path in finance and accounting. Looking back, however, I realize that those experiences have come together to form a single thread that underpins who I am today.
When I joined the Company, textiles were still our core business. Over the past 30 years, however, our business has changed dramatically. Throughout that transformation, I had the opportunity to witness firsthand, through my work in research and intellectual property, the people who were determined to forge new paths with unwavering conviction. I believe the businesses that now underpin Toyobo Group, such as COSMOSHINE SRF™ polarizer protective films for LCDs and enzyme materials for blood glucose sensors, are the result of the dedication and sustained efforts of individuals across the Group.
At the same time, I also experienced periods when our financial position made it difficult to fully support the research and development needed to secure our future. Those experiences reinforced my belief that the role of the CFO extends beyond managing numbers. By using numbers as a common language, I want to engage with the challenges facing our businesses and front lines, understand the aspirations of those with the conviction to drive change, and stand alongside them as they take on those challenges.

Growth investments and signs of earnings recovery

The 2025 Medium-Term Management Plan (2025 MTP) was a period in which we made a decisive shift from a survival mindset to a sustainable growth mindset by investing for future growth. I believe that strategic direction was the right one. During the first half of the plan, however, we were slow to respond to changes in the business environment, including the situation in Ukraine.
As operating cash flow declined, we continued to make capital investments at levels exceeding operating cash flow, resulting in a deterioration of our financial position. In addition, the returns we had expected from those growth investments in the latter half of the plan did not materialize as planned, making it a particularly challenging period.
Even so, the initiatives we undertook during this time were highly significant in laying the foundation for our next stage of growth. In addition to renewing aging facilities and strengthening the foundations of safety, disaster prevention, and quality, we established TOYOBO MC Corporation, a joint venture with Mitsubishi Corporation, and made growth investments centered on Films and Life Science. These initiatives steadily laid the groundwork for future growth.
We also focused on value-based pricing under the 2025 MTP. Products that delivered clear customer value were priced accordingly, while those that did not were reassessed. This more disciplined approach to our products also contributed to improved profitability, and in fiscal 2026 we achieved record gross profit, EBITDA, and operating cash flow. Having overcome a difficult period, I believe we have emerged stronger, with enhanced earning power. As the saying goes, adversity reveals true strength. The process of implementing price increases reaffirmed the strength of the products and businesses that can clearly demonstrate their value. Our cost reduction initiatives and reforms of businesses requiring improvement have also delivered steady results, leading to sustained improvements in profitability.
That said, record earnings in absolute terms are not enough. In terms of profit margins, we have only just returned to the level achieved in fiscal 2022. Ensuring that our growth investments translate into sustainable earnings is therefore essential, making the 2030 Medium-Term Management Plan (2030 MTP) a critically important period for the Group.

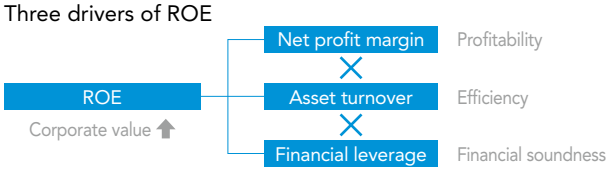
Review of 2025 Medium-Term Management Plan > p.13

CFO message

The path to achieving an ROE above 8%

To achieve the ROE target of above 8% set out in the 2030 MTP, we have organized our initiatives around three perspectives: profitability, efficiency, and financial soundness.

Three drivers of ROE



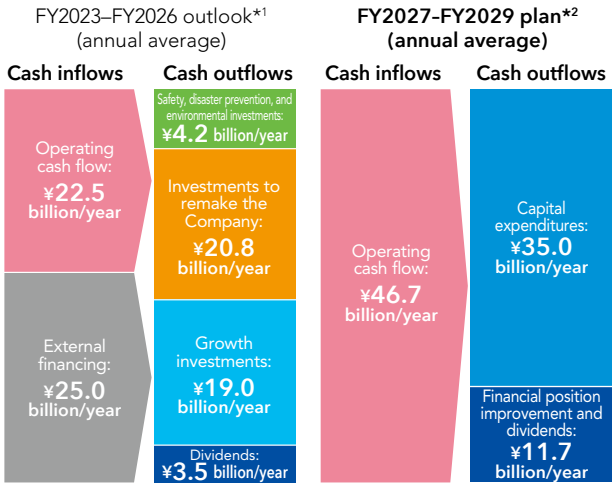
I believe the first challenge we must address is profitability. Compared to our peers, we have yet to achieve satisfactory profitability. The significant growth investments made under the 2025 MTP will increase the depreciation expense from fiscal 2027 onward, making the next few years particularly challenging. To overcome this, we must steadily increase production volumes through the operation of our new facilities, implement value-based pricing, and shift toward a more profitable product mix. At the same time, as fixed costs, including personnel and depreciation expenses, continue to rise, we will optimize operational workloads through management transformation under TX (Toyobo-Transformation) and build an organization capable of creating greater added value. It will also become increasingly important to sharpen our business portfolio reforms by allocating our limited management resources to the areas where they can have the greatest impact.
Improving asset turnover is our primary focus when it comes to efficiency. In the past, our priority was to return unprofitable businesses to profitability, which led us to a profit and loss statement (P/L)–driven mindset. Going forward, we will establish the cash conversion cycle (CCC) as a key performance indicator on the front lines, enabling each business to clearly identify where improvements are needed. Specifically, we will reduce working capital by shortening receivables collection periods, reducing excess inventory, and optimizing inventory levels through more accurate sales forecasting.

These initiatives, however, cannot be driven by numbers alone. Simply telling people to reduce inventory or collect receivables faster will not bring about meaningful change on the front lines. That is why I visit our plants in person. While my visits might initially put people on edge, they allow me to look beyond the numbers, hear directly how employees think about their work and the challenges they face, and gain a firsthand understanding of the realities on the ground. Concepts such as ROE and the CCC can easily seem remote to those working on the front lines. That is why I believe it is essential for our finance and accounting teams to work closely with each business, translate these metrics into indicators that each department can manage, and empower employees to take ownership of improvement through their day-to-day work.
Under the 2025 MTP, we made substantial investments, relying in part on external financing, which increased our financial leverage. We must now steadily restore our financial soundness. Maintaining a debt-to-equity (D/E) ratio below 1.2 is a financial discipline we are firmly committed to upholding. Our immediate priority is to keep the ratio below 1.2, while setting our sights on reducing it to below 1.0 over the longer term. By translating our growth investments into earnings, improving asset efficiency, and maintaining financial discipline, we will establish a clear path to achieving an ROE above 8%.

Cash flow allocation/Capital expenditures

In light of the deterioration in our financial position following the aggressive growth investments made under the 2025 MTP, our basic policy for the 2030 MTP is to keep investments within operating cash flow. Within this framework, however, we will continue to invest actively in priority areas that will drive future growth, including Life Science and the electronic materials business of TOYOBO MC Corporation.
As part of our efforts to improve asset efficiency, we will focus on shortening the CCC. By reducing the CCC by 30 days by fiscal 2029, we expect to reduce working capital by approximately ¥30.0 billion. The cash generated through these improvements will be allocated to future growth investments and strengthening our financial position.

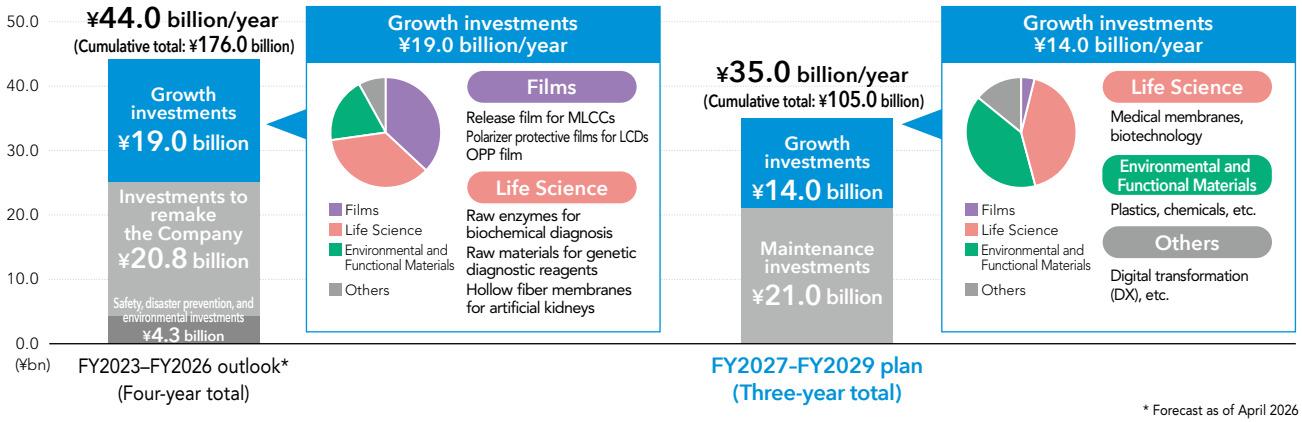
Cash flow allocation



*1 Forecast as of April 2026 *2 Excludes inorganic initiatives and carve-outs

CFO message

Capital expenditures



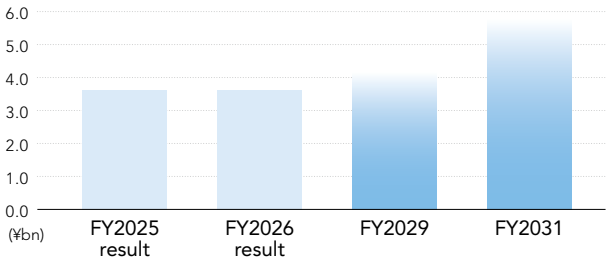
* Forecast as of April 2026

We also need to improve the accuracy of our investment decisions. Individual investments will be evaluated for profitability based on the cost of equity and the weighted average cost of capital (WACC). Because investments inherently involve uncertainty, proposals will be examined from multiple perspectives through several rounds of discussion at forums of the Board of Management and others. We will also conduct post-investment reviews and apply the issues identified and lessons learned to future investment decisions.

Policy on shareholder returns

Our policy is to maintain a stable dividend, with a total return ratio of approximately 30% as a guideline. While enhancing shareholder returns remains an important priority, we believe it is equally important, given our current financial position, to maintain a sufficient level of total shareholders' equity in order to preserve our ability to fund sustainable growth. We will therefore maintain an appropriate balance between shareholder returns and financial soundness. By steadily translating our growth investments into earnings and enhancing corporate value, we aim to deliver sustainable growth in shareholder value over the medium- to long-term.

Shareholder returns (dividends + share repurchases)



Total payout ratio			
176.1%	31.6%	30% target	30% target

Responding to the voice of the capital markets and delivering growth through results

We have received feedback from the capital markets that we need to move more quickly in advancing our business portfolio reforms and achieving an ROE above 8%. We take that feedback seriously and believe it is essential to achieve an ROE above 8% as soon as possible and demonstrate tangible results. We also recognize the significance of our price-to-book (P/B) ratio having remained below 1.0 for an extended period. At the same time, although our P/B ratio has yet to exceed 1.0, our fiscal 2026 performance suggests that the capital markets' perception of the Company is beginning to change. It is not enough simply to articulate our strategy. We must deliver results and earn the trust of the capital markets by consistently following through on the commitments we have made.

Our current management team is, in a sense, a group of highly accomplished individuals, each with a distinct personality and area of expertise. To me, One-team management does not mean that everyone thinks alike. Rather, it means engaging in open and candid discussions from diverse perspectives, then coming together as one team to make decisions and execute them. Through this approach, we must ensure that, under the 2030 MTP, our business portfolio reforms, improvements in capital efficiency, and other initiatives deliver tangible results while incorporating the perspective of the capital markets.

Under the 2025 MTP, our non-financial sustainability initiatives became firmly embedded both within the Group and among our stakeholders. Using President Takeuchi's equation of "Corporate value = Economic value × Social value," I believe we have made steady progress in enhancing our social value. The next challenge is to translate the growth scenario presented in our value creation story into tangible economic value that our stakeholders can clearly recognize. As CFO, I will ensure that the expectations and feedback we receive from our shareholders and investors are communicated to both management and the front lines, helping drive our next stage of growth and further enhance our corporate value.

Sustainable Vision 2030

Value creation process

Toyobo Group will contribute to realizing a sustainable future for people and the planet by creating solutions that help address social issues while strengthening the management capital that supports its value creation cycle.

Corporate philosophy framework "TOYOBO PVVs"

Inputs

FY2026 results

Financial capital
- Consolidated total assets ¥627.7 billion
- Shareholders' equity ¥159.7 billion

Manufacturing capital
- Production sites 35
- Capital investment ¥29.0 billion
- Production technology capabilities that meet customer needs
- A network linking development and production

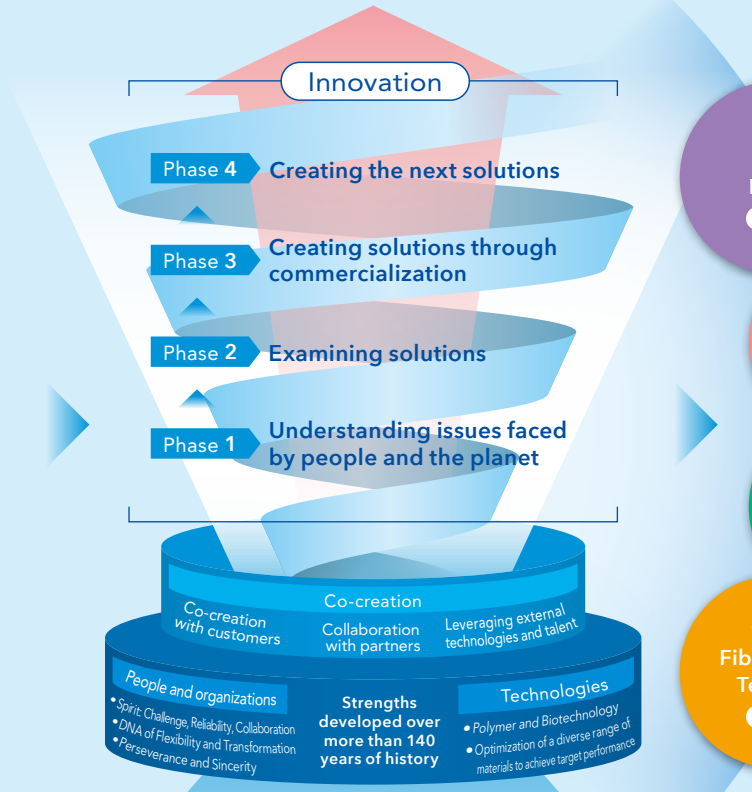
Intellectual capital
- Major research and development sites*1 3
- R&D expenses ¥14.1 billion
- Core technologies
- Number of patents held 6,821

Human capital
- Number of Group employees 9,398
- Number of R&D personnel*2 502
- Number of employees transferred through the internal job posting system (cumulative)*3,*6 25
- People who put the corporate philosophy into practice

Social and relationship capital
- Strong trust-based relationships with customers, suppliers, and local communities
- Collaboration with universities and other companies
- Participation in various initiatives

Natural capital
- Energy consumption 2,753 GWh
- Water intake 79,912 thousand m³
- Technologies contributing to environmental impact reduction

Business model p.20



Materiality p.23

Domain contributing to solving social issues through business	Human capital domain	Environmental and manufacturing domain	Business foundation domain

Societal demands and challenges

- Standardization in handling safety, human rights, and social justice issues
- Increased and diversified needs concerning access to medical care/health promotion
- Demographic changes, human-centric innovation, accelerated urbanization
- Decarbonization, resource circulation, limited natural resources

Outputs

- Films p.27 — Advanced materials
- Life Science p.28 — Healthcare
- Environmental and Functional Materials p.29 — Healthcare
- Fibers and Textiles p.30 — Environment and energy

Creating customer value and solving social issues

Outcomes

Targets

Sustainable Vision 2030
- Greening rate of film products 60%
- Employee engagement score 70% or higher
- Major incidents 0
- Reduction in GHG emissions Scope 1 and 2 (vs. FY2014) 46% or more

2030 Medium-Term Management Plan

ROE Above 8% ROIC Above 6%

FY2026 results

Financial indicators

ROE	ROIC	Net sales	Operating profit
5.5%	3.8%	¥421.6 billion	¥27.9 billion

Sustainability indicators

Contribution through business
- Greening rate of film products 18%
- Ratio of sales from ECO-PARTNER SYSTEM™ products*2 31%

Human capital
- Employee engagement score*3 52%
- Ratio of female employees in management positions*4 5.6%

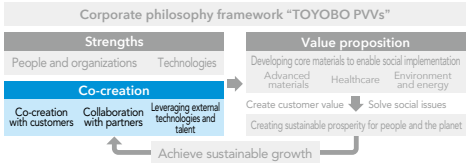
Environment and manufacturing
- Number of major incidents*5 0
- Reduction in GHG emissions Scope 1 and 2 (vs. FY2014) 37%

Business foundation
- CSR procurement survey results*2 Response rate 99%

*1 TOYOBO CO., LTD.
*2 TOYOBO CO., LTD., and TOYOBO MC Corporation
*3 TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD., and TOYOBO TEXTILE CO., LTD.
*4 TOYOBO CO., LTD., TOYOBO MC Corporation, and TOYOBO STC CO., LTD.
*5 Reporting period: January 1, 2025, to December 31, 2025.
*6 Cumulative number of employee transfers since the introduction of the internal job posting system in fiscal 2023.

Value creation cycle: Toyobo Group's business model

Based on the Value creation story presented in the 2030 Medium-Term Management Plan, we discuss our raw enzymes for biochemical diagnosis as an example of our value creation cycle in action. Driven by our core technologies and the strengths of our people and organizations, we create both economic and social value. By further enhancing the reproducibility of this value creation cycle, we will continue to create the solutions needed by people and the planet.



Toyobo Group's value creation in action

Raw enzymes for biochemical diagnosis

Biochemical testing uses enzyme reactions to analyze components such as proteins, lipids, and carbohydrates in blood and urine to support disease diagnosis and assess health conditions. Toyobo Group has established the world's second-largest market share* in the manufacture and sale of raw enzymes for biochemical diagnosis. Our product lineup includes enzymes used in tests for blood glucose (diabetes indicator), cholesterol (lipid-related indicator), creatinine (kidney function indicator), and GOT/GPT (liver function indicator). In raw enzymes for blood glucose monitoring sensors, we hold the world's largest market share at 35%.*

Value creation story of raw enzymes for biochemical diagnosis

Phase 1 — Understanding issues faced by people and the planet

1. At the Inuyama Plant, responsible for the rayon business, Toyobo began exploring ways to address water pollution in the Kiso River caused by pulp wastewater.
2. The Company established a technology that uses yeast to break down sugars in wastewater, helping to prevent water pollution.
3. While working with partners to commercialize technologies based on yeast and the enzymes derived from it, the Company recognized the growing societal need for the early detection of disease and more advanced preventive healthcare.
4. The Company took on the challenge of developing enzyme-based diagnostic technology capable of delivering more accurate and faster results than conventional chemical testing methods.

Phase 2 — Examining solutions

1. The launch of URICOLOR 400, a reagent for measuring uric acid, in 1972 was prompted by a proposal from a sales partner. As Japan's only enzyme-based reagent of its kind, it was recommended for use in the reference method, and the business grew significantly as the enzyme method became more widely used.
2. Since then, the Company has continued to launch products aligned with technological advances, including the automation of testing and the wider adoption of simpler, faster, and more accurate enzymatic colorimetric methods.
3. Researchers with extensive expertise in diagnostic reagents accompanied sales partners as technical sales specialists, enabling them to identify challenges in the field firsthand and drive the development of new diagnostic reagents and enzymes while expanding the product lineup.
4. In 1990, the Company launched its first-generation raw enzyme for blood glucose monitoring sensors, a product that would later become a major growth driver.

Phase 3 — Creating solutions through commercialization

1. As its enzyme portfolio expanded, the Company began developing overseas markets. Drawing on the support of research institutions with which it had built long-standing relationships, the development and sales teams worked together to cultivate new customers.
2. To meet evolving market needs, the Company subsequently advanced technologies to improve enzyme productivity and modify enzyme functions by leveraging its gene analysis and genetic modification technologies, developed through its gene research reagent business, which it entered in 1982.
3. Through joint research with research institutions, the Company developed a second-generation raw enzyme for blood glucose monitoring sensors with improved measurement accuracy. Following its launch, the product quickly gained widespread adoption in global markets and grew into a major business.
4. Amid intensifying competition, the manufacturing, sales, and development teams worked together to overcome the challenge of establishing a new proprietary manufacturing process through continuous product improvements, leading to the commercialization of the third-generation enzyme in 2008.
5. While continuously expanding production capacity, the Company worked with major overseas pharmaceutical companies to broaden its product lineup and strengthen sales promotion, increasing its share of the global market.

Phase 4 — Creating the next solutions

1. As a core technology, the Company has refined its microbial fermentation and enzyme purification technologies, enabling the efficient design and production of enzymes tailored to specific applications. As a result, the Company has established the world's second-largest market share* in raw enzymes for biochemical diagnosis and the world's largest market share* of approximately 35% in raw enzymes for blood glucose monitoring sensors.
2. Driven by global population growth and rising standards of healthcare, the number of biochemical tests performed is expected to increase, particularly in emerging markets. New production equipment commenced operation in fiscal 2025, and the Company will continue to strengthen its supply capacity to meet growing demand while developing continuous enzyme cultivation technology to further improve production efficiency.
3. Although continuous cultivation technology requires highly advanced technological innovation, it offers significant improvements in cost competitiveness. By establishing this technology, enhancing both price competitiveness and supply capacity, and providing enzymes that meet customers' quality requirements, the Company will continue to expand globally with products that contribute to improving people's quality of life.

Value creation highlights

People and organizations
- Addressing the social challenge of water pollution
- Taking on the challenge of both addressing social challenges and creating economic value through commercialization

Collaboration with partners
- Understanding needs in biochemical testing

Collaboration with partners
- Launch of Japan's first diagnostic reagent based on a proposal from a sales partner
- Sales promotion through the secondment of researchers to sales partner companies

Co-creation with customers **Technologies**
- Development and product line expansion based on firsthand understanding of challenges in the field

Leveraging external technologies and talent
Collaboration with partners
- Overseas marketing leveraging long-standing relationships with research institutions around the world

Technologies
- Advancing functional modification technologies by leveraging technologies developed for gene research reagents

People and organizations **Technologies**
- Taking on and overcoming the challenge of establishing a highly advanced production technology

People and organizations **Technologies**
Co-creation with customers
- Establishing a strong global position for next-generation enzymes through the integrated efforts of manufacturing, sales, development, and customers

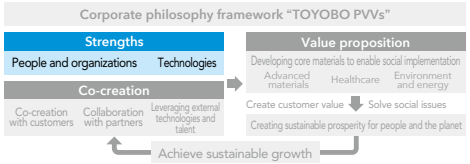
People and organizations **Technologies**
- Taking on the challenge of highly advanced technological innovation

People and organizations
Co-creation with customers
- A commitment to bringing prosperity to people's lives through the global expansion of products that contribute to improving quality of life, while we also continue to seek the growth and development of our people and the Group

* Toyobo estimation

Toyobo Group's strengths

Leveraging the strengths of our people and organizations and our core technologies, cultivated over more than 140 years of history, Toyobo Group creates the solutions that people and the planet need.



People and organizations

The strength of our people and organizations lies in the TOYOBO Spirit of Challenge, Reliability, and Collaboration, together with the DNA of flexibility and transformation cultivated over more than 140 years of history, as well as the perseverance and sincerity that define Toyobo Group. Together, these strengths underpin Toyobo's distinctive approach to value creation.

TOYOBO Spirit

9 Commitments

Challenge

Think Ahead | Create | Accomplish

Reliability

Safety First | Customer Satisfaction | Factual Basis

Collaboration

Mutual Communication | Diversity | Providing Opportunities

Challenge

Since our founding, we have taken on the challenge of entering new business domains to help solve social issues, creating the "new" that society needs. Going forward, we will continue to leverage the technologies we have cultivated and our spirit of challenge to create solutions that contribute to solving social issues.

Reliability

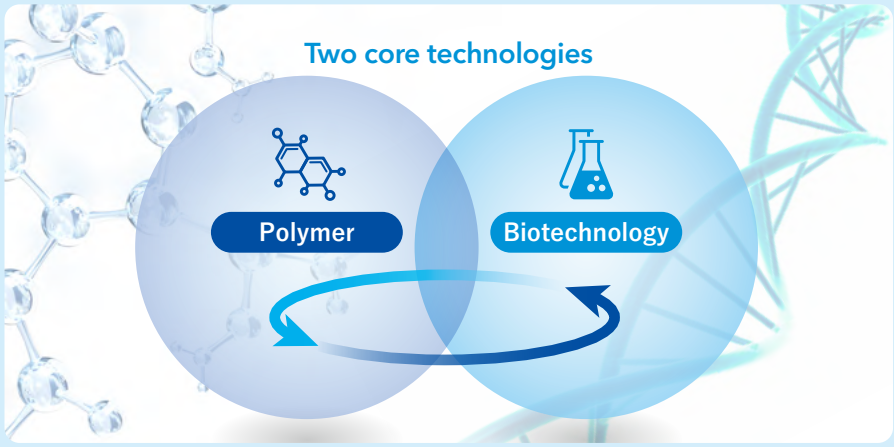
For more than 140 years, Toyobo Group has built trust through its commitment to safety, disaster prevention, quality assurance, and compliance. Going forward, we will continue to be a company trusted by all stakeholders, including our customers and suppliers.

Collaboration

We have fostered a culture that emphasizes mutual respect, co-creation, and collaboration with a diverse range of internal and external stakeholders. A culture that welcomes change, enjoys change, and continues to create change is what defines Toyobo Group today.

Technologies

The strength of our technologies lies in our ability to optimize a diverse range of materials to achieve target performance, based on our core Polymer and Biotechnology technologies. By further advancing the technologies we have cultivated since our founding, we will continue to create new value.



Polymer

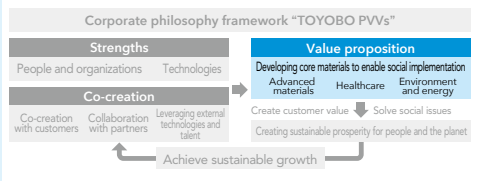
Polymer is one of Toyobo Group's core technologies, cultivated through its synthetic fiber business. We possess an integrated technological foundation spanning polymer design, synthesis, polymerization, modification, and processing. Through molecular orientation control and advanced processing technologies, we optimize a diverse range of materials to achieve target performance. Leveraging these strengths, we develop products such as high-performance resins, films, membranes, and high-performance fibers, creating value across a broad range of industries.

Biotechnology

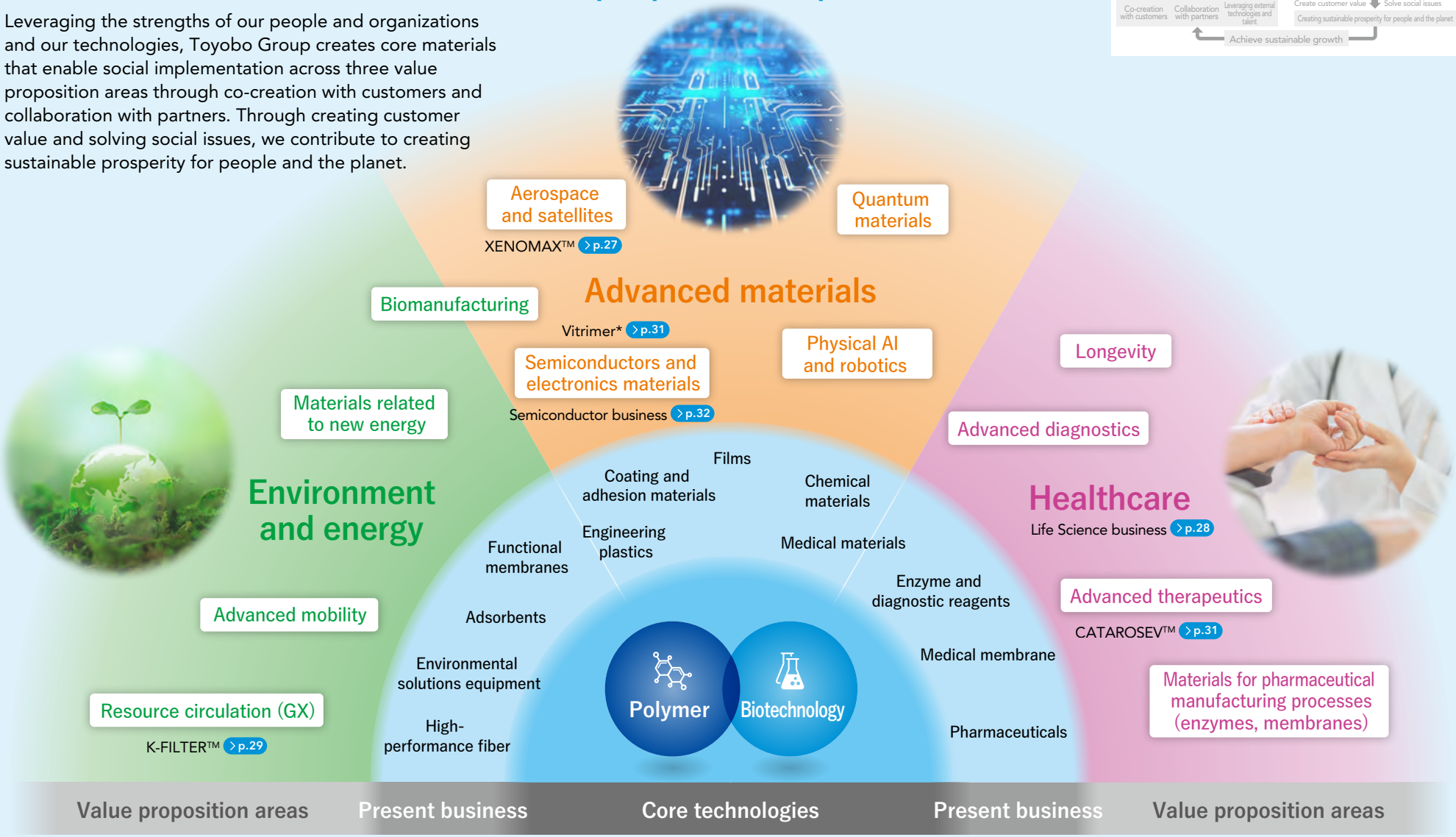
Biotechnology is one of Toyobo Group's core technologies, originating from the cultivation of yeast used to treat pulp wastewater. Leveraging gene and protein design technologies, together with microbial and cellular metabolic control technologies, we have the capability to develop and manufacture research and diagnostic reagents in an integrated manner, from raw materials to final products. By combining these capabilities with our polymer technologies, we also develop medical products, including highly biocompatible medical materials and medical membranes, creating value in the healthcare field.

Toyobo Group's value proposition areas

Leveraging the strengths of our people and organizations and our technologies, Toyobo Group creates core materials that enable social implementation across three value proposition areas through co-creation with customers and collaboration with partners. Through creating customer value and solving social issues, we contribute to creating sustainable prosperity for people and the planet.



Creating sustainable prosperity for people and the planet



* "Vitrimer" is a registered trademark of FONDS ESPCI PARIS.

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

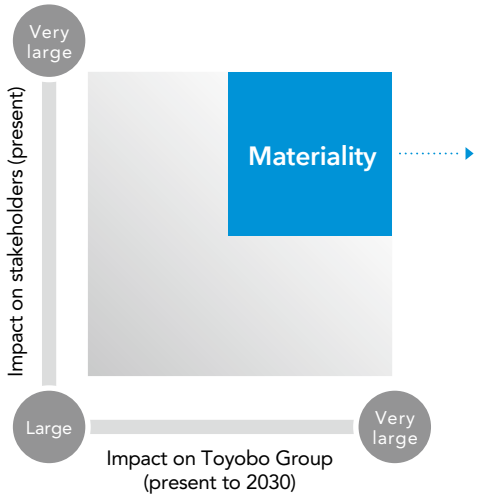
Process of identifying material issues

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

Management of materiality indicators (PDCA)

To ensure steady progress on our materiality initiatives, we have assigned an officer to each materiality and established corresponding targets and indicators. Progress is reported and shared at each meeting of the Sustainability Committee, which is held every two months, to support the continuous improvement of our initiatives. When necessary, the results of deliberations by the Sustainability Committee are reported and submitted to the Board of Directors through the Board of Management.

Materiality map



Domain contributing to solving social issues through business

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

Human capital domain

- Employee well-being (diversity, equity, and inclusion; health and productivity management; occupational health and safety)
- Human capital
- Human rights (including in the supply chain)

Environmental and manufacturing domain

- Safety and disaster prevention
- Quality
- A decarbonized and circular society (reduction of environmental impact)
- Chemical substances management

Business foundation domain

- Innovation
- Partnerships (supply chain, stakeholder engagement, and social contribution)
- Digital transformation
- Risk management and compliance

Specific process

Identify and list global social issues
United Nations Global Compact, GRI Standards, SASB, etc.

↓

Internal survey and impact assessment
Target: Directors, officers, and employees

↓

Gather external feedback and revise the content

↓

Discussed by the Board of Management and approved by the Board of Directors

TOPICS

Review of materiality indicators in line with the Medium-Term Management Plan

Following the formulation of the 2030 Medium-Term Management Plan, Toyobo Group reviewed its materiality indicators for fiscal 2027 onward. To strengthen alignment with its management strategy and enhance the effectiveness of progress management, the Group optimized these indicators and redesigned them using a backcasting approach based on its desired future state to achieve Sustainable Vision 2030. The Group will use these indicators to visualize progress on its strategy and steadily advance toward realizing its desired future state.

View the revised materiality indicators.

Risks, opportunities, and materiality in achieving the vision

Materiality indicators

April 1, 2026

Category	Major items	Risks	Opportunities	Indicators			
				Themes	FY2026 indicators	FY2026 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. 18%	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*1 2. 250,000 patients*1	1. 6.7 million times 2. 220,000 patients	Kazuhito Ikeda
	Smart communities and comfortable spaces			1. Expansion of sales volume for products supporting DX	1. 1.5 times FY2021*1	1. 1.4 times	Masanao Kudo
Human capital domain	Employee well-being (diversity, equity, and inclusion; health and productivity management; occupational health and safety) Human capital	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 employees in management positions 3. Ratio of eligible 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, 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% 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	1. ¥30,000, 12.21 hours 2. 5.6% 3. 116.2% (average of 35.7 days) 4. 2.46%*2 5. 0.13% 6. 80.8% 7. Maintained 8. 52% 9. ① 47% ② 50% 10. 17 people	Takehiko Inada
	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	1. 12 times Number of participants: 1,877	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 2. 0.25 or less 3. 0 incidents 4. 0 incidents	1. 0 incidents 2. 0.62 3. 0 incidents 4. 1 incident	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 2. 100%	1. 0 incidents 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 2. 0 incidents 3. 0 incidents	1. 0 incidents 2. 1 incident 3. 0 incidents	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%	1. 37% reduction (771 thousand t-CO_2) 2. 83% reduction 3. 39% reduction 4. 7% reduction 5. 0.88%	Taichi Sakai

Some indicators do not cover all Group companies.
*1 Fiscal 2031 indicators *2 As of June 1, 2025

Risks, opportunities, and materiality in achieving the vision

Materiality indicators

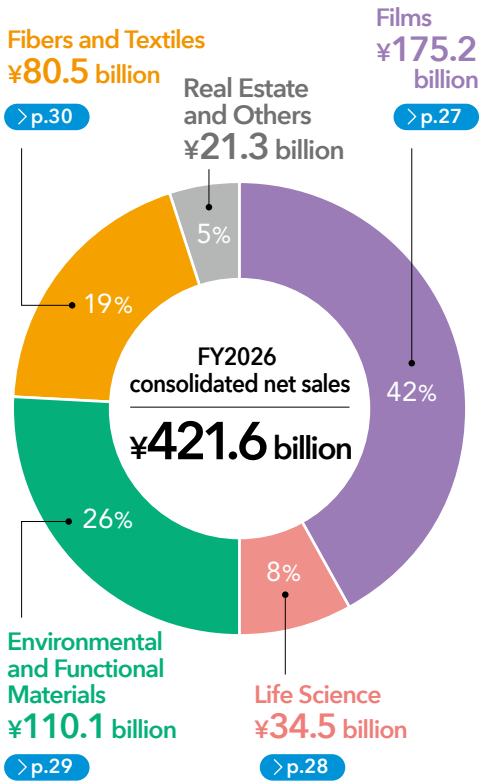
April 1, 2026

Category	Major items	Risks	Opportunities	Indicators			
				Themes	FY2026 indicators	FY2026 results	Officer in charge
Business foundation domain	Governance	Medium and long term ・Compliance with laws and regulations, and responding to system changes ・Social demands for strengthening corporate governance	Medium and long term ・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. 23 meetings (17/6) 2. Attendance by directors at meetings 3. Evaluation of the effectiveness of the Board of Directors	Takehiko Inada
	Innovation	Medium and long term ・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 ・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	1. 83% (10 out of 12 organizational tasks achieved) 2. 46 people 3. 23 times	Toshiyuki Oya
	Partnerships (supply chain)	Short, medium, and long term ・Negative impact on business activities due to illegal actions or compliance violations by suppliers	Short, medium, and long term ・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. 99% (As of July 2026) 2. Increase of 1.6% year on year	Taichi Sakai
	Partnerships (stakeholder engagement)	Short, medium, and long term ・Failure to fulfill accountability leading to unestablished trust with stakeholders ・Reputational risk	Short, medium, and long term ・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 2. At least 150 3. At least 3 times 4. 60 times	1. 84 cases 2. 127 cases 3. 4 times 4. 72 times	Norio Iizuka 4. Takehiko Inada
	Data security, privacy	Short, medium, and long term ・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 ・Gaining customer trust, maintaining good relationships with business partners, and improving competitiveness	1. Promotion of information security measures ・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 3. 0 incidents	1. Renewal completion 100% 2. 26 times 3. 0 incidents	Tetsuro Yabuki
	Compliance	Short, medium, and long term ・Business activity stagnation, loss of social credibility, and damage to corporate value	Short, medium, and long term ・Establishing a stable management foundation ・Strengthening risk management systems ・Fostering a culture of compliance awareness	1. Improvement of compliance awareness (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 (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 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) 90% (2) 96% (3) Compliance study sessions Attendance rate of mandatory participants: 100% Distribution of key awareness-raising materials: 27 times 2. (1) 96% (2) 76% (3) 100 cases 3. 0 cases	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%	Toshiyuki Oya

Some indicators do not cover all Group companies.

Contribution through business
Business portfolio reforms > p.15

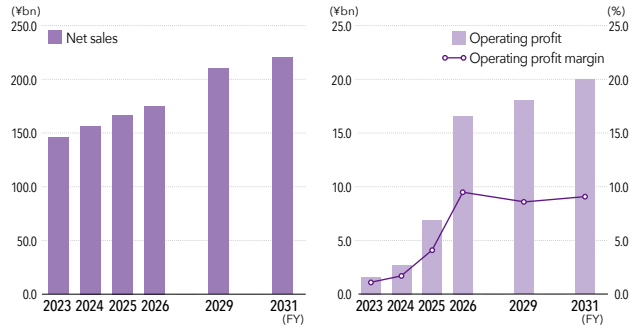
Business strategy



Note: Figures are presented based on the revised reporting segments. Figures for the revised segments have not been audited by the independent auditor.
- Changed the name of the previous "Functional Textiles and Trading" to "Fibers and Textiles."
- Reclassified some businesses previously included in "Functional Textiles and Trading" into "Others."

Main business directions

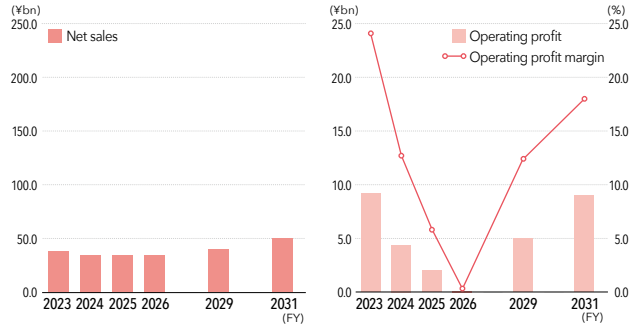
Films



2030 Medium-Term Management Plan direction

This segment will shift its strategy from profit growth driven by volume expansion to value creation with a stronger focus on capital efficiency. Under an integrated divisional management structure, we will elevate our business foundation by optimizing our portfolio and appropriately allocating management resources. Specifically, we will improve the productivity of our production equipment, implement value-based pricing, and improve our cash conversion cycle (CCC). Through these initiatives, we will build a resilient business foundation capable of generating stable earnings even amid rapid changes in the business environment. We will also reinvest the funds generated in growth initiatives, creating a virtuous cycle of sustainable value creation.

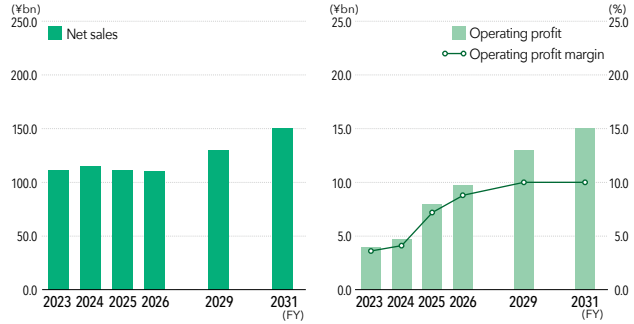
Life Science



2030 Medium-Term Management Plan direction

This segment will steadily ramp up production at its new equipment and plants to achieve an early return on investment. We will also expand the business by bolstering our supply capacity in line with market growth. In the Biotechnology business, we will strengthen our global sales capabilities by clarifying the roles of our overseas sites and establishing continuous cultivation technology for raw enzymes for biochemical diagnosis. In the Medical business, we will expand sales of hollow fiber membranes for artificial kidneys through our collaboration with NIPRO CORPORATION. In the Pharmaceuticals business, we will secure new contract manufacturing projects and improve profitability. In addition, we will promote technological integration across businesses and expand into new fields, building a foundation for sustainable growth through co-creation with partners.

Environmental and Functional Materials



2030 Medium-Term Management Plan direction

This segment will continue its business portfolio reforms in response to changing market conditions, focusing on the priority areas of electronics materials, environment, and mobility. We will concentrate management resources in these areas and actively leverage external resources to advance our overseas expansion, new business development, and intellectual property strategy. In the electronics materials field, we will leverage our adhesive and organic synthesis technologies to expand our presence in the semiconductor and electronic materials markets. In the environmental field, we will transform our business from supplying materials to providing integrated solutions, including after-sales support. In the mobility field, we will respond to growing demand for lightweight materials and other evolving needs. We will pursue these initiatives with a sense of urgency and remain firmly committed to achieving our targets.

Business strategy

Films

Creating value through materials technologies as one Films Division, driving sustainable growth and shaping the future of society and everyday life

Masanao Kudo
Senior Managing Executive Officer
Head, Films Division

Division operating policy

"Harnessing our expertise in materials, together with fresh ideas and innovation, to create a sustainable living environment and bring smiles and inspiration around the world"

Business environment and strengths

The strength of this segment lies in its integrated technologies spanning polymerization, film formation, and coating, together with the broad product portfolio built on those technologies. Built on the technological expertise Toyobo has cultivated over many years, we deliver high levels of functionality, environmental performance, and cost competitiveness. These strengths enable us to provide solutions for a wide range of market needs, from cutting-edge fields such as space and semiconductors to everyday applications including food packaging, creating new business opportunities.

Review of the 2025 Medium-Term Management Plan

Under 2025 MTP, we made significant capital investments in growth areas. However, delays in bringing new production equipment online, coupled with delays in passing on higher raw material, fuel, and other costs, meant that the recovery in earnings took longer than anticipated. As a result, performance fell significantly short of our original plan.
By business, Packaging film struggled with delays in ramping up new production equipment and deteriorating market conditions. However, structural reforms and a review of our pricing strategy have led to improved profitability. Industrial film was initially affected by the slowdown in the semiconductor market, but demand has recently begun to recover, and the utilization of new production equipment has steadily increased. Meanwhile, our display-related business, where Toyobo holds a strong market position, remained solid.

In the past, the overall films market continued to expand, allowing each business to pursue its own optimization and still achieve solid earnings growth. In recent years, however, the business environment has become far more volatile, driven by rising raw material and fuel costs, the rapid depreciation of the yen, inflation, and shifts in demand. Against this backdrop of increasing uncertainty, we believe it is essential for the entire Films Division to work as one, allocating management resources from the perspective of overall optimization to build a robust business foundation capable of withstanding changes in the business environment and generating stable earnings.

2030 Medium-Term Management Plan strategy

Under 2030 MTP, we are shifting from a strategy focused on profit growth through volume expansion to one that emphasizes capital efficiency, centered on how we utilize capital employed to create sustainable value. By optimizing the portfolio across the entire Films Division and appropriately allocating management resources, we will reinforce our business foundation.
Specifically, we are focusing first on maximizing the productivity of our capital investments. We will optimize our portfolio by increasing production capacity for strategic products such as release film for MLCC, COSMOSHINE SRF™ polarizer protective film for LCDs, and PYLEN EXTOP™, our ultra-high rigid oriented polypropylene (OPP) film, and shifting our focus toward higher-profit businesses. In addition, we will enhance profitability through disciplined value-based pricing. To further improve capital efficiency, we will optimize inventory levels, shorten lead times, review payment terms, and improve our cash conversion cycle (CCC). By working as one Films Division, we aim to improve ROA by business and contribute to enhancing the Company's overall ROE.
Through these initiatives, we will build a resilient business foundation capable of generating stable earnings even amid rapid changes in the business environment. At the same time, we will reinvest the funds generated in growth initiatives, creating a virtuous cycle of sustainable value creation.
Under 2030 MTP, our strategy for Packaging film is to build a stable earnings base by securing healthy spreads, ensuring a stable supply of packaging materials that are essential to everyday life, and improving our portfolio through the expansion of environmentally friendly and functional products. In Industrial film, we have identified the display and semiconductor fields, where our technological strengths can be fully leveraged, as priority areas. We will strengthen our supply capabilities and further enhance the value of our products.
We will also lay the foundation for expansion into growth fields such as energy, semiconductors, and the space industry by leveraging our proprietary materials and technologies, including PEN film and XENOMAX™, a high heat-resistant polyimide film, while keeping an eye on medium- to long-term market trends. By doing so, we will create the next generation of earnings drivers, solidify our position as a category leader in the high-performance films market, and achieve sustainable growth.

Strengthening execution on the ground

In managing the Films Division, we have consistently emphasized operating as one division with a focus on overall optimization. Previous medium-term management plans were developed by building strategies for each business individually before integrating them at the divisional level. As uncertainty in the business environment has increased, however, the limitations of this approach have become increasingly apparent.
2030 MTP marks a shift in direction. We have reassessed our business structure as one Films Division and rebuilt our strategy from an overall optimization perspective. Decision-making is now being guided by a division-wide view rather than individual business priorities. Organizational reforms are also helping us optimize the allocation of human resources and encourage greater personnel exchange across departments, promoting knowledge sharing and enhancing organizational capabilities.
Looking ahead, we will continue developing the next generation of leaders and expand our marketing capabilities through training programs that foster talent capable of creating value from a market-driven perspective. We are also advancing digital transformation (DX) across the division by making better use of data and information to improve operational efficiency and accelerate higher-quality decision-making. Together, these efforts will build the organization and develop the talent needed to support sustainable growth.

Business strategy

Life Science

Achieving stable, sustainable growth through business expansion and improved capital efficiency

Kazuhito Ikeda
Director and Managing Executive Officer
Head, Life Science Division

Division operating policy

"Enriching everyday lives through engaged employees and the advancement and integration of distinctive technologies"

Business environment and strengths

In the Biotechnology business, the market for enzymes used as raw materials for biochemical diagnostic reagents is expected to continue growing steadily, particularly in emerging economies, while demand for enzymes used in genetic testing research reagents is becoming increasingly diverse. We will meet these market needs by leveraging our strong global brand and advanced production technologies in genetic engineering, cultivation, and purification.
In the Medical materials business, meanwhile, the number of patients requiring dialysis membrane modules continues to grow, particularly in emerging markets. In collaboration with our partner, NIPRO CORPORATION, we will expand sales of our naturally derived hollow fiber membranes for artificial kidneys, which offer excellent biocompatibility and stable filtration performance.

Review of the 2025 Medium-Term Management Plan

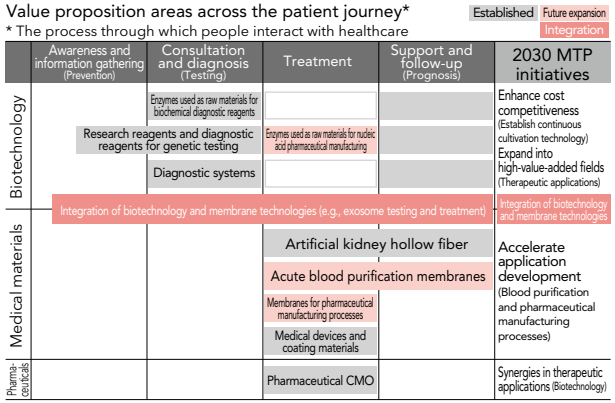
Under 2025 MTP, we made significant capital investments. In the Biotechnology business, however, contributions from our new production equipment took longer than expected to materialize. This was compounded by declining demand for infectious disease–related products and sluggish sales at our overseas operations. In the Medical materials business, establishing new technologies to increase production and reduce costs at our integrated manufacturing plant for hollow fiber membranes for artificial kidneys also required more time than anticipated. As a result, earnings came under pressure as investments outpaced returns. We are now ramping up our new equipment and plant and working to improve productivity.

In the Pharmaceuticals business, the U.S. Food and Drug Administration (FDA) lifted its Warning Letter, and earnings improved as we implemented product price revisions and secured high-value projects.

2030 Medium-Term Management Plan strategy

Under 2030 MTP, our first priority is to stabilize production at our new equipment and plant and accelerate investment recovery. We will improve asset efficiency, strengthen the production technologies that underpin future growth, and enhance our supply capabilities to meet growing market demand, thereby expanding the scale of our business. Reflecting on the lessons learned from the previous medium-term management plan, we will also sharpen our framework for assessing investment risks.
In the Biotechnology business, we will bolster our global sales capabilities by redefining the roles of our overseas operations and establishing continuous cultivation technology for enzymes used as raw materials for biochemical diagnostic reagents. Although this technology requires highly sophisticated innovation, it offers a significant improvement in cost competitiveness over conventional production methods.
In the Medical materials business, we will work with NIPRO CORPORATION to expand global sales of our hollow fiber membranes for artificial kidneys. In the Pharmaceuticals business, we will leverage our upgraded production plant to secure new contract manufacturing projects, delivering stable and sustainable earnings growth.
In the future, we will also promote the integration of technologies across our businesses and expand into new fields from the perspective of delivering value throughout the patient journey. Although the three businesses offer different products, they are united and integrated around biotechnology as a common core technology and share a culture of continually taking on new challenges that has been passed down since the business was founded. We are already combining our biotechnology and membrane technologies to expand sales of exosome purification membranes while developing new applications, including membranes for pharmaceutical manufacturing processes.
We will also deepen the collaborative relationships established by my predecessor by building stronger ties at the executive level, further increasing the momentum of our business. Through these efforts, we are ensuring that ROA by business exceeds 8% and contributing to higher overall ROE for the Company.

Value proposition areas across the patient journey*
* The process through which people interact with healthcare



Strengthening execution on the ground

Having spent much of my career at manufacturing sites, I have witnessed many businesses being forced to withdraw from the market. Those experiences have shaped my belief that our people should never be put in a position where they are fighting a losing battle. Only when our employees thrive can we create value for our stakeholders. My role is to provide clear direction and support so that our people can work with enthusiasm, find purpose in their work, and pursue a common goal together.
To achieve this, I will combine the business management foundation established by my predecessor with the management practices I helped develop at TOYOBO MC Corporation. We are linking everything from divisional policies to individual goals through a unified management system and using it as the basis for dialogue during visits to our workplaces. When people truly understand and embrace our direction, it shapes their actions. As those actions spread and resonate throughout the organization, they become a driving force for change. Because execution always begins on the ground, ensuring everyone is moving in the same direction is our highest priority. Through ongoing dialogue and greater visibility, I will continue to communicate policies that reflect the realities of our workplaces. As one example, I have spent more than a decade sending employees birthday messages by email. It is a small gesture, but one that I find deeply rewarding.

Business strategy

Environmental and Functional Materials

(primarily TOYOBO MC Corporation)

Executing business portfolio reforms and boldly allocating resources to growth areas

Naoki Fujii
Managing Executive Officer
Head, Environmental and Functional Materials Division
President & Representative Director, CEO TOYOBO MC Corporation

Division operating policy

"A solutions company delivering materials plus value in three priority fields"

Overall strategy

Globally, businesses are being called upon to respond to geopolitical risks and tightening environmental regulations. In Japan, meanwhile, inflation and accelerating industry consolidation are rapidly reshaping the business environment surrounding TOYOBO MC Corporation. Against this backdrop of significant change, we believe that maintaining the status quo itself is a risk.
We bring together TOYOBO CO., LTD.'s technological expertise and development capabilities with Mitsubishi Corporation's market insight and intelligence. This combination makes us a unique company. By leveraging our ability to anticipate market needs, we aim to maximize the value of our products through initiatives such as joint development with customers. The value created by combining the strengths of both companies defines our identity.

Review of the first three years

We operate more than 10 businesses. Since our establishment, we have boosted collaboration across them by introducing a functional division system encompassing sales, production, and R&D. We have also classified each business into one of three strategic categories—Growth, Cash cow, and Transformation—to strengthen our revenue base from the perspective of overall optimization.
In the Nonwoven materials business, we reviewed our domestic production structure, including the divestiture of two domestic subsidiaries. We have also made progress on initiatives with the potential to become future earnings drivers, including joint development projects with OEMs led by the Mobility Business Strategy Unit and the creation of new products expected to find applications in the semiconductor and electronic materials fields.

2030 Medium-Term Management Plan and fiscal 2027 business strategy

We believe ours is a company destined for growth. Continuing to reform our business portfolio in response to changing market conditions is essential to achieving sustainable growth. Indeed, our establishment was itself a transformation undertaken to ensure our businesses continue to grow over the next 10 to 20 years.
Our medium-term management plan established in fiscal 2027 marks a fundamental shift in the way we manage our business, building on the culture of embracing change that we have fostered since the business was launched. We will concentrate management resources on our three priority fields—Electronics materials, Environment, and Mobility—where strong market growth is expected. Rather than relying solely on organic growth, we will actively pursue acquisitions and other external growth opportunities while steadily expanding overseas and advancing new business development. We will also enhance our intellectual property strategy to build a framework that ensures we win through technology and succeed in business. Looking further ahead, we will establish development themes for different time horizons and allocate management resources accordingly.
In the electronics materials field, we will expand our presence in the semiconductor and electronic materials markets by leveraging our core adhesive and organic synthesis technologies. We will also deploy financial leverage, including through inorganic initiatives, to invest in M&A and business infrastructure.
In the environmental field, we will build on our core technologies, including spinning, to transform our business from selling materials to delivering integrated solutions that combine materials, equipment, and after-sales support. Examples include lithium concentration and recovery applications using HOLLOSEP™ hollow-fiber BC membrane and the use of K-FILTER™ activated carbon fiber as an adsorbent for volatile organic compound (VOC) recovery and per- and polyfluoroalkyl substances (PFAS) removal.
In the mobility field, we will accelerate the commercialization of products that draw on our technological strengths to meet growing demand for lightweight solutions driven by vehicle electrification. We will also bolster our cost competitiveness by leveraging local partners overseas.
By pursuing these initiatives with urgency and an unwavering commitment to achieving our goals, we will improve ROA by business and realize our vision of "Solving global issues with high-performance materials."

Current portfolio	Concentrate resources in priority fields
Growth • Engineering plastics • VYLON™ and HARDLEN™ • Environmental solutions	**Electronics materials** • High-speed communications • Advanced packaging miniaturization • Low-dielectric materials
Cash cow • Photo-functional materials • Fine chemicals • High-performance fibers	**Environment** • Resource recycling (e.g., lithium) • Emissions reduction (e.g., PFAS) • Decarbonization
Transformation • Nonwoven materials	**Mobility** • Lightweighting • Electrification • Recycled materials

Strengthening execution on the ground

Execution begins with a strong determination to succeed. We aim to build a strong organization in which every employee takes ownership, thinks independently, and acts accordingly. To achieve this, we believe it is essential to share as much information as possible. We therefore communicate openly and continuously about our position within the industry, the challenges we face, and the direction we are taking.
Since our first year of operations, members of senior management have visited our sites in Japan and overseas each year to engage directly with employees. In fiscal 2027, I plan to visit every domestic and overseas site myself and speak with all our employees. By tailoring my message to each audience, I will repeatedly communicate the purpose behind the establishment of our Company and the strategy of our medium-term management plan, helping employees see how it relates to their own work and fostering a stronger sense of unity across the organization.
I was especially encouraged when an employee working on the front line of a business that had been underperforming told me that, for the first time, they understood where their business fit within the company and wanted to think more deeply about how they could contribute. Moments like that reaffirm the importance of open dialogue.
The knowledge and expertise we have accumulated at TOYOBO MC will also be shared across Toyobo. As President of TOYOBO MC, I will actively contribute to discussions within Toyobo and further expand personnel exchanges at the operational level.

Business strategy

Fibers and Textiles

Let the data speak and earn trust through objective decision-making

Tadao Kuroki
Managing Executive Officer
Head, Fibers and Textiles Division

Division operating policy

"Trading and manufacturing businesses that challenge one another and grow together"

Overall strategy

The Fibers and Textiles Division comprises both manufacturing businesses, which generate earnings through a fixed-cost model, and trading businesses, which generate earnings through a variable-cost model.
To improve ROA by business, our manufacturing businesses need to focus on maximizing earnings by steadily reducing production costs and improving capacity utilization. Our trading businesses, meanwhile, must focus on optimizing the asset base by reducing working capital and improving capital efficiency. As a trading company with manufacturing capabilities, we must also increase earnings by planning and developing highly differentiated products. To achieve this, the Division has established four guiding principles: 1) formulating business strategies based on objective data rather than assumptions or preconceived ideas; 2) working with integrity alongside all stakeholders; 3) promoting products and businesses capable of generating appropriate returns; and 4) trusting our colleagues and continuing to grow together. As someone with a technical background, I regard the first principle as the foundation of everything we do, and it will be a particular focus going forward.

Textiles

In the Textiles business, we have prioritized improving the operating profit margin over pursuing sales growth. We have also withdrawn from unprofitable businesses and worked to reduce capital employed by consolidating operations at the Toyama Production Center into the Shogawa Plant and carrying out structural reforms at affiliated companies. As a result, the business returned to profitability in fiscal 2024.
Textiles business draws on a number of strengths, including advanced composite spinning technologies developed over many years, integrated planning capabilities spanning everything from spun yarn to finished products, and a strong brand presence in specialty fabrics for the Middle East. In addition, TOYOBO STC Co., Ltd., combines trading and manufacturing capabilities, giving it a unique competitive advantage.
Going forward, we will expand applications for knitted materials, particularly in high-comfort uniforms and other apparel. We will also boost our industrial materials business, including infrastructure applications such as waterproofing materials. At the same time, we will further enhance our planning and sales capabilities while working with partner companies on product planning, development, and manufacturing, rather than relying solely on our own production capabilities, creating mutually beneficial relationships.
We will continue to focus our resources on areas where we have a competitive advantage, reduce working capital, and improve capital efficiency. Through these efforts, we aim to improve ROA by business and achieve our hurdle rate.

Airbag fabrics

We have been engaged in the Airbag fabrics business for more than 30 years, building a strong foundation of accumulated technologies and expertise. Our original plan was to expand the business through our operations in Japan, Thailand, the United States, and China, achieving greater scale, reducing costs, and improving profitability.
We have since revised our strategy, consolidating our operations in Thailand to streamline the business and elevate its competitiveness. Specifically, in February 2026, we transferred our equity interest in our Chinese airbag fabric manufacturing and sales subsidiary to another company. In March 2026, we dissolved our Thai airbag fabric sales subsidiary and transferred its sales functions to our airbag fabric manufacturing subsidiary in Thailand. We also plan to dissolve our U.S. airbag fabric sales subsidiary and begin liquidation proceedings in September 2026.
Going forward, we will consolidate our operations in Thailand to establish an integrated production system spanning everything from yarn to airbag fabric. We will also improve production efficiency by consolidating nylon fabric product lines and expand sales of polyester airbag fabrics. In addition, we will strengthen our partnerships to meet customers' global demand for a stable supply while improving profitability and achieving the hurdle rate for ROA by business. We expect the business to return to profitability in the second half of fiscal 2027 as the benefits of this consolidation begin to materialize.

Strengthening execution on the ground

Metrics such as ROE and ROA by business are primarily management metrics. To be meaningful on the front lines, however, they must be translated into practical actions tailored to each role. For example, in our manufacturing operations, the focus is on maximizing earnings by reducing costs to improve marginal profit margins. In sales, the emphasis is not only on increasing earnings through pricing initiatives but also on improving the asset base by accelerating cash collection and reducing inventories to shorten the cash conversion cycle (CCC).
To reinforce the principle that safety always comes first, I also make a point of visiting our operations regularly to ensure this mindset is firmly embedded throughout the organization. In the Airbag fabrics business, I have long made regular visits to our overseas sites. Going forward, I will also regularly visit our Textiles plants and affiliated companies, both in Japan and overseas.
Every visit brings new insights. Beyond confirming that safety standards are being upheld, I can see firsthand whether our operations are running smoothly. Visits to our overseas sites also give me a deeper understanding of local cultures. One of the greatest rewards is seeing our employees greet me with a smile.

CTO message

Toshiyuki Oya
Executive Officer
Chief Technology Officer (CTO)
Controlling Supervisor, Research and Business Development Division

Transforming the power of people and technology into market value to create new growth businesses

Bridging technology and the market

Since joining the Company, I have built my career around research and development (R&D), gaining experience across a wide range of roles, including corporate research, product development within our business divisions, overseas assignments, and business development. Along the way, I have been involved in every stage of the process, from creating new businesses to working directly with customers. Much of my career has been spent in technical fields closely aligned with our business divisions, working directly with our operations and customers. Those experiences have provided a strong foundation for translating technology into business.

In April 2026, I was appointed Chief Technology Officer (CTO). I take the responsibility that comes with this role seriously and approach it with both a strong sense of purpose and healthy determination. Until now, I have viewed technology and our businesses primarily from the perspective of R&D within individual business divisions. Going forward, however, I believe it is my responsibility to take a Company-wide view of the technologies and R&D activities across all our businesses and provide leadership in these areas.

During the development of the 2030 Medium-Term Management Plan (2030MTP), we repeatedly discussed what truly distinguishes Toyobo Group. We consistently came back to two fundamental strengths: our people and our technology. The challenge now is how to leverage those strengths to create new businesses. It is not enough simply to advance technology; we must also turn it into commercially viable businesses. I believe that serving as the bridge between technology and business is the fundamental role of the CTO.

The Group has long fostered a culture of steadily building on its technological expertise and continuously creating high-quality products, rooted in its long history in the Textile business. This culture underpins the strengths in our people and technology that I mentioned earlier and forms the foundation of our businesses today. At the same time, there have been occasions when our pursuit of technological excellence has made it more difficult to connect our innovations with what customers truly need and the value they can create for society. We must incorporate a stronger marketing perspective and more closely align the strengths we have cultivated with market needs and social challenges. It is no longer enough simply to create outstanding products. We must turn the value sought by customers and society into reality.

Advancing R&D themes toward commercialization and creating the next generation of growth businesses

Looking back on the period of the 2025 Medium-Term Management Plan, we made significant progress in advancing several priority R&D themes to the point where commercialization is now within reach. One of the most important milestones was the transfer of our environmentally friendly, high heat-resistant adhesive film for bonding dissimilar materials, developed using a new cross-linked resin known as a Vitrimer,* from the research laboratory to the business division. We also completed the transfer of CATAROSEV™, our exosome purification filtration membrane, to the Life Science business division and have now begun commercial sales.

It is immensely rewarding to see technologies we have developed through R&D reach the market and receive positive feedback from customers. I believe that the steady progress of these priority themes reflects the results of our efforts to select and focus our R&D themes.

Looking ahead to the period of the 2030MTP, our priority is to grow these technologies into major businesses. CATAROSEV™ is currently used primarily for research applications, but we believe it has the potential to significantly expand the business through industrial applications, including drug discovery. We are also preparing a second and third wave of products following the basic Vitrimer* formulation. Rather than positioning Vitrimer* as a single product, we aim to develop it into a family of products that will form the foundation of a new business. By translating the results of our R&D into sustained business growth, we will accelerate the creation of new value that is uniquely the Group.

* "Vitrimer" is a registered trademark of FONDS ESPCI PARIS.

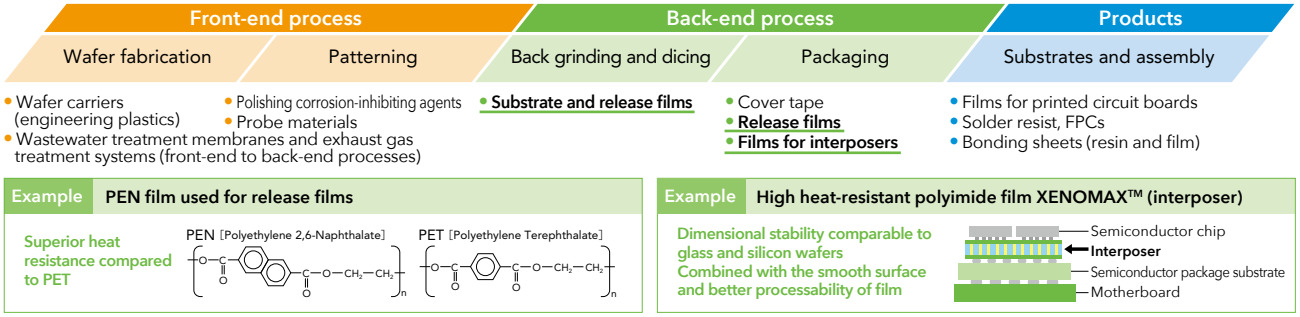
Creating new value in growth areas by leveraging our core Polymer and Biotechnology

Until now, the Group has identified four core technologies—synthesis, polymerization, and modification; biotechnology; molding and processing; and analysis and simulation—and has leveraged them to develop high-performance materials and products that address social challenges. To provide a clearer and more accessible framework for all stakeholders, however, we have redefined our core technologies under the 2030MTP as two core technologies: Polymer and Biotechnology.

These two core technologies have each evolved and expanded independently over many years in distinct technological fields and business domains. Going forward, however, we will focus on creating new value by integrating these technologies and exploring the areas where they intersect.

CTO message

Semiconductor value chain and Toyobo Group product portfolio



Furthermore, under the 2030MTP, we established strategic value proposition areas based on our core technologies for the first time. In defining these areas, we carefully assessed long-term market and technology trends, as well as changes in the business environment. We also conducted a comprehensive evaluation of the strategic fit and competitive advantages of our core capabilities in combination with our broader management resources, including our supply chain, manufacturing and R&D infrastructure, human capital, and customer base. Based on this assessment, we identified three growth areas: Environment and energy, Advanced materials, and Healthcare.

Toyobo Group's value proposition areas > p.22

Creating new growth opportunities in the semiconductor market

The semiconductor market is one of the key growth areas within our Advanced materials value proposition area. Although the Group is not widely recognized as a semiconductor company, a closer look at our businesses and technologies reveals areas where we can leverage our strengths. For example, derivative products based on our release film technology for multilayer ceramic capacitors (MLCCs) have already established a strong presence in certain back-end semiconductor manufacturing processes. Rather than entering the market from scratch, we are repositioning the technologies and customer base we have built over many years within the context of the semiconductor industry. We believe this approach will open up new opportunities for growth.

The semiconductor industry is characterized by distinct dynamics in its front-end and back-end processes, and it is the back-end process where the Group is focusing its efforts. In the back-end process, development toward higher levels of integration is accelerating, and the pace of change is extremely rapid. Success therefore depends on working closely with lead users, earning their trust, and rapidly deploying our development resources where they can have the greatest impact.

The foundation for this approach lies in the technological capabilities we have built through our unwavering commitment to manufacturing excellence, as well as in the trust we have earned from our customers. Our sales teams work closely with customers to gain a deep understanding of their underlying needs and connect those insights with our R&D teams in a timely manner. By working alongside our customers throughout the evaluation process, we refine our development direction as we move forward. This close customer engagement, combined with the speed of our decision-making, is one of the Group's key strengths in creating value in the semiconductor market. By making the most of our existing infrastructure, technologies, and customer base, we will turn our speed of development and close customer relationships into lasting competitive advantages. I believe this approach best reflects the Group's strengths.

Going forward, we will refine our core technologies and enhance our proposal capabilities for the semiconductor market. We see particularly strong potential in expanding XENOMAX™, our high heat-resistant polyimide film, for interposer applications, as well as into substrate and release films for semiconductor packaging materials. We also plan to expand the use of TEONEX™ PEN film in applications requiring higher heat resistance than PET.

Our approach is to start with a vision of where the market is heading and work backward to identify the technologies and customer needs that will shape its future. We will bring partners and customers together in a spirit of co-creation, advancing development as one team. In doing so, we will help drive innovation in the semiconductor market through the Group's technologies.

Enhancing the replicability and sustainability of research and business development

To translate the core technologies we redefined as Polymer and Biotechnology under the 2030MTP into new businesses, it is not enough simply to define them at a high level. We must break them down further according to their applications and functions, then refine them into strengths that are unique to the Group. COSMOSHINE SRF™, our super retarder film, is a good example. It was developed by building on the material design, film-forming, and processing technologies we have cultivated over many years through PET film development and demonstrates how deepening our technological expertise can create new value.

To date, the Group has grown its businesses much like a tree, with textiles serving as the trunk and businesses such as Films and Life Science branching out from it. Going forward, we need to bring together the technologies and expertise cultivated across those branches to create new core technology domains that will form the next trunk of our business.

To achieve this, we must enhance both the replicability needed to continuously generate new themes rather than treating each success as a one-time achievement and the sustainability needed to keep that cycle of innovation moving forward.

Biomanufacturing, which uses genetic technologies to harness the capabilities of microorganisms and cells to produce environmentally friendly materials and chemicals, is a prime

CTO message

example of this approach. By combining our Polymer and Biotechnology capabilities, we will create new technological domains that go beyond the boundaries of our existing technologies. Above all, however, the most important factor in supporting this R&D is our people. Systems and processes can be designed in many ways, but it is the curiosity and initiative of each individual that brings them to life and leads to new ideas. I encourage everyone involved in R&D to cultivate not only deep technical expertise but also broad perspectives and an insatiable curiosity about the world beyond our Company. Curiosity cannot simply be taught, but interacting with diverse people and gaining experience outside the Company can fundamentally change the way we think and generate new ideas.

Cross-functional collaboration within the Company is equally essential to fostering curiosity and generating new ideas. To ensure that these connections endure beyond the tenure of any individual CTO, we will codify our approach to research and business development as a management policy and embed it throughout the organization. By transforming technologies and talent that have traditionally been optimized within individual organizations into Company-wide innovation capabilities, and by connecting technology with the market as well as internal and external expertise, we will build a sustainable cycle of new business creation that is unique to the Group.

Solving social challenges through technology to create future value

Social value and economic value are often described as the two wheels that drive a business forward. I see them differently. To me, there is only one wheel. Rather than two separate wheels turning in parallel, social and economic value must be integrated into a single wheel that drives the business forward. By solving society's challenges and creating value that benefits our customers, we earn their trust and their business. Economic value is the natural result of delivering that value.

I believe this way of thinking is also reflected in the Group's corporate philosophy, "*Jun-Ri-Soku-Yu*" (Adhering to reason leads to prosperity). By identifying the value society needs and applying the technologies and expertise the Group has cultivated to solving those challenges, we deepen the trust we build with our customers. I believe that, in turn, this leads to new research themes and new business opportunities.

As CTO, I will continue to ask how we can best leverage the Group's technologies, people, and organizational strengths to address the challenges facing our customers and society, and translate those efforts into the realization of our value creation story.

Business development strategy

Intellectual property strategy

Intellectual property
Materiality indicators
Indicators and fiscal 2026 results for Innovation and Compliance (R&D, Intellectual Property) > p.25

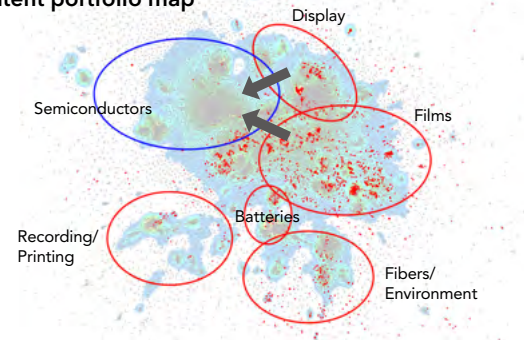
To promote commercialization supported by Toyobo Group's technological expertise and R&D capabilities, we have worked to strengthen our intellectual property foundation. In particular, in priority areas, we seek to enhance business competitiveness by securing not only fundamental patents covering the relevant technologies but also surrounding patents.

The 2030 Medium-Term Management Plan builds on our strength in patent filings while sharpening our focus through greater selectivity and concentration. Rather than using intellectual property solely for protection, we will promote Intellectual Property (IP) activities that create value. Specifically, we will monetize underutilized patents through licensing and outright transfers, and advance open innovation by securing foundational patents before pursuing external collaboration. Through these initiatives, we will maximize the value of our intellectual property by carefully balancing risk and return.

We are also reviewing our patent portfolio based on profitability and market growth potential and further concentrating our resources on priority areas. In addition, we are improving the efficiency of our intellectual property investments by optimizing our country-specific filing strategy and making greater use of licensing. Although both our patent holdings and the number of patent applications declined in fiscal 2026 as a result of our more selective approach to intellectual property, we continued to file patent applications in priority areas and further strengthened our high-quality patent portfolio.

To monitor outcomes, we will introduce the concept of IP ROIC as a new performance indicator to improve the visibility of the efficiency of our intellectual property investments. At the same time, we will strengthen dialogue among our intellectual property, R&D, and business teams to maximize the value of our intellectual property by both enhancing the quality of our patent portfolio and promoting its strategic utilization.

Patent portfolio map

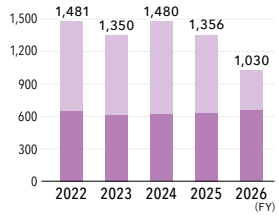


• Toyobo/TOYOBO MC
○ Toyobo/TOYOBO MC domains
○ Customer domains

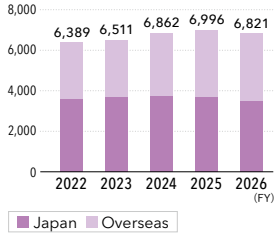
Note: Each point in the diagram represents a patent. The patents are positioned based on technological similarity to provide an overview of the distribution of and relationships among technology domains.

Semiconductor-related materials are an important theme within the advanced materials value proposition area and one of our core growth areas. We are expanding the film and resin technologies cultivated in the display field into semiconductor applications, where we believe Toyobo Group can leverage its strengths.

Number of patent applications



Number of patents held



Business development strategy

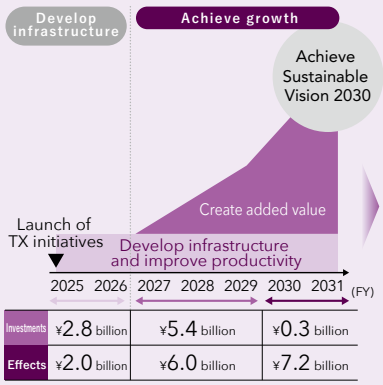
Toyobo-Transformation (TX): Management transformation through a DX-enabled "Value creation revolution"

Toyobo-Transformation (TX), an initiative promoted by Toyobo Group, is a broader concept than digital transformation (DX). Rather than focusing solely on digital technologies, it represents a comprehensive management transformation—a "revolution" to add value—that integrates changes across our organization, people, business processes, and corporate culture. Led by senior management, TX is a core initiative supporting the "Foundation establishment and strengthening" pillar of the 2030 Medium-Term Management Plan. It also serves as the common foundation that enhances the effectiveness of our business, green, and human capital strategies.
Through TX, we will integrate the technologies the Group has cultivated with data and digital technologies to accelerate value creation and drive our evolution into a stronger company.

Tetsuro Yabuki
Executive Officer, CDO and CISO
Controlling Supervisor, Toyobo Transformation and Business Innovation Division

From developing infrastructure to achieving growth —The evolution of TX and the acceleration of value creation—

To date, TX has focused on developing the infrastructure needed to drive productivity reforms by strengthening our IT infrastructure and transforming head office operations. Over the past two years, we have invested approximately ¥2.8 billion and generated benefits of approximately ¥2.0 billion. Beginning in fiscal 2027, as we enter the second half of Sustainable Vision 2030, TX will shift its focus from developing infrastructure to achieving growth. In response to the growing labor shortage and changes in the business environment, we will build on the data and systems infrastructure and the operational reforms established to date, expanding our initiatives beyond productivity improvements to create added value through manufacturing transformation and business co-creation. As a result, we expect these initiatives to generate benefits of at least ¥13.0 billion from fiscal 2027 onward. Going forward, we will continue to deepen our productivity reforms while accelerating investment in manufacturing transformation. By integrating data utilization and AI implementation across everything from shop floor operations to management decision-making, we will maximize the impact of our investments and accelerate business growth.

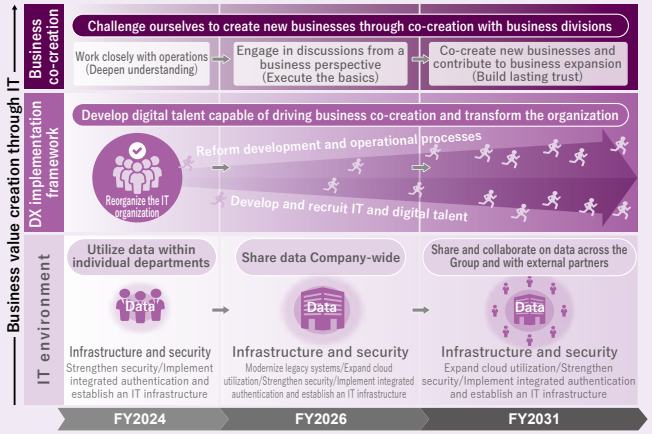


Transformation of manufacturing
- Improvement of cash flow through a radical review of SCM
- Exploration of automation through robotics and physical AI
- Reduction of issues and shortening of response time through the utilization of internal knowledge

Transformation of productivity and creation of added value
- Automation of accounting and other staff tasks through the use of Agentic AI
- Faster decision-making and increased productivity through data-driven management
- Increased productivity in R&D activities through utilization of past knowledge

TX steps to accelerate and drive business innovation

In fiscal 2026, TX advanced the reallocation of management resources by building on the results achieved through business process reforms. Using the Films business as a model, we accelerated the transformation of manufacturing and business co-creation while beginning to create new added value. At the same time, as part of our long-term initiative to transform our organizational culture, we further clarified the competencies required of TX personnel and strengthened our implementation framework. The first phase of our core systems renewal was completed as planned, establishing the IT infrastructure for Company-wide deployment in fiscal 2027. We also expanded the use of Agentic AI, primarily across head office functions such as human resources, accounting, and legal, to automate staff operations while accelerating the Company-wide use of data and AI. These initiatives are also enabling us to make better use of the technologies and expertise accumulated across the Group. By leveraging our accumulated knowledge to improve productivity in R&D activities, we are further strengthening our competitive advantage.



COLUMN

TX in practice: Working alongside those on the shop floor to solve problems

As TX has progressed, the Group has expanded its efforts beyond improving operational efficiency to working directly with those on the shop floor to identify challenges and support their resolution. At the Inuyama Plant, we made previously dispersed reports on issues and operational know-how visible and accessible, promoting data-driven improvements. As a result, some operations have reduced workload by approximately 40 hours per month. The shop floor has also shifted from processing data to using data to inform decision-making. In practical terms, discussions have evolved from identifying the causes of problems to focusing on action plans, fostering a culture of proactive continuous improvement. Through these initiatives, a movement is taking hold on the shop floor, transforming work from tasks employees simply "have to do" into activities they undertake proactively because they recognize their value and benefits. This has led to steady and meaningful changes in behavior. By embedding TX personnel on the shop floor to provide end-to-end support—from identifying issues through implementation—we are strengthening both commitment and execution.
Going forward, we will continue to put TX into practice by expanding shop floor–driven transformation to improve business processes and enhance our corporate value.

Hiroya Sakakura
Toyobo Transformation and Business Innovation Department

Human resource strategy

Toyobo's human capital management vision

In formulating the 2030 Medium-Term Management Plan (2030 MTP), we engaged in extensive discussions among our executive officers about Toyobo's value creation process. Through these discussions, we reaffirmed that our greatest strength lies in our people and organization. To realize our value creation story, we established three aspirations from the perspectives of people, organization, and culture: developing "Talent for co-creation and transformation," building an "Agile and resilient organization," and fostering a culture that provides "Well-being and fulfillment at work." Through these initiatives, we aim to accelerate value creation for society while creating a virtuous cycle of growth for both our company and our employees.

Corporate philosophy framework "TOYOBO PVVs"

	Ideals we seek to realize	Inputs (initiatives)	Outputs (progress indicators)
People	**Talent for co-creation and transformation** Talent who thrive and create new value across organizational and company boundaries	**Developing people, creating opportunities, and fostering dialogue so that employees embrace change and achieve transformation** • Promotion of collaboration and job rotations across divisions • 1 on ALL • Provision of opportunities for co-creation with external partners and active support of such initiatives	Improvement in internal collaboration score Improvement in co-creation contribution score
Organization	**Agile and resilient organization** An organization that adapts to change and leverages talent through optimal deployment	**Human capital management aligned with the business strategy** Identification of talent requirements necessary to implement the business strategy • Strategic deployment of talent across divisions and businesses • Management policy • Implementation of development programs for next-generation leaders and on-site leaders • Recruitment producing diversity	Improvement in rate of successor readiness for key positions Improvement in human capital ROI
Culture	**Well-being and fulfillment at work** A workplace where diverse talent grow together and experience a sense of security and fulfillment at work	**Encouraging self-directed learning and growth, simultaneously enabling individual and corporate growth** • Initiatives that promote self-directed learning and enhance both fulfillment at work and a tangible sense of growth • Fostering an organizational culture that embraces diversity • Ensuring a safe workplace environment that supports employee well-being	Improvement in employee engagement score Improvement in workplace environment score for harnessing employee potential

2030 Medium-Term Management Plan ← Value creation story

Human resource strategy

Ideals we seek to realize (1)

Talent for co-creation and transformation

Talent who thrive and create new value across organizational and company boundaries

To enhance the reproducibility of our value creation story, we aspire to foster the active engagement of "Talent for co-creation and transformation" who create new value across organizational and company boundaries. Through initiatives that promote collaboration within the Company and co-creation with external partners, we will cultivate human capital that can respond flexibly to changes in the business environment and drive transformation to completion.

Developing people, creating opportunities, and fostering dialogue so that employees embrace change and achieve transformation

We believe that the starting point for the human capital needed to realize our business strategy lies in the transformation of each employee's mindset and behavior. In formulating the 2030 MTP, we also revisited our core strengths and recognized that co-creation with customers and external partners has been a key factor underpinning our value creation. We concluded that one of our strengths is a culture in which individuals with a strong commitment to driving change and those who support them respect one another and collaborate closely, and that this strength should be further reinforced.
Accordingly, we define "co-creation and transformation" as the core human capital that will drive our future growth by combining the "co-creation capability" to create value together with diverse stakeholders and the "change capability" to pioneer new value and businesses beyond conventional boundaries. To cultivate such people, we will strengthen collaboration in the workplace through systems and dialogue that support employees' proactive challenges and efforts to drive change, while promoting initiatives that lead to a more vibrant organization.

Visualizing our aspirations

The internal collaboration score reflects the qualities of talent who achieve business results and create value through collaboration across organizational and professional boundaries. In addition, recognizing that co-creation with customers and partners lies at the heart of Toyobo's value creation story and competitive advantage, we have established the co-creation contribution score as an indicator to measure the extent to which initiatives that create new value have become embedded in our organization. We are currently refining the approach to measuring the specific indicators and aim to begin full-scale implementation in fiscal 2028 after confirming their effectiveness and practical applicability in the workplace. Beyond establishing the indicators themselves, realizing our aspirations will require developing human capital that can drive transformation through internal and external collaboration and creating opportunities for dialogue. We will therefore promote the following initiatives.

Initiatives

Promotion of collaboration, job rotations, and dialogue across divisions

- Career challenge system (in-house recruitment)

This system is designed to support employees in proactively expanding their careers and provide opportunities to take on new roles. It is also positioned as an initiative to optimize the deployment and development of talent while enhancing employee engagement.

- Improvement and development proposal program

We invite employees to submit proposals for improving operations and enhancing technology, and recognize outstanding proposals through an awards program. This initiative helps foster a sense of participation in management, create a more vibrant workplace, and drive operational improvements and greater efficiency.

Creating opportunities for dialogue that strengthen organizational capabilities

We implement the "1 on ALL" program, in which all members of each workplace share their individual goals regardless of position or grade. Through dialogue that deepens mutual understanding, the program fosters a stronger sense of individual roles and responsibility for work, encourages employees to take ownership of workplace goals, and promotes proactive action.

COLUMN

Advancing environmentally friendly packaging through three-company collaboration

Comments from a representative of Fuji Baking Group Co., Ltd.

Adding environmental value to Neo Butter Rolls™ was a major challenge for us. Although we sought to reduce plastic usage, we also needed to maintain product freshness and print quality, presenting significant technical challenges.
A turning point came when Toho Packaging, Inc., with which we had worked for many years, introduced us to TOYOBO CO., LTD. Toyobo's PYLEN EXTOP™ offers excellent printability and processability in bread packaging applications. Compared to conventional OPP film, it enables the film to be approximately 20% thinner, reducing environmental impact while maintaining product quality. We were able to add the new value of environmental sustainability to the long-loved Neo Butter Rolls™ through the collaboration of our three companies.

(From left)
Ms. Shinoda and Ms. Oikawa
Marketing Department,
Fuji Baking Group Co., Ltd.

(From left)
Mr. Hongo and Mr. Tsuruya
Sales Department, Head Office
Toho Packaging, Inc.

Diversity, Equity, & Inclusion (DE&I) Human Resource Management

Human resource strategy

Ideals we seek to realize (2)

Agile and resilient organization

An organization that adapts to change and leverages talent through an optimized talent portfolio

We aim not only to enhance the capabilities of individual employees but also to strengthen the organization's overall capacity to create value. Through talent management aligned with the business strategy, we optimally deploy talent in response to changes in the business environment and business strategy. In doing so, we are strengthening the depth and flexibility of our human capital and building an organization capable of sustaining long-term growth.

Human capital management aligned with the business strategy

We define human capital management aligned with the business strategy as ensuring that people with the right capabilities are placed in the right positions at the right time, in numbers that meet business needs. Based on this approach, we identify the roles and skills required to support our priority areas in line with our business portfolio, clarify the talent profiles we need, and promote talent acquisition and optimal deployment.
We are also promoting the deployment of talent across divisions and businesses in line with the business strategy. In addition, we are developing management policies for our major divisions that define how they are managed and operated, together with the values and guiding principles that underpin decision-making and employee behavior.

Visualizing our aspirations

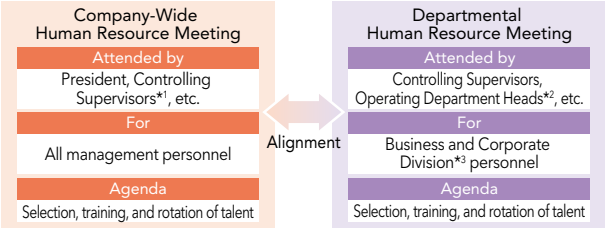
We have established the rate of successor readiness for key positions as an indicator to visualize the agility and resilience of our organization. This indicator measures whether we have the organizational capabilities needed to execute our strategy over the medium- to long-term. By ensuring that multiple successors are prepared for each key position, we are strengthening the human capital foundation needed to sustain strategy execution and drive ongoing transformation.
We have also established human capital return on investment (ROI) as an indicator to demonstrate the outcomes of initiatives that promote internal collaboration, co-creation with external partners, and the self-directed growth of diverse talent, while monitoring the relationship between investment in human capital and the value created.

Initiatives

Developing the next generation of management and successors for key positions

We operate the Company-Wide Human Resource Meeting, which primarily discusses successors for Company-wide management positions, and the Departmental Human Resource Meeting, which discusses successors for departmental management positions and positions requiring a high level of professional expertise. By linking these two forums, we promote talent deployment across departments and businesses, while systematically developing and continuously cultivating management talent to support the sustainable growth of the organization as a whole.
To develop the next generation of management, we provide selected employees with structured internal and external training programs. We also offer opportunities to gain experience in business management and corporate management functions, helping to develop the management perspective needed for future leadership roles.

Human capital management framework linking Company-Wide and Departmental Human Resource Meetings



*1 Oversees each business division and administration division *2 Oversees specific fields across multiple business divisions
*3 Corporate departments including corporate planning, management and administration, and human resources

Strategic deployment of talent across divisions and businesses

We use career development sheets to identify employees' career aspirations and preferred job functions, and reflect this information, together with the needs of each division, in personnel assignments. By placing employees in roles that leverage their expertise and strengths while strengthening collaboration across divisions, we maximize individual capabilities and optimize the organization as a whole.

Recruitment producing diversity and talent development

We promote a range of initiatives, including advancing women's participation in the workplace, recruiting professionals with experience at other companies, achieving and maintaining the legally prescribed employment rate for persons with disabilities, and supporting the active participation of middle-aged and senior employees.

COLUMN

Promoting diversity through the employment of persons with disabilities

We view the employment of persons with disabilities not only as part of our corporate social responsibility but also as a practical opportunity for employees to deepen their understanding of diversity, and we actively promote these efforts. We believe that creating employment opportunities for persons with disabilities in local communities and supporting their active participation also contributes to the development of those communities.
In recruiting persons with disabilities, we provide reasonable accommodations, including designing roles that take individual disabilities into account and carefully selecting appropriate workplaces. We also support long-term employment by assigning workplace mentors and providing onboarding and workplace adaptation support through the department responsible for human resources and labor relations.
We will continue to promote the employment of persons with disabilities in light of the increase in Japan's legally prescribed employment rate for persons with disabilities to 2.7% in July 2026.

As leader of the Administrative Support Team, comprising employees with disabilities, I provide day-to-day guidance and support to help create a workplace where every team member can work with confidence.
Working together, both employees with and without disabilities sometimes face moments of uncertainty. Even so, I feel that awareness of diversity is steadily growing across the Company, as more people recognize that everyone, not just people with disabilities, has their own individual characteristics.

Yoshimasa Nakao
Human Resources and Labor Relations Department

Diversity, Equity, & Inclusion (DE&I) Human Resource Management
Materiality indicators Items under "Human capital," indicators, and fiscal 2026 results > p.24

Human resource strategy

Ideals we seek to realize (3)

Well-being and fulfillment at work

A workplace where diverse talent support one another and experience well-being and fulfillment at work

To develop "Talent for co-creation and transformation" and build an "Agile and resilient organization," it is essential to foster a culture in which diverse talent can perform to their full potential and experience fulfillment at work and a tangible sense of growth. Through such a culture, we seek to deepen mutual trust between the Company and its employees and build relationships in which both contribute to value creation.

Encouraging self-directed learning and growth, simultaneously enabling individual and corporate growth

Toyobo is promoting initiatives that encourage self-directed learning and growth to foster a culture in which diverse talent can maximize their potential and experience fulfillment at work and a tangible sense of growth. These initiatives are designed to enhance employees' sense of ownership and willingness to contribute, while deepening the mutually supportive relationship between the Company and its employees. By enhancing motivation and skills, we also aim to improve employee engagement and organizational performance, creating a virtuous cycle that drives higher corporate value and sustainable growth.

Initiatives to enhance fulfillment at work and a tangible sense of growth

Review of the performance evaluation forms

Beginning in fiscal 2026, we strengthened the operation of our personnel evaluation forms by clarifying the process for setting individual goals aligned with higher-level policies and enhancing feedback on final evaluations, with the aim of increasing employees' sense of accomplishment and motivation.

Providing opportunities for self-directed learning

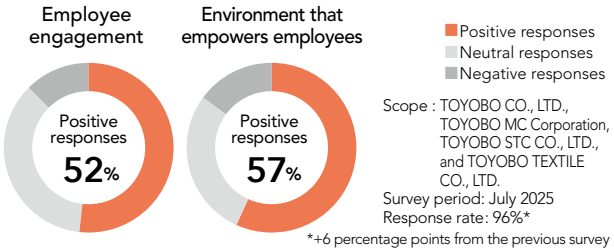
We provide a wide range of learning opportunities, including application-based training programs and e-learning courses for self-development, enabling employees to acquire the knowledge and skills they need based on the expectations of their roles and their own career aspirations.

Employee-led improvement activities

We promote S-UP activities, in which teams proactively identify, share, and address workplace issues. The following page highlights an example of an improvement activity led primarily by a female employee working on the front lines.

Visualizing our aspirations

To understand the state of our organizational culture, which forms the foundation for sustainable growth, and identify opportunities for improvement, we have conducted employee engagement surveys on a regular basis since fiscal 2021 (annually since fiscal 2025). In fiscal 2026, the results were 52% for "Employee engagement" (unchanged from the previous year) and 57% for "Environment that empowers employees" (+2 percentage points year on year).



Scope : TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD., and TOYOBO TEXTILE CO., LTD.
Survey period: July 2025
Response rate: 96%*
*+6 percentage points from the previous survey

Until last year, communicating management policies was identified as a key area requiring improvement. The latest survey showed a marked improvement in this area. We believe this reflects the impact of various initiatives, including more frequent communication from senior management, direct briefings at business sites and plants, "Casual discussion on serious issues" between senior management and small groups of employees, and the introduction of personnel evaluation forms that align individual goals with management strategy.
At the same time, we recognize that further efforts are needed to ensure that management policies are fully reflected in day-to-day actions across the workplace.

Specifically, we are developing management policies based on the Company's management strategy, with a focus on our major divisions. We are also promoting initiatives such as "1 on ALL," under which employees share their individual goals within the workplace to encourage each person to take ownership of those goals. We will continue to foster dialogue at every level, from the workplace to management, to deepen understanding of the Company's management strategy.
Sustainable Vision 2030 sets out our commitment to putting "People First" at the center of our efforts. We aim to create a safe workplace that supports employee well-being and foster a culture in which each individual takes pride in their work, finds it rewarding, and experiences personal growth. To achieve this, it is essential to connect the Company's management strategy with workplace and individual roles and goals, while enabling each employee to recognize how their work contributes to creating value for customers and addressing social issues. By creating a virtuous cycle in which these efforts lead to customer recognition and improved business performance, which in turn support employee growth and new challenges through appropriate evaluation and rewards, we will further strengthen each employee's sense of fulfillment and ownership.

1 on ALL session at the Toyobo Transformation and Business Innovation Department

Diversity, Equity, & Inclusion (DE&I)
Human Resource Management

Feature

A more inclusive workplace inspired by frontline insights

We promote S-UP activities, in which teams proactively identify, share, and address workplace issues. Through operational improvements, these activities enhance productivity and safety, support employee development, and foster a more vibrant workplace. This feature highlights an initiative led by Ms. Kanazawa, the first female employee to work rotating shifts on the production floor, to improve the work environment and facilities.

Improvement activities inspired by frontline insights and dialogue

The initiative began when team members recognized the need to reduce the physically demanding tasks performed by Ms. Kanazawa. Led by Ms. Kanazawa, the team worked together to identify tasks that placed a physical burden on employees, assess the level of strain involved, and gain a clear understanding of the challenges they faced. They found that these issues extended beyond Ms. Kanazawa. Some tasks were physically demanding regardless of gender, with age and physical strength also affecting the level of difficulty. In addition, work performed in hot conditions was found to place a significant burden on male employees as well.
Based on these insights, the team continued its discussions and implemented improvements such as reducing the weight of heavy items and redesigning work tools. As a result, the physical demands of the work were reduced, creating an environment where people of all ages and genders can perform their work safely and comfortably.
The initiative demonstrates how drawing on the perspectives and experiences of individual employees can drive frontline-led improvements and help foster both the mechanisms and culture needed to sustain continuous improvement.

Ms. Kanazawa checking the quality of industrial film

Promotion of mutual understanding and collaboration through diversity

Traditionally, the production floor has been a male-dominated workplace, and the work environment was not fully designed with female employees in mind. Although this initiative was sparked by Ms. Kanazawa's experiences on the production floor, it also brought to light challenges shared by employees regardless of gender, including those arising from differences in age and experience. The process of identifying areas for improvement and evaluating potential solutions also encouraged greater communication among team members. By challenging long-held assumptions, the initiative has fostered a workplace culture of mutual understanding and collaboration that transcends individual differences, contributing to organizational growth built on respect for diversity.

Creating a safe and comfortable workplace by reducing physical workloads

This initiative has delivered tangible improvements, including reduced physical workloads and enhanced workplace safety. Efforts like these directly contribute to creating a workplace where every employee can embrace change, apply their ingenuity, and perform to their full potential.

Personal growth and mutual understanding gained through the initiative

Ruka Kanazawa
Production Department
Utsunomiya Plant

I appreciated the support of my colleagues with physically demanding tasks, but I also wanted to be able to work alongside them as an equal. As we improved our work tools, I explained the proposed changes to the team members who shared the equipment and worked to gain their understanding and support. The initiative created more opportunities for communication on the production floor and deepened our mutual understanding. As a result, I came to appreciate my colleagues' support even more and have become even more positive in my approach to my daily work.

We are also establishing a women's working group to further improve the workplace for female employees. By encouraging women to proactively share their perspectives and drive improvements, we aim to create an even better working environment across the entire plant.

Shinji Asano
Section Chief
Production Department
Utsunomiya Plant

As someone who serves as a link between the production floor and management, I approach my work each day with a strong awareness of the role I play in bridging the challenges faced by both. Going forward, I hope to further reduce imbalances in workloads among operators and optimize operations across the organization.

Runa Nemoto
Production Department
Utsunomiya Plant

The labor-saving tools have not only reduced the physical demands of my work but also created more opportunities to interact with my colleagues, making communication much easier. Building on these stronger relationships and the improvements we have achieved together, I hope to continue enhancing our work processes through initiatives such as the women's working group.

Climate Change
Sustainable Vision 2030

Green strategy

Environmental management

Representative Director
Senior Managing Executive Officer (Co-COO),
Controlling Supervisor of Safety and Production Technology Division and Procurement and Logistics Department

Taichi Sakai

Under our corporate philosophy of *"Jun-Ri-Soku-Yu"*, Toyobo Group is advancing initiatives to realize a sustainable society based on Sustainable Vision 2030. Environmental issues, including climate change, are critical challenges that have a significant impact on the foundation of our business. Through my experience at manufacturing sites, I have come to appreciate their significance firsthand. Even in the face of uncertainty, I believe it is essential to tackle these challenges with the determination and perseverance I have developed on the front lines and to keep moving steadily forward. The Group is working toward the realization of a decarbonized and circular society by reducing greenhouse gas emissions, making effective use of resources, and minimizing waste, while also promoting the proper management of chemical substances and the conservation of water, air, soil, and biodiversity. We are also strengthening the value we provide to society by focusing on the development of products and technologies that help reduce environmental impact, including membranes that contribute to the recovery of reusable materials and pollutants, as well as alternative materials to replace petroleum-derived resources. Going forward, we will continue striving to achieve both growth and a reduction in the environmental impact of our business activities. At the same time, we will further strengthen initiatives grounded in our capabilities on the front lines as we aim to remain a company that future generations can be proud of.

Highest rating in both the Climate Change and Water Security categories in CDP's 2025 assessment

Climate CDP A List 2025

Water CDP A List 2025

CDP is an international nonprofit organization that surveys and evaluates the environmental initiatives of companies and local governments. It is widely recognized as one of the world's leading environmental rating organizations, with its assessments influencing the decision-making of investors and businesses alike.
In CDP's 2025 survey, Toyobo was selected for the highest rating, the A List, in both the Climate Change and Water Security categories. Among more than 20,000 companies assessed worldwide, Toyobo was recognized as one of the top 4%.
This recognition reflects our efforts to reduce greenhouse gas emissions across our manufacturing sites, including the fuel conversion of the captive thermal power plant at the Iwakuni Production Center, as well as our strong water resource management initiatives and transparent environmental disclosure.

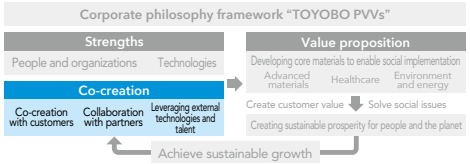
Sustainable Vision 2030 Planet: Contributing to solving social issues with a global perspective

	Decarbonized society	Circular society	Clean water, air, and soil, and biodiversity
What society expects	**Addressing climate change as a top priority for the planet** • Reduce GHG emissions across our business activities and the entire value chain • Provide solutions that contribute to achieving a decarbonized society	**Responsibility as a plastics manufacturer** • Reduce waste generated from manufacturing processes, promote recycling, and minimize final disposal • Promote the use of biomass and recycled raw materials and initiatives that contribute to a circular society	**Enhancing environmental quality, in addition to reducing environmental impact** • Reduce the environmental impact of our business activities • Provide solutions that help ensure clean water, air, and soil **Initiatives to conserve biodiversity** • Contribute to a nature-positive future by halting and reversing the loss of nature and biodiversity
Our targets and initiatives Details > p.42	• Accelerate the reduction of GHG emissions from our business activities and achieve net zero by fiscal 2051 GHG Scope 1 and 2: Reduce by more than 46% by fiscal 2031 (compared with fiscal 2014); Achieve net zero by fiscal 2051 Contribute to reductions exceeding total GHG emissions across the value chain by fiscal 2051 Avoided GHG emissions > GHG emissions across the value chain	• Reduce the use of virgin materials in manufacturing processes while pursuing greater use of recycled raw materials Waste generation 15% reduction (2015 to 2030)	• Properly manage chemical substances used in manufacturing processes and prevent their release into the environment Environmental impact reduction VOC emissions 60% reduction (2014 to 2030) Hazardous substances discharged to water bodies 80% reduction (2023 to 2030)

Green strategy

Creation of environmental value through our businesses

Based on the Value creation story presented in the 2030 Medium-Term Management Plan, we discuss reverse osmosis (RO) membranes for seawater desalination as an example of how we create environmental value. Driven by our core technologies and the capabilities of our people and organization, we create both economic and social value. By strengthening the reproducibility of this value creation cycle, Toyobo Group will continue to create the solutions needed by people and the planet.



Toyobo Group's value creation in action

Reverse osmosis (RO) membranes for seawater desalination

RO membranes are ultrafine separation membranes that allow water molecules to pass through while filtering out impurities such as ions, organic matter, bacteria, and viruses. They use reverse osmosis, in which pressure is applied to force water from a more concentrated solution to a less concentrated one.
Toyobo Group (TOYOBO MC Corporation) is a supplier of hollow-fiber RO membranes made from cellulose triacetate (CTA). CTA membranes offer excellent chlorine resistance, allowing chlorination to reduce microbial contamination. They are used in seawater desalination plants in the Gulf countries of the Middle East, where seawater is characterized by high temperatures, high salinity, and enclosed waters, helping to supply high-quality drinking water. Their market share in Saudi Arabia is approximately 20% (Toyobo estimate).

	RO membranes value creation story	Key elements of value creation
Phase 1 **Identifying the challenges facing people and the planet**	① In the early 1970s, population growth and industrialization led to increasingly severe water shortages and worsening water pollution. ② Having evolved from its origins in cotton spinning into man-made and synthetic fibers, the Group sought to expand into new businesses by leveraging the advanced technologies it had developed in the fiber field. ③ Against this backdrop, the Group began developing hollow-fiber RO membrane modules made from CTA with the chlorine resistance needed for chlorination. The modules leverage hollow-fiber spinning technology developed through the Group's rayon business to meet the need for a stable supply of high-quality water.	**Technology advantage** While most competing membranes are made from polyamide and use a flat-sheet design, the Group differentiates itself with hollow-fiber membranes made from CTA **Collaboration with partners and integration of external technologies and talent** To maximize membrane performance, the Group developed an integrated production process spanning everything from fiber spinning to module design Following the adoption of its technology for demonstration testing at the Water Reuse Promotion Center, a seawater desalination testing facility, the Group accelerated its commercialization efforts
Phase 2 **Developing the solution**	① In 1980, the Group began producing RO membrane modules at its Iwakuni Production Center (at the time). However, because production was focused primarily on small modules, growth potential proved limited. The Group therefore turned its attention to large-scale seawater desalination projects in the Gulf countries of the Middle East, where market demand was substantial. ② Through outreach to engineering companies, as well as participation in exhibitions and academic conferences, the Group established the reliability and reputation of its CTA membranes in overseas markets by highlighting their key advantages, including ease of cleaning through chlorination, a large membrane surface area per unit volume, and compact system design. ③ In 1981, the Group conducted a seawater desalination demonstration in Saudi Arabia, a promising market, proving that its technology could consistently produce drinking water meeting World Health Organization (WHO) standards even from the high-temperature, high-salinity seawater characteristic of the region. In 1989, the Group's membranes were selected for what was then the world's largest RO seawater desalination plant in Saudi Arabia, which was being built under a contract awarded to a major Japanese engineering company.	**People and organizational strengths, technology advantage** Through a persistent, long-term approach, the Group established the reliability and reputation of its technology in overseas markets **Co-creation with customers, collaboration with partners** By building a trusted relationship with the Saudi Arabian government and demonstrating the lower total water production costs enabled by features such as easy membrane cleaning through chlorination, the Group steadily expanded the adoption of its membranes at the country's seawater desalination plants
Phase 3 **Creating solutions through commercialization**	① Large-scale overseas projects required highly technical negotiations with engineering companies. The Group's researchers and engineers traveled to project sites to work closely with their counterparts and address their requirements. ② In 2010, the Group established Saudi Arabia's first manufacturer and distributor of hollow-fiber RO membranes for seawater desalination through a joint venture with ITOCHU Corporation and a local partner.* During its establishment, the company received support, including investment environment studies, from the Japan Cooperation Center for the Middle East (JCCME), an economic cooperation organization. Since then, it has supplied RO membranes from its local plant to seawater desalination facilities across the Middle East, helping secure the region's water resources. Its membranes account for approximately 20% of the Saudi Arabian market and provide water for the daily needs of around 5.2 million people annually. * Established as ARABIAN JAPANESE MEMBRANE COMPANY, LLC, and renamed TOYOBO MC Middle East Industries Company, LLC, in 2025.	**People and organizational strengths** Researchers' and engineers' commitment to working closely with customers to solve technical challenges **Collaboration with partners and integration of external expertise and talent** Helping solve challenges facing people and the planet through the establishment of a joint venture with ITOCHU Corporation and a local partner
Phase 4 **Next-generation solutions**	Building on its track record in seawater desalination RO membranes, the Group has expanded into applications for brine concentration (BC) membranes. These membranes help improve salt production efficiency at salt manufacturing plants and shorten the lithium recovery process from end-of-life lithium-ion batteries (LIBs) at recycling facilities. The Group is also expanding their use in wastewater volume reduction applications aimed at achieving zero liquid discharge (ZLD). Going forward, the Group will leverage Mitsubishi Corporation's network to expand local partnerships and strategic alliances, overcome challenges such as scaling up equipment and strengthening engagement with end users, and continue to replicate its value creation story.	• **Resource circularity:** Contributes to lithium recovery and reuse at LIB recycling facilities • **Shorter valuable material recovery process:** Membrane concentration shortens the downstream evaporation process • **Reduced energy consumption:** Shortening the evaporation process helps reduce energy consumption

Other environmental initiatives For information on other initiatives, including water resources, please refer to our website.
Materiality indicators Indicators and fiscal 2026 results for a decarbonized and circular society > p.24

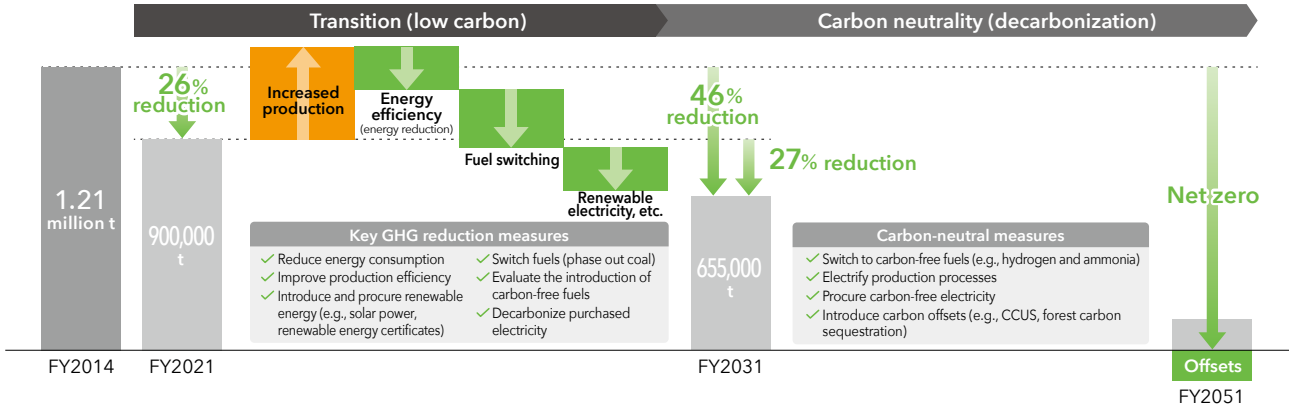
Green strategy

Environmental responsibility—Toyobo Group's 2030 targets

Decarbonized society

Toyobo Group recognizes climate change as one of the most critical social issues and acknowledges its impact on our business activities. We support international climate initiatives, including the Paris Agreement and the Glasgow Climate Pact, and have established a carbon neutrality road map to reduce our Scope 1 and 2 greenhouse gas (GHG) emissions. Guided by this road map, we are steadily implementing concrete initiatives, including improving energy efficiency, transitioning away from coal, and expanding the use of renewable energy.

Carbon neutrality road map

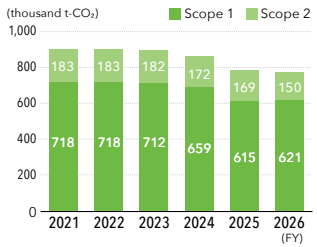


At the Iwakuni Production Center, which accounts for a large share of the Group's GHG emissions, we completed the planned upgrade of the on-site power plant in October 2023, achieving a substantial reduction in Scope 1 emissions.
Toyobo Group aims to reduce GHG emissions by at least 46% compared with the fiscal 2014 level by fiscal 2031 and achieve net zero by fiscal 2051. These initiatives not only create environmental value but also provide the foundation for sustainable growth.

GHG emissions Scope 1 and 2

FY2031 target	Reduce by at least 46% (compared with FY2014)
FY2026 result	37% reduction

GHG emissions



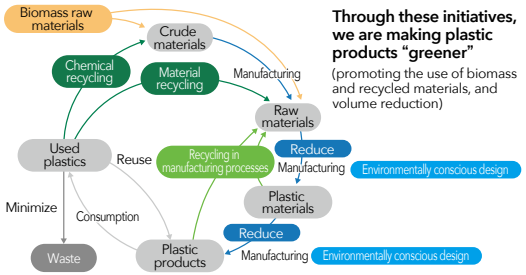
Circular economy

Toyobo handles a wide range of plastic products, including its core film products, and recognizes the transition to a circular economy as presenting not only business risks but also significant business opportunities.
As a plastics manufacturer, we are committed to reducing waste generated in our manufacturing processes, promoting recycling, and minimizing the volume of waste sent for final disposal.

	Waste emissions	Greening rate of film products*
FY2031 target	15% reduction (compared with FY2016)	60%
FY2026 result	7% reduction	18%

* Technologies and initiatives that reduce the use of petroleum-derived resources

Plastic life cycle and Toyobo Group's initiatives to promote resource circulation



Through these initiatives, we are making plastic products "greener"
(promoting the use of biomass and recycled materials, and volume reduction)

High-quality water, air, and soil, and biodiversity conservation

We properly manage chemical substances generated in our manufacturing processes and work to prevent their release into the environment, thereby helping protect the environment. We also set voluntary standards and reduction targets stricter than regulatory requirements for chemical substances released into the air and water and rigorously manage and reduce these emissions.
In addition, based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), we are identifying the interfaces between our business activities and nature, and analyzing the related risks and opportunities.

	VOC emissions	Discharges of hazardous substances into water
FY2031 target	60% reduction (compared with FY2015)	80% reduction (compared with FY2024)
FY2026 result	83% reduction	39% reduction

Scope: TOYOBO CO., LTD., and its domestic consolidated subsidiaries

Climate Change
ESG Performance Data (Environment)
Materiality indicators Indicators and fiscal 2026 results for a decarbonized and circular society > p.24

Green strategy

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

Toyobo Group endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in January 2020 and has since advanced initiatives and disclosures aligned with those recommendations. For details, please refer to the Annual Securities Report.

Annual Securities Report

Governance

We have established the Sustainability Committee, chaired by the President and Chief Executive Officer, who has ultimate responsibility for climate change-related issues. The Committee deliberates on overarching policies and targets for addressing climate change-related issues. The Board of Directors receives regular reports from the Committee, approves important matters such as overarching policies and targets, and monitors the progress of related initiatives.

Strategy

In Sustainable Vision 2030, the Group has identified contributing to the realization of a decarbonized and circular society as one of the social issues to be solved through our commitment. In line with the TCFD recommendations, we analyzed future risks and business opportunities based on climate change scenarios aligned with the Paris Agreement. After identifying the impacts of those risks and opportunities and their financial implications, we established targets and indicators and implemented countermeasures to enhance the resilience of our business strategy.

Scenario analysis

Recognizing that climate change impacts and the progress of mitigation efforts could give rise to a range of possible scenarios, we used the following representative scenarios as references. For the purposes of this analysis, "short term" is defined as approximately three years, "medium term" as through 2030, and "long term" as through 2050.

- Decarbonized society transition (1.5°C) scenario: NZE (IEA WEO2025) 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 severe flooding, storm surges, and other hazards exacerbated by climate change-as key risks for the Group.

Risks, opportunities, and mitigation measures by scenario

Social changes and their impact	Risks and opportunities: Category	Period	Details	Measures taken by Toyobo Group
Impacts of transitioning to a decarbonized society Changes in policies, regulations, technologies, and markets on a broad scale, etc.	Transition risks	Short term	Introduction of carbon pricing	• 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)	• Shift to non-petroleum-based resources • Engagement and collaboration with suppliers such as 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.	• 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 such as integration and collaboration with affiliates, and M&A
			Increased costs due to low-carbon/decarbonization requirements in product manufacturing	• 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	• Acceleration of the shift to recycled and biomass-derived raw materials • Review of general-purpose material businesses reliant on petroleum-based resources
	Transition opportunities	Medium term	Increasing demand for low-carbon and decarbonized materials and products	• Acceleration of the shift to recycled and biomass-derived raw materials • Innovation in production processes for biotechnology businesses using microorganisms such as yeast for biomanufacturing • 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, and expansion of sales • Acceleration of the development of innovative low-carbon and decarbonized materials • Strengthening of production and quality management systems for low-carbon and decarbonized products
			Contribution to greenhouse gas (GHG) emissions reduction through increased demand for products	• Collaboration across the supply chain, including with customers, from the perspective of GHG emissions reduction contributions • Acceleration of product development and planning, and expansion of sales, for products that contribute to GHG emissions reduction by replacing conventional technologies* * Including energy-efficient seawater desalination membranes; VOC recovery equipment that eliminates the need for solvent incineration and enables solvent reuse; water-washable flexo plates and their wastewater treatment systems, which contribute to reducing GHG emissions from wastewater treatment; materials for fuel cells; and paint replacement films that eliminate the need for painting, a process associated with high GHG emissions.
			Expansion of renewable energy and battery storage-related markets	• Strengthening of product development and planning, and expansion of sales, for renewable energy and battery storage-related businesses* • Through TOYOBO MC Corporation, a joint venture between Toyobo and Mitsubishi Corporation, anticipation of megatrends, expansion into overseas markets, and enhancement of solution-providing capabilities * Including materials for perovskite solar cells; membranes for osmotic power generation; super fibers and films for floating offshore wind power generation; VOC recovery equipment for lithium-ion rechargeable battery manufacturing plants; membranes and systems for concentrating valuable materials such as lithium; materials for hydrogen generation systems; materials for hydrogen carriers; and donor materials for organic thin-film solar cells.
Impacts of climate change progression Direct damage to assets, indirect effects from supply chain disruptions, and changes in technology and markets, etc.	Physical risks	Present to medium term	Reduced productivity due to extreme heat	• Clarification of the basic policy on heat illness prevention • Appropriate management of the work environment and operations such as installation of shade, air conditioning, and ventilation equipment, and reduction of continuous work hours in hot and humid workplaces • Expansion of automation of factory operations • Heat illness management for on-site workers using IoT devices
			Disruption of raw material supply due to natural disasters	• Review of inventory levels and expansion of multiple sourcing • Diversification of logistics routes • Evaluation of alternative raw materials that are less susceptible to the impacts of climate change
			Instability in raw material procurement	
			Damage to equipment and operational shutdowns caused by flooding and storm surges	• Clarification of the basic policy on flood countermeasures • Enhancement of the durability of production and utility equipment, and relocation or elevation of facilities to higher ground • Diversification and relocation of production bases • BCP training
	Physical opportunities	Medium term	Increasing demand for civil engineering projects	• Expansion of geotextiles for disaster mitigation and recovery projects* * Including embankment slope reinforcement sheets, stormwater runoff control layer protection sheets, and weak subgrade reinforcement sheets.
			Increasing demand for seawater desalination due to water shortages and droughts Increasing demand for Zero Liquid Discharge (ZLD) systems for industrial wastewater due to freshwater scarcity	• Expansion of production capacity and sales of seawater desalination membranes such as RO and FO membranes*1 • Development of more energy-efficient and durable RO and FO membranes • Development of systems using high-efficiency BC membranes*2 • Strengthening of production and quality management systems for RO, FO, and BC membranes • Strengthening the sales capabilities of TOYOBO MC Corporation by leveraging Mitsubishi Corporation's overseas network *1 RO: Reverse Osmosis, FO: Forward Osmosis *2 BC: Brine Concentration
		Long term	Increasing demand for infectious disease prevention and treatment in response to rising temperatures	• Enhancement of the functionality of food packaging-related products and expansion of sales in response to growing demand for food hygiene • Promotion of research and development of infectious disease-related products and technologies

Climate Change | ESG Performance Data (Environment)

Materiality indicators Indicators and fiscal 2026 results for a decarbonized and circular society > p.24

Green strategy

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

Indicators and targets

Toyobo Group has set targets 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 losses: Up to approximately ¥68.0 billion* * Estimated based on the book value of the facilities and damage rates from water-related disasters (published by the Ministry of Land, Infrastructure, Transport and Tourism).	Cumulative FY2023–FY2026 result: ¥17.4 billion (Partially included in safety, disaster prevention, and environmental investments)
Key risk 2 Introduction of carbon pricing	A carbon price (i.e., carbon tax) of ¥15,000 per tonne of CO_2 is assumed for fiscal 2031. The estimated carbon tax burden is compared between a scenario in which no particular measures are taken to reduce GHG emissions (the BAU* scenario) and a scenario in which such measures are implemented (the transition scenario). * BAU: Business As Usual	Time frame: FY2031 Estimated cost savings: Approximately ¥10.0 billion* * Difference in estimated carbon tax burden between the BAU scenario and the transition scenario. • BAU scenario: ¥20.0 billion (carbon price based on GHG emissions of approximately 1.3 million tonnes of CO_2) • Transition scenario: ¥10.0 billion (carbon price based on GHG emissions of 655,000 tonnes of CO_2)	
Key risk 3 Increasing calls for reduction or substitution of petroleum-based resources Key opportunity 1 Increasing demand for low-carbon and decarbonized materials and products	As society moves toward decarbonization, demand from customers and society as a whole is expected to increase for reductions in the use of petroleum-based resources and their substitution with alternative materials. An estimate has been made of revenue from low-carbon and decarbonized materials and products in the Films business for fiscal 2031.	Time frame: FY2031 Estimated Films segment revenue from capturing this opportunity: Approximately ¥130.0 billion* * Estimated on the assumption that 60% of the fiscal 2031 target revenue of ¥220.0 billion will be generated by low-carbon and decarbonized materials and products.	Partially included in the Films segment's FY2026 research and development expenses of ¥4.3 billion
Key opportunity 2 Increasing demand for advanced water treatment driven by freshwater scarcity	As climate change progresses and society transitions toward decarbonization, demand is expected to increase for water treatment membranes and products and services that help customers reduce GHG emissions.* An estimate has been made of fiscal 2031 revenue for the Environmental and Functional Materials segment, where many of these materials and products are positioned as core businesses. * Including energy-efficient seawater desalination membranes; VOC recovery equipment that eliminates the need for solvent incineration and enables solvent reuse; membranes and systems for concentrating valuable materials such as lithium; and water-washable flexo plates and their wastewater treatment systems, which contribute to reducing GHG emissions from wastewater treatment.	Time frame: FY2031 Environmental and Functional Materials segment revenue: Approximately ¥150.0 billion* * Including water treatment membranes and VOC recovery equipment, as well as mooring lines for floating offshore wind power generation; engineering plastics for electric vehicles (EVs); battery-related materials; hydrogen carrier-related materials; and donor materials for organic thin-film solar cells.	A portion of the ¥4.0 billion in R&D expenditure for the Environmental and Functional Materials segment in FY2026 falls under this category
Key opportunity 3 Increasing demand for products that contribute to greenhouse gas (GHG) emissions reduction			

Category	Indicator		Target	Main initiatives	FY2026 performance
GHG	GHG emissions	Scope 1, 2	FY2031: 27% reduction* (SBT) (Base year: FY2021) * Equivalent to a 46% reduction from the fiscal 2014 level.	Improved energy conservation, enhanced production efficiency, fuel conversion, and adoption of renewable energy, among others	14% reduction from the FY2021 level (771 thousand t-CO_2)
			FY2051: Net zero	Adoption of carbon-free fuels, renewable energy procurement, and production process innovation, among others	Renewable energy generation in FY2026: approximately 2.4 GWh
		Scope 3 (Categories 1 and 11)	FY2031: 12.5% reduction (SBT) (Base year: FY2021)	• Category 1*: Accelerate the shift to recycled raw materials and biomass-derived materials * Emissions from activities (e.g., manufacturing) associated with purchased raw materials and services • Category 11*: Improve the energy efficiency of VOC recovery equipment, among others * Emissions from the use of sold products	0.2% increase (2,322 thousand t-CO_2)
Environmental investments	• ¥17.4 billion cumulative for FY2023-FY2026 (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 utility facilities (such as relocation to higher ground, elevation, among others) • FY2023–FY2026 performance: Fuel conversion (coal phase-out) at the in-house thermal power plant at the Iwakuni Production Center, improved energy efficiency across the Inuyama Plant through the expansion of the gas cogeneration system, installation of solar power generation facilities at the Inuyama Plant, the Utsunomiya Plant, the Research Center, and overseas subsidiaries, and energy conservation measures for power and utility facilities at each plant, among others.				
Internal carbon pricing	• Ongoing since its introduction in FY2023: Internal carbon price set at ¥10,000/t-CO_2 • Used to assess investments in capital equipment and development facilities that increase or decrease CO_2 emissions				
Remuneration	Added GHG emissions reduction as a climate change-related metric to the sustainability indicators reflected in executive remuneration (incentives) (applicable to remuneration paid from July 2025 onward based on fiscal 2025 performance).				
Climate-related opportunities	Greening rate of film products (also established as an indicator for reducing transition risks)		FY2031: 60%	• Promotion of mechanical and chemical recycling, development and increased use of biomass-derived raw materials, and reduction in film volume, among others	18%
	Desalination by membrane technology		FY2031: Equivalent to the volume of drinking water for 10 million people	• Expansion of production capacity and promotion of sales of seawater desalination membranes (e.g., RO/FO membranes) • Development of more energy-efficient and durable RO/FO membranes, among others • Strengthening of production and quality control systems for RO/FO membranes, among others	5.2 million people
	Air treatment capacity of VOC recovery equipment for lithium-ion battery separator plants* * Air treatment capacity of systems sold and currently in operation to date		FY2031: 7 billion Nm^3 per year	• Strengthening of sales activities focused on contributions to customers' GHG reductions (replacement of combustion-based methods) • Enhancement of the sales structure through TOYOBO MC Corporation • Expansion of sales beyond the storage battery sector, targeting processing industries such as printing, films, and seals • Adoption of new technologies, including further miniaturization and improved energy efficiency of the equipment	6.2 billion Nm^3 per year

Safety, Disaster Prevention
ESG Performance Data (Social)
Materiality indicators Indicators and fiscal 2026 results for safety and disaster prevention > p.24

Sustainability strategy

Sustainability management

Managing Executive Officer
Controlling Supervisor of Sustainability and Corporate Planning Division

Norio Iizuka

Approach and policy

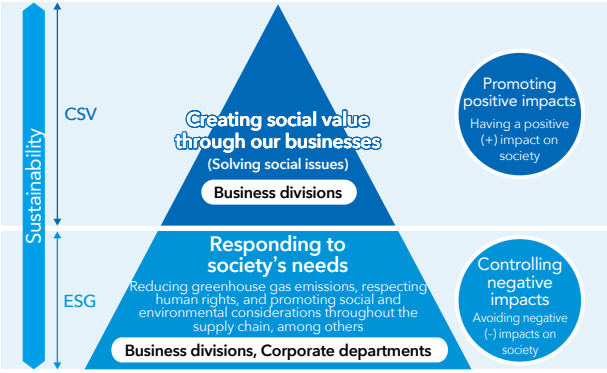
Contributing to the realization of a sustainable society is integral to achieving the Toyobo Group's vision: "We will continue to create the solutions needed by people and the earth with our materials and science." Guided by this belief, the Group formulated Sustainable Vision 2030 in May 2022, reflecting our strong commitment to making sustainability the foundation of our management.

By placing "Innovation" and the three Ps—People, Planet, and Prosperity—at the core, we aim to help solve social issues through our businesses, creating a virtuous cycle that enhances corporate value while realizing the prosperous society envisioned in our corporate philosophy. For Toyobo Group, sustainability means first ensuring that we ourselves are a sustainable organization and then continuing to contribute to society's sustainability.
Since fiscal 2026, sustainability strategy planning and the oversight and promotion of sustainability initiatives have been integrated into the Corporate Planning Department. By positioning sustainability as a core management strategy, we develop and promote strategies aligned with our desired future state and medium- to long-term management plans.
We incorporate insights gained through engagement with external stakeholders into our strategic discussions and the development of initiatives, reflecting them in the review and management of our materiality indicators. Executive Officers also take an active role in these efforts to enhance their effectiveness. Through these initiatives, we will continue strengthening the integration of sustainability with our management strategy while enhancing corporate value by simultaneously creating economic and social value.

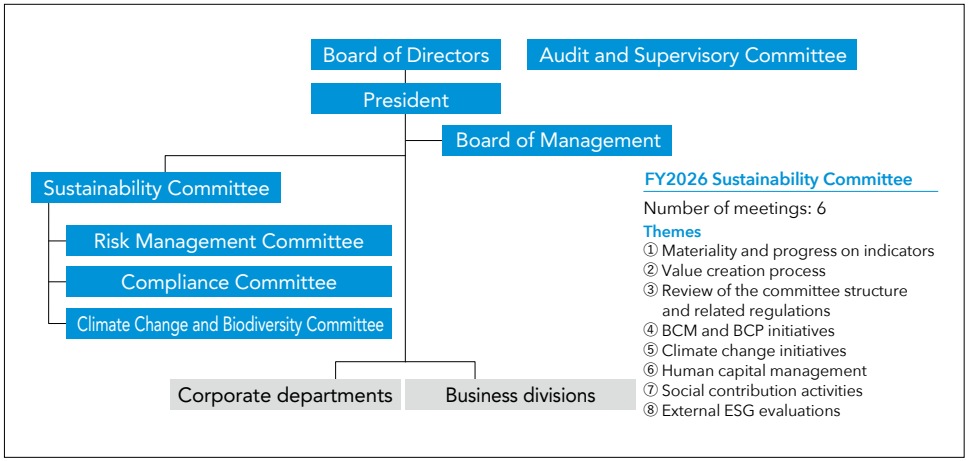
Policy

1. Management that takes the sustainability of society into consideration, and thus management that enhances the sustainability of Toyobo 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*)
   * CSV: Creating Shared Value

Conceptual clarification: Sustainability/CSV/ESG



Sustainability promotion structure (As of April 1, 2026)



Key initiatives in fiscal 2026

Month		Key initiatives
2025	April	• "SC836-20," the industry's thinnest 20 μm PET film for shrink labels, received plastic recyclability recognition for APR Design™ for Recyclability • Published the GHG emission intensity of our films on our website
	May	• Awarded the EcoVadis Bronze Medal (subsequently awarded the EcoVadis Silver Medal in June 2026)
	June	• Signed a joint development agreement with a U.S. biotech start-up to develop sustainable platform chemicals for plastic raw materials • "Resource Recycling Project" received a Special Award at the WorldStar Global Packaging Awards 2025
	July	• Norio Iizuka, Controlling Supervisor of Sustainability and Corporate Planning Division, spoke at a symposium hosted by Nikkei Inc. and Nikkei Research • Selected for the third consecutive year as a constituent of all six ESG investment indices adopted by the Government Pension Investment Fund (GPIF)
	November	• Earned a Bronze rating in the PRIDE Index 2025, an index evaluating initiatives related to LGBTQ+ inclusion
	December	• For the 2025 assessment by the international environmental nonprofit CDP, Toyobo was selected for the first time for the prestigious A List in both the Climate Change and Water Security categories
2026	March	• Certified as a 2026 Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category)

Respect for Human Rights
Supply Chain Management
ESG Performance Data (Social)
Materiality indicators Items, indicators, and fiscal 2026 results for human rights (Toyobo Group) > p.24

Sustainability strategy

Respect for human rights

Approach and policy

Toyobo Group recognizes that respecting human rights is essential to fulfilling its responsibilities as a member of society and remaining a trusted company. Under the TOYOBO Group Human Rights Policy, we actively and systematically promote initiatives to uphold human rights. We also support and respect internationally recognized human rights standards, including the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
The executive responsible for overseeing human rights is the controlling supervisor of Sustainability and Corporate Planning Division (Managing Executive Officer).

Initiatives

Human rights due diligence and assessments in Japan and overseas

In fiscal 2024, Toyobo conducted a labor and human rights assessment covering its domestic business sites and Group companies, confirming that there were no violations of laws and regulations related to human rights, including those concerning child labor, equal employment, and occupational health and safety. In fiscal 2025, we conducted a Business and Human Rights Questionnaire covering all overseas Group companies and confirmed that there were no serious human rights violations, such as child labor or forced labor. In addition, for technical intern trainees, we confirmed that the program was being appropriately administered, labor-related laws and regulations were being observed, and human rights were being properly protected through surveys of host business sites and Group companies, interviews with the trainees themselves, and on-site inspections. We also interviewed supervising organizations to verify the appropriateness of recruitment practices and the costs borne by trainees. Since March 2025, we have further strengthened our ongoing monitoring by introducing regular assessments for technical intern trainees and workers under the Specified Skilled Worker program.

Internal training

Since fiscal 2024, we have conducted annual business and human rights training for all employees. By raising awareness of the TOYOBO Group Human Rights Policy and deepening employees' understanding of human rights due diligence, we promote greater awareness and strengthen sensitivity to human rights risks. In fiscal 2026, the training was made mandatory for all managers at Toyobo, ensuring that it is effectively communicated and embedded throughout the organization, from management to frontline employees. We also provide opportunities for self-directed learning through e-learning.

Complaint handling and internal whistleblowing system

We accept human rights–related consultations and reports through the Grievance Committee and our internal whistleblowing system, the Compliance Consultation Desks. In addition, we strive for the early detection and resolution of human rights issues through compliance surveys.

CSR procurement initiatives of Toyobo Group

To contribute to the realization of a sustainable society throughout the supply chain, Toyobo Group has established its Basic Policy on Transactions in Procurement and Logistics and promotes responsible procurement and logistics. We have also established the CSR Procurement Guidelines and Green Procurement Guidelines, through which we ask our business partners for their understanding, cooperation, and proactive efforts with respect to human rights and environmental considerations. Most recently, we revised the CSR Procurement Guidelines in January 2026.

Toyobo Group CSR procurement briefing

In November 2025, we held a Toyobo Group CSR procurement briefing as part of our training program for approximately 360 major business partners worldwide. The briefing covered our initiatives related to climate change, respect for human rights, resource circulation, and our CSR procurement policy, as well as our Declaration of Partnership Building and our response to the whistleblower protection system. We also expressed our commitment to working with our business partners to contribute to the development of a sustainable society throughout the supply chain.

CSR procurement survey

We inform our major business partners worldwide about the CSR Procurement Guidelines, conduct surveys based on these guidelines, and engage in dialogue based on the survey results, completing a supplier engagement cycle every two years. The most recent survey was conducted in fiscal 2026. The evaluation results are shown on the right.

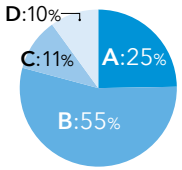
1 Survey overview

- Scope: Suppliers representing 90% of total procurement spending
- Number of suppliers surveyed: 363
- Survey: Adopted the Nikkei Sustainable Link questionnaire developed by Nikkei Research Inc., which incorporates international guidelines and external expert insights and covers areas including human rights, labor, the environment, and fair business practices
- Survey categories: Sustainability management, environment, human rights and labor, fair business practices, supply chain management, and access to remedy

2 Survey results

- Response rate: 99% (as of July 2026)

CSR procurement survey results



Risk assessment	Points band (400-point scale)	No. of companies	Share of total
A	300 points or higher	89	25%
B	101–299 points	198	55%
C	100 points or below, with no significant human rights risk items identified	39	11%
D	100 points or below, with low scores for significant human rights risk items	35	10%
–	Total	361	–

3 Evaluation results

The risk assessment based on the results of this survey uses Toyobo's own evaluation criteria to assess responses to the Nikkei Sustainable Link questionnaire. We engaged with business partners that were assigned a D rating in the previous survey, and as a result, their efforts to address human rights issues progressed, with many improving to a C rating or higher. On the other hand, some business partners were newly assigned a D rating due to revisions to the evaluation criteria following changes to the questionnaire and changes in the composition of our business relationships.

4 Future actions

For business partners assigned a D rating, we will request that they implement improvement measures during fiscal 2027 and engage with them to promote understanding of and alignment with the CSR Procurement Guidelines and our human rights initiatives. We will also designate these business partners as priority follow-up partners and provide ongoing support to help them make continuous improvements.

Safety, Disaster Prevention
ESG Performance Data (Social)
Materiality indicators Indicators and fiscal 2026 results for safety and disaster prevention > p.24

Sustainability strategy

Safety and disaster prevention

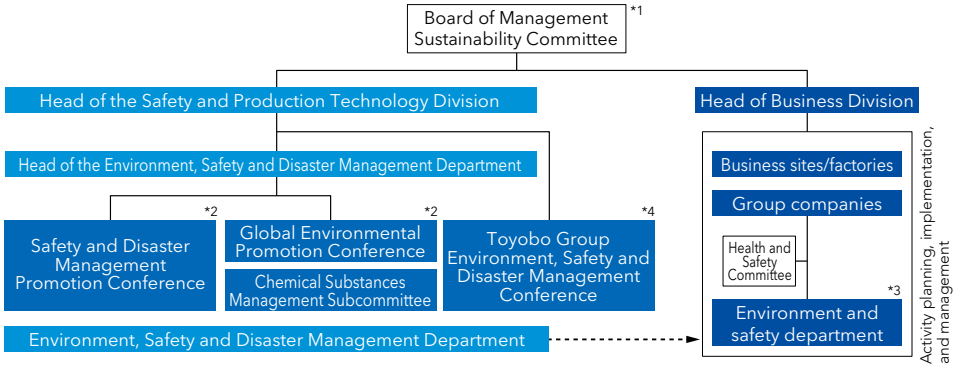
Approach and policy

Toyobo Group regards safety and disaster prevention as the foundation of its corporate activities and has established the TOYOBO Group Basic Policy on Health & Safety, which applies to employees and contractors alike, to promote a safe working environment.
We are also firmly committed to ensuring that the lessons and memories of the fire at the No. 2 Plant of the Tsuruga Research and Production Center on September 6, 2018, and the fatal fire accident at the Inuyama Plant on September 27, 2020, are never forgotten. To this end, we have designated September as Disaster Preparedness Month and September 6 as Toyobo Group Disaster Preparedness Day and continue to carry out awareness-raising activities related to disaster prevention, including fire prevention.

Organizational structure

To ensure the steady implementation of its safety and disaster prevention initiatives, Toyobo Group has established the Safety and Production Technology Division with broad authority. The executive responsible for overseeing the division (Representative Director and Senior Managing Executive Officer) formulates policies and priority activities, which are approved by the Board of Management and the Sustainability Committee, and reports on progress. In addition, the Environment, Safety and Disaster Management Conference shares policies and activities and evaluates the effectiveness of safety and disaster prevention initiatives across the divisions, while the Safety and Disaster Management Promotion Conference deliberates and decides on specific matters and monitors their implementation.

Toyobo Group structure for safety, disaster prevention, and the environment (FY2027)



*1 Evaluates the effectiveness of, and manages, policies for safety, disaster prevention, and environmental activities.
*2 Deliberates and decides on specific matters and monitors their progress.
*3 Supports activities, provides information, and coordinates between divisions.
*4 Explains policies and reports on the progress of activities.

Initiatives

Based on the TOYOBO Group Basic Policy on Health & Safety, we are advancing initiatives from two perspectives: fostering a safety culture (including embedding a safety-first mindset and reviewing our education and training framework) and strengthening the safety foundation (including enhancing safety management through the establishment of management systems). We have also developed a road map through fiscal 2031 to systematically enhance our level of safety culture.

Safety and disaster prevention road map

	FY2026	FY2027	FY2028	FY2029–2031
Safety culture level	Challenging the independent stage*		Independent stage*	Challenging the interdependent stage*
Fostering a safety culture	Leveraging the results of the safety awareness survey, expanding opportunities to participate in safety activities, and promoting safety dialogue			
	Enhancing role-based training (including workshops for senior management, business site managers, and supervisors, as well as new employee training)			
Strengthening the safety foundation	Reducing risk by embedding occupational safety and disaster prevention management systems (including ISO standards)			Reassessing workplace risks
	Eliminating recurring incidents by leveraging data from past incidents in safety and disaster prevention training			Following up on implementation status

* These terms are based on the dss+ Bradley Curve, which describes the stages of safety culture development.

Fostering a safety culture

- Established the Safety Declaration to foster a safety-first culture.
- Leveraging the results of the safety awareness survey to enhance the organization's level of safety culture.
- Conducting management workshops for newly appointed executives and presidents of Group companies, as well as management training, with support from external organizations.

Strengthening the safety foundation

- Conducting risk assessments, work studies, and developing operating procedures to prevent incidents before they occur; studying incidents that have occurred at other companies and workplaces; and maintaining facilities and equipment through statutory inspections and voluntary inspections.
- Establishing a system for the prompt reporting and sharing of information in the event of an incident, based on the Operational Incident Response Guidelines.
- Conducting preliminary occupational health and safety reviews and risk assessments for new businesses and projects.
- Strengthening the seismic resilience of buildings in preparation for natural disasters, conducting emergency response drills, and preparing risk maps.

Occupational health and safety management system (ISO45001) certification

To reduce risks in the workplace, we are working to obtain certification for the occupational health and safety management system (ISO 45001). As of March 2026, certification had been obtained at four sites: the Tsuruga Research and Production Center, the Iwakuni Production Center, the Utsunomiya Plant, and the Inuyama Plant.

Quality
ESG Performance Data (Social)
Materiality indicators Items, indicators, and fiscal 2026 results for quality > p.24

Sustainability strategy

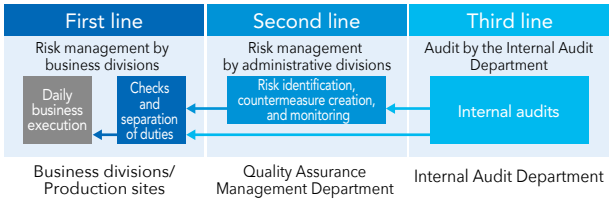
Quality

Approach and policy

In addition to complying with applicable laws and regulations, Toyobo Group has established the TOYOBO Group's Basic Policy on Product Safety and Quality Assurance to ensure the safety of its products and services, protect the environment, and earn customer satisfaction and trust by delivering high-quality products and services. To ensure the quality and safety of the products and services we provide, we have established an appropriate management system, conduct quality inspections in accordance with established procedures, and strive to ensure the appropriate handling of data and other information. We have also developed a road map through fiscal 2031 to achieve our vision for that year and are advancing initiatives in two areas: strengthening our management foundation and fostering a culture of product safety and quality.

Organizational structure

Toyobo Group has established the Quality Assurance Division Conference to oversee Product Safety (PS) and Quality Assurance (QA). This body meets monthly and consists of executives responsible for quality, the General Manager of the Quality Assurance Department in charge of business divisions, and the General Manager of the Quality Assurance Management Department. The PS/QA Promotion Committee, comprising General Managers from various business divisions, is scheduled to meet six times a year. In fiscal 2026, it met six times as planned.
Since fiscal 2022, Toyobo Group has adopted a "three lines of defense" framework, consisting of the first line (business divisions/production sites), the second line (Quality Assurance Management Department), and the third line (Internal Audit Department), establishing a multilayered system to detect and prevent misconduct.



Quality assurance road map

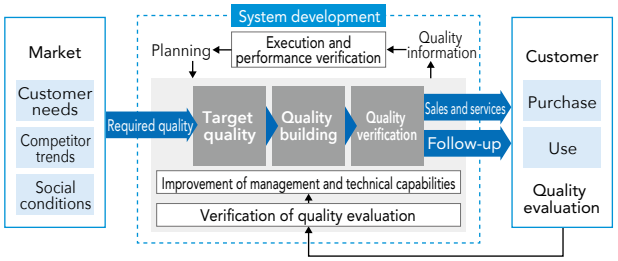
		FY2026	FY2027	FY2028	FY2029	Vision for FY2031
Strengthening the quality foundation	Compliance	Strengthen Company-wide governance for legal compliance Establish a Company-wide chemical substance management framework				Information required for legal compliance is comprehensively collected, addressed, and communicated.
	Ensuring product safety	Conduct assessments to strengthen oversight and drive improvement Minimize quality compliance risks				Quality assurance processes are fully established, and data integrity is ensured.
	Establishing a product safety promotion framework	Separate and clarify first- and second-line responsibilities Quantify the maturity of quality assurance processes		Establish rules and procedures for the new framework Improve process visibility through an information-sharing system		A product safety and quality assurance framework is established across the entire product life cycle—from development, design, manufacturing, sales, and use through disposal—and throughout the supply chain.
Fostering a quality culture	Information protection and dissemination	Centralize the management of information for dissemination and confidential information				Information required for product safety and quality assurance activities is thoroughly disseminated, with appropriate safeguards for confidential information.
	Education and awareness	Expand quality education programs Develop specialist talent and enhance motivation		Implement strategic job rotations Enhance the application of technical expertise and establish quality career paths		Management and employees share a unified commitment to quality, possess the knowledge needed to carry out their responsibilities, and continuously drive improvement as one team.

Initiatives

Quality assurance initiatives

The Quality Assurance Manual, which outlines the fundamental principles and behavioral guidelines for employees when carrying out the Group's development, production, and sales activities, is shared with all sites and serves as the foundation of the Group's manufacturing philosophy. We are strengthening our quality and product safety framework through the development of our QA system. Furthermore, we have established the Quality Assurance Guidelines and are working to further strengthen this framework. In addition, the Head of the Quality Assurance Division conducts reviews and interim reviews to continuously monitor the issues facing each business division and the progress of improvement efforts. November is designated as Quality Month each year. During this period, we promote greater quality awareness and foster a culture of quality through messages from senior management, seminars, and workplace dialogue (see the figure below).

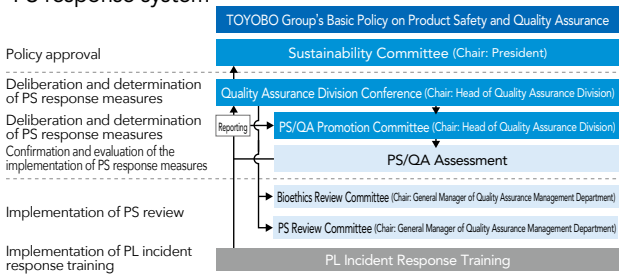
Overview of quality assurance activities



Product safety promotion activities

The Quality Assurance Division, independent from the business divisions, and QA personnel from other departments conduct PS/QA assessments to review the initiatives undertaken by each business division and Group company and reduce quality risks. In addition, criteria have been established to assess product safety (PS) and product liability (PL) risks, and based on these criteria, reviews are carried out at every stage from product development to sales to minimize risk. Although every effort is made to ensure product safety, each business division regularly conducts training drills based on scenarios involving PL incidents.

PS response system



Compliance
ESG Performance Data (Governance)
Materiality indicators Items, indicators, and fiscal 2026 results for compliance > p.25

Sustainability strategy

Compliance

Approach and policy

Toyobo Group places its corporate philosophy of "*Jun-Ri-Soku-Yu*" (adhering to reason leads to prosperity) at the core of its compliance efforts.
In addition, based on the principles declared in the TOYOBO Group Charter of Corporate Behavior, we have established the TOYOBO Group Employee Conduct Standards, which define the rules that employees are expected to follow. We also distribute the TOYOBO Group Compliance Manual, which summarizes these rules in a clear and practical manner. Through reading sessions, we promote understanding and ensure thorough awareness of the rules among Group employees.

Organizational structure

The Compliance Committee, composed of members of the Board of Management, promotes compliance across the Group from a management perspective. Under this committee, the Compliance Promotion Committee examines specific initiatives, while the Legal and Compliance Department, which serves as the secretariat for both committees, promotes legal compliance and overall compliance throughout the Group.

Initiatives

Compliance promotion activities

In fiscal 2026, the Compliance Committee met twice and the Compliance Promotion Committee met four times. Under the theme of "small things matter," we carried out awareness-raising activities to enhance compliance awareness, as well as education and training programs and compliance consultation services.

Compliance Consultation Desks

Toyobo Group has established Compliance Consultation Desks (internal reporting desks) for officers and employees. These desks receive reports and consultations regarding legal or rule violations in the workplace, misconduct, and unethical conduct (including corruption, bribery, embezzlement and other corrupt practices, violations of competition law such as bid-rigging and cartels, and bullying or harassment). The desks aim to enable early detection, corrective action, and prevention of such issues.
Following fiscal 2025, we continued to enhance our global internal whistleblowing system to support overseas and multilingual reporting. To ensure that employees can use these consultation desks with confidence, we guarantee the confidentiality of all consultations, ensure that no employee will face any disadvantage as a result of consulting or reporting, and accept anonymous consultations.

Types of Compliance Consultation Desks

1. Internal consultation desk
2. External service provider desk
   (Corporate Ethics Hotline, including the global internal whistleblowing system)
3. External lawyer desk
4. Audit and Supervisory Committee desk

In fiscal 2026, a total of 100 consultations were received, two of which were made through the external consultation desk. The most common topics were communication, interpersonal relationships, and harassment, followed by human resources and labor matters, including attendance and treatment. In addition to providing advice and responding to inquiries from employees who raised consultations, we conducted fact-finding and investigations while respecting the wishes of the employees concerned. Where issues were identified, corrective measures and measures to prevent recurrence were implemented.

Number of consultations at Compliance Consultation Desks (internal reporting desks)

FY2022	FY2023	FY2024	FY2025	**FY2026**
62	78	102	116	**100**

Process for handling compliance consultations

1	Receive a consultation or report and review its contents.
2	Conduct fact-finding investigations by the consultation desk and the relevant departments or companies, including reviewing evidence and interviewing the persons involved and third parties.
3	Based on the investigation results, assess whether any violation or misconduct has occurred and evaluate its severity.
4	If a violation, misconduct, or related risk is identified, the relevant department or company implements corrective measures and measures to prevent recurrence, and takes appropriate actions such as guidance or disciplinary measures for the persons involved. Measures to prevent recurrence are also implemented across the Group.
5	Feedback is provided to the employee who submitted the consultation or report through the consultation desk, and follow-up on the status of corrective measures occurs as necessary.

Education and awareness-raising activities

In addition to compliance manual training sessions (manual reading sessions) conducted in each workplace, we promote practical awareness through "Compliance Mini Study" case studies and the distribution of "Compliance Reports" based on cases from within the Group and misconduct at other companies.
We also conduct video-based training sessions for employees across the Group (attended by a total of 5,328 participants in fiscal 2026), as well as role- and function-specific training for managers, new employees, sales personnel, employees assigned overseas, and other employee groups (27 sessions conducted in fiscal 2026).

Compliance risk assessment

Every year, we conduct a compliance awareness survey to identify Group-wide issues and signs of potential problems. In fiscal 2026, we received responses from 7,534 employees. The survey results are shared with all employees and used to correct and prevent identified issues and improve compliance activities.

Initiatives to prevent corruption

Toyobo Group positions the prevention of corruption, including bribery and other corrupt practices, bid-rigging and cartels, unfair competition, and fraudulent accounting, as a key compliance priority. To prevent corruption, we have established relevant regulations and guidelines that set standards for gifts and entertainment, and we seek to ensure transparency by declining gifts and entertainment that exceed socially accepted norms and requiring reports when such gifts or entertainment are received. In fiscal 2026, in response to increasingly stringent regulations in various countries, we revised the relevant regulations and clarified the standards, while promoting thorough awareness through training and other initiatives.
Operational corruption risks are assessed and managed under the Group-wide risk management framework. In addition, the status of compliance activities, including initiatives to prevent corruption, is overseen through regular reporting to the Board of Directors and audits conducted by Audit and Supervisory Committee members, thereby ensuring their effectiveness.

Risk Management
ESG Performance Data (Social)
Materiality indicators Items, indicators, and fiscal 2026 results for data security and privacy > p.25

Sustainability strategy

Risk management

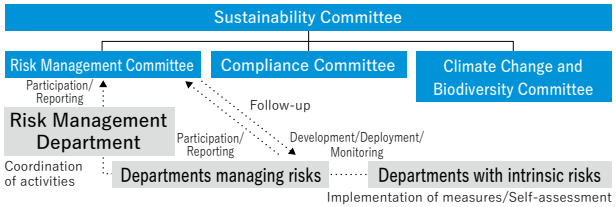
Approach and policy

Based on the Basic Policy on Business Risk, Toyobo Group aims for sustainable growth and contribution to society by appropriately managing risks in its business activities.
In the Group's risk management activities, risk owners—the departments with inherent risks (operational sites)—identify and evaluate risks, while risk management measures are developed and implemented in collaboration with the risk management departments (staff departments). The planning and promotion of these activities are undertaken by the Risk Management Department, which serves as the Group's central risk oversight unit.
Each year, we review the major risks facing the Group and carry out appropriate risk assessment and management to earn the trust of our stakeholders, including customers, local communities, and shareholders.

Organizational structure and activities

The Risk Management Department, which serves as the Group's central risk oversight unit, has been positioned as an organization reporting directly to the President since fiscal 2027 in order to clarify its role as the department responsible for overseeing risk management across the Group.
In addition, the Company has established the Risk Management Committee, chaired by the President, to centrally manage risks across the Group. The Committee is composed of members of the Board of Management (Business Division Heads and the officers responsible for the Corporate and Staff Divisions) and meets twice a year to promote Group-wide risk management activities.
Within the Committee, major risks affecting the Group as a whole are addressed through enterprise risk management (ERM) activities.

Management structure and processes



The Committee monitors the status of risk mitigation initiatives led by the relevant risk management departments and deliberates on related matters.
In fiscal 2026, we conducted risk assessments at all Group sites to comprehensively visualize risks, identified new Group-wide risks requiring enterprise-wide action, and designated them as key issues.
In addition, we promoted business risk management (BRM) activities by identifying priority issues at each site and working with the relevant risk management departments to mitigate those risks.

Business Continuity Management (BCM) and Business Continuity Plan (BCP)

Under the Risk Management Committee, we have established the BCM Subcommittee, composed of members selected from each department, to promote BCM across the Group. This subcommittee leads the formulation, training, and education of BCPs in each department and serves as the point of contact for information gathering, dissemination, and actions necessary to maintain business continuity in the event of emergencies, such as major earthquakes. When an emergency occurs or is anticipated, a Company-wide BCP Task Force is established to ensure a rapid response and the swift resolution of the crisis.

BCP initiatives

In fiscal 2025, we established the TOYOBO Group Business Continuity Plan (BCP) Guidelines for large-scale earthquakes anticipated in the Nankai Trough region (seismic intensity upper 5 or higher). The Guidelines specify procedures for confirming disaster situations, communication systems, the overall commanding officer, the structure and roles for recovery operations, and priorities. In fiscal 2026, based on the BCPs developed by each business division, we conducted large-scale earthquake response drills at major sites. We are applying the lessons learned from these drills to strengthen our day-to-day preparedness.
In addition, we strive to identify and manage supply chain risks arising from geopolitical risks, the importance of which has increased from an economic security perspective. We are also promoting multiple sourcing and the establishment of alternative transportation methods and routes.

Information security

Policy and approach

As stated in the TOYOBO Group Charter of Corporate Behavior, each employee must recognize the importance of information security, handle information appropriately, and prevent information security incidents in order for the Group to contribute to society and remain a trusted company. Our Basic Information Security Policy sets out five key elements: management system, legal compliance and in-house regulations, education and training, information systems operation, and incident response.

Organizational structure

We have established the Information Security Sub-committee (TOYOBO-CSIRT*), led by the Chief Information Security Officer (CISO) appointed by top management, to promote information security measures and activities. TOYOBO-CSIRT assesses the Group-wide information security landscape, formulates basic policies, maintains the management system, and implements and oversees specific measures.

* Computer Security Incident Response Team

Information security measures

We promote information security measures across the Group, including domestic and overseas Group companies, at the same level as those implemented at the head office. Under a 24-hour AI-powered security monitoring system, containment measures are automatically implemented when serious incidents are detected to minimize potential damage. We also conduct incident response drills on an ongoing basis to strengthen our response capabilities.
In addition, we have established a framework for the seamless escalation of major incidents to the Group's risk management structure. Furthermore, in light of supply chain risks, we are strengthening our IT Business Continuity Plan (IT-BCP)* initiatives to further enhance our business continuity framework in the event of an emergency.

* IT-BCP: A plan to support business continuity by enabling the prompt recovery of critical systems in the event of a disaster or system failure.

CEO × Outside Directors cross-talk session

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

Ikuo Takeuchi
President & Representative Director
CEO and Co-COO

Shoko Takase
Outside Director

Hiroshi Fukushi
Outside Director

Looking back on management

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

Transition to a company with an Audit and Supervisory Committee

Takase One of the most significant changes to the Board was the transition to a company with an Audit and Supervisory Committee in June 2025. Even before the transition, I felt that the Audit and Supervisory Committee members had a strong interest in Toyobo Group and consistently expressed their views candidly from a wide range of perspectives. Now that they serve as directors with voting rights on the Board, they have strengthened not only the quality of our discussions but also the Board's ability to provide ongoing oversight from a long-term perspective.
By taking on greater responsibility as directors, the Audit and Supervisory Committee members' perspectives and advice carry greater weight. I believe their contributions have added further depth to the Board's discussions.
Takeuchi The purpose of this governance structure is not for the Board to become overly involved in the details of execution. Rather, it is to delegate responsibility to the executive team, enabling faster decision-making while allowing the Board to focus more fully on its monitoring role. At this stage, however, I believe there is still room to strengthen the relationship of trust between the Board and the executive team, and I believe we are still in a period of transition.
As that relationship of trust continues to deepen, the Board will be better positioned to strengthen its monitoring function as originally intended and devote more attention to discussions on enhancing corporate value over the medium- to long-term.
Fukushi My sense is that the Board is still operating more like an advisory board. Rather than simply monitoring management and judging its performance, the Board's role at this stage is to provide advice to the executive team. As that relationship of trust develops, I believe we can gradually move closer to fulfilling the Board's intended monitoring role. That is why I believe we are still in a transitional phase.
Takeuchi Our first priority is to build that relationship of trust. By strengthening a framework in which the executive team can make decisions and execute them autonomously as one team, the Board can move closer to fulfilling its intended monitoring role.

Transition to One-team management

Fukushi One of the most significant changes over the past year has been the clear expectation under President Takeuchi's leadership that executive officers make decisions not as representatives of their individual businesses, but on behalf of the Company as a whole. Business portfolio reform, ROE, and other key concepts have become part of our shared management language, and executive officers are now engaging in candid, Company-wide discussions based on their genuine views. As a result, I believe the quality of the proposals brought before the Board has improved significantly.
A key initiative supporting this transformation is the Management Policy. Rather than relying on unspoken understanding, it establishes a shared set of management principles and decision-making criteria across the organization. It provides clear guidance on how we manage our people; approach R&D; integrate technology, production, and sales; and reshape our business portfolio. By articulating these principles and sharing them across both management and the organization, the Management Policy extends governance to the middle management level while also improving transparency.
For Toyobo Group, where management has traditionally been driven largely by individual business divisions, I believe this

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

Takeuchi Creating the Management Policy is only the first step. What matters is ensuring that our management principles are understood throughout the organization and translated into action at every level. To achieve this, we need to communicate clearly where the Company is headed and what it expects of each organization. Bridging differences in understanding across organizational levels and turning our policies into concrete actions are essential to making the policy truly effective.

At the same time, I believe One-team management is steadily taking root within the executive team. Rather than making decisions based on what is best for individual businesses, there is a growing commitment to making decisions from a Company-wide perspective. This spring, in response to rising geopolitical risks, executive officers met frequently to coordinate the procurement and allocation of raw materials and fuel. They also coordinated resources across plants as needed, taking a Company-wide approach to addressing these challenges. By continuing to make decisions and take action in this way, we will translate One-team management into tangible results.

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

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

In fact, One-team management is a much broader concept than simply helping one another across teams and departments. It also means sharing individual expertise across teams and departments, as well as connecting processes and data across organizational boundaries. These cumulative efforts will ultimately help accelerate improvements in ROE.

Expectations and challenges for the 2030 Medium-Term Management Plan

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

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

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

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

The new Medium-Term Management Plan represents an important first step by giving us a shared sense of direction. The real challenge now is to ensure that it becomes an effective management system. While we have already seen encouraging progress, I do not believe we should be satisfied yet. Instead, I am genuinely excited by how much further we can still go.

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

Establishing ROE as a clear management target and shifting discussions of the business portfolio and investment decisions to a Company-wide perspective represent important progress.

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

Takeuchi We will take both of your comments to heart as we put the Medium-Term Management Plan into action. Our efforts to date have laid the groundwork for Company-wide discussions with everyone moving in the same direction. The important thing now is to ensure that this new way of working does not remain a one-time initiative but rather becomes embedded in our daily decision-making and actions across the organization.

The Medium-Term Management Plan clearly defines the role each business is expected to play and how it will improve both profitability and capital efficiency. At this year's Executive Retreat, under the theme of "Executing as One Team and Delivering Results," we will revisit the Company-wide Medium-Term Management Plan and encourage discussions that extend beyond individual functional responsibilities to identify challenges and put forward recommendations.

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

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

Management team

(As of June 30, 2026)

Directors

Seiji Narahara

Chair of the Board and Director

January	1988	Joined the Company
April	2010	Executive Officer
June	2011	Director and Executive Officer
April	2014	President and Representative Director (CEO and Co-COO)
April	2021	Chair of the Board and Director (to present)
June	2023	Outside Director, SCREEN Holdings Co., Ltd. (to present)
May	2025	Representative Director and Chairman, Sen-i Kaikan Co., Ltd. (to present)

Ikuo Takeuchi

President and Representative Director (CEO and Co-COO)
Controlling Supervisor of the Internal Audit Department

April	1985	Joined the Company
October	2015	Deputy Director, General Manager, Corporate Planning Office
April	2018	Executive Officer
April	2020	Managing Executive Officer
June	2020	Director and Managing Executive Officer
April	2021	President and Representative Director (CEO and Co-COO) (to present)

Taichi Sakai

Representative Director and Senior Managing Executive Officer (Co-COO)
Controlling Supervisor of Safety and Production Technology Division and Procurement and Logistics Department

April	1986	Joined the Company
April	2016	Deputy Director, Production Technology Supervisory Division Head, and Member, Global Promotion Department
December	2020	Executive Officer
April	2023	Managing Executive Officer
June	2023	Director and Managing Executive Officer
April	2024	Representative Director and Senior Managing Executive Officer (to present)

Kazuhito Ikeda

Director and Managing Executive Officer
Head, Life Science Division

April	1990	Joined the Company
October	2019	Deputy Director, General Manager of AC Equipment Department, AC & SB Operating Department
April	2021	Deputy Director, General Manager of Environmental Solutions Operating Department, General Manager of Environmental Solutions Equipment Department, and General Manager of Environmental Solutions Business Development Department
April	2023	Executive Officer
April	2026	Managing Executive Officer
June	2026	Director and Managing Executive Officer (to present)

Masaaki Harima

Outside Director

April	1977	Assistant Judge, Osaka District Court
May	1981	Registered as attorney at law (Osaka Bar Association)
September	1987	Established Harima Law Offices (now Fushimicho Law Offices)
April	2010	Chairperson, Osaka Fairness Review Board
June	2011	Outside Corporate Auditor, Ishihara Sangyo Kaisha, Ltd.
June	2014	Member, Independent Committee of the Company
June	2020	Outside Director of the Company (to present)
April	2021	Chairperson, Pollution Control Board, Osaka Prefecture

Hiroshi Fukushi

Outside Director

April	1984	Joined Ajinomoto Co., Inc.
June	2011	Executive Officer
June	2013	Director and Managing Executive Officer, and General Manager, Bio-Fine Business Division
June	2015	Director, Corporate Senior Vice President
June	2019	Director, Vice President and Executive Officer, and Chief Digital Officer
June	2021	Director, Representative Director and Vice President
June	2022	Special Advisor (to present)
June	2022	Outside Director of the Company (to present), and Outside Director, MEGMILK SNOW BRAND Co., Ltd. (to present)
June	2025	Outside Director (Audit and Supervisory Committee Member), Members Co., Ltd. (to present)

Shoko Takase

Outside Director

April	1987	Joined IBM Japan Ltd.
January	2005	Seconded to IBM Corporation (IBM U.S. head office)
July	2015	Manager, Growth Strategy, Mobile Strategy, IBM Japan Ltd.
July	2016	General Manager, Global Technology Services Business, and General Manager, Resiliency Services Division
July	2018	Director, General Manager, Cloud Solution Center
April	2019	Senior Managing Executive Officer and Head, Enterprise Business, Cisco Systems G.K.
July	2021	Consultant, TechnoPro Holdings, Inc.
September	2021	Outside Director of TechnoPro Holdings, Inc. (to present)
June	2023	Outside Director of the Company (to present) and Outside Director, GLOBERID, Inc. (to present)

Yuki Kanzaki

Outside Director

March	1992	Joined Kirin Brewery Co., Ltd. (now Kirin Holdings Company, Limited)
March	2016	Executive Officer, General Manager of Kobe Plant of Production Division at Kirin Brewery Co., Ltd.
March	2017	Executive Officer, General Manager of Yokohama Plant of Production Division
March	2019	Managing Executive Officer, General Manager of Yokohama Plant of Production Division
March	2020	Managing Executive Officer and General Manager of Corporate Strategy Department at Kyowa Hakko Bio Co., Ltd.
January	2022	President and CEO of Kyowa Hakko Bio Co., Ltd.
March	2022	Managing Executive Officer of Kirin Holdings Company, Limited, and President and CEO of Kyowa Hakko Bio Co., Ltd.
March	2025	Outside Director of Daifuku Co., Ltd. (to present)
June	2025	Outside Director of the Company (to present)
June	2026	Outside Director, UBE Corporation (to present)

Directors who are Audit and Supervisory Committee Members

Takayuki Tabo

Director (Full-time Audit and Supervisory Committee Member)

April	1983	Joined the Company
October	2013	Deputy Director, General Manager of Accounting Department
April	2017	Executive Officer
April	2020	President and Representative Director (CEO and Co-COO) of TOYOBO STC CO., LTD.
June	2021	Full-time Corporate Auditor of the Company
June	2025	Director of the Company (Full-time Audit and Supervisory Committee member) (to present)

Akihiko Irie

Outside Director (Audit and Supervisory Committee Member)

April	1980	Joined Osaka Gas Co., Ltd.
June	2009	Corporate Officer
April	2012	Executive Officer
April	2015	Deputy Director
June	2015	Corporate Auditor
June	2019	Outside Corporate Auditor of Osaka Gas Urban Development Co., Ltd.
June	2021	Outside Corporate Auditor of the Company
June	2025	Outside Director of the Company (Audit and Supervisory Committee member) (to present)

Wakyu Shinmen

Outside Director (Audit and Supervisory Committee Member)

October	1982	Joined Tohmatsu Awoki & Co. (now Deloitte Touche Tohmatsu LLC)
March	1983	Registered as certified public accountant
August	1997	Appointed as a Designated Engagement Partner (currently Partner) at Deloitte Touche Tohmatsu LLC
October	2013	General Manager of Kansai Business Department, Audit Business Division at Deloitte Touche Tohmatsu LLC
September	2022	Representative of Shinmen Certified Public Accountant Office (to present)
June	2023	Outside Corporate Auditor of Sekisui Chemical Co., Ltd. (to present)
June	2023	Outside Corporate Auditor of the Company
June	2025	Outside Director of the Company (Audit and Supervisory Committee member) (to present)

CEO and Co-COO

Ikuo Takeuchi

Senior Managing Executive Officers

Taichi Sakai
Masanao Kudo

Managing Executive Officers

Takehiko Inada
Tadao Kuroki
Norio Iizuka
Naoki Fujii
Kazuhito Ikeda

Executive Officers

Hidekazu Takahashi
Toshiyuki Oya
Masakazu Iwasaki
Shingo Ito
Hideyuki Kagi
Runa Nakamura
Tetsuro Yabuki
Atsushi Sogabe
Katsuya Toita
Takayasu Nagao
Masafumi Koseki

Corporate Governance
ESG Performance Data (Governance)
Materiality indicators Items, targets, and fiscal 2026 results for governance › p.25

Directors' attendance at meetings and skills

Attendance rate based on fiscal 2026 results as of June 30, 2026

		Outside	Independent	Age	Gender	Nomination and Compensation Advisory Committee	Committee chairperson	Attendance status (rate): Board of Directors	Attendance status (rate): Audit and Supervisory Committee	Attendance status (rate): Nomination and Compensation Advisory Committee	Expertise and skills expected of directors: Corporate management	Production, technology, and development	Marketing and sales	Finance and accounting	Environment and society	Governance, risk management, and compliance	IT/DX	Years in office	Reasons for election
Director	Seiji Narahara			69	Male	○	Board of Directors	17/17 sessions (100%)		6/6 sessions (100%)	○			○	○	○		15	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 since April 2014, has led the management of the Group, including the reworking of our corporate philosophy structure and the expansion of the Films business, committed to the improvement of corporate value. He assumed the post of Chairman of the Board and Director in April 2021, and in that position, plays an appropriate role in decision-making on key matters and in the oversight of business execution.
Director	Ikuo Takeuchi			63	Male		Board of Management	17/17 sessions (100%)			○		○	○	○	○		6	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. Since April 2021, he has undertaken formulation of the 2025 Medium-Term Management Plan as President and Representative Director, demonstrating strong leadership and steering the sustainable growth of the Group.
Director	Taichi Sakai			63	Male			17/17 sessions (100%)			○	○			○	○	○	3	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, has been contributing to initiatives aimed at technological innovation, safety, and disaster prevention as Director since June 2023.
Director	Kazuhito Ikeda (New appointment)			58	Male							○	○		○	○		0	After holding key positions across the Company's Life Science Division, Mr. Ikeda went on to lead the Environmental Solutions business and, at a major subsidiary, spearheaded structural reforms as General Manager of Production. Drawing on his extensive experience in business operations as well as his expertise in production technology and development, he has made significant contributions to improving the performance of the Group as a whole.
Director	Masaaki Harima	○	○	75	Male			16/17 sessions (94%)							○	○		6	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 with the aim of strengthening risk management and governance.
Director	Hiroshi Fukushi	○	○	68	Male	○		16/17 sessions (94%)		6/6 sessions (100%)	○	○		○		○	○	4	Leveraging his abundant experience 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, providing counsel, and advising management in the areas of digital, production technology, and finance.
Director	Shoko Takase	○	○	61	Female	○		17/17 sessions (100%)		4/4 sessions (100%)		○	○			○	○	3	Leveraging her extensive experience and broad knowledge as a manager, Ms. Takase made proactive statements from an independent standpoint at Board of Directors meetings. She appropriately fulfills the roles expected of her by the Company, including supervising management through critical decision-making, providing counsel, and advising management in the areas of IT and digital technologies.
Director	Yuki Kanzaki	○	○	63	Female			13/13 sessions (100%)				○			○	○		1	Leveraging her extensive experience and broad insight as a business manager, as well as her deep expertise in production and research and development, Ms. Kanzaki is appropriately fulfilling the roles expected by the Company, including providing advice to management and supervising management through important decision-making.
Director serving as an Audit and Supervisory Committee Member	Takayuki Tabo			65	Male			17/17 sessions (100%)	11/11 sessions (100%)				○	○		○		5	Having held key positions in the Company's staff divisions, including accounting and finance, and serving as a full-time Audit and Supervisory Committee Member since June 2021, Mr. Tabo has leveraged his extensive knowledge and experience in finance and accounting to contribute to highly effective oversight of the Company's management.
Director serving as an Audit and Supervisory Committee Member	Akihiko Irie	○	○	69	Male			17/17 sessions (100%)	11/11 sessions (100%)				○			○	○	5	Having extensive experience in audits, including serving as an Audit and Supervisory Committee Member at listed companies, Mr. Irie leverages his insights and broad knowledge to appropriately fulfill the roles expected by the Company, including auditing management and supervising management through important decision-making.
Director serving as an Audit and Supervisory Committee Member	Wakyu Shinmen	○	○	69	Male	○		17/17 sessions (100%)	11/11 sessions (100%)	6/6 sessions* (100%)				○		○		3	Leveraging his expertise as a certified public accountant and his broad knowledge, Mr. Shinmen appropriately fulfills the roles expected by the Company, including auditing management and supervising management through important decision-making.

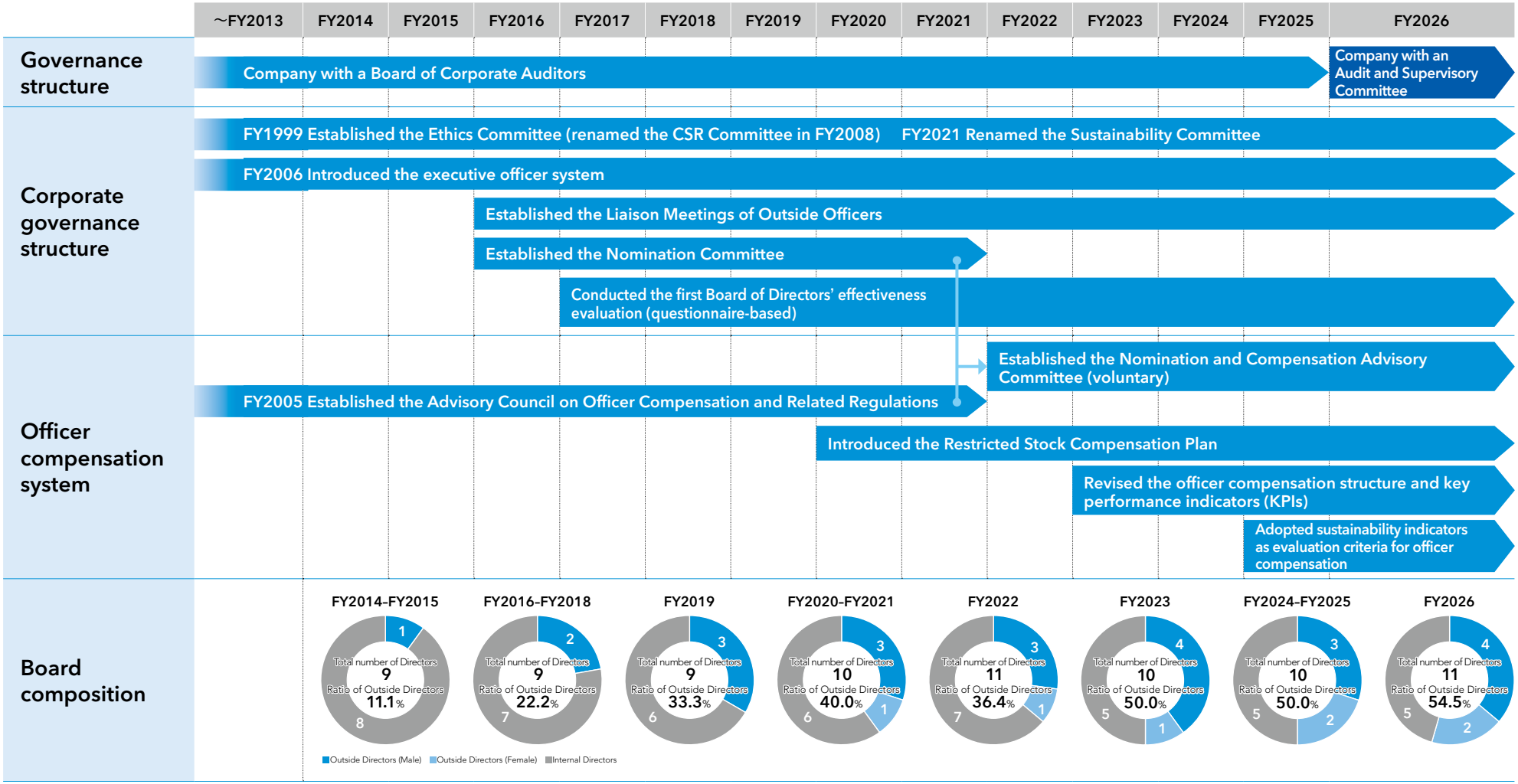
* Includes participation as an observer on two occasions.

Expertise and skills expected of Directors

Skill area	Description
Corporate management	Supervise and promote strategies for sustainable growth, such as reorganization of the business portfolio, with an overall perspective of the Group, considering domestic and international business opportunities and risks.
Production, technology, and development	Supervise and promote strategies related to strengthening manufacturing capabilities, exploring new businesses and technologies, and commercializing strategic themes for the future.
Marketing and sales	Supervise and promote sales strategies for deepening existing businesses and creating business opportunities in growth areas.
Finance and accounting	Based on advanced expertise in finance and accounting, supervise and promote financial strategies and capital policies to achieve management plans.
Environment and society	Supervise and promote strategies to contribute to solving social issues outlined in Sustainable Vision 2030 and to realize a sustainable society through business activities.
Governance, risk management, and compliance	Supervise and promote initiatives to reinforce safety, disaster prevention, quality, and compliance, which form the foundation of business activities, as well as the ongoing enhancement of risk management.
IT/DX	Supervise and promote digital strategies to transform the business model and establish a competitive advantage through information technology and digital transformation.

Corporate governance evolution

The Company has strengthened the separation of execution and oversight by introducing the executive officer system and establishing committees on nominations and compensation, among other initiatives. Through these efforts, we have enhanced our business execution and oversight functions, improved management transparency, and strengthened our corporate governance. Pursuant to a resolution adopted at the 167th Annual General Meeting of Shareholders held on June 25, 2025, the Company transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee. Through this transition, we aim to achieve both faster, more efficient business execution and more robust management oversight, thereby supporting sustainable growth and enhancing corporate value over the medium- to long-term.



Corporate Governance
ESG Performance Data (Governance)

Independence and diversity of the Board of Directors

Basic approach

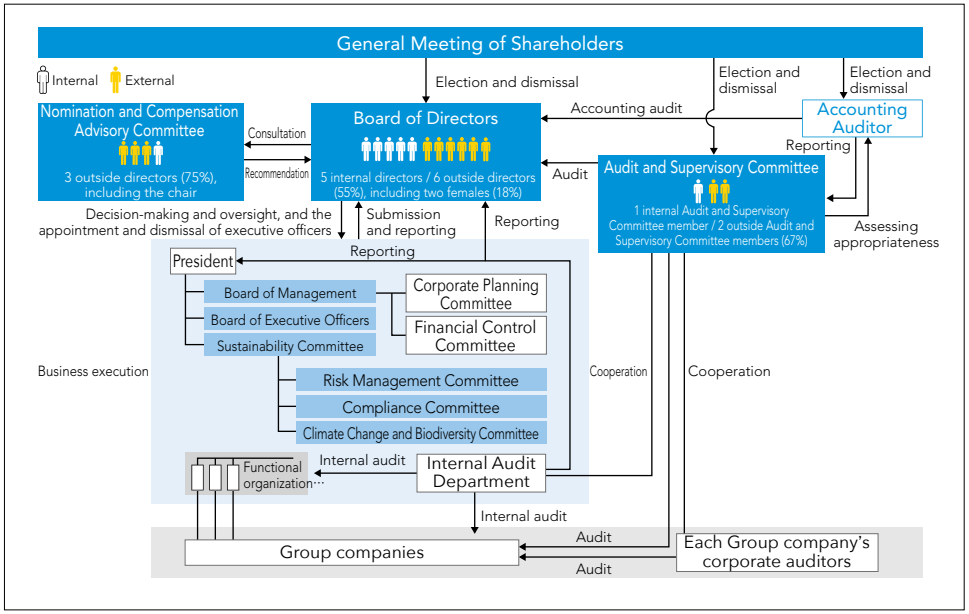
Under our corporate philosophy of "*Jun-Ri-Soku-Yu*" (adhering to reason leads to prosperity), Toyobo believes that identifying social challenges from a long-term perspective and contributing to their resolution through our unique technologies constitutes the Company's very reason for being.
To respond to changing times and sustainably enhance corporate value, we will strive to engage appropriately with all stakeholders, beginning with shareholders, guided by the principles of ensuring prompt and accurate decision-making, maintaining management transparency, and upholding fairness. By fulfilling our fiduciary and accountability responsibilities to shareholders, we will ensure the effectiveness of corporate governance and continue efforts to further improve it.

Organizational structure

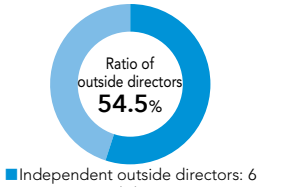
At the Annual General Meeting of Shareholders held in June 2025, Toyobo transitioned to a company with an Audit and Supervisory Committee. To respond promptly to a rapidly changing business environment, certain decision-making authority over business execution may be delegated, as necessary, to the President and Chief Executive Officer and others.
At the Board of Directors, the proportion of outside directors has been increased, placing greater emphasis on deliberation and decision-making regarding fundamental management policies and the oversight of business execution. In addition, officers responsible for audits serve as members of the Board with voting rights, further strengthening the Board's supervisory function. These measures establish a structure that enables both prompt and efficient business execution and high-level management oversight.
With respect to nominations and remuneration, the Company has established the Nomination and Compensation Advisory Committee as an advisory body to the Board of Directors. A majority of the committee members are outside directors, and its chairperson is an outside director, thereby promoting greater transparency and fairness in these processes.

Corporate governance structure

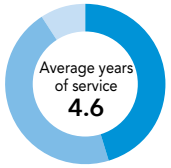
(As of June 30, 2026)



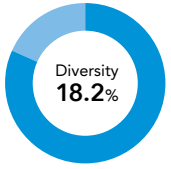
Directors' composition



■Independent outside directors: 6
■Internal directors: 5



■0–3 years: 5 ■4–9 years: 5
■10 years or more: 1



■Male directors: 9 ■Female directors: 2

Conference and committee overview

Note: As of the end of June 2026, with respect to members and their respective roles.

Board of Directors	**Members:** 11, including 6 independent outside directors. The Articles of Incorporation stipulate that the Board shall consist of no more than 15 members (of which no more than 5 may be directors serving on the Audit and Supervisory Committee) and that outside directors shall constitute a majority. **No. of meetings FY2026:** 17 **Main agenda items included:** review of the 2025 Medium-Term Management Plan; discussion of the next Medium-Term Management Plan; management policies for fiscal 2027; business strategies and management issues; initiatives related to safety, disaster prevention, and quality; significant investment projects; respect for human rights, promotion of diversity, and human resource development; research and development, GX promotion, and TX-related initiatives; and risk management.
Audit and Supervisory Committee	**Members:** 3, including 2 independent outside Audit and Supervisory Committee members **No. of meetings FY2026:** 16* **Main agenda items included:** determining audit policies and plans; conducting operational and accounting audits and sharing the results of visits to Group companies; reviewing the minutes of important meetings such as the Board of Directors; sharing discussions with officers; reviewing important documents; and confirming matters related to the Accounting Auditor.
Nomination and Compensation Advisory Committee	**Members:** 4, comprising 3 independent outside directors and the Chairman, with an outside director serving as chairperson **No. of meetings in FY2026:** 6 **Main agenda items included:** president succession planning; proposals for director nominations; setting Company-wide performance targets used to calculate short-term incentive compensation; and reviewing the executive remuneration system.
Board of Management	**Members:** 11, including those who concurrently serve as directors. The Chairman and Audit and Supervisory Committee members also participate and may express their opinions. **No. of meetings in FY2026:** 32 **Main agenda items:** Same as those of the Board of Directors
Sustainability Committee	**Members:** 12, primarily drawn from the Board of Management, with the President serving as chairperson. **No. of meetings in FY2026:** 6 **Main agenda items included:** progress on materiality initiatives and related indicators; the value creation process; review of the committee structure and regulations; business continuity management (BCM) and business continuity planning (BCP); climate change initiatives; human capital management; social contribution activities; and external ESG ratings and evaluations.
Corporate Planning Committee	**Members:** 20, selected from each specialized field and business division. The officer in charge of planning serves as chairperson. **No. of meetings in FY2026:** 3 (including written resolutions) **Main agenda items included:** significant capital investment projects; and matters related to new businesses.
Financial Control Committee	**Members:** 6, consisting of a chairperson and 5 standing members **No. of meetings in FY2026:** 14 **Main agenda items included:** investment and financing; debt guarantees and guarantee commitments (including management guidance letters); provision of collateral for third parties; and financial and accounting regulations.

* Of the 16 meetings held in fiscal 2026, five were meetings of the Board of Corporate Auditors held before the transition to a company with an Audit and Supervisory Committee, and 11 were meetings of the Audit and Supervisory Committee held after the transition.

Corporate Governance

Evaluation of Board effectiveness

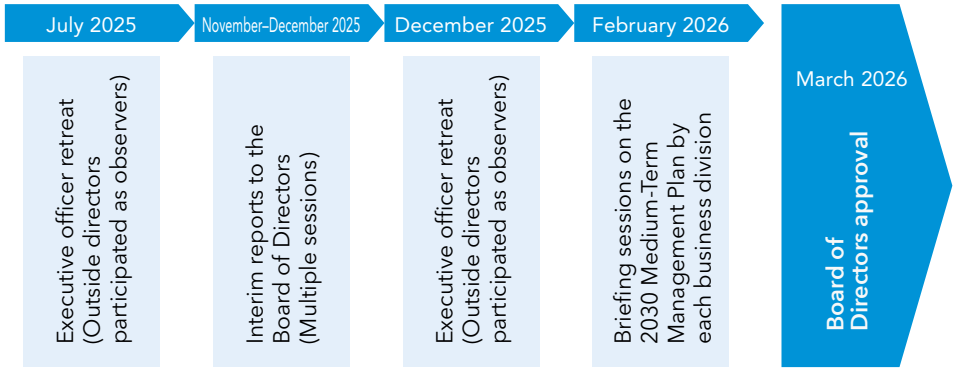
To further enhance the effectiveness of the Board of Directors, the Company conducted an overall analysis and evaluation of the Board's effectiveness in fiscal 2026, with input from an external organization. The key points of the evaluation are summarized below.

Implementation method	1 Participants	All directors (including Audit and Supervisory Committee members)
	2 Method	A survey consisting of 39 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.
Outline of analysis and evaluation results	1 The Board's composition and the support systems in place for directors continued to receive high marks, consistent with the previous year's results. Multiple responses also noted that the Board provides an open environment that encourages free discussion and debate, and that its effectiveness is fully ensured. However, differences in evaluations among respondent groups indicate that further efforts are needed to continue enhancing the Board's effectiveness. 2 Of the four issues identified in the previous year—(i) understanding capital cost and profitability, and developing improvement policies; (ii) reviewing the business portfolio; (iii) CEO succession planning and appointment procedures; and (iv) reviewing Board of Directors operations following the transition to a company with an Audit and Supervisory Committee—improvements were recognized in items (i) and (ii), resulting in higher evaluations. However, respondents noted that these initiatives remain a work in progress and require continued monitoring. In light of the relatively lower evaluations received for items (iii) and (iv) compared to the other questions, all four items were identified as continuing priorities.	
Issues and future initiatives	The Board of Directors will strive to improve its overall effectiveness through the following initiatives. 1 Initiatives to reduce capital costs and improve capital profitability The Board of Directors will receive reports on this important topic and oversee progress. 2 Initiatives to reform the business portfolio The Board of Directors will receive reports on this important topic, regularly review progress, and provide the necessary advice and oversight. 3 Initiatives for CEO succession planning and appointment procedures The Board of Directors will receive regular reports on the deliberations of the Nomination and Compensation Advisory Committee to further enhance transparency and fairness. 4 Improving Board of Directors operations With the aim of transitioning to a monitoring board, the Board of Directors will continue to improve the efficiency of its operations while further enhancing discussions on medium- to long-term growth.	

Board of Directors' involvement in formulating the Medium-Term Management Plan

As executive officers took the lead in formulating the 2030 Medium-Term Management Plan, the Board of Directors engaged in ongoing dialogue and provided advice from the perspective of enhancing corporate value over the medium- to long-term. It also repeatedly supervised and deliberated on key issues throughout the process. By participating as observers in executive officer retreats, visiting production sites, and attending interim progress briefings and business presentations, the Board deepened its understanding of the Company's desired future state and each business. Through these activities, it engaged in extensive discussions on the effectiveness of the Medium-Term Management Plan and the path toward enhancing corporate value.

Formulation process for the 2030 Medium-Term Management Plan



Key topics discussed by the Board of Directors

1. Toyobo's desired future state
   - Toyobo's distinctive competitive advantages (value creation story)
   - Selection of value proposition areas based on core technologies
2. Direction and appropriateness of the growth strategy
   - Direction of management targets (shift from scale to efficiency)
   - Appropriateness of Group-wide resource allocation and enhancement measures (portfolio management) from a long-term perspective
3. Organization and human capital
   - Organizational and human resource strategies aligned with the management strategy
   - Direction for strengthening human capital and developing the next generation of leaders

Corporate Governance

Election and dismissal of executive officers and nomination of director candidates

Policy

In selecting and dismissing senior management (executive officers who concurrently serve as directors) and nominating director candidates, consideration is given primarily to whether candidates possess the character and insight appropriate to their respective responsibilities, while also considering the Company's officer nomination criteria. Final decisions are made by the Board of Directors following deliberation by the Nomination and Compensation Advisory Committee.

1 Approach to the composition of the Board of Directors and the Audit and Supervisory Committee

1 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. In addition, 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 of Directors.

2 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 to ensure the effectiveness of auditing and supervision.

2 Summary of criteria for nomination, etc.

1 Director candidates (excluding directors serving on the Audit and Supervisory Committee)

- Candidates must possess knowledge, achievements, experience, and skills as executives, along with a Company-wide perspective.
- Outside directors must have extensive experience and broad insight that contribute to enhancing corporate value and meet the Company's independence criteria.

2 Director candidates serving on the Audit and Supervisory Committee

- Candidates must be able to make appropriate judgments from an independent and objective standpoint in auditing the execution of duties.
- Outside directors must, in addition to the above, meet the Company's independence criteria.

Nomination and other procedures

To ensure fairness and transparency, the Nomination and Compensation Advisory Committee has been established as an advisory body to the Board of Directors, with outside directors making up a majority of its members. The Committee is chaired by an outside director.
The Nomination and Compensation Advisory Committee reports to the Board of Directors upon deliberating basic policies and criteria such as officer nominations, succession planning, and other matters based on proposals from the president.

Policy and procedures for dismissal

In the event of any conduct suspected of being unfair, unjust, or constituting a breach of trust, or any other cause of unfitness for service as an officer, the Board of Directors will make a decision regarding dismissal upon deliberation by the Nomination and Compensation Advisory Committee.

CEO succession plan

The Company regards human resource strategy, including the succession of the CEO and Co-COO, 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. Potential successors begin developing the knowledge and perspective required for management from an early stage through their work assignments and external training programs. They are also provided with opportunities to cultivate the leadership skills needed to bring out the best in others and lead organizations, as well as the personal qualities and high integrity required to earn the trust of others through a diverse range of experiences.

Training for officers

Newly appointed directors receive explanations regarding their roles and responsibilities and are sent to external training programs upon their appointment as executive officers or directors to support the acquisition of necessary knowledge. After their appointment, they are also encouraged to continue participating in external training programs and seminars by invited lecturers to continuously build on their managerial literacy. 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

Policy

We have designed our system for officer compensation in accordance with the following policy items, within the scope of the compensation amounts approved by the General Meeting of Shareholders.

1. It must provide incentives for the sustainable growth of the Group and the enhancement of corporate value over the medium- to long-term.
2. It must contribute to securing outstanding management talent.
3. It must have a highly objective, transparent decision-making procedure.

We will review the composition and levels of compensation with reference to our management environment, employee salary levels, and current compensation levels at other companies, according to surveys conducted by external expert organizations.

Monetary compensation (including a performance-linked component)

1 Composition of monetary compensation

Monetary compensation for directors (excluding outside directors and directors serving on the Audit and Supervisory Committee) and executive officers consists of monthly monetary compensation comprising the following two components.

1. Base compensation 2. Short-term incentive compensation

2 Short-term incentive compensation

1. Short-term incentive compensation reflects both Company-wide and individual performance, in accordance with the executive's position.
   - Chair of the Board and Director: Company-wide performance only
   - Representative Director:
     Company-wide performance : individual performance = 2:1
   - Director (concurrently serving as executive officer):
     Company-wide performance : individual performance = 1:1
   - Executive Officer (not concurrently serving as a director):
     Company-wide performance : individual performance = 1:2
2. Individual compensation is calculated by reflecting both Company-wide and individual performance.
3. Company-wide performance is measured using EBITDA and ROE, key management indicators, as KPIs, and the payout varies from 0% to 200% depending on the degree of achievement against the targets. The weighting is EBITDA : ROE = 2:1. Notwithstanding the foregoing, executive officers (not concurrently serving as directors) are evaluated solely on EBITDA. These provisions were partially revised in June 2026 and will apply to compensation paid in July 2027 based on performance in fiscal 2026.
4. Specific target values are submitted to the Nomination and Compensation Advisory Committee for review, and based on its recommendations, they are decided by the Board of Directors.
5. Individual performance is evaluated by setting targets for both the relevant division and the individual, assessing overall achievement on a 5-point scale, and adjusting compensation within a 0% to 200% range.
6. Sustainability indicators are included in the evaluation criteria, and achievement of these indicators results in additional compensation. These sustainability indicators, based on the annual management policy, serve as common goals for all executive officers.

Sustainability indicators

The Company has incorporated sustainability indicators into its officer compensation system. Each year, it establishes KPIs related to safety and disaster prevention, human capital, and climate change response as evaluation metrics for short-term incentive compensation and assesses the degree to which those KPIs have been achieved.

Sustainability indicators	KPIs	FY2026 targets*1	Method of reflection in compensation
Safety and disaster prevention–related indicators	Number of major accidents:	Zero per year	An additional 5% of the total short-term incentive compensation base amount*2 will be added if all items are achieved.
	Work-related injury absenteeism rate:	0.25 or below	
	Number of fires and explosions:	Zero per year	
	Number of accidents (leaks):	Zero per year	
Human capital–related indicator	Results of engagement surveys	+5% compared with the previous survey	An additional 5% of the total short-term incentive compensation base amount*2
Climate change response–related indicator	Reduction in GHG emissions (Scope 1 and 2)	2.7% reduction year on year	An additional 5% of the total short-term incentive compensation base amount*2

*1 As of the end of June 2026, the fiscal 2027 targets had not yet been determined.
*2 The base amount is set at 100% of the short-term incentive compensation.

Stock compensation

To strengthen incentives for a sustained increase in corporate value and to promote even greater value-sharing with shareholders, we offer a certain percentage of compensation in the non-monetary form of restricted stock compensation (non-performance-linked) once a year.

Ratio of compensation

To ensure that incentives function effectively toward enhancing corporate value, the ratio of base compensation, short-term incentive compensation, and long-term incentive compensation for directors (excluding outside directors and directors serving as Audit and Supervisory Committee members) and executive officers is set at approximately 6:3:1, assuming 100% achievement of KPIs.

Other

1. Compensation for outside directors consists only of a fixed amount of monetary compensation, given their role and independence.
2. Compensation for directors serving as Audit and Supervisory Committee members consists solely of fixed monetary compensation, determined in accordance with their duties and responsibilities. The amount is decided through discussions among the directors serving as Audit and Supervisory Committee members, considering their roles and independence.
3. To ensure transparency and objectivity in the determination of compensation, the Nomination and Compensation Advisory Committee has been established as an advisory body for the Board of Directors, with outside directors making up a majority of its members. The committee is consulted by the Board of Directors and deliberates on the structure, levels, and methods of calculation of officer compensation, as well as the target amounts for Company-wide performance evaluations that are a component of the compensation for each position. The Board of Directors makes final decisions on individual compensation amounts based on the recommendations of the Nomination and Compensation Advisory Committee.

Details of officer compensation (FY2026)

Category	Total compensation	Total compensation, etc., by type: Base compensation	Performance-linked compensation	Non-monetary compensation (restricted stock compensation)	Number of eligible officers*
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Directors (excluding Audit and Supervisory Committee Members) (of whom, Outside Directors)	305 (46)	208 (46)	72 (—)	26 (—)	11 (6)
Directors who are Audit and Supervisory Committee Members (of whom, Outside Directors)	37 (14)	37 (14)	— (—)	— (—)	3 (2)
Corporate Auditors (of whom, Outside Corporate Auditors)	12 (5)	12 (5)	— (—)	— (—)	3 (2)
Total (of whom, Outside Directors)	353 (64)	256 (64)	72 (—)	26 (—)	14 (8)

* Including officers newly appointed and retired during the term

Dialogue with shareholders and investors

Approach and policy

The Company's basic policy for corporate communication with stakeholders is to ensure fairness and equity, strive to provide timely and appropriate disclosure, and promote active communication. Within this framework, we are committed to
a. information disclosure as a social responsibility (accountability), and
b. communication that protects corporate value.
In particular, we engage in active, two-way communication with our shareholders and investors to help enhance corporate value.

Example of events held in fiscal 2026

Small meeting with sell-side analysts

In July 2025, the Company held a small meeting at its Tokyo Branch with six sell-side analysts, including coverage analysts, together with President Takeuchi and then CFO Ono. Participants exchanged views on the progress of the 2025 Medium-Term Management Plan and the key elements to be incorporated into the next medium-term management plan. Based on the feedback received, we developed Toyobo's unique value creation story and formulated the policy for the 2030 Medium-Term Management Plan, which shifts the focus from scale to efficiency. We will continue to provide similar opportunities in fiscal 2027 to deepen dialogue and provide feedback.

Investor presentation

In October 2025, Minoru Matsubara, Chief Sustainable Officer of Resona Asset Management Co., Ltd., visited the Company's Head Office to deliver a presentation on enhancing corporate value through sustainability management. Norio Iizuka and Sonoko Ishimaru, who was an Executive Officer at the time, together with representatives from the Sustainability and Corporate Planning Division, participated in the session and exchanged views on the Company's strengths and challenges from an investor's perspective. The insights gained have been reflected in enhancements to information disclosure on the Company's website and in its Integrated Report.

Other initiatives

- Tour of the Tsuruga Research and Production Center (December 2025)
- Dialogue with proxy voting representatives
  Company participants: President, Outside Director, and CFO (11 sessions in April 2026)
- Dialogue with institutional investors on the Integrated Report
  Company participants: Members of the Sustainability and Corporate Planning Division
  (five sessions from October to December 2025)

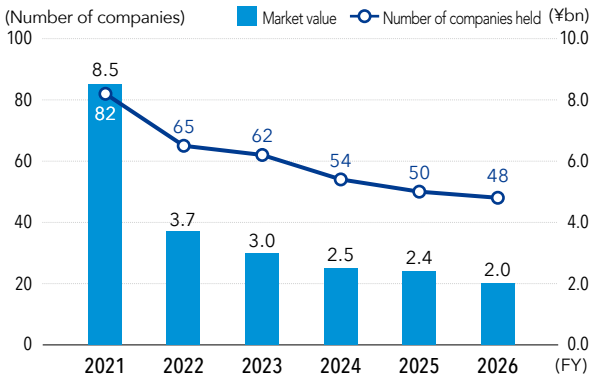
Dialogue with Shareholders and Investors

Cross-shareholdings

Status of cross-shareholdings

Toyobo periodically reviews its cross-shareholdings from various perspectives, including their contribution to enhancing medium- to long-term corporate value and their economic rationale, and has a policy of selling shares that are deemed no longer meaningful, as appropriate.
At the same time, the Company may hold shares in key business partners when it determines that maintaining and strengthening stable business relationships with them will support sustainable growth and enhance medium- to long-term corporate value. The Board of Directors reviews cross-shareholdings annually, considering future business strategies, business relationships, and other relevant factors, and decides whether to continue holding the shares.
When exercising voting rights on cross-shareholdings, we carefully evaluate the status of the business partner and the content of proposals, and, where necessary, engage in dialogue with the partner. Through this process, we ensure that such holdings contribute to the sustainable growth and the medium- to long-term enhancement of corporate value for both the business partner and the Company before making voting decisions accordingly.
As of the end of fiscal 2026, the Company held cross-shareholdings in 48 companies with a fair value of ¥2.0 billion, representing 1% of consolidated net assets.

Trends in cross-shareholdings



Note: Total of listed and unlisted shares on a nonconsolidated basis

Percentage of consolidated net assets

March 31, 2021	4%
March 31, 2022	2%
March 31, 2023	1%
March 31, 2024	1%
March 31, 2025	1%
March 31, 2026	1%

Key 11-year financial data

*1 Since fiscal 2019, Toyobo has applied the Partial Amendments to Accounting Standard for Tax Effect Accounting. The figures for fiscal 2018 have been adjusted to reflect this change retroactively.

Fiscal year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Items of consolidated statements of income (millions of yen)											
Net sales	347,763	329,487	331,148	336,698	339,607	337,406	375,720	399,921	414,265	422,032	421,563
Operating profit	23,123	23,332	23,923	21,727	22,794	26,657	28,430	10,063	8,995	16,653	27,906
Ordinary profit	20,393	20,650	20,415	17,788	18,035	20,706	23,092	6,590	6,962	10,591	22,878
Extraordinary income	702	469	11,492	1,519	11,206	629	6,529	9,753	3,312	2,350	2,186
Extraordinary losses	4,871	7,179	13,683	19,204	9,525	15,753	14,825	15,731	4,687	5,772	5,687
Profit (loss) attributable to owners of parent	10,150	9,444	13,044	(603)	13,774	4,202	12,865	(655)	2,455	2,003	11,174
Comprehensive income	2,147	13,519	15,611	(467)	4,437	9,471	12,112	(1,232)	12,454	5,426	25,362
Items of consolidated balance sheet (millions of yen)*1											
Current assets	186,633	196,293	186,571	193,125	206,416	212,963	239,314	299,133	273,733	267,495	270,543
Non-current assets	257,954	254,497	258,924	267,922	282,458	278,225	278,460	289,773	333,257	350,304	357,124
Current liabilities	130,690	136,865	125,110	131,768	122,321	131,444	146,750	202,500	184,148	160,320	157,595
Non-current liabilities	153,795	143,016	135,870	148,053	183,916	171,109	173,876	164,984	192,755	225,435	218,077
Net assets	160,101	170,910	184,515	181,226	182,636	188,635	197,149	221,422	230,087	232,044	251,995
Total shareholders' equity	156,915	167,773	180,561	176,585	177,890	185,729	194,876	189,588	197,033	195,312	213,315
Total assets	444,587	450,790	445,495	461,047	488,874	491,188	517,774	588,906	606,990	617,799	627,667
Interest-bearing debt	165,358	169,230	145,594	164,769	175,139	186,958	191,249	229,405	249,244	267,869	261,005
Cash flows (millions of yen)											
Cash flows from operating activities	32,337	26,872	22,353	7,838	44,255	35,028	17,097	7,798	21,595	30,118	45,032
Cash flows from investing activities	(10,636)	(14,132)	(1,174)	(24,286)	(39,216)	(31,678)	(24,608)	(36,011)	(58,784)	(46,386)	(27,077)
Cash flows from financing activities	(21,384)	(324)	(27,831)	12,608	(1,805)	5,340	(1,729)	61,295	8,260	10,490	(16,506)
Free cash flow	21,701	12,740	21,178	(16,448)	5,040	3,350	(7,511)	(28,213)	(37,189)	(16,268)	17,955
Cash and cash equivalents at end of period	20,101	32,179	25,857	22,167	25,084	34,526	26,433	60,204	33,310	27,427	30,128
Capital expenditure, depreciation and amortization, and R&D expenses (millions of yen)											
Capital expenditure	17,336	18,360	21,259	25,512	36,445	23,253	33,640	42,734	61,569	43,158	29,041
Depreciation and amortization	14,434	14,939	15,666	15,823	17,005	19,095	20,080	19,050	19,806	22,698	24,631
R&D expenses	11,266	11,114	10,402	11,022	11,690	12,656	13,792	14,112	15,310	14,261	14,113

Key 11-year financial data

*2 As of October 1, 2017, Toyobo consolidated every 10 shares of its common stock into one share. In addition, the number of shares comprising one unit of stock changed from 1,000 to 100 on the same date. *3 ROE: Profit attributable to owners of parent ÷ average fiscal year-end/year-initial total shareholders' equity *4 ROA: Operating profit ÷ total assets *5 ROIC: NOPAT ÷ average fiscal year-end/year-initial invested capital (invested capital: Net assets + interest-bearing debt) *6 Calculated using fiscal 2015 as the base year *7 EBITDA: Operating profit + depreciation and amortization (including goodwill) *8 From fiscal 2016 to fiscal 2022, the D/E ratio is shown after adjusting for the capital-like treatment of subordinated loans. From fiscal 2025, the D/E ratio is shown after adjusting for the capital-like treatment of both subordinated loans and subordinated bonds. *9 In fiscal 2017, we changed the activated carbon fiber (AC) business from Industrial Materials to Healthcare, and the acrylate-based fiber (AP) business from Industrial Materials to Textiles and Trading. *10 Business segments were changed in fiscal 2021. Accordingly, figures for fiscal 2020 have been reclassified under the altered categories to facilitate comparison. *11 Business segments were changed in fiscal 2024. Accordingly, figures for fiscal 2023 have been reclassified under the altered categories to facilitate comparison.

Fiscal year		2016	2017	2018	2019		2020	2021	2022		2023	2024	2025	2026
Per-share information (yen)*2														
Book value per share (BPS)		176.75	188.98	2,034.04	1,989.29		2,003.01	2,090.47	2,192.17		2,146.46	2,236.50	2,215.11	2,417.30
Earnings (loss) per share (EPS)		11.43	10.64	146.93	(6.80)		155.12	47.30	144.75		(7.37)	27.87	22.73	126.65
Dividend per share		3.50	3.50	40.00	40.00		40.00	40.00	40.00		40.00	40.00	40.00	40.00
Financial indicators														
Overseas sales ratio (%)		29.5	29.2	29.0	30.5		32.3	33.0	34.3		36.8	39.9	39.9	39.1
Operating profit margin (%)		6.6	7.1	7.2	6.5		6.7	7.9	7.6		2.5	2.2	3.9	6.6
Return on equity (ROE)*3 (%)		6.4	5.8	7.5	(0.3)		7.8	2.3	6.8		(0.3)	1.3	1.0	5.5
Return on assets (ROA)*4 (%)		5.2	5.2	5.4	4.7		4.7	5.4	5.5		1.7	1.5	2.7	4.4
Return on invested capital (ROIC)*5 (%)		4.8	4.8	4.9	4.4		4.5	5.0	5.1		1.7	1.3	2.3	3.8
Price-to-earnings (P/E) ratio		14.78	18.14	14.29	—		7.37	30.11	7.55		—	40.44	41.45	10.40
Price-to-book (P/B) ratio		0.96	1.02	1.03	0.71		0.57	0.68	0.50		0.48	0.50	0.43	0.54
Total return ratio (%)		30.6	32.9	27.2	—		25.8	84.6	27.6		—	156.5	176.1	31.6
Dividend on equity (DOE) (%)		2.0	1.9	2.0	2.0		2.0	2.0	1.9		1.8	1.8	1.8	1.7
Total shareholder return (TSR)*6 (%)		106.5	123.5	136.4	96.6		82.3	102.1	84.1		83.3	91.2	82.2	107.8
Equity ratio (%)		35.3	37.2	40.5	38.3		36.4	37.8	37.6		32.2	32.5	31.6	34.0
EBITDA*7 (millions of yen)		37,557	38,272	39,589	37,550		39,799	45,752	48,509		29,113	28,802	39,351	52,537
D/E ratio		1.05	1.01	0.81	0.93		0.98	1.01	0.98		1.21	1.26	1.37	1.22
Adjusted D/E*8		0.92	0.88	0.70	0.82		0.87	0.89	0.87		—	—	1.15	1.03
Net debt/EBITDA ratio		3.9	3.6	3.0	3.8		3.8	3.3	3.4		5.8	7.5	6.1	4.4
Results by business segment (millions of yen)*9,*10,*11														
Net sales	Films and Functional Polymers	143,398	138,574	148,667	156,241	Films and Functional Materials	127,127	152,842	170,326	Films	146,064	156,531	166,842	175,169
	Industrial Materials	70,522	59,925	63,454	66,540	Mobility	43,905	36,573	44,721	Life Science	38,134	34,564	34,341	34,494
	Healthcare	27,723	36,423	35,723	34,675	Lifestyle and Environment	128,409	109,148	114,295	Environmental and Functional Materials	110,796	115,327	110,807	110,126
	Textiles and Trading	85,486	77,552	68,317	64,585	Life Science	25,538	27,087	35,003	Functional Textiles and Trading	92,361	95,665	98,062	89,612
	Real Estate and Other Business	20,634	17,013	14,987	14,657	Real Estate and Other Business	14,629	11,757	11,375	Real Estate and Other Business	12,567	12,178	11,980	12,162
Operating profit	Films and Functional Polymers	9,920	12,747	13,713	13,727	Films and Functional Materials	14,582	20,028	19,897	Films	1,623	2,688	6,920	16,638
	Industrial Materials	6,288	3,875	4,262	2,620	Mobility	(701)	(1,572)	(1,753)	Life Science	9,212	4,438	2,010	65
	Healthcare	4,726	5,242	5,179	5,170	Lifestyle and Environment	5,936	4,376	3,453	Environmental and Functional Materials	4,048	4,668	7,961	9,702
	Textiles and Trading	2,500	1,066	645	914	Life Science	3,798	4,517	8,655	Functional Textiles and Trading	(2,514)	(1,044)	539	1,254
	Real Estate and Other Business	2,841	3,344	2,819	2,233	Real Estate and Other Business	2,623	2,302	2,218	Real Estate and Other Business	2,187	3,014	2,554	3,177
	Adjustment	(3,152)	(2,941)	(2,694)	(2,936)	Adjustment	(3,444)	(2,993)	(4,041)	Adjustment	(4,492)	(4,768)	(3,331)	(2,930)

External Assurance ESG Performance Data

Key sustainability data

FY2026 results

Planet

Data aggregation period: (Domestic) April 1, 2025, to March 31, 2026 (Overseas) January 1, 2025, to December 31, 2025 Scope: Toyobo Group

		FY2026 results	Calculation methods
Scope 1	☑	621 thousand t-CO_2	(1) The calculations are based on the following standards and guidelines. In reference to the GHG Protocol, energy-related CO_2 emissions include emissions calculated by converting the energy required to produce electricity or steam sold to other companies. The reporting scope covers the Toyobo Group and also includes Hokuriku Air Chemicals Corporation, an affiliated company located within the Tsuruga Research and Production Center that supplies utilities. ・GHG Protocol: "A Corporate Accounting and Reporting Standard" and "Scope 2 Guidance" ・Ministry of the Environment and Ministry of Economy, Trade and Industry: "Greenhouse Gas Emissions Accounting and Reporting Manual (Ver. 6.1)" (2026) (2) The following emission factors are used in the calculations. ■CO_2 emission factors for purchased gas: (Domestic) Alternative values (ministerial ordinance emission factors) as listed in the Ministry of the Environment's "Emission Factors by Gas Supplier (for Calculating Greenhouse Gas Emissions of Specified Emitters) FY2025 Supply Data." ■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" (Overseas) International Energy Agency (IEA)'s country-specific emission factors for 2023 as published in "Emissions Factors 2025" (2025) ■CO_2 emission factors other than those for purchased gas and purchased electricity: (Domestic and overseas) Ministry of the Environment and Ministry of Economy, Trade and Industry's "Greenhouse Gas Emissions Accounting and Reporting Manual (Ver. 6.1)" (2026)
Scope 2	☑	150 thousand t-CO_2	
GHG emissions per unit of sales	☑	1.83 t-CO_2 per million yen	Total Scope 1 and Scope 2 emissions ÷ consolidated net sales
Energy consumption	☑	2,753 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: Category 1 Purchased goods and services		2,118 thousand t-CO_2	Calculated by multiplying the amount spent on purchased goods and services during the fiscal year by the applicable emission factors and aggregating the results.
Scope 3: Category 3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	☑	116 thousand t-CO_2	Calculated by multiplying the quantity of fuel and electricity purchased during the fiscal year by the applicable emission factors for each type of fuel and electricity, and aggregating the results.
Scope 3: Category 11 Use of sold products	☑	204 thousand t-CO_2	Calculated for VOC recovery equipment, urinary sediment analyzers, and the fully automated gene analysis systems. Calculated by multiplying the amount of utilities (e.g., electricity, steam, and chilled water) consumed during the use of final products sold during the fiscal year (activity data) by the applicable emission factors, useful life, and operating rate, and aggregating the results. Proprietary emission factors are calculated based on the emission factors listed in (2) below and the specifications of the equipment used to generate each utility.
Scope 3: Total Scope 3 (including categories other than those listed above)		3,013 thousand t-CO_2	For certain categories, emissions for subsidiaries are calculated using weighted averages based on factors such as the ratio of net sales and the ratio of the number of employees.

People

	FY2026 results
Ratio of female employees in management positions*1,*2	5.6%
Ratio of female directors*3	18.2%
Training investment per employee (and training time)*1	¥30,000 (12.21 hours)
Ratio of annual paid leave taken*1	80.8%
Ratio of eligible male employees taking childcare leave*1	116.2%
Employment ratio of people with disabilities*3,*4	2.46%
Frequency rate of workplace accidents resulting in lost workdays*5	0.62
Frequency of meetings with employees and labor unions*3	72
Implementation of human rights education and training*1,*6	55.6%
Number of employees transferred through the internal job posting system (cumulative)*7,*8	25

Innovation

	FY2026 results
R&D expenses	¥14.1 billion
Number of patents held	6,821

(1) The calculations are based on the following standards and guidelines.
・GHG Protocol: "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and "Scope 3 Calculation Guidance"
・World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI): "Technical Guidance for Calculating Scope 3 Emissions: Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard"
・Ministry of the Environment and Ministry of Economy, Trade and Industry's "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.8)" (2026)
(2) The following emission factor databases are used in the Scope 3 calculations.
・Ministry of the Environment's "Emission Factor Database for Calculating Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 3.6)" (2026)
・National Institute of Advanced Industrial Science and Technology (AIST)'s "AIST-IDEA Ver. 3.5.1 (Climate Change IPCC 2021 GWP 100a without LULUCF)" (2025)
・International Energy Agency (IEA)'s country-specific emission factors for 2023 as published in "Emissions Factors 2025" (2025)

*1 Scope: TOYOBO CO., LTD., TOYOBO MC Corporation, and TOYOBO STC CO., LTD.
*2 Calculation method: Calculated based on the provisions of the Act on Promotion of Women's Participation and Advancement in the Workplace (including employees on secondment whose primary employer is one of the three companies mentioned above).
*3 Scope: TOYOBO CO., LTD.
*4 Data as of June 1, 2025.
*5 Scope: TOYOBO CO., LTD., and domestic consolidated subsidiaries. Reporting period: January 1, 2025, to December 31, 2025.
*6 Beginning in fiscal 2026, the criteria for counting participants in human rights education and training were revised.
*7 Scope: TOYOBO CO., LTD., TOYOBO MC Corporation, TOYOBO STC CO., LTD., and TOYOBO TEXTILE CO., LTD.
*8 Cumulative number of employee transfers since the introduction of the internal job posting system in fiscal 2023.

☑ Indicators for fiscal 2026 marked with this icon are externally assured by KPMG AZSA Sustainability Co., Ltd. See page 64 of this Integrated Report for the independent practitioner's limited assurance report. Details > p.64
GHG emissions quantification is subject to uncertainty in measuring activity data, determining emission factors, and the scientific uncertainty associated with global warming potentials.
Relevant laws are abbreviated as follows: the Act on the Rational Use of Energy and Shift to Non-Fossil Energy (Energy Conservation Act) and the Act on Promotion of Women's Participation and Advancement in the Workplace (Act on Promotion of Women's Participation).

Key sustainability data > p.63

Please refer here for items covered by third-party assurance.

Independent practitioner's limited assurance report

Independent practitioner's limited assurance report

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 2026 (the "Report") for the year ended March 31, 2026 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, 2026 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.

/s/ Shinnosuke Kayumi
Shinnosuke Kayumi, Engagement Partner
KPMG AZSA Sustainability Co., Ltd.
Osaka Office, Japan
October 7, 2026

Notes to the Reader of Assurance Report:
This is a copy of the Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

Corporate data (As of March 31, 2026)

Corporate data

Company name	TOYOBO CO., LTD
Established	May 3, 1882
Head office	Osaka Umeda Twin Towers South, 1-13-1 Umeda, Kita-ku, Osaka 530-0001, Japan Main TEL: +81-6-6348-3111
Number of employees	9,398 (consolidated) / 2,885 (non-consolidated)

External recognition

Inclusion in ESG indices

In June 2021, the Company was selected for inclusion in the FTSE JPX Blossom Japan Index, a globally recognized ESG (Environmental, Social, and Governance) investment index. It was subsequently selected for inclusion in the MSCI Nihonkabu ESG Select Leaders Index in December 2021 and the FTSE JPX Blossom Japan Sector Relative Index in March 2022. We are also included as a constituent stock in the MSCI Japan Empowering Women Index (WIN) and the S&P/JPX Carbon Efficient Index. We have been selected as a constituent security in ESG indices targeting Japanese stocks referenced by Japan's Government Pension Investment Fund (GPIF) (as of June 2026; continuously selected).

FTSE JPX Blossom Japan Index

FTSE Russell confirms that TOYOBO CO., LTD. has been independently assessed according to the index criteria and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE JPX Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE JPX Blossom Japan Sector Relative Index

FTSE Russell confirms that TOYOBO CO., LTD. has been independently assessed according to the index criteria and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Sector Relative Index. The FTSE JPX Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE Blossom Index Series

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2026 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.

Other ratings

CDP A List 2025

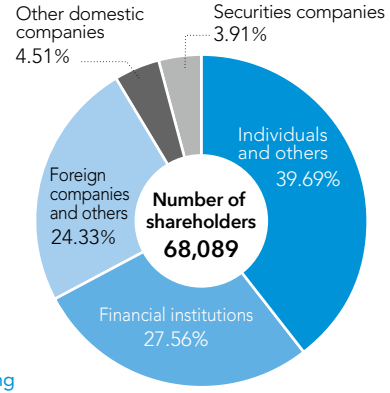
SILVER | Top 15% ecovadis JUN 2026

EcoVadis Sustainability Rating

Stock information

Stock exchange listing	Tokyo Stock Exchange Prime Market
Securities code	3101
Administrator of shareholder register	Sumitomo Mitsui Trust Bank, Limited
Accounting Auditor	KPMG AZSA LLC
Number of shares	Total number of authorized shares: 200,000,000 Total number of shares issued: 89,048,792 shares
Paid-in capital	¥51,730 million
Number of shareholders	68,089
Annual general meeting of shareholders	Held annually in June
Number of shares per unit	100

Distribution of shares by shareholder (according to number of shares owned)



Major shareholders

Shareholder name	Number of shares held (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,827	13.40
Custody Bank of Japan, Ltd. (Trust Account)	7,064	8.01
Toyobo Employees Stockholders' Association	2,282	2.59
Toyukai	2,175	2.47
STATE STREET BANK AND TRUST COMPANY 505223	2,138	2.42
GOVERNMENT OF NORWAY	2,017	2.29
JPMorgan Securities Japan Co., Ltd.	1,921	2.18
NIPPON LIFE INSURANCE COMPANY	1,750	1.98
Meiji Yasuda Life Insurance Company	1,402	1.59
JP MORGAN CHASE BANK 38578	1,267	1.44

Note: Treasury stock (804,024 shares) is excluded from shareholding ratio calculations.

Share price

Five-year highest/lowest by fiscal year					
Fiscal year	2022	2023	2024	2025	2026
Highest price (yen)	1,505	1,134	1,182	1,163	1,857
Lowest price (yen)	1,046	979	980	885	808

Note: The highest and lowest share prices are those quoted on the Tokyo Stock Exchange First Section for fiscal 2022 and on the Prime Market for fiscal 2023 through fiscal 2026.

Dedicated to Life and the Planet

TOYOBO

Beyond Horizons

TOYOBO

TOYOBO CO., LTD.
Sustainability and Corporate Planning Division

URL: https://www.toyobo-global.com/
Inquiries: https://krs.bz/toyobo/m/en_inquiry

Disclaimer

This report contains forward-looking statements that reflect the plans, outlook, strategies, and performance of Toyobo Group. These forward-looking statements are based on judgments made with currently available information. Please be aware that actual performance might differ significantly from these forward-looking statements due to various factors, including risks and uncertainties. Factors influencing our future outlook include, but are not limited to, the economic environments in which we conduct business operations, competitive pressures, related laws and regulations, changes in the status of product development, and exchange rate fluctuations.