

May 26, 2022

SUSTAINABLE VISION 2030

Realizing sustainable growth

Ushering in both a prosperous society
where people can live with peace of mind,
and the enhancement of corporate value



In case of any inconsistency between the Japanese version
and English version, the Japanese version shall prevail.



Ikuo Takeuchi
President and representative director
CEO and Co-COO
TOYOBO Co., Ltd.

The Start of a New Transformation

In May 2022, Toyobo observed the 140th anniversary of its founding.

We took this occasion to renew our corporate logo for the first time in 60 years and launched our Sustainable Vision 2030.

The curved line running across the center of the lettermark indicates the Earth's outline, or the horizon. Included in the logo is Toyobo's motto, "Adhering to reason leads to prosperity (*Jun-Ri-Soku-Yu*)," which reflects the company's aim to create solutions needed by people and the Earth.

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

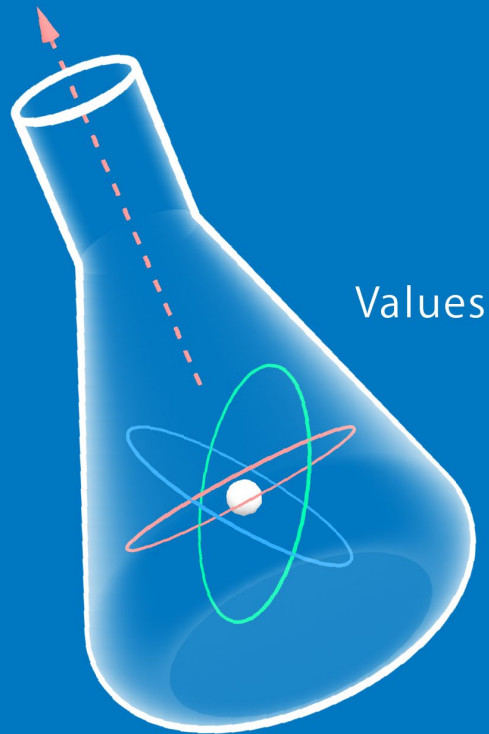
We want to be a sustainable company that helps promote sustainability, while changing our corporate culture to one oriented toward sustainable growth.

Beyond Horizons—Let's go beyond and into the future



● Principle

● Vision



Principle

“Jun-Ri-Soku-Yu”

Adhering to reason leads to prosperity

Vision

We will continue to create the solutions needed by people and the planet with our materials and science

Values

Welcome change. Enjoy change. Create change.
Toyobo Spirit: Challenge, Reliability, Collaboration

From Survival Thinking to Orientation around Sustainable Growth

Deficits are bad, surpluses are good

Current situation

- 1 Growth in our film business, but performance leveling off in the group as a whole
- 2 Company-wide efforts to restore trust
- 3 Strengths: Cutting-edge products and technologies, production infrastructure, human resources, sincerity

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

Business environment

Significant, Abrupt, or Inconsistent Changes → Major Impacts

- 1 How a company operates changes under stakeholder capitalism
- 2 Decarbonization, circular economy, electrification of vehicles
- 3 Technological advances, acceleration in commercializing new technologies (digital transformation, life sciences, etc.)
- 4 Gradual shrinking of the domestic market in Japan, prices of resources remaining high and risks involved in procurement
- 5 Changes in people's awareness, values and behavior

Ushering in both a prosperous society where people can live with peace of mind,
and the enhancement of corporate value

- ① Contributing to solving social issues through business operations
- ② Sustainable growth: solid foundation and track for future growth
- ③ People First: safe and secure workplaces, rewarding work employees can be proud of, and the opportunity for personal development

Sustainability Indicators

| | |
|---|--|
| Serious incidents | zero |
| Employee engagement score | over 70% |
| GHG emissions cut (over FY2014**) (Scope1, 2) | over 46% Carbon neutrality in FY 2051** |
| Ratio of green materials in main business operations* | 60% |

Financial Indicators

| | |
|-------------------------|-----------------|
| Consolidated sales | 600 billion yen |
| Operating profit margin | over 8.3% |
| ROE | over 9% |
| ROIC | over 7% |

*In reference to film business
**Toyobo's fiscal year runs from April through March of the next year

Our approach toward sustainable management: **Innovation** and **the three “P”s**

Innovation

- A marketing philosophy that considers “People” and “Planet” as our ultimate customers
- Science-based innovation based on Toyobo’s own ingenuity and ideas centering around “materials and science”
- Value co-creation made mainly through open innovation with diverse partners



Humancentric solutions for social issues








Solutions to social issues that consider the entire planet



Our concept of “Prosperity” is based on a concept of resolutions to issues that allow society as a whole to flourish, and in turn our company to flourish as well.

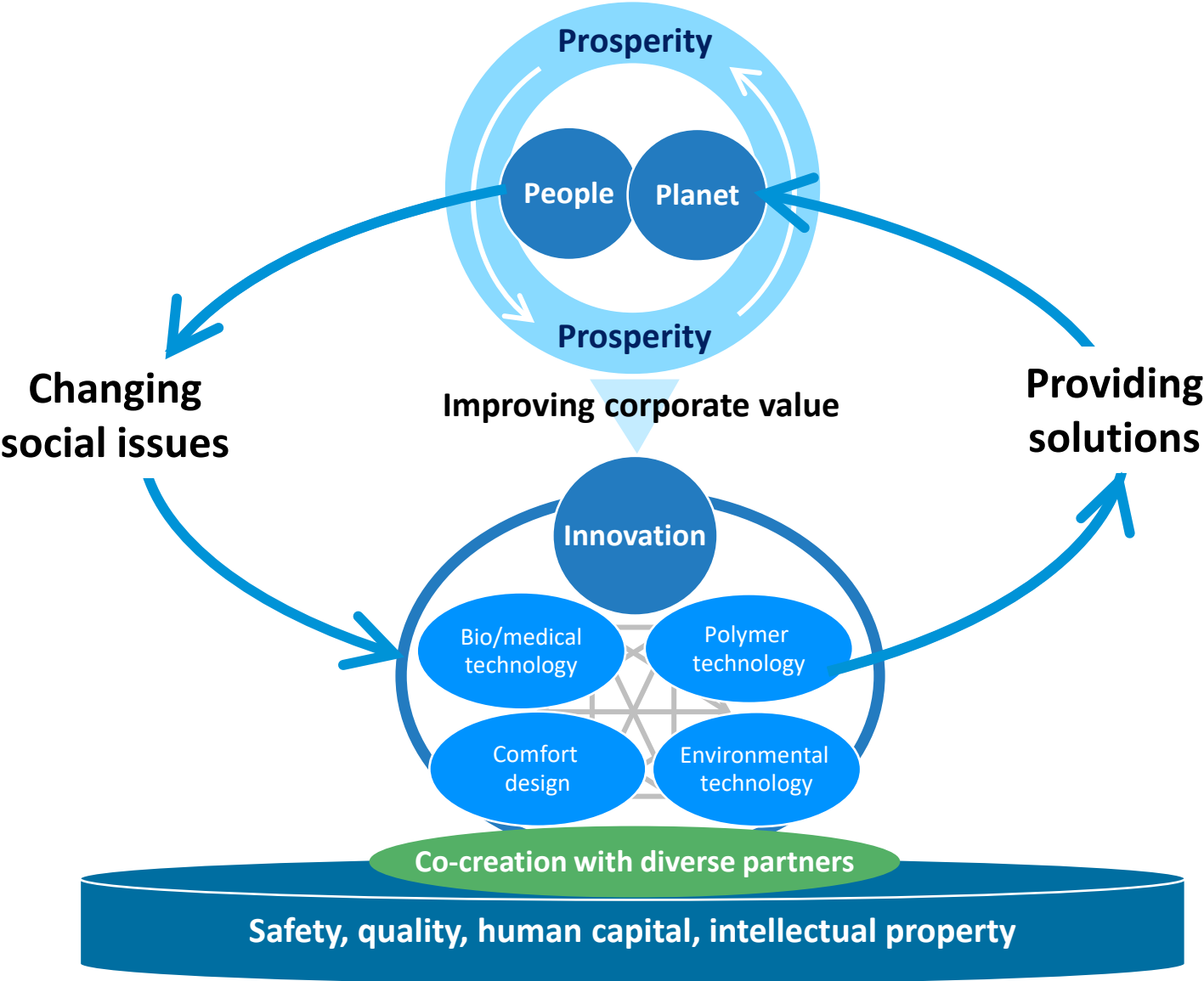
“Jun-Ri-Soku-Yu” - adhering to reason leads to prosperity

| | | | | | |
|---|---|---|---|--|--|
| Ideals we seek to realize | <div>Innovation</div> <div>To be a group that continually creates materials and science that become solutions for people and the planet</div> | | | | |
| Social change and trends in 2030 | Standardization in handling safety, human rights and social justice issues | Increased and diversified needs concerning access to medical care/ health promotion | Demographic changes, humancentric innovation, accelerated urbanization | Decarbonization, resource circulation, limited natural resources | |
| Social issues to be solved through commitment | People | | | Planet | |
| |  <div>Employee well-being and human rights in the supply chain</div> |  <div>A healthy lifestyle and health care</div> |  <div>Smart communities and comfortable spaces</div> |  <div>A decarbonized and circular society</div> |  <div>Clean water areas, air and soil, and the preservation of biodiversity</div> |
| Goals for the future | People First : employee safety, company pride and rewarding work Respect for human rights across the entire supply chain | Contributing to the field of epidemiology Contributing to improve quality of life | Contributing to the realization of a humancentric digital society Creating comfortable spaces | Contributing to carbon neutrality Establishing an ecosystem for circulating resources | Improving the environment through solutions Food loss reduction and sustainable food |
| Where we'd like to be by 2030 | <div>Prosperity</div> <div>Ushering in both a prosperous society where people can live with peace of mind, and the enhancement of corporate value</div> | | | | |

Connections Between Five Social Issues and SDGs



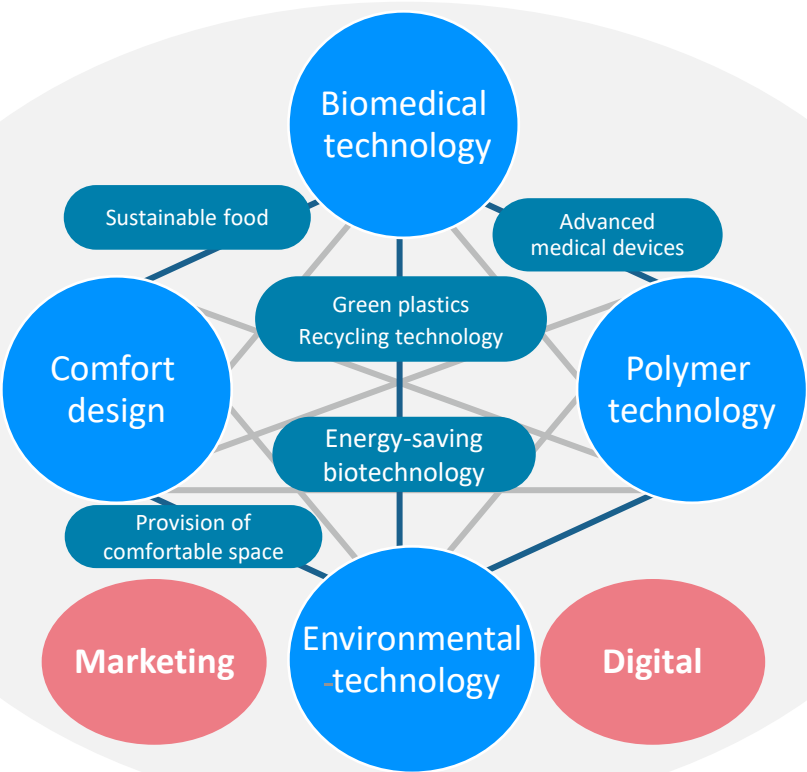
A prosperous society in which people can live with peace of mind



Preparations for the Future

Sparking innovation

Fusing technologies: combining four core technologies with marketing and digitalization



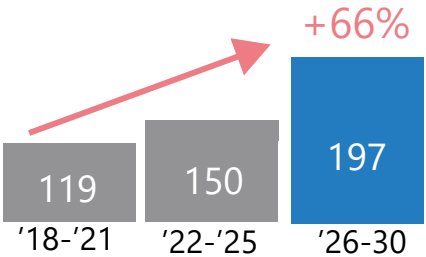
Searching for new businesses

- Searching for new businesses through the *Mirai Value Proposition Project*, etc.
- Continuously reviewing and designating business objectives by keeping an eye on social issues and identifying customer requirements, while utilizing open innovation (collaboration with academia and startups) and brushing up skills to accurately assess the relevant situation.

Examples of new business objectives

- Sustainable food
- Advanced medical devices

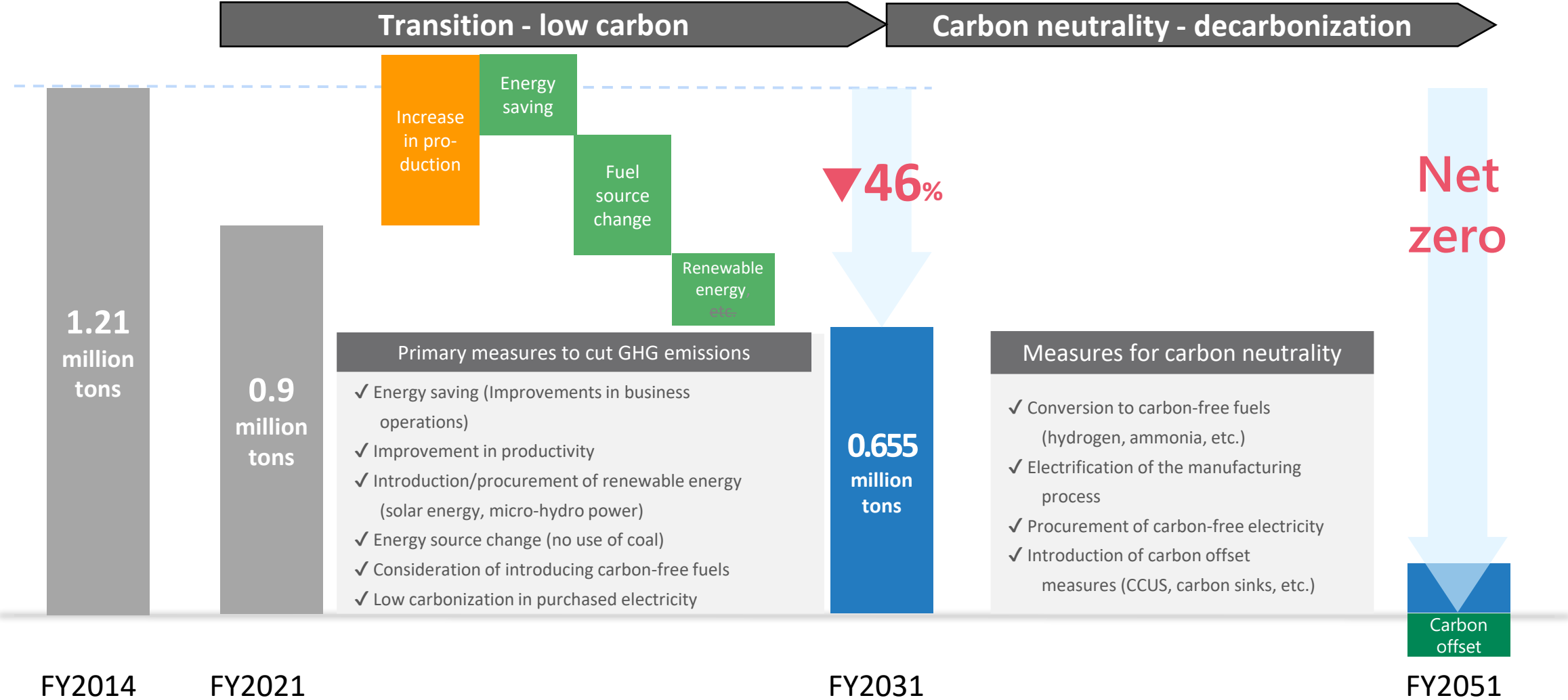
- Obtaining PoC (proof of concept) on innovation objectives by using science (designing capability, quantification and conscientiousness) as leverage
- Designating relevant KPIs such as the number of new business projects studied and the amount of investment made on research and development



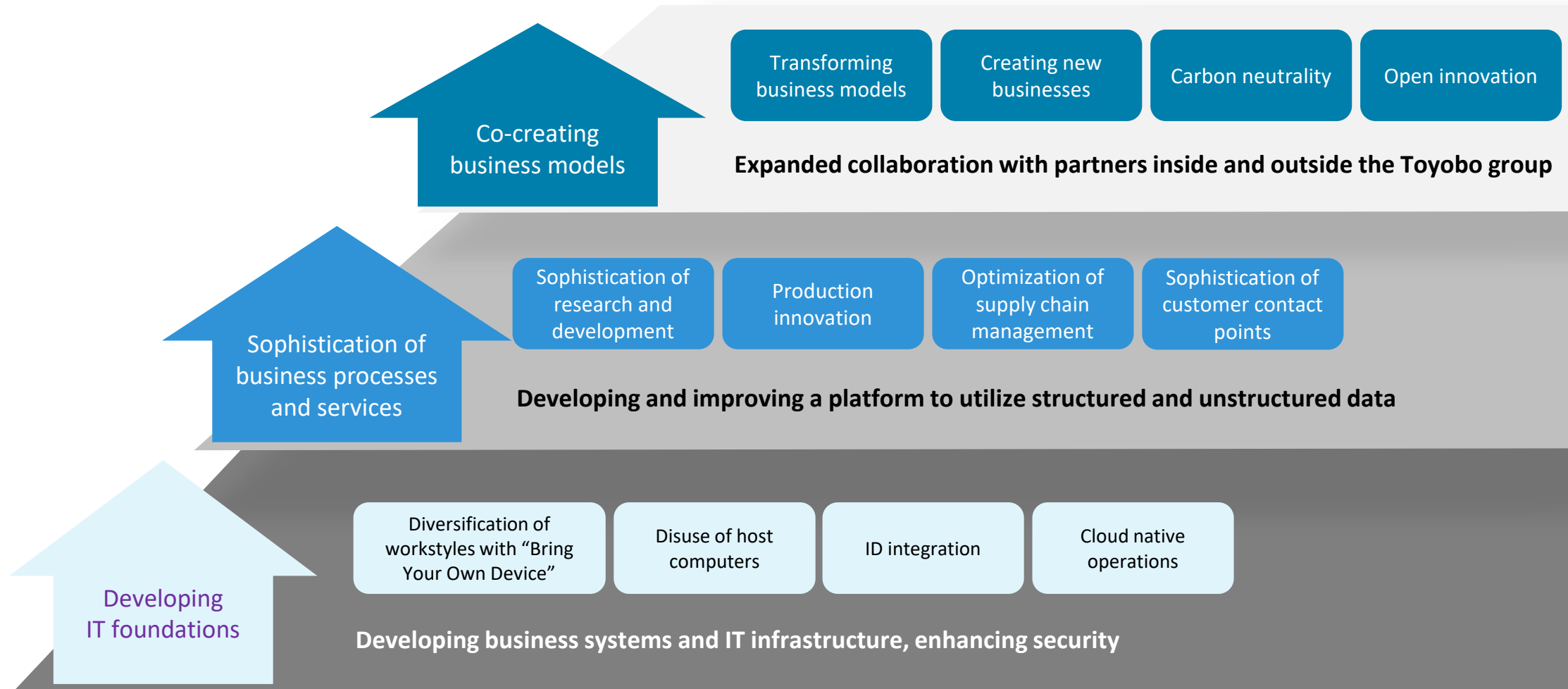
Examples of KPIs set

- The annual numbers of interviews with and surveys of startups and other companies
- The annual amount of investment in research and development (in billions of yen per year)

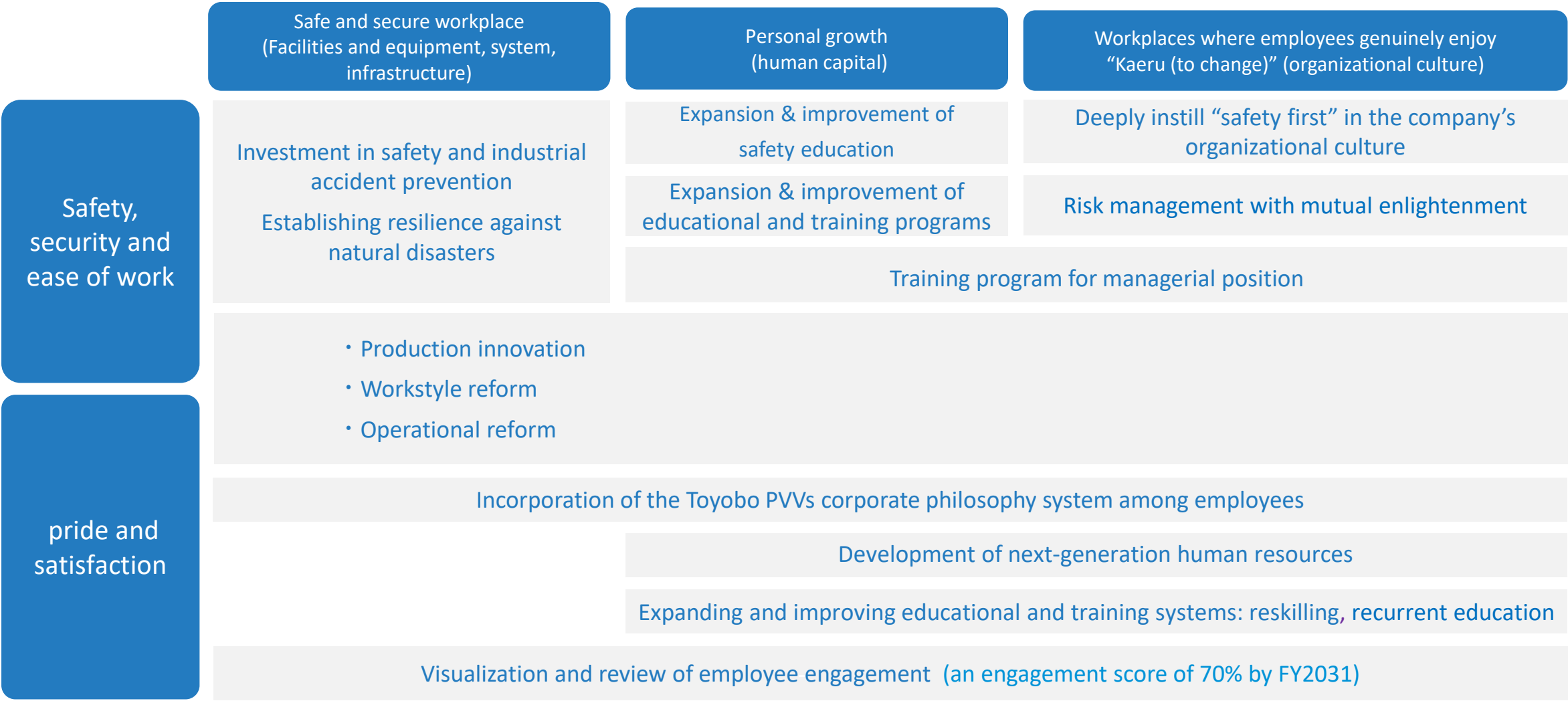
Aiming to Achieve Net Zero in Toyobo group’s GHG Emissions (Scope 1, 2)

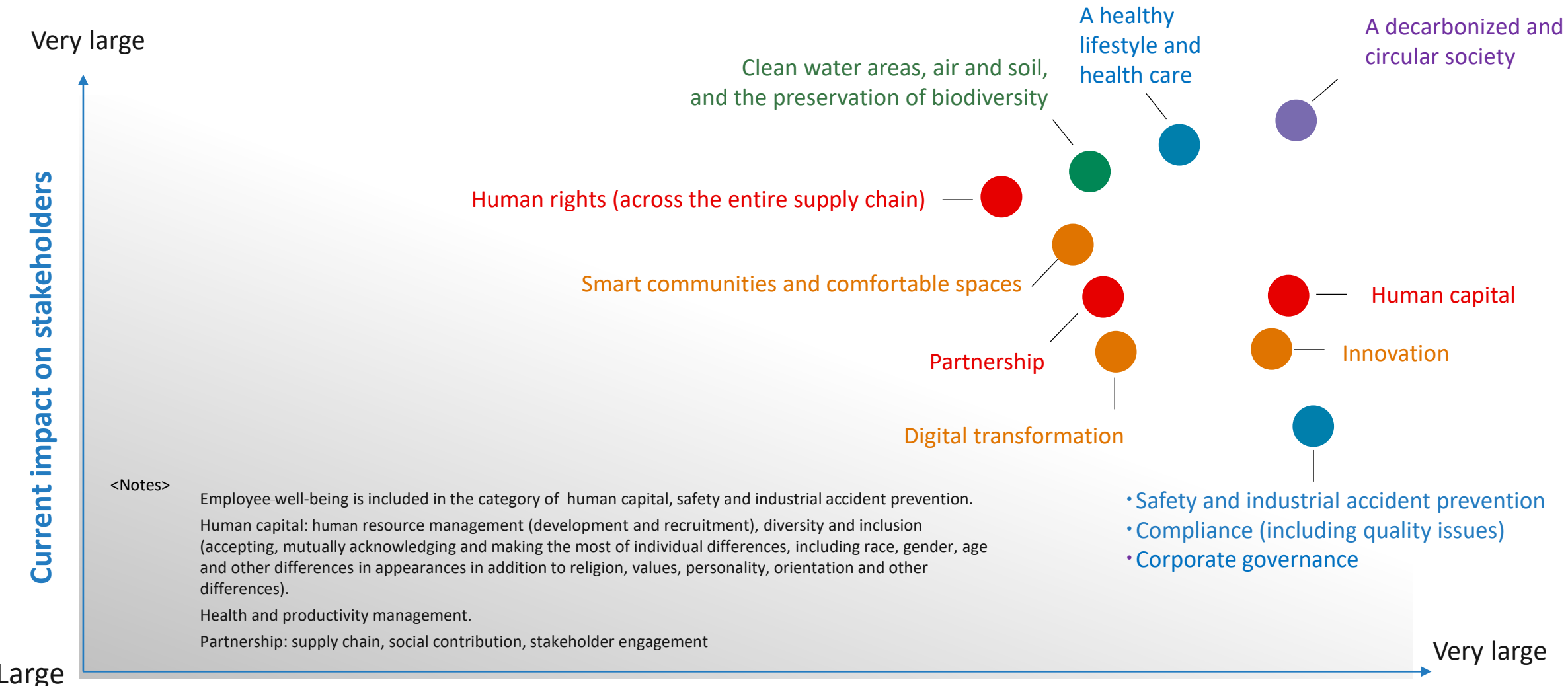


Developing and Improving the IT Environment to Accelerate and Promote Business and Innovation



Creating Workplaces Where Employees Can Work With Peace of Mind, Pride and Satisfaction










Impacts on the Toyobo group (present to 2030)

Main Goals for 2030

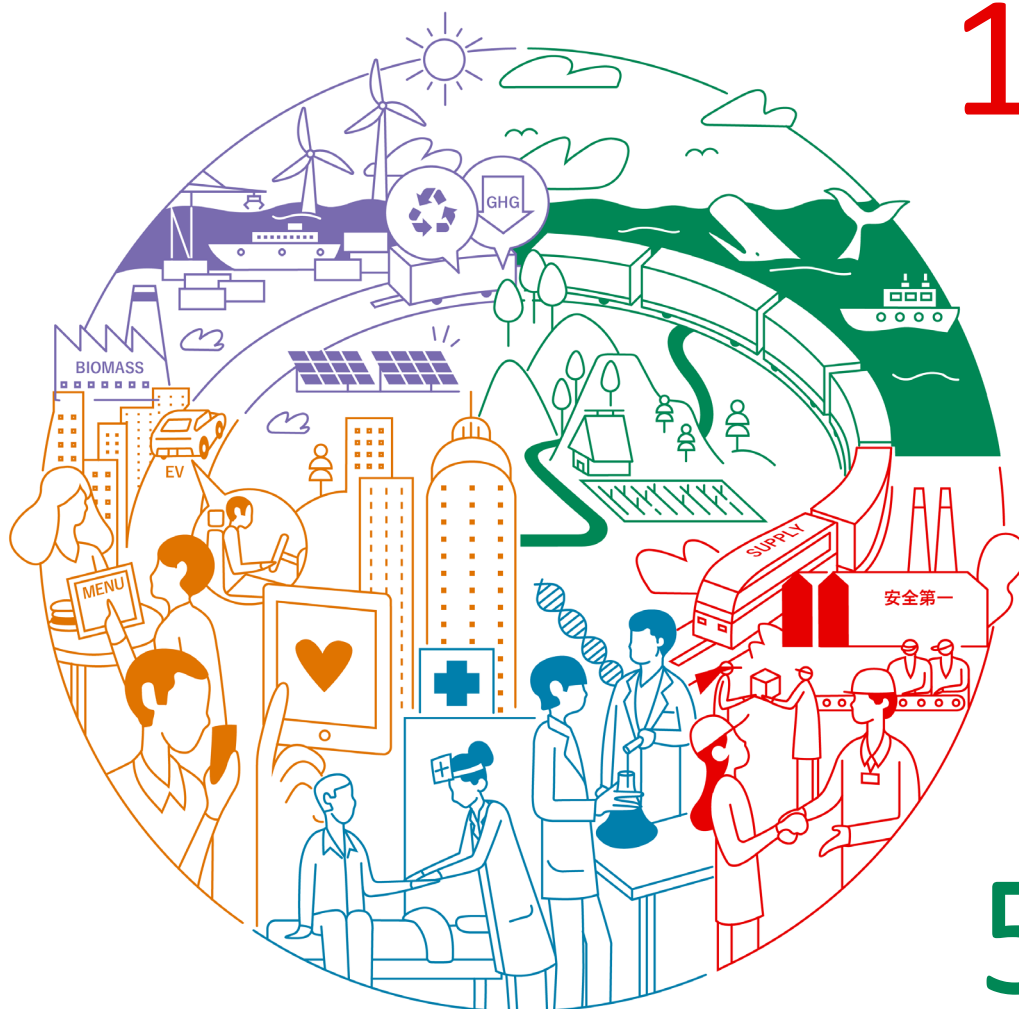
People: Contributing to solutions for social issues in a humancentric way

| | | | | |
|---|--|---|---|--|
|  | Employee well-being and human rights in the supply chain | Zero industrial accidents in workplaces | Employee engagement score: over 70% | Respect for human rights across the entire supply chain |
|  | A healthy lifestyle and health care | Number of tests conducted by the provision of infectious disease diagnostics: 10 million per year | Number of dialysis patients provided with dialysis membranes: 250,000 | Number of patients provided with regenerative inducers: 100,000 per year |
|  | Smart communities and comfortable spaces | Sales of product groups supporting DX: 1.5-fold increase over FY2021 | Total sales of car cabin air filters: 1.2 million units | Creation of a comfortable space inside electric vehicles through sound and heat management |

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

| | | | | |
|---|---|---|--|---|
|  | A decarbonized and circular society | Cutting emissions in Scope 1 & 2 by over 46% in FY2031 vs FY2014 | Ratio of green films: 60% | Entry into the market of osmotic power & wind power generation/ electrode materials for large storage batteries |
|  | Clean water areas, air and soil, and the preservation of biodiversity | Air volume treated by the volatile organic compound recovery unit: 7 billion Nm3 per year | Desalination of sea water by membrane: equivalent to the volume of tap water for 10 million people | Sales volume of highly functional films that contribute to reducing food loss: fourfold increase over FY2021 |

Goals for the Future – Solving Five Social Issues –



1 Employee well-being and human rights in the supply chain

- People First : employee safety, company pride and rewarding work
- Respect for human rights across the entire supply chain

2 A healthy lifestyle and health care

- Contributing to the field of epidemiology
- Contributing to improve quality of life

3 Smart communities and comfortable spaces

- Contributing to the realization of a humancentric digital society
- Creating comfortable spaces

4 A decarbonized and circular society

- Contributing to carbon neutrality
- Establishing an ecosystem for circulating resources

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

- Improving the environment through solutions
- Food loss reduction and sustainable food

Requirements of society

- Corporate responsibility toward realizing a prosperous society where no one is left behind
- Developing an environment where employees can fulfill their potential and continue to grow as workers
- Safety and respect for human rights across the entire supply chain

Toyobo places emphasis on:

Manufacturing sites : Safety and health of employees (health and productivity management), pride and rewarding work

Expanding and improving reskilling and recurrent education

Respect for human rights across the entire supply chain

WHY TOYOBO



Zero industrial accidents in workplaces



Certified as a top tier company for Outstanding Health and Productivity Management by FY2026



Employee engagement score: over 70%



Respect for human rights across the entire supply chain



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

Figures are targets for FY 2031.

1

Employee well-being and human rights in the supply chain

2 A healthy lifestyle and health care

Requirements of society

- Overcoming infectious diseases is an important global issue requiring coordinated action across states and industrial sectors
- Greater efficiency is needed in medical and nursing care services since their demands are expanding under the worsening labor shortage
- Meticulously catering to diversifying health and medical needs

Toyobo can contribute by:

Providing solutions in
the field of epidemiology

Producing vaccines or
biosimilar sterile-injectable
solutions

Providing materials essential for QOL
improvement and medical treatment
such as medical membranes and
regenerative inducers

Providing 3D network-structured
fiber materials for medical and
nursing care purposes

WHY TOYOBO



Number of tests conducted by
the provision of infectious disease
diagnostics:
10 million per year



Number of dialysis patients
provided with dialysis
membranes: 250,000



Share in the market of raw
materials for biochemical and
other tests: 30%



Number of patients
provided with regenerative
inducers: 100,000 per year



Proliferation and expanded sales
of 3D network-structured fiber
materials in the medical and
nursing care fields

Figures are targets for FY 2031.

3

Smart communities and comfortable spaces

Requirements of society

- A humancentric, digital society where anyone can use digital technology with peace of mind
- Providing product materials necessary for advancing digital technology as well as solutions to support the manufacturing process
- Providing solutions that contribute to realizing a comfortable space

Toyobo can contribute by:

Contributing to the transition to a humancentric, digital society in addition to sparking innovation

Improving comfort indoors, and in public and mobility spaces

Providing new materials and proposing future mobility solutions for CASE and MaaS

WHY TOYOBO



Sales of product groups supporting DX:
1.5-fold increase over FY2021



Total sales of car cabin air filters: 1.2 million units



Creation of a comfortable space inside electric vehicles through sound and heat management

4

A decarbonized society

Requirements of society

- Addressing climate change as a top priority for Earth preservation
- Reducing greenhouse gases emitted by the company's operations as well as by the entire value chain
- Providing solutions that contribute to the realization of a decarbonized society

Toyobo can contribute by:

Promoting reduction of greenhouse gas emissions caused by ~~its~~ business operations and achieving net zero in 2050

Providing various solutions that contribute to realizing a decarbonized society

WHY TOYOBO



Cutting emissions in Scope 1 & 2 by over 46% in FY2031 vs FY2014

The amount of emissions Toyobo cuts will exceed the GHG emitted by its entire value chain by the end of 2050

Amount of emissions cut



Amount of emissions produced by our entire value chain

Toyobo's endeavors



Osmotic power generation



Wind power generation offshore cable, insulating resin



Adhesive sheet for cells used in fuel cell vehicles



Electrode materials for large storage batteries



Hydrogen-related materials

Providing solutions

Figures are targets for FY 2031.

4

A circular society

Requirements of society

• Responsibilities as a plastics manufacturer

- ✓ Reducing waste in the manufacturing process, recycling, minimizing the final volume of waste disposed
- ✓ Utilizing biomass and recycled materials, taking steps to realize a resource circulating society

Toyobo can contribute by:

Reducing the percentage of freshly processed materials used in the manufacturing process and pursuing greater use of recycled materials

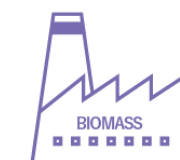
Contributing to reducing the use of resources through the life cycle of products by providing products and solutions

Establishing and joining an ecosystem for circulating resources

WHY TOYOBO



Achieving a final disposal rate of less than 1%



Ratio of green films*: 60%

*Use of biomass or recycled materials and volume reduction



Circulation of Resources

Joining ecosystem



Toyobo's Endeavors

Providing Solutions

Figures are targets for FY 2031.

5

Clean water areas,
air and soil, and
the preservation
of biodiversityRequirements of
society

- **Improvement of the environment in addition to reducing environmental impacts**
 - ✓ Measures to reduce the environmental impact of our business operations
 - ✓ Providing solutions to ensure water, atmosphere and soil are in good condition
- **Preserving biodiversity**
 - ✓ Contributing to “nature positive” solutions (prioritizing the preservation of nature and biodiversity to reverse damage to the environment)

Toyobo can contribute by:

Adequately manage chemical substances generated during the manufacturing process and prevent their external leakage

Helping to reduce impact on and improving the environment through a Toyobo device that recovers volatile organic compounds and membranes for treating water

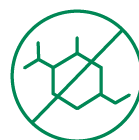
Helping to preserve biodiversity by expanding the sales of highly functional films that help reduce food loss and entering the sustainable food domain

WHY TOYOBO

Reducing the impact on the environment



Reducing exhaust gas emissions: 15% (2015 → 2030)



Air volume treated by the volatile organic compound recovery unit:
7 billion Nm³ per year



Desalination of sea water by membrane:
equivalent to the volume of tap water for 10 million people



Sales volume of highly functional films that contribute to reducing food loss: fourfold increase over FY2021



Sustainable food

New Market

Toyobo's endeavors

Providing solutions

Figures are targets for FY 2031.

The Toyobo group will usher in both a prosperous society
where people can live with peace of mind, and the
enhancement of corporate value by 2030.



SUSTAINABLE
VISION
2030

