

May 12, 2025

# 2025 Medium-Term Management Plan (FY 3/23 - FY 3/26)

~ Confirmation of progress and initiatives from FY 3/26 onward ~

TOYOBO CO., LTD.

## I . 2025 Medium-Term Management Plan: Initial plan

- Positioning of first half of Sustainable Vision 2030 “4 years to remake and prepare”
- 4 Measures:
  - 1: Through safety, disaster prevention, and quality assurance
  - 2: Reorganization of the business portfolio
  - 3: Preparation for the future
  - 4: Reestablishment of foundation

## II . 2025 Medium-Term Management Plan: Confirmation of progress

- Significant deviation from the profit targets for FY 3/26.  
Deterioration in financial structure, partly due to upfront large-scale investment.
- Delays in reorganization of the business portfolio
  - Growth investment, launch of TOYOBO MC Corporation and measures for businesses requiring improvement were steadily executed
  - Deterioration of profitability in packaging film, delay of launch of some CAPEX projects and increase of fixed cost

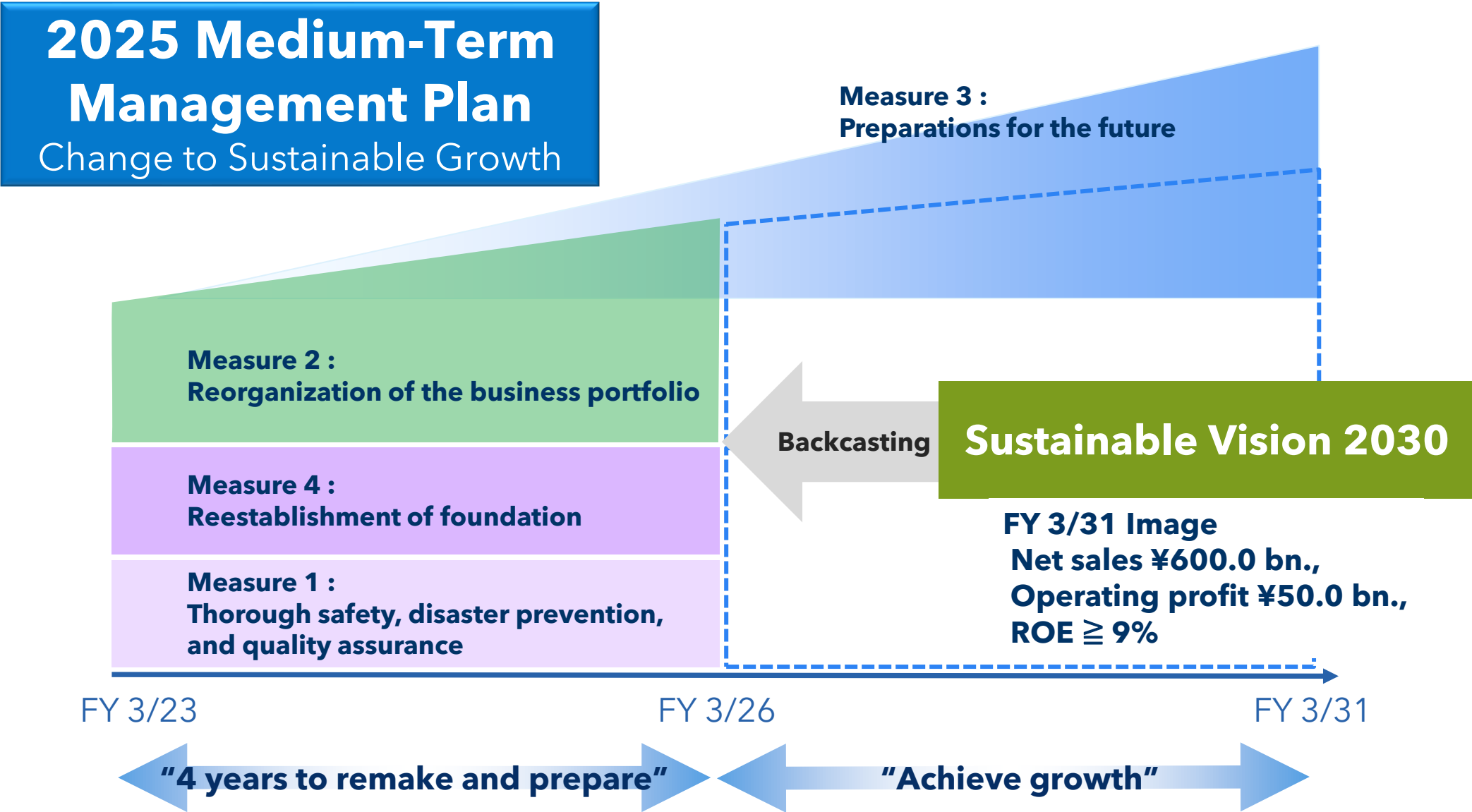
## III . Initiatives from FY 3/26 onward

- Measures for businesses requiring improvement, secure growth investment returns, productivity reform and cost reduction
  - Recover operating profit of ¥30.0 bn. and ROE of 5% at an early stage
- Create new value → Accumulation of profits, aiming for ROE of over 8% by FY 3/31

# **I . 2025 Medium-Term Management Plan (FY 3/23 - FY 3/26) : Initial plan**

# Positioning of Sustainable Vision 2030 / 2025 Medium-Term Management Plan (Announced in May 2022)

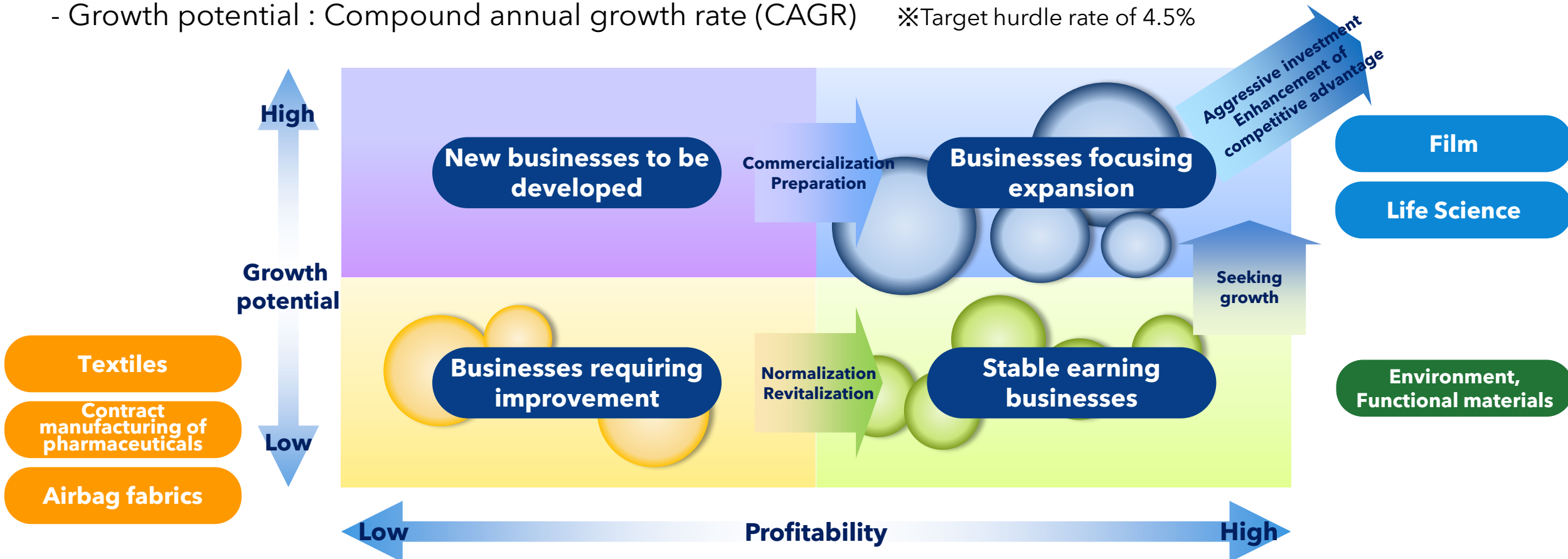




# Reorganization of the Business Portfolio (Announced in May 2022)

## Assess and stratify each business into 4 quadrants with 2 axes: "Profitability" and "Growth potential"

- Profitability : Return on capital employed (ROCE) = Operating profit / Capital employed ※Target hurdle rate of 6.5%
- Growth potential : Compound annual growth rate (CAGR) ※Target hurdle rate of 4.5%



- Determine whether the business is a "stable earning business" or a "business requiring improvement," taking into account not only the hurdle rate but also qualitative information.
- The entire Group's capital efficiency indicator is ROIC, and the management indicator for each business is ROCE.

## **Ⅱ . 2025 Medium-Term Management Plan (FY 3/23 - FY 3/26) : Confirmation of progress**

# Progress of 4 Measures

Measure 1	Thorough safety, disaster prevention, and quality assurance	<ul style="list-style-type: none"> <li>○ Zero serious incident since FY 3/22</li> <li>○ Development of safety, disaster prevention structure and progress of acquisition of ISO 45001 certification on each site</li> <li>○ Development of the quality assurance structure and mechanism. Regaining of ISO 9001 certification for engineering plastic and the lifting of the WL* by the FDA for pharmaceuticals *Warning Letter</li> </ul>
Measure 2	Reorganization of the business portfolio	<ul style="list-style-type: none"> <li>▲ Businesses focusing expansion: Growth investment was executed as planned but <b>launch of new equipment was delayed in some areas</b></li> <li>○ Stable earning businesses: Establishment of TOYOBO MC Corporation. Strengthening of the management base, revision of systems and operations and earnings improvement</li> <li>○ Businesses requiring improvement: <ul style="list-style-type: none"> <li>- Achieved profitability in textiles (consolidation of domestic production sites, 3 plants → 1 plant)</li> <li>- Airbag fabrics and pharmaceuticals narrowed their losses and were on track to return to profitability</li> <li>- <b>Deterioration of profitability in packaging film and nonwoven materials</b></li> <li>→ <b>Shift to businesses requiring improvement from FY 3/25</b></li> <li>(Measures are on the way including the suspension of operations on production lines)</li> </ul> </li> </ul>
Measure 3	Preparations for the future	<ul style="list-style-type: none"> <li>○ Setting of three areas of innovation creation. Progress of priority themes</li> <li>○ Legacy systems update in progress. Companywide project to reform operations</li> <li>○ Acquisition of SBT approval, third-party verification of environmental data, and participation in GX League</li> </ul>
Measure 4	Reestablishment of foundation	<ul style="list-style-type: none"> <li>○ Selection of next-generation personnel. Development of training for onsite leaders and other engineers</li> <li>○ Promote diversity and human rights due diligence</li> <li>○ Development and renewal of business sites and plant infrastructure</li> <li>○ Strengthening the group governance and risk management structure</li> <li>○ Development of compliance structure and training</li> <li>○ Instillation of corporate philosophy framework "TOYOBO PVVs"</li> </ul>



# Progress of 2025 Medium-Term Management Plan: Financial Indicators



2025 Medium-Term Management Plan (FY 3/23 - FY 3/26)

	FY 3/22 Results	FY 3/23 Results	FY 3/24 Results	FY 3/25 Results	Present forecasts	FY 3/26 Prev. forecasts (May 2024)	Initial plan (May 2022)
Net sales (¥bn.)	375.7	399.9	414.3	422.0	440.0	450.0	450.0
Operating profit (¥bn.)	28.4	10.1	9.0	16.7	21.0	25.0	35.0
(Ratio to sales) (%)	7.6	2.5	2.2	3.9	4.8	5.6	7.8
EBITDA (¥bn.) <sup>*1</sup>	48.5	29.1	28.8	39.4	46.0	51.0	63.0
Profit attributable to owners of parent (¥bn.)	12.9	- 0.7	2.5	2.0	4.5	9.0	15.0
ROE (%) <sup>*2</sup>	6.8	-	1.3	1.0	2.3	≥ 4.5	≥ 7.0
ROIC (%) <sup>*3</sup>	5.1	1.7	1.3	2.3	2.8	≥ 4.0	≥ 5.0
D/E ratio	0.98	1.21	1.26	1.37	1.40	< 1.40	< 1.20
Net Debt / EBITDA ratio <sup>*4</sup>	3.4	5.8	7.5	6.1	5.0	< 5.0	< 5.0
CAPEX (¥bn.)	33.6	42.7	61.6	43.2	35.0	-	-

<sup>\*1</sup> Operating profit + Depreciation (includes goodwill) <sup>\*2</sup> Profit / Beginning and ending balance average shareholder's equity

<sup>\*3</sup> NOPAT / (Interest-bearing debt + Net assets) <sup>\*4</sup> (Interest-bearing debt-Cash and deposits) <Ending> / EBITDA

# Progress of 2025 Medium-Term Management Plan: Operating Profit by Segment



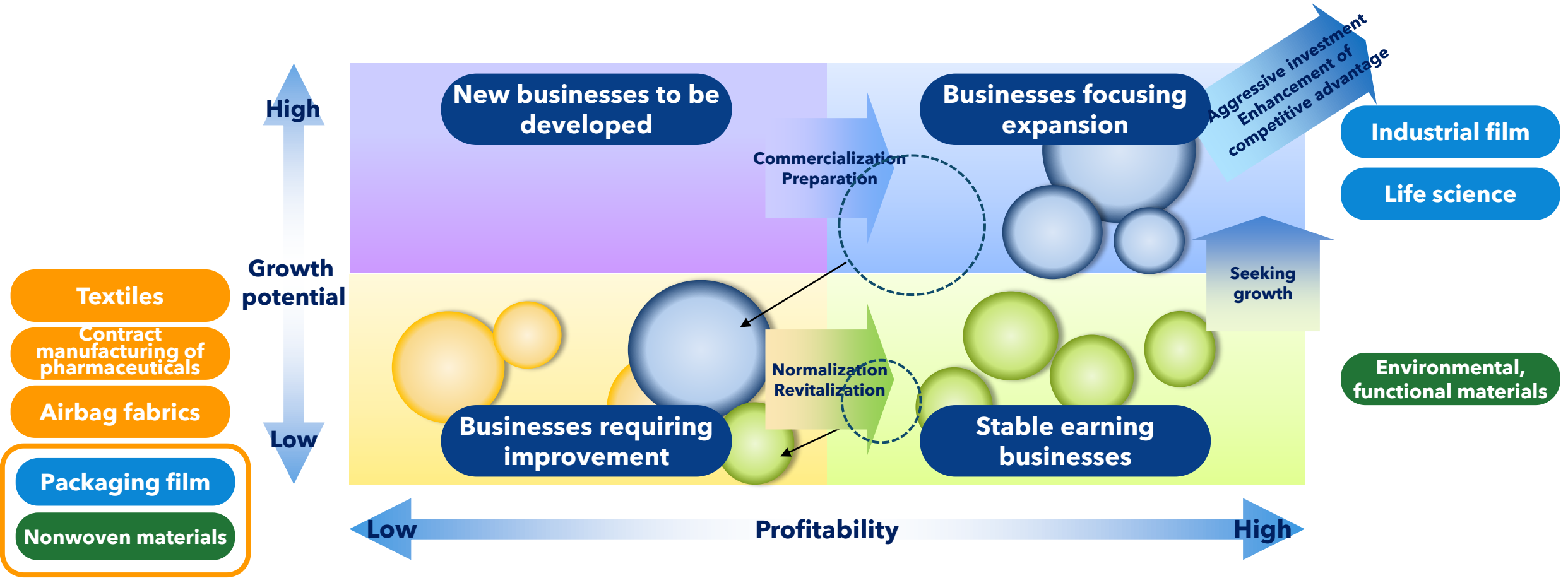
2025 Medium-Term Management Plan (FY 3/23 - FY 3/26)

	FY 3/23	FY 3/24	FY 3/25	FY 3/26			(¥bn.)
	Results	Results	Results	Present forecasts	Prev. forecasts (May 2024)	Initial plan (May 2022)	
Films	1.6	2.7	6.9	8.0	10.0	16.5	
Life Science	9.2	4.4	2.0	4.0	4.0	7.0	
Envrionmental and Functional Materials	4.0	4.7	8.0	9.0	12.5	12.5	
Others	- 4.8	- 2.8	- 0.2	0.0	- 1.5	- 1.0	
Total	10.1	9.0	16.7	21.0	25.0	35.0	

# Reorganization of the Business Portfolio: Progress by Segment

Segment	Business	What we executed	Delay compared to the plan
Films	Industrial	<ul style="list-style-type: none"> <li>- Production capacity expansion (including processing equipment)</li> <li>- Sales expansion of polarizer protective films for LCDs</li> </ul>	<ul style="list-style-type: none"> <li>- Delay in demand expansion for mold releasing film for MLCC</li> </ul>
	Packaging	<ul style="list-style-type: none"> <li>- CAPEX for renovation and new products (OPP film)</li> <li>- Drastic revision of product pricing</li> <li>- Revision of the production system including the suspension of operations on some production lines</li> </ul>	<ul style="list-style-type: none"> <li>- Delay in launch of new equipment and new product (OPP film)</li> <li>- Delay in measures for fixed cost → Shift to businesses requiring improvement due to deterioration of profitability</li> </ul>
Life Science	Biotechnology	<ul style="list-style-type: none"> <li>- Production capacity expansion for raw enzymes for biochemical diagnosis</li> </ul>	<ul style="list-style-type: none"> <li>- Delay in expansion of products related to infectious diseases (genetic testing)</li> </ul>
	Medical materials	<ul style="list-style-type: none"> <li>- Newly establishment of integrated production plant for medical membrane, launch of new product</li> </ul>	<ul style="list-style-type: none"> <li>- Delay in launch of new plant</li> </ul>
	Pharmaceuticals	<ul style="list-style-type: none"> <li>- Strengthen of GMP structure and renovation of production line</li> </ul>	-
Environmental and Functional Materials		<ul style="list-style-type: none"> <li>- Start of TOYOBO MC Corporation (April 2023)</li> <li>- Development of the management base, revision of systems and operations → Improvement of earnings</li> </ul>	<ul style="list-style-type: none"> <li>- Delay in overseas expansion of "VYLON"</li> <li>- Nonwoven materials → Shift to businesses requiring improvement due to deterioration of profitability</li> </ul>
Functional Textiles and Trading	Textiles	<ul style="list-style-type: none"> <li>- Consolidation of domestic production sites (3 plants → 1 plant) → Achieved profitability and profit stabilization</li> </ul>	-
	Airbag fabrics	<ul style="list-style-type: none"> <li>- Start of commercial production and acquisition of certification in a new yarn plant in Thailand</li> </ul>	<ul style="list-style-type: none"> <li>- Delay in acquisition of certification in some areas</li> </ul>

Reforms delayed due to deteriorating earnings in two businesses



- Determine whether the business is a “stable earning business” or a “business requiring improvement,” taking into account not only the hurdle rate but also qualitative information.
- The entire Group’s capital efficiency indicator is ROIC, and the management indicator for each business is ROCE.

# Reorganization of the Business Portfolio: Businesses focusing expansion (Growth Investment)

- Growth investment was executed as planned
- Launch of new equipment was delayed in some areas  
(Factors: Concentration of CAPEX, insufficient risk assessment and delayed company-wide response)

## Major plans of growth investment (Films, Life Science)

Created based on announced presentation in May 2024

Segment	Details	Investment amount (¥bn., round number)	Time to realize investment results			
			FY 3/24	FY 3/25	FY 3/26	FY 3/27~
Films	- OPP film equipment (Inuyama)	7.0				
	- Processing equipment Unit 2 of mold releasing film for MLCC (Tsuruga)	6.0*		Delay due to market factors		
	- Equipment of mold releasing film for MLCC (Utsunomiya)	20.0				
	- Equipment of polarizer protective films for LCDs (Tsuruga)**	-				
Life Science	- Equipment for raw enzymes for biochemical diagnosis (Tsuruga)	7.0				
	- Equipment for reagents for PCR testing and genetic diagnostic reagents (Tsuruga)	6.5				
	- Integrated production plant for artificial kidney hollow fiber (Akita)	5.0				

\*: Total with Unit 1 \*\*: Renovation of an existing production line

: Plan

: Result and forecast

# Reorganization of the Business Portfolio: Stable Earning Businesses (Challenge to Transformation and Growth)



Review of 2 years of TOYOBO MC Corporation: Favorable launch

**Joint venture company between Toyobo Co., Ltd. and Mitsubishi Corporation in functional materials "TOYOBO MC Corporation" started operations (April 2023)**

**Toyobo's technology**



**Mitsubishi Corporation's global management power**



Strengthening of the management base, execution of measures for earnings improvement

→ Transformation of the corporate culture

- Management base: Actions according to business strata, installation of functional division system
- Measures for earnings improvement : Revision of systems and operations, thorough follow-up on execution
- Organic growth measures: Utilization of Mitsubishi Corporation's global network, business promotion by Mobility Business Strategy Unit

Deterioration in nonwoven materials performance

→ Shift to businesses requiring improvement

(Measures are on the way such as revision of production system, sales of subsidiary shares, etc.)

# Reorganization of the Business Portfolio: Stable Earning Businesses (Challenge to Transformation and Growth)

## Installation of functional division system

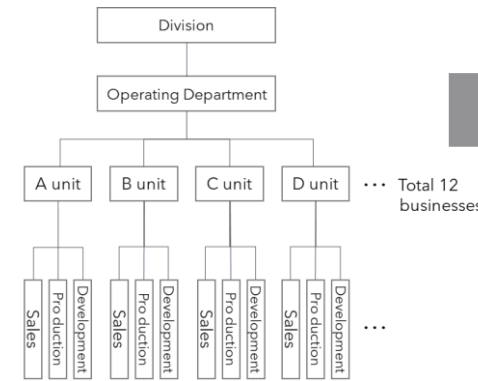
Strengthening of original function of sales, production and development:

- Getting out from silos and visualization by dividing organization

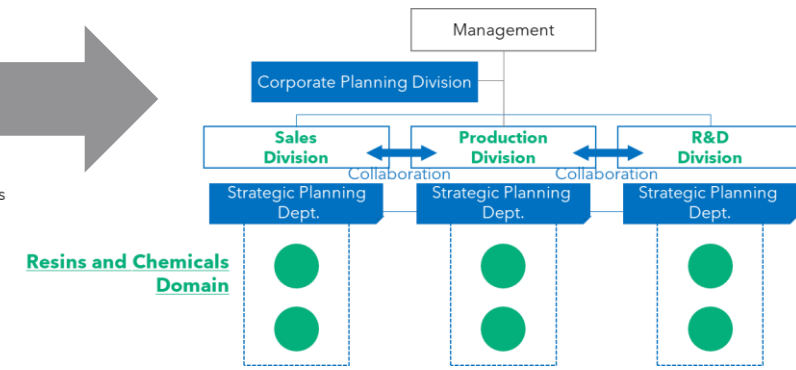
Promoting company-wide business expansion:

- Long-term market development aligned with megatrends
- Reallocation of resources from a company-wide perspective
- Mutual collaboration between sales, production, and development

Business unit system



Functional division system



## Actions according to business strata

### Growth

**Scale expansion and development of downstream solutions**

**Net sales and EBITDA** ↑

- Engineering plastic
- "VYLON""HARDLEN"
- Environmental solution equipment
- Water treatment membrane

### Cash-cow

**Improvement efficiency**

**Profit margin and ROIC** ↑

- Photo-functional materials
- Fine chemicals
- High performance fiber

### Transformation

**Business model transformation**

**Profit margin and ROIC** ↑

- Nonwoven materials

# Reorganization of the Business Portfolio: Businesses Requiring Improvement

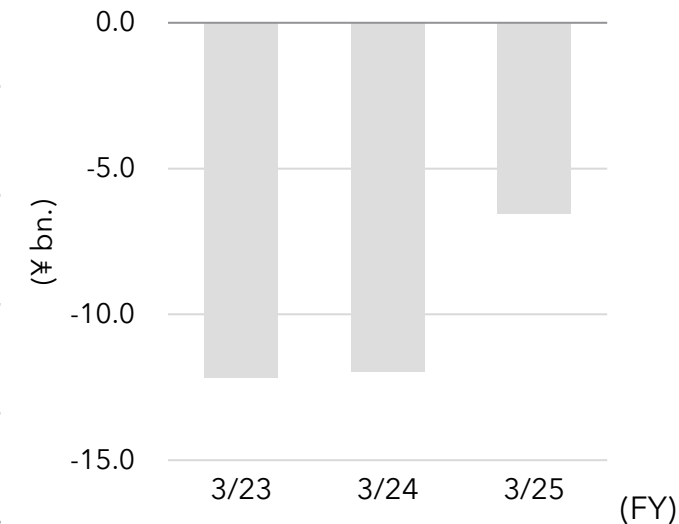
- Results: Profitability of textiles, pharmaceuticals and airbag fabric was steadily improved
- Packaging film and nonwoven materials are positioned as businesses requiring improvement from FY 3/25 and measures are on the way

## Roadmap to profitability

▬ : Deficit    ▬ : Profitability

Business	FY 3/23	FY 3/24	FY 3/25
Textiles	Reorganization of group companies (Establishment of Toyobo Textile Co., Ltd.)	Consolidation of domestic production sites (3 plants → 1 plant) Product price revision and withdrawal from unprofitable products	
Pharmaceuticals		Lifting of FDA/Warning Letter	Product price revision
Airbag fabrics		Start of operation of yarn plant in Thailand Start of commercial production of yarn plant in Thailand	Product price revision Start of certification acquisition
Packaging film		<b>Addition to businesses requiring improvement</b>	
Nonwoven materials			

Change of operating losses  
(Total of 5 businesses)



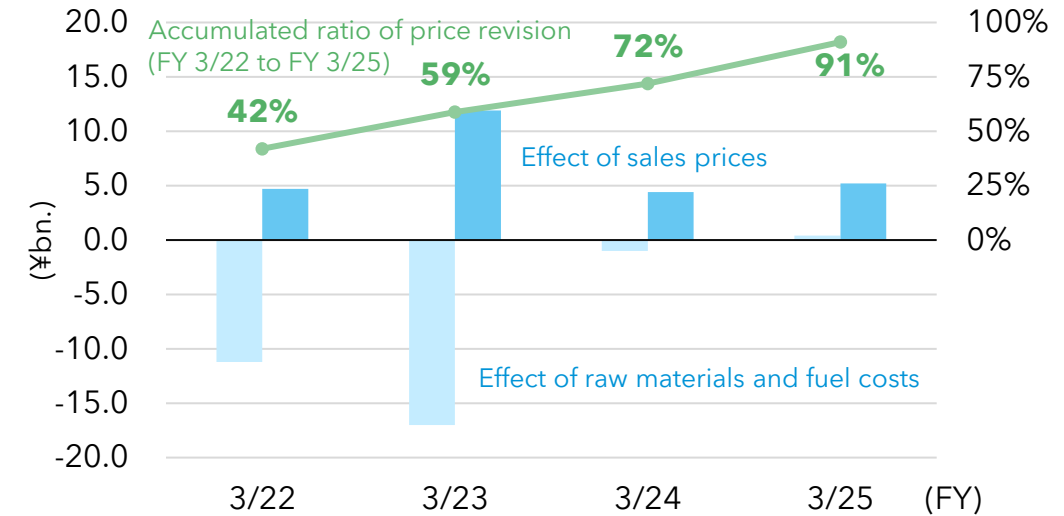


# Reorganization of the Business Portfolio: Businesses Requiring Improvement

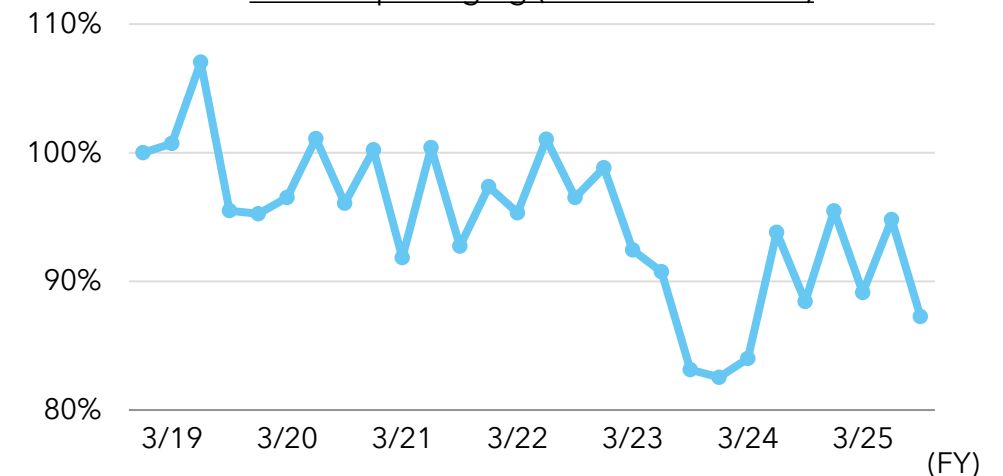
## Factors in deterioration of profitability and delays in improvement in Packaging film

	FY 3/23	FY 3/24	FY 3/25
<b>Terms of trade</b>	<ul style="list-style-type: none"> <li>- Soaring of raw materials and fuel prices</li> <li>- Delay in product price revision</li> </ul>		<ul style="list-style-type: none"> <li>- Proceed of product price revision and improvement of terms of trade</li> </ul>
<b>Volume</b>	<ul style="list-style-type: none"> <li>- Prolonged distribution inventory adjustment</li> </ul>		<ul style="list-style-type: none"> <li>- Gradual recovery of cargo movement</li> </ul>
<b>Fixed cost</b>	<ul style="list-style-type: none"> <li>- Delay in launch of new equipment (increase of launch cost)                             <ul style="list-style-type: none"> <li>- Challenge to the world's first new product by large scale and high productivity equipment</li> <li>- Insufficient risk assessment and delayed company-wide response</li> </ul> </li> <li>- Increase of production fixed cost and operating fixed cost</li> </ul>		

Product price revisions for raw material and fuel costs (Toyobo Group)



Shipping results in the domestic market for OPP film for food packaging (Q1 FY 3/19:100%)



## **Ⅲ. Initiatives from FY 3/26 onward**

## Recover earning power to create the future

1. Thorough safety, disaster prevention and quality assurance, and compliance (basic premise)	
2. Endured pricing commensurate with value	- Follow-up of pricing by management
3. Measures for businesses requiring improvement	- Early achievement of profitability in businesses, and implementation of measures toward normalization
4. Secure investment returns and create new value	- Steady launch of growth investments and company-wide follow-up - Profit increase by realizing effects of development investment
5. Narrowing down of investment and expenses, and cost reduction	- Narrowing down of investment - Cost reduction of processing cost and revision of SG&A expenses by company-wide project
6. Reduce capital employed	- Suppression of increase in working capital and business portfolio reforms

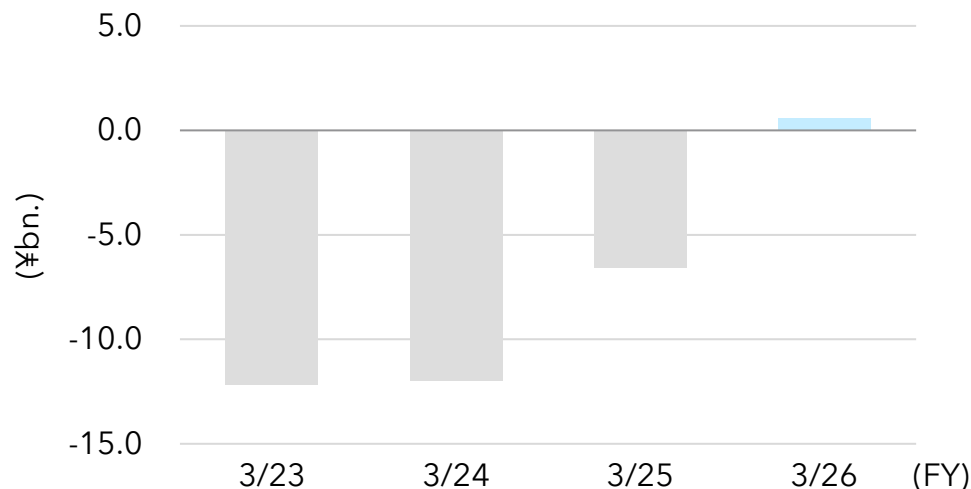
# Measures for Businesses Requiring Improvement

## Roadmap to profitability

▬ : Deficit ▬ : Profitability

Business	FY 3/23	FY 3/24	FY 3/25	FY 3/26	FY 3/27~
Textiles	▬	▬	▬	Pursuit of more improvement of capital efficiency	▬
Pharmaceuticals	▬	▬	▬	Maintenance of GMP structure, operation of revised production line and gain of new projects	▬
Airbag fabrics	▬	▬	▬	Rise of operating ratio of yarn plant in Thailand and revision of production structure	▬
Packaging film			Revision of production system and product price revision	Early profitability of new equipment (company-wide follow-up) Accelerated shift to eco-conscious products	▬
Nonwoven materials			Revision of production system and sales of subsidiary shares	Strengthening of development Expansion of production outsourcing	▬

Change of operating profit (Total of 5 businesses)



### Initiatives:

**Early achievement of profitability and normalization by steady execution of plans to improve profitability**

**⇒ + Approx. ¥7.0 bn.  
compared to FY 3/25 (FY 3/26)**

# Secure investment returns


## Major plans of growth investment (Films, Life Science)

Created based on announced presentation in May 2024

Segment	Details	Investment amount (¥bn., round number)	Time to realize investment results			
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Life Science	- Equipment for raw enzymes for biochemical diagnosis (Tsuruga)	7.0				
	- Equipment for reagents for PCR testing and genetic diagnostic reagents (Tsuruga)	6.5				
	- Integrated production plant for artificial kidney hollow fiber (Akita)	5.0				

\*: Total with Unit 1 \*\*: Renovation of an existing production line

 : Plan

 : Result and forecast

**Initiatives: Leading to early monetization by steady launch of growth investment**  
**⇒ Creation of profit: ¥10.0 bn. compared FY 3/25 (FY 3/29)**

Company-wide follow-up in response to a delay compared to the plan.  
 Strengthening of the horizontal function of the Production Technology Division.

**Operating profit ¥18.0 bn.**  
(FY 3/31 target)

## **Expansion of Green Films: Contribute to decarbonized and circulating society**

### **Present situation**

Mainly in packaging film  
- Recycle film  
- Biomass film, etc.

### **Market expansion for Industrial film**

- Biaxially oriented PLA film
- OPP film with high rigidity and high heat resistant, PEF (Polyethylene furanoate)

### **Toward initiatives for resources circulation in the entire supply chain**

- Establishment of Film to Film resource recycling scheme
- "KAMISHINE NEO": Label liner applications, horizontal recycling
- Chemical recycling of used plastics

## **Expansion of new high-functional films to the field of electronics**

### **Present situation**

Mainly in  
mold releasing film for MLCC  
(for smartphone and automobile application)

### **For wind power generation, sealers for fuel battery cells**

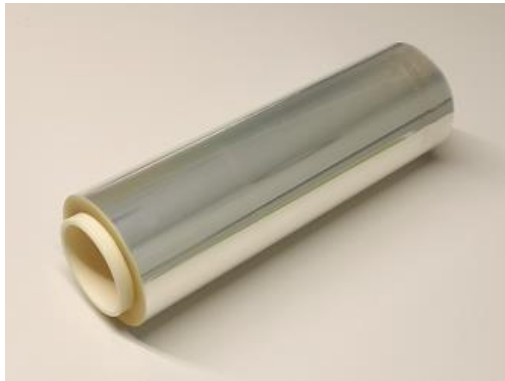
- PEN film: High electric insulation under high temperature and hydrolysis

### **For semiconductor**

- "XENOMAX": Polyimide film of films qualities + glass qualities

### **For AI server**

- Highly smooth mold releasing film used for process applications



Biaxially oriented PLA film  
Achieve heat resistance and other properties  
required for industrial applications

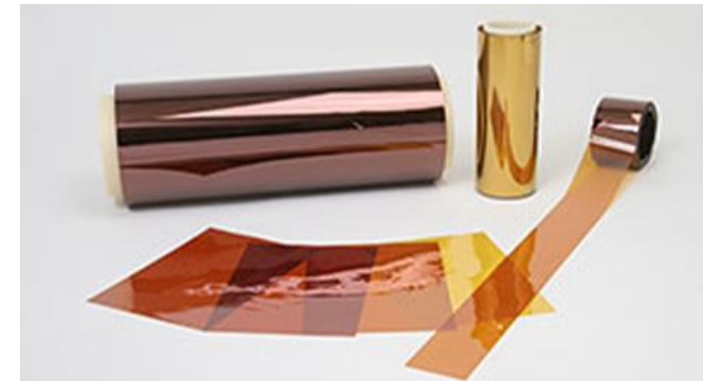


"KAMISHINE NEO"  
Label liner applications,  
horizontal recycling

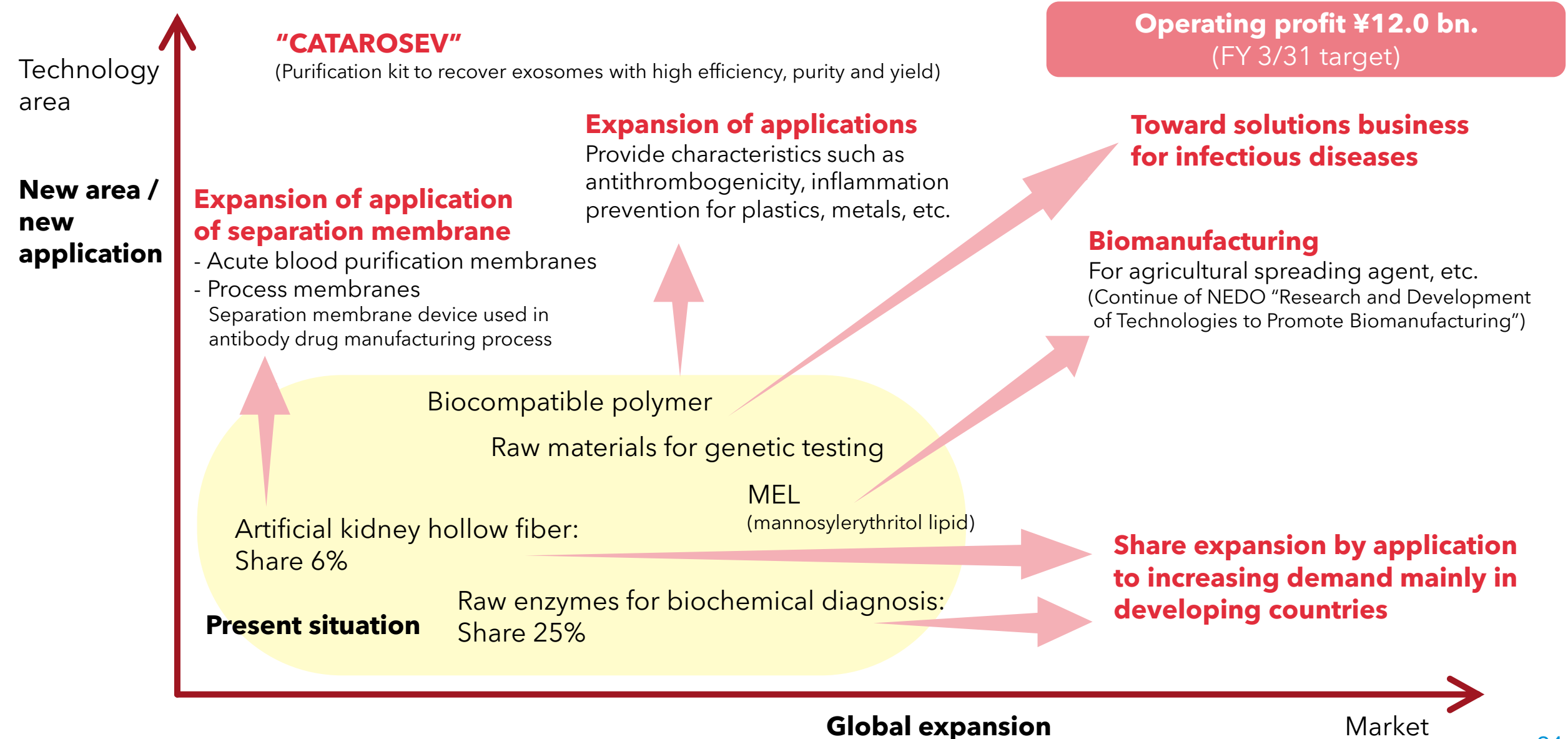


The new Toyota MIRAI

PEN film  
Applied to the new Toyota MIRAI fuel cell unit



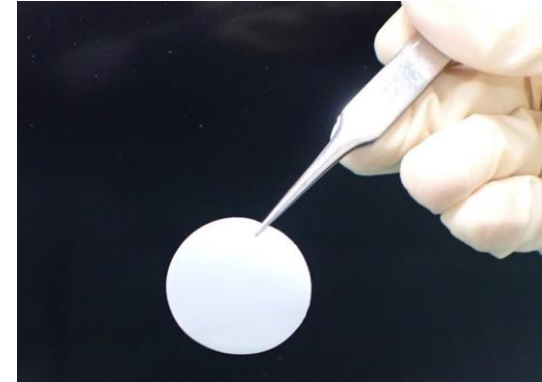
Heat-resistant polyimide film  
"XENOMAX"







Surfactant of natural origin  
produced by yeast: MEL  
For cosmetic material, agricultural spreading agent, etc.



Exosome purification kit  
"CATAROSEV"



Acute blood purification membranes  
"REM CYTO"



Process membranes  
Separation membrane device used  
in antibody drug manufacturing process



Hollow fiber  
used for separation  
membrane device

## For environment field

**Operating profit ¥20.0 bn.**  
(FY 3/31 target)

### **Recovery of valuable substances**

BC (Brine Concentration) membrane: concentration and recovery of Lithium

### **Offshore floating wind power generation**

"IZANAS ULC": Mooring cables for offshore floating wind power generation

### **VOC treatment**

Expansion of applications of environmental solution equipment for concentration processing of VOC to semiconductor manufacturing processes, etc.

### **Horizontal recycle**

"BREATHAIRMEBIUS"\*: Utilization of recycled materials derived from used "BREATHAIR"

\*Awarded as best product for "ECO MARK AWARD 2024"

## For mobility and electronic applications

### **Mobility business strategy unit**

Change from previous material proposal type approach to direct approach to domestic and overseas automotive OEM (Proposal of next-generation recycle, plastic interior and exterior parts, etc.)

### **Practical use of new material**

"Vitrimers"\*\*: solvent-free and high-heat-resistant adhesive materials

\*\*"Vitrimers" is a registered trademark of FONDS ESPCI PARIS.

**Achieve overall growth through implementing 3 pillars of growth of  
"enhancement of overseas operations," "new development" and "inorganic," and  
enhancement of cost competitiveness**

# Create New Value: Environmental and Functional Materials



BC membrane  
installed concentration equipment  
For Lithium recovery, wastewater treatment, etc.



"IZANAS ULC"  
Mooring cables for offshore  
floating wind power generation



Three-dimensional network structured  
fiber material for horizontal recycle  
"BREATHAIRMEBIUS"



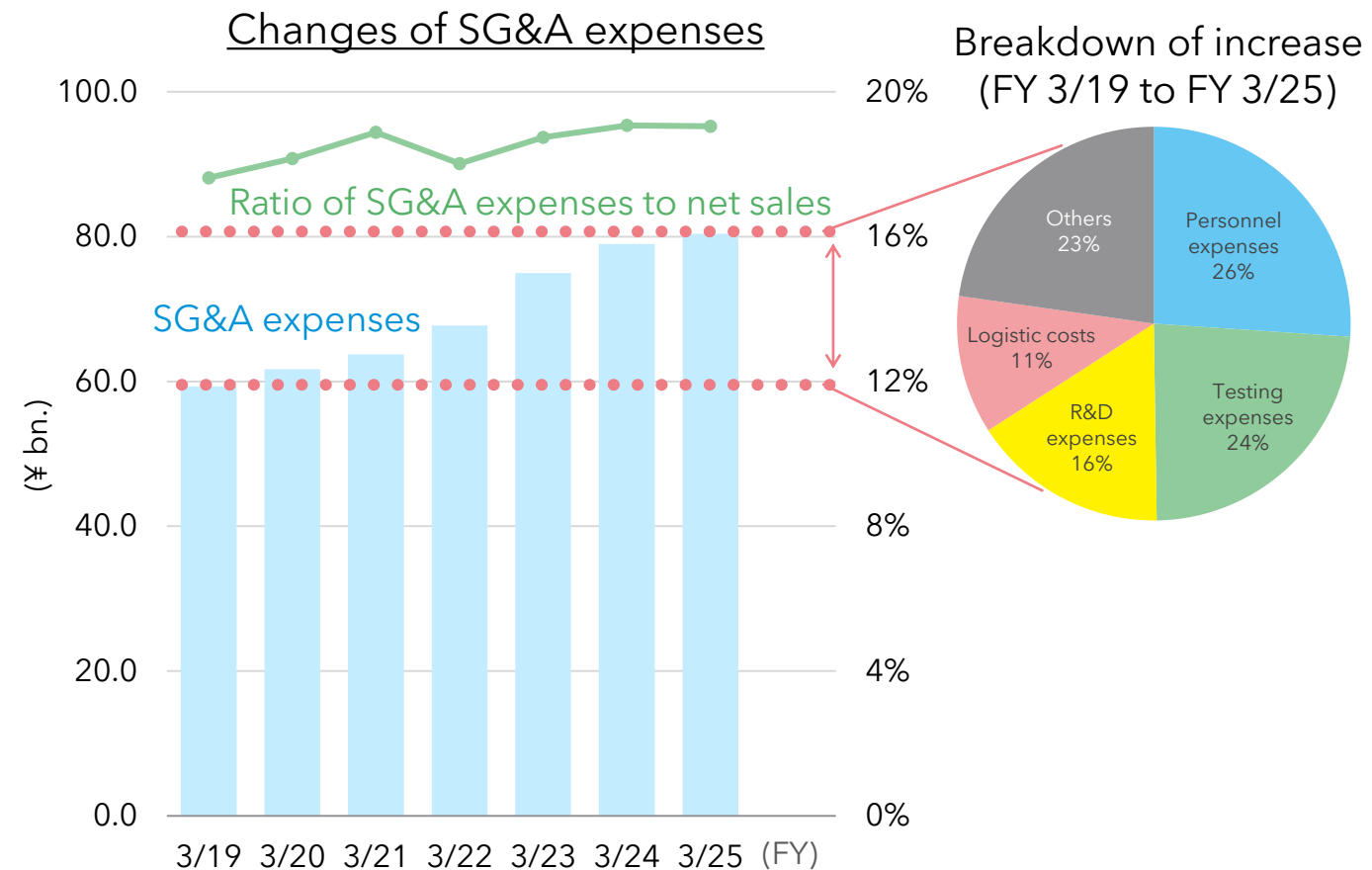
High-heat-resistant adhesive sheets (Roll)  
applied by "Vitrimer"\*

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

# Narrowing down of investment and expenses, and cost reduction

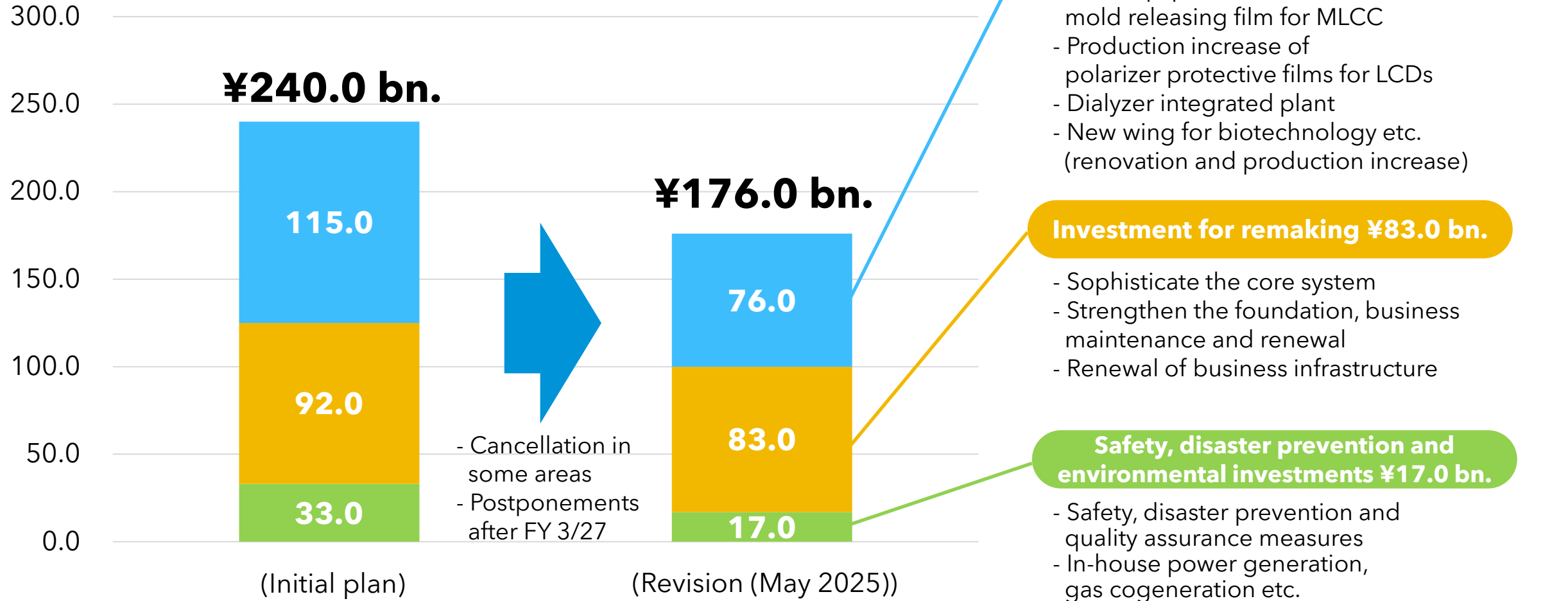
## Productivity reform and cost structure changes (eliminate, consolidate, connect) through company-wide project ⇒ Effect on profit: ¥5.0 bn. compared to FY 3/24 (FY 3/28)

- Reduction in cost of indirect materials and services  
Reduction of outsourcing expenses, etc.  
mainly in the staff division
- Increase in cost competitiveness of business sites and plan (revise corporate division expenses and reallocate businesses)  
Starting at main business sites and plants,  
and in progress
- Increase in operational efficiency and productivity  
(increase operation quality while reducing costs)  
Optimal placement of human resources and  
sophistication of data asset utilization, etc.



# Narrowing down of investment and expenses, and cost reduction

## CAPEX (Total of FY 3/23 to FY 3/26)

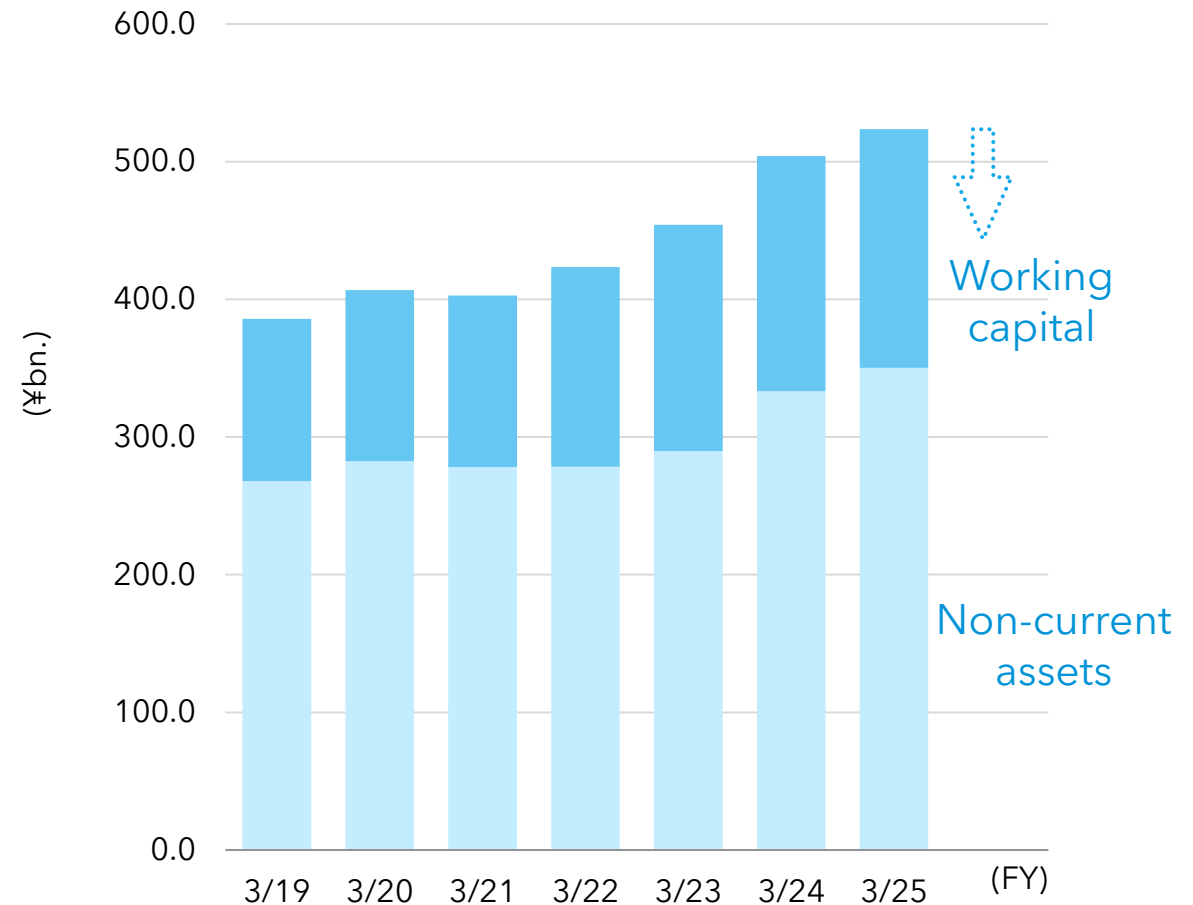


**Steady execution of investments for safety, disaster prevention, and quality assurance**

# Reduce capital employed

- Suppression in working capital
- Narrow down investments
- Business portfolio reforms
  - Normalization of businesses requiring improvement
  - Stratification and countermeasure execution based on hurdle rate (operating profit margin on capital usage)
  - Concurrently, toward considering the best owner

Changes in capital employed



# Progress of 2025 Medium-Term Management Plan: Financial Indicators



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EBITDA (¥bn.) <sup>*1</sup>	48.5	29.1	28.8	39.4	46.0	51.0	63.0
Profit attributable to owners of parent (¥bn.)	12.9	- 0.7	2.5	2.0	4.5	9.0	15.0
ROE (%) <sup>*2</sup>	6.8	-	1.3	1.0	2.3	≥ 4.5	≥ 7.0
ROIC (%) <sup>*3</sup>	5.1	1.7	1.3	2.3	2.8	≥ 4.0	≥ 5.0
D/E ratio	0.98	1.21	1.26	1.37	1.40	< 1.40	< 1.20
Net Debt / EBITDA ratio <sup>*4</sup>	3.4	5.8	7.5	6.1	5.0	< 5.0	< 5.0
CAPEX (¥bn.)	33.6	42.7	61.6	43.2	35.0	-	-

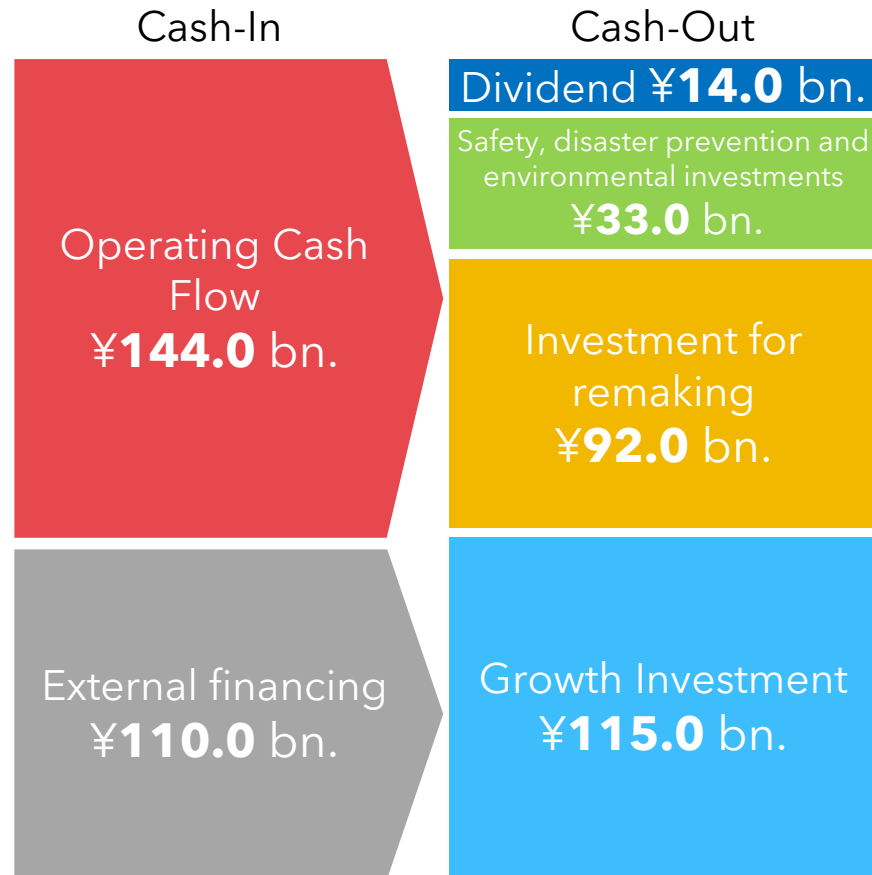
<sup>\*1</sup> Operating profit + Depreciation (includes goodwill) <sup>\*2</sup> Profit / Beginning and ending balance average shareholder's equity

<sup>\*3</sup> NOPAT / (Interest-bearing debt + Net assets) <sup>\*4</sup> (Interest-bearing debt-Cash and deposits) <Ending> / EBITDA

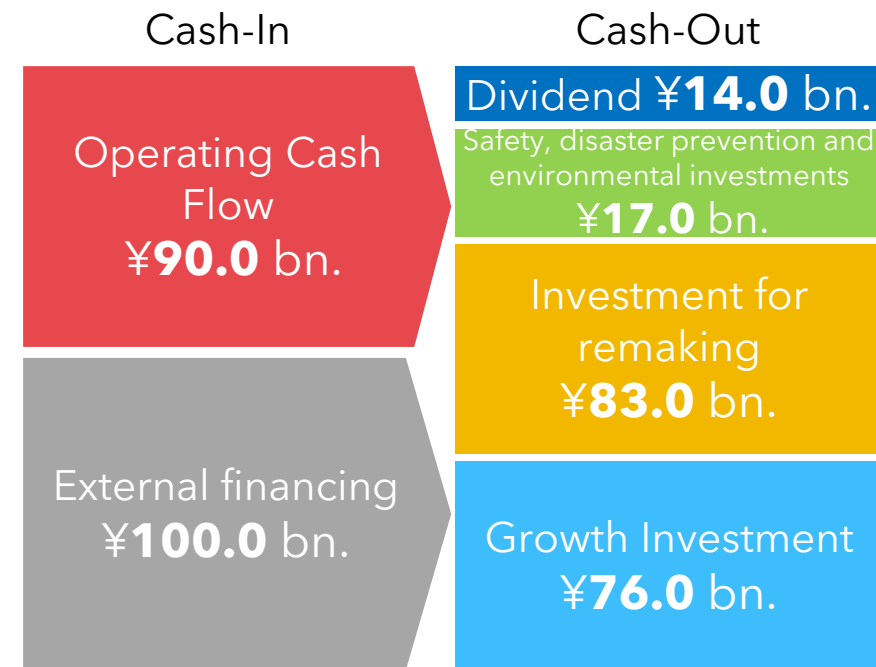
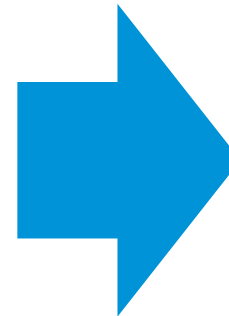


# Cash Flow Allocation (FY 3/23 - FY 3/26)

## Initial plan

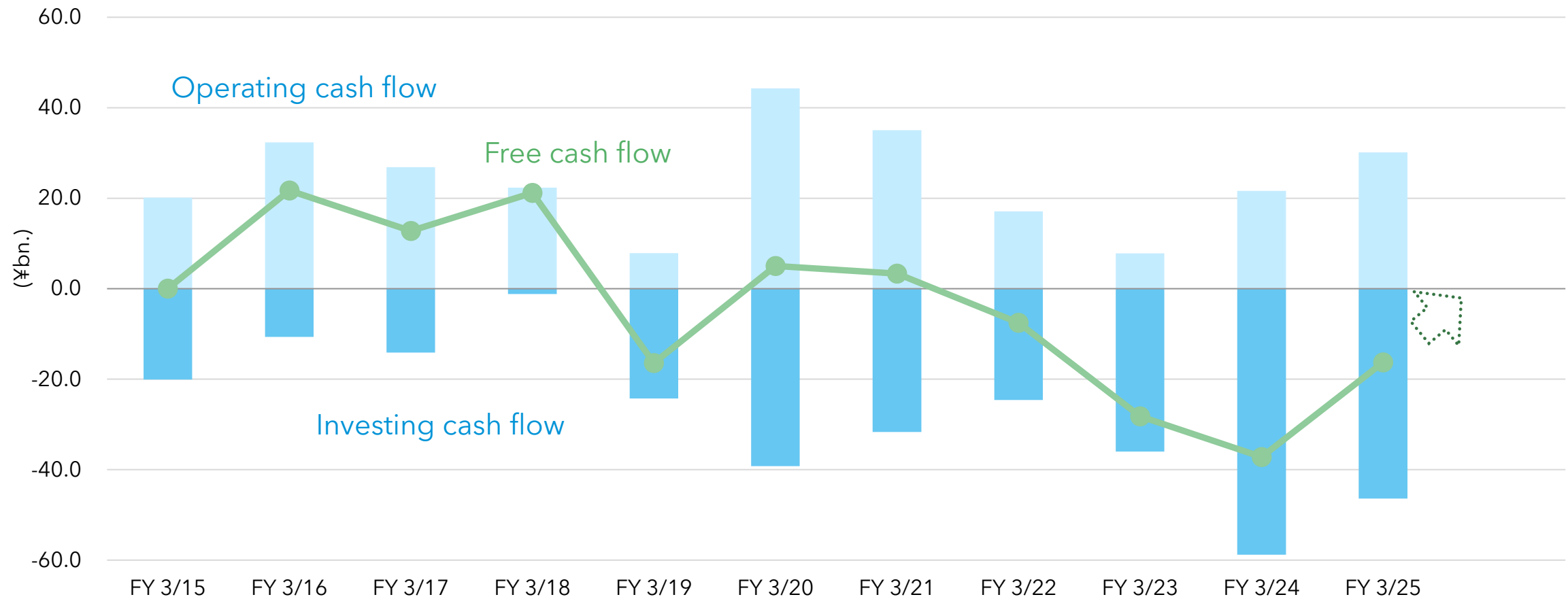


## Revision (May 2025)





**Going forward, toward profitability of free cash flow by increasing operating cash flow and decreasing investing cash flow**



# Toward Improvement of Corporate Value: Management that is Conscious of Cost of Capital and Stock Price **TOYOTO**

## 6 action plans

Endured pricing commensurate with value

Measures for businesses requiring improvement

Secure investment returns and create new value

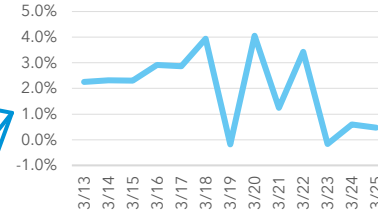
Narrowing down of investment and expenses, and cost reduction

Reduce capital employed

Thorough safety, disaster prevention and quality assurance, and compliance (basic premise)

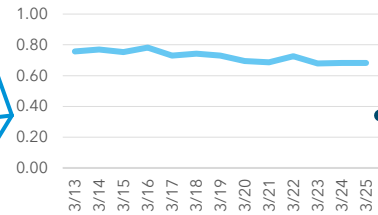
**ROS 0.3 %**

**Net profit / Net sales**



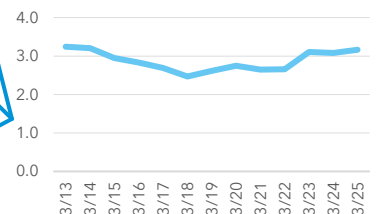
**Total asset turnover 0.68**

**Net sales / Total assets**



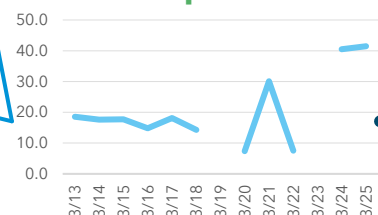
**Financial Leverage 3.12**

**Total assets / Shareholder's equity**



**PER 41.0**

**Market capitalization / Net profit**

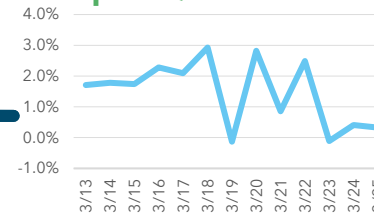


## Aim for ROE>8% and PBR 1.0

Improve profitability and capital efficiency

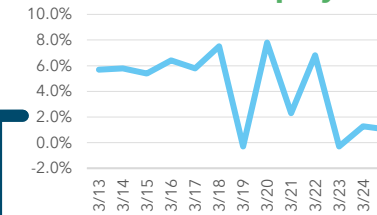
**ROA 0.2 %**

**Net profit / Total assets**



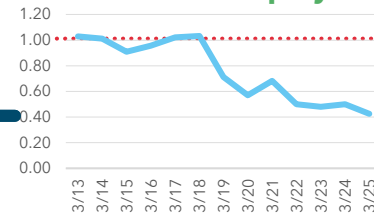
**ROE 0.7 %**

**Net profit / Shareholder's equity**



**PBR 0.47**

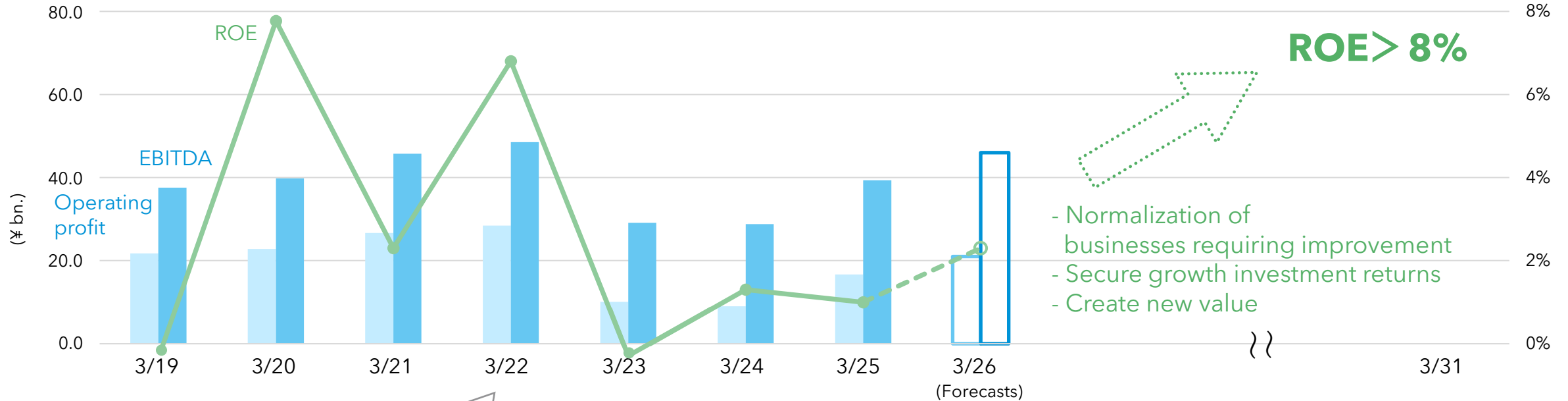
**Market capitalization / Shareholder's equity**



Fostering of growth expectations and risk reduction

\*Indicators are average of FY 3/23, FY 3/24, FY 3/25

# Toward Improvement of Corporate Value: Realization of Sustainable Growth



## Status at the establishment of 2025 Medium-Term Management Plan (FY 3/22)

- Fluctuations in reliability:  
large-scale fire accidents,  
the quality misconduct incident
- Improvement of financial structure  
but standstill of growth expect industrial film

## 2025 Medium-Term Management Plan

4 years to remake and prepare

## Toward FY 3/31

- **Achieve operating profit of ¥30.0 bn. or more and ROE of 5% at an early stage**
- **Accumulation of profits by creating new value, aiming for ROE of over 8%**

# Appendix

# Transition to a Company with Audit and Supervisory Committee

Toyobo Co., Ltd. resolved to **transition from “a company with Board of Corporate Auditors” to “a company with Audit and Supervisory Committee,”** subject to approval at the 167th Annual General Meeting of Shareholders. (February, 2025)

Background: It is becoming increasingly important to conduct swifter and more efficient business execution while providing an advanced level of management supervision.

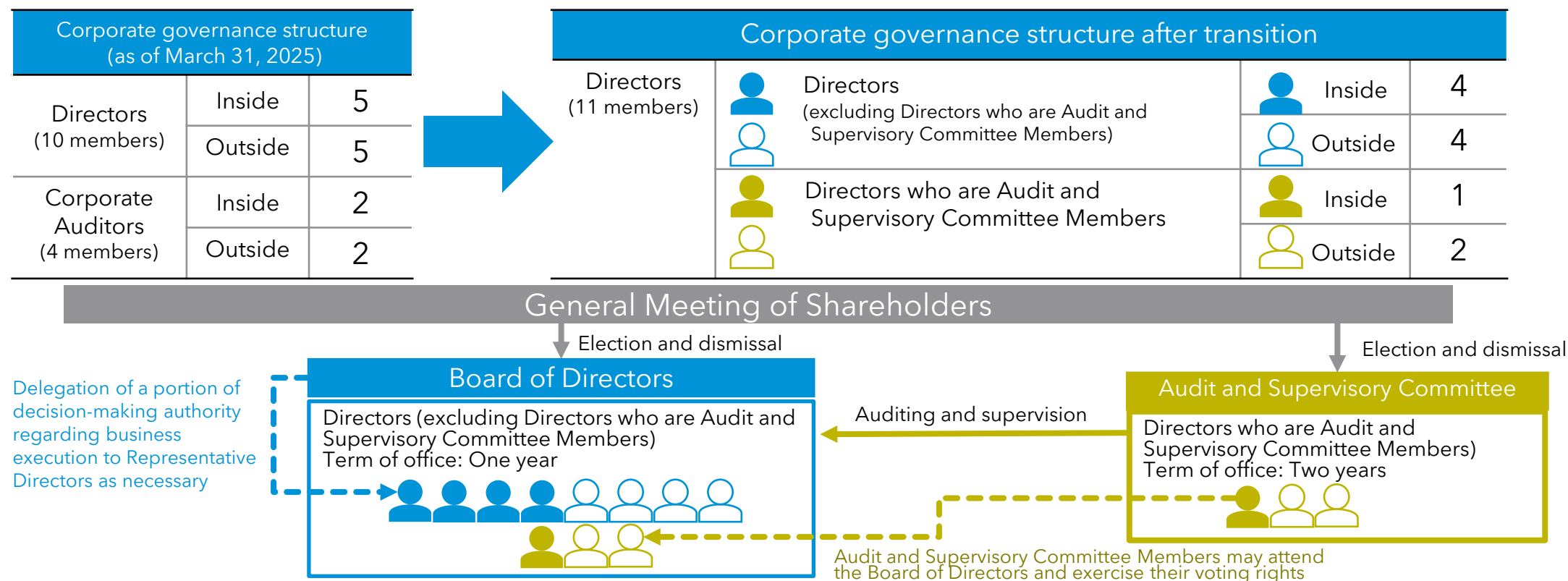
Purpose: - Establish a system to conduct swifter decision-making by delegating a portion of decision-making authority regarding business execution to Representative Directors.

- Transition the Board of Directors to a monitoring board that places emphasis on examination and decision-making regarding the basic policies of management, etc. and the supervision of business execution.

- Strengthen the supervisory function by granting voting rights at Board of Directors meetings to officers who are responsible for conducting audits.

Timing: Late June, 2025

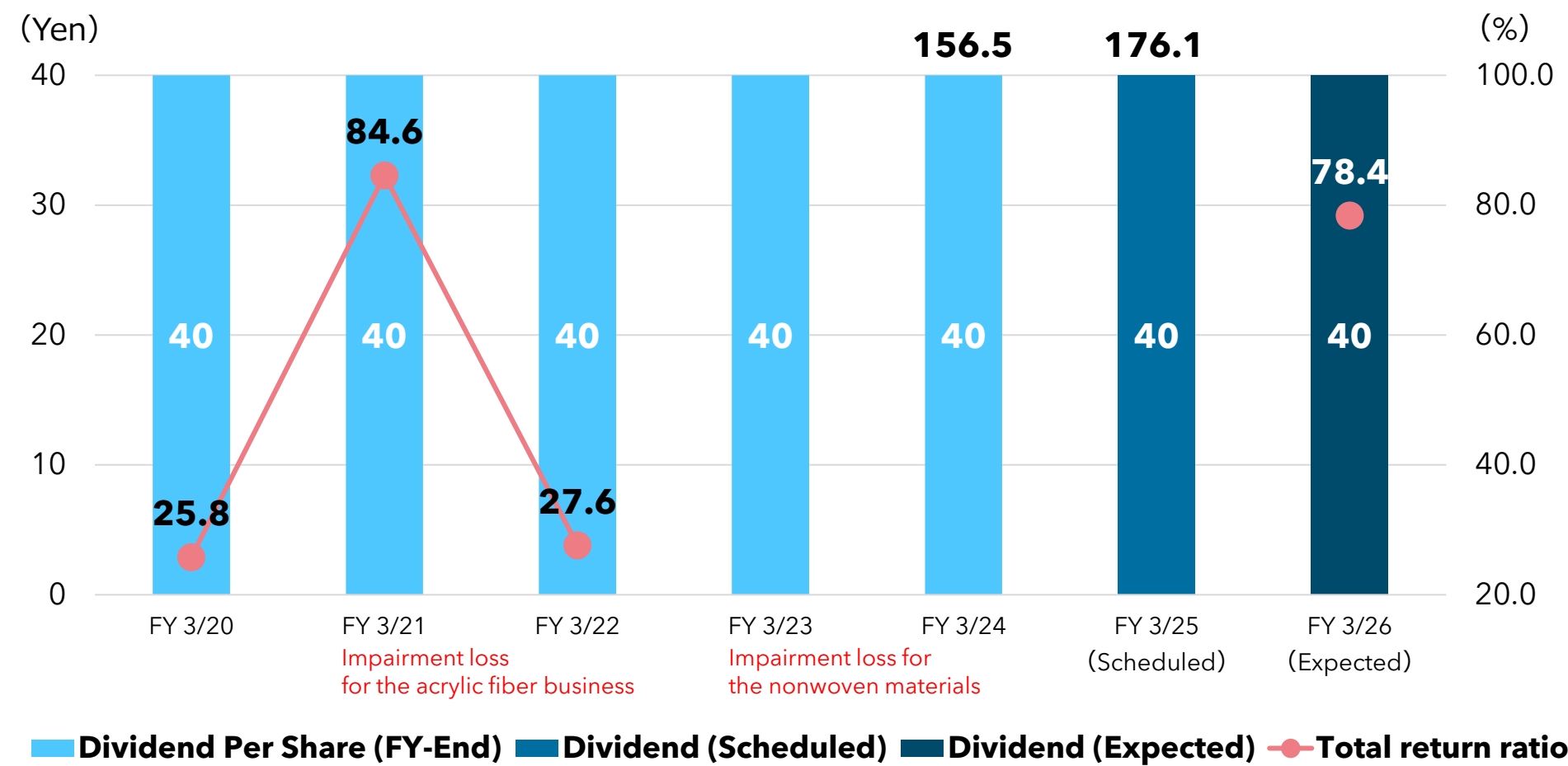
## Corporate governance structure after transition



# Policy on Shareholders Returns



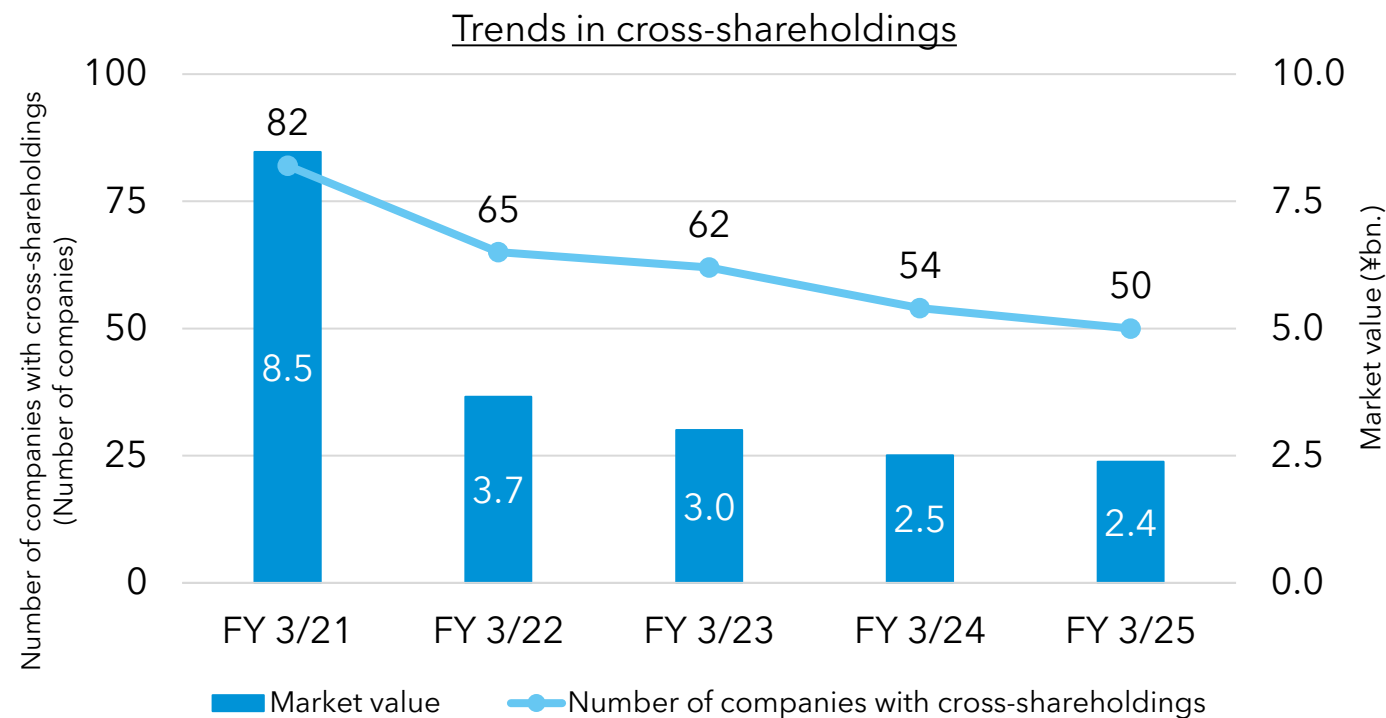
- Aim for a total return ratio of 30%
- Dividend FY 3/25 : ¥40 / Share (Scheduled)



# Policy on Cross-shareholdings



1. Toyobo periodically reviews cross-shareholdings from various perspectives, such as their impact on improving medium- to long-term corporate value and economic rationality
  2. We enter into cross-shareholdings with key business partners when we judge that maintaining and strengthening stable relationships with them will contribute to sustainable growth and enhancement of medium- to long-term corporate value
- \* The Board of Directors reviews cross-shareholdings annually, considering future business strategies, operational relationships, and other factors, and determines whether to continue holding these shares**



	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Percentage of consolidated net assets	4	2	1	1	1

Note: Total of listed and unlisted shares on a non-consolidated basis

We will be a group that continues to create the solutions needed by people and the Earth with materials and science

- 1. Contributing to solving social issues through business operations
- 2. Sustainable growth (solid foundation and track for future growth)
- 3. People First (safe working environment where employees can work with peace of mind, pride and rewarding work, self-growth)

Sustainability indices

Serious incidents	ZERO
Employee engagement score	Over 70%
GHG emissions cut (over FY 3/14) Carbon neutrality in FY 3/51	Over 46%
Ratio of green materials in main business operation*	60%

\*Assumed to be film business

Financial indices

Consolidated sales	600 billion yen
Operating profit margin	Over 8.3%
ROE	Over 9%
ROIC	Over 7%



## Employee engagement

- **Launched a survey on organizational climate and job satisfaction , targeting all officers and employees in 2021**

	Result (FY 3/23)	Result (FY 3/25)	Targets (FY 3/31)
Employee engagement score	55 %	<b>52 %</b>	Over 70 %

## Promotion of DE&I

- **TOYOBO Group Diversity Promotion Policy established** (February 2024)

- **Promoting women’s empowerment**

- Women leader development seminars (cumulative number of participants: 230)
- Maintain women's share of new graduate recruitment at a level of at least 40%

- **Active participation of diverse human resources**

- Introduced a system that allows the use of preferred names based on gender identity (June 2024)
- Introduced a Same-sex partnership system (December 2024)
- Received the highest rank of "Gold" in the "PRIDE Index 2024" (November 2024)
- Community events for foreign employees (May 2024)

	Results (FY 3/24)	Targets (FY 3/26)
Ratio of women managerial staff	<b>5.5 %</b>	Over 5.0 %
Ratio of women in career track positions	<b>18.9 %</b>	Over 22 %
Ratio of men employees taking childcare leave Average number of days	<b>97.7 %</b> <b>19.3 days</b>	Over 80 % 14 or more days (20% increase from FY3/21)
Difference in pay between male and female workers	<b>64.4 %</b>	-
Employment ratio of persons with disabilities	<b>2.29 %</b>	2.5 %

## Safety, Disaster Prevention

### Promote activities according to the roadmap

#### Our safety declaration

**"We will thoroughly implement 'putting safety first,' and we will emphasize labor safety, environmental safety, product safety, and equipment safety." Our slogan "Protect yourself, protect your colleagues, and speak up when noticing something"**

#### ■ Main Initiatives

- Safety, disaster prevention inspections activities  
Total investment of the Toyobo Group Approx. ¥18.0 bn. (FY 3/21 - FY 3/26)  
Capital investment measures have been completed, and soft measures are being enhanced
- Safety and disaster prevention training centers:  
Tsuruga Research and Production Center (2020), Iwakuni Production Center (2021), Inuyama Plant (2023)

Safety and disaster prevention training centers



Tsuruga Research and Production Center



Iwakuni Production Center



Inuyama Plant

## Quality

### Promote activities according to the roadmap

#### ■ Strengthening the quality risk management system

- "Three lines of defense" (business divisions / Quality Assurance Division / Internal Audit Department)  
: establishment of the multi-layered structure

#### ■ Major initiatives

- Product safety and quality assurance training  
Quality assurance seminar, development of core human resources (Qace seminar\*), case studies involving quality irregularities etc.
- Response to the quality-related misconduct incidents  
Engineering plastics : Regaining of ISO9001 certification (May 2024)  
Contract manufacturing of pharmaceuticals: the Warning Letter was lifted by the FDA (July 2023)

\*Qace : Qa\_assurance, Qc\_control, Qe\_ensurance

# Sustainability: Supply Chain Management

**Respect basic human rights of all stakeholders, including officers and employees, in accordance with TOYOBO Group Human Rights Policy**

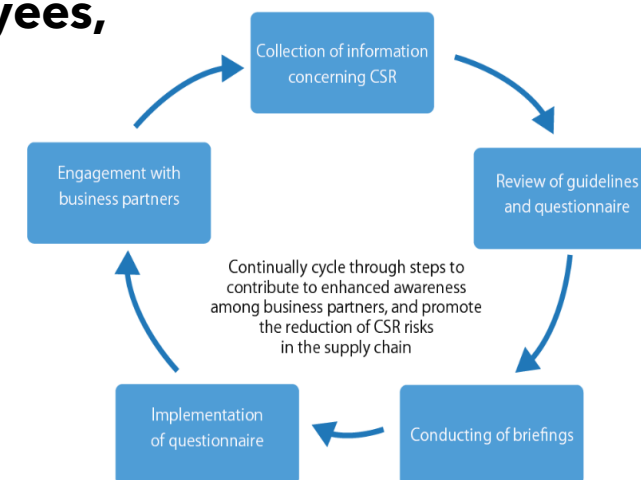
## CSR procurement survey

- For risk assessment, we conduct questionnaire surveys every other year aimed at major business partners worldwide, based on our CSR Procurement Guidelines
- When requesting a survey, a video of the "Toyobo group CSR procurement seminar" will be attached and participants will be asked to comply with the guidelines

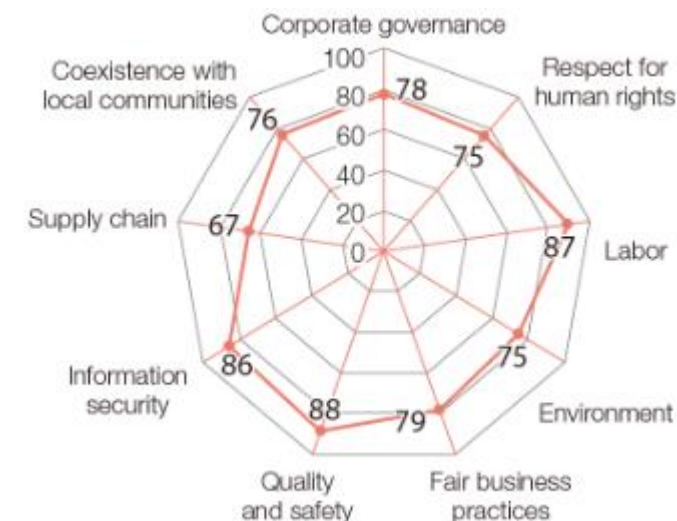
## Results obtained in CSR procurement surveys in FY 3/24

- Aggregation scope and no. of suppliers covered:  
476 suppliers representing 90% of overall transaction volume. Response rate 94%
- The average score of the survey was 79%

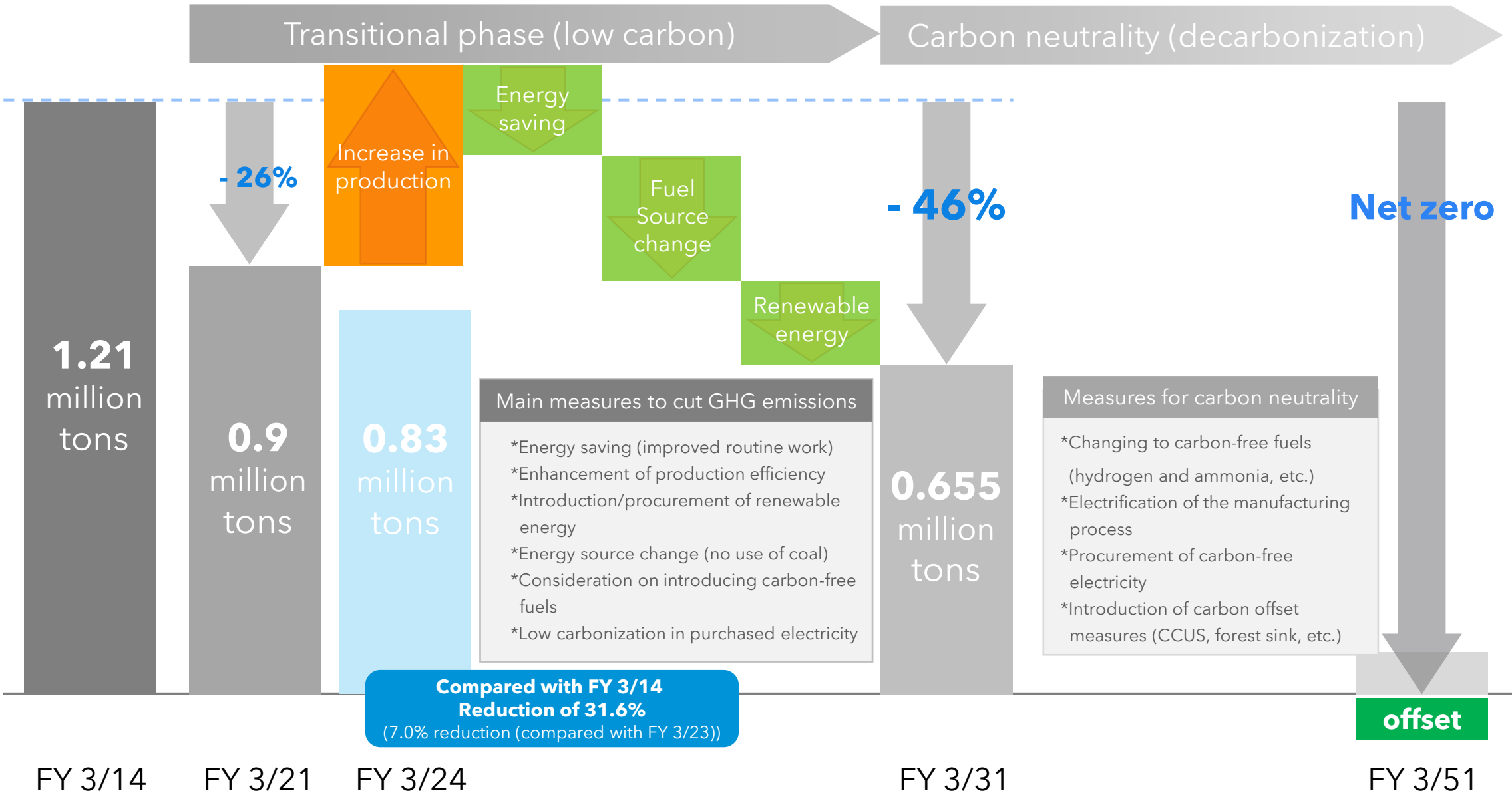
Rank	Points band	No.	Share	Content and response
A	90 points or higher	195	44%	CSR measures implemented are excellent → Feedback on survey results
B	61-89 points	176	39%	CSR measures implemented are adequate → Feedback on survey results
C	Total 60 or under with no significant risk items	66	15%	Progress is being made in CSR initiatives and significant risks are low → Feedback on survey results
D	Total 60 or under with low scores for significant risk items	11	2%	For items with risks, particularly regarding human rights, we will request initiatives for improvement individually
—	<b>Total</b>	<b>448</b>	—	—



## Evaluation scores of CSR procurement survey



# GHG Emissions Reduction: Roadmap for Carbon Neutrality (Scope 1,2)

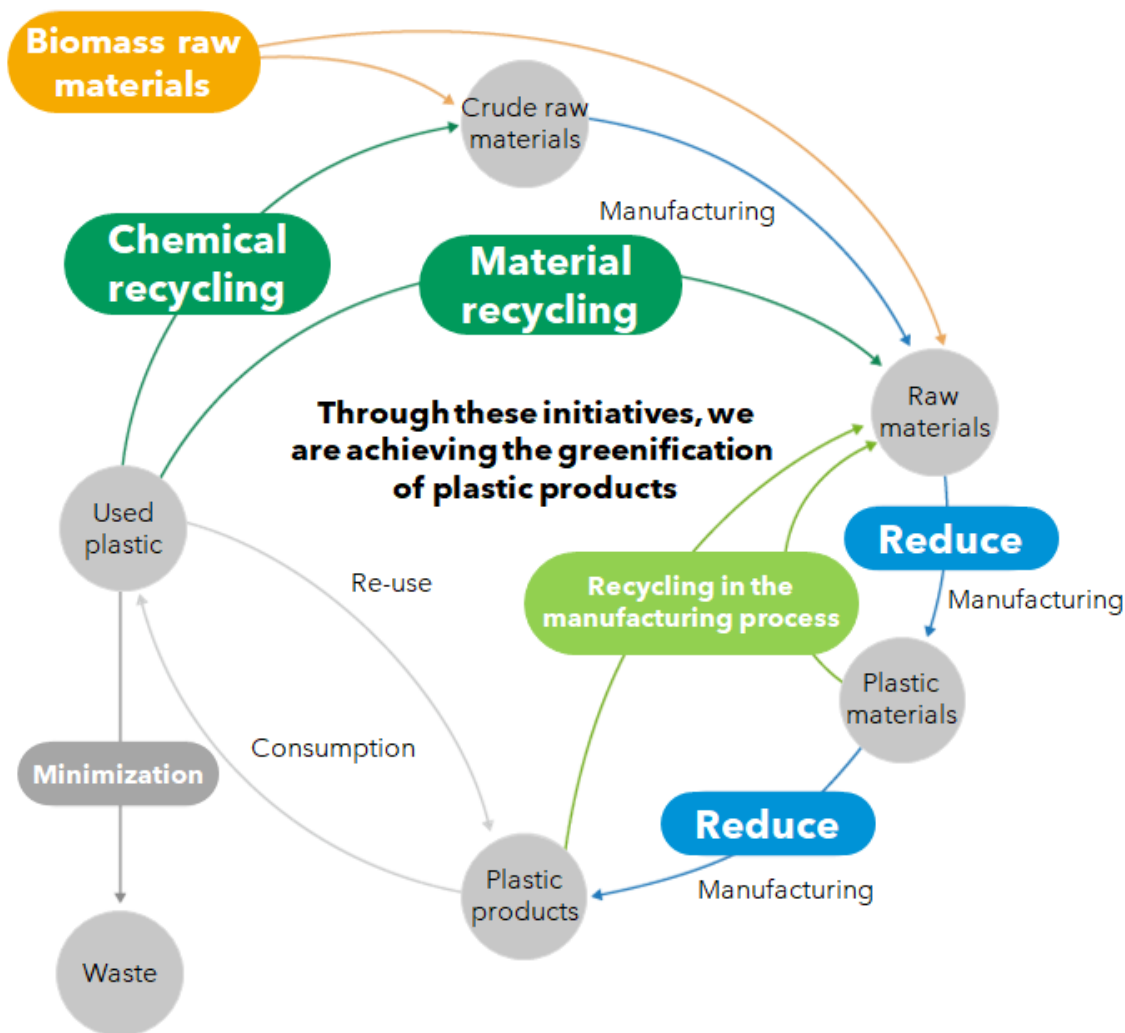


## Sustainability: Films Products related to Resource Circulation

## To Be the World's Leading Green Film Maker

Target: Greening rate of 60% in FY 3/31 and 100% in FY 3/51 (Biomass, Recycling, Volume reduction)

Results: Evaluation of calculation methods of Greening rate. Greening rate in FY 3/24: **13%**



<b>Biomass raw materials</b>	<b>Plant-derived raw materials</b> <ul style="list-style-type: none"> <li>● "BIOPRANA"</li> </ul> <b>100% biomass resin</b> <ul style="list-style-type: none"> <li>● PEF (Polyethylene furanoate)</li> </ul>
<b>Chemical recycling</b>	<b>Chemical recycling to crude raw materials</b> <ul style="list-style-type: none"> <li>● R Plus Japan, Ltd.</li> </ul>
<b>Material recycling</b>	<b>Use of recycled resin</b> <ul style="list-style-type: none"> <li>● "CYCLE CLEAN" "SPACECLEAN" "Crisper" "KAMISHINE" "RESHINE"</li> </ul> <b>Enabling recycling through use of mono-material</b> <ul style="list-style-type: none"> <li>● "PYLEN EXTOP" "ECOSYAR"</li> </ul> <b>Resistant to thermal degradation even after repeated recycling</b> <ul style="list-style-type: none"> <li>● "TOYOBO GS Catalyst"</li> </ul>
<b>Recycling in the manufacturing process</b>	<ul style="list-style-type: none"> <li>● "KAMISHINE NEO"</li> <li>● Recycling of mold releasing film for MLCC</li> </ul>
<b>Reduce</b>	<b>Volume reduction, thickness reduction</b> <ul style="list-style-type: none"> <li>● "SPACECLEAN" "PYLEN EXTOP"</li> </ul> <b>Food loss reduction</b> <ul style="list-style-type: none"> <li>● "ECOSYAR"</li> </ul>

# (References) Outline of Growth Investment

	Market	Our strengths and Market share	Purpose of investment
Ultra-highly rigid polypropylene film	Demand increase in mono-material and volume reduction	Rigidity approx. 1.7 times that of general biaxially oriented polypropylene film.	Sales expansion of Ultra-highly rigid polypropylene film. To meet the need for mono-material and volume reduction.
Mold releasing film for MLCC	MLCC: CAGR approx. 7% / year	An integrated process spanning from base film manufacturing to release processing. Film forming technology that realizes superior smoothness. Market share: Approx. 25% (Global), a world-leading share	Production capacity expansion by approx. 2x. Sales expansion in line with market growth.
Polarizer protective films for LCDs	LCDs: CAGR approx. 3% / year	Superior handling ability (superior dimensional stability, low degree of warping) due to low moisture absorbency. Market share: Approx. 60% (Global)	Production capacity expansion by approx. 30%. To meet the need for larger displays.
Raw enzymes for biochemical diagnosis	Enzymes: CAGR 5 - 7% / year	Market share: Approx. 25%, 2nd in the world Overseas sales ratio: Approx. 70%	Production capacity expansion by approx. 1.5x. Capacity and expansion of overseas development.
Reagents for PCR testing and raw materials for genetic diagnostic reagents	IVD* for infectious diseases: CAGR approx. 6% / year	Possess enzymes, reagents, diagnostic reagents and diagnostic devices for genetic testing. Market share (PCR enzymes): Domestic approx. 15%	Production capacity expansion by approx. 3x. Expansion of solutions business for infectious diseases.
Artificial kidney hollow fiber	The number of dialysis patients: CAGR approx. 7% / year	Excellent biocompatibility due to CTA** membranes (PVP free). Market share: Approx. 6% (Global) (Domestic approx. 20%, China 13%)	To strengthen the global sales expansion jointly with Nipro Corporation.

\*IVD: In-Vitro Diagnostics \*\*CTA: Cellulose triacetate

※Market share and CAGR, estimated by the Company.

The business performance forecasts and targets included in the business plans contained in this presentation are based on information known to the Company's management as of the day of presentation. Please be aware that the content of the future forecasts may differ significantly from actual results, due to a number of unforeseeable factors.

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