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To whom it may concern,

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**Regarding the stipulation of the Sustainable Vision 2030 and
 2025 Medium-Term Management Plan (FY 3/23 to FY 3/26)**

Toyobo Co., Ltd., observed the 140th anniversary of its founding in May 2022. On this occasion, the company stipulated a long-term vision, Sustainable Vision 2030 and 2025 Medium-Term Management Plan (FY 3/23 to FY 3/26).

1. Long-term vision, Sustainable Vision 2030

The Sustainable Vision 2030 predicts change in the future business environment and shows the ideal state of the Toyobo Group in 2030, as well as sustainability indices and action plans, based on its corporate philosophy of “Jun-Ri-Soku-Yu (Adhering to reason leads to prosperity).” Under this long-term vision, the company is committed to becoming a sustainable company that contributes to (society’s) sustainability, while changing its corporate culture to one oriented toward sustainable growth.

(1) Entire picture of the Sustainable Vision 2030

The company has arranged its strategy of attaining sustainability-based management (sustainable management), under the keywords of “Innovation” and the three Ps: “People,” “Planet” and “Prosperity.” For a Group that continues to create the solutions needed by people and the earth with materials and science, “Innovation” means marketing thinking that regards people and the planet as its ultimate customers; science-based innovation achieved thanks to its own ingenuity and ideas centering around materials and science; and value co-creation, mainly achieved through open innovation with diverse partners. Regarding social issues that can be solved through the Group’s commitment, “People” indicates its commitment to solving social issues in a humancentric way and “Planet” means its commitment to solving social issues while taking into consideration of the entire the planet. “Prosperity” means realizing a prosperous society by solving social issues and at the same time enhancing its corporate value, based on the company’s corporate philosophy.

Jun-Ri-Soku-Yu, or adhering to reason leads to prosperity

Ideals we seek to realize	Innovation We will be a group that continues to create the solutions needed by people and the Earth with materials and science				
Social change and trends in 2030	Standardization in dealing with safety, human rights and social justice issues	Increased and diversified needs concerning access to medical care/health promotion	Demographic change, humancentric innovation, accelerated urbanization	Decarbonization, resources circulation, limited natural resources	
Social issues to be solved through commitment	People			Planet	
	Employees' well-being and human rights in the supply chain	Healthy lifestyle and health care	Smart community and comfortable space	Decarbonized society and circular society	Good condition of water area, atmosphere and soil, and biodiversity
Challenges toward the future	People First: Employees' safety, pride and rewarding work	Contributing to the field of infectious diseases	Contributing to realizing humancentric, digital society	Helping achieve carbon neutrality	Bettering the environment through solutions
	Respecting human rights in the entire supply chain	Contributing to improving QOL	Creating comfortable space	Establishing an ecosystem for circulating resources	Food loss reduction and sustainable food
The state it wants to be in by 2030	Prosperity “Spiraling up” to a prosperous society where people can live with peace of mind and enhancement of corporate value				

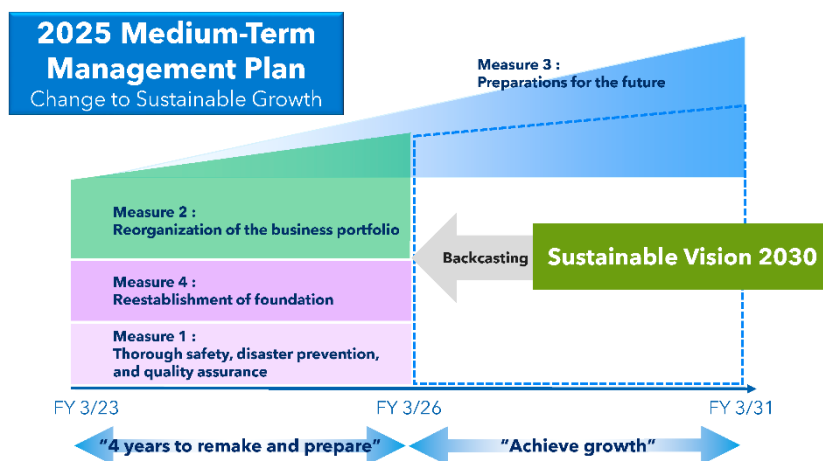
(2) The ideal state the company seeks to realize by 2030

- “Spiraling up” to 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 working environment where employees can work with peace of mind, pride and rewarding work, self-growth)
- Main sustainability indices
 - Serious incidents: zero
 - Employee engagement score: over 70%
 - GHG emissions cut over FY 3/14: over 46% (attaining carbon neutrality in FY 3/51)
 - Ratio of green materials used in main business operations: 60% (assumed to be film business)

2. 2025 Medium-Term Business Plan “Change to Sustainable Growth”

(1) Basic policy and overall strategy

The 2025 Medium-Term Management Plan (FY 3/23 to FY 3/26) regards the period covered by the plan as a pass point in its efforts to attain the goals stipulated in the Sustainable Vision 2030 and four years of remaking and preparation with the aim of building a foundation for sustainable growth based on a basic policy comprising four measures.



(2) Four measures

- Measure 1: Thorough safety, disaster prevention, and quality assurance

The entire Group will make all-out efforts to implement this measure by prioritizing the restoration of trust. It will also strengthen its risk management structure. As for the prevention of industrial accidents, the company will steadily implement its master plan for creating an organizational culture that always puts priority on safety, thus attaining zero industrial accidents. The company will focus on reforming its organizational culture to build a quality-first one by rebuilding a quality assurance management structure, while strengthening compliance education so that employees are thoroughly aware of the importance of compliance. Furthermore, Toyobo has established a Risk Management Committee to grasp risks the company faces; detect early and prevent incidents; and take adequate steps to address any incidents.

- Measure 2: Reorganization of the Business Portfolio

Toyobo will map each operation in the company’s business landscape on the basis of profitability and growth potential, and categorize it as “businesses focusing expansion,” “stable earning businesses,” “businesses requiring improvement” or “new businesses to be developed.” It then will manage each business operation based on its positioning. The company will continue to actively make investments in film, life science and other operations positioned as “businesses focusing expansion” because they have a competitive edge and their markets are expected to grow. In addition, Toyobo is committed to creating business opportunities in new growth domains by establishing a joint venture with Mitsubishi Corporation. The aim is to make the field of environment and functional materials as the driver for “third growth.”

■ Measure 3: Preparations for the future

The company aims to set new business objectives related to digital society, health care and the environment, among others, centering on the company-wide Mirai Value Proposition Project, and commercialize these endeavors in FY 3/31 and beyond. Also, it will stipulate and implement a digital transformation strategy to accelerate and promote business innovation. Furthermore, it will take concrete measures to help attain carbon neutrality. Toyobo has formulated a roadmap to attain the goals of reducing GHG emissions in Scope 1 and 2 by more than 46% in FY 3/31, compared with FY 3/14, and net zero in Scope 1 and 2 of GHG emissions in FY 3/51, and will make group-wide efforts to attain them. In addition, as a company dealing with plastic products, Toyobo will tie up with other companies to address the environmental impact of plastic products. The planned joint steps include the development of film products made of biomass materials or recycled materials; reduction in the volume of packaging materials; and establishment of a system to collect used plastics.

■ Measure 4: Reestablishment of Foundation

Toyobo will enhance workplace capabilities in manufacturing; develop and foster human resources; and make its workplaces amicable. It will strengthen the foundations necessary for sustainable growth by promoting workplace diversity, including women's empowerment; changing its organizational culture; strengthening its internal inspection function; and ensuring solid governance and compliance practices.

(3) Growth strategy for main business operations

■ Film business

- With the aim of becoming world's leading green film maker, the company will accelerate a shift to the production of environmentally friendly products and try to attain a 60% green ratio* of products by the end of FY 3/31 and 100% by the end of FY 3/51. *The use of biomass and recycled materials, and volume reduction.
- In packaging film and related fields, Toyobo will address the needs for reducing environmental impacts by producing films using biomass or recycled resin in addition to those designed to promote mono-material packaging for easy recycling. It will also make films thinner for volume reduction.
- It will focus on marketing transparent vapor-deposited films that have excellent barrier performance to reduce food loss.
- In the industrial film and related fields, Toyobo will further expand the marketing of mold releasing films for ceramic capacitors. The need for mold releasing films, which are an indispensable component for producing multilayer ceramic capacitors, is expected to grow from now on. The demand for the capacitors is increasing due to the proliferation of teleworking, electric vehicles and high-speed communication standard (5G and beyond). Toyobo will offer a broad lineup of film products, from general-purpose ones to high-end ones, which excel in superior smoothness, and which are made by superb coating technologies.

■ Life science business

- In biotechnology and related domains, the company will take advantage of its technologies to make high-performance proteins and expand diagnostics business involving selling enzymes as a raw material, reagents, diagnostics, and diagnostic devices for genetic testing such as PCR testing. Toyobo's aim is to be a leading global company of the solution business for infection diagnosis.
- In medical and other related domains, the company will make the most of its membrane separation technology using hollow fibers in producing dialysis membranes for artificial kidneys and virus removing filters, and expand their global sales with the aim of improving the patients' QOL with its membrane technologies.

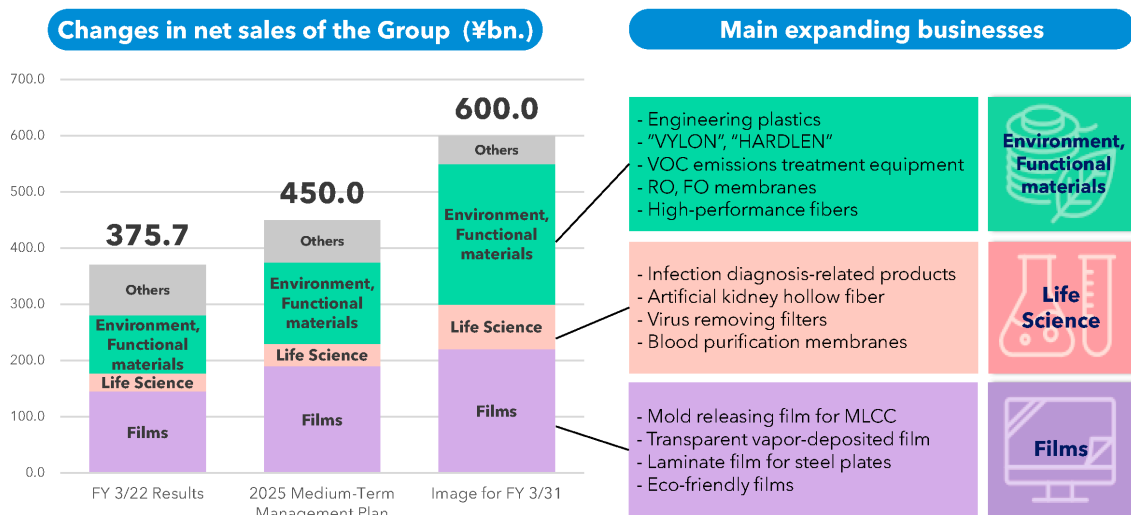
■ Environmental/functional materials business

- As indicated in the information it disclosed on March 24, 2022, Toyobo plans to establish a joint venture with Mitsubishi Corporation (MC, hereafter) in the environmental/functional materials-related business. By combining its technological capabilities and MC's comprehensive power, including its broad industrial knowledge and networks, Toyobo will aim to boost its presence in the global market and providing solutions to match diverse and complex industrial needs.

*Information dated March 24, 2022, released by Toyobo, titled "Regarding agreement reached with Mitsubishi Corporation on Toyobo's company

split (simple absorption-type company split) involving the spin-off of the functional materials business and establishment of a joint venture”

https://www.toyobo-global.com/system/files/202203/node_470/press_20220324_2_e.pdf



(4) Management goals

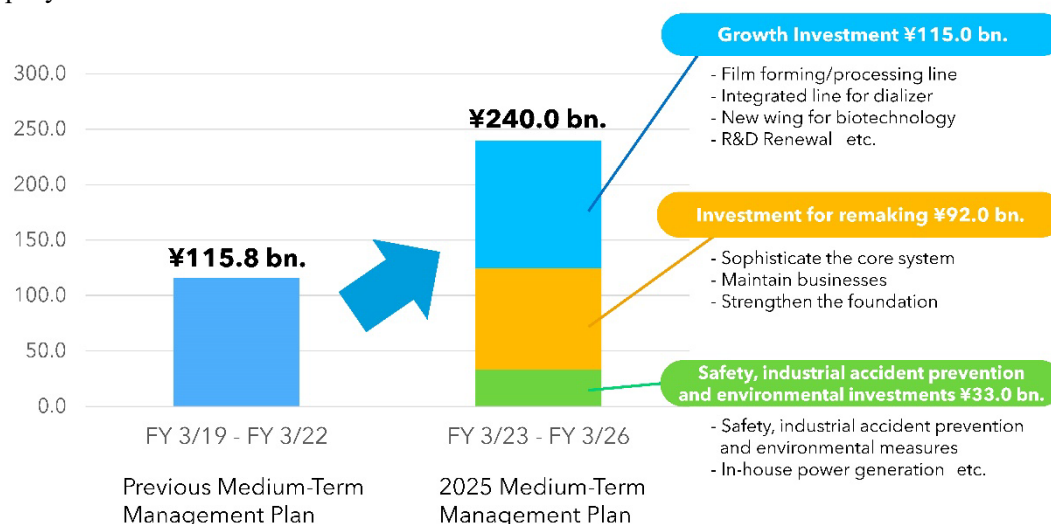
1) Financial goals (consolidated)

	Results for FY 3/22	Forecasts for FY 3/23	Targets for FY 3/26	Image for FY 3/31
Net sales (¥bn.)	375.7	410.0	450.0	600.0
Operating profit (¥bn.)	28.4	24.0	35.0	50.0
Ratio to sales (%)	7.6	5.9	7.8	8.3
EBITDA (¥bn.)	48.5	45.0	63.0	90.0
Profit attributable to owners of parent (¥bn.)	12.9	13.0	15.0	23.0
ROE (%)	6.8	6.6	≥7.0	≥9.0
ROIC (%) *	5.1	4.1	≥5.0	≥7.0
D/E ratio (%)	0.98	1.05	<1.20	<1.00
Net Debt/EBITDA ratio (%)	3.4	4.0	<5.0	<4.0

* NOPAT ÷ (interest-bearing debt + net asset)

2) Capital investment

The company plans capital investment totaling 240 billion yen in the next four years, a drastic increase over actual figures made during the period covered by the previous medium-term management plan. It will make safety and industrial accident prevention measures as well as environmental measures among its top priorities and actively make investments for growth. To build a foundation for realizing sustainable growth, Toyobo will sophisticate the core system and strengthen its business foundation as part of its investment in remaking the company.



3) Policy on returns to shareholders

Toyobo regards returning profits to shareholders as one of its most important missions. With this recognition, it will basically continue to provide dividends by considering the need to keep a sustainable profit standard, the level of retained earnings for future investment and the need to improve the financial situation. During the period of this medium-term management plan, it currently has a total payout ratio target of 30% when it makes returns to shareholders, including share buy-back.

References:

For details, please refer to information posted on Toyobo's website

- Sustainable Vision 2030: <https://www.toyobo-global.com/sustainability/>
- 2025 Medium-Term Management Plan: <https://ir.toyobo.co.jp/en/ir/library/plan.html>