

TOYOBO TOYOBO MC Corporation

Management Plan

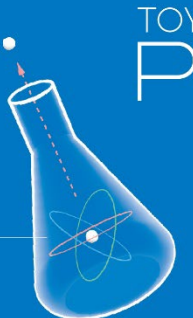
Press Conference
April 6, 2023

President & Representative Director, CEO Chikao Morishige

Executive Vice-president & Representative Director, COO Juro Baba



TOYOBO MC will solve global issues with high-performance materials to realize “TOYOBO PVVs”



Principle

Vision

Values

TOYOBO
PVVs

Principle
“Jun-Ri-Soku-Yu”

Adhering to reason leads to prosperity

“Jun-Ri”

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

“Soku-Yu”

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

Vision

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

Values

Welcome change. Enjoy change. Create change.

TOYOBO Spirit 9 Commitments

Challenge	Reliability	Collaboration
Think Ahead	Safety First	Mutual Communication
Create	Customer Satisfaction	Diversity
Accomplish	Factual Basis	Providing Opportunities

Vision

Solve global issues with high-performance materials

- By globally developing high-value-added functional materials, we will contribute to solving the world's problems.

Mission

① Never stop transforming ourselves

- We recognize that standing still in a dramatically changing business environment is a risk. We will continue evolving.

② Answering future needs with our unique material technology and network

- We will answer needs from future mega trends by combining TOYOBO's unique technology with Mitsubishi Corporation's broad and global network.

③ Create solutions to societal challenges through collaboration

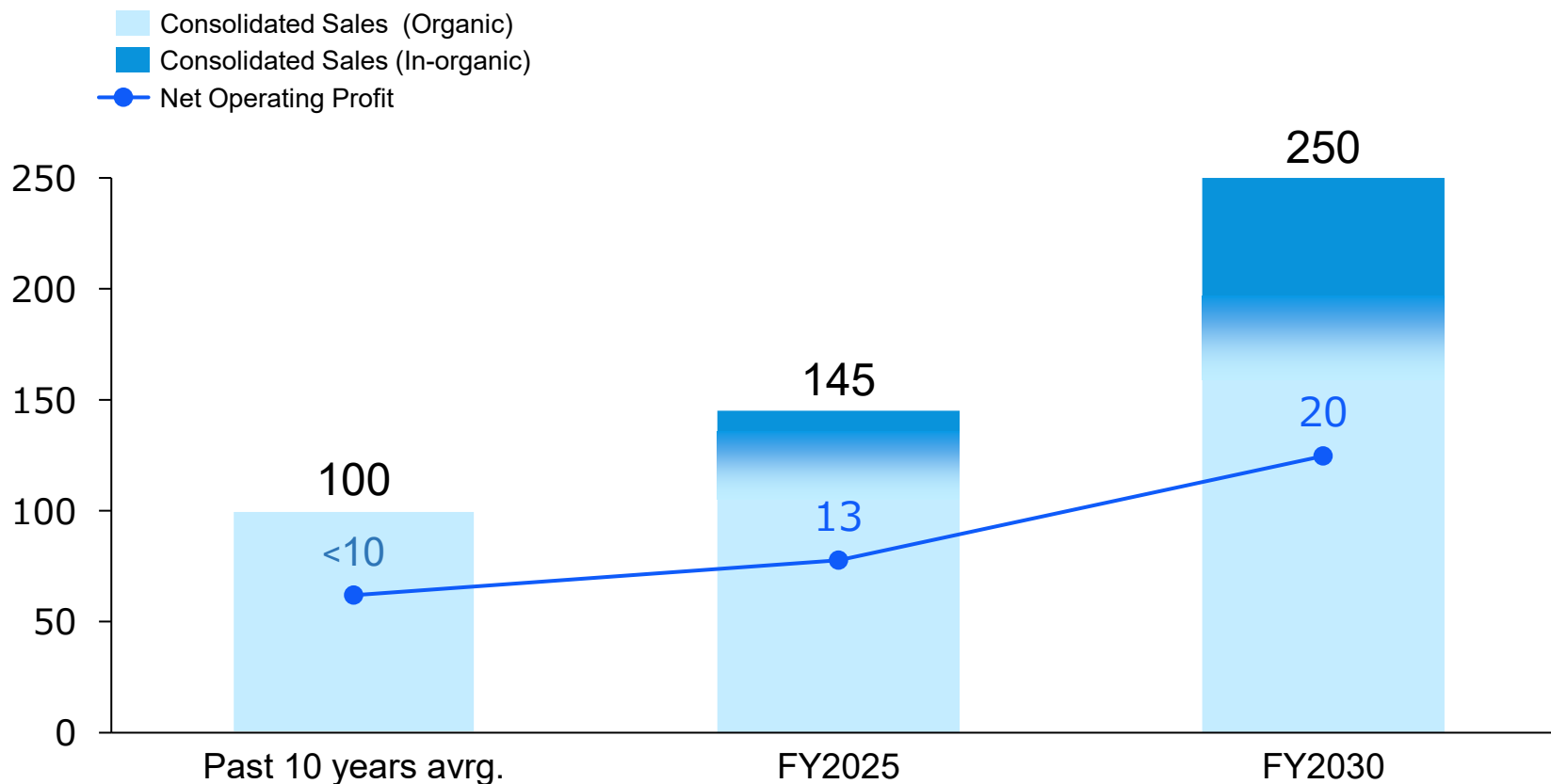
- We will generate value by providing solutions to societal challenges through collaboration with internal and external partners.

2030 Growth target

Achieve consolidated sales of 250 billion JPY by FY2030 through portfolio management and growth strategy in both organic and in-organic

Quantitative Target

Unit: Billion JPY



Strategy

Inorganic

- Fortifying market position
- Acquisition of overseas customer base
- Acquisition of technology
- Other strategic alliances

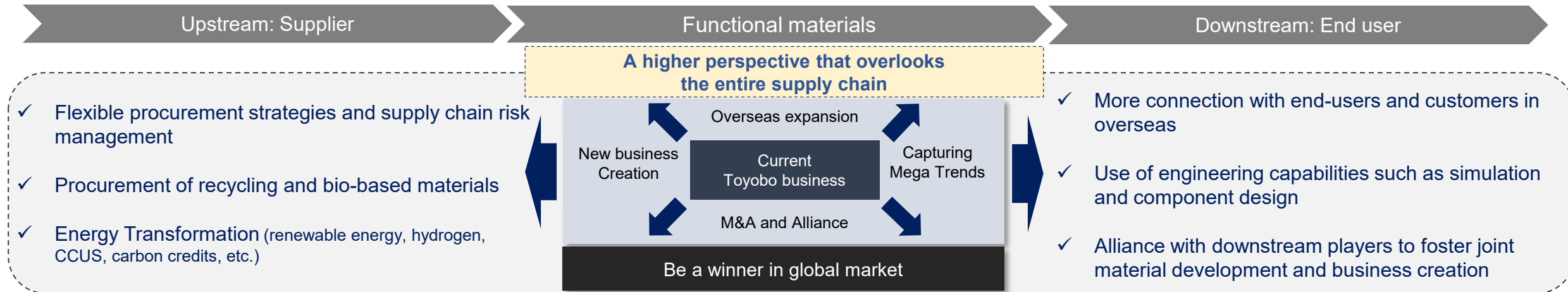
Organic

- Sales expansion in overseas market
- Acceleration of R&D for growing business
- Implementation of profit improvement measures

Performing proper measures allined with portfolio strategy

Competitiveness of the new company

The New Co. aims sustainable growth, leveraging the capabilities of two companies



	Toyobo's technology		Mitsubishi Corporation's management resource
Human resources	<ul style="list-style-type: none"> • Professionals of functional materials <ul style="list-style-type: none"> – HR with technical, product and industry knowledge 	⊗	<ul style="list-style-type: none"> • Experienced management and marketing staffs <ul style="list-style-type: none"> – HR experienced in managing a wide range of industries
Business	<ul style="list-style-type: none"> • Edgy products with high market share <ul style="list-style-type: none"> – Possessing multiple niche top products 		<ul style="list-style-type: none"> • Overseas marketing and procurement network <ul style="list-style-type: none"> – Utilize global sales arms and distributor network • Promotion of inorganic strategy <ul style="list-style-type: none"> – Promote alliances and M&A
Foundation	<ul style="list-style-type: none"> • Customer base in Japanese market <ul style="list-style-type: none"> – Having a stable marketing base for production / sales / development • R&D capabilities <ul style="list-style-type: none"> – Possessing skills in customization and recipes development 		<ul style="list-style-type: none"> • Management know-how <ul style="list-style-type: none"> – Portfolio management and administration know-how • Energy Transformation (EX) / Digitization (DX) <ul style="list-style-type: none"> – Taking advantage of MC's comprehensive capabilities to promote environmental and digital initiatives

Take strategic action in accordance with the portfolio strategy, which is based on business life cycle

Flag Target market Strategic Direction

Growth (Early ~ Growth stage)

Active investment / Top-line expansion

Revenue and EBITDA ↑

Environmental Solutions

- VOC deodorization system
- Water treatment membrane
- New membrane

Develop next-generation technology to solve environmental issues

Mobility and electronic materials

- High-Performance Engineering plastics
- Adhesives
- Eco-friendly paints
- Sealants

Promote global presence in mobility and electronics industry

Cash-cow (Growth ~ Matured stage)

Fortifying cash cow position

Profit Margins and ROIC ↑

chemical products

- Eco-friendly printing resin
- Medicinal and pesticide intermediates

Explore opportunities in overseas market

High-performance fiber

- Ultra-High-Strength fiber
- Three-dimensional fiber structure (Cushion material)

Develop new applications

Transformation (Matured stage)

Improve profitability and business model transformation

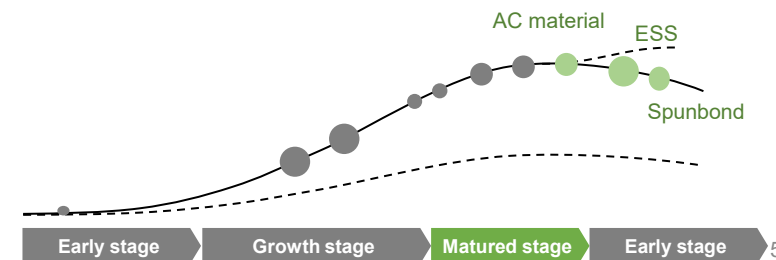
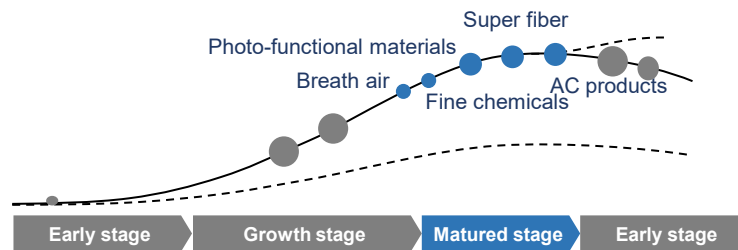
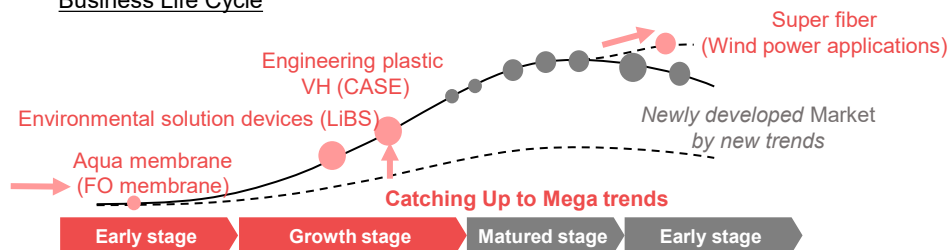
Profit Margins and ROIC ↑

Non-woven fabric related

- Non-woven fabric related products
- Activated carbon fiber
- Processed goods

Reinforce competitiveness
Consider potential alliance

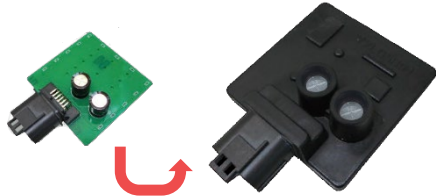
Business Life Cycle



Examples: Initiatives for sustainable growth

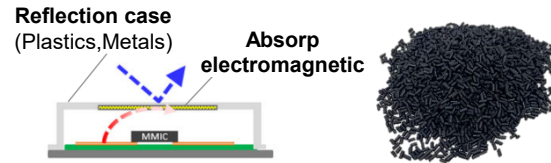
Mobility and Electronics

Low pressure sealing material "Vyloshot"



- ✓ Achieve lightweight, high heat resistance, high water resistance, and high strength sealing required for **electronics boards and sensors**

Electromagnetic wave absorbing resin



- ✓ The resin enables noise reduction required for **advanced sensing and high-speed communication**

*Jointly developed with Daido Steel Co., Ltd

Environmental Solutions

VOC deodorization system



- ✓ Achieve world-class recovery rates to collect methylene chloride, etc., used in **LiB Separator Manufacturing**

BC membrane



- ✓ Achieve high efficiency and low energy consumption to condense **lithium and salt** (70% less energy consumption than existing technology)

Toyo's advanced technology (example)

Synergies

TOYOBO
Beyond Horizons

- ✓ Own **technologies and products that support innovation**, including CASE trend
- ✓ Customer base in domestic and Asian markets

Mitsubishi Corporation **BEYOND MATERIALS**

- ✓ Recruited **application engineers** such as ex-OEM R&D to support marketing
- ✓ **Engineering capability** of developing materials to module components
- ✓ Provide **Broad customer access** to Top OEMs in Europe and US market

TOYOBO
Beyond Horizons

- ✓ Own **technologies and products, which are potentially to be global Defacto standard**
- ✓ Customer base in domestic and Asian markets

Mitsubishi Corporation

- ✓ Offer Contact Points with Automobile, LiB and Semiconductor Industries
- ✓ Utilize 111 **overseas bases**, 1,700 **operating companies** to provide **customer access**



Transform business model from simple material sales to providing material solution in the global market



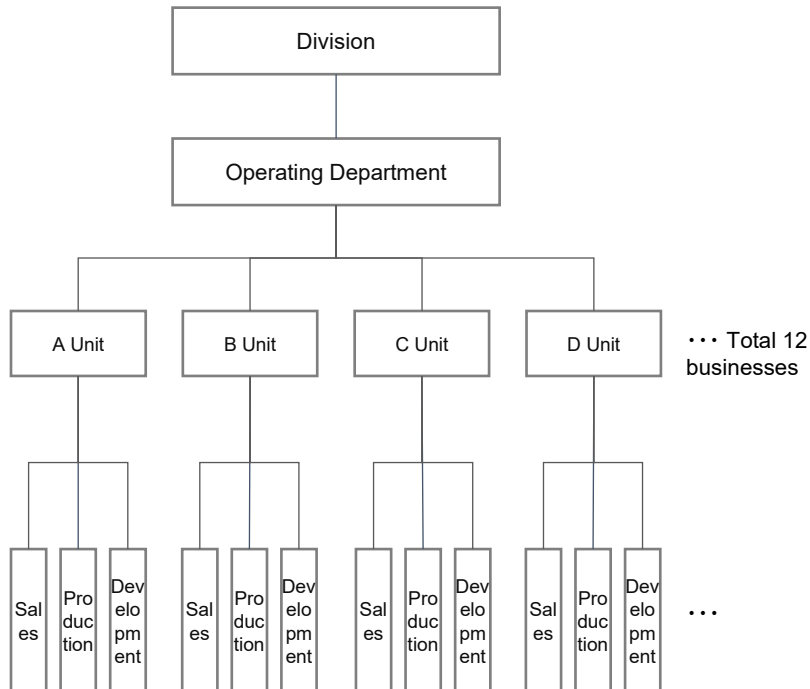
Reinforce global marketing and business creation capability, leveraging with market intelligence and global network

Build a strong organizational and management foundation to implement strategies

Before Business unit system

Challenges

Since each BU has been siloed and segregated in a long history, fluidity of information and resources has been hindered



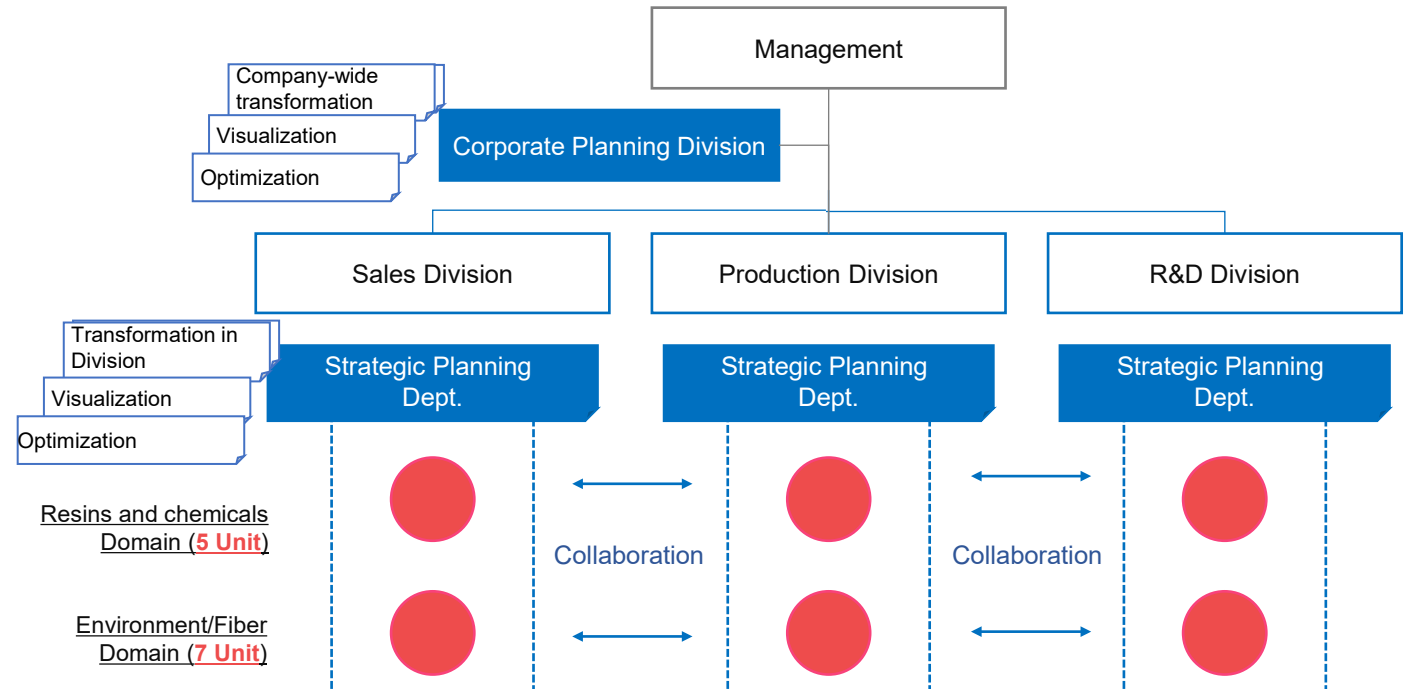
After Functional division System

① Strengthen planning function

Set strategic planning dept. in each division to **shape mid/long term strategy along with portfolio policy**

② Strengthen execution

Regroup small BU into 3 divisions and 2 major domains to promote **dynamic resource shifts and execution of strategy**



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