



Presentation to Investors



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(Analysts' Meeting)

Highlights

- In FY 3/09, we posted a net loss for the first time in six years because of large drop in operating income under the global recession combined with increased expenses for the completion of business restructuring.
- Business restructuring works were implemented as planned, greatly reducing the risk of the balance sheet for the future

**Management Policies: Reinforcing Foundations,
Laying the Cornerstones for Future Growth**

- In FY 3/10, we realize higher operating income and secure net income despite the continuing harsh business environment, from the effects of cost-cutting activities combined with lower materials and fuel costs.

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I . Results for FY 3/09

(1) Results for FY 3/09

- Large drop in operating income from the slumps in LCDs and the automotive field.
- Posted a net loss because of the expenses for completing business restructuring, the strict application of Accounting Standard for Measurement of Inventories, and the reversal of deferred tax assets

¥ bn.

	FY 3/08	FY 3/09			Change (YOY)	
		H1	H2		Amount	%
Net sales	431	202	165	367	-64	-14.9%
Operating income	27	10	2	11	-16	-58.5%
Ratio to sales	6.3%	4.8%	0.9%	3.1%	-	-
Net income	5	-6	-7	-13	-17	-366.2%
Depreciation	19	9	12	21	+2	+10.0%
CAPEX	22	11	9	20	-2	-10.9%

(2) Extraordinary Loss

- Business restructuring works were implemented as planned, greatly reducing the risk of the balance sheet for the future

¥ bn.

	FY 3/08	FY 3/09
Loss on restructuring of business *1	15	17
Write-down of inventories	6	4
Loss on sales and depletion of property, plant and equipment	4	3
Write-down of investment securities	0	2
Losses on lawsuits	2	2
Total	26	27

*1. Business withdrawal and contraction, and asset adjustment and disposal from the dissolution of subsidiaries and affiliates.

(3) Financial Position

- Restricted the increase in borrowings by decreasing inventories and otherwise reducing assets
- Reinforced capital using hybrid finance

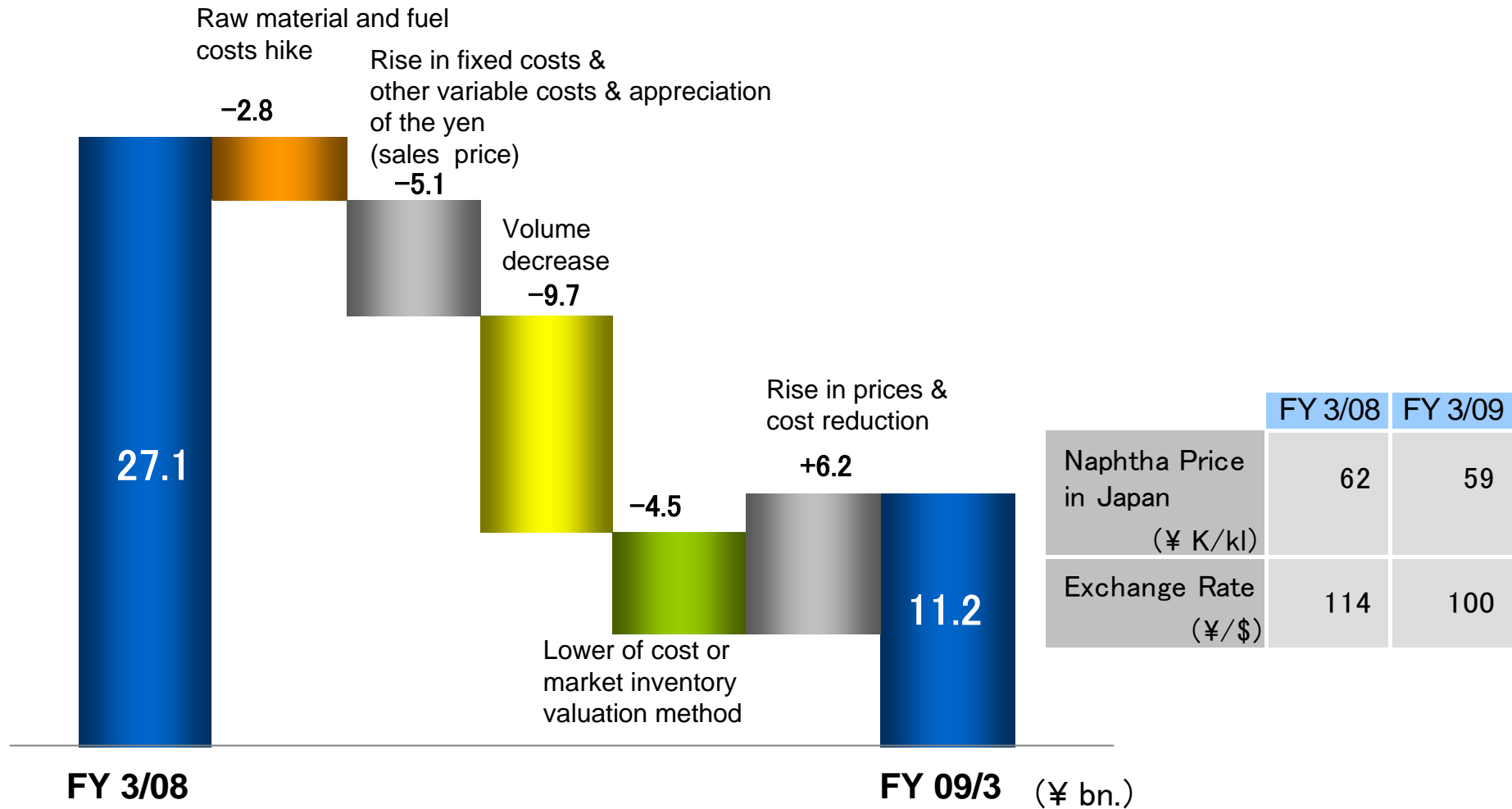
	Mar.31, 2008	Mar.31, 2009	Change	¥ bn.
Total assets	494	444	-51	
of them, Inventories	86	76	-10	
ROA : operating income basis	5.5%	2.5%		(Actual) *2
Shareholders' equity *1	130	98	-31	(1,137)
Ratio to assets	26.2%	22.1%		(25.6%)
Interest - bearing debt	179	179	+0	(1,855)
D/E ratio	1.38	1.82	-	(1.63)

*1. Excluding the capital of minority shareholders

*2. Considering the capital nature of hybrid securities



(4) Analysis of Changes in Operating Income



(5) Results by Segment

¥ bn.

	FY 3/08		FY 3/09		Change(amount)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Films & Functional Polymers	135	14	122	4	-12	-9
Industrial Materials	76	5	75	4	-1	-1
Life Science	34	5	33	3	-1	-2
Specialty	245	24	230	11	-15	-13
Textiles	142	4	112	1	-31	-2
Others	44	3	25	2	-19	-1
Elimination & corporate	-	-4	-	-4	-	+0
Total	431	27	367	11	-64	-16

(6) ① Films & Functional Polymers

- Sharp decline in the volume of films for LCDs and optical use and engineering plastics for automotive components
- Packaging films remained firm

	FY 3/08	FY 3/09		Change (YOY)	¥ bn.
		H1	H2		
Net sales	135	70	53	122	-12
Operating income	14	5	0	4	-9
Ratio to sales	10.2%	6.9%	-0.9%	3.5%	-
Depreciation	7	4	5	8	+1
Total assets	130	-	-	124	-6
ROA	10.6%	-	-	3.5%	-

● Industrial Films

Income fell sharply on production adjustments in the flat panel display manufactures and increased depreciation expenses for new equipment.

● Packaging Films

The demand for food packaging held firm.

● Functional Polymers

Difficult struggle under major production adjustments in the automotive and electronics components industries

② Industrial Materials

- Tough market for automotive products
- “DYNEEMA” and environmental-related products held firm

	FY 3/08	FY 3/09		Change (YOY)	¥ bn.
		H1	H2		
Net sales	76	42	33	75	-1
Operating income	5	3	1	4	-1
Ratio to sales	7.2%	6.9%	3.8%	5.6%	-
Depreciation	4	2	2	4	+0
Total assets	79	-	-	74	-5
ROA	7.0%	-	-	5.6%	-

● Airbag Fabrics

Major production reduction implemented in Q4

● High-Performance Fibers (“DYNEEMA”)

Increase from expansion of production capacity

● Functional Filters & Non-Woven Fabrics

Shipments of spunbond (non-woven filament fabrics) declined for automotive components, but were unchanged for solvent adsorption equipment

③ Life Science

- Medical membranes had a late start in Q1, and bioproducts business income declined from the appreciation of the yen

	FY 3/08	FY 3/09		Change (YOY)	¥ bn.
		H1	H2		
Net sales	34	17	16	33	-1
Operating income	5	2	1	3	-2
Ratio to sales	15.1%	11.3%	6.6%	9.0%	-
Depreciation	3	2	2	4	+0
Total assets	36	-	-	33	-3
ROA	14.3%	-	-	9.0%	-

● Hollow Fiber Membranes for Artificial Kidneys (AKH)

Domestic income became stable as the transition to fourth type products was completed

● Bioproducts

Enzymes for diagnostic reagents posted favorable shipments, but were affected by the appreciation of the yen.

● Water Treatment Membranes

Income rose on shipments for a large-scale seawater desalination project in Saudi Arabia.

④ Textiles

- Income secured from initial restructuring
- Reduction in capital employed from business concentration

	FY 3/08	FY 3/09		Change (YOY)	¥ bn.
		H1	H2		
Net sales	142	60	52	112	-31
Operating income	4	1	0	1	-2
Ratio to sales	2.7%	1.7%	0.8%	1.3%	-
Depreciation	3	1	2	3	-0
Total assets	126	-	-	92	-34
ROA	3.0%	-	-	1.6%	-

● Textile

Income from sales of fabric for Arabic traditional men's wear of the Middle East (thoub) fell by the appreciation of the yen.

Sportswear fabrics and other functional apparel remained firm

● Acrylic fibers "EXLAN"

Reduced production facilities and advanced restructuring

II . Forecasts for FY 3/10

(1) Forecasts for FY 3/10

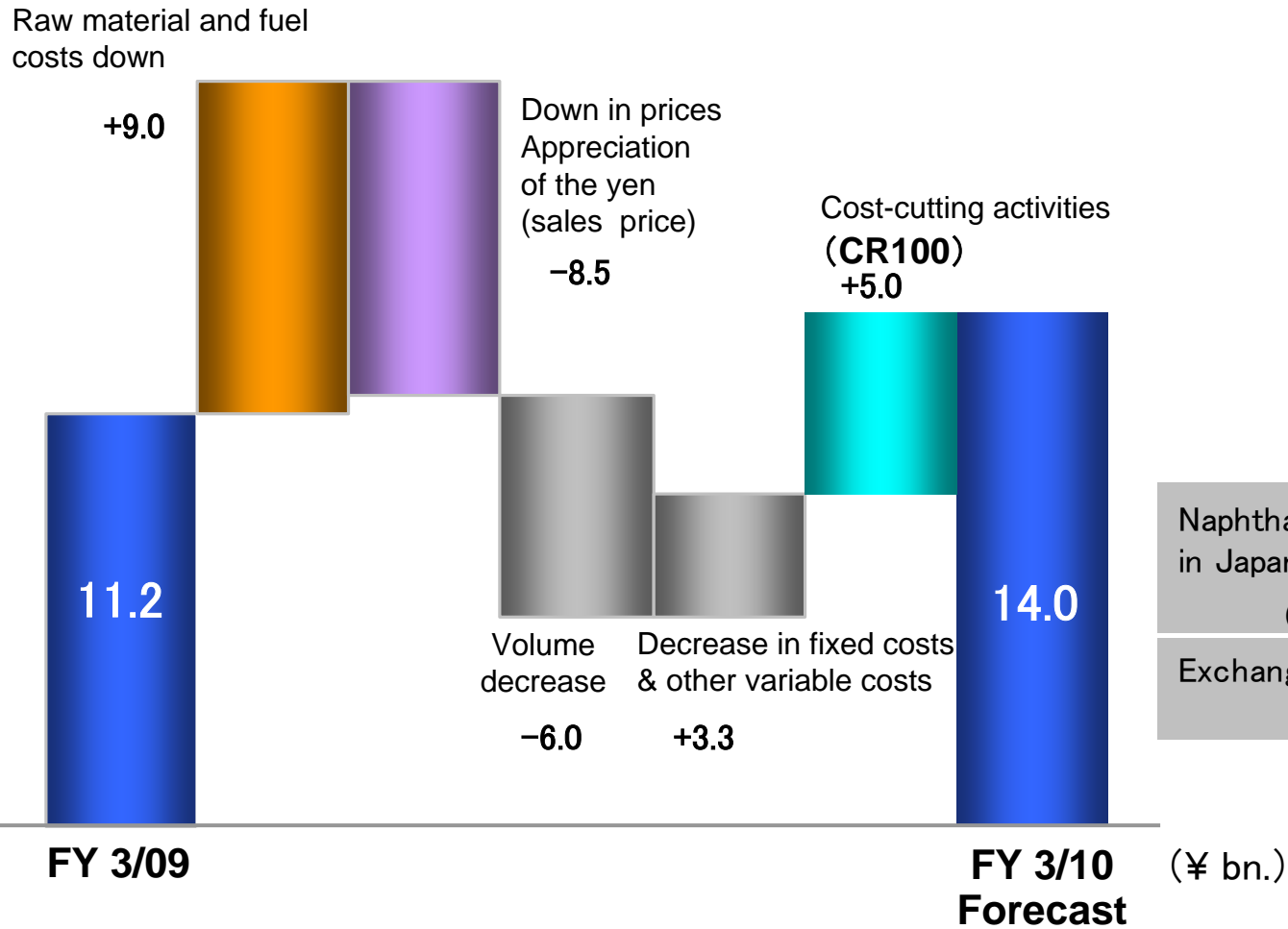
- Realize higher operating income and secure net income in FY 3/10 despite the continuing harsh business environment, from the effects of cost-cutting activities combined with materials costs reductions
- Secure cash flow by concentrating capital investment and further decreasing working capital

¥ bn.

	FY 3/09	FY 3/10 (Forecast)			Change	
		H1	H2		Amount	%
Net sales	367	164	176	340	-27	-7%
Operating income	11	5	9	14	+3	+25%
Ratio to sales	3.1%	2.9%	5.2%	4.1%	-	-
Net income	-13	0	3	3	+16	-
Depreciation	21	-	-	18	-3	-15%
R&D Expenses	20	-	-	13	-7	-35%
CAPEX	11	-	-	11	+0	+3%
Exchange rate (VUS\$)	100			95		
Naphtha price in Japan (\ K/kl)	59			40		



(2) Forecasts of Changes in Operating Income



	FY 3/09	FY 3/10
Naphtha Price in Japan (¥ K/kl)	59	40
Exchange Rate (¥/\$)	100	95

(3) Forecasts by Segment

- Firm demand for packaging films and the medical field
- Anticipate a recovery of volume in the second half of the fiscal year

¥ bn.

	Net Sales				Operating Income			
	FY 3/09	FY 3/10 (Forecasts)			FY 3/09	FY 3/10 (Forecasts)		
		H1	H2			H1	H2	
Films & Functional Polymers	122	58	63	120	4	1	4	5
Industrial Materials	75	32	39	71	4	2	3	5
Life Science	33	17	18	35	3	2	2	4
Specialty	230	106	120	226	11	5	9	13
Textiles	112	49	48	97	1	1	1	2
Others	25	9	9	18	2	1	1	2
Elimination & corporate	-	-	-	-	-4	-2	-2	-4
Total	367	164	176	340	11	5	9	14

(4) Implementation of Emergency Measures

Cost Reduction Activities (CR100) (initiated December 2008)

- Reduction of fixed expenses through concentration of facilities and reassignment of personnel
- Procurement reforms and zero-base review of administrative expenses

Reduction of Compensation (from April 2009)

- Roughly 20-30% reduction for Directors and Operating Officers
- Approximately 10% average reduction for managerial personnel, along with reduction of labor expenses

Others

- Thorough inventory reduction
- Intensive facilities investment
- Speeding up results from short- and medium-term development themes

(5) Management Policies: Issues and Actions

“Reinforcing Foundations, Laying the Cornerstones for Future Growth”

<i>Policy</i>	<i>Issues</i>	<i>Actions</i>
Reinforcing Foundations	Secure profitability Increase free cash flow Improve asset efficiency	<ul style="list-style-type: none"> ▪ Successfully execute CR100 (¥10 billion cost reduction) ▪ Reduce inventories ▪ Concentrate capital investments ▪ Reallocate specialty business assets ▪ Continue concentration of textiles businesses
Lay the Cornerstones for future growth	Create new businesses (development is the key to growth) Cultivate new markets	<ul style="list-style-type: none"> ▪ Maintain research and development budgets ▪ Boost development efficiency (progress management, revision and discontinuation of themes) ▪ Seek out new development themes ▪ Cultivate overseas markets

Appendix

Progress of Litigation regarding Body Armor Using ZYLON Fiber

<Summary>

- ① In June 2003, an accident with body armor (BA) using Zylon fiber occurred in Pennsylvania, USA.
(This is the only accident in which a bullet penetrated BA.)
- ② The injured/deceased persons and purchasers of the same type of BA sued the BA manufacturer and Toyobo for damages.
- ③ An ex-director of the BA manufacturer filed a lawsuit based on the U.S. False Claims Act.
The U.S. Government (DOJ) participated as a plaintiff in this lawsuit.
- ④ DOJ also filed a lawsuit relating to body armor except for the BA mentioned above.
- ⑤ Class action by the purchasers has been settled. (Amount:¥ 4.4 billion in total. Extraordinary loss posted in the first half of FY 3/06.)
Actions by the injured/deceased persons (product liability cases) have been settled.
- ⑥ In a lawsuit filed by German state governments, a lower court dismissed the action, ruling that it did not have jurisdiction, and a settlement was reached while the case was pending before the U.S. Court of Appeals.

<Progress of litigation>

(As of May 7, 2009)

	Class action	Product liability	Government-related		Others	Government-related
Plaintiff	Purchasers	Pennsylvania policeman, etc.	Arkansas State	US DOJ, et al.	Second Chance Body Armor	Two German states
Status	Settled (05/10/26)	Settled (06/1,06/11,07/1)	No progress after receipt of claims	Discovery is proceeding.	Discovery is proceeding.	Settled (09/2/26)
Number of cases	10	4	1	2	1	1



Appendix 2) R&D is a key for our growth

[New Growth Products]

Segment	Product	Market
Films & Functional Polymers	"SOFTSHINE," easy moldable PET films	Automotive, electronic components
	Films for solar cells	Environment
	Transparent conductive films	Display
	"TOYOBO GS Catalyst"	Non heavy metal
	Polyamide-imide heat resistant circuit material	Electronics materials
	Polyimide film "XENOMAX" with excellent thermally dimensional stability	Next-generation circuit boards
	Polyelectrolyte membranes for fuel cell (non-fluorine)	Environment
Industrial Materials	"Tsunooqa," a high-strength melt spinning polyethylene fiber	Safety
Life Science	"U-SCANNER II," diagnostic system for measuring kidney functions	Point of care system
	Expand of functional membranes in new fields	Ultrafiltration membranes for drinking water
	Natural humectant (Moisturizer)	Cosmetics
	High productivity vector	Antibody drugs

Appendix 3) Main CAPEX

Business	¥ bn.	Capacity.etc.	Start-up
Coating equipment (Toyo Cloth Co., Ltd.)	1.5	Expand the capacity	2009
"Dyneema" (Nippon Dyneema Co., Ltd.)	5.0	+1,600 t/Y	2010
Bio-science products	1.0	Expand the capacity	2009
PET films	2.0	New products	2010
Engineering plastics	2.0	New plant (polymer, compound)	2011
Bio-science products	0.5	Expand the capacity	2011
Water treatment membranes	1.0	Expand the capacity	2010

 determined
 under consideration

Appendix 4) Business Fields

Businesses		Markets	Auto-mobiles	Electronics & Information Displays	Environment	Lifestyle & Safety	Life Science
Films & Functional Polymers	Functional Films		Engineering Plastics	PET Films for FPD	New Catalyst for PET	Packaging Films	
	Functional Polymers			CPP Films for FPD			
	New Electronic Materials			Industrial Adhesives			
Industrial Materials	Airbag Fabrics		Airbag Fabrics Tire cords	Solvent Adsorption Unit Bag Filters for Incinerators	Dyneema	Medical & Sanitary	Enzymes for Diagnostics & Diagnostic Systems
	High-Performance Fibers		Engine Filters Cabin Filters Tonneau Covers				
	Functional Filters						
Life Science	Bioproducts		RO, UF/MF Membranes			Contract Manufacturing Medical Membranes for Artificial Kidneys	
	Pharmaceuticals						
	Medical Membranes						
	Water Treatment Membranes						

FY 3/09 Sales (¥ bn.)

47

31

23

100

30

Appendix 5) Consolidated Summary

		FY 3/05	FY 3/06	FY 3/07	FY 3/08	FY 3/09		
		Full Year	Full Year	Full Year	Full Year	Full Year	Change	First Half
Net sales	Mil. ¥	393,686	401,948	426,666	431,417	367,271	-14.9%	202,471
Operating income	Mil. ¥	28,782	29,887	30,435	27,075	11,229	-58.5%	9,690
Ratio to net sales		(7.3%)	(7.4%)	(7.1%)	(6.3%)	(3.1%)		(4.8%)
Net income	Mil. ¥	12,207	12,596	13,472	4,698	- 12,505	-366.2%	- 5,605
Ratio to net sales		(3.1%)	(3.1%)	(3.2%)	(1.1%)	(-3.4%)		(-2.8%)
Net income per share	¥	17.58	18.10	19.32	6.73	- 18	-366.3%	-
ROE		11.5%	10.8%	10.4%	3.6%	-12.7%		-
ROA; operating income basis		5.6%	5.8%	5.9%	5.5%	2.5%		4.0%
Total assets	Mil. ¥	511,813	514,791	513,191	494,496	443,816	-10.2%	484,427
Shareholders' equity (Except for Minority interests)	Mil. ¥	107,518	125,143	133,521	129,671	98,253	-24.2%	112,429
Ratio to total assets		21.0%	24.3%	26.0%	26.2%	22.1%		23.2%
Equity per share	¥	154.64	179.59	191.28	185.79	140.79	-24.2%	-
Debt	Mil. ¥	220,981	206,172	194,239	178,842	178,901	+0.0%	197,166
D/E ratio		2.06	1.65	1.45	1.38	1.82		1.75
Capital expenditure	Mil. ¥	16,395	18,131	15,753	22,486	20,039	-10.9%	11,393
Depreciation	Mil. ¥	15,528	15,656	16,938	19,274	21,206	+10.0%	9,492
R&D expenses	Mil. ¥	9,201	10,079	10,426	10,877	10,669	-1.9%	5,332
Number of employees	Persons	11,468	11,705	11,755	11,885	11,181		11,468

Please Note

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.