



Presentation to Investors

First-half results FY 3/10



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(Analysts' Meeting)

Highlights

- Although revenues and earnings both declined sharply year on year, business performance is improving. Operating income and net income both turned positive during the second quarter.
 - All business segments turned profitable.
 - Measures to reduce fixed expenses and the recovery of liquid crystal display and automotive-related volumes contributed.
 - Inventory reductions proceeded, and cash flow was secured.

- The results from the second quarter forward should be in line with initial projections. We expect operating income comparable to the prior fiscal year, and to secure net income.

¥ bn.

	FY 3/09				FY 3/10		
	Q1	Q2	Q3	Q4	Q1	Q2	H2 (Forecast)
Net sales	97	105	89	76	73	82	170
Operating income	4	6	3	-1	-1	4	9

I

Results for 1st Half of FY 3/10

II

Forecasts for FY 3/10

III

Management Policy

Appendix

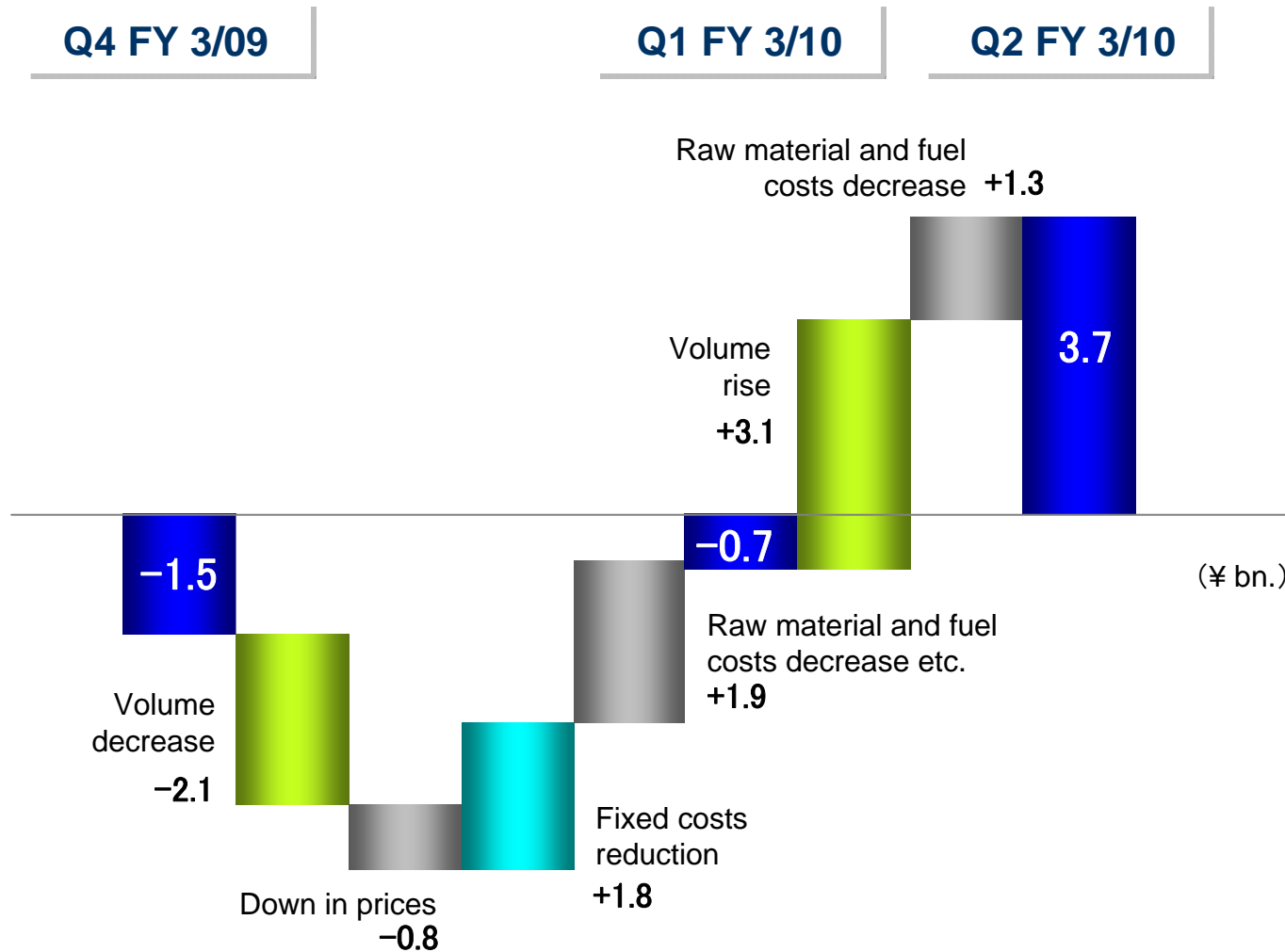
I . Results for the 1st Half of FY 3/10

(1) Results for the 1st Half of FY 3/10

	H1 FY 3/09	H2 FY 3/09	H1 FY 3/10		Change (YOY) %	Plan (May /09)
			Q1	Q2		
Net sales	202	165	73	82	-23.5%	164
Operating income	10	2	-1	4	-69.1%	5
Ratio to sales	4.8%	0.9%	-1.0%	4.5%	-	2.9%
Net income	-6	-7	-2	1	-90.2%	0
Depreciation	9	12	-	-	+6.3%	
CAPEX	11	9	-	-	-21.2%	
Operating CF	-4	4	7	5	-	

(2) Analysis of Changes in Operating Income

【Q4 FY 3/09 → Q1 FY 3/10 → Q2 FY 3/10】



(3) Financial Position

¥ bn.

	Mar. 31, 2009	Sep. 30, 2009	Change
Total assets	444	453	+9
Cash and deposits	10	19	+9
Inventories	76	66	-10
Net assets	134	129	-5
Shareholders' equity (Equity ratio)	98 22.1%	105 23.1%	+6
Minority interests	36	24	-12
Interest-bearing debt	179	189	+10
D/E ratio	1.82	1.81	-

(4) CR100 (¥10 billion Cost Reduction)

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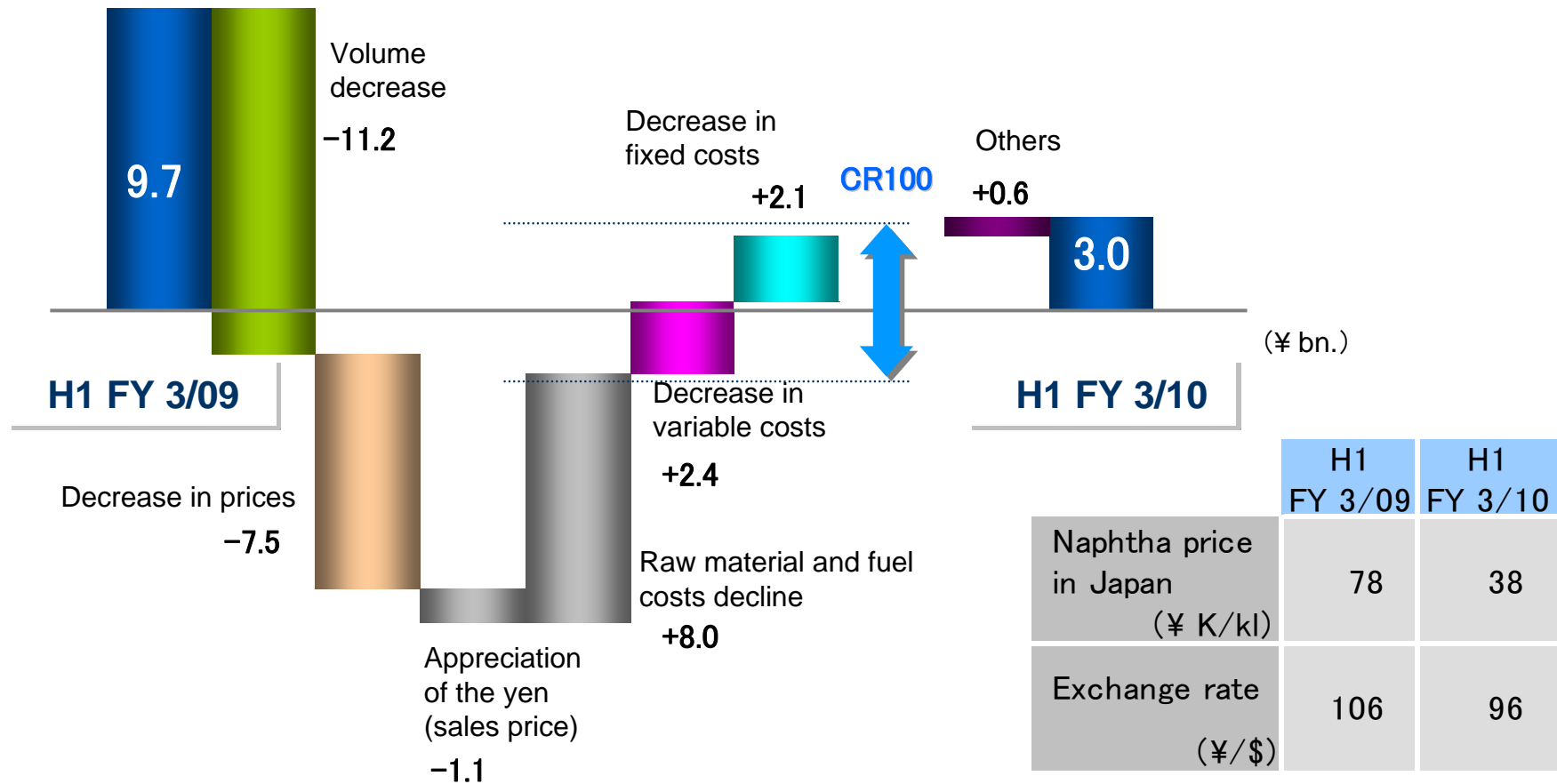
	Plan*		Progress
	FY 03/10	FY 03/11	H1 FY 3/10
Variable costs	4	6	2
Fixed costs**	3	5	3
Production	2	3	2
Sales/ administration	1	2	1
Total	7	10	5

* Savings as compared with FY3/09

** Without depreciation

(5) Analysis of Changes in Operating Income

【H1 FY 3/09 → H1 FY 3/10】



(6) Results by Segment

¥ bn.

	Net Sales			Operating Income			Plan (May /09)
	H1 FY 3/09	H2 FY 3/09	H1 FY 3/10	H1 FY 3/09	H2 FY 3/09	H1 FY 3/10	
Films & Functional Polymers	70	53	55	5	0	1	1
Industrial Materials	42	33	29	3	1	1	2
Life Science	17	16	16	2	1	2	2
Specialty	128	102	100	10	2	4	5
Textiles	60	52	46	1	0	0	1
Others	14	11	9	1	1	1	1
Elimination & Corporate	-	-	-	-2	-2	-2	-2
Total	202	165	155	10	2	3	5

(6) 1) Films & Functional Polymers

- Films for LCD and optical uses volumes recovered
- Sales of packaging films and VYLON series of industrial adhesives were firm

¥ bn.

	H1 FY 3/09	H2 FY 3/09	H1 FY 3/10		
			Q1	Q2	
Net sales	70	53	27	28	55
Operating income	5	-0	-0	2	1
Ratio to sales	6.9%	-0.9%	-1.8%	6.0%	2.2%
Depreciation	4	5	-	-	4

● Industrial Films

- Increased volume and measures to reduce fixed costs contributed
- Developed new fields and new applications

● Packaging Films

- Firm shipments of packaging films for foods

● Functional Polymers

- Strong sales of VYLON for electronics components
- Engineering plastics recovered from Q2 on automobile demand

2) Industrial Materials

- Sharp reduction in automotive-related industrial materials production in Q1, followed by a recovery in shipments in Q2

¥ bn.

	H1 FY 3/09	H2 FY 3/09	H1 FY 3/10		
			Q1	Q2	
Net sales	42	33	13	16	29
Operating income	3	1	-0	1	1
Ratio to sales	6.9%	3.8%	-2.1%	6.0%	2.4%
Depreciation	2	2	-	-	2

● Airbag Fabrics

- Volume recovery from the latter half of Q2
- Large impact from low capacity utilization loss

● Functional Filters

- Solvent adsorption equipment on a recovery trend
- Firm environmental-related demand

● High-Performance Fibers (“DYNEEMA”)

- Demand for safety gloves easing

3) Life Science

- Medical membranes and contract manufacturing of pharmaceuticals were firm

¥ bn.

	H1	H2	H1 FY 3/10		
	FY 3/09	FY 3/09	Q1	Q2	
Net sales	17	16	7	9	16
Operating income	2	1	1	1	2
Ratio to sales	11.3%	6.6%	8.2%	13.4%	11.1%
Depreciation	2	2	-	-	2

● Hollow Fiber Membranes for Artificial Kidneys (AKH)

- Strong demand from overseas
- Improved productivity

● Bioproducts

- Enzymes for diagnostic reagents were affected by the foreign exchange rate
- New diagnostic system adoptions increased

● Water Treatment Membranes

- Solid shipments for replacement membranes

4) Textiles

- Restructuring achieved profitable operations
- Further reductions to capital employed

¥ bn.

	H1	H2	H1 FY 3/10		
	FY 3/09	FY 3/09	Q1	Q2	
Net sales	60	52	22	24	46
Operating income	1	0	0	0	0
Ratio to sales	1.7%	0.8%	0.1%	0.7%	0.4%
Depreciation	1	2	-	-	1
Capital employed	106	92	-	-	85

● Acrylic fibers “EXLAN”

- Profitable operations achieved from restructuring efforts
- Domestic and export volumes remain firm

● Textiles

- Harsh competition in thoub fabrics
- Firm demand for functional textiles

II . Forecasts for FY 3/10

(1) Forecasts for FY 3/10

¥ bn.

	FY 3/09	FY 3/10 (Forecast)			Plan (May /09)
		H1	H2		
Net sales	367	155	170	325	340
Operating income	11	3	9	12	14
Ratio to sales	3.1%	1.9%	5.3%	3.7%	4.1%
Net income	-13	-1	3	3	3
Depreciation	21	10	10	20	
CAPEX	20	9	6	15	
Exchange rate (¥/US\$)	100	96	93	95	
Naphtha price in Japan (¥ K/kl)	59	38	44	41	

(2) Forecasts by Segment

¥ bn.

	Net Sales				Operating Income				Plan (May /09)
	FY 3/09	FY 3/10 (Forecast)			FY 3/09	FY 3/10 (Forecast)			
		H1	H2			H1	H2		
Films & Functional Polymers	122	55	62	117	4	1	5	6	5
Industrial Materials	75	29	36	65	4	1	2	3	5
Life Science	33	16	19	35	3	2	2	4	4
Specialty	230	100	117	217	11	4	9	13	13
Textiles	112	46	44	90	1	0	1	1	2
Others	25	9	9	18	2	1	1	2	2
Elimination & Corporate	-	-	-	-	-4	-2	-2	-3	-4
Total	367	155	170	325	11	3	9	12	14

III. Management Policy

(1) Issues: Progress in the 1st Half of FY 3/10

“Reinforcing Foundations, Laying the Cornerstones for Future Growth”

■ Reinforcing Foundations

- Secure profitability : Executed CR100 (YOY ¥-5 billion)
 - Increase cash flow : Reduced inventories (¥-10 billion)*
 - Improve asset efficiency : Decreased capital employed (¥-7 billion)*
for Textiles segment
- * Change from the end of 3/09

■ Laying the Cornerstones for Future Growth

- Create new businesses : Cosmetics material,
(R&D is the key to growth) “POCube” (abbreviated examination),
New catalysts for polyester polymerization,
Next-generation electronics materials
- Cultivate new markets : Global alliance

(2) Action from the 2nd Half Forward

**“In preparation for a delay in economic recovery”
“Implement measures for growth”**

■ Reinforcing Foundations

- Successfully execute CR100
- Secure cash flow
- Improve asset efficiency

■ Laying the Cornerstones for Future Growth

- Create “Categories top” businesses
 - : Focus on environment and life science business fields
 - : Global alliance
- Reform of the product portfolio in the Specialty businesses

Business Fields

Businesses		Markets	Auto- mobiles	Electronics & Information Displays	Environ- ment	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				Industrial Adhesives
	New Electronic Materials							
Industrial Materials	Airbag Fabrics		Airbag Fabrics Tire Cords	Solvent Adsorption Unit Bag Filters for Incinerators	Dyneema			
	High-Performance Fibers		Engine Filters Cabin Filters Tonneau Covers					
	Functional Filters							
Life Science	Bioproducts			RO, UF/MF Membranes	Medical & Sanitary	Enzymes for Diagnostics & Diagnostic Systems		
	Pharmaceuticals							
	Medical Membranes							
	Water Treatment Membranes							

FY 3/09 Sales (¥ bn.)

47

31

23

100

30

21



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 November 5, 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

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.