



Presentation to Investors



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(Analysts' Meeting)

Highlights

FY 3/10 Performance

- Profits revived from the simultaneous worldwide recession to regain the levels posted in the first half of FY 3/09
 - Volume recoveries in electronic components and automotive materials
 - Cost reductions of ¥10.0 billion
 - Steady growth in environment, medical and other fields; upturn in high-function products

¥ bn.

	FY 3/10				FY 3/11			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	97	105	89	76	73	82	77	87
Operating Income	4	6	3	-1	-1	4	3	6

- Generate ¥29.0 billion in cash flow from operating activities through ¥13.3 billion in inventory reductions and other measures

FY 3/11 Plan

- Increased revenues and profits
 - Realize ¥20.0 billion in operating income from sales volume increases, the release of new products and cost savings.

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I . Results for FY 3/10

(1) Results for FY 3/10

¥ bn.

	FY 3/09	FY 3/10			Change (YOY)	
		H1	H2		Amount	%
Net sales	367	155	164	319	-48	-13.2%
Specialty	230	100	111	211	-20	-8.5%
Composition ratio	63%			66%	-	-
Operating income	11	3	8	11	+0	+2.1%
Ratio to sales	3.1%	1.9%	5.2%	3.6%	-	-
Net income	-13	-1	3	2	+15	-
Depreciation	21	10	10	20	-1	-3.7%
CAPEX	20	9	6	15	-5	-24.3%
Operating C/F	0	12	17	29	+29	-

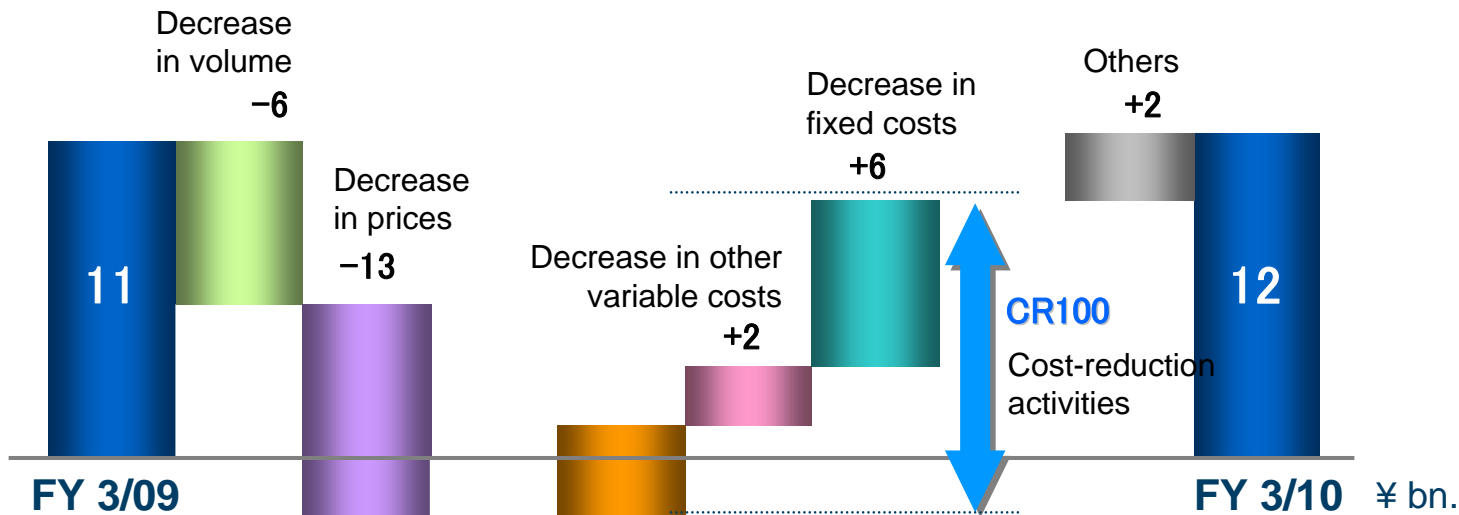
(2) Financial Position

	¥ bn.			
	Mar.31, 2009	Mar.31, 2010	Change	
Total assets	444	438	-5	
of them, Inventories	76	63	-13	
Net assets	134	131	-3	(Actual) *
Shareholders' equity	98	107	+9	122
Equity ratio	22.1%	24.4%		27.9%
Minority interests	36	24	-12	
Interest-bearing debt	179	171	-8	178
D/E ratio	1.82	1.60	-	1.45

* Considering the capital nature of hybrid securities

(3) Analysis of Changes in Operating Income

【 FY 3/09 → FY 3/10 】



Appreciation of the yen (sales price) -2
 Raw material and fuel costs decline +11

	FY 3/09	FY 3/10
Naphtha price in Japan (¥ K/kI)	59	41
Exchange rate (¥/\$)	101	93

(4) CR100 (¥10 billion Cost Reduction)

■ The target of cost reduction was achieved a year ahead of schedule.

¥ bn.

	Plan* (5/09)		Progress
	FY 3/10	FY 3/11	FY 3/10
Variable costs	4.0	5.5	4.2
Fixed costs**	3.0	4.5	6.0
Production	2.2	3.0	3.5
Sales/ administration	0.8	1.5	2.5
Total	7.0	10.0	10.2

* Savings as compared with FY3/09

** Excluding depreciation

(5) Results by Segment

¥ bn.

	FY 3/09		FY 3/10		Change(amount)	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Films & Functional Polymers	122	4	115	6	-7	+2
Industrial Materials	75	4	63	2	-11	-2
Life Science	33	3	32	4	-1	+1
Specialty	230	11	210	12	-20	+1
Textiles	112	1	88	0	-23	-1
Others	25	2	20	2	-6	-0
Elimination & Corporate	-	-4	-	-3	-	+0
Total	367	11	319	11	-48	+0

(6) 1) Films & Functional Polymers

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

	¥ bn.				Change (YOY)
	FY 3/09	FY 3/10			
		H1	H2		
Net sales	122	55	60	115	-7
Operating income	4	1	5	6	+2
Ratio to sales	3.5%	2.2%	8.2%	5.3%	-
Depreciation	8	4	4	8	-0

2) Industrial Materials

- Tough market for automotive-related products in the first half, followed by a recovery in shipments in Q3.
- Solvent adsorption unit and functional filters held firm.

¥ bn.

	FY 3/09	FY 3/10		Change (YOY)	
		H1	H2		
Net sales	75	29	34	63	-11
Operating income	4	1	2	2	-2
Ratio to sales	5.6%	2.4%	4.8%	3.7%	-
Depreciation	4	2	2	4	+0

3) Life Science

- Medical products such as bio-products and contract manufacturing of pharmaceuticals were expanded steadily.
- The JV company for manufacture and sale of RO membrane elements for seawater desalination was agreed to establish in Saudi Arabia.

¥ bn.

	FY 3/09	FY 3/10		Change (YOY)	
		H1	H2		
Net sales	33	16	17	32	-1
Operating income	3	2	2	4	+1
Ratio to sales	9.0%	11.1%	13.7%	12.4%	-
Depreciation	4	2	2	3	-0

4) Textiles

- Restructuring until FY 3/09 achieved profitable operations.

¥ bn.

	FY 3/09	FY 3/10			Change (YOY)
		H1	H2		
Net sales	112	46	42	88	-23
Operating income	1	0	0	0	-1
Ratio to sales	1.3%	0.4%	0.5%	0.5%	-
Depreciation	3	1	1	3	-0
Total assets	92	-	-	83	-9
ROA	1.6%	-	-	0.5%	-

II . Forecasts for FY 3/11

(1) Forecasts for FY 3/11

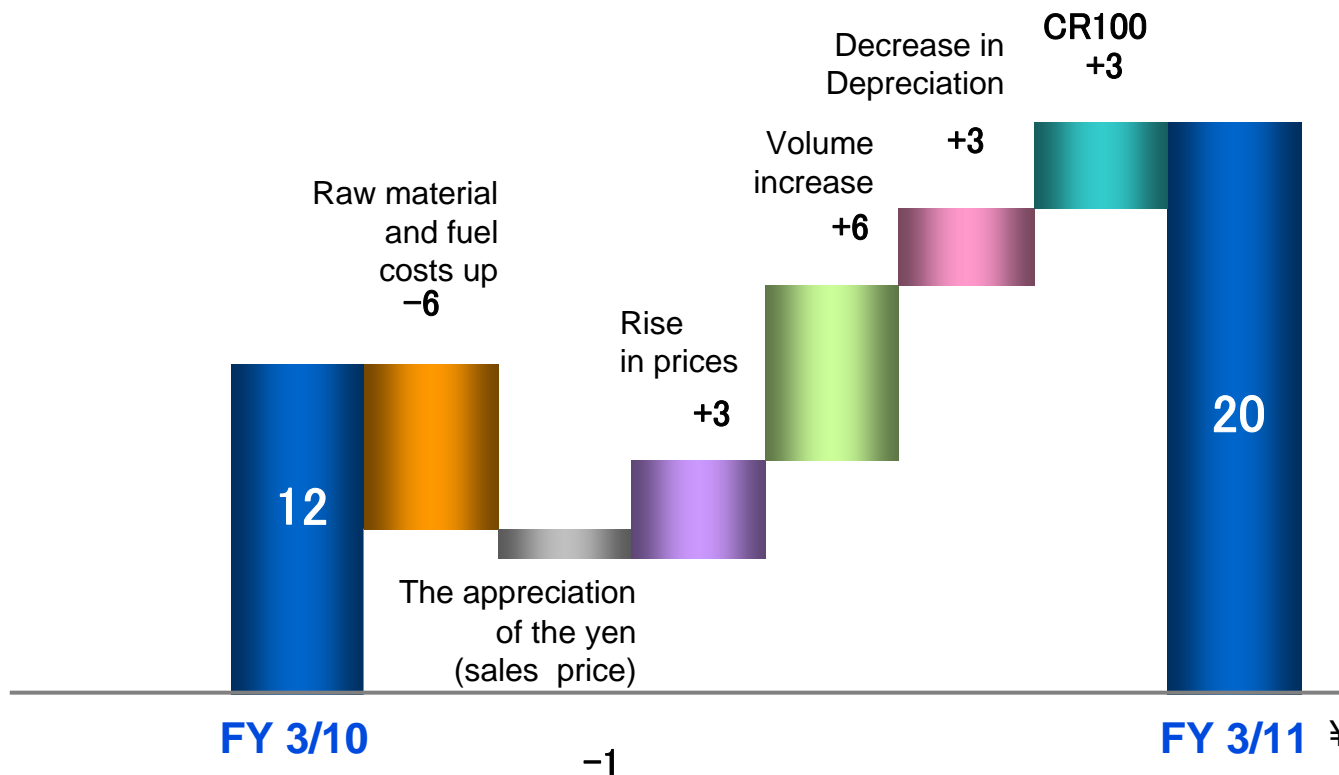
- Realize ¥20.0 billion in operating income from sales volume increases, the release of new products and cost savings

¥ bn.

	FY 3/10		FY 3/11 (Forecast)			Change %
	H2		H1	H2		
Net sales	164	319	167	173	340	+6.7%
Operating income	9	11	9	11	20	+74.4%
Ratio to sales	5.2%	3.6%	5.4%	6.4%	5.9%	
Net income	3	2	2	3	5	+138.8%
Depreciation	-	20	-	-	19	-
CAPEX	-	15	-	-	17	-
Exchange rate (¥/US\$)		93			90	
Naphtha price in Japan (¥ K/kl)		41			50	

(2) Analysis of Changes in Operating Income

【 FY 3/10 → FY 3/11 】



	FY 3/10	FY 3/11
Naphtha price in Japan (¥ K/kl)	41	50
Exchange rate (¥/\$)	93	90

(3) Forecasts by Segment

¥ bn.

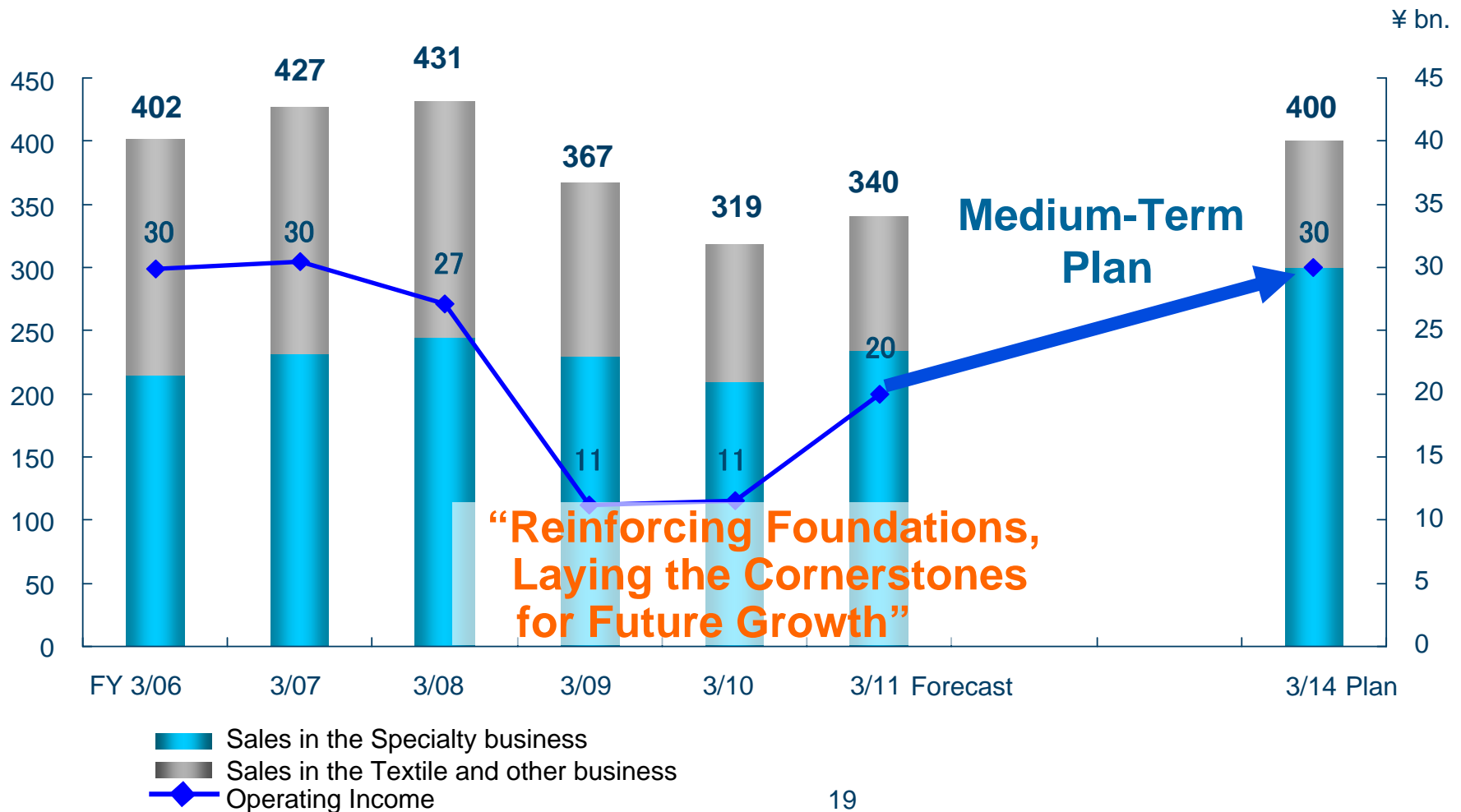
	Net Sales				Operating Income			
	FY 3/10	FY 3/11 (Forecast)			FY 3/10	FY 3/11 (Forecast)		
		H1	H2			H1	H2	
Films & Functional Polymers	115	63	64	127	6	6	6	11
Industrial Materials	63	35	37	72	2	2	3	5
Life Science	32	16	19	35	4	2	3	5
Specialty	210	114	120	234	12	10	11	20
Textiles	88	44	43	87	0	0	1	1
Others	20	9	10	19	2	1	1	2
Elimination & Corporate	-	-	-	-	-3	-2	-2	-3
Total	319	167	173	340	11	9	11	20

III. New Medium-Term Management Plan

(FY 3/11-FY 3/14)

(1) Management Review

“The category leader for providing new value in the environment, life science, and high-function products fields”



(2) Targets for FY 3/14

	FY 3/10	FY 3/11 forecast		¥ bn. FY 3/14 target
Net sales	319	340		400
Specialty	210	234	Annual growth ratio 8%	300
Weight	66%	69%		75%
Operating income	11	20		30
Ratio to sales	3.6%	5.9%		7.5%

• **Financial Soundness: D/E ratio to 1.0 time**

• **CAPEX ¥65 billion (Over the next four years)**

• **R&D ¥40 billion (Over the next four years)**

(3) Issues and Actions

ISSUES

- 1) Actively expand the environment and life sciences businesses**
- 2) Increase overseas sales**
(1/3 of the sales growth in the specialty business is earned overseas)
- 3) Improve the product portfolio (boost unit marginal profit)**

ACTIONS

- 1) Introduce new products (e.g., solar cell backsheet film)**
- 2) Reinforce overseas sales and supply structure**
- 3) Improve production processes**
(increased volume, new products, overseas development)
- 4) Go beyond the boundaries of the Group (Business alliances)**
- 5) Reallocation of development resources**

(4) Targets of Sales by Segment

¥ bn.

	FY 3/11 Sales	FY 3/14 Sales	Change
Films & Functional Polymers	127	160	+33
Industrial Materials	72	85	+13
Life Science	35	55	+20
Specialty	234	300	+66
Textiles	87	82	- 5
Others	19	18	-1
Total	340	400	+60

Appendix

Appendix 1) Quarterly Performance



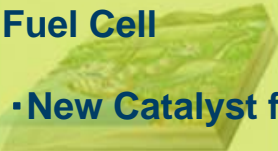


¥ bn.

	FY 3/09				FY 3/10			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Films & Functional Polymers	35	35	30	22	27	28	31	29
	2	2	1	-2	0	2	3	2
Industrial Materials	20	22	19	14	13	16	16	19
	1	2	1	0	0	1	0	1
Life Science	7	10	8	8	7	9	7	10
	1	1	0	1	1	1	1	1
Specialty	62	66	57	45	47	53	54	57
	4	5	3	-1	0	4	4	5
Textiles	29	31	26	26	22	24	19	24
	1	1	1	0	0	0	-1	1
Others	6	8	6	6	4	5	5	6
	0	1	0	1	0	1	0	1
Elimination & corporate	-	-	-	-	-	-	-	-
	-1	-1	-1	-1	-1	-1	-1	-1
Total	97	105	89	76	73	82	77	87
	4	6	3	-1	-1	4	3	6

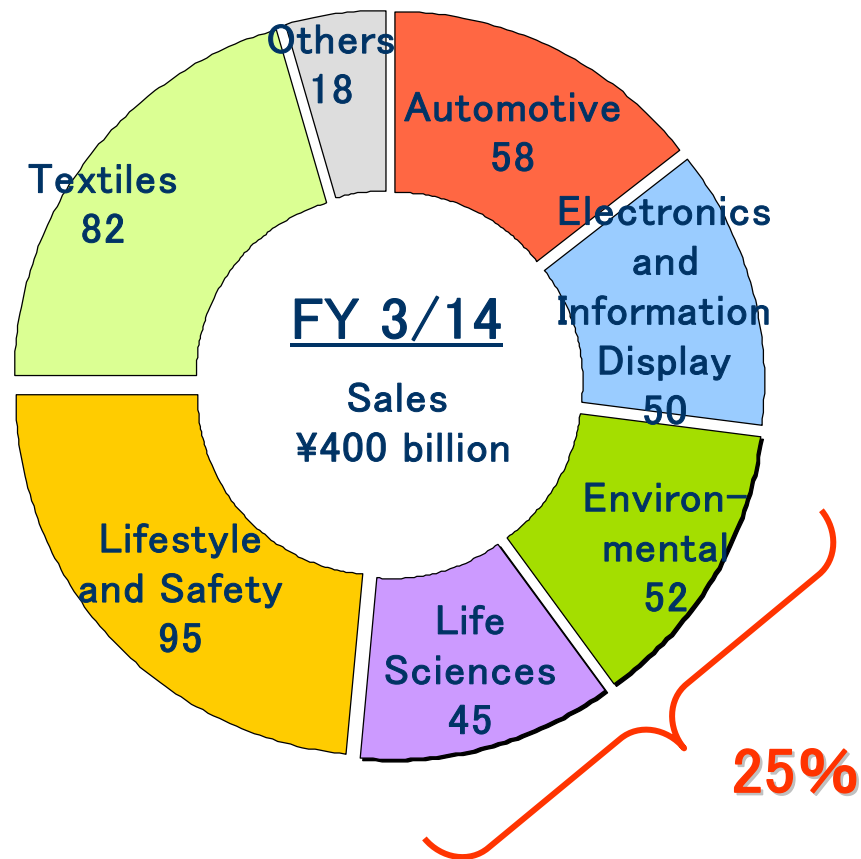
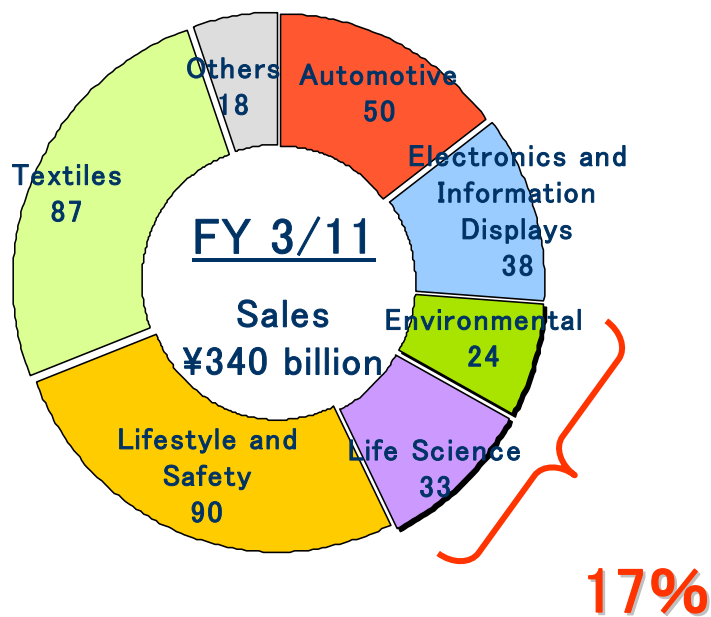
Upper : Sales

Lower : Operating Income

Appendix 2) Business Fields

Businesses	Markets	Auto-mobiles	Electronics & Information Displays	Environment	Life Science	Lifestyle & Safety
<p>Films & Functional Polymers</p> <p>Industrial Materials</p> <p>Life Science</p>		<ul style="list-style-type: none"> •PET Films for LED •High-melting-point biomass polyamide resin •Functional Polymars •Airbag Fabrics •Functional Filters 	<ul style="list-style-type: none"> •Backsheet Films for Solar Cell •Next electronic materials •Films for Fuel Cell 	<ul style="list-style-type: none"> •New Catalyst for PET •Solvent Adsorption Unit •Functional Filters •RO, UF/MF Membranes 	<ul style="list-style-type: none"> •Medical Membranes for Artificial Kidneys •Enzymes for Diagnostics •Diagnostic Systems •Contract Manufacturing 	<ul style="list-style-type: none"> •Packaging Films •Dyneema •Breathair •Cosmetic Raw Material 

Appendix 3) Improvement of Market Portfolio



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 BA 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.
- ⑦ In a lawsuit filed by Second Chance Body Armor, a bench trial started in November 2009.

<Progress of litigation>

(As of May 10, 2010)

	Class action	Product liability	Government-related		BA manufacturer			Government-related
			Arkansas State	US DOJ, et al.	Second Chance Body Armor	Point Blank Solutions	First Choice Armor & Equipment	
Plaintiff	Purchasers	Pennsylvania policeman, etc.	Arkansas State	US DOJ, et al.	Second Chance Body Armor	Point Blank Solutions	First Choice Armor & Equipment	Two German states
Status	Settled (05/10/26)	Settled (06/1, 06/11, 07/1)	No progress after receipt of claims	Discovery is proceeding.	Trial is proceeding.	A complaint is served.	A complaint is served.	Settled (09/2/26)
Number of cases	10	4	1	2	1	1	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.