May 12, 2022

TOYOBO
Beyond Horizons

Presentation to Investors

for Year Ended March 31, 2022

TOYOBO CO., LTD.

Highlights

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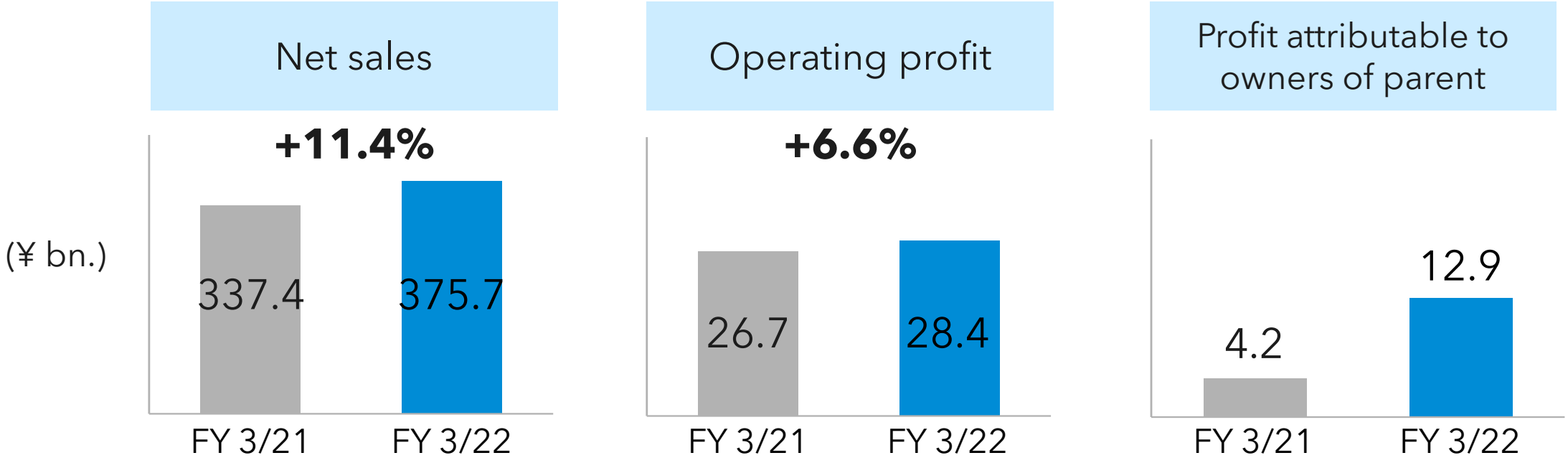
FY 3/22 Results

- Despite the impact of rising raw material and fuel prices, sales and profit increased as industrial films and reagents for PCR testing performed strongly.
- Operating profit of ¥28.4 bn. (+6.6%), and profit of ¥12.9 bn. (3.1-fold)



FY 3/23 Forecasts

Despite proceeding price revisions and effect of increased production of films, operating profit is forecasted to be ¥24.0 bn. and profit is forecasted to be ¥13.0 bn. considering rising raw material and fuel prices as well as decreased shipments of reagents for PCR tests.

Summary of Results: P&L

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	FY 3/21	FY 3/22	YOY		Pervious forecasts (Mar. 2022) (¥bn.)
			Amount	%	
Net sales	337.4	**375.7**	+ 38.3	+11.4%	370.0
Operating profit	26.7	**28.4**	+ 1.8	+ 6.6%	29.0
(Ratio to sales)	7.9 %	**7.6%**	-	-	7.8%
Ordinary profit	20.7	**23.1**	+ 2.4	+ 11.5%	24.0
Extraordinary income and losses	-15.1	**-8.3**	-	-	
Profit attributable to owners of parent	4.2	**12.9**	+ 8.7	+ 206.2%	10.5
EBITDA* *Operating profit + Depreciation (includes goodwill)	45.8	**48.5**	+ 2.8	+ 6.0%	
EPS (¥)	47.3	**144.8**	-	-	
ROE* * Profit / Beginning and ending balance average shareholder's equity	2.3%	**6.8%**	-	-	
ROIC* *NOPAT / (Interest-bearing debt + Net assets)	5.0%	**5.1%**	-	-	
Operating CF	35.0	**17.1**	-17.9	-	
Depreciation	19.1	20.1	+ 1.0	+ 5.2%	
CAPEX	23.3	33.6	+ 10.4	+ 44.7%	

- Extraordinary income: Gain on sale of investment securities ¥6.5 bn.
- Extraordinary losses：Of which, impairment loss of ¥9.4 bn. (Contract manufacturing business of pharmaceuticals, Textile business, Xenomax - Japan Co., Ltd.)
- Dividends will be ¥40 per share (planned)

Analysis in Changes in Operating Profit

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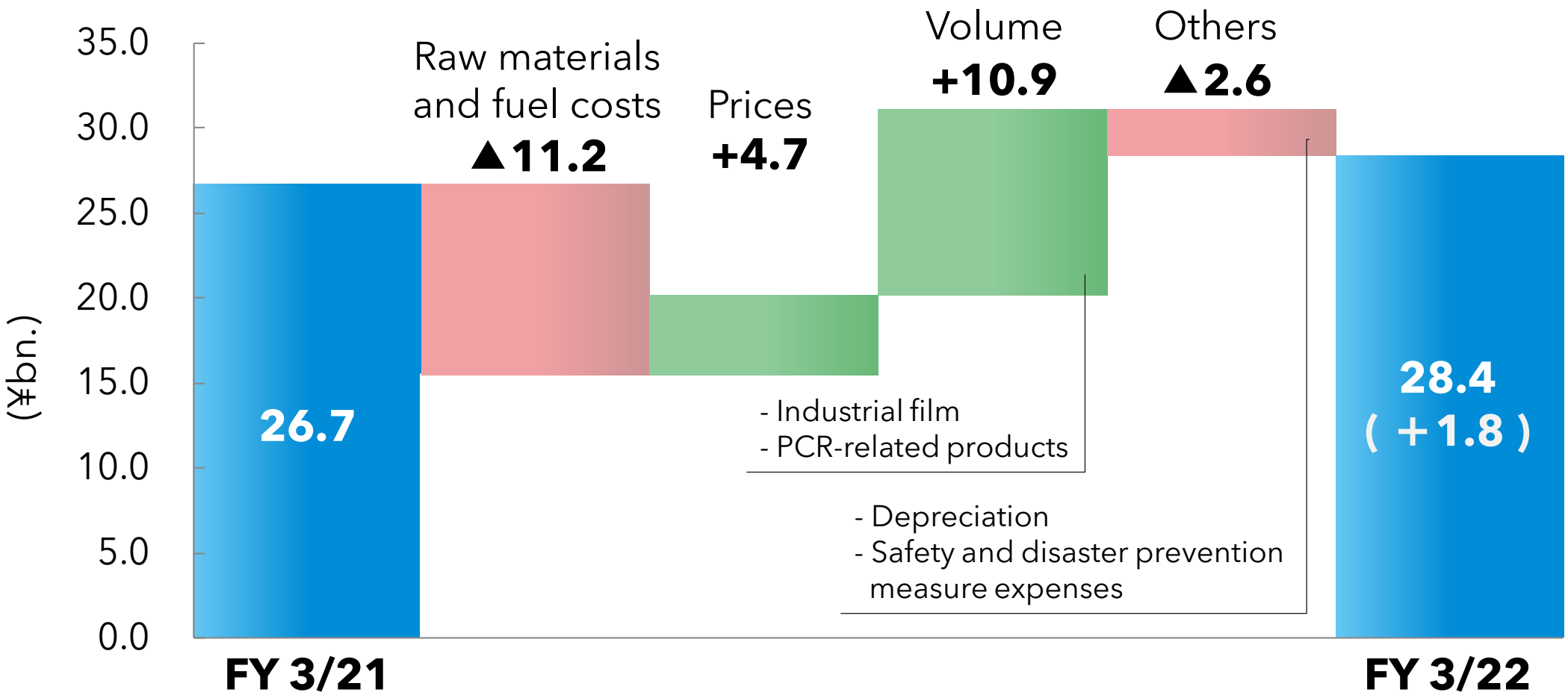

	FY 3/21			FY 3/22		
	H1	H2		H1	H2	
Exchange rate (¥/US$)	107	105	106	110	115	112
Naphtha price in Japan (thousand¥/kl)	28	35	31	51	63	57

Summary of Results: BS

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(¥bn.)

	Mar. 31, 2020	Mar. 31, 2021 (B)	Mar. 31, 2022 (A)	(A) - (B)
Total assets	488.9	491.2	**517.8**	+ 26.6
Cash and deposits	25.2	34.7	**27.2**	- 7.5
Inventories	80.6	76.3	**96.0**	+ 19.7
Property, plant and equipment	231.5	224.6	**227.6**	+ 2.9
Net assets	182.6	188.6	**197.1**	+ 8.5
Shareholder's equity	177.9	185.7	**194.9**	+ 9.1
(Retained earnings)	61.9	64.4	**74.7**	+ 10.3
Non-controlling interests	4.7	2.9	**2.3**	- 0.6
Interest-bearing debt	175.1	187.0	**191.2**	+ 4.3
D/E ratio	0.98	1.01	**0.98**	-
Net Debt / EBITDA ratio*	3.8	3.3	**3.4**	-

* (Interest-bearing debt - Cash and deposits)<Ending>／EBITDA

Summary of Results: Segment

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(¥bn.)

	Net sales		Operating profit			Pervious forecasts (Feb. 2022)
	FY 3/21	FY 3/22	FY 3/21	FY 3/22	YOY	
Films and Functional Materials	152.8	**170.3**	20.0	**19.9**	- 0.1	21.0
Mobility	36.6	**44.7**	-1.6	**-1.8**	- 0.2	-1.8
Lifestyle and Environment	109.1	**114.3**	4.4	**3.5**	- 0.9	3.7
Life Science	27.1	**35.0**	4.5	**8.7**	+ 4.1	7.8
Real Estate and Others	11.8	**11.4**	2.3	**2.2**	- 0.1	2.1
Elimination & Corporate	-	**-**	-3.0	**-4.0**	- 1.0	-3.8
Total	337.4	**375.7**	26.7	**28.4**	+ 1.8	29.0

Films and Functional Materials

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(¥bn.)

	FY 3/21			FY 3/22			YOY	
	H1	H2	Full year	H1	H2	Full year	Amount	%
Net sales	73.8	79.1	152.8	85.9	84.4	170.3	+ 17.5	+11.4%
Operating profit	8.7	11.3	20.0	12.2	7.7	19.9	- 0.1	- 0.7%
(OPM)	11.8%	14.3%	13.1%	14.2%	9.1%	11.7%	-	-

Packaging film

- Despite strong demand, sales price revisions were unable to make up for the sudden rise of raw material prices in the second half.

Industrial film

- Sales of polarizer protective films for LCDs increased by approx. 20% due to the operation of the new line (Unit 3).
- Sales of mold releasing film for MLCC increased by approx. 15% due to the operation of the new line (processing equipment).

Functional Materials

- Although sales of industrial adhesives "Vylon" for electronics applications were strong, they were affected by high raw material prices.

Mobility

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(¥bn.)

	FY 3/21			FY 3/22			YOY	
	H1	H2	Full year	H1	H2	Full year	Amount	%
Net sales	15.0	21.6	36.6	21.6	23.2	44.7	+ 8.1	+22.3%
Operating profit	- 1.3	- 0.3	- 1.6	- 0.9	- 0.9	- 1.8	- 0.2	-
(OPM)	-	-	-	-	-	-	-	-

Engineering plastics

- Overseas, sales were strong in China, the United States and Thailand. Sales price revisions proceeded.
- In Japan, sales price revisions fell short. There were impacts from the production curtailment of automobiles in the second half.

Airbag fabrics

- Faced challenges as sales price revisions were unable to make up for high raw material prices.

Lifestyle and Environment

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(¥bn.)

	FY 3/21			FY 3/22			YOY	
	H1	H2	Full year	H1	H2	Full year	Amount	%
Net sales	50.2	59.0	109.1	54.7	59.6	114.3	+ 5.1	+ 4.7%
Operating profit	1.8	2.6	4.4	1.9	1.6	3.5	- 0.9	- 21.1%
(OPM)	3.5%	4.4%	4.0%	3.4%	2.7%	3.0%	-	-

Environmental solutions

- Sales of VOC emissions treatment equipment decreased due to a decrease in orders as a result of the stagnation of operating activities overseas in the previous fiscal year.
  However, orders were favorable due to the expansion of the lithium-ion battery market.

Nonwoven fabrics

- Sales of spunbond were affected by the production curtailment of automobiles and high raw material prices despite recovering for building materials.

Functional fiber materials

- Sales of polyester staple fibers and functional cushion material “BREATHAIR” were affected by rising raw material prices.
- Demand for high-performance fibers was strong for use in fishing line and bicycle tires in niche fields.

Textiles

- Recovery of sales for sports and uniforms was slow despite the strong performance of traditional Arabic fabric.

Life Science

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(¥bn.)

	FY 3/21			FY 3/22			YOY	
	H1	H2	Full year	H1	H2	Full year	Amount	%
Net sales	12.4	14.7	27.1	16.3	18.7	35.0	+ 7.9	+ 29.2%
Operating profit	1.6	2.9	4.5	4.6	4.0	8.7	+ 4.1	+ 91.6%
(OPM)	12.9%	19.8%	16.7%	28.2%	21.7%	24.7%	-	-

Biotechnology

- Sales of raw materials and reagents for PCR testing, and genetic testing equipment and diagnostic reagents grew.

Medical materials

- Sales of artificial kidney hollow fiber were strong. Shipments of virus removing filters for antibody processes grew.
- Nerve regeneration conduit "Nerbridge" launched marketing initiative in North America. Bone regeneration inducing materials "Bonarc" obtained approval for manufacturing and sales, planning to begin sales from FY2023.

Pharmaceuticals

- Operation of the contract manufacturing of pharmaceuticals reduced in order to respond to the FDA.

Forecasts for FY 3/23

TOYOBO

Despite proceeding price revisions and effect of increased production of films, operating profit is forecasted to be ¥24.0 bn. and profit is forecasted to be ¥13.0 bn. considering rising raw material and fuel prices as well as decreased shipments of reagents for PCR tests.

(¥bn.)

	FY 3/22	FY 3/23	YOY	
	Result	Forecasts	Amount	%
Net sales	375.7	**410.0**	+ 34.3	+ 9.1%
Operating profit	28.4	**24.0**	- 4.4	- 15.6%
(Ratio to sales)	7.6%	**5.9%**	-	-
Ordinary profit	23.1	**18.0**	- 5.1	- 22.1%
Extraordinary income and losses	- 8.3	**0.6**	-	-
Profit attributable to owners of parent	12.9	**13.0**	+ 0.1	+ 1.0%
EBITDA	48.5	**45.0**	- 3.5	-7.2%
EPS (¥)	144.8	**146.3**	-	-
Depreciation	20.1	**21.0**	+ 0.9	+ 4.6%
CAPEX	33.6	**38.0**	+ 4.4	+ 13.0%

Analysis in Changes in Operating Profit

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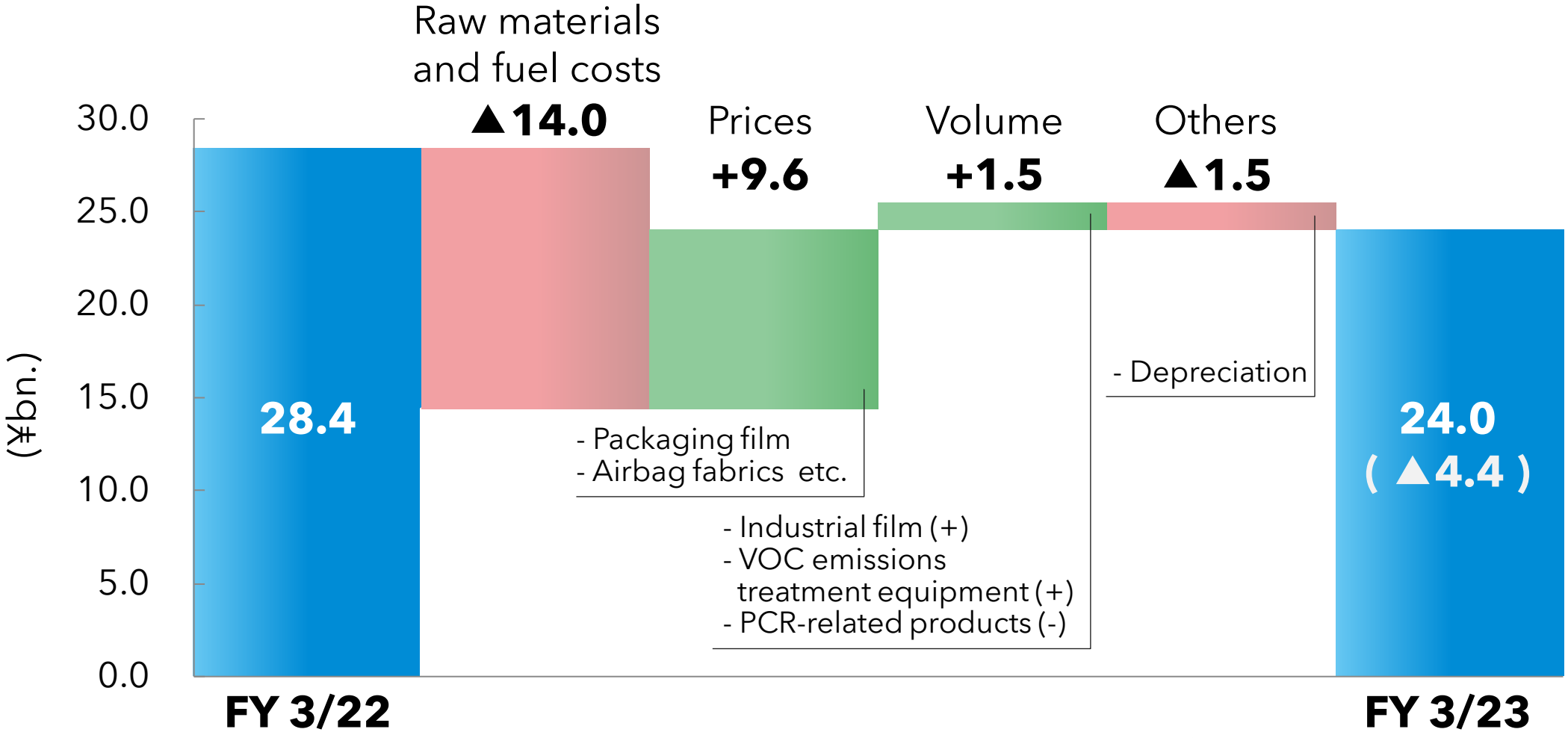

	FY 3/22	FY 3/23
Exchange rate (¥/US$)	112	125
Naphtha price in Japan (thousand¥/kl)	57	84

Forecasts by Segment

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(¥bn.)

	Net sales		Operating profit		
	FY 3/22 result	FY 3/23 forecasts	FY 3/22 result	FY 3/23 forecasts	YOY
Films and Functional Materials	170.3	**188.0**	19.9	**19.0**	- 0.9
Mobility	44.7	**55.0**	- 1.8	**- 1.6**	+ 0.2
Lifestyle and Environment	114.3	**125.0**	3.5	**3.0**	- 0.5
Life Science	35.0	**31.0**	8.7	**5.5**	- 3.2
Real Estate and Others	11.4	**11.0**	2.2	**2.1**	- 0.1
Elimination & Corporate	-	**-**	- 4.0	**- 4.0**	+ 0.0
Total	375.7	**410.0**	28.4	**24.0**	- 4.4

2018 Medium-Term Management Plan: Plan and Results

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	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY3/19 - FY3/22 Targets
Net sales (¥bn.)	336.7	339.6	337.4	**375.7**	**375.0**
Operating profit (¥bn.)	21.7	22.8	26.7	**28.4**	**30.0**
(Ratio to sales) (%)	6.5	6.7	7.9	**7.6**	**8.0**
Profit attributable to owners of parent (¥bn.)	-0.6	13.8	4.2	**12.9**	**16.0**
ROE (%)	-3.0	7.8	2.3	**6.8**	**> 8.0**
D/E ratio	0.93	0.98	1.01	**0.98**	**< 1.0**

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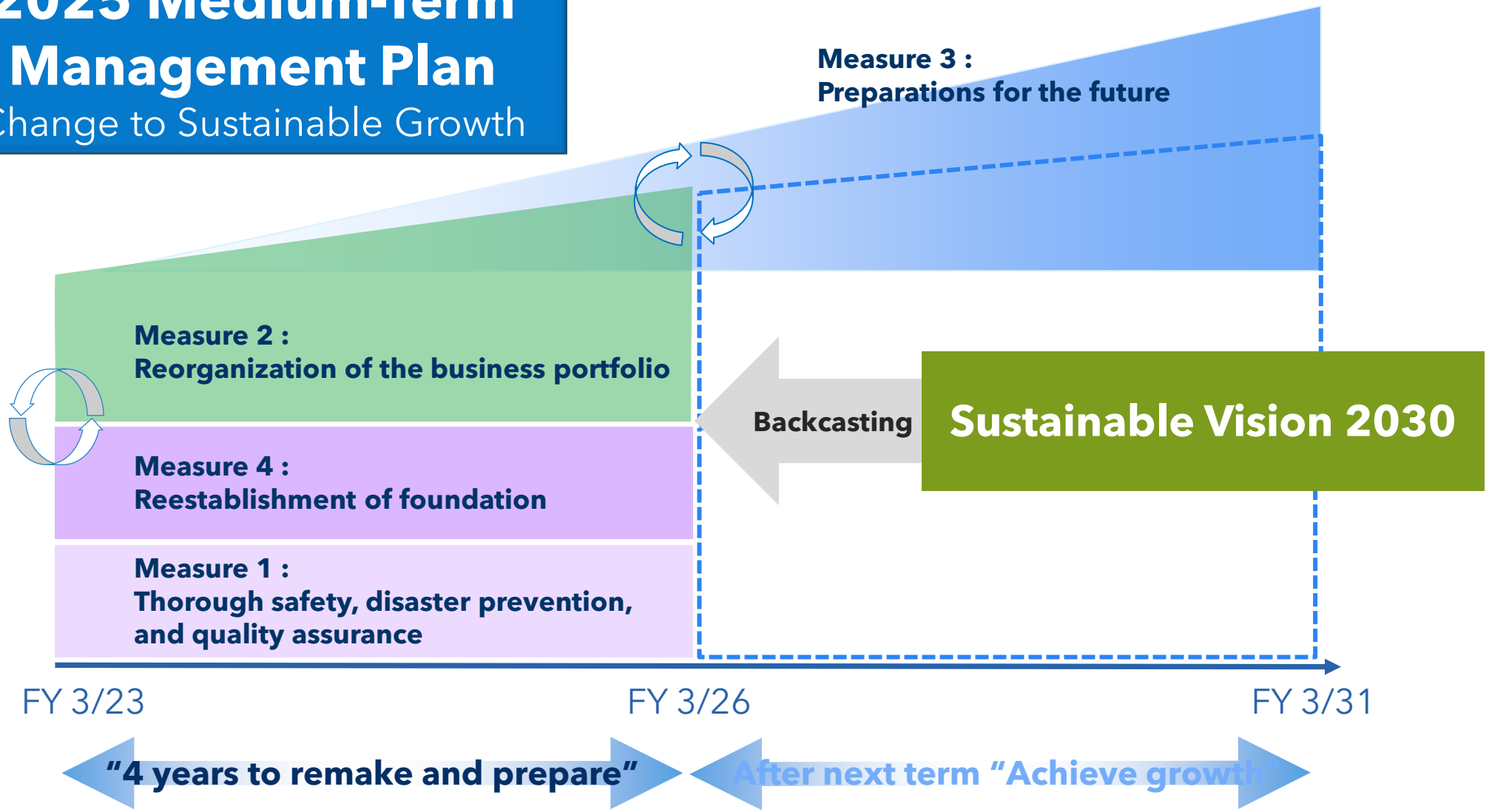
2025 Medium-Term Management Plan

Change to Sustainable Growth



Questionnaire Surveys Results over Quality (Released on Mar. 17, 2022)

TOYOBO

Carried out questionnaire surveys with the aim of confirming whether or not there are significant cases of misconduct concerning quality

The investigation was mainly conducted by our Quality Assurance Division, which is independent from our business divisions, also was receiving advice and support from the misconduct investigation team of a major auditing firm to ensure the investigation's validity

- Subject: Executives and employees in Japan and abroad of the Toyobo Group (including contract and dispatch employees)
- Period: Between February and March 2021 Multi-language, anonymous survey
  Between July 2021 and January 2022 Multi-language survey, which required the respondents to write their name down 9,452 people (response rate: 93.8%)

According to the result of the detailed investigation, we did not find any grave case of misconduct over the quality at this point.

We will continue company-wide activities to rectify the situation, including issues that were discovered by the investigation.
Also, we will further enhance the compliance awareness that the Toyobo Group has promoted, change the awareness about quality assurance and improve the organizational culture.

Conclusion of the agreement for the establishment of a joint venture firm with Mitsubishi Corporation (Released on Mar. 24, 2022)

TOYOBO

Toyobo Co., Ltd. and Mitsubishi Corporation are pleased to announce our agreement to establish a new joint venture company that will specialize in the planning, development, manufacturing and sales of functional materials.

Separate a portion of the Company's businesses after the establishment of the new company, and Mitsubishi Corporation will fund the new company.

- Investment ratio: Toyobo 51 %, Mitsubishi Corporation 49 %
- Aims: New company will combine Toyobo's technological expertise and MC's collective capabilities to capture growth in global markets
- Launch date: In January 2023 or sometime thereabouts
- Business divisions transferring to the new company

" Environment, Functional materials" (Sales scale: approx. 100 billion yen)

VYLON® and HARDLEN®, Photo Functional Materials, Fine Chemicals, Engineering Plastics, Water Treatment Membranes, VOC emissions treatment equipment, Functional Filters, Spunbond Nonwoven Fabrics, Lifestyle Materials, High-Performance Fibers etc.

Toyobo Renews its Corporate Logo

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Beyond Horizons

Exceed and proceed

Solve the various issues surrounding people and the earth through TOYOBO's technology and products.
Exist to exceed limits.
Continue to take on challenges together for the future.

- The curved line running through the middle of the logo represents the horizon. This represents the meaning of TOYOBO's existence as a group that continues to create the solutions needed by people and the earth.

- The tagline "Beyond Horizons" refers not only to exceeding geographical boundaries, but also temporal boundaries. This incorporates the meaning of being responsible for not only things that can be seen currently, but the future as well.

Notice

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“Sustainable Vision 2030,
2025 Medium-Term Management Plan
(FY 3/23 ~ FY 3/26)”

To be announced on May 26, 2022

Appendix

Business Performance

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(¥bn.)

Net sales	FY 3/21					FY 3/22				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Films and Funcitonal Materials	36.3	37.5	39.2	39.8	152.8	45.7	40.2	41.4	43.0	170.3
Mobility	6.8	8.2	10.5	11.1	36.6	11.1	10.5	10.6	12.6	44.7
Lifestyle and Environment	22.9	27.3	27.1	31.9	109.1	27.7	27.0	27.7	31.9	114.3
Life Science	6.3	6.0	6.9	7.9	27.1	7.5	8.9	8.2	10.4	35.0
Real estate and Others	3.1	3.1	2.7	2.9	11.8	2.6	2.7	2.8	3.3	11.4
Elimination & Corporate	-	-	-	-	-	-	-	-	-	-
Total	75.5	82.1	86.4	93.5	337.4	94.6	89.2	90.7	101.2	375.7

Operating profit	FY 3/21					FY 3/22				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Films and Funcitonal Materials	3.9	4.8	5.6	5.7	20.0	6.8	5.4	4.3	3.3	19.9
Mobility	- 0.7	- 0.6	- 0.4	0.1	- 1.6	- 0.5	- 0.4	- 0.6	- 0.3	- 1.8
Lifestyle and Environment	0.3	1.4	1.2	1.4	4.4	1.5	0.4	0.8	0.8	3.5
Life Science	1.0	0.6	1.6	1.4	4.5	1.9	2.8	1.8	2.3	8.7
Real estate and Others	0.5	0.6	0.6	0.7	2.3	0.4	0.7	0.5	0.6	2.2
Elimination & Corporate	- 0.7	- 0.7	- 0.8	- 0.8	- 3.0	- 0.8	- 1.0	- 1.1	- 1.1	- 4.0
Total	4.4	6.1	7.9	8.4	26.7	9.2	7.9	5.8	5.5	28.4

Thorough Safety, Disaster Prevention, Quality -1

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Execution of safety and disaster prevention master plan "Zero Disaster "
~Roadmap for labor safety & disaster management

	FY2022	FY 2023	FY2024	FY2025 - FY2026
Priority issues for the year	● Top management commitment statement ● Start on-site dialogues ● Start safety and disaster prevention workshops ● Organize the mission of the Safety and Disaster Management Division ● Organize the SMS and EMS policies of all companies	● Establish on-site dialogue as standard ● Establish safety and disaster prevention workshops as standard ● Construct a Group SMS and EMS system ● Create overview of on-site inspection activities ● **Start of new 3K human resource development exchange meetings**	● Expand to all Group companies ● Establish the Group SMS and EMS system ● Establish new 3K human resource development exchange meetings as standard	● Develop for overseas sites
Fostering a culture of safety (employee behavior and awareness)	**Mostly dependent stage**		**Increasing independent stage**	**Emerging interdependent stage**
	Top management commitment statement *An expression of management commitment and action, and a demonstration of tangible leadership (Declaration of Action, on-site dialogues)			
Reestablish shared values and communications	**Workshops for specific position levels (all levels → broaden to Group companies and overseas bases)**			
Safety infrastructure (systems, human resource development)	**3S activities (production innovation, small group)** *** Continuously improve ability to identify on-site risks, develop new 3K human resources capable of noticing and rectifying abnormalities**			
	Establish safety and disaster prevention training centers at all bases, construct a disaster prevention education program			
	Appoint disaster prevention personnel, strengthen organization (secure personnel and specialists)			
Steadily implement emergency response and incorporate into daily Management	**Reconstruct the safety and security disaster prevention risk management system** *** Continuous risk management at all companies**			
	Audit Project			
Synchronize with all-company risk management activities	**Conduct on-site inspections** → **Establish RA activities, review of case studies (strengthen horizontal development)**			
	Review the comprehensive disaster prevention checks	**+ Additional investment (2 billion yen) * Disaster prevention budget, set work stoppage schedule**		
Mechanism to establish a tradition of learning	**Inspect ducts**	**Duct fire countermeasures**		
	Medium-term safety and disaster prevention plan (update aging equipment, remove wooden buildings, replace firefighting equipment, etc.)			

New 3K : Kiduku (Notice), Kangaeru (Think), Koudou suru (Act)

Thorough Safety, Disaster Prevention, Quality -2

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Roadmap for reconstruct the quality assurance management structure

	FY2022	FY2023	FY2024	FY2025	FY2026
Priority Issues	**Regain trust** →			**Unwavering trust** →	
	Inspections to guarantee quality, build quality in the processes			Instill the concept of quality assurance across the product lifecycle	
Emergency Measures	**Respond to external certifications**				
	Revise assessment processes				
	Respond to customers				
Corrective Measures	**Create guidelines for Quality DX**	**Horizontally expand to affiliates and overseas offices**			
		Horizontally develop quality DX examples Accelerate conversion to smart factories			
Standardization	**Management structure (verification of effectiveness): Three lines of defense system, Risk Management Committee**				
		Diligent quality assurance management (actively apply ISO to operations)			
		Create a map of quality-related human resources, train and actively use specialists in the professional system			
Changing Awareness	**Corporate Philosophy: Return to the roots of Jun-Ri-Soku-Yu, deeply instill "safety first"**				
	Change the organizational culture and awareness	**Instill QA as an activity for everyone!**			
	Train QA personnel and foster quality awareness				

Topics: ESG

TOYOBO

- **Selected as a member of "MSCI Japan ESG Select Leaders Index"**
  Index that selects and organizes companies with excellent ESG evaluations from among the constituents of the MSCI Japan IMI Top 700 Index.

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

- **Selected as a member of "FTSE Blossom Japan Sector Relative Index"**
  Selected for the new ESG investment benchmark adopted by Japan's Government Pension Investment Fund (GPIF)

FTSE Blossom Japan Sector Relative Index

- **Recognized as a Certified Health and Productivity Management Outstanding Organization**
  Recognized as a Certified Health and Productivity Management Outstanding Organizatio in the large enterprise category under a certification program jointly sponsored by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi.

2022 健康経営優良法人 Health and productivity

- **Selected as a Supplier Engagement Leader for first time by CDP**
  Selected as a Supplier Engagement Leader – the highest ranking – in CDP's Supplier Engagement Rating assessment for the first time. CDP is a British not-for-profit organization that runs a global disclosure system on supply chain environmental impacts.

CDP SUPPLIER ENGAGEMENT LEADER 2021

- **Received 2-star Eruboshi certification based on the law for promoting women's advancement**
  Recognized by Japan's Minister of Health, Labour and Welfare as a company that proactively works to promote the active participation of women

女性が活躍しています！

Please Note

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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.

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