

August 7, 2023



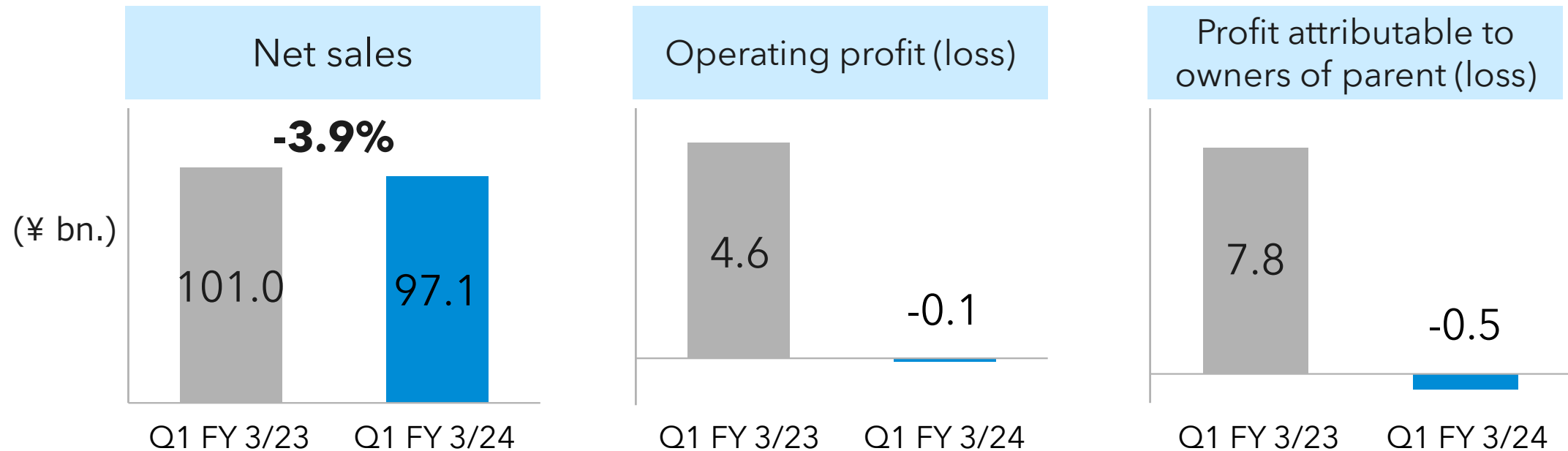
Presentation to Investors

for the First Quarter Ended June 30, 2023

TOYOBO CO., LTD.

Q1 FY 3/24 Results

- Sales and operating profit decreased amid sluggish recovery in demand for packaging film combined with a downturn in sales of reagents for PCR testing, despite growth in sales of polarizer protective films for LCDs. Loss was ¥0.5 bn.



FY 3/24 Forecasts

Forecasts of operating profit of ¥15.0 bn. and net profit of ¥4.0 bn. remain unchanged amid recovery in sales volume of films and automotive-related products and improvements in terms of trade.

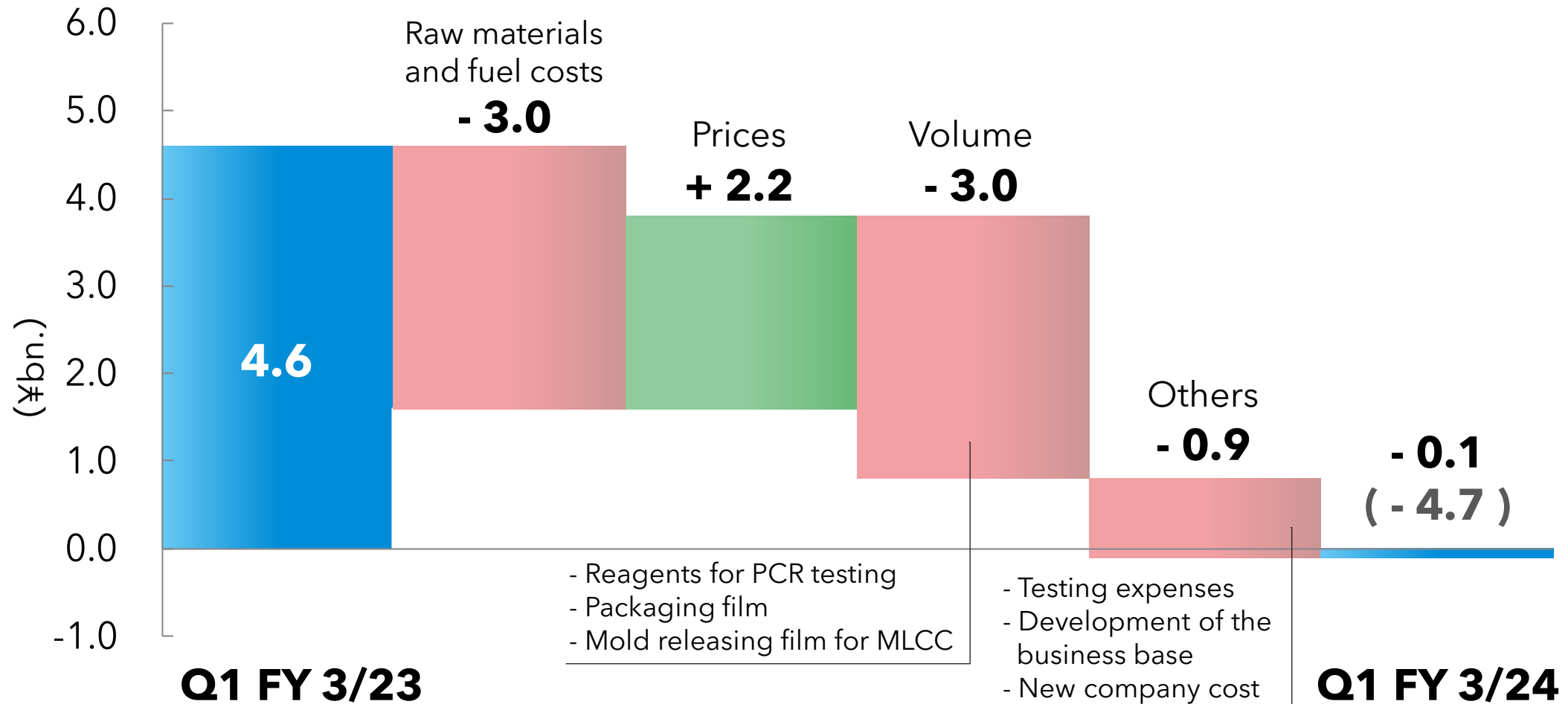
Summary of Results: P&L

TOYOBO

(¥ bn.)

	FY 3/23	FY 3/24	YOY	
	Q1	Q1	Amount	%
Net sales	101.0	97.1	- 4.0	- 3.9%
Operating profit	4.6	-0.1	- 4.7	-
(Ratio to sales)	4.6%	-0.1%	-	-
Ordinary profit	4.3	-0.3	- 4.6	-
Extraordinary income	6.8	0.0	- 6.8	-
Extraordinary losses	0.3	0.5	+ 0.3	-
Profit attributable to owners of parent	7.8	-0.5	- 8.3	-
EBITDA* <small>*Operating profit + Depreciation (including goodwill)</small>	9.5	4.4	- 5.0	- 53.2%
EPS (¥)	87.7	-5.8	-	-
Depreciation	4.8	4.5	- 0.3	- 6.8%
CAPEX	9.0	10.8	+ 1.8	+ 20.0%
R&D expenses	3.7	3.4	- 0.2	- 6.8%

Analysis in Changes in Operating Profit



	FY 3/22		FY 3/23				FY 3/24
	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Exchange rate (¥/US\$)	114	116	130	138	141	132	137
Naphtha price in Japan (thousand¥/kl)	61	66	86	81	72	67	67
	63		84		70		-

Summary of Results: BS

		(B)	(A)	(¥bn.)
	Mar. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	(A) - (B)
Total assets	517.8	588.9	569.5	- 19.4
Cash and deposits	27.2	60.7	30.7	- 30.1
Inventories	96.0	121.9	125.2	+ 3.3
Property, plant and equipment	227.6	240.2	247.6	+ 7.4
Net assets	197.1	221.4	219.9	- 1.5
Shareholder's equity	194.9	189.6	188.7	- 0.9
(Retained earnings)	74.7	70.5	66.4	- 4.0
Non-controlling interests	2.3	31.8	31.2	- 0.6
Interest-bearing debt	191.2	229.4	221.4	- 8.0
D/E ratio	0.98	1.21	1.17	-
Net Debt / EBITDA ratio*	3.4	5.8	10.8	-

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

Summary of Results: Segment

TOYOBO

(¥bn.)

	Net sales		Operating profit		
	FY 3/23 Q1	FY 3/24 Q1	FY 3/23 Q1	FY 3/24 Q1	YOY
Films	39.2	39.0	2.5	1.2	- 1.2
Life Science	8.7	8.1	2.1	1.4	- 0.8
Environmental and Functional Materials	27.9	25.0	0.9	-0.7	- 1.6
Functional Textiles and Trading	22.2	22.2	-0.4	-0.7	- 0.3
Real Estate and Others	3.1	2.8	0.3	0.4	+ 0.1
Elimination & Corporate	-	-	-0.9	-1.7	- 0.8
Total	101.0	97.1	4.6	-0.1	- 4.7

Business Performance

TOYOBO

Net sales	FY 3/23					FY 3/24
	Q1	Q2*	Q3*	Q4*	Full year*	Q1
Films	39.2	35.2	35.6	36.1	146.1	39.0
Life Science	8.7	10.6	10.0	8.8	38.1	8.1
Environmental and Functional Materials	27.9	27.8	26.7	28.3	110.8	25.0
Functional Textiles and Trading	22.2	23.2	22.3	24.8	92.4	22.2
Real Estate and Others	3.1	3.3	3.0	3.2	12.6	2.8
Elimination & Corporate	-	-	-	-	-	-
Total	101.0	100.1	97.6	101.2	399.9	97.1

Operating profit	FY 3/23					FY 3/24
	Q1	Q2*	Q3*	Q4*	Full year*	Q1
Films	2.5	-0.0	-0.4	-0.4	1.6	1.2
Life Science	2.1	3.3	2.6	1.2	9.2	1.4
Environmental and Functional Materials	0.9	1.2	0.8	1.1	4.0	-0.7
Functional Textiles and Trading	-0.4	-0.7	-0.7	-0.7	-2.5	-0.7
Real Estate and Others	0.3	0.6	0.7	0.5	2.2	0.4
Elimination & Corporate	-0.9	-1.1	-1.3	-1.3	-4.5	-1.7
Total	4.6	3.3	1.7	0.5	10.1	-0.1

*FY 3/23 result for the new segment is a preliminary estimate since it has not been audited. Subject to change in the future.

	FY 3/23	FY 3/24	YOY	
	Q1	Q1	Amount	%
Net sales	39.2	39.0	- 0.2	- 0.4%
Operating profit	2.5	1.2	- 1.2	- 49.7%
(OPM)	6.3%	3.2%	-	-

(¥bn.)

Packaging film

- Product prices were revised in response to soaring raw material and fuel prices, while freight movements were sluggish due to prolonged adjustments of distributors' inventories.

Industrial film

- Sales of polarizer protective films for LCDs "COSMOSHINE SRF" increased significantly.
- Sales of mold releasing film for MLCC struggled due to continued inventory adjustments throughout the supply chain.

	FY 3/23	FY 3/24	YOY	
	Q1	Q1	Amount	%
Net sales	8.7	8.1	- 0.5	- 6.3%
Operating profit (OPM)	2.1 24.6%	1.4 16.6%	- 0.8 -	- 36.6% -

(¥bn.)

Biotechnology

- Sales of reagents for PCR testing declined significantly due to the reclassification of COVID-19 to a Class 5 Infectious Disease.
- Sales of enzymes for diagnostic reagents remained steady.

Medical materials

- Sales of artificial kidney hollow fiber trended strong.

Pharmaceuticals

- Expenses in response to suggestions from the FDA continued to be incurred.
- * Document related to lifting of a Warning Letter received from the FDA. (dated July 5, 2023)

	FY 3/23	FY 3/24	YOY	
	Q1	Q1	Amount	%
Net sales	27.9	25.0	- 2.9	- 10.5%
Operating profit	0.9	-0.7	- 1.6	-
(OPM)	3.3%	-	-	-

(¥bn.)

Resin and chemicals

- Profitability of engineering plastics improved amid progress in product price revisions in Japan.
- Sales of industrial adhesives “Vylon” declined in China and other Asian markets.
- Sales of photo functional materials for water-wash photosensitive printing plates were weak in North America and China.

Environment and fiber

- Environmental solutions sales declined due to a lag in shipments affecting sales of VOC recovery equipment used in the manufacturing process for LIBS*.
- In the high performance fibers business, sales of “Tsunooga” used in cut resistant gloves and “ZYLON” for applications in building structural reinforcement decreased.
- Nonwoven materials were sluggish in response to declining demand in civil engineering and building materials.

	FY 3/23	FY 3/24	YOY	
	Q1	Q1	Amount	%
Net sales	22.2	22.2	- 0.0	- 0.1%
Operating profit (OPM)	-0.4	-0.7	- 0.3	-
	-	-	-	-

(¥bn.)

Textiles

- Earnings improved as a result of the withdrawal of unprofitable products and progress in price pass-through.

Airbag fabric

- Sales volume increased with the recovery of automobile production volume.

Despite product price revisions being advanced, profitability was not improved due to rising procurement prices for raw materials.

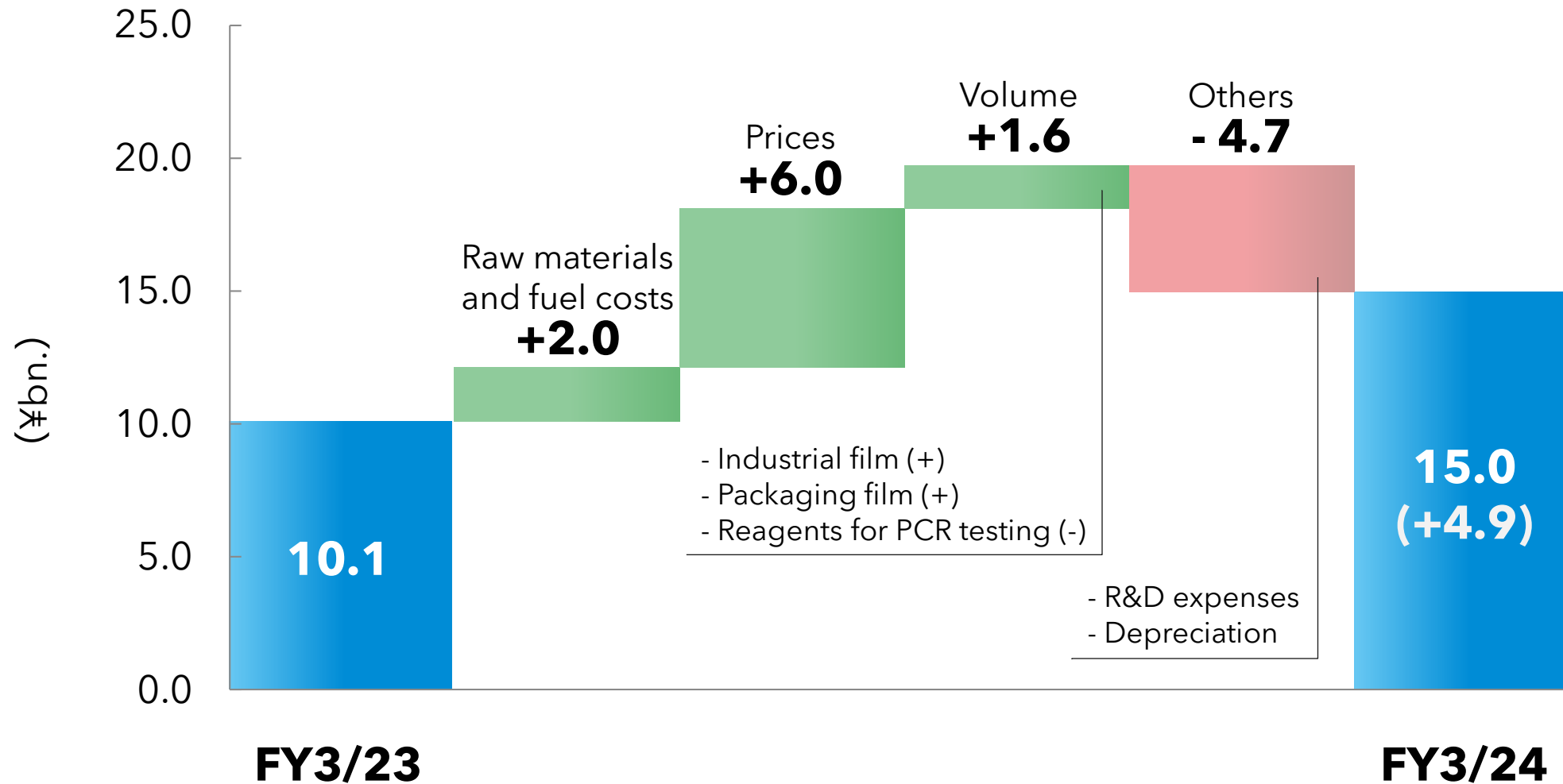
Forecasts for FY 3/24

Forecasts of operating profit of ¥15.0 bn. and net profit of ¥4.0 bn. remain unchanged amid recovery in sales volume of films and automotive-related products and improvements in terms of trade.

(¥bn.)

	FY 3/23	FY 3/24	YOY	
	Results	Forecasts	Amount	%
Net sales	399.9	430.0	+ 30.1	+ 7.5%
Operating profit	10.1	15.0	+ 4.9	+ 49.1%
(Ratio to sales)	2.5%	3.5%	-	-
Ordinary profit	6.6	11.0	+ 4.4	+ 66.9%
Extraordinary income and losses	-6.0	-2.0	-	-
Profit attributable to owners of parent	-0.7	4.0	+ 4.7	-
EBITDA	29.1	36.0	+ 6.9	+ 23.7%
EPS (¥)	-7.4	45.0	-	-
Depreciation	19.0	21.0	+ 2.0	+ 10.2%
CAPEX	42.7	50.0	+ 7.3	+ 17.0%
R&D expenses	14.1	16.0	+ 1.9	+ 13.4%

Analysis in Changes in Operating Profit



	FY 3/23	FY 3/24
Exchange rate (¥/US\$)	135	138
Naphtha price in Japan (thousand¥/kl)	77	61

Forecasts by Segment

(¥bn.)

	Net sales		Operating profit			Previous forecasts (May 2023)
	FY 3/23 Results*	FY 3/24 Forecasts	FY 3/23 Results*	FY 3/24 Forecasts	YOY	
Films	146.1	167.0	1.6	8.8	+ 7.2	8.8
Life Science	38.1	35.0	9.2	5.2	- 4.0	5.2
Environmental and Functional Materials	110.8	135.0	4.0	5.8	+ 1.8	5.8
Functional Textiles and Trading	92.4	80.0	-2.5	-1.5	+ 1.0	-1.5
Real Estate and Others	12.6	13.0	2.2	2.2	+ 0.0	2.2
Elimination & Corporate	-	-	-4.5	-5.5	- 1.0	-5.5
Total	399.9	430.0	10.1	15.0	+ 4.9	15.0

*FY 3/23 result for the new segment is a preliminary estimate since it has not been audited. Subject to change in the future.

Appendix

Selected for the first time as a constituent of the “Morningstar Gender Diversity Index (GenDi)”

⇒ Selected as a constituent of all six Japanese ESG indexes adopted by GPIF

- Morningstar Gender Diversity Index (GenDi)
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)
- S&P/JPX Carbon Efficient Index



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

- **Acquired for the first time Platinum Kurumin certification as a company supporting childcare**

- Certification awarded to companies that demonstrate a high level of commitment to supporting a balance between childcare and work among those certified as Kurumin companies, pursuant to the Act on Advancement of Measures to Support Raising Next-Generation Children

FY 3/23 Toyobo results

- Percentage of childcare leave taken by male employees: 104.3%
- Percentage of female employees who remain in employment on their child's first birthday: 97.8%, etc.



- **Selected for the first time for inclusion on the list of Asia-Pacific Climate Leaders 2023**

- Selected for the first time as one of the top 275 companies, in terms of outstanding achievements in taking action to address climate change, in the Asia-Pacific Climate Leaders survey, carried out jointly by the UK's Financial Times and the German research firm Statista.

(Companies with headquarters in one of 14 Asia-Pacific countries and regions are eligible for consideration in the ranking)

- Major initiatives of the Company earning external recognition

Acquisition of SBT certification, and selection for second year running as "Supplier Engagement Leader," the CDP's highest rating, among others

Online meeting with investors (Scheduled)

➤ **Environmental and Functional Materials Business**

(Date: Aug. 29, 2023)

Plan to disclose the presentation material to the Company's website at a later date.

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.

TOYOBO CO., LTD

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TOYOBO
Beyond Horizons