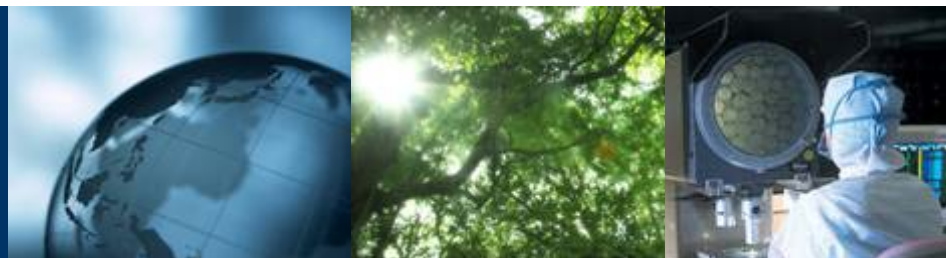




Ideas & Chemistry

Presentation to Investors



Ryuzo Sakamoto
President

Toyobo Co., Ltd.

November 6, 2013
(Analyst Meeting)

Highlights

H1 FY 3/14 Results

Operating income rose 48% year on year.

- Despite moderate recovery in industrial films, films overall faced tough operating conditions, as upward revisions in prices for packaging films were delayed.
- Sales expansion of the life science segment and recovery in textiles contributed to the increase in operating income.
- Toyobo made progress toward accelerating overseas business development and expanding sales of new products.

FY 3/14 Forecasts

Although profitability in packaging films is expected to take a turn for the better and expansion in sales of new products is anticipated, the outlook for income for the full fiscal year has not been revised because of concerns regarding rising raw material prices and uncertainties in the LCD market.

	FY 3/12					FY 3/13				
			H1	H2				H1	H2 (Forecast)	
	Q1	Q2				Q1	Q2			
Net sales	83.1	88.1	171.1	167.9	339.0	85.3	89.2	174.5	175.5	350.0
Operating income	2.2	5.4	7.6	9.4	17.1	5.2	6.1	11.3	10.7	22.0

¥ bn.

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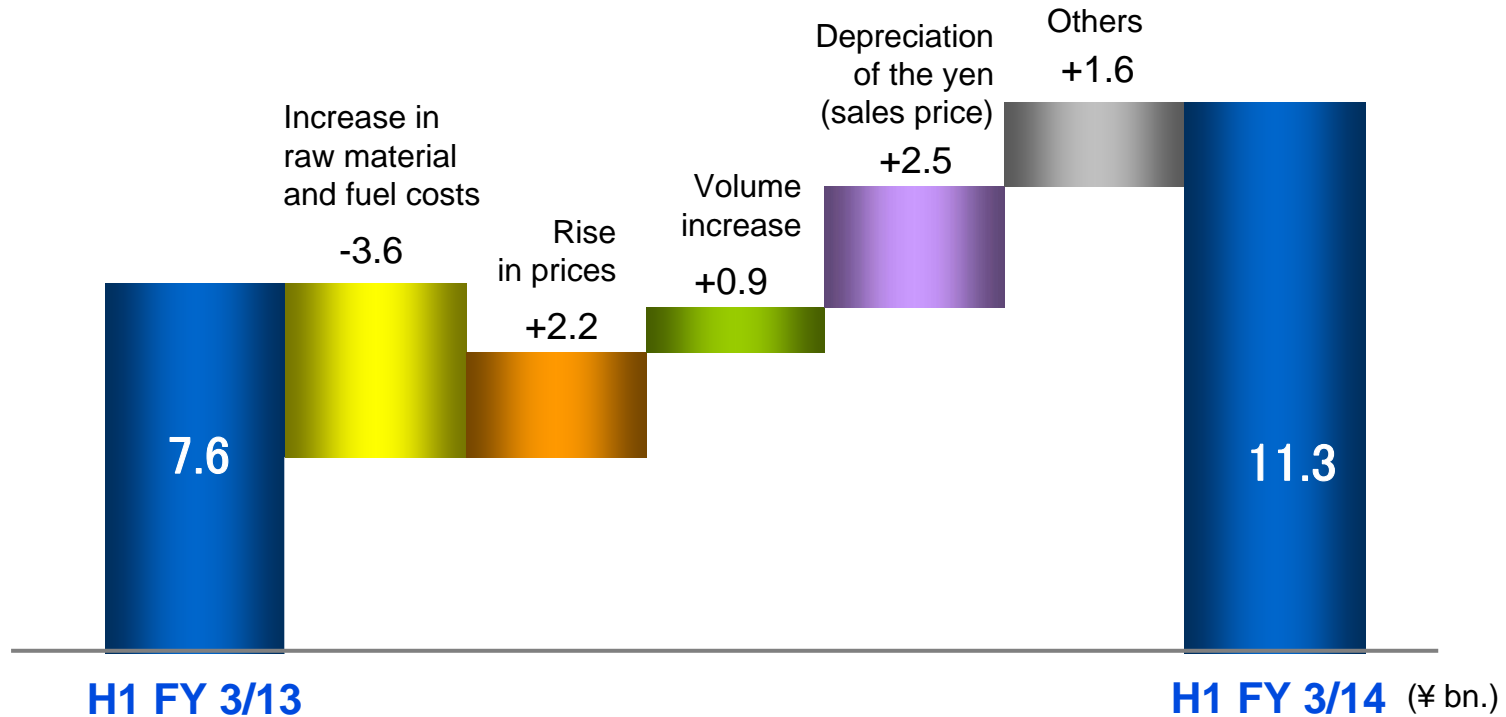
I. Results for H1 of FY 3/14

(1) Results for H1 FY 3/14 1) PL.CF

	¥ bn.					Previous forecasts (Aug. 2013)
	H1 FY 3/13	H2 FY 3/13	H1 FY 3/14	YoY		
				Amount	%	
Net sales	171.1	167.9	174.5	+3.4	+2.0%	172.0
Operating income	7.6	9.4	11.3	+3.6	+47.6%	10.0
Ratio to sales	4.5%	5.6%	6.5%	—	—	
Net income	2.7	4.9	5.2	+2.5	+90.8%	4.3
EPS (¥)	3.1	5.6	5.8	—	—	4.8
Depreciation	6.4	6.8	6.8	+0.4	+5.7%	
CAPEX	6.8	11.2	11.0	+4.2	+61.7%	
Operating CF	14.6	15.8	17.0	+2.4	+16.5%	
Exchange rate (¥/US\$)	79	87	99			
Naphtha price in Japan (thousand ¥/kl)	55	60	65			

Analysis of Changes in Operating Income

[H1 FY 3/13→ H1 FY 3/14]



	H1 FY 3/13	H1 FY 3/14
Naphtha price in Japan (thousand ¥/kl)	55	65
Exchange rate (¥/US\$)	79	99

2) BS

	Mar. 31, 2012	Mar. 31, 2013	Sept. 30, 2013	Change
				¥ bn.
Total assets	437.8	447.4	446.5	-0.9
Inventories	77.6	71.0	72.6	1.6
Net assets	147.7	155.5	160.5	5.0
Shareholders' equity	130.6	138.0	143.0	5.0
(Equity ratio)	29.8%	30.8%	32.0%	—
Interest-bearing debt	154.9	159.4	152.5	-6.9
D/E ratio	1.19	1.16	1.07	—

(2) Results by Segment

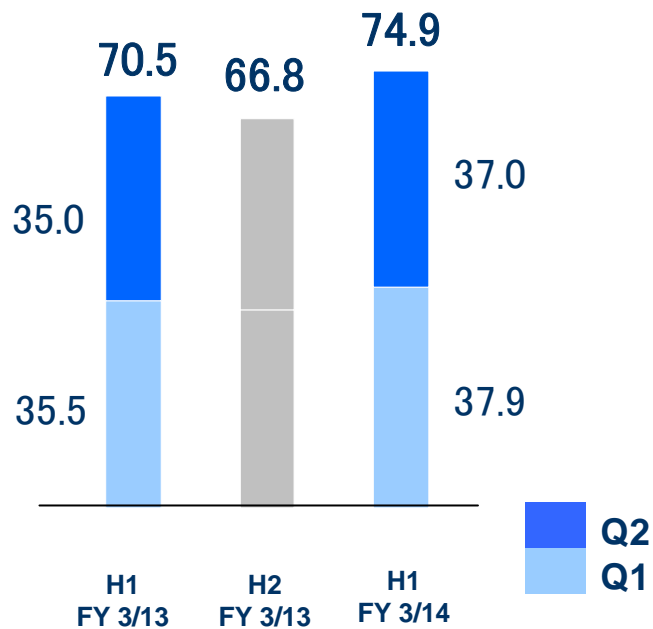
¥ bn.

	Net Sales			Operating Income(Loss)		
	H1 FY 3/13	H2 FY 3/13	H1 FY 3/14	H1 FY 3/13	H2 FY 3/13	H1 FY 3/14
Films & Functional Polymers	70.5	66.8	74.9	4.3	3.3	4.8
Industrial Materials	35.0	36.8	34.7	2.6	2.9	2.3
Life Science	12.6	12.2	13.1	1.6	2.6	2.6
Specialty Businesses	118.2	115.9	122.6	8.5	8.8	9.8
Operating income ratio (%)				7.2%	7.6%	8.0%
Textiles	40.8	38.4	39.7	-0.5	0.7	1.8
Real Estate and Others	12.1	13.6	12.1	1.2	1.5	1.4
Elimination & Corporate	-	-	-	-1.6	-1.5	-1.7
Total	171.1	167.9	174.5	7.6	9.4	11.3

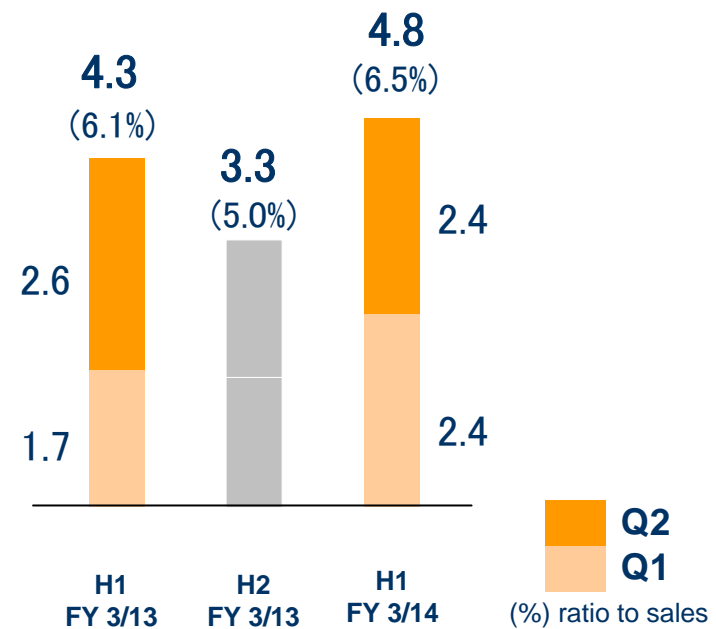
1) Films & Functional Polymers

- Moderate recovery in industrial films
- Tough operating conditions due to the delay in upward price revision for packaging films

Net sales (¥ bn.)



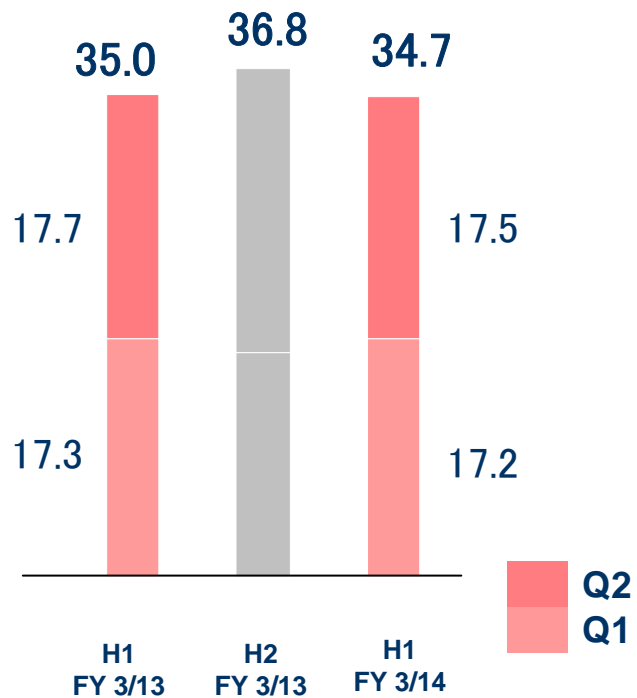
Operating income (¥ bn.)



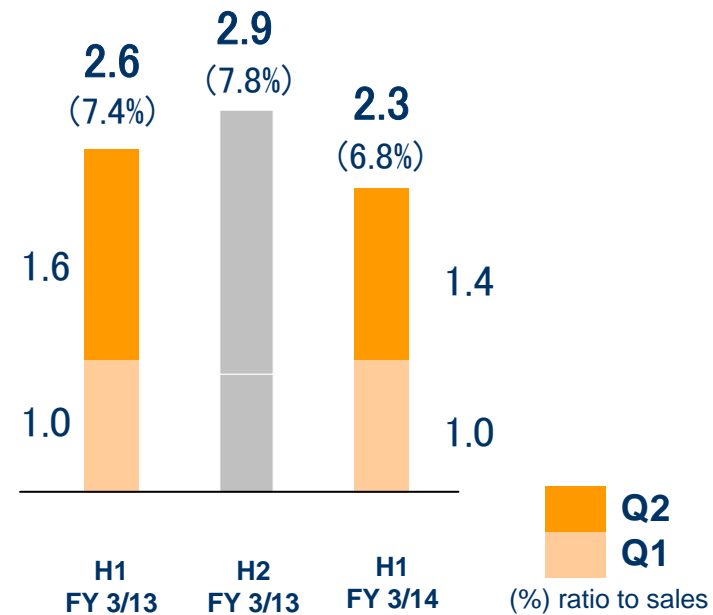
2) Industrial Materials

- Sales of airbag fabrics held firm, and sales of materials for consumer and industrial uses were strong.
- Functional filters continued to be in difficult operating conditions.

Net sales (¥ bn.)



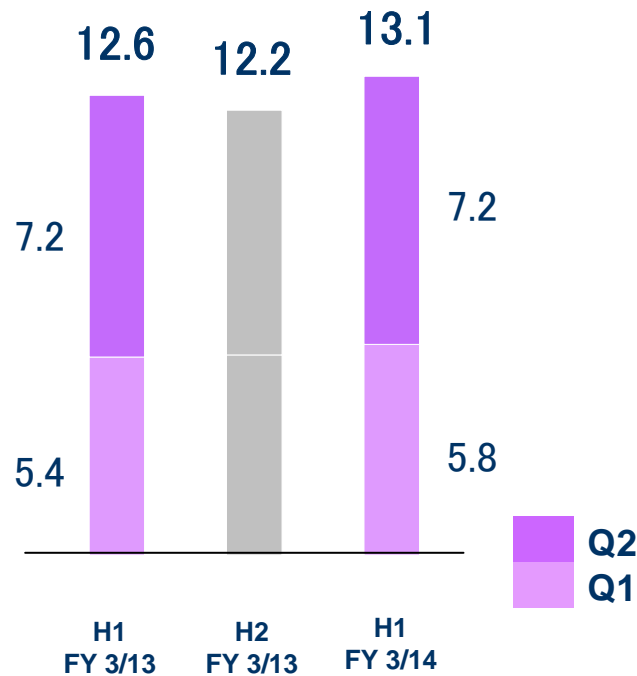
Operating income (¥ bn.)



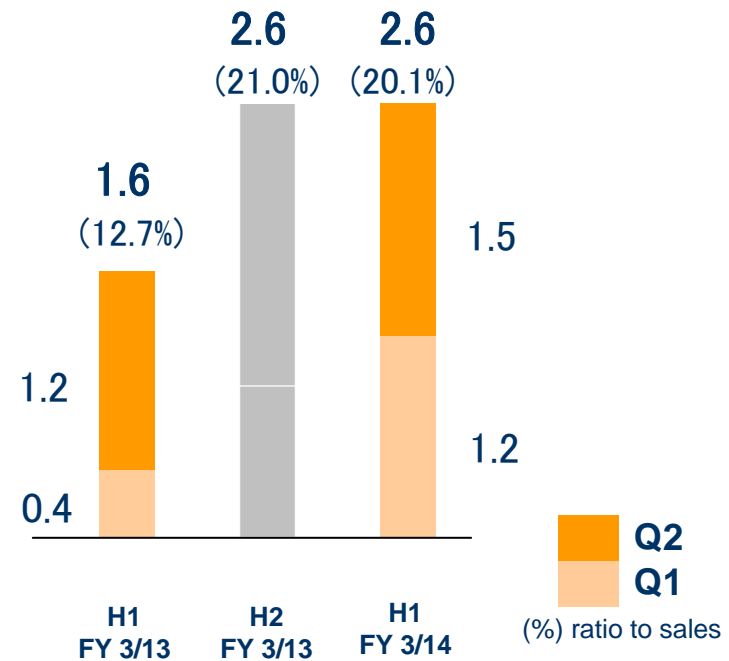
3) Life Science

- Performance of diagnostic enzymes and pharmaceuticals was favorable.
- Full-scale marketing of “Nerbridge” began, after the National Health Insurance system declared insurance coverage.

Net sales (¥ bn.)

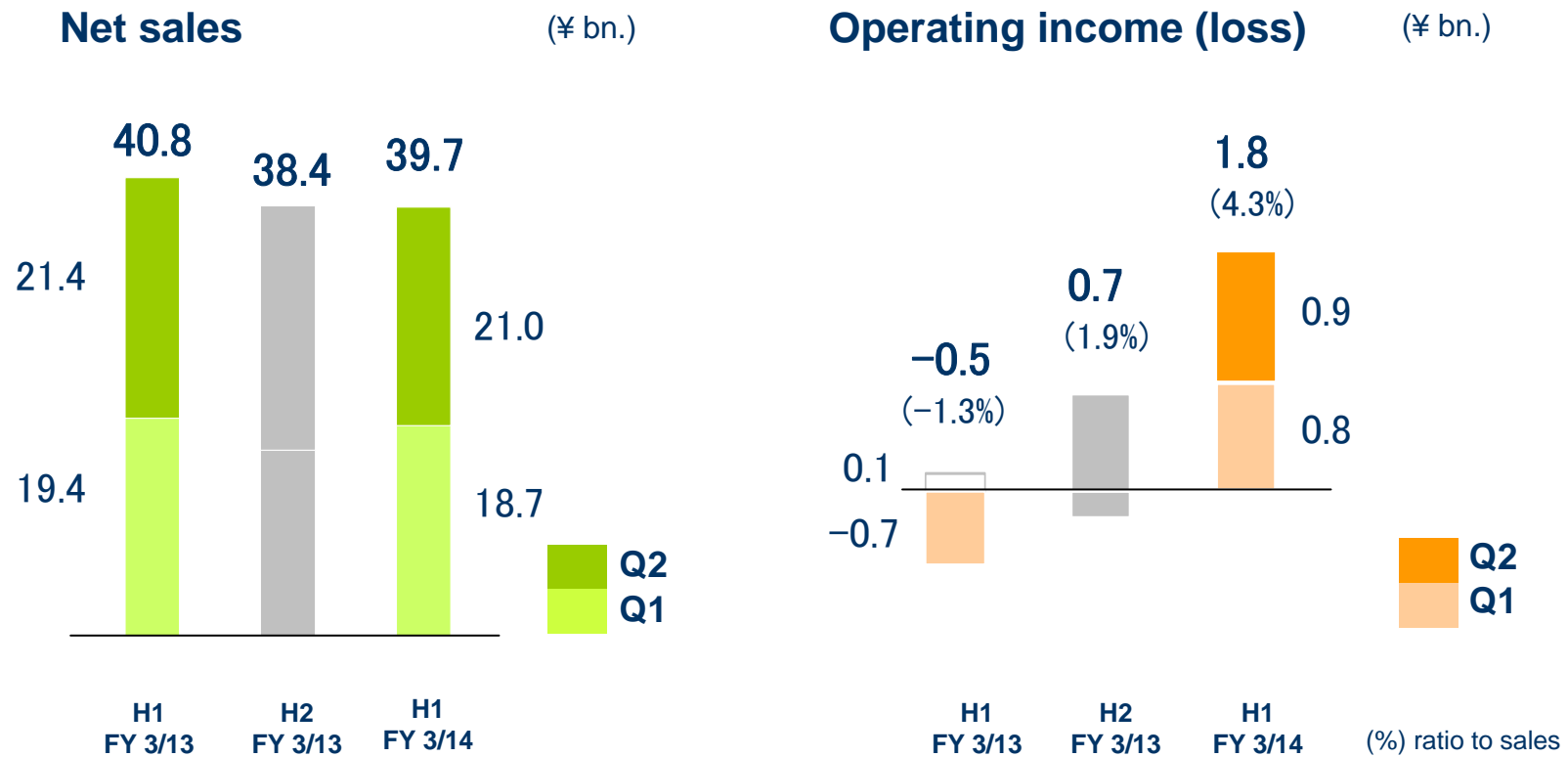


Operating income (¥ bn.)



4) Textiles

- Profitability of sports apparel deteriorated because of the decline in the value of the yen, but sales to the Middle East improved substantially.



II. Forecasts for FY 3/14

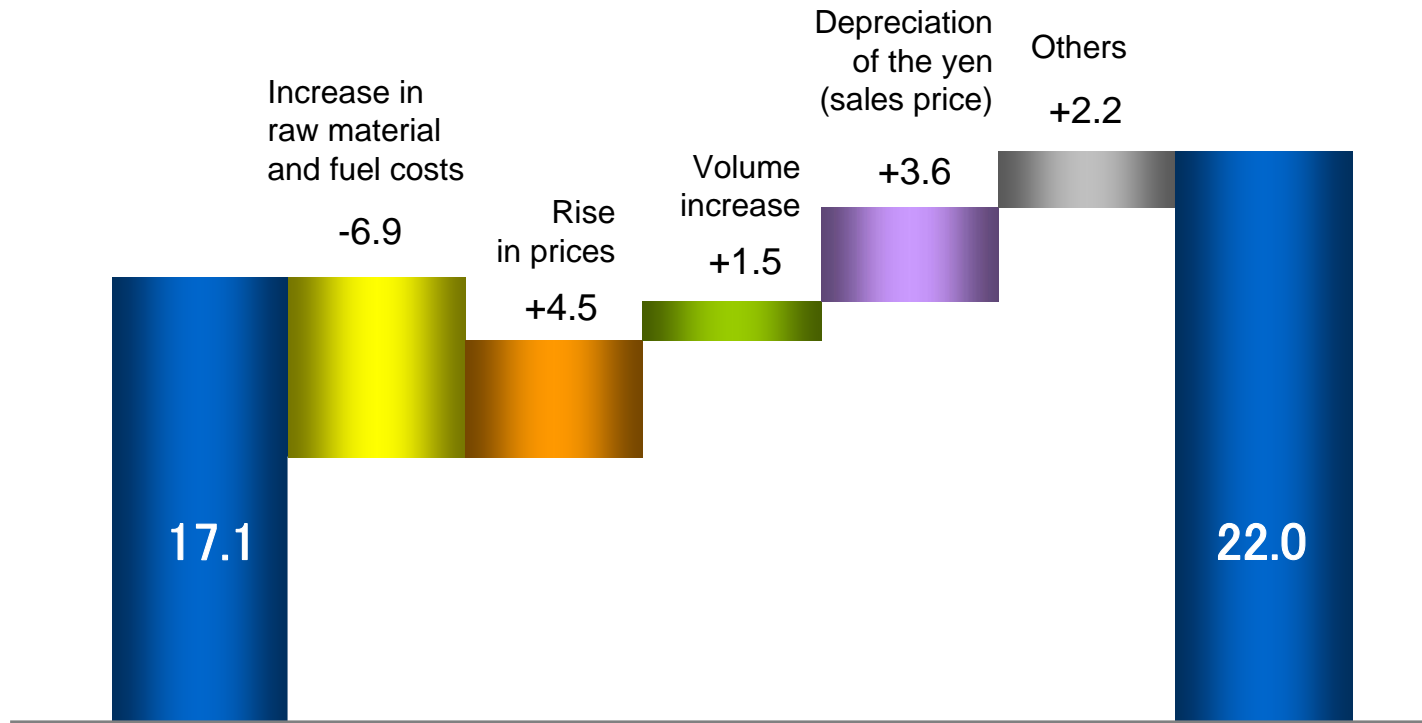
(1) Forecasts for FY 3/14

¥ bn.

	FY 3/13	FY 3/14 (Forecasts)			Change	
		H1	H2		Amount	%
Net sales	339.0	174.5	175.5	350.0	+11.0	+3.2%
Operating income	17.1	11.3	10.7	22.0	+4.9	+28.8%
Ratio to sales	5.0%	6.5%	6.1%	6.3%	—	—
Net income	7.6	5.2	4.3	9.5	+1.9	+24.4%
EPS (¥)	8.6	5.8	4.9	10.7	—	—
Depreciation	13.2	6.8	7.2	14.0	+0.8	+5.7%
Capital expenditures	18.0	11.0	7.0	18.0	-0.0	-0.2%
Exchange rate (¥/US\$)	83	99	97	98		
Naphtha price in Japan (thousand ¥/kl)	58	65	68	67		

Analysis of Changes in Operating Income

[Forecasts: FY 3/13→ FY 3/14]



FY 3/13

	FY 3/13	FY 3/14
Naphtha price in Japan (thousand ¥/kl)	58	67
Exchange rate (¥/US\$)	83	98

FY 3/14 (¥ bn.)

(2) Forecasts by Segment

	Net sales				Operating income			
	FY 3/13	FY 3/14 (Forecast)			FY 3/13	FY 3/14 (Forecast)		
		H1	H2			H1	H2	
Films & Functional Polymers	137.4	74.9	74.1	149.0	7.6	4.8	4.8	9.6
Industrial Materials	71.9	34.7	36.3	71.0	5.5	2.3	2.8	5.1
Life Science	24.8	13.1	13.9	27.0	4.2	2.6	2.8	5.4
Specialty Businesses	234.1	122.6	124.3	247.0	17.3	9.8	10.3	20.1
					7.4%	8.0%	8.3%	8.1%
Textiles	79.2	39.7	39.3	79.0	0.2	1.8	0.8	2.6
Real Estate and Others	25.7	12.1	11.9	24.0	2.7	1.4	1.2	2.6
Elimination & Corporate	—	—	—	—	-3.1	-1.7	-1.6	-3.3
Total	339.0	174.5	175.5	350.0	17.1	11.3	10.7	22.0

III. Progress of strategic actions

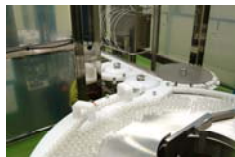
(1) Strategic Actions

1 Investment

Concentrating on competitive specialty businesses



- New polyester film facilities
(H2 FY 3/14)



- Contract manufacturing of pharmaceuticals
(H1 FY 3/14)

2 Overseas Business

- Manufacturing and marketing company for “VYLON” established in Thailand
- Manufacturing and marketing bases for airbag fabrics in Asia and the U.S.
- Acquisition of a global manufacturer and marketer of diagnostic reagents and instruments (Spain)

4 Asset Efficiency

- Withdrawal from the polyester tire cord business
 - September 2013: Production to be stopped
 - December 2013: Sales to be stopped

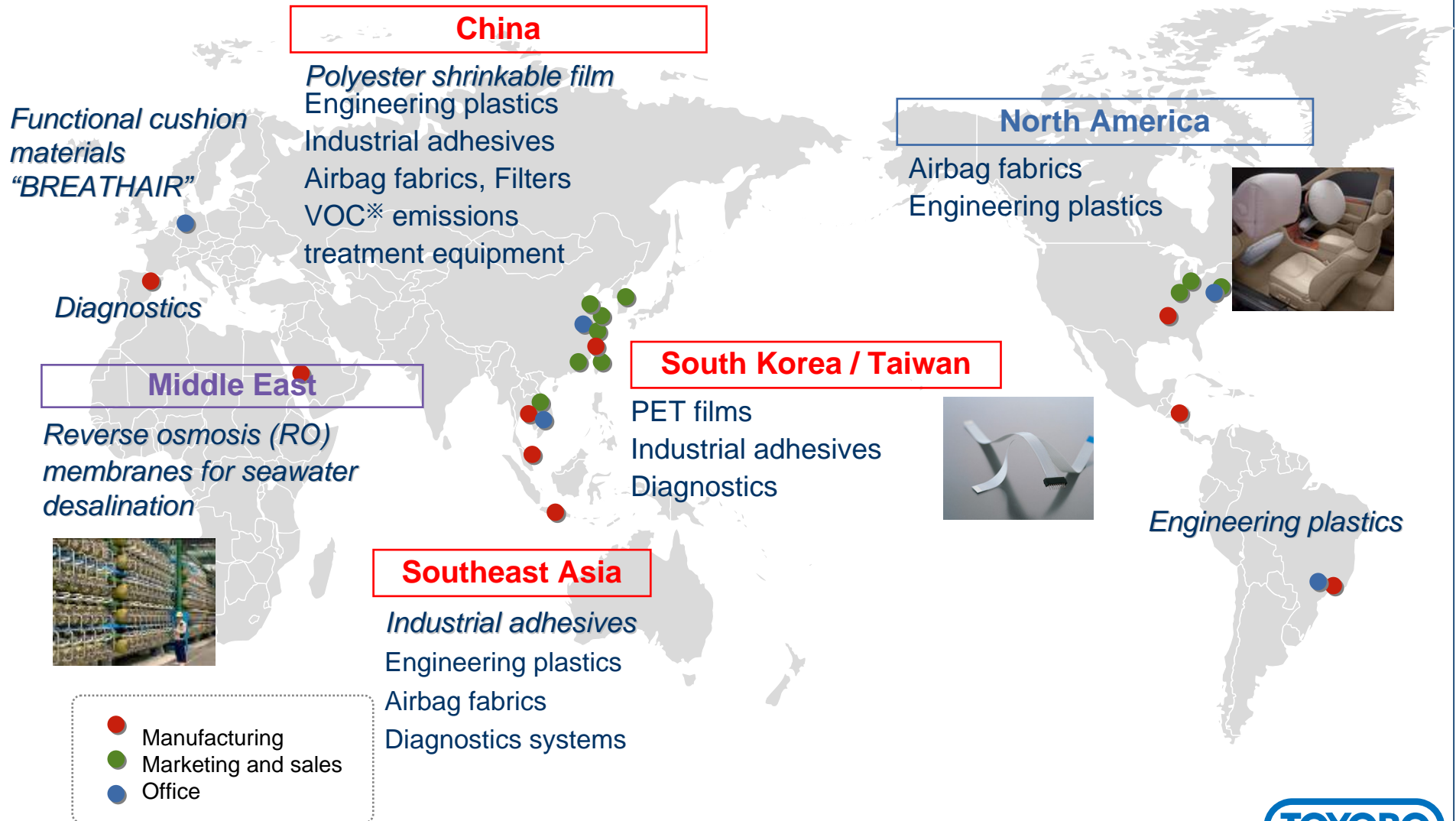


3 New Products

- New medical treatment device: “**Nerbridge**”
- New polyester film for LCDs: “COSMOSHINE” **SRF** type
- New polyester shrinkable film for plastic bottle labels: “**Spaceclean**” new type

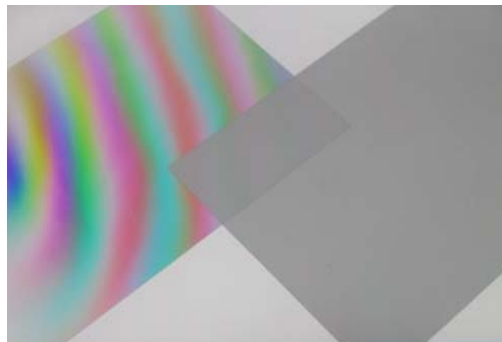


(2) Overseas Business



New polyester film for LCDs, “Super Retarder Film”

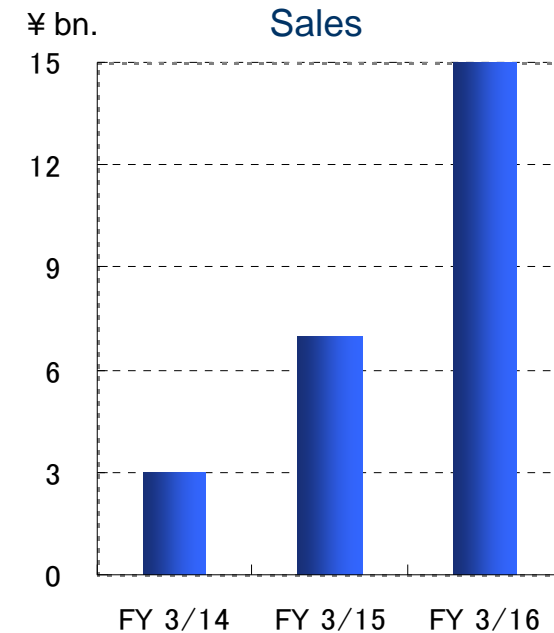
- Principal application:
Protective film for polarizing plates
- Competing with TAC, COP, acryl polymers/
Cost advantage
- Existing production lines can be used
- One manufacturer in South Korea has adopted SRF, and two in Taiwan are proceeding with assessments.



Elimination of interference fringes

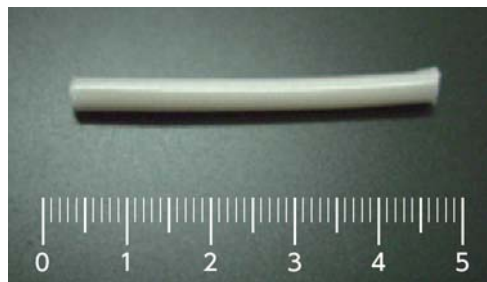
Launched in December 2012

Sales target for FY3/16
¥15 billion

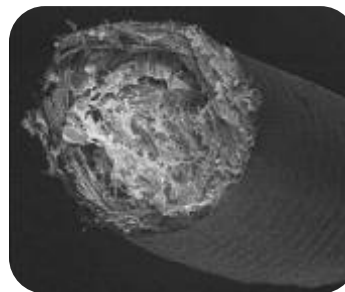


A new medical treatment device for regeneration of damaged peripheral nerves

- The first such device in Japan
- Can replace nerve sutures and autografts
- Can be used in primary emergency hospitals
- Materials to be absorbed in human bodies
- Insurance coverage started as of July 1, 2013
- Full-scale marketing started in July
- Market research under way in U.S., Europe, and Asia



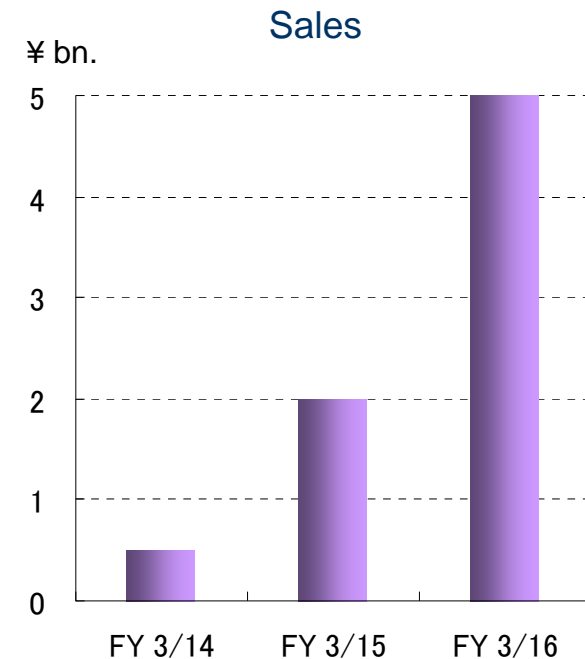
“Nerbridge” (cm)



Cross section

Launched in March 2013

Sales target for FY3/16
¥5 billion



M&A in Bioproduct Business

Acquired Spain's manufacturer and marketer of diagnostic reagents and instruments

-Toyobo's first M&A in bioproduct business-

• Objectives

- To utilize Spinreact's global sales network (90 countries) for promoting Toyobo's bioproducts
 - To expand our product lineup
 - To secure production base in Europe
- <Complementary in products and sales network>

• Merger Date: July 31, 2013

*Strategic M&A for
Investment and Overseas Business*



Spinreact S.A.U.



Our Vision

- Become “the category leader that continues to create new value that contributes to society in the environment, life science, and high-function products fields”
- Be a company that combines both growth potential and stable profitability
- Sales: ¥500 bn. ,Operating income: ¥50 bn. ,ROA: Over 10%. D/E=1.0

~Medium-term business plan to be set up, with a view of achieving the targets after FY 3/21 ~



IV. Litigation

Progress of Litigation regarding Body Armor Using ZYLON Fiber

- 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 Dept. of Justice (DOJ) participated as a plaintiff in this lawsuit.
- 4) The DOJ also filed a lawsuit relating to BA other than the BA mentioned above.

<Settled Litigation: date of settlement – All cases were settled by agreement>

- The class action by the purchasers: October 2005
- Actions by the injured/deceased persons (product liability cases): 2006 to 2007
- A lawsuit filed by German state governments: February 2009
- Lawsuits filed by manufacturer of bulletproof vests: July 2011 (2) and March 2012

<Progress of litigation>

(As of Nov 5, 2013)

	Class action	Product liability	Government-related		BA manufacturer			Government-related
Plaintiff	Purchasers	Pennsylvania policeman, etc.	State of Arkansas	U.S. DOJ, et al.	Second Chance Body Armor	Point Blank Solutions	First Choice Armor & Equipment	Two German states
Status	Settled (Oct. 2005)	Settled (Jan. and Nov. 2006, Jan. 2007)	No progress after receipt of claims	Discovery was completed.	Settled (July 2011)	Settled (July 2011)	Settled (March 2012)	Settled (Feb. 2009)
Number of cases	10	4	1	2	1	1	1	1

Appendix

Specialty Businesses and Market Fields

Fields: Business Segments	Automotive	Electronics & Information Display	Environment	Life Science	Lifestyle & Safety
Films & Functional Polymers	<ul style="list-style-type: none"> •Engineering plastics 	<ul style="list-style-type: none"> •PET films for optical uses •Biomass high-melting-point polyamide for molding •Co-polyester adhesives •Modified polyolefin adhesives •Acrylate polymers 	<ul style="list-style-type: none"> • For photovoltaic systems 		<ul style="list-style-type: none"> •Packaging films
Industrial Materials	<ul style="list-style-type: none"> •Airbag fabrics •Functional filters •Nonwoven fabrics 	<ul style="list-style-type: none"> •New catalyst for polyester 	<ul style="list-style-type: none"> •VOC emissions treatment equipment and systems •Functional filters 	<ul style="list-style-type: none"> •High-performance fibers •new structured cushions 	
Life Science			<ul style="list-style-type: none"> • Water treatment membranes 	<ul style="list-style-type: none"> •Medical membranes •Enzymes for Diagnostic •Diagnostic systems and reagents •Pharmaceuticals (contract manufacturing) 	<ul style="list-style-type: none"> •Cosmetics ingredients

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.