



Ideas & Chemistry

Presentation to Investors



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(Analysts' Meeting)

Highlights

FY 3/16 Results

- Operating income up 12% year on year to ¥23.1 billion, profit up 25% to ¥10.1 billion
- While LCDs and Japanese automobile-related sales struggled, costs related to startup of new film production facilities and new products declined
- “COSMOSHINE SRF” commenced full-scale sales to major polarizer manufacturers
- Overseas expansion also is progressing in engineering plastics and airbag fabrics

FY 3/17 Forecasts

- Expansion sales for “COSMOSHINE SRF” as well as increased income in airbag fabrics and pharmaceuticals are expected
- Given uncertainty in business environment, forecast operating income is ¥25.0billion

	FY 3/15		FY 3/15	FY 3/16		FY 3/16
	H1	H2		H1	H2	
Net sales	172.3	179.0	351.3	179.7	168.1	347.8
Operating income	9.0	11.5	20.6	10.5	12.6	23.1
Profit attributable to owners of parent	2.6	5.5	8.1	5.4	4.8	10.1

¥ bn.

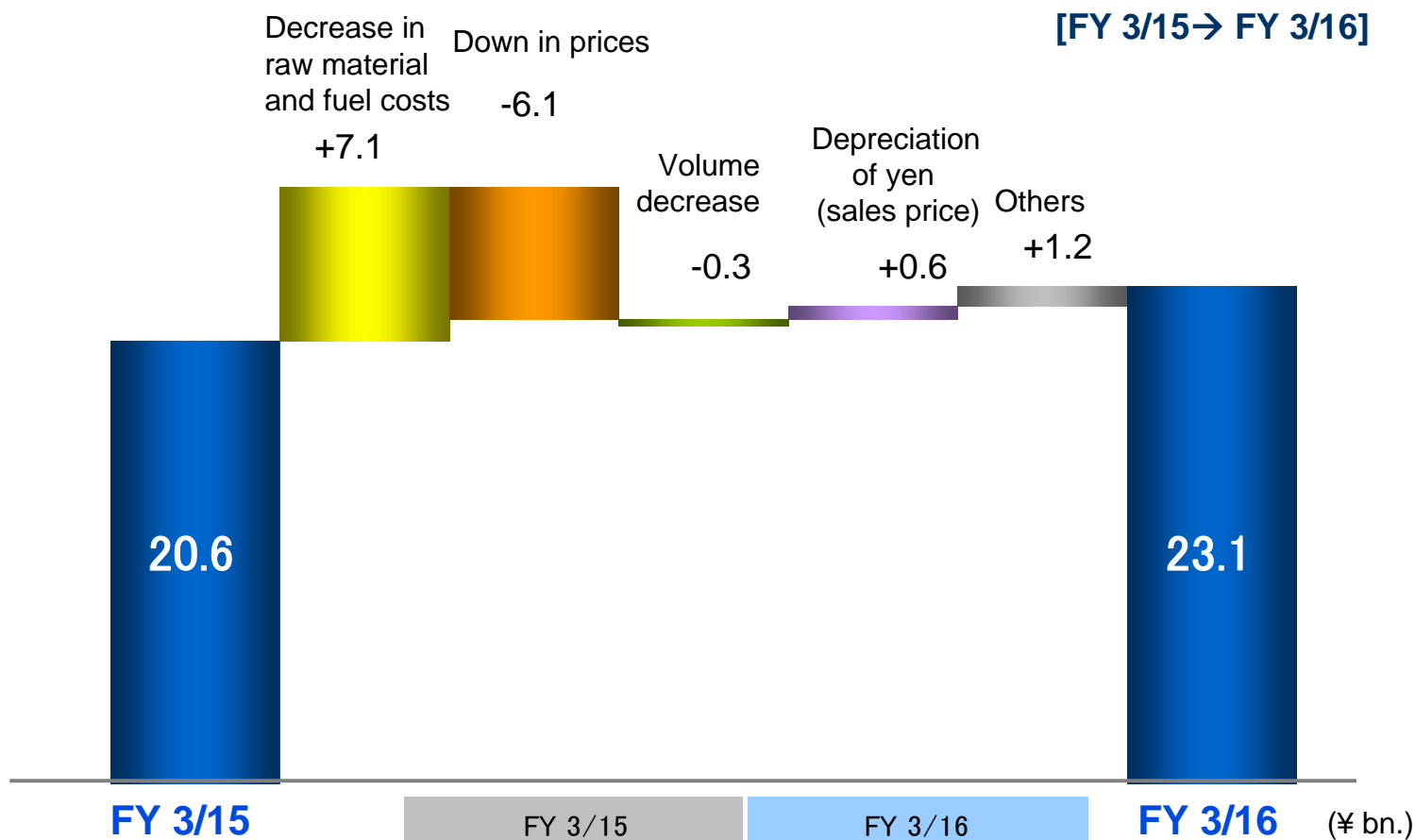
I. Results for FY 3/16

(1) Results for FY 3/16 1)PL.CF

¥ bn.

	FY 3/15	FY 3/16			YoY	
		H1	H2		Amount	%
Net sales	351.3	179.7	168.1	347.8	-3.5	-1.0%
Operating income	20.6	10.5	12.6	23.1	2.5	+12.4%
Ratio to sales	5.9%	5.8%	7.5%	6.6%	-	-
Profit attributable to owners of parent	8.1	5.4	4.8	10.1	2.0	+25.0%
EPS (¥)	9.14	6.04	5.39	11.43	-	-
					-	
Depreciation	14.9	7.1	7.3	14.4	-0.5	-3.2%
CAPEX	17.5	7.3	10.0	17.3	-0.2	-0.9%
					-	
Operating CF	20.1	12.9	19.4	32.3	12.2	+60.8%
Exchange rate (¥/US\$)	110	122	118	120		
Naphtha price in Japan (thousand ¥/kl)	64	48	38	43		

Analysis of Changes in Operating Income



Exchange rate (¥/US\$)	103	117	110	122	118	120
Naphtha price in Japan (thousand ¥/kl)	71	57	64	48	38	43

2) BS

¥ bn.

	Mar. 31, 2015	Mar. 31, 2016	Change
Total assets	465.8	444.6	-21.2
Inventories	82.4	75.3	-7.0
Net assets	161.1	160.1	-1.0
Shareholders' equity	158.0	156.9	-1.1
Retained earnings	32.5	39.5	+7.1
Foreign currency translation adjustment	-7.5	-10.7	-3.3
Remeasurements of defined benefit plans	-1.6	-5.7	-4.1
Non-controlling interests	3.1	3.2	+0.1
Interest-bearing debt	177.1	165.4	-11.7
D/E ratio	1.12	1.05	

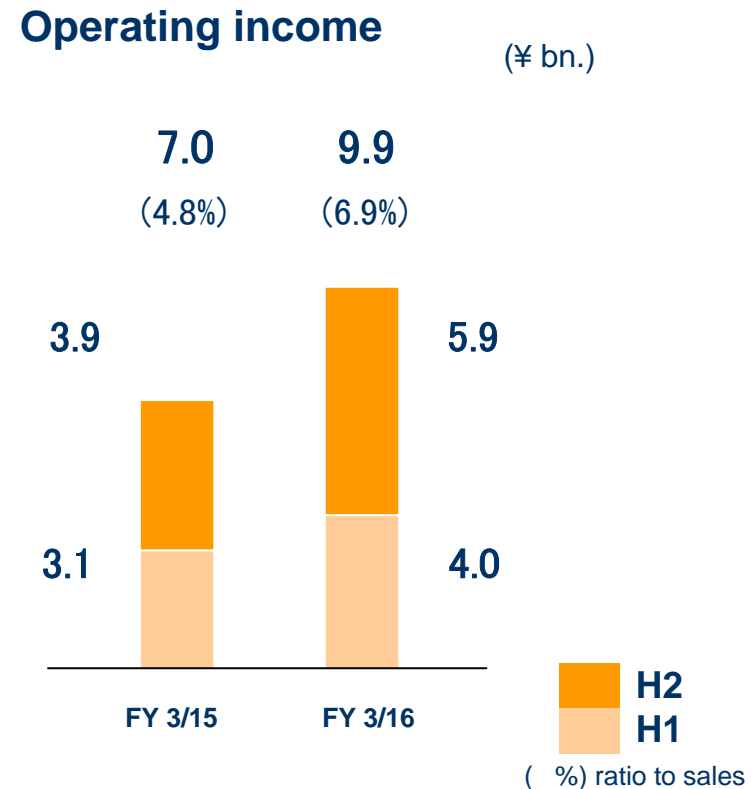
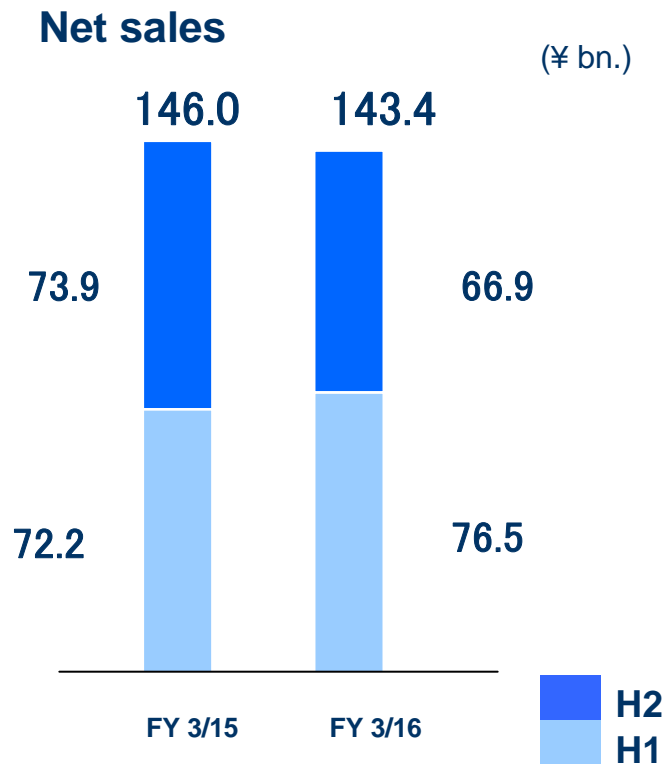
(2) Results by Segment

¥ bn.

	Net Sales				Operating Income(Loss)			
	FY 3/15	FY 3/16			FY 3/15	FY 3/16		
		H1	H2			H1	H2	
Films & Functional Polymers	146.0	76.5	66.9	143.4	7.0	4.0	5.9	9.9
Industrial Materials	71.5	35.3	35.2	70.5	6.6	3.2	3.0	6.3
Healthcare	28.8	13.5	14.3	27.7	5.0	2.1	2.6	4.7
Specialty Businesses	246.3	125.3	116.3	241.6	18.6	9.4	11.5	20.9
Operating income ratio (%)					7.6%	7.5%	9.9%	8.7%
Textiles and Trading	85.1	43.8	41.6	85.5	2.3	1.2	1.3	2.5
Real Estate and Others	19.9	10.5	10.1	20.6	2.6	1.5	1.4	2.8
Elimination & Corporate	-	-	-	-	-3.0	-1.5	-1.7	-3.2
Total	351.3	179.7	168.1	347.8	20.6	10.5	12.6	23.1

1) Films & Functional Polymers

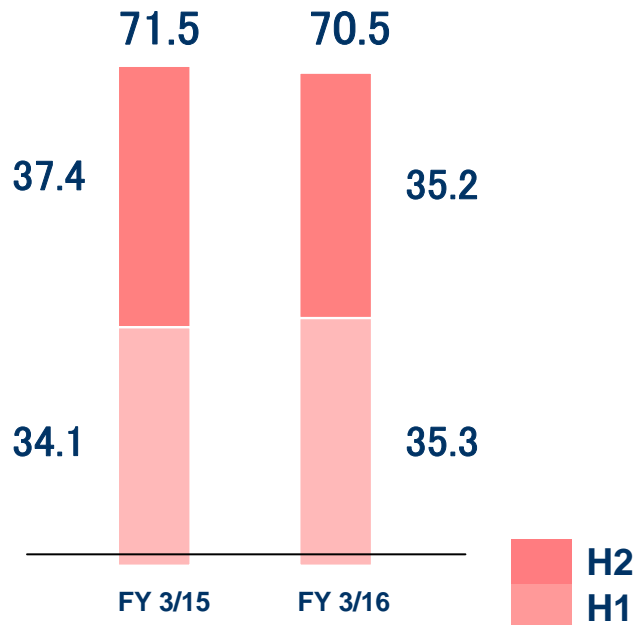
- While LCDs and Japanese automobile-related sales struggled, income rose due to decline in costs related to startup of new film production facilities and new products and increase in sales volume for packaging film



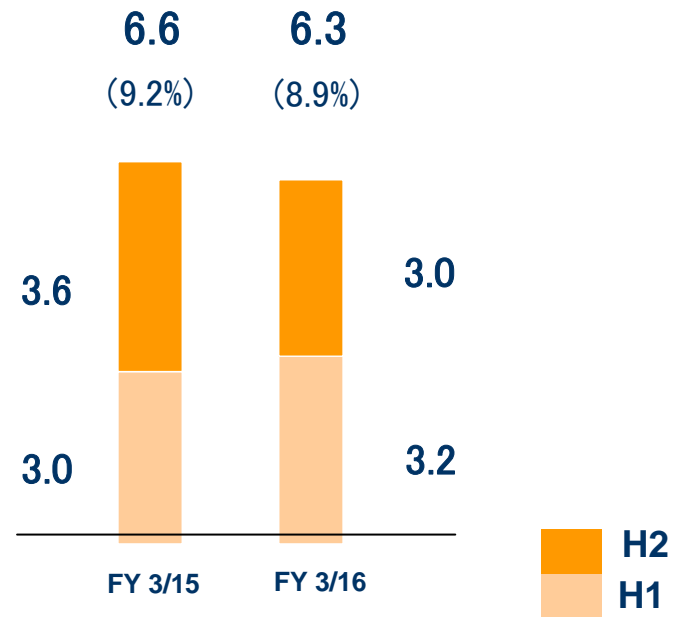
2) Industrial Materials

- Although sales of products for consumer and industrial uses and functional filters remained robust, income declined due to prepaid costs for airbag fabrics and other factors

Net sales (¥ bn.)



Operating income (¥ bn.)

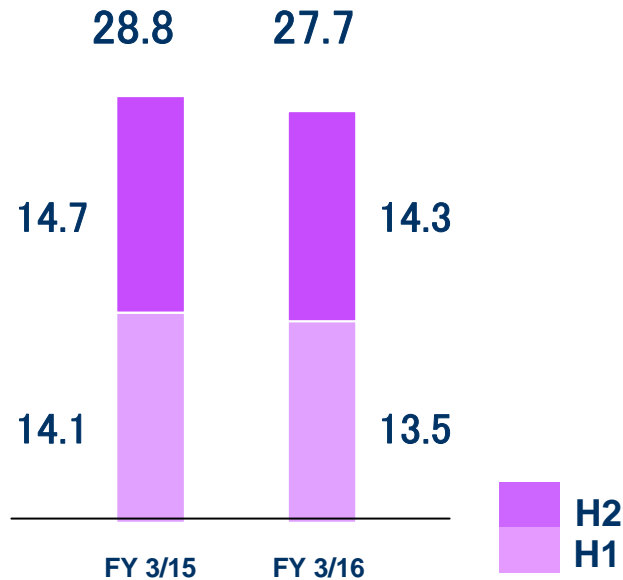


(%) ratio to sales

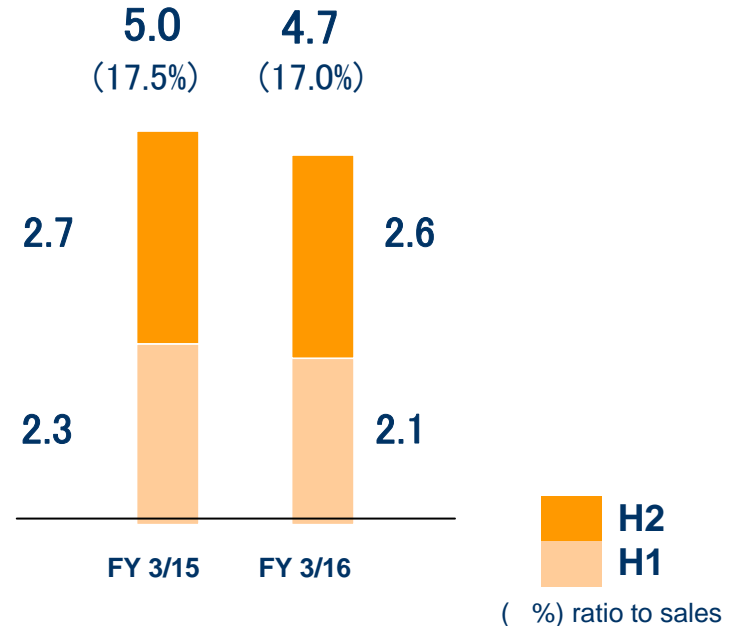
3) Healthcare

- Although reagents for life sciences and enzymes for diagnostic reagents remained steady, sales and income declined due to postponement of projects for the contract manufacturing business of pharmaceuticals

Net sales (¥ bn.)



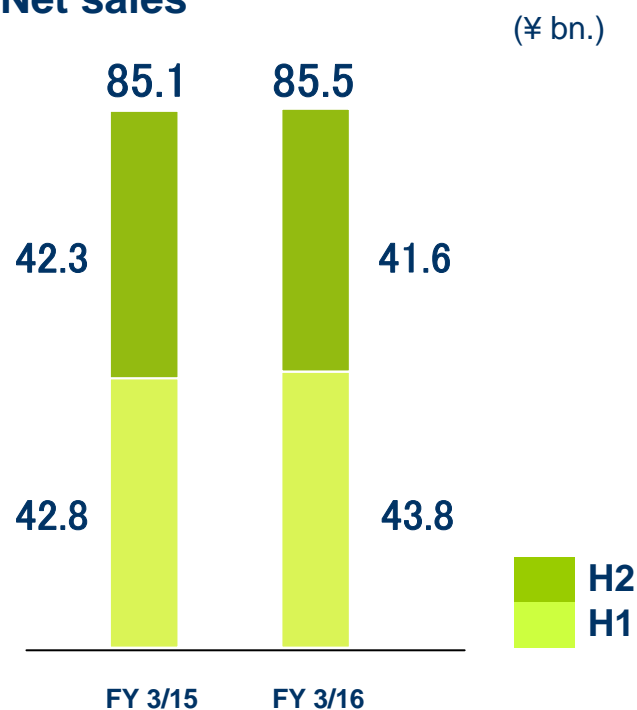
Operating income (¥ bn.)



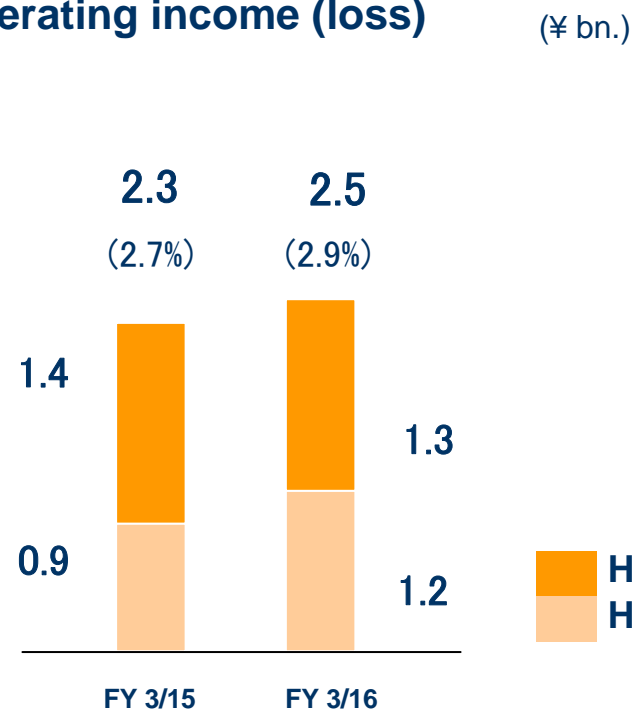
4) Textiles and Trading

- While sales of acrylic fiber struggled, sales and income rose as sales of textile products for Arabic remained firm

Net sales



Operating income (loss)



(%) ratio to sales

II. Forecasts for FY 3/17

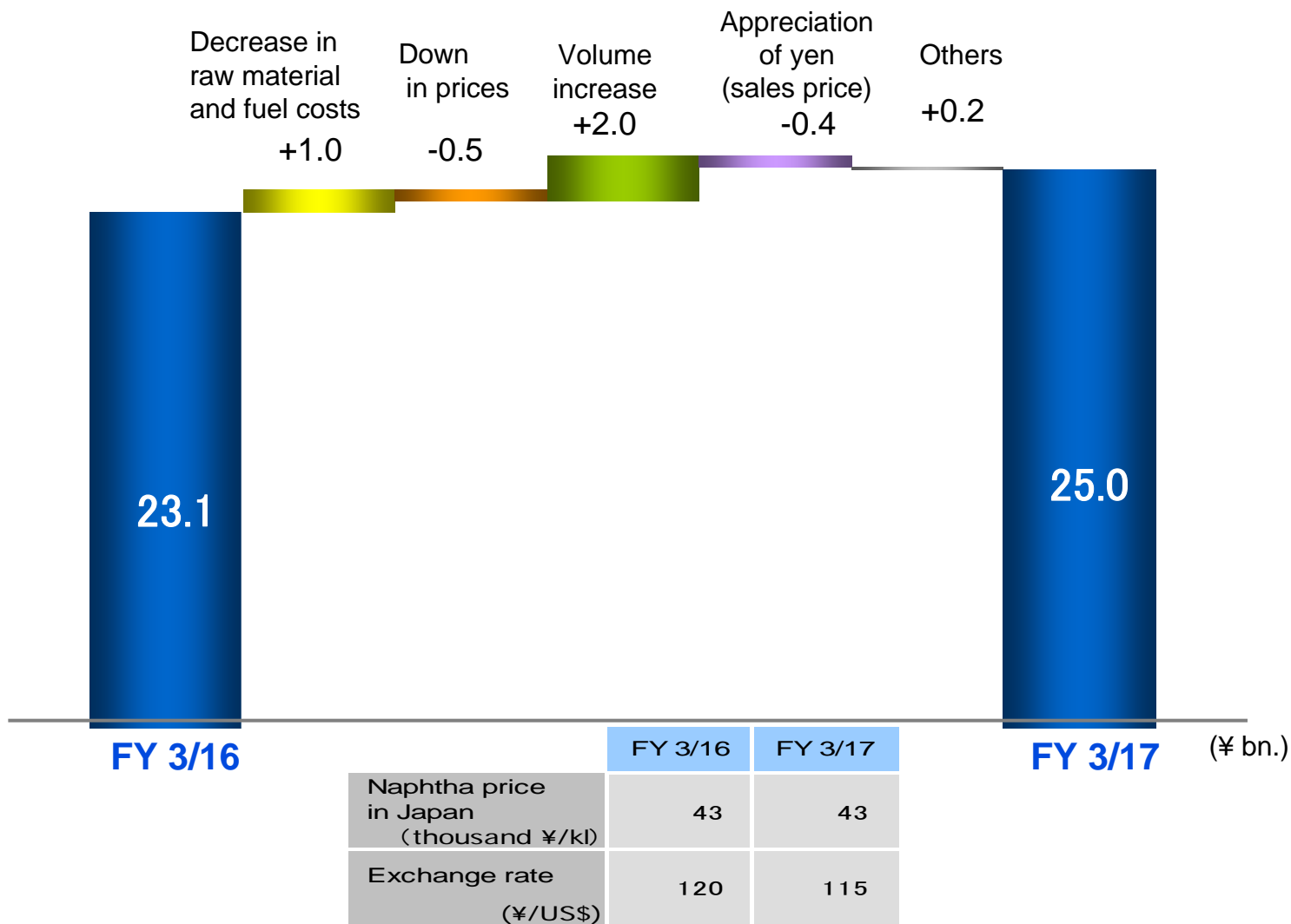
(1) Forecasts for FY 3/17

¥ bn.

	FY 3/16	FY 3/17 (Forecasts)	Change	
			Amount	%
Net sales	347.8	360.0	+12.2	+3.5%
Operating income	23.1	25.0	+1.9	+8.1%
Ratio to sales	6.6%	6.9%	–	–
Profit attributable to owners of parent	10.1	13.0	+2.9	+28.1%
EPS (¥)	11.43	14.64	–	–
Depreciation	14.4	15.0	+0.6	–
Capital expenditures	17.3	18.0	+0.7	–
Exchange rate (¥/US\$)	120	115		
Naphtha price in Japan (thousand ¥/kl)	43	43		

Analysis of Changes in Operating Income

[Forecasts: FY 3/16→ FY 3/17]



(2) Forecasts by Segment

¥ bn.

	Net sales		Operating income		change
	FY 3/16	FY 3/17	FY 3/16	FY 3/17	
Films & Functional Polymers	143.4	146.4	9.9	11.5	+1.6
Industrial Materials	70.5	75.5	6.3	6.9	+0.6
Healthcare	27.7	31.7	4.7	5.2	+0.5
Specialty Businesses	241.6	253.6	20.9	23.6	+2.7
Operating income ratio (%)			8.7%	9.3%	
Textiles and Trading	85.5	85.7	2.5	1.8	-0.7
Real Estate and Others	20.6	20.7	2.8	2.8	+0.0
Elimination & Corporate	-	-	-3.2	-3.2	+0.0
Total	347.8	360.0	23.1	25.0	+1.9

III. 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 May 13,2016)

	Class action	Product liability	Government-related		BA manufacturer			Government-related
	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 is proceeding.	Settled (Feb 2011)	Settled (July 2011)	Settled (March 2012)	Settled (Feb. 2009)
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.