February 12, 2025

TOYOBO
Beyond Horizons

Presentation to Investors

for the Third Quarter Ended December 31, 2024

TOYOBO CO., LTD.

Greetings, my name is Ono, CFO of TOYOBO. Thank you very much for attending our financial results presentation today. We would also like to thank you for your continuous support for our company. I will now explain the Q3 FY 3/25 financial results.

Highlights

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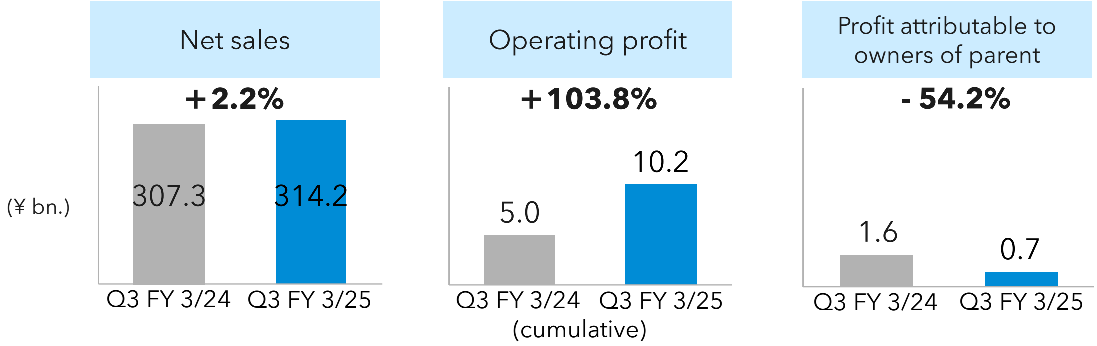
Q3 FY 3/25 Results

Operating profit increased because Industrial film and Environmental and Functional Materials performed strong, in addition to improvement in profitability of businesses requiring improvement.
Net profit was ¥0.7 billion.



FY 3/25 Forecasts

We forecast operating profit of ¥17.0 billion and net profit of ¥2.6 billion,
based on strong performance of Industrial film and measures for businesses requiring improvement,
despite profit decrease of Life Science.

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First is the highlights. Net sales increased by 2.2% to JPY314.2 billion, operating profit increased by 103.8% to JPY10.2 billion, and profit attributable to owners of the parent decreased by 54.2% to JPY0.7 billion.

Operating profit increased significantly due to strong sales in industrial film and environmental and functional materials, as well as progress in improvement measures for businesses requiring improvement.

However, net profit for the quarter was only JPY0.7 billion due to deterioration in non-operating profit and expenses and extraordinary income and losses.

The full-year forecasts for FY 3/25 remain unchanged from the figures announced at the beginning of the year. Although profit in life science decreased, we assume that industrial film will continue to be strong. We believe that we can achieve the operating profit of JPY17.0 billion and net profit of JPY2.6 billion, considering the progress in measures for businesses requiring improvement, further improvement in terms of trade, cost reduction effects, and other factors.

Summary of Results: P&L

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(¥ bn.)

	Q3 FY 3/24 (cumulative)	Q3 FY 3/25 (cumulative)	YOY	
			Amount	%
Net sales	307.3	**314.2**	+6.9	+2.2%
Gross profit	64.8	**71.1**	+6.3	+9.7%
Operating profit	5.0	**10.2**	+5.2	+103.8%
(Ratio to sales)	1.6%	**3.2%**	-	-
Non-operating income and expenses	- 2.6	**- 4.6**	- 2.0	-
Ordinary profit	2.4	**5.5**	+3.1	+131.0%
Extraordinary income and losses	1.2	**- 1.3**	- 2.6	-
Profit attributable to non-controlling interests (deducted)	0.1	**2.7**	+2.6	-
Profit attributable to owners of parent	1.6	**0.7**	- 0.9	- 54.2%
EBITDA* *Operating profit + Depreciation (includes goodwill)	19.5	**27.1**	+7.7	+39.5%
EPS (¥)	17.9	**8.2**	-	-
ROE* *Annualized for Q3 of FY 3/25. (Profit*(4/3) / Beginning and ending balance average shareholder's equity)	1.1%	**0.5%**	-	-
Depreciation	14.5	**17.0**	+2.5	+17.3%
CAPEX	45.1	**34.4**	- 10.8	- 23.8%
R&D expenses	11.8	**10.9**	- 0.9	- 7.8%

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Next is the financial summary, P&L. Net sales increased by JPY6.9 billion and gross profit was JPY71.1 billion, an increase of JPY6.3 billion. Ratio to net sales was 22.6%, an improvement of 1.5 point from the same period last year. We recognize that the improvement in the price revisions spread and the withdrawal from unprofitable products had a positive effect.

Operating profit increased by JPY5.2 billion. In Q3, prototype costs were incurred heavily in the films business. Also, the life science business experienced a temporary deterioration in capacity utilization, and it led to sluggish growth, but we believe that we are basically back online.

Non-operating income and expenses and extraordinary income and losses deteriorated. In addition, profit attributable to owners of parent was limited to JPY0.7 billion due to higher earnings allocated to non-controlling interests.

EBITDA increased by JPY7.7 billion to JPY27.1 billion due to an increase in operating profit and an increase in depreciation resulting from capital investment.

Capital investment totaled JPY34.4 billion, a decrease of JPY10.8 billion from the previous year. While upfront investment continues, we believe that it has generally peaked out.

Non-operating Income and Expenses, Extraordinary Income and Losses

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Non-operating income and expenses: breakdown

(¥ bn.)

	Q3 FY 3/24 (cumulative)	Q3 FY 3/25 (cumulative)	YOY
Foreign exchange gains	0.8	**0.2**	- 0.6
Compensation income	–	**0.5**	+0.5
Other	1.3	**1.5**	+0.2
Total non-operating income	2.1	**2.2**	+0.1
Interest expenses	1.0	**1.5**	+0.5
Other	3.7	**5.3**	+1.6
Total non-operating expenses	4.6	**6.8**	+2.2
Total non-operating income and expenses	- 2.6	**- 4.6**	- 2.0

Extraordinary income and losses: breakdown

(¥ bn.)

	Q3 FY 3/24 (cumulative)	Q3 FY 3/25 (cumulative)	YOY
Gain on sale of shares of subsidiaries and associates	-	**1.5**	+1.5
Gain on sale of investment securities	3.0	**0.1**	- 3.0
Total extraordinary income	3.0	**1.6**	- 1.5
Impairment losses	-	**1.0**	+1.0
Loss on disposal of non-current assets	1.6	**1.8**	+0.2
Other	0.2	**0.1**	- 0.1
Total extraodrinady losses	1.8	**2.9**	+1.1
Total extraordinary income and losses	1.2	**- 1.3**	- 2.6

This is a breakdown of non-operating income and expenses and extraordinary income and losses. First, regarding non-operating income and expenses, interest expenses increased by JPY0.5 billion due to higher interest rates. In addition, other non-operating expenses are an accumulation of minor expenses. Typical examples include disaster-related expenses for the Noto Peninsula earthquake, fees for the hybrid finance program implemented in September, and donations for the Kansai expo. These are recognized as onetime expenses.

For extraordinary income in the previous fiscal year, there were gain on the sale of investment securities because of the sale of cross-shareholdings, but there was almost no gain this fiscal year. As for extraordinary losses, we recorded impairment losses on obsolete films facilities.

Analysis in Changes in Operating Profit

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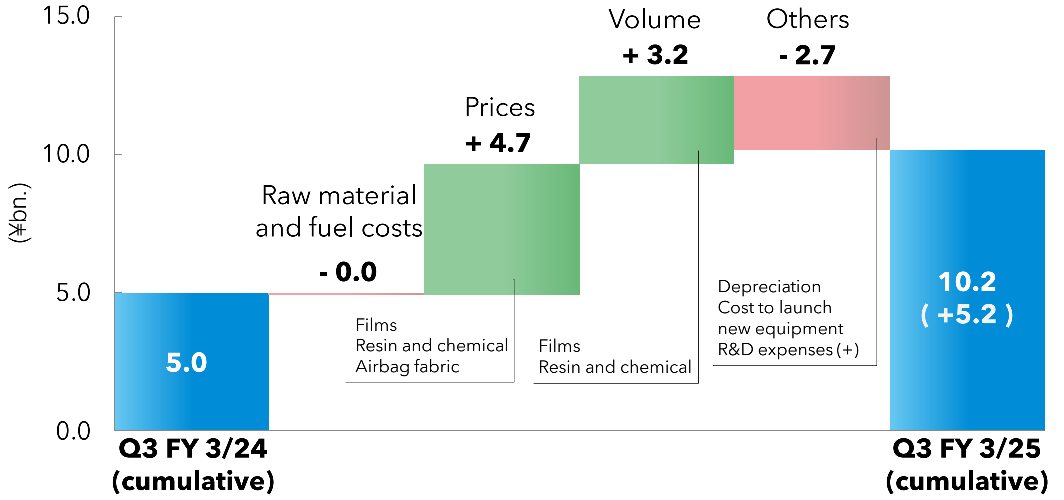

	FY 3/23		FY 3/24				FY 3/25		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Exchange rate (¥/US$)	141	132	137	145	148	149	156	148	152
Naphtha price in Japan (thousand¥/kl)	72	67	67	64	73	73	79	77	73

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Next is analysis in changes in operating profit. As a whole, we recognize that the increase in profit was due to the effect of price revisions and an increase in volume.

We saw no impact on raw material and fuel costs, which was zero. Naphtha price in Japan remained flat at around the JPY70,000 level in FY 3/25, the price of raw material increased. On the other hand, fuel price decreased. Our analysis indicates that the total costs of raw material and fuel evened out.

Prices contributed an increase of JPY4.7 billion. We engaged in activities of selling price increases, particularly for films. For packaging film, we were able to pass on most of the raw material and fuel costs increases to prices up to FY 3/24. In addition to raw material and fuel, various other costs, such as labor and logistics costs, are rising, and we are continuing our price revision activities. Price revisions are underway for other products, such as resin and chemical and airbag fabric.

Volume contributed an increase of JPY3.2 billion. Volume is growing in films, resin and chemical, etc.

Others posted negative JPY2.7 billion, mainly due to depreciation expenses for new operating equipment and start-up cost for new film-related facility.

Summary of Results: BS

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(¥ bn.)

	Mar. 31, 2023	(B) Mar. 31, 2024	(A) Dec. 31, 2024	(A)-(B)
Total assets	588.9	607.0	**614.1**	+7.1
Cash and deposits	60.7	33.8	**30.7**	- 3.1
Inventories	121.9	122.0	**123.0**	+1.0
Property, plant and equipment	240.2	281.5	**296.0**	+14.5
Net assets	221.4	230.1	**232.5**	+2.4
Shareholder's equity	189.6	197.0	**195.5**	- 1.5
(Retained earnings)	70.5	70.3	**67.6**	- 2.8
Non-controlling interests	31.8	33.1	**37.0**	+3.9
Interest-bearing debt	229.4	249.2	**265.9**	+16.7
D/E ratio	1.21	1.26	**1.36**	-
D/E ratio (after adjustment of equity content)*1	-	-	**1.14**	-
Net Debt / EBITDA ratio*2	5.8	7.5	**6.5**	-

*1 D/E ratio after adjustment of equity content of a subordinated term loan and publicly offered subordinated bond
*2 (Interest-bearing debt - Cash and deposits) <Ending> ／ EBITDA <Annualized>

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The financial summary, B/S, shows total assets of JPY614.1 billion, an increase of JPY7.1 billion from the end of the previous fiscal year. Due to aggressive capital investment, property, plant and equipment totaled JPY296.0 billion, a JPY14.5 billion increase from the end of the previous fiscal year.

Interest-bearing debt financed this investment. It was JPY265.9 billion, an increase of JPY16.7 billion. As a result, the D/E ratio was 1.36 times. However, adjusting of equity content of the hybrid financing, the D/E ratio was 1.14 times.

Although the Company's financial position has deteriorated, we believe it is within control. Going forward, we intend to improve our financial position by ensuring the recovery of our past investments.

Summary of Results: Segment

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(¥ bn.)

	Net sales		Operating profit		
	Q3 FY 3/24 (cumulative)	Q3 FY 3/25 (cumulative)	Q3 FY 3/24 (cumulative)	Q3 FY 3/25 (cumulative)	YOY
Films	117.4	**124.9**	1.5	**3.8**	+2.3
Life Science	25.3	**25.7**	3.5	**1.5**	- 2.0
Environmental and Functional Materials	86.2	**83.5**	3.0	**5.6**	+2.6
Functional Textiles and Trading	68.9	**71.3**	- 1.5	**0.1**	+1.6
Real Estate and Others	9.6	**8.8**	2.1	**1.8**	- 0.3
Elimination & Corporate	-	**-**	- 3.6	**- 2.6**	+1.0
Total	307.3	**314.2**	5.0	**10.2**	+5.2

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This is a summary of the financial results by segment. Net sales increased in films, life science and functional textiles and trading. Operating profit decreased in life science but increased in films, environmental and functional materials and functional textiles and trading.

Films

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(¥ bn.)

	FY 3/24			FY 3/25			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	78.1	39.3	117.4	82.8	42.1	124.9	+7.5	+6.4%
Operating profit	1.4	0.1	1.5	3.0	0.8	3.8	+2.3	+155.9%
(OPM)	1.8%	0.2%	1.3%	3.6%	2.0%	3.1%	-	-

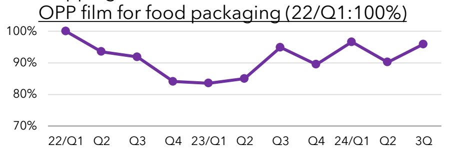
Packaging film

- Profitability is showing signs of improvement due to a recovery in cargo movement as well as progress in revising product prices, despite the impact of rising costs such as new product development expenses.

Industrial film

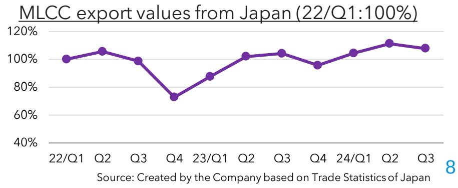
- Sales of polarizer protective films for LCDs were steady.
- Full-fledged growth in demand failed to materialize for mold releasing film for MLCC, and start-up cost for new production equipment increased.

Shipping results in the domestic market for OPP film for food packaging (22/Q1:100%)



Source: Created by the Company based on member shipping statistics from the Japan Polypropylene Film Industry Association

MLCC export values from Japan (22/Q1:100%)



Source: Created by the Company based on Trade Statistics of Japan

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I will explain individually. First, films.

Net sales increased by JPY7.5 billion, and operating profit increased by JPY2.3 billion.

In packaging film, profitability has improved. This is due to a recovery in cargo movement and progress in price revisions, although we struggled with the remaining cost burden from the development of new OPP product and productivity improvement on new production line. As for cargo movement, please refer to the data created by the Japan Polypropylene Film Industry Association, which shows shipping results in the domestic market for food packaging OPP film. As you can see here, it bottomed out in Q1 of FY 3/24 and is on a gradual recovery trend. With regard to price revisions, we recognize that we were generally able to pass on the increased cost of raw material and fuel to the price.

In industrial film, sales of polarizer protective films for LCDs continued to be strong, supported by robust demand. For mold releasing film for MLCC, we recognize that inventory adjustments throughout the supply chain were completed and are gradually recovering. Although this is somewhat slower than we initially expected, we are confident it is on the recovery trend. Although both the high-end and middle-end are on a recovery, we expect that a full-fledged recovery will likely take place in FY 3/26 or later. In addition, a new production equipment for mold releasing film for MLCC started trial production in this Q3. The equipment started up smoothly, and trial productions initially planned for Q3 and Q4 were concentrated in Q3 alone, which slightly pushed down the Q3 results.

Life Science

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(¥ bn.)

	FY 3/24			FY 3/25			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	16.6	8.7	25.3	17.2	8.5	25.7	+0.5	+1.9%
Operating profit	2.4	1.1	3.5	0.9	0.6	1.5	- 2.0	- 57.3%
(OPM)	14.5%	12.5%	13.8%	5.3%	6.8%	5.8%	-	-

Biotechnology

- Demand for enzymes for diagnostic reagents was strong both in Japan and overseas.
  Expenses associated with the expansion of production capacity increased.

Medical materials

- Demand for artificial kidney hollow fiber trended strong.
  Expenses to launch a new plant and infrastructure-related expenses increased.

Pharmaceuticals

- Profitability improved as a result of the lifting of the Warning Letter by the FDA (July 2023) as well as product price revisions.

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Net sales increased by JPY0.5 billion, and operating profit decreased by JPY2.0 billion. Overall, shipments remained strong. Profit decreased due to an increase in depreciation expenses for new facilities and start-up cost for new plant.

In biotechnology, orders for enzymes for diagnostic reagents remained steady both in Japan and overseas. A new facility was started up in April 2024 and is operating as scheduled. We also started receiving shipments in the latter half of Q2, which contributed to the business. However, profit decreased due to a reaction to the special demand for reagents for PCR testing that remained in FY 3/24, an increase in depreciation and other costs associated with the operation of new facilities, a decline in capacity utilization for some products in Q3, and the impact of a sharp rise in raw material prices for enzymes.

In medical materials, sales of artificial kidney hollow fiber remained steady. On the other hand, the start-up of the integrated production plant was delayed, resulting in an increase in related costs. In addition, increased costs due to investments in fuel conversion for plant utilities also affected to a YoY decline in profit.

In pharmaceuticals, profitability improved after the lifting of the warning letter from the US FDA.

Environmental and Functional Materials

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(¥ bn.)

	FY 3/24			FY 3/25			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	52.5	33.6	86.2	55.2	28.3	83.5	- 2.6	- 3.1%
Operating profit	0.4	2.6	3.0	3.4	2.3	5.6	+2.6	+87.1%
(OPM)	0.7%	7.8%	3.5%	6.1%	8.0%	6.7%	-	-

Resin and chemical

- Sales of engineering plastics increased for automotive use for the North and Central America.
- Sales of photo functional materials (photosensitive resin letter press printing material) increased mainly in China and Southeast Asia.

Environment and fiber

- In the environmental solutions, sales of BC[*1] membrane equipment for lithium recovery contributed. Sales declined for VOC recovery equipment used in the manufacturing process for LIBS[*2] due to the impact of the slowdown in the EV market.
- In the high performance fibers, overseas demand was steadily captured to achieve strong performance.
- In the nonwoven materials, review of the production system in Japan proceeded and profitability improved.

*1 Brine Concentration
*2 Lithium-ion battery separators

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Next is environmental and functional materials. Net sales decreased by JPY2.6 billion, and operating profit increased by JPY2.6 billion.

As for resin and chemical, engineering plastics sales for automotive applications in North and Central America expanded. Sales of photo functional materials increased mainly in China and Southeast Asia.

Environmental and fiber. Sales of BC membrane equipment for lithium recovery contributed to the environmental solutions. On the other hand, shipments of VOC recovery equipment used in the LIBS manufacturing process declined due to the slowdown in the EV market. Sales of the high performance fibers remained strong, steadily capturing overseas demand. In the nonwoven materials, profitability improved due to the review of the domestic production system.

Functional Textiles and Trading

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(¥ bn.)

	FY 3/24			FY 3/25			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	45.7	23.2	68.9	47.9	23.3	71.3	+2.4	+3.5%
Operating profit	- 0.9	- 0.7	- 1.5	0.1	- 0.0	0.1	+1.6	-
(OPM)	-	-	-	0.2%	-	0.1%	-	-

Textiles

- Sales of traditional Arabic fabric grew due to strong demand.
  Exports saw an uptick in profitability due to the effect of exchange fluctuations.
- Profitability improved as a result of reforms of business structure such as the consolidation of production bases in Japan.

Airbag fabric

- Profitability improved as product price revisions proceeded.

Next is functional textiles and trading. In textiles, sales of traditional Arabic fabric increased, driven by firm demand. Profitability also improved due to structural improvements, including the consolidation of domestic production bases and withdrawal from unprofitable commercial products.

In airbag fabric, profitability improved as a result of sales price revisions both in Japan and overseas. The reform is proceeding on schedule along with the road map.

Forecasts for Business Environment in the FY 3/25

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Segment	Business	Previous Forecast (November 2024)	Situation*	Forecasts
Films	Packaging	Inventory adjustment finishes and the market moves toward a gradual recovery.	→	Inventory adjustment finishes and the market moves toward a gradual recovery.
	Industrial	Strong demand for polarizer protective films for LCDs.	→	Strong demand.
		Gradual expansion for MLCC throughout the fiscal year.	↘	Gradual expansion throughout the fiscal year but lower than previous forecast.
Life Science	Biotechnology	Strong demand for enzymes for biochemical diagnostic reagents.	→	Strong demand.
	Medical materials	Strong demand for artificial kidney hollow fiber.	→	Strong demand.
Environmental and Functional Materials	Resin and chemical	Signs of slowdown for automotive applications for Asia. Strong for the North and Central America.	→	Signs of slowdown for Asia. Strong for the North and Central America.
		Recovery in demand for electronics materials applications.	→	Recovery in demand.
	Environment and fiber	Impact of slowdown in adoption of EVs for VOC recovery equipment.	→	Impact of slowdown in adoption of EVs.
		The business environment for nonwoven materials continue to be intensely competitive.	→	The business environment continue to be intensely competitive.
Functional Textiles and Trading	Airbag fabric	Signs of slowdown for Asia. Strong for the North America.	→	Signs of slowdown for Asia. Strong for the North America.
Others		Naphtha price in Japan remains high (Respond by product price revisions).	→	Naphtha price in Japan remains high (Respond by product price revisions).

*To previous forecast, ↗ : improve, expand → : as expected ↘ : worsening, decrease

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This is the forecasts for business environment in FY 3/25. There are no major changes from the financial results announcement for Q2.

The area we reviewed is about mold releasing film for MLCC in industrial film. In the previous forecast, we projected that MLCC would expand gradually throughout the fiscal year. However, we have revised the forecast, as the pace of MLCC growth is slower than anticipated, although it is expanding.

Forecasts for FY 3/25

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We forecast operating profit of ¥17.0 billion and net profit of ¥2.6 billion,
based on strong performance of Industrial film and measures for businesses requiring improvement,
despite profit decrease of Life Science.

(¥ bn.)

	FY 3/24	FY 3/25			YOY		Previous forecasts
	Results	H1	H2	Forecasts	Amount	%	(Nov. 2024)
Net sales	414.3	209.2	225.8	**435.0**	+20.7	+5.0%	435.0
Operating profit	9.0	6.9	10.1	**17.0**	+8.0	+89.0%	17.0
(Ratio to sales)	2.2%	3.3%	4.5%	**3.9%**	-	-	3.9%
Ordinary profit	7.0	3.2	8.3	**11.5**	+4.5	+65.2%	11.5
Extraordinary income and losses	- 1.4	- 0.9	- 3.1	**- 4.0**	- 2.6	-	- 4.0
Profit attributable to owners of parent	2.5	0.1	2.5	**2.6**	+0.1	+5.9%	2.6
EBITDA	28.8	18.1	21.9	**40.0**	+11.2	+38.9%	40.3
EPS (¥)	27.9	1.3	28.2	**29.5**	-	-	29.5
Depreciation	19.8	11.2	11.8	**23.0**	+3.2	+16.1%	23.3
CAPEX	61.6	25.0	20.0	**45.0**	- 16.6	- 26.9%	48.0
R&D expenses	15.3	7.2	7.8	**15.0**	- 0.3	- 2.0%	15.0

CAPEX: new equipment of mold releasing film for MLCC, renovation of Tsuruga biochemicals plant and upgrading of polymerization equipment.

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This is forecasts for the full year FY 3/25. Profitability improvement in life science has been slow, partly due to delays in the start-up of the integrated production plant of medical membrane. However, we expect industrial film to perform well.

In Q3, the increase in costs for trial production of new films equipment and the decline in capacity utilization in the biotechnology production process affected the sluggish performance, but we expect these to improve in Q4. After factoring in the effects of improvement of trade conditions and cost reductions, we believe that our full-year forecast of JPY17.0 billion in operating profit is within reach. We still have two months to go, so we will take whatever steps necessary to reach our goal.

Analysis in Changes in Operating Profit

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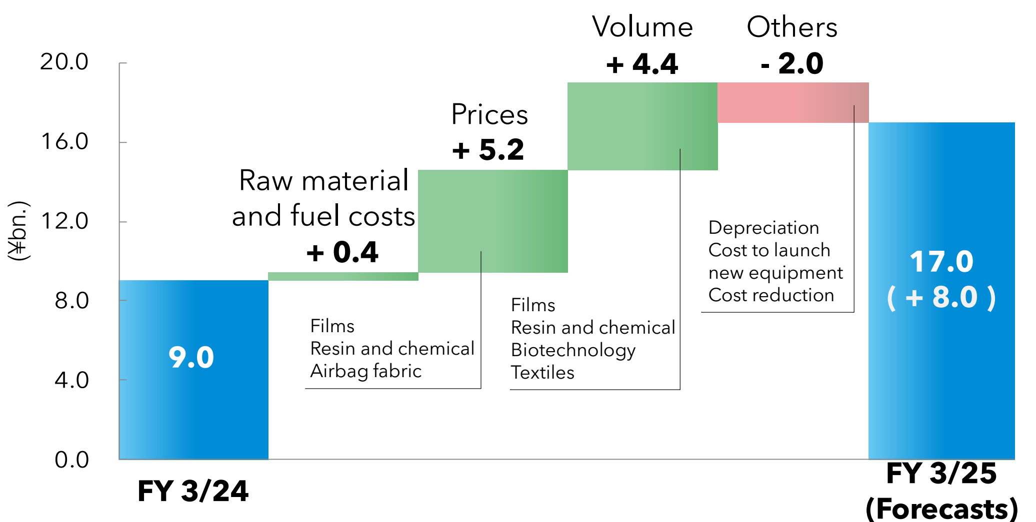

	FY 3/24	FY 3/25	Previous forecasts (Nov. 2024)
Exchange rate (¥/US$)	145	154	150
Naphtha price in Japan (thousand¥/kl)	69	76	75

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This is an analysis in changes in operating profit for the full year. The situation is almost unchanged from Q3, and we expect an increase in profit due to improvements in prices and volume.

Forecasts by Segment

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(¥ bn.)

	Net sales		Operating profit			Previous forecasts (Nov. 2024)
	FY 3/24 Results	FY 3/25 Forecasts	FY 3/24 Results	FY 3/25 Forecasts	YOY	
Films	156.5	**170.0**	2.7	**6.5**	+3.8	6.5
Life Science	34.6	**36.0**	4.4	**2.5**	- 1.9	3.2
Environmental and Functional Materials	115.3	**115.0**	4.7	**8.0**	+3.3	8.0
Functional Textiles and Trading	95.7	**102.0**	- 1.0	**0.8**	+1.8	0.5
Real Estate and Others	12.2	**12.0**	3.0	**2.7**	- 0.3	2.5
Elimination & Corporate	-	**-**	- 4.8	**- 3.5**	+1.3	- 3.7
Total	414.3	**435.0**	9.0	**17.0**	+8.0	17.0

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Finally, here is the forecasts by segment. We have slightly revised. First, in life science, we expect improved profitability in Q4 due to improved operability and the operation of the integrated production plant of medical membrane. However, we believe that we will not be able to recover the decline in Q3 and have revised our forecast from JPY3.2 billion to JPY2.5 billion. Conversely, we revised functional textiles and trading and real estate and others in light of the current situation.

This is a brief explanation of the financial results. We are determined to achieve the JPY17.0 billion goal at all costs, which was announced at the beginning of this fiscal year. This will lead to normalized profits in FY 3/26. Thank you for your continued support. That is all from me.

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Appendix

Business Performance

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Net sales	FY 3/24					FY 3/25		
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3
Films	39.0	39.1	39.3	39.1	156.5	42.1	40.7	42.1
Life Science	8.1	8.4	8.7	9.3	34.6	8.1	9.1	8.5
Environmental and Functional Materials	25.0	27.6	33.6	29.2	115.3	28.1	27.2	28.3
Functional Textiles and Trading	22.2	23.5	23.2	26.8	95.7	24.0	23.9	23.3
Real Estate and Others	2.8	3.8	3.0	2.6	12.2	2.9	3.1	2.9
Elimination & Corporate	-	-	-	-	-	-	-	-
Total	97.1	102.4	107.9	106.9	414.3	105.2	104.0	105.1

Operating profit	FY 3/24					FY 3/25		
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3
Films	1.2	0.2	0.1	1.2	2.7	1.5	1.5	0.8
Life Science	1.4	1.0	1.1	1.0	4.4	0.4	0.5	0.6
Environmental and Functional Materials	- 0.7	1.0	2.6	1.7	4.7	1.3	2.1	2.3
Functional Textiles and Trading	- 0.7	- 0.1	- 0.7	0.5	- 1.0	0.2	- 0.1	- 0.0
Real Estate and Others	0.4	1.0	0.7	0.9	3.0	0.5	0.7	0.6
Elimination & Corporate	- 1.7	- 0.7	- 1.2	- 1.2	- 4.8	- 0.7	- 0.9	- 1.0
Total	- 0.1	2.4	2.6	4.0	9.0	3.1	3.8	3.2

Topics (1): Transition to a Company with Audit and Supervisory Committee

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Toyobo Co., Ltd. resolved to **transition from “a company with Board of Corporate Auditors” to “a company with Audit and Supervisory Committee,”** subject to approval at the 167th Annual General Meeting of Shareholders. (February 12, 2025)

Background:
It is becoming increasingly important to conduct swifter and more efficient business execution while providing an advanced level of management supervision.

Purpose:
- Establish a system to conduct swifter decision-making by delegating a portion of decision-making authority regarding business execution to Representative Directors.
- Transition the Board of Directors to a monitoring board that places emphasis on examination and decision-making regarding the basic policies of management, etc. and the supervision of business execution.
- Strengthen the supervisory function by granting voting rights at Board of Directors meetings to officers who are responsible for conducting audits.

Timing: Late June, 2025

Topics (2): Films

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Boost the production capacity of polarizer protective films for LCDs "COSMOSHINE SRF"

Renovate an existing PET film production facility to enable production of "COSMOSHINE SRF (SRF)".

- Production capacity of SRF: **Boost as much as 30%**
- Timing: Establish a mass-production system in FY 3/26. Start mass production in FY 3/27.
- Strength: Enabling production up to 3 m wide (flexibly respond to requests for wider films from clients)
- Place: Tsuruga Film Plant (within Tsuruga Research and Production Center)

"COSMOSHINE SRF": a super retardation film
Main application: **Polarizer protective films for LCD TV**
Strength: the only polyester film available for polarizer protection
(water resistance, durability)
⇒avoid curvature and distortion of display resulting from moisture absorption
Market*1: growth rate **3 %/year***2 (screens become larger)
Global share: **approximately 60%***3

Tsuruga Film Plant

*1 The global market of polarizer protection films for LCDs
*2 Our estimate based on data of research companies (by FY 3/31)
*3 Our estimate

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.

TOYOBO CO., LTD.

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Beyond Horizons