

TOYOBO Co., Ltd. Q&A Summary for the Presentation Regarding Financial Results for Q1 FY 3/26

Date and Time: Friday, August 8, 2025 at 10:00 - 10:50 a.m. (Japan Standard Time)

Place: WEB Conference

Presenter: Taizo Ono, CFO

Future earnings forecasts and other forward-looking statements in this release are based on data currently available to manage and cannot be guaranteed by the Company. Actual business performance, etc. may differ from the forecasts due to various factors.

Q: Have you made progress in improving Packaging film profitability?

A: We are working on negotiations to revise product prices and pass on increases in not only raw material and fuel prices, but in logistical, personnel, and other expenses as well. In Q1, we achieved a revision of product prices that included manufacturing costs, and profitability is improving.

Q: What is the current situation and demand forecast for “COSMOSHINE SRF” (SRF)?

A: While panel manufacturer operation rates are in an adjustment phase, demand for SRF is strong due to the impact of the transition to larger screens, and the full production and full sales situation is continuing. The full-year performance is expected to be level with the previous fiscal year.

Q: What is the current situation and forecast for demand of multilayer ceramic capacitors (MLCC)?

A: In Q1, while sales increased, there were signs of brought-forward demand for automotive applications due to the impact of U.S. reciprocal tariffs, and we may see a reactive impact to that from Q2 onwards. The market as a whole is on a growth trend.

Q: Compared to the levels seen in Q1, the forecast for Films in FY3/26 seems conservative. What is the reason?

A: It is due to a reactionary impact of brought-forward demand of MLCC due to U.S. reciprocal tariffs being expected in H1, in addition to the increase in costs associated with the renovation of existing production line to enhance the production capacity of SRF in H2.

Q: Life Science is expected to improve from H1 to H2. What is the reason?

A: In Q1, while Biotechnology continued to feel the effects of the lower productivity of biochemical diagnostic reagents from the previous period, it is expected to sequentially improve going forward. While sales from Q1 have been delayed for an integrated production plant for artificial kidney hollow fiber in Medical materials, it is expected to contribute to sales from late Q2 to early Q3.

Q: Environmental and Functional Materials seems to be improving. What is the reason?

A: This is due to progress in Engineering plastics price revisions, the recovery of coating and adhesive applications of “VYLON” and “HARDLEN” for Europe and the U.S., and the expansion of sales of electronic materials applications for southeast Asia, in addition to progress being made with the improvement of profitability for Nonwoven materials, which is proceeding with structural reforms.

Q: In the full year forecast of the analysis in changes in operating profit, the selling price factor seems low compared to the Q1 level of achievement. What is the reason?

A: The revision of product prices for Films, etc. has progressed gradually, and the realization of the selling price factor is forecast to reduce going from Q1 to Q4 of this fiscal year.