

## **TOYOBO Co., Ltd. Q&A Summary for the Presentation Regarding Financial Results for the First Half of FY 3/26**

**Date and Time:** Tuesday, November 11, 2025 at 11:00 - 12:00 a.m. (Japan Standard Time)

**Place:** WEB Conference

**Presenter:** Ikuo Takeuchi, President and Representative Director

Chikao Morishige, CTO,

Head, Environmental and Functional Materials Division

Masanao Kudo, Managing Executive Officer, Head, Films Division

Taizo Ono, Executive Officer, 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: In the FY3/26 forecast for Films, what are the factors causing a significant decrease in profits in H2 compared to H1?**

A: In H2, the movement of Packaging film is expected to slow due to soaring food prices, leading to a decrease in sales volume. Additionally, for Industrial film, an increase in costs associated with the renovation of existing production lines to enhance the production capacity of “COSMOSHINE SRF” (SRF) is expected.

**Q: The profitability of Packaging film is improving, but can the current terms of trade be maintained in H2 onward?**

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. We will continue the policy of maintaining the spread to secure a certain level of profit.

**Q: Regarding renovation work for SRF in H2, is there a prospect of recovering increased costs of renovation and increased depreciation in the next fiscal year onward?**

A: Enhancement of the production capacity of SRF involves renovation of existing lines and is expected to proceed as planned. Demand remains strong, and the increased costs of renovation and increased depreciation are expected to be recovered as the production system is strengthened in the next fiscal year onward.

**Q: What is the current situation and forecast for mold releasing film for multilayer ceramic capacitors (MLCC)?**

A: The market as a whole is expanding for AI servers, and a full-year sale increase of approximately 20% is expected for FY3/26. Commercial production using the new MLCC facility at the Utsunomiya Plant started in spring of 2025, with a gradual increase in operation rates from October, and is anticipated to reach full operation around the end of FY3/26.

**Q: Life Science is expected to increase profits in H2 compared to H1. What are the factors behind this?**

A: Life Sciences is usually a business with stronger performance in the second half of the fiscal year, with domestic sales, such as research institutions, of enzymes for biochemical diagnostic reagents concentrated towards the end of the fiscal year. The impact of decreased productivity of enzymes for biochemical diagnostic reagents from the previous fiscal year remained in H1, but sequential improvements are expected in H2. While the integrated production plant for artificial kidney hollow fiber in Medical materials is expected to start operations from H2, it is anticipated to contribute to sales.

**Q: Please tell us the current situation of Environmental and Functional Materials compared to the original plans.**

A: Efforts in Engineering plastics such as direct approaches to automobile manufacturers are being advanced, and for BC (Brain Concentration) membranes collaboration with lithium manufacturers is progressing. Although shipments of VOC recovery equipment used in the LIBS\* manufacturing process are decreasing due to the slowdown in the EV market, replacement demand for elements is expected to grow in the future.

\*Lithium-ion battery separators

**Q: Functional Textiles and Trading have turned profitable, but will improvements continue to exceed the hurdle rate along with the current line of efforts?**

A: Measures to reduce fixed costs, such as consolidating domestic bases into one, are being implemented. Going forward, we expect to exceed the hurdle rate by narrowing down low-profit businesses and improving asset efficiency.

**Q: A decrease in profit attributable to owners of parent is expected in H2 compared to H1. What are the factors behind this?**

A: Operating profit for H2 is expected to be on par with H1, but the profit forecast for FY3/26 is ¥6.5 billion (¥5.7 billion for H1, ¥0.8 billion for H2). In H2, certain costs related to disasters and claims have been factored in as miscellaneous profits and losses based on past performance. Temporal decrease of tax burden resulted in decline of effective tax rate in H1 for income taxes, but normal rate is expected to return in H2.