



May 10, 2021

# Presentation to Investors

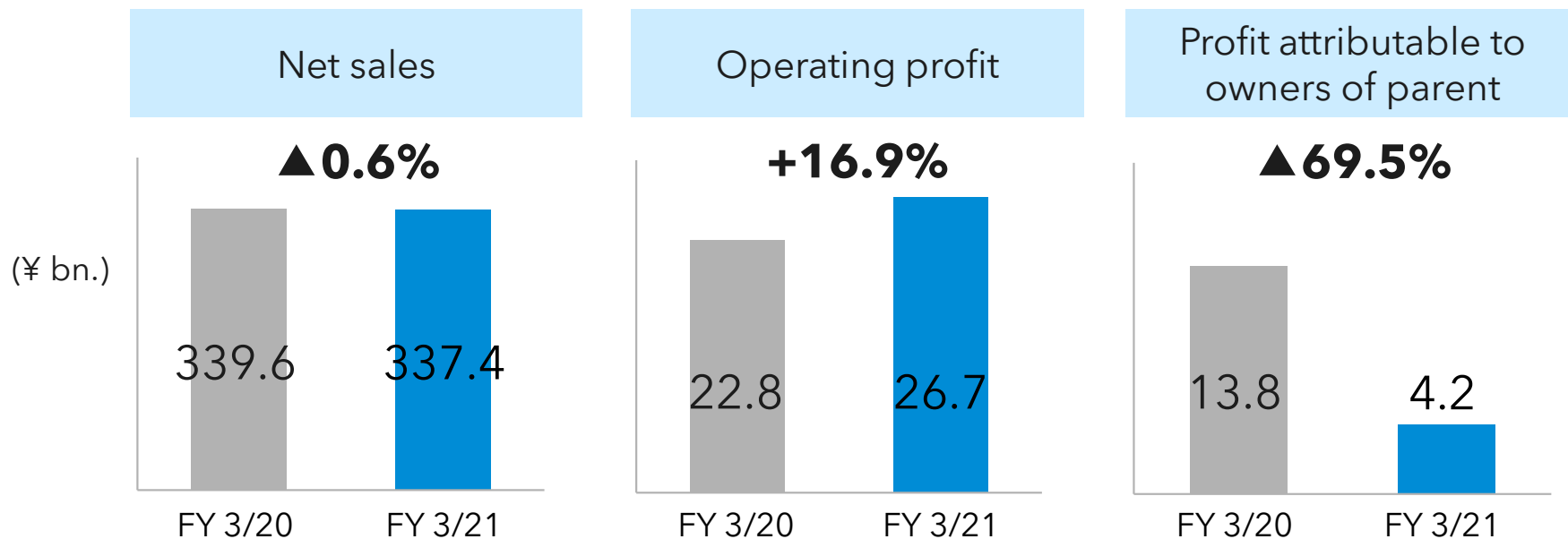
TOYOBO CO., LTD.

## FY 3/21 Results

- Significant impact due to COVID-19. Operating profit increased since films and reagents for PCR tests performed strongly
- Profit was held to ¥4.2 bn as acrylic fiber business recorded impairment loss of ¥7.8 bn.

## FY 3/22 Forecasts

Despite the impact of rising raw materials and fuel prices, and an increase in expenses related to disaster prevention and safety, operating profit is forecasted to be ¥27 bn. and profit is forecasted to be ¥11.5 bn. due to the strong performance of reagents for PCR tests and increased production of industrial film.



# Summary of Results: P&L

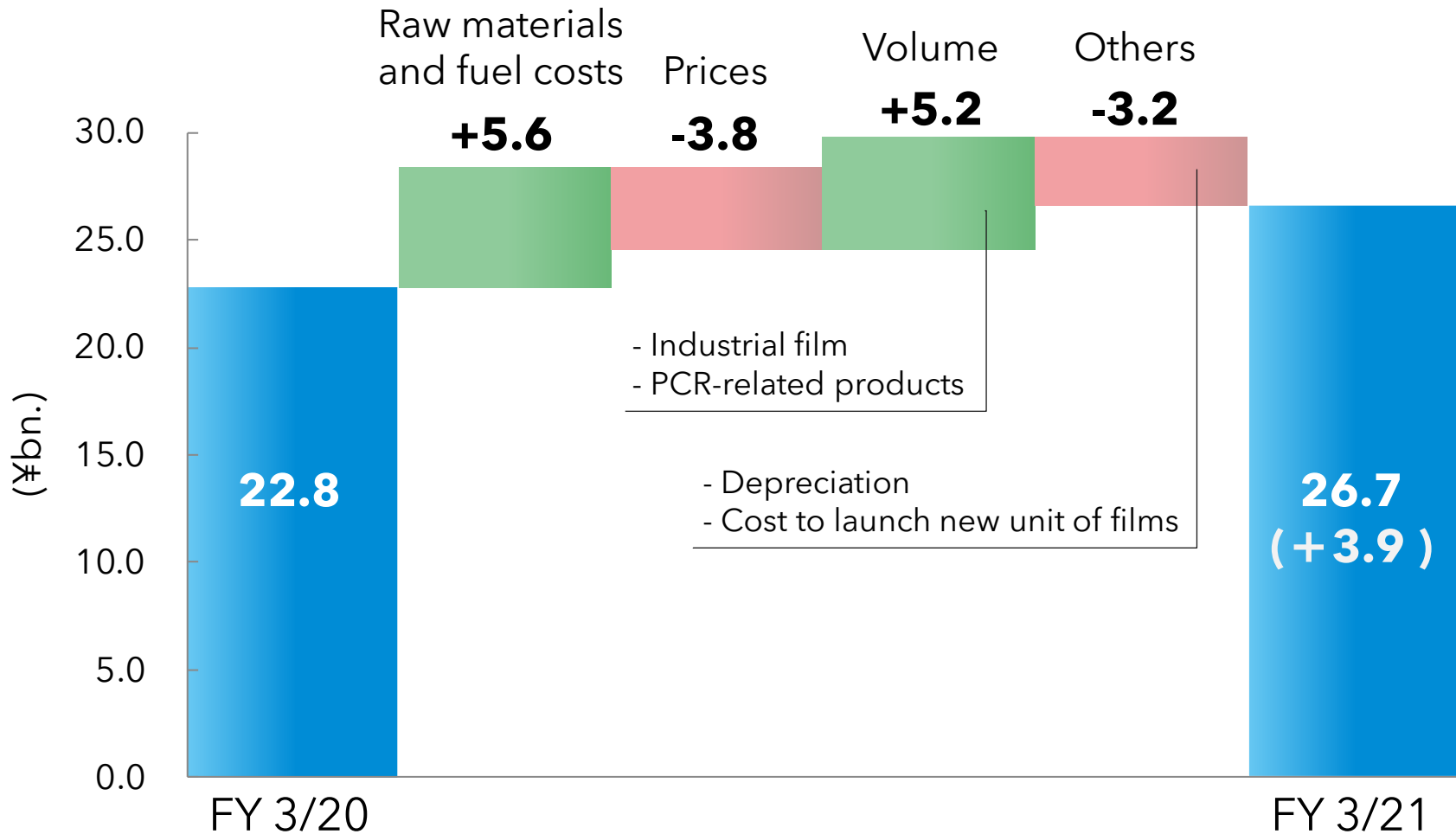


(¥bn.)

	FY 3/20	FY 3/21	YOY		Previous forecasts (Feb. 2021)
			Amount	%	
Net sales	339.6	<b>337.4</b>	- 2.2	- 0.6%	335.0
Operating profit	22.8	<b>26.7</b>	+ 3.9	+ 16.9%	23.0
(Ratio to sales)	6.7%	<b>7.9%</b>	-	-	6.9%
Ordinary profit	18.0	<b>20.7</b>	+ 2.7	+ 14.8%	16.0
Extraordinary income and losses	1.7	<b>-15.1</b>	- 16.8	-	-15.2
Profit attributable to owners of parent	13.8	<b>4.2</b>	- 9.6	- 69.5%	0.0
EBITDA* <small>*Operating profit + Depreciation (includes goodwill)</small>	39.8	<b>45.8</b>	+ 6.0	+ 15.0%	
EPS (¥)	155.1	<b>47.3</b>	-	-	
ROE* <small>* Profit / Beginning and ending balance average shareholder's equity</small>	7.8%	<b>2.3%</b>	-	-	
ROIC* <small>*NOPAT / (Interest-bearing debt + Net assets)</small>	4.5%	<b>5.0%</b>	-	-	
Operating CF	44.3	<b>35.0</b>	-9.2	-	
Depreciation	17.0	19.1	+ 2.1	+ 12.3%	19.0
CAPEX	36.4	23.3	- 13.2	- 36.2%	23.0
Exchange rate (¥/US\$)	109	106			106
Naphtha price in Japan (thousand¥/kl)	43	31			31

- Non-operating expenses: Suspension of production of ¥1.9 bn.
- Extraordinary losses: Impairment loss for the acrylic fiber business of ¥7.8 bn.  
Expenses related to fire accident of ¥1.9 bn.

# Analysis in Changes in Operating Profit



	FY 3/20			FY 3/21		
	H1	H2		H1	H2	
Exchange rate (¥/US\$)	109	109	109	107	105	106
Naphtha price in Japan (thousand¥/kl)	43	43	43	28	35	31

# Summary of Results: BS

		(B)	(A)	(¥bn.)
	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2021	(A) - (B)
Total assets	461.0	488.9	<b>491.2</b>	+ 2.3
Cash and deposits	22.3	25.2	<b>34.7</b>	+ 9.4
Inventories	76.8	80.6	<b>76.3</b>	- 4.3
Property, plant and equipment	208.5	231.5	<b>224.6</b>	- 6.8
Net assets	181.2	182.6	<b>188.6</b>	+ 6.0
Shareholder's equity	176.6	177.9	<b>185.7</b>	+ 7.8
(Retained earnings)	51.9	61.9	<b>64.4</b>	+ 2.4
Non-controlling interests	4.6	4.7	<b>2.9</b>	- 1.8
Interest-bearing debt	164.8	175.1	<b>187.0</b>	+ 11.8
D/E ratio	0.93	0.98	<b>1.01</b>	-
Net D/E ratio*	0.81	0.84	<b>0.82</b>	-

\* $(\text{Interest-bearing debt} - \text{Cash and deposits}) / \text{Shareholder's equity}$

# Summary of Results: Segment



(¥bn.)

	Net sales		Operating profit			Pervious forecasts (Feb. 2021)
	FY 3/20	FY 3/21	FY 3/20	FY 3/21	YOY	
Films and Functional Materials	127.1	<b>152.8</b>	14.6	<b>20.0</b>	+ 5.4	19.0
Mobility	43.9	<b>36.6</b>	-0.7	<b>-1.6</b>	- 0.9	-2.2
Lifestyle and Environmental	128.4	<b>109.1</b>	5.9	<b>4.4</b>	- 1.6	3.3
Life Science	25.5	<b>27.1</b>	3.8	<b>4.5</b>	+ 0.7	3.9
Real Estate and Others	14.6	<b>11.8</b>	2.6	<b>2.3</b>	- 0.3	2.2
Elimination & Corporate	-	-	-3.4	<b>-3.0</b>	+ 0.5	-3.2
Total	339.6	<b>337.4</b>	22.8	<b>26.7</b>	+ 3.9	23.0

- The Group changed its reporting segment classification from FY 3/21. Accordingly, the figures for FY 3/20 have been restated in accordance with the method of classification existing after the aforesaid change.

# Films and Functional Materials



(¥bn.)

	FY 3/20			FY 3/21			YOY	
	H1	H2	full year	H1	H2	full year	Amount	%
Net sales	59.9	67.2	127.1	73.8	79.1	152.8	+ 25.7	+20.2%
Operating profit (OPM)	7.3	7.3	14.6	8.7	11.3	20.0	+ 5.4	+37.3%
	12.2%	10.8%	11.5%	11.8%	14.3%	13.1%	-	-

## Packaging film

- There was demand from people staying at home despite the decline of products for professional use caused by the spread of infection of COVID-19.
- Sales of some products decreased due to the fire accident.
- Environmentally friendly films achieved growth in sales due to rising eco-consciousness.

### Environmentally conscious packaging film

- "CYCLE CLEAN", film with 80% recycled resin, etc.
- In FY 3/21 , sales increased by approx. 5%.  
Approx. 20% of net sales within packaging films.



# Films and Functional Materials

## Industrial film

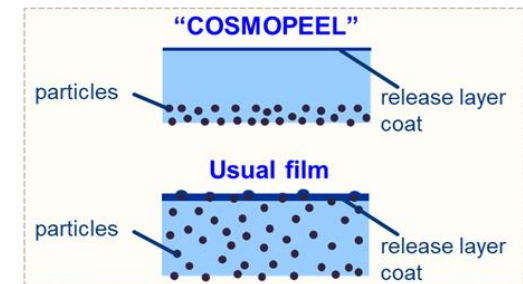
### “COSMOSHINE SRF”

- Sales expanded mainly for use in large-sized TVs due to superior water resistance and durability.
- Increase of approximately 30% due to operation of the new line (ongoing from July 2020) and increase of productivity.



### Mold releasing film for MLCC “COSMOPEEL”

- Increase of approximately 20% due to sudden recovery for automotive applications and operation of the new line.



## Absorption-type merger of TOYOBO FILM SOLUTIONS LIMITED

- Absorption-type merger carried out on Apr. 1, 2021
- Combine the strengths of both companies and exert synergies.

## Functional Materials

- Industrial adhesives “Vylon” and adhesion promoter for polyolefin “HARDLEN” recovered from Q3, for automotive applications, etc.





(¥bn.)

	FY 3/20			FY 3/21			YOY	
	H1	H2	full year	H1	H2	full year	Amount	%
Net sales	22.2	21.7	43.9	15.0	21.6	36.6	- 7.3	- 16.7%
Operating profit (OPM)	- 0.4	- 0.3	- 0.7	- 1.3	- 0.3	- 1.6	- 0.9	-
	-	-	-	-	-	-	-	-

- Sales recovered in the second half due to the recovery of global automobile production, but were unable to compensate for the impact of reduced automobile production through the first half.

## Airbag fabrics

- Despite recovery of demand in the second half, sales continued to face challenges in Q4 due to material shortages, etc.

## Engineering plastics

- Despite recovery of demand in Japan and overseas in the second half, this was unable to compensate for the decrease of sales in the first half.

# Lifestyle and Environmental



(¥bn.)

	FY 3/20			FY 3/21			YOY	
	H1	H2	full year	H1	H2	full year	Amount	%
Net sales	63.8	64.6	128.4	50.2	59.0	109.1	- 19.3	- 15.0%
Operating profit	2.4	3.5	5.9	1.8	2.6	4.4	- 1.6	- 26.3%
(OPM)	3.8%	5.4%	4.6%	3.5%	4.4%	4.0%	-	-

## Environmental solutions

- Strong shipments of VOC emissions treatment equipment for recovering solvents for LIBS Plant.

## Nonwoven fabrics

- Sales of functional filters were strong for air purifiers and masks, but struggled for office machinery.

## Functional fiber materials

- Polyester staple fibers for use in hygiene products and "BREATHAIR" for bedding applications were strong.
- Demand of high strength polyethylene fiber "Tsunoooga" for safety gloves decreased.

## Textiles

- Orders drastically decreased for sports, underwear, etc. due to sluggish store sales.
- Acrylic fiber business struggled due to the significant impact of COVID-19 in addition to deterioration in market conditions.

	FY 3/20			FY 3/21			YOY	
	H1	H2	full year	H1	H2	full year	Amount	%
Net sales	12.5	13.0	25.5	12.4	14.7	27.1	+ 1.5	+ 6.1%
Operating profit	2.0	1.8	3.8	1.6	2.9	4.5	+ 0.7	+ 18.9%
(OPM)	16.1%	13.7%	14.9%	12.9%	19.8%	16.7%	-	-

## Biotechnology

- Sales grew significantly for reagents for PCR testing and genetic testing equipment.  
Doubled production volume from Feb. 2021.
- New product "GENECUBE" (Model C)
- Raw materials for diagnostic reagents and general testing were weak.



### "GENECUBE" (Model C)

- Able to simultaneously measure 12 samples, 4 items maximum
- Detect COVID-19 in as quickly as 25 min.
- Began sales from Apr. 2021
- Also developed for pooled testing

## Medical materials

- Strong shipments for membranes for dialysis.

## Pharmaceuticals

- Faced challenges due to the impact of a portion of operations being suspended.

# Forecasts for FY 3/22



(¥bn.)

	FY 3/21	FY 3/22	YOY	
	result	forecasts	Amount	%
Net sales	<b>337.4</b>	<b>360.0</b>	+ 22.6	+ 6.7%
Operating profit	<b>26.7</b>	<b>27.0</b>	+ 0.3	+ 1.3%
(Ratio to sales)	<b>7.9%</b>	<b>7.5%</b>	-	-
Ordinary profit	<b>20.7</b>	<b>22.0</b>	+ 1.3	+ 6.2%
Extraordinary income and losses	<b>- 15.1</b>	<b>- 5.0</b>	-	-
Profit attributable to owners of parent	<b>4.2</b>	<b>11.5</b>	+ 7.3	-
EBITDA	<b>45.8</b>	<b>47.0</b>	+ 1.2	+2.6%
EPS (¥)	<b>47.3</b>	<b>129.5</b>	-	-
Depreciation	<b>19.1</b>	<b>20.0</b>	+ 0.9	+ 4.7%
CAPEX	<b>23.3</b>	<b>31.0</b>	+ 7.7	+ 33.3%
Dividend (¥)	<b>40.0</b>	<b>40.0</b>	-	-
Exchange rate (¥/US\$)	106	105		
Naphtha price in Japan (thousand¥/kl)	31	44		

# Forecasts by Segment

(¥bn.)

	Net sales		Operating profit		
	FY 3/21 result	FY 3/22 forecasts	FY 3/21 result	FY 3/22 forecasts	YOY
Films and Functional Materials	152.8	168.0	20.0	20.0	- 0.0
Mobility	36.6	39.0	- 1.6	- 1.4	+ 0.2
Lifestyle and Environmental	109.1	112.0	4.4	4.6	+ 0.2
Life Science	27.1	29.0	4.5	5.3	+ 0.8
Real Estate and Others	11.8	12.0	2.3	2.3	- 0.0
Elimination & Corporate	-	-	- 3.0	- 3.8	- 0.8
Total	337.4	360.0	26.7	27.0	+ 0.3



# New Management Policy

## 【Management mission】

**Improve corporate value by realizing the corporate philosophy  
("Jun-Ri-Soku-Yu" adhering to reason leads to prosperity)**

## 【Vision】

**We will continue to create the solutions needed  
by people and the earth with materials and science.**

**A company that contributes to  
solving social challenges**

**A company that can grow sustainably**

**Workplaces are central to Toyobo**

2025 Medium-Term  
Management Plan

「Sustainable Vision 2030」

## 【Recognition of current situation】

- Despite realization of growth in films, unable to transition from the conservative values
- Flat business performance and corporate value over the past 10 years
- Trust as manufacturer shaken

**Right now is the “time for change”**  
(share sense of crisis with management team)

## 【Management Policy】

**Rebuild business foundation for sustainable growth**



# Management issues

## **(1) Recovery of trust (priority issue)**

- (i) Thorough safety, disaster prevention and quality assurance
- (ii) Strengthening Risk Management

## **(2) Rearrangement of business portfolio**

- (i) Prioritized investment into expanding businesses  
(Films, Life Science, Environment)
- (ii) Observe room for growth for stable businesses
- (iii) Implement "reform master plan" for businesses to improve

## **(3) Preparation for the future**

- (i) Accelerate commercialization of strong themes and set future themes
- (ii) Formulate DX strategy and create precedent
- (iii) Define carbon neutral processes

## **(4) Reestablishment of foundation**

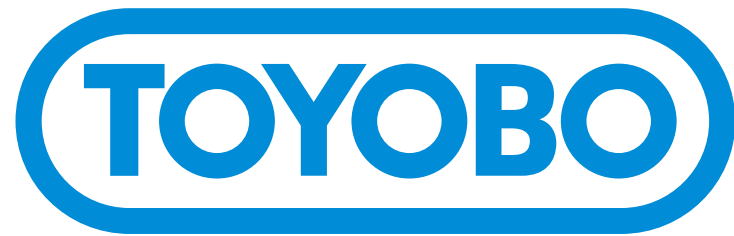
- (i) Human resources
- (ii) Culture reform, Organizational development
- (iii) Business infrastructure

# 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.

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# Appendix

# Business performance



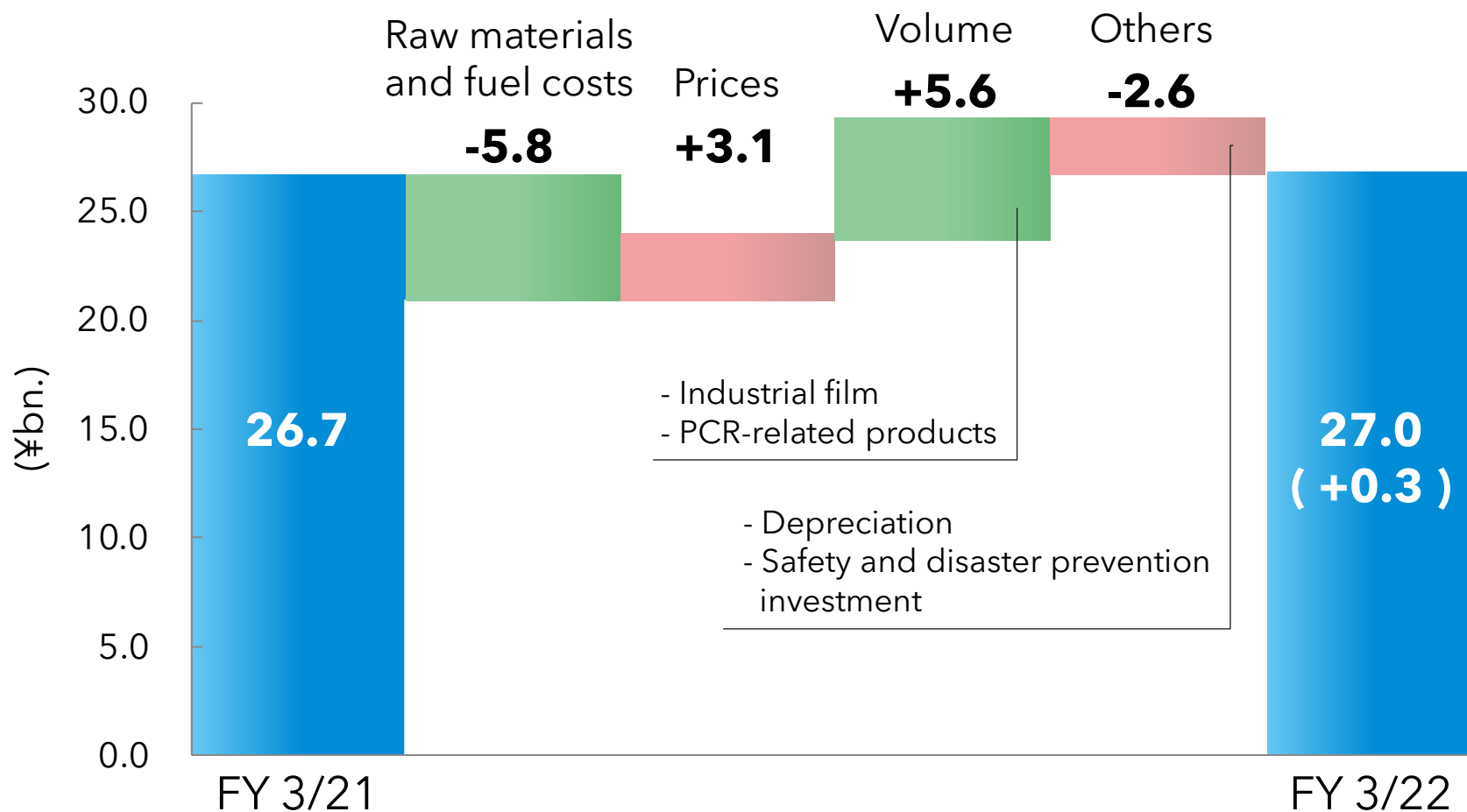
(¥bn.)

Net sales	FY 3/20					FY 3/21				
	Q1	Q2	Q3	Q4	full year	Q1	Q2	Q3	Q4	full year
Films and Functional Materials	29.5	30.4	30.5	36.7	127.1	36.3	37.5	39.2	39.8	152.8
Mobility	11.7	10.5	10.8	10.9	43.9	6.8	8.2	10.5	11.1	36.6
Lifestyle and Environmental	30.7	33.1	31.7	32.8	128.4	22.9	27.3	27.1	31.9	109.1
Life Science	6.0	6.5	6.4	6.6	25.5	6.3	6.0	6.9	7.9	27.1
Real estate and Others	2.9	3.6	3.6	4.6	14.6	3.1	3.1	2.7	2.9	11.8
Elimination & Corporate	-	-	-	-	-	-	-	-	-	-
Total	80.8	84.1	83.1	91.6	339.6	75.5	82.1	86.4	93.5	337.4

Operating profit	FY 3/20					FY 3/21				
	Q1	Q2	Q3	Q4	full year	Q1	Q2	Q3	Q4	full year
Films and Functional Materials	3.3	4.0	3.3	4.0	14.6	3.9	4.8	5.6	5.7	20.0
Mobility	0.3	- 0.7	- 0.2	- 0.1	- 0.7	- 0.7	- 0.6	- 0.4	0.1	- 1.6
Lifestyle and Environmental	0.9	1.5	1.5	2.1	5.9	0.3	1.4	1.2	1.4	4.4
Life Science	0.9	1.1	0.7	1.1	3.8	1.0	0.6	1.6	1.4	4.5
Real estate and Others	0.6	0.6	0.4	0.9	2.6	0.5	0.6	0.6	0.7	2.3
Elimination & Corporate	- 0.8	- 0.7	- 0.9	- 1.1	- 3.4	- 0.7	- 0.7	- 0.8	- 0.8	- 3.0
Total	5.2	5.9	4.9	6.8	22.8	4.4	6.1	7.9	8.4	26.7

- The Group changed its reporting segment classification from FY 3/21. Accordingly, the figures for FY 3/20 have been restated in accordance with the method of classification existing after the aforesaid change.

# Analysis in Changes in Operating Profit



	FY 3/21	FY 3/22
Exchange rate (¥/US\$)	106	105
Naphtha price in Japan (thousand¥/kl)	31	44

# Prevent recurrence of cases of misconduct concerning quality



## (1) Released on December 29, 2020

- Investigative body: Law firm that does not have an advisory agreement or entrustment relationship with the Company  
Committee comprising Outside Directors and Corporate Auditors
- Subject: Misconduct at the time of UL verification testing for "PLANAC"
- Results (Causes): Check system for business transfer / inadequate inspection functions / low awareness of compliance / faulty whistleblowing system / limited personnel exchanges with other departments

## (2) Continuing investigations

(disclosed until March 26, 2021)

- Confirm misconduct related to UL certification for six products besides "PLANAC"

**Completed investigation into cases of misconduct regarding UL certified products**

## (3) Measures to prevent recurrence

- Reconstruction of "**quality assurance management system**"  
**Three lines of defense**
- Review PL/QA assessment (addition of sampling and spot-check inspections)
- Culture/awareness/education: Review personnel rotation, compliance education, etc.

**Remove motivation/opportunity/ignorance/excuses**

**Launch quality project** (from April 2021)

# Safety and disaster prevention measures

## (1) Fire Accident

A fire broke out at the Inuyama Plant (Aichi Pref.) on Sept. 2020.  
2 employees died, and partial loss of the packaging film production line

## (2) Probable cause ((accident investigation committee (in-house))

Sparks were generated from electric cables.  
Sparks igniting caused nearby combustibles to catch fire.

## (3) Impact on business

Production loss due to inability to use one line in packaging film

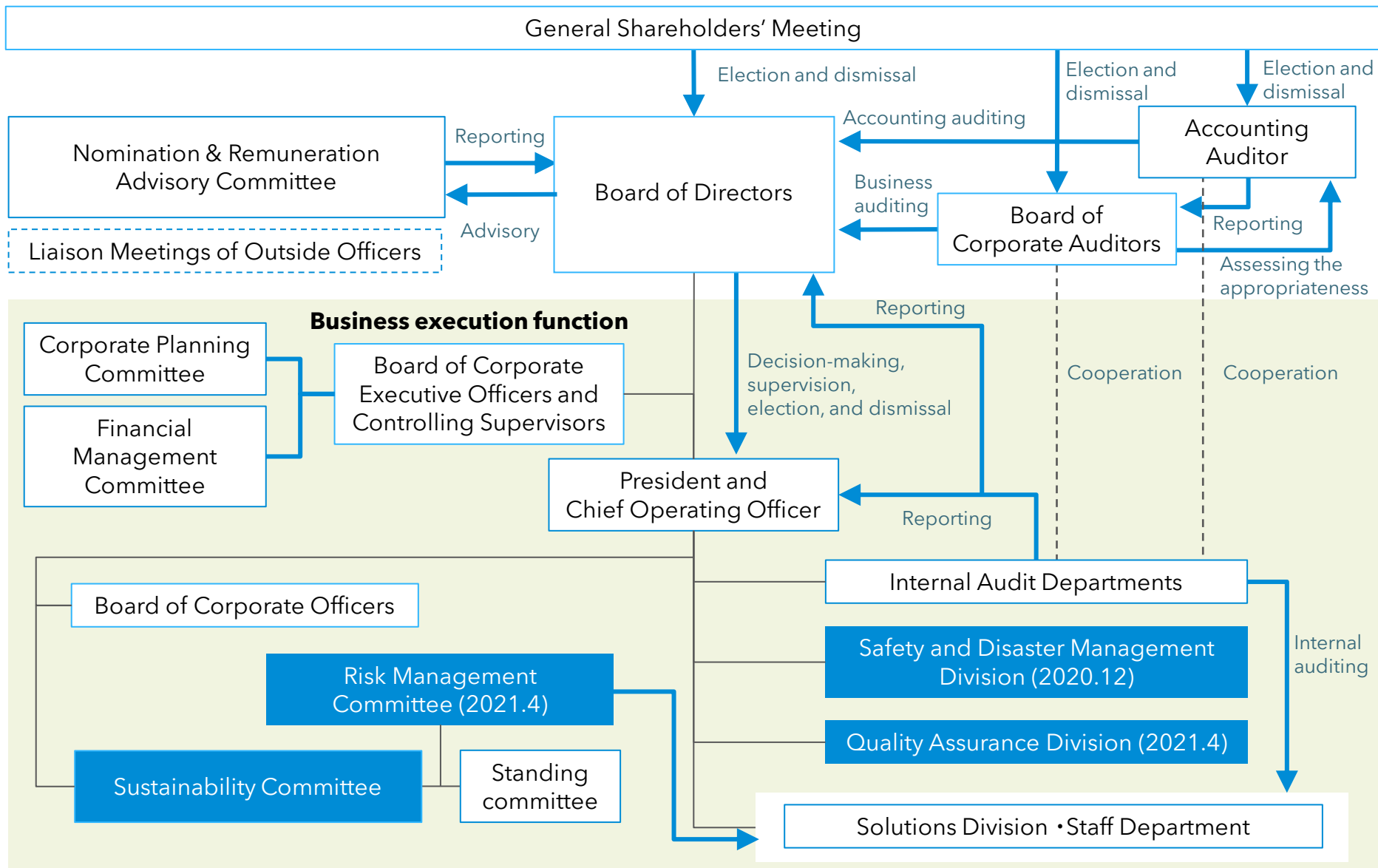
## (4) Measures to prevent recurrence

Work as one company to implement “**safety & disaster prevention master plan**”

- **Create safety culture**: Enhance disaster prevention education and training, disaster prevention audit project
- **Strengthen systems**: Circulate CAPD by plant, by business division, between head office and plants, and throughout the Group
- **Acceleration of safety and disaster prevention investment** :  
80% scheduled to be completed by 2024  
Inspection and cleaning of ducts with particularly high risk will be done by 2Q FY3/22



# Corporate Governance Structure: Strengthen Risk Management

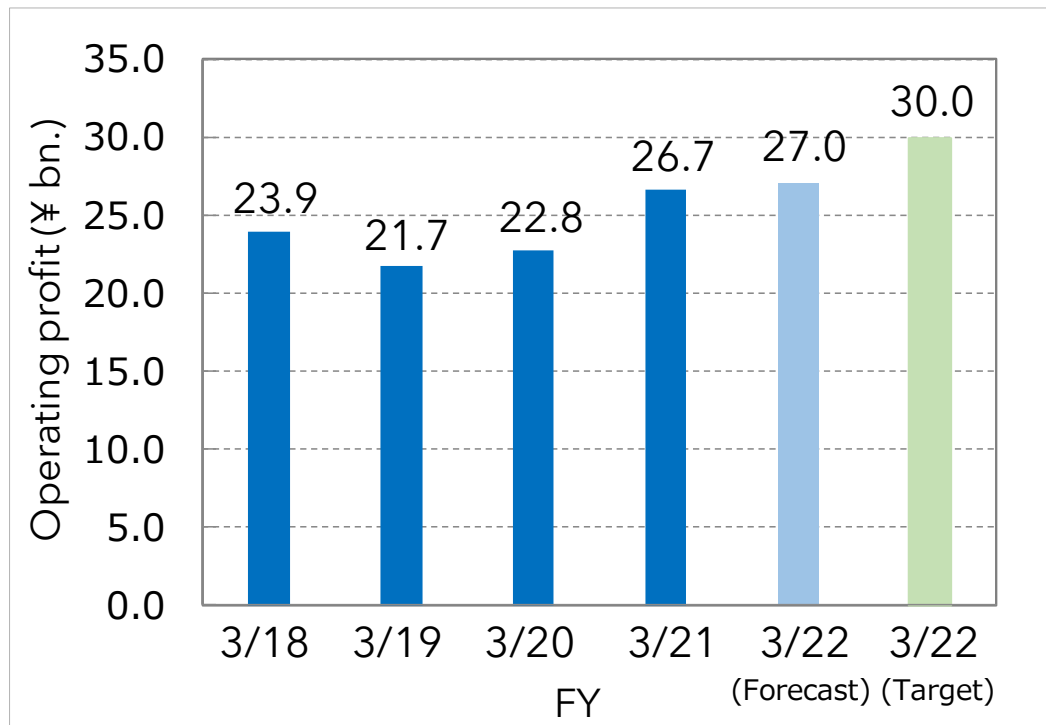


# 2018 Medium-Term Management Plan

(Final year FY 3/22)



Assumptions have changed due to the fire accident, the spread of COVID-19, etc.



	FY 3/21	Targets
Net sales	337.4	375.0
Overseas sales ratio	33.0%	35.0%
Operating profit	26.7	30.0
(Ratio to sales)	7.9%	8.0%
Profit attributable to owners of parent	42	160
ROE	2.3	≥8.0
D/E ratio	1.01	<1.0

# Declaration to be carbon neutral by 2050



## 【FY 3/31 Targets】

Scope 1,2 : Reduce GHG emissions by 30%  
(Compared to FY 3/14)

(further review going forward)

Introduction of fuel conversion, renewable energy, etc.

## 【FY 3/51 Targets】

Scope 1,2 : Aim for net zero GHG emissions

Volume of avoided GHG emissions >  
Amount of GHG output in the Company's value chain

CO<sub>2</sub> separation membrane technology, bioplastics, etc.

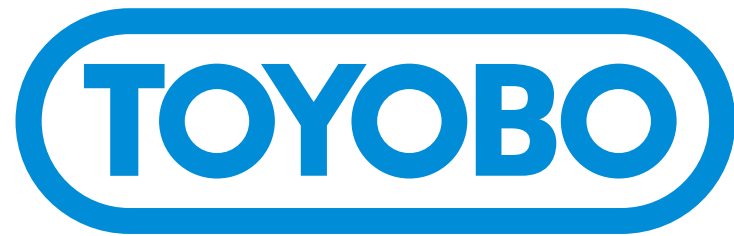
Contribute to realizing carbon neutrality by provided various solutions

# Please Note

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