

August 8, 2022



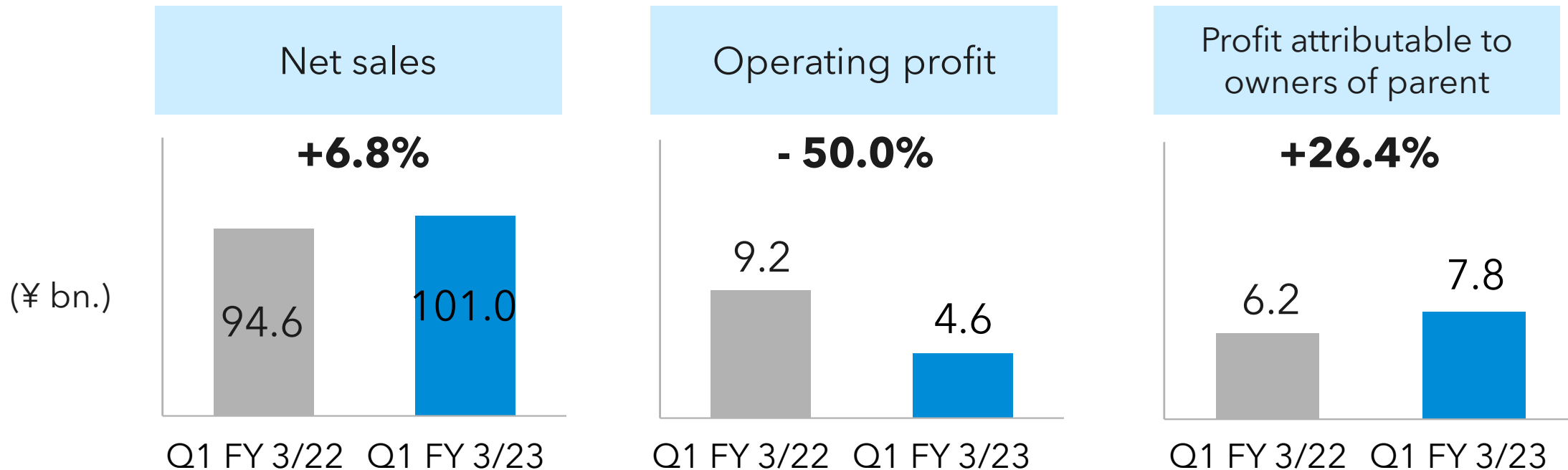
Presentation to Investors

for the First Quarter Ended June 30, 2022

TOYOBO CO., LTD.

Q1 FY 3/23 Results

- Sales increased while operating profit decreased due to the impact of rising raw material and fuel prices despite sales of films achieving growth.
- Profit of ¥7.8 bn. (up 26.4%) due to extraordinary income despite operating profit of ¥4.6 bn. (down 50.0%).



FY 3/23 Forecasts

Forecast of operating profit of ¥24.0 bn. and net profit of ¥13.0 bn. based on the impact of raw material and fuel prices remaining high and the prolongation of the production curtailment of automobiles despite expecting effects from increased production of films and increased demand for PCR tests.

Summary of Results: P&L

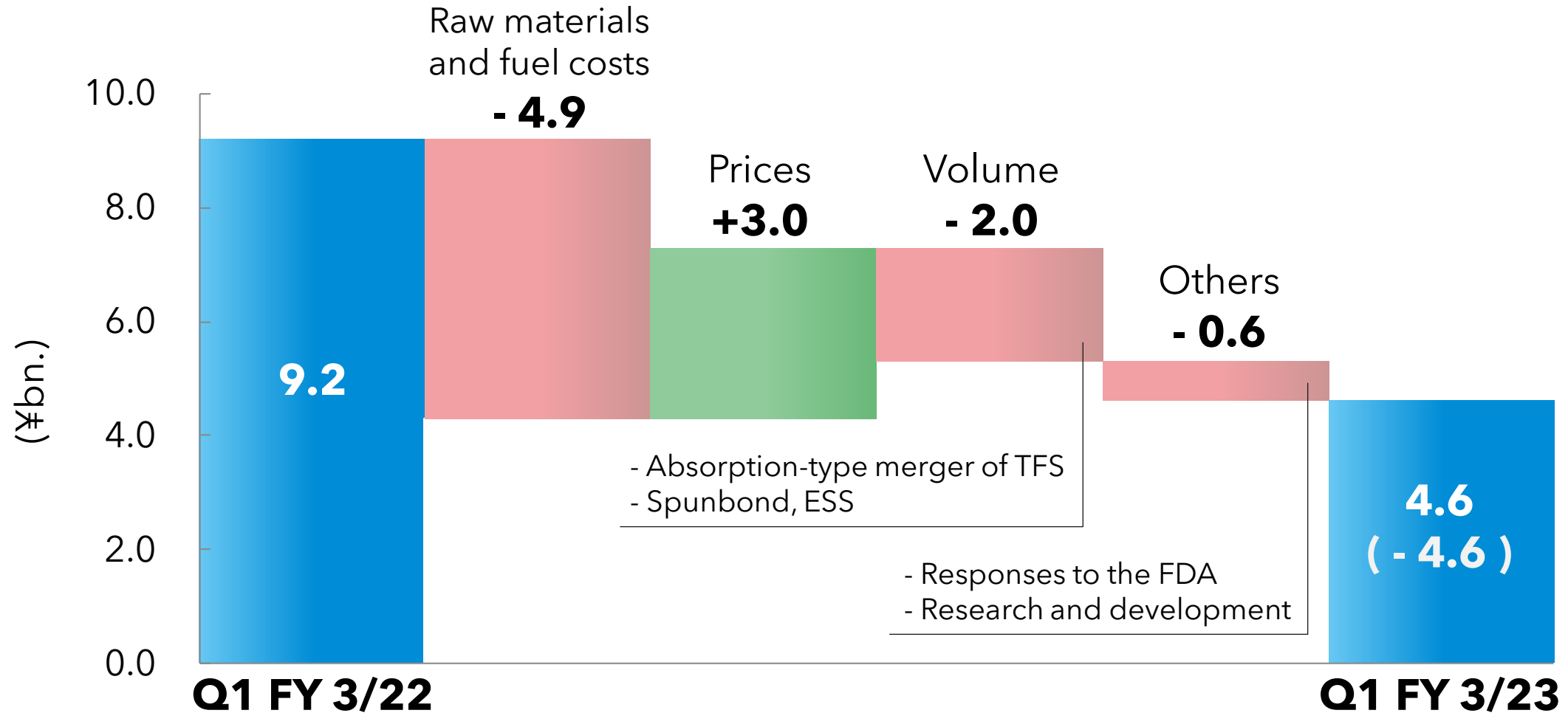
TOYOBO

(¥bn.)

	FY 3/22	FY 3/23	YOY	
	Q1	Q1	Amount	%
Net sales	94.6	101.0	+ 6.4	+ 6.8%
Operating profit	9.2	4.6	- 4.6	- 50.0%
(Ratio to sales)	9.8 %	4.6 %	-	-
Ordinary profit	7.5	4.3	- 3.1	- 42.0%
Extraordinary income and losses	- 0.5	6.5	-	-
Profit attributable to owners of parent	6.2	7.8	+ 1.6	+ 26.4%
EBITDA* <small>*Operating profit + Depreciation (includes goodwill)</small>	14.3	9.5	- 4.8	- 33.7%
EPS (¥)	69.5	87.7	-	-
Depreciation	5.0	4.8	- 0.2	- 3.6%
CAPEX	7.3	9.0	+ 1.7	+ 23.5%

- Extraordinary income: Of which ¥5.6 billion was insurance received for the fire accident

Analysis in Changes in Operating Profit



	FY 3/22 Q1	FY 3/23 Q1
Exchange rate (¥/US\$)	110	130
Naphtha price in Japan (thousand¥/kl)	48	86

Summary of Results: BS

TOYOBO

		(B)	(A)	(¥bn.)
	Mar. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	(A) - (B)
Total assets	491.2	517.8	533.6	+ 15.8
Cash and deposits	34.7	27.2	32.5	+ 5.3
Inventories	76.3	96.0	103.8	+ 7.7
Property, plant and equipment	224.6	227.6	232.1	+ 4.5
Net assets	188.6	197.1	204.4	+ 7.3
Shareholder's equity	185.7	194.9	202.1	+ 7.2
(Retained earnings)	64.4	74.7	78.9	+ 4.2
Non-controlling interests	2.9	2.3	2.3	+ 0.1
Interest-bearing debt	187.0	191.2	198.7	+ 7.5
D/E ratio	1.01	0.98	0.98	-
Net Debt / EBITDA ratio*	3.3	3.4	4.4	-

* (Interest-bearing debt - Cash and deposits) <Ending> / EBITDA <Annualized>

Summary of Results: Segment

TOYOTO

(¥bn.)

	Net sales		Operating profit		
	Q1 FY 3/22	Q1 FY 3/23	Q1 FY 3/22	Q1 FY 3/23	YOY
Films and Functional Materials	45.7	45.3	6.8	3.5	- 3.3
Mobility	11.1	11.8	-0.5	-0.8	- 0.3
Lifestyle and Environment	27.7	32.1	1.5	0.3	- 1.2
Life Science	7.5	8.7	1.9	2.1	+ 0.3
Real Estate and Others	2.6	3.1	0.4	0.3	- 0.0
Elimination & Corporate	-	-	-0.8	-0.9	- 0.1
Total	94.6	101.0	9.2	4.6	- 4.6

	FY 3/22	FY 3/23	YOY	
	Q1	Q1	Amount	%
Net sales	45.7	45.3	- 0.4	- 0.9%
Operating profit	6.8	3.5	- 3.3	- 48.3%
(OPM)	14.9%	7.8%	-	-

(¥bn.)

Packaging film

- Although shipments were strong, there was a time lag between high raw material prices and product price revisions. Spread improvements from Q2 onward.

Industrial film

- Sales of polarizer protective films for LCDs increased by approx. 15% due to increased productivity of the new line (Unit 3). However, impacted by high raw material prices.

Functional Materials

- Sales of industrial adhesives "Vylon" were affected by China's zero-COVID policy (lockdowns).

	FY 3/22	FY 3/23	YOY	
	Q1	Q1	Amount	%
Net sales	11.1	11.8	+ 0.7	+6.8%
Operating profit	- 0.5	- 0.8	- 0.3	-
(OPM)	-	-	-	-

(¥bn.)

Engineering plastics

- Faced challenges both in Japan and overseas due to the impact of high raw material prices in addition to the production curtailment of automobiles.

Airbag fabrics

- Delays in improvement of deteriorated spread due to high raw material prices.

	FY 3/22	FY 3/23	YOY	
	Q1	Q1	Amount	%
Net sales	27.7	32.1	+ 4.4	+ 15.8%
Operating profit	1.5	0.3	- 1.2	- 81.5%
(OPM)	5.4%	0.9%	-	-

(¥bn.)

Environmental solutions

- Sales of equipment for VOC emissions treatment and replacement elements for Lithium-Ion Battery (LIB) separator plants recovered due to increased demand for LIB because of the global shift to EV.

Nonwoven materials

- Sales of spunbond faced challenges due to the impact of the production curtailment of automobiles and high raw material prices.
- Sales of polyester staple fibers were strong for use in hygiene products, but were affected by rising raw material prices.

High performance fibers

- Sales of "ZYLON" were strong for use in bicycle tires.

	FY 3/22	FY 3/23	YOY	
	Q1	Q1	Amount	%
Net sales	7.5	8.7	+ 1.2	+ 16.2%
Operating profit (OPM)	1.9	2.1	+ 0.3	+ 14.7%
	24.9%	24.6%	-	-

(¥bn.)

Biotechnology

- Sales of enzymes for diagnostic reagents as well as those for genetic testing reagents increased, despite sales of reagents for PCR tests decreasing due to COVID-19 infections calming down.

Medical materials

- Strong sales of artificial kidney hollow fibers and virus removing membranes.

Pharmaceuticals

- Contract manufacturing of pharmaceuticals faced challenges due to expenses in response to suggestions from the FDA and declining operation rates.

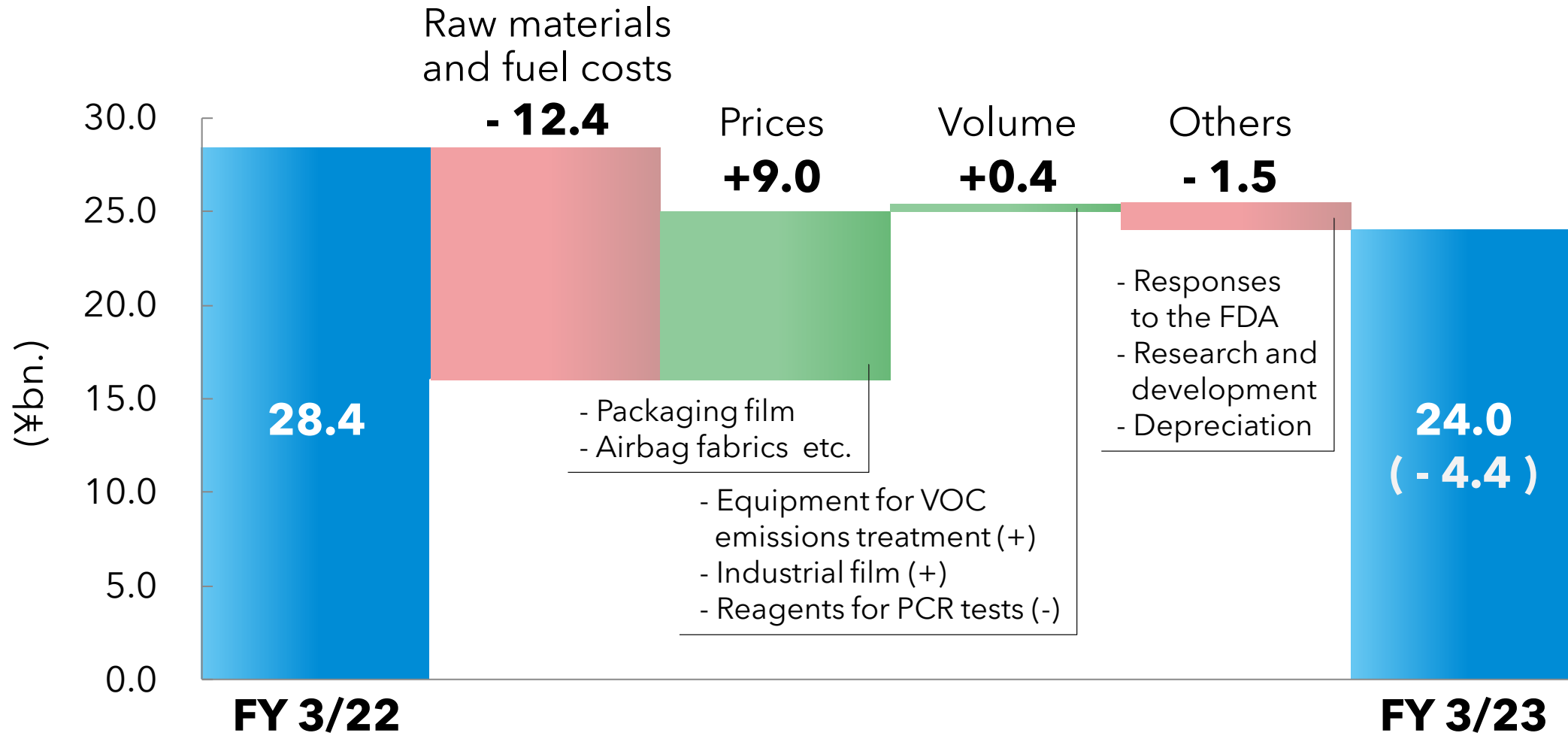
Forecasts for FY 3/23

Forecast of operating profit of ¥24.0 bn. and net profit of ¥13.0 bn. based on the impact of raw material and fuel prices remaining high and the prolongation of the production curtailment of automobiles despite expecting effects from increased production of films and increased demand for PCR tests.

(¥bn.)

	FY 3/22	FY 3/23	YOY	
	Result	Forecasts	Amount	%
Net sales	375.7	410.0	+ 34.3	+ 9.1%
Operating profit	28.4	24.0	- 4.4	- 15.6%
(Ratio to sales)	7.6%	5.9%	-	-
Ordinary profit	23.1	18.0	- 5.1	- 22.1%
Extraordinary income and losses	- 8.3	0.6	-	-
Profit attributable to owners of parent	12.9	13.0	+ 0.1	+ 1.0%
EBITDA	48.5	45.0	- 3.5	- 7.2%
EPS (¥)	144.8	146.3	-	-
Depreciation	20.1	21.0	+ 0.9	+ 4.6%
CAPEX	33.6	38.0	+ 4.4	+ 13.0%

Analysis in Changes in Operating Profit



	FY 3/22	FY 3/23
Exchange rate (¥/US\$)	112	132
Naphtha price in Japan (thousand¥/kl)	57	78

Previous forecasts
(May. 2022)

125
84

Forecasts by Segment

TOYOBO

(¥bn.)

	Net sales		Operating profit			Previous forecasts (May, 2022)
	FY 3/22 result	FY 3/23 forecasts	FY 3/22 result	FY 3/23 forecasts	YOY	
Films and Functional Materials	170.3	186.0	19.9	18.5	- 1.4	19.0
Mobility	44.7	53.0	- 1.8	- 2.3	- 0.5	- 1.6
Lifestyle and Environment	114.3	125.0	3.5	3.0	- 0.5	3.0
Life Science	35.0	35.0	8.7	6.7	- 2.0	5.5
Real Estate and Others	11.4	11.0	2.2	2.1	- 0.1	2.1
Elimination & Corporate	-	-	- 4.0	- 4.0	+ 0.0	- 4.0
Total	375.7	410.0	28.4	24.0	- 4.4	24.0

Appendix

Business Performance

TOYOTO

(¥bn.)

Net sales	FY 3/22					FY 3/23
	Q1	Q2	Q3	Q4	Full year	Q1
Films and Functional Materials	45.7	40.2	41.4	43.0	170.3	45.3
Mobility	11.1	10.5	10.6	12.6	44.7	11.8
Lifestyle and Environment	27.7	27.0	27.7	31.9	114.3	32.1
Life Science	7.5	8.9	8.2	10.4	35.0	8.7
Real estate and Others	2.6	2.7	2.8	3.3	11.4	3.1
Elimination & Corporate	-	-	-	-	-	-
Total	94.6	89.2	90.7	101.2	375.7	101.0

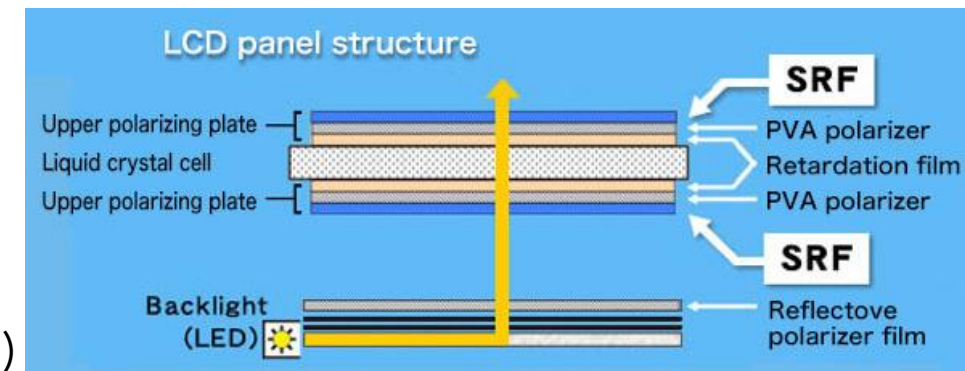
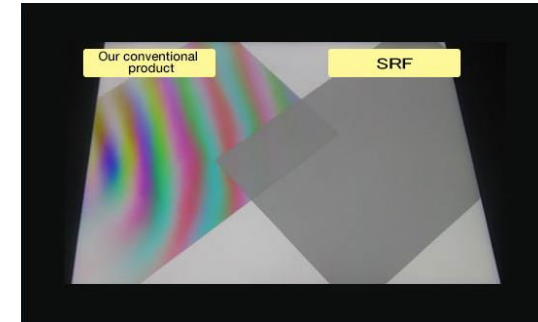
Operating profit	FY 3/22					FY 3/23
	Q1	Q2	Q3	Q4	Full year	Q1
Films and Functional Materials	6.8	5.4	4.3	3.3	19.9	3.5
Mobility	- 0.5	- 0.4	- 0.6	- 0.3	- 1.8	- 0.8
Lifestyle and Environment	1.5	0.4	0.8	0.8	3.5	0.3
Life Science	1.9	2.8	1.8	2.3	8.7	2.1
Real estate and Others	0.4	0.7	0.5	0.6	2.2	0.3
Elimination & Corporate	- 0.8	- 1.0	- 1.1	- 1.1	- 4.0	- 0.9
Total	9.2	7.9	5.8	5.5	28.4	4.6

Polarizer protective films for LCDs "COSMOSHINE SRF"

Polyester-based super retarder film

Elimination of coloration (rainbow pattern) caused by birefringence while being a stretched film.

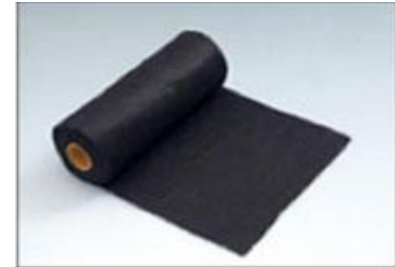
- Main application: Polarizer protective films for LCD TVs
- Strengths:
 - Superior handling ability (superior dimensional stability, low degree of warping) due to low absorbency
 - ⇒ Display strengths in increasing size, shifting to no bezel and shifting to open cell panels for LCD TVs
 - Price competitive as they are polyester and melt-formed film
- Competitive materials: TAC, Acrylic (PMMA)
 - * Only TOYOBO uses Polyester
- Customers: Overseas polarizing plate manufacturers
- Sale: Sales began from FY 3/14
 - Net sales in FY 3/22 grew approx. threefold compared to FY 3/18
- Increased production response: Unit 2 (FY 3/18), Unit 3 (FY 3/21)
- Share: Approx. 50%



Equipment for VOC emissions treatment

Equipment for VOC emissions treatment (adsorption and recovery type), etc. equipped with "K-FILTER"
A "K-FILTER" is TOYOBO's proprietary activated carbon fiber, for which TOYOBO was the first in the world to put it into production in 1974

- Application:
VOC emissions treatment (solvent recovery) for exhaust and waste water from plants
- Strengths:
Makes it possible to recover solvents with a high level of efficiency and high quality due to suppresses thermal decomposition of solvents and fast adsorption and desorption speed.
Particularly superior for treating chloride solvents, such as methylene chloride
- Customers:
Manufacturers of Lithium-Ion Battery Separators (LIBS), TAC films, printers, chemicals, pharmaceuticals, automobiles, food, etc.
* Adopted in over 1,300 units in Japan and overseas
- Share: Top share for adsorption and recovery types
20 to 30% (combustion treatment is the mainstream) for adsorption and recovery types in the VOC emissions treatment equipment market
- Market: Sudden increase in demand for LIB due to global shift to EV and spread of renewable energy
- Sales plan: In FY 3/26 of approx. 2x compared with FY 3/22



"K-FILTER"



Equipment for VOC emissions treatment

Detection kit for COVID-19

- Strengths:
 - Uses PCR enzymes that amplify rapidly, copy accurately, and are highly resistant to contaminants
 - Eliminates work to remove impurities in samples (throat swab, saliva) with unique enzymes, etc., and reduces the processes for gene extraction.
 - Able to test for COVID-19 within a minimum of 60 minutes
- Customers: Private centers, hospitals, etc.
- Share: Approx. 15 % (TOYOBO's estimate) Top 3 in Japan



Detection kit for COVID-19

Fully automated gene analysis system "GENECUBE"

- Strengths:
 - Able to test within as quickly as 30 minutes from reagent mixing to gene amplification and detection
 - Integrated development from diagnostic reagents to analysis system. Enzymes also proprietary procurement
 - Able to simultaneously measure 24 tests, 4 items maximum
- Customers: Major testing centers, hospitals, etc.



Diagnostic reagents



"GENECUBE" (model C)

- **Diagnostic businesses, such as enzymes, reagents, diagnostic reagents and diagnostic devices for genetic testing, currently in development.**
Expansion of solutions business for infection diagnosis.

Continued to be selected as one of the constituents of the four global ESG indexes

- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Japan ESG Select Leaders Index
- MSCI Japan Empowering Women Index (WIN)



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

Also selected one of the constituents of "S&P/JPX Carbon Efficient Index"

⇒ **Selected as a constituent of all five Japanese ESG indexes adopted by GPIF**

Online meeting with investors (Scheduled)

- **Life Science Business (Date: Sep. 16, 2022)**
- **Films Business (Date: Sep. 29, 2022)**

Plan to disclose the presentation material to the Company's website at a later date.

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