

February 8, 2023



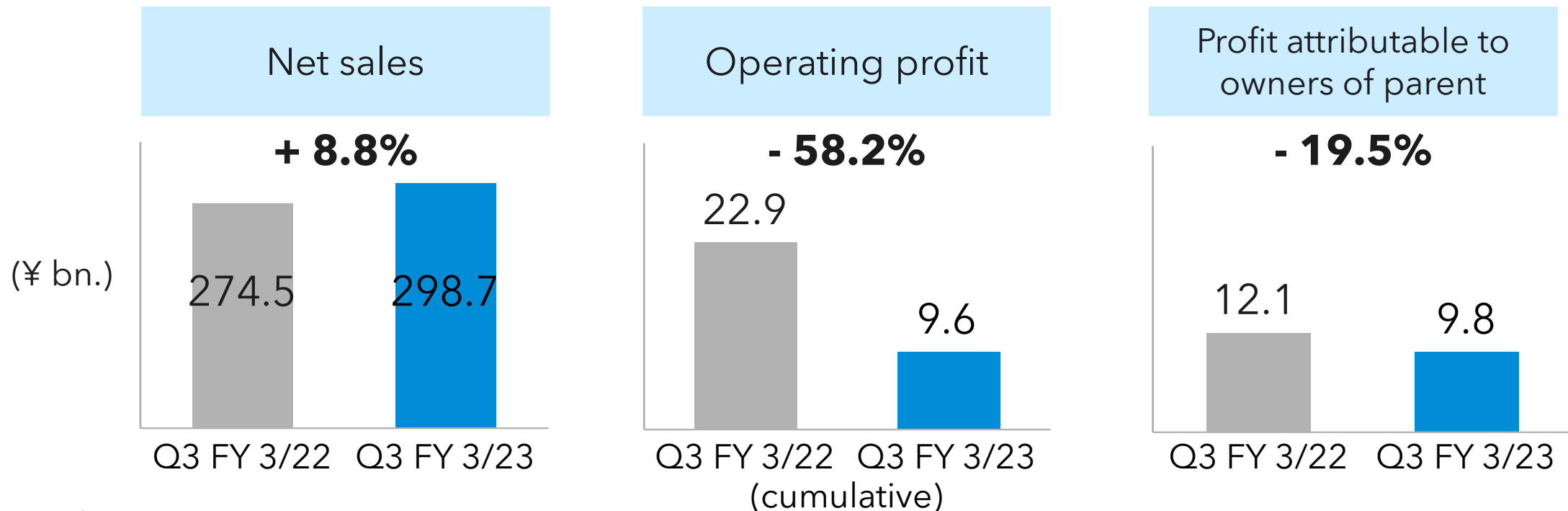
Presentation to Investors

for the Third Quarter Ended December 31, 2022

TOYOBO CO., LTD.

Q3 FY 3/23 Results

Sales increased while operating profit decreased due to a deterioration in the market for industrial film in addition to significant impact from rising raw material and fuel prices, although product price revisions proceeded. Profit of ¥9.8 bn. with extraordinary income.



FY 3/23 Forecasts

Revise operating profit to ¥ 11.0 bn., based on the impact of raw material and fuel prices remaining high and delays in the recovery of demand for smartphone and TV applications. Net profit is forecasted to be ¥ 6.5 bn.

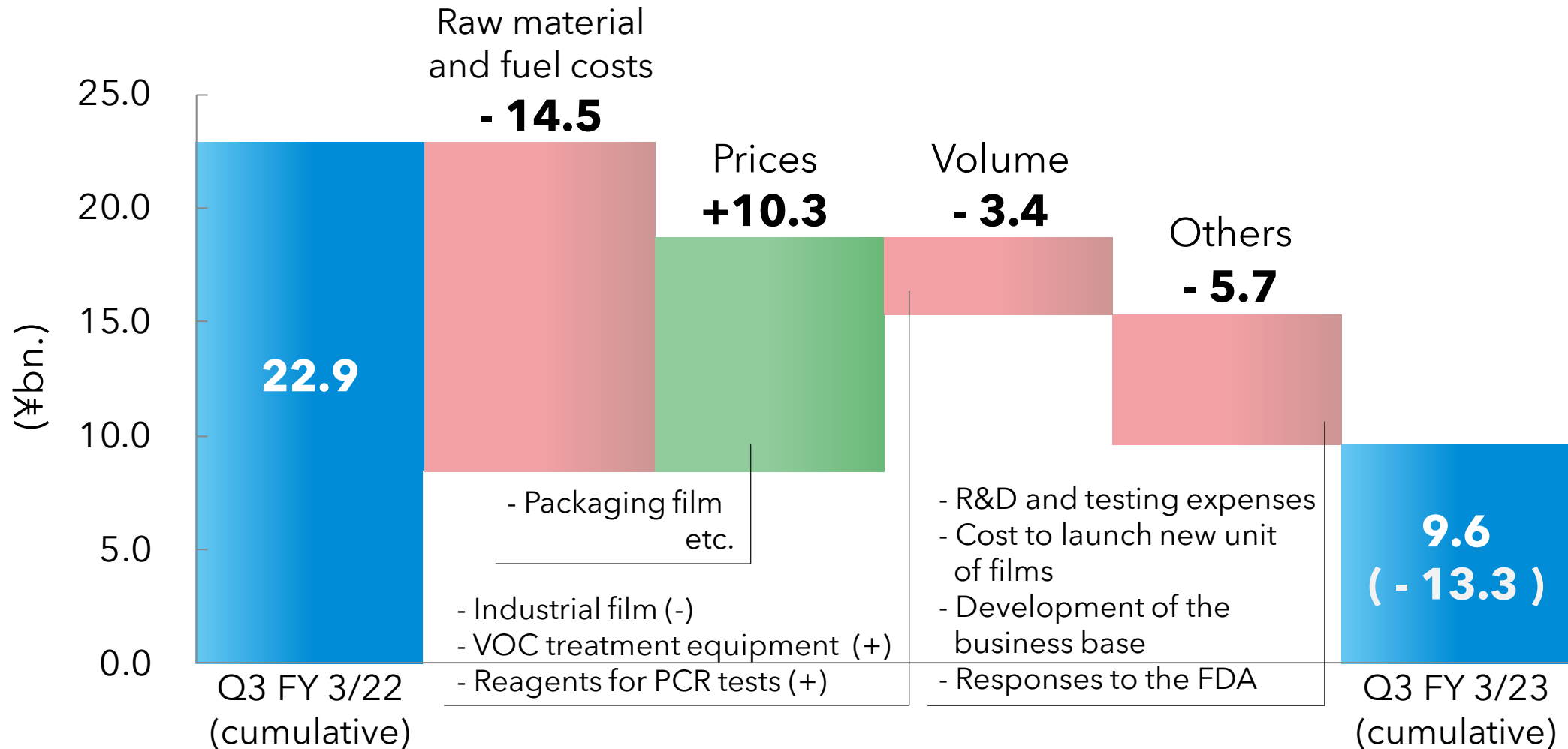
Summary of Results: P&L

TOYOBO

(¥bn.)

	Q3 FY 3/22 (cumulative)	Q3 FY 3/23 (cumulative)	YOY	
			Amount	%
Net sales	274.5	298.7	+ 24.2	+ 8.8%
Operating profit	22.9	9.6	- 13.3	- 58.2%
(Ratio to sales)	8.3%	3.2%	-	-
Ordinary profit	18.2	6.9	- 11.3	- 61.8%
Extraordinary income and losses	- 3.2	7.3	-	-
Profit attributable to owners of parent	12.1	9.8	- 2.4	- 19.5%
EBITDA* <small>*Operating profit + Depreciation (includes goodwill)</small>	38.0	24.0	- 14.0	- 36.8%
EPS (¥)	136.4	109.7	-	-
ROE* <small>*Annualized for Q3 of FY 3/23. (Profit*(4/3) / Beginning and ending balance average shareholder's equity)</small>	8.4%	6.6%	-	-
Depreciation	15.1	14.4	- 0.7	- 4.5%
CAPEX	22.7	27.8	+ 5.0	+ 22.1%

Analysis in Changes in Operating Profit



	Q3 FY 3/22 (cumulative)	Q3 FY 3/23 (cumulative)
Exchange rate (¥/US\$)	111	136
Naphtha price in Japan (thousand¥/kl)	54	80

Summary of Results: BS

TOYOBO

		(B)	(A)	(¥bn.)
	Mar. 31, 2021	Mar. 31, 2022	Dec. 31, 2022	(A) - (B)
Total assets	491.2	517.8	529.9	+ 12.1
Cash and deposits	34.7	27.2	15.7	- 11.5
Inventories	76.3	96.0	120.5	+ 24.4
Property, plant and equipment	224.6	227.6	240.0	+ 12.5
Net assets	188.6	197.1	203.6	+ 6.5
Shareholder's equity	185.7	194.9	201.4	+ 6.6
(Retained earnings)	64.4	74.7	80.9	+ 6.2
Non-controlling interests	2.9	2.3	2.2	- 0.1
Interest-bearing debt	187.0	191.2	198.8	+ 7.5
D/E ratio	1.01	0.98	0.99	-
Net Debt / EBITDA ratio*	3.3	3.4	5.7	-

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

Summary of Results: Segment

TOYOBO

(¥bn.)

	Net sales		Operating profit		
	Q3 FY 3/22 (cumulative)	Q3 FY 3/23 (cumulative)	Q3 FY 3/22 (cumulative)	Q3 FY 3/23 (cumulative)	YOY
Films and Functional Materials	127.3	128.3	16.6	4.5	- 12.1
Mobility	32.2	37.2	- 1.4	- 2.9	- 1.5
Lifestyle and Environment	82.4	94.5	2.7	1.6	- 1.1
Life Science	24.6	29.3	6.4	8.0	+ 1.6
Real Estate and Others	8.1	9.4	1.6	1.7	+ 0.1
Elimination & Corporate	-	-	- 2.9	- 3.2	- 0.3
Total	274.5	298.7	22.9	9.6	- 13.3

(¥bn.)

	FY 3/22			FY 3/23			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	85.9	41.4	127.3	86.7	41.6	128.3	+ 1.0	+ 0.8%
Operating profit	12.2	4.3	16.6	4.2	0.3	4.5	- 12.1	- 72.8%
(OPM)	14.2%	10.5%	13.0%	4.9%	0.7%	3.5%	-	-

Packaging film

- Although product price revisions proceeded, there were significant impacts from rising raw material and fuel prices.

Industrial film

- Volume of polarizer protective films for LCDs and mold releasing film for MLCC fell due to the impact of a temporary lull in the market.

Functional Materials

- Demand for industrial adhesives "Vylon" for smartphone and home appliances decreased by China's zero-COVID policy.

(¥bn.)

	FY 3/22			FY 3/23			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	21.6	10.6	32.2	24.1	13.1	37.2	+ 5.1	+ 15.7%
Operating profit (OPM)	- 0.9	- 0.6	- 1.4	- 2.0	- 0.9	- 2.9	- 1.5	-
	-	-	-	-	-	-	-	-

Engineering plastics

- In Japan, although product price revisions proceeded, there were significant impacts from rising raw material and fuel prices.
- Overseas, although product price revisions proceeded and there were effects from yen depreciation, sales decreased due to the rising raw material prices and logistics costs as well as China's zero-COVID policy.

Airbag fabrics

- Although product price revisions proceeded, the spread did not improve due to higher purchase prices for yarn and other raw materials.

(¥bn.)

	FY 3/22			FY 3/23			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	54.7	27.7	82.4	64.6	29.9	94.5	+ 12.1	+ 14.7%
Operating profit	1.9	0.8	2.7	1.2	0.4	1.6	- 1.1	- 40.5%
(OPM)	3.4%	2.9%	3.2%	1.9%	1.2%	1.7%	-	-

Environmental solutions

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

Nonwoven materials

- Although product price revisions proceeded, there were significant impacts from rising raw material and fuel prices

High performance fibers

- Sales remained strong, centered on "ZYLON" for applications in building structural reinforcement and bicycle tires and "IZANAS" for use in fishing line.

(¥bn.)

	FY 3/22			FY 3/23			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	16.3	8.2	24.6	19.3	10.0	29.3	+ 4.7	+ 19.3%
Operating profit (OPM)	4.6	1.8	6.4	5.4	2.6	8.0	+ 1.6	+ 24.6%
	28.2%	21.6%	26.0%	28.0%	25.5%	27.2%	-	-

Biotechnology

- Sales of reagents for PCR testing grew due to the resurgence of infections in the seventh and eighth waves of COVID-19.
- Sales to Europe and North America of enzymes for diagnostic reagents and enzymes for genetic testing reagents increased.

Medical materials

- Sales of artificial kidney hollow fiber were strong, but were affected by rising raw material and fuel prices.

Pharmaceuticals

- The contract manufacturing business of pharmaceuticals is currently working towards the lifting of a Warning Letter received from the FDA.

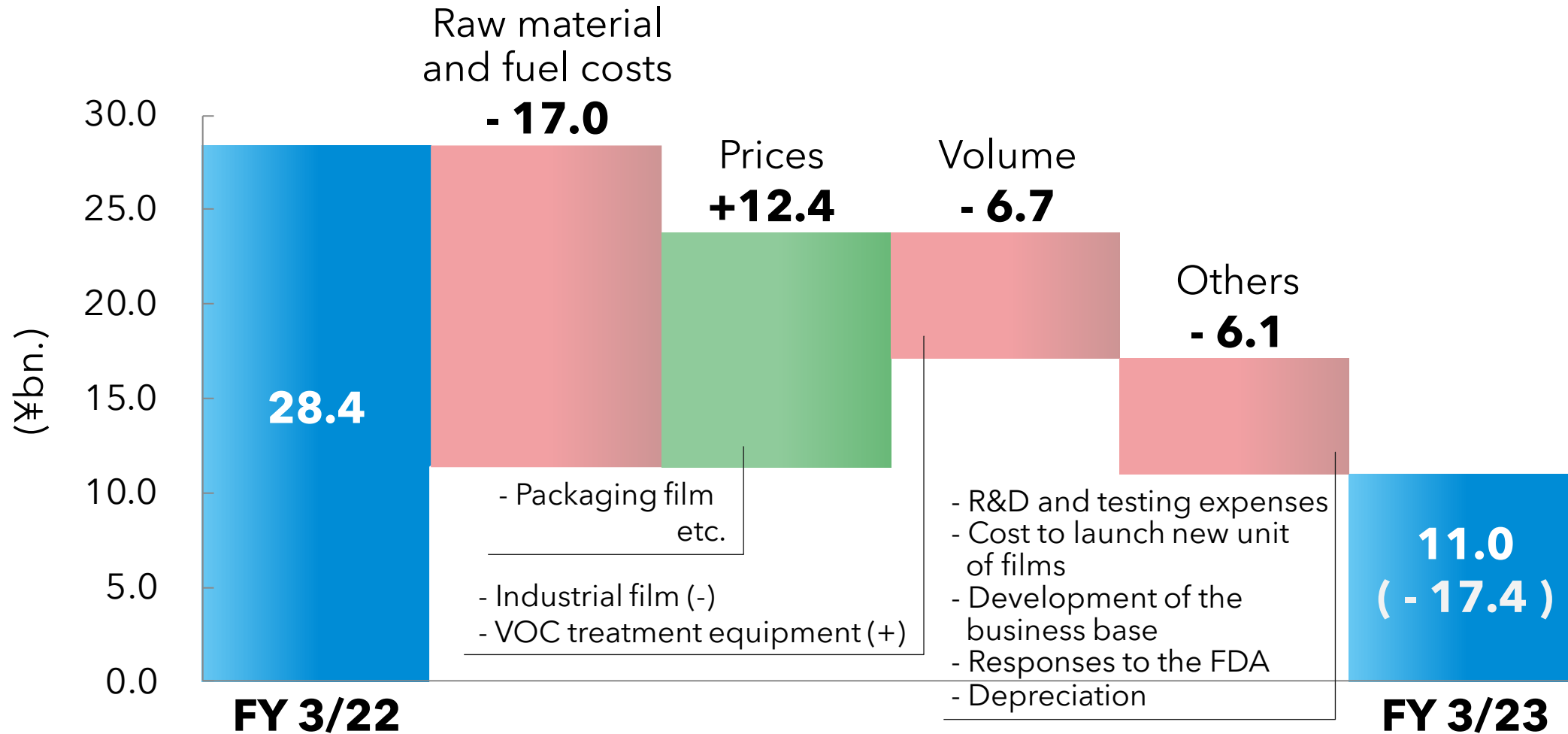
Forecasts for FY 3/23

Revise operating profit to ¥ 11.0 bn., based on the impact of raw material and fuel prices remaining high and delays in the recovery of demand for smartphone and TV applications. Net profit is forecasted to be ¥ 6.5 bn.

(¥bn.)

	FY 3/22	FY 3/23			YOY		Previous forecasts (Nov. 2022)
	Results	H1	H2	Forecasts	Amount	%	
Net sales	375.7	201.1	198.9	400.0	+ 24.3	+ 6.5%	410.0
Operating profit	28.4	7.9	3.1	11.0	- 17.4	- 61.3%	17.0
(Ratio to sales)	7.6%	3.9%	1.6%	2.8%	-	-	4.1%
Ordinary profit	23.1	6.8	0.7	7.5	- 15.6	- 67.5%	14.0
Extraordinary income and losses	- 8.3	8.1	- 5.8	2.3	-	-	2.8
Profit attributable to owners of parent	12.9	11.0	- 4.5	6.5	- 6.4	- 49.5%	12.0
EBITDA	48.5	17.5	13.0	30.5	- 18.0	- 37.1%	37.5
EPS (¥)	144.8	123.4	- 50.3	73.1	-	-	134.9
Depreciation	20.1	9.6	9.9	19.5	- 0.6	- 2.9%	20.5
CAPEX	33.6	17.5	20.5	38.0	+ 4.4	+ 13.0%	38.0

Analysis in Changes in Operating Profit



	FY 3/22	FY 3/23
Exchange rate (¥/US\$)	112	135
Naphtha price in Japan (thousand¥/kl)	57	76

Previous forecasts (Nov. 2022)

140
78

Forecasts by Segment

TOYOTO

(¥bn.)

	Net sales		Operating profit			Previous forecasts (Nov. 2022)
	FY 3/22 results	FY 3/23 forecasts	FY 3/22 results	FY 3/23 forecasts	YOY	
Films and Functional Materials	170.3	171.0	19.9	5.2	- 14.7	10.0
Mobility	44.7	51.0	- 1.8	- 4.0	- 2.2	- 3.4
Lifestyle and Environment	114.3	127.0	3.5	2.5	- 1.0	3.3
Life Science	35.0	39.0	8.7	9.4	+ 0.7	9.0
Real Estate and Others	11.4	12.0	2.2	2.2	- 0.0	2.1
Elimination & Corporate	-	-	- 4.0	- 4.3	- 0.3	- 4.0
Total	375.7	400.0	28.4	11.0	- 17.4	17.0

Appendix

Business Performance

TOYOBO

(¥bn.)

Net sales	FY 3/22					FY 3/23			
	Q1	Q2	Q3	Q3 (cumulative)	Full year	Q1	Q2	Q3	Q3 (cumulative)
Films and Functional Materials	45.7	40.2	41.4	127.3	170.3	45.3	41.4	41.6	128.3
Mobility	11.1	10.5	10.6	32.2	44.7	11.8	12.3	13.1	37.2
Lifestyle and Environment	27.7	27.0	27.7	82.4	114.3	32.1	32.5	29.9	94.5
Life Science	7.5	8.9	8.2	24.6	35.0	8.7	10.6	10.0	29.3
Real estate and Others	2.6	2.7	2.8	8.1	11.4	3.1	3.3	3.0	9.4
Elimination & Corporate	-	-	-	-	-	-	-	-	-
Total	94.6	89.2	90.7	274.5	375.7	101.0	100.1	97.6	298.7

Operating profit	FY 3/22					FY 3/23			
	Q1	Q2	Q3	Q3 (cumulative)	Full year	Q1	Q2	Q3	Q3 (cumulative)
Films and Functional Materials	6.8	5.4	4.3	16.6	19.9	3.5	0.7	0.3	4.5
Mobility	- 0.5	- 0.4	- 0.6	- 1.4	- 1.8	- 0.8	- 1.3	- 0.9	- 2.9
Lifestyle and Environment	1.5	0.4	0.8	2.7	3.5	0.3	0.9	0.4	1.6
Life Science	1.9	2.8	1.8	6.4	8.7	2.1	3.3	2.6	8.0
Real estate and Others	0.4	0.7	0.5	1.6	2.2	0.3	0.6	0.7	1.7
Elimination & Corporate	- 0.8	- 1.0	- 1.1	- 2.9	- 4.0	- 0.9	- 1.1	- 1.3	- 3.2
Total	9.2	7.9	5.8	22.9	28.4	4.6	3.3	1.7	9.6

Obtained SBT (Science Based Targets) certification

SBT refers to corporate reduction targets for greenhouse gases in conformity with the levels set in the Paris Agreement

The Toyobo Group's targets of reducing GHG emissions by FY 3/31 have been validated by the SBT initiative. (December 2022)



Toyobo Group's GHG emissions reduction targets validated by SBT

Scope1,2	27.0% reduction in GHG emissions by FY 3/31 over FY 3/21
Scope3	12.5% reduction in GHG emissions by FY 3/31 over FY 3/21

※Target of net zero emissions by FY 3/51 (Scope1,2)

- 350 SBT certified companies in Japan
 - Second company to obtain certification in the fiber product sector
- (As of January 10, 2023)

Main measures until FY 3/31	
Scope1,2	<ul style="list-style-type: none"> - Energy saving (Improvements in business operations) - Improvement in productivity - Introduction/procurement of renewable energy - Energy source change (no use of coal) - Consideration of introducing carbon-free fuels - Low carbonization in purchased electricity etc.
Scope3	<ul style="list-style-type: none"> - Increase procurement of low carbon/carbon-free raw materials - Reduce GHG through cooperation with suppliers - Promote green logistics - Expand use of recycled and biomass materials - Shift toward eco-friendly equipment for VOC emissions treatment, etc. etc.

New installation of manufacturing equipment at biotechnology plant

- Manufacturing equipment for reagents for PCR testing that utilized in genetic testing, and raw materials for genetic diagnostic reagents, such as enzymes, antibodies, etc.
- Aim to begin construction in March 2023 and commence operation in November 2024
- CAPEX: approx. ¥6.5 bn.
- Production capacity: Increase current capacity by approx. 3 times
- **Further strengthen development and production system for testing reagents and raw materials for infections**



Exterior image of new manufacturing equipment

Genetic testing reagents for COVID-19 and influenza virus

- Kit that detects COVID-19 RNA and type A and type B influenza virus RNA **at the same time** using real-time PCR equipment
- Able to detect from preparation of specimen in as short as approx. 75 minutes without refining RNA
- Obtained approval for manufacture and sale from the Ministry of Health, Labour and Welfare on November 8, 2022. Commence sale to health institutions and testing facilities

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

All Rights Reserved

TOYOBO
Beyond Horizons