February 9, 2023

TOYOBO
Beyond Horizons

Presentation to Investors
for the Third Quarter Ended December 31, 2022

TOYOBO CO., LTD.
Hiroshi Otsuki
Representative Director, Senior Managing Executive Officer

Greetings, my name is Otsuki. Thank you very much for your participation today. We also thank you very much for your ongoing support. Thank you again.

I would like to quickly explain the overview of the financial results for Q3. Thank you for your cooperation.

Highlights

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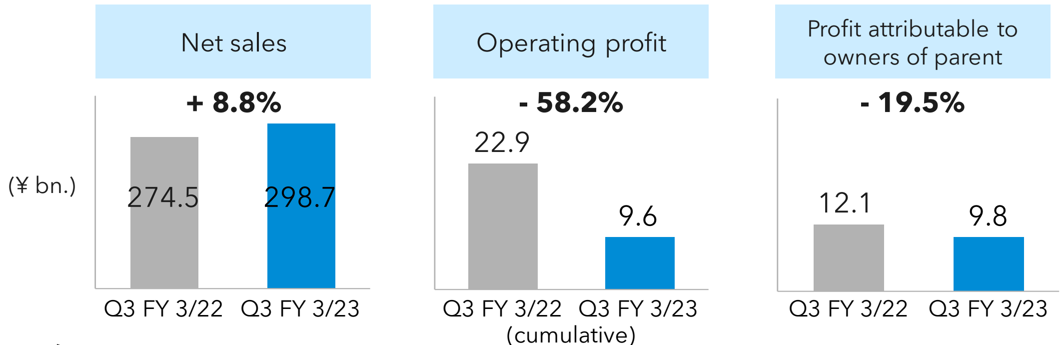
Q3 FY 3/23 Results

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.

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The first point is the point of settlement of accounts.

This was a very tough financial year for us, with decreased profits. As mentioned in the main points of the financial results, in addition to the deteriorating market conditions for industrial films, the impact of the sharp rise in raw material and fuel prices has been extremely large. We are working hard to revise product prices, but as a financial result, sales increased but profits decreased.

The graph below shows that sales are plus 8.8%. We worked hard to revise product prices and pass on prices, so the increase in revenue is due in part to these efforts. Operating profit unfortunately fell short of the initial forecast, declining 58.2% to JPY9.6 billion.

Final net profit was JPY9.8 billion, down 19.5%. The insurance proceeds received from the fire accident at Inuyama Plant and the sale of policy-holding shares, which were already included in Q2, were incorporated into JPY9.8 billion.

We are revising our full year forecast for the current fiscal year downward compared to Q2. Raw material and fuel prices remain high, and we are struggling to pass on prices more than expected. In light of the delay in the recovery of demand for industrial films for smartphone and TV applications and so on, we have revised our operating profit downward to JPY11 billion from the JPY17 billion that we had said at the time of Q2 announcement. Sliding down, we are also revising net profit downward from JPY12 billion to JPY6.5 billion.

As I will explain in more detail later, the main reasons are a greater-than-expected decline in the volume of mold releasing film for MLCC due to the decline in smartphone production, a delayed recovery in demand, and a larger-than-expected customers inventory buildup among packaging film materials. They need some time for adjusting the inventory, so we are trying our best to pass on the selling price, but there are some areas where progress is not being made due to the relationship between supply and demand. In this sense, a downward revision is unavoidable.

Summary of Results: P&L

(¥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* *Operating profit + Depreciation (includes goodwill)	38.0	**24.0**	- 14.0	- 36.8%
EPS (¥)	136.4	**109.7**	-	-
ROE* *Annualized for Q3 of FY 3/23. (Profit*(4/3) / Beginning and ending balance average shareholder's equity)	8.4%	**6.6%**	-	-
Depreciation	15.1	**14.4**	- 0.7	- 4.5%
CAPEX	22.7	**27.8**	+ 5.0	+ 22.1%

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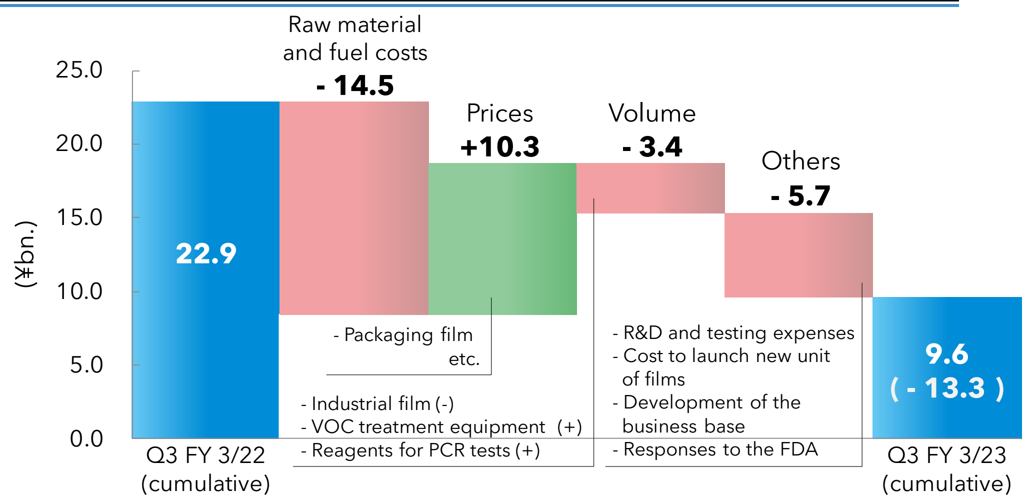
As you have seen the overview of the P&L.

EBITDA was reduced from the previous year to JPY24 billion as a result of the downward slide in operating profit.

Depreciation was JPY14.4 billion, and since impairment losses on fixed assets were recorded in the previous fiscal year, depreciation decreased in that area.

Capital investment was JPY27.8 billion, and we are making upfront investments at the same pace as planned in the medium-term plan, as well as safety and disaster prevention for infrastructure maintenance and measures to deal with aging infrastructure.

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

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Analysis in changes in operating profit.

The cumulative total for Q3 is JPY14.5 billion in raw material and fuel costs. We came up with a figure of JPY11 billion at Q2, and the impact of raw material and fuel added another JPY3.5 billion.

The figures for domestic naphtha price are written outside the column below. JPY54,000 was last year's Q3 total, but now that Q3 is over, the current year's total is JPY80,000, an increase of about JPY26,000.

As I have mentioned several times, in the case of our company, JPY1,000 increase in naphtha will have an effect of approximately JPY500 million in terms of the degree of direct impact on raw material costs. Therefore, since it is Q3, the impact is three-quarters, roughly JPY10 billion. Of the JPY14.5 billion in the raw material and fuel portion, the impact of the raw material portion would be roughly less than JPY10 billion. The remainder is fuel costs. This is a minus of about JPY5 billion.

By comparison, the impact of the raw material costs was about JPY10 billion, and the effect of selling price right next to it was JPY10.3 billion, which shows that it was recovered by the selling price. To give you an idea of the situation, we have managed to pass on the higher costs of raw material to the selling price by raising the price of all materials.

The result is that the fuel portion remained. Roughly a quarter or so of the total purchases of raw material and fuel is influenced by crude oil and coal, which is a large portion of the total. Coal price has come down a bit from its peak and we are hopeful, but unfortunately there is a time lag in our case. Since we are making an allowance ahead of time, the high cost of coal prices is included into cost accounting during the current fiscal year, and we expect the difficult situation to continue for some time. For selling prices, we worked hard to pass on prices within that context. Although we have been able to pass on most of the raw material costs of packaging film to the selling price, we have not yet been able to pass on the costs of fuel. We continue to struggle to pass on this portion of the costs.

The volume factor was very large for industrial films, mainly in terms of the extent of deterioration compared to Q2 stage. From the latter half of Q3, the volume and inventory adjustment of industrial films began to tighten, and this situation continues to this day.

Other factors include SG&A expenses and film start-up costs, which amounted to JPY5.7 billion.

In total, Q3 ended with a decrease in profit to JPY9.6 billion.

Summary of Results: BS

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(¥bn.)

	Mar. 31, 2021	(B) Mar. 31, 2022	(A) 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>

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I will only mention the area where there are some characteristics in the balance sheet.

Cash and deposits were JPY15.7 billion, and you can see that they were reduced to a very small amount.

As we may have explained before, the subordinated loan issued in March 2018 is due for refinancing in March 2023. The loan's repayment condition that the loan be redeemable with the Company's own funds was the requirement for a D/E ratio of 1.0 or less in the balance sheet as of the end of December 2022. Since the interest rate for this subordinated loan was somewhat high, we decided that it would be better to keep the interest rate as low as possible, considering future capital needs, and we managed to squeeze a little cash and cash equivalents to meet this requirement.

Although we have reduced the amount to JPY11.5 billion compared to the end of March last year, the amount has returned to the previous level at this point, so I do not think there is any need for you to be concerned.

The Net Debt/EBITDA multiple is written at the bottom of the table. We are now in the first year of our medium-term management plan, and as we start our medium-term management plan, we have set our capital investment at a slightly more aggressive amount than the previous scale.

For that reason, the debt will increase in the future, and in order to respond to the view of how to maintain financial discipline, we have indicated that we would like to keep the Net Debt/EBITDA ratio below 5. The ratio became 5.7, and we were surprised to see this figure, however, we are sure that cash flow from film and other businesses will improve, and although the level is not good at this point, we believe that it will recover in time.

However, if the situation persists for a long time, it may become necessary to make decisions such as cutting capital investment, but we are not thinking about this at this time.

Summary of Results: Segment

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(¥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

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By segment.

I will explain each segment later, but a quick look at the results shows a JPY13.3 billion decrease compared to last year's Q3 total, of which the films & functional materials segment had a large decrease in profit.

Films and Functional Materials

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(¥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.

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Let me go into the description by segments.

First, films & functional materials, the segment with the largest profit decline.

Although we worked very hard to revise product prices for packaging film, profits were very much affected by the sharp rise in raw material and fuel prices, resulting in a decrease in profits.

The inventory on the industry of food and beverage manufacturers, etc., from the middle of Q3, is increasing rapidly, and apparently it is accumulating in that area though it had been steadily coming out. Around the early fall, they began to use advance orders to digest inventory, and they decided to reduce the volume of orders at once.

In industrial film, polarizer protective films for LCDs and mold releasing film for MLCC have been affected by the deteriorating market conditions, although we recognize that this is only temporary.

At the time of Q2, we thought that the recovery of polarizer protective films for LCDs would be sequential with the third and fourth quarters, and that we would recover to about 90% by Q4 vs Q1. However, at this point in time, Q3 has done very well at 90-plus%, whereas Q4 will drop dramatically and probably fall below the 90% level, and is now struggling a bit as a shipping volume.

In 2022, shipments of LCD TV panels on an area basis are growing negatively for the first time. We are trying very hard to raise prices while product prices are falling, but to a limited extent, and at this point in time, these are the financial results we are seeing. Sales and profits for mold releasing film for MLCC also decreased from the previous year.

As you are all aware, production of smartphones is down very hard due to the Shanghai lockdown and other factors. Demand has dropped, and we are dealing with it by doing things like adjustment stops, but the volume is decreasing. We have received reports that adjustment stops is likely to continue for the foreseeable future, including from smartphone manufacturers. We expect that the market will probably recover in FY 3/24 or in H2, and that the situation in this area will continue to be a little difficult for some time to come.

Functional materials also continued to face a difficult situation due to the zero-coronavirus policy in China, despite our efforts to pass on the cost to customers, resulting in a significant decrease in profit for the segment as a whole.

Mobility

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(¥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	- 0.9	- 0.6	- 1.4	- 2.0	- 0.9	- 2.9	- 1.5	-
(OPM)	-	-	-	-	-	-	-	-

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.

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Mobility.

Engineering plastics also had a very difficult time this time. Although we proceeded with product price revisions both in Japan and overseas, we were very much affected by the sharp rise in raw material and fuel prices. For overseas, where the shift is a little better than in Japan, but the struggle continues, affected by China's zero-coronavirus policy and other factors.

In FY 3/24, we expect a recovery, although it depends on automobile production, which is an external factor.

Although the volume of airbag fabrics is increasing due to a slight recovery in vehicle production, product price revisions are not progressing well. The spread is not improving because the increase in the purchase price of raw yarn and other raw materials is not being fully passed on to the selling price.

Lifestyle and Environment

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(¥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.

Lifestyle and environment segment has both good and bad. Environmental solutions equipment is performing very well. The business has been performing well due to the unprecedented volume of VOC treatment equipment for separator plants, which has been driven by the growing demand for lithium-ion batteries in line with the global shift to EVs.

On the other hand, we are trying to raise the price of nonwoven materials, but the business is in a very difficult situation because we are very much affected by the rising prices of raw material and fuel. "BREATHAIR" is also struggling due to the Shanghai lockdown and other factors.

High-performance fibers such as "Zylon" are generally performing well. We have high expectations for the future, as price increases for value-added products have been passed.

Life Science

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(¥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	4.6	1.8	6.4	5.4	2.6	8.0	+ 1.6	+ 24.6%
(OPM)	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.

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Life sciences.

In biotechnology, sales of reagents for PCR testing remained strong in Q3 due to the expansion of the eighth wave of infections, even though we had expected that it would fall off. In addition, sales of enzymes for diagnostic reagents or enzymes for genetic testing reagents to Europe and the United States remained strong, contributing to profit.

However, since COVID-19 will be moving to Category 5 classification around FY 3/24, reagents for PCR testing is no longer experiencing very strong demand as customers begin to digest their inventory. We see no doubt that this area will fall in Q4. We are in the process of formulating a budget that will probably fall significantly for the next fiscal year.

In medical materials, the sales pace of artificial kidney hollow fiber is strong, but profits have been slow to rise due to soaring raw material and fuel prices.

As we have explained before, pharmaceuticals has received a warning letter from the FDA, and we are spending costs first to lift this letter, and we are still in the red. We are aware that the lifting of the warning letter is getting closer, but we must first ensure that it is lifted, and after that, we will be able to enter the next world, as we are the few contract manufacturer of sterile injectables that are compatible with the three regions.

Forecasts for FY 3/23

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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

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This is the full-year forecast.

As we have already mentioned several times, we are sorry to revise our operating profit downward to JPY11 billion, taking into account the high raw material and fuel prices and the delayed recovery of demand for smartphone and TV applications.

Net profit is JPY6.5 billion. EBITDA is also down at JPY30.5 billion. Only capital investment has not changed since Q2. This means that we will adhere to the policy of the medium-term plan, and there is no change in the plan at this time.

Analysis in Changes in Operating Profit

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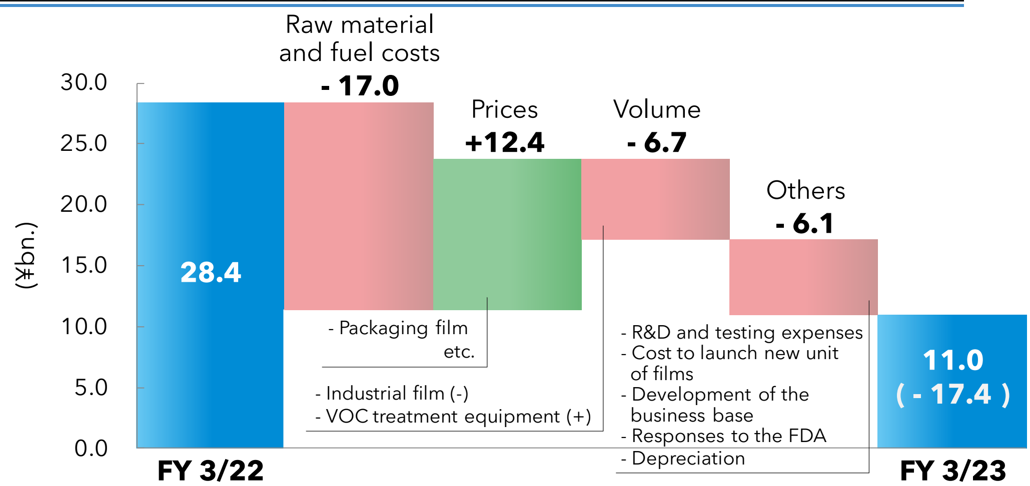

	FY 3/22	FY 3/23	Previous forecasts (Nov. 2022)
Exchange rate (¥/US$)	112	135	140
Naphtha price in Japan (thousand¥/kl)	57	76	78

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These are analysis in changes in operating profit for the full year.

We have revised forecast downward to JPY11 billion, so we have changed each of these downward a little compared to what we said in Q2.

I mentioned that raw material and fuel costs has a negative annual factor of about JPY18 billion in Q2. As you are aware, we expect that the impact of raw material and fuel will be lighter by about JPY1 billion since the crude oil price is trending down a bit more decently. Of the JPY17 billion, about JPY10 billion is the impact of raw materials, and about JPY7 billion is the impact of fuel.

The effect of selling price is JPY12.4 billion. At the end of Q2, we had expected the effect of sales price of about JPY14.3 billion, but we had some difficulty in shifting the price, so we lowered it by about JPY1.9 billion to JPY12.4 billion.

In Q2, we said that we would do our best to achieve a sales price pass-through rate of approximately 80% throughout the year, but if you calculate this figure, the pass-through rate will be only 73%. I'm sorry, but this is the limit at the moment.

The volume factor is JPY6.7 billion. This is a major factor in the downward revision, as we had expected it of JPY1.8 billion at Q2, but that figure expanded to JPY6.7 billion. Approximately JPY5 billion, we have lowered our forecast in this area. The main downside is in the industrial film volume, although there are some positive factors such as VOC treatment equipment.

Other factors are generally the same as what we saw in Q2. We have not changed it significantly, about JPY6 billion. These are the factors behind the downward revision.

Forecasts by Segment

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(¥bn.)

	Net sales		Operating profit			
	FY 3/22 results	FY 3/23 forecasts	FY 3/22 results	FY 3/23 forecasts	YOY	Previous forecasts (Nov. 2022)
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

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Finally, here is the forecasts by segment. On the far right, we have written the outlook we presented during Q2.

As you can see, our forecast for films and functional materials was JPY10 billion, but we revised it downward JPY4.8 billion to JPY5.2 billion. The total operating profit forecast of JPY17 billion was revised to JPY11 billion, and about JPY5 billion of JPY6 billion is a downward swing in films and functional materials.

In the life science business, we had said JPY9 billion, but in Q3 we saw an increase in profit, mainly from reagents for PCR testing, and taking this into account, we expect to be able to bring the full-year figure to around JPY9.4 billion. Although we have made a slight upward revision in this area, the decline in profit from films and functional materials is still too large, and we regret to report a decline of JPY11 billion, for a total decline of JPY17.4 billion.

With such a large decrease in profit, the question may be what will happen in the next fiscal year. We, the management of the Company, are also working hard to make a budget for the next fiscal year, although the figures have not been finalized yet.

However, I do not want to sound too optimistic, but although we are certainly having a hard time raising the prices of packaging films, there has not been a major decline in the domestic consumption trend. Demand for food and beverage applications is particularly solid. Although there is some concern that consumption may decline due to a slight increase in inflation, we do not expect a significant decline in the food and beverage portion of the market.

In that sense, we are not too worried because we have a good position in the industry and the volume will surely return after the inventory adjustment since it is basic product.

We are working hard to pass on the cost of raw material and fuel, but as those of you who have looked back on past fiscal years and watched closely can see, in our case, when raw material prices drop, we are thinking of entering a phase in which we will secure profits by holding off on price reductions. Therefore, if you take a slightly longer view of this area, we believe that performance will remain stable.

As for polarizer protective films for LCDs, polarizer manufacturer, panel manufactures and set manufactures are also adjusting inventories in the near term, but our market share has exceeded 50%. Furthermore, there are about eight polarizer manufacturers, and about six of them have already adopted our products, and our third unit is now in operation. Since the number of our customers is increasing, especially in China, we do not think the current situation is anything to worry about. However, the degree of recovery depends on the operating rates of LCD manufacturers, so I think we need to be careful.

Although I mentioned that inventory adjustment of mold releasing film for MLCC will continue for a while at this point, we recognize that the main parts of ceramic capacitors will continue to expand rapidly in the future. Our customers have not made any downward changes to their capital investment plans, and we are confident that once inventory adjustments are complete, they will return to production, although it will depend on the operating rate of smartphone production.

I mentioned that industrial film are an industry in which it is extremely difficult to pass on prices, but we have been working hard to pass on prices, and there is a definite trend that some companies are willing to pass on prices, partly due to the strength of our products. The person in charge has assured us that the high cost of raw materials will be passed on to our customers, and I would like to conclude by saying that we are not too worried about it.

I am afraid this is a miscellaneous explanation, but that is all.

Appendix

Business Performance

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(¥bn.)

Net sales	FY 3/22					FY 3/23			
	Q1	Q2	Q3	Q3 (cumulative)	Full year	Q1	Q2	Q3	Q3 (cumulative)
Films and Funcitonal 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 Funcitonal 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

Topics: Obtained SBT certification

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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

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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	- 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	- 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.

Topics: Life Science Business

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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

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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Beyond Horizons