

May 13, 2024

TOYOBO
Beyond Horizons

Presentation to Investors

for Year Ended March 31, 2024

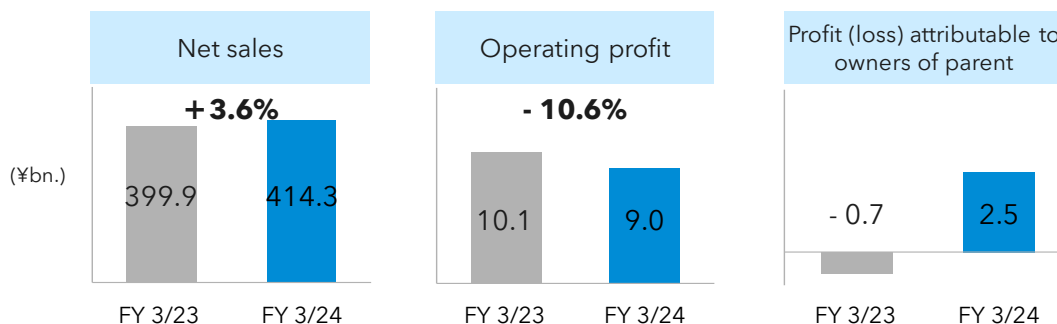
TOYOBO CO., LTD.

Hello everyone, I am Takeuchi, the President of TOYOBO. Thank you very much for participating in our financial results briefing today. We would also like to thank you for your continued support of our company.

I will now explain the financial results for FY 3/24 according to the documents.

FY 3/24 Results

Sales increased but operating profit decreased due to decline in demand for reagents for PCR testing and volume decline for packaging film, although sales for polarizer protective films for LCDs increased. Profit was ¥2.5 billion.



FY 3/25 Forecasts

We forecast operating profit of ¥17.0 billion and net profit of ¥2.6 billion, based on demand recovery for packaging film and electronic materials in addition to advancing measures for businesses requiring improvement.

These are the highlights. As for the financial results for FY 3/24, sales increased but operating profit decreased. The sales of polarizer protective films for LCDs, which accounts for about 60% of the global market share, were strong, on the other hand, demand for reagents for PCR testing fell sharply, after the special demand due to COVID-19 pandemic.

In addition, although the Company made efforts to pass on the price increase for packaging films to customers, sales quantity largely decreased.

Operating profit decreased, but ordinary profit increased, partly due to foreign exchange gains and an improvement in non-operating profit. Profit attributable to owners of parent for the period was JPY2.5 billion, due in part to gains on the sale of shares.

Operating profit by quarter is on page three. We are seeing a clear trend of improvement in the fourth quarter.

For H1 of FY 3/23, the profits have been contributed by the reagents for PCR testing, which dropped in demand as I mentioned earlier, so the pace has actually returned to exceed last year's in the fourth quarter.

With that in mind, here is our full-year forecast for the current fiscal year, ending March 31, 2025.

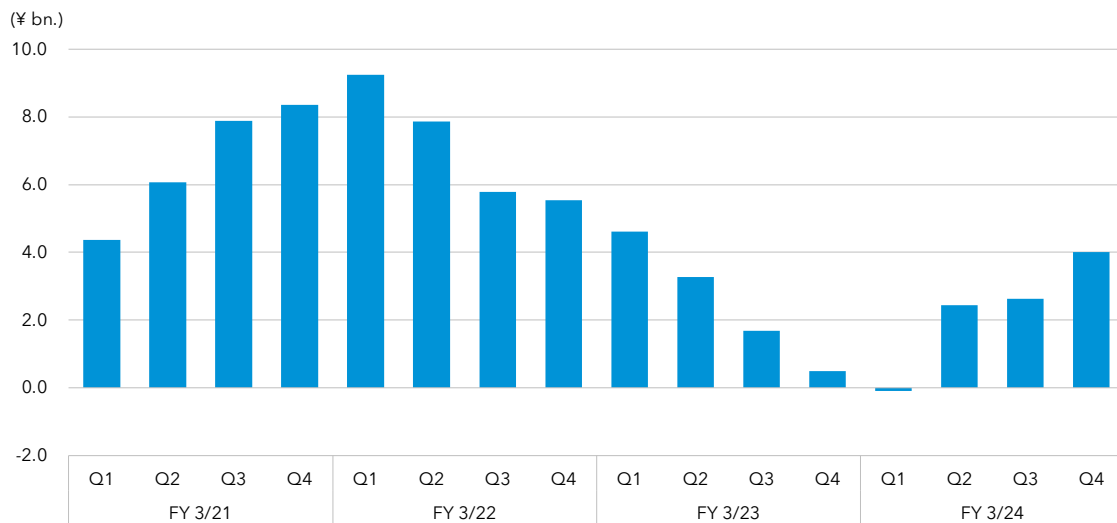
As for the packaging film, inventory adjustments in the market have finally been completed and sales quantity is recovering. In the functional resin for electronic materials applications and mold releasing film for MLCC, we expect a recovery in demand especially in H2 of the fiscal year, and we also forecast operating profit of JPY17.0 billion by taking measures to businesses requiring improvement.

Profit attributable to owners of parent is expected to increase only slightly to JPY2.6 billion. The reason for this is that non-operating income and expenses and extraordinary income and losses, which will be worse than in the fiscal year that ended.

As for dividends, based on our policy of stable dividends, we plan to pay a dividend of JPY40 per share in anticipation of a recovery in earnings.

(Reference) Operating Profit by Quarter

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Business Environment in the FY 3/24 (Difference from initial forecast) **TOYOBO**

Segment	Business	Initial Forecast (May 2023)	Current Condition (FY 3/24)	
			Situation*	Difference from Initial Forecast
Films	Packaging	Adjustments to distributors' inventories will gradually resolve.	↘	Adjustments became prolonged and demand recovery delayed.
	Industrial	Strong demand for polarizer protective films for LCDs.	↗	Demand was strong.
		MLCC saw a full-scale recovery in demand from the second half.	↘	Full-fledged recovery in demand failed to materialized.
Life Science	Biotechnology	Large decrease in demand for reagents for PCR testing.	↘	Sharp decline in demand due to the reclassification of COVID-19 as Class 5 Infectious Disease.
	Medical	Strong demand for artificial kidney hollow fiber.	↗	Demand was strong.
Environmental and Functional Materials	Resin and chemicals	Recovery in automobile production volume (semiconductor shortage eliminated).	→	-
		Recovery in demand for electronics materials applications in China and other Asian region.	↘	Delay in demand recovery.
	Environment and fiber	Strong demand for equipment for VOC recovery.	↗	Orders were strong.
		Intensified competitive environment for nonwoven materials.	↘	Competitive environment for hygiene products and civil engineering materials intensifying.
Functional Textiles and Trading	Airbag fabrics	Recovery in automobile production volume (semiconductor shortage eliminated).	→	-
Other		The impact of high raw materials and fuel prices will remain.	→	-

*To initial forecast, ↗ : improve, expand → : as expected ↘ : worsening, decrease 4

This is a review of the business environment of the fiscal term that ended. Initially, we had set a target of JPY15.0 billion as operating profit. In contrast, this time the figure was JPY9.0 billion, a significant underachievement.

The NE-pointing arrow means that the external environment has taken a worse turn than originally envisioned.

For packaging film, we had initially looked at completing inventory adjustments in H1 of FY 3/24, but it took until the end of the fiscal year. As for mold releasing film for MLCC, the sales quantity of the middle end has recovered, but the high end has not.

Sales for resin and chemicals products were affected by the stagnation of the Chinese economy. The price competition of the nonwoven materials intensified due to deflationary pressure originating from China.

Due to these factors, despite our efforts, we were unable to counteract the external changes.

Summary of Results: P&L

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	FY 3/22	FY 3/23	FY 3/24	YOY		Previous forecasts (Feb. 2024)
				Amount	%	
Net sales	375.7	399.9	414.3	+14.3	+ 3.6%	410.0
Gross profit	96.1	85.0	88.0	+3.0	+ 3.5%	-
Operating profit	28.4	10.1	9.0	- 1.1	- 10.6%	8.0
(Ratio to sales)	7.6%	2.5%	2.2%	-	-	2.0%
Ordinary profit	23.1	6.6	7.0	+0.4	+ 5.6%	5.0
Extraordinary income and losses	- 8.3	- 6.0	- 1.4	+4.6	-	-0.8
Profit attributable to owners of parent	12.9	-0.7	2.5	+3.1	-	1.0
EBITDA* <small>*Operating profit + Depreciation (includes goodwill)</small>	48.5	29.1	28.8	- 0.3	- 1.1%	280.0
EPS (¥)	144.8	- 7.4	27.9	-	-	11.4
ROE* <small>*Profit / Beginning and ending balance average shareholder's equity</small>	6.8%	-	1.3%	-	-	-
ROIC* <small>*NOPAT / (Interest-bearing debt + Net assets)</small>	5.1%	1.7%	1.3%	-	-	-

- Dividends will be ¥40 per share (scheduled)

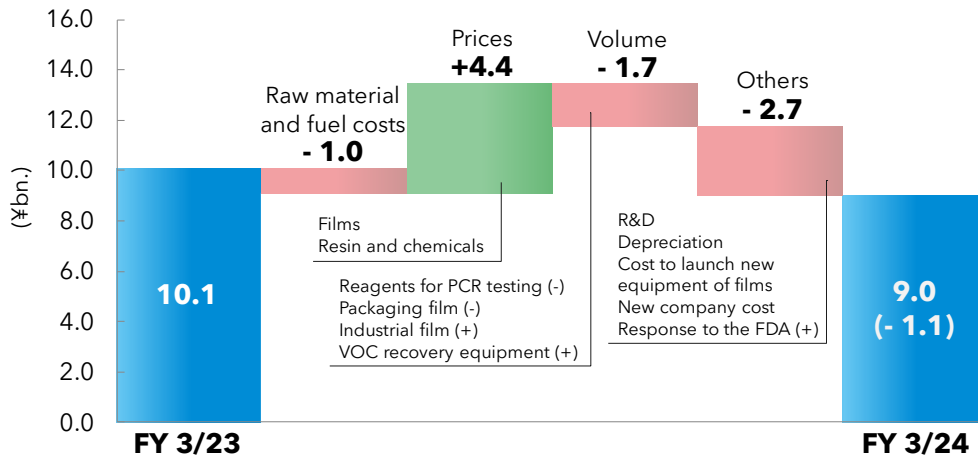
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As for P&L, operating profit is down 10%. In this context, gross profit increased, so it means that SG&A expenses have increased. The SG&A expenses increased by JPY4.1 billion compared to last year. Over the past few years, expenses have risen in safety, disaster prevention, quality, and other areas, both defensive and offensive.

Of the JPY4.1 billion increase over the previous year, 70% was due to an increase in sales testing expenses and expenses associated with the establishment of a new company called TOYOBO MC. On the other hand, the remaining 30% is the increase in expenses for safety, disaster prevention, quality, and R&D.

As for EBITDA, it decreased only slightly due to some increased depreciation.

Analysis in Changes in Operating Profit



	FY 3/22	FY 3/23			FY 3/24		
		H1	H2		H1	H2	
Exchange rate (¥/US\$)	112	134	137	135	141	148	145
Naphtha price in Japan (thousand¥/kl)	57	84	70	77	65	73	69

Factors contributing to increase/decrease in operating profit.

As for raw materials and fuel costs, this is where naphtha price in Japan has a major impact. If we take the average of FY 3/23 and FY 3/24, there was a decrease, and the raw materials portion had a positive effect, but the coal portion was affected by a time lag. Since the time lag we assume would be about six months, we expect that the benefits of coal price decline and stability will be brought to us in FY 3/25.

The selling price. If you look at a single year, this is the amount of increase in the selling price relative to the raw materials and fuel cost, but please understand that we are in the process of reviewing the selling prices for the past three years' cost.

On page 26, we show the trends of prices and raw material and fuel costs for previous years. As you can see here, when the results of the past three fiscal years are added, only about 70% have been passed on at this time, and we recognize that price review continues to be an issue.

Volume section. Reagents for PCR testing and packaging film were negative. On the other hand, industrial film "COSMOSHINE SRF" and VOC

recovery equipment used in the manufacturing process for lithium-ion battery separator were positive. Subtracting them resulted in negative JPY1.7 billion, because of a particularly large drop of reagents for PCR testing .

As for the others, SG&A expenses increased.

Summary of Results: BS

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	(B)		(A)	(¥ bn.)
	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	(A)-(B)
Total assets	517.8	588.9	607.0	+18.1
Cash and deposits	27.2	60.7	33.8	- 26.9
Inventories	96.0	121.9	122.0	+0.1
Property, plant and equipment	227.6	240.2	281.5	+41.2
Net assets	197.1	221.4	230.1	+8.7
Shareholder's equity	194.9	189.6	197.0	+7.4
(Retained earnings)	74.7	70.5	70.3	- 0.2
Non-controlling interests	2.3	31.8	33.1	+1.2
Interest-bearing debt	191.2	229.4	249.2	+19.8
D/E ratio	0.98	1.21	1.26	-
Net Debt / EBITDA ratio*	3.4	5.8	7.5	-

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

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This is the balance sheet. Total assets increased. The main reasons for this are the increase in property, plant and equipment and the increase in inventories.

Specifically, non-current assets increased in the areas where future growth is expected: new equipment of mold releasing film for MLCC, renovation of Tsuruga biochemicals plant, and integrated production plant of artificial kidney hollow fiber. The other factor is the investment in renewal of the aging facilities..

Regarding the increase in inventories, quantity increased in some areas due to inventory adjustments, but unit price is increasing as well. The number of inventory turnover months exceeds four months, and we recognize the need to compress this number.

The increase in non-current assets was financed by cash and deposits and interest-bearing debt, which resulted in the deterioration of the financial structure.

Summary of Results: CF, etc.

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(¥ bn.)

	FY 3/23	FY 3/24	YOY
Cash flows from operating activities	7.8	21.6	+13.8
Cash flows from investing activities	- 36.0	- 58.8	- 22.8
Free cash flows	- 28.2	- 37.2	- 9.0
Cash flows from financing activities	61.3	8.3	- 53.0
Others	0.7	2.0	+1.3
Net increase (decrease) in cash and cash equivalents	33.8	- 26.9	- 60.7
Cash and cash equivalents at end of period	60.2	33.3	- 26.9
Depreciation	19.0	19.8	+0.8
CAPEX	42.7	61.6	+18.8
R&D expenses	14.1	15.3	+1.2

CAPEX: new equipment of mold releasing film for MLCC, renovation of Tsuruga biochemicals plant and integrated production plant of artificial kidney hollow fiber

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Next is cash flow. We have invested more than operating cash flow. This was originally read into the Medium-Term Management Plan, but the operating cash flow has been falling, resulting in a large free cash flow red.

Summary of Results: Segment

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(¥ bn.)

	Net sales		Operating profit			Previous forecasts (Feb. 2024)
	FY 3/23	FY 3/24	FY 3/23	FY 3/24	YOY	
Films	146.1	156.5	1.6	2.7	+1.1	3.0
Life Science	38.1	34.6	9.2	4.4	- 4.8	4.5
Environmental and Functional Materials	110.8	115.3	4.0	4.7	+0.6	4.0
Functional Textiles and Trading	92.4	95.7	- 2.5	- 1.0	+1.5	- 1.2
Real Estate and Others	12.6	12.2	2.2	3.0	+0.8	2.5
Elimination & Corporate	-	-	- 4.5	- 4.8	- 0.3	- 4.8
Total	399.9	414.3	10.1	9.0	- 1.1	8.0

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This is by segment. If we compare the last fiscal year, we tried to compensate for the decline in the life science business with other segments, but we were not able to do so.

In terms of the JPY15.0 billion target at the beginning of the year, JPY8.8 billion was in the films business. It resulted JPY2.7 billion, which means that we have largely fallen short of our original goal.

The functional textiles and trading business performed well since the textile business turned profitable. A reduction in the deficit in airbag fabrics also contributed.

(Reference) Operating Profit by Quarter (by Segment) **TOYOBO**

(¥ bn.)

	FY 3/23				FY 3/24			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Films	2.5	-0.0	-0.4	-0.4	1.2	0.2	0.1	1.2
Life Science	2.1	3.3	2.6	1.2	1.4	1.0	1.1	1.0
Environmental and Functional Materials	0.9	1.2	0.8	1.1	-0.7	1.0	2.6	1.7
Functional Textiles and Trading	-0.4	-0.7	-0.7	-0.7	-0.7	-0.1	-0.7	0.5
Real Estate and Others	0.3	0.6	0.7	0.5	0.4	1.0	0.7	0.9
Elimination & Corporate	-0.9	-1.1	-1.3	-1.3	-1.7	-0.7	-1.2	-1.2
Total	4.6	3.3	1.7	0.5	-0.1	2.4	2.6	4.0

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Here are the quarterly movements by segment. We were gradually recovering for the fourth quarter. As for the environmental and functional materials business, there was the impact of orders placed ahead of schedule in the quarter.

Main actions and their results by businesses (FY 3/24) **TOYOBO**

Segment	Action plan (Planned in May 2023)	Results*
Films	<p>Pillar of income. Recovery of income</p> <ul style="list-style-type: none"> - Packaging film: Improve OP margin by further price revisions. - Full-fledged launch of new production equipment and new product. - Mold releasing film for MLCC: Respond to customers' production increase following a recovery in market conditions. <p>Build a new production equipment.</p> <ul style="list-style-type: none"> - Polarizer protective films for LCDs: Respond to customers' production increase. Revise price. 	<p>D</p> <p>P</p> <p>P</p>
Life Science	<p>Recovery of reduced portion of income post-COVID-19 and implementation of measures for growth</p> <ul style="list-style-type: none"> - Biotechnology: Expand sales of raw enzymes overseas while sales of PCR-related products decrease. <p>Invest in renovation and production increase.</p> <ul style="list-style-type: none"> - Medical materials: Respond to increase in demand and build an integrated production plant of artificial kidney hollow fiber. Enter the market of the acute blood purification. Launch the new products for antibody drug manufacturing process. - Pharmaceuticals: Respond to FDA's Warning Letter and build GMP system. Recover sales and improve profitability. 	<p>P</p> <p>P</p> <p>D</p> <p>P</p>
Environmental and Functional Materials	<p>TOYOBO MC Corporation: Starting up (Organization along functional lines, etc.). Execution of reformation plan.</p> <ul style="list-style-type: none"> - Environmental solutions: Accelerate global expansion of VOC recovery equipment for LIBS. - Launch FO and BC membrane's new applications. - Industrial adhesives: Revise price further and recover sales volume. Develop new product for electronic applications. - Engineering plastics: Construct the quality assurance structure. Revise price further and recover sales volume. 	<p>P</p> <p>D</p> <p>P</p>
Functional Textiles and Trading	<p>Implementation of measures for businesses requiring improvement</p> <ul style="list-style-type: none"> - Airbag fabrics: Improve profitability by further price revisions. <p>Start commercial production in a new yarn plant (Thailand).</p> <ul style="list-style-type: none"> - Textiles: Improve profitability by consolidation of 3 plants with integrated business operations of overseas sites. 	<p>P</p> <p>D</p> <p>P</p>

* P: as Planned, D: Delayed

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Action plans by business segment. It is about whether we are doing what we should be doing.

As detailed here, the broad summary is that we made good progress on investments in growth areas. We recognize this as a source of growth regarding the future, as it would be extremely difficult to make this much investment now.

As for structural reforms, I mentioned earlier that we successfully turned around the textile business, and we have consolidated the textile three plants to one plant, and we have also begun to implement measures for the nonwoven materials business.

We have been making steady progress in the areas of safety, disaster prevention and quality and have finally reached the point where we will be able to accomplish for pharmaceuticals and engineering plastics business, where quality assurance system has been established in these two years.

On the other hand, a major issue is that the full-fledged launch of new production equipment and new product in the packaging films business has been delayed significantly, which is also a major reason for the high

cost.

Then, we were able to reduce the deficit in the airbag fabrics, but the new plant has not yet been fully switched over.

Films

TOYOBO

(¥ bn.)

	FY 3/23			FY 3/24			YOY		Previous forecasts (Feb. 2024)
	H1	H2	Full year	H1	H2	Full year	Amount	%	
Net sales	74.3	71.7	146.1	78.1	78.5	156.5	+10.5	+7.2%	155.0
Operating profit (OPM)	2.4	- 0.8	1.6	1.4	1.3	2.7	+1.1	+65.6%	3.0
	3.3%	-	1.1%	1.8%	1.6%	1.7%	-	-	1.9%

Packaging film

- While we worked on product price revisions, cargo movement was slow due to delays in demand recovery, in addition to start-up cost for new production equipment increased.

Industrial film

- Sales of polarizer protective films for LCDs increased significantly driven by strong demand.
- Mold releasing film for multilayer ceramic capacitors (MLCC) struggled as a full-fledged recovery in demand failed to materialize.

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I will comment by segment. First, the films business. This means an increase in sales and profit, albeit at a low level.

Sales and profits of packaging film decreased. There has been a significant delay in the industry's inventory adjustment. This relationship has led to a drop in quantity. Although we were diligent in our efforts to pass on the price increase, the cost of launching a new production equipment was a drag on our efforts.

Sales and profits increased in industrial film. "COSMOSHINE SRF", polarizer protective films for LCDs, has increased by around 30%.

Regarding the mold releasing film for MLCC, there was a recovery for the mid-range. The high-end was initially expected to recover from H2 of FY 3/24, but was not able to do so, resulting in a decrease in sales.

(¥ bn.)

	FY 3/23			FY 3/24			YOY		Previous forecasts (Feb. 2024)
	H1	H2	Full year	H1	H2	Full year	Amount	%	
Net sales	19.3	18.8	38.1	16.6	18.0	34.6	- 3.6	- 9.4%	34
Operating profit (OPM)	5.4	3.8	9.2	2.4	2.0	4.4	- 4.8	- 51.8%	4.5
	28.0%	20.2%	24.2%	14.5%	11.3%	12.8%	-	-	13.2%

Biotechnology

- Sales of reagents for PCR testing declined significantly due to the winding down of COVID-19 infections.

Medical materials

- Sales of artificial kidney hollow fiber trended strong.

Pharmaceuticals

- Profitability improved with the lifting of the Warning Letter by the FDA (July 2023).

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Next is the life science business. Overall, the life science business reported lower sales and profits. The decline in biotechnology was particularly large.

While special demand for COVID-19-related products has declined due to the convergence, overseas demand for our test reagents and raw materials for reagents is extremely strong, and we intend to respond to this strong demand with the plant that will start up this fiscal year.

In the medical business, sales of hollow fibers for artificial kidneys were very strong both domestically and internationally. A new plant is scheduled to start up this year.

For pharmaceuticals, the deficit was reduced. The FDA had issued a Warning Letter, but we were able to lift it, which reduced the costs associated with FDA compliance. We plan to resume taking orders and work to improve profitability.

Environmental and Functional Materials

(mainly TOYOBO MC Corporation)

TOYOBO

(¥ bn.)

	FY 3/23			FY 3/24			YOY		Previous forecasts (Feb. 2024)
	H1	H2	Full year	H1	H2	Full year	Amount	%	
Net sales	55.7	55.1	110.8	52.5	62.8	115.3	+4.5	+4.1%	115.0
Operating profit	2.1	1.9	4.0	0.4	4.3	4.7	+0.6	+15.3%	4.0
(OPM)	3.8%	3.5%	3.7%	0.7%	6.8%	4.0%	-	-	3.5%

Resin and chemicals

- Engineering plastics sales increased with the recovery in automobile production.
- Sales of industrial adhesives "Vylon" declined for electronic materials applications for the Chinese market.

Environment and fiber

- In the environmental solutions, sales of VOC recovery equipment used in the manufacturing process for LIBS* increased.
- In the high performance fibers business, "IZANAS" for use in fishing line was weak.
- Nonwoven materials were affected by both reduced sales for hygiene products, and civil engineering and building materials, as well as soaring raw material and fuel prices.

*lithium-ion battery separators

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Not all the environmental and functional materials business, but mainly are TOYOBO MC. It is difficult to make a simple comparison, but there was an increase in sales and profit.

Earnings did not increase in H1 of FY 3/24 due to the costs associated with the establishment of the new company and efforts to pass on price increase, but the Company has proceeded price revision and finally started to move forward in H2, and is returning to its original performance.

In resin and chemicals, engineering plastics said that both sales and profits recovered with the recovery of automobile production, however, functional resin such as industrial adhesives "Vylon" was affected by China.

In environment and fiber, nonwoven materials were hit hard, although environmental solutions were quite strong. We will review our production system .

Functional Textiles and Trading

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(¥ bn.)

	FY 3/23			FY 3/24			YOY		Previous forecasts (Feb. 2024)
	H1	H2	Full year	H1	H2	Full year	Amount	%	
Net sales	45.3	47.0	92.4	45.7	50.0	95.7	+3.3	+3.6%	93.0
Operating profit (OPM)	- 1.1	- 1.4	- 2.5	- 0.9	- 0.2	- 1.0	+1.5	-	- 1.2
	-	-	-	-	-	-	-	-	-

Textiles

- Business structure reforms proceeded, including consolidation of domestic production sites and withdrawal from unprofitable products.
- Profitability improved as a result of progress in price pass-through.

Airbag fabrics

- Sales volume increased with the recovery of automobile production.
- Losses narrowed as a result of product price revisions proceeded.

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Next is the functional textiles and trading business. This is an increase in sales and a reduction in the deficit, which will result in an increase in profit.

Textiles returned to profitability. We were able to achieve profitability by consolidating three domestic plants into one plant, and by discontinuing unprofitable operations, while the thobe for Middle East, which is one of our strengths, performed well. This is not enough; we plan to further improve our business by making it more profitable.

The deficit in airbag fabrics was reduced due to the price revisions. Since we have not yet achieved sufficient improvement in profitability, we plan to continue reviewing the system and other aspects of the business.

Forecasts for Business Environment in the FY 3/25



Segment	Business	Condition of previous fiscal year (FY 3/24)	Forecasts (FY 3/25)
Films	Packaging	Adjustments became prolonged and demand recovery delayed.	Inventory adjustment finishes and the market moves toward a gradual recovery.
	Industrial	Demand for polarizer protective films for LCDs was strong.	Demand is approximately the same level year on year.
		Full-fledged recovery in demand for MLCC failed to materialized.	Recovery from the second half.
Life Science	Biotechnology	Sharp decline in demand for reagents for PCR testing due to the reclassification of COVID-19 as Class 5 Infectious Disease.	Strong demand for enzymes for biochemical diagnostic reagents.
	Medical	Strong demand for artificial kidney hollow fiber.	Continue to perform strongly.
Environmental and Functional Materials	Resin and chemicals	Recovery in automobile production (semiconductor shortage eliminated).	Continue to perform strongly.
		Recovery in demand delayed for electronics materials applications in China and other Asian region.	Recovery in demand.
	Environment and fiber	Strong order for equipment for VOC recovery.	Strong demand.
		Competitive environment for hygiene products and for nonwoven materials of civil engineering materials intensifying.	The business environment continue to be intensely competitive.
Functional Textiles and Trading	Airbag fabrics	Recovery in automobile production (semiconductor shortage eliminated).	Continue to perform strongly.
Others		The impact of high raw materials and fuel prices remained.	Naphtha price in Japan remains high, while coal prices settles.

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This is the forecasts for the business environment in FY 3/25. Overall, we expect the recovery in quantity to continue going forward. However, we see the competitive environment for nonwoven materials would be to remain tough.

Coal prices are expected to settle down, and overall, we expect a favorable turnaround in the business environment in FY 3/25 compared to FY 3/24.

Forecasts for FY 3/25

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We forecast operating profit of ¥17.0 billion and net profit of ¥2.6 billion, based on demand recovery for packaging film and electronic materials in addition to advancing measures for businesses requiring improvement.

(¥ bn.)

	FY 3/24	FY 3/25	YOY	
	Results	Forecasts	Amount	%
Net sales	414.3	435.0	+20.7	+5.0%
Operating profit	9.0	17.0	+8.0	+89.0%
(Ratio to sales)	2.2%	3.9%	-	-
Ordinary profit	7.0	11.5	+4.5	+65.2%
Extraordinary income and losses	- 1.4	- 3.8	- 2.4	-
Profit attributable to owners of parent	2.5	2.6	+0.1	+5.9%
EBITDA	28.8	40.5	+11.7	+40.6%
EPS (¥)	27.9	29.5	-	-
Depreciation	19.8	23.5	+3.7	+18.6%
CAPEX	61.6	50.0	- 11.6	- 18.8%
R&D expenses	15.3	16.0	+0.7	+4.5%

CAPEX: new equipment of mold releasing film for MLCC, renovation of Tsuruga biochemicals plant and upgrading of polymerization equipment.

Dividends: ¥40 per share (expected)

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Based on this, here is our business forecasts for FY 3/25. We expect operating profit of JPY17.0 billion by packaging film, mold releasing film for MLCC, functional resin for electronic materials applications, demand recovery in these areas, full-year contribution of price revision effects started to emerge from the middle of FY 3/24, and promoting measures to deal with businesses requiring improvement.

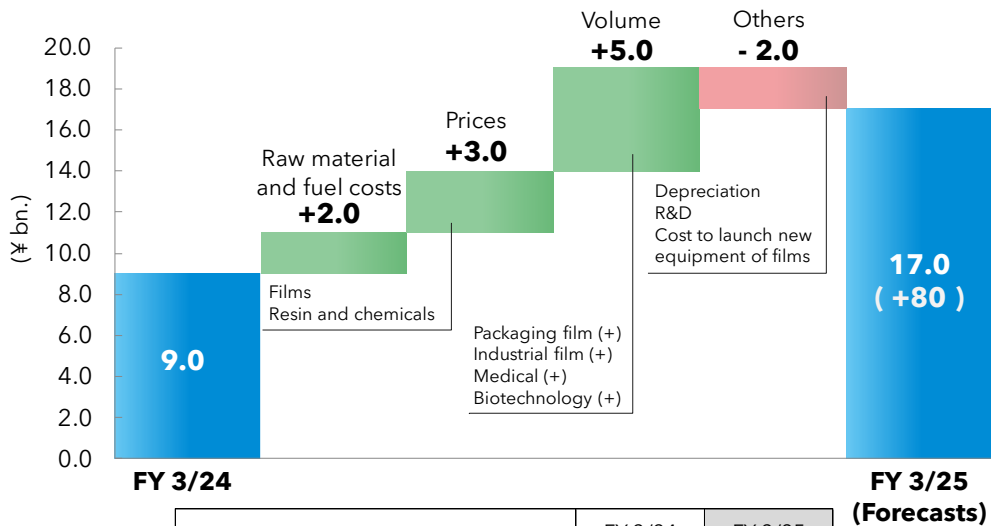
We are aware that our operating profit is still not sufficient, as we need more than JPY20.0 billion as a base for our operating profit. Part of this increase was due to an increase in depreciation of JPY3.7 billion. We recognize that we will have to make up for this increase in depreciation and generate a profit of more than JPY20.0 billion in the future.

While operating profit increases significantly, there will be only a slight increase in profit attributable to owners of parent. This is due to the non-operating income and expenses that improved last year is headed in the negative direction and, the absence of gains on the sale of shares.

We forecast a dividend of JPY40 per share in anticipation of a future earnings recovery.

Analysis in Changes in Operating Profit

TOYOBO



	FY 3/24	FY 3/25
Exchange rate (¥/US\$)	145	145
Naphtha price in Japan (thousand¥/kl)	69	70

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This is an analysis of changes in operating profit. As we said in our analysis for FY 3/24, in FY 3/25, prices are headed slightly higher for naphtha in Japan, but we are reading raw material and fuel costs as a positive due to the effect of fuel price stability.

We expect selling prices, including the films products, to contribute further to the annual sales as our effort to push price revision come to fruition, while sales volume is expected to recover, especially for packaging film. As for the others, it means an increase in depreciation.

Then, in FY 3/25, a new equipment of mold releasing film for MLCC will be completed and commissioned. The start-up costs are to be accounted for in the industrial film.

As such, we estimate that operating profit will increase, but only to JPY17.0 billion.

Forecasts by Segment

TOYOBO

(¥ bn.)

	Net sales		Operating profit		
	FY 3/24	FY 3/25	FY 3/24	FY 3/25	YOY
	Results	Forecasts	Results	Forecasts	
Films	156.5	170.0	2.7	7.3	+4.6
Life Science	34.6	38.0	4.4	3.7	-0.7
Environmental and Functional Materials	115.3	120.0	4.7	8.0	+3.3
Functional Textiles and Trading	95.7	95.0	-1.0	0.0	+1.0
Real Estate and Others	12.2	12.0	3.0	2.5	-0.5
Elimination & Corporate	-	-	-4.8	-4.5	+0.3
Total	414.3	435.0	9.0	17.0	+8.0

19

This is by segment. The films business, particularly, packaging film sales is expected to improve.

In the life science business, capital investment and the start-up of new facilities, biotechnology-related and medical membrane-related facilities will be launched, so there will be start-up costs and an increase in depreciation for some of these, which will result in a decrease in profit.

In the environmental and functional materials business, we expect to see a recovery in functional resin-related sales quantity and improved profitability, as well as the effects of measures taken in nonwoven materials.

As for the functional textiles and trading business, the deficit in airbag fabrics is expected to shrink further, and in the textiles, those for Middle East is strong amid the depreciation of the Japanese yen, meaning that there are elements of improvement in each of these segments.

Recover earning power to create the future

1. Thorough safety, disaster prevention and quality assurance, and compliance (basic premise)
2. Endured pricing commensurate with value
3. Measures for businesses requiring improvement (low earning / loss-making segments)
4. Steady recovery and new creation of growth investments
5. Narrowing down of investment and expenses, and cost reduction

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Finally, here is our management policy for FY 3/25. This is the same as in FY 3/24, but we will definitely achieve recovering earning power that we could not achieve in FY 3/24. We will move forward with the five actions.

First, the basic premise concerning reliability. Second, value-based pricing. Third, measures for businesses requiring improvement. Regarding the fourth growth investment, in addition to capital investments, we will achieve the effects of the establishment of TOYOBO MC which is in its second year of operation.

Meanwhile, regarding the fifth, we will reduce total assets in the face of a deteriorating balance sheet, and since non-current assets have increased over the past two years, we will continue to reduce non-current assets as a company-wide issue.

Please see page 28 for a description of action plans for segments.

We are determined to achieve the profit target this fiscal year, and bridge it to 2025 and beyond.

This concludes my presentation. Thank you for your attention.

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

TOYOBO

(¥ bn.)

Net sales	FY 3/23					FY 3/24				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Films	39.2	35.2	35.6	36.1	146.1	39.0	39.1	39.3	39.1	156.5
Life Science	8.7	10.6	10.0	8.8	38.1	8.1	8.4	8.7	9.3	34.6
Environmental and Functional Materials	27.9	27.8	26.7	28.3	110.8	25.0	27.6	33.6	29.2	115.3
Functional Textiles and Trading	22.2	23.2	22.3	24.8	92.4	22.2	23.5	23.2	26.8	95.7
Real Estate and Others	3.1	3.3	3.0	3.2	12.6	2.8	3.8	3.0	2.6	12.2
Elimination & Corporate	-	-	-	-	-	-	-	-	-	-
Total	101.0	100.1	97.6	101.2	399.9	97.1	102.4	107.9	106.9	414.3

Operating profit	FY 3/23					FY 3/24				
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Films	2.5	-0.0	-0.4	-0.4	1.6	1.2	0.2	0.1	1.2	2.7
Life Science	2.1	3.3	2.6	1.2	9.2	1.4	1.0	1.1	1.0	4.4
Environmental and Functional Materials	0.9	1.2	0.8	1.1	4.0	-0.7	1.0	2.6	1.7	4.7
Functional Textiles and Trading	-0.4	-0.7	-0.7	-0.7	-2.5	-0.7	-0.1	-0.7	0.5	-1.0
Real Estate and Others	0.3	0.6	0.7	0.5	2.2	0.4	1.0	0.7	0.9	3.0
Elimination & Corporate	-0.9	-1.1	-1.3	-1.3	-4.5	-1.7	-0.7	-1.2	-1.2	-4.8
Total	4.6	3.3	1.7	0.5	10.1	-0.1	2.4	2.6	4.0	9.0

Major indicators

TOYOBO

(¥ bn.)

	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23	FY 3/24	FY 3/25
	Results						Forecasts
Net sales	336.7	339.6	337.4	375.7	399.9	414.3	435.0
Operating profit	21.7	22.8	26.7	28.4	10.1	9.0	17.0
(Ratio to sales)	6.5%	6.7%	7.9%	7.6%	2.5%	2.2%	3.9%
EBITDA ^{*1}	37.5	39.8	45.8	48.5	29.1	28.8	40.5
EPS (¥)	- 6.8	155.1	47.3	144.8	- 7.4	27.9	29.5
ROE ^{*2}	-	7.8%	2.3%	6.8%	-	1.3%	-
ROIC ^{*3}	4.4%	4.5%	5.0%	5.1%	1.7%	1.3%	-
Depreciation	15.8	17.0	19.1	20.1	19.0	19.8	23.5
CAPEX	25.5	36.4	23.3	33.6	42.7	61.6	50.0
R&D expenses	11.0	11.7	12.7	13.8	14.1	15.3	16.0
Interest-bearing debt	164.8	175.1	187.0	191.2	229.4	249.2	-
D/E ratio	0.93	0.98	1.01	0.98	1.21	1.26	-
Net Debt / EBITDA ratio ^{*4}	3.8	3.8	3.3	3.4	5.8	7.5	-

*1 Operating profit + Depreciation (includes goodwill)

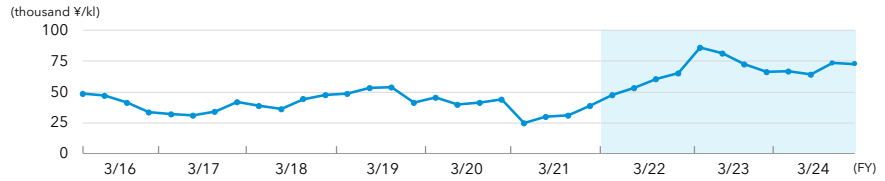
*2 Profit / Beginning and ending balance average shareholder's equity

*3 NOPAT / (Interest-bearing debt + Net assets)

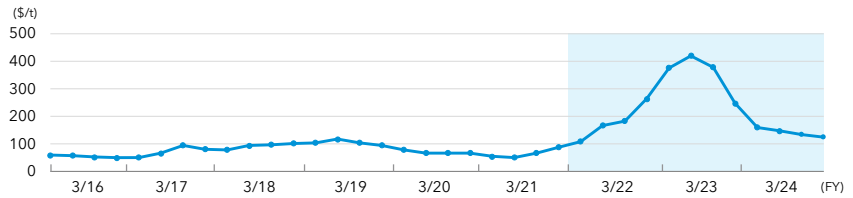
*4 (Interest-bearing debt - Cash and deposits) <Ending> / EBITDA

Product price revisions for Rising raw material and fuel prices **TOYOBO**

Naphtha price in Japan



Coal prices (Australian thermal coal market prices)



Impact of "raw material and fuel costs" and "prices" on Toyobo (YOY increase/decrease)

	FY 3/16	FY 3/17	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23	FY 3/24	FY 3/25
Raw material and fuel costs (A)	+7.1	+4.1	-3.7	-4.5	+2.9	+5.6	-11.2	-17.0	-1.0	+2.0
Prices (B)	-6.1	-2.5	+1.6	+1.2	-0.5	-3.8	+4.7	+11.9	+4.4	+3.0
Spread (A+B)	+1.0	+1.6	-2.1	-3.3	+2.4	+1.8	-6.5	-5.1	+3.4	+5.0

(¥ bn.)

Recovery in market conditions for films

Packaging film

Market

- FY 3/24: Shipping results for OPP* film turned positive in the second half of the year.
- FY 3/25: Forecasting inventory adjustment finishes and the market moves toward a gradual recovery.

FY 3/25

- Full-fledged contribution of new OPP film production equipment.
- Production capacity: approx. 20 thousand tonnes per year
- Strength: Mono-material by ultra-highly rigid OPP film

*biaxially Oriented PolyPropylene film

Mold releasing film for MLCC

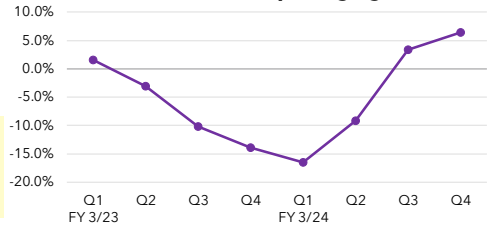
Market

- FY 3/24: MLCC export earnings turned positive in the second half of the year.
- FY 3/25: Forecasting a recovery from the second half of the year.

FY 3/25

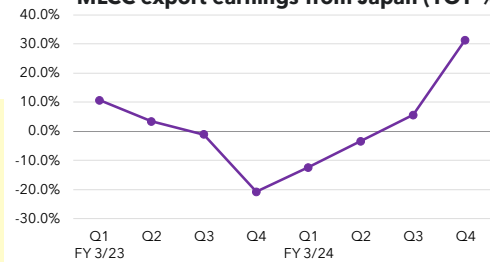
- Respond to customers' production increase following a recovery in market conditions.
- New production equipment for mold releasing film for MLCC
- Production capacity: approx. 20 thousand tonnes per year
- Strength: Technology to supply high-end products by both inline coating and offline coating.

Shipping results in the domestic market for OPP film for food packaging (YOY %)



Source: Created by the Company based on member shipping statistics from the Japan Polypropylene Film Industry Association

MLCC export earnings from Japan (YOY %)



Source: Created by the Company based on Trade Statistics of Japan

Main actions by businesses (FY 3/25)

Segment	Action plan
Films	<p>Improvement in profitability of packaging film and further expansion of industrial film</p> <ul style="list-style-type: none"> - Packaging film: Further price revisions. Full-fledged launch of new production equipment and new product. Review production system. - Mold releasing film for MLCC: Respond to customers' production increase following a recovery in market conditions. Launch of new production equipment. - Polarizer protective films for LCDs: Respond to customers' production increase.
Life Science	<p>Reliable launch of new production equipment and implementation of measures for growth</p> <ul style="list-style-type: none"> - Biotechnology: Expand sales of raw enzymes of biochemical diagnostic reagents. Launch of renovated equipment for increased production. - Medical materials: Launch of an integrated production plant of artificial kidney hollow fiber. Expansion of membranes for the acute blood purification, membranes for manufacturing process and biomaterials. - Pharmaceuticals: Maintain GMP system. Gain new orders.
Environmental and Functional Materials	<p>TOYOBO MC Corporation: Achievement based on growth measures, improvement of nonwoven materials' profitability</p> <ul style="list-style-type: none"> - Environmental solutions: Accelerate global expansion of VOC recovery equipment for LIBS. Acquiring FO and BC membrane's new projects. - Industrial adhesives: Expansion of environmentally friendly products, overseas expansion and launch of new production equipment. - Engineering plastics: Construct the quality assurance structure. Revise price further and expand sales volume. - Nonwoven materials: Review domestic production system, expand outsourced production and strengthen and implement of developed products.
Functional Textiles and Trading	<p>Implementation of measures for businesses requiring improvement</p> <ul style="list-style-type: none"> - Airbag fabrics: Implementation of load map to improve earnings. - Textiles: Pursuit of further capital efficiency improvement.

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