

TOYOBO Co., Ltd. Q&A Summary for the Presentation Regarding Financial Results for Q1 of FY 3/22

Date and Time: Tuesday, August 5, 2021 at 16:00 – 17:00 p.m. (Japan Standard Time)

Place: Telephone Conference

Presenter: Hiroshi Otsuki,

**Director, Managing Executive Officer, Controlling Supervisor of
Management and Administration Division**

Future earnings forecasts and other forward-looking statements in this release are based on data currently available to manage and cannot be guaranteed by the Company. Actual business performance, etc. may differ from the forecasts due to various factors.

Q: The increase of volume during Q1 is the major factor for the increase in operating profit, but what is the breakdown?

A: Major factors for the increase of volume includes the addition of operating results of the former TOYOBO FILM SOLUTIONS LIMITED during the period from January to March 2021, full-fledged operation of the new line (Unit 3) for “COSMOSHINE SRF,” increased sales of reagents for PCR testing and the recovery of high-performance fibers and engineering plastics for automobile-related products.

Q: Operating profit for Films and Functional Materials increased by ¥2.9 billion in Q1 FY 3/22, but in relation to this, the forecast for the year-on-year increase in operating profit for the full year is limited to ¥0.3 billion. Why is this?

A: The impact of the high cost of raw materials is a major factor. We believe that the industrial film business in particular has had difficulties in transferring costs to the sales prices.

Q: Strong demand for “COSMOSHINE SRF” seems to be continuing, but is there a plan to strengthen production capacity?

A: We plan to increase the production volume for the new line (Unit 3) to be in line with Unit 1 and Unit 2, and increase the volume for OEM production as well. The issue that we are currently looking into is whether or not to install additional production equipment.

Q: Operating profit for Mobility decreased in Q1 FY 3/22 in contrast with Q4 FY 3/21. What caused this?

A: For engineering plastics, the spread between raw material prices and sales prices was able to be maintained relatively, due to the strong demand. However, airbag fabrics faced challenges due to factors such as not being able to transfer costs to sales prices in order to respond to rising raw material prices.

Q: What is the outlook for PCR testing-related products going forward?

A: It is difficult to formulate a forecast due to factors such as the spread of vaccines, the increase in the number of people infected, and forecasts from the Ministry of Health, Labour and Welfare. However, we believe that demand for PCR tests will continue until around Q2.

Q: We believe that the LIBS market is in full swing, but orders for environmental solution equipment have decreased. Why is this and what is the outlook going forward?

A: Environment solution equipment (VOC emissions treatment equipment) was affected by the decrease in orders because of the impact of the COVID-19 pandemic in FY 3/21. Recently we have been receiving orders, so we forecast recovery going forward.