

TOYOBO Co., Ltd. Q&A Summary for the Presentation Regarding Financial Results for Q3 of FY 3/22

Date and Time: Thursday, February 10, 2022 at 16:00 - 17:00 p.m. (Japan Standard Time)

Place: WEB 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: For Films and Functional Materials, the expectation is that sales will rise and operating profit will be flat from Q3 through Q4. Is this because rising raw material prices were absorbed by net sales due to price revisions, and further deterioration is not expected in Q4?

A: This understanding is fine.

Q: Price revisions for industrial film have been released, but will they be possible to realize?

A: The announcement that we will raise prices for all industrial film products is not recent (since 2011). I cannot currently comment on what price revisions will be like.

Q: Will structural reform of the textile business be able to make a structure that can expect appropriate profits? Is this reform the final form?

A: Improvements to profitability of approximately billions of yen are expected due to the integration of overlapping operations, transition of some manufacturing to Malaysia, and the reduction of fixed costs due to plant suspension. Currently, the environment surrounding the Company (rising prices of raw cotton, fuel and secondary materials) is becoming more difficult, but we will ascertain whether or not profitability will recover through this consolidation of resources.

Q: I believe that there were production adjustments in the LCD panel industry, but why did you not lower the volume for “COSMOSHINE SRF?” What is the forecast for Q4?

A: We did not lower the volume by controlling the supply volume to customers. It is also as a result of the recognition of SRF's strengths spreading. We do not believe that the situation will call for lowering volume in Q4 as well.

Q: What is the progress of the company-wide questionnaire regarding cases of misconduct concerning quality? Are you going to make reports regarding this?

A: We apologize for making you worry. We have given questionnaires to all employees, including those at overseas bases, and we have almost finished collecting all of them. As of now, we have not found any additional problematic events to report. We expect to complete the investigation in March 2022, and will promptly make a collective report.

Q: Have prices for PCR-related products dropped?

A: As of now, we are not in a situation in which we will lower prices.

Q: I believe that the recent high raw material prices and production curtailment of automobiles were unexpected, but will the airbag fabrics business be profitable in FY 3/23 if the business environment normalizes?

A: Naphtha-linked prices are not enough to normalize this business as raw material prices increased significantly. We will request further price revisions. The yarn plant in Thailand will begin operation in 2022, but it will be difficult to be profitable in FY 3/23 under these circumstances.