



Ideas & Chemistry

Presentation to Investors



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(Analysts' Meeting)



Highlights

FY 3/12 Results

Deterioration in the LCD-related markets brought decline in operating income, but net income rose slightly

- Unit prices of films for LCDs lowered by competition.
Reduced production in films business
- Higher oil prices, strong yen and floods in Thailand had adverse effects on sales of automotive and other products
- Environment and life science businesses held firm. Made progress toward business portfolio improvements

FY 3/13 Forecasts

Expecting operating profit improvements from recovery of equipment utilization and positive effects of new products.

Forecasting operating income of ¥24.0 billion (with ¥4.0 billion due to changes in depreciation methods) in fiscal 2013.

	FY 3/11			FY 3/12			FY 3/13
	H1	H2		H1	H2		(Forecast)
Sales	169.7	170.8	340.6	178.1	171.4	349.5	365.0
Operating Income	10.9	9.9	20.9	11.0	7.3	18.3	24.0

¥ bn.

Contents

I	Results of FY 3/12
II	Forecasts for FY 3/13
III	Progress of Medium-Term Plan (FY 3/11-FY 3/14)
IV	Litigation
	Appendix

I. Results of FY 3/12

(1) Results of FY 3/12

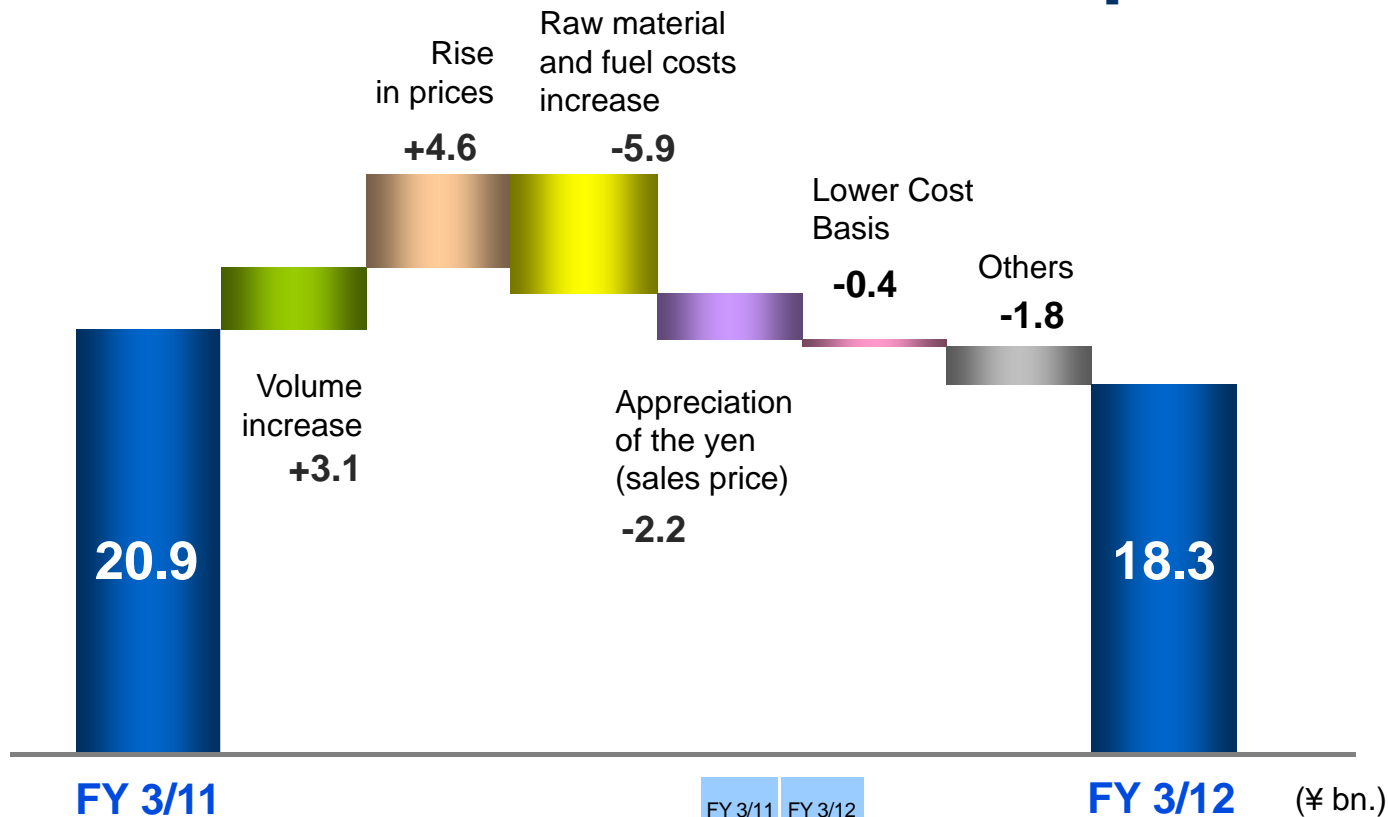
	FY 3/11	FY 3/12			Change		Previous forecasts Feb. 2012
		H1	H2		Amount	%	
		¥ bn.					
Net sales	340.6	178.1	171.4	349.5	+8.9	+2.6%	350.0
Operating income	20.9	11.0	7.3	18.3	-2.6	-12.4%	20.0
Ratio to sales	6.1%	6.2%	4.2%	5.2%	-	-	5.7%
Net income	4.2	5.2	-0.6	4.6	+0.4	+10.4%	6.5
EPS (¥)	5.49	-	-	5.17	-	-	
Depreciation	19.1	9.5	10.0	19.5	+0.4	+1.9%	
Capital expenditures	13.9	7.2	9.3	16.5	+2.6	+18.6%	
Operating cash flow	33.7	9.6	4.6	14.2	-19.5	-57.9%	
Exchange rate (¥/US\$)	85	80	78	79			
Naphtha price in Japan (thousand ¥/kl)	48	57	53	55			

(2) Financial Position

	Mar. 31, 2011	Mar. 31, 2012	Change	Dec. 31, 2011
	¥ bn.			
Total assets	443.5	437.8	-5.7	
Inventories	66.0	77.6	+11.6	82.2
Net assets	149.8	147.7	-2.0	
Shareholders' equity	125.8	130.6	+4.8	
(Equity ratio)	28.4%	29.8%	-	
Interest-bearing debt	151.8	154.9	+3.1	
D/E ratio	1.21	1.19	-	
ROA: Operating income / Total assets	4.7%	4.2%		

(3) Analysis of Changes in Operating Income

[FY 3/11 → FY 3/12]



	FY 3/11	FY 3/12
Exchange rate (¥/US\$)	85	79
Naphtha price in Japan (thousand ¥/kl)	48	55

(¥ bn.)

(4) Results by Segment

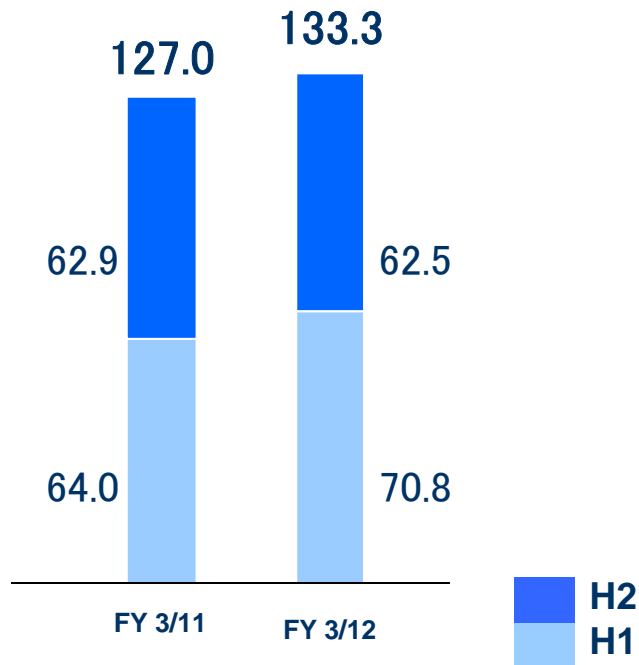
¥ bn.

	Net sales				Operating income				Previous forecasts Feb. 2012
	FY 3/11	FY 3/12		FY 3/11	FY 3/12		FY 3/11		
		H1	H2		H1	H2			
Films & Functional Polymers	127.0	70.8	62.5	133.3	12.5	6.5	2.7	9.2	10.7
Industrial Materials	71.5	34.3	36.9	71.2	4.9	2.4	2.9	5.3	5.3
Life Science	31.4	15.6	16.1	31.7	3.7	1.6	1.9	3.5	3.5
Specialty Businesses	229.8	120.7	115.5	236.2	21.2	10.5	7.5	18.0	19.5
Operating income ratio (%)					9.2	8.7	6.5	7.6	
Textiles	86.8	44.2	43.8	88.0	0.6	0.9	0.2	1.1	1.0
Real Estate and Others	23.9	13.2	12.1	25.3	2.3	1.1	1.3	2.5	2.5
Elimination & Corporate	-	-	-	-	-3.2	-1.5	-1.8	-3.3	-3.0
Total	340.6	178.1	171.4	349.5	20.9	11.0	7.3	18.3	20.0

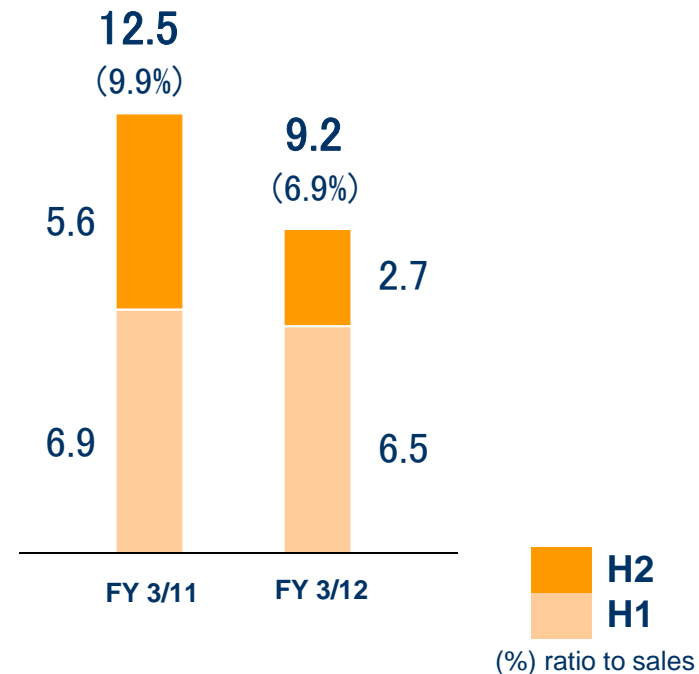
1) Films & Functional Polymers

- Industrial films due to impact of continued LCD market deterioration
- Reduced production in films business
- Automotive products affected by the earthquake and Thai floods, but are currently recovering in volume terms.

Net sales (¥ bn.)



Operating income (¥ bn.)



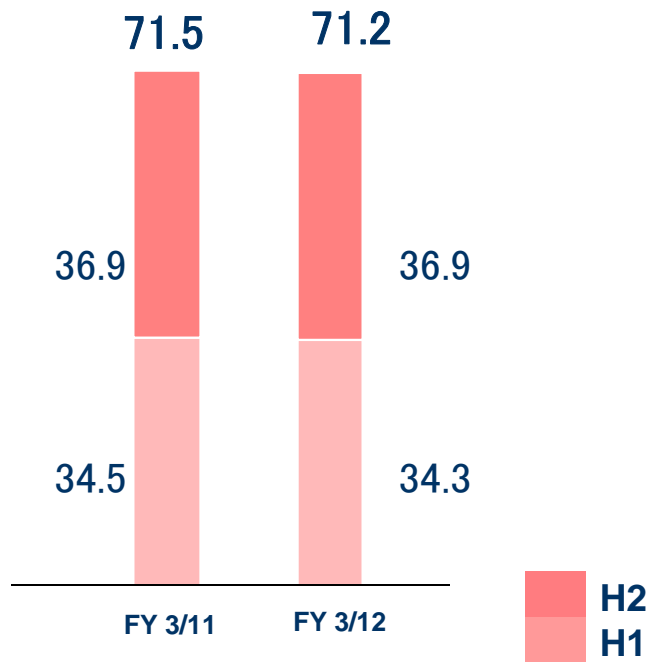
(%) ratio to sales



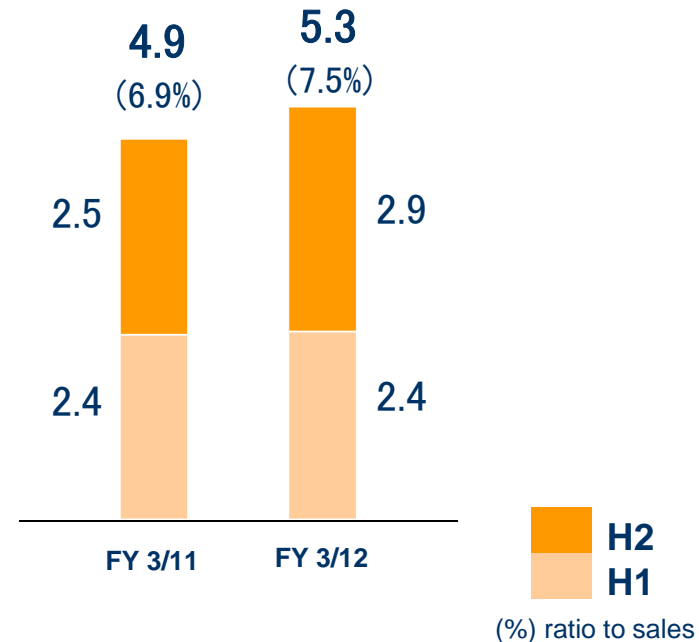
2) Industrial Materials

- Performance stable in environment-related businesses, including Functional filters; also in the lifestyle and safety fields.
- Airbag fabrics and non-woven fabrics are recovering in volume terms.

Net sales (¥ bn.)



Operating income (¥ bn.)



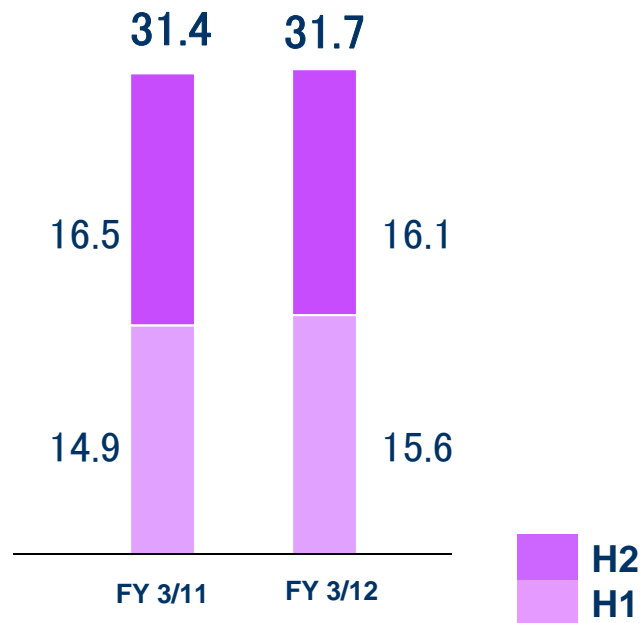
(%) ratio to sales



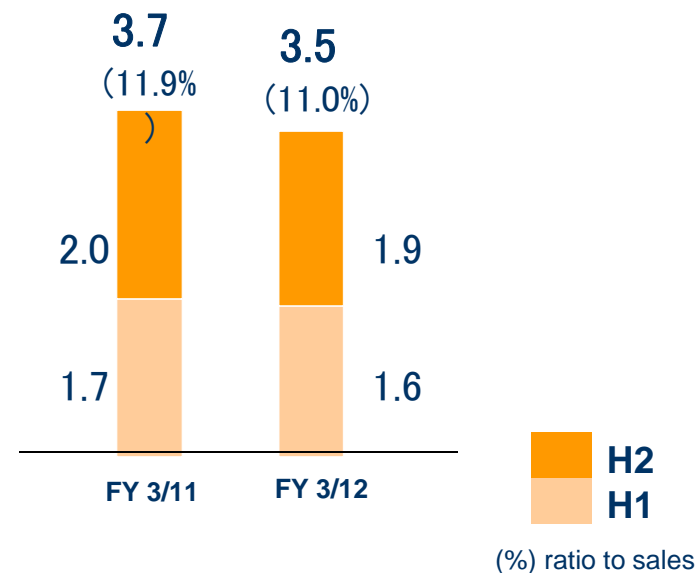
3) Life Science

- Increase in sales of enzymes for diagnostic reagents.
- Demand remained strong for the contract manufacturing of pharmaceuticals and functional membranes
- Decrease in volume of intermediate medicines

Net sales (¥ bn.)



Operating income (¥ bn.)



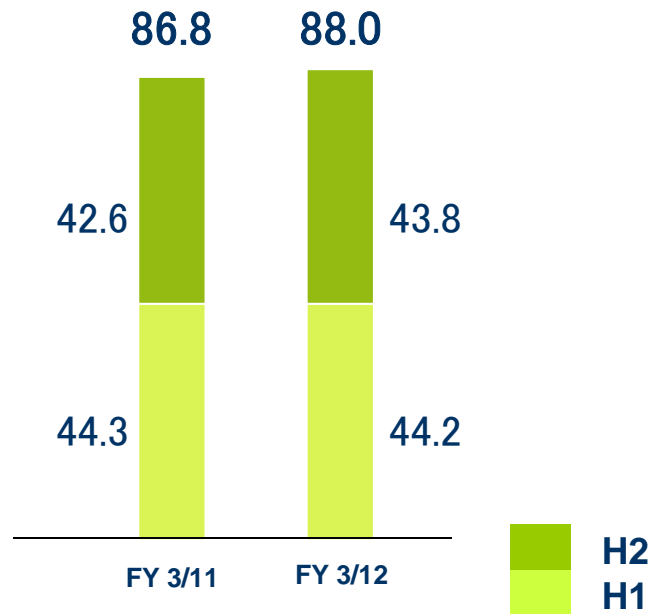
(%) ratio to sales



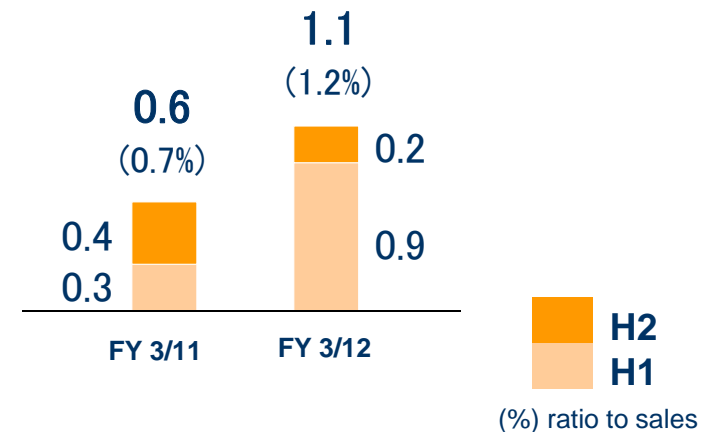
4) Textiles

- Expanded initiatives in functional textiles for inner wear and sports apparel
- Realized positive benefits from structural reforms in the woolen business.

Net sales (¥ bn.)



Operating income (¥ bn.)



(%) ratio to sales

II. Forecasts for FY 3/13

(1) Forecasts for FY 3/13

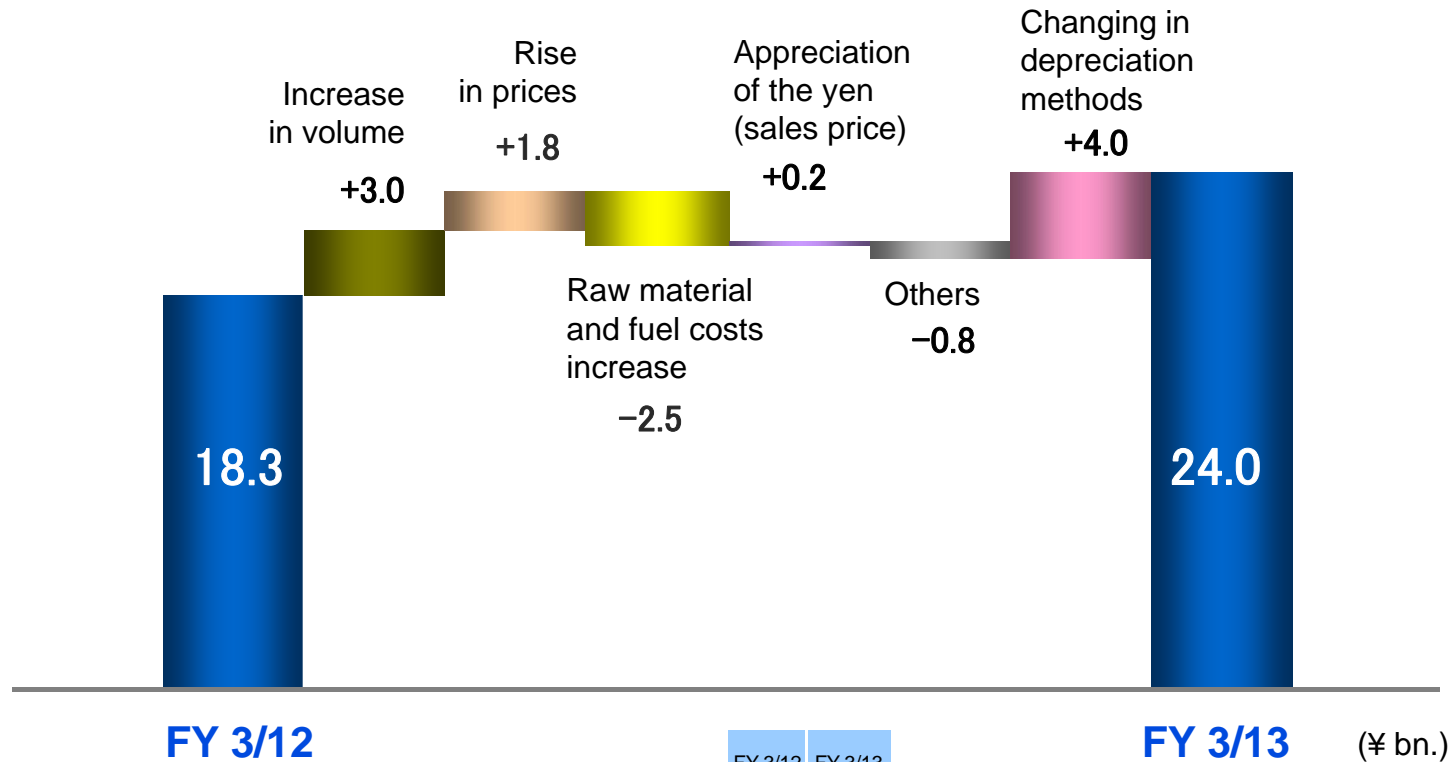
¥ bn.

	FY 3/12	FY 3/13 (Forecasts)	Change	
			Amount	%
Net sales	349.5	365.0	+15.5	+4.4%
Operating income	18.3	24.0 *	+5.7	+31.1%
Ratio to sales	5.2%	6.6%	-	-
Net income	4.6	10.0	+5.4	+118.0%
EPS (¥)	5.17	11.28	-	-
Depreciation	19.5	15.5	-4.0	-
Capital expenditures	16.5	20.0	+3.5	-
Exchange rate (¥/US\$)	79	80		
Naphtha price in Japan (thousand ¥/kl)	55	60		

*with ¥4.0 billion due to changes
in depreciation methods

(2) Analysis of Changes in Operating Income

[Forecasts: FY 3/12 → FY 3/13]



	FY 3/12	FY 3/13
Exchange rate (¥/US\$)	79	80
Naphtha price in Japan (thousand ¥/kl)	55	60

(3) Forecasts by Segment

¥ bn.

	Net sales		Operating income	
	FY 3/12	FY 3/13 Forecasts	FY 3/12	FY 3/13 Forecasts
Films & Functional Polymers	133.3	140.0	9.2	12.5
Industrial Materials	71.2	80.0	5.3	6.7
Life Science	31.7	33.0	3.5	4.3
Specialty Businesses	236.2	253.0	18.0	23.5
Operating income ratio (%)			7.6	9.3
Textiles	88.0	86.0	1.1	1.3
Real Estate and Others	25.3	26.0	2.5	2.5
Elimination & Corporate	-	-	-3.3	-3.3
Total	349.5	365.0	18.3	24.0

III. Progress of Medium-Term Plan

(FY 3/11-FY 3/14)

(1) Targets and Management Policy

Our targets:

“The category leader for providing new value in the environment, life science, and high-function products fields”

Direction

- **Growth of specialty businesses: 8% growth annually**
- **Efficiency and profitability: ROA 8%**
- **Financial stability: *D/E ratio of 1.0 time**

***D/E ratio: Interest-bearing debt/net assets excluding minority interests**

Management policy:

**“Innovative changes.
Continual reform of the business portfolio”**

Action plans:

- 1) Capital investment**
- 2) Overseas business development**
- 3) Improvement in the product portfolio**
- 4) Improving asset efficiency**

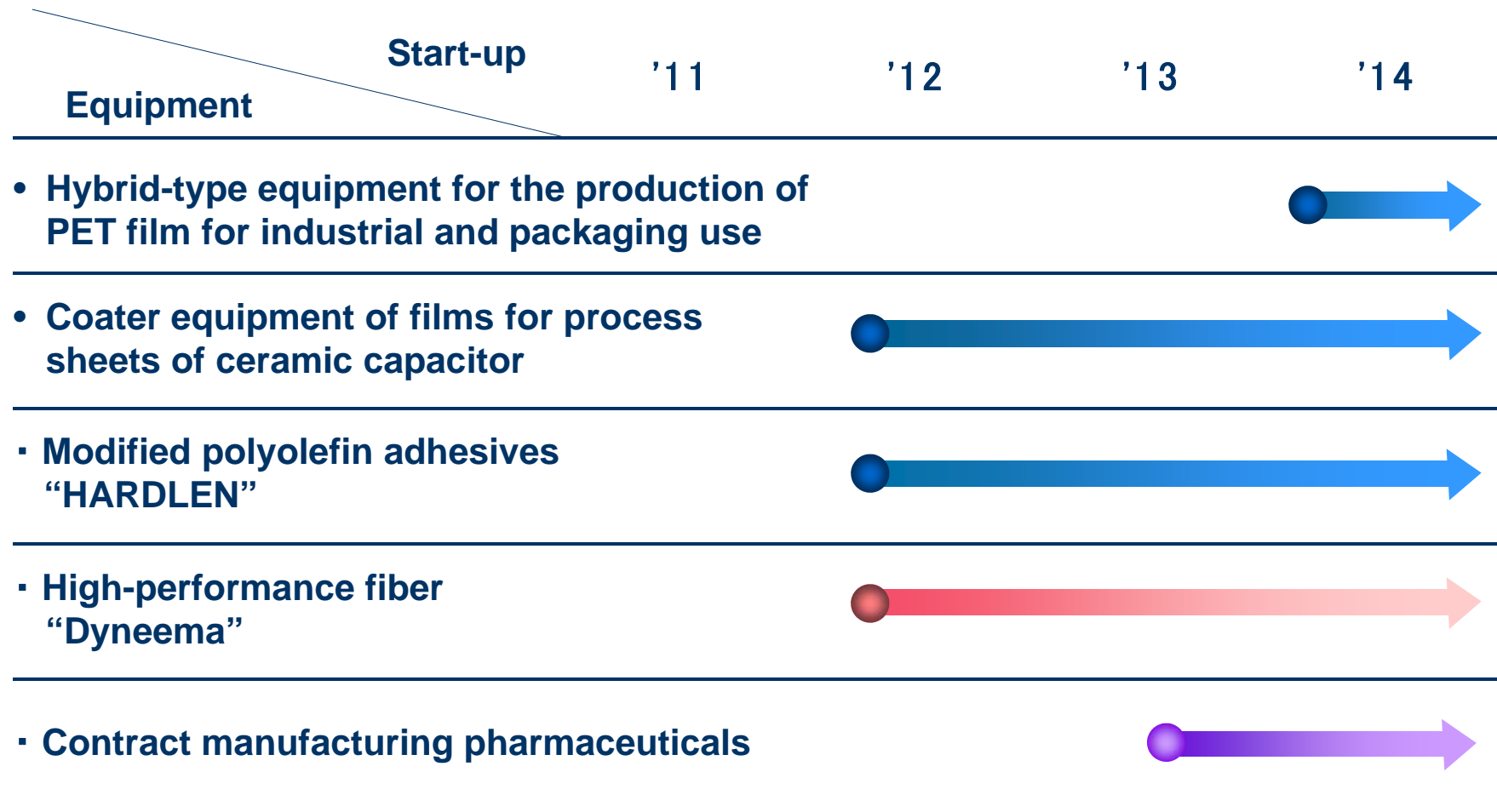
(2) Quantitative Targets for FY 3/14

	FY 3/12 Results	FY 3/14	
		Plan (May 2010)	Revised Plan (May 2012)
Net sales	349.5	400.0	390.0
Specialty businesses	236.2	300.0	275.0
Composition ratio	68%	75%	71%
Operating income	18.3	30.0	27.0 *
Operating income ratio	5.2%	7.5%	6.9%
Exchange rate (¥/US\$)	79	90	80
Naphtha price in Japan (thousand ¥/kl)	55	50	60

*with ¥4.0 billion due to changes
in depreciation methods

(3) Action Plan and Progress-1

1) Capital investment



(3) Action Plan and Progress-2

2) Overseas business development



Established Global Business Planning Division, Global Business Planning Office and Business Operating Department in each area
 (China, Southeast Asia, North America, South America and Europe)



(3) Action Plan and Progress-3

3) Improvement in the product portfolio (New products / New technologies)

- **PET films and adhesives for photovoltaic backsheets**
- **PET films for ceramic capacitor process sheets**
- **PET films for touch screens (a low interference type)**
- **High-melting-point biomass polyamides for molding “VYLOAMIDE”**
- **Heat-resistant polyimide films “XENOMAX”**

4) Improving asset efficiency

IV. Litigation

Progress of Litigation regarding Body Armor Using ZYLON Fiber

- 1) In June 2003, an accident with body armor (BA) using Zylon fiber occurred in Pennsylvania, USA.
(This is the only accident in which a bullet penetrated BA.)
- 2) The injured/deceased persons and purchasers of the same type of BA sued the BA manufacturer and Toyobo for damages.
- 3) An ex-director of the BA manufacturer filed a lawsuit based on the U.S. False Claims Act.
The U.S. Government Dept. of Justice (DOJ) participated as a plaintiff in this lawsuit.
- 4) The DOJ also filed a lawsuit relating to BA other than the BA mentioned above.

<Settled Litigation: date of settlement – All cases were settled by agreement>

- The class action by the purchasers: October 2005
- Actions by the injured/deceased persons (product liability cases): 2006 to 2007
- A lawsuit filed by German state governments: February 2009
- Lawsuits filed by manufacturer of bulletproof vests: July 2011 (2) and March 2012

<Progress of litigation>

(As of May 8, 2012)

	Class action	Product liability	Government-related		BA manufacturer			Government-related
Plaintiff	Purchasers	Pennsylvania policeman, etc.	State of Arkansas	U.S. DOJ, et al.	Second Chance Body Armor	Point Blank Solutions	First Choice Armor & Equipment	Two German states
Status	Settled (Oct. 2005)	Settled (Jan. and Nov. 2006, Jan. 2007)	No progress after receipt of claims	Discovery is proceeding.	Settled (July 2011)	Settled (July 2011)	Settled (March 2012)	Settled (Feb. 2009)
Number of cases	10	4	1	2	1	1	1	1

Appendix

Business Fields

Fields:
Business Segments

Automotive	Electronics & Information Display	Environment	Life Science	Lifestyle & Safety
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Films & Functional Polymers

Industrial Materials

Life Science

<ul style="list-style-type: none"> •Engineering plastics •Biomass high-melting-point polyamide for molding •Co-polyester adhesives •Modified polyolefin adhesives •Acrylate polymers 	<ul style="list-style-type: none"> •PET films for optical uses 	<ul style="list-style-type: none"> • for photovoltaic systems 		<ul style="list-style-type: none"> •Packaging films
<ul style="list-style-type: none"> •Airbag fabrics •Functional filters •Nonwoven fabrics 	<ul style="list-style-type: none"> • GS resin 	<ul style="list-style-type: none"> •VOC emissions treatment equipment and systems •Functional filters 	<ul style="list-style-type: none"> •Medical membranes •Diagnostic enzymes •Diagnostic systems and reagents •Pharmaceuticals (contract manufacturing) 	<ul style="list-style-type: none"> •High-performance fibers •Three-dimensional spring-structured fibers •Cosmetics ingredients

Sale of specialty businesses 46.0
In FY 3/12 (¥ bn.)

35.0
26

22.0

29.0

104.0

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.