



Presentation to Investors



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November 8, 2011
(Analysts' Meeting)

Highlights

H1 FY 3/12 Results

Despite the effects of the earthquake, operating income was above our last forecast and net income moved into the black.

- Environment and life science businesses reported strong performances
- Introduction of new products
- LCD-related business was influenced by production adjustments in FPDs. Automotive were affected by the earthquake

FY 3/12 Forecasts

Positive benefits of the recovery from the earthquake and product portfolio improvements are expected, but the operating environment is becoming increasingly uncertain. Our full-year forecast for ¥22.0 billion in operating income remains unchanged.

	FY 3/11			FY 3/12		¥ bn.
	H1	H2		H1	H2 (Forecast)	
Net sales	169.7	170.8	340.6	178.1	176.9	355.0
Operating income	10.9	9.9	20.9	11.0	11.0	22.0
Net income (loss)	-1.9	6.1	4.2	5.2	3.8	9.0

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Forecasts for FY 3/12



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Appendix

I. Results for H1 of FY 3/12

(1) Results for H1 of FY 3/12

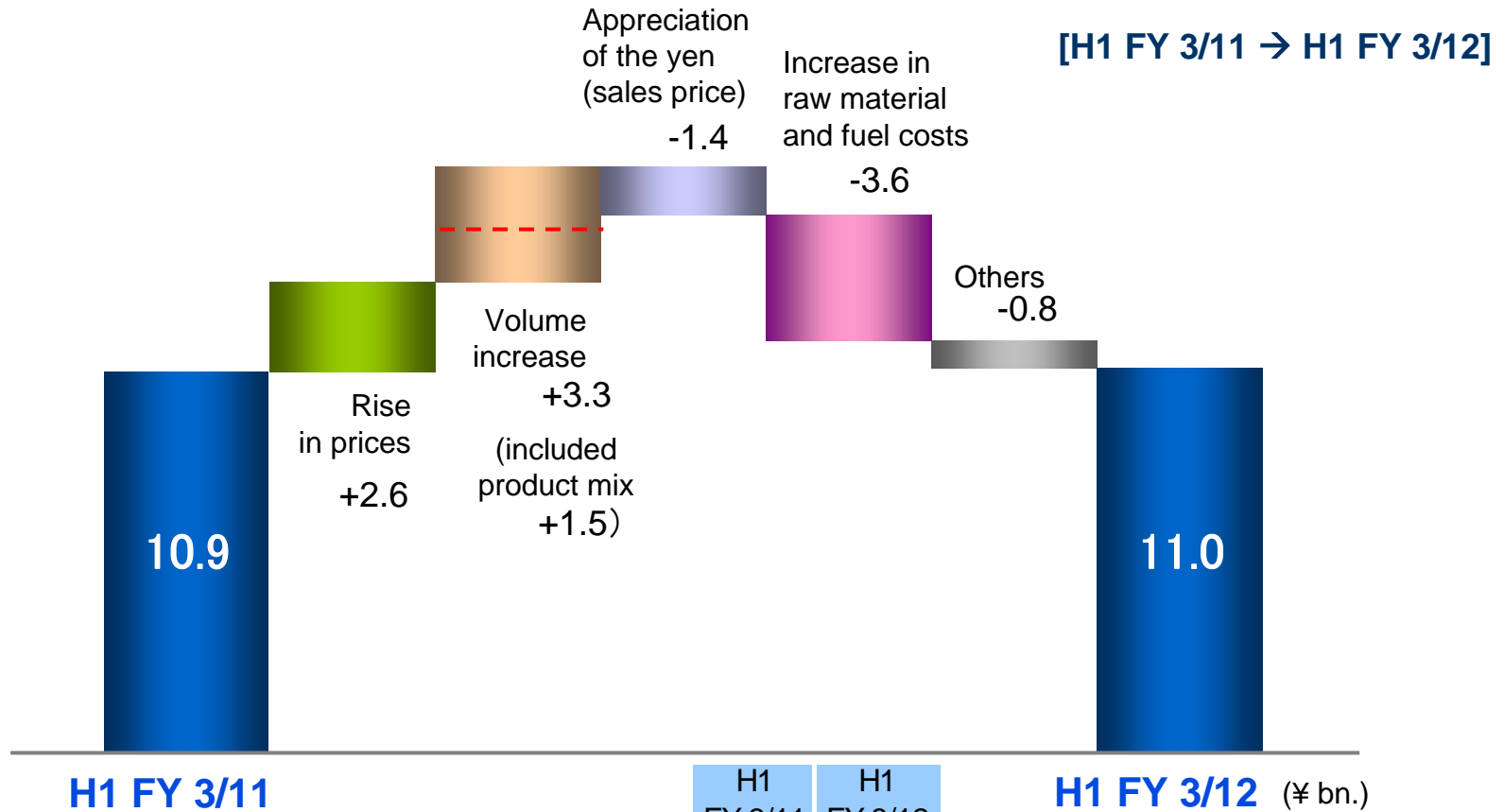
¥ bn.

	H1 FY 3/11	H2 FY 3/11	H1 FY 3/12			YoY		Previous forecasts (Aug. 2011)
			Q1	Q2		Amount	%	
Net sales	169.7	170.8	87.2	90.9	178.1	+8.4	+4.9%	170.0
Operating income	10.9	9.9	5.7	5.4	11.0	+0.1	+1.3%	10.0
Ratio to sales	6.5%	5.8%	6.5%	5.9%	6.2%	—	—	-
Net income (loss)	-1.9	6.1	2.9	2.3	5.2	+7.1	—	4.0
EPS (¥)	-2.6	8.1	3.3	2.6	5.9	—	—	4.5
Depreciation	9.2	9.9	4.7	4.8	9.5	+0.3	+3.3%	
CAPEX	5.4	8.5	3.9	3.3	7.2	+1.8	+33.3%	
Operating CF	17.9	15.8	-	-	9.6	-8.3	-46.4%	
Exchange rate (¥/US\$)	89	82	82	78	80			
Naphtha price in Japan (thousand ¥ /kl)	46	49	59	55	57			

(2) Financial Position

	Mar. 31, 2010	Mar. 31, 2011	Sep. 30, 2011	Change ¥ bn.
Total assets	438.4	443.5	437.9	-5.7
Inventories	62.5	66.0	74.0	+8.0
Net assets	131.1	149.8	144.7	-5.1
Shareholders' equity	107.1	125.8	127.5	+1.8
(Equity ratio)	24.4%	28.4%	29.1%	—
Minority interests	24.0	24.0	17.2	-6.8
Interest-bearing debt	171.0	151.8	150.9	-0.9
D/E ratio	1.60	1.21	1.18	—
ROA (Operating income / Total assets)	2.6%	4.7%	5.0%	

(3) Analysis of Changes in Operating Income



	H1 FY 3/11	H1 FY 3/12
Naphtha price in Japan (thousand ¥ /kl)	46	57
Exchange rate (¥/US\$)	89	80

H1 FY 3/12 (¥ bn.)

(4) Results by Segment

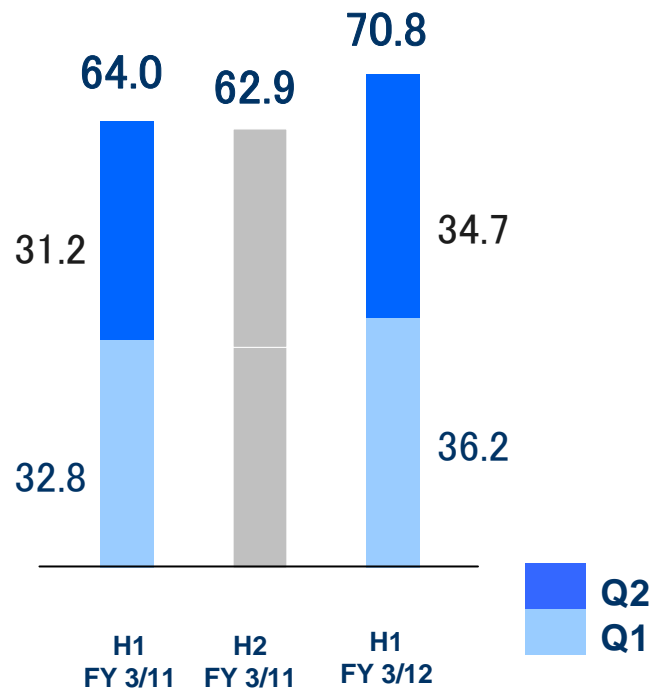
¥ bn.

	Net Sales			Operating Income		
	H1 FY 3/11	H2 FY 3/11	H1 FY 3/12	H1 FY 3/11	H2 FY 3/11	H1 FY 3/12
Films & Functional Polymers	64.0	62.9	70.8	6.9	5.6	6.5
Industrial Materials	34.5	36.9	34.3	2.4	2.5	2.4
Life Science	14.9	16.5	15.6	1.7	2.0	1.6
Specialty Businesses	113.5	116.3	120.7	11.0	10.2	10.5
Operating income ratio (%)				9.7%	8.7%	8.7%
Textiles	44.3	42.6	44.2	0.3	0.4	0.9
Real Estate and Others	12.0	12.0	13.2	1.2	1.1	1.1
Elimination & Corporate	-	-	-	-1.5	-1.7	-1.5
Total	169.7	170.8	178.1	10.9	9.9	11.0

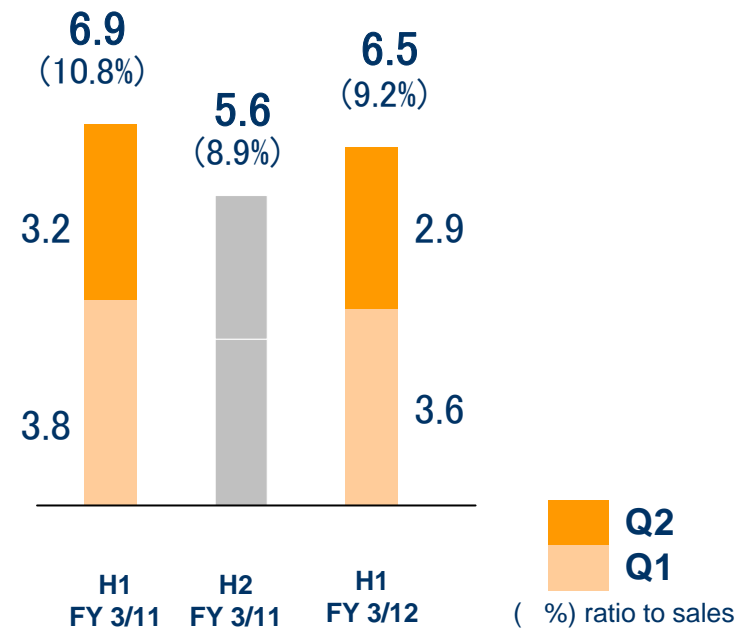
1) Films & Functional Polymers

- Made progress toward product portfolio improvements
- Weakening in demand of films for flat panel displays
- Volume of industrial adhesive VYLON increased in Asia

Net sales (¥ bn.)



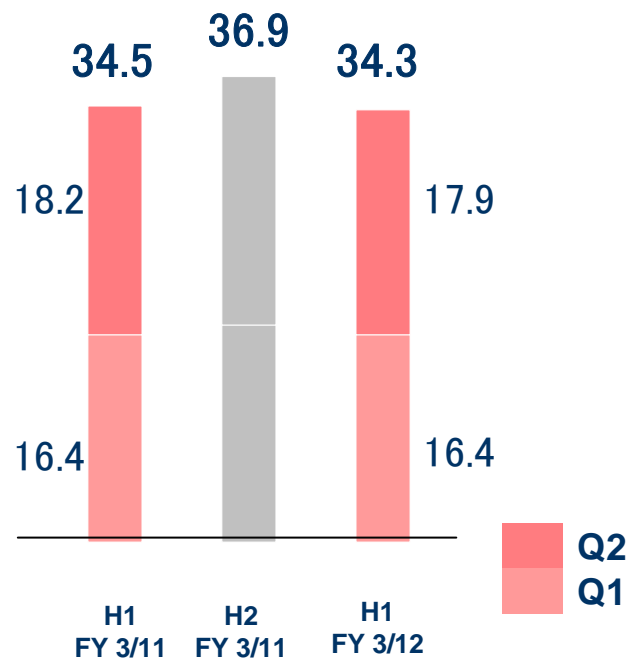
Operating income (¥ bn.)



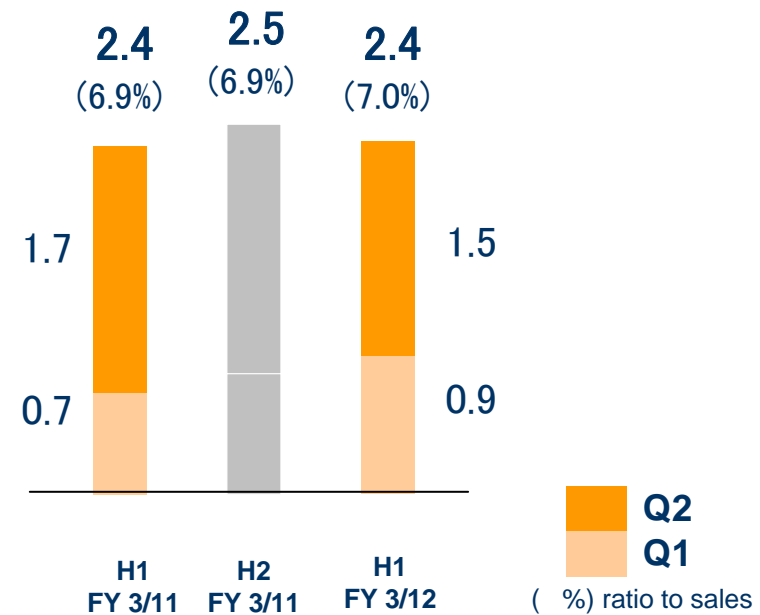
2) Industrial Materials

- Steady growth for environmental products, such as air purification filters
- Automotive-related products were affected by the earthquake
- Expansion of sales in VOC emission treatment equipment overseas

Net sales (¥ bn.)



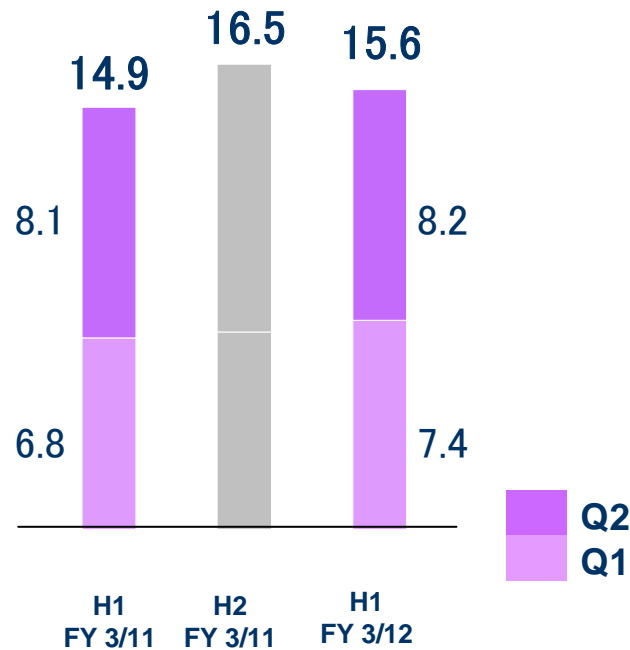
Operating income (¥ bn.)



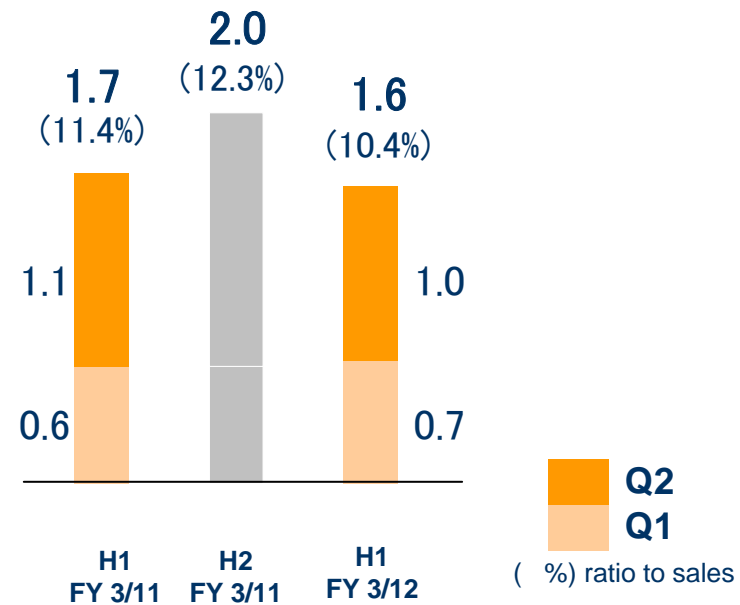
3) Life Science

- Increase in sales of diagnostic enzymes
- Demand for the contract manufacturing of pharmaceuticals and medical membranes remained firm
- Volume of intermediate medicines decreased

Net sales (¥ bn.)



Operating income (¥ bn.)

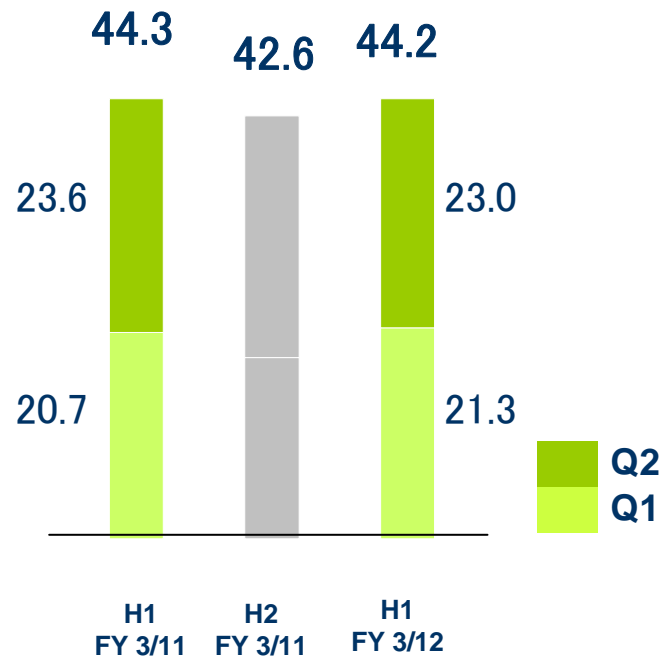


4) Textiles

- Increase in sales of functional textiles for sportswear and inner wear
- Profit of fabrics for *thoub* (traditional Arab clothing) was affected by the appreciation of the yen
- Demand of unique acrylic fibers firm

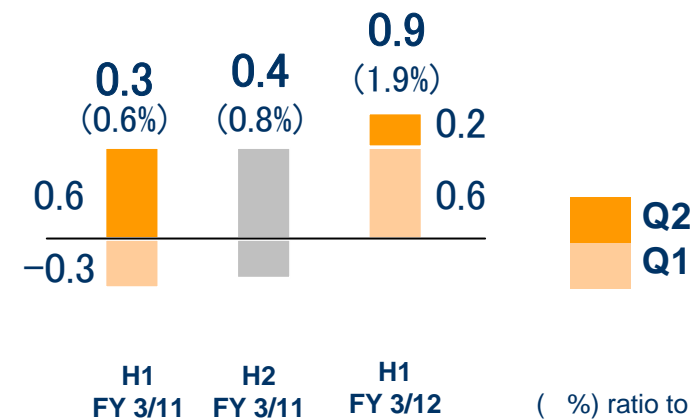
Net sales

(¥ bn.)



Operating income (loss)

(¥ bn.)



(%) ratio to sales

II. Forecasts for FY 3/12

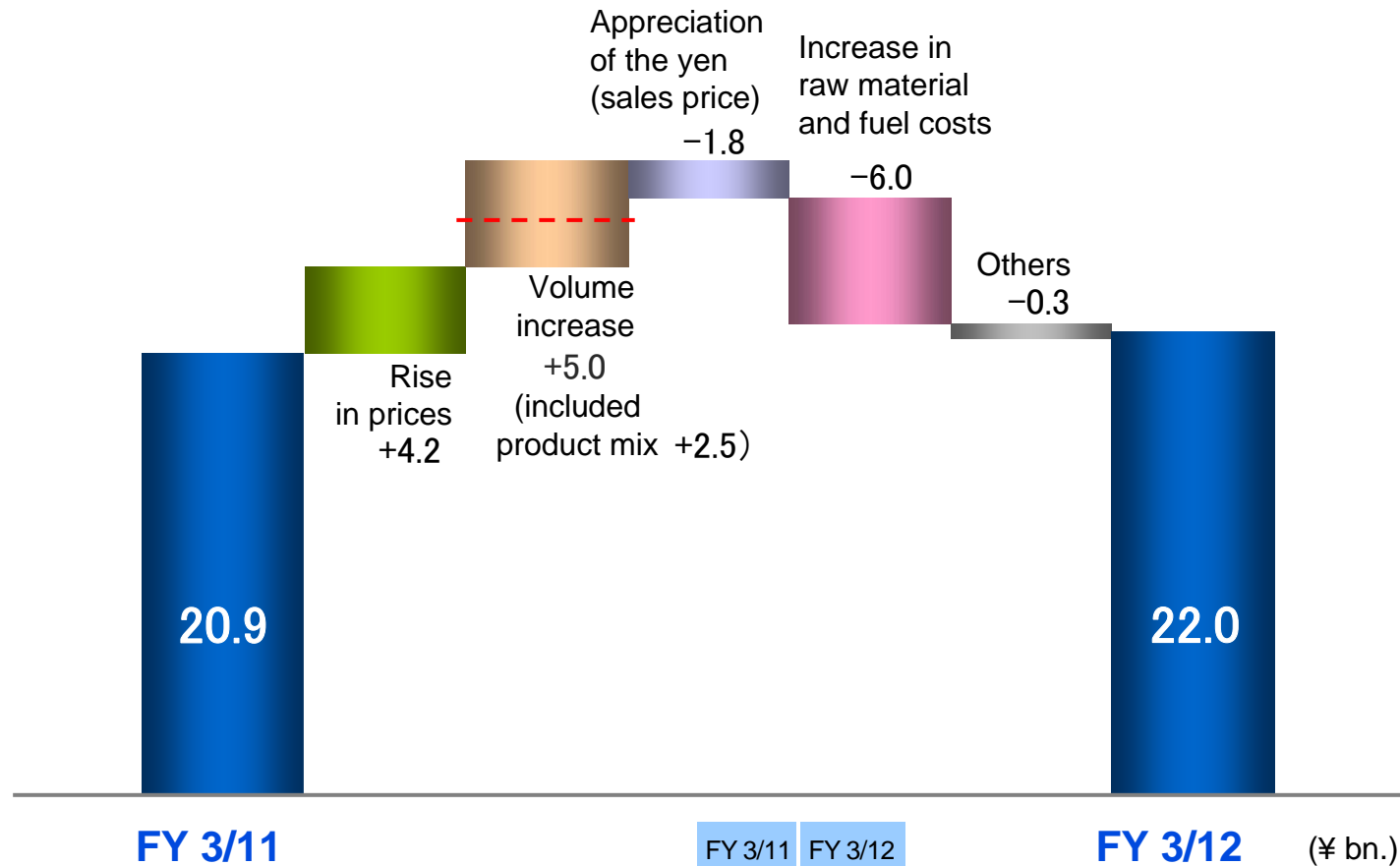
(1) Forecasts for FY 3/12

¥ bn.

	FY 3/11	FY 3/12 (Forecasts)			Change	
		H1	H2		Amount	%
Net sales	340.6	178.1	176.9	355.0	+14.4	+4.2%
Operating income	20.9	11.0	11.0	22.0	+1.1	+5.3%
Ratio to sales	6.1%	6.2%	6.2%	6.2%	—	—
Net income	4.2	5.2	3.8	9.0	+4.8	+116.6%
EPS (¥)	5.5	5.9	4.3	10.2	—	—
Depreciation	19.1	9.5	9.5	19.0	-0.1	-0.6%
Capital expenditures	13.9	7.2	10.8	18.0	+4.1	+29.2%
Exchange rate (¥/US\$)	85	80	79	79		
Naphtha price in Japan (thousand ¥/kl)	48	57	57	57		

(2) Analysis of Changes in Operating Income

[Forecasts: FY 3/11 → FY 3/12]



	FY 3/11	FY 3/12
Naphtha price in Japan (thousand ¥/kl)	48	57
Exchange rate (¥/US\$)	85	79

(¥ bn.)

(3) Forecasts by Segment

¥ bn.

	Net sales				Operating income			
	FY 3/11	FY 3/12 (Forecast)			FY 3/11	FY 3/12 (Forecast)		
		H1	H2			H1	H2	
Films & Functional Polymers	127.0	70.8	67.2	138.0	12.5	6.5	5.8	12.3
Industrial Materials	71.5	34.3	37.7	72.0	4.9	2.4	2.8	5.2
Life Science	31.4	15.6	18.4	34.0	3.7	1.6	2.1	3.7
Specialty Businesses	229.8	120.7	123.3	244.0	21.2	10.5	10.7	21.2
Textiles	86.8	44.2	42.8	87.0	0.6	0.9	0.6	1.5
Real Estate and Others	23.9	13.2	10.8	24.0	2.3	1.1	1.2	2.3
Elimination & Corporate	—	—	—	—	-3.2	-1.5	-1.5	-3.0
Total	340.6	178.1	176.9	355.0	20.9	11.0	11.0	22.0

III. Progress of Medium-Term Plan

(FY 3/11-FY 3/14)

(1) Targets for FY 3/14

Our targets:

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

	FY 3/11	FY 3/12 Forecast	→	¥ bn. FY 3/14 Plan
Net sales	340.6	355.0		400.0
Specialty businesses	229.8	244.0		300.0
Composition ratio	67%	69%		75%
Operating income	20.9	22.0		30.0
Operating income ratio	6.1%	6.2%		7.5%

Direction

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

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

(2) Action Plan

■ Action Plan

1) Capital investment (Alliances and M&A)

2) Overseas business development

3) Improvement in the product portfolio

(3) Progress (Excerpted version)

■ Segments

■ Progress (Start-up)

Films & Functional Polymers

Install

- Hybrid-type equipment for the production of PET film (H2 FY 3/14)
- Coater equipment for process sheets of electronics parts (H2 FY 3/12)
- Modified polyolefin adhesives (H2 FY 3/12)
- Manufacturing bases overseas for functional polymers

Industrial Materials

- Manufacturing and marketing bases for airbag fabrics in China (H1 FY 3/13)
- Increase capacity for Dyneema® (H2 FY 3/12)
- Expansion of VOC emissions treatment equipment in Asia

Life Science

- Increase capacity for injectable aseptic fillings (H2 FY 3/14)
- Acceleration of biosimilar-related technologies

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.
- 5) The class action by the purchasers has been settled. (Amount: US\$29 million in total. An extraordinary loss was posted in the first half of FY 3/06.)
Actions by the injured/deceased persons (product liability cases) have been settled.
- 6) In a lawsuit filed by German state governments, a lower court dismissed the action, ruling that it did not have jurisdiction, and a settlement was reached while the case was pending before the U.S. Court of Appeals.
- 7) In a lawsuit filed by Second Chance Body Armor, the parties agreed to settle the case in February 2011 and the court approved the settlement in July 2011.
- 8) Toyobo and Point Blank Solutions settled the case in July 2011.

<Progress of litigation>

(As of Nov. 7, 2011)

	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 (Dec. 2005)	Settled (Jan. and Nov. 2006, Jan. 2007)	No progress after receipt of claims	Discovery is proceeding.	Settled (July 2011)	Settled (July 2011)	Discovery is proceeding.	Settled (Feb. 2009)
Number of cases	10	4	1	2	1	1	1	1

Appendix

Appendix: Business Fields

Fields: Business Segments	Automotive	Electronics & Information Display	Environment	Life Science	Lifestyle & Safety
Films & Functional Polymers	<ul style="list-style-type: none"> •Engineering plastics 	<ul style="list-style-type: none"> •PET films for flat panel displays •Biomass high-melting-point polyamide •Co-polyester adhesives •Modified polyolefin adhesives •Acrylate polymers 	<ul style="list-style-type: none"> •PET films for solar cells 		<ul style="list-style-type: none"> •Packaging films
Industrial Materials	<ul style="list-style-type: none"> •Airbag fabrics •Functional filters •Nonwoven fabrics 	<ul style="list-style-type: none"> •Functional filters 	<ul style="list-style-type: none"> •VOC emissions treatment equipment and systems •Functional filters 	<ul style="list-style-type: none"> •Medical membranes 	<ul style="list-style-type: none"> •Ultra-high-strength polyethylene fiber "Dyneema"
Life Science			<ul style="list-style-type: none"> •Water treatment membranes 	<ul style="list-style-type: none"> •Diagnostic enzymes •Diagnostic systems and reagents •Pharmaceuticals (contract manufacturing) 	<ul style="list-style-type: none"> •Cosmetics ingredients

Action Plan and Progress-1

■ Action Plan

1) Capital investment (Alliances and M&A)

2) Overseas business development

■ Progress

(Start-up Date)

- Hybrid-type equipment for the production of PET film for industrial and packaging use (H1 FY 3/14)
- Modified polyolefin adhesives (H2 FY 3/12)
- High-melting-point biomass polyamides (H2 FY 3/11)
- Coater equipment for process sheets of electronics parts (H2 FY 3/12)

[In Asia]

- Manufacturing and marketing bases for airbags fabrics in China
- VOC emissions treatment equipment
- Manufacturing bases for functional polymers

[In the Middle East]

- Joint venture for desalination membranes in Saudi Arabia

Action Plan and Progress-2

■ Action Plan

3) Improvement in the product portfolio

4) Improved asset efficiency

■ Progress

- Industrial PET films for use in touch panels, solar cell backsheets, and other products
- Biomass high-melting-point polyamide resin for LED reflectors
- A new type of shrink films
- A recyclable coated fabric for airbags
- VOC emissions treatment equipment
- Diagnostic systems and reagents

- ROA in the specialty businesses: 5.6% (FY 3/10) → 9.4% (FY 3/11)
- Reducing the assets in the textile business: ¥83.1bn. (FY 3/10) → ¥75.9bn. (FY 3/11)

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.