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# Presentation to Investors



Catalyzing the Unimagined

想像を超える化学反応を。



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## Toyobo Co., Ltd.

### August 6, 2018

# Agenda

- I. Results for Q1 FY 3/19**
- II. Forecasts for FY 3/19**

## **I . Results for Q1 FY 3/19**

# Highlights

## Q1 FY 3/19 Results

- Operating profit of ¥5.3 billion (up 7.3%) and profit of ¥3.1 billion (up 9.5%) are in line with expectations.
- Sales of growth drivers “COSMOSHINE SRF” and mold releasing film for ceramic capacitors were strong.
- Sales of airbag fabrics to overseas customers increased yet were otherwise affected by the rise in raw material prices.

## FY 3/19 Forecasts

- Still expected to achieve targets, so full-year forecast of operating profit of ¥25.0 billion is unchanged.

	FY 3/18 Q1	FY 3/19		Q1 YOY (%)	(¥ bn.)
		Q1			
Net sales	78.5	80.8	340.0	+2.9	
Operating profit	5.0	5.3	25.0	+7.3	
Profit attribute to owners of parent	2.8	3.1	13.0	+9.5	

## Results for FY 3/19 PL

	FY 3/18 Q1	FY 3/19 Q1	YOY		(¥ bn.)
			Amount	%	
Net sales	78.5	80.8	+2.3	+2.9	
Operating profit	5.0	5.3	+0.4	+7.3	
(Ratio to sales)	6.4%	6.6%	-	-	
Ordinary profit	4.3	4.8	+0.5	+10.6	
Profit attributable to owners of parent	2.8	3.1	+0.3	+9.5	
EPS (¥) ※	31.6	34.6	-	-	
Depreciation	3.8	3.9	+0.1	+1.9	
CAPEX	4.8	4.4	-0.4	-7.5	

Exchange rate (¥/US \$)

112

109

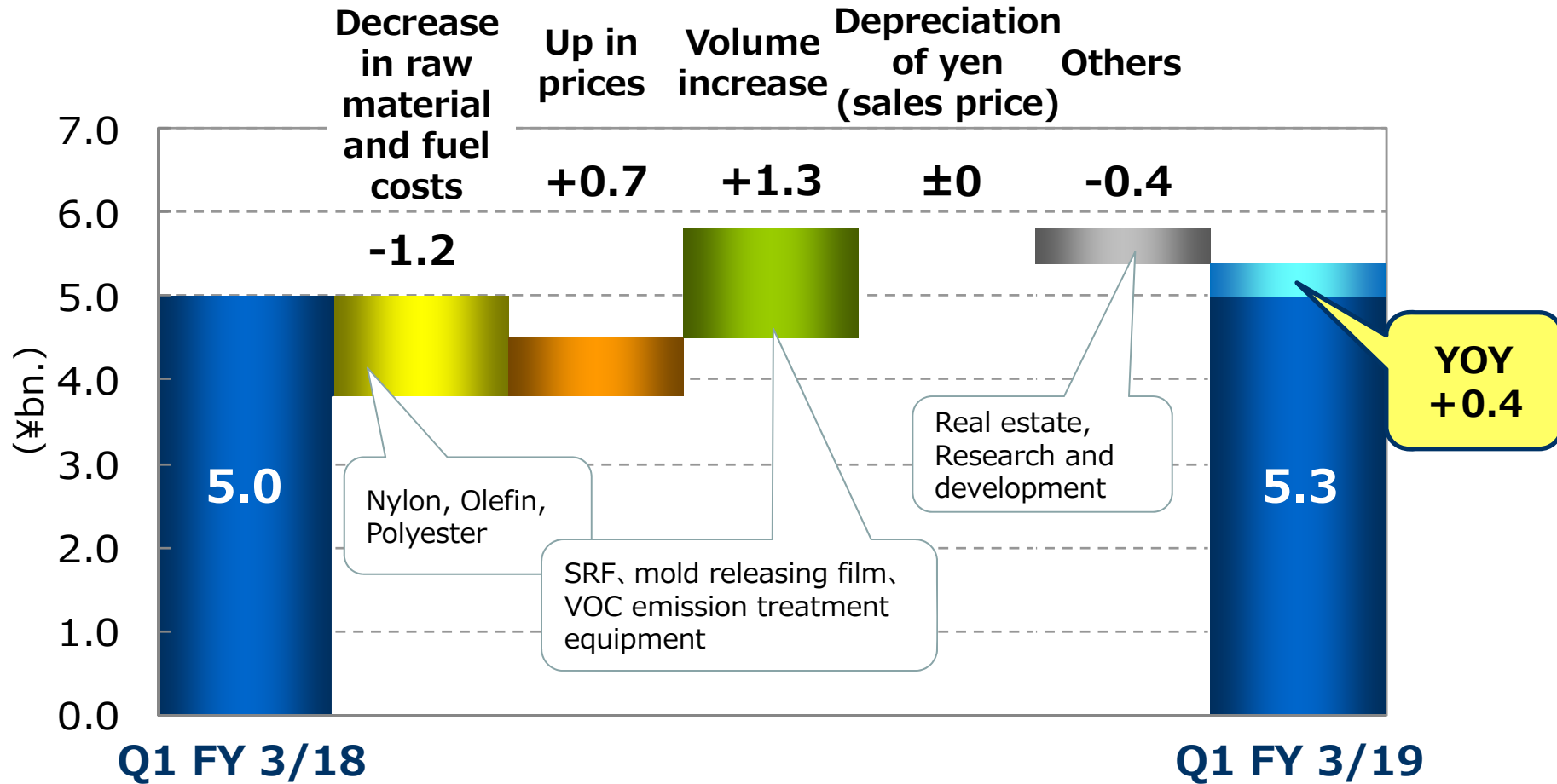
Naphtha price in Japan  
(thousand ¥/kl)

39

49

※Figures after consolidation  
of shares.

# Analysis of Changes in Operating Profit



	Q1 FY 3/18	Q1 FY 3/19
Exchange rate (¥/US\$)	112	109
Naphtha price in Japan (thousand¥/kl)	39	49

# Results for FY 3/19 BS

	(A)	(B)	(¥ bn.)
	Mar. 31, 2018	June 30, 2018	Change (A)→(B)
<b>Total assets</b>	<b>445.5</b>	<b>440.1</b>	<b>-5.4</b>
<b>Cash and deposits</b>	<b>26.0</b>	<b>21.9</b>	<b>-4.1</b>
<b>Inventories</b>	<b>71.3</b>	<b>75.5</b>	<b>+4.2</b>
<b>Net assets</b>	<b>184.5</b>	<b>185.5</b>	<b>+0.9</b>
<b>Shareholder's equity</b>	<b>180.6</b>	<b>180.4</b>	<b>-0.2</b>
<b>(Retained earnings)</b>	<b>56.1</b>	<b>55.5</b>	<b>-0.6</b>
<b>Non-controlling interests</b>	<b>4.0</b>	<b>5.1</b>	<b>+1.1</b>
<b>Interests-bearing debt</b>	<b>145.6</b>	<b>144.5</b>	<b>-1.1</b>
<b>D/E ratio</b>	<b>0.81</b>	<b>0.80</b>	<b>-</b>

The Group has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances.

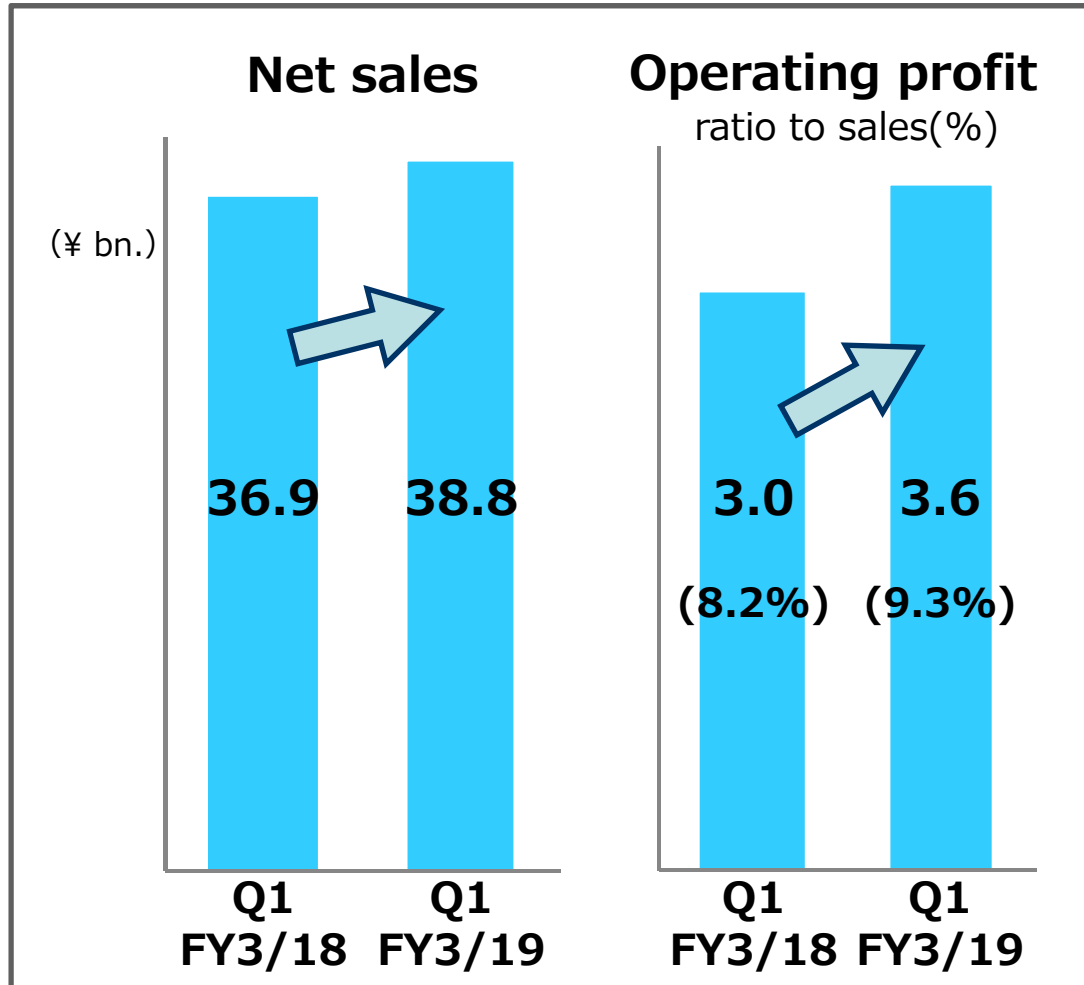
# Results by Segment

(¥ bn.)

	Net sales		Operating profit (loss)		
	Q1 FY 3/18	Q1 FY 3/19	Q1 FY 3/18	Q1 FY 3/19	YOY (Amount)
<b>Films &amp; Functional Polymers</b>	36.9	38.8	3.0	3.6	+0.5
<b>Industrial Materials</b>	14.5	16.1	0.8	1.0	+0.2
<b>Healthcare</b>	7.6	7.6	0.9	1.0	+0.1
<b>Textiles and Trading</b>	16.1	14.8	0.2	0.2	+0.0
<b>Real Estate and Others</b>	3.3	3.4	0.7	0.4	-0.3
<b>Elimination &amp; Corporate</b>	-	-	-0.6	-0.8	-0.2
<b>Total</b>	<b>78.5</b>	<b>80.8</b>	<b>5.0</b>	<b>5.3</b>	<b>+0.4</b>

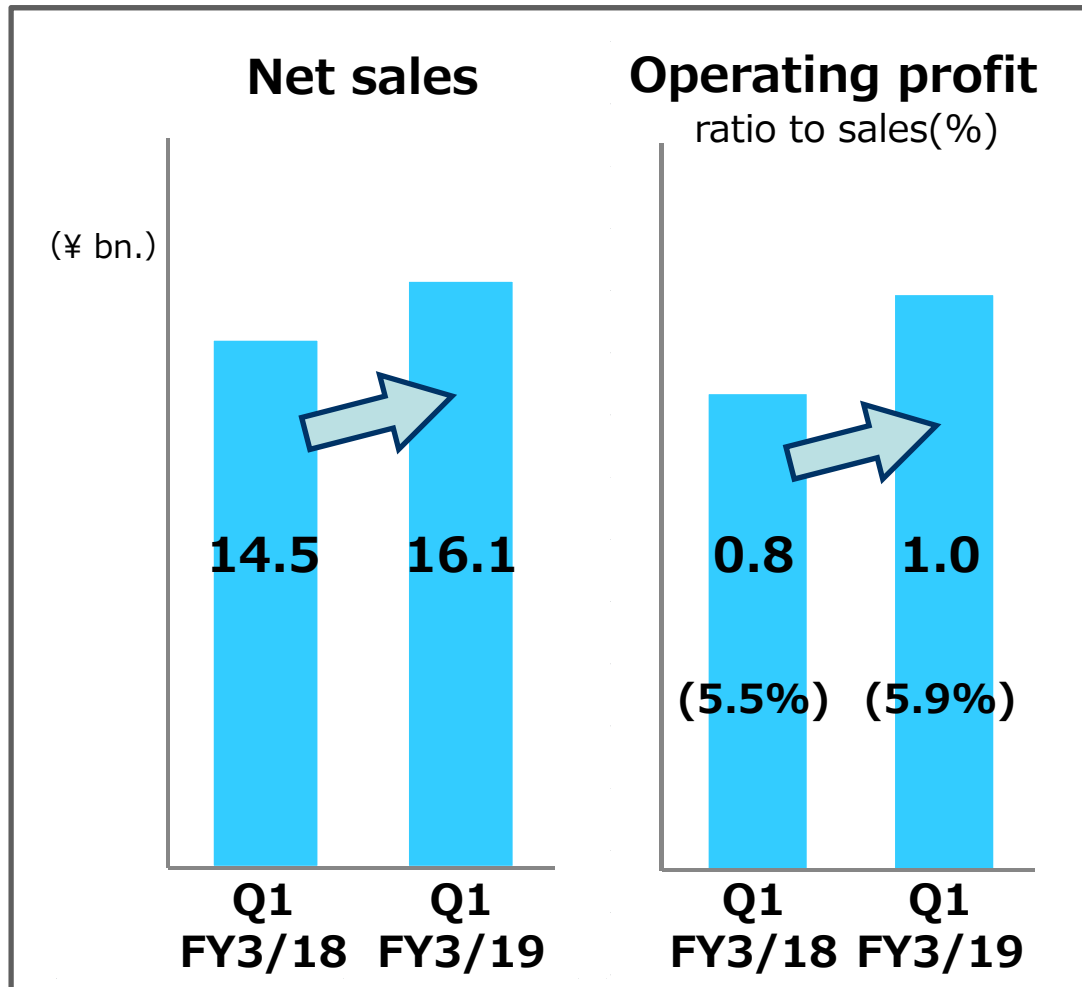


# Films & Functional Polymers



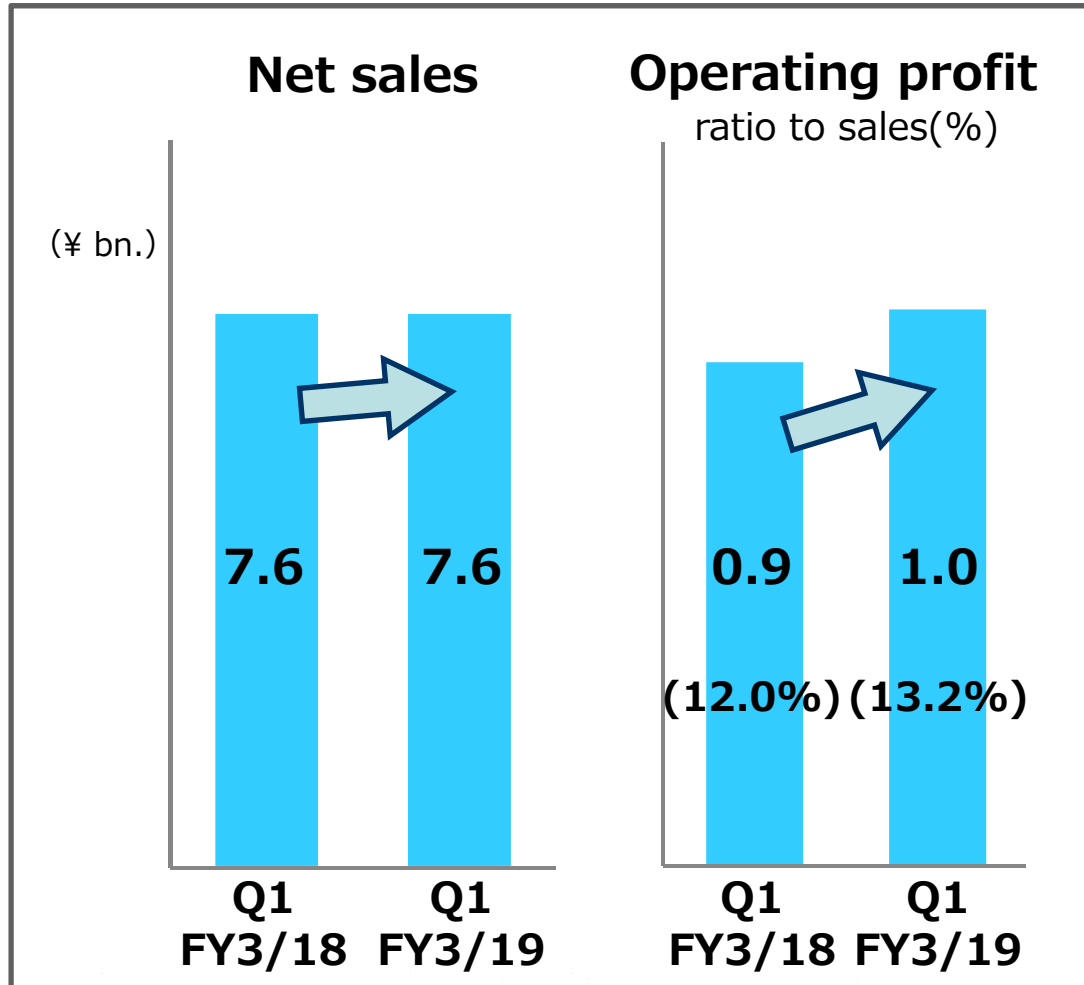
- Driven by “COSMOSHINE SRF” and mold releasing film for ceramic capacitors.
- In the functional polymers business, sales remained sluggish and flagging.

# Industrial Materials



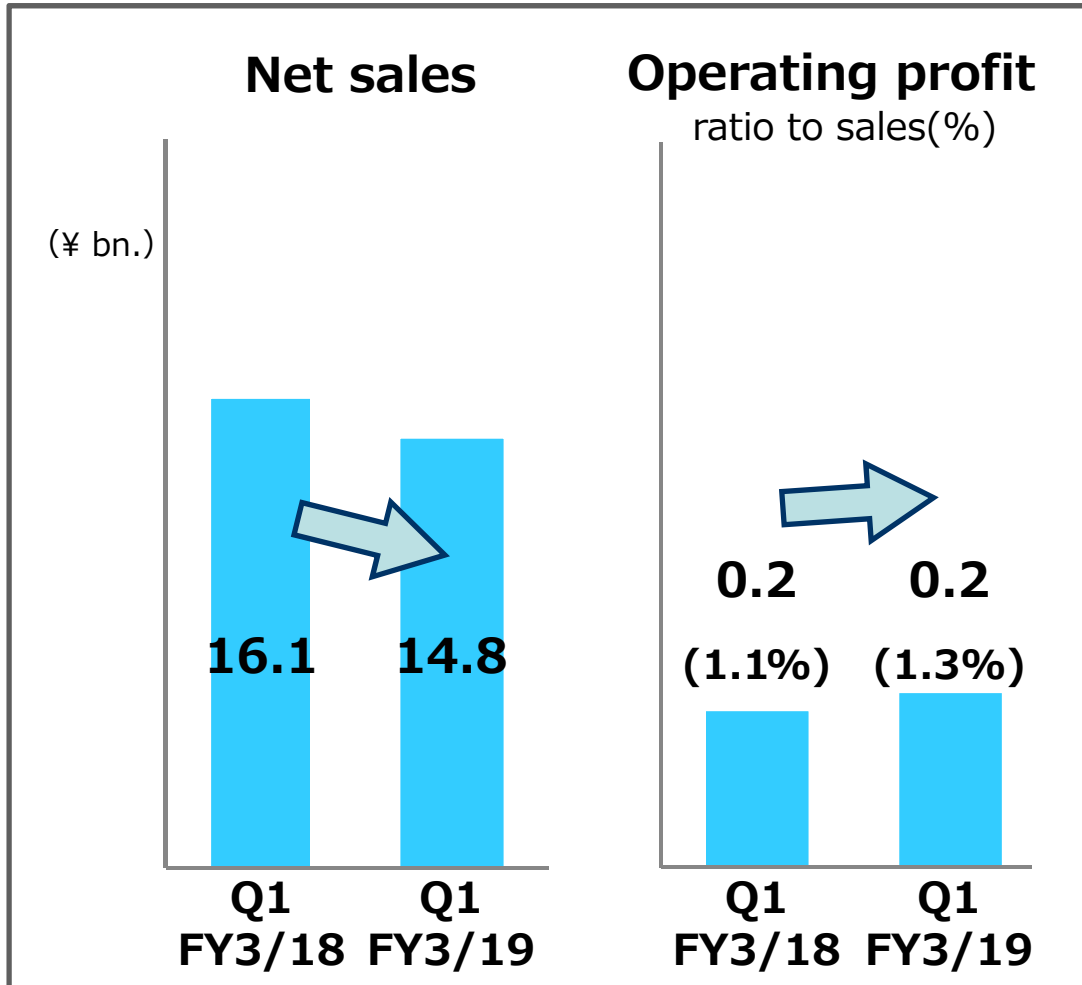
- Sales of airbag fabrics and products for consumer and industrial uses increased.
- Affected by the rise in Nylon prices.

# Healthcare



- Further expanded sales of enzymes for diagnostic reagents and volatile organic compound (VOC) emissions treatment equipment.
- Contract manufacturing business of pharmaceuticals faced delays in progress.

# Textiles and Trading



- Materials for underwear and shirt products achieved strong sales.
- Materials for traditional Arabic menswear and sports apparel were sluggish.

## Growth Drivers

### ■ “COSMOSHINE SRF”

- In 1Q, sales increased by approximately 80%.  
Aim for 30% share in FY3/19.
- In LCD TV market, sales expand amid fiercer price wars.
- Emerging dominance of polyester due to market trending to larger panels, bezel-free displays and component-based rather than module-based procurement.



### ■ mold releasing film for ceramic capacitors

- In 1Q, sales increased by approximately 40%. Aim for 25% share of the high-end product market in FY3/19.
- Expanded sales with emphasis on high-end products with superior smoothness.
- New processing equipment will be put into production in July 2019.

### ■ Airbag fabrics

- In 1Q, sales increased by approximately 40%. Expand sales to overseas customers.
- Aim for 30% share of market for fabric.
- Profit was sluggish because of the rise in raw materials prices.

### ■ Engineering plastics

- Second business location was established in India, bringing total to 14 overseas locations.
- Sales were strong for automobile industry both in Japan and overseas.



## II. Forecasts for FY 3/19

Regarding the forecast for the full fiscal year, no changes have been made in the outlook announced on May 10, 2018.

# Forecasts for FY 3/19

	FY 3/18 result	FY 3/19 forecasts	Change('17→'18)		(¥ bn.)
			amount	%	
Net sales	331.1	340.0	+8.9	+2.7	
Operating profit	23.9	25.0	+1.1	+4.5	
(Ratio to sales)	7.2%	7.4%	-	-	
Ordinary profit	20.4	21.5	+1.1	+5.3	
Profit attributable to owners of parent	13.0	13.0	-0.0	-0.3	
EPS (¥)	146.9	146.4	-	-	
Depreciation	15.7	15.5	-0.2	-	
CAPEX	21.3	24.0	+2.7	-	

Exchange rate (¥/US\$)

111

110

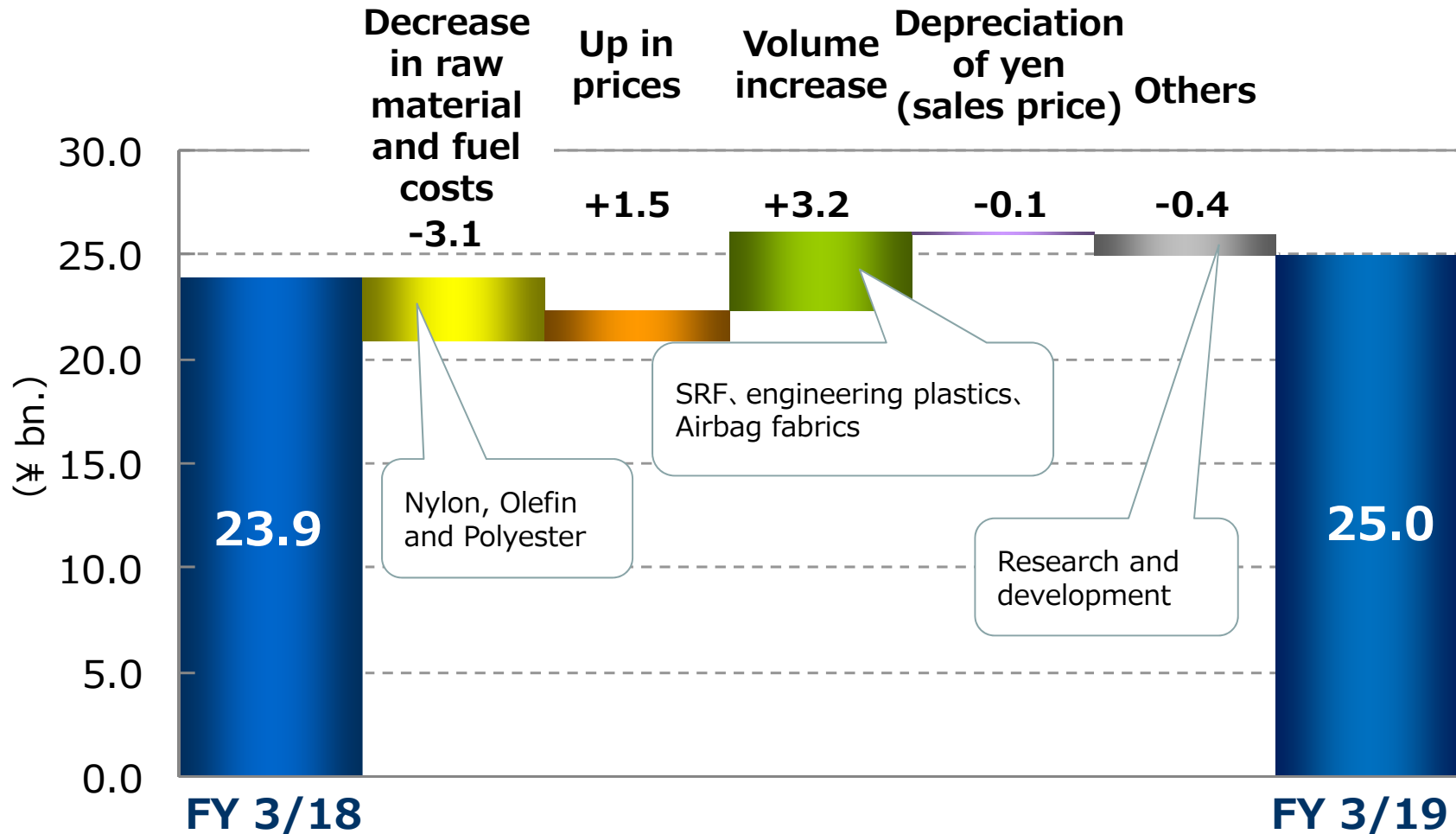
Naphtha price in Japan (thousand ¥/kl)

42

48

no changes have been made in the outlook announced on May 10, 2018.

# Analysis of Changes in Operating Profit



	FY 3/18	FY 3/19
Exchange rate (¥/US\$)	111	110
Naphtha price in Japan (thousand¥/kl)	42	48



# Forecasts by Segment

(¥ bn.)

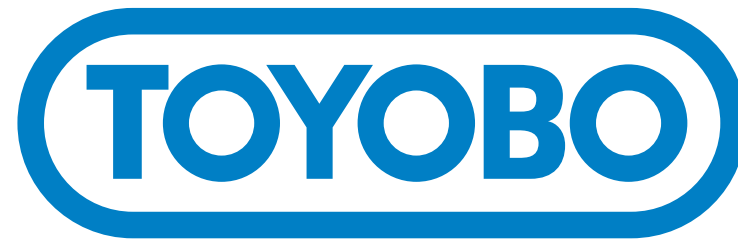
	Net Sales		Operating Profit		
	FY 3/18 result	FY 3/19 forecasts	FY 3/18 result	FY 3/19 forecasts	Change ('17→'18)
Films & Functional Polymers	148.7	154.0	13.7	14.7	+1.0
Industrial Materials	63.5	67.0	4.3	4.9	+0.6
Healthcare	35.7	37.0	5.2	5.5	+0.3
Textiles and Trading	68.3	68.0	0.6	0.6	-0.0
Real Estate and Others	15.0	14.0	2.8	2.3	-0.5
Elimination & Corporate	-	-	-2.7	-3.0	-0.3
<b>Total</b>	<b>331.1</b>	<b>340.0</b>	<b>23.9</b>	<b>25.0</b>	<b>+1.1</b>

no changes have been made in the outlook announced on May 10, 2018.

## 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.

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