



Ideas & Chemistry

February 7, 2020

Presentation to Investors



Catalyzing the Unimagined

想像を超える化学反応を。



Ideas & Chemistry

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TOYOBO CO., LTD.

Agenda

I . Results for Q3 of FY 3/20

II . Forecasts for FY 3/20



I . Results for Q3 of FY 3/20

Highlights

Q3 FY 3/20 Results

- ◆ Operating profit of ¥16.0 bn. (up 4.1%), profit of ¥5.9 bn. (¥ - 0.3 bn. in Q3 FY 3/19)
- ◆ Airbag fabrics were affected by external procurement of yarn due to the fire accident and a decrease in demand.
- ◆ Regarding the growth drivers, sales of “COSMOPEEL”, mold releasing film for MLCC, were affected by market conditions, while “COSMOSHINE SRF” were strong.

FY 3/20 Forecasts

- ◆ The full-year forecasts of operating profit of ¥22.0 bn. is unchanged though the sense of uncertainty about market conditions is increasing.

	FY 3/19		FY 3/20		Previous forecasts (Nov. 2019)
	Q3 (cumulative)	full year	Q3 (cumulative)	full year	
Net sales	249.9	336.7	248.0	350.0	350.0
Operating profit	15.3	21.7	16.0	22.0	22.0
Extraordinary income and losses	- 13.4	- 17.7	- 5.0	2.8	2.8
Profit (loss) attributable to owners of parent	- 0.3	- 0.6	5.9	14.0	14.0

(¥ bn.)

Results for Q3 FY 3/20 PL

(¥ bn.)

	FY 3/19	FY 3/20	YOY	
	Q3 (cumulative)	Q3 (cumulative)	Amount	%
Net sales	249.9	248.0	- 1.9	- 0.8%
Operating profit	15.3	16.0	+ 0.6	+ 4.1%
(Ratio to sales)	6.1%	6.4%	-	-
Ordinary profit	12.7	13.4	+ 0.8	+ 6.1%
Extraordinary income	0.6	0.5	- 0.2	-
Extraordinary losses	14.0	5.4	- 8.6	-
Profit (loss) attributable to owners of parent	- 0.3	5.9	+ 6.2	-
EPS(¥)	- 3.4	66.2	-	-
Depreciation	11.9	12.3	+ 0.5	+ 4.1%
CAPEX	17.2	23.5	+ 6.3	+ 36.3%

Exchange rate (¥/US\$)

111

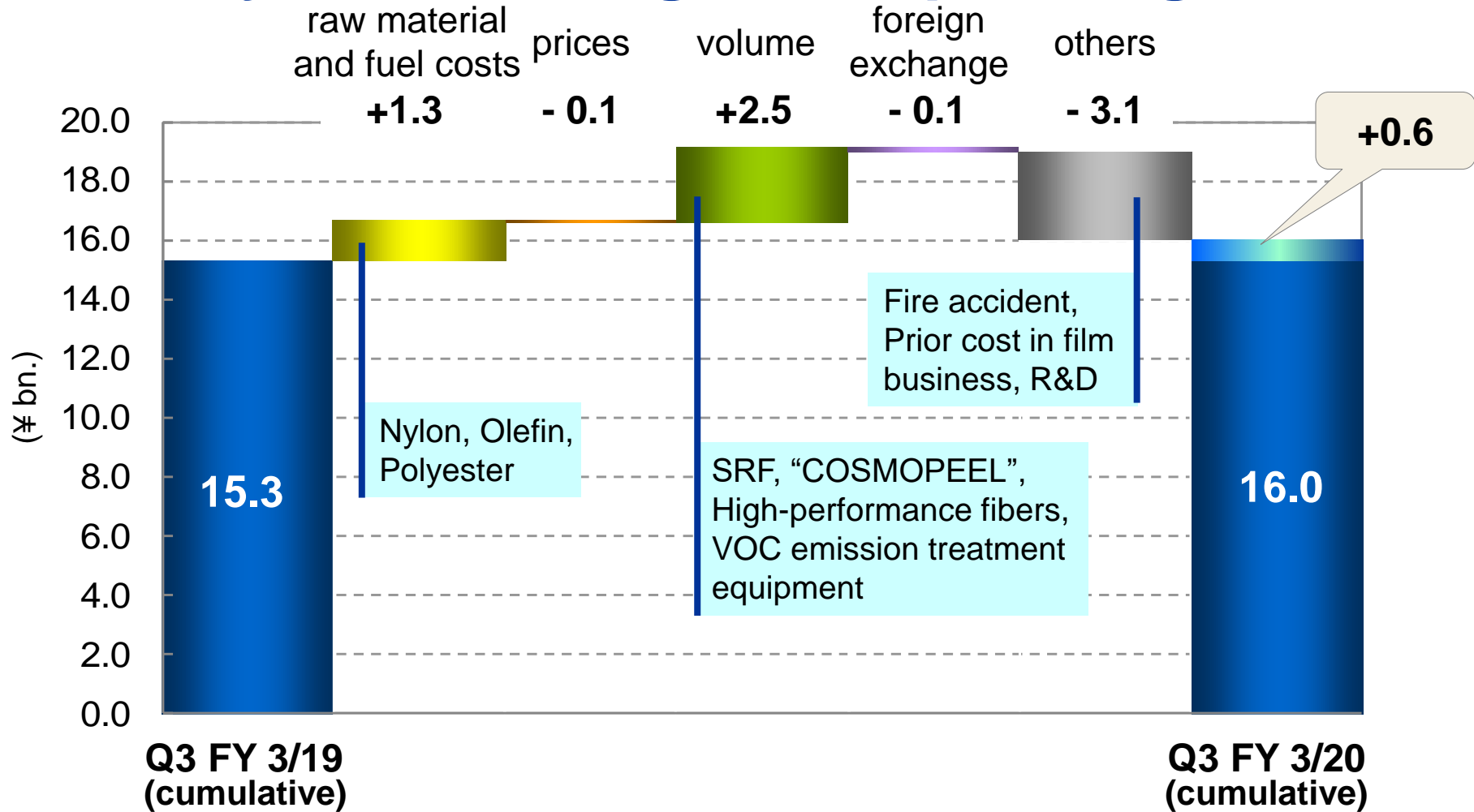
109

Naphtha price in Japan (thousand ¥/kl)

52

42

Analysis of Changes in Operating Profit



	Q3 FY 3/19	Q3 FY 3/20
Exchange rate (¥/US\$)	111	109
Naphtha price in Japan (thousand¥/kl)	52	42

Results for Q3 FY 3/20 BS

(¥ bn.)

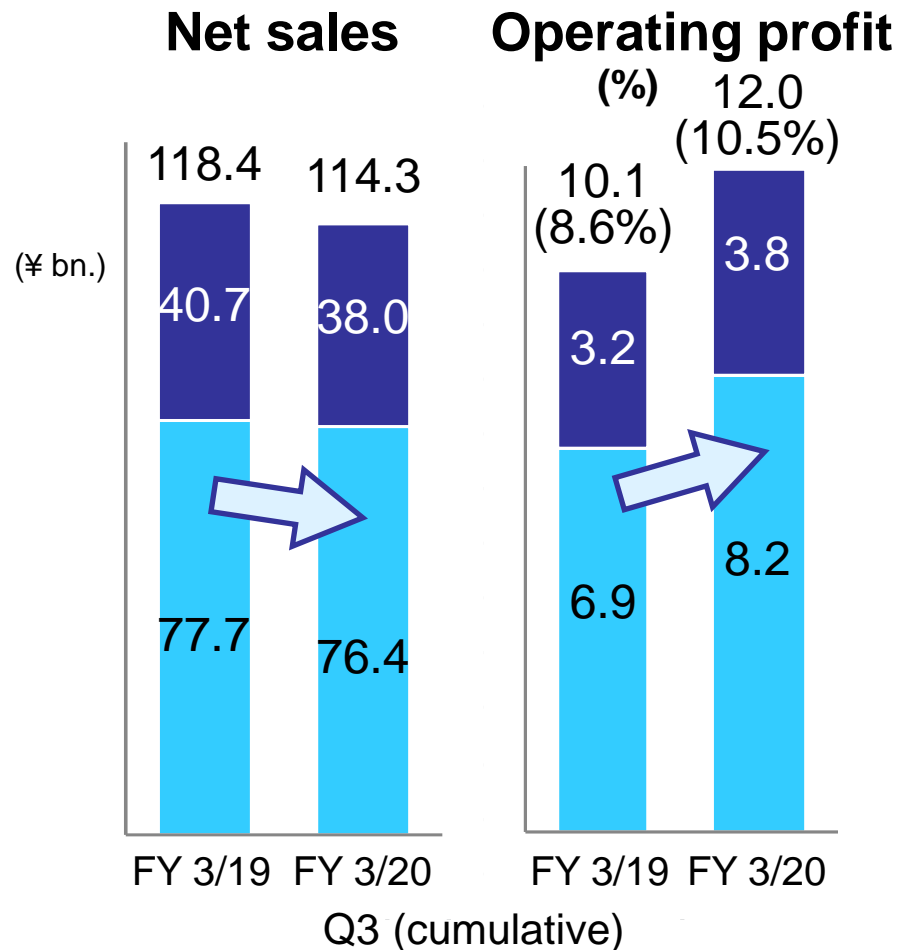
	Mar. 31, 2018	Mar. 31, 2019	Dec. 31, 2019	Change 19/3 ⇒ 19/12
Total assets	445.5	461.0	488.4	+ 27.4
Inventories	71.3	76.8	86.1	+ 9.3
Non current assets	258.9	267.9	282.5	+ 14.5
Net assets	184.5	181.2	182.4	+ 1.2
Shareholder's equity	180.6	176.6	177.4	+ 0.8
(Retained earnings)	56.1	51.9	54.0	+ 2.2
Non-controlling interests	4.0	4.6	5.0	+ 0.3
Interest-bearing debt	145.6	164.8	186.5	+ 21.7
D/E ratio	0.81	0.93	1.05	-

Results by Segment

(¥ bn.)

	Net sales		Operating profit (loss)		
	FY 3/19	FY 3/20	FY 3/19	FY 3/20	YOY (amount)
	3Q (cumulative)	3Q (cumulative)	3Q (cumulative)	3Q (cumulative)	
Films & Functional Polymers	118.4	114.3	10.1	12.0	+ 1.8
Industrial Materials	49.8	49.7	2.6	0.8	- 1.8
Healthcare	24.3	28.6	3.1	4.0	+ 0.9
Textiles and Trading	46.4	45.3	- 0.0	- 0.1	- 0.1
Real Estate and Others	11.0	10.1	1.7	1.7	+ 0.0
Elimination & Corporate	-	-	- 2.1	- 2.4	- 0.3
Total	249.9	248.0	15.3	16.0	+ 0.6

Films & Functional Polymers



● Packaging film

- Sales of the environmentally conscious products expanded.

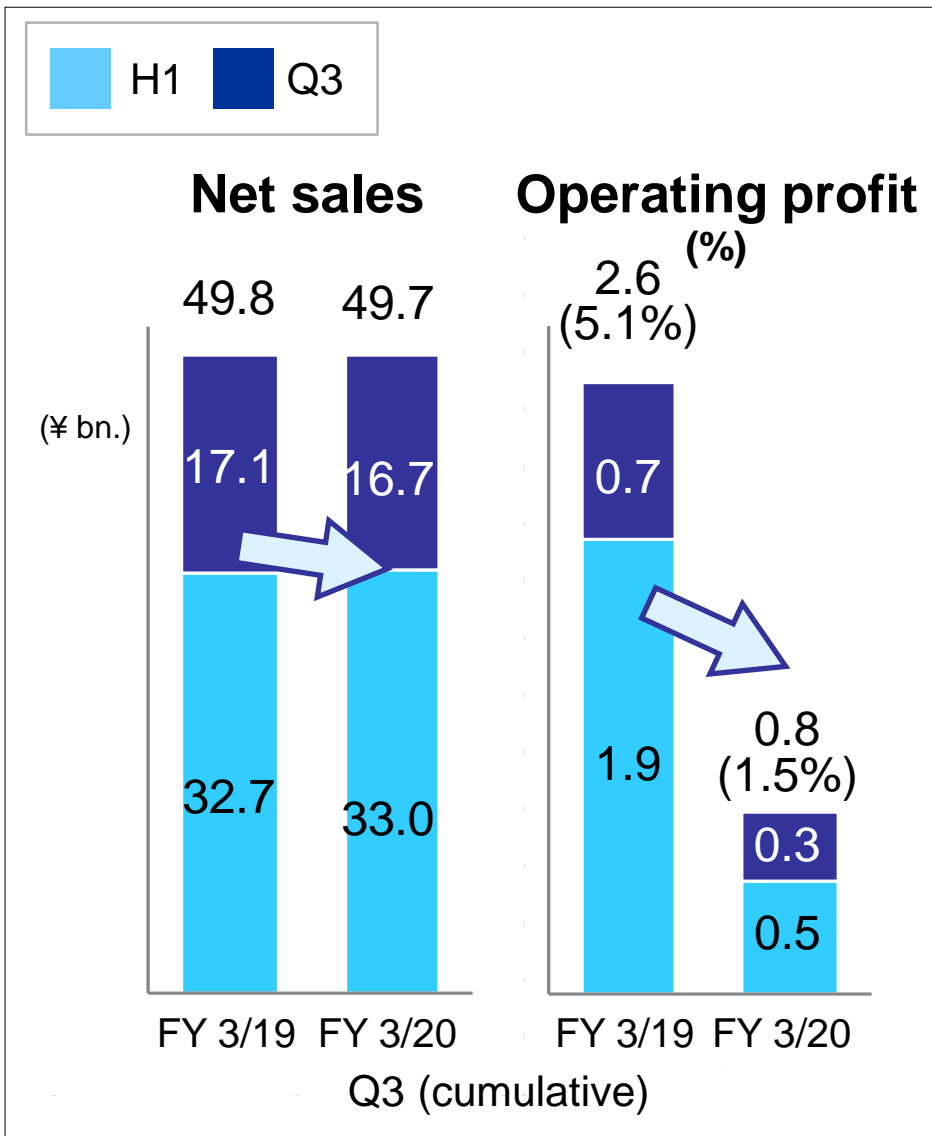
● Industrial film

- Sales of “COSMOSHINE SRF” expanded.
- Mold releasing film for MLCC “COSMOPEEL” was affected by production adjustments of electronic-related components.

● Functional polymers

- Sales of the adhesion promoter for polyolefin “HARDLEN” grew.
- Engineering plastics struggled due to the impact of global reduction of production in the automotive industry, etc.

Industrial Materials



● Airbag fabrics

- Affected by the fire accident and global reduction of production in the automotive industry.

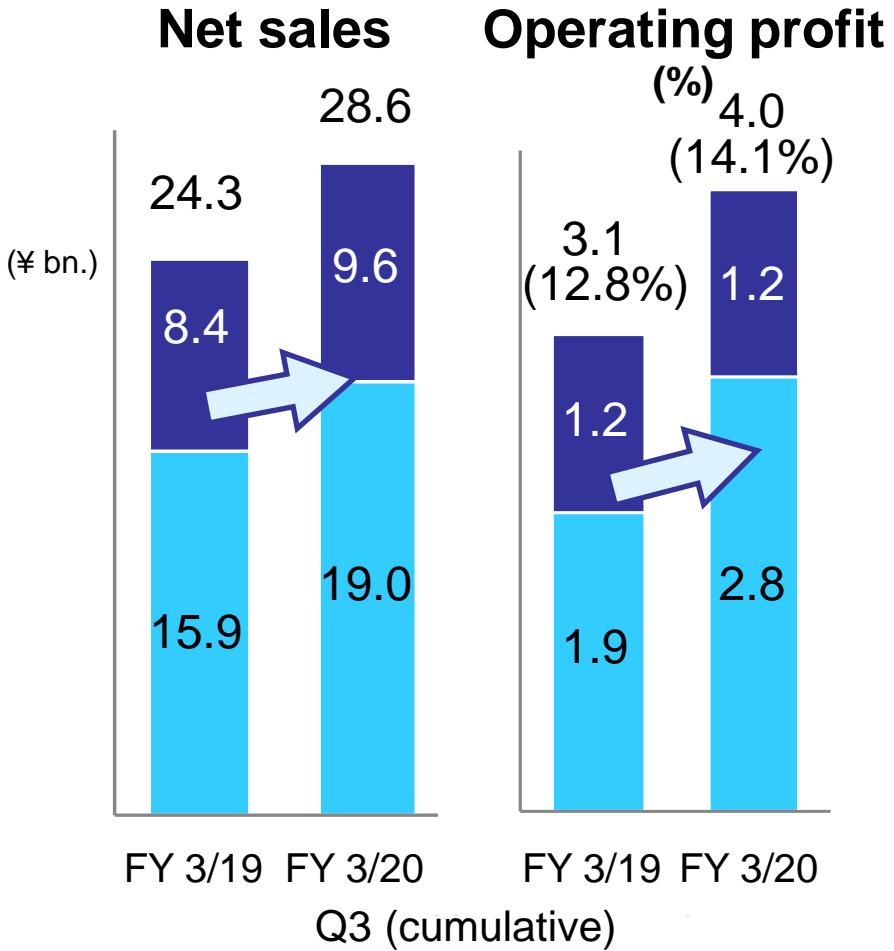
● Life and industrial materials

- The new plant of “BREATHAIR” started up to resume manufacture and sales from September.

● High-performance fibers

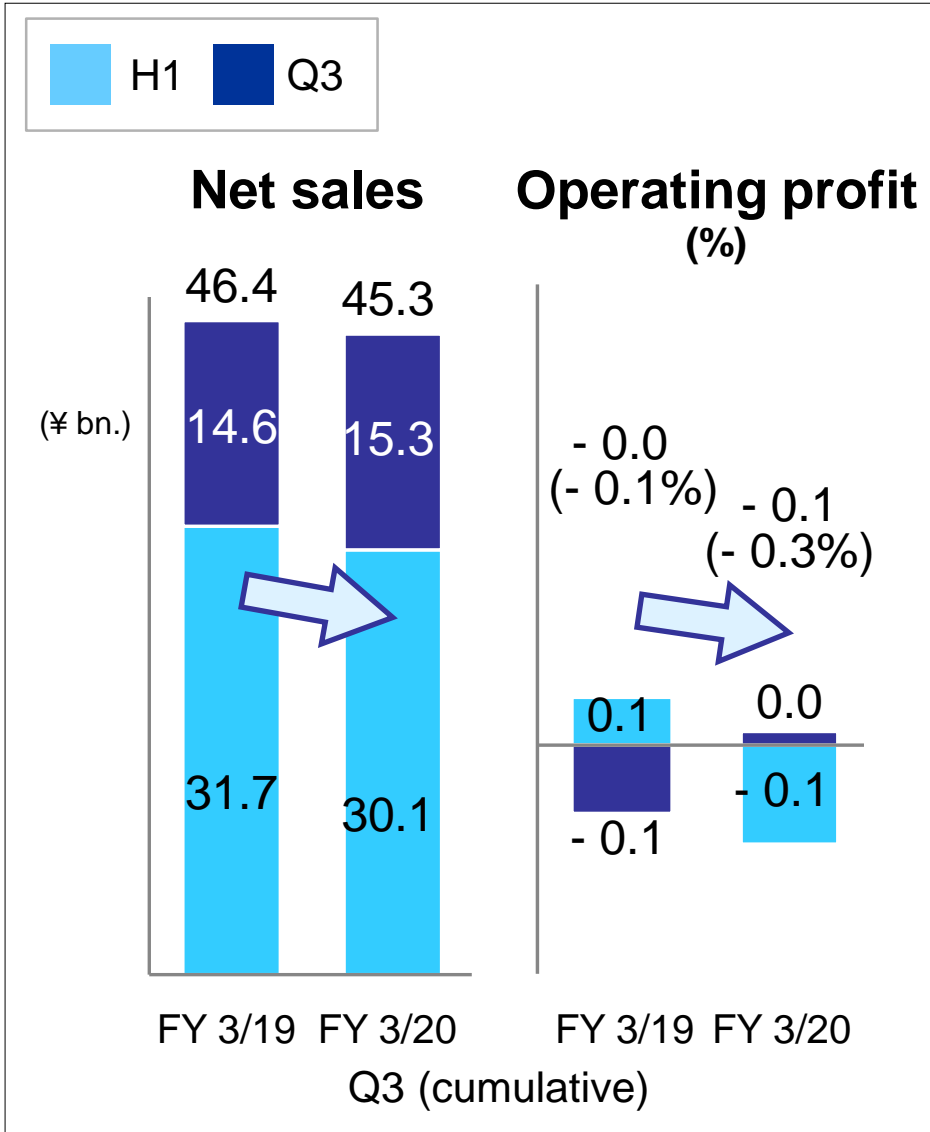
- Sales of “IZANAS” grew for use in ropes.
- Sales of “ZYLON” expanded for use in bicycle tires and other use.

Healthcare



- **Bio-related products**
 - Sales of enzymes for diagnostic reagents to overseas markets were steady.
- **Functional membranes**
 - Sales of reverse osmosis membrane elements expanded because replacement elements were shipped ahead of schedule in H1.
- **Functional filters**
 - Sales of volatiles organic compound (VOC) emissions treatment equipment and replacement elements were solid in Japan and overseas.

Textiles and Trading



● TOYOBO STC (Textile)

- Sales of those cloth in the Middle East expanded as a result of market recovery.
- Sales of materials for uniform grew steadily for business uniforms.

● Acrylic fiber

- Although acrylic fiber being shifted to industrial material applications, the sales were sluggish, impacted by raw material prices.

Films & Coatings

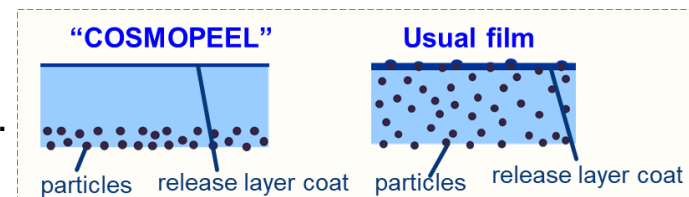
“COSMOSHINE SRF”

- In Q3 cumulative, sales increased by approx. 15%. • Sales expanded for use in LCDs.
- In May, 2020, Unit 3 is scheduled to start mass production. Expecting approx. 1.5-fold increase in production capacity.
- Aim for 40% share in FY 3/22.
- Superior water resistance, durability, and competitive pricing.
- Emerging dominance of polyester due to market tending to larger panels, bezel-free displays and component-based rather than module-based procurement.



Mold releasing film for MLCC “COSMOPEEL”

- In Q3 cumulative, sales increased by approx. 10%.
- Sales expanded for smartphones, tablets and automobile products. Sales in Q3 was affected by production adjustments of electronic-related components.
- New processing equipment was put into production in October 2019. Approx. 2-fold increase in production capacity.
- Aim for 30% share of the high-end product market in FY 3/22.
- Superior smoothness and releasability.

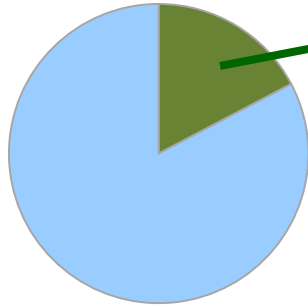


Acquisition of subsidiaries of TEIJIN LIMITED that operate film businesses

- TOYOBO FILM SOLUTIONS LIMITED, PT. INDONESIA TOYOBO FILM SOLUTIONS
- Acquired all stocks as of October 1, 2019, and commenced integrated management.
- Strengthening the Company’s capacity to develop and manufacture high-performance films, create new technologies and its overseas production capabilities.

Topics: Environmentally conscious products

■ Environmentally conscious packaging film



- Approx. **17%** of net sales within packaging films
- Increased by approx. **10% YOY** in Q3 cumulative

“CYCLE CLEAN”

Made with approx. 80% **recycled resin** from beverage PET bottles (world’s highest rate).



“ECOSYAR”

Transparent vapor-deposited film. Improve food preservation by **elimination of gas and water vapor.**



“BIOPLANA”

Film that uses 17% **plant-derived materials.**



“SPACECLEAN”

Shrinkable film.
Reduction of the thickness of conventional beverage labels by half.



“TOUGHSTER”

PBT film that **combines the strength** of PET and nylon. Make it possible to practice mono-material packaging.



II . Forecasts for FY 3/20

Regarding the forecasts for the full year,
no changes have been made in the outlook
announced on November 7, 2019.

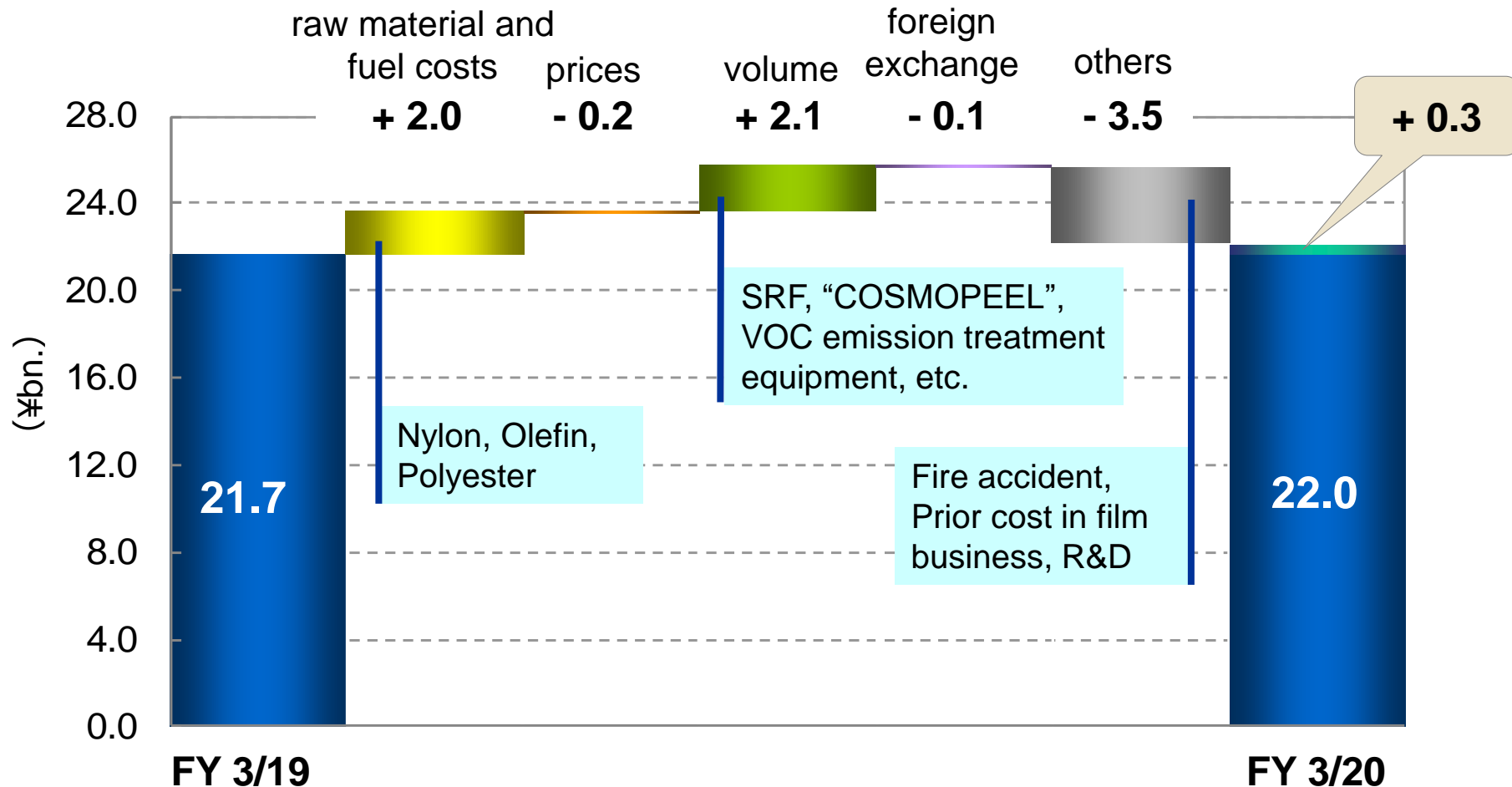
Forecasts for FY 3/20

(¥bn.)

	FY 3/19	FY 3/20		YOY		Previous forecasts (Nov. 2019)
	result	Q3 (cumulative)	full year forecasts	Amount	%	
Net sales	336.7	248.0	350.0	+ 13.3	+ 4.0%	350.0
Operating profit	21.7	16.0	22.0	+ 0.3	+ 1.3%	22.0
(Ratio to sales)	6.5%	6.4%	6.3%	-	-	6.3%
Ordinary profit	17.8	13.4	18.0	+ 0.2	+ 1.2%	18.0
Extraordinary income and losses	- 17.7	- 5.0	2.8	+ 20.5	-	2.8
Profit (loss) attributable to owners of parent	- 0.6	5.9	14.0	+ 14.6	-	14.0
EPS(¥)	- 6.8	66.2	157.7	-	-	157.7
Depreciation	15.8	12.3	16.5	+ 0.7	+ 4.3%	16.5
CAPEX	25.5	23.5	30.0	+ 4.5	+ 17.6%	30.0
Exchange rate (¥/US\$)	111	109	109			108
Naphtha price in Japan (thousand¥/kl)	49	42	43			42

Regarding the forecasts for the full year, no changes have been made in the outlook announced on November 7, 2019.

Analysis in Changes in Operating Profit



	FY 3/19	FY 3/20
Exchange rate (¥/US\$)	111	109
Naphtha price in Japan (thousand¥/kl)	49	43

Forecasts by Segment

(¥bn.)

	Net sales		Operating profit (loss)			Previous forecasts (Nov. 2019)
	FY 3/19	FY 3/20	FY 3/19	FY 3/20	YOY	
	result	forecasts	result	forecasts		
Films & Functional Polymers	156.2	166.0	13.7	15.4	+ 1.7	15.4
Industrial Materials	66.5	65.0	2.6	1.2	- 1.4	1.2
Healthcare	34.7	39.0	5.2	5.6	+ 0.4	5.6
Textiles and Trading	64.6	65.0	0.9	0.7	- 0.2	0.7
Real Estate and Others	14.7	15.0	2.2	2.3	+ 0.1	2.3
Elimination & Corporate	-	-	- 2.9	- 3.2	- 0.3	- 3.2
Total	336.7	350.0	21.7	22.0	+ 0.3	22.0

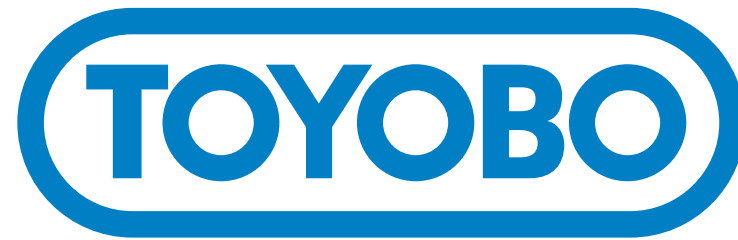
Regarding the forecasts for the full year, no changes have been made in the outlook announced on November 7, 2019.

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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