

February 12, 2025



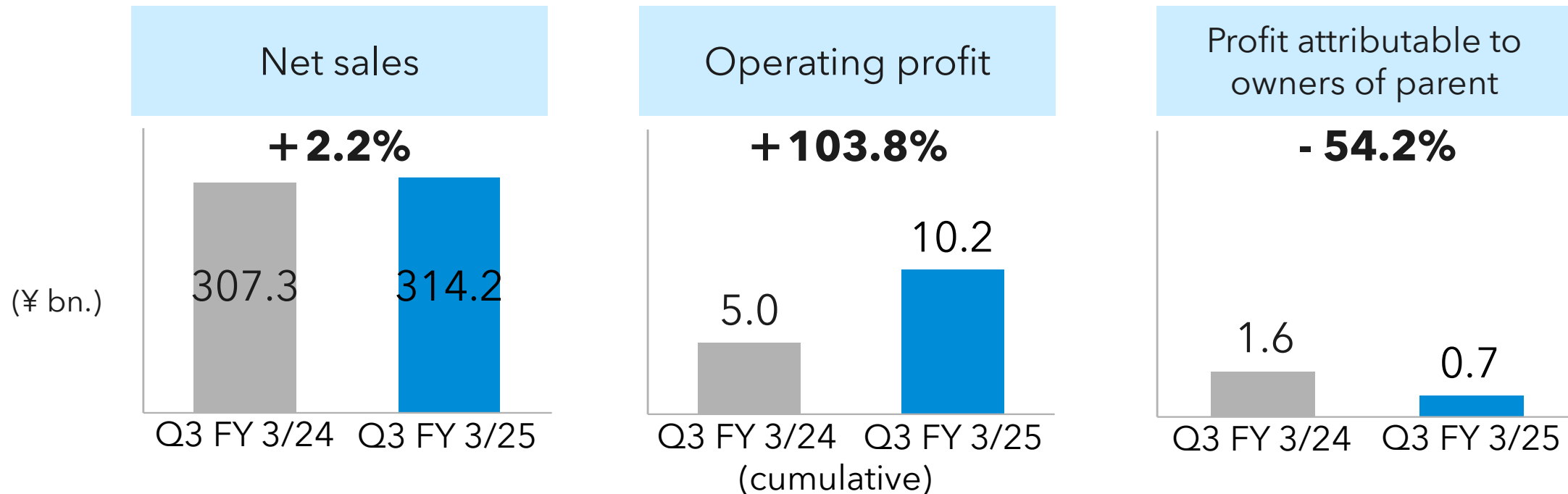
# Presentation to Investors

for the Third Quarter Ended December 31, 2024

TOYOBO CO., LTD.

## Q3 FY 3/25 Results

Operating profit increased because Industrial film and Environmental and Functional Materials performed strong, in addition to improvement in profitability of businesses requiring improvement. Net profit was ¥0.7 billion.



## FY 3/25 Forecasts

We forecast operating profit of ¥17.0 billion and net profit of ¥2.6 billion, based on strong performance of Industrial film and measures for businesses requiring improvement, despite profit decrease of Life Science.

# Summary of Results: P&L

**TOYOBO**

(¥ bn.)

	Q3 FY 3/24 (cumulative)	Q3 FY 3/25 (cumulative)	YOY	
			Amount	%
Net sales	307.3	<b>314.2</b>	+6.9	+2.2%
Gross profit	64.8	<b>71.1</b>	+6.3	+9.7%
Operating profit	5.0	<b>10.2</b>	+5.2	+103.8%
(Ratio to sales)	1.6%	<b>3.2%</b>	-	-
Non-operating income and expenses	- 2.6	<b>- 4.6</b>	- 2.0	-
Ordinary profit	2.4	<b>5.5</b>	+3.1	+131.0%
Extraordinary income and losses	1.2	<b>- 1.3</b>	- 2.6	-
Profit attributable to non-controlling interests (deducted)	0.1	<b>2.7</b>	+2.6	-
Profit attributable to owners of parent	1.6	<b>0.7</b>	- 0.9	- 54.2%
EBITDA* <small>*Operating profit + Depreciation (includes goodwill)</small>	19.5	<b>27.1</b>	+7.7	+39.5%
EPS (¥)	17.9	<b>8.2</b>	-	-
ROE* <small>*Annualized for Q3 of FY 3/25. (Profit*(4/3) / Beginning and ending balance average shareholder's equity)</small>	1.1%	<b>0.5%</b>	-	-
Depreciation	14.5	<b>17.0</b>	+2.5	+17.3%
CAPEX	45.1	<b>34.4</b>	- 10.8	- 23.8%
R&D expenses	11.8	<b>10.9</b>	- 0.9	- 7.8%

# Non-operating Income and Expenses, Extraordinary Income and Losses

## Non-operating income and expenses: breakdown

(¥ bn.)

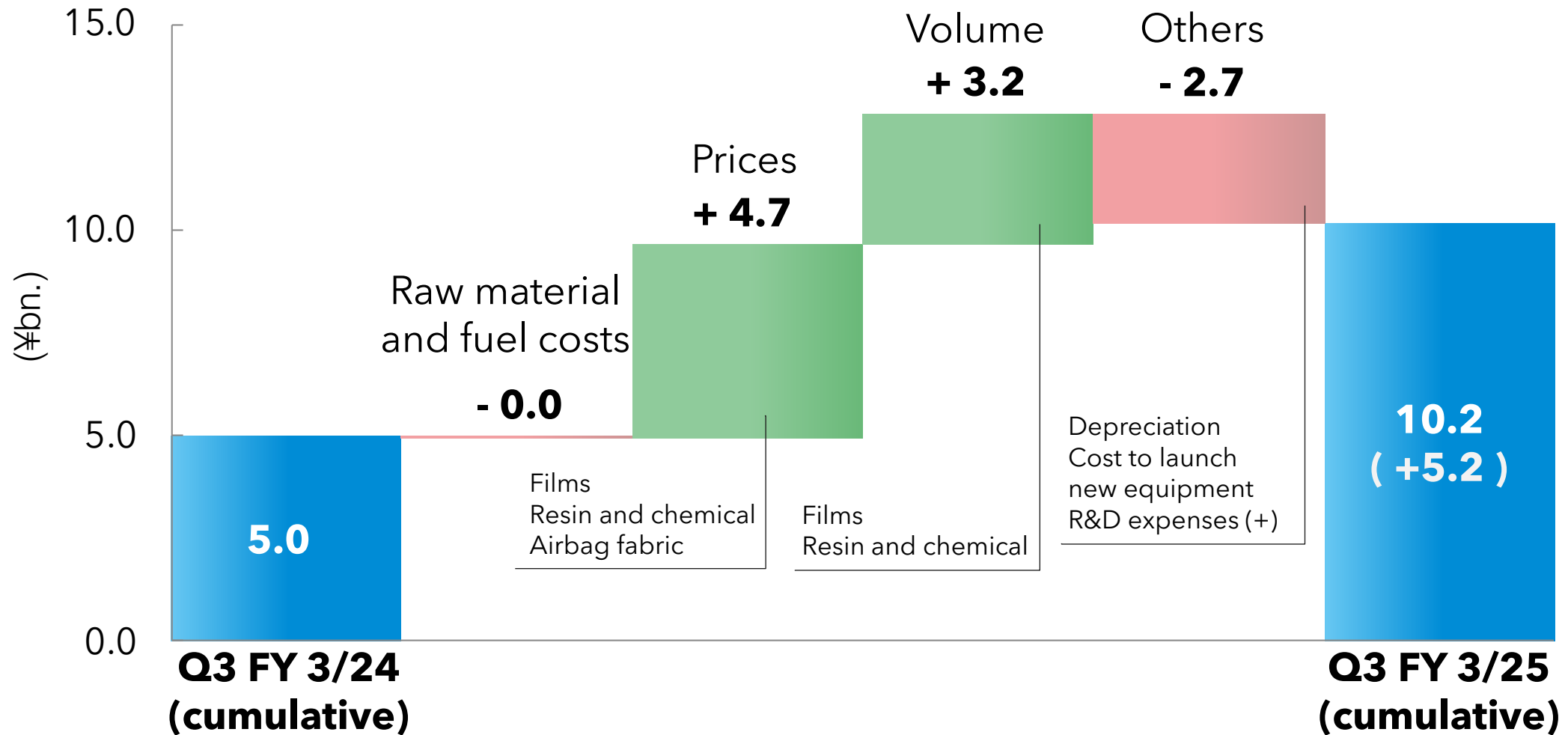
	Q3 FY 3/24 (cumulative)	Q3 FY 3/25 (cumulative)	YOY
Foreign exchange gains	0.8	<b>0.2</b>	- 0.6
Compensation income	-	<b>0.5</b>	+0.5
Other	1.3	<b>1.5</b>	+0.2
<b>Total non-operating income</b>	<b>2.1</b>	<b>2.2</b>	+0.1
Interest expenses	1.0	<b>1.5</b>	+0.5
Other	3.7	<b>5.3</b>	+1.6
<b>Total non-operating expenses</b>	<b>4.6</b>	<b>6.8</b>	+2.2
<b>Total non-operating income and expenses</b>	<b>- 2.6</b>	<b>- 4.6</b>	- 2.0

## Extraordinary income and losses: breakdown

(¥ bn.)

	Q3 FY 3/24 (cumulative)	Q3 FY 3/25 (cumulative)	YOY
Gain on sale of shares of subsidiaries and associates	-	<b>1.5</b>	+1.5
Gain on sale of investment securities	3.0	<b>0.1</b>	- 3.0
<b>Total extraordinary income</b>	<b>3.0</b>	<b>1.6</b>	- 1.5
Impairment losses	-	<b>1.0</b>	+1.0
Loss on disposal of non-current assets	1.6	<b>1.8</b>	+0.2
Other	0.2	<b>0.1</b>	- 0.1
<b>Total extraordinary losses</b>	<b>1.8</b>	<b>2.9</b>	+1.1
<b>Total extraordinary income and losses</b>	<b>1.2</b>	<b>- 1.3</b>	- 2.6

# Analysis in Changes in Operating Profit



	FY 3/23		FY 3/24				FY 3/25		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Exchange rate (¥/US\$)	141	132	137	145	148	149	156	148	152
Naphtha price in Japan (thousand¥/kl)	72	67	67	64	73	73	79	77	73

# Summary of Results: BS

**TOYOBO**

		(B)	(A)	(¥ bn.)
	Mar. 31, 2023	Mar. 31, 2024	Dec. 31, 2024	(A)-(B)
Total assets	588.9	607.0	<b>614.1</b>	+7.1
Cash and deposits	60.7	33.8	<b>30.7</b>	- 3.1
Inventories	121.9	122.0	<b>123.0</b>	+1.0
Property, plant and equipment	240.2	281.5	<b>296.0</b>	+14.5
Net assets	221.4	230.1	<b>232.5</b>	+2.4
Shareholder's equity	189.6	197.0	<b>195.5</b>	- 1.5
(Retained earnings)	70.5	70.3	<b>67.6</b>	- 2.8
Non-controlling interests	31.8	33.1	<b>37.0</b>	+3.9
Interest-bearing debt	229.4	249.2	<b>265.9</b>	+16.7
D/E ratio	1.21	1.26	<b>1.36</b>	-
D/E ratio (after adjustment of equity content) <sup>*1</sup>	-	-	<b>1.14</b>	-
Net Debt / EBITDA ratio <sup>*2</sup>	5.8	7.5	<b>6.5</b>	-

\*1 D/E ratio after adjustment of equity content of a subordinated term loan and publicly offered subordinated bond

\*2 (Interest-bearing debt - Cash and deposits) <Ending> / EBITDA <Annualized>

# Summary of Results: Segment



(¥ bn.)

	Net sales		Operating profit		
	Q3 FY 3/24 (cumulative)	Q3 FY 3/25 (cumulative)	Q3 FY 3/24 (cumulative)	Q3 FY 3/25 (cumulative)	YOY
Films	117.4	<b>124.9</b>	1.5	<b>3.8</b>	+2.3
Life Science	25.3	<b>25.7</b>	3.5	<b>1.5</b>	- 2.0
Environmental and Functional Materials	86.2	<b>83.5</b>	3.0	<b>5.6</b>	+2.6
Functional Textiles and Trading	68.9	<b>71.3</b>	- 1.5	<b>0.1</b>	+1.6
Real Estate and Others	9.6	<b>8.8</b>	2.1	<b>1.8</b>	- 0.3
Elimination & Corporate	-	-	- 3.6	<b>- 2.6</b>	+1.0
Total	307.3	<b>314.2</b>	5.0	<b>10.2</b>	+5.2

(¥ bn.)

	FY 3/24			FY 3/25			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	78.1	39.3	117.4	82.8	42.1	124.9	+7.5	+6.4%
Operating profit (OPM)	1.4	0.1	1.5	3.0	0.8	3.8	+2.3	+155.9%
	1.8%	0.2%	1.3%	3.6%	2.0%	3.1%	-	-

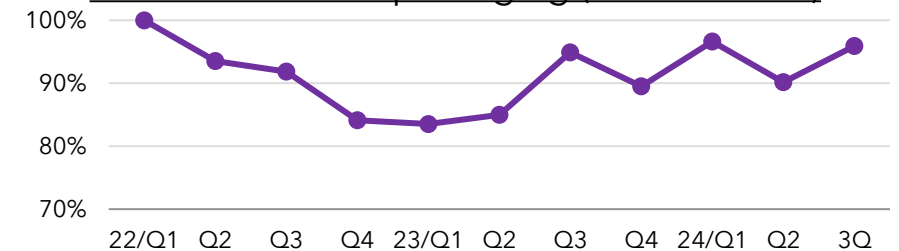
## Packaging film

- Profitability is showing signs of improvement due to a recovery in cargo movement as well as progress in revising product prices, despite the impact of rising costs such as new product development expenses.

## Industrial film

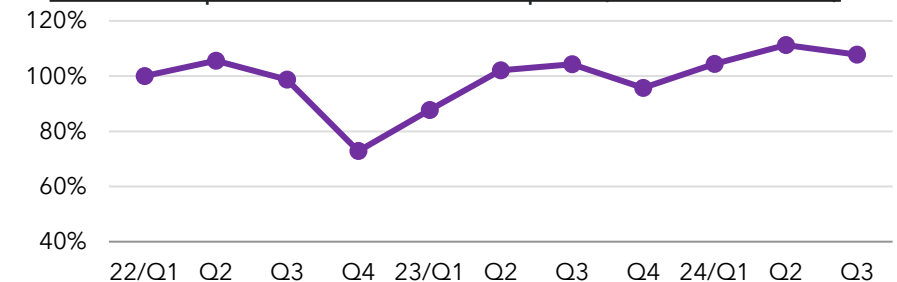
- Sales of polarizer protective films for LCDs were steady.
- Full-fledged growth in demand failed to materialize for mold releasing film for MLCC, and start-up cost for new production equipment increased.

Shipping results in the domestic market for OPP film for food packaging (22/Q1:100%)



Source: Created by the Company based on member shipping statistics from the Japan Polypropylene Film Industry Association

MLCC export values from Japan (22/Q1:100%)



Source: Created by the Company based on Trade Statistics of Japan



(¥ bn.)

	FY 3/24			FY 3/25			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	16.6	8.7	25.3	17.2	8.5	25.7	+0.5	+1.9%
Operating profit (OPM)	2.4	1.1	3.5	0.9	0.6	1.5	- 2.0	- 57.3%
	14.5%	12.5%	13.8%	5.3%	6.8%	5.8%	-	-

## Biotechnology

- Demand for enzymes for diagnostic reagents was strong both in Japan and overseas. Expenses associated with the expansion of production capacity increased.

## Medical materials

- Demand for artificial kidney hollow fiber trended strong. Expenses to launch a new plant and infrastructure-related expenses increased.

## Pharmaceuticals

- Profitability improved as a result of the lifting of the Warning Letter by the FDA (July 2023) as well as product price revisions.

(¥ bn.)

	FY 3/24			FY 3/25			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	52.5	33.6	86.2	55.2	28.3	83.5	- 2.6	- 3.1%
Operating profit (OPM)	0.4	2.6	3.0	3.4	2.3	5.6	+2.6	+87.1%
	0.7%	7.8%	3.5%	6.1%	8.0%	6.7%	-	-

## Resin and chemical

- Sales of engineering plastics increased for automotive use for the North and Central America.
- Sales of photo functional materials (photosensitive resin letter press printing material) increased mainly in China and Southeast Asia.

## Environment and fiber

- In the environmental solutions, sales of BC<sup>\*1</sup> membrane equipment for lithium recovery contributed. Sales declined for VOC recovery equipment used in the manufacturing process for LIBS<sup>\*2</sup> due to the impact of the slowdown in the EV market.
- In the high performance fibers, overseas demand was steadily captured to achieve strong performance.
- In the nonwoven materials, review of the production system in Japan proceeded and profitability improved.

\*1 Brine Concentration

\*2 Lithium-ion battery separators

(¥ bn.)

	FY 3/24			FY 3/25			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	45.7	23.2	68.9	47.9	23.3	71.3	+2.4	+3.5%
Operating profit (OPM)	- 0.9	- 0.7	- 1.5	0.1	- 0.0	0.1	+1.6	-
	-	-	-	0.2%	-	0.1%	-	-

## Textiles

- Sales of traditional Arabic fabric grew due to strong demand. Exports saw an uptick in profitability due to the effect of exchange fluctuations.
- Profitability improved as a result of reforms of business structure such as the consolidation of production bases in Japan.

## Airbag fabric

- Profitability improved as product price revisions proceeded.

# Forecasts for Business Environment in the FY 3/25



Segment	Business	Previous Forecast (November 2024)	Forecasts	
			Situation*	
Films	Packaging	Inventory adjustment finishes and the market moves toward a gradual recovery.	→	Inventory adjustment finishes and the market moves toward a gradual recovery.
	Industrial	Strong demand for polarizer protective films for LCDs.	→	Strong demand.
		Gradual expansion for MLCC throughout the fiscal year.	↘	Gradual expansion throughout the fiscal year but lower than previous forecast.
Life Science	Biotechnology	Strong demand for enzymes for biochemical diagnostic reagents.	→	Strong demand.
	Medical materials	Strong demand for artificial kidney hollow fiber.	→	Strong demand.
Environmental and Functional Materials	Resin and chemical	Signs of slowdown for automotive applications for Asia. Strong for the North and Central America.	→	Signs of slowdown for Asia. Strong for the North and Central America.
		Recovery in demand for electronics materials applications.	→	Recovery in demand.
	Environment and fiber	Impact of slowdown in adoption of EVs for VOC recovery equipment.	→	Impact of slowdown in adoption of EVs.
		The business environment for nonwoven materials continue to be intensely competitive.	→	The business environment continue to be intensely competitive.
Functional Textiles and Trading	Airbag fabric	Signs of slowdown for Asia. Strong for the North America.	→	Signs of slowdown for Asia. Strong for the North America.
Others		Naphtha price in Japan remains high (Respond by product price revisions).	→	Naphtha price in Japan remains high (Respond by product price revisions).

\*To previous forecast, ↗ : improve, expand → : as expected ↘ : worsening, decrease

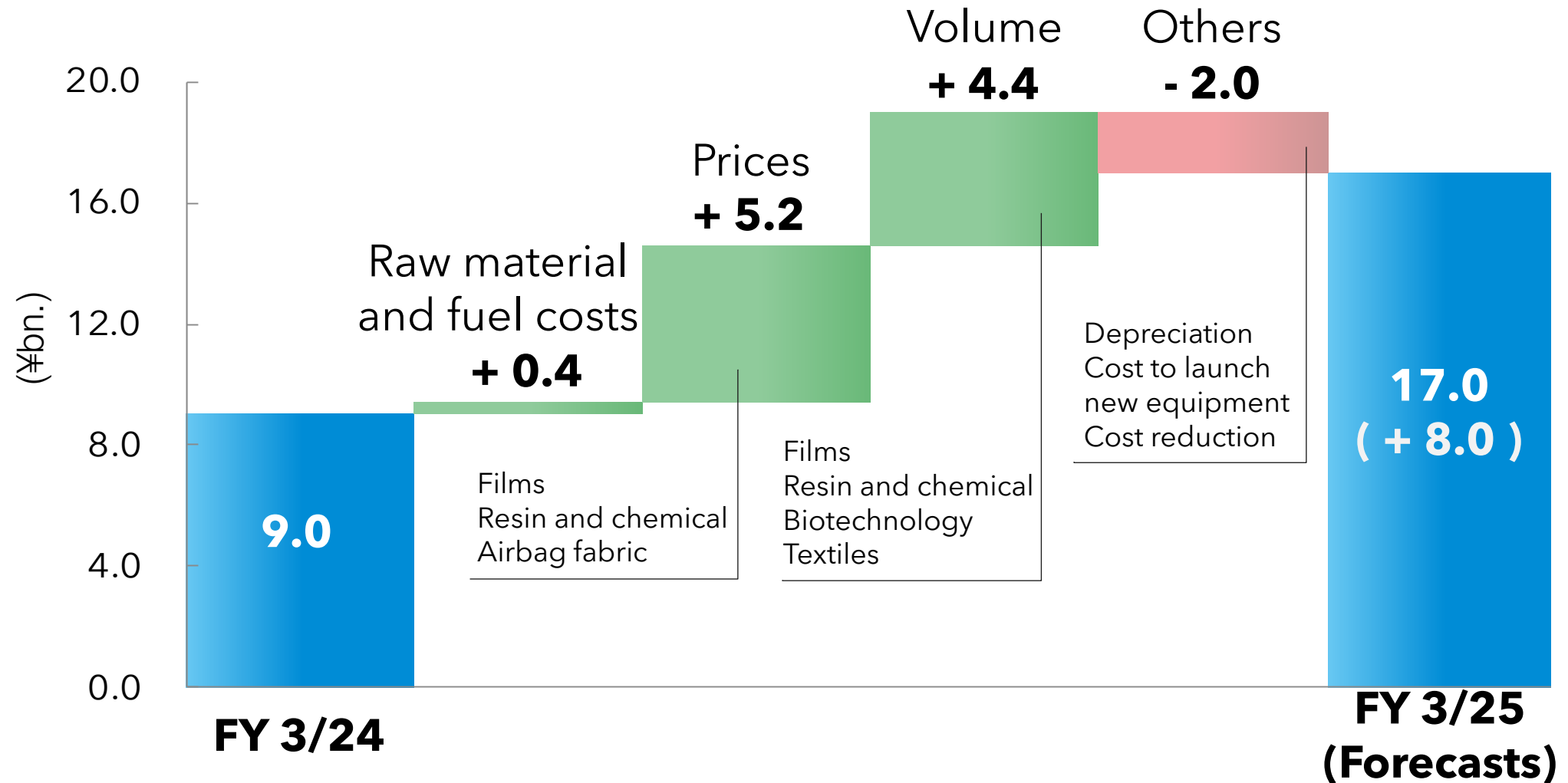
# Forecasts for FY 3/25

We forecast operating profit of ¥17.0 billion and net profit of ¥2.6 billion, based on strong performance of Industrial film and measures for businesses requiring improvement, despite profit decrease of Life Science.

	FY 3/24	FY 3/25			YOY		Previous forecasts (Nov. 2024)
	Results	H1	H2	Forecasts	Amount	%	
Net sales	414.3	209.2	225.8	<b>435.0</b>	+20.7	+5.0%	435.0
Operating profit	9.0	6.9	10.1	<b>17.0</b>	+8.0	+89.0%	17.0
(Ratio to sales)	2.2%	3.3%	4.5%	<b>3.9%</b>	-	-	3.9%
Ordinary profit	7.0	3.2	8.3	<b>11.5</b>	+4.5	+65.2%	11.5
Extraordinary income and losses	- 1.4	- 0.9	- 3.1	<b>- 4.0</b>	- 2.6	-	- 4.0
Profit attributable to owners of parent	2.5	0.1	2.5	<b>2.6</b>	+0.1	+5.9%	2.6
EBITDA	28.8	18.1	21.9	<b>40.0</b>	+11.2	+38.9%	40.3
EPS (¥)	27.9	1.3	28.2	<b>29.5</b>	-	-	29.5
Depreciation	19.8	11.2	11.8	<b>23.0</b>	+3.2	+16.1%	23.3
CAPEX	61.6	25.0	20.0	<b>45.0</b>	- 16.6	- 26.9%	48.0
R&D expenses	15.3	7.2	7.8	<b>15.0</b>	- 0.3	- 2.0%	15.0

CAPEX: new equipment of mold releasing film for MLCC, renovation of Tsuruga biochemicals plant and upgrading of polymerization equipment.

# Analysis in Changes in Operating Profit



	FY 3/24	FY 3/25	Previous forecasts (Nov. 2024)
Exchange rate (¥/US\$)	145	154	150
Naphtha price in Japan (thousand¥/kl)	69	76	75

# Forecasts by Segment



(¥ bn.)

	Net sales		Operating profit			Previous forecasts (Nov. 2024)
	FY 3/24 Results	FY 3/25 Forecasts	FY 3/24 Results	FY 3/25 Forecasts	YOY	
Films	156.5	<b>170.0</b>	2.7	<b>6.5</b>	+3.8	6.5
Life Science	34.6	<b>36.0</b>	4.4	<b>2.5</b>	- 1.9	3.2
Environmental and Functional Materials	115.3	<b>115.0</b>	4.7	<b>8.0</b>	+3.3	8.0
Functional Textiles and Trading	95.7	<b>102.0</b>	- 1.0	<b>0.8</b>	+1.8	0.5
Real Estate and Others	12.2	<b>12.0</b>	3.0	<b>2.7</b>	- 0.3	2.5
Elimination & Corporate	-	<b>-</b>	- 4.8	<b>- 3.5</b>	+1.3	-3.7
Total	414.3	<b>435.0</b>	9.0	<b>17.0</b>	+8.0	17.0

# Appendix



# Business Performance



(¥ bn.)

Net sales	FY 3/24					FY 3/25		
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3
Films	39.0	39.1	39.3	39.1	156.5	42.1	40.7	42.1
Life Science	8.1	8.4	8.7	9.3	34.6	8.1	9.1	8.5
Environmental and Functional Materials	25.0	27.6	33.6	29.2	115.3	28.1	27.2	28.3
Functional Textiles and Trading	22.2	23.5	23.2	26.8	95.7	24.0	23.9	23.3
Real Estate and Others	2.8	3.8	3.0	2.6	12.2	2.9	3.1	2.9
Elimination & Corporate	-	-	-	-	-	-	-	-
Total	97.1	102.4	107.9	106.9	414.3	105.2	104.0	105.1

Operating profit	FY 3/24					FY 3/25		
	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3
Films	1.2	0.2	0.1	1.2	2.7	1.5	1.5	0.8
Life Science	1.4	1.0	1.1	1.0	4.4	0.4	0.5	0.6
Environmental and Functional Materials	- 0.7	1.0	2.6	1.7	4.7	1.3	2.1	2.3
Functional Textiles and Trading	- 0.7	- 0.1	- 0.7	0.5	- 1.0	0.2	- 0.1	- 0.0
Real Estate and Others	0.4	1.0	0.7	0.9	3.0	0.5	0.7	0.6
Elimination & Corporate	- 1.7	- 0.7	- 1.2	- 1.2	- 4.8	- 0.7	- 0.9	- 1.0
Total	- 0.1	2.4	2.6	4.0	9.0	3.1	3.8	3.2

Toyobo Co., Ltd. resolved to **transition from “a company with Board of Corporate Auditors” to “a company with Audit and Supervisory Committee,”** subject to approval at the 167th Annual General Meeting of Shareholders. (February 12, 2025)

## Background:

It is becoming increasingly important to conduct swifter and more efficient business execution while providing an advanced level of management supervision.

## Purpose:

- Establish a system to conduct swifter decision-making by delegating a portion of decision-making authority regarding business execution to Representative Directors.
- Transition the Board of Directors to a monitoring board that places emphasis on examination and decision-making regarding the basic policies of management, etc. and the supervision of business execution.
- Strengthen the supervisory function by granting voting rights at Board of Directors meetings to officers who are responsible for conducting audits.

Timing: Late June, 2025

## Boost the production capacity of polarizer protective films for LCDs "COSMOSHINE SRF"

Renovate an existing PET film production facility to enable production of "COSMOSHINE SRF (SRF)".

- Production capacity of SRF: **Boost as much as 30%**
- Timing: Establish a mass-production system in FY 3/26. Start mass production in FY 3/27.
- Strength: Enabling production up to 3 m wide (flexibly respond to requests for wider films from clients)
- Place: Tsuruga Film Plant (within Tsuruga Research and Production Center)

"COSMOSHINE SRF": a super retardation film

Main application: **Polarizer protective films for LCD TV**

Strength: the only polyester film available for polarizer protection  
(water resistance, durability)

⇒ avoid curvature and distortion of display resulting from moisture absorption

Market\*1: growth rate **3 %/year**\*2 (screens become larger)

Global share: **approximately 60%**\*3



Tsuruga Film Plant

\*1 The global market of polarizer protection films for LCDs

\*2 Our estimate based on data of research companies (by FY 3/31)

\*3 Our estimate

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.

TOYOBO CO., LTD.

All Rights Reserved

**TOYOBO**  
Beyond Horizons