



November 8, 2021

Presentation to Investors

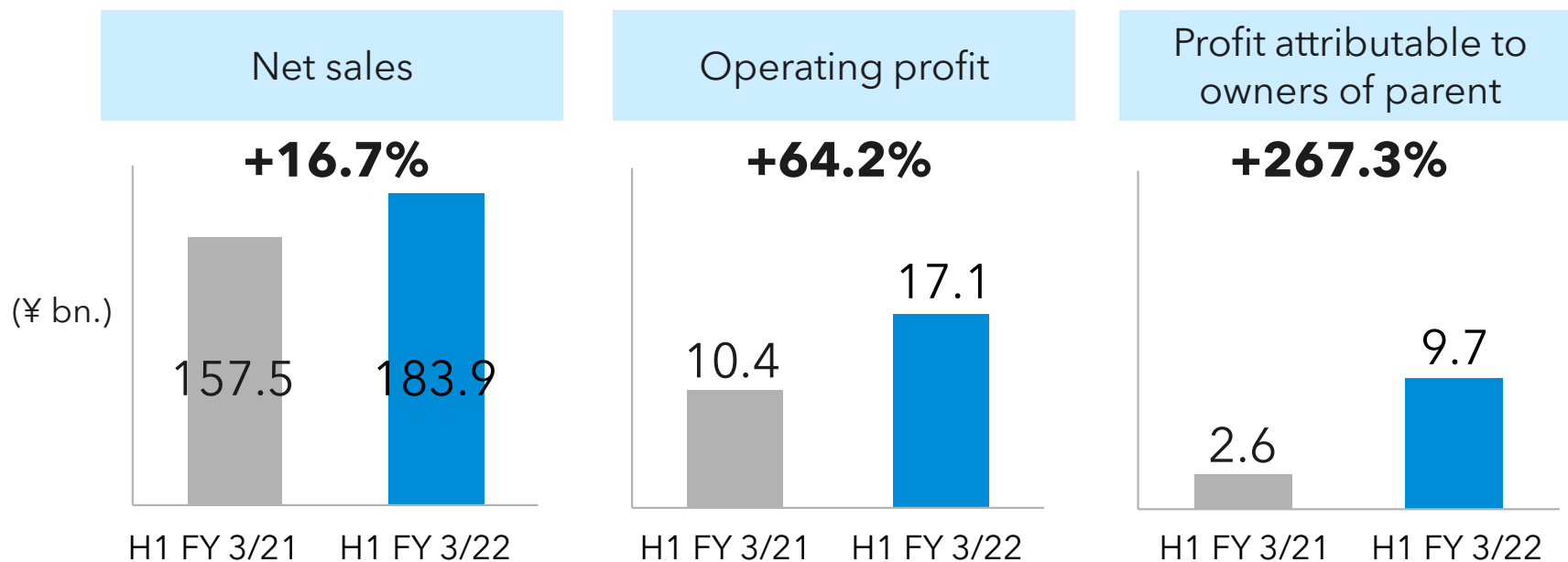
for the First Half Ended September 30, 2021

TOYOBO CO., LTD.

Highlights

H1 FY 3/22

- Despite the impact of rising raw material and fuel prices, sales and profit increased as industrial films and reagents for PCR testing performed strongly.
- Operating profit of ¥17.1 bn. (1.6-fold), and profit of ¥9.7 bn. (3.7-fold)



FY 3/22 Forecasts

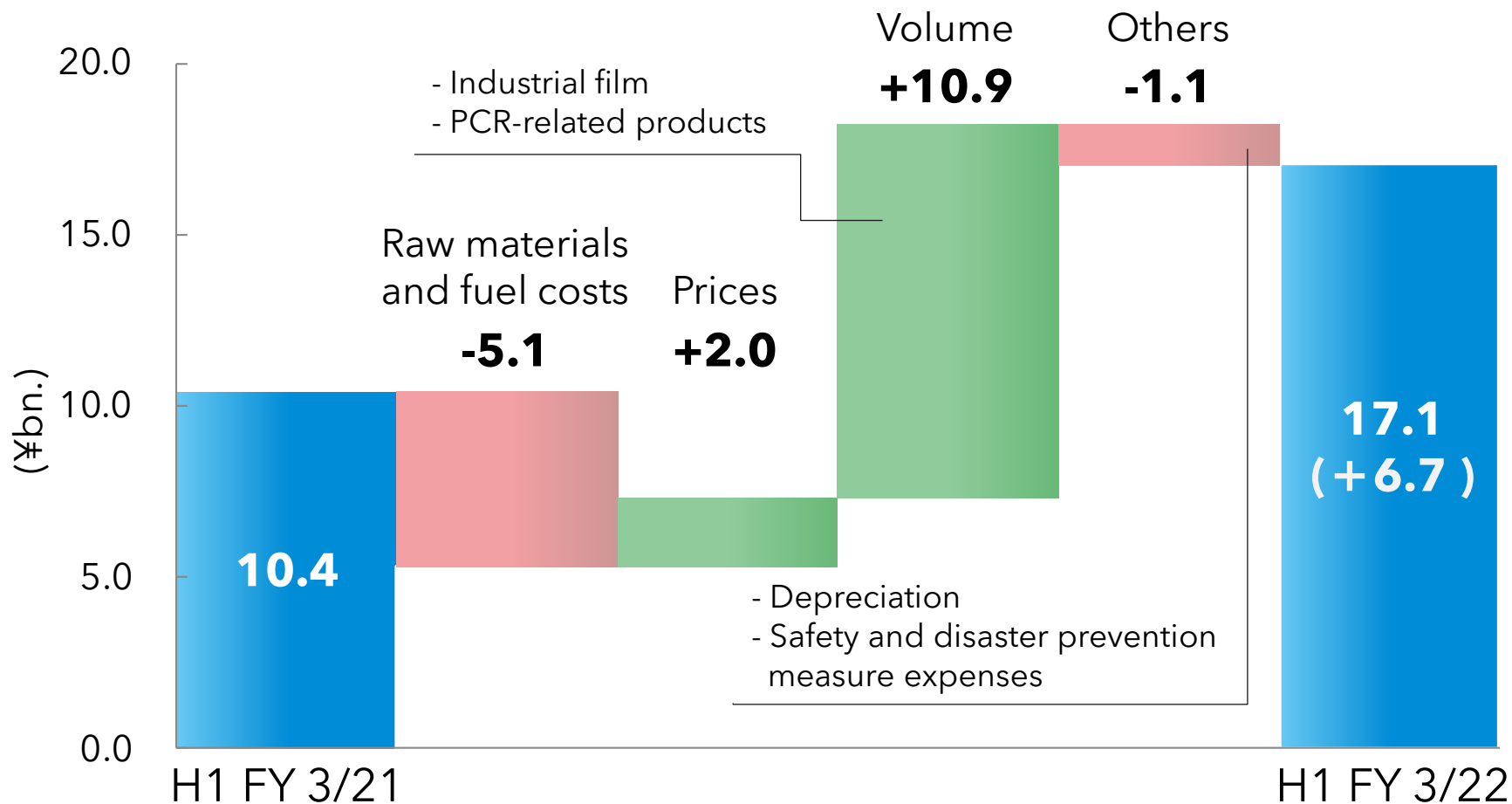
Forecasts of operating profit of ¥29.0 bn., net profit of ¥13.0 bn. remain unchanged due to concerns regarding the impact of rising raw material prices and fuel prices, and the production curtailment of automobiles despite strong performance of industrial films.

Summary of Results: P&L

(¥bn.)

	FY 3/21		FY 3/22	YOY	
	H1	H2	H1	Amount	%
Net sales	157.5	179.9	183.9	+ 26.4	+16.7%
Operating profit	10.4	16.2	17.1	+ 6.7	+ 64.2%
(Ratio to sales)	6.6 %	9.0 %	9.3%	-	-
Ordinary profit	5.9	14.8	13.3	+ 7.4	+ 127.0%
Extraordinary income and losses	-1.9	-13.2	-1.8	+ 0.1	-
Profit attributable to owners of parent	2.6	1.6	9.7	+ 7.1	+ 267.3%
EBITDA* *Operating profit + Depreciation (includes goodwill)	19.5	26.2	27.1	+ 7.6	+ 38.7%
EPS (¥)	29.7	17.6	109.2	-	-
ROE*	2.3%		10.2%	-	-
*Annualized for H1 of FY 3/22. (Profit*2 / Beginning and ending balance average shareholder's equity)					
Operating CF	13.4	21.6	11.8	-1.6	-
Depreciation	9.1	10.0	10.0	+ 0.9	+ 9.7%
CAPEX	11.8	11.4	13.8	+ 2.0	+ 16.5%

Analysis in Changes in Operating Profit



	H1 FY 3/21	H1 FY 3/22
Exchange rate (¥/US\$)	107	110
Naphtha price in Japan (thousand¥/kl)	28	51

Previous forecasts (Aug. 2021)

110
51

Summary of Results: BS

		(B)	(A)	(¥bn.)
	Mar. 31, 2020	Mar. 31, 2021	Sep. 30, 2021	(A) - (B)
Total assets	488.9	491.2	503.7	+ 12.5
Cash and deposits	25.2	34.7	26.3	- 8.4
Inventories	80.6	76.3	86.8	+ 10.5
Property, plant and equipment	231.5	224.6	228.2	+ 3.6
Net assets	182.6	188.6	198.6	+ 10.0
Shareholder's equity	177.9	185.7	195.8	+ 10.1
(Retained earnings)	61.9	64.4	70.4	+ 6.1
Non-controlling interests	4.7	2.9	2.8	- 0.1
Interest-bearing debt	175.1	187.0	185.5	- 1.5
D/E ratio	0.98	1.01	0.95	-
Net Debt / EBITDA ratio*	3.8	3.3	2.9	-

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

Summary of Results: Segment

(¥bn.)

	Net sales		Operating profit		
	H1 FY 3/21	H1 FY 3/22	H1 FY 3/21	H1 FY 3/22	YOY
Films and Functional Materials	73.8	85.9	8.7	12.2	+ 3.5
Mobility	15.0	21.6	-1.3	-0.9	+ 0.4
Lifestyle and Environment	50.2	54.7	1.8	1.9	+ 0.1
Life Science	12.4	16.3	1.6	4.6	+ 3.0
Real Estate and Others	6.2	5.3	1.0	1.1	+ 0.0
Elimination & Corporate		-	-1.4	-1.8	- 0.4
Total	157.5	183.9	10.4	17.1	+ 6.7

Films and Functional Materials

(¥bn.)

	FY 3/21			FY 3/22			YOY	
	Q1	Q2	H1	Q1	Q2	H1	Amount	%
Net sales	36.3	37.5	73.8	45.7	40.2	85.9	+ 12.1	+16.5%
Operating profit	3.9	4.8	8.7	6.8	5.4	12.2	+ 3.5	+40.4%
(OPM)	10.8%	12.8%	11.8%	14.9%	13.5%	14.2%	-	-

Packaging film

- Impacted by rising raw material prices despite strong demand of environmentally conscious products.

Industrial film

- Sales of polarizer protective films for LCDs increased due to the operation of the new line (Unit 3).
- Sales of mold releasing film for MLCC increased due to the operation of the new line (processing equipment).

Functional Materials

- Sales of industrial adhesives "Vylon" for electronics applications were strong.

Mold releasing film for MLCC

- Market growth of 7% or more annually
 - Strength: Only manufacturer in the world that can constantly carry out manufacturing of high-end products from base film to processing
 - 25% share in FY 3/21. Aim for 35% share by 2025.
- | | |
|--|---|
| <p>➤ Increase of processing equipment</p> <ul style="list-style-type: none">• Capital investment of ¥6.0 bn.• Full-fledged operation of Unit 1 from June 2020• Operation of Unit 2 from Q1 FY 3/23 | <p>➤ New installation of manufacturing equipment</p> <ul style="list-style-type: none">• Capital investment of ¥20.0 bn.• Commence work from summer 2022, Commence operation from autumn 2024• 20,000 tons of production capacity per year• Inline coating technology from the former TFS x Film production technology from TOYOBO |
|--|---|

Biaxially Oriented Polypropylene Film

- Environmentally Conscious Food Packaging Film
 - Film products with high functionality, such as defogging and high rigidity
- Refurbishment of production equipment
- Capital investment of approx. ¥7.0 bn.
 - Commence operation from Q1 FY 3/23
 - 20,000 tons of production capacity per year

Mobility

(¥bn.)

	FY 3/21			FY 3/22			YOY	
	Q1	Q2	H1	Q1	Q2	H1	Amount	%
Net sales	6.8	8.2	15.0	11.1	10.5	21.6	+ 6.5	+43.5%
Operating profit	- 0.7	- 0.6	- 1.3	- 0.5	- 0.4	- 0.9	+ 0.4	-
(OPM)	-	-	-	-	-	-	-	-

Segment overall: Sales performed strongly due to recovery of automobile production in Japan and overseas.

Engineering plastics

- Sales were strong in Japan and overseas.

Airbag fabrics

- Delays to improvements due to the sudden rise of raw material prices despite the recovery of sales.

Lifestyle and Environment

(¥bn.)

	FY 3/21			FY 3/22			YOY	
	Q1	Q2	H1	Q1	Q2	H1	Amount	%
Net sales	22.9	27.3	50.2	27.7	27.0	54.7	+ 4.5	+ 9.0%
Operating profit	0.3	1.4	1.8	1.5	0.4	1.9	+ 0.1	+ 5.7%
(OPM)	1.5%	5.2%	3.5%	5.4%	1.4%	3.4%	-	-

Environmental solutions

- Volatile organic compound (VOC) emissions treatment equipment faced a temporary decrease in orders because of the COVID-19 pandemic.

Nonwoven fabrics

- Sales of spunbond were affected by high raw material prices despite performing strongly for building materials and automotive applications.

Functional fiber materials

- Polyester staple fibers were affected by the high cost of raw materials.
- In high-performance fibers, sales of "IZANAS" for use in fishing line and ropes and "Tsunoooga" used in cut resistant gloves were strong.

Textiles

- Sales for sports and uniforms stagnated despite the recovery of traditional Arabic fabric.

Life Science

(¥bn.)

	FY 3/21			FY 3/22			YOY	
	Q1	Q2	H1	Q1	Q2	H1	Amount	%
Net sales	6.3	6.0	12.4	7.5	8.9	16.3	+ 4.0	+ 32.3%
Operating profit (OPM)	1.0	0.6	1.6	1.9	2.8	4.6	+ 3.0	+ 188.8%
	15.7%	10.0%	12.9%	24.9%	31.1%	28.2%	-	-

Biotechnology

- Sales of raw materials and reagents for PCR testing, and genetic testing equipment, etc. grew.

Medical materials

- Strong shipments for artificial kidney hollow fiber.

Pharmaceuticals

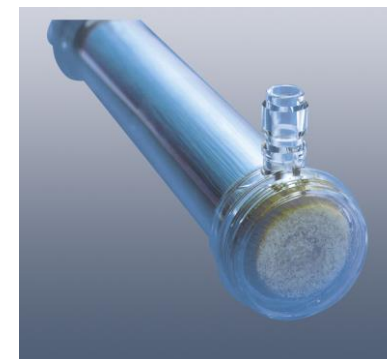
- Operation of the contract manufacturing business of pharmaceuticals reduced in order to respond to the FDA.



Topics: Medical Products Business

Artificial kidney hollow fiber

- Patients using membranes for artificial kidneys up 7% annually
- New construction of plant for integrated production
 - Integrated production system from hollow fiber production to processing and product commercialization for dialyzers
 - Inside NIPRO plant (Odate City, Akita Prefecture)
 - Capital investment of approx. ¥5.0 bn.
(Production equipment of hollow fiber)
 - Commence operation from July 2024



Virus removing filter

- Membrane that separates antibodies and viruses for use in manufacturing processes for antibody drugs
- Increase demand for manufacture of antibody drugs
- Plan to increase capacity from 2023 to 2025

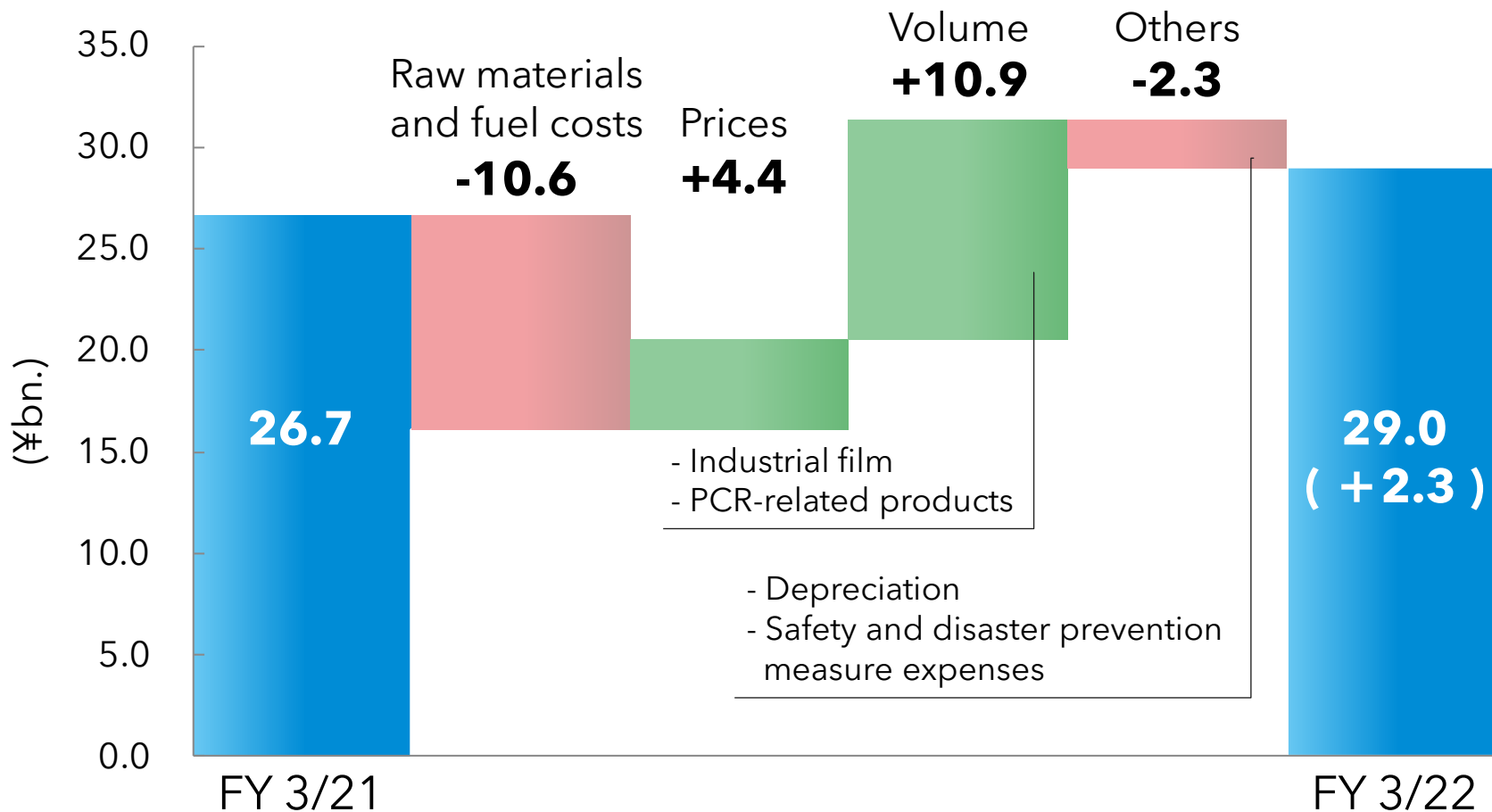
Forecasts for FY 3/22

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(¥bn.)

	FY 3/21	FY 3/22			YOY	
	result	H1	H2	forecasts	Amount	%
Net sales	337.4	183.9	181.1	365.0	+ 27.6	+ 8.2%
Operating profit	26.7	17.1	11.9	29.0	+ 2.3	+ 8.8%
(Ratio to sales)	7.9%	9.3%	6.6%	7.9%	-	-
Ordinary profit	20.7	13.3	10.7	24.0	+ 3.3	+ 15.9%
Extraordinary income and losses	- 15.1	- 1.8	- 5.2	- 7.0	-	-
Profit attributable to owners of parent	4.2	9.7	3.3	13.0	+ 8.8	+ 208.5%
EBITDA	45.8	27.1	22.2	49.3	+ 3.5	+7.8%
EPS (¥)	47.3	109.2	37.1	146.3	-	-
Depreciation	19.1	10.0	10.3	20.3	+ 1.2	+ 6.3%
CAPEX	23.3	13.8	17.2	31.0	+ 7.7	+ 33.3%
Dividend (¥)	40.0			40.0	-	-

Analysis in Changes in Operating Profit



	FY 3/21	FY 3/22
Exchange rate (¥/US\$)	106	112
Naphtha price in Japan (thousand¥/kl)	31	57

Previous forecasts (Aug. 2021)
110
52

Forecasts by Segment



(¥bn.)

	Net sales		Operating profit			Previous forecasts (Aug. 2021)
	FY 3/21 result	FY 3/22 forecasts	FY 3/21 result	FY 3/22 forecasts	YOY	
Films and Functional Materials	152.8	170.0	20.0	21.0	+ 1.0	20.3
Mobility	36.6	40.0	- 1.6	- 1.4	+ 0.2	- 1.0
Lifestyle and Environment	109.1	111.0	4.4	3.7	- 0.7	5.2
Life Science	27.1	33.0	4.5	7.1	+ 2.6	6.0
Real Estate and Others	11.8	11.0	2.3	2.2	- 0.1	2.3
Elimination & Corporate	-	-	- 3.0	- 3.6	- 0.6	- 3.8
Total	337.4	365.0	26.7	29.0	+ 2.3	29.0

Management issues

(1) Recovery of trust (priority issue)

- (i) Thorough safety, disaster prevention and quality assurance
- (ii) Strengthening Risk Management

(2) Rearrangement of business portfolio

- (i) Prioritized investment into expanding businesses
(Films, Life Science, Environment)
- (ii) Observe room for growth for stable businesses
- (iii) Implement "reform master plan" for businesses to improve

(3) Preparation for the future

- (i) Accelerate commercialization of strong themes and set future themes
- (ii) Formulate DX strategy and create precedent
- (iii) Define carbon neutral processes

(4) Reestablishment of foundation

- (i) Human resources
- (ii) Culture reform, Organizational development
- (iii) Business infrastructure

Specific measures to prevent incidents of quality misconduct

Objective: Manufacturing that promises safety and security to customers from the customer's perspective

**Respond to the four elements behind misconduct:
Opportunity x Motivation x Justification x Ignorance**

Opportunity ⇒ Change the system

- ◆ QA system compliance (strengthening gate check)
- ◇ **Revise the PL/QA assessments** • **Add sampling and unannounced inspections**
- ◆ Create a system for handling quality data
- ◇ **Strengthen the quality-related organizational structure**
 - **Three lines of defense**
- ◇ **Construct a visual system for risk monitoring**
- ◇ **Revise the compliance training**
 - **Create an environment encouraging dialogue and consultation**
- ◆ Produce a Quality Assurance Manual Case Report
- ◆ Provide PL accident response training, present PL/QA seminars

Motivation ⇒ Change the culture

- ◆ Corporate Philosophy:
Return to the roots of Jun-Ri-Soku-Yu
- ◆ Top management policy:
Deeply instill “safety first”
 - * Safety = Occupational, environmental, products, equipment
- ◇ **Human resource rotation and performance evaluation**
- ◇ **Strengthen the QA education program**
 - Train new employees
 - Educate on-site leaders
 - Educate upper and lower management
- ◆ Raise awareness of rules, professional expertise, laws

Justification ⇒ Change awareness

Ignorance ⇒ Increase understanding

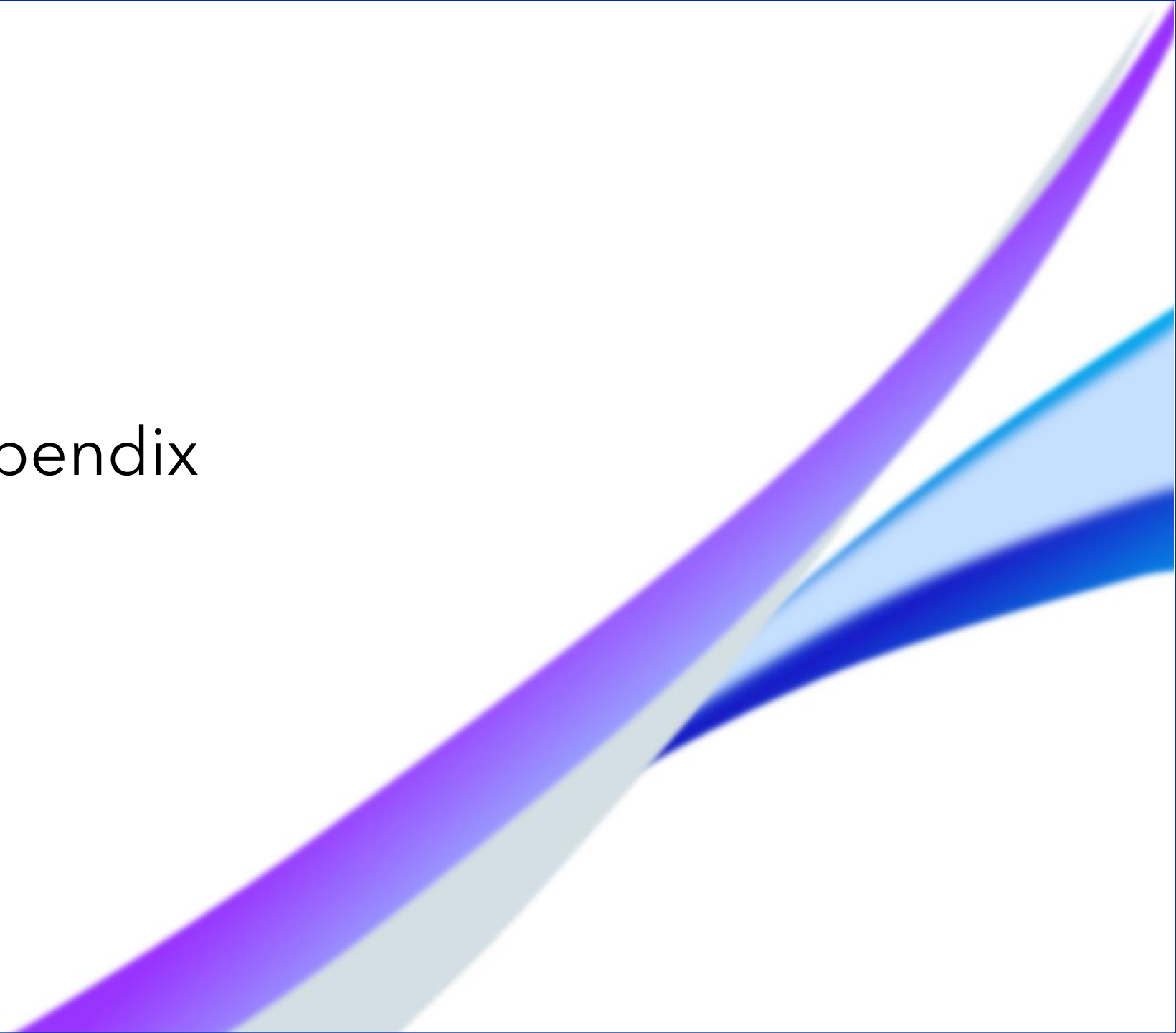
(◆ under way, ◇ priority measure)

Roadmap for Building the Quality System

	FY2022	FY2023	FY2024	FY2025 and forward
Priority Issues	<p>Regain trust</p> <p>Inspections to guarantee quality, build quality in the processes</p>			<p>Unwavering trust</p> <p>Instill the concept of quality assurance across the product lifecycle</p>
Emergency Measures	<ul style="list-style-type: none"> Respond to external certifications Revise assessment processes Respond to customers 			
Corrective Measures	<ul style="list-style-type: none"> Create guidelines for Quality DX 	<ul style="list-style-type: none"> Horizontally expand to affiliates and overseas offices Horizontally develop quality DX examples Accelerate conversion to smart factories 		
Standardization		<ul style="list-style-type: none"> Management structure (verification of effectiveness): Three lines of defense system, Risk Management Committee Diligent quality assurance management (actively apply ISO to operations) Create a map of quality-related human resources, train and actively use specialists in the professional system 		
Changing Awareness	<ul style="list-style-type: none"> Corporate Philosophy: Return to the roots of Jun-Ri-Soku-Yu, deeply instill "safety first" Change the organizational culture and awareness Instill QA as an activity for everyone! Train QA personnel and foster quality awareness 			



Appendix



Business performance

(¥bn.)

Net sales	FY 3/21					FY 3/22	
	Q1	Q2	Q3	Q4	full year	Q1	Q2
Films and Funcitonal Materials	36.3	37.5	39.2	39.8	152.8	45.7	40.2
Mobility	6.8	8.2	10.5	11.1	36.6	11.1	10.5
Lifestyle and Environment	22.9	27.3	27.1	31.9	109.1	27.7	27.0
Life Science	6.3	6.0	6.9	7.9	27.1	7.5	8.9
Real estate and Others	3.1	3.1	2.7	2.9	11.8	2.6	2.7
Elimination & Corporate	-	-	-	-	-	-	-
Total	75.5	82.1	86.4	93.5	337.4	94.6	89.2

Operating profit	FY 3/21					FY 3/22	
	Q1	Q2	Q3	Q4	full year	Q1	Q2
Films and Funcitonal Materials	3.9	4.8	5.6	5.7	20.0	6.8	5.4
Mobility	- 0.7	- 0.6	- 0.4	0.1	- 1.6	- 0.5	- 0.4
Lifestyle and Environment	0.3	1.4	1.2	1.4	4.4	1.5	0.4
Life Science	1.0	0.6	1.6	1.4	4.5	1.9	2.8
Real estate and Others	0.5	0.6	0.6	0.7	2.3	0.4	0.7
Elimination & Corporate	- 0.7	- 0.7	- 0.8	- 0.8	- 3.0	- 0.8	- 1.0
Total	4.4	6.1	7.9	8.4	26.7	9.2	7.9

Carbon Neutral: Targets and Measures

FY 3/31 Targets

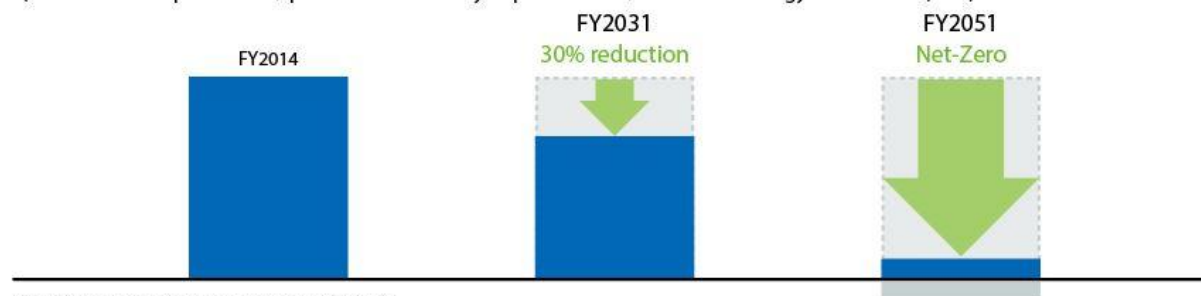
Scope 1,2 : Reduce GHG emissions by 30% or more
(Compared to FY 3/14)

FY 3/51 Targets

Scope 1,2 : Aim for net zero GHG emissions
Volume of avoided GHG emissions >
Amount of GHG output in the Company's value chain

Targets for Scope 1 and Scope 2*

Emissions reductions from business activities
(fuel conversion promotion / production efficiency improvements / renewable energy introduction, etc.)



* Scope 1: Direct emissions from owned or controlled sources
Scope 2: Indirect emissions from the use of purchased electricity, heat and steam

Measures

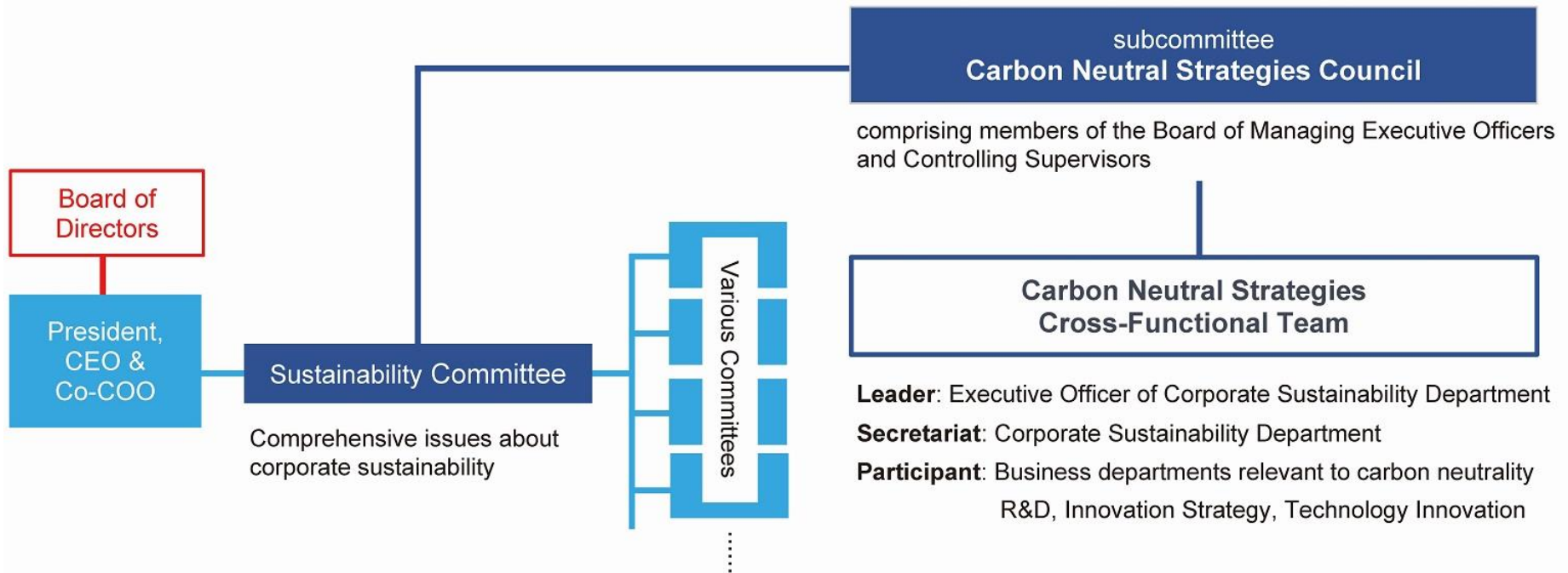
- Introduction of fuel conversion
(Shift toward low carbon usage, further decarbonization)
- Reduction of GHG emissions throughout entire value chain
 - Weight reduction of products, review of raw materials, promotion of green logistics
- Increase volume of avoided GHG emissions
 - Membranes for seawater desalination, FO membranes for osmotic power plants, bioplastics, CO₂ separation membranes
 - Films for wind power generation, power generation resources for organic thin-film solar cells, etc.

FY 3/21 compared with FY 3/14

Results of reduction of GHG emissions 26%

Scope 1 : 718 Thousand tonnes-CO₂
Scope 2 : 184 Thousand tonnes-CO₂

Carbon Neutral: Status



Three viewpoints for formulating carbon neutral strategy

- (1) Minimize GHG emissions associated with production activities
- (2) Reduce and avoid GHG emissions through provided solutions
- (3) Develop technologies, such as separation and collection of GHG

Commence TCFD scenario analysis



To achieve "zero waste" emission: Circular Economy

● Material Recycling

- Polyester polymerization catalyst with superior recyclability
"TOYOBO GS Catalyst"

● Chemical Recycling

- Support development for thermal pyrolysis of waste plastic to raw materials
R Plus Japan, Ltd.

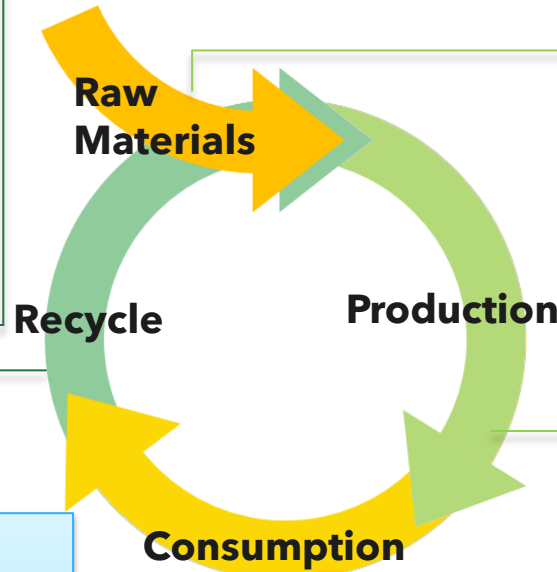
Recycle

R Plus Japan, Ltd.

Jointly established company that transcends industry

Cooperation that transcends industry, such as packaging container manufacturers, trading companies and beverage manufacturers

Aim for practical application in 2027



● Biomass

- Resins from 100% biomass
PEF
- Uses approx. 20% plant-derived ingredients
"BIOPLANA"

● Recycled resin

- Films made using over 80% recycled resin from beverage PET bottles
"CYCLE CLEAN"

● Mono-material



Usage of "BIOPLANA"

● Volume reduction, thickness reduction

- Film made thinner by 50% or more
"SPACECLEAN" (20 μ m \leftarrow 40 μ m)
"CYCLECLEAN" (12 μ m \leftarrow 30 μ m)



Reduce

Environmentally Friendly Business: "ECO-PARTNER SYSTEM"

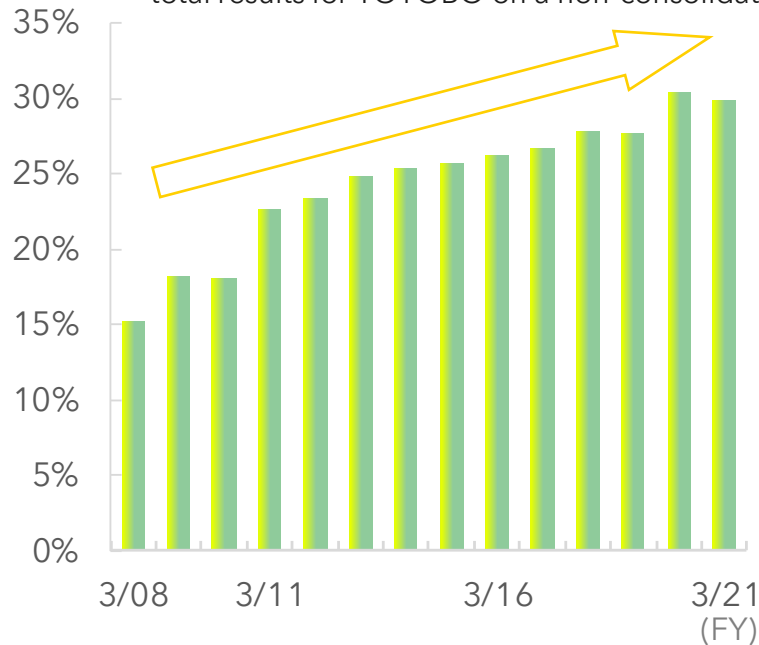


- Our company independently evaluates and certifies environmental impact (implemented since 1998).
- The product life cycle (from raw materials to disposal) is divided into 6 stages, and the environmental impact of each stage is evaluated.

Viewpoints: waste reduction / global warming prevention / resource conservation / chemical substance reduction / other environmental contributions

Sales ratio of "ECO-PARTNER SYSTEM" 30% in FY 3/21 (¥ 59 bn.)

*total results for TOYOBO on a non-consolidated basis



**Targets: 40% in FY 3/31
60% in FY 3/51**

"ELITOLON"

A filter that collects dust in the atmosphere with static electricity



VOC emissions treatment equipment

Equipment / elements for recovering methylene chloride used in the lithium-ion battery manufacturing process

● PEN film "Teonex"

A sealing material used for sealing fuel cell battery cells.
Adopted in Toyota's new fuel cell vehicle "MIRAI"

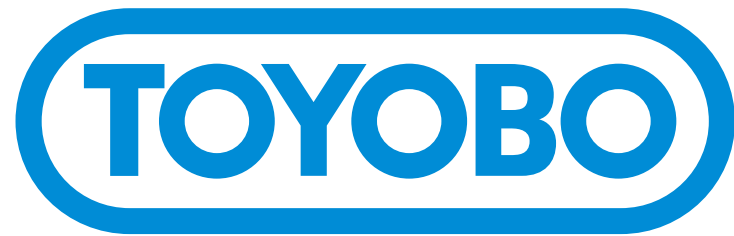


Please Note

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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