

November 10, 2022



Presentation to Investors

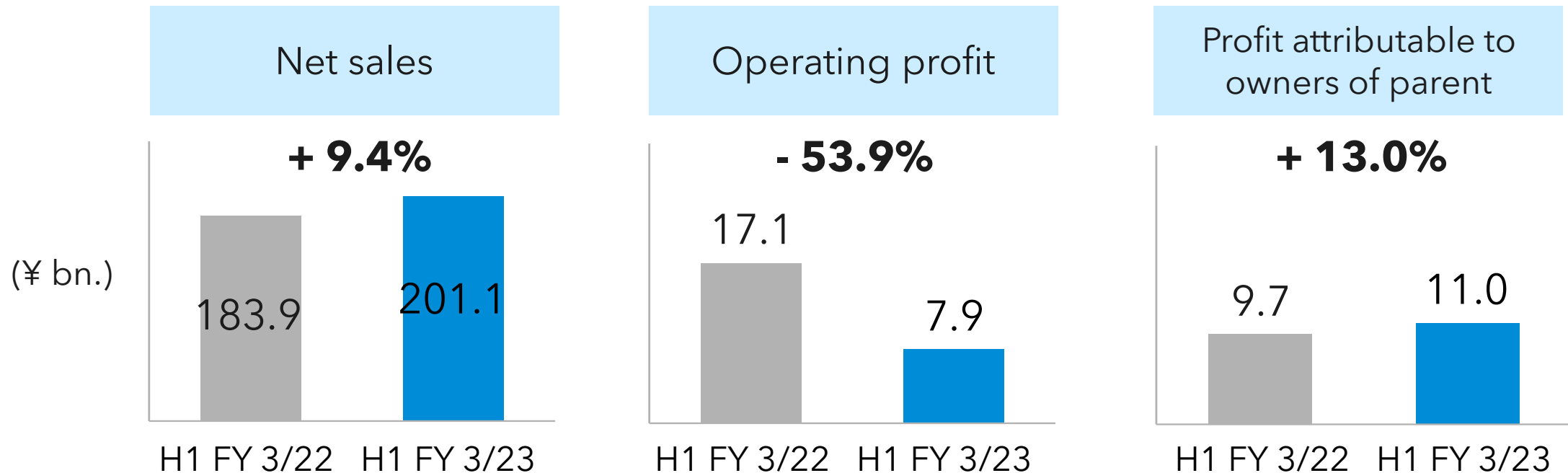
for the First Half Ended September 30, 2022

TOYOBO CO., LTD.

H1 FY 3/23 Results

Amid rising demand for PCR testing, sales increased while operating profit decreased due to the impact of rising raw material and fuel prices and a deterioration in the market for industrial film.

Profit of ¥11.0 bn, a year-on-year increase due to extraordinary income.



FY 3/23 Forecasts

Continue to carry out price shifts, but revise operating profit to ¥17.0 bn, based on the impact of raw material and fuel prices remaining high, delays in the recovery of automobile production, and adjustments of home appliances and smartphone inventories. Net profit is forecasted to be ¥12.0 bn.

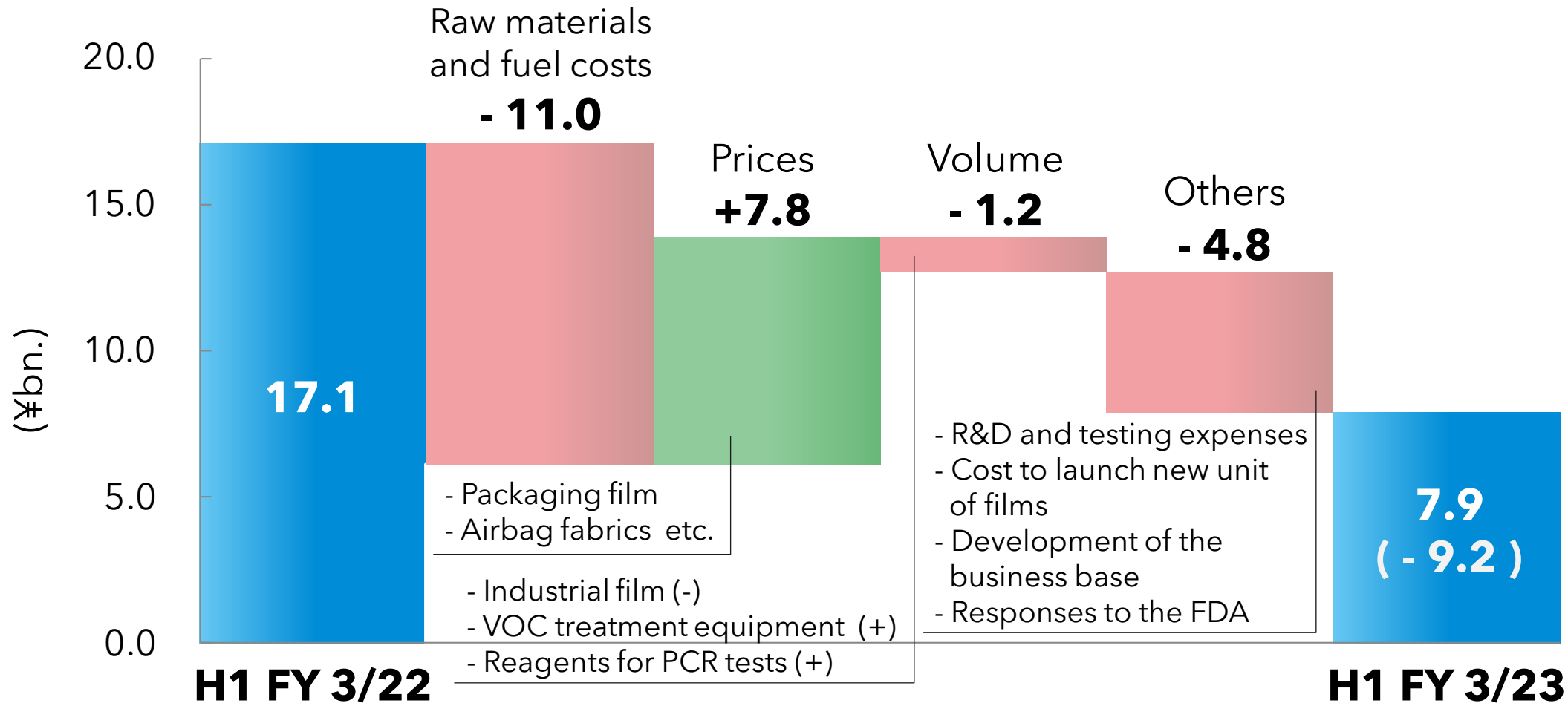
Summary of Results: P&L

TOYOBO

(¥bn.)

	FY 3/22		FY 3/23	YOY	
	H1	H2	H1	Amount	%
Net sales	183.9	191.9	201.1	+ 17.3	+ 9.4%
Operating profit	17.1	11.3	7.9	- 9.2	- 53.9%
(Ratio to sales)	9.3%	5.9%	3.9%	-	-
Ordinary profit	13.3	9.8	6.8	- 6.5	- 49.2%
Extraordinary income and losses	- 1.8	- 6.5	8.1	-	-
Profit attributable to owners of parent	9.7	3.2	11.0	+ 1.3	+ 13.0%
EBITDA* <small>*Operating profit + Depreciation (includes goodwill)</small>	27.1	21.4	17.5	- 9.6	- 35.5%
EPS (¥)	109.2	35.6	123.4	-	-
ROE* <small>*Annualized for H1 of FY 3/23. (Profit*2 / Beginning and ending balance average shareholder's equity)</small>	6.8%		11.0%	-	-
Operating CF	11.8	5.3	12.2	+ 0.4	-
Depreciation	10.0	10.1	9.6	- 0.4	- 4.0%
CAPEX	13.8	19.8	17.5	+ 3.7	+ 26.5%

Analysis in Changes in Operating Profit



	FY 3/22 H1	FY 3/23 H1
Exchange rate (¥/US\$)	110	134
Naphtha price in Japan (thousand¥/kl)	51	83

In Presentation to Investors for Q1 FY3/23, "Volume -2.0" and "Others -0.6" are revised to "Volume -0.9" and "Others -1.7".

Summary of Results: BS

TOYOTO

		(B)	(A)	(¥bn.)
	Mar. 31, 2021	Mar. 31, 2022	Sep. 30, 2022	(A) - (B)
Total assets	491.2	517.8	541.2	+ 23.4
Cash and deposits	34.7	27.2	28.9	+ 1.7
Inventories	76.3	96.0	114.5	+ 18.4
Property, plant and equipment	224.6	227.6	236.3	+ 8.7
Net assets	188.6	197.1	207.0	+ 9.8
Shareholder's equity	185.7	194.9	204.6	+ 9.7
(Retained earnings)	64.4	74.7	82.1	+ 7.4
Non-controlling interests	2.9	2.3	2.4	+ 0.1
Interest-bearing debt	187.0	191.2	202.2	+ 11.0
D/E ratio	1.01	0.98	0.99	-
Net Debt / EBITDA ratio*	3.3	3.4	5.0	-

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

Summary of Results: Segment

TOYOTO

(¥bn.)

	Net sales		Operating profit		
	H1 FY 3/22	H1 FY 3/23	H1 FY 3/22	H1 FY 3/23	YOY
Films and Functional Materials	85.9	86.7	12.2	4.2	- 8.0
Mobility	21.6	24.1	- 0.9	- 2.0	- 1.2
Lifestyle and Environment	54.7	64.6	1.9	1.2	- 0.7
Life Science	16.3	19.3	4.6	5.4	+ 0.8
Real Estate and Others	5.3	6.4	1.1	1.0	- 0.1
Elimination & Corporate	-	-	- 1.8	- 1.9	- 0.1
Total	183.9	201.1	17.1	7.9	- 9.2

(¥bn.)

	FY 3/22			FY 3/23			YOY	
	Q1	Q2	H1	Q1	Q2	H1	Amount	%
Net sales	45.7	40.2	85.9	45.3	41.4	86.7	+ 0.8	+0.9%
Operating profit (OPM)	6.8	5.4	12.2	3.5	0.7	4.2	- 8.0	- 65.4%
	14.9%	13.5%	14.2%	7.8%	1.7%	4.9%	-	-

Packaging film

- Sales were firm but product price revisions could not keep up with rising raw material and fuel prices.

Industrial film

- Sales of polarizer protective films for LCDs and mold releasing film for MLCC were affected by the impact of a temporary lull in the market.

Functional Materials

- Sales of industrial adhesives "Vylon" were affected by China's zero-COVID policy (lockdowns).

(¥bn.)

	FY 3/22			FY 3/23			YOY	
	Q1	Q2	H1	Q1	Q2	H1	Amount	%
Net sales	11.1	10.5	21.6	11.8	12.3	24.1	+ 2.6	+12.0%
Operating profit (OPM)	- 0.5	- 0.4	- 0.9	- 0.8	- 1.3	- 2.0	- 1.2	-
	-	-	-	-	-	-	-	-

Engineering plastics

- Both in Japan and overseas, product price revisions could not keep up with rising raw material and fuel prices.

Airbag fabrics

- The spread between raw material prices and sales prices deteriorated due to the rise in cost of yarn due to weak yen and rising raw material prices.

(¥bn.)

	FY 3/22			FY 3/23			YOY	
	Q1	Q2	H1	Q1	Q2	H1	Amount	%
Net sales	27.7	27.0	54.7	32.1	32.5	64.6	+ 9.9	+ 18.1%
Operating profit (OPM)	1.5	0.4	1.9	0.3	0.9	1.2	- 0.7	- 35.1%
	5.4%	1.4%	3.4%	0.9%	2.9%	1.9%	-	-

Environmental solutions

- Sales of VOC treatment equipment and replacement elements for Lithium-Ion Battery (LIB) separator plants were strong due to increased demand for LIB because of the global shift to EV.

Nonwoven materials

- Product price revisions could not keep up with rising raw material and fuel prices.
- Sales of spunbond and functional filters were affected by the impact of the production curtailment of automobiles.

High performance fibers

- Sales of "ZYLON" were strong for use in bicycle tires and in building reinforcement materials.

(¥bn.)

	FY 3/22			FY 3/23			YOY	
	Q1	Q2	H1	Q1	Q2	H1	Amount	%
Net sales	7.5	8.9	16.3	8.7	10.6	19.3	+ 3.0	+ 18.1%
Operating profit (OPM)	1.9	2.8	4.6	2.1	3.3	5.4	+ 0.8	+ 17.3%
	24.9%	31.1%	28.2%	24.6%	30.9%	28.0%	-	-

Biotechnology

- Sales of raw materials and reagents for PCR testing grew as a result of a resurgence of COVID-19 infections in the second quarter.
- Sales to Europe and North America of enzymes for diagnostic reagents and enzymes for genetic testing reagents increased.

Medical materials

- Sales of artificial kidney hollow fiber and virus removing membranes were strong, but were affected by rising raw material and fuel prices.

Pharmaceuticals

- The contract manufacturing business of pharmaceuticals is currently working towards the lifting of a Warning Letter received from the FDA.

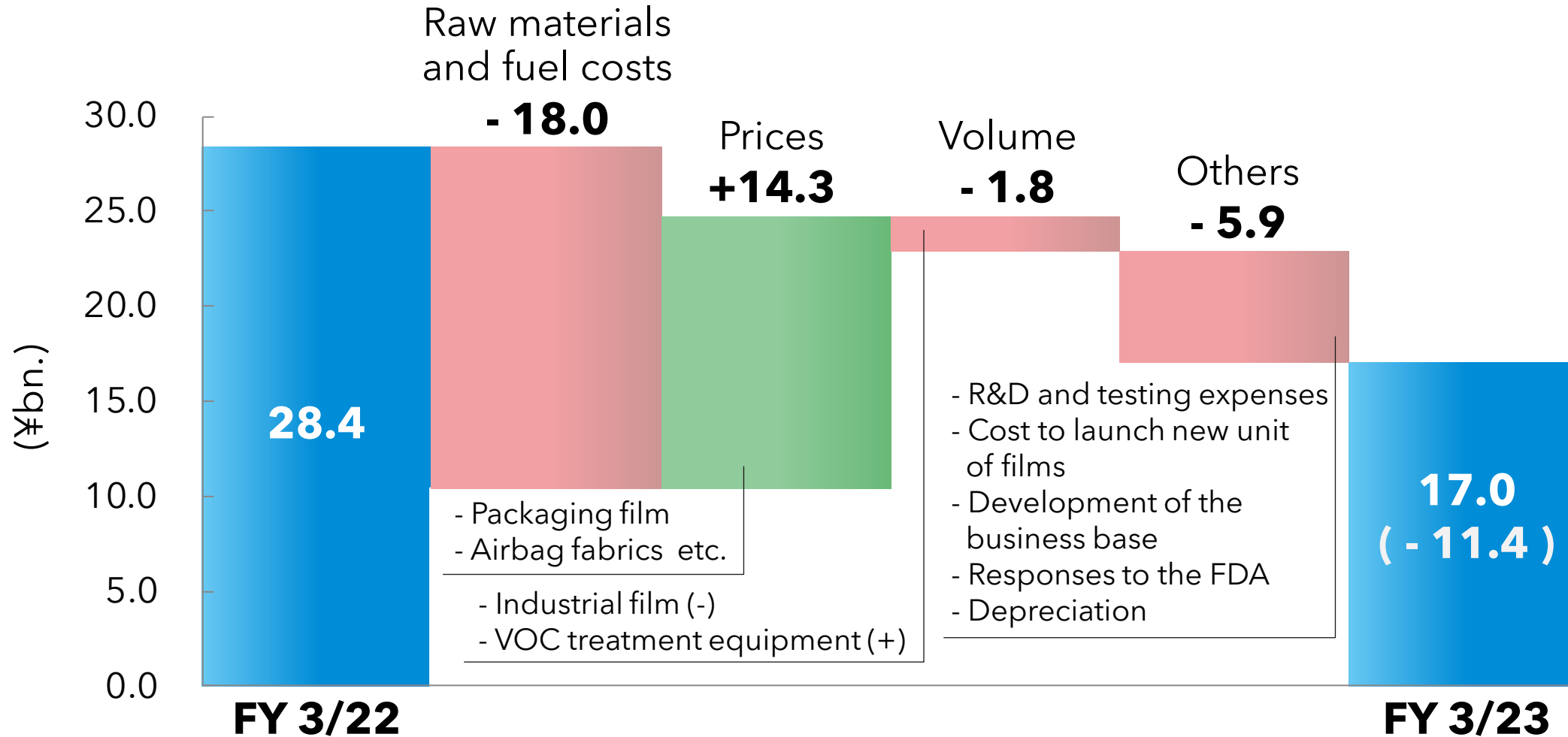
Forecasts for FY 3/23

Continue to carry out price shifts, but revise operating profit to ¥17.0 bn, based on the impact of raw material and fuel prices remaining high, delays in the recovery of automobile production, and adjustments of home appliances and smartphone inventories. Net profit is forecasted to be ¥12.0 bn.

(¥bn.)

	FY 3/22	FY 3/23			YOY		Previous forecasts (Aug. 2022)
	Results	H1	H2	Forecasts	Amount	%	
Net sales	375.7	201.1	208.9	410.0	+ 34.3	+ 9.1%	410.0
Operating profit	28.4	7.9	9.1	17.0	- 11.4	- 40.2%	24.0
(Ratio to sales)	7.6%	3.9%	4.4%	4.1%	-	-	5.9%
Ordinary profit	23.1	6.8	7.2	14.0	- 9.1	- 39.4%	18.0
Extraordinary income and losses	- 8.3	8.1	- 5.3	2.8	-	-	0.6
Profit attributable to owners of parent	12.9	11.0	1.0	12.0	- 0.9	- 6.7%	13.0
EBITDA	48.5	17.5	20.0	37.5	- 11.0	- 22.7%	45.0
EPS (¥)	144.8	123.4	11.6	134.9	-	-	146.3
Depreciation	20.1	9.6	10.9	20.5	+ 0.4	+ 2.1%	21.0
CAPEX	33.6	17.5	20.5	38.0	+ 4.4	+ 13.0%	38.0

Analysis in Changes in Operating Profit



	FY 3/22	FY 3/23
Exchange rate (¥/US\$)	112	140
Naphtha price in Japan (thousand¥/kl)	57	78

Previous forecasts (Aug. 2022)

132

78

Forecasts by Segment

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(¥bn.)

	Net sales		Operating profit			Previous forecasts (Aug. 2022)
	FY 3/22 results	FY 3/23 forecasts	FY 3/22 results	FY 3/23 forecasts	YOY	
Films and Functional Materials	170.3	178.0	19.9	10.0	- 9.9	18.5
Mobility	44.7	53.0	- 1.8	- 3.4	- 1.6	- 2.3
Lifestyle and Environment	114.3	130.0	3.5	3.3	- 0.2	3.0
Life Science	35.0	38.0	8.7	9.0	+ 0.3	6.7
Real Estate and Others	11.4	11.0	2.2	2.1	- 0.1	2.1
Elimination & Corporate	-	-	- 4.0	- 4.0	+ 0.0	- 4.0
Total	375.7	410.0	28.4	17.0	- 11.4	24.0

Appendix

Business Performance

TOYOTO

(¥bn.)

Net sales	FY 3/22					FY 3/23	
	Q1	Q2	Q3	Q4	Full year	Q1	Q2
Films and Functional Materials	45.7	40.2	41.4	43.0	170.3	45.3	41.4
Mobility	11.1	10.5	10.6	12.6	44.7	11.8	12.3
Lifestyle and Environment	27.7	27.0	27.7	31.9	114.3	32.1	32.5
Life Science	7.5	8.9	8.2	10.4	35.0	8.7	10.6
Real estate and Others	2.6	2.7	2.8	3.3	11.4	3.1	3.3
Elimination & Corporate	-	-	-	-	-	-	-
Total	94.6	89.2	90.7	101.2	375.7	101.0	100.1

Operating profit	FY 3/22					FY 3/23	
	Q1	Q2	Q3	Q4	Full year	Q1	Q2
Films and Functional Materials	6.8	5.4	4.3	3.3	19.9	3.5	0.7
Mobility	- 0.5	- 0.4	- 0.6	- 0.3	- 1.8	- 0.8	- 1.3
Lifestyle and Environment	1.5	0.4	0.8	0.8	3.5	0.3	0.9
Life Science	1.9	2.8	1.8	2.3	8.7	2.1	3.3
Real estate and Others	0.4	0.7	0.5	0.6	2.2	0.3	0.6
Elimination & Corporate	- 0.8	- 1.0	- 1.1	- 1.1	- 4.0	- 0.9	- 1.1
Total	9.2	7.9	5.8	5.5	28.4	4.6	3.3

Expanded processing equipment for mold releasing film for MLCC

- MLCC market: Growth of 7% or more annually
- The only manufacturer in Japan that can handle full-scale production, from base film to coating release layers.
- Share: Approx. 25 % (TOYOBO's estimate), a world-leading share
- Coating processing equipment:
Unit 1: From June 2020

Unit 2: Start of mass production from October 2022

Expecting approx. 2-fold increase in production capacity

- **Acceleration of initiative to re-use used mold releasing film as a raw material**



Tsuruga Films Plant Coater Building

Ultra-highly rigid polypropylene film

"PYLEN EXTOP"

- Rigidity approx. 1.7 times that of general biaxially oriented polypropylene films.
Possible 20% thickness reduction. **Reduced waste due to volume reduction.**
- Enable use of heat resistance type for heat processing and shift to **mono-material** packaging
- **Realize both heat resistance and barrier properties by applying to "ECOSYAR"**
- **Start sales from fall 2022**

Dedicated reagent for fully automated gene analysis system "GENECUBE"

- **Multiple items can be measured simultaneously** (4 items×6 specimens maximum)

COVID-19 and Influenza virus
Whooping cough and Mycoplasma pneumoniae
Pertussis (whooping cough) and Parapertussis
(Insurance application in June 2022)
COVID-19 and RS virus (On sale from August 2022)



"GENECUBE" (model C) Diagnostic reagents

- Contribute to enhancement and support for genetic testing system, prevention of the spread of infections and reducing burden on healthcare staff

Bone regeneration inducing materials "Bonarc"

- Complexes produced from octacalcium phosphate (OCP) and collagen
- Regeneration of bone defects in the upper and lower jaw

Bone regeneration, which is a prerequisite for planting implants
Bone regeneration treatment in cleft jaws and cyst cavities

- Oral fields for health institutions in Japan, etc.
- **Began shipment from June 2022**



Left: Rods (1 piece)

diameter 9mm x thickness 10mm

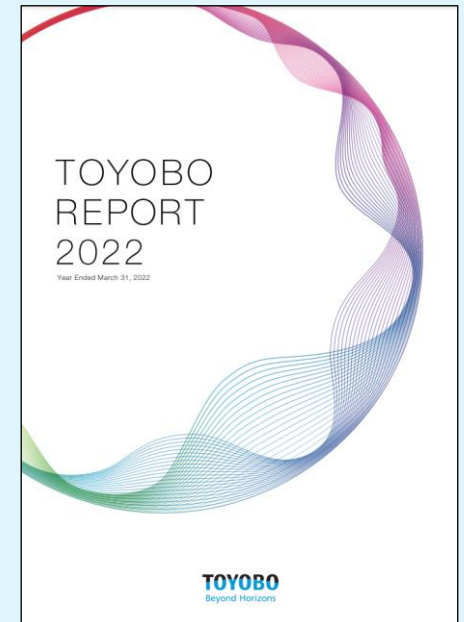
Right: Disc (10 discs)

diameter 9mm x thickness 1.5mm

Integrated “TOYOBO REPORT 2022” released

Main contents

- “Sustainable Vision 2030”, “2025 Medium-Term Management Plan”
- Mitsubishi Corporation and Toyobo top management discuss the new joint venture, Dialogue with ESG Investors
- Employee round-table discussion, outside directors round-table discussion
- Disclosure based on TCFD Recommendations etc.



“TOYOBO REPORT 2022” can be downloaded from the links below.

- English version: <https://ir.toyobo.co.jp/en/ir/library/integrated.html>
- Japanese version: <https://ir.toyobo.co.jp/ja/ir/library/integrated.html>

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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Beyond Horizons