

February 8, 2024



Presentation to Investors

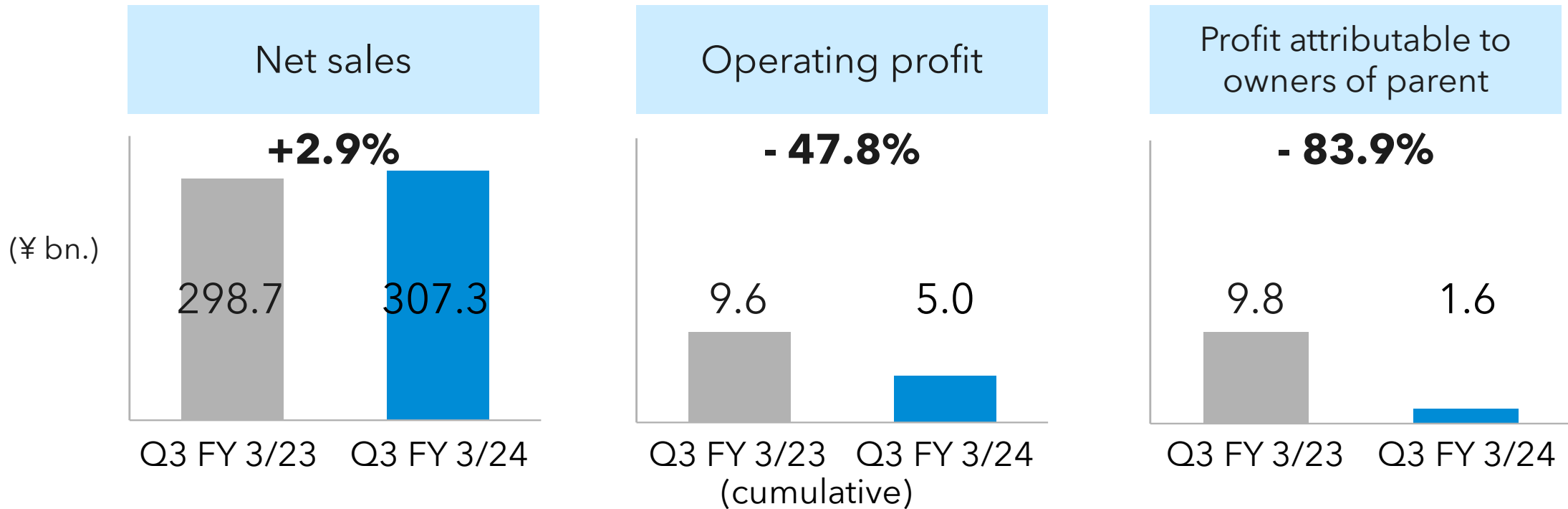
for the Third Quarter Ended December 31, 2023

TOYOBO CO., LTD.

Q3 FY 3/24 Results

Sales increased and operating profit decreased due to decline in demand for reagents for PCR testing and volume decline for packaging film despite sales of polarizer protective films for LCDs increased.

Profit attributable to owners of parent was ¥1.6 billion.

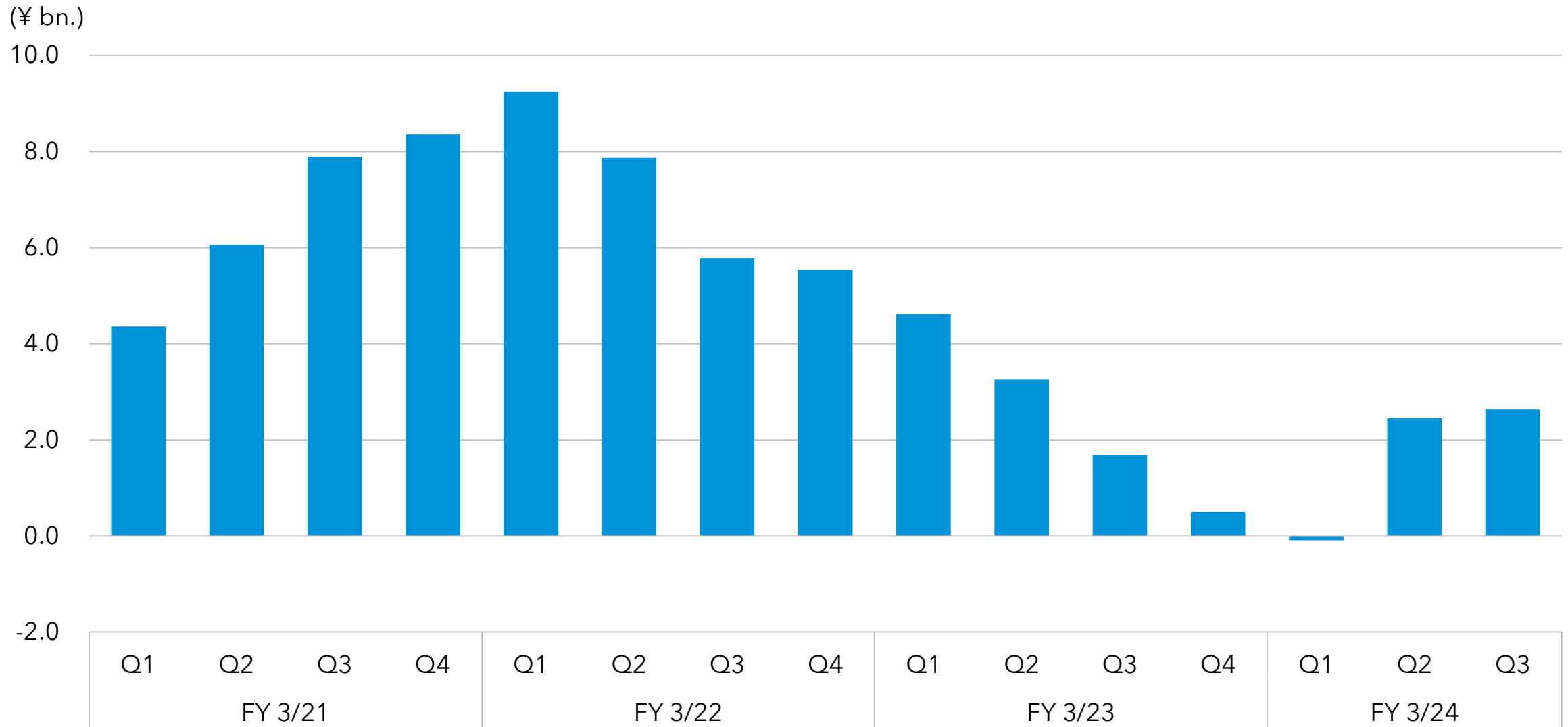


FY 3/24 Forecasts

The operating profit forecast is revised downward to ¥8.0 billion due to the delayed recovery of packaging film, etc., although sales of polarizer protective films for LCDs are strong.

Net profit forecast of ¥1.0 billion remains unchanged. Dividend remains unchanged as well.

(Reference) Operating Profit by Quarter



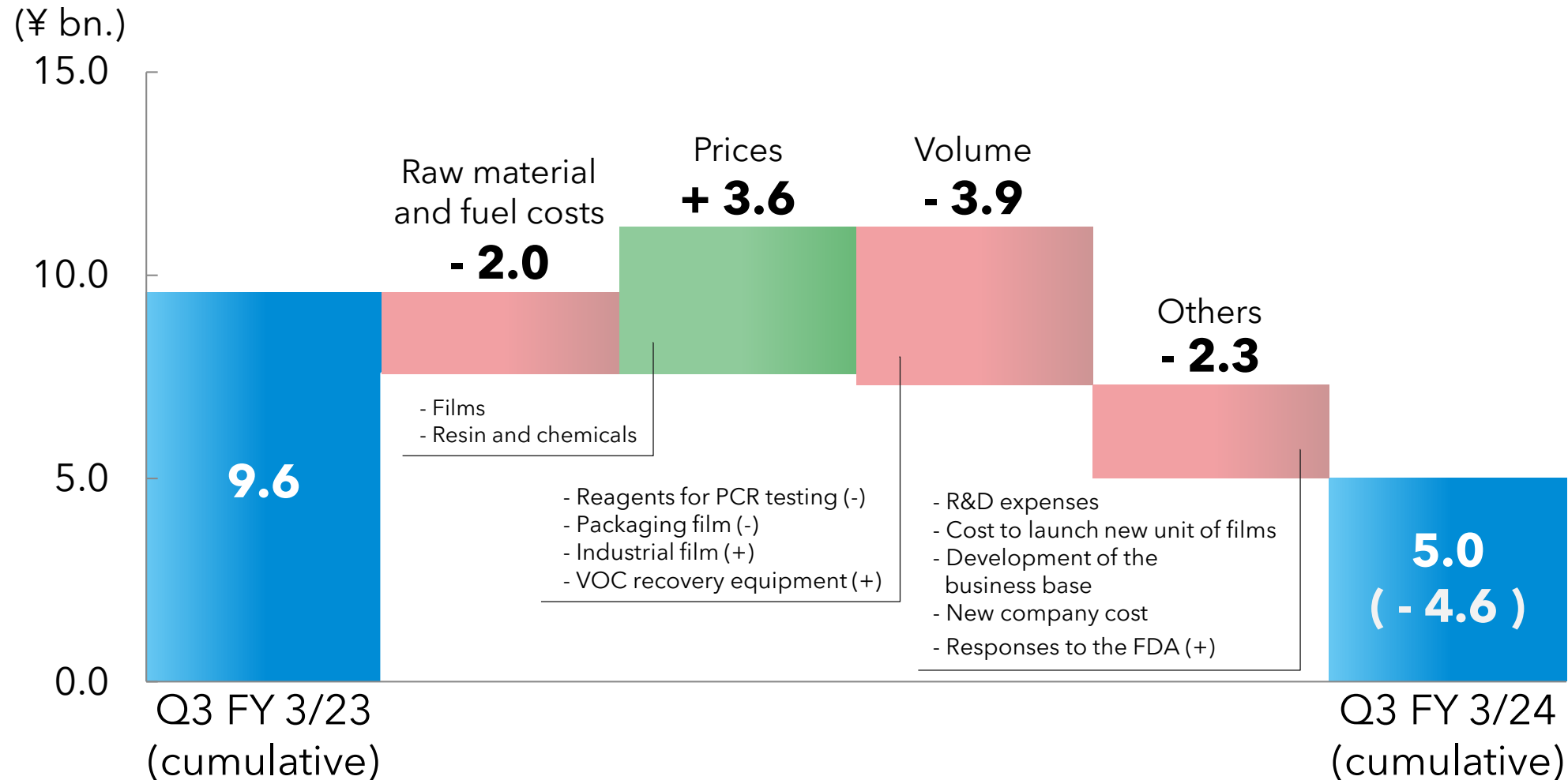
Summary of Results: P&L

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(¥ bn.)

	Q3 FY 3/23 (cumulative)	Q3 FY 3/24 (cumulative)	YOY	
			Amount	%
Net sales	298.7	307.3	+8.6	+2.9%
Gross profit	65.3	64.8	- 0.5	- 0.8%
Operating profit	9.6	5.0	- 4.6	- 47.8%
(Ratio to sales)	3.2%	1.6%	-	-
Ordinary profit	6.9	2.4	- 4.5	- 65.5%
Extraordinary income and losses	7.3	1.2	- 6.1	- 83.1%
Profit attributable to owners of parent	9.8	1.6	- 8.2	- 83.9%
EBITDA* <small>* Operating profit + Depreciation (includes goodwill)</small>	24.0	19.5	- 4.5	- 18.9%
EPS (¥)	109.7	17.9	-	-
ROE* <small>*Annualized for Q3 of FY 3/24. (Profit*(4/3) / Beginning and ending balance average shareholder's equity)</small>	6.6%	1.1%	-	-
Depreciation	14.4	14.5	+0.0	+0.2%
CAPEX	27.8	45.1	+17.4	+62.6%
R&D expenses	10.7	11.8	+1.1	+10.0%

Analysis in Changes in Operating Profit



	FY 3/22		FY 3/23				FY 3/24		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Exchange rate (¥/US\$)	114	116	130	138	141	132	137	145	148
Naphtha price in Japan (thousand¥/kl)	61	66	86	81	72	67	67	64	73

Summary of Results: BS

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		(B)	(A)	(¥ bn.)
	Mar. 31, 2022	Mar. 31, 2023	Dec. 31, 2023	(A)-(B)
Total assets	517.8	588.9	584.4	- 4.5
Cash and deposits	27.2	60.7	27.9	- 32.8
Inventories	96.0	121.9	125.0	+3.1
Property, plant and equipment	227.6	240.2	270.7	+30.5
Net assets	197.1	221.4	220.9	- 0.5
Shareholder's equity	194.9	189.6	189.0	- 0.5
(Retained earnings)	74.7	70.5	68.5	- 2.0
Non-controlling interests	2.3	31.8	31.9	+0.0
Interest-bearing debt	191.2	229.4	231.4	+2.0
D/E ratio	0.98	1.21	1.22	-
Net Debt / EBITDA ratio*	3.4	5.8	7.8	-

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

Summary of Results: Segment

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(¥ bn.)

	Net sales		Operating profit		
	3Q FY 3/23 (cumulative)	3Q FY 3/24 (cumulative)	3Q FY 3/23 (cumulative)	3Q FY 3/24 (cumulative)	YOY
Films	110.0	117.4	2.0	1.5	- 0.5
Life Science	29.3	25.3	8.0	3.5	- 4.5
Environmental and Functional Materials	82.5	86.2	2.9	3.0	+0.1
Functional Textiles and Trading	67.6	68.9	- 1.8	- 1.5	+0.2
Real Estate and Others	9.4	9.6	1.7	2.1	+0.5
Elimination & Corporate	-	-	- 3.2	- 3.6	- 0.4
Total	298.7	307.3	9.6	5.0	- 4.6

(Reference) Operating Profit by Quarter (by Segment)

(¥ bn.)

	FY 3/23				FY 3/24		
	Q1	Q2	Q3	Q4*	Q1	Q2	Q3
Films	2.5	- 0.0	- 0.4	- 0.4	1.2	0.2	0.1
Life Science	2.1	3.3	2.6	1.2	1.4	1.0	1.1
Environmental and Functional Materials	0.9	1.2	0.8	1.1	- 0.7	1.0	2.6
Functional Textiles and Trading	- 0.4	- 0.7	- 0.7	- 0.7	- 0.7	- 0.1	- 0.7
Real Estate and Others	0.3	0.6	0.7	0.5	0.4	1.0	0.7
Elimination & Corporate	- 0.9	- 1.1	- 1.3	- 1.3	- 1.7	- 0.7	- 1.2
Total	4.6	3.3	1.7	0.5	- 0.1	2.4	2.6

* Q4 FY 3/23 results for the new segment are provisional unaudited figures and are subject to change in the future.

(¥ bn.)

	FY 3/23			FY 3/24			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	74.3	35.6	110.0	78.1	39.3	117.4	+7.4	+6.7%
Operating profit (OPM)	2.4	- 0.4	2.0	1.4	0.1	1.5	- 0.5	- 25.3%
	3.3%	-	1.8%	1.8%	0.2%	1.3%	-	-

Packaging film

- While we worked on product price revisions, slowed cargo movement continued due to delays in demand recovery, in addition to start-up cost for new production equipment continued.

Industrial film

- Sales of polarizer protective films for LCDs increased driven by strong demand.
- Mold releasing film for multilayer ceramic capacitors (MLCC) struggled as a full-fledged recovery in demand failed to materialize.

(¥ bn.)

	FY 3/23			FY 3/24			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	19.3	10.0	29.3	16.6	8.7	25.3	- 4.1	- 13.8%
Operating profit (OPM)	5.4	2.6	8.0	2.4	1.1	3.5	- 4.5	- 56.3%
	28.0%	25.5%	27.2%	14.5%	12.5%	13.8%	-	-

Biotechnology

- Sales of reagents for PCR testing declined significantly due to the winding down of COVID-19 infections.

Medical materials

- Sales of artificial kidney hollow fiber trended strong.

Pharmaceuticals

- Profitability improved with the lifting of the Warning Letter by the FDA (July 2023).

(¥ bn.)

	FY 3/23			FY 3/24			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	55.7	26.7	82.5	52.5	33.6	86.2	+3.7	+4.5%
Operating profit (OPM)	2.1 3.8%	0.8 3.0%	2.9 3.6%	0.4 0.7%	2.6 7.8%	3.0 3.5%	+0.1 -	+2.5% -

Resin and chemicals

- Engineering plastics sales increased with the recovery in automobile production volume.
- Sales of industrial adhesives “Vylon” declined for electronic materials applications for the Chinese market.

Environment and fiber

- In the environmental solutions, sales of VOC recovery equipment and replacement elements used in the manufacturing process for LIBS* significantly increased.
- In the high performance fibers business, sales of “ZYLON” for applications in building structural reinforcement and bicycle tires were weak.
- Nonwoven materials were affected by both reduced sales for hygiene products, and civil engineering and building materials, as well as soaring raw material and fuel prices.

*lithium-ion battery separators

(¥ bn.)

	FY 3/23			FY 3/24			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	45.3	22.3	67.6	45.7	23.2	68.9	+1.3	+1.9%
Operating profit (OPM)	- 1.1	- 0.7	- 1.8	- 0.9	- 0.7	- 1.5	+0.2	-
	-	-	-	-	-	-	-	-

Textiles

- Earnings improved as a result of the withdrawal of unprofitable products and progress in price pass-through.

Airbag fabric

- Losses narrowed as a result of sales volume increase with the recovery of automobile production volume, and product price revisions proceeded.

Effects of the 2024 Noto Peninsula Earthquake on the Shogawa Plant

- Part of plant building and the facilities were damaged.
 - Processing department resumed production on January 9.
 - Weaving department and some items manufactured in the adjacent building are scheduled to resume in early April.

Forecasts for FY 3/24

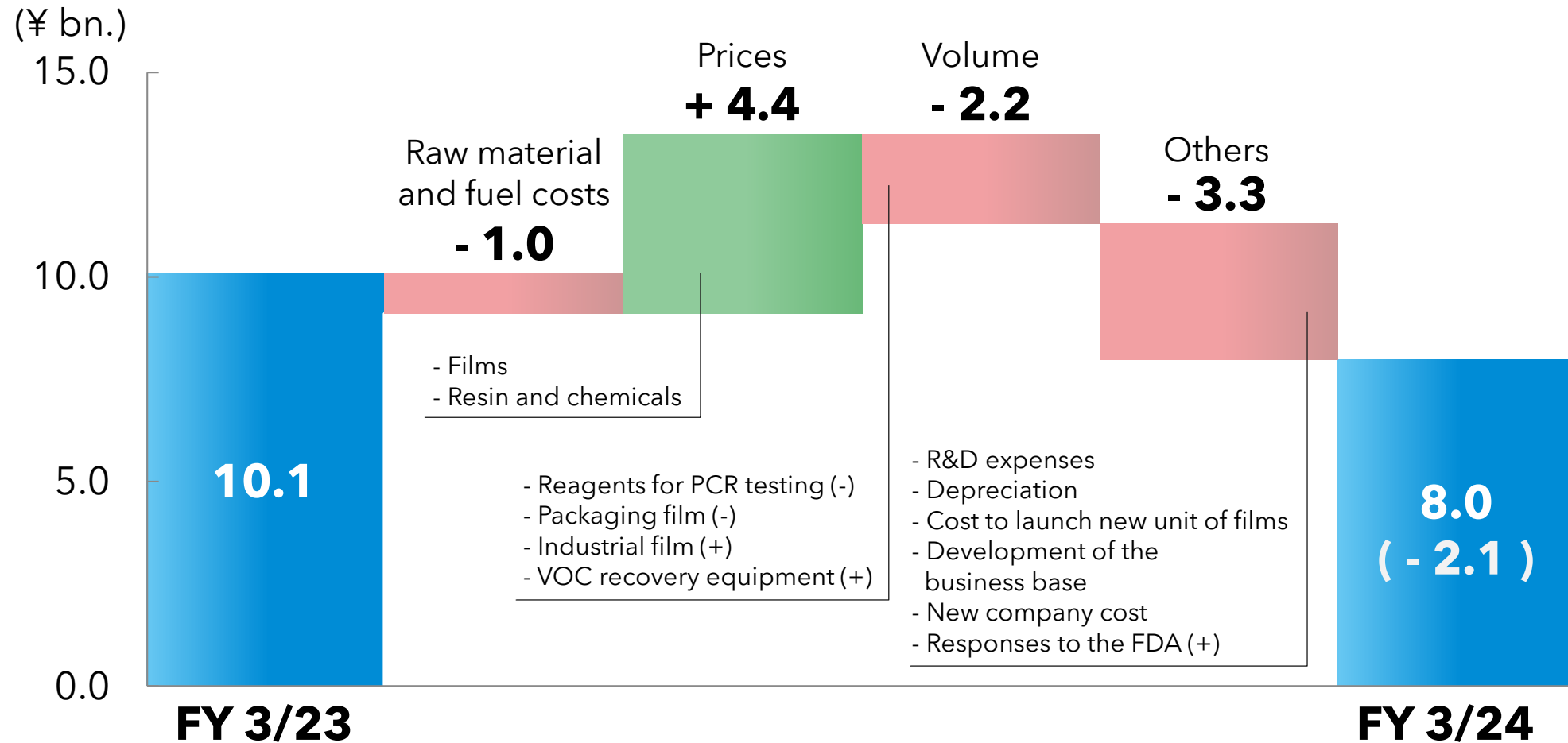
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Net profit forecast of ¥1.0 billion remains unchanged. Dividend remains unchanged as well.

(¥ bn.)

	FY 3/23	FY 3/24			YOY		Previous forecasts (Nov. 2023)
	Results	H1	H2	Forecasts	Amount	%	
Net sales	399.9	199.4	210.6	410.0	+10.1	+2.5%	410.0
Operating profit	10.1	2.4	5.6	8.0	- 2.1	- 20.5%	10.0
(Ratio to sales)	2.5%	1.2%	2.7%	2.0%	-	-	2.4%
Ordinary profit	6.6	1.0	4.0	5.0	- 1.6	- 24.1%	6.0
Extraordinary income and losses	- 6.0	2.0	- 2.8	- 0.8	+5.2	-	- 1.4
Profit attributable to owners of parent	- 0.7	2.0	- 1.0	1.0	+1.7	-	1.0
EBITDA	29.1	11.8	16.2	28.0	- 1.1	- 3.8%	30.0
EPS (¥)	- 7.4	22.8	- 11.5	11.4	-	-	11.4
Depreciation	19.0	9.4	10.6	20.0	+1.0	+5.0%	20.0
CAPEX	42.7	30.0	26.0	56.0	+13.3	+31.0%	56.0
R&D expenses	14.1	7.7	8.3	16.0	+1.9	+13.4%	16.0

Analysis in Changes in Operating Profit



	FY 3/23	FY 3/24	Previous forecasts (Nov. 2023)
Exchange rate (¥/US\$)	135	144	145
Naphtha price in Japan (thousand¥/kl)	77	69	70

Forecasts by Segment

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(¥ bn.)

	Net sales		Operating profit			Previous forecasts (Nov. 2023)
	FY 3/23 Results*	FY 3/24 Forecasts	FY 3/23 Results*	FY 3/24 Forecasts	YOY	
Films	146.1	155.0	1.6	3.0	+1.4	5.5
Life Science	38.1	34.0	9.2	4.5	- 4.7	4.7
Environmental and Functional Materials	110.8	115.0	4.0	4.0	- 0.0	3.0
Functional Textiles and Trading	92.4	93.0	- 2.5	- 1.2	+1.3	- 1.2
Real Estate and Others	12.6	13.0	2.2	2.5	+0.3	2.5
Elimination & Corporate	-	-	- 4.5	- 4.8	- 0.3	- 4.5
Total	399.9	410.0	10.1	8.0	- 2.1	10.0

* FY 3/23 results for the new segment are provisional unaudited figures and are subject to change in the future.

Appendix

Business performance

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(¥bn.)

Net sales	FY 3/23					FY 3/24		
	Q1	Q2	Q3	Q4*	Full year*	Q1	Q2	Q3
Films	39.2	35.2	35.6	36.1	146.1	39.0	39.1	39.3
Life Science	8.7	10.6	10.0	8.8	38.1	8.1	8.4	8.7
Environmental and Functional Materials	27.9	27.8	26.7	28.3	110.8	25.0	27.6	33.6
Functional Textiles and Trading	22.2	23.2	22.3	24.8	92.4	22.2	23.5	23.2
Real Estate and Others	3.1	3.3	3.0	3.2	12.6	2.8	3.8	3.0
Elimination & Corporate	-	-	-	-	-	-	-	-
Total	101.0	100.1	97.6	101.2	399.9	97.1	102.4	107.9

Operating profit	FY 3/23					FY 3/24		
	Q1	Q2	Q3	Q4*	Full year*	Q1	Q2	Q3
Films	2.5	- 0.0	- 0.4	- 0.4	1.6	1.2	0.2	0.1
Life Science	2.1	3.3	2.6	1.2	9.2	1.4	1.0	1.1
Environmental and Functional Materials	0.9	1.2	0.8	1.1	4.0	- 0.7	1.0	2.6
Functional Textiles and Trading	- 0.4	- 0.7	- 0.7	- 0.7	- 2.5	- 0.7	- 0.1	- 0.7
Real Estate and Others	0.3	0.6	0.7	0.5	2.2	0.4	1.0	0.7
Elimination & Corporate	- 0.9	- 1.1	- 1.3	- 1.3	- 4.5	- 1.7	- 0.7	- 1.2
Total	4.6	3.3	1.7	0.5	10.1	- 0.1	2.4	2.6

* Q4 and full year FY 3/23 results for the new segment are provisional unaudited figures and are subject to change in the future.

Practical use of "vitrimers"*

*Highly functional polymer with reforming, self-adhesive and self-healing. "Vitrimer" is a registered trademark of FONDS ESPCI PARIS.

- Used for adhering electronic parts to flexible printed circuits and other components. Demand has increased due to the advent of high-speed data communications and electrification of automobiles.
- High-heat resistant, eco-friendly adhesive sheet is solvent-free; can be distributed at ambient temperatures.
- Plan to start providing samples, manufacturing and selling the product around the first half of 2024.



Types of adhesive sheets for electronic materials and their features

	Heat-curing adhesives	Semi-cured adhesive sheets	Newly developed adhesive sheet
Type	Solvent	Solvent-free	Solvent-free
Storage/ transportation	Refrigerated	Refrigerated	Ambient temperatures
Thermal cross-linking	Necessary	Necessary	Unnecessary
Resin dripping/ protrusion	Yes	Almost none	No

Reduce the amount of VOC

Shorten manufacturing process, save energy

Renewal of in-house thermal power generation plant at Iwakuni Production Center in Oct. 2023

- Transition of the fuel from coal to liquid natural gas (LNG) and RPF*.

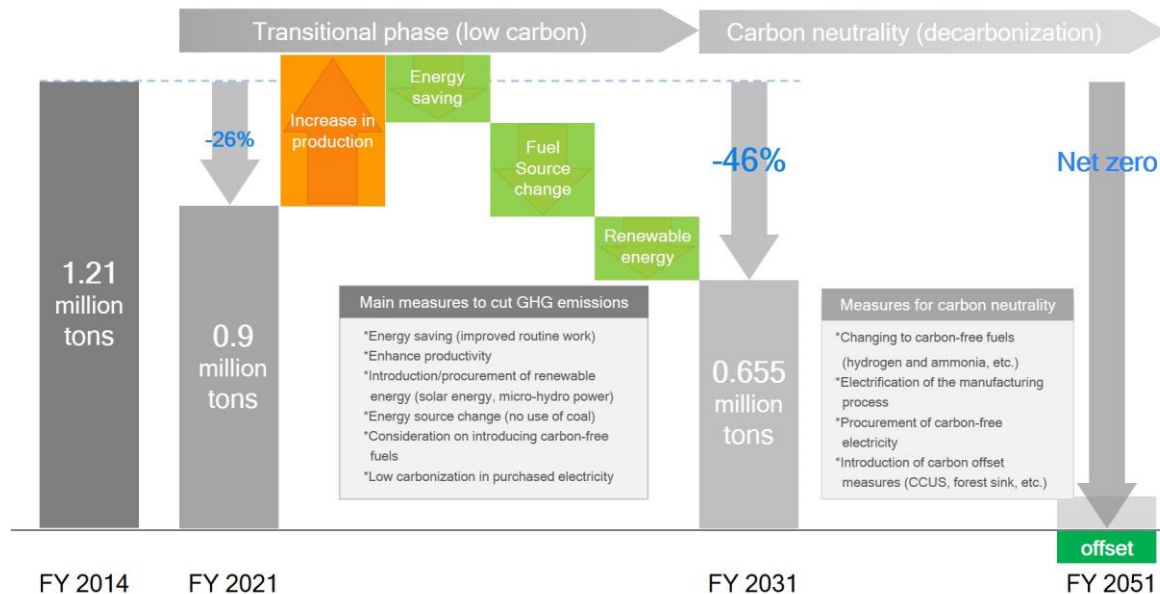
*RPF: Solid fuel made mainly from used paper and waste plastic

- Reduce GHG emissions by 80,000 tons per year.

(Equivalent to approximately 40% of FY 2014 emissions at Iwakuni Production Center)

- Carry out GHG reduction measures including fuel conversion and introduction of renewable energy at other business sites as well toward achieving GHG emissions reduction target by FY 2031.

Roadmap for Carbon Neutrality



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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