

**Consolidated Financial Report for the Three Months Ended June 30, 2024****TOYOBO Co., Ltd.**URL <https://ir.toyobo.co.jp/en/ir.html>

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(Figures are rounded to the nearest million yen.)

**1. Consolidated Business Performance****(1) Consolidated Operating Results**

Three months ended June 30

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2024	105,175	8.4	3,089	—	2,015	—	784	—
2023	97,058	(3.9)	(85)	—	(317)	—	(508)	—

(Note) Comprehensive Income: Three months ended June 30, 2024: ¥4,472 million 90.8%  
Three months ended June 30, 2023: ¥2,344 million (78.7%)

	Net profit per share	Net profit per share after dilution
	Yen	Yen
2024	8.90	—
2023	(5.77)	—

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
June 30, 2024	611,540	230,789	32.1	2,226.07
March 31, 2024	606,990	230,087	32.5	2,236.50

(Reference) Total shareholders' equity: June 30, 2024: ¥196,108 million, March 31, 2024: ¥197,033 million

**2. Dividends**

Years ended/ending March 31

Record date	Dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2024	—	0.00	—	40.00	40.00
2025	—				
2025 (Forecast)		0.00	—	40.00	40.00

(Note) Revision of dividends forecast for this period: None

### 3. Forecasts for Fiscal Year Ending March 31, 2025

Percentages indicate year-on-year increase/ (decrease)

	Net sales		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	435,000	5.0	17,000	89.0	11,500	65.2

	Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Yen
Fiscal year	2,600	5.9	29.51

(Note) Revision of earnings forecast for this period: None

### 4. Other

1. Significant changes in the scope of consolidation during the subject fiscal year: None

- 1) New company : None
- 2) Excluded company : None

2. Adoption of simplified and special accounting methods: None

3. Changes from accounting methods, procedures and the presentation of the consolidated financial statements:

- 1) Changes based on revision of accounting standards : None
- 2) Changes other than 1) above : None
- 3) Changes due to accounting estimation change : None
- 4) Error correction : None

4. Number of shares issued and outstanding (common stock):

1) Number of shares outstanding (including treasury stock):

June 30, 2024: 89,048,792 shares      March 31, 2024: 89,048,792 shares

2) Number of treasury stock:

June 30, 2024: 952,606 shares      March 31, 2024: 949,992 shares

3) Average number of shares outstanding for each period (cumulative term):

Three months ended June 30, 2024: 88,096,862 shares

Three months ended June 30, 2023: 88,089,714 shares

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

\* Explanation regarding the appropriate use of forecasts of business results

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.

(How to obtain supplementary document on earnings)

The supplementary document on earnings is disclosed on the same day as the Quarterly Financial Results report, and it is made available on the Company's website.

## 1. Qualitative Information and Financial Statements

### (1) Qualitative Information on Consolidated Results

The business environment surrounding the Toyobo Group (hereinafter “the Group”) in the three months ended June 30, 2024 saw steady economic activity supported by robust consumer spending, amid the unchanged policy interest rate in the United States. However, in China, the economy slowed due to the prolonged real estate recession and weak consumption. In Japan, the economy has recovered moderately due to increased inbound tourism demand and expansion of capital investment. There is concern over the impact on economic activity from the effects of raw material and fuel prices remaining high, the prolonged slowdown in the Chinese economy and the delayed interest rate cuts in the United States.

Under this business environment, a full-fledged recovery in demand for mold releasing film for multilayer ceramic capacitors (MLCC) and packaging film failed to materialize despite the moderate recovery in cargo movement. On the other hand, polarizer protective films for LCDs “COSMOSHINE SRF” and volatile organic compound (VOC) recovery equipment used in the manufacturing process for lithium-ion battery separators remained steady.

As a result, net sales in the three months ended June 30, 2024 increased ¥8.1 billion (8.4%) from the same period of the previous fiscal year to ¥105.2 billion, operating profit was ¥3.1 billion (compared with operating loss of ¥0.1 billion for the same period of the previous fiscal year), ordinary profit was ¥2.0 billion (compared with ordinary loss of ¥0.3 billion for the same period of the previous fiscal year), profit attributable to owners of parent was ¥0.8 billion (compared with loss of attributable to owners parent of ¥0.5 billion for the previous fiscal year).

Results by business segment were as follows:

#### **Films**

In the packaging film business, adjustments of inventories on the market came to an end and there was a moderate recovery in cargo movement, but higher costs had an impact.

In the industrial film business, sales of mold releasing film for MLCC were sluggish as a full-fledged recovery in demand failed to materialize despite the end of inventory adjustments throughout the supply chain. Sales of polarizer protective films for LCDs “COSMOSHINE SRF” were steady, driven by strong demand.

As a result, sales in this segment increased ¥3.1 billion (8.0%) from the same period of the previous fiscal year to ¥42.1 billion, and operating profit increased ¥0.3 billion (21.2%) to ¥1.5 billion.

#### **Life Science**

In the biotechnology business, sales of enzymes for diagnostic reagents remained steady, particularly to the United States and Europe, but expenses associated with the expansion of production capacity increased.

In the medical materials business, demand for artificial kidney hollow fiber trended strong, but expenses to launch an integrated production plant increased.

In the contract manufacturing business of pharmaceuticals, profitability improved as a result of the lifting of the Warning Letter by the FDA.

As a result, sales in this segment decreased ¥0.1 billion (0.8%) from the same period of the previous fiscal year to ¥8.1 billion, and operating profit decreased ¥1.0 billion (72.2%) to ¥0.4 billion.

### **Environmental and Functional Materials**

In the resin and chemical business, sales of engineering plastics increased for automotive use for the North America. Sales of photo functional materials for water-wash photosensitive printing plates were strong for China and Europe.

In the environment and fiber business, environmental solutions sales of VOC recovery equipment used in the manufacturing process for lithium-ion battery separators significantly increased. In high performance fibers, demand for “Tsunoooga,” used in cut resistant gloves recovered. In nonwoven materials, demand for automotive use recovered.

As a result, sales in this segment increased ¥3.1 billion (12.3%) from the same period of the previous fiscal year to ¥28.1 billion, and operating profit of ¥1.3 billion (compared with operating loss of ¥0.7 billion for the same period of the previous fiscal year).

### **Functional Textiles and Trading**

In the textile business, sales of traditional Arabic fabric grew due to steady demand. In addition, profitability improved as a result of reforms of business structure such as the consolidation of production bases in Japan.

In the airbag fabric business, profitability improved as product price revisions proceeded.

As a result, sales in this segment increased ¥1.9 billion (8.5%) from the same period of the previous fiscal year to ¥24.0 billion, and operating profit of ¥0.2 billion (compared with operating loss of ¥0.7 billion for the same period of the previous fiscal year).

### **Real Estate and Other Businesses**

This segment includes infrastructure-related businesses such as real estate, engineering, information processing services, and logistics services. Results in these businesses were generally in line with plans.

As a result, sales in this segment increased ¥0.1 billion (3.4%) from the same period of the previous fiscal year to ¥2.9 billion, and operating profit increased ¥0.1 billion (21.2%) to ¥0.5 billion.

## **(2) Analysis of Financial Position**

Total assets increased ¥4.6 billion (0.7%) from the end of the previous fiscal year to ¥611.5 billion. This was mainly due to an increase in property, plant and equipment due to capital investment, despite a decrease in cash and deposits, notes and accounts receivable - trade.

Total liabilities increased ¥3.8 billion (1.0%) from the end of the previous fiscal year to ¥380.8 billion. This was mainly due to an increase in borrowings, despite a decrease in notes and accounts payable - trade.

Net assets increased ¥0.7 billion (0.3%) from the end of the previous fiscal year to ¥230.8 billion.

This was mainly due to an increase in foreign currency translation adjustment and non-controlling interests, despite a decrease in retained earnings due to dividends paid and other factors.

**(3) Forecast for Fiscal 2024 (Ending March 31, 2025)**

The performance of the Group in the three months ended June 30, 2024 was generally as forecast. Regarding the consolidated earnings forecast for fiscal year ending March 31, 2025, no changes have been made in the outlook announced on May 13, 2024.

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2024)	Current First Quarter (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	33,796	31,812
Notes and accounts receivable - trade	87,743	84,454
Contract assets	140	234
Electronically recorded monetary claims - operating	14,921	15,537
Merchandise and finished goods	69,996	66,939
Work in process	20,566	21,299
Raw materials and supplies	31,421	32,804
Other	15,488	15,457
Allowance for doubtful accounts	(337)	(393)
Total current assets	273,733	268,144
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	64,575	72,769
Machinery, equipment and vehicles, net	59,855	65,404
Land	91,049	90,987
Construction in progress	53,025	47,408
Other, net	12,972	13,864
Total property, plant and equipment	281,475	290,432
Intangible assets	4,670	4,808
Investments and other assets		
Other	48,380	48,252
Allowance for doubtful accounts	(1,268)	(96)
Total investments and other assets	47,112	48,157
Total non-current assets	333,257	343,396
Total assets	606,990	611,540

(Millions of yen)

	Previous Fiscal Year (As of March 31, 2024)	Current First Quarter (As of June 30, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	49,782	43,436
Electronically recorded obligations - operating	4,229	4,775
Short-term borrowings	68,385	74,765
Current portion of bonds payable	15,000	—
Current portion of long-term borrowings	13,069	16,817
Provisions	5,308	2,983
Other	28,375	44,873
Total current liabilities	184,148	187,649
Non-current liabilities		
Bonds payable	60,000	60,000
Long-term borrowings	85,637	86,565
Deferred tax liabilities for land revaluation	18,762	18,762
Provision for retirement benefits for directors (and other officers)	274	188
Provision for environmental measures	11	11
Retirement benefit liability	15,901	15,918
Other	12,171	11,658
Total non-current liabilities	192,755	193,103
Total liabilities	376,903	380,751
<b>Net assets</b>		
Shareholders' equity		
Share capital	51,730	51,730
Capital surplus	33,187	32,501
Retained earnings	70,315	67,610
Treasury shares	(1,006)	(1,006)
Total shareholders' equity	154,227	150,836
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,801	2,073
Deferred gains or losses on hedges	(1)	13
Revaluation reserve for land	40,603	40,603
Foreign currency translation adjustment	(548)	1,570
Remeasurements of defined benefit plans	951	1,014
Total accumulated other comprehensive income	42,806	45,272
Non-controlling interests	33,054	34,681
Total net assets	230,087	230,789
Total liabilities and net assets	606,990	611,540

**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**

(Millions of yen)

(Consolidated Statements of Income)	Previous First Quarter (From April 1, 2023 To June 30, 2023)	Current First Quarter (From April 1, 2024 To June 30, 2024)
Net sales	97,058	105,175
Cost of sales	77,991	82,082
Gross profit	19,066	23,093
Selling, general and administrative expenses	19,151	20,004
Operating profit (loss)	(85)	3,089
Non-operating income		
Foreign exchange gains	1,102	444
Other	339	592
Total non-operating income	1,441	1,036
Non-operating expenses		
Interest expenses	302	429
Other	1,370	1,681
Total non-operating expenses	1,673	2,110
Ordinary profit (loss)	(317)	2,015
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	—	360
Gain on sale of investment securities	—	2
Total extraordinary income	—	362
Extraordinary losses		
Loss on disposal of non-current assets	314	295
Loss on change in equity	212	—
Total extraordinary losses	526	295
Profit (loss) before income taxes	(843)	2,082
Income taxes	271	467
Profit (loss)	(1,114)	1,614
Profit (loss) attributable to non-controlling interests	(606)	831
Profit (loss) attributable to owners of parent	(508)	784



(Millions of yen)

(Consolidated Statements of Comprehensive Income)	Previous First Quarter (From April 1, 2023 To June 30, 2023)	Current First Quarter (From April 1, 2024 To June 30, 2024)
Profit (loss)	(1,114)	1,614
Other comprehensive income		
Valuation difference on available-for-sale securities	243	270
Deferred gains or losses on hedges	109	(6)
Foreign currency translation adjustment	2,891	2,235
Remeasurements of defined benefit plans, net of tax	134	63
Share of other comprehensive income of entities accounted for using equity method	80	297
Total other comprehensive income	<u>3,458</u>	<u>2,858</u>
Comprehensive income	<u>2,344</u>	<u>4,472</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,627	3,297
Comprehensive income attributable to non-controlling interests	(283)	1,176

### (3) Notes to Consolidated Financial Statements

#### (Segment Information)

( i ) Previous First Quarter (From April 1, 2023 to June 30, 2023)

(Millions of yen)

	Segment to Be Reported						Other Businesses (Note 1)	Total	Adjustment (Note 2)	Consolidated Statements of Income (Note 3)
	Films	Life Science	Environmental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	38,983	8,145	24,977	22,154	1,034	95,293	1,765	97,058	—	97,058
(2) Inter-segment sales and transfers	551	2	2,287	229	266	3,334	4,538	7,872	(7,872)	—
Total	39,534	8,147	27,264	22,383	1,299	98,627	6,303	104,930	(7,872)	97,058
Segment profit (loss)	1,241	1,353	(662)	(728)	437	1,640	(37)	1,603	(1,688)	(85)

Note:

1. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
2. Segment profit or loss adjustment of ¥ (1,688) million includes eliminations of intersegment transactions of ¥ (632) million and companywide expenses that are not allocated across reporting segments of ¥ (1,056) million. The principal components of companywide expenses are those related to basic research and development.
3. Segment profit or loss has been adjusted with operating loss on the consolidated financial statements.

( ii ) Current First Quarter (From April 1, 2024 to June 30, 2024)

(Millions of yen)

	Segment to Be Reported						Other Businesses (Note 4)	Total	Adjustment (Note 5)	Consolidated Statements of Income (Note 6)
	Films	Life Science	Environmental and Functional Materials	Functional Textiles and Trading	Real Estate	Total				
Net sales										
(1) Outside customers	42,104	8,080	28,057	24,041	1,056	103,338	1,837	105,175	—	105,175
(2) Inter-segment sales and transfers	518	5	2,009	313	300	3,145	2,405	5,550	(5,550)	—
Total	42,622	8,085	30,065	24,355	1,356	106,483	4,242	110,725	(5,550)	105,175
Segment profit	1,504	375	1,273	199	478	3,829	6	3,835	(746)	3,089

Note:

4. Other includes design and construction of buildings, equipment, etc., information services, logistics services and other items.
5. Segment profit or loss adjustment of ¥ (746) million includes eliminations of intersegment transactions of ¥ 234 million and companywide expenses that are not allocated across reporting segments of ¥ (981) million. The principal components of companywide expenses are those related to basic research and development.
6. Segment profit has been adjusted with operating profit on the consolidated financial statements.

**(Notes on Significant Changes in Shareholders' Equity)**

Not applicable

**(Notes to Going Concern)**

Not applicable

**(Notes to quarterly consolidated statements of cash flows)**

Quarterly consolidated statements of cash flows for the three months ended June 30, 2024 are not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) of the three months ended June 30, 2024 are as follows.

	(Millions of yen)	
	Previous First Quarter (From April 1, 2023 To June 30, 2023)	Current First Quarter (From April 1, 2024 To June 30, 2024)
Depreciation	4,514	5,601