



February 10, 2022

# Presentation to Investors

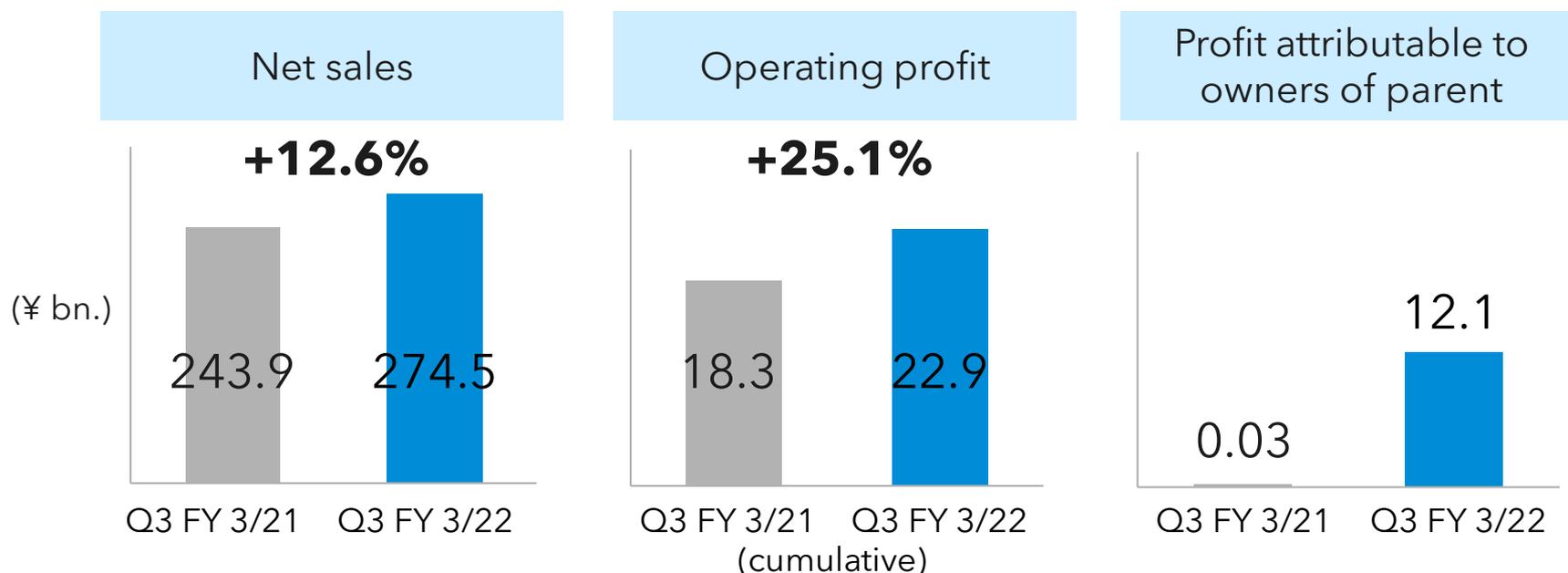
for the Third Quarter Ended December 31, 2021

TOYOBO CO., LTD.

# Highlights

## Q3 FY 3/22 Results

- 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 ¥22.9 bn. (1.3-fold), and profit of ¥12.1 bn.



## FY 3/22 Forecasts

Forecasts of operating profit of ¥29.0 bn., net profit of ¥13.0 bn. remain unchanged since industrial films, reagents for PCR testing, etc. performed strongly despite concerns regarding delays in revising sales prices, and the spread of COVID-19 variants.

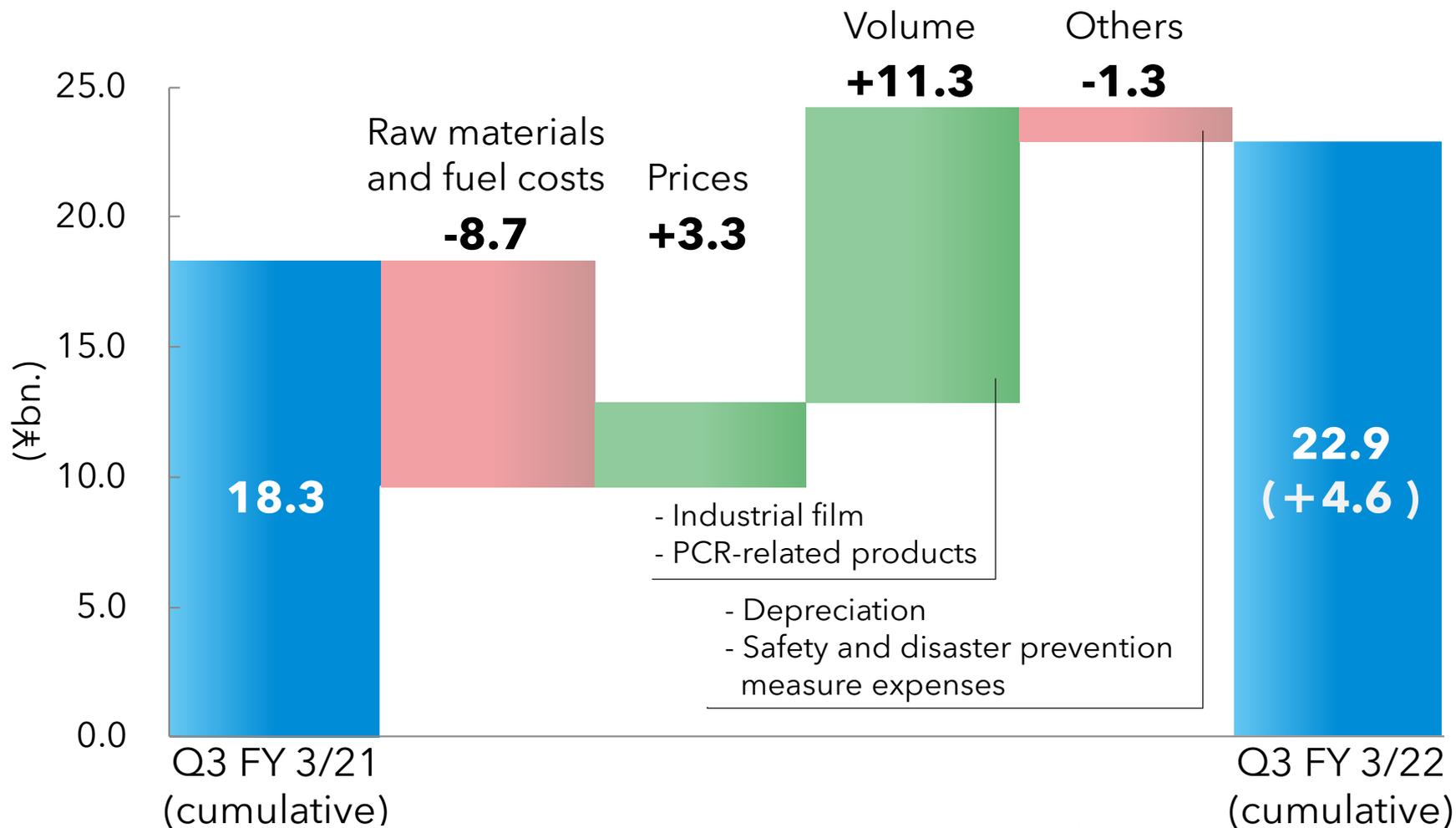
# Summary of Results: P&L



(¥bn.)

	Q3 FY 3/21 (cumulative)	Q3 FY 3/22 (cumulative)	YOY	
			Amount	%
Net sales	243.9	<b>274.5</b>	+ 30.7	+12.6%
Operating profit	18.3	<b>22.9</b>	+ 4.6	+ 25.1%
(Ratio to sales)	7.5%	<b>8.3%</b>	-	-
Ordinary profit	12.5	<b>18.2</b>	+ 5.7	+ 46.0%
Extraordinary income and losses	-12.7	<b>-3.2</b>	-	-
Profit attributable to owners of parent	0.0	<b>12.1</b>	+ 12.1	-
EBITDA* <small>*Operating profit + Depreciation (includes goodwill)</small>	32.5	<b>38.0</b>	+ 5.5	+ 17.0%
EPS (¥)	0.3	<b>136.4</b>	-	-
ROE*	0.0%	<b>8.4%</b>	-	-
<small>*Annualized for Q3 of FY 3/22. ( Profit*(4/3) / Beginning and ending balance average shareholder's equity)</small>				
Depreciation	14.2	<b>15.1</b>	+ 0.9	+ 6.6%
CAPEX	16.8	<b>22.7</b>	+ 6.0	+ 35.7%

# Analysis in Changes in Operating Profit



	Q3 FY 3/21 (cumulative)	Q3 FY 3/22 (cumulative)
Exchange rate (¥/US\$)	106	111
Naphtha price in Japan (thousand¥/kl)	29	54

# Summary of Results: BS

		(B)	(A)	(¥bn.)
	Mar. 31, 2020	Mar. 31, 2021	Dec. 31, 2021	(A) - (B)
Total assets	488.9	491.2	<b>510.5</b>	+ 19.3
Cash and deposits	25.2	34.7	<b>20.9</b>	- 13.8
Inventories	80.6	76.3	<b>95.0</b>	+ 18.7
Property, plant and equipment	231.5	224.6	<b>231.9</b>	+ 7.3
Net assets	182.6	188.6	<b>202.4</b>	+ 13.7
Shareholder's equity	177.9	185.7	<b>199.5</b>	+ 13.7
(Retained earnings)	61.9	64.4	<b>72.8</b>	+ 8.5
Non-controlling interests	4.7	2.9	<b>2.9</b>	- 0.0
Interest-bearing debt	175.1	187.0	<b>188.9</b>	+ 1.9
D/E ratio	0.98	1.01	<b>0.95</b>	-
Net Debt / EBITDA ratio*	3.8	3.3	<b>3.3</b>	-

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

# Summary of Results: Segment

(¥bn.)

	Net sales		Operating profit		
	Q3 FY 3/21 (cumulative)	Q3 FY 3/22 (cumulative)	Q3 FY 3/21 (cumulative)	Q3 FY 3/22 (cumulative)	YOY
Films and Functional Materials	113.0	<b>127.3</b>	14.3	<b>16.6</b>	+ 2.2
Mobility	25.5	<b>32.2</b>	- 1.7	<b>- 1.4</b>	+ 0.2
Lifestyle and Environment	77.3	<b>82.4</b>	3.0	<b>2.7</b>	- 0.3
Life Science	19.2	<b>24.6</b>	3.2	<b>6.4</b>	+ 3.2
Real Estate and Others	8.8	<b>8.1</b>	1.6	<b>1.6</b>	- 0.0
Elimination & Corporate	-	-	- 2.2	<b>- 2.9</b>	- 0.7
Total	243.9	<b>274.5</b>	18.3	<b>22.9</b>	+ 4.6

# Films and Functional Materials

(¥bn.)

	FY 3/21			FY 3/22			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	73.8	39.2	113.0	85.9	41.4	127.3	+ 14.3	+12.6%
Operating profit (OPM)	8.7	5.6	14.3	12.2	4.3	16.6	+ 2.2	+15.6%
	11.8%	14.3%	12.7%	14.2%	10.5%	13.0%	-	-

## Packaging film

- Faced challenges due to high raw material prices despite continued demand from people staying at home.

## Industrial film

- Sales of polarizer protective films for LCDs increased by approx. 20% due to the operation of the new line (Unit 3).
- Sales of mold releasing film for MLCC increased by approx. 20% due to the operation of the new line (processing equipment).

## Functional Materials

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

# Mobility



(¥bn.)

	FY 3/21			FY 3/22			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	15.0	10.5	25.5	21.6	10.6	32.2	+ 6.6	+26.0%
Operating profit (OPM)	- 1.3	- 0.4	- 1.7	- 0.9	- 0.6	- 1.4	+ 0.2	-
	-	-	-	-	-	-	-	-

Segment overall: Affected by the rise of raw material prices and the production curtailment of automobiles due to the semiconductor shortage despite sales recovering year on year.

## Engineering plastics

- Sales recovered in Japan and overseas despite the impact of the rise of raw material prices and the production curtailment of automobiles.

## Airbag fabrics

- Faced challenges due to the impact of the rise of raw material prices and the production curtailment of automobiles despite sales recovering year on year.

# Lifestyle and Environment

(¥bn.)

	FY 3/21			FY 3/22			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	50.2	27.1	77.3	54.7	27.7	82.4	+ 5.1	+ 6.6%
Operating profit (OPM)	1.8	1.2	3.0	1.9	0.8	2.7	- 0.3	- 11.5%
	3.5%	4.6%	3.9%	3.4%	2.9%	3.2%	-	-

## Environmental solutions

- Volatile organic compound (VOC) emissions treatment equipment was impacted the stagnation of operating activities in the previous fiscal year.  
Current orders suddenly increased due to the recovery of the LIBS market.

## Nonwoven fabrics

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

## 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 "ZYLON" for use in firefighter uniforms were strong.

## Textiles

- Sales for sports and uniforms stagnated despite the improvement of traditional Arabic fabric due to the depreciation of the yen.

# Concentrate resources for the textile business

## Establish TOYOBO Textiles Co., Ltd. (April 1, 2022)

- Separate textile business from TOYOBO STC CO., LTD., integrate with TOYOBO UNI PRODUCTS CO., LTD.
- Newly establish TOYOBO TEXTILE CO., LTD. through this integration
- TOYO KNIT CO., LTD. will become a subsidiary of TOYOBO TEXTILE CO., LTD.
- Integrate resources of textile business, and accelerate selection and concentration in the business

## Consolidate Toyama Production Center

- Stop production at Inami Mill and Nyuzen Mill in Toyama Production Center, a domestic dedicated production site for textile business
  - Increase production efficiency by concentrating production functions of both mills into Shogawa Mill
  - Utilize production bases in Malaysia, make Shogawa Mill into mother factory and move forward with integrated management in Japan and overseas
  - Transfer some production equipment from Inami Mill and Nyuzen Mill to Shogawa Mill from 2023 onward
- Stop production at Inami Mill and Nyuzen Mill in March 2024

(¥bn.)

	FY 3/21			FY 3/22			Q3 cumulative YOY	
	H1	Q3	Q3 (cumulative)	H1	Q3	Q3 (cumulative)	Amount	%
Net sales	12.4	6.9	19.2	16.3	8.2	24.6	+ 5.3	+ 27.8%
Operating profit (OPM)	1.6	1.6	3.2	4.6	1.8	6.4	+ 3.2	+ 102.2%
	12.9%	22.7%	16.4%	28.2%	21.6%	26.0%	-	-

## Biotechnology

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

## Medical materials

- Strong sales of artificial kidney hollow fibers and virus removing filters.

## Pharmaceuticals

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



# Topics: For Becoming Carbon Neutral

## ➤ Renovate in-house thermal power station at Iwakuni Production Center

- Transition from coal to liquid natural gas and RPF\* for fuel
- Reduce GHG emissions by 80,000 tons per year
- Commenced work from November 2021, Commence operation from October 2023.

\* RPF: Solid fuel, the main raw material of which is waste paper and waste plastics

## ➤ Introduce internal carbon pricing system (from April 1, 2022)

- ICP ¥10,000/t-CO<sub>2</sub>, shadow price

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

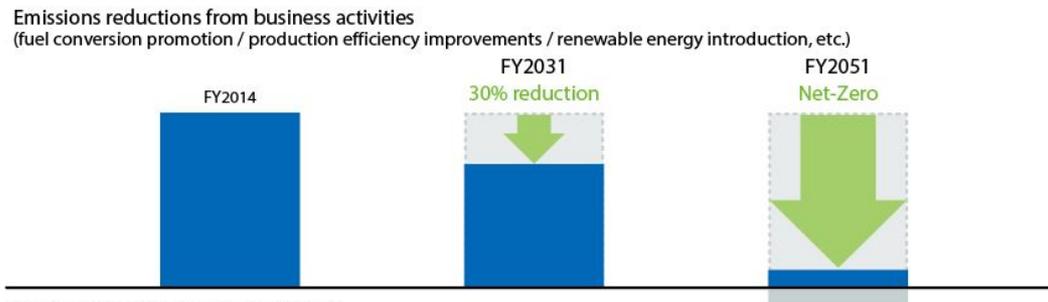
Targets for Scope 1 and Scope 2\*

### GHG emissions in FY 3/21

Scope 1 : 718 Thousand tonnes-CO<sub>2</sub>  
Scope 2 : 184 Thousand tonnes-CO<sub>2</sub>

### Rate of reduction of GHG emissions 26%

FY 3/21 compared with FY 3/14



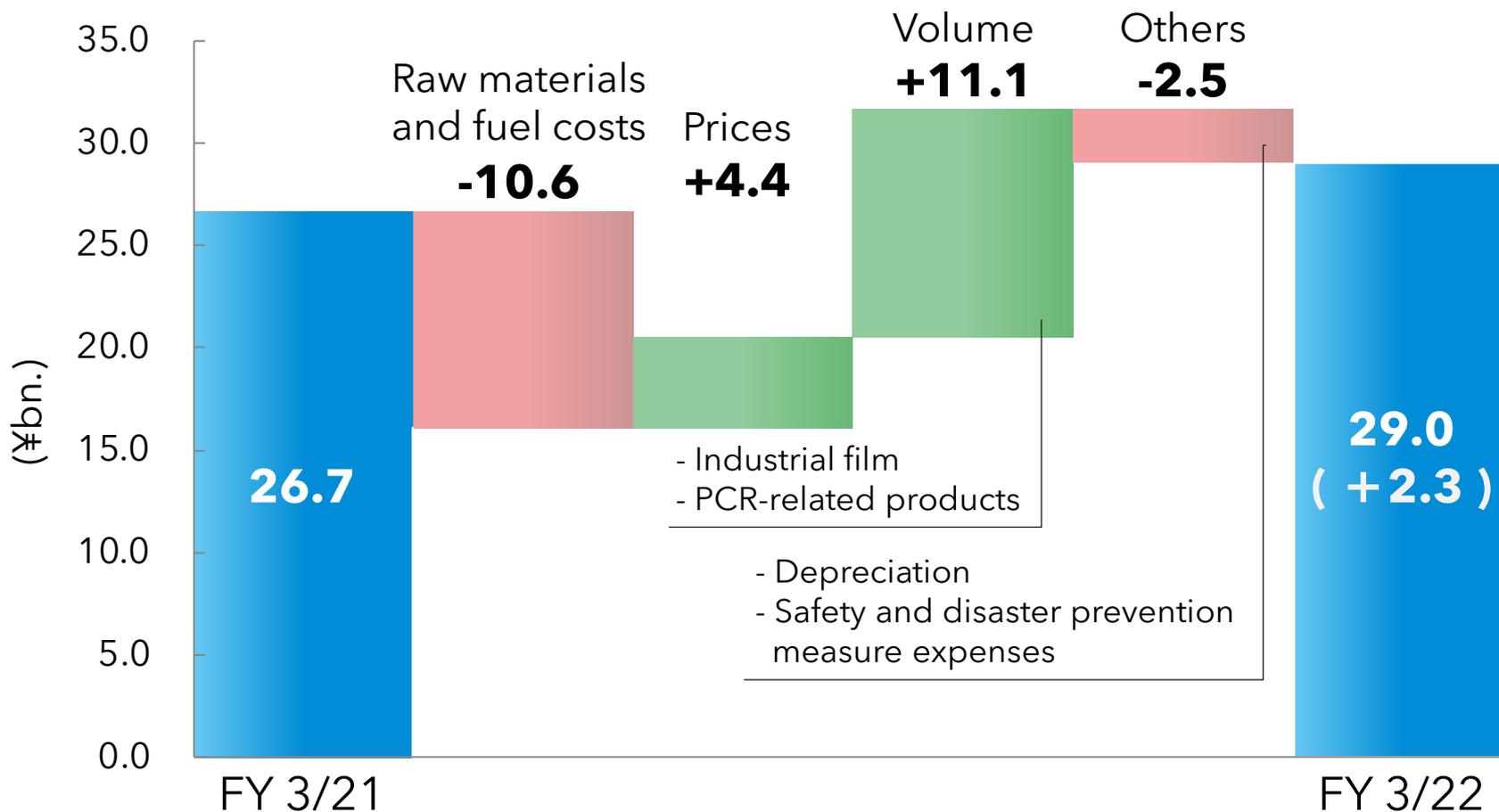
\* Scope 1: Direct emissions from owned or controlled sources  
Scope 2: Indirect emissions from the use of purchased electricity, heat and steam

# Forecasts for FY 3/22

Forecasts of operating profit of ¥29.0 bn., net profit of ¥13.0 bn. remain unchanged since industrial films, reagents for PCR testing, etc. performed strongly despite concerns regarding delays in revising sales prices, and the spread of COVID-19 variants.

	FY 3/21	FY 3/22		YOY		Previous forecasts (Nov. 2021)
	result	Q3 (cumulative)	full year forecasts	Amount	%	
Net sales	337.4	274.5	<b>370.0</b>	+ 32.6	+ 9.7%	365.0
Operating profit	26.7	22.9	<b>29.0</b>	+ 2.3	+ 8.8%	29.0
(Ratio to sales)	7.9%	8.3%	<b>7.8%</b>	-	-	7.9%
Ordinary profit	20.7	18.2	<b>24.0</b>	+ 3.3	+ 15.9%	24.0
Extraordinary income and losses	- 15.1	- 3.2	<b>- 7.0</b>	-	-	- 7.0
Profit attributable to owners of parent	4.2	12.1	<b>13.0</b>	+ 8.8	+ 209.4%	13.0
EBITDA	45.8	38.0	<b>49.3</b>	+ 3.5	+7.8%	49.3
EPS (¥)	47.3	136.4	<b>146.3</b>	-	-	146.3
Depreciation	19.1	15.1	<b>20.3</b>	+ 1.2	+ 6.3%	20.3
CAPEX	23.3	22.7	<b>31.0</b>	+ 7.7	+ 33.3%	31.0
Dividend (¥)	40.0		<b>40.0</b>	-	-	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	56

Previous forecasts (Nov. 2021)

112

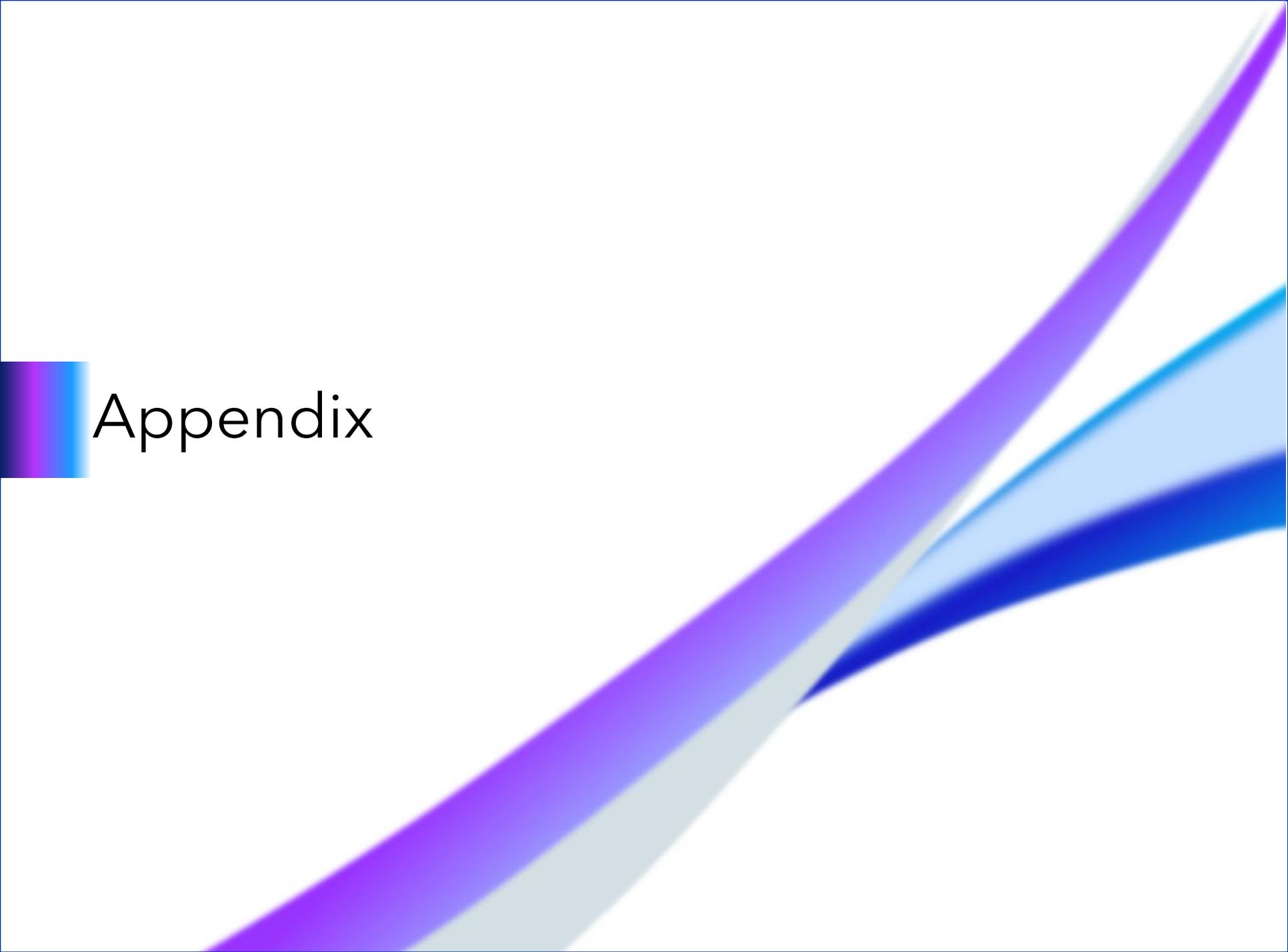
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# Forecasts by Segment



(¥bn.)

	Net sales		Operating profit			Previous forecasts (Nov. 2021)
	FY 3/21 result	FY 3/22 forecasts	FY 3/21 result	FY 3/22 forecasts	YOY	
Films and Functional Materials	152.8	<b>170.0</b>	20.0	<b>21.0</b>	+ 1.0	21.0
Mobility	36.6	<b>43.0</b>	- 1.6	<b>- 1.8</b>	- 0.2	- 1.4
Lifestyle and Environment	109.1	<b>112.0</b>	4.4	<b>3.7</b>	- 0.7	3.7
Life Science	27.1	<b>34.0</b>	4.5	<b>7.8</b>	+ 3.3	7.1
Real Estate and Others	11.8	<b>11.0</b>	2.3	<b>2.1</b>	- 0.2	2.2
Elimination & Corporate	-	-	- 3.0	<b>- 3.8</b>	- 0.8	- 3.6
Total	337.4	<b>370.0</b>	26.7	<b>29.0</b>	+ 2.3	29.0

A decorative graphic on the left side of the page. It features a vertical bar with a gradient from purple at the top to blue at the bottom. To the right of this bar, the word "Appendix" is written in a black, sans-serif font. The background of the page is white, with a large, abstract graphic on the right side. This graphic consists of several overlapping, curved shapes in shades of purple, blue, and light blue, creating a sense of depth and movement.

Appendix

# Business performance



(¥bn.)

Net sales	FY 3/21					FY 3/22			
	Q1	Q2	Q3	Q3 (cumulative)	full year	Q1	Q2	Q3	Q3 (cumulative)
Films and Functional Materials	36.3	37.5	39.2	113.0	152.8	45.7	40.2	41.4	127.3
Mobility	6.8	8.2	10.5	25.5	36.6	11.1	10.5	10.6	32.2
Lifestyle and Environment	22.9	27.3	27.1	77.3	109.1	27.7	27.0	27.7	82.4
Life Science	6.3	6.0	6.9	19.2	27.1	7.5	8.9	8.2	24.6
Real estate and Others	3.1	3.1	2.7	8.8	11.8	2.6	2.7	2.8	8.1
Elimination & Corporate	-	-	-	-	-	-	-	-	-
Total	75.5	82.1	86.4	243.9	337.4	94.6	89.2	90.7	274.5

Operating profit	FY 3/21					FY 3/22			
	Q1	Q2	Q3	Q3 (cumulative)	full year	Q1	Q2	Q3	Q3 (cumulative)
Films and Functional Materials	3.9	4.8	5.6	14.3	20.0	6.8	5.4	4.3	16.6
Mobility	-0.7	-0.6	-0.4	-1.7	-1.6	-0.5	-0.4	-0.6	-1.4
Lifestyle and Environment	0.3	1.4	1.2	3.0	4.4	1.5	0.4	0.8	2.7
Life Science	1.0	0.6	1.6	3.2	4.5	1.9	2.8	1.8	6.4
Real estate and Others	0.5	0.6	0.6	1.6	2.3	0.4	0.7	0.5	1.6
Elimination & Corporate	-0.7	-0.7	-0.8	-2.2	-3.0	-0.8	-1.0	-1.1	-2.9
Total	4.4	6.1	7.9	18.3	26.7	9.2	7.9	5.8	22.9

# Topics

## ➤ Issued social bonds

- Issued ¥10.0 bn. in December 2021
- Appropriate for expenses associated with manufacture of medical membranes and expenses associated with manufacture of reagents

## ➤ Received prize for excellence for the first time at "2021 Internet IR Awards"

- Daiwa Investor Relations Co. Ltd.
- IR websites (websites for information for shareholders and investors) of 3,944 listed companies were up for consideration.
- Selected as a company that effectively utilizes its website in information disclosure and communication activities.



## ➤ Received bronze for the first time at "Sustainability Website Awards 2022"

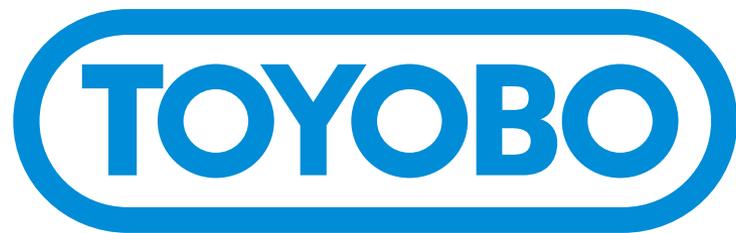
- Association for Sustainability Communication
- 4,049 websites of all listed companies and major unlisted companies in Japan were up for consideration.
- Completeness of sustainability information was investigated and ranked.

# 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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