



Ideas & Chemistry

Ideas &

Chemistry



Annual Report
Year Ended March 31, 2014

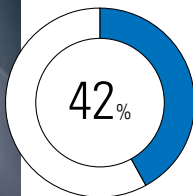
2014

Business Segments and Fields

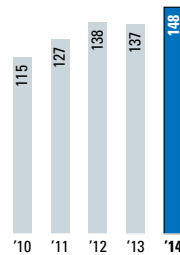
Films & Functional Polymers



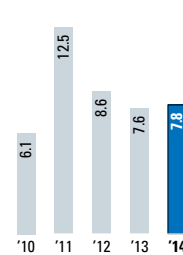
Percentage of Net Sales



Sales (¥ billion)



Operating Income (¥ billion)



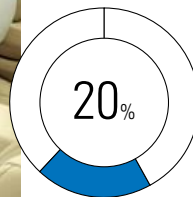
Operational Results

In the films business, sales of the packaging films business experienced tough conditions, but sales of industrial films held firm. In the functional polymers business, sales of materials for automotive parts, including engineering plastics, were favorable, but conditions for sales of “VYLON” were tough.

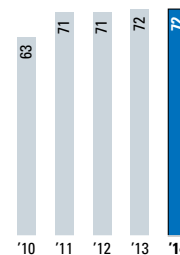
Industrial Materials



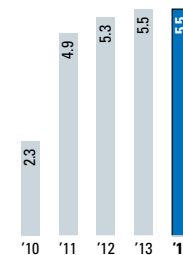
Percentage of Net Sales



Sales (¥ billion)



Operating Income (¥ billion)



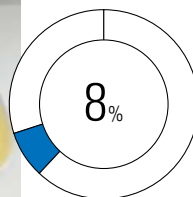
Operational Results

The environment-related businesses were adversely affected by weakness in the Asian markets, but sales of products for consumer and industrial uses, including “BREATHAIR,” showed favorable performances. Withdrawal from the tire cord business was completed.

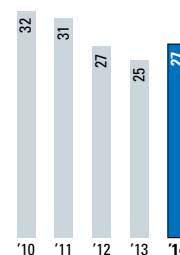
Life Science



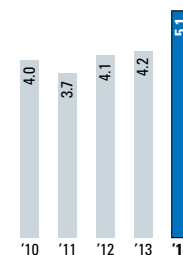
Percentage of Net Sales



Sales (¥ billion)



Operating Income (¥ billion)



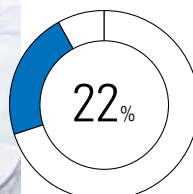
Operational Results

The conditions for sales of membranes for medical applications were difficult, but sales in the bioproducts business and the contract manufacturing of pharmaceuticals were favorable. New product “Nerbridge” was successfully launched as planned.

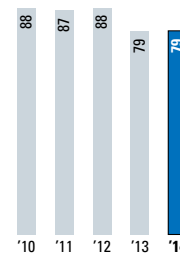
Textiles



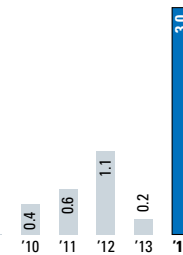
Percentage of Net Sales



Sales (¥ billion)



Operating Income (¥ billion)



Operational Results

Sales were influenced by the delay in recovery in the domestic apparel market. Profitability of sports apparel deteriorated because of the decline in the value of the yen, which increased the cost of products manufactured overseas. Income from textile materials for traditional Arabic menswear increased along with the rise in export margins. Sales of acrylic fiber to China held firm.

Strategies

In the industrial films business, the product portfolio will be reformed, more so focusing on high-value-added products, including “COSMOSHINE SRF.” In the packaging films business, our competitive edge will be enhanced overseas for future growth by promoting shrinkable films and other high-function film products. In the Functional Polymers businesses, expanding overseas business is the key for our growth, especially in the engineering plastics and “VYLON” businesses, focusing on the growth markets in such areas as Central and South America as well as Asia.

Products

Industrial films

- PET films for (i) FPD use, (ii) photovoltaic backsheets, (iii) touch screens, (iv) ceramic capacitor process sheets, and (v) other industrial uses
- Synthetic paper

Packaging films

- PET, polyolefin, polyamide films for food packaging, and shrinkable films for labels

Functional polymers

- Engineering plastics
- For industrial adhesives, coatings: co-polyester and modified polyolefin
- Acrylate polymers

Strategies

The airbag business will be expanded overseas by structuring sales channels to automobile parts manufacturers in Europe, the United States, and elsewhere, taking advantages of its strength as an airbag yarn supplier, with global supply systems integrated from yarn to fabric. Further promotion of equipment and systems for VOC emissions treatment in Asia, global expansion of “BREATHAIR,” and expansion of high-performance fibers business based on new applications will contribute to our performance.

Products

Functional fibers

- Airbag fabrics

High-performance fibers

- Ultra-high-strength polyethylene fiber
- PBO fiber: extremely heat-resistant, high-tenacity fiber

Functional filters, non-woven fabrics

- Filters for (i) automotive components, (ii) office equipment, and (iii) air purifiers
- VOC emissions treatment equipment and systems with activated carbon filters
- Non-woven fabrics for automotive parts and construction materials

Strategies

Expansion into overseas markets will be accelerated for bioproducts through the acquisition of Spinreact, S.A.U. Further strategies drawing on M&A and/or business alliances will be implemented for our inorganic growth. “Nerbridge” is a growth driver, and its promotion will be accelerated in Japan and overseas. Our other several new products will be launched in the high-function membrane and other life science businesses.

Products

Bioproducts

- Enzymes for diagnostics, diagnostic systems and reagents, research reagents, and cosmetic ingredients

Pharmaceuticals

- Contract manufacturing (injections, raw pharmaceuticals, and antibody drugs)

Medical membranes, equipment, and devices

- Hollow fiber membranes for artificial kidneys and anti-clotting materials
- Medical treatment devices

Water treatment membranes

- Reverse osmosis membranes for seawater desalination
- Ultra-filtration membranes for drinking water

Strategies

The businesses will be focusing on expanding the range of uses of its functional textiles materials into sports apparel, innerwear, and other areas. Textiles for Arabic traditional menswear in the Middle East (*thoub*) are other strategic products. Under the policy of improving asset efficiency, businesses to be commoditized will be downsized, while high-value-added functional textiles will be further promoted.

Products

Textiles

- Functional textiles

Apparel products

- “Munsingwear”: sportswear

Acrylic fibers

- “EXLAN”: acrylic fibers

Polymerization

Modification

Business diversity based on the
4 core technologies is our
core competence to win as “category
leader” in various niche markets.

Processing

Biotechnology

Food packaging film:

Sales of

¥50 billion

and overall top producer
in Japan



Equipment for VOC emissions treatment:

1,300 installed

in Japan and other countries

Engineering plastics:

Overseas sales rose

43% over

the previous year



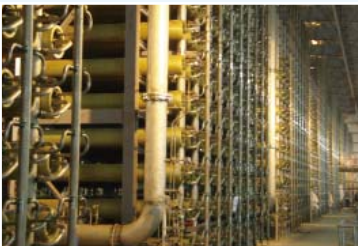
Airbag fabrics:

40% market share

and in the leading group internationally for airbag fabric yarn production

Enzymes for diagnostic reagents:

In the top **4** of the leading group internationally, specifically number **1** for sales of enzymes for self-monitoring of blood glucose



Reverse osmosis membrane element for seawater desalination:

50% market share

in the countries of GCC* in the Middle East

* GCC: Gulf Cooperation Council

Note: Shares are estimated by Toyobo.

Message from the New President

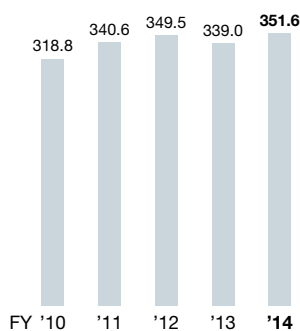
Driving Toyobo at the New Stage for Further Growth

Toyobo designated the period up to 2008 as a time for structural reforms in its textiles business and, thereafter, entered a new stage of growth. In recent years, we have been successful in developing and launching new products that have become growth drivers. Going forward, the Toyobo Group aims to become “the category leader, continuing to create new value that contributes to society in the environment, life science, and high-function product fields.” Toyobo will continue to move forward in its business activities for further growth by developing the markets for differentiated products in Japan and overseas.

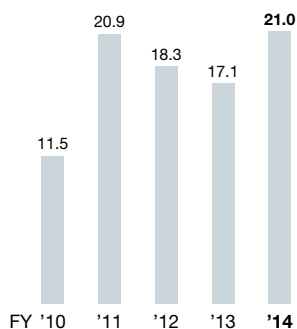
What We Wish to Be in the Future

The “category leader” means a company that can maintain a high market share by developing specific markets with highly competitive products. Changes occurring in the business environment are major and are taking place at a rapid pace. To maintain the position of the category leader, we must keep creating advanced and unique technologies and products that our customers highly appreciate. In other words, we are aiming to become a strong company with growth potential and stable profitability.” What will support our growth will be business expansion in rising global markets and development of new products and new businesses with growth potential. To maintain stable profitability, it will be important to maintain a portfolio of businesses that have earnings power and are well balanced between Japan and overseas markets as well as a sound financial position. Our targets are to attain consolidated annual net sales of ¥500 billion, operating income of ¥50 billion, and a return on assets (ROA) of 10%.

Net Sales
(¥ billion)



Operating Income
(¥ billion)



Management Policy

Our management policy for realizing our targets and becoming the kind of company we want to be will be based on continuous reform of our business portfolio. As we respond to changes in the business environment, we will conduct thorough reviews of our businesses, reconsider the allocation of our corporate resources, and optimize our business portfolio. That is, we will not hesitate to withdraw from businesses that have become outdated, as we have been such in the past. We will totally expand our business and enhance its profitability, by accelerating our overseas business development drawing on our strengths, and creating new initiatives, including new products and new businesses.

New Medium-Term Management Plan for FY2015–2018

Working toward our long-term goals, we aim to achieve by fiscal 2018, ending March 31, 2018, net sales of ¥420 billion, operating income of ¥30 billion, and ROA of 7%, with a debt to equity ratio of 1.0. The action plans we have adopted for reaching the targets of our Medium-Term Management Plan have five major points:

- ▶ Accelerating overseas business development (drawing on business alliances)
- ▶ Developing new products and creating new businesses
- ▶ Strengthening competitiveness of domestic businesses
- ▶ Improving asset efficiency
- ▶ Strengthening global Group management



Return to Shareholders

Toyobo considers providing returns to shareholders to be one of its highest priorities. Our basic policy is to continually provide a stable dividend, determined through a comprehensive consideration of such factors as improving our financial position, including profit levels, and retention of earnings for future investment.

In accordance with this policy, Toyobo plans to pay a year-end dividend for the subject fiscal year of ¥3.50 per share. For fiscal 2015, we expect to pay a dividend of ¥3.50 per share, based on the forecast net income of ¥11.0 billion.

I would like to offer my sincerest appreciation to our shareholders and investors, and ask for your continued support.

August 2014

A handwritten signature in black ink, appearing to read 'S. Narahara'.

Seiji Narahara

President & Chief Operating Officer

Financial Highlights

The category leader, continuing to create new value that contributes to society in the environment, life science, and high-function products fields

	Millions of yen						Thousands of U.S. dollars (Note 1)
	2014	2013	2012	2011	2010	2009	2014
Net sales	¥351,577	¥339,009	¥349,505	¥340,573	¥318,773	¥367,271	\$3,416,018
Films and functional polymers	148,000	137,394	138,437	126,960	114,928	122,312	1,438,010
Industrial materials	71,704	71,891	71,221	71,462	63,157	74,656	696,696
Life science	27,344	24,839	26,580	31,386	32,377	33,123	265,682
Textiles	79,089	79,211	87,999	86,832	88,373	111,736	768,451
Real estate	3,670	3,741	3,793	3,602	4,564	4,649	35,659
Other businesses	21,770	21,932	21,474	20,331	15,374	20,795	211,524
Operating income	21,006	17,081	18,305	20,890	11,469	11,229	204,091
Net income (loss)	8,154	7,639	4,587	4,155	2,094	(12,505)	79,228
EBITDA	35,044	30,327	37,778	40,003	31,888	32,435	340,497
Depreciation and amortization	14,038	13,246	19,473	19,113	20,419	21,206	136,397
Capital expenditure	20,074	18,041	16,517	13,931	15,166	20,039	195,045
R&D expenses	10,473	9,966	10,820	10,634	10,296	10,669	101,759
Total assets	456,256	447,445	437,841	443,516	438,439	443,816	4,433,111
Shareholders' equity (excluding minority interests)	142,310	138,024	130,572	125,770	107,095	98,253	1,382,719
Interest-bearing debt	170,721	159,430	154,888	151,804	170,963	178,901	1,658,774
Net cash flows provided by (used in) operating activities	23,927	30,354	14,192	33,714	29,024	(368)	232,481
Net cash flows used in investing activities	(22,218)	(11,294)	(15,061)	(11,579)	(13,455)	(15,803)	(215,877)
Net cash flows (used in) provided by financing activities	(10,839)	(2,636)	(11,531)	(9,915)	(15,832)	17,379	(105,321)

Per stock data (yen):	Yen						U.S. dollars (Note 1)
	2014	2013	2012	2011	2010	2009	2014
Basic net income (loss) per share	¥9.18	¥8.61	¥5.17	¥5.49	¥2.88	(¥17.92)	\$0.089
Cash dividends	3.50	3.50	3.50	3.50	3.50	3.50	0.034

Financial ratios:

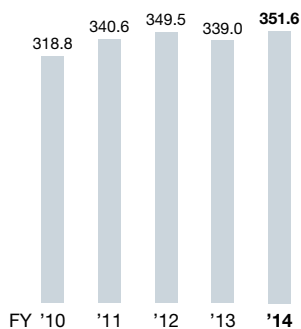
ROA (%)	4.6	3.8	4.2	4.7	2.6	2.5
ROE (%)	5.8	5.7	3.6	3.6	2.0	(11.0)
Equity ratio (%)	31.2	30.8	29.8	28.4	24.4	22.1
D/E ratio (times)	1.20	1.16	1.19	1.21	1.60	1.82

Notes: 1. The U.S. dollar amounts in this report represent translations of yen for convenience only at the rate of ¥102.92 to \$1.00.

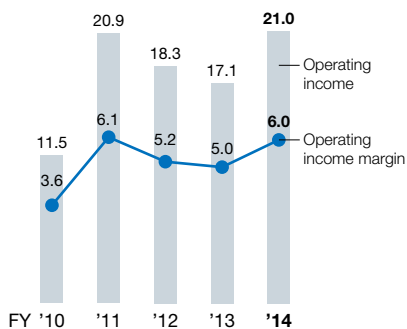
2. ROA: Operating income basis.

3. D/E ratio: Interest-bearing debt/net assets excluding minority interests.

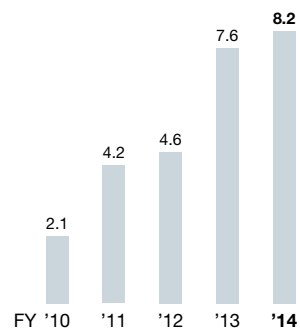
Net Sales
(¥ billion)



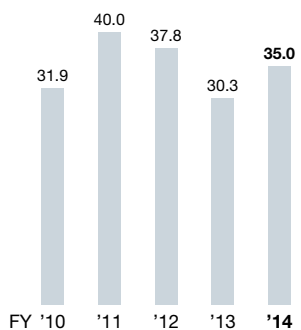
Operating Income and Operating Income Margin
(¥ billion, %)



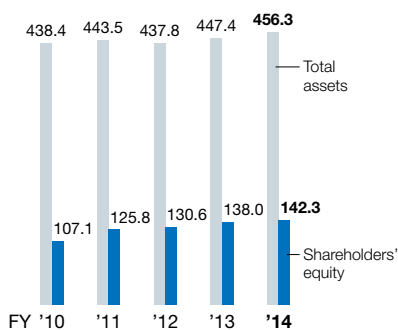
Net Income (Loss)
(¥ billion)



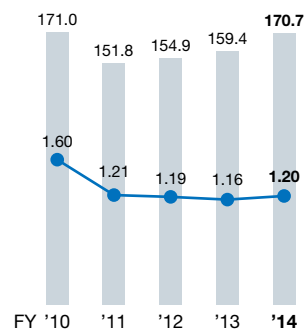
EBITDA
(¥ billion)



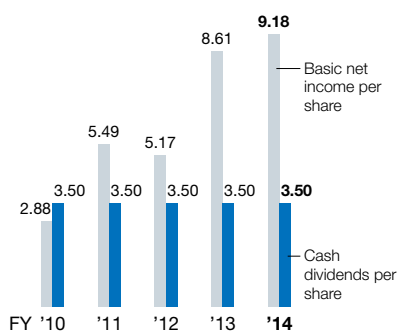
Total Assets and Shareholders' Equity
(¥ billion)



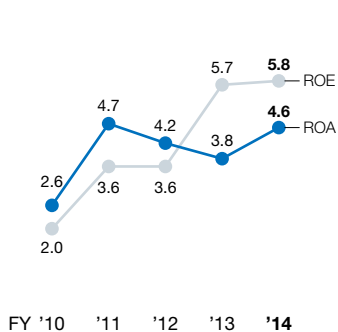
Interest-Bearing Debt and D/E Ratio
(¥ billion, times)



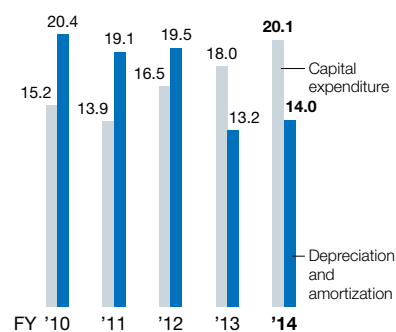
Basic Net Income per Share and Cash Dividends per Share
(¥)



ROA and ROE
(%)



Capital Expenditure and Depreciation and Amortization
(¥ billion)



Q1

Accelerating overseas business development is one of the issues you are addressing. What factors led you to this conclusion, and what related strategies are you implementing? What specific countries and regions are you focusing on, and what will you be doing?



Opportunities in Expanding Overseas Business

During the period up to 2008 when we restructured our textiles business, even as we grew our specialty businesses, we adopted a policy of restraining expenditures and avoiding risks and expanded these businesses mainly by focusing on domestic customers we knew well. We fell behind in the development of our overseas business. Consequently, our ratio of overseas sales to total sales is still slightly less than 30%. On the other hand, Toyobo has many advanced and differentiated products. Looking ahead, there will be a diversity of needs in countries around the world, particularly in the emerging markets where growth is expected. Therefore, we think that there is ample room for expansion of our overseas business.

Aiming for a 40% to 50% Overseas Sales Ratio

We will not emphasize the expansion in our overseas sales ratio excessively, but, as a specialty chemical manufacturer, a 30% ratio of overseas sales is low. Through a combination of exports, overseas production, alliances, and M&A, we are aiming first for a 40% ratio while maintaining a good balance, and then 50% after that.

In 2013, we acquired Spinreact, S.A.U. of Spain and PHP Fibers GmbH of Germany. The scale of these acquisitions was not large, but this strategy is paving the way to growth in the future. We expect synergies with these new partner companies of the Toyobo Group, and, with this in mind, we plan to implement this kind of aggressive M&A strategy in the years ahead.

Taking Advantage of Our Existing Overseas Assets

Toyobo has a number of overseas offices and other business locations that were established in connection with its textiles business. While these were originally business locations of the Textiles Division, Toyobo has repositioned these as part of the Global Business Planning Division, and these are now managed as part of Toyobo's Companywide operations. For example, Toyobo's subsidiary in Brazil has a proud and prosperous history of more than 60 years. After the installation of production facilities for engineering plastics, this subsidiary will supply its products to Japanese automobile parts manufacturers in the local economy. On the other hand, in the Middle East, Toyobo supplies *thobe* fabric for use in formal menswear and is one of the top brands in this product area. Moreover, Toyobo's reverse osmosis membranes for desalination are in use in plants that supply water to six million people. As these comments suggest, we are planning to develop new business in regions where we can take advantages of having an existing business foundation and being already well known.

Toyobo's Business Locations around the Globe



Spain

Toyobo has accelerated its expansion into overseas markets for biotechnology products through the acquisition of Spain's Spinreact, S.A.U., a global manufacturer and marketer of in vitro diagnostic (IVD) reagents and instruments.



Germany

Acquisition of PHP Fibers GmbH
Toyobo acquires the world's second-largest airbag yarn manufacturer to become No. 1 internationally.

- Manufacturing
- Marketing and sales
- Office



Saudi Arabia

Production of desalination membranes in Saudi Arabia



The Middle East

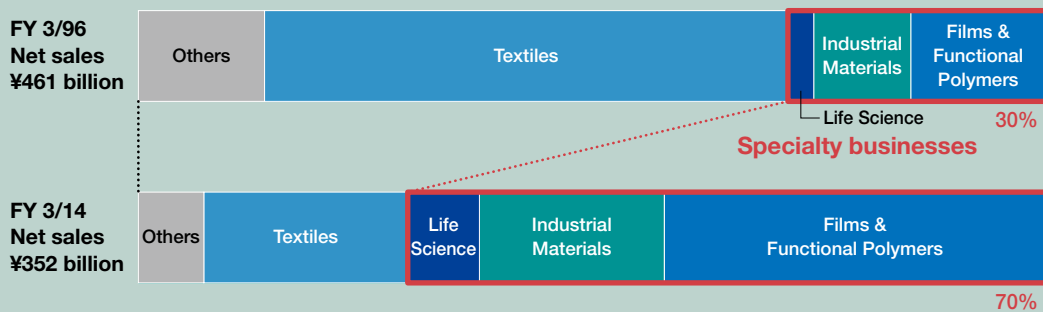
Toyobo supplies *thobe* fabric for use in formal menswear and is one of the top brands in this product area.



Brazil

Development of the engineering plastics for automotive parts business in Brazil

Transformation of Business Portfolio





“Nerbridge”

“Nerbridge” nerve regeneration conduits are contributing to the quality of life (QOL) of patients.



“COSMOSHINE SRF” (Super Retarder Film)

A super retarder film featuring an optical retardation that far exceeds the interference region

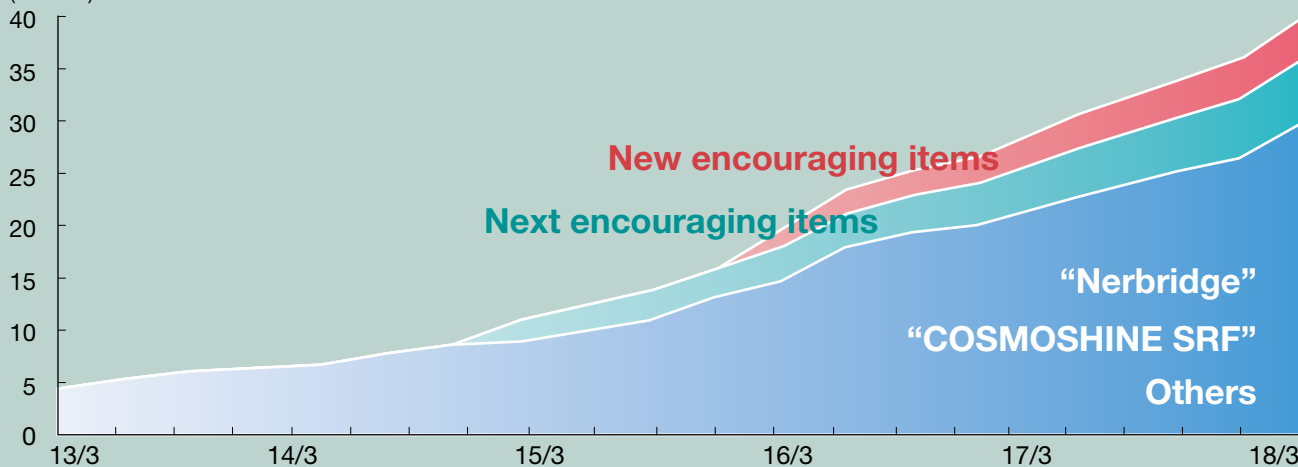


“SPACECLEAN”

A polyester shrinkable film used for the labels of various containers, such as PET bottles and glass bottles

Sales Trends in New Products

(¥ billion)



Q2

Such new products as super retarder film (“COSMOSHINE SRF”) and “Nerbridge” are attracting attention. Does the fact that Toyobo is now developing and launching new products on a continuing basis mean something has changed? Also, what new products will you launch under the 2014 Medium-Term Management Plan?



Launching New Products Constantly

In recent years, Toyobo has been successful in launching a series of new products that have become growth drivers, including “COSMOSHINE SRF,” “Nerbridge,” and a new polyester shrinkable film. In developing these products, it has been possible in many cases to apply the results horizontally to other businesses and products. However, in order to keep launching new products constantly, it is necessary to establish internal mechanisms to create “something new” at all the functions in the Company, including research & development, production, and sales. We think that one of the major missions of management must be to make Toyobo the kind of company that can develop new products on a continuing basis through creating mechanisms that are shared broadly in the Company and will function universally even if generations change.

Open Innovation as R&D Initiatives

Changes in the world around us are accelerating, and product life cycles are becoming shorter. As we accelerate the development of new products, open innovation that is based on collaboration with companies and others outside of Toyobo will become increasingly important. “COSMOSHINE SRF,” which has already been launched, is one example of a product that was successfully commercialized through collaboration with a university. As we proceed with open innovation, it is important to identify excellent partners, before other companies do the same. We must develop efficient systems that make this possible and strengthen them.

New Products Coming into the Commercial Stream

Under our Medium-Term Management Plan, we are scheduling the launch of new products in the films, high-function membrane, and life sciences businesses. We have not released the details of these products yet, but, along with growth in “COSMOSHINE SRF,” “Nerbridge,” and other products, these new products will also contribute, and we are forecasting growth in annual sales from new products in fiscal 2017 at ¥40 billion. Under our policy of “continuous reforming of our business portfolio,” I will actively drive the development of new products myself.

Q3

Looking to growth in the years to come, what issues will Toyobo face? As the new president of the Company, what would you like to do most?

Resetting Our Minds toward Growth

After long years of making structural reforms, we must recalibrate the minds of employees to think “growth.” Thus far, we have emphasized mainly “reduce costs” and “avoid risks,” and our awareness that “as a company, we must continue to accept the challenge and grow” has somewhat slackened.

Today, Toyobo has entered a new stage for further growth, and I think the issue we must confront is, first and foremost, how to revitalize the weakened awareness of our employees and inspire them toward growth. I want us to stop thinking “we want to grow” and think constantly instead, “we must grow.” We must have a sense of crisis and must say to ourselves, “if we put things off, we will lose our business.” I want everyone to aggressively work for growth and expansion for survival in the global market.

Positive Thinking and Challenging Action

On the other hand, another stance we must take in our work and two of the things I am telling employees is “think positively” and “accept the challenge of taking action.” These have been my personal mottos. Even when facing difficulties, we must think positively and search diligently for solutions to our problems believing that nothing is unsolvable, if we make our best efforts using our wisdom. Also, our guideline for action, as we take some risks, must be to confront challenges and move onward toward our objectives at all times. Internally, I have shortened this to PTCA, which stands for “Positive Thinking and Challenging Action.” Having the PTCA guidelines in our minds, I want to transform the employees of the global Toyobo Group into a group of people who are boldly accepting the challenges to grow.

Making Quicker Decisions

As the pace of change in the world around us quickens, we are required to make decisions faster. This was especially true in the two acquisitions of overseas manufacturers we made last year. In many cases, we had to make fast decisions. On the other hand, as a listed company, it is important for us to follow correctly the procedures necessary. In our internal decision making, I want us to change our operating frameworks to enable us to make management judgments quickly, while taking the required steps. To give one example, in our Corporate Planning Committee Meeting, where we preliminarily discuss investments, we must have managing executive officers and outside specialists, including, for example, lawyers, present and give matters sufficient consideration at these meetings. If we adopt this efficient modus operandi, we should be able to speed up the management processes and make decisions in two months at the shortest. I will be taking every possible action to accelerate our decision making.



Review and Outlook

Review of Fiscal 2014

The business environment for the Toyobo Group through the end of fiscal 2014, ended March 31, 2014 was relatively lackluster. Overseas, recovery trends emerged in the United States, including improvement in the employment environment, but growth in the emerging countries of Asia, including China, slowed, and the stagnation in the European economy showed a moderate recovery. As the high values of the yen underwent a correction and stock prices recovered following the adoption of economic and monetary policies, recovery was evidenced by improvement in corporate profitability, the rise in consumer spending as a consequence of the surge in demand prior to the increase in Japan's consumption tax, and other developments.

Amid this operating environment, the Toyobo Group continued its activities aimed at becoming "the category leader, continuing to create new value that contributes to society in the environment, life science, and high-function products fields." Accordingly, Toyobo is proceeding with activities targeted at further growth by expanding its businesses in Japan and overseas markets through developing specialty products and increasing their sales. During the fiscal year under review, Toyobo continued to implement strategic actions aimed at further expanding its businesses according to plan. These were "investing to expand capacity," "accelerating overseas business development," "developing new products," and "improving asset efficiency."

As a result, consolidated net sales for the subject fiscal year increased ¥12.6 billion (3.7%) from the previous fiscal year to ¥351.6 billion, with operating income up ¥3.9 billion (23.0%) to ¥21.0 billion, and net income of ¥8.2 billion.



This photo was provided by Fukuoka District Waterworks Agency Uminakamichi Nata Seawater Desalination Center.

Forecast for Fiscal 2015

In fiscal 2015, ending March 31, 2015, the business environment overall is viewed as likely to remain on a moderate recovery trend as a result of the continuation of monetary easing policies. However, considerable uncertainty in conditions is forecast to prevail. In Japan, this will be because of such factors as the rise in raw materials prices and the slump in consumer spending following the increase in the consumption tax, and, overseas, as a result of the slowing of economic growth in the emerging countries.

In view of this outlook for the operating environment, the Toyobo Group will continue to strengthen its earnings base to cope successfully with changes in the external environment. The Group aims to become "the category leader, continuing to create new value that contributes to society in the environment, life science, and high-function products fields." The Group works for further enhancing its profitability by focusing its management resources on businesses that are profitable and have high growth potential, as it aggressively expands its business activities in Japan and overseas and improving its business portfolio, such as increasing the efficiency of its capital, strengthening its financial position, and other factors.

Considering such factors, for fiscal 2015 the Toyobo Group is forecasting consolidated net sales of ¥365.0 billion (up ¥13.4 billion year on year), with operating income of ¥24.0 billion (up ¥3.0 billion), and net income of ¥11.0 billion (up ¥2.8 billion).

New Medium-Term Management Plan for 2015–2018

The Toyobo Group is continuing to implement strategic actions aimed at further expanding its businesses by setting five objectives, namely, “Accelerating overseas business development,” “Developing new products and creating new businesses,” “Strengthening competitiveness in domestic businesses,” “Improving asset efficiency,” and “Strengthening global Group management.” All of these objectives are included in the overall management action plans and in the action plans of each business segment. All the member companies of the Toyobo Group are working together to realize growth.

(a) Accelerating Overseas Business Development

The Company is endeavoring to expand sales in overseas markets, focusing on Asia, Central and South America, North America, and the Middle East. At present, overseas sales of the Toyobo Group account for slightly less than 30% of total sales, and the Group is working to accelerate the development of overseas business with the aim of increasing this ratio. Specifically, in addition to the markets for packaging films, films for LCDs, electronic components related products, automotive products, and bioproducts, the Company will work to expand its presence in the environment-related areas, including volatile organic compound (VOC) emissions

treatment equipment and reverse osmosis (RO) membranes for desalination plants.

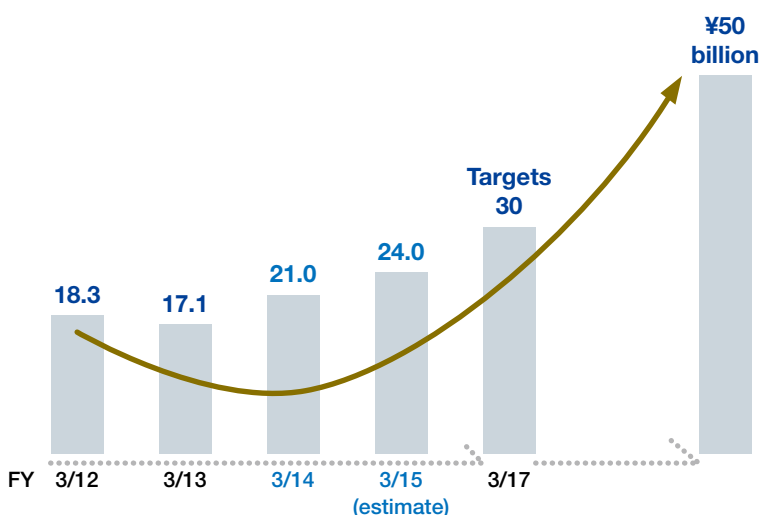
Also, the Company will proceed with the establishment of additional manufacturing and sales locations overseas and enhance its capabilities for the development of products suited to local needs. Moreover, the Company will step up its initiatives to form alliances with partners in local markets and other overseas companies, similar to its joint venture in Saudi Arabia for RO membranes used in seawater desalination plants.

(b) Developing New Products and Creating New Businesses

Drawing on its experience in implementing business reforms in its textiles business, the Company will continue to be aware that “all products become commoditized over time.” To survive and grow as the business environment changes, the Company must be constantly reviewing and updating its product lineups to stay in tune with the times. New product development holds the key to being able to do this. The Company must anticipate market trends; have its product development, manufacturing, and sales functions operate as a team; and offer new products to customers. In addition, the Company will make investments for growth and engage actively in M&A and in forging business alliances.

Among recent new products, the Company has launched its super retarder film (“COSMOSHINE SRF”) for liquid crystal

Positioning of the 2014 Medium-Term Management Plan



displays (LCDs), which has special optical properties, and “Nerbridge,” its tube conduit for promoting the regeneration of damaged nerves. All these products have been highly appraised in the market, and sales in Japan and overseas are expected to grow. Looking forward also, the Company will strengthen its open innovation initiatives aimed at encouraging innovation through joint work with interests outside the Company, with the objective of creating new products and businesses that will drive the growth of the Toyobo Group.

(c) Strengthening Competitiveness in Domestic Businesses

Cost-competitiveness is the source of corporate competitiveness, and Toyobo is continuing to work constantly to reduce costs. Along with reforms in the materials chain, the Company is proceeding with structural reforms in its domestic business network, including the realignment of its machinery and equipment and attracting businesses to use its idle land resources. Also, in both the Company’s line and staff departments, it has set goals for cost reduction and is conducting the thoroughgoing monitoring of progress. Through these and other activities, Toyobo is endeavoring to strengthen competitiveness in its domestic businesses.

(d) Improving Asset Efficiency

In the textiles and apparel business, the Company has not hesitated to reduce the size and close certain of its facilities, aiming to improve the efficiency of its assets. In addition, even in its specialties businesses, the Company is reviewing those fields where profitability has declined along with changes in the business environment. During the fiscal year under review, the Company withdrew from the polyester tire cord business. Looking ahead, the Company will view its businesses from a portfolio reform perspective and, at all business levels, proceed with thoroughgoing reforms needed to increase the asset efficiency of Group companies.

(e) Strengthening Global Group Management

To accelerate overseas business development and expand the Company’s business operations, the strengthening of global management functions will be an important issue. Specifically, the Company will proceed with a review of its organizational operations, for example, strengthening its global system of performance management, and upgrade its IT platforms. In addition, the Company will implement reforms in its human resource development systems for acquiring personnel who can perform effectively in global assignments and further training them.

Numerical Targets

Total	¥ billion	
	FY3/14	FY3/18
Net sales	351.6	420.0
Overseas sales	93.6	170.0
(Ratio of overseas sales)	27%	40%
Operating income	21.0	30.0
Ratio to sales	6.0%	7.1%
Net income	8.2	14.0
Total assets	456.3	460.0
ROA	5%	7%
Interest-bearing debt	170.7	<150.0
Shareholders’ equity	142.3	>150.0
D/E ratio	1.20	1.00

Segment	¥ billion	
	FY3/14	FY3/18
	Net sales	Net sales
Films & Functional Polymers	148.0	180.0
Industrial Materials	71.7	90.0
Life Science	27.3	50.0
Textiles	79.1	75.0
Others	25.4	25.0
Total	351.6	420.0

Overseas Expansion

Acquisition of PHP Fibers

Toyobo Acquires World's Second-Largest Airbag Yarn Manufacturer to Become No. 1 Internationally

Since the 1990s, along with the growth in the number of automobiles manufactured and the number of airbags installed in cars, Toyobo has moved ahead with initiatives to expand its automotive airbag fabrics business. At present, Toyobo has manufacturing bases for these fabrics in Japan, Thailand, China, and the United States and supplies automotive airbag fabrics (nylon 66) mainly to Japanese car parts manufacturers.

Since the demand for airbags is forecast to increase, especially in the emerging countries, Toyobo has set the objective of strengthening its integrated production and supply systems overseas, from yarn through fabric. In line with this objective, Toyobo and Indorama Ventures Public Co. Ltd., a company based in Thailand, jointly acquired German company PHP Fibers GmbH (PHP). By establishing a cooperative relationship with PHP, which has production centers around the world, Toyobo will have a global production network for supplying airbag materials.

Demand for airbag yarn products is said to be likely to expand at an annual rate of between 6% and 7%. By establishing a cooperative relationship with PHP, Toyobo and PHP will account for more than 40% of the world's production and enter the top group of airbag yarn producers internationally.

With its strengths as an airbag yarn supplier, with systems integrated from yarn to fabric, Toyobo will structure sales channels to automobile parts manufacturers in Europe, the United States, and elsewhere and, thereby, respond effectively to the global expansion of the world's automobile manufacturers.

“HOLLOSEP”

Membrane Element Shipments to the World's Largest Seawater Desalination Plant Completed and Arabian Joint Venture Expanding

Toyobo was selected to supply its “HOLLOSEP” brand reverse osmosis (RO) membrane elements for the Ras Al-Khair Plant in Saudi Arabia, which is one of the largest seawater desalination facilities in the world. All shipments of these membrane elements were completed in March 2014.



PHP Fibers GmbH



Arabian Japanese Membrane Company LLC (AJMC)

This desalination plant is scheduled to go into operation during fiscal 2015. Equipped with Toyobo's RO membrane elements, the plant will produce 345,000m³ of fresh water daily.

In addition, the first phase of construction at the "HOLLOSEP" membrane element production facility of Arabian Japanese Membrane Company LLC (AJMC) was completed, and this facility has commenced stable production. Additionally, since its sales are steady, AJMC has begun construction work simultaneously on the second and third phases of the planned expansion of its facilities, and the construction is scheduled to be completed in summer 2014.

AJMC is a three-company joint venture established in 2010, among Toyobo, ACWA Holding of Saudi Arabia, and ITOCHU Corporation.

Toyobo is planning to make AJMC a base for expansion of its Middle Eastern seawater desalination business, where further growth is expected in the years ahead. AJMC is also scheduled to expand sales of RO membrane elements for seawater desalination broadly not only in Saudi Arabia but also in the other countries of the Middle East and North Africa.



Americana plant of Toyobo do Brasil Industria Textil

Engineering Plastics

Development of the Engineering Plastics for Automotive Parts Business in Brazil

Toyobo has expanded its overseas network of sales offices and local manufacturing and product development locations to North America, China, Thailand, and Indonesia. Thus far, these initiatives have been mainly in connection with the overseas movement of the production facilities of automotive parts manufacturers from Japan. The automobile market in Brazil is promising and is expected to grow in the years ahead. Japanese automobile manufacturers are planning to expand their production capacity in that country, principally for compact cars.

Amid this business environment, Toyobo has begun construction on a new plant located within the Americana plant of Toyobo do Brasil Industria Textil Ltda. (in the state of Sao Paulo) as part of activities to structure a local automotive parts supply system. Toyobo do Brasil Industria Textil has a history of local operations in Brazil going back about 60 years. Making use of its production and sales know-how as well as its deep business ties with Brazil, Toyobo is expanding sales of engineering plastic parts to Japanese automobile manufacturers that are located near the new plant. In addition to its engineering plastic parts for cars, the Company is drawing on its wide range of technologies for compounds and is proceeding with initiatives to develop its contract manufacturing of compounds business.

“VYLON”

Copolyester “VYLON” Facilities in Thailand Go into Full Operation

TOYOBO CHEMICALS (Thailand) Co., Ltd., a joint venture established in Thailand by Toyobo together with Mitsubishi Corporation, began full-scale operations at its copolyester “VYLON” production plant in April 2014.

Thus far, Toyobo has produced copolyester “VYLON” at its plant in Japan and marketed the output to users in Japan and overseas. In recent years, along with the growth in demand for this product in China, the ASEAN countries, India, and elsewhere, principal users have moved their production facilities overseas, and the number of local companies entering the market has increased.

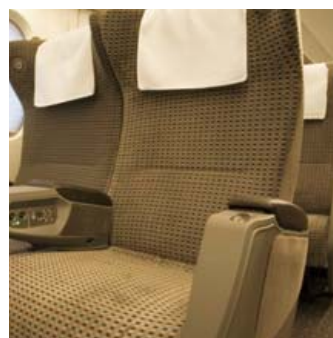
In view of these developments, to satisfy expanding demand in growth markets, Toyobo has started the full-scale production of “VYLON” in Thailand, a country that has a well-developed infrastructure and offers convenience from a logistical perspective. As a consequence, Toyobo expects to secure the necessary production volume and make use of the extensive sales network of Mitsubishi Corporation, its joint venture partner in TOYOBO CHEMICALS (Thailand), to expand sales of “VYLON” to electronics-related markets in the rest of Asia.



TOYOBO CHEMICALS (Thailand)



“BREATHAIR”



It is one of the materials used in the passenger seats of the N700 Series Shinkansen high-speed train.

“BREATHAIR”

Production of “BREATHAIR,” a Replacement for Urethane Foam in Cushions, Begins in Europe

“BREATHAIR” is a 3-D spring network structure that is manufactured through the conversion to fiber and the complex combination of PELPRENE, which is Toyobo’s thermoplastic polyester elastomer. Toyobo began the volume production of “BREATHAIR” in 1996, and it has been adopted as a substitute for urethane foam in seats for railway cars, such as the Shinkansen N-700 Series, where high durability is required. In addition, the comfortability of mattresses and mats made with this material has been recognized, and they are now in wide use in hospitals and care facilities for senior citizens.

Also, “BREATHAIR” is attracting attention as a substitute material for high-quality urethane in the European market, where the awareness of environmental issues is high. In specific terms, the range of applications of this product is expected to expand to include furniture cushions, mattresses for healthcare use, boat cushions, and seats for automobiles and passenger railway cars. Toyobo is, therefore, making appeals to potential users for “BREATHAIR”’s air permeability and its environmental suitability.

Acquisition of Spinreact, S.A.U.

Toyobo has accelerated its expansion into overseas markets for biotechnology products through the acquisition of Spain's Spinreact, S.A.U., a global manufacturer and marketer of in vitro diagnostic (IVD) reagents and instruments.

The biotechnology field, i.e., IVD reagents and instruments, is one of the target areas of Toyobo. We expect that the overseas market of the field will grow at 10% or more annually, especially in the emerging countries. Upon these prospects, in July 2013, Toyobo acquired Spinreact, which has a distributing network in approximately 90 countries around the world, covering not only Spain but also Africa, Latin America, Europe, and Asia, as well as has an extensive lineup of IVD products, which are also affordable in emerging country markets.

This acquisition has given Toyobo access to the extensive product lineup of Spinreact, including biochemical, immunology, and serology IVD reagents. Toyobo will distribute its lineup of biochemical IVD reagents as well as urine analysis and gene analysis systems through Spinreact's sales network in Africa, Central and South America, Europe, the rest of Asia, and elsewhere. Furthermore, Toyobo will expand sales of its bioproducts in overseas markets utilizing Spinreact's production facilities in Europe. As the first step, Toyobo anticipates the previously mentioned synergies, in which both companies will work to expand their existing businesses using their bioproduct lineups and networks. Then, the next step, Toyobo and Spinreact will fuse their biotechnologies to develop new products and promote the development of new markets.



Spinreact, S.A.U.

New Products

Conduit for Nerve Regeneration

“Nerbridge” nerve regeneration conduits are contributing to the quality of life (QOL) of patients and to Toyobo’s performance.

“Nerbridge” conduits, which are the first medical devices of their kind to be developed in Japan, promote the regeneration of peripheral nerves that have been damaged by disease or accidents. The tubular conduits are made of polyglycolic acid (PGA), which is biodegradable, and they are filled up with medical-grade collagen. The conduits are inserted around and fastened to peripheral nerves (nerve gaps) that have been severed or otherwise damaged. They restore the functioning of the nerves by inducing the portion of the nerve connected to the patient’s central nervous system to regenerate and grow in the direction of the portion of the nerve connected to the patient’s peripheral nerve endings. Since the “Nerbridge” conduits are absorbed by the body in about three months, the burden on patients is much lighter than previous surgical procedures, and they contribute to enhancing the patient’s QOL.



“Nerbridge”

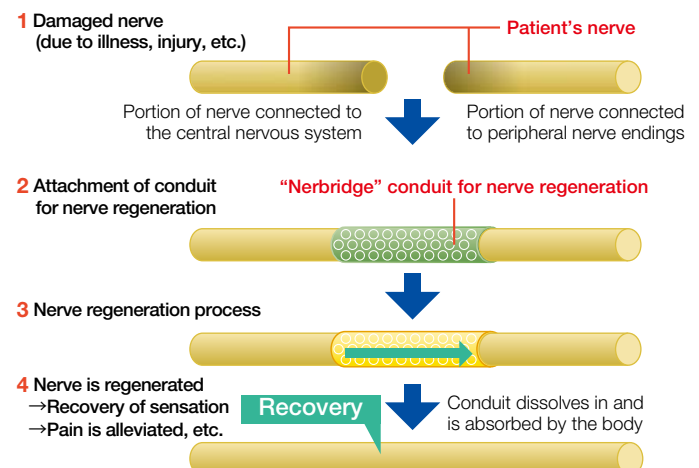
In March 2013, Toyobo received approval from Japan’s Ministry of Health, Labour and Welfare for manufacturing and marketing of “Nerbridge” for regeneration of peripheral nerves, excluding intradural nerves, such as those in the brain and spinal areas. Also, national health insurance coverage, with a reimbursement price of ¥388,000 per conduit, was approved in July 2013. After the approval for insurance coverage was granted, the number of instances of “Nerbridge” surgery has steadily increased, and satisfactory postoperative recoveries have been confirmed.

In addition, doctors are expressing strong interest in using “Nerbridge” for treating damaged facial nerves. Beginning at the end of October 2013, surgeons began to use these conduits for treatment of this kind of nerve damage caused by the removal of parotid gland tumors. In addition to the treatment of damaged facial nerves (by plastic surgeons), doctors practicing urologic surgery have also expressed an interest using “Nerbridge” for the treatment of damaged nerves in the prostatic plexus, and usage for this purpose is gradually expanding.

With a view to the future, Toyobo is considering developing sales of these conduits overseas and is currently researching the European and U.S. markets. Since “Nerbridge” can be

Schematic Diagram

Process of Treatment Using Conduits for Nerve Regeneration



used to regenerate nerves that have been damaged over greater lengths than existing products now in use in Europe and the United States, it is viewed as having a competitive advantage.

During the current fiscal year, Toyobo will proceed steadily to add to its actual results of clinical use in Japan, and respond to the requests of medical professionals to expand the range of applications of “Nerbridge,” including facial nerve regeneration, while also working to develop overseas markets for this device.

In the current medium-term management plan, Toyobo has positioned “Nerbridge” as a growth driver that will contribute to performance.

Development of Super Retarder Film “COSMOSHINE SRF”

Sales of New Polyester Film for LCDs Expanding

Toyobo previously developed and marketed its optical film “COSMOSHINE SRF” for use as a base film in LCDs. On the

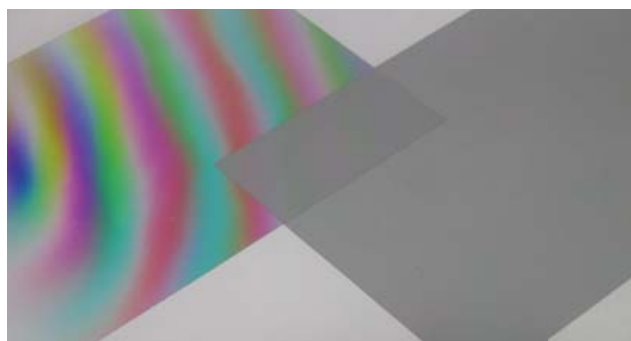
other hand, in parallel with the shift toward the use of LEDs as the backlight for LCDs has proceeded, Toyobo has succeeded in developing polyester film that eliminates the problem of interference fringes by making use of the special properties of LED light sources. The full-scale marketing of this film for use in protective film for PVA polarizers began in fiscal 2013.

“COSMOSHINE SRF” (a super retarder film) is a new film that overturned the common wisdom up to that time that materials used in LCDs (excluding polarizer materials) had to be isotropic (birefringence = 0).

As LCDs have come into general use, new materials that can reduce costs have become necessary. For this reason, a shift is expected toward the use of “COSMOSHINE SRF,” which is made from polyester films that are in general use. In sales to overseas manufacturers of polarizer plates, the volume of shipments is expanding along with its adoption for use in larger-screen TVs. In addition, it can be used in manufacturing thin TV types, and the appraisals of this product among leading polarizer plate manufacturers are favorable. Therefore, Toyobo will proceed with initiatives for further business expansion.



“COSMOSHINE SRF” for LCDs



“COSMOSHINE SRF”

Research and Development Strategy

“Combining Core Technologies to Accelerate New Business Creation”

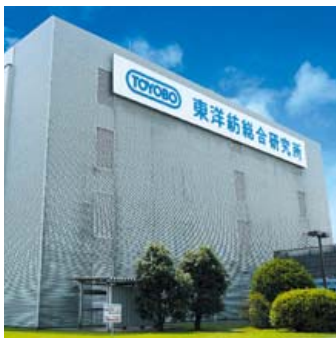
Creating new products and businesses is one of the strategic actions that we are taking for our growth. As it has been such in the past, and even in the future, research and development (R&D) play a key role to achieve new business creation. Recently, Toyobo has been spending around ¥10 billion on R&D every year. The number of employees working in our Toyobo Research Center in Otsu, Japan is 800 as of July 1, 2014.

During the long history over 130 years, Toyobo has introduced and acquired a wide range of technologies. Among these, Toyobo places polymerization, modification, processing, and biotechnology as its current core technologies. By combining the four core technologies and doing further in-depth research to quickly respond to our customers' needs, we have successfully established our current diverse business portfolio. For continuous reform of our business portfolio, which is our Company management policy, we will further accelerate new business creation through our aggressive R&D activities.

“R&D Framework for More-Efficient Creation of New Businesses”

Basically, Toyobo pursues two categories of R&D: Division Research and Corporate Research. On the top of these, as a framework promoting the two categories, the Business Development Planning Office oversees Company-wide R&D management, unifying corporate and business-specific research for more-efficient creation of new businesses.

Division Research works for expanding existing businesses under the supervision of business departments. Meanwhile, the framework of the Corporate Research Center comprises core technology research, projects, and a Company-wide infrastructure. A major mission of Corporate Research is to create new businesses that will sustain and expand the Company, with a view of achieving medium- to long-term growth. In addition, as a Company-wide infrastructure, it also serves to support Division Research and even production sites for developing new products or solving technical problems. The technologies we have accumulated thus far include analytical technologies, sensation measurement/comfort evaluation technologies, and simulation technologies. Now, these technologies are definitely our powerful problem-solving tools for expanding our business.



Toyobo Research Center in Otsu, Shiga



“BREATHAIR” is tested for mattresses by Comfort Engineering Group at Corporate Research Center.



“BREATHAIR”

“Open Innovation as R&D Initiatives”

In order to accelerate new business creation, “Open Innovation” based on joint work with outside of Toyobo is going to be even more important. “COSMOSHINE SRF,” which we successfully launched last year, is a good example of fruit bore from “Open Innovation” under collaboration with an academia. In taking “Open Innovation” initiatives, a major challenge is to get hold of excellent partners quickly, before other companies do the same. We will be reforming and strengthening our internal function for such in our daily R&D activities.

Intellectual Property Strategy

“Playing a Key Role to Expand and Protect Our Businesses”

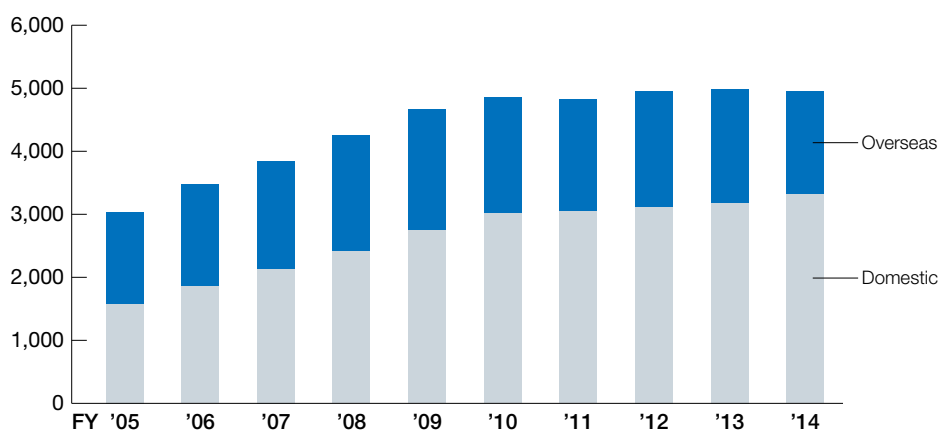
While creating new businesses and maintaining them in tight markets where other companies are also trying to expand their business, Intellectual Property (IP) strategy plays a key role to expand and protect our businesses. IP helps us to

prevent other companies from entering the market and maintain our market share as well as our position as a “category leader.”

“Maintaining IP as an Asset, while Maximizing Asset Efficiency”

Toyobo works to secure patent protection for the vast accumulation of inventions that have been made over many years of R&D. The graph shows the changes of numbers of patents that Toyobo has been maintaining in Japan and overseas. Currently, the numbers are around 3,300 and 1,600, respectively. It is obvious that Toyobo has been spending substantial resources to protect current and future businesses. We have been always reviewing the existing patents carefully to maintain only patents which are really useful for expanding and protecting our businesses and are expected to be licensed out, while minimizing the cost for patent maintenance. This has been taken as a strategic action to continuously reform our patent portfolio for maximizing asset efficiency for IP, well aligned with our reform of our business portfolio.

Patent Holdings



Corporate Social Responsibility

“Jun-ri-soku-yu.” as a Basis of CSR Activity

Toyobo celebrated its 130-year anniversary in 2012. The Company was founded in 1882 by Eiichi Shibusawa, who is widely known today as the “father of Japanese capitalism.” His personal motto was, “Jun-ri-soku-yu,” which expresses the idea that “Adhering to Reason Leads to Prosperity.” It is our Corporate Philosophy which Toyobo has handed down from the time of its establishment. Under the Corporate Philosophy, Toyobo has successfully continued to operate its business over the long period of 130 years, flexibly responding to the changes of the eras. “Jun-ri-soku-yu” is a basis of our activity in Corporate Social Responsibility (CSR). As we continue to follow the Corporate Philosophy, we will pass the baton to the next generations.



Contributing to a Sound and Sustainable Society with the Awareness that Companies are Members of Society

To implement CSR activities, Toyobo has established its CSR Committee, which is chaired by the president. The mission of this committee is to fully comprehend and monitor overall activities related to all stakeholders, including shareholders and investors, suppliers, the community, employees, and the earth's environment.

The basis for these activities is Toyobo's CSR Charter, which states the awareness of Toyobo that “companies are

members of society” and clearly calls for the Toyobo Group to actively fulfill its social responsibilities and contribute to the creation of a sound and sustainable society.

Some of the CSR initiatives being implemented by the Toyobo Group include the following. First, Toyobo has put in place a corporate governance system that enhances checking and monitoring functions and raises the transparency of decision making and the execution of business activities. In addition, to create a compliance framework and raise awareness among employees of the necessity to maintain high standards of compliance with laws and regulations, Toyobo has issued a *Compliance Manual* containing the Toyobo Group Employee Guidelines for Action, which serves as the code of conduct. Moreover, the Toyobo Group conducts compliance training not only in Japan but also in Group companies overseas.

Regarding risk management, each of the committees is developing systems that can effectively cope with risks. To deal with environmental issues, based on its “Basic Environmental Policy,” Toyobo is working to reduce the burden that its activities place on the natural environment, develop products that contribute to protecting the earth, conduct environmental preservation activities in the community, and respond affirmatively to biodiversity.

Green Procurement Aiming to Create a Sustainable Society

Toyobo is taking initiatives to protect the natural environment through its products and manufacturing activities.

Toyobo places priority on procuring raw materials that have a minimum impact on the environment and strives to contribute to creating a sustainable society. As part of these

activities, Toyobo pursues “green procurement” policies. Toyobo requests its business partners to supply information on the chemical substance content of the raw materials they use to ensure:

- (1) that none of the substances forbidden by Toyobo regulations are contained in the products they supply and
- (2) that the amounts of harmful substances specified by Toyobo are indicated.

In addition, for other items in general, Toyobo promotes the green procurement of products that bear the “Environment Label.”

Labor Safety and Health Safety as Major Prerequisites

Toyobo’s basic stance is that “ensuring safety is a major prerequisite for the conduct of corporate activities” and has, therefore, worked toward the goal of zero accidents. Toyobo’s safety management systems are based around its Safety and Security Promotion Committee. In addition, the Toyobo Group Environmental Safety Committee is responsible for implementing safety measures. Toyobo (on a nonconsolidated basis) achieved zero lost time due to injuries caused by human error during 2013. However, there were one at Toyobo and ten incidents of lost time due to accidents among other Toyobo Group companies during the fiscal year under review. The Group as a whole is continuing to aim for zero lost time due to accidents.

■ Topics

Earthquake Disaster Reconstruction Project

Toyobo has set up the “Toyobo Group Earthquake Disaster Reconstruction Project” just after the Great East Japan Earthquake hit. Toyobo brings together original materials and excellent technologies of the Toyobo Group, to develop brand new radioactive decontamination products for the reconstruction work.

“Volans Capping Sheet” is a product not only for prevention from outspreading of radioactive pollutants from the wastes and debris, but also for volume reduction of those contaminated wastes.

“Volanseal” is a high water absorbent protection mat for impermeable PVC sheet with radioactive cesium absorbency. “Cosmofresh” is the spunbond fabric with the selective radioactive cesium absorbent “Prussian blue” coating.

After substantiation experiments and field demonstrations, these products are starting to contribute to the restoration of the disaster area.



Basic Policy

The Toyobo Group, to respond to the changing times and enhance sustainable corporate value, has established the following three policies:

- (1) ensuring timeliness and accuracy in decision making,
- (2) ensuring transparency in management, and
- (3) emphasizing fairness.

Based on these principles, we are working to create and strengthen our corporate governance structure.

Board of Directors and Executive Officers

Toyobo is a “Company with Auditors” as defined by Japan’s Companies Act and, under this governance system, has appointed one outside director and adopted the Corporate Executive Officer System. Under Toyobo’s governance framework, a clear distinction is made between the roles of the Board of Directors, who concentrate on decision making as they perform management oversight functions, and the Corporate Officers, who are in charge of business execution. This corporate governance system increases the transparency and fairness of management and makes it possible to make prompt decisions as well as conduct business efficiently.

The Board of Directors has nine members, one of whom is an outside director, whose role is to ensure transparency and fairness in Toyobo’s management. In addition, in view of the diverse and specialized nature of Toyobo’s businesses, and to make decisions accurately and quickly, the seven members of the Board of Directors, after exclusion of the chairman and the outside director.

Regarding “business execution,” the President and Chief Operating Officer call meetings of the Board of Corporate Executive Officers and the Board of Corporate Officers. These meetings make decisions regarding the items for business execution assigned to them by the Board of Directors, make reports on Companywide projects, and perform certain other duties.

Corporate Auditor System

The Board of Auditors has four members, two of whom are Outside Auditors. Their responsibilities include attending meetings of the Board of Directors and other important meetings, stating their opinions as necessary, and auditing the performance of duties by the Board of Directors based on audits of operations in the various divisions. KPMG AZSA LLC has been appointed to conduct the independent audits required under Japan’s Corporation Law. The Board of Auditors receives plans for auditing and audit reports from the independent auditor and meets with the independent auditor periodically to exchange information.

The Internal Audit Department has been working as a function to monitor the effectiveness of internal governance. As of July 1, 2014, it was reorganized into the Internal Audit Office, which conducts the internal audit under the direct supervision of the president. The staff of the Internal Audit Office exchange information with the auditors periodically.

Management

As of June 27, 2014

Board of Directors



President
Seiji Narahara



Chairman
Ryuzo Sakamoto



Director
Hiroshi Takahashi



Director
Kazumasa Koyama



Director
Hiroshi Takabayashi



Director
Kunio Yano



Director
Toshiyuki Matsui



Director
Shigeki Sano



Director
Michio Ogimura*

* Outside Director

Board of Corporate Auditors

Hisao Nishinaka

Morito Morita

Hiroshi Imanaka**

Akio Ukai**

** Outside Corporate Auditor

Corporate Officers

■ Chief Operating Officer

Seiji Narahara

■ Corporate Senior Executive Officer

Hiroshi Takahashi

■ Corporate Executive Officers

Kazumasa Koyama

Hiroshi Takabayashi

Toshiyuki Matsui

■ Corporate Officers

Kunio Yano

Shigeki Sano

Toshitake Suzuki

Hiroyuki Sato

Jiro Suwa

Shinichi Teshima

Yuji Oita

Masakazu Saito

Teruo Ohigashi

Hitoshi Ueno

Shigeo Takenaka

Masaru Watanabe

Taneaki Nagata

Investor Information

As of March 31, 2014

Stock Listing

Tokyo

Stock Code

3101

Transfer Agent

Sumitomo Mitsui Trust Bank, Ltd.
1-4-1, Marunouchi, Chiyoda-ku,
Tokyo 100-8233, Japan

Independent Auditors

KPMG AZSA LLC
3-6-5, Kawara-machi, Chuo-ku,
Osaka 541-0048, Japan

Common Stock

Authorized: 2,000,000,000 shares
Issued: 890,487,922 shares

Paid-in Capital

¥51,730 million

Number of Stockholders

83,175

Major Shareholders

	Number of shares held (thousands)	Percentage of voting rights (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	64,438	7.26
Japan Trustee Services Bank, Ltd. (Trust Account)	50,468	5.68
Nippon Life Insurance Company	19,696	2.22
Toyukai (Contractor Share Holding)	15,939	1.80
Mizuho Bank, Ltd.	13,393	1.51
Toyobo Employee Stockholders' Association	13,329	1.50
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	13,214	1.49
Sumitomo Mitsui Banking Corporation	13,034	1.47
Japan Trustee Services Bank, Ltd. (Trust Account 1)	12,180	1.37
Japan Trustee Services Bank, Ltd. (Trust Account 6)	11,076	1.25

Corporate Data

As of March 31, 2014

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Established

May 1882

Number of Employees

3,043 (Nonconsolidated)
10,487 (Consolidated)

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