



Announcement of Business Results For the 3Q and Nine Months Ended December 31, 2019

February 10, 2020

Toray Industries, Inc.

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**I. Consolidated Business Results for the
3Q and Nine Months Ended
December 31, 2019**

Summary of Consolidated Business Results for the 3Q and Nine Months Ended December 31, 2019

Billion yen

	FY Mar/19 3Q (Oct.-Dec.)	FY Mar/20 3Q (Oct.-Dec.)	Changes		FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes	
Net Sales	617.1	559.1	-58.1	(-9.4%)	1,808.3	1,681.4	-126.9	(-7.0%)
Gross Profit	111.4	110.3	-1.2	(-1.0%)	344.8	334.4	-10.4	(-3.0%)
(Gross Profit to Net Sales)	18.1%	19.7%	+1.7	points	19.1%	19.9%	+0.8	points
Operating Income	34.7	32.8	-1.9	(-5.4%)	112.4	104.5	-7.9	(-7.0%)
(Operating Income to Net Sales)	5.6%	5.9%	+0.2	points	6.2%	6.2%	-0.0	point
Non-operating Income and Expenses, net	▲ 0.6	▲ 1.2	-0.5		▲ 0.9	▲ 3.4	-2.5	
Ordinary Income	34.0	31.6	-2.4	(-7.0%)	111.4	101.0	-10.4	(-9.4%)
Special Credits and Charges, net	13.7	0.4	-13.3		10.3	▲ 1.4	-11.6	
Income before Income Taxes	47.7	32.1	-15.7	(-32.8%)	121.7	99.7	-22.0	(-18.1%)
Net Income Attributable to Owners of Parent	32.8	20.5	-12.3	(-37.5%)	81.3	66.2	-15.2	(-18.6%)

Exchange Rate		FY Mar/19 3Q	FY Mar/20 3Q	FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)
<Yen/US\$>	Average	112.9	108.8	111.1	108.7
	End of the Term	111.0	109.6		
<Yen/Euro>	Average	128.8	120.3	129.5	121.1
	End of the Term	127.0	122.5		

Non-operating Income and Expenses

Billion yen

	FY Mar/19 3Q (Oct.-Dec.)	FY Mar/20 3Q (Oct.-Dec.)	Changes	FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes
Non-operating Income	6.5	5.3	-1.3	19.1	16.0	-3.1
Interest and Dividend Income	2.3	2.5	+0.2	6.1	6.4	+0.4
Equity in Earnings of Affiliates	3.1	2.1	-1.1	9.1	6.6	-2.4
Others	1.1	0.7	-0.4	4.0	3.0	-1.0
Non-operating Expenses	▲ 7.2	▲ 6.4	+0.8	▲ 20.1	▲ 19.5	+0.6
Interest Expenses	▲ 2.0	▲ 1.8	+0.2	▲ 5.2	▲ 5.6	-0.3
Costs related to Start-up of New Facilities	▲ 0.7	▲ 1.0	-0.2	▲ 3.7	▲ 2.9	+0.8
Costs related to Idle Facilities	▲ 2.5	▲ 2.2	+0.3	▲ 5.8	▲ 6.4	-0.6
Others	▲ 2.0	▲ 1.5	+0.5	▲ 5.3	▲ 4.6	+0.7
Non-operating Income and Expenses, net	▲ 0.6	▲ 1.2	-0.5	▲ 0.9	▲ 3.4	-2.5

Interest and Dividend Income, Interest Expenses, net	0.3	0.8	+0.4	0.9	0.9	+0.0
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* Positive numbers : Income, Negative numbers (▲) : Expenses

Special Credits and Charges

Billion yen

	FY Mar/19 3Q (Oct.-Dec.)	FY Mar/20 3Q (Oct.-Dec.)	Changes	FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes
Special Credits	16.5	2.8	-13.6	17.2	4.7	-12.5
Gain on Sales of Property, Plant and Equipment	15.3	0.0	-15.3	15.4	0.2	-15.3
Gain on Sales of Investment Securities	1.1	2.8	+1.8	1.6	4.5	+2.9
Others	0.1	-	-0.1	0.1	0.0	-0.1
Special Charges	▲ 2.8	▲ 2.4	+0.3	▲ 6.9	▲ 6.0	+0.9
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 2.0	▲ 1.5	+0.4	▲ 4.5	▲ 3.3	+1.1
Loss on Impairment of Fixed Assets	▲ 0.9	▲ 0.3	+0.6	▲ 1.2	▲ 1.5	-0.3
Settlement Package	0.1	-	-0.1	▲ 0.9	-	+0.9
Others	▲ 0.0	▲ 0.6	-0.6	▲ 0.3	▲ 1.1	-0.8
Special Credits and Charges, net	13.7	0.4	-13.3	10.3	▲ 1.4	-11.6

* Positive numbers : Income, Negative numbers (▲) : Expenses

Assets, Liabilities, Net Assets

Billion yen

	End of Mar/19	End of Dec/19	Changes
Total Assets	2,788.4	2,786.4	-1.9
Current Assets	1,191.3	1,185.3	-6.0
Tangible Assets	996.9	1,020.4	+23.6
Intangible Assets	171.2	156.7	-14.5
Investment and Other Assets	428.9	423.9	-5.0
Total Liabilities	1,574.4	1,542.0	-32.4
Current Liabilities	696.5	677.3	-19.1
Other Liabilities	877.9	864.6	-13.3
Total Net Assets	1,213.9	1,244.4	+30.5
Owner's Equity	1,131.0	1,158.7	+27.6
Equity Ratio	40.6%	41.6%	+1.0 point
Interest-bearing Debts	976.3	976.7	+0.4
D/E Ratio	0.86	0.84	-0.02

Capital Expenditures, Depreciation, R&D Expenses

Billion yen

	FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes
Capital Expenditures*	108.8	99.6	-9.1
Toray	20.4	24.1	+3.7
Consolidated Subsidiaries	88.4	75.5	-12.8
Depreciation*	77.1	81.7	+4.7
Toray	25.0	24.8	-0.1
Consolidated Subsidiaries	52.1	56.9	+4.8
R&D Expenses	49.9	49.1	-0.8
Toray	36.4	36.0	-0.4
Consolidated Subsidiaries	13.4	13.1	-0.3

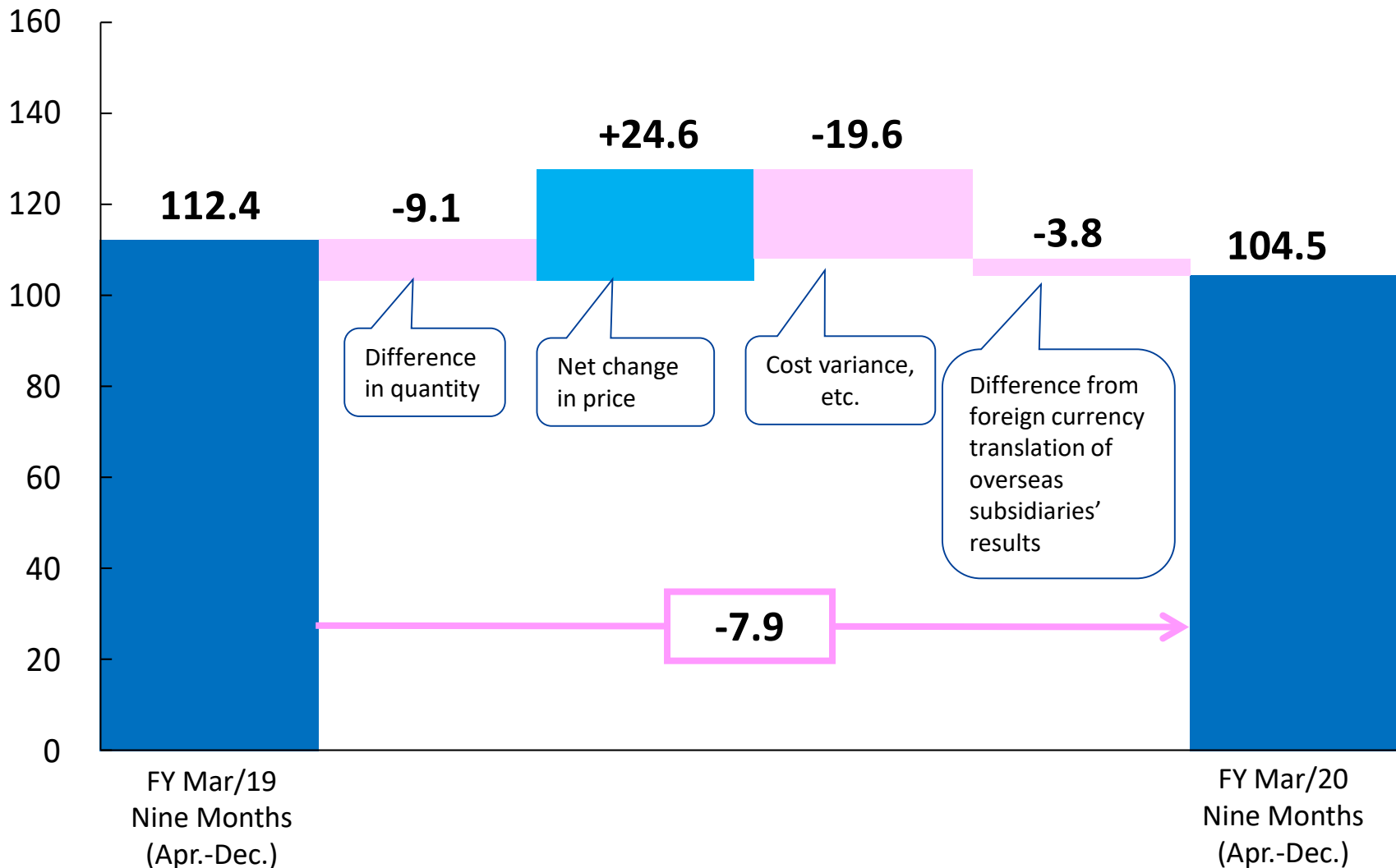
* Total of tangible assets and intangible assets (excluding goodwill)

Major Capital Expenditure Projects:

Alcantara S.p.A.	: Alcantara® production facilities
Zoltek Zrt.	: Carbon fiber production facilities
Toray Industries Hungary Kft.	: Battery separator film SETELA® production facilities
Toray Industries, Inc.	: Fuel cell electrode substrate production facilities

Income Variance Factor Analysis

Billion yen



Net Sales and Operating Income by Segment

Billion yen

	Net Sales				Operating Income			
	FY Mar/19 3Q (Oct.-Dec)	FY Mar/20 3Q (Oct.-Dec.)	Changes		FY Mar/19 3Q (Oct.-Dec)	FY Mar/20 3Q (Oct.-Dec.)	Changes	
Fibers & Textiles	258.0	231.0	-27.1	(-10.5%)	18.5	15.9	-2.7	(-14.3%)
Performance Chemicals	219.9	191.5	-28.4	(-12.9%)	16.2	14.3	-1.9	(-11.5%)
Carbon Fiber Composite Materials	57.8	59.8	+1.9	(+3.3%)	2.4	5.9	+3.5	(+144.7%)
Environment & Engineering	63.2	59.4	-3.8	(-6.0%)	2.2	1.8	-0.4	(-18.0%)
Life Science	13.9	13.5	-0.5	(-3.5%)	0.6	0.6	+0.0	(+0.5%)
Others	4.2	4.1	-0.2	(-4.1%)	0.9	0.9	-0.0	(-5.2%)
Total	617.1	559.1	-58.1	(-9.4%)	40.8	39.3	-1.5	(-3.6%)
Adjustments					▲ 6.1	▲ 6.5	-0.4	
Consolidated	617.1	559.1	-58.1	(-9.4%)	34.7	32.8	-1.9	(-5.4%)

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	Net Sales				Operating Income			
	FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes		FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes	
Fibers & Textiles	761.1	682.2	-78.9	(-10.4%)	60.3	47.9	-12.4	(-20.5%)
Performance Chemicals	654.9	589.1	-65.8	(-10.0%)	52.0	48.0	-4.0	(-7.7%)
Carbon Fiber Composite Materials	154.3	180.2	+25.9	(+16.8%)	8.4	16.6	+8.3	(+98.5%)
Environment & Engineering	184.6	176.8	-7.8	(-4.2%)	7.9	5.7	-2.2	(-28.2%)
Life Science	40.2	40.0	-0.2	(-0.5%)	1.2	1.9	+0.6	(+51.2%)
Others	13.3	13.1	-0.2	(-1.3%)	1.7	2.2	+0.4	(+23.4%)
Total	1,808.3	1,681.4	-126.9	(-7.0%)	131.5	122.2	-9.3	(-7.1%)
Adjustments					▲ 19.2	▲ 17.8	+1.4	
Consolidated	1,808.3	1,681.4	-126.9	(-7.0%)	112.4	104.5	-7.9	(-7.0%)

Business Results by Segment (Fibers & Textiles)

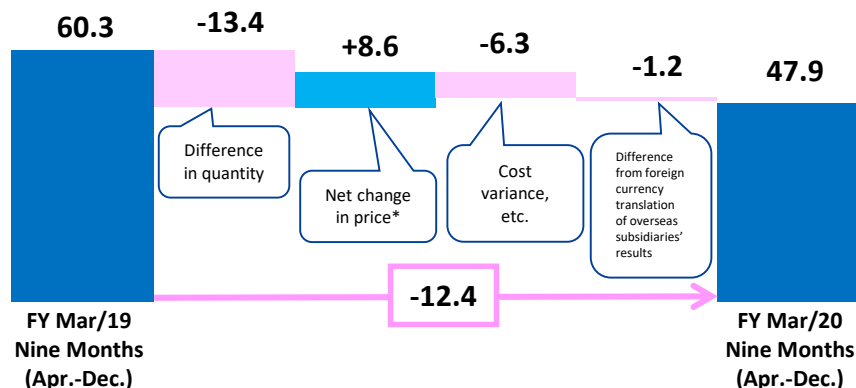
Net Sales / Operating Income

Billion yen

		FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes	
Net Sales	Toray	152.6	141.7	-10.9	(-7.1%)
	Japanese Subsidiaries	394.3	371.6	-22.6	(-5.7%)
	Overseas Subsidiaries	480.1	411.1	-69.0	(-14.4%)
	Adjustments	▲ 265.9	▲ 242.2	+23.6	
	Total	761.1	682.2	-78.9	(-10.4%)
Operating Income	Toray	14.6	10.1	-4.6	(-31.3%)
	Japanese Subsidiaries	11.3	9.4	-1.9	(-16.7%)
	Overseas Subsidiaries	34.9	28.2	-6.7	(-19.3%)
	Adjustments	▲ 0.5	▲ 0.3	+0.8	
	Total	60.3	47.9	-12.4	(-20.5%)

Changes in Operating Income

Billion yen



* Difference in selling price and raw materials' cost and fuel prices of petrochemical-based products, etc. (net)

< Business Performance >

■ Japan

- While shipments of apparel and industrial applications remained weak in general, Toray Group pursued sales expansion of materials for uniforms in Japan and for sports applications in the U.S. and Europe and focused on strengthening cost competitiveness.

■ Overseas

- All applications were affected by the weak market conditions reflecting the prolonged trade frictions between the U.S. and China and the slowdown in the Chinese economy.
- Demand for apparel applications including garments and textiles as well as automotive applications in Europe and China, and hygiene products in China remained sluggish.

< Topics >

- Oct. 2019: Developed a new type of polyester filament fabric, "Kinari" employing NANODESIGN® composite spinning technology. Plan to launch "Kinari" from autumn/winter 2020 season.
- Nov. 2019: Developed an environment-conscious type of Primeflex®, a functional material using recycled polyethylene terephthalate (PET). Rollout of the product is planned from spring/summer 2021 season.

Business Results by Segment (Performance Chemicals)

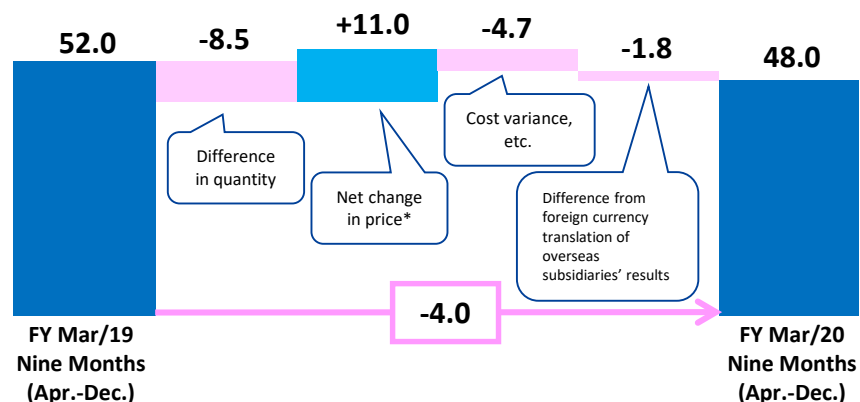
Net Sales / Operating Income

Billion yen

		FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes	
Net Sales	Toray	200.3	166.9	-33.3	(-16.6%)
	Japanese Subsidiaries	377.1	334.7	-42.4	(-11.2%)
	Overseas Subsidiaries	438.0	379.3	-58.7	(-13.4%)
	Adjustments	▲ 360.5	▲ 291.8	+68.7	
	Total	654.9	589.1	-65.8	(-10.0%)
Operating Income	Toray	15.5	11.2	-4.3	(-27.6%)
	Japanese Subsidiaries	11.6	11.4	-0.2	(-1.9%)
	Overseas Subsidiaries	26.3	28.3	+2.0	(+7.7%)
	Adjustments	▲ 1.4	▲ 2.9	-1.5	
	Total	52.0	48.0	-4.0	(-7.7%)

Changes in Operating Income

Billion yen



* Difference in selling price and raw materials' cost and fuel prices of petrochemical-based products, etc. (net)

< Business Performance >

■ Resins Business

- Sales in Japan were strong in general, while sales of both automotive and home appliance applications were slow overseas primarily due to the impact of the slowdown in the Chinese economy.

■ Chemicals Business

- Affected by the decline in the basic chemicals market.

■ Films Business

- Shipment of battery separator films for lithium-ion secondary batteries increased reflecting demand growth, while polyester films were affected by the inventory adjustment for optical as well as electronic parts related applications.

■ Electronic & Information Materials

- Saw strong performance of OLED related materials and electric circuit materials.

<Topics>

- Oct. 2019: Started manufacturing of polyamide (PA) and polybutylene terephthalate (PBT) resin compounds at the new resin compounding base established at Toray Industries (India) Private Limited.
- Dec. 2019: Created a revolutionary PPS film for 5G circuit boards that balances outstanding dielectric characteristics and thermal dimensional stability. Aim for mass production during fiscal 2020.

Breakdown of Performance Chemicals Segment

Billion yen

	FY Mar/19 Nine Months (Apr.-Dec.)		FY Mar/20 Nine Months (Apr.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Resins, Chemicals	292.1	29%	243.6	28%	-17%
Films	265.8	26%	240.1	27%	-10%
Electronic & Information Materials	49.1	5%	52.8	6%	+8%
Trading	408.4	40%	344.4	39%	-16%
Adjustments	▲ 360.5	-	▲ 291.8	-	-
Total	654.9		589.1		-10%

Business Results by Segment (Carbon Fiber Composite Materials)

Net Sales / Operating Income

Billion yen

		FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes	
Net Sales	Toray	81.8	87.6	+5.8	(+7.0%)
	Japanese Subsidiaries	59.1	62.1	+3.0	(+5.1%)
	Overseas Subsidiaries	136.7	156.0	+19.3	(+14.1%)
	Adjustments	▲ 123.4	▲ 125.5	-2.1	
	Total	154.3	180.2	+25.9	(+16.8%)
Operating Income	Toray	6.4	10.5	+4.0	(+62.7%)
	Japanese Subsidiaries	1.1	1.2	+0.0	(+2.9%)
	Overseas Subsidiaries	7.5	12.9	+5.4	(+71.9%)
	Adjustments	▲ 6.7	▲ 7.9	-1.2	
	Total	8.4	16.6	+8.3	(+98.5%)

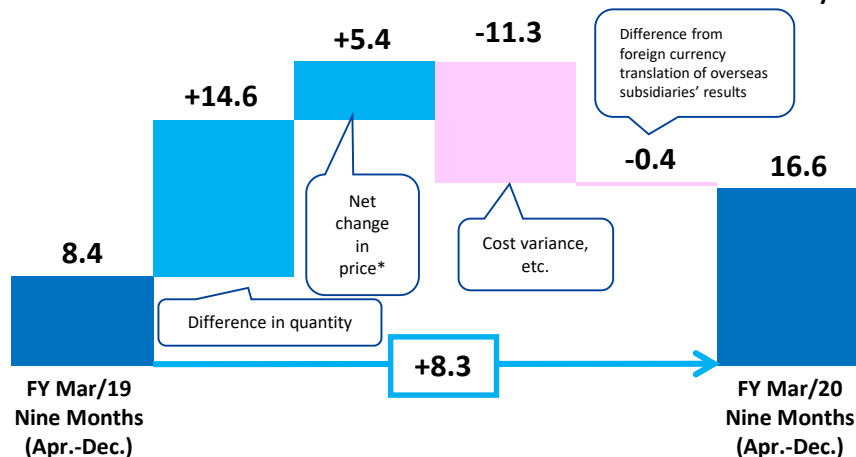
< Business Performance >

■ General

- Remained strong as a whole. There was an expansion of demand for the aircraft application, strong performance in industrial applications in the environment and energy-related fields such as compressed natural gas tanks and wind turbine blades, and recovery in the demand for sports applications.

Changes in Operating Income

Billion yen



* Difference in selling price and raw materials' cost and fuel prices of petrochemical-based products, etc. (net)

Breakdown of Carbon Fiber Composite Materials Segment

Billion yen

	FY Mar/19 Nine Months (Apr.-Dec.)		FY Mar/20 Nine Months (Apr.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	68.3	44%	82.7	46%	+21%
Sports	13.2	9%	13.6	8%	+3%
Industrial	72.8	47%	83.9	47%	+15%
Total	154.3		180.2		+17%

Business Results by Segment (Environment & Engineering)

Net Sales / Operating Income

Billion yen

		FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes	
Net Sales	Toray	16.8	19.9	+3.1	(+18.4%)
	Japanese Subsidiaries	217.9	198.5	-19.4	(-8.9%)
	Overseas Subsidiaries	24.7	26.8	+2.1	(+8.3%)
	Adjustments	▲ 75.0	▲ 68.5	+6.5	
	Total	184.6	176.8	-7.8	(-4.2%)
Operating Income	Toray	▲ 1.5	▲ 0.4	+1.0	(-)
	Japanese Subsidiaries	6.1	2.6	-3.5	(-57.7%)
	Overseas Subsidiaries	3.3	3.8	+0.5	(+15.9%)
	Adjustments	0.0	▲ 0.3	-0.3	
	Total	7.9	5.7	-2.2	(-28.2%)

< Business Performance >

■ Water Treatment Business

- Demand for reverse osmosis (RO) membranes and other products grew strongly on the whole in Japan and overseas.

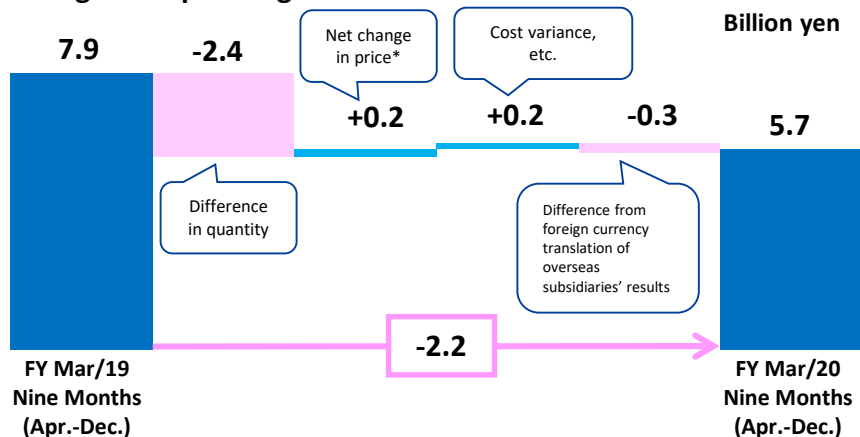
■ Japanese Subsidiaries

- A construction subsidiary was negatively affected by the decline of high profit project orders.
- An engineering subsidiary experienced decreases in the shipment of some electronics related equipments.

<Topics>

- Oct. 2019: Received consecutive orders for ROMEMBRA[®], RO membranes for seawater desalination plants in Saudi Arabia.
- Dec. 2019: Created a seawater desalinating RO membrane that makes it possible to produce 70% more clean drinking water than conventional offerings. Aim for commercialization within three years.

Changes in Operating Income



* Difference in selling price and price change of products less subject to price effect of petrochemical-based raw materials (net)

Business Results by Segment (Life Science)

Net Sales / Operating Income

Billion yen

		FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes	
Net Sales	Toray	19.2	19.0	-0.2	(-1.3%)
	Japanese Subsidiaries	31.3	30.5	-0.8	(-2.4%)
	Overseas Subsidiaries	9.6	10.6	+1.0	(+9.9%)
	Adjustments	▲ 19.9	▲ 20.1	-0.2	
	Total	40.2	40.0	-0.2	(-0.5%)
Operating Income	Toray	▲ 0.5	0.3	+0.7	(-)
	Japanese Subsidiaries	0.9	0.9	-0.1	(-7.9%)
	Overseas Subsidiaries	0.1	0.5	+0.3	(+220.3%)
	Adjustments	0.6	0.3	-0.3	
	Total	1.2	1.9	+0.6	(+51.2%)

< Business Performance >

■ Pharmaceutical Business

- Sales of orally active prostacyclin derivative DORNER[®] were affected by the introduction of its generic versions.
- While sales of pruritus treatment REMITCH[®]* were also influenced by the introduction of its generic versions, its shipment was strong partly due to the growth in the entire market.

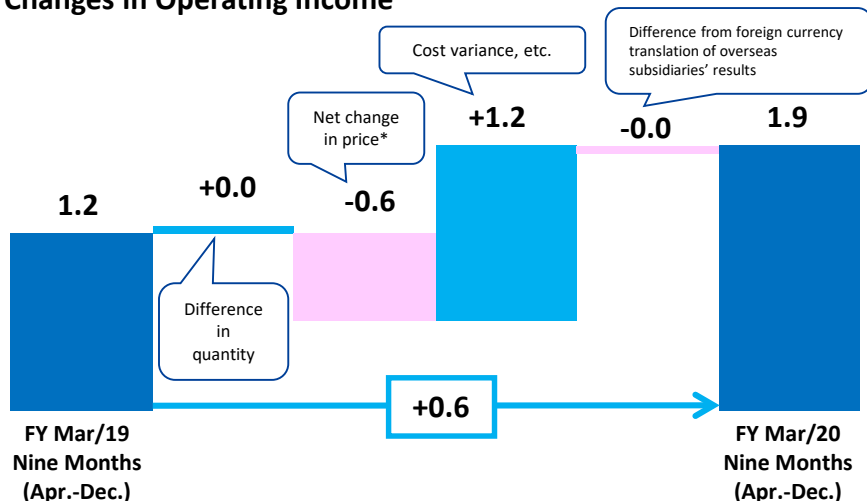
■ Medical Devices Business

- Shipment of dialyzers grew strongly in Japan and overseas.

*REMITCH[®] is a registered trademark of Torii Pharmaceutical Co., Ltd.

Changes in Operating Income

Billion yen



* Difference in selling price and price change of products less subject to price effect of petrochemical-based raw materials (net)

Results of Major Subsidiaries and Regions

Billion yen

	Net Sales			Operating Income			
	FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes	FY Mar/19 Nine Months (Apr.-Dec.)	FY Mar/20 Nine Months (Apr.-Dec.)	Changes	
Toray International, Inc.	517.8	468.7	-49.1	11.3	9.6	-1.7	
Toray Engineering Co., Ltd.	82.5	76.8	-5.7	2.9	1.5	-1.4	
Toray Construction Co., Ltd.	37.1	25.9	-11.2	2.0	▲ 0.1	-2.1	
Toray Advanced Film Co., Ltd.	31.0	28.5	-2.5	2.5	2.3	-0.2	
Subsidiaries in Southeast Asia	Fibers & Textiles	117.8	103.8	-14.1	6.5	4.8	-1.7
	Performance Chemicals	89.0	66.4	-22.7	6.6	4.7	-1.9
	Others	0.2	0.1	-0.1	0.0	0.0	-0.0
	Total	207.1	170.3	-36.8	13.1	9.5	-3.6
Subsidiaries in China	Fibers & Textiles	235.3	199.2	-36.1	20.7	16.5	-4.2
	Performance Chemicals	80.9	63.9	-17.1	2.6	2.3	-0.3
	Others	26.1	28.6	+2.5	1.3	2.0	+0.7
	Total	342.3	291.6	-50.7	24.7	20.9	-3.8
Subsidiaries in Korea	Fibers & Textiles	79.4	62.9	-16.5	2.1	2.7	+0.6
	Performance Chemicals	118.2	125.9	+7.7	13.9	20.0	+6.1
	Others	18.6	21.3	+2.7	1.9	3.0	+1.1
	Total	216.1	210.1	-6.1	17.9	25.7	+7.8

Comparison of Operating Income (2Q vs. 3Q) by Segment

Billion yen

Segment	Operating Income (Bil. yen) 2Q Actual → 3Q Actual () difference	Variance Factors
Fibers & Textiles	17.3 → 15.9 (- 1.4)	<ul style="list-style-type: none"> In the apparel applications, shipment of seasonal textiles peaked out, and shipment of garments also declined due to weak retail sales of autumn/winter products.
Performance Chemicals	16.7 → 14.3 (- 2.4)	<ul style="list-style-type: none"> In the films business, demand for MLCC release films showed signs of recovery. However, business as a whole was adversely affected by sluggish demand. In the electronic and information materials business, shipment of smartphone related materials declined due to the end of the peak smartphone production season.
Carbon Fiber Composite Materials	4.8 → 5.9 (+ 1.1)	<ul style="list-style-type: none"> Sales of aircraft and sports applications remained mostly at the same level. In the industrial applications, demand for wind turbine blade applications remained strong.
Environment & Engineering	2.5 → 1.8 (- 0.7)	<ul style="list-style-type: none"> In the water treatment business, pursued sales expansion of RO membranes globally, while shipment of home water purifiers decreased. A construction subsidiary was negatively affected by the decrease in progress of construction of large-scale projects.
Life Science	0.7 → 0.6 (- 0.2)	<ul style="list-style-type: none"> In the medical devices business, sales of dialysis machines decreased due to the front-loaded demand in response to the consumption tax hike seen in the 2Q.
Others	0.9 → 0.9 (- 0.0)	
Adjustments	▲5.8 → ▲6.5 (-0.8)	
Total	37.1 → 32.8 (- 4.3)	

II. Business Forecast for the Fiscal Year Ending March 2020 (Consolidated Basis)

Forecast Summary for the Fiscal Year Ending March 2020

Billion yen

		FY Mar/19 Actual	FY Mar/20 Forecast	Changes		Previous Forecast	Difference from Previous Forecast*
Net Sales	1st Half	1,191.2	1,122.4	-68.9	(-5.8%)	1,122.4	—
	2nd Half	1,197.6	1,127.6	-70.0	(-5.8%)	1,207.6	-80.0
	Total	2,388.8	2,250.0	-138.8	(-5.8%)	2,330.0	-80.0
Operating Income	1st Half	77.7	71.6	-6.0	(-7.8%)	71.6	—
	2nd Half	63.8	58.4	-5.4	(-8.5%)	73.4	-15.0
	Total	141.5	130.0	-11.5	(-8.1%)	145.0	-15.0
Ordinary Income	1st Half	77.4	69.4	-8.0	(-10.4%)	69.4	—
	2nd Half	57.1	51.6	-5.5	(-9.6%)	68.6	-17.0
	Total	134.5	121.0	-13.5	(-10.0%)	138.0	-17.0
Net Income Attributable to Owners of Parent	1st Half	48.5	45.7	-2.8	(-5.9%)	45.7	—
	2nd Half	30.9	26.3	-4.5	(-14.7%)	37.3	-11.0
	Total	79.4	72.0	-7.4	(-9.3%)	83.0	-11.0

Net Income per Share	1st Half	30.32 yen	28.54 yen
	2nd Half	19.29 yen	16.46 yen
	Total	49.61 yen	45.00 yen
Dividend per Share	1st Half	8 yen	8 yen
	2nd Half	8 yen	8 yen
	Total	16 yen	16 yen

Assumed exchange rate : 105 yen / US\$ (from January)

*Difference from Previous Forecast : the difference from the forecast announced on November 7, 2019.

Forecast by Segment

Billion yen

		FY Mar/19 Actual			FY Mar/20 Forecast			Changes			Difference from Previous Forecast*
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total	Total
Net Sales	Fibers & Textiles	503.1	471.2	974.3	451.2	443.8	895.0	-51.8	-27.4	-79.3	-20.0
	Performance Chemicals	435.0	433.9	868.8	397.7	382.3	780.0	-37.3	-51.5	-88.8	-45.0
	Carbon Fiber Composite Materials	96.5	119.5	215.9	120.5	119.5	240.0	+24.0	+0.1	+24.1	-10.0
	Environment & Engineering	121.4	136.3	257.7	117.4	142.6	260.0	-4.0	+6.3	+2.3	-5.0
	Life Science	26.3	27.4	53.7	26.6	28.4	55.0	+0.3	+1.1	+1.3	—
	Others	9.0	9.5	18.5	9.0	11.0	20.0	-0.0	+1.5	+1.5	—
	Total	1,191.2	1,197.6	2,388.8	1,122.4	1,127.6	2,250.0	-68.9	-70.0	-138.8	-80.0
Operating Income	Fibers & Textiles	41.8	31.1	72.9	32.1	28.9	61.0	-9.7	-2.2	-11.9	-5.0
	Performance Chemicals	35.8	31.9	67.7	33.7	28.3	62.0	-2.1	-3.6	-5.7	-7.0
	Carbon Fiber Composite Materials	6.0	5.6	11.5	10.7	9.3	20.0	+4.8	+3.7	+8.5	-2.0
	Environment & Engineering	5.7	6.5	12.2	3.9	7.1	11.0	-1.8	+0.6	-1.2	-1.0
	Life Science	0.7	0.6	1.3	1.3	▲ 0.3	1.0	+0.6	-0.9	-0.3	—
	Others	0.8	2.3	3.1	1.3	1.7	3.0	+0.5	-0.5	-0.1	—
	Adjustments	▲ 13.1	▲ 14.2	▲ 27.3	▲ 11.3	▲ 16.7	▲ 28.0	+1.8	-2.5	-0.7	—
	Total	77.7	63.8	141.5	71.6	58.4	130.0	-6.0	-5.4	-11.5	-15.0

*Difference from Previous Forecast: the difference from the forecast announced on November 7, 2019.

Comparison of Operating Income (Previous vs. New) Forecast by Segment

Billion yen

Segment	Full-year Operating Income (Bil. yen) Previous Forecast → New Forecast () difference	Variance Factors
Fibers & Textiles	66.0 → 61.0 (- 5.0)	<ul style="list-style-type: none"> In the apparel applications, expect shipment of fibers/textiles and garments to decrease due to the weak retail sales of autumn/winter products as well as the impact from market downturn. Expect sales to remain weak mainly in the automotive applications.
Performance Chemicals	69.0 → 62.0 (- 7.0)	<ul style="list-style-type: none"> In the chemicals business, expect basic chemicals to be affected by the deteriorating market conditions. In the films business, expect sales volume to decrease on the whole, and demand for battery separator films for automotive applications to be lower than the previous forecast. In the electronic and information materials business, expect the impact from the slowdown in smartphone-related demand.
Carbon Fiber Composite Materials	22.0 → 20.0 (- 2.0)	<ul style="list-style-type: none"> Expect aerospace applications to be affected by some delay in the timing of shipment as well as delay in the customer's start-up of a new model. In the industrial applications, expect negative effects of the weak demand for luxury cars in Europe.
Environment & Engineering	12.0 → 11.0 (- 1.0)	<ul style="list-style-type: none"> An engineering subsidiary expects an impact of the postponed delivery of electronics related equipments. A construction related subsidiary expects sales of condominiums to be lower than the previous forecast.
Life Science	1.0 → 1.0 (± 0.0)	<ul style="list-style-type: none"> Expect to be in line with the previous forecast.
Others	3.0 → 3.0 (± 0.0)	<ul style="list-style-type: none"> Expect to be in line with the previous forecast.
Adjustments	▲28.0 → ▲28.0 (± 0.0)	
Total	145.0 → 130.0 (- 15.0)	

III. Reference

Quarterly Net Sales by Segment

Billion yen

	FY Mar/19					FY Mar/20		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Fibers & Textiles	221.0	282.1	258.0	213.2	974.3	208.8	242.4	231.0
Performance Chemicals	212.4	222.5	219.9	214.0	868.8	200.0	197.7	191.5
Carbon Fiber Composite Materials	45.7	50.7	57.8	61.6	215.9	61.5	59.0	59.8
Environment & Engineering	54.9	66.5	63.2	73.1	257.7	57.4	60.1	59.4
Life Science	12.6	13.6	13.9	13.4	53.7	12.4	14.2	13.5
Others	4.1	4.9	4.2	5.2	18.5	4.2	4.9	4.1
Total	550.8	640.4	617.1	580.5	2,388.8	544.2	578.2	559.1

Quarterly Operating Income by Segment

Billion yen

	FY Mar/19					FY Mar/20		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Fibers & Textiles	18.5	23.3	18.5	12.6	72.9	14.8	17.3	15.9
Performance Chemicals	17.2	18.6	16.2	15.7	67.7	17.0	16.7	14.3
Carbon Fiber Composite Materials	3.1	2.9	2.4	3.2	11.5	5.9	4.8	5.9
Environment & Engineering	1.9	3.9	2.2	4.3	12.2	1.4	2.5	1.8
Life Science	0.2	0.5	0.6	0.1	1.3	0.6	0.7	0.6
Others	0.2	0.6	0.9	1.3	3.1	0.4	0.9	0.9
Adujustments	▲ 7.1	▲ 6.0	▲ 6.1	▲ 8.1	▲ 27.3	▲ 5.5	▲ 5.8	▲ 6.5
Total	33.9	43.8	34.7	29.1	141.5	34.5	37.1	32.8

Quarterly Net Sales of Performance Chemicals by Sub-segments

Billion yen

	FY Mar/19					FY Mar/20		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Resins, Chemicals	97.9	97.3	96.9	90.4	382.5	83.9	79.2	80.6
Films	85.5	88.9	91.3	86.9	352.7	80.7	80.8	78.6
Electronic & Information Materials	14.3	18.3	16.5	14.9	64.0	16.3	19.4	17.2
Trading	135.5	137.1	135.7	126.9	535.3	122.7	109.0	112.7
Adjustments	▲ 120.9	▲ 119.1	▲ 120.5	▲ 105.2	▲ 465.7	▲ 103.6	▲ 90.7	▲ 97.5
Total	212.4	222.5	219.9	214.0	868.8	200.0	197.7	191.5

Quarterly Net Sales of Carbon Fiber Composite Materials by Sub-segments

Billion yen

	FY Mar/19					FY Mar/20		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Aerospace	19.3	22.5	26.5	28.7	96.9	29.1	26.7	26.9
Sports	4.1	3.9	5.2	4.3	17.5	4.9	4.2	4.5
Industrial	22.3	24.3	26.2	28.7	101.4	27.4	28.1	28.4
Total	45.7	50.7	57.8	61.6	215.9	61.5	59.0	59.8

Quarterly Net Sales of Major Subsidiaries and Regions

Billion yen

	FY Mar/19					FY Mar/20		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Toray International, Inc.	146.3	188.5	183.0	145.1	662.9	147.0	159.0	162.6
Toray Engineering Co., Ltd.	24.0	30.6	27.9	32.6	115.1	22.8	27.3	26.7
Toray Construction Co., Ltd.	10.1	12.2	14.9	19.0	56.1	8.1	10.2	7.6
Toray Advanced Film Co., Ltd.	9.7	10.5	10.8	9.5	40.5	9.4	9.9	9.2

Subsidiaries in Southeast Asia	Fibers & Textiles	37.9	40.2	39.8	34.9	152.7	34.7	35.6	33.5
	Performance Chemicals	29.6	30.4	29.1	26.0	115.1	23.2	21.5	21.7
	Others	0.1	0.1	0.1	0.0	0.2	0.0	0.0	0.0
	Total	67.6	70.6	68.9	61.0	268.0	57.9	57.1	55.3
Subsidiaries in China	Fibers & Textiles	75.5	82.5	77.4	50.8	286.1	61.2	71.6	66.4
	Performance Chemicals	27.0	27.5	26.5	23.2	104.2	22.8	19.9	21.2
	Others	8.6	7.8	9.7	7.4	33.5	9.4	8.9	10.3
	Total	111.1	117.8	113.5	81.4	423.7	93.3	100.4	98.0
Subsidiaries in Korea	Fibers & Textiles	25.5	27.9	26.1	24.5	103.9	20.8	20.6	21.5
	Performance Chemicals	35.9	40.8	41.4	41.7	159.9	40.5	42.7	42.7
	Others	7.0	5.5	6.1	5.7	24.3	7.5	7.2	6.6
	Total	68.4	74.1	73.6	71.9	288.1	68.8	70.5	70.8

Quarterly Operating Income of Major Subsidiaries and Regions

Billion yen

	FY Mar/19					FY Mar/20		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Toray International, Inc.	2.6	4.3	4.4	2.7	14.1	2.7	3.5	3.4
Toray Engineering Co., Ltd.	0.5	1.8	0.6	2.5	5.4	0.4	0.6	0.5
Toray Construction Co., Ltd.	0.4	0.7	0.9	0.2	2.2	▲0.1	0.1	▲0.2
Toray Advanced Film Co., Ltd.	0.7	1.0	0.9	0.8	3.3	0.6	0.8	0.8

Subsidiaries in Southeast Asia	Fibers & Textiles	2.2	2.0	2.4	1.1	7.6	1.8	1.5	1.5
	Performance Chemicals	3.2	2.3	1.1	1.6	8.2	1.9	1.2	1.6
	Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total	5.3	4.2	3.5	2.7	15.8	3.7	2.7	3.1
Subsidiaries in China	Fibers & Textiles	7.5	7.3	6.0	3.7	24.5	5.7	5.8	5.1
	Performance Chemicals	0.8	1.0	0.9	0.8	3.4	0.7	0.7	0.9
	Others	0.5	0.3	0.5	0.1	1.4	0.7	0.7	0.5
	Total	8.8	8.5	7.3	4.7	29.3	7.2	7.2	6.5
Subsidiaries in Korea	Fibers & Textiles	1.0	0.5	0.5	▲0.1	2.0	0.7	0.9	1.1
	Performance Chemicals	3.1	5.3	5.5	5.8	19.7	6.1	7.2	6.7
	Others	0.7	0.5	0.8	0.5	2.4	1.2	1.1	0.7
	Total	4.8	6.3	6.8	6.2	24.1	8.1	9.2	8.4

Descriptions of predicted business results, projections, and business plans for the Fiscal Year Ending March 2020 contained in this material are based on predictive forecasts of the future business environment made at the present time.

The material in this presentation is not a guarantee of the Company's future business performance.

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