



**Innovation by Chemistry**

# **Announcement of Business Results For the 3Q and Nine Months Ended December 31, 2020**

**February 9, 2021**

**Toray Industries, Inc.**

Toray Group has applied the International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2021. In addition, figures for the comparative year have been presented in accordance with IFRS.

# Contents

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<b>I. Consolidated Business Results for the 3Q and Nine Months Ended December 31, 2020 .....</b>	<b>3</b>
<b>II. Business Forecast for the Fiscal Year Ending March 2021 (Consolidated Basis) .....</b>	<b>18</b>
<b>III. Reference .....</b>	<b>22</b>

**I. Consolidated Business Results for the  
3Q and Nine Months Ended  
December 31, 2020**

# Summary of Consolidated Business Results for the 3Q and Nine Months Ended December 31, 2020

Billion yen

	FY Mar/20 3Q (Oct.-Dec.)	FY Mar/21 3Q (Oct.-Dec.)	Changes	FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes
Revenue	527.5	<b>508.1</b>	-19.4 (-3.7%)	1,586.6	<b>1,364.2</b>	-222.4 (-14.0%)
Core Operating Income	32.7	<b>32.9</b>	+0.2 (+0.5%)	104.1	<b>67.0</b>	-37.2 (-35.7%)
(Core Operating Margin)	6.2%	<b>6.5%</b>	+0.3 points	6.6%	<b>4.9%</b>	-1.7 points
Special Items	▲ 1.8	▲ <b>2.2</b>	-0.4	▲ 4.8	▲ <b>30.8</b>	-25.9
Financial Income and Costs	0.6	▲ <b>0.0</b>	-0.6	▲ 0.5	▲ <b>2.4</b>	-1.9
Share of Profit of Investments Accounted for using Equity Method	2.6	<b>3.8</b>	+1.2	8.7	<b>9.1</b>	+0.3
Profit before Tax	34.1	<b>34.4</b>	+0.3 (+1.0%)	107.6	<b>42.9</b>	-64.7 (-60.1%)
Profit Attributable to Owners of Parent	24.1	<b>23.4</b>	-0.7 (-2.7%)	75.0	<b>27.9</b>	-47.1 (-62.8%)

Exchange Rate		FY Mar/20 3Q	FY Mar/21 3Q	FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)
<Yen/US \$ >	Average	108.8	<b>104.5</b>	108.7	<b>106.1</b>
	End of the Term	109.6	<b>103.5</b>		
<Yen/Euro >	Average	120.3	<b>124.5</b>	121.1	<b>122.4</b>
	End of the Term	122.5	<b>127.0</b>		

# Special Items

	Billion yen					
	FY Mar/20 3Q (Oct.-Dec.)	FY Mar/21 3Q (Oct.-Dec.)	Changes	FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes
Gain on Sale or Disposal of Fixed Assets	0.0	<b>0.1</b>	+0.0	0.2	<b>0.2</b>	-0.0
Loss on Sale or Disposal of Fixed Assets	▲ 1.5	▲ <b>1.2</b>	+0.3	▲ 3.3	▲ <b>4.3</b>	-0.9
Impairment Losses	▲ 0.3	▲ <b>1.0</b>	-0.7	▲ 1.5	▲ <b>26.7</b>	-25.1
Other	0.0	-	-0.0	▲ 0.1	-	+0.1
<b>Special Items</b>	▲ 1.8	▲ <b>2.2</b>	-0.4	▲ 4.8	▲ <b>30.8</b>	-25.9

# Assets, Liabilities, Equity, and Free Cash Flow

Billion yen

	End of Mar/20	End of Dec/20	Changes
<b>Total Assets</b>	2,733.5	<b>2,773.1</b>	+39.6
<b>Current Assets</b>	1,151.9	<b>1,187.1</b>	+35.2
Property, Plant and Equipment	969.2	<b>962.8</b>	-6.4
Other Non-current Assets	612.4	<b>623.2</b>	+10.8
<b>Total Liabilities</b>	1,532.7	<b>1,539.6</b>	+6.9
<b>Current Liabilities</b>	676.0	<b>705.6</b>	+29.6
Non-current Liabilities	856.7	<b>834.1</b>	-22.7
<b>Equity</b>	1,200.8	<b>1,233.5</b>	+32.7
<b>Owner's Equity *</b>	1,116.1	<b>1,150.7</b>	+34.6
<b>Equity Ratio *</b>	40.8%	<b>41.5%</b>	+0.7points
<b>Interest-bearing Liabilities</b>	991.0	<b>1,015.7</b>	+24.7
<b>D/E Ratio</b>	0.89	<b>0.88</b>	-0.01

## <Free Cash Flow>

	FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes
<b>Cash Flows from Operating Activities</b>	144.3	<b>124.6</b>	-19.7
<b>Cash Flows from Investment Activities</b>	▲ 103.1	▲ <b>72.1</b>	+31.0
<b>Free Cash Flow</b>	41.2	<b>52.5</b>	+11.3

\* Owner's Equity = Equity attributable to owners of parent

# Capital Expenditures, Depreciation and Amortization, and R&D Expenditures

Billion yen

	FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes
<b>Capital Expenditures</b>	100.1	<b>93.8</b>	-6.2
Toray	24.7	<b>21.3</b>	-3.4
Consolidated Subsidiaries	75.4	<b>72.5</b>	-2.8
<b>Depreciation and Amortization</b>	87.5	<b>88.7</b>	+1.2
Toray	28.5	<b>29.1</b>	+0.7
Consolidated Subsidiaries	59.0	<b>59.6</b>	+0.6
<b>R&amp;D Expenditures</b>	48.6	<b>44.9</b>	-3.7
Toray	35.4	<b>33.4</b>	-2.0
Consolidated Subsidiaries	13.1	<b>11.4</b>	-1.7

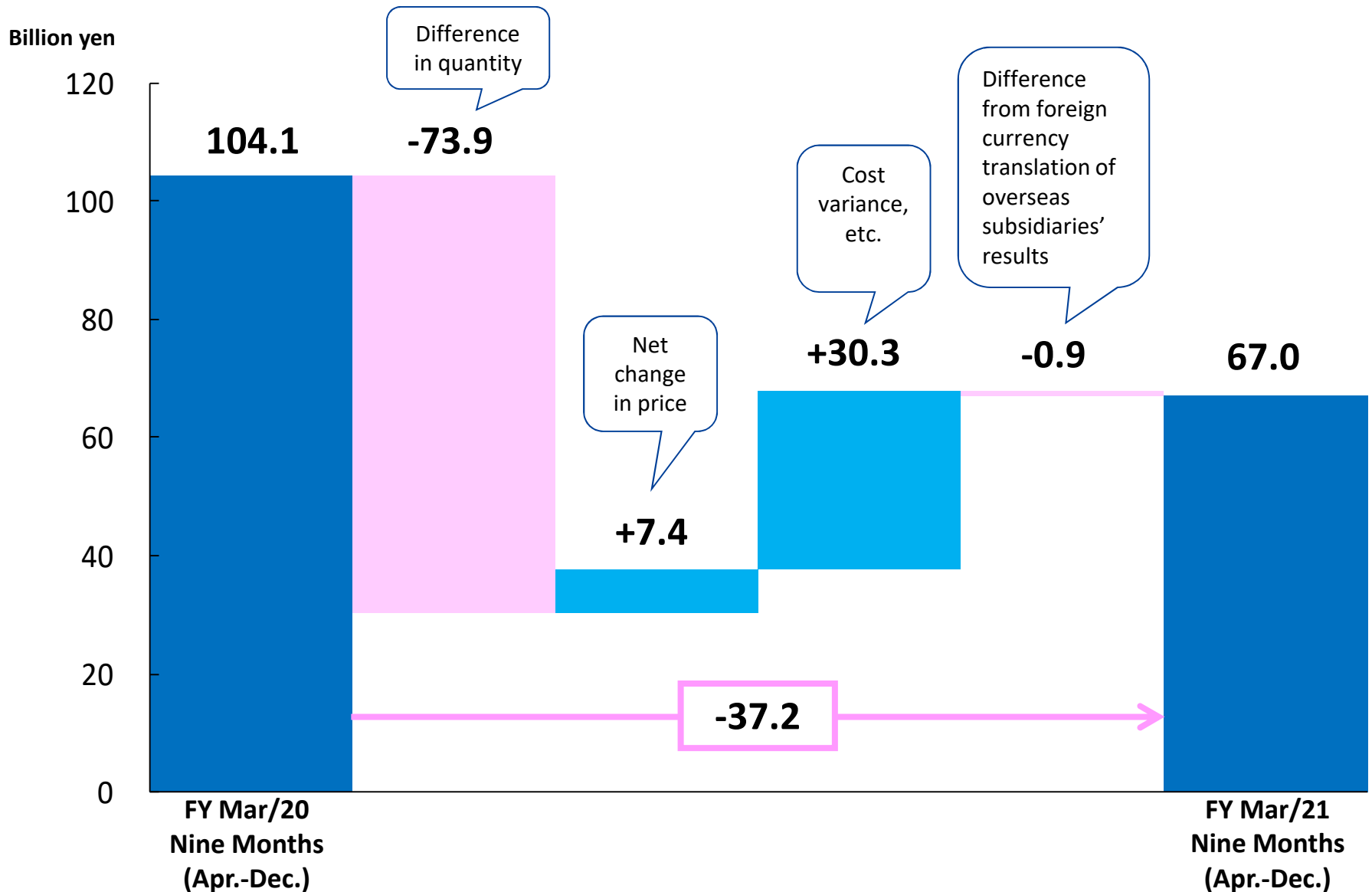
## Major Capital Expenditure Projects :

Toray Industries Hungary Kft. : Battery separator film SETELA™ production facilities

Toray Plastics (America), Inc. : Polypropylene film production facilities

Toray Membrane (Foshan) Co., Ltd. : RO membrane production facilities

# Core Operating Income Variance Factor Analysis





# Revenue and Core Operating Income by Segment

Billion yen

		FY Mar/20 3Q (Oct.-Dec.)	FY Mar/21 3Q (Oct.-Dec.)	Changes		FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes	
Revenue	Fibers & Textiles	219.0	<b>206.1</b>	-12.9	(-5.9%)	641.3	<b>536.3</b>	-104.9	(-16.4%)
	Performance Chemicals	187.9	<b>192.6</b>	+4.7	(+2.5%)	582.0	<b>519.9</b>	-62.1	(-10.7%)
	Carbon Fiber Composite Materials	59.6	<b>45.6</b>	-14.0	(-23.5%)	179.5	<b>134.9</b>	-44.6	(-24.8%)
	Environment & Engineering	43.2	<b>46.4</b>	+3.2	(+7.5%)	130.4	<b>124.6</b>	-5.8	(-4.4%)
	Life Science	13.8	<b>13.7</b>	-0.0	(-0.3%)	40.3	<b>38.4</b>	-1.9	(-4.8%)
	Other	4.1	<b>3.7</b>	-0.4	(-8.6%)	13.1	<b>10.0</b>	-3.0	(-23.3%)
	<b>Total</b>	527.5	<b>508.1</b>	-19.4	(-3.7%)	1,586.6	<b>1,364.2</b>	-222.4	(-14.0%)
Core Operating Income	Fibers & Textiles	16.3	<b>12.2</b>	-4.1	(-25.4%)	48.0	<b>28.0</b>	-20.0	(-41.7%)
	Performance Chemicals	13.8	<b>23.6</b>	+9.8	(+71.1%)	47.0	<b>47.6</b>	+0.6	(+1.4%)
	Carbon Fiber Composite Materials	6.3	<b>▲ 3.4</b>	-9.7	( - )	18.1	<b>▲ 3.7</b>	-21.8	( - )
	Environment & Engineering	1.7	<b>4.0</b>	+2.3	(+135.8%)	5.5	<b>8.0</b>	+2.5	(+44.9%)
	Life Science	0.6	<b>0.9</b>	+0.4	(+72.2%)	1.6	<b>1.8</b>	+0.2	(+9.3%)
	Other	0.7	<b>1.2</b>	+0.5	(+77.8%)	2.0	<b>1.7</b>	-0.3	(-14.9%)
	Reconciliations	<b>▲ 6.6</b>	<b>▲ 5.6</b>	+1.0		<b>▲ 18.1</b>	<b>▲ 16.4</b>	+1.7	
	<b>Total</b>	32.7	<b>32.9</b>	+0.2	(+0.5%)	104.1	<b>67.0</b>	-37.2	(-35.7%)

# Business Results by Segment (Fibers & Textiles)

Billion yen

		FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes	
Revenue	Toray	139.0	106.5	-32.5	(-23.4%)
	Japanese Subsidiaries	359.5	299.8	-59.8	(-16.6%)
	Overseas Subsidiaries	378.6	319.5	-59.1	(-15.6%)
	Adjustments	▲ 235.9	▲ 189.4	+46.4	
	Total	641.3	536.3	-104.9	(-16.4%)
Core Operating Income	Toray	10.6	2.6	-8.0	(-75.0%)
	Japanese Subsidiaries	9.6	7.3	-2.3	(-23.8%)
	Overseas Subsidiaries	27.3	17.2	-10.1	(-36.9%)
	Adjustments	0.4	0.7	+0.3	
	Total	48.0	28.0	-20.0	(-41.7%)

## < Business Performance >

### ■ General

- Affected by the stagnation in production activities and consumption behavior caused by the COVID-19 in Japan and overseas.
- Demand for nonwoven fabrics increased for the applications of medical gowns and masks and there were signs of recovery in the automotive applications, but these factors fell short of offsetting the decline in the overall sales volume in the segment.

### ■ Apparel Applications

- Demand declined due to lockdown and excessive channel inventory in various countries.

### ■ Industrial Applications

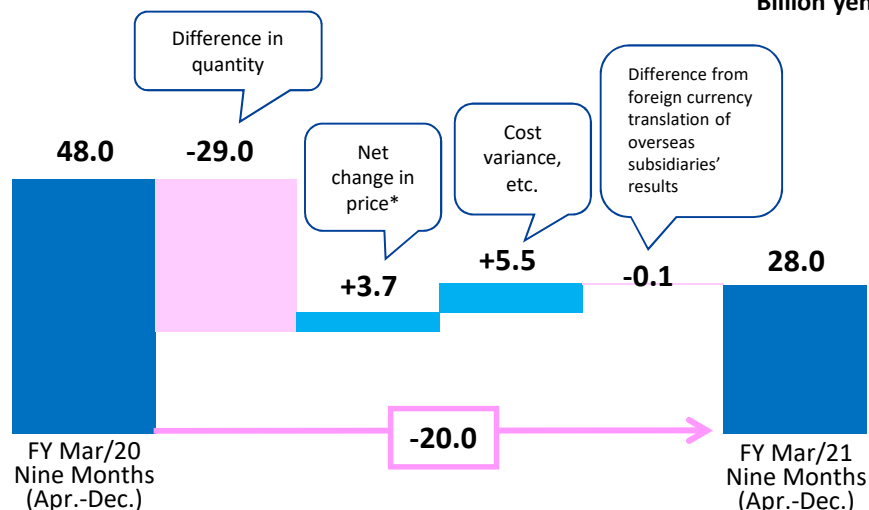
- General purpose materials remained weak and sales volume declined.

## <Topics>

- Oct. 2020: Developed MAKSPEC™ V, an antiviral textile with excellent wash durability and garment comfort, and started sales in January 2021.
- Oct. 2020: Developed MUSHON™ 4X, a textile that quells the sources of odors by applying proprietary technology, and started sales in November 2020.
- Nov. 2020: Developed Camifu™, a textile that combines feel of Japanese paper and functionality by employing NANODESIGN®, a conjugate spinning technology. Plan to start commercialization from spring / summer 2022.

## Changes in Core Operating Income

Billion yen



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

# Business Results by Segment (Performance Chemicals)

Billion yen

		FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes	
Revenue	Toray	169.1	154.5	-14.6	(-8.6%)
	Japanese Subsidiaries	317.0	275.3	-41.8	(-13.2%)
	Overseas Subsidiaries	356.2	340.7	-15.4	(-4.3%)
	Adjustments	▲ 260.3	▲ 250.6	+9.7	
	Total	582.0	519.9	-62.1	(-10.7%)
Core Operating Income	Toray	9.6	8.8	-0.8	(-8.6%)
	Japanese Subsidiaries	12.0	9.8	-2.2	(-18.5%)
	Overseas Subsidiaries	26.4	29.5	+3.2	(+12.0%)
	Adjustments	▲ 1.0	▲ 0.4	+0.5	
	Total	47.0	47.6	+0.6	(+1.4%)

## < Business Performance >

### ■ Resins Business

- Affected by the stagnation in production activities caused by the COVID-19, but demand was strong in the third quarter with automobile manufacturers operating and the recovery of the Chinese economy.

### ■ Chemicals Business

- Saw a recovery trend in the basic chemicals market.

### ■ Films Business

- Battery separator films for lithium-ion secondary batteries were affected by lower market prices, while polyester films for optical applications and electronic components performed strongly.

### ■ Electronic & Information Materials Business

- Electronic circuit materials were weak but OLED related demand increased in the third quarter.

## < Topics >

- Nov. 2020:

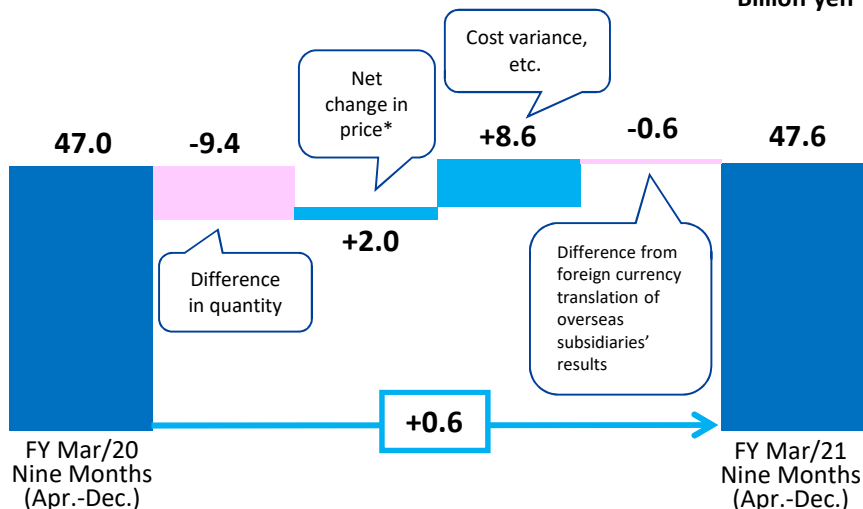
Created a non-porous separator for lithium-ion secondary batteries that could dramatically increase capacity by enhancing safety of lithium metal anode batteries. Will promote research and development with the aim of expanding into the next-generation LiB field.

- Dec. 2020:

Developed the Ecouse™ series of environmentally friendly polyester films that contribute to the realization of a sustainable society. Started full-scale sales with an annual production capacity of 2,500 tons.

## Changes in Core Operating Income

Billion yen



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

# Breakdown of Performance Chemicals Segment

Billion yen

	FY Mar/20 Nine Months (Apr.-Dec.)		FY Mar/21 Nine Months (Apr.-Dec.)		
	Revenue	Ratio	Revenue	Ratio	Changes
Resins, Chemicals	244.9	29%	<b>218.8</b>	<b>28%</b>	<b>-11%</b>
Films	235.0	28%	<b>223.0</b>	<b>29%</b>	<b>-5%</b>
Electronic & Information Materials	52.9	6%	<b>49.8</b>	<b>6%</b>	<b>-6%</b>
Trading, Other	309.5	37%	<b>279.0</b>	<b>36%</b>	<b>-10%</b>
Adjustments	▲ 260.3	-	▲ <b>250.6</b>	-	-
<b>Total</b>	<b>582.0</b>		<b>519.9</b>		<b>-11%</b>

# Business Results by Segment (Carbon Fiber Composite Materials)

Billion yen

		FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes	
Revenue	Toray	83.6	51.2	-32.4	(-38.8%)
	Japanese Subsidiaries	57.1	34.8	-22.3	(-39.1%)
	Overseas Subsidiaries	156.0	109.0	-47.0	(-30.1%)
	Adjustments	▲ 117.1	▲ 60.0	+57.1	
	Total	179.5	134.9	-44.6	(-24.8%)
Core Operating Income	Toray	10.7	▲ 2.2	-12.9	(-)
	Japanese Subsidiaries	1.2	0.9	-0.4	(-29.2%)
	Overseas Subsidiaries	9.3	▲ 1.6	-11.0	(-)
	Adjustments	▲ 3.2	▲ 0.7	+2.5	
	Total	18.1	▲ 3.7	-21.8	(-)

## < Business Performance >

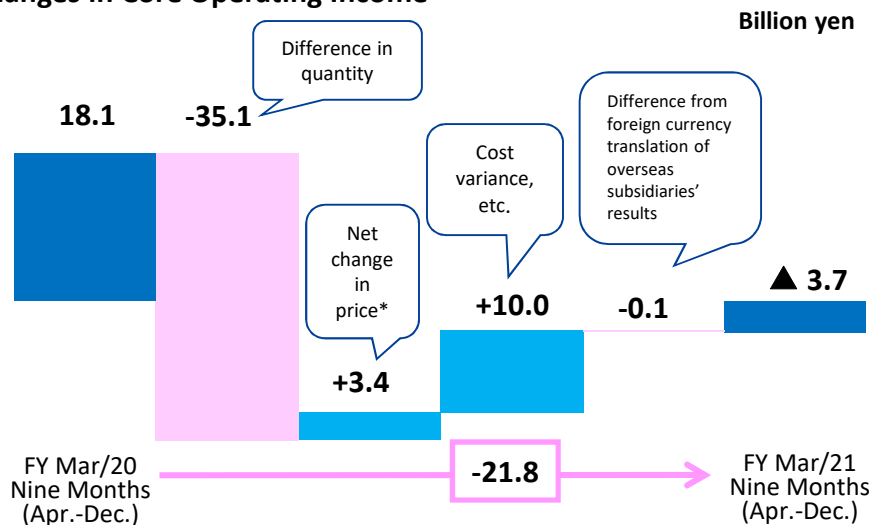
### ■ General

- The aerospace applications were affected by the decline in the production rate of commercial aircraft.
- Among the industrial applications, sales of wind turbine blades remained strong.

## < Topics >

- Dec. 2020: Jointly developed a carbon fiber reinforced plastic-based repair technology with Mitsui O.S.K. Lines, Inc. for floating production, storage and offloading (FPSO), and floating storage and offloading (FSO) systems, and obtained approval from the American Bureau of Shipping as a standard repair method for thickened parts due to corrosion.

## Changes in Core Operating Income



\* 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/20 Nine Months (Apr.-Dec.)		FY Mar/21 Nine Months (Apr.-Dec.)		
	Revenue	Ratio	Revenue	Ratio	Changes
	<b>Aerospace</b>	82.4	45%	<b>48.4</b>	<b>36%</b>
<b>Sports</b>	13.5	7%	<b>10.9</b>	<b>8%</b>	<b>-19%</b>
<b>Industrial</b>	83.6	48%	<b>75.7</b>	<b>56%</b>	<b>-9%</b>
<b>Total</b>	179.5		<b>134.9</b>		<b>-25%</b>

# Business Results by Segment (Environment & Engineering)

Billion yen

		FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes	
Revenue	Toray	20.3	22.2	+1.9	(+9.4%)
	Japanese Subsidiaries	152.3	146.4	-5.9	(-3.9%)
	Overseas Subsidiaries	26.4	28.0	+1.7	(+6.3%)
	Adjustments	▲ 68.7	▲ 72.1	-3.4	
	Total	130.4	124.6	-5.8	(-4.4%)
Core Operating Income	Toray	▲ 0.3	1.2	+1.5	( - )
	Japanese Subsidiaries	2.1	2.8	+0.7	(+36.3%)
	Overseas Subsidiaries	3.8	4.4	+0.5	(+13.9%)
	Adjustments	▲ 0.1	▲ 0.3	-0.3	
	Total	5.5	8.0	+2.5	(+44.9%)

## < Business Performance >

### ■ Water Treatment Business

- Demand for reverse osmosis membranes and other products grew strongly on the whole, while shipment to some regions were affected by the COVID-19.

### ■ Japanese Subsidiaries

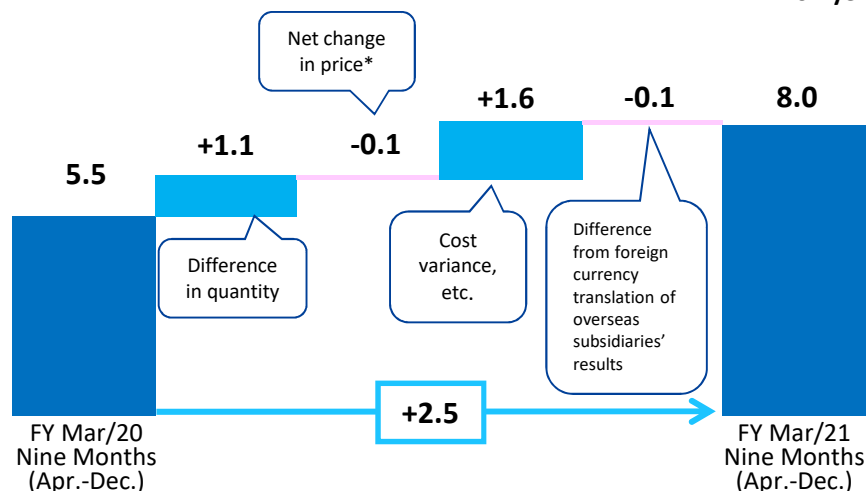
- An engineering subsidiary experienced decreases in the shipment of some electronics related equipment. A construction subsidiary posted profits from progress in a large-scale construction project and completion of a real estate project.

## <Topics>

- Nov. 2020: Received orders for supply of reverse osmosis membranes for the seawater desalination plants in the Kingdom of Bahrain and the United Arab Emirates, with a combined water production capacity of 911,000 m<sup>3</sup>/day.

## Changes in Core Operating Income

Billion yen



\* 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)

Billion yen

		FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes	
Revenue	Toray	19.0	17.7	-1.3	(-6.8%)
	Japanese Subsidiaries	30.8	30.8	-0.0	(-0.0%)
	Overseas Subsidiaries	10.6	10.0	-0.6	(-5.5%)
	Adjustments	▲ 20.1	▲ 20.1	-0.0	
	Total	40.3	38.4	-1.9	(-4.8%)
Core Operating Income	Toray	▲ 0.1	▲ 0.5	-0.4	(-)
	Japanese Subsidiaries	0.9	1.8	+0.9	(+96.6%)
	Overseas Subsidiaries	0.5	0.5	+0.0	(+6.1%)
	Adjustments	0.3	▲ 0.1	-0.4	
	Total	1.6	1.8	+0.2	(+9.3%)

## < Business Performance >

### ■ Pharmaceutical Business

- Sales of pruritus treatment REMITCH®\* were influenced by the introduction of its generic versions as well as by a major NHI drug price revision in April 2020.

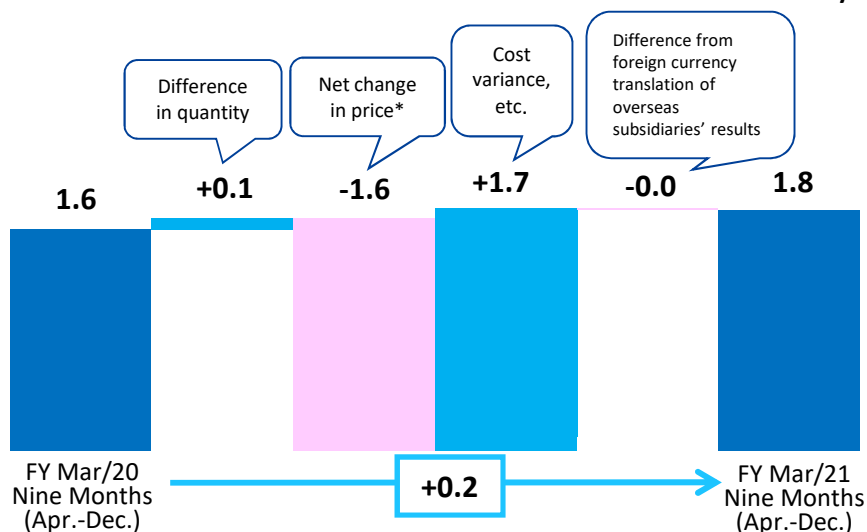
### ■ Medical Devices Business

- Shipment of dialyzers grew strongly in Japan and overseas, despite the impact of medical institutions postponing non-urgent operations due to the spread of the COVID-19.

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

## Changes in Core 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

		Revenue			Core Operating Income		
		FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes	FY Mar/20 Nine Months (Apr.-Dec.)	FY Mar/21 Nine Months (Apr.-Dec.)	Changes
Toray International, Inc.		450.4	<b>375.1</b>	-75.3	10.0	<b>8.4</b>	-1.6
Toray Engineering Co., Ltd.		76.0	<b>62.0</b>	-14.1	1.5	<b>0.6</b>	-0.9
Toray Construction Co., Ltd.		26.4	<b>28.2</b>	+1.8	▲ 0.4	<b>1.0</b>	+1.3
Toray Advanced Film Co., Ltd.		28.8	<b>27.0</b>	-1.8	2.0	<b>2.9</b>	+0.9
Subsidiaries in Southeast Asia	Fibers & Textiles	103.8	<b>69.9</b>	-33.9	4.2	▲ <b>2.6</b>	-6.8
	Performance Chemicals	66.4	<b>60.5</b>	-5.9	4.7	<b>11.9</b>	+7.2
	Other	0.1	<b>0.1</b>	-0.0	0.0	<b>0.0</b>	-0.0
	<b>Total</b>	<b>170.3</b>	<b>130.4</b>	<b>-39.8</b>	<b>8.9</b>	<b>9.3</b>	<b>+0.4</b>
Subsidiaries in China	Fibers & Textiles	167.6	<b>157.3</b>	-10.3	16.5	<b>14.4</b>	-2.2
	Performance Chemicals	61.2	<b>65.2</b>	+4.0	2.3	<b>3.5</b>	+1.1
	Other	28.1	<b>27.7</b>	-0.4	2.0	<b>2.6</b>	+0.5
	<b>Total</b>	<b>257.0</b>	<b>250.2</b>	<b>-6.8</b>	<b>20.9</b>	<b>20.4</b>	<b>-0.5</b>
Subsidiaries in the Republic of Korea	Fibers & Textiles	62.9	<b>57.5</b>	-5.4	2.3	<b>6.7</b>	+4.4
	Performance Chemicals	119.4	<b>108.1</b>	-11.3	18.9	<b>15.8</b>	-3.0
	Other	21.3	<b>16.0</b>	-5.3	2.8	<b>2.2</b>	-0.6
	<b>Total</b>	<b>203.6</b>	<b>181.6</b>	<b>-22.0</b>	<b>24.0</b>	<b>24.7</b>	<b>+0.7</b>

## **II. Business Forecast for the Fiscal Year Ending March 2021 (Consolidated Basis)**

# Forecast Summary for the Fiscal Year Ending March 2021

## Assumptions for the business forecast including the impact of COVID-19

Based on the assumptions that the spread of COVID-19 will repeat the cycle of slowing down and re-spreading but eventually subside, and the economy in Japan and overseas would follow a gradual recovery trend.

Billion yen

		FY Mar/20 Actual	FY Mar/21 Forecast	Changes		Previous Forecast	Difference from Previous Forecast*
Revenue	1st Half	1,059.1	<b>856.1</b>	-203.0	(-19.2%)	856.1	—
	2nd Half	1,032.1	<b>1,013.9</b>	-18.2	(-1.8%)	1,003.9	+10.0
	<b>Total</b>	<b>2,091.2</b>	<b>1,870.0</b>	<b>-221.2</b>	<b>(-10.6%)</b>	<b>1,860.0</b>	<b>+10.0</b>
Core Operating Income	1st Half	71.4	<b>34.1</b>	-37.3	(-52.3%)	34.1	—
	2nd Half	54.1	<b>55.9</b>	+1.8	(+3.3%)	45.9	+10.0
	<b>Total</b>	<b>125.5</b>	<b>90.0</b>	<b>-35.5</b>	<b>(-28.3%)</b>	<b>80.0</b>	<b>+10.0</b>
Profit Attributable to Owners of Parent	1st Half	50.9	<b>4.5</b>	-46.4	(-91.2%)	4.5	—
	2nd Half	33.3	<b>34.5</b>	+1.2	(+3.6%)	29.5	+5.0
	<b>Total</b>	<b>84.2</b>	<b>39.0</b>	<b>-45.2</b>	<b>(-53.7%)</b>	<b>34.0</b>	<b>+5.0</b>

Earnings per Share	1st Half	31.82 yen	<b>2.79 yen</b>
	2nd Half	20.83 yen	<b>21.58 yen</b>
	<b>Total</b>	<b>52.65 yen</b>	<b>24.37 yen</b>
Dividend per Share	1st Half	8.00 yen	<b>4.50 yen</b>
	2nd Half	8.00 yen	<b>4.50 yen</b>
	<b>Total</b>	<b>16.00 yen</b>	<b>9.00 yen</b>
Dividend Payout Ratio	<b>Total</b>		<b>37%</b>

Assumed exchange rate :  
105 yen / US\$

\*Difference from Previous Forecast: the difference from the forecast announced on November 6, 2020

# Forecast by Segment

Billion yen

		FY Mar/20 Actual			FY Mar/21 Forecast			Changes			Difference from Previous Forecast*
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total	Total
Revenue	Fibers & Textiles	422.3	408.7	831.0	330.2	374.8	705.0	-92.0	-33.9	-126.0	—
	Performance Chemicals	394.1	367.1	761.2	327.3	382.7	710.0	-66.8	+15.6	-51.2	+15.0
	Carbon Fiber Composite Materials	119.9	117.0	236.9	89.3	95.7	185.0	-30.6	-21.3	-51.9	-5.0
	Environment & Engineering	87.2	103.6	190.8	78.2	123.8	202.0	-9.0	+20.2	+11.2	—
	Life Science	26.6	26.5	53.0	24.7	28.3	53.0	-1.9	+1.9	-0.0	—
	Other	9.0	9.2	18.2	6.3	8.7	15.0	-2.7	-0.5	-3.2	—
	Consolidated	1,059.1	1,032.1	2,091.2	856.1	1,013.9	1,870.0	-203.0	-18.2	-221.2	+10.0
Core Operating Income	Fibers & Textiles	31.7	27.9	59.6	15.8	19.2	35.0	-15.8	-8.7	-24.6	-1.0
	Performance Chemicals	33.2	21.3	54.5	24.1	43.4	67.5	-9.2	+22.1	+13.0	+8.5
	Carbon Fiber Composite Materials	11.8	10.8	22.6	▲ 0.3	▲ 7.7	▲ 8.0	-12.1	-18.5	-30.6	-1.0
	Environment & Engineering	3.8	6.8	10.6	4.0	11.5	15.5	+0.2	+4.8	+4.9	+1.5
	Life Science	1.1	▲ 0.6	0.5	0.8	0.7	1.5	-0.2	+1.3	+1.0	+0.5
	Other	1.4	2.2	3.6	0.6	1.9	2.5	-0.8	-0.3	-1.1	+0.5
	Reconciliations	▲ 11.5	▲ 14.3	▲ 25.8	▲ 10.9	▲ 13.1	▲ 24.0	+0.6	+1.2	+1.8	+1.0
	Consolidated	71.4	54.1	125.5	34.1	55.9	90.0	-37.3	+1.8	-35.5	+10.0

\*Difference from Previous Forecast : the difference from the forecast announced on November 6, 2020

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

Segments	Full-year Core Operating Income Forecast (Billion yen) Previous* → New ( ) difference	Variance Factors
Fibers & Textiles	36.0 → 35.0 ( - 1.0)	<ul style="list-style-type: none"> <li>Expect demand to be almost in line with the previous forecast, but will be affected by soaring raw materials prices.</li> </ul>
Performance Chemicals	59.0 → 67.5 ( + 8.5)	<ul style="list-style-type: none"> <li>In the resins business, demand for ABS resins recovered in the Chinese market. Sales of engineering plastics for automotive applications are on track for recovery.</li> <li>In the films business, expanded sales of MLCC release films and films for display applications.</li> </ul>
Carbon Fiber Composite Materials	▲ 7.0 → ▲ 8.0 ( - 1.0)	<ul style="list-style-type: none"> <li>In the aircraft applications, expect impact of the decline in the production rate at major customers.</li> </ul>
Environment & Engineering	14.0 → 15.5 ( + 1.5)	<ul style="list-style-type: none"> <li>Pursue cost reductions including operating expenses.</li> </ul>
Life Science	1.0 → 1.5 ( +0.5)	<ul style="list-style-type: none"> <li>Pursue cost reductions including operating expenses.</li> </ul>
Other	2.0 → 2.5 ( +0.5)	
Reconciliations	▲ 25.0 → ▲ 24.0 ( + 1.0)	*Difference from Previous Forecast : the difference from the forecast announced on November 6, 2020
Total	80.0 → 90.0 ( + 10.0)	

## **III. Reference**

# Impact of IFRS Adoption in FY Mar/20 Nine Months (Apr.-Dec.)

Billion yen

FY Mar/20 Nine Months (Apr.-Dec.) Actual				Changes	Main Differences
J-GAAP		IFRS			
Net Sales	1,681.4	Revenue	1,586.6	-94.8	Net presentation of transactions as agent, Changes in the timing of revenue recognition
Operating Income	104.5	Core Operating Income	104.1	-0.3	Non-amortization of goodwill, Reclassifications of non-operating income and expenses
Income before Income Tax	99.7	Profit before Tax	107.6	+7.9	Non-amortization of goodwill, Exclusion of gains and losses on sale and impairment of investment securities
Net Income Attributable to Owners of Parent	66.2	Profit Attributable to Owners of Parent	75.0	+8.8	

# Impact of IFRS Adoption in FY Mar/20 Nine Months (Apr.-Dec.) by Segment

Billion yen

		FY Mar/20 Nine Months (Apr.-Dec.) Actual		Changes	Main Differences
		J-GAAP	IFRS		
Net Sales / Revenue	Fibers & Textiles	682.2	641.3	-40.9	<ul style="list-style-type: none"> <li>- Net presentation of transactions as agent</li> <li>- Changes in the timing of revenue recognition</li> </ul>
	Performance Chemicals	589.1	582.0	-7.1	
	Carbon Fiber Composite Materials	180.2	179.5	-0.7	
	Environment & Engineering	176.8	130.4	-46.4	
	Life Science	40.0	40.3	+0.3	
	Other	13.1	13.1	+0.0	
	<b>Total</b>	<b>1,681.4</b>	<b>1,586.6</b>	<b>-94.8</b>	

		FY Mar/20 Nine Months (Apr.-Dec.) Actual		Changes	Breakdown of the Differences	
		J-GAAP	IFRS		Non-amortization of Goodwill	Others
Operating Income / Core Operating Income	Fibers & Textiles	47.9	48.0	+0.0	+0.0	+0.0
	Performance Chemicals	48.0	47.0	-1.0	+3.2	-4.2
	Carbon Fiber Composite Materials	16.6	18.1	+1.5	+4.8	-3.3
	Environment & Engineering	5.7	5.5	-0.2	+0.2	-0.4
	Life Science	1.9	1.6	-0.3	—	-0.3
	Other	2.2	2.0	-0.1	—	-0.1
	Reconciliations	▲ 17.8	▲ 18.1	-0.3	—	-0.3
	<b>Total</b>	<b>104.5</b>	<b>104.1</b>	<b>-0.3</b>	<b>+8.3</b>	<b>-8.6</b>



# Impact of IFRS Adoption in FY Mar/20

Billion yen

FY Mar/20 Actual				Changes	Main Differences
J-GAAP		IFRS			
Net Sales	2,214.6	Revenue	2,091.2	-123.5	Net presentation of transactions as agent, Changes in the timing of revenue recognition
Operating Income	131.2	Core Operating Income	125.5	-5.7	Non-amortization of goodwill, Reclassifications of non-operating income and expenses
Income before Income Tax	94.0	Profit before Tax	123.3	+29.3	Non-amortization of goodwill, Exclusion of gains and losses on sale and impairment of investment securities
Net Income Attributable to Owners of Parent	55.7	Profit Attributable to Owners of Parent	84.2	+28.5	

# Impact of IFRS Adoption in FY Mar/20 by Segment

Billion yen

		FY Mar/20 Actual		Changes	Main Differences
		J-GAAP	IFRS		
Net Sales / Revenue	Fibers & Textiles	883.1	831.0	-52.2	- Net presentation of transactions as agent  - Changes in the timing of revenue recognition
	Performance Chemicals	770.8	761.2	-9.6	
	Carbon Fiber Composite Materials	236.9	236.9	-0.0	
	Environment & Engineering	252.3	190.8	-61.4	
	Life Science	53.3	53.0	-0.2	
	Other	18.2	18.2	+0.0	
	<b>Total</b>	<b>2,214.6</b>	<b>2,091.2</b>	<b>-123.5</b>	

		FY Mar/20 Actual		Changes	Breakdown of the Differences	
		J-GAAP	IFRS		Non-amortization of Goodwill	Others
Operating Income / Core Operating Income	Fibers & Textiles	60.7	59.6	-1.1	+0.0	-1.1
	Performance Chemicals	58.7	54.5	-4.2	+4.3	-8.5
	Carbon Fiber Composite Materials	21.0	22.6	+1.6	+6.3	-4.7
	Environment & Engineering	11.2	10.6	-0.7	+0.3	-1.0
	Life Science	1.6	0.5	-1.1	—	-1.1
	Other	3.4	3.6	+0.2	—	+0.2
	Reconciliations	▲ 25.5	▲ 25.8	-0.4	—	-0.4
	<b>Total</b>	<b>131.2</b>	<b>125.5</b>	<b>-5.7</b>	<b>+10.9</b>	<b>-16.6</b>

# Quarterly Revenue by Segment

IFRS

Billion yen

	FY Mar/20 Actual					FY Mar/21 Actual		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
<b>Fibers &amp; Textiles</b>	195.8	226.5	219.0	189.7	831.0	<b>145.0</b>	<b>185.2</b>	<b>206.1</b>
<b>Performance Chemicals</b>	197.5	196.6	187.9	179.2	761.2	<b>155.6</b>	<b>171.7</b>	<b>192.6</b>
<b>Carbon Fiber Composite Materials</b>	61.5	58.4	59.6	57.3	236.9	<b>45.4</b>	<b>43.9</b>	<b>45.6</b>
<b>Environment &amp; Engineering</b>	41.8	45.4	43.2	60.5	190.8	<b>37.2</b>	<b>41.0</b>	<b>46.4</b>
<b>Life Science</b>	12.5	14.1	13.8	12.7	53.0	<b>11.6</b>	<b>13.1</b>	<b>13.7</b>
<b>Other</b>	4.2	4.9	4.1	5.1	18.2	<b>2.9</b>	<b>3.4</b>	<b>3.7</b>
<b>Consolidated</b>	513.2	545.8	527.5	504.6	2,091.2	<b>397.6</b>	<b>458.4</b>	<b>508.1</b>

# Quarterly Core Operating Income by Segment

IFRS

Billion yen

	FY Mar/20 Actual					FY Mar/21 Actual		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
<b>Fibers &amp; Textiles</b>	14.5	17.2	16.3	11.6	59.6	7.2	8.6	12.2
<b>Performance Chemicals</b>	16.9	16.4	13.8	7.5	54.5	8.1	16.0	23.6
<b>Carbon Fiber Composite Materials</b>	6.4	5.4	6.3	4.5	22.6	1.7	▲ 2.0	▲ 3.4
<b>Environment &amp; Engineering</b>	1.4	2.4	1.7	5.1	10.6	0.8	3.2	4.0
<b>Life Science</b>	0.5	0.6	0.6	▲ 1.1	0.5	0.1	0.8	0.9
<b>Other</b>	0.4	0.9	0.7	1.5	3.6	0.1	0.4	1.2
<b>Reconciliations</b>	▲ 5.6	▲ 5.9	▲ 6.6	▲ 7.7	▲ 25.8	▲ 5.5	▲ 5.3	▲ 5.6
<b>Consolidated</b>	34.5	37.0	32.7	21.4	125.5	12.5	21.6	32.9

# Quarterly Revenue of Performance Chemicals by Sub-segments

IFRS

Billion yen

	FY Mar/20					FY Mar/21		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Resins, Chemicals	84.3	79.6	80.9	75.5	320.4	59.7	71.9	87.2
Films	79.4	78.7	76.9	76.0	310.9	69.4	75.1	78.5
Electronic & Information Materials	16.2	19.3	17.4	14.4	67.4	14.6	17.6	17.6
Trading, Other	109.7	100.2	99.6	98.0	407.4	87.7	86.8	104.5
Adjustments	▲ 92.2	▲ 81.2	▲ 86.9	▲ 84.6	▲ 344.9	▲ 75.7	▲ 79.7	▲ 95.2
<b>Total</b>	197.5	196.6	187.9	179.2	761.2	155.6	171.7	192.6

# Quarterly Revenue of Carbon Fiber Composite Materials by Sub-segments

IFRS

Billion yen

	FY Mar/20					FY Mar/21		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
<b>Aerospace</b>	29.2	26.5	26.8	25.4	107.8	<b>17.4</b>	<b>16.1</b>	<b>14.8</b>
<b>Sports</b>	4.9	4.2	4.4	3.5	17.0	<b>3.2</b>	<b>3.7</b>	<b>4.1</b>
<b>Industrial</b>	27.4	27.8	28.4	28.4	112.0	<b>24.9</b>	<b>24.1</b>	<b>26.7</b>
<b>Total</b>	61.5	58.4	59.6	57.3	236.9	<b>45.4</b>	<b>43.9</b>	<b>45.6</b>

# Quarterly Revenue of Major Subsidiaries and Regions

IFRS

Billion yen

	FY Mar/20					FY Mar/21		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
<b>Toray International, Inc.</b>	139.6	152.6	158.3	125.1	575.5	<b>111.1</b>	<b>122.7</b>	<b>141.3</b>
<b>Toray Engineering Co., Ltd.</b>	23.4	26.6	26.1	36.7	112.7	<b>17.5</b>	<b>20.1</b>	<b>24.4</b>
<b>Toray Construction Co., Ltd.</b>	8.2	10.1	8.1	16.9	43.4	<b>5.5</b>	<b>9.7</b>	<b>13.1</b>
<b>Toray Advanced Film Co., Ltd.</b>	9.3	9.9	9.6	8.7	37.5	<b>9.3</b>	<b>8.5</b>	<b>9.2</b>

<b>Subsidiaries in Southeast Asia</b>	<b>Fibers &amp; Textiles</b>	34.7	35.6	33.5	31.9	135.7	<b>18.7</b>	<b>23.6</b>	<b>27.5</b>
	<b>Performance Chemicals</b>	23.2	21.5	21.7	19.0	85.4	<b>15.4</b>	<b>20.5</b>	<b>24.6</b>
	<b>Other</b>	0.0	0.0	0.0	0.1	0.2	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
	<b>Total</b>	57.9	57.1	55.3	50.9	221.2	<b>34.1</b>	<b>44.1</b>	<b>52.2</b>
<b>Subsidiaries in China</b>	<b>Fibers &amp; Textiles</b>	50.6	60.8	56.3	37.5	205.1	<b>40.1</b>	<b>56.1</b>	<b>61.1</b>
	<b>Performance Chemicals</b>	21.7	19.1	20.4	16.5	77.7	<b>18.9</b>	<b>21.2</b>	<b>25.1</b>
	<b>Other</b>	9.1	8.7	10.3	6.7	34.8	<b>9.0</b>	<b>8.9</b>	<b>9.8</b>
	<b>Total</b>	81.5	88.6	87.0	60.6	317.7	<b>68.0</b>	<b>86.2</b>	<b>96.1</b>
<b>Subsidiaries in the Republic of Korea</b>	<b>Fibers &amp; Textiles</b>	20.8	20.6	21.5	21.4	84.3	<b>18.2</b>	<b>19.4</b>	<b>19.9</b>
	<b>Performance Chemicals</b>	38.7	40.6	40.1	37.2	156.6	<b>31.2</b>	<b>37.1</b>	<b>39.8</b>
	<b>Other</b>	7.5	7.2	6.6	5.3	26.6	<b>5.0</b>	<b>5.2</b>	<b>5.9</b>
	<b>Total</b>	67.1	68.4	68.1	63.9	267.5	<b>54.3</b>	<b>61.7</b>	<b>65.6</b>

# Quarterly Core Operating Income of Major Subsidiaries and Regions

IFRS

Billion yen

	FY Mar/20					FY Mar/21			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
Toray International, Inc.	2.9	3.6	3.6	2.8	12.9	1.9	3.3	3.3	
Toray Engineering Co., Ltd.	0.4	0.7	0.5	2.0	3.6	▲0.6	▲0.0	1.3	
Toray Construction Co., Ltd.	▲0.2	0.1	▲0.2	1.0	0.6	▲0.4	0.7	0.7	
Toray Advanced Film Co., Ltd.	0.5	0.7	0.8	0.5	2.6	0.8	1.0	1.1	
Subsidiaries in Southeast Asia	Fibers & Textiles	1.4	1.3	1.4	0.5	4.8	▲1.2	▲0.7	▲0.7
	Performance Chemicals	1.9	1.2	1.5	1.6	6.3	1.4	4.2	6.3
	Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Total	3.3	2.6	3.0	2.2	11.0	0.2	3.5	5.6
Subsidiaries in China	Fibers & Textiles	5.6	5.8	5.1	3.0	19.5	4.9	5.0	4.5
	Performance Chemicals	0.7	0.7	0.9	0.8	3.2	1.0	1.0	1.5
	Other	0.7	0.7	0.6	0.2	2.3	0.8	0.8	0.9
	Total	7.1	7.2	6.6	4.1	25.0	6.7	6.8	6.9
Subsidiaries in the Republic of Korea	Fibers & Textiles	0.5	0.8	1.0	0.7	3.0	2.8	2.4	1.6
	Performance Chemicals	5.7	6.8	6.4	4.4	23.3	4.5	5.8	5.6
	Other	1.2	1.0	0.5	0.6	3.4	0.8	0.7	0.6
	Total	7.4	8.6	7.9	5.7	29.6	8.1	8.9	7.7



# External Evaluations from the Perspectives of ESG

## CDP



WATER

December 2020 Water Security : A Climate Change : B

## Selected as a component of major overseas indexes

MEMBER OF

**Dow Jones Sustainability Indices**

In Collaboration with RobecoSAM

November 2020

“Dow Jones Sustainability Index(DJSI), Asia Pacific”



FTSE4Good

June 2020

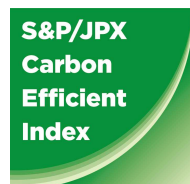
“FTSE4Good Index Series”

**2020** MSCI ESG Leaders Indexes Constituent

July 2020

“MSCI ESG Leaders Indexes”

## Selected for indices used by GPIF



FTSE Blossom Japan

**2020** CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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**Descriptions of predicted business results, projections, and business plans for the Fiscal Year Ending March 2021 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.**

**TORAY**

**Innovation by Chemistry**