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November 10, 2026

# Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under IFRS)

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Listing: Tokyo Stock Exchange
Securities code: 3402
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Scheduled date to file semi-annual securities report: November 12, 2026
Scheduled date to commence dividend payments: December 1, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for Securities Analysts / Institutional Investors)

(Yen amounts are rounded to the nearest million.)

## 1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

### (1) Consolidated financial performance

(Percentages indicate year-on-year changes.)

| | Revenue | | Core operating income | | Operating income | | Profit before tax | |
|---|---|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| September 30, 2026 | 1,399,682 | 13.4 | 99,378 | 46.4 | 101,889 | 58.5 | 105,155 | 80.8 |
| September 30, 2025 | 1,234,310 | (4.6) | 67,883 | (14.2) | 64,299 | (19.1) | 58,161 | (25.2) |

| | Profit | | Profit attributable to owners of parent | | Basic earnings per share | Diluted earnings per share |
|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Yen | Yen |
| September 30, 2026 | 73,925 | 81.2 | 69,120 | 87.1 | 47.46 | 47.39 |
| September 30, 2025 | 40,802 | (32.5) | 36,935 | (33.5) | 24.23 | 24.19 |

Notes:
1. Comprehensive income for the six months ended September 30, 2026 and 2025 were ¥72,341 million ((15.6)%) and ¥85,669 million (639.9%), respectively.
2. Core operating income is calculated by excluding income and expenses due to non-recurring factors from operating income.

### (2) Consolidated financial position

| | Total assets | Total equity | Equity attributable to owners of parent | Equity ratio |
|---|---|---|---|---|
| As of | Millions of yen | Millions of yen | Millions of yen | % |
| September 30, 2026 | 3,491,261 | 1,974,786 | 1,852,480 | 53.1 |
| March 31, 2026 | 3,476,976 | 1,927,836 | 1,800,058 | 51.8 |

## 2. Cash dividends

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2026 | — | 10.00 | — | 10.00 | 20.00 |
| Year ending March 31, 2027 | — | 13.00 | | | |
| Year ending March 31, 2027 (Forecast) | | | — | 13.00 | 26.00 |

Notes:
1. Revisions to the forecast of cash dividends most recently announced: None
2. Breakdown of the Second quarter-end dividend for the fiscal year ending March 31, 2027:
   Ordinary dividend: 10.00 yen per share  Commemorative dividend: 3.00 yen per share

## 3. Consolidated financial forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

| | Revenue | | Core operating income | | Profit attributable to owners of parent | | Basic earnings per share |
|---|---|---|---|---|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Year ending March 31, 2027 | 2,850,000 | 10.2 | 180,000 | 26.8 | 110,000 | 38.3 | 75.53 |

Notes:
1. Revisions to the consolidated financial forecasts most recently announced: Yes
2. The Company's Board of Directors resolved on repurchase of its shares at a meeting held on November 10. However, the basic earnings per share in the consolidated financial forecasts does not consider the impact of the said share repurchase.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|---|---|
| As of September 30, 2026 | 1,504,481,403 shares |
| As of March 31, 2026 | 1,504,481,403 shares |

(ii) Number of treasury shares at the end of the period

| | |
|---|---|
| As of September 30, 2026 | 47,580,373 shares |
| As of March 31, 2026 | 48,344,096 shares |

(iii) Average number of shares outstanding during the period

| | |
|---|---|
| Six months ended September 30, 2026 | 1,456,389,119 shares |
| Six months ended September 30, 2025 | 1,524,645,652 shares |

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters
Earnings forecasts given herein have been prepared based on assumptions such as economic environment outlook available as of the publication of this report and these forecasts are not guarantees of future performance. Actual results may differ significantly from forecasts due to various factors. For the assumptions underlying the forecasts herein, please refer to “1. Overview of Operating Results (2) Forecast for the Fiscal Year Ending March 31, 2027” of the accompanying materials.

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# 1. Overview of Operating Results

## (1) Overview of the Six Months Ended September 30, 2026 and Analysis of Financial Position

### Overview of the Six Months Ended September 30, 2026

| | Six months ended September 30, 2026 | Year-on-year change |
|---|---|---|
| | Billions of yen | % |
| Revenue | 1,399.7 | 13.4 |
| Core operating income | 99.4 | 46.4 |
| Operating income | 101.9 | 58.5 |
| Profit attributable to owners of parent | 69.1 | 87.1 |

During the period under review (from April 1, 2026 to September 30, 2026), the outlook for the global economy became increasingly uncertain given the concerns over the supply stability and rising prices of energy and petrochemical raw materials stemming from conflicts in the Middle East. Nevertheless, investment related to AI and semiconductors provided underlying support for economic activity. The U.S. economy, driven by AI investments and rising stock prices, saw gradual expansion. The European economy showed some signs of a moderate recovery, but the recovery remained sluggish as a whole. The Chinese economy continued to decelerate gradually due mainly to stagnant domestic demand. The Japanese economy continued to recover moderately on the back of increasing DX- and AI-related investments and steady consumer spending.

Under such circumstances, Toray Group launched its Medium-Term Management Program “IGNITION 2028” in fiscal 2026, with the goal of becoming a highly profitable enterprise that contributes to society. Under IGNITION 2028, Toray Group has established three basic policies on “Enhancing Economic Value”, “Enhancing Social Value”, and “Strengthening Management Foundation”. Based on these policies, the Group is promoting growth strategies and structural reforms, with ROIC as its core management principle to improve profitability and capital efficiency.

As a result, consolidated revenue for the six months ended September 30, 2026, compared with the same period of the previous fiscal year, increased 13.4% to ¥1,399.7 billion, and core operating income (Note) rose 46.4% to ¥99.4 billion. Operating income increased 58.5% to ¥101.9 billion and profit attributable to owners of parent rose 87.1% to ¥69.1 billion.

Financial performance by segment is as described below.

*Fibers & Textiles*

| | Six months ended September 30, 2026 | Year-on-year change |
|---|---|---|
| | Billions of yen | % |
| Revenue | 549.5 | 9.0 |
| Core operating income | 40.3 | 15.0 |

In the apparel applications, the Group focused on capturing demand despite intensified competition from overseas products.

The industrial applications showed a gradual recovery in demand primarily in automotive applications.

While both applications were affected by rising raw material prices resulting from the worsening situation in the Middle East, the Group worked to mitigate these impacts through emergency measures, including price pass-through and cost reduction initiatives.

As a result, revenue of the overall Fibers & Textiles segment, compared with the same period of the previous fiscal year, increased 9.0% to ¥549.5 billion, and core operating income rose 15.0% to ¥40.3 billion.

*Performance Chemicals*

| | Six months ended September 30, 2026 | Year-on-year change |
|---|---|---|
| | Billions of yen | % |
| Revenue | 501.4 | 13.1 |
| Core operating income | 41.9 | 45.7 |

The resins & chemicals businesses were affected by rising raw material prices resulting from the worsening situation in the Middle East, but efforts were made to achieve price pass-through, and sales remained firm.

In the films business, sales for electronic component applications, including MLCCs, remained strong owing primarily to increased demand related to AI and data center.

In the electronic & information materials business, sales of products for power inductor application expanded, while OLED-related materials were affected by the slow demand for display panels and intensified competition in China.

As a result, revenue of the overall Performance Chemicals segment, compared with the same period of the previous fiscal year, grew 13.1% to ¥501.4 billion, and core operating income rose 45.7% to ¥41.9 billion.

*Carbon Fiber Composite Materials*

| | Six months ended September 30, 2026 | Year-on-year change |
|---|---|---|
| | Billions of yen | % |
| Revenue | 183.0 | 35.2 |
| Core operating income | 16.5 | 74.6 |

The Aircraft, Space & Defense applications saw steady expansion and the sports applications performed strongly. The industrial applications showed a recovery trend primarily in pressure vessel and wind turbine blade applications.

As a result, revenue of the overall Carbon Fiber Composite Materials segment, compared with the same period of the previous fiscal year, increased 35.2% to ¥183.0 billion, and core operating income rose 74.6% to ¥16.5 billion.

*Water Treatment & Healthcare*

| | Six months ended September 30, 2026 | Year-on-year change |
|---|---|---|
| | Billions of yen | % |
| Revenue | 80.2 | 3.7 |
| Core operating income | 7.5 | 32.6 |

In the water treatment business, shipments of reverse osmosis (RO) membranes for large-scale projects in the Middle East and sales in the Americas, one of its key markets, remained firm.

In the pharmaceutical & medical products businesses, sales of pharmaceuticals stagnated but the Group made efforts to shift towards higher value-added hemodialysis dialyzers and to reduce costs.

As a result, revenue of the overall Water Treatment & Healthcare segment, compared with the same period of the previous fiscal year, increased 3.7% to ¥80.2 billion, while core operating income expanded 32.6% to ¥7.5 billion.

Note:

Core operating income is calculated by excluding income and expenses due to non-recurring factors from operating income.

## Analysis of Financial Position

As of September 30, 2026, total assets stood at ¥3,491.3 billion, an increase of ¥14.3 billion, compared with the end of the previous fiscal year, due primarily to an increase in inventories while property, plant and equipment and retirement benefit asset declined.

Total liabilities came to ¥1,516.5 billion, a decrease of ¥32.7 billion, compared with the end of the previous fiscal year, owing mainly to a decline in borrowings.

Total equity stood at ¥1,974.8 billion, an increase of ¥47.0 billion, compared with the end of the previous fiscal year, mainly owing to an increase in retained earnings. Equity attributable to owners of parent stood at ¥1,852.5 billion. Equity ratio as of September 30, 2026 came to 53.1%, a 1.3 percentage-point increase compared with the level at the end of the previous fiscal year.

## (2) Forecast for the Fiscal Year Ending March 31, 2027

The global economy is expected to continue its gradual expansion as AI-related demand grows and the downward pressure from heightened tensions in the Middle East eases. The Japanese economy is also expected to continue with its gradual recovery. However, downside risks remain, including increases in fuel and raw material prices and supply constraints resulting from renewed escalation or prolonged tensions in the Middle East as well as a slowdown in the global economy.

Further, the future economic conditions will be affected by the trends in AI-related demand and the slowdown in the Chinese economy, while the direction of the U.S. trade and foreign policies and rise in protectionism in various countries may significantly affect supply chains and trade structures in the medium- to long-term.

Under such circumstances, Toray Group will promote the basic strategies under the Medium-Term Management Program “IGNITION 2028,” carrying out its business operations in preparation for uncertainties.

For the fiscal year ending March 31, 2027, Toray revised its full-year consolidated forecasts, taking into consideration its business performance for the first six months and business environment. It now expects consolidated revenue of ¥2,850.0 billion, core operating income of ¥180.0 billion, and profit attributable to owners of parent of ¥110.0 billion. The calculation of consolidated earnings forecasts from October 2026 onwards is based on an assumed foreign currency exchange rate of ¥155.0 to the U.S. dollar.

Revisions to consolidated financial forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

| | Revenue | Core operating income | Profit attributable to owners of parent | Basic earnings per share |
|---|---|---|---|---|
| | Billions of yen | Billions of yen | Billions of yen | Yen |
| Previous forecasts (A) | 2,830.0 | 160.0 | 90.0 | 61.80 |
| Revised forecasts (B) | 2,850.0 | 180.0 | 110.0 | 75.53 |
| Change (B-A) | 20.0 | 20.0 | 20.0 | |
| Change (%) | 0.7 | 12.5 | 22.2 | |
| (Reference) Actual consolidated results for the fiscal year ended March 31, 2026 | 2,585.1 | 141.9 | 79.5 | 52.96 |

# 2. Condensed Consolidated Financial Statements

## (1) Condensed Consolidated Statement of Financial Position

(Millions of yen)

| | As of March 31, 2026 | As of September 30, 2026 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | 265,295 | 276,140 |
| Trade and other receivables | 642,708 | 634,334 |
| Inventories | 538,586 | 579,723 |
| Other financial assets | 10,817 | 12,483 |
| Other current assets | 71,100 | 76,534 |
| Assets held for sale | 453 | 4,427 |
| Total current assets | 1,528,959 | 1,583,641 |
| **Non-current assets** | | |
| Property, plant and equipment | 1,175,896 | 1,152,332 |
| Right-of-use assets | 53,133 | 54,812 |
| Goodwill | 100,809 | 99,897 |
| Intangible assets | 105,544 | 104,873 |
| Investments accounted for using equity method | 186,985 | 198,103 |
| Other financial assets | 169,095 | 160,250 |
| Deferred tax assets | 25,340 | 24,993 |
| Retirement benefit asset | 114,474 | 97,220 |
| Other non-current assets | 16,741 | 15,140 |
| Total non-current assets | 1,948,017 | 1,907,620 |
| Total assets | 3,476,976 | 3,491,261 |

(Millions of yen)

| | As of March 31, 2026 | As of September 30, 2026 |
|---|---|---|
| **Liabilities and Equity** | | |
| **Current liabilities** | | |
| Trade and other payables | 317,156 | 322,128 |
| Bonds and borrowings | 380,968 | 375,624 |
| Lease liabilities | 11,662 | 11,539 |
| Other financial liabilities | 11,726 | 10,153 |
| Income taxes payable | 14,035 | 26,723 |
| Other current liabilities | 122,440 | 141,463 |
| Total current liabilities | 857,987 | 887,630 |
| **Non-current liabilities** | | |
| Bonds and borrowings | 483,014 | 427,888 |
| Lease liabilities | 29,915 | 32,993 |
| Other financial liabilities | 4,114 | 4,048 |
| Deferred tax liabilities | 56,534 | 47,972 |
| Retirement benefit liability | 75,839 | 73,681 |
| Other non-current liabilities | 41,737 | 42,263 |
| Total non-current liabilities | 691,153 | 628,845 |
| Total liabilities | 1,549,140 | 1,516,475 |
| **Equity** | | |
| Equity attributable to owners of parent | | |
| Share capital | 147,873 | 147,873 |
| Capital surplus | 119,528 | 119,020 |
| Retained earnings | 1,161,871 | 1,208,283 |
| Treasury shares | (52,485) | (51,644) |
| Other components of equity | 423,271 | 428,948 |
| Total equity attributable to owners of parent | 1,800,058 | 1,852,480 |
| Non-controlling interests | 127,778 | 122,306 |
| Total equity | 1,927,836 | 1,974,786 |
| Total liabilities and equity | 3,476,976 | 3,491,261 |

## (2) Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income

**Condensed Consolidated Statement of Profit or Loss**

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| **Revenue** | 1,234,310 | 1,399,682 |
| Cost of sales | (983,987) | (1,104,138) |
| **Gross profit** | 250,323 | 295,544 |
| Selling, general and administrative expenses | (184,153) | (198,538) |
| Other income | 3,505 | 22,203 |
| Other expenses | (5,376) | (17,320) |
| **Operating income** | 64,299 | 101,889 |
| Finance income | 4,562 | 4,984 |
| Finance costs | (10,041) | (11,530) |
| Share of profit (loss) of investments accounted for using equity method | (659) | 9,812 |
| **Profit before tax** | 58,161 | 105,155 |
| Income tax expense | (17,359) | (31,230) |
| **Profit** | 40,802 | 73,925 |
| Profit attributable to: | | |
| Owners of parent | 36,935 | 69,120 |
| Non-controlling interests | 3,867 | 4,805 |
| Profit | 40,802 | 73,925 |
| Earnings per share: | | |
| Basic (Yen) | 24.23 | 47.46 |
| Diluted (Yen) | 24.19 | 47.39 |

**Condensed Consolidated Statement of Comprehensive Income**

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| **Profit** | 40,802 | 73,925 |
| **Other comprehensive income** | | |
| Items that will not be reclassified to profit or loss | | |
| Investments in equity instruments | 11,330 | (398) |
| Remeasurements of defined benefit plans | 11,903 | (11,140) |
| Share of other comprehensive income of investments accounted for using equity method | 661 | 726 |
| | 23,894 | (10,812) |
| Items that may be reclassified to profit or loss | | |
| Cash flow hedges | 386 | 1,160 |
| Deferred costs of hedging | (22) | 161 |
| Exchange differences on translation | 20,604 | 7,918 |
| Share of other comprehensive income of investments accounted for using equity method | 5 | (11) |
| | 20,973 | 9,228 |
| Total other comprehensive income | 44,867 | (1,584) |
| **Comprehensive income** | 85,669 | 72,341 |
| | | |
| Comprehensive income attributable to: | | |
| Owners of parent | 80,001 | 66,899 |
| Non-controlling interests | 5,668 | 5,442 |
| Comprehensive income | 85,669 | 72,341 |

# (3) Condensed Consolidated Statement of Changes in Equity

## Six months ended September 30, 2025

(Millions of yen)

| | Equity attributable to owners of parent | | | |
|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares |
| **At April 1, 2025** | 147,873 | 120,562 | 1,170,508 | (57,240) |
| Profit | - | - | 36,935 | - |
| Other comprehensive income | - | - | - | - |
| Comprehensive income | - | - | 36,935 | - |
| Exercise of share acquisition rights | - | (854) | - | 855 |
| Share-based payment transactions | - | 99 | - | 271 |
| Purchase of treasury shares | - | (26) | - | (58,723) |
| Dividends | - | - | (14,081) | - |
| Changes in ownership interest in subsidiaries | - | (9) | - | - |
| Transfer from other components of equity to retained earnings | - | - | 19,450 | - |
| Other changes | - | 0 | - | 0 |
| Total transactions with owners and other | - | (790) | 5,369 | (57,597) |
| **At September 30, 2025** | 147,873 | 119,772 | 1,212,812 | (114,837) |

(Millions of yen)

| | Equity attributable to owners of parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Other components of equity | | | | | | | | |
| | Investments in equity instruments | Cash flow hedges | Deferred costs of hedging | Exchange differences on translation | Remeasure-ments of defined benefit plans | Total other components of equity | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
| **At April 1, 2025** | 59,200 | 119 | 78 | 267,884 | - | 327,281 | 1,708,984 | 111,588 | 1,820,572 |
| Profit | - | - | - | - | - | - | 36,935 | 3,867 | 40,802 |
| Other comprehensive income | 11,456 | 393 | (22) | 19,351 | 11,888 | 43,066 | 43,066 | 1,801 | 44,867 |
| Comprehensive income | 11,456 | 393 | (22) | 19,351 | 11,888 | 43,066 | 80,001 | 5,668 | 85,669 |
| Exercise of share acquisition rights | - | - | - | - | - | - | 1 | - | 1 |
| Share-based payment transactions | - | - | - | - | - | - | 370 | - | 370 |
| Purchase of treasury shares | - | - | - | - | - | - | (58,749) | - | (58,749) |
| Dividends | - | - | - | - | - | - | (14,081) | (4,437) | (18,518) |
| Changes in ownership interest in subsidiaries | - | - | - | - | - | - | (9) | 53 | 44 |
| Transfer from other components of equity to retained earnings | (7,562) | - | - | - | (11,888) | (19,450) | - | - | - |
| Other changes | - | 32 | - | - | - | 32 | 32 | 4,230 | 4,262 |
| Total transactions with owners and other | (7,562) | 32 | - | - | (11,888) | (19,418) | (72,436) | (154) | (72,590) |
| **At September 30, 2025** | 63,094 | 544 | 56 | 287,235 | - | 350,929 | 1,716,549 | 117,102 | 1,833,651 |

## Six months ended September 30, 2026

(Millions of yen)

| | Equity attributable to owners of parent | | | |
|---|---|---|---|---|
| | Share capital | Capital surplus | Retained earnings | Treasury shares |
| **At April 1, 2026** | 147,873 | 119,528 | 1,161,871 | (52,485) |
| Profit | - | - | 69,120 | - |
| Other comprehensive income | - | - | - | - |
| Comprehensive income | - | - | 69,120 | - |
| Exercise of share acquisition rights | - | (573) | - | 573 |
| Share-based payment transactions | - | 21 | - | 268 |
| Dividends | - | - | (14,570) | - |
| Loss of control of subsidiaries | - | - | - | - |
| Changes in ownership interest in subsidiaries | - | 43 | - | - |
| Transfer from other components of equity to retained earnings | - | - | (8,138) | - |
| Other changes | - | - | - | (0) |
| Total transactions with owners and other | - | (509) | (22,708) | 841 |
| **At September 30, 2026** | 147,873 | 119,020 | 1,208,283 | (51,644) |

(Millions of yen)

| | Equity attributable to owners of parent | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Other components of equity | | | | | | | | |
| | Investments in equity instruments | Cash flow hedges | Deferred costs of hedging | Exchange differences on translation | Remeasure-ments of defined benefit plans | Total other components of equity | Total equity attributable to owners of parent | Non-controlling interests | Total equity |
| **At April 1, 2026** | 70,521 | 1,597 | (7) | 351,160 | - | 423,271 | 1,800,058 | 127,778 | 1,927,836 |
| Profit | - | - | - | - | - | - | 69,120 | 4,805 | 73,925 |
| Other comprehensive income | (3) | 1,150 | 161 | 7,514 | (11,043) | (2,221) | (2,221) | 637 | (1,584) |
| Comprehensive income | (3) | 1,150 | 161 | 7,514 | (11,043) | (2,221) | 66,899 | 5,442 | 72,341 |
| Exercise of share acquisition rights | - | - | - | - | - | - | 1 | - | 1 |
| Share-based payment transactions | - | - | - | - | - | - | 289 | - | 289 |
| Dividends | - | - | - | - | - | - | (14,570) | (4,442) | (19,012) |
| Loss of control of subsidiaries | - | - | - | - | - | - | - | (8,296) | (8,296) |
| Changes in ownership interest in subsidiaries | - | - | - | - | - | - | 43 | 1,744 | 1,787 |
| Transfer from other components of equity to retained earnings | (2,905) | - | - | - | 11,043 | 8,138 | - | - | - |
| Other changes | - | (240) | - | - | - | (240) | (240) | 80 | (160) |
| Total transactions with owners and other | (2,905) | (240) | - | - | 11,043 | 7,898 | (14,478) | (10,914) | (25,392) |
| **At September 30, 2026** | 67,613 | 2,507 | 154 | 358,674 | - | 428,948 | 1,852,480 | 122,306 | 1,974,786 |

## (4) Condensed Consolidated Statement of Cash Flows

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 58,161 | 105,155 |
| Depreciation and amortization | 64,608 | 67,779 |
| Impairment losses (reversal of impairment losses) | 590 | 9,498 |
| Share of loss (profit) of investments accounted for using equity method | 659 | (9,812) |
| Finance income and finance costs | 5,273 | 5,010 |
| Loss (gain) on loss of control of subsidiaries | - | (15,713) |
| Decrease (increase) in trade and other receivables | 11,339 | 4,045 |
| Decrease (increase) in inventories | (22,949) | (45,488) |
| Increase (decrease) in trade and other payables | (5,769) | 18,870 |
| Changes in retirement benefit asset and liability | (768) | (1,630) |
| Other adjustments | 26,661 | 10,192 |
| Subtotal | 137,805 | 147,906 |
| Interest received | 1,894 | 2,066 |
| Dividends received | 7,729 | 4,826 |
| Interest paid | (8,167) | (9,357) |
| Income taxes refund (paid) | (45,597) | (15,186) |
| Net cash provided by operating activities | 93,664 | 130,255 |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment, and intangible assets | (84,566) | (60,891) |
| Proceeds from sale of property, plant and equipment, and intangible assets | 569 | 2,788 |
| Proceeds from loss of control of subsidiaries | - | 21,996 |
| Purchase of investments | (520) | (2,358) |
| Proceeds from sale and redemption of investments | 15,774 | 6,068 |
| Other inflows (outflows) of cash | (727) | (1,688) |
| Net cash used in investing activities | (69,470) | (34,085) |
| **Cash flows from financing activities** | | |
| Net increase (decrease) in short-term borrowings | 26,294 | (29,215) |
| Proceeds from issuance of bonds and long-term borrowings | 98,858 | 20,645 |
| Redemption of bonds and repayments of long-term borrowings | (94,386) | (53,419) |
| Repayments of lease liabilities | (6,255) | (6,376) |
| Purchase of treasury shares | (58,749) | (0) |
| Dividends paid to owners of parent | (13,908) | (14,566) |
| Dividends paid to non-controlling interests | (4,437) | (4,442) |
| Other inflows (outflows) of cash | 4,755 | 1,773 |
| Net cash provided by (used in) financing activities | (47,828) | (85,600) |
| Effect of exchange rate changes on cash and cash equivalents | 939 | 275 |
| Net increase (decrease) in cash and cash equivalents | (22,695) | 10,845 |
| Cash and cash equivalents at beginning of period | 237,295 | 265,295 |
| Cash and cash equivalents at end of period | 214,600 | 276,140 |

## (5) Notes to the Condensed Consolidated Financial Statements

**(Segment Information)**

**1. Overview of reportable segments**

The reportable segments of Toray Group are the components of the Group for which discrete financial information is available and which are subject to periodic review by the Board of Directors and other relevant bodies to determine the allocation of management resources and evaluate business performance.

Toray Group identifies four reportable segments based on the product's nature and market similarity: "Fibers & Textiles," "Performance Chemicals," "Carbon Fiber Composite Materials," and "Water Treatment & Healthcare." The main products belonging to each reportable segment are as follows:

| Reportable segment | Main products |
|---|---|
| Fibers & Textiles | Filament yarns, staple fibers, spun yarns, woven and knitted fabrics of nylon, polyester, acrylic and others; non-woven fabrics; ultra-microfiber non-woven fabric with suede texture; apparel products. |
| Performance Chemicals | Nylon, ABS, PBT, PPS and other resins and molded products; polyolefin foam; polyester, polyethylene, polypropylene and other films and processed film products; raw materials for synthetic fibers and other plastics; fine chemicals; electronic and information materials and graphic materials. |
| Carbon Fiber Composite Materials | Carbon fibers, carbon fiber composite materials and their molded products. |
| Water Treatment & Healthcare | Water treatment membranes and related equipment; pharmaceuticals; medical devices. |

**2. Changes in reportable segments**

Under its medium-term management program, "IGNITION 2028," Toray Group positioned the water treatment business and the pharmaceutical and medical products business as businesses that share the common value proposition of supporting people's health and quality of life. Accordingly, these businesses have been integrated into the "Water Treatment & Healthcare" segment.

As a result, beginning with the six months ended September 30, 2026, Toray Group changed its reportable segments from the previous five segments— "Fibers & Textiles," "Performance Chemicals," "Carbon Fiber Composite Materials," "Environment & Engineering," and "Life Science"— to the following four segments: "Fibers & Textiles," "Performance Chemicals," "Carbon Fiber Composite Materials," and "Water Treatment & Healthcare."

Segment information for the six months ended September 30, 2025 has been restated to conform to the revised reportable segment.

**3. Information by reportable segment**

Six months ended September 30, 2025

(Millions of yen)

| | Reportable segments | | | | Other *1 | Total | Reconcilia-tions *2 | Consolidated total |
|---|---|---|---|---|---|---|---|---|
| | Fibers & Textiles | Performance Chemicals | Carbon Fiber Composite Materials | Water Treatment & Healthcare | | | | |
| Revenue | | | | | | | | |
| Revenue from external customers | 504,020 | 443,263 | 135,403 | 77,338 | 74,286 | 1,234,310 | - | 1,234,310 |
| Intersegment revenue | 720 | 5,491 | 515 | 274 | 41,649 | 48,649 | (48,649) | - |
| Total | 504,740 | 448,754 | 135,918 | 77,612 | 115,935 | 1,282,959 | (48,649) | 1,234,310 |
| Core operating income | 35,042 | 28,785 | 9,438 | 5,652 | 2,337 | 81,254 | (13,371) | 67,883 |

*1 “Other” represents comprehensive engineering; industrial equipment and machinery; materials for housing, building and civil engineering applications; analysis and physical evaluation services, etc.

*2 “Reconciliations” of core operating income of ¥(13,371) million include intersegment eliminations of ¥48 million and corporate expenses of ¥(13,419) million. The corporate expenses consist of the headquarters’ research expenses that are not allocated to each reportable segment.

Six months ended September 30, 2026

(Millions of yen)

| | Reportable segments | | | | Other *1 | Total | Reconcilia-tions *2 | Consolidated total |
|---|---|---|---|---|---|---|---|---|
| | Fibers & Textiles | Performance Chemicals | Carbon Fiber Composite Materials | Water Treatment & Healthcare | | | | |
| Revenue | | | | | | | | |
| Revenue from external customers | 549,454 | 501,439 | 183,016 | 80,168 | 85,605 | 1,399,682 | - | 1,399,682 |
| Intersegment revenue | 615 | 7,421 | 381 | 150 | 41,371 | 49,938 | (49,938) | - |
| Total | 550,069 | 508,860 | 183,397 | 80,318 | 126,976 | 1,449,620 | (49,938) | 1,399,682 |
| Core operating income | 40,291 | 41,948 | 16,482 | 7,495 | 5,663 | 111,879 | (12,501) | 99,378 |

*1 “Other” represents comprehensive engineering; industrial equipment and machinery; materials for housing, building and civil engineering applications; analysis and physical evaluation services, etc.

*2 “Reconciliations” of core operating income of ¥(12,501) million include intersegment eliminations of ¥(63) million and corporate expenses of ¥(12,438) million. The corporate expenses consist of the headquarters’ research expenses that are not allocated to each reportable segment.

Core operating income is calculated by excluding income and expenses due to non-recurring factors from operating income. Reconciliation of core operating income to operating income is as follows:

(Millions of yen)

| | Six months ended September 30, 2025 | Six months ended September 30, 2026 |
|---|---|---|
| Core operating income | 67,883 | 99,378 |
| Gain on sale or disposal of fixed assets | 125 | 2,175 |
| Gain on loss of control of subsidiaries *1 | - | 15,713 |
| Loss on sale or disposal of fixed assets | (3,119) | (4,467) |
| Impairment losses | (590) | (9,498) |
| Cost for modification of energy service agreement *2 | - | (1,412) |
| Operating income | 64,299 | 101,889 |

*1 Gain on loss of control of subsidiaries includes a gain from the loss of control of Soda Aromatic Co., Ltd., a subsidiary in the Performance Chemicals segment. On July 1, 2026, Toray Industries, Inc. transferred its entire 66% interest in Soda Aromatic Co., Ltd. to Samyang Corporation Japan, Inc., a subsidiary established by Samyang Corporation of the Republic of Korea, together with Mitsui & Co., Ltd., which held the remaining 34% interest. The gain is recorded as “Other income” in the condensed consolidated statement of profit or loss.

*2 Cost for modification of energy service agreement includes costs associated with the partial termination of the energy service agreement for cogeneration facilities in Malaysia.

*3 Reconciliation of operating income to profit before tax is presented in the condensed consolidated statement of profit or loss.

**(Subsequent Events)**

1. The repurchase of shares

The Company’s Board of Directors resolved at a meeting held on November 10, 2026 to repurchase shares of its common stock as follows, pursuant to Article 156 of the Companies Act, as applied pursuant to the provisions of Article 165, Paragraph 3 of the Act.

(1) Reason for repurchase of shares

Under its Medium-Term Management Program, IGNITION 2028, the Company has adopted a policy of maintaining stable and sustainable dividends as its foundation, pursuing progressive dividends supported by profit growth, and conducting flexible share repurchases, while giving due consideration to strengthening its financial position and optimizing its capital structure. This share repurchase is being conducted in accordance with that policy and will be funded by proceeds from the sale of shares in affiliated companies and cross-shareholdings.

(2) Details of the repurchase

| | |
|---|---|
| Class of shares to be repurchased | Common stock |
| Total number of shares to be repurchased | Up to 74,000,000 shares<br>(5.08% of the total number of issued shares (excluding treasury shares)) |
| Total repurchase price of shares | Up to 70.0 billion yen |
| Repurchase period | From November 11, 2026 to June 30, 2027 |
| Repurchase method | Market purchase on the Tokyo Stock Exchange |

**(Going Concern Assumption)**

Not Applicable.