



Announcement of Business Results for the Fiscal Year Ended March 2020 and Business Forecast for the Fiscal Year Ending March 2021

May 28, 2020

Toray Industries, Inc.

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I. Business Results for the Fiscal Year Ended March 2020

Summary of Consolidated Business Results for the Fiscal Year Ended March 2020

Billion yen

	FY Mar/19	FY Mar/20	Changes	
Net Sales	2,388.8	2,214.6	-174.2	(-7.3%)
Operating Income	141.5	131.2	-10.3	(-7.3%)
(Operating Income to Net Sales)	5.9%	5.9%	+0.0	points
Ordinary Income	134.5	103.4	-31.2	(-23.2%)
Special Credits and Charges, net	▲ 7.1	▲ 9.3	-2.2	
Income before Income Taxes	127.4	94.0	-33.4	(-26.2%)
Net Income Attributable to Owners of Parent	79.4	55.7	-23.6	(-29.8%)

Earnings per Share	49.61 yen	34.83 yen
Dividends per Share	16.00 yen	16.00 yen

ROE	7.1%	5.0%
ROA	5.3%	4.8%

Exchange Rate		(Mar/19)	(Mar/20)
<Yen/US\$>	Average	110.9	108.7
	End of the Term	111.0	108.8
<Yen/Euro>	Average	128.4	120.8
	End of the Term	124.6	119.6

Non-operating Income and Expenses

Billion yen

	FY Mar/19	FY Mar/20	Changes
Non-operating Income	21.9	11.2	-10.7
Interest and Dividend Income	6.9	7.0	+0.1
Equity in Earnings of Affiliates	9.6	-	-9.6
Others	5.4	4.2	-1.2
Non-operating Expenses	▲28.8	▲39.1	-10.2
Interest Expenses	▲7.2	▲7.2	-0.1
Equity in Losses of Affiliates	-	▲10.8	-10.8
Costs related to Start-up of New Facilities	▲4.8	▲3.7	+1.1
Costs related to Idle Facilities	▲8.8	▲9.4	-0.6
Others	▲8.1	▲7.9	+0.2
Non-operating Income and Expenses, net	▲7.0	▲27.8	-20.9
Interest and Dividend Income, Interest Expenses, net	▲0.3	▲0.2	+0.1

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

Special Credits and Charges

Billion yen

	FY Mar/19	FY Mar/20	Changes
Special Credits	22.3	7.7	-14.7
Gain on Sales of Property, Plant and Equipment	15.8	3.0	-12.8
Gain on Sales of Investment Securities	1.9	4.6	+2.7
Gain on Return of Assets from Retirement Benefit Trust	2.5	-	-2.5
Others	2.1	0.1	-2.0
Special Charges	▲29.4	▲17.0	+12.4
Loss on Sales and Disposal of Property, Plant and Equipment	▲6.1	▲6.2	-0.1
Loss on Impairments of Fixed Assets	▲18.4	▲7.6	+10.8
Loss on Write-down of Investment Securities	▲2.5	▲2.2	+0.3
Settlement Package	▲0.9	-	+0.9
Others	▲1.6	▲1.1	+0.5
Special Credits and Charges, net	▲7.1	▲9.3	-2.2

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

Assets, Liabilities, Net Assets, Free Cash Flows

Billion yen

	End of Mar/19	End of Mar/20	Changes
Total Assets	2,788.4	2,650.7	-137.7
Current Assets	1,191.3	1,128.5	-62.9
Tangible Assets	996.9	1,006.5	+9.6
Intangible Assets	171.2	150.7	-20.6
Investment and Other Assets	428.9	365.0	-63.9

	End of Mar/19	End of Mar/20	Changes
Total Liabilities	1,574.4	1,471.1	-103.3
Current Liabilities	696.5	630.8	-65.7
Other Liabilities	877.9	840.3	-37.6
Total Net Assets	1,213.9	1,179.6	-34.4

Owner's Equity	1,131.0	1,093.7	-37.3
Equity Ratio	40.6%	41.3%	+0.7 points

Interest-bearing Debts	976.3	938.9	-37.3
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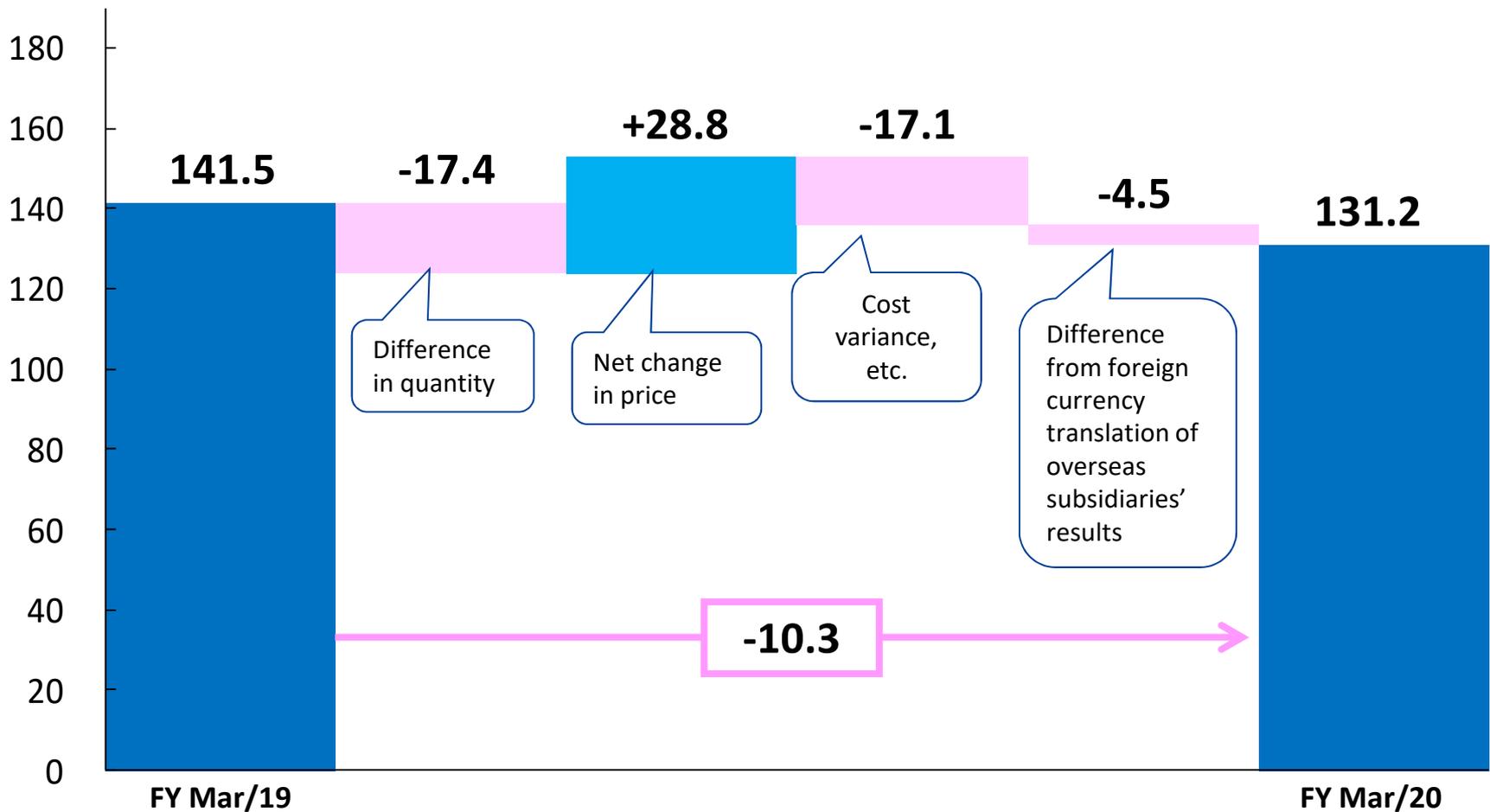
D/E Ratio	0.86	0.86	-0.00
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<Free Cash Flows>

	End of Mar/19	End of Mar/20	Changes
Cash Flows from Operating Activities	176.2	225.8	+49.5
Cash Flows from Investment Activities	▲ 260.2	▲ 142.4	+117.9
Free Cash Flows	▲ 84.0	▲ 83.4	+167.4

Income Variance Factor Analysis

Billion yen



Net Sales and Operating Income by Segment

Billion yen

		FY Mar/19			FY Mar/20			Changes		
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Net Sales	Fibers & Textiles	503.1	471.2	974.3	451.2	431.9	883.1	-51.8 (-10.3%)	-39.3 (-8.3%)	-91.1 (-9.4%)
	Performance Chemicals	435.0	433.9	868.8	397.7	373.2	770.8	-37.3 (-8.6%)	-60.7 (-14.0%)	-98.0 (-11.3%)
	Carbon Fiber Composite Materials	96.5	119.5	215.9	120.5	116.5	236.9	+24.0 (+24.9%)	-3.0 (-2.5%)	+21.0 (+9.7%)
	Environment & Engineering	121.4	136.3	257.7	117.4	134.8	252.3	-4.0 (-3.3%)	-1.4 (-1.0%)	-5.4 (-2.1%)
	Life Science	26.3	27.4	53.7	26.6	26.7	53.3	+0.3 (+1.1%)	-0.7 (-2.5%)	-0.4 (-0.8%)
	Others	9.0	9.5	18.5	9.0	9.2	18.2	-0.0 (-0.1%)	-0.3 (-2.8%)	-0.3 (-1.5%)
	Total	1,191.2	1,197.6	2,388.8	1,122.4	1,092.3	2,214.6	-68.9 (-5.8%)	-105.4 (-8.8%)	-174.2 (-7.3%)
Operating Income	Fibers & Textiles	41.8	31.1	72.9	32.1	28.6	60.7	-9.7 (-23.3%)	-2.5 (-7.9%)	-12.2 (-16.7%)
	Performance Chemicals	35.8	31.9	67.7	33.7	25.1	58.7	-2.1 (-6.0%)	-6.8 (-21.4%)	-9.0 (-13.2%)
	Carbon Fiber Composite Materials	6.0	5.6	11.5	10.7	10.2	21.0	+4.8 (+79.9%)	+4.7 (+83.4%)	+9.4 (+81.6%)
	Environment & Engineering	5.7	6.5	12.2	3.9	7.4	11.2	-1.8 (-32.1%)	+0.8 (+12.9%)	-1.0 (-8.1%)
	Life Science	0.7	0.6	1.3	1.3	0.3	1.6	+0.6 (+93.6%)	-0.3 (-49.7%)	+0.3 (+24.9%)
	Others	0.8	2.3	3.1	1.3	2.1	3.4	+0.5 (+55.5%)	-0.1 (-6.5%)	+0.3 (+10.1%)
	Adjustments	▲ 13.1	▲ 14.2	▲ 27.3	▲ 11.3	▲ 14.2	▲ 25.5	+1.8	+0.0	+1.8
	Total	77.7	63.8	141.5	71.6	59.5	131.2	-6.0 (-7.8%)	-4.2 (-6.7%)	-10.3 (-7.3%)

Business Results by Segment (Fibers & Textiles)

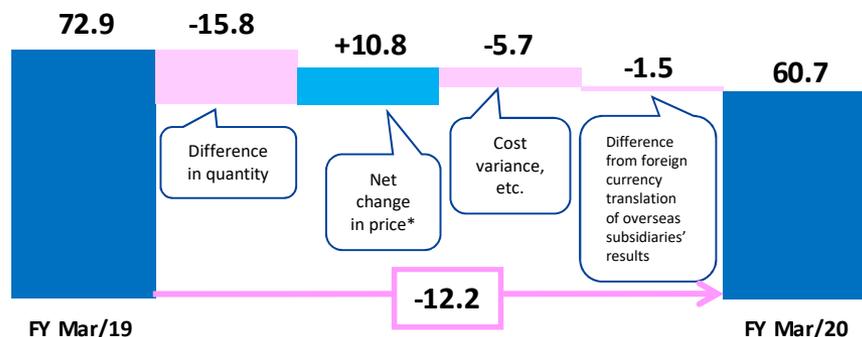
Net Sales / Operating Income

Billion yen

		FY Mar/19	FY Mar/20	Changes	
Net Sales	Toray	199.8	188.5	-11.3	(-5.7%)
	Japanese Subsidiaries	507.8	481.2	-26.6	(-5.2%)
	Overseas Subsidiaries	606.5	525.5	-81.0	(-13.4%)
	Adjustments	▲ 339.9	▲ 312.1	+27.8	
	Total	974.3	883.1	-91.1	(-9.4%)
Operating Income	Toray	17.9	12.6	-5.4	(-30.0%)
	Japanese Subsidiaries	13.6	12.7	-0.9	(-6.7%)
	Overseas Subsidiaries	42.0	35.4	-6.6	(-15.7%)
	Adjustments	▲ 0.6	0.1	+0.7	
	Total	72.9	60.7	-12.2	(-16.7%)

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 >

■ General

- All applications of the segment were affected by the weak market conditions reflecting the prolonged trade friction between the U.S. and China, the slowdown in the Chinese economy, and two consecutive years of warm winter.
- The segment was also affected by the stagnation in production and consumption activities both in Japan and overseas due to the novel coronavirus pandemic.

■ Japan

- While shipment 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

- Demand for apparel applications including garments and textiles as well as automotive applications, the mainstay of the industrial applications, remained sluggish, and Toray Group focused on business structure reform and strengthening of cost competitiveness.

<Topics>

- Jan. 2020
Completed procedures to acquire all shares of Alva Sweden AB, a manufacturer of cushions for automotive airbag systems, as well as its subsidiaries, Alva Confecções S.A. and Alva Tunisia SA.

Business Results by Segment (Performance Chemicals)

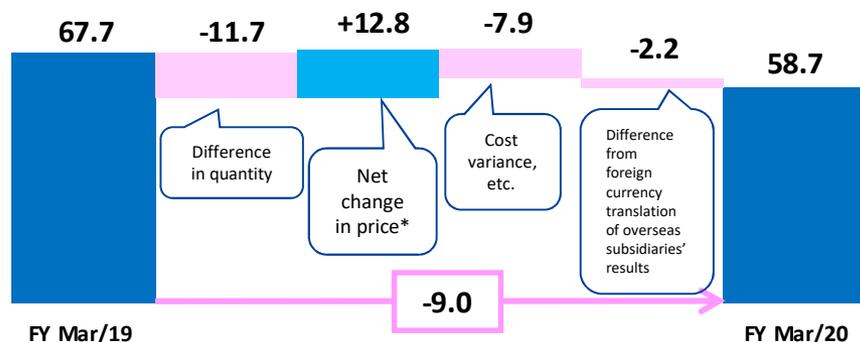
Net Sales / Operating Income

Billion yen

		FY Mar/19	FY Mar/20	Changes
Net Sales	Toray	262.4	223.0	-39.4 (-15.0%)
	Japanese Subsidiaries	498.7	433.1	-65.7 (-13.2%)
	Overseas Subsidiaries	573.4	496.1	-77.2 (-13.5%)
	Adjustments	▲ 465.7	▲ 381.4	+84.3
	Total	868.8	770.8	-98.0 (-11.3%)
Operating Income	Toray	19.1	11.5	-7.5 (-39.5%)
	Japanese Subsidiaries	15.4	14.2	-1.2 (-7.8%)
	Overseas Subsidiaries	35.4	36.3	+0.9 (+2.7%)
	Adjustments	▲ 2.2	▲ 3.3	-1.2
	Total	67.7	58.7	-9.0 (-13.2%)

Changes in Operating Income

Billion yen



FY Mar/19

FY Mar/20

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

< Business Performance >

■ Resins Business

- Sales of both automotive and home appliance applications were slow primarily due to the impact of the slowdown in the Chinese economy and stagnation of production activities due to the novel coronavirus pandemic.

■ Chemicals Business

- Was affected by the decline in the basic chemicals market.

■ Films Business

- Sales 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

- The business saw strong performance of OLED related materials and electronic circuit materials.

< Topics >

- Jan. 2020 : Developed a printed radio-frequency identification (RFID) employing high-performance semi-conductive carbon nanotubes. As a printed semiconductor, achieved world's first UHF wireless communication.
- Jan. 2020 : Developed a solar control film PICASUS®VT, featuring high transparency with heat reflection properties of the highest level in the world. Will continue with the development aiming for commercialization in three years.

Breakdown of Performance Chemicals Segment

Billion yen

	FY Mar/19		FY Mar/20		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Resins, Chemicals	382.5	29%	319.3	28%	-17%
Films	352.7	26%	316.1	27%	-10%
Electronic & Information Materials	64.0	5%	67.7	6%	+6%
Trading	535.3	40%	449.1	39%	-16%
Adjustments	▲ 465.7	-	▲ 381.4	-	-
Total	868.8		770.8		-11%

Business Results by Segment (Carbon Fiber Composite Materials)

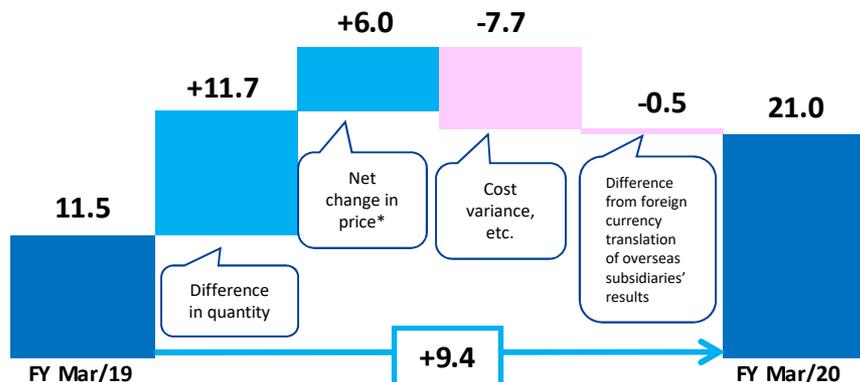
Net Sales / Operating Income

Billion yen

		FY Mar/19	FY Mar/20	Changes
Net Sales	Toray	110.0	111.3	+1.3 (+1.2%)
	Japanese Subsidiaries	80.9	79.4	-1.5 (-1.9%)
	Overseas Subsidiaries	194.5	206.9	+12.3 (+6.3%)
	Adjustments	▲ 169.5	▲ 160.6	+8.9
	Total	215.9	236.9	+21.0 (+9.7%)
Operating Income	Toray	10.3	12.2	+1.9 (+18.1%)
	Japanese Subsidiaries	1.8	1.5	-0.4 (-19.7%)
	Overseas Subsidiaries	9.2	17.3	+8.2 (+89.2%)
	Adjustments	▲ 9.7	▲ 10.0	-0.3
	Total	11.5	21.0	+9.4 (+81.6%)

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 >

■ General

- The segment remained strong as a whole. There was an expansion of demand for 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.

Breakdown of Carbon Fiber Composite Materials Segment

Billion yen

	FY Mar/19		FY Mar/20		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	96.9	45%	107.9	46%	+11%
Sports	17.5	8%	17.0	7%	-3%
Industrial	101.4	47%	112.0	47%	+10%
Total	215.9		236.9		+10%

Business Results by Segment (Environment & Engineering)

Net Sales / Operating Income

Billion yen

		FY Mar/19	FY Mar/20	Changes
Net Sales	Toray	24.1	26.7	+2.5 (+10.5%)
	Japanese Subsidiaries	307.6	293.3	-14.3 (-4.7%)
	Overseas Subsidiaries	32.2	34.2	+2.0 (+6.3%)
	Adjustments	▲ 106.2	▲ 101.9	+4.4
	Total	257.7	252.3	-5.4 (-2.1%)
Operating Income	Toray	▲ 1.9	▲ 0.3	+1.5 (-)
	Japanese Subsidiaries	10.3	7.4	-2.9 (-27.9%)
	Overseas Subsidiaries	4.0	4.7	+0.7 (+16.7%)
	Adjustments	▲ 0.1	▲ 0.5	-0.3
	Total	12.2	11.2	-1.0 (-8.1%)

< Business Performance >

■ Water Treatment Business

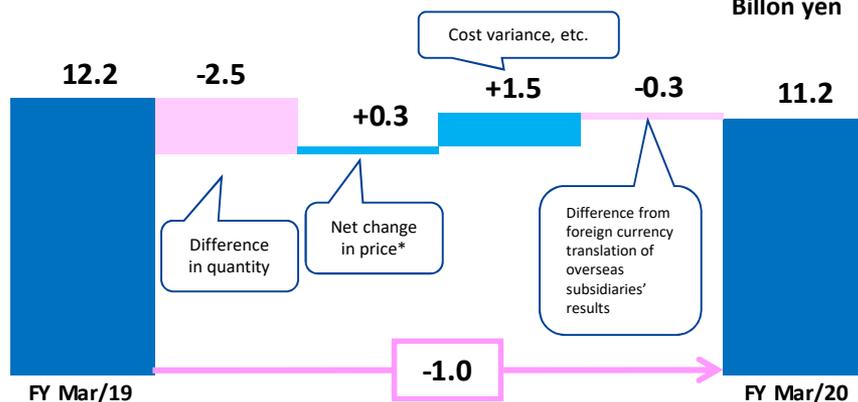
- Demand for reverse osmosis membranes and other products grew strongly on the whole in Japan and overseas.

■ 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 equipment.

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)

Business Results by Segment (Life Science)

Net Sales / Operating Income

Billion yen

		FY Mar/19	FY Mar/20	Changes
Net Sales	Toray	25.5	24.5	-1.0 (-3.9%)
	Japanese Subsidiaries	41.6	41.4	-0.2 (-0.5%)
	Overseas Subsidiaries	13.0	13.7	+0.8 (+5.9%)
	Adjustments	▲ 26.4	▲ 26.4	+0.1
	Total	53.7	53.3	-0.4 (-0.8%)
Operating Income	Toray	▲ 1.2	▲ 0.8	+0.4 (-)
	Japanese Subsidiaries	1.6	1.5	-0.0 (-2.6%)
	Overseas Subsidiaries	0.2	0.6	+0.4 (+186.9%)
	Adjustments	0.8	0.4	-0.4
	Total	1.3	1.6	+0.3 (+24.9%)

< 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.

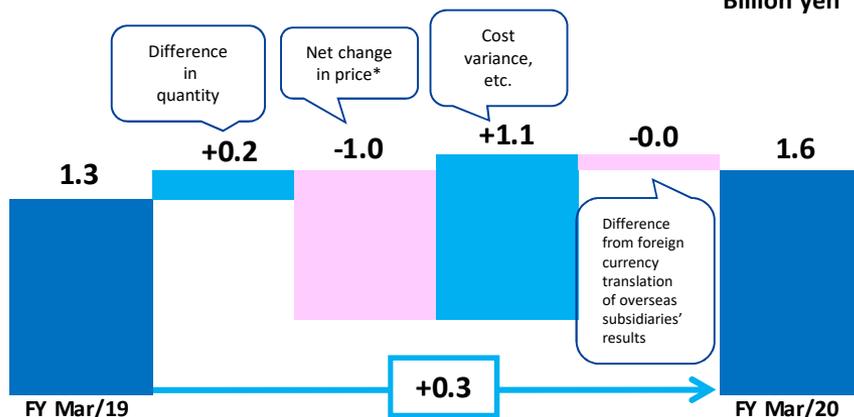
■ Medical Devices Business

- 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	FY Mar/20	Changes	FY Mar/19	FY Mar/20	Changes
Toray International, Inc.	662.9	599.4	-63.5	14.1	12.4	-1.6
Toray Engineering Co., Ltd.	115.1	114.6	-0.5	5.4	3.6	-1.8
Toray Construction Co, Ltd.	56.1	43.5	-12.7	2.2	0.8	-1.4
Toray Advanced Film Co., Ltd.	40.5	37.4	-3.0	3.3	3.2	-0.1

Subsidiaries in Southeast Asia	Fibers & Textiles	152.7	135.7	-17.0	7.6	5.5	-2.2
	Performance Chemicals	115.1	85.4	-29.7	8.2	6.5	-1.7
	Others	0.2	0.2	-0.0	0.0	0.0	+0.0
	Total	268.0	221.2	-46.8	15.8	11.9	-3.9

Subsidiaries in China	Fibers & Textiles	286.1	243.7	-42.4	24.5	19.3	-5.1
	Performance Chemicals	104.2	81.0	-23.2	3.4	3.1	-0.3
	Others	33.5	35.3	+1.8	1.4	2.2	+0.8
	Total	423.7	359.9	-63.8	29.3	24.6	-4.7

Subsidiaries in Korea	Fibers & Textiles	103.9	84.3	-19.6	2.0	3.6	+1.6
	Performance Chemicals	159.9	162.5	+2.6	19.7	24.7	+5.1
	Others	24.3	26.6	+2.3	2.4	3.6	+1.2
	Total	288.1	273.4	-14.7	24.1	31.9	+7.8

Comparison of Operating Income (3Q vs. 4Q) by Segment

Segment	Operating Income (Bil. yen) 3Q → 4Q () difference	Variance Factors
Fibers & Textiles	15.9 → 12.8 (-3.1)	<ul style="list-style-type: none"> Impacted by the stagnation in production and consumption activities both in Japan and overseas due to the novel coronavirus pandemic. 4Q was the off-season for shipment of apparel applications. This affected trading companies in and outside of Japan as well as textiles subsidiaries in Asia. In the industrial applications, sales volume of products for automotive applications decreased.
Performance Chemicals	14.3 → 10.8 (-3.5)	<ul style="list-style-type: none"> The resins business remained sluggish as a whole, due to the impact of the novel coronavirus pandemic, in the automotive applications and others. In the films business, demand for MLCC release films showed signs of recovery. However, business as a whole remained sluggish including that of battery separator films due to the impact of the novel coronavirus pandemic. In the electronic and information materials business, shipment of smartphones and TV related materials declined.
Carbon Fiber Composite Materials	5.9 → 4.3 (-1.6)	<ul style="list-style-type: none"> Aerospace applications were affected by some delays in the timing of shipment as well as changes in customers' production schedule. Sales of sports applications and materials for PC chassis decreased due to the delay in the restarting of operations at customers in China after the Chinese New Year as well as the decline in facility operating rates due to the spread of the novel coronavirus.
Environment & Engineering	1.8 → 5.6 (+3.8)	<ul style="list-style-type: none"> Plant construction business made favorable progress and shipment of electronics related equipments increased at an engineering subsidiary. Construction projects proceeded steadily at a water treatment engineering subsidiary and a construction subsidiary.
Life Science	0.6 → ▲0.3 (-0.8)	<ul style="list-style-type: none"> In the medical devices business, shipment of dialysis machines increased, while in the pharmaceutical business, sales of the oral antipruritic drug REMITCH[®] decreased as customers refrained from purchasing prior to the drug price revision in April 2020. Moreover, R&D expenses increased in the 4Q.
Others	0.9 → 1.2 (+0.4)	
Adjustments	▲6.5 → ▲7.7 (-1.1)	*REMITCH [®] is a registered trademark of Torii Pharmaceutical Co., Ltd.
Total	32.8 → 26.7 (-6.1)	

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

Consolidated Business Forecast for Fiscal March 2021

IFRS

Assumptions for the business forecast including the impact of the novel coronavirus pandemic

Based on an assumption that the world would pass the peak of the novel coronavirus pandemic in the 2nd quarter and economy in Japan and abroad would be on a recovery track from the 3rd quarter through the end of the fiscal year.

Billion yen

	FY Mar/20 Actual (IFRS estimation)			FY Mar/21 Forecast (IFRS)			Changes		
	1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Revenue	1,060.0	1,030.0	2,090.0	880.0	1,040.0	1,920.0	-180.0 (-17.0%)	+10.0 (+1.0%)	-170.0 (-8.1%)
Core Operating Income	71.0	54.0	125.0	25.0	45.0	70.0	-46.0 (-64.8%)	-9.0 (-16.7%)	-55.0 (-44.0%)
Profit Attributable to Owners of Parent	50.0	33.0	83.0	18.0	22.0	40.0	-32.0 (-64.0%)	-11.0 (-33.3%)	-43.0 (-51.8%)

Earnings per Share	31.25yen	20.63yen	51.88 yen	11.25 yen	13.75 yen	25.00 yen
Dividend per Share	8.00 yen	8.00 yen	12.00 yen	4.50 yen	4.50 yen	9.00 yen
Dividend Payout Ratio						36%

Assumed exchange rate :
105 yen / US\$

Consolidated Business Forecast by Segment

IFRS

Billion yen

		FY Mar/20 Actual (IFRS estimation)			FY Mar/21 Forecast (IFRS)			Changes		
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Revenue	Fibers & Textiles	420.0	416.0	836.0	335.0	390.0	725.0	-85.0	-26.0	-111.0
	Performance Chemicals	395.0	363.0	758.0	350.0	400.0	750.0	-45.0	+37.0	-8.0
	Carbon Fiber Composite Materials	120.0	115.0	235.0	90.0	95.0	185.0	-30.0	-20.0	-50.0
	Environment & Engineering	90.0	100.0	190.0	75.0	115.0	190.0	-15.0	+15.0	—
	Life Science	26.0	27.0	53.0	22.0	29.0	51.0	-4.0	+2.0	-2.0
	Others	9.0	9.0	18.0	8.0	11.0	19.0	-1.0	+2.0	+1.0
	Total	1,060.0	1,030.0	2,090.0	880.0	1,040.0	1,920.0	-180.0	+10.0	-170.0
Core Operating Income	Fibers & Textiles	31.5	27.5	59.0	15.0	22.0	37.0	-16.5	-5.5	-22.0
	Performance Chemicals	33.0	21.0	54.0	24.0	35.0	59.0	-9.0	+14.0	+5.0
	Carbon Fiber Composite Materials	11.5	11.5	23.0	▲ 6.0	▲ 6.0	▲ 12.0	-17.5	-17.5	-35.0
	Environment & Engineering	4.0	7.0	11.0	1.0	9.0	10.0	-3.0	+2.0	-1.0
	Life Science	1.0	▲ 0.5	0.5	0.0	0.0	0.0	-1.0	+0.5	-0.5
	Others	1.5	2.0	3.5	1.0	2.0	3.0	-0.5	—	-0.5
	Adjustments	▲ 11.5	▲ 14.5	▲ 26.0	▲ 10.0	▲ 17.0	▲ 27.0	+1.5	-2.5	-1.0
	Total	71.0	54.0	125.0	25.0	45.0	70.0	-46.0	-9.0	-55.0

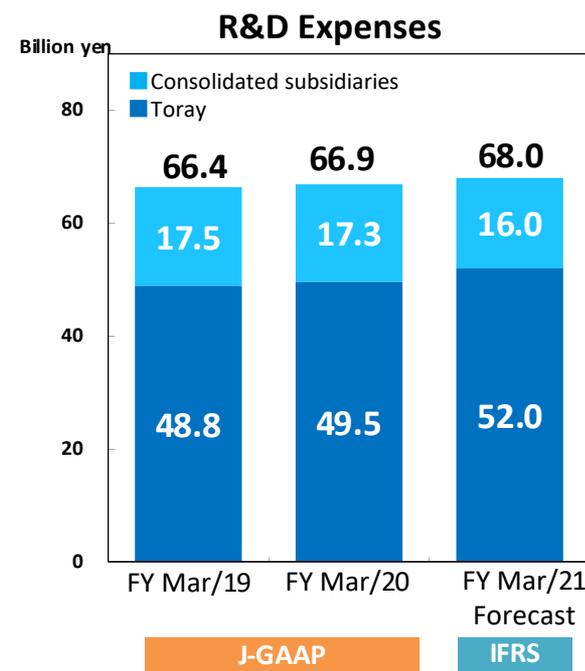
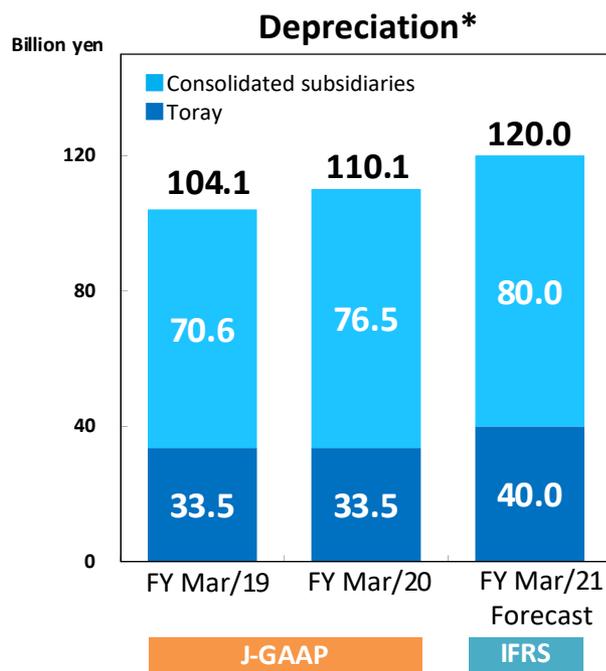
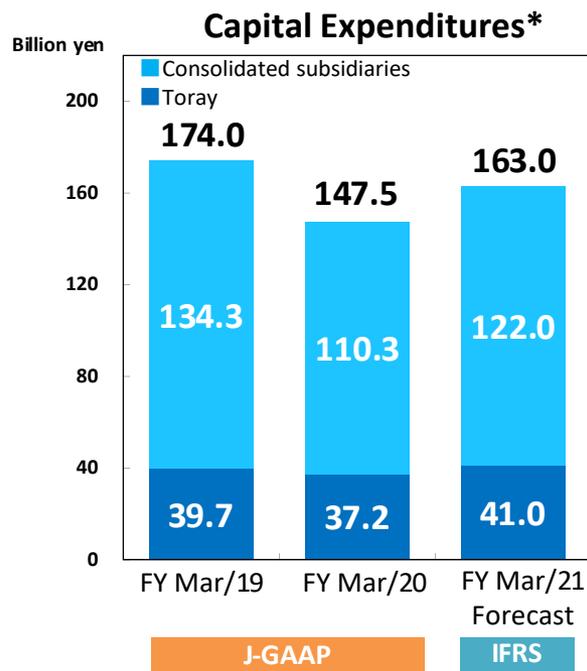
Comparison of Core Operating Income (FY Mar/20 vs. FY Mar/21) by Segment

IFRS

(Core operating income Billion yen)

Segment	FY Mar/20 *	FY Mar/21	YoY (impact of the novel coronavirus)	Variance Factors
Fibers & Textiles	59.0	37.0	- 22.0 (- 27.0)	Will work to expand the business format that integrates fibers to textiles to final products, however, due to the impact of the novel coronavirus pandemic, demand for industrial applications are expected to decline. Assumed that recovery in demand will remain at a gradual pace as it may take some time in inventory adjustments even after the novel coronavirus pandemic subsides. Expect demand to increase in PP spunbond for hygiene products and mask applications.
Performance Chemicals	54.0	59.0	+ 5.0 (- 18.0)	Will expand sales of high value-added products in the resins business such as transparent ABS resins and engineering plastics, and MLCC release films and battery separator films in the films business. However, due to the impact of the novel coronavirus pandemic, demand mainly in automotive applications are expected to decrease. In the electronic and information materials business, although some impact of the novel coronavirus pandemic may remain in the first half of the fiscal year, we expect demand to recover in the latter half of the fiscal year, and will expand sales of OLED-related materials and semiconductor materials.
Carbon Fiber Composite Materials	23.0	▲ 12.0	- 35.0 (- 20.0)	Expect decrease in production volume at a major customer due to the impact of the novel coronavirus pandemic as well as decrease in energy and automobile related demand.
Environment & Engineering	11.0	10.0	- 1.0 (- 5.0)	In the water treatment business, we will expand sales of RO membranes. However, due to the impact of the novel coronavirus pandemic, we expect negative effects from the delay in some projects in the water treatment business, impact of the delay in projects in the engineering and construction business, and decrease in demand.
Life Science	0.5	0.0	- 0.5 (-)	In the medical devices business, we expect sales expansion in dialysis machines and the SATAKE HotBalloon [®] , while the pharmaceutical business is expected to be negatively affected by the drug price revision and generic drugs.
Others	3.5	3.0	- 0.5 (-)	
Adjustments	▲ 26.0	▲ 27.0	- 1.0 (-)	
Total	125.0	70.0	- 55.0 (- 70.0)	* IFRS estimations

Trends in Capital Expenditures, Depreciation and R&D Expenses



Major Capital Expenditure Projects

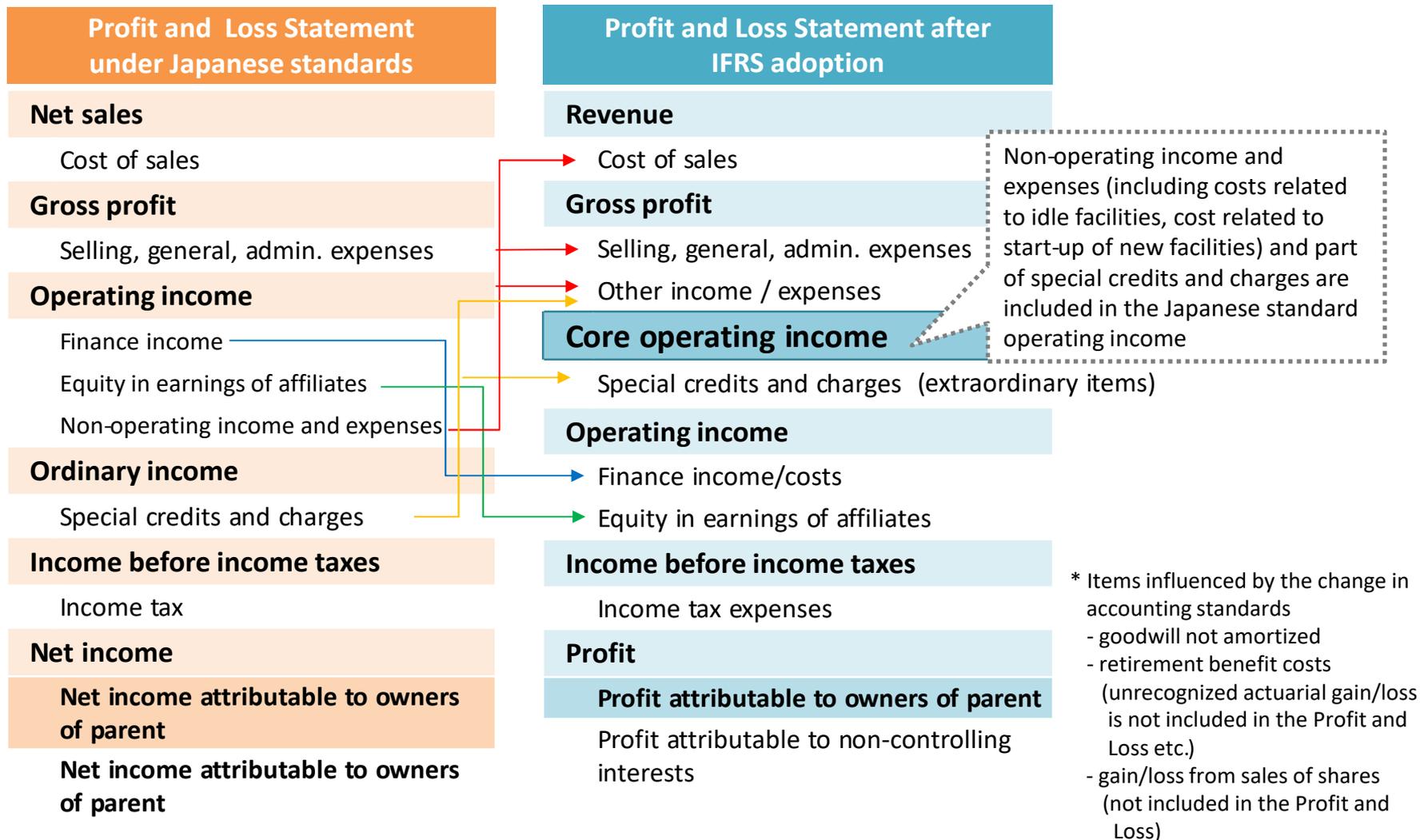
* Total of tangible assets and intangible assets (excluding goodwill)

FY Mar/20	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
FY Mar/21	Toray Industries Hungary Kft.	: Battery separator film SETELA® production facilities
	Alcantara S.p.A.	: Alcantara® production facilities
	Toray Membrane (Foshan) Co., Ltd	: RO membrane production facilities

III. Reference

Changes in Performance Measures after IFRS Adoption

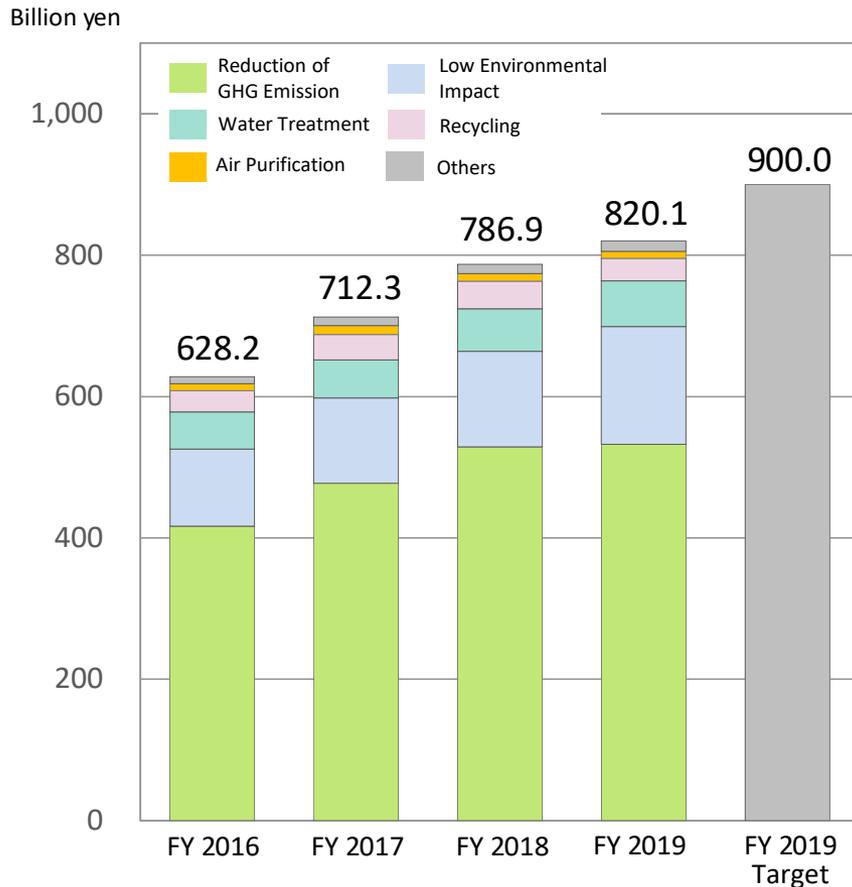
Ordinary business revenue and profit will be disclosed as **"core operating income"**



Major Achievements in “Project AP-G 2019” (1)

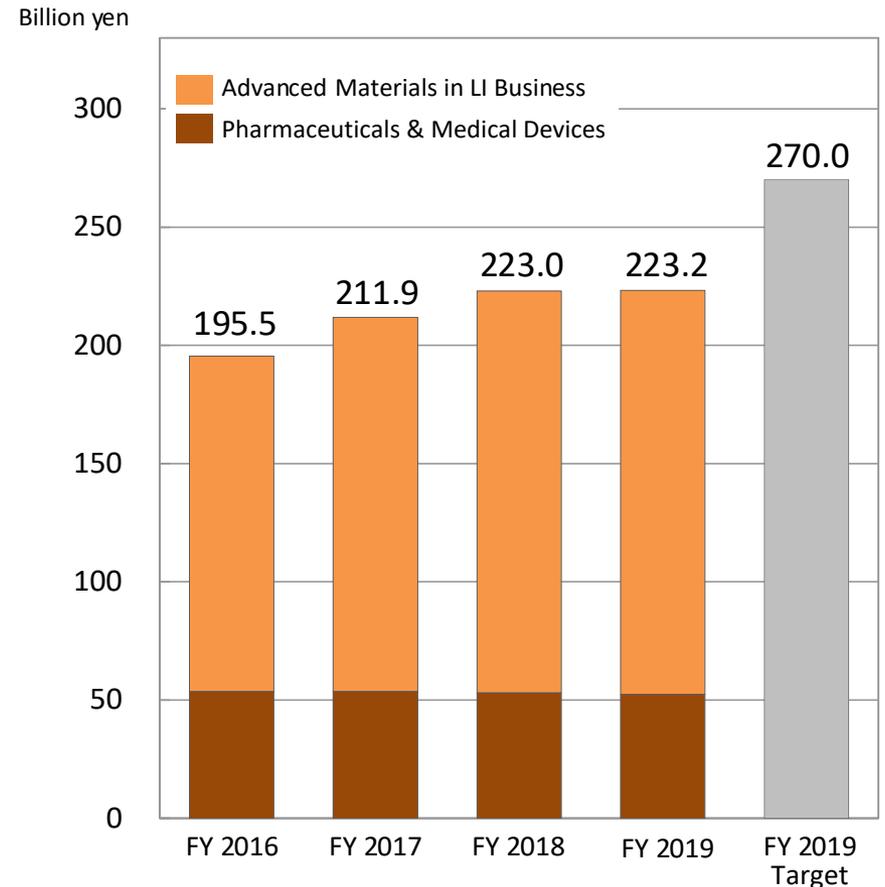
Green Innovation Business Expansion (GR) Project

Net Sales of Green Innovation Businesses



Life Innovation Business Expansion (LI) Project

Net Sales of Life Innovation Businesses



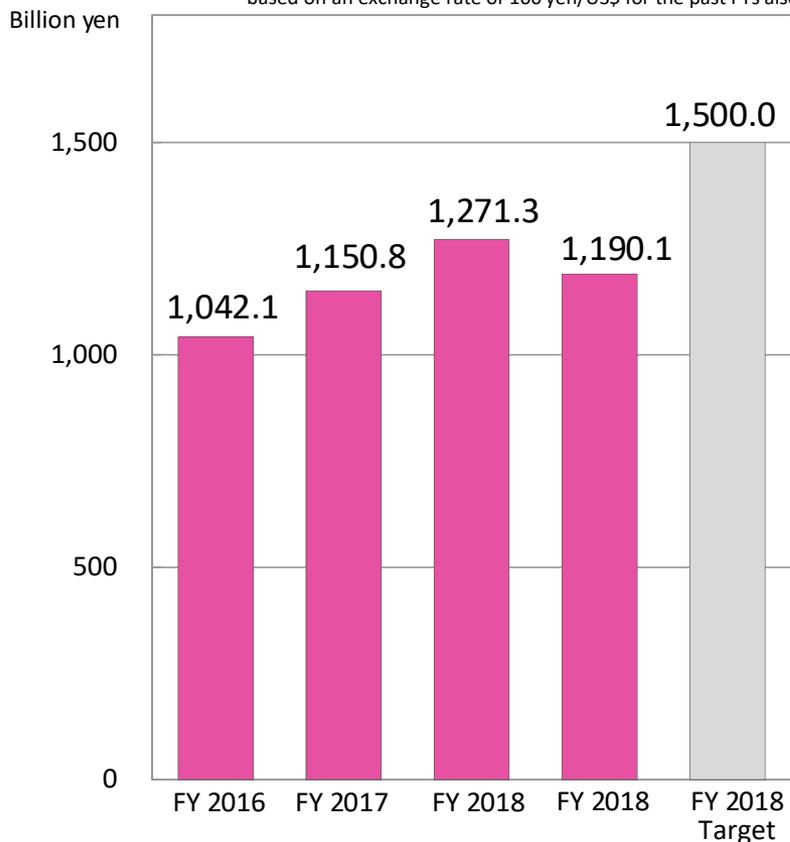
Major Achievements in “Project AP-G 2019” (2)

AE (Asia, Americas, Europe, and Emerging Regions) Project

Net Sales of Expansion and Advancement of Global Businesses

(combined sales of overseas consolidated subsidiaries)

*based on an exchange rate of 100 yen/US\$ for the past FYs also

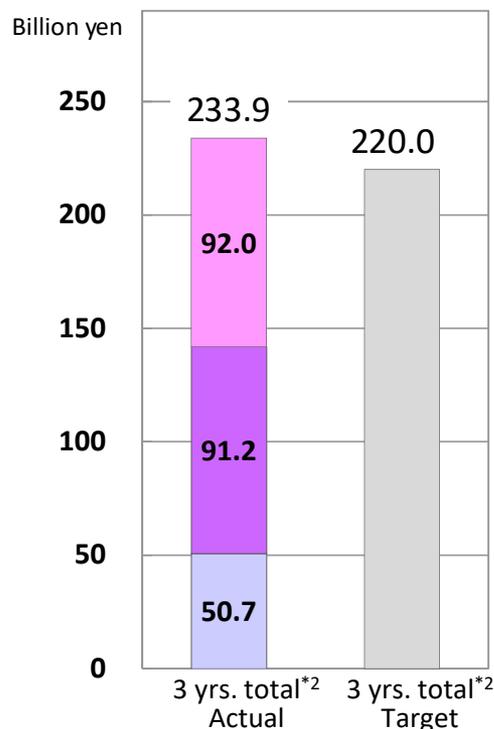


Total Cost Reduction (TC) Project

Reductions from the Total Cost Reduction (TC) Project

■ Target

- Variable cost reduction
- Fixed cost reduction
- Effects from Innovation of production process



- Activities of variable cost reduction (annual target at 3.6% or more, 11% or more in 3 years total)
- Control fixed costs through P-ratio accounting method (annual P-ratio*¹ under 0.96)
- Innovation of production process (achieve reduction effects by 50 billion yen in 3 years)

■ Actual (total in 3 years)

- Variable costs: reduced 92 billion yen (reduction rate: 10.2% in 3 years)
- Fixed cost: reduced 91.2 billion yen (P-ratio for each FY= 0.99, 1.03, 1.02)
- Innovation of production process reduced 50.7 billion yen

*1 P(Performance) ratio = fixed cost growth rate / marginal profit growth rate
Target: less than 1.0 or monitored by division under budget.

*2 FY 2017 – FY 2019

Quarterly Net Sales by Segment

J-GAAP

Billion yen

	FY Mar/19					FY Mar/20				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Fibers & Textiles	221.0	282.1	258.0	213.2	974.3	208.8	242.4	231.0	200.9	883.1
Performance Chemicals	212.4	222.5	219.9	214.0	868.8	200.0	197.7	191.5	181.7	770.8
Carbon Fiber Composite Materials	45.7	50.7	57.8	61.6	215.9	61.5	59.0	59.8	56.7	236.9
Environment & Engineering	54.9	66.5	63.2	73.1	257.7	57.4	60.1	59.4	75.5	252.3
Life Science	12.6	13.6	13.9	13.4	53.7	12.4	14.2	13.5	13.2	53.3
Others	4.1	4.9	4.2	5.2	18.5	4.2	4.9	4.1	5.1	18.2
Total	550.8	640.4	617.1	580.5	2,388.8	544.2	578.2	559.1	533.2	2,214.6

Quarterly Operating Income by Segment

J-GAAP

Billion yen

	FY Mar/19					FY Mar/20				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Fibers & Textiles	18.5	23.3	18.5	12.6	72.9	14.8	17.3	15.9	12.8	60.7
Performance Chemicals	17.2	18.6	16.2	15.7	67.7	17.0	16.7	14.3	10.8	58.7
Carbon Fiber Composite Materials	3.1	2.9	2.4	3.2	11.5	5.9	4.8	5.9	4.3	21.0
Environment & Engineering	1.9	3.9	2.2	4.3	12.2	1.4	2.5	1.8	5.6	11.2
Life Science	0.2	0.5	0.6	0.1	1.3	0.6	0.7	0.6	▲ 0.3	1.6
Others	0.2	0.6	0.9	1.3	3.1	0.4	0.9	0.9	1.2	3.4
Adjustments	▲ 7.1	▲ 6.0	▲ 6.1	▲ 8.1	▲ 27.3	▲ 5.5	▲ 5.8	▲ 6.5	▲ 7.7	▲ 25.5
Total	33.9	43.8	34.7	29.1	141.5	34.5	37.1	32.8	26.7	131.2

Quarterly Net Sales of Performance Chemicals by Sub-segments

J-GAAP

Billion yen

	FY Mar/19					FY Mar/20				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Resins, Chemicals	97.9	97.3	96.9	90.4	382.5	83.9	79.2	80.6	75.7	319.3
Films	85.5	88.9	91.3	86.9	352.7	80.7	80.8	78.6	76.0	316.1
Electronic & Information Materials	14.3	18.3	16.5	14.9	64.0	16.3	19.4	17.2	14.9	67.7
Trading	135.5	137.1	135.7	126.9	535.3	122.7	109.0	112.7	104.7	449.1
Adjustments	▲ 120.9	▲ 119.1	▲ 120.5	▲ 105.2	▲ 465.7	▲ 103.6	▲ 90.7	▲ 97.5	▲ 89.6	▲ 381.4
Total	212.4	222.5	219.9	214.0	868.8	200.0	197.7	191.5	181.7	770.8

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

J-GAAP

Billion yen

	FY Mar/19					FY Mar/20				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Aerospace	19.3	22.5	26.5	28.7	96.9	29.1	26.7	26.9	25.1	107.9
Sports	4.1	3.9	5.2	4.3	17.5	4.9	4.2	4.5	3.5	17.0
Industrial	22.3	24.3	26.2	28.7	101.4	27.4	28.1	28.4	28.1	112.0
Total	45.7	50.7	57.8	61.6	215.9	61.5	59.0	59.8	56.7	236.9

Quarterly Net Sales of Major Subsidiaries and Regions

J-GAAP

Billion yen

	FY Mar/19					FY Mar/20				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Toray International, Inc.	146.3	188.5	183.0	145.1	662.9	147.0	159.0	162.6	130.7	599.4
Toray Engineering Co., Ltd.	24.0	30.6	27.9	32.6	115.1	22.8	27.3	26.7	37.8	114.6
Toray Construction Co., Ltd.	10.1	12.2	14.9	19.0	56.1	8.1	10.2	7.6	17.6	43.5
Toray Advanced Film Co., Ltd.	9.7	10.5	10.8	9.5	40.5	9.4	9.9	9.2	8.9	37.4

Subsidiaries in Southeast Asia	Fibers & Textiles	37.9	40.2	39.8	34.9	152.7	34.7	35.6	33.5	31.9	135.7
	Performance Chemicals	29.6	30.4	29.1	26.0	115.1	23.2	21.5	21.7	19.0	85.4
	Others	0.1	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.1	0.2
	Total	67.6	70.6	68.9	61.0	268.0	57.9	57.1	55.3	50.9	221.2
Subsidiaries in China	Fibers & Textiles	75.5	82.5	77.4	50.8	286.1	61.2	71.6	66.4	44.5	243.7
	Performance Chemicals	27.0	27.5	26.5	23.2	104.2	22.8	19.9	21.2	17.1	81.0
	Others	8.6	7.8	9.7	7.4	33.5	9.4	8.9	10.3	6.7	35.3
	Total	111.1	117.8	113.5	81.4	423.7	93.3	100.4	98.0	68.2	359.9
Subsidiaries in Korea	Fibers & Textiles	25.5	27.9	26.1	24.5	103.9	20.8	20.6	21.5	21.4	84.3
	Performance Chemicals	35.9	40.8	41.4	41.7	159.9	40.5	42.7	42.7	36.6	162.5
	Others	7.0	5.5	6.1	5.7	24.3	7.5	7.2	6.6	5.3	26.6
	Total	68.4	74.1	73.6	71.9	288.1	68.8	70.5	70.8	63.3	273.4

Quarterly Operating Income of Major Subsidiaries and Regions

J-GAAP

Billion yen

	FY Mar/19					FY Mar/20				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Toray International, Inc.	2.6	4.3	4.4	2.7	14.1	2.7	3.5	3.4	2.8	12.4
Toray Engineering Co., Ltd.	0.5	1.8	0.6	2.5	5.4	0.4	0.6	0.5	2.1	3.6
Toray Construction co., Ltd.	0.4	0.7	0.9	0.2	2.2	▲ 0.1	0.1	▲ 0.2	0.9	0.8
Toray Advanced Film co., Ltd.	0.7	1.0	0.9	0.8	3.3	0.6	0.8	0.8	0.9	3.2

Subsidiaries in Southeast Asia	Fibers & Textiles	2.2	2.0	2.4	1.1	7.6	1.8	1.5	1.5	0.7	5.5
	Performance Chemicals	3.2	2.3	1.1	1.6	8.2	1.9	1.2	1.6	1.8	6.5
	Others	0.0	0.0	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	2.5	11.9
Subsidiaries in China	Fibers & Textiles	7.5	7.3	6.0	3.7	24.5	5.7	5.8	5.1	2.8	19.3
	Performance Chemicals	0.8	1.0	0.9	0.8	3.4	0.7	0.7	0.9	0.8	3.1
	Others	0.5	0.3	0.5	0.1	1.4	0.7	0.7	0.5	0.2	2.2
	Total	8.8	8.5	7.3	4.7	29.3	7.2	7.2	6.5	3.8	24.6
Subsidiaries in Kore	Fibers & Textiles	1.0	0.5	0.5	▲ 0.1	2.0	0.7	0.9	1.1	0.9	3.6
	Performance Chemicals	3.1	5.3	5.5	5.8	19.7	6.1	7.2	6.7	4.7	24.7
	Others	0.7	0.5	0.8	0.5	2.4	1.2	1.1	0.7	0.5	3.6
	Total	4.8	6.3	6.8	6.2	24.1	8.1	9.2	8.4	6.2	31.9

Number of Employees, Changes in Subsidiaries and Affiliates

Number of Employees

	End of Mar/19	End of Mar/20	Changes
Toray	7,585	7,568	-17
Japanese Consolidated Subsidiaries	10,563	10,430	-133
Overseas Consolidated Subsidiaries	30,172	30,033	-139
Total	48,320	48,031	-289

Changes in Subsidiaries and Affiliated Companies

Number of Companies

		End of Mar/19	End of Mar/20	Changes
Consolidated Subsidiaries	Japan	61	62	+1
	Overseas	124	123	-1
	(a) Total	185	185	±0
Subsidiaries accounted for by Equity Method	Japan	26	27	+1
	Overseas	29	34	+5
	(b) Total	55	61	+6
Total Subsidiaries	Japan	87	89	+2
	Overseas	153	157	+4
	(a) + (b) Total	240	246	+6
Affiliates accounted for by Equity Method	Japan	14	13	-1
	Overseas	21	23	+2
	(c) Total	35	36	+1
Companies subject to Consolidation	Japan	101	102	+1
	Overseas	174	180	+6
	(a) + (b) + (c) Total	275	282	+7

External Evaluations from the Perspectives of ESG



February 2020 Climate Change: A- Water Security: A

WATER

Selected as a component of major overseas indexes

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

September 2019

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



FTSE4Good

July 2019

“FTSE4Good Index Series”



2019 Constituent
MSCI ESG
Leaders Indexes

April 2019

“MSCI ESG Leaders Indexes”

Selected for all four indices used by GPIF



FTSE Blossom
Japan



2019 Constituent
MSCI ESG
Leaders Indexes



MSCI Japan Empowering
Women Index (WIN)

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'

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