



Innovation by Chemistry

**Announcement of Business Results
for the Fiscal Year Ended March 2022 and
Business Forecast for the Fiscal Year
Ending March 2023**

May 13, 2022

Toray Industries, Inc.

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Summary of Business Performance and Forecast

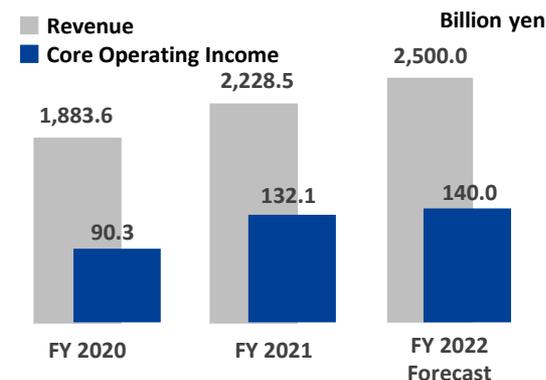
Consolidated Business Result : Fiscal Year Ended March 2022

(Core Operating Income 132.1billion yen, +46.3% YoY)

- Core operating income increased from the previous fiscal year, mainly from increase in sales and production volume due to the recovery of economic activities from COVID-19 pandemic, although there were increases in raw materials and fuel prices and logistic costs.
- Increase in core operating income for all segments, driven mainly by the Performance Chemicals segment, on the back of strong ABS resin spreads through the third quarter. Also, the Carbon Fiber Composite Materials segment achieved profitability on an annual basis.

Consolidated Business Forecast : Fiscal Year Ending March 2023

- Core operating income forecast is 140 billion yen. While the severe business environment is expected to continue, the Company will strive to promote business expansion in growth business fields and improve profitability.
- In order to achieve the above, will aim to make an improvement in revenue and profit mainly in the Fibers & Textiles and the Carbon Fiber Composite Materials segments, pass on further the increase in raw materials and fuel prices and logistic costs to the sales price, and promote business structure reform of low-growth and low-profitability businesses, etc.



Shareholders Return

- For the annual dividend per share for the fiscal year ending March 2023, the company anticipates to pay 18 yen per share, an increase of 2 yen from the fiscal year ended March 2022.
- Our basic policy is to make distributions taking in account the business performance, financial strength, and retained earnings necessary for future investments.

**I. Business Results for the
Fiscal Year Ended March 2022**

Summary of Consolidated Business Results for the Fiscal Year Ended March 2022

Billion yen

	FY Mar/21	FY Mar/22	Changes
Revenue	1,883.6	2,228.5	+344.9 (+18.3%)
Core Operating Income	90.3	132.1	+41.8 (+46.3%)
(Core Operating Margin)	4.8%	5.9%	+1.1 points
Special Items	▲ 34.4	▲ 31.5	+2.9
Financial Income and Costs	▲ 3.1	0.4	+3.5
Share of Profit of Investments Accounted for using Equity Method	12.8	19.3	+6.5
Profit before Tax	65.6	120.3	+54.7 (+83.5%)
Profit Attributable to Owners of Parent	45.8	84.2	+38.4 (+83.9%)

Basic Earnings per Share	28.61yen	52.63 yen
Dividend per Share	9.00 yen	16.00 yen

ROE	3.9%	6.4%
ROA	3.2%	4.5%

Exchange Rate		(FY Mar/21)	(FY Mar/22)
<Yen / US\$>	Average	106.1	112.4
	End of the Term	110.7	122.4
<Yen / Euro>	Average	123.7	130.6
	End of the Term	129.8	136.7

Special Items

Billion yen

	FY Mar/21	FY Mar/22	Changes
Gain on Sale or Disposal of Fixed Assets	0.3	1.0	+0.7
Loss on Sale or Disposal of Fixed Assets	▲ 5.8	▲ 5.1	+0.7
Impairment Losses	▲ 28.9	▲ 27.4	+1.4
Special Items	▲ 34.4	▲ 31.5	+2.9

Assets, Liabilities, Net Assets, Free Cash Flow

Billion yen

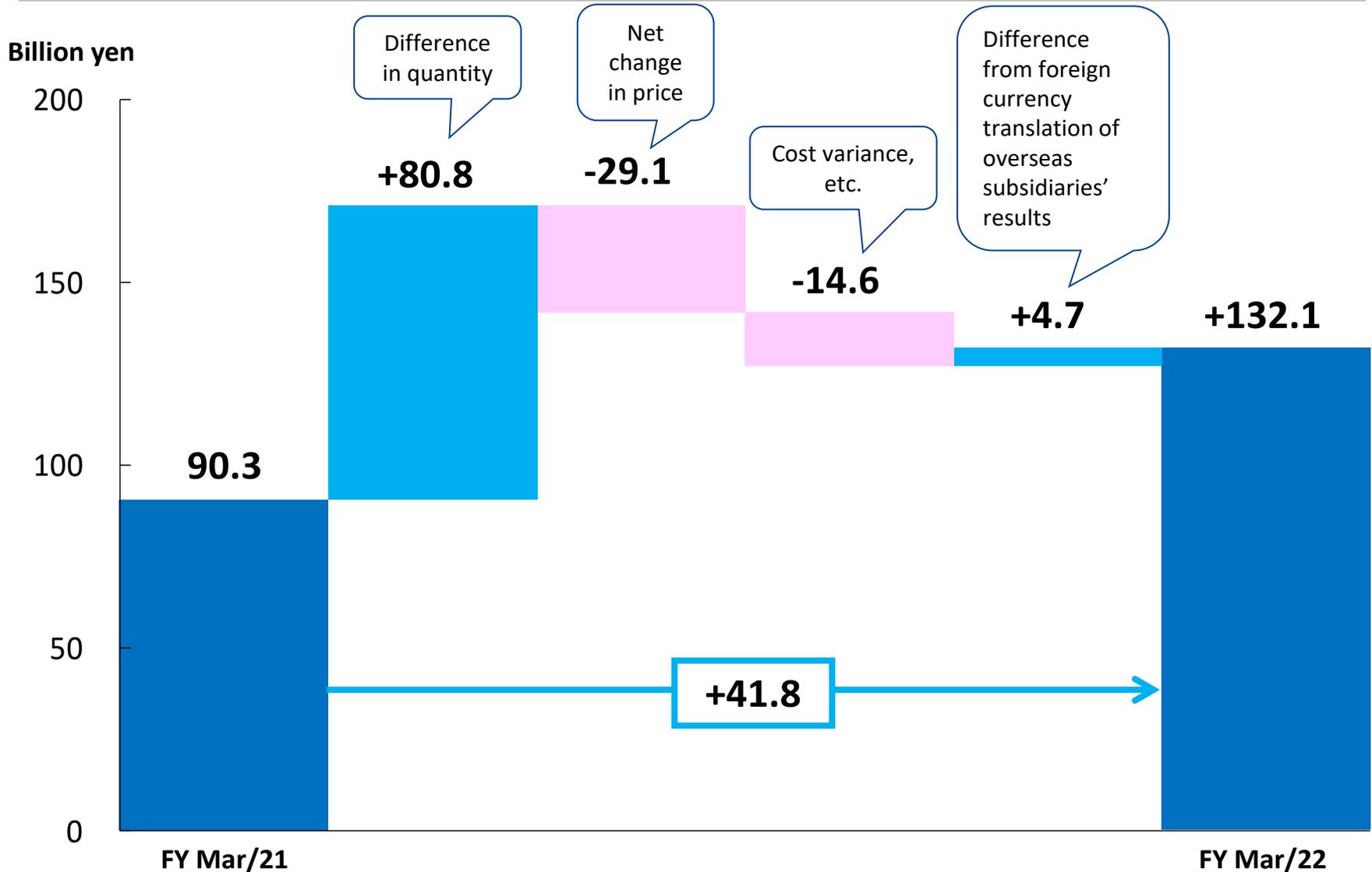
	End of Mar/21	End of Mar/22	Changes
Total Assets	2,848.8	3,043.9	+195.0
Current Assets	1,181.0	1,373.2	+192.2
Property, Plant and Equipment	998.4	990.7	-7.6
Other Non-current Assets	669.4	679.9	+10.5
Total Liabilities	1,526.6	1,544.2	+17.7
Current Liabilities	681.4	741.1	+59.7
Non-current Liabilities	845.2	803.2	-42.0
Equity	1,322.3	1,499.6	+177.4
Owner's Equity *	1,237.9	1,405.6	+167.7
Equity Ratio *	43.5%	46.2%	+2.7points
Interest-bearing Liabilities	973.9	935.7	-38.3
D/E Ratio	0.79	0.67	-0.12

<Free Cash Flow>

	FY Mar/21	FY Mar/22	Changes
Cash Flows from Operating Activities	211.6	138.3	-73.3
Cash Flows from Investment Activities	▲ 97.9	▲ 57.2	+40.7
Free Cash Flow	113.7	81.1	-32.6

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

Core Operating Income Variance Factor Analysis



Revenue and Core Operating Income by Segment

Billion yen

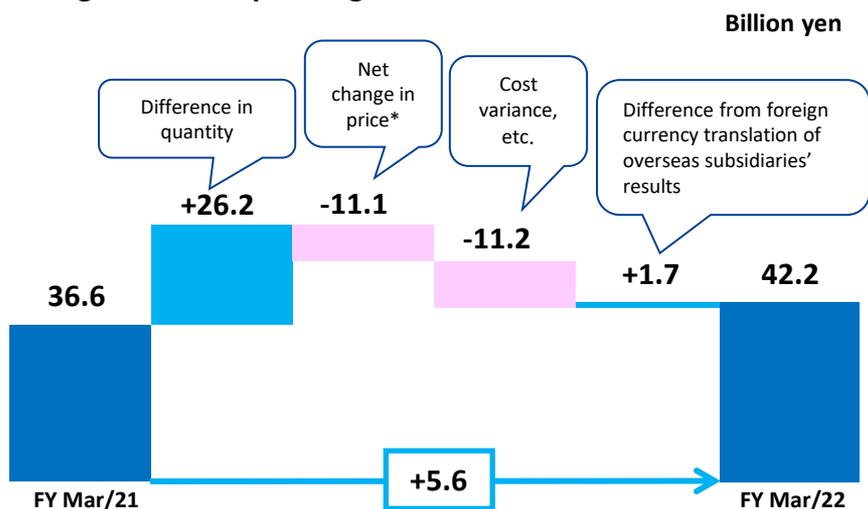
		FY Mar/21			FY Mar/22			Changes (%)					
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half		2nd Half		Total	
Revenue	Fibers & Textiles	330.2	389.0	719.2	401.5	434.7	836.2	+71.3	(+21.6%)	+45.7	(+11.7%)	+116.9	(+16.3%)
	Performance Chemicals	327.3	393.1	720.4	444.5	465.5	910.0	+117.2	(+35.8%)	+72.4	(+18.4%)	+189.6	(+26.3%)
	Carbon Fiber Composite Materials	89.3	93.6	182.9	98.9	116.3	215.2	+9.6	(+10.8%)	+22.7	(+24.3%)	+32.3	(+17.7%)
	Environment & Engineering	78.2	115.3	193.5	85.9	113.4	199.3	+7.7	(+9.8%)	-1.9	(-1.7%)	+5.8	(+3.0%)
	Life Science	24.7	28.3	53.0	25.1	26.9	52.0	+0.4	(+1.7%)	-1.4	(-5.1%)	-1.0	(-1.9%)
	Others	6.3	8.2	14.6	7.0	8.9	15.9	+0.7	(+11.3%)	+0.6	(+7.3%)	+1.3	(+9.0%)
	Consolidated	856.1	1,027.5	1,883.6	1,063.0	1,165.5	2,228.5	+206.9	(+24.2%)	+138.0	(+13.4%)	+344.9	(+18.3%)
Core Operating Income	Fibers & Textiles	15.8	20.8	36.6	24.3	17.9	42.2	+8.5	(+53.9%)	-2.9	(-14.0%)	+5.6	(+15.4%)
	Performance Chemicals	24.1	42.9	67.0	52.2	38.7	91.0	+28.2	(+117.2%)	-4.2	(-9.8%)	+24.0	(+35.8%)
	Carbon Fiber Composite Materials	▲ 0.3	▲ 7.2	▲ 7.5	▲ 3.6	5.2	1.6	-3.3	(-)	+12.4	(-)	+9.1	(-)
	Environment & Engineering	4.0	10.6	14.5	6.1	10.5	16.5	+2.1	(+53.0%)	-0.1	(-0.9%)	+2.0	(+13.9%)
	Life Science	0.8	0.5	1.3	1.1	0.3	1.4	+0.3	(+34.6%)	-0.2	(-44.3%)	+0.1	(+6.0%)
	Others	0.6	2.4	2.9	0.7	2.3	3.0	+0.2	(+29.7%)	-0.1	(-3.8%)	+0.1	(+2.7%)
	Adjustments	▲ 10.9	▲ 13.7	▲ 24.6	▲ 10.7	▲ 12.9	▲ 23.6	+0.1		+0.8		+0.9	
	Consolidated	34.1	56.2	90.3	70.2	61.9	132.1	+36.1	(+105.8%)	+5.7	(+10.2%)	+41.8	(+46.3%)

Business Results by Segment (Fibers & Textiles)

Billion yen

		FY Mar/21	FY Mar/22	Changes	
Revenue	Toray	145.9	175.3	+29.4	(+20.2%)
	Japanese Subsidiaries	398.3	428.5	+30.1	(+7.6%)
	Overseas Subsidiaries	430.8	540.3	+109.5	(+25.4%)
	Adjustments	▲ 255.8	▲ 307.9	-52.1	
	Total	719.2	836.2	+116.9	(+16.3%)
Core Operating Income	Toray	3.8	11.2	+7.5	(+198.6%)
	Japanese Subsidiaries	9.7	10.6	+0.8	(+8.3%)
	Overseas Subsidiaries	22.3	21.8	-0.4	(-1.9%)
	Adjustments	0.8	▲ 1.4	-2.2	
	Total	36.6	42.2	+5.6	(+15.4%)

Changes in Core Operating Income



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

< Business Performance >

■ General

- Increase in demand was seen both in Japan and abroad.

■ Apparel Applications

- Some applications continued to be affected by COVID-19, while sports and outdoor applications performed strongly.

■ Industrial Applications

- While recovery was seen in some applications, the automotive applications were affected by the decline in automobile production volume.

<Topics>

- Mar. 2022:

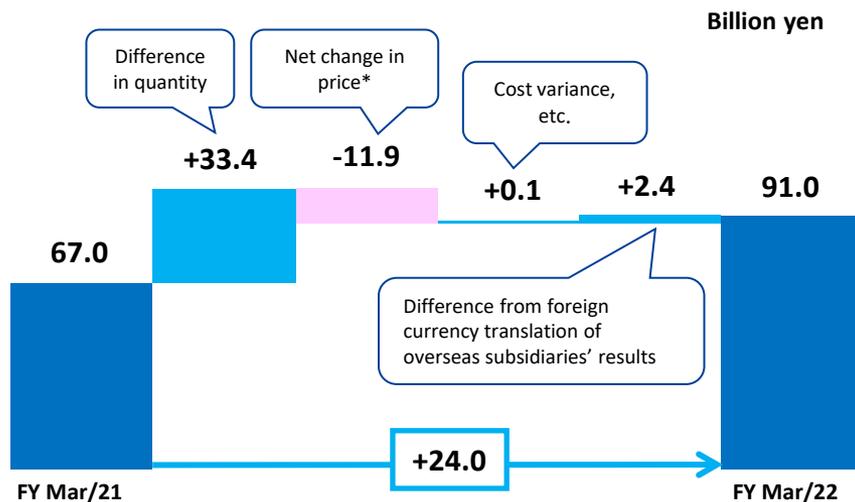
Developed a high-strength textile that has an outstanding low friction resistance and high slide durability by employing Toyoflon™, a low friction polytetrafluoroethylene (PTFE) fiber. Toray will draw on the features of the new textile to broaden applications, including for industrial machinery, plant facilities, automotive parts, and bearings.

Business Results by Segment (Performance Chemicals)

Billion yen

		FY Mar/21	FY Mar/22	Changes	
Revenue	Toray	213.4	257.7	+44.4	(+20.8%)
	Japanese Subsidiaries	378.8	496.3	+117.5	(+31.0%)
	Overseas Subsidiaries	477.2	611.3	+134.2	(+28.1%)
	Adjustments	▲ 348.9	▲ 455.4	-106.5	
	Total	720.4	910.0	+189.6	(+26.3%)
Core Operating Income	Toray	15.1	25.4	+10.3	(+68.0%)
	Japanese Subsidiaries	11.6	22.3	+10.7	(+92.8%)
	Overseas Subsidiaries	41.3	43.0	+1.7	(+4.0%)
	Adjustments	▲ 1.1	0.3	+1.3	
	Total	67.0	91.0	+24.0	(+35.8%)

Changes in Core Operating Income



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

< Business Performance >

■ Resins Business

- Demand in the resins business was strong overall, given the rebound from the COVID-19 pandemic and the recovery of the Chinese economy.

■ Chemicals Business

- Demand for fine chemicals was robust in addition to a recovery in the basic chemicals market.

■ Films Business

- While the battery separator films for lithium-ion secondary batteries were affected by price decline, polyester films for optical applications and electronic components, performed strongly.

■ Electronic & Information Materials Business

- OLED-related demand increased.

<Topics>

- Mar. 2022:

Started joint initiatives with CHEMOSVIT a.s., a supplier for offset printing technology in flexible packaging, to promote flexible film printed by waterless EB offset to accelerate reduction of CO₂ emissions and contribute to the circular economy, in Jan. 2022.

- Mar. 2022:

Developed a stretchable device film with outstanding shape recovery, thermal performance and excellent resistance stability of circuit mounts. Diverse prospective applications for stretchable device circuit boards include biological and industrial sensors and robots. Toray will push ahead with research and development to start swiftly commercializing this film.

Breakdown of Performance Chemicals Segment

Billion yen

	FY Mar/21		FY Mar/22		
	Revenue	Ratio	Revenue	Ratio	Changes
Resins, Chemicals	309.2	29%	425.9	31%	+38%
Films	303.1	28%	335.0	25%	+11%
Electronic & Information Materials	67.8	6%	74.1	5%	+9%
Trading, Other	389.3	36%	530.3	39%	+36%
Adjustments	▲ 348.9	-	▲ 455.4	-	-
Total	720.4		910.0		+26%

Business Results by Segment (Carbon Fiber Composite Materials)

Billion yen

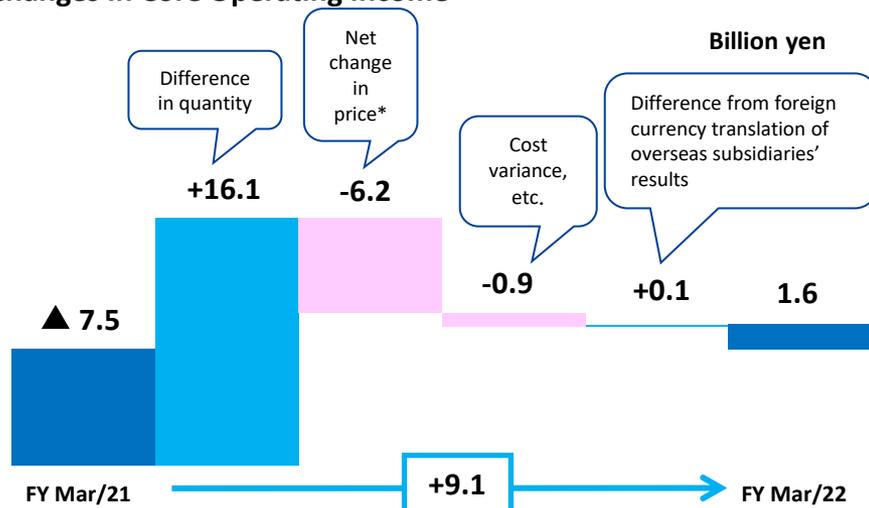
		FY Mar/21	FY Mar/22	Changes	
Revenue	Toray	64.0	72.4	+8.4	(+13.1%)
	Japanese Subsidiaries	45.1	56.2	+11.1	(+24.5%)
	Overseas Subsidiaries	152.7	189.9	+37.2	(+24.4%)
	Adjustments	▲ 78.9	▲ 103.3	-24.4	
	Total	182.9	215.2	+32.3	(+17.7%)
Core Operating Income	Toray	▲ 4.4	3.4	+7.8	(-)
	Japanese Subsidiaries	1.0	0.9	-0.1	(-5.9%)
	Overseas Subsidiaries	▲ 2.7	1.7	+4.4	(-)
	Adjustments	▲ 1.4	▲ 4.5	-3.1	
	Total	▲ 7.5	1.6	+9.1	(-)

< Business Performance >

■ General

While being affected by the increase in raw material prices and the decline in the production rate of commercial aircraft, the sales of wind turbine blades in the industrial applications continued to expand, and there was growth in the sports applications. In addition, proceeded with passing on the rise in raw material prices to the sales price.

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

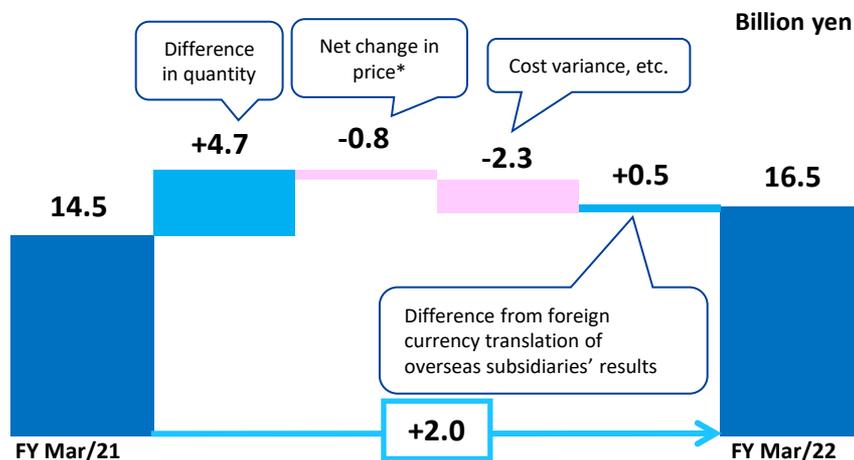
	FY Mar/21		FY Mar/22		
	Revenue	Ratio	Revenue	Ratio	Changes
Aerospace	60.0	33%	42.7	20%	-29%
Sports	15.5	8%	27.9	13%	+80%
Industrial	107.4	59%	144.7	67%	+35%
Total	182.9		215.2		+18%

Business Results by Segment (Environment & Engineering)

Billion yen

		FY Mar/21	FY Mar/22	Changes	
Revenue	Toray	30.5	33.9	+3.3	(+10.9%)
	Japanese Subsidiaries	220.1	206.7	-13.4	(-6.1%)
	Overseas Subsidiaries	36.9	42.4	+5.5	(+14.9%)
	Adjustments	▲ 93.9	▲ 83.6	+10.3	
	Total	193.5	199.3	+5.8	(+3.0%)
Core Operating Income	Toray	1.6	1.8	+0.2	(+15.9%)
	Japanese Subsidiaries	8.0	8.5	+0.5	(+6.6%)
	Overseas Subsidiaries	5.5	6.4	+0.8	(+15.1%)
	Adjustments	▲ 0.6	▲ 0.1	+0.4	
	Total	14.5	16.5	+2.0	(+13.9%)

Changes in Core Operating Income



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

< Business Performance >

■ Water Treatment

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

■ Japanese Subsidiaries

- An engineering subsidiary experienced increases in the shipment of some electronics related equipment.

<Topics>

- Mar. 2022: Started sales of TBW-HR series of ultralow-pressure reverse osmosis (RO) membrane elements in Apr. 2022, which dramatically improve the rejection of silica, boron, and other neutral molecules from untreated water by controlling RO membrane micropore sizes and membrane structures.

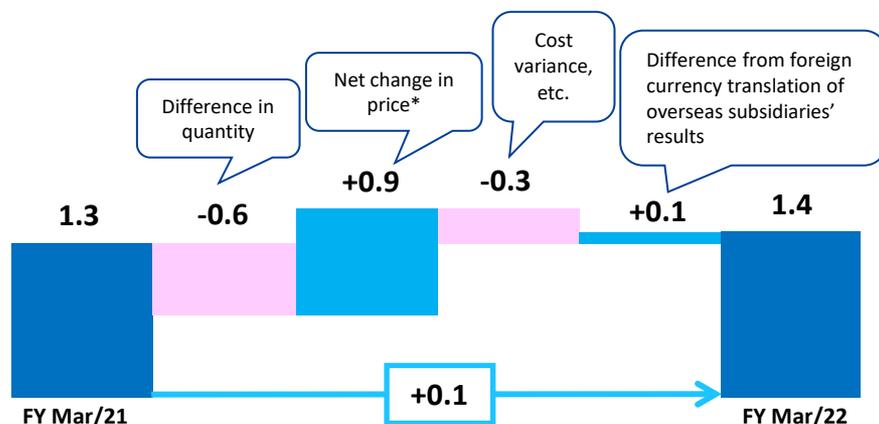
Business Results by Segment (Life Science)

Billion yen

		FY Mar/21	FY Mar/22	Changes	
Revenue	Toray	23.3	23.2	-0.0	(-0.2%)
	Japanese Subsidiaries	43.4	42.7	-0.7	(-1.7%)
	Overseas Subsidiaries	13.7	13.1	-0.6	(-4.2%)
	Adjustments	▲ 27.4	▲ 27.1	+0.3	
	Total	53.0	52.0	-1.0	(-1.9%)
Core Operating Income	Toray	▲ 2.2	▲ 1.8	+0.4	(-)
	Japanese Subsidiaries	2.9	2.7	-0.3	(-8.8%)
	Overseas Subsidiaries	0.7	0.6	-0.1	(-10.0%)
	Adjustments	▲ 0.1	▲ 0.1	+0.0	
	Total	1.3	1.4	+0.1	(+6.0%)

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 Performance >

■ Pharmaceutical Business

- Sales of pruritus treatment REMITCH®* were affected by the introduction of its generic versions as well as by a NHI drug price revision.

■ Medical Devices Business

- Shipment of dialyzers for hemodiafiltration grew strongly in Japan, and demand for other medical devices showed a recovering trend primarily outside Japan.

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

Results of Major Subsidiaries and Regions

Billion yen

		Revenue			Core Operating Income		
		FY Mar/21	FY Mar/22	Changes	FY Mar/21	FY Mar/22	Changes
Toray International, Inc.		499.5	570.3	+70.8	10.9	12.2	+1.3
Toray Engineering Co., Ltd.		103.7	96.6	-7.1	4.1	4.7	+0.6
Toray Construction Co., Ltd.		40.0	42.3	+2.3	1.1	1.4	+0.3
Toray Advanced Film Co., Ltd.		35.9	38.6	+2.6	4.1	3.8	-0.3
Subsidiaries in Southeast Asia	Fibers & Textiles	100.0	131.2	+31.2	▲ 2.3	1.5	+3.8
	Performance Chemicals	87.2	126.1	+38.9	18.3	19.2	+0.9
	Other	0.1	0.6	+0.4	0.0	0.0	+0.0
	Total	187.4	257.9	+70.5	16.0	20.7	+4.7
Subsidiaries in China	Fibers & Textiles	198.4	234.1	+35.7	16.8	16.6	-0.2
	Performance Chemicals	90.1	120.6	+30.5	5.0	8.0	+3.1
	Other	35.4	42.0	+6.6	3.1	3.4	+0.3
	Total	323.9	396.7	+72.8	24.9	28.1	+3.2
Subsidiaries in the Republic of Korea	Fibers & Textiles	79.6	100.0	+20.4	6.8	3.1	-3.7
	Performance Chemicals	147.4	155.6	+8.2	19.5	14.6	-4.9
	Other	22.7	34.7	+12.0	2.9	4.2	+1.3
	Total	249.7	290.3	+40.6	29.2	21.9	-7.3

II. Business Forecast for the Fiscal Year Ending March 2023 (Consolidated Basis)

Forecast Summary for the Fiscal Year Ending March 2023

Assumptions for the business forecast

The global economy, including Japan, is likely to continue its recovery with the rollout of coronavirus vaccines and progress in economic measures. However, the highly uncertain situation is expected to continue given concerns regarding the impact of the resurgence in infections from variants, supply chain constraints caused by shortage of parts and labor, logistic congestion, and the prolonged situation in Ukraine.

Billion yen

		FY Mar/22 Actual	FY Mar/23 Forecast	Changes	
Revenue	1st Half	1,063.0	1,185.0	+122.0	(+11.5%)
	2nd Half	1,165.5	1,315.0	+149.5	(+12.8%)
	Total	2,228.5	2,500.0	+271.5	(+12.2%)
Core Operating Income	1st Half	70.2	60.0	-10.2	(-14.5%)
	2nd Half	61.9	80.0	+18.1	(+29.3%)
	Total	132.1	140.0	+7.9	(+6.0%)
Profit Attributable to Owners of Parent	1st Half	60.9	52.0	-8.9	(-14.6%)
	2nd Half	23.3	48.0	+24.7	(+105.9%)
	Total	84.2	100.0	+15.8	(+18.7%)

Earnings per Share	1st Half	38.06 yen	32.49 yen	Assumed exchange rate : 120 yen / US\$
	2nd Half	14.56 yen	29.99 yen	
	Total	52.63 yen	62.47 yen	
Dividend per Share	1st Half	8.00 yen	9.00 yen	
	2nd Half	8.00 yen	9.00 yen	
	Total	16.00 yen	18.00 yen	
Dividend Payout Ratio	Total	30%	29%	

Forecast by Segment

Billion yen

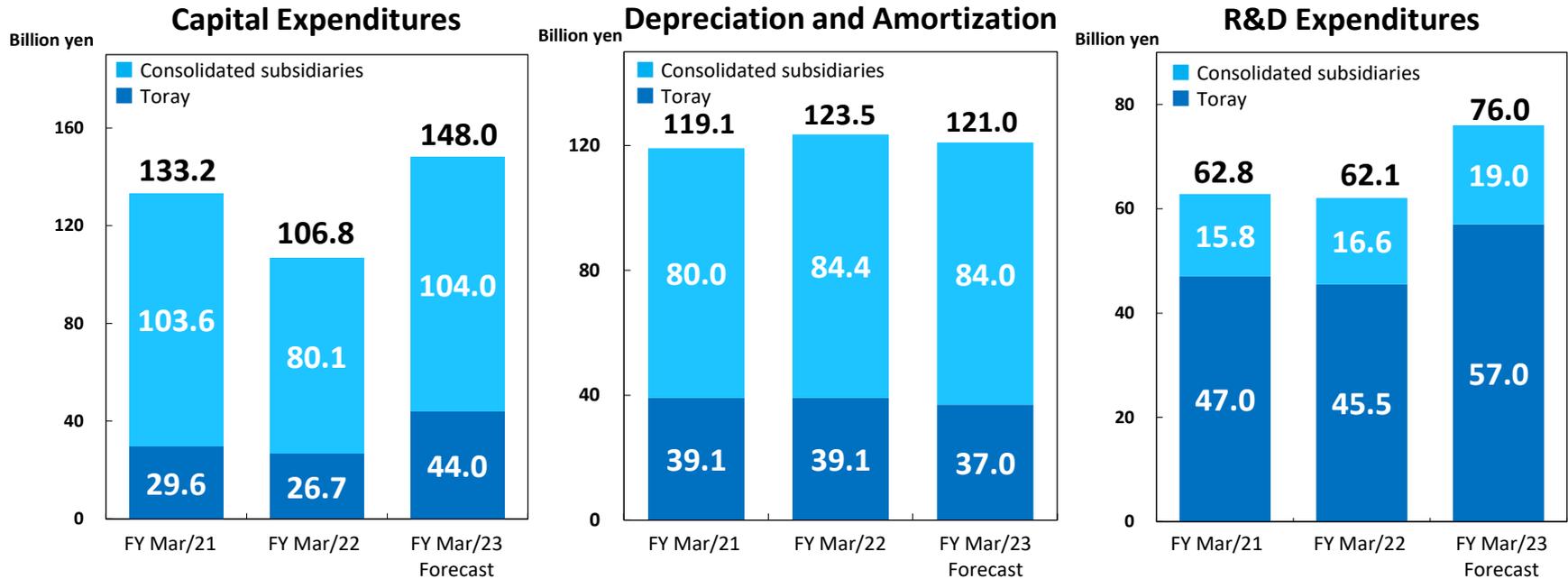
		FY Mar/22 Actual			FY Mar/23 Forecast			Changes		
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Revenue	Fibers & Textiles	401.5	434.7	836.2	447.0	505.0	952.0	+45.5	+70.3	+115.8
	Performance Chemicals	444.5	465.5	910.0	482.0	516.0	998.0	+37.5	+50.5	+88.0
	Carbon Fiber Composite Materials	98.9	116.3	215.2	120.0	128.0	248.0	+21.1	+11.7	+32.8
	Environment & Engineering	85.9	113.4	199.3	102.0	129.0	231.0	+16.1	+15.6	+31.7
	Life Science	25.1	26.9	52.0	26.0	29.0	55.0	+0.9	+2.1	+3.0
	Others	7.0	8.9	15.9	8.0	8.0	16.0	+1.0	-0.9	+0.1
	Consolidated	1,063.0	1,165.5	2,228.5	1,185.0	1,315.0	2,500.0	+122.0	+149.5	+271.5
Core Operating Income	Fibers & Textiles	24.3	17.9	42.2	24.0	30.0	54.0	-0.3	+12.1	+11.8
	Performance Chemicals	52.2	38.7	91.0	40.0	46.0	86.0	-12.2	+7.3	-5.0
	Carbon Fiber Composite Materials	▲ 3.6	5.2	1.6	3.0	7.5	10.5	+6.6	+2.3	+8.9
	Environment & Engineering	6.1	10.5	16.5	5.5	12.5	18.0	-0.6	+2.0	+1.5
	Life Science	1.1	0.3	1.4	0.0	0.0	0.0	-1.1	-0.3	-1.4
	Others	0.7	2.3	3.0	0.0	1.0	1.0	-0.7	-1.3	-2.0
	Adjustments	▲ 10.7	▲ 12.9	▲ 23.6	▲ 12.5	▲ 17.0	▲ 29.5	-1.8	-4.1	-5.9
	Consolidated	70.2	61.9	132.1	60.0	80.0	140.0	-10.2	+18.1	+7.9

Comparison of Core Operating Income (FY Mar/22 vs. FY Mar/23) by Segment

(Core Operating Income : Billion yen)

Segment	FY Mar/22	FY Mar/23	Changes	Variance Factors
Fibers & Textiles	44.2	54.0	+ 11.8	<ul style="list-style-type: none"> In apparel applications, in order to capture the recovering demand, will respond to the growth in demand for sports, outdoor, and environmentally friendly materials. In the industrial applications, demand is expected to recover mainly for automotive applications such as airbag fabrics and non-woven material created using ultra-fine fibers. Will proceed with passing on the rise in raw materials and fuel prices and logistic costs to the sales price.
Performance Chemicals	91.0	86.0	-5.0	<ul style="list-style-type: none"> In the resins business, sales volume of ABS resins is expected to increase, but the spread is expected to decrease. In the film business, expect stay-at-home demand for optical applications etc. to subdue. Will proceed with passing on the rise in raw materials and fuel prices to the sales price. In the electronic & information materials business, demand is expected to increase for OLED-related materials and electronic circuit materials.
Carbon Fiber Composite Materials	1.6	10.5	+ 8.9	<ul style="list-style-type: none"> In the aircraft applications, the impact of the decline in the production rate by major customers is expected to continue. In the sports applications, outdoor leisure applications are expected to be strong. In the industrial applications, demand for wind turbine blades and pressure vessels is expected to increase.
Environment & Engineering	16.5	18.0	+ 1.5	<ul style="list-style-type: none"> In the water treatment business, expect shipments of RO membranes to be strong, mainly in Europe and the Middle East. In Japanese Subsidiaries, the shipment of electronics related equipment is expected to increase in an engineering subsidiary.
Life Science	1.4	0.0	- 1.4	<ul style="list-style-type: none"> Pharmaceutical business is expected to be affected by the NHI drug price revision and generic versions of the existing drugs. Medical devices business is expected to be affected by the change in reimbursement prices of dialyzers, rise in raw materials and fuel prices and logistic costs.
Other	3.0	1.0	-2.0	
Reconciliations	▲ 23.6	▲ 29.5	- 5.9	
Total	132.1	140.0	+7.9	

Trends in Capital Expenditures, Depreciation and Amortization, and R&D Expenditures



Major Capital Expenditure Projects

FY Mar/22	Toray Industries, Inc.	: Polypropylene film production facilities
	Toray Membrane (Foshan) Co., Ltd.	: RO membrane production facilities
	Zoltek Companies, Inc.	: Carbon fiber production facilities
FY Mar/23	Zoltek Companies, Inc.	: Carbon fiber production facilities

III. Progress of the Medium-term Management Program “Project AP-G 2022”

Basic Strategies of “Project AP-G 2022”

TORAY VISION 2030

“AP-G 2022” “Resilience and Proactive Management”

3 Basic Strategies

1. Global expansion in growth business fields

- ① Green Innovation business expansion
- ② Life Innovation business expansion

GR Project

LI Project

2. Strengthening competitiveness

- ① Total cost reductions
- ② Business advancement/ high added value creation
- ③ Enhancing workplace competency in sales & marketing and production

NTC Project

3. Strengthening the management foundation

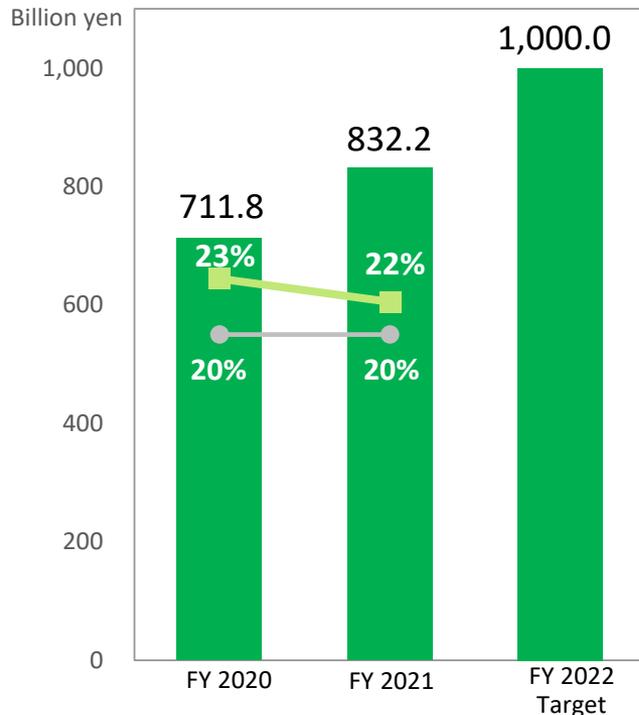
- ① Strengthening financial structure by improving cash efficiency
- ② Business structure reform of low-growth and low-profitability businesses

Green Innovation (GR) Businesses



Revenue from Green Innovation Businesses

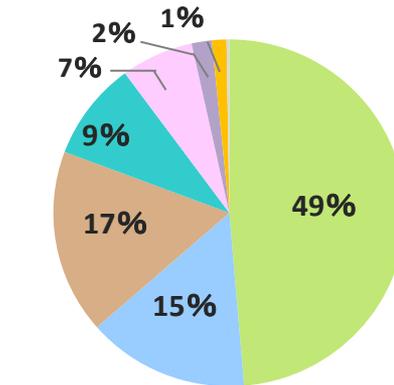
Revenue increased from the previous fiscal year due to the growth in carbon fibers for wind turbine blades, water treatment membranes, etc., while carbon fibers for aircraft continued to be sluggish. Overall, Green Innovation Business is on the track to recovery from the impact of COVID-19.



- Revenue from Green Innovation Businesses (Billion yen)
- Gross profit margin of Green Innovation Businesses (%)
- Group average gross profit margin (%)

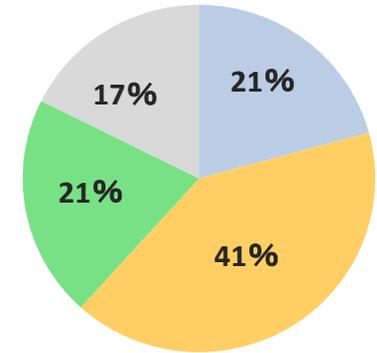
FY 2021 Revenue 832.2 Billion yen

Breakdown by Business Field



- Energy conservation
- New energy
- Low environmental impact
- Water treatment
- Recycling
- Air purification
- Biomass-based
- Other

Breakdown by Segment



- Fibers & Textiles
- Performance Chemicals
- Other
- Carbon Fiber Composite Materials

Major initiatives in FY 2021

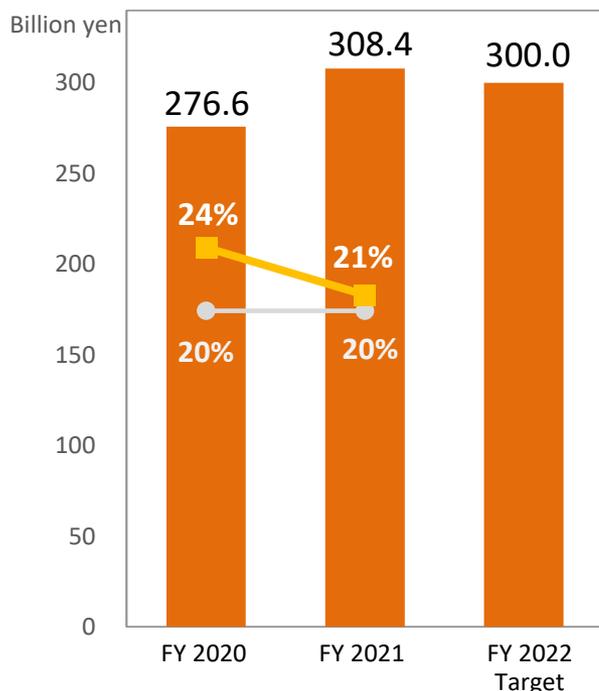
- In hydrogen-related businesses, Toray and Siemens Energy K.K., the Japanese subsidiary of Siemens Energy AG, were adopted by the Green Hydrogen Project under the Green Innovation Funding Program in Aug. 2021. The two companies agreed on a strategic partnership in Sep. 2022. Japan's first Power-to-Gas company was established with Yamanashi prefectural government in Feb. 2022. This electrolyte membranes were awarded for Nippon-Keidanren Chairman's Award of the Grand Prize for the Global Environment Award.
- In water treatment business, Toray received Reverse Osmosis Membrane order for Rabigh 3 desalination plant in Oct. 2021, which is one of the largest SWRO plants in the world.
- In resource circulation related business, Toray commercialized Ecodear™ N510, a 100% plant-based Nylon Fiber in Jan. 2022.
- Made announcements about commercialization of the waterless printing plate for flexible packaging materials in Oct. 2021 and about the innovative CO₂ separation membrane incorporating porous carbon fiber in Apr. 2021.

Life Innovation (LI) Businesses



Revenue from Life Innovation Businesses

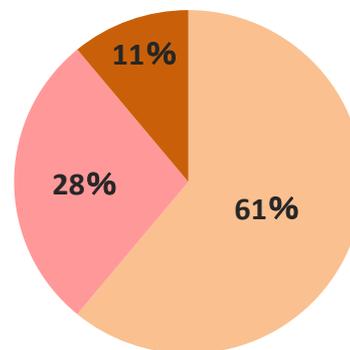
Revenue increased from the previous fiscal year due to increase in shipment of non-woven fabrics for hygiene applications and sports related materials.



- Revenue from Life Innovation Businesses (Billion yen)
- Gross profit margin of Life Innovation Businesses (%)
- Group average gross profit margin (%)

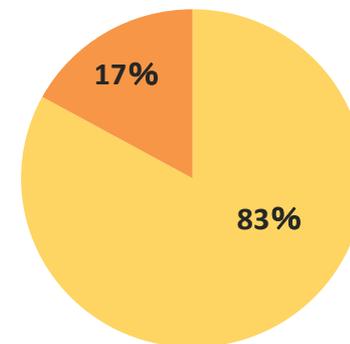
FY 2021 Revenue 308.4 Billion yen

Breakdown by Business Field



- Supporting health maintenance and longevity
- Improving the quality of medical-care, Ease burdens on medical professionals
- Supporting personal safety

Breakdown by Business



- Advanced Materials in LI Business
- Pharmaceuticals & Medical Devices

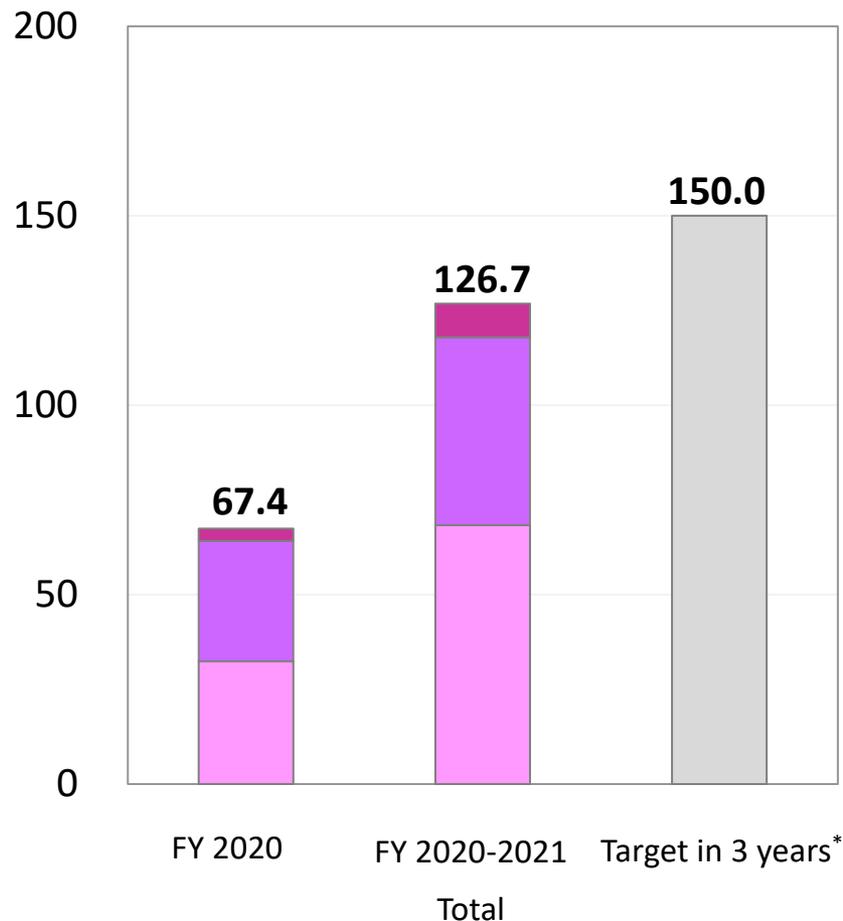
Major initiatives in FY 2021

- Developed biochip for high-performance multi-item allergy testing. This breakthrough should help reduce stress on children and others whose blood is difficult to draw and enhance the accuracy of allergy diagnostics. (Apr. 2021)
- Evaporative thermal resistance testing has confirmed that the fabric in LIVMOA™ 3000, a highly breathable model of disposable personal protective clothing, reduces heat stress while working. (May 2021)
- Developed FILTRYZER™ HDF, Japan's first polymethyl methacrylate (PMMA) hollow fiber membrane-based hemodiafiltration device. The wholly owned Toray Medical Co., Ltd., began marketing this new offering. (Nov. 2021)

Strengthening Competitiveness

Total Cost Reduction Project (NTC Project)

Billion yen



Variable cost reduction

- Reduced 68.3 billion yen in FY 2020-2021
- Reduction target: 100 billion yen in 3 years (Annual reduction target : over 3.7% YoY)

Fixed cost reduction

- Reduced 49.4 billion yen in FY 2020-2021
- Reduction target: 35 billion yen in 3 years

Innovation of production process

- Reduced 8.9 billion yen in FY 2020-2021
- Reduction target : 15 billion yen in 3 years

* From FY 2020 to FY 2022

Strengthening the Management Foundation

Strengthening financial structure by improving cash efficiency

Free cash flow

FY 2020-2021 Total	FY 2022 Target
194.8 billion yen	120 billion yen or more *1 (total of 3 years)

*1: exclude M&A

D/E ratio

FY 2020 Actual	FY 2021 Actual	FY 2022 Target
0.79	0.67	around 0.8 (guideline)

Strengthening Cash Flows Control

- Introduced the Cash Conversion Cycle (CCC) as an efficiency indicator for each business and implemented the "3C-i Activity" to shorten the CCC. Promoted activities to reduce the number of days in inventory.

Business structure reform of low-growth and low-profitability businesses

【Initiatives】

- Determine target business and companies that fall below boundary value for sales growth (sales growth rate) and profitability (return on invested capital), gain an understanding of the position and business environment of each business, conduct a numerical analysis, then carry out business and organizational structure reforms in order to improve sales growth and profitability.

Examples in the Fibers & Textiles business

- Downsizing of the polyester/cotton-blended textiles (T/C) business
 - ✓ Closed the PAB spinning mills in FY 2020
 - ✓ Downsizing of TTT spinning mills
- Consolidation of manufacturing bases for the domestic Fibers & Textiles business, development of market for casualwear for the Japanese style clothing business, outsourcing of the Russell* business, etc.

*Russell: Knit fabric used for shapewear, back support belts, etc.

PAB: Penfabric Sdn. Berhad

TTT: Toray Textiles (Thailand) Public Company Limited

Difference between “AP-G 2022” Target and FY 2022 Forecast

Billion yen

		"AP-G 2022" Target	FY Mar/23 Forecast	Changes
Revenue	Fibers & Textiles	1,030.0	952.0	-78.0
	Performance Chemicals	990.0	998.0	+8.0
	Carbon Fiber Composite Materials	275.0	248.0	-27.0
	Environment & Engineering	230.0	231.0	+1.0
	Life Science	55.0	55.0	—
	Others	20.0	16.0	-4.0
	Consolidated	2,600.0	2,500.0	-100.0
Core Operating Income	Fibers & Textiles	76.0	54.0	-22.0
	Performance Chemicals	90.0	86.0	-4.0
	Carbon Fiber Composite Materials	24.0	10.5	-13.5
	Environment & Engineering	19.0	18.0	-1.0
	Life Science	0.0	0.0	—
	Others	2.0	1.0	-1.0
	Adjustments	▲ 31.0	▲ 29.5	+1.5
	Consolidated	180.0	140.0	-40.0

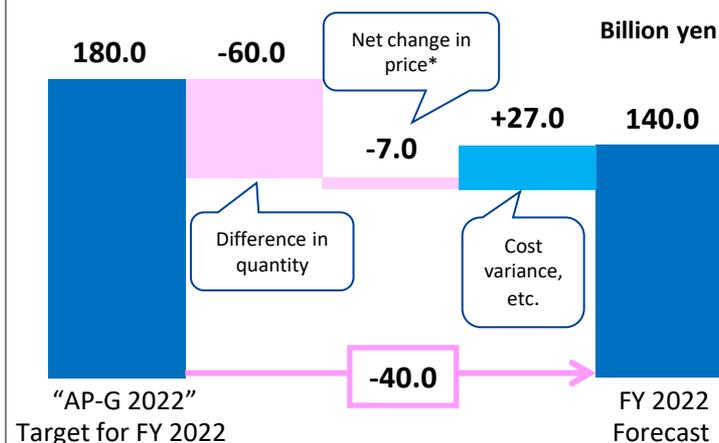
Variance Analysis of Core Operating Income

【Business Environment】

The world economy has not made uniform recovery due to the spread of new variants of COVID-19 etc. Also, there is an increase in uncertainty due to the prolonged situation in Ukraine.

【Reasons for variance from “AP-G 2022” target】

Difference between “AP-G 2022” target and FY 2022 forecast is minus 40 billion yen. Quantity is expected to be below the target for the Fibers & Textiles and Carbon Fiber Composite Materials businesses, since these businesses involve preferences and passenger transport, which were affected by the changes of lifestyle and behavioral pattern caused by COVID-19. Also, there is a variance in quantity for the automotive related materials, especially for battery separator films, from the in sluggish demand in the market due to issues such as supply constraints etc. continuing in FY 2022. In addition, current raw materials and fuel prices remain at high levels, which is expected to have a negative impact on the core operating income.



IV. Reference

Quarterly Revenue by Segment

Billion yen

	FY Mar/21					FY Mar/22				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Fibers & Textiles	145.0	185.2	206.1	182.9	719.2	184.2	217.4	230.1	204.6	836.2
Performance Chemicals	155.6	171.7	192.6	200.5	720.4	222.6	221.9	233.6	231.9	910.0
Carbon Fiber Composite Materials	45.4	43.9	45.6	47.9	182.9	48.5	50.4	54.2	62.0	215.2
Environment & Engineering	37.2	41.0	46.4	68.9	193.5	43.7	42.2	48.7	64.7	199.3
Life Science	11.6	13.1	13.7	14.6	53.0	11.5	13.6	13.5	13.4	52.0
Others	2.9	3.4	3.7	4.5	14.6	3.2	3.8	3.8	5.1	15.9
Consolidated	397.6	458.4	508.1	519.4	1,883.6	513.7	549.3	583.9	581.7	2,228.5

Quarterly Core Operating Income by Segment

Billion yen

	FY Mar/21					FY Mar/22				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Fibers & Textiles	7.2	8.6	12.2	8.6	36.6	11.8	12.6	11.1	6.7	42.2
Performance Chemicals	8.1	16.0	23.6	19.3	67.0	27.9	24.3	22.4	16.3	91.0
Carbon Fiber Composite Materials	1.7	▲ 2.0	▲ 3.4	▲ 3.8	▲ 7.5	▲ 2.1	▲ 1.6	1.7	3.5	1.6
Environment & Engineering	0.8	3.2	4.0	6.5	14.5	3.4	2.7	4.8	5.7	16.5
Life Science	0.1	0.8	0.9	▲ 0.5	1.3	0.2	0.9	0.5	▲ 0.2	1.4
Others	0.1	0.4	1.2	1.2	2.9	0.2	0.5	0.8	1.5	3.0
Adjustments	▲ 5.5	▲ 5.3	▲ 5.6	▲ 8.1	▲ 24.6	▲ 5.3	▲ 5.4	▲ 5.5	▲ 7.4	▲ 23.6
Consolidated	12.5	21.6	32.9	23.3	90.3	36.1	34.1	35.8	26.1	132.1

Quarterly Revenue of Performance Chemicals by Sub-segments

Billion yen

	FY Mar/21					FY Mar/22				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Resins, Chemicals	59.7	71.9	87.2	90.4	309.2	104.5	104.4	110.1	106.9	425.9
Films	69.4	75.1	78.5	80.1	303.1	83.2	83.1	84.1	84.7	335.0
Electronic & Information Materials	14.6	17.6	17.6	18.0	67.8	19.3	19.2	19.4	16.2	74.1
Trading, Other	87.7	86.8	104.5	110.3	389.3	128.6	124.7	139.3	137.8	530.3
Adjustments	▲ 75.7	▲ 79.7	▲ 95.2	▲ 98.3	▲ 348.9	▲ 113.1	▲ 109.5	▲ 119.2	▲ 113.6	▲ 455.4
Total	155.6	171.7	192.6	200.5	720.4	222.6	221.9	233.6	231.9	910.0

Quarterly Revenue of Carbon Fiber Composite Materials by Sub-segments

Billion yen

	FY Mar/21					FY Mar/22				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Aerospace	17.4	16.1	14.8	11.6	60.0	9.5	10.6	11.0	11.6	42.7
Sports	3.2	3.7	4.1	4.6	15.5	6.1	6.2	7.3	8.3	27.9
Industrial	24.9	24.1	26.7	31.7	107.4	32.9	33.6	35.9	42.1	144.7
Total	45.4	43.9	45.6	47.9	182.9	48.5	50.4	54.2	62.0	215.2

Quarterly Revenue of Major Subsidiaries and Regions

Billion yen

	FY Mar/21					FY Mar/22				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Toray International, Inc.	111.1	122.7	141.3	124.4	499.5	129.2	144.1	160.0	137.0	570.3
Toray Engineering Co., Ltd.	17.5	20.1	24.4	41.7	103.7	22.3	18.7	21.7	33.9	96.6
Toray Construction Co., Ltd.	5.5	9.7	13.1	11.8	40.0	7.3	9.4	11.5	14.0	42.3
Toray Advanced Film Co., Ltd.	9.3	8.5	9.2	8.9	35.9	9.3	9.5	10.1	9.6	38.6

Subsidiaries in Southeast Asia	Fibers & Textiles	18.7	23.6	27.5	30.2	100.0	29.9	31.6	33.2	36.4	131.2
	Performance Chemicals	15.4	20.5	24.6	26.8	87.2	32.2	31.2	31.6	31.2	126.1
	Other	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.1	0.1	0.6
	Total	34.1	44.1	52.2	57.0	187.4	62.3	62.9	64.9	67.7	257.9
Subsidiaries in China	Fibers & Textiles	40.1	56.1	61.1	41.1	198.4	55.6	68.9	63.0	46.6	234.1
	Performance Chemicals	18.9	21.2	25.1	24.9	90.1	29.4	30.4	33.2	27.6	120.6
	Other	9.0	8.9	9.8	7.7	35.4	9.9	9.5	12.6	9.9	42.0
	Total	68.0	86.2	96.1	73.7	323.9	94.9	108.8	108.8	84.2	396.7
Subsidiaries in the Republic of Korea	Fibers & Textiles	18.2	19.4	19.9	22.2	79.6	23.1	23.6	27.4	25.9	100.0
	Performance Chemicals	31.2	37.1	39.8	39.3	147.4	39.5	37.9	39.6	38.6	155.6
	Other	5.0	5.2	5.9	6.7	22.7	8.0	7.7	10.1	8.9	34.7
	Total	54.3	61.7	65.6	68.1	249.7	70.6	69.2	77.1	73.4	290.3

Quarterly Core Operating Income of Major Subsidiaries and Regions

Billion yen

	FY Mar/21					FY Mar/22				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Toray International, Inc.	1.9	3.3	3.3	2.5	10.9	2.7	3.3	3.5	2.8	12.2
Toray Engineering Co., Ltd.	▲ 0.6	▲ 0.0	1.3	3.5	4.1	1.1	0.0	1.2	2.5	4.7
Toray Construction Co., Ltd.	▲ 0.4	0.7	0.7	0.1	1.1	▲ 0.1	0.3	0.3	0.8	1.4
Toray Advanced Film Co., Ltd.	0.8	1.0	1.1	1.2	4.1	1.0	0.8	1.1	0.9	3.8

Subsidiaries in Southeast Asia	Fibers & Textiles	▲ 1.2	▲ 0.7	▲ 0.7	0.4	▲ 2.3	0.3	0.8	0.1	0.3	1.5
	Performance Chemicals	1.4	4.2	6.3	6.4	18.3	7.3	5.3	4.1	2.5	19.2
	Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	▲ 0.0	0.0
	Total	0.2	3.5	5.6	6.7	16.0	7.6	6.1	4.2	2.8	20.7
Subsidiaries in China	Fibers & Textiles	4.9	5.0	4.5	2.4	16.8	4.8	5.7	3.8	2.3	16.6
	Performance Chemicals	1.0	1.0	1.5	1.5	5.0	1.6	1.8	2.3	2.4	8.0
	Other	0.8	0.8	0.9	0.5	3.1	0.8	0.9	1.2	0.5	3.4
	Total	6.7	6.8	6.9	4.5	24.9	7.2	8.5	7.2	5.1	28.1
Subsidiaries in the Republic of Korea	Fibers & Textiles	2.8	2.4	1.6	0.1	6.8	1.6	0.9	1.0	▲ 0.5	3.1
	Performance Chemicals	4.5	5.8	5.6	3.7	19.5	5.4	4.7	3.3	1.2	14.6
	Other	0.8	0.7	0.6	0.7	2.9	0.9	1.0	1.3	1.0	4.2
	Total	8.1	8.9	7.7	4.5	29.2	7.9	6.6	5.6	1.8	21.9

Financial Targets in FY 2022

Billion yen

	FY 2020 Actual	FY 2021 Actual	FY 2022 Forecast	FY 2022 Target
Revenue	1,883.6	2,228.5	2,500.0	2,600.0
Core Operating Income	90.3	132.1	140.0	180.0
Core Operating Margin	4.8%	5.9%	5.6%	7%
ROE	3.9%	6.4%	About 7%	about 9%
ROA	3.2%	4.5%	About 5%	about 7%
Free Cash Flow	113.7	81.1	Positive	120 billion yen or more (total of 3 years)
D/E Ratio	0.79	0.67	Management in accordance with the guideline (around 0.8)	around 0.8 (guideline)
Dividend Payout Ratio	31%	30%	29%	about 30%

Exchange rate for "AP-G 2022" target : 105 yen / US\$

ROA = Core Operating Income / Total Assets

ROE = Net profit Attributable to Owners of Parent / Owners' Equity

Sustainability Targets

	FY 2013 Actual (baseline year) (J-GAAP)	FY 2021 Actual (compared with FY 2013) (IFRS)	FY 2022 Target (compared with FY 2013) (IFRS)	FY 2030 Target (compared with FY 2013) (IFRS)
GR Net sales / Revenue	463.1 billion yen	832.2 billion yen (1.8 fold)	1,000.0 billion yen (2.2 fold)	4 fold
LI Net sales / Revenue	119.6 billion yen	297.7 billion yen (2.5 fold)	300.0 billion yen (2.5 fold)	6 fold
Avoided CO ₂ emissions	38.4 million tons	8.0 fold	5.3 fold	8 fold
Contributed Annual water filtration throughput	27.23 million tons /day	2.2 fold	2.4 fold	3 fold
Greenhouse gas emissions per unit of sales in production activities	3.37 thousand tons /billion yen	2.67 thousand tons /billion yen (21% reduction)	20% reduction	30% reduction
Water consumption per unit of sales in production activities	152 thousand tons /billion yen	109 thousand tons/billion yen (28% reduction)	25% reduction	30% reduction

External Evaluations from the Perspectives of ESG

■ S&P Global Sustainability Yearbook Member

February 2022

Sustainability Yearbook
Member 2022

S&P Global

■ CDP

December 2021



Water Security : A
Climate Change : B

WATER

■ MSCI

September 2021

MSCI
ESG RATINGS



■ Selected as a component of major overseas indexes

Member of

Dow Jones
Sustainability Indices

Powered by the S&P Global CSA

November 2021

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

2021 MSCI ESG Leaders
Indexes Constituent

September 2021

“MSCI ESG Leaders Indexes”



FTSE4Good

June 2021

“FTSE4Good Index Series”

■ Selected for indices used by GPIF



FTSE Blossom
Japan Sector
Relative Index



2021 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

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

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

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