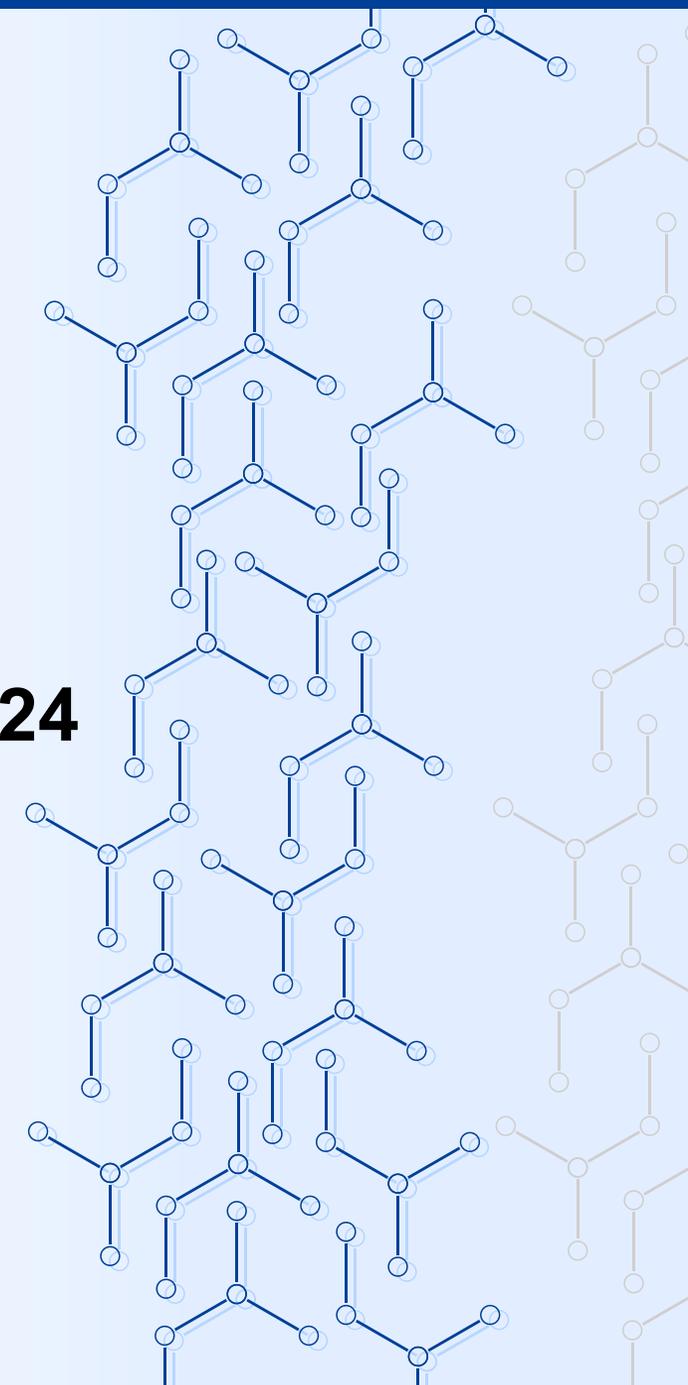


Announcement of Business Results for the 2Q and Six Months Ended September 30, 2024

November 7, 2024

Toray Industries, Inc.



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Summary of Business Performance and Forecast

Consolidated Business Results

- Core operating income of the first six months: reached a record high of 79.1 billion yen, which is a significant increase year-on-year
- Forecast for FY 2024: the initial forecast was revised upward, given the business performance, etc.

Billion yen	FY Mar/2025 Six Months (Apr.-Sept.) Core Operating Income		Mar/2025 Core Operating Income			
	Actual	Changes	Initial Forecast*	New Forecast	Changes	
Fibers & Textiles	34.4	+7.2	65.0	64.0	-1.0	↓
Performance Chemicals	34.0	+19.5	59.5	63.0	+3.5	↑
Carbon Fiber Composite Materials	11.7	+4.1	21.0	24.0	+3.0	↑
Environment & Engineering	11.8	+1.6	23.5	25.5	+2.0	↑
Life Science	▲0.6	-0.1	0.0	0.0	-	—
Others	0.6	-0.2	2.0	2.0	-	—
Reconciliation	▲12.8	-1.7	▲36.0	▲33.5	+2.5	↑
Total	79.1	+30.5	135.0	145.0	+10.0	↑

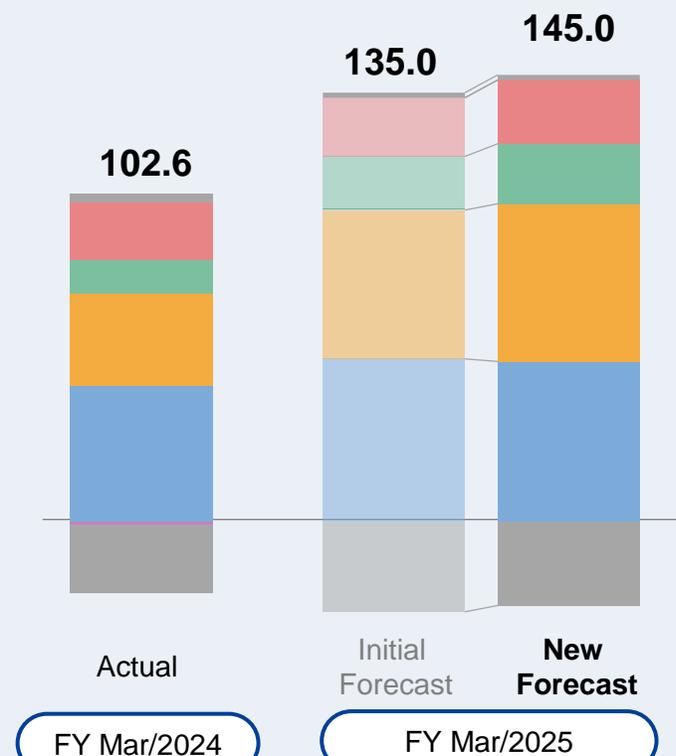
*Initial forecast was announced on May 13, 2024.

Share Buybacks

Pursuant to the policy to reduce the cross-shareholdings and to use all proceeds from the sales for share buybacks, the Board of Directors at the meeting on November 7, 2024, resolved to repurchase shares of its common stocks (Total repurchase price of shares: up to 100 billion yen).

Trend in Core Operating Income

(Billion yen)



■ Fibers & Textiles
 ■ Performance Chemicals
 ■ Carbon Fiber Composite Materials
 ■ Environment & Engineering
 ■ Life Science
 ■ Others
 ■ Reconciliation

Consolidated Business Results for the 2Q and Six Months Ended September 30, 2024

Summary of Consolidated Business Results for the 2Q and Six Months Ended September 30, 2024

Billion yen

	FY Mar/24 2Q (Jul.-Sept.)	FY Mar/25 2Q (Jul.-Sept.)	Changes	FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes
Revenue	621.3	656.4	+35.1 (+5.6%)	1,199.4	1,294.1	+94.7 (+7.9%)
Core Operating Income	26.8	42.4	+15.6 (+58.4%)	48.7	79.1	+30.5 (+62.6%)
(Core Operating Income Margin)	4.3%	6.5%	+2.1 points	4.1%	6.1%	+2.1 points
Special Items	▲ 3.1	▲ 0.9	+2.2	▲ 4.2	0.4	+4.6
Financial Income and Costs	▲ 3.0	▲ 5.2	-2.2	▲ 2.4	▲ 4.8	-2.4
Share of profit of investments accounted for using equity method	3.3	▲ 0.2	-3.5	6.9	3.0	-3.9
Profit before Tax	23.9	36.0	+12.1 (+50.6%)	49.0	77.8	+28.8 (+58.8%)
Profit Attributable to Owners of Parent	14.9	28.7	+13.7 (+92.1%)	28.9	55.5	+26.7 (+92.3%)

<Exchange Rate>

	FY Mar/24 2Q (Jul.-Sept.)	FY Mar/25 2Q (Jul.-Sept.)	FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)
Yen / US\$				
Average	144.6	149.4	141.0	152.6
End of the Term	149.6	142.7	—	—
Yen / Euro				
Average	157.3	164.0	153.4	165.9
End of the Term	158.0	159.4	—	—

Special Items

Billion yen

	FY Mar/24 2Q (Jul.-Sept.)	FY Mar/25 2Q (Jul.-Sept.)	Changes	FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes
Gain on Sale or Disposal of Fixed Assets	0.5	0.1	-0.4	0.8	3.5	+2.8
Loss on Sale or Disposal of Fixed Assets	▲ 1.8	▲ 0.9	+0.8	▲ 2.6	▲ 2.3	+0.3
Impairment Losses	▲ 0.1	▲ 0.1	-0.0	▲ 0.6	▲ 0.9	-0.3
Provision for Product Warranties*	▲ 1.8	-	+1.8	▲ 1.8	-	+1.8
Special Items	▲ 3.1	▲ 0.9	+2.2	▲ 4.2	0.4	+4.6

* Costs required for the replacement or repair of products that may be defective among some products for industrial applications that the Company has manufactured and sold in the past in the Carbon Fiber Composite Materials Business.

Assets, Liabilities, Equity, and Free Cash Flow

Billion yen

	End of Mar/24	End of Sep/24	Changes
Total Assets	3,466.5	3,365.9	-100.7
Current Assets	1,522.6	1,559.8	+37.2
Property, Plant and Equipment	1,081.1	1,063.9	-17.3
Other Non-current Assets	862.8	742.2	-120.6

Total Liabilities	1,620.2	1,527.6	-92.6
Current Liabilities	865.7	843.4	-22.4
Non-current Liabilities	754.4	684.2	-70.2
Equity	1,846.4	1,838.3	-8.1

Owner's Equity *	1,736.0	1,726.8	-9.3
Equity Ratio *	50.1%	51.3%	+1.2 points

Interest-bearing Liabilities	949.7	889.0	-60.7
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D/E Ratio	0.55	0.51	-0.03
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<Free Cash Flow>

	FY Mar/24 Six months (Apr.-Sept.)	FY Mar/25 Six months (Apr.-Sept.)	Changes
Cash Flows from Operating Activities	66.3	116.3	+50.0
Cash Flows from Investment Activities	▲ 58.0	▲ 50.9	+7.1
Free Cash Flow	8.3	65.4	+57.1

*Owner's equity=average equity attributable to owners of parent

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

Billion yen

	FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes
Capital Expenditures	55.1	88.4	+33.3
Toray	8.6	25.1	+16.5
Consolidated Subsidiaries	46.6	63.3	+16.8
Depreciation and Amortization	65.0	66.4	+1.4
Toray	16.8	16.9	+0.0
Consolidated Subsidiaries	48.2	49.5	+1.3
R&D Expenditures	32.8	35.0	+2.2
Toray	22.7	24.1	+1.4
Consolidated Subsidiaries	10.1	10.9	+0.8

Major Capital Expenditure Projects

Toray Advanced Materials Korea Inc.	: PPS resin production facilities, Carbon fiber production facilities
Toray Composite Materials America, Inc.	: Carbon fiber production facilities
Toray Carbon Fibers Europe S.A.	: Carbon fiber production facilities

Revenue and Core Operating Income by Segment, and Factor Analysis of Core Operating Income

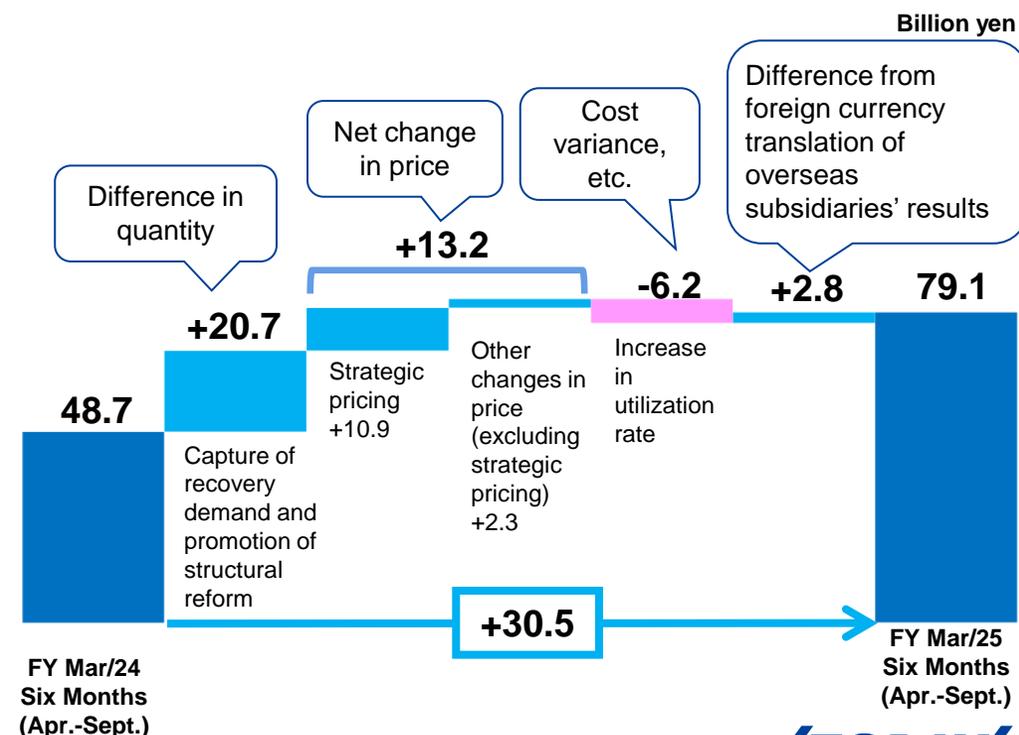
		Billion yen			
		FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes	
Revenue	Fibers & Textiles	481.2	515.5	+34.3	(+7.1%)
	Performance Chemicals	433.1	477.5	+44.4	(+10.3%)
	Carbon Fiber Composite Materials	141.1	152.8	+11.7	(+8.3%)
	Environment & Engineering	111.5	114.5	+2.9	(+2.6%)
	Life Science	24.8	25.6	+0.8	(+3.2%)
	Other	7.6	8.2	+0.6	(+8.4%)
	Total	1,199.4	1,294.1	+94.7	(+7.9%)
Core Operating Income	Fibers & Textiles	27.2	34.4	+7.2	(+26.6%)
	Performance Chemicals	14.5	34.0	+19.5	(+134.2%)
	Carbon Fiber Composite Materials	7.6	11.7	+4.1	(+54.4%)
	Environment & Engineering	10.2	11.8	+1.6	(+15.9%)
	Life Science	▲ 0.5	▲ 0.6	-0.1	(-)
	Other	0.8	0.6	-0.2	(-23.6%)
	Reconciliations	▲ 11.1	▲ 12.8	-1.7	
Total	48.7	79.1	+30.5	(+62.6%)	
Core Operating Income Margin		4.1%	6.1%	+2.1	points

<Consolidated Business Result: Six Months Ended September 30, 2024 (Apr.-Sept.)>

The Fibers & Textiles, Performance Chemicals, and Carbon Fiber Composite Materials segments were strong.

Especially in the Performance Chemicals segment, profit has significantly improved, due mainly to demand recovery in Chinese and other markets of the resins business, and the demand recovery and sales expansion in the films business, owing to the rebound from inventory adjustment in the previous fiscal year.

As a result, core operating income of the entire Toray Group was 79.1 billion yen, a 62.6% increase on a year-to-year comparison.



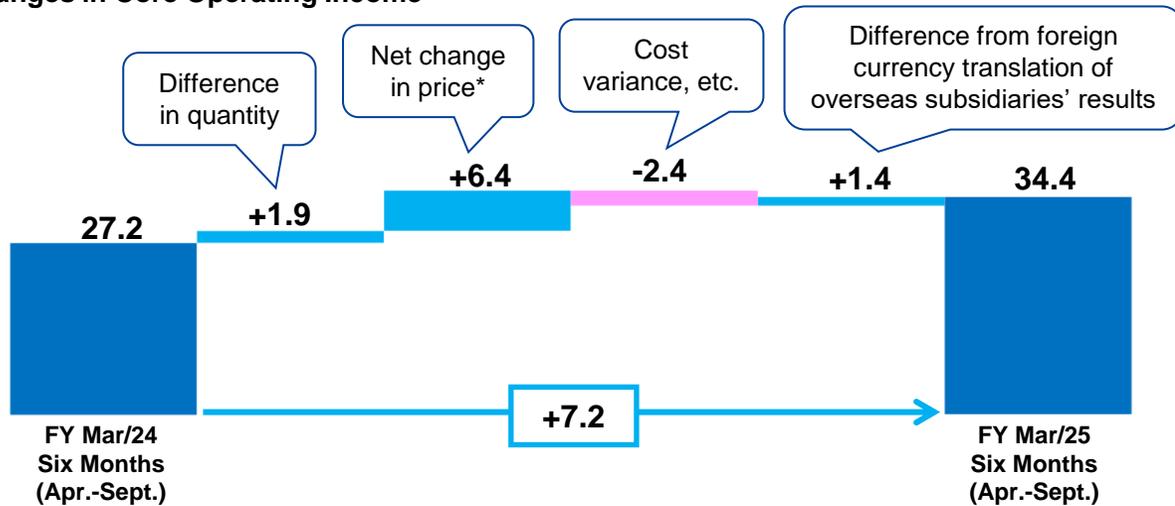
Business Results by Segment (Fibers & Textiles)

Billion yen

		FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes	
Revenue	Toray	107.0	114.4	+7.5	(+7.0%)
	Japanese Subsidiaries	233.5	243.8	+10.2	(+4.4%)
	Overseas Subsidiaries	325.8	355.3	+29.4	(+9.0%)
	Adjustments	▲ 185.1	▲ 197.9	-12.8	
	Total	481.2	515.5	+34.3	(+7.1%)
Core Operating Income	Toray	7.2	7.8	+0.7	(+9.6%)
	Japanese Subsidiaries	8.3	7.2	-1.2	(-14.1%)
	Overseas Subsidiaries	12.4	19.7	+7.3	(+58.3%)
	Adjustments	▲ 0.7	▲ 0.3	+0.5	
	Total	27.2	34.4	+7.2	(+26.6%)

Changes in Core Operating Income

Billion yen



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

<Business Performance>

■ General

The apparel applications were strong overall, despite the stagnation in the European market and the continued impact of the intensified competition with overseas products. The industrial applications witnessed a demand recovery trend in the automobile applications but were affected by safety test issues at Japanese automobile manufacturers and the intensifying competition in the Chinese EV market.

<Topics>

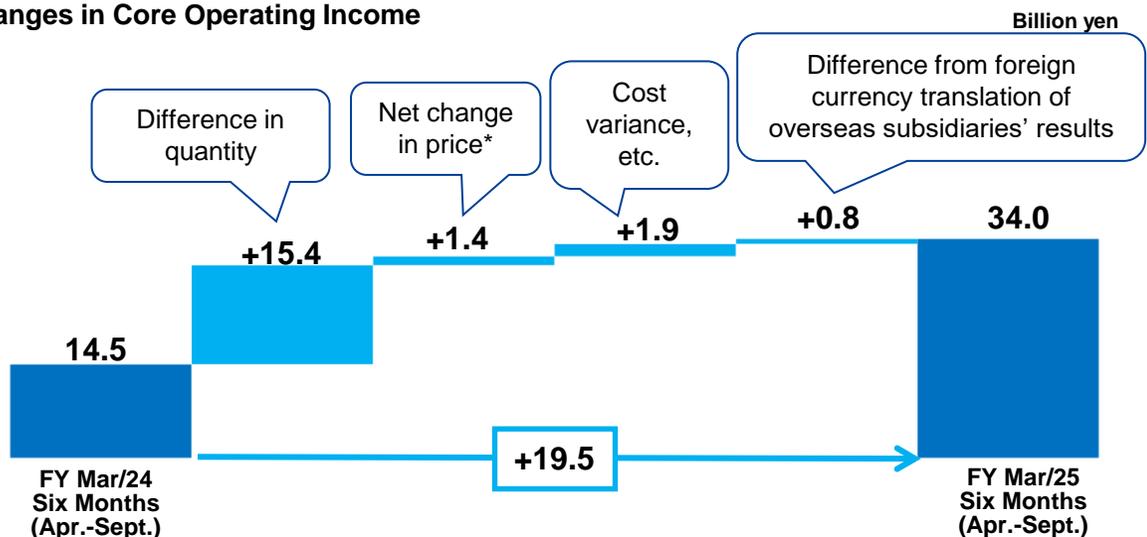
- July 2024:
Toray has developed a heat-shielding sheet for agriculture, specifically for a plastic greenhouse. The sheet passes through visible light which is essential for photosynthesis, and shields infrared light which raises the temperature inside of the greenhouse. This sheet is expected to reduce risks that crops are exposed to high temperatures and improve the work environment of greenhouse workers by eliminating or reducing the risk of heat strokes. The Company began offering samples and commenced evaluation from July 2024, aiming for full-fledged launch in the spring of 2025.

Business Results by Segment (Performance Chemicals)

Billion yen

		FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes	
Revenue	Toray	113.3	125.5	+12.2	(+10.8%)
	Japanese Subsidiaries	237.7	252.2	+14.5	(+6.1%)
	Overseas Subsidiaries	283.9	344.6	+60.7	(+21.4%)
	Adjustments	▲ 201.8	▲ 244.8	-43.0	
	Total	433.1	477.5	+44.4	(+10.3%)
Core Operating Income	Toray	1.0	7.0	+6.0	(+594.9%)
	Japanese Subsidiaries	10.7	12.4	+1.7	(+16.2%)
	Overseas Subsidiaries	2.7	14.8	+12.2	(+457.0%)
	Adjustments	0.1	▲ 0.3	-0.4	
	Total	14.5	34.0	+19.5	(+134.2%)

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, Chemicals Businesses

In the resins and chemicals businesses, while the resins business was affected by the production decline in the Japanese automobile industry, demand recovered in the non-automobile applications for China and ASEAN. The chemicals business remained strong.

■ Film Business

The films business saw electronic parts-related demand growth due to rebound from inventory adjustment in the supply chain.

■ Electronic & Information Material Business

In the electronic & information materials business, there was recovery in demand for OLED-related materials and circuit materials.

<Topics>

• July 2024:

Toray has developed a highly durable short-afterglow scintillator panel^{*1} that accelerates non-destructive X-ray inspections^{*2} and enhances their operational efficiency. The Company launched this product in Japan and abroad in June 2024. Using a highly reflective proprietary base film, initial scintillator panel brightness was boosted by up to 21%. By identifying and addressing luminance degradation causes, luminance after acceleration tests was up to 30% greater than with conventional technologies. Delivering high brightness and controlling luminance degradation, the Company created a highly durable scintillator panel for fast non-destructive X-ray inspection.

*1: A short afterglow scintillator panel incorporates a scintillator that emits fluorescence when excited by X-rays, and whose time until afterglow emissions reach a certain level after X-rays are stopped is shortened.

*2: Nondestructive X-ray inspections find internal chipping and scratching without disassembling objects by irradiating X-rays and detecting differences in the amounts X-rays transmitted through object.

Breakdown of the Performance Chemicals Segment

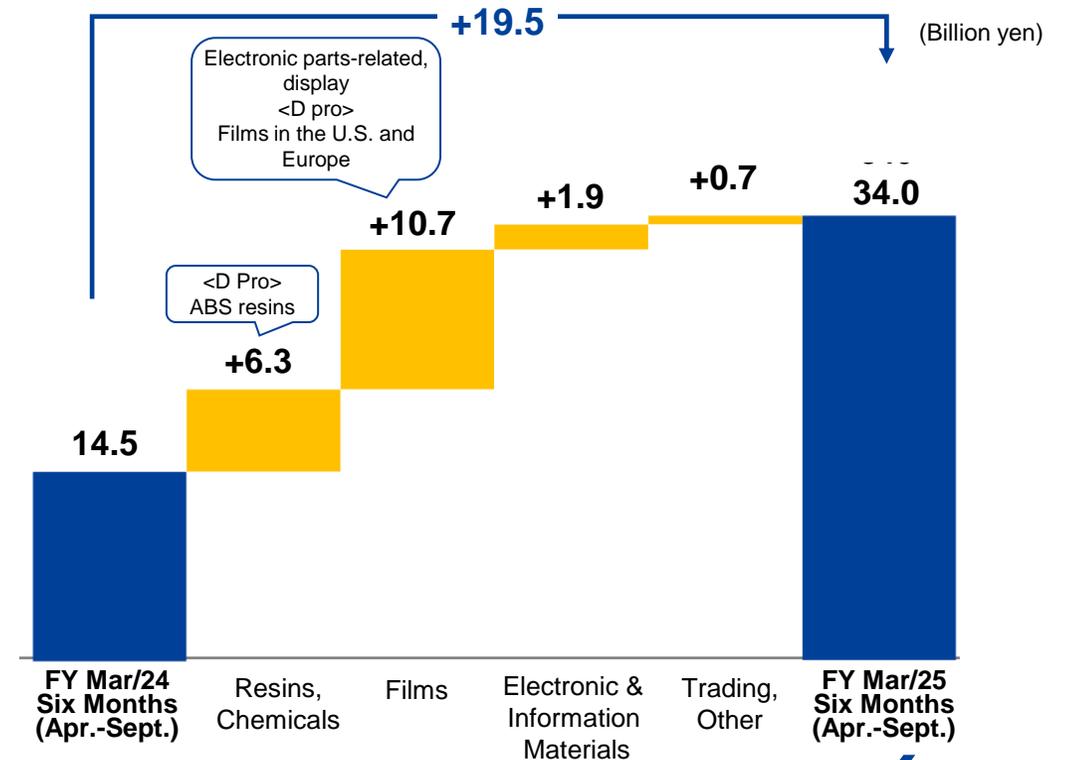
(Billion yen)

	FY Mar/24 Six Months (Apr.-Sept.)		FY Mar/25 Six Months (Apr.-Sept.)			
		Ratio		Ratio	Changes	
Revenue	Resins, Chemicals	189.6	30%	213.6	30%	+13%
	Films	160.6	25%	187.2	26%	+17%
	Electronic & Information Materials	31.3	5%	37.2	5%	+19%
	Trading, Other	253.5	40%	284.4	39%	+12%
	Adjustments	▲ 201.8	-	▲ 244.8	-	-
	Total	433.1		477.5		+10%
Core operating income	Total	14.5		34.0		+134.2%

< Subsegment of the Performance Chemicals >

- In films business, core operating income significantly increased due to demand recovery and increase in utilization rate
- The profitability improvement project (D pro) implemented at overseas subsidiaries of films and resins contributed to the increase in core operating income

Changes in Core Operating Income by subsegment



Business Results by Segment (Carbon Fiber Composite Materials)

Billion yen

		FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes
Revenue	Toray	47.1	52.8	+5.6 (+12.0%)
	Japanese Subsidiaries	33.4	32.4	-1.0 (-3.0%)
	Overseas Subsidiaries	137.8	140.6	+2.8 (+2.0%)
	Adjustments	▲ 77.2	▲ 73.0	+4.2
	Total	141.1	152.8	+11.7 (+8.3%)
Core Operating Income	Toray	9.2	8.8	-0.4 (-4.5%)
	Japanese Subsidiaries	0.4	0.8	+0.4 (+110.4%)
	Overseas Subsidiaries	2.7	4.8	+2.1 (+79.7%)
	Adjustments	▲ 4.7	▲ 2.7	+2.0
	Total	7.6	11.7	+4.1 (+54.4%)

<Business Performance>

■ General

The aerospace applications continued its steady recovery, and there were signs of gradual recovery in the wind turbine blade applications.

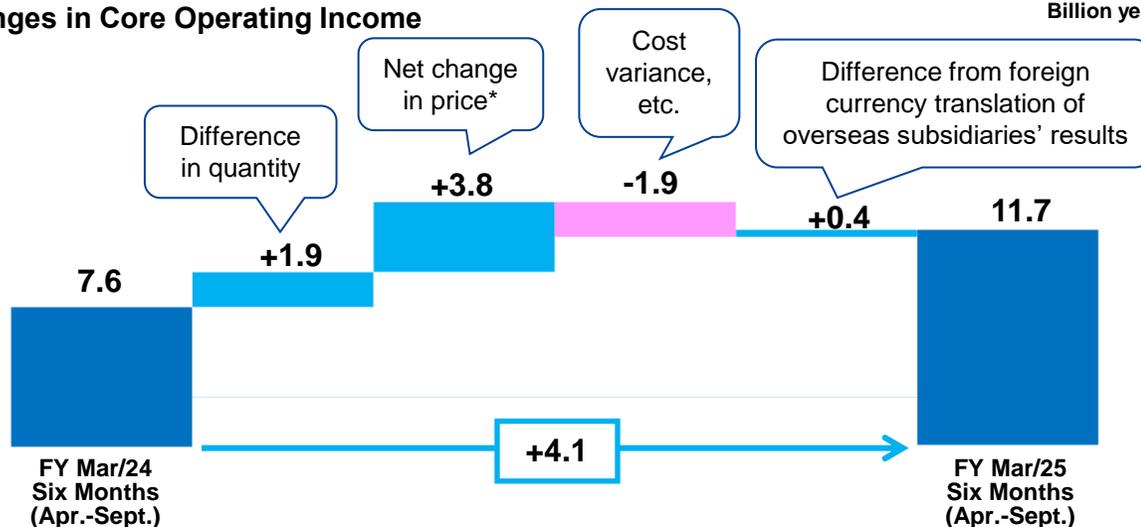
<Topics>

• July 2024:

Toray has become the first in the world to obtain type approval from the American Bureau of Shipping (ABS) for its vacuum-assisted resin transfer molding (VaRTM) process for in-situ ship repairs. The technique entails applying carbon fiber reinforced plastic (CFRP) to corroded areas with reduced thicknesses of floating production, storage and offloading (FPSO) and floating storage and offloading (FSO) systems. ABS is one of the world's leading classification societies. This approval enables these certified vessels to employ the proprietary VaRTM process, reducing the time needed for engineering reviews and verifications for ship repairs.

Changes in Core Operating Income

Billion yen



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

Breakdown of Carbon Fiber Composite Materials Segment

Billion yen

	FY Mar/24 Six Months (Apr.-Sept.)		FY Mar/25 Six Months (Apr.-Sept.)		
	Revenue	Ratio	Revenue	Ratio	Changes
Aerospace	39.5	28%	53.4	35%	+35%
Sports	13.4	10%	14.6	10%	+9%
Industrial	88.2	63%	84.8	55%	-4%
Total	141.1		152.8		+8%

Business Results by Segment (Environment & Engineering)

Billion yen

		FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes	
Revenue	Toray	18.8	24.6	+5.8	(+30.7%)
	Japanese Subsidiaries	108.0	117.5	+9.5	(+8.8%)
	Overseas Subsidiaries	34.1	38.8	+4.7	(+13.7%)
	Adjustments	▲ 49.5	▲ 66.5	-17.0	
	Total	111.5	114.5	+2.9	(+2.6%)
Core Operating Income	Toray	2.3	3.5	+1.2	(+54.3%)
	Japanese Subsidiaries	3.1	4.1	+1.0	(+30.6%)
	Overseas Subsidiaries	4.3	4.1	-0.2	(-4.7%)
	Adjustments	0.4	0.0	-0.4	
	Total	10.2	11.8	+1.6	(+15.9%)

<Business Performance>

■ Water Treatment

The water treatment business posted increase both in revenue and core operating income on the back of strong demand as well as shipments for a large-scale project in the Middle East.

■ Japanese Subsidiaries

An engineering subsidiary in Japan also performed strongly.

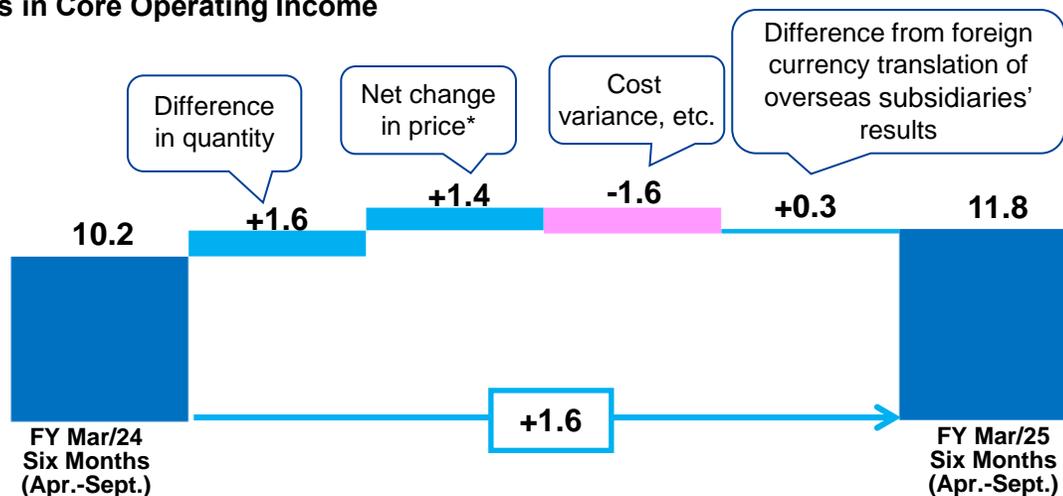
<Topics>

• July 2024:

The Japan Institute of Invention and Innovation has chosen Toray as the winner of the 2024 National Commendation for Invention Award's WIPO Award for creating a durable reverse osmosis (RO) membrane delivering exceptional water permeability and removal efficiency and chemical resistance. This award-winning RO membrane recycles industrial waste and sewage water. Toray developed it to address the issue of deterioration of the membrane structures caused by chemical cleaning using acids and alkalis, which leads to degradation of water quality. The Company concluded that two improvements were necessary. The first was to enhance structural stability against acids and alkalis. The second was to control pore sizes to ensure selective water permeability. The Company therefore precisely controlled the membrane formation process. This effort culminated in a practical RO membrane that combines exceptional water permeability and removal efficiency and chemical resistance.

Changes in Core Operating Income

Billion yen



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

Business Results by Segment (Life Science)

Billion yen

		FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes
Revenue	Toray	11.9	11.6	-0.2 (-1.9%)
	Japanese Subsidiaries	20.2	20.4	+0.2 (+1.1%)
	Overseas Subsidiaries	7.2	8.1	+0.9 (+12.4%)
	Adjustments	▲ 14.5	▲ 14.6	-0.1
	Total	24.8	25.6	+0.8 (+3.2%)
Core Operating Income	Toray	▲ 1.1	▲ 1.7	-0.6 (-)
	Japanese Subsidiaries	0.4	0.5	+0.1 (+13.6%)
	Overseas Subsidiaries	0.3	0.3	-0.0 (-8.8%)
	Adjustments	▲ 0.2	0.3	+0.5
	Total	▲ 0.5	▲ 0.6	-0.1 (-)

<Business Performance>

■ Pharmaceutical Business

The pharmaceutical business was affected by the impact of the penetration of the generic versions, the NHI drug price revision, and by the stagnant overseas sales volume.

■ Medical Devices Business

shipment of dialyzers for hemodiafiltration was steady in Japan and overseas, but the business was affected by the soaring prices of raw materials and fuels.

<Topics>

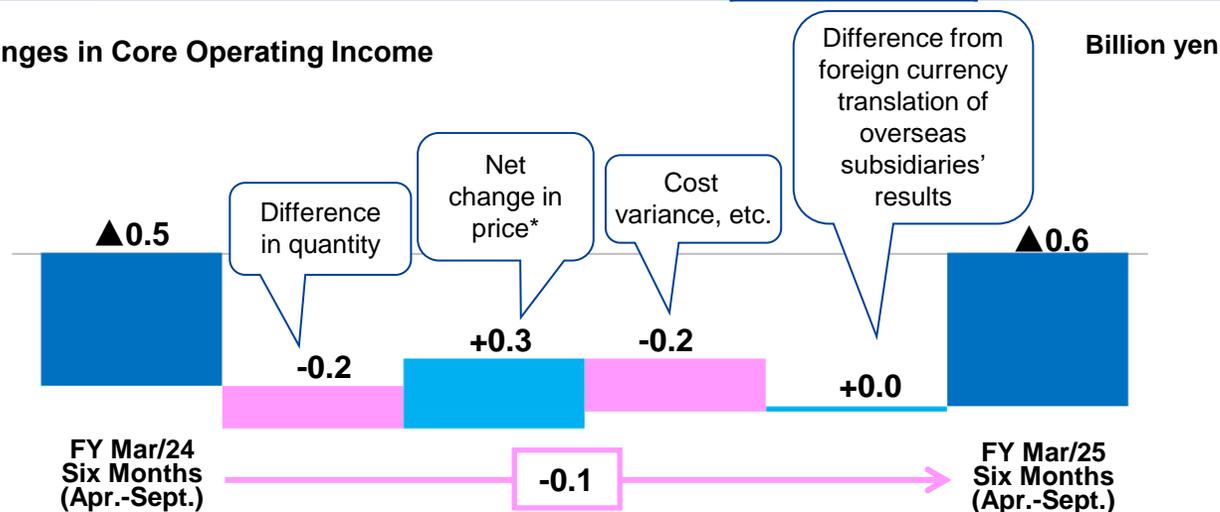
• September 2024:

PT. Meiji Indonesian Pharmaceutical Industries, a subsidiary of the Meiji Seika Pharma Co., Ltd., has obtained regulatory approval, to import and market REMITCH® OD Tablets* 2.5µg (generic name: nalfurafine hydrochloride) in Indonesia. This medication is for dialysis patients and patients with chronic liver disease, amongst those who finds the existing pruritus therapies and treatments ineffective.

* Toray developed REMITCH® as the world's first highly selective kappa opioid receptor agonist. People can take these orally disintegrating tablets with or without water, helping to enhance medication adherence among those with fluid restrictions.

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

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).

Results of Major Subsidiaries and Regions

Billion yen

	Revenue			Core Operating Income		
	FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes	FY Mar/24 Six Months (Apr.-Sept.)	FY Mar/25 Six Months (Apr.-Sept.)	Changes
Toray International, Inc.	285.1	308.5	+23.5	6.8	7.1	+0.3
Toray Engineering Co., Ltd.	57.5	60.2	+2.7	1.9	2.3	+0.4
Toray Construction Co., Ltd.	19.2	20.2	+1.0	0.9	0.9	+0.0
Toray Advanced Film Co., Ltd.	18.4	20.5	+2.1	0.6	1.3	+0.8

Subsidiaries in Southeast Asia	Fibers & Textiles	76.6	82.3	+5.7	0.1	2.5	+2.4
	Performance Chemicals	45.2	58.6	+13.4	▲0.8	2.5	+3.3
	Other	0.5	0.5	-0.0	0.0	0.0	+0.0
	Total	122.3	141.3	+19.0	▲0.6	5.0	+5.7

Subsidiaries in China	Fibers & Textiles	141.8	168.5	+26.7	12.0	16.8	+4.8
	Performance Chemicals	52.6	63.6	+11.0	3.9	4.5	+0.7
	Other	24.1	25.2	+1.1	2.6	2.1	-0.5
	Total	218.5	257.3	+38.8	18.5	23.4	+4.9

Subsidiaries in the Republic of Korea	Fibers & Textiles	50.2	47.6	-2.5	▲1.2	▲0.7	+0.5
	Performance Chemicals	81.8	93.6	+11.8	1.6	7.4	+5.8
	Other	17.7	16.0	-1.7	2.1	1.3	-0.9
	Total	149.6	157.3	+7.6	2.6	8.0	+5.4

II

**Business Forecast for the Fiscal Year
Ending March 2025
(Consolidated Basis)**

Forecast Summary for the Fiscal Year Ending March 2025

Assumptions for the business forecast

The global economy is likely to gradually recover along with the decline in inflation rate and monetary easing. The Japanese economy is also expecting a gradual recovery. However, the downward risks for the economy in Japan and overseas include potential changes in fiscal and trade policies in the U.S. following the presidential election, prolonged real estate recession in China, and impact on consumption in the U.S. and Europe caused by their financial policies as well as changes in the Bank of Japan's monetary policy and foreign exchange fluctuations.

Billion yen

		FY Mar/24 Actual	FY Mar/25 Forecast	Changes		Initial Forecast*	Difference from Initial Forecast
Revenue	1st Half	1,199.4	1,294.1	+94.7	(+7.9%)	1,260.0	+34.1
	2nd Half	1,265.2	1,295.9	+30.7	(+2.4%)	1,360.0	-64.1
	Total	2,464.6	2,590.0	+125.4	(+5.1%)	2,620.0	-30.0
Core Operating Income	1st Half	48.7	79.1	+30.5	(+62.6%)	60.0	+19.1
	2nd Half	53.9	65.9	+11.9	(+22.1%)	75.0	-9.1
	Total	102.6	145.0	+42.4	(+41.3%)	135.0	+10.0
Profit Attributable to Owners of Parent	1st Half	28.9	55.5	+26.7	(+92.3%)	39.0	+16.5
	2nd Half	▲ 7.0	32.5	+39.4	(-)	42.0	-9.5
	Total	21.9	88.0	+66.1	(+301.9%)	81.0	+7.0

Basic Earnings per Share	1st Half	18.03 yen	34.66 yen
	2nd Half	▲ 4.35 yen	20.27 yen
	Total	13.67 yen	54.93 yen
Dividend per Share	1st Half	9.00 yen	9.00 yen
	2nd Half	9.00 yen	9.00 yen
	Total	18.00 yen	18.00 yen
Dividend Payout Ratio	Total	132%	33%

*Initial forecast: Announced on May 13, 2024
(The Forecast announced on August 7 was only for the first half)

Assumed exchange rate
(from October)
140 yen / US\$

Forecast by Segment

Billion yen

		FY Mar/24 Actual			FY Mar/25 Forecast			Changes			Changes from the initial forecast*		
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Revenue	Fibers & Textiles	481.2	493.6	974.8	515.5	490.5	1,006.0	+34.3	-3.1	+31.2	+23.5	-28.5	-5.0
	Performance Chemicals	433.1	453.0	886.1	477.5	476.5	954.0	+44.4	+23.5	+67.9	+10.5	-18.5	-8.0
	Carbon Fiber Composite Materials	141.1	149.3	290.5	152.8	154.2	307.0	+11.7	+4.9	+16.5	+6.8	-9.8	-3.0
	Environment & Engineering	111.5	132.5	244.1	114.5	135.5	250.0	+2.9	+3.0	+5.9	-6.5	-5.5	-12.0
	Life Science	24.8	27.5	52.2	25.6	29.9	55.5	+0.8	+2.5	+3.3	-0.4	-1.6	-2.0
	Others	7.6	9.3	16.9	8.2	9.3	17.5	+0.6	-0.1	+0.6	+0.2	-0.2	—
	Consolidated	1,199.4	1,265.2	2,464.6	1,294.1	1,295.9	2,590.0	+94.7	+30.7	+125.4	+34.1	-64.1	-30.0
Core Operating Income	Fibers & Textiles	27.2	27.5	54.7	34.4	29.6	64.0	+7.2	+2.0	+9.3	+3.9	-4.9	-1.0
	Performance Chemicals	14.5	22.2	36.7	34.0	29.0	63.0	+19.5	+6.9	+26.3	+6.5	-3.0	+3.5
	Carbon Fiber Composite Materials	7.6	5.6	13.2	11.7	12.3	24.0	+4.1	+6.7	+10.8	+3.7	-0.7	+3.0
	Environment & Engineering	10.2	13.0	23.2	11.8	13.7	25.5	+1.6	+0.7	+2.3	+2.8	-0.8	+2.0
	Life Science	▲ 0.5	▲ 0.8	▲ 1.3	▲ 0.6	0.6	0.0	-0.1	+1.4	+1.3	+0.4	-0.4	—
	Others	0.8	2.5	3.3	0.6	1.4	2.0	-0.2	-1.1	-1.3	+0.1	-0.1	—
	Reconciliations	▲ 11.1	▲ 16.0	▲ 27.2	▲ 12.8	▲ 20.7	▲ 33.5	-1.7	-4.6	-6.3	+1.7	+0.8	+2.5
Consolidated	48.7	53.9	102.6	79.1	65.9	145.0	+30.5	+11.9	+42.4	+19.1	-9.1	+10.0	
	Core Operating Income Margin	4.1%	4.3%	4.2%	6.1%	5.1%	5.6%	+2.1p	+0.8p	+1.4p	+1.4p	-0.4p	+0.4p

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

Segments	Full-year Core Operating Income Forecast ^{*1} Initial forecast ^{*2} → New () difference	Variance Factors
Fibers & Textiles	65.0 → 64.0 (-1.0)	<ul style="list-style-type: none"> In the apparel applications, the difficult sales situation is expected in some applications overseas. In the industrial applications, for ultra-microfiber nonwoven fabric with suede texture, expect prolonged impact from inventory adjustment caused by intensified competition in the Chinese EV market.
Performance Chemicals	59.5 → 63.0 (+3.5)	<ul style="list-style-type: none"> Reflected increase in core operating income for the first half in resins and films businesses in comparison with the initial forecast. In the resins business, expect to be impacted by the production decline in the Japanese automobile industry and slow demand recovery in the industrial machines, electronic parts, home appliance applications, etc. However, expect increase in core operating income due to improvement in net change in price mainly in the ABS resins and reduction of fixed costs. In the films business, reflected contribution from sales increase and improvement in utilization rate in the PET films, due to demand recovery in the electric parts and display-related applications.
Carbon Fiber Composite Materials	21.0 → 24.0 (+3.0)	<ul style="list-style-type: none"> Assumption of sales including the aerospace applications and large tow for the wind turbine blade applications are almost the same as the initial forecast. In addition to the reduction of fixed costs, difference from foreign currency translation and improvement in profitability due to decrease in raw material and fuel prices were included.
Environment & Engineering	23.5 → 25.5 (+2.0)	<ul style="list-style-type: none"> In the water treatment business, expect RO membranes for a large-scale seawater desalination project mainly in the Middle East to remain strong. Also, included impact from foreign currency translation in the first half.
Life Science	0.0 → 0.0 (±0.0)	<ul style="list-style-type: none"> Same as the initial forecast.
Other	2.0 → 2.0 (±0.0)	
Reconciliations	▲36.0 → ▲33.5 (+2.5)	<p>*1: Billion yen *2: Initial forecast: Announced on May 13, 2024</p>
Total	135.0 → 145.0 (+10.0)	



Progress of Medium-Term Management Program, Project AP-G 2025

Business Structure Reform Based on “Four Categories of Growth Potential and Profitability”

- For specific businesses and companies which have significant impact on the entire Group, implement Projects to Improve Profits of Specified Businesses and Companies
- Business advancement through business strategies that match “business characteristics” and “competitiveness”



1. Thorough profitability improvement for loss-making business and companies.
2. For specific businesses and companies with large capital investment, implementation of the Projects to Improve Profits of Specified Businesses and Companies “Darwin Project (abbreviated as D Pro)”, which sets and executes short-term profit improvement measures as well as medium- and long-term tasks such as restructuring of production capacity.

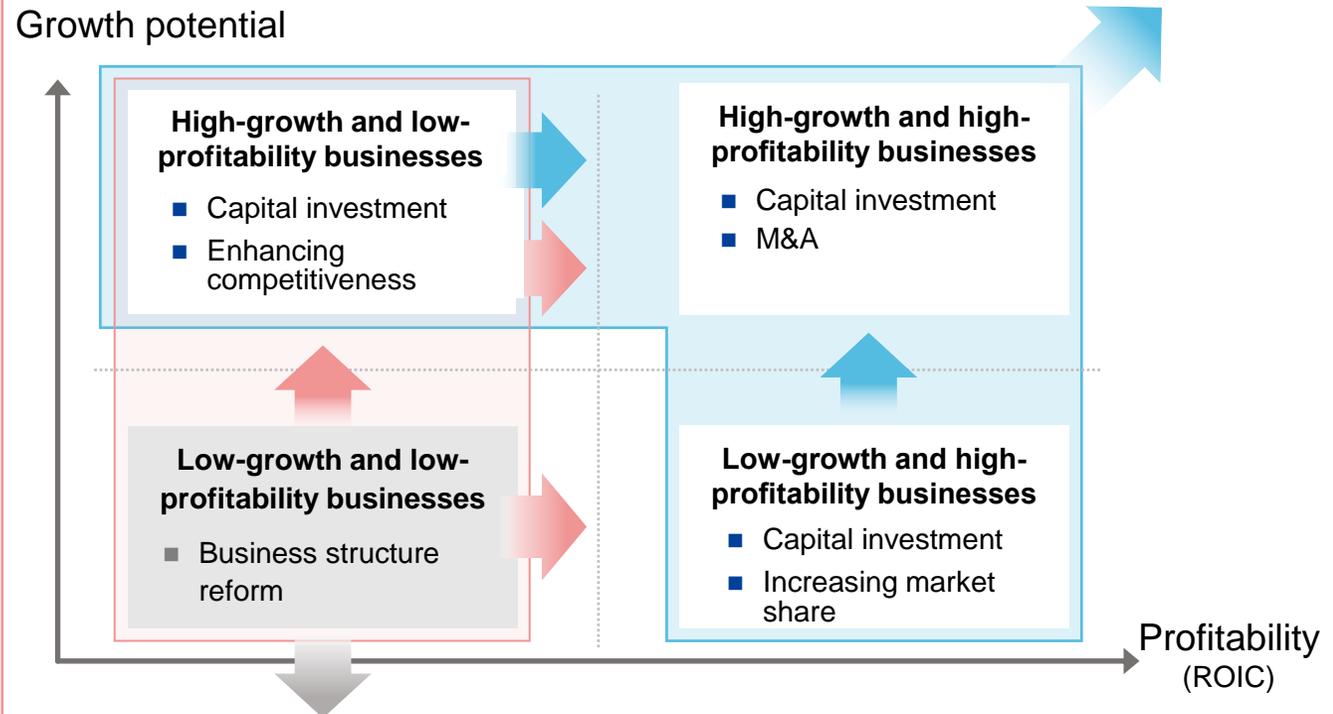
Examples of businesses

- PP spunbond
- U.S. and Europe film businesses
- ABS resins
- Large tow carbon fiber

3. Introduction and implementation of the “Rules on studying withdrawal/ downsizing.”



Reallocation of management resources from the perspective of “competitiveness” (the third axis)



Results of Restructuring Designated Businesses/Companies

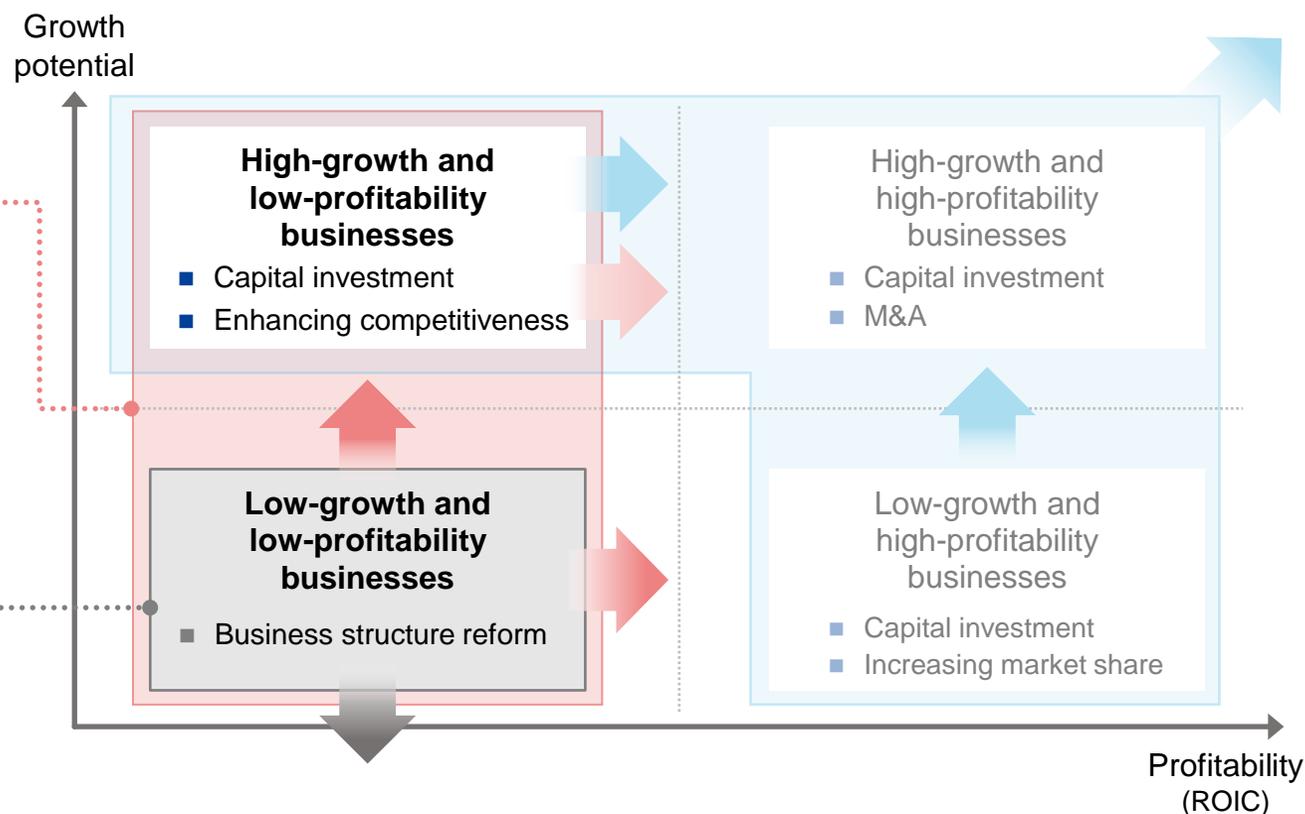
Business/Company	Up to FY 2024	Outlook for FY 2025
Zoltek (Large-tow carbon fiber)	<ul style="list-style-type: none"> Reduction of total fixed cost in line with utilization rate Became profitable ahead of schedule 	<ul style="list-style-type: none"> Promote strengthening of global operations between Mexico and Hungary Expand applications beyond wind turbine blades, including industrial applications, etc. Reduce utility costs by using renewable energy in Hungary Mexico plant expects improvement in utilization rate due to recovery in demand for wind turbine blade applications
PET film (U.S. and Europe)	<ul style="list-style-type: none"> Ceased production at the PET film production facilities mainly for general-purpose products Reduction of total fixed cost in line with utilization rate Promoted strategic pricing 	<ul style="list-style-type: none"> Global supply of differentiated products Convert from general-purpose products to added-value products (release film applications, etc.) Optimize production capacity in the U.S. and Europe
PP spunbond	<ul style="list-style-type: none"> Reduction of fixed costs in line with review of the production capacity including shutdown of production lines 	<ul style="list-style-type: none"> Promote differentiation, develop new applications, optimize production capacity Promote strategic pricing Aim to restore profitability from the first half of FY 2025
Toray Plastics Malaysia (ABS resin)	<ul style="list-style-type: none"> Improved product mix Reduced fixed costs Restored profitability in the second half of FY 2023 	<ul style="list-style-type: none"> Cultivate new customers by promoting circular economy Promote creating added-value products Switch to alternative materials
Polyester staple fiber	<ul style="list-style-type: none"> Implemented global production transfer for shutdown of polymerization facilities Became profitable ahead of schedule 	<ul style="list-style-type: none"> Sales expansion of high-added-value products such as recycled or microfiber products
Impact to the business performance	Improvement in core operating income: about 20 – 30 billion yen, during the AP-G 2025 period (compared with FY 2023)	
Battery separator film (other than designated companies)	<ul style="list-style-type: none"> Retired production facilities 	<ul style="list-style-type: none"> Continued business structure reform

Business Structure Reform for Low-growth and Low-profitability Businesses

- For low-profitability businesses with large invested capital, considered individually in D pro
- For Low-growth and low-profitability businesses with small to medium-invested capital, consider “structure reform” and “withdrawal / downsizing” for each business.

Progress of D pro	
■ PP spunbond:	Optimizing production capacity
■ Polyester staple fiber:	Shutdown of PET polymerization facilities in Japan, South Korea, and Southeast Asia Cease production of some general-purpose products
■ PET film in the U.S. and Europe:	Optimization of the production capacity

Implemented or implementing withdrawal / downsizing	
■	Partial overseas transfer of nylon polymerization
■	Integrating plants of spinning company in Japan, and selling the former factory sites
■	Liquidation of a uniform company in Japan
■	Restructuring of kimono business
■	Downsizing of nylon production facilities and cease production of some general-purpose products



In addition to above initiatives, deliberating and implementing other structure reforms

Strategic pricing

In strategic pricing, we will realize profit expansion by

1 Price correction and passing on increases in raw material and fuel prices to sales prices

2 Improvement of product mix, and converting to high-added-value products

3 Creating new products and new value

Correcting prices

Performance chemicals / resins business

High-added-value pricing based on product value

- Promote passing on cost increases to sales prices outside the formula
- Product development in growth business fields and offer strategic prices

Improving product mix

Fibers & textiles / staple fibers business in Asia

Optimize business scale

Convert to high-added-value products

- Scale-down of low profitability applications, and improvement of product mix
- Expansion of new application for advancement of products

Creating new products and new value

Carbon fiber composite materials / industrial material business

Recycling of carbon fiber scrap material

Improve prices by creating new value

- Create sustainable products by integrated development of carbon fiber and resins
- Realize price improvement

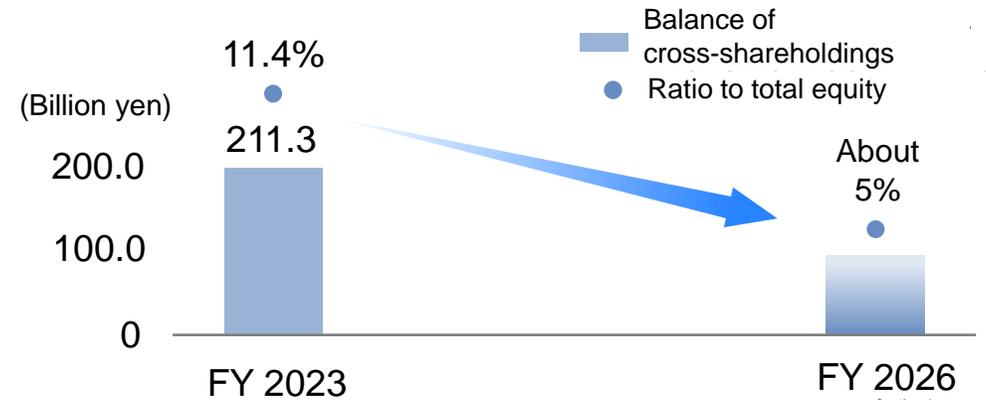
Sharing best practices and know-how company-wide
Give feedback of progress to production, technology, and R&D to accelerate the cycle of development

Aim for improvement in core operating income of more than 10 billion yen in FY 2024, mainly from price correction

Reduction of Cross-shareholdings and Share Buybacks

Policy on reduction of cross-shareholdings announced on May 13, 2024

- To accelerate capital efficiency improvement, reduce cross-shareholdings by half
(Reduce 50%, about 100 billion yen in 3 years from FY 2024 to 2026)
- All the proceeds from sales of cross-shareholdings will be used for share buybacks.

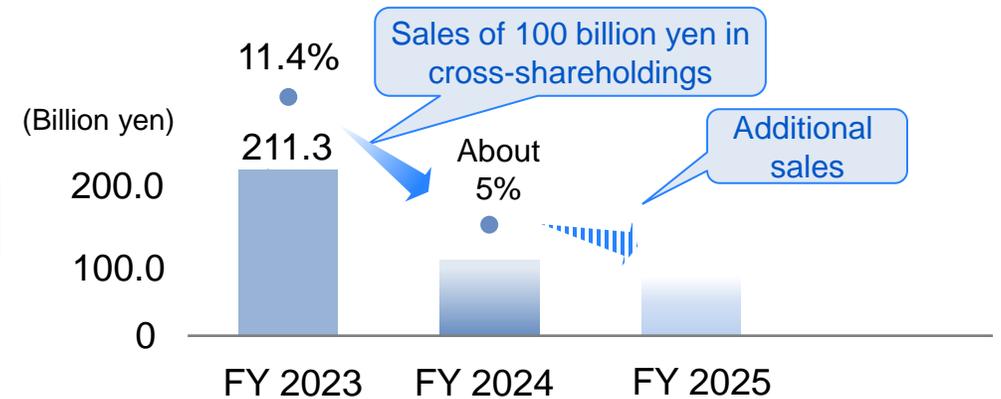


Progress of reducing cross-shareholdings

- Sales amount is expected to be about 100 billion yen in FY 2024
Expect to achieve the target 2 years ahead of schedule
- Additional sales planned in FY 2025

Share buybacks

- Total price of shares: Up to 100 billion yen
- Total number of shares: Up to 155 million shares
- Period: November 8, 2024 – November 7, 2025

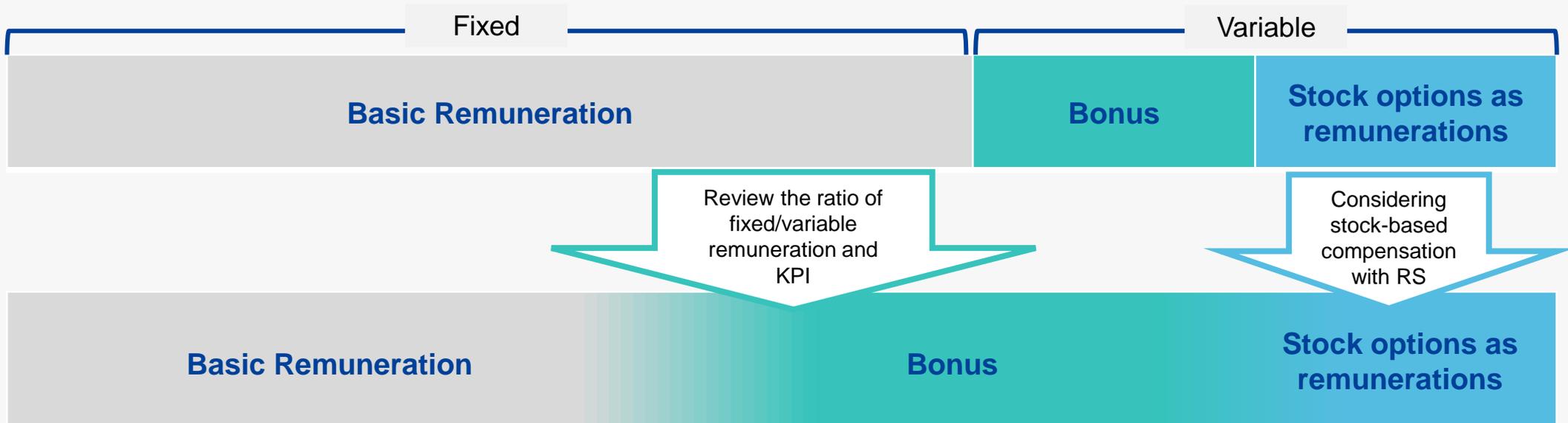


Improvement of Governance and Incentive Program of the Employee Stock Ownership Association

Revision of Remuneration for Members of the Board (Implementation from FY 2025)

1. Revision of the ratio to fixed remuneration / variable remuneration
2. Introduction of restricted stock (RS)

Considering a shift to a remuneration system aimed at continuous improvement of corporate value through clarification of performance responsibility and management from a medium- to long-term perspective



Improvement of Incentive Program of Employee Stock Ownership Association (Implemented)

Improved the incentive program to promote the welfare of employees and increase the sense of participation in the company's management

IV

Reference

Quarterly Revenue and Core Operating Income by Segment

Billion yen

		FY Mar/2024					FY Mar/2025	
		1Q	2Q	3Q	4Q	Total	1Q	2Q
Revenue	Fibers & Textiles	223.8	257.4	264.2	229.4	974.8	244.8	270.7
	Performance Chemicals	214.8	218.3	226.5	226.4	886.1	241.7	235.8
	Carbon Fiber Composite Materials	68.7	72.4	68.2	81.2	290.5	77.7	75.1
	Environment & Engineering	56.0	55.6	53.5	79.1	244.1	57.5	57.0
	Life Science	11.3	13.5	13.6	13.9	52.2	12.1	13.4
	Others	3.4	4.2	4.1	5.3	16.9	3.9	4.3
	Total	578.1	621.3	630.0	635.2	2,464.6	637.7	656.4
Core Operating Income	Fibers & Textiles	10.9	16.3	16.6	10.9	54.7	14.8	19.6
	Performance Chemicals	7.4	7.1	9.8	12.3	36.7	18.3	15.6
	Carbon Fiber Composite Materials	2.7	4.9	3.8	1.8	13.2	5.1	6.6
	Environment & Engineering	6.2	4.0	4.4	8.6	23.2	5.1	6.7
	Life Science	▲ 0.5	▲ 0.1	▲ 0.3	▲ 0.5	▲ 1.3	▲ 0.8	0.2
	Others	0.4	0.4	0.9	1.6	3.3	0.3	0.3
	Reconciliations	▲ 5.2	▲ 5.9	▲ 6.7	▲ 9.4	▲ 27.2	▲ 6.1	▲ 6.8
Total	21.9	26.8	28.5	25.4	102.6	36.8	42.4	

Quarterly Revenue of Performance Chemicals by Sub-segments

Billion yen

	FY Mar/24					FY Mar/25	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Resins, Chemicals	93.8	95.8	102.9	98.8	391.2	106.3	107.2
Films	79.4	81.2	81.0	89.0	330.5	96.2	91.0
Electronic & Information Materials	15.6	15.7	17.0	17.2	65.5	19.1	18.1
Trading, Other	131.1	122.5	135.4	133.5	522.5	141.1	143.2
Adjustments	▲ 105.0	▲ 96.9	▲ 109.7	▲ 112.1	▲ 423.6	▲ 121.0	▲ 123.8
Total	214.8	218.3	226.5	226.4	886.1	241.7	235.8

Quarterly Revenue of Carbon Fiber Composite Materials by Sub-segments

Billion yen

	FY Mar/24					FY Mar/25	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Aerospace	17.8	21.7	23.2	28.2	90.9	27.5	25.9
Sports	6.8	6.7	7.0	6.5	27.0	6.9	7.7
Industrial	44.2	44.0	37.9	46.4	172.6	43.3	41.5
Total	68.7	72.4	68.2	81.2	290.5	77.7	75.1

Quarterly Revenue of Major Subsidiaries and Regions

Billion yen

	FY Mar/24					FY Mar/25	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Toray International, Inc.	136.4	148.6	160.6	137.2	582.9	144.8	163.7
Toray Engineering Co., Ltd.	27.1	30.4	30.7	41.5	129.6	28.1	32.1
Toray Construction Co., Ltd.	10.3	8.9	8.2	19.8	47.3	10.3	9.9
Toray Advanced Film Co., Ltd.	9.1	9.3	9.8	9.4	37.6	10.1	10.4

Subsidiaries in Southeast Asia	Fibers & Textiles	35.7	40.9	41.0	38.8	156.4	40.3	42.0
	Performance Chemicals	22.4	22.8	24.5	25.3	95.0	28.2	30.4
	Other	0.3	0.2	0.2	0.2	0.9	0.2	0.2
	Total	58.4	64.0	65.7	64.3	252.3	68.7	72.6
Subsidiaries in China	Fibers & Textiles	64.5	77.3	78.5	58.9	279.1	79.2	89.2
	Performance Chemicals	25.3	27.3	29.8	28.0	110.5	31.3	32.4
	Other	11.8	12.3	12.2	11.3	47.6	13.0	12.2
	Total	101.6	116.9	120.5	98.2	437.2	123.5	133.8
Subsidiaries in the Republic of Korea	Fibers & Textiles	25.3	24.9	24.8	26.6	101.6	24.8	22.9
	Performance Chemicals	39.7	42.1	40.0	44.1	166.0	49.7	44.0
	Other	8.8	8.9	9.0	8.0	34.7	8.3	7.7
	Total	73.8	75.8	73.8	78.7	302.2	82.8	74.5

Quarterly Core Operating Income of Major Subsidiaries and Regions

Billion yen

	FY Mar/24					FY Mar/25	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Toray International, Inc.	2.8	4.0	3.5	3.0	13.4	3.1	4.0
Toray Engineering Co., Ltd.	0.8	1.1	1.2	3.2	6.3	1.0	1.4
Toray Construction Co., Ltd.	0.9	▲ 0.0	▲ 0.1	1.4	2.2	0.3	0.7
Toray Advanced Film Co., Ltd.	0.4	0.2	0.7	0.9	2.2	0.6	0.7

Subsidiaries in Southeast Asia	Fibers & Textiles	▲ 0.5	0.6	1.2	1.3	2.6	1.4	1.1
	Performance Chemicals	▲ 0.5	▲ 0.3	0.7	1.2	1.1	1.1	1.4
	Other	0.0	▲ 0.0	0.0	0.0	0.1	0.0	0.0
	Total	▲ 0.9	0.3	1.9	2.6	3.8	2.5	2.6
Subsidiaries in China	Fibers & Textiles	4.6	7.5	7.9	5.7	25.7	7.3	9.5
	Performance Chemicals	1.9	2.0	2.6	2.8	9.2	2.3	2.2
	Other	1.5	1.1	1.0	0.5	4.2	1.2	0.9
	Total	7.9	10.6	11.6	9.0	39.1	10.7	12.7
Subsidiaries in the Republic of Korea	Fibers & Textiles	▲ 0.0	▲ 1.1	▲ 1.3	▲ 1.5	▲ 4.0	▲ 0.3	▲ 0.4
	Performance Chemicals	1.2	0.4	0.6	1.2	3.4	4.8	2.6
	Other	1.3	0.9	0.8	0.6	3.5	0.9	0.4
	Total	2.4	0.2	0.1	0.3	2.9	5.4	2.6

External Evaluations from the Perspectives of ESG

■ MSCI

June 2024

MSCI
ESG RATINGS



CCC B BB BBB A AA **AAA**

■ Selected as a component of major overseas indexes

2024 MSCI ESG Leaders
Indexes Constituent

June 2024
MSCI ESG Leaders Indexes



FTSE4Good
June 2024
FTSE4Good Index Series

■ Selected for indices used by GPIF



FTSE Blossom
Japan Index



FTSE Blossom
Japan Sector
Relative Index



2024 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

■ CDP

February 2024

Water Security: A-
Climate Change: B

■ S&P Global Sustainability Yearbook Member

February 2024

Toray Industries, Inc.
Chemicals

**Sustainability
Yearbook Member**

S&P Global Corporate Sustainability
Assessment (CSA) Score 2023

S&P Global CSA Score 2023: 63/100
Score date: February 7, 2024
The S&P Global Corporate Sustainability Assessment (CSA) Score is the S&P
Global ESG Score without the inclusion of any modeling approaches.
Position and scores are industry specific and reflect exclusion screening criteria.
Learn more at <https://www.spglobal.com/esg/csa/yearbook/methodology>

S&P Global Sustainable 1

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**December 2023
Dow Jones Sustainability Index (DJSI),
Asia Pacific**

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