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[Summary] Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under IFRS)

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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for Securities Analysts/
 Institutional Investors)

(Yen amounts are rounded to the nearest million)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated financial performance

(Percentages indicate year-on-year changes.)

	Revenue		Core operating income		Operating income		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	1,923,897	5.2	108,757	40.9	103,816	45.5	107,647	41.1
December 31, 2023	1,829,408	(3.8)	77,179	(4.0)	71,369	(27.7)	76,302	(30.0)

	Profit		Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended December 31, 2024	82,322	57.5	75,177	64.6	47.00	46.92
December 31, 2023	52,256	(35.2)	45,659	(38.8)	28.51	28.46

Notes:

1. Comprehensive income for the nine months ended December 31, 2024 and 2023 were ¥117,607 million ((27.3%)) and ¥161,661 million (9.1%), respectively.

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

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Equity ratio
	Millions of yen	Millions of yen	Millions of yen	%
As of December 31, 2024	3,505,056	1,913,863	1,799,683	51.3
March 31, 2024	3,466,518	1,846,362	1,736,034	50.1

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	-	9.00	-	9.00	18.00
Year ending March 31, 2025	-	9.00	-		
Year ending March 31, 2025 (Forecast)				9.00	18.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Segment information

Revenue	Nine months ended December 31,		
	2024	2023	Change
	Millions of yen	Millions of yen	%
Fibers & Textiles	774,594	745,405	3.9
Performance Chemicals	712,000	659,639	7.9
Carbon Fiber Composite Materials	223,231	209,299	6.7
Environment & Engineering	162,461	165,025	(1.6)
Life Science	39,208	38,377	2.2
Other	12,403	11,663	6.3
Consolidated total	1,923,897	1,829,408	5.2

Core operating income	Nine months ended December 31,		
	2024	2023	Change
	Millions of yen	Millions of yen	%
Fibers & Textiles	50,043	43,840	14.1
Performance Chemicals	48,056	24,348	97.4
Carbon Fiber Composite Materials	14,110	11,369	24.1
Environment & Engineering	16,964	14,577	16.4
Life Science	(884)	(825)	-
Other	1,009	1,673	(39.7)
Total	129,298	94,982	36.1
Reconciliations	(20,541)	(17,803)	-
Consolidated total	108,757	77,179	40.9

Notes:

- “Other” represents service-related businesses such as analysis, physical evaluation and research.
- “Reconciliations” of core operating income for the nine months ended December 31, 2024 of ¥(20,541) million include intersegment eliminations of ¥(1,660) million and corporate expenses of ¥(18,881) million. “Reconciliations” of core operating income for the nine months ended December 31, 2023 of ¥(17,803) million include intersegment eliminations of ¥(102) million and corporate expenses of ¥(17,701) million. The corporate expenses consist of the headquarters’ research expenses that are not allocated to each reportable segment.

4. Consolidated financial forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Core operating income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2025	2,590,000	5.1	145,000	41.3	88,000	301.9	55.14

Note: Revisions to the forecast of consolidated financial forecast most recently announced: None

*** Notes**

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

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

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

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

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

As of December 31, 2024	1,631,481,403 shares
As of March 31, 2024	1,631,481,403 shares

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

As of December 31, 2024	45,332,718 shares
As of March 31, 2024	29,838,701 shares

(iii) Average number of shares outstanding during the period

Nine months ended December 31, 2024	1,599,354,904 shares
Nine months ended December 31, 2023	1,601,505,488 shares

* Review of the Japanese-language originals of consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

Earnings forecasts given herein have been prepared based on assumptions such as economic environment outlook available as of the publication of this report and these forecasts are not guarantees of future performance. Actual results may differ significantly from forecasts due to various factors. For the assumptions underlying the forecasts herein, please refer to “Consolidated Financial Performance and Financial Position 3. Forecast for the Fiscal Year Ending March 31, 2025” of the accompanying materials.

Consolidated Financial Performance and Financial Position

1. Overview of the Nine Months Ended December 31, 2024

During the period under review (from April 1, 2024 to December 31, 2024), as for the global economy, the U.S. remained strong and Europe turned back to a recovery trend. While the Chinese economy continued to stagnate, effects of the economic stimulus measures were also noticeable to some extent. The Japanese economy continued to recover gradually.

Under such circumstances, Toray Group, starting from fiscal 2023, has been promoting its Medium-Term Management Program “Project AP-G 2025,” aiming to achieve sound, sustainable growth through the implementation of five basic strategies of “Sustainable Growth,” “Ultimate Value Creation,” “Product and Operational Excellence,” “Enhancement of People-Centric Management,” and “Risk Management and Governance.”

As a result, consolidated revenue for the nine months ended December 31, 2024, compared with the same period of the previous fiscal year, increased 5.2% to ¥1,923.9 billion, and core operating income (Note) rose 40.9% to ¥108.8 billion. Operating income increased 45.5% to ¥103.8 billion and profit attributable to owners of parent rose 64.6% to ¥75.2 billion.

Financial performance by segment is described below.

Financial Performance by Segment:

Fibers & Textiles

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 fell short of a full recovery especially in the automobile applications, due to the impact of the safety test scandals of Japanese automobile manufacturers and the worsening European market. It was also affected by the intensifying competition in the Chinese EV market.

As a result, revenue of the overall Fibers & Textiles segment, compared with the same period of the previous fiscal year, increased 3.9% to ¥774.6 billion, and core operating income rose 14.1% to ¥50.0 billion.

Performance Chemicals

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

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

As a result, revenue of the overall Performance Chemicals segment, compared with the same period of the previous fiscal year, increased 7.9% to ¥712.0 billion, and core operating income rose 97.4% to ¥48.1 billion.

Carbon Fiber Composite Materials

The recovery in the aerospace applications slowed due to the impact of recent inventory adjustments, while the wind turbine blade applications continued to recover gradually.

As a result, revenue of the overall Carbon Fiber Composite Materials segment, compared with the same period of the previous fiscal year, increased 6.7% to ¥223.2 billion, and core operating income rose 24.1% to ¥14.1 billion.

Environment & Engineering

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. The engineering business remained steady overall, though revenue of a Japanese engineering subsidiary decreased due to shift in project timing.

As a result, revenue of the overall Environment & Engineering segment, compared with the same period of the previous fiscal year, decreased 1.6% to ¥162.5 billion, while core operating income rose 16.4% to ¥17.0 billion.

Life Science

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

In the 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.

As a result, revenue of the overall Life Science segment, compared with the same period of the previous fiscal year, increased 2.2% to ¥39.2 billion, while core operating income fell to a loss of ¥0.9 billion, a decline of ¥0.1 billion.

Notes:

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

2. Analysis of Financial Position

As of December 31, 2024, Toray Group's assets and liabilities were both affected by the increase in translated yen amounts from its overseas subsidiaries, due to depreciation in Japanese yen.

Total assets stood at ¥3,505.1 billion, an increase of ¥38.5 billion compared with the end of the previous fiscal year, due primarily to increases in inventories as well as property, plant and equipment.

Total liabilities came to ¥1,591.2 billion, a decrease of ¥29.0 billion compared with the end of the previous fiscal year, owing mainly to decreases in bonds and borrowings.

Total equity stood at ¥1,913.9 billion, an increase of ¥67.5 billion, compared with the end of the previous fiscal year, due primarily to an increase in retained earnings. Equity attributable to owners of parent totaled ¥1,799.7 billion. As of December 31, 2024, equity ratio came to 51.3%, a 1.3 percentage-point increase compared with the level at the end of the previous fiscal year.

3. Forecast for the Fiscal Year Ending March 31, 2025

The global economy is likely to gradually improve 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 the fiscal and trade policies in the U.S. under the Trump administration, prolonged real estate recession in China, political instability in Europe, rising geopolitical risks, as well as changes in the Bank of Japan's monetary policy and foreign exchange fluctuations.

Under such circumstances, Toray Group will promote the basic strategies under the Medium-Term Management Program "Project AP-G 2025," and carry out its business operation under the anticipation of uncertainties.

For the fiscal year ending March 31, 2025, Toray kept unchanged its full-year consolidated forecasts announced on November 7, 2024. The calculation of consolidated earnings forecasts from January 2025 onwards is based on an assumed foreign currency exchange rate of ¥145.0 to the U.S. dollar.

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