

Notice regarding Impairment Loss and Revision to Forecast of Consolidated Results

Toray Industries, Inc. ("Toray") announces that it will recognize an impairment loss in the six months ended September 30, 2020. In addition, based on the recent performance trends, Toray has revised the forecast of consolidated results for the six months announced on August 7, 2020.

1. Impairment Loss

An impairment loss of ¥24.0 billion will be recorded at a U.S. carbon fiber composite materials subsidiary in the six months ended September 30, 2020 due to profitability decline caused by weak demand for aircraft.

2. Revision to Forecast of Consolidated Results for the Six Months Ended September 30, 2020

(Millions of yen, except per share data)

	Revenue	Core operating income	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous Forecast (A)	830,000	25,000	18,000	11.25
Revised Forecast (B)	856,100	34,100	4,500	2.81
Difference (B-A)	26,100	9,100	(13,500)	
Difference (%)	3.1	36.4	(75.0)	
(Reference) Results for the Six Months Ended September 30, 2019	1,059,063	71,424	50,904	31.82

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

Results for the six months ended September 30, 2019, are stated in accordance with International Financial Reporting Standards ("IFRS").

3. Reasons for Revision

Revenue and core operating income are expected to be improved compared to the previous forecast due to higher shipment volumes than expected mainly in the Fibers & Textiles and Performance Chemicals segments as well as the thorough cost reduction during the period. Profit attributable to owners of parent, on the other hand, is expected to be lower than the previous forecast mainly due to the impairment loss as mentioned in 1 above.

Forecast of consolidated results for the fiscal year ending March 31, 2021, is currently under examination and will be announced on November 6 with the announcement of consolidated results for the six months ended September 30, 2020.

Disclaimer

The forecast is based on predictive forecasts of the future business environment made at the present time. The material in this statement is not a guarantee of Toray's future business. Actual results may differ due to a variety of factors.