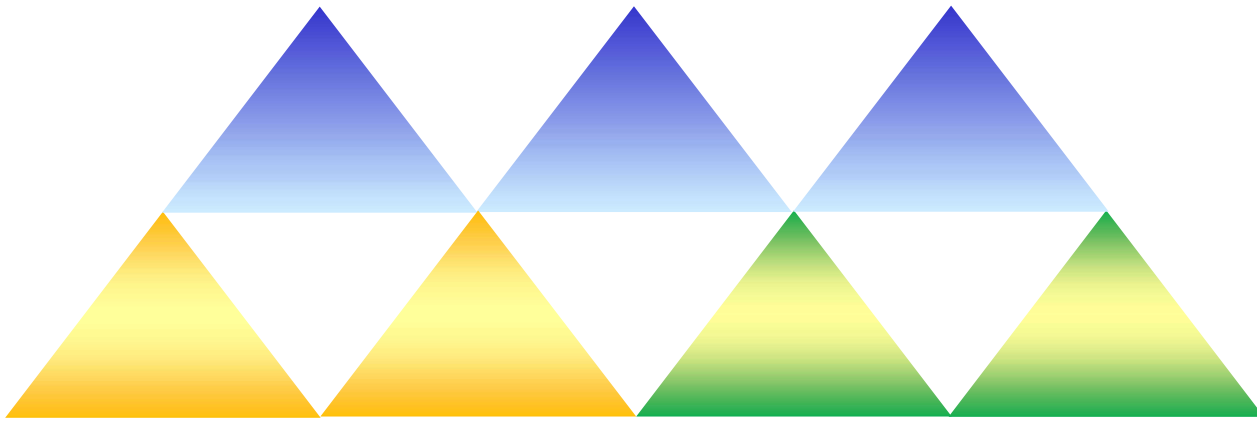


**Announcement of Business Results  
For the 3Q and Nine Months  
Ended December 31, 2013**

**Toray Industries, Inc.**

**February 6, 2014**

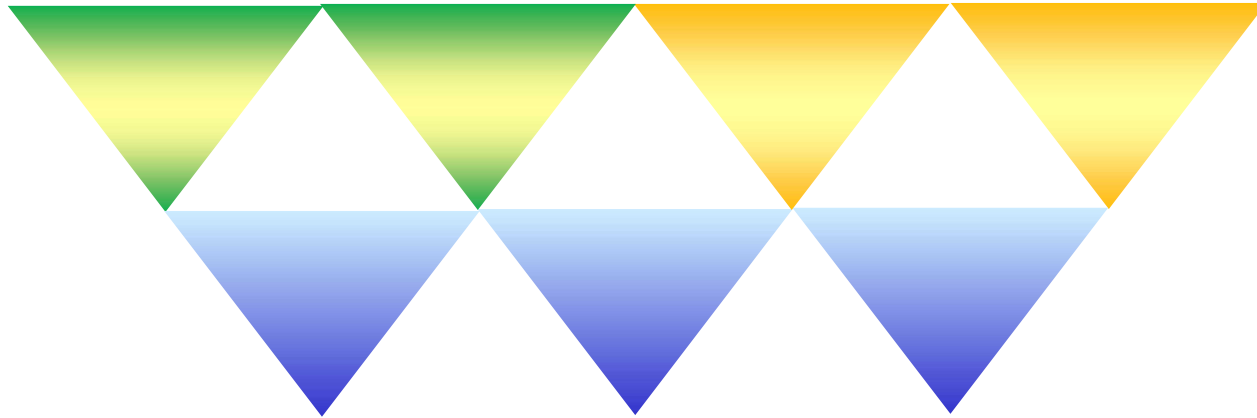


## I. Business Results for the 3Q and Nine Months Ended December 31, 2013 (Consolidated Basis)

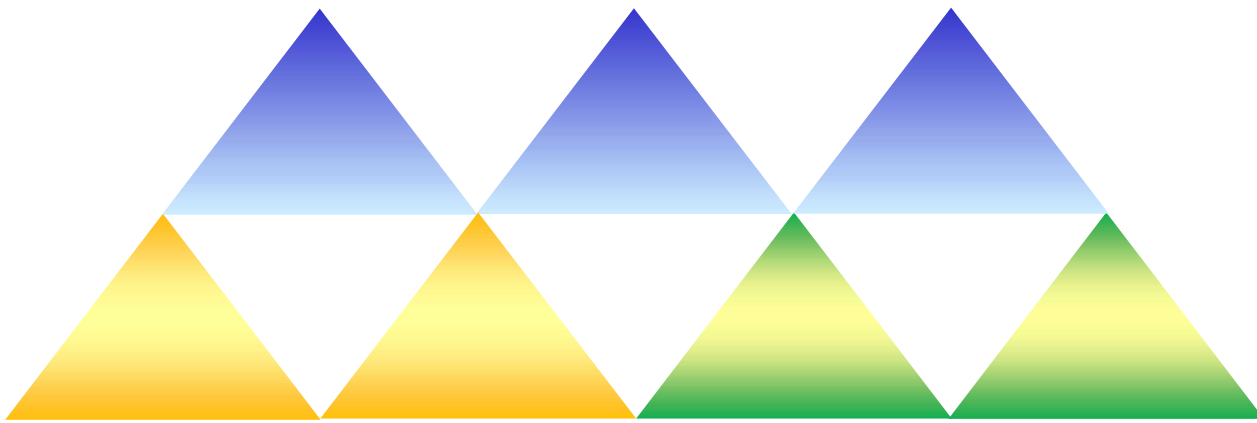
Summary of Consolidated Business Results for the 3Q and Nine Months Ended December 31, 2013	(P3)
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# **I. Business Results for the 3Q and Nine Months Ended Dec. 31, 2013 (Consolidated Basis)**



# Summary of Consolidated Business Results for the 3Q and Nine Months Ended Dec. 31, 2013

Billion yen

	FY Mar/13 3Q (Oct.-Dec.)	FY Mar/14 3Q (Oct.-Dec.)	Changes	FY Mar/13 Nine Months (Apr.-Dec.)	FY Mar/14 Nine Months (Apr.-Dec.)	Changes
Net Sales	419.7	<b>497.1</b>	+77.4 (+18.4%)	1,173.4	<b>1,350.8</b>	+177.4 (+15.1%)
Cost of Sales	338.2	<b>404.9</b>	+66.7 (+19.7%)	943.1	<b>1,093.6</b>	+150.5 (+16.0%)
Gross Profit	81.4	<b>92.1</b>	+10.7 (+13.2%)	230.3	<b>257.3</b>	+27.0 (+11.7%)
(Gross Profit to Net Sales)	19.4%	<b>18.5%</b>	- 0.9 points	19.6%	<b>19.0%</b>	-0.6 points
Operating Income	24.7	<b>30.6</b>	+5.9 (+23.9%)	61.4	<b>74.9</b>	+13.5 (+22.0%)
(Operating Income to Net Sales)	5.9%	<b>6.1%</b>	+0.3 points	5.2%	<b>5.5%</b>	+0.3 points
Non-operating Income and Expenses, net	1.1	<b>1.7</b>	+0.5	2.5	<b>3.9</b>	+1.4
Ordinary Income	25.8	<b>32.2</b>	+6.4 (+25.0%)	63.8	<b>78.8</b>	+14.9 (+23.4%)
Special Credits and Charges, net	▲ 1.1	▲ <b>1.4</b>	- 0.3	▲ 7.8	▲ <b>4.1</b>	+3.7
Income before Income Taxes	24.7	<b>30.9</b>	+6.1 (+24.8%)	56.0	<b>74.7</b>	+18.6 (+33.3%)
Net Income	17.3	<b>20.1</b>	+2.8 (+16.1%)	37.3	<b>49.4</b>	+12.1 (+32.6%)

(FY Mar/13 3Q) → (FY Mar/14 3Q) (FY Mar/13 9-months) → (FY Mar/14 9-months)

Exchange Rate <Yen/US\$>	Average	: 81.2 → 100.5	80.0 → 99.4
	End of the term	: 86.6 → 105.4	
<Yen/Euro>	Average	: 105.3 → 136.7	102.2 → 132.2
	End of the term	: 114.7 → 145.1	
Oil Price <US\$/B>			
	(DUBAI FOB) Average	: 107.5 → 106.8	106.7 → 104.6

\*Consolidated business results are the sums of Oct. – Dec. business results in companies whose FY ends on March 31 and Jul. – Sept. business results in companies whose FY ends on December 31.

# Non-operating Income and Expenses

Billion yen

	FY Mar/13 3Q (Oct.-Dec.)	FY Mar/14 3Q (Oct.-Dec.)	Changes	FY Mar/13 Nine Months (Apr.-Dec.)	FY Mar/14 Nine Months (Apr.-Dec.)	Changes
Non-operating Income	4.5	<b>4.9</b>	+0.4	11.7	<b>13.6</b>	+1.9
Interest and Dividend Income	0.9	<b>1.2</b>	+0.3	2.9	<b>3.2</b>	+0.4
Equity in Earnings of Affiliates	1.8	<b>2.2</b>	+0.3	5.1	<b>5.9</b>	+0.8
Others	1.7	<b>1.5</b>	-0.2	3.7	<b>4.4</b>	+0.7
Non-operating Expenses	▲ 3.4	▲ <b>3.2</b>	+0.1	▲ 9.2	▲ <b>9.7</b>	-0.5
Interest Expenses	▲ 1.4	▲ <b>1.2</b>	+0.2	▲ 4.2	▲ <b>3.8</b>	+0.4
Others	▲ 2.0	▲ <b>2.0</b>	-0.0	▲ 5.0	▲ <b>5.9</b>	-0.9
Non-operating Income and Expenses, net	1.1	<b>1.7</b>	+0.5	2.5	<b>3.9</b>	+1.4
Interest and Dividend Income, Interest Expenses, net	▲ 0.4	<b>0.0</b>	+0.4	▲ 1.3	▲ <b>0.5</b>	+0.8

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

# Special Credits and Charges

Billion yen

	FY Mar/13 3Q (Oct.-Dec.)	FY Mar/14 3Q (Oct.-Dec.)	Changes	FY Mar/13 Nine Months (Apr.-Dec.)	FY Mar/14 Nine Months (Apr.-Dec.)	Changes
Special Credits	0.7	0.2	-0.5	0.8	7.4	+6.7
Gain on Sales of Property, Plant and Equipment	0.5	0.2	-0.3	0.7	0.4	-0.2
Gain on Sales of Investment Securities	0.1	0.0	-0.0	0.1	0.2	+0.1
Insurance Income	-	▲ 0.0	-0.0	0.0	6.8	+6.8
Others	0.1	-	-0.1	0.0	0.0	+0.0
Special Charges	▲ 1.7	▲ 1.6	+0.1	▲ 8.6	▲ 11.5	-3.0
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 1.5	▲ 1.5	-0.1	▲ 2.9	▲ 3.2	-0.3
Loss on Impairment of Fixed Assets	-	-	-	-	▲ 8.2	-8.2
Loss on Disaster	▲ 0.1	-	+0.1	▲ 1.9	-	+1.9
Loss on Write-down of Investment Securities	-	▲ 0.0	-0.0	▲ 3.4	▲ 0.0	+3.4
Others	▲ 0.1	▲ 0.0	+0.1	▲ 0.4	▲ 0.1	+0.2
Special Credits and Charges, net	▲ 1.1	▲ 1.4	-0.3	▲ 7.8	▲ 4.1	+3.7

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

# Assets, Liabilities, Net Assets

Billion yen

	End of Mar/13	End of Dec/13	Changes
Total Assets	1,731.9	<b>1,931.3</b>	+199.4
Current Assets	796.7	<b>905.4</b>	+108.7
Tangible Assets	627.2	<b>670.3</b>	+43.1
Intangible Assets	42.6	<b>41.0</b>	-1.6
Investment and Other Assets	265.3	<b>314.6</b>	+49.3

	End of Mar/13	End of Dec/13	Changes
Total Liabilities	953.3	<b>1,035.2</b>	+81.9
Current Liabilities	550.3	<b>553.8</b>	+3.5
Other Liabilities	403.0	<b>481.4</b>	+78.4
Total Net Assets	778.6	<b>896.1</b>	+117.5
Interest-bearing Debts	532.0	<b>574.7</b>	+42.7
D/E Ratio	0.73	<b>0.69</b>	-0.05

# Capital Expenditures, Depreciation, R&D Expenses

Billion yen

	FY Mar/13 Nine Months (Apr.-Dec.)	<b>FY Mar/14 Nine Months (Apr.-Dec.)</b>	Changes	Comment
Capital Expenditures	67.6	<b>70.0</b>	+2.4	Toray : 12.7, Consolidated subsidiaries : 57.3
Depreciation -)	48.1	<b>57.1</b>	+9.0	Toray : 23.7, Consolidated subsidiaries : 33.4
Transfer, Disposal, etc.	3.2	<b>30.1</b>	+27.0	
Changes in Tangible Assets	22.7	<b>43.1</b>	+20.4	
R&D Expenses	40.1	<b>41.6</b>	+1.4	

## Major Capital Expenditures:

TMQ (Toray Medical (Qingdao) Co., Ltd.) : Artificial kidney production facilities

CFE (Toray Carbon Fibers Europe S.A.) and others: Carbon fiber production facilities

TTCE (Toray Textiles Central Europe s.r.o.) : Waterless plate production facilities



# Net Sales and Operating Income by Segment **TORAY**

Innovation by Chemistry

Billion yen

	Net Sales			Operating Income		
	FY Mar/13 3Q (Oct.-Dec.)	FY Mar/14 3Q (Oct.-Dec.)	Changes	FY Mar/13 3Q (Oct.-Dec.)	FY Mar/14 3Q (Oct.-Dec.)	Changes
Fibers & Textiles	189.4	<b>233.1</b>	+43.7 (+23.1%)	16.2	<b>17.4</b>	+1.2 (+7.3%)
Plastics & Chemicals	96.4	<b>118.1</b>	+21.7 (+22.5%)	4.2	<b>4.2</b>	+0.1 (+1.5%)
IT-related Products	56.5	<b>62.6</b>	+6.1 (+10.7%)	6.3	<b>6.5</b>	+0.2 (+3.0%)
Carbon Fiber Composite Materials	19.7	<b>29.8</b>	+10.0 (+50.9%)	1.3	<b>4.2</b>	+2.9 (+218.6%)
Environment & Engineering	40.6	<b>33.9</b>	-6.7 (-16.4%)	▲ 0.3	<b>0.5</b>	+0.8 (-)
Life Science	14.1	<b>16.3</b>	+2.3 (+16.1%)	2.1	<b>3.0</b>	+0.9 (+44.4%)
Others	2.9	<b>3.2</b>	+0.3 (+10.4%)	0.3	<b>0.5</b>	+0.2 (+75.0%)
Total	419.7	<b>497.1</b>	+77.4 (+18.4%)	30.0	<b>36.2</b>	+6.2 (+20.7%)
Adjustment				▲ 5.3	▲ <b>5.6</b>	-0.3
Consolidated	419.7	<b>497.1</b>	+77.4 (+18.4%)	24.7	<b>30.6</b>	+5.9 (+23.9%)

	Net Sales			Operating Income		
	FY Mar/13 Nine Months (Apr.-Dec.)	FY Mar/14 Nine Months (Apr.-Dec.)	Changes	FY Mar/13 Nine Months (Apr.-Dec.)	FY Mar/14 Nine Months (Apr.-Dec.)	Changes
Fibers & Textiles	478.3	<b>568.2</b>	+89.9 (+18.8%)	34.7	<b>41.5</b>	+6.8 (+19.6%)
Plastics & Chemicals	291.4	<b>346.1</b>	+54.8 (+18.8%)	14.7	<b>13.3</b>	-1.4 (-9.8%)
IT-related Products	177.6	<b>184.5</b>	+6.9 (+3.9%)	15.9	<b>17.3</b>	+1.4 (+8.7%)
Carbon Fiber Composite Materials	56.3	<b>81.9</b>	+25.6 (+45.5%)	5.5	<b>11.3</b>	+5.8 (+104.9%)
Environment & Engineering	118.7	<b>117.0</b>	-1.7 (-1.5%)	▲ 0.3	<b>1.1</b>	+1.4 (-)
Life Science	41.1	<b>42.9</b>	+1.9 (+4.6%)	5.1	<b>4.9</b>	-0.2 (-4.3%)
Others	10.0	<b>10.1</b>	+0.1 (+1.2%)	0.9	<b>1.2</b>	+0.2 (+26.7%)
Total	1,173.4	<b>1,350.8</b>	+177.4 (+15.1%)	76.5	<b>90.5</b>	+14.0 (+18.3%)
Adjustment				▲ 15.2	▲ <b>15.6</b>	-0.5
Consolidated	1,173.4	<b>1,350.8</b>	+177.4 (+15.1%)	61.4	<b>74.9</b>	+13.5 (+22.0%)

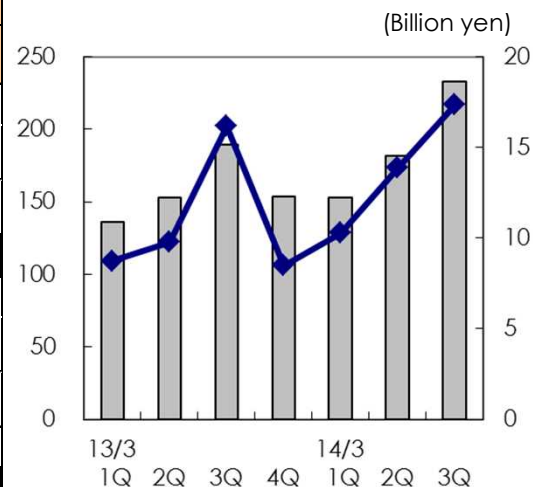
# Business Results by Segment (Fibers & Textiles)

Unit: Billion yen

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	23.3	<b>26.4</b>	+3.2	(+13.6%)	73.9	80.9	+7.0	(+9.5%)
	Japanese Subsidiaries	113.9	<b>129.3</b>	+15.4	(+13.5%)	254.4	286.0	+31.6	(+12.4%)
	Overseas Subsidiaries	52.3	<b>77.4</b>	+25.1	(+48.0%)	150.0	201.3	+51.3	(+34.2%)
	Total	189.4	<b>233.1</b>	+43.7	(+23.1%)	478.3	568.2	+89.9	(+18.8%)
Operating Income	Toray	3.1	<b>2.9</b>	-0.2	(-7.2%)	10.3	11.4	+1.1	(+11.0%)
	Japanese Subsidiaries	4.1	<b>4.1</b>	+0.1	(+1.7%)	8.8	9.3	+0.5	(+5.6%)
	Overseas Subsidiaries	6.1	<b>8.8</b>	+2.7	(+43.6%)	14.1	21.1	+6.9	(+48.9%)
	Adjustment	2.8	<b>1.5</b>	-1.3		1.5	<b>▲ 0.2</b>	-1.7	
	Total	16.2	<b>17.4</b>	+1.2	(+7.3%)	34.7	41.5	+6.8	(+19.6%)

Net Sales  
<Bar chart>

Operating Income  
<Line chart>



## 3Q (Oct.-Dec.)

: While sales of functional apparel materials for fall and winter grew strongly, those of general apparel applications, though showing signs of recovery, remained weak. Meanwhile, exports recovered partly due to the correction in the strong yen. Sales for industrial applications, led by automobile-related applications, continued on track to recovery.

### Toray

### Japanese Subsidiaries

: Trading subsidiaries reported steady performance.

### Overseas Subsidiaries

: Garment business in China and textiles subsidiaries in Southeast Asia and China pursued sales expansion in apparel applications and industrial applications and a shift towards high value-added products.

## Nine Months (Apr.-Dec.)

In Japan, while sales of functional materials grew strongly, those of general apparel applications, though showing signs of recovery, remained weak. On the other hand, exports recovered partly due to the correction in the strong yen. Sales for industrial applications, led by automobile-related applications, continued on track to recovery.

Overseas, while the conditions continued to be tough with Europe remaining mired in economic slump and sluggish domestic demand in China, textile subsidiaries in Southeast Asia and China pursued sales expansion and a shift towards high value-added products. Also, while the floods in Thailand in October 2011 had affected the operations in the same period a year earlier, the production and sales recovered since then, contributing to the improved performance.

# Business Results by Segment (Plastics & Chemicals)

**TORAY**

Innovation by Chemistry

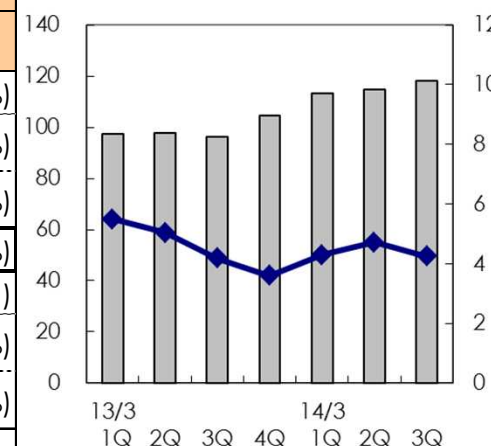
Unit: Billion yen

Net Sales  
<Bar chart>

Operating Income  
<Line chart>

(Billion yen)

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	17.4	21.0	+3.7	(+21.1%)	54.6	62.1	+7.5	(+13.8%)
	Japanese Subsidiaries	35.2	46.1	+10.9	(+31.1%)	102.4	135.3	+32.9	(+32.2%)
	Overseas Subsidiaries	43.9	51.0	+7.1	(+16.2%)	134.4	148.7	+14.3	(+10.6%)
	Total	96.4	118.1	+21.7	(+22.5%)	291.4	346.1	+54.8	(+18.8%)
Operating Income	Toray	▲ 0.6	▲ 0.7	-0.1	(-)	0.4	▲ 1.1	-1.5	(-)
	Japanese Subsidiaries	1.5	2.1	+0.6	(+39.5%)	4.9	6.1	+1.1	(+23.1%)
	Overseas Subsidiaries	3.2	2.9	-0.3	(-8.7%)	9.0	8.2	-0.8	(-8.9%)
	Adjustment	0.0	▲ 0.1	-0.1		0.3	0.1	-0.3	
	Total	4.2	4.2	+0.1	(+1.5%)	14.7	13.3	-1.4	(-9.8%)



## 3Q (Oct.-Dec.)

: In Japan, sales for automotive applications increased reflecting the recovery in production of automobiles. Whereas those for electronics and general industrial applications remained weak. Sales were also affected by the increase in raw material prices resulting from the correction of the strong yen. Overseas, sales expansion was led by automotive applications in North America, China and Southeast Asia.

## Plastic Resins Business

## Films Business

: In films business, domestic sales for capacitors used in hybrid cars remained strong, however, demand remained sluggish on the whole in and outside of Japan with continued price competition.

## Nine Months (Apr.-Dec.)

Though sales for automotive applications in the resins business increased in Japan, those for electronics and general industrial applications remained weak. Sales were also affected by the increase in raw material prices resulting from the correction of the strong yen. Overseas, sales expansion was led by automotive applications in North America, China and Southeast Asia. Demand for the films business's products remained sluggish on the whole within and outside Japan, with continued price competition, even though domestic sales for capacitors used in hybrid cars remained strong. Also, trading subsidiaries expanded their business transactions on the back of market recovery and strong overseas business.

# Business Results by Segment (IT-related Products)

**TORAY**

Innovation by Chemistry

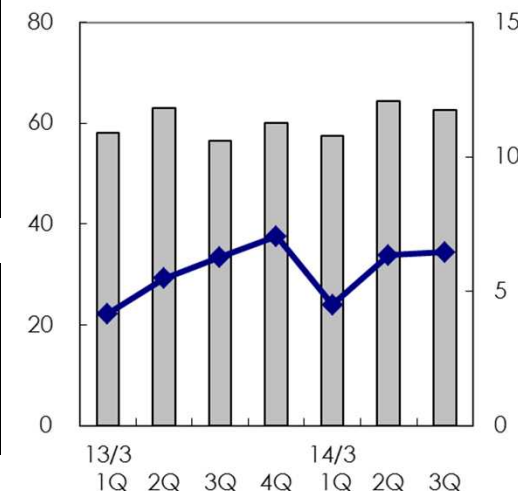
Unit: Billion yen

Net Sales  
<Bar chart>

Operating Income  
<Line chart>

(Billion yen)

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	20.3	19.6	-0.7	(-3.5%)	66.6	59.8	-6.8	(-10.2%)
	Japanese Subsidiaries	18.2	20.3	+2.1	(+11.6%)	57.0	56.6	-0.4	(-0.6%)
	Overseas Subsidiaries	18.0	22.6	+4.7	(+25.9%)	54.0	68.1	+14.1	(+26.0%)
	Total	56.5	62.6	+6.1	(+10.7%)	177.6	184.5	+6.9	(+3.9%)
Operating Income	Toray	2.9	3.1	+0.2	(+6.2%)	8.9	8.1	-0.8	(-9.2%)
	Japanese Subsidiaries	1.6	1.7	+0.1	(+4.7%)	4.0	3.9	-0.1	(-2.6%)
	Overseas Subsidiaries	2.6	2.5	-0.1	(-2.5%)	6.0	7.7	+1.7	(+27.6%)
	Adjustment	▲ 0.8	▲ 0.8	+0.0		▲ 3.0	▲ 2.4	+0.6	
	Total	6.3	6.5	+0.2	(+3.0%)	15.9	17.3	+1.4	(+8.7%)



## 3Q (Oct.-Dec.)

Sales of films and processed film products for large LCD panels used in flat-screen TVs remained weak due to the stagnating TV demand. Shipment of products for small and mid-sized displays such as smartphones and tablet terminals entered a correction phase with the impact of production adjustment of end products. On the other hand, shipment of new products expanded steadily.

## Nine Months (Apr.-Dec.)

Shipment of films and processed film products for large LCD panels used in flat-screen TVs entered a correction phase with demand for TV stagnating. While sales for small and mid-sized displays such as smartphones and tablet terminals grew strongly in the first half, the demand slowed down in the third quarter due to the production adjustment of end products. Overseas, although sales at subsidiaries making films and processed film products as well as electronic circuit materials in Republic of Korea performed strongly in the first half, they became weak in the third quarter reflecting the sluggish market for LCD panels. In general, price competition in the field continued partly due to the impact of price declines of end products.

# Details of the Sales of IT-related Products Segment

## 【Sales ratio by sub-segment】

Unit: Billion yen

	FY Mar/13 3Q (Oct.-Dec.)		FY Mar/14 3Q (Oct.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	19.8	35%	22.1	35%	+12%
Electronic Components, Semiconductor, Electric Circuit Materials	24.1	43%	26.8	43%	+11%
Data Storage Materials	7.5	13%	7.8	12%	+4%
Equipment, others	5.1	9%	5.9	9%	+16%
<b>Total of IT-related Products Segment</b>	<b>56.5</b>		<b>62.6</b>		<b>+11%</b>

	FY Mar/13 Nine Months (Apr.-Dec.)		FY Mar/14 Nine Months (Apr.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	60.2	34%	66.3	36%	+10%
Electronic Components, Semiconductor, Electric Circuit Materials	72.1	41%	80.6	44%	+12%
Data Storage Materials	23.5	13%	23.1	13%	-2%
Equipment, others	21.8	12%	14.5	8%	-33%
<b>Total of IT-related Products Segment</b>	<b>177.6</b>		<b>184.5</b>		<b>+4%</b>

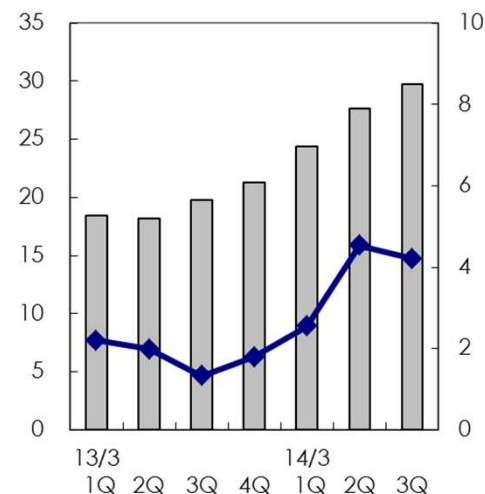
# Business Results by Segment (Carbon Fiber Composite Materials)

Unit: Billion yen

Net Sales  
<Bar chart>

Operating Income  
<Line chart>

(Billion yen)



		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	15.3	20.1	+4.8	(+31.4%)	45.8	63.2	+17.4	(+37.9%)
	Japanese Subsidiaries	10.6	14.1	+3.5	(+33.4%)	31.6	39.9	+8.3	(+26.3%)
	Overseas Subsidiaries	14.6	25.5	+10.9	(+74.8%)	44.1	67.4	+23.3	(+52.7%)
	Adjustment	▲ 20.7	▲ 29.9	-9.2		▲ 65.2	▲ 88.5	-23.3	
	Total	19.7	29.8	+10.0	(+50.9%)	56.3	81.9	+25.6	(+45.5%)
Operating Income	Toray	0.2	2.7	+2.5	(+1306.7%)	2.8	6.9	+4.1	(+147.2%)
	Japanese Subsidiaries	0.1	0.2	+0.0	(+32.8%)	0.4	0.6	+0.2	(+62.5%)
	Overseas Subsidiaries	1.0	1.8	+0.8	(+80.0%)	3.3	4.9	+1.6	(+48.5%)
	Adjustment	▲ 0.0	▲ 0.5	-0.5		▲ 0.9	▲ 1.1	-0.1	
	Total	1.3	4.2	+2.9	(+218.6%)	5.5	11.3	+5.8	(+104.9%)

As the segment highly conducts global operation with Japanese, Europe and US facilities, internal sales figures are shown in adjustment line to describe the true state of the business.

## 3Q (Oct.-Dec.)

Sales of carbon fibers and intermediate products (pregreg) grew strongly in aerospace applications and the environment and energy fields including compressed natural gas tank applications. In the composite business, sales of products for notebook PC housing application remained steady.

## Nine Months (Apr.-Dec.)

As demand for aircraft as well as that in the environment and energy fields including compressed natural gas tank applications expanded, sales of carbon fibers and intermediate product (pregreg) grew strongly for aerospace applications and general industrial applications. In the composite business, sales of carbon fiber reinforced plastic for notebook PC housing application, which boasts high strength and light weight, expanded.

# Details of the Sales of Carbon Fiber Composite Materials Segment

【Sales ratio by sub-segment】

Unit: Billion yen

	FY Mar/13 3Q (Oct.-Dec.)		FY Mar/14 3Q (Oct.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
<b>Aerospace</b>	<b>7.4</b>	<b>38%</b>	<b>14.9</b>	<b>50%</b>	<b>+100%</b>
<b>Sports</b>	<b>3.2</b>	<b>16%</b>	<b>4.0</b>	<b>13%</b>	<b>+25%</b>
<b>Industrial</b>	<b>9.1</b>	<b>46%</b>	<b>10.9</b>	<b>37%</b>	<b>+19%</b>
<b>Total of Carbon Fiber Composite Materials</b>	<b>19.7</b>		<b>29.8</b>		<b>+51%</b>
	FY Mar/13 Nine Months (Apr.-Dec.)		FY Mar/14 Nine Months (Apr.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
<b>Aerospace</b>	<b>22.9</b>	<b>41%</b>	<b>40.1</b>	<b>49%</b>	<b>+75%</b>
<b>Sports</b>	<b>8.7</b>	<b>15%</b>	<b>10.6</b>	<b>13%</b>	<b>+22%</b>
<b>Industrial</b>	<b>24.7</b>	<b>44%</b>	<b>31.2</b>	<b>38%</b>	<b>+26%</b>
<b>Total of Carbon Fiber Composite Materials</b>	<b>56.3</b>		<b>81.9</b>		<b>+45%</b>

# Business Results by Segment (Environment & Engineering)

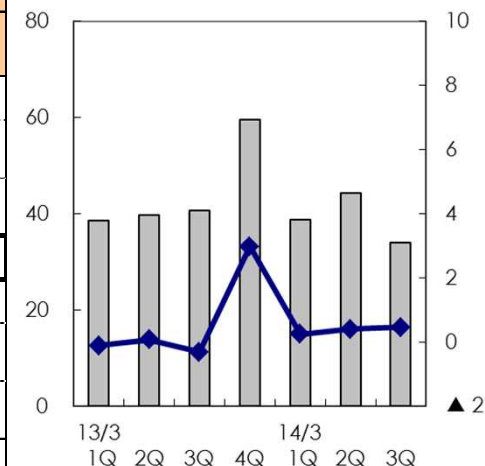
Unit: Billion yen

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	2.2	3.2	+1.0	(+46.6%)	5.7	7.9	+2.2	(+39.1%)
	Japanese Subsidiaries	37.3	28.9	-8.4	(-22.4%)	109.6	104.2	-5.3	(-4.9%)
	Overseas Subsidiaries	1.1	1.8	+0.7	(+60.6%)	3.5	4.9	+1.4	(+40.0%)
	Total	40.6	33.9	-6.7	(-16.4%)	118.7	117.0	-1.7	(-1.5%)
Operating Income	Toray	▲ 0.6	0.2	+0.8	(-)	▲ 2.0	0.4	+2.4	(-)
	Japanese Subsidiaries	0.2	0.2	-0.1	(-26.5%)	1.6	0.0	-1.6	(-97.7%)
	Overseas Subsidiaries	0.1	0.1	+0.0	(+10.4%)	▲ 0.2	0.2	+0.4	(-)
	Adjustment	0.0	0.1	+0.1		0.2	0.5	+0.2	
	Total	▲ 0.3	0.5	+0.8	(-)	▲ 0.3	1.1	+1.4	(-)

Net Sales  
<Bar chart>

Operating Income  
<Line chart>

(Billion yen)



## 3Q (Oct.-Dec.)

**Water Treatment Business** : Toray Group expanded sales of its reverse osmosis membranes to the Middle East, and worked thoroughly to reduce costs as well.

**Japan** : A construction and real estate subsidiary registered less completion of projects with real estate business.

## Nine Months (Apr.-Dec.)

While the market for water treatment membranes has not yet fully recovered reflecting continued uncertainties over the global economic outlook, shipment of reverse osmosis membranes to the Middle East was strong at Toray. Among Japanese subsidiaries, the progress of plant construction projects remained slow at the engineering subsidiary.



# Business Results by Segment (Life Science)

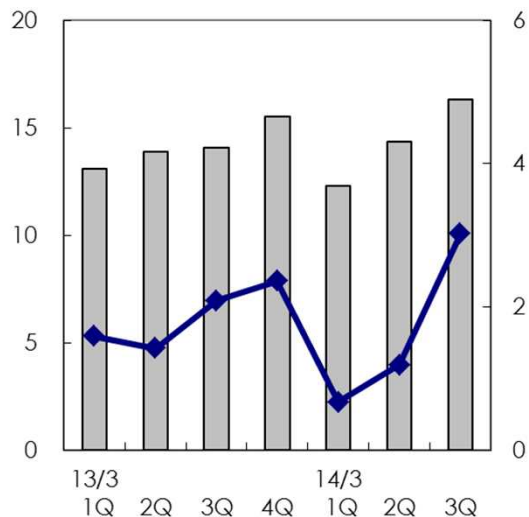
Unit: Billion yen

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	3.9	5.9	+2.0	(+52.4%)	11.2	12.8	+1.6	(+14.1%)
	Japanese Subsidiaries	9.8	9.1	-0.6	(-6.4%)	29.0	27.2	-1.8	(-6.2%)
	Overseas Subsidiaries	0.4	1.3	+0.9	(+203.8%)	0.9	3.0	+2.1	(+242.4%)
	Total	14.1	16.3	+2.3	(+16.1%)	41.1	42.9	+1.9	(+4.6%)
Operating Income	Toray	1.3	2.9	+1.7	(+132.7%)	3.8	4.2	+0.4	(+9.6%)
	Japanese Subsidiaries	0.4	0.1	-0.3	(-82.4%)	1.2	0.7	-0.5	(-38.2%)
	Overseas Subsidiaries	▲ 0.1	0.0	+0.1	(-)	▲ 0.1	▲ 0.0	+0.1	(-)
	Adjustment	0.5	▲ 0.0	-0.5		0.2	0.0	-0.2	
	Total	2.1	3.0	+0.9	(+44.4%)	5.1	4.9	-0.2	(-4.3%)

Net Sales  
<Bar chart>

Operating Income  
<Line chart>

(Billion yen)



## 3Q (Oct.-Dec.)

Sales of REMITCH®\* an oral anti-pruritus drug for hemodialysis patients, expanded though other pharmaceutical products were affected by intensifying competition. Licensing revenues increased. Sales in Japan as well as exports of medical products including FILTRYZER®, polymethylmethacrylate (PMMA) dialysis membrane-based hemodialyzer, and TORAYSULFONE®, polysulfone membrane artificial kidneys, increased strongly. Meanwhile, sales of dialysis machines remained weak.

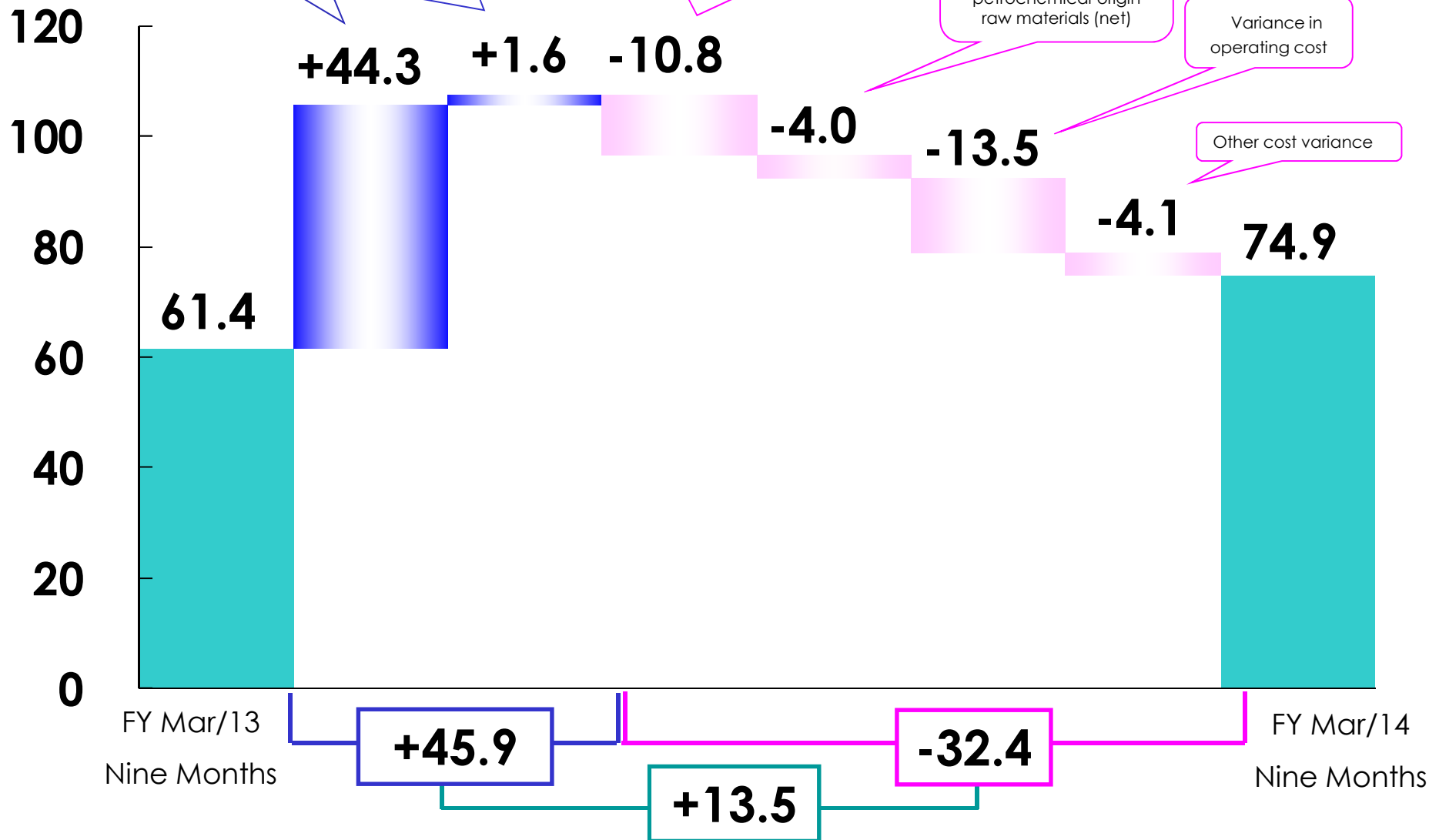
## Nine Months (Apr.-Dec.)

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

# Income Variance Factor Analysis (Nine Months)

Billion yen



"Petrochemical-origin products, etc." are the total of Fibers & Textiles, Plastics & Chemicals and Carbon Fiber Composite Materials Segments

# Results of Major Subsidiaries (Nine Months)

Billion yen

		Net Sales			Operating Income		
		FY Mar/13 Nine Months (Apr.-Dec.)	<b>FY Mar/14 Nine Months (Apr.-Dec.)</b>	Changes	FY Mar/13 Nine Months (Apr.-Dec.)	<b>FY Mar/14 Nine Months (Apr.-Dec.)</b>	Changes
Toray International Inc.		365.5	<b>428.0</b>	+62.5	8.3	<b>9.3</b>	+1.0
Toray Engineering Co., Ltd.		59.0	<b>48.5</b>	-10.6	▲0.1	<b>▲0.9</b>	-0.9
Toray Construction Co., Ltd.		33.1	<b>29.9</b>	-3.2	0.2	<b>0.0</b>	-0.2
Toray Advanced Film Co., Ltd.		34.8	<b>32.4</b>	-2.4	2.0	<b>0.8</b>	-1.2
Toray Medical Co., Ltd.		29.5	<b>30.0</b>	+0.5	1.2	<b>0.7</b>	-0.5
TAK (Republic of Korea)		69.5	<b>85.8</b>	+16.3	9.8	<b>9.6</b>	-0.2
TPM (Malaysia)		42.8	<b>52.2</b>	+9.4	1.3	<b>2.0</b>	+0.7
Subsidiaries in Southeast Asia *1	Fibers & Textiles	66.2	<b>87.7</b>	+21.5	0.8	<b>3.7</b>	+2.9
	Plastics & Chemicals	50.9	<b>60.8</b>	+9.9	3.2	<b>2.7</b>	-0.5
	Others	5.6	<b>6.1</b>	+0.5	0.3	<b>0.3</b>	+0.0
	Total	122.7	<b>154.7</b>	+32.0	4.3	<b>6.7</b>	+2.4
Subsidiaries in China *2	Fibers & Textiles	87.8	<b>141.5</b>	+53.7	9.1	<b>13.3</b>	+4.1
	Plastics & Chemicals	41.3	<b>50.1</b>	+8.8	0.5	<b>1.2</b>	+0.7
	Others	9.2	<b>13.3</b>	+4.1	▲0.5	<b>0.1</b>	+0.6
	Total	138.3	<b>204.9</b>	+66.6	9.2	<b>14.6</b>	+5.4
Films Subsidiaries (Overseas) *3	Plastics & Chemicals	59.4	<b>73.1</b>	+13.7	5.9	<b>3.9</b>	-2.1
	IT-related Products	37.2	<b>47.8</b>	+10.5	6.1	<b>6.8</b>	+0.6
	Total	96.6	<b>120.9</b>	+24.2	12.1	<b>10.6</b>	-1.4

\*1 : ITS, ETX, ISTEM, ACTEM, CENTEX, TPJ, PFR, PAB-G, TTS, LTX, TTTM, TPM sum total

\*2 : TFNL, TSD, TJQ, TPN, TCH, TICH, THK-G, TPCH-G, TPPH/TPPZ, TFH/TFZ, TBMC, TMQ, TFCC sum total

\*3 : TAK, PFR, TPA, TFE, TFH/TFZ, TAFK sum total

# 2Q vs. 3Q Comparison of Operating Income by Segment

Segment	Operating Income FY Mar/14 2Q → FY Mar/14 3Q ( ) difference	Variance Factors
Fibers & Textiles	13.9 → 17.4 (+ 3.5)	<ul style="list-style-type: none"> <li>• Shipment of functional garments for fall and winter reached its peak so sales grew strongly.</li> </ul>
Plastics & Chemicals	4.7 → 4.2 (- 0.5)	<ul style="list-style-type: none"> <li>• Sales of plastic resins increased in and outside of Japan mainly for automotive applications.</li> <li>• Price competition continued in overseas films business due to intensifying competition.</li> </ul>
IT-related Products	6.3 → 6.5 (+ 0.1)	<ul style="list-style-type: none"> <li>• Films for LCD panels and touch panels were weak due to the impact of inventory adjustment in the supply chain.</li> <li>• Shipment of new products expanded steadily.</li> </ul>
Carbon Fiber Composite Materials	4.5 → 4.2 (- 0.3)	<ul style="list-style-type: none"> <li>• Sales of aerospace, sports and industrial applications were steady.</li> <li>• Income decreased reflecting change in product mix.</li> </ul>
Environment & Engineering	0.4 → 0.5 (+ 0.1)	<ul style="list-style-type: none"> <li>• Water treatment membrane business performed steadily with increased shipment of reverse osmosis membranes to the Middle East region.</li> </ul>
Life Science	1.2 → 3.0 (+ 1.8)	<ul style="list-style-type: none"> <li>• Artificial kidney performed steadily.</li> <li>• Licensing revenues increased in pharmaceutical business.</li> </ul>
Others	0.5 → 0.5 (- 0.1)	
Adjustment	▲5.3 → ▲5.6 (- 0.3)	
Consolidated	26.3 → 30.6 (+ 4.3)	



**II. Business Forecast for the  
Fiscal Year Ending March 2014  
(Consolidated Basis)**



# Forecast Summary

Billion yen

		FY Mar/13 Actual	FY Mar/14 Forecast	Changes		Previous Forecast	Difference from Previous Forecast
Net Sales	1st Half	753.7	853.8	+100.0	(+13.3%)	853.8	—
	2nd Half	838.6	976.2	+137.7	(+16.4%)	996.2	-20.0
	<b>Total</b>	<b>1,592.3</b>	<b>1,830.0</b>	<b>+237.7</b>	<b>(+14.9%)</b>	<b>1,850.0</b>	<b>-20.0</b>
Operating Income	1st Half	36.7	44.3	+7.6	(+20.7%)	44.3	—
	2nd Half	46.7	65.7	+19.0	(+40.6%)	75.7	-10.0
	<b>Total</b>	<b>83.4</b>	<b>110.0</b>	<b>+26.6</b>	<b>(+31.8%)</b>	<b>120.0</b>	<b>-10.0</b>
Ordinary Income	1st Half	38.0	46.5	+8.5	(+22.3%)	46.5	—
	2nd Half	50.2	63.5	+13.3	(+26.4%)	73.5	-10.0
	<b>Total</b>	<b>88.2</b>	<b>110.0</b>	<b>+21.8</b>	<b>(+24.7%)</b>	<b>120.0</b>	<b>-10.0</b>
Net Income	1st Half	20.0	29.4	+9.4	(+46.8%)	29.4	—
	2nd Half	28.5	30.6	+2.2	(+7.6%)	35.6	-5.0
	<b>Total</b>	<b>48.5</b>	<b>60.0</b>	<b>+11.5</b>	<b>(+23.8%)</b>	<b>65.0</b>	<b>-5.0</b>

Net Income per Share	1st Half	12.28 yen	18.03 yen
	2nd Half	17.47 yen	18.80 yen
	<b>Total</b>	<b>29.75 yen</b>	<b>36.83 yen</b>
Dividend per Share	1st Half	5.00 yen	5.00 yen
	2nd Half	5.00 yen	5.00 yen
	<b>Total</b>	<b>10.00 yen</b>	<b>10.00 yen</b>

Remarks :

Estimated exchange rate : 100 yen / US\$ (January ~)

Estimated oil price : 110 US\$/ B (DUBAI FOB) (January ~)

# Forecast by Segment

Billion yen

		FY Mar/13 Actual			FY Mar/14 Forecast			Changes			Difference from Previous Forecast
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total	Total
Net Sales	Fibers & Textiles	288.9	343.3	632.2	335.1	414.9	750.0	+46.2	+71.6	+117.9	—
	Plastics & Chemicals	195.0	200.9	395.8	228.0	232.0	460.0	+33.0	+31.1	+64.2	—
	IT-related Products	121.1	116.5	237.6	122.0	123.0	245.0	+0.8	+6.6	+7.4	-15.0
	Carbon Fiber Composite Materials	36.5	41.1	77.6	52.1	57.9	110.0	+15.5	+16.8	+32.4	—
	Environment & Engineering	78.1	100.2	178.4	83.1	106.9	190.0	+4.9	+6.7	+11.6	-5.0
	Life Science	27.0	29.6	56.6	26.6	33.4	60.0	-0.4	+3.8	+3.4	—
	Others	7.1	7.0	14.1	6.9	8.1	15.0	-0.2	+1.1	+0.9	—
	Consolidated	753.7	838.6	1,592.3	853.8	976.2	1,830.0	+100.0	+137.7	+237.7	-20.0
Operating Income	Fibers & Textiles	18.5	24.7	43.2	24.2	30.8	55.0	+5.6	+6.1	+11.8	—
	Plastics & Chemicals	10.5	7.8	18.3	9.0	9.0	18.0	-1.5	+1.2	-0.3	-4.0
	IT-related Products	9.6	13.3	23.0	10.8	14.2	25.0	+1.2	+0.9	+2.0	-6.0
	Carbon Fiber Composite Materials	4.2	3.1	7.3	7.1	8.9	16.0	+2.9	+5.8	+8.7	—
	Environment & Engineering	▲ 0.0	2.7	2.6	0.6	6.4	7.0	+0.7	+3.7	+4.4	—
	Life Science	3.0	4.5	7.5	1.9	5.1	7.0	-1.1	+0.7	-0.5	—
	Others	0.7	0.9	1.6	0.7	1.3	2.0	+0.0	+0.4	+0.4	—
	Adjustment	▲ 9.8	▲ 10.2	▲ 20.0	▲ 10.0	▲ 10.0	▲ 20.0	-0.2	+0.2	-0.0	—
Consolidated	36.7	46.7	83.4	44.3	65.7	110.0	+7.6	+19.0	+26.6	-10.0	

# Operating Income Comparison with Previous Forecast by Segment

Billion yen

Segment	Full-year Operating Income Previous Forecast → New Forecast ( ) difference	Factors
Fibers & Textiles	55.0 → 55.0 (± 0)	<ul style="list-style-type: none"> <li>Expect to be in line with the previous forecast.</li> </ul>
Plastics & Chemicals	22.0 → 18.0 (- 4.0)	<ul style="list-style-type: none"> <li>In Japan, transfer of raw materials' cost increase on to selling prices is taking more time than expected.</li> <li>In films business, expect price competition to continue in and outside of Japan.</li> </ul>
IT-related Products	31.0 → 25.0 (- 6.0)	<ul style="list-style-type: none"> <li>Further delay in recovery of demand for large TVs and smartphones than expected.</li> </ul>
Carbon Fiber Composite Materials	16.0 → 16.0 (± 0)	<ul style="list-style-type: none"> <li>Expect to be in line with the previous forecast.</li> </ul>
Environment & Engineering	7.0 → 7.0 (± 0)	<ul style="list-style-type: none"> <li>Expect to be in line with the previous forecast.</li> </ul>
Life Science	7.0 → 7.0 (± 0)	<ul style="list-style-type: none"> <li>Expect to be in line with the previous forecast.</li> </ul>
Others	2.0 → 2.0 (± 0)	<ul style="list-style-type: none"> <li>Expect to be in line with the previous forecast.</li> </ul>
Adjustment	▲20.0 → ▲20.0 (± 0)	
Consolidated	120.0 → 110.0 (- 10.0)	



**Descriptions of predicted business results, projections, and business plans for the Fiscal Year ending March 2014 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.**