

Announcement of Business Results for the Fiscal Year Ended March 2016 and Business Forecast for the Fiscal Year Ending March 2017

**Toray Industries, Inc.
May 12, 2016**

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I. Business Results for the Fiscal Year Ended March 2016 (Consolidated Basis)

Summary of Consolidated Business Results for the Fiscal Year Ended March 2016

Billion yen

	FY Mar/15			FY Mar/16			Changes
	1st Half	2nd Half	Total	1st Half	2nd Half	Total	
Net Sales	948.0	1,062.8	2,010.7	1,028.6	1,075.9	2,104.4	+93.7 (+4.7%)
Cost of Sales	762.3	849.2	1,611.5	811.2	851.4	1,662.6	+51.1 (+3.2%)
Gross Profit	185.7	213.6	399.3	217.4	224.5	441.9	+42.6 (+10.7%)
(Gross Profit to Net Sales)	19.6%	20.1%	19.9%	21.1%	20.9%	21.0%	+1.1 points
Operating Income	51.3	72.2	123.5	75.1	79.4	154.5	+31.0 (+25.1%)
(Operating Income to Net Sales)	5.4%	6.8%	6.1%	7.3%	7.4%	7.3%	+1.2 points
Non-operating Income and Expenses, net	5.2	▲ 0.1	5.1	0.4	▲ 4.7	▲ 4.3	-9.4
Ordinary Income	56.5	72.1	128.6	75.5	74.7	150.2	+21.6 (+16.8%)
Special Credits and Charges, net	▲ 2.1	▲ 12.0	▲ 14.1	▲ 2.8	▲ 9.5	▲ 12.4	+1.7
Income before Income Taxes	54.4	60.1	114.5	72.7	65.1	137.8	+23.3 (+20.4%)
Net Income Attributable to Owners of Parent	41.3	29.8	71.0	49.4	40.7	90.1	+19.1 (+26.9%)
Net Income per share	25.70 yen	18.61 yen	44.33yen	30.93 yen	25.45 yen	56.38 yen	
Dividend per share	5.00 yen	6.00 yen	11.00 yen	6.00 yen	7.00 yen	13.00 yen	

Exchange Rate

<Yen/US\$>

FY Mar/15 → FY Mar/16

Average: 109.9 → 120.1

End of the term: 120.2 → 112.7

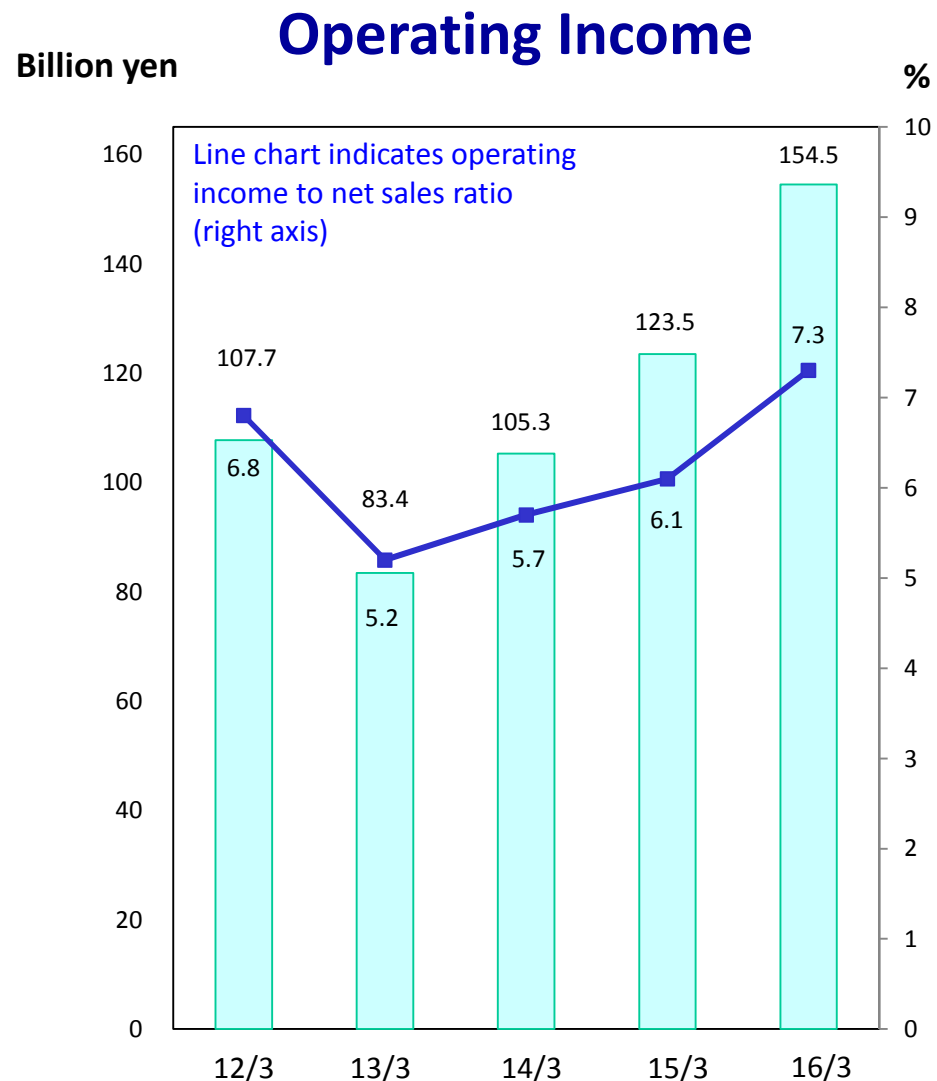
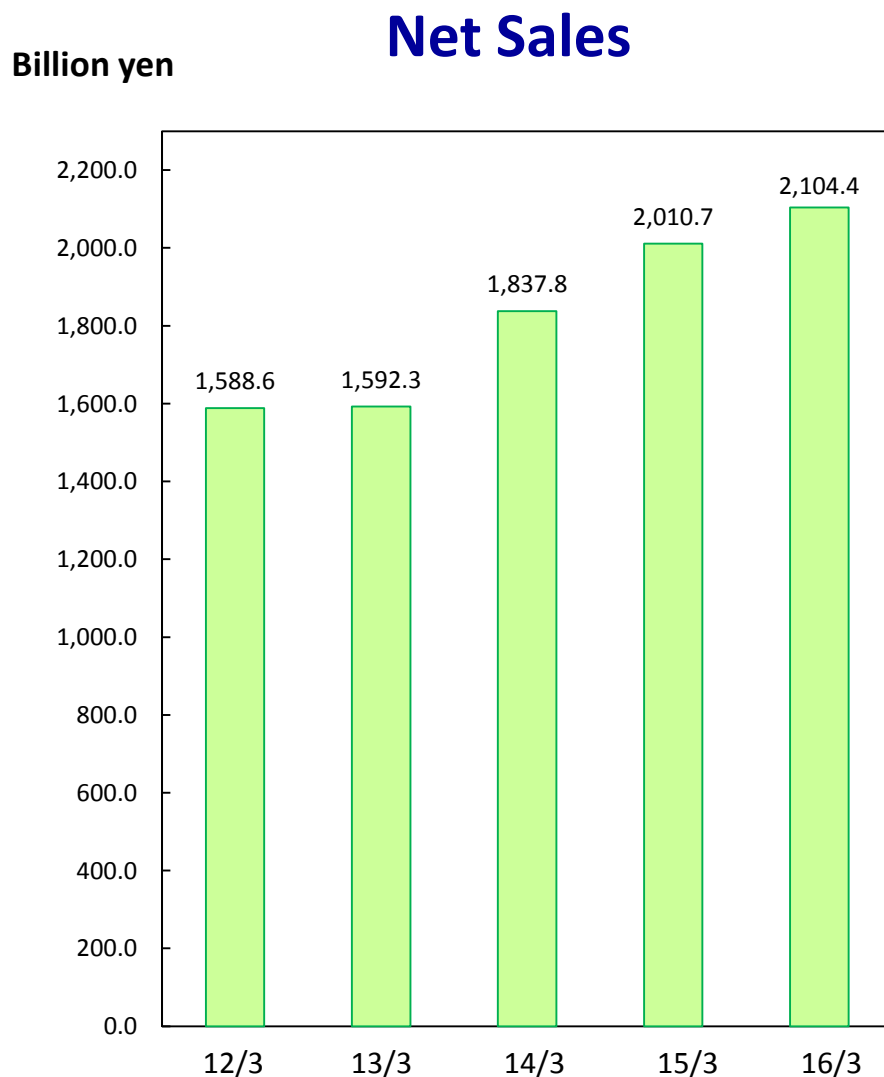
<Yen/Euro>

FY Mar/15 → FY Mar/16

Average: 138.8 → 132.6

End of the term: 130.3 → 127.7

Trends in Net Sales and Operating Income

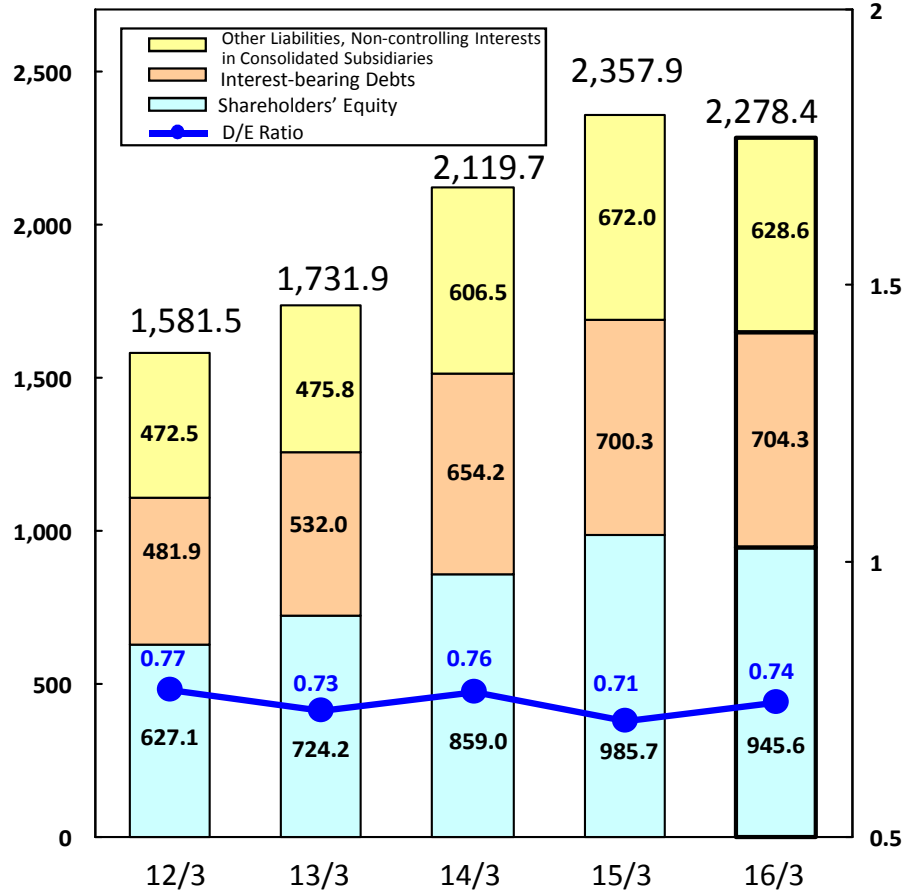


Total Assets, D/E Ratio and ROA · ROE

Total Assets, D/E Ratio

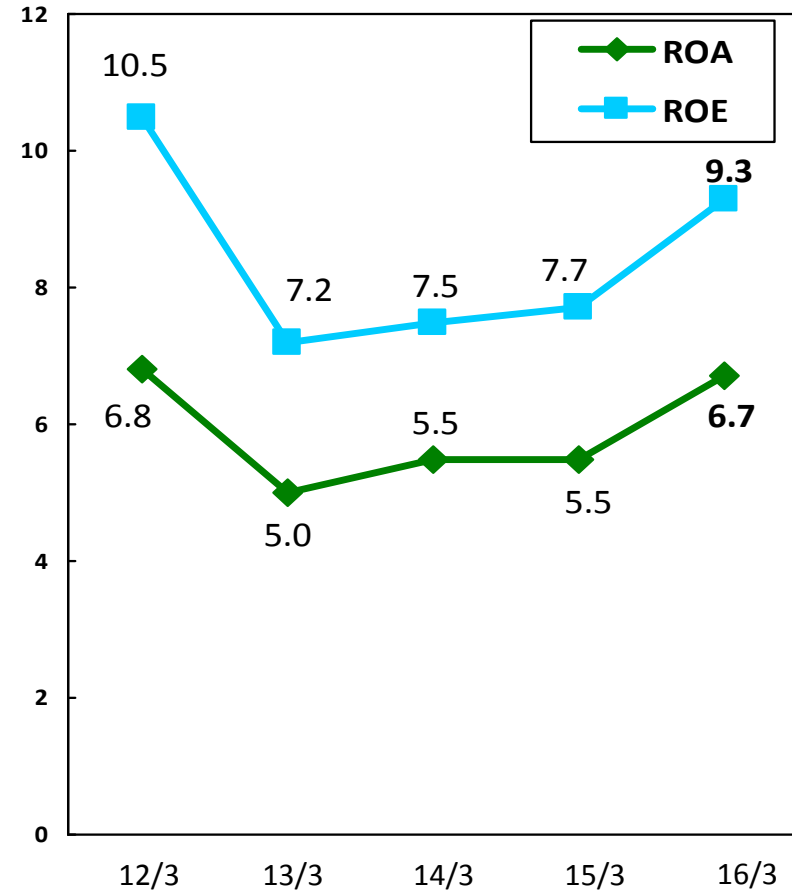
Billion yen

Times



ROA · ROE

%



ROA = Operating Income / Total Assets

ROE = Net Income Attributable to Owners of Parent / Owner's Equity

Non-operating Income and Expenses

Billion yen

	FY Mar/15	FY Mar/16	Changes
Non-operating Income	22.0	14.9	-7.1
Interest and Dividend Income	4.1	5.0	+0.9
Equity in Earnings of Affiliates	11.8	5.0	-6.8
Foreign Exchange Gains	2.1	-	-2.1
Others	4.0	4.8	+0.8
Non-operating Expenses	▲ 16.9	▲ 19.2	-2.3
Interest Expenses	▲ 6.3	▲ 5.4	+1.0
Foreign Exchange Losses	-	▲ 2.4	-2.4
Costs related to Start-up of New Facilities	▲ 2.2	▲ 1.2	+1.0
Costs related to Idle Facilities	▲ 2.8	▲ 4.2	-1.4
Others	▲ 5.6	▲ 6.1	-0.5
Non-operating Income and Expenses, net	5.1	▲ 4.3	-9.4
Interest and Dividend Income, Interest Expenses, net	▲ 2.2	▲ 0.3	+1.9

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

Special Credits and Charges

Billion yen

	FY Mar/15	FY Mar/16	Changes
Special Credits	1.8	6.0	+4.1
Gain on Sales of Property, Plant and Equipment	0.5	1.0	+0.5
Gain on Sales of Investment Securities	0.5	4.5	+3.9
Gain on Sales of Securities of Subsidiaries	0.7	0.1	-0.5
Others	0.2	0.4	+0.2
Special Charges	▲ 15.9	▲ 18.3	-2.4
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 6.2	▲ 6.1	+0.1
Loss on Impairment of Fixed Assets	▲ 7.9	▲ 9.1	-1.1
Loss on Write-down of Investment Securities	▲ 0.1	▲ 2.2	-2.1
Others	▲ 1.8	▲ 1.0	+0.8
Special Credits and Charges, net	▲ 14.1	▲ 12.4	+1.7

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

Assets, Liabilities, Net Assets and Free Cash Flows

	End of Mar/15	End of Mar/16	Changes
Total Assets	2,357.9	2,278.4	-79.5
Current Assets	1,017.9	1,009.6	-8.3
Tangible Assets	855.6	830.6	-25.0
Intangible Assets	98.5	87.2	-11.3
Investment and Other Assets	386.0	351.1	-34.9

Billion yen

	End of Mar/15	End of Mar/16	Changes
Total Liabilities	1,277.2	1,253.5	-23.7
Current Liabilities	600.9	571.3	-29.5
Other Liabilities	676.3	682.1	+5.8
Total Net Assets	1,080.8	1,024.9	-55.8
Owner's Equity	985.7	945.6	-40.1
Equity Ratio	41.8%	41.5%	-0.3 points

<Free Cash Flows>

	FY Mar/15	FY Mar/16	Changes
Cash Flows from Operating Activities	141.3	196.1	+54.9
Cash Flows from Investment Activities	▲ 140.7	▲ 154.4	-13.8
Free Cash Flows	0.6	41.7	+41.1

Net Sales and Operating Income by Segment

Billion yen

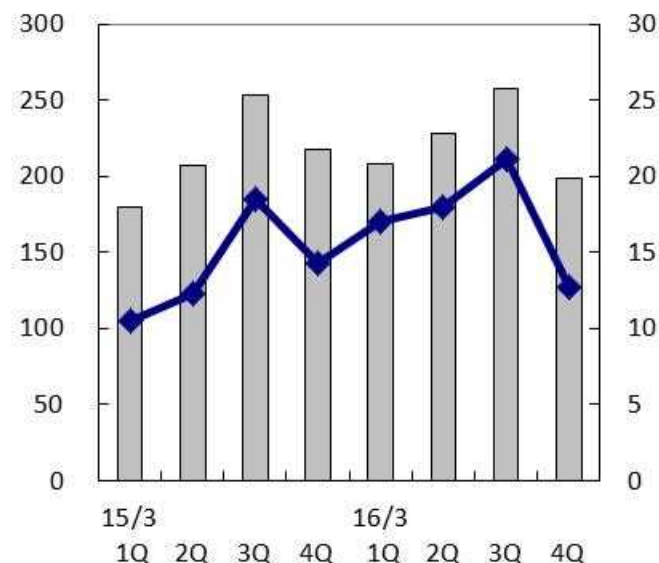
		Net Sales				Operating Income			
		FY Mar/15	FY Mar/16	Changes	(%)	FY Mar/15	FY Mar/16	Changes	(%)
Fibers & Textiles	1st Half	386.2	435.8	+49.7	(+12.9%)	22.8	35.0	+12.3	(+54.0%)
	2nd Half	470.5	456.2	-14.3	(-3.0%)	32.8	33.9	+1.0	(+3.1%)
	Total	856.7	892.0	+35.4	(+4.1%)	55.6	68.9	+13.3	(+23.9%)
Plastics & Chemicals	1st Half	246.2	257.2	+11.0	(+4.5%)	11.7	15.7	+3.9	(+33.6%)
	2nd Half	250.2	264.0	+13.9	(+5.5%)	12.2	13.7	+1.6	(+12.9%)
	Total	496.4	521.2	+24.9	(+5.0%)	23.9	29.4	+5.5	(+23.1%)
IT-related Products	1st Half	121.8	125.0	+3.1	(+2.6%)	10.3	12.0	+1.6	(+16.0%)
	2nd Half	126.1	126.1	-0.0	(-0.0%)	14.2	14.2	+0.0	(+0.0%)
	Total	248.0	251.1	+3.1	(+1.2%)	24.5	26.2	+1.7	(+6.8%)
Carbon Fiber Composite Materials	1st Half	76.6	94.3	+17.7	(+23.1%)	11.8	18.6	+6.8	(+57.9%)
	2nd Half	81.7	91.9	+10.2	(+12.4%)	14.5	17.5	+3.1	(+21.3%)
	Total	158.4	186.2	+27.8	(+17.6%)	26.2	36.1	+9.9	(+37.7%)
Environment & Engineering	1st Half	83.4	82.6	-0.8	(-0.9%)	2.1	1.6	-0.5	(-22.3%)
	2nd Half	96.6	100.7	+4.1	(+4.3%)	5.9	8.0	+2.0	(+34.1%)
	Total	180.0	183.3	+3.3	(+1.9%)	8.0	9.6	+1.6	(+19.5%)
Life Science	1st Half	26.5	26.4	-0.1	(-0.5%)	1.7	0.6	-1.1	(-63.6%)
	2nd Half	30.5	29.5	-1.1	(-3.5%)	2.4	2.4	+0.1	(+3.3%)
	Total	57.0	55.8	-1.2	(-2.1%)	4.1	3.1	-1.0	(-24.7%)
Others	1st Half	7.2	7.2	-0.0	(-0.0%)	0.7	0.5	-0.2	(-28.2%)
	2nd Half	7.1	7.5	+0.4	(+5.6%)	1.2	1.4	+0.3	(+22.2%)
	Total	14.3	14.7	+0.4	(+2.8%)	1.9	2.0	+0.1	(+3.2%)
Adjustment	1st Half					▲ 9.8	▲ 8.9	+0.9	
	2nd Half					▲ 11.0	▲ 11.8	-0.8	
	Total					▲ 20.7	▲ 20.7	+0.0	
Consolidated	1st Half	948.0	1,028.6	+80.6	(+8.5%)	51.3	75.1	+23.8	(+46.4%)
	2nd Half	1,062.8	1,075.9	+13.1	(+1.2%)	72.2	79.4	+7.2	(+10.0%)
	Total	2,010.7	2,104.4	+93.7	(+4.7%)	123.5	154.5	+31.0	(+25.1%)

Business Results by Segment (Fibers & Textiles)

		Billion yen			
		FY Mar/15	FY Mar/16	Changes	
Net Sales	Toray	185.1	191.8	+6.7	(+3.6%)
	Japanese Subsidiaries	452.0	466.8	+14.9	(+3.3%)
	Overseas Subsidiaries	490.7	532.6	+41.9	(+8.5%)
	Adjustment	▲ 271.1	▲ 299.3	-28.1	
	Total	856.7	892.0	+35.4	(+4.1%)
Operating Income	Toray	13.4	17.5	+4.1	(+30.2%)
	Japanese Subsidiaries	12.5	13.3	+0.8	(+6.0%)
	Overseas Subsidiaries	31.4	41.0	+9.7	(+30.8%)
	Adjustment	▲ 1.7	▲ 2.9	-1.2	
	Total	55.6	68.9	+13.3	(+23.9%)

Net Sales
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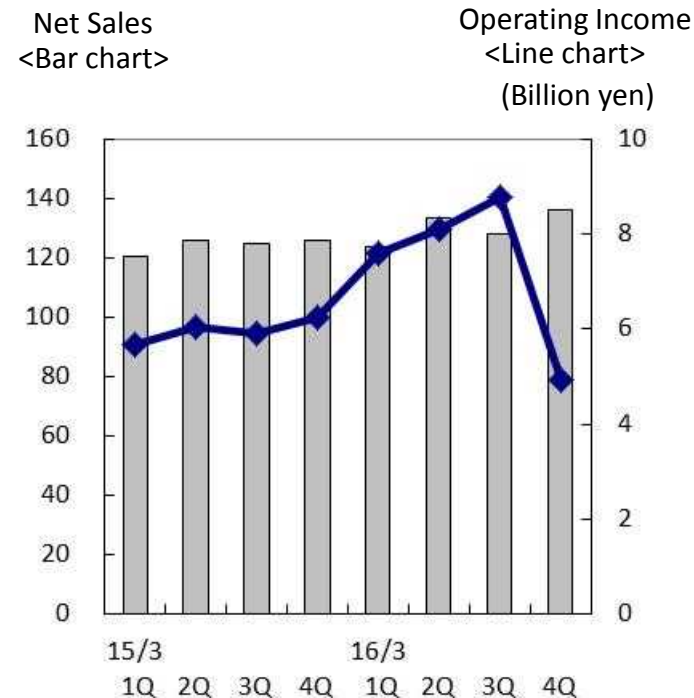
Operating Income
<Line chart>
(Billion yen)



- Japan** : Demand for apparel applications remained weak and sales for industrial applications were affected by inventory adjustment at some customers for automotive applications. Against this background, Toray Group not only strived to expand sales on the whole but also worked to improve profitability by upgrading the business primarily through promotion of a business format that integrates fibers to textiles to final products.
- Overseas** : Despite being affected by a slowdown in demand in Europe and sluggish domestic demand in China, textile subsidiaries in China and Southeast Asia pursued sales expansion and a shift towards high value-added products. In addition, shipment for automotive applications such as airbag fabric and interior materials was strong, and demand for hygiene products in Southeast Asia and India expanded.

Business Results by Segment (Plastics & Chemicals)

		Billion yen			
		FY Mar/15	FY Mar/16	Changes	
Net Sales	Toray	139.4	122.1	-17.3	(-12.4%)
	Japanese Subsidiaries	366.0	388.7	+22.7	(+6.2%)
	Overseas Subsidiaries	365.9	346.7	-19.1	(-5.2%)
	Adjustment	▲ 374.8	▲ 336.2	+38.6	
	Total	496.4	521.2	+24.9	(+5.0%)
Operating Income	Toray	2.3	4.7	+2.4	(+104.8%)
	Japanese Subsidiaries	8.8	7.3	-1.4	(-16.4%)
	Overseas Subsidiaries	13.0	17.3	+4.3	(+33.2%)
	Adjustment	▲ 0.2	0.0	+0.2	
	Total	23.9	29.4	+5.5	(+23.1%)



Resins Business : While shipment of automotive application products was affected in Japan by the decline in automobile production, other applications performed strongly in general. Overseas, shipment at subsidiaries in the U.S. expanded for automotive applications and shipment of ABS resin at a Malaysian subsidiary remained strong.

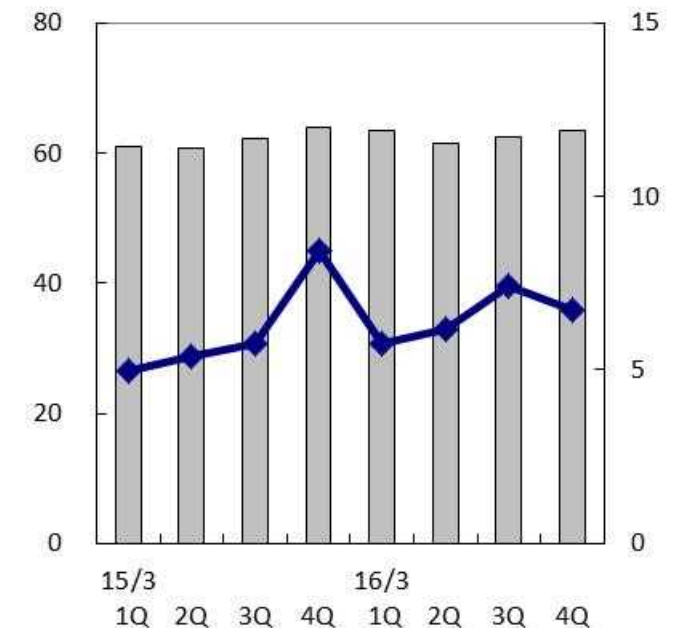
Films Business : The products for packaging applications performed strongly both in Japan and abroad. Toray Group, despite many applications being affected by price competition, strived to improve profitability of the business by emphasizing on sales expansion of high value-added products and cost reduction.

Business Results by Segment (IT-related Products)

		Billion yen			
		FY Mar/15	FY Mar/16	Changes	
Net Sales	Toray	90.7	87.0	-3.7	(-4.0%)
	Japanese Subsidiaries	98.1	108.2	+10.0	(+10.2%)
	Overseas Subsidiaries	101.2	100.3	-0.9	(-0.9%)
	Adjustment	▲ 42.1	▲ 44.4	-2.4	
	Total	248.0	251.1	+3.1	(+1.2%)
Operating Income	Toray	6.9	6.0	-0.9	(-12.5%)
	Japanese Subsidiaries	9.3	10.9	+1.6	(+16.9%)
	Overseas Subsidiaries	11.5	12.6	+1.2	(+10.4%)
	Adjustment	▲ 3.2	▲ 3.4	-0.2	
	Total	24.5	26.2	+1.7	(+6.8%)

Net Sales
<Bar chart>

Operating Income
<Line chart>
(Billion yen)



Regarding large LCD panel-related materials, the trend shifted to larger displays and demand for 4K TV expanded, but related materials such as films and processed film products were affected by production adjustment at customers given the slowing demand in China and other emerging countries. Smartphone- and tablet terminal-related materials performed strongly, as shipment of high performance electric circuit materials at a subsidiary in Republic of Korea expanded. A Japanese subsidiary expanded sales of LCD color filter manufacturing equipment, etc. In the meantime, all materials continued to be affected by price competition and Toray Group worked to maintain profitability of the business through measures such as cost reduction.

Details of the Sales of IT-related Products Segment

【Sales ratio by sub-segment】

Unit: Billion yen

	FY Mar/15		FY Mar/16		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	83.8	34%	69.9	28%	-17%
Electronic Components, Semiconductor, Electric Circuit Materials	109.7	44%	119.4	48%	+9%
Data Storage Materials	33.7	14%	30.4	12%	-10%
Equipment, others	20.7	8%	31.4	13%	+52%
Total of IT-related Products Segment	248.0		251.1		+1%

Display Materials : Films and processed film products were affected by sluggish TV demand.

Electronic Components, Semiconductor, Electric Circuit Materials : Films for electronic components and high-performance electric circuit materials at a Korean subsidiary performed strongly.

Data Storage Materials : Sales remained sluggish in general.

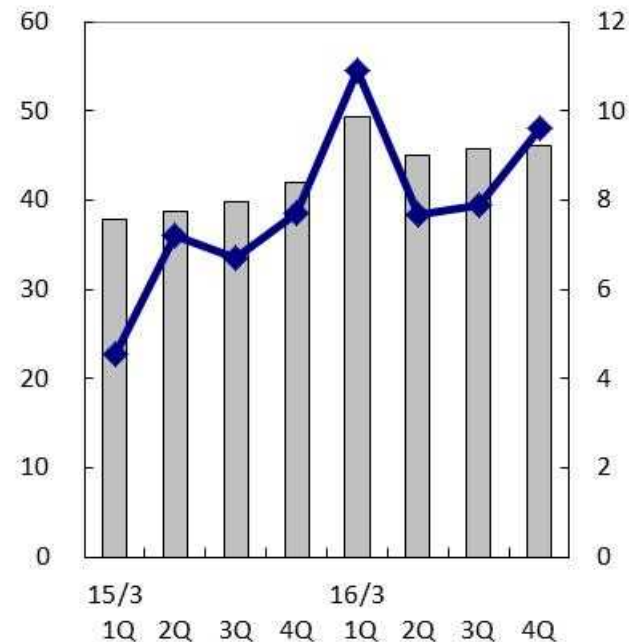
Equipment, others : Sales of LCD color filter manufacturing equipment and other IT-related equipment increased.

Business Results by Segment (Carbon Fiber Composite Materials)

		Billion yen			
		FY Mar/15	FY Mar/16	Changes	
Net Sales	Toray	93.1	107.0	+13.9	(+14.9%)
	Japanese Subsidiaries	63.1	80.9	+17.8	(+28.3%)
	Overseas Subsidiaries	138.9	163.7	+24.8	(+17.9%)
	Adjustment	▲ 136.7	▲ 165.3	-28.7	
	Total	158.4	186.2	+27.8	(+17.6%)
Operating Income	Toray	16.8	22.0	+5.3	(+31.4%)
	Japanese Subsidiaries	0.8	1.2	+0.4	(+44.6%)
	Overseas Subsidiaries	12.6	18.1	+5.6	(+44.4%)
	Adjustment	▲ 3.9	▲ 5.2	-1.3	
	Total	26.2	36.1	+9.9	(+37.7%)

Net Sales
<Bar chart>

Operating Income
<Line chart>
(Billion yen)



Shipment of carbon fibers and intermediate products (prepreg) increased, as demand for aircrafts as well as that in the environment and energy fields including wind turbine applications expanded. The new facilities that started production in the latter half of 2014 and in the first half of 2015 contributed to production increase and sales expansion, and the shipment of products for fuel cell vehicles started in earnest.

Details of the Sales of Carbon Fiber Composite Materials Segment

【Sales ratio by sub-segment】

Unit: Billion yen

	FY Mar/15		FY Mar/16		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	78.0	49%	94.4	51%	+21%
Sports	16.0	10%	15.7	8%	-2%
Industrial	64.4	41%	76.0	41%	+18%
Total of Carbon Fiber Composite Materials	158.4		186.2		+18%

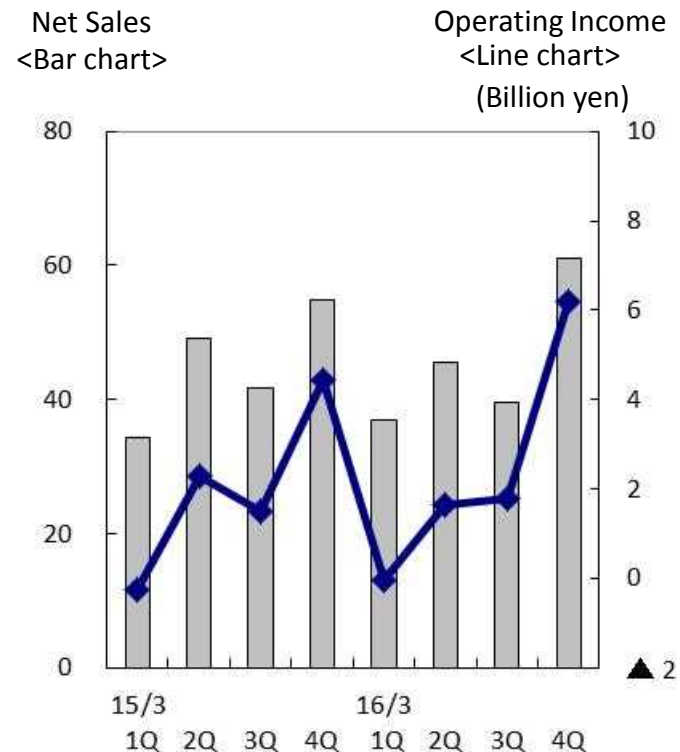
Aerospace : In addition to the expanding demand of aircraft for existing models, shipment for Boeing 787 was healthy.

Sports : Sales of materials for bicycles was strong while the business was impacted by the stagnating golf market in Japan and the economic downturn in China.

Industrial : Shipment for wind turbine applications and products for fuel cell vehicles performed strongly.

Business Results by Segment (Environment & Engineering)

		Billion yen			
		FY Mar/15	FY Mar/16	Changes	
Net Sales	Toray	23.0	21.5	-1.5	(-6.5%)
	Japanese Subsidiaries	221.0	222.0	+1.1	(+0.5%)
	Overseas Subsidiaries	25.0	26.9	+1.9	(+7.5%)
	Adjustment	▲ 89.0	▲ 87.1	+1.9	
	Total	180.0	183.3	+3.3	(+1.9%)
Operating Income	Toray	0.7	1.5	+0.8	(+103.4%)
	Japanese Subsidiaries	6.0	5.4	-0.6	(-10.3%)
	Overseas Subsidiaries	1.9	3.3	+1.4	(+75.5%)
	Adjustment	▲ 0.7	▲ 0.7	-0.0	
	Total	8.0	9.6	+1.6	(+19.5%)

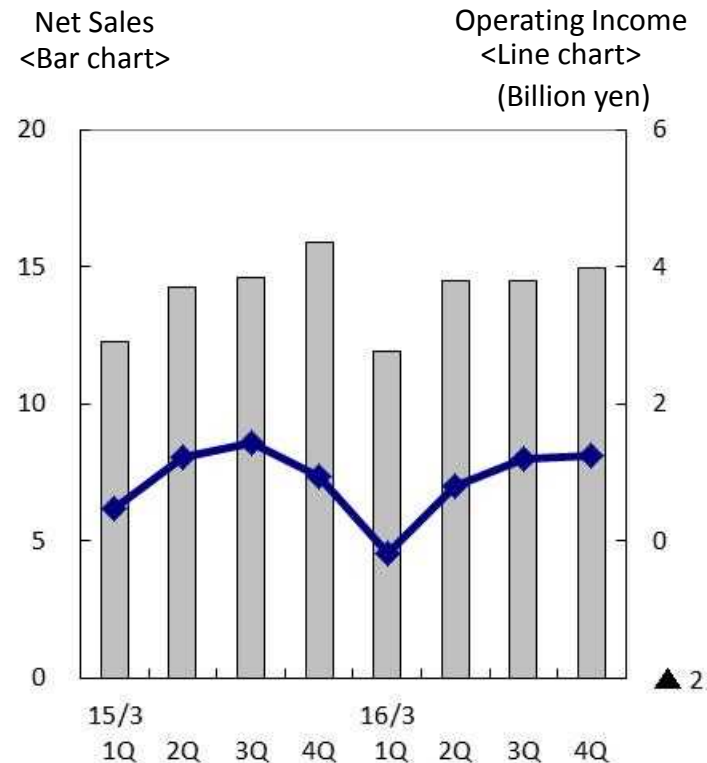


Water Treatment Business : Profitability of exports of products including reverse osmosis membranes from Japan improved thanks to the progress made in cost reduction and the weaker yen. Subsidiaries in the U.S., China and Republic of Korea also performed strongly.

Japan : The number of plant construction projects declined at an engineering subsidiary.

Business Results by Segment (Life Science)

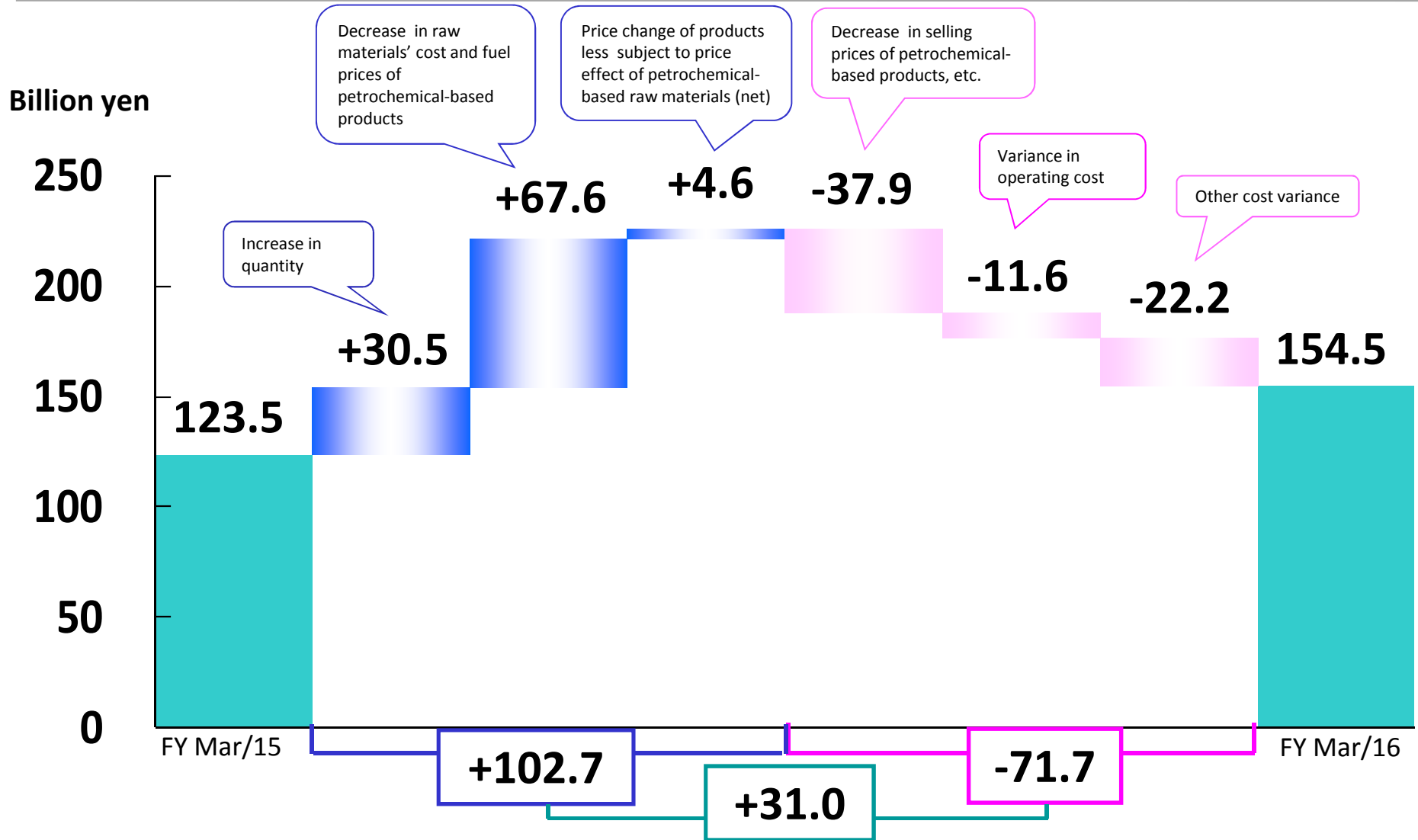
		Billion yen			
		FY Mar/15	FY Mar/16	Changes	
Net Sales	Toray	35.0	34.2	-0.8	(-2.2%)
	Japanese Subsidiaries	39.9	40.4	+0.5	(+1.2%)
	Overseas Subsidiaries	8.7	11.7	+3.0	(+35.2%)
	Adjustment	▲ 26.5	▲ 30.5	-4.0	
	Total	57.0	55.8	-1.2	(-2.1%)
Operating Income	Toray	4.5	3.1	-1.4	(-31.7%)
	Japanese Subsidiaries	0.6	0.9	+0.3	(+49.0%)
	Overseas Subsidiaries	▲ 0.6	▲ 0.0	+0.6	(-)
	Adjustment	▲ 0.4	▲ 0.8	-0.5	
	Total	4.1	3.1	-1.0	(-24.7%)



In the pharmaceutical business, shipment of natural-type interferon beta preparation FERON® and orally active prostacyclin derivative DORNER® remained sluggish due to the impact of alternative medicine and generic drugs. License revenue also decreased. On the other hand, sales volume of pruritus treatment REMITCH®* increased, as the product received approval for the additional indication of treating pruritus in chronic liver disease patients. The medical devices business performed strongly, as shipment of dialyzers grew strongly and profitability of exports improved.

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

Income Variance Factor Analysis



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

Results of Major Subsidiaries

Billion yen

	Net Sales			Operating Income		
	FY Mar/15	FY Mar/16	Changes	FY Mar/15	FY Mar/16	Changes
Toray International, Inc.	576.4	595.4	+19.0	11.4	12.6	+1.2
Toray Engineering Co., Ltd.	85.6	90.7	+5.1	3.0	3.2	+0.2
Toray Construction Co., Ltd.	57.1	55.8	-1.3	1.9	2.3	+0.4
Toray Advanced Film Co., Ltd.	46.8	41.8	-5.1	2.5	1.5	-1.0
Toray Medical Co., Ltd.	39.9	40.4	+0.5	0.6	0.9	+0.3
TAK (Republic of Korea)	119.7	112.9	-6.8	11.1	11.1	-0.0
TPM (Malaysia)	69.7	64.6	-5.0	3.2	4.9	+1.8

Subsidiaries in Southeast Asia *1	Fibers & Textiles	126.7	124.1	-2.6	6.5	8.6	+2.1
	Plastics & Chemicals	83.5	78.9	-4.5	4.0	6.3	+2.4
	Others	8.0	8.1	+0.2	0.6	1.0	+0.3
	Total	218.1	211.1	-7.0	11.1	15.9	+4.8

Subsidiaries in China *2	Fibers & Textiles	222.5	267.3	+44.8	16.4	21.2	+4.8
	Plastics & Chemicals	85.5	77.3	-8.2	2.6	2.5	-0.0
	Others	20.8	26.7	+5.9	▲ 0.1	1.9	+2.0
	Total	328.9	371.3	+42.5	18.9	25.6	+6.7

Films Subsidiaries (Overseas) *3	Plastics & Chemicals	107.7	102.9	-4.8	5.6	6.8	+1.1
	IT-related Products	67.3	59.1	-8.2	9.5	6.7	-2.7
	Total	175.0	162.0	-13.0	15.1	13.5	-1.6

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

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

*3 : TAK, TCK, PFR, TPA, TFE, TFH/TFZ, TAFK, TFN * the above alphabets are abbreviations of each company

Number of Employees, Changes in Subsidiaries and Affiliates

Number of Employees

	End of Mar/15	End of Mar/16	Changes
Toray	7,232	7,223	-9
Japanese Consolidated Subsidiaries	10,299	10,520	+221
Overseas Consolidated Subsidiaries	28,258	28,096	-162
Total	45,789	45,839	+50

Changes in Subsidiaries and Affiliates

Number of companies

		End of Mar/15	End of Mar/16	Changes
Consolidated Subsidiaries (a)	Japan	58	60	+2
	Overseas	98	98	±0
	Total	156	158	+2
Subsidiaries accounted for by Equity Method (b)	Japan	27	26	-1
	Overseas	32	35	+3
	Total	59	61	+2
Total Subsidiaries (a) + (b)	Japan	85	86	+1
	Overseas	130	133	+3
	Total	215	219	+4
Affiliates accounted for by Equity Method (c)	Japan	13	14	+1
	Overseas	25	21	-4
	Total	38	35	-3
Companies subject to Consolidation (a) + (b) + (c)	Japan	98	100	+2
	Overseas	155	154	-1
	Total	253	254	+1

II. Business Forecast for the Fiscal Year Ending March 2017 (Consolidated Basis)

Forecast Summary for the Fiscal Year Ending March 2017

Billion yen

		FY Mar/16 Actual	FY Mar/17 Forecast	Changes	
Net Sales	1st Half	1,028.6	1,080.0	+51.4	(+5.0%)
	2nd Half	1,075.9	1,150.0	+74.1	(+6.9%)
	Total	2,104.4	2,230.0	+125.6	(+6.0%)
Operating Income	1st Half	75.1	78.0	+2.9	(+3.8%)
	2nd Half	79.4	92.0	+12.6	(+15.9%)
	Total	154.5	170.0	+15.5	(+10.0%)
Ordinary Income	1st Half	75.5	78.0	+2.5	(+3.3%)
	2nd Half	74.7	92.0	+17.3	(+23.2%)
	Total	150.2	170.0	+19.8	(+13.2%)
Net Income Attributable to Owners of Parent	1st Half	49.4	50.0	+0.6	(+1.1%)
	2nd Half	40.7	55.0	+14.3	(+35.2%)
	Total	90.1	105.0	+14.9	(+16.5%)

Net Income per Share	1st Half	30.93 yen	31.28 yen
	2nd Half	25.45 yen	34.41 yen
	Total	56.38 yen	65.68 yen
Dividend per Share	1st Half	6.00 yen	7.00 yen
	2nd Half	7.00 yen	7.00 yen
	Total	13.00 yen	14.00 yen

Remarks :
Estimated exchange rate : 105 yen / US\$

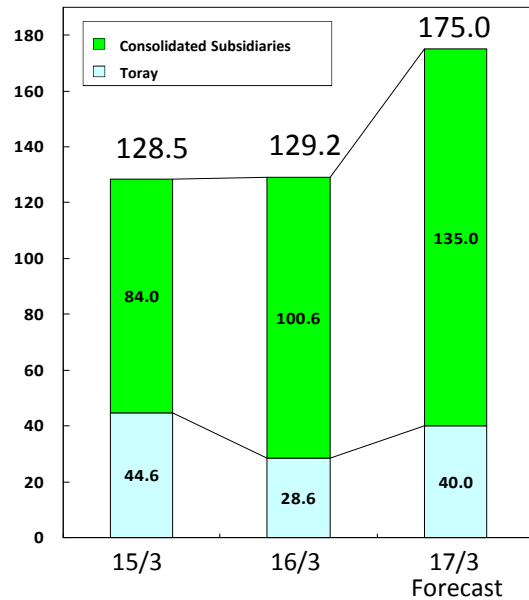
Forecast by Segment (Net Sales / Operating Income)

Billion yen

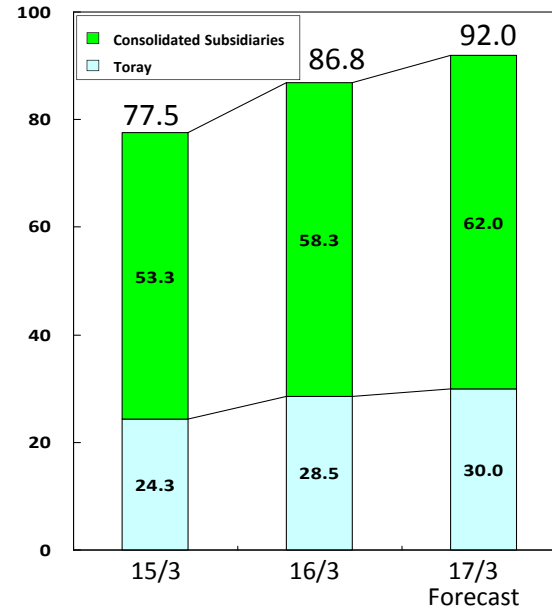
		FY Mar/16 Actual			FY Mar/17 Forecast			Changes		
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Net Sales	Fibers & Textiles	435.8	456.2	892.0	450.0	460.0	910.0	+14.2	+3.8	+18.0
	Plastics & Chemicals	257.2	264.0	521.2	270.0	270.0	540.0	+12.8	+6.0	+18.8
	IT-related Products	125.0	126.1	251.1	135.0	145.0	280.0	+10.0	+18.9	+28.9
	Carbon Fiber Composite Materials	94.3	91.9	186.2	100.0	100.0	200.0	+5.7	+8.1	+13.8
	Environment & Engineering	82.6	100.7	183.3	90.0	130.0	220.0	+7.4	+29.3	+36.7
	Life Science	26.4	29.5	55.8	27.0	37.0	64.0	+0.6	+7.5	+8.2
	Others	7.2	7.5	14.7	8.0	8.0	16.0	+0.8	+0.5	+1.3
	Consolidated	1,028.6	1,075.9	2,104.4	1,080.0	1,150.0	2,230.0	+51.4	+74.1	+125.6
Operating Income	Fibers & Textiles	35.0	33.9	68.9	35.0	36.0	71.0	-0.0	+2.1	+2.1
	Plastics & Chemicals	15.7	13.7	29.4	17.0	17.0	34.0	+1.3	+3.3	+4.6
	IT-related Products	12.0	14.2	26.2	14.0	17.0	31.0	+2.0	+2.8	+4.9
	Carbon Fiber Composite Materials	18.6	17.5	36.1	19.0	19.0	38.0	+0.4	+1.5	+1.9
	Environment & Engineering	1.6	8.0	9.6	3.0	9.0	12.0	+1.4	+1.0	+2.4
	Life Science	0.6	2.4	3.1	0.5	4.5	5.0	-0.1	+2.1	+1.9
	Others	0.5	1.4	2.0	0.5	1.5	2.0	-0.0	+0.1	+0.0
	Adjustment	▲ 8.9	▲ 11.8	▲ 20.7	▲ 11.0	▲ 12.0	▲ 23.0	-2.1	-0.2	-2.3
Consolidated	75.1	79.4	154.5	78.0	92.0	170.0	+2.9	+12.6	+15.5	

Trends in Capital Expenditures, Depreciation and R&D Expenses

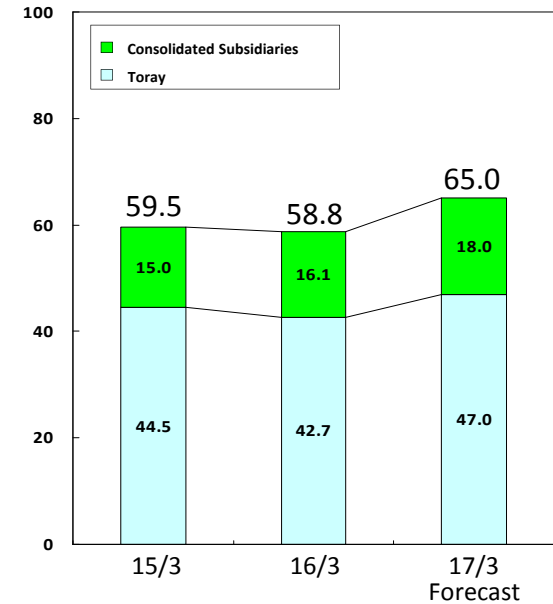
Billion yen **Capital Expenditures**



Billion yen **Depreciation**



Billion yen **R&D Expenses**



Major Capital Expenditure Projects

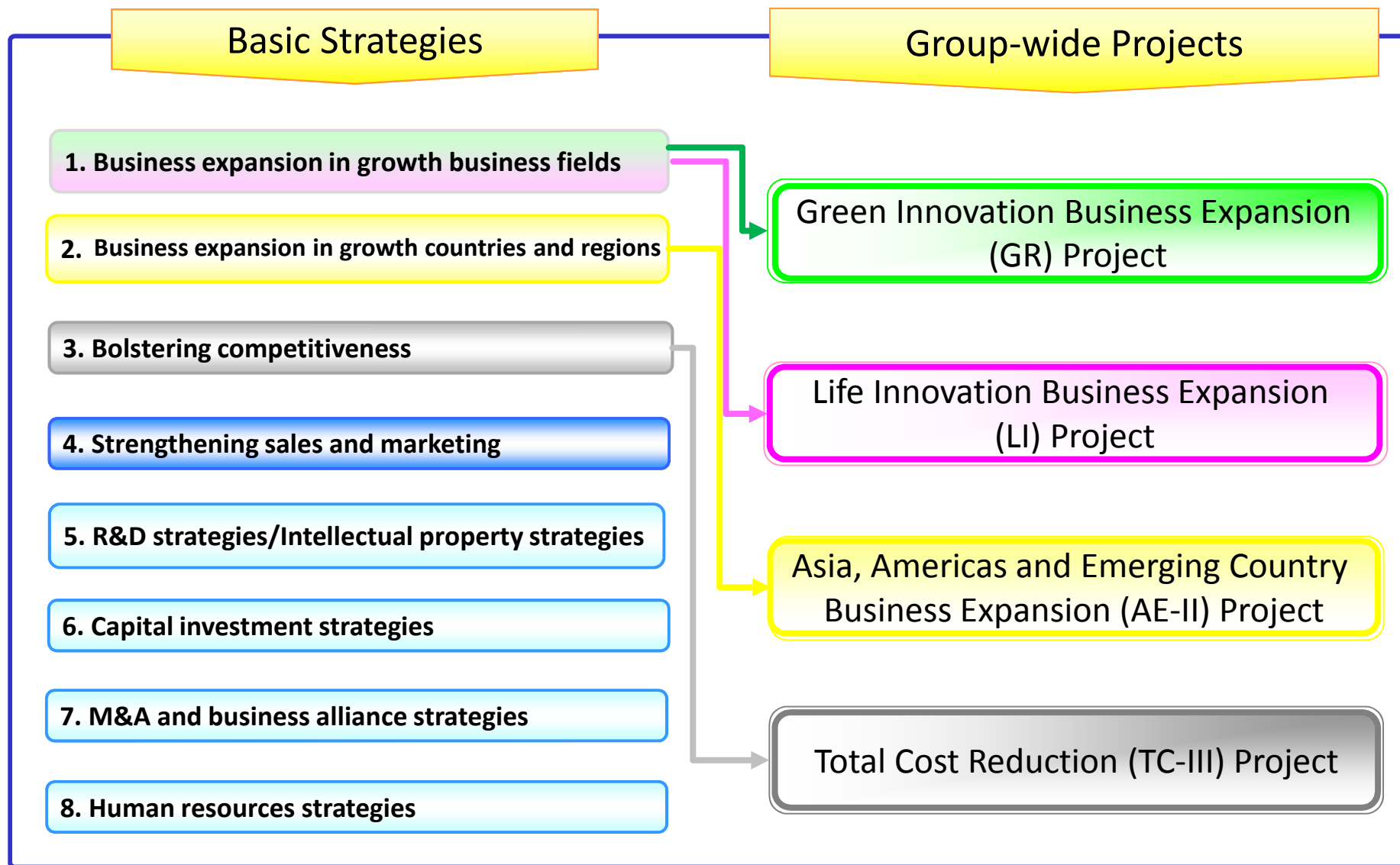
【FY March 2016】 Toray Advanced Materials Korea Inc.: PPS (polyphenylene sulfide) resin production facilities
 Toray Chemical Korea Inc.: Polyester staple fiber production facilities
 Toray Composites (America), Inc.: Carbon fiber TORAYCA® prepreg production facilities
 Zoltek Companies, Inc.: Large tow carbon fiber production facilities

【FY March 2017】 P.T. Toray Polytech Jakarta.: High-performance polypropylene spunbond production facilities
 Toray Carbon Fibers America, Inc.: Carbon fiber TORAYCA® prepreg integrated production facilities
 Toray Battery Separator Film Korea Limited: Polyethylene film production facilities



III. Progress of “Project AP-G 2016”

Progress of “Project AP-G 2016”



Progress of “Project AP-G 2016”

Green Innovation Business Expansion (GR) Project

Main Initiatives in FY 2015

- *Signed a comprehensive long-term agreement with The Boeing Company to supply carbon fiber TORAYCA® prepreg.*

- **Extended the agreement that was signed in November 2005 by more than ten years from 2015.**

- **The total value of prepreg supplied for both 787 and 777X programs is expected to exceed 1.3 trillion yen.**



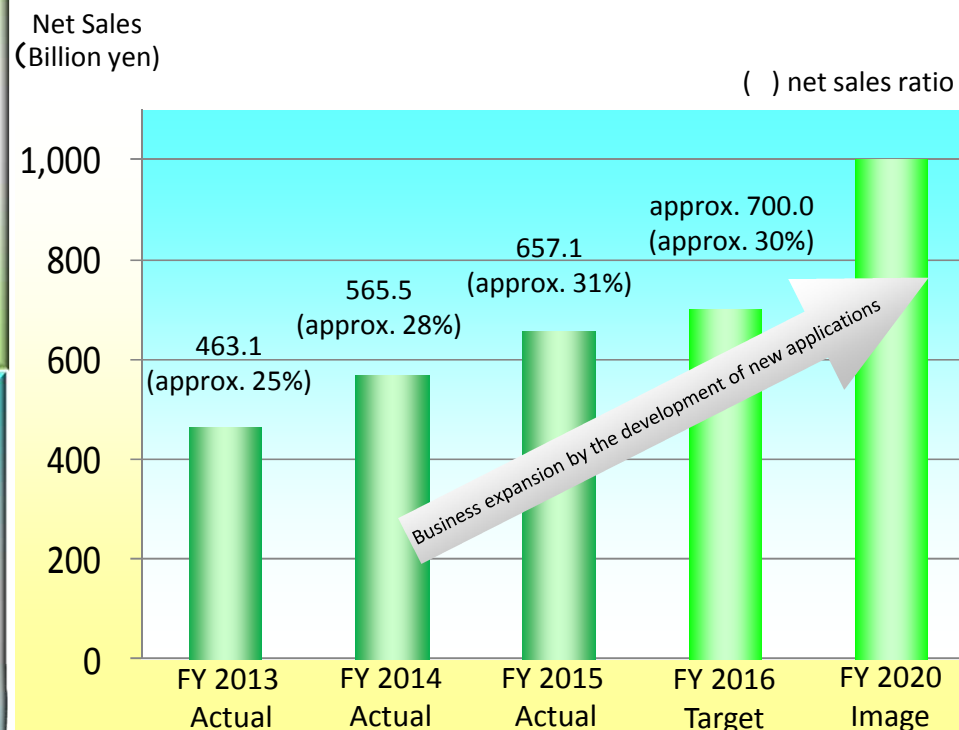
- *Received an order to supply TORAYFIL® hollow fiber ultrafiltration (UF) membrane module to the largest membrane-based water purification facility in the Republic of Korea.*



<Facility details>

- **Location : Yeosu City**
- **Water-treatment capacity : 134,000 m³per day**
- **Expects to start operation in 2017.**

Green Innovation Business Expansion Plan <Consolidated Net Sales>



Progress of “Project AP-G 2016”

Life Innovation Business Expansion (LI) Project

Main Initiatives in FY 2015

Expansion of bio-sensing electrode-conductive textile hitoe®

Started practical tests on safety control systems and services for operators utilizing Toray’s “Internet of Things (IoT)” system.

Initiatives with Obayashi Corp. and NTT Communications Corp.

- Aimed at creating a safe working environment for workers by proceeding changes in working-styles at construction sites.
- Started in April 2015.



Initiatives with Japan Airlines Co., Ltd. and NTT Communications Corp.

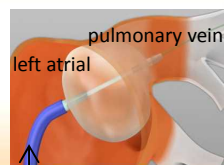
- Aimed at creating a safe working environment for workers outdoors at airports.
- Started in August 2015.



(image of targeted workers)

Received approval of a catheter ablation system for the treatment of paroxysmal atrial fibrillation.

- Received approval from the Japanese Ministry of Health, Labour and Welfare for the production and marketing of SATAKE • HotBalloon™ Catheter, SATAKE • HotBalloon™ Generator and TRESWALTZ™.
- Started sales in April 2016.



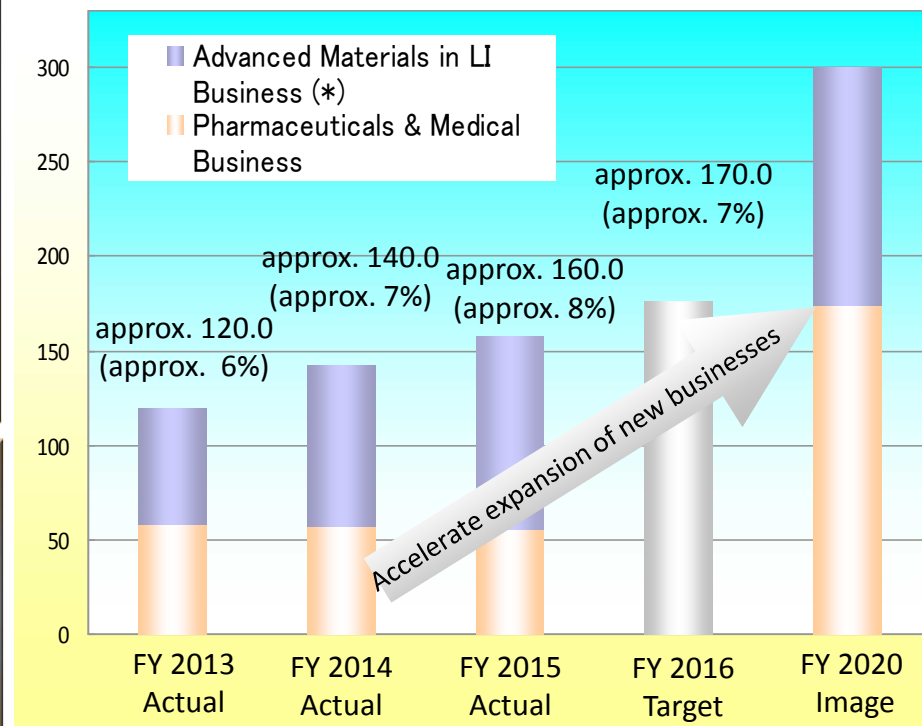
SATAKE • HotBalloon™ Catheter



Life Innovation Business Expansion Plan

Net Sales (Billion yen)

() net sales ratio



Accelerate expansion of new businesses

(*)Toray Group estimation

Progress of “Project AP-G 2016”

Asia, Americas and Emerging Country Business Expansion (AE-II) Project

Main Initiatives in FY 2015

Decided to establish an integrated production facility for carbon fiber TORAYCA® prepreg in the U.S.

- Invested approximately 50 billion yen in the construction of an integrated production line for yarn (precursor), carbonization (TORAYCA® yarn) and prepreg in the new commercial premises the company acquired in South Carolina, U.S.
- Decisions were made in November 2015 to start production of yarn (precursor) in phases starting in May 2017.

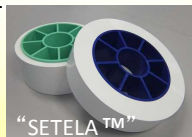
Decided to enhance the production facilities for large tow carbon fibers in Mexico.

- Will double the production capacity of Zoltek’s Mexican plant to 5,000 tons per year.
- Started production in March 2016.
- Plans to double the existing capacity of 13,000 tons per year including that of Hungary’s plant, by 2020.

Expansion of battery separator film (BSF) business

Increased production capacity in the Republic of Korea

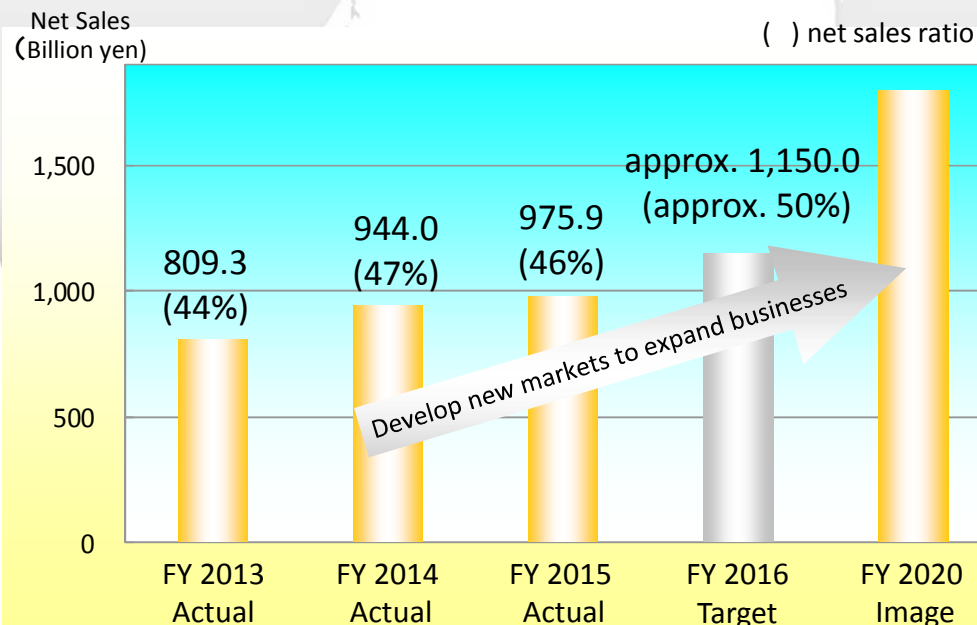
- Increased production capacity by 130% at Toray Battery Separator Film Korea Limited.
- Expects to start operation within 2016.



Acquired a BSF processing facility in the Republic of Korea

- Acquired LG Chem Ltd.’s facility related to the coating process of BSFs.

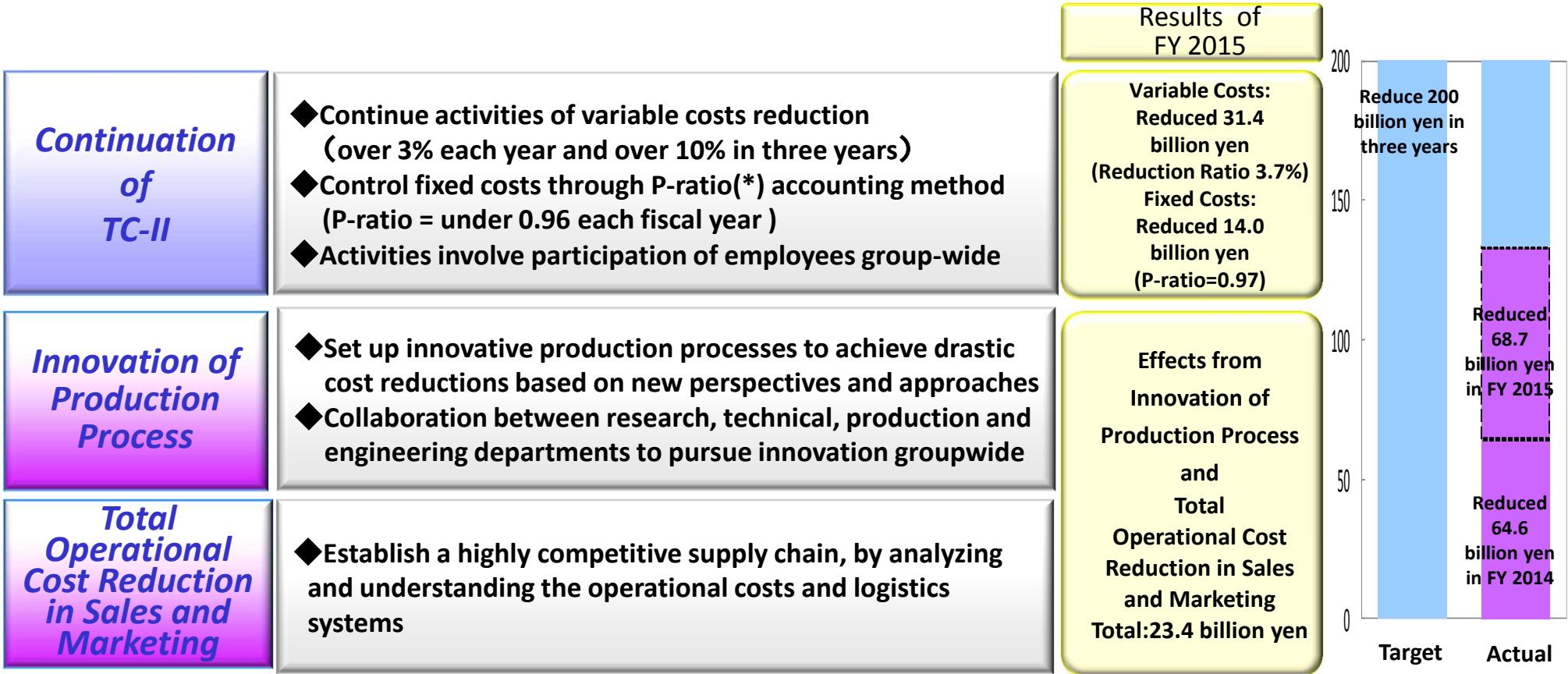
Asia, Americas and Emerging Country Business Expansion Plan



Progress of “Project AP-G 2016”

Total Cost Reduction (TC-III) Project

Target to reduce 200 billion yen from FY 2014 to FY 2016



*P(Performance)-ratio= fixed cost growth rate/ marginal profit growth rate. Target: less than 1.0 or monitored by division under budget.

Progress of “Project AP-G 2016”

Financial Targets

<Billion yen>

	FY 2013	FY 2014	FY 2015	FY 2016 Forecast	FY 2016 Initial Target
Net Sales	1,837.8	2,010.7	2,104.4	2,230.0	2,300.0
Operating Income	105.3	123.5	154.5	170.0	180.0
Operating Income to Net Sales Ratio	5.7%	6.1%	7.3%	7.6%	7.8%
ROA	5.5%	5.5%	6.7%	approx. 7%	8%
ROE	7.5%	7.7%	9.3%	approx. 10%	10%

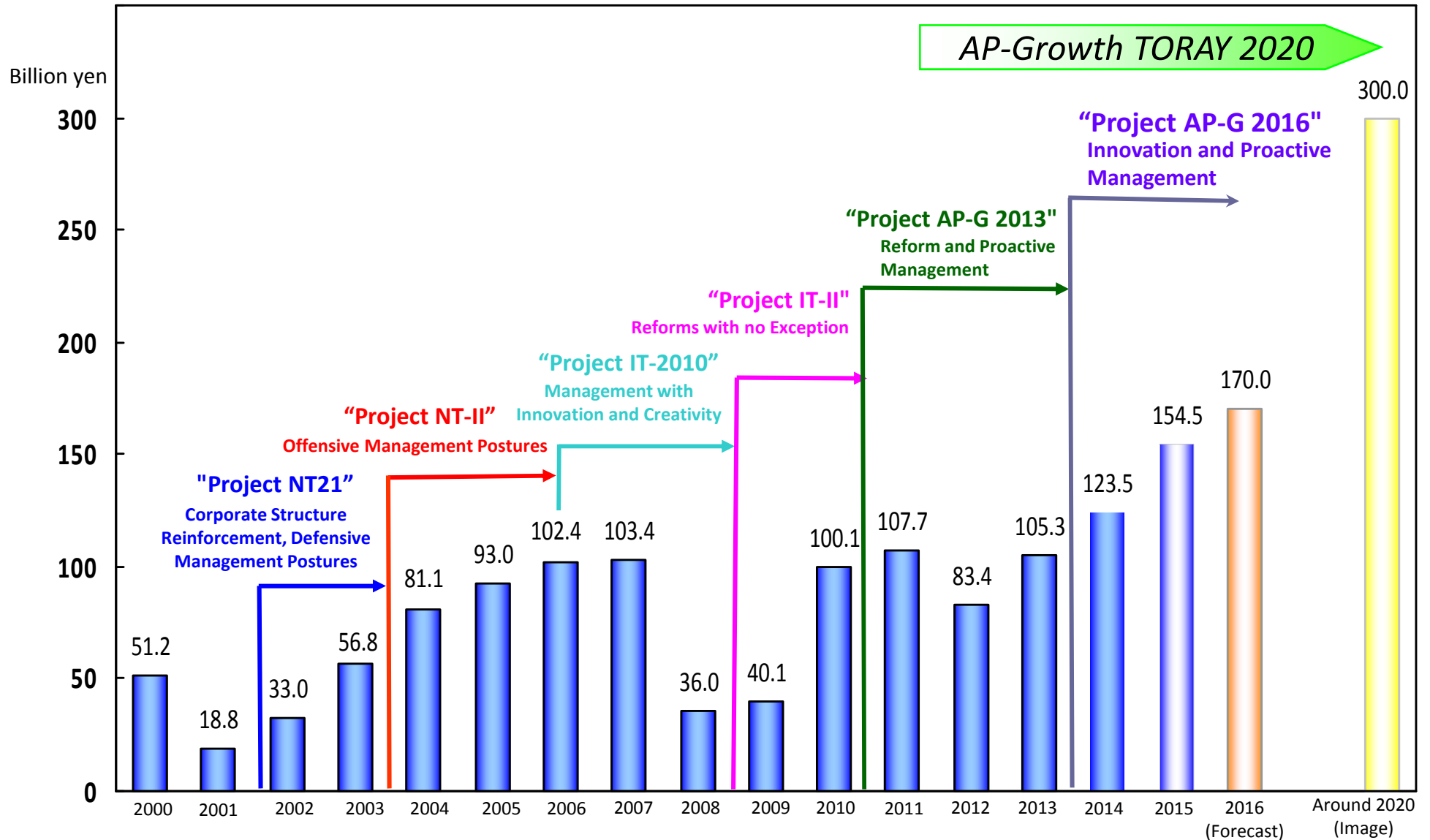
ROA=Operating Income/ Total Assets

ROE=Net Income Attributable to Owners of Parent / Owner’s Equity

Basic policy of Dividends: Aim for sustainable increase of dividends linked to business performance

Guideline of D/E ratio: Below 1

Trends in Operating Income



Descriptions of predicted business results, projections, and business plans for the Fiscal Year Ending March 2017 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.

'TORAY'

Innovation by Chemistry