

'TORAY'

**Notice of the
134th Ordinary
General Meeting
of Stockholders**

For the Fiscal Year Ended March 31, 2015



2015

Toray Industries, Inc.

1-1, Nihonbashi-Muromachi 2-chome,
Chuo-ku, Tokyo 103-8666, Japan

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

To Our Stockholders

Dear Stockholder:

Please take notice that the 134th Ordinary General Meeting of Stockholders of the Company will be held as set forth to the right and that you are cordially invited to attend.

If you do not expect to attend the meeting, you can exercise your voting rights by either of the following methods outlined below. Please review the accompanying information and exercise your voting rights by 5:30 p.m., Tuesday, June 23, 2015 (Japan standard time).

Voting via Mail:

Please indicate your consent or dissent for each item listed on the enclosed voting form and return the form to us by the time described above.

Voting via the Internet:

Please review "A Guide for the Exercise of Voting Rights via the Internet" on page 44 and enter your vote for or against each proposition by the above time limit.

June 2, 2015

Akihiro Nikkaku
President, Chief Executive Officer and
Chief Operating Officer

Toray Industries, Inc.
1-1, Nihonbashi-Muromachi 2-chome,
Chuo-ku, Tokyo 103-8666, Japan

Notes

1. Date and time of meeting:
Wednesday, June 24, 2015, 10 a.m.
2. Place:
Tokyo International Forum
(Hall A),
5-1, Marunouchi 3-chome,
Chiyoda-ku, Tokyo, Japan
3. Matters to be discussed and to be reported:
 1. The Business Report and Consolidated Financial Statements for the 134th business year (from April 1, 2014 to March 31, 2015), and Reports of Independent Auditors and Corporate Auditors on the relevant Consolidated Financial Statements conducted respectively
 2. Report on the Nonconsolidated Financial Statements for the 134th business year (from April 1, 2014 to March 31, 2015)

Matters to be acted upon:

- Proposition No. 1:
Appropriation of Surplus 31
- Proposition No. 2:
Partial Amendments to the Articles of
Incorporation 32
- Proposition No. 3:
Election of three Members of the Board 33
- Proposition No. 4:
Election of four Corporate Auditors 37
- Proposition No. 5:
Election of one Substitute Corporate
Auditor 41
- Proposition No. 6:
Payment of Bonuses to Members of the
Board and Corporate Auditors 43

(*1) Please note that the website
(<http://www.web54.net>) is available only in
Japanese.

4. Matters decided upon convocation:
- (1) If a stockholder exercises two or more online votes, only the latest vote shall be effective.

 - (2) If a stockholder exercises his/her vote in duplicate, both online and via the enclosed proxy form, only the online vote shall be effective.

If the Company finds the need to make any correction in the Voting Information, Business Report, Consolidated Financial Statements, or Nonconsolidated Financial Statements, the Company will announce the correction through the Company's website (<http://www.toray.co.jp> (Japanese only)).

If you attend the meeting in person, please present the enclosed proxy form to the receptionist.

If attending the meeting by proxy, a stockholder may exercise his voting rights by authorizing one (1) other stockholder with voting rights to act as his/her proxy as stipulated in the Articles of Incorporation of the Company, provided that such proxy shall submit to the Company a document evidencing his or her power of representation, such as power of attorney.

[Attached Documents]**Business Report (from April 1, 2014 to March 31, 2015)****1. Review of Operations of Toray Group****(1) Operations and Results for the Period****The Business Environment and Trends in Sales and Profitability**

During the period under review, the global economy in general continued to grow steadily. While the pace of economic expansion in China remained slow and the economy of the ASEAN region also remained stagnant, the U.S. economy recovered steadily and European economy as a whole picked up gradually. Japan continued to register modest economic recovery on the back of steady improvement in employment and income situations as well as policy effects, despite signs of weakness in consumer spending and production due to the reaction to the last-minute demand caused by the consumption tax rate increase.

Under such circumstances, Toray Group in April 2014 launched its new medium-term management program "Project AP-G 2016" with the final year being FY 2016, and implemented the growth strategy with focus on business expansion in growth business fields and business expansion in growth countries and regions and bolstered its total cost competitiveness in accordance with the program.

As a result, consolidated net sales for the fiscal year ended March 31, 2015 increased 9.4% compared with the previous fiscal year to ¥2,010.7 billion. Operating income increased 17.3% to ¥123.5 billion, ordinary income increased 16.2% to ¥128.6 billion and net income increased 19.1% to ¥71.0 billion.

Business performance by segment is described below.

Fibers and Textiles

In Japan, demand for apparel applications remained weak in general due to the prolonged impact of the consumption tax rate increase. Against this backdrop, Toray Group worked to expand sales and sophisticate the business

through promotion of a business that integrates fibers to textiles to final products. In industrial applications, sales were robust led by automotive applications.

Overseas, while being affected by a slowdown in demand in Europe 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 shipment for automotive applications, and hygiene products in emerging countries remained strong.

Toray Chemical Korea Inc., which became a consolidated subsidiary at the end of the previous fiscal year, contributed to sales increase of the segment, but amortization of goodwill affected profit.

Overall sales of Fibers & Textiles segment in the fiscal year ended March 31, 2015 increased 13.4% to ¥856.7 billion from the previous year and operating income increased 5.1% to ¥55.6 billion.

Plastics and Chemicals

In the resin business, overall domestic shipment remained strong despite sluggish shipment due to the impact of the consumption tax rate increase in some applications including automobiles. Overseas, shipment at the subsidiaries in the U.S. and China expanded for automotive applications.

In the film business, shipment expanded led by increased demand in China for films for solar cell back sheets and Toray Group pursued a shift towards high value added products for food packaging applications. The business, although partly affected by price competition, remained strong on the whole.

Overall sales of Plastics & Chemicals segment increased 5.5% to ¥496.4 billion from the previous year and operating income increased 32.6% to ¥23.9 billion.

IT-related Products

In the IT-related Products segment, shipment of large LCD panel-related materials such as films and processed film products increased, reflecting

the recovery in production by panel manufacturers and the shift to larger displays. Shipment of smartphone and tablet terminal-related materials was strong in general, although the business was affected by some production adjustments by end customers. On the other hand, shipment of PDP-related materials declined, as a major customer withdrew from the PDP business. Also, all materials continued to be affected by price competition.

Overall sales of IT-related Products segment increased 0.9% to ¥248.0 billion from the previous year and operating income decreased 0.4% to ¥24.5 billion.

Carbon Fiber Composite Materials

In the Carbon Fiber Composite Materials segment, demand for aircrafts as well as that in the environment and energy fields including compressed natural gas tank applications expanded and automotive-related demand was also strong such as in Europe, while shipment of carbon fibers and intermediate products (prepreg) increased for aerospace applications and general industrial applications. Toray Group also worked on restoration of prices of general products used in sports and industrial applications.

Zoltek Companies, Inc., which became a consolidated subsidiary at the end of the previous fiscal year, contributed to sales increase of the segment, but amortization of goodwill affected profit.

Overall sales of Carbon Fiber Composite Materials segment increased 39.7% to ¥158.4 billion from the previous year while operating income increased 54.9% to ¥26.2 billion.

Environment and Engineering

In the water treatment business, amid weakness of demand in the global market, the shipment of reverse osmosis membranes, etc. for seawater desalination projects increased and Toray Chemical Korea Inc., which became a consolidated subsidiary at the end of the previous fiscal year, contributed to the business performance.

Among domestic subsidiaries in the segment, an engineering subsidiary performed strongly on the back of progress in plant construction.

Overall sales of Environment & Engineering segment decreased 0.1% to ¥180.0 billion from the previous year, while operating income increased 25.4% to ¥8.0 billion.

Life Science

In the pharmaceutical business, while shipment of REMITCH[®]*, an oral anti-pruritus drug for hemodialysis patients, expanded robustly, that of natural-type interferon beta preparation FERON[®] was weak due to the impact of intensified competition, and orally active prostacyclin derivative DORNER[®] was affected by the NHI drug price revision and the increasing sales of its generic versions. License revenue also decreased compared with the previous fiscal year. In the medical devices business, shipment of dialyzers grew strongly.

Overall sales of Life Science segment decreased 2.0% to ¥57.0 billion from the previous year while operating income declined 27.4% to ¥4.1 billion.

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

New Investments, R&D, and Other Activities

In order to implement growth strategies of "Project AP-G 2016," Toray Group continued to actively make new investments during the period under review.

In the Fibers & Textiles segment, Toray in India established Toray Kusumgar Advanced Textile Private Limited, a manufacturer and distributor of airbag base fabric, jointly with local partner Kusumgar Corporates Pvt. Ltd., a local manufacturer and distributor of functional textiles. The new company will start production in October 2016. In the airbag business, Toray Group has been further boosting quality competitiveness through integrated production starting from yarns to airbag textiles and expanding its global production as well as research and technology development and

marketing functions. Toray Group will further enhance its responses to customers by organically linking the functions of each base.

In Indonesia, Toray Group decided to expand the facility for high-performance polypropylene spunbond (PP spunbond) at a subsidiary P.T. Toray Polytech Jakarta. Once the additional facility starts operation in September 2016, Toray Group's total PP spunbond production capacity will come to about 153,000 tons a year. Demand for disposable diapers, which is a main application for PP spunbond, is forecasted to rapidly grow in the ASEAN region, as their income levels increase. Toray Group will enhance its PP spunbond supply structure based on the three bases in Korea, China and Indonesia to meet the vigorous demand.

In the Plastics & Chemicals segment, Toray established Toray Resin Mexico, S.A. de C.V., jointly with its subsidiary Toray Resin Co., in Mexico. The new company will be the first own resin compounding base to be set up by a Japanese engineering plastic manufacturer in Mexico. The new company introduced nylon and polybutylene terephthalate (PBT) resin compounding facilities within the Mexican plant of Zoltek Companies, Inc., which became a Toray's subsidiary in February 2014, and started production in February 2015. Toray aims to strengthen its supply structure and develop new demands in Mexico whose automobile industry is growing rapidly while boosting global collaboration even further among Toray Group's resin compounding bases to expand the Toray Group's resin business.

In the Carbon Fiber Composite Materials segment, Toray acquired the carbon fiber fabric and prepreg business of Saati S.p.A of Italy and established Composite Materials (Italy) S.r.l. The company is the first intermediate material business base in Europe for Toray's carbon fiber composite materials business, and it completes its own integrated European supply chain starting

from raw materials to carbon fiber reinforced plastic products in the region together with existing Toray Carbon Fibers Europe S.A., a French subsidiary, and Euro Advanced Carbon Fiber Composites GmbH, a German subsidiary.

Toray Group invests continuously in research & development for sustainable growth in the future. The Group has been vigorously developing products based on core technologies, namely organic synthetic chemistry, polymer chemistry, and biochemistry, as well as nanotechnology. For the period under review, the Group achieved solid results in Green Innovation towards the solution of issues facing the global environment and natural resources and energy and water resources. For components of the "MIRAI," the fuel-cell vehicle launched by Toyota Motor Corporation, Toray Group successfully provides a line of carbon papers developed in-house over the last thirty years, along with the world's very first thermoplastic carbon fiber composite materials applied in vehicle manufacturing and a line of carbon fiber composite materials the Group developed for high-pressure hydrogen tanks. The Group also started new joint development of materials for aircraft with The Boeing Company in the US. In the Life Innovation field focused on improving the quality of healthcare, alleviating burden at medical institutions and contributing to health and longevity in general, the Group started developing a next-generation cancer diagnosis and examination system using high-sensitivity DNA chips developed in-house at Toray jointly with the National Cancer Center and other organizations towards the realization of pre-emptive therapies.

(2) Issues to be Addressed

While it is necessary to consider the risk factors such as the slowdown in the Chinese and some emerging countries' economy and the impact of the instability in foreign exchange and international commodities markets, the global economy as a

whole is expected to continue steady growth, driven by the U.S. and other developed countries' economy. The Japanese economy is also expected to recover gradually on the back of improved employment and income situations, the impact of the recovery in exports and falling oil prices, and the effect of economic policies, though it is still necessary to pay attention to the risk of a downswing in overseas economies that would also dampen the Japanese economy.

Under such circumstances, Toray Group will continue to focus on measures under the medium-term management program "Project AP-G 2016" in FY 2015 and beyond and strive to drive forward the growth strategy and strengthen its revenue base in order to further improve its business performance.

In the two growth fields of Green Innovation and Life Innovation, Toray Group will leverage its core and fundamental technologies as well as its global business foundation. Moreover, to capture demand in countries and regions that are expected to register economic growth as Toray Group's revenue to the maximum extent, it will proactively expand business in Asia, Americas and emerging countries through establishment of new business bases and other steps.

Toray Group will prioritize capital expenditure, research & development, and allocation of other management resources in these growth business fields and growth countries and regions. If synergies appear to be achievable through the use of the Group's core technologies and business foundations, the Group will have the leeway to flexibly plan M&As and alliances in order to implement growth strategies.

Business performance may be tentatively affected by changes in foreign exchange rates or raw materials and fuel prices, but the Group will strive to use its global business foundations to create a business structure insulated from these external factors insofar as can be practically achieved. Further, the Group will aim to sustain its growth through capital expenditure, research & development, and human resources development from a medium- to long-term perspective and

practice management to meet the trust and expectations of stockholders and other stakeholders.

By promoting these initiatives, Toray Group will aim to achieve net sales of ¥2,300.0 billion, operating income of ¥180.0 billion, 8% of ROA and 10% of ROE, target figures of "Project AP-G 2016" in FY 2016.

As for dividend policy, Toray will maintain stable and continuous increase of dividend distributions to stockholders at a level commensurate with the improvement of business performance.

Toray Group assigns the highest managerial priority to safety, accident prevention, and environmental preservation, corporate ethics, legal compliance, and other essentials of Corporate Social Responsibility (CSR) and will further promote its CSR initiatives. Toray Group has drawn up the "Fifth CSR Roadmap" for three years from FY 2014 to FY 2016 and has systematically promoted CSR in every aspect of business. The Group will strive to combine sustainable growth with CSR and balance its management strategies with CSR according to the "CSR Roadmap."

Toray Group, with the belief that the materials, which form the base of all products, have the power to intrinsically change society, aims to develop and commercialize cutting-edge technologies and new materials by constantly pursuing technological innovations ahead of its competition around the world. Further, Toray Group shall aim to sustain its growth by focusing on all the aspects of our business activities, grasping the situation thoroughly and overcoming the hurdles through analysis of the situation, and shall strive to realize the ideals of its corporate philosophy of "contributing to society through the creation of new value with innovative ideas, technologies and products."

We hope all stockholders will grant continued understanding and support in the future.

(3) Investment in Fixed Assets

The following are major investments in production facilities that have been implemented during the business year.

- 1) Major production facilities completed during the year:

Fibers and Textiles:

Expansion of production facilities for polypropylene spunbond (at Toray Polytech (Nantong) Co., Ltd.)

Life Science:

Establishment of production facilities for artificial kidneys (at Toray Medical (Qingdao) Co., Ltd.)

- 2) Establishment or expansion of major production facilities under construction during the year:

Fibers and Textiles:

Expansion of production facilities for polypropylene spunbond (at P.T. Toray Polytech Jakarta)

Plastics and Chemicals and IT-related Products:

Establishment of production facilities for PPS resin (at Toray Advanced Materials Korea Inc.)

IT-related Products:

Expansion of production facilities for polyethylene film (at Toray Battery Separator Film Co., Ltd.)

IT-related Products:

Expansion of production facilities for polyethylene film (at Toray Battery Separator Film Korea Limited)

Carbon Fiber Composite Materials:

Establishment of manufacturing facilities for CFRP automobile parts (at Euro Advanced Carbon Fiber Composites GmbH)

Carbon Fiber Composite Materials:

Expansion of production facilities for carbon fiber (at Toray Carbon Fibers Europe S.A. and others)

Carbon Fiber Composite Materials:

Expansion of production facilities for prepreg (at Toray Composites (America), Inc.)

(4) Financing Activities

Toray Group raised ¥100 billion by issuing Zero Coupon Convertible Bonds due 2019 and Zero Coupon Convertible Bonds due 2021 (each being bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*). Toray Group also raised funds mainly in the form of bank loans.

(5) Financial Highlights

Toray Group (Consolidated basis)

Years ended	Billions of yen			
	except per share data			
March 31	2012	2013	2014	2015
Net sales	¥1,588.6	¥1,592.3	¥1,837.8	¥2,010.7
Operating income	107.7	83.4	105.3	123.5
Ordinary income	109.8	88.2	110.6	128.6
Net income	64.2	48.5	59.6	71.0
Net income per share (yen)	39.41	29.75	36.59	44.33
Net assets	674.1	779.6	944.6	1,080.8
Total assets	1,581.5	1,731.8	2,119.7	2,357.9

Note 1: Net income per share is calculated based on the average number of shares outstanding during the year after deducting treasury stock.

Note 2: Figures are shown rounded to the nearest ¥0.1 billion.

(6) Major Subsidiaries

	Capital stock (Millions)	Toray's stake (%)	Main business
Ichimura Sangyo Co., Ltd.	¥1,000	85.00	Manufacturing and sales of raw materials for fibers, woven and knitted fabrics and plastics products
Toray International, Inc.	¥2,040	100.00	Trading of textile products and plastics products, etc.
Chori Co., Ltd.	¥6,800	51.25	Purchasing and sales of textile products and chemical products, etc.
Toray Engineering Co., Ltd.	¥1,500	99.99	General engineering
Toray Plastics (America), Inc.	US\$238	— (100.00)	Manufacturing and sales of polyester and polypropylene films, and polyolefin foam
Toray Carbon Fibers Europe S.A.	EUR185	100.00	Manufacturing and sales of carbon fibers
P.T. Indonesia Toray Synthetics	US\$105	92.37 (7.63)	Manufacturing and sales of nylon fibers and polyester fibers
Thai Toray Synthetics Co., Ltd.	THB3,078	70.77 (19.24)	Manufacturing and sales of nylon fibers, polyester fibers, nylon resin, PBT resin and polypropylene films
Penfabric Sdn. Berhad	RM86	100.00	Manufacturing and sales of polyester and cotton blended woven fabrics
Toray Fibers (Nantong) Co., Ltd.	RMB2,171	90.00 (10.00)	Manufacturing and sales of synthetic fibers and chips
Toray Advanced Materials Korea Inc.	Won576,000	100.00	Manufacturing and sales of polyester films, polyester filament yarns and spunbond

Note: Figures in parenthesis under "Toray's stake" indicate Toray's subsidiaries' stake.

(7) Main Business

Manufacturing, processing and sales of the following products, among others:

Fibers and Textiles:

Filament yarns, staple fibers, spun yarns, woven and knitted fabrics of nylon, polyester, acrylic and others; non-woven fabrics; ultra-microfiber non-woven fabric with suede texture; apparel products.

Plastics and Chemicals:

(Except films and plastic products included in IT-related Products listed below)

Nylon, ABS, PBT, PPS and other resins and molded products, polyolefin foam; polyester, polypropylene, PPS and other films and processed film products; raw materials for synthetic fibers and other plastics; zeolite catalysts; fine chemicals such as raw materials for pharmaceuticals and agrochemicals; veterinary medicines.

IT-related Products:

Films and plastic products for information and telecommunications related products; electronic circuits and semiconductor-related materials; color filters for LCDs and related materials; magnetic recording materials; graphic materials and IT-related equipment.

Carbon Fiber Composite Materials:

Carbon fibers, carbon fiber composite materials and their molded products.

Environment and Engineering:

Comprehensive engineering; condominiums; industrial equipment and machinery; environment-related equipment; water treatment membranes and related equipment; materials for housing, building and civil engineering applications.

Life Science:

Pharmaceuticals, medical devices, etc.

Others:

Analysis, physical evaluation, research, and other services.

(8) Directory

1) Toray Industries, Inc.

Head Office:

1-1, Nihonbashi-Muromachi 2-chome,
Chuo-ku, Tokyo 103-8666, Japan

Osaka Head Office:

3-3, Nakanoshima 3-chome,
Kita-ku, Osaka 530-8222, Japan

Branches:

Nagoya (Aichi), Hokuriku (Fukui), Kyushu (Fukuoka),
Tohoku (Miyagi) and Chugoku & Shikoku (Hiroshima)

Plants:

Shiga, Seta (Shiga), Ehime, Nagoya (Aichi), Tokai
(Aichi), Aichi, Okazaki (Aichi), Mishima (Shizuoka),
Chiba, Tsuchiura (Ibaraki), Gifu and Ishikawa

Laboratories:

Fibers and Textiles Research Laboratories
(Shizuoka), Films and Films Products Research
Laboratories (Shiga), Chemicals Research
Laboratories (Aichi), Composite Materials Research
Laboratories (Ehime), Electronic and Imaging
Materials Research Laboratories (Shiga), Global
Environment Research Laboratories (Shiga),
Pharmaceutical Research Laboratories (Kanagawa),
New Frontiers Research Laboratories (Kanagawa),
Advanced Materials Research Laboratories (Shiga)

2) Major Subsidiaries

Ichimura Sangyo, Co., Ltd. (Ishikawa, Japan)
Toray International, Inc. (Tokyo, Japan)
Chori Co., Ltd. (Osaka, Japan)
Toray Engineering Co., Ltd. (Tokyo, Japan)
Toray Plastics (America), Inc. (U.S.A.)
Toray Carbon Fibers Europe S.A. (France)
P.T. Indonesia Toray Synthetics (Indonesia)
Thai Toray Synthetics Co., Ltd. (Thailand)
Penfabric Sdn. Berhad (Malaysia)
Toray Fibers (Nantong) Co., Ltd. (China)
Toray Advanced Materials Korea Inc. (Republic of Korea)

(9) Employees

Segment	Number of employees	Increase (decrease) from the end of last fiscal year
Fibers and Textiles	21,530	(1,042)
Plastics and Chemicals	6,692	217
IT-related Products	5,502	64
Carbon Fiber Composite Materials	4,462	702
Environment and Engineering	3,484	(8)
Life Science	1,644	38
Others	1,781	3
Corporate	694	(66)
Total	45,789	(92)

(10) Principal Lenders

	Outstanding loan amount (Millions of yen)
Sumitomo Mitsui Banking Corporation	79,169
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	65,235
Mizuho Bank, Ltd.	41,835
Nippon Life Insurance Co.	20,100
Meiji Yasuda Life Insurance Co.	17,000

Note1: Outstanding loan amount includes loans from overseas subsidiaries of the lenders.

Note2: In addition to the above, we have a balance of ¥221,981 million in syndicated loans.

2. Stock Information

- (1) Total Number of Shares Authorized to be Issued: 4,000,000,000 shares
 (2) Number of Shares of Common Stock in Issue: 1,599,106,347 shares
 (excluding treasury stock of 32,375,056 shares)
 (3) Number of Stockholders at March 31, 2015: 162,527
 (4) Principal Stockholders:

	Number of shares held (Thousands)	Percentage of total shares (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	114,625	7.17
Japan Trustee Services Bank, Ltd. (Trust Account)	84,800	5.30
Nippon Life Insurance Co.	71,212	4.45
Mitsui Life Insurance Co., Ltd.	35,961	2.25
Sumitomo Mitsui Banking Corporation	30,022	1.88
Japan Trustee Services Bank, Ltd. (Trust 4 Account)	22,340	1.40
State Street Bank West Client-Treaty 505234	20,375	1.27
The Bank of New York Mellon SA/NV 10	20,241	1.27
Mitsui Fudosan Co., Ltd.	19,460	1.22
Mitsui Sumitomo Insurance Company, Limited	17,638	1.10

Note: The percentage of total shares is computed after deducting treasury stock (32,375,056 shares)

3. Stock Acquisition Rights

- (1) Outline of Stock Acquisition Rights held by Members of the Board of the Company as of the end of the Fiscal Year

	No.1 Stock Acquisition Right	No.2 Stock Acquisition Right
Date of resolution of issuance	July 29, 2011	July 19, 2012
Number of Stock Acquisition Rights	336	497
Number of persons held	17 members of the Board	21 members of the Board
Type and number of shares to be issued upon exercise	Common Stock: 336,000 shares	Common Stock: 497,000 shares
Issue price of Stock Acquisition Rights	¥513	¥394
Exercise price	¥1	¥1
Exercise period for Stock Acquisition Rights	From August 21, 2011 to August 20, 2041	From August 5, 2012 to August 4, 2042

	No.3 Stock Acquisition Right	No.4 Stock Acquisition Right
Date of resolution of issuance	July 26, 2013	July 23, 2014
Number of Stock Acquisition Rights	392	440
Number of persons held	22 members of the Board	25 members of the Board
Type and number of shares to be issued upon exercise	Common Stock: 392,000 shares	Common Stock: 440,000 shares
Issue price of Stock Acquisition Rights	¥546	¥605
Exercise price	¥1	¥1
Exercise period for Stock Acquisition Rights	From August 11, 2013 to August 10, 2043	From August 10, 2014 to August 9, 2044

(2) Outline of Stock Acquisition Rights Granted to Employees, etc. of the Company during the Fiscal Year

	No.4 Stock Acquisition Right
Date of resolution of issuance	July 23, 2014
Number of Stock Acquisition Rights	129
Number of persons granted	27 directors of the Company
Type and number of shares to be issued upon exercise	Common Stock: 129,000 shares
Issue price of Stock Acquisition Rights	¥605
Exercise price	¥1
Exercise period for Stock Acquisition Rights	From August 10, 2014 to August 9, 2044

(3) Bonds with Stock Acquisition Rights

	Stock Acquisition Rights attached to Zero Coupon Convertible Bonds due 2019	Stock Acquisition Rights attached to Zero Coupon Convertible Bonds due 2021
Date of resolution of issuance	May 22, 2014	May 22, 2014
Number of Stock Acquisition Rights	5,000	5,000
Type and number of shares to be issued upon exercise	Common Stock: 56,116,722 shares	Common Stock: 60,459,492 shares
Issue price of Stock Acquisition Rights	Gratis	Gratis
Conversion price	¥891	¥827
Exercise period for Stock Acquisition Rights	From June 23, 2014 to August 16, 2019	From June 23, 2014 to August 17, 2021
Outstanding amount of Bonds with Stock Acquisition Rights	¥50,000 million	¥50,000 million

Note: The number of shares to be issued upon exercise is computed by dividing the outstanding amount of Bonds with Stock Acquisition Rights by the conversion price.

4. Members of the Board and Corporate Auditors

(1) Names and Titles

Sadayuki Sakakibara, *Chairman of the Board* (Director, NIPPON TELEGRAPH AND TELEPHONE CORPORATION; Director, Hitachi, Ltd.)

Akihiro Nikkaku, *President, Chief Executive Officer, Chief Operating Officer and Representative Member of the Board*

Eizo Tanaka, *Executive Vice President and Representative Member of the Board* (In charge of Marketing and Sales; in charge of Corporate Marketing Planning Dept., Automotive Material Strategic Planning Dept., and branches; General Manager, Fibers & Textiles Division; General Manager, Osaka Head Office)

Nobuo Suzui, *Executive Vice President and Representative Member of the Board* (In charge of General Administration & Legal Division (Security Trade Administration Dept.), Purchasing & Logistics Division, and Product Safety & Quality Assurance Planning Dept.; General Manager, Manufacturing Division)

Koichi Abe, *Executive Vice President and Representative Member of the Board* (In charge of Intellectual Property Division, Information Systems Division, Global Environment Business Strategic Planning Dept., and Life Innovation Business Strategic Planning Dept.; General Manager, Technology Center)

Moriyuki Onishi, *Senior Vice President (Member of the Board and Member of the Executive Committee)* (General Manager, Torayca & Advanced Composites Division; Chairman, Toray Carbon Fibers America, Inc.; Chairman, Toray Composites (America), Inc.; Chairman, Zoltek Companies, Inc.; Chairman, Zoltek Corporation)

Shinichi Okuda, *Senior Vice President (Member of the Board and Member of the Executive Committee)* (General Manager, Engineering Division)

Kazushi Hashimoto, *Senior Vice President (Member of the Board and Member of the Executive Committee)* (Chairman & President, Toray Industries (China) Co., Ltd.; Chairman, Toray Jifa (Qingdao) Textile Co., Ltd.)

Ryo Murayama, *Senior Vice President (Member of the Board and Member of the Executive Committee)* (General Manager, Pharmaceuticals & Medical Products Division)

Yukichi Deguchi, *Senior Vice President (Member of the Board and Member of the Executive Committee)* (General Manager, Corporate Strategic Planning Division; General Manager, IT Business SBU)

Akira Uchida, *Senior Vice President (Member of the Board)* (In charge of CSR; General Manager, General Administration & Legal Division, Investor Relations Dept., Corporate Communications Dept., and Advertising Dept.; General Manager, Tokyo Head Office)

Shogo Masuda, *Senior Vice President (Member of the Board)* (General Manager, Affiliated Companies Division; Director, Japan Vilene Company, Ltd.; Director, Soda Aromatic Co., Ltd.)

Akira Umeda, *Senior Vice President (Member of the Board)* (General Manager, Manufacturing Division (Fibers & Textiles); Director, SAKAI OVEX Co., Ltd.)

Hiroshi Murakami, *Senior Vice President (Member of the Board)* (In charge of International Operations; General Manager, International Division)

Akio Sato, *Senior Vice President (Member of the Board)* (General Manager, Resins & Chemicals Division)

Hiroshi Otani, *Senior Vice President (Member of the Board)* (General Manager, Water Treatment & Environment Division; Chairman, Toray Asia Pte. Ltd.; Director, Suido Kiko Kaisha, Ltd.)

Satoru Hagiwara, *Senior Vice President (Member of the Board)* (General Manager, Films Division; Chairman, Toray Films Europe S.A.S)

Minoru Yoshinaga, *Vice President (Member of the Board)* (General Manager, Manufacturing Division (Torayca & Prepreg Technology and Manufacturing, ACM Technology Dept.))

Kunihiko Yoshida, *Vice President (Member of the Board)* (General Manager, Personnel & Industrial Relations Division)

Toru Fukasawa, *Vice President (Member of the Board)* (General Manager, Finance & Controller's Division; President, Toray Holding (U.S.A.), Inc.; President, Toray Capital (America), Inc.; Director, Atsugi Co., Ltd.)

Yasuo Suga, *Vice President (Member of the Board)* (Assistant General Manager, Torayca & Advanced Composites Division; General Manager, Advanced Composites Division; Chairman and Representative Director, Toray Carbon Magic Co., Ltd.)

Hirofumi Kobayashi, *Vice President (Member of the Board)* (General Manager, Electronic & Information Materials Division; General Manager, FPD Materials Division)

Masashi Fujita*, *Vice President (Member of the Board)* (General Manager, Manufacturing Division (Pharmaceuticals & Medical Products); General Manager, Chemistry, Manufacturing and Controls Division)

Kazuhiko Shuto*, *Vice President (Member of the Board)* (Assistant General Manager, Fibers & Textiles Division; General Manager, Textiles Division; Director, KOMATSU SEIREN CO., LTD.)

Tetsuya Tsunekawa*, *Vice President (Member of the Board)* (General Manager, Research & Development Division; General Manager, Basic Research Center)

Kunio Ito*, *Vice President (Member of the Board)* (Member of the Board, Akebono Brake Industry Co., Ltd.; Member of the Board, Mitsubishi Corporation; Director, Tokio Marine Holdings, Inc.; Director, Sumitomo Chemical Company, Limited; Director, Kobayashi Pharmaceutical Co., Ltd.; Director, Seven & i Holdings Co., Ltd.)

Kiyoshi Fukuchi, *Corporate Auditor*

Motoyuki Yagita, *Corporate Auditor*

Mitsuaki Yahagi, *Corporate Auditor* (Corporate Auditor, Mitsui Engineering & Shipbuilding Co., Ltd.)

Makoto Matsuo, *Corporate Auditor* (Partner, Momo-o, Matsuo & Namba; Director, Capcom Co., Ltd.; Director, TonenGeneral Sekiyu K. K.)

Note 1: Kunio Ito is an outside director in accordance with Article 2, paragraph 15 of the Companies Act.

Note 2: The Tokyo Stock Exchange has been notified that Kunio Ito is an independent director/auditor under the regulations of the Exchange.

Note 3: Mitsuaki Yahagi and Makoto Matsuo are outside corporate auditors in accordance with Article 2, paragraph 16 of the Companies Act.

Note 4: The Tokyo Stock Exchange has been notified that Mitsuaki Yahagi and Makoto Matsuo are independent directors/auditors under the regulations of the Exchange.

Note 5: Motoyuki Yagita, Corporate Auditor, has been in charge of accounting in the Company and its overseas group companies for many years, and has considerable knowledge of financing and accounting matters.

Note 6: Mitsuaki Yahagi, Corporate Auditor, has been in charge of financing businesses at a bank for many years, and has considerable knowledge of financing and accounting matters.

Note 7: Makoto Matsuo, Corporate Auditor, is well versed in legal service as an attorney, and has considerable knowledge of financing and accounting matters.

Note 8: Members of the Board marked with an Asterisk(*) were newly appointed to these positions at the 133rd Ordinary General Meeting of Stockholders held on June 25, 2014.

Note 9: The following members of the Board retired from their positions at the close of the 133rd Ordinary General Meeting of Stockholders held on June 25, 2014.

Junichi Fujikawa, *Executive Vice President and Representative Member of the Board*

Susumu Yamaguchi, *Senior Vice President (Member of the Board)*

Hisae Sasaki, *Vice President (Member of the Board)*

Mitsuo Oya, *Vice President (Member of the Board)*

Note 10: As of April 1, 2015, the assignments and important offices held concurrently by members of the Board have been changed as follows.

Kazushi Hashimoto, *Senior Vice President (Member of the Board and Member of the Executive Committee)* (Chief Representative for China; Chairman & President, Toray Industries (China) Co., Ltd.; Chairman, Toray Jifa (Qingdao) Textile Co., Ltd.)

Hiroshi Murakami, *Senior Vice President (Member of the Board)* (General Manager, International Division)

Masashi Fujita, *Vice President (Member of the Board)* (General Manager, Manufacturing Division (Pharmaceuticals & Medical Products); General Manager, Dialysis Products Division)

(2) Amounts of Remuneration to Members of the Board and Corporate Auditors

	Persons paid	Amounts of remuneration during the year
Members of the Board (inclusive of Outside Directors)	30 (1)	¥1,548 million [¥9 million]
Corporate Auditors (inclusive of Outside Corporate Auditors)	4 (2)	¥108 million [¥21 million]
Total	34	¥1,655 million

Note 1: The number of recipients includes four members of the Board who retired in the current period.

Note 2: The total amount of remuneration includes ¥166 million (members of the Board, ¥157 million; corporate auditors, ¥9 million (including ¥2 million for outside corporate auditors)) of bonuses for members of the Board and corporate auditors to be resolved at the 134th Ordinary General Meeting of Stockholders.

Note 3: The total amount of remuneration includes ¥261 million of stock options (stock acquisition rights) granted to members of the Board.

Note 4: The amount equivalent to ¥75 million of employee's salary of the employee-director is not included in the above amount.

Note 5: In addition to the above, the Company paid two retiring members of the Board ¥218 million as retirement benefits for termination resulting from the abolition of the retirement benefit system for members of the Board and corporate auditors, as resolved at the 130th Ordinary General Meeting of Stockholders. Out of the remuneration paid to members of the Board, ¥22 million is included in the amount of remuneration for the current period.

(3) Outside Directors and Outside Corporate Auditors

1) Offices concurrently held by the outside directors and outside corporate auditors

Kunio Ito, *Outside Director* (Member of the Board, Akebono Brake Industry Co., Ltd.; Member of the Board, Mitsubishi Corporation; Director, Tokio Marine Holdings, Inc.; Director, Sumitomo Chemical Company, Limited; Director, Kobayashi Pharmaceutical Co., Ltd.; Director, Seven & i Holdings Co., Ltd.)

Mitsuaki Yahagi, *Outside Corporate Auditor* (Outside Corporate Auditor, Mitsui Engineering & Shipbuilding Co., Ltd.)

Makoto Matsuo, *Outside Corporate Auditor* (Partner, Momo-o, Matsuo & Namba; Outside Director, Capcom Co., Ltd.; Director, TonenGeneral Sekiyu K. K.)

Note: There is no special relationship between the Company and corporations, etc. in which outside directors and outside corporate auditors concurrently hold office.

2) Main activities of the outside directors and outside corporate auditors

Kunio Ito, *Outside Director*

Attended all 10 meetings of the Board of Directors held during the period under review after his assumption of office. Contributed to these meetings with appropriate comments from his professional perspective based mainly on experience of research and study activities on accounting and business administration.

Mitsuaki Yahagi, *Outside Corporate Auditor*

Attended all 14 meetings of the Board of Directors and all 11 meetings of the Board of Corporate Auditors held during the period under review. Also participated in audits of Toray's plants and Group companies in Japan and overseas. Contributed to these meetings and audits with appropriate comments based on his professional perspective as an executive with rich experience.

Makoto Matsuo, Outside Corporate Auditor
Attended 13 out of 14 meetings of the Board of Directors and all 11 meetings of the Board of Corporate Auditors held during the period under review. Also participated in audits of Toray's plants and Group companies in Japan and overseas. Contributed to these meetings and audits with appropriate comments based mainly on his professional perspective as a lawyer.

3) Outline of the agreement to limit the liability of outside directors and outside corporate auditors
In accordance with the Articles of Incorporation, the Company enters into an agreement with each of the outside directors and outside corporate auditors with respect to the limitation of liabilities for damages arising from negligence in the performance of their duties. Under these agreements, the damage liability of each outside director or outside corporate auditor shall be limited to the minimum amount stipulated in Article 425, paragraph 1 of the Companies Act if such outside director or outside corporate auditor has performed his/her duties in good faith and without gross negligence.

5. Independent Auditors

(1) Name of Independent Auditor

Ernst & Young ShinNihon LLC

(2) Amounts of Remuneration to Independent Auditors

- 1) Amount of remuneration paid for the fiscal year ended March 31, 2015 was ¥240 million.
- 2) The total amount of remuneration paid or payable to independent auditors by the Company and its consolidated subsidiaries was ¥579 million.

Note 1: Given that the audit engagement contract between the Company and the independent auditors does not differentiate the amount of audit fees payable under the Companies Act from the amount of audit fees

payable under the Financial Instruments and Exchange Law, and given that such differentiation is practically impossible, the amount of remunerations shown in 1) above is an aggregate of both amounts.

Note 2: Among major subsidiaries of the Company, Chori Co., Ltd., Toray Plastics (America), Inc., Toray Carbon Fibers Europe S.A., P.T. Indonesia Toray Synthetics, Thai Toray Synthetics Co., Ltd., Penfabric Sdn. Berhad, Toray Fibers (Nantong) Co., Ltd., and Toray Advanced Materials Korea Inc. are audited by certified public accountants or independent auditors other than Toray's independent auditors.

(3) Non-audit Work

The Company commits to independent auditors, with compensation, certain services regarding advice on transition to the IFRS, etc., other than the services stipulated in Article 2, Clause 1 of the Certified Public Accountants Act of Japan.

(4) Policy for Determining the Dismissal or Non-reappointment of Independent Auditors

If an independent auditor is deemed to fall under any of the items of Article 340, paragraph 1 of the Companies Act, such independent auditor shall be dismissed subject to the unanimous approval of the Board of Corporate Auditors.

In addition to the case mentioned above, if any event that impairs the qualifications or independence of an independent auditor occurs and is therefore expected to make it difficult for such independent auditor to perform appropriate audits, the members of the Board shall, with the approval of the Board of Corporate Auditors or upon demand by the Board of Corporate Auditors, propose the dismissal or non-reappointment of such independent auditor at a general stockholders' meeting.

6. Organization and Policies of the Company

System to ensure that the members of the Board perform their duties in compliance with laws and regulations as well as the Articles of Incorporation, and other systems for ensuring appropriate business operations.

The Company's Board of Directors approved the basic policy on internal control system for ensuring the appropriate execution of operations as follows: In order that Toray Group's Management Philosophy expressed in "contributing to society through the creation of new value with innovative ideas technologies and products" as Corporate Philosophy, as well as Corporate Missions and Corporate Guiding Principles may be realized by all executives and employees, the Company shall establish and maintain its internal control system with creation of appropriate organizational frameworks, formulation of rules and regulations, communication of information and monitoring of operations. The Company intends to establish a system that executes operations legitimately and efficiently by reviewing and improving its internal control system.

1) System to ensure that the execution of duties by the members of the Board and employees comply with laws and regulations as well as the Company's Articles of Incorporation

- The Company shall promote corporate ethics and legal compliance through the establishment of a company-wide Corporate Ethics Committee, a company-wide Legal Compliance Committee to work under the Corporate Ethics Committee, and CSR/Legal Compliance Committees established at division, office and plant levels.
- The Company shall establish the Corporate Ethics and Legal Compliance Code of Conduct as concrete standards to be observed to promote observance of corporate ethics and legal compliance.
- The Company shall formulate Corporate Ethics and Legal Compliance Guidelines containing

detailed explanations and notes on corporate ethics and legal compliance.

- The Company shall establish an Internal Reporting System for the reporting of the discovery of violation of laws, regulations, or the Company's Articles of Incorporation.
 - The Company shall ensure that all members of the Board and employees are well-informed with the Corporate Ethics and Legal Compliance Handbook, which contains the Corporate Ethics and Legal Compliance Code of Conduct, Corporate Ethics and Legal Compliance Guidelines and Internal Reporting System.
 - The Company shall ensure that security trade control, one of the most important legal compliance issues, is thoroughly enforced by the establishment of Security Trade Control Regulations and an organization dedicated to security trade control.
 - The Company shall provide that any relations with antisocial forces should be excluded in the Corporate Ethics and Legal Compliance Code of Conduct, and adopt a resolute stand in a unified manner.
 - The Company shall establish Auditing Department as a body to execute internal audits, and perform audits in accordance with Internal Audit Rules.
- 2) System to ensure the efficient execution of duties by the members of the Board
- The Company shall establish the Authority of Top Management that prescribes decisions requiring approvals from the Board of Directors, President, general managers of divisions and other members of top management.
 - The Company shall establish the Executive Committee and the Board of Senior Vice Presidents as deliberative organs that facilitate resolutions by the Board of Directors and approvals by the President for operational efficiency. The Executive Committee primarily discusses directions, while the Board of Senior Vice Presidents primarily discusses issues related to implementation.

- The Company shall establish company-wide committees to discuss key management themes with supplementary roles in management execution.
 - The Board of Directors shall establish the duties of each member of the Board, and each member of the Board shall manage and supervise the head of the organization for which he or she is responsible.
 - The Company shall establish Operational Division of Duties Regulations to specify the duties of each organization.
- 3) System for preserving and managing information pertaining to the execution of duties by the members of the Board
- Regulations shall be established for the preservation and management of such important documents and information as minutes related to management decision-making and financial reports. Such documents and information shall be stored in accordance with said provisions and maintained for reference when needed.
 - Confidential Information Management Regulations for the protection of confidential information shall be established and appropriate systems and methods shall be defined for proper management of confidential information, and measures shall be taken to prevent improper access to such information by those outside the Group.
 - Personal Information Management Regulations stipulating personal information protection policies, system for information management, and roles of employees shall be established for the protection of personal information.
- 4) Rules and other systems pertaining to controls over risks of damage
- The Company shall establish Crisis Management Regulations, identify potential risks in business activities, reduce the level of risk under normal business conditions, and prevent future crises, as well as develop and maintain a system that can react immediately in the event of major crises.
- The Company shall organize Risk Management Committee under the company-wide CSR Committee, follow up on risk management conditions at normal times and plan and establish company-wide measures.
 - The Company shall identify risks that may disrupt operations, ascertain their impact on business activities, establish a Business Continuity Plan (BCP) to maintain operations and develop a Business Continuity Management (BCM) system.
 - In the event of crises that affect the whole company, Company-Wide Emergency Headquarters and On-Site Emergency Headquarters shall be established and shall coordinate efforts with one another in responding to the crises.
 - In view of ensuring reliability of financial reporting, the Company shall promote maintenance and operation of its internal control system for financial reporting.
- 5) System of reporting to corporate auditors and other systems for ensuring effective implementation of audits by corporate auditors
- Members of the Board and employees shall report on matters related to the execution of their duties in response to requests made by corporate auditors.
 - Corporate auditors shall attend important meetings in addition to Board of Directors meetings so that they may ascertain important decision-making processes and the execution of duties.
 - In accordance with auditing policy and plans formulated by the Board of Corporate Auditors, corporate auditors shall hold regular meetings with all members of the Board as well as divisional and departmental general managers, and conduct regular audits of the Company's offices and plants as well as Japanese and overseas Group companies.
 - Auditing Department shall cooperate if so requested by corporate auditors when carrying

out audits.

6) Items pertaining to employees assisting with corporate auditors' duties and items pertaining to the independence of said employees

- In the event that corporate auditors request employee assistance with auditing, a unit shall be established with full-time staff members to provide assistance.
- To ensure the independence of said dedicated staff members from members of the Board, the corporate auditors may discuss personnel matters related to the above-mentioned staff members and request changes as necessary.

7) System for ensuring appropriate business operations by the Group

- While valuing the autonomy of management of the Group companies, all companies shall share the basic stances expressed in the Company's Corporate Philosophy, Corporate Missions, Corporate Guiding Principles and Corporate Ethics and Legal Compliance Code of Conduct.
- The entire Group shall manage risks and pursue efficiencies through the formulation of rules concerning reporting and consultation of important matters to the Company.
- Affiliated Companies Division and International Division shall promote corporate ethics and legal compliance within the Group for Japanese Group companies, and overseas Group companies, respectively.
- The legality, propriety and efficiency of the implementation of duties within the Group companies shall be monitored by regular audits and internal auditing conducted by corporate auditors and Auditing Department.

Consolidated Balance Sheet

Toray Industries, Inc. and Subsidiaries
March 31, 2015

Assets	Millions of yen	Liabilities	Millions of yen
Current assets:	¥1,017,868	Current liabilities:	¥ 600,853
Cash and time deposits	116,193	Notes and accounts payable - trade	220,173
Notes and accounts receivable - trade	405,330	Short-term borrowings	142,346
Merchandise and finished goods	220,763	Long-term borrowings due within one year	57,328
Work in process	78,606	Income taxes payable	13,027
Raw materials and supplies	92,260	Reserve for employees' bonuses	18,584
Deferred tax assets	31,034	Reserve for bonuses of members of the Board and corporate auditors	178
Other current assets	75,384	Other current liabilities	149,217
Allowance for doubtful accounts	(1,702)	Noncurrent liabilities:	676,315
Noncurrent assets:	1,340,057	Bonds	140,020
Property, plant and equipment:	855,593	Long-term borrowings	350,697
Buildings and structures	256,580	Deferred tax liabilities	43,669
Machinery, equipment and vehicles	427,057	Reserve for retirement benefits of members of the Board and corporate auditors	1,292
Land	78,327	Net defined benefit liability	106,293
Construction in progress	68,865	Other noncurrent liabilities	34,344
Other	24,764	Total liabilities	1,277,168
Intangible assets:	98,506	Net assets	
Goodwill	63,369	Stockholders' equity:	807,812
Other	35,137	Common stock	147,873
Investments and other assets:	385,958	Capital surplus	136,727
Investment securities	284,048	Retained earnings	544,557
Long-term loans receivable	1,523	Treasury stock, at cost	(21,345)
Deferred tax assets	13,294	Accumulated other comprehensive income:	177,856
Net defined benefit asset	36,083	Net unrealized gains on securities	79,093
Other	53,844	Net deferred losses on hedges	(387)
Allowance for doubtful accounts	(2,834)	Foreign currency translation adjustments	100,097
		Remeasurements of defined benefit plans	(947)
		Stock acquisition rights	1,207
		Minority interests	93,882
Total assets	¥2,357,925	Total net assets	1,080,757
		Total liabilities and net assets	¥2,357,925

Note: Figures are shown rounded to the nearest ¥1 million.

Consolidated Statement of Income

Toray Industries, Inc. and Subsidiaries

April 1, 2014 - March 31, 2015

	Millions of yen
Net sales	¥2,010,734
Cost of sales	1,611,469
Gross profit	399,265
Selling, general and administrative expenses	275,784
Operating income	123,481
Nonoperating income:	21,994
Interest and dividend income	4,121
Equity in earnings of unconsolidated subsidiaries and affiliated companies	11,816
Other income	6,057
Nonoperating expenses:	16,903
Interest expense	6,347
Other expenses	10,556
Ordinary income	128,572
Special gains:	1,845
Gain on sales of property, plant and equipment	450
Gain on sales of investment securities	539
Gain on sales of investment securities in subsidiaries and affiliated companies	658
Other special gains	198
Special losses:	15,948
Loss on sales and disposal of property, plant and equipment	6,158
Loss on impairment of fixed assets	7,915
Other special losses	1,875
Income before income taxes and minority interests	114,469
Income taxes:	
Current	24,945
Deferred	14,792
Income before minority interests	74,732
Minority interests in net income of consolidated subsidiaries	3,711
Net income	¥71,021

Note: Figures are shown rounded to the nearest ¥1 million.

Consolidated Statement of Changes in Net Assets

Toray Industries, Inc. and Subsidiaries

April 1, 2014 - March 31, 2015

Millions of yen					
	Stockholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total stockholders' equity
Balance at beginning of the fiscal year	¥147,873	¥136,735	¥505,834	¥(1,455)	¥788,987
Cumulative effect of changes in accounting policies			(15,989)		(15,989)
Restated balance	147,873	136,735	489,845	(1,455)	772,998
Changes during the fiscal year:					
Cash dividend			(16,145)		(16,145)
Net income			71,021		71,021
Acquisition of treasury stock				(20,054)	(20,054)
Disposal of treasury stock		(41)		165	124
Other		33	(164)	(1)	(132)
Net changes in items other than stockholders' equity during the fiscal year					
Total changes during the fiscal year	—	(8)	54,712	(19,890)	34,814
Balance at end of the fiscal year	¥147,873	¥136,727	¥544,557	¥(21,345)	¥807,812

Millions of yen								
	Accumulated other comprehensive income					Stock acquisition rights	Minority interests	Total net assets
	Net unrealized gains on securities	Net deferred losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of the fiscal year	¥49,546	¥(508)	¥37,664	¥(16,688)	¥70,014	¥991	¥84,633	¥944,625
Cumulative effect of changes in accounting policies								(15,989)
Restated balance	49,546	(508)	37,664	(16,688)	70,014	991	84,633	928,636
Changes during the fiscal year:								
Cash dividend								(16,145)
Net income								71,021
Acquisition of treasury stock								(20,054)
Disposal of treasury stock								124
Other								(132)
Net changes in items other than stockholders' equity during the fiscal year	29,547	121	62,433	15,741	107,842	216	9,249	117,307
Total changes during the fiscal year	29,547	121	62,433	15,741	107,842	216	9,249	152,121
Balance at end of the fiscal year	¥79,093	¥(387)	¥100,097	¥(947)	¥177,856	¥1,207	¥93,882	¥1,080,757

Note: Figures are shown rounded to the nearest ¥1 million.

Nonconsolidated Balance Sheet

Toray Industries, Inc.
March 31, 2015

Assets	Millions of yen	Liabilities	Millions of yen
Current assets:	¥ 291,125	Current liabilities:	¥ 223,492
Cash and time deposits	15,447	Notes payable - trade	3,429
Notes receivable - trade	1,070	Accounts payable - trade	46,365
Accounts receivable - trade	124,573	Short-term borrowings	769
Finished goods	54,304	Long-term borrowings due within one year	43,400
Work in process	18,958	Commercial paper	5,000
Raw materials and supplies	24,149	Accounts payable - other	31,408
Prepaid expenses	1,432	Accrued expenses	15,316
Deferred tax assets	16,297	Income taxes payable	380
Short-term loans receivable	24,119	Deposits received	67,373
Accounts receivable - other	13,871	Reserve for employees' bonuses	7,900
Other current assets	1,472	Reserve for bonuses of members of the Board and corporate auditors	166
Allowance for doubtful accounts	(4,565)	Other current liabilities	1,986
Noncurrent assets:	956,084	Noncurrent liabilities:	495,027
Property, plant and equipment:	251,122	Bonds	140,000
Buildings	82,394	Long-term borrowings	260,031
Structures	11,052	Deferred tax liabilities	18,040
Machinery and equipment	103,501	Reserve for employees' retirement benefits	57,179
Vehicles	191	Reserve for loss on guarantees	638
Tools and furniture	5,641	Reserve for loss on business of subsidiaries and affiliated companies	1,080
Land	31,876	Asset retirement obligations	1,201
Construction in progress	16,468	Other noncurrent liabilities	16,858
Intangible assets:	2,993	Total liabilities	718,519
Software	2,168	Net assets	
Other intangible assets	825	Stockholders' equity:	453,726
Investments and other assets:	701,969	Common stock	147,873
Investment securities	171,253	Capital surplus:	136,727
Investment securities in subsidiaries and affiliated companies	435,078	Additional paid-in capital	136,727
Investment in capital	248	Retained earnings:	189,890
Investment in subsidiaries' and affiliated companies' capital	67,865	Legal reserve	24,234
Long-term loans receivable	270	Other retained earnings	165,656
Long-term prepaid expenses	107	Reserve for write-down of fixed assets for tax purposes	10,605
Prepaid pension cost	21,562	General reserve	112,000
Other	7,010	Retained earnings brought forward	43,051
Allowance for doubtful accounts	(1,424)	Treasury stock, at cost	(20,765)
Total assets	¥1,247,209	Valuation, translation adjustments and other:	73,953
		Net unrealized gains on securities	74,297
		Net deferred losses on hedges	(344)
		Stock acquisition rights	1,010
		Total net assets	528,690
		Total liabilities and net assets	¥1,247,209

Note: Figures are shown rounded to the nearest ¥1 million.

Nonconsolidated Statement of Income

Toray Industries, Inc.
April 1, 2014 - March 31, 2015

	Millions of yen
Net sales	¥ 566,259
Cost of sales	438,326
Gross profit	127,933
Selling, general and administrative expenses	102,736
Operating income	25,198
Nonoperating income:	30,016
Interest and dividend income	28,204
Other income	1,812
Nonoperating expenses:	5,436
Interest expense	2,145
Other expenses	3,291
Ordinary income	49,778
Special gains:	3,553
Gain on sales of property, plant and equipment	728
Gain on sales of investment securities	532
Gain on sales of investment securities in subsidiaries and affiliated companies	2,293
Special losses:	7,054
Loss on sales and disposal of property, plant and equipment	5,167
Loss on write-down of investment securities	14
Loss on liquidation and devaluation of subsidiaries and affiliated companies	1,873
Other special losses	1
Income before income taxes	46,276
Income taxes:	
Current	646
Deferred	3,926
Net income	¥41,705

Note: Figures are shown rounded to the nearest ¥1 million.

Nonconsolidated Statement of Changes in Net Assets

Toray Industries, Inc.
April 1, 2014 - March 31, 2015

Millions of yen							
	Stockholders' equity						
	Common stock	Capital surplus		Legal reserve	Retained earnings		
		Additional paid-in capital	Other capital surplus		Other retained earnings		Retained earnings brought forward
				Reserve for write-down of fixed assets for tax purposes	General reserve		
Balance at beginning of the fiscal year	¥147,873	¥136,727	¥8	¥24,234	¥11,264	¥112,000	¥31,056
Cumulative effect of changes in accounting policies							(14,190)
Restated balance	147,873	136,727	8	24,234	11,264	112,000	16,866
Changes during the fiscal year:							
Cash dividend							(16,145)
Reserve for write-down of fixed assets for tax purposes					574		(574)
Reversal of reserve for write-down of fixed assets for tax purposes					(1,232)		1,232
Net income							41,705
Acquisition of treasury stock							
Disposal of treasury stock			(41)				
Transfer of loss on disposal of treasury shares			33				(33)
Net changes in items other than stockholders' equity during the fiscal year							
Total changes during the fiscal year	—	—	(8)	—	(658)	—	26,184
Balance at end of the fiscal year	¥147,873	¥136,727	¥—	¥24,234	¥10,605	¥112,000	¥43,051

Millions of yen							
	Stockholders' equity		Valuation, translation adjustments and other			Stock acquisition rights	Total net assets
	Treasury stock, at cost	Total stockholders' equity	Net unrealized gains on securities	Net deferred gains (losses) on hedges	Total valuation, translation adjustments and other		
Balance at beginning of the fiscal year	¥(876)	¥462,286	¥46,881	¥(115)	¥46,766	¥795	¥509,848
Cumulative effect of changes in accounting policies		(14,190)					(14,190)
Restated balance	(876)	448,096	46,881	(115)	46,766	795	495,658
Changes during the fiscal year:							
Cash dividend		(16,145)					(16,145)
Reserve for write-down of fixed assets for tax purposes		—					—
Reversal of reserve for write-down of fixed assets for tax purposes		—					—
Net income		41,705					41,705
Acquisition of treasury stock	(20,054)	(20,054)					(20,054)
Disposal of treasury stock	165	124					124
Transfer of loss on disposal of treasury shares		—					—
Net changes in items other than stockholders' equity during the fiscal year			27,416	(229)	27,187	215	27,403
Total changes during the fiscal year	(19,889)	5,630	27,416	(229)	27,187	215	33,032
Balance at end of the fiscal year	¥(20,765)	¥453,726	¥74,297	¥(344)	¥73,953	¥1,010	¥528,690

Note: Figures are shown rounded to the nearest ¥1 million.

(Translation)
Independent Auditor's Report

May 14, 2015

The Board of Directors
Toray Industries, Inc.

Ernst & Young ShinNihon LLC

Kazuya Oki
Certified Public Accountant
Designated and Engagement Partner

Satoshi Kimura
Certified Public Accountant
Designated and Engagement Partner

Tsuyoshi Nakano
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Toray Industries, Inc. (the "Company") applicable to the fiscal year from April 1, 2014 through March 31, 2015.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Toray Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2015 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

As stated in the notes to changes in accounting policy in the notes to the consolidated financial statements, the Company and its domestic consolidated subsidiaries used to principally adopt the declining-balance method for depreciating property, plant and equipment (except lease assets) but, effective from the current period, the Company and its domestic consolidated subsidiaries have changed the depreciation method to principally the straight-line method. Our opinion is not qualified in respect of this matter.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Notice to Readers:

The original consolidated financial statements, which consist of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements, applicable to the fiscal year ended March 31, 2015 are written in Japanese.

(Translation)
Independent Auditor's Report

May 14, 2015

The Board of Directors
Toray Industries, Inc.

Ernst & Young ShinNihon LLC
Kazuya Oki
Certified Public Accountant
Designated and Engagement Partner

Satoshi Kimura
Certified Public Accountant
Designated and Engagement Partner

Tsuyoshi Nakano
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Toray Industries, Inc. (the "Company") applicable to the 134th fiscal year from April 1, 2014 through March 31, 2015.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Toray Industries, Inc. applicable to the 134th fiscal year ended March 31, 2015 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

As stated in the notes to changes in accounting policy in the notes to the financial statements, the Company used to principally adopt the declining-balance method for depreciating property, plant and equipment but, effective from the current period, the Company has changed the depreciation method to the straight-line method.

Our opinion is not qualified in respect of this matter.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Notice to Readers:

The original financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules, applicable to the fiscal year ended March 31, 2015 are written in Japanese. The related supplementary schedules have been omitted in the accompanying financial statements.

Audit Report of the Corporate Auditors (For Reference Only)

The Board of Corporate Auditors, following its review and deliberation of the reports prepared by each corporate auditor concerning the execution of duties by members of the Board for the 134th fiscal term from April 1, 2014 to March 31, 2015, has prepared this Audit Report as its unanimous opinion and hereby submits it as follows:

1. Methods and Contents by the Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors established the auditing policies and plans, received reports and explanations on the status and results of audits from each corporate auditor, received reports and explanations on the status of the execution of duties from the members of the Board and independent auditors, and requested explanations as necessary.

In accordance with the auditing standards for corporate auditors determined by the Board of Corporate Auditors and the auditing policies and plans, each corporate auditor made efforts to collect information and established auditing circumstances through communication with members of the Board, the Auditing Department and other employees, and attended the Board of Directors meetings and other important meetings to receive reports regarding execution of duties from members of the Board and employees and requested explanations as necessary. Each corporate auditor also inspected the approved documents and examined the status of operations and conditions of assets at the Company's head office and principal offices (plants). With respect to the resolutions adopted by the Board of Directors regarding the establishment of a system for ensuring that duties of members of the Board are performed in conformity of laws, ordinances and the Articles of Incorporation with the Company and the establishment of a system necessary to ensure proper business operations of the Company set forth in Paragraphs 1 and 3 of Article 100 of Enforcement Regulations of the Companies Act as described in the business report, as well as the systems (Internal Control System) established in accordance with a resolution of the Board of Directors, each corporate auditor regularly received briefing from members of the Board and the employees on the status of the establishment and operations, requested them to provide explanations as necessary, and expressed his opinions. Regarding internal control over financial reporting, each corporate auditor received reports on the evaluation of the relevant internal control and the status of audits from the members of the Board, etc. and Ernst & Young ShinNihon LLC, and requested explanations as necessary. Corporate auditors received from subsidiaries their business reports as necessary through communication and information sharing with their directors and corporate auditors.

In accordance with the procedures mentioned above, we reviewed the business reports and supplementary schedules for the fiscal year ended March 31, 2015.

Further, corporate auditors monitored the independent auditors to verify that the independent auditors maintained independence and conducted the audit appropriately. Each corporate auditor also received reports on the status of the execution of duties from the independent auditors and requested explanations as necessary. In addition, we were informed of the arrangement of the "System for ensuring that the duties are performed appropriately" (matters stipulated in the

items of Article 131 of the Corporate Calculation Regulations) in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005) by the independent auditors and requested explanations as necessary.

In accordance with the procedures mentioned above, we reviewed the nonconsolidated financial statements (the nonconsolidated balance sheet, nonconsolidated statement of operations, nonconsolidated statement of changes in net assets and notes to the nonconsolidated financial statements) and the supplementary schedules, and the consolidated financial statements (the consolidated balance sheet, consolidated statement of operations, consolidated statement of changes in net assets and notes to the consolidated financial statements) for the year ended March 31, 2015.

2. Results of Audit

- (1) Results of audit of the business report and others
 - 1) The business report and supplementary schedules are found to present fairly the state of the Company in accordance with laws, ordinances and the Articles of Incorporation.
 - 2) In connection with the performance by members of the Board of their duties, no dishonest act or material fact in contravention of laws, ordinances, or the Articles of Incorporation is found to exist.
 - 3) Resolution of the Board of Directors regarding the internal control system is fair and reasonable. There are no matters requiring additional mention regarding the content of business report described on the internal control and the execution of duties by members of the Board.
- (2) Results of audit of the nonconsolidated financial statements and the supplementary schedules
The auditing methods and results of the independent auditor, Ernst & Young ShinNihon LLC, are fair and reasonable.
- (3) Results of audit of the consolidated financial statements
The auditing methods and results of the independent auditor, Ernst & Young ShinNihon LLC, are fair and reasonable.

3. Subsequent Events

As stated in the notes to significant subsequent events in the notes to the consolidated financial statements, Toray Advanced Materials Korea Inc., a consolidated subsidiary of the Company, made a tender offer for the shares of Toray Chemical Korea Inc., another consolidated subsidiary of the Company.

May 15, 2015

Board of Corporate Auditors
Toray Industries, Inc.

Kiyoshi Fukuchi, Corporate Auditor
Motoyuki Yagita, Corporate Auditor
Mitsuaki Yahagi, Outside Corporate Auditor
Makoto Matsuo, Outside Corporate Auditor

Voting Information

Propositions and Related Information:

Proposition No. 1:
Appropriation of Surplus

With regard to the year-end dividend for the business year, management intends to pay ¥6 per share, an increase of ¥1 per share as compared to the previous fiscal year, in light of Toray's business performance, financial strength and other factors. As a result, the annual dividend, consisting of an interim dividend of ¥5 and a year-end dividend of ¥6, will be ¥11 per share, an increase of ¥1 per share as compared to the previous fiscal year.

Year-end dividend

(1) Type of dividend assets: Money

(2) Allotment of dividend assets to stockholders and the total amount

Allotment of dividend assets to stockholders: 6 yen per share of common stock

Total amount: 9,594,638,082 yen

(3) Effective date of distribution of surplus

June 25, 2015

Proposition No. 2:

Partial Amendments to the Articles of Incorporation

Pursuant to the enforcement as of May 1, 2015 of the Act for Partial Amendment of the Companies Act (Act No. 90 of 2014), the scope of directors and corporate auditors with whom liability limitation agreements may be concluded has been changed. In accordance with this change, the Company proposes to amend the provisions of Article 26 and Article 33 of its Articles of Incorporation. With regard to the amendment of the provisions of Article 26, the Company has obtained consent of all corporate auditors.

The proposed amendment is as follows. If the proposal is adopted, the amendment to the Articles of Incorporation shall become effective at the close of this general meeting of stockholders.

(Underlined parts of the English text are amended.)

Current Articles of Incorporation	Proposed Amendments
(Exemption of liability for Directors)	(Exemption of liability for Directors)
Article 26. Pursuant to Paragraph 1 of Article 426 of the Companies Act, liability of Directors (including former Directors) resulting from their negligence in the performance of their duties may be exempted by the Company within the limit set forth under law by resolution of the Board of Directors.	Article 26. Pursuant to Paragraph 1 of Article 426 of the Companies Act, liability of Directors (including former Directors) resulting from their negligence in the performance of their duties may be exempted by the Company within the limit set forth under law by resolution of the Board of Directors.
2. Pursuant to Paragraph 1 of Article 427 of the Companies Act, the Company may enter into an agreement with each of the <u>Outside</u> Directors to the effect that any liability for damages of such <u>Outside</u> Directors resulting from negligence in the performance of his/her duties shall be limited; provided, however, that the limit of the liability shall be the amount prescribed by laws.	2. Pursuant to Paragraph 1 of Article 427 of the Companies Act, the Company may enter into an agreement with each of the Directors (<u>excluding Executive Directors, etc.</u>) to the effect that any liability for damages of such Directors resulting from negligence in the performance of his/her duties shall be limited; provided, however, that the limit of the liability shall be the amount prescribed by laws.
(Exemption of liability for Corporate Auditors)	(Exemption of liability for Corporate Auditors)
Article 33. Pursuant to Paragraph 1 of Article 426 of the Companies Act, liability of Corporate Auditors (including former Corporate Auditors) resulting from their negligence in the performance of their duties may be exempted by the Company within the limit set forth under law by resolution of the Board of Directors.	Article 33. Pursuant to Paragraph 1 of Article 426 of the Companies Act, liability of Corporate Auditors (including former Corporate Auditors) resulting from their negligence in the performance of their duties may be exempted by the Company within the limit set forth under law by resolution of the Board of Directors.
2. Pursuant to Paragraph 1 of Article 427 of the Companies Act, the Company may enter into an agreement with each of the <u>Outside</u> Corporate Auditors to the effect that any liability for damages of such <u>Outside</u> Corporate Auditors resulting from negligence in the performance of his/her duties shall be limited; provided, however, that the limit of the liability shall be the amount prescribed by laws.	2. Pursuant to Paragraph 1 of Article 427 of the Companies Act, the Company may enter into an agreement with each of the Corporate Auditors to the effect that any liability for damages of such Corporate Auditors resulting from negligence in the performance of his/her duties shall be limited; provided, however, that the limit of the liability shall be the amount prescribed by laws.

Proposition No. 3:

Election of three Members of the Board

Sadayuki Sakakibara, Nobuo Suzui, Hiroshi Murakami and Minoru Yoshinaga will resign as Member of the Board effective as of the close of the general meeting.

The stockholders are requested to hold an election to name replacements for three Members of the Board.

Required Information on Candidates for Members of the Board:

Satoru Nishino

(Newly appointed)

Date of Birth:

November 1, 1958

Shares Owned:

6,000

Personal History:

April 1983	Joined the Company
June 2005	Director, Toray Saehan Inc.
January 2008	General Manager, Film Technical Dept.Gifu
September 2008	General Manager on Special Assignment, Second Production Technical Dept.
April 2009	General Manager, Second Production Technical Dept.; General Manager on Special Assignment, Technology Center Planning Dept.
June 2013	General Manager, Mishima Plant
May 2015	General Manager, Manufacturing Division (Films) (incumbent)

(Reason for recommending him as candidate for member of the Board position)

Satoru Nishino has gained rich experience, knowledge, and deep expertise and has become well versed in worksites over his many years in the Company engaged mainly in technology and production related to films. He has also accrued sufficient knowledge of management through his duties as an officer of an overseas group company and general manager of a plant of the Company.

We believe that he will be able to execute his duties by making appropriate judgements and decisions on management issues based on his knowledge and ability mentioned above, and will supervise management from an objective viewpoint. We therefore ask for the election of Satoru Nishino as a member of the Board.

Yoshiyuki Tanaka

(Newly appointed)

Date of Birth:

July 7, 1959

Shares Owned:

6,000

Personal History:

April 1984	Joined the Company
June 2004	General Manager, Staple Fibers Technical Dept.
June 2006	Executive Vice President, Toray Fluorofibers (America), Inc.
October 2010	General Manager, Filament Technical Dept.
May 2012	General Manager, Manufacturing Planning & Administration Dept.; General Manager on Special Assignment, Technology Center Planning Dept.
April 2014	General Manager, Okazaki Plant
May 2015	General Manager, Manufacturing Division (Fibers & Textiles); General Manager, First Production Technical Dept.; General Manager on Special Assignment, Technology Center Planning Dept. (incumbent)

(Reason for recommending him as candidate for member of the Board position)
Yoshiyuki Tanaka has gained rich experience, knowledge, and deep expertise and has become well versed in worksites over his many years in the Company engaged mainly in technology and production related to fibers and textiles. He has also accrued sufficient knowledge of management through his duties as an officer of an overseas group company and general manager of a plant of the Company. We believe that he will be able to execute his duties by making appropriate judgements and decisions on management issues based on his knowledge and ability mentioned above, and will supervise management from an objective viewpoint. We therefore ask for the election of Yoshiyuki Tanaka as a member of the Board.

Ryoji Noyori

(Newly appointed)	(Candidate for outside director position)	
Date of Birth:	Personal History:	
<i>September 3, 1938</i>	February 1968	Assistant Professor, School of Science, Nagoya University
Shares Owned: <i>10,000</i>	August 1972	Professor, School of Science, Nagoya University
	January 1997	Dean, Graduate School of Science and School of Science, Nagoya University
	June 2001	Director, TAKASAGO INTERNATIONAL CORPORATION (incumbent)
	October 2003	Designated Professor, Nagoya University
	October 2003	President, RIKEN
	October 2003	Chief Fellow, Center for Research and Development Strategy, Japan Science and Technical Agency (incumbent)
	October 2004	Special Professor, Nagoya University (incumbent)
	March 2015	Resigned as President, RIKEN

(Reason for recommending him as candidate for outside director position)

Ryoji Noyori has rich experience as a university professor, and advanced expertise in synthetic organic chemistry, one of core technologies of the Company. He also has experience as an outside director of corporations and is known for his good personality and deep insight. We are sure he will supervise management from an objective position and participate in important decision-making based on his academic and technical viewpoints. We therefore newly ask for the election of Ryoji Noyori as an outside director. While he has not participated in corporate management in any position other than as an outside director, we believe that he will be able to perform the duties of outside director appropriately for the aforementioned reasons.

(Matters regarding independency)

Ryoji Noyori satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange.

Ryoji Noyori served as a Special Councilor for research and technological strategy of the Company until April 2015, but the amount of compensation paid to him by the Company in the fiscal year ended March 31, 2015 was less than 10% of the total compensation he received that year. The Company will not conclude another councilor agreement with Ryoji Noyori in the future.

The Company also made donations to support the research activities of RIKEN, where Ryoji Noyori served as president up to March 2015, but the total amount donated to RIKEN in the fiscal year ended March 31, 2015 was less than ¥1 million and made up less than 0.1% of the Company's net sales in that year.

For the aforementioned reasons, we believe that his independency is secured.

Note 1: There are no special interests between each of the candidates for member of the Board position and the Company.

Note 2: The Tokyo Stock Exchange has been notified that Ryoji Noyori is an independent director/auditor under the regulations of the Exchange.

Note 3: In accordance with the Articles of Incorporation, the Company intends to enter into an agreement with Ryoji Noyori, upon approval of the election of Ryoji Noyori as an outside director through the adoption of Proposition No. 3, with respect to the limitation of liabilities for damages arising from negligence in the performance of duties. Under these agreements, the damage liability of the outside director shall be limited to the minimum amount stipulated in Article 425, paragraph 1 of the Companies Act if such outside director has performed his duties in good faith and without gross negligence.

Proposition No. 4:

Election of four Corporate Auditors

The term of office of all the four Corporate Auditors will expire at the close of the general meeting. The stockholders are requested to hold an election to name replacements for four corporate auditors.

Required Information on Candidates for Corporate Auditor Position (The Company has obtained the Board of Corporate Auditors' prior consent to the submission of this proposition.):

Kiyoshi Fukuchi

Date of Birth

June 24, 1950

Personal History:

April 1974

Joined the Company

Shares Owned:

77,000

June 2000

General Manager, Personnel Dept.

June 2005

Vice President (Member of the Board)

June 2009

Senior Vice President (Member of the Board)

June 2012

Corporate Auditor (incumbent)

(Reason for recommending him as candidate for corporate auditor position)

Kiyoshi Fukuchi has broad knowledge on the overall management of the Company based on his many years of experience holding key managerial offices in the Company. He would conduct appropriate audits objectively. We therefore continue to recommend his election to the Board of Corporate Auditors as a corporate auditor.

Motoyuki Yagita

Date of Birth:

July 25, 1952

Personal History:

April 1975

Joined the Company

Shares Owned

27,000

June 2011

Vice Chairman and President, Toray Industries (China) Co., Ltd.

June 2013

Chairman and President, Toray Trading (Shanghai) Co., Ltd.

Corporate Auditor (incumbent)

(Reason for recommending him as candidate for corporate auditor position)

Motoyuki Yagita has considerable knowledge about finance and accounting based on his many years of experience engaged in the accounting affairs of the Company and overseas group companies. He would conduct appropriate audits objectively. We therefore continue to recommend his election to the Board of Corporate Auditors as a corporate auditor.

Toshio Nagai

(Newly appointed)

(Candidate for outside corporate auditor position)

Date of Birth:

Personal History:

July 13, 1949

April 1974

Appointed to an assistant judge

Shares Owned:

April 1997

Chief Judge of Division, Tokyo District Court

0

September 2001

Senior Research Officer, Supreme Court

December 2006

Head, Kofu District Court & Family Court

December 2007

Chief Judge of Division, Tokyo High Court

November 2008

Chief Research Officer, Supreme Court

March 2012

President, Hiroshima High Court

March 2013

President, Osaka High Court

July 2014

Mandatorily retired

September 2014

Registered as a lawyer
(The Dai-ichi Tokyo Bar Association)
Takusyou Sogo Law Office (incumbent)

(Reason for recommending him as candidate for corporate auditor position)

Toshio Nagai has established a highly regarded record of achievements working in a succession of key posts in legal circles and is known for his good personality and deep insight. He would conduct appropriate audits objectively. We therefore recommend his election to the Board of Corporate Auditors as an outside corporate auditor.

While he has not participated in corporate management, we believe that he will be able to execute the duties of outside corporate auditor appropriately for the aforementioned reasons.

(Matters regarding independency)

Toshio Nagai satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange.

In addition, we have not concluded any advisory or consulting agreements or engaged in any transactions with Takusyou Sogo Law Office, the firm to which Toshio Nagai belongs. We therefore believe that his independency is secured.

Kazuya Jono

(Newly appointed) (Candidate for outside corporate auditor position)

Date of Birth:	Personal History:	
<i>December 10, 1954</i>	April 1977	Joined Mitsui Bank, Limited
Shares Owned:	June 2005	Executive Officer, Sumitomo Mitsui Banking Corporation
<i>0</i>	April 2007	Managing Executive Officer, Sumitomo Mitsui Banking Corporation
	April 2009	Managing Executive Officer, Sumitomo Mitsui Banking Corporation; Managing Executive Officer, Sumitomo Mitsui Financial Group, Inc.; Representative Director and President, SMFG Card & Credit, Inc.
	April 2010	Senior Managing Director, Sumitomo Mitsui Banking Corporation; Senior Managing Directors (Executive Officers), Sumitomo Mitsui Financial Group, Inc.; Representative Director and President, SMFG Card & Credit, Inc.
	June 2011	Senior Managing Director, Sumitomo Mitsui Banking Corporation; Director, Sumitomo Mitsui Financial Group, Inc.
	March 2012	Retired
	June 2012	Representative Director, President & CEO, Citibank Japan Ltd.
	May 2014	Retired

(Reason for recommending him as candidate for corporate auditor position)
Kazuya Jono has successively held key posts in economic circles and is known for his good personality and deep insight. He would conduct appropriate audits objectively. We therefore recommend his election to the Board of Corporate Auditors as an outside corporate auditor.

(Matters regarding independency)
Kazuya Jono satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange.
In addition, Kazuya Jono is a former officer of Sumitomo Mitsui Banking Corporation and Citibank Japan Ltd., two of the Company's customers, and the Company engages in regular banking transactions with both banks. Notwithstanding, the balance of loans (including an amount participated in syndicate loans) from Sumitomo Mitsui Banking Corporation at the end of the fiscal year ended March 31, 2015 made up only 1.1% of the total assets of the Company, a ratio not prominent compared with the balance of loans from other banks, and there was no balance of loans from Citibank Japan Ltd. We therefore believe that his independency is secured.

Note 1: There are no special interests between each of the candidates for corporate auditor position and the Company.

Note 2: The Tokyo Stock Exchange has been notified that Toshio Nagai and Kazuya Jono are independent directors/auditors under the regulations of the Exchange.

Note 3: In accordance with the Articles of Incorporation, the Company intends to enter into agreements with Toshio

Nagai and Kazuya Jono, upon approval of the election of Toshio Nagai and Kazuya Jono as outside corporate auditors through the adoption of Proposition No. 4, with respect to the limitation of liabilities for damages arising from negligence in the performance of duties. Under these agreements, the damage liability of the outside corporate auditor shall be limited to the minimum amount stipulated in Article 425, paragraph 1 of the Companies Act if such outside corporate auditor has performed his duties in good faith and without gross negligence.

Proposition No. 5:

Election of one Substitute Corporate Auditor

The stockholders are requested to hold an election to name one substitute outside corporate auditor to prepare for cases where the number of corporate auditors falls below the number stipulated by laws and ordinances.

Required Information on Candidate for Substitute Corporate Auditor Position (The Company has obtained the Board of Corporate Auditors' prior consent to the submission of this proposition.):

Koichi Kobayashi

(Candidate for substitute outside corporate auditor position)

Date of Birth:	Personal History:	
<i>October 16, 1948</i>	April 1973	Legal apprentice
Shares Owned:	April 1975	Appointed to an assistant judge
<i>0</i>	April 1985	Registered as a lawyer (The Dai-ichi Tokyo Bar Association) Co-partner, Taguchi General Law Firm
	April 2003	Professor, Kanto Gakuin University College of Law (incumbent)
	June 2006	Corporate Auditor, TV Asahi Corporation
	June 2012	Substitute Corporate Auditor of the Company (incumbent)
	July 2012	Joined Mizoguchi Law Office (incumbent)

(Reason for recommending him as candidate for corporate auditor position)

Koichi Kobayashi has rich experience as a lawyer, has established a highly regarded record of achievements and is deeply knowledgeable in legal and corporate affairs from his expert viewpoint, and is known for his good personality and deep insight. He would conduct appropriate audits objectively. The Company thus recommends his election to the Board of Corporate Auditors as a substitute outside corporate auditor.

While he has not participated in corporate management in any position other than as an outside corporate auditor, we believe that he will be able to perform the duties of outside corporate auditor appropriately for the aforementioned reasons.

(Matters regarding independency)

Koichi Kobayashi satisfies the requirements for independent director/auditor set forth in the regulations of Tokyo Stock Exchange.

In addition, we have not concluded any advisory or consulting agreements or engaged in transactions with Mizoguchi Law Office, the firm to which Koichi Kobayashi belongs. We therefore believe that his independency is secured.

Note 1: There are no special interests between the candidate for substitute corporate auditor position and the Company.

Note 2: The Tokyo Stock Exchange will be notified that Koichi Kobayashi is an independent directors/auditors under the regulations of the Exchange, upon his assumption of office as outside corporate auditor.

Note 3: In accordance with the Articles of Incorporation, the Company intends to enter into an agreement with Koichi

Kobayashi, upon his assumption of office as outside corporate auditor, with respect to the limitation of liabilities for damages arising from negligence in the performance of duties. Under these agreements, the damage liability of the outside corporate auditor shall be limited to the minimum amount stipulated in Article 425, paragraph 1 of the Companies Act if such outside corporate auditor has performed his duties in good faith and without gross negligence.

Proposition No. 6:***Payment of Bonuses to Members of the Board and Corporate Auditors***

In light of business results during the period under review, the Company proposes to pay the following bonuses to the twenty-five members of the Board (excluding outside directors) and four corporate auditors who are in office as of the end of the fiscal year: ¥166,200,000 for members of the Board and corporate auditors (¥157,000,000 for members of the Board and ¥9,200,000 for corporate auditors).

[Reference] Abolishment of Bonus Scheme for Corporate Auditors

The Board of Directors meeting of the Company held on May 8, 2015 resolved to abolish the bonus scheme for corporate auditors (including outside corporate auditors) effective as of the close of this Ordinary General Meeting of Stockholders, in a bid to further strengthen the objectivity and neutrality of supervisory functions over management. Accordingly, the remuneration scheme for corporate auditors (including outside corporate auditors) consists of basic remuneration (monthly remuneration) only.

A Guide for the Exercise of Voting Rights via the Internet

The exercise of voting rights via the Internet is only possible through the website (<http://www.web54.net> (Japanese only)) designated by the Company exclusively for the purpose of exercising voting rights. When exercising voting rights via the Internet, please note the following points.

1. Matters to note concerning the exercise of voting rights

- (1) When exercising voting rights via the Internet, please enter the proxy code and temporary password supplied on the enclosed proxy form. Then follow the instructions and enter your vote for each proposal.
- (2) Please exercise your voting rights via the Internet by 5:30 p.m., Tuesday, June 23, 2015 (Japan standard time).
- (3) If two or more online votes are exercised, only the latest vote will count.
- (4) If a vote is exercised in duplicate via online and via the enclosed proxy form, only the online vote will count.

2. Matters to note concerning your Password

- (1) A temporary password is our means to verify if the person voting is a genuine stockholder. Please handle this password with the same level of strict confidentiality with which you would handle a seal or personal identification number. We are unable to respond to any telephone inquiries.
- (2) If you input the wrong password more than a certain number of times, your password will be locked and rendered unusable. If you desire the issuance of a new password, please take the procedures shown in the instructions on the screen.

3. Inquiries concerning the operation of your personal computer

- (1) If you need instructions to operate your personal computer in order to exercise your voting rights via the Internet, please contact the following support desk:

Transfer Agent Web Support, Sumitomo Mitsui Trust Bank, Limited Phone: +81-(0)120-652-031 (Office hour 9:00 a.m.~9:00 p.m.)

- (2) For other inquiries, please contact the following center:
 - a. Stockholders who have accounts at securities companies
Please contact the securities companies where you have your accounts.
 - b. Stockholders who don't have accounts at securities companies (stockholders who have special accounts)

Transfer Agent Business Center, Sumitomo Mitsui Trust Bank, Limited Phone: +81-(0)120-782-031 (Office hour 9:00 a.m.~5:00 p.m., weekdays)

[For Institutional Investors]

In addition to voting via the Internet as mentioned above, institutional investors have the option of voting via the Electronic Proxy Voting Platform operated by ICJ Inc.