

Announcement of Business Results
For the First Quarter Ended June 30, 2013

Toray Industries, Inc.

August 6, 2013



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I. Consolidated Business Results
For the 1Q Ended June 30, 2013



Summary of Consolidated Business Results for the 1Q Ended June 30, 2013



Unit: Billion yen

	FY Mar/13 1Q	FY Mar/14 1Q	Changes
Net Sales	364.1	402.7	+38.7 (+10.6%)
Cost of Sales	291.3	325.9	+34.6 (+11.9%)
Gross Profit	72.8	76.8	+4.1 (+5.6%)
(Gross Profit to Net Sales)	20.0%	19.1%	- 0.9 points
Operating Income	17.3	18.0	+0.8 (+4.5%)
(Operating Income to Net Sales)	4.7%	4.5%	- 0.3 points
Non-operating Income and Expenses, net	1.8	2.0	+0.1
Ordinary Income	19.1	20.0	+0.9 (+4.7%)
Special Credits and Charges, net	▲ 2.6	▲ 0.2	+2.4
Income before Income Taxes	16.5	19.8	+3.3 (+19.9%)
Net Income	10.1	13.3	+3.2 (+31.5%)

Exchange Rate

<Yen/US\$>

FY Mar/13 1Q → FY Mar/14 1Q
1Q Average: 80.2 → 98.8
End of the term: 79.3 → 98.6

<Yen/Euro>

FY Mar/13 1Q → FY Mar/14 1Q
1Q Average: 102.9 → 128.9
End of the term: 98.7 → 128.5

Oil Price

<US\$/B> (DUBAI FOB)

FY Mar/13 1Q → FY Mar/14 1Q
1Q Average: 106.3 → 100.8

*Consolidated business results are the sums of Apr. – Jun. business results in companies whose FY ends on March 31 and Jan. – Mar. business results in companies whose FY ends on December 31.

Non-operating Income and Expenses

Billion yen

	FY Mar/13 1Q	FY Mar/14 1Q	Changes
Non-operating Income	4.6	5.2	+0.6
Interest and Dividend Income	1.4	1.5	+0.1
Equity in Earnings of Affiliates	1.8	2.2	+0.5
Others	1.4	1.5	+0.0
Non-operating Expenses	▲ 2.8	▲ 3.2	-0.5
Interest Expenses	▲ 1.4	▲ 1.3	+0.1
Others	▲ 1.3	▲ 1.9	-0.6
Non-operating Income and Expenses, net	1.8	2.0	+0.1
Interest and Dividend Income, Interest Expenses, net	▲ 0.0	0.2	+0.3

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

Special Credits and Charges

Billion yen

	FY Mar/13 1Q	FY Mar/14 1Q	Changes
Special Credits	0.1	0.5	+0.3
Gain on Sales of Property, Plant and Equipment	0.1	0.2	+0.0
Gain on Sales of Investment Securities	-	0.1	+0.1
Insurance Income	-	0.2	+0.2
Special Charges	▲ 2.7	▲ 0.6	+2.1
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 0.4	▲ 0.6	-0.2
Loss on Disaster	▲ 0.9	-	+0.9
Loss on Write-down of Investment Securities	▲ 1.4	▲ 0.0	+1.4
Others	▲ 0.0	-	+0.0
Special Credits and Charges, net	▲ 2.6	▲ 0.2	+2.4

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

Assets, Liabilities and Net Assets

Billion yen

	End of Mar/13	End of Jun/13	Changes
Total Assets	1,731.9	1,806.9	+74.9
Current Assets	796.7	833.7	+37.0
Tangible Assets	627.2	650.7	+23.5
Intangible Assets	42.6	42.4	-0.2
Investment and Other Assets	265.3	280.0	+14.6

	End of Mar/13	End of Jun/13	Changes
Total Liabilities	953.3	989.2	+35.9
Current Liabilities	550.3	566.8	+16.5
Other Liabilities	403.0	422.4	+19.4
Total Net Assets	778.6	817.6	+39.0
Interest-bearing Debts	532.0	563.1	+31.1
D/E Ratio	0.73	0.74	+0.01

Capital Expenditures, Depreciation and R&D Expenses

Billion yen

	FY Mar/13 1Q	FY Mar/14 1Q	Changes	Comments
Capital Expenditures	18.6	21.0	+2.5	Toray : 3.0, Consolidated subsidiaries : 18.0
Depreciation -)	15.1	18.0	+2.9	Toray : 7.4, Consolidated subsidiaries : 10.6
Transfer, Disposal, etc.	15.7	20.5	+4.7	
Changes in Tangible Assets	19.2	23.5	+4.3	
R&D Expenses	13.0	13.1	+0.1	

Major Capital Expenditures:

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

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

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

Net Sales and Operating Income by Segment **TORAY** Innovation by Chemistry

Unit: Billion yen

	Net Sales			Operating Income		
	FY Mar/13 1Q	FY Mar/14 1Q	Changes	FY Mar/13 1Q	FY Mar/14 1Q	Changes
Fibers & Textiles	135.8	153.1	+17.4 (+12.8%)	8.7	10.3	+1.5 (+17.6%)
Plastics & Chemicals	97.2	113.4	+16.2 (+16.6%)	5.5	4.3	-1.2 (-21.7%)
IT-related Products	58.0	57.5	-0.5 (-0.9%)	4.2	4.5	+0.3 (+8.0%)
Carbon Fiber Composite Materials	18.4	24.4	+6.0 (+32.9%)	2.2	2.5	+0.3 (+15.4%)
Environment & Engineering	38.5	38.8	+0.4 (+0.9%)	▲ 0.1	0.2	+0.4 (-)
Life Science	13.1	12.3	-0.8 (-6.4%)	1.6	0.7	-0.9 (-57.7%)
Others	3.1	3.2	+0.1 (+2.5%)	0.2	0.2	-0.0 (-21.6%)
Total	364.1	402.7	+38.7 (+10.6%)	22.3	22.7	+0.4 (+1.9%)
Adjustment				▲ 5.0	▲ 4.7	+0.4
Consolidated	364.1	402.7	+38.7 (+10.6%)	17.3	18.0	+0.8 (+4.5%)

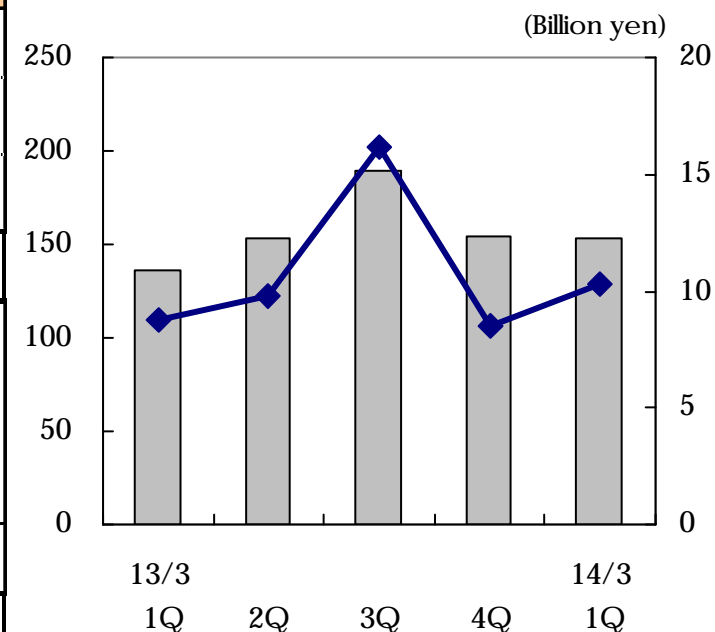
Business Results by Segment (Fibers & Textiles)

Unit: Billion yen

		FY Mar/13 1Q	FY Mar/14 1Q	Changes	
Net Sales	Toray	25.8	27.8	+2.0	(+7.6%)
	Japanese Subsidiaries	63.3	70.9	+7.6	(+12.0%)
	Overseas Subsidiaries	46.7	54.5	+7.8	(+16.7%)
	Total	135.8	153.1	+17.4	(+12.8%)
Operating Income	Toray	4.0	4.7	+0.7	(+18.1%)
	Japanese Subsidiaries	2.0	1.8	-0.2	(-8.7%)
	Overseas Subsidiaries	3.0	4.5	+1.5	(+51.3%)
	Adjustment	▲ 0.2	▲ 0.8	-0.5	
	Total	8.7	10.3	+1.5	(+17.6%)

Net Sales
<Bar chart>

Operating Income
<Line chart>



Japan : While sales of functional inner-wear application grew strongly, sales of general apparel application remained weak. On the other hand, there were signs of recovery in exports due to effects of the corrections to the strong yen. Sales of materials for industrial applications, despite demand for automobile-related applications bottoming out, failed to recover to the levels of the same period of the previous fiscal year when subsidies for purchase of eco-cars had boosted demand.

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

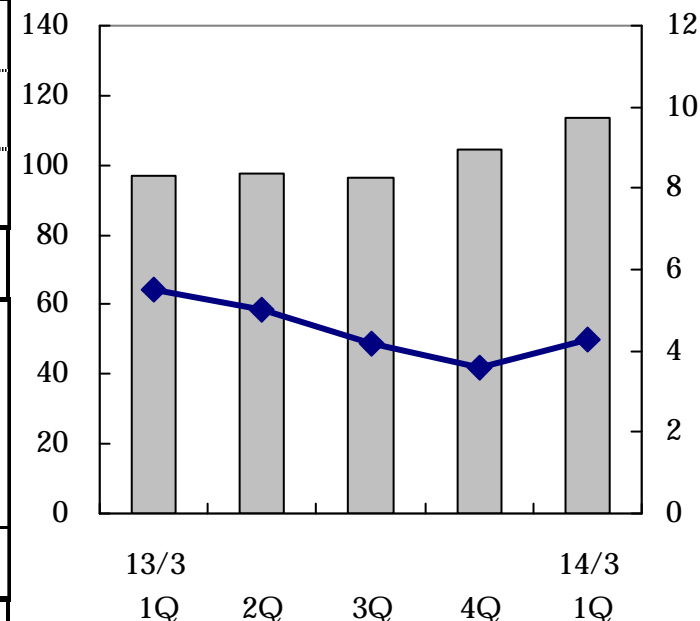
Business Results by Segment (Plastics & Chemicals)

Unit: Billion yen

		FY Mar/13 1Q	FY Mar/14 1Q	Changes	
Net Sales	Toray	18.5	20.7	+2.1	(+11.5%)
	Japanese Subsidiaries	34.3	43.6	+9.3	(+27.2%)
	Overseas Subsidiaries	44.4	49.1	+4.7	(+10.6%)
	Total	97.2	113.4	+16.2	(+16.6%)
Operating Income	Toray	0.9	0.1	-0.8	(-86.6%)
	Japanese Subsidiaries	1.8	2.2	+0.4	(+20.5%)
	Overseas Subsidiaries	2.5	1.9	-0.6	(-25.2%)
	Adjustment	0.3	0.1	-0.2	
	Total	5.5	4.3	-1.2	(-21.7%)

Net Sales
<Bar chart>

Operating Income
<Line chart>
(Billion yen)



Plastic Resins Business : In the resins business, demand for automotive applications increased in Japan, however, it was affected by the increased raw material prices caused by the corrections to the strong yen. Overseas, while general purpose ABS resins remained weak, Toray Group worked to expand the sales of value-added products.

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

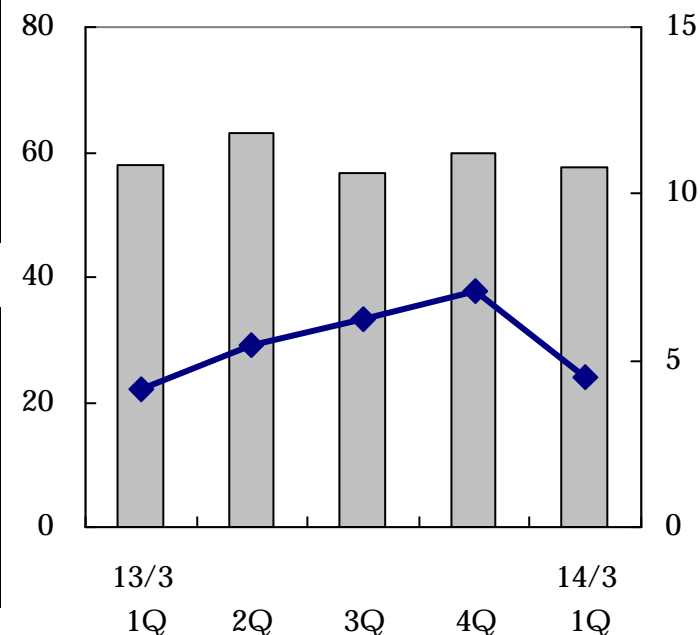
Business Results by Segment (IT-related Products)

Unit: Billion yen

		FY Mar/13 1Q	FY Mar/14 1Q	Changes	
Net Sales	Toray	20.6	19.4	-1.2	(-5.9%)
	Japanese Subsidiaries	20.5	16.0	-4.6	(-22.2%)
	Overseas Subsidiaries	16.9	22.2	+5.3	(+31.1%)
	Total	58.0	57.5	-0.5	(-0.9%)
Operating Income	Toray	2.8	2.5	-0.2	(-8.2%)
	Japanese Subsidiaries	1.4	0.6	-0.8	(-59.9%)
	Overseas Subsidiaries	1.4	2.2	+0.8	(+62.0%)
	Adjustment	▲ 1.4	▲ 0.8	+0.6	
	Total	4.2	4.5	+0.3	(+8.0%)

Net Sales
<Bar chart>

Operating Income
<Line chart>
(Billion yen)



Shipment of films and processed film products for large LCD panels used in flat-screen TVs was robust, and sales for small and medium-sized displays such as smartphones and tablet terminals also grew strongly. Especially in overseas, subsidiaries making films and processed film products as well as electric circuit materials in the Republic of Korea performed strongly. On the other hand, price competition continued due to the impact of price declines of end products. Machinery sales at a Japanese subsidiary declined.

Details of the Sales of IT-related Products Segment

[Sales ratio by sub-segment]

Unit: Billion yen

	FY Mar/13 1Q		FY Mar/14 1Q		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	19.8	34%	21.0	36%	+6%
Electronic Components, Semiconductor, Electric Circuit Materials	22.9	39%	25.8	45%	+13%
Data Storage Materials	8.2	14%	7.6	13%	-8%
Equipment, others	7.1	12%	3.2	6%	-55%
Total of IT-related Products Segment	58.0		57.5		-1%

Display materials: Sales of films and processed film products were steady, however, sales of PDP-related materials were sluggish.

Electronic components, semiconductor, electric circuit materials: Films and processed film products for electric components and electric circuit materials performed steadily mainly at subsidiaries in the Republic of Korea.

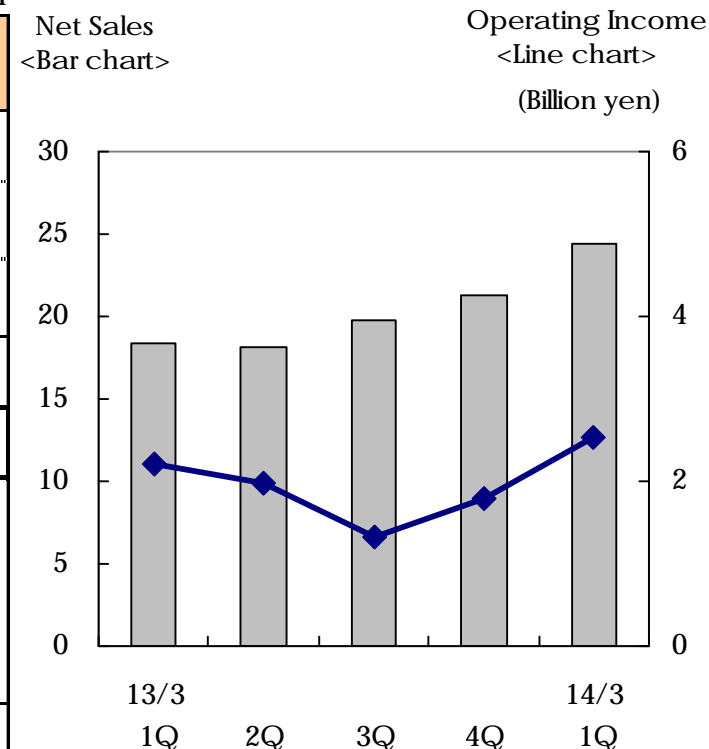
Data storage materials: Sales of films for magnetic materials and thermal transfer ribbons were weak.

Equipment, others: Shipment of LCD color filter production equipment, etc. decreased.

Business Results by Segment (Carbon Fiber Composite Materials)

Unit: Billion yen

		FY Mar/13 1Q	FY Mar/14 1Q	Changes	
Net Sales	Toray	15.0	21.0	+6.0	(+40.0%)
	Japanese Subsidiaries	10.7	12.9	+2.2	(+20.8%)
	Overseas Subsidiaries	13.8	19.6	+5.9	(+42.8%)
	Adjustment	▲ 21.1	▲ 29.2	-8.1	
	Total	18.4	24.4	+6.0	(+32.9%)
Operating Income	Toray	1.4	1.1	-0.3	(-21.7%)
	Japanese Subsidiaries	0.1	0.3	+0.1	(+102.3%)
	Overseas Subsidiaries	1.3	1.4	+0.1	(+4.9%)
	Adjustment	▲ 0.7	▲ 0.2	+0.5	
	Total	2.2	2.5	+0.3	(+15.4%)



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

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

Details of the Sales of Carbon Fiber Composite Materials Segment

[Sales ratio by sub-segment]

Unit: Billion yen

	FY Mar/13 1Q		FY Mar/14 1Q		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	7.7	42%	11.2	46%	+45%
Sports	3.0	16%	3.2	13%	+8%
Industrial	7.7	42%	10.0	41%	+30%
Total of Carbon Fiber Composite Materials	18.4		24.4		+33%

Aerospace application: In addition to demand increase of aircraft for existing models, shipment of products for Boeing 787 were steady.

Sports application: It is expected to take more time for the demand to recover on a full scale due to continuing downturn in the European market in which is one of the main market for its end products.

Industrial application: Shipment were steady mainly for compressed natural gas tank application. Composite products performed strongly with notebook PC chassis application.

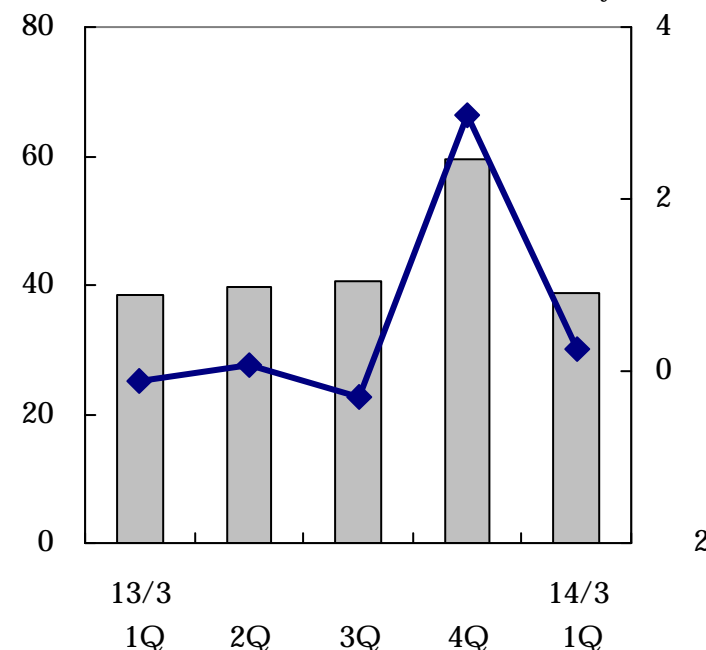
Business Results by Segment (Environment & Engineering)

Unit: Billion yen

		FY Mar/13 1Q	FY Mar/14 1Q	Changes	
Net Sales	Toray	1.6	2.1	+0.5	(+30.2%)
	Japanese Subsidiaries	36.0	35.3	-0.7	(-1.9%)
	Overseas Subsidiaries	0.9	1.4	+0.6	(+64.0%)
	Total	38.5	38.8	+0.4	(+0.9%)
Operating Income	Toray	▲ 0.8	0.0	+0.8	(-)
	Japanese Subsidiaries	0.6	▲ 0.3	-0.8	(-)
	Overseas Subsidiaries	▲ 0.1	0.0	+0.1	(-)
	Adjustment	0.2	0.5	+0.2	
	Total	▲ 0.1	0.2	+0.4	(-)

Net Sales
<Bar chart>

Operating Income
<Line chart>
(Billion yen)



Water Treatment Business: While the market for water treatment membranes has not yet fully recovered due to uncertainties regarding the global economy, Toray's shipment of reverse osmosis membranes for Middle East was strong.

Japanese Subsidiaries: Sales at the construction and real estate subsidiary was strong, while the plant construction business of the engineering subsidiary remained sluggish.

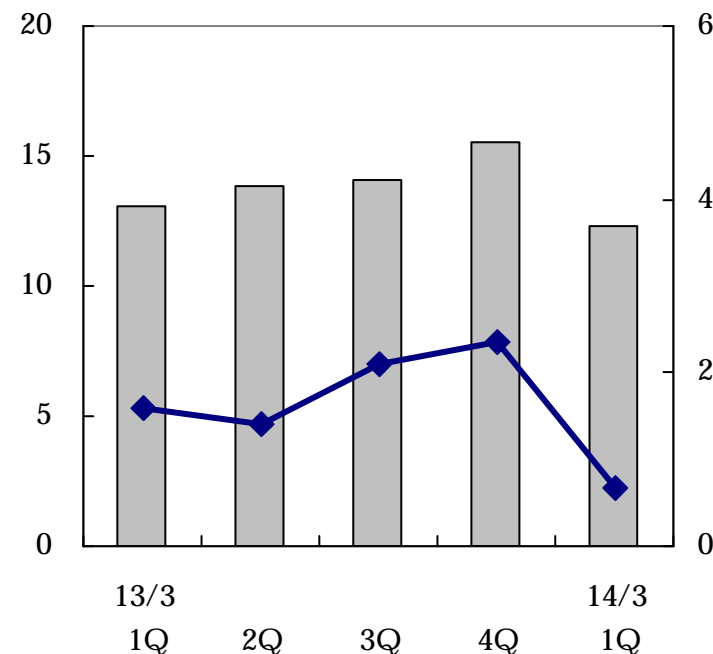
Business Results by Segment (Life Science)

Unit: Billion yen

		FY Mar/13 1Q	FY Mar/14 1Q	Changes	
Net Sales	Toray	3.8	3.4	-0.4	(-9.3%)
	Japanese Subsidiaries	9.2	8.3	-0.9	(-9.5%)
	Overseas Subsidiaries	0.2	0.6	+0.4	(+186.6%)
	Total	13.1	12.3	-0.8	(-6.4%)
Operating Income	Toray	1.7	0.9	-0.7	(-44.1%)
	Japanese Subsidiaries	0.2	0.0	-0.1	(-92.9%)
	Overseas Subsidiaries	▲ 0.0	▲ 0.1	-0.0	(-)
	Adjustment	▲ 0.2	▲ 0.2	-0.0	
	Total	1.6	0.7	-0.9	(-57.7%)

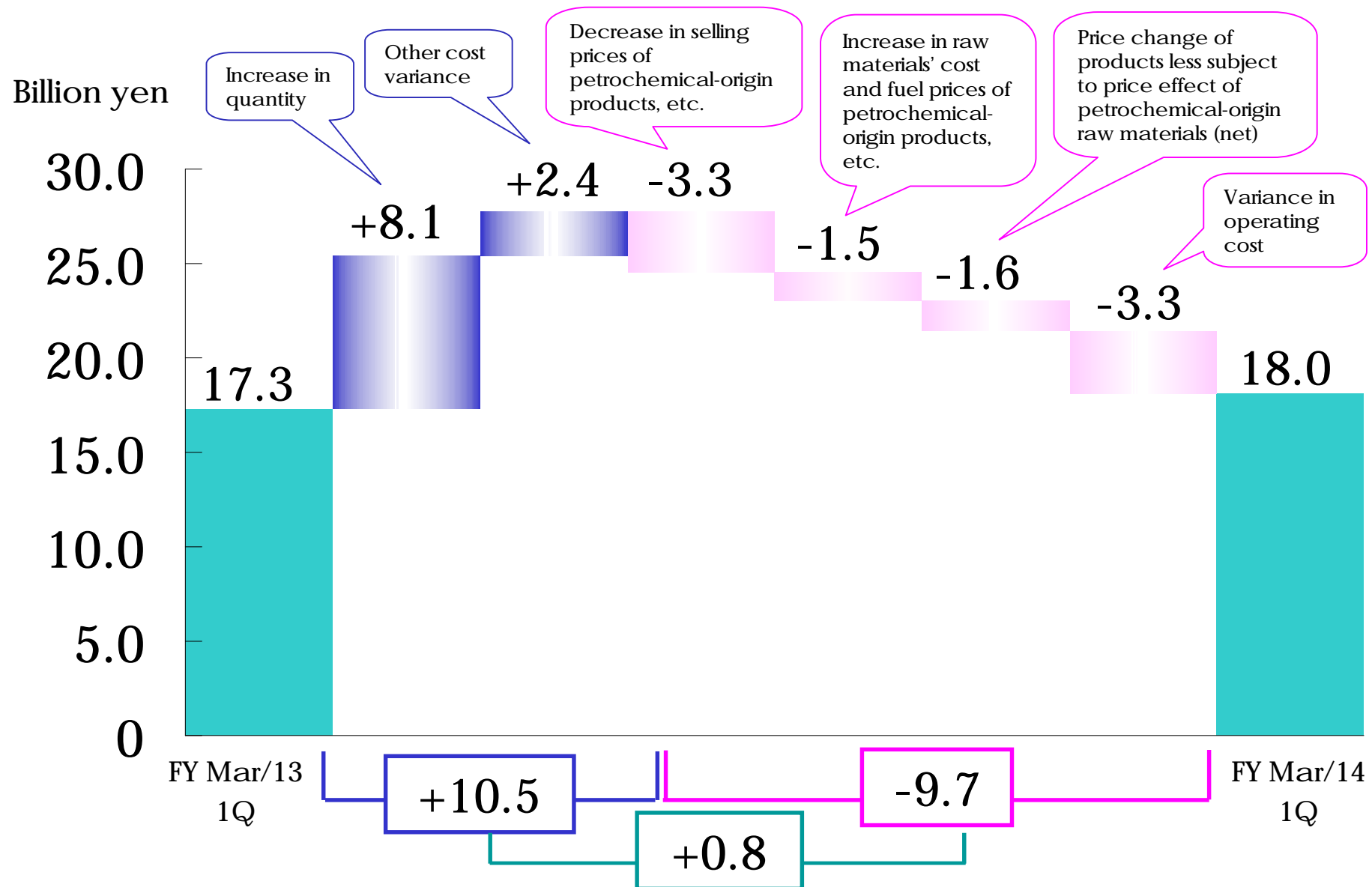
Net Sales
<Bar chart>

Operating Income
<Line chart>
(Billion yen)



Sales of REMITCH[®]*, an oral anti-pruritus drug for hemodialysis patients expanded, while other pharmaceutical products were affected by intensifying competition. License revenue also decreased. Sales in Japan as well as exports of medical products including TORAYSULFONE[®] and TORAYLIGHT[™], polysulfone membrane artificial kidneys, increased strongly, while sales of dialysis equipment remained slow.

Income Variance Factor Analysis



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

Results of Major Subsidiaries

Billion yen

		Net Sales			Operating Income		
		FY Mar/13 1Q	FY Mar/14 1Q	Changes	FY Mar/13 1Q	FY Mar/14 1Q	Changes
Toray International Inc.		104.9	124.5	+19.6	2.0	2.4	+0.4
Toray Engineering Co., Ltd.		21.5	11.0	-10.5	0.1	▲ 0.8	-0.9
Toray Construction Co., Ltd.		9.1	10.4	+1.3	0.2	0.3	+0.1
Toray Advanced Film Co., Ltd.		11.9	10.1	-1.8	0.5	0.3	-0.2
Toray Medical Co., Ltd.		9.3	9.1	-0.2	0.2	0.0	-0.1
TAK (Republic of Korea)		23.1	28.2	+5.1	2.7	2.7	-0.0
TPM (Malaysia)		14.8	17.8	+3.1	0.4	0.6	+0.3
Subsidiaries in Southeast Asia *1	Fibers & Textiles	21.5	27.2	+5.7	▲ 0.7	0.6	+1.4
	Plastics & Chemicals	17.5	20.4	+3.0	0.9	0.7	-0.2
	Others	1.9	2.1	+0.2	0.1	0.1	-0.0
	Total	40.9	49.8	+8.9	0.3	1.4	+1.1
Subsidiaries in China *2	Fibers & Textiles	23.5	34.8	+11.2	2.0	2.9	+0.9
	Plastics & Chemicals	12.7	14.8	+2.2	0.1	0.2	+0.1
	Others	2.5	3.8	+1.3	▲ 0.2	▲ 0.1	+0.1
	Total	38.7	53.4	+14.7	1.9	3.0	+1.1
Films Subsidiaries (Overseas) *3	Plastics & Chemicals	20.0	23.3	+3.3	1.8	0.8	-1.0
	IT-related Products	11.5	15.4	+3.9	1.5	2.0	+0.5
	Total	31.5	38.6	+7.1	3.3	2.8	-0.5

*1 : IIS, ETX, ISTEM, ACTEM, CENTEX, TPJ, PFR, PAB-G, TIS, LTX, TITM, TPM sum total

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

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



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



Forecast Summary

Billion yen

		FY Mar/13 Actual	FY Mar/14 Forecast	Changes	Previous Forecast	Difference from Previous Forecast
Net Sales	1st Half	753.7	845.0	+91.3 (+12.1%)	835.0	+10.0
	2nd Half	838.6	1,005.0	+166.5 (+19.8%)	1,005.0	-
	Total	1,592.3	1,850.0	+257.7 (+16.2%)	1,840.0	+10.0
Operating Income	1st Half	36.7	45.0	+8.3 (+22.6%)	45.0	-
	2nd Half	46.7	75.0	+28.3 (+60.4%)	75.0	-
	Total	83.4	120.0	+36.6 (+43.8%)	120.0	-
Ordinary Income	1st Half	38.0	45.0	+7.0 (+18.3%)	45.0	-
	2nd Half	50.2	75.0	+24.8 (+49.4%)	75.0	-
	Total	88.2	120.0	+31.8 (+36.0%)	120.0	-
Net Income	1st Half	20.0	25.0	+5.0 (+25.0%)	20.0	+5.0
	2nd Half	28.5	40.0	+11.5 (+40.5%)	45.0	-5.0
	Total	48.5	65.0	+16.5 (+34.1%)	65.0	-

Net Income per Share	1st Half	12.3 yen	15.3 yen
	2nd Half	17.5 yen	24.6 yen
	Total	29.8 yen	39.9 yen
Dividend per Share	1st Half	5.0 yen	5.0 yen
	2nd Half	5.0 yen	5.0 yen
	Total	10.0 yen	10.0 yen

Remarks : Estimated exchange rate : 95 yen / US\$ (from July), Estimated oil price : 110 US\$/ B (DUBAI FOB) (from July)

Forecast by Segment

Billion yen

		FY Mar/13 Actual			FY Mar/14 Forecast			Changes			Difference from Previous Forecast		
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total
Net Sales	Fibers & Textiles	288.9	343.3	632.2	330.0	410.0	740.0	+41.1	+66.7	+107.9	-	-	-
	Plastics & Chemicals	195.0	200.9	395.8	220.0	240.0	460.0	+25.0	+39.1	+64.2	-	-	-
	IT-related Products	121.1	116.5	237.6	130.0	140.0	270.0	+8.9	+23.5	+32.4	-	-	-
	Carbon Fiber Composite Materials	36.5	41.1	77.6	50.0	55.0	105.0	+13.5	+13.9	+27.4	+5.0	-	+5.0
	Environment & Engineering	78.1	100.2	178.4	80.0	115.0	195.0	+1.9	+14.8	+16.6	+5.0	-	+5.0
	Life Science	27.0	29.6	56.6	28.0	37.0	65.0	+1.0	+7.4	+8.4	-	-	-
	Others	7.1	7.0	14.1	7.0	8.0	15.0	-0.1	+1.0	+0.9	-	-	-
	Consolidated	753.7	838.6	1,592.3	845.0	1,005.0	1,850.0	+91.3	+166.5	+257.7	+10.0	-	+10.0
Operating Income	Fibers & Textiles	18.5	24.7	43.2	22.0	31.0	53.0	+3.5	+6.3	+9.8	-	-	-
	Plastics & Chemicals	10.5	7.8	18.3	11.0	13.0	24.0	+0.5	+5.2	+5.7	-	-	-
	IT-related Products	9.6	13.3	23.0	13.0	22.0	35.0	+3.4	+8.7	+12.0	-	-	-
	Carbon Fiber Composite Materials	4.2	3.1	7.3	6.0	7.0	13.0	+1.8	+3.9	+5.7	+1.0	-	+1.0
	Environment & Engineering	▲ 0.0	2.7	2.6	0.0	6.0	6.0	+0.0	+3.3	+3.4	-	-	-
	Life Science	3.0	4.5	7.5	2.0	5.0	7.0	-1.0	+0.5	-0.5	-1.0	-	-1.0
	Others	0.7	0.9	1.6	1.0	1.0	2.0	+0.4	+0.1	+0.4	-	-	-
	Adjustment	▲ 9.8	▲ 10.2	▲ 20.0	▲ 10.0	▲ 10.0	▲ 20.0	-0.2	+0.2	-0.0	-	-	-
Consolidated	36.7	46.7	83.4	45.0	75.0	120.0	+8.3	+28.3	+36.6	-	-	-	

Descriptions of predicted business results, projections, and business plans for the Fiscal Year ending March 2014 contained in this material are based on predictive forecasts of the future business environment made at the present time.

The material in this presentation is not a guarantee of the Company's future business performance.