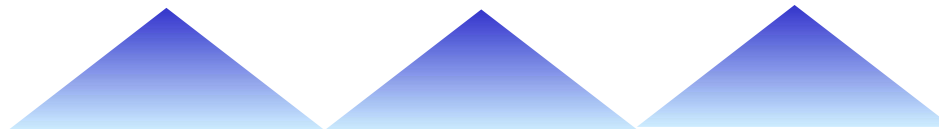


**Announcement of Business Results
For the 2Q and Six Months
Ended September 30, 2013**

**Toray Industries, Inc.
November 7, 2013**



I. Business Results for the 2Q and Six Months Ended September 30, 2013

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**I. Business Results for the 2Q and
Six Months Ended Sept. 30, 2013
(Consolidated Basis)**



Summary of Consolidated Business Results for the 2Q and Six Months Ended Sept. 30, 2013

Billion yen

	FY Mar/13 2Q (Jul.-Sept.)	FY Mar/14 2Q (Jul.-Sept.)	Changes	FY Mar/13 Six Months (Apr.-Sept.)	FY Mar/14 Six Months (Apr.-Sept.)	Changes
Net Sales	389.6	451.0	+61.4 (+15.8%)	753.7	853.8	+100.0 (+13.3%)
Cost of Sales	313.5	362.7	+49.2 (+15.7%)	604.8	688.6	+83.8 (+13.9%)
Gross Profit	76.1	88.3	+12.2 (+16.0%)	148.9	165.1	+16.2 (+10.9%)
(Gross Profit to Net Sales)	19.5%	19.6%	+0.0 point	19.8%	19.3%	-0.4 points
Operating Income	19.4	26.3	+6.8 (+35.2%)	36.7	44.3	+7.6 (+20.7%)
(Operating Income to Net Sales)	5.0%	5.8%	+0.8 points	4.9%	5.2%	+0.3 points
Non-operating Income and Expenses, net	▲ 0.5	0.3	+0.8	1.3	2.2	+0.9
Ordinary Income	18.9	26.5	+7.6 (+40.1%)	38.0	46.5	+8.5 (+22.3%)
Special Credits and Charges, net	▲ 4.2	▲ 2.5	+1.6	▲ 6.7	▲ 2.7	+4.0
Income before Income Taxes	14.8	24.0	+9.2 (+62.4%)	31.3	43.8	+12.5 (+40.0%)
Net Income	9.9	16.1	+6.2 (+62.4%)	20.0	29.4	+9.4 (+46.8%)

	(FY Mar/13 2Q) → (FY Mar/14 2Q)	(FY Mar/13 1H) → (FY Mar/14 1H)
Exchange Rate <Yen/US\$> Average	: 78.6 → 99.0	79.4 → 98.9
End of the term	: 77.6 → 97.8	
<Yen/Euro> Average	: 98.4 → 131.1	100.6 → 130.0
End of the term	: 100.2 → 131.9	
Oil Price <US\$/B> (DUBAI FOB) Average	: 106.3 → 106.3	106.3 → 103.5

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

Non-operating Income and Expenses

Billion yen

	FY Mar/13 2Q (Jul.-Sept.)	FY Mar/14 2Q (Jul.-Sept.)	Changes	FY Mar/13 Six Months (Apr.-Sept.)	FY Mar/14 Six Months (Apr.-Sept.)	Changes
Non-operating Income	3.3	3.5	+0.2	7.5	8.7	+1.2
Interest and Dividend Income	0.5	0.5	-0.0	1.9	2.0	+0.1
Equity in Earnings of Affiliates	1.6	1.6	+0.0	3.3	3.8	+0.5
Others	1.2	1.4	+0.2	2.2	2.9	+0.7
Non-operating Expenses	▲ 3.8	▲ 3.2	+0.6	▲ 6.1	▲ 6.5	-0.3
Interest Expenses	▲ 1.4	▲ 1.3	+0.1	▲ 2.8	▲ 2.6	+0.2
Others	▲ 2.4	▲ 1.9	+0.5	▲ 3.3	▲ 3.9	-0.6
Non-operating Income and Expenses, net	▲ 0.5	0.3	+0.8	1.3	2.2	+0.9
Interest and Dividend Income, Interest Expenses, net	▲ 0.9	▲ 0.8	+0.1	▲ 0.9	▲ 0.6	+0.3

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

Special Credits and Charges

Billion yen

	FY Mar/13 2Q (Jul.-Sept.)	FY Mar/14 2Q (Jul.-Sept.)	Changes	FY Mar/13 Six Months (Apr.-Sept.)	FY Mar/14 Six Months (Apr.-Sept.)	Changes
Special Credits	0.0	6.7	+6.7	0.1	7.2	+7.0
Gain on Sales of Property, Plant and Equipment	0.0	0.0	+0.0	0.1	0.2	+0.1
Gain on Sales of Investment Securities	0.0	0.0	+0.0	0.0	0.1	+0.1
Insurance Income	-	6.7	+6.7	-	6.9	+6.9
Others	-	0.0	+0.0	-	0.0	+0.0
Special Charges	▲ 4.2	▲ 9.3	-5.1	▲ 6.9	▲ 9.9	-3.0
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 1.0	▲ 1.0	-0.0	▲ 1.4	▲ 1.6	-0.2
Loss on Impairment of Fixed Assets	-	▲ 8.2	-8.2	-	▲ 8.2	-8.2
Loss on Disaster	▲ 0.9	-	+0.9	▲ 1.8	-	+1.8
Loss on Write-down of Investment Securities	▲ 2.1	▲ 0.0	+2.1	▲ 3.5	▲ 0.0	+3.5
Others	▲ 0.2	▲ 0.1	+0.1	▲ 0.2	▲ 0.1	+0.1
Special Credits and Charges, net	▲ 4.2	▲ 2.5	+1.6	▲ 6.7	▲ 2.7	+4.0

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

Assets, Liabilities, Net Assets and Free Cash Flows

Billion yen

	End of Mar/13	End of Sept/13	Changes
Total Assets	1,731.9	1,876.7	+144.8
Current Assets	796.7	883.3	+86.6
Tangible Assets	627.2	656.2	+28.9
Intangible Assets	42.6	41.9	-0.7
Investment and Other Assets	265.3	295.3	+30.0

	End of Mar/13	End of Sept/13	Changes
Total Liabilities	953.3	1,018.2	+64.9
Current Liabilities	550.3	550.2	-0.1
Other Liabilities	403.0	468.0	+65.0
Total Net Assets	778.6	858.5	+79.9
Interest-bearing Debts	532.0	578.3	+46.3
D/E Ratio	0.73	0.72	-0.01

<Free Cash Flows>

Billion yen

	FY Mar/13 Six Months (Apr.-Sept.)	FY Mar/14 Six Months (Apr.-Sept.)	Changes
Cash Flows from Operating Activities	13.3	22.9	+9.6
Cash Flows from Investment Activities	▲48.1	▲53.6	-5.5
Free Cash Flows	▲34.8	▲30.7	+4.1

Capital Expenditures, Depreciation, R&D Expenses

Billion yen

	FY Mar/13 Six Months (Apr.-Sept.)	FY Mar/14 Six Months (Apr.-Sept.)	Changes	Comments
Capital Expenditures	43.7	46.5	+2.8	Toray : 7.3, Consolidated subsidiaries : 39.2
Depreciation -)	31.1	37.4	+6.2	Toray : 15.4, Consolidated subsidiaries : 21.9
Transfer, Disposal, etc.	0.2	19.8	+19.6	
Changes in Tangible Assets	12.8	28.9	+16.1	
R&D Expenses	26.2	27.5	+1.2	

Major Capital Expenditures:

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

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

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

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

Innovation by Chemistry

Billion yen

	Net Sales			Operating Income		
	FY Mar/13 2Q (Jul.-Sept.)	FY Mar/14 2Q (Jul.-Sept.)	Changes	FY Mar/13 2Q (Jul.-Sept.)	FY Mar/14 2Q (Jul.-Sept.)	Changes
Fibers & Textiles	153.1	181.9	+28.8 (+18.8%)	9.8	13.9	+4.1 (+41.8%)
Plastics & Chemicals	97.7	114.6	+16.9 (+17.3%)	5.0	4.7	-0.3 (-6.3%)
IT-related Products	63.1	64.4	+1.4 (+2.2%)	5.5	6.3	+0.9 (+15.6%)
Carbon Fiber Composite Materials	18.2	27.7	+9.5 (+52.3%)	2.0	4.5	+2.6 (+128.5%)
Environment & Engineering	39.7	44.3	+4.6 (+11.6%)	0.1	0.4	+0.3 (+451.4%)
Life Science	13.9	14.3	+0.5 (+3.3%)	1.4	1.2	-0.2 (-16.2%)
Others	4.0	3.7	-0.3 (-6.6%)	0.4	0.5	+0.1 (+22.0%)
Total	389.6	451.0	+61.4 (+15.8%)	24.2	31.6	+7.4 (+30.5%)
Adjustment				▲ 4.8	▲ 5.3	-0.5
Consolidated	389.6	451.0	+61.4 (+15.8%)	19.4	26.3	+6.8 (+35.2%)

	Net Sales			Operating Income		
	FY Mar/13 Six Months (Apr.-Sept.)	FY Mar/14 Six Months (Apr.-Sept.)	Changes	FY Mar/13 Six Months (Apr.-Sept.)	FY Mar/14 Six Months (Apr.-Sept.)	Changes
Fibers & Textiles	288.9	335.1	+46.2 (+16.0%)	18.5	24.2	+5.6 (+30.4%)
Plastics & Chemicals	195.0	228.0	+33.0 (+16.9%)	10.5	9.0	-1.5 (-14.3%)
IT-related Products	121.1	122.0	+0.8 (+0.7%)	9.6	10.8	+1.2 (+12.3%)
Carbon Fiber Composite Materials	36.5	52.1	+15.5 (+42.5%)	4.2	7.1	+2.9 (+69.1%)
Environment & Engineering	78.1	83.1	+4.9 (+6.3%)	▲ 0.0	0.6	+0.7 (-)
Life Science	27.0	26.6	-0.4 (-1.4%)	3.0	1.9	-1.1 (-38.1%)
Others	7.1	6.9	-0.2 (-2.6%)	0.7	0.7	+0.0 (+7.1%)
Total	753.7	853.8	+100.0 (+13.3%)	46.5	54.3	+7.8 (+16.8%)
Adjustment				▲ 9.8	▲ 10.0	-0.2
Consolidated	753.7	853.8	+100.0 (+13.3%)	36.7	44.3	+7.6 (+20.7%)

Business Results by Segment (Fibers & Textiles)

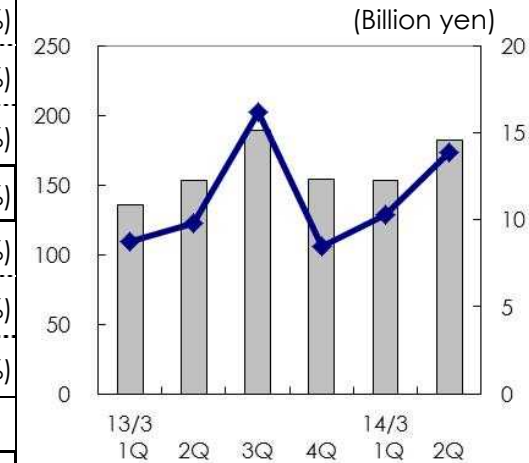
TORAY

Innovation by Chemistry

Unit: Billion yen

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	24.8	26.7	+1.9	(+7.7%)	50.6	54.5	+3.9	(+7.6%)
	Japanese Subsidiaries	77.2	85.9	+8.6	(+11.2%)	140.5	156.7	+16.2	(+11.5%)
	Overseas Subsidiaries	51.0	69.3	+18.3	(+35.9%)	97.7	123.8	+26.1	(+26.8%)
	Total	153.1	181.9	+28.8	(+18.8%)	288.9	335.1	+46.2	(+16.0%)
Operating Income	Toray	3.2	3.8	+0.6	(+20.1%)	7.2	8.5	+1.4	(+19.0%)
	Japanese Subsidiaries	2.7	3.3	+0.6	(+21.8%)	4.7	5.1	+0.4	(+8.9%)
	Overseas Subsidiaries	5.0	7.7	+2.7	(+54.0%)	8.0	12.2	+4.2	(+53.0%)
	Adjustment	▲ 1.1	▲ 1.0	+0.2		▲ 1.3	▲ 1.7	-0.4	
	Total	9.8	13.9	+4.1	(+41.8%)	18.5	24.2	+5.6	(+30.4%)

Net Sales <Bar chart> Operating Income <Line chart>



2Q (Jul.-Sept.)

In Japan, while sales of functional materials for fall and winter wear grew strongly, sales of general apparel application remained weak. As for industrial applications, sales of materials for airbags, etc. proceeded steadily in line with the production expansion at automobile manufacturers.

Overseas, while the conditions continued to be tough with Europe remaining mired in economic slump and sluggish domestic demand in China, textile subsidiaries in Southeast Asia and China pursued sales expansion and a shift towards high value-added products. The influence of the floods in Thailand which slightly affected the operations in the same period a year earlier has been dissolved.

Six Months (Apr.-Sept.)

In Japan, while sales of functional materials for fall and winter wear grew strongly, sales of general apparel applications, though showing signs of recovery, remained weak. On the other hand, exports recovered partly under the influence of the correction of the strong yen. Sales 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 pursued sales expansion and a shift towards high value-added products. Also, while the floods in Thailand in October 2011 had affected the operations in the same period a year earlier, the production and sales recovered since then, contributing to the improved performance.

Business Results by Segment (Plastics & Chemicals)

TORAY

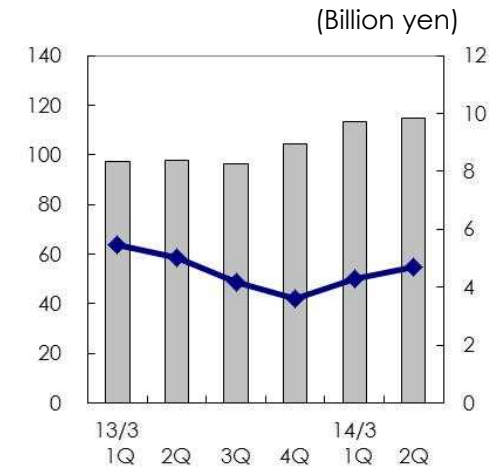
Innovation by Chemistry

Unit: Billion yen

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	18.6	20.4	+1.7	(+9.2%)	37.2	41.0	+3.9	(+10.4%)
	Japanese Subsidiaries	32.9	45.6	+12.7	(+38.5%)	67.2	89.2	+22.0	(+32.7%)
	Overseas Subsidiaries	46.2	48.7	+2.5	(+5.4%)	90.6	97.8	+7.2	(+7.9%)
	Total	97.7	114.6	+16.9	(+17.3%)	195.0	228.0	+33.0	(+16.9%)
Operating Income	Toray	0.1	▲ 0.5	-0.7	(-)	1.0	▲ 0.4	-1.4	(-)
	Japanese Subsidiaries	1.6	1.8	+0.2	(+10.4%)	3.4	4.0	+0.5	(+15.8%)
	Overseas Subsidiaries	3.3	3.4	+0.1	(+3.4%)	5.8	5.3	-0.5	(-9.0%)
	Adjustment	0.0	0.1	+0.1		0.3	0.2	-0.1	
	Total	5.0	4.7	-0.3	(-6.3%)	10.5	9.0	-1.5	(-14.3%)

Net Sales
<Bar chart>

Operating Income
<Line chart>



2Q (Jul.-Sept.)

Plastic Resins Business

Sales of engineering plastics for automotive applications increased in line with the production expansion at automobile manufacturers mainly in Japan. Meanwhile, it was affected by the increased raw material prices caused by the corrections to the strong yen.

Overseas, general purpose ABS resins remained weak because shipment to China slowed down, however, Toray Group worked to expand the sales of high value-added products.

Films Business

Demand remained sluggish on the whole within and outside Japan, with continued price competition, even though domestic sales for capacitors used in hybrid cars remained strong.

Six Months (Apr.-Sept.)

Though demand for automotive applications in the resins business increased in Japan, it was affected by the increased raw material prices resulting from the corrections to the strong yen. Overseas, sales targeting North American automobile applications and Southeast Asia expanded.

Demand for the film business's products remained sluggish on the whole within and outside Japan, with continued price competition, even though domestic sales for capacitors used in hybrid cars remained strong.

Also, trading subsidiaries expanded their business transactions on the back of market recovery and strong overseas business.

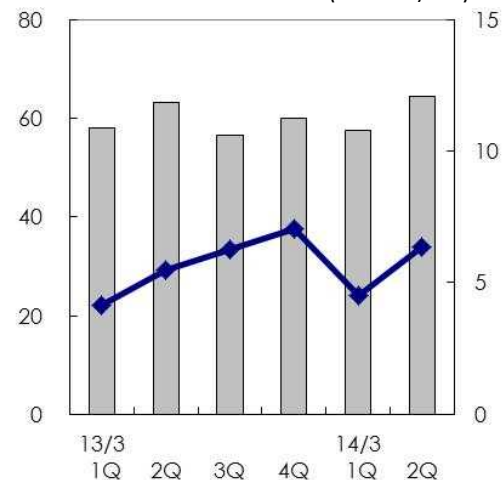
Business Results by Segment (IT-related Products)

Unit: Billion yen

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	25.7	20.8	-4.9	(-19.0%)	46.3	40.2	-6.1	(-13.2%)
	Japanese Subsidiaries	18.2	20.3	+2.1	(+11.4%)	38.8	36.3	-2.5	(-6.4%)
	Overseas Subsidiaries	19.2	23.3	+4.2	(+21.7%)	36.1	45.5	+9.4	(+26.1%)
	Total	63.1	64.4	+1.4	(+2.2%)	121.1	122.0	+0.8	(+0.7%)
Operating Income	Toray	3.3	2.5	-0.8	(-23.5%)	6.0	5.0	-1.0	(-16.5%)
	Japanese Subsidiaries	1.0	1.6	+0.7	(+67.0%)	2.4	2.2	-0.2	(-7.5%)
	Overseas Subsidiaries	2.1	3.0	+0.9	(+42.1%)	3.5	5.2	+1.7	(+50.0%)
	Adjustment	▲ 0.9	▲ 0.8	+0.1		▲ 2.2	▲ 1.6	+0.6	
	Total	5.5	6.3	+0.9	(+15.6%)	9.6	10.8	+1.2	(+12.3%)

Net Sales
<Bar chart>

Operating Income
<Line chart>
(Billion yen)



2Q (Jul.-Sept.)

Shipment of large LCD panel related materials has entered a correction phase with demand for TV stagnating, while sales for small and mid-sized displays such as smartphones and tablet terminals grew strongly. Overseas, a subsidiary manufacturing electric circuit materials in the Republic of Korea performed strongly. In general, price competition in the field continued partly due to the impact of price declines of final products.

Six Months (Apr.-Sept.)

Shipment of films and processed film products for large LCD panels used in flat-screen TVs entered a correction phase with demand for TV stagnating, while sales for small and mid-sized displays such as smartphones and tablet terminals grew strongly. Overseas, subsidiaries manufacturing films and processed film products as well as circuit materials in Republic of Korea performed strongly. In general, price competition in the field continued partly due to the impact of price declines of final products. Also, machinery sales at a Japanese subsidiary declined compared with the same period a year earlier.

Details of the Sales of IT-related Products Segment

【Sales ratio by sub-segment】

Billion yen

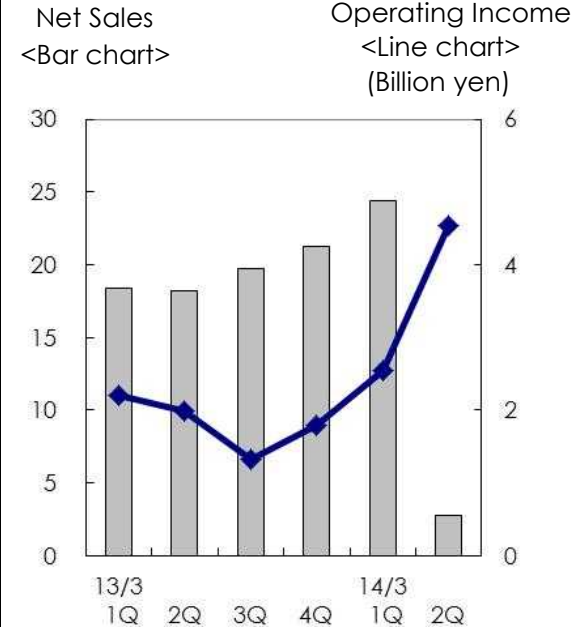
	FY Mar/13 2Q (Jul.-Sept.)		FY Mar/14 2Q (Jul.-Sept.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	20.6	33%	23.2	36%	+13%
Electronic Components, Semiconductor, Electric Circuit Materials	25.1	40%	28.0	43%	+12%
Data Storage Materials	7.8	12%	7.8	12%	-0%
Equipment, others	9.6	15%	5.5	8%	-43%
Total of IT-related Products Segment	63.1		64.4		+2%

	FY Mar/13 Six Months (Apr.-Sept.)		FY Mar/14 Six Months (Apr.-Sept.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	40.4	33%	44.2	36%	+9%
Electronic Components, Semiconductor, Electric Circuit Materials	48.0	40%	53.8	44%	+12%
Data Storage Materials	16.0	13%	15.3	13%	-4%
Equipment, others	16.7	14%	8.7	7%	-48%
Total of IT-related Products Segment	121.1		122.0		+1%

Business Results by Segment (Carbon Fiber Composite Materials)

Unit: Billion yen

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	15.5	22.1	+6.6	(+42.4%)	30.5	43.1	+12.6	(+41.2%)
	Japanese Subsidiaries	10.3	12.9	+2.5	(+24.5%)	21.0	25.8	+4.8	(+22.6%)
	Overseas Subsidiaries	15.8	22.2	+6.5	(+41.0%)	29.5	41.9	+12.4	(+41.8%)
	Adjustment	▲ 23.4	▲ 29.5	-6.1		▲ 44.5	▲ 58.7	-14.2	
	Total	18.2	27.7	+9.5	(+52.3%)	36.5	52.1	+15.5	(+42.5%)
Operating Income	Toray	1.2	3.0	+1.9	(+161.0%)	2.6	4.1	+1.6	(+60.1%)
	Japanese Subsidiaries	0.1	0.2	+0.1	(+52.3%)	0.2	0.4	+0.2	(+79.5%)
	Overseas Subsidiaries	1.0	1.7	+0.7	(+74.5%)	2.3	3.1	+0.8	(+34.9%)
	Adjustment	▲ 0.3	▲ 0.4	-0.1		▲ 0.9	▲ 0.6	+0.3	
	Total	2.0	4.5	+2.6	(+128.5%)	4.2	7.1	+2.9	(+69.1%)



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.

2Q (Jul.-Sept.)

Sales of carbon fibers and intermediate material (prepreg) grew strongly in aerospace applications and the environment and energy fields including compressed natural gas tank applications. In the composite business, sales of carbon fiber reinforced plastic used in housing for notebook PCs, which boasts high strength and light weight, increased.

Six Months (Apr.-Sept.)

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

Details of the Sales of Carbon Fiber Composite Materials Segment

【Sales ratio by sub-segment】

Billion yen

	FY Mar/13 2Q (Jul.-Sept.)		FY Mar/14 2Q (Jul.-Sept.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	7.7	42%	14.0	50%	+82%
Sports	2.6	14%	3.4	12%	+33%
Industrial	7.9	44%	10.3	37%	+30%
Total of Carbon Fiber Composite Materials	18.2		27.7		+52%

	FY Mar/13 Six Months (Apr.-Sept.)		FY Mar/14 Six Months (Apr.-Sept.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	15.4	42%	25.2	48%	+63%
Sports	5.5	15%	6.6	13%	+20%
Industrial	15.6	43%	20.3	39%	+30%
Total of Carbon Fiber Composite Materials	36.5		52.1		+43%

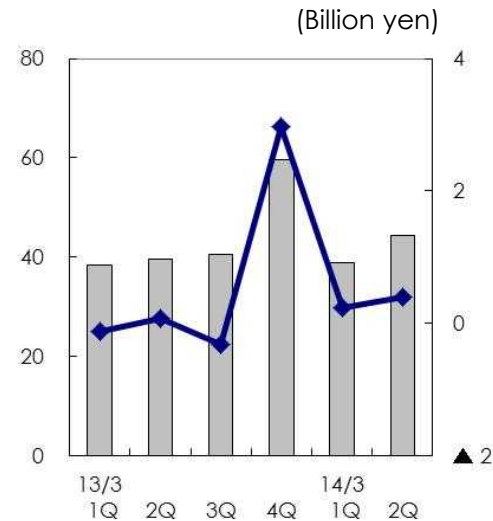
Business Results by Segment (Environment & Engineering)

Unit: Billion yen

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	1.9	2.6	+0.7	(+37.9%)	3.5	4.7	+1.2	(+34.4%)
	Japanese Subsidiaries	36.3	40.0	+3.7	(+10.2%)	72.3	75.3	+3.0	(+4.2%)
	Overseas Subsidiaries	1.5	1.7	+0.2	(+11.2%)	2.4	3.1	+0.7	(+30.4%)
	Total	39.7	44.3	+4.6	(+11.6%)	78.1	83.1	+4.9	(+6.3%)
Operating Income	Toray	▲ 0.7	0.2	+0.8	(-)	▲ 1.4	0.2	+1.6	(-)
	Japanese Subsidiaries	0.8	0.1	-0.7	(-84.9%)	1.4	▲ 0.1	-1.5	(-)
	Overseas Subsidiaries	▲ 0.1	0.2	+0.3	(-)	▲ 0.2	0.2	+0.4	(-)
	Adjustment	0.0	▲ 0.1	-0.1		0.2	0.4	+0.2	
	Total	0.1	0.4	+0.3	(+451.4%)	▲ 0.0	0.6	+0.7	(-)

Net Sales
<Bar chart>

Operating Income
<Line chart>



2Q (Jul.-Sept.)

Water Treatment Business Japan

- : Toray Group expanded sales of its reverse osmosis membranes to the Middle East, and worked thoroughly to reduce costs as well.
- : Sales at an engineering subsidiary and a trading subsidiary were strong, while a construction and real estate subsidiary performed weak due to less completion of the project with real estate business compared with the same period of the previous fiscal year.

Six Months (Apr.-Sept.)

While the market for water treatment membranes has not yet fully recovered reflecting continued uncertainties over the global economic outlook, shipment of reverse osmosis membranes to the Middle East was strong at Toray. Among domestic subsidiaries, profitability at the construction and real estate subsidiary declined, and the plant construction projects declined at the engineering subsidiary.

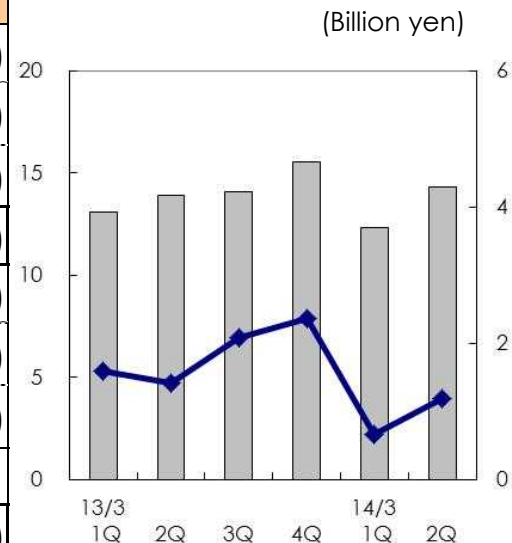
Business Results by Segment (Life Science)

Unit: Billion yen

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/13	FY Mar/14	Changes		FY Mar/13	FY Mar/14	Changes	
Net Sales	Toray	3.6	3.5	-0.1	(-2.4%)	7.4	6.9	-0.4	(-5.9%)
	Japanese Subsidiaries	10.1	9.8	-0.3	(-3.1%)	19.2	18.0	-1.2	(-6.1%)
	Overseas Subsidiaries	0.2	1.1	+0.9	(+359.5%)	0.4	1.7	+1.2	(+280.0%)
	Total	13.9	14.3	+0.5	(+3.3%)	27.0	26.6	-0.4	(-1.4%)
Operating Income	Toray	0.9	0.3	-0.6	(-64.2%)	2.6	1.2	-1.3	(-51.1%)
	Japanese Subsidiaries	0.6	0.7	+0.0	(+4.5%)	0.8	0.7	-0.1	(-14.9%)
	Overseas Subsidiaries	▲ 0.0	▲ 0.0	+0.0	(-)	▲ 0.1	▲ 0.1	-0.0	(-)
	Adjustment	▲ 0.1	0.2	+0.3		▲ 0.3	0.0	+0.3	
	Total	1.4	1.2	-0.2	(-16.2%)	3.0	1.9	-1.1	(-38.1%)

Net Sales
<Bar chart>

Operating Income
<Line chart>



2Q (Jul.-Sept.)

Sales of REMITCH^{®*}, an oral anti-pruritus drug for hemodialysis patients, expanded, while other pharmaceutical products were affected by intensifying competition. Medical products including TORAYSULFONE[®], polysulfone membrane artificial kidneys, increased strongly, while sales of dialysis equipment remained slow.

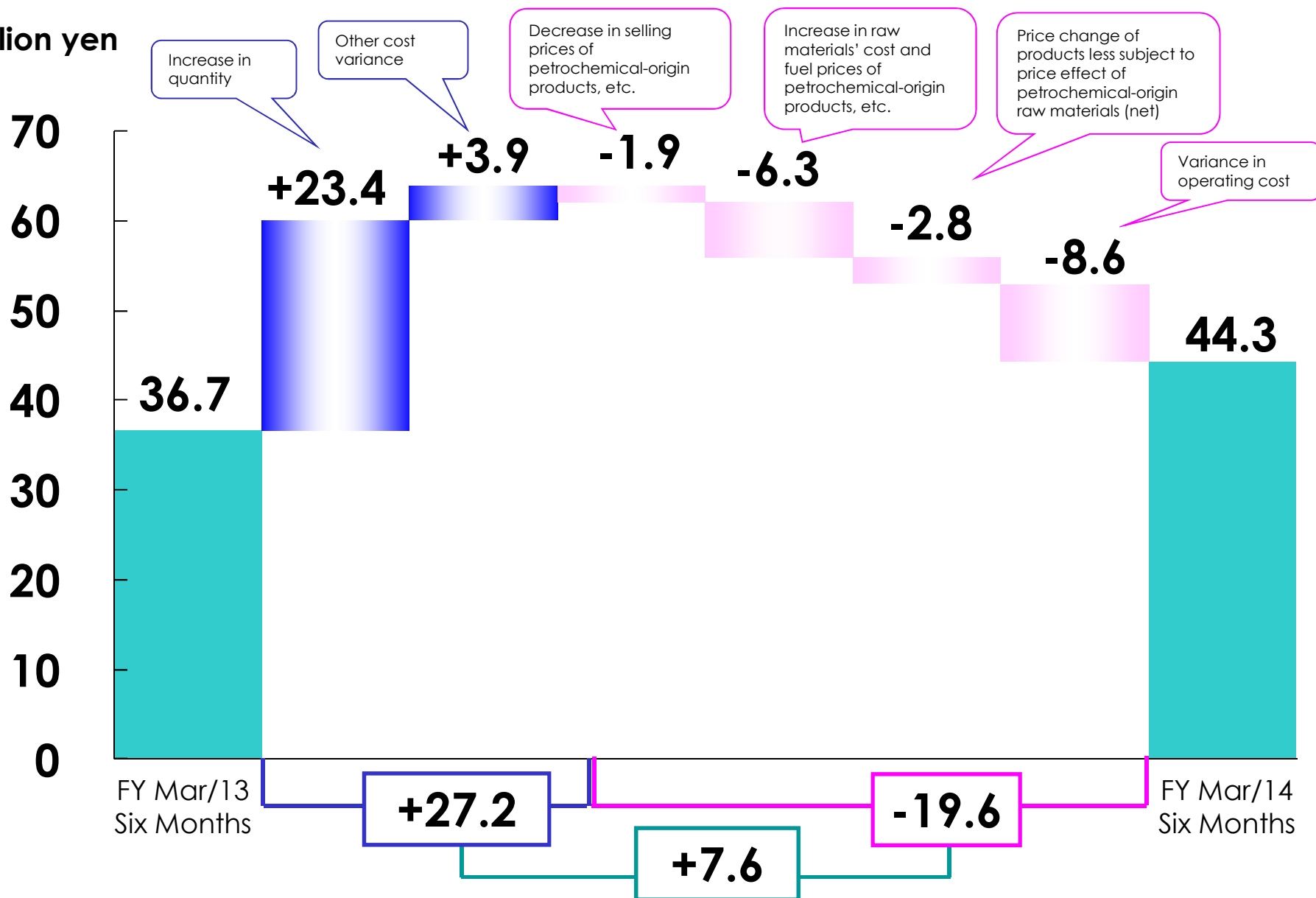
Six Months (Apr.-Sept.)

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.

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

Income Variance Factor Analysis (Six Months)

Billion yen



FY Mar/13
Six Months

FY Mar/14
Six Months

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

Results of Major Subsidiaries (Six Months)

Unit: Billion yen

	Net Sales			Operating Income		
	FY Mar/13 Six Months (Apr.-Sept.)	FY Mar/14 Six Months (Apr.-Sept.)	Changes	FY Mar/13 Six Months (Apr.-Sept.)	FY Mar/14 Six Months (Apr.-Sept.)	Changes
Toray International Inc.	212.7	253.5	+40.7	4.3	5.3	+1.0
Toray Engineering Co., Ltd.	40.1	30.7	-9.4	▲0.3	▲0.7	-0.4
Toray Construction Co., Ltd.	20.4	21.5	+1.1	0.5	0.4	-0.2
Toray Advanced Film Co., Ltd.	23.7	21.3	-2.5	1.2	0.6	-0.6
Toray Medical Co., Ltd.	19.6	19.5	-0.1	0.8	0.7	-0.1
TAK (Republic of Korea)	46.1	57.0	+10.9	6.2	6.3	+0.1
TPM (Malaysia)	29.7	35.2	+5.4	0.8	1.4	+0.6

Subsidiaries in Southeast Asia *1	Fibers & Textiles	43.9	57.2	+13.3	▲0.2	2.0	+2.2
	Plastics & Chemicals	34.7	40.7	+6.0	2.0	1.8	-0.2
	Others	4.1	4.3	+0.2	0.2	0.2	+0.0
	Total	82.7	102.1	+19.5	2.0	4.0	+2.0

Subsidiaries in China *2	Fibers & Textiles	52.6	82.5	+29.9	5.1	7.6	+2.5
	Plastics & Chemicals	27.4	31.1	+3.7	0.3	0.7	+0.4
	Others	6.0	8.4	+2.4	▲0.4	▲0.0	+0.4
	Total	86.0	122.0	+36.0	5.0	8.3	+3.2

Films Subsidiaries (Overseas) *3	Plastics & Chemicals	39.7	48.5	+8.8	4.0	2.5	-1.4
	IT-related Products	24.6	31.6	+6.9	3.7	4.5	+0.8
	Total	64.3	80.0	+15.7	7.7	7.0	-0.6

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

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

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

1Q vs. 2Q Comparison of Operating Income by Segment

Segment	Operating Income FY Mar/14 1Q → FY Mar/14 2Q () difference	Variance Factors
Fibers & Textiles	10.3 → 13.9 (+3.6)	<ul style="list-style-type: none"> • Shipment of garments for functional inner wear started on schedule. • Textiles subsidiaries in China and overseas automobile airbag-related business performed steadily.
Plastics & Chemicals	4.3 → 4.7 (+0.4)	<ul style="list-style-type: none"> • Overseas films subsidiaries expanded sales of its high value-added products.
IT-related Products	4.5 → 6.3 (+1.8)	<ul style="list-style-type: none"> • Proceeded sales expansion of films for LCD panels.
Carbon Fiber Composite Materials	2.5 → 4.5 (+2.0)	<ul style="list-style-type: none"> • Sales of aerospace and industrial applications including compressed natural gas tanks were strong.
Environment & Engineering	0.2 → 0.4 (+0.2)	<ul style="list-style-type: none"> • Water treatment membrane business performed steadily. • Sales of industrial machinery expanded at an engineering subsidiary.
Life Science	0.7 → 1.2 (+0.5)	<ul style="list-style-type: none"> • Sales of TORAYMYXIN™, a hemoperfusion absorption column for removing endotoxins expanded at a medical equipment subsidiary.
Others	0.2 → 0.5 (+0.3)	
Adjustment	▲4.7 → ▲5.3 (-0.6)	
Consolidated	18.0 → 26.3 (+8.2)	



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



Forecast Summary

Billion yen

		FY Mar/13 Actual	FY Mar/14 Forecast	Changes		Previous Forecast	Difference from Previous Forecast
Net Sales	1st Half	753.7	853.8	+100.0	(+13.3%)	845.0	+8.8
	2nd Half	838.6	996.2	+157.7	(+18.8%)	1,005.0	-8.8
	Total	1,592.3	1,850.0	+257.7	(+16.2%)	1,850.0	—
Operating Income	1st Half	36.7	44.3	+7.6	(+20.7%)	45.0	-0.7
	2nd Half	46.7	75.7	+29.0	(+62.0%)	75.0	+0.7
	Total	83.4	120.0	+36.6	(+43.8%)	120.0	—
Ordinary Income	1st Half	38.0	46.5	+8.5	(+22.3%)	45.0	+1.5
	2nd Half	50.2	73.5	+23.3	(+46.3%)	75.0	-1.5
	Total	88.2	120.0	+31.8	(+36.0%)	120.0	—
Net Income	1st Half	20.0	29.4	+9.4	(+46.8%)	25.0	+4.4
	2nd Half	28.5	35.6	+7.2	(+25.1%)	40.0	-4.4
	Total	48.5	65.0	+16.5	(+34.1%)	65.0	—

Net Income per Share	1st Half	12.28 yen	18.03 yen
	2nd Half	17.47 yen	21.87 yen
	Total	29.75 yen	39.90 yen
Dividend per Share	1st Half	5.00 yen	5.00 yen
	2nd Half	5.00 yen	5.00 yen
	Total	10.00 yen	10.00 yen

Remarks :

Estimated exchange rate : 95 yen / US\$ (October ~)

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

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	335.1	414.9	750.0	+46.2	+71.6	+117.9	+5.1	+4.9	+10.0
	Plastics & Chemicals	195.0	200.9	395.8	228.0	232.0	460.0	+33.0	+31.1	+64.2	+8.0	-8.0	—
	IT-related Products	121.1	116.5	237.6	122.0	138.0	260.0	+0.8	+21.6	+22.4	-8.0	-2.0	-10.0
	Carbon Fiber Composite Materials	36.5	41.1	77.6	52.1	57.9	110.0	+15.5	+16.8	+32.4	+2.1	+2.9	+5.0
	Environment & Engineering	78.1	100.2	178.4	83.1	111.9	195.0	+4.9	+11.7	+16.6	+3.1	-3.1	—
	Life Science	27.0	29.6	56.6	26.6	33.4	60.0	-0.4	+3.8	+3.4	-1.4	-3.6	-5.0
	Others	7.1	7.0	14.1	6.9	8.1	15.0	-0.2	+1.1	+0.9	-0.1	+0.1	—
	Consolidated	753.7	838.6	1,592.3	853.8	996.2	1,850.0	+100.0	+157.7	+257.7	+8.8	-8.8	—
Operating Income	Fibers & Textiles	18.5	24.7	43.2	24.2	30.8	55.0	+5.6	+6.1	+11.8	+2.2	-0.2	+2.0
	Plastics & Chemicals	10.5	7.8	18.3	9.0	13.0	22.0	-1.5	+5.2	+3.7	-2.0	-0.0	-2.0
	IT-related Products	9.6	13.3	23.0	10.8	20.2	31.0	+1.2	+6.9	+8.0	-2.2	-1.8	-4.0
	Carbon Fiber Composite Materials	4.2	3.1	7.3	7.1	8.9	16.0	+2.9	+5.8	+8.7	+1.1	+1.9	+3.0
	Environment & Engineering	▲ 0.0	2.7	2.6	0.6	6.4	7.0	+0.7	+3.7	+4.4	+0.6	+0.4	+1.0
	Life Science	3.0	4.5	7.5	1.9	5.1	7.0	-1.1	+0.7	-0.5	-0.1	+0.1	—
	Others	0.7	0.9	1.6	0.7	1.3	2.0	+0.0	+0.4	+0.4	-0.3	+0.3	—
	Adjustment	▲ 9.8	▲ 10.2	▲ 20.0	▲ 10.0	▲ 10.0	▲ 20.0	-0.2	+0.2	-0.0	-0.0	+0.0	—
Consolidated	36.7	46.7	83.4	44.3	75.7	120.0	+7.6	+29.0	+36.6	-0.7	+0.7	—	

Operating Income Comparison with Previous Forecast by Segment

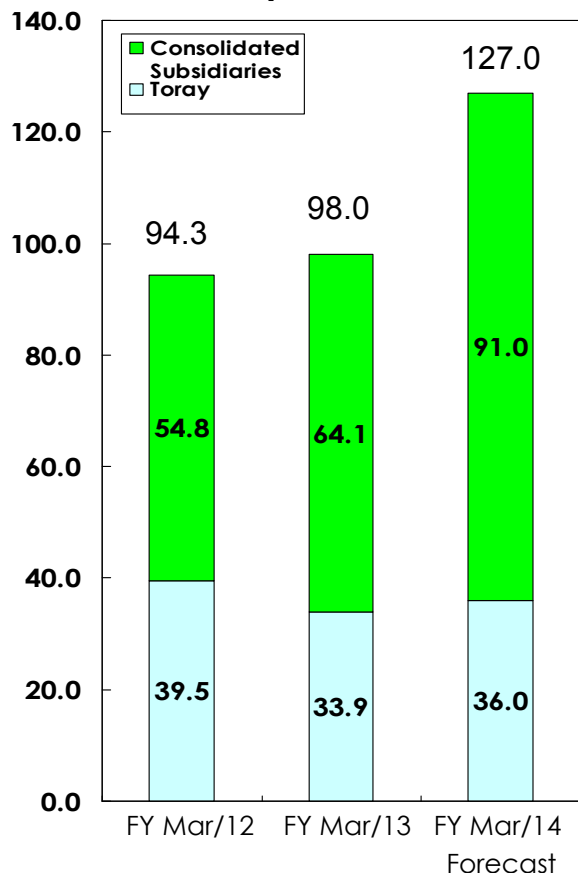
Billion yen

Segment	Full-year Operating Income Previous Forecast → New Forecast () difference	Variance Factors
Fibers & Textiles	53.0 → 55.0 (+2.0)	<ul style="list-style-type: none"> Although there exist some uncertainty in demand trends in Japan and overseas, the company will comprehensively ensure sales through every possible effort and proceed in cost reduction.
Plastics & Chemicals	24.0 → 22.0 (-2.0)	<ul style="list-style-type: none"> In addition to the demand recovery of films for packaging and industrial materials, the company expects increase in adoption of films for solar cell back sheets which was slow during the first half of the fiscal year. The company will expand sales of its engineering plastics for automobile applications under healthy demand.
IT-related Products	35.0 → 31.0 (-4.0)	<ul style="list-style-type: none"> Expect delay in recovery of demand in films for LCD panels due to production adjustment at LCD panel manufacturers.
Carbon Fiber Composite Materials	13.0 → 16.0 (+3.0)	<ul style="list-style-type: none"> Expect strong performance in aerospace and other applications.
Environment & Engineering	6.0 → 7.0 (+1.0)	<ul style="list-style-type: none"> Expect water treatment business to proceed steadily.
Life Science	7.0 → 7.0 (±0.0)	<ul style="list-style-type: none"> Expect to be in line with the previous forecast.
Others	2.0 → 2.0 (±0.0)	<ul style="list-style-type: none"> Expect to be in line with the previous forecast.
Adjustment	▲20.0 → ▲20.0 (±0.0)	
Consolidated	120.0 → 120.0 (±0.0)	

Forecast of Capital Expenditures, Depreciation, R&D Expenses

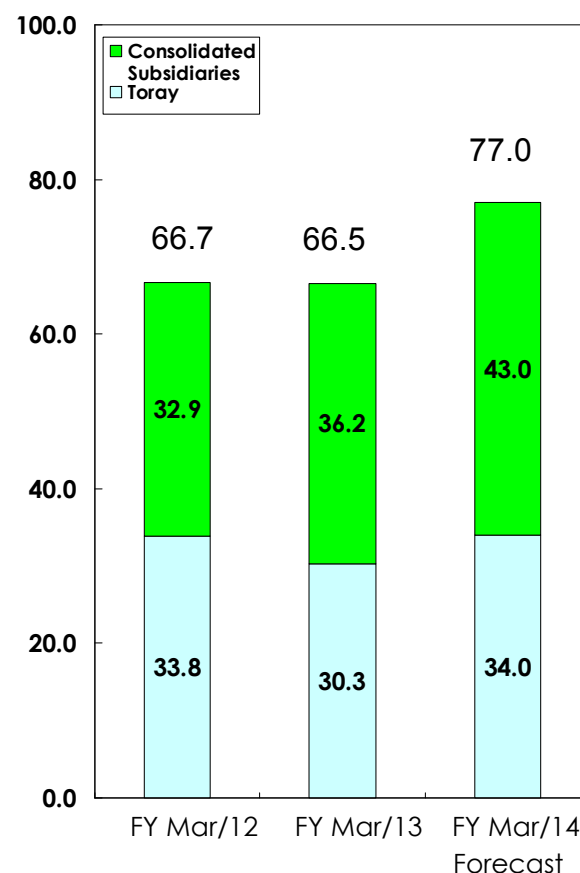
Capital Expenditures

Billion yen



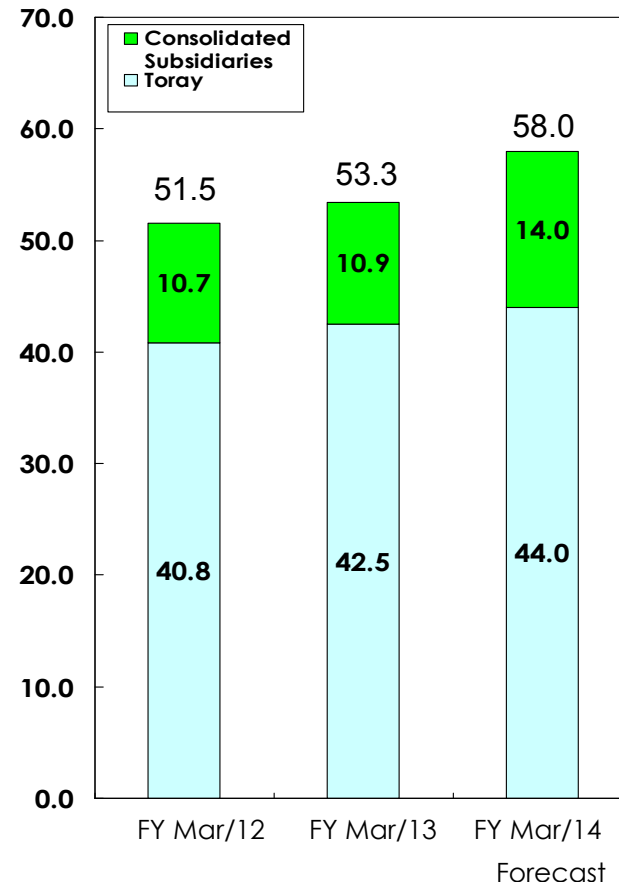
Depreciation

Billion yen



R&D Expenses

Billion yen



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.