

# **Announcement of Business Results For the 3Q and Nine Months Ended December 31, 2014**

**Toray Industries, Inc.  
February 5, 2015**

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# I. **Business Results for the 3Q and Nine Months Ended December 31, 2014**

# Summary of Consolidated Business Results for the 3Q and Nine Months Ended Dec. 31, 2014

Billion yen

	FY Mar/14 3Q (Oct.-Dec.)	FY Mar/15 3Q (Oct.-Dec.)	Changes	FY Mar/14 Nine Months (Apr.-Dec.)	FY Mar/15 Nine Months (Apr.-Dec.)	Changes
Net Sales	497.1	<b>539.0</b>	+41.9 (+8.4%)	1,350.8	<b>1,487.0</b>	+136.2 (+10.1%)
Cost of Sales	404.9	<b>435.4</b>	+30.5 (+7.5%)	1,093.6	<b>1,197.7</b>	+104.2 (+9.5%)
Gross Profit	92.1	<b>103.6</b>	+11.4 (+12.4%)	257.3	<b>289.2</b>	+32.0 (+12.4%)
(Gross Profit to Net Sales)	18.5%	<b>19.2%</b>	+0.7 points	19.0%	<b>19.5%</b>	+0.4 points
Operating Income	30.6	<b>35.2</b>	+4.6 (+15.0%)	74.9	<b>86.5</b>	+11.6 (+15.5%)
(Operating Income to Net Sales)	6.1%	6.5%	+0.4 points	5.5%	5.8%	+0.3 points
Non-operating Income and Expenses, net	1.7	<b>0.4</b>	-1.3	3.9	<b>5.6</b>	+1.7
Ordinary Income	32.2	<b>35.6</b>	+3.3 (+10.3%)	78.8	<b>92.1</b>	+13.3 (+16.9%)
Special Credits and Charges, net	▲ 1.4	▲ <b>1.0</b>	+0.4	▲ 4.1	▲ <b>3.1</b>	+1.0
Income before Income Taxes	30.9	<b>34.6</b>	+3.7 (+12.0%)	74.7	<b>89.0</b>	+14.3 (+19.2%)
Net Income	20.1	<b>21.3</b>	+1.2 (+6.0%)	49.4	<b>62.5</b>	+13.1 (+26.5%)

(FY Mar/14 3Q) → (FY Mar/15 3Q)      (FY Mar/14 9-months) → (FY Mar/15 9-months)

Exchange Rate <Yen/US\$> Average : 100.5 → 114.5      99.4 → 106.9  
 End of the term : 105.4 → 120.6

<Yen/Euro> Average : 136.7 → 143.1      132.2 → 140.3  
 End of the term : 145.1 → 146.5

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

# Non-operating Income and Expenses

Billion yen

	FY Mar/14 3Q (Oct.-Dec.)	FY Mar/15 3Q (Oct.-Dec.)	Changes	FY Mar/14 Nine Months (Apr.-Dec.)	FY Mar/15 Nine Months (Apr.-Dec.)	Changes
Non-operating Income	4.9	<b>5.0</b>	+0.1	13.6	<b>17.4</b>	+3.8
Interest and Dividend Income	1.2	<b>1.3</b>	+0.1	3.2	<b>3.7</b>	+0.5
Equity in Earnings of Affiliates	2.2	<b>1.7</b>	-0.4	5.9	<b>10.1</b>	+4.1
Others	1.5	<b>2.0</b>	+0.5	4.4	<b>3.6</b>	-0.8
Non-operating Expenses	▲ 3.2	▲ <b>4.6</b>	-1.3	▲ 9.7	▲ <b>11.9</b>	-2.2
Interest Expenses	▲ 1.2	▲ <b>1.3</b>	-0.1	▲ 3.8	▲ <b>4.2</b>	-0.4
Others	▲ 2.0	▲ <b>3.2</b>	-1.2	▲ 5.9	▲ <b>7.6</b>	-1.7
Non-operating Income and Expenses, net	1.7	<b>0.4</b>	-1.3	3.9	<b>5.6</b>	+1.7
Interest and Dividend Income, Interest Expenses, net	0.0	▲ <b>0.1</b>	-0.1	▲ 0.5	▲ <b>0.5</b>	+0.0

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

# Special Credits and Charges

Billion yen

	FY Mar/14 3Q (Oct.-Dec.)	FY Mar/15 3Q (Oct.-Dec.)	Changes	FY Mar/14 Nine Months (Apr.-Dec.)	FY Mar/15 Nine Months (Apr.-Dec.)	Changes
Special Credits	0.2	<b>0.7</b>	+0.5	7.4	<b>1.0</b>	-6.4
Gain on Sales of Property, Plant and Equipment	0.2	<b>0.0</b>	-0.2	0.4	<b>0.2</b>	-0.2
Gain on Sales of Investment Securities	0.0	<b>0.5</b>	+0.5	0.2	<b>0.5</b>	+0.4
Insurance Income	▲ 0.0	-	+0.0	6.8	-	-6.8
Others	-	<b>0.2</b>	+0.2	0.0	<b>0.2</b>	+0.2
Special Charges	▲ 1.6	▲ <b>1.7</b>	-0.1	▲ 11.5	▲ <b>4.1</b>	+7.5
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 1.5	▲ <b>1.4</b>	+0.1	▲ 3.2	▲ <b>3.3</b>	-0.2
Loss on Impairment of Fixed Assets	-	▲ <b>0.2</b>	-0.2	▲ 8.2	▲ <b>0.2</b>	+8.0
Others	▲ 0.1	▲ <b>0.1</b>	-0.0	▲ 0.2	▲ <b>0.5</b>	-0.3
Special Credits and Charges, net	▲ 1.4	▲ <b>1.0</b>	+0.4	▲ 4.1	▲ <b>3.1</b>	+1.0

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

# Assets, Liabilities, Net Assets

Billion yen

	End of Mar/14	End of Dec/14	Changes
Total Assets	2,119.7	<b>2,266.7</b>	+147.0
Current Assets	920.4	<b>1,004.9</b>	+84.5
Tangible Assets	781.2	<b>817.3</b>	+36.1
Intangible Assets	100.1	<b>95.7</b>	-4.4
Investment and Other Assets	318.0	<b>348.8</b>	+30.8

	End of Mar/14	End of Dec/14	Changes
Total Liabilities	1,175.1	<b>1,272.7</b>	+97.6
Current Liabilities	596.6	<b>611.6</b>	+15.0
Other Liabilities	578.5	<b>661.1</b>	+82.6
Total Net Assets	944.6	<b>994.0</b>	+49.4

Interest-bearing Debts	654.2	<b>734.1</b>	+79.9
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D/E Ratio	0.76	<b>0.81</b>	+0.05
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# Capital Expenditures, Depreciation, R&D Expenses

Billion yen

	FY Mar/14 Nine Months (Apr.-Dec.)	FY Mar/15 Nine Months (Apr.-Dec.)	Changes	Comment
Capital Expenditures	70.0	<b>84.0</b>	+14.0	Toray : 24.4, Consolidated subsidiaries : 59.6
Depreciation -)	57.1	<b>57.0</b>	-0.1	Toray : 17.9, Consolidated subsidiaries : 39.2
Transfer, Disposal, etc.	30.1	<b>9.1</b>	-21.0	
Changes in Tangible Assets	43.1	<b>36.1</b>	-7.0	
R&D Expenses	41.6	<b>43.6</b>	+2.0	

## Major Capital Expenditures:

Toray

CFA (Toray Carbon Fibers America, Inc.)

CFE (Toray Carbon Fibers Europe S.A.)

} Carbon fiber production facilities

TAK (Toray Advanced Materials Korea Inc.): PPS (polyphenylene sulfide) resin production facility



# Net Sales and Operating Income by Segment

Billion yen

	Net Sales				Operating Income			
	FY Mar/14 3Q (Oct.-Dec.)	FY Mar/15 3Q (Oct.-Dec.)	Changes		FY Mar/14 3Q (Oct.-Dec.)	FY Mar/15 3Q (Oct.-Dec.)	Changes	
Fibers & Textiles	233.1	<b>252.8</b>	+19.7	(+8.4%)	17.4	<b>18.5</b>	+1.2	(+6.8%)
Plastics & Chemicals	118.1	<b>124.5</b>	+6.4	(+5.5%)	4.2	<b>5.9</b>	+1.7	(+38.9%)
IT-related Products	62.6	<b>62.3</b>	-0.3	(-0.4%)	6.5	<b>5.7</b>	-0.7	(-10.9%)
Carbon Fiber Composite Materials	29.8	<b>39.8</b>	+10.0	(+33.6%)	4.2	<b>6.7</b>	+2.5	(+59.6%)
Environment & Engineering	33.9	<b>41.7</b>	+7.8	(+22.9%)	0.5	<b>1.5</b>	+1.1	(+234.8%)
Life Science	16.3	<b>14.6</b>	-1.7	(-10.5%)	3.0	<b>1.4</b>	-1.6	(-52.5%)
Others	3.2	<b>3.2</b>	-0.0	(-0.5%)	0.5	<b>0.3</b>	-0.1	(-28.8%)
Total	497.1	<b>539.0</b>	+41.9	(+8.4%)	36.2	<b>40.2</b>	+4.0	(+11.0%)
Adjustment					▲ 5.6	▲ 5.0	+0.6	
Consolidated	497.1	<b>539.0</b>	+41.9	(+8.4%)	30.6	<b>35.2</b>	+4.6	(+15.0%)

	Net Sales				Operating Income			
	FY Mar/14 Nine Months (Apr.-Dec.)	FY Mar/15 Nine Months (Apr.-Dec.)	Changes		FY Mar/14 Nine Months (Apr.-Dec.)	FY Mar/15 Nine Months (Apr.-Dec.)	Changes	
Fibers & Textiles	568.2	<b>639.0</b>	+70.8	(+12.5%)	41.5	<b>41.3</b>	-0.2	(-0.6%)
Plastics & Chemicals	346.1	<b>370.7</b>	+24.6	(+7.1%)	13.3	<b>17.6</b>	+4.4	(+32.9%)
IT-related Products	184.5	<b>184.1</b>	-0.4	(-0.2%)	17.3	<b>16.1</b>	-1.2	(-7.0%)
Carbon Fiber Composite Materials	81.9	<b>116.4</b>	+34.6	(+42.2%)	11.3	<b>18.5</b>	+7.2	(+63.8%)
Environment & Engineering	117.0	<b>125.1</b>	+8.1	(+6.9%)	1.1	<b>3.6</b>	+2.5	(+227.1%)
Life Science	42.9	<b>41.1</b>	-1.8	(-4.2%)	4.9	<b>3.1</b>	-1.7	(-35.7%)
Others	10.1	<b>10.4</b>	+0.3	(+2.9%)	1.2	<b>1.0</b>	-0.1	(-9.7%)
Total	1,350.8	<b>1,487.0</b>	+136.2	(+10.1%)	90.5	<b>101.3</b>	+10.8	(+11.9%)
Adjustment					▲ 15.6	▲ 14.8	+0.9	
Consolidated	1,350.8	<b>1,487.0</b>	+136.2	(+10.1%)	74.9	<b>86.5</b>	+11.6	(+15.5%)

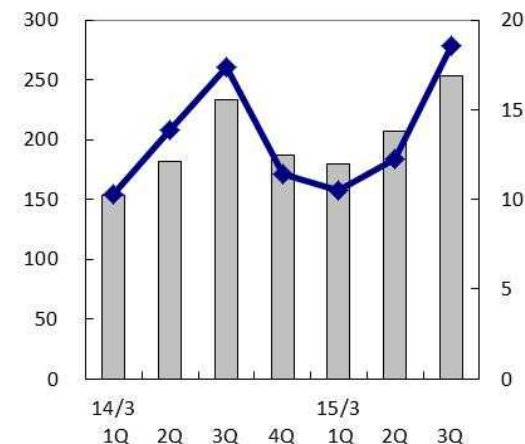
# Business Results by Segment (Fibers & Textiles)

Unit: Billion yen

Net Sales  
<Bar chart>

Operating Income  
<Line chart>  
(Billion yen)

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/14	FY Mar/15	Changes		FY Mar/14	FY Mar/15	Changes	
Net Sales	Toray	26.4	<b>24.9</b>	-1.5	(-5.8%)	80.9	77.4	-3.5	(-4.3%)
	Japanese Subsidiaries	129.3	<b>132.5</b>	+3.2	(+2.5%)	286.0	296.3	+10.3	(+3.6%)
	Overseas Subsidiaries	77.4	<b>95.4</b>	+18.0	(+23.3%)	201.3	265.3	+64.0	(+31.8%)
	<b>Total</b>	<b>233.1</b>	<b>252.8</b>	<b>+19.7</b>	<b>(+8.4%)</b>	<b>568.2</b>	<b>639.0</b>	<b>+70.8</b>	<b>(+12.5%)</b>
Operating Income	Toray	2.9	<b>3.9</b>	+0.9	(+32.0%)	11.4	10.5	-1.0	(-8.7%)
	Japanese Subsidiaries	4.1	<b>4.2</b>	+0.1	(+1.4%)	9.3	8.8	-0.5	(-4.9%)
	Overseas Subsidiaries	8.8	<b>8.7</b>	-0.1	(-1.5%)	21.1	22.9	+1.8	(+8.6%)
	Adjustment	1.5	<b>1.8</b>	0.3		▲ 0.2	▲ 0.8	-0.6	
	<b>Total</b>	<b>17.4</b>	<b>18.5</b>	<b>+1.2</b>	<b>(+6.8%)</b>	<b>41.5</b>	<b>41.3</b>	<b>-0.2</b>	<b>(-0.6%)</b>



## 3Q (Oct.-Dec.)

In Japan, while demand for apparel applications remained weak in general, 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 those to automotive applications.

Overseas, while being affected by a slowdown in demand in Europe and sluggish domestic demand in China, shipment for hygiene products in emerging countries remained steady. 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.

## Nine Months (Apr.-Dec.)

In Japan, though there were some signs of recovery, 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 those to 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.

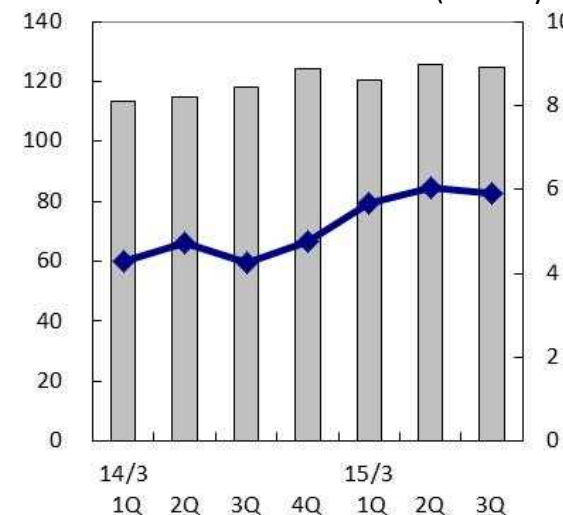
# Business Results by Segment (Plastics & Chemicals)

Unit: Billion yen

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/14	FY Mar/15	Changes		FY Mar/14	FY Mar/15	Changes	
Net Sales	Toray	21.0	18.4	-2.6	(-12.5%)	62.1	61.8	-0.3	(-0.5%)
	Japanese Subsidiaries	46.1	49.6	+3.6	(+7.7%)	135.3	139.3	+4.0	(+2.9%)
	Overseas Subsidiaries	51.0	56.5	+5.5	(+10.8%)	148.7	169.7	+21.0	(+14.1%)
	Total	118.1	124.5	+6.4	(+5.5%)	346.1	370.7	+24.6	(+7.1%)
Operating Income	Toray	▲ 0.7	0.6	+1.3	(-)	▲ 1.1	1.9	+3.0	(-)
	Japanese Subsidiaries	2.1	2.5	+0.3	(+16.6%)	6.1	7.0	+0.9	(+15.3%)
	Overseas Subsidiaries	2.9	2.9	+0.0	(+0.8%)	8.2	9.0	+0.8	(+9.4%)
	Adjustment	▲ 0.1	▲ 0.1	-0.0		0.1	▲ 0.3	-0.3	
	Total	4.2	5.9	+1.7	(+38.9%)	13.3	17.6	+4.4	(+32.9%)

Net Sales  
<Bar chart>

Operating Income  
<Line chart>  
(Billion yen)



## 3Q (Oct.-Dec.)

**Resins Business** : Domestic shipment remained weak due to the prolonged impact of the consumption tax rate increase, while Toray Group proceeded price pass-on measures which had been delayed. Overseas, shipment for automotive applications expanded at a Chinese subsidiary.

**Films Business** : Sales remained steady mainly in the materials for food packaging in Japan.

## Nine Months (Apr.-Dec.)

In the resins business, overall domestic shipment remained strong despite being affected partly by the higher prices of some raw materials and fuels mainly in the first half. Nevertheless, shipment showed a sign of weakness starting in October due to the prolonged impact of the increase in consumption tax rate. Overseas, shipment at the subsidiaries in China and the U.S. expanded for automotive applications.

Demand for the films business's products was strong in general for industrial materials and packaging materials within and outside Japan, and shipment of films for solar cell back sheets and food packages expanded, although the business was affected partly by price competition.

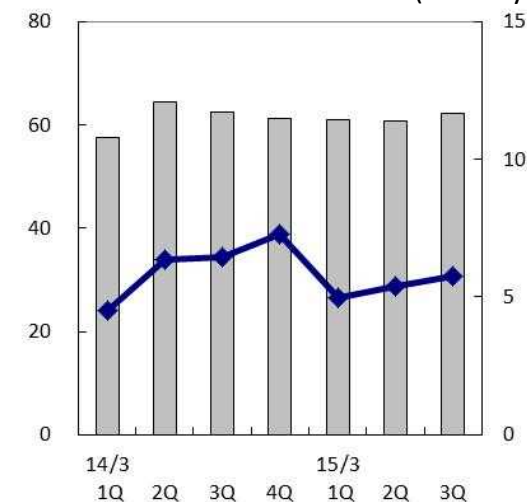
# Business Results by Segment (IT-related Products)

Unit: Billion yen

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/14	FY Mar/15	Changes		FY Mar/14	FY Mar/15	Changes	
Net Sales	Toray	19.6	17.2	-2.4	(-12.3%)	59.8	52.5	-7.3	(-12.2%)
	Japanese Subsidiaries	20.3	20.2	-0.2	(-0.8%)	56.6	60.7	+4.1	(+7.3%)
	Overseas Subsidiaries	22.6	25.0	+2.3	(+10.3%)	68.1	70.9	+2.8	(+4.2%)
	<b>Total</b>	<b>62.6</b>	<b>62.3</b>	<b>-0.3</b>	<b>(-0.4%)</b>	<b>184.5</b>	<b>184.1</b>	<b>-0.4</b>	<b>(-0.2%)</b>
Operating Income	Toray	3.1	1.5	-1.6	(-51.2%)	8.1	5.2	-2.9	(-36.3%)
	Japanese Subsidiaries	1.7	2.2	+0.5	(+32.9%)	3.9	5.7	+1.9	(+47.8%)
	Overseas Subsidiaries	2.5	2.9	+0.4	(+17.1%)	7.7	7.6	-0.0	(-0.6%)
	Adjustment	▲ 0.8	▲ 0.9	-0.1		▲ 2.4	▲ 2.5	-0.1	
	<b>Total</b>	<b>6.5</b>	<b>5.7</b>	<b>-0.7</b>	<b>(-10.9%)</b>	<b>17.3</b>	<b>16.1</b>	<b>-1.2</b>	<b>(-7.0%)</b>

Net Sales  
<Bar chart>

Operating Income  
<Line chart>  
(Billion yen)



## 3Q (Oct.-Dec.)

Shipment of large LCD panel-related materials increased reflecting the steady production of panel manufacturers and the shift to larger displays. While shipment of materials for smartphones and tablet terminals were steady mainly with electronic components related materials, 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, overall business continued to be affected by price competition.

## Nine Months (Apr.-Dec.)

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.

# Details of the Sales of IT-related Products Segment

【Sales ratio by sub-segment】

Unit: Billion yen

	FY Mar/14 3Q (Oct.-Dec.)		FY Mar/15 3Q (Oct.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	22.1	35%	21.3	34%	-4%
Electronic Components, Semiconductor, Electric Circuit Materials	26.8	43%	27.7	44%	+3%
Data Storage Materials	7.8	12%	8.6	14%	+11%
Equipment, others	5.9	9%	4.8	8%	-19%
<b>Total of IT-related Products Segment</b>	<b>62.6</b>		<b>62.3</b>		<b>-0%</b>

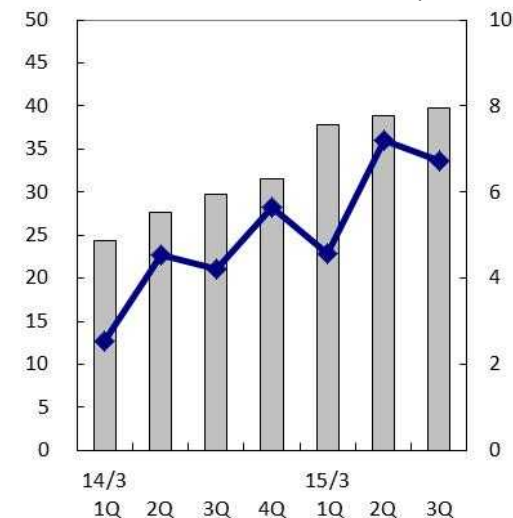
	FY Mar/14 Nine Months (Apr.-Dec.)		FY Mar/15 Nine Months (Apr.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	66.3	36%	63.4	34%	-4%
Electronic Components, Semiconductor, Electric Circuit Materials	80.6	44%	80.9	44%	+0%
Data Storage Materials	23.1	13%	24.5	13%	+6%
Equipment, others	14.5	8%	15.4	8%	+6%
<b>Total of IT-related Products Segment</b>	<b>184.5</b>		<b>184.1</b>		<b>-0%</b>

# Business Results by Segment (Carbon Fiber Composite Materials)

Unit: Billion yen

Net Sales  
<Bar chart>

Operating Income  
<Line chart>  
(Billion yen)



		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/14	FY Mar/15	Changes		FY Mar/14	FY Mar/15	Changes	
Net Sales	Toray	20.1	23.0	+3.0	(+14.8%)	63.2	69.6	+6.4	(+10.2%)
	Japanese Subsidiaries	14.1	17.2	+3.1	(+21.9%)	39.9	46.8	+6.9	(+17.4%)
	Overseas Subsidiaries	25.5	34.8	+9.3	(+36.7%)	67.4	101.8	+34.4	(+51.1%)
	Adjustment	▲ 29.9	▲ 35.3	-5.4		▲ 88.5	▲ 101.8	-13.3	
	<b>Total</b>	<b>29.8</b>	<b>39.8</b>	<b>+10.0</b>	<b>(+33.6%)</b>	<b>81.9</b>	<b>116.4</b>	<b>+34.6</b>	<b>(+42.2%)</b>
Operating Income	Toray	2.7	3.6	+0.9	(+32.2%)	6.9	11.6	+4.8	(+69.2%)
	Japanese Subsidiaries	0.2	0.2	+0.0	(+24.2%)	0.6	0.6	-0.0	(-3.3%)
	Overseas Subsidiaries	1.8	4.0	+2.3	(+126.0%)	4.9	9.1	+4.2	(+85.4%)
	Adjustment	▲ 0.5	▲ 1.1	-0.7		▲ 1.1	▲ 2.8	-1.7	
	<b>Total</b>	<b>4.2</b>	<b>6.7</b>	<b>+2.5</b>	<b>(+59.6%)</b>	<b>11.3</b>	<b>18.5</b>	<b>+7.2</b>	<b>(+63.8%)</b>

As the segment highly conducts global operation, internal sales figures are shown in the adjustment line to describe the true state of the business.

3Q  
(Oct.-Dec.)

Shipment of carbon fibers and intermediate products (prepreg) expanded for aerospace applications and environment and energy fields including compressed natural gas tank applications, and also for automotive applications primarily in Europe. The composite business was steady with materials for note book PCs. 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.

Nine Months  
(Apr.-Dec.)

Demand for aircraft as well as that in the environment and energy fields including compressed natural gas tank applications expanded and automotive-related demand was also strong primarily 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.

# Details of the Sales of Carbon Fiber Composite Materials Segment

【Sales ratio by sub-segment】

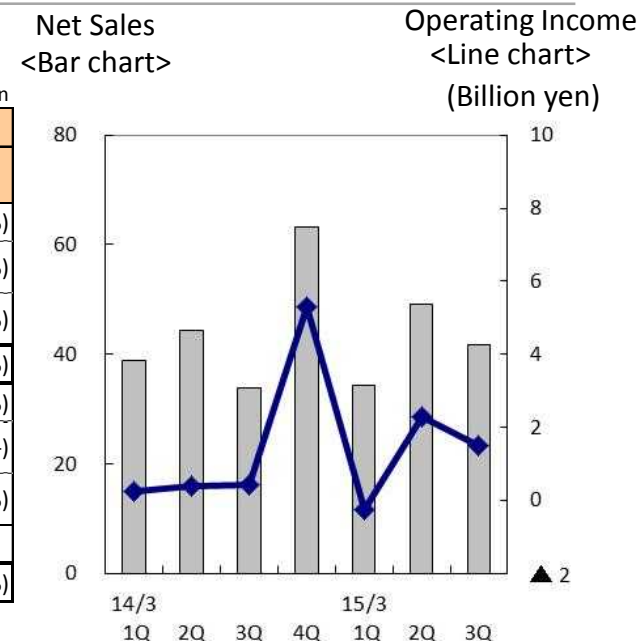
Unit: Billion yen

	FY Mar/14 3Q (Oct.-Dec.)		FY Mar/15 3Q (Oct.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	14.9	50%	19.6	49%	+32%
Sports	4.0	13%	4.1	10%	+2%
Industrial	10.9	37%	16.1	40%	+48%
Total of Carbon Fiber Composite Materials	29.8		39.8		+34%

	FY Mar/14 Nine Months (Apr.-Dec.)		FY Mar/15 Nine Months (Apr.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	40.1	49%	57.1	49%	+43%
Sports	10.6	13%	11.9	10%	+12%
Industrial	31.2	38%	47.4	41%	+52%
Total of Carbon Fiber Composite Materials	81.9		116.4		+42%

# Business Results by Segment (Environment & Engineering)

Unit: Billion yen



		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/14	FY Mar/15	Changes		FY Mar/14	FY Mar/15	Changes	
Net Sales	Toray	3.2	2.8	-0.4	(-11.3%)	7.9	8.8	+1.0	(+12.2%)
	Japanese Subsidiaries	28.9	33.8	+4.9	(+16.9%)	104.2	101.9	-2.3	(-2.2%)
	Overseas Subsidiaries	1.8	5.0	+3.2	(+181.7%)	4.9	14.4	+9.5	(+193.4%)
	<b>Total</b>	<b>33.9</b>	<b>41.7</b>	<b>+7.8</b>	<b>(+22.9%)</b>	<b>117.0</b>	<b>125.1</b>	<b>+8.1</b>	<b>(+6.9%)</b>
Operating Income	Toray	0.2	0.1	-0.1	(-32.5%)	0.4	0.3	-0.0	(-11.2%)
	Japanese Subsidiaries	0.2	1.1	+0.9	(+548.8%)	0.0	2.4	+2.4	(-)
	Overseas Subsidiaries	0.1	0.5	+0.4	(+540.5%)	0.2	1.2	+1.0	(+407.2%)
	Adjustment	0.1	▲0.1	-0.2		0.5	▲0.4	-0.8	
	<b>Total</b>	<b>0.5</b>	<b>1.5</b>	<b>+1.1</b>	<b>(+234.8%)</b>	<b>1.1</b>	<b>3.6</b>	<b>+2.5</b>	<b>(+227.1%)</b>

## 3Q (Oct.-Dec.)

**Water Treatment Business** : Sales of reverse osmosis membranes was steady. Toray Chemical Korea Inc., which became a consolidated subsidiary at the end of the previous fiscal year, contributed to the business performance.

**Japan** : Business performance was steady at an engineering subsidiary and a construction subsidiary.

## Nine Months (Apr.-Dec.)

Amid continued weakness of demand in the global market, the shipment of 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, net sales at a trading subsidiary declined due to the change in the form of transaction of some portion of the business, while an engineering subsidiary and a construction subsidiary performed strongly.

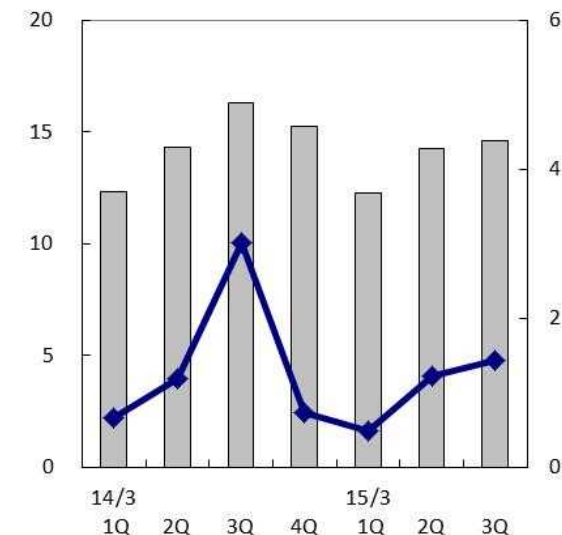


# Business Results by Segment (Life Science)

Unit: Billion yen

Net Sales  
<Bar chart>

Operating Income  
<Line chart>  
(Billion yen)



		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/14	FY Mar/15	Changes		FY Mar/14	FY Mar/15	Changes	
Net Sales	Toray	5.9	4.2	-1.7	(-28.7%)	12.8	10.8	-2.0	(-15.9%)
	Japanese Subsidiaries	9.1	9.1	-0.1	(-0.8%)	27.2	26.7	-0.5	(-1.9%)
	Overseas Subsidiaries	1.3	1.3	+0.0	(+3.2%)	3.0	3.7	+0.7	(+24.4%)
	<b>Total</b>	<b>16.3</b>	<b>14.6</b>	<b>-1.7</b>	<b>(-10.5%)</b>	<b>42.9</b>	<b>41.1</b>	<b>-1.8</b>	<b>(-4.2%)</b>
Operating Income	Toray	2.9	1.6	-1.3	(-44.8%)	4.2	3.6	-0.6	(-14.5%)
	Japanese Subsidiaries	0.1	0.1	-0.0	(-8.3%)	0.7	0.1	-0.6	(-80.1%)
	Overseas Subsidiaries	0.0	▲ 0.2	-0.2	(-)	▲ 0.0	▲ 0.3	-0.3	(-)
	Adjustment	▲ 0.0	▲ 0.1	-0.1		0.0	▲ 0.3	-0.3	
	<b>Total</b>	<b>3.0</b>	<b>1.4</b>	<b>-1.6</b>	<b>(-52.5%)</b>	<b>4.9</b>	<b>3.1</b>	<b>-1.7</b>	<b>(-35.7%)</b>

3Q  
(Oct.-Dec.)

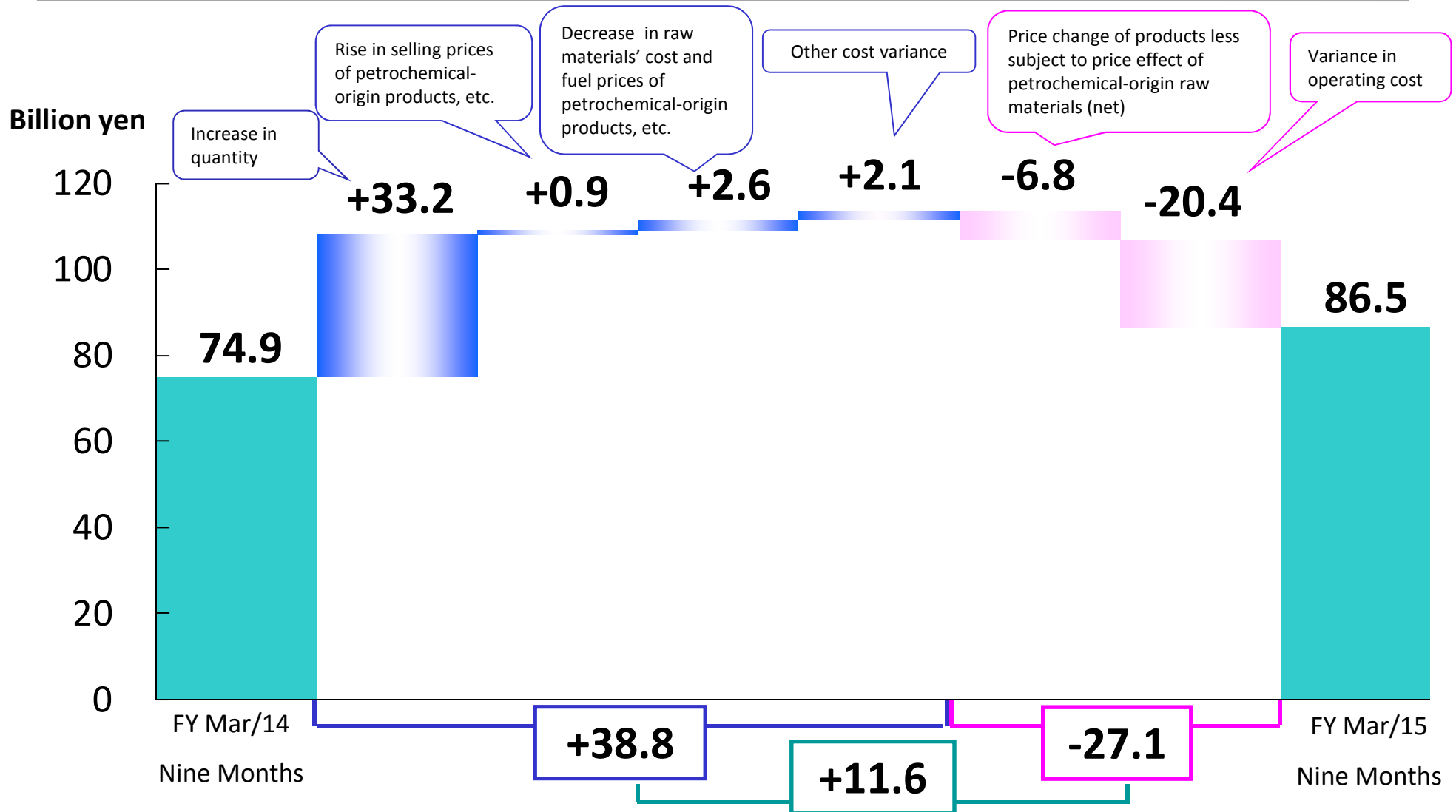
In the pharmaceutical business, shipment of REMITCH<sup>®\*</sup>, an oral anti-pruritus drug for hemodialysis patients, expanded robustly, but other pharmaceutical products were affected by the intensified price competition and the NHI drug price revision. Meanwhile, license revenue also decreased. In the medical devices business, shipment of dialyzers grew strongly.

Nine Months  
(Apr.-Dec.)

Shipment of REMITCH<sup>®\*</sup>, an oral anti-pruritus drug for hemodialysis patients, expanded robustly, but shipment of natural-type interferon beta preparation FERON<sup>®</sup> was weak due to the impact of intensified competition and orally active prostacyclin derivative DORNER<sup>®</sup> was affected by the NHI drug price revision and increasing sales of its generic versions. License revenue also decreased compared with the same period a year ago. In the medical devices business, shipment of dialyzers grew strongly.

※ REMITCH<sup>®</sup> is a registered trademark of Torii Pharmaceutical Co., Ltd.

# Income Variance Factor Analysis (Nine Months)



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

# Results of Major Subsidiaries (Nine Months)

Billion yen

	Net Sales			Operating Income		
	FY Mar/14 Nine Months (Apr.-Dec.)	FY Mar/15 Nine Months (Apr.-Dec.)	Changes	FY Mar/14 Nine Months (Apr.-Dec.)	FY Mar/15 Nine Months (Apr.-Dec.)	Changes
Toray International Inc.	428.0	<b>444.0</b>	+16.0	9.3	<b>8.8</b>	-0.5
Toray Engineering Co., Ltd.	48.5	<b>56.2</b>	+7.7	▲ 0.9	<b>1.1</b>	+2.1
Toray Construction Co., Ltd.	29.9	<b>36.3</b>	+6.3	0.0	<b>1.2</b>	+1.2
Toray Advanced Film Co., Ltd.	32.4	<b>35.5</b>	+3.2	0.8	<b>1.8</b>	+1.0
Toray Medical Co., Ltd.	30.0	<b>28.8</b>	-1.2	0.7	<b>0.1</b>	-0.6
TAK (Republic of Korea)	85.8	<b>90.3</b>	+4.5	9.6	<b>8.0</b>	-1.5
TPM (Malaysia)	52.2	<b>53.4</b>	+1.2	2.0	<b>2.0</b>	-0.0

Subsidiaries in Southeast Asia *1	Fibers & Textiles	87.7	<b>93.0</b>	+5.3	3.7	<b>4.3</b>	+0.6
	Plastics & Chemicals	60.8	<b>63.4</b>	+2.6	2.7	<b>2.6</b>	-0.1
	Others	6.1	<b>6.1</b>	-0.0	0.3	<b>0.4</b>	+0.0
	Total	154.7	<b>162.6</b>	+7.9	6.7	<b>7.2</b>	+0.5
Subsidiaries in China *2	Fibers & Textiles	141.5	<b>156.3</b>	+14.8	13.3	<b>12.9</b>	-0.4
	Plastics & Chemicals	50.1	<b>63.5</b>	+13.4	1.2	<b>1.9</b>	+0.7
	Others	13.3	<b>14.3</b>	+0.9	0.1	▲ <b>0.1</b>	-0.2
	Total	204.9	<b>234.1</b>	+29.2	14.6	<b>14.6</b>	+0.0
Films Subsidiaries (Overseas) *3	Plastics & Chemicals	73.1	<b>76.3</b>	+3.2	3.9	<b>4.3</b>	+0.4
	IT-related Products	47.8	<b>50.6</b>	+2.9	6.8	<b>6.7</b>	-0.0
	Total	120.9	<b>126.9</b>	+6.0	10.6	<b>11.0</b>	+0.4

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

\*2 : TFNL, TSD, TJQ, TPN, TCH, TICH, TIHK, 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 2015 (Consolidated Basis)**

# Forecast Summary

Billion yen

		FY Mar/14 Actual	FY Mar/15 Forecast	Changes		Previous Forecast	Difference from Previous Forecast
Net Sales	1st Half	853.8	948.0	+94.2	(+11.0%)	948.0	—
	2nd Half	984.0	1,102.0	+118.0	(+12.0%)	1,152.0	-50.0
	<b>Total</b>	<b>1,837.8</b>	<b>2,050.0</b>	<b>+212.2</b>	<b>(+11.5%)</b>	<b>2,100.0</b>	<b>-50.0</b>
Operating Income	1st Half	44.3	51.3	+7.0	(+15.9%)	51.3	—
	2nd Half	61.0	78.7	+17.7	(+29.1%)	78.7	—
	<b>Total</b>	<b>105.3</b>	<b>130.0</b>	<b>+24.7</b>	<b>(+23.5%)</b>	<b>130.0</b>	—
Ordinary Income	1st Half	46.5	56.5	+10.0	(+21.4%)	56.5	—
	2nd Half	64.1	76.5	+12.4	(+19.3%)	76.5	—
	<b>Total</b>	<b>110.6</b>	<b>133.0</b>	<b>+22.4</b>	<b>(+20.2%)</b>	<b>133.0</b>	—
Net Income	1st Half	29.4	41.3	+11.9	(+40.5%)	41.3	—
	2nd Half	30.2	38.7	+8.5	(+28.1%)	41.7	-3.0
	<b>Total</b>	<b>59.6</b>	<b>80.0</b>	<b>+20.4</b>	<b>(+34.2%)</b>	<b>83.0</b>	<b>-3.0</b>

Net Income per Share	1st Half	18.03 yen	25.70 yen
	2nd Half	18.56 yen	24.23 yen
	<b>Total</b>	<b>36.59 yen</b>	<b>49.94 yen</b>
Dividend per Share	1st Half	5.00 yen	5.00 yen
	2nd Half	5.00 yen	6.00 yen
	<b>Total</b>	<b>10.00 yen</b>	<b>11.00 yen</b>

Remarks :  
Estimated exchange rate : 115 yen / US\$ (from January)

# Forecast by Segment

		FY Mar/14 Actual			FY Mar/15 Forecast			Changes			Difference from Previous Forecast  Total
		1st Half	2nd Half	Total	1st Half	2nd Half	Total	1st Half	2nd Half	Total	
Net Sales	Fibers & Textiles	335.1	420.4	755.5	386.2	473.9	860.0	+51.1	+53.4	+104.5	-10.0
	Plastics & Chemicals	228.0	242.5	470.5	246.2	253.8	500.0	+18.2	+11.3	+29.5	-10.0
	IT-related Products	122.0	123.8	245.7	121.8	128.2	250.0	-0.1	+4.4	+4.3	-20.0
	Carbon Fiber Composite Materials	52.1	61.3	113.3	76.6	88.4	165.0	+24.5	+27.1	+51.7	—
	Environment & Engineering	83.1	97.1	180.2	83.4	116.6	200.0	+0.3	+19.5	+19.8	-10.0
	Life Science	26.6	31.6	58.2	26.5	33.5	60.0	-0.1	+1.9	+1.8	—
	Others	6.9	7.4	14.3	7.2	7.8	15.0	+0.3	+0.4	+0.7	—
	Consolidated	853.8	984.0	1,837.8	948.0	1,102.0	2,050.0	+94.2	+118.0	+212.2	-50.0
Operating Income	Fibers & Textiles	24.2	28.7	52.9	22.8	34.2	57.0	-1.4	+5.5	+4.1	+2.0
	Plastics & Chemicals	9.0	9.0	18.0	11.7	13.3	25.0	+2.7	+4.3	+7.0	—
	IT-related Products	10.8	13.8	24.6	10.3	13.7	24.0	-0.5	-0.1	-0.6	-3.0
	Carbon Fiber Composite Materials	7.1	9.8	16.9	11.8	16.2	28.0	+4.7	+6.4	+11.1	+2.0
	Environment & Engineering	0.6	5.8	6.4	2.1	7.4	9.5	+1.4	+1.7	+3.1	—
	Life Science	1.9	3.7	5.6	1.7	3.8	5.5	-0.2	+0.1	-0.1	-1.0
	Others	0.7	1.3	2.0	0.7	1.3	2.0	+0.0	-0.0	+0.0	—
	Adjustment	▲ 10.0	▲ 11.2	▲ 21.2	▲ 9.8	▲ 11.3	▲ 21.0	+0.3	-0.1	+0.2	—
Consolidated	44.3	61.0	105.3	51.3	78.7	130.0	+7.0	+17.7	+24.7	—	

Billion yen

# Operating Income Comparison with Previous Forecast by Segment

Segment	Full-year Operating Income Previous Forecast → New Forecast ( ) difference	Variance Factors
Fibers & Textiles	55.0 → 57.0 (+2.0)	▪ Expect stronger business performance than the previous forecast reflecting decrease in prices of raw materials.
Plastics & Chemicals	25.0 → 25.0 (±0.0)	▪ Expect to be in line with the previous forecast.
IT-related Products	27.0 → 24.0 (-3.0)	▪ Expect weaker sales of related materials for smartphones and tablet terminals compared with the previous forecast.
Carbon Fiber Composite Materials	26.0 → 28.0 (+2.0)	▪ Expect further weakening yen and expand sales of high value-added products compared with the previous forecast.
Environment & Engineering	9.5 → 9.5 (±0.0)	▪ Expect to be in line with the previous forecast.
Life Science	6.5 → 5.5 (-1.0)	▪ Expect weaker performance in the medical devices business.
Others	2.0 → 2.0 (±0.0)	▪ Expect to be in line with the previous forecast.
Adjustment	▲21.0 → ▲21.0 (±0.0)	
Consolidated	130.0 → 130.0 (±0.0)	

Billion  
yen

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**Descriptions of predicted business results, projections, and business plans for the Fiscal Year Ending March 2015 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.**