

Announcement of Business Results For the 3Q and Nine Months Ended December 31, 2016

**Toray Industries, Inc.
February 9, 2017**

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I. Business Results for the 3Q and Nine Months Ended December 31, 2016

Summary of Consolidated Business Results for the 3Q and Nine Months Ended Dec. 31, 2016

Billion yen

	FY Mar/16 3Q (Oct.-Dec.)	FY Mar/17 3Q (Oct.-Dec.)	Changes		FY Mar/16 Nine Months (Apr.-Dec.)	FY Mar/17 Nine Months (Apr.-Dec.)	Changes	
Net Sales	551.7	535.2	- 16.5	(-3.0%)	1,580.3	1,492.2	- 88.1	(-5.6%)
Cost of Sales	438.1	427.6	- 10.5	(-2.4%)	1,249.3	1,171.3	- 77.9	(-6.2%)
Gross Profit	113.6	107.6	- 6.1	(-5.3%)	331.0	320.8	- 10.2	(-3.1%)
(Gross Profit to Net Sales)	20.6%	20.1%	- 0.5	points	20.9%	21.5%	+0.6	points
Operating Income	43.0	37.9	- 5.1	(-11.8%)	118.1	114.2	- 3.9	(-3.3%)
(Operating Income to Net Sales)	7.8%	7.1%	- 0.7	points	7.5%	7.7%	+0.2	points
Non-operating Income and Expenses, net	▲ 0.7	1.5	+2.2		▲ 0.4	1.3	+1.7	
Ordinary Income	42.3	39.4	- 2.8	(-6.7%)	117.7	115.5	- 2.3	(-1.9%)
Special Credits and Charges, net	0.0	▲ 2.6	- 2.6		▲ 2.8	▲ 3.9	- 1.1	
Income before Income Taxes	42.3	36.8	- 5.5	(-13.0%)	114.9	111.6	- 3.3	(-2.9%)
Net Income Attributable to Owners of Parent	26.7	23.5	- 3.3	(-12.2%)	76.2	76.9	+0.7	(+0.9%)

		(FY Mar/16 3Q) → (FY Mar/17 3Q)		(FY Mar/16 9-months) → (FY Mar/17 9-months)	
Exchange Rate <Yen/US\$>	Average	: 121.5	→ 109.3	121.7	→ 106.6
	End of the term	: 120.6	→ 116.5		
<Yen/Euro>	Average	: 132.9	→ 117.8	134.4	→ 118.0
	End of the term	: 131.8	→ 122.7		

Non-operating Income and Expenses

Billion yen

	FY Mar/16 3Q (Oct.-Dec)	FY Mar/17 3Q (Oct.-Dec.)	Changes	FY Mar/16 Nine Months (Apr.-Dec.)	FY Mar/17 Nine Months (Apr.-Dec.)	Changes
Non-operating Income	3.0	6.2	+3.2	12.3	15.7	+3.4
Interest and Dividend Income	1.6	1.5	-0.0	4.4	4.1	-0.3
Equity in Earnings of Affiliates	1.0	2.5	+1.5	4.3	6.8	+2.4
Others	0.5	2.2	+1.7	3.6	4.9	+1.3
Non-operating Expenses	▲ 3.8	▲ 4.7	-1.0	▲ 12.7	▲ 14.4	-1.8
Interest Expenses	▲ 1.3	▲ 1.3	+0.1	▲ 4.3	▲ 3.6	+0.7
Costs related to Idle Facilities	▲ 1.1	▲ 1.0	+0.1	▲ 3.1	▲ 3.1	-0.1
Others	▲ 1.3	▲ 2.4	-1.1	▲ 5.3	▲ 7.7	-2.4
Non-operating Income and Expenses, net	▲ 0.7	1.5	+2.2	▲ 0.4	1.3	+1.7
Interest and Dividend Income, Interest Expenses, net	0.2	0.3	+0.0	0.1	0.5	+0.5

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

Special Credits and Charges

Billion yen

	FY Mar/16 3Q (Oct.-Dec)	FY Mar/17 3Q (Oct.-Dec.)	Changes	FY Mar/16 Nine Months (Apr.-Dec.)	FY Mar/17 Nine Months (Apr.-Dec.)	Changes
Special Credits	2.7	0.3	-2.4	3.6	1.5	-2.1
Gain on Sales of Property, Plant and Equipment	0.1	0.1	+0.0	0.4	1.0	+0.6
Gain on Sales of Investment Securities	2.3	0.2	-2.1	2.8	0.5	-2.3
Others	0.3	-	-0.3	0.4	0.0	-0.4
Special Charges	▲ 2.7	▲ 2.9	-0.2	▲ 6.4	▲ 5.4	+1.0
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 2.5	▲ 2.1	+0.4	▲ 4.4	▲ 4.1	+0.3
Loss on Write-down of Investment Securities	-	▲ 0.5	-0.5	▲ 1.8	▲ 0.5	+1.2
Others	▲ 0.2	▲ 0.3	-0.1	▲ 0.2	▲ 0.7	-0.5
Special Credits and Charges, net	0.0	▲ 2.6	-2.6	▲ 2.8	▲ 3.9	-1.1

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

Assets, Liabilities, Net Assets

Billion yen

	End of Mar/16	End of Dec/16	Changes
Total Assets	2,278.4	2,413.3	+135.0
Current Assets	1,009.6	1,111.9	+102.3
Tangible Assets	830.6	858.0	+27.4
Intangible Assets	87.2	80.0	-7.2
Investment and Other Assets	351.1	363.4	+12.4

	End of Mar/16	End of Dec/16	Changes
Total Liabilities	1,253.5	1,330.9	+77.4
Current Liabilities	571.3	697.4	+126.0
Other Liabilities	682.1	633.5	-48.6
Total Net Assets	1,024.9	1,082.5	+57.6

Owner's Equity	945.6	1,000.4	+54.8
Equity Ratio	41.5%	41.5%	-0.0 point

Interest-bearing Debts	704.3	766.6	+62.4
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D/E Ratio	0.74	0.77	+0.02
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Capital Expenditures, Depreciation, R&D Expenses

Billion yen

	FY Mar/16 Nine Months (Apr.-Dec.)	FY Mar/17 Nine Months (Apr.-Dec.)	Changes	Comments
Capital Expenditures	87.5	96.9	+9.4	Toray : 18.9, Consolidated subsidiaries : 78.0
Depreciation —)	65.5	61.6	-3.9	Toray : 20.4, Consolidated subsidiaries : 41.1
Transfer, Disposal, etc.	▲ 33.6	▲ 7.9	+25.6	
Changes in Tangible Assets	▲ 11.5	▲ 27.4	+39.0	
R&D Expenses	43.3	42.7	-0.6	

Major Capital Expenditure Projects:

Toray Carbon Fibers America, Inc.: Carbon fiber TORAYCA[®] prepreg integrated production facilities

Toray Battery Separator Film Korea Limited: Polyethylene film SETELA[®] production facilities

Toray Advanced Materials Korea Inc.: PPS resin TORELINA[®] production facilities

Net Sales and Operating Income by Segment

Billion yen

	Net Sales				Operating Income			
	FY Mar/16 3Q (Oct.-Dec)	FY Mar/17 3Q (Oct.-Dec.)	Changes		FY Mar/16 3Q (Oct.-Dec)	FY Mar/17 3Q (Oct.-Dec.)	Changes	
Fibers & Textiles	257.7	245.8	-11.9	(-4.6%)	21.2	19.5	-1.6	(-7.8%)
Plastics & Chemicals	128.2	125.1	-3.1	(-2.4%)	8.8	9.3	+0.5	(+6.1%)
IT-related Products	62.6	62.6	+0.1	(+0.1%)	7.4	8.3	+0.9	(+11.6%)
Carbon Fiber Composite Materials	45.7	37.8	-7.9	(-17.3%)	7.9	4.6	-3.3	(-42.3%)
Environment & Engineering	39.6	47.5	+7.9	(+19.9%)	1.8	1.8	-0.0	(-0.4%)
Life Science	14.5	12.9	-1.6	(-10.9%)	1.2	▲ 0.3	-1.4	(-)
Others	3.4	3.4	+0.0	(+0.4%)	0.5	0.5	-0.0	(-5.4%)
Total	551.7	535.2	-16.5	(-3.0%)	48.7	43.7	-5.1	(-10.4%)
Adjustment					▲ 5.7	▲ 5.7	+0.0	
Consolidated	551.7	535.2	-16.5	(-3.0%)	43.0	37.9	-5.1	(-11.8%)

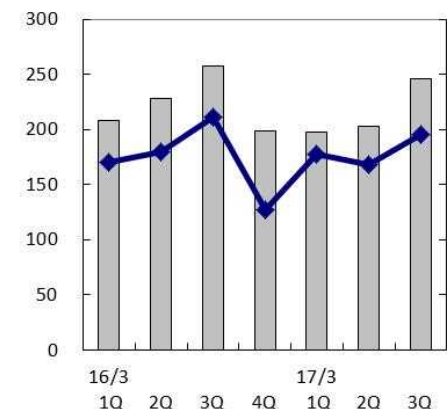
	Net Sales				Operating Income			
	FY Mar/16 Nine Months (Apr.-Dec.)	FY Mar/17 Nine Months (Apr.-Dec.)	Changes		FY Mar/16 Nine Months (Apr.-Dec.)	FY Mar/17 Nine Months (Apr.-Dec.)	Changes	
Fibers & Textiles	693.6	646.0	-47.6	(-6.9%)	56.2	54.1	-2.1	(-3.7%)
Plastics & Chemicals	385.4	361.8	-23.6	(-6.1%)	24.4	25.2	+0.8	(+3.3%)
IT-related Products	187.6	191.2	+3.7	(+2.0%)	19.4	24.2	+4.8	(+24.7%)
Carbon Fiber Composite Materials	140.1	118.4	-21.7	(-15.5%)	26.5	20.6	-5.9	(-22.2%)
Environment & Engineering	122.2	126.0	+3.8	(+3.1%)	3.4	5.0	+1.6	(+48.5%)
Life Science	40.9	38.1	-2.7	(-6.7%)	1.8	0.5	-1.3	(-73.4%)
Others	10.6	10.6	-0.0	(-0.1%)	1.0	0.7	-0.2	(-24.8%)
Total	1,580.3	1,492.2	-88.1	(-5.6%)	132.7	130.5	-2.3	(-1.7%)
Adjustment					▲ 14.6	▲ 16.3	-1.6	
Consolidated	1,580.3	1,492.2	-88.1	(-5.6%)	118.1	114.2	-3.9	(-3.3%)

Business Results by Segment (Fibers & Textiles)

Unit: Billion yen

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/16	FY Mar/17	Changes		FY Mar/16	FY Mar/17	Changes	
Net Sales	Toray	47.3	46.1	-1.2	(-2.6%)	145.3	135.9	-9.4	(-6.5%)
	JapaneseSubsidiaries	145.5	141.3	-4.2	(-2.9%)	353.6	337.5	-16.1	(-4.5%)
	OverseasSubsidiaries	143.5	131.8	-11.7	(-8.1%)	425.7	378.4	-47.3	(-11.1%)
	Adjustment	▲ 78.6	▲ 73.4	+5.2		▲ 231.0	▲ 205.8	+25.2	
	Total	257.7	245.8	-11.9	(-4.6%)	693.6	646.0	-47.6	(-6.9%)
Operating Income	Toray	4.8	4.7	-0.1	(-1.8%)	14.3	15.3	+1.0	(+7.1%)
	JapaneseSubsidiaries	4.3	4.2	-0.1	(-2.2%)	9.7	9.3	-0.4	(-3.9%)
	OverseasSubsidiaries	11.2	10.2	-0.9	(-8.2%)	34.7	31.0	-3.6	(-10.5%)
	Adjustment	0.9	0.3	-0.6		▲ 2.4	▲ 1.5	+0.9	
	Total	21.2	19.5	-1.6	(-7.8%)	56.2	54.1	-2.1	(-3.7%)

Net Sales
<Bar chart>



Operating Income
<Line chart>

(Billion yen)

3Q (Oct.-Dec.)

In Japan, demand for apparel and industrial applications remained weak. Against this background, Toray Group not only strived to expand sales on the whole but also worked to improve profitability by upgrading the business primarily through promotion of a business format that integrates fibers to textiles to final products as well as by improving cost. Overseas, products for apparel applications were affected by a slowdown in final demand in Europe and China and was also impacted by intensified competition. On the other hand, materials for automotive applications and hygiene products were strong in general.

Nine Months (Apr.-Dec.)

In Japan, demand for apparel and industrial applications remained weak. Against this background, Toray Group not only strived to expand sales on the whole but also worked to improve profitability by upgrading the business primarily through promotion of a business format that integrates fibers to textiles to final products as well as by improving cost. Overseas, shipment, mainly of products for apparel applications, was weak, affected by a slowdown in demand in Europe and China. On the other hand, materials for automotive applications and hygiene products were strong in general.

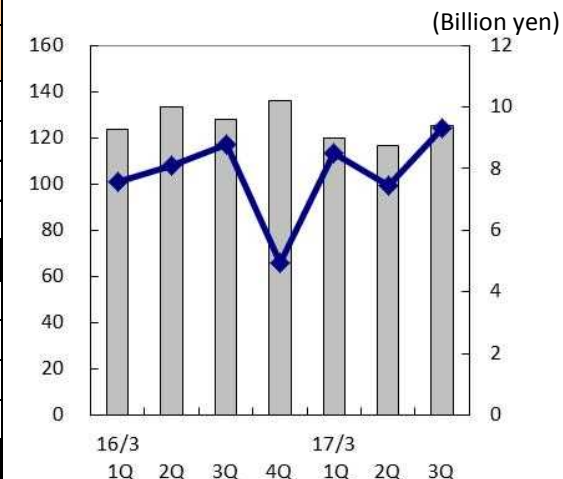
Business Results by Segment (Plastics & Chemicals)

Unit: Billion yen

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/16	FY Mar/17	Changes		FY Mar/16	FY Mar/17	Changes	
Net Sales	Toray	29.7	30.3	+0.6	(+1.9%)	92.5	88.2	-4.2	(-4.6%)
	JapaneseSubsidiaries	95.7	92.9	-2.7	(-2.8%)	284.4	271.6	-12.8	(-4.5%)
	OverseasSubsidiaries	84.5	86.7	+2.3	(+2.7%)	271.4	245.3	-26.2	(-9.6%)
	Adjustment	▲ 81.7	▲ 84.9	-3.2		▲ 262.9	▲ 243.3	+19.6	
	Total	128.2	125.1	-3.1	(-2.4%)	385.4	361.8	-23.6	(-6.1%)
Operating Income	Toray	1.4	1.8	+0.4	(+30.1%)	4.0	4.0	+0.0	(+0.4%)
	JapaneseSubsidiaries	1.9	2.5	+0.6	(+30.0%)	5.6	6.5	+0.9	(+16.2%)
	OverseasSubsidiaries	5.5	5.0	-0.5	(-9.5%)	15.0	14.8	-0.2	(-1.6%)
	Adjustment	▲ 0.1	▲ 0.0	+0.1		▲ 0.2	▲ 0.1	+0.1	
	Total	8.8	9.3	+0.5	(+6.1%)	24.4	25.2	+0.8	(+3.3%)

Net Sales
<Bar chart>

Operating Income
<Line chart>



3Q (Oct.-Dec.)

In the resins business, shipment for automotive applications was strong in general, both in Japan and overseas. Besides automotive applications, Toray Group also promoted sales expansion of ABS resins. In the films business, the products for packaging applications performed strongly in Japan. Toray Group, despite many of the business's products being affected by price competition in Japan and abroad, strived to improve profitability of the business by focusing on sales expansion of high value-added products as well as on cost reduction.

Nine Months (Apr.-Dec.)

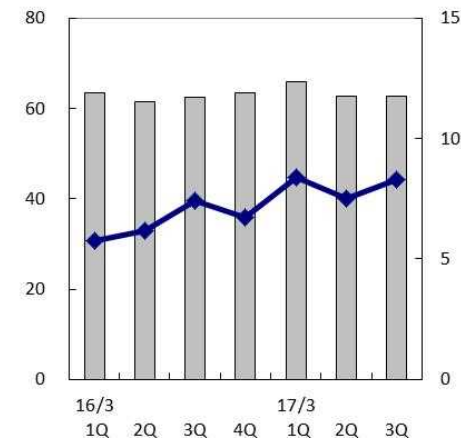
In the resins business, shipment for automotive applications was strong in general, both in Japan and overseas. Besides automotive applications, Toray Group also promoted sales expansion of ABS resins. In the films business, while overseas demand especially for the U.S. and Europe was sluggish, the products for packaging applications performed strongly in Japan. Selling price of some chemical products declined, given the yen's appreciation and market downturn. Toray Group, despite many of the business's products being affected by price competition in Japan and abroad, strived to improve profitability of the business by focusing on sales expansion of high value-added products as well as on cost reduction.

Business Results by Segment (IT-related Products)

Unit: Billion yen
Net Sales
<Bar chart>

Operating Income
<Line chart>
(Billion yen)

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/16	FY Mar/17	Changes		FY Mar/16	FY Mar/17	Changes	
Net Sales	Toray	22.1	23.3	+1.2	(+5.2%)	64.9	67.7	+2.8	(+4.4%)
	JapaneseSubsidiaries	28.0	26.7	-1.3	(-4.8%)	76.4	85.1	+8.7	(+11.4%)
	OverseasSubsidiaries	23.2	23.6	+0.4	(+1.8%)	77.6	70.0	-7.5	(-9.7%)
	Adjustment	▲ 10.7	▲ 10.9	-0.2		▲ 31.3	▲ 31.6	-0.4	
	Total	62.6	62.6	+0.1	(+0.1%)	187.6	191.2	+3.7	(+2.0%)
Operating Income	Toray	2.4	3.4	+1.0	(+40.3%)	4.9	8.5	+3.6	(+74.8%)
	JapaneseSubsidiaries	3.8	2.7	-1.2	(-30.3%)	7.6	8.5	+1.0	(+12.6%)
	OverseasSubsidiaries	2.0	3.1	+1.1	(+53.2%)	9.2	9.4	+0.2	(+1.8%)
	Adjustment	▲ 0.8	▲ 0.8	-0.0		▲ 2.3	▲ 2.2	+0.0	
	Total	7.4	8.3	+0.9	(+11.6%)	19.4	24.2	+4.8	(+24.7%)



3Q (Oct.-Dec.)

Among materials for flat panel displays, smartphone- and tablet terminal-related materials performed strongly with shipment for organic EL applications growing.
Shipment of battery separator films for lithium-ion batteries expanded reflecting demand growth.
Meanwhile, sales performance of LCD color filter manufacturing equipment, etc. was weak at a Japanese subsidiary due to slowdown in demand.

Nine Months (Apr.-Dec.)

Among materials for flat panel displays, smartphone- and tablet terminal-related materials performed strongly with shipment for organic EL applications growing.
Shipment of battery separator films for lithium-ion batteries expanded reflecting demand growth.
While many of the business's applications were affected by price competition, Toray Group strived to improve profitability of the business by focusing on sales expansion of high value-added products as well as on cost reduction.

Details of the Sales of IT-related Products Segment

【Sales ratio by sub-segment】

Billion yen

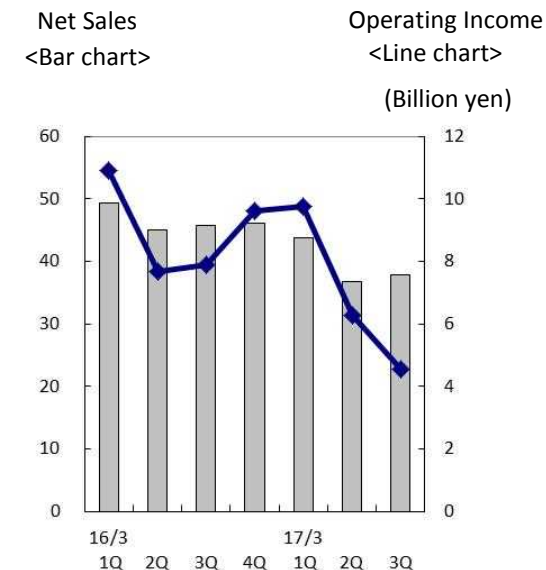
	FY Mar/16 3Q (Oct.-Dec.)		FY Mar/17 3Q (Oct.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	18.3	29%	18.5	29%	+1%
Electronic Components, Semiconductor, Electric Circuit Materials	27.5	44%	30.6	49%	+11%
Data Storage Materials	7.4	12%	7.3	12%	-2%
Equipment, others	9.4	15%	6.3	10%	-33%
Total of IT-related Products Segment	62.6		62.6		+0%

	FY Mar/16 Nine Months (Apr.-Dec.)		FY Mar/17 Nine Months (Apr.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	54.1	29%	53.6	28%	-1%
Electronic Components, Semiconductor, Electric Circuit Materials	91.2	49%	91.0	48%	-0%
Data Storage Materials	23.0	12%	20.8	11%	-10%
Equipment, others	19.2	10%	25.7	13%	+34%
Total of IT-related Products Segment	187.6		191.2		+2%

Business Results by Segment (Carbon Fiber Composite Materials)

Unit: Billion yen

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/16	FY Mar/17	Changes		FY Mar/16	FY Mar/17	Changes	
Net Sales	Toray	26.4	21.5	-4.9	(-18.5%)	79.6	74.1	-5.5	(-6.9%)
	JapaneseSubsidiaries	21.8	13.8	-8.0	(-36.9%)	61.7	48.7	-12.9	(-21.0%)
	OverseasSubsidiaries	37.7	33.2	-4.5	(-11.9%)	121.9	102.1	-19.8	(-16.2%)
	Adjustment	▲ 40.2	▲ 30.7	+9.5		▲ 123.1	▲ 106.6	+16.5	
	Total	45.7	37.8	-7.9	(-17.3%)	140.1	118.4	-21.7	(-15.5%)
Operating Income	Toray	4.8	2.1	-2.7	(-55.7%)	15.7	9.6	-6.0	(-38.5%)
	JapaneseSubsidiaries	0.3	0.3	-0.0	(-12.8%)	0.8	0.9	+0.1	(+10.1%)
	OverseasSubsidiaries	3.7	3.3	-0.4	(-11.5%)	13.0	12.5	-0.5	(-3.9%)
	Adjustment	▲ 0.9	▲ 1.1	-0.2		▲ 3.0	▲ 2.4	+0.6	
	Total	7.9	4.6	-3.3	(-42.3%)	26.5	20.6	-5.9	(-22.2%)



3Q (Oct.-Dec.)

In the Carbon Fiber Composite Materials segment, while the final demand for aircraft was strong, demand for carbon fiber intermediate products (prepreg) remained on a weak note, reflecting the inventory adjustment in the supply chain. Demand of products for compressed natural gas tank applications was slow due to the impact of the decline in crude oil price.

Nine Months (Apr.-Dec.)

In the Carbon Fiber Composite Materials segment, while the final demand for aircraft was strong, demand for carbon fiber intermediate products (prepreg) remained on a weak note, reflecting the inventory adjustment in the supply chain. Demand of products for compressed natural gas tank applications was slow due to the impact of the decline in crude oil price. Meanwhile, shipment for wind turbine blade application expanded on the back of growing demand.

Details of the Sales of Carbon Fiber Composite Materials Segment

【Sales ratio by sub-segment】

Billion yen

	FY Mar/16 3Q (Oct.-Dec.)		FY Mar/17 3Q (Oct.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	23.2	51%	17.3	46%	-25%
Sports	3.9	9%	3.5	9%	-12%
Industrial	18.7	41%	17.1	45%	-9%
Total of Carbon Fiber Composite Materials	45.7		37.8		-17%

	FY Mar/16 Nine Months (Apr.-Dec.)		FY Mar/17 Nine Months (Apr.-Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	71.2	51%	54.6	46%	-23%
Sports	12.3	9%	10.2	9%	-17%
Industrial	56.6	40%	53.6	45%	-5%
Total of Carbon Fiber Composite Materials	140.1		118.4		-15%

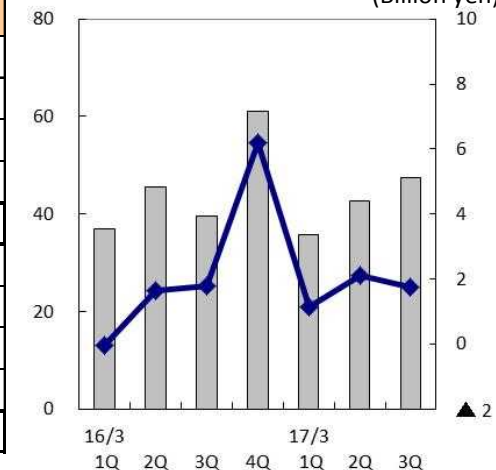
Business Results by Segment (Environment & Engineering)

Unit: Billion yen

Net Sales
<Bar chart>

Operating Income
<Line chart>

(Billion yen)



		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/16	FY Mar/17	Changes		FY Mar/16	FY Mar/17	Changes	
Net Sales	Toray	4.8	4.5	-0.3	(-6.8%)	15.0	14.7	-0.3	(-2.1%)
	JapaneseSubsidiaries	54.1	62.5	+8.5	(+15.6%)	145.2	159.3	+14.0	(+9.7%)
	OverseasSubsidiaries	7.3	6.8	-0.5	(-6.6%)	21.0	19.7	-1.3	(-6.2%)
	Adjustment	▲ 26.6	▲ 26.4	+0.2		▲ 59.0	▲ 67.6	-8.6	
	Total	39.6	47.5	+7.9	(+19.9%)	122.2	126.0	+3.8	(+3.1%)
Operating Income	Toray	0.1	▲ 0.1	-0.2	(-)	0.7	▲ 0.1	-0.8	(-)
	JapaneseSubsidiaries	0.9	1.1	+0.3	(+30.1%)	0.4	3.2	+2.9	(+743.5%)
	OverseasSubsidiaries	1.0	0.5	-0.5	(-51.7%)	2.7	2.1	-0.7	(-24.8%)
	Adjustment	▲ 0.1	0.2	+0.4		▲ 0.5	▲ 0.2	+0.3	
	Total	1.8	1.8	-0.0	(-0.4%)	3.4	5.0	+1.6	(+48.5%)

3Q
(Oct.-Dec.)

In the water treatment business, although Toray Group continued to work on sales expansion of reverse osmosis membranes and other products, exports from Japan were affected by the further appreciation of the yen.
In terms of domestic subsidiaries in the segment, industrial machinery and plant construction at an engineering subsidiary performed strongly.

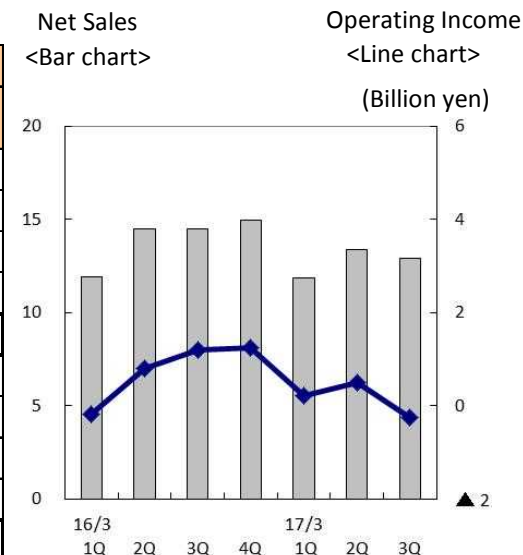
Nine Months
(Apr.-Dec.)

In the water treatment business, although Toray Group continued to work on sales expansion of reverse osmosis membranes and other products, exports from Japan were affected by the further appreciation of the yen.
In terms of domestic subsidiaries in the segment, industrial machinery and plant construction at an engineering subsidiary performed strongly.

Business Results by Segment (Life Science)

Unit: Billion yen

		3Q (Oct.-Dec.)				Nine Months (Apr.-Dec.)			
		FY Mar/16	FY Mar/17	Changes		FY Mar/16	FY Mar/17	Changes	
Net Sales	Toray	8.6	6.5	-2.1	(-24.2%)	25.0	21.5	-3.6	(-14.2%)
	JapaneseSubsidiaries	10.2	10.2	+0.0	(+0.1%)	29.7	30.2	+0.5	(+1.6%)
	OverseasSubsidiaries	2.9	3.0	+0.2	(+5.2%)	9.1	9.1	+0.0	(+0.5%)
	Adjustment	▲ 7.2	▲ 6.9	+0.4		▲ 23.0	▲ 22.7	+0.3	
	Total	14.5	12.9	-1.6	(-10.9%)	40.9	38.1	-2.7	(-6.7%)
Operating Income	Toray	1.6	▲ 0.4	-2.0	(-)	2.2	0.2	-2.0	(-91.9%)
	JapaneseSubsidiaries	0.1	0.2	+0.1	(+195.2%)	0.4	▲ 0.1	-0.5	(-)
	OverseasSubsidiaries	▲ 0.1	▲ 0.1	-0.0	(-)	▲ 0.1	▲ 0.0	+0.1	(-)
	Adjustment	▲ 0.4	0.0	+0.5		▲ 0.7	0.4	+1.1	
	Total	1.2	▲ 0.3	-1.4	(-)	1.8	0.5	-1.3	(-73.4%)



3Q (Oct.-Dec.)

In the pharmaceutical business, the pruritus treatment REMITCH[®]* performed strongly. However, it was affected by the National Health Insurance drug price revision in April 2016. Shipment of natural-type interferon beta preparation FERON[®] and orally active prostacyclin derivative DORNER[®] remained sluggish due to the impact of alternative medicines and their generic versions.

In the medical devices business, shipment of dialyzers grew strongly in Japan and overseas.

Nine Months (Apr.-Dec.)

In the pharmaceutical business, sales volume of pruritus treatment REMITCH[®]* increased, as the product received approval for the additional indication in 2015. However, it was affected by the National Health Insurance drug price revision in April 2016. In addition, shipment of natural-type interferon beta preparation FERON[®] and orally active prostacyclin derivative DORNER[®] remained sluggish due to the impact of alternative medicines and their generic versions.

In the medical devices business, shipment of dialyzers grew strongly in Japan and overseas.

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

Income Variance Factor Analysis (Nine Months)

Billion yen

180

160

140

120

100

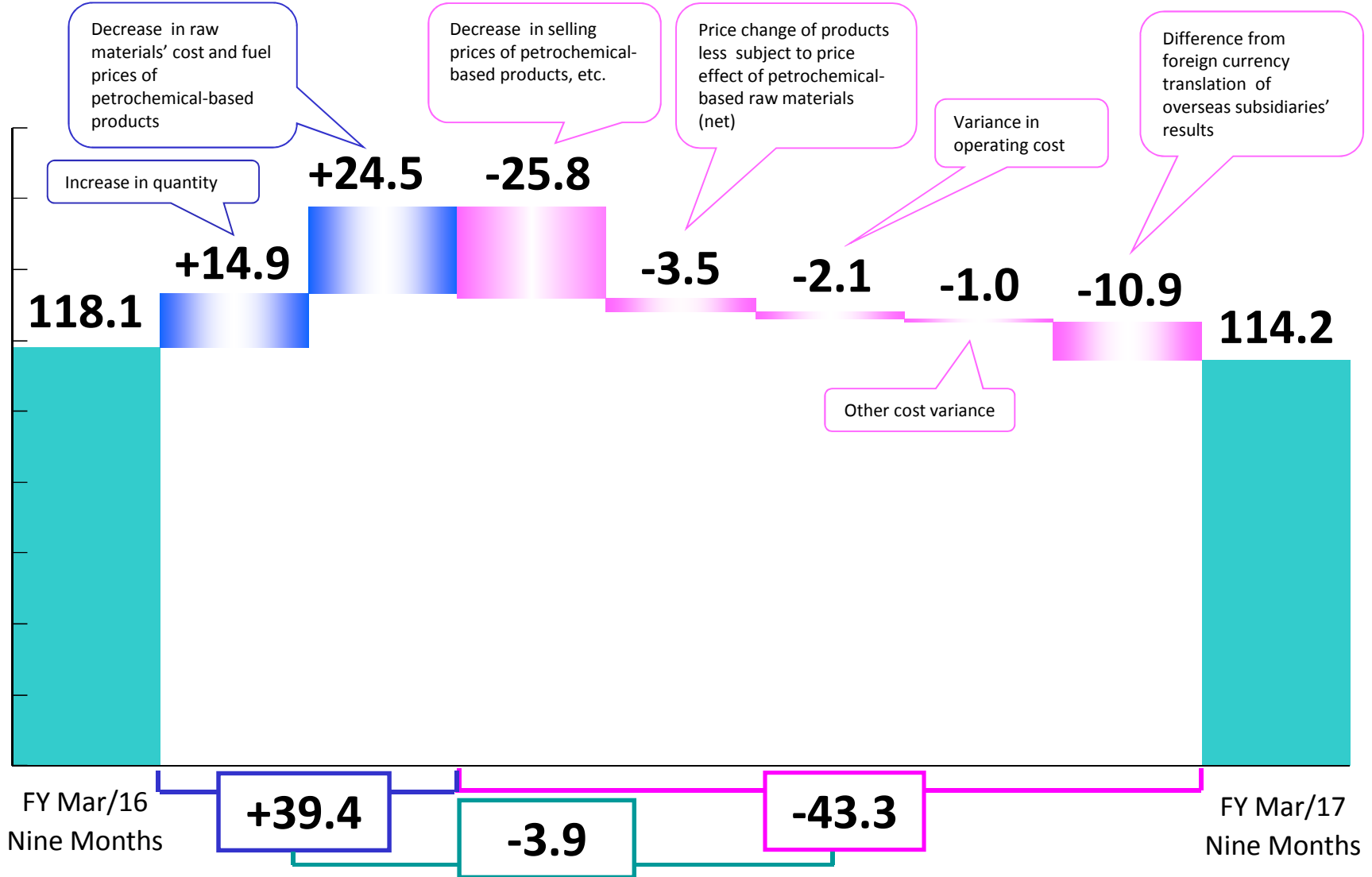
80

60

40

20

0



"Petrochemical-based 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/16 Nine Months (Apr.-Dec.)	FY Mar/17 Nine Months (Apr.-Dec.)	Changes	FY Mar/16 Nine Months (Apr.-Dec.)	FY Mar/17 Nine Months (Apr.-Dec.)	Changes
Toray International, Inc.		459.9	432.9	-27.0	9.9	8.4	-1.5
Toray Engineering Co., Ltd.		56.5	74.9	+18.4	1.7	4.2	+2.5
Toray Construction Co., Ltd.		30.1	30.1	+0.0	0.0	0.6	+0.5
Toray Advanced Film Co., Ltd.		31.9	31.3	-0.6	1.1	1.6	+0.5
Toray Medical Co., Ltd.		29.7	30.2	+0.5	0.4	▲0.1	-0.5
TAK (Republic of Korea)		87.7	80.4	-7.3	9.0	9.1	+0.1
TPM (Malaysia)		51.1	43.7	-7.4	4.7	3.6	-1.1
Subsidiaries in Southeast Asia *1	Fibers & Textiles	95.3	85.7	-9.6	6.4	5.7	-0.8
	Plastics & Chemicals	62.0	54.1	-7.9	5.7	5.1	-0.6
	Others	6.5	5.9	-0.6	0.8	0.7	-0.1
	Total	163.8	145.7	-18.1	12.9	11.5	-1.4
Subsidiaries in China *2	Fibers & Textiles	221.0	187.9	-33.2	18.9	17.2	-1.7
	Plastics & Chemicals	61.0	57.5	-3.5	2.8	2.9	+0.0
	Others	19.6	24.7	+5.1	0.4	1.5	+1.1
	Total	301.7	270.1	-31.6	22.2	21.6	-0.6
Films Subsidiaries (Overseas) *3	Plastics & Chemicals	79.8	69.8	-10.0	5.4	5.9	+0.5
	IT-related Products	45.7	42.6	-3.1	5.6	5.2	-0.4
	Total	125.5	112.5	-13.1	11.0	11.1	+0.1

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

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

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



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

Forecast Summary for the Fiscal Year Ending March 2017

		FY Mar/16 Actual	FY Mar/17 Forecast	Changes	
Net Sales	1st Half	1,028.6	957.0	-71.6	(-7.0%)
	2nd Half	1,075.9	1,103.0	+27.1	(+2.5%)
	Total	2,104.4	2,060.0	-44.4	(-2.1%)
Operating Income	1st Half	75.1	76.3	+1.1	(+1.5%)
	2nd Half	79.4	78.7	-0.6	(-0.8%)
	Total	154.5	155.0	+0.5	(+0.3%)
Ordinary Income	1st Half	75.5	76.1	+0.6	(+0.8%)
	2nd Half	74.7	78.9	+4.2	(+5.7%)
	Total	150.2	155.0	+4.8	(+3.2%)
Net Income Attributable to Owners of Parent	1st Half	49.4	53.4	+4.0	(+8.0%)
	2nd Half	40.7	41.6	+0.9	(+2.2%)
	Total	90.1	95.0	+4.9	(+5.4%)
Net Income per Share	1st Half	30.93 yen	33.40 yen		
	2nd Half	25.45 yen	26.01 yen		
	Total	56.38 yen	59.41 yen		
Dividend per Share	1st Half	6.00 yen	7.00 yen		
	2nd Half	7.00 yen	7.00 yen		
	Total	13.00 yen	14.00 yen		

Billion yen

Assumed exchange rate : 105 yen / US\$ (from January)

Forecast by Segment (Net Sales / Operating Income)

Billion yen

		FY Mar/16 Actual			FY Mar/17 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	435.8	456.2	892.0	400.2	464.8	865.0	-35.7	+8.6	-27.0	+10.0
	Plastics & Chemicals	257.2	264.0	521.2	236.7	263.3	500.0	-20.5	-0.8	-21.2	—
	IT-related Products	125.0	126.1	251.1	128.6	131.4	260.0	+3.6	+5.3	+8.9	—
	Carbon Fiber Composite Materials	94.3	91.9	186.2	80.6	84.4	165.0	-13.8	-7.4	-21.2	-5.0
	Environment & Engineering	82.6	100.7	183.3	78.6	121.4	200.0	-4.1	+20.8	+16.7	—
	Life Science	26.4	29.5	55.8	25.2	29.8	55.0	-1.2	+0.3	-0.8	-5.0
	Others	7.2	7.5	14.7	7.2	7.8	15.0	-0.0	+0.3	+0.3	—
	Consolidated	1,028.6	1,075.9	2,104.4	957.0	1,103.0	2,060.0	-71.6	+27.1	-44.4	—
Operating Income	Fibers & Textiles	35.0	33.9	68.9	34.6	33.4	68.0	-0.4	-0.5	-0.9	—
	Plastics & Chemicals	15.7	13.7	29.4	15.9	17.1	33.0	+0.3	+3.3	+3.6	+1.0
	IT-related Products	12.0	14.2	26.2	15.9	17.1	33.0	+3.9	+2.9	+6.9	+1.0
	Carbon Fiber Composite Materials	18.6	17.5	36.1	16.0	12.0	28.0	-2.5	-5.6	-8.1	-1.0
	Environment & Engineering	1.6	8.0	9.6	3.3	7.7	11.0	+1.7	-0.2	+1.4	—
	Life Science	0.6	2.4	3.1	0.7	1.3	2.0	+0.1	-1.2	-1.1	-1.0
	Others	0.5	1.4	2.0	0.3	1.7	2.0	-0.2	+0.3	+0.0	—
	Adjustment	▲ 8.9	▲ 11.8	▲ 20.7	▲ 10.5	▲ 11.5	▲ 22.0	-1.6	+0.3	-1.3	—
Consolidated	75.1	79.4	154.5	76.3	78.7	155.0	+1.1	-0.6	+0.5	—	

*Difference from Previous Forecast : the difference from the forecast announced on November 8, 2016.

Comparison of Operating Income (Previous vs. New) Forecast by Segment

Billion yen

Segment	Full-year Operating Income Previous Forecast → New Forecast () difference	Variance Factors
Fibers & Textiles	68.0 → 68.0 (± 0.0)	<ul style="list-style-type: none"> • Mostly in line with the previous forecast.
Plastics & Chemicals	32.0 → 33.0 (+ 1.0)	<ul style="list-style-type: none"> • Although under the severe operating conditions, Toray Group will expand the high value-added products and pursue cost reduction.
IT-related Products	32.0 → 33.0 (+ 1.0)	<ul style="list-style-type: none"> • Although under the severe operating conditions, Toray Group will expand the high value-added products and pursue cost reduction.
Carbon Fiber Composite Materials	29.0 → 28.0 (- 1.0)	<ul style="list-style-type: none"> • Expect continued inventory adjustment in the supply chain for aircraft applications.
Environment & Engineering	11.0 → 11.0 (± 0.0)	<ul style="list-style-type: none"> • Mostly in line with the previous forecast.
Life Science	3.0 → 2.0 (- 1.0)	<ul style="list-style-type: none"> • Expect delay in sales expansion of pharmaceuticals.
Others	2.0 → 2.0 (± 0.0)	
Adjustment	▲22.0 → ▲22.0 (± 0.0)	
Consolidated	155.0 → 155.0 (± 0.0)	

Descriptions of predicted business results, projections, and business plans for the Fiscal Year Ending March 2017 contained in this material are based on predictive forecasts of the future business environment made at the present time.

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