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A woman with her back to the camera, wearing a vibrant red sari with gold floral patterns, is looking at a world map. The map is superimposed on a blue, vertically-pleated curtain background. The map highlights several countries in yellow, including Thailand, India, China, and the United States. The woman's right hand is raised, touching the curtain near the map.

**With strategic presence
and advanced technology,
growing with communities**

Toray Group's global production began to expand in 1963 with the commencement of fiber and textile production in Thailand. In a half-century, our overseas activities have evolved into a network spanning 23 countries and regions. Today, our overseas production ratios are 59% for fibers and textiles and 77% for films. In total, overseas business activities account for 45% of Toray Group net sales.

22,948 overseas employees

Toray Group has 40,227 employees, of whom 22,948, or 57%, work overseas. Skilled people recruited in various countries and regions make an important contribution to Toray's business activities.

50 years of global involvement and evolution

Toray Group has expanded overseas in three phases. In 1956, we invested in a Hong Kong trading company, and in 1963 commenced fiber and textile production in Thailand. Our main goal was to capture demand for fibers and textiles in developing countries, and to establish bases for exporting to Europe and North America. The next phase, in the 1980s set up additional businesses overseas, especially in Europe and North America, through acquisitions and other methods. We shifted to local production of products including carbon fibers in France and film products in the United States and France.

Then, in the 1990s, we began a significant expansion into China. We established integrated production facilities in Nantong for the polymerization, spinning, weaving and dyeing of polyester fibers. In the Republic of Korea, we acquired the fiber and film operations of the Saehan Group and added electronic materials and other products to their line-up. Gradually, we moved into production of water treatment membranes and medical equipment in China and will move into carbon fibers in the Republic of Korea. We are also considering production operations in India and Brazil. Toray Group's global expansion has now entered a new phase, in which powerful economic growth in Asian countries and emerging economies is a major component of the Group's expansion.

Broad management resources bring key advantages

We have the ability to supply products of high quality made to Toray standards from any plant, all over the world. This network also brings flexibility to cope with currency fluctuations, supply-demand trends and effects from natural disasters. Products are manufactured in the most competitive locations and moved between locations to ensure that no sales opportunity is missed. By minimizing the impact of economic flux, Toray Group maximizes the unique advantages it has gained through global business expansion.

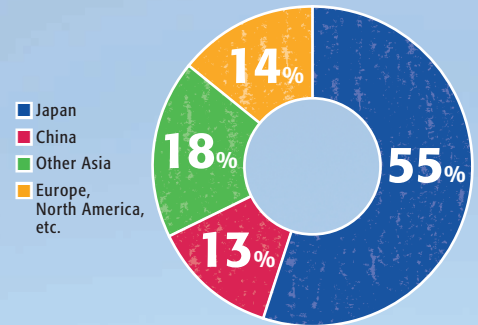
As a manufacturer in the raw materials industry, Toray Group accumulates its expertise and technology in its plants. For this reason, our basic policy on global expansion is that once established, a plant should operate over the medium- to long-term, working together with its local community to achieve mutual growth and success. Over 50 years, Toray Group has built a network of plants, facilities and human talent around the world, together with invisible resources in the form of management know-how specific to each region. These assets give us important advantages in future business expansion. Broad expertise backed by experience is also the key to rapid production start up at overseas locations with different legal systems and cultural environments.

Our current focus is the expansion of business activities in Asia and emerging economies. The efficient use of management resources will drive this process and enable rapid progress.

Expanding global production in every business segment

Toray Group is globalizing production at optimal sites for each product. Today, we are active in 23 countries and regions. We have established manufacturing sites for staple fibers, filament yarns, and spun yarn, woven fabrics, dyed products and garments, especially in China and ASEAN countries. We also manufacture fibers and textiles for airbags in Thailand, the Czech Republic and China. Other examples of growing global activities include the manufacture of suede-texture artificial leather for use in car interiors in Italy and polypropylene spunbond for disposable diapers in the Republic of Korea and China.

In the area of plastics and chemicals, we manufacture plastic resins and films at overseas sites, especially in China, the Republic of Korea, ASEAN countries and other Asian locations. In addition, we have established plants

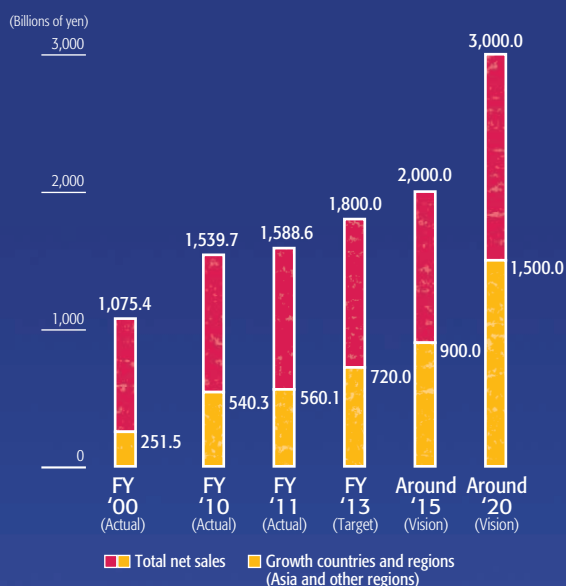


Regional Contributions to Net Sales in Fiscal 2011

In fiscal 2011, overseas sales were ¥712.4 billion, or 45% of total sales. We use all of the Group's resources and capabilities, such as extensive management resources and our overseas infrastructure, to drive the expansion of our overseas business.



Trends in Net Sales in Growth Countries and Regions



for PET film and other products in France and the United States as part of our global supply network.

We anticipate demand growth for carbon fiber, and in addition to our existing plants in Japan, the United States and France, we also plan to commence production at a new facility in the Republic of Korea in January 2013. By creating this production structure based in four countries, we aim to achieve further expansion in this business area.

Toray is also expanding overseas in the environment and engineering segment. In addition to our existing production site for water treatment membranes in the United States, we commenced production at a facility in China in 2011.

Major global expansion initiatives in fiscal 2011

Rapid economic growth in the ASEAN region has been paralleled by dramatic growth in sales of disposable diapers. Determined to capture this demand, in 2011 Toray established P.T. Toray Polytech Jakarta (TPJ) in Indonesia to manufacture high-performance polypropylene non-woven fabric (PP spunbond), for disposable diapers. TPJ aims to start annual production of around 20,000 tons in June 2013, boosting our total PP spunbond supply capacity, with our existing facilities in China and the Republic of Korea, to around 121,000 tons per year.

We are also expanding carbon fiber production in Japan, the United States, France and the Republic of Korea. The annual capacity of Toray Group is currently 17,900 tons. By March 2015, we will expand our total capacity, including facilities now being built in Japan and the Republic of Korea, to 27,100 tons. This will enhance our ability to supply high-quality, high-grade carbon fiber reliably to customers worldwide.

Improvements to healthcare systems and other changes are raising demand for dialysis machines and dialyzers in China. In June 2011, Toray and Qingdao Jifa Group Co., Ltd. established Toray Medical (Qingdao) Co., Ltd. (TMQ), which plans to start manufacturing dialysis machines in the first half of 2012 and dialyzers in the second half of 2014.

Sales from growth markets—rising to 40% by fiscal 2013

Toray Group has switched to a more aggressive management stance under its medium-term management program, Project AP-G 2013. In line with our basic strategy under this program, we are making cross-organizational efforts to develop our business activities in countries and regions with high growth potential through the Asia and Emerging Country Business Expansion (AE) Project. The following four priority measures have been adopted for this project.

- We will develop and supply products and materials for specific needs of Asian markets and emerging countries, building up our marketing to ensure market penetration.
- We will reinforce production infrastructure at existing sites and new sites. We will also enhance regional technical service.
- We will make optimal use of existing management resources, including production and sales facilities. We will also use various methods, including alliances with leading local companies, to expand our business activities over a short timeframe.
- We will dynamically expand business activities, especially in the area of advanced materials, to meet strengthening demand from growing wealthy and middle-class populations.

Toray Group aims to increase sales from growth business fields and regions, including emerging countries in Asia and other regions, from approximately ¥560 billion, or 35% of total net sales, in the fiscal 2011 to ¥720 billion, equivalent to 40% of total net sales, in fiscal 2013.



Built-in Immunity to Exchange Rates

Toray Group worldwide group-level business structure strategically minimizes exposure to the effects of exchange rate fluctuations.

Toray's products anywhere in the world are backed by Toray technology and Toray quality. During Thailand's flooding in October 2011, we continued to supply customers by sourcing products from other Toray Group plants.

Made in **TORAY**

