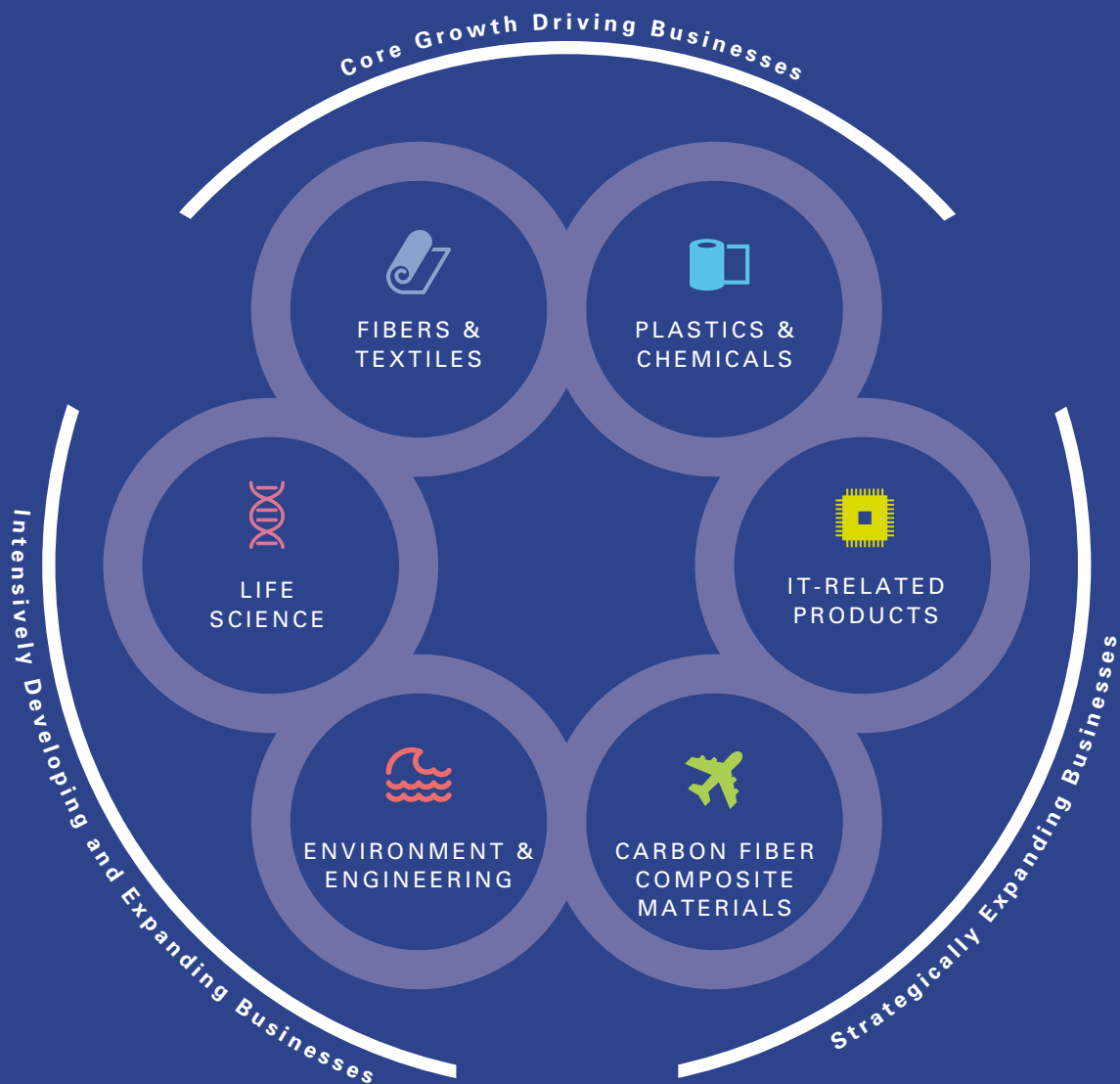


Toray Group Segments



The Toray Group is able to secure stable expansion and profit growth from the Core Growth Driving Businesses of Fibers & Textiles and Plastics & Chemicals, while it actively works to expand earnings through the Strategically Expanding Businesses of IT-related Products and Carbon Fiber Composite Materials that it views as the drivers of its earnings growth over the medium- and long-term. Moreover, the Toray Group is nurturing the Intensively Developing and Expanding Businesses of Environment & Engineering and Life Science as core earnings sources for future businesses to seek sustainable growth.

Toray Group Segments

Business Categories

Segments



Core Growth Driving Businesses

Net Sales Ratio **67.3%**

Operating Income Ratio **55.2%**

FIBERS & TEXTILES

PLASTICS & CHEMICALS



Strategically Expanding Businesses

Net Sales Ratio **20.2%**

Operating Income Ratio **35.2%**

IT-RELATED PRODUCTS

CARBON FIBER COMPOSITE MATERIALS



Intensively Developing and Expanding Businesses

Net Sales Ratio **11.8%**

Operating Income Ratio **8.4%**

ENVIRONMENT & ENGINEERING

LIFE SCIENCE

Notes: 1 Each percentage shows the share of net sales/operating income in the consolidated net sales/consolidated operating income respectively in the segment.
 2 Excludes other businesses, equivalent to ¥14.3 billion (0.7%) in net sales and ¥1.9 billion (1.2%) in operating income, and adjustment of operating income of -¥20.7 billion.

Main Products

Application Examples

Filament yarns, staple fibers, and woven and knitted fabrics of nylon, polyester and acrylic fibers, etc.; non-woven fabrics, ultra-microfiber non-woven fabric with suede texture and apparel products

- Women's and men's clothes (stockings: nylon fiber, dress shirts: polyester-cotton blended fabric, apparel products, coats: ultra-microfiber non-woven fabric with suede texture)
- Automobiles (airbags: nylon fiber, car seats, seatbelts: polyester fiber)
- Furniture & interior (sofas: ultra-microfiber non-woven fabric with suede texture, carpets: BCF nylon, curtains: halogen-free, flame retardant materials)
- Disposable diapers: polypropylene filament yarn non-woven fabric
- Tents: polyester fiber

Nylon, ABS, PBT, PPS and other resins and molded products, polyolefin foam; polyester, polypropylene, PPS and other films and processed film products; raw materials for synthetic fibers and other plastics; zeolite catalysts; fine chemicals for pharmaceuticals and agrochemicals; veterinary medicine (excludes film and resin covered in IT-related Products segment)

- Automobile components (radiator tanks, intake manifold: nylon resin, connectors: PBT resin, capacitor for hybrid cars: polypropylene film)
- Home appliances (housing for washing machines, vacuum cleaners, air conditioners: ABS resin)
- Power tools (circular tools housing: nylon resin)
- Backsheet of solar panels: PET film
- Packs for snack: polypropylene film, PET film
- Veterinary medicine (for dogs and cats)

Films and plastic products for information and telecommunications related products; materials for electronic circuits and semiconductors; color filters for LCDs and related materials; magnetic recording materials; graphic materials and IT equipment

- Flat panel display televisions: PET film and LCD color filter manufacturing equipment
- PCs: PET film, circuit materials, polyimide coatings
- Cellular phones: color filters, LCP resin, circuit materials, PET film
- Printing: waterless printing plates, relief printing on resins, printing equipment
- Backup tapes for server: PET film
- In-vehicle multimedia LANs: optical fiber
- Semiconductors: semiconductor coating materials

Carbon fibers, carbon fiber composite materials and their molded products

- Aircraft structure: carbon fiber composite materials
- Sports gear and goods (golf shafts, tennis rackets: carbon fiber composite materials)
- Bike frames: carbon fiber composite materials
- PC chassis: carbon fiber molded products
- Wind-power generator blades: carbon fibers
- Marine vessels: carbon fibers
- Industrial equipment materials: carbon fiber, carbon fiber composite materials
- Bridge pier reinforcement: carbon fiber woven fabrics

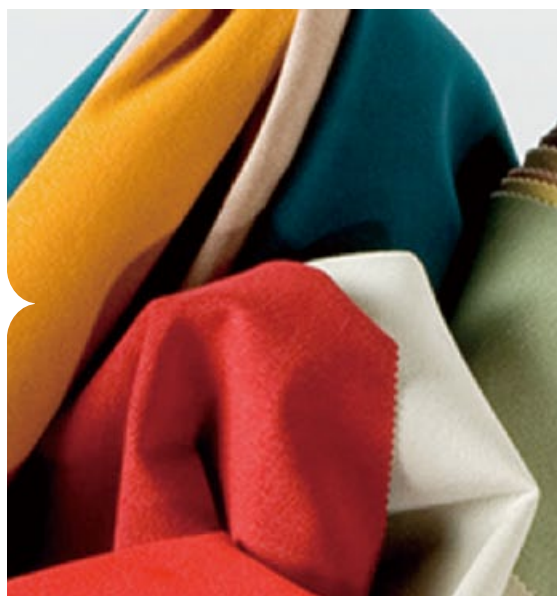
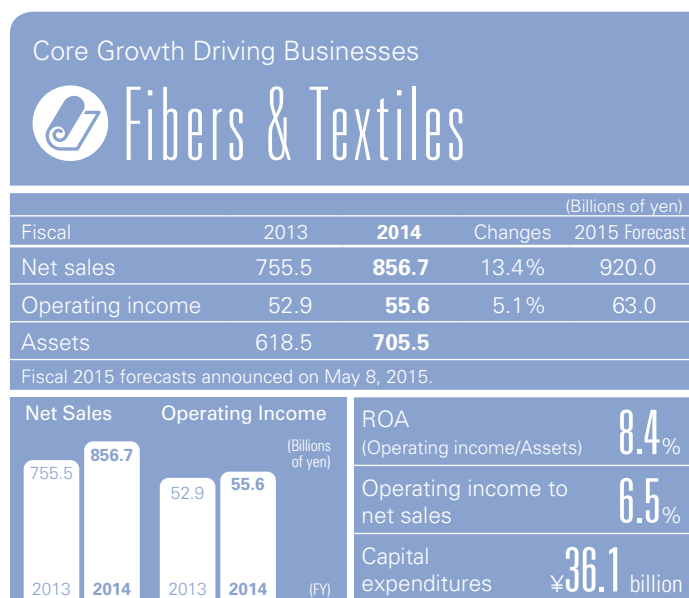
Comprehensive engineering; condominiums; industrial equipment and machinery; environment-related equipment; water treatment membranes and related equipment; materials for housing, building and civil engineering

- Seawater desalination facilities: water treatment membranes and equipment
- Sewage and waste-water treatment facilities: water treatment membranes and equipment
- Condominiums
- Housing: wall siding for houses, interior materials for buildings
- Plants and manufacturing facilities: comprehensive engineering services

Pharmaceuticals and medical products; analysis, physical evaluation and research services

- Pharmaceuticals (natural interferon-beta preparation, oral prostacyclin-derivative, oral anti-pruritus drugs)
- Medical treatment devices (hemodialyzers, blood purifiers for severe sepsis, dialysis equipment)

Toray Group Segments



Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Fiscal 2014)

Fibers & Textiles segment net sales increased 13.4% year on year to ¥856.7 billion. Operating income rose 5.1% to ¥55.6 billion.

In Japan, 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 integrated fibers, textiles, to final products, businesses. 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.

Outlook for the Year Ending March 2016 (Fiscal 2015)

We anticipate a gradual economic recovery in Japan even as the sluggish demand caused by the consumption tax hike and conditions that do not yet allow an optimistic outlook. Overseas, we expect demand to remain sluggish in Europe and underlying weakness in domestic demand in China. At the same time, solid economic conditions are anticipated in the United States.

In this business environment, the segment will continue strengthening and expanding the integrated fibers, textiles, to final products, businesses, which is a core strength of the Toray Fibers & Textiles segment, while seeking to grow sales of applications for automotive airbags and disposable diapers, the environmental field, and other growth fields, and in China, emerging countries, the United States, and other growth regions. The segment will also strengthen its business structure through cost cuts and other measures and aim to fulfill the earning potential of its core business and expand its global business.

Topics

Decision to establish the airbag base fabric business in India

Toray joined with India functional textile manufacturing and sales company Kusumgar Corporates to establish Toray Kusumgar Advanced Textile Private Limited with the plan to start mass production and distribution of airbag base fabric in October 2016.

Toray is raising its quality competitiveness to a higher level through integrated production from yarn to fabric while also augmenting its global production system, research and development functions, and marketing capabilities. The creation of the airbag base fabric manufacturing and sales company in India is a key step in this direction. We are organically integrating the functions for our airbag business bases to create fully localized operations from product development to production and supply to meet the needs of automobile makers and airbag module makers worldwide.

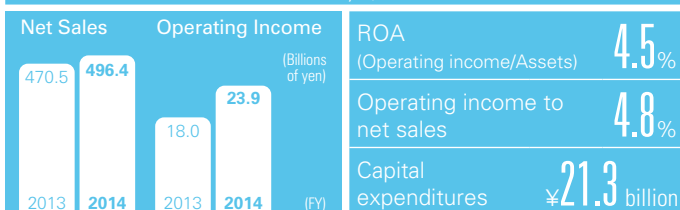
Core Growth Driving Businesses



Plastics & Chemicals

(Billions of yen)				
Fiscal	2013	2014	Changes	2015 Forecast
Net sales	470.5	496.4	5.5%	570.0
Operating income	18.0	23.9	32.6%	30.0
Assets	507.1	562.1		

Fiscal 2015 forecasts announced on May 8, 2015.



Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Fiscal 2014)

Plastics & Chemicals segment net sales increased 5.5% year on year to ¥496.4 billion. Operating income rose 32.6% to ¥23.9 billion.

In the resin business, overall domestic shipment remained strong despite sluggish shipment due to the impact of the consumption tax rate increase in some applications including automobiles. Overseas, shipment at the subsidiaries in the U.S. and China expanded for automotive applications.

In the film business, shipment expanded led by increased demand in China for films for solar cell back sheets and Toray Group pursued a shift towards high value added products for food packaging applications. The business, although partly affected by price competition, remained strong on the whole.

Outlook for the Year Ending March 2016 (Fiscal 2015)

The business outlook for Japan includes various unstable factors, such as the potential for sharp fluctuations in raw material and fuel prices, along with ongoing concerns in other areas including a slow recovery in automobile production and sluggish demand for home appliances and general industrial applications. We expect overseas demand to continue strong centered on North America and emerging countries.

In this business environment, in the resins business, we plan to maximize sales of strong-selling products and expand sales in the United States, China, ASEAN, and emerging countries through local technology centers while quickly incorporating material and fuel costs rises into our product prices to maintain and expand the spread between these costs and sales prices. In the films business, although we expect strong pressure from customers to lower prices, we will continue expanding sales of high value-added products for packaging and industrial applications.

Topics

New resin compounding base in Mexico starts operations

Toray and subsidiary Toray Resin Co. (TREC), of the United States, jointly established a new company, Toray Resin Mexico S.A. de C.V. (TRMX) in Mexico. Automotive industry manufacturers are actively setting up operations in Mexico, which offers a fully developed infrastructure and is becoming an export production base for the United States and other countries. TRMX is the first Japanese engineering plastic manufacturer to establish its own resin compound production base in Mexico. Constructed inside the Mexico plant of large tow carbon fiber manufacturer Zoltek Companies, Inc. which became a wholly owned Toray subsidiary in February 2014, TRMX began operations in February 2015 with annual production capacity of 10,000 tons of nylon and polybutylene terephthalate (PBT) resin compound. The TREC Indiana plant and new Mexico facility combine to give Toray an annual resin compound production capacity of 34,000 tons in the Americas.

The addition of TRMX gives the Toray Group 11 resin compound bases in eight countries—Japan, China (Shenzhen, Suzhou, Tianjin, Chengdu), Thailand, Malaysia, Indonesia, South Korea (scheduled to start operations in fiscal 2015), the United States, and Mexico. The local production capabilities enable us to supply products in a timely manner and services specifically catered to customer needs.

Toray Group Segments

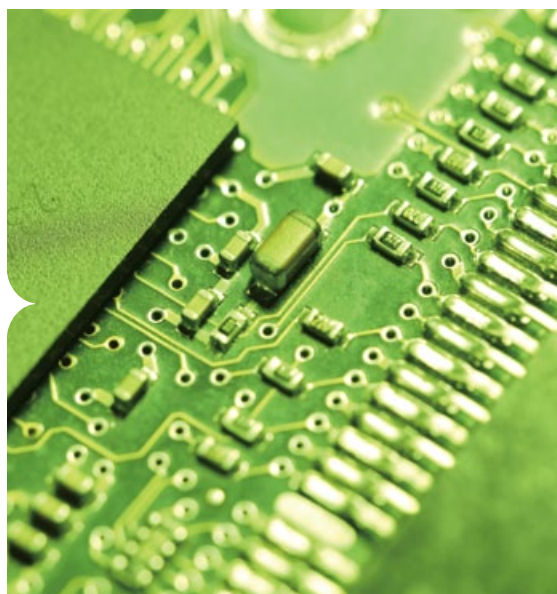
Strategically Expanding Businesses

IT-related Products

(Billions of yen)				
Fiscal	2013	2014	Changes	2015 Forecast
Net sales	245.7	248.0	0.9%	280.0
Operating income	24.6	24.5	-0.4%	29.0
Assets	361.1	360.4		

Fiscal 2015 forecasts announced on May 8, 2015.

Net Sales	245.7	248.0	Operating Income	24.6	24.5	ROA (Operating income/Assets)	6.8%
	2013	2014		2013	2014	Operating income to net sales	9.9%
					(FY)	Capital expenditures	¥17.9 billion



Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Fiscal 2014)

IT-related Products segment net sales increased 0.9% year on year to ¥248.0 billion. Operating income declined 0.4% to ¥24.5 billion.

In the IT-related Products segment, 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.

Sub-segments

(Billions of yen)			
Fiscal	2013	2014	Changes
Display materials	85.5	83.8	-2%
Electronic components, semiconductors, electric circuit materials	106.6	109.7	3%
Data storage materials	30.9	33.7	9%
Equipment, others	22.7	20.7	-9%

Outlook for the Year Ending March 2016 (Fiscal 2015)

We expect demand to grow for 4K-TV and other products but anticipate an overall adjustment phase materializing for large LCD panel demand.

We expect demand for materials used in smartphones and tablet devices to continue at last year's levels. We also expect the downward pressure on prices to continue growing more intense.

In this business environment, we will seek to expand sales and market share for our high value-added films and processed film products for display and electronic component applications by focusing on application segments where demand is strongest. We will also focus on raising sales of other products including organic EL materials, semiconductor materials, printing materials, and battery separator films.

Topics

Battery separator film supply structure fortified in Malaysia

Toray installed new slitting lines at wholly-owned subsidiary Penfibre Sdn. Berhad, a maker of polyester (PET) film in Penang, Malaysia, and in January 2015 commenced commercial production of SETELA™ battery separator film.

SETELA™ provides a high level of safety while effectively responding to demand for higher capacity and higher output battery performance and is gaining widespread usage as a separator for lithium-ion secondary batteries used in computers, portable devices, and electric vehicles. Applications are expected to expand in line with the stricter environmental regulations in all countries and in the energy efficiency vehicle (EEV) market, which includes hybrid, plug-in, and electric vehicles, in ASEAN countries with rapid economic growth.

Malaysia is advancing a national initiative to be a hub of EEV production for Southeast Asia, and adding Malaysia to its SETELA™ production and sales bases in Japan, the United States, France, South Korea, and China enables Toray to also capture the strong demand in the ASEAN region.

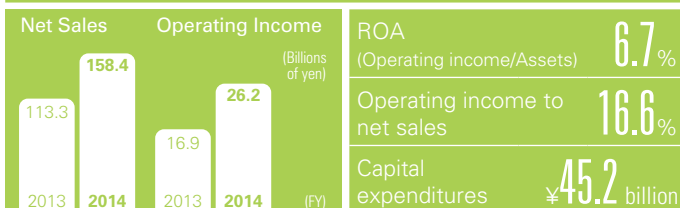
Strategically Expanding Businesses



Carbon Fiber Composite Materials

(Billions of yen)				
Fiscal	2013	2014	Changes	2015 Forecast
Net sales	113.3	158.4	39.7%	190.0
Operating income	16.9	26.2	54.9%	32.0
Assets	341.8	436.8		

Fiscal 2015 forecasts announced on May 8, 2015.



Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Fiscal 2014)

Carbon Fiber Composite Materials segment net sales increased 39.7% year on year to ¥158.4 billion. Operating income increased 54.9% to ¥26.2 billion.

In the Carbon Fiber Composite Materials segment, demand for aircrafts as well as that in the environment and energy fields including compressed natural gas tank applications expanded and automotive-related demand was also strong such as 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.

Sub-segments

(Billions of yen)			
Fiscal	2013	2014	Changes
Aircraft	57.2	78.0	36%
Sporting goods	14.2	16.0	13%
Industrial	41.9	64.4	54%

Outlook for the Year Ending March 2016 (Fiscal 2015)

We anticipate strong growth in worldwide demand for carbon fiber in 2015 supported driven by continuing demand for aircraft and energy-related applications. In the Asian market, we expect ongoing pricing competition for general-purpose industrial and sports applications while the recovery pace for prices slows due to the weak value of the yen.

In this business environment, we plan to maintain steady shipments of carbon fiber for aircraft applications centered on our Boeing 787 account and to expand general industrial application sales in line with the growing demand for environment and energy-related product applications. In carbon fiber products for sports applications, we will shift to high value-added products and revise prices on general-purpose products.

Topics

Agreement to supply TORAYCA® Prepreg for the Boeing 777X

Toray and Boeing Company, of the United States, entered into a fundement agreement for Toray to supply carbon fiber TORAYCA® prepreg for the new Boeing 777X aircraft. The companies are accordingly negotiating the existing comprehensive agreement signed in November 2005 to supply prepreg for the 787 Dreamliner with aim to include 777X and extend its contract period for more than ten years.

Boeing is developing the 777X aircraft as a large-sized twin-engine passenger aircraft as the successor to the existing 777 with a plan to deliver the first plane in 2020. The Company will use TORAYCA® prepreg as the material for the aircraft's main wings. TORAYCA® prepreg is currently used in the main wings and fuselage of the Boeing 787. Boeing is planning to increase monthly production of the 787 from the current 10 aircraft to 12 in 2016 and 14 by the end of 2019. The total value of materials the Toray Group will supply for the 787 and 777X programs is expected to surpass ¥1 trillion.

Toray Composites (America), Inc. is currently expanding its TORAYCA® prepreg production lines with the aim of starting production with the new facilities in January 2016, and plans will soon be finalized for production at the South Carolina business site acquired in February 2014.

Toray Group Segments

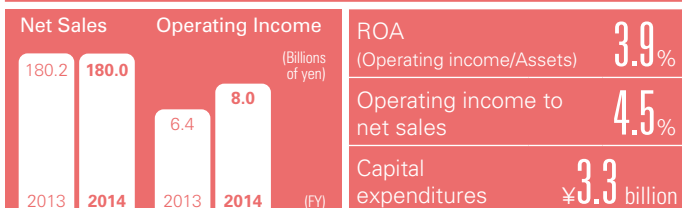
Intensively Developing and Expanding Businesses



Environment & Engineering

(Billions of yen)				
Fiscal	2013	2014	Changes	2015 Forecast
Net sales	180.2	180.0	-0.1%	215.0
Operating income	6.4	8.0	25.4%	10.0
Assets	202.1	204.2		

Fiscal 2015 forecasts announced on May 8, 2015.



Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Fiscal 2014)

Environment & Engineering segment net sales declined 0.1% year on year to ¥180.0 billion. Operating income increased 25.4% to ¥8.0 billion.

In the water treatment business, amid weakness of demand in the global market, the shipment of reverse osmosis membranes, etc. for 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, an engineering subsidiary performed strongly on the back of progress in plant construction.

Outlook for the Year Ending March 2016 (Fiscal 2015)

The outlook for water treatment business conditions includes an ongoing strong market in North America but uncertain conditions elsewhere around the world due to factors including the low oil prices and political instability in the Middle East and the financial issues in Europe. In this business environment, the Company will focus on expanding sales while implementing widespread cost reductions.

In the engineering business, we will aim to increase plant construction projects and raise orders for industrial equipment and equipment related to lithium-ion batteries and semiconductors.



Topics

Contributing to realizing the Kitakyushu Zero-Emission Transportation System

Kitakyushu TEK & FP LLC and HKK & TEK LLC, which are Group companies affiliated with Toray Engineering Co., Ltd., in April 2015 began full operation of the zero-emission transportation system in Wakamatsu Ward, Kitakyushu. The city of Kitakyushu is collaborating with the Toray Group and other private enterprises to realize a completely carbon dioxide and other emission-free transportation system as part of its goal to be "the world's environmental city." The system uses large rechargeable batteries to store electricity produced by solar power and provide power for electric buses used on city bus routes.

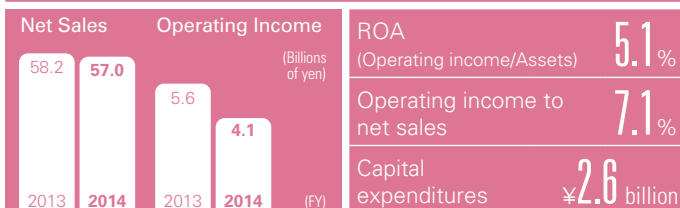
The electric buses started running in March 2014 and the system became a primarily solar-powered and completely zero-emission transportation system in October with the installation of the solar power generation system and large storage batteries to provide a stable power source. The Toray Group was involved in every step of the operation from providing the raw materials and solar panels to designing, constructing, operating, and maintaining the facility.

Intensively Developing and Expanding Businesses



(Billions of yen)				
Fiscal	2013	2014	Changes	2015 Forecast
Net sales	58.2	57.0	-2.0%	60.0
Operating income	5.6	4.1	-27.4%	5.0
Assets	76.4	82.9		

Fiscal 2015 forecasts announced on May 8, 2015.



Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Fiscal 2014)

Life Science segment net sales declined 2.0% year on year to ¥57.0 billion. Operating income decreased 27.4% to ¥4.1 billion.

In the pharmaceutical business, while shipment of REMITCH®*, an oral anti-pruritus drug for hemodialysis patients, expanded robustly, that of natural-type interferon beta preparation FERON® was weak due to the impact of intensified competition, and orally active prosta-cyclin derivative DORNER® was affected by the NHI drug price revision and the increasing sales of its generic versions. License revenue also decreased compared with the previous fiscal year. In the medical devices business, shipment of dialyzers grew strongly.

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

Outlook for the Year Ending March 2016 (Fiscal 2015)

The pharmaceutical and medical device markets are expected to grow steadily overall even as competition continues intensifying from the growing number of generic drugs.

In these conditions, we will seek to continue expanding sales of the REMITCH® and NOPICOR® oral anti-pruritus drugs for hemodialysis and chronic liver disease patients in the pharmaceuticals business and dialyzers, dialysis equipment, and other equipment in the medical devices business.

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

Topics

Distribution agreement for acute blood purification devices in eight European countries

Toray signed an exclusive distribution agreement covering eight countries in Europe with Fresenius Medical Care AG & Co. KGaA, of Germany, for Toray's TORAYMYXIN®, a blood purification device for removing endotoxin, and a polymethyl-methacrylate (PMMA) hemofilter for continuous hemofiltration. Since its introduction in 1994, TORAYMYXIN® has often been used in clinical practice in Japan to treat severe sepsis and septic shock mainly as a blood purification device with an absorption column for removing endotoxin, a cause of sepsis. A continuous blood filtration device with a PMMA hemofilter, TORAYMYXIN® obtained approval for manufacture in 1991 and is often used in the emergency and intensive care fields to treat acute kidney failure and to support organ dysfunction.