

**Announcement of Business Results
For the 2Q and Six Months
Ended September 30, 2018**

November 9, 2018

Toray Industries, Inc.

Contents

- I. Consolidated Business Results for the 2Q and Six Months
Ended September 30, 2018 (P3-18)**

- II. Business Forecast for the Fiscal Year Ending March 2019
(Consolidated Basis) (P20-22)**

- III. Reference (P24-29)**

I. Consolidated Business Results for the 2Q and Six Months Ended September 30, 2018

Summary of Consolidated Business Results for the 2Q and Six Months Ended September 30, 2018

Billion yen

	FY Mar/18 2Q (Jul.-Sept.)	FY Mar/19 2Q (Jul.-Sept.)	Changes	FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes
Net Sales	540.1	640.4	+100.3 (+18.6%)	1,048.2	1,191.2	+143.0 (+13.6%)
Cost of Sales	427.4	518.9	+91.6 (+21.4%)	825.1	957.8	+132.8 (+16.1%)
Gross Profit	112.8	121.5	+8.7 (+7.8%)	223.1	233.4	+10.2 (+4.6%)
(Gross Profit to Net Sales)	20.9%	19.0%	-1.9 points	21.3%	19.6%	-1.7 points
Operating Income	39.2	43.8	+4.6 (+11.8%)	78.1	77.7	-0.4 (-0.5%)
(Operating Income to Net Sales)	7.3%	6.8%	-0.4 points	7.4%	6.5%	-0.9 points
Non-operating Income and Expenses, net	▲ 2.2	▲ 1.6	+0.6	▲ 1.3	▲ 0.3	+1.0
Ordinary Income	37.0	42.2	+5.2 (+14.1%)	76.8	77.4	+0.6 (+0.8%)
Special Credits and Charges, net	▲ 3.1	▲ 2.9	+0.2	▲ 4.0	▲ 3.4	+0.5
Income before Income Taxes	33.9	39.3	+5.4 (+15.9%)	72.8	74.0	+1.2 (+1.6%)
Net Income Attributable to Owners of Parent	21.4	25.7	+4.2 (+19.8%)	47.5	48.5	+1.0 (+2.1%)

Exchange Rate

	(FY Mar/18 2Q)	→	(FY Mar/19 2Q)	(FY Mar/18 Six Months)	→	(FY Mar/19 Six Months)	
<Yen/US\$>							
Average	:	111.0	→	111.5	111.1	→	110.3
End of the Term	:	112.7	→	113.6			
<Yen/Euro>							
Average	:	130.4	→	129.6	126.3	→	129.8
End of the Term	:	132.9	→	132.1			

Non-operating Income and Expenses

Billion yen

	FY Mar/18 2Q (Jul.-Sept.)	FY Mar/19 2Q (Jul.-Sept.)	Changes	FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes
Non-operating Income	4.3	5.3	+1.0	10.9	12.6	+1.7
Interest and Dividend Income	0.6	1.0	+0.3	2.7	3.8	+1.1
Equity in Earnings of Affiliates	2.5	3.6	+1.1	5.4	5.9	+0.5
Others	1.1	0.7	-0.4	2.9	2.9	+0.0
Non-operating Expenses	▲ 6.5	▲ 6.9	-0.4	▲ 12.2	▲ 12.9	-0.7
Interest Expenses	▲ 1.3	▲ 1.8	-0.5	▲ 2.6	▲ 3.2	-0.7
Costs related to Start-up of New Facilities	▲ 1.6	▲ 1.1	+0.5	▲ 3.0	▲ 3.0	+0.1
Costs related to Idle Facilities	▲ 1.5	▲ 2.1	-0.7	▲ 2.8	▲ 3.4	-0.6
Others	▲ 2.1	▲ 1.8	+0.3	▲ 3.9	▲ 3.3	+0.6
Non-operating Income and Expenses, net	▲ 2.2	▲ 1.6	+0.6	▲ 1.3	▲ 0.3	+1.0
Interest and Dividend Income, Interest Expenses, net	▲ 0.7	▲ 0.9	-0.2	0.1	0.5	+0.4

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

Special Credits and Charges

Billion yen

	FY Mar/18 2Q (Jul.-Sept.)	FY Mar/19 2Q (Jul.-Sept.)	Changes	FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes
Special Credits	0.5	0.3	-0.2	0.7	0.7	-0.0
Gain on Sales of Property, Plant and Equipment	0.1	0.1	-0.0	0.2	0.1	-0.1
Gain on Sales of Investment Securities	0.4	0.2	-0.2	0.5	0.6	+0.1
Special Charges	▲ 3.6	▲ 3.3	+0.4	▲ 4.7	▲ 4.1	+0.5
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 1.1	▲ 1.8	-0.7	▲ 2.0	▲ 2.5	-0.4
Environmental Expenses	▲ 1.7	-	+1.7	▲ 1.7	-	+1.7
Settlement Package	-	▲ 1.0	-1.0	-	▲ 1.0	-1.0
Others	▲ 0.8	▲ 0.5	+0.3	▲ 0.9	▲ 0.6	+0.2
Special Credits and Charges, net	▲ 3.1	▲ 2.9	+0.2	▲ 4.0	▲ 3.4	+0.5

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

Assets, Liabilities, Net Assets and Free Cash Flows

Billion yen

	End of Mar/18	End of Sept/18	Changes
Total Assets	2,575.9	2,834.7	+258.8
Current Assets	1,127.0	1,224.8	+97.8
Tangible Assets	927.0	973.5	+46.5
Intangible Assets*	68.6	183.5	+114.8
Investment and Other Assets	453.2	452.9	-0.3

* Goodwill for TenCate Advanced Composites Holding B.V. : 116.1 billion yen (amount paid for acquisition - net assets) is tentatively recorded since the Purchase Price Allocation (PPA) has not been completed at present.

	End of Mar/18	End of Sept/18	Changes
Total Liabilities	1,406.7	1,595.9	+189.2
Current Liabilities	676.5	756.2	+79.7
Other Liabilities	730.2	839.7	+109.5
Total Net Assets	1,169.2	1,238.8	+69.6

Owner's Equity	1,090.7	1,156.7	+66.1
Equity Ratio	42.3%	40.8%	-1.5 points

Interest-bearing Debts	816.3	996.3	+180.0
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D/E Ratio	0.75	0.86	+0.11
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<Free Cash Flows>

	FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes
Cash Flows from Operating Activities	49.1	57.1	+8.0
Cash Flows from Investment Activities	▲ 128.5	▲ 185.5	-57.0
Free Cash Flows	▲ 79.4	▲ 128.4	-49.0

Capital Expenditures, Depreciation, R&D Expenses

Billion yen

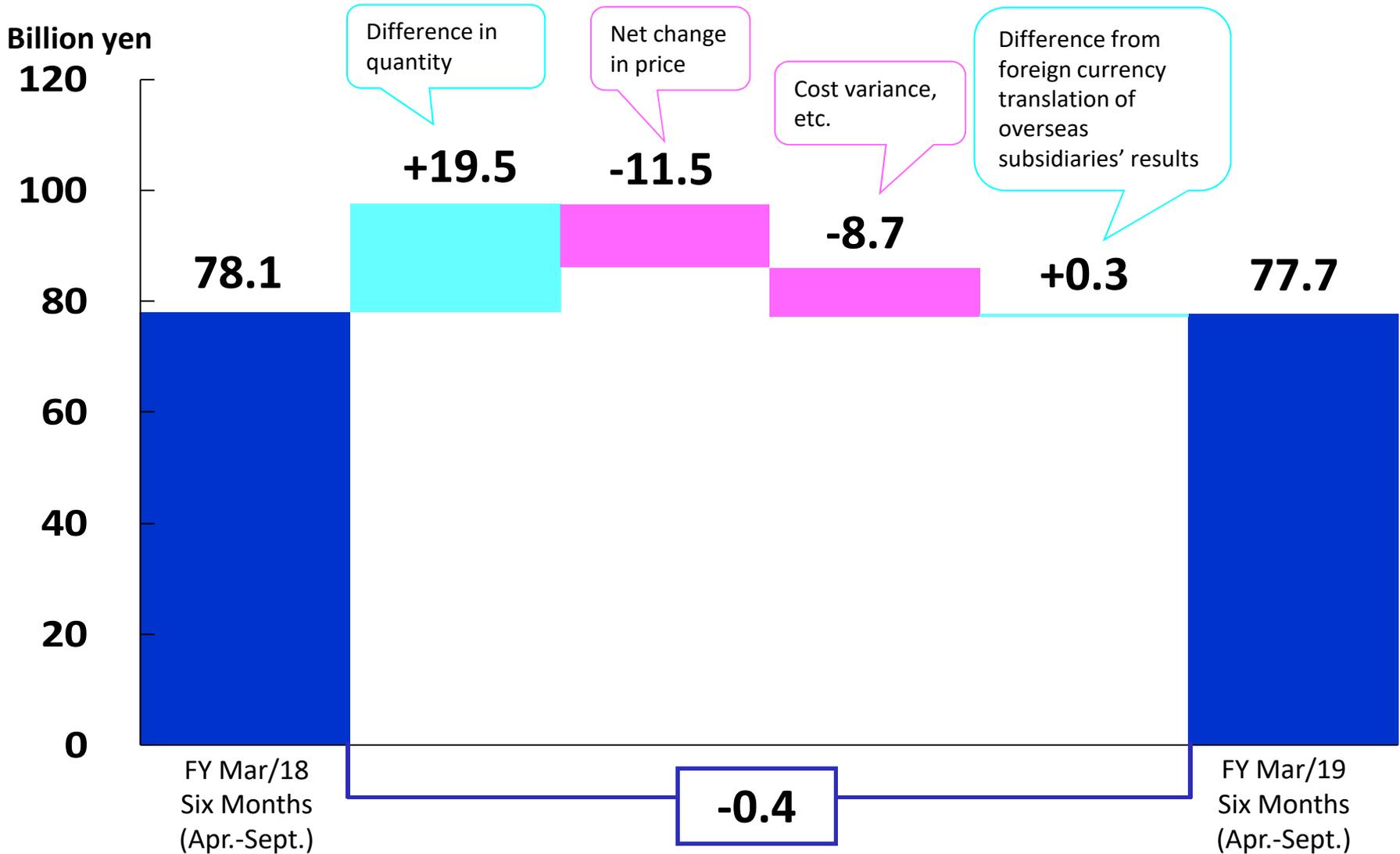
	FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes
Capital Expenditures*	69.9	66.3	-3.6
Toray	14.1	9.9	-4.2
Consolidated Subsidiaries	55.8	56.3	+0.5
Depreciation*	46.7	50.1	+3.4
Toray	15.5	16.6	+1.0
Consolidated Subsidiaries	31.2	33.5	+2.3
R&D Expenses	31.2	33.2	+2.0
Toray	23.5	24.3	+0.8
Consolidated Subsidiaries	7.7	8.9	+1.2

* Total of tangible assets and intangible assets (excluding goodwill)

Major Capital Expenditure Projects :

- Zoltek Companies, Inc. : Large tow carbon fiber ZOLTEK™ production facilities
- Toray Battery Separator Film Korea Limited : Battery separator film SETELA® production facilities
- Alcantara S.p.A. : Alcantara® production facilities
- Toray BSF Coating Korea Limited : Battery separator film SETELA® coating facilities

Income Variance Factor Analysis



Net Sales and Operating Income by Segment

Billion yen

	Net Sales			Operating Income		
	FY Mar/18 2Q (Jul.-Sept.)	FY Mar/19 2Q (Jul.-Sept.)	Changes	FY Mar/18 2Q (Jul.-Sept.)	FY Mar/19 2Q (Jul.-Sept.)	Changes
Fibers & Textiles	221.7	282.1	+60.4 (+27.3%)	17.9	23.3	+5.4 (+30.0%)
Performance Chemicals	199.5	222.5	+23.1 (+11.6%)	19.0	18.6	-0.5 (-2.4%)
Carbon Fiber Composite Materials	42.1	50.7	+8.6 (+20.5%)	4.8	2.9	-1.9 (-39.8%)
Environment & Engineering	58.4	66.5	+8.2 (+14.0%)	2.5	3.9	+1.3 (+51.3%)
Life Science	14.0	13.6	-0.4 (-2.7%)	0.5	0.5	-0.0 (-3.7%)
Others	4.5	4.9	+0.4 (+8.2%)	0.6	0.6	-0.0 (-3.7%)
Total	540.1	640.4	+100.3 (+18.6%)	45.5	49.8	+4.3 (+9.4%)
Adjustments				▲ 6.3	▲ 6.0	+0.3
Consolidated	540.1	640.4	+100.3 (+18.6%)	39.2	43.8	+4.6 (+11.8%)

	Net Sales			Operating Income		
	FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes	FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes
Fibers & Textiles	422.8	503.1	+80.3 (+19.0%)	35.5	41.8	+6.2 (+17.5%)
Performance Chemicals	390.7	435.0	+44.3 (+11.3%)	35.7	35.8	+0.1 (+0.3%)
Carbon Fiber Composite Materials	84.8	96.5	+11.6 (+13.7%)	10.5	6.0	-4.5 (-43.0%)
Environment & Engineering	115.2	121.4	+6.2 (+5.4%)	6.8	5.7	-1.1 (-16.4%)
Life Science	26.2	26.3	+0.1 (+0.2%)	1.4	0.7	-0.7 (-51.1%)
Others	8.5	9.0	+0.5 (+6.3%)	0.9	0.8	-0.0 (-4.3%)
Total	1,048.2	1,191.2	+143.0 (+13.6%)	90.8	90.8	-0.0 (-0.0%)
Adjustments				▲ 12.7	▲ 13.1	-0.4
Consolidated	1,048.2	1,191.2	+143.0 (+13.6%)	78.1	77.7	-0.4 (-0.5%)

Business Results by Segment (Fibers & Textiles)

Net Sales / Operating Income

Billion yen

		FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes	
Net Sales	Toray	95.8	102.2	+6.4	(+6.7%)
	Japanese Subsidiaries	195.3	253.5	+58.2	(+29.8%)
	Overseas Subsidiaries	279.4	321.3	+41.9	(+15.0%)
	Adjustments	▲ 147.7	▲ 173.9	-26.2	
	Total	422.8	503.1	+80.3	(+19.0%)
Operating Income	Toray	11.0	10.4	-0.6	(-5.2%)
	Japanese Subsidiaries	5.3	7.2	+1.9	(+35.6%)
	Overseas Subsidiaries	23.0	24.4	+1.4	(+6.1%)
	Adjustments	▲ 3.7	▲ 0.2	+3.5	
	Total	35.5	41.8	+6.2	(+17.5%)

Business Performance

Overall

- Affected by the increase in raw materials prices.

Japan

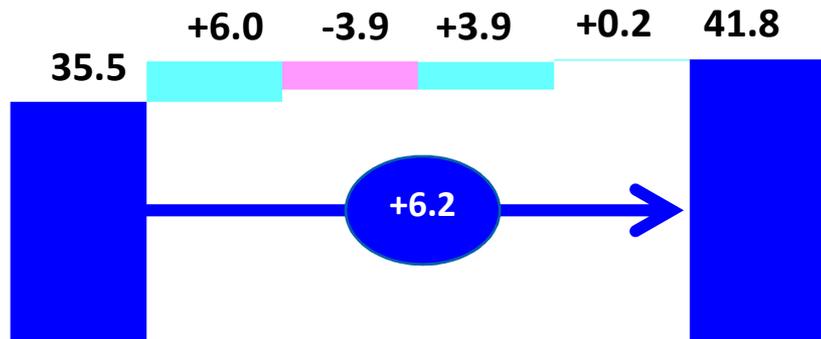
- Demand for industrial applications such as automobiles was strong as a whole, while shipment of apparel applications remained weak partly due to unseasonable weather. Against this background, Toray Group not only strived to expand sales in both apparel and industrial applications but also worked to expand the business format that integrates fibers to textiles to final products while focusing on strengthening cost competitiveness.

Overseas

- Business performance of some subsidiaries in Southeast Asia remained slow, while materials for automotive applications remained strong in general.
- Expanded the integrated business for apparel applications.

Changes in Operating Income

Billion yen



FY Mar/18 Six Months (Apr.-Sept.) Difference in quantity Net change in price* Cost variance, etc. Difference from foreign currency translation of overseas subsidiaries' results FY Mar/19 Six Months (Apr.-Sept.)

* Difference in selling price and raw materials' cost and fuel prices of petrochemical-based products, etc. (net)

Business Results by Segment (Performance Chemicals)

Net Sales / Operating Income

Billion yen

		FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes	
Net Sales	Toray	119.8	131.1	+11.4	(+9.5%)
	Japanese Subsidiaries	221.0	249.3	+28.3	(+12.8%)
	Overseas Subsidiaries	259.1	294.5	+35.4	(+13.6%)
	Adjustments	▲ 209.2	▲ 240.0	-30.8	
	Total	390.7	435.0	+44.3	(+11.3%)
Operating Income	Toray	11.3	10.6	-0.8	(-6.7%)
	Japanese Subsidiaries	6.7	7.7	+1.0	(+15.1%)
	Overseas Subsidiaries	19.2	18.4	-0.8	(-4.1%)
	Adjustments	▲ 1.5	▲ 0.9	+0.7	
	Total	35.7	35.8	+0.1	(+0.3%)

Business Performance

Resins Business

- Expanded sales of automotive applications while passing on rise in raw material prices to the sales price.

Chemicals Business

- Saw an improvement in the basic chemicals market and sales of fine chemical products also increased.

Films Business

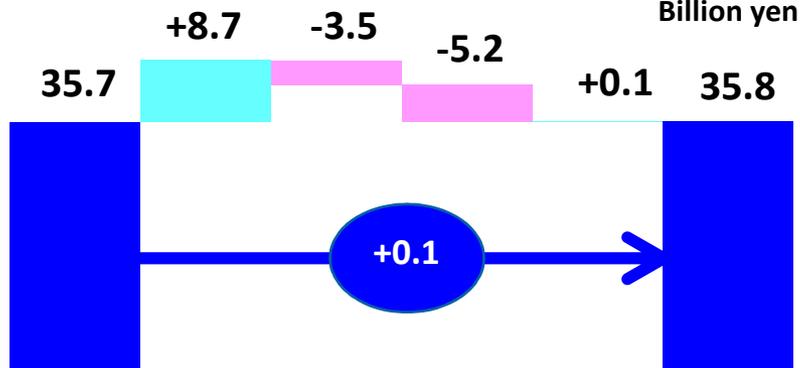
- Shipment of battery separator films for lithium-ion secondary batteries increased reflecting demand growth, while polyester films and other products were broadly affected by the increase in raw material prices.

Electronic & Information Materials

- Affected by the slowing demand for OLED related materials, while electric circuit materials at a Korean subsidiary performed strongly.

Changes in Operating Income

Billion yen



FY Mar/18 Six Months (Apr.-Sept.) Difference in quantity Net change in price* Cost variance, etc. Difference from foreign currency translation of overseas subsidiaries' results FY Mar/19 Six Months (Apr.-Sept.)

* Difference in selling price and raw materials' cost and fuel prices of petrochemical-based products, etc. (net)

Topics

- Sep. 2018: Acquired UL and IEC Certification for tracking resistance PPS resin, TORAYLINA® "A660HV".

Breakdown of Performance Chemicals Segment

Billion yen

	FY Mar/18 Six Months (Apr.-Sept.)		FY Mar/19 Six Months (Apr.-Sept.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Resins, Chemicals	174.1	29%	195.2	29%	+12%
Films	160.2	27%	174.5	26%	+9%
Electronic & Information Materials	31.3	5%	32.6	5%	+4%
Trading	234.3	39%	272.7	40%	+16%
Adjustments	▲ 209.2	-	▲ 240.0	-	-
Total	390.7		435.0		

Business Results by Segment (Carbon Fiber Composite Materials)

Net Sales / Operating Income

Billion yen

		FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes	
Net Sales	Toray	46.4	53.6	+7.2	(+15.5%)
	Japanese Subsidiaries	33.7	38.8	+5.1	(+15.1%)
	Overseas Subsidiaries	66.2	86.3	+20.1	(+30.5%)
	Adjustments	▲ 61.4	▲ 82.2	-20.8	
	Total	84.8	96.5	+11.6	(+13.7%)
Operating Income	Toray	4.8	4.0	-0.8	(-16.6%)
	Japanese Subsidiaries	0.8	0.7	-0.1	(-10.3%)
	Overseas Subsidiaries	5.6	4.5	-1.1	(-19.4%)
	Adjustments	▲ 0.8	▲ 3.3	-2.5	
	Total	10.5	6.0	-4.5	(-43.0%)

Business Performance

Overall

- The segment was affected by rising raw material prices and intensifying competition. Also, the cost of starting a new project at a composite subsidiary overseas increased and the segment also incurred related fees for the acquisition of the entire stake in TenCate Advanced Composites Holding B.V.

Aerospace applications

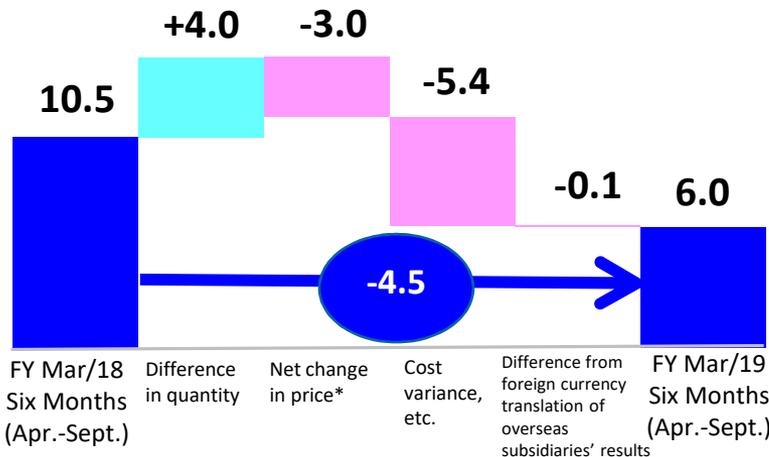
- Demand for the aircraft application was mostly strong given the completion of the inventory adjustment in the supply chain.

Industrial applications

- Demand as a whole showed a recovery trend primarily in the environment and energy-related fields led by compressed natural gas tank applications and wind turbine blade applications.

Changes in Operating Income

Billion yen



* Difference in selling price and raw materials' cost and fuel prices of petrochemical-based products, etc. (net)

Topics

- Jul. 2018: Completed purchase of shares in TenCate Advanced Composites Holding B.V.

Breakdown of Carbon Fiber Composite Materials Segment

Billion yen

	FY Mar/18 Six Months (Apr.-Sept.)		FY Mar/19 Six Months (Apr.-Sept.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aerospace	40.0	47%	41.8	43%	+4%
Sports	7.5	9%	8.1	8%	+8%
Industrial	37.4	44%	46.6	48%	+25%
Total	84.8		96.5		+14%

Business Results by Segment (Environment & Engineering)

Net Sales / Operating Income

Billion yen

		FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes	
Net Sales	Toray	10.5	11.2	+0.7	(+6.2%)
	Japanese Subsidiaries	136.3	140.9	+4.5	(+3.3%)
	Overseas Subsidiaries	15.3	15.7	+0.4	(+2.9%)
	Adjustments	▲ 46.9	▲ 46.4	+0.6	
	Total	115.2	121.4	+6.2	(+5.4%)
Operating Income	Toray	0.2	▲ 0.0	-0.2	(-)
	Japanese Subsidiaries	4.9	3.8	-1.1	(-21.5%)
	Overseas Subsidiaries	1.6	2.0	+0.4	(+28.1%)
	Adjustments	0.1	▲ 0.2	-0.3	
	Total	6.8	5.7	-1.1	(-16.4%)

Business Performance

Water Treatment Business

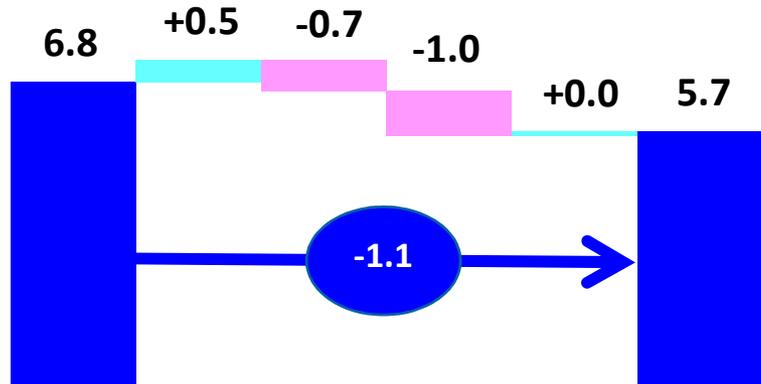
- Demand for reverse osmosis membranes and other products grew strongly on the whole in Japan and abroad.

Japanese Subsidiaries

- Trading volume of a trading subsidiary increased.
- An engineering subsidiary experienced decreases in plant constructions and the shipment of some electronics-related equipments.

Changes in Operating Income

Billion yen



FY Mar/18 Six Months (Apr.-Sept.) Difference in quantity Net change in price* Cost variance, etc. Difference from foreign currency translation of overseas subsidiaries' results FY Mar/19 Six Months (Apr.-Sept.)

* Difference in selling price and price change of products less subject to price effect of petrochemical-based raw materials (net)

Topics

- Jul. 2018: Introduced a new reverse osmosis membrane product, the "ROMEMBRA® TLF Series" at the Singapore International Water Week convention.

Business Results by Segment (Life Science)

Net Sales / Operating Income

Billion yen

		FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes	
Net Sales	Toray	13.0	12.2	-0.8	(-5.9%)
	Japanese Subsidiaries	19.9	20.7	+0.8	(+3.9%)
	Overseas Subsidiaries	6.0	6.3	+0.3	(+4.9%)
	Adjustments	▲ 12.6	▲ 12.9	-0.2	
	Total	26.2	26.3	+0.1	(+0.2%)
Operating Income	Toray	▲ 0.4	▲ 0.5	-0.1	(-)
	Japanese Subsidiaries	0.5	0.6	+0.1	(+25.8%)
	Overseas Subsidiaries	0.0	0.1	+0.0	(+119.4%)
	Adjustments	1.2	0.5	-0.8	
	Total	1.4	0.7	-0.7	(-51.1%)

Business Performance

Pharmaceutical Business

- While sales volume of orally active prostacyclin derivative DORNER® increased for overseas markets, the sales was affected by its generic versions and the revision of National Health Insurance drug price standards.
- Sales of pruritus treatment REMITCH®* were influenced by the market entry of its generic versions.

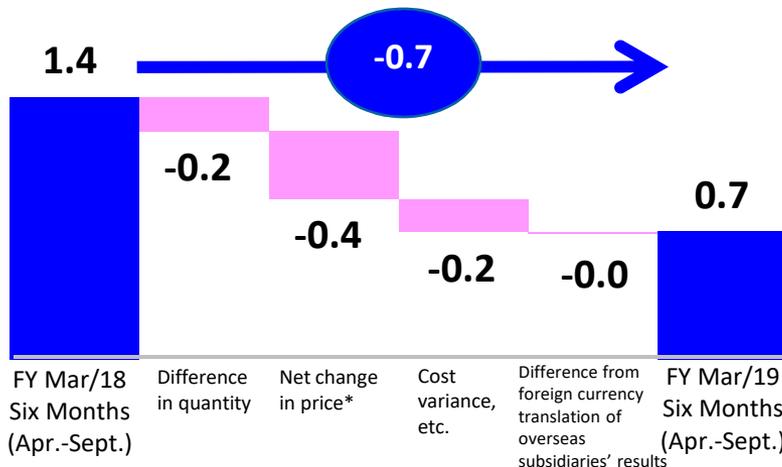
Medical Devices Business

- While being affected by the reduction of the insurance reimbursement prices in Japan, and the increase in raw material prices, shipment of dialyzers grew strongly in Japan and overseas.
- Sales volume of dialysis machines also expanded.

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

Changes in Operating Income

Billion yen



Topics

- Jul. 2018 : Initiated phase I clinical trial in the US for the nucleic acid pharmaceutical, "TRK-250", for the treatment of idiopathic pulmonary fibrosis.
- Sep. 2018: Started sales of "INOUE-BALLOON" CATHETER type II for balloon aortic valvuloplasty.
- Sep. 2018: Started sales of "hitoe® wearable electrocardiogram system," for long-term monitoring.

* Difference in selling price and price change of products less subject to price effect of petrochemical-based raw materials (net)

Results of Major Subsidiaries and Regions

Billion yen

	Net Sales			Operating Income		
	FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes	FY Mar/18 Six Months (Apr.-Sept.)	FY Mar/19 Six Months (Apr.-Sept.)	Changes
Toray International, Inc.	267.4	334.7	+67.4	5.6	6.9	+1.3
Toray Engineering Co., Ltd.	51.7	54.6	+2.9	4.1	2.2	-1.8
Toray Construction Co., Ltd.	25.0	22.3	-2.8	0.5	1.1	+0.5
Toray Advanced Film Co., Ltd.	21.1	20.2	-0.9	1.3	1.7	+0.3

Subsidiaries in Southeast Asia	Fibers & Textiles	65.9	78.1	+12.1	4.4	4.1	-0.2
	Performance Chemicals	53.7	60.0	+6.2	5.4	5.4	+0.0
	Others	0.1	0.1	+0.0	0.0	0.0	+0.0
	Total	119.8	138.1	+18.4	9.8	9.6	-0.2

Subsidiaries in China	Fibers & Textiles	135.9	157.9	+22.0	13.1	14.8	+1.7
	Performance Chemicals	49.7	54.5	+4.8	1.4	1.8	+0.4
	Others	14.4	16.4	+2.0	0.6	0.8	+0.2
	Total	200.1	228.8	+28.8	15.0	17.4	+2.3

Subsidiaries in Korea	Fibers & Textiles	47.8	53.4	+5.6	1.6	1.6	-0.0
	Performance Chemicals	66.5	76.7	+10.2	9.0	8.4	-0.6
	Others	8.9	12.4	+3.5	1.0	1.1	+0.1
	Total	123.2	142.5	+19.3	11.6	11.1	-0.4

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

Billion yen

Segment	Operating Income FY Mar/19 1Q → FY Mar/19 2Q () difference	Variance Factors
Fibers & Textiles	18.5 → 23.3 (+4.8)	<ul style="list-style-type: none"> Shipment of garments and textiles increased due to the clearance of distribution stock of autumn/winter garments reflecting the last season's cold weather.
Performance Chemical	17.2 → 18.6 (+1.4)	<ul style="list-style-type: none"> In the films business, sales of battery separator films for lithium-ion secondary batteries and films for MLCC release films remained strong. In the electronic and information materials business, demand for OLED related materials and electric circuit materials at a Korean subsidiary saw a recovery.
Carbon Fiber Composite Materials	3.1 → 2.9 (-0.2)	<ul style="list-style-type: none"> While sales mainly from aircraft applications remained strong, the business was affected by rising raw material prices and intensifying competition. In addition, start-up costs related to a new project increased at an overseas composite subsidiary.
Environment & Engineering	1.9 → 3.9 (+2.0)	<ul style="list-style-type: none"> In the water treatment business, shipment of RO membranes as well as home water purifiers increased. Shipment of electronics-related equipments increased at an engineering subsidiary.
Life Science	0.2 → 0.5 (+0.4)	<ul style="list-style-type: none"> In the pharmaceutical business, sales expansion of the pruritus treatment REMITCH®* proceeded steadily. In the medical devices business, shipment of dialysis machines remained strong.
Others	0.2 → 0.6 (+0.4)	
Adjustments	▲7.1 → ▲6.0 (+1.2)	*REMITCH® is a registered trademark of Torii Pharmaceutical Co., Ltd.
Total	33.9 → 43.8 (+9.9)	

II. Business Forecast for the Fiscal Year Ending March 2019 (Consolidated Basis)

Forecast Summary for the Fiscal Year Ending March 2019

Billion yen

		FY Mar/18 Actual	FY Mar/19 Forecast	Changes		Previous Forecast	Difference from Previous Forecast*
Net Sales	1st Half	1,048.2	1,191.2	+143.0	(+13.6%)	1,190.0	+1.2
	2nd Half	1,156.6	1,258.8	+102.1	(+8.8%)	1,260.0	-1.2
	Total	2,204.9	2,450.0	+245.1	(+11.1%)	2,450.0	—
Operating Income	1st Half	78.1	77.7	-0.4	(-0.5%)	79.0	-1.3
	2nd Half	78.4	82.3	+3.9	(+5.0%)	86.0	-3.7
	Total	156.5	160.0	+3.5	(+2.3%)	165.0	-5.0
Ordinary Income	1st Half	76.8	77.4	+0.6	(+0.8%)	77.0	+0.4
	2nd Half	75.5	77.6	+2.1	(+2.7%)	83.0	-5.4
	Total	152.3	155.0	+2.7	(+1.8%)	160.0	-5.0
Net Income Attributable to Owners of Parent	1st Half	47.5	48.5	+1.0	(+2.1%)	48.0	+0.5
	2nd Half	48.4	49.5	+1.1	(+2.3%)	50.0	-0.5
	Total	95.9	98.0	+2.1	(+2.2%)	98.0	—
Net Income per Share	1st Half	29.71 yen	30.32 yen				
	2nd Half	30.25 yen	30.94 yen				
	Total	59.97 yen	61.26 yen				
Dividend per Share	1st Half	7 yen	8 yen				
	2nd Half	8 yen	8 yen				
	Total	15 yen	16 yen				

Assumed exchange rate : 110 yen / US\$ (from October)

*Difference from Previous Forecast : the difference from the forecast announced on August 6, 2018.

Forecast by Segment

Billion yen

		FY Mar/18 Actual			FY Mar/19 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	422.8	490.8	913.6	503.1	496.9	1,000.0	+80.3	+6.1	+86.4	+3.1	-3.1	—
	Performance Chemicals	390.7	412.6	803.3	435.0	460.0	895.0	+44.3	+47.4	+91.7	-0.0	+0.0	—
	Carbon Fiber Composite Materials	84.8	93.1	177.9	96.5	118.5	215.0	+11.6	+25.4	+37.1	+1.5	-1.5	—
	Environment & Engineering	115.2	123.0	238.3	121.4	138.6	260.0	+6.2	+15.6	+21.7	+1.4	-1.4	—
	Life Science	26.2	27.6	53.8	26.3	33.7	60.0	+0.1	+6.1	+6.2	-3.7	+3.7	—
	Others	8.5	9.4	17.9	9.0	11.0	20.0	+0.5	+1.5	+2.1	-1.0	+1.0	—
	Total	1,048.2	1,156.6	2,204.9	1,191.2	1,258.8	2,450.0	+143.0	+102.1	+245.1	+1.2	-1.2	—
Operating Income	Fibers & Textiles	35.5	36.9	72.4	41.8	39.2	81.0	+6.2	+2.3	+8.6	+0.8	-0.8	—
	Performance Chemicals	35.7	35.7	71.4	35.8	43.2	79.0	+0.1	+7.5	+7.6	-2.2	+2.2	—
	Carbon Fiber Composite Materials	10.5	10.3	20.8	6.0	4.0	10.0	-4.5	-6.3	-10.8	-0.0	-5.0	-5.0
	Environment & Engineering	6.8	6.5	13.3	5.7	10.3	16.0	-1.1	+3.8	+2.7	-1.3	+1.3	—
	Life Science	1.4	0.6	1.9	0.7	0.3	1.0	-0.7	-0.2	-0.9	+0.2	-0.2	—
	Others	0.9	2.0	2.9	0.8	3.2	4.0	-0.0	+1.1	+1.1	-0.2	+0.2	—
	Adjustments	▲ 12.7	▲ 13.5	▲ 26.2	▲ 13.1	▲ 17.9	▲ 31.0	-0.4	-4.4	-4.8	+1.4	-1.4	—
Total	78.1	78.4	156.5	77.7	82.3	160.0	-0.4	+3.9	+3.5	-1.3	-3.7	-5.0	

*Difference from Previous Forecast: the difference from the forecast announced on August 6, 2018.

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	81.0 → 81.0 (±0.0)	▪ Expect to be in line with the previous forecast.
Performance Chemical	79.0 → 79.0 (±0.0)	▪ Expect to be in line with the previous forecast.
Carbon Fiber Composite Materials	15.0 → 10.0 (-5.0)	▪ Manufacturing-related cost is expected to increase at an overseas composite subsidiary with the need for extra time to stabilize operations of the new project.
Environment & Engineering	16.0 → 16.0 (±0.0)	▪ Expect to be in line with the previous forecast.
Life Science	1.0 → 1.0 (±0.0)	▪ Expect to be in line with the previous forecast.
Others	4.0 → 4.0 (±0.0)	▪ Expect to be in line with the previous forecast.
Adjustments	▲31.0 → ▲31.0 (±0.0)	
Total	165.0 → 160.0 (-5.0)	

III. Reference

Quarterly Net Sales by Segment

Billion yen

	FY Mar/18 Actual					FY Mar/19 Actual	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Fibers & Textiles	201.1	221.7	274.8	216.0	913.6	221.0	282.1
Performance Chemicals	191.2	199.5	209.0	203.6	803.3	212.4	222.5
Carbon Fiber Composite Materials	42.7	42.1	43.4	49.7	177.9	45.7	50.7
Environment & Engineering	56.9	58.4	55.7	67.4	238.3	54.9	66.5
Life Science	12.2	14.0	13.6	14.0	53.8	12.6	13.6
Others	4.0	4.5	4.2	5.3	17.9	4.1	4.9
Total	508.1	540.1	600.6	556.0	2,204.9	550.8	640.4

Quarterly Operating Income by Segment

Billion yen

	FY Mar/18 Actual					FY Mar/19 Actual	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Fibers & Textiles	17.6	17.9	23.0	13.9	72.4	18.5	23.3
Performance Chemicals	16.6	19.0	20.0	15.6	71.4	17.2	18.6
Carbon Fiber Composite Materials	5.7	4.8	4.6	5.7	20.8	3.1	2.9
Environment & Engineering	4.3	2.5	2.5	3.9	13.3	1.9	3.9
Life Science	0.8	0.5	0.6	▲ 0.0	1.9	0.2	0.5
Others	0.2	0.6	0.8	1.2	2.9	0.2	0.6
Adjustments	▲ 6.4	▲ 6.3	▲ 6.3	▲ 7.2	▲ 26.2	▲ 7.1	▲ 6.0
Total	38.9	39.2	45.3	33.1	156.5	33.9	43.8

Quarterly Net Sales of Performance Chemicals by Sub-segments

Billion yen

	FY Mar/18					FY Mar/19	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Resins, Chemicals	86.4	87.7	91.3	95.3	360.7	97.9	97.3
Films	77.1	83.1	85.0	85.7	330.8	85.5	88.9
Electronic & Information Materials	14.6	16.7	17.5	15.2	64.0	14.3	18.3
Trading	116.2	118.1	124.6	124.4	483.2	135.5	137.1
Adjustments	▲ 103.1	▲ 106.1	▲ 109.3	▲ 116.9	▲ 435.5	▲ 120.9	▲ 119.1
Total	191.2	199.5	209.0	203.6	803.3	212.4	222.5

Quarterly Net Sales of Carbon Fiber Composite Materials by Sub-segments

Billion yen

	FY Mar/18					FY Mar/19	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Aerospace	20.4	19.6	20.3	21.9	82.1	19.3	22.5
Sports	3.8	3.8	4.3	3.8	15.6	4.1	3.9
Industrial	18.6	18.7	18.8	24.1	80.2	22.3	24.3
Total	42.7	42.1	43.4	49.7	177.9	45.7	50.7

Quarterly Net Sales of Major Subsidiaries and Regions

Billion yen

	FY Mar/18					FY Mar/19	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Toray International, Inc.	130.9	136.4	186.4	133.9	587.7	146.3	188.5
Toray Engineering Co., Ltd.	29.9	21.7	27.4	26.3	105.4	24.0	30.6
Toray Construction Co., Ltd.	8.6	16.4	11.8	17.9	54.7	10.1	12.2
Toray Advanced Film Co., Ltd.	10.1	11.0	11.3	9.5	41.9	9.7	10.5

Subsidiaries in Southeast Asia	Fibers & Textiles	32.1	33.8	36.1	33.0	135.1	37.9	40.2
	Performance Chemicals	26.3	27.4	27.8	28.4	110.0	29.6	30.4
	Others	0.0	0.0	0.0	0.1	0.2	0.1	0.1
	Total	58.5	61.3	64.0	61.5	245.2	67.6	70.6
Subsidiaries in China	Fibers & Textiles	65.2	70.7	79.7	57.8	273.5	75.5	82.5
	Performance Chemicals	23.7	26.0	26.7	25.2	101.6	27.0	27.5
	Others	6.7	7.7	8.8	7.0	30.2	8.6	7.8
	Total	95.6	104.5	115.3	90.1	405.4	111.1	117.8
Subsidiaries in Korea	Fibers & Textiles	22.7	25.1	25.8	26.0	99.5	25.5	27.9
	Performance Chemicals	31.2	35.3	36.8	36.9	140.3	35.9	40.8
	Others	4.5	4.4	4.6	4.9	18.4	7.0	5.5
	Total	58.4	64.8	67.2	67.8	258.2	68.4	74.1

Quarterly Operating Income of Major Subsidiaries and Regions

Billion yen

	FY Mar/18					FY Mar/19	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Toray International, Inc.	2.3	3.3	4.5	2.2	12.3	2.6	4.3
Toray Engineering Co., Ltd.	3.6	0.4	1.1	0.7	5.8	0.5	1.8
Toray Construction Co., Ltd.	▲0.0	0.6	0.2	0.8	1.5	0.4	0.7
Toray Advanced Film Co., Ltd.	0.6	0.7	1.1	0.6	3.1	0.7	1.0

Subsidiaries in Southeast Asia	Fibers & Textiles	2.2	2.2	2.8	2.0	9.1	2.2	2.0
	Performance Chemicals	2.3	3.1	3.3	3.4	12.1	3.2	2.3
	Others	0.0	▲0.0	0.0	0.0	0.0	0.0	0.0
	Total	4.5	5.3	6.0	5.4	21.2	5.3	4.2
Subsidiaries in China	Fibers & Textiles	6.6	6.6	6.7	3.8	23.5	7.5	7.3
	Performance Chemicals	0.5	0.8	0.8	1.0	3.2	0.8	1.0
	Others	0.3	0.3	0.1	0.2	0.9	0.5	0.3
	Total	7.4	7.7	7.6	5.0	27.6	8.8	8.5
Subsidiaries in Korea	Fibers & Textiles	0.9	0.7	0.9	0.6	3.1	1.0	0.5
	Performance Chemicals	3.7	5.3	5.0	3.4	17.4	3.1	5.3
	Others	0.6	0.4	0.5	0.5	2.1	0.7	0.5
	Total	5.1	6.4	6.4	4.6	22.6	4.8	6.3

Descriptions of predicted business results, projections, and business plans for the Fiscal Year Ending March 2019 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.

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