

March 31, 2015  
Toray Industries, Inc.

## Notice Regarding Start of Toray Advanced Materials Korea Inc.'s Tender Offer for Shares in Toray Chemical Korea Inc.

Tokyo, March 31, 2015 - Toray Industries, Inc. today announced that Toray Advanced Materials Korea Inc. (hereinafter referred to as "TAK"), its consolidated subsidiary in the Republic of Korea, has decided to acquire the shares in Toray Chemical Korea Inc. (hereinafter referred to as "TCK"), another consolidated subsidiary, through a tender offer.

\*This tender offer will be carried out in accordance with the laws regarding the capital markets and financial investment business of Korea as well as other related laws and regulations.

\*The press release is timed to coincide with the notification in Korea of the tender offer details.

### 1. Purpose of the share acquisition

In February 2014, Toray, through TAK, purchased a majority stake in TCK turning it into a consolidated subsidiary.

Toray took the decision to purchase the remaining shares in TCK, that are not currently owned by TAK, through the tender offer bid to improve the efficiency and speed of management by strengthening the overall operation in the country, ultimately to respond swiftly and accurately to the changing business environment and to enable further business expansion in Korea.

Following the completion of the tender offer bid, the company plans to proceed with the delisting of TCK in accordance with the Korean laws and regulations.

### 2. Outline of the tender offer

#### (1) Company Making Tender Offer

Toray Advanced Materials Korea Inc.

#### (2) Profile of the target

1) Trade name	Toray Chemical Korea Inc.
2) Business	Manufacture and distribution of high-performance fibers, water treatment filters, A-PET sheets (cast film), etc.
3) Established	July 1, 1972
4) Location	Gumi, Gyeongsangbuk-do, Republic of Korea
5) Name and title of representatives	CEO & Chairman: Youngkwan Lee Vice-Chairman: Yasunobu Nishimoto COO & Vice-President: Chankoo Park
6) Capitalization	237,230,757,000 won
7) Major shareholder and its stake (note)	TAK: 56.27%

8) The relationship between the company and the target		
Capital relationship	TAK holds a 56.27% stake in TCK	
Personal relationship	TCK's CEO & Chairman concurrently holds the same position in TAK. Also, some of the employees of TCK are on dispatch from TAK.	
Business relationship	TCK offers utility and services to TAK Further, TAK manufactures some products of TCK on a contract basis.	
Whether considered to be a related party	As TCK is a subsidiary of TAK, it falls under related parties.	

Note: This does not include treasury stock owned by TCK.

(3) Tender offer period

From March 31, 2015 to April 20, 2015 (21 days)

(4) Tender offer price

20,000 won per share of common stock

(5) Calculation base of the tender offer price

TAK's tender offer price of 20,000 won per share of TCK's common stock has been decided taking into consideration various factors in a comprehensive manner of the market valuation (stock price) of the common stock of the target, its financial situation and future cash flows.

The premium over the volume weighted average closing price for each period prior to the notification date of the tender offer (March 31, 2015) is as follows:

Period	Volume weighted average closing price	Premium
1 month prior	15,867 won	26.0%
2 months prior	15,484 won	29.2%
3 months prior	15,135 won	32.1%

(6) The expected number of stock certificates to be acquired

The expected number of shares in common stock to be purchased: 20,251,687 shares.

(7) Changes in stakes due to the tender offer

The number of voting rights from the share certificates owned by TAK prior to the tender offer	26,062,137 units	(Stake prior to the tender offer: 56.27%)
The number of voting rights from the share certificates to be purchased	20,251,687 units	(Stake after the tender offer: 100.00%)
The number of voting rights of the entire shareholders of the target (note)	46,313,824 units	

Note: This does not include treasury stock of 50,027 shares owned by TCK of the company's outstanding shares of 46,363,851.

(8) Cost of tender offer

Approximately 405.0 billion won (approximately 431billion yen. Foreign exchange rate: 0.1065 yen/won)

(9) Settlement day

April 23, 2015

(10) Other conditions and method of tender offer, etc.

TAK intends to acquire all the shares issued by the target other than those it already owns, and even if the number of shares subscribing to the tender does not satisfy the expected number of shares to be purchased, it will purchase all the shares subscribing to the offer.

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