

May 22, 2015

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

Tokyo, May 22, 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.

Furthermore, in March 2015, Toray implemented the tender offer bid with the aim of purchasing the remaining shares in TCK, that were not owned by TAK, 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. The tender offer bid was implemented for 21 business days from March 31, 2015 to April 20, 2015 and increased TAK's stake to 86.85%. TAK plans to proceed with the delisting of TCK in accordance with the Korean laws and regulations, and the company is implementing the second round of tender offer bid as part of the process.

2. Outline of the tender offer

(1) Company making tender offer

(Foreign exchange rate used below: 0.1065 yen = 1 won)

1) Trade name	Toray Advanced Materials Korea Inc.
2) Business	Manufacture and distribution of PET film, polyester fiber, non-woven fabric, processed film products, circuit materials, water treatment modules and carbon fiber
3) Established	October 15, 1999
4) Location	Gumi, Gyeongsangbuk-do, Republic of Korea
5) Name and title of representatives	CEO & Chairman: Youngkwan Lee CTO & President: Sangpil Kim COO & Vice-President: Hae-sang Jeon
6) Capitalization	576,000,000,000 won (approx. 61.3 billion yen)

(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 (approx. 25.3 billion yen)
7) Major shareholder and its stake (note)	TAK: 86.85%
8) The relationship between the company and the target	
Capital relationship	TAK holds a 86.85% 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 May 22, 2015 to July 20, 2015 (60 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. This tender offer price is the same as the first round of the tender offer bid implemented for the 21 business days from March 31, 2015 to April 20, 2015.

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

The expected number of shares in common stock to be purchased: 6,091,047 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	40,222,777 units	(Stake prior to the tender offer: 86.85%)
The number of voting rights from the share certificates to be purchased	6,091,047 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 121.8 billion won (approximately 13.0 billion yen)

(9) Settlement day

July 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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