December 19, 2016
Toray Industries, Inc.

Toray to Absorption-type Merger (Simplified Merger and Short Form Merger) of Consolidated Subsidiary

Toray Industries, Inc. (headquarters: Chuo-ku, Tokyo; President: Akihiro Nikkaku; hereinafter referred to as "Toray") hereby announces that its Board of Directors resolved at the meeting held on December 19, 2016 to absorb Toray Battery Separator Film Co., Ltd. (hereinafter referred to as "Toray BSF"), a wholly owned consolidated subsidiary that manufactures and markets separators for lithium-ion secondary batteries (LIB) effective April 1, 2017.

The merger is a simplified merger of a wholly owned subsidiary and therefore some of disclosure items and contents are omitted.

1. Purpose of the merger

In the LIB market, the business environment is significantly changing as the demand for electric vehicles are expected to grow rapidly in addition to the existing consumer electronics applications, which makes it even more important to have the ability to quickly respond to the growth and sophistication of functions of separators for LIB. Based on this recognition, Toray decided to absorb Toray BSF to strengthen the foundation of the structure to appropriately respond to the LIB separator business. The LIB separator business is one of the key businesses of Green Innovation Business Expansion Project, which Toray is strongly driving forward to support the transformation into a sustainable recycling-oriented society. The company will promote its technology development and business expansion by leveraging the collective strength of Toray Group along with other new energy-related businesses.

2. Outline of the merger

(1) Schedule of the merger

Approval of the merger agreement	December 19, 2016
Signing of the merger agreement	December 19, 2016
Date of the merger (effective date)	April 1, 2017 (planned)

Note: It is a simplified merger specified in Article 796 Paragraph 2 of the Companies Act in the case of Toray and a short-form merger as specified in Article 784 Paragraph 1 of the Companies Act for Toray BSF, and therefore the companies will not hold a general shareholders' meeting for approval of the merger agreement.

(2) Method of the merger

It is an absorption-type merger in which Toray is the surviving company and Toray BSF will be dissolved.

(3) Allotment details pertaining to the merger

Toray, which owns all outstanding shares in Toray BSF, neither grants nor allots any shares or other consideration including money pertaining to the merger.

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(4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the merged company

Not applicable.

3. Overview of the companies involved in the merger

	Surviving company (as of September 30, 2016)	Company being merged (as of September 30, 2016)
(1) Company name	Toray Industries, Inc.	Toray Battery Separator Film Co., Ltd.
(2) Location	1-1, 2-chome, Nihonbashi-muromachi, Chuo-ku, Tokyo	1190-13, Iguchi, Nasu-Shiobara, Tochigi
(3) Title and name of representative	President Akihiro Nikkaku	President Osamu Inoue
(4) Business	Manufacture and marketing of fibers and textiles, plastic and chemical products	Manufacture, processing and marketing of synthetic resin films
(5) Paid-in capital	147,873 million yen	301 million yen
(6) Established	January 12, 1926	November 1, 2007
(7) Total number of issued shares	1,631,481,403 shares	301 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and ownership ratio	The Master Trust Bank of Japan, Ltd. (trust account): 7.7%, other	Toray Industries, Inc.: 100%
(10) Financial condition and business results of last fiscal year (Unit: Millions of yen, except per share data)		
	FYE March,31 2016 (Consolidated)	FYE March,31 2016 (non-consolidated)
Net assets	¥1,024,909	¥31,939
Total assets	2,278,386	46,120
Net assets per share (Yen)	591.50	106,109,752.05
Net sales	2,104,430	16,473
Operating income	154,480	3,072
Ordinary income	150,170	2,584
Net income attributable to owners of parent	90,132	1,711
Earnings per share (Yen)	56.38	5,685,722.10

4. Post-merger conditions

The merger does not affect Toray's company name, location, representative's title and name, business content, paid-in capital or fiscal year.

5. Future outlook

In the merger, Toray will merge its wholly owned subsidiary and its impact on consolidated business performance will be negligible.

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(Ref) Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2017 (announced on November 8, 2016) and the result of previous year.

(Unit: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent
Forecast for FYE March 31, 2017	2,060,000	155,000	155,000	95,000
Result of FYE March 31,2016	2,104,430	154,480	150,170	90,132