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February 7, 2012

Toray Announces Consolidated Results for the Nine Months Ended December 31, 2011

Tokyo, February 7, 2012 - Toray Industries, Inc. (the "Company") today announced its consolidated business results for the nine months ended December 31, 2011 of the fiscal year ending March 31, 2012. The following summary of the business results that Toray submitted to the Tokyo Stock Exchange is unaudited and for reference only. (Code Number: 3402)

Consolidated Business Results

(Millions of yen, *millions of U.S. dollars,* except per share data)

	Nine months ended December 31,				(Reference) Fiscal 2010
	2011	2010	Change	**2011**	
	Yen		%	*U.S. dollars*	Yen
Net sales	**¥1,199,698**	¥1,126,840	6.5	***$15,440***	¥1,539,693
Operating income	**89,197**	69,966	27.5	***1,148***	100,087
Ordinary income	**91,572**	68,667	33.4	***1,179***	98,888
Net income	**53,974**	43,779	23.3	***695***	57,925
Net income per share - Basic	**33.13**	27.74	-	-	36.41
Net income per share - Diluted	**31.35**	26.22	-	-	34.43

Consolidated Financial Condition

(Millions of yen, *millions of U.S. dollars,* except per share data)

	Nine months ended December 31,			(Reference) Fiscal 2010
	2011	2010	**2011**	
	Yen		*U.S. dollars*	Yen
Total assets	**¥1,554,847**	¥1,580,940	***$20,011***	1,567,470
Property, plant and equipment, net	**518,826**	535,665	***6,677***	531,595
Net assets	**648,208**	633,092	***8,342***	640,970
Equity ratio	**38.7%**	37.0%	-	37.8%

Notes:
1. For calculation of "equity ratio," minority interests and subscription rights to shares are deducted from net assets.
2. U.S. dollar amounts have been converted from yen at the exchange rate of ¥77.7 = U.S.$1, the approximate rate of exchange prevailing on December 31, 2011.
3. Amounts are rounded to the nearest million.

Forecast of Consolidated Results for the Year Ending March 31, 2012

(Millions of yen, *millions of U.S. dollars*)

	Year ending March 31, 2012	
	Yen	*U.S. dollars*
Net sales	¥1,610,000	*$20,909*
Operating income	110,000	*1,429*
Ordinary income	110,000	*1,429*
Net income	63,000	*818*

Reference: EPS forecast (year ending March 31, 2012) ¥38.67

Notes:
1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥77 = U.S.$1, the estimated rate of exchange from January onwards.
2. Amounts are rounded to the nearest million.

Segment Information

(Millions of yen, *millions of U.S. dollars*)

Net Sales	Nine months ended December 31,		
	2011	2010	**2011**
	Yen		*U.S. dollars*
Fibers and Textiles	**¥492,674**	¥441,316	***$6,341***
Plastics and Chemicals	**300,082**	280,480	***3,862***
IT-related Products	**183,847**	196,594	***2,366***
Carbon Fiber Composite Materials	**53,325**	49,527	***686***
Environment and Engineering	**118,049**	109,712	***1,519***
Life Science	**41,976**	39,274	***540***
Others	**9,745**	9,937	***125***
Consolidated Total	**1,199,698**	1,126,840	***15,440***

(Millions of yen, *millions of U.S. dollars*)

Segment Income (Loss)	Nine months ended December 31,		
	2011	2010	**2011**
	Yen		*U.S. dollars*
Fibers and Textiles	**¥38,230**	¥25,507	***$492***
Plastics and Chemicals	**22,293**	19,767	***287***
IT-related Products	**25,033**	30,905	***322***
Carbon Fiber Composite Materials	**7,630**	1,971	***98***
Environment and Engineering	**3,925**	(2,242)	***51***
Life Science	**5,240**	5,328	***67***
Others	**738**	700	***9***
Total	**103,089**	81,936	***1,327***
Adjustment	**(13,892)**	(11,970)	***(179)***
Consolidated Total (Operating income)	**89,197**	69,966	***1,148***

Notes:
1. “Others” represents service-related businesses such as analysis, survey and research.
2. “Adjustment” of segment income for the nine months ended December 31, 2011 of (13,892) million yen includes intersegment eliminations of 76 million yen and corporate expenses of (13,968) million yen. “Adjustment” of segment income (loss) for the nine months ended December 31, 2010 of (11,970) million yen includes intersegment eliminations of 947 million yen and corporate expenses of (12,917) million yen. The corporate expenses consist of the headquarters’ research expenses, etc. that are not allocated to each reportable segment.
3. U.S. dollar amounts have been converted from yen at the exchange rate of ¥77.7 = U.S.$1, the approximate rate of exchange prevailing on December 31, 2011.
4. Amounts are rounded to the nearest million.

Consolidated Business Results and Financial Condition

1. Overview of the Nine Months Ended December 31, 2011

During the nine months under review, though the global economy on the whole continued to expand steadily in the first half, uncertainties stemming from the financial crisis in Europe grew greater since summer, fueling concerns of economic slowdown even in China and other emerging countries. Also, the large-scale floods in Thailand had a severe impact on the overall supply chains of products such as automobiles and digital equipment on a global level. The Japanese economy, in spite of signs of recovery following the easing of supply constraints caused by the Great East Japan Earthquake, is facing increased uncertainties over the future due to the fluctuations in the global economy as well as the accelerated appreciation of the yen.

Under such circumstances, Toray Group in April 2011 launched the new medium-term management program “Project AP-G 2013.” Under the project, the Group has been striving to strengthen its revenue base by pursuing business expansion in growth business fields and growth regions and by bolstering its total cost competitiveness.

Reflecting these efforts, consolidated net sales for the nine-month period rose 6.5% compared with the same period a year ago to ¥1,199.7 billion (US$15,440 million). Operating income increased 27.5% to ¥89.2 billion (US$1,148 million) and ordinary income rose 33.4% to ¥91.6 billion (US$1,179 million). Net income increased 23.3% to ¥54.0 billion (US$695 million).

Business performance by segment is described below.

Business Performance by Segment:

Fibers and Textiles
In Japan, sales increased strongly in apparel applications including inner wear using functional materials. Sales of industrial-use materials, especially automotive applications, also recovered along with retrieval of automobile manufacturers’ operations. Overseas, the polyester filament and staple fiber business in ASEAN countries, the clothing textile business in China and ASEAN countries, the polypropylene spunbond business for diapers in Republic of Korea and China and the textile business for air bag applications in Thailand and Czech Republic expanded sales and shifted focus to high value-added products. This resulted in steady performance in both apparel and industrial applications abroad.

Overall sales of Fibers and Textiles rose 11.6% to ¥492.7 billion (US$6,341 million) from the same period a year earlier and operating income expanded 49.9% to ¥38.2 billion (US$492 million).

Plastics and Chemicals
In the Plastics and Chemicals segment, sales volume of automotive application and

other products in the resin business, which had been affected by the Great East Japan Earthquake, recovered from the second quarter mainly in Japan. At the same time, demand for general purpose ABS stagnated overseas against the backdrop of global economic slowdown. In the film business, products in industrial material applications and packaging materials performed strongly in Japan and Toray Group expanded sales in the U.S., Europe and Asia in the second quarter. In the third quarter, however, the demand for these products waned both in Japan and abroad because of the global economic slowdown and price-cutting competition intensified.

On the whole, the total sales for Plastics and Chemicals rose 7.0% year-on-year to ¥300.1 billion (US$3,862 million). Operating income increased 12.8% to ¥22.3 billion (US$287 million).

IT-related Products

In the IT-related Products segment, while sales of materials for small and mid-sized displays such as for smartphones as well as semiconductor-related materials performed strongly, those of LCD and PDP TV related products including films and processed film products fell due to the impact of panel production adjustments caused by the slowdown in the flat-screen TV market.

Sales of IT-related Products declined 6.5% to ¥183.8 billion (US$2,366 million) and operating income fell 19.0% to ¥25.0 billion (US$322 million).

Carbon Fiber Composite Materials

In the Carbon Fiber Composite Materials segment, despite the impact of the strong yen, Toray Group actively pursued sales expansion in the aerospace and general industrial applications, as demand for aircraft applications grew and that in environmental and energy field including compressed natural gas tanks expanded. In the first half, the Group also made steady efforts to push back prices primarily in the area of general products for sports and general industrial applications. Demand for the sports application products, however, weakened due to the impact of economic slowdown in the U.S. and Europe since early fall.

Overall sales of the Carbon Fiber Composite Materials segment rose 7.7% on year to ¥53.3 billion (US$686 million) while operating income surged 287.1% to ¥7.6 billion (US$98 million).

Environment and Engineering

In the Environment and Engineering segment, sales of the water treatment business declined due to lack of large-scale projects similar to those during the same period a year earlier and also because of the stronger yen. Nevertheless, the Company actively pursued activities to win orders for reverse osmosis membranes and other water treatment membranes around the world. In Japan, large projects at a water treatment engineering subsidiary made progress, while sales at construction and real estate subsidiaries expanded.

The total sales of Environment and Engineering increased 7.6% to ¥118.0 billion (US$1,519 million). The segment posted operating income of ¥3.9 billion (US$51 million), an improvement of ¥6.2 billion from the same period a year earlier.

Life Science

In the Life Science segment, sales of pharmaceutical products including *REMITCH*®, an oral antipruritus drug for hemodialysis patients, as well as those of TORAYMYXIN™, a hemoperfusion absorption column for removing endotoxin, and TORAYLIGHT™, a polysulfone membrane artificial kidney, increased.

Overall sales of Life Science rose 6.9% to ¥42.0 billion (US$540 million) from the same period a year earlier, while operating income fell 1.7% to ¥5.2 million (US$67 million), partly due to an increased burden of development expenses.

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

New Businesses and New Investments

The Company separated the Shanghai Office (established in 2004) of Toray Fibers & Textiles Research Laboratories (China) Co., Ltd., established in 2002 in Nantong, Jiangsu, to make it an independent entity. The move is aimed at strengthening research and development required for expanding the business in China, and the new entity following the division, Toray Advanced Materials Research Laboratories (China) Co., Ltd., began operations in January 2012. It is expected to embark on development of products and provision of technological services including film processing, carbon fiber composite materials and electronic information materials, while reinforcing existing research on resin, films, water treatment and amenity. At the same time, it plans to have Toray Fibers & Textiles Research Laboratories (China) specialize in fiber- and textile-related research and development and further enhance its operation.

In October 2011, the Company, with the cooperation of Chubu Electric Power Co., Inc., reached a basic agreement with Mitsui Chemicals, Inc., Mitsui & Co., Ltd., Toagosei Co., Ltd., Toshiba Corporation, Mitsui Engineering and Shipbuilding Co., Ltd., companies which have expertise and track records in renewable energy, to conduct a feasibility study for building Japan's biggest solar and wind power generation facility in Tahara City, Aichi Prefecture.
Toray Group has been producing various products related to renewable energy such as LUMIRROR® PET film used as back sheet in solar cells and carbon fiber TORAYCA® used in wind mill blades, while promoting development of other related materials, devices and systems. Driving forward this business would help in identifying the fundamental technical issues facing renewable energy and the Group will further accelerate the developments toward solving those issues.

2. Analysis of Financial Condition

As of December 31, 2011, Toray Group's total assets stood at ¥1,554.8 billion (US$20,011 million), down ¥12.6 billion compared with the end of the previous fiscal year. Current assets increased ¥12.4 billion from the end of the previous fiscal year primarily due to higher levels of inventories despite decline in cash and cash equivalents. Fixed assets fell by ¥25.1 billion reflecting decreases in property, plant and equipment and investment securities.

Total liabilities fell by ¥19.9 billion to ¥906.6 billion (US$11,668 million) compared to the end of the previous fiscal year, owing to declines in notes and accounts payable.

Net assets increased ¥7.2 billion compared with the end of the previous fiscal year to ¥648.2 billion (US$8,342 million). This reflected increased retained earnings from net income. Net assets less minority interests and subscription rights to shares stood at ¥601.1 billion (US$7,736 million).

3. Forecast of Consolidated Results

Going forward, though reconstruction demand is expected in Japan following the Great East Japan Earthquake, there are increasing concerns regarding the overseas outlook as the worsening European sovereign debt problems and financial uncertainties could bring about downward pressures on not only the European economy but also the global economy.

Under such circumstances, Toray Group has been implementing the new medium-term management program "Project AP-G 2013" that pursues business expansion in growth business fields and growth regions. Under the project, Toray Group is driving forward the three group-wide projects in an integrated and aggressive manner: "Green Innovation Business Expansion (GR) Project" aimed at expanding businesses contributing to solution of environmental and resource- and energy-related issues, "Asia and Emerging Country Business Expansion (AE) Project" for growing businesses in respective regions to take advantage of remarkable economic growths in emerging countries in Asia and elsewhere, and the "Total Cost Reduction (TC-II) Project" to further enhance the corporate competitiveness, ultimately to promote growth strategy and strengthen its earnings base.

Given the increasingly uncertain economic situations both in Japan and abroad as well as its business results through the nine months of the fiscal year, the Company revised the earnings forecasts for the fiscal year through March 31, 2012. It now expects consolidated net sales of ¥1,610 billion (US$20,909 million), operating income of ¥110 billion (US$1,429 million), ordinary income of ¥110 billion (US$1,429 million), and net income of ¥63 billion (US$818 million). The Company based its revised earnings forecasts on an estimated exchange rate of ¥77 to US$1 for the period starting January 1, 2012.

Notes:

1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥77.7 = U.S.$1, the approximate rate of exchange prevailing on December 31, 2011.

2. U.S. dollar amounts of forecasts have been converted from yen at the exchange rate of ¥77 = U.S.$1, the estimated rate of exchange from January onwards.

4. Subsequent events

1. Impact of Thai Floods
Some of the Company's consolidated subsidiaries were inundated by the large-scale floods in Thailand which occurred in October 2011. Subsequently, the plants have been resuming their operations one by one as and when they finish draining the water and complete the restoration work. The level of damage is yet to be fully assessed as of the publication of this report, and it is difficult to give a rational estimate of the overall impact on the business performance. The Company plans to file an insurance claim for the affected assets.

2. Making Toray Tonen Specialty Separator Godo Kaisha a Subsidiary
The Company made a decision to make Toray Tonen Specialty Separator Godo Kaisha, a 50-50 joint venture with Tonen Chemical Corporation and Tonen Chemical Nasu Corporation (both are subsidiaries of Tonen General Sekiyu K.K. of ExxonMobil Group), the Company's 100% owned subsidiary through redemption of the interest held by ExxonMobil Group at its meeting of the Board of Directors held on January 20, 2012. On following January 31, Toray Tonen Specialty Separator Godo Kaisha refunded the interest held by ExxonMobil Group.

(i) Name and business of the acquired company
Name: Toray Tonen Specialty Separator Godo Kaisha
Business: Production, processing and sale of synthetic resin films

(ii) Objective of the acquisition
It is necessary for Toray Tonen Specialty Separator to speed up its response even further upon operating the business to survive in the drastically changing market environment. The Company would manage Toray Tonen Specialty Separator as a wholly owned subsidiary to further improve its corporate value.

(iii) Acquisition date
January 31, 2012

(iv) Company name after the acquisition
Toray Battery Separator Film Godo Kaisha

(v) Acquisition cost and the stake after the acquisition
Acquisition cost: 53,555 million yen
Stake after the acquisition: 100%

Disclaimer

The above stated forecasts are formulated based on estimates of future economic environment as of the announcement date of this material and the actual results could differ from the forecasts due to various factors in the future. The material in this statement is not a guarantee of the Company's future business performance.

For further information, please contact:

Mr. Kenjiro Kamiyama
General Manager
Investor Relations Department
Tel: +81-3-3245-5113
Fax: +81-3-3245-5459

Mr. Yoshiaki Nakayama
General Manager
Corporate Communications Department
Tel: +81-3-3245-5178
Fax: +81-3-3245-5459

Toray Industries, Inc.
http://www.toray.com/