

November 2, 2011

**Announcement of Business Results  
For the 2Q and Six Months  
Ended September 30, 2011**



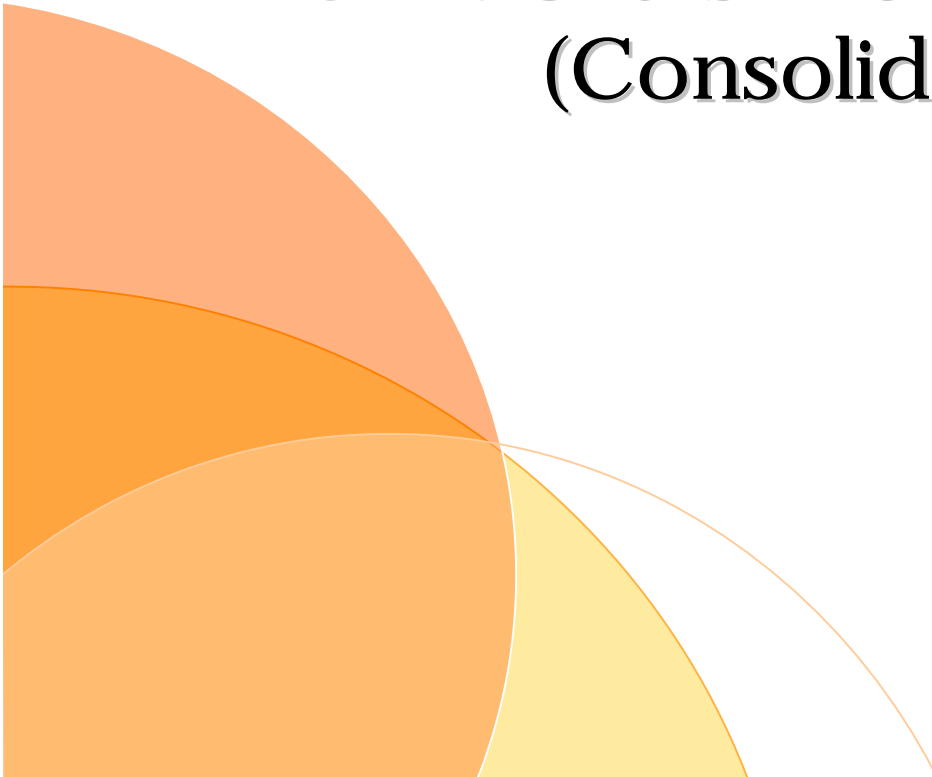
**Toray Industries, Inc.**

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# I. Business Results for the 2Q and Six Months Ended Sept. 30, 2011 (Consolidated Basis)



# Summary of Consolidated Business Results for the 2Q and Six Months Ended Sept. 30, 2011

Billion yen

	FY Mar/11 2Q (Jul.-Sept.)	FY Mar/12 2Q (Jul.-Sept.)	Changes	FY Mar/11 Six Months (Apr.-Sept.)	FY Mar/12 Six Months (Apr.-Sept.)	Changes
Net Sales	383.0	425.0	+41.9 (+10.9%)	733.4	799.8	+66.4 (+9.1%)
Cost of Sales	304.0	333.2	+29.2 (+9.6%)	586.9	628.0	+41.1 (+7.0%)
Gross Profit	79.1	91.8	+12.7 (+16.1%)	146.5	171.8	+25.3 (+17.3%)
(Gross Profit to Net Sales)	20.6%	21.6%	+1.0 point	20.0%	21.5%	+1.5 points
Operating Income	26.3	36.2	+9.8 (+37.4%)	42.5	63.4	+20.9 (+49.1%)
(Operating Income to Net Sales)	6.9%	8.5%	+1.6 points	5.8%	7.9%	+2.1 point
Non-operating Income and Expenses, net	▲ 0.4	0.3	+0.7	▲ 2.1	2.1	+4.1
Ordinary Income	25.9	36.4	+10.5 (+40.5%)	40.5	65.5	+25.0 (+61.9%)
Special Credits and Charges, net	▲ 1.2	▲ 2.4	- 1.1	▲ 4.5	▲ 3.1	+1.4
Income before Income Taxes	24.7	34.1	+9.4 (+38.0%)	35.9	62.4	+26.5 (+73.7%)
Net Income	16.3	22.3	+6.1 (+37.2%)	24.9	40.1	+15.2 (+60.9%)

	(FY Mar/11 2Q)	(FY Mar/12 2Q)	(FY Mar/11 1H)	(FY Mar/12 1H)
Exchange Rate <Yen/US\$> Average	: 85.9	77.9	89.0	79.8
	End of the term	: 83.8	76.7	
<Yen/Euro> Average	: 110.7	110.2	113.8	113.8
	End of the term	: 114.2	104.1	
Oil Price <US\$/B> (DUBAI FOB) Average	: 73.9	107.1	76.0	108.9

\*Consolidated business results are the sums of Jul. – Sept. business results in companies whose FY ends on March 31 and Apr. – Jun. business results in companies whose FY ends on December 31.

# Non-operating Income and Expenses

Billion yen

	FY Mar/11 2Q (Jul.-Sept.)	FY Mar/12 2Q (Jul.-Sept.)	Changes	FY Mar/11 Six Months (Apr.-Sept.)	FY Mar/12 Six Months (Apr.-Sept.)	Changes
Non-operating Income	3.0	3.2	+0.2	7.8	7.7	-0.2
Interest and Dividend Income	0.2	0.3	+0.1	1.4	1.7	+0.3
Equity in Earnings of Affiliates	2.0	1.8	-0.2	4.2	3.6	-0.5
Others	0.7	1.1	+0.3	2.3	2.4	+0.1
Non-operating Expenses	▲ 3.4	▲ 2.9	+0.5	▲ 9.9	▲ 5.6	+4.3
Interest Expenses	▲ 1.7	▲ 1.4	+0.2	▲ 3.4	▲ 2.8	+0.6
Others	▲ 1.7	▲ 1.5	+0.3	▲ 6.5	▲ 2.7	+3.7
Non-operating Income and Expenses, net	▲ 0.4	0.3	+0.7	▲ 2.1	2.1	+4.1
Interest and Dividend Income, Interest Expenses, net	▲ 1.4	▲ 1.1	+0.3	▲ 2.0	▲ 1.2	+0.8

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

# Special Credits and Charges

Billion yen

	FY Mar/11 2Q (Jul.-Sept.)	FY Mar/12 2Q (Jul.-Sept.)	Changes	FY Mar/11 Six Months (Apr.-Sept.)	FY Mar/12 Six Months (Apr.-Sept.)	Changes
Special Credits	0.3	0.1	-0.2	1.9	0.1	-1.8
Gain on Sales of Property, Plant and Equipment	0.3	0.0	-0.2	0.3	0.1	-0.2
Gain on Sales of Investment Securities	-	0.0	+0.0	1.6	0.0	-1.5
Special Charges	▲ 1.5	▲ 2.4	-0.9	▲ 6.4	▲ 3.2	+3.2
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 1.1	▲ 1.1	-0.0	▲ 1.7	▲ 1.4	+0.3
Loss on Write-down of Investment Securities	▲ 0.2	▲ 1.2	-1.0	▲ 3.0	▲ 1.3	+1.8
Loss on Adjustment for Changes of Accounting Standards for Asset Retirement Obligations	-	-	-	▲ 1.4	-	+1.4
Others	▲ 0.2	▲ 0.1	+0.1	▲ 0.2	▲ 0.5	-0.3
Special Credits and Charges, net	▲ 1.2	▲ 2.4	-1.1	▲ 4.5	▲ 3.1	+1.4

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

# Assets, Liabilities, Net Assets and Free Cash Flows

Billion yen

	End of Mar/11	End of Sept/11	Changes
Total Assets	1,567.5	1,601.5	+34.0
Current Assets	724.1	773.2	+49.2
Tangible Assets	531.6	531.5	-0.1
Intangible Assets	9.3	9.6	+0.3
Investment and Other Assets	302.5	287.2	-15.3

	End of Mar/11	End of Sept/11	Changes
Total Liabilities	926.5	933.7	+7.2
Current Liabilities	503.0	517.9	+15.0
Other Liabilities	423.5	415.8	-7.7
Total Net Assets	641.0	667.8	+26.8
Interest-bearing Debts	493.5	514.5	+21.0
D/E Ratio	0.83	0.83	+0.00

<Free Cash Flows>

Billion yen

	FY Mar/11 Six Months (Apr.-Sept.)	FY Mar/12 Six Months (Apr.-Sept.)	Changes
Cash Flows from Operating Activities	31.2	25.5	-5.7
Cash Flows from Investment Activities	▲ 19.7	▲ 34.7	-15.0
Free Cash Flows	11.4	▲ 9.2	-20.7

# Capital Expenditures, Depreciation, R&D Expenses

Billion yen

	FY Mar/11 Six Months (Apr.-Sept.)	FY Mar/12 Six Months (Apr.-Sept.)	Changes	Comments
Capital Expenditures	20.2	28.2	+8.0	Toray : 9.4, Japan : 4.9, Overseas : 13.9
Depreciation -)	34.4	32.7	-1.6	Toray : 16.4, Japan : 4.2, Overseas : 12.1
Transfer, Disposal, etc.	▲ 23.1	4.4	+27.5	
Changes in Tangible Assets	▲ 37.3	▲ 0.1		
R&D Expenses	23.0	24.6	+1.7	

## Major Capital Expenditures:

<Toray> : Carbon fiber production facilities

<Overseas> TAK (Toray Advanced Materials Korea Inc.)

: Optical polyester (PET) film production facilities (Republic of Korea)



# Net Sales and Operating Income by Segment **TORAY** Innovation by Chemistry

Billion yen

	Net Sales			Operating Income		
	FY Mar/11 2Q (Jul.-Sept.)	FY Mar/12 2Q (Jul.-Sept.)	Changes	FY Mar/11 2Q (Jul.-Sept.)	FY Mar/12 2Q (Jul.-Sept.)	Changes
Fibers & Textiles	145.6	165.2	+19.7 (+13.5%)	7.8	12.6	+4.8 (+62.3%)
Plastics & Chemicals	92.4	103.5	+11.1 (+12.0%)	6.6	7.8	+1.2 (+18.2%)
IT-related Products	72.6	65.8	-6.8 (-9.4%)	13.0	10.3	-2.7 (-21.0%)
Carbon Fiber Composite Materials	16.2	17.3	+1.1 (+7.0%)	1.3	2.3	+1.0 (+73.4%)
Environment & Engineering	38.9	55.1	+16.3 (+41.8%)	▲ 0.8	5.6	+6.4 (-)
Life Science	13.7	14.4	+0.7 (+4.9%)	2.2	2.3	+0.2 (+6.9%)
Others	3.7	3.6	-0.1 (-2.7%)	0.3	0.4	+0.0 (+15.4%)
<b>Total</b>	<b>383.0</b>	<b>425.0</b>	<b>+41.9 (+10.9%)</b>	<b>30.3</b>	<b>41.2</b>	<b>+10.8 (+35.8%)</b>
Adjustment				▲ 4.0	▲ 5.0	-1.0
<b>Consolidated</b>	<b>383.0</b>	<b>425.0</b>	<b>+41.9 (+10.9%)</b>	<b>26.3</b>	<b>36.2</b>	<b>+9.8 (+37.4%)</b>

	Net Sales			Operating Income		
	FY Mar/11 Six Months (Apr.-Sept.)	FY Mar/12 Six Months (Apr.-Sept.)	Changes	FY Mar/11 Six Months (Apr.-Sept.)	FY Mar/12 Six Months (Apr.-Sept.)	Changes
Fibers & Textiles	273.1	307.5	+34.4 (+12.6%)	13.6	22.7	+9.2 (+67.8%)
Plastics & Chemicals	186.5	206.5	+19.9 (+10.7%)	12.1	16.4	+4.3 (+35.9%)
IT-related Products	136.2	130.0	-6.1 (-4.5%)	21.3	19.7	-1.6 (-7.3%)
Carbon Fiber Composite Materials	31.9	36.3	+4.5 (+14.0%)	1.2	5.0	+3.8 (+305.8%)
Environment & Engineering	73.5	85.3	+11.8 (+16.1%)	▲ 1.5	4.2	+5.7 (-)
Life Science	25.5	27.5	+2.0 (+7.8%)	3.3	4.2	+0.9 (+27.3%)
Others	6.8	6.7	-0.1 (-1.4%)	0.4	0.5	+0.1 (+15.2%)
<b>Total</b>	<b>733.4</b>	<b>799.8</b>	<b>+66.4 (+9.1%)</b>	<b>50.4</b>	<b>72.8</b>	<b>+22.5 (+44.6%)</b>
Adjustment				▲ 7.8	▲ 9.4	-1.6
<b>Consolidated</b>	<b>733.4</b>	<b>799.8</b>	<b>+66.4 (+9.1%)</b>	<b>42.5</b>	<b>63.4</b>	<b>+20.9 (+49.1%)</b>

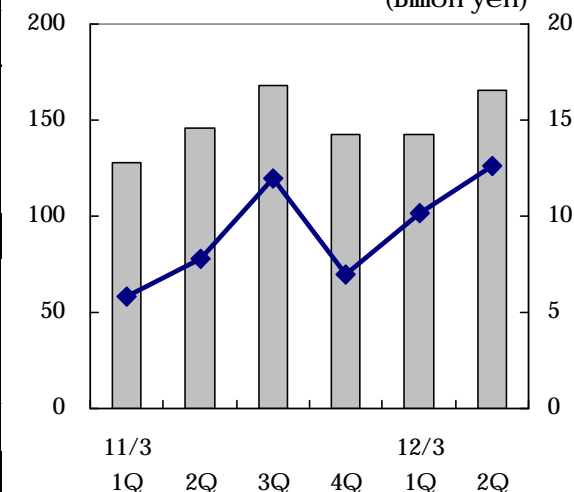
# Business Results by Segment (Fibers & Textiles)

Unit : Billion yen

Net Sales  
<Bar chart>

Operating Income  
<Line chart>  
(Billion yen)

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/11	FY Mar/12	Changes		FY Mar/11	FY Mar/12	Changes	
Net Sales	Toray	25.8	27.0	+1.3	(+4.9%)	50.2	53.2	+3.0	(+6.0%)
	Japanese Subsidiaries	72.7	83.6	+10.9	(+15.0%)	134.6	150.4	+15.8	(+11.7%)
	Overseas Subsidiaries	47.1	54.6	+7.5	(+15.9%)	88.2	103.9	+15.6	(+17.7%)
	Total	145.6	165.2	+19.7	(+13.5%)	273.1	307.5	+34.4	(+12.6%)
Operating Income	Toray	2.2	3.2	+1.0	(+43.6%)	4.8	6.6	+1.8	(+38.8%)
	Japanese Subsidiaries	1.7	3.1	+1.5	(+87.5%)	2.8	5.0	+2.2	(+77.0%)
	Overseas Subsidiaries	4.2	7.0	+2.8	(+67.1%)	6.9	13.1	+6.2	(+89.1%)
	Adjustment	▲ 0.3	▲ 0.8	-0.4		▲ 0.9	▲ 1.9	-1.0	
	Total	7.8	12.6	+4.8	(+62.3%)	13.6	22.7	+9.2	(+67.8%)



## 2Q (Jul.-Sept.)

### Sales / Income Increased

#### Toray

In apparel applications, sales for inner wear using functional materials increased steadily. Sales of industrial-use materials, especially automotive applications including materials for air bags, also recovered along with retrieval of automobile manufacturers' operation. Materials for general industrial-use

#### Japanese Subsidiaries

application also performed steadily. Garment business for major SPAs expanded.

#### Overseas Subsidiaries

Garment business and textile business for apparel applications were steady in China and sales volume of polypropylene spunbonded non-woven fabric for the use of diapers expanded as well reflecting the starting of operation of additional facility in March this year. Also of note, all business shifted its focus to high value-added products.

## Six-months (Apr.-Sept.)

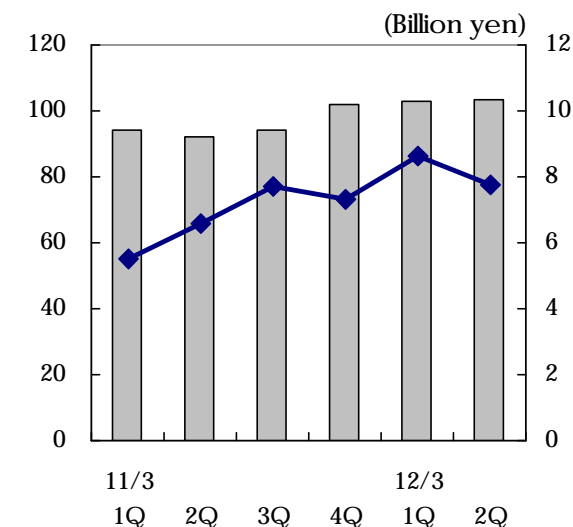
### Sales / Income Increased

In Japan, sales increased strongly in apparel applications including inner wear using functional materials and the garment business targeting major SPAs also expanded. Sales of industrial-use materials, especially automotive applications, also recovered along with retrieval of automobile manufacturers' operation. Overseas, the polyester filament and staple fiber business in ASEAN countries, the clothing textile business in China and ASEAN countries 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.

# Business Results by Segment (Plastics & Chemicals)

Unit : Billion yen      Net Sales <Bar chart>      Operating Income <Line chart>

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/11	FY Mar/12	Changes		FY Mar/11	FY Mar/12	Changes	
Net Sales	Toray	17.2	20.8	+3.5	(+20.6%)	35.4	39.1	+3.8	(+10.7%)
	Japanese Subsidiaries	32.0	36.9	+4.9	(+15.3%)	68.0	74.3	+6.3	(+9.3%)
	Overseas Subsidiaries	43.1	45.8	+2.7	(+6.2%)	83.2	93.0	+9.8	(+11.8%)
	Total	92.4	103.5	+11.1	(+12.0%)	186.5	206.5	+19.9	(+10.7%)
Operating Income	Toray	1.2	1.1	-0.1	(-6.7%)	2.5	2.2	-0.3	(-12.0%)
	Japanese Subsidiaries	1.8	2.4	+0.6	(+33.6%)	4.0	5.4	+1.4	(+33.9%)
	Overseas Subsidiaries	3.5	4.0	+0.5	(+14.3%)	5.6	8.7	+3.1	(+55.2%)
	Adjustment	0.1	0.2	+0.2		▲ 0.1	0.1	+0.2	
	Total	6.6	7.8	+1.2	(+18.2%)	12.1	16.4	+4.3	(+35.9%)



## 2Q (Jul.-Sept.)

### Sales / Income Increased

#### Toray

: In the resins business, sales volume of automotive application recovered since July from the impact of the Earthquake in Japan. In the films business, products in industrial material applications particularly those for solar cell back sheets performed steadily.

#### Japanese Subsidiaries

: A films subsidiary expanded its sales volume of materials for packaging applications and solar cell back sheets.

#### Overseas Subsidiaries

: Films subsidiaries shifted their focus to high value-added products. Sales volume decreased at a resins subsidiary in Malaysia due to the negative impact of the sluggish Chinese market.

## Six-months (Apr.-Sept.)

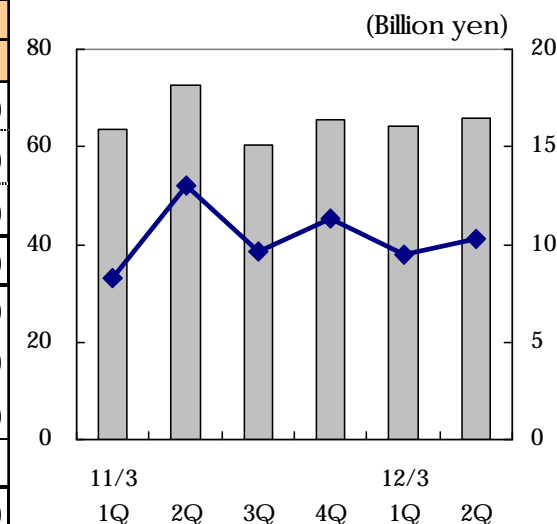
### Sales / Income Increased

In Japan, sales volume of automotive application and other products, mainly in the resins business, recovered since July from the impact of the Earthquake in Japan. In the films business, products in industrial material applications and packaging materials performed strongly during the period. Overseas, the polyester film business and polypropylene film business expanded sales in the U.S., Europe and Asia.

# Business Results by Segment (IT-related Products)

Unit : Billion yen    Net Sales <Bar chart>    Operating Income <Line chart>

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/11	FY Mar/12	Changes		FY Mar/11	FY Mar/12	Changes	
Net Sales	Toray	29.7	27.6	-2.2	(-7.3%)	56.9	55.1	-1.8	(-3.2%)
	Japanese Subsidiaries	22.2	18.7	-3.5	(-15.9%)	40.5	37.5	-3.1	(-7.5%)
	Overseas Subsidiaries	20.6	19.5	-1.1	(-5.4%)	38.7	37.5	-1.2	(-3.2%)
	Total	72.6	65.8	-6.8	(-9.4%)	136.2	130.0	-6.1	(-4.5%)
Operating Income	Toray	8.1	7.0	-1.1	(-13.4%)	13.4	13.1	-0.3	(-2.3%)
	Japanese Subsidiaries	1.7	0.8	-0.9	(-54.1%)	2.8	2.0	-0.8	(-29.3%)
	Overseas Subsidiaries	3.1	2.5	-0.6	(-19.6%)	5.0	4.7	-0.3	(-5.2%)
	Adjustment	0.0	▲ 0.1	-0.1		0.1	▲ 0.1	-0.2	
	Total	13.0	10.3	-2.7	(-21.0%)	21.3	19.7	-1.6	(-7.3%)



## 2Q (Jul.-Sept.)

## Sales / Income Decreased

- Toray** : Shipment of materials for small and mid-sized displays such as for smartphones proceeded steadily and sales volume of semiconductor-related material increased. By contrast, flat panel display (FPD) related material had a negative influence of production adjustment at panel manufacturers.
- Japanese Subsidiaries** : Sales of FPD-related materials decreased at a film processing subsidiary and a fine chemicals subsidiary.
- Overseas Subsidiaries** : In the Republic of Korea, a films and processed film-related subsidiary and an electric circuit materials-related subsidiary were impacted by production adjustment at LCD panel manufacturers.

## Six-months (Apr.-Sept.)

While sales of materials for small and mid-sized displays such as for smartphones 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 TV market.

## Sales / Income Decreased

# Details of the Sales of IT-related Products Segment

[Sales ratio by sub-segment]

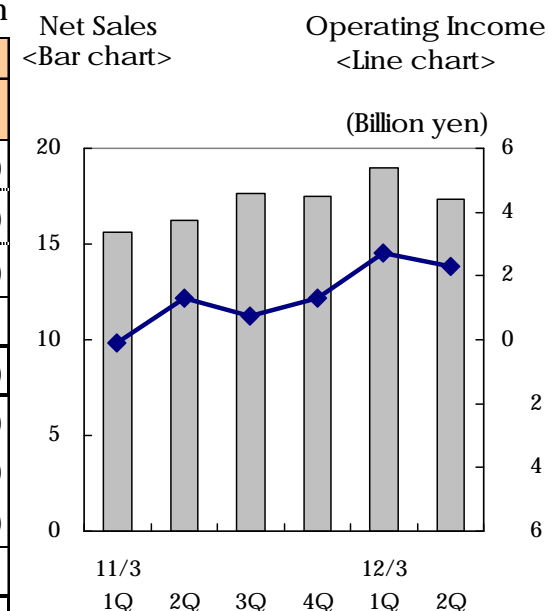
Unit : Billion yen

	FY Mar/11 2Q (Jul.-Sept.)		FY Mar/12 2Q (Jul.-Sept.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	30.4	42%	24.8	38%	-18%
Electronic Components, Semiconductor, Electric Circuit Materials	25.4	35%	23.5	36%	-7%
Data Storage Materials	8.4	12%	8.4	13%	-0%
Equipment, others	8.4	12%	9.0	14%	+8%
Total of IT-related Products Segment	72.6		65.8		-9%

	FY Mar/11 Six Months (Apr.-Sept.)		FY Mar/12 Six Months (Apr.-Sept.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	56.5	41%	50.5	39%	-11%
Electronic Components, Semiconductor, Electric Circuit Materials	48.8	36%	45.9	35%	-6%
Data Storage Materials	16.6	12%	16.5	13%	-0%
Equipment, others	14.4	11%	17.2	13%	+19%
Total of IT-related Products Segment	136.2		130.0		-4%

# Business Results by Segment (Carbon Fiber Composite Materials)

Unit : Billion yen



		2Q (Jul.-Sept.)			Six Months (Apr.-Sept.)		
		FY Mar/11	FY Mar/12	Changes	FY Mar/11	FY Mar/12	Changes
Net Sales	Toray	12.8	14.7	+1.9 (+14.7%)	24.9	28.7	+3.7 (+15.0%)
	Japanese Subsidiaries	9.5	10.7	+1.2 (+13.1%)	17.8	21.6	+3.7 (+21.1%)
	Overseas Subsidiaries	11.9	13.7	+1.8 (+15.1%)	23.1	28.0	+4.9 (+21.3%)
	Adjustment	▲ 17.9	▲ 21.7	-3.8	▲ 33.9	▲ 41.9	-8.0
	Total	16.2	17.3	+1.1 (+7.0%)	31.9	36.3	+4.5 (+14.0%)
Operating Income	Toray	1.4	1.4	-0.0 (-0.9%)	1.6	2.8	+1.2 (+70.5%)
	Japanese Subsidiaries	0.1	0.1	+0.0 (+10.3%)	0.2	0.2	+0.0 (+15.7%)
	Overseas Subsidiaries	0.2	1.1	+1.0 (+634.7%)	0.1	2.2	+2.1 (-)
	Adjustment	▲ 0.3	▲ 0.3	+0.0	▲ 0.7	▲ 0.2	+0.5
	Total	1.3	2.3	+1.0 (+73.4%)	1.2	5.0	+3.8 (+305.8%)

As the segment highly conducts global operation with Japanese, Europe and US facilities, internal sales figures are shown in adjustment line to describe the true state of the business.

2Q (Jul.-Sept.)

## Sales / Income Increased

Following the first quarter, all applications performed steadily. Additional price push back has mostly penetrated.

Six-months  
(Apr.-Sept.)

## Sales / Income Increased

Despite the impact of the strong yen and rising raw material prices, Toray Group has been actively pursuing sales expansion as demand for aircraft applications recovered and that in environmental and energy field including compressed natural gas tanks expanded. As a result, sales volumes in these applications increased. The Group also made steady efforts to push back prices of primarily in the areas of general products for sports and general industrial applications.

# Details of the Sales of Carbon Fiber Composite Materials Segment

[Sales ratio by sub-segment]

Unit : Billion yen

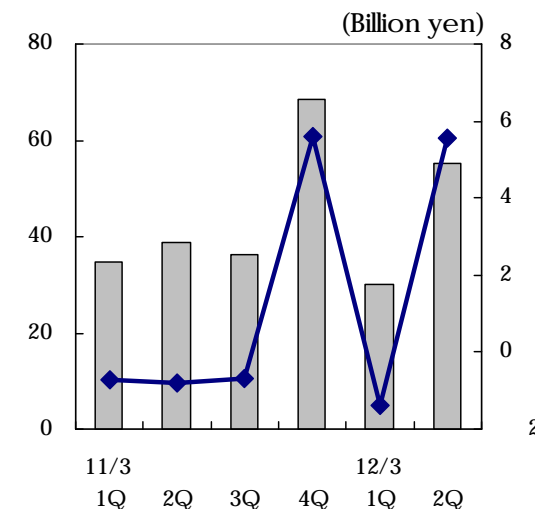
	FY Mar/11 2Q (Jul.-Sept.)		FY Mar/12 2Q (Jul.-Sept.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aircraft	6.6	41%	6.2	36%	-7%
Sports	3.5	22%	3.3	19%	-4%
Industrial	6.1	38%	7.8	45%	+28%
Total of Carbon Fiber Composite Materials	16.2		17.3		+7%

	FY Mar/11 Six Months (Apr.-Sept.)		FY Mar/12 Six Months (Apr.-Sept.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aircraft	12.5	39%	13.1	36%	+5%
Sports	6.7	21%	7.3	20%	+9%
Industrial	12.6	40%	15.9	44%	+25%
Total of Carbon Fiber Composite Materials	31.9		36.3		+14%

# Business Results by Segment (Environment & Engineering)

Unit : Billion yen      Net Sales <Bar chart>      Operating Income <Line chart>

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/11	FY Mar/12	Changes		FY Mar/11	FY Mar/12	Changes	
Net Sales	Toray	3.0	1.8	-1.2	(-40.4%)	5.5	3.2	-2.3	(-41.9%)
	Japanese Subsidiaries	34.9	52.2	+17.2	(+49.3%)	66.0	79.6	+13.7	(+20.7%)
	Overseas Subsidiaries	1.0	1.2	+0.2	(+25.0%)	2.0	2.5	+0.5	(+24.3%)
	Total	38.9	55.1	+16.3	(+41.8%)	73.5	85.3	+11.8	(+16.1%)
Operating Income (Loss)	Toray	▲ 1.0	▲ 1.0	+0.0	(-)	▲ 1.7	▲ 1.7	-0.0	(-)
	Japanese Subsidiaries	0.2	4.6	+4.4	(-)	0.1	4.1	+3.9	(-)
	Overseas Subsidiaries	0.0	▲ 0.1	-0.1	(-)	▲ 0.0	▲ 0.2	-0.2	(-)
	Adjustment	▲ 0.0	2.1	+2.1		0.1	2.0	+2.0	
	Total	▲ 0.8	5.6	+6.4	(-)	▲ 1.5	4.2	+5.7	(-)



## 2Q (Jul.-Sept.)

### Sales / Income Increased

- Toray** : Sales of the water treatment business declined due to a lack of large-scale projects similar to those during the same period a year earlier as well as the impact of the strong yen.
- Japanese Subsidiaries** : Sales increased at a construction and real-estate subsidiary and large projects made progress at a water treatment engineering subsidiary. Accordingly, both subsidiaries achieved some sales in advance which was expected to be accounted for in the second half.
- Overseas Subsidiaries** : A Chinese subsidiary reported sales increase of its reverse osmosis membrane.

## Six-months (Apr.-Sept.)

### Sales / Income Increased

Sales of the water treatment business declined due to a lack of large-scale projects similar to those during the same period a year earlier. 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.



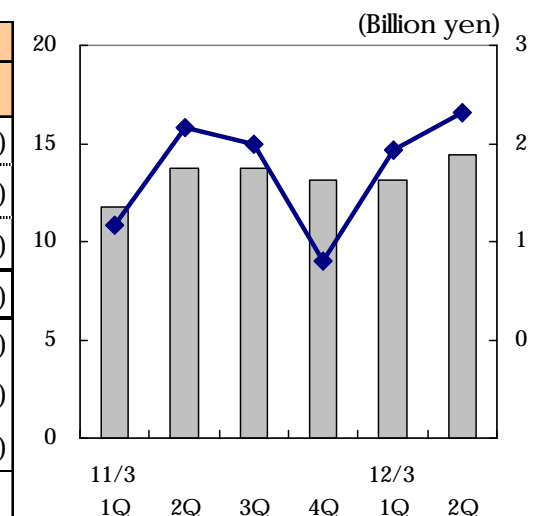
# Business Results by Segment (Life Science)

Unit : Billion yen

		2Q (Jul.-Sept.)				Six Months (Apr.-Sept.)			
		FY Mar/11	FY Mar/12	Changes		FY Mar/11	FY Mar/12	Changes	
Net Sales	Toray	3.8	4.4	+0.7	(+18.0%)	6.7	8.7	+2.0	(+29.9%)
	Japanese Subsidiaries	9.7	9.6	-0.1	(-1.4%)	18.2	18.1	-0.2	(-1.0%)
	Overseas Subsidiaries	0.3	0.4	+0.1	(+46.5%)	0.6	0.8	+0.2	(+31.5%)
	Total	13.7	14.4	+0.7	(+4.9%)	25.5	27.5	+2.0	(+7.8%)
Operating Income	Toray	1.6	1.8	+0.2	(+10.3%)	2.5	3.5	+1.0	(+38.1%)
	Japanese Subsidiaries	0.4	0.6	+0.1	(+34.3%)	0.6	0.7	+0.1	(+16.9%)
	Overseas Subsidiaries	0.0	0.0	-	(-)	0.0	0.0	-0.0	(-16.7%)
	Adjustment	0.1	▲ 0.1	-0.2		0.2	0.0	-0.1	
	Total	2.2	2.3	+0.2	(+6.9%)	3.3	4.2	+0.9	(+27.3%)

Net Sales  
<Bar chart>

Operating Income  
<Line chart>



2Q (Jul.-Sept.)

**Sales / Income Increased**

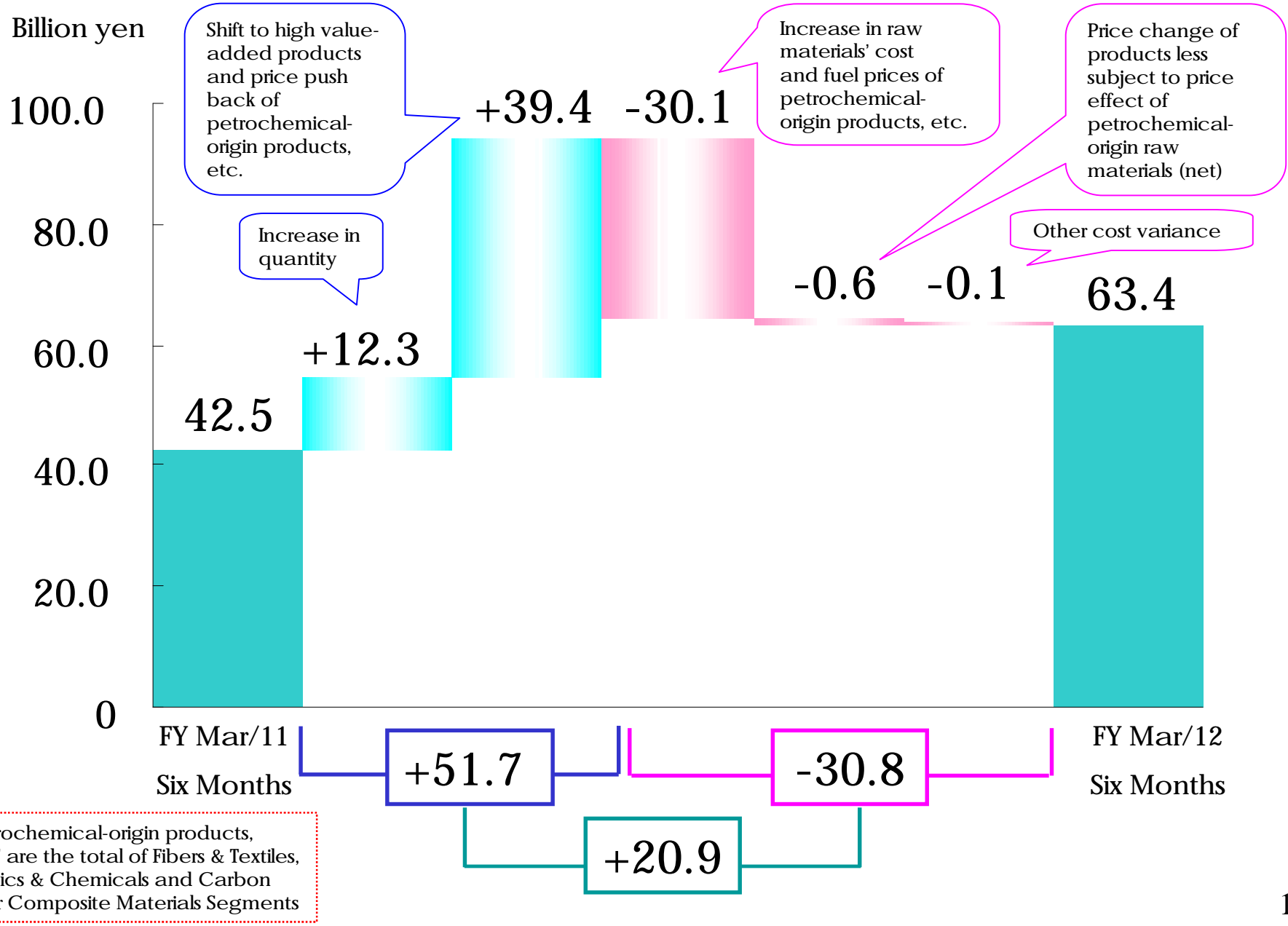
Shipment of REMITCH®, an oral antipruritus drug for hemodialysis patients and Toraymyxin\*, a hemoperfusion absorption column for removing endotoxin showed steady progress.

Six-months  
(Apr.-Sept.)

**Sales / Income  
Increased**

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, increased.

# Income Variance Factor Analysis (Six Months)



# Results of Major Subsidiaries (Six Months)

Billion yen

		Net Sales			Operating Income		
		FY Mar/11 Six Months (Apr.-Sept.)	FY Mar/12 Six Months (Apr.-Sept.)	Changes	FY Mar/11 Six Months (Apr.-Sept.)	FY Mar/12 Six Months (Apr.-Sept.)	Changes
Toray International Inc.		200.1	228.6	+28.4	2.6	3.9	+1.3
Toray Engineering Co., Ltd.		34.6	39.3	+4.7	1.2	1.6	+0.4
Toray Construction Co., Ltd.		13.0	30.9	+17.9	▲0.6	2.9	+3.6
Toray Advanced Film Co., Ltd.		28.3	24.7	-3.6	2.2	1.8	-0.4
Toray Medical Co., Ltd.		18.4	18.2	-0.2	0.6	0.7	+0.1
TAK (Republic of Korea)		44.5	48.7	+4.2	6.8	8.3	+1.5
TPM (Malaysia)		32.8	31.8	-1.0	1.2	0.5	-0.7
Subsidiaries in Southeast Asia *1	Fibers & Textiles	44.6	52.0	+7.4	1.5	4.8	+3.3
	Plastics & Chemicals	38.0	38.4	+0.4	2.3	2.4	+0.1
	Others	3.8	3.3	-0.5	0.2	0.2	+0.1
	Total	86.4	93.7	+7.3	4.0	7.4	+3.4
Subsidiaries in China *2	Fibers & Textiles	46.4	61.5	+15.1	2.5	4.5	+2.0
	Plastics & Chemicals	22.6	27.7	+5.1	0.6	0.5	-0.1
	Others	5.5	5.1	-0.4	0.2	0.0	-0.1
	Total	74.5	94.3	+19.8	3.3	5.1	+1.8
Films Subsidiaries (Overseas) *3	Plastics & Chemicals	38.2	45.2	+7.0	3.1	7.0	+3.9
	IT-related Products	24.0	25.2	+1.2	4.1	4.5	+0.3
	Total	62.2	70.4	+8.2	7.2	11.5	+4.3

\*1 : IIS, ETX, ISTEM, ACTEM, CENTEX, PFR, PAB-G, TIS, LTX, TITM, TPM sum total

\*2 : TFNL, TSD, TJQ, TPN, TCH, TSL, THK-G, TPCH-G, RKH/RKZ, TFH/TFZ, TBMC sum total

\*3 : TAK, PFR, TPA, TFE, TFH/TFZ, TAFK sum total

# 1Q vs. 2Q Comparison of Operating Income by Segment

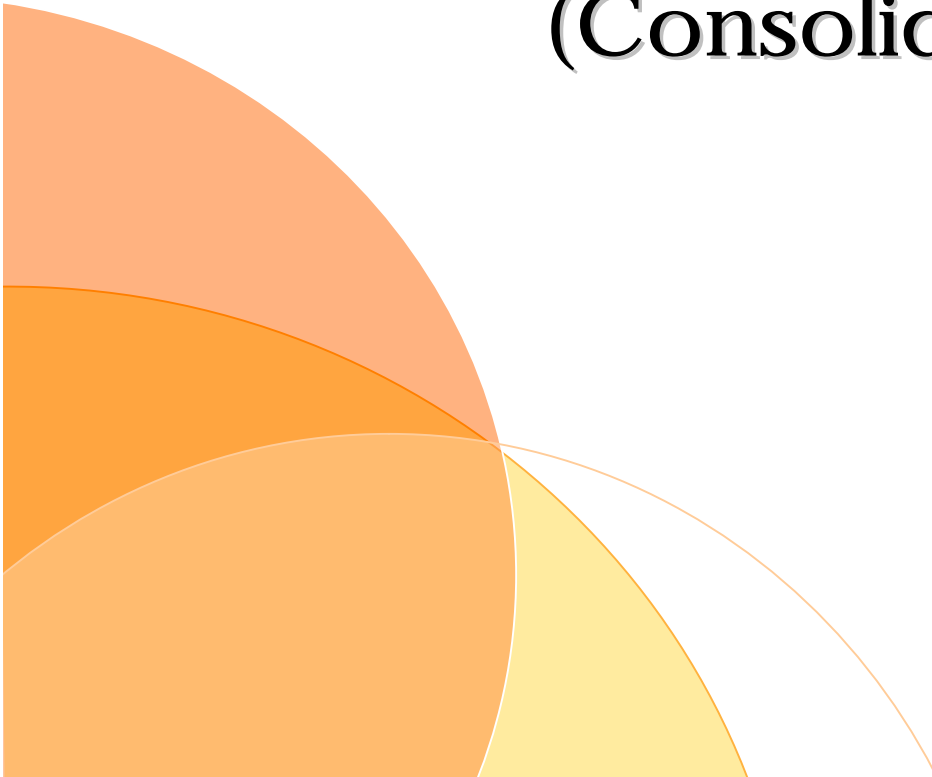
Segment	Operating Income FY Mar/12 1Q → FY Mar/12 2Q ( ) difference	Variance Factors
Fibers & Textiles	10.2 → 12.6 (+2.4)	<ul style="list-style-type: none"> <li>• Shipment volume of garments such as inner wear using functional materials increased.</li> <li>• The polyester filament textile business at a Chinese subsidiary has entered seasonal production.</li> </ul>
Plastics & Chemicals	8.6 → 7.8 (-0.9)	<ul style="list-style-type: none"> <li>• Although demand for automobile-related resins recovered, a Japanese subsidiary saw correction in front-loaded orders in preparation for the summer power saving which existed in the first quarter.</li> <li>• Overseas, demand for ABS resin was sluggish especially in China. Films subsidiaries are having negative impact of the weakening of sales prices due to the increasingly tough competition in Asia and Europe.</li> </ul>
IT-related Products	9.5 → 10.3 (+0.8)	<ul style="list-style-type: none"> <li>• Smartphone-related materials were steady at Toray parent company and also achieved technical fee revenues in the second quarter.</li> <li>• Regarding overseas subsidiaries, sales expanded at a Korean films subsidiary reflecting the start-up of a new optical PET film line which started in March.</li> </ul>
Carbon Fiber Composite Materials	2.7 → 2.3 (-0.4)	<ul style="list-style-type: none"> <li>• Seasonal production of materials for sports application has decreased and there are signs of inventory adjustment among some customers in Asia.</li> <li>• Trial cost for the development of new products increased in all applications mainly at Toray parent company.</li> </ul>
Environment & Engineering	▲1.4 → 5.6 (+6.9)	<ul style="list-style-type: none"> <li>• Sales of condominiums increased at a construction-related subsidiary.</li> <li>• Large-scale projects proceeded steadily at a water-treatment engineering subsidiary.</li> </ul>
Life Science	1.9 → 2.3 (+0.4)	<ul style="list-style-type: none"> <li>• The negative impact of the Earthquake on the dialyzer business in the first quarter has been resolved and sales volume increased at a Japanese subsidiary.</li> </ul>
Others	0.1 → 0.4 (+0.2)	<ul style="list-style-type: none"> <li>• Sales increased at an analysis, survey and research service subsidiary.</li> </ul>
Adjustment	▲4.4 → ▲5.0 (-0.6)	
Consolidated	27.3 → 36.2 (+8.9)	

# Comparison of 1H Operating Income with Previous Forecast by Segment

Billion yen

Segment	1H Operating Income Previous Forecast* → Actual ( ) difference	Variance Factors
Fibers & Textiles	21.0 → 22.7 (+1.7)	• Shipment of inner wear using functional materials increased steadily.
Plastics & Chemicals	16.0 → 16.4 (+0.4)	• Mostly in line with the forecast.
IT-related Products	20.0 → 19.7 (-0.3)	• Mostly in line with the forecast.
Carbon Fiber Composite Materials	5.0 → 5.0 (+0.0)	• Mostly in line with the forecast.
Environment & Engineering	3.0 → 4.2 (+1.2)	• Sales of condominiums increased at a construction subsidiary. • Large-scale projects proceeded steadily at a water-treatment engineering subsidiary.
Life Science	4.0 → 4.2 (+0.2)	• Mostly in line with the forecast.
Others	0.5 → 0.5 (-0.0)	• Mostly in line with the forecast.
Adjustment	▲9.5 → ▲9.4 (+0.1)	* Previous forecast refers to the previous business announcement for the 1Q of FY Mar/12 on August 4, 2011.
Consolidated	60.0 → 63.4 (+3.4)	Promote the Total Cost Reduction (TC-II) Project on a group-wide basis

## II. Business Forecast for the Fiscal Year Ending March 2012 (Consolidated Basis)



# Forecast Summary

Billion yen

		FY Mar/11 Actual	FY Mar/12 New Forecast	Changes		Previous Forecast	Difference from Previous Forecast
Net Sales	1st Half	733.4	799.8	+66.4	(+9.1%)	800.0	-0.2
	2nd Half	806.3	870.2	+63.9	(+7.9%)	870.0	+0.2
	Total	1,539.7	1,670.0	+130.3	(+8.5%)	1,670.0	-
Operating Income	1st Half	42.5	63.4	+20.9	(+49.1%)	60.0	+3.4
	2nd Half	57.6	56.6	-1.0	(-1.7%)	60.0	-3.4
	Total	100.1	120.0	+19.9	(+19.9%)	120.0	-
Ordinary Income	1st Half	40.5	65.5	+25.0	(+61.9%)	62.0	+3.5
	2nd Half	58.4	54.5	-3.9	(-6.7%)	58.0	-3.5
	Total	98.9	120.0	+21.1	(+21.3%)	120.0	-
Net Income	1st Half	24.9	40.1	+15.2	(+60.9%)	39.0	+1.1
	2nd Half	33.0	33.9	+0.9	(+2.7%)	35.0	-1.1
	Total	57.9	74.0	+16.1	(+27.8%)	74.0	-

Net Income per Share	1st Half	16.0 yen	24.6 yen
	2nd Half	20.3 yen	20.8 yen
	Total	36.4 yen	45.4 yen
Dividend per Share	1st Half	2.5 yen	5.0 yen
	2nd Half	5.0 yen	5.0 yen
	Total	7.5 yen	10.0 yen

Remarks :  
Estimated exchange rate : 77 yen / US\$ (October ~)  
Estimated oil price : 100 US\$/ B (DUBAI FOB) (October ~)

# Forecast by Segment

Billion yen

		FY Mar/11			FY Mar/12			Year-on-Year Changes			Difference from Previous Forecast		
		1H Actual	2H Actual	Total Actual	1H Actual	2H	Total Forecast	1H Actual	2H	Total Forecast	1H Actual	2H	Total Forecast
Net Sales	Fibers & Textiles	273.1	311.1	584.1	307.5	332.5	640.0	+34.4	+21.5	+55.9	+7.5	+12.5	+20.0
	Plastics & Chemicals	186.5	195.8	382.3	206.5	223.5	430.0	+19.9	+27.8	+47.7	-3.5	-6.5	-10.0
	IT-related Products	136.2	125.9	262.0	130.0	130.0	260.0	-6.1	+4.1	-2.0	+0.0	-10.0	-10.0
	Carbon Fiber Composite Materials	31.9	35.1	67.0	36.3	43.7	80.0	+4.5	+8.5	+13.0	-3.7	+3.7	-
	Environment & Engineering	73.5	104.7	178.2	85.3	104.7	190.0	+11.8	+0.0	+11.8	+0.3	-0.3	-
	Life Science	25.5	26.9	52.4	27.5	27.5	55.0	+2.0	+0.6	+2.6	+0.5	-0.5	-
	Others	6.8	6.9	13.6	6.7	8.3	15.0	-0.1	+1.5	+1.4	-1.3	+1.3	-
	Consolidated	733.4	806.3	1,539.7	799.8	870.2	1,670.0	+66.4	+63.9	+130.3	-0.2	+0.2	-
Operating Income	Fibers & Textiles	13.6	18.9	32.4	22.7	22.3	45.0	+9.2	+3.4	+12.6	+1.7	+0.3	+2.0
	Plastics & Chemicals	12.1	15.0	27.1	16.4	14.6	31.0	+4.3	-0.5	+3.9	+0.4	-0.4	-
	IT-related Products	21.3	20.9	42.2	19.7	18.3	38.0	-1.6	-2.7	-4.2	-0.3	-2.7	-3.0
	Carbon Fiber Composite Materials	1.2	2.0	3.3	5.0	5.0	10.0	+3.8	+2.9	+6.7	+0.0	-0.0	-
	Environment & Engineering	▲ 1.5	4.9	3.3	4.2	3.8	8.0	+5.7	-1.1	+4.7	+1.2	-1.2	-
	Life Science	3.3	2.8	6.1	4.2	1.8	6.0	+0.9	-1.0	-0.1	+0.2	-0.2	-
	Others	0.4	0.6	1.0	0.5	0.5	1.0	+0.1	-0.1	-0.0	-0.0	+0.0	-
	Adjustment	▲ 7.8	▲ 7.7	▲ 15.5	▲ 9.4	▲ 9.6	▲ 19.0	-1.6	-1.9	-3.5	+0.1	+0.9	+1.0
Consolidated	42.5	57.6	100.1	63.4	56.6	120.0	+20.9	-1.0	+19.9	+3.4	-3.4	-	

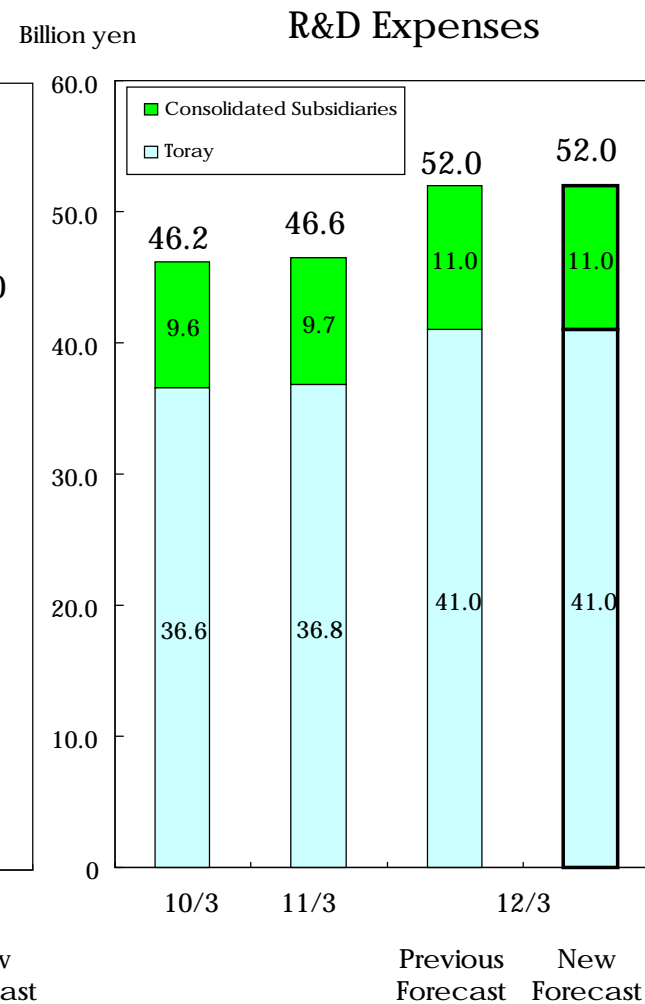
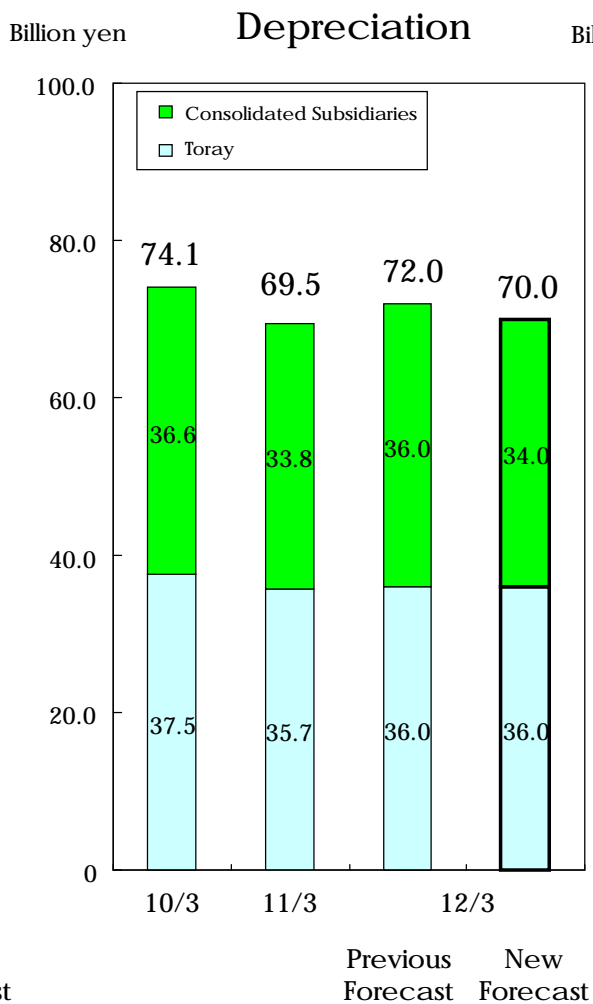
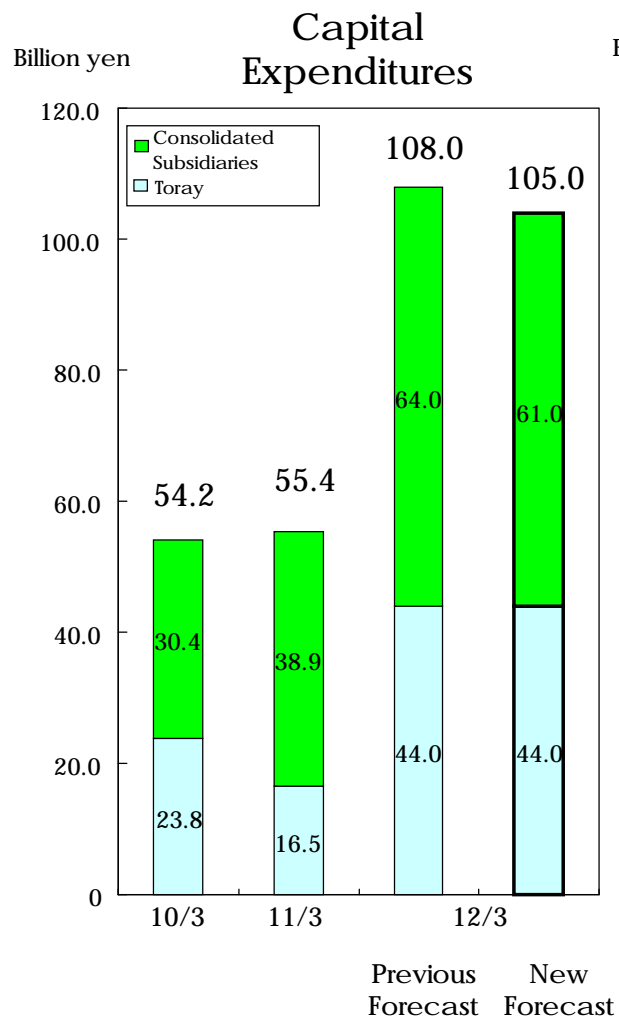


# Operating Income Comparison with Previous Forecast by Segment

Billion yen

Segment	Full-year Operating Income Previous Forecast → New Forecast ( ) difference	Variance Factors
Fibers & Textiles	43.0 → 45.0 (+2.0)	• Shipment of garments including inner wear using functional material is expected to increase.
Plastics & Chemicals	31.0 → 31.0 ( - )	• In line with the previous forecast.
IT-related Products	41.0 → 38.0 (-3.0)	• Estimate a delay in recovery of demand for FPDs.
Carbon Fiber Composite Materials	10.0 → 10.0 ( - )	• In line with the previous forecast.
Environment & Engineering	8.0 → 8.0 ( - )	• In line with the previous forecast.
Life Science	6.0 → 6.0 ( - )	• In line with the previous forecast.
Others	1.0 → 1.0 ( - )	• In line with the previous forecast.
Adjustment	▲20.0 → ▲19.0 (+1.0)	
Consolidated	120.0 → 120.0 ( - )	

# Forecast of Capital Expenditures, Depreciation, R&D Expenses



Descriptions of predicted business results, projections and business plans for the Fiscal Year ending March 2012 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.