

November 2, 2011

Toray Announces Consolidated Results for the Six Months Ended September 30, 2011

Tokyo, November 2, 2011 - Toray Industries, Inc. (the "Company") today announced its consolidated business results for the six months ended September 30, 2011. 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 Financial Highlights

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

	Six months ended September 30,				(Reference) Fiscal 2010
	2011	2010	Change	2011	
	Yen		%	<i>U.S. Dollars</i>	Yen
Net sales	¥799,785	¥733,377	9.1	\$10,427	¥1,539,693
Operating income	63,414	42,520	49.1	827	100,087
Ordinary income	65,506	40,464	61.9	854	98,888
Net income	40,091	24,919	60.9	523	57,925

Depreciation	¥32,735	¥34,354	(4.7)	\$427	¥69,539
Capital investment	28,190	20,196	39.6	368	55,394
Total assets	1,601,510	1,552,861	3.1	20,880	1,567,470
Property, plant and equipment, net	531,496	543,091	(2.1)	6,930	531,595
Net assets	667,763	615,249	8.5	8,706	640,970

Per Share of common stock (yen)

Net Income - Basic	¥24.61	¥16.05	-	-	¥36.41
Net income - Diluted	23.29	15.16	-	-	34.43
Cash dividends	5.00	2.50	100.0	-	7.5

Ratios (%)

Operating income to net sales	7.9%	5.8%	-	-	6.5%
Net income to net sales	5.0%	3.4%	-	-	3.8%
Equity ratio	38.5%	36.6%	-	-	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 ¥76.7 = U.S.\$1, the approximate rate of exchange prevailing on September 30, 2011.
3. Amounts are rounded to the nearest million.

Segment Information

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

Net Sales	Six months ended September 30,		
	2011	2010	2011
	Yen		U.S. dollars
Fibers and Textiles	¥307,500	¥273,065	\$4,009
Plastics and Chemicals	206,459	186,539	2,692
IT-related Products	130,045	136,162	1,696
Carbon Fiber Composite Materials	36,322	31,871	474
Environment and Engineering	85,278	73,461	1,112
Life Science	27,516	25,517	359
Others	6,665	6,762	87
Consolidated Total	799,785	733,377	10,427

Segment Income (Loss)	Six months ended September 30,		
	2011	2010	2011
	Yen		U.S. dollars
Fibers and Textiles	¥22,741	¥13,550	\$296
Plastics and Chemicals	16,422	12,080	214
IT-related Products	19,731	21,286	257
Carbon Fiber Composite Materials	5,032	1,240	66
Environment and Engineering	4,191	(1,541)	55
Life Science	4,245	3,334	55
Others	471	409	6
Total	72,833	50,358	950
Adjustment	(9,419)	(7,838)	(123)
Consolidated Total (Operating income)	63,414	42,520	827

Notes:

1. "Others" represents service-related businesses such as analysis, survey and research.
2. "Adjustment" of segment income for the six months ended September 30, 2011 of (9,419) million yen includes intersegment eliminations of (145) million yen and corporate expenses of (9,274) million yen. "Adjustment" of segment income (loss) for the six months ended September 30, 2010 of (7,838) million yen includes intersegment eliminations of 708 million yen and corporate expenses of (8,546) 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 ¥76.7 = U.S.\$1, the approximate rate of exchange prevailing on September 30, 2011.
4. Amounts are rounded to the nearest million.

Forecast of Consolidated Results for the fiscal year ending March 31, 2012

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

	Year ending March 31, 2012	
	Yen	<i>U.S. dollars</i>
Net sales	¥1,670,000	\$21,688
Operating income	120,000	1,558
Ordinary income	120,000	1,558
Net income	74,000	961

Reference: EPS forecast (year ending March 31, 2012) ¥45.42

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 October onwards.
2. Amounts are rounded to the nearest million.

Consolidated Business Results and Financial Condition

1. Overview of First Half (April 2011 – September 2011)

During the six months under review, though the global economy on the whole continued to expand steadily, growing uncertainties stemming from the financial crisis in Europe and the sluggish U.S. economy fueled concerns of economic slowdown even in emerging economies led by China since summer. The Japanese economy also, 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.

As a result, consolidated net sales for the first half through September 30, 2011 rose 9.1% compared with the same period of the previous fiscal year to ¥799.8 billion (US\$10,427 million). Operating income came to ¥63.4 billion (US\$827 million), up 49.1%, and ordinary income rose 61.9% to ¥65.5 billion (US\$854 million). Net income grew by 60.9% to ¥40.1 billion (US\$523 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 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.

As a result, total sales of Fibers and Textiles rose 12.6% to ¥307.5 billion (US\$4,009 million) from the previous year and operating income jumped 67.8% to ¥22.7 billion (US\$296 million).

Plastics and Chemicals

In the Plastics and Chemicals segment, sales volume of automotive application and other products, mainly in the resin business, recovered since July from the impact of the Great East Japan Earthquake in Japan. In the film 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.

As a result, total sales of Plastics and Chemicals increased 10.7% year-on-year to ¥206.5 billion (US\$2,692 million) and operating income rose 35.9% to ¥16.4 billion (US\$214 million).

IT-related Products

In the IT-related Products segment, 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.

As a result, sales of the segment decreased 4.5% to ¥130.0 billion (US\$1,696 million) compared with the same period a year earlier, and operating income fell 7.3% to ¥19.7 billion (US\$257 million).

Carbon Fiber Composite Materials

In the Carbon Fiber Composite Materials segment, 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 primarily in the areas of general products for sports and general industrial applications.

On the whole, the Carbon Fiber Composite Materials registered a year-on-year sales increase of 14.0% to ¥36.3 billion (US\$474 million) while operating income rose 305.8% to ¥5.0 billion (US\$66 million).

Environment and Engineering

In the Environment and Engineering segment, 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.

The total sales of Environment and Engineering increased 16.1% to ¥85.3 billion (US\$1,112 million). The segment had operating profit of 4.2 billion yen (US\$55 million), an improvement of 5.7 billion yen compared with 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, increased.

Overall sales of Life Science rose 7.8% to ¥27.5 billion (US\$359 million) from the same period a year earlier and operating income increased 27.3% to ¥4.2 million (US\$55 million).

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

New Businesses and New Investments

In September this year, the Company held the Toray Advanced Materials Exhibition 2011 and Toray Advanced Materials Symposium 2011 at the Tokyo International Forum. Under the theme of “Green innovation with Toray Materials,” the exhibition introduced advanced materials and technologies that contribute to solving the global environmental problems. The exhibition, which attracted about 9,200 visitors, featured ample images and had on display large exhibits including *TEEWAVE*^{*} AR1, the next-generation concept EV, which was introduced to the public for the first time, 40 meter blade for wind power generation and an actual main wing of Boeing 787, both based on Toray materials, and demonstration equipment of water treatment plant. The symposium set its theme as “Advanced materials and technologies for sustainable growth in the 21st century” and had academic leaders including Nobel laureates in chemistry in its core technologies of organic synthetic chemistry, polymer chemistry, biotechnology and nanotechnology to give lectures. Some 4,300 audiences attended the symposium.

2. Analysis of Financial Condition

As of September 30, 2011, Toray Group’s total assets stood at ¥1,601.5 billion (US\$20,880 million), up ¥34.0 billion compared with the end of the previous fiscal year. Current assets increased ¥49.2 billion from the end of the previous fiscal year primarily due to higher levels of notes and accounts receivable - trade and inventories. Fixed assets fell by ¥15.1 billion reflecting decreases in investment securities.

Total liabilities rose ¥7.2 billion to ¥933.7 billion (US\$12,174 million) compared to the end of the previous fiscal year, owing to an increase in interest-bearing debts.

Net assets increased ¥26.8 billion compared with the end of the previous fiscal year to ¥667.8 billion (US\$8,706 million). This reflected increased retained earnings from net income. Net assets less minority interests and subscription rights to shares stood at ¥616.5 billion (US\$8,037 million).

3. Forecast of Consolidated Results

The outlook for the global economy is increasingly uncertain, as developed economies face a slowdown reflecting the financial crisis and unstable financial systems in Europe and the U.S. and as there is concern about deceleration of economic growth in emerging economies because of declining demand from developed countries. The Japanese economy is likely to track a moderate recovery path, as supply restrictions resulting from the Great East Japan Earthquake ease and production and exports recover, and recovery-related demand becomes apparent. At the same time, it is necessary to pay attention to the downside risks from the uncertainties in overseas markets, the rising yen and low stock prices. Also, the large-scale floods in Thailand is feared to give extensive impact on the overall supply chains.

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 the business results for the first half of the fiscal year, the Company decided to keep its full-year earnings forecasts announced on August 1 unchanged. The Company estimates an exchange rate of ¥77 to US\$1 for the period from October onwards.

4. Subsequent events

Some of the Company's consolidated subsidiaries were inundated by the large-scale floods in Thailand which occurred in October 2011. 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 timing of restoration and the overall impact on the business performance. The Company plans to file an insurance claim for the affected assets.

Notes:

1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥76.7 = U.S.\$1, the approximate rate of exchange prevailing on September 30, 2011.
2. U.S. dollar amounts of forecast for FY Mar/12 have been converted from yen at the exchange rate of ¥77 = U.S.\$1, the estimated rate of exchange from October onwards.
3. Product names with (*) abbreviation are trademarks of Toray Industries, Inc.

Disclaimer

Descriptions of predicted business results, forecasts and business plans contained in this material are based on predictive forecasts of the future business environment made at the present time. 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/>