

November 7, 2012

Toray Announces Consolidated Results for the Six Months Ended September 30, 2012

Tokyo, November 7, 2012 - Toray Industries, Inc. (the "Company") today announced its consolidated business results for the six months ended September 30, 2012. The following summary of the business results that the Company 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 2011
	2012	2011	Change	2012	
	Yen		%	<i>U.S. Dollars</i>	Yen
Net sales	¥753,729	¥799,785	(5.8)	\$9,713	¥1,588,604
Operating income	36,692	63,414	(42.1)	473	107,721
Ordinary income	38,040	65,506	(41.9)	490	109,849
Net income	20,006	40,091	(50.1)	258	64,218

Depreciation	¥31,130	¥32,735	(4.9)	\$401	¥66,681
Capital investment	43,730	28,190	55.1	564	94,307
Total assets	1,602,807	1,601,510	0.1	20,655	1,581,501
Property, plant and equipment, net	574,728	531,496	8.1	7,406	561,923
Net assets	682,389	667,763	2.2	8,794	674,149

Per Share of common stock (yen)

Net income - Basic	¥12.28	¥24.61	(50.1)	-	¥39.41
Net income - Diluted	11.93	23.29	(48.8)	-	37.46
Cash dividends	5.00	5.00	100.0	-	10.00

Ratios (%)

Operating income to net sales	4.9%	7.9%	-	-	6.8%
Net income to net sales	2.7%	5.0%	-	-	4.0%
Equity ratio	39.5%	38.5%	-	-	39.7%

Notes:

1. For calculation of "Equity ratio," minority interests and stock acquisition rights are deducted from net assets.
2. U.S. dollar amounts have been converted from yen at the exchange rate of ¥77.6 = U.S.\$1, the approximate rate of exchange prevailing on September 30, 2012.
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,		
	2012	2011	2012
	Yen		<i>U.S. dollars</i>
Fibers & Textiles	¥288,852	¥307,500	\$3,722
Plastics & Chemicals	194,965	206,459	2,512
IT-related Products	121,120	130,045	1,561
Carbon Fiber Composite Materials	36,544	36,322	471
Environment & Engineering	78,147	85,278	1,007
Life Science	27,018	27,516	348
Others	7,083	6,665	91
Consolidated Total	753,729	799,785	9,713

Segment Income (Loss)	Six months ended September 30,		
	2012	2011	2012
	Yen		<i>U.S. dollars</i>
Fibers & Textiles	¥18,537	¥22,741	\$239
Plastics & Chemicals	10,521	16,422	136
IT-related Products	9,645	19,731	124
Carbon Fiber Composite Materials	4,188	5,032	54
Environment & Engineering	(38)	4,191	(0)
Life Science	3,005	4,245	39
Others	650	471	8
Total	46,508	72,833	599
Adjustment	(9,816)	(9,419)	(126)
Consolidated Total (Operating income)	36,692	63,414	473

Notes:

1. "Others" represents service-related businesses such as analysis, survey and research.
2. "Adjustment" of segment income (loss) for the six months ended September 30, 2012 of (9,816) million yen includes intersegment eliminations of 168 million yen and corporate expenses of (9,984) million yen. "Adjustment" of segment income (loss) 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. 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 ¥77.6 = U.S.\$1, the approximate rate of exchange prevailing on September 30, 2012.
4. Amounts are rounded to the nearest million.

Forecast of Consolidated Results for the fiscal year ending March 31, 2013

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

	Year ending March 31, 2013	
	Yen	<i>U.S. dollars</i>
Net sales	¥1,625,000	\$20,570
Operating income	90,000	1,139
Ordinary income	91,000	1,152
Net income	50,000	633

Reference: EPS forecast (year ending March 31, 2013) ¥30.69

Notes:

1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥79 = 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 2012 – September 2012)

During the six months under review, the global economy on the whole remained under harsh conditions, as European real economy continued to struggle from the region's sovereign debt problems while the Chinese economy deteriorated rapidly and the U.S. economic recovery slowed. The Japanese economy recovered at a gradual pace on the back of reconstruction demand related to the Great East Japan Earthquake and the effect of stimulus measures for automobile consumption. The recovery, however, leveled off since summer reflecting the global economic slowdown and the prolonged appreciation of the yen against major currencies.

Under such circumstances, Toray Group has been implementing the growth strategy with focus on pursuing business expansion in growth business fields and growth regions and further bolstering its total cost competitiveness in accordance with the medium-term management program "Project AP-G 2013."

As a result, consolidated net sales for the first half through September 30, 2012 declined 5.8% compared with the same period of the previous fiscal year to ¥753.7 billion (US\$9,713 million). Operating income came to ¥36.7 billion (US\$473 million), down 42.1%, and ordinary income fell 41.9% to ¥38.0 billion (US\$490 million). Net income declined by 50.1% to ¥20.0 billion (US\$258 million).

Business performance by segment is described below.

Business Performance by Segment:

Fibers & Textiles

In Japan, sales of industrial-use materials grew strongly fueled by factors including rising sales for automotive applications reflecting production expansion by automobile manufacturers. Demand for apparel applications, however, remained weak due to the unseasonal weather in early spring as well as the slowing economy. Overseas, in addition to sluggish demand in Asia given the impact of the slowdown in the U.S. and European economies and deceleration of China's domestic demand, both production and sales were still affected by the floods in Thailand following the previous fiscal year.

As a result, total sales of Fibers & Textiles declined 6.1% to ¥288.9 billion (US\$3,722 million) from the previous year and operating income fell 18.5% to ¥18.5 billion (US\$239 million).

Plastics & Chemicals

In the Plastics & Chemicals segment, sales volume of engineering plastics for automotive applications in the resin business increased on production expansion primarily by automobile manufacturers in Japan. Overseas, while freight movement of general purpose ABS resins remained sluggish reflecting the stagnating Chinese market, sales of resin compounds, etc. for automobile application in the U.S.

expanded. Demand for film products remained sluggish in Japan and overseas due to the worldwide economic slowdown, while price competition continued to intensify.

As a result, total sales of Plastics & Chemicals declined 5.6% year-on-year to ¥195.0 billion (US\$2,512 million) and operating income fell 35.9% to ¥10.5 billion (US\$136 million).

IT-related Products

In the IT-related Products segment, despite production adjustment for LCD panel caused by the slowdown in the flat-screen TV market being almost over and production showing signs of recovery, the flat-screen TV-related products including films and processed film products did not reach the levels marked in the same period a year earlier and price competition intensified. Sales of materials for small and mid-sized displays remained sluggish in general except for some products including those for smartphones.

As a result, sales of the segment decreased 6.9% to ¥121.1 billion (US\$1,561million) compared with the same period a year earlier, and operating income fell 51.1% to ¥9.6 billion (US\$124 million).

Carbon Fiber Composite Materials

In the Carbon Fiber Composite Materials segment, Toray Group actively pursued sales growth in aerospace and general industrial applications, as demand for aircraft applications grew and that for environmental and energy fields including compressed natural gas tanks expanded. The recovery of the market for sports applications stalled reflecting the economic slowdown in Japan and abroad, and price competition has been intensifying.

On the whole, the Carbon Fiber Composite Materials registered a year-on-year sales increase of 0.6% to ¥36.5 billion (US\$471 million) while operating income declined 16.8% to ¥4.2 billion (US\$54 million).

Environment & Engineering

In the Environment & Engineering segment, while demand for water treatment membranes was sluggish in its main markets such as Europe, U.S., Middle East and China, the Company has been pursuing activities to win orders for various water treatment membranes including reverse osmosis membrane around the world. Among domestic subsidiaries, compared with the same period a year earlier, the number of completed projects at the construction and real estate company declined, although the water treatment engineering subsidiary performed strongly.

The total sales of Environment & Engineering fell 8.4% to ¥78.1 billion (US\$1,007 million). The segment posted an operating loss of ¥0.0 billion yen (US\$0 million), down ¥4.2 billion.

Life Science

In the Life Science segment, sales of medical products including TORAYLIGHT™NV, a polysulfone membrane artificial kidney, and TORAYMYXIN™, a hemoperfusion absorption column for removing endotoxin, increased strongly. Sales of pharmaceutical products, however, were affected by intensified competition as well as the lowering of the selling price under the National Health Insurance (NHI) price revision in April this year.

As a result, overall sales of Life Science fell 1.8% to ¥27.0 billion (US\$348 million) from the same period a year earlier and operating income declined 29.2% to ¥3.0 billion (US\$39 million).

New Businesses and New Investments

The Company decided to newly construct a waterless plate manufacturing plant at Toray Textiles Central Europe s.r.o., its subsidiary in Czech Republic. It decided to build the new plant, as the increased demand for newspaper printing application in Europe called for a new production base in addition to the Okazaki Plant in Japan. The plant is expected to start production in January 2014. Waterless printing does not require dampening agents containing substances whose use is subject to environmental restrictions. The process also does not use strong alkaline solution in development, making waterless printing environmentally friendly. It has less production loss at the start of printing and reduces printing cost. Waterless plates are one of the products that represent the Company's "Green Innovation Business Expansion (GR) Project."

2. Analysis of Financial Condition

As of September 30, 2012, Toray Group's total assets stood at ¥1,602.8 billion (US\$20,655 million), up ¥21.3 billion compared with the end of the previous fiscal year, due primarily to higher inventory and property, plant and equipment.

Total liabilities rose ¥13.1 billion to ¥920.4 billion (US\$11,861 million) compared to the end of the previous fiscal year, owing mainly to an increase in interest-bearing debts.

Net assets increased ¥8.2 billion compared with the end of the previous fiscal year to ¥682.4 billion (US\$8,794 million), reflecting an increase in retained earnings as Toray Group recorded net income. Net assets less minority interests and stock acquisition rights stood at ¥633.5 billion (US\$8,163 million).

3. Forecast of Consolidated Results

The outlook for the global economy remains harsh due to persisting concerns of a continued slowdown in the European economy and further slowing of the economy in China and other emerging countries. In addition, the U.S. may face economic contraction depending on its response to the fiscal tightening from the beginning of 2013. While post-quake reconstruction demand can be expected, Japan may need time to put its economy back on the recovery path due to the impact of the end of eco-car subsidies, the prolonged economic slowdown overseas and continued stronger yen.

Under such circumstances, Toray Group will continue to focus on implementation of measures under the medium-term management program "Project AP-G 2013" to promote growth strategy and strengthen its revenue base.

The Company revised its full-year earnings forecasts for the current fiscal year given the increasingly difficult economic situations both in Japan and abroad as well as the business results for the first half of the fiscal year. It now expects consolidated sales of ¥1,625.0 billion (US\$20,570 million), operating income of ¥90.0 billion (US\$1,139 million), ordinary income of ¥91.0 billion (US\$1,152 million) and net income of ¥50.0 billion (US\$633 million). The Company estimates an exchange rate of ¥79 to US\$1 for the period from October onwards.

Notes:

1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥77.6 = U.S.\$1, the approximate rate of exchange prevailing on September 30, 2012.
2. U.S. dollar amounts of forecasts have been converted from yen at the exchange rate of ¥79 = U.S.\$1, the estimated rate of exchange from October onwards.

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/>