

Midterm Business Results Announcement

<For the Six Months ended Sep.30 2004>

Toray Industries, Inc.

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**I. Midterm Business Results
for the Fiscal Year Ending
March 2005
(Consolidated Basis)**

Summary (Profits)

Billion ¥

	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes
Net Sales	534.3	575.7	+41.4 (+7.7%)
Gross Profit	114.5	127.1	+12.6 (+11.0%)
(Gross Profit to Net Sales)	21.4%	22.1%	+0.7 points
Operating Income	24.7	35.6	+10.9 (+43.9%)
(Operating Income to Net Sales)	4.6%	6.2%	+1.6 points
Non-operating Income and Expenses, net	▲1.8	▲ 0.8	+0.9 (-)
Ordinary Income	23.0	34.8	+11.8 (+51.4%)
Special Credits and Charges, net	▲1.2	▲ 4.1	-2.9 (-)
Midterm Net Income	10.9	19.8	+8.8 (+80.7%)

*Chori and Suido Kiko are accounted for affiliated companies by Equity Method until this Midterm FY Mar/05.

Midterm 04/3 Midterm 05/3
 < Yen/US\$> Midterm average: 118.0 → 109.9
 End of the term: 111.3 → 111.1

Midterm 04/3 Midterm 05/3
 < US\$/Euro> Midterm average: 1.13 → 1.21
 End of the term: 1.16 → 1.23

Summary (Financial Position)

Billion ¥

	End of Mar/04	End of Sep/05	Changes	Comments
Total Assets	1,295.3	1,395.3	+100.0(+7.7%)	Consolidation effects of Chori and Suido Kiko: +101.5 Billion Yen
Stockholders' Equity	414.2	433.6	+19.3 (+4.7%)	
Interest-bearing Debts	494.5	500.7	+6.2 (+1.3%)	Consolidation effects of Chori and Suido Kiko: +29.7 Billion Yen

*Chori and Suido Kiko are consolidated on the B/S at the end of Sep/04.

	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes
ROE	5.5%	9.3%	+3.9 points
ROA ^{*1}	3.8%	5.3%	+1.5 points
Free Cash Flow	20.1	34.0	+13.9(+68.9%)

*1) ROA = Operating Income / Total Assets

ROE, ROA are converted to annual based exchange ratios.

Non-operating Income and Expenses, Ordinary Income

Billion ¥

	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	Comments
Non-operating Income	7.4	7.3	-0.1	
Interest and Dividend Income	0.9	0.9	-0.0	
Equity in Earnings of Affiliates	3.2	4.2	+1.1	Chori, KTP (Korea), STECO (Korea), etc.
Other	3.4	2.2	-1.2	
Non-operating Expenses	▲9.2	▲ 8.1	+1.1	
Interest Expenses	▲4.0	▲ 3.1	+0.9	Reduction of interest-bearing debts, decline of interest rates, etc.
Other	▲5.1	▲ 5.0	+0.1	
Non-operating Income and Expenses, net	▲1.8	▲ 0.8	+0.9	
Ordinary Income	23.0	34.8	+11.8	
Interest and Dividend Income, Interest Expenses, net	▲3.2	▲ 2.2	+0.9	
Other Income and Expenses, net	▲1.8	▲ 2.8	-1.0	

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

Special Credits and Charges, Income Before Income Taxes

Billion ¥

Special Credits	1.5	0.9	-0.6	
Gain on Sale of Property, Plant, and Equipment	1.4	0.3	-1.2	Reduction of gain on sale of land for company apartment, etc.
Gain on Sale of Investments in Securities	0.1	0.0	-0.0	
Other	-	0.6	+0.6	
Special Charges	▲ 2.7	▲ 5.1	-2.4	
Loss on Sales or Disposal of Property, Plant, and Equipment	▲ 1.3	▲ 1.2	+0.1	Losses and expenses of equipment except for fibers & textiles and plastics & chemicals segments, etc.
Loss on Write-down of Investments in Securities	▲ 0.1	▲ 0.3	-0.2	
Restructuring Expenses	▲ 1.3	▲ 3.2	-2.0	Losses and expenses of equipment for fibers & textiles and plastics & chemicals segments, etc.
Other	▲ 0.0	▲ 0.4	-0.4	
Special Credits and Charges, net	▲ 1.2	▲ 4.1	-2.9	
Income Before Income Taxes	21.8	30.6	+8.9	

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

Assets, Capital Expenditures, Depreciation

Billion ¥

	End of Mar/04	End of Sep/04	Changes	Comments
Total Assets	1,295.3	1,395.3	+100.0	Consolidation effects of Chori and Suido Kiko : + 101.5 Billion Yen
Total Current Assets	549.1	645.9	+96.9	Consolidation effects of Chori and Suido Kiko : + 89.1 Billion Yen
Tangible Fixed Assets	543.3	532.1	-11.2	Consolidation effects of Chori and Suido Kiko : + 4.9 Billion Yen Efficiency improvement in capital expenditure, etc.
Intangible Assets	9.6	10.8	+1.1	Consolidation effects of Chori and Suido Kiko : + 1.1 Billion Yen
Investments and Other Assets	193.3	206.5	+13.3	Consolidation effects of Chori and Suido Kido : + 6.4 Billion Yen Increase in investments in securities due to the recovery of stock prices, etc.

	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	Comments
Capital Expenditures	21.9	23.4	+1.5	Toray : 6.4, Japan : 4.5, Overseas : 12.5
Depreciation -)	33.3	31.5	-1.8	Toray : 13.2, Japan : 4.6, Overseas : 13.7
Transfer, Elimination, etc.	1.6	▲ 3.2	-4.7	
Change in Tangible Fixed Assets	▲ 9.8	▲ 11.2		

Major Capital Expenditures

<Japan>

Toray : Carbon fiber composite materials production facility (Ehime plant)

Toray Advanced Films Co., Ltd., etc.

<Overseas>

SOFICAR : Carbon fiber production facilities (France), etc.

Liabilities, Stockholders' Equity

Billion ¥

	End of Mar/04	End of Sep/04	Changes	Comments
Total Liabilities	843.7	910.5	+66.9	Consolidation effects of Chori and Suido Kiko : +88.7 Billion Yen
Current Liabilities	472.9	548.5	+75.6	Consolidation effects of Chori and Suido Kiko : +80.4 Billion Yen
Other Liabilities	370.8	362.0	-8.8	Consolidation effects of Chori and Suido Kiko : +8.3 Billion Yen
Minority Interests in Consolidated Subsidiaries	37.4	51.2	+13.8	Consolidation effects of Chori and Suido Kiko : +12.8 Billion Yen
Total Stockholders' Equity	414.2	433.6	+19.3	Increase of unrealized gain on securities, etc.
Interest-bearing Debts	494.5	500.7	+6.2	Consolidation effects of Chori and Suido Kiko : +29.7 Billion Yen

Results by Business Segment

Billion ¥

	Net Sales			Operating Income		
	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes
Fibers & Textiles	213.4	224.2	+10.8 (+5.1%)	9.4	10.1	+0.6 (+6.7%)
Plastics & Chemicals	127.4	134.8	+7.5 (+5.9%)	4.3	6.0	+1.7 (+39.9%)
IT-related Products	83.4	108.5	+25.1 (+30.0%)	6.9	15.0	+8.1 (+116.6%)
Housing and Engineering	54.3	52.0	-2.2 (-4.1%)	0.3	0.3	-0.1 (-18.2%)
Pharmaceuticals and Medical Products	22.0	20.2	-1.8 (-8.2%)	0.7	▲ 0.3	-1.0 (-)
New Products and Other Businesses	33.9	36.0	+2.1 (+6.0%)	2.7	4.4	+1.7 (+63.1%)
Total	534.3	575.7	+41.4 (+7.7%)	24.4	35.4	+11.1 (+45.4%)
Elimination & Corporate				0.4	0.2	-0.2
Consolidated	534.3	575.7	+41.4 (+7.7%)	24.7	35.6	+10.9 (+43.9%)

*IT-related chemical products of Toray Fine Chemicals are displaced from the Plastics & Chemicals segment to IT-related Products segment from this midterm.

Accordingly, that of the midterm FY Mar/04 was also amended.

Results by Business Segment (Fibers and Textiles)



Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	
Toray	64.1	66.0	+1.9 (+2.9%)	3.5	4.3	+0.8 (+22.0%)	Regardless of dull domestic apparel market and impact of high price of raw materials, sales and income increased through promotion of passing on raw material cost increase to selling prices, shift to profitable products for both apparel and industrial uses, and expansion of NVC businesses.
Japanese Subsidiaries	79.0	84.2	+5.2 (+6.5%)	2.1	2.7	+0.6 (+29.1%)	Sales and income increased through sales expansion of trading companies and other subsidiaries' sales expansion and corporate structure reinforcement.
Overseas Subsidiaries	70.2	74.0	+3.8 (+5.4%)	4.2	3.1	-1.1 (-26.1%)	Sales increased but income decreased due to sales decline of European and Korean subsidiaries. Sales and income of ASEAN and Chinese subsidiaries increased by sales expansion and reinforcement of corporate structure.
Adjustment				▲ 0.3	▲ 0.0	+0.3	
Total	213.4	224.2	+10.8 (+5.1%)	9.4	10.1	+0.6 (+6.7%)	

<Major Subsidiaries>

Japan : Toray International, Inc., Ichimura Sangyo, Co., Ltd., etc.

Asia : ITS (Indonesia), LUCKYTEX (Thailand), PENFABRIC (Malaysia), TFNL, TAK (China), etc.

Europe & U.S. : ALCANTARA (Italy), etc.

Results by Business Segment (Plastics and Chemicals)



Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	
Toray	41.5	41.7	+0.2 (+0.5%)	0.1	1.9	+1.8 (14.4 times)	Sales and income increased due to sales expansion of resins for automotives and electric parts applications and of films for industrial applications. Chemicals sales decreased due to retreat from unprofitable caprolactum business.
Japanese Subsidiaries	38.2	41.6	+3.4 (+9.0%)	2.0	2.4	+0.4 (+18.9%)	Sales and income increased through sales expansion of trading and film processing subsidiaries.
Overseas Subsidiaries	47.7	51.5	+3.8 (+8.1%)	2.2	2.3	+0.1 (+4.5%)	Sales and income increased. While affected by the soaring price of raw materials, each subsidiary responded quickly by passing on material cost increase to selling prices and transferred to profitable products.
Adjustment				0.0	▲ 0.5	-0.5	
Total	127.4	134.8	+7.5 (+5.9%)	4.3	6.0	+1.7 (+39.9%)	

*IT-related chemical products of Toray Fine Chemicals are displaced from the Plastic & Chemicals segment to IT-related Products segment from this midterm.

Accordingly, that of the midterm FY Mar/04 was also amended.

<Major Subsidiaries>

Japan : Soda Aromatic Co., Ltd., Toray Fine Chemicals Co., Ltd., Toray Advanced Film Co.,Ltd., etc.

Overseas : TPA (U.S.), TSI (Korea), TPEU (France), TPM (Malaysia), etc.

Results by Business Segment (IT-related Products)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	
Toray	32.7	38.7	+6.1 (+18.5%)	4.3	8.6	+4.4 (+102.7%)	Sales and income of IT-related resins / films, circuit materials, LCD color filters and others increased by rapid demand expansion of digital-related products.
Japanese Subsidiaries	27.6	46.5	+18.8 (+68.3%)	1.5	5.1	+3.6 (+242.9%)	Sales and income increased drastically through sales start of manufacturing equipment for LCD color filters (slit coaters) at an IT machinery subsidiary, and good business results of a film processing subsidiary.
Overseas Subsidiaries	23.1	23.3	+0.2 (+0.7%)	1.2	1.5	+0.4 (+30.7%)	Sales and income increased mainly in films and circuit materials subsidiaries in Korea.
Adjustment				0.0	▲ 0.3	-0.3	
Total	83.4	108.5	+25.1 (+30.0%)	6.9	15.0	+8.1 (+116.6%)	

*IT-related chemical products of Toray Fine Chemicals are displaced from the Plastics & Chemicals segment to IT-related Products segment from this midterm.

Accordingly, that of the midterm FY Mar/04 was also amended.

<Major Subsidiaries>

Japan : Toray Engineering Co., Ltd., Toray Advanced Film Co., Ltd., etc.

Overseas : TSI (Korea), TPA (U.S.), TPEU (France), etc.

Results by Business Segment (Housing and Engineering)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	
Toray	3.6	3.7	+0.2 (+4.7%)	▲ 0.6	▲ 0.5	+0.1 (-)	
Japanese Subsidiaries	50.4	47.9	-2.5 (-5.0%)	0.9	0.9	-0.0 (-0.8%)	Sales decreased due to the delay of some sales at an engineering subsidiary and income was flat through promotion of corporate structure reinforcement measures.
Overseas Subsidiaries	0.3	0.4	+0.1 (+33.0%)	0.0	0.0	+0.0 (+9.1%)	
Adjustment				0.0	▲ 0.1	-0.1	
Total	54.3	52.0	-2.2 (-4.1%)	0.3	0.3	-0.1 (-18.2%)	

<Major Subsidiaries>

Japan : Toray Construction Co., Ltd., Toray Engineering Co., Ltd., etc.

Results by Business Segment (Pharmaceuticals and Medical Products)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	
Toray	6.1	4.3	-1.8 (-30.0%)	0.6	▲ 0.6	-1.2 (-)	Sales and income decreased due to the price reduction of drugs and medical products.
Japanese Subsidiaries	14.3	14.5	+0.3 (+1.8%)	0.3	0.3	-0.0 (-15.6%)	Sales increased by sales expansion of medical products but income was flat due to tough competition.
Overseas Subsidiaries	1.6	1.4	-0.2 (-13.1%)	0.0	▲ 0.0	-0.0 (-)	
Adjustment				▲ 0.3	▲ 0.0	+0.2	
Total	22.0	20.2	-1.8 (-8.2%)	0.7	▲ 0.3	-1.0 (-)	

<Major Subsidiary>

Japan : Toray Medical Co., Ltd.

Results by Business Segment (New Products and Other Businesses)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	
Toray	5.9	6.4	+0.5 (+8.5%)	1.3	1.7	+0.4 (+28.1%)	Sales and income increased mainly by the growth of carbon fiber composite materials businesses.
Japanese Subsidiaries	17.6	17.4	-0.1 (-0.7%)	1.3	1.5	+0.3 (+20.6%)	Sales declined due to the decrease of specific demand compared midterm-on-midterm of trading subsidiaries but total income increased through promotion of corporate structure reinforcement.
Overseas Subsidiaries	10.5	12.1	+1.7 (+16.0%)	0.2	1.0	+0.8 (+343.5%)	Sales and income increased by expansion of carbon fiber composite materials for aircraft and industrial applications.
Adjustment				▲ 0.1	0.2	+0.3	
Total	33.9	36.0	+2.1 (+6.0%)	2.7	4.4	+1.7 (+63.1%)	
(Carbon Fiber Composite Materials; Included above)	18.1	21.5	+3.4 (+18.5%)	1.8	2.8	+1.0 (+54.6%)	

<Major Subsidiaries>

Japan : Toray Research Center Inc., Toray Enterprise Corp., etc.

Overseas : SOFICAR (France), etc.

Operating Income Factor Analysis

Billion ¥

	Midterm Mar/04 to Midterm Mar/05		
	Toray	Subsidiaries	Total
Expansion of Advanced Materials and NVC* activities, Production & Sales Efficiency Improvement, Sales & Production Amount Increase, etc.	+4.0	+7.6	+11.6
Achievement of "TC Project" (Reduction of Production Fixed Costs, Outsourcing Costs, Procurement and Logistics Costs, Overhead Costs, and Sales Expenses, Optimization of Head Count, etc.)	+3.0	+0.7	+3.7
Influence of Appreciation of Selling Prices and Raw Material Costs, etc.	-0.8	-3.6	-4.4
Total	+6.2	+4.7	+10.9

*NVC : New Value Creator

Results of Major Subsidiaries

Billion ¥

Company Name	Main Businesses	Location	Investment Ratio (%)	Account Closing Month	Net Sales (Billion Yen)			Operating Income		
					FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes
Ichimura Sangyo	Fibers & Textiles/Plastics	Japan	85.0	March	15.7	16.3	+0.6	Black	Black	Increased
Toray Advanced Film	Films	Japan	94.3	March	13.3	15.8	+2.5	Black	Black	Increased
Toray Construction	Construction, Housing Estates	Japan	100.0	March	25.1	23.0	-2.1	Black	Black	Decreased
Toray Engineering	Engineering/IT-related Equipment	Japan	99.9	March	34.2	47.4	+13.2	Black	Black	Increased
Toray Medical	Medical, Pharmaceuticals	Japan	100.0	March	15.6	15.6	-0.0	Black	Black	Flat
Toray International	Trading	Japan	100.0	March	119.3	145.9	+26.6	Black	Black	Increased
Du Pont-Toray / Opelontex *	Fibers & Textiles/Plastics/Films	Japan	50.0	March	21.1	21.7	+0.5	Black	Black	Increased
Dow Corning Toray Silicone*	Plastics/Chemicals	Japan	35.0	December	20.4	22.5	+2.1	Black	Black	Increased
ITS	Fibers & Textiles	Indonesia	80.1	December	7.6	8.3	+0.7	Black	Black	Increased
LUCKYTEX	Fibers & Textiles	Thailand	51.0	March	7.7	8.4	+0.7	Black	Black	Flat
TTS	Fibers & Textiles/Plastics/Films	Thailand	76.5	December	7.4	8.0	+0.6	Black	Black	Decreased
PENFABRIC	Fibers & Textiles	Malaysia	100.0	March	9.1	9.1	-0.0	Black	Black	Flat
PENFIBRE (Fibers & Textiles)	Fibers & Textiles	Malaysia	100.0	March	2.9	3.3	+0.3	Even	Black	Increased
PENFIBRE (Films)	Films	Malaysia	100.0	March	3.7	3.8	+0.2	Black	Black	Increased
TPM	Plastics	Malaysia	100.0	March	12.0	16.4	+4.4	Black	Black	Increased
TFNL	Fibers & Textiles	China	100.0	December	4.6	4.9	+0.3	Red	Red	Flat
TSI (Fibers & Textiles)	Fibers & Textiles	Korea	70.0	December	10.0	9.9	-0.1	Black	Black	Decreased
TSI (Films)	Films	Korea	70.0	December	16.7	18.5	+1.8	Black	Black	Flat
ALCANTARA	Fibers & Textiles	Italy	70.0	December	7.7	6.4	-1.3	Black	Black	Decreased
TPA	Films	U.S.	100.0	December	17.9	17.3	-0.6	Even	Black	Increased
TPEu	Films	France	100.0	December	11.1	9.8	-1.3	Even	Red	Decreased
SOFICAR	Carbon Fiber	France	70.0	December	5.9	7.0	+1.0	Black	Black	Increased

(*) Affiliated Companies under the Equity Method

Above Net Sales include Toray Group internal sales.

Research and Development Expenses, Number of Employees

R & D Expenses

Billion ¥

	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes
Toray	15.5	15.7	+0.2
Consolidated Subsidiaries	3.1	3.3	+0.2
Consolidated Basis	18.6	19.0	+0.4

Number of Employees

People

	End of Sep/03	End of Mar/04	End of Sep/04	Changes
Toray	7,635	7,115	6,960	- 155
Domestic Subsidiaries	8,475	8,536	9,689	+1,153
Overseas Subsidiaries	16,920	17,250	18,093	+843
Total	33,030	32,901	34,742	+1,841

Changes in Subsidiaries and Affiliates

		End of Mar/04	End of Sep/04	Changes
Consolidated Subsidiaries (a)	Japan	54	68	+14
	Overseas	52	67	+15
	Total	106	135	+29
Subsidiaries accounted for by Equity Method (b)	Japan	38	39	+1
	Overseas	20	21	+1
	Total	58	60	+2
Total Subsidiaries (a) + (b)	Japan	92	107	+15
	Overseas	72	88	+16
	Total	164	195	+31
Affiliates accounted for by Equity Method (c)	Japan	16	16	0
	Overseas	13	21	+8
	Total	29	37	+8
Companies subject to Consolidation (a) + (b) + (c)	Japan	108	123	+15
	Overseas	85	109	+24
	Total	193	232	+39

**II. Business Forecast
for the Fiscal Year Ending
March 2005
(Consolidated Basis)**

Forecast Summary

Billion ¥

		FY Mar/04	FY Mar/05	Changes	
Net Sales	1st Half	534.3	575.7	+41.4	(+7.7%)
	2nd Half	554.2	744.3	+190.1	(+34.3%)
	Total	1,088.5	1,320.0	+231.5	(+21.3%)
Operating Income	1st Half	24.7	35.6	+10.9	(+43.9%)
	2nd Half	32.1	44.4	+12.3	(+38.5%)
	Total	56.8	80.0	+23.2	(+40.9%)
Ordinary Income	1st Half	23.0	34.8	+11.8	(+51.4%)
	2nd Half	28.6	41.2	+12.6	(+44.0%)
	Total	51.6	76.0	+24.4	(+47.3%)
Net Income	1st Half	10.9	19.8	+8.8	(+80.7%)
	2nd Half	10.0	19.2	+9.3	(+92.9%)
	Total	20.9	39.0	+18.1	(+86.5%)
Net Income per Share	1st Half	7.81 yen	14.12 yen		
	2nd Half	7.06 yen	13.72 yen		
	Total	14.87 yen	27.84 yen		

Estimated Exchange Rate (Oct. 2004 – Mar.2005) : 110yen / US\$, 1.2 US\$ / Euro
 Estimated Oil Price : 38 US\$ / B (Dubai FOB)

Forecast by Business Segment

Billion ¥

		Net Sales			Operating Income			Comments
		FY Mar/04	FY Mar/05	Changes (%)	FY Mar/04	FY Mar/05	Changes (%)	
Fibers & Textiles	1st Half	213.4	224.2	+10.8 (+5.1%)	9.4	10.1	+0.6 (+6.7%)	Sales and income are expected to increase through price raise to cover raw materials cost increase, transferring to more profitable products, and reinforcement of corporate structure.
	2nd Half	211.4	305.8	+94.4 (+44.7%)	8.9	11.4	+2.5 (+27.9%)	
	Total	424.8	530.0	+105.2 (+24.8%)	18.4	21.5	+3.1 (+17.0%)	
Plastics & Chemicals	1st Half	127.4	134.8	+7.5 (+5.9%)	4.3	6.0	+1.7 (+39.9%)	Sales and income are expected to increase through sales expansion of resins for automotives and electric parts, and films for industrial uses.
	2nd Half	127.4	165.2	+37.7 (+29.6%)	4.9	8.0	+3.1 (+63.6%)	
	Total	254.8	300.0	+45.2 (+17.7%)	9.2	14.0	+4.8 (+52.5%)	
IT-related Products	1st Half	83.4	108.5	+25.1 (+30.0%)	6.9	15.0	+8.1 (+116.6%)	Sales and income are expected to increase by business growth in IT-related films/resins, electronics materials, and IT-related equipment at a subsidiary.
	2nd Half	94.4	111.6	+17.1 (+18.1%)	10.9	14.0	+3.1 (+28.6%)	
	Total	177.8	220.0	+42.2 (+23.7%)	17.8	29.0	+11.2 (+62.7%)	
Housing & Engineering	1st Half	54.3	52.0	-2.2 (-4.1%)	0.3	0.3	-0.1 (-18.2%)	Sales and income are expected to increase through sales expansion of a construction subsidiary and reinforcement of corporate structure at an engineering subsidiary.
	2nd Half	65.9	98.0	+32.1 (+48.8%)	1.4	3.7	+2.4 (+173.3%)	
	Total	120.1	150.0	+29.9 (+24.9%)	1.7	4.0	+2.3 (+136.0%)	
Pharmaceuticals & Medical Products	1st Half	22.0	20.2	-1.8 (-8.2%)	0.7	▲ 0.3	-1.0 (-)	Sales and income are estimated to decrease due to decline in drug prices and medical products and tough competition.
	2nd Half	25.9	24.8	-1.1 (-4.2%)	2.8	3.3	+0.5 (+17.0%)	
	Total	47.9	45.0	-2.9 (-6.0%)	3.5	3.0	-0.5 (-14.5%)	
New Products & Other Businesses	1st Half	33.9	36.0	+2.1 (+6.0%)	2.7	4.4	+1.7 (+63.1%)	Sales and income are expected to increase mainly by growth in carbon fiber composite materials businesses.
	2nd Half	29.2	39.0	+9.8 (+33.7%)	3.2	4.1	+0.9 (+29.3%)	
	Total	63.1	75.0	+11.9 (+18.8%)	5.9	8.5	+2.6 (+44.9%)	
(Carbon Fiber Composite Materials; included above)	1st Half	18.1	21.5	+3.4 (+18.5%)	1.8	2.8	+1.0 (+54.6%)	Sales and income are expected to increase through expansion of demand for aerospace applications and industrial uses.
	2nd Half	19.2	25.5	+6.3 (+33.1%)	1.8	2.8	+1.0 (+59.1%)	
	Total	37.3	47.0	+9.7 (+26.0%)	3.6	5.6	+2.0 (+56.8%)	
Total	1st Half	534.3	575.7	+41.4 (+7.7%)	24.4	35.4	+11.1 (+45.4%)	
	2nd Half	554.2	744.3	+190.1 (+34.3%)	32.1	44.6	+12.5 (+38.9%)	
	Total	1,088.5	1,320.0	+231.5 (+21.3%)	56.4	80.0	+23.6 (+41.7%)	
Elimination & Corporate	1st Half				0.4	0.2	-0.2	
	2nd Half				▲ 0.0	▲ 0.2	-0.1	
	Total				0.3	0.0	-0.3	
Consolidated	1st Half	534.3	575.7	+41.4 (+7.7%)	24.7	35.6	+10.9 (+43.9%)	
	2nd Half	554.2	744.3	+190.1 (+34.3%)	32.1	44.4	+12.3 (+38.5%)	
	Total	1,088.5	1,320.0	+231.5 (+21.3%)	56.8	80.0	+23.2 (+40.9%)	

Forecast of Capital Expenditures, Depreciation, R&D Expenses

Capital Expenditures

Billion ¥

	FY Mar/04 (Actual)	FY Mar/05 (Forecast)	Changes
Toray	17.4	30.0	+12.6
Consolidated Subsidiaries	30.6	40.0	+9.4
Consolidated Basis	48.0	70.0	+22.0

R & D Expenses

Billion ¥

	FY Mar/04 (Actual)	FY Mar/05 (Forecast)	Changes
Toray	31.1	32.0	+0.9
Consolidated Subsidiaries	6.3	6.5	+0.2
Consolidated Basis	37.4	38.5	+1.1

Depreciation

Billion ¥

	FY Mar/04 (Actual)	FY Mar/05 (Forecast)	Changes
Toray	29.2	29.0	- 0.2
Consolidated Subsidiaries	38.1	38.0	- 0.1
Consolidated Basis	67.3	67.0	- 0.3

III. Midterm Business Results and Forecast for the Fiscal Year Ending March 2005 (Non-consolidated Basis)

Summary (Profits)

Billion ¥

	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes
Net Sales	222.9	237.5	+14.7 (+6.6%)
Gross Profit	51.3	57.3	+6.0 (+11.7%)
(Gross Profit to Net Sales)	23.0%	24.1%	+1.1 points
Operating Income	9.3	15.5	+6.2 (+67.0%)
(Operating Income to Net Sales)	4.2%	6.5%	+2.3 points
Non-operating Income and Expenses, net	3.4	2.2	-1.3
Ordinary Income	12.7	17.7	+4.9 (+38.9%)
Special Credits and Charges	▲ 1.8	▲ 3.9	-2.1
Midterm Net Income	8.1	10.9	+2.8 (+34.2%)

Summary (Financial Position)

Billion ¥

	End of Mar/04	End of Sep/04	Changes
Total Assets	895.5	879.7	-15.8 (-1.8%)
Stockholders' Equity	431.1	439.3	+8.1 (+1.9%)
Interest-bearing Debts	303.9	286.1	-17.8 (-5.9%)

	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes
ROE	4.0%	5.0%	+1.0 points
ROA*	2.1%	3.5%	+1.4 points

Net Income per Share (Midterm)	5.77 yen	7.75 yen
Dividend per Share (Midterm)	2.5 yen	3.5 yen
Dividend Payout Ratio	43.3%	45.2%

*ROA = Operating Income / Total Assets

Results by Business Segment

Billion ¥

	Net Sales			Operating Income		
	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes	FY Mar/04 Midterm	FY Mar/05 Midterm	Changes
Fibers & Textiles	92.2	96.1	+3.9 (+4.2%)	3.5	4.3	+0.8 (+22.0%)
Plastics & Chemicals	54.6	57.6	+3.0 (+5.5%)	0.1	1.9	+1.8 (14.4 times)
IT-related Products	41.4	49.4	+8.0 (+19.3%)	4.3	8.6	+4.4 (+102.7%)
New Products & Other Businesses	34.7	34.4	-0.3 (-0.8%)	1.3	0.6	-0.7 (-55.3%)
Total	222.9	237.5	+14.7 (+6.6%)	9.3	15.5	+6.2 (+67.0%)

Forecast for the FY Ending March 2005 (Non-consolidated Basis)



Billion ¥

		FY Mar/04	FY Mar/05	Changes	
Net Sales	1st Half	222.9	237.5	+14.7	(+6.6%)
	2nd Half	236.0	242.5	+6.5	(+2.8%)
	Total	458.8	480.0	+21.2	(+4.6%)
Operating Income	1st Half	9.3	15.5	+6.2	(+67.0%)
	2nd Half	14.7	18.5	+3.8	(+25.7%)
	Total	24.0	34.0	+10.0	(+41.6%)
Ordinary Income	1st Half	12.7	17.7	+4.9	(+38.9%)
	2nd Half	18.2	21.3	+3.1	(+17.2%)
	Total	30.9	39.0	+8.1	(+26.1%)
Net Income	1st Half	8.1	10.9	+2.8	(+34.2%)
	2nd Half	8.9	10.1	+1.2	(+13.9%)
	Total	17.0	21.0	+4.0	(+23.5%)
Net Income per Share	1st Half	5.77 yen	7.75 yen		
	2nd Half	6.31 yen	7.24 yen		
	Total	12.08 yen	14.99 yen		
Dividend per Share	1st Half	2.5 yen	3.5 yen		
	2nd Half	3.0 yen	3.5 yen		
	Total	5.5 yen	7.0 yen		
Dividend Payout Ratio	1st Half	43.3%	45.2%		
	2nd Half	47.5%	48.3%		
	Total	45.5%	46.7%		

Descriptions of forecasted business results, expectations, estimations 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 presentation is not a guarantee of the Company's future business performance.