February 7, 2006

Announcement of Business Results For the Third Quarter of Fiscal Year Ending March 2006

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Toray Industries, Inc.

Contents

I. Business Results for the 3Q of Fiscal Year Ending March 2006 (Consolidated Basis)

Summary (Profits of nine months from '05/4 to '05/12)

Billion ¥

	Apr-Dec of FY Mar/05	**Apr-Dec of FY Mar/06**	Changes	
Net Sales	911.9	**1,026.5**	+114.6	(+12.6%)
Gross Profit	191.4	**213.5**	+22.2	(+11.6%)
(Gross Profit to Net Sales)	21.0%	**20.8%**	-0.2	points
Operating Income	50.2	**57.8**	+7.6	(+15.2%)
(Operating Income to Net Sales)	5.5%	**5.6%**	+0.1	points
Non-operating Income and Expenses, net	▲ 1.8	**▲ 3.7**	-1.9	(-)
Ordinary Income	48.4	**54.2**	+5.7	(+11.8%)
Special Credits and Charges, net	▲ 6.1	**▲ 4.8**	+1.2	(-)
Income before Income Taxes	42.4	**49.3**	+7.0	(+16.4%)
Net Income	26.8	**28.0**	+1.2	(+4.6%)

Excluding Chori and Suido Kiko 1st Half Effects

Apr-Dec of FY Mar/05	**Apr-Dec of FY Mar/06**	Changes	
911.9	**923.5**	+11.6	(+1.3%)
191.4	**203.3**	+12.0	(+6.2%)
21.0%	**22.0%**	+1.0	points
50.2	**56.9**	+6.7	(+13.3%)
5.5%	**6.2%**	+0.7	points

Percentage of Achievement of Year-end Operating Income Forecast

	FY Mar/05	**FY Mar/06**
Operating Income (Apr.-Dec.)	50.2	**57.8**
Year-end Operating Income FY Mar/05 is Actual FY Mar/06 is Forecast	81.1	**92.0**
Percentage of Achievement (Apr.-Dec.)	62.0%	**62.9%**

*Consolidated business results are the sums of Apr–Dec business results in companies whose FY ends on March 31, and Jan–Sep business results in companies whose FY ends on December 31.

Summary (Third Quarter (Oct. – Dec.))

Billion ¥

	3Q FY Mar/05	**3Q FY Mar/06**	Changes	
Net Sales	336.2	**347.7**	+11.6	(+3.4%)
Gross Profit	64.3	**71.5**	+7.2	(+11.2%)
(Gross Profit to Net Sales)	19.1%	**20.6%**	+1.4	points
Operating Income	14.6	**19.0**	+4.4	(+30.0%)
(Operating Income to Net Sales)	4.4%	**5.5%**	+1.1	points
Non-operating Income and Expenses, net	▲ 1.0	**▲ 1.7**	- 0.7	(-)
Ordinary Income	13.6	**17.3**	+3.7	(+27.1%)
Special Credits and Charges, net	▲ 1.9	**1.1**	+3.0	(-)
Income before Income Taxes	11.7	**18.5**	+6.7	(+57.5%)
Net Income	7.0	**11.2**	+4.3	(+61.3%)

	End of Sep/05	**End of Dec/05**	Changes		End of Mar/05 <FYR>
Total Assets	1,422.6	**1,491.1**	+68.5	(+4.8%)	1,402.3
Stockholders' Equity	484.4	**505.1**	+20.7	(+4.3%)	452.5
Interest-bearing Debts	459.5	**486.1**	+26.6	(+5.8%)	466.8
D / E Ratio	0.95	**0.96**	+0.01		1.03

*Consolidated business results are the sums of Oct–Dec business results in companies whose FY ends on March 31, and Jul–Sep business results in companies whose FY ends on December 31.

Results by Business Segment
(Nine months from ’05/4 to ’05/12)

Billion ¥

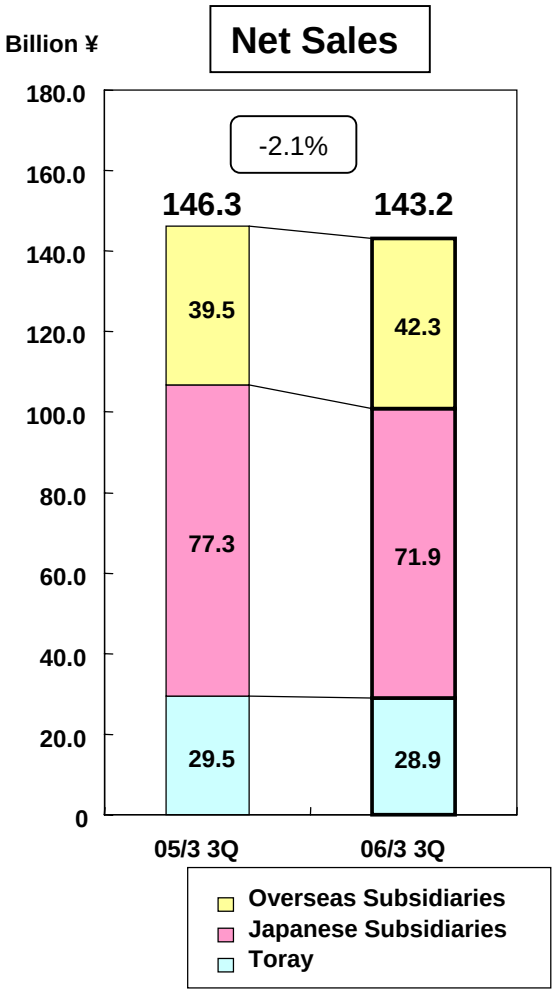
	Net Sales			Operating Income		
	FY Mar/05 ('04/4-'04/12)	FY Mar/06 ('05/4-'05/12)	Changes	FY Mar/05 ('04/4-'04/12)	FY Mar/06 ('05/4-'05/12)	Changes
Fibers & Textiles	370.5	**431.9**	+61.4 (+16.6%)	13.7	**14.6**	+0.8 (+6.0%)
Plastics & Chemicals	218.6	**248.6**	+30.0 (+13.7%)	9.8	**13.3**	+3.4 (+35.1%)
IT-related Products	163.6	**169.2**	+5.7 (+3.5%)	21.2	**19.8**	-1.4 (-6.5%)
Carbon Fiber Composite Materials	32.7	**38.0**	+5.3 (+16.2%)	4.1	**8.7**	+4.6 (+114.2%)
Environment & Engineering	76.2	**90.2**	+14.0 (+18.3%)	▲ 0.7	**▲ 0.8**	-0.1 (-)
Life Science & Other Businesses	50.2	**48.5**	-1.7 (-3.4%)	1.9	**2.6**	+0.7 (+37.5%)
(Pharmaceuticals & Medical Products Included)	30.2	**30.5**	+0.4 (+1.3%)	▲ 0.3	**0.9**	+1.2 (-)
Consolidated	911.9	**1,026.5**	+114.6 (+12.6%)	50.2	**57.8**	+7.6 (+15.2%)

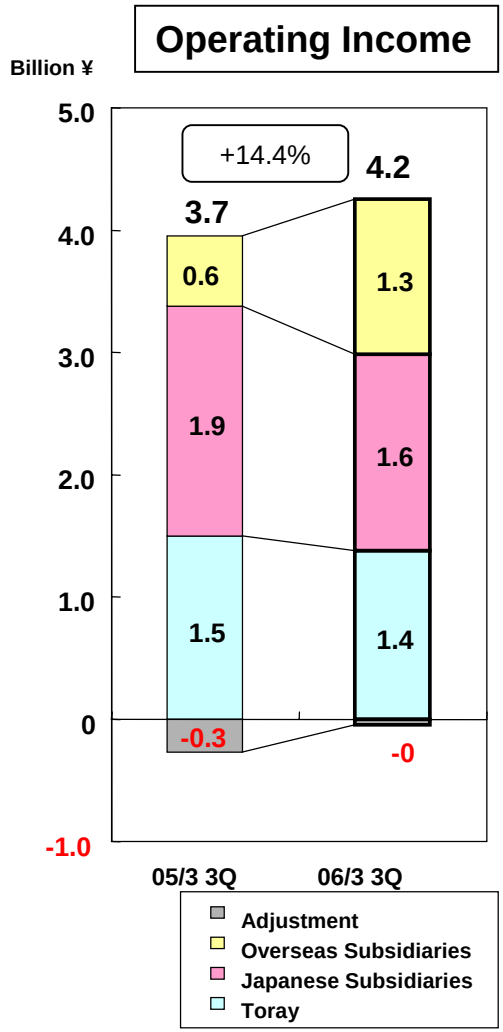
Results by Business Segment
(Third Quarter)

Billion ¥

	Net Sales			Operating Income		
	3Q FY Mar/05	**3Q FY Mar/06**	Changes	**3Q FY Mar/05**	**3Q FY Mar/06**	Changes
Fibers & Textiles	146.3	**143.2**	-3.1 (-2.1%)	3.7	**4.2**	+0.5 (+14.4%)
Plastics & Chemicals	83.8	**89.8**	+6.0 (+7.2%)	3.8	**4.6**	+0.9 (+23.0%)
IT-related Products	55.1	**58.1**	+3.0 (+5.4%)	6.2	**6.7**	+0.5 (+7.9%)
Carbon Fiber Composite Materials	11.2	**13.6**	+2.4 (+21.2%)	1.3	**2.8**	+1.6 (+124.3%)
Environment & Engineering	24.2	**28.3**	+4.1 (+16.7%)	▲ 1.0	**0.4**	+1.4 (-)
Life Science & Other Businesses	15.5	**14.8**	-0.8 (-4.9%)	0.6	**0.6**	-0.0 (-2.3%)
(Pharmaceuticals & Medical Products Included)	9.9	**10.2**	+0.3 (+2.6%)	0.0	**0.3**	+0.2 (+800.0%)
Consolidated	336.2	**347.7**	+11.6 (+3.4%)	14.6	**19.0**	+4.4 (+30.0%)

Results by Business Segment
(Fibers & Textiles)





Comments

Toray

Sales declined due to strategic sales decrease of unprofitable products. Despite of good business in industrial applications, operating income dropped slightly due to continuing weak demand for apparels in Japan.

Japanese Subsidiaries

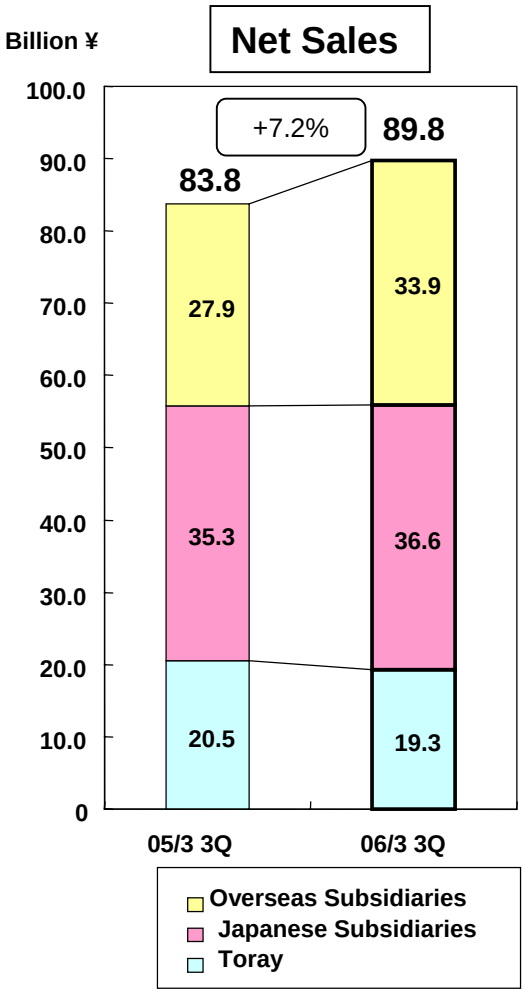
Sales and income decreased by sluggish business at trading companies.

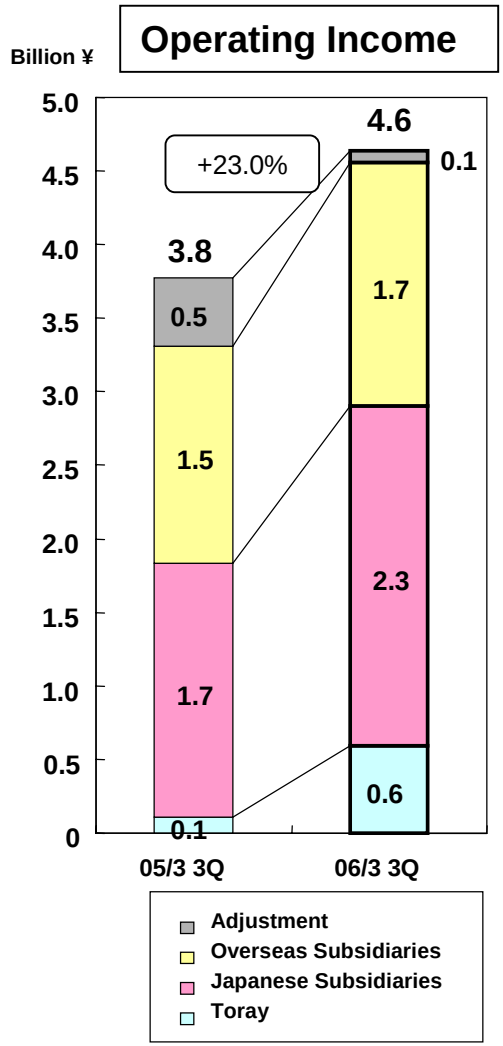
Overseas Subsidiaries

Sales and income increased through sales expansion at polyester/cotton blended textiles manufacturing subsidiaries in Southeast Asia as well as improvement in income at Chinese subsidiaries.

<Major Subsidiaries>
Japan: Toray International Inc., Ichimura Sangyo, Co., Ltd., Chori Co., Ltd., etc.
Asia : PENFABRIC (Malaysia), LUCKYTEX (Thailand), ITS (Indonesia), TFNL (China), etc.
Europe & US : ALCANTARA (Italy), etc.

Results by Business Segment
(Plastics & Chemicals)





<Major Subsidiaries>
Japan : Toray Advanced Film Co., Ltd., Toray Fine Chemicals Co., Ltd.,
Soda Aromatic Co., Ltd., Chori Co., Ltd., etc.
Overseas : TPA (U.S.), TPM (Malaysia), TPEu (France), TSI (Korea), etc.

Comments

Toray

Plastics businesses were good mainly for automobile applications, however, sales dropped due to increase of inter-company elimination caused by transfer of China-related sales businesses from external trading companies to our subsidiary. As films businesses expanded sales in industrial applications, Toray's income as total increased.

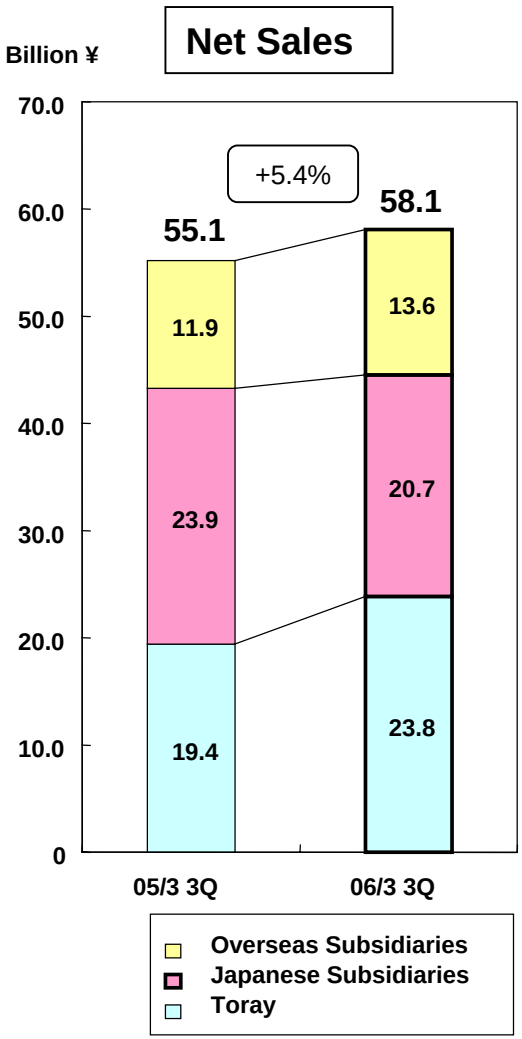
Japanese Subsidiaries

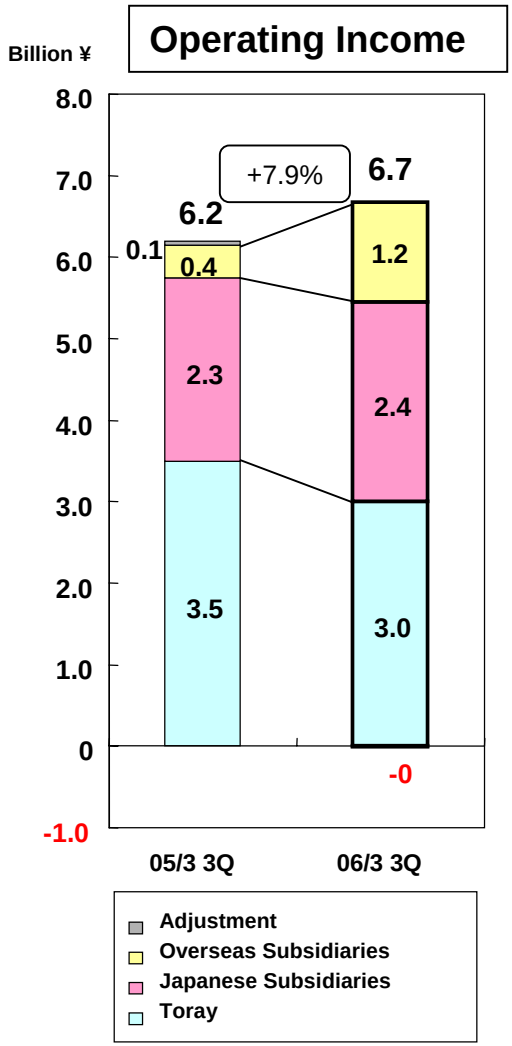
Sales and income increased by sales expansion at trading companies and good business of industrial applications at film processing subsidiary.

Overseas Subsidiaries

Sales and income increased through strong plastics and films businesses at subsidiaries in Malaysia as well as incorporating China-related plastics sales businesses from external trading company to our Hong Kong subsidiary.

Results by Business Segment
(IT-related Products)





Comments

Toray
Sales increased through sales expansion of IT-related plastics & films, circuit materials, and semiconducting materials. Operating income dropped due to increase in development costs for capacity increase preparations of films, and sales price decrease of color filters by intensive competition in LCD market for mobile phone.

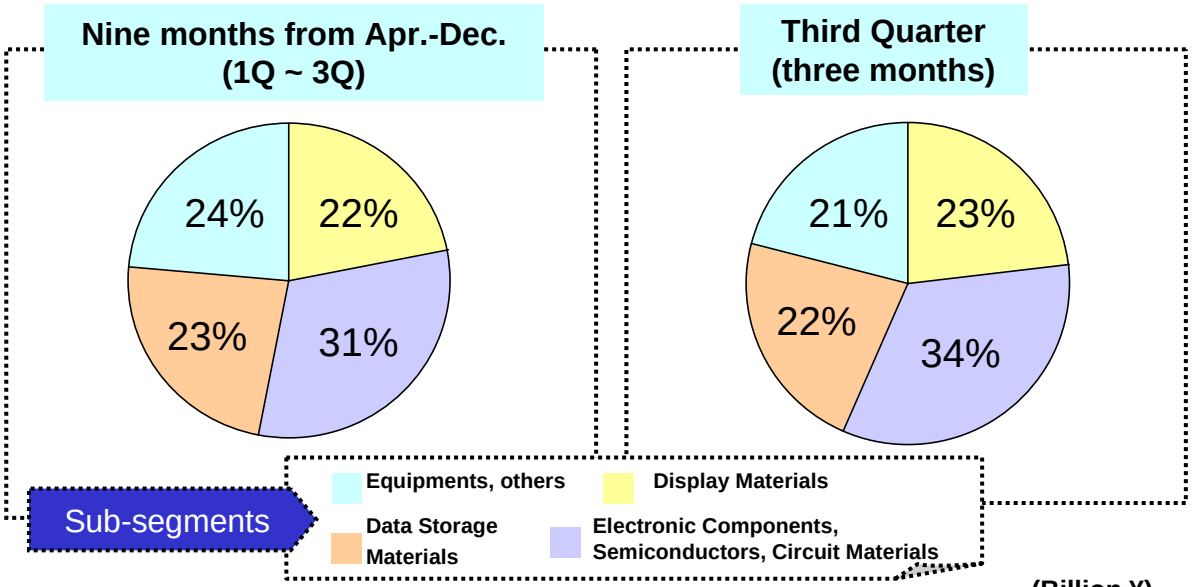
Japanese Subsidiaries
Sales decreased due to decline of demand for slit coaters which was strong in the previous fiscal year. Meanwhile, sales and income increased at a film processing subsidiary by sales expansion of films for FPDs and circuit materials. As total, sales decreased but income increased.

Overseas Subsidiaries
Sales and income increased through sales expansion of films for FPDs and good circuit materials-related businesses at Korean subsidiaries.

<Major Subsidiaries>
Japan : Toray Engineering Co., Ltd., Toray Advanced Film Co., Ltd., etc.
Overseas : TPA (US), TPEu(France), TSI (Korea), etc.

Details of the Sales of IT-related Products Segment

[Sales ratio by sub-segment in FY Mar/06]



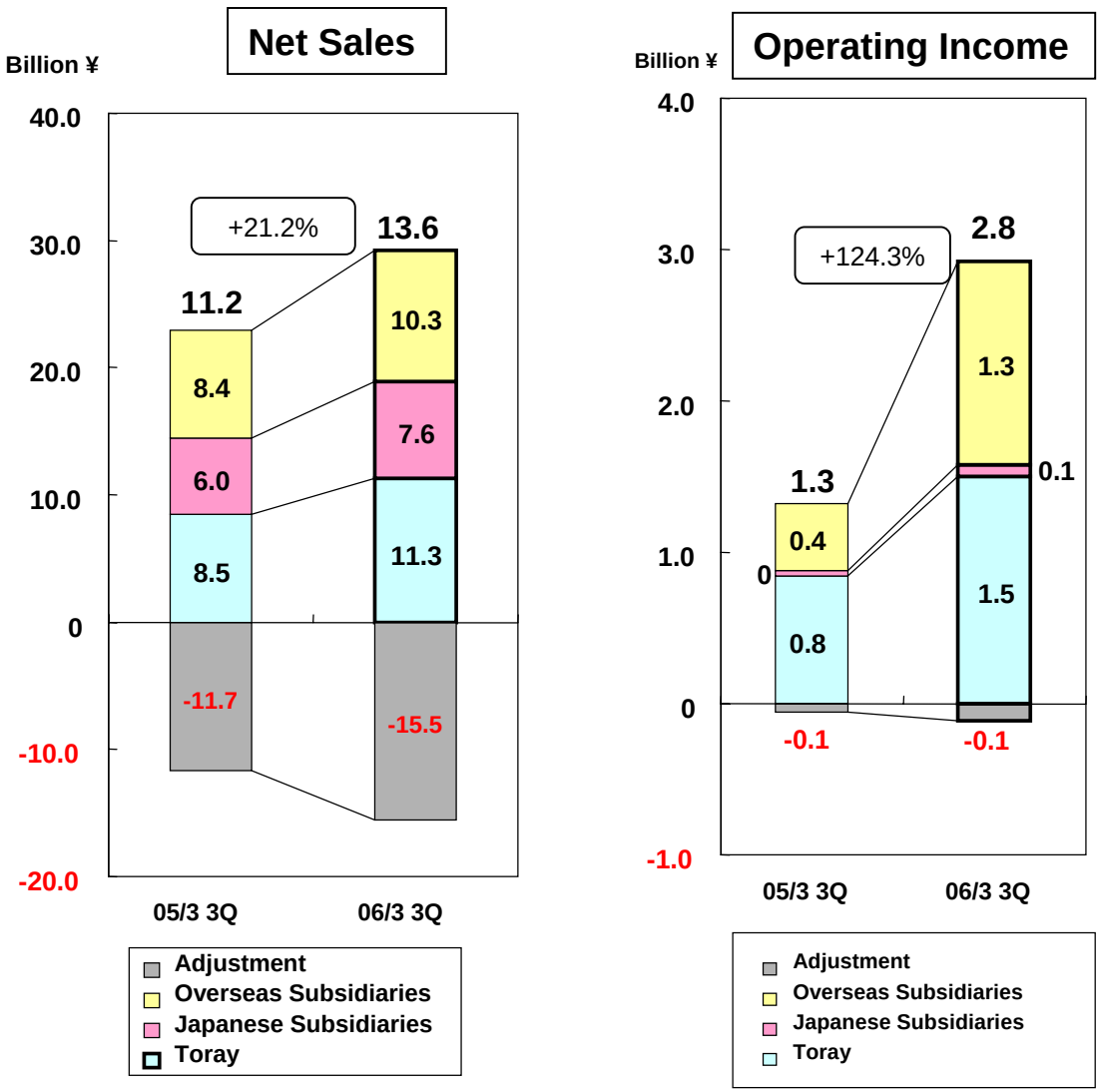
(Billion ¥)

Sub-segments	Products
Display Materials	Optical films, processed optical films, PDP paste materials, color filters, paste materials for color filters, chemicals materials, OLED materials, etc.
Electronic Components, Semiconductors, Circuit Materials	Films for electronic components / circuit materials, FPC copper clad laminated films, adhesive tapes for TAB, adhesive sheets for semiconductors / electronic components, semiconductor coating materials, two-layer copper clad laminated films, TAB tapes, COF tapes, plastics, plastics products, etc.
Data Storage Materials	Magnetic materials, TTR (Thermal Transfer Ribbon), films for graphic art base, printing plates, etc.
Equipments, others	Slit coaters for LCD, die bonding equipment, inspection equipment, equipment / components for PDP, trading companies, IT support services, services, others

[Sales trends by sub-segment]

Sub-segment	Nine months from Apr - Dec			3Q (three months)		
	FY Mar/05	FY Mar/06	Changes	FY Mar/05	FY Mar/06	Changes
Display Materials	31.8	37.2	+17%	10.5	13.5	+29%
Electronic Components, Semiconductors, Circuit Materials	46.3	52.9	+14%	15.0	19.5	+30%
Data Storage Materials	39.8	39.2	-2%	12.8	12.9	+1%
Equipments, others	45.7	40.0	-12%	16.8	12.2	-27%
Total of IT-related Products Segment	163.6	169.2	+3%	55.1	58.1	+5%

Results by Business Segment
(Carbon Fiber Composite Materials)



Comments

Toray

Sales and income increased through strong demand of aircraft applications as well as industrial uses including machine parts, civil engineering and construction-related applications. Moreover, carbon fiber prices for sporting applications such as golf shafts recovered due to tight demand.

Japanese Subsidiaries

Sales and income increased through solid sales growth at trading company.

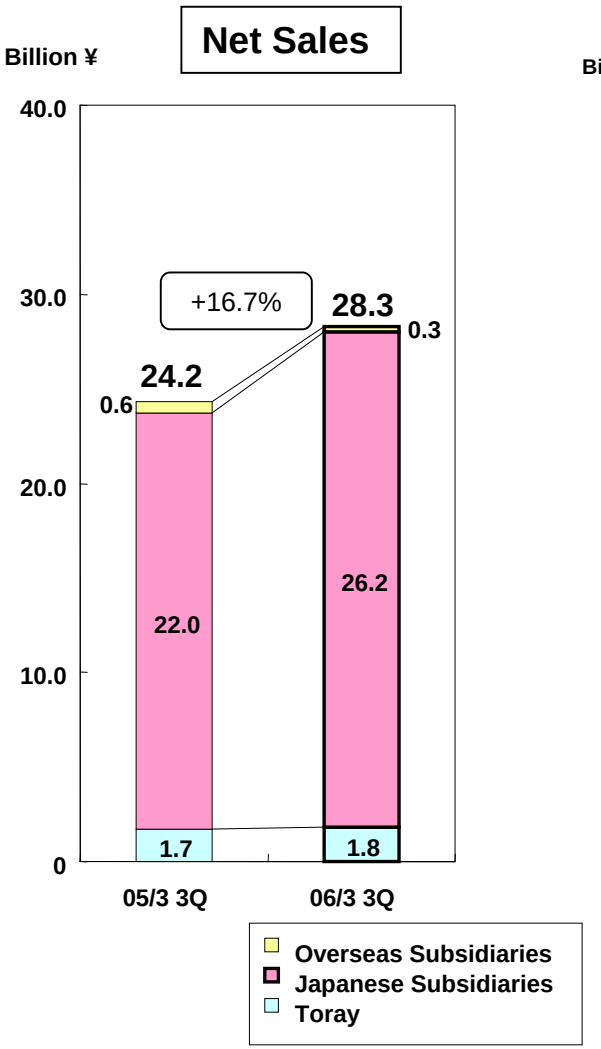
Overseas Subsidiaries

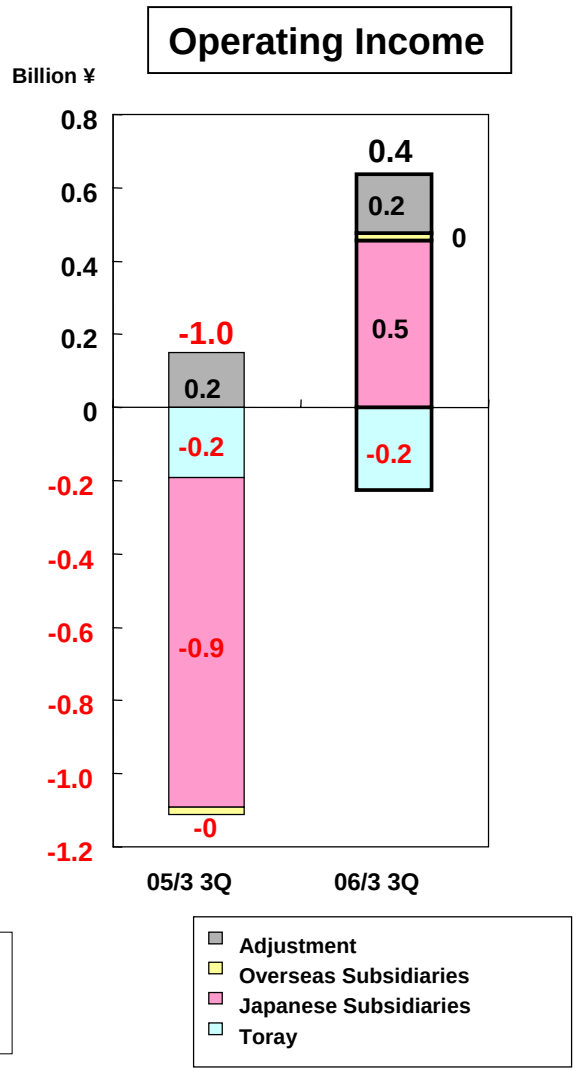
Sales and income increased through capacity increase and sales expansion at European subsidiary as well as sales expansion of aircraft applications at US subsidiaries, and further progress shifting to profitable products in each region including Asia.

<Major Subsidiaries>
Japan : Toray International Inc.
Overseas : SOFICAR (France), etc.

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.

Results by Business Segment
(Environment & Engineering)





Comments

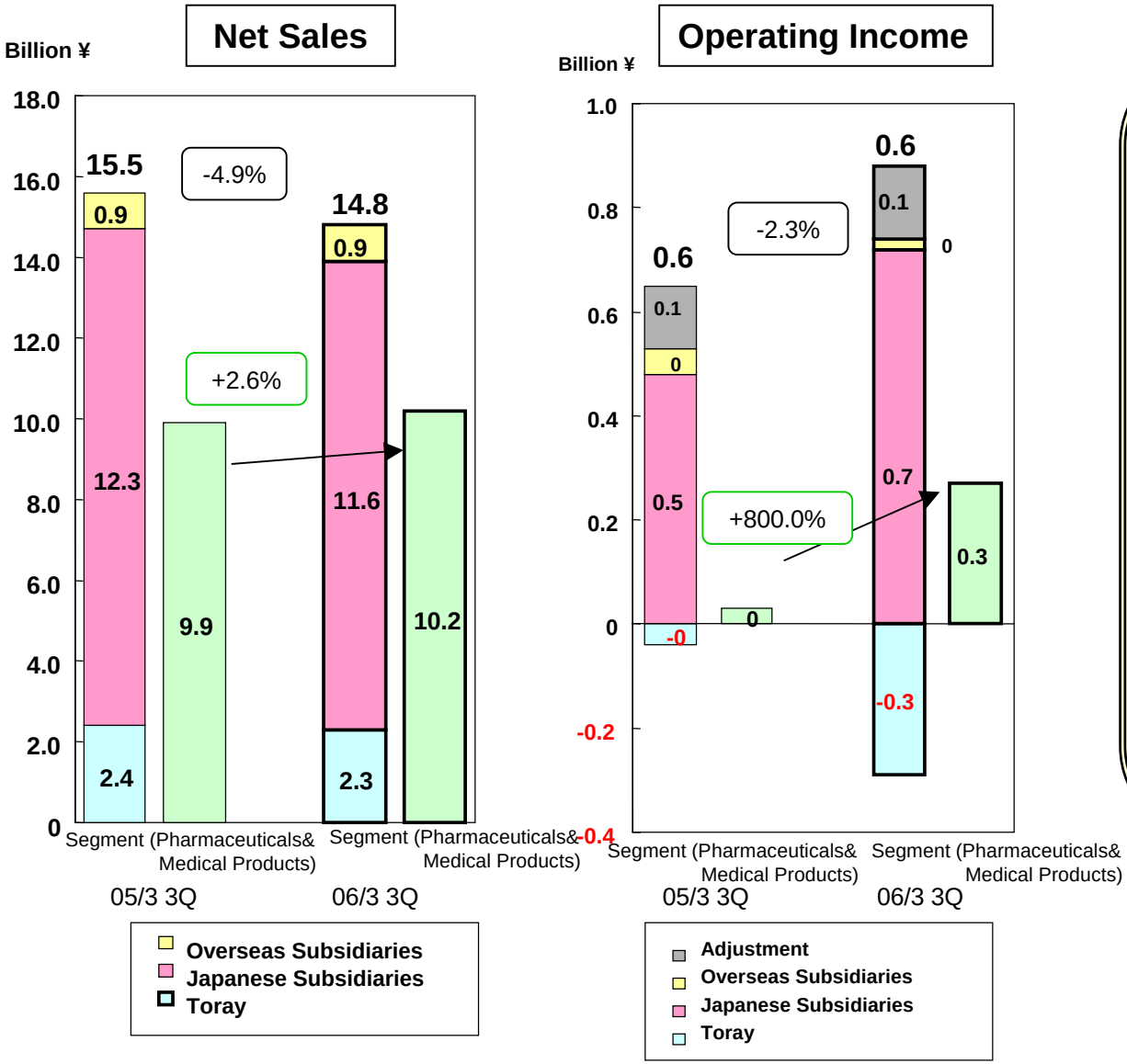
Japanese Subsidiaries

Sales and income increased through sales expansion and corporate-structure reinforcement at construction- and engineering-related subsidiaries.

<Major Subsidiaries>

Japan : Toray Construction Co., Ltd., Toray Engineering Co., Ltd., Toray ACE Co., Ltd., Suido Kiko Kaisha, Ltd., etc.

Results by Business Segment
(Life Science & Other Businesses)



Comments

Toray

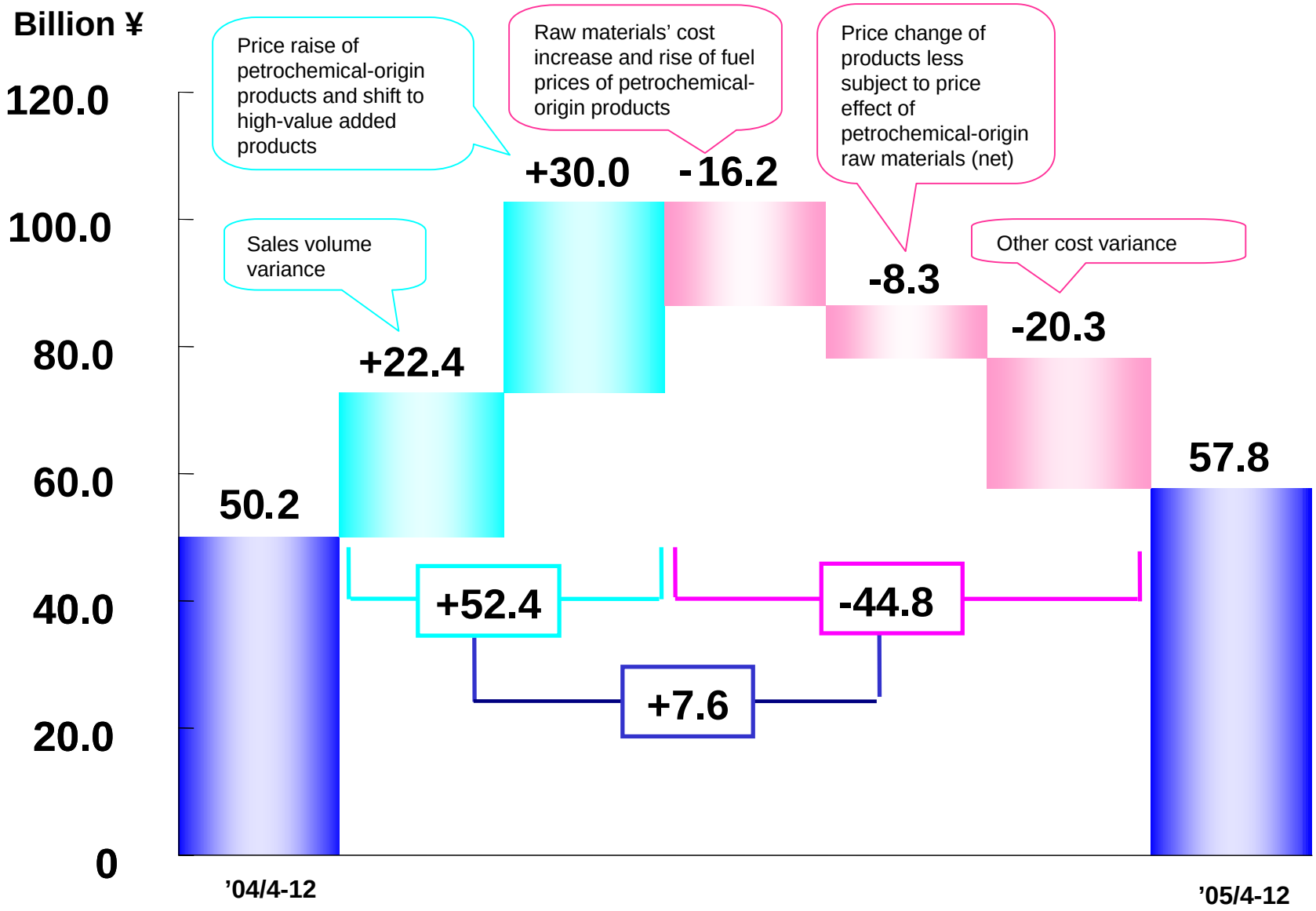
In pharmaceuticals business, sales and income decreased due to tough market competition.

Japanese Subsidiaries

Sales and income increased in medical products subsidiary by sales expansion and corporate-structure reinforcement, though total income of Japanese subsidiaries decreased due to the transfer of a subsidiary's hotel business in the previous fiscal year.

<Major Subsidiaries>
Japan : Toray Medical Co., Ltd., Toray Research Center Inc., Toray Enterprise Corp., etc.

Income Variance Factor Analysis
(Nine months from ’05/4 to ’05/12)



II. Business Forecast for the Fiscal Year Ending March 2006 (Consolidated Basis)

Forecast Summary

Billion ¥

	FY Mar/05 (Actual)	**FY Mar/06 (Forecast)**	Changes	FY Mar/06 (Previous Forecast as of Nov.9/05)
Net Sales	1,298.6	**1,430.0**	+131.4 (+10.1%)	1,430.0
Operating Income	81.1	**92.0**	+10.9 (+13.5%)	92.0
Ordinary Income	76.8	**87.0**	+10.2 (+13.3%)	87.0
Net Income	34.4	**43.0**	+8.6 (+25.0%)	43.0

Expected exchange rate (Jan./'06 ~ Mar./'06) : 120 yen / US$, 143 yen / euro
Expected oil price (Jan./'06 ~ Mar./'06) : US$55 / B (Dubai FOB)

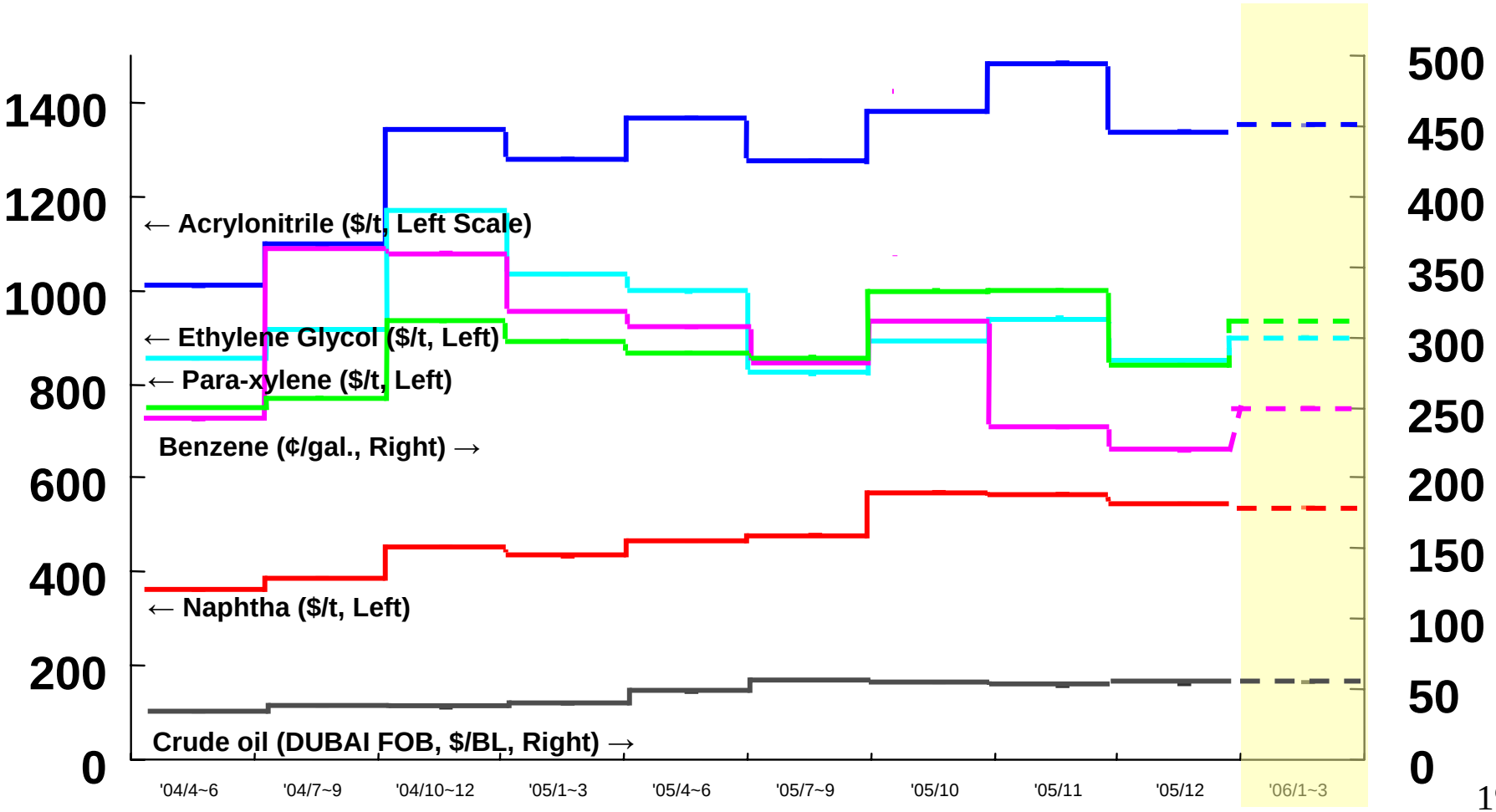
Forecast by Business Segment

Billion ¥

	Net Sales				Operating Income				Comments
	FY Mar/05 (Actual)	FY Mar/06 (Forecast)	Changes		FY Mar/05 (Actual)	FY Mar/06 (Forecast)	Changes		
Fibers & Textiles	513.4	**580.0**	+66.6	(+13.0%)	20.9	**21.0**	+0.1	(+0.6%)	Sales and income are expected to increase by raising price and promoting value-added products while effected by hovering raw materials and fuel costs.
Plastics & Chemicals	300.4	**330.0**	+29.6	(+9.9%)	15.7	**17.5**	+1.8	(+11.8%)	Sales and income are expected to increase by promoting plastics for automotives and films for packaging and industrials, as well as raising price to offset high costs of raw materials and fuels.
IT-related Products	219.1	**240.0**	+20.9	(+9.5%)	28.3	**31.5**	+3.2	(+11.4%)	With IT-related product market recovering, sales and income are expected to increase through growing sales of FPD related films, processing films, and circuit materials.
Carbon Fiber Composite Materials	44.7	**50.0**	+5.3	(+11.9%)	5.6	**11.0**	+5.4	(+96.6%)	Sales and income are expected to increase due to strong demand for all applications such as aircrafts, industrials, and sports as well as the contribution of capacity increase at SOFICAR in France.
Environment & Engineering	148.7	**160.0**	+11.3	(+7.6%)	4.3	**5.0**	+0.7	(+16.4%)	Sales are expected to increase mainly due to consolidation of Suido Kiko. Income is expected to increase mainly due to good business conditions of construction-related and engineering-related subsidiaries.
Life Science & Other Businesses	72.3	**70.0**	-2.3	(-3.2%)	6.5	**6.0**	-0.5	(-7.2%)	Income is estimated to fall due to the transfer of a subsidiary's hotel business in the previous fiscal year.
(Pharmaceuticals & Medical Products Included)	44.4	**45.0**	+0.6	(+1.5%)	2.9	**3.0**	+0.1	(+5.2%)	
Consolidated	1,298.6	**1,430.0**	+131.4	(+10.1%)	81.1	**92.0**	+10.9	(+13.5%)	

Forecast of Raw Materials Prices

Prices of major raw materials weakened in December ’05, though estimated to rise again in January – March / ’06.



III. Recent Topics

Recent Topics ('05/12) (1)

	Topics	NT-II Programs			
		Expanding Advanced Materials Businesses	Expanding Global No.1 Businesses	Expanding Businesses Outside Japan	Business Structure Reform, NVC
Dec.	**Toray and DNA Chip Research Inc. to co-develop new DNA chip** Toray and DNA Chip Research Inc. agreed on co-development of high-performance DNA chip, which is the combination of high-performance DNA chip substrate developed by Toray and oligo-DNA synthesis and design technology developed by DNA Chip Research with the Research Institute of Genome-Based Biofactory, National Institute of Advanced Industrial Science and Technology. The new genome-wide DNA chip that carries information of entire set of yeast genes is planned for commercialization in April 2006.	○			○
Dec.	**Cutting-edge CMP Pad for Next Generation Semiconductors Introduced in January 2006.** Developed a Chemical Mechanical Polishing (CMP) pad with world-leading performance corresponding to 12 inch-wafer process while being environmentally-friendly halogen-free by utilizing polymer nano-dispersion technology. Started shipping the product to major semiconductor manufacturers in January 2006.	○			○
Dec.	**Expand Production Capacity of Torayca*, PAN-based Carbon Fiber in Europe** Decided to expand production capacity of PAN-based carbon fiber Torayca* in Europe, in order to respond to the mid- to long-term growth demand for carbon fiber composite materials. Toray will add one line of carbonization facility with fine carbon fiber capacity of 800 tons for aircraft secondary structure materials and industrial applications per year at SOFICAR, a carbon fiber production and sales subsidiary based in France, and will start its operation in August 2007.	○	○	○	
Dec.	**The Development of Direct Methanol Fuel Cell** Succeeded in enhancing the capabilities of the membrane electrode assembly (MEA) and the polymer electrolyte membrane used in MEA, the primary element in a Direct Methanol Fuel Cell (DMFC), to practical use level. First in the world to successfully develop a hydrocarbon-type membrane that suppresses methanol cross-over (MCO) to less than 1/10 of the existing fluorine-type membranes without losing the hydrogen ion conductivity.	○			○

Recent Topics (’05/12 ~ ’06/1) (2)

	Topics	NT-II Programs			
		Expanding Advanced Materials Businesses	Expanding Global No.1 Businesses	Expanding Businesses Outside Japan	Business Structure Reform, NVC
Dec.	**Developed a High-precision DNA Chip for Diagnosis Application of Cancer Treatment** Toray and Kyoto University Graduate School of Medicine and Faculty Medicine succeeded in the development of a diagnostic DNA chip by combining Toray’s high-performance DNA chip substrate and Kyoto University’s advanced medical / analysis technologies. This new DNA chip will realize highly-efficient identification of caner or noncancer by over 95% of probability as well as precise determination of the nature of the cancer (metastatic properties, effectiveness of anticancer agents, etc.) which has much effect on the treatment decisions.	○			○
Dec.	**Improved Twice the Durability of Photocatalytic Coating Material by Utilizing Fullerene** Toray and RIKEN succeeded in co-development of the technology to improve twice the performance or durability of photocatalytic coating material using such phtocatalytic substances as titanium oxide by utilizing fullerene.	○			○
Jan.	**Build World’s Largest “Fourth Plasma Display Panel Plant” in Hyogo, Japan** Toray and Matsushita Electric Industrial Co. will build a new PDP manufacturing facility to be a new production base in Japan which will be the fourth plant of their PDP joint venture, Matsushita PDP Company Ltd., establishing the largest PDP production capacity in the world. With the investment of 180 billion yen, the new plant will be the world’s largest with production capacity of 500,000 panels per month and 6 million per year (calculated on the basis of 42-inch screen-size panels) . Construction of the new plant will start in May 2006 with production scheduled to commence in July 2007 and full capacity by March 2009.	○			○
Jan.	**Developed Flexible Circuit Board with World’s Highest Density** Succeeded first in the world in development of high density flexible printed circuit board for IC bonding with world’s finest wiring pitch of 12μm. An experimental facility will be placed at Toray Seta Plant with capacity of one million pieces per month in aim to market during FY to March 2007. Evaluation of 20μm level wiring pitch prototypes are under way by several users.	○			○

<References>

Toray and DNA Chip Research Inc. to co-develop New DNA Chip

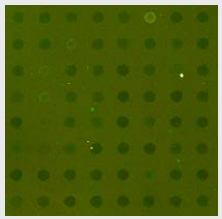
TORAY

Toray and DNA Chip Research Inc. agreed on co-development of high-performance DNA chip, which is the combination of high-performance DNA chip substrate developed by Toray and oligo-DNA synthesis and design technology developed by DNA Chip Research with the Research Institute of Genome-Based Biofactory, National Institute of Advanced Industrial Science and Technology. The new genome-wide DNA chip that carries information of entire set of yeast genes is planned for commercialization in April 2006.

Technical Concideration of Conventional DNA Chips

- Signal < Noise
- Irregular for detecting
  : Low signal strength
  and deterioration in stability

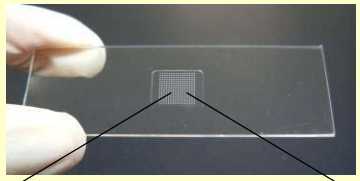
(Glass substrate / Plane structure)



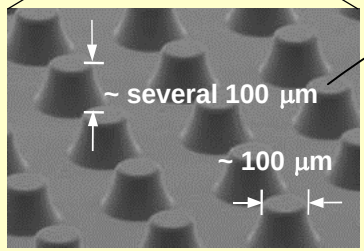
Sample amount of biopsy : 0.01 μg

Low sensitivity
Low quantitativeness
Low reproducibility

High Performance DNA Chip



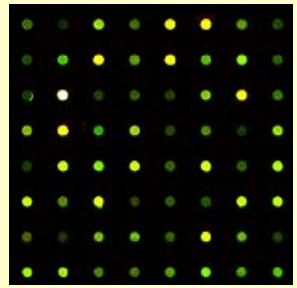
Original Resin



Probe DNA

Unique structure by Micro fabrication

- High signal
- Low noise



Sample amount of biopsy : 0.01 μg

High sensitivity
(100-fold higher than conventional type)

High quantitativeness

High reproducibility

Short reaction time
(one-tenth of conventional type)

Commercialization planned in April 2006 of the new genome-wide DNA chip that carries information of entire set of yeast genes (about 6,000)

→

Commercialization planned of genome-wide DNA chip with human genes (10,000 ~ 30,000) by the end of 2006

→

Plan to commercialize diagnosis DNA chip for cancer and lifestyle-related diseases by 2008

Cutting-edge CMP Pad for Next Generation Semiconductors Introduced in January 2006

Developed a Chemical Mechanical Polishing (CMP) pad with world-leading performance corresponding to 12 inch-wafer process while being environmentally-friendly halogen-free by utilizing polymer nano-dispersion technology. Started shipping the product to major semiconductor manufacturers in January 2006.

Issues in existing products

- Generate micro scratches by aggregation of polishing wastes (slurry, pad, etc.)
- Hard to control hardness and density of the polishing sheet
- Contain chlorine in polishing sheet

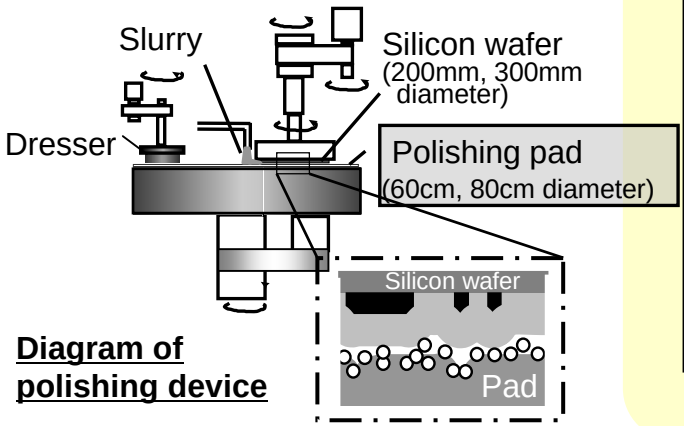
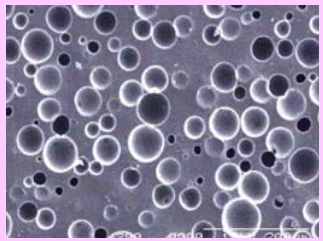
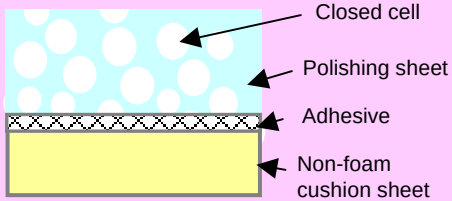


Diagram of polishing device

Structure of new product

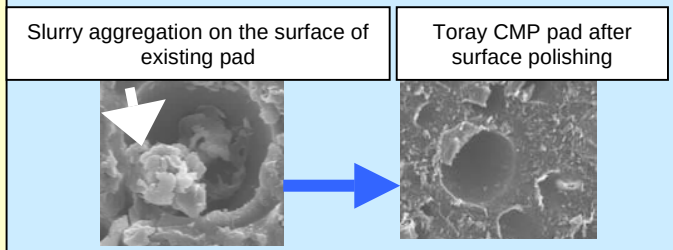
Closed microbubble structure through chemical foaming (instead of micro balloons)



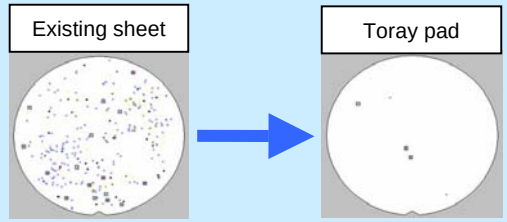


Features of new product

- **Prevention of agglutinated foreign substances**



- **Reduction of micro scratches on wafers**



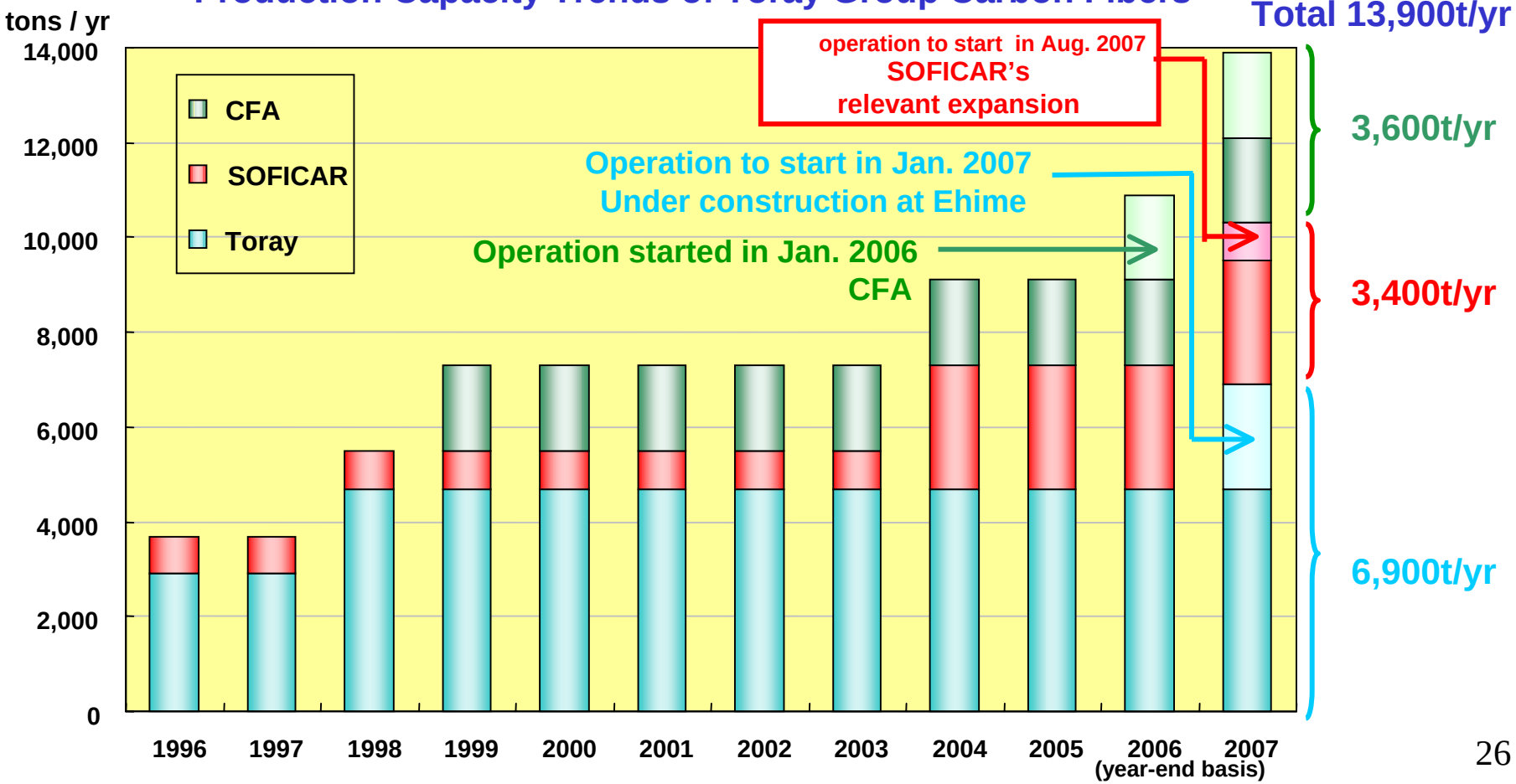
Inspection of defects on p-Si02 layer (STI process) after 900A polishing and 9 minutes etching in HF solution

- **Hardness and density of the polishing sheet controllable**
- **Achievement of halogen-free properties**

Expand Production Capacity of Torayca*, PAN-based Carbon Fiber in Europe

Decided to expand production capacity of PAN-based carbon fiber Torayca* in Europe, in order to respond to the mid- to long-term growth demand for carbon fiber composite materials. Toray will add one line of carbonization facility with fine carbon fiber capacity of 800 tons for aircraft secondary structure materials and industrial applications per year at SOFICAR, a carbon fiber production and sales subsidiary based in France, and will start its operation in August 2007.

Production Capacity Trends of Toray Group Carbon Fibers



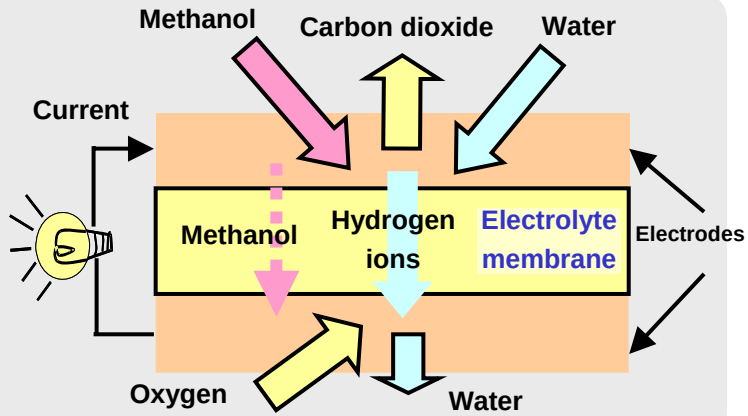
The Development of Direct Methanol Fuel Cell

Succeeded in enhancing the capabilities of the membrane electrode assembly (MEA) and the polymer electrolyte membrane used in MEA, the primary element in a Direct Methanol Fuel Cell (DMFC), to practical use level. First in the world to successfully develop a hydrocarbon-type membrane that suppresses methanol cross-over (MCO) to less than 1/10 of the existing fluorine-type membranes without losing the hydrogen ion conductivity.

Conventional fluorine-type electrolyte membranes

Problem of methanol permeating along with hydrogen ions conducting

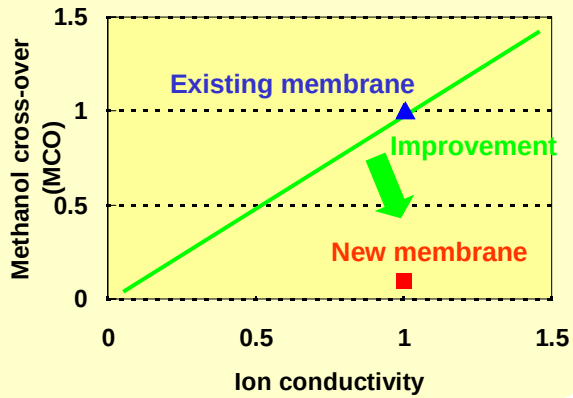
- **leads to waste of fuel where methanol is not used in power generation**
- **causes heat generation and decreasing the power density as the permeated methanol is oxidized at the cathode.**



Details of developed technology

Upon analysis of the existing membranes, Toray found that the water inside polymers facilitates not only ion conductivity but also methanol permeation

We combined our core technology of polymer chemistry with nano-structure controlling technique to create new polymer electrolyte membrane. We succeeded in controlling water structure inside our membrane to contribute only for hydrogen ion conducting without increasing MCO.



Expects miniaturization as well as longer battery-life of mobile electronic devices such as laptop computer and cellular phones

Developed a High-precision DNA Chip for Diagnosis Application of Cancer Treatment

TORAY

Toray and Kyoto University Graduate School of Medicine and Faculty of Medicine succeeded in the development of a diagnostic DNA chip by combining Toray's high-performance DNA chip substrate and Kyoto University's advanced medical / analysis technologies. This new DNA chip will realize highly-efficient identification of caner or noncancer by over 95% of probability as well as precise determination of the nature of the cancer (metastatic properties, effectiveness of anticancer agents, etc.) which has much effect on the treatment decisions.

Toray

High-performance DNA chip Substrate

Kyoto University

- **Advanced clinical information of the latest diagnosis and medication fields**
- **Advanced analysis technologies**

Cancer identifiable diagnosis chip with probability of over 95%

- **The new high-performance DNA chip substrate enables diagnosis with an infinitesimal amount of sample obtained from biopsy never possible with conventional chips**
- **Enables highly-reliable diagnosis through high reproducibility and high quantification**

Esophagus cancer

Cancer identification probability : over 95%

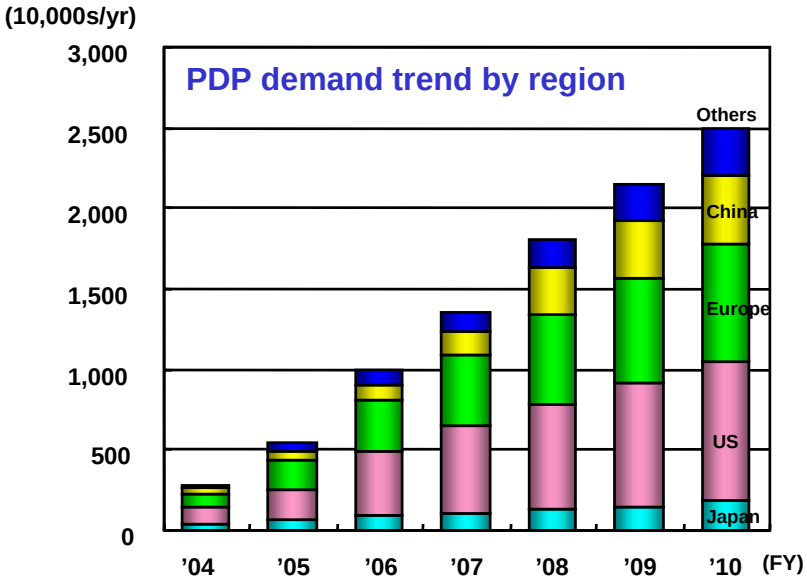
Cancer metastasis prediction probability : over 85%

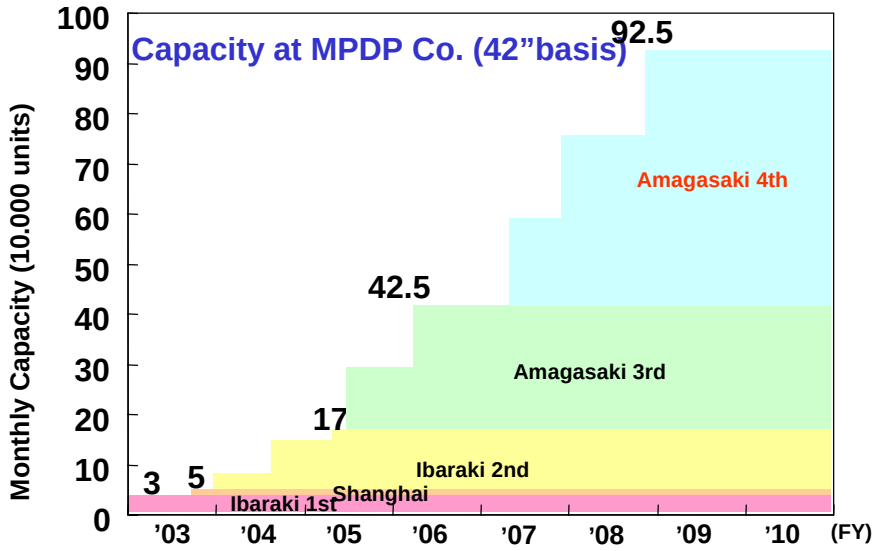
Kidney cancer

Cancer metastasis prediction probability : over 95%

Build World's Largest "Fourth Plasma Display Panel Plant" in Hyogo, Japan

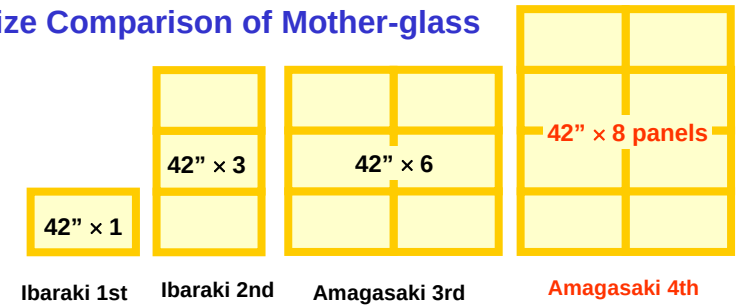
Toray and Matsushita Electric Industrial Co. will build a new PDP manufacturing facility to be a new production base in Japan which will be the fourth plant of their PDP joint venture, Matsushita PDP Company Ltd., establishing the largest PDP production capacity in the world. With the investment of 180 billion yen, the new plant will be the world's largest with production capacity of 500,000 panels per month and 6 million per year (calculated on the basis of 42-inch screen-size panels) . Construction of the new plant will start in May 2006 with production scheduled to commence in July 2007 and full capacity by FY 2008.





Plant Rendering

Size Comparison of Mother-glass



Developed Flexible Circuit Board with World's Highest Density

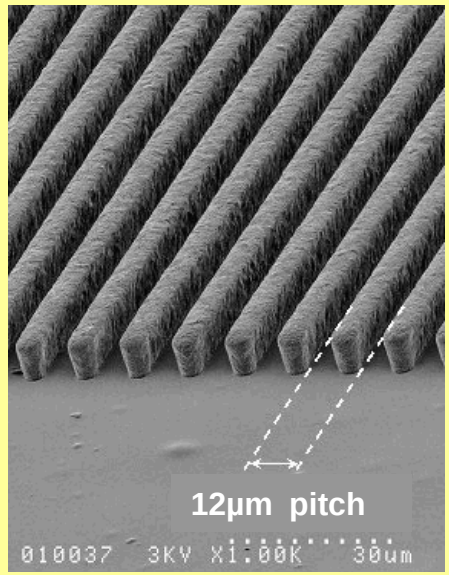
Succeeded first in the world in development of high density flexible circuit board for IC bonding with world's finest wiring pitch of 12μm. An experimental facility will be placed at Toray Seta Plant with capacity of one million pieces per month in aim to market during FY 2006. Evaluation of 20μm level wiring pitch prototypes are under way by several users.

Trend in Connection Pitch of LCD Drive ICs

Year	2003	2004	2005	2006	2007	2008	2009	2010
Pitch (μm)	35	30		25		20	15	10
Dimensional Tolerance (%)	±0.04			±0.02			≤±0.01	

Conventional COF Technology → Newly Developed Technology

Dimensional Stability Limit



Properties of new product

- 12μm ultra-fine pitch
- Dimensional stability of ±0.001%

Advantages of finer pitch patterning

- Further size-down of IT-related equipment through downsizing of flexible circuit board
- Cost reduction through reducing the numbers of LCD driver ICs

Descriptions of forecasted business results, estimates, expectations, and business plans for the Fiscal Year ending March 2006 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.