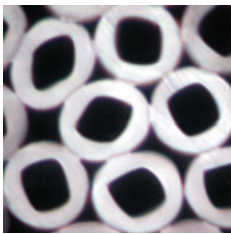




INNOVATION FOR CHANGING LIFESTYLES.



Toray's environmentally friendly fiber, *Foresse*[®] is the first cellulosic fiber in the world produced by the "melt spinning method," which does not use organic solvents.

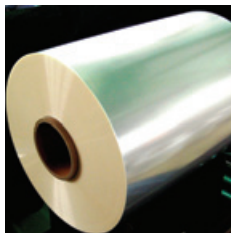
FIBERS & TEXTILES The features of Toray's fibers and textile business are: (1) our product line encompasses all three major groups of synthetic fibers – nylon, polyester, and acrylic; in this business, (2) Toray is known for its capacity to meet requests for supplying a diverse range of products, from filament yarns and staple fibers to textiles and garments; (3) applications for our products widely range from apparel to industrial materials including car airbags, seat belts, and bag filters. On the top of that, sales of advanced materials, such as fluorine fiber and polyphenylene sulfide (PPS) fiber, are also expanding. Utilizing global manufacturing bases such as filament yarn, staple fiber, and textile manufacturing facilities, Toray not only facilitates production and sales in the most appropriate regions, but also provide a global operational structure that organically links these bases.

To create a business structure that ensures steady earnings, Toray's fibers and textile business as a foundation business is developing new products, constructing a new supply chain management system, expanding its sewn products business, and broadening its overseas operations.

INNOVATION

FOR

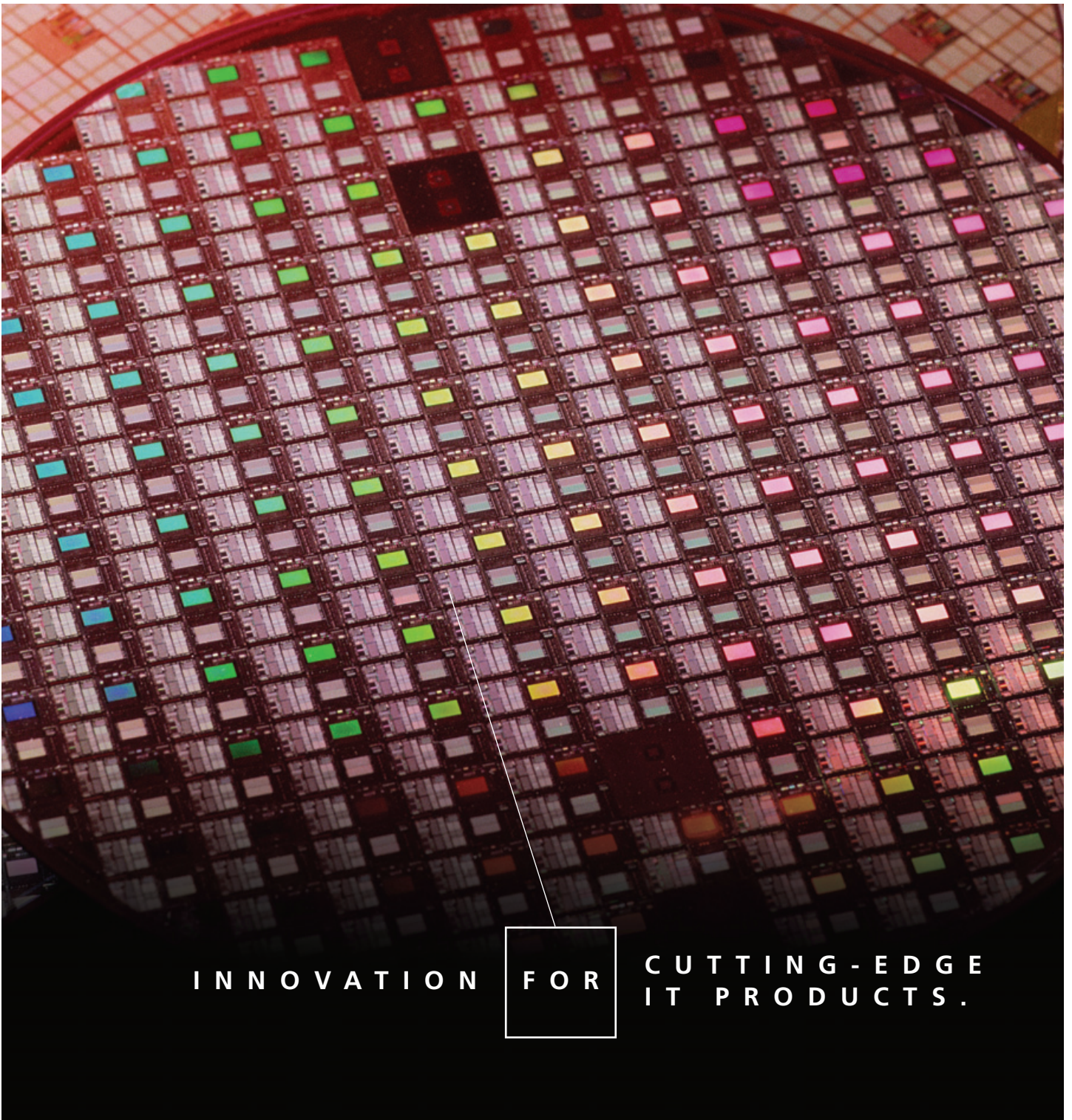
THE WHOLE
NEW SOLUTION.



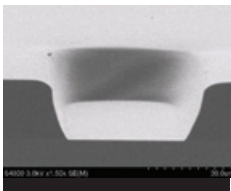
Demand is growing for *Torayfan**, a polypropylene film used in capacitors for hybrid cars and other applications.

PLASTICS & CHEMICALS Toray's plastics & chemicals segment is made up of three main product categories: plastic resins, films, and chemicals. The Group has commercialized high-performance plastic resins and super engineering plastic resins used in a diverse range of products, including electronic and automotive parts. Currently holding a 20% market share, Toray is the world's leading manufacturer of polyester films. We seek to maximize earnings from both the plastic resins and films businesses through global operations. At present, Toray has plastic resins production and compounding facilities in Japan, the United States, Southeast Asia, and China, and film production bases in six countries.

Recently, the Group has been focusing on a series of environmentally friendly products. These include developing practical applications for polylactic acid (PLA) plastics produced by fermenting starch contained in sweet corn to help reduce carbon dioxide emissions and demand for fossil fuels, as well as films used in capacitors for hybrid cars and films used as back sheets in solar cells.



INNOVATION **FOR** CUTTING-EDGE IT PRODUCTS.



Toray's "photosensitive polyimide" buffer coatings for next-generation semiconductor devices, is the first in the world that can be cured at temperatures below 200°C. Using an environmentally friendly alkaline developer.

IT-RELATED PRODUCTS Toray Group's IT-related products segment covers a wide range of items, including optical films for flat panel displays and processed optical films, plasma display panel (PDP) paste materials, small and medium-sized liquid crystal color filters, circuit materials, semiconductor materials, and IT-related equipment. This business is relatively resistant to fluctuations in IT market owing to a well-balanced range of applications and products. Toray harnessed its PDP rear panel technologies in a joint venture company with Matsushita Electric Industrial Co., Ltd. to produce PDP televisions.

Annual demand for flat-panel display panels is forecasted to grow by approximately 30% on a display area basis, and steady expansion is also predicted for PCs, mobile phones, and digital home appliances. Under these circumstances, the Group plans to broaden existing businesses and open new ones, concentrating on display materials, electronic components, semiconductors, and circuit materials, by further reinforcing the partnerships it enjoys with its major customers.

INNOVATION

FOR

UNPRECEDENTED
PERFORMANCE.



The market position of *Torayca** carbon fiber continues to strengthen, thanks to quality and wide range of the product, coupled with increased global production in Japan, the United States, and France.

CARBON FIBER COMPOSITE MATERIALS This business segment is underpinned by Toray's strengths, including: (1) global operations, with production bases in Japan, the United States, and Europe; (2) vertical development of prepreg*, woven and other intermediate materials and composites in addition to carbon fibers; (3) a superior lineup of carbon fiber products of the highest quality; (4) a technological competitive edge attributable to the stable quality of its prepreg products; and (5) Toray's solid position in aircraft applications.

Annual production in the carbon fiber market is expected to reach 48,000 tons in 2010, double the amount for 2005. This huge growth will be attributable to the rapid expansion of aircraft applications, other alternative energy applications including wind turbine blades and CNG (compressed natural gas) tanks in the face of high crude oil prices, and an increase in automotive applications. Toray will continue pursuing capital investment activities to ensure its ability to address such market growth.

*Prepreg: sheet-form carbon fiber impregnated with resin

INNOVATION

FOR

GLOBAL
ENVIRONMENT.



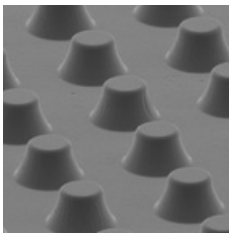
Toray's water treatment business, centering on seawater desalination and wastewater reuse applications, takes advantage of the Group's world-leading water treatment membrane technologies and product lineup.

ENVIRONMENT & ENGINEERING While we will continue to strengthen our existing engineering business, this business segment is expected to expand, especially in the water treatment business. Toray's extensive range of water treatment membranes purify water of varying qualities, and we believe that there is large opportunity for expansion in this area.

The 21st century has been labeled the "century of water," stemming from the expected worsening of water shortages in Asia, China, and the United States due to global warming, rising populations, and economic growth in developing countries. Amid this increasing demand, Toray is helping to ensure safe water supplies by increasing production capacity and enhancing the technologies and product capabilities of membranes used in water treatment, including its reverse osmosis membranes, which boast world-class performance. The Group intends to expand not only this business in water treatment membrane modules, but also those in to water treatment related plant engineering and maintenance.



INNOVATION FOR BETTER QUALITY OF LIFE.



Toray's 3D-Gene* series of ultrahigh-sensitive DNA chips are being used in the development of testing and diagnostic applications for the analysis of human gene expression. The DNA chips are expected to serve as key tools in so-called "tailor-made" medicine (enlarged picture).

LIFE SCIENCE & OTHER BUSINESSES Toray's expansion of the life science business is focused on three business categories: pharmaceuticals, medical products (such as artificial kidneys), and DNA chips and other bio-tools.

In the pharmaceuticals business, Toray maintains a strong R&D program, with an emphasis on drug discovery. It has marketing alliances with leading drug manufacturers with dominant positions in their respective fields, thus alleviating the need for a substantial complement of sales representatives.

In the medical products business, the Group plans to expand business expansion as a global manufacturer of artificial kidneys to coincide with the full-scale launch of the world's first high-performance, moist-type, polysulfone membrane artificial kidney, which is also compact and light. We are also proceeding with the development of catheters used in the treatment of atrial fibrillation.

Drawing on our many years of experience in the pharmaceuticals and medical products business and the integration of biotechnologies and nanotechnologies, we are currently working to develop a business in bio-tools.