

**CONSOLIDATED BALANCE SHEETS**Toray Industries, Inc. and Consolidated Subsidiaries  
March 31, 2007 and 2006

<b>Assets</b>	Millions of yen		Thousands of U.S. dollars (Note 2)
	<b>2007</b>	2006	<b>2007</b>
<b>Current assets:</b>			
Cash	¥ 57,342	¥ 76,187	\$ 485,949
Time deposits	14,023	9,853	118,839
Short-term investment securities (Note 5)	800	987	6,780
Trade receivables:			
Notes receivable	40,184	37,433	340,542
Accounts receivable (Note 4)	248,675	219,912	2,107,415
Inventories (Note 3)	302,934	264,299	2,567,237
Deferred tax assets (Note 8)	21,903	18,181	185,619
Prepaid expenses and other current assets	45,276	37,915	383,695
Allowance for doubtful accounts	(3,608)	(2,477)	(30,576)
Total current assets	<b>727,529</b>	662,290	<b>6,165,500</b>
<b>Property, plant and equipment</b> (Notes 4 and 11):			
Land	81,661	77,730	692,042
Buildings	449,369	422,554	3,808,212
Machinery and equipment	1,456,313	1,361,020	12,341,636
Construction in progress	65,821	73,996	557,805
	<b>2,053,164</b>	1,935,300	<b>17,399,695</b>
Accumulated depreciation	(1,409,794)	(1,349,085)	(11,947,407)
Property, plant and equipment, net	<b>643,370</b>	586,215	<b>5,452,288</b>
<b>Intangible assets</b>	<b>13,490</b>	11,522	<b>114,322</b>
<b>Investments and other assets:</b>			
Investments in unconsolidated subsidiaries and affiliated companies	76,676	70,267	649,797
Investment securities (Notes 4 and 5)	157,657	164,961	1,336,076
Long-term loans receivable	1,373	3,270	11,636
Deferred tax assets (Note 8)	26,748	21,491	226,678
Other (Note 7)	31,411	25,755	266,195
Allowance for doubtful accounts	(3,807)	(8,349)	(32,263)
Total investments and other assets	<b>290,058</b>	277,395	<b>2,458,119</b>
<b>Total assets</b>	<b>¥ 1,674,447</b>	¥ 1,537,422	<b>\$ 14,190,229</b>

See accompanying notes to consolidated financial statements.

Liabilities and Net Assets	Millions of yen		Thousands of U.S. dollars (Note 2)
	2007	2006	2007
<b>Current liabilities:</b>			
Short-term bank loans (Note 4)	¥ 124,583	¥ 102,438	\$ 1,055,788
Current portion of long-term debt (Note 4)	45,667	40,566	387,008
Commercial paper	—	55,000	—
Trade payables:			
Notes payable	54,383	56,164	460,873
Accounts payable	156,088	152,211	1,322,780
Income taxes payable (Note 8)	24,241	12,917	205,432
Accrued liabilities	54,288	50,480	460,068
Other current liabilities (Note 8)	81,713	68,110	692,483
Total current liabilities	540,963	537,886	4,584,432
<b>Long-term debt</b> (Note 4)	366,686	286,407	3,107,508
<b>Deferred tax liabilities</b> (Note 8)	23,975	33,391	203,178
<b>Accrued employees' retirement benefits</b> (Note 7)	72,300	71,221	612,712
<b>Customers' guarantee deposits and other liabilities</b>	20,853	17,817	176,721
Total liabilities	1,024,777	946,722	8,684,551
<b>Commitments and contingent liabilities</b> (Note 10)			
<b>Net assets</b> (Note 9):			
Stockholders' equity:			
Common stock:			
Authorized — 4,000,000,000 shares			
Issued — 1,401,481,403 shares	96,937	96,937	821,500
Capital surplus	85,814	85,804	727,237
Retained earnings	352,994	307,227	2,991,475
Treasury stock, at cost	(998)	(703)	(8,458)
Total stockholders' equity	534,747	489,265	4,531,754
Valuation, translation adjustments and other:			
Net unrealized gains on securities	56,937	66,886	482,517
Net deferred gains on hedges	799	—	6,771
Foreign currency translation adjustments	(2,463)	(19,125)	(20,873)
Total valuation, translation adjustments and other	55,273	47,761	468,415
Minority interests in consolidated subsidiaries	59,650	53,674	505,509
Total net assets	649,670	590,700	5,505,678
Total liabilities and net assets	¥ 1,674,447	¥ 1,537,422	\$ 14,190,229