'TORAY'
Innovation by Chemistry

Dow Jones Sustainability Indexes
Member 2007/08

May 9, 2008

Announcement of Business Results For the Fiscal Year Ended March 2008 and Business Forecast for the Fiscal Year Ending March 2009

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Contents

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I. Summary of Business Results for the FY Ended March 2008

Summary (Profits)

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Unit: Billion ¥

	FY Mar/07			FY Mar/08			Changes		FYI: Before Revision of Depreciation Rules	
	1st Half	2nd Half	Total	1st Half	2nd Half	**Total**			**FY Mar/08**	Changes
Net Sales	746.2	800.2	1,546.5	802.3	847.3	**1,649.7**	+103.2	(+6.7%)	**1,649.7**	+103.2 (+6.7%)
Cost of Sales	594.1	627.3	1,221.4	642.7	671.2	**1,313.9**	+92.5	(+7.6%)	**1,308.2**	+86.8 (+7.1%)
Gross Profit	152.1	172.9	325.1	159.6	176.1	**335.7**	+10.7	(+3.3%)	**341.4**	+16.4 (+5.0%)
(Gross Profit to Net Sales)	20.4%	21.6%	21.0%	19.9%	20.8%	**20.4%**	-0.7	points	**20.7%**	-0.3 points
Operating Income	42.9	59.5	102.4	44.0	59.4	**103.4**	+1.0	(+1.0%)	**109.1**	+6.7 (+6.5%)
(Operating Income to Net Sales)	5.7%	7.4%	6.6%	5.5%	7.0%	**6.3%**	-0.4	points	**6.6%**	-0.0 point
Non-operating Income and Expenses, net	▲ 2.4	▲ 2.5	▲ 4.9	▲ 2.2	▲ 9.8	**▲ 12.0**	-7.1		**▲ 11.8**	-6.9
Ordinary Income	40.5	57.0	97.5	41.9	49.6	**91.5**	-6.0	(-6.2%)	**97.3**	-0.2 (-0.2%)
Special Credits and Charges, net	▲ 11.1	▲ 4.7	▲ 15.8	▲ 3.0	▲ 9.9	**▲ 12.9**	+2.9		**▲ 12.9**	+2.9
Income before Income Taxes	29.4	52.3	81.7	38.9	39.7	**78.6**	-3.1	(-3.8%)	**84.4**	+2.7 (+3.3%)
Net Income	28.0	30.5	58.6	23.0	25.1	**48.1**	-10.5	(-17.9%)	**51.8**	-6.7 (-11.5%)
Net Income per Share	20.0 yen	21.8 yen	41.8 yen	16.4 yen	17.9 yen	**34.3 yen**				
Dividend per Share	5.0 yen	5.0 yen	10.0 yen	5.0 yen	5.0 yen	**10.0 yen**				

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

Exchange Rate

<Yen/US$>

FY Mar/07 → FY Mar/08

Annual average : 117.0 → 114.3

End of the term : 118.1 → 100.2

<Yen/Euro>

FY Mar/07 → FY Mar/08

Annual average : 150.1 → 161.5

End of the term : 157.3 → 158.2

Oil Price

<US$/B> (DUBAI FOB)

FY Mar/07 → FY Mar/08

Annual average : 60.9 → 77.1

Trends in Net Sales and Operating Income

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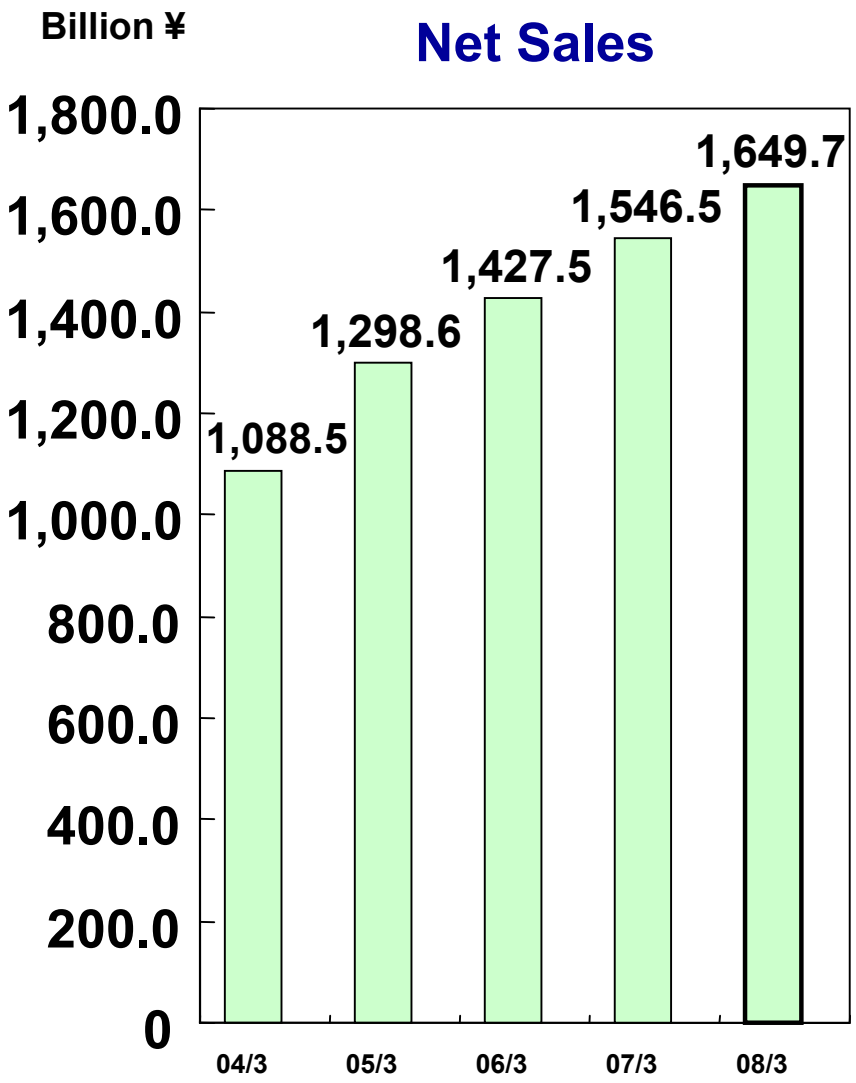

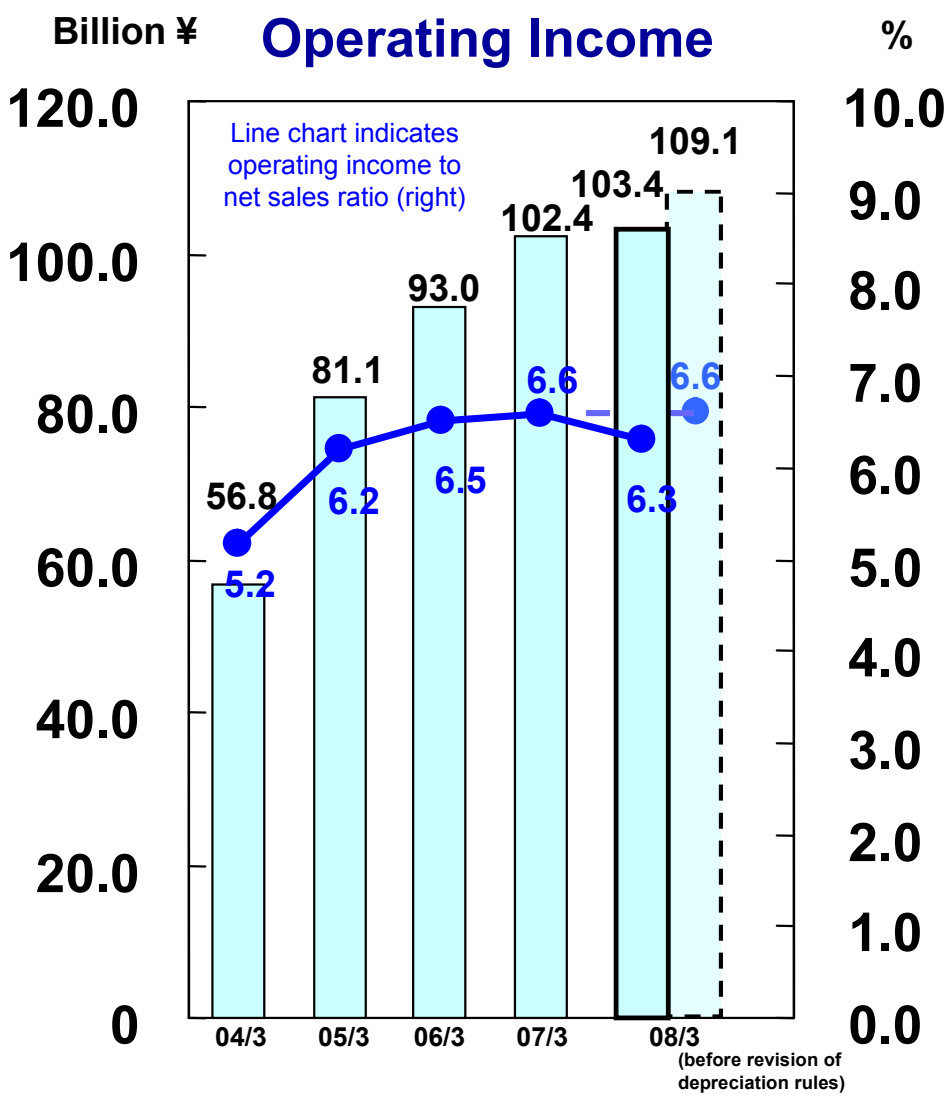

Total Assets, D/E Ratio, ROA · ROE

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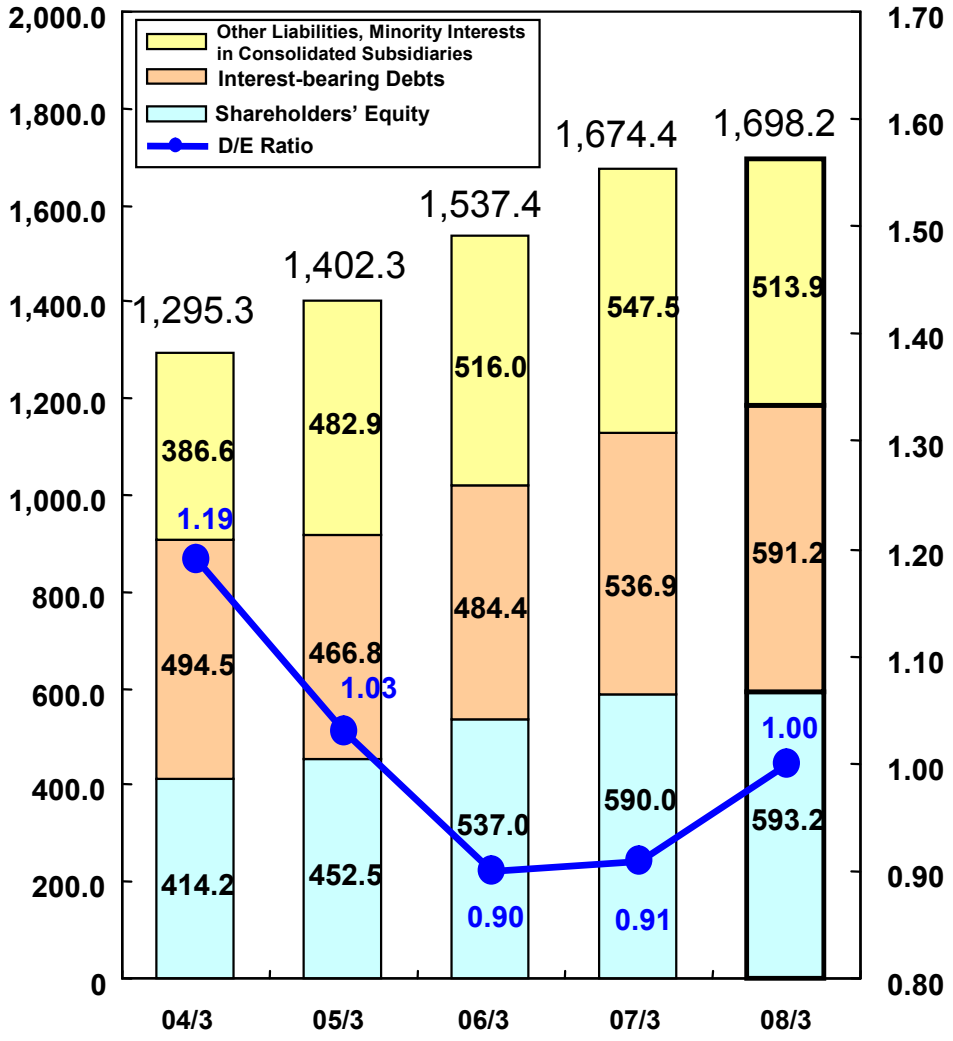
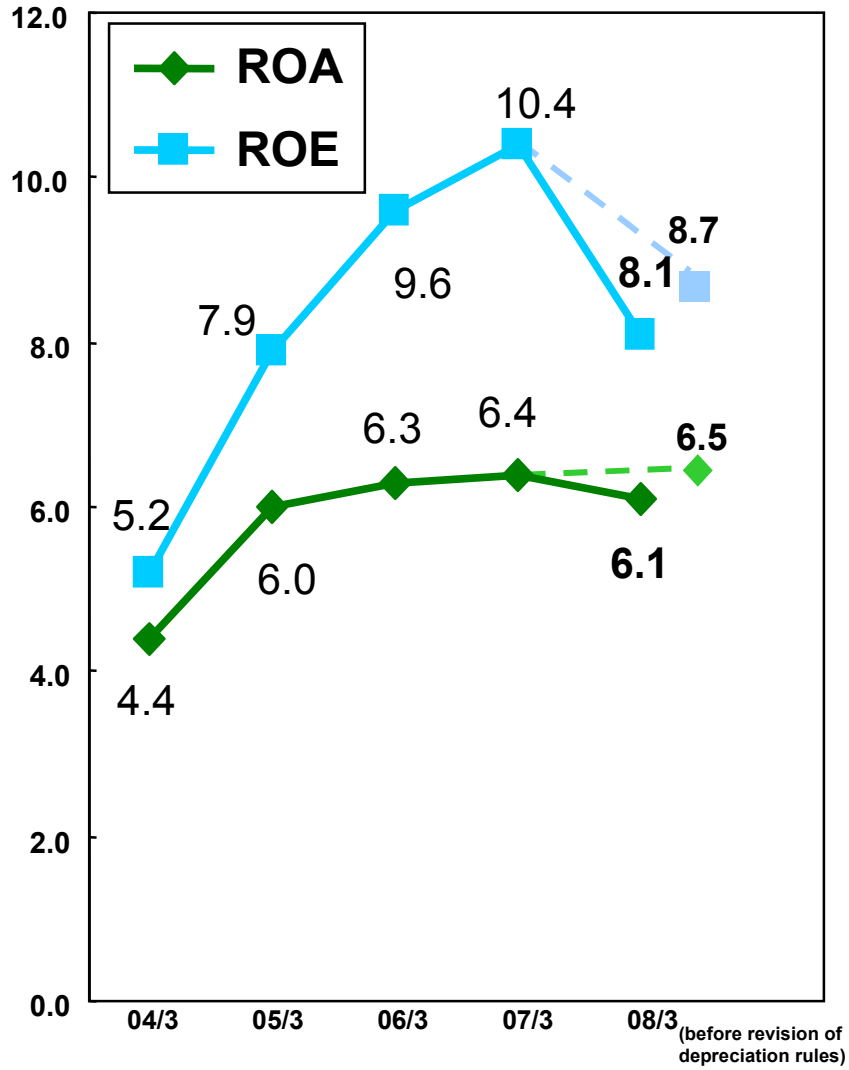
ROA = Operating Income / Total Assets
ROE = Net Income / Shareholders' Equity

Total Assets, D/E Ratio



ROA · ROE



Non-operating Income and Expenses

Billion ¥

		FY Mar/07	**FY Mar/08**	Changes	Comments
Non-operating Income		19.6	**17.5**	-2.1	
	Interest and Dividend Income	3.2	**4.3**	+1.1	
	Equity in Earnings of Affiliates	8.3	**5.8**	-2.6	
	Others	8.1	**7.4**	-0.7	
Non-operating Expenses		▲ 24.5	**▲ 29.5**	-5.0	
	Interest Expenses	▲ 9.8	**▲ 11.5**	-1.6	
	Others	▲ 14.7	**▲ 18.0**	-3.3	Increase of loss on foreign exchange
Non-operating Income and Expenses, net		▲ 4.9	**▲ 12.0**	-7.1	
Interest and Dividend Income, Interest Expenses, net		▲ 6.6	**▲ 7.1**	-0.5	
Other Income and Expenses, net		▲ 6.6	**▲ 10.6**	-4.0	

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

Special Credits and Charges

Billion ¥

		FY Mar/07	**FY Mar/08**	Changes	Comments
Special Credits		9.8	**5.6**	-4.2	
	Gain on Sales of Property, Plant and Equipment	1.4	**0.5**	-0.9	
	Gain on Sales of Investment Securities	8.3	**2.4**	-5.9	Decrease in selling of insignificant stocks, etc.
	Others	0.1	**2.8**	+2.6	Adjustment of accrued employees' retirement benefits of an overseas subsidiary for the previous year, etc.
Special Charges		▲ 25.7	**▲ 18.5**	+7.1	
	Loss on Sales and Disposal of Property, Plant and Equipment	▲ 5.1	**▲ 5.7**	-0.6	
	Loss on Impairment of Fixed Assets	▲ 14.9	**▲ 7.5**	+7.4	Decrease in loss on impairment of fixed assets of subsidiaries
	Loss on Write-down of Investment Securities	▲ 0.3	**▲ 0.5**	-0.3	
	Loss on Liquidation and Devaluation of Subsidiaries and Affiliates	▲ 1.8	**▲ 0.0**	+1.7	
	Restructuring Costs	▲ 1.5	**▲ 1.0**	+0.5	
	Loss on Adjustment of Employees' Retirement Benefits of the U.K. Subsidiary	▲ 1.7	**-**	+1.7	
	Others	▲ 0.4	**▲ 3.8**	-3.3	
Special Credits and Charges, net		▲ 15.8	**▲ 12.9**	+2.9	

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

Assets, Liabilities, Net Assets

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Billion ¥

	End of Mar/07	**End of Mar/08**	Changes	Comments
Total Assets	1,674.4	**1,698.2**	+23.8	
Current Assets	727.5	**733.2**	+5.7	
Tangible Assets	643.4	**681.0**	+37.6	Increase of capital expenditures, etc.
Intangible Assets	13.5	**14.9**	+1.4	
Investments and Other Assets	290.1	**269.2**	-20.9	

	End of Mar/07	**End of Mar/08**	Changes	Comments
Total Liabilities	1,024.8	**1,056.1**	+31.3	
Current Liabilities	541.0	**544.9**	+4.0	
Other Liabilities	483.8	**511.1**	+27.3	Increase of long-term debt, etc.
Total Net Assets	649.7	**642.2**	-7.5	
Interest-bearing Debts	536.9	**591.2**	+54.2	Increase of capital expenditures, etc
D/E ratio*	0.91	**1.00**	+0.09	

Capital Expenditures, Depreciation

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Billion ¥

	FY Mar/07	**FY Mar/08**	Changes	Comments
Capital Expenditures	120.4	**148.3**	+27.9	Toray : 58.5, Japan : 13.3, Overseas : 76.5
Depreciation -)	70.8	**85.1**	+14.2	Toray : 39.6, Japan : 11.6, Overseas : 33.8
Transfer, Disposal, etc.	7.5	**▲ 25.6**	-33.2	
Changes in Tangible Assets	57.2	**37.6**		

Major Capital Expenditures :

<Fibers & Textiles>	TPN (China)	: PP spunbond production facilities
<Plastics & Chemicals>	TPM (Malaysia)	: ABS resin production facilities
<IT-related Products>	TSI (Korea)	: Film processing facilities
<Carbon Fiber	Toray (Ehime)	: Carbon Fiber production facilities
Composite Materials>	CFA (US)	: Carbon Fiber production facilities
	SOFICAR (France)	: Carbon Fiber production facilities

Results by Business Segment

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Billion ¥

		Net Sales				Operating Income				FYI: Before Revision of Depreciation Rules Operating Income				FYI: Effect of Revision of Depreciation Rules
		FY Mar/07	**FY Mar/08**	Changes	(%)	FY Mar/07	**FY Mar/08**	Changes	(%)	FY Mar/07	**FY Mar/08**	Changes	(%)	**FY Mar/08**
Fibers & Textiles	1st Half	301.8	**320.9**	+19.1	(+6.3%)	9.5	**10.0**	+0.5	(+5.7%)	9.5	**11.0**	+1.6	(+16.6%)	**-1.0**
	2nd Half	305.9	**316.4**	+10.5	(+3.4%)	9.8	**11.4**	+1.6	(+16.2%)	9.8	**12.5**	+2.7	(+27.7%)	**-1.1**
	Total	607.8	**637.3**	+29.6	(+4.9%)	19.2	**21.4**	+2.1	(+11.0%)	19.2	**23.5**	+4.3	(+22.2%)	**-2.2**
Plastics & Chemicals	1st Half	184.6	**199.4**	+14.8	(+8.0%)	8.7	**9.0**	+0.3	(+3.4%)	8.7	**9.6**	+1.0	(+11.3%)	**-0.7**
	2nd Half	190.7	**204.6**	+13.9	(+7.3%)	10.6	**11.8**	+1.2	(+11.3%)	10.6	**12.6**	+2.0	(+19.4%)	**-0.9**
	Total	375.3	**404.0**	+28.7	(+7.7%)	19.2	**20.7**	+1.5	(+7.7%)	19.2	**22.3**	+3.0	(+15.7%)	**-1.5**
IT-related Products	1st Half	127.8	**138.7**	+11.0	(+8.6%)	14.5	**12.8**	-1.7	(-12.0%)	14.5	**13.3**	-1.2	(-8.3%)	**-0.5**
	2nd Half	136.0	**145.0**	+9.0	(+6.6%)	18.9	**17.0**	-2.0	(-10.3%)	18.9	**17.6**	-1.3	(-7.0%)	**-0.6**
	Total	263.8	**283.7**	+19.9	(+7.6%)	33.5	**29.8**	-3.7	(-11.1%)	33.5	**30.9**	-2.5	(-7.5%)	**-1.2**
Carbon Fiber Composite Materials	1st Half	31.9	**39.9**	+8.0	(+25.0%)	8.8	**8.2**	-0.7	(-7.6%)	8.8	**8.4**	-0.5	(-5.4%)	**-0.2**
	2nd Half	36.7	**43.7**	+7.0	(+19.1%)	9.2	**9.9**	+0.7	(+7.4%)	9.2	**10.2**	+0.9	(+9.9%)	**-0.2**
	Total	68.6	**83.6**	+15.0	(+21.8%)	18.1	**18.1**	+0.0	(+0.1%)	18.1	**18.5**	+0.4	(+2.4%)	**-0.4**
Environment & Engineering	1st Half	67.8	**71.1**	+3.3	(+4.9%)	0.1	**2.5**	+2.3	(+2,034.8%)	0.1	**2.5**	+2.4	(+2,062.6%)	**-0.0**
	2nd Half	93.5	**102.1**	+8.6	(+9.2%)	5.8	**7.3**	+1.5	(+25.0%)	5.8	**7.3**	+1.5	(+25.7%)	**-0.0**
	Total	161.3	**173.2**	+11.9	(+7.4%)	6.0	**9.8**	+3.8	(+63.9%)	6.0	**9.8**	+3.9	(+65.1%)	**-0.1**
Life Science & Other Businesses	1st Half	32.3	**32.3**	-0.0	(-0.1%)	2.0	**2.4**	+0.5	(+24.6%)	2.0	**2.6**	+0.6	(+32.2%)	**-0.2**
	2nd Half	37.4	**35.5**	-1.9	(-5.1%)	6.2	**3.9**	-2.3	(-37.7%)	6.2	**4.0**	-2.2	(-35.1%)	**-0.2**
	Total	69.7	**67.8**	-1.9	(-2.8%)	8.2	**6.3**	-1.9	(-22.7%)	8.2	**6.6**	-1.5	(-18.9%)	**-0.3**
(Pharmaceuticals and Medical Products Included)	1st Half	20.0	**22.4**	+2.4	(+11.8%)	0.6	**0.8**	+0.2	(+37.9%)	0.6	**1.0**	+0.3	(+56.7%)	**-0.1**
	2nd Half	26.8	**26.0**	-0.8	(-3.1%)	4.2	**1.9**	-2.3	(-53.8%)	4.2	**2.1**	-2.1	(-50.8%)	**-0.1**
	Total	46.8	**48.4**	+1.5	(+3.2%)	4.8	**2.8**	-2.0	(-42.2%)	4.8	**3.0**	-1.8	(-37.2%)	**-0.2**
Elimination & Corporate	1st Half					▲ 0.7	**▲ 0.8**	-0.1		▲ 0.7	**▲ 0.8**	-0.1		
	2nd Half					▲ 1.0	**▲ 1.8**	-0.7		▲ 1.0	**▲ 1.8**	-0.7		
	Total					▲ 1.7	**▲ 2.5**	-0.9		▲ 1.7	**▲ 2.5**	-0.9		
Consolidated	1st Half	746.2	**802.3**	+56.1	(+7.5%)	42.9	**44.0**	+1.1	(+2.6%)	42.9	**46.7**	+3.8	(+8.8%)	**-2.6**
	2nd Half	800.2	**847.3**	+47.1	(+5.9%)	59.5	**59.4**	-0.1	(-0.2%)	59.5	**62.5**	+2.9	(+4.9%)	**-3.0**
	Total	1,546.5	**1,649.7**	+103.2	(+6.7%)	102.4	**103.4**	+1.0	(+1.0%)	102.4	**109.1**	+6.7	(+6.5%)	**-5.7**

Trends in Sales and Operating Income by Business Segment

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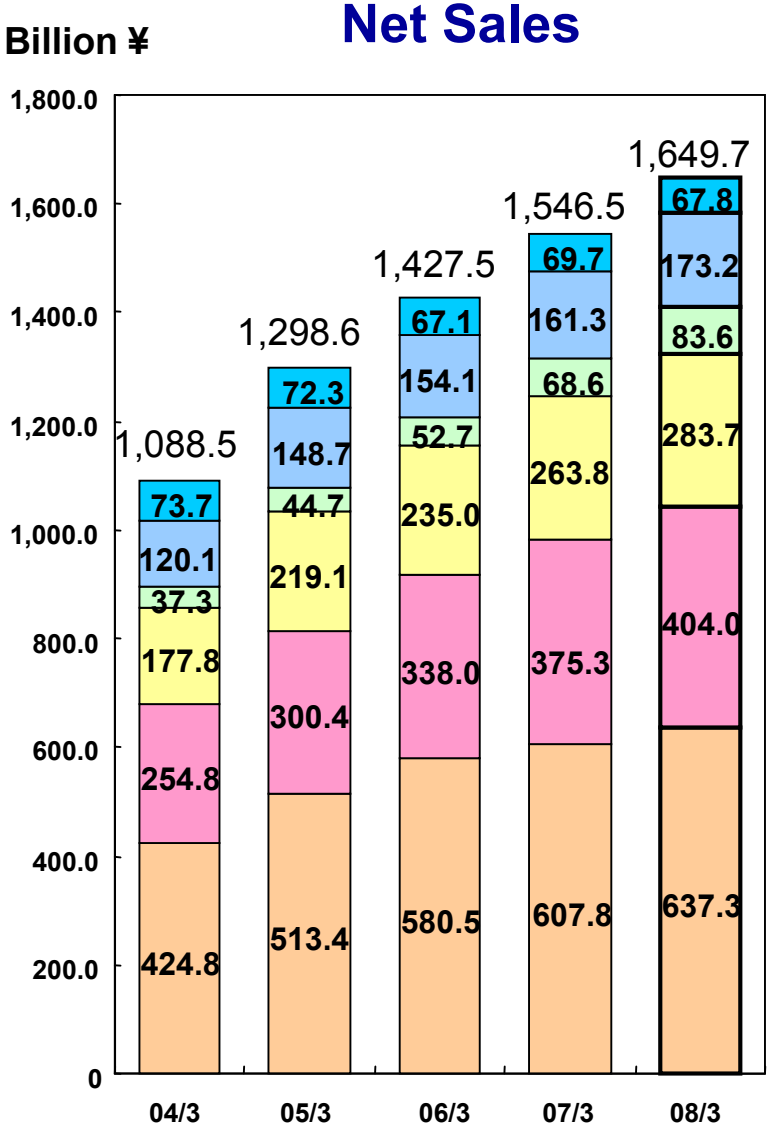
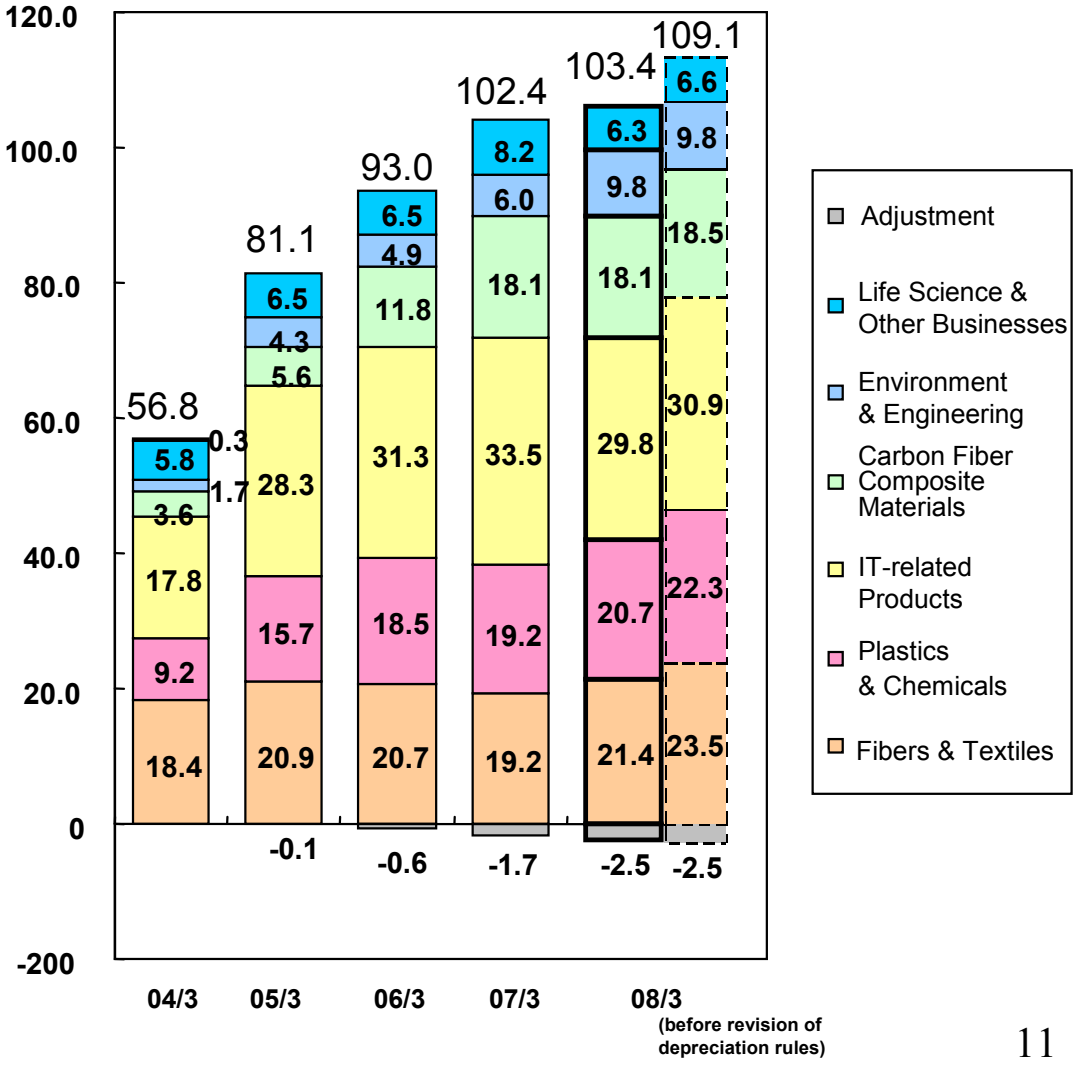
Net Sales



Operating Income



Sales and Operating Income of Toray / Japanese Subsidiaries / Overseas Subsidiaries

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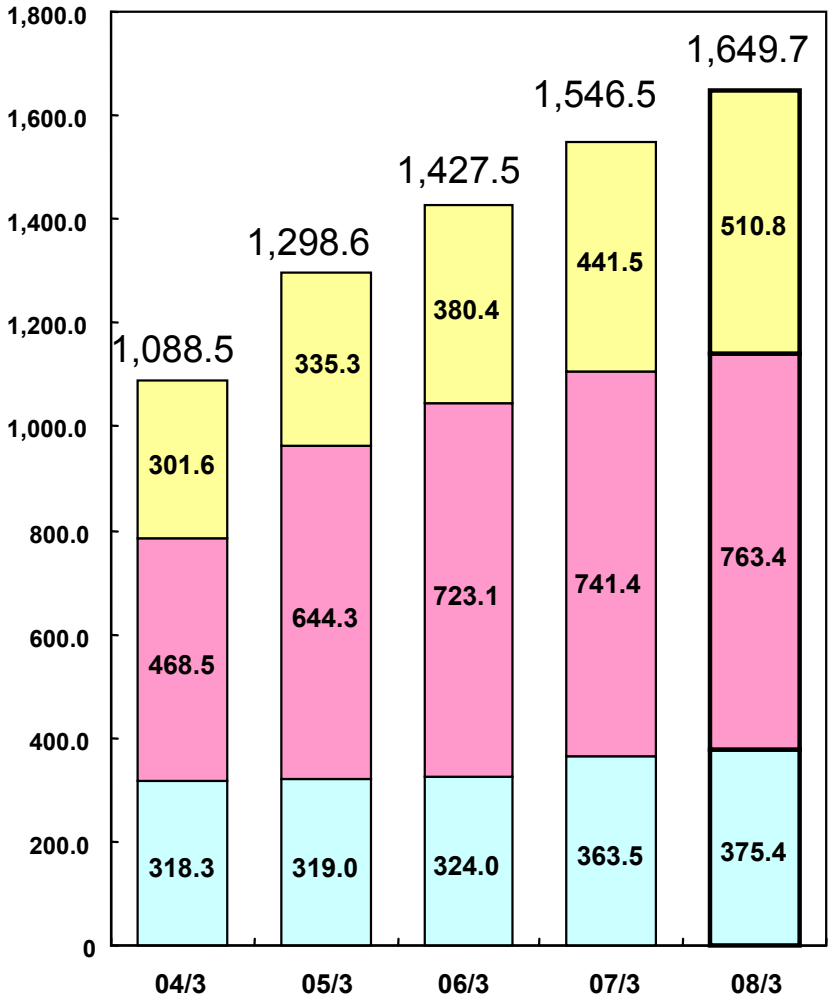
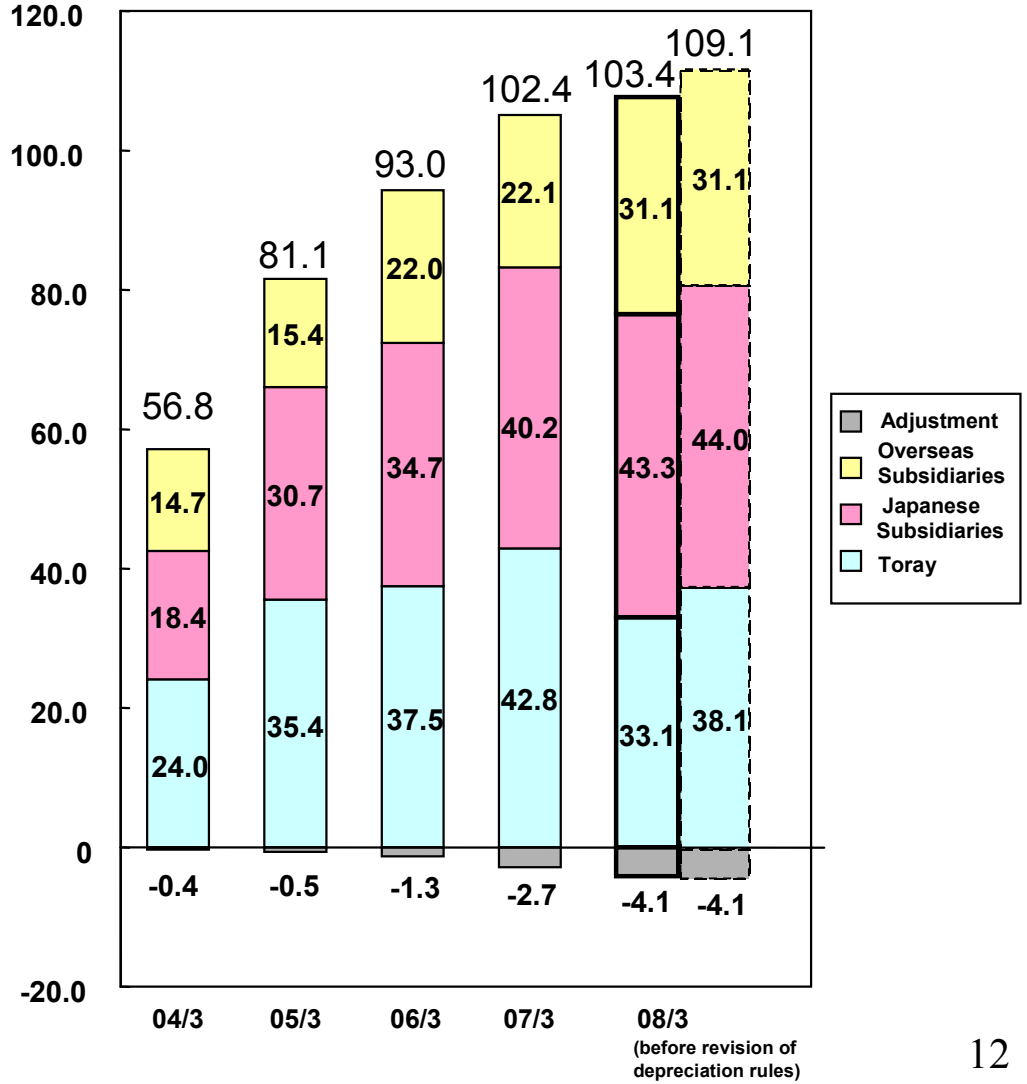
Billion ¥

Net Sales



Billion ¥

Operating Income



Results by Business Segment
(Fibers & Textiles)

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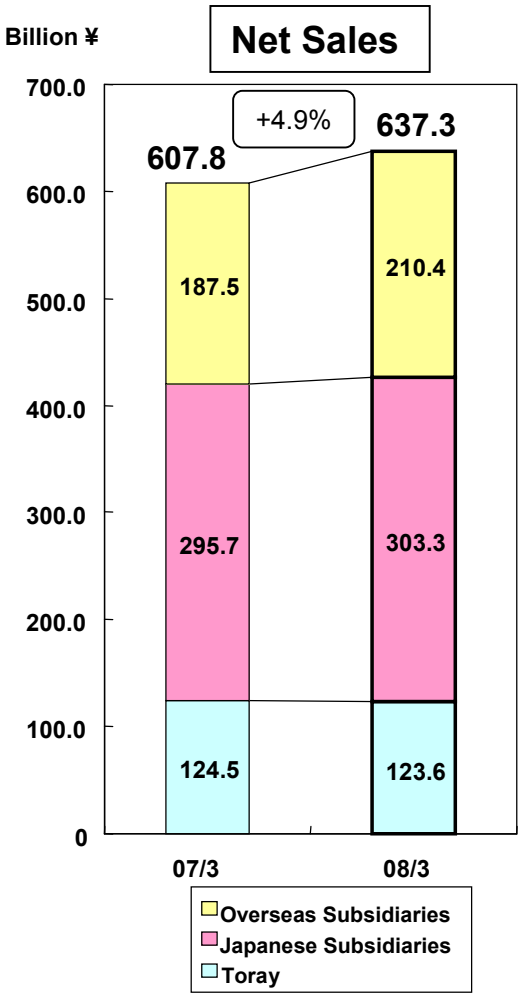

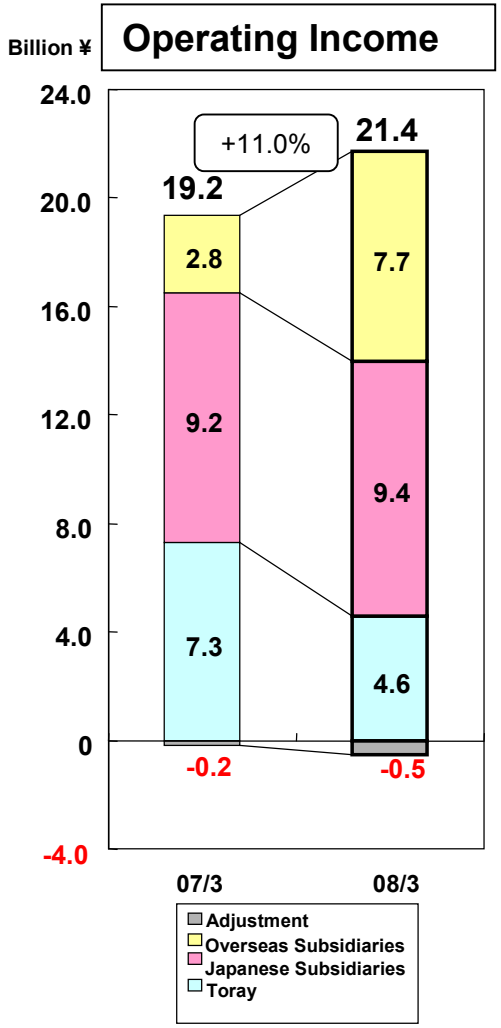

<Major Subsidiaries >
Japan : Toray International Inc., Ichimura Sangyo, Co., Ltd., Chori Co., Ltd., etc.
Asia : PENFABRIC (Malaysia), LUCKYTEX (Thailand), ITS (Indonesia), TFNL (China), etc.
Europe & US : ALCANTARA (Italy), etc.

Comments

Toray

For industrial use, ground fabric business for air bags performed strongly in Japan. For apparel use, sales of garment business for uniforms increased. However, total sales and income decreased due to partial transfer of commercial right of industrial use to a subsidiary, cost increase stemming from the steep rise in raw materials and fuel prices, and the effect of revision of depreciation rules.

Japanese Subsidiaries

Sales and income increased through sales expansion in fibers business and robust exports of textiles at trading subsidiaries.

Overseas Subsidiaries

Sales and income increased through sales expansion and income improvement at each manufacturing subsidiary in Indonesia, China, Italy, and Korea, etc.

Results by Business Segment
(Plastics & Chemicals)

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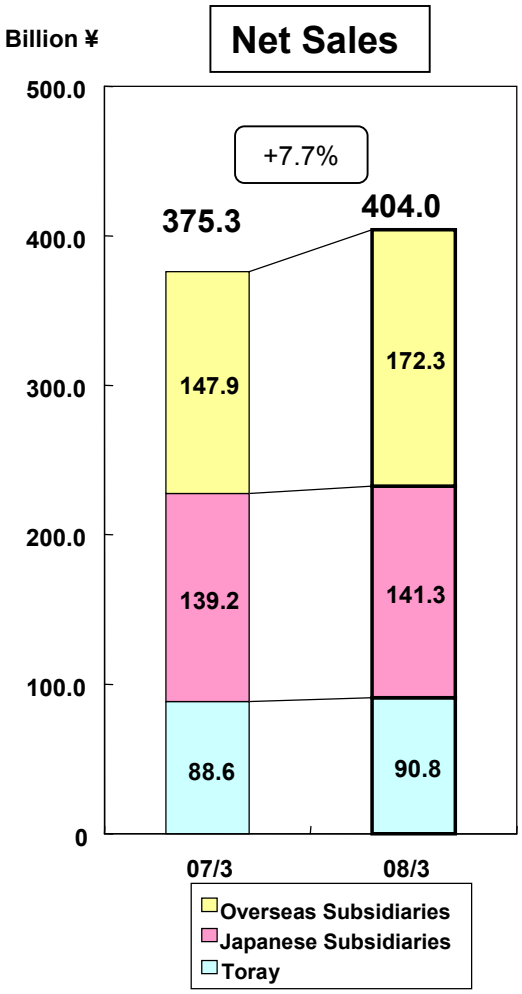

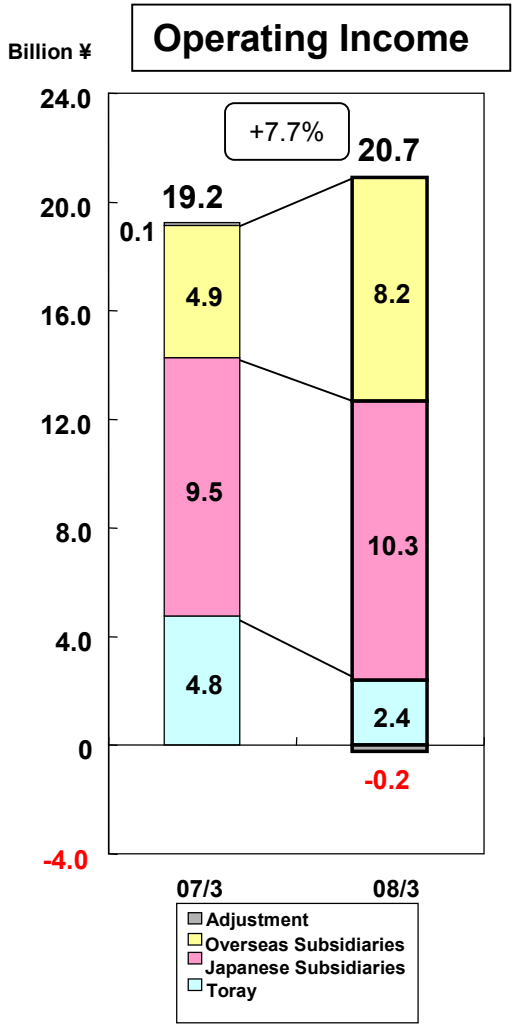

<Major Subsidiaries>

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

Overseas : TPA (US), TPM (Malaysia), TPEu (France), TSI (Korea), etc.

Comments

Toray

Sales increased through steady sales expansion of automobiles and electric appliances applications in plastic resins business, and solar cells and capacitors applications in films business. However, income decreased due to the cost increase stemming from the steep rise in raw materials and fuel prices, and the effect of revision of depreciation rules.

Japanese Subsidiaries

Sales and income increased through sales increase at trading subsidiaries and chemical-related subsidiary.

Overseas Subsidiaries

Sales and income increased through sales expansion of high value-added products at US films subsidiary and income improvement at films subsidiary in Europe through business structure reform, as well as sales expansion at plastic resins subsidiaries in China and Southeast Asia.

Results by Business Segment
(IT-related Products)

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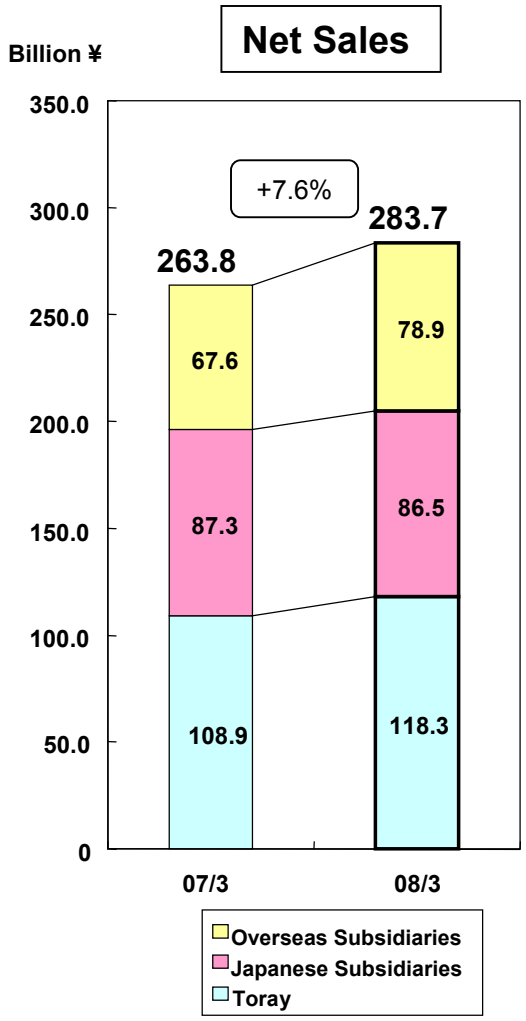

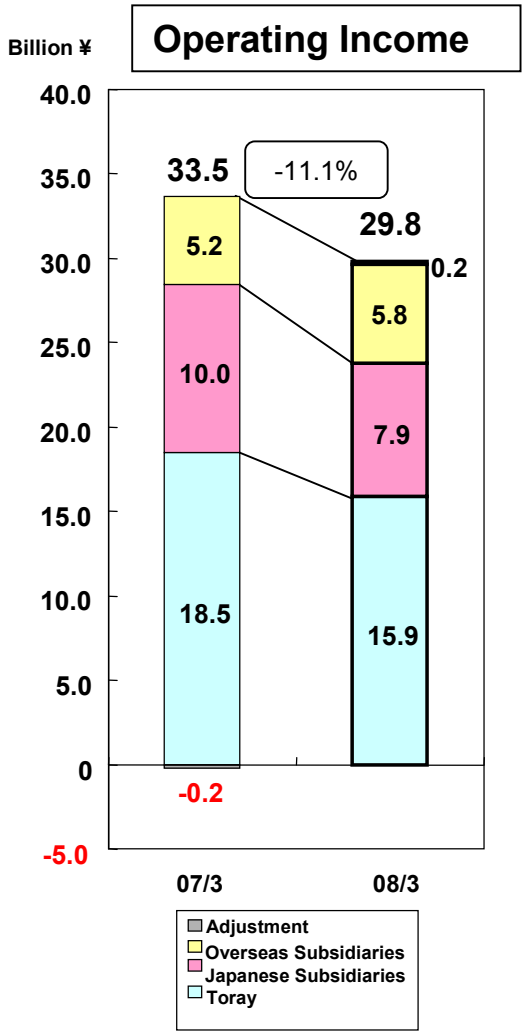

Comments

Toray

Sales increased through steady expansion of IT-related films and semiconductor coating materials, however, income decreased due to the effect of revision of depreciation rules, price decline of LCD color filters resulting from tough competition in the medium/small size LCD market, and sluggish circuit materials business, etc.

Japanese Subsidiaries

LCD-related equipment at an IT-related machinery subsidiary was affected by slow rate of investment in LCD-panel manufacturers. Film processing subsidiary was also affected by sharp decline in prices. In total, sales and income decreased.

Overseas Subsidiaries

Sales and income increased through strong films business at a Korean films subsidiary as well as business improvement in the second half at circuit materials subsidiary which was affected by the customers' production adjustment and price decline in the first half.

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

Details of the Sales of IT-related Products Segment

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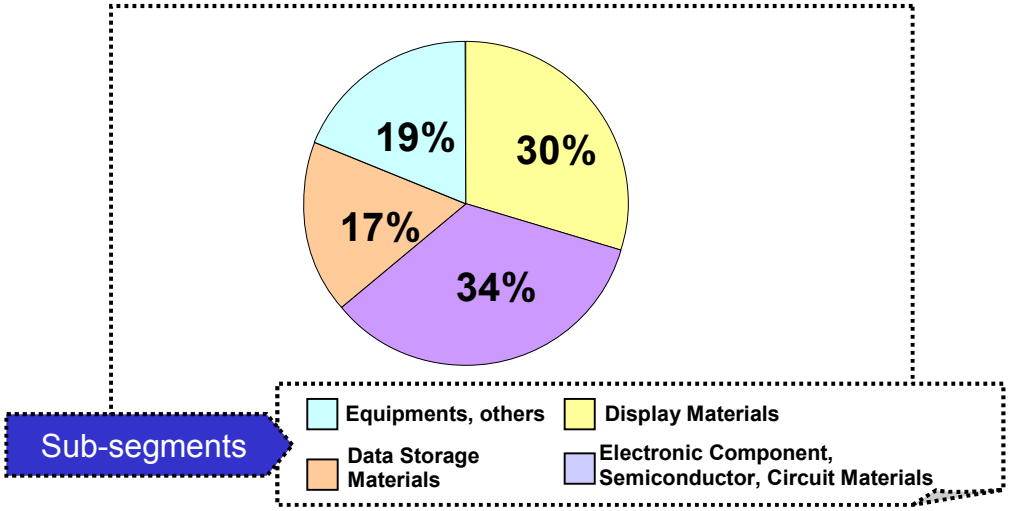
【Sales ratio by sub-segment in FY Mar/08】



【Sales trends by sub-segment】

Unit : Billion ¥

Sub-segment	Full Fiscal Year		
	FY Mar/07	FY Mar/08	Changes
Display Materials	74.1	84.5	+14%
Electronic Component, Semiconductor, Circuit Materials	86.7	97.1	+12%
Data Storage Materials	48.7	48.8	+0%
Equipments, others	54.3	53.4	-2%
Total of IT-related Products Segment	263.8	283.7	+8%

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 Component, Semiconductor, 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, CMP pads, 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

Results by Business Segment
(Carbon Fiber Composite Materials)

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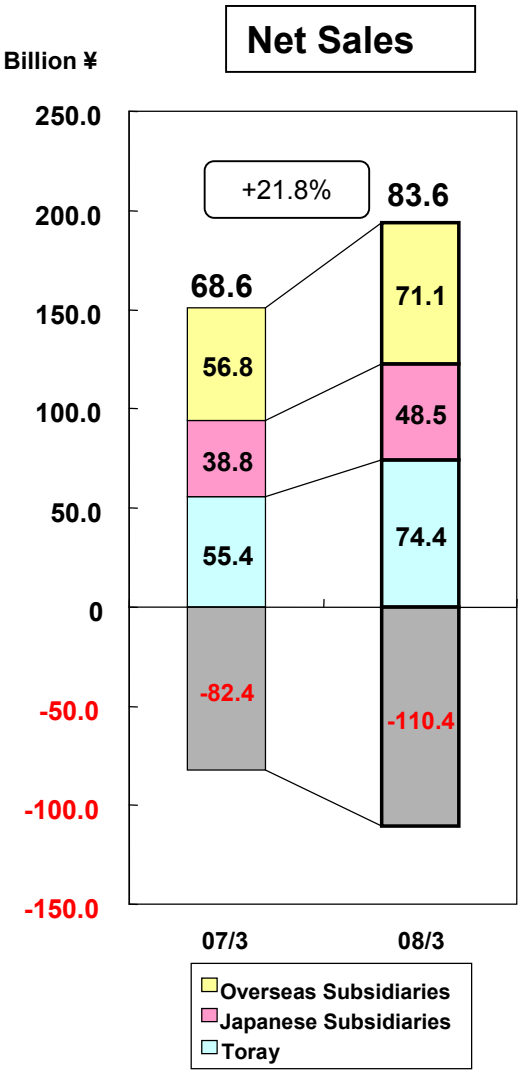
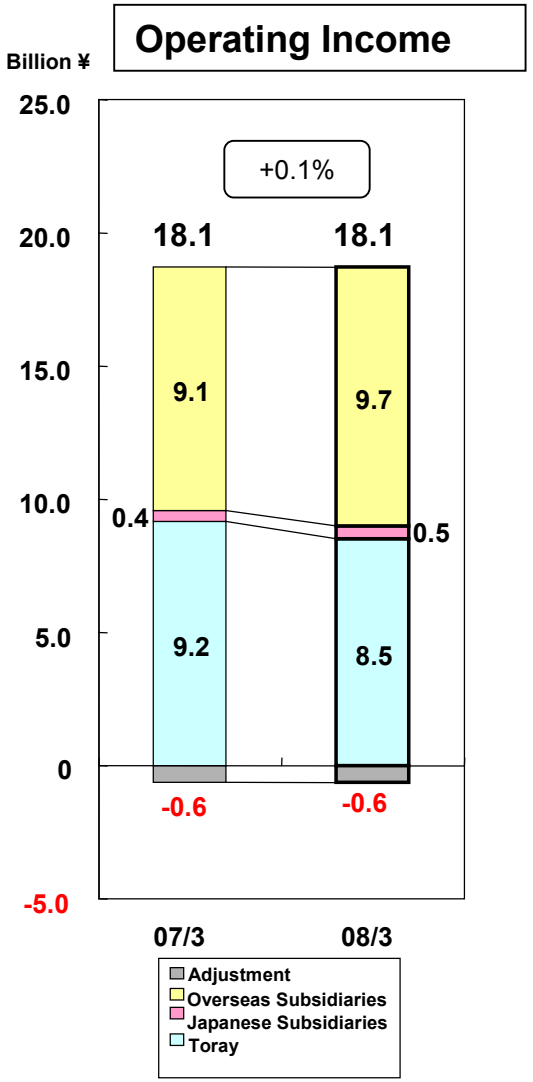
Innovation by Chemistry





Comments

Toray

Sales increased mainly through strong business in aircraft application, however, income decreased due to the increase of depreciation cost accompanying the facility at Ehime Plant which started operation in January 2007, etc.

Japanese Subsidiaries

Sales and income increased through steady sales expansion at trading subsidiary.

Overseas Subsidiaries

Sales and income increased through steady sales expansion in aircraft and industrial applications in both Europe and US.

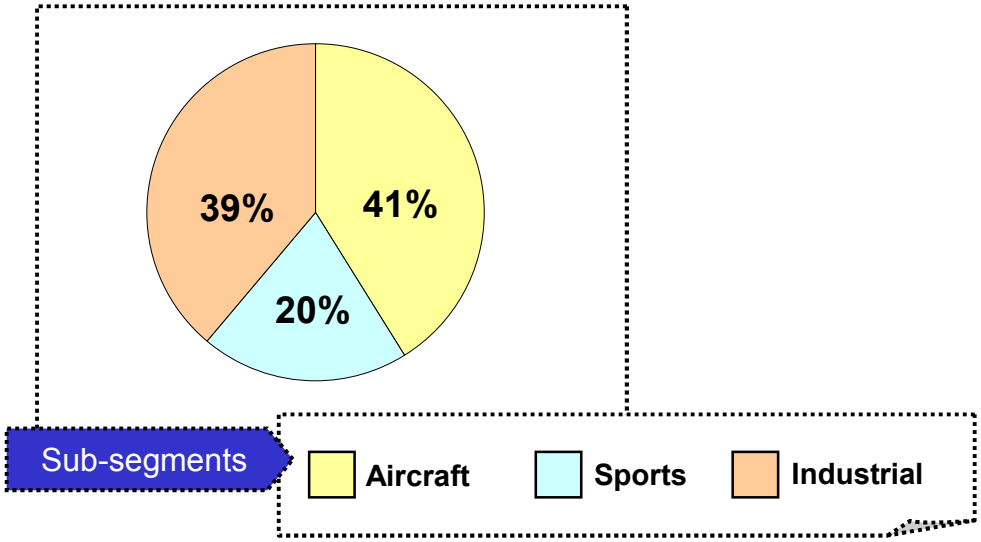
<Major Subsidiaries>
Japan : Toray International, Inc.
Overseas : SOFICAR (France), CFA (US), TCA (US)

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.

Details of the Sales of Carbon Fiber Composite Materials Segment

'TORAY' Innovation by Chemistry

【Sales ratio by sub-segment in FY Mar/08】



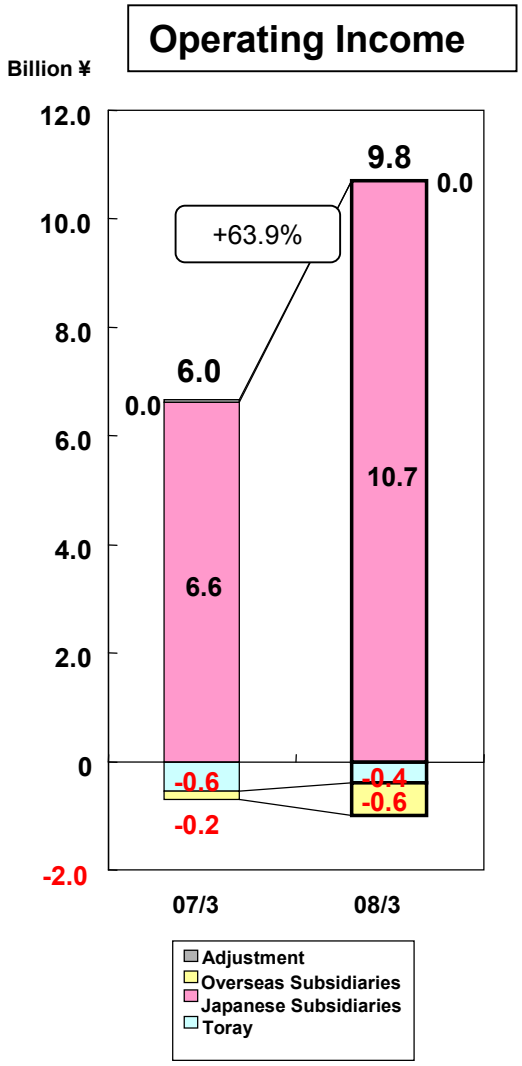
Sub-segments	Applications
Aircraft	Commercial Aircraft Satellites, etc.
Sports	Golf Shafts Fishing Rods Bicycles Tennis Rackets, etc.
Industrial	Pressure Vessels / Tanks Automobiles Boats Windmills PC Chassis Civil Engineering / Construction-related applications, etc.

【Sales trends by sub-segment】

Unit : Billion ¥

Sub-segment	Full Fiscal Year		
	FY Mar/07	FY Mar/08	Changes
Aircraft	**22.2**	**34.3**	**+54%**
Sports	**14.3**	**16.6**	**+16%**
Industrial	**32.1**	**32.7**	**+2%**
Total of Carbon Fiber Composite Materials Segment	**68.6**	**83.6**	**+22%**

Results by Business Segment
(Environment & Engineering)



Comments

Toray

RO membrane business and home water purifier business performed strongly, however, sales through the newly established US water treatment consolidated subsidiary increased. As a result, Toray's sales were almost the same level year-on-year and income improved.

Japanese Subsidiaries

Sales and income increased through expansion of industrial equipment businesses at an engineering subsidiary as well as advancement in corporate-structure reinforcement at building material-related subsidiary and water treatment engineering subsidiary.

Overseas Subsidiaries

Sales increased through steady business at US water treatment subsidiary, however, income decreased due to the increase of its start-up cost.

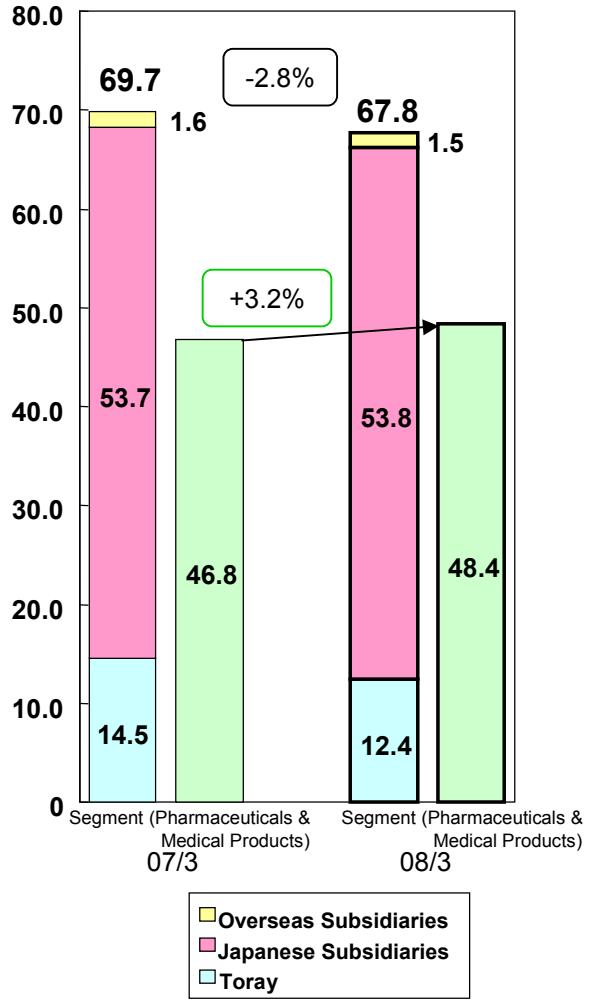
<Major Subsidiaries>

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

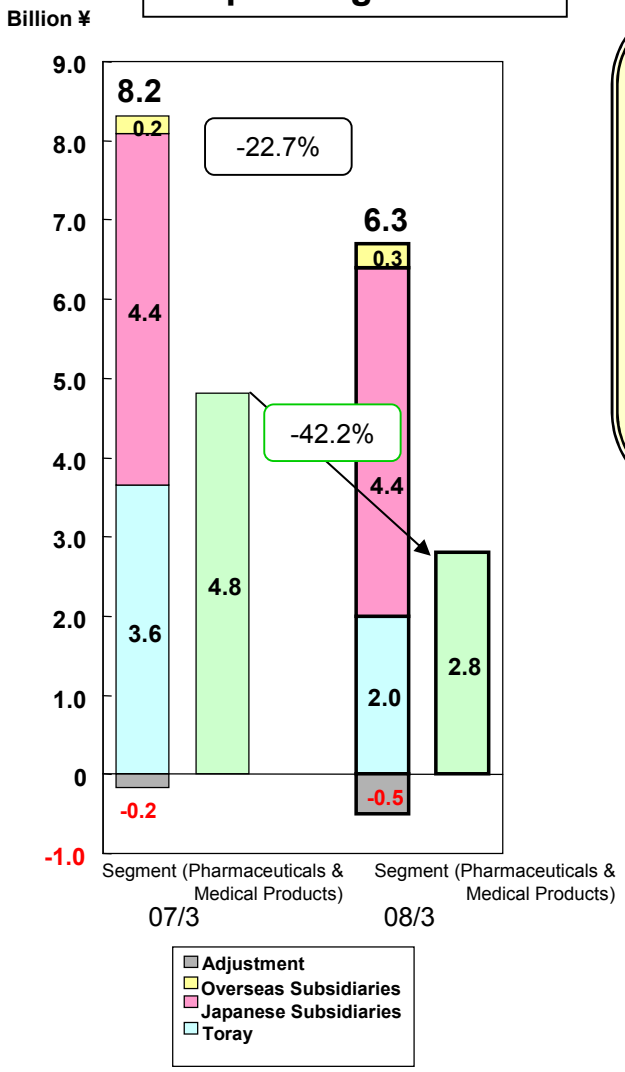
Results by Business Segment
(Life Science & Other Businesses)

Innovation by Chemistry

Net Sales



Operating Income



Comments

Pharmaceuticals and Medical Products

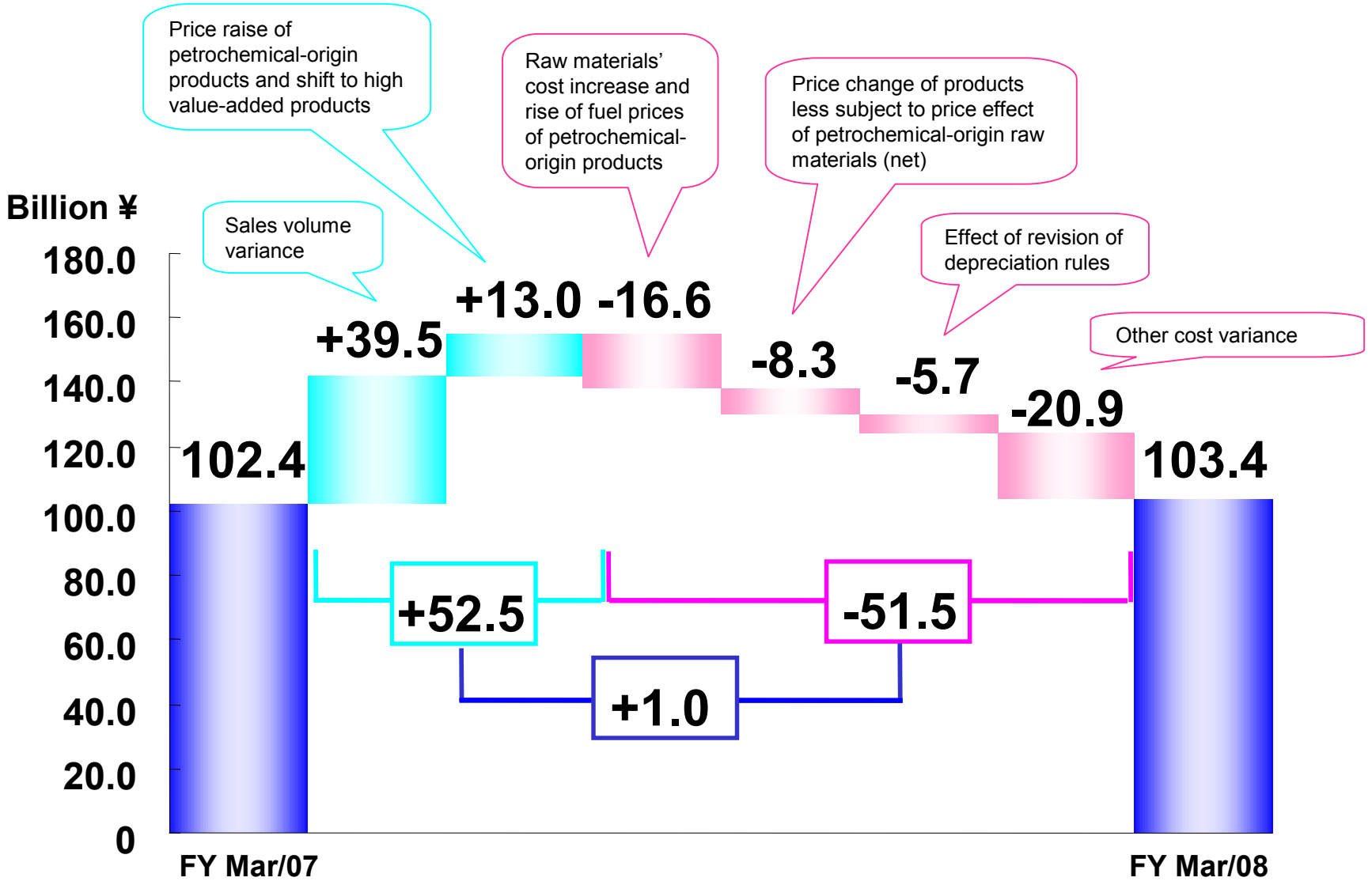
Sales increased through sales expansion of Interferon preparation through new indications, sales of new drug which started in 2007, and new artificial kidney products, however, income decreased due to the decrease in licensing revenues, etc.

<Major Subsidiaries>

Japan : Toray Medical Co., Ltd., Toray Research Center Inc., Toray Enterprise Corp., etc.

Income Variance Factor Analysis

'TORAY'
Innovation by Chemistry



Results of Major Subsidiaries

Billion ¥

		Net Sales			Operating Income		
		FY Mar/07	**FY Mar/08**	Changes	FY Mar/07	**FY Mar/08**	Changes
Toray International Inc.		368.5	**417.9**	+49.4	4.5	**6.2**	+1.7
Toray Engineering Co., Ltd.		107.7	**111.6**	+3.9	9.0	**9.1**	+0.1
Toray Construction Co., Ltd.		69.6	**59.4**	-10.2	3.0	**3.1**	+0.1
Toray Advanced Film Co., Ltd.		44.1	**47.5**	+3.4	4.8	**3.7**	-1.2
Toray Medical Co., Ltd.		33.1	**35.4**	+2.2	1.3	**1.2**	-0.2
TSI (Korea)		84.0	**92.1**	+8.1	5.0	**6.1**	+1.1
TPM (Malaysia)		48.0	**55.2**	+7.2	1.8	**1.8**	-0.0
Subsidiaries in Southeast Asia *1	Fibers & Textiles	106.2	**116.7**	+10.5	1.4	**2.2**	+0.8
	Plastics & Chemicals	58.3	**64.7**	+6.4	2.6	**2.6**	+0.0
	Others	5.4	**8.6**	+3.2	0.1	**0.0**	-0.2
	Total	169.8	**190.0**	+20.1	4.1	**4.8**	+0.7
Subsidiaries in China *2	Fibers & Textiles	69.7	**88.3**	+18.6	0.1	**1.1**	+0.9
	Plastics & Chemicals	36.9	**46.1**	+9.3	0.5	**0.9**	+0.4
	Others	12.4	**14.9**	+2.4	1.0	**1.1**	+0.1
	Total	119.0	**149.3**	+30.3	1.7	**3.1**	+1.4
Film Subsidiaries (Overseas) *3	Plastics & Chemicals	86.5	**90.4**	+4.0	1.5	**3.8**	+2.4
	IT-related Products	39.8	**44.7**	+4.9	4.0	**4.6**	+0.5
	Total	126.3	**135.2**	+8.9	5.5	**8.4**	+2.9

*1 : ITS, ETX, ISTEM, ACTEM, CENTEX, Penfibre, PAB-G, TTS, LTX, TTTM, TPM sum total
*2 : TFNL, TSD, TAK/TAZ, TJQ, TCH, TSL, THK-G, TPHK/TPSZ, RKH/RKZ, TFH/TFZ sum total
*3: TSI (films/electronic materials), Penfibre (films), TPA, TPEu, TFH/TFZ sum total

II. Business Forecast for the FY Ending March 2009 (Consolidated Basis)

Forecast Summary

TORAY
Innovation by Chemistry

Billion ¥

		FY Mar/08 Actual	FY Mar/09 Forecast	Changes	
Net Sales	1st Half	802.3	790.0	-12.3	(-1.5%)
	2nd Half	847.3	910.0	+62.7	(+7.4%)
	Total	**1,649.7**	**1,700.0**	**+50.3**	**(+3.1%)**
Operating Income	1st Half	44.0	31.0	-13.0	(-29.6%)
	2nd Half	59.4	64.0	+4.6	(+7.7%)
	Total	**103.4**	**95.0**	**-8.4**	**(-8.1%)**
Ordinary Income	1st Half	41.9	26.0	-15.9	(-37.9%)
	2nd Half	49.6	60.0	+10.4	(+21.0%)
	Total	**91.5**	**86.0**	**-5.5**	**(-6.0%)**
Net Income	1st Half	23.0	12.0	-11.0	(-47.8%)
	2nd Half	25.1	32.0	+6.9	(+27.6%)
	Total	**48.1**	**44.0**	**-4.1**	**(-8.5%)**
Net Income per Share	1st Half	16.4 yen	8.6 yen		
	2nd Half	17.9 yen	22.9 yen		
	Total	**34.3 yen**	**31.4 yen**		
Dividend per Share	1st Half	5.0 yen	5.0 yen		
	2nd Half	5.0 yen	5.0 yen		
	Total	**10.0 yen**	**10.0 yen**		
Dividend Payout Ratio	1st Half	30.4%	58.3%		
	2nd Half	27.9%	21.9%		
	Total	**29.1%**	**31.8%**		

Expected exchange rate : 105 yen / US$
Expected oil price : 100US$/ B (DUBAI FOB)

Forecast by Business Segment

'TORAY'
Innovation by Chemistry

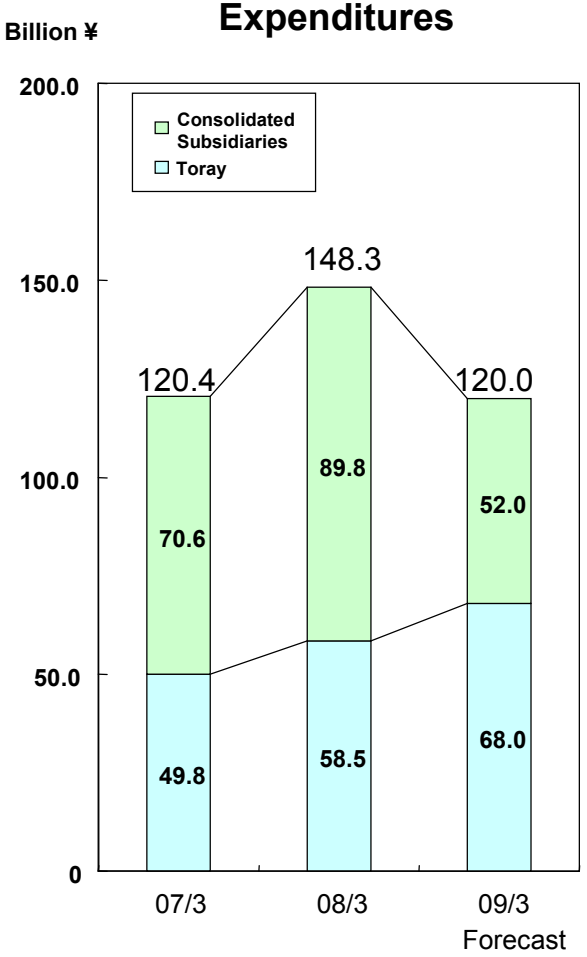
Billion ¥

		Net Sales				Operating Income			
		FY Mar/08	**FY Mar/09**	Changes	(%)	FY Mar/08	**FY Mar/09**	Changes	(%)
Fibers & Textiles	1st Half	320.9	**305.0**	-15.9	(-5.0%)	10.0	**7.0**	-3.0	(-29.9%)
	2nd Half	316.4	**325.0**	+8.6	(+2.7%)	11.4	**12.0**	+0.6	(+5.6%)
	Total	637.3	**630.0**	-7.3	(-1.2%)	21.4	**19.0**	-2.4	(-11.0%)
Plastics & Chemicals	1st Half	199.4	**200.0**	+0.6	(+0.3%)	9.0	**7.0**	-2.0	(-21.8%)
	2nd Half	204.6	**215.0**	+10.4	(+5.1%)	11.8	**12.0**	+0.2	(+2.0%)
	Total	404.0	**415.0**	+11.0	(+2.7%)	20.7	**19.0**	-1.7	(-8.3%)
IT-related Products	1st Half	138.7	**135.0**	-3.7	(-2.7%)	12.8	**9.5**	-3.3	(-25.7%)
	2nd Half	145.0	**165.0**	+20.0	(+13.8%)	17.0	**18.0**	+1.0	(+6.1%)
	Total	283.7	**300.0**	+16.3	(+5.7%)	29.8	**27.5**	-2.3	(-7.6%)
Carbon Fiber Composite Materials	1st Half	39.9	**40.0**	+0.1	(+0.3%)	8.2	**7.0**	-1.2	(-14.3%)
	2nd Half	43.7	**55.0**	+11.3	(+25.9%)	9.9	**11.0**	+1.1	(+10.8%)
	Total	83.6	**95.0**	+11.4	(+13.7%)	18.1	**18.0**	-0.1	(-0.5%)
Environment & Engineering	1st Half	71.1	**75.0**	+3.9	(+5.4%)	2.5	**0.0**	-2.5	(-100.0%)
	2nd Half	102.1	**110.0**	+7.9	(+7.8%)	7.3	**7.5**	+0.2	(+2.8%)
	Total	173.2	**185.0**	+11.8	(+6.8%)	9.8	**7.5**	-2.3	(-23.1%)
Life Science & Other Businesses	1st Half	32.3	**35.0**	+2.7	(+8.5%)	2.4	**2.0**	-0.4	(-18.2%)
	2nd Half	35.5	**40.0**	+4.5	(+12.6%)	3.9	**5.0**	+1.1	(+29.7%)
	Total	67.8	**75.0**	+7.2	(+10.6%)	6.3	**7.0**	+0.7	(+11.1%)
(Pharmaceuticals & Medical Products Included)	1st Half	22.4	**25.0**	+2.6	(+11.8%)	0.8	**0.5**	-0.3	(-40.3%)
	2nd Half	26.0	**30.0**	+4.0	(+15.4%)	1.9	**3.0**	+1.1	(+54.3%)
	Total	48.4	**55.0**	+6.6	(+13.7%)	2.8	**3.5**	+0.7	(+25.9%)
Elimination & Corporate	1st Half					▲ 0.8	▲ **1.5**	-0.7	
	2nd Half					▲ 1.8	▲ **1.5**	+0.3	
	Total					▲ 2.5	▲ **3.0**	-0.5	
Consolidated	1st Half	802.3	**790.0**	-12.3	(-1.5%)	44.0	**31.0**	-13.0	(-29.6%)
	2nd Half	847.3	**910.0**	+62.7	(+7.4%)	59.4	**64.0**	+4.6	(+7.7%)
	Total	1,649.7	**1,700.0**	+50.3	(+3.1%)	103.4	**95.0**	-8.4	(-8.1%)

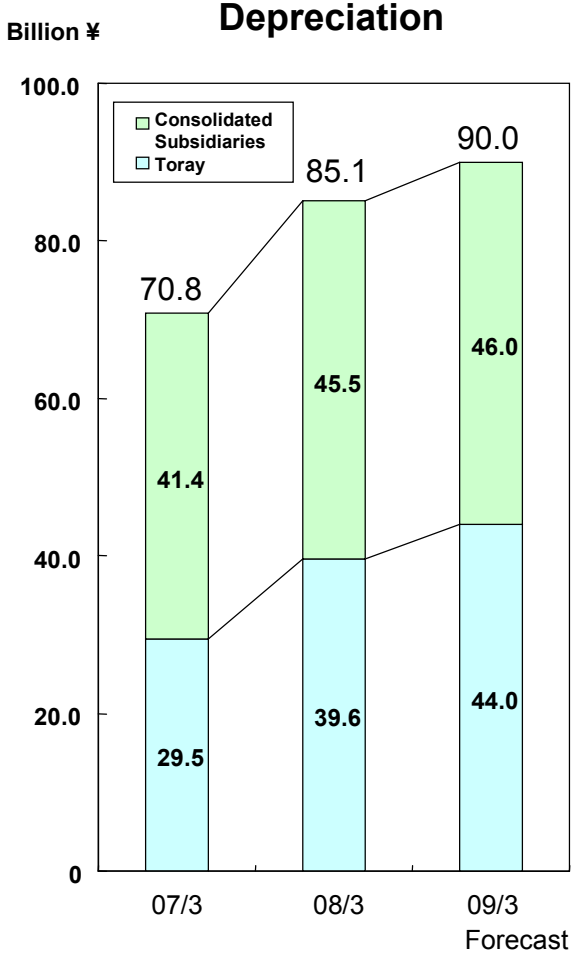
Forecast of Capital Expenditures, Depreciation and R&D Expenses

'TORAY' Innovation by Chemistry

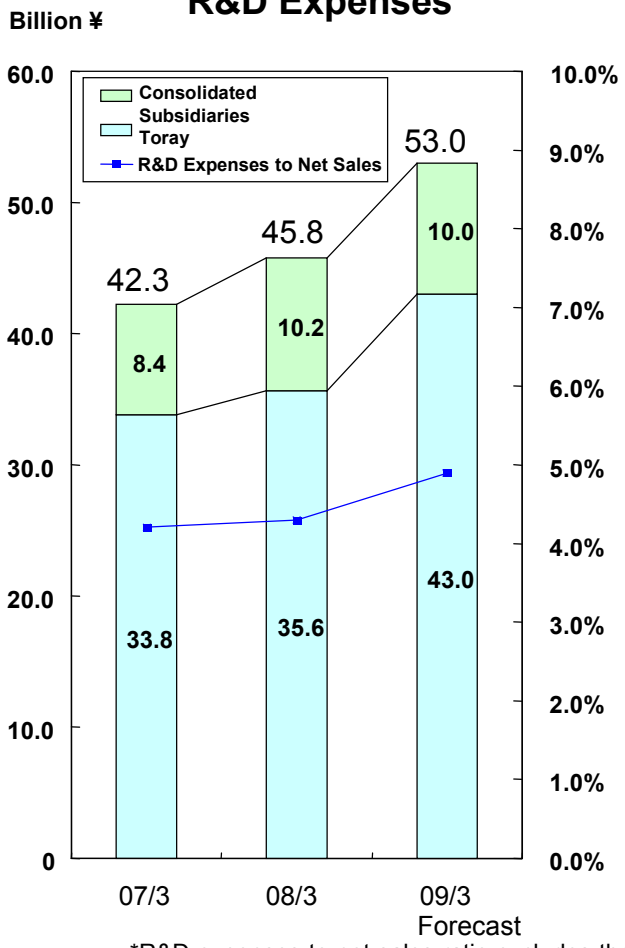
Capital Expenditures



Depreciation



R&D Expenses



*R&D expenses to net sales ratio excludes the following trading subsidiaries

<Japan> Toray International Inc., Chori Co., Ltd., Ichimura Sangyo, Co., Ltd., Marusa, Co., Ltd., etc.

<Overseas> TCH/THK (China), etc.

Major Investment Projects Regarded as Growth and Expansion

'TORAY' Innovation by Chemistry

Major investment projects regarded as Growth and Expansion in FY Mar/09

Business Categories	Segments	Products	Company	Additional Production Capacity	Start Operation
Foundation Businesses	Plastics & Chemicals	PPS resin	Tokai Plant	11,500t/yr→14,000t/yr	Apr/09
		Bi-axially oriented polypropylene (OPP) metalized film (new)	TFE (France)	Film production facility :20,000t/yr Metilizing facility :22,000t/yr	Apr/10
Strategically Expanding Businesses	Carbon Fiber Composite Materials	Prepreg	TCA (US)	11,400,000㎡/yr→17,200,000㎡/yr	Jul/08
		Carbon fiber	CFA (US)	3,600t/yr→5,400t/yr	Dec/08
		Carbon fiber	SOFICAR (France)	3,400t/yr→5,200t/yr	Dec/08
		Prepreg (new)	Ishikawa Plant	5,800,000㎡/yr	Jan/09
		Carbon fiber	Ehime Plant	7,300t/yr→8,300t/yr	Jul/09

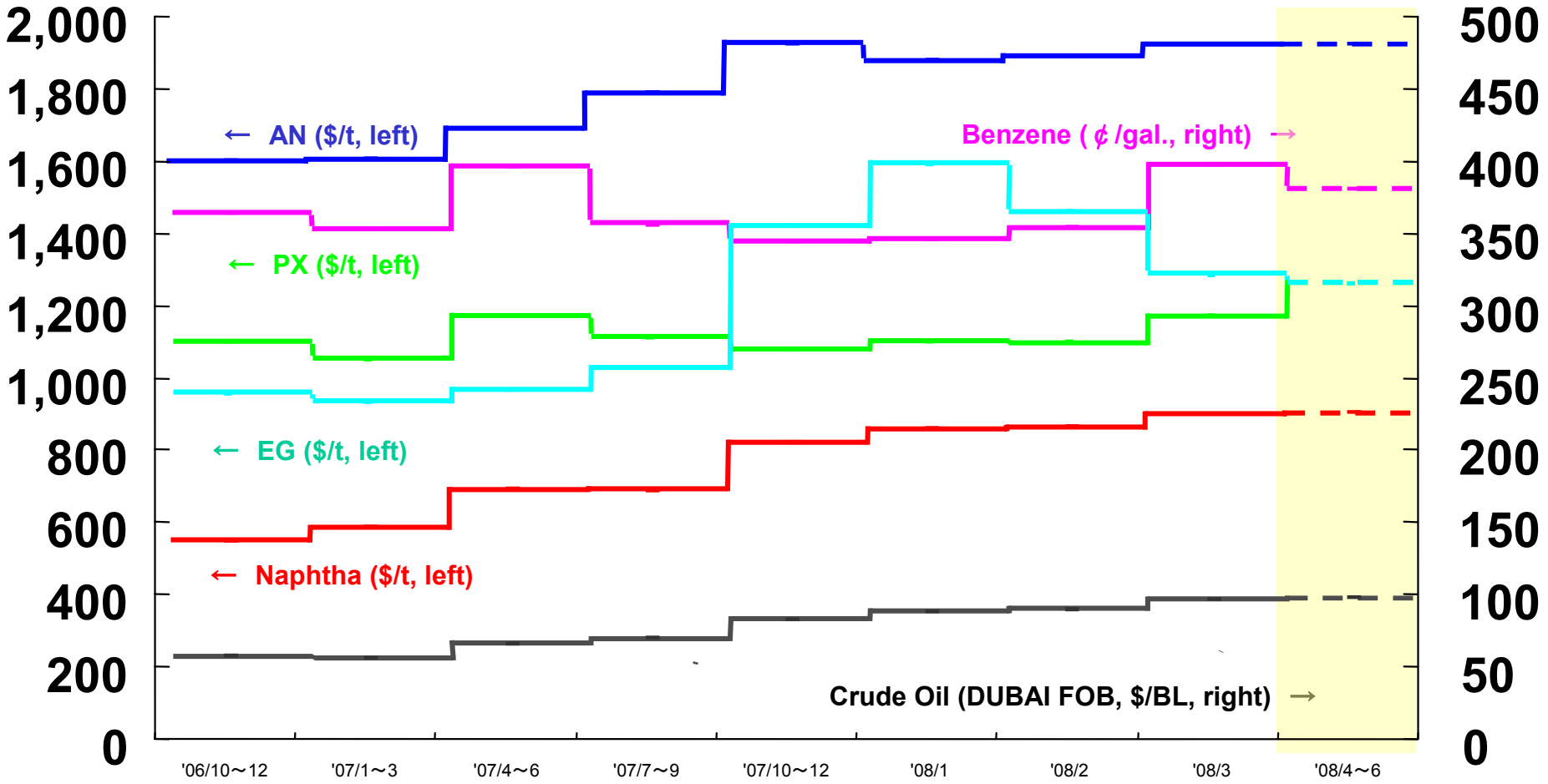
Major facilities which started operation after April, 2007

Business Categories	Segments	Products	Company	Additional Production Capacity	Start Operation
Foundation Businesses	Fibers & Textiles	PP spunbond (new)	TPN (China)	18,000t/yr	Mar/08
	Plastics & Chemicals	PPS resin	Tokai Plant	9,000t/yr→11,500t/yr	Feb/08
		ABS resin	TPM (Malaysia)	220,000t/yr→330,000t/yr	Apr/08
Strategically Expanding Businesses	IT-related Products	Optical PET film (new)	TSI (Korea)	13,200t/yr	Apr/07
		Positive-tone photosensitive polyimide	Shiga Plant	50t/yr→100t/yr	Aug/07
		2 layer CCL for COF (new)	TSI (Korea)	700,000㎡/yr	Jan/08
	Carbon Fiber Composite Materials	Carbon fiber	SOFICAR (France)	CF:2,600t/yr→3,400t/yr	Aug/07
		Carbon fiber	Ehime Plant	CF:6,900t/yr→7,300t/yr	Jan/08
Strategically Developing Businesses	Environment & Engineering	RO membrane element (new)	TMUS (US)	Increase 1.8-fold the annual production capacity of RO membrane and element	Apr/07
		RO membrane and element	Ehime Plant		Fall, 07

Trends in Raw Materials Prices

'TORAY'
Innovation by Chemistry

Prices of major raw materials are at record high due to high prices of crude oil and naphtha, and the tight supply-demand balance.



III. Mid-term Business Strategies IT-2010

Changes in Business Environment and Changes related to Institutional Accounting after the Launch of IT-2010

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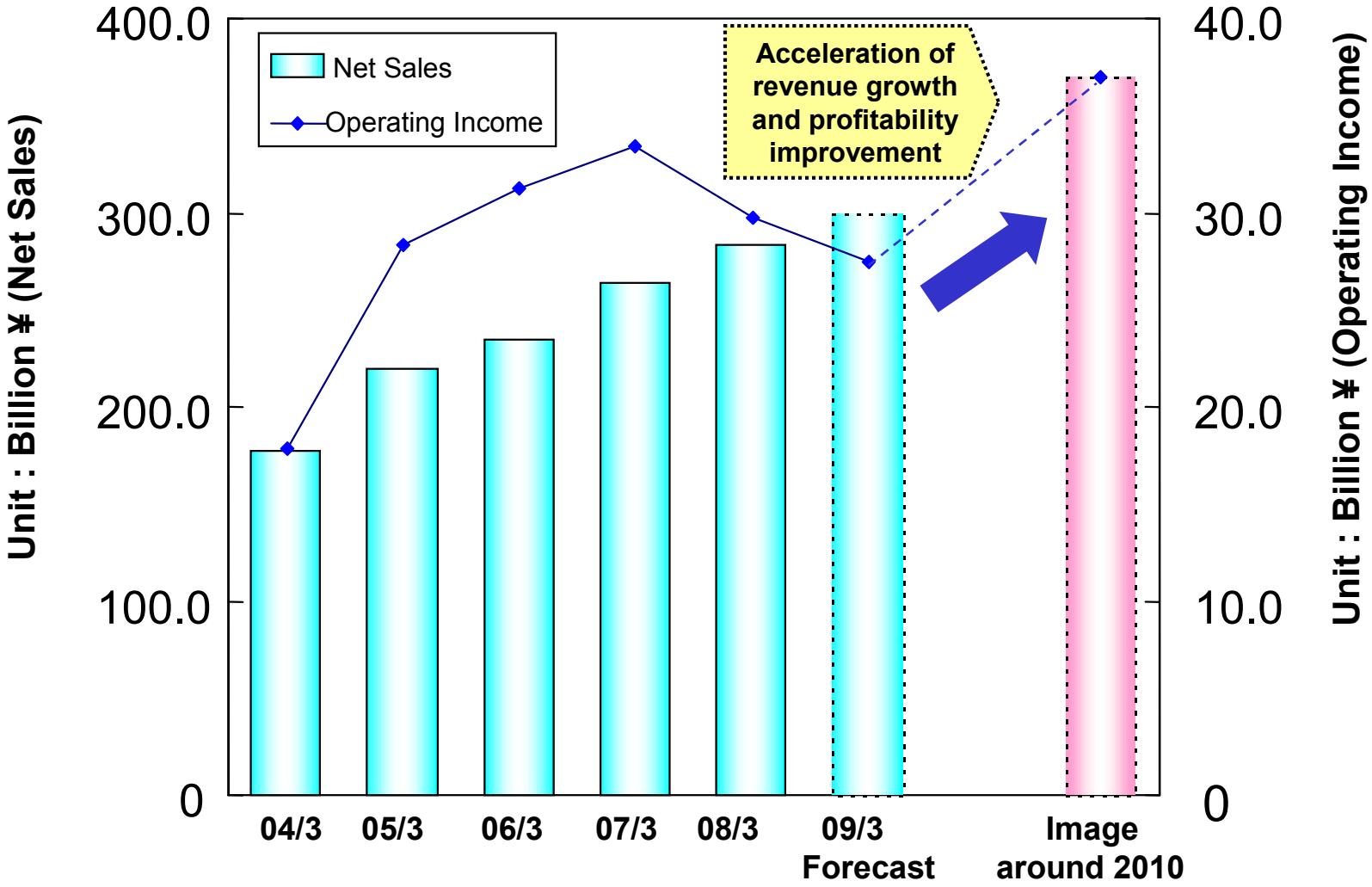
	Changes	Impact	Negative Effect
Changes in Business Environment	Further soaring of feedstock and energy costs accompanied by skyrocketing oil prices	Delay in price pass-through	Billion ¥ 22
	Sharp fluctuation of currency exchange rates	Deterioration of export-driven business performances	
	Decline in stock market prices	Increase of cost related to employees' retirement benefits	
	Slowdown in the global economy	Slowdown in business expansion	
Changes related to Institutional Accounting	Revision in Japanese taxation system, etc.	Increase of depreciation costs	8
		Total	30

Operating income forecast for FY Mar/09 (①)	95 Billion ¥
Effects of changes in business environment and changes related to institutional accounting (②)	30
Operating income forecast excluding the above effects (①+②)	125
IT-2010 interim target (FY2008)	120

Strategies for Business Expansion of IT-related Products Segment 1

'TORAY' Innovation by Chemistry

Net Sales and Operating Income : Trend and Image around 2010



Strategies for Business Expansion of IT-related Products Segment 2

'TORAY' Innovation by Chemistry

FY Mar/07 Actual → FY Mar/09 Forecast　Variance analysis

Operating Income : ¥ 33.5 billion →　¥ 27.5 billion (- ¥ 6 billion)

Unit : Billion ¥

Factors	Image of effects on operating income	Comments
Volume increase	+7	Income increase through volume increase of existing products (PET films, processed film products, plastic resins, chemicals, PDP materials, printing materials, etc.)
Launch and expansion of new products		Sales expansion of new products (high-performance optical films, coating materials, etc.)
Price decline	-11	Income decrease due to price decline of existing products (PET films, processed film products, plastic resins, chemicals, PDP materials, printing materials, etc.)
Deterioration of businesses with structural problems		Decrease in earnings of circuit materials / color filters (excluding the effect of the impairment accounting applied for the assets of color filters business in FY Mar/08 Midterm)
Increase of R&D expenses		Increase of R&D expenses for future growth
Others		Increase of other costs
Changes related to institutional accounting, Decline in stock market prices	-2	

* Up-pointing arrows describe favorable variance, down-pointing arrows describe unfavorable variance

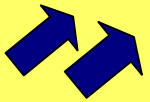
Profit variance　⇧ over ¥3 billion　⇨ over ¥ 1 billion → less than ¥ 1 billion

Strategies for Business Expansion of IT-related Products Segment 3

FY Mar/09 Forecast → Around 2010 Variance analysis

Operating Income : ¥ 27.5 billion → ¥ 37.0 billion or more (image) (+ ¥ 9.5 billion or more)

Unit : Billion ¥

Factors	Image of effects on operating income	Measures
Volume increase	 +24	**PET films :** Promotion of global operations **PDP materials :** Sales expansion in response to start-up of MPDP No.5 plant (May, 2009), etc.
Launch and expansion of new products		**PET films :** Sales expansion of high-performance optical films, multilayer laminate films **Electro-coating materials :** Dramatic business expansion through expansion in semiconductor materials, new-product development and acceleration of development of such applications as organic EL insulation materials, etc. **Electro-chemicals :** Creation of new advanced materials for LEDs, organic EL applications, etc.
Structural reform of businesses with problems		**Color filters :** Profitability improvement through shift to value-added products for medium / small sized LCDs in response to the need for higher performance, and cost reduction **Circuit materials :** Restructuring of FPC materials (CCL) business
Price decline	 -8	**Films / Processed films :** Development of midstream / downstream businesses through collaboration in Toray Group **Others :** Keeping unit price at current level through commercializing high-performance value-added products
Others		Decrease in licensing revenues, etc.

Estimated increase in Consolidated Operating Income	+16

¥6.5 billion allowance for such downside risks as :
- Delay in sales expansion of new products
- Price decline more than expected

Target : + ¥9.5 billion or more

* Up-pointing arrows describe favorable variance, down-pointing arrows describe unfavorable variance

Profit variance  over ¥5billion  over ¥3 billion  over ¥1billion

Strategies for Business Expansion of Carbon Fiber Composite Materials Segment 1

TORAY
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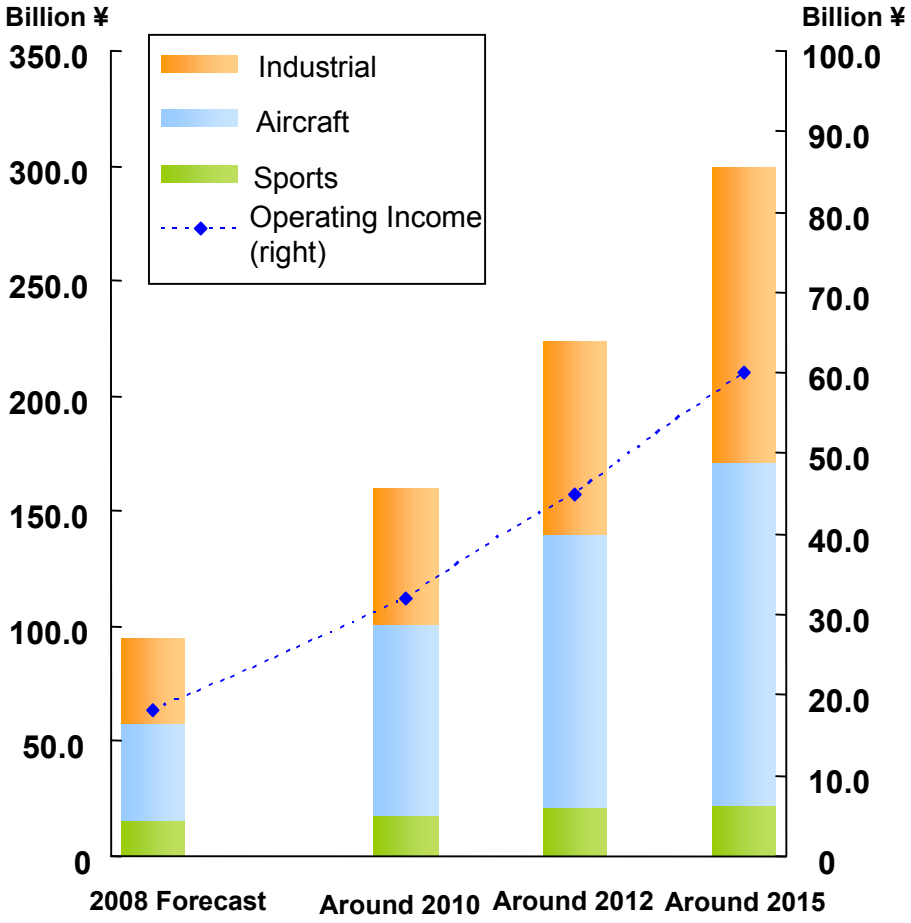
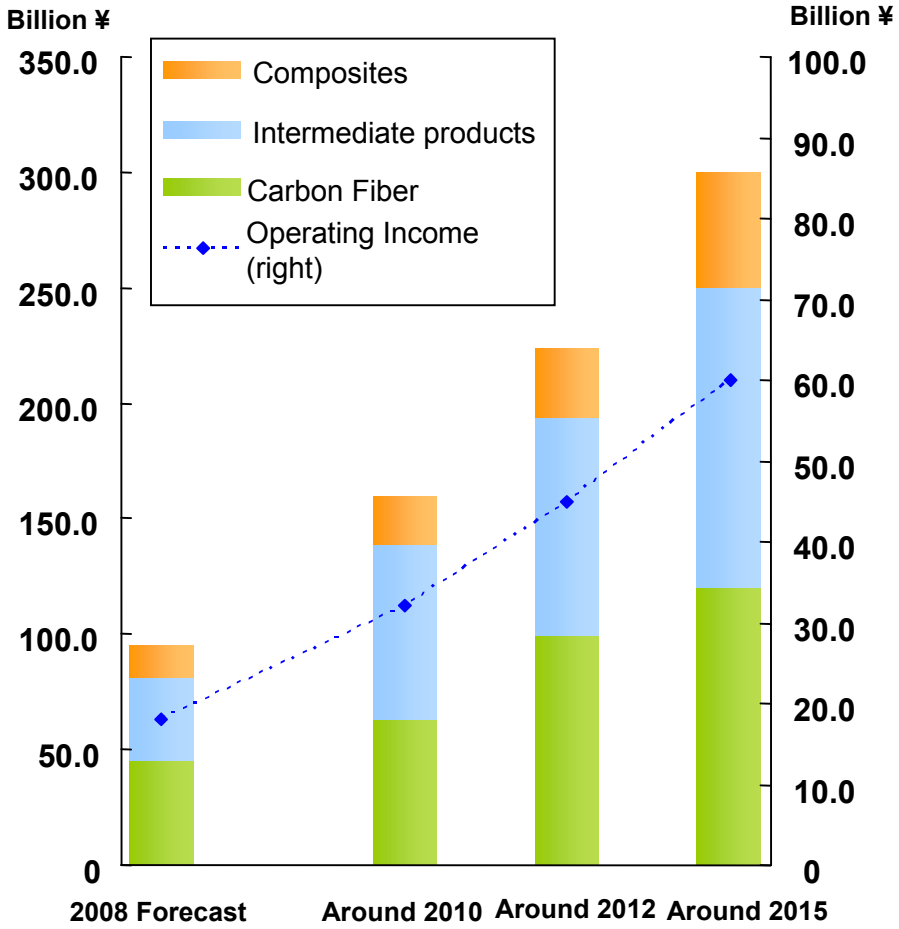
While expanding net sales in all applications and product types, aim for over 20% in operating income margin.

Consolidated Net Sales by Application



Consolidated Net Sales by Product Type



Strategies for Business Expansion of Carbon Fiber Composite Materials Segment 2

'TORAY' Innovation by Chemistry

Basic Strategies

1. Business strategies by applications

(1) Maintain and expand overwhelming advantages in aircraft application

(2) Develop market and technologies as a pioneer in automobile applications

(3) Enhance competitiveness in high-performance industrial market and establish overwhelming cost competitiveness in general-purpose market

(4) Maintain high market share and increase revenue in high-grade sports application

2. Improve competitiveness in quality and cost through enhancement of technical capabilities

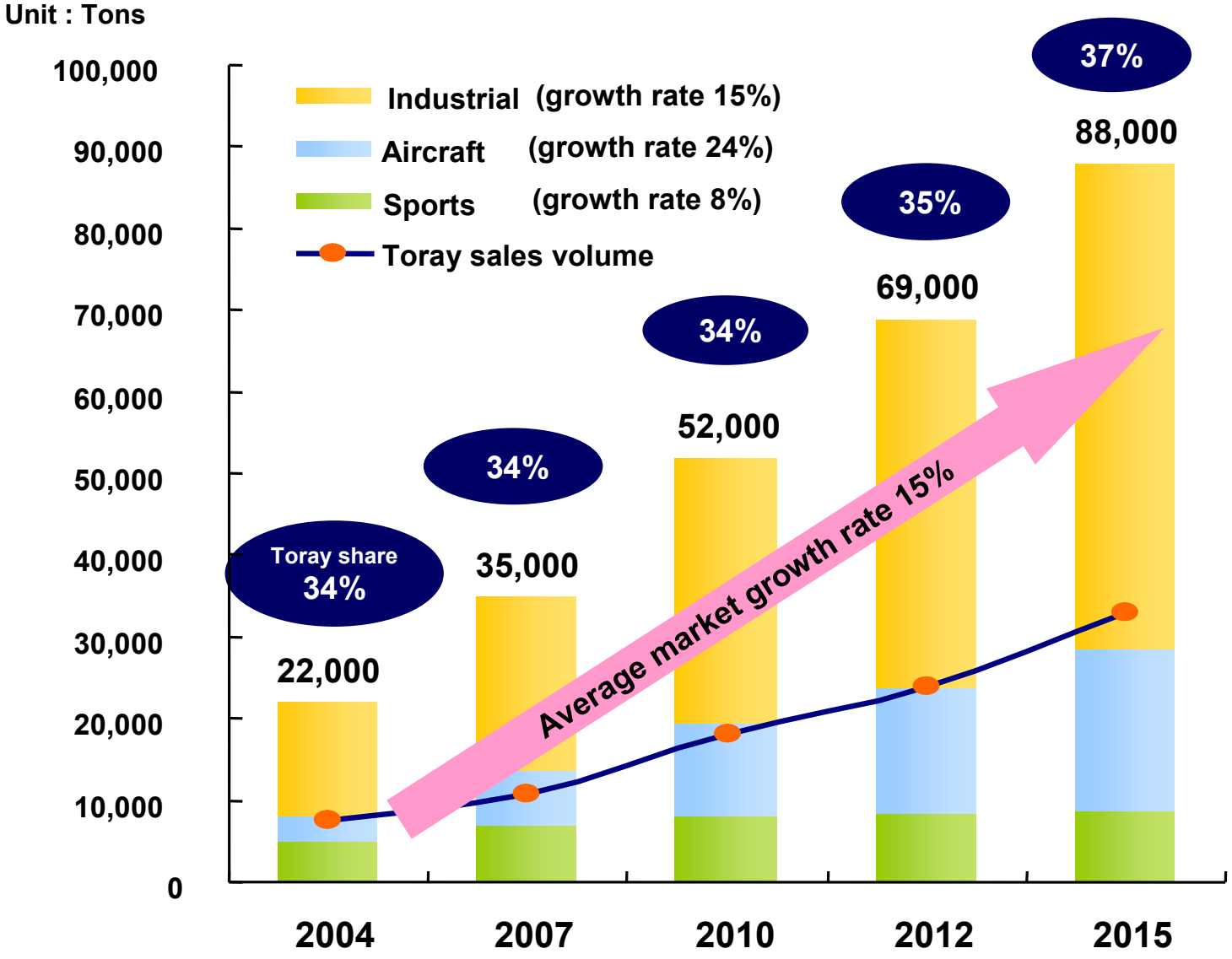
3. Expand supply capability by continuing proactive capital investment

4. Give consideration to recycle and global environment

Strategies for Business Expansion of Carbon Fiber Composite Materials Segment 3

'TORAY' Innovation by Chemistry

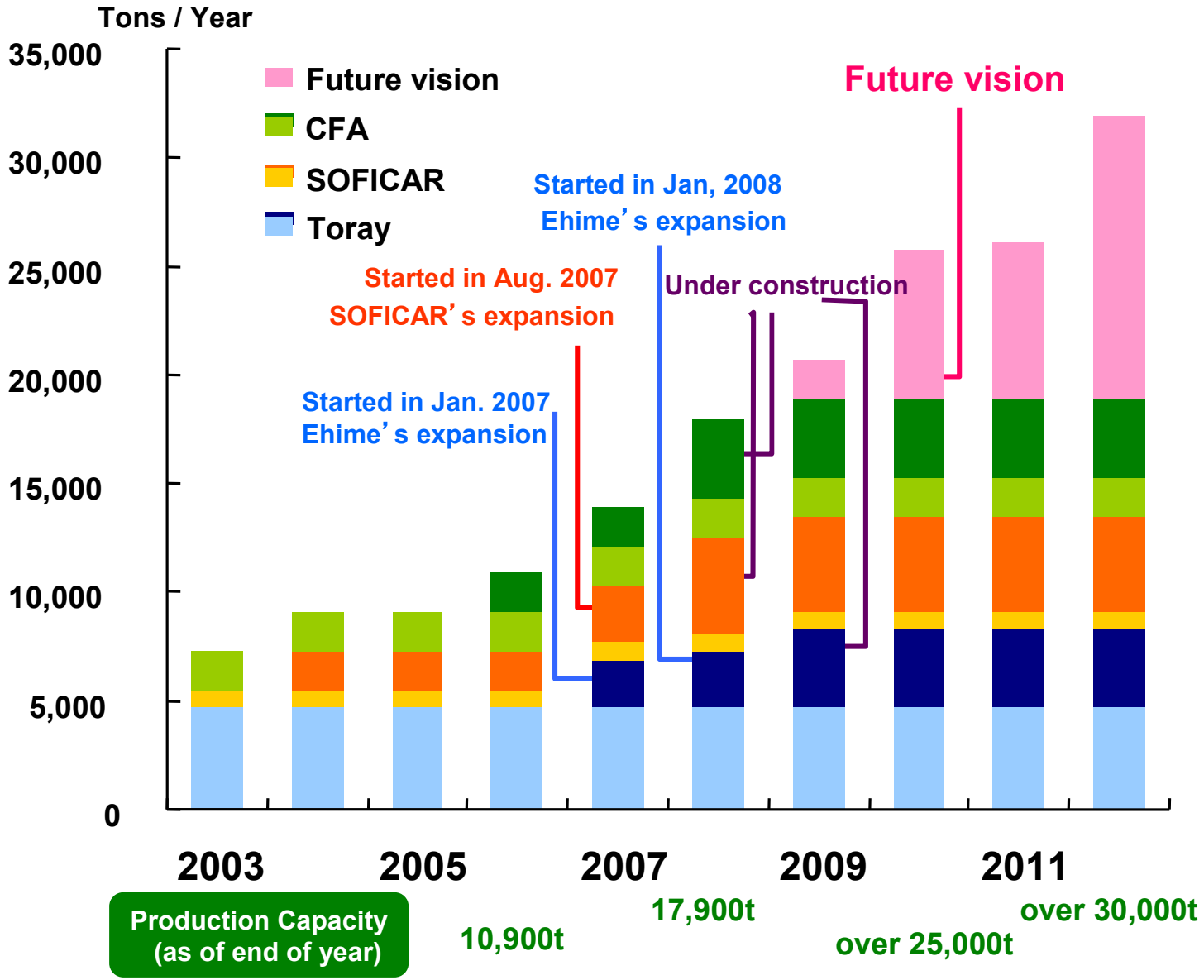
Market by Applications and Toray Share



Strategies for Business Expansion of Carbon Fiber Composite Materials Segment 4

'TORAY' Innovation by Chemistry

Expansion Plan of Carbon Fiber Production Lines



IV. Recent Topics

Recent Topics (07/4~07/10)

'TORAY'
Innovation by Chemistry

	Topics
07/Apr	UNIQLO & Toray commercialized the first co-developed product under their strategic partnership
07/May	Developed plant-based fiber reinforced polylactic acid plastic
07/May	Developed highly sensitive DNA chip for the detection of contaminant degrading microorganism
07/May	Developed transparent and colorless aramid film
07/Jun	Expand production capacity of reverse osmosis membranes and elements for water treatment
07/Jul	Developed a new lowfouling PVDF hollow fiber ultrafiltration membrane module
07/Aug	Achievement in the development for Hepatitis C Virus (HCV) vaccine
07/Aug	Increase production facility for positive-tone photosensitive polyimide coating Photoneece*
07/Sep	Selected as an index component of DJSI World
07/Oct	Establish “Automotive Center” in Nagoya Plant, Japan
07/Oct	New product under strategic partnership of UNIQLO and Toray

Recent Topics (07/12~08/3)

'TORAY'
Innovation by Chemistry

	Topics
07/Dec	Toray to supply reverse osmosis membrane for large-scale seawater desalination plant in Saudi Arabia
07/Dec	Developed high-performance reflective film for LCD
07/Dec	Launched the Pulmonary Arterial Hypertension Agent Careload® LA Tablets 60μg in Japan
07/Dec	Toray to supply reverse osmosis membrane for large-scale wastewater recycling plant in Australia
08/Feb	Toray to start high-barrier film business in Europe
08/Feb	Expands production capacity of PAN-based carbon fiber Torayca*
08/Mar	Developed blue light emitting materials for full-color organic EL display
08/Mar	Transfers and reinforces development functions related to composites for carbon fiber composite materials molded products in Nagoya
08/Mar	Increase production capacity for PPS resin Torelina*
08/Mar	A high performance organic semiconductor composed of new organic material and uniformly dispersed carbon-nanotubes developed

Expands Production Capacity of PAN-based Carbon Fiber Torayca*

'TORAY' Innovation by Chemistry

Toray expands its capacity to produce PAN-based carbon fiber Torayca*. Toray adds to its Ehime Plant an additional carbonization facility for special thin carbon fibers for industrial use having an annual production capacity of 1,000 tons which is scheduled to begin operation in July 2009. Total investment will be approximately 16 billion yen including funds for the addition of a PAN precursor production facility, a carbon fiber carbonization facility and plant site preparation.

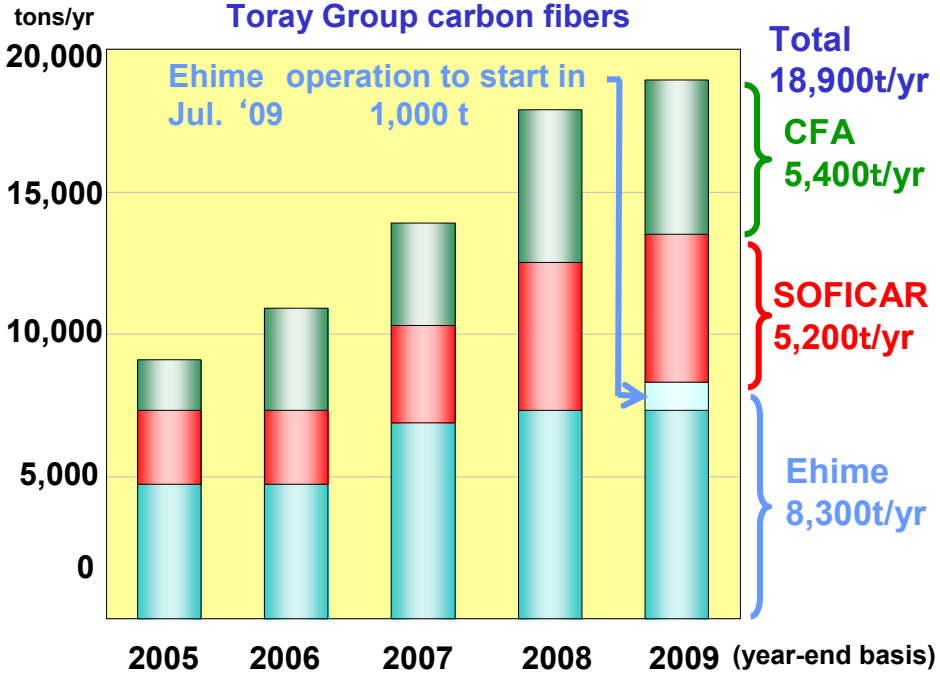
Special thin carbon fiber

Very fine carbon fiber made up of 3,000 or 6,000 single threads characterized by **good moldability**
(the standard type consists of 12,000 or 24,000 single threads)

Major application - automotive parts, bicycle frames, and industrial robots which have to meet sophisticated and complicated design requirements
- secondary structural elements for aircraft
(main rotor blades, flaps, and spoilers, etc.)

Demand for industrial application is increasing rapidly whereas in the aircraft market, the supply-and-demand situation has been increasingly strained as both Boeing and Airbus have launched their new passenger-aircraft programs

Production capacity trends of Toray Group carbon fibers



The worldwide demand for PAN-based carbon fiber is expected to expand at an annual rate of 15% or more (2007: 35,000t → 2010: 53,000t)

In addition to expanding the Group's production capacity of carbon fibers to 25,000 tons a year by the end of 2010, Toray will promote and strengthen the deployment of a vertically integrated business structure covering carbon fibers, prepregs (intermediate base materials), and composites.

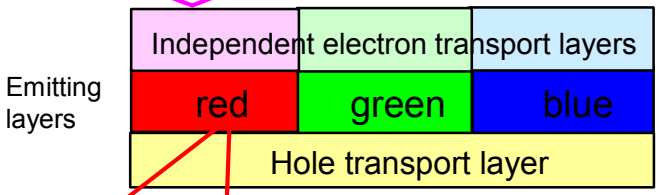
Developed Blue Light Emitting Materials for Full-color Organic EL Display

TORAY
Innovation by Chemistry

Toray succeeded in developing blue light emitting materials, boosting the world's highest levels of efficiency and pure color emissions, for use in full-color organic EL displays. The integration of Toray's proprietary molecular design technology and nano-dispersion technology was instrumental in the material achieving superior light emitting performance and low driving voltage in combination with Toray's electron-transporting material.

Development of organic EL-related materials

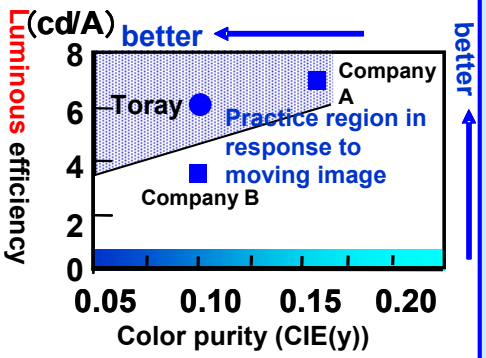
Toray has already developed and commercialized electron-transporting material with low driving voltage. However, combined with some blue light emitting materials, it faced the issue of lowered emission performances and usage was limited ("independent electron transport layer" – needs to select suitable electron transport material by color)



Toray has already developed and commercialized red light emitting materials with high color purity and high efficiency

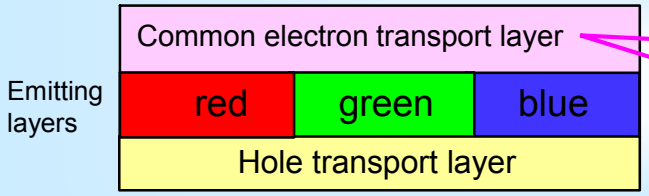
Developed unique blue light emitting materials compatible with Toray's electron-transporting materials

Comparison of luminescent performance



(1) Succeeded in developing blue light emitting materials, boosting the world's highest levels of emitting performance through the integration of proprietary molecular design technology and nano-dispersion technology

(2) Confirmed the compatibility of low driving voltage property and high emission performance which had been difficult to achieve



Enables Toray's electron-transporting materials as the common layer for all three primary colors emission layers (which acquired device-composition patent)

Expects to contribute to lower power consumption in displays as well as reduce process costs

Transfers and Reinforces Development Functions related to Composites for Carbon Fiber Composite Materials Molded Products in Nagoya

'TORAY'
Innovation by Chemistry

In Nagoya Plant, Toray establishes "A&A Center" (Automotive & Aircraft Center). Toray will establish Automotive Center (AMC), a technological development base for automobile applications, and Advanced Composite Center (ACC), a composite technological development site to transfer and reinforce the development functions for composites for carbon fiber composite materials molded products in Nagoya, aiming for reinforcing comprehensive development of advanced materials for automobiles and aircraft with existing Resin Applications Development Center.

A&A Center (Automotive & Aircraft Center)

Technological development site for automobile applications "Automotive Center (AMC)"

Scheduled to open June 2008

AMC rendering

Composites technological development site "Advanced Composite Center (ACC)"

Scheduled to open April 2009

ACC rendering

Resin Applications Development Center (existing)

Reinforce Nagoya plant as the core plant of advanced materials development for automobile and aircraft applications

Successively establish production system for resins, composites, and high-performance chemical products for automobiles and aircraft

Sales for automobile and aircraft applications:
FY2006 (Actual):146 billion Yen→FY2015 (Plan):500 billion Yen

Increase Production Capacity for PPS Resin Torelina*

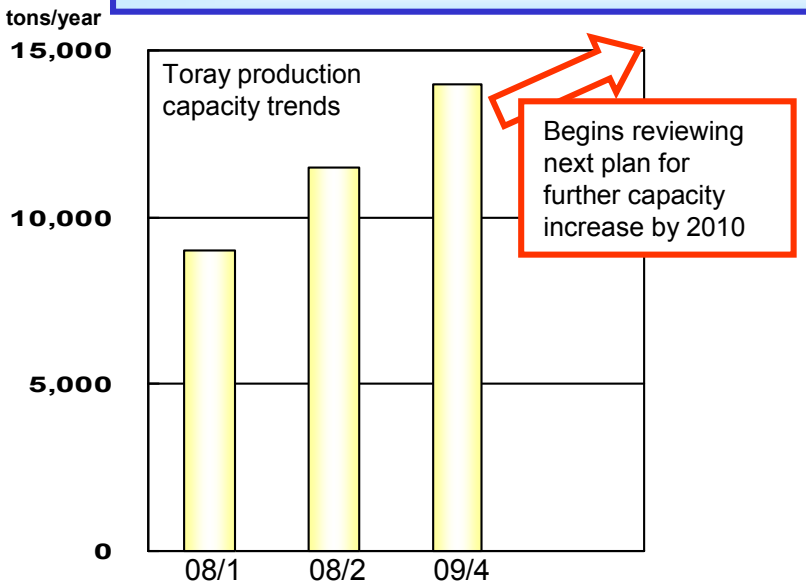
'TORAY' Innovation by Chemistry

Toray decided to increase production capacity for PPS (polyphenylene sulfide) resin. Toray increase the production capacity by 2,500 tons annually by modifying the facility at Tokai Plant (Tokai City, Aichi Prefecture). Operation is planned to start in April 2009 and total production capacity will be 14,000 tons annually. In order to meet the active demand for PPS resin, Toray also begins reviewing the next plan for further capacity increase by 2010.

World demand for PPS resin compounding is 75,000 tons (estimation as of 2007) and is expected to grow more than 7% annually

Measures to expand PPS resin business

Secure stable supply system through capacity increase



Promote development of new grades and new applications

Electric/electronic components

Tightening regulations of the usage of brominated flame retardants

Propose **halogen-free** grades using Toray's high-purity resin

Automobile

Increase requirements for reduction in weight of automobiles, car electronics, and hybrid cars

Develop new grades utilizing **Toray's polymer alloy technology** including "nano-alloy"

Toray further strengthen world leading position as a comprehensive PPS manufacturer with diversified business areas in resin compounding, films, and fibers.

A High Performance Organic Semiconductor Composed of New Organic Material and Uniformly Dispersed Carbon-nanotubes Developed

'TORAY' Innovation by Chemistry

By integrating nanotechnology and organic synthetic chemistry, Toray succeeded in developing a new printable–type organic semiconductor with high mobility comparable to that of amorphous silicon. The new organic semiconductor is composed of newly developed organic semiconducive material incorporated with single-walled carbon-nanotubes (CNTs) by the use of Toray's unique CNT dispersion technology. Organic thin film transistors (TFTs) using this newly developed semiconductor boast the world's highest performance level in printable-type organic TFTs.

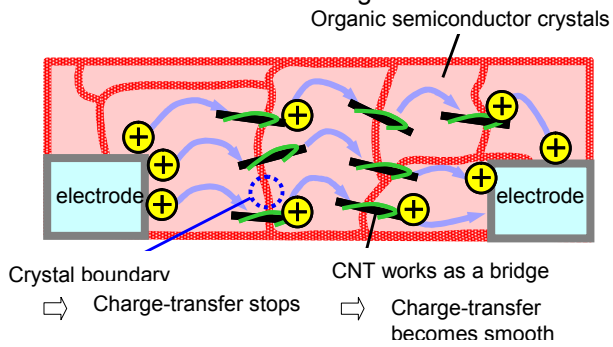
Types of TFTs

Types	Amorphous Silicon TFT	Organic TFT	
		Using low-molecular semiconductors	Using high-molecular semiconductors
Strength	**High mobility, and established mass production technology**	Relatively high in mobility	**Possible to form films with low-cost processes**
Limitation	**Limited cost reduction as for the need of high-vacuum and high-temperature equipment**	Film-forming in vacuum atmosphere is necessary	**Low mobility and performance deterioration in air**

Organic semiconductor with high mobility and stable performance in air had been required.

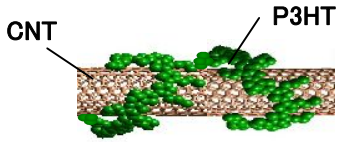
Newly developed high-performance printable organic semiconductor

<Cross-section of charge transfer>



Succeeded in enhancing the mobility of organic semiconductive materials by incorporating a small amount of CNTs which bridge carriers effectively between organic crystals without trapping in the boundary region in organic semiconductive material.

(1) Realizes high mobility through CNT dispersion technology



Although dispersion of CNTs is difficult due to their aggregation, Toray succeeded in dispersing CNTs uniformly into organic materials by wrapping CNTs with a conductive polymer (P3HT).

(2) Maintains high performance in air for a long time period by adopting a stable chemical structure against oxidation in the semiconductive material.

With this new development, new electronics products such as flexible displays, etc. are expected to realize.
Toray aims for establishing basic material technology within 2 years toward practical use of organic TFT.

Descriptions of predicted business results, projections, and business plans for the Fiscal Year ending March 2009 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.