

Announcement of Business Results For the Third Quarter of Fiscal Year Ending March 2010

Toray Industries, Inc.

Contents



Innovation by Chemistry

I. Business Results for the 3Q of Fiscal Year Ending March 2010 (Consolidated Basis)	
Summary of Business Results	(P3)
Non-operating Income and Expenses	(P4)
Special Credits and Charges	(P5)
Assets, Liabilities, Net Assets, Free Cash Flows	(P6)
Capital Expenditures, Depreciation	(P7)
Net Sales and Operating Income by Business Segment	(P8)
Results by Business Segment	(P9-16)
Results of Major Subsidiaries (Nine Months)	(P17)
Income Variance Factor Analysis (Nine Months)	(P18)
Achievements of the Total Cost Reduction Project	(P19)
2Q vs. 3Q Comparison of Operating Income by Business Segment	(P20)
II. Business Forecast for the Fiscal Year Ending March 2010 (Consolidated Basis)	
Forecast Summary	(P22)
Forecast by Business Segment	(P23)
Forecast in Nov. vs. New Forecast Comparison of Operating Income by Business Segment	(P24)
Forecast of Inventories	(P25)
Forecast of Cash Flows	(P26)
Quarterly Trends in Net Sales and Operating Income (Loss)	(P27)
Trends in Consolidated Operating Income	(P28)

I. Business Results for the 3Q of Fiscal Year Ending March 2010 (Consolidated Basis)

Summary of Business Results



Innovation by Chemistry
Unit : Billion yen

	3Q FY Mar/09 (Oct.-Dec.)	3Q FY Mar/10 (Oct.-Dec.)	Changes		Nine-months FY Mar/09 (Apr.-Dec.)	Nine-months FY Mar/10 (Apr.-Dec.)	Changes	
Net Sales	368.1	361.9	- 6.2	(-1.7%)	1,169.0	979.8	-189.1	(-16.2%)
Cost of Sales	299.4	297.5	- 1.9	(-0.6%)	951.4	809.1	-142.3	(-15.0%)
Gross Profit	68.7	64.4	- 4.3	(-6.2%)	217.6	170.7	-46.9	(-21.5%)
(Gross Profit to Net Sales)	18.7%	17.8%	-0.9	points	18.6%	17.4%	-1.2	points
Operating Income	12.8	14.7	+1.8	(+14.4%)	43.1	20.2	-23.0	(-53.2%)
(Operating Income to Net Sales)	3.5%	4.1%	+0.6	points	3.7%	2.1%	-1.6	points
Non-operating Income and Expenses, net	▲ 6.7	▲ 19.3	-12.6		▲ 9.5	▲ 27.5	-18.0	
Ordinary Income (Loss)	6.1	▲ 4.6	-10.7	(-)	33.6	▲ 7.3	-40.9	(-)
Special Credits and Charges, net	▲ 13.5	▲ 3.4	+10.1		▲ 18.2	▲ 8.4	+9.8	
Income (Loss) before Income Taxes	▲ 7.3	▲ 8.0	-0.7	(-)	15.4	▲ 15.7	-31.1	(-)
Net Income (Loss)	▲ 5.1	▲ 13.1	-8.1	(-)	5.5	▲ 19.4	-24.9	(-)

	(FY Mar/09 3Q)	→	(FY Mar/10 3Q)	(FY Mar/09 9-months)	→	(FY Mar/10 9-months)
Exchange Rate <Yen/US\$> Average	: 96.3	→	89.7	102.8	→	93.6
	End of the term: 91.0	→	92.1			
<Yen/Euro> Average	: 126.7	→	132.7	150.7	→	133.0
	End of the term: 128.0	→	132.0			
Oil Price <US\$/B> (DUBAI FOB) Average	: 52.6	→	75.2	94.3	→	67.4

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

Non-operating Income and Expenses



Innovation by Chemistry

Billion yen

	3Q FY Mar/09 (Oct.-Dec.)	3Q FY Mar/10 (Oct.-Dec.)	Changes	Nine-months FY Mar/09 (Apr.-Dec.)	Nine-months FY Mar/10 (Apr.-Dec.)	Changes
Non-operating Income	2.2	2.2	-0.0	9.6	5.3	-4.3
Interest and Dividend Income	1.3	0.8	-0.5	3.3	2.0	-1.3
Equity in Earnings of Affiliates	-	-	—	2.5	-	-2.5
Others	1.0	1.5	+0.5	3.7	3.3	-0.4
Non-operating Expenses	▲ 8.9	▲ 21.5	-12.5	▲ 19.1	▲ 32.8	-13.7
Interest Expenses	▲ 3.2	▲ 2.1	+1.1	▲ 8.8	▲ 7.0	+1.7
Equity in Losses of Affiliates	▲ 1.2	▲ 16.2	-14.9	-	▲ 16.0	-16.0
Others	▲ 4.5	▲ 3.2	+1.3	▲ 10.3	▲ 9.8	+0.5
Non-operating Income and Expenses, nets	▲ 6.7	▲ 19.3	-12.6	▲ 9.5	▲ 27.5	-18.0
Interest and Dividend Income, Interest Expenses, net	▲ 1.9	▲ 1.3	+0.6	▲ 5.4	▲ 5.0	+0.4

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

Special Credits and Charges

TORAY

Innovation by Chemistry

Billion yen

	3Q FY Mar/09 (Oct.-Dec.)	3Q FY Mar/10 (Oct.-Dec.)	Changes	Nine-months FY Mar/09 (Apr.-Dec.)	Nine-months FY Mar/10 (Apr.-Dec.)	Changes
Special Credits	0.1	0.2	+0.1	2.3	0.4	-1.8
Gain on Sales of Property, Plant and Equipment	0.1	0.1	+0.1	0.6	0.3	-0.3
Gain on Sales of Investment Securities	0.0	0.1	+0.1	1.7	0.1	-1.6
Special Charges	▲ 13.5	▲ 3.6	+9.9	▲ 20.5	▲ 8.8	+11.7
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 1.5	▲ 1.7	-0.2	▲ 3.3	▲ 3.3	-0.0
Loss on Impairment of Fixed Assets	-	▲ 1.3	-1.3	-	▲ 2.0	-2.0
Loss on Write-down of Investment Securities	▲ 9.5	▲ 0.1	+9.4	▲ 10.1	▲ 2.2	+7.9
Loss on Liquidation and Devaluation of Subsidiaries and Affiliates	▲ 2.4	▲ 0.3	+2.1	▲ 5.2	▲ 0.3	+4.9
Loss on Valuation of Inventories	-	-	-	▲ 1.2	-	+1.2
Others	▲ 0.1	▲ 0.3	-0.2	▲ 0.7	▲ 1.0	-0.3
Special Credits and Charges, net	▲ 13.5	▲ 3.4	+10.1	▲ 18.2	▲ 8.4	+9.8

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

Assets, Liabilities, Net Assets, Free Cash Flows



Innovation by Chemistry

	End of Mar/09	End of Dec/09	Changes
Total Assets	1,523.6	1,530.9	+7.3
Current Assets	655.9	676.7	+20.8
Tangible Assets	596.3	581.3	-15.0
Intangible Assets	10.5	10.0	-0.6
Investment and Other Assets	260.9	263.0	+2.0

Billion yen

	End of Mar/09	End of Dec/09	Changes
Total Liabilities	1,011.0	1,027.1	+16.1
Current Liabilities	460.8	483.0	+22.2
Other Liabilities	550.2	544.1	-6.1
Total Net Assets	512.6	503.8	-8.8

Interest-bearing Debts	663.9	681.6	+17.7
------------------------	-------	--------------	-------

D/E Ratio	1.42	1.49	+0.07
-----------	------	-------------	-------

<Free Cash Flows>

Billion yen

	Nine-months FY Mar/09 (Apr.-Dec.)	Nine-months FY Mar/10 (Apr.-Dec.)	Changes
Cash Flows from Operating Activities	▲ 1.1	48.0	+49.1
Cash Flows from Investment Activities	▲ 89.8	▲ 47.9	+42.0
Free Cash Flows	▲ 90.9	0.2	+91.1

Capital Expenditures, Depreciation



Innovation by Chemistry

Billion yen

	Nine-months FY Mar/09 (Apr.-Dec.)	Nine-months FY Mar/10 (Apr.-Dec.)	Changes	Comments
Capital Expenditures	67.2	38.6	-28.6	Toray : 16.9, Japan : 4.0, Overseas : 17.7
Depreciation -)	62.7	55.4	-7.3	Toray : 27.9, Japan : 7.6, Overseas : 19.9
Transfer, Disposal, etc.	▲ 44.8	1.8	+46.6	
Changes in Tangible Assets	▲ 40.3	▲ 15.0		

Major Capital Expenditures:

<Japan> Toray : Carbon fiber production facilities

<Overseas> TFE (Toray Films Europe) : PP Film production facilities

Net Sales and Operating Income by Business Segment



Innovation by Chemistry

Billion yen

	Net Sales			Operating Income		
	3Q FY Mar/09 (Oct.-Dec.)	3Q FY Mar/10 (Oct.-Dec.)	Changes	3Q FY Mar/09 (Oct.-Dec.)	3Q FY Mar/10 (Oct.-Dec.)	Changes
Fibers & Textiles	151.7	151.2	-0.4 (-0.3%)	3.7	6.7	+3.0 (+80.9%)
Plastics & Chemicals	96.8	89.0	-7.8 (-8.1%)	2.6	3.4	+0.9 (+33.3%)
IT-related Products	56.3	60.3	+4.0 (+7.1%)	3.2	5.0	+1.8 (+55.5%)
Carbon Fiber Composite Materials	16.9	14.3	-2.7 (-15.7%)	3.1	▲ 1.0	-4.1 (-)
Environment & Engineering	30.4	32.6	+2.2 (+7.2%)	0.1	0.3	+0.1 (+96.5%)
Life Science & Other Businesses	16.0	14.5	-1.5 (-9.2%)	0.2	0.2	+0.0 (+13.6%)
(Pharmaceuticals & Medical Products)	11.9	11.4	-0.4 (-3.7%)	▲ 0.4	0.1	+0.5 (-)
Total	368.1	361.9	-6.2 (-1.7%)	12.8	14.5	+1.7 (+13.0%)
Elimination & Corporate				0.0	0.2	+0.2
Consolidated	368.1	361.9	-6.2 (-1.7%)	12.8	14.7	+1.8 (+14.4%)

	Net Sales			Operating Income		
	Nine-months FY Mar/09 (Apr.-Dec.)	Nine-months FY Mar/10 (Apr.-Dec.)	Changes	Nine-months FY Mar/09 (Apr.-Dec.)	Nine-months FY Mar/10 (Apr.-Dec.)	Changes
Fibers & Textiles	452.2	396.3	-55.9 (-12.4%)	9.9	6.9	-3.0 (-30.5%)
Plastics & Chemicals	316.3	242.7	-73.5 (-23.2%)	10.8	4.5	-6.2 (-57.9%)
IT-related Products	187.4	167.6	-19.8 (-10.6%)	12.8	10.3	-2.5 (-19.7%)
Carbon Fiber Composite Materials	55.0	35.2	-19.8 (-36.0%)	8.7	▲ 2.8	-11.4 (-)
Environment & Engineering	110.8	94.3	-16.4 (-14.8%)	0.4	0.2	-0.2 (-51.4%)
Life Science & Other Businesses	47.2	43.5	-3.7 (-7.8%)	0.9	0.2	-0.7 (-75.5%)
(Pharmaceuticals & Medical Products)	34.0	33.8	-0.2 (-0.6%)	▲ 1.1	0.0	+1.1 (-)
Total	1,169.0	979.8	-189.1 (-16.2%)	43.4	19.3	-24.1 (-55.6%)
Elimination & Corporate				▲ 0.3	0.9	+1.2
Consolidated	1,169.0	979.8	-189.1 (-16.2%)	43.1	20.2	-23.0 (-53.2%)

Results by Business Segment (Fibers & Textiles)



Innovation by Chemistry

Unit :Billion yen

		3Q (Oct.-Dec.)			Nine-months (Apr.-Dec.)		
		FY Mar/09	FY Mar/10	Changes	FY Mar/09	FY Mar/10	Changes
Net Sales	Toray	24.3	22.7	-1.6 (-6.7%)	80.7	65.8	-15.0 (-18.5%)
	Japanese Subsidiaries	77.4	82.6	+5.2 (+6.7%)	219.0	210.0	-9.0 (-4.1%)
	Overseas Subsidiaries	50.0	46.0	-4.0 (-8.0%)	152.5	120.6	-31.9 (-20.9%)
	Total	151.7	151.2	-0.4 (-0.3%)	452.2	396.3	-55.9 (-12.4%)
Operating Income	Toray	▲ 0.6	0.2	+0.8 (-)	▲ 0.6	▲ 3.9	-3.3 (-)
	Japanese Subsidiaries	2.2	2.6	+0.4 (+19.2%)	6.2	5.1	-1.1 (-17.5%)
	Overseas Subsidiaries	1.5	3.1	+1.6 (+111.0%)	4.0	4.7	+0.7 (+18.1%)
	Adjustment	0.6	0.8	+0.2	0.3	0.9	+0.6
	Total	3.7	6.7	+3.0 (+80.9%)	9.9	6.9	-3.0 (-30.5%)

<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.

3Q (Oct.-Dec.)

Sales Flat Growth / Income Increased

Toray : While shipment of clothing materials continued to be sluggish, industrial-use materials headed for recovery mainly in automotive applications.

Japanese Subsidiaries : Sewn products business for a major SPA delivered healthy performance at a trading subsidiary.

Overseas Subsidiaries : Performance was steady in the sewn products business, polyester filament textiles business and non-woven fabric business in China. The yarn and textile operations for airbags headed for recovery in automotive applications.

Nine-months (Apr.-Dec.)

Sales / Income Decreased

In Japan, while shipment of clothing materials continued to be sluggish except for some sewn products, demand for industrial-use materials mainly led by automotive applications headed for recovery and their shipments improved every passing month. Overseas, in addition to the polyester filament business in Korea and non-woven fabric business in China, the yarn and textile operations for airbag applications in Thailand and Czech Republic expanded sales volume.

Results by Business Segment (Plastics & Chemicals)



Innovation by Chemistry

Unit : Billion yen

		3Q (Oct.-Dec.)				Nine-months (Apr.-Dec.)			
		FY Mar/09	FY Mar/10	Changes		FY Mar/09	FY Mar/10	Changes	
Net Sales	Toray	19.0	16.9	-2.1	(-11.0%)	65.1	46.9	-18.1	(-27.9%)
	Japanese Subsidiaries	33.8	34.9	+1.0	(+3.1%)	114.9	97.1	-17.9	(-15.6%)
	Overseas Subsidiaries	44.0	37.2	-6.8	(-15.4%)	136.2	98.8	-37.5	(-27.5%)
	Total	96.8	89.0	-7.8	(-8.1%)	316.3	242.7	-73.5	(-23.2%)
Operating Income	Toray	▲ 1.0	▲ 0.1	+0.8	(-)	▲ 1.5	▲ 3.5	-2.1	(-)
	Japanese Subsidiaries	2.1	1.8	-0.3	(-13.8%)	8.0	4.1	-3.9	(-49.1%)
	Overseas Subsidiaries	1.4	1.6	+0.3	(+18.3%)	3.9	3.8	-0.1	(-2.3%)
	Adjustment	0.1	0.1	+0.0		0.4	0.2	-0.2	
	Total	2.6	3.4	+0.9	(+33.3%)	10.8	4.5	-6.2	(-57.9%)

<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.

3Q (Oct.-Dec.)

Sales Decreased / Income Increased

Toray :

Sales price fell reflecting the price decline of raw materials and fuel costs, however, sales volume increased mostly in automotive and electric/electronic applications.

Domestic Subsidiaries :

Transaction volume increased at trading subsidiaries, while demand recovery was slow at a film processing subsidiary and a fine chemicals subsidiary.

Overseas Subsidiaries :

Overseas films subsidiary was impacted by price decline reflecting the drop in raw materials and fuel prices, however, sales of ABS resins for China and ASEAN countries expanded at a resins subsidiary in Malaysia.

Nine-months (Apr.-Dec.)

Demand was back on course for recovery, and sales volume at the resins business in Malaysia and the films business for capacitors used in hybrid automobiles expanded.

Sales / Income Decreased

Results by Business Segment (IT-related Products)



Innovation by Chemistry

Unit : Billion yen

		3Q (Oct.-Dec.)			Nine-months (Apr.-Dec.)		
		FY Mar/09	FY Mar/10	Changes	FY Mar/09	FY Mar/10	Changes
Net Sales	Toray	21.3	24.3	+3.0 (+13.9%)	81.4	70.6	-10.7 (-13.2%)
	Japanese Subsidiaries	17.7	19.0	+1.3 (+7.3%)	53.0	53.3	+0.3 (+0.6%)
	Overseas Subsidiaries	17.2	17.0	-0.3 (-1.6%)	53.1	43.6	-9.4 (-17.8%)
	Total	56.3	60.3	+4.0 (+7.1%)	187.4	167.6	-19.8 (-10.6%)
Operating Income	Toray	0.3	1.7	+1.4 (+462.9%)	5.3	3.4	-1.9 (-35.6%)
	Japanese Subsidiaries	1.8	1.1	-0.7 (-38.9%)	4.4	2.8	-1.6 (-35.8%)
	Overseas Subsidiaries	1.1	2.1	+1.1 (+101.6%)	2.9	3.9	+1.0 (+35.4%)
	Adjustment	0.0	0.1	+0.0	0.2	0.1	-0.1
	Total	3.2	5.0	+1.8 (+55.5%)	12.8	10.3	-2.5 (-19.7%)

<Major Subsidiaries>

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

3Q (Oct.-Dec.)

Sales / Income Increased

Toray : Sales volume of FPD-related films increased following steady production of flat panel displays. Films for electronic parts and materials used in semiconductors also recovered.

Japanese Subsidiaries : Sales fell at an IT-related machinery subsidiary, however, demand for FPD-related processed films recovered at a film processing subsidiary due to an increase in production of flat panel displays.

Overseas Subsidiaries : Sales volume of FPD-related materials increased following steady production of flat panel displays.

Nine-months (Apr.-Dec.)

Sales / Income Decreased

Demand for materials used in flat panel displays and those used in electronic parts continued to recover from the significant decline in the second half of the previous fiscal year, thanks to the measures to stimulate consumer spending in countries such as China and Japan.

Details of the Sales of IT-related Products Segment



Innovation by Chemistry

【Sales trend by sub-segment】

Unit : Billion yen

	3Q FY Mar/09 (Oct. - Dec.)		3Q FY Mar/10 (Oct.- Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	16.1	29%	20.8	34%	+29%
Electronic Component, Semiconductor, Circuit Materials	18.1	32%	22.7	38%	+26%
Data Storage Materials	9.8	17%	7.8	13%	-20%
Equipments, others	12.3	22%	9.0	15%	-27%
Total of IT-related Products Segment	56.3		60.3		+7%

	Nine-months FY Mar/09 (Apr. - Dec.)		Nine-months FY Mar/10 (Apr. - Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	61.8	33%	60.6	36%	-2%
Electronic Component, Semiconductor, Circuit Materials	64.1	34%	59.2	35%	-8%
Data Storage Materials	31.6	17%	21.6	13%	-32%
Equipments, others	29.9	16%	26.2	16%	-13%
Total of IT-related Products Segment	187.4		167.6		-11%

Results by Business Segment (Carbon Fiber Composite Materials)



Innovation by Chemistry

Unit : Billion yen

		3Q (Oct.-Dec.)			Nine-months (Apr.-Dec.)		
		FY Mar/09	FY Mar/10	Changes	FY Mar/09	FY Mar/10	Changes
Net Sales	Toray	12.4	10.9	-1.5 (-12.5%)	39.6	26.9	-12.6 (-31.9%)
	Japanese Subsidiaries	9.9	8.0	-1.9 (-19.1%)	29.8	18.2	-11.5 (-38.8%)
	Overseas Subsidiaries	13.6	9.7	-3.8 (-28.3%)	47.6	22.6	-25.1 (-52.6%)
	Adjustment	▲ 18.9	▲ 14.3	+4.6 (-)	▲ 61.9	▲ 32.5	+29.4 (-)
	Total	16.9	14.3	-2.7 (-15.7%)	55.0	35.2	-19.8 (-36.0%)
Operating Income	Toray	0.4	▲ 0.3	-0.7 (-)	2.7	▲ 3.4	-6.1 (-)
	Japanese Subsidiaries	0.1	0.1	-0.0 (-21.1%)	0.2	0.1	-0.1 (-42.4%)
	Overseas Subsidiaries	2.0	▲ 0.6	-2.6 (-)	5.0	▲ 1.4	-6.4 (-)
	Adjustment	0.6	▲ 0.2	-0.8	0.8	1.9	+1.1
	Total	3.1	▲ 1.0	-4.1 (-)	8.7	▲ 2.8	-11.4 (-)

<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.

3Q (Oct.-Dec.)

Sales / Income Decreased

Demand for sports applications showed signs of recovery particularly in regular types. As for industrial and aircraft applications, the worst is behind, however, the fall in demand is still significant when compared with the same period of the previous fiscal year. The company continued output reduction in order to adjust inventory levels.

Nine-months
(Apr.-Dec.)

Sales / Income Decreased

Demand was stagnant reflecting the global economic downturn. While there recently have been signs of recovery primarily in sports applications, the overall shipment including that of aircraft as well as general industrial applications remained sluggish.

Details of the Sales of Carbon Fiber Composite Materials Segment



Innovation by Chemistry

【Sales trend by sub-segment】

Unit : Billion yen

	3Q FY Mar/09 (Oct. - Dec.)		3Q FY Mar/10 (Oct.- Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aircraft	6.8	40%	6.7	47%	-2%
Sports	3.2	19%	2.6	18%	-20%
Industrial	6.9	41%	5.0	35%	-27%
Total of Carbon Fiber Composite Materials	16.9		14.3		-16%

	Nine-months FY Mar/09 (Apr. - Dec.)		Nine-months FY Mar/10 (Apr. - Dec.)		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aircraft	22.4	41%	14.1	40%	-37%
Sports	9.9	18%	6.8	19%	-31%
Industrial	22.8	41%	14.4	41%	-37%
Total of Carbon Fiber Composite Materials	55.0		35.2		-36%

Results by Business Segment (Environment & Engineering)



Innovation by Chemistry

Unit : Billion yen

		3Q (Oct.-Dec.)				Nine-months (Apr.-Dec.)			
		FY Mar/09	FY Mar/10	Changes		FY Mar/09	FY Mar/10	Changes	
Net Sales	Toray	2.1	1.4	-0.7	(-32.2%)	5.8	4.5	-1.3	(-22.5%)
	Japanese Subsidiaries	27.3	30.0	+2.7	(+9.9%)	102.8	86.7	-16.1	(-15.7%)
	Overseas Subsidiaries	1.0	1.1	+0.2	(+18.1%)	2.2	3.2	+1.0	(+45.7%)
	Total	30.4	32.6	+2.2	(+7.2%)	110.8	94.3	-16.4	(-14.8%)
Operating Income	Toray	▲ 0.8	▲ 0.3	+0.5	(-)	▲ 1.7	▲ 1.5	+0.2	(-)
	Japanese Subsidiaries	0.8	0.8	-0.1	(-11.5%)	2.3	1.8	-0.4	(-19.6%)
	Overseas Subsidiaries	▲ 0.2	▲ 0.1	+0.1	(-)	▲ 0.5	▲ 0.6	-0.2	(-)
	Adjustment	0.3	▲ 0.1	-0.3		0.2	0.5	+0.3	
	Total	0.1	0.3	+0.1	(+96.5%)	0.4	0.2	-0.2	(-51.4%)

<Major Subsidiaries>

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

3Q (Oct.-Dec.)

Sales / Income Increased

Toray : Shipments of reverse osmosis membrane elements were steady.

Japanese Subsidiaries : Transaction volume increased at a trading subsidiary and performance also improved at a water-treatment engineering subsidiary. Meanwhile, the construction and engineering businesses remained sluggish.

Nine-months
(Apr.-Dec.)

Sales / Income
Decreased

Shipments of reverse osmosis membrane elements were steady and the business of the water-treatment engineering subsidiary improved, though the performance of the construction and engineering businesses at domestic subsidiaries remained sluggish.

Results by Business Segment (Life Science & Other Businesses)



Innovation by Chemistry

Unit : Billion yen

		3Q (Oct.-Dec.)				Nine-months (Apr.-Dec.)			
		FY Mar/09	FY Mar/10	Changes		FY Mar/09	FY Mar/10	Changes	
Net Sales	Toray	2.6	2.4	-0.2	(-6.3%)	6.3	6.8	+0.4	(+6.9%)
	Japanese Subsidiaries	12.7	11.7	-1.0	(-8.2%)	39.3	35.2	-4.2	(-10.6%)
	Overseas Subsidiaries	0.7	0.4	-0.3	(-38.7%)	1.6	1.6	+0.0	(+2.3%)
	Total	16.0	14.5	-1.5	(-9.2%)	47.2	43.5	-3.7	(-7.8%)
	(Pharmaceutical & Medical Products)	11.9	11.4	-0.4	(-3.7%)	34.0	33.8	-0.2	(-0.6%)
Operating Income	Toray	▲ 0.1	0.3	+0.3	(-)	▲ 1.7	▲ 0.5	+1.3	(-)
	Japanese Subsidiaries	0.4	0.3	-0.1	(-24.3%)	2.0	0.5	-1.5	(-75.5%)
	Overseas Subsidiaries	0.1	▲ 0.0	-0.1	(-)	0.2	0.1	-0.1	(-49.4%)
	Adjustment	▲ 0.3	▲ 0.4	-0.1		0.5	0.1	-0.4	
	Total	0.2	0.2	+0.0	(+13.6%)	0.9	0.2	-0.7	(-75.5%)
	(Pharmaceutical & Medical Products)	▲ 0.4	0.1	+0.5	(-)	▲ 1.1	0.0	+1.1	(-)

<Major Subsidiaries>

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

3Q (Oct.-Dec.)

Sales Decreased / Income Increased

Pharmaceuticals and Medical Products :

Pharmaceuticals business were steady and sales volume of artificial kidneys also grew.

Others :

Orders decreased at an analytical service subsidiary.

Nine-months (Apr.-Dec.)

Sales / Income Decreased

Pharmaceuticals business were steady and sales volume of artificial kidneys also grew. In other businesses, transaction volume decreased at a domestic trading subsidiary and orders also decreased at an analytical service subsidiary.

Results of Major Subsidiaries (Nine Months)



Innovation by Chemistry

Billion yen

	Net Sales			Operating Income		
	Nine-months FY Mar/09 (Apr.-Dec.)	Nine-months FY Mar/10 (Apr.-Dec.)	Changes	Nine-months FY Mar/09 (Apr.-Dec.)	Nine-months FY Mar/10 (Apr.-Dec.)	Changes
Toray International Inc.	300.6	255.6	-45.0	4.9	4.8	-0.1
Toray Engineering Co., Ltd.	69.4	59.5	-9.9	5.8	2.5	-3.2
Toray Construction Co., Ltd.	32.8	26.0	-6.8	0.7	0.0	-0.7
Toray Advanced Film Co., Ltd.	34.2	32.3	-1.9	1.2	1.7	+0.5
Toray Medical Co., Ltd.	26.8	26.1	-0.7	0.1	0.1	+0.0
TSI (Korea)	66.5	51.2	-15.3	3.8	5.0	+1.2
TPM (Malaysia)	44.4	38.2	-6.2	▲0.2	1.4	+1.6

Subsidiaries in Southeast Asia *1	Fibers & Textiles	81.9	56.0	-26.0	1.4	0.8	-0.7
	Plastics & Chemicals	52.5	43.0	-9.6	0.9	1.8	+0.9
	Others	6.1	4.9	-1.2	0.2	0.2	-0.0
	Total	140.5	103.8	-36.7	2.5	2.8	+0.2

Subsidiaries in China *2	Fibers & Textiles	67.8	72.0	+4.1	▲0.4	1.9	+2.2
	Plastics & Chemicals	38.0	27.2	-10.8	0.5	0.3	-0.2
	Others	10.4	6.5	-4.0	0.6	0.1	-0.6
	Total	116.2	105.6	-10.6	0.7	2.2	+1.5

Films Subsidiaries (Overseas) *3	Plastics & Chemicals	69.0	47.0	-22.0	2.6	1.8	-0.8
	IT-related Products	30.2	25.3	-4.9	2.2	2.6	+0.4
	Total	99.3	72.4	-26.9	4.9	4.5	-0.4

*1 : ITS, ETX, ISTEM, ACTEM, CENTEX, Penfibre, PAB-G, TTS, LTX, TTTM, TPM sum total

*2 : TFNL, TSD, TAK/TAZ, TJQ, TPN, TCH, TSL, THK-G, TPHK/TPSZ, RKH/RKZ, TFH/TFZ, TBMC sum total

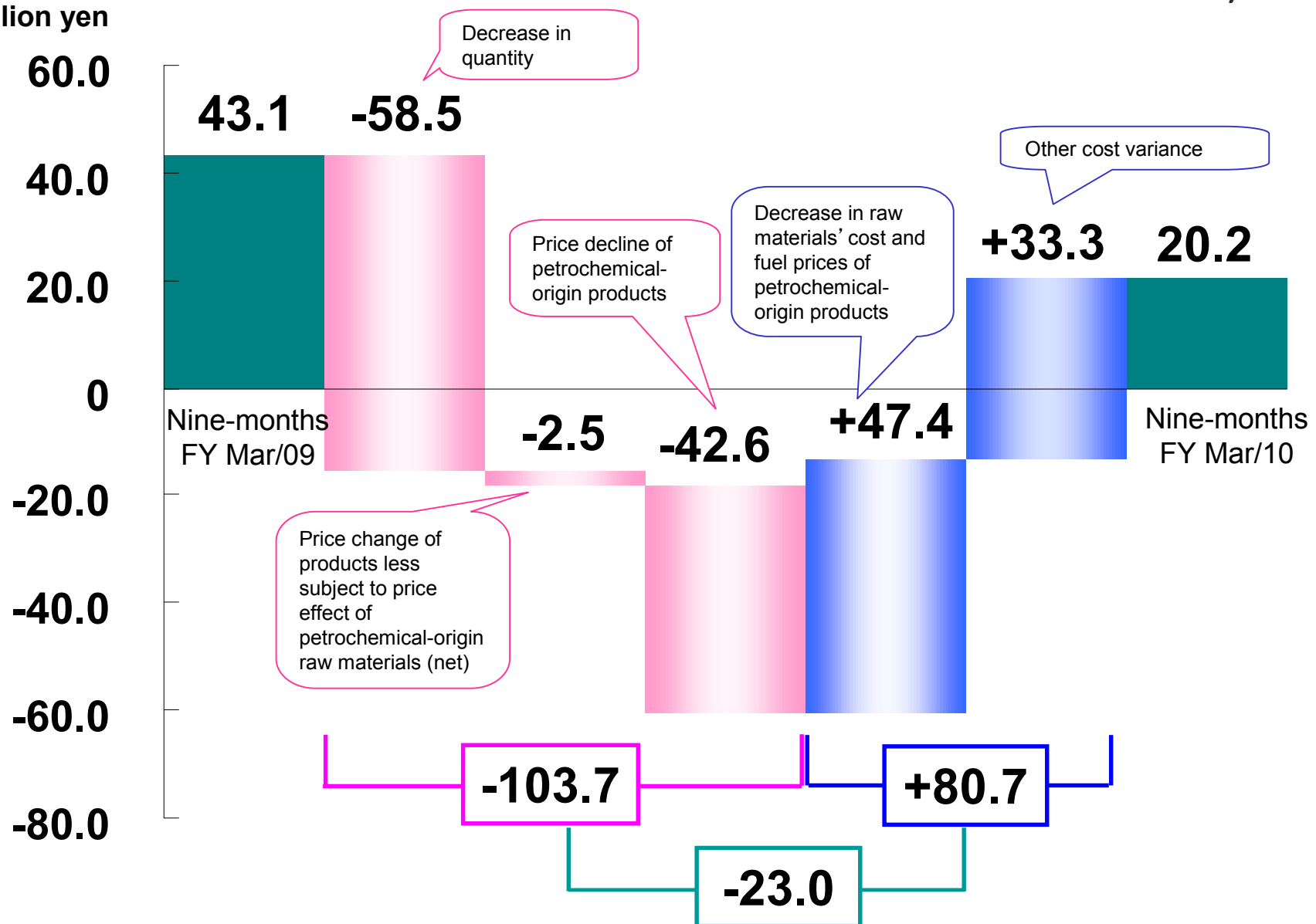
*3: TSI, Penfibre, TPA, TPEu, TFH/TFZ sum total

Income Variance Factor Analysis (Nine Months)



Innovation by Chemistry

Billion yen



Achievements of the Total Cost Reduction (TC) Project



Innovation by Chemistry

Cost reduction target (~FY March 2011) :

Total 100 billion yen (breakdown: fixed costs; 60 billion yen / variable costs; 40 billion yen)

(internal management basis compared with FY Mar/09 budget)

<Progression of TC Project>

Unit : Billion yen

	FY Mar/09FY Budget→Actual	FY Mar/09 Actual → FY Mar/10		FY Mar/09 Budget → FY Mar/10 Forecast () achievement rate ^{*3)}	TC Reduction Target FY Mar/09 Budget → FY Mar/11
		Nine-months Actual	Full-year Forecast		
Reduction of Fixed Costs ^{*1)}	20	37	40	60 (100%)	60
Reduction of Variable Costs ^{*2)} (gross)		16	20	20 (50%)	40
Total	20	53	60	80 (80%)	100

*1) "Reduction of Fixed Costs" is included as "Other cost variance" in the "Income Variance Factor Analysis"

*2) "Reduction of Variable Costs (gross)" contains total reduction of variable costs such as raw materials' cost reduction excluding market fluctuation of raw materials and fuels and exchange fluctuation, and self-improvement efforts in improvement of production efficiency or logistic efficiency, etc. In the "Income Variance Factor Analysis" the aforementioned is included as;

①Decrease in raw materials' cost and fuel prices of petrochemical-origin products,

②Price change of products less subject to price effect of petrochemical-origin raw materials (net), and ③Other cost variance.

*3) "Achievement rate" is the ratio of FY Mar/10 reduction forecast to the TC reduction target

2Q vs. 3Q Comparison of Operating Income by Business Segment



Innovation by Chemistry

Billion yen

Business Segment	Operating Income 2Q FY Mar/10→ 3Q FY Mar/10 () difference	Variance Factors
Fibers & Textiles	1.3 → 6.7 (+5.4)	<ul style="list-style-type: none"> Industrial applications on track for recovery driven by automotive applications including yarn and textiles for airbags. Shipment of sewn products to a major SPA reached a peak.
Plastics & Chemicals	2.0 → 3.4 (+1.4)	<ul style="list-style-type: none"> Sales volume of films and resins increased reflecting steady demand recovery of finished products such as automobiles and home electrical appliances.
IT-related Products	3.8 → 5.0 (+1.1)	<ul style="list-style-type: none"> Sales volume of FPD-related materials increased due to steady production of FPD manufacturers.
Carbon Fiber Composite Materials	▲1.0 → ▲1.0 (-0.0)	<ul style="list-style-type: none"> Despite of signs of demand recovery in sports applications, total shipment remained sluggish.
Environment & Engineering	1.4 → 0.3 (-1.1)	<ul style="list-style-type: none"> Sales decreased compared to the second quarter due to the absence of large-scale projects which completed in the second quarter at a construction subsidiary and an engineering subsidiary.
Life Science & Other Businesses	0.3 → 0.2 (-0.1)	
Elimination & Corporate	0.0 → 0.2 (+0.2)	
Consolidated	7.9 → 14.7 (+6.8)	

II. Business Forecast for the Fiscal Year Ending March 2010 (Consolidated Basis)

Forecast Summary



Innovation by Chemistry

Billion yen

	FY Mar/09 Actual	FY Mar/10 Previous Forecast	FY Mar/10 New Forecast	Changes	Difference from FY Mar/10 Previous Forecast
Net Sales	1,471.6	1,300.0	1,350.0	-121.6 (-8.3%)	+50.0
Operating Income	36.0	25.0	40.0	+4.0 (+11.1%)	+15.0
Ordinary Income	20.5	10.0	8.0	-12.5 (-61.0%)	-2.0
Net Income (Loss)	▲ 16.3	0.0	▲ 10.0	+6.3 (-)	-10.0

Net Income (Loss) per Share	▲11.7 yen	0.0 yen	▲7.1 yen
Dividend per Share	7.5 yen	5.0 yen	5.0 yen

Remarks : Estimated exchange rate : 90 yen / US\$ (January 2010 ~)
Estimated oil price : 75 US\$/ B (DUBAI FOB) (January 2010 ~)

Forecast by Business Segment

TORAY

Innovation by Chemistry

Unit : Billion yen

	Net Sales			Operating Income			Difference from FY Mar/10 Forecast in Nov.	
	FY Mar/09	FY Mar/10	Changes	FY Mar/09	FY Mar/10	Changes	Net Sales	Operating Income
Fibers & Textiles	569.0	520.0	-49.0 (-8.6%)	7.7	12.0	+4.3 (+56.6%)	+20.0	+7.0
Plastics & Chemicals	377.6	330.0	-47.6 (-12.6%)	4.1	7.0	+2.9 (+71.9%)	+20.0	+2.0
IT-related Products	229.4	230.0	+0.6 (+0.3%)	9.8	17.0	+7.2 (+73.1%)	+10.0	+1.0
Carbon Fiber Composite Materials	70.4	50.0	-20.4 (-29.0%)	8.4	▲ 4.0	-12.4 (-)	—	+4.0
Environment & Engineering	160.2	160.0	-0.2 (-0.1%)	3.3	5.0	+1.7 (+51.4%)	—	+0.5
Life Science & Other Businesses	64.9	60.0	-4.9 (-7.6%)	3.2	2.0	-1.2 (-37.2%)	—	-0.5
(Pharmaceuticals & Medical Products)	47.5	48.0	+0.5 (+1.1%)	0.4	1.0	+0.6 (+184.1%)	—	-0.5
Elimination & Corporate				▲ 0.4	1.0	+1.4		+1.0
Consolidated	1,471.6	1,350.0	-121.6 (-8.3%)	36.0	40.0	+4.0 (+11.1%)	+50.0	+15.0

* Forecast in Nov. refers to the previous business announcement for the 2Q of FY Mar/10 (November 6, 2009).

Forecast in Nov. vs. New Forecast Comparison of Operating Income by Business Segment



Innovation by Chemistry

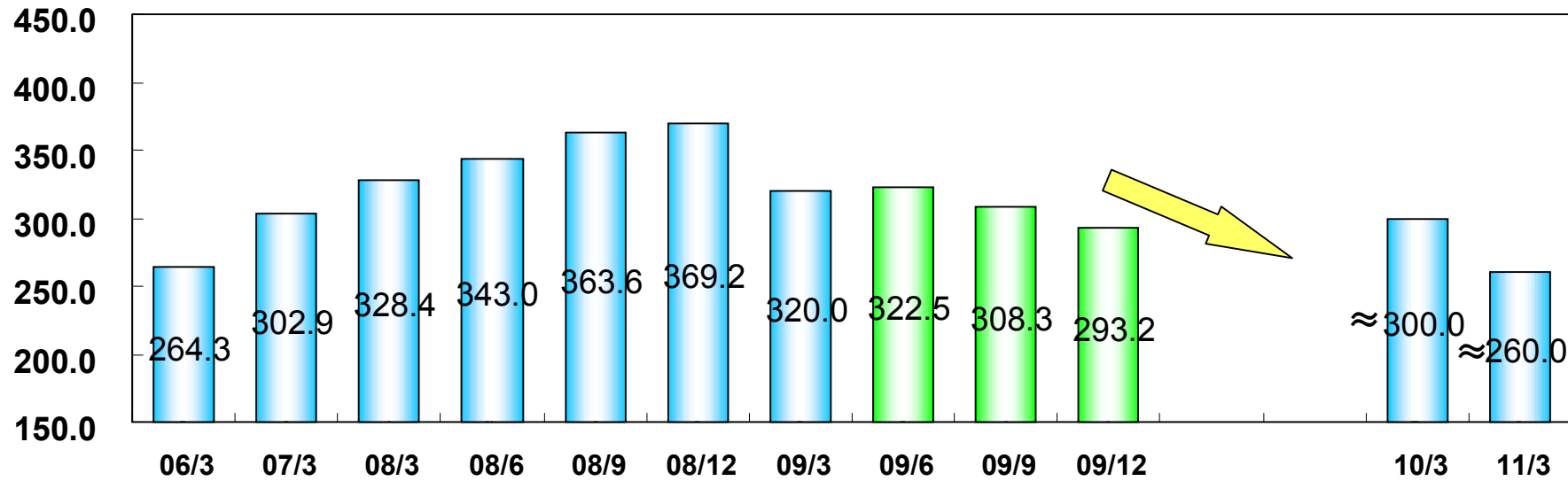
Billion yen

Business Segment	FY Mar/10 Operating Income Forecast in Nov. → New Forecast () difference	Variance Factors
Fibers & Textiles	5.0 → 12.0 (+7.0)	<ul style="list-style-type: none"> • Demand recovery of industrial use is assumed to be larger-than-expected mainly for automotive applications. • Sewn products business at an overseas subsidiary continues to be in good condition. • Promotion of total cost reduction initiatives.
Plastics & Chemicals	5.0 → 7.0 (+2.0)	<ul style="list-style-type: none"> • Sales of PET films for general industrial use and solar cells are expected to increase. • Promotion of total cost reduction initiatives.
IT-related Products	16.0 → 17.0 (+1.0)	<ul style="list-style-type: none"> • Sales of FPD-related materials are expected to increase at Korean subsidiaries. • Seasonal production adjustment of FPD is limited.
Carbon Fiber Composite Materials	▲8.0 → ▲4.0 (+4.0)	<ul style="list-style-type: none"> • Sales of sports applications are expected to increase with advancement in destocking process throughout the supply chain. • Promotion of total cost reduction initiatives.
Environment & Engineering	4.5 → 5.0 (+0.5)	<ul style="list-style-type: none"> • Orders for water treatment membrane elements are expected to remain steady. • Promotion of total cost reduction initiatives.
Life Science & Other Businesses	2.5 → 2.0 (-0.5)	<ul style="list-style-type: none"> • Despite expansion of pharmaceuticals, sales are estimated to be lower than 2Q expectations.
Elimination & Corporate	0.0 → 1.0 (+1.0)	
Consolidated	25.0 → 40.0 (+15.0)	

Forecast of Inventories

Trends in consolidated inventories

Billion yen

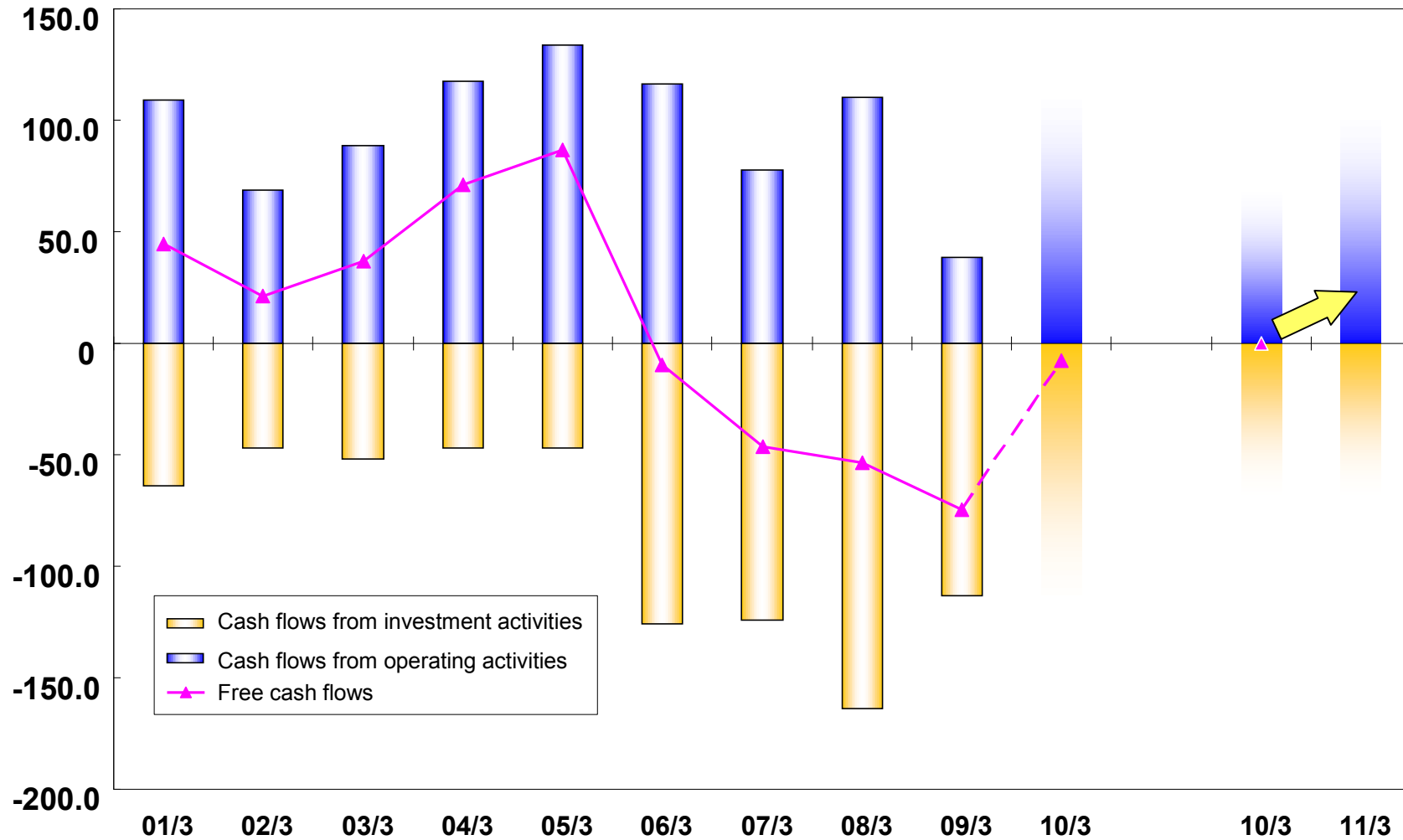


(Initial Forecast)(Plan)

Forecast of Cash Flows

Trends in consolidated cash flows

Billion yen

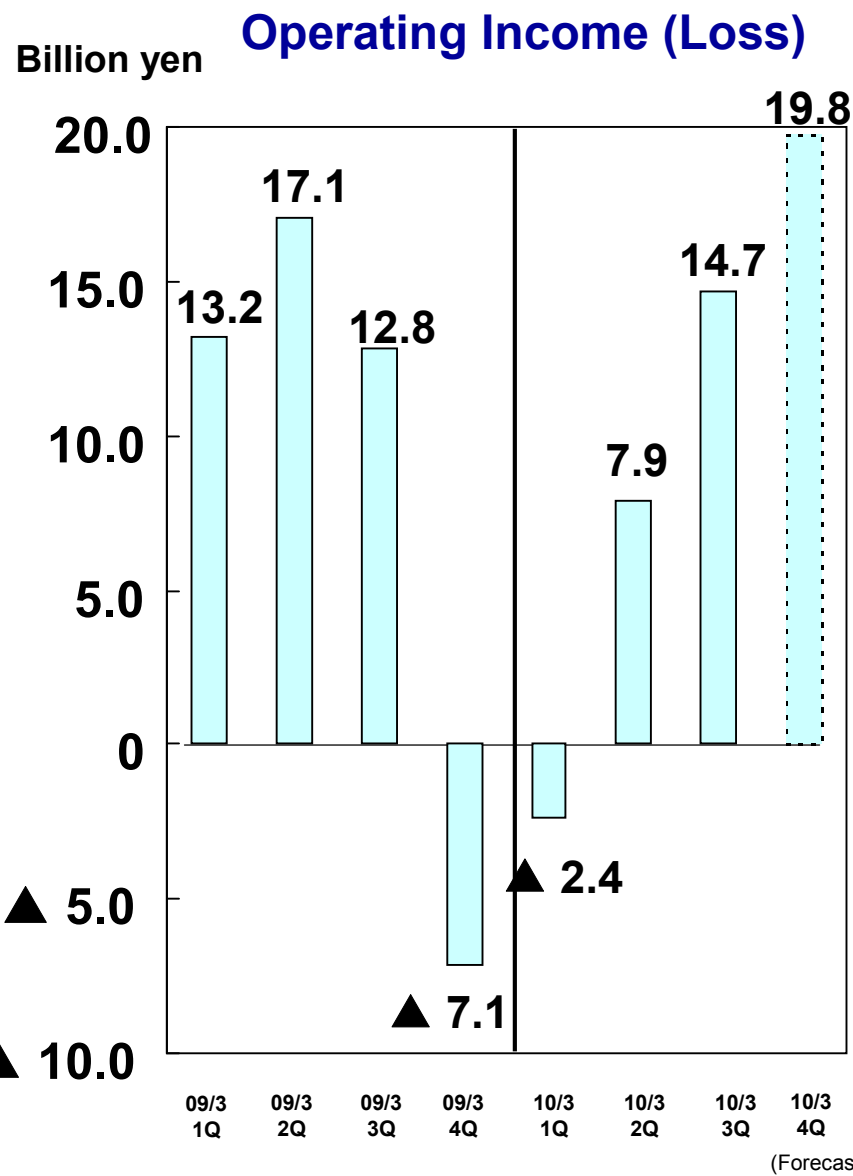
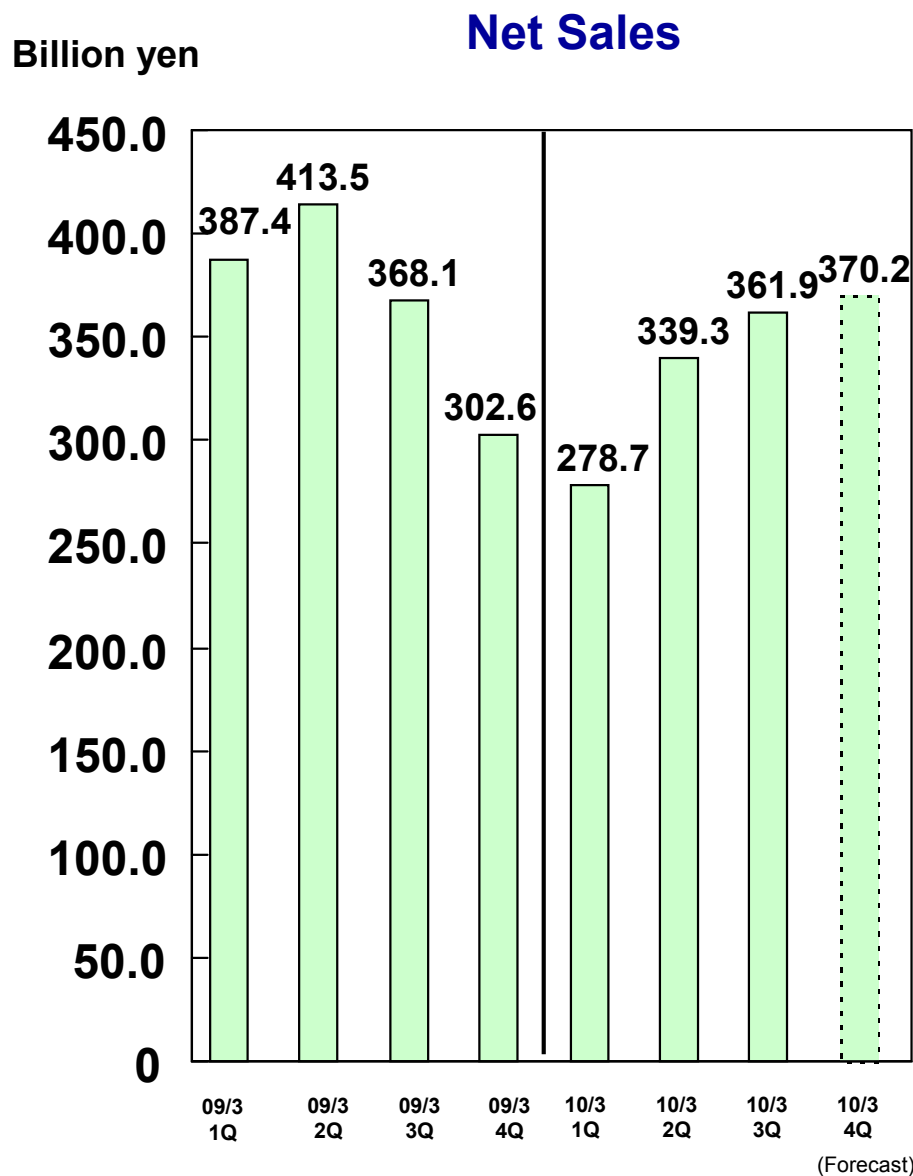


(New Forecast) (Initial Forecast) (Image)

Quarterly Trends in Net Sales and Operating Income (Loss)



Innovation by Chemistry

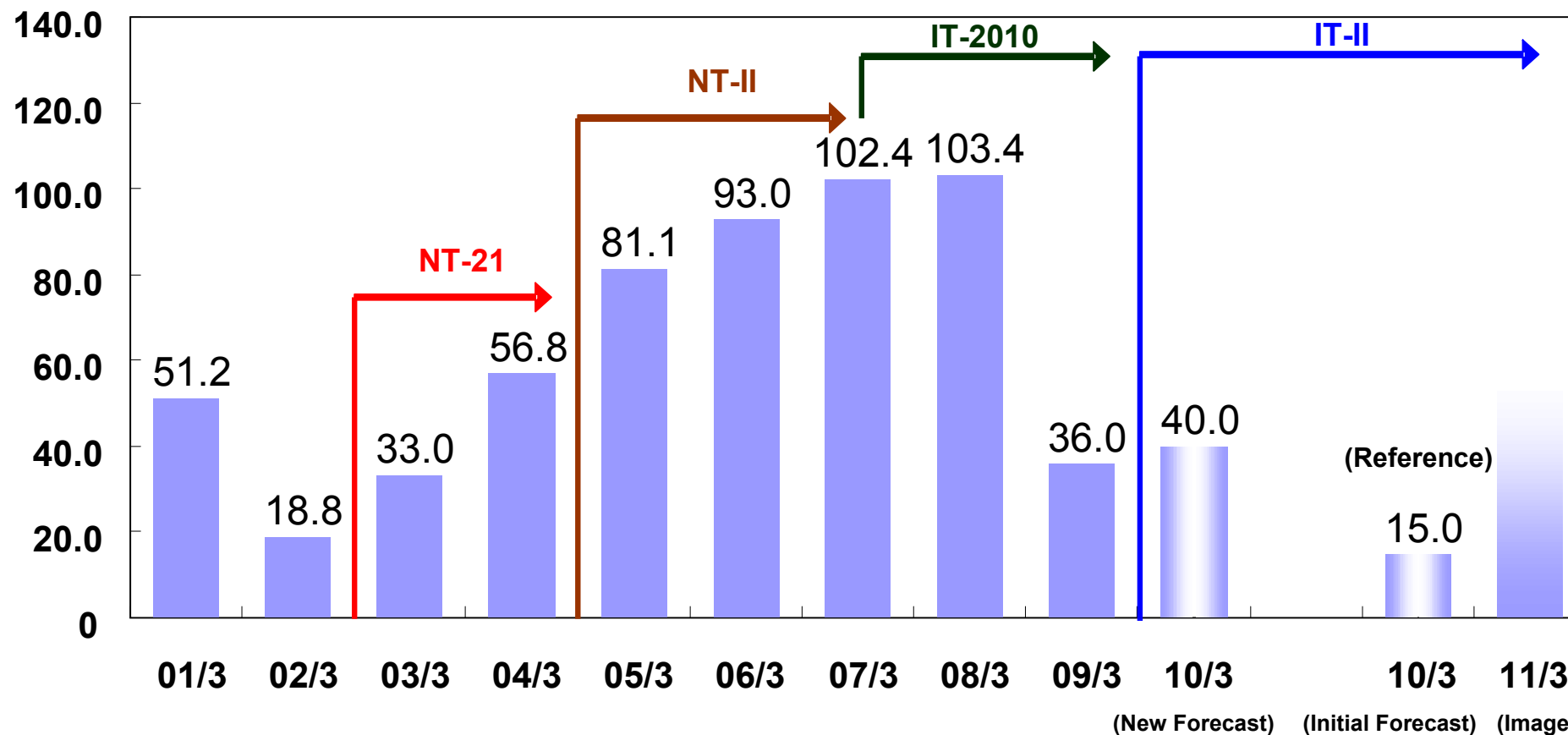


Trends in Consolidated Operating Income



Innovation by Chemistry

Billion yen



Descriptions of predicted business results, projections, and business plans for the Fiscal Year ending March 2010 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.