

November 14, 2000

FOR IMMEDIATE RELEASE:

**Toray Announces Consolidated Business Results for Half-Year Ended
September 30, 2000**

Overview of the First Half

The Japanese economy has demonstrated a moderate recovery trend driven by expanding information technology-related investments and a recovery in Asian economies. However, a recovery in consumer spending has yet to take hold and the Toray group continued to face a harsh business environment. Meanwhile, economies continued to be robust in Asia and Europe, while the U.S. economy was also strong.

Under such an economic environment, Toray has extended efforts to expand sales across all business sectors and improve profitability. As a result, in the first half consolidated net sales were up 6.5% year-on-year to 510.1 billion yen (US\$4,723 million), operating income jumped 57.0% to 21.7 billion yen (US\$201 million), ordinary income gained 66.9% to 18.4 billion yen (US\$170 million), and net income rose 73.4% to 7.9 billion yen (US\$73 million).

Following is a description of the performance of each business sector.

<Fibers and Textiles>

Due to a deteriorating market in the latter part of the first half, domestic sales volume of nylon and Tetoron* polyester filament yarn for use in apparel showed a year-on-year decline. Although selling prices were raised, sales resulted in a decrease. As for industrial-use materials, the shift by customers of their production facilities overseas, along with domestic competition from imported yarns, led to a decrease in sales volume. Sales of Tetoron* staple fiber increased slightly, mainly because an increase in the export price covered the effect of a decrease in sales volume. However, a sluggish domestic market led to lower sales of the acrylic fiber Toraylon*.

Overseas, Toray Saehan, Inc. (TSI), a subsidiary in South Korea, which started its operation in December 1999, fully contributed to increased sales and profits for the first half with its polyester filament yarn non-woven fabrics businesses. Furthermore, sales of affiliates in China and Southeast Asia increased owing to expanded sales in the polyester filament yarn and polyester woven textile sectors.

As a result of the above, both sales and operating income showed a year-on-year increase in overall fibers and textiles business. Sales grew to 214.0 billion yen (US\$1,981 million), while operating income reached 10.6 billion yen (US\$98 million).

On the production side, P.T. Easterntex, in Indonesia added new yarn spinning facilities, resulting in increased output.

<Plastics and Chemicals>

Sales of ABS resin improved on a year-on-year basis, thanks to a recovery in demand in the automobile sector, higher selling prices and increased exports.

An increase in overseas sales, primarily in Hong Kong and China, reflected the global economic recovery. Nylon resin and PBT resin business also showed a sound sales increase, due to increased domestic demand from the automotive and electric/electronic sectors. In terms of film, although sales of Lumirror* - polyester film in the home video sector, have continued to decline in both domestic and overseas markets, demand from the information and telecommunications-related sectors for industrial-use materials. Expanded sales for use in packaging materials also increased, resulting in a year-on-year sales increase. As a whole, the polyester film business of TSI made a notable contribution to sales and profits in the first half business results. Furthermore, the increased domestic and overseas sales volume of the polypropylene film Torayfan* led to increased sales. In chemicals business, sales increased thanks to higher selling prices for caprolactam and increased sales of fine chemical products as pharmaceutical intermediates.

As a result, sales of plastics and chemicals overall increased year-on-year to 167.4 billion yen (US\$1,550 million) and operating income reached 7.9 billion yen (US\$73 million).

<Housing and Engineering>

With the fall-off in synthetic fiber production machinery caused by weak demand primarily in China and Taiwan, this business showed a year-on-year drop in sales to 46.0 billion yen (US\$426 million) and resulted in an operating loss of 2.6 billion yen (US\$24 million), similar to that of last year.

<Pharmaceutical and Medical Products>

Although the pharmaceutical business was affected by a drop in sales prices caused by the downward revision in national health drug prices, increased sales of Dorner* and Procyclin (trademark of Kaken Pharmaceuticals Co., Ltd.), for peripheral vascular disorders and revenues from royalties led to a year-on-year sales increase. Within the context of severe price competition for medical products, sales increased owing to expanded sales volume of Toraysulfone*, a polysulfone membrane artificial kidney, and Toraymyxin*, a suction-type blood purification device for treating septicemia.

As a result, the pharmaceutical and medical products sector overall recorded an increase in both sales and operating income, with sales hitting 26.4 billion yen (US\$244 million) and operating income totaling 3.2 billion yen (US\$30 million).

<New Products and Other Businesses >

The advanced composite materials business expanded its sales volume, primarily due to demand from the aviation sector in Europe and the United States, as well as industrial application demand from Europe. However, the imbalance between supply and demand generally hurt our carbon fiber business, and lower sales prices led to a year-on-year decline in sales. Conversely, in the electronics and information related product sector, strong sales of circuit materials and of Toptical* color filters used in TFT-LCDs contributed to an overall year-on-year increase in sales to 56.3 billion yen (US\$521 million), although operating income declined to 2.5 billion yen (US\$23 million).

<Recent Investments>

Toray signed a joint venture contract with Ionics, Incorporated of the United States, the world's largest manufacturer of water treatment plants, and Mitsui & Co. America. The joint venture, named Toray Membrane America, Inc. (TMA), will produce and sell reverse osmosis membrane elements in the Americas and will also sell Toray's brine conversion two-stage sea water desalination in the region.

1) Interim Dividends

In keeping with the company's long-standing management policy of providing stable dividends, the interim dividend for the first half was declared at 3.5 yen per share, the same as the first half of the previous year.

2) Cash Flows for First Half

The cash flows, change in and balances of cash and cash equivalents for the first half are as follows:

	Unit: yen billions
Cash flows from operating activities	40.3 (US\$373 million)
Cash flows from investment activities	-30.1 (US\$279 million)
Cash flows from financing activities	2.5 (US\$23 million)
Translation gains/losses	-0.2 (US\$2 million)
Change in cash and cash equivalents during first half	12.5 (US\$116 million)
Cash and cash equivalents at beginning of first half	73.0 (US\$676 million)
Cash and cash equivalents at end of first half	85.6 (US\$792 million)

Projection for the Full Year

Although the Japanese economy is showing signs of a moderate recovery, consumer spending is still stagnant. Market conditions facing the company are expected to remain harsh. Overseas, we project that the economy as a whole will continue to expand.

The Toray group continues to execute a plan it formulated at the beginning of

the year, which is to enhance profitability through the global re-engineering of the core businesses of fiber and textiles and plastics and chemicals, as well as improving the profitability of subsidiaries and affiliated companies in China, Korea and Southeast Asia. We are forecasting net sales for the full year of 1.08 trillion yen (US\$10 billion), operating income of 50.0 billion yen (US\$463 million), ordinary income of 40.0 billion yen (US\$370 million) and net income of 20.0 billion yen (US\$185 million). This forecast is the same as our original projection, assuming an average exchange rate of 107 yen per dollar over the 2nd half.

Notes:

- 1) U.S. dollar amounts are converted from yen at an exchange rate of 108 yen = US\$1, the approximate rate of exchange prevailing on Sept. 30, 2000
- 2) The financial information herein has been compiled based on audited financial statements.
- 3) Product names with (*) are trademarks of Toray Industries, Inc.

(Attachment)

Management Policy

1) Corporate Mission

Toray's corporate philosophy is "to contribute to society through the creation of new value by innovative ideas, technologies and products."

Under this philosophy, Toray established the following corporate missions:

For our customers:

To provide new value to our customers through high-quality products and superior services

For our employees:

To provide our employees with opportunities for self-development in a challenging environment

For our shareholders:

To provide our shareholders with dependable and trustworthy management

For the local community:

To act as a responsible corporate citizen by building a long-lasting, beneficial partnership with the local communities in which we do business

Toray is committed to taking on responsibility and contributing to its customers, employees, shareholders and the local community.

2) Policy on distribution of surplus profits

Toray recognizes that its profit distribution policy is a vital matter for the Company and it is committed to distributing such profits fairly through deliberate considerations of such factors as business results, financial conditions and dividend pay-out ratio. In light of shareholders' interests, Toray has a longstanding policy to continue stable dividends. Furthermore, in order to ensure a stable business platform and long-term growth, Toray is executing aggressive programs to reinforce its business structure and expand businesses. From this point of view, Toray's management believes that a certain retention of earnings to accommodate aggressive capital investment and research-and-development will benefit shareholders in the long run.

3) Issues That Must Be Solved and Medium- to Long-term Business Strategy

The domestic and overseas business environment seems to be characterized by steadily stiffening competition, enhanced by new borderless economies and the rapid evolution of information technology. We believe these trends will continue well into the future.

Under such circumstances, Toray's most important mid-term management issue is improving the profitability of our core businesses. We will transform the structure of the Group and create a more profitable constitution by executing Global Re-engineering in such businesses as polyester filament yarn, polyester/cotton spinning and weaving, and polyester film products. This we will do by reorganizing and integrating in a profitable manner global production and marketing systems. Furthermore, in tandem with a shift toward emphasizing growth applications in product development in these core businesses, we will strengthen our total cost-competitiveness across all business segments.

In addition, as a managerial issue for midterm growth, we will boost earnings power in advanced composite materials, pharmaceuticals and medical products, electronics and information related products, and environmental business such as treatment by concentrating management resources into these strategically expanding businesses. We will make them the driving forces of our business expansion. Since these business areas are closely linked to major industrial fields, in which growth is anticipated-Information & Tele-communication, life science, environment, energy. Toray will make utmost effort to take full advantage of our competitive edge in research and technology development to lead to expanding earnings.

The third midterm issue is to strengthen our financial structure. We will bolster our financial restructuring by limiting capital investments below depreciation, and improving our asset utilization through measures such as asset liquidation. Such efforts will enable the Company to improve its ROE and achieve higher earnings in the future.

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1 Consolidated Business Results

(All amounts in millions of Japanese Yen except the "per share" data)

(1) TORAY'S CONSOLIDATED FINANCIAL HIGHLIGHTS

	Half year ended Sep.30 2000 (A)	Half year ended Sep.30 1999 (B)	Year ended March 31 2000	Change $\frac{\{(A) - (B)\} \times 100}{(B)}$
Net sales	510,085	478,894	990,487	6.5%
Fibers and textiles	213,985	203,321	404,966	5.2%
Plastics and chemicals	167,435	143,197	293,736	16.9%
Housing and engineering	45,989	54,636	138,692	-15.8%
Pharmaceuticals and medical products	26,392	23,707	47,439	11.3%
New products and other businesses	56,284	54,033	105,654	4.2%
Operating income	21,723	13,833	32,320	57.0%
Ordinary income	18,400	11,024	24,927	66.9%
Net income	7,903	4,557	-65,667	73.4%
Depreciation	39,136	38,069	79,144	2.8%
Capital investment	26,036	28,730	108,660	-9.4%
Total assets	1,456,857	1,415,970	1,470,850	2.9%
Property, plant and equipment, net	622,212	626,255	636,491	-0.6%
Total stockholders' equity	418,770	491,009	415,878	-14.7%
Per Share of common stock:				
Net income				
Primary	¥5.64	¥3.25	¥-46.86	73.4%
Fully diluted	¥5.61	---	---	---
Cash dividends	¥3.50	¥3.50	¥7.00	---
Stockholders' equity	¥298.81	¥350.35	¥296.74	-14.7%
Ratios:				
Operating income to net sales	4.3%	2.9%	3.3%	
Net income to net sales	1.5%	1.0%	-6.6%	
Equity ratio	28.7%	34.7%	28.3%	
Return on equity	3.7%	1.9%	-14.5%	

Projection of results	Year ended March 31, 2001
Net sales	1,080,000
Operating income	50,000
Ordinary income	40,000
Net income	20,000

(2) SEGMENT INFORMATION (For the half year ended September 30, 2000)

Industrial Segment Information

	Sales to outside customers	Inter-segment sales	Total sales	Operating income	Assets	Depreciation and amortization	Capital expenditures
Fibers and Textiles	213,985	184	214,169	10,622	482,767	13,416	9,040
Plastics and Chemicals	167,435	12,447	179,882	7,903	551,637	15,707	9,262
Housing and Engineering	45,989	18,487	64,476	2,616	180,514	1,445	838
Pharmaceuticals and Medical Products	26,392	178	26,570	3,220	67,128	1,169	2,352
New Products and Other Businesses	56,284	10,466	66,750	2,484	223,811	8,210	4,534
Total	510,085	41,762	551,847	21,613	1,505,857	39,947	26,026
Elimination and Corporate	---	(41,762)	(41,762)	110	(49,000)	(417)	61
Consolidated Total	510,085	---	510,085	21,723	1,456,857	39,530	26,087

Geographic Segment Information

	Sales to outside customers	Inter-segment sales	Total sales	Operating income	Assets
Japan	376,964	30,808	407,772	13,658	1,102,121
Asia	78,699	10,634	89,333	6,143	225,314
Europe & United States	54,422	2,337	56,759	1,456	153,661
Total	510,085	43,779	553,864	21,257	1,481,096
Elimination and Corporate	---	(43,779)	(43,779)	466	(24,239)
Consolidated Total	510,085	---	510,085	21,723	1,456,857

Export Sales and Sales by Overseas Subsidiaries

	Export sales and sales by overseas subsidiaries	Percentage of such sales against consolidated net sales
Asia	103,722	20.3%
Other regions	86,686	17.0%
Total	190,408	37.3%