

FOR IMMEDIATE RELEASE:

Toray Announces Consolidated Results for the First Quarter Ended June 30, 2004

Tokyo, Aug 10, 2004 - Toray Industries, Inc. today announced its consolidated business results for the three months ended June 30, 2004, the first quarter of the year ending March 31, 2005. The following summary of the business results that Toray submitted to the Tokyo Exchange is unaudited and for reference only. (Code Number: 3402)

Consolidated Business Results

(Millions of yen, millions of U.S. dollars)

	First quarter ended June 30			(Reference)	
	2004	2003	Change	2004	Fiscal 2003
	Yen		%	U.S. dollars	Yen
Net sales	¥272,127	¥251,727	8.1	\$2,510	¥1,088,501
Operating income	16,141	9,428	71.2	149	56,792
Ordinary income	16,545	8,422	96.4	153	51,602
Net income	8,755	-	-	81	20,908

Notes

1. The percentage change of net sales, operating income and ordinary income is year-on-year change compared with the same period of the previous fiscal year.
2. Disclosure of net income started in the current first quarter and therefore comparable net income for the same period of the previous year or its year-on-year change is not provided.
3. U.S. dollar amount have been converted from yen at the exchange rate of ¥108.4=U.S.\$1, the approximate rate of exchange prevailing on June 30, 2004.
4. Amounts are rounded to the nearest million.

The overall business environment for the current first quarter showed a steady performance through favorable economic signs such as recoveries in consumer spending and investments by the corporate sector yet faced uncertainties such as soaring oil prices and concerns over slowing economic growths in the U.S. and China. Under such circumstances, the company in April initiated its management reform program "Project NT-II" in order to achieve an "offensive" management aimed to create a dynamic and highly profitable global corporate group, while sustaining the "defensive" issues as constant reinforcement and further reform of the business structure based on the management reform program "Project NT21" since April 2002.

As a result, net sales rose 8.1% to 272.1 billion yen (US\$2,510 million) from the same period of the previous fiscal year, buoyed by growing sales of the advanced materials business led mainly by the IT-related products segment. Operating income grew 71.2% to 16.1 billion yen (US\$149 million) mainly due to the strong performance of the IT-related products segment, while ordinary income rose 96.4% to 16.5 billion yen (US\$153 million).

Consolidated Financial Condition

(Millions of yen, except per share data)

	First quarter ended June 30		(Reference) Fiscal 2003
	2004	2003	
Total assets	¥1,284,103	-	¥1,295,314
Property, plant and equipment, net	¥536,660	-	¥543,315
Total stockholders' equity	¥421,224	-	¥414,247
Net Income Primary per share	¥6.25	-	¥14.87
Stockholders' equity per share	¥300.68	-	¥295.64
Equity Ratio	32.8%	-	32.0%

Notes:

Disclosure of consolidated financial conditions started in the current first quarter and therefore no results for the same period of the previous year is provided.

Assets as of the end of the current first quarter declined by 11.2 billion yen (US\$103.42 million) compared with the end of the previous fiscal year to 1,284.1 billion yen (US\$11,846 million), mainly due to declines in cash and time deposits. Liabilities also decreased by 17.9 billion yen (US\$166 million) to 825.7 billion yen (US\$7,617 million) due to reduction in interest-bearing debts. Stockholders' equity increased by 7 billion yen (US\$64 million) to 421.2 billion yen (US\$3,886 million) as retained earnings and unrealized gain on securities increased. As a result, equity ratio at the end of the current first quarter increased by 0.8 point to 32.8% compared with the end of the previous fiscal year.

Forecast of Consolidated Results for the Half Year Ending September 30, 2004

(Millions of yen, millions of U.S. dollars)

	Forecast		Difference	Change	Revised Forecast
	Previous	Revised			
	Yen				
Net sales	¥550,000	¥580,000	¥30,000	5.5	\$5,273
Operating income	29,000	32,000	3,000	10.3	291
Ordinary income	29,000	32,000	3,000	10.3	291
Net income	15,000	17,000	2,000	13.3	155

Reference: Forecast EPS (half year ending September 30, 2004) ¥12.13

Forecast of Non-consolidated Results for the Half Year Ending September 30, 2004

(Millions of yen, millions of U.S. dollars)

	Forecast		Difference	Change	Revised Forecast
	Previous	Revised			
	Yen				
Net sales	¥230,000	¥240,000	¥10,000	4.3	\$2,182
Operating income	11,000	14,000	3,000	27.3	127
Ordinary income	14,000	17,000	3,000	21.4	155
Net income	8,000	10,000	2,000	25.0	91

Reference: Forecast EPS (half year ending September 30, 2004) ¥7.14

Notes:

1. U.S. dollar amount have been converted from yen at the exchange rate of ¥110=U.S.\$1, the estimated rate of exchange for the half year ending September 30, 2004.
2. Previous forecast was announced May 11, 2004.

The Company raised its forecasts for the six months ending September 30, 2004 as "Project NT-II" has been proceeding at a pace to exceed the projections. Also, the company intends to review its full-year forecasts when announcing the half-year results.

The impact to the second-half forecasts due to the conversion of Chori Co., Ltd. and Suido Kiko Kaisha, Ltd. into consolidated subsidiaries is as follows:

(Millions of yen)

	Chori Co., Ltd.	Suido Kiko Kaisha, Ltd.
Net Sales	¥114,000	¥13,500
Operating Income	2,300	1,600
Ordinary Income	1,500	1,500
Net Income	500	300

Consolidated Business Segment Information

(Millions of yen, *millions of U.S. dollars*)

First quarter ended June 30, 2004	Net Sales	<i>U.S. dollars</i>	Operating Income	<i>U.S. dollars</i>
Fibers and Textiles	¥110,822	\$1,022	¥5,566	\$51
Plastics and Chemicals	65,305	602	2,974	27
IT-related Products	51,768	478	6,661	61
Housing and Engineering	15,997	148	(960)	(9)
Pharmaceuticals and Medical Products	9,865	91	(379)	(3)
New Products and other Businesses	18,370	169	2,198	20
Elimination and Corporate	-	-	81	1

Fiscal 2003 ended March 31, 2004	Net Sales	<i>U.S. dollars</i>	Operating Income	<i>U.S. dollars</i>
Fibers and Textiles	¥424,755	\$3,918	¥18,371	\$169
Plastics and Chemicals	258,093	2,381	9,676	89
IT-related Products	174,538	1,610	17,326	160
Housing and Engineering	120,123	1,108	1,695	16
Pharmaceuticals and Medical Products	47,875	442	3,510	32
New Products and other Businesses	63,117	582	5,868	54
Elimination and Corporate	-	-	346	3

Notes:

1. U.S. dollar amount have been converted from yen at the exchange rate of ¥108.4=U.S.\$1, the approximate rate of exchange prevailing on June 30, 2004.
2. Amounts are rounded to the nearest million.

Disclaimer

The above stated forecasts are formulated based on estimates of future economic environment as of the announcement date of this material and the actual results could differ from the forecasts due to various factors in the future. The material in this statement is not a guarantee of the Company's future business performance.

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