

Midterm Business Results Announcement

<For the Six Months ended Sep. 30 2003>

Toray Industries, Inc.

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**I. Midterm Business Results
for the Fiscal Year Ending
March 2004
(Consolidated Basis)**

Summary (Profits)

Billion ¥

	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	
Net Sales	498.5	534.3	+35.8	(+7.2%)
Cost of Sales	393.6	419.9	+26.3	(+6.7%)
Gross Margin	104.9	114.5	+9.5	(+9.1%)
(Gross Margin to Net Sales)	21.1%	21.4%	+0.4	points
Operating Income	12.7	24.7	+12.1	(+95.5%)
(Operating Income to Net Sales)	2.5%	4.6%	+2.1	points
Nonoperating Income and Expenses	▲ 4.8	▲ 1.8	+3.0	(-)
Ordinary Income	7.9	23.0	+15.1	(+191.7%)
Special Credits and Charges	1.7	▲ 1.2	-2.9	(-)
Midterm Net Income	1.3	10.9	+9.7	(+754.6%)

Exchange Rates

	Midterm 03/3	Midterm 04/3		Midterm 03/3	Midterm 04/3
< Yen/US\$ >	Midterm average: 123.1	→ 118.0	< US\$/Euro >	Midterm average: 0.95	→ 1.13
	End of the term: 122.6	→ 111.3		End of the term: 0.98	→ 1.16

Summary (Financial Position)

Billion ¥

	End of Mar/03	End of Sept/03	Changes	
Total Assets	1,301.0	1,302.3	+1.3	(+0.1%)
Stockholder's Equity	390.4	408.2	+17.8	(+4.6%)
Interest-bearing Debts	546.1	530.4	-15.7	(-2.9%)

	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	
ROE	0.6%	5.5%	+4.9	points
ROA ^{*1}	1.9%	3.8%	+1.9	points
Free Cash Flow	7.8	20.1	+12.3	(+157.7%)

*1) ROA = Operating Profit / Total Assets

ROE, ROA are annual exchange ratios.

Non-operating Income and Expenses/ Ordinary Income

Billion ¥

	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	Comments
Nonoperating Income	7.0	7.4	+0.4	
Interest and Dividend Income	1.2	0.9	-0.4	
Equity in Earnings of Affiliates	1.4	3.2	+1.7	Dow Corning Toray Silicone Co., Ltd., Du Pont - Toray Co., Ltd., etc.
Other	4.3	3.4	-1.0	Decrease of exchange profit from overseas subsidiaries, etc.
Nonoperating Expenditure	▲ 11.8	▲ 9.2	+2.6	
Interest Expenses	▲ 5.4	▲ 4.0	+1.3	Reduction of interest-bearing debts, fall in the interest rate
Other	▲ 6.4	▲ 5.1	+1.3	Decrease of loss on write-down or disposal of inventories, etc.
Nonoperating Income and Expenses	▲ 4.8	▲ 1.8	+3.0	
Ordinary Income	7.9	23.0	+15.1	

* Positive numbers : Income , Negative Numbers : Expenses

Special Credits and Charges / Income Before Income Taxes

Billion ¥

	FY Mar/03 Midterm	FY Mar/04	Changes	Comments
Special Credits	9.8	1.5	-8.4	
Gain on Sales of Property, Plant, and Equipment	0.3	1.4	+1.1	Sales of land for company apartment
Gain on Sales of Investments in Securities	0.1	0.1	+0	
Gain on Contribution of Securities to Retirement Benefit Trust	9.5	-	-9.5	
Special Charges	▲ 8.1	▲ 2.7	+5.4	
Loss on Sales or Disposal of Property, Plant, and Equipment	▲ 2.7	▲ 1.3	+1.4	Disposal losses and expenses of equipment except for fibers & textiles and plastics & chemical segments
Loss of Sales or Write-down of Investments in Securities	▲ 0.1	▲ 0.1	-0	
Restructuring Expenses	▲ 3.2	▲ 1.3	+2.0	Disposal losses and expenses of equipment for fibers & textiles and plastics & chemical segments
Others	▲ 2.2	▲ 0	+2.2	
Net Special Credits and Charges	1.7	▲ 1.2	-2.9	
Income Before Income Taxes	9.6	21.8	+12.2	

* + : Income / (▲) : Expenses

Assets/Capital Investment/ Depreciation and Amortization

Billion ¥

	End of Mar/03	End of Sept/03	Changes	Comments
Total Assets	1,301.0	1,302.3	+1.3	
Total Current Assets	521.6	525.4	+3.7	
Tangible Fixed Assets	583.3	573.4	-9.8	Efficiency efforts of capital investments, etc.
Intangible Assets	9.1	9.7	+0.6	
Investments and other Assets	186.9	193.7	+6.8	Increase of investment securities due to recovery of stock prices, etc.

	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	Comments
Capital Investment	23.8	21.9	-1.9	Toray : 6.9, Japan : 4.5, Overseas : 10.6
Depreciation -)	37.3	33.3	-4.0	Toray : 14.0, Japan : 4.7, Overseas : 14.6
Transfer, Elimination	▲ 15.2	1.6	+16.8	
Change in Tangible Fixed Assets	▲ 28.7	▲ 9.8		

Major Capital Investment <Japan>

High performance polyester film production facilities (Mishima Plant), Waterless CTP Printing Plate (Okazaki Plant), New Frontiers Research Laboratories (Kamakura), Toyo Metallizing Co. Ltd.: Electronics Circuit Materials, etc.

<Overseas>

TSI : PP spun bond facilities (Korea), TTS: Nylon 66 filament yarn production facilities (Thailand),

SOFICAR : Carbon fiber production facilities (France), TFNL : Polyester filament yarn production facilities (China), etc.

Results by Business Segment

Billion ¥

	Net Sales			Operating Income		
	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes
Fibers & Textiles	209.1	213.4	+4.3 (+2.1%)	4.0	9.4	+5.4 (+135.7%)
Plastics and Chemicals	119.2	129.0	+9.8 (+8.2%)	2.9	4.5	+1.6 (+56.2%)
IT-related Products	72.1	81.8	+9.7 (+13.4%)	4.8	6.7	+1.9 (+40.0%)
Housing and Engineering	44.7	54.3	+9.5 (+21.3%)	▲ 1.8	0.3	+2.2 (-)
Pharmaceuticals and Medical Products	22.9	22.0	-0.9 (-3.8%)	0.9	0.7	-0.2 (-26.4%)
New Products and Other Businesses	30.6	33.9	+3.4 (+11.0%)	1.5	2.7	+1.2 (+76.7%)
Total	498.5	534.3	+35.8 (+7.2%)	12.3	24.4	+12.1 (+98.0%)
Elimination & Corporate				0.3	0.4	+0
Consolidated	498.5	534.3	+35.8 (+7.2%)	12.7	24.7	+12.1 (+95.5%)

Results by Business Segment (Fibers and Textiles)



Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	
Toray	69.1	64.1	-4.9 (-7.1%)	▲ 1.9	3.5	+5.4 (-)	Apparent sales drops due to the transfer of garment businesses to a trading subsidiary but actual sales increases. Income increased substantially due to the price rise, shift to more profitable products, reinforcement of corporate structure and promotion of New Value Creator business model.
Japanese Subsidiaries	71.2	79.0	+7.8 (+10.9%)	1.2	2.1	+0.9 (+71.2%)	Income increased mainly due to good performance of a trading subsidiary and reinforcement of each subsidiaries' corporate structure.
Overseas Subsidiaries	68.8	70.2	+1.5 (+2.1%)	4.0	4.2	+0.2 (+4.1%)	Income increased due to reinforcement of corporate structures of subsidiaries in South East Asia and Korea. Income declined in an European man-made suede subsidiary due to general consumption fall reflecting dull European economies.
Adjustment				0.7	▲ 0.3	-1.0	
Total	209.1	213.4	+4.3 (+2.1%)	4.0	9.4	+5.4 (+135.7%)	

<Major Subsidiaries and Affiliates>

Domestic : Toray International Inc., Ichimura Sangyo, Co., Ltd., etc.

Asia : ITS (Indonesia), LUCKYTEX (Thailand), PENFABRIC (Malaysia), TFNL, TAK (China), etc.

Europe & U.S. : ALCANTARA (Italy), etc.

Results by Business Segment (Plastics and Chemicals)



Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	
Toray	41.1	41.5	+0.4 (+0.9%)	0.2	0.1	-0 (-23.4%)	Income increased in resins for automotives. Income increased in films for industrial use. Income decreased in chemicals due to a hike in raw material costs.
Japanese Subsidiaries	35.6	39.8	+4.3 (+12.0%)	1.6	2.2	+0.6 (+37.0%)	Sales and income increased mainly due to good performance of film and resin processing subsidiaries.
Overseas Subsidiaries	42.5	47.7	+5.2 (+12.2%)	1.1	2.2	+1.1 (+103.9%)	Sales and income increased through production mix change and reinforcement of corporate structures in European and US film subsidiaries.
Adjustment				0.1	0	-0	
Total	119.2	129.0	+9.8 (+8.2%)	2.9	4.5	+1.6 (+56.2%)	

<Major Subsidiaries and Affiliates>

Domestic : Toyo Metallizing Co., Ltd., Toray Fine Chemicals Co., Ltd., etc.

Overseas : TPA (U.S.), TSI (Korea), TPEU (France), TPM (Malaysia), etc.

Results by Business Segment (IT-related Products)



Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	
Toray	32.1	32.7	+0.6 (+1.7%)	3.6	4.3	+0.6 (+17.2%)	Sales and income increased due to good performance in resins, films, and electronics and information-related materials. Income increased drastically in color filters for LCDs.
Japanese Subsidiaries	16.7	26.0	+9.3 (+55.9%)	▲ 0.4	1.3	+1.6 (-)	Sales and income increased drastically in an IT-related machinery manufacturing subsidiary and film processing subsidiaries.
Overseas Subsidiaries	23.3	23.1	-0.2 (-0.8%)	1.3	1.2	-0.1 (-8.3%)	Results in Asian and European subsidiaries stayed the same as the previous year.
Adjustment				0.2	0	-0.2	
Total	72.1	81.8	+9.7 (+13.4%)	4.8	6.7	+1.9 (+40.0%)	

<Major Subsidiaries and Affiliates>

Domestic : Toray Engineering Co., Ltd., Toyo Metallizing Co., Ltd., etc.

Overseas : TSI (Korea), TPA (U.S.), TPEU (France), etc.

Results by Business Segment (Housing and Engineering)



Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	
Toray	3.3	3.6	+0.2 (+7.0%)	▲ 0.7	▲ 0.6	+0.1 (-)	
Japanese Subsidiaries	41.1	50.4	+9.3 (+22.6%)	▲ 1.2	0.9	+2.1 (-)	Sales increased drastically in plant and mansion businesses. Income increased drastically due to reinforcement of corporate structure.
Overseas Subsidiaries	0.3	0.3	-0 (-4.3%)	▲ 0	0	+0 (-)	
Adjustment				0	0	-0	
Total	44.7	54.3	+9.5 (+21.3%)	▲ 1.8	0.3	+2.2 (-)	

<Major Subsidiaries and Affiliates>

Domestic : Toray Construction Co., Ltd., Toray Engineering Co., Ltd., etc.

Results by Business Segment (Pharmaceuticals and Medical Products)



Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	
Toray	7.4	6.1	-1.3 (-17.3%)	0.9	0.6	-0.3 (-32.3%)	Feron* business was as the same as the previous year and Dorner* business was affected by tough competition.
Japanese Subsidiaries	13.8	14.3	+0.5 (+3.3%)	▲ 0.1	0.3	+0.4 (-)	Income increased through sales expansion of polysulfone artificial kidney and reinforcement of corporate structure.
Overseas Subsidiaries	1.7	1.6	-0.1 (-3.4%)	▲ 0.0	0	+0 (-)	
Adjustment				0.1	▲ 0.3	-0.4	
Total	22.9	22.0	-0.9 (-3.8%)	0.9	0.7	-0.2 (-26.4%)	

<Major Subsidiaries and Affiliates>

Domestic : Toray Medical Co., Ltd.

Results by Business Segment (New Products and Others)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	
Toray	5.2	5.9	+0.7 (+12.7%)	0.3	1.3	+1.0 (+364.7%)	Sales and income increased through sales expansion of carbon fibers for industrial use in Europe and Asia.
Japanese Subsidiaries	14.0	17.6	+3.6 (+25.5%)	1.2	1.3	+0.1 (+4.9%)	Income increased in a trading subsidiary. Business of service related subsidiaries showed steady growth.
Overseas Subsidiaries	11.3	10.5	-0.9 (-7.7%)	0.3	0.2	-0.1 (-21.0%)	Results of European and U.S. carbon fiber subsidiaries stayed the same as the previous year.
Adjustment				▲ 0.2	▲ 0.1	+0.2	
Total	30.6	33.9	+3.4 (+11.0%)	1.5	2.7	+1.2 (+76.8%)	

<Major Subsidiaries and Affiliates>

Domestic : Toray Research Center Inc., Toray Enterprise Corp., etc.

Overseas : SOFICAR (France), etc.

Operating Profits Factor Analysis

Billion ¥

	Midterm Mar/03 to Midterm Mar/04		
	Toray	Subsidiaries	Total
Expansion of Advanced Materials and NVC* activities, Production & Sales Efficiency Improvement (Improvement of Product Unit and Production Mix, Etc.), Sales & Production Amount Increase, etc.	+2.8	+8.3	+11.1
Achievement of "TC* Project" (Reduction of Production Fixed Costs, Outsourcing Costs, Procurement and Logistics Costs, Overhead Costs, and Sales Expenses, Optimization of Head Count, Etc.)	+5.1	+1.4	+6.5
Influence of Selling Prices and Raw Material Costs change, etc.	-1.1	-4.4	-5.5
Total	+6.8	+5.3	+12.1

* NVC : New Value Creator

*TC Project: Total Cost Down Project

Results of Major Subsidiaries

Billion ¥

Company Name	Main Businesses	Location	Shares Owned by Toray (%)	Account Closing Month	Net Sales (Billion Yen)			Operating Income		
					FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes
Ichimura Sangyo, Co., Ltd.	Fibers & Textiles/Plastics	Japan	85.0	March	16.2	15.7	-0.5	Black	Black	Increased
Toray Construction Co., Ltd.	Construction, Housing Estates	Japan	100.0	March	13.6	25.1	+11.4	Red	Black	Improved
Toray Engineering Co., Ltd.	Engineering/IT Equipment	Japan	99.9	March	29.9	34.2	+4.3	Red	Black	Improved
Toray Medical Co., Ltd.	Medical, Pharmaceuticals	Japan	100.0	March	15.1	15.6	+0.5	Zero	Black	Increased
Toray International, Inc.	Trading	Japan	100.0	March	91.0	119.3	+28.3	Black	Black	Increased
Du Pont-Toray Co., Ltd.	Fibers /Textiles/Plastics/Films	Japan	50.0	March	19.7	15.7	-4.0	Black	Black	Increased
Dow Corning Toray Silicone	Plastics/Chemicals	Japan	35.0	December	19.9	20.4	+0.5	Black	Black	Increased
ITS	Fibers & Textiles	Indonesia	80.1	December	6.6	7.6	+0.9	Black	Black	Decreased
LUCKYTEX	Fibers & Textiles	Thailand	51.0	March	7.8	7.7	-0.1	Black	Black	Decreased
PENFABRIC	Fibers & Textiles	Malaysia	100.0	March	9.3	9.1	-0.2	Black	Black	Stable
PENFIBRE (Fibers & Textiles)	Fibers & Textiles	Malaysia	100.0	March	3.0	2.9	-0	Red	Zero	Increased
PENFIBRE (Films)	Films	Malaysia	100.0	March	3.6	3.7	+0	Black	Black	Stable
TPM	Plastics	Malaysia	100.0	March	11.2	12.0	+0.8	Black	Black	Decreased
TFNL	Fibers & Textiles	China	100.0	December	4.8	4.6	-0.2	Red	Red	Flat
TSI (Fibers & Textiles)	Fibers & Textiles	Korea	70.0	December	9.2	10.0	+0.8	Black	Black	Increased
TSI (Films)	Films	Korea	70.0	December	14.5	16.7	+2.2	Black	Black	Increased
ALCANTARA	Fibers & Textiles	Italy	70.0	December	8.1	7.7	-0.4	Black	Black	Decreased
TPA	Films	U.S.	100.0	December	17.4	17.9	+0.5	Red	Zero	Improved
TPEu	Films	France	100.0	December	10.5	11.1	+0.6	Red	Zero	Improved
SOFICAR	Carbon Fiber	France	70.0	December	5.3	5.9	+0.7	Black	Black	Stable

(*) Affiliated Companies under the Equity Method

Above Net Sales include internal sales.

DuPont-Toray's decrease is due to the separation of polyurethane elastic fiber business.

Research and Development Expenses/ Number of Employees

Research and Development Expenses

Billion ¥

	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes
Toray Parent Company	15.7	15.5	-0.2
Consolidated Subsidiaries	3.4	3.1	-0.3
Consolidated Base	19.1	18.6	-0.5

Number of Employees

	End of Sept/02	End of Mar/03	End of Sept/03	Changes
Toray Parent Company	8,233	7,790	7,635	-155
Consolidated Japanese Subsidiaries	8,744	8,751	8,475	-276
Consolidated Overseas Subsidiaries	17,719	17,250	16,920	-330
Total	34,696	33,791	33,030	-761

Changes in Subsidiaries and Affiliates

		End of Mar/03	End of Sept/03	Changes
Consolidated Subsidiary (a)	Japan	59	55	-4
	Overseas	55	51	-4
	Total	114	106	-8
Subsidiaries under the Equity Method (b)	Japan	40	38	-2
	Overseas	21	21	+0
	Total	61	59	-2
Total Subsidiaries (a) + (b)	Japan	99	93	-6
	Overseas	76	72	-4
	Total	175	165	-10
Affiliates under the Equity Method (c)	Japan	15	16	+1
	Overseas	14	13	-1
	Total	29	29	+0
Companies subject to Consolidation (a) + (b) + (c)	Japan	114	109	-5
	Overseas	90	85	-5
	Total	204	194	-10

**II. Business Forecast
for the Fiscal Year Ending
March 2004
(Consolidated Basis)**

Summary

Billion ¥

		FY Mar/ 03	FY Mar/04	Changes	
Net Sales	1st Half	498.5	534.3	+35.8	(+7.2%)
	2nd Half	534.5	545.7	+11.2	(+2.1%)
	Total	1,033.0	1,080.0	+47.0	(+4.6%)
Operating Income	1st Half	12.7	24.7	+12.1	(+95.5%)
	2nd Half	20.4	29.3	+8.9	(+43.5%)
	Total	33.0	54.0	+21.0	(+63.4%)
Ordinary Income	1st Half	7.9	23.0	+15.1	(+191.7%)
	2nd Half	15.9	27.0	+11.2	(+70.3%)
	Total	23.7	50.0	+26.3	(+110.6%)
Net Income	1st Half	1.3	10.9	+9.7	(+754.6%)
	2nd Half	4.5	8.1	+3.5	(+78.6%)
	Total	5.8	19.0	+13.2	(+228.2%)
Net Income per Share	1st Half	0.91 yen	7.81 yen		
	2nd Half	3.22 yen	5.75 yen		
	Total	4.13 yen	13.56 yen		

Estimated Exchange Rate : 110yen / US¥, 1.1 US¥ / Euro

Estimated Oil Price : 27 US¥ / B

Forecast by Business Segment

Billion ¥

		Net Sales			Operating Income			Comments
		FY Mar/03	FY Mar/04	Changes (%)	FY Mar/03	FY Mar/04	Changes (%)	
Fibers & Textiles	1st Half	209.1	213.4	+4.3 (+2.1%)	4.0	9.4	+5.4 (+135.7%)	Sales is expected to increase through sales expansion efforts of Southeast Asian and Korean subsidiaries. Toray parent will increase its income by raising selling prices, reinforcing its corporate structure, and promoting New Value Creator projects.
	2nd Half	209.3	206.6	-2.6 (-1.3%)	6.4	9.6	+3.2 (+50.1%)	
	Total	418.3	420.0	+1.7 (+0.4%)	10.4	19.0	+8.6 (+83.0%)	
Plastics & Chemicals	1st Half	119.2	129.0	+9.8 (+8.2%)	2.9	4.5	+1.6 (+56.2%)	Sales is expected to increase mainly by domestic subsidiaries like a fine chemical subsidiary and a trading subsidiary. A resin molding subsidiary and film subsidiaries in France and the US will contribute to increase income in this segment.
	2nd Half	122.7	131.0	+8.3 (+6.8%)	3.1	5.5	+2.3 (+75.2%)	
	Total	241.9	260.0	+18.1 (+7.5%)	6.0	10.0	+4.0 (+66.0%)	
IT-related Products	1st Half	72.1	81.8	+9.7 (+13.4%)	4.8	6.7	+1.9 (+40.0%)	Sales and income are expected to increase by display related films and other materials businesses.
	2nd Half	75.6	83.2	+7.6 (+10.0%)	4.5	7.3	+2.8 (+61.8%)	
	Total	147.7	165.0	+17.3 (+11.7%)	9.3	14.0	+4.7 (+50.6%)	
Housing & Engineering	1st Half	44.7	54.3	+9.5 (+21.3%)	▲ 1.8	0.3	+2.2 (-)	Sales and income are expected to increase through good results of plant and mansion businesses in domestic subsidiaries.
	2nd Half	74.0	65.7	-8.3 (-11.2%)	2.7	1.7	-1.0 (-37.9%)	
	Total	118.8	120.0	+1.2 (+1.0%)	0.8	2.0	+1.2 (+136.4%)	
Pharmaceuticals & Medical Products	1st Half	22.9	22.0	-0.9 (-3.8%)	0.9	0.7	-0.2 (-26.4%)	Sales and income are expected to increase through more scientific sales approaches and licensing fees coming in the 2nd half.
	2nd Half	24.7	28.0	+3.2 (+13.1%)	1.8	2.8	+1.0 (+54.9%)	
	Total	47.6	50.0	+2.4 (+5.0%)	2.8	3.5	+0.7 (+27.0%)	
New Products & Other Businesses	1st Half	30.6	33.9	+3.4 (+11.0%)	1.5	2.7	+1.2 (+76.7%)	Sales is expected to increase by a domestic trading subsidiary. Income is expected to increase through raising prices of carbon fibers and reinforcing its corporate structure.
	2nd Half	28.1	31.1	+3.0 (+10.6%)	1.9	2.8	+0.9 (+44.1%)	
	Total	58.7	65.0	+6.3 (+10.8%)	3.5	5.5	+2.0 (+58.5%)	
Consolidated		498.5	534.3	+35.8 (+7.2%)	12.7	24.7	+12.1 (+95.5%)	
		534.5	545.7	+11.2 (+2.1%)	20.4	29.3	+8.9 (+43.5%)	
		1,033.0	1,080.0	+47.0 (+4.6%)	33.0	54.0	+21.0 (+63.4%)	

Business Forecast by Segment (Changes)

Billion ¥

	Net Sales FY Mar / 04						Operating Income FY Mar / 04					
	Previous Announcement		Present Announcement		Changes		Previous Announcement		Present Announcement		Changes	
	Midterm Forecast	Year End Forecast	Midterm (Actual)	Year End (Forecast)	Midterm	Year End	Midterm Forecast	Year End Forecast	Midterm (Actual)	Year End (Forecast)	Midterm	Year End
Fibers & Textiles	211.0	420.0	213.4	420.0	+2.4	0.0	8.5	18.0	9.4	19.0	+0.9	1.0
Plastics & Chemicals	131.0	250.0	129.0	260.0	-2.0	10.0	4.0	7.5	4.5	10.0	+0.5	2.5
IT-related Products	76.0	150.0	81.8	165.0	+5.7	15.0	5.0	9.5	6.7	14.0	+1.7	4.5
Housing and Engineering	55.0	120.0	54.3	120.0	-0.7	0.0	0.5	1.5	0.3	2.0	-0.2	0.5
Pharmaceuticals and Medical Products	21.0	50.0	22.0	50.0	+1.0	0.0	1.0	3.0	0.7	3.5	-0.3	0.5
New Products and Other Businesses	31.0	60.0	33.9	65.0	+3.0	5.0	2.0	3.5	2.7	5.5	+0.7	2.0
Total	525.0	1,050.0	534.3	1,080.0	+9.4	30.0	21.0	43.0	24.4	54.0	+3.4	11.0
Elimination & Corporate							0.0	0.0	0.4	0.0	+0.4	0.0
Consolidated	525.0	1,050.0	534.3	1,080.0	+9.4	30.0	21.0	43.0	24.7	54.0	+3.7	+11

“Previous Announcements” stand for the one on August 5th for midterm and the one on May 9th for Year End.

**III. Midterm Business Results
for the Fiscal Year Ended
March 2004
(Non-consolidated Basis)**

Summary (Profits)

Billion ¥

	FY Mar/03	FY Mar/04 Midterm	Changes
Net Sales	223.4	222.9	-0.6 (-0.3%)
Gross Margin	47.5	51.3	+3.8 (+8.0%)
(Gross Margin to Net Sales)	21.2%	23.0%	+1.8 Point
Operating Income	2.5	9.3	+6.8 (+277.7%)
(Operating Income to Net Sales)	1.1%	4.2%	+3.1 Point
Nonoperating Income and Expenses	▲ 1.2	3.4	+4.6
Ordinary Income	1.3	12.7	+11.4 (+887.5%)
Special Credits and Charges	▲ 0.3	▲ 1.8	-1.5
Midterm Net Income	1.6	8.1	+6.5 (+407.9%)

Summary (Financial Position)

Billion ¥

	End of Mar/03	End of Sept/03	Changes	
Total Assets	873.6	873.8	+0.2	(+0.0%)
Stockholder's Equity	402.5	416.4	+13.8	(+3.4%)
Interest-bearing Debts	316.5	310.6	-5.9	(-1.8%)

	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	
ROE	0.8%	4.0%	+3.2	Points
ROA*	0.5%	2.1%	+1.6	Points

Net Income per Share (Midterm)	1.14 yen	5.77 yen
Dividend per Share (Midterm)	2.5 yen	2.5 yen
Dividend Payout Ratio	220.0%	43.3%

*ROA = Operating Income / Total Assets

Business Results by Segment

Billion ¥

	Net Sales			Operating Income		
	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes	FY Mar/03 Midterm	FY Mar/04 Midterm	Changes
Fibers & Textiles	97.4	92.2	-5.2 (-5.3%)	▲ 1.9	3.5	+5.5 (-)
Plastics & Chemicals	53.8	54.6	+0.8 (+1.5%)	0.2	0.1	-0.1 (-50.0%)
IT-related Products	38.1	41.4	+3.2 (+8.4%)	3.6	4.3	+0.7 (+19.4%)
New Products & Other Businesses	34.1	34.7	+0.6 (+1.7%)	0.6	1.3	+0.7 (+116.7%)
Total	223.4	222.9	-0.6 (-0.3%)	2.5	9.3	+6.8 (+272.0%)

Forecast for the FY Ending Mar/2004

Billion ¥

		FY Mar/03	FY Mar/04	Changes	
Net Sales	1st Half	223.4	222.9	-0.6	(-0.3%)
	2nd Half	219.1	227.1	+8.0	(+3.6%)
	Total	442.6	450.0	+7.4	(+1.7%)
Operating Income	1st Half	2.5	9.3	+6.8	(+277.7%)
	2nd Half	7.2	12.7	+5.5	(+76.3%)
	Total	9.7	22.0	+12.3	(+127.4%)
Ordinary Income	1st Half	1.3	12.7	+11.4	(+887.5%)
	2nd Half	9.1	15.3	+6.2	(+67.8%)
	Total	10.4	28.0	+17.6	(+169.3%)
Net Income (Midterm)	1st Half	1.6	8.1	+6.5	(+407.9%)
	2nd Half	1.5	6.9	+5.4	(+352.1%)
	Total	3.1	15.0	+11.9	(+380.5%)
Net Income per Share (Midterm)	1st Half	1.14 yen	5.77 yen		
	2nd Half	1.09 yen	4.93 yen		
	Total	2.23 yen	10.71 yen		
Dividend per Share	1st Half	2.5 yen	2.5 yen		
	2nd Half	2.5 yen	3.0 yen		
	Total	5.0 yen	5.5 yen		
Dividend Payout Ratio	1st Half	220.0%	43.3%		
	2nd Half	229.0%	60.8%		
	Total	224.4%	51.4%		

Reference

1. Forecast of Capital Investment / Depreciation / R&D Expenses

Capital Investment

Billion ¥

	FY Mar/ 03 (Actual)	FY Mar/04 (Forecast)	Changes
Consolidated	53.8	53.0	-0.8
Toray Parent	20.5	18.0	-2.5

Research & Development Expenses

Billion ¥

	FY Mar/ 03 (Actual)	FY Mar/04 (Forecast)	Changes
Consolidated	37.6	36.0	-1.6
Toray Parent	30.9	30.0	-0.9

Depreciation Expenses

Billion ¥

	FY Mar/ 03 (Actual)	FY Mar/04 (Forecast)	Changes
Consolidated	74.1	69.0	-5.1
Toray Parent	32.1	30.0	-2.1

*Midterm results of Capital Investment and Depreciation Expenses are on Page 8 and that of R&D Expenses is on Page 18.

2. Consolidated Business Results by Segment (Changes by Quarter Terms)

Billion ¥

	Net Sales Mar / 04					Operating Income Mar / 04				
	1Q (Actual)	2Q (Actual)	1st Half (Actual)	2nd Half (Forecast)	FY Mar/04 (Forecast)	1Q (Actual)	2Q (Actual)	1st Half (Actual)	2nd Half (Forecast)	FY Mar/04 (Forecast)
Fibers & Textiles	107.3	106.1	213.4	206.6	420.0	5.0	4.4	9.4	9.6	19.0
Plastics & Chemicals	65.7	63.3	129.0	131.0	260.0	1.5	3.1	4.5	5.5	10.0
IT-related Products	38.7	43.0	81.8	83.2	165.0	3.0	3.7	6.7	7.3	14.0
Housing & Engineering	14.9	39.4	54.3	65.7	120.0	▲ 1.2	1.5	0.3	1.7	2.0
Pharmaceuticals & Medical Products	10.1	11.9	22.0	28.0	50.0	0.0	0.7	0.7	2.8	3.5
New Products & Other Businesses	15.1	18.9	33.9	31.1	65.0	1.1	1.6	2.7	2.8	5.5
Total	251.7	282.6	534.3	545.7	1,080.0	9.4	14.9	24.4	29.6	54.0
Elimination & Corporate						0.0	0.4	0.4	▲ 0.4	0.0
Consolidated	251.7	282.6	534.3	545.7	1,080.0	9.4	15.3	24.7	29.3	54.0

2.Consolidated Business Results by Segment (Changes by Quarter Terms)



Billion ¥

		Net Sales									Operating Income								
		1Q			2Q			Midterm			1Q			2Q			Midterm		
		FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes
Fibers & Textiles	Toray	35.2	32.3	-2.9	33.9	31.8	-2.1	69.1	64.1	-4.9	▲ 0.7	2.1	+2.8	▲ 1.2	1.5	+2.7	▲ 1.9	3.5	+5.4
	Domestic	34.5	38.2	+3.7	36.8	40.8	+4.0	71.2	79.0	+7.8	0.5	0.9	+0.4	0.7	1.1	+0.4	1.2	2.1	+0.9
	Overseas	34.3	36.7	+2.4	34.5	33.5	-1.0	68.8	70.2	+1.5	2.3	2.0	-0.3	1.7	2.1	+0.4	4.0	4.2	+0.2
	Correction										▲ 0.1	0	+0.1	0.7	▲ 0.4	-1.1	0.7	▲ 0.3	-1.0
	Total	104.0	107.3	+3.3	105.1	106.1	+1.0	209.1	213.4	+4.3	2.0	5.0	+3.0	2.0	4.4	+2.4	4.0	9.4	+5.4

		Net Sales									Operating Income								
		1Q			2Q			Midterm			1Q			2Q			Midterm		
		FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes
Plastics & Chemicals	Toray	22.1	21.6	-0.5	19.0	19.9	+0.9	41.1	41.5	+0.4	0.2	0.2	0	0	0	0	0.2	0.1	-0
	Domestic	17.2	21.4	+4.2	18.3	18.4	+0.1	35.6	39.8	+4.3	0.8	0.9	+0.1	0.8	1.3	+0.5	1.6	2.2	+0.6
	Overseas	19.8	22.7	+2.9	22.6	24.9	+2.3	42.5	47.7	+5.2	0.2	0.3	+0.1	0.8	1.8	+1.0	1.1	2.2	+1.1
	Correction										0	0	0	0.1	0	-0	0.1	0	-0
	Total	59.2	65.7	+6.5	60.0	63.3	+3.3	119.2	129.0	+9.8	1.2	1.4	+0.2	1.7	3.1	+1.5	2.9	4.5	+1.6

2.Consolidated Business Results by Segment (Changes by Quarter Terms)



Billion ¥

		Net Sales									Operating Income								
		1Q			2Q			Midterm			1Q			2Q			Midterm		
		FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes
IT-related Products	Toray	16.1	16.4	+0.2	16.0	16.3	+0.3	32.1	32.7	+0.6	1.7	2.1	+0.4	1.9	2.1	+0.2	3.6	4.3	+0.6
	Domestic	6.5	11.2	+4.7	10.1	14.7	+4.6	16.7	26.0	+9.3	▲ 0.3	0.4	+0.8	▲ 0.1	0.8	+0.9	▲ 0.4	1.3	+1.6
	Overseas	11.8	11.1	-0.7	11.5	12.0	+0.5	23.3	23.1	-0.2	0.7	0.5	-0.2	0.6	0.7	+0.1	1.3	1.2	-0.1
	Correction										0	0	0	0.2	0	-0.2	0.2	0	-0.2
	Total	34.5	38.7	+4.3	37.6	43.0	+5.4	72.1	81.8	+9.7	2.1	3.0	+0.9	2.6	3.7	+1.0	4.8	6.7	+1.9

		Net Sales									Operating Income								
		1Q			2Q			Midterm			1Q			2Q			Midterm		
		FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes
Housing & Engineering	Toray	1.6	1.6	-0.1	1.7	2.0	+0.3	3.3	3.6	+0.2	▲ 0.3	▲ 0.4	-0.1	▲ 0.4	▲ 0.2	+0.2	▲ 0.7	▲ 0.6	+0.1
	Domestic	12.7	13.1	+0.5	28.4	37.3	+8.8	41.1	50.4	+9.3	▲ 1.2	▲ 0.8	+0.4	0	1.7	+1.7	▲ 1.2	0.9	+2.1
	Overseas	0.1	0.2	+0	0.2	0.1	-0.1	0.3	0.3	0	0	0	0	▲ 0	0	+0	▲ 0	0	+0
	Correction										0	0	0	0	0	-0	0	0	-0
	Total	14.4	14.9	+0.4	30.3	39.4	+9.1	44.7	54.3	+9.5	▲ 1.5	▲ 1.2	+0.3	▲ 0.3	1.5	+1.9	▲ 1.8	0.3	+2.2

2.Consolidated Business Results by Segment (Changes by Quarter Terms)



Billion ¥

		Net Sales									Operating Income								
		1Q			2Q			Midterm			1Q			2Q			Midterm		
		FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes
Pharmaceuticals & Medical Products	Toray	3.3	2.8	-0.5	4.2	3.3	-0.8	7.4	6.1	-1.3	0.2	0.1	-0.1	0.7	0.5	-0.2	0.9	0.6	-0.3
	Domestic	6.1	6.4	+0.4	7.7	7.8	+0.1	13.8	14.3	+0.5	▲ 0.4	▲ 0.1	+0.3	0.3	0.4	+0.1	▲ 0.1	0.3	+0.4
	Overseas	0.9	0.9	-0.1	0.7	0.7	+0	1.7	1.6	-0.1	▲ 0	0	+0	▲ 0	0	+0	▲ 0	0	+0
	Correction										0	0	0	0.1	▲ 0.3	-0.4	0.1	▲ 0.3	-0.4
	Total	10.3	10.1	-0.2	12.6	11.9	-0.7	22.9	22.0	-0.9	▲ 0.2	0	+0.2	1.1	0.7	-0.5	0.9	0.7	-0.2

		Net Sales									Operating Income								
		1Q			2Q			Midterm			1Q			2Q			Midterm		
		FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes
New Products & Other Businesses	Toray	2.1	2.9	+0.8	3.1	3.0	-0.2	5.2	5.9	+0.7	0.3	0.6	+0.4	0	0.7	+0.7	0.3	1.3	+1.0
	Domestic	6.6	6.6	+0	7.4	11.0	+3.5	14.0	17.6	+3.6	▲ 0	0.4	+0.4	1.2	0.9	-0.3	1.2	1.3	+0.1
	Overseas	5.8	5.6	-0.3	5.5	4.9	-0.6	11.3	10.5	-0.9	0.3	0.1	-0.1	0	0.1	+0.1	0.3	0.2	-0.1
	Correction										0	0	0	▲ 0.2	▲ 0.1	+0.2	▲ 0.2	▲ 0.1	+0.2
	Total	14.5	15.1	+0.6	16.1	18.9	+2.8	30.6	33.9	+3.4	0.5	1.1	+0.6	1.0	1.6	+0.6	1.5	2.7	+1.2

Descriptions of predicted business results, projections, and business plans 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.

November 7, 2003

Toray Industries, Inc.