

**Business Results
Announcement
<Fiscal Year Ended March 2004>**

Toray Industries, Inc.

Contents

I. Consolidated Business Results for the Fiscal Year Ended March 2004

Summary	(P4-6)
Non-operating Income and Expenses, Ordinary Income	(P7)
Special Credits and Charges, Income before Income Taxes	(P8)
Assets, Capital Investment, Depreciation	(P9)
Liabilities, Equity	(P10)
Results by Business Segment	(P11-16)
Income Variance Factor Analysis	(P17)
Results of Major Subsidiaries	(P18)
Research and Development Expenses	(P19)
Number of Employees	(P20)
Changes in Subsidiaries and Affiliates	(P21)

II. Business Forecast for the Fiscal Year Ending March 2005 (Consolidated Basis)

Summary	(P23)
Forecast by Business Segment	(P24)
Forecast of Capital Investment, Depreciation, and R&D Expenses	(P25)

III. Non-consolidated Business Results for the Fiscal Year Ended March 2004 and Forecast for the Fiscal Year Ending March 2005

Summary	(P27-28)
Results by Business Segment	(P29)
Forecast for the Fiscal Year ending March 2005	(P30)

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

Summary (Profits)

Billion ¥

	FY Mar/03	FY Mar/04	Changes
Net Sales	1,033.0	1,088.5	+55.5 (+5.4%)
Cost of Sales	814.5	850.9	+36.4 (+4.5%)
Gross Profit	218.5	237.6	+19.1 (+8.8%)
(Gross Profit to Net Sales)	21.1%	21.8%	+0.7 points
Selling, General and Administrative Expenses	185.4	180.8	-4.6 (-2.5%)
(Selling, General and Administrative Expenses to Net Sales)	18.0%	16.6%	-1.3 points
Operating Income	33.0	56.8	+23.7 (+71.9%)
(Operating Income to Net Sales)	3.2%	5.2%	+2.0 points
Non-operating Income and Expenses	▲ 9.3	▲ 5.2	+4.1 (-)
Ordinary Income	23.7	51.6	+27.9 (+117.3%)
Special Credits and Charges	▲ 1.3	▲ 6.7	-5.5 (-)
Net Income	5.8	20.9	+15.1 (+261.1%)

Exchange Rates

	FY 03/3	FY 04/3
< Yen/US\$> Midterm average:	122.0	113.1
End of the term:	120.2	105.7

* **Apr - Mar** business results for companies whose FY ends on March 31

Jan - Dec business results for companies whose FY ends on December 31

Summary (Financial Position)

Billion ¥

	End of Mar/03	End of Mar/04	Changes
Total Assets	1,301.0	1,295.3	-5.6 (-0.4%)
Stockholder's Equity	390.4	414.2	+23.8 (+6.1%)
Interest-bearing Debts	546.1	494.5	-51.6 (-9.4%)

	FY Mar/03	FY Mar/04	Changes
ROE	1.4%	5.2%	+3.8 points
ROA ^{*1}	2.5%	4.4%	+1.9 points
Free Cash Flow	36.7	70.9	+34.2 (+93.3%)

*1) ROA = Operating Income / Total Assets

* **Apr - Mar** business results for companies whose FY ends on March 31
Jan - Dec business results for companies whose FY ends on December 31

Results by Business Segment (Sales, Operating Income)



Billion ¥

		Net Sales			Operating Income			Comments
		FY Mar/03	FY Mar/04	Changes (%)	FY Mar/03	FY Mar/04	Changes (%)	
Fibers and Textiles	1st Half	209.1	213.4	+4.3 (+2.1%)	4.0	9.4	+5.4 (+135.7%)	Toray parent's income increased drastically through business structure reform and promotion of "New Value Creator" business model. Domestic subsidiaries' income also increased due to business expansion of trading company and reinforcement of corporate structure at each subsidiary. Income increase in China and Indonesia subsidiaries' lead overseas income increase.
	2nd Half	209.3	211.4	+2.1 (+1.0%)	6.4	8.9	+2.6 (+40.2%)	
	Total	418.3	424.8	+6.4 (+1.5%)	10.4	18.4	+8.0 (+77.0%)	
Plastics and Chemicals	1st Half	119.2	129.0	+9.8 (+8.2%)	2.9	4.5	+1.6 (+56.2%)	Toray parent's income increased mainly by the film businesses' contribution. Domestic film subsidiaries' income increased mainly due to business structure reform and reinforcement of corporate structure. Overseas, film subsidiaries in the US, Europe, and Korea also marked income increase due to business structure reform.
	2nd Half	122.7	129.1	+6.4 (+5.2%)	3.1	5.1	+2.0 (+64.8%)	
	Total	241.9	258.1	+16.2 (+6.7%)	6.0	9.7	+3.7 (+60.7%)	
IT-related Products	1st Half	72.1	81.8	+9.7 (+13.4%)	4.8	6.7	+1.9 (+40.0%)	Toray parent's income increased drastically in IT-related films, electronics and information-related materials, and LCD color filters. Domestic film processing subsidiaries and the LCD equipment subsidiary contributed domestic subsidiaries' income increase. Overseas film subsidiaries have been promoting business structure reform.
	2nd Half	75.6	92.8	+17.1 (+22.6%)	4.5	10.6	+6.1 (+135.5%)	
	Total	147.7	174.5	+26.8 (+18.1%)	9.3	17.3	+8.0 (+86.3%)	
Housing and Engineering	1st Half	44.7	54.3	+9.5 (+21.3%)	▲ 1.8	0.3	+2.2 (-)	Income increased mainly through business expansion and reinforcement of corporate structure at a domestic construction subsidiary.
	2nd Half	74.0	65.9	-8.2 (-11.0%)	2.7	1.4	-1.3 (-49.2%)	
	Total	118.8	120.1	+1.4 (+1.1%)	0.8	1.7	+0.8 (+100.4%)	
Pharmaceuticals and Medical Products	1st Half	22.9	22.0	-0.9 (-3.8%)	0.9	0.7	-0.2 (-26.4%)	Under intensive competition, Toray parent keeps the current income level through cost reduction efforts and increased license earnings. Domestic subsidiary's income also increased through sales expansion of medical products.
	2nd Half	24.7	25.9	+1.1 (+4.5%)	1.8	2.8	+1.0 (+55.4%)	
	Total	47.6	47.9	+0.2 (+0.5%)	2.8	3.5	+0.8 (+27.4%)	
New Products and Other Businesses	1st Half	30.6	33.9	+3.4 (+11.0%)	1.5	2.7	+1.2 (+76.7%)	Toray parent's income increased drastically due to the market recovery of carbon fiber composite materials market and the sales growth of profitable products. Domestic trading and service-related subsidiaries grew steadily. Overseas subsidiaries of carbon fiber composite materials keep the last year's profit level.
	2nd Half	28.1	29.2	+1.1 (+3.9%)	1.9	3.2	+1.2 (+63.1%)	
	Total	58.7	63.1	+4.5 (+7.6%)	3.5	5.9	+2.4 (+69.1%)	
Consolidated	1st Half	498.5	534.3	+35.8 (+7.2%)	12.7	24.7	+12.1 (+95.5%)	
	2nd Half	534.5	554.2	+19.7 (+3.7%)	20.4	32.1	+11.7 (+57.2%)	
	Total	1,033.0	1,088.5	+55.5 (+5.4%)	33.0	56.8	+23.7 (+71.9%)	

Non-operating Income and Expenses, Ordinary Income



Billion ¥

	FY Mar/03	FY Mar/04	Changes	Comments
Non-operating Income	13.0	12.8	-0.3	
Interest and Dividend Income	1.9	1.4	-0.5	
Equity in Earnings of Affiliates	4.8	5.7	+0.9	Increase in domestic fibers & textiles and plastics & chemicals segments
Other, net	6.3	5.7	-0.7	
Non-operating Expenditure	▲ 22.3	▲ 17.9	+4.4	
Interest Expenses	▲ 9.9	▲ 7.5	+2.4	Reduction in interest-bearing debts, fall in the interest rate
Other, net	▲ 12.4	▲ 10.4	+2.0	Decrease in loss on write-down or disposal of inventories, etc.
Non-operating Income	▲ 9.3	▲ 5.2	+4.1	
Ordinary Income	23.7	51.6	+27.9	
Interest and Dividend Income, Interest Expenses, net	▲ 8.1	▲ 6.1	+2.0	
Other Income and Expenses, net	▲ 6.1	▲ 4.8	+1.3	

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

Special Credits and Charges, Income Before Income Taxes



Billion ¥

	FY Mar/03	FY Mar/04	Changes	Comments
Special Credits	35.4	3.5	-31.9	
Gain on Sales of Property, Plant, and Equipment	1.4	2.5	+1.1	Sales of land for company apartment
Gain on Sales of Investments in Securities	0.1	0.2	+0	
Gain on Sales of Securities of Subsidiaries	-	0.8	+0.8	Securities of subsidiaries
Gain on Contribution of Securities to Retirement Benefit Trust	15.3	-	-15.3	
Gain on Return of Employees' Pension Fund Representative Services	18.6	-	-18.6	
Special Charges	▲ 36.7	▲ 10.2	+26.5	
Loss on Sales or Disposal of Property, Plant, and Equipment	▲ 5.5	▲ 3.1	+2.4	Disposal losses and expenses of equipment except for fibers & textiles and plastics & chemicals segments
Loss on Write-down of Property, Plant, and Equipment	▲ 9.0	▲ 4.0	+4.9	Loss of write-down of property, plant, and equipment, of overseas subsidiaries
Loss of Write-down of Investments in Securities	▲ 7.7	▲ 0.1	+7.6	
Restructuring Expenses	▲ 5.6	▲ 2.7	+2.8	Disposal losses and expenses of equipment for fibers & textiles and plastics & chemicals segments
Loss on Write-off of Loans	▲ 4.0	-	+4.0	
Others	▲ 5.0	▲ 0.2	+4.7	Loss of disposal of golf club membership
Special Credits and Charges, net	▲ 1.3	▲ 6.7	-5.5	
Income Before Income Taxes	22.5	44.9	+22.4	

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

Assets, Capital Investment, Depreciation

Billion ¥

	End of Mar/03	End of Mar/04	Changes	Comments
Total Assets	1,301.0	1,295.3	-5.6	
Total Current Assets	521.6	549.1	+27.4	Increase of cash, etc.
Tangible Fixed Assets	583.3	543.3	-40.0	Efficiency improvement of capital investments, etc.
Intangible Assets	9.1	9.6	+0.5	
Investments and Other Assets	186.9	193.3	+6.3	Increase in investment securities

	FY Mar/03	FY Mar/04	Changes	Comments
Capital Investment	53.8	48.0	-5.8	Toray : 17.4, Japan : 10.6, Overseas : 20.0
Depreciation	74.1	67.3	-6.8	Toray : 29.2, Japan : 9.7, Overseas : 28.4
Transfer, Elimination	▲ 29.7	▲ 20.7	+9.0	
Change in Tangible Fixed Assets	▲ 50.1	▲ 40.0		

Major Capital Investments <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.

Liabilities, Equity

Billion ¥

	End of Mar/03	End of Mar/04	Changes	Comments
Total Liabilities	876.3	843.7	-32.6	
Current Liabilities	482.6	472.9	-9.7	Repayments of bank loans, long-term debt due within one year, etc.
Other Liabilities	393.7	370.8	-22.9	Repayments of long-term debt, etc.
Minority Interests in Consolidated Subsidiaries	34.3	37.4	+3.1	
Total Stockholder's Equity	390.4	414.2	+23.8	Increase in unrealized gain on securities
Interest-bearing Debts	546.1	494.5	-51.6	Income Increase, efficient capital investment, and reduction in inventories, etc.

Results by Business Segment (Fibers and Textiles)



Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	
Toray	131.7	128.0	-3.7 (-2.8%)	▲ 0.2	6.9	+7.1 (-)	Apparent sales dropped due to the transfer of garment businesses to a trading subsidiary but actual sales increased. Income increased substantially due to the reduction of unprofitable products, shift to more profitable products, price raise by material cost increase, and promotion of "New Value Creator" business model.
Japanese Subsidiaries	149.1	157.3	+8.1 (+5.5%)	2.7	4.1	+1.4 (+51.9%)	Sales and income increased through the business expansion of trading subsidiary, business structure change of spinning/weaving businesses, and reinforcement of each subsidiary's corporate structure.
Overseas Subsidiaries	137.5	139.5	+2.0 (+1.4%)	7.3	7.2	-0.1 (-0.8%)	Fibers and weaving/dyeing businesses expanded in China. Income increased through reinforcement of corporate structures in Indonesia. Sales and income of an European man-made suede subsidiary decreased mainly by personal consumption drop.
Adjustment				0.6	0.2	-0.4	
Total	418.3	424.8	+6.4 (+1.5%)	10.4	18.4	+8.0 (+77.0%)	

<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	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	
Toray	84.8	86.0	+1.3 (+1.5%)	1.1	1.3	+0.2 (+19.6%)	Sales increased in resins for automotives and electric parts. Income increased drastically in films by narrowing down unprofitable products and good performance in industrial use. Income decreased in chemicals by transferring some businesses to a subsidiary and the negative impact of a hike in raw materials.
Japanese Subsidiaries	71.7	80.4	+8.7 (+12.2%)	3.3	4.3	+1.0 (+32.1%)	Sales and income increased primarily through business expansion of a trading company, shift to more profitable products, and reinforcement of the corporate structure.
Overseas Subsidiaries	85.4	91.6	+6.2 (+7.2%)	1.8	4.2	+2.5 (+139.4%)	Sales expanded in Malaysian resin subsidiary. Sales and income increased in film subsidiaries in the US, Europe, and Korea through shift to more profitable products and reinforcement of the corporate structure.
Adjustment				▲ 0.1	▲ 0.2	-0.1	
Total	241.9	258.1	+16.2 (+6.7%)	6.0	9.7	+3.7 (+60.7%)	

<Major Subsidiaries and Affiliates>

Domestic : Soda Aromatic Co., Ltd., Toray Fine Chemicals Co., Ltd., Toyo Metallizing 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	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	
Toray	62.1	69.5	+7.4 (+11.9%)	6.2	11.0	+4.8 (+76.5%)	Sales and income increased by good performance in IT-related resins, films, and circuit materials, and drastic profitability improvement of color filters for LCDs.
Japanese Subsidiaries	38.7	59.1	+20.4 (+52.6%)	0.4	3.9	+3.5 (+792.7%)	Sales and income increased drastically by business expansion in an IT-related machinery manufacturing subsidiary and a trading subsidiary, and good performance of film processing subsidiaries.
Overseas Subsidiaries	47.0	46.0	-0.9 (-2.0%)	2.9	2.8	-0.1 (-4.5%)	Business structure reform was well promoted in IT-related US, Europe, and Korean film subsidiaries. Unprofitable businesses in these subsidiaries were reduced and a circuit materials business in the Korean subsidiary grew.
Adjustment				▲ 0.3	▲ 0.4	-0.1	
Total	147.7	174.5	+26.8 (+18.1%)	9.3	17.3	+8.0 (+86.3%)	

<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	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	
Toray	8.3	8.6	+0.2 (+2.8%)	▲ 0.9	▲ 0.9	+0 (-)	
Japanese Subsidiaries	109.7	110.8	+1.0 (+1.0%)	1.8	2.5	+0.8 (+43.9%)	Sales and income increased by expansion of the mansion business in a construction subsidiary, and reinforcement of corporate structure in each subsidiary.
Overseas Subsidiaries	0.7	0.8	+0.1 (+12.4%)	▲ 0	0	+0 (-)	
Adjustment				0	0.1	+0	
Total	118.8	120.1	+1.4 (+1.1%)	0.8	1.7	+0.8 (+100.4%)	

<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	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	
Toray	16.0	15.1	-0.9 (-5.8%)	2.8	2.9	+0.1 (+2.8%)	Feron* and Dorner* sales declined affected by tough competition, however, owing to increased license earnings and cost reduction, total income was as the same as the previous year's.
Japanese Subsidiaries	28.5	29.7	+1.2 (+4.3%)	0.2	0.7	+0.5 (+341.3%)	Sales and income increased by sales expansion of polysulfone artificial kidney and equipment for artificial dialysis and reinforcement of the corporate structure.
Overseas Subsidiaries	3.1	3.1	-0.1 (-1.9%)	▲ 0	0	+0 (-)	
Adjustment				▲ 0.2	▲ 0.2	+0.1	
Total	47.6	47.9	+0.2 (+0.5%)	2.8	3.5	+0.8 (+27.4%)	

<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	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes	
Toray	10.9	11.1	+0.1 (+1.3%)	0.6	2.8	+2.2 (+350.2%)	Income increased drastically through expansion of more profitable products led by the recovery of worldwide carbon fiber composite materials market
Japanese Subsidiaries	27.0	31.3	+4.3 (+15.9%)	2.6	2.9	+0.3 (+10.8%)	Sales increased in a trading subsidiary. A service-related subsidiary kept steady performance.
Overseas Subsidiaries	20.7	20.7	+0 (+0.2%)	0.3	0.4	+0.1 (+43.3%)	Performance of US and Europe carbon fiber composite materials subsidiaries were as about the same as the previous year's.
Adjustment				▲ 0	▲ 0.2	-0.2	
Total	58.7	63.1	+4.5 (+7.6%)	3.5	5.9	+2.4 (+69.1%)	
(Composite Materials)	34.6	37.3	+2.7 (+7.9%)	2.4	3.6	+1.2 (+51.0%)	

<Major Subsidiaries and Affiliates>

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

Overseas : SOFICAR (France), etc.

Income Variance Factor Analysis

Billion ¥

	FY Mar/03 to FY 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.	+7.8	+10.3	+18.1
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.)	+8.1	+4.2	+12.3
Influence of Appreciation of Selling Prices and Raw Material Costs, etc.	-1.6	-5.1	-6.6
Total	+14.3	+9.4	+23.7

*NVC : New Value Creator

Results of Major Subsidiaries

Billion ¥

Company Name	Main Businesses	Location	Investment Ratio (%)	Account Closing Month	Net Sales			Operating Income		
					FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes
Ichimura Sangyo, Co., Ltd.	Fibers & Textiles / Plastics	Japan	85.0	March	31.3	31.7	+0.4	Black	Black	Increased
Toray Construction Co., Ltd.	Construction, Housing Estates	Japan	100.0	March	52.7	58.4	+5.8	Black	Black	Increased
Toray Engineering Co., Ltd.	Engineering / IT-related Equipment	Japan	99.9	March	68.6	78.6	+9.9	Red	Black	Improved
Toray Medical Co., Ltd.	Medical, Pharmaceuticals	Japan	100.0	March	31.1	32.0	+0.9	Black	Black	Increased
Toray International, Inc.	Trading	Japan	100.0	March	191.1	236.4	+45.3	Black	Black	Increased
Du Pont-Toray / Opelontex *	Fibers & Textiles / Plastics / Films	Japan	50.0	March	39.6	42.1	+2.5	Black	Black	Increased
Dow Corning Toray Silicone *	Plastics / Chemicals	Japan	35.0	December	40.8	41.9	+1.1	Black	Black	Increased
ITS	Fibers & Textiles	Indonesia	80.1	December	13.2	15.0	+1.7	Black	Black	Decreased
LUCKYTEX	Fibers & Textiles	Thailand	51.0	March	15.1	15.6	+0.5	Black	Black	Decreased
TTS	Fibers & Textiles / Plastics/Films	Thailand	76.5	December	15.2	13.9	-1.3	Black	Black	Decreased
PENFABRIC	Fibers & Textiles	Malaysia	100.0	March	17.9	17.1	-0.8	Black	Black	Increased
PENFIBRE (Fibers & Textiles)	Fibers & Textiles	Malaysia	100.0	March	6.0	6.1	+0.1	Red	Black	Improved
PENFIBRE (Films)	Films	Malaysia	100.0	March	7.1	7.0	-0.1	Black	Black	Increased
TPM	Plastics	Malaysia	100.0	March	21.6	24.4	+2.8	Black	Black	Decreased
TFNL	Fibers & Textiles	China	100.0	December	10.1	9.7	-0.4	Red	Red	Improved
TSI (Fibers & Textiles)	Fibers & Textiles	Korea	70.0	December	18.3	19.9	+1.6	Black	Black	Decreased
TSI (Films)	Films	Korea	70.0	December	29.8	32.9	+3.1	Black	Black	Increased
ALCANTARA	Fibers & Textiles	Italy	70.0	December	15.2	13.8	-1.4	Black	Black	Decreased
TPA	Films	U.S.	100.0	December	35.1	35.1	-0.1	Red	Black	Improved
TPEU	Films	France	100.0	December	21.1	20.8	-0.3	Red	Red	Improved
SOFICAR	Carbon Fiber Composite Materials	France	70.0	December	9.9	11.0	+1.1	Black	Black	Increased

(*): Affiliated Companies under the Equity Method

Above Net Sales include internal sales.

Research and Development Expenses



Billion ¥

	FY Mar/03	FY Mar/04	Changes
Toray Parent Company	30.9	31.1	+0.2
Consolidated Subsidiaries	6.7	6.2	- 0.4
Total	37.6	37.4	- 0.2

Number of Employees

Number of people

	End of Mar/03	End of Mar/04	Changes
Toray Parent Company	7,790	7,115	- 675
Consolidated Japanese Subsidiaries	8,751	8,536	- 215
Consolidated Overseas Subsidiaries	17,250	17,250	0
Total	33,791	32,901	- 890

Changes in Subsidiaries and Affiliates

		End of Mar/03	End of Mar/04	Changes
Consolidated Subsidiaries (a)	Japan	59	54	-5
	Overseas	55	52	-3
	Total	114	106	-8
Subsidiaries accounted for by Equity Method (b)	Japan	40	38	-2
	Overseas	21	20	-1
	Total	61	58	-3
Total Subsidiaries (a) + (b)	Japan	99	92	-7
	Overseas	76	72	-4
	Total	175	164	-11
Affiliates accounted for by Equity Method (c)	Japan	15	16	+1
	Overseas	14	13	-1
	Total	29	29	0
Companies subject to Consolidation (a) + (b) + (c)	Japan	114	108	-6
	Overseas	90	85	-5
	Total	204	193	-11

**II. Business Forecast
for the Fiscal Year Ending
March 2005
(Consolidated Basis)**

Forecast Summary

		Billion ¥			
		FY Mar/04	FY Mar/05	Changes	
Net Sales	1st Half	534.3	550.0	+15.7	(+2.9%)
	2nd Half	554.2	600.0	+45.8	(+8.3%)
	Total	1,088.5	1,150.0	+61.5	(+5.6%)
Operating Income	1st Half	24.7	29.0	+4.3	(+17.3%)
	2nd Half	32.1	45.0	+12.9	(+40.4%)
	Total	56.8	74.0	+17.2	(+30.3%)
Ordinary Income	1st Half	23.0	29.0	+6.0	(+26.2%)
	2nd Half	28.6	45.0	+16.4	(+57.2%)
	Total	51.6	74.0	+22.4	(+43.4%)
Net Income	1st Half	10.9	15.0	+4.1	(+37.0%)
	2nd Half	10.0	23.0	+13.0	(+130.9%)
	Total	20.9	38.0	+17.1	(+81.7%)
Net Income per Share	1st Half	7.81 yen	10.71 yen		
	2nd Half	7.06 yen	16.41 yen		
	Total	14.87 yen	27.12 yen		

Estimated Exchange Rate : 105 yen / US¥

Estimated Oil Price : 30 US¥ / B

*“Interest and Dividend Income, Interest Expenses, net “ for FY Mar/05 is estimated to be about negative 6 billion yen in deficit. On the other hand, “Equity in Earnings of Affiliates” and “Other Income and Expenses, net” for FY Mar/05 are estimated to be about positive 6 billion yen.

*Interest-bearing debts for FY Mar/05 is planned to be 460 billion yen or lower.

Forecast by Business Segment (Sales, Operating Income)

Billion ¥

		Net Sales				Operating Income				Comments
		FY Mar/04	FY Mar/05	Changes (%)		FY Mar/04	FY Mar/05	Changes (%)		
Fibers & Textiles	1st Half	213.4	214.0	+0.6	(+0.3%)	9.4	9.5	+0.1	(+0.8%)	Sales and income are expected to increase through promotion of NVC business model and price raise at the parent company and business expansion at Chinese and ASEAN subsidiaries.
	2nd Half	211.4	223.0	+11.6	(+5.5%)	8.9	13.0	+4.1	(+45.3%)	
	Total	424.8	437.0	+12.2	(+2.9%)	18.4	22.5	+4.1	(+22.5%)	
Plastics & Chemicals	1st Half	129.0	130.0	+1.0	(+0.8%)	4.5	4.5	0	(-0.8%)	Sales and income are expected to increase mainly through profitability improvement in film and resin processing subsidiaries, while sales is expected to decline in chemicals.
	2nd Half	129.1	130.0	+0.9	(+0.7%)	5.1	7.0	+1.9	(+36.2%)	
	Total	258.1	260.0	+1.9	(+0.7%)	9.7	11.5	+1.8	(+18.9%)	
IT-related Products	1st Half	81.8	97.0	+15.2	(+18.6%)	6.7	11.0	+4.3	(+64.2%)	Sales and income are expected to increase mainly by the expansion of IT-related films, electronics and information-related materials, and LCD-related materials businesses.
	2nd Half	92.8	103.0	+10.2	(+11.0%)	10.6	14.0	+3.4	(+31.7%)	
	Total	174.5	200.0	+25.5	(+14.6%)	17.3	25.0	+7.7	(+44.3%)	
Housing & Engineering	1st Half	54.3	53.0	-1.3	(-2.3%)	0.3	0	-0.3	(-100.0%)	Sales and income are expected to increase by the expansion of construction and plant businesses.
	2nd Half	65.9	81.0	+15.1	(+23.0%)	1.4	3.0	+1.6	(+119.8%)	
	Total	120.1	134.0	+13.9	(+11.6%)	1.7	3.0	+1.3	(+77.0%)	
Pharmaceuticals & Medical Products	1st Half	22.0	22.0	0	(0.0%)	0.7	0.5	-0.2	(-28.0%)	Income is expected to increase by the sales expansion of medical products, while end prices of pharmaceuticals and medical products will drop.
	2nd Half	25.9	26.0	+0.1	(+0.5%)	2.8	3.5	+0.7	(+24.3%)	
	Total	47.9	48.0	+0.1	(+0.3%)	3.5	4.0	+0.5	(+14.0%)	
New Products & Other Businesses	1st Half	33.9	34.0	+0.1	(+0.2%)	2.7	3.5	+0.8	(+29.7%)	Sales and income are expected to increase by the business expansion of carbon fiber composite materials. (Forecast for carbon fiber business : Sales 41.5 billion yen, Operating Income : 5.5 billion yen)
	2nd Half	29.2	37.0	+7.8	(+26.7%)	3.2	4.5	+1.3	(+42.0%)	
	Total	63.1	71.0	+7.9	(+12.5%)	5.9	8.0	+2.1	(+36.3%)	
Consolidated	1st Half	534.3	550.0	+15.7	(+2.9%)	24.7	29.0	+4.3	(+17.3%)	Sales and income are expected to increase in all segment.
	2nd Half	554.2	600.0	+45.8	(+8.3%)	32.1	45.0	+12.9	(+40.4%)	
	Total	1,088.5	1,150.0	+61.5	(+5.6%)	56.8	74.0	+17.2	(+30.3%)	

Forecast of Capital Investment, Depreciation, R&D Expenses



Capital Investment

Billion ¥

	FY Mar/04 (Actual)	FY Mar/05 (Forecast)	Changes
Toray Parent	17.4	34.0	+16.6
Consolidated Subsidiaries	30.6	46.0	+15.4
Consolidated Basis	48.0	80.0	+32.0

Research & Development Expenses

Billion ¥

	FY Mar/04 (Actual)	FY Mar/05 (Forecast)	Changes
Toray Parent	31.1	31.0	- 0.1
Consolidated Subsidiaries	6.2	6.5	+0.3
Consolidated Basis	37.4	37.5	+0.1

Depreciation

Billion ¥

	FY Mar/04 (Actual)	FY Mar/05 (Forecast)	Changes
Toray Parent	29.2	29.0	- 0.2
Consolidated Subsidiaries	38.1	40.0	+1.9
Consolidated Basis	67.3	69.0	+1.7

**III. Business Results
for the Fiscal Year Ended
March 2004
And
Business Forecast for the
Fiscal Year Ending March 2005
(Non-consolidated Basis)**

Summary (Profits)

Billion ¥

	FY Mar/03	FY Mar/04	Changes	
Net Sales	442.6	458.8	+16.3	(+3.7%)
Gross Profit	97.1	109.1	+12.0	(+12.3%)
(Gross Profit to Net Sales)	21.9%	23.8%	+1.8	points
Selling, General and Administrative Expenses	87.5	85.1	-2.4	(-2.7%)
(Selling, General and Administrative Expenses to Net Sales)	19.8%	18.5%	-1.2	points
Operating Income	9.7	24.0	+14.3	(+148.2%)
(Operating Income to Net Sales)	2.2%	5.2%	+3.0	points
Non-operating Income and Expenses	0.7	6.9	+6.2	
Ordinary Income	10.4	30.9	+20.5	(+197.5%)
Special Credits and Charges	▲ 5.5	▲ 2.9	+2.6	
Net Income	3.1	17.0	+13.9	(+444.6%)

	FY 03/3	FY 04/3
< Yen/US\$> Midterm average:	122.0	113.1
End of the term:	120.2	105.7

Summary (Financial Position)

Billion ¥

	End of Mar/03	End of Mar/04	Changes
Total Assets	873.6	895.5	+21.9 (+2.5%)
Stockholder's Equity	402.5	431.1	+28.6 (+7.1%)
Interest-bearing Debts	316.5	303.9	-12.6 (-4.0%)

	FY Mar/03	FY Mar/04	Changes
ROE	0.8%	4.1%	+3.3 points
ROA*	1.1%	2.7%	+1.6 points

Net Income per Share	2.23 yen	12.08 yen
Dividend per Share	5.0 yen	5.5 yen
Dividend Payout Ratio	224.4%	45.5%

*ROA = Operating Income / Total Assets

Business Results by Segment

Billion ¥

	Net Sales			Operating Income		
	FY Mar/03	FY Mar/04	Changes	FY Mar/03	FY Mar/04	Changes
Fibers & Textiles	185.0	182.2	-2.7 (-1.5%)	▲ 0.2	6.9	+7.1 (-)
Plastics & Chemicals	110.7	112.0	+1.3 (+1.2%)	1.1	1.3	+0.2 (+19.6%)
IT-related Products	74.8	88.8	+14.0 (+18.8%)	6.2	11.0	+4.8 (+76.5%)
New Products & Other Businesses	72.1	75.8	+3.7 (+5.1%)	2.5	4.8	+2.3 (+90.3%)
Total	442.6	458.8	+16.3 (+3.7%)	9.7	24.0	+14.3 (+148.2%)

Forecast for the FY Ending Mar/05

Billion ¥

		FY Mar/04	FY Mar/05	Changes	
Net Sales	1st Half	222.9	230.0	+7.1	(+3.2%)
	2nd Half	236.0	240.0	+4.0	(+1.7%)
	Total	458.8	470.0	+11.2	(+2.4%)
Operating Income	1st Half	9.3	11.0	+1.7	(+18.6%)
	2nd Half	14.7	20.0	+5.3	(+35.7%)
	Total	24.0	31.0	+7.0	(+29.1%)
Ordinary Income	1st Half	12.7	14.0	+1.3	(+10.1%)
	2nd Half	18.2	23.0	+4.8	(+26.3%)
	Total	30.9	37.0	+6.1	(+19.6%)
Net Income	1st Half	8.1	8.0	-0.1	(-1.1%)
	2nd Half	8.9	12.0	+3.1	(+34.7%)
	Total	17.0	20.0	+3.0	(+17.6%)
Net Income per Share	1st Half	5.77 yen	5.71 yen		
	2nd Half	6.31 yen	8.57 yen		
	Total	12.08 yen	14.28 yen		
Dividend per Share	1st Half	2.5 yen	3.5 yen		
	2nd Half	3.0 yen	3.5 yen		
	Total	5.5 yen	7.0 yen		
Dividend Payout Ratio	1st Half	43.3%	61.3%		
	2nd Half	47.5%	40.9%		
	Total	45.5%	49.0%		

Descriptions of predicted business results, projections, and business plans for the Fiscal Year ending March 2005 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.