

**Business Results Announcement
<Fiscal Year Ended March 2005>**

Toray Industries, Inc.

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**I. Business Results for the
Fiscal Year Ended March 2005
(Consolidated Basis)**

Summary (Profits)

Billion ¥

	FY Mar/04			FY Mar/05			Changes
	1st Half	2nd Half	Total	1st Half	2nd Half	Total	
Net Sales	534.3	554.2	1,088.5	575.7	722.9	1,298.6	+ 210.1 (+19.3%)
Cost of Sales	419.9	431.0	850.9	448.6	575.0	1,023.7	+ 172.8 (+20.3%)
Gross Profit	114.5	123.1	237.6	127.1	147.8	274.9	+ 37.3 (+15.7%)
(Gross Profit to Net Sales)	21.4%	22.2%	21.8%	22.1%	20.5%	21.2%	-0.7 points
Operating Income	24.7	32.1	56.8	35.6	45.5	81.1	+ 24.3 (+42.7%)
(Operating Income to Net Sales)	4.6%	5.8%	5.2%	6.2%	6.3%	6.2%	+ 1.0 points
Non-operating Income and Expenses, net	1.8	3.4	5.2	0.8	3.4	4.3	+ 0.9 (-)
Ordinary Income	23.0	28.6	51.6	34.8	42.0	76.8	+ 25.2 (+48.8%)
Special Credits and Charges, net	1.2	5.5	6.7	4.1	19.5	23.7	-17.0 (-)
Net Income	10.9	10.0	20.9	19.8	14.6	34.4	+ 13.5 (+64.5%)

Excluding Chori and Suido Kiko Effects

	FY Mar/05			Changes
	1st Half	2nd Half	Total	
	575.7	602.3	1,178.1	+ 89.6 (+8.2%)
	448.6	467.5	916.1	+ 65.3 (+7.7%)
	127.1	134.8	261.9	+ 24.3 (+10.2%)
	22.1%	22.4%	22.2%	+ 0.4 points
	35.6	42.2	77.8	+ 21.0 (+37.0%)
	6.2%	7.0%	6.6%	+ 1.4 points

Net Income per Share	7.8 yen	7.1 yen	14.9 yen	14.1 yen	10.3 yen	24.5 yen
Dividend per Share	2.5 yen	3.0 yen	5.5 yen	3.5 yen	3.5 yen	7.0 yen

* Equity method is applied to Chori and Suido Kiko up till midterm of FY Mar/05.

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

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

Exchange Rates		FY Mar/04 → FY Mar/05		FY Mar/04 → FY Mar/05				
< Yen/US\$ >	Annual average:	113.1	→	107.5	< US\$/Euro > Annual average:	1.17	→	1.26
	End of the term :	105.7	→	107.4	End of the term :	1.22	→	1.29

Summary (Financial Position)

Billion ¥

	End of Mar/04	End of Mar/05	Changes
Total Assets	1,295.3	1,402.3	+107.0 (+8.3%)
Stockholders' Equity	414.2	452.5	+38.3 (+9.2%)
Interest-bearing Debts	494.5	466.8	- 27.7 (-5.6%)

	FY Mar/04	FY Mar/05	Changes
ROE*1	5.2%	7.9%	+2.7 points
ROA*2	4.4%	6.0%	+1.6 points
Free Cash Flows	70.9	86.6	+15.6 (+22.0%)

*1 ROE = Net Income / Stockholders' Equity

*2 ROA = Operating Income / Total Assets

Non-operating Income and Expenses, Ordinary Income

Billion ¥

	FY Mar/04	FY Mar/05	Changes	Comments
Non-operating Income	12.8	14.2	+1.4	
Interest and Dividend Income	1.4	1.7	+0.3	
Equity in Earnings of Affiliates	5.7	5.7	0.0	
Other	5.7	6.8	+1.2	Exchange gain, etc.
Non-operating Expenses	17.9	18.4	-0.5	
Interest Expenses	7.5	7.1	+0.4	
Other	10.4	11.4	-0.9	
Non-operating Income and Expenses, net	5.2	4.3	+0.9	
Ordinary Income	51.6	76.8	+25.2	
Interest and Dividend Income, Interest Expenses, net	6.1	5.4	+0.7	Reduction of interest-bearing debts
Other Income and Expenses, net	4.8	4.5	+0.2	

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

Special Credits and Charges, Income Before Income Taxes

Billion ¥

	FY Mar/04	FY Mar/05	Changes	Comments
Special Credits	3.5	2.3	-1.2	
Gain on Sale of Property, Plant, and Equipment	2.5	1.2	-1.4	Reduction of gain on sale of land for company apartment
Gain on Sale of Investments in Securities	0.2	0.5	+0.3	
Gain on Sale of Securities of Subsidiaries	0.8	-	-0.8	
Other	-	0.6	+0.6	
Special Charges	10.2	26.0	-15.7	
Loss on Sale or Disposal of Property, Plant, and Equipment	3.1	3.5	-0.4	
Loss on Write-down of Property, Plant, and Equipment	4.0	13.0	-9.0	Loss on write-down of fixed assets of overseas subsidiaries
Loss on Write-down of Investments in Securities	0.1	0.3	-0.2	
Restructuring Expenses	2.7	6.1	-3.3	Losses and expenses of equipment for fibers & textiles and plastics & chemicals
Environmental Treatment Expense	-	1.7	-1.7	PCB waste treatment expense
Other	0.2	1.4	-1.2	
Special Credits and Charges, net	6.7	23.7	-17.0	
Income Before Income Taxes	44.9	53.1	+8.2	

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

Assets, Capital Expenditures, Depreciation

Billion ¥

	End of Mar/04	End of Mar/05	Changes	Comments
Total Assets	1,295.3	1,402.3	+107.0	Consolidation effects of Chori and Suido Kiko:+ 74.1 billion yen
Total Current Assets	549.1	644.4	+95.3	Consolidation effects of Chori and Suido Kiko:+ 62.6 billion yen Increase of cash and cash equivalents, etc.
Tangible Fixed Assets	543.3	532.0	-11.4	Consolidation effects of Chori and Suido Kiko:+ 4.7 billion yen Efficiency improvement of capital expenditures, disposal, and write-down, etc.
Intangible Assets	9.6	10.8	+1.2	Consolidation effects of Chori and Suido Kiko:+ 0.8 billion yen
Investments and Other Assets	193.3	215.1	+21.8	Consolidation effects of Chori and Suido Kiko:+ 6.0 billion yen Increase in investments in securities due to the recovery of stock prices, etc.

	FY Mar/04	FY Mar/05	Changes	Comments
Capital Expenditures	48.0	69.5	+21.5	Toray : 29.8, Japan : 10.9, Overseas : 28.8
Depreciation -)	67.3	62.6	-4.7	Toray : 26.9 Japan : 9.7, Overseas : 26.0
Transfer, Disposal, etc.	20.7	18.3	+2.4	
Change in Tangible Fixed Assets	40.0	11.4		

Major Capital Expenditures

<Japan>

Toray : Carbon fiber composite materials production facility (Ehime Plant)

Toray : LCD color filters production facility (Shiga Plant)

Toray Advanced Film Co., Ltd. etc.

<Overseas>

SOFICAR (France)

STEMCO (Korea), etc.

Liabilities, Stockholders' Equity

Billion ¥

	End of Mar/04	End of Mar/05	Changes	Comments
Total Liabilities	843.7	896.4	+52.7	Consolidation effects of Chori and Suido Kiko: + 60.1 billion yen
Current Liabilities	472.9	523.7	+50.8	Consolidation effects of Chori and Suido Kiko: + 52.2 billion yen
Other Liabilities	370.8	372.7	+1.9	Consolidation effects of Chori and Suido Kiko: + 7.9 billion yen
Minority Interests in Consolidated Subsidiaries	37.4	53.3	+15.9	Consolidation effects of Chori and Suido Kiko: + 13.7 billion yen
Total Stockholders' Equity	414.2	452.5	+38.3	
Interest-bearing Debts	494.5	466.8	-27.7	Consolidation effects of Chori and Suido Kiko: + 3.2 billion yen

Results by Business Segment

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	224.2	+10.8 (+5.1%)	9.4	10.1	+0.6 (+6.7%)	Japan:Despite of the impact of high price of raw materials, sales and income increased through further price raise to cover raw materials' cost increase and shift to profitable products for both apparel and industrial uses together with consolidation effect of Chori. Overseas:Income decreased by sales slump of European and Korean subsidiaries.
	2nd Half	211.4	289.1	+77.8 (+36.8%)	8.9	10.8	+1.9 (+20.9%)	
	Total	424.8	513.4	+88.6 (+20.9%)	18.4	20.9	+2.5 (+13.6%)	
Plastics & Chemicals	1st Half	127.4	134.8	+7.5 (+5.9%)	4.3	6.0	+1.7 (+39.9%)	Sales and income of resins increased through steady demand for automotives and electric parts applications. Sales and income also increased in films by promotion of such business structure reforms as globally efficient production system as well as steady growth in industrial and package applications.
	2nd Half	127.4	165.6	+38.1 (+29.9%)	4.9	9.6	+4.7 (+97.7%)	
	Total	254.8	300.4	+45.6 (+17.9%)	9.2	15.7	+6.5 (+70.5%)	
IT-related Products	1st Half	83.4	108.5	+25.1 (+30.0%)	6.9	15.0	+8.1 (+116.6%)	Sales and income increased through sales expansion of films, resins, electronics materials and LCD color filters for digital-related products including flat panel displays. Sales and income also increased at an IT-related subsidiary through full-scale marketing of slit coaters, etc.
	2nd Half	94.4	110.7	+16.3 (+17.2%)	10.9	13.3	+2.4 (+22.0%)	
	Total	177.8	219.1	+41.3 (+23.2%)	17.8	28.3	+10.5 (+58.7%)	
Housing & Engineering	1st Half	54.3	52.0	-2.2 (-4.1%)	0.3	0.3	-0.1 (-18.2%)	Sales and income increased by consolidation of Suido Kiko together with sales expansion and corporate-structure reinforcement at construction-related and engineering-related subsidiaries.
	2nd Half	65.9	96.6	+30.8 (+46.7%)	1.4	4.0	+2.7 (+194.8%)	
	Total	120.1	148.7	+28.5 (+23.8%)	1.7	4.3	+2.6 (+153.3%)	
Pharmaceuticals & Medical Products	1st Half	22.0	20.2	-1.8 (-8.2%)	0.7	0.3	-1.0 (-)	Despite the promotion of corporate-structure reinforcement, sales and income decreased in Pharmaceuticals and Medical Products due to price reduction by Government and tough competition of the market.
	2nd Half	25.9	24.1	-1.7 (-6.7%)	2.8	3.1	+0.3 (+11.8%)	
	Total	47.9	44.4	-3.5 (-7.4%)	3.5	2.9	-0.7 (-18.7%)	
New Products & Other Businesses	1st Half	33.9	36.0	+2.1 (+6.0%)	2.7	4.4	+1.7 (+63.1%)	Sales and income increased in carbon fiber composite materials businesses through good sales growth in aircraft and industrial applications. Sales and income also increased in other areas through good business results and promotion of corporate-structure reinforcement.
	2nd Half	29.2	36.7	+7.5 (+25.8%)	3.2	4.8	+1.6 (+51.8%)	
	Total	63.1	72.7	+9.6 (+15.2%)	5.9	9.2	+3.3 (+57.0%)	
(Carbon Fiber Composite Materials included above)	1st Half	18.1	21.5	+3.4 (+18.5%)	1.8	2.8	+1.0 (+54.6%)	* IT-related chemical products of Toray Fine Chemicals are displaced from the Plastics & Chemicals segment to IT-related Products segment from this FY. Accordingly, that of FY Mar/04 was also amended.
	2nd Half	19.2	23.2	+4.0 (+21.1%)	1.8	2.8	+1.0 (+58.9%)	
	Total	37.3	44.7	+7.4 (+19.8%)	3.6	5.6	+2.0 (+56.7%)	
Consolidated	1st Half	534.3	575.7	+41.4 (+7.7%)	24.7	35.6	+10.9 (+43.9%)	
	2nd Half	554.2	722.9	+168.7 (+30.4%)	32.1	45.5	+13.4 (+41.8%)	
	Total	1,088.5	1,298.6	+210.1 (+19.3%)	56.8	81.1	+24.3 (+42.7%)	

Results by Business Segment (Fibers and Textiles)

Billion ¥

	Net Sales				Operating Income				Comments
	FY Mar/04	FY Mar/05	Changes		FY Mar/04	FY Mar/05	Changes		
Toray	128.0	124.9	-3.1	(-2.4%)	6.9	8.6	+1.7	(+24.9%)	Despite the impact of high price of raw materials, sales and income increased actually through price raise to cover raw materials' cost increase, shift to profitable products, and expansion of NVC* businesses. Sales dropped apparently due to increase of internal elimination.
Japanese Subsidiaries	157.3	236.4	+79.2	(+50.3%)	4.1	7.0	+2.9	(+72.0%)	Sales and income increased by consolidation of Chori and sales expansion of trading subsidiaries.
Overseas Subsidiaries	139.5	152.0	+12.6	(+9.0%)	7.2	5.4	-1.9	(-25.6%)	Sales increased through business expansion of Chinese sewing businesses and Thai textiles businesses, however income decreased due to sales slump of European and Korean subsidiaries.
Adjustment					0.2	0.1	-0.3		*NVC: New Value Creator
Total	424.8	513.4	+88.6	(+20.9%)	18.4	20.9	+2.5	(+13.6%)	

<Major Subsidiaries >

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

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

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

Results by Business Segment (Plastics and Chemicals)



Billion ¥

	Net Sales				Operating Income				Comments
	FY Mar/04	FY Mar/05	Changes		FY Mar/04	FY Mar/05	Changes		
Toray	86.0	83.2	-2.8	(-3.3%)	1.3	4.3	+3.0	(+227.4%)	Sales and income increased through sales expansion of resins for automotives and electric parts applications and films for industrial uses as well as price raise to cover raw materials' prices increase and shift to high-value-added products. Chemicals sales decreased but income increased due to retreat from unprofitable caprolactam business.
Japanese Subsidiaries	77.1	109.3	+32.2	(+41.7%)	3.8	5.9	+2.0	(+53.6%)	Sales and income increased by consolidation of Chori and sales expansion of trading and film processing subsidiaries.
Overseas Subsidiaries	91.6	107.9	+16.3	(+17.8%)	4.2	5.5	+1.3	(+29.7%)	Despite the impact of soaring raw materials prices, sales and income increased by each subsidiary's efforts of passing on raw materials' prices increase to selling prices and shift to profitable products.
Adjustment					0.2		+0.2		
Total	254.8		+45.6	(+17.9%)	9.2		+6.5	(+70.5%)	

* IT-related chemical products of Toray Fine Chemicals are displaced from the Plastics & Chemicals segment to IT-related Products segment from this FY. Accordingly, that of FY Mar/04 was also amended.

<Major Subsidiaries>

Domestic : Toray Advanced Film Co., Ltd., Toray Fine Chemicals Co., Ltd., Soda Aromatic Co., Ltd., Chori Co., Ltd., etc.
Overseas : TPA (U.S.), TPM (Malaysia), TPEu (France), TSI (Korea), etc.

Results by Business Segment (IT-related Products)

Billion ¥

	Net Sales				Operating Income				Comments
	FY Mar/04	FY Mar/05	Changes		FY Mar/04	FY Mar/05	Changes		
Toray	69.5	78.6	+9.1	(+13.1%)	11.0	17.5	+6.5	(+59.5%)	Sales and income of IT-related resins / films, circuit materials, LCD color filters, PDP-related materials and others increased by rapid demand expansion of digital-related products.
Japanese Subsidiaries	62.3	94.0	+31.7	(+50.8%)	4.4	8.6	+4.2	(+96.9%)	Sales and income increased drastically through full-scale sales of equipment for LCD color filters (slit coaters) at an IT machinery subsidiary, and good business results of a film processing subsidiary.
Overseas Subsidiaries	46.0	46.6	+0.6	(+1.2%)	2.8	2.3	-0.5	(-17.3%)	Sales increased but income decreased mainly by demand shrink of PET films for video tapes, while FPC material business in Korea is profitable.
Adjustment					0.4	0.2	+0.1		
Total	177.8		+41.3	(+23.2%)	17.8		+10.5	(+58.7%)	

*IT-related chemical products of Toray Fine Chemicals are displaced from the Plastics & Chemicals segment to IT-related Products segment from this FY.

Accordingly, that of FY Mar/04 was also amended.

<Major Subsidiaries>

Domestic : Toray Engineering Co., Ltd., Toray Advanced Film Co., Ltd., etc.

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

Result by Business Segment (Housing and Engineering)

Billion ¥

	Net Sales				Operating Income				Comments
	FY Mar/04	FY Mar/05	Changes		FY Mar/04	FY Mar/05	Changes		
Toray	8.6	7.2	-1.4	(-16.1%)	0.9	0.9	-0.0	(-)	
Japanese Subsidiaries	110.8	139.8	+29.0	(+26.2%)	2.5	5.2	+2.7	(+107.1%)	Sales and income increased by consolidation of Suido Kiko together with sales expansion and corporate-structure reinforcement at construction and engineering subsidiaries.
Overseas Subsidiaries	0.8	1.7	+0.9	(+125.6%)	0.0	0.0	+0.0	(+80.0%)	
Adjustment					0.1	0.0	-0.1		
Total	120.1	148.7	+28.5	(+23.8%)	1.7	4.3	+2.6	(+153.3%)	

<Major Subsidiaries>

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

Results by Business Segment (Pharmaceuticals and Medical Products)



Billion ¥

	Net Sales				Operating Income				Comments
	FY Mar/04	FY Mar/05	Changes		FY Mar/04	FY Mar/05	Changes		
Toray	15.1	12.3	-2.8	(-18.7%)	2.9	2.0	-0.9	(-30.1%)	Sales and income decreased due to the price reduction of drugs by Government and the intensified competition of the market.
Japanese Subsidiaries	29.7	29.4	-0.4	(-1.2%)	0.7	0.6	-0.1	(-11.5%)	Despite of sales volume increase of medical products, sales and income decreased due to the price reduction by Government and tough competition.
Overseas Subsidiaries	3.1	2.7	-0.3	(-11.2%)	0.0	0.0	-0.0	(-61.3%)	
Adjustment					0.2	0.2	+0.3		
Total	47.9	44.4	-3.5	(-7.4%)	3.5	2.9	-0.7	(-18.7%)	

<Major Subsidiary>

Domestic : Toray Medical Co., Ltd.

Results by Business Segment (New Products and Other Businesses)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/04	FY Mar/05	Changes	FY Mar/04	FY Mar/05	Changes	
Toray	11.1	12.8	+1.7 (+15.4%)	2.8	3.9	+1.1 (+38.5%)	Sales and income increased by good business results of carbon fiber composite materials.
Japanese Subsidiaries	31.3	35.5	+4.2 (+13.3%)	2.9	3.4	+0.5 (+16.7%)	Sales and income increased mainly by sales expansion of trading and service-related subsidiaries.
Overseas Subsidiaries	20.7	24.4	+3.7 (+17.8%)	0.4	2.2	+1.7 (+420.3%)	Sales and income increased through expansion of carbon fiber composite materials for aircraft and industrial applications.
Adjustment				0.2	0.2	+0.1	
Total	63.1	72.7	+9.6 (+15.2%)	5.9	9.2	+3.3 (+57.0%)	
(Carbon Fiber Composite Materials; included above)	37.3	44.7	+7.4 (+19.8%)	3.6	5.6	+2.0 (+56.7%)	

<Major Subsidiaries>

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

Overseas : SOFICAR (France), etc.

Income Variance Factor Analysis

Billion ¥

	02/3	03/3	03/3	04/3	04/3	05/3	Total (02/3~05/3)
Expansion of Advanced Materials and NVC* activities, Production & Sales Efficiency Improvement (Improvement of Product Unit and Production Mix, etc.), Sales & Production Amount Increase, etc.		+12.5		+18.1		+22.7	+53.3
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.)		+14.0		+12.3		+9.0	+35.3
Influence of Appreciation of Selling Prices and Raw Material Costs, etc.		-12.3		-6.6		-7.4	-26.3
Total		+14.2		+23.7		+24.3	+62.2

*NVC : New Value Creator

Results of Major Subsidiaries and Affiliated Companies

Billion ¥

Company Name	Main Businesses	Location	Investment Ratio (%)	Account Closing Month	Net Sales (Billion Yen)			Operating Income		
					FY Mar/04	FY Mar/05	Changes	FY Mar/04	FY Mar/05	Changes
Ichimura Sangyo	Fibers & Textiles/Plastics	Japan	85.0	March	31.7	32.4	+0.7	Black	Black	Increased
Toray Advanced Film	Films	Japan	94.3	March	27.4	32.6	+5.2	Black	Black	Increased
Toray Construction	Construction, Housing Estates	Japan	100.0	March	58.4	64.9	+6.5	Black	Black	Increased
Toray Engineering	Engineering/IT-related Equipment	Japan	99.9	March	78.6	103.5	+24.9	Black	Black	Increased
Toray Medical	Medical, Pharmaceuticals	Japan	100.0	March	32.0	31.6	-0.4	Black	Black	Decreased
Toray International	Trading	Japan	100.0	March	236.4	298.5	+62.1	Black	Black	Increased
Du Pont-Toray / Opelontex *	Fibers & Textiles/Plastics/Films	Japan	50.0	March	42.1	42.7	+0.6	Black	Black	Increased
Dow Corning Toray Silicone *	Plastics/Chemicals	Japan	35.0	December	41.9	46.4	+4.5	Black	Black	Increased
ITS	Fibers & Textiles	Indonesia	80.1	December	15.0	17.8	+2.8	Black	Black	Increased
LUCKYTEX	Fibers & Textiles	Thailand	51.0	March	15.6	16.8	+1.3	Black	Black	Flat
TTS	Fibers & Textiles/Plastics/Films	Thailand	76.5	December	13.9	17.0	+3.1	Black	Black	Decreased
PENFABRIC	Fibers & Textiles	Malaysia	100.0	March	17.1	16.7	-0.4	Black	Black	Decreased
PENFIBRE (Fibers & Textiles)	Fibers & Textiles	Malaysia	100.0	March	6.1	6.9	+0.8	Black	Black	Flat
PENFIBRE (Films)	Films	Malaysia	100.0	March	7.0	7.4	+0.3	Black	Black	Flat
TPM	Plastics	Malaysia	100.0	March	24.4	32.4	+8.0	Black	Black	Increased
TFNL	Fibers & Textiles	China	100.0	December	9.7	9.8	+0.1	Red	Red	Decreased
TSI (Fibers & Textiles)	Fibers & Textiles	Korea	73.2	December	19.9	21.9	+2.0	Black	Black	Decreased
TSI (Films)	Films	Korea	73.2	December	32.9	39.2	+6.3	Black	Black	Increased
ALCANTARA	Fibers & Textiles	Italy	70.0	December	13.8	11.9	-1.9	Black	Black	Decreased
TPA	Films	U.S.	100.0	December	35.1	34.9	-0.1	Black	Black	Increased
TPEu	Films	France	100.0	December	20.8	19.5	-1.3	Red	Even	Improved
SOFICAR	Carbon Fiber Composite Materials	France	70.0	December	11.0	13.0	+2.0	Black	Black	Increased

(*): Affiliated Companies under the Equity Method

Above Net Sales include internal sales.

Research and Development Expenses

Billion ¥

	FY Mar/04	FY Mar/05	Changes
Toray	31.1	31.3	+0.2
Consolidated Subsidiaries	6.2	7.1	+0.9
Consolidated Basis	37.4	38.4	+1.0

Number of Employees

Number of people

	End of Mar/04	End of Mar/05	Changes
Toray	7,115	6,638	- 477
Consolidated Japanese Subsidiaries	8,536	9,574	+1,038
Consolidated Overseas Subsidiaries	17,250	17,495	+245
Total	32,901	33,707	+806

Changes in Subsidiaries and Affiliates

		End of Mar/04	End of Mar/05	Changes
Consolidated Subsidiaries (a)	Japan	54	68	+14
	Overseas	52	71	+19
	Total	106	139	+33
Subsidiaries accounted for by Equity Method (b)	Japan	38	39	+1
	Overseas	20	20	0
	Total	58	59	+1
Total Subsidiaries (a) + (b)	Japan	92	107	+15
	Overseas	72	91	+19
	Total	164	198	+34
Affiliates accounted for by Equity Method (c)	Japan	16	16	0
	Overseas	13	23	+10
	Total	29	39	+10
Companies subject to Consolidation (a) + (b) + (c)	Japan	108	123	+15
	Overseas	85	114	+29
	Total	193	237	+44

II. Business Forecast for the Fiscal Year Ending March 2006 (Consolidated Basis)

Forecast Summary

Billion ¥

		FY Mar/05	FY Mar/06	Changes
Net Sales	1st Half	575.7	700.0	+124.3 (+21.6%)
	2nd Half	722.9	780.0	+57.1 (+7.9%)
	Total	1,298.6	1,480.0	+181.4 (+14.0%)
Operating Income	1st Half	35.6	34.0	- 1.6 (-4.5%)
	2nd Half	45.5	56.0	+10.5 (+23.2%)
	Total	81.1	90.0	+8.9 (+11.0%)
Ordinary Income	1st Half	34.8	31.0	- 3.8 (-10.9%)
	2nd Half	42.0	55.0	+13.0 (+30.9%)
	Total	76.8	86.0	+9.2 (+12.0%)
Net Income	1st Half	19.8	13.0	- 6.8 (-34.3%)
	2nd Half	14.6	30.0	+15.4 (+105.3%)
	Total	34.4	43.0	+8.6 (+25.0%)
Net Income per Share	1st Half	14.12 yen	9.28 yen	
	2nd Half	10.34 yen	21.42 yen	
	Total	24.46 yen	30.71 yen	
Dividend per Share	1st Half	3.5 yen	4.0 yen	
	2nd Half	3.5 yen	4.0 yen	
	Total	7.0 yen	8.0 yen	

Expected Exchange Rate : 103 yen / US\$
 Expected Oil Price : 45 US\$ / B

Forecast by Business Segment (Sales, Operating Income)

Billion ¥

		Net Sales			Operating Income			Comments
		FY Mar/05	FY Mar/06	Changes (%)	FY Mar/05	FY Mar/06	Changes (%)	
Fibers & Textiles	1st Half	224.2	305.0	+80.8 (+36.0%)	10.1	11.0	+0.9 (+9.4%)	Sales and income are expected to increase by consolidation effect of Chori, parent company's NVC business promotion and price raise, and business expansion in China and ASEAN.
	2nd Half	289.1	310.0	+20.9 (+7.2%)	10.8	13.0	+2.2 (+20.1%)	
	Total	513.4	615.0	+101.6 (+19.8%)	20.9	24.0	+3.1 (+15.0%)	
Plastics & Chemicals	1st Half	134.8	165.0	+30.2 (+22.4%)	6.0	7.0	+1.0 (+15.8%)	Sales and income are expected to increase both in and outside Japan mainly through growth in film and resin processing businesses.
	2nd Half	165.6	175.0	+9.4 (+5.7%)	9.6	10.0	+0.4 (+4.0%)	
	Total	300.4	340.0	+39.6 (+13.2%)	15.7	17.0	+1.3 (+8.6%)	
IT-related Products	1st Half	108.5	105.0	-3.5 (-3.2%)	15.0	12.0	-3.0 (-19.9%)	Sales and income are expected to increase mainly by the expansion of IT-related films, electronics materials, and LCD-related materials businesses.
	2nd Half	110.7	130.0	+19.3 (+17.4%)	13.3	19.0	+5.7 (+42.8%)	
	Total	219.1	235.0	+15.9 (+7.2%)	28.3	31.0	+2.7 (+9.6%)	
Housing & Engineering	1st Half	52.0	65.0	+13.0 (+24.9%)	0.3	1.0	-1.3 (-)	Sales and income are expected to increase mainly by the expansion of construction and plant businesses.
	2nd Half	96.6	100.0	+3.4 (+3.5%)	4.0	6.0	+2.0 (+49.1%)	
	Total	148.7	165.0	+16.3 (+11.0%)	4.3	5.0	+0.7 (+16.4%)	
Pharmaceuticals & Medical Products	1st Half	20.2	20.0	-0.2 (-1.1%)	0.3	0.0	+0.3 (-)	Sales is expected to increase by production capacity expansion of new-type artificial kidney, but income is expected to decrease due to tough market competition in pharmaceuticals and medical products.
	2nd Half	24.1	25.0	+0.9 (+3.6%)	3.1	2.0	-1.1 (-36.5%)	
	Total	44.4	45.0	+0.6 (+1.5%)	2.9	2.0	-0.9 (-29.9%)	
New Products & Other Businesses	1st Half	36.0	40.0	+4.0 (+11.2%)	4.4	5.0	+0.6 (+13.6%)	Sales and income are expected to increase by business expansion of carbon fiber composite materials.
	2nd Half	36.7	40.0	+3.3 (+8.9%)	4.8	6.0	+1.2 (+24.7%)	
	Total	72.7	80.0	+7.3 (+10.1%)	9.2	11.0	+1.8 (+19.4%)	
(Carbon Fiber Composite Materials; included above)	1st Half	21.5	24.0	+2.5 (+11.7%)	2.8	4.0	+1.2 (+42.1%)	Sales and income are expected to increase through expansion in aircraft and industrial applications as well as by capacity increase at SOFICAR.
	2nd Half	23.2	26.0	+2.8 (+12.1%)	2.8	4.0	+1.2 (+43.8%)	
	Total	44.7	50.0	+5.3 (+11.9%)	5.6	8.0	+2.4 (+43.0%)	
Consolidated	1st Half	575.7	700.0	+124.3 (+21.6%)	35.6	34.0	-1.6 (-4.5%)	
	2nd Half	722.9	780.0	+57.1 (+7.9%)	45.5	56.0	+10.5 (+23.2%)	
	Total	1,298.6	1,480.0	+181.4 (+14.0%)	81.1	90.0	+8.9 (+11.0%)	

Forecast of Capital Expenditures, Depreciation, and R&D Expenses

Capital Expenditures

Billion ¥

	FY Mar/05 (Actual)	FY Mar/06 (Forecast)	Changes
Toray	29.8	40.0	+10.2
Consolidated Subsidiaries	39.7	55.0	+15.3
Consolidated Basis	69.5	95.0	+25.5

Research & Development Expenses

Billion ¥

	FY Mar/05 (Actual)	FY Mar/06 (Forecast)	Changes
Toray	31.3	31.5	+0.2
Consolidated Subsidiaries	7.1	7.5	+0.4
Consolidated Basis	38.4	39.0	+0.6

Depreciation

Billion ¥

	FY Mar/05 (Actual)	FY Mar/06 (Forecast)	Changes
Toray	26.9	28.5	+1.6
Consolidated Subsidiaries	35.7	36.5	+0.8
Consolidated Basis	62.6	65.0	+2.4

**III. Business Results for the
Fiscal Year Ended March 2005
and
Business Forecast for the
Fiscal Year Ending March 2006
(Non-consolidated Basis)**

Summary (Profits)

Billion ¥

	FY Mar/04	FY Mar/05	Changes
Net Sales	458.8	476.1	+17.2 (+3.8%)
Gross Profit	109.1	118.4	+9.3 (+8.5%)
(Gross Profit to Net Sales)	23.8%	24.9%	+1.1 points
Operating Income	24.0	35.4	+11.4 (+47.5%)
(Operating Income to Net Sales)	5.2%	7.4%	+2.2 points
Non-operating Income and Expenses, net	6.9	7.7	+0.7
Ordinary Income	30.9	43.1	+12.2 (+39.3%)
Special Credits and Charges, net	2.9	29.9	-27.0
Net Income	17.0	11.8	-5.2 (-30.7%)

Exchange Rates

	FY Mar/04	→	FY Mar/05
< Yen/US\$> Annual average:	113.1	→	107.5
End of the term :	105.7	→	107.4

Summary (Financial Position)

Billion ¥

	End of Mar/04	End of Mar/05	Changes	
Total Assets	895.5	890.0	-5.6	(-0.6%)
Stockholders' Equity	431.1	441.9	+10.8	(+2.5%)
Interest-bearing Debts	303.9	275.5	-28.4	(-9.4%)

	FY Mar/04	FY Mar/05	Changes	
ROE ^{*1}	4.1%	2.7%	-1.4	points
ROA ^{*2}	2.7%	4.0%	+1.3	points

Net Income per Share	12.08 yen	8.32 yen
Dividend per Share	5.5 yen	7.0 yen
Dividend Payout Ratio	45.5%	84.1%

*1 ROE = Net Income / Stockholders' Equity

*2 ROA = Operating Income / Total Assets

Forecast for the FY Ending Mar/06

Billion ¥

		FY Mar/05	FY Mar/06	Changes	
Net Sales	1st Half	237.5	245.0	+7.5	(+3.1%)
	2nd Half	238.5	265.0	+26.5	(+11.1%)
	Total	476.1	510.0	+33.9	(+7.1%)
Operating Income	1st Half	15.5	15.0	- 0.5	(-3.1%)
	2nd Half	19.9	23.0	+3.1	(+15.3%)
	Total	35.4	38.0	+2.6	(+7.3%)
Ordinary Income	1st Half	17.7	19.0	+1.3	(+7.6%)
	2nd Half	25.4	31.0	+5.6	(+21.9%)
	Total	43.1	50.0	+6.9	(+16.0%)
Net Income	1st Half	10.9	10.0	- 0.9	(-7.9%)
	2nd Half	0.9	16.0	+15.1	(+1614.9%)
	Total	11.8	26.0	+14.2	(+120.6%)
Net Income per Share	1st Half	7.75 yen	7.14 yen		
	2nd Half	0.57 yen	11.42 yen		
	Total	8.32 yen	18.56 yen		
Dividend per Share	1st Half	3.5 yen	4.0 yen		
	2nd Half	3.5 yen	4.0 yen		
	Total	7.0 yen	8.0 yen		
Dividend Payout Ratio	1st Half	45.2%	56.0%		
	2nd Half	609.8%	35.0%		
	Total	84.1%	43.1%		

Descriptions of predicted business results, projections, and business plans for the Fiscal Year ending March 2006 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.