

November 9, 2005

Midterm Business Results Announcement

<For the Six Months ended Sep. 30, 2005>

Toray Industries, Inc.

Contents

I. Midterm Business Results for the Fiscal Year Ending March 2006 (Consolidated Basis)

Summary	(P4-5)
Non-operating Income and Expenses	(P6)
Special Credits and Charges	(P7)
Assets, Capital Expenditures, Depreciation	(P8)
Liabilities, Stockholders' Equity	(P9)
Results by Business Segment	(P10-16)
Income Variance Factor Analysis	(P17)
Results of Major Subsidiaries	(P18)
Research and Development (R&D) Expenses, Number of Employees	(P19)
Changes in Subsidiaries and Affiliates	(P20)

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

Forecast Summary	(P22)
Forecast by Business Segment	(P23)
Forecast of Capital Expenditures, Depreciation, R&D Expenses	(P24)

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

Summary	(P26-27)
Forecast for the Fiscal Year Ending March 2006	(P28)

**I. Midterm Business Results
for the Fiscal Year Ending
March 2006
(Consolidated Basis)**

Summary (Profits)

Billion ¥

	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes
Net Sales	575.7	678.8	+103.1 (+17.9%)
Cost of Sales	448.6	536.7	+88.1 (+19.6%)
Gross Profit	127.1	142.1	+15.0 (+11.8%)
(Gross Profit to Net Sales)	22.1%	20.9%	-1.1 points
Operating Income	35.6	38.8	+3.2 (+9.1%)
(Operating Income to Net Sales)	6.2%	5.7%	-0.5 points
Non-operating Income and Expenses, net	▲ 0.8	▲ 2.0	-1.2 (-)
Ordinary Income	34.8	36.8	+2.0 (+5.8%)
Special Credits and Charges, net	▲ 4.1	▲ 6.0	-1.8 (-)
Midterm Net Income	19.8	16.8	-3.0 (-15.3%)

Net Income per Share (Midterm)	14.12 yen	11.96 yen
Dividend per Share (Midterm)	3.5 yen	4.0 yen

Excluding Chori and Suido Kiko Effects

	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes
Net Sales	575.7	575.7	0 (0.0%)
Cost of Sales	448.6	443.8	-4.8 (-1.1%)
Gross Profit	127.1	131.9	+4.8 (+3.8%)
(Gross Profit to Net Sales)	22.1%	22.9%	+0.8 points
Operating Income	35.6	37.9	+2.3 (+6.5%)
(Operating Income to Net Sales)	6.2%	6.6%	+0.4 points

Exchange Rate

< Yen/US\$ >	Midterm 05/3	Midterm 06/3
Midterm average:	109.9	109.5
End of the term:	111.1	113.2
< Yen/Euro >	Midterm 05/3	Midterm 06/3
Midterm average:	133.3	135.6
End of the term:	137.0	136.1

*Chori and Suido Kiko are accounted for affiliated companies by Equity Method until Midterm FY Mar/05.

Summary (Financial Position)

Billion ¥

	End of Mar/05	End of Sep/05	Changes
Total Assets	1,402.3	1,422.6	+20.3 (+1.4%)
Stockholders' Equity	452.5	484.4	+31.9 (+7.0%)
Interest-bearing Debts	466.8	459.5	-7.4 (-1.6%)

	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes
ROE ^{*1}	9.3%	7.2%	-2.1 points
ROA ^{*2}	5.3%	5.5%	+0.2 points
Free Cash Flows	34.0	▲ 27.1	-61.1

*1) ROE = Net Income / Stockholders' Equity *2) ROA = Operating Income / Total Assets
 ROE, ROA are converted to annual based exchange ratios.

<Details of Free Cash Flows>

	FY Mar/ 05 Midterm	FY Mar/06 Midterm	Changes
Cash Flows from Operating Activities	45.9	31.5	-14.4 (-31.3%)
Cash Flows from Investment Activities	11.9	58.6	-46.7
Free Cash Flows	34.0	27.1	-61.1

Non-operating Income and Expenses

Billion ¥

	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	Comments
Non-operating Income	7.3	6.2	-1.1	
Interest and Dividend Income	0.9	1.4	+0.5	
Equity in Earnings of Affiliates	4.2	2.1	-2.1	Loss on impairment and decline in profit of domestic affiliated companies
Others	2.2	2.8	+0.6	
Non-operating Expenses	8.1	8.3	-0.2	
Interest Expenses	3.1	3.9	-0.8	Increase in interest expenses due to rising interest rates of US dollars, etc.
Others	5.0	4.4	+0.6	
Non-operating Income and Expenses, net	0.8	2.0	-1.2	
Interest and Dividend Income, Interest Expenses, net	2.2	2.5	-0.3	
Other Income and Expenses, net	2.8	1.6	+1.2	

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

Special Credits and Charges

Billion ¥

	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	Comments
Special Credits	0.9	2.1	+1.1	
Gain on Sales of Property, Plant and Equipment	0.3	0.5	+0.2	
Gain on Sales of Investments in Securities	0.0	1.6	+1.6	Selling of insignificant stocks
Others	0.6	-	-0.6	
Special Charges	▲ 5.1	▲ 8.0	-2.9	
Loss on Sales or Disposal of Property, Plant and Equipment	▲ 1.2	▲ 1.4	-0.2	
Loss on Impairment	-	▲ 1.7	-1.7	Loss on impairment of unused land
Loss on Write-down of Investments in Securities	▲ 0.3	▲ 0.1	+0.2	
Loss on Liquidation of Affiliate	-	▲ 0.9	-0.9	
Restructuring Expenses	▲ 3.2	▲ 0.5	+2.7	
Loss on Revision of Employees' Pension Fund	-	▲ 1.4	-1.4	Loss generated by change to defined-contribution pension plan
Loss on Reserve for Employees' Retirement Benefits of Overseas Subsidiary	-	▲ 1.9	-1.9	Loss generated by changes in the UK pension accounting standards
Others	▲ 0.4	▲ 0.1	+0.3	
Special Credits and Charges, net	▲ 4.1	▲ 6.0	-1.8	

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

Assets, Capital Expenditures, Depreciation

Billion ¥

	End of Mar/05	End of Sep/05	Changes	Comments
Total Assets	1,402.3	1,422.6	+20.3	
Total Current Assets	644.4	623.9	-20.5	
Tangible Fixed Assets	532.0	535.8	+3.8	
Intangible Assets	10.8	11.2	+0.4	
Investments and Other Assets	215.1	251.7	+36.6	Increase of investments in securities, etc.

	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	Comments
Capital Expenditures	23.4	31.8	+8.4	Toray : 9.9, Japan : 3.8, Overseas : 18.1
Depreciation -)	31.5	30.4	-1.1	Toray : 12.4, Japan : 4.8, Overseas : 13.2
Transfer, Disposal, etc.	▲ 3.2	2.4	+5.5	
Changes in Tangible Fixed Assets	▲ 11.2	3.8		

Major Capital Expenditures <Japan>

Toray : Color filter production facilities
: PDP paste production facilities

Operation started in Apr/05 (LM5 phase)
Operation started in Sep/05

<Overseas>

STEMCO : TAB·COF processing facilities (Korea)
CFA : Carbon fiber production facilities (US)

Operation started in Mar/05
Operation will start in Jan/06

Liabilities, Stockholders' Equity

Billion ¥

	End of Mar/05	End of Sep/05	Changes	Comments
Total Liabilities	896.4	889.2	- 7.3	
Current Liabilities	523.7	505.6	-18.1	Reduction of interest-bearing debts, decrease in trade payables, etc.
Other Liabilities	372.7	383.5	+10.8	Increase of deferred tax liabilities, etc.
Minority Interests in Consolidated Subsidiaries	53.3	49.0	-4.3	
Total Stockholders' Equity	452.5	484.4	+31.9	Increase of retained earnings, increase of valuation of listed stocks, etc.
Interest-bearing Debts	466.8	459.5	-7.4	Reduction of interest-bearing debts

D / E ratio :	End of Sep/04	1.15
	End of Mar/05	1.03
	End of Sep/05	0.95

Results by Business Segment

Billion ¥

	Net Sales			Operating Income		
	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes
Fibers & Textiles	224.2	288.7	+64.5 (+28.8%)	10.1	10.4	+0.3 (+3.0%)
Plastics & Chemicals	134.8	158.8	+24.0 (+17.8%)	6.0	8.6	+2.6 (+42.7%)
IT-related Products	108.5	111.1	+2.7 (+2.5%)	15.0	13.1	-1.9 (-12.5%)
Carbon Fiber Composite Materials	21.5	24.4	+2.9 (+13.6%)	2.8	5.9	+3.1 (+109.7%)
Environment & Engineering	52.0	61.9	+9.9 (+19.0%)	0.3	▲ 1.2	-1.4 (-)
Life Science & Other Businesses	34.7	33.7	-1.0 (-2.7%)	1.3	2.0	+0.7 (+56.2%)
(Pharmaceuticals & Medical Products Included)	20.2	20.3	+0.1 (+0.6%)	▲ 0.3	0.6	+0.9 (-)
Consolidated	575.7	678.8	+103.1 (+17.9%)	35.6	38.8	+3.2 (+9.1%)

Results by Business Segment (Fibers and Textiles)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	
Toray	66.0	59.9	-6.1 (-9.3%)	4.3	4.3	- 0.0 (-1.0%)	Sales decreased due to strategic sales decrease of unprofitable products and increase of inter-company elimination caused by consolidation of Chori. Operating income was as the same level on period-to-period comparison by raising sales price and shifting to profitable products to offset the soaring prices of raw materials and fuels.
Japanese Subsidiaries	84.2	146.6	+62.5 (+74.2%)	2.7	4.0	+1.3 (+49.2%)	Sales and income increased by consolidation of Chori.
Overseas Subsidiaries	74.0	82.2	+8.2 (+11.1%)	3.1	2.0	-1.0 (-33.8%)	Sales increased while operating income decreased mainly due to high price of raw materials and fuels in Asian subsidiaries.
Adjustment				▲0.0	0.1	+0.1	
Total	224.2	288.7	+64.5 (+28.8%)	10.1	10.4	+0.3 (+3.0%)	

<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 & US : ALCANTARA (Italy), etc.

Results by Business Segment (Plastics and Chemicals)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	
Toray	41.7	38.4	-3.3 (-7.9%)	1.9	2.0	+0.1 (+5.3%)	Sales decreased due to partial transfer of film business to a subsidiary and discontinuation of selling of caprolactum while income increased through steady resin and film businesses.
Japanese Subsidiaries	41.6	62.1	+20.5 (+49.3%)	2.4	3.5	+1.1 (+47.6%)	Sales and income increased through consolidation of Chori as well as steady business at a film-processing subsidiary.
Overseas Subsidiaries	51.5	58.3	+6.8 (+13.1%)	2.3	3.4	+1.1 (+50.6%)	Sales and income increased through passing of raw materials and fuels cost increase to selling prices and promotion of business structure reform.
Adjustment				▲ 0.5	▲ 0.3	+0.2	
Total	134.8	158.8	+24.0 (+17.8%)	6.0	8.6	+2.6 (+42.7%)	

<Major Subsidiaries>

Domestic : Toray Advanced Film Co., Ltd., Toray Fine Chemicals Co., Ltd., Soda Aromatic Co., Ltd., Chori Co., Ltd., etc.

Overseas : TPA (US), TPM (Malaysia), TPEu (France), TSI (Korea), etc.

Results by Business Segment (IT-related Products)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	
Toray	38.7	43.1	+4.4 (+11.3%)	8.6	8.3	-0.3 (-3.4%)	Sales increased by sales expansion of IT-related resins and films while income decreased due to sales drop of circuit materials effected by demand adjustment of digital-related products from the latter half of the previous fiscal year to first quarter of this fiscal year.
Japanese Subsidiaries	46.5	43.2	-3.2 (-7.0%)	5.1	3.7	-1.3 (-26.4%)	Business results of film-processing subsidiary were good, however, total sales and income decreased due to sales decline of LCD-related equipment resulted from the adjustment in LCD panel investments which were good in the previous year's first half.
Overseas Subsidiaries	23.3	24.8	+1.6 (+6.7%)	1.5	0.9	-0.6 (-39.6%)	Sales increased through sales expansion of films for FPDs though income decreased due to inventory adjustment of customers of circuit materials' businesses at Korea's subsidiaries.
Adjustment				▲ 0.3	0.1	+0.4	
Total	108.5	111.1	+2.7 (+2.5%)	15.0	13.1	-1.9 (-12.5%)	

<Major Subsidiaries>

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

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

Results by Business Segment (Carbon Fiber Composite Materials)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	
Toray	15.9	22.5	+6.5 (+40.9%)	1.6	3.7	+2.2 (+138.2%)	Sales and income increased through good business results in all applications mainly in aircrafts, industrial uses including PC chassis and machine parts, and sports applications such as golf shafts, as well as shift to profitable products.
Japanese Subsidiaries	10.3	13.6	+3.4 (+32.9%)	0.1	0.1	+0.0 (+30.6%)	Sales increased through sales expansion of a trading company.
Overseas Subsidiaries	17.1	19.5	+2.4 (+14.3%)	1.0	2.2	+1.2 (+125.3%)	Sales and income increased through capacity increase and sales expansion at European subsidiary and sales expansion of aircraft and industrial applications at US subsidiary.
Adjustment	▲ 21.8	▲ 31.2		0.2	▲ 0.1	-0.3	
Total	21.5	24.4	+2.9 (+13.6%)	2.8	5.9	+3.1 (+109.7%)	

<Major Subsidiaries>

Domestic : Toray International, Inc.

Overseas : SOFICAR (France), etc.

As the segment highly conducts global operation with Japanese, Europe, and US facilities, Internal sales figures are shown in adjustment line, to describe the true state of the business.

Results by Business Segment (Environment & Engineering)



Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	
Toray	3.7	3.3	-0.4 (-10.3%)	▲ 0.5	▲ 0.3	+0.2 (-)	
Japanese Subsidiaries	47.9	58.1	+10.2 (+21.2%)	0.9	▲ 0.7	-1.6 (-)	Sales increased while income decreased by consolidation of Suido Kiko.
Overseas Subsidiaries	0.4	0.5	+0.1 (+34.4%)	0.0	0.0	+0.0 (+33.3%)	
Adjustment				▲ 0.1	▲ 0.2	-0.1	
Total	52.0	61.9	+9.9 (+19.0%)	0.3	▲ 1.2	-1.4 (-)	

<Major Subsidiaries>

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

Results by Business Segment (Life Science & Other Businesses)

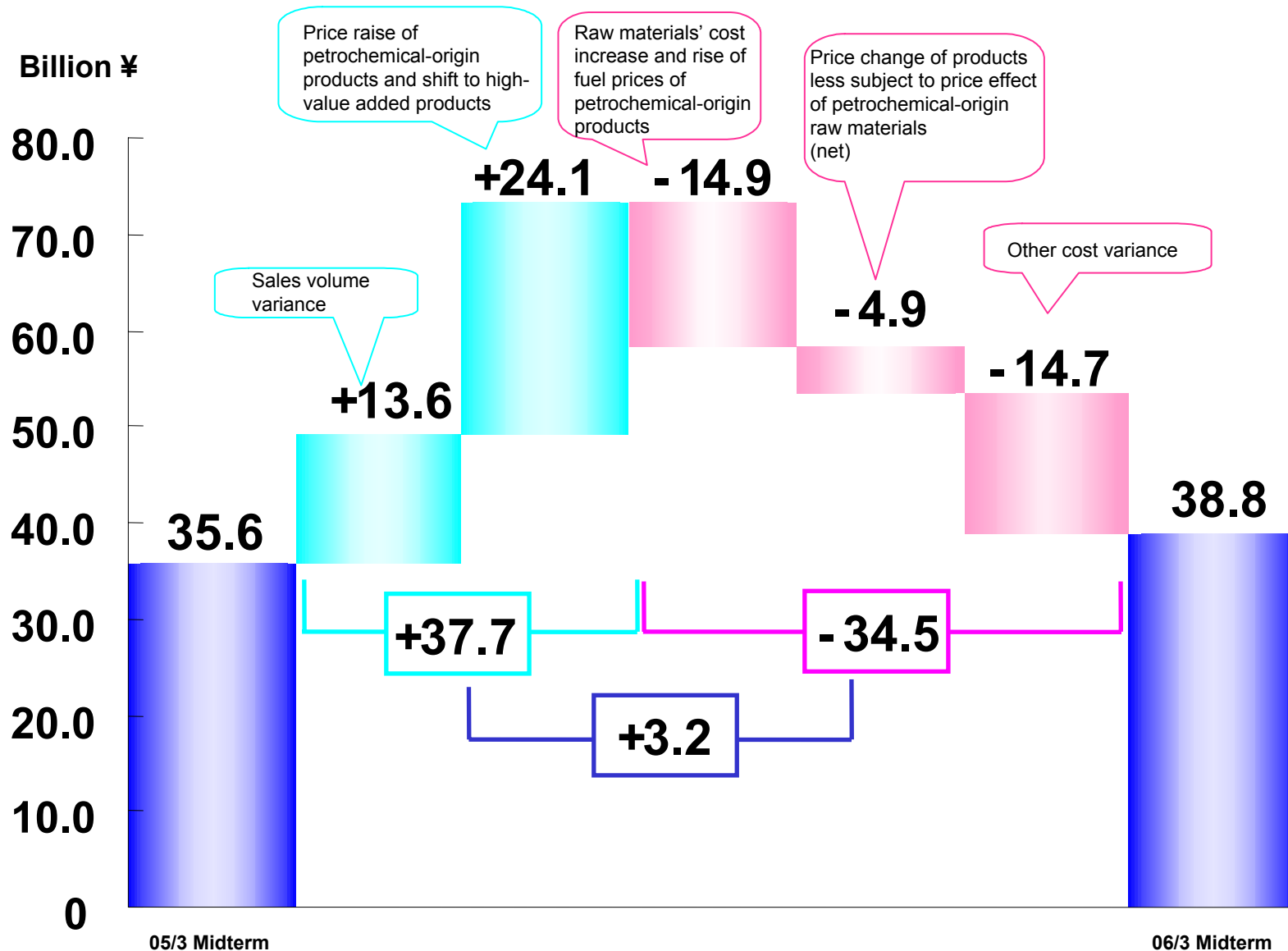
Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	
Toray	5.4	5.1	-0.3 (-5.1%)	▲ 0.5	0.1	+0.5 (-)	In pharmaceuticals and medical products business, sales and income increased through sales expansion of Dorner, Prostacyclin (PGI2) Derivative, and increase in licensing revenues.
Japanese Subsidiaries	27.6	26.6	-1.0 (-3.6%)	1.7	1.6	-0.1 (-4.3%)	
Overseas Subsidiaries	1.7	2.0	+0.3 (+18.4%)	0.0	0.0	+0.0 (+23.5%)	
Adjustment				▲ 0.0	0.2	+0.2	
Total	34.7	33.7	-1.0 (-2.7%)	1.3	2.0	+0.7 (+56.2%)	
(Pharmaceuticals & Medical Products; included above)	20.2	20.3	+0.1 (+0.6%)	▲ 0.3	0.6	+0.9 (-)	

<Major Subsidiaries>

Domestic : Toray Medical Co., Ltd., Toray Research Center Inc., Toray Enterprise Corp., etc.

Income Variance Factor Analysis



Results of Major Subsidiaries

Billion ¥

	Net Sales			Operating Income		
	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes
Toray International, Inc.	145.9	158.7	+12.8	1.6	1.7	+0.1
Toray Engineering Co., Ltd.	47.4	45.8	-1.5	3.2	1.9	-1.2
Toray Construction Co., Ltd.	23.0	18.9	-4.1	0.4	0.2	-0.2
Toray Advanced Film Co., Ltd.	15.8	18.3	+2.5	1.7	2.0	+0.3
TSI	28.4	34.0	+5.6	2.0	1.6	-0.3
TPM	16.4	19.6	+3.2	0.6	0.8	+0.2
Film Subsidiaries (Overseas) *1	48.1	51.9	+3.8	1.7	2.8	+1.0
Carbon Fiber Subsidiaries (Overseas) *2	14.7	16.7	+2.0	1.0	2.2	+1.2
14 Subsidiaries in China *3	34.0	40.8	+6.9	▲0.8	▲0.5	+0.3
Fibers & Textiles Subsidiaries in Southeast Asia *4	43.5	46.1	+2.6	2.7	2.2	-0.5

*1 : TSI (films), Penfibre (films), TPA, TPEu sum total *2 : SOFICAR, CFA, TCA sum total

*3 : TFNL, TSD, TCH, TAK/TAZ, TPHK/TPSZ, RKH/RKZ, THK-G, TSL sum total

*4 : ITS, ETX, ISTEM, ACTEM, CENTEX, Penfibre (fibers), PAB-G, TTS (fibers), LTX, TTTM sum total

Research and Development (R&D) Expenses, Number of Employees

R&D Expenses

Billion ¥

	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes
Toray	15.7	15.9	+0.2
Consolidated Subsidiaries	3.3	3.5	+0.2
Consolidated Basis	19.0	19.5	+0.5

Number of Employees

Number of people

	End of Sep/04	End of Mar/05	End of Sep/05	Changes
Toray	6,960	6,638	6,721	+83
Consolidated Japanese Subsidiaries	9,689	9,574	9,687	+113
Consolidated Overseas Subsidiaries	18,093	17,495	17,887	+392
Total	34,742	33,707	34,295	+588

Changes in Subsidiaries and Affiliates

Number of companies

		End of Mar/05	End of Sep/05	Changes
Consolidated Subsidiaries (a)	Japan	68	68	±0
	Overseas	71	71	±0
	Total	139	139	±0
Subsidiaries accounted for by Equity Method (b)	Japan	39	38	-1
	Overseas	20	20	±0
	Total	59	58	-1
Total Subsidiaries (a) + (b)	Japan	107	106	-1
	Overseas	91	91	±0
	Total	198	197	-1
Affiliates accounted for by Equity Method (c)	Japan	16	17	+1
	Overseas	23	24	+1
	Total	39	41	+2
Companies subject to Consolidation (a) + (b) + (c)	Japan	123	123	±0
	Overseas	114	115	+1
	Total	237	238	+1

**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	678.8	+103.1 (+17.9%)
	2nd Half	722.9	751.2	+28.3 (+3.9%)
	Total	1,298.6	1,430.0	+131.4 (+10.1%)
Operating Income	1st Half	35.6	38.8	+3.2 (+9.1%)
	2nd Half	45.5	53.2	+7.7 (+17.0%)
	Total	81.1	92.0	+10.9 (+13.5%)
Ordinary Income	1st Half	34.8	36.8	+2.0 (+5.8%)
	2nd Half	42.0	50.2	+8.2 (+19.4%)
	Total	76.8	87.0	+10.2 (+13.3%)
Net Income	1st Half	19.8	16.8	-3.0 (-15.3%)
	2nd Half	14.6	26.3	+11.6 (+79.6%)
	Total	34.4	43.0	+8.6 (+25.0%)
Net Income per Share	1st Half	14.12 yen	11.96 yen	
	2nd Half	10.34 yen	18.75 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	

Percentage of Achievement in FY Mar/06 Midterm Operating Income to FY Mar/06 Operating Income Forecast

	Initial Forecast	New Forecast
FY Mar/06 Midterm Operating Income Result	34.0	38.8
FY Mar/06 Operating Income Forecast	90.0	92.0
Percentage of Achievement	37.8%	42.2%

Expected exchange rate (Oct/05 ~ Mar/06) : 110 yen / US\$, 138 yen / euro
 Expected oil price (Oct/05 ~ Mar/06) : US\$57 / B (Dubai FOB)

Forecast by Business Segment

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	288.7	+64.5 (+28.8%)	10.1	10.4	+0.3 (+3.0%)	Sales and income are expected to increase by raising price and promoting value-added products while effected by hovering raw materials and fuel costs.
	2nd Half	289.1	291.3	+2.1 (+0.7%)	10.8	10.7	-0.2 (-1.6%)	
	Total	513.4	580.0	+66.6 (+13.0%)	20.9	21.0	+0.1 (+0.6%)	
Plastics & Chemicals	1st Half	134.8	158.8	+24.0 (+17.8%)	6.0	8.6	+2.6 (+42.7%)	Sales and income are expected to increase by promoting resins for automotives and films for packaging and industrials, as well as raising price to offset high costs of raw materials and fuels.
	2nd Half	165.6	171.2	+5.6 (+3.4%)	9.6	8.9	-0.7 (-7.6%)	
	Total	300.4	330.0	+29.6 (+9.9%)	15.7	17.5	+1.8 (+11.8%)	
IT-related Products	1st Half	108.5	111.1	+2.7 (+2.5%)	15.0	13.1	-1.9 (-12.5%)	With IT-related product market recovering, sales and income are expected to increase through growing sales of FPD related films, processing films, and circuit materials.
	2nd Half	110.7	128.9	+18.2 (+16.4%)	13.3	18.4	+5.1 (+38.3%)	
	Total	219.1	240.0	+20.9 (+9.5%)	28.3	31.5	+3.2 (+11.4%)	
Carbon Fiber Composite Materials	1st Half	21.5	24.4	+2.9 (+13.6%)	2.8	5.9	+3.1 (+109.7%)	Sales and income are expected to increase due to strong demand for all applications such as aircrafts, industrials, and sports as well as the contribution of capacity increase at SOFICAR in France.
	2nd Half	23.2	25.6	+2.4 (+10.3%)	2.8	5.1	+2.3 (+83.3%)	
	Total	44.7	50.0	+5.3 (+11.9%)	5.6	11.0	+5.4 (+96.6%)	
Environment & Engineering	1st Half	52.0	61.9	+9.9 (+19.0%)	0.3	▲ 1.2	-1.4 (-)	Sales are expected to increase mainly due to consolidation of Suido Kiko. Income is expected to increase mainly due to good business conditions of construction-related and engineering-related subsidiaries.
	2nd Half	96.6	98.1	+1.4 (+1.5%)	4.0	6.2	+2.2 (+53.4%)	
	Total	148.7	160.0	+11.3 (+7.6%)	4.3	5.0	+0.7 (+16.4%)	
Life Science & Other Businesses	1st Half	34.7	33.7	-1.0 (-2.7%)	1.3	2.0	+0.7 (+56.2%)	Income is estimated to fall due to the transfer of a subsidiary's hotel business in the previous fiscal year.
	2nd Half	37.7	36.3	-1.4 (-3.7%)	5.2	4.0	-1.2 (-23.0%)	
	Total	72.3	70.0	-2.3 (-3.2%)	6.5	6.0	-0.5 (-7.2%)	
(Pharmaceuticals & Medical Products Included)	1st Half	20.2	20.3	+0.1 (+0.6%)	▲ 0.3	0.6	+0.9 (-)	Sales and income are expected to increase through salse expansion of pharmaceuticals and medical products and corporate structure reinforcement efforts.
	2nd Half	24.1	24.7	+0.5 (+2.2%)	3.1	2.4	-0.8 (-25.3%)	
	Total	44.4	45.0	+0.6 (+1.5%)	2.9	3.0	+0.1 (+5.2%)	
Consolidated	1st Half	575.7	678.8	+103.1 (+17.9%)	35.6	38.8	+3.2 (+9.1%)	
	2nd Half	722.9	751.2	+28.3 (+3.9%)	45.5	53.2	+7.7 (+17.0%)	
	Total	1,298.6	1,430.0	+131.4 (+10.1%)	81.1	92.0	+10.9 (+13.5%)	

Forecast of Capital Expenditures, Depreciation, 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

R & D Expenses

Billion ¥

	FY Mar/05 (Actual)	FY Mar/06 (Forecast)	Changes
Toray	31.3	32.5	+1.2
Consolidated Subsidiaries	7.1	7.5	+0.4
Consolidated Basis	38.4	40.0	+1.6

Depreciation

Billion ¥

	FY Mar/05 (Actual)	FY Mar/06 (Forecast)	Changes
Toray	26.9	27.0	+0.1
Consolidated Subsidiaries	35.7	37.0	+1.3
Consolidated Basis	62.6	64.0	+1.4

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

Summary (Profits)

Billion ¥

	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	
Net Sales	237.5	243.2	+5.6	(+2.4%)
Gross Profit	57.3	60.7	+3.5	(+6.1%)
(Gross Profit to Net Sales)	24.1%	25.0%	+0.9	points
Operating Income	15.5	18.2	+2.7	(+17.3%)
(Operating Income to Net Sales)	6.5%	7.5%	+1.0	points
Non-operating Income and Expenses, net	2.2	4.4	+2.2	(-)
Ordinary Income	17.7	22.6	+4.9	(+27.7%)
Special Credits and Charges, net	▲ 3.9	▲ 3.8	+0.1	(-)
Midterm Net Income	10.9	12.8	+1.9	(+17.5%)

Summary (Financial Position)

Billion ¥

	End of Mar/05	End of Sep/05	Changes	
Total Assets	890.0	903.6	+13.6	(+1.5%)
Stockholders' Equity	441.9	463.7	+21.8	(+4.9%)
Interest-bearing Debts	275.5	265.6	-9.9	(-3.6%)

	FY Mar/05 Midterm	FY Mar/06 Midterm	Changes	
ROE ^{*1}	5.0%	5.6%	+0.6	points
ROA ^{*2}	3.5%	4.1%	+0.6	points

Net Income per Share (Midterm)	7.75 yen	9.10 yen
Dividend per Share (Midterm)	3.5 yen	4.0 yen
Dividend Payout Ratio	45.2%	43.9%

*1) ROE = Net Income / Stockholders' Equity *2) ROA = Operating Income / Total Assets
 ROE, ROA are converted to annual based exchange ratios.

Forecast for the FY Ending March 2005 (Non-consolidated Basis)



Billion ¥

		FY Mar/05	FY Mar/06	Changes	
Net Sales	1st Half	237.5	243.2	+5.6	(+2.4%)
	2nd Half	238.5	256.8	+18.3	(+7.7%)
	Total	476.1	500.0	+23.9	(+5.0%)
Operating Income	1st Half	15.5	18.2	+2.7	(+17.3%)
	2nd Half	19.9	20.8	+0.9	(+4.5%)
	Total	35.4	39.0	+3.6	(+10.1%)
Ordinary Income	1st Half	17.7	22.6	+4.9	(+27.7%)
	2nd Half	25.4	28.4	+3.0	(+11.9%)
	Total	43.1	51.0	+7.9	(+18.4%)
Net Income	1st Half	10.9	12.8	+1.9	(+17.5%)
	2nd Half	0.9	13.2	+12.3	(+1319.6%)
	Total	11.8	26.0	+14.2	(+120.6%)
Net Income per Share	1st Half	7.75 yen	9.10 yen		
	2nd Half	0.57 yen	9.46 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%	43.9%		
	2nd Half	609.8%	42.3%		
	Total	84.1%	43.1%		

Descriptions of forecasted business results, estimates, expectations, 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.