

May 9, 2007

Business Results Announcement

<Fiscal Year Ended March 2007>

Toray Industries, Inc.

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I. Business Results for the Fiscal Year Ended March 2007 (Consolidated Basis)

Summary (Profits)

Billion ¥

	FY Mar/06			FY Mar/07			Changes	
	1st Half	2nd Half	Total	1st Half	2nd Half	Total		
Net Sales	678.8	748.7	1,427.5	746.2	800.2	1,546.5	+119.0	(+8.3%)
Cost of Sales	536.7	587.5	1,124.2	594.1	627.3	1,221.4	+97.2	(+8.6%)
Gross Profit	142.1	161.2	303.3	152.1	172.9	325.1	+21.8	(+7.2%)
(Gross Profit to Net Sales)	20.9%	21.5%	21.2%	20.4%	21.6%	21.0%	- 0.2	points
Operating Income	38.8	54.2	93.0	42.9	59.5	102.4	+9.4	(+10.1%)
(Operating Income to Net Sales)	5.7%	7.2%	6.5%	5.7%	7.4%	6.6%	+0.1	points
Non-operating Income and Expenses, net	▲ 2.0	▲ 3.4	▲ 5.4	▲ 2.4	▲ 2.5	▲ 4.9	+0.5	
Ordinary Income	36.8	50.8	87.7	40.5	57.0	97.5	+9.9	(+11.3%)
Special Credits and Charges, net	▲ 6.0	▲ 1.4	▲ 7.3	▲ 11.1	▲ 4.7	▲ 15.8	- 8.5	
Income before Income Taxes	30.9	49.5	80.3	29.4	52.3	81.7	+1.4	(+1.7%)
Net Income	16.8	30.7	47.4	28.0	30.5	58.6	+11.2	(+23.6%)
Net Income per Share	12.0 yen	21.8 yen	33.7 yen	20.0 yen	21.8 yen	41.8 yen		
Dividend per Share	4.0 yen	4.0 yen	8.0 yen	5.0 yen	5.0 yen	10.0 yen		

Exchange Rate

< Yen/US\$>

FY Mar/06 → FY Mar/07

Annual average: 113.3 → 117.0

End of the term: 117.5 → 118.1

< Yen/Euro>

FY Mar/06 → FY Mar/07

Annual average: 137.9 → 150.1

End of the term: 142.8 → 157.3

Oil Price

< US\$/B>

FY Mar/06 → FY Mar/07

Annual average: 53.5 → 60.9

*Consolidated business results are the sums of Apr–Mar business results in companies whose FY end on March 31, and Jan–Dec business results in companies whose FY end on December 31.

Non-operating Income and Expenses

Billion ¥

	FY Mar/06	FY Mar/07	Changes	Comments
Non-operating Income	16.1	19.6	+3.5	
Interest and Dividend Income	2.5	3.2	+0.7	
Equity in Earnings of Affiliates	6.2	8.3	+2.1	Increase in profit of Japanese affiliated companies, etc.
Others	7.4	8.1	+0.7	
Non-operating Expenses	▲ 21.5	▲ 24.5	-3.0	
Interest Expenses	▲ 8.0	▲ 9.8	-1.9	
Others	▲ 13.5	▲ 14.7	-1.2	
Non-operating Income and Expenses, net	▲ 5.4	▲ 4.9	+0.5	
Interest and Dividend Income, Interest Expenses, net	▲ 5.5	▲ 6.6	-1.2	
Other Income and Expenses, net	▲ 6.2	▲ 6.6	-0.5	

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

Special Credits and Charges

Billion ¥

	FY Mar/06	FY Mar/07	Changes	Comments
Special Credits	4.7	9.8	+5.1	
Gain on Sales of Property, Plant and Equipment	1.0	1.4	+0.4	
Gain on Sales of Investments in Securities	3.6	8.3	+4.7	Selling of insignificant stocks, etc.
Others	0.1	0.1	+0.1	
Special Charges	▲ 12.0	▲ 25.7	-13.6	
Loss on Sales or Disposal of Property, Plant and Equipment	▲ 3.5	▲ 5.1	-1.5	
Loss on Impairment of Fixed Assets	▲ 1.7	▲ 14.9	-13.1	Loss on impairment of fixed assets of subsidiaries, etc.
Loss on Write-down of Investments in Securities	▲ 0.2	▲ 0.3	-0.1	
Loss on Liquidation and Devaluation of Subsidiaries and Affiliates	▲ 0.9	▲ 1.8	-0.9	
Special Severance Payments and Other Restructuring Expenses	▲ 2.0	▲ 1.5	+0.5	
Loss on Transition to Defined Contribution Pension Plan	▲ 1.4	-	+1.4	
Loss on Allowance for Retirement Benefits of the U.K. Subsidiary	▲ 1.8	▲ 1.7	+0.1	
Others	▲ 0.4	▲ 0.4	+0.0	
Special Credits and Charges, net	▲ 7.3	▲ 15.8	-8.5	

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

Summary (Financial Position)

Billion ¥

	End of Mar/06	End of Mar/07	Changes	Comments
Total Assets	1,537.4	1,674.4	+137.0	
Current Assets	662.3	727.5	+65.2	Increase of inventories, etc.
Tangible Assets	586.2	643.4	+57.2	Increase of capital expenditures, etc.
Intangible Assets	11.5	13.5	+2.0	
Investments and Other Assets	277.4	290.1	+12.7	

	End of Mar/06	End of Mar/07	Changes	Comments
Total Liabilities	946.7	1,024.8	+78.1	
Current Liabilities	537.9	541.0	+3.1	
Other Liabilities	408.8	483.8	+75.0	Issue of bonds, etc.
Minority Interests in Consolidated Subsidiaries	53.7	-	-	
Total Stockholders' Equity	537.0	-	-	
Total Net Assets	-	649.7	-	
Interest-bearing Debts	484.4	536.9	+52.5	
D/E ratio*	0.90	0.91	+0.01	

* End Mar/06 : Interest-bearing Debts / Total Stockholders' Equity

End Mar/07 : Interest-bearing Debts / Shareholders' Equity
 (Shareholders' Equity = Total Net Assets – Minority Interests in Consolidated Subsidiaries)

Summary (Financial Position)

Billion ¥

	FY Mar/06	FY Mar/07	Changes
ROE ^{*1}	9.6%	10.4%	+0.8 points
ROA ^{*2}	6.3%	6.4%	+0.1 points
Free Cash Flows	▲ 9.7	▲ 46.6	-36.9

*1) ROE = Net Income / Shareholders' Equity *2) ROA = Operating Income / Total Assets

<Details of Free Cash Flows>

	FY Mar/06	FY Mar/07	Changes
Cash Flows from Operating Activities	116.0	77.5	-38.5 (-33.2%)
Cash Flows from Investing Activities	▲ 125.7	▲ 124.1	+1.6
Free Cash Flows	▲ 9.7	▲ 46.6	-36.9

Capital Expenditures, Depreciation

Billion ¥

	FY Mar/06	FY Mar/07	Changes	Comments
Capital Expenditures	102.9	120.4	+17.6	Toray : 49.8, Japan : 14.8, Overseas : 55.8
Depreciation -)	62.9	70.8	+8.0	Toray : 29.5, Japan : 9.8, Overseas : 31.6
Transfer, Disposal, etc.	14.2	7.5	-6.7	
Changes in Tangible Assets	54.3	57.2		

Major Capital Expenditures :

<Japan>

Toray : Carbon fiber/prepregs production facilities

Operation started in Jan/07

<Overseas>

TSI : Optical film production facilities (Korea)

Operation will start in 1st half/07

SOFICAR : Carbon fiber production facilities (France)

Operation will start in Aug/07

Results by Business Segment



Innovation by Chemistry

Billion ¥

		Net Sales				Operating Income			
		FY Mar/06	FY Mar/07	Changes	(%)	FY Mar/06	FY Mar/07	Changes	(%)
Fibers & Textiles	1st Half	288.7	301.8	+13.1	(+4.5%)	10.4	9.5	-0.9	(-8.6%)
	2nd Half	291.8	305.9	+14.1	(+4.8%)	10.3	9.8	-0.6	(-5.4%)
	Total	580.5	607.8	+27.2	(+4.7%)	20.7	19.2	-1.5	(-7.0%)
Plastics & Chemicals	1st Half	158.8	184.6	+25.8	(+16.2%)	8.6	8.7	+0.0	(+0.5%)
	2nd Half	179.1	190.7	+11.6	(+6.4%)	9.9	10.6	+0.7	(+7.2%)
	Total	338.0	375.3	+37.3	(+11.0%)	18.5	19.2	+0.7	(+4.0%)
IT-related Products	1st Half	111.1	127.8	+16.6	(+15.0%)	13.1	14.5	+1.4	(+10.9%)
	2nd Half	123.9	136.0	+12.2	(+9.8%)	18.2	18.9	+0.8	(+4.2%)
	Total	235.0	263.8	+28.8	(+12.3%)	31.3	33.5	+2.2	(+7.0%)
Carbon Fiber Composite Materials	1st Half	24.4	31.9	+7.5	(+30.7%)	5.9	8.8	+2.9	(+49.8%)
	2nd Half	28.3	36.7	+8.4	(+29.7%)	5.9	9.2	+3.3	(+56.2%)
	Total	52.7	68.6	+15.9	(+30.1%)	11.8	18.1	+6.3	(+53.0%)
Environment & Engineering	1st Half	61.9	67.8	+5.9	(+9.5%)	▲ 1.2	0.1	+1.3	(-)
	2nd Half	92.2	93.5	+1.3	(+1.4%)	6.1	5.8	-0.3	(-4.2%)
	Total	154.1	161.3	+7.2	(+4.7%)	4.9	6.0	+1.0	(+21.0%)
Life Science & Other Businesses	1st Half	33.7	32.3	-1.4	(-4.3%)	2.0	2.0	-0.1	(-2.6%)
	2nd Half	33.4	37.4	+4.0	(+12.1%)	4.4	6.2	+1.8	(+39.5%)
	Total	67.1	69.7	+2.6	(+3.9%)	6.5	8.2	+1.7	(+26.3%)
(Pharmaceuticals & Medical Products Included)	1st Half	20.3	20.0	-0.3	(-1.6%)	0.6	0.6	-0.0	(-6.3%)
	2nd Half	23.2	26.8	+3.6	(+15.7%)	2.6	4.2	+1.6	(+64.3%)
	Total	43.5	46.8	+3.3	(+7.6%)	3.2	4.8	+1.6	(+50.0%)
Elimination & Corporate	1st Half					0.0	▲ 0.7	-0.7	
	2nd Half					▲ 0.6	▲ 1.0	-0.4	
	Total					▲ 0.6	▲ 1.7	-1.1	
Consolidated	1st Half	678.8	746.2	+67.4	(+9.9%)	38.8	42.9	+4.1	(+10.5%)
	2nd Half	748.7	800.2	+51.6	(+6.9%)	54.2	59.5	+5.3	(+9.8%)
	Total	1,427.5	1,546.5	+119.0	(+8.3%)	93.0	102.4	+9.4	(+10.1%)

Results by Business Segment (Fibers and Textiles)

TORAY

Innovation by Chemistry

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/06	FY Mar/07	Changes	FY Mar/06	FY Mar/07	Changes	
Toray	119.0	124.5	+5.5 (+4.6%)	7.4	7.3	-0.1 (-1.9%)	Sales increased and income were the same level year-on-year through price raise and shift to high value-added products to cope with the steep rise in raw materials and fuel prices. While in textiles businesses, sales and income increased through sales expansion of uniform applications in Japan as well as export expansion of high value-added products to Europe and US.
Japanese Subsidiaries	295.1	295.7	+0.6 (+0.2%)	7.8	9.2	+1.4 (+17.9%)	Sales and income increased through sales expansion at trading subsidiaries.
Overseas Subsidiaries	166.5	187.5	+21.1 (+12.7%)	5.1	2.8	-2.2 (-43.9%)	Income improved at subsidiaries in China. Spunbond businesses at Korean subsidiary and nylon businesses for airbags at Thai subsidiary expanded. However, businesses at Southeast Asian subsidiaries had a hard time due to the steep rise in raw materials and fuel prices and the strong local currency. Also, businesses at UK subsidiary were sluggish. In total, sales increased but income decreased.
Adjustment				0.3	▲ 0.2	-0.5	
Total	580.5	607.8	+27.2 (+4.7%)	20.7	19.2	-1.5 (-7.0%)	

<Major Subsidiaries >

Japan : 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)

TORAY

Innovation by Chemistry

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/06	FY Mar/07	Changes	FY Mar/06	FY Mar/07	Changes	
Toray	79.6	88.6	+9.0 (+11.3%)	3.7	4.8	+1.1 (+30.5%)	In plastics businesses, sales expanded mainly for automobiles, home appliances and game machines, etc. In films businesses, sales expanded mainly for hybrid car capacitors. In chemicals businesses, sales of fine chemicals expanded. In total, sales and income increased.
Japanese Subsidiaries	132.3	139.2	+6.9 (+5.2%)	7.7	9.5	+1.8 (+23.7%)	Sales and income increased through steady businesses at plastics, films, chemicals, and trading subsidiaries.
Overseas Subsidiaries	126.1	147.9	+21.8 (+17.2%)	7.5	4.9	-2.6 (-35.0%)	Sales increased through sales expansion at Asian plastic subsidiaries and US film subsidiary, however, total income decreased due to strategic shift of films businesses to IT-related products at Korean film subsidiary, and hard business condition at European film subsidiary owing to the influx of low-cost products from Asia.
Adjustment				▲ 0.4	0.1	+0.4	
Total	338.0	375.3	+37.3 (+11.0%)	18.5	19.2	+0.7 (+4.0%)	

<Major Subsidiaries>

Japan : 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)

Innovation by Chemistry

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/06	FY Mar/07	Changes	FY Mar/06	FY Mar/07	Changes	
Toray	93.3	108.9	+15.7 (+16.8%)	18.3	18.5	+0.2 (+1.3%)	Sales and income increased through sales expansion of FPD-related films, electronic component-related films, PDP-related materials, and semiconductor-related materials, which compensated for the sluggish businesses in color filters for liquid crystal displays and circuit materials.
Japanese Subsidiaries	87.7	87.3	-0.4 (-0.5%)	8.8	10.0	+1.2 (+13.6%)	Despite of sales expansion at film processing subsidiary, total sales was almost the same level year-on-year due to sales decrease at trading subsidiaries. Income increased through improvement of profitability at IT-related equipments subsidiary.
Overseas Subsidiaries	54.0	67.6	+13.6 (+25.2%)	4.2	5.2	+1.0 (+24.2%)	Sales and income increased through sales expansion of FPD/electronic component-related films and processed films at Korean subsidiary.
Adjustment				0.0	▲ 0.2	-0.3	
Total	235.0	263.8	+28.8 (+12.3%)	31.3	33.5	+2.2 (+7.0%)	

<Major Subsidiaries>

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

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

Results by Business Segment (Carbon Fiber Composite Materials)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/06	FY Mar/07	Changes	FY Mar/06	FY Mar/07	Changes	
Toray	45.6	55.4	+9.8 (+21.5%)	7.2	9.2	+2.0 (+28.2%)	Sales and income increased through sales expansion of carbon fibers, intermediate materials, and molded products in response to the active demand of aircraft, sporting and industrial applications as well as capacity/sales increase effect of new facility at Ehime Plant which started operation in January 2007.
Japanese Subsidiaries	28.3	38.8	+10.5 (+37.2%)	0.2	0.4	+0.2 (+65.0%)	Sales and income increased through steady sales expansion at trading subsidiary.
Overseas Subsidiaries	40.9	56.8	+15.9 (+38.8%)	5.0	9.1	+4.1 (+81.9%)	Sales and income increased due to the active demand of aircraft and industrial applications as well as capacity/sales increase effect at US subsidiaries which started operation in January 2006.
Adjustment	▲ 62.0	▲ 82.4	-20.3	▲ 0.6	▲ 0.6	-0.0	
Total	52.7	68.6	+15.9 (+30.1%)	11.8	18.1	+6.3 (+53.0%)	

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.

<Major Subsidiaries>

Japan : Toray International, Inc.

Overseas : SOFICAR (France), CFA (US), TCA (US)

Results by Business Segment (Environment & Engineering)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/06	FY Mar/07	Changes	FY Mar/06	FY Mar/07	Changes	
Toray	7.2	9.0	+1.8 (+25.4%)	▲ 0.7	▲ 0.6	+0.1 (-)	Sales increased and income improved due to large sales through export of reverse osmosis membranes in water-treatment businesses.
Japanese Subsidiaries	145.7	151.9	+6.2 (+4.3%)	5.9	6.6	+0.7 (+12.2%)	Sales and income increased through steady businesses at construction and engineering subsidiaries.
Overseas Subsidiaries	1.3	0.4	-0.9 (-69.6%)	▲ 0.0	▲ 0.2	-0.2 (-)	
Adjustment				▲ 0.3	0.0	+0.4	
Total	154.1	161.3	+7.2 (+4.7%)	4.9	6.0	+1.0 (+21.0%)	

<Major Subsidiaries>

Japan : 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)

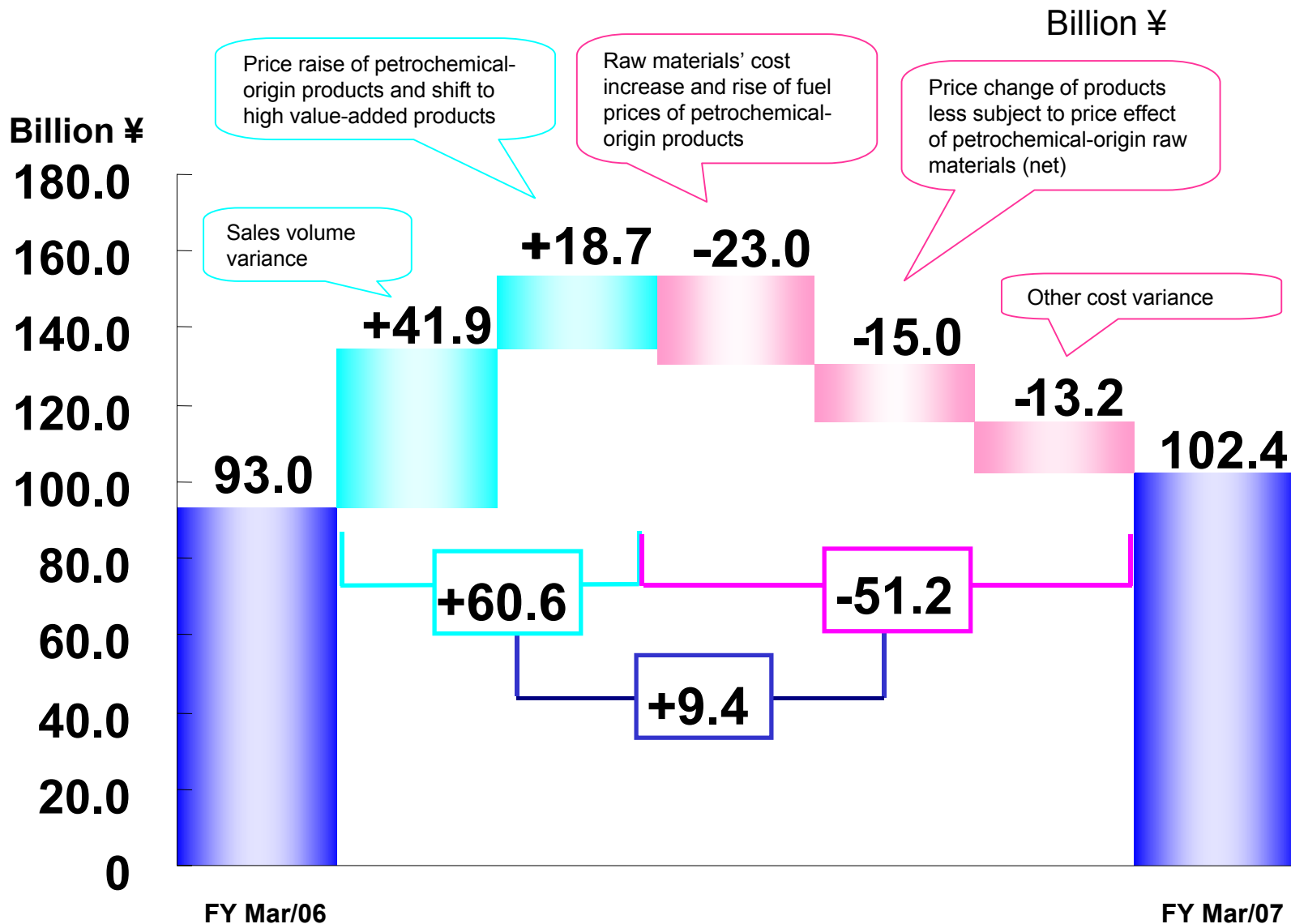
Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/06	FY Mar/07	Changes	FY Mar/06	FY Mar/07	Changes	
Toray	12.4	14.5	+2.1 (+16.5%)	1.7	3.6	+2.0 (+116.0%)	Sales and income increased through sales expansion of artificial kidneys and emergency intensive care devices as well as increase in licensing revenues.
Japanese Subsidiaries	50.9	53.7	+2.8 (+5.4%)	4.3	4.4	+0.2 (+3.5%)	Sales and income increased through steady businesses at medical products subsidiary and analytical services subsidiary.
Overseas Subsidiaries	3.8	1.6	-2.2 (-58.9%)	0.2	0.2	-0.0 (-6.9%)	
Adjustment				0.2	▲ 0.2	-0.4	
Total	67.1	69.7	+2.6 (+3.9%)	6.5	8.2	+1.7 (+26.3%)	
(Pharmaceuticals & Medical Products Included)	43.5	46.8	+3.3 (+7.6%)	3.2	4.8	+1.6 (+50.0%)	

<Major Subsidiaries>

Japan : 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/06	FY Mar/07	Changes	FY Mar/06	FY Mar/07	Changes	
Toray International Inc.	323.5	368.5	+45.0	3.7	4.5	+0.8	
Toray Engineering Co., Ltd.	99.6	107.7	+8.1	6.7	9.0	+2.4	
Toray Construction Co., Ltd.	62.4	69.6	+7.2	2.4	3.0	+0.6	
Toray Advanced Film Co., Ltd.	39.0	44.1	+5.1	4.7	4.8	+0.1	
Toray Medical Co., Ltd.	31.8	33.1	+1.3	1.3	1.3	+0.1	
TSI (Korea)	71.5	84.0	+12.5	4.8	5.0	+0.2	
TPM (Malaysia)	38.0	48.0	+10.0	1.7	1.8	+0.2	
Subsidiaries in Southeast Asia *1	Fibers & Textiles	95.8	106.2	+10.3	4.7	1.4	-3.3
	Plastics & Chemicals	47.2	58.3	+11.1	2.7	2.6	-0.1
	Others	3.3	5.4	+2.1	0.3	0.1	-0.2
	Total	146.4	169.8	+23.5	7.7	4.1	-3.5
Subsidiaries in China *2	Fibers & Textiles	55.8	69.7	+13.9	▲ 1.2	0.1	+1.3
	Plastics & Chemicals	29.5	36.9	+7.3	0.3	0.5	+0.2
	Others	8.8	12.4	+3.6	0.7	1.0	+0.4
	Total	94.2	119.0	+24.8	▲ 0.2	1.7	+1.9
Film Subsidiaries (Overseas) *3	Plastics & Chemicals	78.3	86.5	+8.2	4.8	1.5	-3.4
	IT-related Products	32.0	39.8	+7.8	2.8	4.0	+1.2
	Total	110.3	126.3	+15.9	7.6	5.5	-2.1

*1 : ITS, ETX, ISTEM, ACTEM, CENTEX, Penfibre, PAB-G, TTS, LTX, TTTM, TPM sum total

*2 : TFNL, TSD, TAK/TAZ, TJQ, TCH, TSL, THK-G, TPHK/TPSZ, RKH/RKZ, TFH/TFZ sum total

*3: TSI (films/electronic materials), Penfibre (films), TPA, TPEu, TFH/TFZ sum total

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

R&D Expenses

Billion ¥

	FY Mar/06	FY Mar/07	Changes
Toray	32.6	33.8	+1.2
Consolidated Subsidiaries	7.1	8.4	+1.3
Consolidated Basis	39.7	42.3	+2.6

Number of Employees

Number of people

	End of Mar/06	End of Mar/07	Changes
Toray	6,595	6,830	+235
Consolidated Japanese Subsidiaries	9,617	9,589	- 28
Consolidated Overseas Subsidiaries	18,458	20,134	+1,676
Total	34,670	36,553	+1,883

Changes in Subsidiaries and Affiliates

Number of companies

		End of Mar/06	End of Mar/07	Changes
Consolidated Subsidiaries (a)	Japan	67	67	±0
	Overseas	71	77	+6
	Total	138	144	+6
Subsidiaries accounted for by Equity Method (b)	Japan	38	35	-3
	Overseas	21	22	+1
	Total	59	57	-2
Total Subsidiaries (a) + (b)	Japan	105	102	-3
	Overseas	92	99	+7
	Total	197	201	+4
Affiliates accounted for by Equity Method (c)	Japan	17	16	-1
	Overseas	24	25	+1
	Total	41	41	±0
Companies subject to Consolidation (a) + (b) + (c)	Japan	122	118	-4
	Overseas	116	124	+8
	Total	238	242	+4

II. Business Forecast for the Fiscal Year Ending March 2008 (Consolidated Basis)

Forecast Summary

Billion ¥

		After Revision of Depreciation Rules			FYI : Before Revision of Depreciation Rules			
		FY Mar/07 Actual	FY Mar/08 Forecast	Changes		FY Mar/08 Forecast	Changes	
Net Sales	1st Half	746.2	770.0	+23.8	(+3.2%)	770.0	+23.8	(+3.2%)
	2nd Half	800.2	890.0	+89.8	(+11.2%)	890.0	+89.8	(+11.2%)
	Total	1,546.5	1,660.0	+113.5	(+7.3%)	1,660.0	+113.5	(+7.3%)
Operating Income	1st Half	42.9	44.0	+1.1	(+2.6%)	46.0	+3.1	(+7.2%)
	2nd Half	59.5	64.0	+4.5	(+7.5%)	67.0	+7.5	(+12.6%)
	Total	102.4	108.0	+5.6	(+5.4%)	113.0	+10.6	(+10.3%)
Ordinary Income	1st Half	40.5	40.0	- 0.5	(-1.3%)	42.0	+1.5	(+3.7%)
	2nd Half	57.0	61.0	+4.0	(+7.0%)	64.0	+7.0	(+12.3%)
	Total	97.5	101.0	+3.5	(+3.6%)	106.0	+8.5	(+8.7%)
Net Income	1st Half	28.0	22.0	- 6.0	(-21.6%)	23.0	- 5.0	(-18.0%)
	2nd Half	30.5	34.0	+3.5	(+11.4%)	36.0	+5.5	(+17.9%)
	Total	58.6	56.0	- 2.6	(-4.4%)	59.0	+0.4	(+0.7%)
Net Income per Share	1st Half	20.0 yen	15.7 yen					
	2nd Half	21.8 yen	24.3 yen					
	Total	41.8 yen	40.0 yen					
Dividend per Share	1st Half	5.0 yen	5.0 yen					
	2nd Half	5.0 yen	5.0 yen					
	Total	10.0 yen	10.0 yen					
Dividend Payout Ratio	1st Half	25.0%	31.8%					
	2nd Half	22.9%	20.6%					
	Total	23.9%	25.0%					

Expected exchange rate : 115 yen / US\$
 Expected oil price : 62US\$/ B (Dubai FOB)

Forecast by Business Segment

Innovation by Chemistry

Billion ¥

FYI : Before Revision of Depreciation Rules			FYI : Amount of Revision of Depreciation Rules
Operating Income			FY
FY Mar/07	FY Mar/08	Changes (%)	Mar/08
9.5	10.0	+0.5 (+5.7%)	-1.0
9.8	11.0	+1.2 (+12.5%)	-1.0
19.2	21.0	+1.8 (+9.2%)	-2.0
8.7	10.0	+1.3 (+15.4%)	-0.5
10.6	11.0	+0.4 (+4.1%)	-1.0
19.2	21.0	+1.8 (+9.2%)	-1.5
14.5	14.0	-0.5 (-3.6%)	-0.5
18.9	21.0	+2.1 (+10.9%)	-0.5
33.5	35.0	+1.5 (+4.6%)	-1.0
8.8	9.0	+0.2 (+1.8%)	0.0
9.2	12.0	+2.8 (+29.8%)	-0.5
18.1	21.0	+2.9 (+16.1%)	-0.5
0.1	2.0	+1.9(+1639.1%)	0.0
5.8	7.0	+1.2 (+19.9%)	0.0
6.0	9.0	+3.0 (+51.2%)	0.0
2.0	2.0	+0.0 (+1.9%)	0.0
6.2	6.0	-0.2 (-3.0%)	0.0
8.2	8.0	-0.2 (-1.9%)	0.0
0.6	0.5	-0.1 (-17.6%)	0.0
4.2	4.0	-0.2 (-4.9%)	0.0
4.8	4.5	-0.3 (-6.5%)	0.0
▲ 0.7	▲ 1.0	-0.3 (-)	
▲ 1.0	▲ 1.0	+0.0 (-)	
▲ 1.7	▲ 2.0	-0.3 (-)	
42.9	46.0	+3.1 (+7.2%)	-2.0
59.5	67.0	+7.5 (+12.6%)	-3.0
102.4	113.0	+10.6 (+10.3%)	-5.0

		Net Sales				Operating Income			
		FY Mar/07	FY Mar/08	Changes (%)		FY Mar/07	FY Mar/08	Changes (%)	
Fibers & Textiles	1st Half	301.8	300.0	-1.8 (-0.6%)	9.5	9.0	-0.5 (-4.8%)		
	2nd Half	305.9	320.0	+14.1 (+4.6%)	9.8	10.0	+0.2 (+2.3%)		
	Total	607.8	620.0	+12.2 (+2.0%)	19.2	19.0	-0.2 (-1.2%)		
Plastics & Chemicals	1st Half	184.6	190.0	+5.4 (+2.9%)	8.7	9.5	+0.8 (+9.6%)		
	2nd Half	190.7	210.0	+19.3 (+10.1%)	10.6	10.0	-0.6 (-5.4%)		
	Total	375.3	400.0	+24.7 (+6.6%)	19.2	19.5	+0.3 (+1.4%)		
IT-related Products	1st Half	127.8	140.0	+12.2 (+9.6%)	14.5	13.5	-1.0 (-7.1%)		
	2nd Half	136.0	160.0	+24.0 (+17.6%)	18.9	20.5	+1.6 (+8.3%)		
	Total	263.8	300.0	+36.2 (+13.7%)	33.5	34.0	+0.5 (+1.6%)		
Carbon Fiber Composite Materials	1st Half	31.9	40.0	+8.1 (+25.4%)	8.8	9.0	+0.2 (+1.8%)		
	2nd Half	36.7	50.0	+13.3 (+36.3%)	9.2	11.5	+2.3 (+24.4%)		
	Total	68.6	90.0	+21.4 (+31.2%)	18.1	20.5	+2.4 (+13.4%)		
Environment & Engineering	1st Half	67.8	70.0	+2.2 (+3.2%)	0.1	2.0	+1.9 (+1639.1%)		
	2nd Half	93.5	110.0	+16.5 (+17.7%)	5.8	7.0	+1.2 (+19.9%)		
	Total	161.3	180.0	+18.7 (+11.6%)	6.0	9.0	+3.0 (+51.2%)		
Life Science & Other Businesses	1st Half	32.3	30.0	-2.3 (-7.1%)	2.0	2.0	+0.0 (+1.9%)		
	2nd Half	37.4	40.0	+2.6 (+6.9%)	6.2	6.0	-0.2 (-3.0%)		
	Total	69.7	70.0	+0.3 (+0.4%)	8.2	8.0	-0.2 (-1.9%)		
(Pharmaceuticals & Medical Products Included)	1st Half	20.0	20.0	-0.0 (-0.0%)	0.6	0.5	-0.1 (-17.6%)		
	2nd Half	26.8	30.0	+3.2 (+11.8%)	4.2	4.0	-0.2 (-4.9%)		
	Total	46.8	50.0	+3.2 (+6.8%)	4.8	4.5	-0.3 (-6.5%)		
Elimination & Corporate	1st Half				▲ 0.7	▲ 1.0	-0.3 (-)		
	2nd Half				▲ 1.0	▲ 1.0	+0.0 (-)		
	Total				▲ 1.7	▲ 2.0	-0.3 (-)		
Consolidated	1st Half	746.2	770.0	+23.8 (+3.2%)	42.9	44.0	+1.1 (+2.6%)		
	2nd Half	800.2	890.0	+89.8 (+11.2%)	59.5	64.0	+4.5 (+7.5%)		
	Total	1,546.5	1,660.0	+113.5 (+7.3%)	102.4	108.0	+5.6 (+5.4%)		

Business Environment and Action Plans by Business Segment



Innovation by Chemistry
Billion ¥

Business Segment	Operating Income 07/3 → 08/3 () changes	Business Environment	Action Plans
Fibers & Textiles	19.2 → 19.0 (-0.2)	<ul style="list-style-type: none"> · Rapid growth in China · Expansion of industrial applications including automobiles, etc. · Continuous high level prices of raw materials and fuels 	<ul style="list-style-type: none"> · Promotion of “New Value Creator” businesses · Expansion of advanced material businesses · Increase of income of subsidiaries in China, improvement of income of poorly-performing overseas subsidiaries, etc.
Plastics & Chemicals	19.2 → 19.5 (+0.3)	<ul style="list-style-type: none"> · Demand expansion of plastics and films for automobiles · Tough competition in commodity type PET films market · Continuous high level prices of raw materials and fuels 	<ul style="list-style-type: none"> · Expansion of sales in high value-added growth areas including films for solar cells and hybrid cars, etc. · Expansion of sales of plastics for automobiles · Establishment of a global supply system in plastics businesses · Improvement of income of poorly-performing overseas subsidiaries, etc.
IT-related Products	33.5 → 34.0 (+0.5)	<ul style="list-style-type: none"> · Expansion of IT-related equipments (FPD, etc.) market · Continuous strong pressure for price reduction · Temporary adjustment of capital investment in LCD facilities 	<ul style="list-style-type: none"> · Expansion of sales of optical films for FPDs and processed film products · Expansion of sales of IT-related films and circuit materials at Korean subsidiary · Expansion of sales of new advanced materials including semiconductor materials, etc.
Carbon Fiber Composite Materials	18.1 → 20.5 (+2.4)	<ul style="list-style-type: none"> · Stable demand in all applications and continuous tight demand-and-supply balance · Full-scale expansion of aircraft application 	<ul style="list-style-type: none"> · Response to full-scale expansion of aircraft application · Capacity/sales expansion at Ehime Plant · Development of downstream businesses (prepregs and composites)
Environment & Engineering	6.0 → 9.0 (+3.0)	<ul style="list-style-type: none"> · Demand expansion of seawater desalination and wastewater reuse, etc. 	<ul style="list-style-type: none"> · Expansion of water treatment membrane businesses through developing a global marketing system · Improvement of income in water treatment engineering businesses
Life Science & Other Businesses	8.2 → 8.0 (-0.2)	<ul style="list-style-type: none"> · Unchanged condition of pharmaceutical market in Japan · Tough competition in dialyzer businesses 	<ul style="list-style-type: none"> · Expansion of Feron sales through new indications (treatment of hepatitis C compensated cirrhosis) · Execution of application for approval of new drugs and new indications · Expansion of sales of new moist-type Toraysulfone (Toraylite)
Elimination & Corporate	▲1.7 → ▲2.0 (-0.3)		
Consolidated	102.4 → 108.0 (+5.6)		

Forecast of Capital Expenditures, Depreciation, R&D Expenses

Capital Expenditures

Billion ¥

	FY Mar/07 Actual	FY Mar/08 Forecast	Changes
Toray	49.8	60.0	+10.2
Consolidated Subsidiaries	70.6	90.0	+19.4
Consolidated Basis	120.4	150.0	+29.6

R&D Expenses

Billion ¥

	FY Mar/07 Actual	FY Mar/08 Forecast	Changes
Toray	33.8	37.0	+3.2
Consolidated Subsidiaries	8.4	10.0	+1.6
Consolidated Basis	42.3	47.0	+4.7

Depreciation

Billion ¥

	FY Mar/07 Actual	FY Mar/08 Forecast	Changes	<FYI> FY Mar/08 Forecast (Before Revision)
Toray	29.5	41.0	+11.5	37.0
Consolidated Subsidiaries	41.4	47.0	+5.6	46.0
Consolidated Basis	70.8	88.0	+17.2	83.0

**III. Business Results for the
Fiscal Year Ended March 2007
and
Business Forecast for the
Fiscal Year Ending March 2008
(Non-consolidated Basis)**

Summary (Profits) (Non-consolidated Basis)

TORAY

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Billion ¥

	FY Mar/06	FY Mar/07	Changes
Net Sales	499.3	548.2	+48.9 (+9.8%)
Gross Profit	124.7	134.8	+10.0 (+8.0%)
(Gross Profit to Net Sales)	25.0%	24.6%	-0.4 points
Operating Income	37.5	42.8	+5.3 (+14.1%)
(Operating Income to Net Sales)	7.5%	7.8%	+0.3 points
Non-operating Income and Expenses, net	16.1	9.3	-6.8
Ordinary Income	53.6	52.1	-1.5 (-2.8%)
Special Credits and Charges	▲ 27.1	▲ 23.2	+4.0
Income before Income Taxes	26.5	29.0	+2.5 (+9.3%)
Net Income	24.2	17.5	-6.6 (-27.5%)

Summary (Financial Position) (Non-consolidated Basis)

Billion ¥

	End of Mar/06	End of Mar/07	Changes
Total Assets	992.7	1,044.1	+51.4 (+5.2%)
Stockholders' Equity	481.7	-	- (-)
Net Assets	-	477.9	- (-)
Interest-bearing Debts	311.1	345.4	+34.3 (+11.0%)

	FY Mar/06	FY Mar/07	Changes
ROE ^{*1}	5.2%	3.6%	-1.6 points
ROA ^{*2}	4.0%	4.2%	+0.2 points

Net Income per Share	17.12 yen	12.50 yen
Dividend per Share	8.0 yen	10.0 yen
Dividend Payout Ratio	46.7%	80.0%

*1) ROE = Net Income / Shareholders' Equity *2) ROA = Operating Income / Total Assets

Forecast for the FY Ending March 2008 (Non-consolidated Basis)



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Billion ¥

		FY Mar/07	After Revision of Depreciation Rules		FY1 : Before Revision of Depreciation Rules	
			FY Mar/08	Changes	FY Mar/08	Changes
Net Sales	1st Half	264.6	280.0	+15.4 (+5.8%)	280.0	+15.4 (+5.8%)
	2nd Half	283.6	320.0	+36.4 (+12.8%)	320.0	+36.4 (+12.8%)
	Total	548.2	600.0	+51.8 (+9.4%)	600.0	+51.8 (+9.4%)
Operating Income	1st Half	17.3	15.0	- 2.3 (-13.4%)	17.0	-0.3 (-1.9%)
	2nd Half	25.5	25.0	- 0.5 (-2.0%)	27.0	+1.5 (+5.8%)
	Total	42.8	40.0	- 2.8 (-6.6%)	44.0	+1.2 (+2.7%)
Ordinary Income	1st Half	19.6	16.0	- 3.6 (-18.4%)	18.0	-1.6 (-8.2%)
	2nd Half	32.5	30.0	- 2.5 (-7.8%)	32.0	-0.5 (-1.6%)
	Total	52.1	46.0	- 6.1 (-11.8%)	50.0	-2.1 (-4.1%)
Net Income	1st Half	▲ 1.8	9.0	+10.8 (-)	10.0	+11.8 (-)
	2nd Half	19.3	17.0	- 2.3 (-12.1%)	19.0	-0.3 (-1.7%)
	Total	17.5	26.0	+8.5 (+48.5%)	29.0	+11.5 (+65.6%)
Net Income per Share	1st Half	▲ 1.30 yen	6.43 yen			
	2nd Half	13.80 yen	12.14 yen			
	Total	12.50 yen	18.56 yen			
Dividend per Share	1st Half	5.0 yen	5.0 yen			
	2nd Half	5.0 yen	5.0 yen			
	Total	10.0 yen	10.0 yen			
Dividend Payout Ratio	1st Half	-	77.8%			
	2nd Half	36.2%	41.2%			
	Total	80.0%	53.9%			

Descriptions of predicted business results, projections, and business plans for the Fiscal Year ending March 2008 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.