

May 9, 2008

Business Results Announcement

<Fiscal Year Ended March 2008>

Toray Industries, Inc.

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I. Business Results for the Fiscal Year Ended March 2008 (Consolidated Basis)

Summary (Profits)

Billion ¥

	FY Mar/07			FY Mar/08			Changes	FYI: Before Revision of Depreciation Rules	
	1st Half	2nd Half	Total	1st Half	2nd Half	Total		FY Mar/08	Changes
Net Sales	746.2	800.2	1,546.5	802.3	847.3	1,649.7	+103.2 (+6.7%)	1,649.7	+103.2 (+6.7%)
Cost of Sales	594.1	627.3	1,221.4	642.7	671.2	1,313.9	+92.5 (+7.6%)	1,308.2	+86.8 (+7.1%)
Gross Profit	152.1	172.9	325.1	159.6	176.1	335.7	+10.7 (+3.3%)	341.4	+16.4 (+5.0%)
(Gross Profit to Net Sales)	20.4%	21.6%	21.0%	19.9%	20.8%	20.4%	-0.7 points	20.7%	-0.3 points
Operating Income	42.9	59.5	102.4	44.0	59.4	103.4	+1.0 (+1.0%)	109.1	+6.7 (+6.5%)
(Operating Income to Net Sales)	5.7%	7.4%	6.6%	5.5%	7.0%	6.3%	-0.4 points	6.6%	-0.0 point
Non-operating Income and Expenses, net	▲ 2.4	▲ 2.5	▲ 4.9	▲ 2.2	▲ 9.8	▲ 12.0	-7.1	▲ 11.8	-6.9
Ordinary Income	40.5	57.0	97.5	41.9	49.6	91.5	-6.0 (-6.2%)	97.3	-0.2 (-0.2%)
Special Credits and Charges, net	▲ 11.1	▲ 4.7	▲ 15.8	▲ 3.0	▲ 9.9	▲ 12.9	+2.9	▲ 12.9	+2.9
Income before Income Taxes	29.4	52.3	81.7	38.9	39.7	78.6	-3.1 (-3.8%)	84.4	+2.7 (+3.3%)
Net Income	28.0	30.5	58.6	23.0	25.1	48.1	-10.5 (-17.9%)	51.8	-6.7 (-11.5%)
Net Income per Share	20.0 yen	21.8 yen	41.8 yen	16.4 yen	17.9 yen	34.3 yen			
Dividend per Share	5.0 yen	5.0 yen	10.0 yen	5.0 yen	5.0 yen	10.0 yen			

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

Exchange Rate <Yen/US\$>	Exchange Rate <Yen/Euro>	Oil Price <US\$/B> (DUBAI FOB)
FY Mar/07 → FY Mar/08	FY Mar/07 → FY Mar/08	FY Mar/07 → FY Mar/08
Annual average : 117.0 → 114.3	Annual average : 150.1 → 161.5	Annual average : 60.9 → 77.1
End of the term : 118.1 → 100.2	End of the term : 157.3 → 158.2	

Non-operating Income and Expenses

Billion ¥

	FY Mar/07	FY Mar/08	Changes	Comments
Non-operating Income	19.6	17.5	-2.1	
Interest and Dividend Income	3.2	4.3	+1.1	
Equity in Earnings of Affiliates	8.3	5.8	-2.6	
Others	8.1	7.4	-0.7	
Non-operating Expenses	▲ 24.5	▲ 29.5	-5.0	
Interest Expenses	▲ 9.8	▲ 11.5	-1.6	
Others	▲ 14.7	▲ 18.0	-3.3	Increase of loss on foreign exchange
Non-operating Income and Expenses, net	▲ 4.9	▲ 12.0	-7.1	
Interest and Dividend Income, Interest Expenses, net	▲ 6.6	▲ 7.1	-0.5	
Other Income and Expenses, net	▲ 6.6	▲ 10.6	-4.0	

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

Special Credits and Charges

	FY Mar/07	FY Mar/08	Changes	Comments
Special Credits	9.8	5.6	-4.2	
Gain on Sales of Property, Plant and Equipment	1.4	0.5	-0.9	
Gain on Sales of Investment Securities	8.3	2.4	-5.9	Decrease in selling of insignificant stocks, etc.
Others	0.1	2.8	+2.6	Adjustment of accrued employees' retirement benefits of an overseas subsidiary for the previous year, etc.
Special Charges	▲ 25.7	▲ 18.5	+7.1	
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 5.1	▲ 5.7	-0.6	
Loss on Impairment of Fixed Assets	▲ 14.9	▲ 7.5	+7.4	Decrease in loss on impairment of fixed assets of subsidiaries
Loss on Write-down of Investment Securities	▲ 0.3	▲ 0.5	-0.3	
Loss on Liquidation and Devaluation of Subsidiaries and Affiliates	▲ 1.8	▲ 0.0	+1.7	
Restructuring Costs	▲ 1.5	▲ 1.0	+0.5	
Loss on Adjustment of Employees' Retirement Benefits of the U.K. Subsidiary	▲ 1.7	-	+1.7	
Others	▲ 0.4	▲ 3.8	-3.3	
Special Credits and Charges, net	▲ 15.8	▲ 12.9	+2.9	

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

Summary (Financial Position)

Billion ¥

	End of Mar/07	End of Mar/08	Changes	Comments
Total Assets	1,674.4	1,698.2	+23.8	
Current Assets	727.5	733.2	+5.7	
Tangible Assets	643.4	681.0	+37.6	Increase of capital expenditures, etc.
Intangible Assets	13.5	14.9	+1.4	
Investments and Other Assets	290.1	269.2	-20.9	

	End of Mar/07	End of Mar/08	Changes	Comments
Total Liabilities	1,024.8	1,056.1	+31.3	
Current Liabilities	541.0	544.9	+4.0	
Other Liabilities	483.8	511.1	+27.3	Increase of long-term debt, etc.
Total Net Assets	649.7	642.2	-7.5	
Interest-bearing Debts	536.9	591.2	+54.2	Increase of capital expenditures, etc.
D/E ratio*	0.91	1.00	+0.09	

* Interest-bearing Debts / Shareholders' Equity

(Shareholders' Equity = Total Net Assets – Minority Interests in Consolidated Subsidiaries)

Summary (Financial Position)

Billion ¥

	FY Mar/07	FY Mar/08	Changes
ROE ^{*1}	10.4%	8.1%	-2.3 points
ROA ^{*2}	6.4%	6.1%	-0.2 points

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

<Details of Free Cash Flows>

	FY Mar/07	FY Mar/08	Changes
Cash Flows from Operating Activities	77.5	110.4	+32.8 (+42.3%)
Cash Flows from Investment Activities	▲124.1	▲ 164.2	-40.0
Free Cash Flows	▲46.6	▲ 53.8	-7.2

Capital Expenditures, Depreciation

Billion ¥

	FY Mar/07	FY Mar/08	Changes	Comments
Capital Expenditures	120.4	148.3	+27.9	Toray : 58.5, Japan : 13.3, Overseas : 76.5
Depreciation -)	70.8	85.1	+14.2	Toray : 39.6, Japan : 11.6, Overseas : 33.8
Transfer, Disposal, etc.	7.5	▲ 25.6	-33.2	
Changes in Tangible Assets	57.2	37.6		

Major Capital Expenditures :

<Fibers & Textiles>	TPN (China)	: PP spunbond production facilities
<Plastics & Chemicals>	TPM (Malaysia)	: ABS resin production facilities
<IT-related Products>	TSI (Korea)	: Film processing facilities
<Carbon Fiber	Toray (Ehime)	: Carbon Fiber production facilities
Composite Materials>	CFA (US)	: Carbon Fiber production facilities
	SOFICAR (France)	: Carbon Fiber production facilities

Results by Business Segment

TORAY

Innovation by Chemistry

Billion ¥

		Net Sales				Operating Income			
		FY Mar/07	FY Mar/08	Changes	(%)	FY Mar/07	FY Mar/08	Changes	(%)
Fibers & Textiles	1st Half	301.8	320.9	+19.1	(+6.3%)	9.5	10.0	+0.5	(+5.7%)
	2nd Half	305.9	316.4	+10.5	(+3.4%)	9.8	11.4	+1.6	(+16.2%)
	Total	607.8	637.3	+29.6	(+4.9%)	19.2	21.4	+2.1	(+11.0%)
Plastics & Chemicals	1st Half	184.6	199.4	+14.8	(+8.0%)	8.7	9.0	+0.3	(+3.4%)
	2nd Half	190.7	204.6	+13.9	(+7.3%)	10.6	11.8	+1.2	(+11.3%)
	Total	375.3	404.0	+28.7	(+7.7%)	19.2	20.7	+1.5	(+7.7%)
IT-related Products	1st Half	127.8	138.7	+11.0	(+8.6%)	14.5	12.8	-1.7	(-12.0%)
	2nd Half	136.0	145.0	+9.0	(+6.6%)	18.9	17.0	-2.0	(-10.3%)
	Total	263.8	283.7	+19.9	(+7.6%)	33.5	29.8	-3.7	(-11.1%)
Carbon Fiber Composite Materials	1st Half	31.9	39.9	+8.0	(+25.0%)	8.8	8.2	-0.7	(-7.6%)
	2nd Half	36.7	43.7	+7.0	(+19.1%)	9.2	9.9	+0.7	(+7.4%)
	Total	68.6	83.6	+15.0	(+21.8%)	18.1	18.1	+0.0	(+0.1%)
Environment & Engineering	1st Half	67.8	71.1	+3.3	(+4.9%)	0.1	2.5	+2.3	(+2,034.8%)
	2nd Half	93.5	102.1	+8.6	(+9.2%)	5.8	7.3	+1.5	(+25.0%)
	Total	161.3	173.2	+11.9	(+7.4%)	6.0	9.8	+3.8	(+63.9%)
Life Science & Other Businesses	1st Half	32.3	32.3	-0.0	(-0.1%)	2.0	2.4	+0.5	(+24.6%)
	2nd Half	37.4	35.5	-1.9	(-5.1%)	6.2	3.9	-2.3	(-37.7%)
	Total	69.7	67.8	-1.9	(-2.8%)	8.2	6.3	-1.9	(-22.7%)
(Pharmaceuticals and Medical Products Included)	1st Half	20.0	22.4	+2.4	(+11.8%)	0.6	0.8	+0.2	(+37.9%)
	2nd Half	26.8	26.0	-0.8	(-3.1%)	4.2	1.9	-2.3	(-53.8%)
	Total	46.8	48.4	+1.5	(+3.2%)	4.8	2.8	-2.0	(-42.2%)
Elimination & Corporate	1st Half					▲ 0.7	▲ 0.8	-0.1	
	2nd Half					▲ 1.0	▲ 1.8	-0.7	
	Total					▲ 1.7	▲ 2.5	-0.9	
Consolidated	1st Half	746.2	802.3	+56.1	(+7.5%)	42.9	44.0	+1.1	(+2.6%)
	2nd Half	800.2	847.3	+47.1	(+5.9%)	59.5	59.4	-0.1	(-0.2%)
	Total	1,546.5	1,649.7	+103.2	(+6.7%)	102.4	103.4	+1.0	(+1.0%)

FYI: Before Revision of Depreciation Rules				FYI: Effect of Revision of Depreciation Rules
Operating Income				FY
FY Mar/07	FY Mar/08	Changes	(%)	Mar/08
9.5	11.0	+1.6	(+16.6%)	-1.0
9.8	12.5	+2.7	(+27.7%)	-1.1
19.2	23.5	+4.3	(+22.2%)	-2.2
8.7	9.6	+1.0	(+11.3%)	-0.7
10.6	12.6	+2.0	(+19.4%)	-0.9
19.2	22.3	+3.0	(+15.7%)	-1.5
14.5	13.3	-1.2	(-8.3%)	-0.5
18.9	17.6	-1.3	(-7.0%)	-0.6
33.5	30.9	-2.5	(-7.5%)	-1.2
8.8	8.4	-0.5	(-5.4%)	-0.2
9.2	10.2	+0.9	(+9.9%)	-0.2
18.1	18.5	+0.4	(+2.4%)	-0.4
0.1	2.5	+2.4	(+2,062.6%)	-0.0
5.8	7.3	+1.5	(+25.7%)	-0.0
6.0	9.8	+3.9	(+65.1%)	-0.1
2.0	2.6	+0.6	(+32.2%)	-0.2
6.2	4.0	-2.2	(-35.1%)	-0.2
8.2	6.6	-1.5	(-18.9%)	-0.3
0.6	1.0	+0.3	(+56.7%)	-0.1
4.2	2.1	-2.1	(-50.8%)	-0.1
4.8	3.0	-1.8	(-37.2%)	-0.2
▲ 0.7	▲ 0.8	-0.1		
▲ 1.0	▲ 1.8	-0.7		
▲ 1.7	▲ 2.5	-0.9		
42.9	46.7	+3.8	(+8.8%)	-2.6
59.5	62.5	+2.9	(+4.9%)	-3.0
102.4	109.1	+6.7	(+6.5%)	-5.7

Results by Business Segment (Fibers and Textiles)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/07	FY Mar/08	Changes	FY Mar/07	FY Mar/08	Changes	
Toray	124.5	123.6	-0.9 (-0.7%)	7.3	4.6	-2.7 (-36.7%)	For industrial use, ground fabric business for air bags performed strongly in Japan. For apparel use, sales of garment business for uniforms increased. However, total sales and income decreased due to partial transfer of commercial right of industrial use to a subsidiary, cost increase stemming from the steep rise in raw materials and fuel prices, and the effect of revision of depreciation rules.
Japanese Subsidiaries	295.7	303.3	+7.6 (+2.6%)	9.2	9.4	+0.2 (+2.0%)	Sales and income increased through sales expansion in fibers business and robust exports of textiles at trading subsidiaries.
Overseas Subsidiaries	187.5	210.4	+22.9 (+12.2%)	2.8	7.7	+4.9 (+172.5%)	Sales and income increased through sales expansion and income improvement at each manufacturing subsidiary in Indonesia, China, Italy, and Korea, etc.
Adjustment				▲ 0.2	▲ 0.5	-0.3	
Total	607.8	637.3	+29.6 (+4.9%)	19.2	21.4	+2.1 (+11.0%)	

<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)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/07	FY Mar/08	Changes	FY Mar/07	FY Mar/08	Changes	
Toray	88.6	90.8	+2.2 (+2.5%)	4.8	2.4	-2.3 (-48.8%)	Sales increased through steady sales expansion of automobiles and electric appliances applications in plastic resins business, and solar cells and capacitors applications in films business. However, income decreased due to the cost increase stemming from the steep rise in raw materials and fuel prices, and the effect of revision of depreciation rules.
Japanese Subsidiaries	139.2	141.3	+2.2 (+1.6%)	9.5	10.3	+0.8 (+8.2%)	Sales and income increased through sales increase at trading subsidiaries and chemical-related subsidiary.
Overseas Subsidiaries	147.9	172.3	+24.4 (+16.5%)	4.9	8.2	+3.3 (+68.5%)	Sales and income increased through sales expansion of high value-added products at US films subsidiary and income improvement at films subsidiary in Europe through business structure reform, as well as sales expansion at plastic resins subsidiaries in China and Southeast Asia.
Adjustment				0.1	▲ 0.2	-0.3	
Total	375.3	404.0	+28.7 (+7.7%)	19.2	20.7	+1.5 (+7.7%)	

<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)

Billion ¥

	Net Sales			Operating Income			Comments
	FY Mar/07	FY Mar/08	Changes	FY Mar/07	FY Mar/08	Changes	
Toray	108.9	118.3	+9.4 (+8.6%)	18.5	15.9	-2.6 (-13.8%)	Sales increased through steady expansion of IT-related films and semiconductor coating materials, however, income decreased due to the effect of revision of depreciation rules, price decline of LCD color filters resulting from tough competition in the medium/small size LCD market, and sluggish circuit materials business, etc.
Japanese Subsidiaries	87.3	86.5	-0.8 (-0.9%)	10.0	7.9	-2.1 (-20.8%)	LCD-related equipment at an IT-related machinery subsidiary was affected by slow rate of investment in LCD-panel manufacturers. Film processing subsidiary was also affected by sharp decline in prices. In total, sales and income decreased.
Overseas Subsidiaries	67.6	78.9	+11.3 (+16.7%)	5.2	5.8	+0.5 (+10.4%)	Sales and income increased through strong films business at a Korean films subsidiary as well as business improvement in the second half at circuit materials subsidiary which was affected by the customers' production adjustment and price decline in the first half.
Adjustment				▲ 0.2	0.2	+0.4	
Total	263.8	283.7	+19.9 (+7.6%)	33.5	29.8	-3.7 (-11.1%)	

<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/07	FY Mar/08	Changes	FY Mar/07	FY Mar/08	Changes	
Toray	55.4	74.4	+19.0 (+34.2%)	9.2	8.5	-0.7 (-7.3%)	Sales increased mainly through strong business in aircraft application, however, income decreased due to the increase of depreciation cost accompanying the facility at Ehime Plant which started operation in January 2007, etc.
Japanese Subsidiaries	38.8	48.5	+9.7 (+25.1%)	0.4	0.5	+0.1 (+28.8%)	Sales and income increased through steady sales expansion at trading subsidiary.
Overseas Subsidiaries	56.8	71.1	+14.3 (+25.2%)	9.1	9.7	+0.5 (+5.9%)	Sales and income increased through steady sales expansion in aircraft and industrial applications in both Europe and US.
Adjustment	▲ 82.4	▲ 110.4	-28.0	▲ 0.6	▲ 0.6	+0.0	
Total	68.6	83.6	+15.0 (+21.8%)	18.1	18.1	+0.0 (+0.1%)	

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/07	FY Mar/08	Changes	FY Mar/07	FY Mar/08	Changes	
Toray	9.0	8.8	-0.2 (-1.7%)	▲ 0.6	▲ 0.4	+0.1 (-)	RO membrane business and home water purifier business performed strongly, however, sales through the newly established US water treatment consolidated subsidiary increased. As a result, Toray's sales were almost the same level year-on-year and income improved.
Japanese Subsidiaries	151.9	162.7	+10.7 (+7.1%)	6.6	10.7	+4.0 (+61.1%)	Sales and income increased through expansion of industrial equipment businesses at an engineering subsidiary as well as advancement in corporate-structure reinforcement at building material-related subsidiary and water treatment engineering subsidiary.
Overseas Subsidiaries	0.4	1.7	+1.3 (+335.4%)	▲ 0.2	▲ 0.6	-0.4 (-)	Sales increased through steady business at US water treatment subsidiary, however, income decreased due to the increase of its start-up cost.
Adjustment				0.0	0.0	+0.0	
Total	161.3	173.2	+11.9 (+7.4%)	6.0	9.8	+3.8 (+63.9%)	

<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/07	FY Mar/08	Changes	FY Mar/07	FY Mar/08	Changes	
Toray	14.5	12.4	-2.1 (-14.2%)	3.6	2.0	-1.6 (-44.5%)	Pharmaceuticals and Medical Products Sales increased through sales expansion of Interferon preparation through new indications, sales of new drug which started in 2007, and new artificial kidney products, however, income decreased due to the decrease in licensing revenues, etc.
Japanese Subsidiaries	53.7	53.8	+0.2 (+0.3%)	4.4	4.4	+0.0 (+0.1%)	
Overseas Subsidiaries	1.6	1.5	-0.0 (-2.6%)	0.2	0.3	+0.1 (+29.6%)	
Adjustment				▲ 0.2	▲ 0.5	-0.3	
Total	69.7	67.8	-1.9 (-2.8%)	8.2	6.3	-1.9 (-22.7%)	
(Pharmaceuticals & Medical Products Included)	46.8	48.4	+1.5 (+3.2%)	4.8	2.8	-2.0 (-42.2%)	

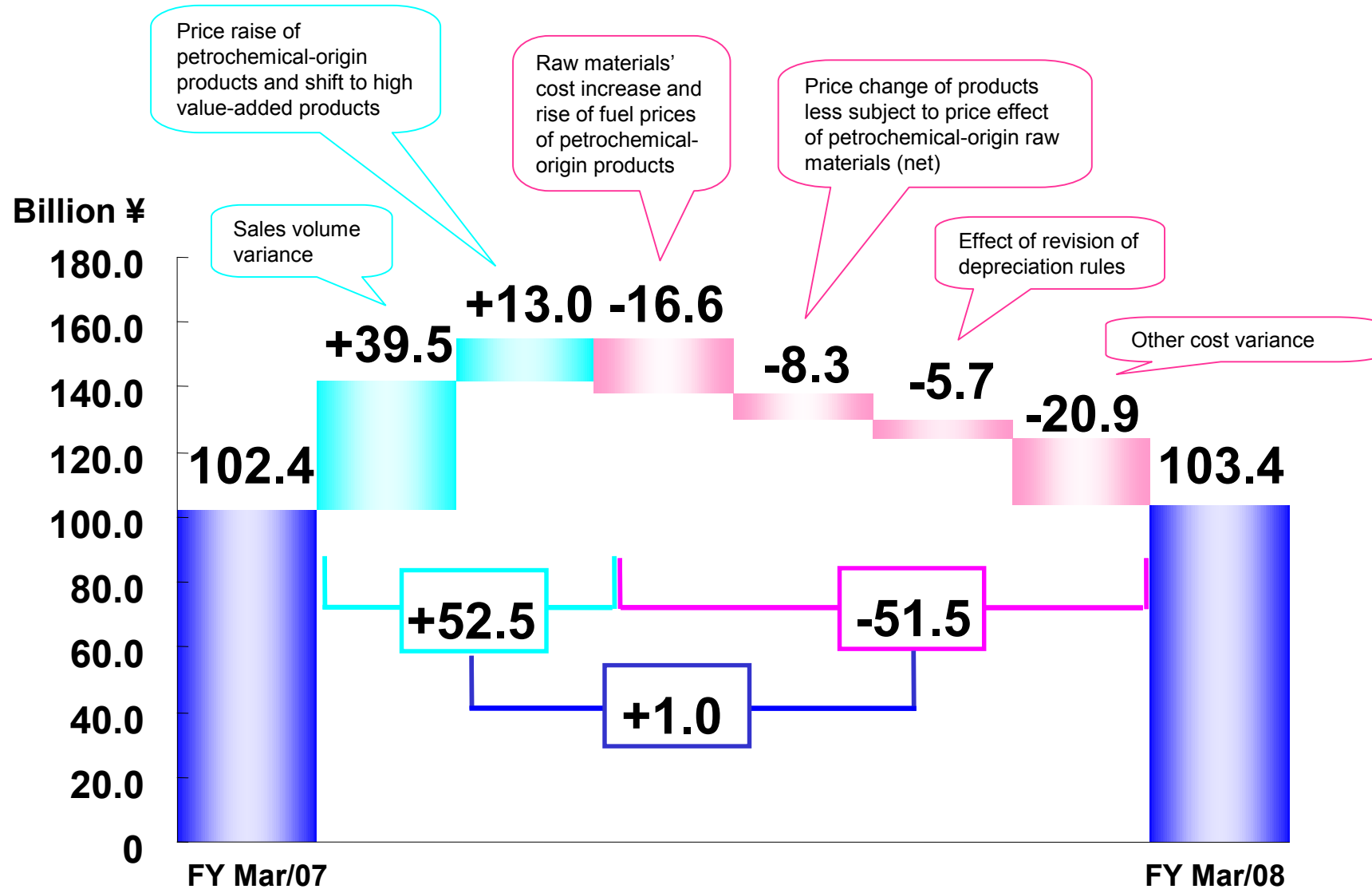
<Major Subsidiaries>

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

Income Variance Factor Analysis



Innovation by Chemistry



Results of Major Subsidiaries

Billion ¥

		Net Sales			Operating Income		
		FY Mar/07	FY Mar/08	Changes	FY Mar/07	FY Mar/08	Changes
Toray International Inc.		368.5	417.9	+49.4	4.5	6.2	+1.7
Toray Engineering Co., Ltd.		107.7	111.6	+3.9	9.0	9.1	+0.1
Toray Construction Co., Ltd.		69.6	59.4	-10.2	3.0	3.1	+0.1
Toray Advanced Film Co., Ltd.		44.1	47.5	+3.4	4.8	3.7	-1.2
Toray Medical Co., Ltd.		33.1	35.4	+2.2	1.3	1.2	-0.2
TSI (Korea)		84.0	92.1	+8.1	5.0	6.1	+1.1
TPM (Malaysia)		48.0	55.2	+7.2	1.8	1.8	-0.0
Subsidiaries in Southeast Asia *1	Fibers & Textiles	106.2	116.7	+10.5	1.4	2.2	+0.8
	Plastics & Chemicals	58.3	64.7	+6.4	2.6	2.6	+0.0
	Others	5.4	8.6	+3.2	0.1	0.0	-0.2
	Total	169.8	190.0	+20.1	4.1	4.8	+0.7
Subsidiaries in China *2	Fibers & Textiles	69.7	88.3	+18.6	0.1	1.1	+0.9
	Plastics & Chemicals	36.9	46.1	+9.3	0.5	0.9	+0.4
	Others	12.4	14.9	+2.4	1.0	1.1	+0.1
	Total	119.0	149.3	+30.3	1.7	3.1	+1.4
Film Subsidiaries (Overseas) *3	Plastics & Chemicals	86.5	90.4	+4.0	1.5	3.8	+2.4
	IT-related Products	39.8	44.7	+4.9	4.0	4.6	+0.5
	Total	126.3	135.2	+8.9	5.5	8.4	+2.9

*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/07	FY Mar/08	Changes
Toray	33.8	35.6	+1.8
Consolidated Subsidiaries	8.4	10.2	+1.7
Consolidated Basis	42.3	45.8	+3.6

Number of Employees

Number of people

	End of Mar/07	End of Mar/08	Changes
Toray	6,830	7,234	+404
Japanese Consolidated Subsidiaries	9,589	9,788	+199
Overseas Consolidated Subsidiaries	20,134	21,543	+1,409
Total	36,553	38,565	+2,012

Changes in Subsidiaries and Affiliates



Innovation by Chemistry

Number of companies

		End of Mar/07	End of Mar/08	Changes
Consolidated Subsidiaries (a)	Japan	67	66	-1
	Overseas	77	78	+1
	Total	144	144	±0
Subsidiaries accounted for by Equity Method (b)	Japan	35	34	-1
	Overseas	22	21	-1
	Total	57	55	-2
Total Subsidiaries (a) + (b)	Japan	102	100	-2
	Overseas	99	99	±0
	Total	201	199	-2
Affiliates accounted for by Equity Method (c)	Japan	16	12	-4
	Overseas	25	27	+2
	Total	41	39	-2
Companies subject to Consolidation (a) + (b) + (c)	Japan	118	112	-6
	Overseas	124	126	+2
	Total	242	238	-4

II. Business Forecast for the Fiscal Year Ending March 2009 (Consolidated Basis)

Forecast Summary

Billion ¥

		FY Mar/08 Actual	FY Mar/09 Forecast	Changes	
Net Sales	1st Half	802.3	790.0	-12.3	(-1.5%)
	2nd Half	847.3	910.0	+62.7	(+7.4%)
	Total	1,649.7	1,700.0	+50.3	(+3.1%)
Operating Income	1st Half	44.0	31.0	-13.0	(-29.6%)
	2nd Half	59.4	64.0	+4.6	(+7.7%)
	Total	103.4	95.0	-8.4	(-8.1%)
Ordinary Income	1st Half	41.9	26.0	-15.9	(-37.9%)
	2nd Half	49.6	60.0	+10.4	(+21.0%)
	Total	91.5	86.0	-5.5	(-6.0%)
Net Income	1st Half	23.0	12.0	-11.0	(-47.8%)
	2nd Half	25.1	32.0	+6.9	(+27.6%)
	Total	48.1	44.0	-4.1	(-8.5%)
Net Income per Share	1st Half	16.4 yen	8.6 yen		
	2nd Half	17.9 yen	22.9 yen		
	Total	34.3 yen	31.4 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	30.4%	58.3%		
	2nd Half	27.9%	21.9%		
	Total	29.1%	31.8%		

Expected exchange rate : 105 yen / US\$
Expected oil price : 100US\$/ B (DUBAI FOB)

Forecast by Business Segment



Innovation by Chemistry

Billion ¥

		Net Sales				Operating Income			
		FY Mar/08	FY Mar/09	Changes	(%)	FY Mar/08	FY Mar/09	Changes	(%)
Fibers & Textiles	1st Half	320.9	305.0	-15.9	(-5.0%)	10.0	7.0	-3.0	(-29.9%)
	2nd Half	316.4	325.0	+8.6	(+2.7%)	11.4	12.0	+0.6	(+5.6%)
	Total	637.3	630.0	-7.3	(-1.2%)	21.4	19.0	-2.4	(-11.0%)
Plastics & Chemicals	1st Half	199.4	200.0	+0.6	(+0.3%)	9.0	7.0	-2.0	(-21.8%)
	2nd Half	204.6	215.0	+10.4	(+5.1%)	11.8	12.0	+0.2	(+2.0%)
	Total	404.0	415.0	+11.0	(+2.7%)	20.7	19.0	-1.7	(-8.3%)
IT-related Products	1st Half	138.7	135.0	-3.7	(-2.7%)	12.8	9.5	-3.3	(-25.7%)
	2nd Half	145.0	165.0	+20.0	(+13.8%)	17.0	18.0	+1.0	(+6.1%)
	Total	283.7	300.0	+16.3	(+5.7%)	29.8	27.5	-2.3	(-7.6%)
Carbon Fiber Composite Materials	1st Half	39.9	40.0	+0.1	(+0.3%)	8.2	7.0	-1.2	(-14.3%)
	2nd Half	43.7	55.0	+11.3	(+25.9%)	9.9	11.0	+1.1	(+10.8%)
	Total	83.6	95.0	+11.4	(+13.7%)	18.1	18.0	-0.1	(-0.5%)
Environment & Engineering	1st Half	71.1	75.0	+3.9	(+5.4%)	2.5	0.0	-2.5	(-100.0%)
	2nd Half	102.1	110.0	+7.9	(+7.8%)	7.3	7.5	+0.2	(+2.8%)
	Total	173.2	185.0	+11.8	(+6.8%)	9.8	7.5	-2.3	(-23.1%)
Life Science & Other Businesses	1st Half	32.3	35.0	+2.7	(+8.5%)	2.4	2.0	-0.4	(-18.2%)
	2nd Half	35.5	40.0	+4.5	(+12.6%)	3.9	5.0	+1.1	(+29.7%)
	Total	67.8	75.0	+7.2	(+10.6%)	6.3	7.0	+0.7	(+11.1%)
(Pharmaceuticals & Medical Products Included)	1st Half	22.4	25.0	+2.6	(+11.8%)	0.8	0.5	-0.3	(-40.3%)
	2nd Half	26.0	30.0	+4.0	(+15.4%)	1.9	3.0	+1.1	(+54.3%)
	Total	48.4	55.0	+6.6	(+13.7%)	2.8	3.5	+0.7	(+25.9%)
Elimination & Corporate	1st Half					▲ 0.8	▲ 1.5	-0.7	
	2nd Half					▲ 1.8	▲ 1.5	+0.3	
	Total					▲ 2.5	▲ 3.0	-0.5	
Consolidated	1st Half	802.3	790.0	-12.3	(-1.5%)	44.0	31.0	-13.0	(-29.6%)
	2nd Half	847.3	910.0	+62.7	(+7.4%)	59.4	64.0	+4.6	(+7.7%)
	Total	1,649.7	1,700.0	+50.3	(+3.1%)	103.4	95.0	-8.4	(-8.1%)

Forecast of Capital Expenditures, Depreciation, R&D Expenses

Capital Expenditures

Billion ¥

	FY Mar/08 Actual	FY Mar/09 Forecast	Changes
Toray	58.5	68.0	+9.5
Consolidated Subsidiaries	89.8	52.0	-37.8
Consolidated Basis	148.3	120.0	-28.3

R&D Expenses

Billion ¥

	FY Mar/08 Actual	FY Mar/09 Forecast	Changes
Toray	35.6	43.0	+7.4
Consolidated Subsidiaries	10.2	10.0	-0.2
Consolidated Basis	45.8	53.0	+7.2

Depreciation

Billion ¥

	FY Mar/08 Actual	FY Mar/09 Forecast	Changes
Toray	39.6	44.0	+4.4
Consolidated Subsidiaries	45.4	46.0	+0.6
Consolidated Basis	85.1	90.0	+4.9

Descriptions of predicted business results, projections, and business plans for the Fiscal Year ending March 2009 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.