

November 7, 2008

**Business Results Announcement
For the Six Months ended
September 30, 2008**

Toray Industries, Inc.

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**I. Business Results for the
Six Months ended
Sept. 30, 2008
(Consolidated Basis)**

Summary (Profits)



Innovation by Chemistry

Billion yen

	FY Mar/08 (Apr.-Sept.) Actual	FY Mar/09 (Apr.-Sept.) Actual	Changes	FY Mar/09 (Apr.-Sept.) Previous Forecast	Difference from Previous Forecast
Net Sales	802.3	800.9	-1.5 (-0.2%)	790.0	+10.9
Cost of Sales	642.7	651.9	+9.2 (+1.4%)		
Gross Profit	159.6	148.9	-10.7 (-6.7%)		
(Gross Profit to Net Sales)	19.9%	18.6%	-1.3 points		
Operating Income	44.0	30.3	-13.7 (-31.2%)	25.0	+5.3
(Operating Income to Net Sales)	5.5%	3.8%	-1.7 points		
Non-operating Income and Expenses, net	▲ 2.2	▲ 2.8	-0.6		
Ordinary Income	41.9	27.5	-14.4 (-34.3%)	22.0	+5.5
Special Credits and Charges, net	▲ 3.0	▲ 4.8	-1.7		
Income before Income Taxes	38.9	22.7	-16.1 (-41.5%)		
Net Income	23.0	10.5	-12.5 (-54.2%)	7.0	+3.5

Exchange Rate	Oil Price
<Yen/US\$>	<US\$/B> (DUBAI FOB)
(08/3 2Q → 09/3 2Q)	(08/3 2Q → 09/3 2Q)
Average: 119.3 → 106.1	Average: 67.4 → 115.1
End of the term: 115.4 → 103.6	
<Yen/Euro>	
(08/3 2Q → 09/3 2Q)	
Average: 162.3 → 162.7	
End of the term: 163.4 → 149.1	

*1 Consolidated business results are the sums of Apr. – Sept. business results in companies whose FY ends on March 31 and Jan. – Jun. business results in companies whose FY ends on December 31.

*2 Previous Forecast refers to the previous business announcement for the 1Q of FY Mar/09 on August 6, 2008.

Non-operating Income and Expenses

Billion yen

	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	Comments
Non-operating Income	9.6	8.6	-1.1	
Interest and Dividend Income	2.2	2.0	-0.1	
Equity in Earnings of Affiliates	3.2	3.8	+0.6	
Others	4.3	2.8	-1.5	Decrease of gain on foreign exchange, etc.
Non-operating Expenses	▲ 11.8	▲ 11.4	+0.4	
Interest Expenses	▲ 5.4	▲ 5.5	-0.1	
Others	▲ 6.3	▲ 5.8	+0.5	
Non-operating Income and Expenses, net	▲ 2.2	▲ 2.8	-0.6	
Interest and Dividend Income, Interest Expenses, net	▲ 3.3	▲ 3.5	-0.2	
Other Income and Expenses, net	▲ 2.0	▲ 3.0	-1.0	

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

Special Credits and Charges

Billion yen

	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	Comments
Special Credits	4.5	2.2	-2.3	
Gain on Sales of Property, Plant and Equipment	0.3	0.5	+0.2	
Gain on Sales of Investment Securities	1.8	1.7	-0.1	
Others	2.4	-	-2.4	
Special Charges	▲ 7.5	▲ 6.9	+0.6	
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 1.8	▲ 1.8	+0.1	
Loss on Impairment of Fixed Assets	▲ 4.7	-	+4.7	
Loss on Write-down of Investment Securities	▲ 0.0	▲ 0.6	-0.6	
Loss on Liquidation and Devaluation of Subsidiaries and Affiliates	▲ 0.0	▲ 2.8	-2.8	Loss on integration of subsidiaries
Loss on Valuation of Inventories	-	▲ 1.2	-1.2	Loss generated by changes in the accounting standards
Others	▲ 1.0	▲ 0.6	+0.4	
Special Credits and Charges, net	▲ 3.0	▲ 4.8	-1.7	

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

Summary (Financial Position)

Billion yen

	End of Mar/08	End of Sept/08	Changes	Comments
Total Assets	1,698.2	1,690.2	-8.0	
Current Assets	733.2	750.8	+17.6	Increase of inventories, etc.
Tangible Assets	681.0	666.5	-14.5	Foreign currency translation adjustment, etc.
Intangible Assets	14.9	11.4	-3.5	
Investments and Other Assets	269.2	261.5	-7.6	

	End of Mar/08	End of Sept/08	Changes	Comments
Total Liabilities	1,056.1	1,075.3	+19.3	
Current Liabilities	544.9	548.3	+3.3	
Other Liabilities	511.1	527.1	+15.9	Increase of long-term debt, etc.
Total Net Assets	642.2	614.8	-27.3	
Interest-bearing Debts	591.2	650.0	+58.8	
D/E ratio*	1.00	1.15	+0.15	

*1 End of Sept/08 figure includes lease obligation

*2 Interest-bearing Debts / Shareholders' Equity

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

Summary (Financial Position)

Billion yen

	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes
ROE ^{*1}	7.6%	3.6%	-4.0 points
ROA ^{*2}	5.2%	3.6%	-1.6 points

*1 ROE = Net Income / Shareholders' Equity

*2 ROA = Operating Income / Total Assets

ROE and ROA are converted to annual based exchange ratios.

<Details of Free Cash Flows>

	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes
Cash Flows from Operating Activities	28.9	1.9	-27.0 (-93.5%)
Cash Flows from Investment Activities	▲ 83.1	▲ 60.4	+22.8
Free Cash Flows	▲ 54.2	▲ 58.5	-4.3

Capital Expenditures, Depreciation

Billion yen

	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	Comments
Capital Expenditures	61.8	43.2	-18.5	Toray : 16.7, Japan : 3.9, Overseas : 22.6
Depreciation -)	42.4	41.3	-1.1	Toray : 19.4, Japan : 5.7, Overseas : 16.2
Transfer, Disposal, etc.	7.3	▲ 16.5	-23.7	
Changes in Tangible Assets	26.7	▲ 14.5		

Major Capital Expenditures :

<Japan>

Toray : Carbon fiber production facilities (Ishikawa)

Operation will start in Jan/09

<Overseas>

SOFICAR : Carbon fiber production facilities (France)

Operation will start in Dec/08

CFA : Carbon fiber production facilities (US)

Operation will start in Dec/08

Results by Business Segment

TORAY

Innovation by Chemistry

Billion yen

	Net Sales			Operating Income		
	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes
Fibers & Textiles	320.9	300.5	-20.4 (-6.4%)	10.0	6.2	-3.8 (-37.7%)
Plastics & Chemicals	199.4	219.4	+20.0 (+10.0%)	9.0	8.2	-0.7 (-8.4%)
IT-related Products	138.7	131.2	-7.6 (-5.5%)	12.8	9.6	-3.2 (-24.9%)
Carbon Fiber Composite Materials	39.9	38.1	-1.8 (-4.5%)	8.2	5.6	-2.6 (-31.7%)
Environment & Engineering	71.1	80.4	+9.3 (+13.0%)	2.5	0.2	-2.2 (-90.3%)
Life Science & Other Businesses	32.3	31.3	-1.0 (-3.1%)	2.4	0.8	-1.7 (-69.1%)
(Pharmaceuticals and Medical Products)	22.4	22.1	-0.2 (-1.1%)	0.8	▲ 0.7	-1.5 (-)
Total	802.3	800.9	-1.5 (-0.2%)	44.8	30.6	-14.2 (-31.7%)
Elimination & Corporate				▲ 0.8	▲ 0.3	+0.5
Consolidated	802.3	800.9	-1.5 (-0.2%)	44.0	30.3	-13.7 (-31.2%)

Results by Business Segment (Fibers and Textiles)

Billion yen

	Net Sales			Operating Income			Comments
	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	
Toray	62.5	56.4	-6.0 (-9.7%)	3.0	0.0	-3.0 (-)	Industrial applications were basically steady while product shipment for apparel applications continued to be slow influenced by sluggish demand for apparel products. Moreover, price increase and shift to high value-added products did not cover the cost increase related to rapid and steep rise in raw materials and fuel prices in this six months, and total sales and income decreased.
Japanese Subsidiaries	152.3	141.6	-10.7 (-7.0%)	4.5	4.0	-0.6 (-12.4%)	Total sales and income decreased due to sluggish demand in Japan and profit deterioration of exports reflecting the strong yen, etc.
Overseas Subsidiaries	106.2	102.5	-3.7 (-3.4%)	3.0	2.5	-0.4 (-14.9%)	Man-made suede business in Europe and fibers and fabrics business for airbags in Thailand performed strongly. However, total sales decreased due to the decline in sales volume of textiles for apparel products. Total income of overseas subsidiaries decreased due to cost increase in raw materials and fuel prices as well as labor expenses, etc. at Chinese subsidiaries.
Adjustment				▲ 0.5	▲ 0.3	+0.3	
Total	320.9	300.5	-20.4 (-6.4%)	10.0	6.2	-3.8 (-37.7%)	

<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 yen

	Net Sales			Operating Income			Comments
	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	
Toray	43.4	46.1	+2.6 (+6.1%)	1.2	▲ 0.5	-1.7 (-)	In plastic resins business, sales increased through steady automobile applications and sales expansion of PPS resins through the capacity increase at Tokai Plant. Sales also increased in films business with sales expansion for solar cells application and hybrid car capacitors. While income decreased due to the steep rise in raw materials and fuel prices and increased costs derived from periodic maintenance of facilities for ABS resins production, etc.
Japanese Subsidiaries	69.3	81.1	+11.8 (+17.0%)	4.9	5.9	+1.0 (+20.2%)	Sales and income increased through sales expansion at trading subsidiaries and steady business at fine chemicals-related subsidiary.
Overseas Subsidiaries	86.7	92.2	+5.6 (+6.4%)	2.9	2.5	-0.4 (-14.4%)	Sales increased through start-up of operation of new production facilities for ABS resin at resins subsidiary in Malaysia and sales expansion at films subsidiary in Korea. However, income decreased due to strong local currency and effect of steep rise in raw materials and fuel prices at films subsidiary in EU, etc.
Adjustment				▲ 0.1	0.3	+0.4	
Total	199.4	219.4	+20.0 (+10.0%)	9.0	8.2	-0.7 (-8.4%)	

<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 yen

	Net Sales			Operating Income			Comments
	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	
Toray	56.8	60.0	+3.2 (+5.6%)	6.6	5.0	-1.6 (-24.1%)	Sales increased through sales growth in PET films for flat panel displays and data storages, and strong performance of LCD color filters and semiconductor coating materials. However, income decreased due to sluggish circuit materials business and graphic materials business as well as demand slowdown of films for electronic components, and effects stemming from the steep rise in raw materials and fuel prices, etc.
Japanese Subsidiaries	43.5	35.3	-8.2 (-18.9%)	4.7	2.6	-2.1 (-45.3%)	Sales and income decreased mainly due to decrease of sales of color filters manufacturing equipment at an IT-related machinery subsidiary.
Overseas Subsidiaries	38.4	35.8	-2.5 (-6.6%)	1.4	1.8	+0.5 (+33.4%)	Sales decreased due to decrease of sales of magnetic materials at a Korean films subsidiary. While income increased mainly through sales growth at Korean circuit-materials subsidiary.
Adjustment				0.1	0.2	+0.1	
Total	138.7	131.2	-7.6 (-5.5%)	12.8	9.6	-3.2 (-24.9%)	

<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)



Innovation by Chemistry

Billion yen

	Net Sales			Operating Income			Comments
	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	
Toray	37.8	27.2	-10.6 (-28.1%)	3.8	2.3	-1.5 (-39.8%)	Business performed strongly for bicycle use in sports applications and export of high-performance carbon fibers to Europe in industrial applications. Meanwhile, sales decreased due to sluggish export for golf shafts and fishing rods in sports applications to Asia and decrease of machinery shipment which existed in the same period of the previous year. With other effects of steep rise in raw materials and fuel prices, increase of depreciation cost accompanying the new production facilities of carbon fibers which started operation in January 2008, as well as the strong yen, in total, income decreased.
Japanese Subsidiaries	23.9	19.9	-4.1 (-16.9%)	0.3	0.2	-0.1 (-47.2%)	
Overseas Subsidiaries	33.2	34.1	+0.9 (+2.7%)	4.6	3.0	-1.6 (-35.3%)	Sales increased through steady industrial applications, however, income decreased due to the effect of the steep rise in raw materials and fuel prices, and increase of depreciation cost accompanying the facilities in Europe which started operation in August 2007.
Adjustment	▲ 55.0	▲ 43.0	+12.0	▲ 0.5	0.2	+0.7	
Total	39.9	38.1	-1.8 (-4.5%)	8.2	5.6	-2.6 (-31.7%)	

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)



Innovation by Chemistry

Billion yen

	Net Sales			Operating Income			Comments
	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	
Toray	4.2	3.7	-0.4 (-10.4%)	▲ 0.1	▲ 0.9	-0.8 (-)	Orders for RO membranes and MBRs increased favorably mainly for Europe, US, and the Mideast, and home water purifiers were steady. However, total sales and income decreased due to the strong yen as well as cost increase involved in business expansion, etc.
Japanese Subsidiaries	66.8	75.5	+8.6 (+12.9%)	3.0	1.4	-1.6 (-52.0%)	Sales increased because export of machinery increased at a trading subsidiary, however, income decreased due to fewer construction works at an engineering subsidiary compared to the previous year and profit deterioration at a water-treatment engineering subsidiary.
Overseas Subsidiaries	0.2	1.2	+1.1 (+682.6%)	▲ 0.3	▲ 0.3	-0.0 (-)	Sales increased favorably at US water treatment subsidiary which was newly established in the previous year.
Adjustment				▲ 0.2	▲ 0.0	+0.1	
Total	71.1	80.4	+9.3 (+13.0%)	2.5	0.2	-2.2 (-90.3%)	

<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 yen

	Net Sales			Operating Income			Comments
	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	
Toray	4.8	3.7	-1.1 (-22.7%)	0.2	▲ 1.7	-1.9 (-)	Pharmaceuticals and Medical Products Amidst severe market condition such as decline in sales price caused by NHI drug price revision and reimbursement price reduction, and intensified market competition, sales of artificial kidney increased. As a result, total sales remained largely unchanged, however, income decreased due to the decline in sales prices and the decrease of licensing revenues. Others Sales and income decreased due to weak performance at trading subsidiary as well as order decrease of analytical business in the semiconductor area at analytical service subsidiary, etc.
Japanese Subsidiaries	26.8	26.6	-0.2 (-0.6%)	2.0	1.6	-0.5 (-22.7%)	
Overseas Subsidiaries	0.7	0.9	+0.2 (+36.6%)	0.1	0.1	+0.0 (+12.6%)	
Adjustment				0.2	0.8	+0.6	
Total	32.3	31.3	-1.0 (-3.1%)	2.4	0.8	-1.7 (-69.1%)	
(Pharmaceuticals & Medical Products Included)	22.4	22.1	-0.2 (-1.1%)	0.8	▲ 0.7	-1.5 (-)	

<Major Subsidiaries>

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

Comparison of 1H Results with Previous Forecast by Business Segment



Innovation by Chemistry
Billion yen

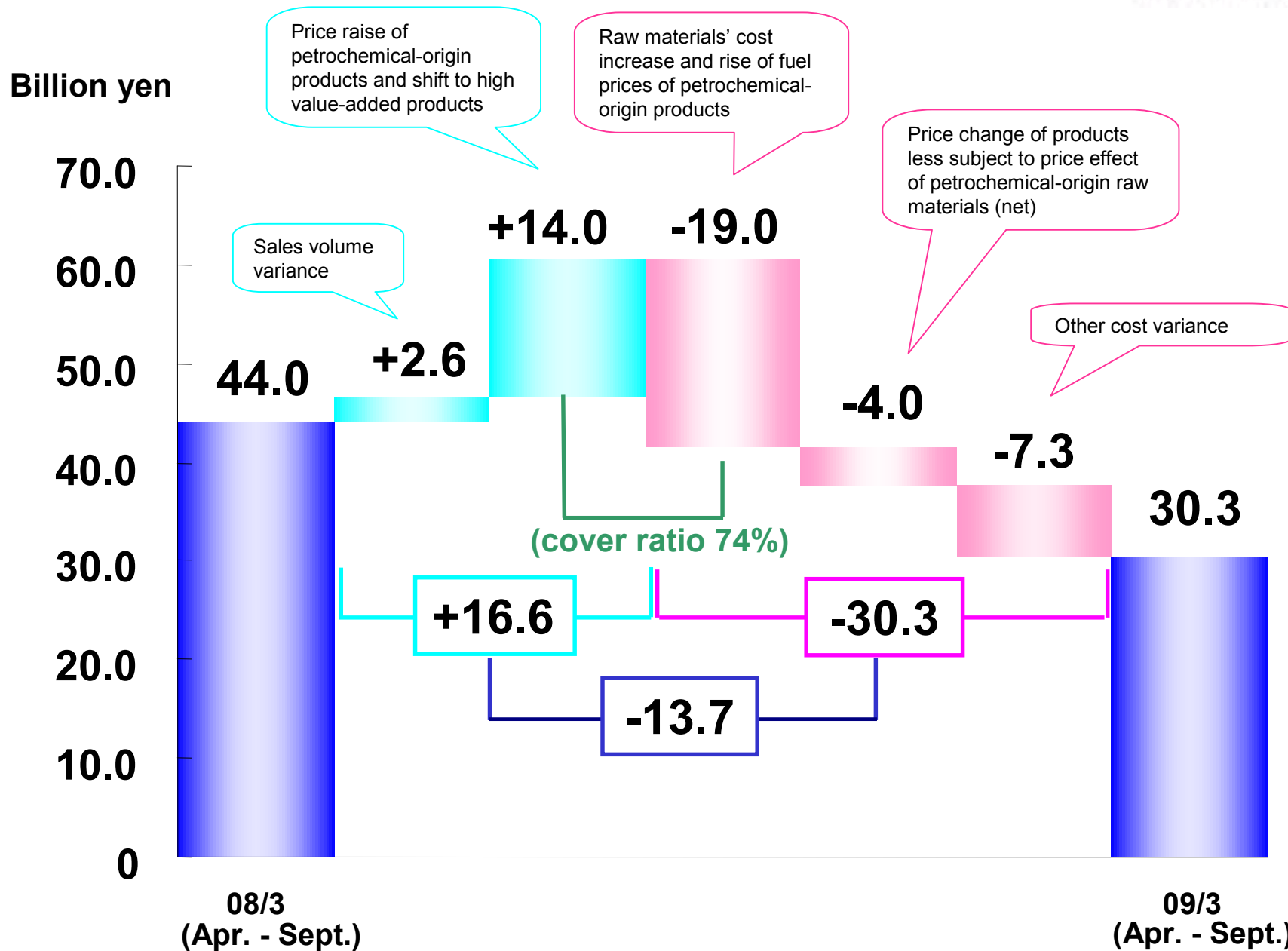
Business Segment	1H Operating Income Previous Forecast → Actual () variance	Variance Factors
Fibers & Textiles	5.0 → 6.2 (+1.2)	<ul style="list-style-type: none"> • Promoted price increase and shift to high value-added products • Reduced expenses and promoted cost reduction through improvement in production efficiency
Plastics & Chemicals	6.5 → 8.2 (+1.7)	<ul style="list-style-type: none"> • Promoted price increase and shift to high value-added products mainly of resins • Strong performance in plastics and chemicals business for China at Japanese trading subsidiary and food flavor business at fine chemicals subsidiary
IT-related Products	8.0 → 9.6 (+1.6)	<ul style="list-style-type: none"> • Promoted price increase and shift to high value-added products mainly of IT-related films • Promoted cost reduction at Japanese engineering subsidiary
Carbon Fiber Composite Materials	5.0 → 5.6 (+0.6)	<ul style="list-style-type: none"> • Improved product mix through expansion of high value-added products • Reduced expenses
Environment & Engineering	0.0 → 0.2 (+0.2)	<ul style="list-style-type: none"> • Reduced expenses and promoted cost reduction through improvement in production efficiency in water treatment business • Reduced expenses at Japanese engineering subsidiary and construction subsidiary
Life Science & Other Businesses	1.0 → 0.8 (-0.2)	<ul style="list-style-type: none"> • Sluggish pharmaceuticals business affected by severe market competition
Elimination & Corporate	▲0.5 → ▲0.3 (+0.2)	
Consolidated	25.0 → 30.3 (+5.3)	

* Previous Forecast refers to the previous business announcement for the 1Q of FY Mar/09 on August 6, 2008.

Income Variance Factor Analysis



Innovation by Chemistry



Results of Major Subsidiaries



Innovation by Chemistry

Billion yen

		Net Sales			Operating Income		
		FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes
Toray International Inc. *1		210.2	204.6	-5.6	3.3	3.0	-0.3
Toray Engineering Co., Ltd.		54.6	43.2	-11.4	4.7	3.2	-1.5
Toray Construction Co., Ltd.		20.3	22.8	+2.5	0.6	0.4	-0.3
Toray Advanced Film Co., Ltd.		22.4	24.1	+1.6	1.9	1.1	-0.8
Toray Medical Co., Ltd.		17.3	17.9	+0.6	0.5	0.2	-0.3
TSI (Korea)		44.5	43.4	-1.1	2.7	2.2	-0.5
TPM (Malaysia)		29.3	36.8	+7.5	0.8	0.3	-0.5
Subsidiaries in Southeast Asia *2							
	Fibers & Textiles	59.3	56.4	-3.0	0.9	1.0	+0.0
	Plastics & Chemicals	33.8	41.3	+7.5	0.9	0.8	-0.1
	Others	4.0	5.0	+1.0	▲ 0.0	0.0	+0.0
	Total	97.2	102.7	+5.5	1.8	1.7	-0.1
Subsidiaries in China *3							
	Fibers & Textiles	41.1	40.4	-0.7	0.5	▲ 0.4	-0.9
	Plastics & Chemicals	23.2	23.9	+0.7	0.4	0.3	-0.0
	Others	7.6	6.6	-1.0	0.5	0.4	-0.2
	Total	71.9	70.9	-1.0	1.4	0.2	-1.1
Film Subsidiaries (Overseas) *4							
	Plastics & Chemicals	44.4	45.4	+1.0	1.0	1.2	+0.2
	IT-related Products	21.9	19.6	-2.3	1.9	1.4	-0.5
	Total	66.3	64.9	-1.3	2.9	2.6	-0.3

*1 : Toray Ireeve Corp. and Toray Fishing Corp. were integrated into Toray International, Inc. as of April 1, 2008 and are included in the above figure

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

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

*4 : 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 yen

	FY Mar/08 (Apr.-Sept.)	FY Mar/09 (Apr.-Sept.)	Changes
Toray	17.7	20.5	+2.8
Consolidated Subsidiaries	4.9	5.1	+0.2
Consolidated Basis	22.6	25.6	+3.0

Number of Employees

Number of people

	End of Sept/07	End of Mar/08	End of Sept/08	Changes
Toray	7,262	7,234	7,547	+313
Japanese Consolidated Subsidiaries	9,828	9,788	10,048	+260
Overseas Consolidated Subsidiaries	20,949	21,543	21,386	- 157
Total	38,039	38,565	38,981	+416

Changes in Subsidiaries and Affiliates



Innovation by Chemistry

		Number of companies		
		End of Mar/08	End of Sept/08	Changes
Consolidated Subsidiaries (a)	Japan	66	60	-6
	Overseas	78	77	-1
	Total	144	137	-7
Subsidiaries accounted for by Equity Method (b)	Japan	34	31	-3
	Overseas	21	22	+1
	Total	55	53	-2
Total Subsidiaries (a) + (b)	Japan	100	91	-9
	Overseas	99	99	±0
	Total	199	190	-9
Affiliates accounted for by Equity Method (c)	Japan	12	13	+1
	Overseas	27	26	-1
	Total	39	39	±0
Companies subject to Consolidation (a) + (b) + (c)	Japan	112	104	-8
	Overseas	126	125	-1
	Total	238	229	-9

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

Forecast Summary



Innovation by Chemistry

Billion yen

	FY Mar/08 Actual	FY Mar/09 Previous Forecast	FY Mar/09 New Forecast	Changes
Net Sales	1,649.7	1,700.0	1,700.0	+50.3 (+3.1%)
Operating Income	103.4	75.0	75.0	-28.4 (-27.5%)
Ordinary Income	91.5	70.0	70.0	-21.5 (-23.5%)
Net Income	48.1	30.0	30.0	-18.1 (-37.6%)

Net Income per Share	34.3 yen	21.4 yen	21.4 yen
Dividend per Share	10.0 yen	10.0 yen	10.0 yen
Dividend Payout Ratio	29.1%	46.7%	46.7%

Estimated exchange rate : 100 yen / US\$ (October~)
 Estimated oil price : 75 US\$/ B (DUBAI FOB) (October~)

* Previous Forecast refers to the previous business announcement for the 1Q of FY Mar/09 on August 6, 2008.

Forecast by Business Segment

Billion yen

	Net Sales				Operating Income			
	FY Mar/08	FY Mar/09	Changes	(%)	FY Mar/08	FY Mar/09	Changes	(%)
Fibers & Textiles	637.3	620.0	-17.3	(-2.7%)	21.4	12.0	-9.4	(-43.8%)
Plastics & Chemicals	404.0	450.0	+46.0	(+11.4%)	20.7	17.0	-3.7	(-17.9%)
IT-related Products	283.7	280.0	-3.7	(-1.3%)	29.8	23.0	-6.8	(-22.7%)
Carbon Fiber Composite Materials	83.6	90.0	+6.4	(+7.7%)	18.1	14.0	-4.1	(-22.6%)
Environment & Engineering	173.2	195.0	+21.8	(+12.6%)	9.8	7.0	-2.8	(-28.2%)
Life Science & Other Businesses	67.8	65.0	-2.8	(-4.1%)	6.3	4.0	-2.3	(-36.5%)
(Pharmaceuticals and Medical Products)	48.4	48.0	-0.4	(-0.7%)	2.8	2.0	-0.8	(-28.1%)
Total	1,649.7	1,700.0	+50.3	(+3.1%)	106.0	77.0	-29.0	(-27.3%)
Elimination & Corporate					▲ 2.5	▲ 2.0	+0.5	
Consolidated	1,649.7	1,700.0	+50.3	(+3.1%)	103.4	75.0	-28.4	(-27.5%)

Forecast of Capital Expenditures, Depreciation, R&D Expenses

Capital Expenditures

Billion yen

	FY Mar/08 Actual	FY Mar/09 Initial Forecast on May 9, 2008	FY Mar/09 New Forecast	Changes	Difference from FY Mar/09 Initial Forecast
Toray	58.5	68.0	55.0	- 3.5	- 13.0
Consolidated Subsidiaries	89.8	52.0	45.0	- 44.8	- 7.0
Consolidated Basis	148.3	120.0	100.0	- 48.3	- 20.0

Depreciation

Billion yen

	FY Mar/08 Actual	FY Mar/09 Initial Forecast on May 9, 2008	FY Mar/09 New Forecast	Changes	Difference from FY Mar/09 Initial Forecast
Toray	39.6	44.0	42.0	+2.4	- 2.0
Consolidated Subsidiaries	45.4	46.0	45.0	- 0.4	- 1.0
Consolidated Basis	85.1	90.0	87.0	+1.9	- 3.0

R&D Expenses

Billion yen

	FY Mar/08 Actual	FY Mar/09 Initial Forecast on May 9, 2008	FY Mar/09 New Forecast	Changes	Difference from FY Mar/09 Initial Forecast
Toray	35.6	43.0	42.0	+6.4	- 1.0
Consolidated Subsidiaries	10.2	10.0	10.0	- 0.2	-
Consolidated Basis	45.8	53.0	52.0	+6.2	- 1.0

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.