

November 7, 2008

**Announcement of Business Results  
For the Second Quarter  
(July – September, 2008)  
of Fiscal Year Ending March 2009**

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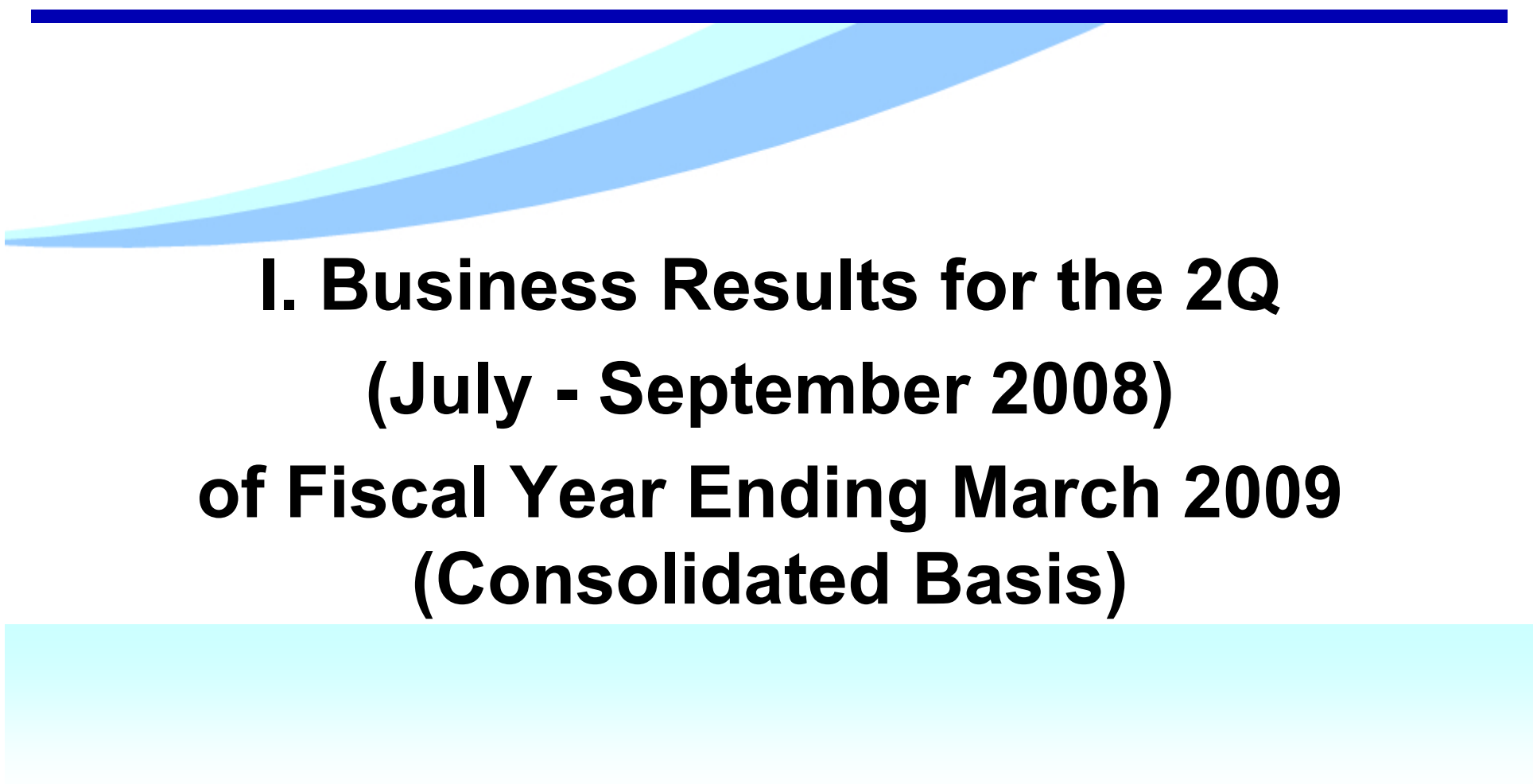
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\* Previous Forecast refers to the previous business announcement for the 1Q of FY Mar/09 on August 6, 2008.



**I. Business Results for the 2Q  
(July - September 2008)  
of Fiscal Year Ending March 2009  
(Consolidated Basis)**

# Summary of Business Results for the 2Q of FY March 2009

Unit : Billion yen

Unit : Billion yen

	2Q FY Mar/08 (Jul.-Sept.)	2Q FY Mar/09 (Jul.-Sept.)	Changes		End of Jun/08	End of Sept/08	Changes	End of Mar/08 <FYR>
Net Sales	416.5	<b>413.5</b>	- 3.1 (-0.7%)	Total Assets	1,665.3	<b>1,690.2</b>	+24.8	1,698.2
Cost of Sales	334.7	<b>337.0</b>	+2.3 (+0.7%)	Total Liabilities	1,051.1	<b>1,075.3</b>	+24.2	1,056.1
Gross Profit	81.9	<b>76.5</b>	- 5.4 (-6.6%)	Net Assets	614.2	<b>614.8</b>	+0.6	642.2
(Gross Profit to Net Sales)	19.7%	<b>18.5%</b>	- 1.2 points	Interest-bearing Debts*	622.8	<b>650.0</b>	+27.2	591.2
Operating Income	24.5	<b>17.1</b>	- 7.4 (-30.3%)	* End of Jun/08 figure includes lease obligation				
(Operating Income to Net Sales)	5.9%	<b>4.1%</b>	- 1.8 points	<div style="border: 1px dashed black; padding: 5px;"> <p>Exchange Rate &lt;Yen/US\$&gt; (08/3 2Q → 09/3 2Q) Average: 117.9 → 107.7 End of the term: 115.4 → 103.6</p> <p>&lt;Yen/Euro&gt; (08/3 2Q → 09/3 2Q) Average: 161.9 → 161.9 End of the term: 163.4 → 149.1</p> <p>Oil Price &lt;US\$/B&gt; (DUBAI FOB) (08/3 2Q → 09/3 2Q) Average: 70.1 → 113.4</p> </div>				
Non-operating Income and Expenses, net	▲ 1.4	▲ <b>2.0</b>	- 0.6					
Ordinary Income	23.1	<b>15.0</b>	- 8.1 (-34.9%)					
Special Credits and Charges, net	▲ 3.5	▲ <b>1.6</b>	+1.9					
Income before Income Taxes	19.6	<b>13.5</b>	- 6.1 (-31.4%)					
Net Income	12.8	<b>6.1</b>	- 6.7 (-52.1%)					

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

# Results by Business Segment

	Net Sales			Operating Income		
	2Q FY Mar/08 (Jul.-Sept.)	2Q FY Mar/09 (Jul.-Sept.)	Changes	2Q FY Mar/08 (Jul.-Sept.)	2Q FY Mar/09 (Jul.-Sept.)	Changes
Fibers & Textiles	167.0	<b>155.6</b>	-11.4 (-6.8%)	6.1	<b>3.1</b>	-3.0 (-48.8%)
Plastics & Chemicals	101.3	<b>112.6</b>	+11.3 (+11.1%)	4.8	<b>4.7</b>	-0.1 (-2.6%)
IT-related Products	72.3	<b>68.8</b>	-3.5 (-4.8%)	6.6	<b>6.0</b>	-0.6 (-9.1%)
Carbon Fiber Composite Materials	20.6	<b>18.4</b>	-2.2 (-10.5%)	4.4	<b>2.3</b>	-2.1 (-48.8%)
Environment & Engineering	38.2	<b>41.7</b>	+3.5 (+9.2%)	1.4	<b>1.0</b>	-0.4 (-29.0%)
Life Science & Other Businesses	17.1	<b>16.2</b>	-0.8 (-4.9%)	1.6	<b>0.6</b>	-0.9 (-60.0%)
(Pharmaceuticals and Medical Products)	12.1	<b>11.7</b>	-0.4 (-3.5%)	0.7	<b>▲ 0.1</b>	-0.8 (-)
Total	416.5	<b>413.5</b>	-3.1 (-0.7%)	24.8	<b>17.7</b>	-7.2 (-28.9%)
Elimination & Corporate				<b>▲ 0.3</b>	<b>▲ 0.6</b>	-0.3
Consolidated	416.5	<b>413.5</b>	-3.1 (-0.7%)	24.5	<b>17.1</b>	-7.4 (-30.3%)

# Results by Business Segment (Fibers & Textiles)

## Comments

### Toray

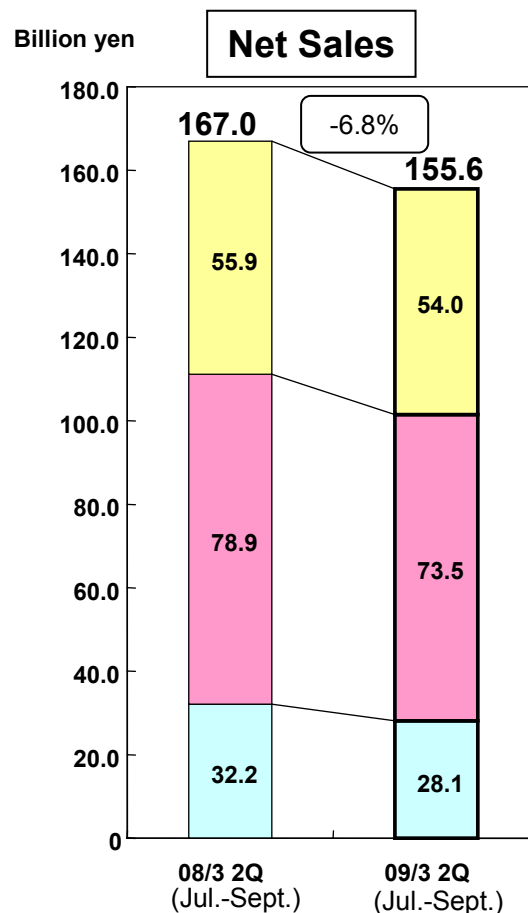
Industrial applications were basically steady while apparel applications were sluggish. Price increase and shift to high value-added products did not cover the cost increase reflecting the steep rise in raw materials and fuel prices in the current 2Q. Moreover, there was no extraordinary uniform shipment which existed in the previous year. Accordingly, total sales and income decreased.

### Japanese Subsidiaries

Sales and income decreased due to weak performance at trading subsidiaries effected by sluggish Japanese demand.

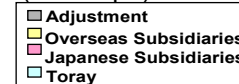
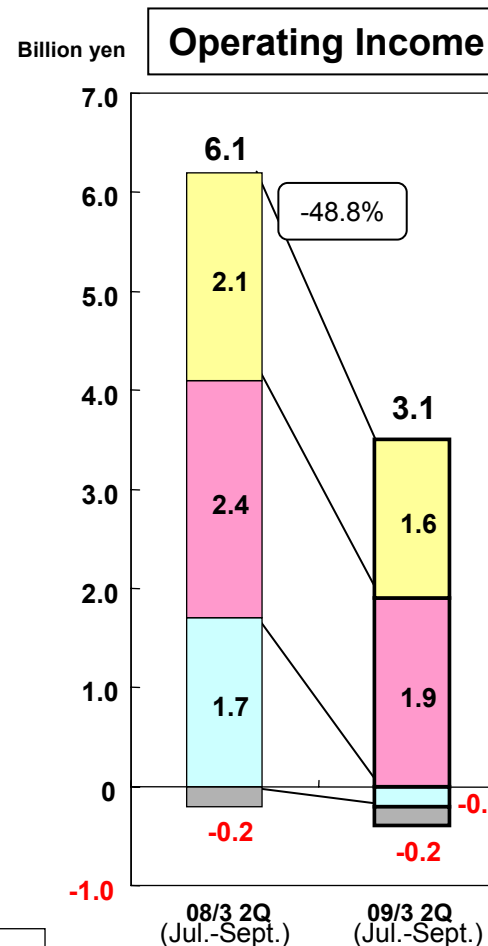
### Overseas Subsidiaries

Man-made suede business in Europe performed strongly, however, sales decreased due to the decline in sales volume of textiles for apparel products. Chinese subsidiaries were affected by strong local currency, and cost increase of raw materials and fuel prices and labor expenses, etc. As a result, overall income of overseas subsidiaries decreased.

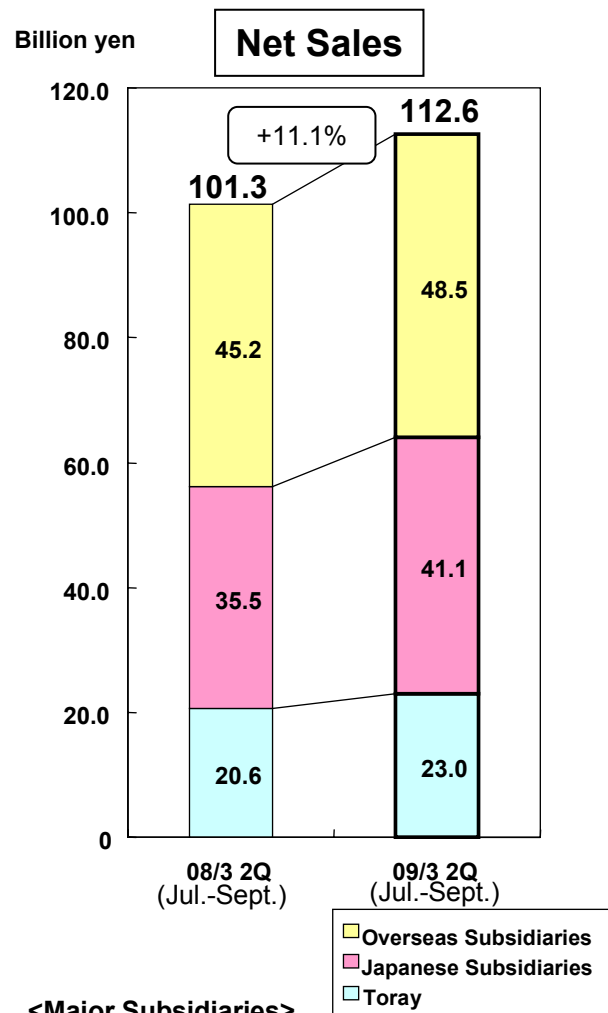


### <Major Subsidiaries >

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.



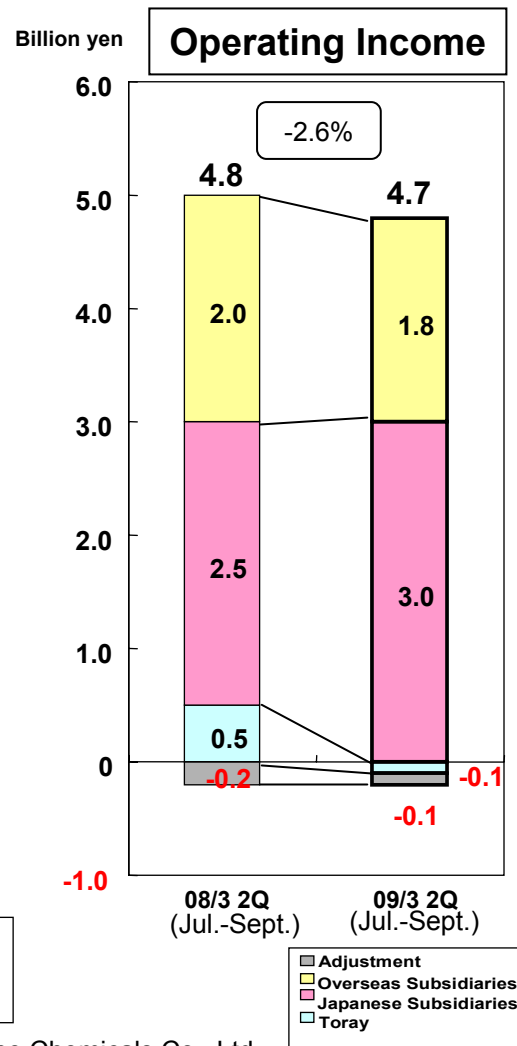
# Results by Business Segment (Plastics & Chemicals)



**<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.



## Comments

### Toray

Sales increased through steady automobile applications in plastic resins business and sales expansion of solar cells in films business. Income decreased because price increase, shift to high value-added products, and cost reduction efforts did not cover cost increase related to steep rise in raw materials and fuel prices.

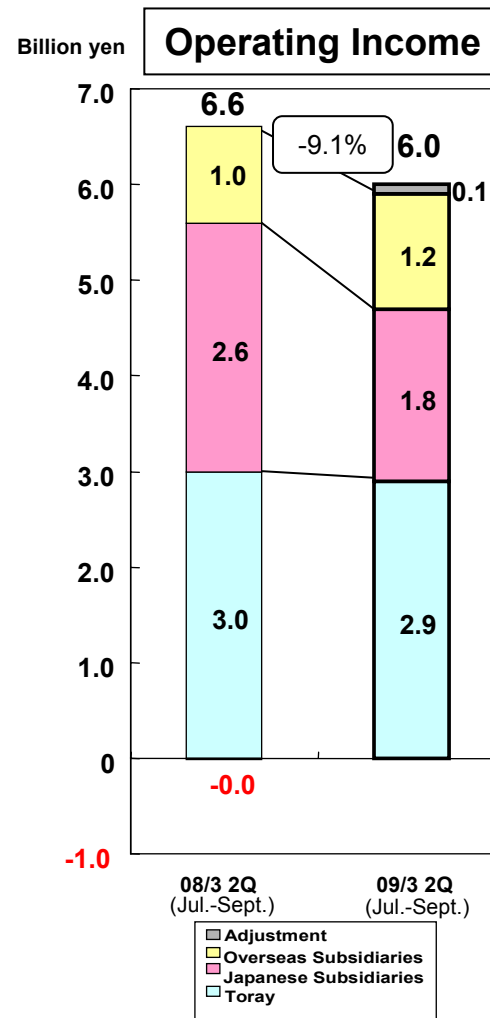
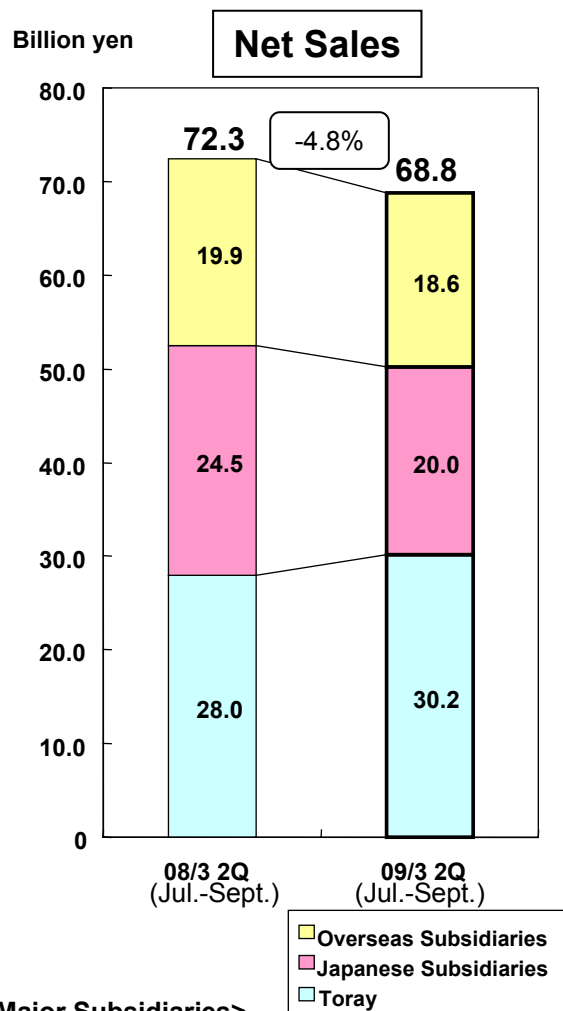
### Japanese Subsidiaries

Sales and income increased through sales expansion at trading subsidiaries and steady business at a fine chemicals-related subsidiary.

### Overseas Subsidiaries

Sales increased reflecting the new production facilities of ABS resin at resins subsidiary in Malaysia and sales expansion at films subsidiary in Malaysia, etc. However, income decreased due to strong local currency and effect of steep rise in raw materials and fuel prices at films subsidiary in Europe, etc.

# Results by Business Segment (IT-related Products)



**<Major Subsidiaries>**

Japan : Toray Engineering Co., Ltd., Toray Advanced Film Co., Ltd., etc.  
Overseas : TPA (US), TPEu (France), TSI (Korea), STEMCO (Korea), etc.

## Comments

### Toray

Sales increased through strong performance of LCD color filters and semiconductor coating materials as well as sales growth of magnetic films for data storages and PDP materials. However, income was relatively unchanged due to demand slow down of films for electronic components and sluggish circuit materials and graphic materials businesses.

### Japanese Subsidiaries

Sales and income decreased mainly due to decrease of sales of LCD color filters manufacturing equipment at an IT-related machinery subsidiary.

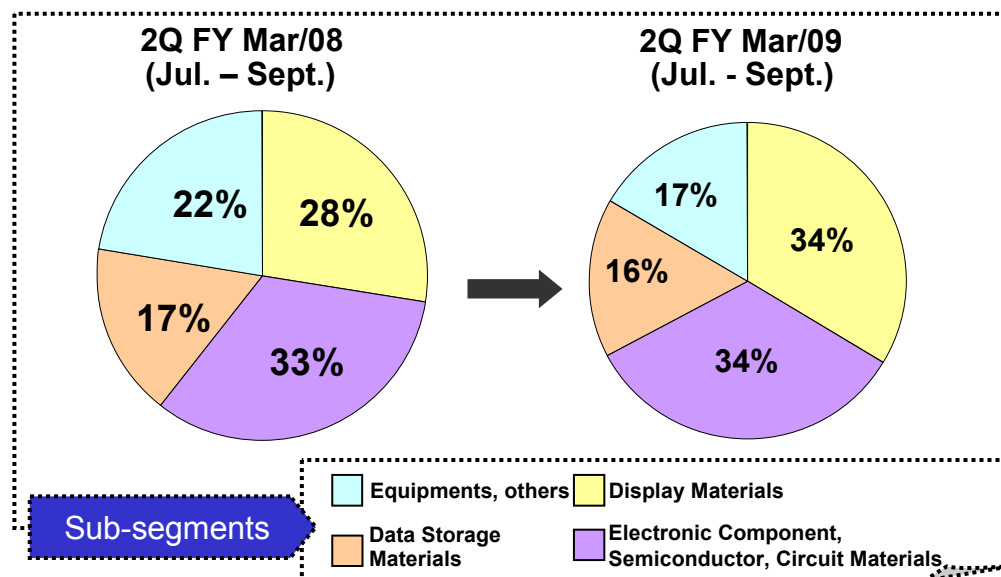
### Overseas Subsidiaries

Sales decreased due to decrease of sales of magnetic materials at a Korean films subsidiary. While income increased mainly through cost reduction at Korean circuit-materials subsidiary.



# Details of the Sales of IT-related Products Segment

## 【Sales ratio by sub-segment】



## 【Sales trends by sub-segment】

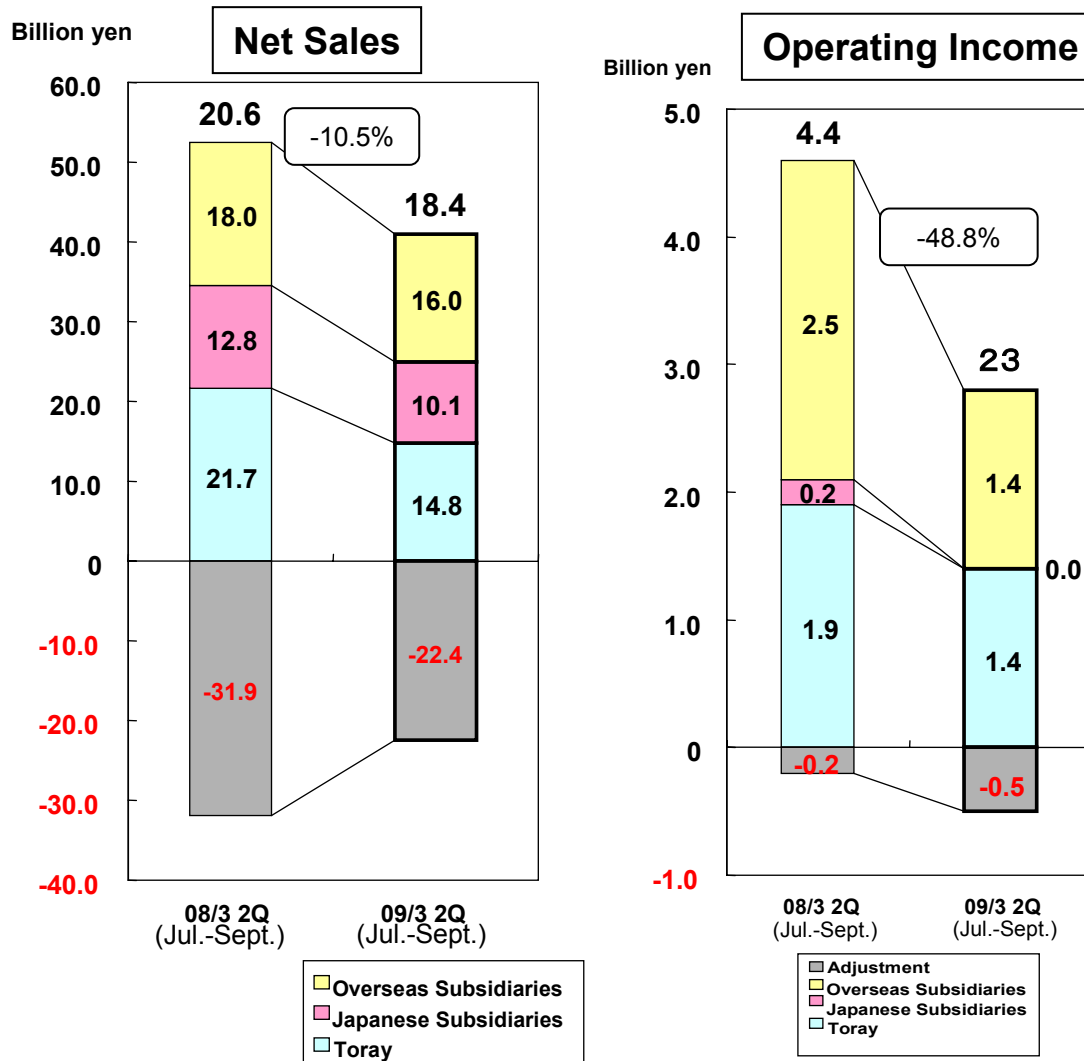
(Unit: Billion yen)

Sub-segment	2Q FY Mar/08 (Jul. - Sept.)	2Q FY Mar/09 (Jul. - Sept.)	Changes
Display Materials	20.0	23.2	+16%
Electronic Component, Semiconductor, Circuit Materials	23.8	23.1	-3%
Data Storage Materials	12.3	11.1	-10%
Equipments, others	16.2	11.5	-29%
<b>Total of IT-related Products Segment</b>	<b>72.3</b>	<b>68.8</b>	<b>-5%</b>

Sub-segments	Products
Display Materials	Optical films, processed optical films, PDP paste materials, color filters, paste materials for color filters, chemicals materials, OLED materials, etc.
Electronic Component, Semiconductor, Circuit Materials	Films for electronic components / circuit materials, FPC copper clad laminated films, adhesive tapes for TAB, adhesive sheets for semiconductors / electronic components, semiconductor coating materials, CMP pads, two-layer copper clad laminated films, TAB tapes, COF tapes, plastics, plastics products, etc.
Data Storage Materials	Magnetic materials, TTR (Thermal Transfer Ribbon), films for graphic art base, graphic materials, etc.
Equipments, others	Slit coaters for LCD, die bonding equipment, inspection equipment, equipment / components for PDP, trading companies, IT support services, services, others

# Results by Business Segment (Carbon Fiber Composite Materials)

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)

## Comments

### Toray

In industrial applications, sales of composite products for machinery application expanded. Meanwhile, demand for sports applications weakened and there was Boeing's delay in purchasing our products. There was no machinery export which existed in the same period of the previous year. In total, sales decreased. In addition to the strong yen and effect of steep rise in raw materials and fuel prices, depreciation cost increased accompanying a new facility, etc., therefore, income decreased.

### Japanese Subsidiaries

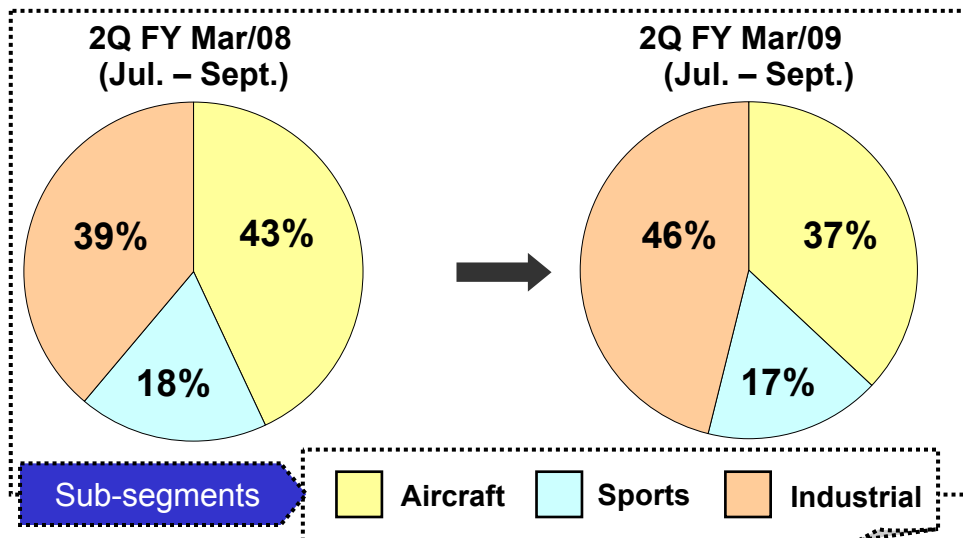
Sales and income decreased due to the effect of strong yen.

### Overseas Subsidiaries

Sales of high-performance carbon fibers increased at European subsidiary, however, total sales and income decreased due to Boeing's delay in purchasing our products as well as the effect of strong yen and increase of depreciation cost accompanying the new facility in Europe, etc.

# Details of the Sales of Carbon Fiber Composite Materials Segment

## 【Sales ratio by sub-segment】



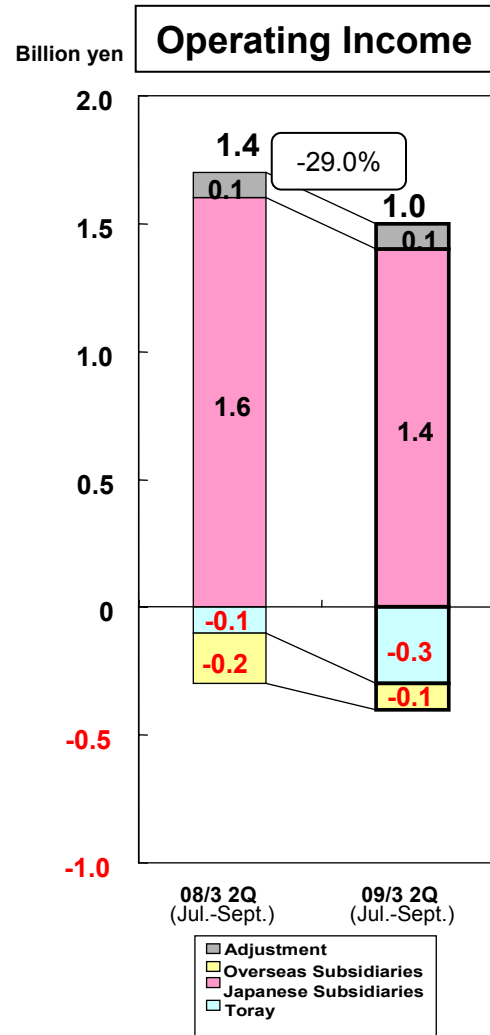
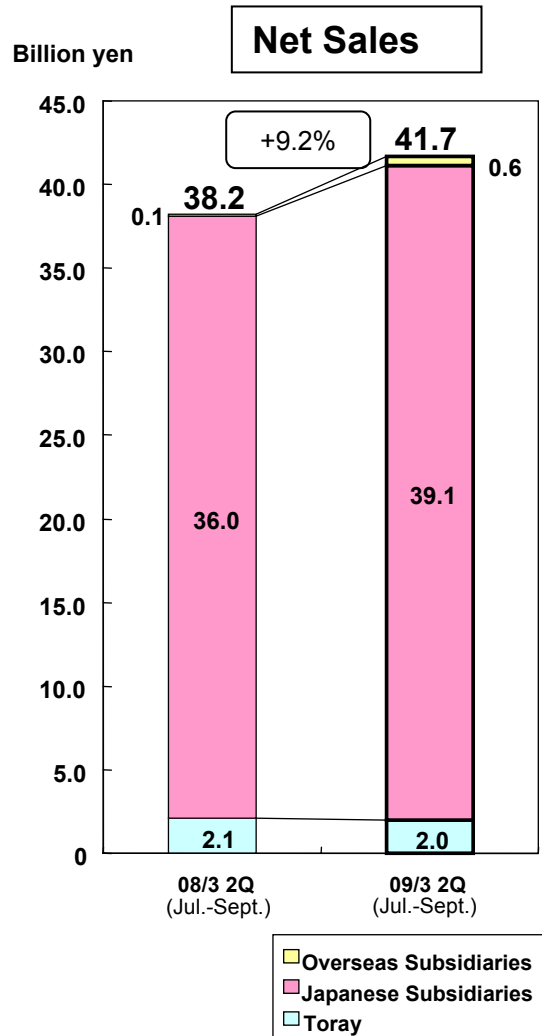
Sub-segments	Applications
Aircraft	Commercial Aircraft Satellites, etc.
Sports	Golf Shafts Fishing Rods Bicycles Tennis Rackets, etc.
Industrial	Pressure Vessels / Tanks Automobiles Boats Windmills PC Chassis Civil Engineering / Construction-related applications Machine parts Elements of fuel cells, etc.

## 【Sales trends by sub-segment】

(Unit: Billion yen)

Sub-segment	2Q FY Mar/08 (Jul. - Sept.)	2Q FY Mar/09 (Jul. - Sept.)	Changes
Aircraft	8.9	6.8	-24%
Sports	3.6	3.1	-16%
Industrial	8.0	8.4	+5%
Total of Carbon Fiber Composite Materials Segment	20.6	18.4	-11%

# Results by Business Segment (Environment & Engineering)



## Comments

### Toray

Orders for RO membranes and MBRs increased favorably mainly for Europe, US, and the Mideast, and home water purifiers performed strongly. However, total sales and income decreased due to the effect of strong yen as well as cost increase related to business expansion, etc.

### Japanese Subsidiaries

Sales increased because export of machinery increased at a trading subsidiary and large-scale construction business completed at an engineering subsidiary, etc. While income decreased due to profit deterioration at a water-treatment engineering subsidiary and fewer construction works at a construction subsidiary.

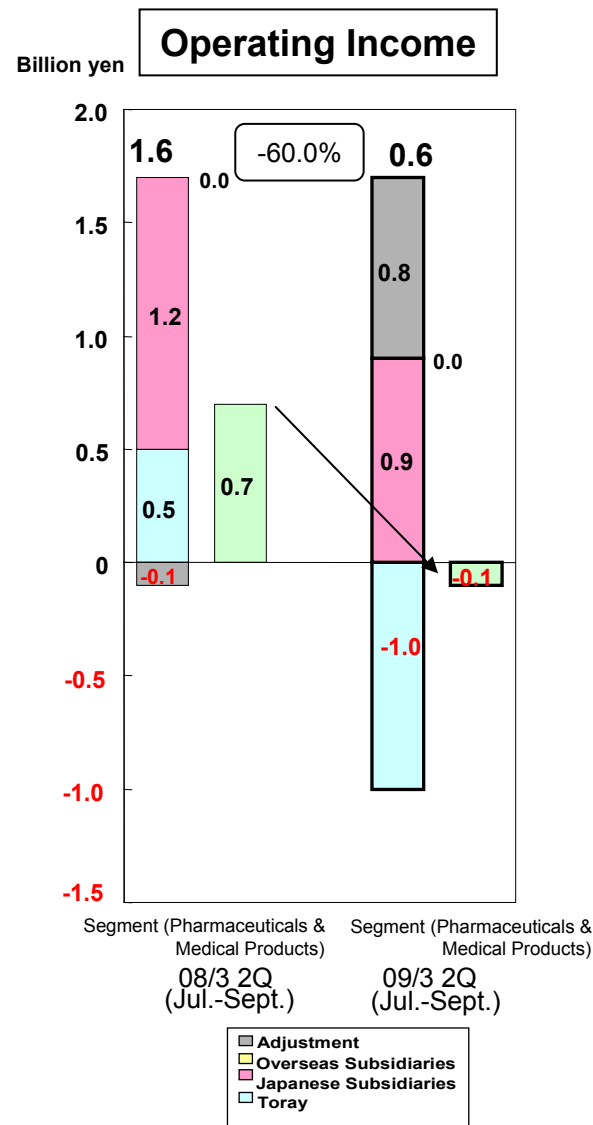
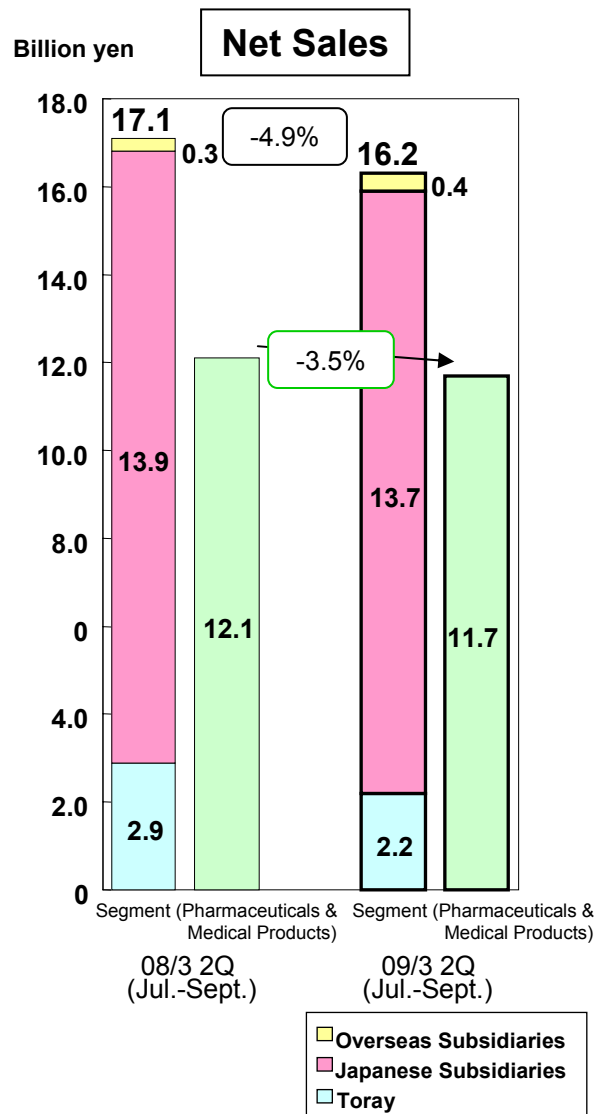
### Overseas Subsidiaries

Sales increased and income improved through sales growth at US water treatment subsidiary.

### <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)



**Comments**

**Pharmaceuticals and Medical Products**  
Sales of artificial kidney increased but pharmaceuticals business was sluggish effected by severe market competition. Sales price declined due to NHI drug price revision and reimbursement price reduction, and licensing revenues decreased. As a result, overall sales and income of pharmaceuticals and medical products, decreased.

**Others**  
In other subsidiaries, sales and income declined due to order decrease of analytical business in the semiconductor area at analytical service subsidiary, etc.

**<Major Subsidiaries>**

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

# 1Q vs. 2Q

## Comparison of Results by Business Segment

Billion yen

Business Segment	Operating Income 1Q → 2Q ( ) variance	Variance Factors
Fibers & Textiles	3.1 → 3.1 (±0.0)	<ul style="list-style-type: none"> <li>• Sluggish demand for Japanese apparel applications</li> <li>• Promoted price increase and shift to high value-added products against the steep rise in raw materials and fuel prices</li> <li>• Increased shipment volume of garments for major SPA</li> </ul>
Plastics & Chemicals	3.5 → 4.7 (+1.2)	<ul style="list-style-type: none"> <li>• Promoted price increase and shift to high value-added products against the steep rise in raw materials and fuel prices</li> <li>• Expanded sales of films for solar cells which grows in demand</li> <li>• Expanded sales of films in use of food packaging at US subsidiary</li> </ul>
IT-related Products	3.6 → 6.0 (+2.4)	<ul style="list-style-type: none"> <li>• Expanded sales of IT-related machinery mainly of LCD color filters production equipment</li> <li>• Expanded sales of FDP-related materials reflecting the production expansion of FPDs during April ~ June at Korean subsidiary</li> </ul>
Carbon Fiber Composite Materials	3.3 → 2.3 (-1.0)	<ul style="list-style-type: none"> <li>• Decrease in aircraft applications due to delay in schedule of Boeing 787</li> <li>• Effects of steep rise in raw materials and fuel prices</li> </ul>
Environment & Engineering	▲0.7 → 1.0 (+1.7)	<ul style="list-style-type: none"> <li>• Completed large-scale business during the 2Q at engineering subsidiary</li> <li>• Expanded sales of RO membranes</li> </ul>
Life Science & Other Businesses	0.1 → 0.6 (+0.5)	<ul style="list-style-type: none"> <li>• Expanded sales of artificial kidney</li> <li>• Increased licensing revenues</li> </ul>
Elimination & Corporate	0.3 → ▲0.6 (-0.9)	
Consolidated	13.2 → 17.1 (+3.9)	

# Comparison of 2Q Results with Previous Forecast by Business Segment

Billion yen

Business Segment	2Q Operating Income Previous Forecast → Actual ( ) variance	Variance Factors
Fibers & Textiles	1.9 → 3.1 (+1.2)	<ul style="list-style-type: none"> <li>• Promoted price increase and shift to high value-added products</li> <li>• Reduced expenses and promoted cost reduction through improvement in production efficiency</li> </ul>
Plastics & Chemicals	3.0 → 4.7 (+1.7)	<ul style="list-style-type: none"> <li>• Promoted price increase and shift to high value-added products mainly of resins</li> <li>• Strong performance in plastics and chemicals business for China at Japanese trading subsidiary and food flavor business at fine chemicals subsidiary</li> </ul>
IT-related Products	4.4 → 6.0 (+1.6)	<ul style="list-style-type: none"> <li>• Promoted price increase and shift to high value-added products mainly of IT-related films</li> <li>• Promoted cost reduction at Japanese engineering subsidiary</li> </ul>
Carbon Fiber Composite Materials	1.7 → 2.3 (+0.6)	<ul style="list-style-type: none"> <li>• Improved product mix through expansion of high value-added products</li> <li>• Reduced expenses</li> </ul>
Environment & Engineering	0.7 → 1.0 (+0.2)	<ul style="list-style-type: none"> <li>• Reduced expenses and promoted cost reduction through improvement in production efficiency in water treatment business</li> <li>• Reduced expenses at Japanese engineering subsidiary and construction subsidiary</li> </ul>
Life Science & Other Businesses	0.9 → 0.6 (-0.2)	<ul style="list-style-type: none"> <li>• Sluggish pharmaceuticals business affected by severe market competition</li> </ul>
Elimination & Corporate	▲ 0.8 → ▲ 0.6 (+0.2)	
Consolidated	11.8 → 17.1 (+5.3)	

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

# Results for the Six Months ended Sept. 30, 2008

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

Billion yen

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

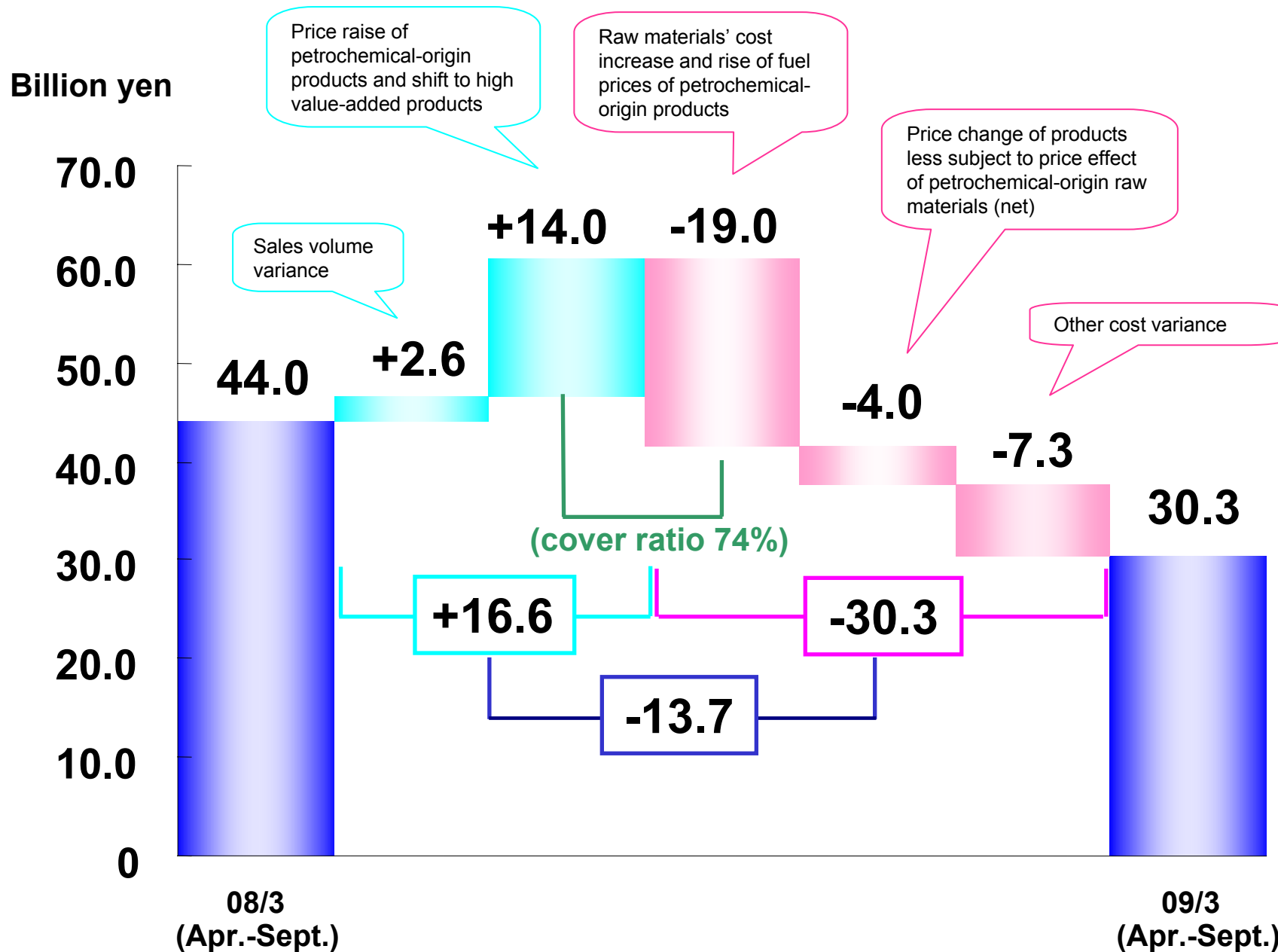


# Results for the Six Months ended Sept. 30, 2008 by Business Segment

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

# Income Variance Factor Analysis



# Results of Major Subsidiaries

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	<b>204.6</b>	-5.6	3.3	<b>3.0</b>	-0.3
Toray Engineering Co., Ltd.	54.6	<b>43.2</b>	-11.4	4.7	<b>3.2</b>	-1.5
Toray Construction Co., Ltd.	20.3	<b>22.8</b>	+2.5	0.6	<b>0.4</b>	-0.3
Toray Advanced Film Co., Ltd.	22.4	<b>24.1</b>	+1.6	1.9	<b>1.1</b>	-0.8
Toray Medical Co., Ltd.	17.3	<b>17.9</b>	+0.6	0.5	<b>0.2</b>	-0.3
TSI (Korea)	44.5	<b>43.4</b>	-1.1	2.7	<b>2.2</b>	-0.5
TPM (Malaysia)	29.3	<b>36.8</b>	+7.5	0.8	<b>0.3</b>	-0.5

Subsidiaries in Southeast Asia *2	Fibers & Textiles	59.3	<b>56.4</b>	-3.0	0.9	<b>1.0</b>	+0.0
	Plastics & Chemicals	33.8	<b>41.3</b>	+7.5	0.9	<b>0.8</b>	-0.1
	Others	4.0	<b>5.0</b>	+1.0	▲ 0.0	<b>0.0</b>	+0.0
	Total	97.2	<b>102.7</b>	+5.5	1.8	<b>1.7</b>	-0.1

Subsidiaries in China *3	Fibers & Textiles	41.1	<b>40.4</b>	-0.7	0.5	▲ <b>0.4</b>	-0.9
	Plastics & Chemicals	23.2	<b>23.9</b>	+0.7	0.4	<b>0.3</b>	-0.0
	Others	7.6	<b>6.6</b>	-1.0	0.5	<b>0.4</b>	-0.2
	Total	71.9	<b>70.9</b>	-1.0	1.4	<b>0.2</b>	-1.1

Film Subsidiaries (Overseas) *4	Plastics & Chemicals	44.4	<b>45.4</b>	+1.0	1.0	<b>1.2</b>	+0.2
	IT-related Products	21.9	<b>19.6</b>	-2.3	1.9	<b>1.4</b>	-0.5
	Total	66.3	<b>64.9</b>	-1.3	2.9	<b>2.6</b>	-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



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



# Forecast Summary

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	<b>1,700.0</b>	+50.3 (+3.1%)
Operating Income	103.4	75.0	<b>75.0</b>	-28.4 (-27.5%)
Ordinary Income	91.5	70.0	<b>70.0</b>	-21.5 (-23.5%)
Net Income	48.1	30.0	<b>30.0</b>	-18.1 (-37.6%)

Net Income per Share	34.3 yen	21.4 yen	<b>21.4 yen</b>
Dividend per Share	10.0 yen	10.0 yen	<b>10.0 yen</b>
Dividend Payout Ratio	29.1%	46.7%	<b>46.7%</b>

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

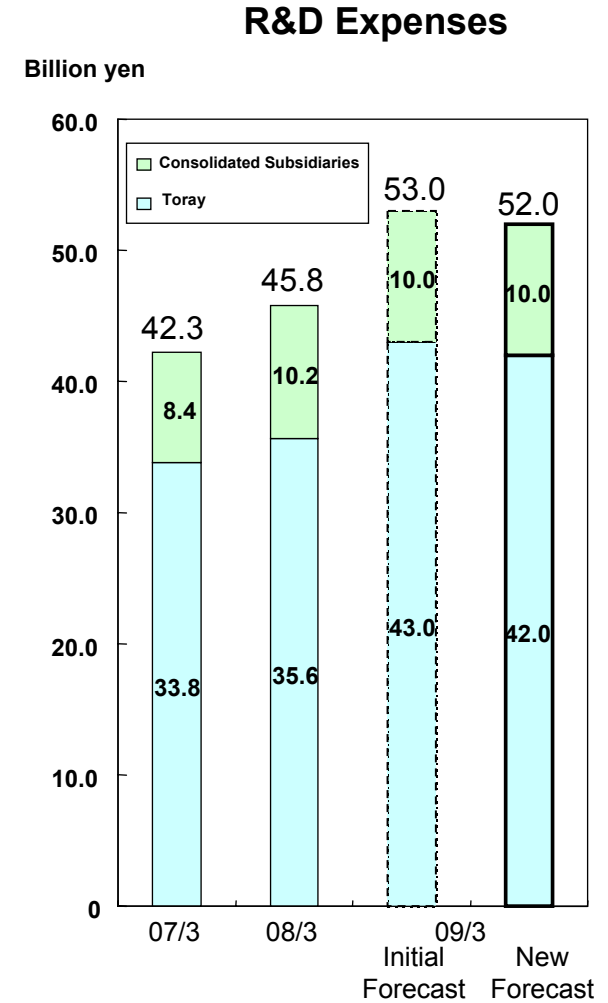
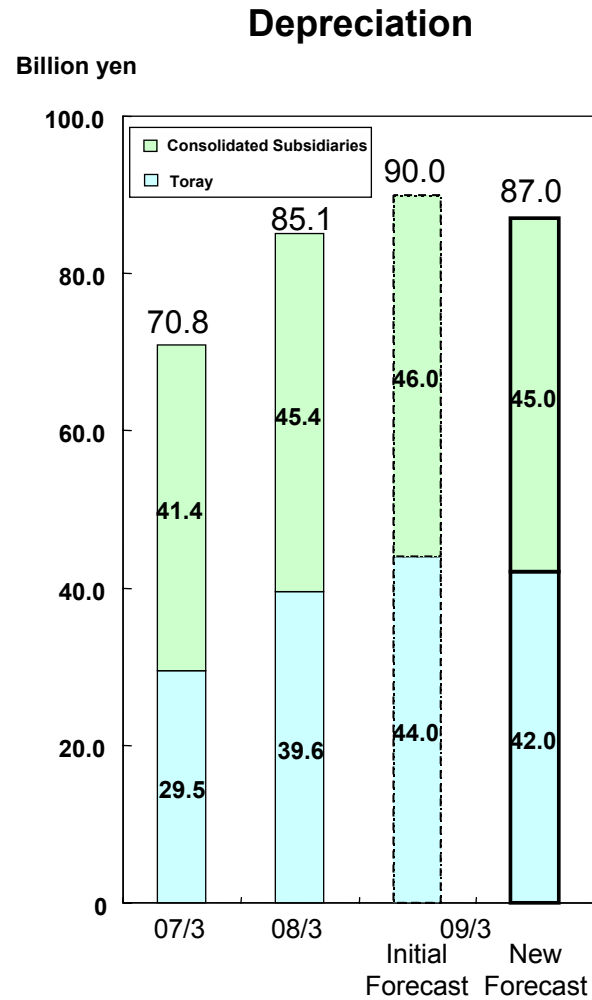
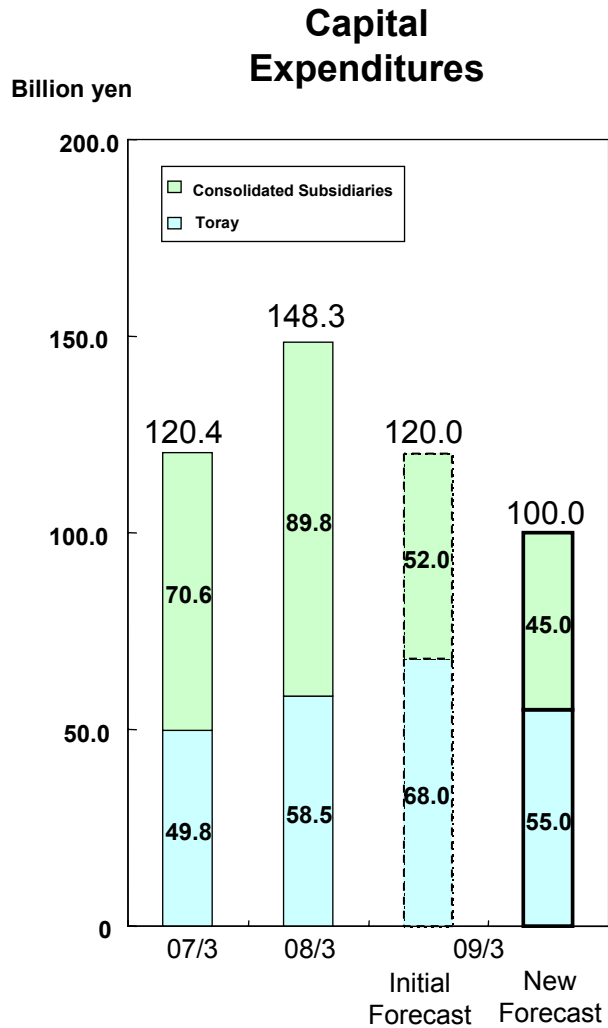
\* Previous Forecast refers to the previous business announcement for the 1Q of FY Mar/09 on August 6, 2008.

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

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





# **<Reference> Recent Topics**



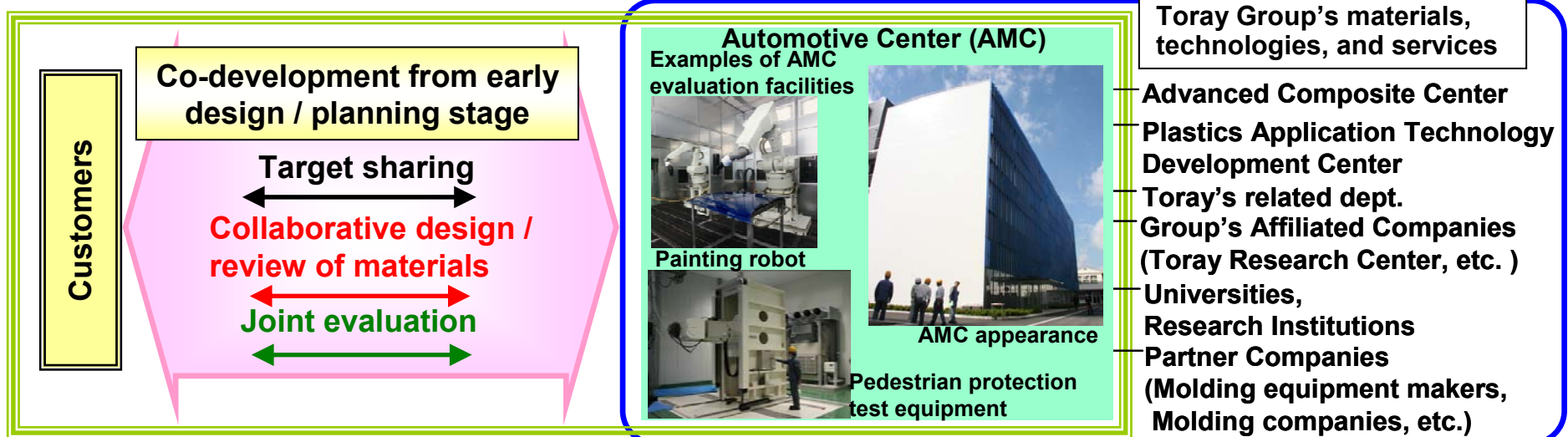


# Opened the technological development base for automobile applications “Automotive Center”

Opened the technological development base for automobile applications at Nagoya Plant. By making extensive use of AMC’s functions, Toray promotes development of advanced materials and technologies and creates new demand for automobile applications in line with mid- and long-term innovations of the automotive industry.

## Automotive Center (AMC)

- Executes target sharing co-development with customers by participating from early design stage
- Proposes solutions which integrate Toray’s advanced materials and technological resources such as process technologies and technical support for customers’ design ,etc.



To contribute to solving the global environmental problem which is the urgent issue for the automobile industry, Toray promotes development of weight reductions technologies centering on plastic resins and carbon fiber composite materials and materials for next power trains such as electric vehicles.

**Target of Toray Group’s Automotive Materials Business :**  
Result in 2007: About 140 Billion Yen → Around 2015 : 350 Billion Yen (Plan)

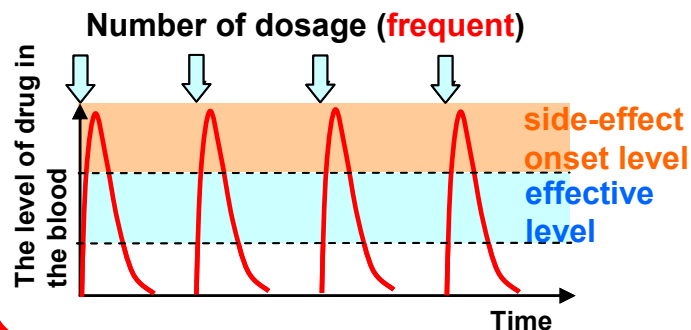
# Developed a Nanoparticle-based Innovative Drug Delivery System Technology

Developed a basic technology of an innovative drug delivery system (DDS) for the controlled-release of biopharmaceuticals. Expected effects with this new technology are significant reduction of the number of injections, enhancement of therapeutic efficacy as well as lessening of side-effects.

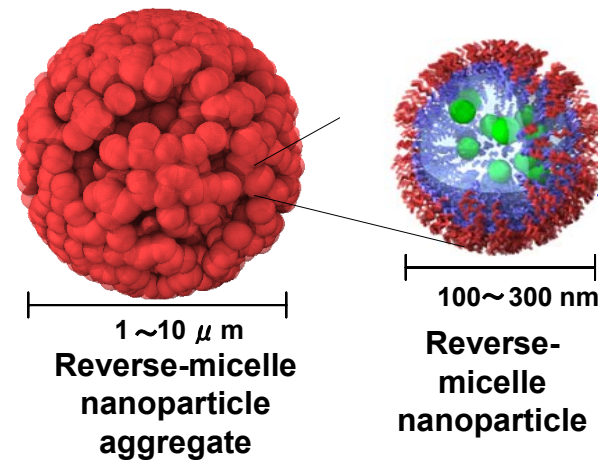
## Issues of Bio-based drugs

Biotechnology-based drugs such as insulin and interferon

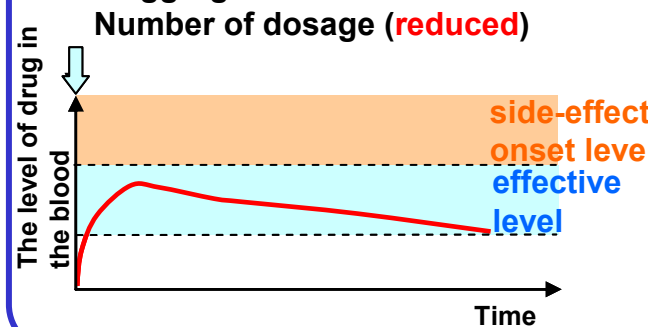
Generally they have high therapeutic efficacy. However, they are unstable and absorbed poorly from the digestive tract. Therefore, many of them needs frequent injections in order to extend therapeutic efficacy, which leads to declined patients' QOL.



## Newly developed innovative DDS technology



Encapsulate drugs in biodegradable polymers whose inner side is hydrophilic and external side is hydrophobic (reverse-micelle nanoparticle), which is suitable for hydrophilic biopharmaceuticals.



Expected effects

- reduction of the number of injections
- enhancement of therapeutic efficacy
- lessening of side-effects

Improvement in patients' QOL

Aim for early practical realization of DDS through co-development with biopharmaceutical manufacturers, etc.

# Toray Wins Reverse Osmosis Membrane Orders From Arabian Gulf Seawater Desalination Plants

Toray has won a series of orders for its reverse osmosis (RO) membrane business from four seawater desalination plants in the Arabian Gulf. Water production capacity totals to 332,000m<sup>3</sup>per day and all plants are scheduled to start operation in the current fiscal year or later.

The Arabian Gulf is a region where seawater desalination is highly challenging and had very few RO desalination plants until recently due to factors such as high salinity seawater, high temperature exceeding 35 degrees Celsius, and highly turbid inland seawater.

Toray has been supplying RO membranes to plants in Saudi Arabia on the Arabian Gulf side and UAE, and this proven track record was instrumental in the company winning the series of orders announced this time.

New orders (country, capacity, scheduled operation year)

- ①Fujairah II desalination plant  
(UAE, **136,000m<sup>3</sup>/day**, 2009)
  - ②Squawk desalination plant  
(Kuwait **136,000m<sup>3</sup>/day**, 2010)
  - ③The Pearl Qatar desalination plant  
(Qatar, **35,000m<sup>3</sup>/day**, 2008)
  - ④Warn Aram desalination plant  
(Oman, **25,000m<sup>3</sup>/day**, 2008)
- 
- Total capacity **332,000m<sup>3</sup>/day**



RO membranes supplied by Toray have water desalination capacity exceeding 14,000,000m<sup>3</sup>/day, which is equivalent to drinking water enough for 60 million people.

# Selected as an Index Component of DJSI World for the Second Consecutive Year

Toray Industries Inc. has been selected as an index component of Dow Jones Sustainability Index World (DJSI World), well-known as an SRI index, for the second consecutive year. In this year's selection, DJSI World 2008/2009, global 320 companies including Toray are selected as index components. In the chemical sector, 9 companies were selected globally and Toray is the only Japanese company in the sector.



## Dow Jones Sustainability Indexes Member 2008/09

**DJSI World:** Dow Jones Indexes, an index company in United States, and , SAM (Sustainable Asset Management) Group, Swiss SRI research and investment company co-developed the index. By researching and analyzing global 2,500 company regarding economic aspect, environmental aspect, and social aspect every year , Top 10% companies per each sector are selected as index components.

### Adoption of Toray Stock by major socially responsible investment funds



Morningstar Socially Responsible Investment Index (MS-SRI)



KLD Global Climate 100 Index (GC 100)

# Succeeded in Molding Automobile Platforms with Carbon Fiber Composite Materials within 10 minutes



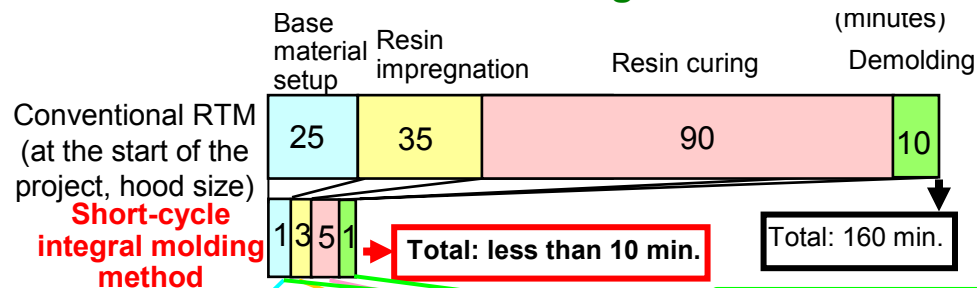
Innovation by Chemistry

- Reduced 50% in weight compared to that of steel, achieved more than 1.5 times of collision safety -

Under the Technology Development Program of Energy-saving, “R&D of Carbon Fiber-reinforced Composite Materials to Reduce Automobile Weight,” sponsored by the New Energy and Industrial Technology Development Organization (NEDO), Toray succeeded in molding the front floors of large-sized structurally-complex automobile platforms within 10 minutes. This development realized 50% of reduction in weight compared to that of conventional steel and also achieved more than 1.5 times of collision safety (amount of energy absorption).

CFRP is recognized as the next generation **automobile structure material** which is in need of lightweight and safety, and the **reduction of CFRP’s molding time** is an important issue in terms of **enhancement of mass-productivity and cost reduction**.

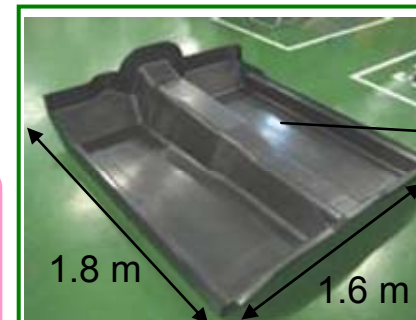
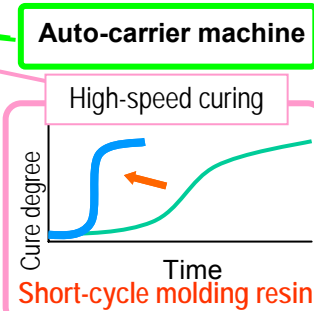
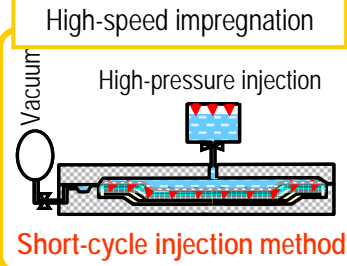
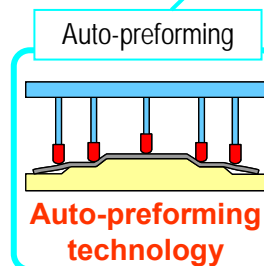
## Reduction of molding time with “short-cycle integral molding technology”



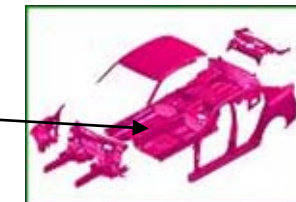
1.6 m

0.8 m

The inner door panel which succeeded in 10 minutes-cycle molding in 2005



The platform (front floor) in 10 minutes-cycle molding



**Comparison with steel**

- realized **50% of reduction in weight**
- achieved **more than 1.5 times of collision safety** (amount of energy absorption)

10 min. molding = applicable to car types with over 30,000 unit/yr production

Toray will promote the development of practical applications of this technology at the “A & A Center (Automotive & Aircraft Center),” which is comprehensive R&D center for automobile and aircraft applications. 28

# Toray was Honored the “2008 Annual Humanitarian Awards” ‘TORAY’ by The United Nations Association of New York

Innovation by Chemistry

Toray’s environmentally-friendly business and CSR activities received recognition for its efforts to address the impact of global climate change and contribute to environmental sustainability, and Toray was honored the “2008 Annual Humanitarian Awards” by the United Nations Association of New York (UNA-NY).

## “Humanitarian Awards” of UNA-NY

Humanitarian Awards are presented to corporations, individuals, and associations whose significant contribution were recognized in areas selected each year from themes under Millennium Development Goals (international society’s 8 goals of the 21st century) which were adopted at the 2000 UN Millennium Summit. The past award winners were the UNICEF and GE foundation, etc .

This year was themed around “Climate Change” with overall environmental issues as the main subject. The other award winners were Mr. Ban Ki-moon, Secretary-General of the United Nations and Mr. Olafur Ragnar Grimsson, President of Iceland.

## Background of Toray’s award-winning

Toray’s environmentally-friendly business (development of water treatment/water production business, contribution to GHG reduction with carbon fiber, etc,) and CSR activities (energy-saving, improvement of workplace environment) were recognized as contributions to the response to climate change issues and environmental sustainability.



Carbon fiber RO membranes used in water treatment plant



©2008 Michael Dames

Cowinner Mr. Ban Ki-moon, Secretary-General of the United Nations and President Sakakibara .

**Toray will contribute to creating a recycling-oriented society that enables sustainable growth utilizing advanced materials based on “the strength of chemistry.”**

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.