

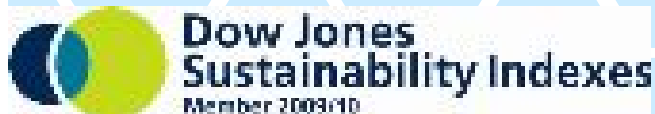


Innovation by Chemistry

May 10, 2010

Announcement of Business Results For the Fiscal Year Ended March 2010 and Business Forecast for the Fiscal Year Ending March 2011

Toray Industries, Inc.



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I. Business Results for the Fiscal Year Ended March 2010 (Consolidated Basis)

Summary (Profits)

TORAY

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Unit : Billion yen

	FY Mar/09			FY Mar/10			Changes
	1st Half	2nd Half	Total	1st Half	2nd Half	Total	
Net Sales	800.9	670.7	1,471.6	617.9	741.7	1,359.6	- 111.9 (-7.6%)
Cost of Sales	651.9	556.1	1,208.1	511.6	603.4	1,115.0	- 93.1 (-7.7%)
Gross Profit	148.9	114.6	263.5	106.3	138.3	244.6	- 18.9 (-7.2%)
(Gross Profit to Net Sales)	18.6%	17.1%	17.9%	17.2%	18.6%	18.0%	+0.1 points
Operating Income	30.3	5.7	36.0	5.5	34.6	40.1	+4.1 (+11.4%)
(Operating Income to Net Sales)	3.8%	0.9%	2.4%	0.9%	4.7%	2.9%	+0.5 points
Non-operating Income and Expenses, net	▲ 2.8	▲ 12.7	▲ 15.5	▲ 8.2	▲ 22.9	▲ 31.1	- 15.6
Ordinary Income (Loss)	27.5	▲ 7.0	20.5	▲ 2.7	11.7	9.0	- 11.5 (-56.1%)
Special Credits and Charges, net	▲ 4.8	▲ 35.5	▲ 40.3	▲ 5.0	▲ 6.4	▲ 11.4	+28.9
Income (Loss) before Income Taxes	22.7	▲ 42.5	▲ 19.8	▲ 7.7	5.3	▲ 2.4	+17.3 (-)
Net Income (Loss)	10.5	▲ 26.9	▲ 16.3	▲ 6.3	▲ 7.8	▲ 14.2	+2.2 (-)
Net Income (Loss) per Share	7.5 yen	19.2 yen	11.7 yen	4.5 yen	5.6 yen	10.1 yen	
Dividend per Share	5.0 yen	2.5 yen	7.5 yen	2.5 yen	2.5 yen	5.0 yen	

Exchange Rate

<Yen/US\$>

FY Mar/09 → FY Mar/10

Average: 100.5 → 92.8

End of the term: 98.2 → 93.0

<Yen/Euro>

FY Mar/09 → FY Mar/10

Average: 143.5 → 131.2

End of the term: 129.8 → 124.9

Oil Price

<US\$/B> (DUBAI FOB)

FY Mar/09 → FY Mar/10

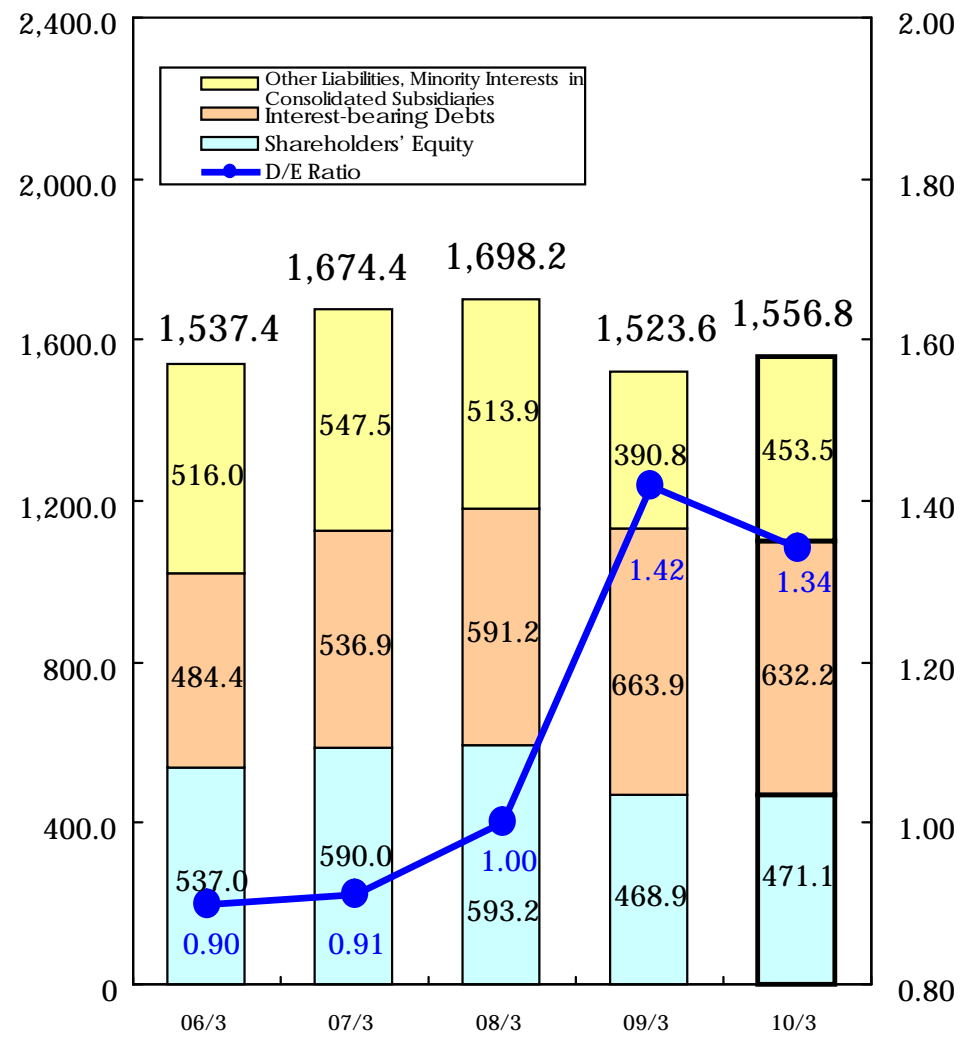
Average: 81.8 → 69.5

*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.

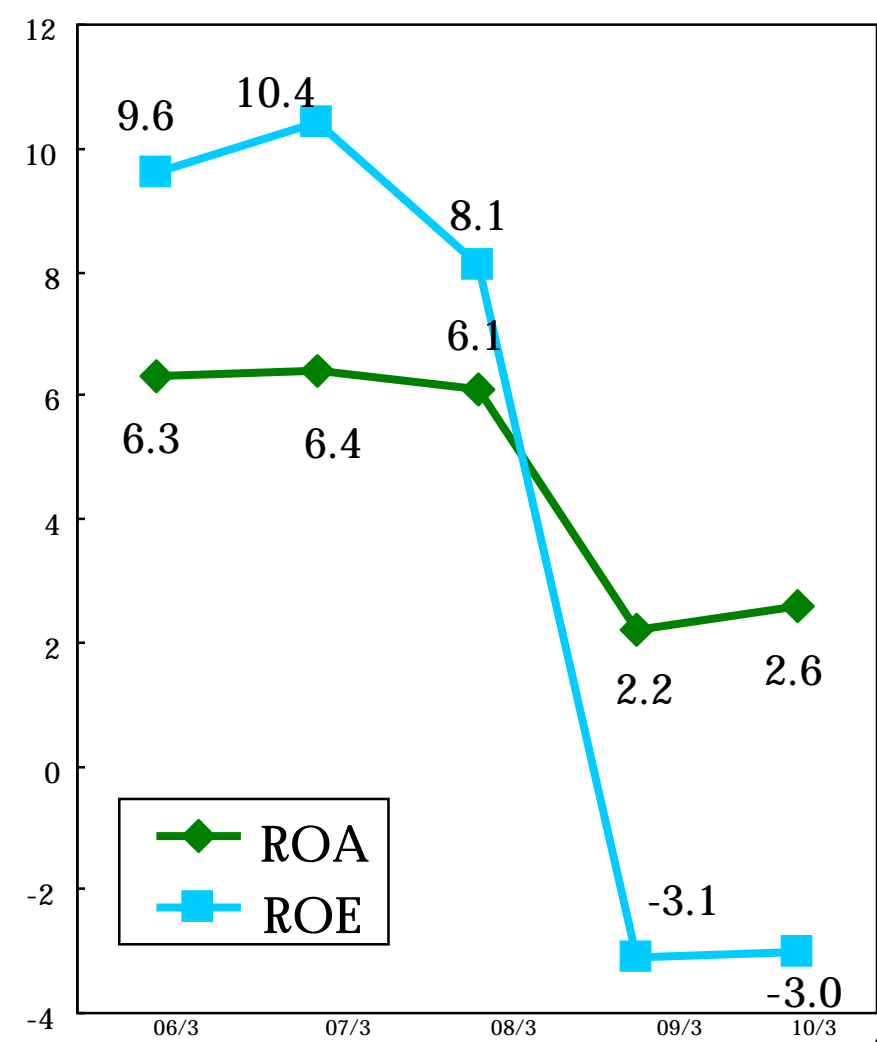
Total Assets, D/E Ratio and ROA · ROE **TORAY** Innovation by Chemistry

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

Billion yen **Total Assets, D/E Ratio** times %



ROA · ROE



Non-operating Income and Expenses

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Billion yen

	FY Mar/09	FY Mar/10	Changes	Comments
Non-operating Income	12.8	7.0	-5.9	
Interest and Dividend Income	3.9	2.4	-1.5	
Equity in Earnings of Affiliates	3.8	-	-3.8	
Others	5.1	4.6	-0.5	
Non-operating Expenses	▲ 28.3	▲ 38.1	-9.8	
Interest Expense	▲ 11.8	▲ 8.9	+2.9	
Equity in Losses of Affiliates	-	▲ 14.5	-14.5	Loss on impairment of fixed assets of a Japanese affiliate
Foreign Exchange Loss	▲ 5.8	-	+5.8	
Costs related to Idle Facilities	-	▲ 6.9	-6.9	
Others	▲ 10.7	▲ 7.8	+2.9	
Non-operating Income and Expenses, net	▲ 15.5	▲ 31.1	-15.6	
Interest and Dividend Income, Interest Expenses, net	▲ 7.9	▲ 6.5	+1.4	

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

Special Credits and Charges



Innovation by Chemistry
Billion yen

	FY Mar/09	FY Mar/10	Changes	Comments
Special Credits	2.7	1.9	-0.8	
Gain on sales of Property, Plant and Equipment	1.0	1.6	+0.6	
Gain on Sales of Investment Securities	1.7	0.2	-1.5	
Others	-	0.1	+0.1	
Special Charges	▲ 43.0	▲ 13.3	+29.7	
Loss on Sales and Disposal of Property, Plant and Equipment	▲ 7.4	▲ 4.9	+2.5	
Loss on Impairment of Fixed Assets	▲ 12.3	▲ 3.1	+9.2	
Loss on Write-down of Investment Securities	▲ 13.8	▲ 2.3	+11.4	
Loss on Liquidation and Devaluation of Subsidiaries and Affiliates	▲ 5.7	▲ 0.3	+5.4	
Restructuring Costs	▲ 1.0	▲ 1.4	-0.4	
Loss on Valuation of Inventories	▲ 1.2	-	+1.2	
Environmental Expenses	-	▲ 1.0	-1.0	Additional expenses due to the revision of PCB waste treatment fees
Others	▲ 1.6	▲ 0.3	+1.4	
Special Credits and Charges, net	▲ 40.3	▲ 11.4	+28.9	

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

Assets, Liabilities, Net Assets, Free Cash Flows



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Billion yen

	End of Mar/09	End of Mar/10	Changes	Comments
Total Assets	1,523.6	1,556.8	+33.2	
Current Assets	655.9	640.5	-15.4	Decrease of inventories, etc.
Tangible Assets	596.3	580.3	-15.9	Decrease of capital expenditures, etc.
Intangible Assets	10.5	10.4	-0.2	
Investment and Other Assets	260.9	325.6	+64.7	Investments in the Toray Tonen Specialty Separator Godo Kaisha, etc.

	End of Mar/09	End of Mar/10	Changes	Comments
Total Liabilities	1,011.0	1,038.6	+27.6	
Current Liabilities	460.8	514.0	+53.2	Increase of deposits received, etc.
Other Liabilities	550.2	524.6	-25.6	Increase of long-term debt, etc.
Total Net Assets	512.6	518.2	+5.6	

<Free Cash Flows>

Billion yen

	FY Mar/09	FY Mar/10	Changes
Cash Flows from Operating Activities	38.4	166.2	+127.8 (+332.3%)
Cash Flows from Investment Activities	▲ 113.4	▲ 121.7	-8.4
Free Cash Flows	▲ 74.9	44.5	+119.4

Net Sales and Operating Income by Business Segment



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		Net Sales				Operating Income			
		FY Mar/09	FY Mar/10	Changes	(%)	FY Mar/09	FY Mar/10	Changes	(%)
Fibers & Textiles	1st Half	300.5	245.1	-55.4	(-18.4%)	6.2	0.2	-6.0	(-96.6%)
	2nd Half	268.5	280.1	+11.7	(+4.3%)	1.4	11.9	+10.5	(+727.2%)
	Total	569.0	525.2	-43.8	(-7.7%)	7.7	12.1	+4.4	(+57.9%)
Plastics & Chemicals	1st Half	219.4	153.7	-65.7	(-29.9%)	8.2	1.1	-7.1	(-86.3%)
	2nd Half	158.2	179.0	+20.8	(+13.1%)	▲ 4.1	6.9	+11.1	(-)
	Total	377.6	332.7	-44.9	(-11.9%)	4.1	8.1	+4.0	(+97.9%)
IT-related Products	1st Half	131.2	107.3	-23.9	(-18.2%)	9.6	5.3	-4.3	(-44.7%)
	2nd Half	98.3	123.1	+24.9	(+25.3%)	0.2	13.2	+13.0	(-)
	Total	229.4	230.4	+1.0	(+0.4%)	9.8	18.5	+8.7	(+88.5%)
Carbon Fiber Composite Materials	1st Half	38.1	21.0	-17.1	(-45.0%)	5.6	▲ 1.8	-7.3	(-)
	2nd Half	32.3	29.7	-2.6	(-8.0%)	2.8	▲ 4.4	-7.2	(-)
	Total	70.4	50.7	-19.7	(-28.0%)	8.4	▲ 6.2	-14.6	(-)
Environment & Engineering	1st Half	80.4	61.8	-18.6	(-23.1%)	0.2	▲ 0.1	-0.3	(-)
	2nd Half	79.8	98.0	+18.2	(+22.8%)	3.1	4.8	+1.8	(+57.2%)
	Total	160.2	159.8	-0.4	(-0.3%)	3.3	4.7	+1.4	(+43.0%)
Life Science & Other Businesses	1st Half	31.3	29.0	-2.2	(-7.1%)	0.8	0.0	-0.7	(-94.6%)
	2nd Half	33.6	31.8	-1.9	(-5.6%)	2.4	1.4	-1.0	(-40.8%)
	Total	64.9	60.8	-4.1	(-6.3%)	3.2	1.5	-1.7	(-53.5%)
(Pharmaceuticals and Medical Products)	1st Half	22.1	22.3	+0.2	(+1.0%)	▲ 0.7	▲ 0.1	+0.6	(-)
	2nd Half	25.4	24.3	-1.1	(-4.2%)	1.0	0.7	-0.3	(-31.4%)
	Total	47.5	46.7	-0.8	(-1.7%)	0.4	0.6	+0.2	(+70.7%)
Elimination & Corporate	1st Half					▲ 0.3	0.7	+1.0	
	2nd Half					▲ 0.1	0.7	+0.8	
	Total					▲ 0.4	1.4	+1.8	
Consolidated	1st Half	800.9	617.9	-182.9	(-22.8%)	30.3	5.5	-24.8	(-81.9%)
	2nd Half	670.7	741.7	+71.0	(+10.6%)	5.7	34.6	+28.9	(+506.1%)
	Total	1,471.6	1,359.6	-111.9	(-7.6%)	36.0	40.1	+4.1	(+11.4%)

Unit : Billion yen

Results by Business Segment (Fibers & Textiles)

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Unit : Billion yen

		FY Mar/09	FY Mar/10	Changes	
Net Sales	Toray	101.3	89.5	-11.8	(-11.7%)
	Japanese Subsidiaries	279.2	271.8	-7.4	(-2.7%)
	Overseas Subsidiaries	188.5	164.0	-24.5	(-13.0%)
	Total	569.0	525.2	-43.8	(-7.7%)
Operating Income	Toray	▲ 5.4	▲ 3.3	+2.1	(-)
	Japanese Subsidiaries	6.9	6.0	-0.9	(-13.3%)
	Overseas Subsidiaries	5.2	8.6	+3.4	(+64.3%)
	Adjustment	0.9	0.8	-0.2	
	Total	7.7	12.1	+4.4	(+57.9%)

<Major Subsidiaries >

Japan : Toray International, Inc.,
Ichimura Sangyo, Co., Ltd.,
Chori Co., Ltd., etc.

Asia : PENFABRIC (Malaysia),
LUCKYTEX (Thailand),
ITS (Indonesia),
TFNL, TPN (China),
TSI (Korea), etc.

Europe

& US : ALCANTARA (Italy),
TTCE (Czech Republic), etc.

Toray: Sales decreased / Income improved

Reflecting weak retail sales, the movement of goods for apparel applications remained sluggish on the whole except for the sewn products business which steadily expanded operation. Demand for products for industrial applications led by automotive applications continued on the recovery track and their shipments improved with each passing month.

Japanese Subsidiaries: Sales / Income decreased

Sewn products business at some trading subsidiaries registered steady performance, however, total business was sluggish mainly at manufacturing subsidiaries with the impact of the economic downturn in Japan and overseas.

Overseas Subsidiaries: Sales decreased / Income increased

In addition to the polyester filament business in Korea and non-woven fabric business in China, the yarn and textile operations for air bag applications in Thailand and Czech Republic expanded sales volume.

Results by Business Segment (Plastics & Chemicals)



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Unit : Billion yen

		FY Mar/09	FY Mar/10	Changes	
Net Sales	Toray	76.4	65.9	-10.5	(-13.8%)
	Japanese Subsidiaries	140.9	130.8	-10.1	(-7.2%)
	Overseas Subsidiaries	160.3	136.1	-24.3	(-15.1%)
	Total	377.6	332.7	-44.9	(-11.9%)
Operating Income	Toray	▲ 7.1	▲ 3.1	+4.0	(-)
	Japanese Subsidiaries	7.7	5.4	-2.3	(-29.9%)
	Overseas Subsidiaries	2.6	5.5	+2.9	(+114.2%)
	Adjustment	0.9	0.3	-0.6	
	Total	4.1	8.1	+4.0	(+97.9%)

<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.

Toray: Sales decreased / Income improved

Demand was back on course for recovery led by automotive applications, which had been severely hurt by the global recession. Sales volume at the films business for capacitors used in hybrid automobiles and the PPS resins business expanded.

Japanese Subsidiaries: Sales / Income decreased

Films subsidiaries and fine chemicals subsidiaries and reported weak performance due to the impact of demand decrease stemming from the global recession.

Overseas Subsidiaries: Sales decreased / Income increased

Although there were impact of sales price decline reflecting the drop in raw materials and fuel prices, sales of ABS resins for China and the ASEAN countries expanded at a plastic resins subsidiary in Malaysia.

Results by Business Segment (IT-related Products)



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Unit : Billion yen

		FY Mar/09	FY Mar/10	Changes	
Net Sales	Toray	98.1	99.7	+1.6	(+1.6%)
	Japanese Subsidiaries	67.8	70.0	+2.1	(+3.2%)
	Overseas Subsidiaries	63.5	60.8	-2.7	(-4.3%)
	Total	229.4	230.4	+1.0	(+0.4%)
Operating Income	Toray	2.2	9.3	+7.1	(+319.6%)
	Japanese Subsidiaries	4.4	3.5	-0.9	(-21.0%)
	Overseas Subsidiaries	3.1	5.7	+2.6	(+85.0%)
	Adjustment	0.1	0.1	-0.1	
	Total	9.8	18.5	+8.7	(+88.5%)

<Major Subsidiaries>

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

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

Toray: Sales / Income increased

Sales of films and processed film products for flat panel displays and electronic components expanded and sales volume of semiconductor-related materials and plasma display-related materials grew.

Japanese Subsidiaries: Sales increased / Income decreased

Sales of processed film products for flat panel displays were strong at a film processing subsidiary, however, sales decreased at an IT-related machinery subsidiary.

Overseas Subsidiaries: Sales decreased / Income increased

Shipment of data storage materials was slow, however, sales of flat panel display-related materials increased at Korean subsidiaries.

Details of the Sales of IT-related Products Segment



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[Sales ratio by sub-segment]

Unit : Billion yen

	FY Mar/09		FY Mar/10		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Display Materials	75.2	33%	85.4	37%	+14%
Electronic Components, Semiconductor, Circuit Materials	73.1	32%	81.0	35%	+11%
Data Storage Materials	40.0	17%	31.3	14%	-22%
Equipments, others	41.1	18%	32.7	14%	-20%
Total of IT-related Products Segment	229.4		230.4		+0%

Display materials: Sales volume expanded mainly in optical films and processed film products

Electronic components, semiconductor, circuit materials: Sales volume expanded centering on films for electronic components and circuit materials

Data storage materials: Sales decreased due to the significant drop in demand during the first half of the fiscal year

Equipment, others: Sales of color filters manufacturing equipment for liquid-crystal displays were steady, while performance of other equipment remained sluggish

Results by Business Segment (Carbon Fiber Composite Materials)

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Unit : Billion yen

		FY Mar/09	FY Mar/10	Changes	
Net Sales	Toray	49.9	37.7	-12.1	(-24.4%)
	Japanese Subsidiaries	36.1	25.2	-10.9	(-30.2%)
	Overseas Subsidiaries	63.7	36.4	-27.3	(-42.9%)
	Adjustment	▲ 79.3	▲ 48.6	+30.7	
	Total	70.4	50.7	-19.7	(-28.0%)
Operating Income	Toray	1.5	▲ 5.5	-7.0	(-)
	Japanese Subsidiaries	0.3	0.2	-0.1	(-33.6%)
	Overseas Subsidiaries	6.6	▲ 2.7	-9.2	(-)
	Adjustment	0.1	1.8	+1.8	
	Total	8.4	▲ 6.2	-14.6	(-)

<Major Subsidiaries>

Japan : Toray International, Inc.

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

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.

Toray: Sales / Income decreased

Japanese Subsidiaries: Sales / Income decreased

Overseas Subsidiaries: Sales / Income decreased

Shipment of products for aircraft, sports as well as industrial applications remained sluggish due to prolonged destocking process throughout the supply chain. In the fourth quarter of the fiscal year, however, the demand began to recover in sports applications, and signs of a market turnaround became apparent in the aircraft applications towards the end of the fiscal year.

Details of the Sales of Carbon Fiber Composite Materials Segment



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[Sales ratio by sub-segment]

Unit : Billion yen

	FY Mar/09		FY Mar/10		
	Net Sales	Ratio	Net Sales	Ratio	Changes
Aircraft	31.3	44%	22.4	44%	-29%
Sports	11.7	17%	9.7	19%	-17%
Industrial	27.4	39%	18.6	37%	-32%
Total of Carbon Fiber Composite Materials	70.4	100%	50.7	100%	-28%

Aircraft: Adjustment of distribution inventories almost completed in fiscal year 2009

Actual demand is expected to recover in fiscal year 2010

Sports: With progression in the destocking process throughout the supply chain, actual demand recovered

Industrial: Destocking process continued throughout the supply chain

Results by Business Segment (Environment & Engineering)

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Unit : Billion yen

		FY Mar/09	FY Mar/10	Changes	
Net Sales	Toray	8.4	6.5	-1.9	(-22.9%)
	Japanese Subsidiaries	148.8	149.7	+0.9	(+0.6%)
	Overseas Subsidiaries	3.0	3.6	+0.6	(+21.7%)
	Total	160.2	159.8	-0.4	(-0.3%)
Operating Income	Toray	▲ 2.5	▲ 2.2	+0.2	(-)
	Japanese Subsidiaries	5.8	5.2	-0.6	(-10.0%)
	Overseas Subsidiaries	▲ 0.5	▲ 0.8	-0.4	(-)
	Adjustment	0.5	2.6	+2.1	
	Total	3.3	4.7	+1.4	(+43.0%)

<Major Subsidiaries>

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

Toray: Sales decreased / Income improved

Shipment of reverse osmosis membranes was steady, although there were some impact of exchange fluctuation.

Japanese Subsidiaries: Sales increased / Income decreased

Engineering business remained sluggish, on the other hand, condominium business expanded net sales as the construction of a large-scale building was completed. Profits improved at a water-treatment engineering subsidiary.

Overseas Subsidiaries: Sales increased / Income decreased

Sales expanded steadily at a water-treatment related subsidiary in the US.

Results by Business Segment (Life Science & Other Businesses)



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Unit : Billion yen

		FY Mar/09	FY Mar/10	Changes	
Net Sales	Toray	10.8	9.8	-1.0	(-9.3%)
	Japanese Subsidiaries	52.1	48.5	-3.6	(-6.9%)
	Overseas Subsidiaries	2.0	2.4	+0.5	(+23.7%)
	Total	64.9	60.8	-4.1	(-6.3%)
	(Pharmaceutical & Medical Products)	47.5	46.7	-0.8	(-1.7%)
Operating Income	Toray	▲ 0.1	▲ 0.4	-0.3	(-)
	Japanese Subsidiaries	3.0	1.6	-1.4	(-46.9%)
	Overseas Subsidiaries	0.0	0.1	+0.1	(+253.1%)
	Adjustment	0.2	0.2	-0.0	
	Total	3.2	1.5	-1.7	(-53.5%)
	(Pharmaceutical & Medical Products)	0.4	0.6	+0.2	(+70.7%)

<Major Subsidiaries>
 Japan : Toray Medical Co., Ltd.,
 Toray Research Center Inc.,
 Toray Enterprise Corp., etc.

Pharmaceuticals and Medical Products: Sales decreased / Income increased
 Sales volume of artificial kidneys registered an increase and that of Feron* also expanded as it was approved for use in combination with ribavirin in October 2009. Overall sales of the business, however, slightly fell compared with the previous year, due to the sluggish contact lens market and lower license income.

Others: Sales / Income decreased

Transaction volume decreased at a Japanese trading subsidiary and customer orders declined at a research service subsidiary.

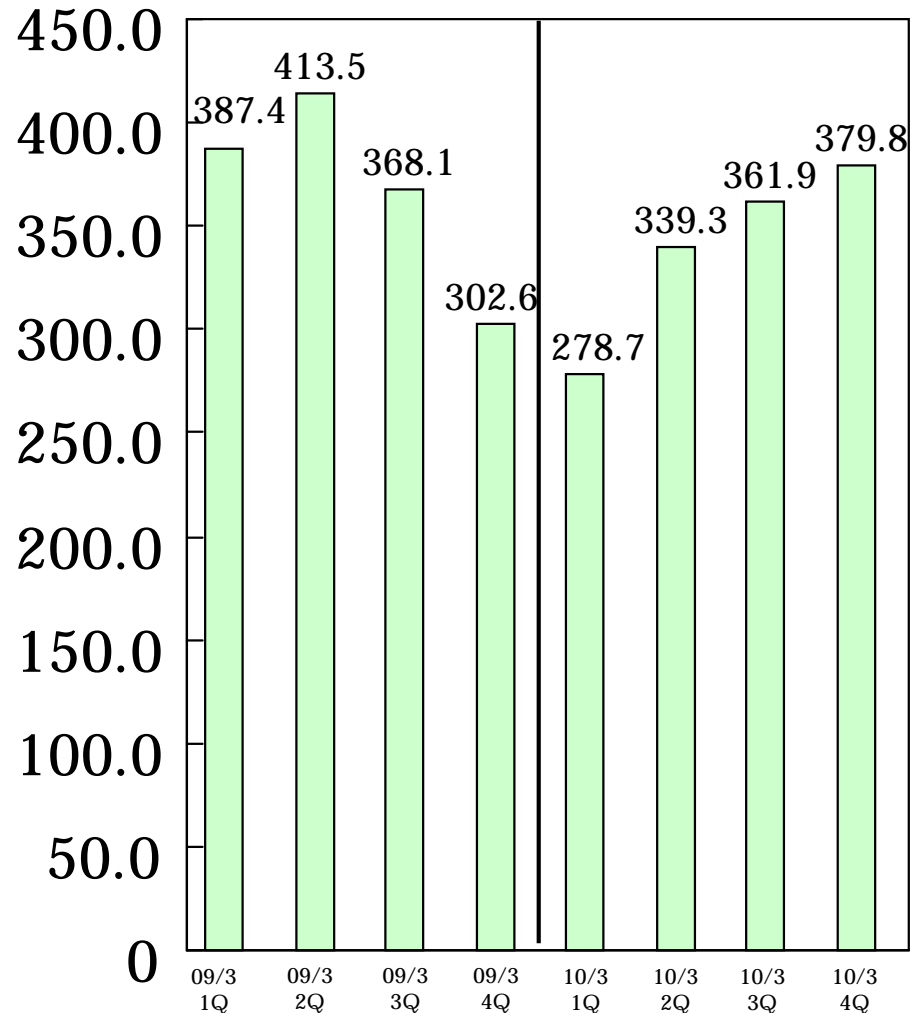
Quarterly Trends in Net Sales and Operating Income



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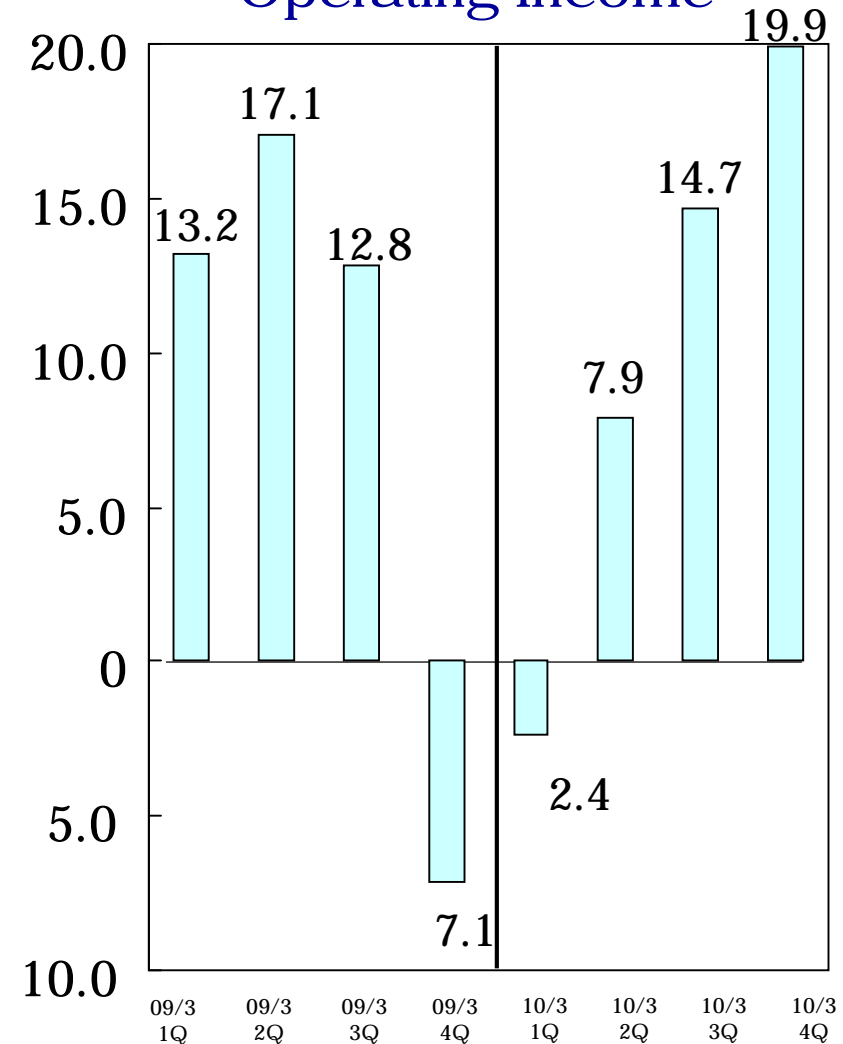
Billion yen

Net Sales



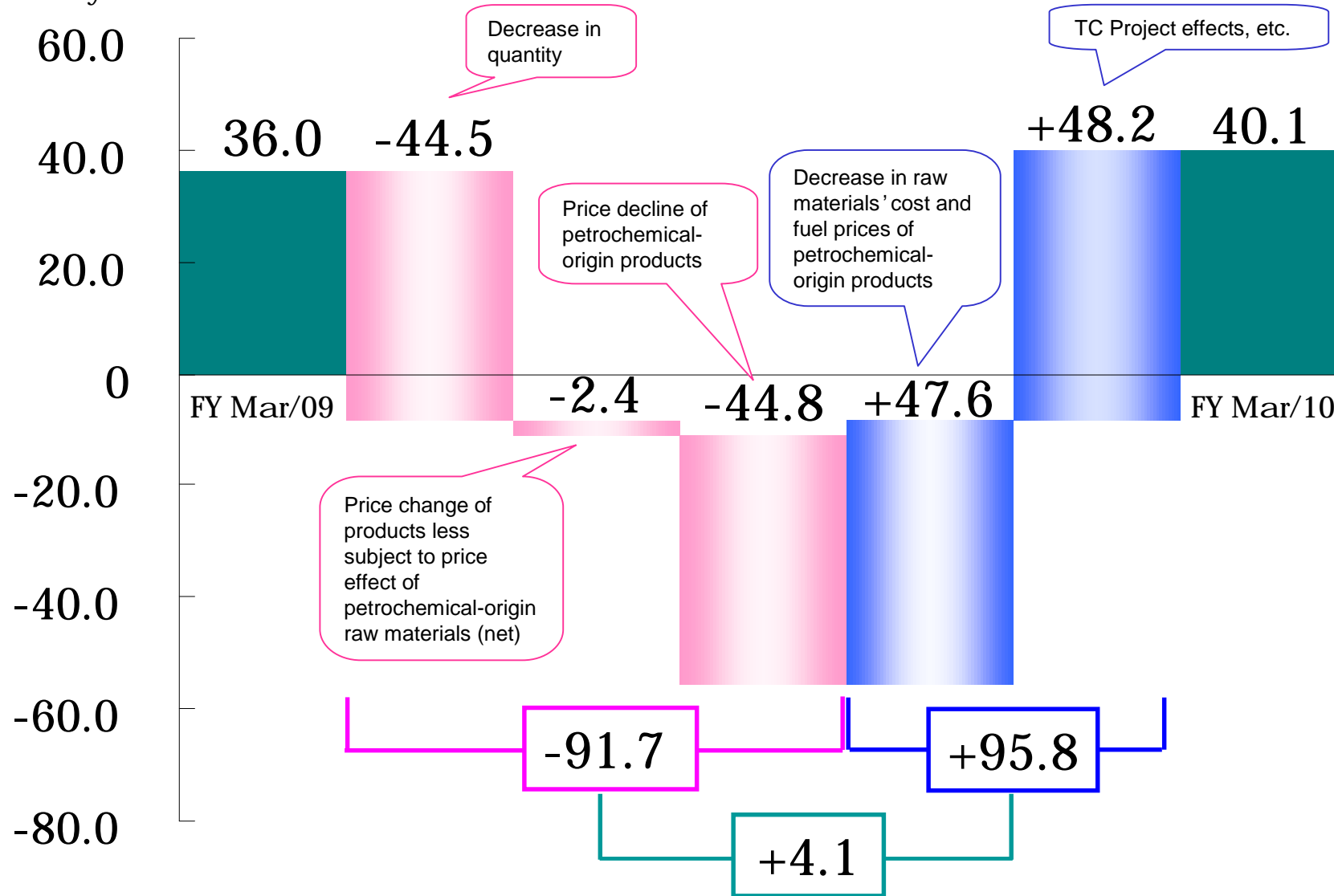
Billion yen

Operating Income



Income Variance Factor Analysis

Billion yen



Results of Major Subsidiaries



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Billion yen

		Net Sales			Operating Income		
		FY Mar/09	FY Mar/10	Changes	FY Mar/09	FY Mar/10	Changes
Toray International Inc.		358.6	341.9	-16.8	5.8	5.2	-0.5
Toray Engineering Co., Ltd.		96.7	80.2	-16.5	7.7	3.6	-4.1
Toray Construction Co., Ltd.		59.3	59.7	+0.4	1.0	1.1	+0.1
Toray Advanced Film Co., Ltd.		42.3	43.0	+0.7	0.1	2.2	+2.1
Toray Medical Co., Ltd.		35.6	35.7	+0.0	0.2	0.7	+0.6
TSI (Korea)		81.0	70.2	-10.8	6.4	7.0	+0.7
TPM (Malaysia)		50.2	52.0	+1.8	▲3.5	1.8	+5.2
Subsidiaries in Southeast Asia *1	Fibers & Textiles	99.2	76.9	-22.3	1.0	1.7	+0.7
	Plastics & Chemicals	60.2	59.0	-1.2	▲2.3	2.5	+4.9
	Others	6.4	6.6	+0.2	▲0.1	0.2	+0.3
	Total	165.8	142.5	-23.3	▲1.4	4.4	+5.8
Subsidiaries in China *2	Fibers & Textiles	92.4	102.3	+9.9	▲0.1	3.7	+3.8
	Plastics & Chemicals	44.0	36.6	-7.4	0.5	0.5	-0.0
	Others	13.1	9.5	-3.6	0.6	0.2	-0.4
	Total	149.5	148.4	-1.1	1.0	4.4	+3.4
Films Subsidiaries (Overseas) *3	Plastics & Chemicals	86.2	64.2	-22.0	4.4	2.6	-1.8
	IT-related Products	36.9	35.8	-1.1	2.9	4.2	+1.2
	Total	123.0	99.9	-23.1	7.3	6.8	-0.5

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

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

*3: TSI, Penfibre, TPA, TPEu, TFE, TFH/TFZ sum total

Number of Employees, Changes in Subsidiaries and Affiliates



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Number of Employees

	End of Mar/09	End of Mar/10	Changes
Toray	7,348	6,915	-433
Japanese Consolidated Subsidiaries	10,385	10,339	- 46
Overseas Consolidated Subsidiaries	20,191	20,682	+491
Total	37,924	37,936	+12

Number of people

Changes in Subsidiaries and Affiliates

		End of Mar/09	End of Mar/10	Changes
Consolidated Subsidiaries (a)	Japan	60	61	+1
	Overseas	75	78	+3
	Total	135	139	+4
Subsidiaries accounted for by Equity Method (b)	Japan	27	27	±0
	Overseas	24	25	+1
	Total	51	52	+1
Total Subsidiaries (a) + (b)	Japan	87	88	+1
	Overseas	99	103	+4
	Total	186	191	+5
Affiliates accounted for by Equity Method (c)	Japan	13	14	+1
	Overseas	25	24	-1
	Total	38	38	±0
Companies subject to Consolidation (a) + (b) + (c)	Japan	100	102	+2
	Overseas	124	127	+3
	Total	224	229	+5

Number of companies

II. Business Forecast for the Fiscal Year Ending March 2011 (Consolidated Basis)

Forecast Summary

TORAY

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Billion yen

		FY Mar/10	FY Mar/11 Forecast	Changes	
Net Sales	1st Half	617.9	700.0	+82.1	(+13.3%)
	2nd Half	741.7	800.0	+58.3	(+7.9%)
	Total	1,359.6	1,500.0	+140.4	(+10.3%)
Operating Income	1st Half	5.5	20.0	+14.5	(+264.1%)
	2nd Half	34.6	40.0	+5.4	(+15.6%)
	Total	40.1	60.0	+19.9	(+49.6%)
Ordinary Income (Loss)	1st Half	▲ 2.7	15.0	+17.7	(-)
	2nd Half	11.7	35.0	+23.3	(+199.6%)
	Total	9.0	50.0	+41.0	(+455.2%)
Net Income (Loss)	1st Half	▲ 6.3	8.0	+14.3	(-)
	2nd Half	▲ 7.8	17.0	+24.8	(-)
	Total	▲ 14.2	25.0	+39.2	(-)

Net Income (Loss) per Share	1st Half	▲ 4.5 yen	5.7 yen
	2nd Half	▲ 5.6 yen	12.1 yen
	Total	▲ 10.1 yen	17.9 yen
Dividend per Share	1st Half	2.5 yen	2.5 yen
	2nd Half	2.5 yen	2.5 yen
	Total	5.0 yen	5.0 yen
Dividend Payout Ratio	1st Half	-	43.7%
	2nd Half	-	20.6%
	Total	-	28.0%

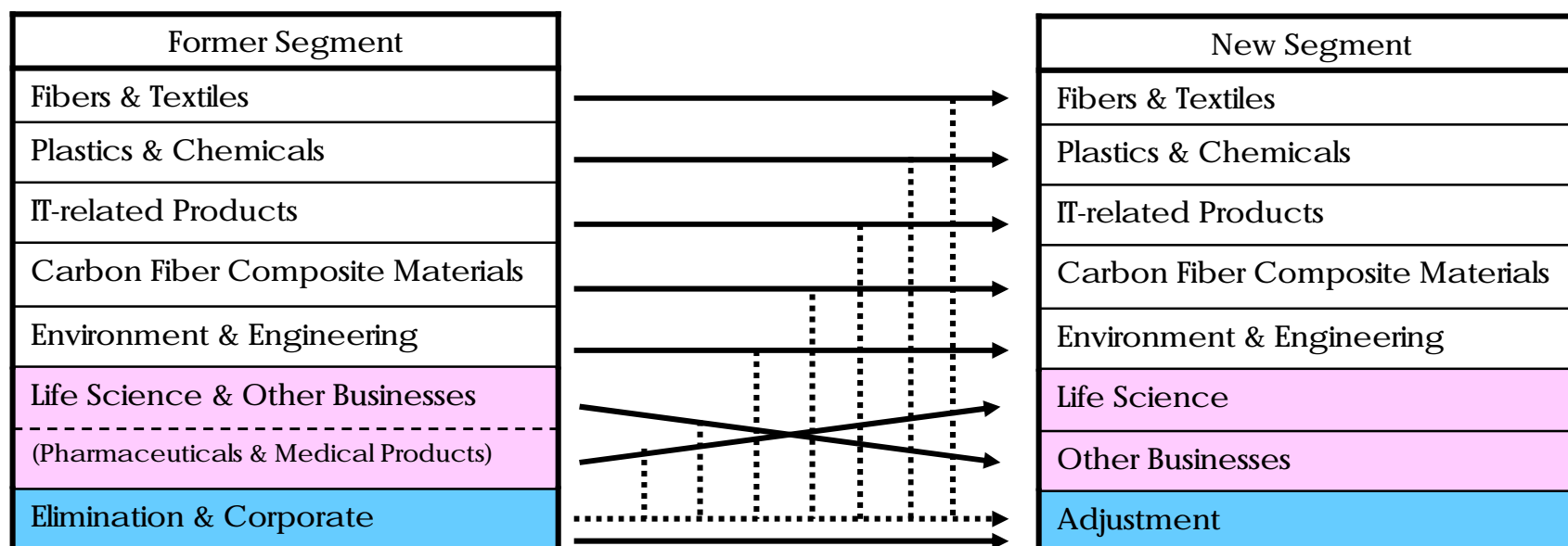
Remarks : Estimated exchange rate : 90 yen / US\$
Estimated oil price : 82.5 US\$/ B (DU B AI FOB)

Changes in Business Segment Components Based on a Management-approach



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	Changes	Reasons for the Changes
Revision of Business Segments	Pharmaceuticals and Medical Products Business which was included in the "Life Science and Other Businesses" segment shall be identified as "Life Science"	On a management-approach basis, Pharmaceuticals and Medical Products Business shall be independently identified as "Life Science"
	Make an "Other Businesses" segment to include businesses other than Pharmaceuticals and Medical Products Business in the "Life Science and Other Businesses" segment	On a management-approach basis, businesses other than Pharmaceuticals and Medical Products Business shall be identified as "Other Businesses"
Changes in the Allocation of Company-wide R&D Expenses	Company-wide R&D expenses which were formally allocated to each business segment shall be identified as "Adjustment"	Company-wide R&D expenses including basic research expenses related to the creation of new businesses and products in the future, shall be included as "Adjustment"



Forecast by Business Segment

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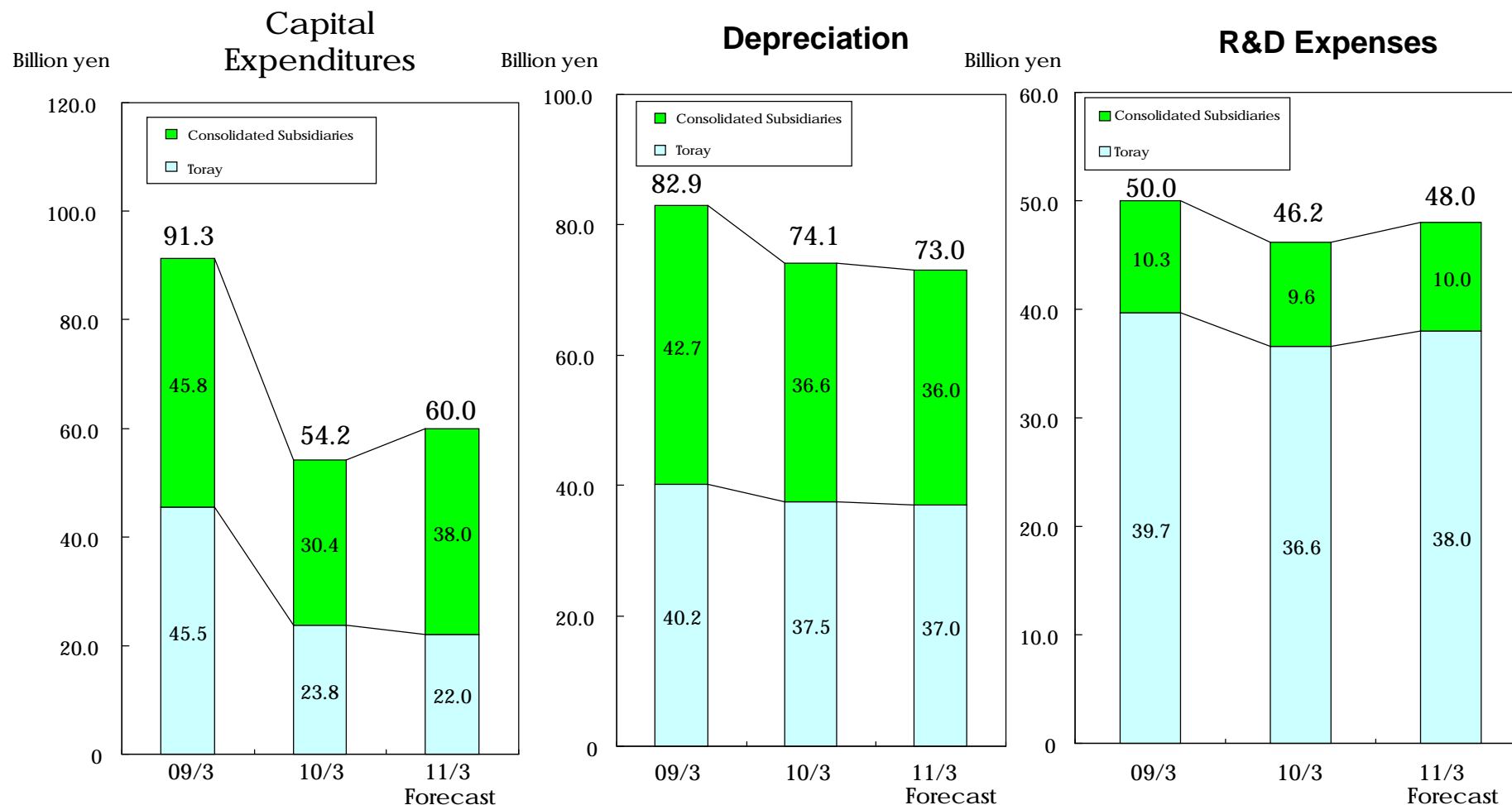
Unit : Billion yen

		Net Sales				Operating Income			
		FY Mar/10	FY Mar/11	Changes	(%)	FY Mar/10	FY Mar/11	Changes	(%)
Fibers & Textiles	1st Half	245.1	260.0	+14.9	(+6.1%)	2.8	9.0	+6.2	(+227.2%)
	2nd Half	280.1	290.0	+9.9	(+3.5%)	13.6	13.0	-0.6	(-4.2%)
	Total	525.2	550.0	+24.8	(+4.7%)	16.3	22.0	+5.7	(+34.8%)
Plastics & Chemicals	1st Half	153.7	180.0	+26.3	(+17.1%)	3.6	7.0	+3.4	(+96.2%)
	2nd Half	179.0	190.0	+11.0	(+6.1%)	8.0	9.0	+1.0	(+12.4%)
	Total	332.7	370.0	+37.3	(+11.2%)	11.6	16.0	+4.4	(+38.2%)
IT-related Products	1st Half	107.3	130.0	+22.7	(+21.2%)	7.4	14.0	+6.6	(+88.7%)
	2nd Half	123.1	140.0	+16.9	(+13.7%)	17.6	17.0	-0.6	(-3.3%)
	Total	230.4	270.0	+39.6	(+17.2%)	25.0	31.0	+6.0	(+24.0%)
Carbon Fiber Composite Materials	1st Half	21.0	30.0	+9.0	(+43.0%)	▲ 1.0	▲ 1.0	+0.0	(-)
	2nd Half	29.7	35.0	+5.3	(+17.9%)	▲ 4.3	▲ 1.0	+3.3	(-)
	Total	50.7	65.0	+14.3	(+28.3%)	▲ 5.3	▲ 2.0	+3.3	(-)
Environment & Engineering	1st Half	61.8	70.0	+8.2	(+13.3%)	▲ 0.3	▲ 2.0	-1.7	(-)
	2nd Half	98.0	110.0	+12.0	(+12.2%)	4.2	6.0	+1.8	(+43.3%)
	Total	159.8	180.0	+20.2	(+12.6%)	3.9	4.0	+0.2	(+3.9%)
Life Science	1st Half	22.3	23.0	+0.7	(+3.0%)	0.6	1.0	+0.4	(+80.2%)
	2nd Half	24.3	27.0	+2.7	(+11.0%)	2.2	3.0	+0.8	(+37.8%)
	Total	46.7	50.0	+3.3	(+7.2%)	2.7	4.0	+1.3	(+46.4%)
Other Businesses	1st Half	6.7	7.0	+0.3	(+4.5%)	0.1	1.0	+0.9	(+571.1%)
	2nd Half	7.4	8.0	+0.6	(+7.5%)	0.7	1.0	+0.3	(+37.0%)
	Total	14.1	15.0	+0.9	(+6.1%)	0.9	2.0	+1.1	(+127.5%)
Adjustment	1st Half					▲ 7.6	▲ 9.0	-1.4	
	2nd Half					▲ 7.4	▲ 8.0	-0.6	
	Total					▲ 14.9	▲ 17.0	-2.1	
Consolidated	1st Half	617.9	700.0	+82.1	(+13.3%)	5.5	20.0	+14.5	(+264.1%)
	2nd Half	741.7	800.0	+58.3	(+7.9%)	34.6	40.0	+5.4	(+15.6%)
	Total	1,359.6	1,500.0	+140.4	(+10.3%)	40.1	60.0	+19.9	(+49.6%)

Forecast of Capital Expenditures, Depreciation and R&D Expenses



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Major Capital Expenditures in FY Mar/10:

<Japan> Toray : Carbon fiber production facilities

<Overseas> TFE (Toray Films Europe) : PP Film production facilities

III. Progress of Medium-term Management Program “Project IT-II”

Outline of “IT-II”



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Basic strategy to overcome the economic crisis and respond to socioeconomic structural changes addressed since April 2009

Medium-term Management Program “Project IT-II (Innovation TORAY II)”

[Basic Principles of “IT-II”]

1. Total cost reduction

2. Profit maximization by comprehensively “ensuring sales through every possible effort”

3. Optimization of the scale and systems of the businesses in response to structural changes in business environment

4. In-depth reduction of capital expenditures and working capital

5. Promotion of business structure reform to prepare for future growth

[Projects under “IT-II”]

1. Total Cost Reduction Project
(TC Project: Total Cost Reduction Project)

2. Action Program for Survival Project
(APS Project: Action Program for Survival Project)

3. Action Program for Growth Project
(APG Project: Action Program for Growth Project)

Total Cost Reduction (TC) Project



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Cost reduction target (~FY March 2011) :

Total 100 billion yen (breakdown: fixed costs; 60 billion yen / variable costs; 40 billion yen)

(internal management basis compared with FY Mar/09 budget)

<Progression of TC Project>

Unit : Billion yen

	FY Mar/09 Budget → Actual	FY Mar/09 Actual → FY Mar/10 Actual	FY Mar/09 Budget → FY Mar/10 Actual	TC Reduction Target FY Mar/09 Budget → FY Mar/11
Reduction of Fixed Costs *1)	20	40	60	60
Reduction of Variable Costs *2) (gross)		22	22	40
Total	20	62	82	100

*1) "Reduction of Fixed Costs" is included as "TC Project effects, etc." in the "Income Variance Factor Analysis"

*2) "Reduction of Variable Costs (gross)" contains total reduction of variable costs such as raw materials' cost reduction excluding market fluctuation of raw materials and fuels and exchange fluctuation, and self-improvement efforts in improvement of production efficiency or logistic efficiency, etc. In the "Income Variance Factor Analysis" the aforementioned is included as;
 ① Decrease in raw materials' cost and fuel prices of petrochemical-origin products,
 ② Price change of products less subject to price effect of petrochemical-origin raw materials (net), and
 ③ TC Project effects, etc.

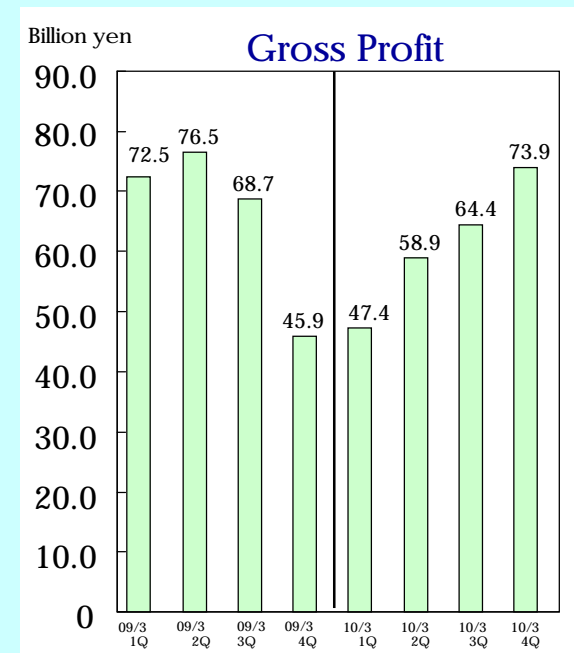
Action Program for Survival (APS) Project **TORAY**

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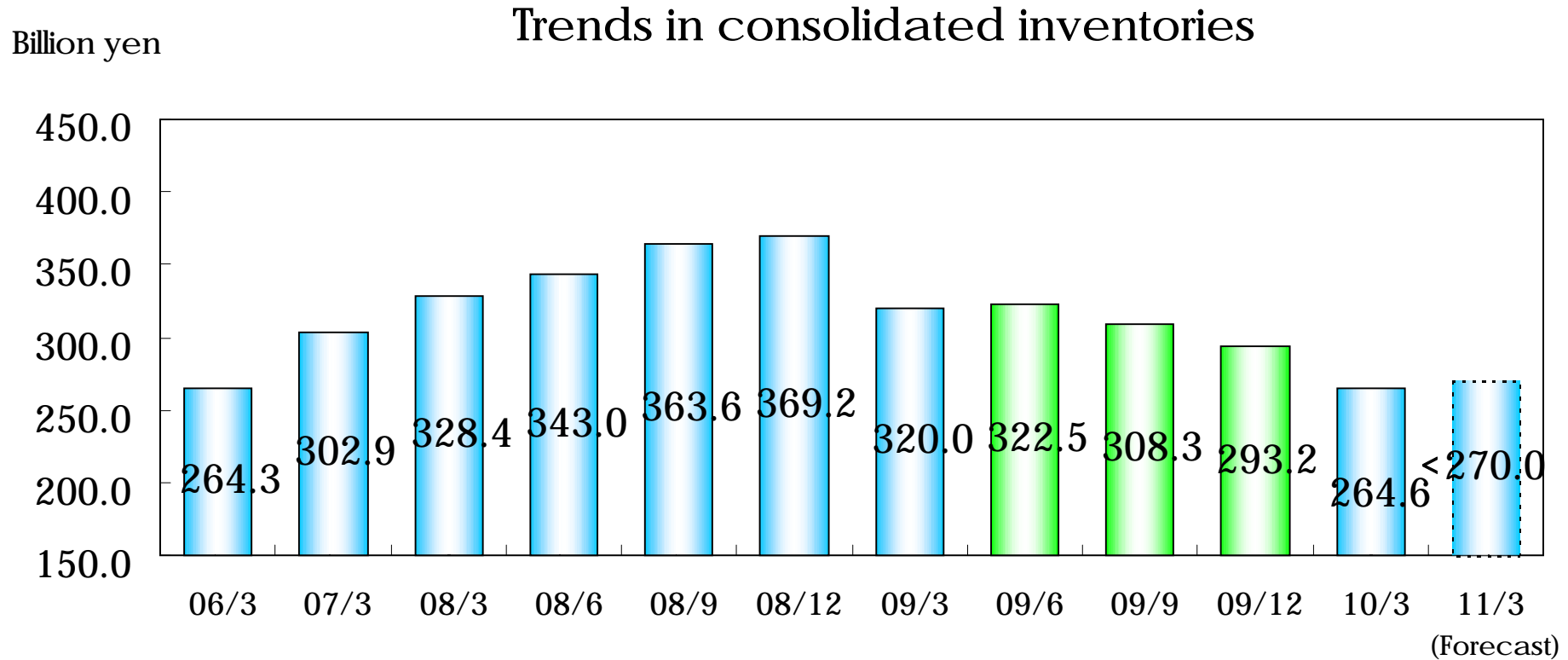
- Toray Group will maximize earnings by comprehensively “ensuring sales through every possible effort” even in the contracted markets
- Toray Group will optimize the scale and systems for marketing and sales, production and development functions based on medium-term business forecasts

<Key issues>

- Maximize earnings by “ensuring sales through every possible effort”
 - ◆ Increase sales volume using optimal pricing strategies (increasing market share in priority fields, etc.)
 - ◆ Improve product spread through optimal price setting and reduction effects of variable costs, etc.
- Establish reasonable forecasts for the scale of businesses in the medium term, and optimize the scale and systems for marketing and sales, production, and development functions
 - ◆ Streamline facilities of LCD color filters business
 - ◆ Increase production capacity in Korea and relocate facilities to China for optical polyester films

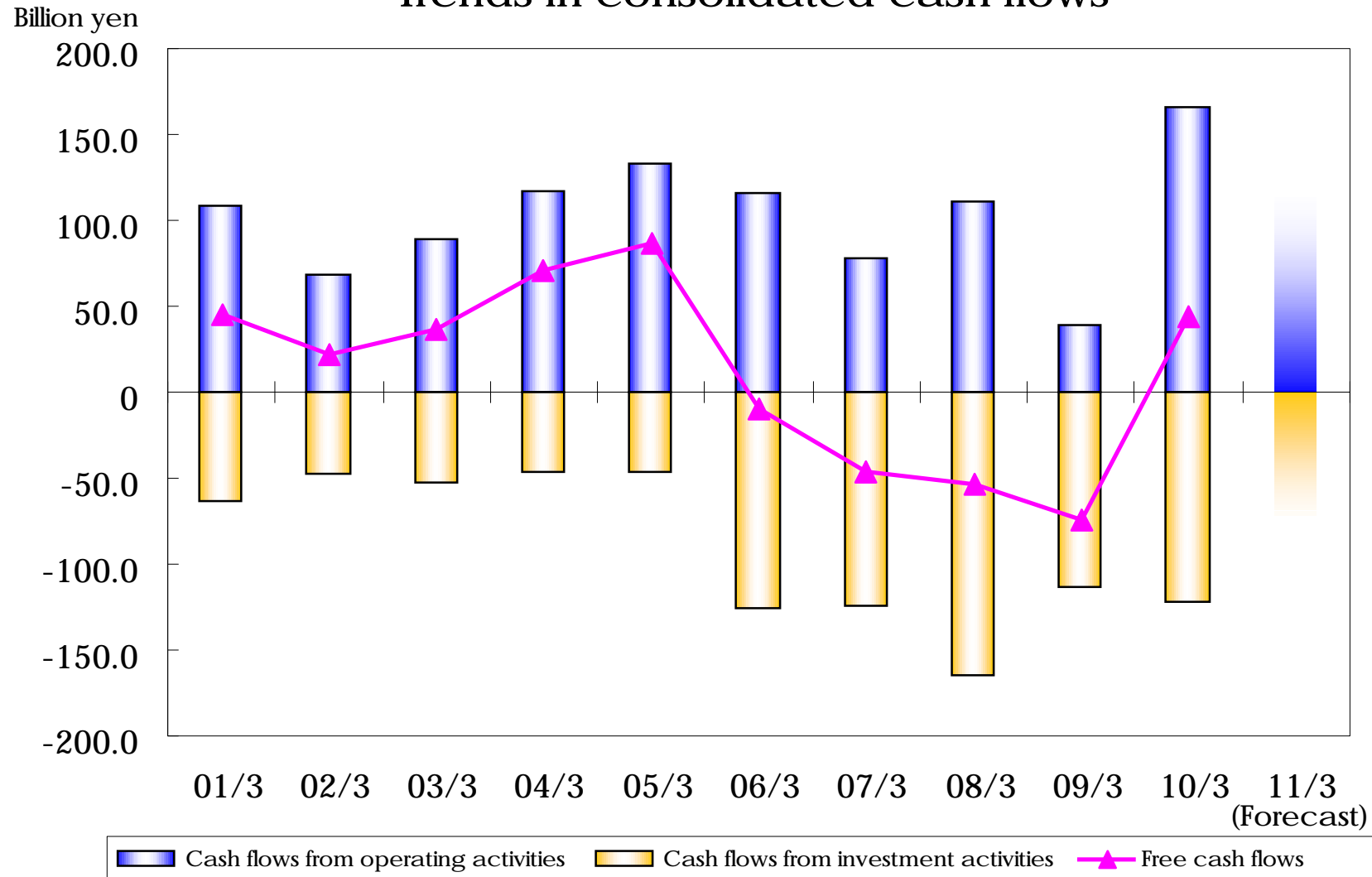


Forecast of Inventories



Improvements in Cash Flows

Trends in consolidated cash flows



Action Program for Growth (APG) Project **TORAY**

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Toray Group will promote growth strategies to once again consistently grow as a highly profitable business group after overcoming the economic crisis.

Basic Strategies and Achievements of the “IT-II” APG Project

(1) Solution proposal to economical-growth constraints with Toray Group products and technologies

- Preservation of global environment (CO₂ reduction, energy conservation, etc.) : Signed a joint development agreement with Daimler AG on automobile parts made of carbon fiber reinforced plastics
- Resources / Energy : Signed a long-term basic supply agreement with EADS to supply carbon fiber prepreg primarily for Airbus S.A.S
- Resources / Energy : Established of a joint venture in battery separator film business
- Resources / Energy : Received large orders to supply RO membranes for desalination plants

(2) Incorporation of growth potential of the enormously growing Asian market (especially in China)

- Alliance with local enterprises : Established a water-treatment joint venture and a joint venture to produce and sell DMSO in China
- Enhance and expand production bases : Increased production facilities of high-functional polypropylene spunbond in China and enhanced production of optical polyester films in China and Korea
- Expand businesses in Korea : Expanded advanced materials business at Toray Advanced Materials Korea Inc. (TAK)

DMSO : dimethylsulfoxide

EADS : European Aeronautic Defence and Space Company

Toray will contribute to the reduction of CO₂ emissions through lightweight solutions by strengthening cooperation with end-users seeking for the expansion of applications of carbon fiber composite materials.

Automotive Area

Signed a joint development agreement with Daimler AG on automobile parts made of carbon fiber reinforced plastics

- promote the development of CFRP automobile components by utilizing innovative molding technologies
- realize a molding process with significantly shorter molding cycle
- aim for adoption of the CFRP parts in Daimler's Mercedes-Benz model within next three years

Aircraft Area

Signed a long-term basic supply agreement with EADS to supply carbon fiber prepreg primarily for Airbus S.A.S

- signed a long-term basic supply agreement to supply carbon fiber prepreg for aircraft application over 15 years through 2025
- supply prepreg directly to Airbus which had hitherto been supplied by way of prepreg manufacturers

Toray will contribute to the reduction of CO₂ emissions through the lightening of vehicles and aircraft for the improvement of fuel-efficiency by strengthening cooperation with end-users.

Battery Separator Film (BSF) Business 1

Established a 50:50 joint venture in battery separator film (BSF) business between TonenGeneral Sekiyu K. K. of the ExxonMobil Group namely "Toray Tonen Specialty Separator Godo Kaisha, " in February 2010.

Profile of the joint venture

Name: Toray Tonen Specialty Separator Godo Kaisha

Location: Nasushiobara, Tochigi

Chairman: Takeo Togano

President: Reinhart Papen

Capital: 301 million yen

Production base: Nasu (6 lines),
Korea (2 lines)*

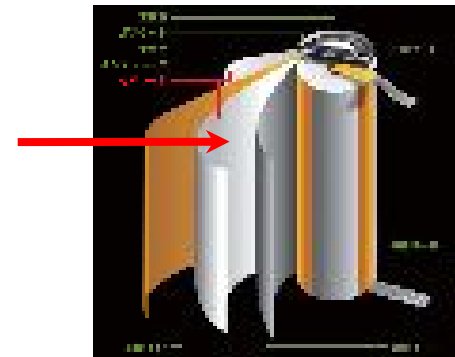
* two state-of-the-art film production lines with annual capacity of 30 million m² have started operation.

BSF is :

A key component of lithium ion batteries, in which it is used to isolate cathodes and anodes

Major applications of BSF

- BSF is used in lithium ion batteries of many products including mobile devices such as cellular phones and notebook computers or power tools
- Demand for lithium ion batteries are expected to grow rapidly as major components of next-generation hybrid vehicles and electric vehicles



Toray aims for proactive earnings increase and enhancement of competitiveness in the BSF business through the utilization of film manufacturing and development technologies combined with global operation network.

Battery Separator Film (BSF) Business 2



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Business Expansion of BSF Business

- Toray's Vision -

Basic Strategies

- Secure market share of consumer applications with high-quality existing products
- Develop automotive applications by providing Toray's new technologies and products
- Increase global market share utilizing the new plant in Korea and Toray's overseas bases
- Strengthen management system and fundamentals by utilizing Toray's resources

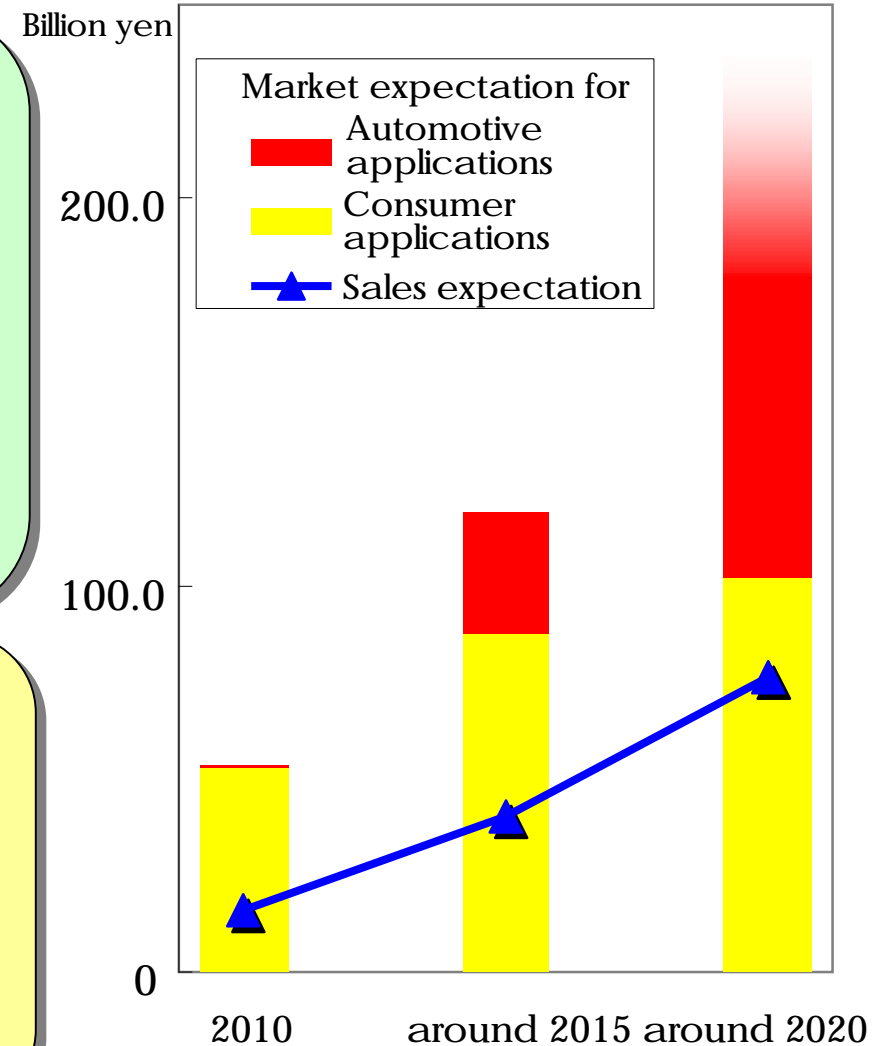
Targets

Net sales: 40 billion yen around 2015,
80 billion yen around 2020

Market share in 2020: > 30%

IRR: > over 10% expected

Market and Sales Expectation of BSF

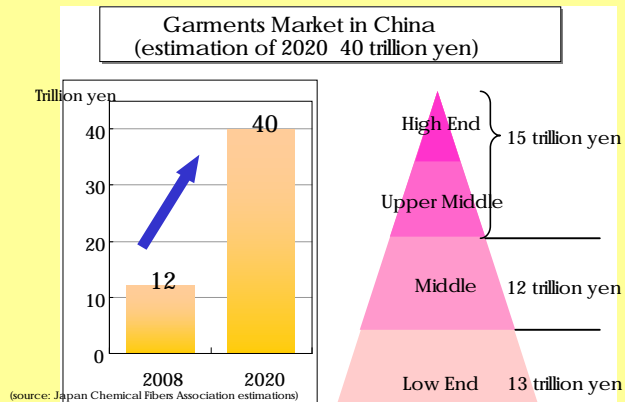


Business Expansion in Asia

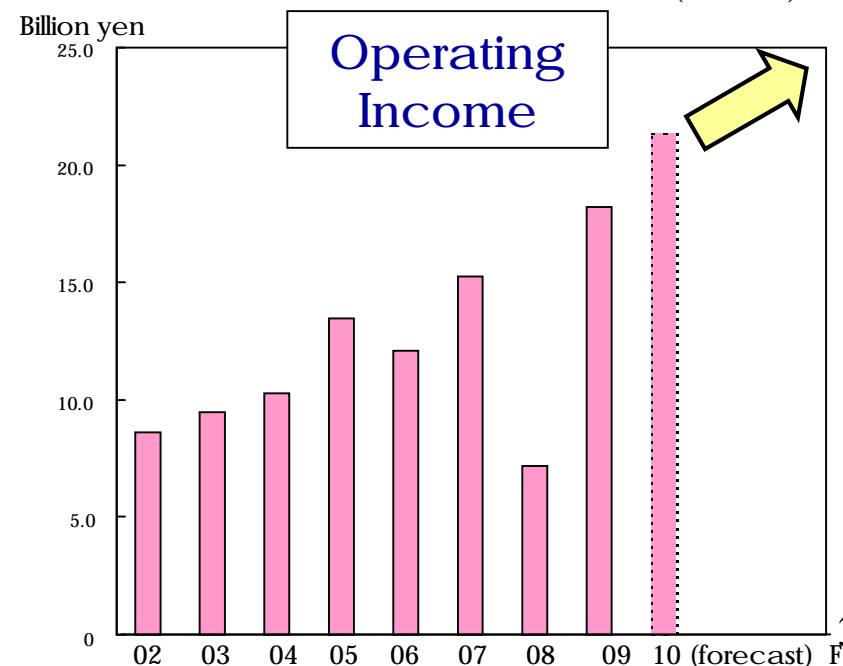
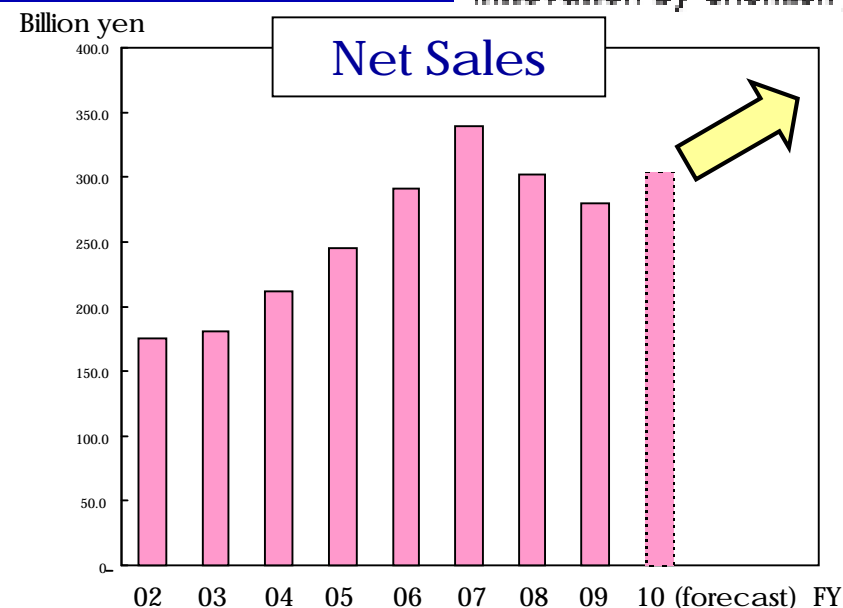
Basic Strategies for Business Expansion in Asia

- Expand business proactively through establishment of joint ventures with local enterprises, etc.
- Enhance production facilities of advanced materials and strengthen global operations
- Develop and cultivate growing markets
(established China Business Dept. within the Torayca Advanced Composites Division)
- Expand operational bases for strategically expanding and developing businesses
(carbon fiber composite materials, water treatment, etc.)

An Example of Growth Potential in Asia



(source: prepared by Toray based on the Japan Chemical Fibers Association estimations)



Strengthening the Engagement with the Emerging Chinese Market

Toray Group will aim for further earnings growth in the emerging Chinese market through establishment of joint ventures with local enterprises, boosting and expanding of manufacturing bases, and strengthening initiatives to develop new products for the Chinese market.

Establishment of water-treatment joint venture

Toray BlueStar Membrane Co., Ltd.

A joint venture between Toray and China National BlueStar (Group) Co., Ltd., a core business group of China National Chemical Corp., which engages in production, sales and import and export of water-treatment membrane products.



Exterior image

Established: July 2009
Start of operation:
June 2010 (expected)

Expansion of high-functional polypropylene spunbond facilities

Toray Polytech (Nangton) Co., Ltd.

Increase annual production capacity of high-functional polypropylene spunbond by 20,000 tons.



Start of operation:
March 2011 (expected)

Establishment of a joint venture to produce and sell DMSO

Cangzhou Toray Fine Chemicals Co., Ltd.

A joint venture between Toray Fine Chemicals Co., Ltd. and Sinopec Asset Management Corp., a wholly-owned subsidiary of SINOPEC, which engages in production and sales of dimethylsulfoxide (DMSO) in China. DMSO is a solvent with a wide range of applications including electronics parts, auto parts and pharmaceuticals.



Groundbreaking ceremony

Established: July 2009
Start of operation:
September 2010 (expected)

Production enhancement of optical polyester (PET) films

Yihua Toray Polyester Film Co., Ltd.

Relocate a 6,600 tons PET film manufacturing facility from Japan and start production of optical films in China.

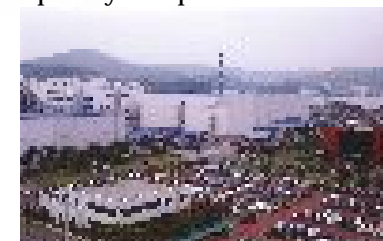


Start of operation: July 2011 (expected)

Toray Advanced Materials Korea Inc.

(former company name:
Toray Saehan Inc.)

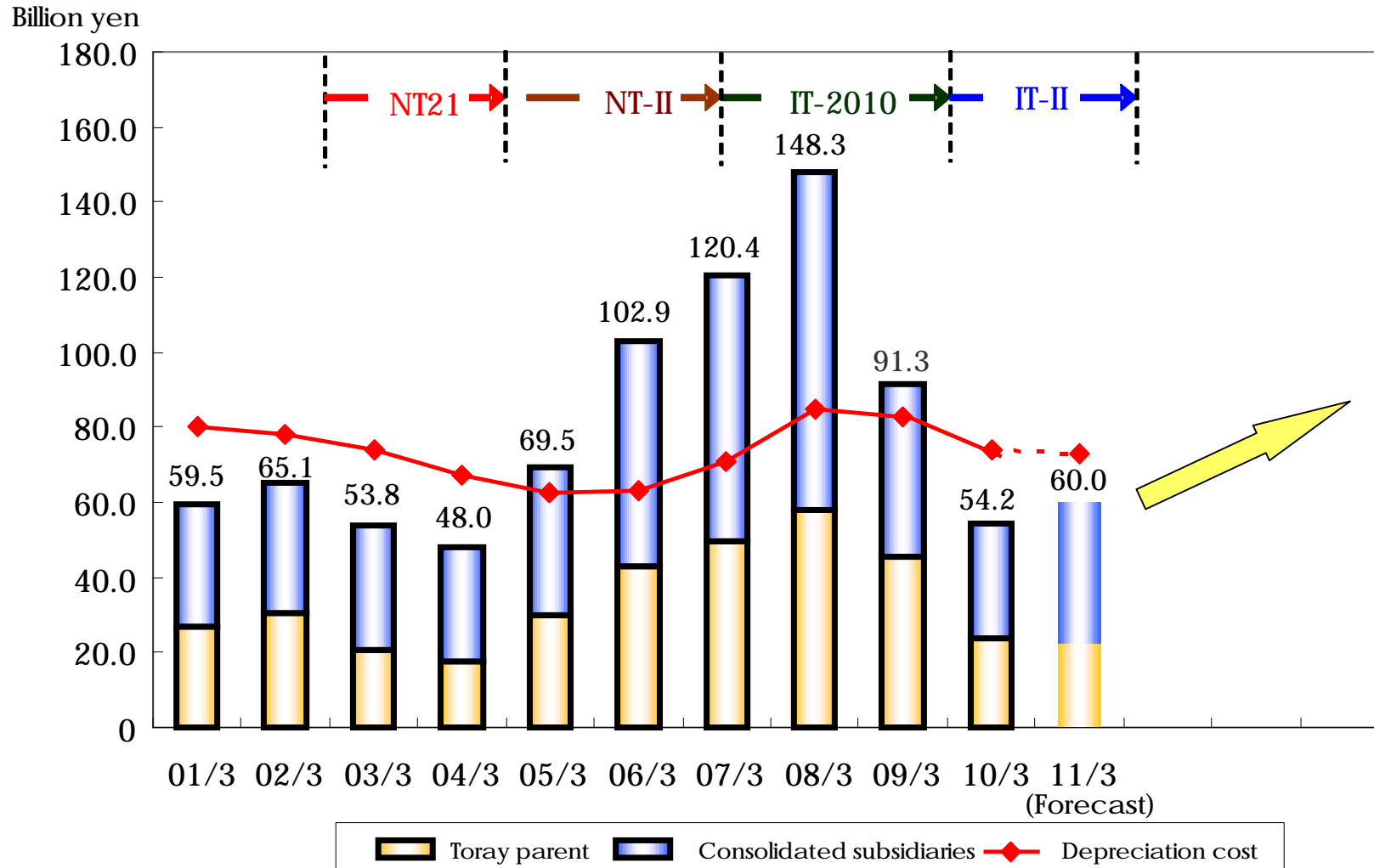
Increase annual production capacity by 18,000 tons to double supply capacity of optical films.



Start of operation: May 2011 (expected)

Trends in Capital Expenditures

Trends in consolidated capital expenditures and depreciation cost



Toray's Management Reforms (2002 – 2010) **TORAY**

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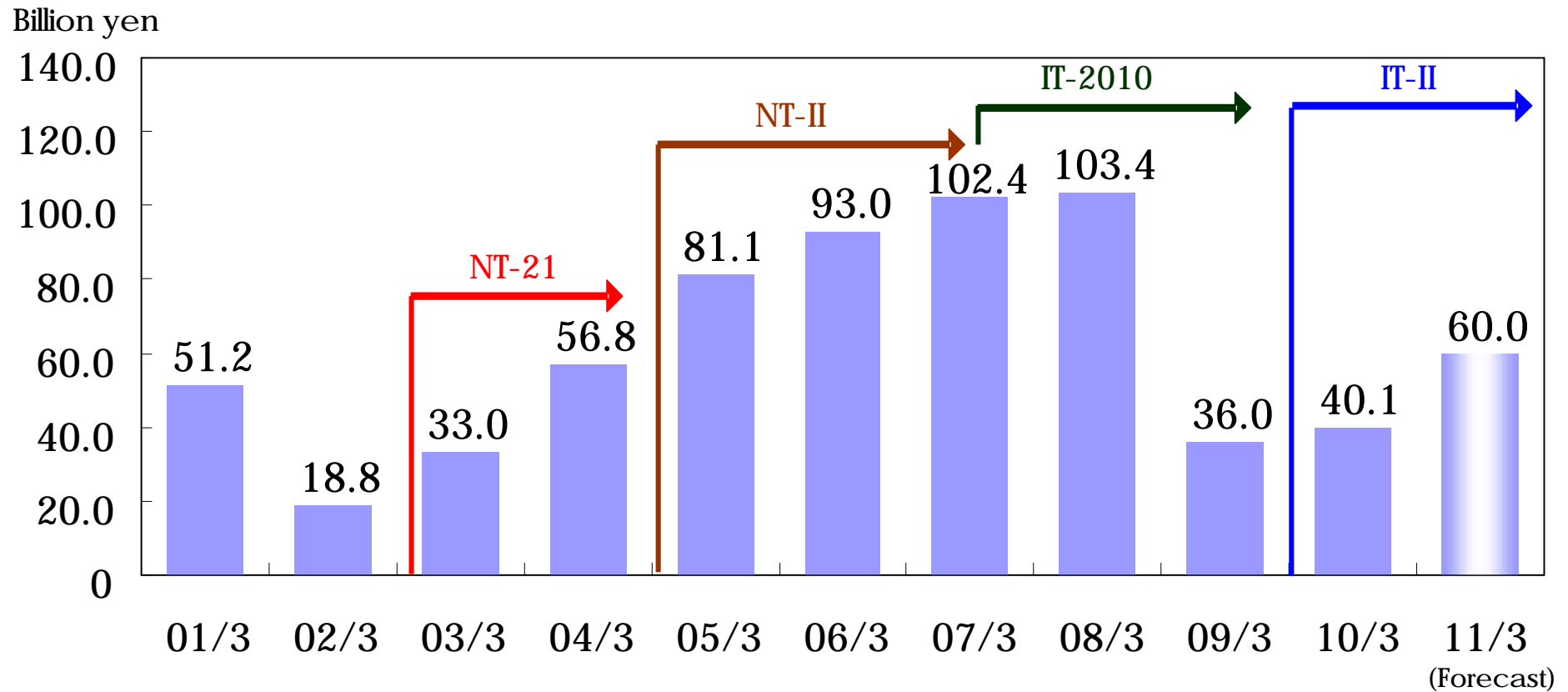
Business Categories and Basic Strategies Focusing on Sustainable Growth



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Business Categories	Business Segments	Basic Strategies
Foundation Businesses	Fibers & Textiles	Establish stable profit base ① Developing global operations ② Promote advancement of foundation businesses ③ Developing downstream (sewn products) and processing business ④ Expanding advanced materials
	Plastics & Chemicals	
Strategically Expanding Businesses	Carbon Fiber Composite Materials	Positively expand as profit driving businesses ① Prioritizing allocation of managerial resources ② Focusing on growing markets (automobiles, aircraft, energy-related, IT, etc.)
	IT-related Products	
Strategically Developing Businesses	Environment & Engineering	Strategically develop and expand to become the next profit base beyond 2010 ① Intensive allocation of managerial resources ② M&A and strategic alliances with external parties
	Life Science	

Trends in Consolidated Operating Income



Descriptions of predicted business results, projections, and business plans for the Fiscal Year ending March 2011 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.