

Toray's FY3/04 First-quarter Consolidated Earnings Overview

1. Overview of FY3/04 first-quarter earnings (April 1, 2003 to June 30, 2003)

Consolidated		(¥ millions, rounded to nearest million)				
	Sales	Operating income		Ordinary income		
		%	%	%	%	
FY3/04 first quarter	251,727	(+6.3)	9,428	(+123.0)	8,422	(+209.4)
FY3/03 first quarter	236,745		4,227		2,722	
(Reference)						
FY3/03 full year	1,032,991		33,043		23,746	

Note: Percentages show change from the same period of the previous year.

The domestic economy remained weak during the first quarter, affected by the prolonged bout of deflation and weak growth in consumer spendings. Meanwhile, the SARS outbreak resulted in a continued difficult business environment. "The Project New Toray 21," the management reform program that began last April, entered its second year, involving the company in further through-going organizational strengthening, a re-engineering of businesses structure, and efforts to expand earnings using the "New Value Creator" strategy of developing new materials, products, and marketing network. As a result, first-quarter sales and profits were both ahead of target and were higher year-on-year.

2. FY3/04 first-half forecasts (April 1, 2003 to September 30, 2003)

(1) Consolidated		(¥ millions)			
	Sales	Operating income		Ordinary income	Net income
Previous forecast (A) (Announced May 9, 2003)	505,000	15,000		11,000	2,000
Revised forecast (B)	525,000	21,000		20,000	7,000
Difference (B-A)	+20,000	+6,000		+9,000	+5,000
% change	(+4.0%)	(+40.0%)		(+81.8%)	(+250.0%)
First-half FY3/03 actual (C)	498,532	12,651		7,876	1,281
Difference (B-C)	+26,468	+8,349		+12,124	+5,719
% change	(+5.3%)	(+66.0%)		(+153.9%)	(+446.4%)

Reference: Forecast EPS (interim): ¥5.00

(2) Parent		(¥ millions)			
	Sales	Operating profit		Recurring profit	Net profit
Previous forecast (A) (Announced May 9, 2003)	215,000	4,000		6,000	3,500
Revised forecast (B)	218,000	7,000		12,000	8,000
Difference (B-A)	+3,000	+3,000		+6,000	+4,500
% change	(+1.4%)	(+75.0%)		(+100.0%)	(+128.6%)
First-half FY3/03 actual (C)	223,442	2,454		1,287	1,592
Difference (B-C)	△ 5,442	+4,546		+10,713	+6,408
% change	(△2.4%)	(+185.2%)		(+832.4%)	(+402.5%)

Reference: Forecast EPS (interim): ¥5.71

Following the better than initially planned results of the Project New Toray 21, the company has revised up its consolidated and parent forecasts for the first half of FY3/04. Full-year forecasts will be reviewed at the time of announcement for the first-half business result.

Note: These forecasts are based on assumptions of the future economic environment using data available at the time of disclosure. Actual earnings may differ from these forecasts due to a range of factors.