

February 7, 2007

Toray Announces Consolidated Results for the Nine Months Ended December 31, 2006

Tokyo, February 7, 2007 - Toray Industries, Inc. today announced its consolidated business results for the nine months ended December 31, 2006 of the fiscal year ending March 31, 2007. The following summary of the business results that Toray submitted to the Tokyo Stock Exchange is unaudited and for reference only. (Code Number: 3402)

Consolidated Business Results

(Millions of yen, *millions of U.S. dollars*, except per share data)

	Nine months ended December 31,			(Reference)	
	2006	2005	Change	2006	Fiscal 2005
	Yen		%	<i>U.S. dollars</i>	Yen
Net sales	¥1,129,626	¥1,026,542	10.0	\$9,485	¥1,427,488
Operating income	64,111	57,847	10.8	538	93,043
Ordinary income	61,537	54,158	13.6	517	87,650
Net income	40,632	27,998	45.1	341	47,409
Net Income Primary per share	29.02	19.99	45.2	-	33.72

Notes

1. The percentage change is year-on-year change compared with the same period of the previous fiscal year.
2. U.S. dollar amount have been converted from yen at the exchange rate of ¥119.1=U.S.\$1, the approximate rate of exchange prevailing on December 31, 2006.
3. Amounts are rounded to the nearest million.

During the nine months under review (April 1, 2006 – December 31, 2006), the global economy continued to be strong across the U.S., Europe and Asia. The Japanese economy also maintained a gradual growth, buoyed by external demand and capital investment, although consumer spending has not fully recovered. On the other hand, with respect to the economic environment surrounding the Company, crude oil price registered its highest ever level in September and subsequently stabilized, though prices of many of the main raw materials for the Company's products remained high due to the tight balance of supply and demand. Moreover, the shipping volume of IT consumer electronics increased significantly and the market rapidly expanded, while their prices plummeted, providing few reasons to be optimistic about the business environment.

Under such circumstances, Toray Group in October 2006 launched the new mid-term business strategies "Project Innovation TORAY 2010 (IT-2010)" to pursue "Innovation" in every business field in order to achieve the new long-term corporate vision "AP (Action Program) – Innovation TORAY 21" formulated in April 2006.

As a result, net sales for the nine months ended December 31, 2006 rose 10.0% to 1,129.6 billion yen (US\$9,485 million) from the same period of the previous fiscal year, buoyed by growing sales in business segments such as Plastics and Chemicals and IT-Related Products. Operating income grew 10.8% to 64.1 billion yen (US\$538 million) mainly due to the strong performance of the Carbon Fiber Composite Materials segment and IT-Related Products segment. Ordinary income rose 13.6% to 61.5 billion yen (US\$517 million) and net income increased 45.1% to 40.6 billion yen (US\$341 million).

Consolidated Financial Condition

(Millions of yen, millions of U.S. dollars, except per share data)

	Nine months ended December 31,			(Reference)
	2006	2005	2006	Fiscal 2005
	Yen		U.S. dollars	Yen
Total assets	¥1,614,200	¥1,491,067	\$13,553	¥1,537,422
Property, plant and equipment, net	613,678	555,900	5,153	586,215
Net assets	623,992	505,080	5,239	537,026
Net assets per share	403.74	360.69	-	383.42
Equity Ratio	35.0%	33.9%	-	34.9%

Notes:

1. Net assets for both the third quarter and full year of fiscal 2005 do not include minority interests and deferred gains and losses on hedge. Net assets of the third quarter under review comprise "stockholders' equity," "valuation, translation adjustment and others" and "minority interests."
2. For calculation of "net assets per share" and "equity ratio," minority interests are deducted from net assets.
3. U.S. dollar amount have been converted from yen at the exchange rate of ¥119.1=U.S.\$1, the approximate rate of exchange prevailing on December 31, 2006.
4. Amounts are rounded to the nearest million.

Assets as of the end of the nine months increased by 76.8 billion yen compared with the end of the previous fiscal year to 1,614.2 billion yen (US\$13,553 million), mainly due to the increase in inventory and tangible fixed assets. Liabilities also increased by 43.5 billion yen to 990.2 billion yen (US\$8,314 million), as interest-bearing liabilities arising from capital investment increased. Net assets totaled 624.0 billion yen (US\$5,239 million), of which stockholders' equity accounted for 565.2 billion yen (US\$4,745 million). As a result, equity ratio at the end of the nine months rose 0.1 percentage points to 35.0 %.

Forecast of Consolidated Results for the Year Ending March 31, 2007

(Millions of yen, millions of U.S. dollars)

	Forecast		Difference	Change	Revised Forecast
	Previous	Revised			
	Yen			%	U.S. dollars
Net sales	¥1,550,000	¥1,540,000	(¥10,000)	(0.6)	\$12,833
Operating income	104,000	102,000	(2,000)	(1.9)	850
Ordinary income	101,000	99,000	(2,000)	(2.0)	825
Net income	59,000	58,000	(1,000)	(1.7)	483

Reference: Forecast EPS (year ending March 31, 2007) ¥41.43

Forecast of Non-consolidated Results for the Year Ending March 31, 2007

(Millions of yen, millions of U.S. dollars)

	Forecast	
	Yen	U.S. dollars
Net sales	¥545,000	\$4,542
Operating income	41,000	342
Ordinary income	48,000	400
Net income	15,000	125

Reference: Forecast EPS (year ending March 31, 2007) ¥10.71

Notes:

1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥120=U.S.\$1, the estimated rate of exchange for the year ending March 31, 2007.
2. Amounts are rounded to the nearest million.

The Company revised its consolidated forecasts for the fiscal year ending March 31, 2007, reflecting severe business environment such as high levels of raw materials and fuel prices and rapid price decline of flat-panel displays. It left its non-consolidated forecasts unchanged from its previous announcement on November 8, 2006.

Consolidated Business Segment Information

(Millions of yen, *millions of U.S. dollars*)

Net Sales	Nine months ended December 31,			
	2006	2005	Change	2006
	Yen		%	<i>U.S. dollars</i>
Fibers and Textiles	¥457,811	¥431,909	6.0	\$3,844
Plastics and Chemicals	279,845	248,640	12.6	2,350
IT-related Products	197,175	169,236	16.5	1,656
Carbon Fiber Composite Materials	50,275	38,027	32.2	422
Environment and Engineering	96,844	90,200	7.4	813
Life Science and Other Businesses	47,676	48,530	(1.8)	400
Total	1,129,626	1,026,542	10.0	9,485
Elimination and Corporate	-	-	-	-
Consolidated Total	1,129,626	1,026,542	10.0	9,485

(Millions of yen, *millions of U.S. dollars*)

Operating Income	Nine months ended December 31,			
	2006	2005	Change	2006
	Yen		%	<i>U.S. dollars</i>
Fibers and Textiles	¥14,428	¥14,560	(0.9)	\$121
Plastics and Chemicals	12,631	13,252	(4.7)	106
IT-related Products	21,796	19,784	10.2	183
Carbon Fiber Composite Materials	13,012	8,711	49.4	109
Environment and Engineering	412	(761)	-	3
Life Science and Other Businesses	2,903	2,609	11.3	24
Total	65,182	58,155	12.1	547
Elimination and Corporate	(1,071)	(308)	-	(9)
Consolidated Total	64,111	57,847	10.8	538

(Millions of yen)

	(Reference) Fiscal 2005 ended March 31, 2006	
	Net Sales	Operating Income
Fibers and Textiles	¥580,549	¥20,687
Plastics and Chemicals	337,978	18,484
IT-related Products	234,994	31,264
Carbon Fiber Composite Materials	52,714	11,820
Environment and Engineering	154,135	4,920
Life Science and Other Businesses	67,118	6,453
Total	1,427,488	93,628
Elimination and Corporate	-	(585)
Consolidated Total	1,427,488	93,043

Notes:

1. U.S. dollar amount have been converted from yen at the exchange rate of ¥119.1=U.S.\$1, the approximate rate of exchange prevailing on December 31, 2006.
2. Amounts are rounded to the nearest million.

Disclaimer

The above stated forecasts are formulated based on estimates of future economic environment as of the announcement date of this material and the actual results could differ from the forecasts due to various factors in the future. The material in this statement is not a guarantee of the Company's future business performance.

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