

November 9, 2007

Toray Announces Consolidated Results for the Six Months Ended September 30, 2007

Tokyo, November 9, 2007 - Toray Industries, Inc. today announced its consolidated and non-consolidated business results for the six months ended September 30, 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 Financial Highlights

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

	Six months ended September 30,			2007	Year ended March 31, 2007
	2007	2006	Change		
	Yen		%	U.S. Dollars	Yen
Net sales	¥802,332	¥746,217	7.5	\$6,953	¥1,546,461
Operating income	44,027	42,905	2.6	382	102,423
Ordinary income	41,877	40,515	3.4	363	97,520
Net income	22,993	28,049	(18.0)	199	58,577

Depreciation	¥42,355	¥33,403	26.8	\$367	¥70,842
Capital investment	61,786	51,377	20.3	535	120,449
Total assets	1,711,397	1,561,826	9.6	14,830	1,674,447
Property, plant and equipment, net	670,090	594,868	12.6	5,807	643,370
Net assets	668,248	604,745	10.5	5,791	649,670

Per Share of common stock (yen)

Net Income Basic	¥16.43	¥20.03	(18.0)	-	¥41.84
Cash dividends	5.00	5.00	-	-	10.00
Net assets	438.03	392.07	11.7	-	421.51

Ratios (%)

Operating income to net sales	5.5%	5.7%	-	-	6.6%
Net income to net sales	2.9%	3.8%	-	-	3.8%
Equity ratio	35.8%	35.1%	-	-	35.2%
Return on equity	7.6%	10.3%	-	-	10.4%

Notes:

1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥115.4=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2007.
2. Amounts are rounded to the nearest million.

Consolidated Business Segment Information

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

Net Sales	Six months ended September 30,				Year ended March 31, 2007
	2007	2006	Change	2007	
	Yen		%	U.S. dollars	Yen
Fibers and Textiles	¥320,936	¥301,817	6.3	\$2,781	¥607,752
Plastics and Chemicals	199,393	184,607	8.0	1,728	375,292
IT-related Products	138,723	127,773	8.6	1,202	263,808
Carbon Fiber Composite Materials	39,888	31,901	25.0	346	68,593
Environment and Engineering	71,125	67,825	4.9	616	161,310
Life Science and Other Businesses	32,267	32,294	(0.1)	280	69,706
Total	802,332	746,217	7.5	6,953	1,546,461
Elimination and Corporate	-	-	-	-	-
Consolidated Total	802,332	746,217	7.5	6,953	1,546,461

Operating Income	Six months ended September 30,				Year ended March 31, 2007
	2007	2006	Change	2007	
	Yen		%	U.S. dollars	Yen
Fibers and Textiles	¥9,992	¥9,457	5.7	\$87	¥19,236
Plastics and Chemicals	8,956	8,664	3.4	78	19,232
IT-related Products	12,780	14,527	(12.0)	111	33,457
Carbon Fiber Composite Materials	8,164	8,837	(7.6)	71	18,084
Environment and Engineering	2,455	115	2034.8	21	5,953
Life Science and Other Businesses	2,445	1,963	24.6	21	8,151
Total	44,792	43,563	2.8	388	104,113
Elimination and Corporate	(765)	(658)	-	(7)	(1,690)
Consolidated Total	44,027	42,905	2.6	382	102,423

Notes:

1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥115.4=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2007.
2. Amounts are rounded to the nearest million.

Consolidated Geographic Segment Information

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

Net Sales	Six months ended September 30,				Year ended
	2007	2006	Change	2007	March 31, 2007
	Yen		%	U.S. dollars	Yen
Japan	¥549,014	¥532,695	3.1	\$4,757	¥1,104,923
Asia	167,712	138,322	21.2	1,453	290,570
North America, Europe & Others	85,606	75,200	13.8	742	150,968
Total	802,332	746,217	7.5	6,953	1,546,461
Elimination and Corporate	-	-	-	-	-
Consolidated Total	802,332	746,217	7.5	6,953	1,546,461

Operating Income	Six months ended September 30,				Year ended
	2007	2006	Change	2007	March 31, 2007
	Yen		%	U.S. dollars	Yen
Japan	¥33,410	¥33,319	0.3	\$290	¥80,712
Asia	5,747	5,280	8.8	50	12,079
North America, Europe & Others	5,751	5,056	13.7	50	9,818
Total	44,908	43,655	2.9	389	102,609
Elimination and Corporate	(881)	(750)	-	(8)	(186)
Consolidated Total	44,027	42,905	2.6	382	102,423

Overseas Sales

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

	Six months ended September 30,				Year ended
	2007	2006	Change	2007	March 31, 2007
	Yen		%	U.S. dollars	Yen
Asia	¥236,972	¥208,104	13.9	\$2,053	¥422,266
North America, Europe & Others	133,093	115,290	15.4	1,153	238,068
Total	370,065	323,394	14.4	3,207	660,334

Percentage against consolidated net sales	Six months ended September 30,		Year ended
	2007	2006	March 31, 2007
Asia	29.5 %	27.9 %	27.3%
North America, Europe & Others	16.6 %	15.4 %	15.4%
Total	46.1 %	43.3 %	42.7%

Notes:

1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥115.4=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2007.
2. Amounts are rounded to the nearest million.

Forecast of Consolidated Results for the fiscal year ending March 31, 2008

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

	Year ending March 31, 2008	
	Yen	<i>U.S. dollars</i>
Net sales	¥1,660,000	\$14,435
Operating income	108,000	939
Ordinary income	101,000	878
Net income	56,000	487

Notes:

1. If the impact of increases in depreciation costs due to the revision of Japanese taxation system in FY Mar/08 were excluded, the Group would expect operating income of ¥113,000 million (US\$983 million), up 10.3% from the prior year, ordinary income of ¥106,000 million (US\$922 million), an increase of 8.7%, and net income of ¥59,000 million (US\$513 million), up 0.7%.
2. U.S. dollar amounts have been converted from yen at the exchange rate of ¥115=U.S.\$1, the estimated rate of exchange for the second half of 2007(October 2007- March 2008).

Non-consolidated Financial Highlights

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

	Six months ended September 30,				Year ended March 31, 2007
	2007	2006	Change	2007	
	Yen		%	U.S. Dollars	Yen
Net sales	¥290,484	¥264,575	9.8	\$2,517	¥548,214
Operating income	14,782	17,326	(14.7)	128	42,845
Ordinary income	16,134	19,603	(17.7)	140	52,130
Net income	9,195	(1,820)	-	80	17,510

Depreciation	¥19,330	¥12,992	48.8	\$168	¥29,474
Capital investment	19,482	22,063	(11.7)	169	49,828
Total assets	1,049,831	968,942	8.3	9,097	1,044,104
Property, plant and equipment, net	278,510	273,453	1.8	2,413	283,768
Net assets	477,101	462,239	3.2	4,134	477,877

Per Share of common stock (yen)

Net Income Basic	¥6.57	¥(1.30)	-	-	¥12.50
Cash dividends	5.00	5.00	-	-	10.00
Net assets	340.65	330.02	3.2	-	341.20

Ratios (%)

Operating income to net sales	5.1%	6.5%	-	-	7.8%
Net income to net sales	3.2%	(0.7)%	-	-	3.2%
Equity ratio	45.4%	47.7%	-	-	45.8%
Return on equity	3.9%	(0.8)%	-	-	3.6%

Notes:

1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥115.4=U.S.\$1, the approximate rate of exchange prevailing on September 30, 2007
2. Amounts are rounded to the nearest million.

Forecast of Non-consolidated Results for the fiscal year ending March 31, 2008

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

	Year ending March 31, 2008	
	Yen	U.S. dollars
Net sales	¥600,000	\$5,217
Operating income	40,000	348
Ordinary income	46,000	400
Net income	26,000	226

Notes:

1. If the impact of increases in depreciation costs due to the revision of Japanese taxation system in FY Mar/08 were excluded, the Company would expect operating income of ¥44,000 million (US\$383 million), up 2.7% from the prior year, ordinary income of ¥50,000 million (US\$435 million), a decline of 4.1%, and net income of ¥29,000 million (US\$252 million), up 65.6%.
2. U.S. dollar amounts have been converted from yen at the exchange rate of ¥115=U.S.\$1, the estimated rate of exchange for the second half of 2007(October 2007 - March 2008).

1. Consolidated Business Results and Financial Condition

(1) Overview of First Half (April 2007 – September 2007)

During the six months under review, despite negative factors such as the impact of the subprime loan crisis in the U.S. and further rise in crude oil prices, the global economy on the whole remained strong. While the U.S. economy expanded at a modest pace reflecting the decline in housing construction figures among other factors, European economy enjoyed sustained expansion and the Asian economies led by China also continued to grow. In Japan, the economy saw slow but sustained expansion on the back of the underlying strength of consumer spending while capital investments by businesses suffered a temporary decline.

Under such circumstances, Toray Group advanced its efforts to implement measures under the new mid-term business strategies “Project Innovation TORAY 2010 (IT-2010)” launched in last October and promoted the expansion of businesses as well as revenues and profits through business structure reform and structural reinforcement.

As a result, consolidated net sales for the first half through September 30, 2007 increased 7.5% year-on-year to ¥802.3 billion (US\$6,953 million) and operating income rose 2.6% to ¥44.0 billion (US\$382 million). Ordinary income expanded 3.4% to ¥41.9 billion (US\$363 million), while net income declined 18.0% to ¥23.0 billion (US\$199 million). The results marked the fourth consecutive increase in terms of net sales and the second straight rise in first-half operating income and ordinary income.

Business Performance by Sector:

Fibers and Textiles

Regarding the Company and its domestic consolidated subsidiaries, nylon fiber performed strongly in particular for ground fabric of air bags and sales of *Tetoron** polyester fiber increased in uniform and women’s apparel applications. Transaction amounts at its trading firm subsidiaries also expanded. At the same time, in response to the steep rise in raw materials and fuel prices worldwide, Toray Group made efforts to transfer the cost increase on to the selling price. Consequently, overall sales of the Company and its domestic consolidated subsidiaries in the sector expanded compared with the same period a year earlier.

Overall sales of overseas consolidated subsidiaries in the segment also rose, led by increases at nylon yarn operation for air bag applications in Thailand, polypropylene spunbond operations in South Korea and polyester filament textile as well as polyester cotton blend textile operations in China.

As a result, overall sales of Fibers and Textiles increased 6.3% to ¥320.9 billion (US\$2,781 million) from the same period a year earlier. Operating income also rose 5.7% to ¥10.0 billion (US\$87 million) on year.

Plastics and Chemicals

In the plastic resins business, sales of engineering plastic resins such as *Amilan** nylon resin, *Toraycon** polybutylene terephthalate (PBT) resin and *Torelina** polyphenylene sulfide (PPS) resin saw strong growth mainly in the automobile sector, while *Toyolac** acrylonitrile butadiene styrene (ABS) resin expanded business both in

Japan and Malaysia. In addition, sales in the resin compound business as well as the molding and processing business in South China expanded, contributing to overall sales growth in the plastic resins business.

In the film business, sales of the Group's mainstay *Lumirror** polyester (PET) film continued to advance, reflecting the strong demand in industrial applications. Sales of *Torayfan** polypropylene film also expanded steadily thanks to higher demand in capacitors for hybrid vehicles as well as packaging applications in overseas markets, resulting in overall sales increase in the film business.

At the same time, in response to the steep rise in raw materials and fuel prices worldwide, efforts were made to transfer the cost increase on to the selling price.

As a result, the total sales for Plastics and Chemicals increased 8.0% year-on-year to ¥199.4 billion (US\$1,728 million) and operating income rose 3.4% to ¥9.0 billion (US\$78 million).

IT-related Products

Sales of the IT-related plastics and films business increased following efforts to expand sales of films and processed films in applications including flat panel displays and digital home electronic appliance while overseas plastics and molding operations also posted sales growth, resulting in overall sales increase in the business.

In the electronics and information related products business, while sales of polyimide coatings for semiconductors showed a significant increase, sales of liquid-crystal material for overseas markets declined and circuit materials slumped. Consequently, overall sales of the business declined compared with the same period a year earlier.

As a result, sales of IT-related Products increased 8.6% to ¥138.7 billion (US\$1,202 million) while operating income declined 12.0% to ¥12.8 billion (US\$111 million).

Carbon Fiber Composite Materials

In the Carbon Fiber Composite Materials segment, sales of carbon fiber *Torayca** and *Torayca prepreg* (sheet-form carbon fiber impregnated with epoxy resin) expanded steadily on the back of considerable growth in demand in aircraft applications such as newly developed Boeing 787 Dreamliner of U.S.-based Boeing Co. The demand for *Torayca** and *Torayca prepreg* is also growing rapidly in sports applications such as golf shafts, fishing equipment and high-end bicycles, as well as in industrial applications including CNG tanks for natural gas vehicles and civil engineering. Carbon fiber molded products (composites) also showed strong performance in the IT devices sector including computer chassis and in the industrial machinery sector.

As a result, overall sales of the Carbon Fiber Composite Materials segment rose 25.0% on year to ¥39.9 billion (US\$346 million). On the other hand, operating income of the segment fell 7.6% to ¥8.2 billion (US\$71 million), primarily reflecting an increase in depreciation cost caused by facility expansion and a rise in cost burden at the initial stage.

Environment and Engineering

Overall sales of the water treatment business remained flat from the same period a year earlier, despite strong sales of reverse osmosis membrane element primarily for

exports, as public sector demand for domestic water supply business continued to suffer.

Combined with the expansion of domestic engineering business at a domestic subsidiary, the total sales of Environment and Engineering increased 4.9% to ¥71.1 billion (US\$616 million). Operating income increased about 21-fold to ¥2.5 billion (US\$21 million).

On the production side, the production facility for reverse osmosis membrane element *Romembra** at Toray Membrane U.S.A, Inc., which was established in 2006, started its operations.

Life Science and Other Businesses

The pharmaceuticals and medical products business registered increased sales, as sales of its natural interferon preparation *Feron** grew thanks to the additional approval it received last year for treating compensated cirrhosis type C and a new artificial kidney product also performed strongly.

As a result, overall sales of the Life Science and Other Businesses segment remained largely unchanged from the same period a year earlier at ¥32.3 billion (US\$280 million), while operating income rose 24.6% to ¥2.4 billion (US\$21 million).

New Businesses and Investments

Toray Group embarked on expansion of the production capacity of *Romembra**, a reverse osmosis membrane element used in desalination of sea and brine water and in ultrapure water production systems for semiconductor manufacturing, at its Ehime Plant and the newly established Toray Membrane USA, Inc. In addition to the new U.S. plant, which started operations during the six months under review, the additional facility at the Ehime Plant is scheduled to start operations in this autumn. The Group is carrying out such business expansions in response to the rapid growth in the global reverse osmosis membrane market.

Also, the Group drafted the basic framework for making the Nagoya Plant into the core base for development of advanced materials for the “automobiles and aircraft” applications, and as a first step it decided to establish the “Automotive Center,” a technology development base for automobile applications. The Group aims to promote the development of advanced materials and revolutionary technologies, by responding to the developments and innovations happening on a global scale in the automobile industry with this Automotive Center as the base.

Forecast for Fiscal 2007 (Ending March 31, 2008)

In the second half of the current fiscal year, the global economy on the whole is expected to maintain its growth driven by the newly developing economies led by China even after accounting for any slowdown in the U.S. and European economies due to uncertainties surrounding the ramifications of subprime loan crisis and the direction of crude oil price. Although there are concerns of being influenced by the trends in overseas economies and crude oil prices, the Japanese economy is also expected to continue its gradual expansion with private-sector demand maintaining its growth.

Amid these conditions, Toray Group will work to reinforce the corporate structure and enhance the revenue base as set out in the new mid-term business strategy of IT-

2010, which envisions another great leap forward, based on the firm management foundation that the Company has built to date, to achieve the transformation into a highly profitable corporate group. For the full year of fiscal 2007, though there is the special factor of the increase in cost of depreciation stemming from the fiscal year 2007 taxation system revision, the Group expects both net sales and operating income to grow driven by improved profitability of the Foundation Businesses and expansion of the Carbon Fiber Composite Materials business. Specifically, it expects to achieve sales of ¥1,660 billion (US\$14,435 million), operating income of ¥108 billion (US\$939 million), ordinary income of ¥101 billion (US\$878 million), and net income of ¥56 billion (US\$487 million). When the impact of the tax revision-related increase in cost of depreciation is excluded, consolidated operating income is expected to total ¥113 billion (US\$983 million), up 10.3% compared to the previous fiscal year, while ordinary income is expected to increase by 8.7% to ¥106 billion (US\$922 million) and net income by 0.7% to ¥59 billion (US\$513 million). These forecasts are based on a foreign exchange rate of ¥115 to the U.S. dollar.

(2) Financial Position and Cash Flows

Analysis of Assets, Liabilities, Net Assets and Cash Flows

As of September 30, 2007, Toray Group's total assets stood at ¥1,711.4 billion (US\$14,830 million), up ¥37.0 billion from the level as of March 31, 2007, the end of the previous fiscal year. Current assets fell ¥2.1 billion due to decreases in trade receivables as well as in cash and time deposits, while fixed assets increased by ¥39.1 billion primarily reflecting increases in tangible fixed assets. Net assets came to ¥668.2 billion (US\$5,791 million), of which ¥613.1 billion (US\$5,313 million) accounted for net assets less minority interests. As a result, the equity ratio at the end of the first half was 35.8%, a 0.6 percentage-point increase compared with the end of the previous fiscal year.

For the six months ended September 2007, free cash flows, derived by subtracting the cash flows from investing activities from the cash flows from operating activities, was negative at ¥54.2 billion (US\$470 million). Cash flows, as well as changes in the balances of cash and cash equivalents, for the first half are as follows:

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

	Six months ended September 30,		
	2007	2006	2007
	Yen		U.S. \$
Cash flows from operating activities	28.9	17.0	251
Cash flows from investing activities	(83.1)	(57.6)	(720)
Balance (Free cash flows)	(54.2)	(40.6)	(470)
Cash flows from financing activities	38.6	16.2	335
Effect of exchange rate changes	1.5	0.0	13
Change in cash and cash equivalents for the period	(14.1)	(24.3)	(122)
Cash and cash equivalents at beginning of the period	72.1	87.0	625
Effect of changes in consolidated subsidiaries	-	0.1	-
Cash and cash equivalents at end of the period	58.0	62.7	503

Index of Cash Flows:

	Year ended March 31,				Six months ended September30, 2007
	2004	2005	2006	2007	
Equity ratio(%)	32.0	32.3	34.9	35.2	35.8
Market capitalization / Total assets (%)	52.2	48.0	87.8	71.2	74.6
Interest-bearing debt / Operating cash flow	4.2	3.5	4.2	6.9	-
Operating cash flow/Interest paid	16.5	21.6	14.9	8.4	5.9

Notes:

1. All indices are computed based on consolidated data.
2. Market capitalization equals the stock price at the end of the period multiplied by the number of shares outstanding at the end of the period (excluding treasury stock).
3. Operating cash flow is stated in the consolidated statements of cash flows. Interest-bearing debt is all debt included in the consolidated balance sheets on which interest is paid.
4. Interest-bearing debt/Operating cash flow is not calculated for the interim period.

(3) Policy on Distribution of Surplus Profits and Dividends for the Period under Review

Toray recognizes that its profit distribution policy is a vital matter for the Company, and accordingly is committed to distributing such profits fairly through comprehensive consideration of every factor, including business results, financial conditions and retention of earnings necessary for future investment.

Taking into consideration the business performance during the six months under review and considering the outlook for the full year through March 2008, Toray is proposing to pay an interim dividend of ¥5.00 per share of common stock.

Notes:

1. U.S. dollar amounts have been converted from yen at the exchange rate of ¥115.4 = U.S.\$1, the approximate rate of exchange prevailing on September 30, 2007.
2. U.S. dollar amounts of Forecast for FY Mar/08 have been converted from yen at the exchange rate of ¥115=U.S.\$1, the estimated rate of exchange for the second half of 2007 (October 2007 - March 2008).
3. Product names with (*) abbreviation are trademarks of Toray Industries, Inc.

2. Management Policies

There are no significant changes to the contents disclosed under the results announcement for Fiscal 2007 (announced May 9, 2007).

The aforementioned results may be accessed from the following URLs.

Toray's website: http://www.toray.com/ir/finance/html/fin_a001.html

Disclaimer

Descriptions of predicted business results, forecasts and business plans contained in this material are based on predictive forecasts of the future business environment made at the present time. The material in this statement is not a guarantee of the Company's future business performance.

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