

Reference**Strategic Business Expansion of
Carbon Fiber, Torayca***

**- Production Capacity Increase of
25 Billion Yen Investment in Japan,
Seeking for Carbon Fiber Sales of
more than 110 Billion Yen in 2010 -**

Toray Industries, Inc.

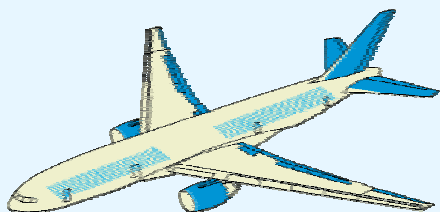
Boeing B787

- Number of Seating : 200 ~ 300
- Fuel Efficiency : 20% less fuel
than other models at its size
- Cruising Range : 6,500 – 16,000km
- Cruise Speed : Mach 0.85
- Entry into Service : 2008
- CFRP : Approx. 35t / jet



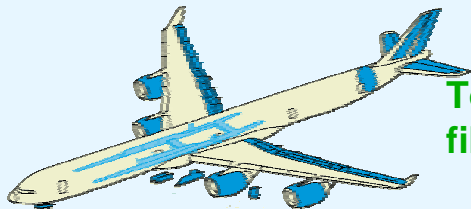
Increase of Carbon Fibers Composite Materials for Aircraft Application

Boeing 777



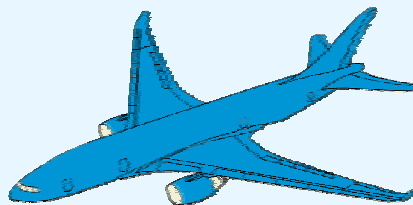
Toray's prepreg, the only prepreg selected as primary structure

Airbus A340-500/600



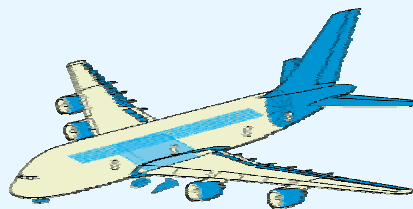
Toray's carbon fibers selected

B 787 (Delivery 2008)



Increase of composite materials applied to structure materials

A380 (Delivery 2006)



Widely applied to primary structure

Further expansion of Carbon Fibers Composite Materials usage in developing models

Year	1982	1995	2006	2008
Model	B 767, etc.	B 777	A380	B 787
Structures	Secondary	Primary / Secondary	Primary / Secondary	Primary / Secondary
Amount of CFRP / aircraft	1.5 tons (B767)	Approx. 10 tons	Approx. 35 tons (estimate)	Approx. 35 tons (estimate)
Amount of CF / aircraft	1 ton (B767)	Approx. 7 tons	Approx. 23 tons (estimate)	Approx. 23 tons (estimate)

Characteristics of PAN-based Carbon Fibers

Characteristics of PAN-based Carbon Fibers

1. Lightweight --- 1/4 specific gravity of steel
2. Strong --- 10 times as strong as steel
3. Rust retardant / Corrosion resistance
4. Others
 - Radiolucent
 - Chemical Resistance
 - Heat or Ultra-low Temperature Resistance

Characteristics of PAN / Pitch Type

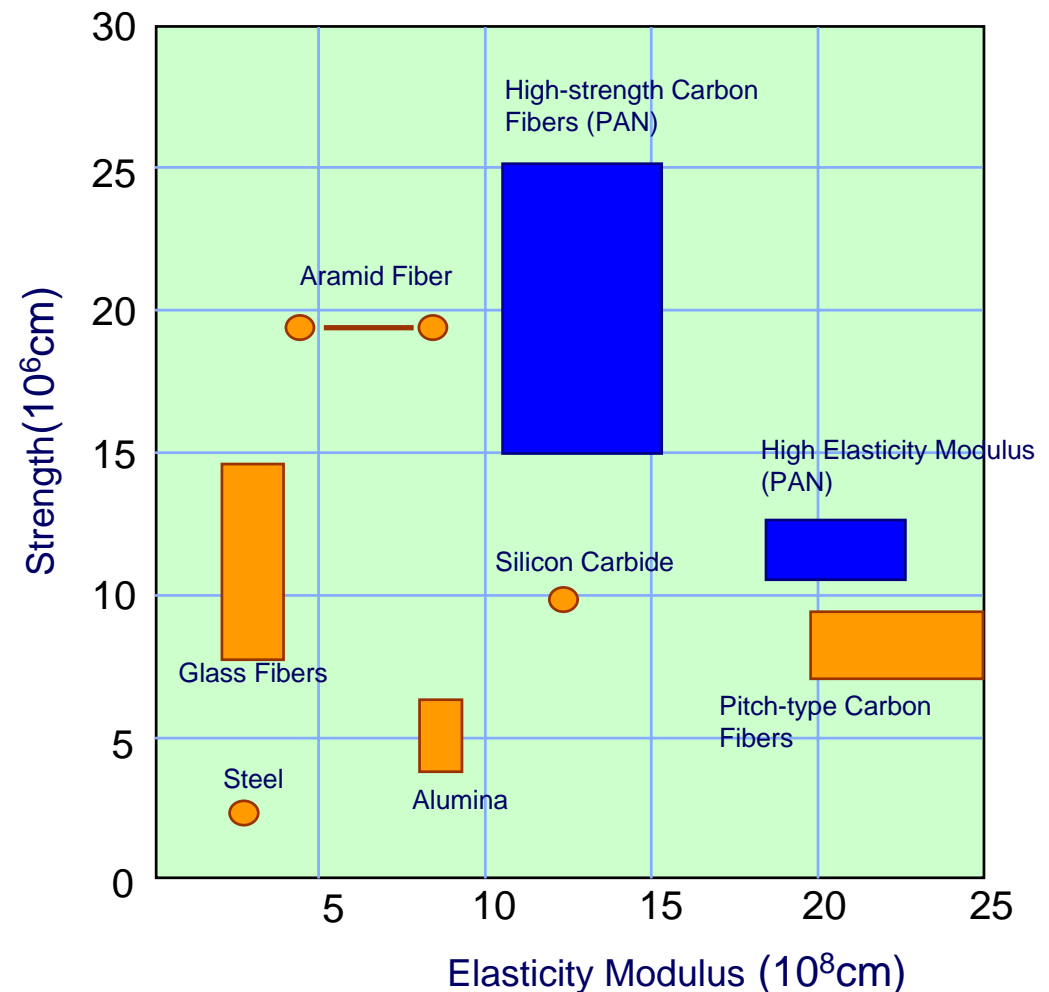
PAN-based

- High-strength
- Compatible with CFRP (Carbon Fibers Reinforced Plastics)
- Good balance with elasticity modulus

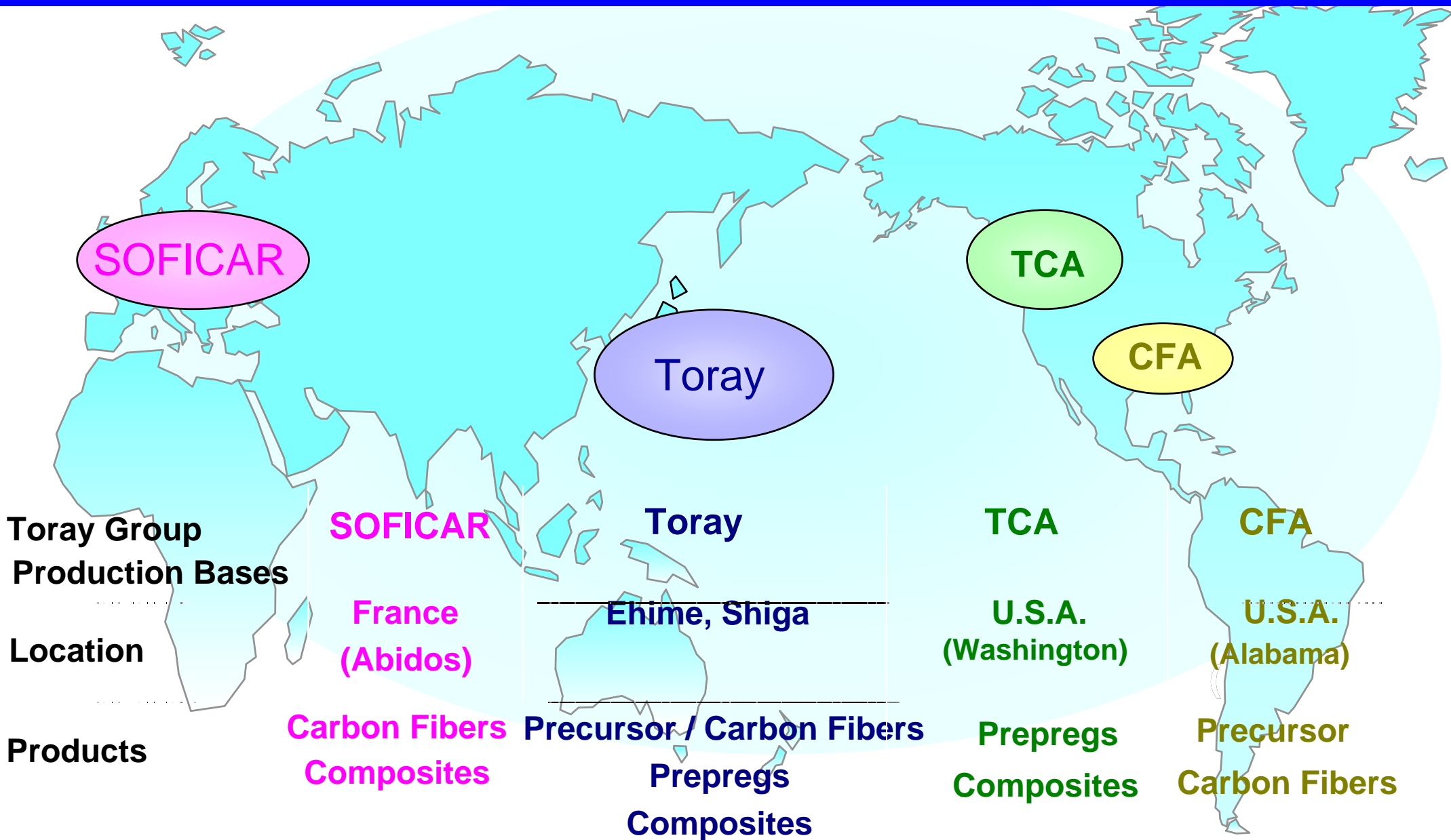
Pitch-type

- Higher elasticity modulus compared to PAN-based carbon fibers
- Lower material cost compared to PAN-based carbon fibers

Performance Comparison by Product

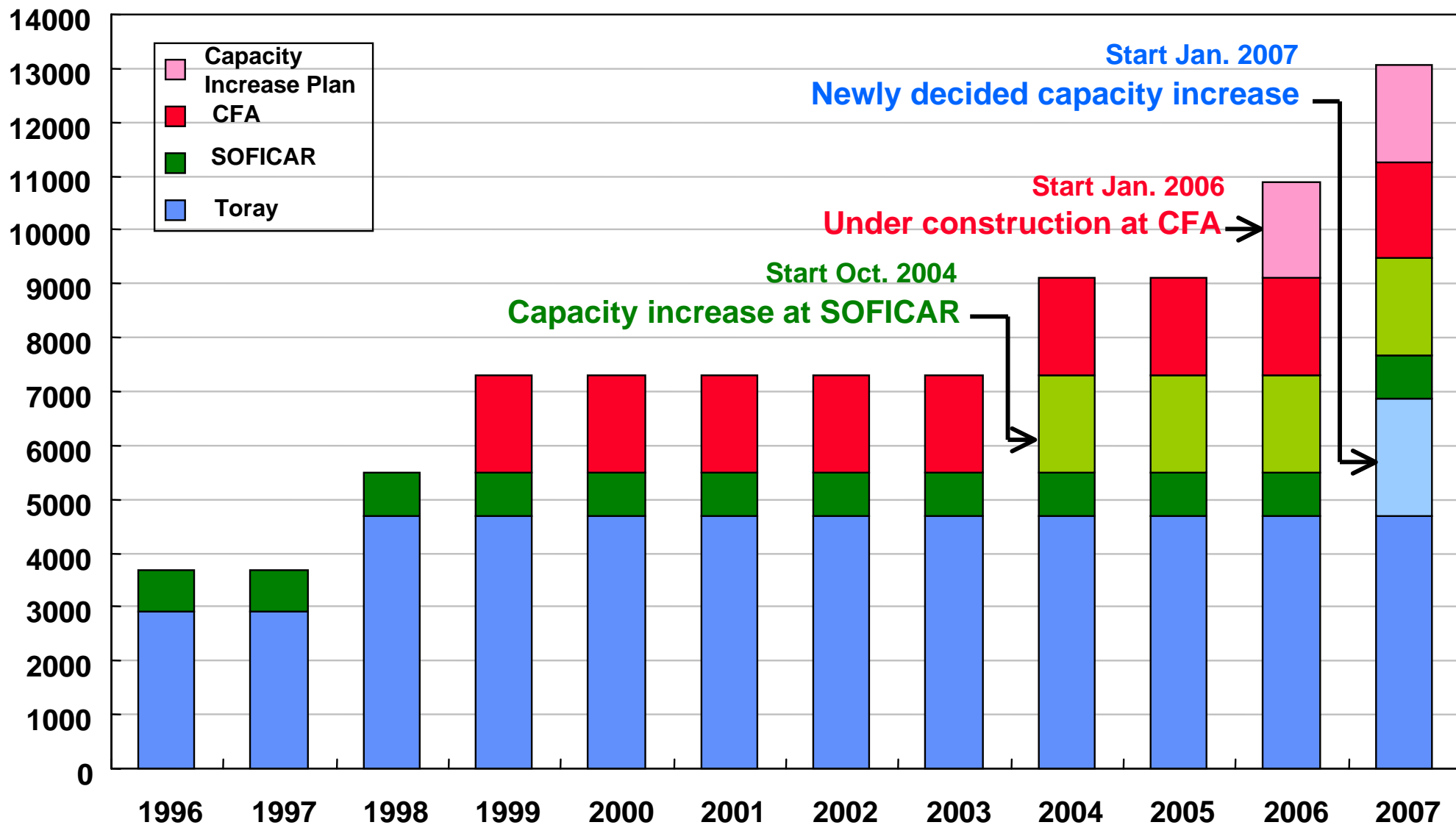


Global Operation of Toray Carbon Fibers Businesses

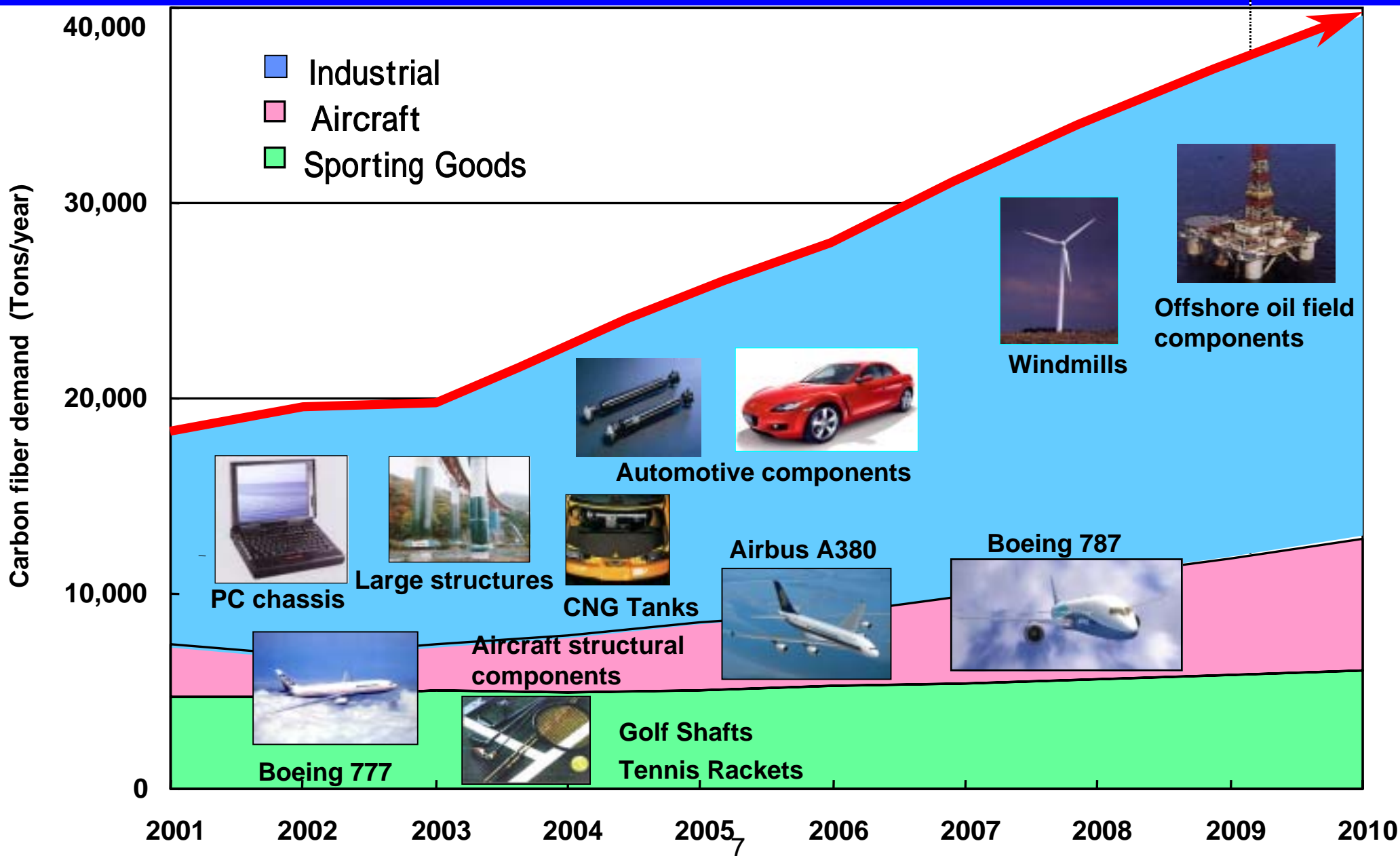


Production Capacity Trends and Plans of Toray Group Carbon Fibers

Tons / yr



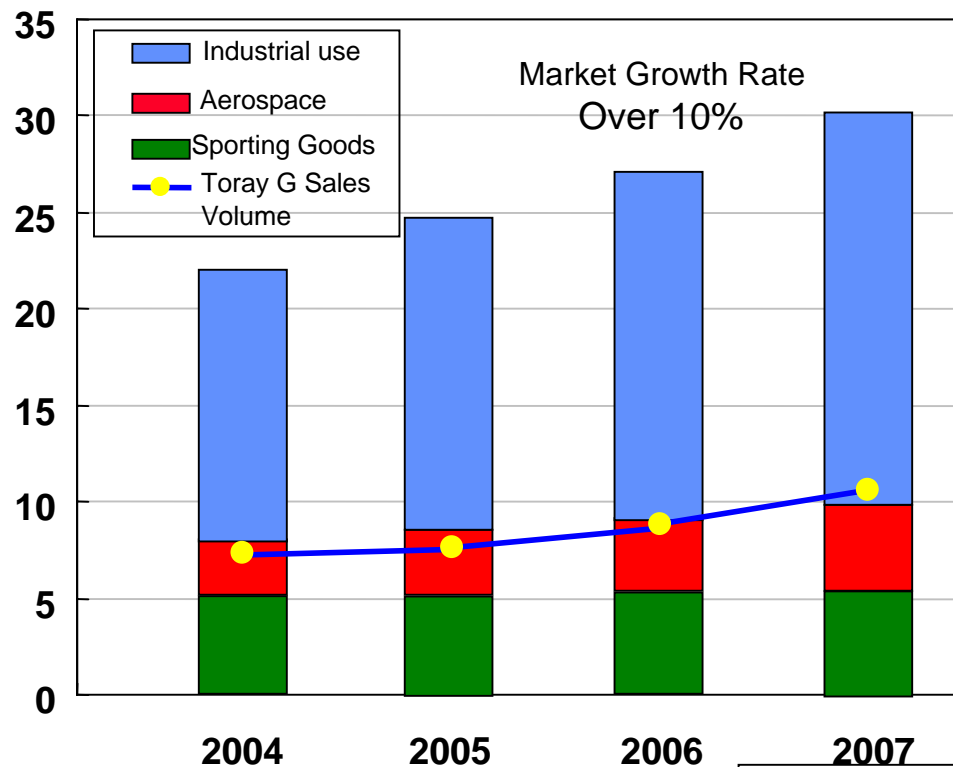
Market Expansion of Carbon Fibers



World CF Demand Forecast and Toray Group Sales Plan by Application and by Region

CF Demand Forecast (by application)

Thousand tons / yr

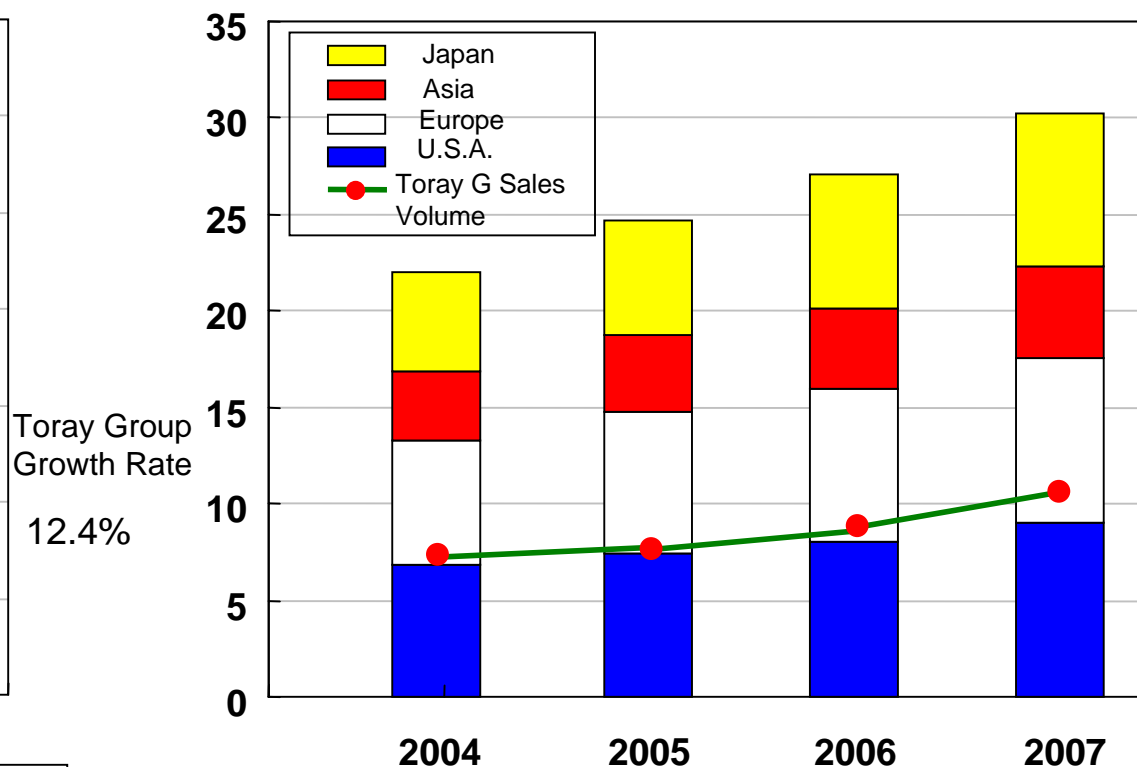


Toray Share
34%

Toray Share
35%

CF Demand Forecast by Region

Thousand tons / yr

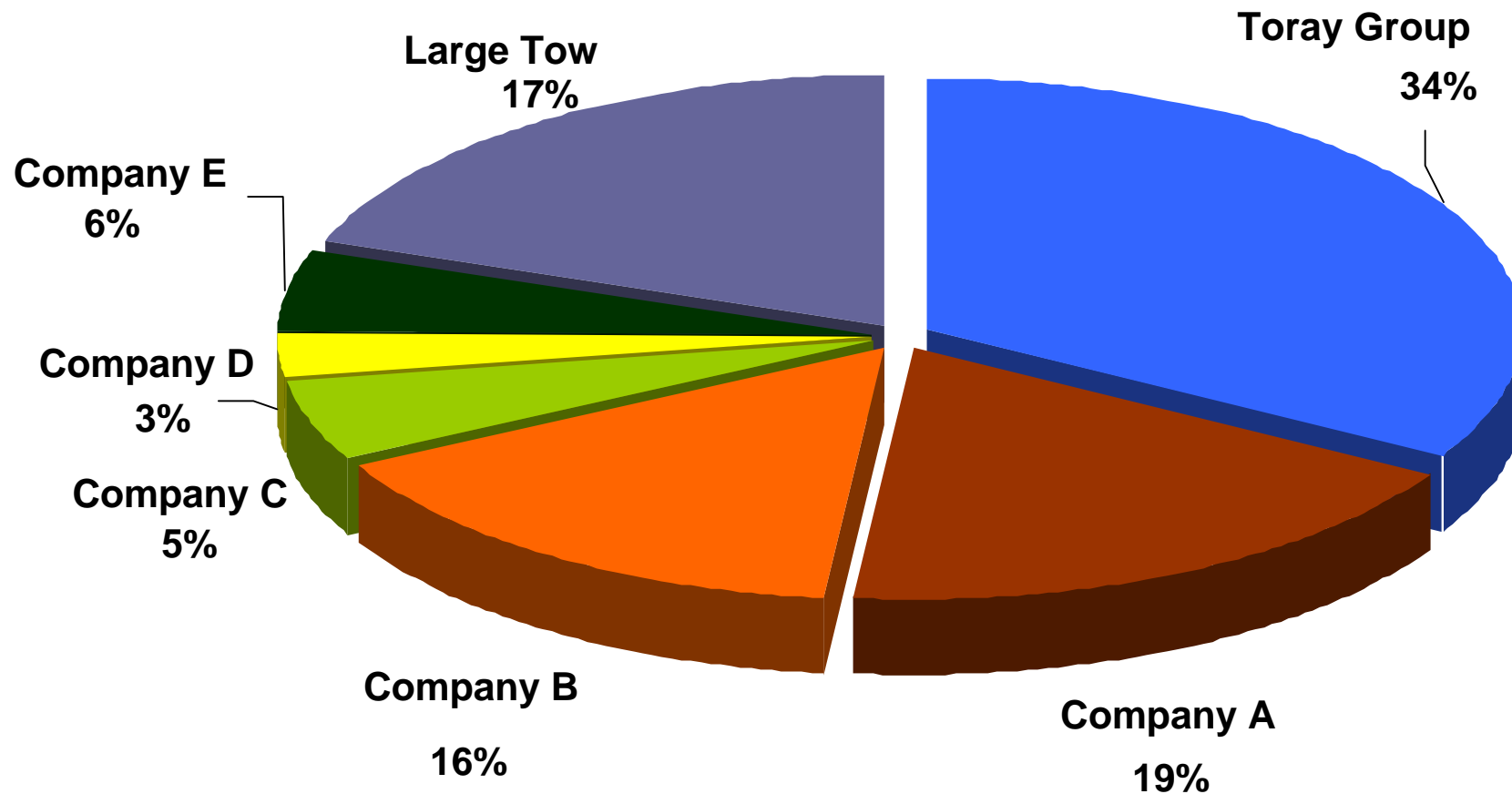


Toray Group
Growth Rate
12.4%

(include large toe)

World Market Share of PAN-based Carbon Fibers

Total : 22,000 tons (2004)



<Toray estimation>

Reference

Toray Group Production Capacity of Carbon Fibers (tons / yr)

	Present	2006	2007
Japan (Ehime)	4,700 tons	4,700 tons	6,900 tons
France (SOFICAR)	2,600 tons	2,600 tons	2,600 tons
U.S.A. (CFA)	1,800 tons	3,600 tons	3,600 tons
Group Total	9,100 tons	10,900 tons	13,100 tons

Toray Group Production Capacity of Prepregs (thousand m² / yr)

	Present	2006	2007
Japan (Ehime)	5,000 thousand m ²	5,000 thousand m ²	10,800 thousand m ²
U.S.A. (TCA)	5,200 thousand m ²	11,400 thousand m ²	11,400 thousand m ²
Group Total	10,200 thousand m ²	16,400 thousand m ²	22,200 thousand m ²

Consolidated Business Trends of Toray Composite Materials Businesses

Consolidated	Net Sales	Operating Income
Mar / 03 Actual	34.6 bill ¥	2.4 bill ¥
Mar / 04 Actual	37.3 bill ¥	3.6 bill ¥
Mar /05 Forecast	(47.0 bill ¥)	(6.0 bill ¥)

Descriptions of forecasted business results, expectations, estimation, 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 presentation is not a guarantee of the Company's future business performance.