

May 10, 2010

Toray Industries, Inc.

Toray Signs Long-term Basic Supply Agreement with EADS (Airbus) to Supply Carbon Fiber Prepreg

Toray Industries, Inc. (headquarters: Chuo-ku, Tokyo, Japan; President & CEO: Sadayuki Sakakibara; hereinafter referred to as "Toray") today announced that it signed a long-term basic supply agreement with the aerospace and defence company EADS to supply carbon fiber prepreg for aircraft application primarily for Airbus S.A.S. over 15 years through 2025.

EADS is Europe's largest aerospace corporate group comprising the globally leading aircraft manufacturer Airbus as well as the helicopter manufacturer Eurocopter, the space provider Astrium and the EADS Defence & Security division. Until now, Toray has been supplying high-quality and high-performance carbon fibers to EADS through prepreg manufacturers which produce and supply carbon fiber prepreg. The agreement this time enables a framework for Toray to directly supply a wider range of products, including its high-performance carbon fiber prepreg to EADS.

The demand for carbon fiber for aircraft application had been stagnant since 2008. However, there are signs of recovery and expansion of the market, as major aircraft manufacturers revise up the number of aircraft production. Airbus has been using carbon fiber composite materials in primary and secondary structural material of A320 Single Aisle Family, A330-A340, Long Range Family and A380. With the A350 XWB, a new generation Long-Range medium-sized jet airplane, carbon fiber composite materials will be used in a significant scale in wings and fuselage. The production of this new aircraft is expected to dramatically increase the use of carbon fiber composite materials at Airbus.

Toray is currently in the process of qualifying for its intermediate-modulus carbon fiber prepreg and will also make active efforts so that its prepreg will be adopted for existing and new aircraft models that Airbus may develop in the future.

Toray positions aircraft application as the core application of its high-performance carbon fibers and it boasts a roughly 60% market share in carbon fibers for aircraft application. The long-term basic supply agreement signed this time is expected to strengthen Toray's relationship with EADS, in particular with Airbus, and to enable it to further increase the supply of high quality, high-performance materials for aircraft applications, thus cementing its position as the leading company in the said application.

Under its new medium-term management program Project IT-II launched in April 2009, Toray has been promoting a growth strategy to provide solutions to issues related to environment, natural resources and energy, as well as low birthrate and longevity. The Carbon Fiber Composite Materials business is at the heart of this strategy and Toray, as the world leader in this field, shall strive to further strengthen its financial and business position and expand its businesses by actively pursuing enhanced alliances with prominent partners.

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