

Consolidated Preliminary Financial Report for the First Quarter ended June 30, 2007**Toyobo Co., Ltd.**

Listed on the First Section of both the TSE and OSE

Stock Code: 3101

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(Figures are rounded to the nearest million yen.)

1. Consolidated Business Performance**(1) Consolidated Operating Results**

First quarter ended June 30

Percentages indicate year-on-year increase/ (decrease).

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2007	101,702	0.8	5,927	(16.3)	5,307	(19.8)	3,043	(12.4)
2006	100,943	7.1	7,082	4.1	6,614	2.9	3,476	16.2
Year ended March 31, 2007	426,666		30,435		25,342		13,472	

	Net income per share	Net income per share after dilution
	Yen	Yen
2007	4.36	4.10
2006	4.99	---
Year ended March 31, 2007	19.32	19.22

(2) Consolidated Financial Position

At June 30

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2007	510,257	153,047	26.3	192.62
2006	525,163	142,363	23.6	177.68
Year ended March 31, 2007	513,191	152,224	26.0	191.28

(3) Consolidated Cash Flows

First quarter ended June 30

	Cash flow provided by operating activities	Cash flow used in investing activities	Cash flow used in financing activities	Cash and cash equivalent at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
2007	1,492	(1,569)	(1,992)	11,995
2006	2,246	(3,315)	3,054	14,349
Year ended March 31, 2007	27,064	(2,925)	(22,439)	14,140

2. Dividends

Financial statements have been abridged as Toyobo does not pay dividends for the first quarter.

3. Forecasts for Fiscal Year ending March 31, 2008

Percentages indicate year-on-year increase.

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim period	215,000	0.7	15,500	1.7	13,000	1.3
Fiscal year	435,000	2.0	30,500	0.2	25,500	0.6

	Net income		Net income per share
	Millions of yen	%	Yen
Interim period	6,500	2.4	9.31
Fiscal year	13,500	0.2	19.34

The forward-looking statements made in this document, including the aforementioned forecasts, are based on all information available to the management at the time of this document's release. Actual results may differ from the results anticipated in the statements.

4. Other Items

- (1) Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): None
- (2) Adoption of simplified accounting methods: Yes
- (3) Changes in accounting methods from recent consolidated fiscal years: Yes

Note: For further details, see page 3, "4. Other Items in Qualitative Information and Financial Statements"

QUALITATIVE INFORMATION ON BUSINESS RESULTS AND FINANCIAL STATEMENTS

1. Qualitative Information on Consolidated Business Results

During the first quarter of fiscal 2008 (April 1, 2007 through June 30, 2007), the Toyobo Group posted consolidated net sales of ¥101,702 million, operating income of ¥5,927 million, ordinary income of ¥5,307 million, and net income of ¥3,043 million. Net sales were basically in line with plan, but earnings were down compared to the same period of the previous fiscal year due to such factors as rising prices for raw materials and fuel, and inventory adjustments in end-user industries.

Business results by segment are as follows.

Films and Functional Polymers

Sales in this segment rose from the same period of the previous fiscal year as a result of aggressive sales efforts in the consumer electronics and automotive fields. In the films business, sales of packaging films increased due to efforts to expand sales centered on polyolefin films. Sales of industrial films also rose overall despite the impact from inventory adjustments in end-user industries that have continued from the second half of the previous fiscal year, mainly in the field for televisions and computers with liquid crystal and optical applications. In the functional polymers business, sales of engineering plastics rose as a result of aggressive sales development activities both in Japan and overseas, centered on the automotive field.

Industrial Materials

Sales of airbag fabrics continued to rise amid expanded automobile production capacity globally, and widespread inclusion of airbags as standard equipment. Sales of tire cords were down due to a decline in demand in North America. Sales of the high-performance fiber "DYNEEMA" remained strong for use in safety gloves, fishing lines, and ropes for large ships. To meet this robust demand, Toyobo is currently increasing its production capacity. In the filters business, sales picked up as solvent adsorption equipment that uses activated carbon fiber was adopted by flat panel display-related factories. Revenue from "PROCON," a PPS (polyphenylene sulfide) fiber for bag filters that is effective in preventing airborne contaminants, increased substantially due to growing demand from thermal power plants both in Japan and overseas. Shipments of both non-woven filament fabrics and non-woven staple fabrics were favorable to the civil engineering, construction, and automotive fields.

Life Science

In the bio-science business, sales of enzymes for diagnostic reagents continued to grow steadily, but were sluggish for research-use reagents, and sales declined overall. In contract manufacturing of pharmaceuticals, sales rose as with the stable operation of a new injectable solution production line. In functional membranes, sales of hollow fiber membranes for artificial kidneys increased. Sales of desalination membranes rose significantly as a result of shipments for new large-scale projects in the Middle East region, and orders for replacement membranes at existing plants.

Textiles

Sales in the textiles business rose on the back of continued strong exports to the Middle East region. Sales of the acrylic fiber "EXLAN" rose with price revisions to reflect higher raw material costs, and in accordance with sales expansion efforts of specialized textiles. Revenue in this segment declined overall as a result of ongoing contraction of commodity-type products and other unprofitable products at Group companies.

Other Businesses

In this segment, performance in the engineering, real estate, information processing services, logistics services and other businesses was essentially in line with plan.

2. Qualitative Information on the Consolidated Financial Position

Total assets at the end of the subject first quarter decreased ¥2,934 million from March 31, 2007 (the end of fiscal 2007) to ¥510,257 million. This was due mainly to a ¥2,238 million decrease in cash and cash equivalents, and a ¥1,707 million decrease in property, plant and equipment.

Liabilities decreased ¥3,757 million to ¥357,210 million. This was due mainly to a ¥2,960 million decrease in accrued income taxes, and a ¥2,040 million decrease in accrued employees' bonuses.

Net assets increased ¥823 million to ¥153,047 million. This was due mainly to gains from ¥3,043 million in net income for the subject fiscal period, and ¥893 million from a decline in net unrealized holding gains on securities, against declines mainly of ¥3,491 million in dividends paid. As a result, the owners' equity ratio was 26.3%.

Net cash provided by operating activities amounted to ¥1,492 million. This mainly reflected ¥4,577 million in income before income taxes; ¥4,376 million in depreciation and amortization; and ¥4,729 million in income taxes paid.

Net cash used in investing activities amounted to ¥1,569 million. This mainly reflected ¥2,943 million in expenditures for the acquisition of property, plant and equipment.

Net cash used in financing activities amounted to ¥1,992 million. This mainly reflected ¥4,163 million in repayment of long-term debt; and ¥3,678 million in cash dividends (including cash dividends to minority interests); against ¥5,272 million in proceeds from short-term borrowings; and ¥1,700 million in proceeds from long-term debt.

As a result, the balance of cash and cash equivalents at the end of the subject first quarter decreased ¥2,145 million compared to March 31, 2007 (the end of fiscal 2007), to ¥11,995 million.

3. Qualitative Information on Consolidated Forecasts

First quarter earnings were down from the same period of the previous fiscal year due to the impact from such factors as rising prices for raw materials and fuel, and inventory adjustments in end-user industries. However, these inventory adjustments are largely concluded, and shipments of industrial films and other specialty business products are on a recovery trend, so Toyobo is making no change to its forecasts announced on May 8, 2007.

4. Other Items

(1) Significant changes in subsidiaries during the subject fiscal year (Transfer of particular subsidiaries following a change in the scope of consolidation): None

(2) Adoption of simplified accounting methods

Income taxes are calculated simply from the full value of taxable income, and recorded at the legal effective rate.

(3) Changes in accounting methods from recent consolidated fiscal years

In accordance with revisions to the corporate tax code, from the subject fiscal year the method for depreciation of property, plant and equipment acquired on or after April 1, 2007, is based on the revised corporate tax code. Also, the method for depreciation of the remaining book value of existing property, plant and equipment amortized up to its depreciable limit has been changed to equal amortization over a five-year period from the fiscal year following the completion of amortization. As a result of these accounting changes, compared to calculation under the former method, operating income for the first quarter of the subject fiscal year declined ¥387 million, with ordinary income and income before income taxes each down ¥434 million.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	March 31, 2007	June 30, 2007	Change	June 30, 2006
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
ASSETS				
Current assets:				
1. Cash and cash equivalents	14,470	12,232	(2,238)	14,876
2. Notes and accounts receivable	90,730	85,004	(5,725)	92,086
3. Inventories	92,092	98,406	6,314	94,178
4. Deferred tax assets	4,576	4,511	(65)	3,967
5. Other	12,038	14,623	2,585	11,509
6. Allowance for doubtful receivables	(1,020)	(944)	76	(1,187)
Total current assets	212,885	213,832	947	215,429
Fixed Assets:				
1. Property, Plant and Equipment				
(1) Buildings and structures	47,690	47,547	(143)	48,892
(2) Machinery and equipment	59,221	58,801	(419)	62,282
(3) Land	116,076	116,306	230	116,732
(4) Construction in progress	5,120	3,030	(2,090)	3,429
(5) Other	2,778	3,493	716	2,772
Total property, plant and equipment	230,885	229,178	(1,707)	234,107
2. Intangible assets				
(1) Goodwill	979	884	(95)	---
(2) Other	1,891	1,881	(10)	2,292
Total intangible assets	2,870	2,766	(104)	2,292
3. Investments and other assets				
(1) Investment securities	45,801	45,547	(254)	52,885
(2) Long-term loans	4,501	4,307	(195)	4,395
(3) Deferred tax assets	12,296	11,660	(636)	12,181
(4) Other	7,726	7,758	32	8,336
(5) Allowance for doubtful receivables	(3,772)	(4,791)	(1,018)	(4,462)
Total investments and other assets	66,551	64,481	(2,070)	73,335
Total fixed assets	300,306	296,425	(3,881)	309,734
Total assets	513,191	510,257	(2,934)	525,163

	March 31, 2007	June 30, 2007	Change	June 30, 2006
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
LIABILITIES				
Current Liabilities:				
1. Notes and accounts payable	62,793	63,439	647	61,204
2. Short-term borrowings	77,436	82,795	5,358	103,956
3. Long-term debt due within one year	21,519	22,007	488	37,196
4. Bonds maturing within one year	300	10,000	9,700	600
5. Accrued income taxes	5,123	2,164	(2,960)	4,002
6. Deferred tax liabilities	90	79	(11)	95
7. Accrued expenses	4,232	5,067	834	4,614
8. Deposits received	15,520	14,408	(1,112)	14,987
9. Accrued employees' bonuses	4,676	2,636	(2,040)	2,743
10. Other	11,766	11,046	(720)	11,646
Total current liabilities	203,457	213,640	10,183	241,043
Long-term Liabilities:				
1. Bonds	10,000	---	(10,000)	10,000
2. Convertible bond-type bond with stock acquisition rights	20,000	20,000	---	---
3. Long-term debt	64,983	62,237	(2,746)	65,945
4. Deferred tax liabilities	7,464	7,238	(226)	9,308
5. Deferred tax liabilities on revaluation	28,164	28,164	---	28,164
6. Employees' severance and retirement benefits	16,989	16,322	(667)	19,730
7. Directors' and statutory auditors' retirement benefits	1,366	1,248	(118)	1,123
8. Negative goodwill	2,243	2,042	(201)	1,619
9. Other	6,300	6,318	18	5,867
Total long-term liabilities	157,511	143,570	(13,941)	141,757
Total liabilities	360,968	357,210	(3,757)	382,800

	March 31, 2007	June 30, 2007	Change	June 30, 2006
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
NET ASSETS				
Shareholders' equity:				
Common stock	43,341	43,341	---	43,341
Capital surplus	16,033	16,034	1	16,086
Retained earnings	28,131	27,627	(503)	18,695
Treasury stock, at cost	(235)	(245)	(10)	(439)
Total shareholders' equity	87,269	86,757	(512)	77,682
Valuation and translation adjustments:				
Net unrealized holding gain on securities	8,909	9,802	893	10,577
Deferred losses on hedges	(67)	(6)	61	(44)
Land revaluation excess	39,996	39,996	---	39,996
Revaluation excess-foreign	6,620	6,620	---	6,620
Foreign currency translation adjustments	(9,206)	(8,718)	488	(11,048)
Total valuation and translation adjustments:	46,252	47,694	1,442	46,101
Minority interests in consolidated subsidiaries	18,702	18,596	(107)	18,581
Total net assets	152,224	153,047	823	142,363
Total liabilities and net assets	513,191	510,257	(2,934)	525,163

(2) Consolidated Statements of Income

First Quarter ended June 30

	2006	2007	Change		Year ended March 31, 2007
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
Net sales	100,943	101,702	759	0.8	426,666
Cost of sales	78,668	80,642	1,974	2.5	335,369
Gross profit	22,275	21,060	(1,215)	(5.5)	91,297
Selling, general and administrative expenses	15,193	15,133	(60)	(0.4)	60,862
Operating income	7,082	5,927	(1,155)	(16.3)	30,435
Non-operating income:					
1. Interest income	114	145	31	27.0	396
2. Dividend income	427	494	67	15.7	1,045
3. Rent	195	246	51	26.2	761
4. Amortization on negative goodwill	144	230	86	59.5	889
5. Equity in income of unconsolidated subsidiaries and affiliates	419	227	(193)	(46.0)	772
6. Other	436	313	(123)	(28.1)	2,363
Total non-operating income	1,737	1,656	(80)	(4.6)	6,226
Non-operating expenses:					
1. Interest expense	784	834	51	6.5	3,229
2. Retirement benefits for employees for prior periods	395	403	8	2.0	1,637
3. Salaries paid to dispatched employees	267	248	(19)	(6.9)	1,275
4. Other	759	791	32	4.2	5,179
Total non-operating expenses	2,205	2,277	72	3.3	11,320
Ordinary income	6,614	5,307	(1,308)	(19.8)	25,342

First Quarter ended June 30

	2006	2007	Change		Year ended March 31, 2007
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
Extraordinary income:					
1. Gain on sale of property, plant and equipment	5	1	(4)		1,305
2. Gain on sale of investment securities	---	---	---		5,154
3. Gain on amortization of cross holding shares	---	---	---		5
4. Reversal of allowance for doubtful receivables	---	63	63		---
Total extraordinary income	5	64	59		6,464
Extraordinary loss:					
1. Loss on sale of property, plant and equipment	5	4	(1)		53
2. Loss on disposal of property, plant and equipment	13	27	14		2,612
3. Evaluation loss on investment securities	---	---	---		1,130
4. Special allowance for doubtful receivables	---	---	---		825
5. Special loss on liquidation of affiliates	---	---	---		389
6. Special loss on restructuring of businesses	158	297	139		2,730
7. Losses on revaluation of inventories	---	---	---		2,414
8. Losses related to lawsuits	317	466	149		780
9. Impairment loss	---	---	---		787
Total extraordinary loss	493	794	301		11,720
Income before income taxes	6,127	4,577	(1,550)		20,086
Provision for income taxes	2,526	1,681	(844)		7,617
Provision for income taxes (deferred)	(14)	(318)	(303)		(1,518)
Minority interest in income of consolidated subsidiaries	140	170	31		515
Net income	3,476	3,043	(433)	(12.4)	13,472

(3) Consolidated Statement of Changes in Shareholders' Equity

First quarter ended June 30, 2006

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of March 31, 2006	43,341	16,088	18,556	(416)	77,567
Change in three months ended June 30, 2006					
Dividend from surplus			(3,492)		(3,492)
Net income			3,476		3,476
Decrease due to increase in consolidated subsidiaries			(94)		(94)
Increase due to decrease in consolidated subsidiaries			247		247
Adjustments for reversal of revaluation of land			2		2
Purchase of treasury stock				(23)	(23)
Net change during the term under review except in shareholders' equity					
Total	---	---	138	(23)	115
Balance as of June 30, 2006	43,341	16,086	18,695	(439)	77,682

	Valuation and Translation Adjustments						Minority interest in consolidated subsidiaries	Total net assets
	Net unrealized holding gains on securities	Deferred losses on hedges	Land revaluation excess	Revaluation excess-foreign	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of March 31, 2006	12,640	---	39,998	6,620	(11,682)	47,576	17,294	142,437
Change in three months ended June 30, 2006								
Dividend from surplus								(3,492)
Net income								3,476
Decrease due to increase in consolidated subsidiaries								(94)
Increase due to decrease in consolidated subsidiaries								247
Adjustments for reversal of revaluation of land								2
Purchase of treasury stock								(23)
Net change during the term under review except in shareholders' equity	(2,063)	(44)	(2)	---	634	(1,475)	1,287	(188)
Total	(2,063)	(44)	(2)	---	634	(1,475)	1,287	(73)
Balance as of June 30, 2006	10,577	(44)	39,996	6,620	(11,048)	46,101	18,581	142,363

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of March 31, 2007	43,341	16,033	28,131	(235)	87,269
Change in three months ended June 30, 2007					
Dividend from surplus			(3,491)		(3,491)
Net income			3,043		3,043
Decrease due to increase in consolidated subsidiaries			(4)		(4)
Decrease due to decrease in consolidated subsidiaries			(51)		(51)
Purchase of treasury stock				(11)	(11)
Sale of treasury stock		1		1	2
Net change during the term under review except in shareholders' equity					
Total	---	1	(503)	(10)	(512)
Balance as of June 30, 2007	43,341	16,034	27,627	(245)	86,757

	Valuation and Translation Adjustments						Minority interest in consolidated subsidiaries	Total net assets
	Net unrealized holding gains on securities	Deferred losses on hedges	Land revaluation excess	Revaluation excess-foreign	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of March 31, 2007	8,909	(67)	39,996	6,620	(9,206)	46,252	18,702	152,224
Change in three months ended June 30, 2007								
Dividend from surplus								(3,491)
Net income								3,043
Decrease due to increase in consolidated subsidiaries								(4)
Decrease due to decrease in consolidated subsidiaries								(51)
Purchase of treasury stock								(11)
Sale of treasury stock								2
Net change during the term under review except in shareholders' equity	893	61	---	---	488	1,442	(107)	1,335
Total	893	61	---	---	488	1,442	(107)	823
Balance as of June 30, 2007	9,802	(6)	39,996	6,620	(8,718)	47,694	18,596	153,047

(Reference)

Year ended March 31, 2007

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of March 31, 2006	43,341	16,086	18,556	(416)	77,567
Change in the fiscal year					
Dividend from surplus			(3,492)		(3,492)
Net income			13,472		13,472
Decrease due to increase in consolidated subsidiaries			(220)		(220)
Changes in the scope of equity method application			(180)	58	(122)
Decrease due to merger			(8)		(8)
Adjustments for reversal of revaluation of land			2		2
Purchase of treasury stock				(47)	(47)
Sale of treasury stock		(53)		169	116
Net change in the fiscal year, other than shareholders' equity					
Total	---	(53)	9,574	181	9,702
Balance as of March 31, 2007	43,341	16,033	28,131	(235)	87,269

	Valuation and Translation Adjustments						Minority interest in consolidated subsidiaries	Total net assets
	Net unrealized holding gains on securities	Deferred losses on hedges	Land revaluation excess	Revaluation excess-foreign	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of March 31, 2006	12,640	---	39,998	6,620	(11,682)	47,576	17,294	142,437
Change in the fiscal year								
Dividend from surplus								(3,492)
Net income								13,472
Decrease due to increase in consolidated subsidiaries								(220)
Changes in the scope of equity method application								(122)
Decrease due to merger								(8)
Adjustments for reversal of revaluation of land								2
Purchase of treasury stock								(47)
Sale of treasury stock								116
Net change in the fiscal year, other than shareholders' equity	(3,731)	(67)	(2)	---	2,476	(1,324)	1,408	84
Total	(3,731)	(67)	(2)	---	2,476	(1,324)	1,408	9,787
Balance as of March 31, 2007	8,909	(67)	39,996	6,620	(9,206)	46,252	18,702	152,224

(4) Consolidated Statements of Cash Flows

First Quarter ended June 30

	2006	2007	Year ended March 31, 2007
	Millions of yen	Millions of yen	Millions of yen
Cash flows from operating activities:			
1. Income before income taxes	6,127	4,577	20,086
2. Depreciation and amortization	4,044	4,376	16,938
3. Amortization of negative goodwill	(144)	(230)	(889)
4. Allowance for doubtful receivables, net	808	989	174
5. Decline in allowance for retirement benefits	(530)	(667)	(3,265)
6. Interest and dividend income	(542)	(640)	(1,441)
7. Interest expense	784	834	3,229
8. Equity in income of unconsolidated subsidiaries and affiliates	(419)	(227)	(772)
9. Impairment loss	---	---	787
10. Loss on sale and disposal of property, plant and equipment, net	12	30	1,360
11. Gain on sale and unrealized holding gains on investment	---	(34)	(4,024)
12. Special loss on restructuring of businesses	158	297	2,730
13. Amortization gains of cross holding shares	---	---	(5)
14. Losses related to lawsuits	317	466	780
15. Decrease in trade notes and accounts receivable	978	5,442	1,343
16. Increase in inventories	(4,578)	(6,377)	(2,670)
17. Increase (decrease) in trade notes and accounts payable	(1,208)	839	422
18. Other, net	1,157	(2,717)	3,328
Total	6,963	6,957	38,109
19. Special loss on restructuring of businesses	(158)	(282)	(1,421)
20. Losses related to lawsuits	(272)	(454)	(2,305)
21. Indemnity of litigation liability insurance	---	---	1,269
22. Income taxes paid	(4,287)	(4,729)	(8,588)
Net cash provided by operating activities	2,246	1,492	27,064

	2006	2007	Year ended March 31, 2007
	Millions of yen	Millions of yen	Millions of yen
Cash flows from investing activities:			
1. Purchase of property, plant and equipment	(3,855)	(2,943)	(14,747)
2. Proceeds from sale of property, plant and Equipment	75	34	2,433
3. Purchase of investment securities	(21)	(12)	(793)
4. Proceeds from redemption of investment securities	---	2,000	---
5. Proceeds from sale of investment securities	5	48	9,626
6. Outlays associated with equity participation	---	---	(1)
7. Proceeds from purchase of shares of consolidated subsidiaries due to change in scope of consolidation	---	---	(87)
8. Interest and dividend income excluding unconsolidated subsidiaries and affiliates	566	640	1,466
9. Dividend income from equity method affiliates	67	82	161
10. Other	(152)	(1,418)	(985)
Net cash used in investing activities	(3,315)	(1,569)	(2,925)
Cash flows from financing activities:			
1. Increase (decrease) in short-term bank loans	9,029	5,272	(17,744)
2. Proceeds from long-term debt	12,307	1,700	31,701
3. Repayment of long-term debt	(3,841)	(4,163)	(39,726)
4. Proceeds from issuance of corporate bonds with stock purchase rights	---	---	19,988
5. Payment of bonds	(10,000)	(300)	(10,300)
6. Stock buyback	(5)	(11)	(47)
7. Proceeds from sale of treasury stock	---	2	746
8. Payment of interest	(708)	(813)	(3,206)
9. Cash dividends	(3,492)	(3,491)	(3,492)
10. Cash dividends to minority interests	(236)	(187)	(360)
Net cash provided by (used in) financing activities	3,054	(1,992)	(22,439)
Adjustment for foreign currency translation	98	35	165
Increase (decrease) in cash and cash equivalents	2,083	(2,034)	1,866
Cash and cash equivalents at beginning of the period	11,894	14,140	11,894
Increase/decrease in cash and cash equivalents due to change in scope of consolidation	372	(111)	306
Increase resulting from changes in consolidated Subsidiaries	---	---	74
Cash and cash equivalents at end of the period	14,349	11,995	14,140

(5) Segment Information

[First Quarter ended June 30, 2006]

(Millions of yen)

	Films and Functional Polymers	Industrial Materials	Life Science	Textiles	Other Businesses	Total	Elimination or Corporate	Consolidated
I. Net Sales and Operating Income								
(1) Net sales to external customers	30,104	17,117	7,133	36,414	10,176	100,943	---	100,943
(2) Intersegment net sales or transfer amounts	32	21	34	73	1,668	1,828	(1,828)	---
Net Sales	30,136	17,138	7,167	36,487	11,844	102,771	(1,828)	100,943
Operating Expenses	25,874	15,674	6,200	35,774	11,514	95,036	(1,175)	93,861
Operating Income	4,262	1,464	967	712	331	7,736	(653)	7,082

Non-allocatable operating costs and expenses which have been included in "Elimination or Corporate" totaled ¥650 million.

[First Quarter ended June 30, 2007]

(Millions of yen)

	Films and Functional Polymers	Industrial Materials	Life Science	Textiles	Other Businesses	Total	Elimination or Corporate	Consolidated
I. Net Sales and Operating Income								
(1) Net sales to external customers	31,433	18,262	7,788	34,220	9,998	101,702	---	101,702
(2) Intersegment net sales or transfer amounts	84	9	28	45	1,810	1,977	(1,977)	---
Net Sales	31,517	18,271	7,817	34,266	11,809	103,678	(1,977)	101,702
Operating Expenses	28,262	17,042	6,830	33,405	11,419	96,957	(1,182)	95,774
Operating Income	3,255	1,229	987	861	389	6,722	(795)	5,927

Non-allocatable operating costs and expenses which have been included in "Elimination or Corporate" totaled ¥835 million.

(Reference)[Fiscal Year ended March 31, 2007]

(Millions of yen)

	Films and Functional Polymers	Industrial Materials	Life Science	Textiles	Other Businesses	Total	Elimination or Corporate	Consolidated
I. Net Sales and Operating Income								
(1) Net sales to external customers	124,614	74,391	32,639	149,585	45,436	426,666	---	426,666
(2) Intersegment net sales or transfer amounts	180	88	132	260	9,963	10,623	(10,623)	---
Net Sales	124,794	74,479	32,771	149,845	55,399	437,289	(10,623)	426,666
Operating Expenses	109,490	68,561	27,186	145,460	52,928	403,625	(7,395)	396,231
Operating Income	15,304	5,917	5,585	4,386	2,471	33,663	(3,228)	30,435

Non-allocatable operating costs and expenses which have been included in "Elimination or Corporate" totaled ¥2,929 million.

(Reference) The main products of each business are as follows.

Films and Functional Polymers:	Packaging films, industrial films, industrial adhesives, engineering plastics, photo-functional materials, etc.
Industrial Materials:	Fiber materials for automobiles, high-performance fibers, functional filters, non-woven fabrics, etc.
Life Science:	Bio-science products such as diagnostic enzymes, pharmaceutical production, hollow fiber membrane for artificial kidneys, desalination membranes, etc.
Textiles:	Functional textiles, apparel products, apparel textiles, apparel fibers, etc.
Other Businesses:	Design and construction of buildings and machinery, rental and management of real estate, information processing services, logistics services, etc.