

Consolidated Financial Report for the Third Quarter Ended December 31, 2007

Toyobo Co., Ltd.

Listed on the First Section of 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

Nine months ended December 31

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	322,583	1.7	20,086	(7.5)	16,023	(11.2)	9,230	(13.0)
2006	317,120	7.7	21,724	2.0	18,051	2.5	10,613	47.9
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	13.22	12.45
2006	15.23	---
Year ended March 31, 2007	19.32	19.22

(2) Consolidated Financial Position

At December 31

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2007	517,010	156,285	26.6	197.33
2006	519,817	150,349	25.3	188.56
March 31, 2007	513,191	152,224	26.0	191.28

(3) Consolidated Cash Flows

Nine months ended December 31

	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	18,929	(12,033)	(7,726)	13,694
2006	15,058	(893)	(14,316)	12,211
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 third quarter.

3. Forecasts for Fiscal Year Ending March 31, 2008 [Reference]

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

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year	430,000	0.8	29,000	(4.7)	24,000	(5.3)

	Net income		Net income per share
	Millions of yen	%	Yen
Fiscal year	4,500	(66.6)	6.45

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.

For further details, see "Notice of Revision to Fiscal 2008 Full-Year Forecasts" announced on February 4, 2008.

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 AND FINANCIAL STATEMENTS

1. Qualitative Information on Consolidated Results

For the subject nine-month period through the end of the third quarter (December 31, 2007), Toyobo posted an increase in revenue but a decline in earnings compared to the same period of the previous fiscal year. Net sales totaled ¥322,583 million, with operating income ¥20,086 million, ordinary income ¥16,023 million, and net income ¥9,230 million.

Third quarter performance (for the 3-month period) by business segment was as follows.

Films and Functional Polymers

Sales in this segment rose from the same period of the previous fiscal year. Despite the difficulties posed by continued rising prices for raw materials and fuel, sales were up as a result of shifting of cost increases to product prices, along with proactive sales efforts in the consumer electronics, electrical, and automotive components fields.

In the films business, revenue from packaging films rose due to a partial shift of rising prices for raw materials and fuel to product prices, coupled with strong demand. However, the business climate for this business continues to be tight, led by rising prices for raw materials and fuel. In industrial films, sales remained strong, centered on exports to Taiwan and South Korea.

In the functional polymers business, revenue was up due to strong sales of engineering plastics, centered on the automotive industry both in Japan and overseas, along with steady sales of the industrial adhesive "VYLON" for IT and recording devices, and electronics components applications.

Industrial Materials

Sales in this segment were on par with the same period of the previous fiscal year, despite a continued aggressive effort to expand the business through research and development of new products, enhanced marketing, and other means.

Airbag fabric sales were down during the subject quarter due a temporary adjustment of supply and demand, but the long-term increase in demand is unchanged, and we are moving forward with expansion of the production structure. Tire cord sales rose on the back of robust demand both in Japan and overseas. Sales of the high-performance fiber "DYNEEMA" grew substantially on continued steady use in such applications as safety gloves, fishing line, and ropes for large ships. New production equipment for "DYNEEMA" at the Tsuruga Plant was brought on line smoothly.

In the functional filters field, although sales of solvent adsorption devices used for liquid crystal-related and other equipment declined from the impact of a large order in the same quarter of the previous fiscal year, sales were up for "PROCON," a PPS (polyphenylene sulfide) fiber for bag filters used in thermal power plants, and rose substantially for various other types of air purification filters. Sales of non-woven filament fabrics were down slightly overall, with declines in construction applications mostly offset by steady demand in the automotive, and various materials fields. Sales of short fiber non-woven fabrics also rose, with a notable increase in automotive field.

Life Science

This segment achieved an overall increase in revenue.

In the bio-science business, sales of enzymes for blood glucose measuring applications rose slightly. In contract manufacturing of pharmaceuticals, sales rose on the back of a steady increase in orders. Sales in the fine chemicals business, which includes such products as drug intermediates, rose with a substantial increase in sales volume.

Revenue from hollow fiber membranes for artificial kidneys was down in the face of increasingly fierce competition globally. In the water treatment membranes business, sales rose with continued strong demand for exchange membranes in the Middle East, together with steady domestic sales.

Textiles

Toyobo continued to scale back unprofitable businesses in this segment, such as the commodity textile field.

In the textiles business, sales rose on the back of continued strong exports to the Middle East region, although a falloff in bedding and casual wear applications led to a decline in the scale of the business. In the fibers business, revenue fell with the strategic scaling back of the spandex fiber "ESPA" and esters. Sales of the acrylic fiber "EXLAN" were also down due to a falloff in exports induced by the rising yen.

Toyobo also decided to withdraw from the dyeing and finishing business, and certain areas of the textile businesses, as part of its restructuring of this business segment.

Other Businesses

Performance in this segment, which includes such businesses as engineering, real estate, information processing services, and logistics services, was essentially in line with plan.

2. Qualitative Information on the Consolidated Financial Position

Total assets at the end of the third quarter (December 31, 2007) increased ¥7,358 million from September 30, 2007 (the end of the interim fiscal year) to ¥517,010 million. This was due mainly to a ¥5,923 million increase in property, plant and equipment.

Liabilities increased ¥5,572 million to ¥360,725 million. This was due mainly to a ¥4,793 million increase in notes and accounts payable.

Net assets increased ¥1,786 million to ¥156,285 million. This was due mainly to ¥3,684 million in net income during the third quarter, offset by declines of ¥809 million in the valuation difference on available-for-sale securities, and ¥775 million in fluctuations of the translation adjustments.

As a result, the shareholders' equity ratio at the end of the third quarter was 26.6%.

Net cash provided by operating activities over the nine months to December 31, 2007 amounted to ¥18,929 million. This was due mainly to ¥17,334 million in income before income taxes; ¥14,179 million in depreciation and amortization; and ¥6,502 million in income taxes paid.

Net cash used in investing activities amounted to ¥12,033 million. This was due mainly to ¥24,336 million in expenditures for the acquisition of property, plant and equipment; against ¥13,829 million in proceeds from the sale of property, plant and equipment.

Net cash used in financing activities amounted to ¥7,726 million. This was due mainly to ¥16,533 million in repayment of long-term debt; and ¥3,760 million in cash dividends (including cash dividends to minority interests); against ¥13,890 million in proceeds from long-term debt.

As a result, the balance of cash and cash equivalents at the end of the third quarter decreased by ¥446 million from March 31, 2007, to ¥13,694 million.

3. Qualitative Information on Consolidated Forecasts

Toyobo expects to reach its fiscal 2008 forecasts for net sales, operating income and ordinary income announced on November 6, 2007, but is revising downward its forecast for net income to ¥4,500 million from ¥12,500 million.

For further information on this revision see the flash report "Notice of Revision to Fiscal 2008 Full-Year Forecasts" released on February 4, 2008.

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 practices

Corporate taxes are calculated simply as the amount of taxable income, and recorded using the effective corporate tax rate.

3) Changes from accounting methods used in recent fiscal years

In accordance with revisions to the corporate tax code, from the subject fiscal year Toyobo has changed its accounting method for property, plant and equipment acquired on or after April 1, 2007, to the method based on the revised corporate tax code.

In addition, the accounting method for the residual value of existing property, plant and equipment up to the depreciable amount has been changed to a method whereby assets are amortized in an equal amount over a five year period from the year following that in which they have been depreciated to their full depreciable amount.

As a result of these changes, compared with the previous accounting methods operating income for the subject third quarter declined ¥1,419 million, while ordinary income and net income each declined by ¥1,532 million.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	September 30, 2007	December 31, 2007	Change	March 31, 2007
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
ASSETS				
Current assets:				
1. Cash and cash equivalents	12,436	13,958	1,522	14,470
2. Notes and accounts receivable	87,962	88,540	579	90,730
3. Inventories	95,098	98,522	3,424	92,092
4. Deferred tax assets	4,175	4,117	(58)	4,576
5. Other	13,609	14,094	484	12,038
6. Allowance for doubtful receivables	(837)	(842)	(5)	(1,020)
Total current assets	212,443	218,388	5,945	212,885
Fixed Assets:				
1. Property, Plant and Equipment				
(1) Buildings and structures	47,201	50,792	3,591	47,690
(2) Machinery and equipment	56,921	56,672	(248)	59,221
(3) Land	116,921	120,337	3,416	116,076
(4) Construction in progress	5,661	4,806	(855)	5,120
(5) Other	3,426	3,445	19	2,778
Total property, plant and equipment	230,130	236,052	5,923	230,885
2. Intangible assets				
(1) Goodwill	803	796	(7)	979
(2) Other	2,003	1,900	(103)	1,891
Total intangible assets	2,806	2,696	(109)	2,870
3. Investments and other assets				
(1) Investment securities	41,746	40,297	(1,450)	45,801
(2) Long-term loans	3,963	4,643	680	4,501
(3) Deferred tax assets	14,117	9,933	(4,184)	12,296
(4) Other	9,381	9,897	516	7,726
(5) Allowance for doubtful receivables	(4,933)	(4,897)	36	(3,772)
Total investments and other assets	64,274	59,873	(4,401)	66,551
Total fixed assets	297,209	298,622	1,413	300,306
Total assets	509,652	517,010	7,358	513,191

	September 30, 2007	December 31, 2007	Change	March 31, 2007
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
LIABILITIES				
Current Liabilities:				
1. Notes and accounts payable	65,344	70,137	4,793	62,793
2. Short-term borrowings	82,689	79,261	(3,429)	77,436
3. Long-term debt due within one year	18,637	19,174	537	21,519
4. Bonds maturing within one year	10,000	10,000	—	300
5. Accrued income taxes	1,986	3,946	1,960	5,123
6. Deferred tax liabilities	79	81	2	90
7. Accrued expenses	4,175	4,672	497	4,232
8. Deposits received	13,689	16,150	2,461	15,520
9. Accrued employees' bonuses	4,656	2,240	(2,416)	4,676
10. Other	11,135	11,875	740	11,766
Total current liabilities	212,391	217,536	5,145	203,457
Long-term Liabilities:				
1. Bonds	---	---	---	10,000
2. Convertible bond-type bond with stock acquisition rights	20,000	20,000	---	20,000
3. Long-term debt	62,040	66,616	4,576	64,983
4. Deferred tax liabilities	7,741	4,885	(2,857)	7,464
5. Deferred tax liabilities on revaluation	28,158	28,100	(58)	28,164
6. Employees' severance and retirement benefits	16,896	16,214	(682)	16,989
7. Directors' and statutory auditors' retirement benefits	1,298	1,286	(11)	1,366
8. Negative goodwill	1,812	1,581	(230)	2,243
9. Other	4,818	4,507	(311)	6,300
Total long-term liabilities	142,762	143,189	427	157,511
Total liabilities	355,153	360,725	5,572	360,968

	September 30, 2007	December 31, 2007	Change	March 31, 2007
	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	16,033	---	16,033
Retained earnings	30,140	33,907	3,768	28,131
Treasury stock, at cost	(257)	(266)	(9)	(235)
Total shareholders' equity	89,256	93,015	3,759	87,269
Valuation and translation adjustments:				
Net unrealized holding gain on securities	7,008	6,199	(809)	8,909
Deferred losses on hedges	(113)	(138)	(25)	(67)
Land revaluation excess	39,987	39,903	(84)	39,996
Revaluation excess-foreign	6,620	6,620	---	6,620
Foreign currency translation adjustments	(7,099)	(7,874)	(775)	(9,206)
Total valuation and translation adjustments:	46,404	44,711	(1,693)	46,252
Minority interests in consolidated subsidiaries	18,839	18,559	(280)	18,702
Total net assets	154,499	156,285	1,786	152,224
Total liabilities and net assets	509,652	517,010	7,358	513,191

(2) Consolidated Statements of Income

	Nine months ended December 31		Change		Year ended March 31, 2007
	2006	2007			
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
Net sales	317,120	322,583	5,463	1.7	426,666
Cost of sales	249,760	256,557	6,797	2.7	335,369
Gross profit	67,360	66,026	(1,334)	(2.0)	91,297
Selling, general and administrative expenses	45,636	45,940	305	0.7	60,862
Operating income	21,724	20,086	(1,638)	(7.5)	30,435
Non-operating income:					
1. Interest income	283	340	57	20.0	396
2. Dividend income	702	811	109	15.6	1,045
3. Rent	580	761	181	31.2	761
4. Amortization on negative goodwill	667	691	24	3.6	889
5. Equity in income of unconsolidated subsidiaries and affiliates	750	17	(733)	(97.7)	772
6. Other	1,459	1,445	(14)	(1.0)	2,363
Total non-operating income	4,441	4,066	(375)	(8.5)	6,226
Non-operating expenses:					
1. Interest expense	2,376	2,415	39	1.6	3,229
2. Retirement benefits for employees for prior periods	1,281	1,216	(66)	(5.1)	1,637
3. Salaries paid to dispatched employees	909	905	(5)	(0.5)	1,275
4. Other	3,548	3,594	46	1.3	5,179
Total non-operating expenses	8,114	8,129	15	0.2	11,320
Ordinary income	18,051	16,023	(2,028)	(11.2)	25,342

	Nine months ended December 31		Change		Year ended March 31, 2007
	2006	2007	Millions of yen	%	Millions of yen
	Millions of yen	Millions of yen			
Extraordinary income:					
1. Gain on sale of property, plant and equipment	123	8,656	8,533		1,305
2. Gain on sale of investment securities	4,838	81	(4,757)		5,154
3. Gain on amortization of cross holding shares	5	---	(5)		5
4. Reversal of allowance for doubtful receivables	---	70	70		---
5. Compensation for transfer of property	---	1,809	1,809		---
Total extraordinary income	4,966	10,617	5,650		6,464
Extraordinary loss:					
1. Loss on sale of property, plant and equipment	15	164	149		53
2. Loss on disposal of property, plant and equipment	499	736	238		2,612
3. Loss on deduction of property, plant and equipment	---	264	264		---
4. Loss on sales of investment securities	---	2	2		---
5. Write-down of investment securities	1,122	71	(1,052)		1,130
6. Special allowance for doubtful receivables	1,040	157	(883)		825
7. Write-down of inventories	---	4,878	4,878		2,414
8. Loss on restructuring of businesses	1,112	837	(275)		2,730
9. Losses related to lawsuits	453	1,480	1,027		780
10. Loss on liquidation of affiliates	107	---	(107)		389
11. Loss on impairment of fixed assets	787	716	(71)		787
Total extraordinary loss	5,134	9,305	4,171		11,720
Income before income taxes	17,883	17,334	(549)		20,086
Provision for income taxes	7,906	5,060	(2,846)		7,617
Provision for income taxes (deferred)	(915)	2,617	3,532		(1,518)
Minority interest in income of consolidated subsidiaries	279	427	148		515
Net income	10,613	9,230	(1,383)	(13.0)	13,472

(3) Consolidated Statement of Changes in Net Assets

Six months ended September 30, 2007

(Millions of yen)

	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 six months ended September 30, 2007					
Cash dividends paid			(3,491)		(3,491)
Net income			5,546		5,546
Decrease due to increase in consolidated subsidiaries			(4)		(4)
Decrease due to decrease in consolidated subsidiaries			(51)		(51)
Adjustments for reversal of revaluation of land			9		9
Purchase of treasury stock				(24)	(24)
Sale of treasury stock		1		2	3
Net change during the term under review other than shareholders' equity					
Total	---	1	2,009	(22)	1,987
Balance as of September 30, 2007	43,341	16,033	30,140	(257)	89,256

	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 six months ended September 30, 2007								
Cash dividends paid								(3,491)
Net income								5,546
Decrease due to increase in consolidated subsidiaries								(4)
Decrease due to decrease in consolidated subsidiaries								(51)
Adjustments for reversal of revaluation of land								9
Purchase of treasury stock								(24)
Sale of treasury stock								3
Net change during the term under review other than shareholders' equity	(1,901)	(46)	(9)	---	2,107	152	136	288
Total	(1,901)	(46)	(9)	---	2,107	152	136	2,275
Balance as of September 30, 2007	7,008	(113)	39,987	6,620	(7,099)	46,404	18,839	154,499

Nine months ended December 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, 2007	43,341	16,033	28,131	(235)	87,269
Change in nine months ended December 31, 2007					
Cash dividends paid			(3,491)		(3,491)
Net income			9,230		9,230
Decrease due to increase in consolidated subsidiaries			(4)		(4)
Decrease due to decrease in consolidated subsidiaries			(51)		(51)
Adjustments for reversal of revaluation of land			93		93
Purchase of treasury stock				(34)	(34)
Sale of treasury stock		1		3	4
Net change during the term under review other than shareholders' equity					
Total	---	1	5,777	(31)	5,747
Balance as of December 31, 2007	43,341	16,033	33,907	(266)	93,015

	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 nine months ended December 31, 2007								
Cash dividends paid								(3,491)
Net income								9,230
Decrease due to increase in consolidated subsidiaries								(4)
Decrease due to decrease in consolidated subsidiaries								(51)
Adjustments for reversal of revaluation of land								93
Purchase of treasury stock								(34)
Sale of treasury stock								4
Net change during the term under review other than shareholders' equity	(2,709)	(71)	(93)	---	1,332	(1,541)	(144)	(1,685)
Total	(2,709)	(71)	(93)	---	1,332	(1,541)	(144)	4,061
Balance as of December 31, 2007	6,199	(138)	39,903	6,620	(7,874)	44,711	18,559	156,285

[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					
Cash dividends paid			(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								
Cash dividends paid								(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

	Nine months ended December 31		Year ended March 31, 2007
	2006	2007	
	Millions of yen	Millions of yen	Millions of yen
Cash flows from operating activities:			
1. Income before income taxes	17,883	17,334	20,086
2. Depreciation and amortization	12,683	14,179	16,938
3. Amortization of negative goodwill	(667)	(691)	(889)
4. Allowance for doubtful receivables, net	1,776	1,004	174
5. Retirement benefits, net	(1,804)	(773)	(3,265)
6. Interest and dividend income	(985)	(1,151)	(1,441)
7. Interest expense	2,376	2,415	3,229
8. Equity in income of unconsolidated subsidiaries and affiliates	(750)	(17)	(772)
9. Loss on impairment of fixed assets	787	716	787
10. (Gain)loss on sale and disposal of property, plant and equipment, net	390	(7,756)	1,360
11. Loss on deduction of property, plant and equipment	---	264	---
12. Gain on sale and unrealized holding gains on investment	(3,715)	(8)	(4,024)
13. Gain on amortization of cross holding shares	(5)	---	(5)
14. Compensation for transfer of property, plant and equipment	---	(1,809)	---
15. Loss on restructuring of businesses	1,112	837	2,730
16. Losses related to lawsuits	453	1,480	780
17. Decrease in trade notes and accounts receivable	1,225	2,887	1,343
18. Increase in inventories	(8,077)	(5,174)	(2,670)
19. Increase in trade notes and accounts payable	3,185	7,118	422
20. Increase in prepaid pension costs	---	(2,046)	---
21. Other, net	(946)	(2,271)	3,328
Total	24,919	26,536	38,109
22. Payments for restructuring costs of businesses	(507)	(775)	(1,421)
23. Payments related to lawsuits	(1,882)	(1,393)	(2,305)
24. Receipt of litigation liability insurance	554	432	1,269
25. Receipt of accident insurance	---	631	---
26. Income taxes paid	(8,027)	(6,502)	(8,588)
Net cash provided by operating activities	15,058	18,929	27,064

	Nine months ended December 31		Year ended March 31, 2007
	2006	2007	
	Millions of yen	Millions of yen	Millions of yen
Cash flows from investing activities:			
1. Purchase of property, plant and equipment	(10,717)	(24,336)	(14,747)
2. Proceeds from sale of property, plant and equipment	718	13,829	2,433
3. Purchase of investment securities	(444)	(2,287)	(793)
4. Proceeds from sale of investment securities	9,220	117	9,626
5. Outlays associated with equity participation	---	---	(1)
6. Proceeds from purchase of shares of subsidiaries	---	(162)	---
7. Proceeds from purchase of share of consolidated subsidiaries due to change in scope of consolidation	(87)	---	(87)
8. Interest and dividend income excluding unconsolidated subsidiaries and affiliates	1,010	1,170	1,466
9. Dividend income from affiliates for by equity method	151	130	161
10. Other, net	(745)	(495)	(985)
Net cash used in investing activities	(893)	(12,033)	(2,925)
Cash flows from financing activities:			
1. Increase (decrease) in short-term bank loans	(11,152)	1,375	(17,744)
2. Proceeds from long-term debt	25,580	13,890	31,701
3. Repayment of long-term debt	(13,389)	(16,533)	(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. Payment for purchase of treasury stock	(30)	(34)	(47)
7. Proceeds from sale of treasury stock	733	3	746
8. Payment of interest	(2,221)	(2,367)	(3,206)
9. Cash dividends	(3,492)	(3,491)	(3,492)
10. Cash dividends to minority interests	(346)	(269)	(360)
Net cash used in financing activities	(14,316)	(7,726)	(22,439)
Adjustment for foreign currency translation	89	105	165
Increase (decrease) in cash and cash equivalents	(64)	(724)	1,866
Cash and cash equivalents at beginning of the period	11,894	14,140	11,894
Increase in cash and cash equivalents due to change in scope of consolidation	306	279	306
Increase resulting from changes in consolidated subsidiaries	74	---	74
Cash and cash equivalents at end of the period	12,211	13,694	14,140

Industry Segment Information

Nine months ended December 31, 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	94,514	55,294	22,244	110,585	34,482	317,120	---	317,120
(2) Intersegment net sales and transfer amounts	139	48	114	217	6,624	7,143	(7,143)	---
Net sales	94,653	55,342	22,358	110,802	41,106	324,262	(7,143)	317,120
Operating costs and expenses	83,280	50,929	18,780	107,771	39,503	300,263	(4,868)	295,395
Operating income	11,373	4,413	3,578	3,032	1,603	23,999	(2,275)	21,724

Non-allocatable operating costs and expenses which have been included in "Elimination or Corporate" totaled ¥2,216 million.

Nine months ended December 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	101,038	56,903	24,062	106,446	34,134	322,583	---	322,583
(2) Intersegment net sales or transfer amounts	361	41	139	136	7,446	8,124	(8,124)	---
Net sales	101,399	56,944	24,201	106,582	41,580	330,706	(8,124)	322,583
Operating costs and expenses	90,861	52,913	20,662	103,764	39,717	307,917	(5,420)	302,497
Operating income	10,538	4,031	3,539	2,818	1,864	22,790	(2,704)	20,086

Non-allocatable operating costs and expenses which have been included in "Elimination or Corporate" totaled ¥2,659 million.

[Reference] 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 costs and 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 and services 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.