

Consolidated Financial Results for the First Quarter of FY2006

(For the three months ended June 30, 2006)

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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1. Notes for the quarterly financial information

(1) Simplified accounting method adopted: Yes

See the details of the simplified accounting method on the page 6

(2) Changes in accounting methods since the end of the last consolidated fiscal year: None

(3) Involvement of independent auditors: None

(4) Changes in scope of consolidation and application of equity method: Yes

a. Consolidated companies (FY06 1Q) 80 (FY05 1Q) 84 (FY05) 84

b. Equity-method companies (FY06 1Q) 67 (FY05 1Q) 75 (FY05) 67

c. Consolidated subsidiaries: 80, Equity-method subsidiaries: 38, Equity-method affiliates: 29

d. Changes in scope of consolidation and equity method (Changes since the end of FY05)

Consolidated subsidiaries (increase) 1 (decrease) 5

Equity method companies (increase) 1 (decrease) 1

2. Highlight of the first quarter of FY06 (April 1, 2006 through June 30, 2006)

(1) Consolidated financial results (Unaudited)

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
For the first quarter ended June 30, 2006	237,597	18,233	16,449	8,787
For the first quarter ended June 30, 2005	217,386	16,283	15,836	8,896
Change (%)	9.3	12.0	3.9	(1.2)
For the year ended March 31, 2006	938,082	76,757	68,162	24,852

(Yen)

	E.P.S.	Diluted E.P.S.	E.P.S.: Earnings per share
For the first quarter ended June 30, 2006	9.47	9.47	
For the first quarter ended June 30, 2005	9.60	9.59	
For the year ended March 31, 2006	26.60	26.58	

(Notes) a. Equity in earnings of unconsolidated subsidiaries and affiliates: (FY06 1Q) -247 million yen (FY05 1Q) 50 million yen (FY05) -644 million yen

b. Percent change is the change from the first quarter of FY05

(2) Consolidated financial position (Unaudited)

	Total assets (Millions of yen)	Net assets (Millions of yen)	Shareholders' equity ratio (%)	Shareholders' equity per share (yen)
As of June 30, 2006	951,287	375,169	35.5	364.08
As of June 30, 2005	865,635	298,084	34.4	321.52
As of March 31, 2006	943,991	338,609	35.9	364.81

(Notes) a. Net assets as of June 30, 2005 and March 31, 2006 do not include minority interest in consolidated subsidiaries.

As of June 30, 2005 and March 31, 2006, we indicate previous total shareholders' equity.

b. Shareholders' equity ratio and shareholders' equity per share calculations are as follows:

Shareholders' equity ratio: (Total net assets at end of period - minority interest in consolidated subsidiaries at end of period ÷ total assets × 100)

Shareholders' equity per share: (Net assets at end of period - share subscription rights at end of period - minority interests at end of period)

÷ number of shares outstanding at end of period

(3) Consolidated cash flows (Unaudited)

(Millions of yen)

	From operating activities	From investing activities	From financing activities	Cash & cash equivalents at the end of period
For the first quarter ended June 30, 2006	5,977	(16,842)	11,832	38,722
For the first quarter ended June 30, 2005	5,225	(10,532)	11,330	39,106
For the year ended March 31, 2006	75,491	(74,062)	1,511	37,585

3. Outlook for FY06

(1) Outlook for the year ending March 31, 2007

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
Previous outlook (A) (As of May 8, 2006)	980,000	85,000	75,000	45,000
Revised outlook (B) (As of July 31, 2006)	1,000,000	80,000	68,000	40,000
Change (B-A)	20,000 2.0%	(5,000) (5.9%)	(7,000) (9.3%)	(5,000) (11.1%)
For the year ended March 31, 2006(C)	938,082	76,757	68,162	24,852
Change (B-C)	61,918 6.6%	3,243 4.2%	(162) (0.2%)	15,148 61.0%

(Note) Estimated earnings per share: 43.11 yen

(2) Outlook for the six month ending September 30, 2006

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
Previous outlook (A) (As of May 8, 2006)	470,000	38,000	33,000	18,000
Revised outlook (B) (As of July 31, 2006)	480,000	35,000	30,000	15,000
Change (B-A)	10,000 2.1%	(3,000) (7.9%)	(3,000) (9.1%)	(3,000) (16.7%)
For the six months ended September 30, 2005(C)	449,333	34,997	31,709	13,980
Change (B-C)	30,667 6.8%	3 0.0%	(1,709) (5.4%)	1,020 7.3%

(Note) Estimated earnings per share: 16.17 yen

4. Non-consolidated outlook for FY06

Outlook for the year ending March 31, 2007

No change from the previous outlook as of May 8, 2006

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
Outlook	23,000	8,000	7,500	8,500

(Note) Estimated earnings per share: 9.16 yen

Results of Operations

1. Results of operations for the first quarter ended June 30, 2006

The fiscal years of Teijin Limited and its domestic subsidiaries and affiliates mainly end on March 31 and the fiscal years of overseas subsidiaries and affiliates end on December 31. Therefore, the quarterly financial information includes the accounts mainly for the three months ended June 30, 2006 of Teijin Limited and its domestic subsidiaries and affiliates and the accounts for the three months ended March 31, 2006 of the overseas subsidiaries and affiliates.

In the first quarter of fiscal 2006, consolidated net sales increased 9.3%, to ¥237.6 billion. Operating income rose 12.0%, to ¥18.2 billion, and ordinary income advanced 3.9%, to ¥16.4 billion, while net income slipped 1.2%, to ¥8.8 billion. Net income per share for the three-month period was ¥9.47, up ¥0.13, compared with the first quarter of the last fiscal year.

Higher net sales and operating income were achieved despite flagging market conditions for polyester fibers, and reflected brisk sales of aramid and other high-performance fibers and steadily increasing sales and operating income of films and plastics.

Synthetic Fibers

In the Synthetic Fibers segment, sales rose 12.3%, to ¥70.5 billion, and operating income increased 1.4%, to ¥4.3 billion, compared with the first quarter of the last fiscal year.

Sales of polyester fibers were hampered by flagging consumption of textile fibers in Japan and soaring raw materials prices and fuel costs, as well as by peaking fuel costs in Indonesia. In the area of high-performance fibers, sales of *Twaron*[®] para-aramid fibers continued to expand, particularly for automotive- and safety-related applications, while we also saw a steady increase in sales of *Tenax*[®] carbon fibers, owing to rising demand in the European markets, primarily for use in industrial materials and aircraft. During the period, we proceeded with the construction of new facilities for *Twaron*[®] para-aramid fibers, which are scheduled to come on line gradually starting in the first half of fiscal 2006 and *Tenax*[®] carbon fibers, which are scheduled to start operating in September 2006.

Films and Plastics

The Films and Plastics segment recorded sales of ¥69.1 billion, an increase of 14.9%, and operating income of ¥9.3 billion, up 15.2%, compared with the first quarter of the last fiscal year.

In the area of films, sales of polyethylene terephthalate (PET) film for liquid crystal display (LCD)-related applications, polyethylene naphthalate (PEN) films for use in high-density data backup tapes and automotive and electronic components, and processed films were firm in the domestic market. In response to rising demand, we are currently expanding our production capacity for clear, thick PET film. In the United States, results remained firm, reflecting an improved sales structure that focuses on products for high-value-added applications, and ongoing rationalization efforts. In plastics, robust demand continued for polycarbonate resin for general industrial applications, including electric and electronic appliances and office automation (OA) equipment. In April 2005, we completed construction of a new polymer plant in the People's Republic of China (PRC), while in October 2005 we expanded the production capacity of our compounding plant in Shanghai. Both facilities contributed significantly to gains in sales and operating income. In light of the rapid expansion of the LCD television (LCD-TV) market, we also decided to reinforce our production capacity for polycarbonate sheet for use in diffusers for large-screen LCD-TV backlights. Related construction has begun and is scheduled for completion in April 2007.

Pharmaceuticals and Home Health Care

The Pharmaceuticals and Home Health Care segment posted sales of ¥27.4 billion, an increase of 7.8%, and

operating income of ¥5.8 billion, up 7.0%, compared with the first quarter of the last fiscal year.

In the area of pharmaceuticals, shipments of osteoporosis treatment *Bonalon*[®] continued to rise, while sales of active vitamin D₃-based *Onealfa*[®], human immunoglobulin preparation *Venilon*[®] and expectorant *Mucosolvan*[®], were also robust. Sales of *Tricor*[®], a treatment for hyperlipidemia launched in March 2005, exhibited steady gains. In June 2006, we commenced sales of *Bonalfa*[®] *High Lotion 20 µg/g*, a treatment for psoriasis. In R&D, we proceeded with development efforts for new drugs, including TPC-806, a treatment for cardiac disease and TPI-526, a treatment for inflammatory diseases developed in-house. In the home health care business, rental volume for mainstay home oxygen therapy (HOT) equipment rose steadily despite intense competition. Sales of other home health care equipment, notably continuous positive airway pressure (CPAP) ventilators, rose steadily.

**Bonalon*[®] is the registered trademark of Merck & Co., Inc., Whitehouse Station, NJ, U.S.A.

Trading and Retail

In the Trading and Retail segment, sales increased 3.7%, to ¥62.0 billion, while operating income declined 16.7%, to ¥800 million, compared with the first quarter of the last fiscal year..

The textiles and apparel business reported generally firm sales, particularly in the areas of sports wear and casual fashions, reflecting the impact of "cool biz" campaign, which seeks to encourage workers to dress down to stay cool in summer, thereby conserving energy. This offset struggling sales of certain textile items in Europe and the Americas. Sales in the industrial textiles and materials business were firm, despite sluggish sales of bedding and household products, owing to brisk sales of aramid, carbon and other high-performance fibers. We also recorded an increase in sales of *AEROSHELTER*[®], a large temporary tent, to local government agencies, reflecting rising demand for use as provisional shelters in the aftermath of disasters, as well as for events.

IT and New Products, etc.

Sales in the IT and New Products, etc., segment fell 7.6%, to ¥8.6 billion, while the operating loss shrank by ¥100 million, to ¥400 million, compared with the first quarter of the last fiscal year..

The IT business is divided into IT services and IT solutions, both provided by subsidiary Infocom Corporation. Our IT solutions business benefited from expanded marketing efforts for next-generation enterprise resource planning (ERP) software *GRANDIT*[®], as well as from an increase in orders. In the area of IT services, we continued to promote the provision of mobile phone-based content and mobile phone-based e-commerce service web sites that can be accessed via Internet portal sites. In new products, we continue to focus on developing new markets for *Aramica*[®], a highly advanced para-aramid film, primarily in the field of electronic materials.

2. Financial Position and Cash Flows

Financial Position

Despite a downward revaluation of marketable securities, in line with a drop in stock prices, total assets as of June 30, 2006, amounted to ¥951.3 billion, up ¥7.3 billion from the end of fiscal 2005. This reflected an increase in inventories—a consequence of rising prices for raw materials and fuel costs and seasonal factors—and advance capital investment in aramid fibers, polycarbonate resin and other key businesses.

Total liabilities, at ¥576.1 billion, were up ¥7.8 billion from the fiscal 2005 year-end. This was attributable to an ¥16.7 billion increase in interest-bearing debt, to ¥315.0 billion, owing to rising demand for funds spurred by seasonal factors.

Shareholders' equity declined ¥800 million, to ¥337.8 billion, as a decline in net unrealized holding gains on securities countered an increase in retained earnings.

Cash Flows

Net cash and cash equivalents provided by operating activities in the three months under review amounted to ¥6.0 billion, as contributions from net income before income taxes offset the negative impact of such factors as increase in inventories and the payment of income taxes for fiscal 2005.

The application of cash to the purchase of property, plant and equipment and other factors contributed to net cash and cash equivalents used in investing activities of ¥16.8 billion.

Owing to proceeds from the issue of bonds and commercial paper and the repayment of short- and long-term debt, net cash and cash equivalents provided by financing activities amounted to ¥11.8 billion, after cash dividend payments.

Owing to operating, investing and financing activities during the period, cash and cash equivalents as of June 30, 2006, were up ¥1.0 billion from the fiscal 2005 year-end, after taking into consideration the effect of exchange rate changes.

3.Outlook for Fiscal 2006

We have revised our forecast for fiscal 2006, ending March 31, 2007, since releasing our initial forecast on May 8, 2006. Owing to weak results in our polyester fibers business, a part of the Synthetic Fibers segment, and our plastics business, a part of the Films and Plastics segment, we have revised our net sales forecast upward by ¥20.0 billion, to ¥1.0 trillion. Nonetheless, we expect operating income to decrease ¥5.0 billion, to ¥80.0 billion; ordinary income to fall ¥7.0 billion, to ¥68.0 billion; and net income to decline ¥5.0 billion, to ¥40.0 billion.

Disclaimer Regarding Forward-Looking Statements

This document contains forward-looking statements. These statements are based on internal projections and estimates and should not be interpreted as representation that quantitative or qualitative objectives therein will be fulfilled.

1. Consolidated Statements of Income

	Millions of yen			
	For the first quarter ended June 30, 2006 (Unaudited)	For the first quarter ended June 30, 2005 (Unaudited)	Change	For the year ended March 31, 2006
Net Sales	237,597	217,386	20,210	938,082
Cost of sales	175,708	160,525	15,182	687,717
Gross profit	61,889	56,861	5,028	250,365
Selling, general and administrative expenses	43,655	40,577	3,077	173,607
Operating income	18,233	16,283	1,950	76,757
Nonoperating revenues				
Interest income	81	61	19	385
Dividend income	553	1,058	(504)	1,423
Equity in earnings of unconsolidated subsidiaries and affiliates	-	50	(50)	-
Foreign exchange gain	185	314	(129)	2
Other income	165	207	(41)	1,850
Total	986	1,692	(706)	3,662
Nonoperating expenses				
Interest expense	1,965	1,606	358	6,957
Equity in losses of unconsolidated subsidiaries and affiliates	247	-	247	644
Other expenses	558	531	26	4,655
Total	2,770	2,138	631	12,257
Ordinary income	16,449	15,836	612	68,162
Extraordinary gains	174	323	(148)	1,765
Extraordinary losses	1,982	1,870	112	24,894
Income before income taxes	14,641	14,289	351	45,033
Income taxes	5,408	4,965	442	18,442
Minority interest in net (gains) losses of consolidated subsidiaries	(445)	(428)	(17)	(1,738)
Net income	8,787	8,896	(108)	24,852

Note to the quarterly financial statements

Teijin has prepared quarterly financial statements in accordance with the provisions for interim financial statements set forth in the Securities and Exchange Law and accounting principles generally accepted in Japan. However Teijin adopted simplified accounting methods for the following balances.

- Inventories accounted for by the book inventory, not by the physical inventory
- Inventories not valued at the lower of cost or market method
- Allowance for doubtful receivables not valued by a revised percentage of bad debts to receivables
- Other small and immaterial balances

The fiscal years of Teijin Limited and its domestic subsidiaries and affiliates mainly end on March 31 and the fiscal years of overseas subsidiaries and affiliates end on December 31. Therefore, the quarterly financial information included the accounts for the three months ended June 30, 2006 of Teijin Limited and its domestic subsidiaries and affiliates and the accounts for the three months ended March 31, 2006 of the overseas subsidiaries and affiliates.

Consolidated Financial Statements

2. Consolidated Balance Sheets

	Millions of yen			
	As of June 30, 2006 (Unaudited)	As of March 31, 2006	Change	As of June 30, 2005 (Unaudited)
<Assets>				
Current assets				
Cash and time deposits	38,733	37,594	1,139	39,114
Trade notes and accounts receivable	188,904	193,564	(4,660)	179,888
Inventories	143,542	129,908	13,633	130,243
Other current assets	40,986	37,935	3,051	31,519
Total	412,166	399,002	13,164	380,766
Fixed assets				
Tangible assets	350,972	346,498	4,474	323,133
Intangible assets	43,794	44,858	(1,063)	46,265
Investments and other assets	144,353	153,632	(9,278)	115,469
Total	539,120	544,988	(5,868)	484,869
Total assets	951,287	943,991	7,295	865,635
<Liabilities>				
Current liabilities				
Trade notes and accounts payable	112,466	110,718	1,748	110,385
Short-term interest-bearing debts	197,059	189,583	7,476	145,938
Other current liabilities	89,979	97,617	(7,638)	81,102
Total	399,505	397,919	1,586	337,426
Noncurrent liabilities				
Long-term interest-bearing debts	117,940	108,714	9,225	147,722
Employees' retirement benefits	17,431	17,562	(131)	18,737
Other noncurrent liabilities	41,239	44,142	(2,902)	27,828
Total	176,611	170,420	6,191	194,288
Total liabilities	576,117	568,339	7,777	531,715
<Minority interest in consolidated subsidiaries>	-	37,042	(37,042)	35,835
<Shareholders' equity>				
Common stock	-	70,787	(70,787)	70,787
Capital surplus	-	63,132	(63,132)	63,124
Retained earnings	-	167,049	(167,049)	155,267
Net unrealized holding gains on securities	-	46,922	(46,922)	24,034
Foreign currency translation adjustments	-	(9,046)	9,046	(14,742)
Treasury stock, at cost	-	(236)	236	(386)
Total shareholders' equity	-	338,609	(338,609)	298,084
Total liabilities and shareholders' equity	-	943,991	(943,991)	865,635

	Millions of yen			
	As of June 30, 2006 (Unaudited)	As of March 31, 2006	Change	As of June 30, 2005 (Unaudited)
<Net assets>				
Shareholders' equity				
Common stock	70,787	-	70,787	-
Capital surplus	63,169	-	63,169	-
Retained earnings	171,943	-	171,943	-
Treasury stock	189	-	189	-
Total	305,711	-	305,711	-
Valuation and translation adjustments and others				
Net unrealized holding gains on securities	40,742	-	40,742	-
Deferred gains on hedges	30	-	30	-
Foreign currency translation adjustment	8,697	-	8,697	-
Total	32,075	-	32,075	-
Minority interests in consolidated subsidiaries	37,382	-	37,382	-
Total net assets	375,169	-	375,169	-
Total liabilities and net assets	951,287	-	951,287	-

3. Consolidated Statements of Cash Flows

	Millions of yen			
	For the first quarter ended June 30, 2006 (Unaudited)	For the first quarter ended June 30, 2005 (Unaudited)	Change	For the year ended March 31, 2006
Cash flows from operating activities				
Income before income taxes	14,641	14,289	351	45,033
Depreciation and amortization	12,240	11,459	781	50,389
Impairment loss	-	680	(680)	6,000
Increase(decrease) in allowance for doubtful receivables	7	(832)	839	(3,402)
Interest and dividend income	(634)	(1,119)	485	(1,809)
Interest expense	1,965	1,606	358	6,957
(Gain) loss on disposal and sales of property, plant & equipment	198	78	120	8,775
(Increase) decrease in receivables	5,325	13,056	(7,730)	4,976
Increase in inventories	(13,180)	(14,419)	1,238	(11,075)
Increase (decrease) in payables	1,343	(65)	1,409	(4,455)
Other, net	(7,724)	(7,625)	(99)	274
Subtotal	14,182	17,108	(2,926)	101,664
Interest and dividends received	796	1,237	(441)	3,048
Interest paid	(1,806)	(1,402)	(404)	(6,679)
Income taxes paid	(7,194)	(11,718)	4,523	(22,542)
Net cash and cash equivalents provided by operating activities	5,977	5,225	752	75,491
Cash flows from investing activities				
Purchase of property, plant and equipment	(15,191)	(8,126)	(7,065)	(66,620)
Proceeds from sales of property, plant & equipment	124	76	48	5,619
Purchase of investment securities	(125)	(458)	333	(3,406)
Proceeds from sales & redemption of investment securities	43	226	(182)	452
Net increase in short-term and long-term loans receivables	(438)	(213)	(225)	(1,636)
Other, net	(1,255)	(2,036)	781	(8,470)
Net cash and cash equivalents provided by (used in) investing activities	(16,842)	(10,532)	(6,310)	(74,062)
Cash flows from financing activities				
Increase (decrease) in short-term bank loans, net	(1,763)	3,958	(5,722)	(3,388)
Increase in commercial paper, net	13,000	8,000	5,000	44,000
Increase (decrease) in debentures, net	8,008	6,045	1,962	(19,244)
Decrease in Long-term debts, net	(3,585)	(3,230)	(355)	(12,214)
Cash dividends paid	(3,711)	(3,245)	(465)	(6,491)
Cash dividends paid to minority shareholders	(200)	(184)	(16)	(1,292)
Other, net	84	(14)	98	143
Net cash and cash equivalents provided by (used in) financing activities	11,832	11,330	502	1,511
Effect of exchange rate changes on cash and cash equivalents	81	187	(106)	1,748
Net increase in cash and cash equivalents	1,048	6,210	(5,161)	4,689
Cash and cash equivalents at beginning of period	37,585	32,895	4,689	32,895
Increase of cash and cash equivalents due to change in scope of consolidation	88	-	88	-
Cash and cash equivalents at end of period	38,722	39,106	(383)	37,585

Segment Information

1. Industrial Segment Information

(1) FY06 1Q results (Apr. 2006 - Jun. 2006)

Sales and Operating income

(Millions of Yen)

	Synthetic Fibers	Films & Plastics	Pharma. & H. H. Care	Trading & Retail	IT & New Products etc.	Total	Elimination & corporate	Consolidated Total
Sales								
1) External customers	70,509	69,106	27,393	61,996	8,621	237,597	-	237,597
2) Intersegment net sales or transfer	16,798	4,495	19	2,347	8,729	32,390	(32,390)	-
Net sales	87,307	73,602	27,412	64,314	17,350	269,987	(32,390)	237,597
Operating expenses	82,968	64,322	21,586	63,513	17,799	250,190	(30,827)	219,363
Operating income (loss)	4,339	9,279	5,826	801	(449)	19,797	(1,563)	18,233

*Unallocated operating expenses disclosed in "Elimination & Corporate" amounted to 1,347 million yen.

(2) FY05 1Q results (Apr. 2005 - Jun. 2005)

Sales and Operating income

(Millions of Yen)

	Synthetic Fibers	Films & Plastics	Pharma. & H. H. Care	Trading & Retail	IT & New Products etc.	Total	Elimination & corporate	Consolidated Total
Sales								
1) External customers	62,761	60,147	25,409	59,734	9,334	217,386	-	217,386
2) Intersegment net sales or transfer	16,434	3,567	17	2,111	7,539	29,670	(29,670)	-
Net sales	79,195	63,714	25,426	61,846	16,874	247,057	(29,670)	217,386
Operating expenses	74,913	55,662	19,981	60,883	17,429	228,871	(27,767)	201,103
Operating income (loss)	4,281	8,052	5,445	962	(555)	18,186	(1,902)	16,283

*Unallocated operating expenses disclosed in "Elimination & Corporate" amounted to 1,739 million yen.

(3) FY05 results (Apr. 2005 - Mar. 2006)

Sales and Operating income

(Millions of Yen)

	Synthetic Fibers	Films & Plastics	Pharma. & H. H. Care	Trading & Retail	IT & New Products etc.	Total	Elimination & corporate	Consolidated Total
Sales								
1) External customers	260,966	264,511	105,588	259,828	47,187	938,082	-	938,082
2) Intersegment net sales or transfer	66,797	15,041	91	8,406	38,061	128,398	(128,398)	-
Net sales	327,764	279,553	105,680	268,234	85,248	1,066,481	(128,398)	938,082
Operating expenses	313,215	238,602	86,362	262,918	81,489	982,588	(121,263)	861,324
Operating income	14,548	40,950	19,318	5,316	3,759	83,893	(7,135)	76,757

*Unallocated operating expenses disclosed in "Elimination & Corporate" amounted to 7,107 million yen.

2. Regional Segment Information

(1) FY06 1Q results (Apr. 2006 - Jun. 2006)

Sales and Operating income

(Millions of Yen)

	Japan	Asia	Americas	Europe	Total	Elimination & corporate	Consolidated Total
Sales							
1) External customers	149,978	41,838	27,707	18,072	237,597	-	237,597
2) Intersegment net sales or transfer	10,856	7,598	941	6,424	25,830	(25,830)	-
Net sales	160,844	49,437	28,649	24,496	263,427	(25,830)	237,597
Operating expenses	151,825	44,526	27,495	19,840	243,686	(24,323)	219,363
Operating income	9,019	4,910	1,154	4,656	19,741	(1,507)	18,233

* Unallocated operating expenses disclosed in "Elimination & Corporate" amounted to 1,347 million yen.

(2) FY05 1Q results (Apr. 2005 - Jun. 2005)

Sales and Operating income

(Millions of Yen)

	Japan	Asia	Americas	Europe	Total	Elimination & corporate	Consolidated Total
Sales							
1) External customers	146,366	30,661	24,841	15,517	217,386	-	217,386
2) Intersegment net sales or transfer	9,002	6,974	653	4,329	20,961	(20,961)	-
Net sales	155,369	37,636	25,494	19,847	238,347	(20,961)	217,386
Operating expenses	145,481	33,809	24,028	16,838	219,857	(18,753)	201,103
Operating income	9,888	3,827	1,466	3,309	18,490	(2,207)	16,283

* Unallocated operating expenses disclosed in "Elimination & Corporate" amounted to 1,739 million yen.

(3) FY05 results (Apr. 2005 - Mar. 2006)

Sales and Operating income

(Millions of Yen)

	Japan	Asia	Americas	Europe	Total	Elimination & corporate	Consolidated Total
Sales							
1) External customers	619,218	150,582	103,402	64,878	938,082	-	938,082
2) Intersegment net sales or transfer	40,292	33,558	3,303	18,919	96,073	(96,073)	-
Net sales	659,510	184,141	106,706	83,798	1,034,156	(96,073)	938,082
Operating expenses	613,997	163,234	103,115	68,792	949,140	(87,815)	861,324
Operating income	45,512	20,906	3,590	15,006	85,015	(8,257)	76,757

* Unallocated operating expenses disclosed in "Elimination & Corporate" amounted to 7,107 million yen.

Supplementary Information

1. Industrial Segment Information

(1) FY06 1Q results and outlook for FY06

(Billions of yen)

	FY06 1Q	FY05 1Q	Change	Outlook for the six months ending September 30, 2006	Outlook for the year ending March 31, 2007
Sales:					
Synthetic Fibers	70.5	62.8	7.7	140.0	290.0
Films and Plastics	69.1	60.1	9.0	135.0	275.0
Pharma. and H. H. Care	27.4	25.4	2.0	55.0	115.0
Trading and Retail	62.0	59.7	2.2	130.0	270.0
IT and New Products etc.	8.6	9.3	(0.7)	20.0	50.0
Total	237.6	217.4	20.2	480.0	1,000.0
Operating income:					
Synthetic Fibers	4.3	4.3	0.1	8.5	22.0
Films and Plastics	9.3	8.1	1.2	18.0	35.0
Pharma. and H. H. Care	5.8	5.4	0.4	10.0	21.0
Trading and Retail	0.8	1.0	(0.2)	2.0	6.0
IT and New Products etc.	(0.4)	(0.6)	0.1	0.0	4.0
Elimination and Corporate	(1.6)	(1.9)	0.3	(3.5)	(8.0)
Total	18.2	16.3	2.0	35.0	80.0

(2) Movement of the quarterly segmental performance

(Billions of yen)

	FY05 1Q	FY05 2Q	FY05 3Q	FY05 4Q	FY06 1Q
Sales:					
Synthetic Fibers	62.8	63.7	63.7	70.9	70.5
Films and Plastics	60.1	65.2	66.3	72.8	69.1
Pharma. and H. H. Care	25.4	26.2	28.8	25.2	27.4
Trading and Retail	59.7	65.4	67.0	67.7	62.0
IT and New Products etc.	9.3	11.4	9.3	17.2	8.6
Total	217.4	231.9	235.0	253.7	237.6
Operating income:					
Synthetic Fibers	4.3	2.8	4.5	3.0	4.3
Films and Plastics	8.1	10.8	11.7	10.5	9.3
Pharma. and H. H. Care	5.4	3.9	6.6	3.3	5.8
Trading and Retail	1.0	1.3	1.4	1.6	0.8
IT and New Products etc.	(0.6)	1.2	0.1	3.0	(0.4)
Elimination and Corporate	(1.9)	(1.4)	(2.0)	(1.8)	(1.6)
Total	16.3	18.7	22.2	19.5	18.2

Supplementary Information

2. Capital expenditure, Depreciation & amortization expenses and Reserch & development expenses

(1) Consolidated basis

(Billions of yen)

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 1Q Actual	FY06 Outlook
Capital expenditure (CAPEX for tabgible assets)	53.0 (49.4)	54.1 (42.3)	66.8 (61.9)	13.8 (13.5)	90.0 (88.0)
Depreciation & amortization	52.8	52.3	50.4	12.2	54.0
Research & development	32.8	30.0	31.2	8.1	37.0

(Note) Depreciation & amortization includes amortization of consolidation account adjustment.

3. Number of employees

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 1Q Actual
Consolidated	20,551	18,960	18,819	19,075

4. Sales of principal pharmaceuticals

(Billions of yen)

Products	Indication	FY04 Actual	FY05 Actual	FY06 1Q Actual
Bonalon®	Treatment forosteoporosis	10.8	11.9	3.1
Onalfa®	Treatment forosteoporosis	11.8	12.0	3.0
Mucosolvan®	Expectorant	11.7	11.7	2.9
Venilon®	Treatment for severe infectious diseases	9.3	9.3	2.6
Laxoberon®	Laxative	4.8	4.8	1.2
Bonalfa®	Treatment for psoriasis	1.9	1.8	0.6
Spiropent®	Bronchodilator	1.5	1.4	0.4

5. Development status of new pharmaceuticals

Products	Indication	Stage
BTR-15	Asthma	NDA*
TMX-67	Gout and hyperuricemia	Preparation for second phase of NDA*
GTH-42W	Osteoporosis	NDA*
Venilon®	New indication as treatment for multiple sclerosis (MS)	Ph
Venilon®	New indication as treatment for Churg-Strauss syndrome	Ph
TMA-15	O-157 infections	Ph
TBN-15	Allergic rhinitis	Ph
LTC-203	Severe sepsis	Ph
ITM-014	Acromegaly	Ph
ITM-077	Typell Diabetes	Ph
TPC-806	Chymase inhibitor for congestive heart failure	Ph
TPI-526	Inflammatory diseases	Ph

*New drug application