

Consolidated Financial Results for the First Quarter of FY2007

(For the three months ended June 30, 2007)

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. Highlight of the first quarter of FY07 (April 1, 2007 through June 30, 2007)

(1) Consolidated financial results (Unaudited)

(Millions of yen)

	Sales	Operating income	Ordinary income	Net income
For the first quarter ended June 30, 2007	248,472	16,540	15,377	8,909
For the first quarter ended June 30, 2006	237,597	18,233	16,449	8,787
Change (%)	4.6	(9.3)	(6.5)	1.4
For the year ended March 31, 2007	1,009,586	75,061	60,493	34,124

(Yen)

	E.P.S.	Diluted E.P.S.	E.P.S.: Earnings per share
For the first quarter ended June 30, 2007	9.60	9.60	
For the first quarter ended June 30, 2006	9.47	9.47	
For the year ended March 31, 2007	36.78	36.76	

(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, 2007	1,032,421	414,732	36.2	402.44
As of June 30, 2006	951,287	375,169	35.5	364.08
As of March 31, 2007	999,917	407,736	36.7	395.18

(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, 2007	(17,466)	(16,069)	40,741	35,581
For the first quarter ended June 30, 2006	5,977	(16,842)	11,832	38,722
For the year ended March 31, 2007	96,455	(87,065)	(19,073)	28,365

2. Dividends

Period	Dividend per Share (Yen)		
	Interim	Year-end	Annual
FY 2007	4.50	5.50	10.00
FY 2008 Outlook	4.50	5.50	10.00

3. Forecast of financial result for the year ending March 31, 2008 (Fiscal 2007)

(% : Comparison with same period of the last fiscal year)

	Sales Millions of yen		Operating income Millions of yen		Ordinary income Millions of ye		Net income Millions of yen		E.P.S. Yen
FY 2008 interim	510,000	4.3	34,500	-11.0	29,000	-14.5	17,000	-11.4	18.16
FY 2008	1,060,000	5.0	80,000	6.6	69,000	14.1	39,000	14.3	40.68

4. Others

(1) Significant changes in subsidiaries during the period under review

(changes in specific subsidiaries involving changes in the scope of consolidation):

None

(2) Adoption of simplified accounting methods:

Yes

(3) Changes in accounting methods since the last consolidated fiscal year:

None

Note: For more information, see "Qualitative Information and Financial Statements 4.Others" on page 8.

* Note to ensure the appropriate use of forecasts, other information

All forecasts and other forward-looking statements contained in this document are based on information currently available to and judged as rational by management. Actual results may differ significantly from these forecasts. For more information on these forecasts, please refer to "Qualitative Information and Financial Statements 3. Outlook for Consolidated Operating Results" on page 7.

[Qualitative Information and Financial Statements]

1. Results of Operations for the first quarter of fiscal 2007 (the three months ended June 30, 2007)

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

In the first quarter of fiscal 2007, consolidated net sales rose 4.6%, to ¥248.5 billion, while operating income declined 9.3%, to ¥16.5 billion, and ordinary income declined 6.5%, to ¥15.4 billion. Nonetheless, net income rose 1.4%, to ¥8.9 billion. Net income per share for the three-month period was ¥9.60, up ¥0.13 from the first quarter of the previous fiscal year.

The increase in net sales was mainly due to the increasingly diverse nature of business, a consequence of strategic investments in the Synthetic Fibers, Films and Plastics segments. The decline in operating income was largely owing to sagging conditions in the markets for plastics and films, which countered the impact of an improved performance by polyester fibers and robust conditions in the market for high-performance fibers. Net income was flat, reflecting the impact of nonoperating revenues, notably a foreign exchange gain prompted by the depreciation of the yen, and a decline in restructuring costs and other components of extraordinary losses.

Synthetic Fibers

In the Synthetic Fibers segment, sales rose 10.6%, to ¥78.0 billion, and operating income climbed 49.5%, to ¥6.5 billion, compared with the first quarter of fiscal 2006.

Polyester Fibers

Operating conditions were harsh, owing to persistently high raw materials prices and fuel costs and an increase in the supply of products in the market from manufacturers in the People's Republic of China (PRC) and elsewhere. In Japan, subsidiary Teijin Fibers Limited reinforced marketing efforts for high-quality, high-performance fibers and actively promoted sales price revisions. At the same time, subsidiaries in Thailand and Indonesia focused on withdrawing from low-profitability businesses, improving product quality and taking determined steps to reduce costs.

High Performance Fibers

Demand for *Twaron*[®] para-aramid fibers remained firm, particularly for automobile- and safety-related applications, and sales continued to expand favorably. Demand for *Tenax*[®]

carbon fibers also continued to expand for use in industrial materials and private-sector aircraft. In response to soaring demand, we are constructing new production facilities for *Twaron*[®] para-aramid fibers that will increase capacity by approximately 15%. These facilities are scheduled to come on line gradually beginning at the end of 2008. We are also building a large-scale new production line for *Tenax*[®] carbon fibers, which is slated for completion in April 2008.

Films and Plastics

In the Films and Plastics segment, sales rose 5.0% from the first quarter of the previous fiscal year to ¥72.6 billion, while operating income declined 41.9%, to ¥5.4 billion.

Films

In Japan, the impact of inventory adjustments by film users caused the market for polyethylene terephthalate (PET) films for flat panel display (FPD) applications to sag. In contrast, sales of polyethylene naphthalate (PEN) films for high-density data backup tapes remained firm. We stepped up efforts to reach full capacity as soon as possible on new facilities for clear, thick PET film that came on line in January 2007. In the United States, where operating conditions are increasingly harsh as a slowing economic growth dampens demand and an influx of imported products continues to intensify competition and drive up raw materials prices and fuel costs, we continued to focus on an improved product mix, centered on products for high-value-added applications and ongoing rationalization efforts.

Plastics

Demand rose favorably for polycarbonate resin for general industrial applications, including office automation (OA) equipment and electrical and electronics equipment, particularly in the PRC and other Asian markets. However, prices for key raw material bisphenol A, which had been on an upswing since the latter half of fiscal 2006, remained persistently high, intensifying pressure on margins. Despite ongoing efforts to improve our product mix and reduce costs, as well as sales price revisions, operating income decreased. We also continued to promote the development of value-added downstream products, including specialty molded polycarbonate products. These include molded carbonate windows, which have been used on the new Series N700 *Shinkansen* bullet train since July 2007.

Pharmaceuticals and Home Health Care

The Pharmaceuticals and Home Health Care segment registered sales of ¥28.3 billion, an increase of 3.3% from the first quarter of fiscal 2006, and operating income of ¥6.0 billion, up 2.8%.

Pharmaceuticals

In the area of osteoporosis treatments, a key area of focus, shipments of *Bonalon*[®] 35mg, a new formulation of *Bonalon*[®] launched in September 2006, rose favorably, while sales

of active vitamin D3-based *Onealfa*[®], human immunoglobulin preparation *Venilon*[®] and expectorant *Mucosolvan*[®] were steady. We also saw a favorable increase in sales of *Alvesco*[®], an inhaled steroid for adult asthma launched on June 8, 2007. In R&D, we proceeded with development efforts in line with themes developed in-house as well as themes introduced from outside sources. In April 2007, we began phase I clinical trials of TMA-15, a treatment for O-157 infections, in Japan. The following month, we began phase I clinical trials for inhaled steroid *Alvesco*[®] for asthma in children.

Home Health Care

Rental volume for mainstay home oxygen therapy (HOT) equipment remained firm despite increasingly intense competition. In June 2007, we launched rentals of *Hi-Sanso*TM2U, one of Japan's smallest therapeutic oxygen concentrators for HOT. Sales of other home health care equipment, notably continuous positive airway pressure (CPAP) ventilators for sufferers of sleep apnea syndrome (SAS), rose favorably.

**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 edged down 2.2%, to ¥60.6 billion and operating income declined 25.7%, to ¥600 million, compared with the first quarter of the previous fiscal year.

Textiles and Apparel

Despite the expansion of casual apparel operations, our mainstay OEM business struggled as a consequence of persistently high raw materials prices and fuel costs, a strong Chinese currency and other factors.

Industrial Textiles and Materials

Sales of high-performance fibers for rubber reinforcements used in automotive applications, and for bag filters and other products for environmental applications, were brisk. Sales of household products exhibited signs of recovery, buoyed by brisk sales of condominiums in metropolitan areas; however, harsh market conditions persisted.

IT and New Products, etc.

Sales in the IT and New Products, etc., segment advanced 4.2%, to ¥9.0 billion, while the operating loss shrank by ¥100 million, to ¥300 million, compared with the first quarter of fiscal 2006.

IT

Subsidiary Infocom Corporation's IT solutions business continues to report a favorable increase in the number of orders for next-generation enterprise resource planning (ERP) software *GRANDIT*[®] for small and medium-sized companies. In services, we implemented decisive measures aimed at improving results.

New Products, etc.

In R&D, we continued to promote active efforts in line with three key themes—highly thermally conductive materials, bioplastics and high-performance electronics materials—with a view to commercialization before the conclusion of our STEP UP 2006 medium-term management plan. With the aim of laying a foundation for sustainable future growth, we also promoted the commercialization of a water treatment that employs an innovative technology .

At meetings of the board of directors of Teijin Limited and Toho Tenax Co., Ltd., on May 28, 2007, it was resolved to convert Toho Tenax into a wholly owned subsidiary of Teijin Limited, effective September 1, 2007, via a stock swap. Toho Tenax's shareholders approved the stock swap at the general meeting of shareholders of the company on June 28, 2007. Accordingly, the stock swap will take place on September 1, as a result of which Toho Tenax will become a wholly owned subsidiary of Teijin Limited.

2. Financial Position and Cash Flows

Financial Position

Total assets as of June 30, 2007, amounted to ¥1,032.4 billion, up ¥32.5 billion from the fiscal 2006 year-end. This was due to such factors as an upward revaluation of marketable securities, a consequence of rising stock prices; the increasingly diverse nature of business; and an increase in inventories provoked by rising raw materials prices and fuel costs, and seasonal factors.

Total liabilities were ¥617.7 billion, an increase of ¥25.5 billion. Increases in interest-bearing debt, including bank loans, bonds and long-term loans, accounted for ¥342.6 billion of this total, up ¥47.1 billion.

Shareholders' equity was ¥373.5 billion, up ¥6.8 billion, reflecting increases in retained earnings for the three months under review and unrealized net holding gains on securities, as well as cash dividend payments.

Cash Flows

Despite an increase in net income in the three months under review, increases in inventories, interest expense and income taxes paid contributed to net cash and cash equivalents used in operating activities of ¥17.5 billion.

Investing activities used net cash and cash equivalents of ¥16.1 billion, reflecting the application of cash to the purchase of property, plant and equipment.

Owing to proceeds from the issue of commercial paper, net cash and cash equivalents provided by financing activities amounted to ¥40.7 billion, after the repayment of bonds and cash dividends.

After factoring in the impact of exchange rate changes, operating, investing and financing activities during the period resulted in a ¥7.2 billion increase in cash and cash equivalents as of June 30, 2007.

3. Outlook for Consolidated Operating Results

Outlook for Fiscal 2007

Although operating environment is increasingly harsh in our plastics business, a part of the Films and Plastics segment, as a result of rising raw materials and other factors, we forecast consolidated net sales of ¥1,060.0 billion (increase ¥30.0 billion), while we continue to forecast operating income of ¥80.0 billion, ordinary income of ¥69.0 billion and net income of ¥39.0 billion, as initially forecast on May 7, 2007.

Outlook for Segment Results

(Billions of yen)

	FY2006	FY2007 (forecast)		Amount change (Annual)
		(Interim)	(Annual)	
Net sales				
Synthetic Fibers	293.3	155.0	320.0	+26.7
Films and Plastics	287.9	145.0	300.0	+12.1
Pharmaceuticals and HHC	113.1	55.0	115.0	+1.9
Trading and Retail	266.5	135.0	275.0	+8.5
IT and New Products, etc.	48.8	20.0	50.0	+1.2
Total	1,009.6	510.0	1,060.0	+50.4
Operating income				
Synthetic Fibers	17.3	13.0	28.0	+10.7
Films and Plastics	33.9	12.5	31.0	-2.9
Pharmaceuticals and HHC	21.2	10.0	21.0	-0.2
Trading and Retail	5.4	2.5	6.0	+0.6
IT and New Products, etc.	4.3	0.5	4.0	-0.3
Elimination and corporate	-7.1	-4.0	-10.0	-2.9
Total	75.1	34.5	80.0	+4.9

Risk Factors

The Teijin Group recognizes certain risks as having the potential to affect its operating results and/or financial position. As of the date of this document, these risks included, but were not limited to, the following:

Market-related risk

The Teijin Group manufactures and sells products the sales of which may be affected by

market conditions, competition with other companies and price fluctuations arising thereof, and fluctuations in raw materials prices and fuel costs, as well as by such market factors as fluctuations in foreign exchange and interest rates.

Product quality risk

Teijin's pharmaceuticals and home health care businesses manufacture and sell products that may affect the lives of users. Accordingly, quality issues relating to such products have the potential to negatively affect, among others, the Group's operating results, financial position and public reputation.

R&D-related risk in the pharmaceuticals business

R&D in the pharmaceuticals business is characterized by significant investments of funds and time. Pharmaceutical discovery research has a high incidence of failure to discover promising drugs. There are also risks that plans to apply for regulatory approval may be abandoned or that approval may be rescinded.

4.Others

Significant changes in subsidiaries during the period under review (changes in specific subsidiaries involving changes in the scope of consolidation):

None

Adoption of simplified accounting methods:

- Inventories are calculated using book inventory, not physical inventory.
- Inventories are not valued using the lower of cost or market method.
- The allowance for doubtful receivables is not determined based on a revised percentage of bad debts to total receivables.
- Income taxes are calculated using a simplified method based on the statutory effective tax rate.
- Simplified accounting methods have also been applied to certain other items having marginal impact.

Changes in accounting methods since the last consolidated fiscal year:

None

Consolidated Financial Statements

1. Consolidated Statements of Income

	Millions of yen			
	For the first quarter ended June 30, 2006 (Unaudited)	For the first quarter ended June 30, 2007 (Unaudited)	Change	For the year ended March 31, 2007
Net Sales	237,597	248,472	10,875	1,009,586
Cost of sales	175,708	186,259	10,551	750,849
Gross profit	61,889	62,212	323	258,736
Selling, general and administrative expenses	43,655	45,671	2,016	183,675
Operating income	18,233	16,540	(1,693)	75,061
Nonoperating revenues				
Interest income	81	164	83	729
Dividend income	553	681	128	993
Foreign exchange gain	185	1,102	917	998
Other income	165	204	38	1,229
Total	986	2,153	1,167	3,951
Nonoperating expenses				
Interest expense	1,965	2,395	430	9,481
Equity in losses of unconsolidated subsidiaries and affiliates	247	193	(54)	3,973
Other expenses	558	727	169	5,064
Total	2,770	3,316	545	18,518
Ordinary income	16,449	15,377	(1,071)	60,493
Extraordinary gains	174	669	494	11,005
Extraordinary losses	1,982	599	(1,383)	13,023
Income before income taxes	14,641	15,448	806	58,474
Income taxes	5,408	6,247	839	20,807
Minority interest in net losses of consolidated subsidiaries	445	291	(154)	3,542
Net income	8,787	8,909	121	34,124

2. Consolidated Balance Sheets

	Millions of yen			
	As of March 31, 2007	As of June 30, 2007 (Unaudited)	Change	As of June 30, 2006 (Unaudited)
<Assets>				
Current assets				
Cash and time deposits	28,375	35,595	7,220	38,733
Trade notes and accounts receivable	208,413	208,833	419	188,904
Inventories	141,095	161,158	20,063	143,542
Other current assets	39,524	40,595	1,070	40,986
Total	417,409	446,183	28,773	412,166
Fixed assets				
Tangible assets	379,631	379,350	(281)	350,972
Intangible assets	53,754	52,467	(1,287)	43,794
Investments and other assets	149,121	154,421	5,299	144,353
Total	582,507	586,238	3,730	539,120
Total assets	999,917	1,032,421	32,504	951,287
<Liabilities>				
Current liabilities				
Trade notes and accounts payable	139,405	131,949	(7,456)	112,466
Short-term interest-bearing debts	193,375	249,177	55,802	197,059
Other current liabilities	93,966	77,605	(16,360)	89,979
Total	426,747	458,733	31,985	399,505
Noncurrent liabilities				
Long-term interest-bearing debts	102,105	93,434	(8,670)	117,940
Employees' retirement benefits	17,852	17,245	(606)	17,431
Other noncurrent liabilities	45,475	48,275	2,799	41,239
Total	165,433	158,955	(6,477)	176,611
Total liabilities	592,181	617,689	25,508	576,117
<Net assets>				
Shareholders' equity				
Common stock	70,787	70,797	10	70,787
Capital surplus	63,137	63,136	(1)	63,169
Retained earnings	196,899	200,658	3,759	171,943
Treasury stock	(87)	(84)	2	(189)
Total	330,737	334,508	3,770	305,711
Valuation and translation adjustments and others				
Net unrealized holding gains on securities	40,268	43,571	3,303	40,742
Deferred gains on hedges	36	(52)	(88)	30
Foreign currency translation adjustment	(4,289)	(4,519)	(230)	(8,697)
Total	36,015	38,999	2,984	32,075
Stock acquisition rights	96	96	-	-
Minority interests in consolidated subsidiaries	40,886	41,127	241	37,382
Total net assets	407,736	414,732	6,996	375,169
Total liabilities and net assets	999,917	1,032,421	32,504	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, 2007 (Unaudited)	Change	For the year ended March 31, 2007
Cash flows from operating activities				
Income before income taxes	14,641	15,448	806	58,474
Depreciation and amortization	12,240	14,386	2,146	54,008
Impairment loss	-	75	75	1,122
Increase(decrease) in allowance for doubtful receivables	7	(5)	(12)	115
Interest and dividend income	(634)	(846)	(211)	(1,723)
Interest expense	1,965	2,395	430	9,481
(Gain) loss on disposal and sales of property, plant & equipment	198	(296)	(494)	(2,746)
(Increase) decrease in receivables	5,325	(408)	(5,733)	(10,900)
(Increase) decrease in inventories	(13,180)	(19,861)	(6,680)	(7,704)
Increase (decrease) in payables	1,343	(7,502)	(8,845)	25,145
Other, net	(7,724)	(1,616)	6,107	(6,402)
Subtotal	14,182	1,769	(12,412)	118,872
Interest and dividends received	796	960	164	2,838
Interest paid	(1,806)	(3,095)	(1,289)	(8,400)
Income taxes paid	(7,194)	(17,101)	(9,906)	(16,854)
Net cash and cash equivalents provided by operating activities	5,977	(17,466)	(23,443)	96,455
Cash flows from investing activities				
Purchase of property, plant and equipment	(15,191)	(15,820)	(628)	(69,995)
Proceeds from sales of property, plant & equipment	124	603	479	8,031
Purchase of investment securities	(125)	(15)	109	(6,835)
Proceeds from sales & redemption of investment securities	43	157	113	1,262
Net increase in short-term and long-term loans receivables	(438)	(1,137)	(698)	(2,059)
Other, net	(1,255)	142	1,397	(17,469)
Net cash and cash equivalents provided by (used in) investing activities	(16,842)	(16,069)	772	(87,065)
Cash flows from financing activities				
Increase (decrease) in short-term bank loans, net	(1,763)	18,222	19,985	(18,965)
Increase in commercial paper, net	13,000	20,000	7,000	31,000
Increase (decrease) in debentures, net	8,008	(493)	(8,502)	(5,281)
Increase (decrease) in Long-term debts, net	(3,585)	8,285	11,871	(16,704)
Cash dividends paid	(3,711)	(5,104)	(1,393)	(7,887)
Cash dividends paid to minority shareholders	(200)	(179)	21	(1,486)
Other, net	84	11	(73)	251
Net cash and cash equivalents provided by (used in) financing activities	11,832	40,741	28,909	(19,073)
Effect of exchange rate changes on cash and cash equivalents	81	10	(70)	374
Net increase in cash and cash equivalents	1,048	7,216	6,167	(9,308)
Cash and cash equivalents at beginning of period	37,585	28,365	(9,220)	37,585
Increase of cash and cash equivalents due to change in scope of consolidation	88	-	(88)	88
Cash and cash equivalents at end of period	38,722	35,581	(3,140)	28,365

Segment Information



1. Industrial Segment Information

(1) FY07 1Q results (Apr. 2007 - Jun. 2007)

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	77,983	72,573	28,306	60,625	8,984	248,472	-	248,472
2) Intersegment net sales or transfer	18,979	4,200	13	2,308	9,432	34,933	(34,933)	-
Net sales	96,962	76,773	28,319	62,933	18,416	283,406	(34,933)	248,472
Operating expenses	90,475	71,342	22,327	62,338	18,726	265,211	(33,280)	231,931
Operating income (loss)	6,487	5,430	5,991	595	(310)	18,194	(1,653)	16,540

*Unallocated operating expenses disclosed in "Elimination & Corporate" amounted to 1,624 million yen.

(2) 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	61,966	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.

(3) FY06 results (Apr. 2006 - Mar. 2007)

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	293,280	287,901	113,093	266,491	48,818	1,009,586	-	1,009,586
2) Intersegment net sales or transfer	71,907	15,486	86	9,374	43,446	140,301	(140,301)	-
Net sales	365,187	303,388	113,180	275,865	92,265	1,149,888	(140,301)	1,009,586
Operating expenses	347,846	269,488	91,988	270,470	87,945	1,067,738	(133,213)	934,525
Operating income	17,341	33,899	21,192	5,395	4,319	82,149	(7,088)	75,061

*Unallocated operating expenses disclosed in "Elimination & Corporate" amounted to 6,937 million yen.

2. Regional Segment Information

(1) FY07 1Q results (Apr. 2007 - Jun. 2007)

Sales and Operating income

(Millions of Yen)

	Japan	Asia	Americas	Europe	Total	Elimination & corporate	Consolidated Total
Sales							
1) External customers	154,462	44,923	28,543	20,543	248,472	-	248,472
2) Intersegment net sales or transfer	11,431	8,155	862	7,323	27,772	(27,772)	-
Net sales	165,894	53,078	29,406	27,866	276,245	(27,772)	248,472
Operating expenses	156,425	50,269	28,373	23,166	258,235	(26,304)	231,931
Operating income	9,468	2,808	1,033	4,699	18,009	(1,468)	16,540

* Unallocated operating expenses disclosed in "Elimination & Corporate" amounted to 1,624 million yen.

(2) 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	10,865	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.

(3) FY06 results (Apr. 2006 - Mar. 2007)

Sales and Operating income

(Millions of Yen)

	Japan	Asia	Americas	Europe	Total	Elimination & corporate	Consolidated Total
Sales							
1) External customers	652,247	178,332	109,350	69,656	1,009,586	-	1,009,586
2) Intersegment net sales or transfer	46,862	30,170	4,091	25,587	106,712	(106,712)	-
Net sales	699,109	208,502	113,442	95,243	1,116,298	(106,712)	1,009,586
Operating expenses	650,759	195,651	109,440	78,012	1,033,864	(99,339)	934,525
Operating income	48,349	12,851	4,001	17,231	82,433	(7,372)	75,061

* Unallocated operating expenses disclosed in "Elimination & Corporate" amounted to 6,937 million yen.

Supplementary Information

1. Industrial Segment Information

(1) Movement of consolidated financial results

(Billions of yen)

	FY06 1Q	FY06 2Q	FY06 3Q	FY06 4Q	FY07 1Q
Sales	237.6	251.2	259.2	261.6	248.5
Operating income	18.2	20.6	19.0	17.3	16.5
Ordinary income	16.4	17.5	15.6	11.0	15.4
Net income	8.8	10.4	13.0	2.0	8.9

(2) Movement of the quarterly segmental performance

(Billions of yen)

	FY06 1Q	FY06 2Q	FY06 3Q	FY06 4Q	FY07 1Q
Sales:					
Synthetic Fibers	70.5	74.1	73.3	75.4	78.0
Films and Plastics	69.1	69.6	75.5	73.7	72.6
Pharma. and H. H. Care	27.4	28.0	30.4	27.3	28.3
Trading and Retail	62.0	67.7	69.9	67.0	60.6
IT and New Products etc.	8.6	11.8	10.2	18.2	9.0
Total	237.6	251.2	259.2	261.6	248.5
Operating income:					
Synthetic Fibers	4.3	5.3	4.0	3.7	6.5
Films and Plastics	9.3	9.3	8.0	7.3	5.4
Pharma. and H. H. Care	5.8	4.6	7.1	3.7	6.0
Trading and Retail	0.8	1.4	1.6	1.6	0.6
IT and New Products etc.	(0.4)	1.4	0.1	3.3	(0.3)
Elimination and Corporate	(1.6)	(1.4)	(1.7)	(2.4)	(1.7)
Total	18.2	20.6	19.0	17.3	16.5

Supplementary Information

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

(Billions of yen)

	FY04 Actual	FY05 Actual	FY06 Actual	FY07 1Q Actual	FY07 Outlook
Capital expenditure	54.1	66.8	75.7	13.4	89.0
(CAPEX for tabgible assets)	(42.3)	(61.9)	(73.0)	(12.5)	(87.0)
Depreciation & amortization	52.3	50.4	54.0	14.4	63.0
Research & development	30.0	31.2	35.1	8.1	37.0

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

3. Number of employees

(Persons)

	FY04 Actual	FY05 Actual	FY06 Actual	FY07 1Q Actual
Consolidated	18,960	18,819	19,053	19,174

4. Sales of principal pharmaceuticals

(Billions of yen)

Products	Indication	FY05 Actual	FY06 Actual	FY07 1Q Actual
Bonalon [®]	Treatment for osteoporosis	11.9	13.8	4.1
Onalfa [®]	Treatment for osteoporosis	12.0	11.8	3.1
Mucosolvan [®]	Expectorant	11.7	11.5	2.8
Venilon [®]	Treatment for severe infectious disease	9.3	9.4	2.5
Laxoberon [®]	Laxative	4.8	4.8	1.2
Bonalfa [®]	Treatment for psoriasis	1.8	2.2	0.6
Spiropent [®]	Bronchodilator	1.4	1.3	0.3

5. Development status of new pharmaceuticals

(As of June 30, 2007)

Products	Indication	Stage
TMX-67	Gout and hyperuricemia	Under additional clinical trials
TV-02HS	Psoriasis	New drug application
Venilon [®]	New indication as treatment for multiple sclerosis (MS)	Ph III
Venilon [®]	New indication as treatment for Churg-Strauss syndrome	Ph III
TMA-15	O-157 infections	Ph II (Overseas)
TBN-15	Allergic rhinitis	Ph II
ITM-014	Acromegaly	Ph II
LTC-203	Severe sepsis	Ph I
ITM-077	TypeII Diabetes	Ph I
TPC-806	Chymase inhibitor for congestive heart failure	Ph I
TPI-526	Inflammatory diseases	Ph I (Overseas)
GTH-42V	Osteoporosis	Ph I
TMA-15	O-157 infections	Ph I
BTR-15K	Asthma (New indication in children)	Ph I

 * BTR-15, an inhaled steroid for adult asthma was launched in June 2007 as the trademark Alvesco[®].