

TOHO RAYON CO., LTD.

FINANCIAL STATEMENTS 1998

Year ended March 31, 1998

Financial Highlights

(Non-consolidated, years ended March 31)

	Millions of yen		Thousands of U.S. dollars (Note)	
	1998	1997	1998	1997
Net Sales	¥ 48,140	¥ 48,016	\$ 364,421	\$ 363,482
Net Loss	1,007	4,393	7,623	33,255
Shareholders' Equity	14,653	15,660	110,924	118,547
Per Share:	Yen		U.S. dollars	
Net Loss	10.97	47.87	0.08	0.36
Shareholders' Equity	159.64	170.61	1.21	1.29

Note: The United States dollar amounts in this report are given for convenience only and represent translations of Japanese yen at the rate of ¥132.10 = US\$1. The amounts previously reported for the years through 1997 have been revised to reflect the same rate of conversion. See Note 1 of Notes to Financial Statements.

Non-consolidated Balance Sheets

March 31, 1998 and 1997

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	1998	1997	1998	1997
ASSETS				
Current Assets:				
Cash	¥ 2,299	¥ 1,345	\$ 17,403	\$ 10,182
Marketable securities (Note 8)	760	806	5,753	6,101
Notes and accounts receivable, less allowance for doubtful accounts of ¥80 million (\$606 thousand) in 1998 and ¥90 million (\$681 thousand) in 1997 (Note 7)	13,501	14,199	102,203	107,487
Inventories:				
Finished products	5,308	4,956	40,182	37,517
Work in process	3,308	3,847	25,042	29,122
Raw materials and supplies	1,966	2,288	14,883	17,320
Other current assets (Note 7)	2,373	3,030	17,963	22,937
Total Current Assets	29,515	30,471	223,429	230,666
Property, Plant and Equipment (Note 2):				
Land	1,135	1,144	8,592	8,660
Buildings and structures	17,348	17,206	131,325	130,250
Machinery and equipment	66,221	64,343	501,294	487,078
Construction in progress	225	322	1,703	2,437
	84,929	83,015	642,914	628,425
Less accumulated depreciation	(63,547)	(61,251)	(481,052)	(463,671)
Net Property, Plant and Equipment	21,382	21,764	161,862	164,754
Investments and Other Assets:				
Investments in securities (Note 8)	2,037	2,735	15,420	20,704
Investments in subsidiaries and affiliated companies (Note 8)	4,436	4,501	33,581	34,073
Long-term loans receivable, less allowance for doubtful accounts of ¥7,854 million (\$59,455 thousand) in 1998 and ¥7,854 million (\$59,455 thousand) in 1997 (Note 7)	850	872	6,434	6,601
Other	952	1,037	7,207	7,850
Total Investments and Other Assets	8,275	9,145	62,642	69,228
	¥ 59,172	¥ 61,380	\$ 447,933	\$ 464,648

See accompanying notes.

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	1998	1997	1998	1997
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current Liabilities:				
Notes and accounts payable (Note 7):				
Trade	¥ 7,178	¥ 8,237	\$ 54,338	\$ 62,354
Other	1,497	1,451	11,332	10,984
Short-term bank loans (Note 2)	24,350	25,650	184,330	194,171
Current maturities of long-term debt (Note 2)	2,938	1,585	22,241	11,998
Income taxes payable	39	34	295	257
Accrued expenses and other current liabilities	1,355	1,402	10,257	10,614
Total Current Liabilities	37,357	38,359	282,793	290,378
Retirement and Severance Benefits	1,617	1,589	12,241	12,029
Long-term Debt, less current maturities (Note 2)	4,976	5,559	37,668	42,082
Other Long-term Liabilities	569	213	4,307	1,612
Contingencies (Note 3)				
Shareholders' Equity:				
Common stock, par value ¥50 per share;				
Shares authorized, 200,000,000;				
Shares issued, 91,786,738 in 1998 and 91,786,738 in 1997	9,065	9,065	68,622	68,622
Additional paid-in capital (Note 5)	5,943	5,943	44,989	44,989
Legal reserve (Note 6)	1,243	1,243	9,410	9,410
Accumulated deficit	(1,598)	(591)	(12,097)	(4,474)
Total Shareholders' Equity	14,653	15,660	110,924	118,547
	¥ 59,172	¥ 61,380	\$ 447,933	\$ 464,648

Non-consolidated Statements of Operations

Years ended March 31, 1998 and 1997

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	1998	1997	1998	1997
Net Sales	¥ 48,140	¥ 48,016	\$ 364,421	\$ 363,482
Cost of Sales (Note 7)	40,751	42,315	308,486	320,326
Gross profit	7,389	5,701	55,935	43,156
Selling, General and Administrative Expenses	5,931	5,810	44,898	43,981
Operating profit (loss)	1,458	(109)	11,037	(825)
Other Income (Expenses):				
Interest and dividend income	203	191	1,536	1,446
Interest expense	(577)	(593)	(4,368)	(4,489)
Gain on sale or disposal of property, plant and equipment, net	203	1,738	1,537	13,157
Gain (loss) on sale of securities	(139)	1,355	(1,052)	10,257
Restructuring costs of cotton yarns business	(272)	(772)	(2,059)	(5,844)
Provision for losses on accounts receivable	—	(5,500)	—	(41,635)
Write-off of accounts receivable	(1,465)	—	(11,090)	—
Other, net	(388)	(688)	(2,937)	(5,208)
	(2,435)	(4,269)	(18,433)	(32,316)
Loss before income taxes	(977)	(4,378)	(7,396)	(33,141)
Income Taxes	30	15	227	114
Net Loss	¥ 1,007	¥ 4,393	\$ 7,623	\$ 33,255
Net Loss Per Share	¥ 10.97	¥ 47.87	\$ 0.08	\$ 0.36

See accompanying notes.

Non-consolidated Statements of Shareholders' Equity

Years ended March 31, 1998 and 1997

	Thousands		Millions of yen			
	Shares	Amount	Additional paid-in capital	Legal reserve	Retained earnings	
Balance at March 31, 1996	91,782	¥ 9,064	¥ 5,942	¥ 1,243	¥ 3,802	
Net loss					(4,393)	
Conversion of bonds to common stock.....	4	1	1			
Balance at March 31, 1997	91,786	9,065	5,943	1,243	(591)	
Net loss.....					(1,007)	
Balance at March 31, 1998	91,786	¥ 9,065	¥ 5,943	¥ 1,243	¥ (1,598)	

	Thousands		Thousands of U.S. dollars (Note 1)			
	Shares	Amount	Additional paid-in capital	Legal reserve	Retained earnings	
Balance at March 31, 1996	91,782	\$ 68,614	\$ 44,981	\$ 9,410	\$ 28,781	
Net loss					(33,255)	
Conversion of bonds to common stock	4	8	8			
Balance at March 31, 1997	91,786	68,622	44,989	9,410	(4,474)	
Net loss					(7,623)	
Balance at March 31, 1998	91,786	\$ 68,622	\$ 44,989	\$ 9,410	\$ (12,097)	

See accompanying notes.

Non-consolidated Statements of Cash Flows

Years ended March 31, 1998 and 1997

	Millions of yen		Thousands of U.S. dollars (Note 1)	
	1998	1997	1998	1997
Cash flows from operating activities:				
Net loss.....	¥ (1,007)	¥ (4,393)	\$ (7,623)	\$ (33,255)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	3,378	3,511	25,572	26,578
Provision for losses on accounts receivable	(10)	5,492	(76)	41,574
Gain on sale or disposal of property, plant and equipment	(203)	(1,738)	(1,537)	(13,157)
(Gain) loss on sale of securities	139	(1,355)	1,052	(10,257)
Write-off of accounts receivable	1,465	—	11,090	—
Write-down of marketable securities and investments in securities and investments in subsidiaries and affiliated companies.....	410	336	3,104	2,544
Decrease (increase) in notes and accounts receivable	(757)	59	(5,730)	447
Decrease in inventories	509	1,944	3,853	14,716
Decrease (increase) in other current assets	657	(1,026)	4,974	(7,767)
Increase (decrease) in notes and accounts payable	(1,058)	1,425	(8,009)	10,787
Increase (decrease) in income taxes payable	4	(11)	30	(83)
Increase (decrease) in accrued expenses and other current liabilities ..	83	(590)	628	(4,466)
Increase (decrease) in retirement and severance benefits	28	(9)	212	(68)
Increase in other long-term liabilities	356	—	2,695	—
Net cash provided by operating activities	<u>3,994</u>	<u>3,645</u>	<u>30,235</u>	<u>27,593</u>
Cash flows from investing activities:				
Proceeds from sale of property, plant and equipment	311	2,357	2,354	17,843
Purchases of property, plant and equipment	(2,932)	(2,594)	(22,195)	(19,637)
Sale of marketable securities, investments in securities, investments in subsidiaries and affiliated companies	261	1,620	1,976	12,263
Increase in long-term loans receivable and other	(150)	(3,648)	(1,136)	(27,615)
Net cash used in investing activities	<u>(2,510)</u>	<u>(2,265)</u>	<u>(19,001)</u>	<u>(17,146)</u>
Cash flows from financing activities:				
Proceeds from long-term debt	2,390	1,600	18,091	12,112
Repayments of long-term debt	(1,620)	(1,466)	(12,263)	(11,098)
Decrease in short-term bank loans	(1,300)	(1,650)	(9,841)	(12,490)
Net cash used in financing activities	<u>(530)</u>	<u>(1,516)</u>	<u>(4,013)</u>	<u>(11,476)</u>
Net increase (decrease) in cash	954	(136)	7,221	(1,029)
Cash at beginning of year	1,345	1,481	10,182	11,211
Cash at end of year	¥ 2,299	¥ 1,345	\$ 17,403	\$ 10,182

See accompanying notes.

Notes to Financial Statements

March 31, 1998 and 1997

NOTE 1 — SUMMARY OF ACCOUNTING POLICIES

Basis of presentation of financial statements

The accompanying financial statements have been translated into English from those in Japanese which have been filed with the Minister of Finance and the Tokyo Stock Exchange. The statements of cash flows have been prepared for the purpose of inclusion in this report.

Certain modifications have been made in the presentation of the financial statements to assist foreign users in their understanding of the financial statements. The principal modifications changes are as follows:

(a) Monetary units

The financial statements are stated in Japanese yen. The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of the reader, using the prevailing exchange rate at March 31, 1998, which was ¥132.10 to U.S.\$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

(b) Accounting policies and presentation

Accounting policies used for the original financial statements remain unchanged in the English version. However, disclosures have been subjected to appropriate modifications to make the presentation of the financial statements more suitable for foreign users.

Reporting entity

The financial statements comprise the accounts of the Company on a non-consolidated basis.

Overall accounting policies

The accounting policies employed by the Company consist of the practices accepted by accounting standards, laws and regulations, practices and customs of Japan.

Translation of foreign currencies

Foreign currency amounts are translated into Japanese yen on the basis of the year-end rate for current receivables and payables, and at the historical rate for non-current items. In the case of significant fluctuation of exchange rates during any period, however, long-term receivables are translated at the year-end rate. Gains or losses resulting from exchange adjustments are credited or charged to income as incurred.

Allowance for doubtful accounts

Notes and accounts receivable, including advances and loans receivable, are valued by providing for individual amounts deemed to be uncollectible plus the maximum amount for possible losses in respect of doubtful accounts which could be charged to income under the income tax laws in Japan.

Marketable securities, investments in securities and investments in subsidiaries and affiliated companies

Securities that have quoted market prices are valued at their cost or at their listed stock exchange price at the end of the year, whichever is lower. All other investments are stated at cost adjusted for any substantial and non-recoverable decline in value.

Marketable securities are classified as current or non-current assets dependent upon management's investment objectives.

Inventories

Inventories are primarily valued at the lower of cost or market. Cost is determined by the moving average method.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost. Depreciation is computed on a declining-balance method over the estimated useful lives based on Japanese tax regulations. The cost and accumulated depreciation applicable to assets retired or otherwise disposed of are eliminated from the related accounts and the gain or loss on disposal is credited or charged to income. Expenditures for new facilities and those that substantially increase the useful lives of existing plant and equipment are capitalized. Maintenance, repair and minor renewals are charged to expense as incurred.

Retirement and severance benefits and pension costs

Officers (directors and statutory auditors) and employees severing their connection with the Company on retirement or otherwise are entitled, in most circumstances, to a lump-sum severance and, in certain cases, annuity payments based on current rates of pay, length of service and certain other factors. The Company provides for such liability for lump-sum severance benefits, to the extent of 40% for employees and 100% for officers, of the amount which would be required if all employees voluntarily terminated their employment at each year-end and officers retired at each year-end. Such liability is not funded.

Most employees of the Company are covered by a non-contributory trustee pension plan. Unamortized past service costs under the plan amounted to ¥2,523 million (\$19,099 thousand) at September 30, 1997, which is currently being amortized on a straight-line basis over fourteen years.

Lease transactions

Finance leases, except those leases for which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.

Research and development expenses

Research and development expenses for the improvement of existing products and basic research and fundamental development costs are charged to operations in the period incurred.

Direct costs for research and development related to development of new products and production processes are deferred and included in other assets in the balance sheets. Such costs are amortized over a five-year period using the straight-line method.

Income Taxes

The Company is subject to a number of different income taxes which, in the aggregate, results in statutory tax rate of approximately 52% for the years ended March 31, 1998 and 1997. However, there is a reduction for special tax credits applicable to foreign technical license fee and increases in research and development expenses. There is also a reduction of taxes on dividend income from Japanese companies. There are limits on deductions of certain expenses.

Bonuses to directors

Bonuses to directors are subject to approval by the shareholders and are accounted for by an appropriation of retained earnings for the period in which payment is made.

Net loss per share

Net loss per share is computed based upon the average number of shares of common stock outstanding during the period.

Diluted net income per share is not shown, due to net loss for 1998 and 1997.

NOTE 2 — SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans outstanding, which are unsecured, bore interest at annual rates of 1.02% to 1.875% and 1.05% to 1.625% at March 31, 1998 and 1997.

Long-term debt at March 31, 1998 and 1997 consisted of the following:

	Millions of yen		Thousands of U.S. dollars	
	1998	1997	1998	1997
Loans from banks, 1.2% to 6.9% maturing serially through 2004	¥ 7,587	¥ 6,817	\$ 57,434	\$ 51,605
2.4% mortgaged convertible yen sinking fund bonds due in 1999	327	327	2,475	2,475
	7,914	7,144	59,909	54,080
Less current maturities	(2,938)	(1,585)	(22,241)	(11,998)
	¥ 4,976	¥ 5,559	\$ 37,668	\$ 42,082

The 2.4% mortgaged convertible yen sinking fund bonds in the aggregate principal amount of ¥8,000 million (\$60,560 thousand) were issued on September 30, 1987. These bonds are subject to conversion at ¥643 (\$4.87) per share at March 31, 1998. At March 31, 1998, 509 thousand additional shares of common stock would have been issued

upon full conversion at the current conversion price.

Property, plant and equipment, at net book values of ¥2,873 million (\$21,749 thousand) at March 31, 1998 were pledged as collateral for long-term debt of ¥7,114 million (\$53,853 thousand).

The annual maturities of long-term debt at March 31, 1998 were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
1999	¥ 2,938	\$ 22,241
2000	2,296	17,381
2001	1,463	11,075
2002	876	6,631
2003 and thereafter	341	2,581
	¥ 7,914	\$ 59,909

NOTE 3 — CONTINGENCIES

Contingencies for loans guaranteed by the Company at March 31, 1998 were as follows:

	Millions of yen	Thousands of U.S. dollars
	1998	1998
Tenax Fibers GmbH & Co., KG (subsidiary)	¥ 482	\$ 3,649
TOHO MACHINERY Co., Ltd (subsidiary)	150	1,136
Toho Tex Co., Ltd. (subsidiary)	52	394

NOTE 4 — LEASE EXPENSES

The Company leases certain machinery and equipment under non-cancelable finance leases without transfer of ownership. Assuming that finance leases without transfer of ownership were capitalized, they

would be recorded on the financial statements as of March 31, 1998 and 1997 as follows:

	Millions of yen		Thousands of U.S. dollars	
	1998	1997	1998	1997
Acquisition cost	¥ 400	¥ 221	\$ 3,028	\$ 1,673
Accumulated depreciation.....	165	85	1,249	643
Book value	¥ 235	¥ 136	\$ 1,779	\$ 1,030

Under the assumption, the depreciation was calculated on a straight-line method over lease period without residual value.

Total expenses for finance leases for the years ended March 31, 1998 and 1997 amounted to ¥78 million (\$590 thousand) and ¥90 mil-

lion (\$681 thousand), except for those leases without ownership transfer.

Total lease commitments including interest expense under these finance leases at March 31, 1998 and 1997 were as follows:

	Millions of yen		Thousands of U.S. dollars	
	1998	1997	1998	1997
Current	¥ 84	¥ 40	\$ 636	\$ 303
Non-current.....	151	96	1,143	727
	¥ 235	¥ 136	\$ 1,779	\$ 1,030

NOTE 5 — ADDITIONAL PAID-IN CAPITAL

Under the Japanese Commercial Code, the entire amount of proceeds from issuance of stocks is required to be recorded as "common

stock"; however, a company in Japan may, by resolution of the Board of Directors, account for an amount not exceeding one-half of the issue price as "additional paid-in capital".

NOTE 6 — LEGAL RESERVE

Under the Japanese Commercial Code, the Company is required to appropriate as a legal reserve a portion of retained earnings equal to at least 10% of any disbursements as an appropriation of retained earnings for each financial period until the reserve equals 25% of the

amount of common stock issued. This reserve is not available for dividends, but may be used to reduce a deficit by resolution of a shareholders' meeting or may be capitalized by resolution of the Board of Directors.

NOTE 7 — BALANCES AND TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATED COMPANIES

Balances and transactions with subsidiaries and affiliated companies at March 31, 1998 and 1997, and for the years then ended were as follows:

	Millions of yen		Thousands of U.S. dollars	
	1998	1997	1998	1997
Notes and accounts receivable	¥ 3,192	¥ 2,664	\$ 24,164	\$ 20,166
Other current assets (other receivable)	799	1,206	6,048	9,129
Long-term loans receivable	8,635	8,635	65,367	65,367
Allowance for doubtful accounts	(7,850)	(7,850)	(59,425)	(59,425)
	785	785	5,942	5,942
Notes and accounts payable:				
Trade	166	275	1,257	2,082
Other	472	247	3,573	1,870
Purchases	2,470	2,493	18,698	18,872

NOTE 8 — MARKET VALUE INFORMATION AND DERIVATIVES

At March 31, 1998 and 1997, book values, market values and net unrealized gains (losses) of quoted securities were as follows:

	Millions of yen					
	1998			1997		
	Book value	Market value	Unrealized Gains (losses)	Book value	Market value	Unrealized Gains (losses)
Current assets:						
Stock	¥ 760	¥ 1,268	¥ 508	¥ 796	¥ 1,356	¥ 560
Other	—	—	—	10	7	(3)
Non-current assets:						
Stock	2,136	2,644	508	2,570	3,604	1,034
Other	26	18	(8)	356	242	(114)
	<u>¥ 2,922</u>	<u>¥ 3,930</u>	<u>¥ 1,008</u>	<u>¥ 3,732</u>	<u>¥ 5,209</u>	<u>¥ 1,477</u>

	Thousands of U.S. dollars					
	1998			1997		
	Book value	Market value	Unrealized Gains (losses)	Book value	Market value	Unrealized Gains (losses)
Current assets:						
Stock	\$ 5,753	\$ 9,599	\$ 3,846	\$ 6,026	\$ 10,265	\$ 4,239
Other	—	—	—	76	53	(23)
Non-current assets:						
Stock	16,170	20,015	3,845	19,455	27,282	7,827
Other	197	136	(61)	2,695	1,832	(863)
	<u>\$ 22,120</u>	<u>\$ 29,750</u>	<u>\$ 7,630</u>	<u>\$ 28,252</u>	<u>\$ 39,432</u>	<u>\$ 11,180</u>

At March 31, 1998 the Company entered into interest rate swap agreements in the notional amount of ¥8,000 million (\$60,560 thousand) to reduce its financing cost.

NOTE 9 — SUBSEQUENT EVENTS

(1) On June 26, 1998, the Company's annual shareholders' meeting approved the transfer of the textile business (cotton and acrylic fibers) to SEIHO TRADING Co., Ltd. (a wholly-owned subsidiary) and rayon business to TOHO KAIHATU Co., Ltd. (a wholly-owned subsidiary). Those transfers were entered into an agreement on April 3, 1998 and will be executed on September 30, 1998.

The purposes of transfer of businesses are the Company's concentration in carbon fiber business and more effective scheme of management in textile and rayon businesses.

The book value as of March 31, 1998 of the Company's assets to be transferred was as follows:

Textile business	Millions of yen		Thousands of U.S. dollars	
	1998		1998	
Accounts receivable	¥	7,441	\$	56,329
Inventories		6,086		46,071
Other current assets		835		6,321
Machinery and equipment		3,288		24,890
Total assets		<u>17,650</u>		<u>133,611</u>
Accounts payable		2,538		19,213
Other current liabilities		410		3,104
Total liabilities		<u>2,948</u>		<u>22,317</u>

Rayon business	Millions of yen	Thousands of U.S. dollars
	1998	1998
Accounts receivable	¥ 1,158	\$ 8,766
Inventories	1,349	10,212
Other current assets	24	182
Machinery and equipment	1,900	14,383
Total assets	4,431	33,543
Accounts payable	971	7,350
Other current liabilities	205	1,552
Total liabilities	1,176	8,902

(2) On April 23, 1998, the Company sold the land to Tokyo Tatemono Co., Ltd. The selling price is ¥671 million (\$5,079 thousand) and gains on sale are ¥600 million (\$4,542 thousand).

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and the Board of Directors of TOHO RAYON CO., LTD:

We have audited the accompanying non-consolidated balance sheets of TOHO RAYON CO., LTD (a Japanese corporation) as of March 31, 1998 and 1997, and the related non-consolidated statements of operations, shareholders' equity and cash flows for the years then ended, expressed in Japanese yen. Our audits were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the non-consolidated financial statements referred to above present fairly the non-consolidated financial position of TOHO RAYON CO., LTD as of March 31, 1998 and 1997, and the non-consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in Japan applied on a consistent basis.

As discussed in Note 9 in the non-consolidated financial statements, the Company's annual shareholder's meeting on June 26, 1998 approved the transfer of textile business (cotton and acrylic fibers) to SEIHOU TRADING Co., Ltd. (a wholly-owned subsidiary) and rayon business to TOHO KAIHATU Co., Ltd. (a wholly-owned subsidiary). Those transfers were entered into an agreement on April 3, 1998 and will be executed on September 30, 1998.

Also, in our opinion, the U.S. dollar amounts in the accompanying non-consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1.

Tokyo, Japan
June 26, 1998

Asahi & Co.

ASAHI & CO.

(A Member Firm of Andersen Worldwide SC)

Five-Year Summary

Years ended March 31

	Millions of yen				
	1998	1997	1996	1995	1994
STATEMENTS OF INCOME (Years ended March 31)					
Net Sales	¥ 48,140	¥ 48,016	¥ 47,905	¥ 53,625	¥ 55,344
Cost of Sales	40,751	42,315	43,989	49,675	52,393
Gross Profit	7,389	5,701	3,916	3,950	2,951
Selling, General and Administrative Expenses	5,931	5,810	5,717	5,877	6,062
Operating Profit (Loss)	1,458	(109)	(1,801)	(1,927)	(3,111)
Other Income (Expenses)	(2,435)	(4,269)	1,900	(2,143)	2,700
Income (Loss) before Income Taxes	(977)	(4,378)	99	(4,070)	(411)
Income Taxes	30	15	45	35	—
Net Income (Loss)	(1,007)	(4,393)	54	(4,105)	(411)
BALANCE SHEETS (March 31)					
Total Current Assets	¥ 29,515	¥ 30,471	¥ 32,037	¥ 35,287	¥ 40,312
Net Property, Plant and Equipment	21,382	21,764	22,684	24,480	25,171
Total Investment and Other Assets	8,275	9,145	11,240	8,461	9,007
Total Assets	59,172	61,380	65,961	68,228	74,490
Total Current Liabilities	37,357	38,359	38,552	42,703	37,235
Total Liabilities	44,519	45,720	45,910	48,231	50,390
Total Shareholders' Equity	14,653	15,660	20,051	19,997	24,100
Total Liabilities and Shareholders' Equity	59,172	61,380	65,961	68,228	74,490
PER SHARE					
Shareholders' Equity per Share	¥ 159.64	¥ 170.61	¥ 218.46	¥ 217.87	¥ 262.59
Net Income (Loss) per Share	(10.97)	(47.87)	0.59	(44.73)	(4.48)



TOHO RAYON CO., LTD.