

Supplementary financial summary for the year ended March 31, 2004

Note: Billions of yen rounded to nearest one-tenth billion yen, unless otherwise indicated.

1. Consolidated operating performance

	April 2003 – March 2004	April 2002 – March 2003	Increase (decrease)	Percent change
Net sales	1,253.5	1,193.6	59.9	+5.0%
Operating profit	60.9	61.6	(0.6)	-1.0%
Ordinary profit	53.6	50.4	3.3	6.5%
Net income (loss)	27.7	(66.8)	94.5	-
Total assets	1,249.2	1,212.4		
Shareholders' equity	450.5	407.6		
Net income (loss) per share*	19.62	(47.63)		
Shareholders' equity per share*	321.41	290.92		
ROA	2.2%	-5.6%		
ROE	6.4%	-14.8%		
D/E ratio	0.62	0.79		
Cash dividends*	6.0	6.0		

* Yen.

2. Consolidated financial highlights

	April 2003 – March 2004	April 2002 – March 2003	April 2004 – March 2005 forecast
Capital expenditures, tangible	75.3	80.6	76.0
Capital expenditures, intangible	11.1	13.3	9.0
Depreciation*	64.4	60.8	68.0
Interest bearing debt at end of term	278.3	323.7	264.0
Net financing income (expenses)	(2.3)	(3.6)	(2.3)
<i>Of which, cash dividends received</i>	<i>1.6</i>	<i>1.5</i>	<i>1.7</i>
R&D expenditures	48.4	49.3	52.0
Number of employees	25,011	25,730	

* Of tangible and intangible assets, total.

3. Key operating factors

	April 2003 – March 2004	April 2002 – March 2003	Fiscal 2004 forecast		
			April – Sept. 2004	Oct. 2004 – March 2005	April 2003 – March 2004
Naphtha price (yen/kL, domestic)	25,575	24,050	28,000	26,000	27,000
Yen/US\$ exchange rate (market average)	113	122	105	105	105

4. Subsidiaries and affiliates

	March 2004	March 2003
Consolidated subsidiaries	101	100
Unconsolidated subsidiaries and affiliates*	58	56
Total	159	156

* Unconsolidated subsidiaries and 20–50% owned companies using the equity method.

5. Forecast for the fiscal year April 2004 – March 2005

5.1. Consolidated

	April 2004 – March 2005	April 2003 – March 2004	Increase	Percent change
Net sales	1,325.0	1,253.5	71.5	+5.7%
Operating profit	110.0	60.9	49.1	+80.5%
<i>Absent amortization*</i>	<i>90.0</i>	<i>80.4</i>	<i>9.6</i>	<i>+11.9%</i>
Ordinary profit	104.0	53.6	50.4	+93.9%
<i>Absent amortization*</i>	<i>84.0</i>	<i>73.1</i>	<i>10.9</i>	<i>+14.9%</i>
Net income	51.0	27.7	23.3	+84.3%

* For comparison of underlying operating performance; figures shown absent amortization of actuarial differences arising in retirement allowances during the previous year.

5.2. Non-consolidated*

	April 2004 – March 2005	April 2003 – March 2004
Net sales	31.5	431.0
Operating profit	19.0	4.7
Ordinary profit	19.0	3.8
Net income	19.5	1.7
Cash dividends, yen	8.0	6.0

* With the October 1, 2003 transformation to a holding company configuration, non-consolidated statements of income include only operations during the period from April to September 2003; thereafter primarily lease of land to operating subsidiaries.

6. Consolidated net sales and operating profit by operating segment

6.1. Consolidated net sales by operating segment

	April 2003 – March 2004	April 2002 – March 2003	Increase (decrease)	Percent change	April 2004 – Sept. 2004 forecast	April 2004 – March 2005 forecast
Chemicals	453.7	424.7	29.0	+6.8%	233.0	476.0
Homes	361.3	320.6	40.7	+12.7%	171.0	378.0
Pharma	106.0	105.5	0.5	+0.5%	55.0	110.0
Fibers	101.5	110.6	(9.0)	-8.2%	53.0	110.0
Electronics Materials and Devices	82.5	71.6	10.9	+15.2%	49.0	100.0
Construction Materials	60.6	63.1	(2.5)	-3.9%	29.0	59.0
Life & Living	59.8	52.9	6.9	+13.0%	31.0	63.0
Services, Engineering and Others	28.2	44.8	(16.6)	-37.1%	14.0	29.0
Total	1,253.5	1,193.6	59.9	+5.0%	635.0	1,325.0

6.2. Consolidated operating profit (loss) by operating segment

	April 2003– March 2004	April 2002– March 2003	Increase (decrease)	Percent change	April 2004 – Sept. 2004 forecast	April 2004 – March 2005 forecast
Chemicals	16.5	23.7	(7.1)	–30.1%	12.0	31.5
Homes	21.6	13.9	7.7	+55.6%	12.0	32.5
Pharma	12.9	17.4	(4.4)	–25.6%	7.0	15.0
Fibers	0.9	1.3	(0.4)	–29.2%	2.0	6.5
Electronics Materials and Devices	14.9	9.5	5.4	+56.5%	9.5	19.0
Construction Materials	(2.1)	(2.3)	0.2	–	1.0	2.0
Life & Living	5.2	4.7	0.5	+10.8%	3.0	7.0
Services, Engineering and Others	2.3	(0.3)	2.6	–	1.0	3.0
Combined	72.3	67.8	4.5	+6.6%	47.5	116.5
Corporate Expenses and Eliminations	(11.4)	(6.3)	(5.1)	–	(3.5)	(6.5)
Total	60.9	61.6	(0.6)	–1.0%	44.0	110.0

6.3. Consolidated operating profit (loss) by operating segment absent amortization*

	April 2003 – March 2004	April 2002 – March 2003	Increase (decrease)	Percent change	April 2004 – Sept. 2004 forecast	April 2004 – March 2005 forecast
Chemicals	[+5.8] 22.3	23.7	(1.4)	-5.8%	[-2.4] 9.6	[-5.6] 25.9
Homes	[+1.9] 23.5	13.9	9.6	+69.4%	[-1.6] 10.4	[-3.3] 29.2
Pharma	[+2.8] 15.7	17.4	(1.6)	-9.5%	[-1.0] 6.0	[-2.3] 12.7
Fibers	[+2.2] 3.1	1.3	1.8	+138.6%	[-0.9] 1.1	[-2.2] 4.3
Electronics Materials and Devices	[+1.1] 16.1	9.5	6.5	+68.2%	[-0.5] 9.0	[-1.1] 17.9
Construction Materials	[+1.4] (0.7)	(2.3)	1.6	-	[-0.7] 0.2	[-1.5] 0.5
Life & Living	[+0.9] 6.1	4.7	1.4	+29.6%	[-0.4] 2.6	[-0.9] 6.1
Services, Engineering and Others	[+0.0] 2.3	(0.3)	2.6	-	[-0.0] 1.0	[-0.0] 3.0
Combined	[+16.1] 88.4	67.8	20.6	+30.3%	[-7.5] 39.9	[-16.9] 99.6
Corporate Expenses and Eliminations	[+3.3] (8.0)	(6.3)	(1.8)	-	[-1.5] (4.9)	[-3.1] (9.6)
Total	[+19.4] 80.4	61.6	18.8	+30.6%	[-9.0] 35.0	[-20.0] 90.0

* For comparison of underlying operating performance; figures shown absent amortization of actuarial differences arising in retirement allowances during the previous year. Effect of exclusion of this amortization shown in brackets.

7. Breakdown of increase (decrease) in consolidated net sales and operating profit

7.1. Breakdown of increase (decrease) in consolidated net sales

	Increase (decrease) due to:			Net increase (decrease)
	Sales volume	Sales prices	Sales composition	
Chemicals	28.5	(2.3)	2.8	29.0
Homes	38.8	0.0	1.9	40.7
Pharma	1.9	(2.0)	0.6	0.5
Fibers	(8.7)	(0.3)	0.0	(9.0)
Electronics Materials and Devices	13.3	(2.4)	0.0	10.9
Construction Materials	(1.8)	(0.8)	0.1	(2.5)
Life & Living	7.1	0.0	(0.2)	6.9
Services, Engineering and Others	(16.7)	0.3	(0.2)	(16.6)
Total	62.3	(7.5)	5.0	59.9

7.2. Breakdown of increase (decrease) in consolidated operating profit

	Increase (decrease) due to:				Subtotal	Amortization effect*	Total
	Sales volume	Sales prices	<i>of which, due to foreign exchange</i>	Operating costs			
Chemicals	10.7	(2.3)	(8.8)	(9.8)	(1.4)	(5.8)	(7.1)
Homes	6.4	0.0	0.0	3.3	9.6	(1.9)	7.7
Pharma	2.1	(2.0)	0.0	(1.7)	(1.6)	(2.8)	(4.4)
Fibers	1.1	(0.3)	(0.6)	1.0	1.8	(2.2)	(0.4)
Electronics Materials and Devices	11.3	(2.4)	(0.7)	(2.3)	6.5	(1.1)	5.4
Construction Materials	(0.1)	(0.8)	0.0	2.5	1.6	(1.4)	0.2
Life & Living	1.4	0.0	0.0	0.0	1.4	(0.9)	0.5
Services, Engineering and Others	(1.2)	3.0	0.0	3.5	2.6	0.0	2.6
Corporate Expenses and Eliminations	–	–	–	(1.8)	(1.8)	(3.3)	(5.1)
Total	31.7	(7.5)	(10.1)	(5.3)	18.8	(19.4)	(0.6)

* Effect of amortization of actuarial differences arising in retirement allowances.

8. Interest bearing debt and net financing income (expenses)

8.1. Interest-bearing debt at end of term

	March 2004		March 2003	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Short-term borrowings and commercial paper	34.7	25.9	52.2	35.4
Long-term loans	82.3	64.1	81.1	56.4
Bonds	161.0	159.0	190.0	188.0
Notes discounted	0.3	–	0.4	0.4
Total	278.3	249.0	323.7	280.2

8.2. Net financing income (expenses)

	March 2004		March 2003	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Interest expenses, etc.	(4.3)	(3.4)	(5.8)	(4.9)
Interest income	0.4	1.8	0.7	0.3
Dividend income	1.6	3.2	1.5	3.5
Total	(2.3)	1.6	(3.6)	(1.1)

9. Consolidated statements of cash flows

	April 2003 – March 2004	April 2002 – March 2003
a. Cash flows from operating activities	122.1	84.4
b. Cash flows from investing activities	(79.3)	(84.5)
c. Free cash flows [a+b]	42.8	(0.1)
d. Cash flows from financing activities	(50.6)	(9.0)
e. Effect of exchange rate changes on cash and cash equivalents	(0.8)	(0.5)
f. Net decrease in cash and cash equivalents [c+d+e]	(8.6)	(9.6)
Cash and cash equivalents at beginning of term	79.3	83.9
Cash and cash equivalents held by newly consolidated subsidiaries	0.2	5.0
Cash and cash equivalents at end of term	70.9	79.3