

Supplementary consolidated financial summary for the six months ended September 30, 2004

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

1. Operating performance

	April 2004 – Sept. 2004	April 2003 – Sept. 2003	Increase	Percent change
Net Sales	659.3	586.0	73.3	+12.5%
Operating profit	55.1	22.7	32.4	+143.0%
<i>Absent amortization*</i>	<i>45.9</i>	<i>31.9</i>	<i>14.0</i>	<i>+44.0%</i>
Ordinary profit	55.3	18.0	37.3	+207.1%
Net income	26.9	10.3	16.6	+161.5%
Net income per share†	19.20	7.34		
ROA	4.3%	1.7%		
ROE	11.5%	4.9%		
Dividends, six-month†	4.0	3.0		

* Prior to amortization of actuarial differences arising in retirement allowances.

†Yen.

2. Financial position

At end of	September 2004	March 2004
Total assets	1,257.9	1,249.2
Shareholders' equity	480.8	450.5
Interest bearing debt at end of term	264.2	278.3
Shareholders' equity per share†	343.25	321.41
D/E ratio	0.55	0.62

† Yen

3. Financial highlights

	April 2004 – Sept. 2004	April 2003 – Sept. 2003	April 2004 – March 2005 forecast
Capital expenditures, tangible	29.9	36.4	79.0
Capital expenditures, intangible	2.5	5.9	6.0
Depreciation*	34.4	31.0	70.0
R&D expenditures	24.9	23.6	52.0
Number of employees at end of term	25,322	25,649	

* Of tangible and intangible assets, total.

4. Key operating factors

	April 2003 – Sept. 2003	Oct. 2003 – March 2004	April 2003 – March 2004	April 2004 – Sept. 2004	Oct. 2004 – March 2005 forecast	April 2004 – March 2005 forecast
Naphtha price (yen/kL, domestic)	25,350	25,800	25,575	30,200	37,000	33,600
Yen/US\$ exchange rate (market average)	118	108	113	110	105	108

5. Subsidiaries and affiliates

At end of	September 2004	March 2004
Consolidated subsidiaries	106	101
Unconsolidated subsidiaries and affiliates*	54	58
Total	160	159

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

6. Consolidated forecast for the fiscal year April 2004 – March 2005

	April 2004 – March 2005	April 2003 – March 2004	Increase	Percent change
Net sales	1,388.0	1,253.5	134.5	+10.7%
Operating profit	115.0	60.9	54.1	+88.8%
<i>Absent amortization*</i>	<i>94.8</i>	<i>80.4</i>	<i>14.4</i>	<i>+17.9%</i>
Ordinary profit	112.0	53.6	58.4	+109.0%
Net income (loss)	56.0	27.7	28.3	+102.2%

* Prior to amortization of actuarial differences arising in retirement allowances.

7. Consolidated net sales and operating profit by operating segment

7.1. Consolidated net sales by operating segment

	April 2004 – Sept. 2004	April 2003 – Sept. 2003	Increase (decrease)	Percent change	April 2004 – March 2005 forecast	April 2003 – March 2004
Chemicals	267.9	218.6	49.2	+22.5%	552.0	453.7
Homes	167.3	147.8	19.5	+13.2%	383.0	361.3
Pharma	52.8	53.9	(1.1)	-2.1%	107.0	106.0
Fibers	51.4	50.8	0.5	+1.0%	106.0	101.5
Electronics Materials and Devices	48.1	39.5	8.6	+21.9%	96.0	82.5
Construction Materials	30.1	31.1	(0.9)	-3.0%	57.0	60.6
Life & Living	30.5	28.8	1.6	+5.6%	62.0	59.8
Services, Engineering and Others	11.3	15.5	(4.2)	-26.9%	25.0	28.2
Total	659.3	586.0	73.3	+12.5%	1,388.0	1,253.5

7.2. Consolidated operating profit (loss) by operating segment

	April 2004 – Sept. 2004	April 2003 – Sept. 2003	Increase (decrease)	Percent change	April 2004 – March 2005 forecast	April 2003 – March 2004
Chemicals	20.4	7.0	13.3	+189.2%	36.5	16.5
Homes	9.0	4.6	4.4	+95.6%	32.5	21.6
Pharma	7.1	6.6	0.5	+7.0%	14.0	12.9
Fibers	2.8	0.2	2.6	—	6.0	0.9
Electronics Materials and Devices	10.7	7.7	2.9	+38.1%	18.0	14.9
Construction Materials	1.5	(1.5)	3.0	—	2.0	(2.1)
Life & Living	2.9	2.9	(0.0)	-0.8%	6.5	5.2
Services, Engineering and Others	0.8	0.1	0.7	+494.9%	2.5	2.3
Combined	55.2	27.8	27.4	+98.7%	118.0	72.3
Corporate expenses and eliminations	(0.1)	(5.1)	5.0	—	(3.0)	(11.4)
Total	55.1	22.7	32.4	+143.0%	115.0	60.9

7.3. Consolidated operating profit (loss) by sector absent amortization*

	April 2004 – Sept. 2004		April 2003 – Sept. 2003		Increase (decrease)	Percent change	April 2004 – March 2005 forecast		April 2003 – March 2004	
Chemicals	[+2.4]	18.0	[-2.7]	9.7	8.3	+85.3%	[+5.6]	31.0	[-5.8]	22.3
Homes	[+1.6]	7.4	[-1.0]	5.6	1.8	+32.8%	[+3.3]	29.2	[-1.9]	23.5
Pharma	[+1.1]	6.0	[-1.4]	8.0	(2.0)	-25.0%	[+2.4]	11.6	[-2.8]	15.7
Fibers	[+0.9]	1.9	[-1.1]	1.3	0.6	+50.1%	[+2.2]	3.8	[-2.2]	3.1
Electronics Materials and Devices	[+0.5]	10.1	[-0.6]	8.3	1.9	+22.4%	[+1.1]	16.8	[-1.1]	16.1
Construction Materials	[+0.7]	0.8	[-0.7]	(0.8)	1.6	—	[+1.5]	0.5	[-1.4]	(0.7)
Life & Living	[+0.4]	2.5	[-0.4]	3.3	(0.8)	-23.8%	[+0.9]	5.6	[-0.9]	6.1
Services, Engineering and Others	[+0.0]	0.8	[-0.0]	0.2	0.6	+348.5%	[+0.0]	2.5	[-0.0]	2.3
Combined	[+7.6]	47.5	[-7.8]	35.5	12.1	+34.1%	[+17.0]	10.1	[-16.1]	88.4
Corporate expenses and eliminations	[+1.7]	(1.7)	[-1.4]	(3.7)	1.9	—	[+3.3]	(6.3)	[-3.3]	(8.0)
Total	[+9.2]	45.9	[-9.2]	31.9	14.0	+44.0%	[+20.2]	94.8	[-19.4]	80.4

* Prior to amortization of actuarial differences arising in retirement allowances. Effect of amortization shown in brackets.

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

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

	Increase (decrease) due to:			Net sales increase (decrease)
	Sales volume	Sales prices	Sales composition	
Chemicals	27.7	15.5	6.0	49.2
Homes	18.6	0.9	0.0	19.5
Pharma	1.0	(2.1)	0.0	(1.1)
Fibers	1.3	(0.8)	0.0	0.5
Electronics Materials and Devices	13.7	(5.1)	0.0	8.6
Construction Materials	(1.1)	0.2	0.0	(0.9)
Life & Living	1.6	0.0	0.0	1.6
Services, Engineering and Others	(4.2)	0.0	0.0	(4.2)
Total	58.7	8.6	6.0	73.3

8.2. 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	5.0	15.5	(4.7)	(12.2)	8.3	5.0	13.3
Homes	4.6	0.9	—	(3.7)	1.8	2.6	4.4
Pharma	0.2	(2.1)	(0.2)	(0.1)	(2.0)	2.5	0.5
Fibers	0.5	(0.8)	(0.4)	0.9	0.6	2.0	2.6
Electronics Materials and Devices	6.2	(5.1)	(0.8)	0.7	1.9	1.1	2.9
Construction Materials	(0.1)	0.2	—	1.5	1.6	1.4	3.0
Life & Living	0.3	0.0	0.0	(1.1)	(0.8)	0.8	(0.0)
Services, Engineering and Others	(1.1)	0.0	0.0	1.8	0.6	0.0	0.7
Corporate expenses and eliminations	—	—	—	2.0	2.0	3.0	5.0
Total	15.6	8.6	(6.1)	(10.2)	14.0	18.4	32.4

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

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

9.1. Consolidated interest-bearing debt at end of term

	September 2004	March 2004	September 2003
Short-term borrowings and commercial paper	34.9	34.7	72.0
Long-term loans	81.1	82.3	82.9
Bonds	148.0	161.0	168.0
Notes discounted	0.2	0.3	0.2
Total	264.2	278.3	323.1

9.2. Net financing income (expenses)

	September 2004	September 2003
Interest expenses	(1.9)	(2.3)
Interest income	0.2	0.3
Dividend income	1.2	1.0
Total	(0.6)	(1.0)

10. Consolidated statements of cash flows

	April 2004 – Sept. 2004	April 2003 – Sept. 2003
a. Cash flows from operating activities	32.7	43.9
b. Cash flows from investing activities	(29.6)	(58.0)
c. Free cash flows [a+b]	3.2	(14.1)
d. Cash flows from financing activities	(19.1)	(4.7)
e. Effect of exchange rate changes on cash and cash equivalents	0.1	0.0
f. Net increase (decrease) in cash and cash equivalents [c+d+e]	(15.9)	(18.8)
Cash and cash equivalents at beginning of term	70.9	79.3
Cash and cash equivalents held by newly consolidated subsidiaries	1.5	–
Cash and cash equivalents at end of term	56.5	60.5

11. Sales and order trends for housing operations

(Percent change from same period of previous year on lower line)

	FY 1999		FY 2000		FY 2001		FY 2002		FY 2003			FY 2004		
	First half	Full year	First half	Full year	First half	Full year	First half	Full year	First quarter	First half	Full year	First quarter	First half	Full year forecast
Sales of order-built homes	140.1 +8.7	309.4 +12.3	147.3 +5.1	313.9 +1.4	144.7 -1.8	289.6 -7.7	121.9 -15.8	263.3 -9.1	36.9 +0.5	121.2 -0.6	281.1 +6.8	53.4 +44.9	138.9 +14.6	314.6 +11.9
Sales of pre-built homes	7.0 +62.8	16.0 +61.6	9.3 +32.9	19.7 +23.1	7.5 -19.4	16.5 -16.2	6.5 -13.3	16.7 +1.2	0.9 -80.4	5.3 -18.5	36.0 +117.0	2.5 +193.2	6.6 +25.3	21.3 -40.8
Total sales	147.1 +10.4	325.4 +14.0	156.6 +6.4	333.6 +2.5	152.3 -2.7	306.2 -8.2	128.4 -15.7	280.0 -8.6	37.8 -8.5	126.5 -1.5	317.1 +13.2	55.9 +47.9	145.5 +15.0	335.9 +5.9
Value of new orders during the period	155.8 +9.6	316.3 +2.9	156.3 +0.3	299.6 -5.3	141.7 -9.3	273.0 -8.9	139.3 -1.7	289.3 +6.0	78.9 +20.3	161.4 +15.9	318.1 +9.9	79.6 +0.9	153.1 -5.1	322.2 +1.3
Value of outstanding orders at end of period	295.6	286.8	295.8	272.6	269.5	255.9	273.3	282.0	324.0	322.2	319.0	345.2	333.2	326.6