

## First Half 2007 Financial Results

### I. First Half Results 2007

#### 1. Summary

(Unit: billions of yen, except for stockholders' equity/share and net income/share)

Items	1st half, 2006		1st half, 2007		Increase	
	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Net Sales	427.0	292.2	485.1	336.7	58.1	44.6
Operating Income	33.8	18.5	35.0	21.7	1.2	3.2
Net Income	15.1	9.7	15.1	10.5	0.0	0.8
Stockholders' equity per share	¥177.39	¥168.22	¥213.47	¥192.04	¥36.08	¥23.82
Net Income per share	¥13.18	¥8.52	¥12.81	¥8.93	¥-0.37	¥0.41

#### 2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

Segment		1st half, 2006		1st half, 2007		Increase	
		Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Petrochemicals	Net Sales	145.2	101.8	192.2	141.7	47.0	39.9
	Operating Income	6.7	6.0	10.9	9.4	4.1	3.3
Chemicals	Net Sales	38.0	31.7	39.1	32.7	1.1	1.0
	Operating Income	2.0	1.8	3.3	3.1	1.3	1.2
Electronics	Net Sales	78.6	52.5	85.8	50.6	7.2	-1.9
	Operating Income	15.8	6.0	9.8	3.8	-6.1	-2.2
Inorganics	Net Sales	35.2	23.5	39.4	26.2	4.2	2.7
	Operating Income	7.2	3.4	9.6	5.4	2.4	2.0
Aluminum	Net Sales	129.9	82.6	128.6	85.5	-1.3	2.9
	Operating Income	3.8	3.0	4.1	2.8	0.3	-0.2
HQ costs and other	Net Sales	0	0	0	0	0	0
	Operating Income	-1.7	-1.8	-2.6	-2.8	-0.9	-1.0
Total	Net Sales	427.0	292.2	485.1	336.7	58.1	44.6
	Operating Income	33.8	18.5	35.0	21.7	1.2	3.2

#### 3. Reference (Consolidated)

(Unit: billions of yen)

Items	1st half 2006	1st half 2007	Increase	2006
Capital expenditures	40.1	42.8	2.7	90.8
Depreciation and amortization	18.4	22.4	4.0	38.0
R&D expenditures	9.0	9.4	0.4	19.5
Total assets	980.9	1,048.5	67.6	1,037.8
Interest bearing debt	427.7	426.3	-1.4	433.2
Gap between interest/dividend income and interest expense	-2.7	-3.1	-0.4	-5.7
Total number of employees	11,381	11,321	-60	11,184
Exchange rate (yen/US\$)	116	120	Yen down by 4/\$	116
Domestic naphtha price (yen/kl)	47,400	53,300	5,900	49,300

#### 3. Cash Flow (Consolidated)

(Unit: billions of yen)

Cash Flows from:	1st half 2006	1st half 2007	Increase
Operating Activities	32.2	20.1	-12.2
Investing Activities	-17.3	-32.5	-15.2
Free Cash Flow	14.9	-12.5	-27.4
Financing Activities	-23.7	-14.1	9.6
Net increase in Cash	-8.7	-26.0	-17.3

## II. Forecast for 2007 (full year)

### 1. Summary

(Unit: billions of yen, except for stockholders' equity/share, net income/share and cash dividends/share)

Items	2006		2007 Forecast		Increase	
	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Net Sales	914.5	634.7	1,000.0	690.0	85.5	55.3
Operating Income	68.7	39.6	74.0	45.5	5.3	6.0
Net Income	28.8	18.8	33.0	21.0	4.2	2.2
Net Income per share	¥25.01	¥16.30	¥27.49	¥17.49	¥2.48	¥1.19
Cash dividends per share		¥4.00		¥5.00		¥1.00

### 2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

Segment		2006		2007 Forecast		Increase	
		Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Petrochemicals	Net Sales	335.4	245.3	380.0	290.0	44.6	44.7
	Operating Income	16.4	13.5	19.0	16.0	2.6	2.5
Chemicals	Net Sales	79.2	66.4	80.0	65.0	0.8	-1.4
	Operating Income	5.1	4.7	6.5	5.5	1.4	0.8
Electronics	Net Sales	165.5	105.1	200.0	110.0	34.5	4.9
	Operating Income	28.6	10.9	25.0	13.0	-3.6	2.1
Inorganics	Net Sales	74.3	49.1	80.0	50.0	5.7	0.9
	Operating Income	16.1	8.3	19.5	11.0	3.4	2.7
Aluminum	Net Sales	260.1	168.8	260.0	175.0	-0.1	6.2
	Operating Income	6.5	5.9	9.5	5.5	3.0	-0.4
HQ costs and other	Net Sales	-	-	-	-	-	-
	Operating Income	-3.9	-3.7	-5.5	-5.5	-1.6	-1.8
Total	Net Sales	914.5	634.7	1,000.0	690.0	85.5	55.3
	Operating Income	68.7	39.6	74.0	45.5	5.3	5.9

### 3. Reference (Consolidated)

(Unit: billions of yen)

	2006	2007	Increase
Capital expenditures	90.8	80.3	-10.5
Depreciation and amortization	38.0	52.0	13.9
R&D expenditures	19.5	18.0	-1.5
Interest bearing debt	433.2	410.0	-23.2
Gap between interest/dividend income and interest expense	-5.7	-7.7	-2.0
Total number of employees	11,184	11,356	172
Exchange rate (yen/US\$)	2nd Half) 117	2nd half) 115	-2
Domestic naphtha price (yen/kl)	nd half)51,100	nd half)56,000	4,900

The performance forecast for 2007 is based on the economic conditions and the Company's business policy at this point of time.

Please note that actual results may differ materially from the forecast due to a variety of factors, including changes in the market conditions.