

First Half 2004 Financial Results

I. First Half Results 2004

1. Summary

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

Items	1st half, 2004		1st half, 2003		Increase	
	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Net Sales	348.3	245.4	345.6	227.0	2.6	18.4
Operating Income	22.2	15.5	16.1	9.9	6.2	5.6
Net Income	6.4	5.7	3.8	1.9	2.5	3.8
Stockholders' equity per share	¥153.73	¥164.23	¥137.46	¥150.42	¥16.27	¥13.81
Net Income per share	¥5.61	¥5.03	¥3.37	¥1.71	¥2.24	¥3.32

2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

Segment		1st half, 2004		1st half, 2003		Increase	
		Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Petrochemicals	Net Sales	117.3	79.9	120.9	70.6	-3.7	9.3
	Operating Income	7.6	6.4	5.8	3.7	1.8	2.7
Chemicals	Net Sales	38.6	28.0	37.6	29.3	1.0	-1.3
	Operating Income	1.7	1.8	2.6	2.4	-0.9	-0.6
Electronics	Net Sales	51.4	41.9	44.5	33.2	6.9	8.7
	Operating Income	6.9	4.6	3.8	2.9	3.1	1.7
Inorganic Materials	Net Sales	26.7	18.8	25.5	18.1	1.2	0.8
	Operating Income	2.8	1.9	1.1	0.7	1.7	1.2
Aluminum	Net Sales	114.4	76.8	117.1	75.9	-2.8	1.0
	Operating Income	6.3	4.0	5.3	2.8	1.1	1.2
HQ costs and other	Net Sales	0	0	0	0	0	0
	Operating Income	-3.0	-3.2	-2.5	-2.7	-0.6	-0.5
Total	Net Sales	348.3	245.4	345.6	227.0	2.6	18.4
	Operating Income	22.2	15.5	16.1	9.9	6.2	5.6

3. Reference (Consolidated)

(Unit: billions of yen)

Items	1st half 2004	1st half 2003	Increase	2003
Capital expenditures	13.5	24.7	-11.2	40.8
Depreciation and amortization	16.2	17.7	-1.5	34.5
R&D expenditures	8.2	8.3	-0.1	17.0
Total assets	937.8	964.6	-26.8	939.9
Interest bearing debt	522.9	568.6	-45.7	527.4
Gap between interest/dividend income and interest expense	-4.2	-4.7	0.5	-9.5
Total number of employees	10,628	11,472	-844	10,623
Exchange rate (yen/US\$)	109	119	-10	116
Domestic naphtha price (yen/kl)	28,350	26,350	2,000	25,400

3. Cash Flow (Consolidated)

(Unit: billions of yen)

Cash Flows from:	1st half 2004	1st half 2003	Increase
Operating Activities	19.0	26.6	-7.6
Investing Activities	-7.6	-13.0	5.4
Free Cash Flow	11.3	13.6	-2.3
Financing Activities	-9.6	-14.4	4.8
Newly Consolidated	0.7	1.0	-0.3
Net increase in Cash	2.5	0.2	2.3

. Forecast for 2004 (full year) :revised on Aug. 10, 2004

1. Summary

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

Items	2004 Forecast		2003		Increase	
	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Net Sales	720.0	506.0	689.4	462.0	30.6	44.0
Operating Income	47.0	38.0	38.5	22.9	8.5	15.1
Net Income	13.0	13.5	10.3	5.0	2.7	8.5
Net Income per share	¥11.42	¥11.86	¥9.07	¥4.41	¥2.35	¥7.45
Cash dividends per share	¥2.00 - ¥3.00		¥2.00		¥0.00 - ¥1.00	

2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

Segment		2004 Forecast		2003		Increase	
		Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Petrochemicals	Net Sales	243.0	166.0	235.1	142.6	7.9	23.4
	Operating Income	14.0	11.1	12.0	8.0	2.0	3.1
Chemicals	Net Sales	83.0	58.0	78.2	57.5	4.8	0.5
	Operating Income	6.5	4.8	6.0	4.5	0.5	0.3
Electronics	Net Sales	113.0	91.0	94.7	72.5	18.3	18.5
	Operating Income	14.5	16.8	10.7	6.9	3.8	9.9
Inorganic Materials	Net Sales	53.0	37.0	51.0	35.9	2.0	1.1
	Operating Income	5.0	3.7	2.7	1.9	2.3	1.8
Aluminum	Net Sales	228.0	154.0	230.3	153.5	-2.3	0.5
	Operating Income	13.0	7.9	11.6	6.4	1.4	1.5
HQ costs and other	Net Sales	0	0	0	0	0	0
	Operating Income	-6.0	-6.3	-4.4	-4.7	-1.6	-1.6
Total	Net Sales	720.0	506.0	689.4	462.0	30.6	44.0
	Operating Income	47.0	38.0	38.5	22.9	8.5	15.1

3. Reference (Consolidated)

(Unit: billions of yen)

	2004 Forecast	2003	Increase
Capital expenditures	37.0	40.8	-3.8
Depreciation and amortization	35.3	34.5	0.8
R&D expenditures	17.1	17.0	0.1
Interest bearing debt	515.0	527.4	-12.4
Gap between interest/dividend income and interest expense	-9.2	-9.5	0.3
Total number of employees	11,269	10,623	646
Exchange rate (yen/US\$)	107	116	-9
Domestic naphtha price (yen/kl)	29,175	25,400	3,775

The performance forecast for 2004 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.