

First Half 2005 Financial Results

I. First Half Results 2005

1. Summary

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

Items	1st half, 2005		1st half, 2004		Increase	
	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Net Sales	391.0	271.7	348.3	245.4	42.7	26.3
Operating Income	27.1	17.4	22.2	15.5	4.9	1.9
Net Income	20.9	9.8	6.4	5.7	14.5	4.1
Stockholders' equity per share	¥173.88	¥175.37	¥153.73	¥164.23	¥20.15	¥11.14
Net Income per share	¥18.26	¥8.58	¥5.61	¥5.03	¥12.65	¥3.55

2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

Segment		1st half, 2005		1st half, 2004		Increase	
		Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Petrochemicals	Net Sales	142.6	101.4	117.3	79.9	25.4	21.6
	Operating Income	11.4	9.9	7.6	6.4	3.8	3.5
Chemicals	Net Sales	36.3	28.5	38.6	28.0	-2.3	0.5
	Operating Income	2.6	2.0	1.7	1.8	0.9	0.2
Electronics	Net Sales	62.7	43.3	51.4	41.9	11.3	1.5
	Operating Income	7.8	3.3	6.9	4.6	0.9	-1.3
Inorganic Materials	Net Sales	29.8	20.7	26.7	18.8	3.1	1.9
	Operating Income	4.2	2.6	2.8	1.9	1.4	0.7
Aluminum	Net Sales	119.6	77.7	114.4	76.8	5.2	0.9
	Operating Income	4.6	3.0	6.3	4.0	-1.8	-1.0
HQ costs and other	Net Sales	0	0	0	0	0	0
	Operating Income	-3.3	-3.4	-3.0	-3.2	-0.3	-0.2
Total	Net Sales	391.0	271.7	348.3	245.4	42.7	26.3
	Operating Income	27.1	17.4	22.2	15.5	4.9	1.9

3. Reference (Consolidated)

(Unit: billions of yen)

Items	1st half 2005	1st half 2004	Increase	2004
Capital expenditures	22.8	13.5	9.3	29.9
Depreciation and amortization	16.9	16.2	0.7	34.1
R&D expenditures	8.9	8.2	0.7	17.6
Total assets	931.6	937.8	-6.2	943.9
Interest bearing debt	475.3	522.9	-47.6	502.4
Gap between interest/dividend income and interest expense	-3.3	-4.2	0.8	-8.6
Total number of employees	11,040	10,628	412	11,166
Exchange rate (yen/US\$)	106	109	Yen rose by 2/\$	108
Domestic naphtha price (yen/kl)	35,050	28,350	6,700	30,800

3. Cash Flow (Consolidated)

(Unit: billions of yen)

Cash Flows from:	1st half 2005	1st half 2004	Increase
Operating Activities	36.7	19.0	17.7
Investing Activities	-13.3	-7.6	-5.6
Free Cash Flow	23.5	11.3	12.1
Financing Activities	-23.5	-9.6	-13.9
Net increase in Cash	0.3	2.5	-2.1

II. Forecast for 2005 (full year)

1. Summary

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

Items	2005 Forecast		2004		Increase	
	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Net Sales	790.0	550.0	740.7	525.8	49.3	24.2
Operating Income	56.0	34.5	52.1	44.1	3.9	△ 9.6
Net Income	31.0	15.0	7.6	9.6	23.4	5.4
Net Income per share	¥27.13	¥13.13	¥6.66	¥8.42	¥20.47	¥4.71
Cash dividends per share		¥3.00		¥3.00		¥0.00

2. Net Sales and Operating Income by Segment

(Unit: billions of yen)

Segment		2005 Forecast		2004		Increase	
		Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
Petrochemicals	Net Sales	287.0	203.0	254.4	178.1	32.6	24.9
	Operating Income	19.5	16.5	20.1	17.0	-0.6	-0.5
Chemicals	Net Sales	73.0	58.0	80.2	57.6	-7.2	0.4
	Operating Income	5.0	4.0	4.8	3.9	0.2	0.1
Electronics	Net Sales	130.0	91.0	112.5	92.9	17.5	-1.9
	Operating Income	18.5	8.5	14.9	17.0	3.6	-8.5
Inorganic Materials	Net Sales	60.0	42.0	55.3	39.1	4.7	2.9
	Operating Income	8.5	5.5	6.1	4.2	2.4	1.3
Aluminum	Net Sales	240.0	156.0	238.4	158.1	1.6	-2.1
	Operating Income	11.0	6.7	12.3	8.4	-1.3	-1.7
HQ costs and other	Net Sales	0	0	0.0	0.0	0	0
	Operating Income	-6.5	-6.7	-6.2	-6.4	-0.3	-0.3
Total	Net Sales	790.0	550.0	740.7	525.8	49.3	24.2
	Operating Income	56.0	34.5	52.1	44.1	3.9	-9.6

3. Reference (Consolidated)

(Unit: billions of yen)

	2005 Forecast	2004	Increase
Capital expenditures	49.7	29.9	19.8
Depreciation and amortization	35.4	34.1	1.3
R&D expenditures	18.0	17.6	0.4
Interest bearing debt	452.0	502.4	-50.4
Gap between interest/dividend income and interest expense	-7.2	-8.6	1.4
Total number of employees	11,032	11,166	-134
Exchange rate (yen/US\$)	105	108	Yen rose by 3/\$
Domestic naphtha price (yen/kl)	35,000	30,800	4,200

The performance forecast for 2005 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.