

A large, semi-transparent red circular logo is centered in the background. It consists of two concentric circles, with the inner circle being slightly offset from the center of the outer circle, creating a stylized, dynamic effect.

# ASAHI DENKA CO.,LTD. FINANCIAL STATEMENTS

As of March 31, 2005 and 2004

## PROFILE

Asahi Denka Co.,Ltd., the Furukawa Group's chemical company, has earned a reputation in Japan and worldwide as an innovator in a broad spectrum of technologies. Founded in 1917 with the purpose of initiating domestic manufacture of electrolytically produced caustic soda, the Company later began producing hydrogenated oils using hydrogen produced from electrolysis. From these two operational strengths Asahi Denka has expanded its business in chemicals and food products. In the Chemical Products area, the Inorganic, Organic, and Industrial Fats and Fatty Acids Divisions produce a wide range of products that contribute to such industries as textiles, pulp, civil engineering and construction, shipbuilding, automobiles, and appliances. The Food Products Division processes animal and vegetable oils and fats, supplying margarine, shortening, and processed oils and fats to bakeries, confectioneries, and restaurants. The Company is now globalizing its business dynamically to strengthen our presence in the international market not only by establishing its leading position in the Asian market but also enhancing its market position in Europe and the United States. With our management policies "Aiming at an aggressive leading company responsive to a changing tidal current" and "Coexisting with the world," and with superior technology that is sufficiently competitive in the global market, Asahi Denka is striving to supply superior products, strengthen ties among Group companies, and foster the mutual prosperity of the Asahi Denka Group, both domestically and overseas. Asahi Denka takes great consideration for the environment. The Company is committed to contributing to the society by introducing new high-value-added products, actively developing new business field.

### FIVE-YEAR FINANCIAL HIGHLIGHTS

	Millions of yen					Thousands of U.S. dollars
	2005	2004	2003	2002	2001	2005
Net sales	¥151,824	¥141,368	¥138,203	¥126,504	¥129,066	\$ 1,413,763
Operating Income	14,773	12,086	10,771	10,107	11,614	137,564
Income Before Income Taxes	13,678	7,841	6,498	6,557	6,956	127,368
Net Income	7,594	4,337	3,102	3,328	3,805	70,714
Total Assets	¥178,126	¥168,004	¥156,266	¥154,374	¥147,231	\$ 1,658,683
	yen					U.S. dollars
	2005	2004	2003	2002	2001	2005
Net Income per Share	¥76.10	¥52.32	¥40.10	¥43.58	¥50.31	\$ 0.71
Cash Dividends per Share	¥14.00	¥11.00	¥9.00	¥9.00	¥7.50	\$ 0.13

Note : U.S. dollar figures have been calculated, for convenience only, at a rate of  
¥107.39 =US\$1

### SALES BY DIVISION

(Total Net Sales : ¥151,824 million)		
Chemicals	¥102,719 million	( 67.7% )
Food Products	¥45,275 million	( 29.8% )
Other	¥3,830 million	( 2.5% )

## BOARD OF DIRECTORS AND STATUTORY AUDITORS

(as of March 31, 2005)

---

<b>Chairman &amp; CEO</b>	Masahiro Iwashita	<b>Standing Statutory Auditors</b>	Hideo Koshizuka Akira Ito
<b>President &amp; COO</b>	Hiroyuki Nakajima	<b>Statutory Auditors</b>	Yuzuru Fujita Takeo Imai
<b>Directors &amp; Senior Managing Operating Officers</b>	Kiroku Yoshiyuki Megumi Tanigawa		
<b>Directors &amp; Managing Operating Officers</b>	Noriyuki Kubo Kunihiko Sakurai Touru Haruna		
<b>Directors &amp; Operating Officers</b>	Mamoru Sugisaki Kouji Kawada Akira Iida(CFO) Fumito Sumitomo Kenji Koga Masayuki Sugie		

## CORPORATE DATA

(as of March 31, 2005)

---

<b>Established</b>	January 27, 1917	
<b>Paid-in Capital</b>	¥22,399 million (US\$208,576 thousand)	
<b>Stock Exchange</b>	First Section, Tokyo Stock Exchange	
<b>Transfer Agent</b>	Chuo-Mitsui Trust & Banking Co., Ltd. 7-1, Kyobashi 1-chome, Chuo-ku, Tokyo 104, Japan	
<b>Head Office</b>	Furukawa Building 3-14, Nihonbashi-Muromachi 2-chome Chuo-ku, Tokyo 103-8311, Japan Telephone: 03-5255-9002 Telex: 222-2407 TOKADK FAX: 03-3246-2090	<b>Major Shareholders</b> Japan Trustee Services Bank, Ltd. The Master Trust Bank of Japan, Ltd. Asahi Mutual Life Insurance Co., Ltd. Mizuho Trust & Banking Co., Ltd. Bank of New York Europe Limited, Luxembourg 131800
<b>Main Branch Office</b>	Osaka	<b>Consolidated Subsidiaries</b> Yoko Sangyo Co., Ltd. Adeka Clean Aid Co., Ltd. Adeka Engineering & Construction Co., Ltd. Asahi Fine Foods Co., Ltd. Asahi Food Sales Co., Ltd. Amfine Chemical Corp. Asahi Denka (Singapore) Pte. Ltd. Oxiran Chemical Corp. Adeka Logistics Co., Ltd. Chang Chiang Chemical Co., Ltd. Yongo Co., Ltd. Asahi Denka Korea Corp. Adeka Fine Chemical Korea Corp. Asahi Denka (Asia) Pte. Ltd.
<b>Branch Offices</b>	Nagoya, Fukuoka	
<b>Sales Offices</b>	Sapporo, Sendai, Okayama	
<b>Plants</b>	Soma, Kashima, Chiba, Akashi, Mie, Fuji	
<b>Research and Development Laboratory</b>	Ogu, Urawa, Kuki	

**ASAHI DENKA CO., LTD.**  
**CONSOLIDATED BALANCE SHEET**

As of March 31, 2005 and 2004

**Assets**

	Millions of yen		Thousands of U.S.
	2005	2004	dollars (Note 1)
			<b>2005</b>
Current assets:			
Cash and time deposits	<b>¥8,978</b>	¥12,258	<b>\$ 83,602</b>
Marketable securities (Note 4)	<b>5,207</b>	4,847	<b>48,487</b>
Trade receivables:			
Notes and accounts	<b>39,939</b>	37,697	<b>371,906</b>
Allowance for doubtful receivables	<b>(295)</b>	(1,374)	<b>(2,747)</b>
Inventories (Note 3)	<b>20,925</b>	18,947	<b>194,850</b>
Deferred tax	<b>1,609</b>	1,068	<b>14,983</b>
Other current assets	<b>3,381</b>	3,131	<b>31,483</b>
Total current assets	<b>79,744</b>	76,574	<b>742,564</b>
Property, Plant and equipment at cost (Note 4 and 6)			
Land	<b>19,829</b>	19,739	<b>184,645</b>
Buildings and structures	<b>40,249</b>	39,907	<b>374,793</b>
Machinery and equipment	<b>98,618</b>	95,433	<b>918,316</b>
Construction in progress	<b>2,048</b>	969	<b>19,071</b>
	<b>160,744</b>	156,048	<b>1,496,825</b>
Less accumulated depreciation	<b>100,151</b>	97,261	<b>932,592</b>
Total Property, plant and equipment, net	<b>60,593</b>	58,787	<b>564,233</b>
Investments and Other Assets:			
Investments securities:			
Unconsolidated subsidiaries and affiliated companies	<b>11,867</b>	10,537	<b>110,504</b>
Other	<b>17,677</b>	14,227	<b>164,606</b>
Long-term loans receivable	<b>1,340</b>	1,372	<b>12,478</b>
Deferred tax	<b>1,566</b>	2,162	<b>14,582</b>
Other investments and other assets	<b>6,597</b>	4,944	<b>61,430</b>
Allowance for doubtful receivables	<b>(893)</b>	(599)	<b>(8,315)</b>
Allowance for loss of investments	<b>(365)</b>	-	<b>(3,399)</b>
Total investments and other assets	<b>37,789</b>	32,643	<b>351,886</b>
Total	<b>¥178,126</b>	¥168,004	<b>\$ 1,658,683</b>

See accompanying Notes to Consolidated Financial Statements.

## Liabilities and Shareholders' Equity

	Millions of yen		Thousands of U.S.
	2005	2004	dollars (Note 1)
<b>Current liabilities:</b>			
Short-term bank loans	¥11,533	¥22,689	\$ 107,394
Current maturities of long-term debt	3,652	849	34,007
Notes and accounts payable, trade	28,341	24,819	263,907
Accrued income taxes	5,619	480	52,323
Reserve for bonus	1,968	1,845	18,326
Other current liabilities	5,549	4,954	51,671
Total current liabilities	<u>56,662</u>	<u>55,636</u>	<u>527,628</u>
<b>Long-term liabilities:</b>			
Convertible bonds	-	8,632	-
Bonds	80	200	745
Long-term debt	6,278	4,981	58,460
Deferred tax liabilities	378	552	3,520
Deferred tax liabilities due to land revaluation	3,359	3,369	31,279
Accrued pension and severance costs	8,232	8,005	76,655
Liability for director and statutory auditor retirement benefits	552	528	5,140
Other long-term liabilities	1,864	1,949	17,357
Total long-term liabilities	<u>20,743</u>	<u>28,216</u>	<u>193,156</u>
Minority interests	1,482	1,386	13,800
Contingent liabilities (Note 5)			
<b>Shareholders' equity:</b>			
Common stock 50 yen par value	22,399	17,865	208,576
Authorized-280,000,000 shares			
Issued - March 31, 2005 -102,471,942			
March 31, 2004 -90,035,688			
Capital surplus	19,425	14,895	180,883
Reserve for Land revaluation	5,039	5,053	46,923
Retained earnings (Note 8)	49,896	43,521	464,624
Net unrealized holding gains on securities	2,778	1,714	25,868
Foreign currency translation adjustments	(173)	(225)	(1,611)
Treasury stock	(125)	(57)	(1,164)
Total shareholders' equity	<u>99,239</u>	<u>82,766</u>	<u>924,099</u>
Total	<u>¥178,126</u>	<u>¥168,004</u>	<u>\$ 1,658,683</u>

See accompanying Notes to Consolidated Financial Statements.

**ASAHI DENKA CO., LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years ended March 31, 2005 and 2004

Thousands of U.S.

	Millions of yen		dollars
	2005	2004	2005
<b>I. Cash Flows operating activities</b>			
Income before income taxes, etc.	13,678	7,841	127,368
Depreciation	6,056	5,703	56,393
Valuation loss of investment securities	8	92	74
Gain on sale of investment securities	-125	-166	-1,164
Valuation loss of available-for-sale securities	83	45	773
Increase in allowance for doubtful accounts	-868	802	-8,083
Gain on accrued pension and severance costs	222	-3,631	2,067
Interest and dividend income	-344	-428	-3,203
Interest expense	317	380	2,952
Exchange losses	-34	43	-317
Equity in earnings	-228	-144	-2,123
Loss on disposal of property, plant and equipment	550	1,150	5,122
Loss on retirement of fixed assets	-441	-	-4,107
Loss on sale of fixed assets	365	-	3,399
Increase in trade receivable	-2,148	-4,232	-20,002
Increase in inventories	-1,972	-689	-18,363
Increase in trade payables	3,448	2,078	32,107
Other	115	381	1,071
Net	18,682	9,225	173,964
Interest and cash dividends received	492	336	4,581
Interest paid	-306	-364	-2,849
Income taxes paid	-1,790	-4,097	-16,668
Total	17,078	5,100	159,028
<b>II. Cash flows from investing activities</b>			
Proceeds from sale of marketable securities	34	364	317
Payment for purchase of property, plant and equipment	-8,000	-7,204	-74,495
Payment for purchase of intangible assets	-247	-308	-2,300
Payment for purchase of investment securities	-2,367	-474	-22,041
Proceeds from sale of investment securities	371	844	3,455
Payments for acquisition of equity of subsidiaries and affiliates	-1,111	-	-10,345
Payments for investment to subsidiaries and affiliates	-1,458	-	-13,577
Acquisition of other investments	-205	-690	-1,909
Other	607	215	5,652
Total	-12,376	-7,253	-115,244
<b>III. Cash flows from financing activities</b>			
Decrease in short-term debt	-11,180	-235	-104,107
Proceeds from long-term debt	5,000	721	46,559
Repayment of long-term debt	-880	-1,436	-8,194
Proceeds from issuance of common stocks	451	8,543	4,200
Proceeds from issuance of bonds	-	200	-
Dividends paid	-1,197	-563	-11,146
Dividends paid to minority	-80	-80	-745
Other	-148	-13	-1,378
Total	-8,034	7,137	-74,811
IV. Effect of exchange rate changes on cash and cash equivalents	27	-128	251
V. Net decrease in cash and cash equivalents	-3,305	4,856	-30,776
VI. Cash and cash equivalents at beginning of period	16,548	11,309	154,093
VII. Increase in cash and cash equivalents for new consolidated	-	383	-
VIII. Cash and cash equivalents at end of period	13,243	16,548	123,317

**ASAHI DENKA CO., LTD.**  
**CONSOLIDATED STATEMENTS OF INCOME**

For the two years ended March 31, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
Net sales	¥151,824	¥141,368	\$ 1,413,763
Cost of sales	114,146	107,330	1,062,911
Gross Profit	37,678	34,038	350,852
Selling, general and administrative expenses	22,905	21,952	213,288
Operating income	14,773	12,086	137,564
Other income (expenses):			
Interest income and dividends received	343	427	3,194
Interest expense	(317)	(380)	(2,952)
Equity in earnings	228	144	2,123
Loss on fluctuation of foreign exchange	-	(225)	-
Gain on sale of investment securities	125	166	1,164
Loss on the disposal of property, plant and equipment	(550)	(1,150)	(5,122)
Loss on the disposal of inventories	(269)	(175)	(2,505)
Valuation loss of investment securities	(8)	(92)	(75)
Valuation loss of available-for-sale securities	(83)	(45)	(773)
Provision for allowance for bad debt	(145)	(744)	(1,350)
Provision of accrued pension and severance costs	(527)	(1,234)	(4,907)
Loss on the winding-up of an employee's pension fund	-	(836)	-
Reversal from Allowance for bad debt	170	-	1,583
Gain from sale of fixed asset	441	-	4,107
Subsidy income	207	-	1,928
Compensation for plant transfer	32	-	298
Valuation loss of Other investments	(12)	-	(112)
Provision for Allowance for loss of investment	(365)	-	(3,399)
Additional contribution associated with the dissolution of the employees' pension fund	(213)	-	(1,983)
Other - net	(152)	(101)	(1,415)
	(1,095)	(4,245)	(10,196)
Income before income taxes	13,678	7,841	127,368
Income taxes			
Current	6,701	2,492	62,399
Deferred	(803)	898	(7,477)
Minority interests in earnings of consolidated subsidiaries	186	114	1,732
Net income	¥7,594	¥4,337	\$ 70,714 \$
	yen		U.S. dollars (Note 1)
Per share amounts			
Net income (Primary)	¥76.10	¥52.32	\$ 0.71 \$
Net income (Fully Diluted)	¥73.10	¥45.85	\$ 0.68 \$
Cash dividends	¥14.00	¥11.00	\$ 0.13 \$

See accompanying Notes to Consolidated Financial Statements.

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

---

### **1. Basis of Presenting Financial Statements**

The accompanying consolidated financial statements of Asahi Denka Co.,Ltd. (the "Company") and its consolidated subsidiaries (together the "Companies") have been prepared in accordance with accounting principles and practices generally accepted in Japan and have been compiled from the consolidated financial statements filed with the Ministry of Finance in Japan.

In preparing these statements, certain reclassifications and rearrangements have been made to the consolidated financial statements prepared domestically in order to present these statements in a form that is more familiar to readers outside Japan.

In addition, the accompanying notes include additional information that is not required under accounting principles and practices generally accepted in Japan.

The U.S. dollar amounts included herein are solely for the convenience of the reader outside Japan and have been translated from the Japanese yen amounts at the rate of 107.39 yen= US\$ 1, the approximate exchange rate prevailing on March 31, 2005.

### **2. Summary of significant Accounting Policies**

#### **(1) Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and all of its significant subsidiaries. Investments in unconsolidated subsidiaries and affiliated companies (companies owned 20 to 50 percent) are generally accounted for by the equity method of accounting.

All significant intercompany transactions and balances have been eliminated. The excess of the cost of the Company's investments in subsidiaries and affiliates companies over the equity in their net assets at the dates of acquisition is amortized on a straight-line basis over five years.

#### **(2) Foreign Currency Translation**

All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income to the extent that they are not hedged by foreign exchange derivatives.

Assets and liability of foreign subsidiaries are translated into yen at current exchange rate at balance sheet date.

Differences arising from such translation are included in shareholder's equity as foreign currency translation adjustment.

#### **(3) Marketable Securities and Investment Securities**

Marketable Securities are stated at market value, the stocks are stated at the average of the market prices for the month preceding the balance sheet date, and the other securities are stated at the market value on the balance sheet date.

Non-marketable securities are stated at cost determined by the moving average method.

#### **(4) Inventories**

Inventories are stated generally at the lower of cost or market. Cost for finished products and work in process is primarily determined by the average cost method and for raw materials is determined by the moving average method. Inventories of a certain subsidiary are stated at cost determined by the moving average method.

#### **(5) Depreciation**

Depreciation of "machinery and equipment" and "buildings (except attached facilities)" is computed by the straight-line method. Other assets are computed by the declining balance method. Both depreciations are based on the estimated useful lives of such assets.

Estimated useful lives used in the computation of depreciation are generally as follows:

Building and structures	3 to 60 years
Machinery and equipment	2 to 20 years

#### **(6) Deferred Charges**

Stock issuance costs and bond issuance costs are charged to income as incurred.

(7) Allowance for Doubtful Receivables

An allowance for doubtful receivables is established in amounts considered to be appropriate based primarily upon the company' past credit loss experience and an evaluation of potential losses in the receivables outstanding.

(8)Accrued Pension and Severance Costs

The company accounted for the liability for the retirement benefits based on the projected benefits obligations and plan assets at the balance sheet date.

The company is being amortized the amount of shortage in the reserve for employees' retirement benefit, resulting from a change in the Japanese accounting standard, as an extraordinary loss over 5 years. The differential amount in the computation is to be stated at cost by the straight-line method, based on certain years within the average remaining service length.

(9) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(10) Revenue Recognition

Sales of products are recognized in the accounts upon shipments to customers.

(11) Research and Development Costs

Research and Development Costs are charged to income as incurred.

(12) Net Income (loss) per share

Effective from this financial year the "Accounting standard on the net income per share" (Corporate accounting standard No.2) and "Guideline for the application of the accounting standard regarding the net income per share" (Corporate accounting standard No.4) were applied.

(13) Leases

Finance leases, other than those lease agreements which stipulate the transfer of ownership of the leased property, are accounted for as operating leases.

(14) Retirement Benefits for Directors and Statutory Auditors

The Company provides lump-sum retirement benefits for directors and statutory auditors .

Such benefits, which are not funded, are accrued based on the Company's internal guidelines.

(15) Derivatives

All derivatives be recognized as either assets or liabilities and measured at fair value.

(16) Consolidated Statements of Cash Flows

In preparing the consolidated statements of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with maturities of not three months at the time of purchase are considered to be cash and cash equivalents.

(17) Reserve for Land Revaluation

The company revaluated the land they own for business in accordance with the Law Concerning Revaluation of Land. The difference between the revalued amount and the book value, after the deduction of applicable tax, is stated as Reserve for land revaluation. The revaluation was conducted using methods stipulated in the ordinance for enforcement of the law, specifically, the method in Item4, Article3 (reasonable adjustment of the appraised value relating to land price tax).

(18) Allowance for loss of investment

In preparation for the possible loss of investment for subsidiaries and affiliates, necessary amount is posted considering the financial position of respective subsidiaries and affiliates and collectibility from them.

**3. Inventories at March 31, 2005 and 2004 consisted of the following:**

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Finished products	¥9,051	¥9,273	\$ 84,282
Work in process	¥4,009	3,324	37,331
Raw materials and supplies	¥7,865	6,350	73,238
	<u>¥20,925</u>	<u>¥18,947</u>	<u>\$ 194,851</u>

**4. Long-term debt at March 31, 2005 and 2004 consisted of the following**

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Loans principally from banks and insurance companies	9,930	5,830	92,467
	<u>9,930</u>	<u>5,830</u>	<u>92,467</u>
Less current maturities	3,652	849	34,007
	<u>¥6,278</u>	<u>¥4,981</u>	<u>\$ 58,460</u>

The aggregate annual maturities of long-term debt outstanding at March 31, 2005 were as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31,		
2007	¥830	\$ 7,729
2008	5,370	50,005
2009	55	512
2010	2	19
2011 and thereafter	21	195
	<u>¥6,278</u>	<u>\$ 58,460</u>

Assets pledged to secure short-term bank loans and long-term debt at March 31, 2005 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Marketable securities and investments securities	-	-	-
Property, plant and equipment	¥2,403	¥2,478	\$ 22,376
	<u>¥2,403</u>	<u>¥2,478</u>	<u>\$ 22,376</u>

**5. Contingent liabilities at March 31, 2005 and 2004 were as follows:**

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Notes discounted and endorsed	¥892	¥1,461	\$ 8,306
Guarantees	¥1,972	¥2,027	\$ 18,363

**6. Depreciation expenses for the year ended March 31, 2005 and 2004 were as follows:**

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Selling, general and administrative expenses	¥394	¥379	\$ 3,669
Manufacturing costs	5,662	5,324	52,724
	<u>¥6,056</u>	<u>¥5,703</u>	<u>\$ 56,393</u>

**7. Leases**

Annual rental expenses for the year ended March 31, 2005 was ¥208 million (US\$1,937 thousand).

## 8. Retained Earning and Dividends

The amount of retained earnings available for dividends under the Commercial code of Japan is based on the amount stated in the non-consolidated financial statements of the Company.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividend is applicable. In addition, a semi-annual interim dividend may be made by a resolution of the Board of Directors, subject to the limitations imposed by the commercial Code.

On June 24, 2005, the shareholders of the Company authorized Payment of a cash dividend to the shareholders as at March 31, 2005 of 8 yen (US\$0.07) per share or a total of millions of 818yen (US\$ 7,617 thousand).

## 9. Segment Information

The business segment information for the Companies for the year ended March 31, 2005 and 2004 is outlined as follows:

### Business Segments

	Year ended March 31, 2005					
	Chemicals	Food Products	Other	Total	Eliminations	Consolidated
	Millions of yen					
Sales to third parties	¥102,719	¥45,275	¥3,830	¥151,824	-	¥151,824
Intergroup sales and transfer	250	50	9,705	10,005	(10,005)	-
Total sales	102,969	45,325	13,535	161,829	(10,005)	151,824
Operating expenses	90,492	43,490	13,089	147,071	(10,020)	137,051
Operating Incomes	¥12,477	¥1,835	¥446	¥14,758	¥15	¥14,773
	Thousands of U.S. dollars					
Sales to third parties	\$956,504	\$421,594	\$35,664	\$1,413,762	-	\$1,413,762
Intergroup sales and transfer	2,328	466	90,372	93,166	(93,166)	-
Total sales	958,832	422,060	126,036	1,506,928	(93,166)	1,413,762
Operating expenses	842,648	404,973	121,882	1,369,503	(93,305)	1,276,198
Operating Incomes	\$116,184	\$17,087	\$4,154	\$137,425	\$139	\$137,564
	Year ended March 31, 2004					
	Chemicals	Food Products	Other	Total	Eliminations	Consolidated
	Millions of yen					
Sales to third parties	¥92,407	¥44,666	¥4,294	¥141,367	-	¥141,367
Intergroup sales and transfer	-	-	10,629	10,629	(10,629)	-
Total sales	92,407	44,666	14,923	151,996	(10,629)	141,367
Operating expenses	83,181	42,087	14,663	139,931	(10,650)	129,281
Operating Incomes	¥9,226	¥2,579	¥260	¥12,065	¥21	¥12,086

## Segment information by business location

Previous consolidated fiscal year (From April 1, 2003 to March 31, 2004)

Since both the ratios of the domestic sales and the domestic assets to the total segment sales and the total segment assets exceed 90%, the information on each business location is omitted.

The current consolidated fiscal term (From April 1, 2004 to March 31, 2005)

	<u>Japan</u>	<u>Other</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
	Millions of yen				
Sales to third parties	138,310	13,514	151,824	-	151,824
Intergroup sales and transfer	1,199	3,867	5,066	(5,066)	-
Total sales	139,509	17,381	156,890	(5,066)	151,824
Operating expenses	125,341	16,792	142,133	(5,082)	137,051
Operating Incomes	14,168	589	14,757	14	14,773

	<u>Japan</u>	<u>Other</u>	<u>Total</u>	<u>Eliminations</u>	<u>Consolidated</u>
	Thousands of U.S.dollars				
Sales to third parties	1,287,923	125,840	1,413,763	-	1,413,763
Intergroup sales and transfer	11,165	36,009	47,174	(47,174)	-
Total sales	1,299,088	161,849	1,460,937	(47,174)	1,413,763
Operating expenses	1,167,157	156,365	1,323,522	(47,323)	1,276,199
Operating Incomes	131,931	5,484	137,415	149	137,564

- (Notes)
- i. Countries or regions are divided by geographical proximity.
  - ii. Major countries or regions belonging to those other than Japan  
Others ... Korea, Taiwan, Singapore and the United States.

## Overseas sales

Previous consolidated fiscal year (From April 1, 2003 to March 31, 2004)

Overseas sales	¥20,198 million
Consolidated sales	¥141,368 million
Ratio of overseas sales to consolidated sales	14.3 %

- (Note)
- i. Overseas sales is the sales of the Company and the consolidated subsidiaries in the countries and regions other than Japan.
  - ii. There is no segment whose ratio to the consolidate sales is over 10%.

Current consolidated fiscal year (From April 1, 2004 to March 31, 2005)

	<u>Asia</u>	<u>Other</u>	<u>Total</u>
	Millions of yen		
Overseas sales	18,203	9,654	27,857
Consolidated sales	-	-	151,824
Ratio of overseas sales to consolidated sales(%)	12.0	6.4	18.4
	<u>Asia</u>	<u>Other</u>	<u>Total</u>
	Thousands of U.S.dollars		
Overseas sales	169,504	89,897	259,400
Consolidated sales	-	-	1,413,763

- (Note)
- i. Countries or regions are divided by geographical proximity.
  - ii. Major countries or regions belonging to those other than Japan  
Asia ... Taiwan, Korea, China, Singapore, etc.  
Other ... United States, Europe, etc.
  - iii. Overseas sales is the sales of the Company and the consolidated subsidiaries in the countries and regions other than Japan.