

**Supplementary financial summary for the six months ended September 30, 2000**

1. Operating Performance

(millions of yen)

	April 2000 – September 2000			April 1999 – September 1999			April 1999 – March 2000		
	Consolidated [a]	Non-consolidated [b]	a/b	Consolidated [a]	Non-consolidated [b]	a/b	Consolidated [a]	Non-consolidated [b]	a/b
Net Sales	611,256	479,351	1.28	574,076	462,051	1.24	1,194,462	955,624	1.25
Operating profit	46,117	26,193	1.76	28,919	18,123	1.60	74,332	46,374	1.60
Ordinary profit	41,417	24,540	1.69	34,882	25,838	1.35	85,853	62,556	1.37
Net income	12,254	6,425	1.91	7,967	5,161	1.54	20,524	11,185	1.83
Total assets	1,244,609	1,046,284	1.19	1,216,137	1,027,499	1.18	1,180,372	981,114	1.20
Shareholders' equity	508,193	451,904	1.12	468,120	414,072	1.13	476,159	415,768	1.15
Net income per share (yen)	8.49	4.45	1.91	5.52	3.58	1.54	14.23	7.75	1.84
Shareholders' equity per share (yen)	352.28	313.25	1.12	324.50	287.03	1.13	330.07	288.20	1.15
ROA (annualized)	2.0%	1.3%	–	1.3%	1.0%	–	1.7%	1.1%	–
ROE (annualized)	5.0%	3.0%	–	3.4%	2.5%	–	4.4%	2.7%	–

2. Financial Highlights

(billions of yen)

	April 2000 – September 2000		April 1999 – September 1999		April 1999 – March 2000	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Capital expenditures*	31.6	22.6	29.3	21.8	58.2	43.1
Depreciation*	27.5	20.5	29.0	22.5	59.2	45.3
Interest bearing debt at end of term	290.0	224.3	336.0	278.8	293.1	236.6
Net financing income (expenses)	(1.3)	0.2	(2.1)	(0.6)	(4.0)	(1.2)
Number of employees	26,791	12,437	28,144	14,036		

\* Tangible fixed assets.

Forecast for the year	April 2000 – March 2001	
	Consolidated	Non-consolidated
Capital expenditures	69.2	54.6
Depreciation and amortization	60.0	46.0
R&D expenditures	51.5	42.5

3. Key operating factors

	April 2000 – September 2000	April 1999 – September 1999	Forecast (April 2000 – March 2001)
Naphtha price (yen/kL, domestic)	22,150	16,250	20,600
Yen/US\$ exchange rate (market average)	107	117	105

4. Forecast for the fiscal year April 2000 – March 2001 (billions of yen)

	Consolidated [a]	Non-consolidated [b]	a/b
Net sales	1,280.0	1,010.0	1.27
Operating profit	100.0	60.0	1.67
Ordinary profit	90.0	56.0	1.61
Net income	30.0	15.0	2.00

5. Net sales by sector

(billions of yen)

	April 2000 – September 2000		April 1999 – September 1999		Forecast (April 2000 – March 2001)	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Chemicals and plastics	206.5	183.4	183.6	161.1	432.0	380.0
Housing and construction materials	205.7	184.7	190.0	173.8	443.0	403.0
Fibers and textiles	67.7	51.1	70.3	55.7	135.0	102.0
Special products and services	131.3	60.2	130.2	71.9	270.0	125.0
Total	611.3	479.4	574.1	462.5	1,280.0	1,010.0

6. Operating profit by sector

(billions of yen)

	April 2000 – September 2000		April 1999 – September 1999		Forecast (April 2000 – March 2001)	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Chemicals and plastics	13.9	12.1	9.1	8.4	29.0	25.0
Housing and construction materials	10.2	7.9	6.6	5.0	29.0	22.0
Fibers and textiles	1.5	0.0	0.6	(0.6)	3.0	1.0
Special products and services	20.6	6.2	12.7	5.3	39.0	12.0
Total	46.2	26.2	28.9	18.1	100.0	60.0

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

7.1. Breakdown of increase (decrease) in net sales

(billions of yen)

	Consolidated increase (decrease) due to:			Consolidated increase (decrease) [a]	Non-consolidated increase (decrease) [b]	a-b
	Sales price*	Sales volume	Divestment			
Chemicals and plastics	11.0	16.5	(5.0)	22.9	22.3	0.6
Housing and construction materials	(1.0)	12.0	0.0	15.8	10.9	4.9
Fibers and textiles	0.0	(3.0)	(1.5)	(2.6)	(4.6)	2.0
Special products and services	2.0	1.0	(10.5)	1.1	(11.7)	12.8
Total	8.0	26.0	(17.0)	37.2	16.9	20.3

\* Decrease due to exchange rates: 4.0, increase due to higher export prices: 9.0, increase due to higher domestic prices: 3.0.

7.2. Breakdown of increase (decrease) operating profit (billions of yen)

		Consolidated increase (decrease) [a]	Non-consolidated increase (decrease) [b]	a-b
Due to change in:	Sales price	9.0*	8.0	1.0**
	Sales volume	20.0†	12.0	8.0‡
	Proportional expenses	(9.0)§	(9.0)	–
	Fixed expenses	(2.0)	(2.0)	–
	Sales composition	(1.0)	(1.0)	–
Total		17.2	8.1	9.1

\* Decrease due to exchange rates: 4.0.

\*\* Mainly in chemicals and plastics.

† Increase in chemicals plastics: 5.0, increase in housing and construction materials: 4.0.

‡ Mainly in special products and services.

§ Decrease due to higher feedstock and fuel prices: 12.0, increase due to cost cutting: 3.0.

|| Increase due to lower labor costs: 4.0, decrease due to higher outsourcing, maintenance, and other costs: 6.0.

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

8.1. Interest-bearing debt at end of term

(billions of yen)

	September 2000		March 2000	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Short-term borrowings and commercial paper	60.4	12.4	41.5	3.3
Long-term loans	29.2	16.4	30.3	17.0
Bonds	199.0	195.0	220.0	216.0
Notes discounted	1.4	0.4	1.4	0.3
Total	290.0	224.3	293.1	236.6

8.2. Net financing income (expenses) (billions of yen)

	April 2000 – September 2000		April 1999 – September 1999	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Interest expenses	(3.2)	(2.5)	(4.4)	(3.5)
Interest income	0.6	0.3	0.7	0.3
Dividend income	2.9	2.5	2.6	2.5
Eliminations	(1.7)	–	(1.0)	–
Total	(1.3)	0.2	(2.1)	(0.6)

9. Consolidated statements of cash flows (billions of yen)

	April 2000 – September 2000	April 1999 – September 1999
a. Cash flows from operating activities	14.2	32.2
b. Cash flows from investing activities	(27.6)	3.9
c. Free cash flows (a+b)	(13.4)	36.1
d. Cash flows from financing activities	(9.3)	(26.3)
e. Effect of exchange rate changes on cash and cash equivalents	0.1	(0.2)
f. Net increase (decrease) in cash and cash equivalents (c+d+e)	(22.6)	9.5
Cash and cash equivalents at beginning of term	104.9	75.6
Cash and cash equivalents held by newly consolidated subsidiaries	0.1	1.8
Cash and cash equivalents at end of term	82.4	87.1