

Fact Sheet 2005

April 27, 2005

| CONTENTS | Page |
|--|------|
| 1. Financial Highlights | 1 |
| 2. Consolidated Balance Sheets | 2 |
| 3. Consolidated Statements of Income | 3 |
| 4. Consolidated Statements of Cash Flows | 4 |
| 5. Segment Information | 5 |

Note

- 1 This fact sheet is intended to provide information about Hitachi Chemical, and does not constitute a solicitation to buy or sell the Company's marketable securities. This fact sheet does not necessarily always contain or reflect the most recent information.
- 2 In no event will Hitachi Chemical be liable for any loss or damage that may occur as a result of the use of the information on this fact sheet. We ask that you make any investment-related decisions using your own discretion.
- 3 The financial figures presented in this fact sheet are based on the figures in the financial summaries (*kessan tanshin*) for each fiscal period, which are prepared in conformity with accounting principles generally accepted in Japan.
- 4 Amounts less than the unit are rounded off.

 **Hitachi Chemical Co., Ltd.**

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Financial Highlights

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of yen)

Financial Results

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|--|---------|---------|---------|---------|---------|---------|
| Net sales | 544,837 | 586,314 | 480,777 | 494,226 | 521,358 | 555,568 |
| Electronics-Related Products | 239,690 | 265,967 | 191,693 | 205,004 | 225,774 | 233,209 |
| Chemical-Related Products | 206,665 | 226,748 | 204,878 | 208,440 | 213,066 | 237,905 |
| Housing Equipment and Environmental Facilities | 98,482 | 93,599 | 84,206 | 80,782 | 82,518 | 84,454 |
| Operating income | 35,058 | 45,814 | 13,048 | 24,930 | 33,774 | 46,910 |
| Electronics-Related Products | 24,283 | 27,695 | 3,179 | 13,659 | 23,290 | 30,512 |
| Chemical-Related Products | 7,600 | 14,120 | 8,552 | 9,882 | 8,742 | 14,708 |
| Housing Equipment and Environmental Facilities | 3,172 | 3,998 | 1,285 | 1,370 | 1,709 | 1,655 |
| Elimination | 3 | 1 | 32 | 19 | 33 | 35 |
| Ordinary income | 28,165 | 43,785 | 9,320 | 19,726 | 31,638 | 46,214 |
| Net income | 12,587 | 13,022 | 3,141 | 8,644 | 15,784 | 25,714 |

Note: Segment sales are sales to outside customers.

Financial Position

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|------------------------------------|---------|---------|---------|---------|---------|---------|
| Total assets | 444,178 | 457,117 | 418,408 | 407,148 | 393,835 | 411,485 |
| Total stockholders' equity | 124,035 | 134,095 | 143,692 | 146,443 | 157,311 | 180,910 |
| Percentage of stockholders' equity | 27.9% | 29.3% | 34.3% | 36.0% | 39.9% | 44.0% |

Cash Flows

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|--|----------|----------|----------|----------|----------|----------|
| Cash flows from operating activities | 56,389 | 51,085 | 44,637 | 55,439 | 27,347 | 60,608 |
| Cash flows from investing activities | △ 20,985 | △ 27,945 | △ 29,937 | △ 19,123 | △ 23,358 | △ 33,002 |
| Cash flows from financing activities | △ 22,623 | △ 23,352 | △ 18,715 | △ 28,124 | △ 19,614 | △ 13,119 |
| Cash and cash equivalents at end of term | 56,570 | 59,551 | 56,332 | 63,421 | 46,205 | 60,959 |

Per Share Data

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|----------------------------|--------|--------|--------|--------|--------|--------|
| Net income (Basic) | 62.27 | 64.42 | 15.28 | 39.91 | 75.47 | 123.46 |
| Net income (Diluted) | 61.42 | 63.53 | - | 39.54 | 75.44 | 123.44 |
| Dividend | 10.00 | 10.00 | 10.00 | 11.00 | 12.00 | 17.00 |
| Total stockholders' equity | 613.64 | 663.34 | 693.35 | 704.87 | 758.44 | 872.20 |

Other Data

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|---|---------|---------|--------|--------|--------|--------|
| Return on equity | 10.6% | 10.1% | 2.3% | 6.0% | 10.4% | 15.2% |
| Ordinary income to total assets | 6.4% | 9.7% | 2.1% | 4.8% | 7.9% | 11.5% |
| Interest-bearing liabilities | 128,070 | 106,460 | 90,573 | 64,301 | 46,997 | 36,235 |
| Capital expenditures | 29,885 | 37,920 | 27,349 | 23,576 | 26,331 | 33,159 |
| Depreciation | 28,984 | 29,009 | 29,034 | 27,703 | 26,505 | 25,904 |
| Research and development expenses | 21,302 | 22,408 | 22,894 | 22,933 | 24,908 | 25,059 |
| Research and development expenses/Net sales | 3.9% | 3.8% | 4.8% | 4.6% | 4.8% | 4.5% |
| Number of consolidated subsidiaries | 89 | 84 | 68 | 65 | 64 | 62 |
| Number of employees | 19,728 | 18,810 | 17,492 | 17,366 | 17,091 | 16,854 |

Note1 : Interest-bearing liabilities=Short-term loans + Commercial paper + Bonds + Debentures to be redeemed within one year
+ Long-term loans + Notes and bills discounted

Note2: Number of employees includes temporary staff.

Consolidated Balance Sheets

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries
(Millions of yen)

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|--|---------|---------|---------|---------|---------|---------|
| [Assets] | | | | | | |
| Current assets | 252,307 | 252,868 | 212,168 | 215,561 | 209,559 | 226,773 |
| Cash and cash equivalents | 45,407 | 53,651 | 56,332 | 60,422 | 46,205 | 33,173 |
| Trade notes and accounts receivables | 131,911 | 133,228 | 105,588 | 99,896 | 107,323 | 107,130 |
| Inventories | 44,479 | 46,067 | 35,760 | 35,708 | 36,598 | 41,027 |
| Deferred income taxes | 6,908 | 7,844 | 7,984 | 9,607 | 10,958 | 12,177 |
| Other current assets | 26,120 | 14,063 | 9,229 | 13,624 | 12,225 | 37,346 |
| Less allowance for doubtful receivables | △ 2,518 | △ 1,985 | △ 2,725 | △ 3,696 | △ 3,750 | △ 4,080 |
| Fixed assets | 186,103 | 204,249 | 206,240 | 191,587 | 184,276 | 184,712 |
| Net property, plant and equipment | 148,562 | 154,666 | 149,571 | 139,072 | 134,046 | 135,155 |
| Buildings and structures | 50,255 | 50,597 | 49,797 | 46,521 | 44,270 | 43,678 |
| Machinery, equipment, and transportation equipment | 58,273 | 61,789 | 60,518 | 53,174 | 52,177 | 54,267 |
| Lands | 26,097 | 25,477 | 25,643 | 24,729 | 24,073 | 22,842 |
| Other fixed assets | 13,937 | 16,803 | 13,613 | 14,648 | 13,526 | 14,368 |
| Intangible assets | 642 | 1,695 | 7,847 | 7,493 | 6,610 | 5,097 |
| Investments and other assets | 36,899 | 47,888 | 48,822 | 45,022 | 43,620 | 44,460 |
| Investments in securities | 11,103 | 17,298 | 15,824 | 12,021 | 15,833 | 19,353 |
| Deferred income taxes | 9,998 | 17,998 | 20,340 | 21,611 | 10,454 | 9,669 |
| Other assets | 16,621 | 14,441 | 14,527 | 12,601 | 18,311 | 16,285 |
| Less allowance for doubtful receivables | △ 823 | △ 1,849 | △ 1,869 | △ 1,211 | △ 978 | △ 847 |
| Foreign currency translation adjustments | 5,768 | - | - | - | - | - |
| Total assets | 444,178 | 457,117 | 418,408 | 407,148 | 393,835 | 411,485 |
| | | | | | | |
| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
| [Liabilities] | | | | | | |
| Current liabilities | 204,990 | 206,572 | 176,121 | 165,069 | 155,878 | 159,082 |
| Trade notes and accounts payables | 63,713 | 60,846 | 48,050 | 53,231 | 57,705 | 62,683 |
| Short-term debts | 57,460 | 42,409 | 48,374 | 31,188 | 17,897 | 12,858 |
| Debentures to be redeemed within one year | 4,273 | 15,000 | 7,106 | 3,105 | 3,000 | - |
| Other current liabilities | 79,544 | 88,317 | 72,591 | 77,545 | 77,276 | 83,541 |
| Fixed liabilities | 93,530 | 92,954 | 78,771 | 75,729 | 60,266 | 49,947 |
| Debentures | 50,577 | 35,211 | 28,105 | 25,000 | 22,000 | 22,000 |
| Long-term debts | 14,562 | 13,117 | 6,988 | 5,008 | 4,100 | 1,377 |
| Provision for retirement allowances | 25,396 | - | - | - | - | - |
| Retirement and severance benefits | - | 39,993 | 39,959 | 41,419 | 30,550 | 19,229 |
| Other liabilities | 2,995 | 4,633 | 3,719 | 4,302 | 3,616 | 7,341 |
| Total liabilities | 298,520 | 299,526 | 254,892 | 240,798 | 216,144 | 209,029 |
| [Minority interests] | | | | | | |
| Minority interests | 21,623 | 23,496 | 19,824 | 19,907 | 20,380 | 21,546 |
| [Stockholders' equity] | | | | | | |
| Common stock | 15,025 | 15,029 | 15,284 | 15,284 | 15,288 | 15,328 |
| Capital surplus | 27,338 | 27,342 | 34,174 | 34,174 | 34,178 | 34,219 |
| Earnings surplus | 81,715 | 92,117 | 92,818 | 99,111 | 112,101 | 134,963 |
| Net unrealized holding gain on securities | - | 2,083 | 1,849 | 1,067 | 2,603 | 2,684 |
| Foreign currency translation adjustments | - | △ 2,471 | △ 424 | △ 3,165 | △ 6,821 | △ 6,231 |
| Treasury stock | △ 43 | △ 5 | △ 9 | △ 28 | △ 38 | △ 53 |
| Total stockholders' equity | 124,035 | 134,095 | 143,692 | 146,443 | 157,311 | 180,910 |
| Total liabilities, minority interests, and stockholders' equity | 444,178 | 457,117 | 418,408 | 407,148 | 393,835 | 411,485 |

Consolidated Statements of Income

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries
(Millions of yen)

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|---|---------|----------|---------|---------|---------|---------|
| Net sales | 544,837 | 586,314 | 480,777 | 494,226 | 521,358 | 555,568 |
| Cost of sales | 405,749 | 434,120 | 366,225 | 368,095 | 385,308 | 404,557 |
| Gross profit | 139,088 | 152,194 | 114,552 | 126,131 | 136,050 | 151,011 |
| Selling, general and administrative expenses | 104,030 | 106,380 | 101,504 | 101,201 | 102,276 | 104,101 |
| Operating income | 35,058 | 45,814 | 13,048 | 24,930 | 33,774 | 46,910 |
| Non-operating income | 6,116 | 7,504 | 5,794 | 4,257 | 6,958 | 6,643 |
| Interest and dividend income | 936 | 1,068 | 900 | 1,022 | 1,058 | 896 |
| Other non-operating income | 5,180 | 6,436 | 4,894 | 3,235 | 5,900 | 5,747 |
| Non-operating expenses | 13,009 | 9,533 | 9,522 | 9,461 | 9,094 | 7,339 |
| Interest expenses | 3,268 | 2,767 | 2,079 | 1,279 | 1,054 | 984 |
| Other non-operating expenses | 9,741 | 6,766 | 7,443 | 8,182 | 8,040 | 6,355 |
| Ordinary income | 28,165 | 43,785 | 9,320 | 19,726 | 31,638 | 46,214 |
| Extraordinary income | - | 11,634 | - | - | - | 6,746 |
| Income on the setting of a trust for auxiliary retirement benefits | - | 10,097 | - | - | - | - |
| Profit on sales of stocks of affiliated company | - | 1,537 | - | - | - | - |
| Gain on return of substantial portion of welfare pension fund | - | - | - | - | - | 6,746 |
| Extraordinary expenses | - | 28,674 | - | - | - | 7,237 |
| Difference in auxiliary retirement benefits at the time of change of accounting standards | - | 28,611 | - | - | - | - |
| Loss on sales of stocks of affiliated company | - | 63 | - | - | - | - |
| Loss following the change of retirement benefit scheme | - | - | - | - | - | 1,011 |
| Loss arising from cancellation of employee pension trust | - | - | - | - | - | 777 |
| Loss on business structural reform | - | - | - | - | - | 4,809 |
| Impairment loss | - | - | - | - | - | 640 |
| Income before income taxes and minority interests | 28,165 | 26,745 | 9,320 | 19,726 | 31,638 | 45,723 |
| Income taxes (corporate, inhabitant, and business taxes) | 13,375 | 11,903 | 5,127 | 10,029 | 14,495 | 18,128 |
| Current | 15,921 | 22,693 | 7,727 | 12,358 | 6,101 | 18,740 |
| Deferred | △ 2,546 | △ 10,790 | △ 2,600 | △ 2,329 | 8,394 | △ 612 |
| Minority interests | 2,203 | 1,820 | 1,052 | 1,053 | 1,359 | 1,881 |
| Net income | 12,587 | 13,022 | 3,141 | 8,644 | 15,784 | 25,714 |

Percentage Increase/Decrease from the Preceding Year

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|------------------|--------|--------|---------|--------|--------|--------|
| Net sales | 3.9% | 7.6% | △ 18.0% | 2.8% | 5.5% | 6.6% |
| Operating income | 42.2% | 30.7% | △ 71.5% | 91.1% | 35.5% | 38.9% |
| Ordinary income | 53.1% | 55.5% | △ 78.7% | 111.7% | 60.4% | 46.1% |
| Net income | 55.5% | 3.5% | △ 75.9% | 175.2% | 82.6% | 62.9% |

Percentage of Net Sales

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|------------------|--------|--------|--------|--------|--------|--------|
| Operating income | 6.4% | 7.8% | 2.7% | 5.0% | 6.5% | 8.4% |
| Ordinary income | 5.2% | 7.5% | 1.9% | 4.0% | 6.1% | 8.3% |
| Net income | 2.3% | 2.2% | 0.7% | 1.7% | 3.0% | 4.6% |

Income Tax Rate

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|--|--------|--------|--------|--------|--------|--------|
| | 47.5% | 44.5% | 55.0% | 50.8% | 45.8% | 39.6% |

Consolidated Statements of Cash Flows

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries
(Millions of yen)

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| [Cash flows from operating activities] | | | | | |
| Income before income taxes and minority interests | 28,165 | 26,745 | 9,320 | 19,726 | 31,638 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | | |
| Depreciation and amortization | 28,984 | 29,009 | 29,034 | 27,703 | 26,505 |
| Interest and dividends received | △ 936 | △ 1,068 | △ 900 | △ 1,022 | △ 1,058 |
| Interest paid | 3,268 | 2,767 | 2,079 | 1,279 | 1,054 |
| Increase (decrease) in trade receivables | △ 6,569 | 217 | 29,826 | 4,355 | △ 9,450 |
| Increase (decrease) in inventories | △ 2,544 | △ 1,962 | 11,049 | △ 289 | △ 1,547 |
| Increase (decrease) in trade payables | 8,106 | △ 5,162 | △ 14,306 | 6,103 | 6,014 |
| Increase (decrease) in provision for retirement benefits | 1,159 | △ 25,396 | - | - | - |
| Income from the setting of a trust for auxiliary retirement benefits | - | △ 10,097 | - | - | - |
| Increase (decrease) in accrued expenses and retirement and severance benefits | - | 40,160 | △ 226 | 1,460 | △ 10,865 |
| Difference due to the setting of a trust for auxiliary retirement benefits at time of change of accounting standards for auxiliary retirement benefits | - | 12,501 | - | - | - |
| Other | 9,747 | 4,627 | △ 3,214 | 4,830 | △ 187 |
| Subtotal | 69,380 | 72,341 | 62,662 | 64,145 | 42,104 |
| Interest and dividends received | 1,099 | 1,166 | 979 | 1,074 | 1,072 |
| Interest paid | △ 3,557 | △ 2,791 | △ 2,104 | △ 1,299 | △ 1,105 |
| Corporate and other taxes paid | △ 10,533 | △ 19,631 | △ 16,900 | △ 8,481 | △ 14,724 |
| Refund of income tax and other taxes | - | - | - | - | - |
| Net cash provided by operating activities | 56,389 | 51,085 | 44,637 | 55,439 | 27,347 |
| [Cash flows from investing activities] | | | | | |
| Expenses of securities | △ 971 | - | - | - | - |
| Income from sale of securities | 5,500 | 49 | 693 | 17 | - |
| Expenses of property, plant, and equipment acquired | △ 28,982 | △ 34,624 | △ 27,825 | △ 22,646 | △ 24,780 |
| Income from sale of property, plant and equipment | 1,467 | 4,212 | 2,207 | 2,754 | 1,732 |
| Expenses of investment securities | △ 461 | △ 511 | △ 165 | △ 39 | △ 387 |
| Income from sale of investment securities | 1,026 | 122 | 180 | 940 | 452 |
| Income from sales of subsidiaries' common stock due to change in the scope of consolidation | - | 2,155 | - | - | - |
| Other | 1,436 | 652 | △ 5,027 | △ 149 | △ 375 |
| Net cash provided (used in) by investing activities | △ 20,985 | △ 27,945 | △ 29,937 | △ 19,123 | △ 23,358 |
| [Cash flows from financing activities] | | | | | |
| Increase (decrease) in short-term loans | △ 6,006 | △ 15,886 | 3,608 | △ 12,799 | △ 12,201 |
| Proceeds from long-term debts | 765 | 5,410 | 200 | 682 | 1,000 |
| Payments on long-term debts | △ 4,667 | △ 6,087 | △ 4,938 | △ 6,382 | △ 2,403 |
| Income from issuance of bonds | 14,918 | - | - | - | - |
| Reimbursement of debentures | △ 25,455 | △ 4,273 | △ 15,000 | △ 7,106 | △ 3,105 |
| Dividends paid to stockholders | △ 1,920 | △ 2,021 | △ 2,047 | △ 2,072 | △ 2,487 |
| Dividends paid to minority stockholders of subsidiaries | △ 225 | △ 540 | △ 532 | △ 428 | △ 416 |
| Other | △ 33 | 45 | △ 6 | △ 19 | △ 2 |
| Net cash provided (used in) by financing activities | △ 22,623 | △ 23,352 | △ 18,715 | △ 28,124 | △ 19,614 |
| Effect of exchange rate changes on cash and cash equivalents | △ 876 | 965 | 757 | △ 1,103 | △ 1,591 |
| Net increase (decrease) in cash and cash equivalents | 11,905 | 753 | △ 3,258 | 7,089 | △ 17,216 |
| Cash and cash equivalents at beginning of term | 44,665 | 56,570 | 59,551 | 56,332 | 63,421 |
| Increase in cash and cash equivalents due to new consolidation | - | 2,228 | 39 | - | - |
| Cash and cash equivalents at end of term | 56,570 | 59,551 | 56,332 | 63,421 | 46,205 |



2005.3

45,723

25,904

Δ 896

984

91

Δ 4,727

4,891

-

-

Δ 11,291

-

3,973

64,652

991

Δ 987

Δ 7,111

3,063

60,608

-

-

Δ 29,422

974

Δ 2,340

205

-

Δ 2,419

Δ 33,002

Δ 5,537

-

Δ 1,551

-

Δ 3,000

Δ 2,694

Δ 403

66

Δ 13,119

267

14,754

46,205

-

60,959

Segment Information

Hitachi Chemical Co., Ltd. and Consolidated Subsidiaries

(Millions of yen)

Business Segment Information

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|---|---------|---------|---------|---------|---------|---------|
| Electronics-Related Products | | | | | | |
| Sales | 240,470 | 266,720 | 192,943 | 206,232 | 227,085 | 234,419 |
| Sales to outside customers | 239,690 | 265,967 | 191,693 | 205,004 | 225,774 | 233,209 |
| Inter-segment sales | 780 | 753 | 1,250 | 1,228 | 1,311 | 1,210 |
| Operating expenses | 216,187 | 239,025 | 189,764 | 192,573 | 203,795 | 203,907 |
| Operating income | 24,283 | 27,695 | 3,179 | 13,659 | 23,290 | 30,512 |
| Assets | 192,403 | 213,816 | 189,644 | 178,031 | 168,635 | 176,868 |
| Depreciation | 13,735 | 15,005 | 15,454 | 13,938 | 11,896 | 10,915 |
| Capital expenditures | 16,335 | 22,105 | 10,370 | 7,098 | 8,564 | 14,175 |
| Chemical-Related Products | | | | | | |
| Sales | 208,310 | 228,119 | 205,750 | 208,811 | 214,112 | 239,091 |
| Sales to outside customers | 206,665 | 226,748 | 204,878 | 208,440 | 213,066 | 237,905 |
| Inter-segment sales | 1,645 | 1,371 | 872 | 371 | 1,046 | 1,186 |
| Operating expenses | 200,710 | 213,999 | 197,198 | 198,929 | 205,370 | 224,383 |
| Operating income | 7,600 | 14,120 | 8,552 | 9,882 | 8,742 | 14,708 |
| Assets | 196,359 | 196,618 | 184,936 | 182,558 | 180,842 | 194,219 |
| Depreciation | 12,098 | 11,577 | 10,816 | 11,096 | 11,824 | 12,123 |
| Capital expenditures | 11,012 | 12,604 | 13,633 | 13,892 | 15,564 | 16,538 |
| Housing Equipment and Environmental Facilities | | | | | | |
| Sales | 99,287 | 94,233 | 84,237 | 81,050 | 82,858 | 84,787 |
| Sales to outside customers | 98,482 | 93,599 | 84,206 | 80,782 | 82,518 | 84,454 |
| Inter-segment sales | 805 | 634 | 31 | 268 | 340 | 333 |
| Operating expenses | 96,115 | 90,235 | 82,952 | 79,680 | 81,149 | 83,132 |
| Operating income | 3,172 | 3,998 | 1,285 | 1,370 | 1,709 | 1,655 |
| Assets | 57,178 | 47,408 | 45,143 | 47,898 | 45,492 | 41,862 |
| Depreciation | 3,151 | 2,427 | 2,764 | 2,669 | 2,785 | 2,866 |
| Capital expenditures | 2,538 | 3,211 | 3,346 | 2,586 | 2,203 | 2,446 |
| Elimination | | | | | | |
| Sales | △ 3,230 | △ 2,758 | △ 2,153 | △ 1,867 | △ 2,697 | △ 2,729 |
| Operating expenses | △ 3,233 | △ 2,759 | △ 2,185 | △ 1,886 | △ 2,730 | △ 2,764 |
| Operating income | 3 | 1 | 32 | 19 | 33 | 35 |
| Assets | △ 1,762 | △ 725 | △ 1,315 | △ 1,339 | △ 1,134 | △ 1,464 |
| Consolidated | | | | | | |
| Sales | 544,837 | 586,314 | 480,777 | 494,226 | 521,358 | 555,568 |
| Operating expenses | 509,779 | 540,500 | 467,729 | 469,296 | 487,584 | 508,658 |
| Operating income | 35,058 | 45,814 | 13,048 | 24,930 | 33,774 | 46,910 |
| Assets | 444,178 | 457,117 | 418,408 | 407,148 | 393,835 | 411,485 |
| Depreciation | 28,984 | 29,009 | 29,034 | 27,703 | 26,505 | 25,904 |
| Capital expenditures | 29,885 | 37,920 | 27,349 | 23,576 | 26,331 | 33,159 |

Percentage Increase/Decrease from the Preceding Year of Sales to Outside Customers

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|--|--------|--------|---------|--------|--------|--------|
| Electronics-Related Products | 6.0% | 11.0% | △ 27.9% | 6.9% | 10.1% | 3.3% |
| Chemical-Related Products | 3.4% | 9.7% | △ 9.6% | 1.7% | 2.2% | 11.7% |
| Housing Equipment and Environmental Facilities | 0.3% | △ 5.0% | △ 10.0% | △ 4.1% | 2.1% | 2.3% |

Operating Margin

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|--|--------|--------|--------|--------|--------|--------|
| Electronics-Related Products | 10.1% | 10.4% | 1.7% | 6.7% | 10.3% | 13.1% |
| Chemical-Related Products | 3.7% | 6.2% | 4.2% | 4.7% | 4.1% | 6.2% |
| Housing Equipment and Environmental Facilities | 3.2% | 4.3% | 1.5% | 1.7% | 2.1% | 2.0% |

Note: Operating margin = Operating income ÷ Sales to outside customers × 100

Geographic Segment Information

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|----------------------------|----------|----------|----------|----------|----------|----------|
| Japan | | | | | | |
| Sales | 497,652 | 531,731 | 431,543 | 448,839 | 474,526 | 507,105 |
| Sales to outside customers | 473,279 | 504,816 | 408,942 | 418,934 | 439,618 | 463,900 |
| Inter-segment sales | 24,373 | 26,915 | 22,601 | 29,905 | 34,908 | 43,205 |
| Operating expenses | 468,482 | 491,511 | 421,969 | 427,763 | 445,976 | 464,729 |
| Operating income | 29,170 | 40,220 | 9,574 | 21,076 | 28,550 | 42,376 |
| Assets | 399,334 | 409,091 | 367,496 | 357,772 | 343,905 | 355,719 |
| Asia | | | | | | |
| Sales | 62,499 | 74,733 | 63,513 | 64,602 | 71,205 | 81,599 |
| Sales to outside customers | 56,980 | 66,645 | 57,139 | 57,378 | 63,159 | 72,807 |
| Inter-segment sales | 5,519 | 8,088 | 6,374 | 7,224 | 8,046 | 8,792 |
| Operating expenses | 57,201 | 69,185 | 60,045 | 60,726 | 66,615 | 77,579 |
| Operating income | 5,298 | 5,548 | 3,468 | 3,876 | 4,590 | 4,020 |
| Assets | 44,654 | 46,006 | 46,333 | 45,949 | 48,179 | 54,342 |
| Other Areas | | | | | | |
| Sales | 16,364 | 16,883 | 15,856 | 19,674 | 20,526 | 21,264 |
| Sales to outside customers | 14,578 | 14,853 | 14,696 | 17,914 | 18,581 | 18,861 |
| Inter-segment sales | 1,786 | 2,030 | 1,160 | 1,760 | 1,945 | 2,403 |
| Operating expenses | 15,721 | 16,499 | 16,150 | 19,539 | 19,955 | 20,514 |
| Operating income | 643 | 384 | △ 294 | 135 | 571 | 750 |
| Assets | 13,433 | 14,574 | 14,250 | 14,004 | 13,433 | 15,156 |
| Elimination | | | | | | |
| Sales | △ 31,678 | △ 37,033 | △ 30,135 | △ 38,889 | △ 44,899 | △ 54,400 |
| Operating expenses | △ 31,625 | △ 36,695 | △ 30,435 | △ 38,732 | △ 44,962 | △ 54,164 |
| Operating income | △ 53 | △ 338 | 300 | △ 157 | 63 | △ 236 |
| Assets | △ 13,243 | △ 12,554 | △ 9,671 | △ 10,577 | △ 11,682 | △ 13,732 |
| Consolidated | | | | | | |
| Sales | 544,837 | 586,314 | 480,777 | 494,226 | 521,358 | 555,568 |
| Operating expenses | 509,779 | 540,500 | 467,729 | 469,296 | 487,584 | 508,658 |
| Operating income | 35,058 | 45,814 | 13,048 | 24,930 | 33,774 | 46,910 |
| Assets | 444,178 | 457,117 | 418,408 | 407,148 | 393,835 | 411,485 |

Percentage Increase/Decrease from the Preceding Year of Sales to Outside Customers

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|-------------|--------|--------|---------|--------|--------|--------|
| Japan | 3.3% | 6.7% | △ 19.0% | 2.4% | 4.9% | 5.5% |
| Asia | 9.0% | 17.0% | △ 14.3% | 0.4% | 10.1% | 15.3% |
| Other areas | 7.2% | 1.9% | △ 1.1% | 21.9% | 3.7% | 1.5% |

Operating Margin

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|-------------|--------|--------|--------|--------|--------|--------|
| Japan | 6.2% | 8.0% | 2.3% | 5.0% | 6.5% | 9.1% |
| Asia | 9.3% | 8.3% | 6.1% | 6.8% | 7.3% | 5.5% |
| Other areas | 4.4% | 2.6% | △ 2.0% | 0.8% | 3.1% | 4.0% |

Note: Operating margin = Operating income ÷ Sales to outside customers × 100

Overseas Sales

| | 2000.3 | 2001.3 | 2002.3 | 2003.3 | 2004.3 | 2005.3 |
|--|---------|---------|---------|---------|---------|---------|
| Overseas sales | 104,660 | 117,402 | 99,477 | 107,026 | 126,600 | 144,976 |
| Asia | 75,864 | 84,445 | 67,252 | 71,785 | 92,323 | 110,432 |
| Others | 28,796 | 32,957 | 32,225 | 35,241 | 34,277 | 34,544 |
| Consolidated sales | 544,837 | 586,314 | 480,777 | 494,226 | 521,358 | 555,568 |
| Percentage of overseas sales in consolidated sales | 19.2% | 20.0% | 20.7% | 21.7% | 24.3% | 26.1% |
| Asia | 13.9% | 14.4% | 14.0% | 14.5% | 17.7% | 19.9% |
| Others | 5.3% | 5.6% | 6.7% | 7.2% | 6.6% | 6.2% |