

# Summary of Consolidated Interim Business Results for the Year Ended March 31, 2003

November 19, 2002

Company Name: Nagase & Co., Ltd. Stock Exchanges Listed: Tokyo, Osaka  
 Listing Code: 8012 Location of Head Office: Osaka Prefecture  
 (URL <http://www.nagase.co.jp>)  
 Representative Position President Hiroshi Nagase  
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 Telephone: (03) 3665-3100  
 Date of Board of Directors' Meeting for Interim Settlement of Accounts November 19, 2002  
 Adoption of U.S.GAAP: No

## 1. September 30, 2002 Consolidated Interim Results (April 1, 2002 - September 30, 2002)

### (1) Consolidated Operating Results (Note: Amounts have been rounded down to the nearest million yen.)

	Sales		Operating income		Ordinary income	
	¥millions	%	¥millions	%	¥millions	%
Interim period ended September 30, 2002	249,565	(3.1)	4,577	472.4	6,115	153.7
Interim period ended September 30, 2001	257,602	(10.0)	799	(81.0)	2,410	(54.4)
Year ended March 31, 2002	490,583		1,673		4,739	

	Interim Net Income		Interim EPS	Fully Diluted Interim EPS
	¥millions	%	¥	¥
Interim period ended September 30, 2002	4,432	161.9	33.57	-
Interim period ended September 30, 2001	1,692	(43.3)	12.19	-
Year ended March 31, 2002	(2,097)		(15.39)	-

- Notes: 1. Gain (loss) on equity method investment  
 Interim period ended September 30, 2002: ¥303 million Interim period ended September 30, 2001: ¥172 million Year ended March 31, 2002: ¥276 million  
 2. Average number of shares during the consolidated accounting period.  
 Interim period ended September 30, 2002: 132,039,678 Interim period ended September 30, 2001: 138,861,193 Year ended March 31, 2002: 136,264,739  
 3. Changes to accounting policies: none.  
 4. The percentage figures for sales, operating income, ordinary income and interim net income represent increases (decreases) relative to the previous year's interim results.

### (2) Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥millions	¥millions	%	¥
Interim period ended September 30, 2002	288,643	144,939	50.2	1,122.06
Interim period ended September 30, 2001	319,304	148,486	46.5	1,072.82
Year ended March 31, 2002	300,073	144,176	48.0	1,082.16

- Notes: 1. Shares issued and outstanding at end of the consolidated accounting period  
 Interim period ended September 30, 2002: 129,173,205 Interim period ended September 30, 2001: 138,407,323 Year ended March 31, 2002: 133,230,914

### (3) Consolidated Cash Flows

	Net cash from operating activities	Net cash used for financial activities	Net cash used for investment activities	Balance of cash and cash equivalents at term end
	¥millions	¥millions	¥millions	¥millions
Interim period ended September 30, 2002	2,967	2,179	(7,131)	19,358
Interim period ended September 30, 2001	5,397	(505)	(4,741)	19,371
Year ended March 31, 2002	12,351	(1,300)	(8,615)	21,960

### (4) Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries: 29 Non-consolidated affiliated companies covered by equity method accounting: 0  
 Affiliated companies covered by equity method accounting: 9

### (5) Changes to Scope of Consolidation and Application of Equity Method

Consolidated Subsidiaries: New: 3 Excluded: 0 Equity method: New: 2 Excluded: 1

## 2. Consolidated Forecasts for the Year Ended March 31, 2003 (April 1, 2002 - March 31, 2003)

	Sales	Ordinary Income	Net Income
	¥millions	¥millions	¥millions
Whole Year	500,000	9,500	5,900

Reference: Annual net income per share is projected to reach ¥45.68

\* The above forecasts were prepared on the basis of information available on the date of release. Actual results may differ from these forecasts due to various factors.



## Management Policy

### 1. Basic Policy

#### Philosophy

The Nagase Group is a member of society and, as such, it is our duty to behave in a manner in keeping with this role by maintaining good and fair business practices and providing society with the goods and services it needs. Through continued growth and development, Nagase can improve the welfare of its employees, while making a contribution to society.

Our vision is to remain faithful to this philosophy as a technology and information oriented company that turns wisdom into business. We interpret this vision as meaning a total commitment to the customer based on a fundamental belief that all answers can be found in the market, and a determination to develop our business activities through the combination of information with experience to create wisdom that goes beyond the narrow definition of the trading company.

- The needs of our customer vary widely, and we cannot hope to build stable business relationships based solely on an intermediation role. We recognize that the time when we could function effectively through intermediation alone has passed. We are also aware that it is no longer feasible for a single company to perform all functions itself. We are strengthening our capabilities so that customers will feel confident to choose us as a reliable business partner that can help them to create new value.

### 2. Basic Policy on Profit Distribution

Our fundamental policy is to enhance our corporate fundamentals and earning power so that we can continue to generate stable dividends for our shareholders. We are also working to improve our share price by taking advantage of the treasury stock system to acquire and cancel our own shares.

### 3. Thinking and Policies on Reduction of Investment Unit

We recognize that the reduction of minimum investment units is a way to encourage individual investors to participate in the stock market, thereby increasing share liquidity. We intend to proceed with caution, taking into account our business performance, the state of the market, and the balance between costs and benefits. However, we have not yet made decisions concerning a specific policy or time for the reduction of investment units.

### 4. Medium- to Long-Term Management Strategy

We are implementing a medium-term management plan covering the period from April 2000 to March 2003. This plan, which stipulates key business strategies and targets, is called the “WIT2000” plan (W: Wisdom, I: Intelligence, T: Technology). Our aim under this plan is to achieve earnings in excess of capital costs and continued income growth, and to achieve this we established a new business indicator called “Nagase Return on Equity” (Note), or NROE. Our target was to raise our consolidated NROE to 7% by the end of fiscal 2002. Unfortunately, an extremely harsh business environment has forced us to reduce our targets for the final year of the medium-term plan to an NROE of 5%. Our approach is based on the following management policies.

- 1) We will continue to target earnings in excess of capital costs by achieving profit growth through aggressive investment in the priority areas of electronics and healthcare. In principle, that investment will not exceed Nagase profit.
- 2) We will work to maximize efficiency and productivity by focusing on consolidated management priorities for the Nagase Group, including the reinforcement and development of manufacturing group companies, and improvement of the sales systems and business fundamentals of sales and service companies.
- 3) We will concentrate our resources by dividing our business operations into chemicals, plastics, electronics and healthcare segments, and by identifying core and challenge activities in each of these four segments.

Note: NROE = Nagase profit/equity capital at the beginning of the period

Nagase profit=Profit after tax + (depreciation ± appraisal profit/loss) × (1-effective tax rate)

Nagase profit is equivalent to operating cash flows.

## 5. Policies Concerning the Management Organization

In the previous fiscal year, the Company introduced an executive director system and defined its Board of Directors as the organization responsible for decisions concerning management policy and strategy, and for supervision of the performance of business operations. Separating management policy and business operations, we have worked to speed decision-making and strengthen business operations. Additionally, in the 87<sup>th</sup> regular general meeting of the shareholders (June 27, 2002), the term of office for directors was reduced from two years to one and terms of office for executive directors were set at one year. Furthermore, last year we established our Compliance Committee for added assurance that we are in compliance with laws and regulations and that we are observing proper business ethics. This year, we formulated basic compliance policies in an effort to enhance our compliance systems.

## 6. Priority Goals

At the end of the last fiscal year, we revised our NROE goal from 7% to 5%. Keeping the future in mind, we intend to address the following critical issues and further strengthen our company and expand profits over the medium-to-long term.

#### (1) Investment and New Business Development Based on Business Strategies

To strengthen our business base and competitiveness, we will make strategic investments and concentrate our management resources on businesses with high potential for growth and profitability.

In the field of electronics, we are aggressively pushing forward with business expansion investments, examples of which include the construction of a new plant for Nagase FineChem Singapore (Pte) Limited, which was completed this year, and investments to expand the production capacity of a parts assembly business in China.

In the field of healthcare, Nagase ChemteX Corp. is working to expand its facilities for producing pharmaceutical intermediates and Nagase Medicals Co., Ltd. has completed expansion of its facilities in order to strengthen contract production operations.

Nagase Colors & Chemicals, Ltd., which is pushing forward with efforts to expand its dyestuff business in China, has established NCC Shanghai Techno Center Co., Ltd. to provide dyestuff technology support and is strengthening its sales capabilities in China. Furthermore, it has installed chemical analysis equipment in its Techno Center and has started a pre-export quality check to meet the heavy demand for Chinese chemical products.

Kotobuki Industries Co., Ltd. is considering expanding its production capacity again in this fiscal year to meet growing demand for food wrapping materials.

In the future, we will continue making investments consistent with our business strategies, doing everything possible to meet customer needs and develop new businesses.

#### (2) Streamlining Operations and Strengthening Corporate Culture

##### 1) Reduction of Selling, General and Administrative Expenses

Pushing forward with reductions in selling, general and administrative expenses, we succeeded in achieving savings of approximately ¥800 million for the parent company (compared with the previous year's figure) and approximately ¥400 million for the consolidated subsidiaries (excluding companies that became consolidated subsidiaries in the current fiscal year.) Additionally, the number of employees at the parent company fell by 80 compared to the same period in the previous fiscal year due to the effects of an early retirement program and natural attrition.

## - 2) Strengthening Locally Oriented Sales Capability

We are proceeding with the restructuring of our domestic local sales network to strengthen both our local sales capabilities and Group companies. In the current fiscal year, we have restructured and strengthened sales networks for chemicals and plastics in Shikoku and Kyushu, as well as the Chugoku region of Japan.

## 3) Selection and Concentration of Businesses

Through measures such as withdrawal from sales of livestock equipment, for which synergies with other businesses could not be expected, we are continuing to select those businesses on which we should concentrate our management resources.

Moving into the future, we will concentrate our management resources in fields with high growth potential and profitability and continue our efforts to strengthen our operating revenues.

## (3) Strengthening Group Manufacturing Companies and R&D

To be more than a trading company and create and develop new “businesses that apply wisdom,” we believe it is necessary to take full advantage of our manufacturing and R&D functions.

In our R&D Center, we are pursuing product development based on user needs. R&D themes we are pursuing include the application of fermentation technology (combining chiral synthesis technology and enzymes) in the production of pharmaceutical intermediates and the development of natural extracts for use in cosmetics and health foods, and our R&D capabilities have won strong approval from our customers. We are using our marketing network, which has a firm grasp of customer needs, and organic synthesis and compounding technologies accumulated in Group companies to develop, and expand the sales of, products such as resin additives and coatings. Through such activities, we have been able to apply for numerous patents and are increasing our income.

To strengthen our manufacturing function, we established Nagase ChemteX (Wuxi) Co. Ltd. in China to manufacture epoxy adhesives and other products. And, through Nagase ChemteX Corp., we have purchased sales rights from Nihon Polymer Co. Ltd., a subsidiary of Asahi Chemical Industry Co., Ltd., which manufactures formulated epoxy resins for the construction industry.

In the future, we will continue to consider M&A activities and other ways to strengthen our operations with businesses that promise much in the way of synergistic benefits.

## (4) Reinforcement of Overseas Business Activities

To create business globally, we are aggressively enhancing our overseas sales bases. We have established a new sales base in Hungary, where the automobile industry continues to make inroads, and in Hanoi, Vietnam as well, where expectations for growth are high. And, in our efforts to build an organization capable of responding to a wide variety of customer demands, we are currently operating nine sales bases in China, a choice location for an increasing number of Japanese companies. At our Dubai sales base, which we established last year, we are expanding business, primarily for chemical products.

We believe that for the medium-to-long term, it is necessary to strengthen overseas sales bases and will continue our efforts to do so.

#### (5) Strengthening Human Resources

Globalization continues and Japan's industrial structure has entered a period of major change. To build a management organization capable of rapidly responding to such environmental changes, we have changed the term of office for directors to one year. Furthermore, we believe the strength of a company over the medium-to-long term is determined by human resources, so we have positioned our training system as a strategic area for business expansion and have enhanced training with coverage of topics such as business strategy planning methods and business operation from a global perspective.

#### (6) Environmental Initiatives

Nagase contributes to environmental protection through the creation and expansion of eco-business activities.

Nagase's environmental policy emphasizes consideration for the environment in all business activities. Specific initiatives that reflect Nagase's capabilities as a technology- and information-oriented enterprise include the dissemination of information about the safety of chemical products. Nagase also supplies information about the achievement of zero emissions and proposes eco-materials, equipment and systems that will help to reduce environmental impact

## Business Results and Financial Position

### I. Business Results

#### 1 . Overview of the Current Interim Period

##### Overall Company Performance

During the interim period under review, the Japanese economy, driven by increased exports looked for a while as if it had hit bottom and was beginning to recover. However, exports dulled with the slowdown in the US economy beginning in the summer and uncertainty about the future has intensified with growing bad loan problems and falling stock prices.

Amid such conditions, domestic sales for the first half fell 7.6%, compared to the first half of last year, to ¥166,618 million yen, while overseas sales increased 7.3% to ¥82,946 million and consolidated sales declined 3.1% to end the first half at ¥249,565 million.

Income was helped by both an improved gross profit margin and lower selling, general and administrative expenses. Operating income increased 472.4%, compared to the first half of last year, reaching ¥4,577 million. Similarly ordinary income rose 153.7%, coming in at ¥6,115 million, and interim net income was up 161.9%, ending the first half at ¥4,432 million.

## Segment Summaries

### Chemicals

Sales: Increase of 0.9% YoY to ¥114,412 million

With the negative impacts of both the weak domestic economy and restructurings on the part of customers, sales of dyestuffs and other chemical products were generally lackluster. However, plastic additives, recording materials, raw materials for paints, agrochemical intermediates and other products continued to sell strongly overseas, so overall results approximated those of the first half of last year.

- In the area of raw materials for plastics, domestic sales came in below the level of a year ago, but with solid results from exports of plastic additives to Asia and from a urethane-related business, and the establishment of a new functional pigments business and printing-related business, overall performance was slightly better than for the first half of last year.
- Results for recording materials vastly exceeded results for a year ago. This was due to increased sales of inkjet and display products, which have been a focus of management attention for the past several years, and strong sales of materials used in pressure- and thermal-sensitive papers. Better results were also realized for paint-related products, as we not only responded to customer demands by pushing forward with proposal-based sales, but also initiated support for customers setting up operations in China.
- In pharmaceuticals and agrochemicals, domestic sales came in below the level for the first half of last year, but improved results for sales in Europe and the US, as well as sales of intermediates produced in China and India, kept overall performance on a par with last years figures.
- Dyestuffs benefited from steady expansion of overseas operations, but the slumping domestic textiles industry held overall results below performance for the first half of last year.



## Plastics

Sales: Decline of 12.3% YoY to ¥82.636 million

Although last year's transfer of domestic sales rights for GE products caused overall sales of plastics to come in below results for the first half of last year, sales to automobile-related manufacturers and overseas manufacturers of electrical and data equipment, all of which are the focus for enhanced strategic initiatives, were strong. It should also be noted that both Totaku Industries, Inc. and Setsunan Kasei Co., Ltd. both achieved profitability following operational streamlining.

- In the area of automobile-related products, business with important customers increased with the implementation of supply chain management, and sales of both plastics and molds to North America and Thailand saw steady expansion, while domestic automobile manufacturers produced vehicles at a favorable level. Overall sales, therefore, topped results for the first half of last year.
- In the field of electrical and data equipment, exports to China and Hong Kong, to which many companies are shifting production, were helped by the use of overseas offices, and exports to Asia, which has emerged from the IT slump, were good. Domestic sales, however, failed to reach the level of a year ago.
- Sales of construction materials declined compared to a year ago due to drop in residential housing construction and moves to withdraw from low-profit businesses. Meanwhile, in the area of packaging materials, sales of Group products continued at healthy levels, but with lower sales of raw materials for general purpose wrapping materials, overall sales fell below the level of a year ago. Of special note is that Kotobuki Industries, Inc.'s enhancement of its HACCP facilities has led to a steady expansion of that company's business lines.
- Nagase Singapore (Pte) Ltd., as well as Nagase Wahlee Plastics Corporation, Nagase (Hong Kong) Ltd. and other companies all recorded sales to overseas electrical and data equipment manufactures significantly higher than levels for a year ago.

## Electronics

Sales: Increase of 3.3% YoY to ¥45,417 million

Sales of parts and materials for LCDs, communications equipment, and fine abrasives, as well as sales of functional materials, Group products and other materials for electronic and electrical equipment all exceeded results for the first half of last year.

- Sales of LCD-related products surpassed results for a year ago on strong sales of related materials and steady sales of chemicals for the manufacture of LCDs.
- In the area of functional materials, sales of Nagase ChemteX Corp.'s epoxy resins for electrical equipment proceeded at a healthy level, while sales of optical adhesives and other

high-performance adhesives rose.

- Sales of communications equipment parts were strong, as module sales benefited from increased demand for wireless communications in China
- Sales of fine abrasives greatly exceeded results for the first of last year due to strong exports of materials for crystal oscillators and hard disk drives.

#### Healthcare and Other Activities

Sales: Increase of 17.3% YoY to ¥7,098 million

In the area of door-to-door sales of cosmetics and health foods, sales of whitening cosmetics and other new products were strong, but the impact of new products introduced with last year's restructuring of the health foods business faded, so overall results came in below those of a year ago. Special efforts have been made to develop a new sales channel in the form of department stores, but its capacity to contribute to overall sales is currently limited. As for medical information systems, efforts to expand sales of infectious disease prevention systems, radiological equipment, and other products resulted in strong sales of these products. Sales of reagents were also strong and helped, along with other factors discussed above, to boost healthcare sales above the level of a year ago.

Sales of businesses other than those discussed above significantly outdistanced results for the first half of last year as the number of consolidated subsidiaries increased with the additions of Nagase General Service Co., Ltd. and Nagase Information Development, Ltd.

## 2. Forecasts for the Full Year

The outlook for the economy features worries about the future of the US economy on the overseas front and weak employment and personal consumption on the domestic front. Compounded with the impacts of both the bad loan problem and weakness in the stock market, conditions will continue to warrant close attention.

With this as the backdrop, forecasts for consolidated and individual segment results are as described below.

A dividend of ¥8 per share is being planned for the end of the current fiscal year.

Year Ended	March 31, 2002	March 31, 2003	Year-on-Year Increase (Decrease) (%)
Sales (¥millions)	490,583	500,000	101.9%
Ordinary income (¥millions)	4,739	9,500	200.4%
Net income (¥millions)	(2,097)	5,900	

## Chemicals

Sales: Increase of 5.3% YoY to ¥230,000 million

In the second half, it is anticipated that conditions will remain harsh for sales of recording materials, plastics raw materials, and other chemical products to domestic customers. However, sales of plastics additives to Asian countries, domestic and overseas urethane-related business, and sales of raw materials for paints, pigments, etc. – sectors that showed solid performance during the first half – are expected to remain strong in the second half. And with rising sales of new products, including ones for plasma displays, the outlook is for both higher sales and income for the year. In the future, even more attention will be focused on the development of overseas markets, primarily in China and other parts of Asia, and the pharmaceutical business anchored by Nagase ChemteX Corp., as well as other businesses that apply the strengths of the Nagase Group will be targeted for strengthening in an effort to expand operations and profitability.

## Plastics

Sales: Decline of 5.8% YoY to ¥165,000 million

It is expected that as companies continue to shift manufacturing overseas, domestic demand for plastics will further weaken, dragging sales below last year's level. Conditions in overseas markets for plastics used in office automation equipment and electrical appliances, primarily markets in China and other parts of Asia, are expected to worsen, but with the profitability of Group companies rising as their operations are strengthened, the outlook is for higher income on lower sales. In the future, business will be expanded by strengthening proposal-based business tailored to customer needs, as efforts are made to expand sales of highly profitable proprietary products, further increase profitability, and strengthen strategic initiatives, such as those for overseas business, especially in China, and automobile-related businesses.

## Electronics

Sales: Increase of 7.6% YoY to ¥90,000 million

Markets for PC-related parts, LCD panels and other such products are unfavorable. However, it is expected that sales of semiconductor and LCD materials will end the year up. With efforts to increase sales of parts for communications equipment and expand overseas assembly operations, the outlook is for higher sales and income. Priorities for the second half will be the expansion of income at Nagase FineChem Singapore (Pte) Ltd., which began operating this year; the swift start-up of Nagase ChemteX

(Wuxi) Co. Ltd., the communications and electronic equipment parts business; and overseas device production.

#### Healthcare and Other Activities

Sales: Increase of 14.1% YoY to ¥15,000 million

In the area of cosmetics and health foods, efforts are being made to expand business through retail outlets, which are both a market for new products and a new sales channel for this segment, and sales are expected to come in around last year's level. In medical information equipment, efforts to increase sales of infectious disease prevention systems are proceeding well and orders for radiological equipment have been strong, so both higher sales and income are expected for the healthcare segment. Efforts to increase sales of highly profitable proprietary products will continue.

## II. Financial Position

### 1. Overview of the Current Interim Period

#### (1) Consolidated Balance Sheet

Compared to the end of the previous fiscal year, consolidated total assets declined ¥11,430 million yen to ¥288,643 million. The causes for this decline include accounts receivable and accounts payable balances at the end of the previous fiscal year being higher than they otherwise would have been because the last day of the previous fiscal year fell on a holiday, and the sale of investment securities during the current interim period.

Shareholders' equity increased by ¥762 million, compared to the level at the previous year-end, reaching ¥144,939 million. Treasury stock in the amount of ¥2,240 million was purchased during the interim period, but interim net income was sufficient to produce the increase in shareholders' equity.

As a result of the above, the ratio of shareholders' equity rose by 2.2 percentage points to 50.2%.

#### (2) Consolidated Cash Flows

Though ¥7,252 million in net income before taxes was recorded, the fact that the end of the previous fiscal year fell on a holiday led to an increase in working capital and other uses of cash. As a result, cash flow from operating activities came to ¥2,967 million.

Cash flow from investing activities amounted to ¥2,179 million, as sales of investment securities outweighed cash used for ongoing capital investment initiatives.

Net cash used for financing activities amounted to ¥7,131 million due to the repayment of bank loans and purchases of treasury stock.

Cash and cash equivalents as of the end of the interim period, therefore, declined by ¥2,602 million, compared to the level at the end of the previous fiscal year, to ¥19,358 million.

## 2. Outlook for the Full Year

Though the fact that the previous fiscal year ended on a holiday will cause working capital to increase, the expectation is that higher net income before taxes will result in net cash flow from operating activities.

Investing activities are expected to provide cash because of the effects of investment security sales outweighing ongoing capital investments.

Net cash used for financial activities is expected to decline, due to the continuing acquisition of treasury stock and reduction of interest-bearing debt.

In total, the balance of cash and cash equivalents for the current fiscal year is expected to be lower than the balance for the previous fiscal year.

\* The above forecasts of business performance and the financial position in the year to March 31, 2003 are based on reasonable conclusions and assumptions from information available at this time. It should be noted that actual results may vary from these statements due to future changes in the situation.

Summary of Non-Consolidated Interim Financial Statements  
for the Year Ended March 31, 2003

November 19, 2002

Company Name: Nagase & Co., Ltd. Stock Exchanges Listed: Tokyo, Osaka  
 Listing Code: 8012 Location of Head Office: Osaka Prefecture  
 (URL <http://www.nagase.co.jp>)  
 Representative Position President Hiroshi Nagase  
 Contact Details Position Chief Financial Officer Makoto Tsuruoka  
 Telephone: (03) 3665-3100  
 Date of Board of Directors' Meeting for Interim Settlement of Accounts November 19, 2002  
 Date of Commencement of Interim Dividend Payment:  
 Interim Dividend System: No Unit Stock System: Yes (1 unit=1,000 shares)

1. September 30, 2002 Interim Results (April 1, 2002 - September 30, 2002)

(1) Business Results (Note: Amounts have been rounded down to the nearest million yen.)

	Sales		Operating income		Ordinary income	
	¥millions	%	¥millions	%	¥millions	%
Interim period ended September 30, 2002	207,278	(3.1)	1,415	-	3,854	292.0
Interim period ended September 30, 2001	213,924	(13.9)	(926)	-	983	(69.5)
Year ended March 31, 2002	407,950		(905)		2,761	

	Interim Net Income		Interim EPS
	¥millions	%	¥
Interim period ended September 30, 2002	2,838	138.2	21.49
Interim period ended September 30, 2001	1,191	(55.8)	8.58
Year ended March 31, 2002	(2,361)		(17.33)

Notes: 1. Average number of shares during accounting period.  
 Interim period ended September 30, 2002: 132,082,515 Interim period ended September 30, 2001: 138,861,193 Year ended March 31, 2002: 136,264,739  
 2. Changes to accounting policies: none.  
 3. The percentage figures for sales, operating income, ordinary income and interim net income represent increases (decreases) relative to the previous year's interim results.

(2) Dividends

	Interim Dividend per	Dividend per share	
	¥	¥	
Interim period ended September 30, 2002	-	-	(Note) The dividend for the interim period ended September 30, 2002 consists of the following: Commemorative dividend ¥
Interim period ended September 30, 2001	-	-	Special dividend ¥
Year ended March 31, 2002	-	8.00	

(3) Financial Position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	¥millions	¥millions	%	¥
Interim period ended September 30, 2002	231,616	110,354	47.6	854.03
Interim period ended September 30, 2001	254,597	116,013	45.6	838.20
Year ended March 31, 2002	244,916	111,350	45.5	835.77

Notes: 1. Shares issued and outstanding at end of accounting period  
 Interim period ended September 30, 2002: 129,216,042 Interim period ended September 30, 2001: 138,407,323 Year ended March 31, 2002: 133,230,914  
 2. Treasury stock at the end of accounting period  
 Interim period ended September 30, 2002: 9,192,243 Interim period ended September 30, 2001: 962 Year ended March 31, 2002: 5,177,371

2. Forecasts for the Year Ended March 31, 2003 (April 1, 2002 - March 31, 2003)

	Sales	Ordinary income	Net income	Annual dividend per share	
				Final	
	¥millions	¥millions	¥millions	¥	¥
Whole Year	404,000	5,700	3,400	8.00	8.00

Reference: Annual net income per share is projected to reach ¥26.31

\* The above forecasts were prepared on the basis of information available on the date of release. Actual results may differ from these forecasts due to various factors. For further information about the forecast items, please refer to Page 8 of the attached notes.