

# Consolidated Financial Highlights

Kuraray Co., Ltd. and Its Consolidated Subsidiaries

Years ended March 31	Millions of yen					Thousands of U.S. dollars (Note 1)
	2007	2006	2005	2004	2003	2007
Net sales	¥ 385,285	¥ 375,073	¥ 354,874	¥ 332,149	¥ 322,524	\$ 3,265,127
Operating income	40,220	38,277	33,187	28,046	25,186	340,847
Net income	22,412	21,186	18,465	15,181	8,051	189,932
Capital expenditure	37,700	33,872	45,715	32,164	19,091	319,492
Depreciation and amortization	25,496	25,186	21,324	20,785	19,108	216,068
Gross cash flow	47,908	46,372	39,789	35,966	27,159	406,000
Total research and development expenses	13,021	14,069	13,874	13,684	12,523	110,347
Total assets	508,695	481,357	454,941	413,227	426,877	4,310,975
Total shareholders' equity (Note 3)	—	339,127	312,930	300,306	287,263	—
Total net assets (Note 3)	358,593	—	—	—	—	3,038,924

Amounts per share:	Yen					U.S. dollars (Note 1)
Net income:						
Primary	¥ 60.95	¥ 57.51	¥ 50.13	¥ 40.81	¥ 21.01	\$ 0.52
Fully diluted	60.80	57.41	50.12	—	20.71	0.52
Cash dividends applicable to period	18.50	15.00	12.00	10.00	9.00	0.16
Total shareholders' equity	967.81	922.65	852.26	817.57	771.38	8.20
Financial ratios:						
Equity ratio (%)	70.0%	70.5%	68.8%	72.7%	67.3%	
Return on equity (ROE) (%)	6.5	6.5	6.0	5.2	2.8	
Return on assets (ROA) (%) (Note 4)	8.1	8.2	7.6	6.7	5.5	
Payout ratio (%)	30.4	26.0	23.9	24.4	42.2	
Number of employees	6,812	6,842	6,919	6,760	6,983	

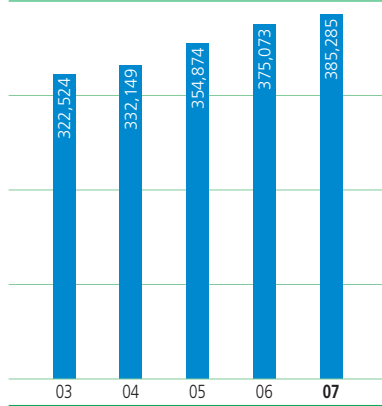
Notes: 1. The United States dollar amounts represent the translation of Japanese yen at the rate of ¥118=\$1.

2. Since the year ended March 31, 2003, the "Amounts per share" figures have been calculated in accordance with the Japanese Financial Accounting Standard "Accounting for Earnings per Share".

3. Since the year ended March 31, 2007, the balance sheet is divided into sections on assets, liabilities, and net assets in accordance with Accounting Standards Board of Japan "Accounting Standard for Presentation of Net Assets in the Balance sheet" and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet".

4. Return on assets=Operating income/Average total assets x 100 (%)

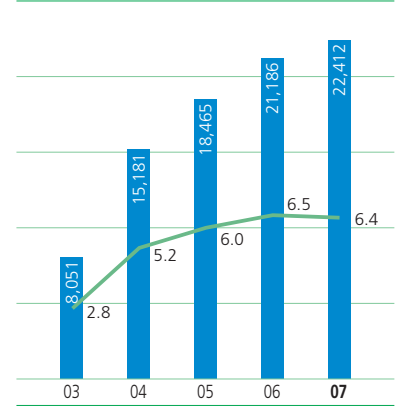
**Net Sales** ¥ Millions



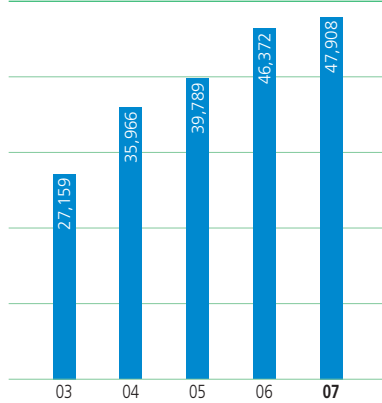
**Operating Income & Operating Income Margin** ¥ Millions %



**Net Income & ROE** ¥ Millions %

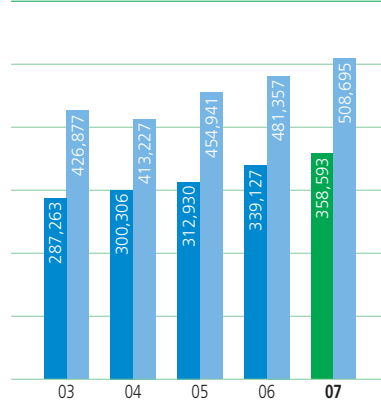


**Gross Cash Flow** ¥ Millions



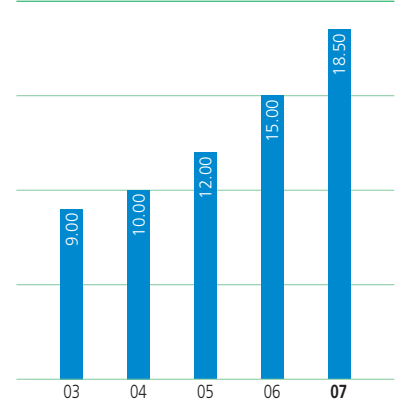
Gross Cash Flow=Net income+Depreciation and amortization

**Total Shareholders' Equity, Total Net Assets & Total Assets** ¥ Millions

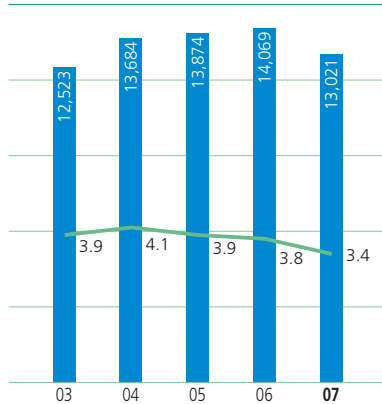


■ Total Shareholders' Equity  
■ Total Net Assets  
■ Total Assets

**Cash Dividends per Share** ¥

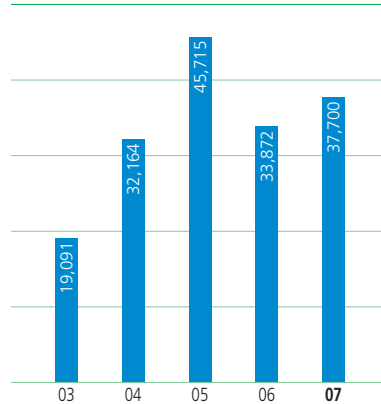


**R&D Expenses & R&D Expenses Ratio** ¥ Millions %

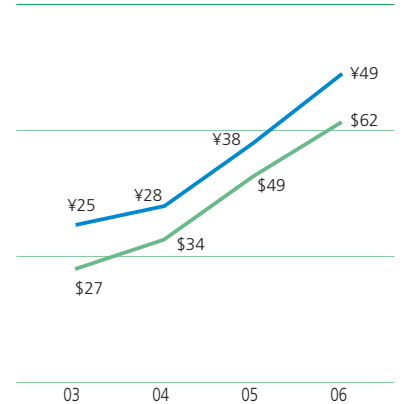


■ R&D Expenses  
— R&D Expenses Ratio

**Capital Expenditure** ¥ Millions



**The Domestic Naphtha and Crude Oil** ¥ Thousand/kl \$ bbl



\*Figures are track record (result) of Kuraray