

# Consolidated Financial Highlights

## CONSOLIDATED FINANCIAL HIGHLIGHTS

Kuraray Co., Ltd. and Its Consolidated Subsidiaries

Years ended March 31	Millions of yen					Thousands of U.S. dollars (Note 1)
	2006	2005	2004	2003	2002	2006
Net sales	<b>¥375,073</b>	¥354,874	¥332,149	¥322,524	¥305,862	<b>\$3,205,752</b>
Operating income	<b>38,277</b>	33,187	28,046	25,186	18,958	<b>327,154</b>
Net income	<b>21,186</b>	18,465	15,181	8,051	2,866	<b>181,077</b>
Capital expenditure	<b>33,872</b>	45,715	32,164	19,091	50,716	<b>289,504</b>
Depreciation and amortization	<b>25,186</b>	21,324	20,785	19,108	16,056	<b>215,265</b>
Gross cash flow	<b>46,372</b>	39,789	35,966	27,159	18,922	<b>396,342</b>
Total research and development expenses	<b>14,069</b>	13,874	13,684	12,523	12,131	<b>120,248</b>
Total assets	<b>481,357</b>	454,941	413,227	426,877	487,432	<b>4,114,162</b>
Total shareholders' equity	<b>339,127</b>	312,930	300,306	287,263	290,643	<b>2,898,521</b>

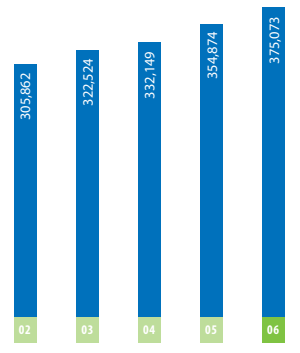
Amounts per share:	Yen					U.S. dollars
Net income:						
Primary	<b>¥ 57.51</b>	¥ 50.13	¥ 40.81	¥ 21.01	¥ 7.49	<b>\$0.49</b>
Fully diluted	<b>57.41</b>	50.12	—	20.71	7.45	<b>0.49</b>
Cash dividends applicable to period	<b>15.00</b>	12.00	10.00	9.00	9.00	<b>0.13</b>
Total shareholders' equity	<b>922.65</b>	852.26	817.57	771.38	759.25	<b>7.89</b>
Financial ratios:						
Equity ratio (%)	<b>70.5%</b>	68.8%	72.7%	67.3%	59.6%	
Return on equity (ROE) (%)	<b>6.5</b>	6.0	5.2	2.8	1.0	
Return on assets (ROA) (%)	<b>8.2</b>	7.6	6.7	5.5	3.8	
Payout ratio (%)	<b>26.0</b>	23.9	24.4	42.2	120.2	
Number of employees	<b>6,842</b>	6,919	6,760	6,983	7,115	

Notes: 1. The U.S. dollar amounts represent the translation from Japanese yen at the rate of ¥117=\$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."

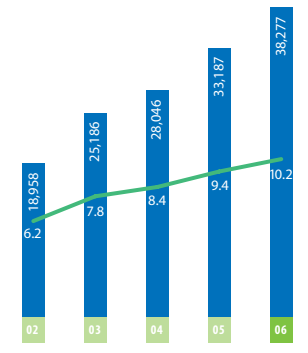
Net Sales

¥ Millions



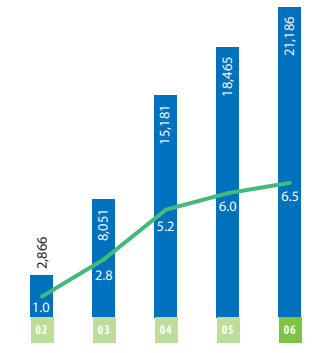
Operating Income & Operating Income Margin

¥ Millions %



Net Income & ROE

¥ Millions %

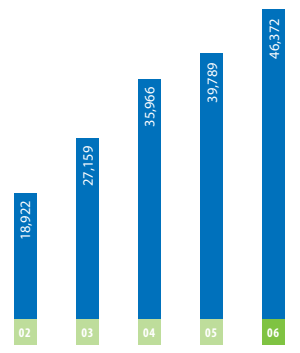


■ Operating Income  
— Operating Income Margin

■ Net Income  
— ROE

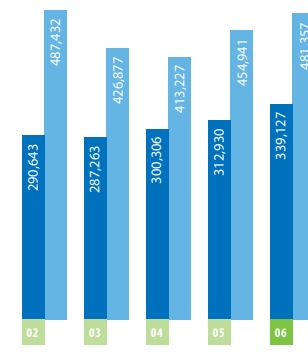
Gross Cash Flow

¥ Millions



Total Shareholders' Equity & Total Assets

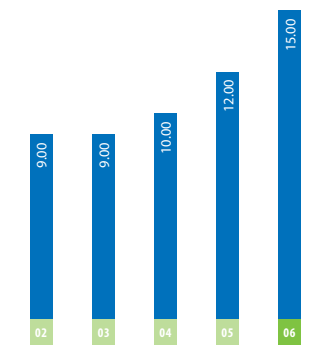
¥ Millions



■ Total Shareholders' Equity  
■ Total Assets

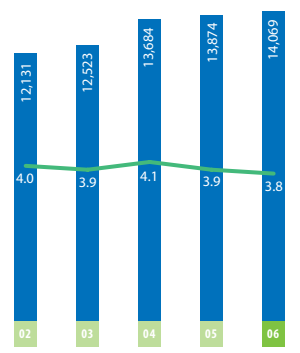
Cash Dividends per Share

¥



R&D Expenses & R&D Expenses Ratio

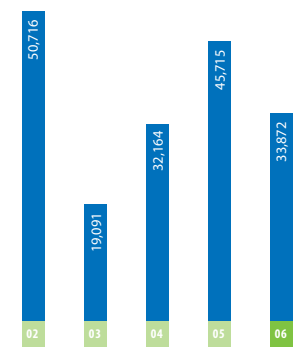
¥ Millions %



■ R&D Expenses  
— R&D Expenses Ratio

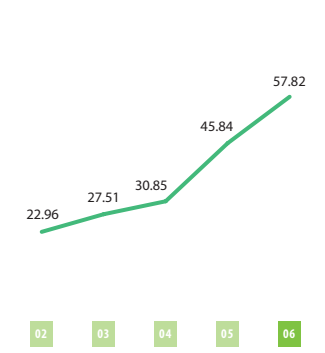
Capital Expenditure

¥ Millions



Crude Oil Prices

U.S. dollars



Source: Average March price of Dubai crude oil