

# Kao Corporation

News Release

July 21, 2005

## Summary of Consolidated Business Results for the First Quarter Ended June 30, 2005

Tokyo, July 21, 2005 — Kao Corporation today announced its consolidated business results for the three months ended June 30, 2005, the first quarter of the year ending March 31, 2006. The following summary of the business results that Kao submitted to the Tokyo Stock Exchange is unaudited and for reference only.

Ticker code: 4452

### Consolidated Financial Highlights (Unaudited)

(Millions of yen, millions of U.S. dollars, except per share data)

	First quarter ended June 30			Fiscal 2004, ended	
	2005	2004	Change	2005 (US\$)	March 31, 2005
	Yen		%	U.S. dollars	Yen
Net sales	<b>¥233,165</b>	¥226,311	3.0	<b>\$2,107.8</b>	¥936,851
Operating income	<b>26,887</b>	28,304	(5.0)	<b>243.1</b>	121,379
Ordinary income	<b>27,652</b>	29,752	(7.1)	<b>250.0</b>	125,345
Net income	<b>15,056</b>	17,034	(11.6)	<b>136.1</b>	72,180
Total assets	<b>679,146</b>	690,703	(1.7)	<b>6,139.5</b>	688,973
Total shareholders' equity	<b>452,582</b>	425,048	6.5	<b>4,091.3</b>	448,249
Shareholders' equity/total assets	<b>66.6%</b>	61.5%	-	-	65.1%
Shareholders' equity per share (yen/US\$)	<b>832.61</b>	772.70	7.8	<b>7.53</b>	821.47
Net income per share (yen/US\$)	<b>27.67</b>	31.12	(11.1)	<b>0.25</b>	131.16
Net income per share, diluted (yen/US\$)	<b>27.58</b>	30.20	(8.7)	<b>0.25</b>	129.09
	Yen			U.S. dollars	Yen
Net cash provided by operating activities	<b>13,133</b>	6,264		<b>118.7</b>	109,567
Net cash used in investing activities	<b>(911)</b>	(10,992)		<b>(8.2)</b>	(54,407)
Net cash used in financing activities	<b>(13,230)</b>	(29,834)		<b>(119.6)</b>	(90,657)
Cash and cash equivalents at end of period	<b>69,871</b>	71,584		<b>631.6</b>	70,409

#### Notes:

1. Net income per share is computed based on the weighted average number of shares outstanding during the corresponding periods.
2. U.S. dollar amounts represent translations using the approximate exchange rate on June 30, 2005, of yen 110.62=US\$1, and are included solely for the convenience of readers.
3. Yen amounts are rounded down to the nearest million.
4. Simplified accounting treatment is adopted partially with respect to the standards for the accounting of liability for employee retirement benefits.
5. Change in scope of consolidation:
 

Consolidated subsidiaries	(addition)	2	(exclusion)	1
Equity method companies	(addition)	11		

# Kao Corporation

News Release

July 21, 2005

## Forecast of Consolidated Results for the Six Months Ending September 30, 2005 and the Year Ending March 31, 2006

(Millions of yen, millions of U.S. dollars, except per share data)

	Six months ending September 30, 2005		Year ending March 31, 2006	
	Yen	U.S. dollars	Yen	U.S. dollars
Net sales	¥480,000	\$4,339.2	¥960,000	\$8,678.4
Ordinary income	61,000	551.4	126,000	1139.0
Net income	36,000	325.4	74,000	669.0
Net income per share (yen/US\$)	-	-	135.93	1.23

### Notes:

1. The forecasts for the six months ending September 30, 2005 and the year ending March 31, 2006 are unchanged from April 21, 2005. However, net income per share has been adjusted to reflect a change in the number of shares outstanding due to the repurchase of additional shares during the current fiscal year and conversion of convertible bonds.
2. Net income per share is computed based on the weighted average number of shares outstanding during the fiscal year.
3. U.S. dollar amounts represent translations using the approximate exchange rate on June 30, 2005, of yen 110.62=US\$1, and are included solely for the convenience of readers.

### Forward-Looking Statements

This release contains forward-looking statements that are based on management's estimates, assumptions and projections at the time of release. Some factors, which include, but are not limited to, the risks and uncertainty associated with the worldwide economy, competitive activity and currency fluctuation, could cause actual results to differ materially from expectations.

For further information, please contact:

Katsuya Fujii

Vice President

Investor Relations

Tel: 81-3-3660-7101 / Fax: 81-3-3660-8978

E-mail: [ir@kao.co.jp](mailto:ir@kao.co.jp)

# Kao Corporation

*News Release*

July 21, 2005

## **Business Results**

### **Summary of Business Results and Financial Condition for the First Quarter Ended June 30, 2005 (Consolidated)**

Consolidated net sales for the three months ended June 30, 2005, the first quarter of the year ending March 31, 2006, increased 3.0 percent, or 6.8 billion yen, from the same quarter a year earlier to 233.1 billion yen. The United States and China drove the global economy during the quarter, and although there was a moderate economic recovery in Japan, the domestic market for consumer products was weak. Under these conditions, Kao worked to strengthen existing businesses and develop new businesses in Japan, and to bolster the sales organization of the consumer products business overseas. Although Kao focused its efforts on launching new products with high added value, expanding sales of chemical products and reducing costs, higher prices for raw materials impacted earnings. Operating income decreased 1.4 billion yen compared with the same quarter a year earlier to 26.8 billion yen. Ordinary income decreased 2.1 billion yen to 27.6 billion yen. Net income for the first quarter decreased 1.9 billion yen to 15.0 billion yen.

## **Summary of Information by Business Segment**

### **Consumer Products Business**

Segment sales increased 1.4 percent from the same quarter a year earlier to 167.4 billion yen. Sales in Japan increased 1.8 billion yen as a result of new product launches. Overseas sales increased due to aggressive business expansion in North America and Europe.

#### **1. Japan**

Sales in Japan increased 1.5 percent from the same quarter a year earlier to 129.2 billion yen. The economy exhibited a moderate recovery, with an upturn in consumer spending. However, prices of consumer goods continued to fall, although at a slower rate, and the index of consumer product purchases per household declined slightly year-on-year. By sales channel, drugstore sales continued to increase. Kao's marketing and sales divisions continued to work in close cooperation to promote aggressive marketing activities at each chain store and in each region.

**Personal Care:** Sales of the *Asience* premium hair care brand continued to grow steadily with the addition of new treatment products. Moreover, in the *Bioré U* line, hand soap achieved double-digit growth in its second year on the market, and overall sales together with body cleansers increased substantially. As a result, sales increased 6.3 percent from the same quarter a year earlier to 46.0 billion yen.

# Kao Corporation

*News Release*

July 21, 2005

**Fabric and Home Care:** Sales increased 0.3 percent from the same quarter a year earlier to 54.7 billion yen. Kao launched an improved version of *Attack* liquid laundry detergent and introduced *Wide Haiter Foam Spray* fabric bleach. Retail prices of existing products continued to trend downward, albeit gradually.

**Feminine Care, Baby Care and Others:** Sales decreased 3.5 percent from the same quarter a year earlier to 28.4 billion yen. In the Feminine and Baby Care category, *Laurier F* sanitary napkins, which were launched in October 2004, performed well, and the launch of *Laurier Kirei Style* panty liners stimulated the market and expanded sales. In the Health Care (Functional Food) category, sales of the *Healthya* brand, which grew substantially last year, decreased due to a shift from a period of expansion to one of steady growth, and to the effect of the expansion of sales channels in the same quarter a year earlier.

## 2. Overseas

In Asia, the restructuring of operations in China began to show results. However, market competition remained intense in Taiwan and the ASEAN region, and despite efforts to generate growth through a strategic concentration on the *Bioré* and *Laurier* brands, sales were weak, decreasing 2.9 percent from the same quarter a year earlier to 13.1 billion yen. In North America and Europe, sales increased 3.3 percent from the same quarter a year earlier to 26.6 billion yen. Skin care products generally sold well, with the *Bioré* brand showing particular growth. A new hair care product, *John Frieda Radiant Red*, performed steadily.

## Prestige Cosmetics Business

The Japanese cosmetics market as a whole remained basically flat. Amid these conditions, Kao launched *Sofina Pore Zone Care Essence* and *Very Very Pore Clear Mousse*. For the *AUBE* makeup brand, Kao worked to stimulate sales with the addition of new colors and items. Moreover, for the *est* brand, which is sold exclusively through department stores, Kao introduced a new counter design to increase the sense of prestige and worked to acquire new customers with new product *est whitening esthe* massage cream. As a result, segment sales increased 0.7 percent from the same quarter a year earlier to 20.4 billion yen.

## Chemical Products Business

The chemical products business worked to enhance global development, and sales increased 9.5 percent from the same quarter a year earlier to 51.9 billion yen.

## 1. Japan

Although a moderate economic recovery is continuing, it is impossible to predict the level to which prices of crude oil and other raw materials will rise. In this environment, sales of the oleo chemicals

# Kao Corporation

*News Release*

July 21, 2005

business were firm. In the performance chemicals business, plastic additives continued to sell strongly. In the specialty chemicals business, sales of toner and toner binder products increased substantially, and sales of pigment auxiliary for color inkjet printer ink also grew. As a result, sales increased 4.5 percent from the same quarter a year earlier to 28.2 billion yen.

## **2. Overseas**

In Asia, efforts to expand sales of fatty alcohols resulted in continued strong growth from the previous fiscal year. In the ASEAN region, surfactants sold well. As a result, sales in Asia rose 14.6 percent from the same quarter a year earlier to 12.6 billion yen. In North America and Europe, toner and toner binder and surfactants performed well, and sales increased 18.1 percent from the same quarter a year earlier to 18.0 billion yen.

## **Financial Condition**

As of June 30, 2005, total assets were 679.1 billion yen, as the Company reduced assets by 9.8 billion yen compared to the end of the previous fiscal year on March 31, 2005. In addition to paying taxes and cash dividends, the Company used proceeds from the redemption and sales of marketable securities and investment securities to repurchase its own stock in order to raise capital efficiency. Total liabilities decreased 14.3 billion yen compared with the end of the previous fiscal year, to 218.9 billion yen. Primary factors in the change were a decrease in accrued income taxes and a decrease in liability for employee retirement benefits as a result of contributions to the corporate pension fund. Shareholders' equity was 452.5 billion yen, an increase of 4.3 billion yen from March 31, 2005. Net income for the first quarter totaling 15.0 billion yen increased shareholders' equity, while the main factors reducing shareholders' equity were payments for cash dividends and the Company's repurchase of its own stock. As a result of the above factors, the shareholders' equity ratio increased to 66.6 percent from 65.1 percent at the end of the previous fiscal year.

Net cash provided by operating activities was 13.1 billion yen. Although income before income taxes and minority interests was 27.2 billion yen and depreciation and amortization totaled 13.6 billion yen, income taxes paid totaled 20.0 billion yen and increases in trade receivables and inventories totaled 6.3 billion yen. Net cash used in investing activities was 0.9 billion yen. While the Company made capital expenditures of 11.4 billion yen as it actively invested in strengthening production capacity and rationalization, it sold or redeemed investment securities. Due to payments of cash dividends and the continuation of the Company's repurchases of its own stock from the previous fiscal year, net cash used in financing activities was 13.2 billion yen. As a result, the balance of cash and cash equivalents at the end of the first quarter was 69.8 billion yen, a decrease of 0.5 billion yen from the balance at the end of the previous fiscal year.

# Kao Corporation

*News Release*

July 21, 2005

## **Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2006**

Consolidated results for the first quarter were slightly higher than Kao's forecast. Looking forward, the gradual downward trend in retail prices in the Japanese consumer products market is expected to continue, and raw material prices are forecast to rise in Japan and overseas. However, Kao will launch new products and further reduce costs. Accordingly, Kao's performance projections for the year ending March 31, 2006, which were announced on April 21, 2005, remain unchanged. However, please note that the effect of the Company's recently announced acquisition of Molton Brown Limited is not reflected in the current forecast.

**Consolidated Balance Sheets**

Millions of yen

	<b>(A) Q1/FY2005</b>	Composition	<b>(B) FY2004</b>	Composition	<b>Inc/(Dec)</b>	<b>Q1/FY2004</b>	Composition
	<b>June 30, 2005</b>	%	<b>March 31, 2005</b>	%	<b>(A-B)</b>	<b>June 30, 2004</b>	%
<b>Assets</b>							
<b>Current assets</b>	<b>292,155</b>	<b>43.0</b>	<b>289,180</b>	<b>42.0</b>	<b>2,974</b>	<b>279,883</b>	<b>40.5</b>
Cash and time deposits	46,409		32,026		14,383	47,035	
Notes and accounts receivable - trade	105,930		103,586		2,344	102,897	
Short-term investments	26,462		40,383		(13,921)	28,019	
Inventories	86,720		81,781		4,938	76,634	
Other	26,633		31,403		(4,769)	25,296	
<b>Fixed assets</b>	<b>386,865</b>	<b>57.0</b>	<b>399,662</b>	<b>58.0</b>	<b>(12,796)</b>	<b>410,738</b>	<b>59.5</b>
Tangible assets	259,719		260,223		(504)	258,658	
Intangible assets	82,708		86,222		(3,513)	94,863	
Other	44,437		53,217		(8,779)	57,216	
<b>Deferred assets</b>	<b>125</b>	<b>0.0</b>	<b>130</b>	<b>0.0</b>	<b>(5)</b>	<b>81</b>	<b>0.0</b>
<b>Total assets</b>	<b>679,146</b>	<b>100.0</b>	<b>688,973</b>	<b>100.0</b>	<b>(9,827)</b>	<b>690,703</b>	<b>100.0</b>
<b>Liabilities</b>							
<b>Current liabilities</b>	<b>200,044</b>	<b>29.5</b>	<b>211,541</b>	<b>30.7</b>	<b>(11,497)</b>	<b>199,942</b>	<b>29.0</b>
Notes and accounts payable - trade	74,055		70,993		3,062	71,849	
Short-term debt	19,660		18,604		1,056	20,074	
Accrued expenses	63,450		63,233		216	62,208	
Other	42,877		58,709		(15,832)	45,809	
<b>Long-term liabilities</b>	<b>18,877</b>	<b>2.8</b>	<b>21,768</b>	<b>3.1</b>	<b>(2,891)</b>	<b>43,853</b>	<b>6.3</b>
Long-term debt	1,437		1,426		10	14,481	
Liability for employee retirement benefits	6,876		10,211		(3,335)	19,943	
Other	10,563		10,130		432	9,427	
<b>Total liabilities</b>	<b>218,921</b>	<b>32.3</b>	<b>233,310</b>	<b>33.8</b>	<b>(14,388)</b>	<b>243,795</b>	<b>35.3</b>
<b>Minority interests</b>	<b>7,641</b>	<b>1.1</b>	<b>7,413</b>	<b>1.1</b>	<b>228</b>	<b>21,859</b>	<b>3.2</b>
Common stock	85,424	12.6	85,424	12.4	-	85,424	12.4
Capital surplus	109,561	16.1	109,561	15.9	-	108,888	15.8
Retained earnings	305,026	44.9	299,345	43.5	5,680	328,320	47.5
Unrealized gain on available-for-sale securities	3,367	0.5	3,533	0.5	(165)	4,090	0.6
Foreign currency translation adjustments	(37,262)	(5.5)	(39,765)	(5.8)	2,503	(40,987)	(6.0)
Treasury stock, at cost	(13,535)	(2.0)	(9,850)	(1.4)	(3,684)	(60,689)	(8.8)
<b>Shareholders' equity</b>	<b>452,582</b>	<b>66.6</b>	<b>448,249</b>	<b>65.1</b>	<b>4,333</b>	<b>425,048</b>	<b>61.5</b>
<b>Total liabilities, minority interests &amp; shareholders' equity</b>	<b>679,146</b>	<b>100.0</b>	<b>688,973</b>	<b>100.0</b>	<b>(9,827)</b>	<b>690,703</b>	<b>100.0</b>

**Consolidated Statements of Income**

Millions of yen

	<b>(A) Q1/FY2005</b> <b>Apr - Jun 2005</b>	% to net sales	<b>(B) Q1/FY2004</b> <b>Apr - Jun 2004</b>	% to net sales	<b>Inc/(Dec)</b> <b>(A-B)</b>	<b>FY2004</b> <b>Apr '04 - Mar '05</b>	% to net sales
<b>Net sales</b>	<b>233,165</b>	<b>100.0</b>	<b>226,311</b>	<b>100.0</b>	<b>6,854</b>	<b>936,851</b>	<b>100.0</b>
Cost of sales	101,387	43.5	95,185	42.1	6,202	404,803	43.2
<b>Gross profit</b>	<b>131,778</b>	<b>56.5</b>	<b>131,125</b>	<b>57.9</b>	<b>652</b>	<b>532,047</b>	<b>56.8</b>
Selling, general and administrative expenses	104,890	45.0	102,821	45.4	2,069	410,668	43.8
<b>Operating income</b>	<b>26,887</b>	<b>11.5</b>	<b>28,304</b>	<b>12.5</b>	<b>(1,417)</b>	<b>121,379</b>	<b>13.0</b>
Non-operating income	1,206	0.5	1,852	0.8	(645)	5,709	0.6
Interest and dividend income	245		236		8	903	
Equity in earnings of nonconsolidated subsidiaries and affiliates	127		864		(737)	1,216	
Foreign currency exchange gain	156		52		103	591	
Other	677		697		(19)	2,997	
Non-operating expenses	441	0.1	403	0.2	37	1,743	0.2
Interest expense	231		252		(21)	933	
Other	210		151		58	809	
<b>Ordinary income</b>	<b>27,652</b>	<b>11.9</b>	<b>29,752</b>	<b>13.1</b>	<b>(2,100)</b>	<b>125,345</b>	<b>13.4</b>
Extraordinary income	210	0.1	680	0.3	(470)	1,613	0.2
Extraordinary loss	588	0.3	684	0.3	(95)	7,305	0.8
<b>Income before income taxes and minority interests</b>	<b>27,274</b>	<b>11.7</b>	<b>29,749</b>	<b>13.1</b>	<b>(2,475)</b>	<b>119,653</b>	<b>12.8</b>
Income taxes	11,878	5.1	12,384	5.5	(505)	47,118	5.1
Minority interests in earnings of consolidated subsidiaries	338	0.1	330	0.1	7	355	0.0
<b>Net income</b>	<b>15,056</b>	<b>6.5</b>	<b>17,034</b>	<b>7.5</b>	<b>(1,978)</b>	<b>72,180</b>	<b>7.7</b>



**Consolidated Statements of Cash Flows**

Millions of yen

	Q1/FY2005 Apr - Jun 2005	Q1/FY2004 Apr - Jun 2004	FY2004 Apr '04 - Mar '05
<b>Operating activities:</b>			
Income before income taxes and minority interests	27,274	29,749	119,653
Adjustments for:			
Depreciation and amortization	13,613	12,782	56,793
Interest and dividend income	(245)	(236)	(903)
Interest expense	231	252	933
Change in trade receivables	(1,728)	(6,761)	(5,922)
Change in inventories	(4,644)	(5,467)	(9,781)
Change in trade payables	3,124	4,133	2,636
Change in liability for retirement benefits	(3,384)	(3,121)	(13,009)
Other, net	(2,364)	(5,953)	745
Sub-total	31,876	25,378	151,146
Interest and cash dividends received	1,588	298	1,956
Interest paid	(248)	(242)	(912)
Income taxes paid	(20,082)	(19,170)	(42,653)
<b>Net cash provided by operating activities</b>	<b>13,133</b>	<b>6,264</b>	<b>109,567</b>
<b>Investing activities:</b>			
Purchase of marketable securities and investment securities	(6)	(7)	(12,025)
Proceeds from the redemption and sales of marketable securities and investment securities	10,967	501	10,863
Purchase of property, plant and equipment	(11,422)	(11,606)	(50,771)
Proceeds from sales of property, plant and equipment	719	654	2,434
Increase in intangible assets	(439)	(711)	(3,979)
Increase in long-term loans	(228)	(296)	(1,131)
Other, net	(500)	473	201
<b>Net cash used in investing activities</b>	<b>(911)</b>	<b>(10,992)</b>	<b>54,407</b>
<b>Financing activities:</b>			
Change in short-term debt	1,013	2,941	308
Purchase of treasury stock	(5,141)	(25,100)	(71,632)
Payments of cash dividends	(9,117)	(7,561)	(19,259)
Payments of cash dividends to minority interests	-	(277)	(1,332)
Other, net	15	163	1,258
<b>Net cash used in financing activities</b>	<b>(13,230)</b>	<b>(29,834)</b>	<b>(90,657)</b>
<b>Transition adjustments on cash and cash equivalents</b>	<b>558</b>	<b>(1,005)</b>	<b>(1,246)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(450)</b>	<b>(35,567)</b>	<b>(36,742)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>70,409</b>	<b>107,151</b>	<b>107,151</b>
<b>Cash and cash equivalents of newly consolidated subsidiaries</b>	<b>760</b>	<b>-</b>	<b>0</b>
<b>Cash and cash equivalents of excluded consolidated subsidiaries</b>	<b>(848)</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, end of term</b>	<b>69,871</b>	<b>71,584</b>	<b>70,409</b>
<b>*Noncash financing activities:</b>			
Transfers of treasury stock related to conversion of convertible bonds			
Decrease in treasury stock	1,625	33,477	53,476
Decrease in retained earnings	(764)	(15,982)	(25,604)
Convertible bonds converted into common stock	860	17,494	27,871

## Sales Composition

Millions of yen

	Q1/FY2005 Apr - Jun 2005	Q1/FY2004 Apr - Jun 2004	Growth %	FY2004 Apr '04 - Mar '05
<b>Consumer Products</b>				
Personal Care	46,060	43,330	6.3	180,616
Fabric and Home Care	54,764	54,622	0.3	234,250
Feminine Care, Baby Care and Others	28,407	29,425	(3.5)	122,079
Total Japan	129,231	127,377	1.5	536,947
Asia and Oceania	13,186	13,576	(2.9)	53,508
North America and Europe	26,632	25,783	3.3	106,735
Eliminations	(1,615)	(1,658)	-	(7,183)
<b>Total</b>	<b>167,435</b>	<b>165,078</b>	<b>1.4</b>	<b>690,006</b>
<b>Prestige Cosmetics</b>	<b>20,468</b>	<b>20,331</b>	<b>0.7</b>	<b>78,294</b>
<b>Chemical Products</b>				
Japan	28,234	27,016	4.5	111,475
Asia	12,687	11,068	14.6	47,231
North America and Europe	18,043	15,275	18.1	64,035
Eliminations	(6,992)	(5,901)	-	(25,753)
<b>Total</b>	<b>51,972</b>	<b>47,458</b>	<b>9.5</b>	<b>196,989</b>
<b>Total before Eliminations</b>	<b>239,877</b>	<b>232,868</b>	<b>3.0</b>	<b>965,290</b>
Eliminations	(6,711)	(6,557)	-	(28,439)
<b>Consolidated Net Sales</b>	<b>233,165</b>	<b>226,311</b>	<b>3.0</b>	<b>936,851</b>

**Segment Information by Business**

*Millions of yen*

**Q1/FY2005**

**Apr - Jun 2005**

	<b>Consumer Products</b>	<b>Prestige Cosmetics</b>	<b>Chemical Products</b>	<b>Total</b>	<b>Corporate/ Eliminations</b>	<b>Consolidated</b>
<b>Net sales</b>						
Sales to customers	167,435	20,468	45,261	233,165	-	233,165
Intersegment sales	-	-	6,711	6,711	(6,711)	-
<b>Total</b>	<b>167,435</b>	<b>20,468</b>	<b>51,972</b>	<b>239,877</b>	<b>(6,711)</b>	<b>233,165</b>
<b>Operating income</b>	<b>18,716</b>	<b>1,698</b>	<b>6,394</b>	<b>26,809</b>	<b>78</b>	<b>26,887</b>
% to sales	11.2	8.3	12.3	11.2	-	11.5

**Q1/FY2004**

**Apr - Jun 2004**

	<b>Consumer Products</b>	<b>Prestige Cosmetics</b>	<b>Chemical Products</b>	<b>Total</b>	<b>Corporate/ Eliminations</b>	<b>Consolidated</b>
<b>Net sales</b>						
Sales to customers	165,078	20,331	40,901	226,311	-	226,311
Intersegment sales	-	-	6,557	6,557	(6,557)	-
<b>Total</b>	<b>165,078</b>	<b>20,331</b>	<b>47,458</b>	<b>232,868</b>	<b>(6,557)</b>	<b>226,311</b>
<b>Operating income</b>	<b>19,923</b>	<b>3,074</b>	<b>5,258</b>	<b>28,256</b>	<b>47</b>	<b>28,304</b>
% to sales	12.1	15.1	11.1	12.1	-	12.5

**FY2004**

**Apr '04 - Mar '05**

	<b>Consumer Products</b>	<b>Prestige Cosmetics</b>	<b>Chemical Products</b>	<b>Total</b>	<b>Corporate/ Eliminations</b>	<b>Consolidated</b>
<b>Net sales</b>						
Sales to customers	690,006	78,294	168,550	936,851	-	936,851
Intersegment sales	-	-	28,439	28,439	(28,439)	-
<b>Total</b>	<b>690,006</b>	<b>78,294</b>	<b>196,989</b>	<b>965,290</b>	<b>(28,439)</b>	<b>936,851</b>
<b>Operating income</b>	<b>92,597</b>	<b>7,693</b>	<b>20,663</b>	<b>120,954</b>	<b>425</b>	<b>121,379</b>
% to sales	13.4	9.8	10.5	12.5	-	13.0