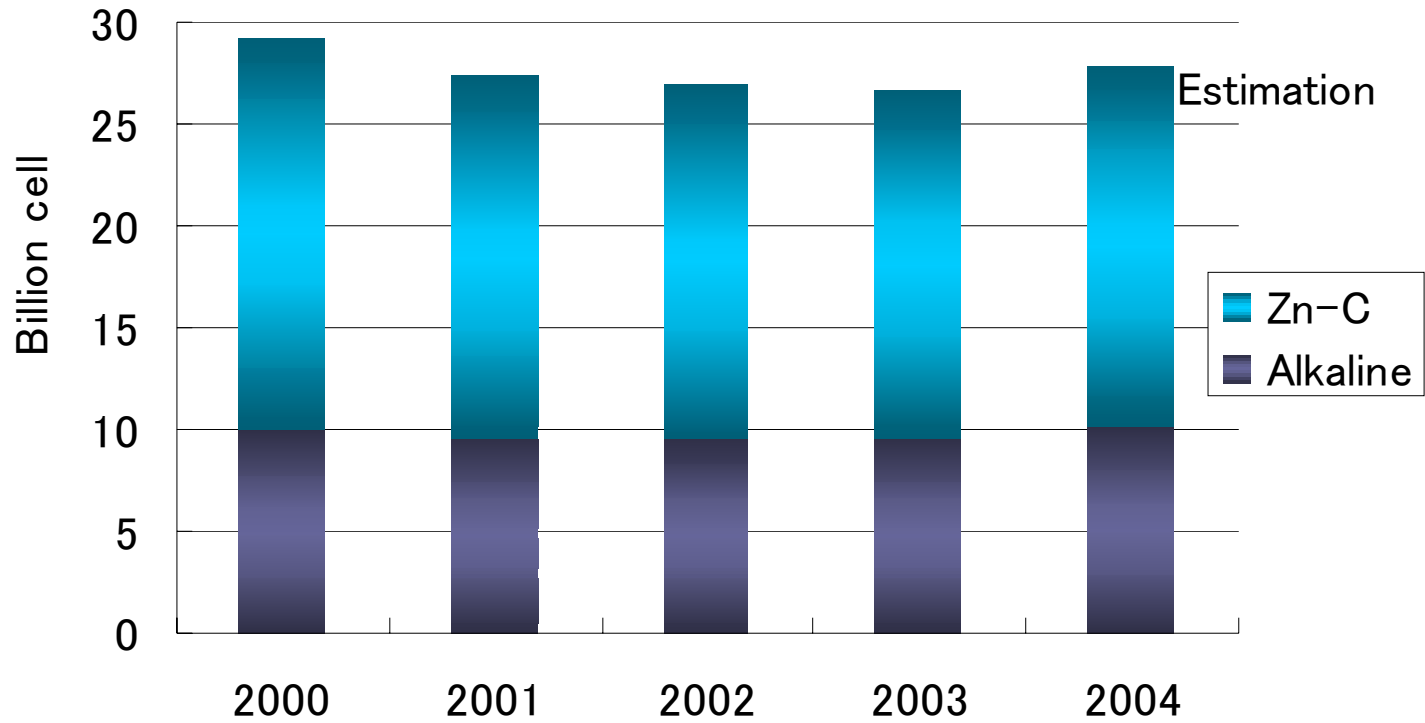


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Supply and Demand Overview for EMD

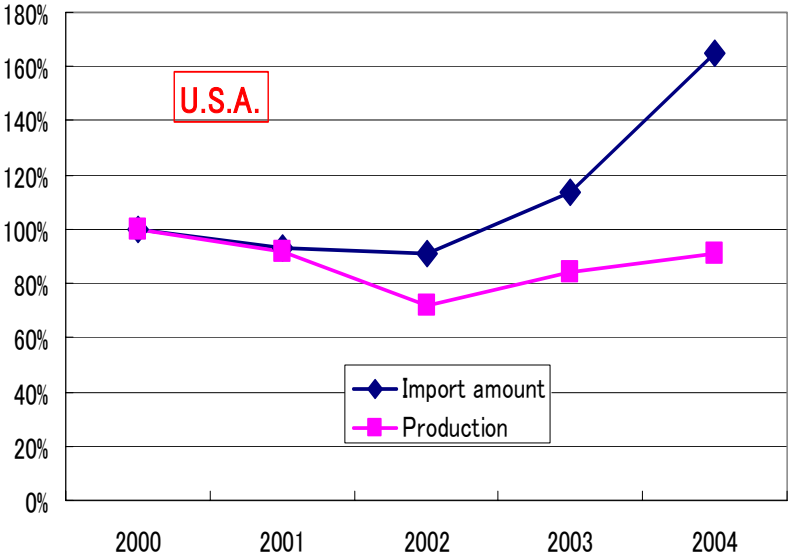
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Primary battery production in the world

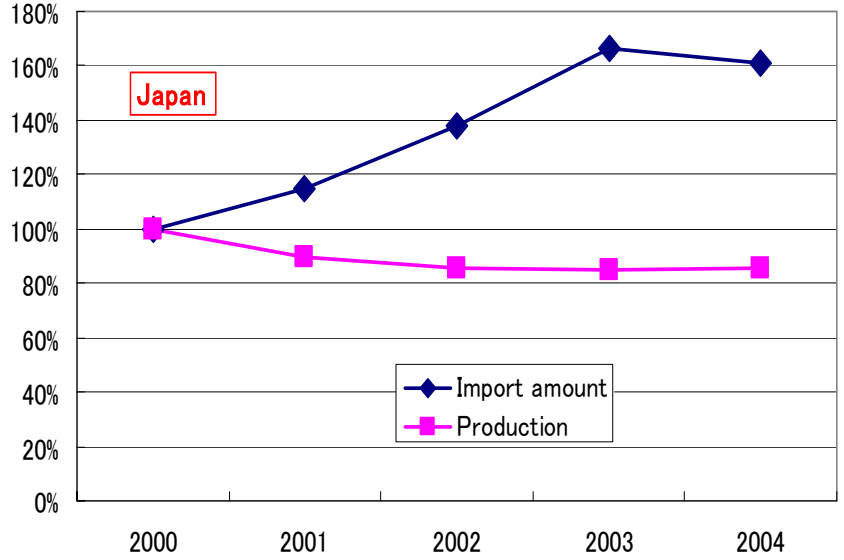


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Production & Import amount ratio
of primary battery in U.S.A.
(Year2000=100%)

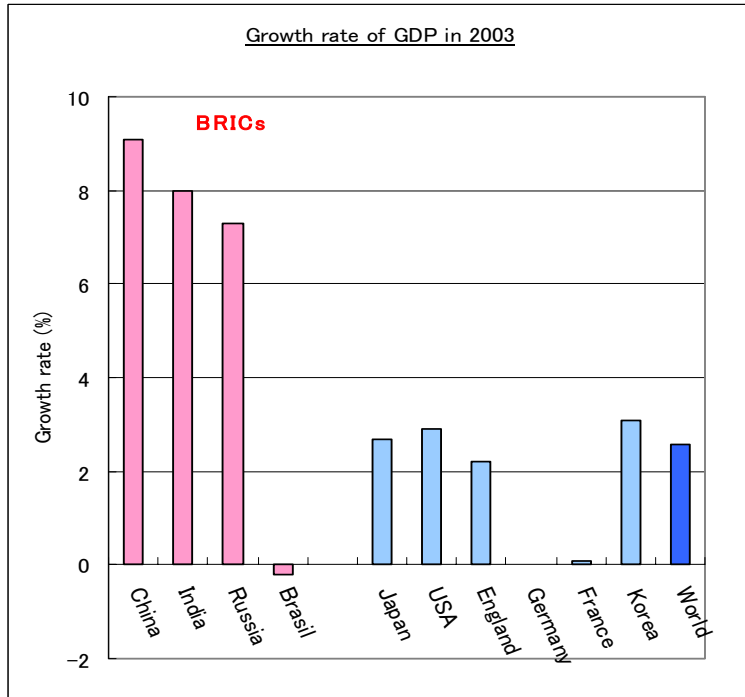
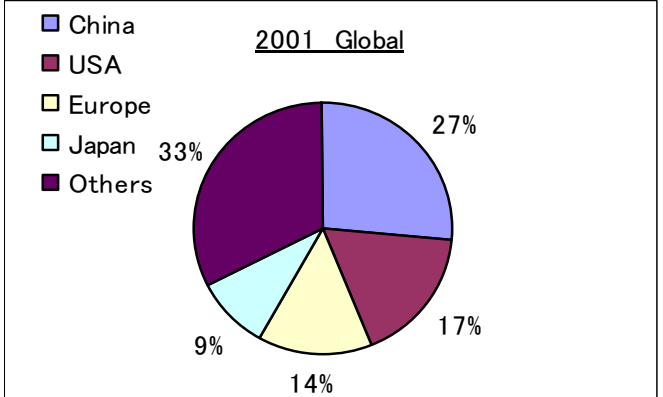
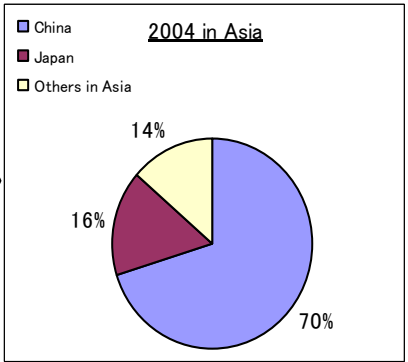
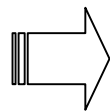
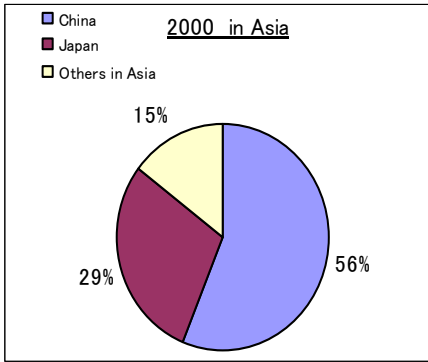


Production & Import amount ratio
of primary battery in Japan
(Year2000=100%)



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Production of Primary battery in Asia/World(%)



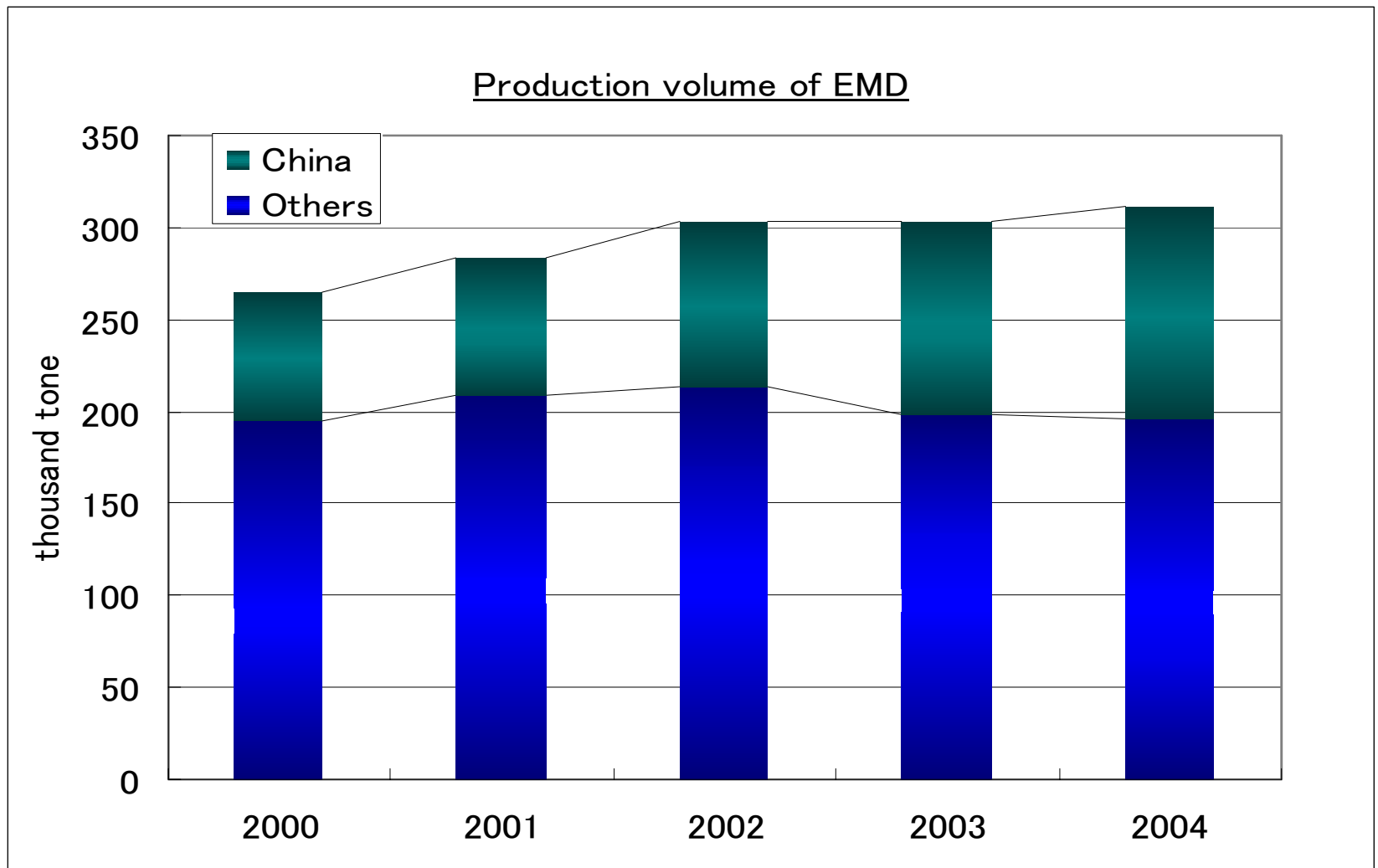
16th March 2005High-performance dry cell batteriesName of the High-performance batteriesSpecifications

Duracell	Ultra M3	Ultra M3>Ultra>Copper top Life is 1.3 times longer than Copper Top
Energizer	e ²	Titanium technology Flash light : 99times more, Game : 39minutes more
Matsushita	Oxyride	Life is 1.5 times longer than usual alkaline batteries. (2 times longer in digital camera)
Hitachi Maxell	Epsi-alpha	Improvement of high rate pulse performance Best performance in Alkaline batteries for DSC use
Toshiba	Giga Energy	Can take pictures 20% more than usual alkaline batteries.

16th March 2005Mile stone of EMD producer after year 2000.

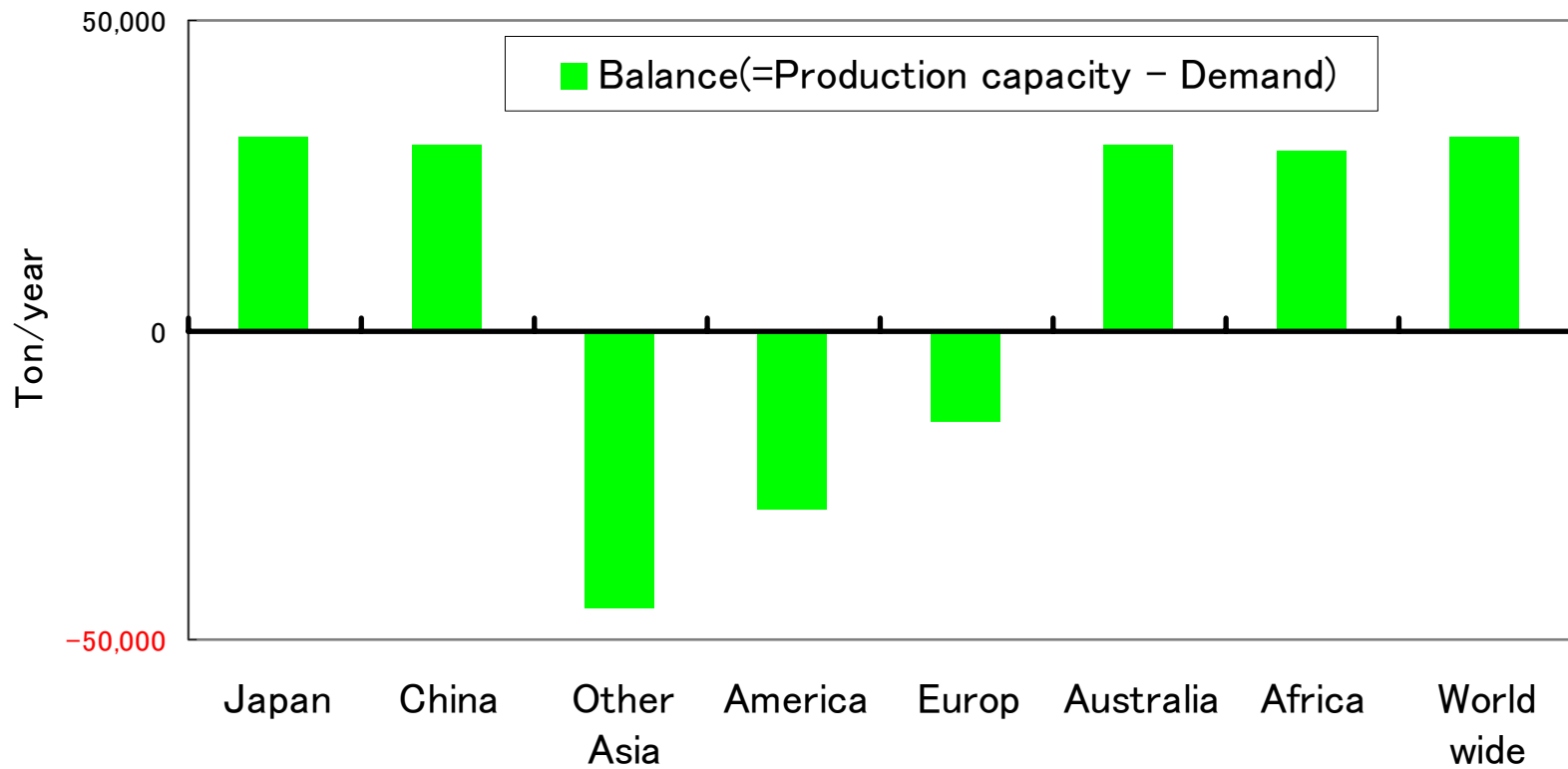
2000		Expansion of Zunyi Shuangyuan Chemicals
2001		Expansion of Xiangtan Electrochemical
2002	Shut down of JMC	Red Star Dalong starts production
2003	Shut down of MDI (MMS Ireland) Temporary shut down of Kerr-McGee	
2004		Expansion of Red Star Dalong and Zhenxing Chemicals, JMC-XS Comilog announced establishing J/V

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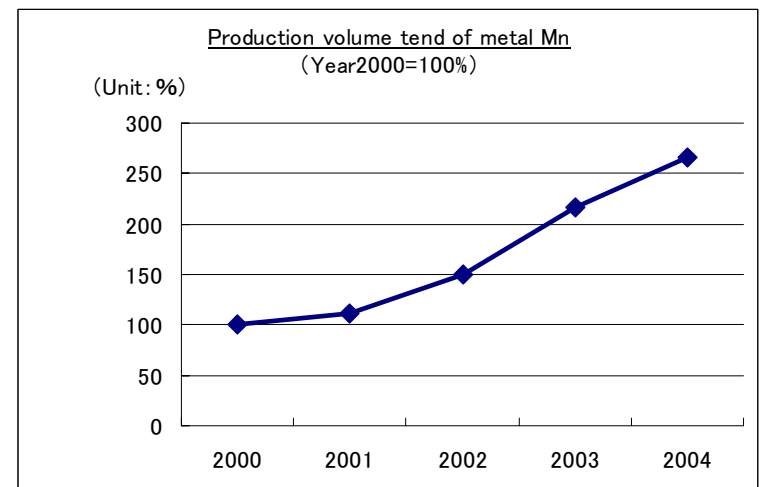
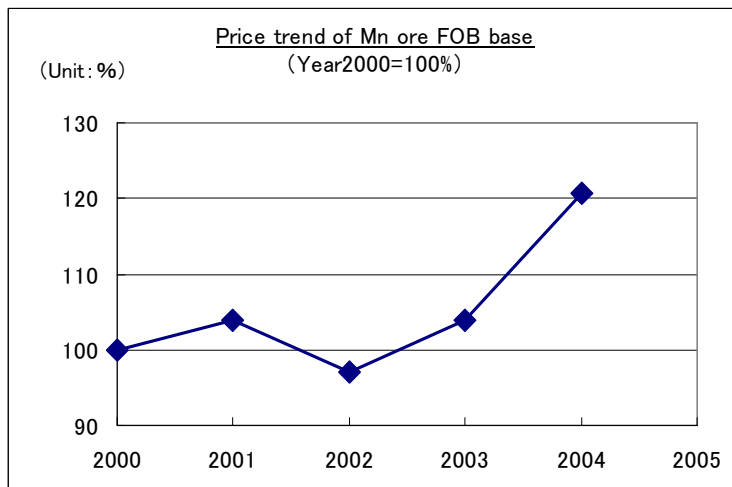
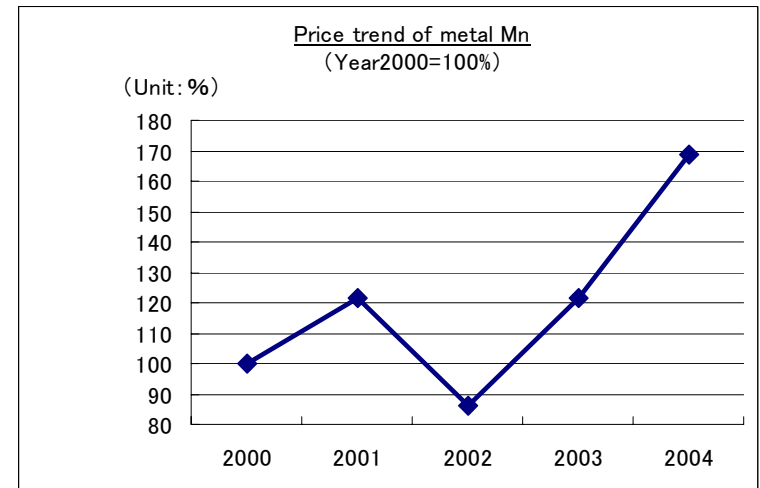
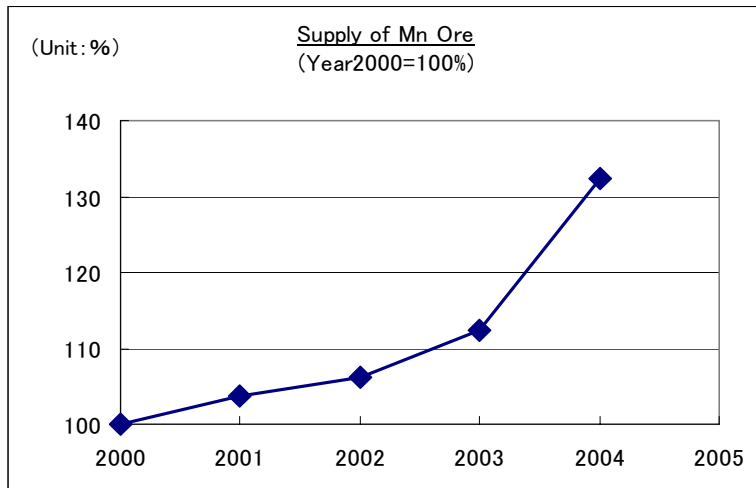


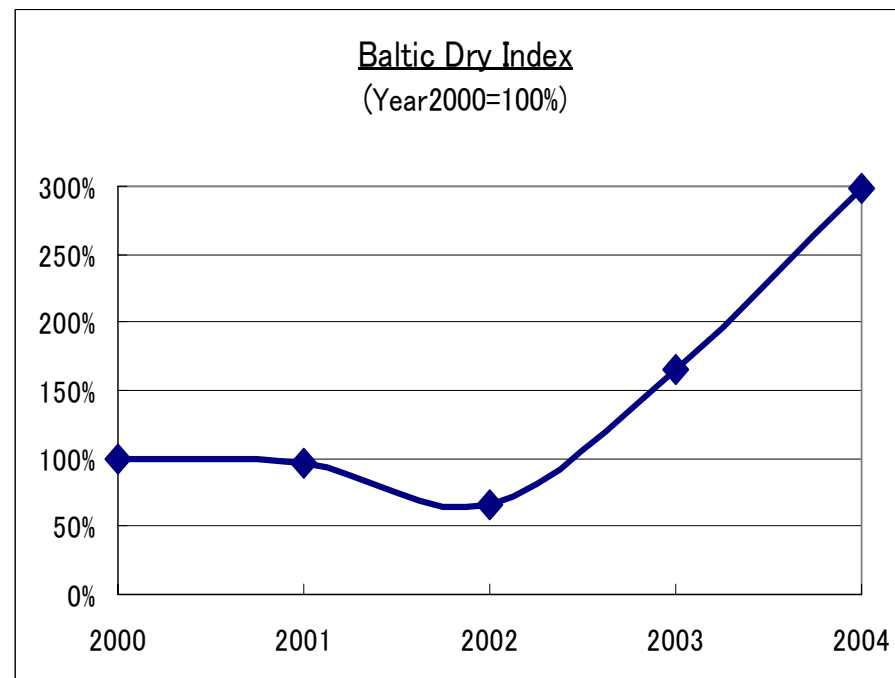
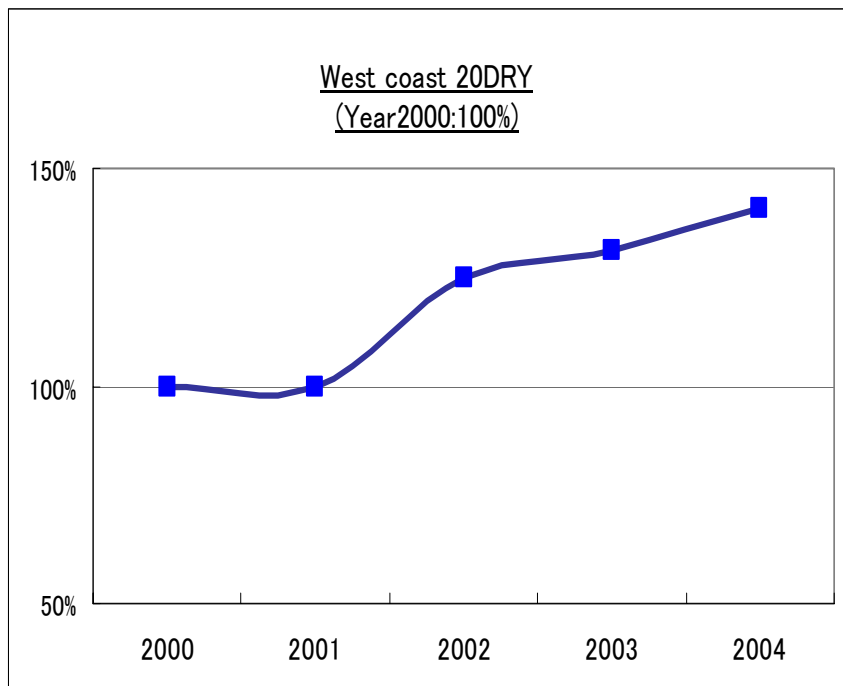
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Balance of Supply & Demand of EMD



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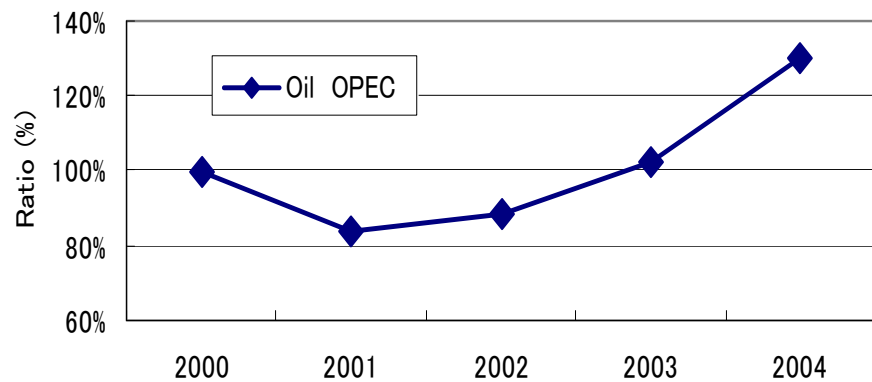


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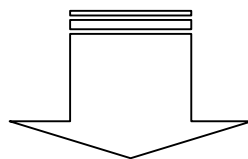
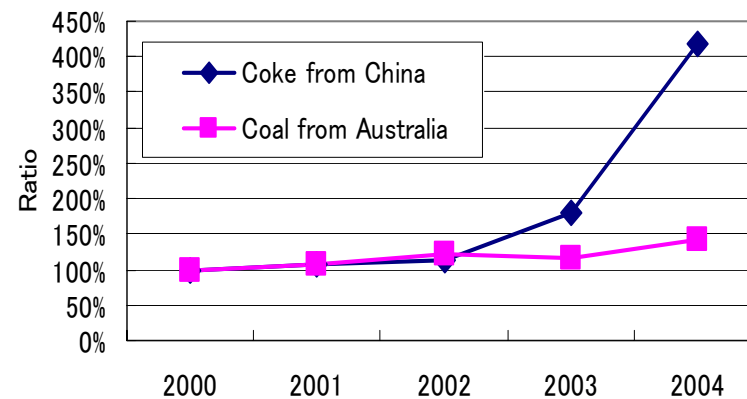
- Growth of the Chinese economy.
- Timing of supplying ships.
- Cost hiking for shipbuilding. (such as steel)

16th March 2005Price trend of Oil (OPEC)

(Year2000=100%)

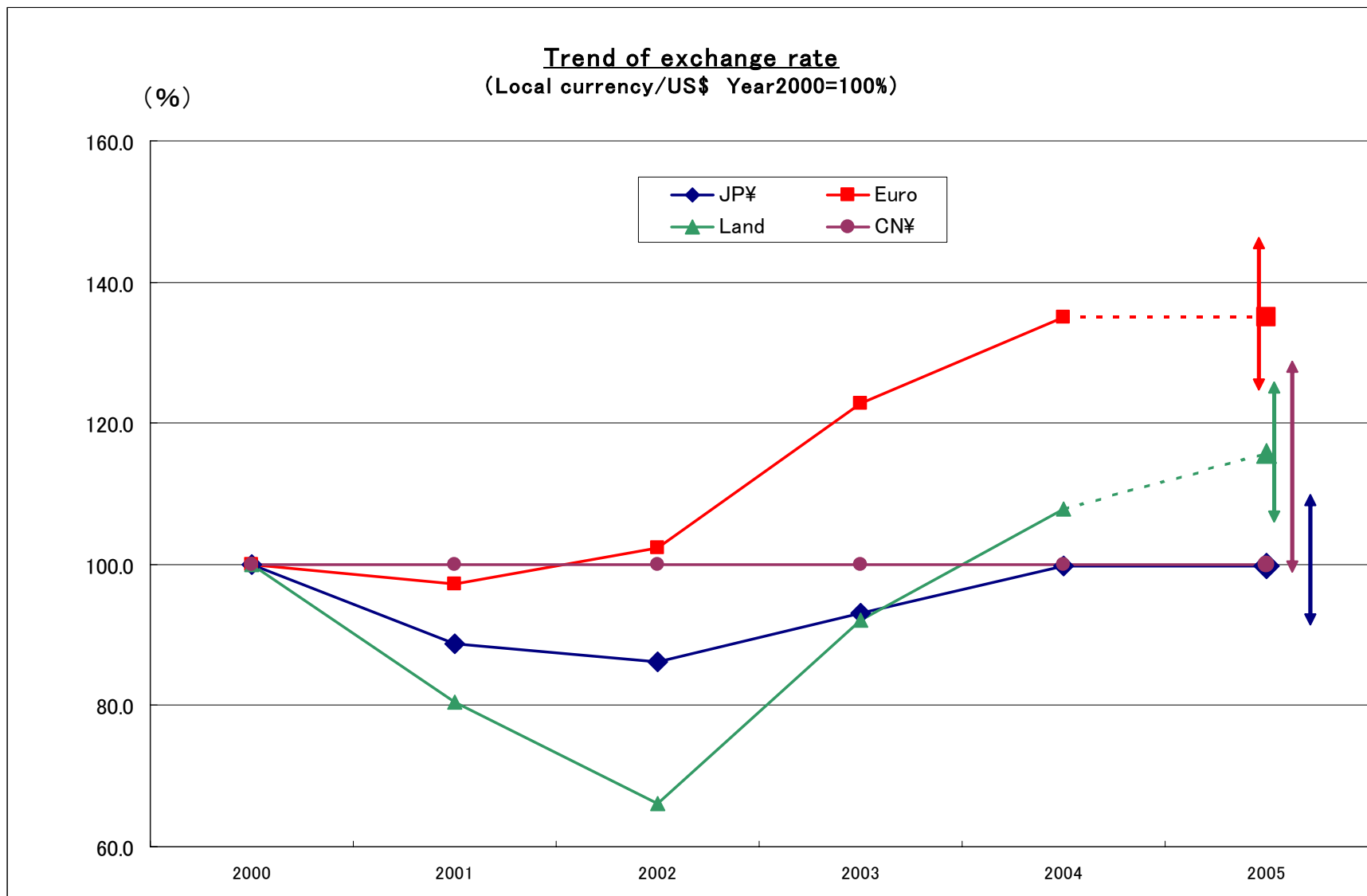
Price trend of Coke & Coal

(Year2000=100%)



- Soar of the energy cost. (In general)
- Soar of the transportation cost.
- Soaring pressure to other cost factor

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Conclusion

- Demand of EMD will not show big growth because it will be effected by the situation of dry battery production.
- Miss match of EMD's demand/supply situation in each area will continue, and
- Price reduction request from battery maker will also continue.
- On the other hand, production cost of EMD will rise.

So, I believe we can say the situation of EMD business in 2005 will be more severe than 2004.