

Consolidated First-Quarter Earnings Report for the Year Ending March 31, 2004

Company Name: Sekisui Chemical Co., Ltd.

Code No.: 4204

(URL <http://www.sekisui.co.jp>)

Stock Listings: Tokyo and Osaka stock exchanges (First Section)

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1. Matters Pertaining to Preparation of First-Quarter Operating Results

Changes in accounting methods for recognizing net sales from the most-recent consolidated fiscal year: None

2. First-Quarter Operating Results for Fiscal 2003 (Apr. 1, 2003 to Jun. 30, 2003)**(1) Sales** Figures rounded down to the nearest million yen

	Sales	
	millions of yen	%
FY 2003 First Qtr.	157,829	2.0
FY 2002 First Qtr.	154,743	—
(Ref.) Year ended March 31, 2003	799,709	

(Note) Sales are cumulative to the end of the quarter under review. Percentages indicate year-on-year changes.

[Supplementary Information Regarding Sales]

Sales for the first quarter of fiscal 2003 rose 2.0% year on year to 157.8 billion yen. This increase came despite the continuation of difficult operating conditions, typified by slack housing demand and declining public-sector investment. The performance in each business segment was as follows:

◇Housing

The balance of orders in the first quarter climbed 6.8% over the same period in the previous year, the result of a recovery in orders from the latter half of fiscal 2002 and the ongoing growth of the Living Environment Business. Overall, sales for this segment were 2.7% higher at 70.8 billion yen.

◇Urban Infrastructure & Environmental Products

While plumbing systems for detached houses and housing complexes turned in a strong first-quarter performance, the bathroom unit business and other areas struggled. As a result, segment sales edged up 1.1% year on year to 38.6 billion yen.

◇High Performance Plastics

Fine particles for LCDs, high-performance plastics and other IT-related products turned in strong first-quarter performances alongside interlayer film for laminated glass. The result was a 6.3% increase in sales to 42.4 billion yen.

(2) Significant Events Having a Material Effect on Group Financial Position and Operating Results

No items to report.

3. Forecasts for Fiscal 2003 (Apr. 1, 2003 to Mar. 31, 2004)

No revisions have been made to initial full-year forecasts announced on April 28, 2003.

Forecasts are based on information available to management at the time of this announcement. A number of uncertainties may cause actual results to differ materially from forecasts.

Supplementary Information

1. Sales by Segment

First Quarter Fiscal 2003 (Apr. 1, 2003 to Jun. 30, 2003) (millions of yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Total	Eliminations or Unallocatable Accounts	Consolidated
Sales							
(1) To third parties	70,767	35,375	41,262	10,423	157,829	—	157,829
(2) Intersegment	39	3,306	1,221	2,457	7,024	(7,024)	—
Total	70,807	38,681	42,484	12,881	164,854	(7,024)	157,829

First Quarter Fiscal 2002 (Apr. 1, 2002 to Jun. 30, 2002) (millions of yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Total	Eliminations or Unallocatable Accounts	Consolidated
Sales							
(1) To third parties	68,914	34,800	38,643	12,386	154,743	—	154,743
(2) Intersegment	37	3,478	1,334	4,398	9,247	(9,247)	—
Total	68,951	38,278	39,977	16,784	163,990	(9,247)	154,743

2. Housing Business Orders

	Balance of Orders	
	millions of yen	%
FY 2003 First Qtr.	83,427	6.8
FY 2002 First Qtr.	78,081	—

(Note) Balance of orders is cumulative to the end of the quarter under review.

Percentages indicate year-on-year changes.