

**Overview of Consolidated First-Quarter Earnings Report for the Year Ending March 31, 2005**

Although market conditions applied downward pressure on first-quarter sales in the housing and piping businesses, Sekisui Chemical achieved the following.

1. A substantial increase in net sales: 12.7%
2. A dramatic improvement in operating income: 7.9 billion yen up

**1. Business results (all companies)**

(% figures indicate change)

	First quarter of year ending March 31, 2005	First quarter of year ended March 31, 2004	Targets for first half of year ending March 31, 2005
<b>Net Sales</b>	177.8 billion yen	157.8 billion yen	415.0 billion yen
	Change from previous year: 20.0 billion yen ( +12.7% )		Change from previous year: 20.3 billion yen (+5.2%)
<b>Operating Income</b>	-0.9 billion yen	-8.9 billion yen	11.5 billion yen
	Change from previous year: 7.9 billion yen ( - )		Change from previous year: 3.2 billion yen (+39.5%)
<b>Recurring Income</b>	-1.5 billion yen	-8.8 billion yen	1.3 billion yen
	Change from previous year: 7.3 billion yen ( - )		Change from previous year: 3.3 billion yen (+34.1%)
<b>Net Income</b>	-1.7 billion yen	-8.5 billion yen	8.0 billion yen
	Change from previous year: 6.8 billion ( - )		Change from previous year: 3.0 billion yen (+61.7%)

**2. Business results by company****1) Sales and revenues of all companies substantially improved**

(Millions of yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Eliminations or Unallocatable Accounts	Total
<b>Net Sales</b>						
First quarter of year ending March 31, 2005	850	410	467	119	-69	1,778
First quarter of year ended March 31, 2004	708	386	424	119	-61	1,578
Change	142	23	42	0	-7	200
Targets for first half of year ending March 31, 2005	2,120	950	950	250	-120	4,150
<b>Operating Income</b>						
First quarter of year ending March 31, 2005	-28	-2	31	-11	1	-9
First quarter of year ended March 31, 2004	-74	-23	19	-11	0	-89
Change	46	20	12	0	1	79
Targets for first half of year ending March 31, 2005	70	5	60	-20	-	115

**2) Segment results**

◁ Housing Strong sales of "house with no heating and lighting expenses"; segment results greatly improved due to spreading out production volumes and housing start levels evenly over the year

- No. of houses sold: 3,130 (up 590 from previous year)  
 Net sales: 15.8 billion yen (up 9% from previous year)  
 Building orders received: 89.2 billion yen (up 7% from previous year)  
 Spreading of production volumes and housing starts: First quarter sales/first half sales targets: 40% (up 35% from previous year)

◁ Urban Infrastructure & Environmental Products Core businesses: Price mark-ups of PVC pipes won acceptance  
 Plumbing systems, and housing materials for detached houses, were firm  
 New business: Restoring aged piping steadily expanded (Sales up 16% from previous year)

◁ High Performance Plastics - IT-related products (fine particles for LCDs, high-performance plastics) were strong  
 - Automotive materials (interlayer film for laminated glass for automobiles, polyolefin foam) also performed well  
 - Expansion of business overseas: Vacuum blood-collection tubes for Chinese domestic market (production started May 2004; full-fledged sales will start Sept. 2004)