

Summary of Financial Results for the First Half of Fiscal Year Ending March 31, 2005

Company Name: Sekisui Chemical Co., Ltd.
 Stock Listings: Tokyo Stock Exchange, Osaka Securities Exchange
 Code Number: 4204
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 Date of Board Meeting for settling interim consolidated accounts: October 28, 2004
 U.S. GAAP Applied: No

1. Consolidated Business Results for the First Half (April 1, 2004 - September 30, 2004)

(1) Consolidated Business Results (Note: Figures rounded down to the nearest million yen)

	Net Sales		Operating Income		Recurring Income	
	millions of yen	%	millions of yen	%	millions of yen	%
FY2004 (First Half)	413,071	4.7	15,223	84.7	18,073	86.4
FY2003 (First Half)	394,609	1.5	8,244	84.4	9,696	121.6
FY2003	814,863		23,080		27,490	

	Net Income		Net Income per Share	Net Income per Share(diluted)
	millions of yen	%	yen	yen
FY2004 (First Half)	11,799	138.5	22.16	22.08
FY2003 (First Half)	4,946	-	9.28	-
FY2003	15,019		28.00	27.89

- (Note)
 1) Equity in earnings of affiliated companies FY2004 (1st Half): 4,156 million yen FY2003 (1st Half): 3,824 million yen FY2003 (Full Year) 8,489 million yen
 2) Average number of shares outstanding (consolidated) during FY2004 (1st Half): 532,413,457 FY2003 (1st Half): 532,826,172 FY2003 (Full Year) 532,393,130
 3) Changes in accounting method Yes
 4) The percentage figures accompanying net sales, operating income, recurring income and net income represent year-on-year changes.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	millions of yen	millions of yen	%	yen
FY2004 (First Half)	749,320	299,161	39.9	562.29
FY2003 (First Half)	750,481	281,727	37.5	529.61
FY2003	748,790	291,756	39.0	548.16

(Note) Number of shares outstanding (consolidated) at term-end: Sept. 30, 2004: 532,038,127 Sept. 30, 2003: 531,953,380 Mar. 31, 2004: 532,036,252

(3) Consolidated Cash Flows

	Operating Activities	Investing Activities	Financing Activities	End of Year Cash and Cash Equivalents
	millions of yen	millions of yen	millions of yen	millions of yen
FY2004 (First Half)	25,740	2,146	-25,924	24,335
FY2003 (First Half)	39,383	-5,919	-26,061	25,989
FY2003	57,913	-13,114	-40,549	22,535

(4) Scope of Consolidation and Adoption of the Equity Method

Consolidated subsidiaries: 137; Non-consolidated subsidiaries accounted for by the equity method: 0;
 Affiliates accounted for by the equity method: 9

(5) Changes in the Scope of Consolidation and Affiliates Accounted for Under the Equity Method

Consolidated subsidiaries: New 10; Excluded 7; Affiliates accounted for under equity method: New 0; Excluded 0

2. Consolidated Outlook for FY 2004 (April 1, 2004 - March 31, 2005)

	Net Sales	Recurring Income	Net Income
	millions of yen	millions of yen	millions of yen
Entire Year	850,000	38,000	23,000

Reference – Projected net income per share for the entire year: 43.23 yen

Forecasts, projections, plans and other forward-looking statements in this report are based on information available at the time of release of this report.

Actual results could differ significantly from projections due to a variety of factors, including changes in business conditions.

Summary of Business Results

<Highlights>

1. Sales growth and large increase in earnings at all divisions
2. Operating income up 84% year on year at 15.2 billion yen

1. Business Results for First Half of FY2004 (Consolidated)

(1) Overall Large increase in operating income Up 84% at 15.2 billion yen in FY2004 First Half

Change included in brackets

	FY2004 First Half	FY2003 First Half	Full-Year Forecast FY2004	FY2003 Results
Net Sales	413.0 billion yen	394.6 billion yen	850 billion yen	814.8 billion yen
	Difference +18.4 billion yen (+4.7%)		Difference +35.1 billion yen (+4.3%)	
Operating Income	15.2 billion yen	8.2 billion yen	36.0 billion yen	23.0 billion yen
	Difference +6.9 billion yen (84.7%)		Difference +12.9 billion yen (+56.0%)	
Recurring Income	18.0 billion yen	9.6 billion yen	38.0 billion yen	27.4 billion yen
	Difference +8.3 billion yen (+86.4%)		Difference +10.5 billion yen (+38.2%)	
Net Income	11.7 billion yen	4.9 billion yen	23.0 billion yen	15.0 billion yen
	Difference +6.8 billion yen (+138.6%)		Difference +7.9 billion yen (+53.1%)	

(2) By Division

1) Results for Fiscal 2004 First Half

Higher sales and earnings at all divisions

(billion yen, %)

		Housing	Urban Infrastructure & Environmental Products	High performance plastics	Other businesses	Eliminations or unallocatable accounts	Total
Sales	FY2004 (1st Half)	210.7	94.2	96.4	26.1	-14.5	413.0
	FY2003 (1st Half)	201.9	89.4	89.7	27.6	-14.2	394.6
	Difference	8.8	4.7	6.6	-1.5	-0.2	18.4
	Difference (%)	4.4	5.3	7.4	-5.5		4.7
Operating Income	FY2004 (1st Half)	7.8	2.2	7.0	-1.7	-0.1	15.2
	FY2003 (1st Half)	4.9	-0.9	5.6	-1.6	0.1	8.2
	Difference	2.9	3.1	1.4	-0.1	-0.3	6.9
	Difference (%)	58.4	-	25.3	-	-	84.7

2) Overview

- Housing Sales and operating income growth driven by adoption of "houses with no heating and lighting expenses" and other environmental friendly products and unifying manufacturing and assembly processes

Sales / Operating Income - No. of units sold 8,060 units (Compared with PY +410 units)

- Sales of Living Environment Business 36.6 billion yen (Compared with PY +3%)

- Progress with standardization of production and assembly volume has improved earnings

New Building Orders - Compared with PY +3%

Results / Measures - Upgrade "houses with no heating and lighting expenses": Started sales of new urban 3-story home "DesioAE" in June 2004

- Strengthened Sales:

- Realigned home refurbishment divisions in Tokyo and Kinki regions in April 2004

- Realigned sales network for new home construction and refurbishing divisions through the August 2004 merger of four companies based in the Tohoku region

- Living Environment Business: Promote regular home checkup services related to

"60 Year Long-term Support System" and expand network of model home:

- Urban infrastructure and Environmental Products Made core businesses more competitive; achieved sharp growth in sales and operating income as due to acceptance of price increases and other factors

Sales / Operating Income - Sales rose despite weak public works spending and challenging housing market conditions

- Achieved earnings growth mainly as a result of enhancing core businesses and cutting logistics expense

Results / Measures - Core business: Raised prices of PVC pipes and fittings in line with higher raw materials costs

(Phase 1 price hike took effect on March 1)

- Sharp growth of 30% in sales of valves and pipes for ultra-purified water for semiconductor plant:

- Growth fields: Sales in the aged pipe restoration business grew sharply by 30%

on the back of reinforced sales and assembly structures:

- High performance plastics Stronger sales and profits fueled by overseas business expansion and steady growth in the automotive materials field

Sales / Operating Income - Higher sales and profits supported by IT-related products (fine particles for liquid crystals and high-performance plastics, etc.) and automotive materials (interlayer film used in laminated glass and polyolefin foam products)

Results / Measures - Became first Japanese company to establish joint venture in Beijing, China to produce and sell

sealed plastic blood testing tubes in Beijing, China; commenced production and sales

2. Forecast for FY2004 (Consolidated)

(1) Overall Steps to further enhance the uniqueness of Sekisui businesses with the aim to boost sales and profits at all division companies and drive operating income 56% higher to 36 billion yen

(billion yen, %)

		Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Businesses	Eliminations or unallocatable accounts	Total
Sales	Forecast FY2004	430.0	200.0	195.0	50.0	-25.0	850.0
	2003 Actual	410.9	192.2	181.7	60.4	-30.5	814.8
	Difference	19.0	7.7	13.2	-10.4	5.5	35.1
	Difference (%)	4.6	4.0	7.3	-17.3	-	4.3
Operating Income	Forecast FY2004	16.0	8.0	15.0	-3.0	0	36.0
	2003 Actual	10.2	3.2	12.3	-2.8	0	23.0
	Difference	5.7	4.7	2.6	-1	-	12.9
	Difference (%)	55.7	144.3	21.9	-	-	56.0

(2) Forecasts by Division

- Housing Boost sales and profits with the "houses with no heating & lighting expenses" lineup and unify manufacturing and assembly processes

- Sales / Operating income - Units to be sold 16,760 units (Increase from PY +650 units)
 - Sales in Living Environment Business 77.8 billion yen (Increase from PY +7%)
- Measures - Enhanced lineup of "houses with no heating or lighting expenses": launched "GRAND TOYOU" (Oct. 04), a new offering based on an innovative construction method (2x6 structure)
 - Reinforced sales of housing with land and apartments
 - Living Environment Business: - Reinforced regular home checkups
 - Expanded sales of core products such as solar power generation systems

- Urban Infrastructure & Environmental Products

Make core businesses more competitive and expand growth fields

- Sales / Operating income - Expand core businesses and growth fields
- Measures - Reinforce core businesses: Implement second phase of price increases for PVC pipes and fittings from Oct. 1
 - Growth fields: accelerate overseas expansion of aging pipe restoration business (Los Angeles, U.S.; South Korea)
 - Promote businesses at two China-based companies (high performance water pipe materials, polyethylene EF fittings)

- High Performance Plastics

Expand businesses in core fields and accelerate overseas business expansion

- Sales / Operating income - Boost sales and profits by expanding businesses in core fields (IT, medical, automotive materials, high-performance building materials)
- Measures - Further raise sales in core fields
 - Begin full-scale production and sales of sealed blood test tubes and interlayer film in China

3. Scope of Consolidation

(No. of companies)

	FY2004 First Half	FY2003	Change	Consolidated 10 companies	Excluded 7 companies
Consolidated companies	137	134	3	YoY Impact (billion yen):	
Equity method companies	9	9	0	Net sales: +2.2 (Including +1.7 billion from Young Bo Chemical Co.,Ltd)	
				Operating income: +0.1	

4. Cash Flow (Consolidated)

(billion yen)

	FY2004 1st Half	FY2003 1st Half
Operating activities	25.7	39.3
Investing activities	2.1	-5.9
Financing activities	-25.9	-26.0
Translation Difference on Cash and Cash Equivalents	-0.1	0
Increase in cash and cash equivalents	1.8	7.4
Increase in cash and cash equivalents from an increase in consolidated subsidiaries	0	0
Decrease in cash and cash equivalents from the exclusion of consolidated companies	0	0
Term-end Balance of Cash and Cash Equivalents	24.3	25.9
Free Cash Flow	25.7	31.8

Interest Bearing Liabilities FY2004 1st Half 129.7 FY2003 153.0 Difference -23.3 (billion yen)

Total Asset Turnover 1.10 times 1.09 times

5. Capital Expenditure

(billion yen)

	FY2004 First Half	FY2003 First Half	Difference
Housing	2.9	2.0	0.9
Urban Infrastructure & Environmental Products	2.1	2.5	-0.4
High performance plastics	4.9	5.5	-0.6
Other businesses	1.3	0.5	0.8
Eliminations or unallocatable accounts	0	0.1	0
Total	11.5	10.8	0.6

Breakdown of Capital Investment

- Raise production capacity for high performance plastics
- Raise production capacity for fine particle products for liquid crystal products
- Introduce production facilities for optical protect tape

6. Depreciation

(billion yen)

	FY2004 First Half	FY2003 First Half	Change
Housing	2.8	3.2	-0.3
Urban Infrastructure & Environmental Products	2.6	3.0	-0.3
High Performance Plastics	5.0	5.0	0
Other businesses	0.8	1.0	-0.2
Eliminations or unallocatable accounts	0.5	0.4	0
Consolidated	12.0	12.8	-0.7

7. Research & Development Expenses

(billion yen)

	FY2004 First Half	FY2003 First Half	Change
Housing	2.2	2.4	-0.1
Urban Infrastructure & Environmental Products	2.6	2.7	-0.1
High Performance Plastics	4.0	4.4	-0.3
Other Businesses	2.4	2.2	0.2
Total	11.4	11.9	-0.4

8. Sales and Operating Income per Region

(billion yen)

		Japan	U.S.	Europe	Asia	Others	Eliminated	Total
Sales	FY2004 1st Half	387.1	10.2	14.1	11.8	1.2	-11.6	413.0
	FY2003 1st Half	371.9	10.6	13.4	8.8	1.0	-11.3	394.6
	Difference	15.1	-0.3	0.6	3.0	0.2	-0.3	18.4
Operating Income	FY2004 1st Half	12.2	0.6	1.8	0.5	0.1	0	15.2
	FY2003 1st Half	5.7	0.5	1.3	0.5	0	0	8.2
	Difference	6.5	0	0.4	0	0	-0.1	6.9

9. Housing Company Data

(1) No. of Units Sold

(No. of Units, %)

	FY2004 First Half	FY2003 First Half	Growth rate	Forecast for FY2004	FY2003 Actual	Growth rate
Detached Houses	6,200	6,080	102	12,480	12,270	102
Heim included above	4,540	4,330	105	9,120	8,750	104
Two U included above	1,660	1,750	95	3,360	3,520	95
Apartments	1,860	1,570	118	4,280	3,840	111
Total	8,060	7,650	105	16,760	16,110	104

(2) Orders

(billion yen, %)

	FY2004 First Half	FY2003 First Half	Growth rate	Forecast for FY2004	FY2003 Actual	Growth rate
Order Intake	201.3	196.1	103	410.7	394.8	104
Order Backlog at Term-end	167.5	156.6	107	174.8	161.9	108

(3) Orders for Houses With Solar Heat Generators (newly built houses only)

(No. of units: %)

	FY2004 First Half	FY2003 First Half	Growth rate	Forecast for FY2004	FY2003 Actual	Growth rate
Heim	2720	2,530	108	5,540	4,970	111
Two U	760	730	104	1,740	1,480	118
Total	3,480	3,260	107	7,280	6,450	113

(4) Employees and Exhibition Sites

(No. of persons)

	FY2004 First Half	FY2003 First Half	YoY Change	Forecast for FY2004	FY2003 Actual	YoY Change
Sekisui Chemical Group	12,145	12,006	139	12,120	11,783	337
Including Housing sales staff	2,605	2,588	17	2,600	2,490	110
Fami S Business	1,694	1,578	116	1,730	1,536	194
Including sales staff	1,001	962	39	1,030	938	92

(No. of structures)

No. of exhibitions	477	509	-32	480	487	-7
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1. Consolidated Balance Sheets (1st Half)

(Millions of Yen)

Term Item	FY 2004 (1st Half)		FY 2003		Difference	FY 2003 (1st Half)	
	As of 30 Sep. 2004		As of 31 Mar. 2004			As of 30 Sep. 2003	
	Amount	%	Amount	%		Amount	%
(Assets)							
1) Current Assets							
1. Cash and time deposits	24,547		23,392		1,154	26,465	
2. Trade notes receivable	48,502		47,454		1,048	41,526	
3. Accounts receivable	71,931		68,196		3,735	64,097	
4. Securities	1,079		1,067		12	-	
5. Inventories	31,443		32,391		-947	32,063	
6. Land for sale	9,090		8,752		337	10,059	
7. Other inventories	44,574		39,772		4,802	39,254	
8. Advances	1,123		1,145		-22	638	
9. Prepaid expenses	1,610		922		688	1,370	
10. Deferred tax assets	10,354		10,513		-158	11,729	
11. Short-term loans	4,041		5,214		-1,172	5,430	
12. Other	23,441		19,421		4,020	20,804	
13. Allowance for doubtful accounts	(1,084)		(1,706)		621	(2,468)	
Total current assets	270,657	36.1	256,537	34.3	14,119	250,969	33.4
2) Fixed assets							
1. Tangible fixed assets							
(1) Buildings & structures	87,445		88,469		-1,024	90,279	
(2) Machinery, equipment and tools	59,752		60,100		-348	62,286	
(3) Land	73,276		73,302		-25	73,598	
(4) Construction in progress	7,840		10,622		-2,781	13,383	
(5) Other	7,446		7,358		87	8,180	
Total tangible fixed assets	235,761	31.5	239,854	32.0	-4,092	247,729	33.0
2. Intangible fixed assets							
(1) Software	4,714		4,898		-184	5,382	
(2) Consolidation adjustment account	3,274		3,404		-129	3,476	
(3) Other	1,904		1,923		-19	2,062	
Total intangible assets	9,892	1.3	10,226	1.4	-333	10,921	1.5
3. Investments and other assets							
(1) Investments in securities	185,699		195,367		-9,668	188,342	
(2) Long-term loans	3,638		3,710		-71	3,595	
(3) Long-term prepaid expenses	1,347		1,550		-203	1,597	
(4) Deferred income taxes	32,704		31,944		760	36,088	
(5) Other	11,110		11,197		-87	12,796	
(6) Allowance for doubtful accounts	(1,491)		(1,598)		106	(1,557)	
Total of investment and other assets	233,008	31.1	242,172	32.3	-9,163	240,861	32.1
Total fixed assets	478,662	63.9	492,252	65.7	-13,590	499,511	66.6
Total assets	749,320	100.0	748,790	100.0	529	750,481	100.0

(Millions of Yen)

Term Item	FY 2004 (1st Half)		FY 2003		Difference	FY 2003(1st Half)	
	As of 30 Sep. 2004		As of 31 Mar. 2004			As of 30 Sep. 2003	
	Amount	%	Amount	%		Amount	%
(Liabilities)							
1) Current liabilities							
1. Trade notes payable	17,031		22,965		-5,933	32,906	
2. Accounts payable	107,433		102,209		5,223	91,667	
3. Short-term loans	25,166		40,134		-14,967	49,310	
4. Commercial paper	-		5,000		-5,000	5,000	
5. Bonds due within one year	97		96		1	107	
6. Accrued expenses	25,901		25,223		677	26,019	
7. Accrued income taxes	6,607		2,556		4,051	3,625	
8. Deferred tax liabilities	47		429		-381	97	
9. Provision for bonuses	10,813		9,754		1,058	9,755	
10. Provision for compensation for completing constructions	836		836		-	820	
11. Advances received	39,789		32,559		7,229	31,625	
12. Other	31,494		27,190		4,304	26,419	
Total current liabilities	265,221	35.4	268,955	35.9	-3,734	277,356	37.0
2) Fixed liabilities							
1. Bonds	25,108		25,107		1	25,227	
2. Long-term loans	79,335		82,734		-3,399	87,399	
3. Deferred tax liabilities	3,223		3,315		-91	3,451	
4. Provision for retirement allowance	64,909		65,036		-126	62,955	
5. Other	4,638		4,024		614	3,955	
Total fixed liabilities	177,214	23.6	180,217	24.1	-3,002	182,990	24.4
Total liabilities	442,436	59.0	449,173	60.0	-6,736	460,346	61.3
(Minority shareholders' interests)	7,722	1.0	7,861	1.0	-139	8,407	1.1
(Shareholders' equity)							
1) Common stock	100,002	13.3	100,002	13.4	-	100,002	13.3
2) Capital surplus	109,279	14.6	109,243	14.6	35	109,234	14.6
3) Retained earnings	89,852	12.0	80,792	10.8	9,060	72,328	9.6
4) Unrealized gain on land revaluation	347	0.0	346	0.0	1	346	0.0
5) Unrealized holding gain (loss) on securities	4,928	0.7	5,885	0.8	-957	2,396	0.3
6) Foreign currency translation adjustments	(2,043)	(0.3)	(1,770)	(0.2)	-272	192	0.0
7) Treasury stocks	(3,206)	(0.4)	(2,744)	(0.4)	-461	(2,773)	(0.4)
Total shareholders' equity	299,161	39.9	291,756	39.0	7,405	281,727	37.5
Total liabilities, minority shareholders' interest, and shareholders' equity	749,320	100.0	748,790	100.0	529	750,481	100.0

2. Consolidated Profit and Loss Statement (1st Half)

(Millions of Yen)

Term Item	FY 2004 (1st Half)		FY 2003 (1st Half)		Difference	FY 2003			
	From 1 Apr.2004 to 30 Sep.2004		From 1 Apr. 2003 to 30 Sep.2003			From 1 Apr.2003 to 31 Mar. 2004			
	Amount	%	Amount	%		Amount	%		
1) Net sales	413,071	100.0	394,609	100.0	18,462		814,863	100.0	
2) Cost of sales	290,146	70.2	279,647	70.9	10,499		579,134	71.1	
Gross profit	122,925	29.8	114,961	29.1	7,963		235,728	28.9	
3) Selling, general & administrative expenses	107,701	26.1	106,717	27.0	983		212,647	26.1	
Operating income	15,223	3.7	8,244	2.1	6,979		23,080	2.8	
4) Non-operating income									
1. Interest income	420		493				970		
2. Dividend income	224		182				411		
3. Investment income by equity method	4,156		3,824				8,489		
4. Miscellaneous income	2,698	7,500	3,025	7,526	1.9	-26	5,144	15,016	1.8
5) Non-operating expenses									
1. Interest expenses	1,274		1,723				2,758		
2. Discounts on commercial paper	0		2				3		
3. Sales discounts	161		155				316		
4. Miscellaneous expenses	3,214	4,650	4,193	6,075	1.5	-1,424	7,527	10,606	1.3
Ordinary income	18,073	4.4	9,696	2.5	8,377		27,490	3.4	
6) Extraordinary income									
1. Dilution gain	2,059		-				-		
2. Gain on transfer of business	440	2,499	0.6	-	-	2,499	-	-	
7) Extraordinary expenses									
1. Structural improvement expenses	1,218		1,246				3,097		
2. Loss on sales or disposal of property, plant and equipment	2,261	3,479	0.8	620	1,867	0.5	2,329	5,427	0.7
Income before income taxes and minority interests	17,093	4.1	7,828	2.0	9,264		22,062	2.7	
Income taxes	5,545	1.3	2,475	0.6	3,070		3,449	0.4	
Deferred taxes	-	-	-	-	0		3,019	0.4	
Minority interests	(251)	(0.1)	407	0.1	-658		574	0.1	
Net income	11,799	2.9	4,946	1.3	6,853		15,019	1.8	

3. Consolidated Statements of Capital Surplus and Retained Earnings (1st Half)

(Millions of Yen)

Term Item	FY 2004 (1st Half) From 1 Apr. 2004 to 30 Sep. 2004		FY 2003 (1st Half) From 1 Apr. 2003 to 30 Sep. 2003		Difference	FY 2003 From 1 Apr. 2003 to 31 Mar. 2004	
	Amount		Amount			Amount	
(Capital surplus)							
1) Capital reserve at beginning of term		109,243		109,234	8		109,234
2) Increase in capital surplus							
Disposal of treasury stocks	35	35	0	0	35	8	8
3) Capital reserve at end of term		109,279		109,234	44		109,243
(Retained earnings)							
1) Retained earnings at beginning of term		80,792		69,172	11,620		69,172
2) Increase in retained earnings							
Net income	11,799	11,799	4,946	4,946	6,853	15,019	15,019
3) Decrease in retained earnings							
1. Dividend	2,144		1,612			3,220	
2. Directors' bonuses	159		40			40	
3. Decrease in amount due to increase of consolidated subsidiaries	435		-			-	
4. Decrease in amount due to exclusion of subsidiaries from consolidation	-	2,739	137	1,790	948	137	3,398
4) Retained earnings at end of term		89,852		72,328	17,524		80,792

4. Consolidated Statements of Cash Flows (1st Half)

(Millions of Yen)

Term Item	FY 2004 (1st Half)	FY 2003 (1st Half)	FY 2003
	From 1 Apr. 2004 to 30 Sep. 2004	From 1 Apr. 2003 to 30 Sep. 2003	From 1 Apr. 2003 to 31 Mar. 2004
1) Operating activities			
1. Income (loss) before income taxes and minority interests	17,093	7,828	22,062
2. Depreciation and amortization	12,088	12,852	26,623
3. Dilution gain	(2,059)	-	-
4. Loss on sales or disposal of property, plant and equipment	2,261	620	2,329
5. Reversal of retirement benefits, net of payments	(194)	1,660	3,811
6. Interest and dividend income	(645)	(676)	(1,381)
7. Interest expense	1,436	1,881	3,078
8. Equity in (earnings) losses of affiliates	(4,156)	(3,824)	(8,489)
9. Decrease in notes and accounts receivable	(4,457)	13,341	2,201
10. Decrease in inventories	(4,067)	(4,843)	(4,981)
11. Decrease in notes and accounts payable	(1,184)	1,420	2,808
12. Increase (decrease) in advances received	7,218	3,899	3,639
13. Directors' bonuses paid	(159)	(40)	(40)
14. Other	2,223	4,771	7,660
Subtotal	25,397	38,890	59,320
15. Interest and dividends received	3,508	3,616	4,344
16. Interest paid	(1,516)	(1,934)	(3,151)
17. Income taxes paid	(1,648)	(1,188)	(2,599)
Net cash provided by operating activities (1)	25,740	39,383	57,913
2) Investment activities			
1. Purchases of property, plant and equipment	(10,397)	(9,093)	(21,007)
2. Proceeds from sales of property, plant and equipment	931	853	3,618
3. Increase in investments in securities	(2,083)	(1,503)	(3,833)
4. Proceeds from sales of investments in securities	13,586	7,879	11,035
5. Purchases of shares in subsidiaries accompanying change in consolidation	-	(5,520)	(5,520)
6. Proceeds from sale of shares in subsidiaries accompanying change in consolidation	-	564	564
7. Purchases of intangible assets and other assets	(1,243)	(1,154)	(2,256)
8. Other	1,353	2,055	4,285
Net cash used in investing activities (2)	2,146	(5,919)	(13,114)
3) Financial activities			
1. (Decrease) increase in short-term debt, net	(12,130)	(10,418)	(18,695)
2. (Decrease) increase in commercial paper	(5,000)	(20,000)	(20,000)
3. Proceeds from long-term debt	1,137	10,000	10,000
4. Repayment of long-term debt	(7,370)	(3,450)	(7,707)
5. Repayment of bonds	-	(107)	(96)
6. Cash dividends paid	(2,128)	(1,632)	(3,225)
7. Cash dividends paid to minority shareholders of consolidated subsidiaries	(20)	(25)	(35)
8. Purchase of treasury stock	(900)	(518)	(523)
9. Other	488	92	(266)
Net cash (used in) provided by financing activities (3)	(25,924)	(26,061)	(40,549)
4) Effect of exchange rate changes on cash and cash equivalents (4)	(144)	73	(200)
5) Net increase in cash and cash equivalents (1) + (2) + (3) + (4)	1,818	7,476	4,049
6) Cash and cash equivalents at beginning of term	22,535	18,502	18,502
7) Increase in cash and cash equivalents resulting from initial consolidation of subsidiaries	27	14	12
8) Decrease in cash and cash equivalents from exclusion of subsidiaries from	(45)	(3)	(29)
9) Cash and cash equivalents at end of term	24,335	25,989	22,535

5. Segment Information

(1. Business segments)

First half of fiscal 2004 (Apr. 1, 2004 to Sep. 30, 2004)

(Millions of yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Total	Eliminations or Unallocatable Accounts	Consolidated
I. Net sales:							
(1) To third parties	210,663	88,110	93,412	20,885	413,071	-	413,071
(2) Intersegment	124	6,100	3,058	5,279	14,562	(14,562)	-
Total	210,787	94,211	96,470	26,164	427,634	(14,562)	413,071
Operating expenses	202,888	91,972	89,446	27,939	412,246	(14,398)	397,848
Operating income (loss)	7,899	2,238	7,024	(1,775)	15,387	(163)	15,223
II. Assets	190,796	142,134	168,387	46,996	548,314	201,005	749,320
Depreciation and amortization	2,893	2,693	5,099	814	11,501	587	12,088
Capital expenditures	2,966	2,155	4,992	1,354	11,469	95	11,564

First half of fiscal 2003 (Apr. 1, 2003 to Sep. 30, 2003)

(Millions of yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Total	Eliminations or Unallocatable Accounts	Consolidated
I. Net sales:							
(1) To third parties	201,863	81,603	86,846	24,295	394,609	-	394,609
(2) Intersegment	81	7,886	2,949	3,378	14,296	(14,296)	-
Total	201,945	89,490	89,796	27,674	408,906	(14,296)	394,609
Operating expenses	196,957	90,417	84,192	29,285	400,852	(14,487)	386,365
Operating income (loss)	4,987	(926)	5,604	(1,609)	8,055	190	8,244
II. Assets	184,682	144,351	167,041	58,391	554,467	196,014	750,481
Depreciation and amortization	3,254	3,014	5,063	1,023	12,355	497	12,852
Capital expenditures	2,049	2,559	5,597	506	10,713	158	10,872

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

(Millions of yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Total	Eliminations or Unallocatable Accounts	Consolidated
I. Net sales:							
(1) To third parties	410,723	175,585	176,155	52,399	814,863	-	814,863
(2) Intersegment	178	16,696	5,601	8,034	30,510	(30,510)	-
Total	410,901	192,281	181,757	60,434	845,374	(30,510)	814,863
Operating expenses	400,625	189,006	169,448	63,236	822,316	(30,534)	791,782
Operating income (loss)	10,275	3,274	12,309	(2,802)	23,057	23	23,080
II. Assets	176,520	145,133	166,764	54,520	542,938	205,851	748,790
Depreciation and amortization	6,655	6,063	10,722	2,173	25,614	1,008	26,623
Capital expenditures	3,431	4,700	12,548	1,235	21,915	2,260	24,175

(Note) Company-wide assets included under eliminations or unallocatable accounts in assets were 253,187 million yen for the interim period under review, 248,181 million yen for the previous interim period, and 254,342 million yen for the previous fiscal year. These amounts mainly consisted of items at the parent company such as cash and time deposits, long-term investments (investments in securities), and assets and deferred assets related to the Administrative Department.

(2.Geographical Segments)

First half of fiscal 2004 (Apr. 1, 2004 to Sep. 30, 2004)

(Millions of yen)

	Japan	United States of America	Europe	Asia	Others	Total	Eliminations or unallocatable accounts	Consolidated
I. Net sales:								
(1)To third parties	376,901	9,567	13,900	11,510	1,192	413,071	-	413,071
(2)Intersegment	10,213	731	273	360	58	11,638	(11,638)	-
Total	387,115	10,298	14,173	11,871	1,251	424,710	(11,638)	413,071
Operating expenses	374,870	9,690	12,353	11,348	1,140	409,403	(11,555)	397,848
Operating income	12,244	608	1,820	522	110	15,306	(82)	15,223
II. Assets	467,430	13,023	27,224	16,055	2,650	526,384	222,935	749,320

First half of fiscal 2003 (Apr. 1, 2003 to Sep. 30, 2003)

(Millions of yen)

	Japan	United States of America	Europe	Asia	Others	Total	Eliminations or unallocatable accounts	Consolidated
I. Net sales:								
(1)To third parties	362,195	10,002	13,289	8,167	955	394,609	-	394,609
(2)Intersegment	9,745	689	202	653	46	11,337	(11,337)	-
Total	371,941	10,691	13,491	8,821	1,001	405,947	(11,337)	394,609
Operating expenses	366,227	10,159	12,147	8,305	925	397,766	(11,400)	386,365
Operating income	5,713	532	1,344	516	76	8,181	62	8,244
II. Assets	462,155	14,734	29,249	16,246	3,077	525,461	225,019	750,481

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

(Millions of yen)

	Japan	United States of America	Europe	Asia	Others	Total	Eliminations or unallocatable accounts	Consolidated
I. Net sales:								
(1)To third parties	752,920	17,736	24,623	17,501	2,082	814,863	-	814,863
(2)Intersegment	20,084	1,174	502	1,145	78	22,985	(22,985)	-
Total	773,004	18,910	25,126	18,646	2,160	837,849	(22,985)	814,863
Operating expenses	754,144	17,731	23,093	17,787	1,947	814,704	(22,921)	791,782
Operating income	18,860	1,179	2,032	859	213	23,144	(63)	23,080
II. Assets	466,745	13,208	26,858	15,099	2,759	524,670	224,120	748,790

(Note) Please refer to the note in (1) Business segments for the main items of company-wide assets included under eliminations or unallocatable accounts in assets.