

## Summary of Financial Results for the Fiscal Year Ended 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 year-end consolidated accounts: April 27, 2005  
 U.S. GAAP Applied: No

### 1. Consolidated Business Results for Fiscal Year Ended March 31, 2005 (April 1, 2004 - March 31, 2005)

#### (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	%
FY 2004	856,935	5.2	36,445	57.9	37,986	38.2
FY 2003	814,863	1.9	23,080	64.6	27,490	63.7

	Net Income		Net Income per share	Net Income per share(diluted)	Return on Equity	Recurring Income to total capital Ratio	Recurring Income Ratio
	millions of yen	%	yen	yen	%	%	%
FY 2004	22,286	48.4	41.48	41.42	7.4	5.1	4.4
FY 2003	15,019	61.5	28.00	27.89	5.3	3.7	3.4

(Note) 1) Equity in earnings of affiliated companies FY 2004: 4,745 million yen FY 2003: 8,489 million yen

2) Average number of shares outstanding (consolidated) during FY 2004: 532,358,357 FY 2003: 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
FY 2004	748,798		310,196	41.4	582.42
FY 2003	748,790		291,756	39.0	548.16

(Note) Number of shares outstanding (consolidated) at year-end: March 31, 2005: 532,254,537 March 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
FY 2004	48,694	-1,605	-38,996	30,927
FY 2003	57,913	-13,114	-40,549	22,535

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

Consolidated subsidiaries: 138; 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 13; Excluded 9; Affiliates accounted for under equity method: New 0; Excluded 0

### 2. Consolidated Outlook for FY 2005 (April 1, 2005 - March 31, 2006)

	Net Sales	Recurring Income	Net Income
	millions of yen	millions of yen	millions of yen
Interim	445,000	20,500	7,000
Entire Year	920,000	51,000	27,000

Reference – Projected net income per share for the entire year: 50.73 yen

The above projections 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.

## Summary of Business Results

< Highlights >

1. Finished laying foundation for stable sales and earnings, and sustainable growth
2. Operating income substantially up for 3rd consecutive year: up 58% year on year to 36.4 billion yen

### 1. Business Result for FY2004 (Consolidated)

#### (1) Overall Operating income up 58% year on year at 36.4 billion yen due to higher earnings at all divisions

(billion yen)(Percentage change inside brackets)

	FY2004 Actual	FY2003 Actual	FY2005 Forecast
Net Sales	856.9	814.8	920.0
	Difference 42.0 (+5.2%)		Difference 63.0 (+7.4%)
Operating Income	36.4	23.0	50.0
	Difference 13.3 (+57.9%)		Difference 13.5 (+37.2%)
Recurring Income	37.9	27.4	51.0
	Difference 10.4 (+38.2%)		Difference 13.0 (+34.3%)
Net Income	22.2	15.0	27.0
	Difference 7.2 (+48.4%)		Difference 4.7 (+21.2%)

#### (2) By Division

##### 1) Results for FY2004

##### Sales growth and increased earnings at all divisions

(billion yen)

		Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Businesses	Eliminations or unallocatable accounts	Total
Sales	FY2004	429.1	204.8	197.6	52.5	-27.3	856.9
	FY2003	410.9	192.2	181.7	60.4	-30.5	814.8
	Difference	18.2	12.5	15.9	-7.8	3.1	42.0
	Difference (%)	4.5%	6.5%	8.8%	-13.1%	-	5.2%
Operating Income	FY2004	16.2	8.8	14.7	-3.3	-0	36.4
	FY2003	10.2	3.2	12.3	-2.8	0	23.0
	Difference	5.9	5.6	2.4	-0.5	-0.1	13.3
	Difference (%)	58.1%	171.0%	19.9%	-	-	57.9%

#### 2) Overview of business segments

##### **Housing: Sales and earnings increased due to popularity of our environmentally friendly "houses with no heating and lighting expenses" and standardization of production and assembly processes**

Sales/Earnings No. of new construction units sold: 16,660 (+550 YoY)

Fami S sales: 50.9 billion yen (+3% YoY)

Improved earnings due to progress in standardization of production and assembly

Results/Measures Upgrade "houses with no heating and lighting expenses": New urban 3-story home DesioAE (sales started in June 2004)

Grand To You "houses with no heating and lighting expenses" (sales started in Oct. 2004)

Chezdan "houses with no heating and lighting expenses" (sales started in Feb. 2005)

Improved marketing:

Reorganized home refurbishment divisions in Tokyo and Kinki regions

Reorganized sales network for new home construction and refurbishment divisions by merger of 4 Tohoku-region companies

Fami S business:

Promote regular home checkup service as part of "60 Year Long-term Support System"

Increase sales of solar power generation systems and other priority products

##### **Urban Infrastructure & Environmental Products: Sharp growth in sales and operating income due to making core businesses more competitive, and expanding new and growth fields**

Sales/Earnings Growth in sales despite weak public-sector spending and difficult housing market conditions

Core businesses: Increased earnings from enhanced management of PVC pipes, and construction and plant materials

Results/Measures Core businesses:

Acceptance of price mark-ups for PVC pipes and fittings in response to higher costs for raw materials

Sharp growth in sales of ultra-pure water pipes and valves for semiconductor and liquid crystal display plants (+25% YoY)

New and growth fields:

Increased investment in Sekisui Qingdao Plastic Co., Ltd. for full-scale entry into market in China for pipes used in construction equipment

Sharp growth in sales due to strengthened sales and assembly systems in the aged pipe restoration business and other environmental engineering system businesses (+55% YoY)

##### **High Performance Plastics: Sales and earnings improved due to steady growth in IT and automotive materials fields, and expanded overseas business**

Sales/Earnings Higher sales and earnings due to increased sales of IT products (fine particles for liquid crystal displays, high performance plastics, etc.) and automotive materials (interlayer film for laminated glass, polyolefin foam, etc.)

Results/Measures Became first Japanese company to establish joint venture in Beijing, China to manufacture and sell in China sealed plastic blood-test tubes, and started production and sales

Factory in Suzhou, China for production of interlayer film for laminated glass for automobiles became operational

## 2. Forecast for FY2005 (Consolidated)

### (1) Overall

Aim to boost profits at all division companies and drive operating income 37% higher to 50 billion yen to transform Sekisui into a unique and high-earnings company

(billion yen)

		Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Businesses	Eliminations or unallocatable accounts	Total
Net Sales	Forecast FY2005	465.0	215.0	220.0	50.0	-30.0	920.0
	FY2004 Actual	429.1	204.8	197.6	52.5	-27.3	856.9
	Difference	35.8	10.1	22.3	-2.5	-2.6	63.0
	Difference (%)	8.3%	5.0%	11.3%	-4.8%	-	7.4%
Operating Income	Forecast FY2005	23.0	12.0	18.5	-3.5	0	50.0
	FY2004 Actual	16.2	8.8	14.7	-3.3	-0	36.4
	Difference	6.7	3.1	3.7	-0.1	0	13.5
	Difference (%)	41.6%	35.2%	25.4%	-4.6%	-	37.2%

### (2) Forecasts by Division

**Housing** Increase sales of our environmentally friendly "houses with no heating and lighting expenses" and boost earnings by standardization of production and assembly processes

Sales/Earnings Units to be sold: 16,900 units (+240 units from previous year)  
Fami S sales: 57.3 billion yen (+12% from previous year)

Measures Enhanced lineup of "houses with no heating or lighting expenses" launched. Northward New JX (April 2005), a home for snowy regions  
Fami S business: Reinforce regular home checkups  
Expand sales of core products such as solar power generation systems

### Urban Infrastructure & Environmental Products expansion

Sales/Earnings Strengthen management of core businesses, and accelerate expansion of overseas and growth fields

Measures Overseas: Expand pipe business for Chinese construction  
largest Chinese manufacturer of Reinforced plastic pipes, and expand in water environment market  
Accelerate overseas expansion of aging pipe restoration business  
(set up joint venture with Refresh Technology Co., Ltd., South Korea, and win orders for Los Angeles, U.S.)  
Growth fields: Systematic expansion of aging pipe restoration business (checkups, restoration, maintenance)  
Focus resources on development and strengthening of facilities' piping and other pipe systems

### High Performance Plastics

**Expand businesses in core fields and expand overseas business**

Sales/Earnings Increase sales and earnings by expanding businesses in core fields (IT, medical, automotive materials, high performance building materials), and by expanding overseas businesses

Measures Expand Chinese businesses (interlayer film, polyolefin foam, sealed blood-test tubes, IT exports)  
Set up joint venture with HB Fuller Company of U.S. and strengthen adhesive materials business

## 3. Scope of Consolidation

(No. of companies)

	FY2004	FY2003	Change
Consolidated companies	138	134	4
Equity method companies	9	9	0

**Consolidated: 13 companies; Excluded: 9 companies**

YoY impact (billion yen): Net sales: +3.2; Operating income: +0.3

## 4. Cash Flow (Consolidated)

(billion yen)

	FY2004	FY2003
Operating activities	48.6	57.9
Investing activities	-1.6	-13.1
Financing activities	-38.9	-40.5
Translation difference on cash and cash equivalents	0.3	-0.2
Increase in cash and cash equivalents	8.4	4.0
Increase in cash and cash equivalents from increase in consolidated subsidiaries	0	0
Decrease in cash and cash equivalents from exclusion of consolidated subsidiaries	-0	-0
Term-end balance of cash and cash equivalents	30.9	22.5
Free cash flow	42.0	41.5

(billion yen)

	FY2004	FY2003	Difference
Interest Bearing Liabilities	119.5	153.0	-33.5
Total Asset Turnover	1.14 times	1.09 times	+0.05 times

## 5. Capital Expenditure (100 million yen)

	FY2004	FY2003	Difference
Housing	60	34	26
Urban Infrastructure & Environmental	46	47	-0
High Performance Plastics	88	125	-37
Other Businesses	22	12	10
Eliminations or unallocatable accounts	40	22	18
Consolidated	258	241	16

Breakdown of Capital Investment:

Increasing production capabilities for high performance plastics

Increasing production capabilities for fine particles for liquid crystal displays

Establishing production facilities for protective tape for optical film

Establishing production facilities for Grand To You "houses with no heating and lighting expenses"

## 6. Depreciation (100 million yen)

	FY2004	FY2003	Difference
Housing	60	66	-6
Urban Infrastructure & Environmental	62	60	1
High Performance Plastics	111	107	4
Other Businesses	17	21	-3
Eliminations or unallocatable accounts	11	10	1
Consolidated	263	266	-2

## 7. Research & Development Expenses (100 million yen)

	FY2004	FY2003	Difference
Housing	45	48	-3
Urban Infrastructure & Environmental	60	54	6
High Performance Plastics	89	87	1
Other Businesses	35	46	-11
Total	229	237	-7

## 8. Sales and Operating Income per Region

(100 million yen)

		Japan	U.S.A.	Europe	Asia	Others	Eliminated	Total
Sales	FY2004	8,045	207	287	250	25	-246	8,569
	FY2003	7,730	189	251	186	21	-229	8,148
	Difference	315	18	36	63	3	-16	420
Operating Income	FY2004	309	11	30	12	2	-2	364
	FY2003	188	11	20	8	2	-0	230
	Difference	120	-0	10	3	0	-1	133

# Consolidated Financial Statements

## 1. Consolidated Balance Sheets

(Millions of Yen)

Term  Item	FY 2004		FY 2003		Difference
	As of 31 Mar. 2005		As of 31 Mar. 2004		
	Amount	%	Amount	%	
(Assets)					
1) Current Assets					
1. Cash and deposits	31,157		23,392		7,764
2. Trade notes receivable	55,690		47,454		8,236
3. Accounts receivable	77,243		68,196		9,046
4. Securities	11		1,067		-1,055
5. Inventories	32,457		32,391		66
6. Land for sale	10,541		8,752		1,789
7. Other inventories	44,829		39,772		5,057
8. Advances	807		1,145		-338
9. Prepaid expenses	1,200		922		277
10. Deferred tax assets	15,244		10,513		4,730
11. Short-term loans	3,586		5,214		-1,627
12. Other	15,949		19,421		-3,471
13. Allowance for doubtful accounts	-1,745		-1,706		-39
Total current assets	286,975	38.3	256,537	34.3	30,437
2) Fixed assets					
1. Tangible fixed assets					
(1) Buildings & structures	84,356		88,469		-4,113
(2) Machinery, equipment and tools	57,989		60,100		-2,111
(3) Land	72,420		73,302		-881
(4) Construction in progress	6,893		10,622		-3,728
(5) Other	7,246		7,358		-112
(Total tangible fixed assets)	( 228,906)	(30.6)	( 239,854)	(32.0)	( -10,947)
2. Intangible fixed assets					
(1) Software	4,450		4,898		-448
(2) Consolidation adjustment account	3,145		3,404		-258
(3) Other	1,792		1,923		-131
(Total intangible assets)	( 9,388)	(1.3)	( 10,226)	(1.4)	( -838)
3. Investments and other assets					
(1) Investments in securities	188,668		195,367		-6,698
(2) Long-term loans	3,410		3,710		-299
(3) Long-term prepaid expenses	1,256		1,550		-294
(4) Deferred income taxes	21,259		31,944		-10,685
(5) Other	10,760		11,197		-437
(6) Allowance for doubtful accounts	-1,827		-1,598		-228
(Total investment and other assets)	( 223,528)	(29.9)	( 242,172)	(32.3)	( -18,644)
Total fixed assets	461,823	61.7	492,252	65.7	-30,429
Total assets	748,798	100.0	748,790	100.0	7

(Millions of Yen)

Term Item	FY 2004		FY 2003		Difference
	As of 31 Mar. 2005		As of 31 Mar. 2004		
	Amount	%	Amount	%	
(Liabilities)					
1) Current liabilities					
1. Trade notes payable	15,742		22,965		-7,222
2. Accounts payable	113,464		102,209		11,254
3. Short-term loans	34,544		40,134		-5,589
4. Commercial paper	-		5,000		-5,000
5. Bonds due within one year	-		96		-96
6. Accrued expenses	25,238		25,223		15
7. Accrued income taxes	4,491		2,556		1,934
8. Deferred tax liabilities	407		429		-21
9. Provision for bonuses	11,335		9,754		1,580
10. Provision for compensation for completed constructions	918		836		82
11. Advances received	38,917		32,559		6,357
12. Other	27,958		27,190		768
Total of current liabilities	273,020	36.5	268,955	35.9	4,064
2) Fixed liabilities					
1. Bonds	25,000		25,107		-107
2. Long-term loans	59,998		82,734		-22,736
3. Deferred tax liabilities	3,390		3,315		75
4. Provision for retirement allowance	64,513		65,036		-522
5. Other	5,016		4,024		992
Total fixed liabilities	157,920	21.1	180,217	24.1	-22,297
Total liabilities	430,940	57.6	449,173	60.0	-18,232
(Minority shareholders' interests)	7,661	1.0	7,861	1.0	-200
(Shareholders' equity)					
1) Common stock	100,002	13.4	100,002	13.4	-
2) Capital surplus	109,266	14.6	109,243	14.6	23
3) Retained earnings	97,641	13.0	80,792	10.8	16,848
4) Unrealized gain on land revaluation	349	0.0	346	0.0	3
5) Unrealized holding gain (loss) on securities	6,666	0.9	5,885	0.8	780
6) Foreign currency translation adjustments	-601	-0.1	-1,770	-0.2	1,169
7) Treasury stocks	-3,128	-0.4	-2,744	-0.4	-384
Total shareholders' equity	310,196	41.4	291,756	39.0	18,440
Total liabilities, minority shareholders' interest, and shareholders' equity	748,798	100.0	748,790	100.0	7

## 2. Consolidated Profit and Loss Statement

(Millions of Yen)

Term  Item	FY 2004		FY 2003		Difference
	From 1 Apr. 2004 to 31 Mar. 2005		From 1 Apr. 2003 to 31 Mar. 2004		
	Amount	%	Amount	%	
1) Net sales	856,935	100.0	814,863	100.0	42,072
2) Cost of sales	605,671	70.7	579,134	71.1	26,536
Gross income	251,263	29.3	235,728	28.9	15,535
3) Selling, general & administrative expenses	214,818	25.1	212,647	26.1	2,170
Operating income	36,445	4.3	23,080	2.8	13,364
4) Non-operating income					
1. Interest income	884		970		
2. Dividend income	323		411		
3. Investment income resulting from equity method	4,745		8,489		
4. Miscellaneous income	5,631	11,584	5,144	15,016	1.8
Total		1.4			-3,432
5) Non-operating expenses					
1. Interest expenses	2,483		2,758		
2. Discount on commercial paper	0		3		
3. Sales discounts	332		316		
4. Miscellaneous expenses	7,227	10,043	7,527	10,606	1.3
Total		1.2			-563
Recurring income	37,986	4.4	27,490	3.4	10,495
6) Extraordinary income					
1. Dilution gain	2,420		-		
2. Gain on transfer of business	440	2,860	-	-	-
Total		0.3			2,860
7) Extraordinary expenses					
1. Structural improvement expenses	4,059		3,097		
2. Loss on sales or disposal of property, plant and equipment	4,678	8,737	2,329	5,427	0.7
Total		1.0			3,309
Income before income taxes and minority interests	32,109	3.7	22,062	2.7	10,046
Income taxes	4,481	0.5	3,449	0.4	1,032
Deferred taxes	5,752	0.7	3,019	0.4	2,733
Minority interests	-412	-0.0	574	0.1	-986
Net income	22,286	2.6	15,019	1.8	7,267

### 3. Consolidated Statements of Capital Surplus and Retained Earnings

(Millions of Yen)

Term  Item	FY 2004 From 1 Apr. 2004 to 31 Mar. 2005		FY 2003 From 1 Apr. 2003 to 31 Mar. 2004		Difference
	Amount		Amount		
(Capital surplus)					
1) Capital reserve at beginning of term		109,243		109,234	8
2) Increase in capital surplus					
Disposal of treasury stock	23	23	8	8	15
3) Capital surplus at end of term		109,266		109,243	23
(Retained earnings)					
1) Retained earnings at beginning of term		80,792		69,172	11,620
2) Increase in retained earnings					
Net income	22,286	22,286	15,019	15,019	7,267
3) Decrease in retained earnings					
1. Dividends	4,825		3,220		
2. Directors' bonuses	159		40		
3. Decrease due to increase in consolidated subsidiaries	435		-		
4. Decrease due to exclusion of subsidiaries from consolidation	17	5,438	137	3,398	2,039
4) Retained earnings at end of term		97,641		80,792	16,848

#### 4. Consolidated Statements of Cash Flows

(Millions of Yen)

Term Item	FY 2004	FY 2003
	From 1 Apr. 2004 to 31 Mar. 2005	From 1 Apr. 2003 to 31 Mar. 2004
1) Operating activities		
1. Income (loss) before income taxes and minority interests	32,109	22,062
2. Depreciation and amortization	26,344	26,623
3. Dilution gain	-2,420	-
4. Loss on sales or disposal of property, plant and equipment	4,678	2,329
5. Increase (decrease) in provision for retirement benefits	-579	3,811
6. Interest and dividend income	-1,207	-1,381
7. Interest expense	2,816	3,078
8. Equity in (earnings) losses of affiliates	-4,745	-8,489
9. Decrease in accounts receivable	-16,584	2,201
10. Decrease in inventories	-6,663	-4,981
11. Increase (decrease) in accounts payable	2,462	2,808
12. Increase in advances received	6,347	3,639
13. Directors' bonuses paid	-159	-40
14. Other	8,324	7,660
Subtotal	50,722	59,320
15. Interest and dividends received	4,198	4,344
16. Interest paid	-2,917	-3,151
17. Income taxes paid	-3,308	-2,599
Net cash provided by operating activities (1)	48,694	57,913
2) Investing activities		
1. Purchases of property, plant and equipment	-24,027	-21,007
2. Proceeds from sales of property, plant and equipment	9,141	3,618
3. Purchases of investment securities	-2,082	-3,833
4. Proceeds from sales of investment securities	15,532	11,035
5. Purchases of shares in subsidiaries accompanying change in consolidation	-	-5,520
6. Proceeds from sales of shares in subsidiaries accompanying change in consolidation	-	564
7. Purchases of intangible assets and long-term prepaid expenses	-2,350	-2,256
8. (Increase) decrease in short-term loans, net	1,622	782
9. Other	558	3,503
Net cash used in investment activities (2)	-1,605	-13,114
3) Financing activities		
1. Decrease in short-term debt, net	-16,660	-18,695
2. Decrease in commercial paper, net	-5,000	-20,000
3. Proceeds from long-term loans	1,572	10,000
4. Repayment of long-term loans	-13,485	-7,707
5. Repayment of bonds	-204	-96
6. Dividends paid	-4,818	-3,225
7. Dividends paid to minority shareholders	-205	-35
8. Other	-195	-789
Net cash used in financing activities (3)	-38,996	-40,549
4) Effect of exchange rate changes on cash and cash equivalents (4)	319	-200
5) Net increase in cash and cash equivalents (1)+(2)+(3)+(4)	8,412	4,049
6) Cash and cash equivalents at beginning of term	22,535	18,502
7) Increase in cash and cash equivalents resulting from additional consolidation of subsidiaries	27	12
8) Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-47	-29
9) Cash and cash equivalents at end of term	30,927	22,535

## 5. Segment Information

### (Business segments)

Fiscal 2004 (Apr. 1, 2004 to Mar. 31, 2005)

(Millions of Yen)

	Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Business	Total	Eliminations or Unallocatabl e Accounts	Consolidated
I. Net sales:							
(1)To third parties.	428,904	192,901	191,502	43,627	856,935	-	856,935
(2)Intersegment	289	11,920	6,186	8,913	27,311	(27,311)	-
Total	429,194	204,822	197,688	52,541	884,247	(27,311)	856,935
Operating expenses	412,948	195,946	182,932	55,886	847,713	(27,223)	820,489
Operating income	16,246	8,875	14,756	-3,345	36,533	(87)	36,445
II. Assets	188,203	144,874	171,063	45,776	549,919	198,878	748,798
Depreciation and amortization	6,025	6,214	11,149	1,778	25,166	1,177	26,344
Capital expenditures	6,036	4,612	8,822	2,269	21,742	4,077	25,820

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 Unallocatabl e 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	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 252,004 million yen for the fiscal year under review, 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.

**(Geographical Segments)**

Fiscal 2004 (Apr. 1, 2004 to Mar. 31, 2005)

(Millions of Yen)

	Japan	United States of America	Europe	Asia	Others	Total	Eliminations or unallocatable accounts	Consolidated
I. Net sales:								
(1)To third parties	783,174	19,428	27,806	24,113	2,414	856,935	-	856,935
(2)Intersegment	21,406	1,311	931	907	108	24,666	(24,666)	-
Total	804,580	20,740	28,737	25,020	2,522	881,601	(24,666)	856,935
Operating expenses	773,621	19,584	25,639	23,812	2,279	844,935	(24,445)	820,489
Operating income	30,959	1,156	3,098	1,208	243	36,665	(220)	36,445
II. Assets	468,026	12,813	28,005	16,547	2,651	528,044	220,753	748,798

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) Company-wide assets included under eliminations or unallocatable accounts in assets were 252,004 million yen for the fiscal year under review, 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.