

July 28, 2005

Consolidated First-Quarter Earnings Report
for the Year Ending March 31, 2006

Company Name: Sekisui Chemical Co., Ltd.

Code No.: 4204

Stock Listings:

Tokyo and Osaka stock exchanges (First Section)

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

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

- (1) Application of simplified accounting methods : Yes
Simplified accounting methods have been applied to the presentation of certain financial accounts, such as the recording of allowances, without biasing the judgment of investors and other stakeholders, in conformity with standards for preparing interim financial statements.
- (2) Changes in accounting methods from the most-recent consolidated fiscal year : No
- (3) Changes in the scope of consolidation and affiliates accounted for under the equity method : Yes
Consolidated subsidiaries: New 12; Excluded 0; Affiliates accounted for under equity method: New 0; Excluded 1

2. First-Quarter Financial and Operating Results for Fiscal Year Ending March 31, 2006

(April 1, 2005 to June 30, 2005)

(1) Consolidated business results

(Figures rounded down to the nearest million yen)

	Net Sales		Operating Income		Recurring Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Year ending March 31, 2006 First Qtr.	192,282	8.1	1,191	-	2,819	-	-3,773	-
Year ended March 31, 2005 First Qtr.	177,889	12.7	-963	-	-1,588	-	-1,734	-
(Ref.) Year ended March 31, 2005	856,935		36,445		37,986		22,286	

	Net Income Per Share	Net Income Per Share (Diluted)
	yen	yen
Year ending March 31, 2006 First Qtr.	-7.18	-
Year ended March 31, 2005 First Qtr.	-3.26	-
(Ref.) Year ended March 31, 2005	41.48	41.42

(Note) The percentage figures accompanying net sales, operating income, etc. indicate year-on-year changes.

(Qualitative information about consolidated business results)

Consolidated net sales for the first quarter of fiscal 2005 exceeded fiscal 2004 due to rises in unit prices of housing orders received, the standardization of production and assembly processes, and firm performances by fine particles for liquid crystal displays for IT related products, and by automobile related products. In addition to increased sales, stronger competitiveness in mainstay businesses resulted in improvements in both operating income and recurring income. Net income fell over the same period in the previous year mainly due to a loss on asset impairment posted in the first quarter of 11.8 billion yen (non-consolidated: 11.7 billion yen) in extraordinary expenses accompanying accounting for impairment of long-lived assets, as described below, despite posting 5.1 billion yen (non-consolidated: 3.8 billion yen) in extraordinary income for gain on change in equity accompanying the sale of some of the shares Sekisui Chemical holds in Sekisui House.

The performance in each business segment in the first quarter of fiscal 2005 was as follows:

<Housing>

There was overall growth in sales and earnings due to rises in unit prices of housing orders received, and the standardization of production and assembly processes.

Amid lingering uncertainty in the housing market, Sekisui Chemical moved toward providing high value-added products in the housing segment, achieving a 4% rise in unit prices of housing orders received. Sekisui Chemical expanded sales of “Grand To You”, a unit housing wooden-framed product launched last year, in addition to our “Zero-utility-cost -houses.” In sales, Sekisui Chemical shifted from event-based activities to exhibition- and introduction-based activities, aiming to win sustainable orders in the future. However, the number of orders received in the first quarter of fiscal 2005 declined 13%. In the home remodeling and other living environment businesses, meanwhile, performances were firm.

<Urban Infrastructure & Environmental Products>

In core businesses, price mark-ups of PVC pipes and rain guttering won acceptance and segment sales were firm due to strengthened profit-earning capacity. In the business of restoring aged drainage and sewage pipes without digging them up, sales rose over the same period in the previous year. However, segment sales and operating income remained unchanged, partly due to curbs on public investment projects.

Overseas, Sekisui Chemical has full-scale involvements in restoring pipe networks in the U.S. and Korea. In China, the business of high-performance water-supply pipes is expanding, and Sekisui Chemical has acquired a majority of the shares issued by Xinjiang Yongchang Composite Co., Ltd, the largest Chinese manufacturer of strengthened plastic compound pipes. The two companies are expanding business in the market within China for water and environmental infrastructure.

<High Performance Plastics>

First-quarter sales of fine particles for LCDs increased against the backdrop of adjustments in demand for IT-related

products. Interlayer film for laminated glass, precision industry items, polyolefin foam and other automotive materials, performed well. The result was overall sales and earnings growth, but operating income remained at the same level as the previous year due to high prices for raw materials and other factors.

Overseas, efforts are being made to expand business in China in automotive materials (interlayer film for laminated glass, polyolefin foam) and medical products (vacuum blood-collection tubes, etc.). Sekisui Chemical is also working to expand exports to China of IT-related products (industrial tape, fine particles for LCDs, high-performance plastics). At the same time, Sekisui Chemical is working to expand business in Europe and the U.S.

In the adhesive materials business, in April 2005 Sekisui Chemical set up a joint venture with HB Fuller Company of the U.S. to strengthen competitiveness in Japan and develop business overseas in China and elsewhere.

***Loss on asset impairment**

Sekisui Chemical posted a loss on asset impairment of 11.8 billion yen (non-consolidated: 11.7 billion yen) in extraordinary expenses. This loss results from the recoverable amount of the book value of assets or assets group in which the current value has dropped substantially lower than the book value, due to continuously falling land prices in recent years. The details of the assets are as follows.

Purpose	Type	Location
Golf course, etc.	Land, buildings, etc.	Miyagi Prefecture
Idle land	Land	Nara Prefecture

Sekisui Chemical's fixed assets comprise land of 9.2 billion yen and buildings, etc. of 2.6 billion yen (non-consolidated: land of 9.1 billion yen and buildings, etc. of 2.6 billion yen). The recoverable amount of these assets or assets group is measured by the net sales price (usually the appraisal price set by a real estate appraiser).

(2) Consolidated financial position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	millions of yen	millions of yen	%	yen
Year ending March 31, 2006 First Qtr.	741,724	310,809	41.9	587.53
Year ended March 31, 2005 First Qtr.	740,650	286,533	38.7	537.95
(Ref.) Year ended March 31, 2005	748,798	310,196	41.4	582.42

[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
Year ending March 31, 2006 First Qtr.	-6,545	36,328	-11,258	50,599
Year ended March 31, 2005 First Qtr.	-7,330	4,358	-1,570	17,971
(Ref.) Year ended March 31, 2005	48,694	-1,605	-38,996	30,927

(Qualitative information about financial position)

<Financial position (June 30, 2005 Compared With March 31, 2005) >

Total assets at the end of the first quarter fell 7.0 billion yen to 741.7 billion yen. This was mainly due to a total drop of 29.9 billion yen in tangible fixed assets and investment securities due to such factors as asset impairment and sales, partially offset by an 18.5 billion yen increase in cash and deposits, and an 8.0 billion yen rise in inventories such as housing fixtures. Shareholders' equity rose 0.6 billion yen to 310.8 billion yen. As a result, shareholders' equity ratio was 41.9%.

<Cash flows (April 1, 2005 to June 30, 2005) >

Net cash used in operating activities was 6.5 billion yen. This was mainly due to a loss before income taxes and minority interests of 4.0 billion yen, despite a loss on asset impairment of 11.8 billion yen accompanying outflows and increases such as 5.7 billion yen in depreciation and amortization, and 5.1 billion yen in gain on change in equity accompanying inflows and 11.7 billion yen in increases in operating capital. Net cash provided by investing activities was 36.3 billion yen due mainly to 44.6 billion in sales of investment securities such as part of the shares held in Sekisui House, despite making investments of 9.5 billion yen, predominantly overseas and in growth areas. Net cash used by financing activities was 11.2 billion yen, mainly as a result of a net reduction of 5.3 billion yen after the purchase and sale of treasury stock, and of dividend payments of 2.7 billion yen. As a result, cash and cash equivalents at the end of the first quarter of fiscal 2005 amounted to 50.5 billion yen.

(Ref.) Forecasts for fiscal 2005 (April 1, 2005 to March 31, 2006)

The loss on asset impairment posted in the first quarter of fiscal 2005 have been discounted in the financial figures in the initial full-year forecasts announced on April 27, 2005. No revisions have been made to these forecasts. However, 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.

1. Consolidated Balance Sheets for the Quarter

(Millions of Yen)

Term Item	1st Qtr. FY 2005		FY 2004		Difference	1st Qtr. FY 2004	
	As of 30 June 2005		As of 31 March 2005			As of 30 June 2004	
	Amount	%	Amount	%		Amount	%
(Assets)							
I. Current Assets							
1. Cash and deposits	49,696		31,157		18,539	18,767	
2. Trade notes receivable	56,547		55,690		857	54,194	
3. Accounts receivable	74,384		77,243		-2,859	60,935	
4. Securities	2,102		11		2,090	1,528	
5. Inventories	34,245		32,457		1,788	32,787	
6. Land for sale	10,558		10,541		16	9,314	
7. Other inventories	51,083		44,829		6,253	47,609	
8. Advances	873		807		66	1,122	
9. Prepaid expenses	2,149		1,200		949	2,072	
10. Deferred tax assets	16,567		15,244		1,323	11,293	
11. Short-term loans	3,440		3,586		-146	4,619	
12. Other	13,636		15,949		-2,312	18,003	
13. Allowance for doubtful accounts	-1,788		-1,745		-43	-1,708	
Total current assets	313,498	42.3	286,975	38.3	26,523	260,538	35.2
II. Fixed assets							
1. Tangible fixed assets							
(1) Buildings & structures	82,863		84,356		-1,492	88,246	
(2) Machinery, equipment and tools	59,478		57,989		1,489	58,973	
(3) Land	63,925		72,420		-8,495	73,239	
(4) Construction in progress	7,463		6,893		569	11,689	
(5) Other	7,609		7,246		362	7,645	
(Total tangible fixed assets)	221,341	29.8	228,906	30.6	-7,565	239,795	32.4
2. Intangible fixed assets							
(1) Software	4,398		4,450		-52	4,646	
(2) Consolidation adjustment account	3,506		3,145		361	3,339	
(3) Other	1,945		1,792		153	1,883	
(Total intangible assets)	9,850	1.3	9,388	1.3	461	9,869	1.3
3. Investments and other assets							
(1) Investments in securities	166,299		188,668		-22,369	183,388	
(2) Long-term loans	3,328		3,410		-81	3,728	
(3) Long-term prepaid expenses	1,254		1,256		-2	1,447	
(4) Deferred income taxes	17,296		21,259		-3,962	32,275	
(5) Other	10,966		10,760		206	11,204	
(6) Allowance for doubtful accounts	-2,111		-1,827		-284	-1,597	
(Total investment and other assets)	197,034	26.6	223,528	29.9	-26,493	230,446	31.1
Total fixed assets	428,226	57.7	461,823	61.7	-33,596	480,112	64.8
Total assets	741,724	100.0	748,798	100.0	-7,073	740,650	100.0

(Millions of Yen)

Term Item	1st Qtr. FY 2005		FY 2004		Difference	1st Qtr. FY 2004	
	As of 30 June 2005		As of 31 March 2005			As of 30 June 2004	
	Amount	%	Amount	%		Amount	%
(Liabilities)							
I. Current liabilities							
1. Trade notes payable	15,175		15,742		-566	21,852	
2. Accounts payable	107,864		113,464		-5,599	94,567	
3. Short-term loans	42,257		34,544		7,713	37,358	
4. Commercial paper	—		—		-	8,000	
5. Bond due within one year	—		—		-	95	
6. Accrued expenses	23,030		25,238		-2,208	21,795	
7. Accrued income taxes	1,451		4,491		-3,039	3,358	
8. Deferred tax liabilities	85		407		-322	464	
9. Provision for bonuses	8,931		11,335		-2,403	8,296	
10. Provision for compensation for completing constructions	918		918		0	836	
11. Advances received	43,295		38,917		4,378	39,280	
12. Other	28,867		27,958		909	30,308	
Total of current liabilities	271,878	36.7	273,020	36.5	-1,141	266,215	35.9
II. Fixed liabilities							
1. Bonds	25,000		25,000		—	25,105	
2. Long-term loans	52,382		59,998		-7,616	82,205	
3. Deferred tax liabilities	3,413		3,390		22	3,291	
4. Provision for retirement allowance	64,033		64,513		-480	65,162	
5. Other	5,028		5,016		12	4,566	
Total fixed liabilities	149,857	20.2	157,920	21.1	-8,062	180,331	24.3
Total liabilities	421,736	56.9	430,940	57.6	-9,203	446,547	60.3
(Minority shareholders' interests)	9,178	1.2	7,661	1.0	1,517	7,569	1.0
(Shareholders' equity)							
I. Common stock	100,002	13.5	100,002	13.4	—	100,002	13.5
II. Capital surplus	109,650	14.8	109,266	14.6	383	109,272	14.8
III. Retained earnings	97,785	13.2	97,641	13.0	143	76,319	10.3
IV. Unrealized gain on land revaluation	349	0.0	349	0.0	—	346	0.0
V. Unrealized holding gain (loss) on securities	11,037	1.5	6,666	0.9	4,371	5,351	0.7
VI. Foreign currency translation adjustments	-877	-0.1	-601	-0.1	-276	-2,237	-0.3
VII Treasury stocks	-7,137	-1.0	-3,128	-0.4	-4,009	-2,520	-0.3
Total shareholders' equity	310,809	41.9	310,196	41.4	612	286,533	38.7
Total liabilities, minority shareholders' interest, and shareholders' equity	741,724	100.0	748,798	100.0	-7,073	740,650	100.0

2. Consolidated Profit and Loss Statement for the Quarter

(Millions of Yen)

Term Item	1st Qtr. FY 2005			1st Qtr. FY 2004			Difference	FY 2004		
	From 1 April 2005 to 30 June 2005			From 1 April 2004 to 30 June 2004				From 1 April 2004 to 31 March 2005		
	Amount		%	Amount		%		Amount		%
I. Net sales		192,282	100.0		177,889	100.0	14,393		856,935	100.0
II. Cost of sales		136,336	70.9		125,203	70.4	11,132		605,671	70.7
Gross income		55,945	29.1		52,685	29.6	3,260		251,263	29.3
III. Selling, general & administrative expenses		54,754	28.5		53,648	30.2	1,106		214,818	25.1
Operating income or loss		1,191	0.6		-963	-0.5	2,154		36,445	4.3
IV. Non-operating income										
1. Interest income	306			203				884		
2. Dividend income	1,445			162				323		
3. Investment income by equity method	—			37				4,745		
4. Miscellaneous income	1,370	3,122	1.6	885	1,289	0.7	1,832	5,631	11,584	1.4
V. Non-operating expenses										
1. Interest expenses	509			616				2,483		
2. Discount on commercial paper	—			-				0		
3. Sales discounts	77			74				332		
4. Investment loss resulting from equity method	56			-				-		
5. Miscellaneous expenses	850	1,494	0.8	1,223	1,914	1.1	-420	7,227	10,043	1.2
Recurring income or loss		2,819	1.5		-1,588	-0.9	4,407		37,986	4.4
VI. Extraordinary income										
1. Gain on change in equity	5,155			2,056				2,420		
2. Gain on transfer of business	-	5,155	2.7	-	2,056	1.2	3,099	440	2,860	0.3
VII. Extraordinary expenses										
1. Loss on asset impairment	11,869			-				-		
2. Loss on sales or disposal of property, plant and equipment	122			298				4,678		
3. Structural improvement expenses	-	11,991	6.2	-	298	0.2	11,692	4,059	8,737	1.0
1st quarter income or loss before income taxes and minority interests		-4,016	-2.1		169	0.1	-4,186		32,109	3.7
Income taxes		-294	-0.2		2,081	1.2	-2,376		4,481	0.5
Deferred taxes		-	-		-	-	-		5,752	0.7
Minority interests		51	0.0		-177	-0.1	229		-412	-0.0
1st quarter net income or loss		-3,773	-2.0		-1,734	-1.0	-2,039		22,286	2.6

3. Statements of Capital Surplus and Retained Earnings for the Quarter

(Millions of Yen)

Term Item	1st Qtr. FY 2005		1st Qtr. FY 2004		Difference	FY 2004	
	From 1 April 2005 to 30 June 2005		From 1 April 2004 to 30 June 2004			From 1 April 2004 to 31 March 2005	
	Amount		Amount			Amount	
(Capital surplus)							
I. Capital reserve at the beginning of term		109,266		109,243	23		109,243
II. Increase in capital surplus							
Disposal of treasury stocks	383	383	28	28	355	23	23
III. Capital reserve at end of term		109,650		109,272	377		109,266
(Retained earnings)							
I. Retained earnings at beginning of term		97,641		80,792	16,848		80,792
II. Increase in retained earnings							
1. 1st quarter net income	-	-	-	-	-	22,286	-
2. Increase due to exclusion of affiliates accounted for by the equity method	6,945	6,945	-	-	6,945	-	22,286
III. Decrease in retained earnings							
1. 1st quarter net loss	3,773	-	1,734	-	-	-	-
2. Dividend	2,680	-	2,144	-	-	4,825	-
3. Directors' bonuses	200	-	159	-	-	159	-
4. Decrease in amount due to increase of consolidated subsidiaries	146	-	435	-	-	435	-
5. Decrease in amount due to exclusion of subsidiaries from consolidation	-	6,801	-	4,473	2,328	17	5,438
IV. Retained earnings at end of term		97,785		76,319	21,465		97,641

4. Consolidated Statements of Cash Flows for the Quarter

(Millions of Yen)

Term Item	1st Qtr. FY 2005	1st Qtr. FY 2004	FY 2004
	From 1 April 2005 to 30 June 2005	From 1 April 2004 to 30 June 2004	From 1 April 2004 to 31 March 2005
I. Operating activities			
1. 1st quarter income or loss before income taxes and minority interests	-4,016	169	32,109
2. Depreciation and amortization	5,746	5,833	26,344
3. Loss on asset impairment	11,869	-	-
4. Gain on change in equity	-5,155	-2,056	-2,420
5. Loss on sales or disposal of property, plant and equipment	122	298	4,678
6. Reversal of retirement benefits, net of payments	-584	73	-579
7. Interest and dividend income	-1,752	-366	-1,207
8. Interest expense	587	691	2,816
9. Equity in (earnings) losses of affiliates	56	-37	-4,745
10. Decrease (increase) in accounts receivable	4,147	843	-16,584
11. Decrease (increase) in inventories	-7,192	-8,768	-6,663
12. Increase (decrease) in accounts payable	-10,941	-13,060	2,462
13. Increase in advances received	4,365	6,731	6,347
14. Directors' bonuses paid	-191	-143	-159
15. Other	-2,170	2,491	8,324
Subtotal	-5,109	-7,300	50,722
16. Interest and dividends received	2,039	1,998	4,198
17. Interest paid	-698	-730	-2,917
18. Income taxes paid	-2,776	-1,296	-3,308
Net cash used in operating activities (1)	-6,545	-7,330	48,694
II. Investing activities			
1. Purchases of property, plant and equipment	-5,871	-5,868	-24,027
2. Proceeds from sales of property, plant and equipment	1,290	245	9,141
3. Purchases of investment securities	-3,009	-1,272	-2,082
4. Proceeds from sales of investment securities	44,679	12,171	15,532
5. Purchases of intangible assets and other assets	-644	-301	-2,350
6. Decrease (increase) in short-term loans, net	-82	-195	1,622
7. Other	-33	-420	558
Net cash provided (used in) by investing activities (2)	36,328	4,358	-1,605
III. Financing activities			
1. Decrease in short-term debt, net	-1,590	-233	-16,660
2. Increase (decrease) in commercial paper, net	-	3,000	-5,000
3. Proceeds from long-term loan	0	37	1,572
4. Repayment of long-term loan	-1,753	-2,422	-13,485
5. Repayment of bonds	-	-	-204
6. Dividends paid	-2,683	-2,109	-4,818
7. Cash dividends paid to minority shareholders of consolidated subsidiaries	-26	-16	-205
8. Purchase of treasury stock	-10,845	-40	-234
9. Proceeds from sale of treasury stock	5,530	0	8
10. Other	108	214	32
Net cash used in financing activities (3)	-11,258	-1,570	-38,996
IV. Effect of exchange rate changes on cash and cash equivalents (4)	-	-48	319
V. Net increase (decrease) in cash and cash equivalents (1)+(2)+(3)+(4)	18,524	-4,590	8,412
VI. Cash and cash equivalents at beginning of term	30,927	22,535	22,535
VII. Increase in cash and cash equivalents resulting from additional consolidation of subsidiaries	1,146	27	27
VIII. Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	-	-47
IX. Cash and cash equivalents at end of term	50,599	17,971	30,927

5. Segment Information

(Business segments)

First three months fiscal 2005 (Apr. 1, 2005 to June 30, 2005)

(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.	93,389	39,907	49,155	9,830	192,282	-	192,282
(2)Intersegment	81	2,836	1,782	1,394	6,095	-6,095	-
Total	93,470	42,744	50,937	11,224	198,377	-6,095	192,282
Operating expenses	94,100	43,156	47,869	12,009	197,135	-6,043	191,091
Operating income (loss)	-630	-411	3,068	-784	1,242	-51	1,191
II. Assets	176,997	138,231	176,386	43,520	535,136	206,588	741,724
Depreciation and amortization	1,272	1,208	2,633	378	5,494	252	5,746
Capital expenditures	1,837	1,000	2,625	245	5,708	155	5,864

First three months fiscal 2004 (Apr. 1, 2004 to June 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.	84,974	38,270	45,358	9,285	177,889	-	177,889
(2)Intersegment	46	2,807	1,362	2,686	6,903	-6,903	-
Total	85,021	41,078	46,720	11,972	184,792	-6,903	177,889
Operating expenses	87,882	41,363	43,568	13,134	185,947	-7,095	178,852
Operating income (loss)	-2,860	-285	3,152	-1,161	-1,154	191	-963
II. Assets	178,337	139,564	168,307	47,101	533,310	207,341	740,650
Depreciation and amortization	1,370	1,296	2,451	418	5,537	296	5,833
Capital expenditures	1,347	1,227	3,589	650	6,814	51	6,866

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 Unallocatable 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 (loss)	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

(Geographical Segments)

First three months fiscal 2005 (Apr. 1, 2005 to June 30, 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	173,168	4,985	7,126	6,438	562	192,282	-	192,282
(2)Intersegment	5,188	348	544	389	40	6,511	-6,511	-
Total	178,357	5,333	7,670	6,828	602	198,792	-6,511	192,282
Operating expenses	178,066	5,154	6,969	6,555	531	197,276	-6,185	191,091
Operating income (loss)	291	179	701	272	71	1,516	-325	1,191
II. Assets	453,815	13,574	28,602	21,713	2,706	520,412	221,312	741,724

First three months fiscal 2004 (Apr. 1, 2004 to June 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	160,549	4,693	6,721	5,371	553	177,889	-	177,889
(2)Intersegment	4,896	386	208	185	18	5,695	-5,695	-
Total	165,445	5,080	6,929	5,556	572	183,584	-5,695	177,889
Operating expenses	167,833	4,826	6,141	5,338	550	184,690	-5,837	178,852
Operating income (loss)	-2,388	253	788	218	21	-1,105	142	-963
II. Assets	466,318	13,015	26,778	15,462	2,703	524,278	216,371	740,650

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

6. Housing Business Orders

	Balance of Orders	
	Millions of Yen	%
FY 2005 1st Qtr.	83,247	-6.7
FY 2004 1st Qtr.	89,261	7.0

(Note) Balance of orders is cumulative to the end of the quarter under review.
Percentages indicate year-on-year changes.