

Summary of Financial Results for the First Half of Fiscal Year Ending March 31, 2006

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 27, 2005
 U.S. GAAP Applied: No

1. Consolidated Business Results for the First Half (April 1, 2005 - September 30, 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	%
FY2005 (First Half)	432,643	4.7	16,679	9.6	19,739	9.2
FY2004 (First Half)	413,071	4.7	15,223	84.7	18,073	86.4
FY2004	856,935	5.2	36,445	57.9	37,986	38.2

	Net Income		Net Income per Share	Net Income per Share(diluted)
	millions of yen	%	yen	yen
FY2005 (First Half)	6,461	-45.2	12.25	12.24
FY2004 (First Half)	11,799	138.5	22.16	22.08
FY2004	22,286	48.4	41.48	41.42

- (Note)
- Equity in earnings of affiliated companies FY2005(1st Half): 747 million yen FY2004 (1st Half): 4,156million yen FY2004 (Full Year) 4,745million yen
 - Average number of shares outstanding (consolidated) during FY2005 (1st Half): 527,415,987 FY2004 (1st Half): 532,413,457 FY2004 (Full Year) 532,358,357
 - Changes in accounting method Yes
 - 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
FY2005 (First Half)	777,972		338,904	43.6	640.26
FY2004 (First Half)	749,320		299,161	39.9	562.29
FY2004	748,798		310,196	41.4	582.42

(Note) Number of shares outstanding (consolidated) at term-end: Sept. 30, 2005: 529,323,669 Sept. 30, 2004: 532,038,127 Mar. 31, 2005: 532,254,537

(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
FY2005 (First Half)	13,485	31,799	-13,218	64,215
FY2004 (First Half)	25,740	2,146	-25,924	24,335
FY2004	48,694	-1,605	-38,996	30,927

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

Consolidated subsidiaries: 141; Non-consolidated subsidiaries accounted for by the equity method: 0;
 Affiliates accounted for by the equity method: 8

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

Consolidated subsidiaries: New 14; Excluded 11; Affiliates accounted for under equity method: New 0; Excluded 1

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
Entire Year	890,000	44,000	21,000

Reference – Projected net income per share for the entire year: 39.67 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.

【Reference Materials】

Summary of Consolidated Business Results for the First Half of Fiscal 2005

SEKISUI CHEMICAL CO., LTD.

<Highlights>

Against a backdrop of higher raw material costs affecting all divisions, the Company posted higher sales on the back of stronger performances by IT and automotive materials; operating income and recurring income also rose.

1. Business Results for First Half of FY2005 (Consolidated)

(1) Overall

Percentage change shown in brackets

	FY2005 First Half	FY2004 First Half	Change	
Net Sales	432.6 billion yen	413.0 billion yen	Difference	+19.5 billion yen (+4.7%)
Operating Income	16.6 billion yen	15.2 billion yen	Difference	+1.4 billion yen (+9.6%)
Recurring Income	19.7 billion yen	18.0 billion yen	Difference	+1.6 billion yen (+9.2%)
Net Income	6.4 billion yen	11.7 billion yen	Difference	-5.3 billion yen (-45.2%)

*The decrease in net income for the interim period under review mainly reflected the booking of impairment losses of 11.8 billion yen under extraordinary expenses due to the application of accounting standards for the impairment of fixed assets.

(2) By Division

(billion yen, %)

		Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Businesses	Eliminations or unallocatable accounts	Total
Sales	FY2005 (1st Half)	217.2	97.5	106.1	24.6	-12.9	432.6
	FY2004 (1st Half)	210.7	94.2	96.4	26.1	-14.5	413.0
	Difference	6.4	3.3	9.6	-1.4	1.6	19.5
	Difference (%)	0.31	0.36	1.0	-0.57	-	0.47
Operating Income	FY2005 (1st Half)	8.0	2.2	7.7	-1.4	0	16.6
	FY2004 (1st Half)	7.8	2.2	7.0	-1.7	-0.1	15.2
	Difference	0.1	0	0.6	0.3	0.2	1.4
	Difference (%)	1.6	1.1	9.9	-	-	9.6

(3) Overview

Housing

Against the backdrop of a sluggish new-build detached housing market and higher raw material prices, sales rose due to a higher unit sales price and growth in the home refurbishing business; operating income on a par with PY

- No. of units sold: 7,850 units (compared with PY -3%)
- Unit sales price: +5% (compared with PY)
- Fami-S (refurbishing business) sales: 27.2 billion yen (compared with PY +12%)

Results / Measures

- 1.Enhanced Product Functionality:
 - Started sales of new 3-story housing product "Domani Comfatic" (Aug.)
 - Reinforced the Letoit JX range of collective housing with the introduction of family and zero-energy-cost products (Jul.)
- 2.Implemented Marketing Reforms:
 - Increased visitors to the exhibition places and the introductions for more sales / Made progress on rebuilding show home sites:
 - Differentiated unitized construction system / Promoting the comprehensive indication of simulated -performance for individual house (energy
- 3.Living Environment Business: Strengthened sales centered on "60 Year Long-term Support System"

Urban Infrastructure and Environmental Products

Strengthened core businesses in environment of rising raw materials prices; this together with expansion in growth fields boosted sales; operating income on a par with PY

Results / Measures

- 1.Core businesses:
 - Greater acceptance of price hikes for PVC pipes and fittings in response to higher raw materials costs
 - Wider adoption of systemized piping in detached housing products boosts sales
- 2.Overseas Business:
 - Research center completed in Beijing, China (Jul.); Use center to support full-scale business expansion in country by carrying out market research, raising brand visibility and forming joint R&D ventures with government and academia
 - Company established in South Carolina, US to sell materials for repairing ageing pipes and provide related engineering services (Aug.)
- 3.Growth fields: Sales in the piping restoration business grew sharply by 40% on the back of reinforced sales and assembly structures

High performance plastics

Stronger sales and earnings supported by overseas business expansion and steady growth in the IT and automotive materials fields

Results / Measures

- 1.Higher sales of IT-related products (fine particles for liquid crystals) and automotive materials(interlayer film used in laminated glass, polyolefin foam products)
- 2.Overseas business posts YoY increase in sales of 14%

2. Forecast for FY2005 (Consolidated)

- (1) Overall** **Despite high raw material prices and drop in housing orders in first half, Company aims to boost operating income by 15% by increasing housing orders, boosting competitiveness of core businesses and expanding growth businesses in second half**

	Forecast FY2005	FY2004 Actual	Change	Initial Forecast
Net Sales	890 billion yen	856.9 billion yen	Difference +33 billion yen (+3.9%)	920 billion yen
Operating Income	42 billion yen	36.4 billion yen	Difference +5.5 billion yen (+15.2%)	50 billion yen
Recurring Income	44 billion yen	37.9 billion yen	Difference +6 billion yen (+15.8%)	51 billion yen
Net Income	21 billion yen	22.2 billion yen	Difference -1.2 billion yen (-5.8%)	27 billion yen
Dividend per share	11 yen (interim: 5 yen)	10 yen (interim: 5 yen)	+1 yen (interim: 0 yen)	11 yen

(2) By Division

		(billion yen, %)					
		Housing	Urban Infrastructure & Environmental Products	High Performance Plastics	Other Businesses	Eliminations or unallocatable accounts	Total
Sales	Forecast FY2005	435.0	215.0	220.0	50.0	-30.0	890.0
	FY2004 Actual	429.1	204.8	197.6	52.5	-27.3	856.9
	Difference	5.8	10.1	22.3	-2.5	-2.6	33.0
	Difference (%)	1.4	5.0	11.3	4.8	-	3.9
	Initial Forecast	465.0	215.0	220.0	50.0	-30.0	920.0
Operating Income	Forecast FY2005	16.5	11.0	17.5	-3.0	0	42.0
	FY2004 Actual	16.2	8.8	14.7	-3.3	0	36.4
	Difference	0.2	2.1	2.7	0.3	0	5.5
	Difference (%)	1.6	23.9	18.6	-	-	15.2
	Initial Forecast	23.0	12.0	18.5	-3.5	0	50.0

(3) Forecasts by Division

Housing **Enhance product functionality and complete marketing reforms to drive recovery in orders**

- Units to be sold 16,220 units(compared with PY -3%)
- Unit sales price: +3%(compared with PY)
- Fami-S (refurbishing business) sales: 55.7 billion yen (Increase from PY +9%)

Measures

- 1.Enhance product functionality: Launch "Parfait Warm Airly" (Oct.)
- 2.Marketing reforms:
 - Increase visitors to the exhibition places and the introductions for more sales / Push forward with rebuilding of show homes: 65 in second half (compared with PY 49)
 - Differentiate unitized construction system / Push forward with full roll out of "Yurenavi" earthquake resistance diagnostic systems for individual house Offer 300 factory tours in the second half (compared with PY 174)
- 3.Living Environment Business: Continue to establish and reinforce "60 Year Long-term Support System"

Urban Infrastructure & Environmental Products

Make core businesses more competitive and accelerate expansion in overseas and growth fields

Measures

- 1.Reinforce core businesses: Ensure wider acceptance of price increases for PVC pipes and fittings
- 2.Overseas businesses:
 - China - Strengthen building equipment and advanced water pipe system business and reinforced composite plastic pipe business
 - Develop piping restoration business overseas (US and S. Korea)
- 3.Growth fields:
 - Push forward with full roll out of piping restoration system (diagnosis, engineering, aftersales maintenance)
 - Expand sales of the pipe system lineup centered on facility pipe products

High Performance Plastics **Expand businesses in core fields and grow overseas business**

Measures

- 1.Boost operations in core fields (IT, medical, automotive materials, and high-performance building materials)
- 2.Overseas:
 - Expand sales of automotive materials (interlayer film used in laminate glass, polyolefin foam products)
 - Grow exports of IT-related materials to Asia, particularly China

3. Scope of Consolidation

(No. of companies)

	FY2005 First Half	FY2004	Change	
Consolidated companies	141	138	3	Consolidated 14 companies Excluded 11 companies YoY Impact (billion yen): Net sales: 50 Operating income: +0.2
Equity method companies	8	9	-1	

4. Cash Flow (Consolidated)

(billion yen)

	FY2005 First Half	FY2004 First Half
Operating activities	13.1	25.7
Investing activities	31.7	2.1
Financing activities	-13.2	-25.9
Translation Difference on Cash and Cash Equivalents	-0.1	-0.1
Increase in cash and cash equivalents	31.6	1.8
Increase in cash and cash equivalents from an increase in consolidated subsidiaries	1.6	0
Decrease in cash and cash equivalents from the exclusion of consolidated companies	0	0
Term-end Balance of Cash and Cash Equivalents	64.2	24.3
Free Cash Flow	42.0	25.7

Interest Bearing Liabilities	FY2005 First Half 118.9	FY2004 119.5	Difference -0.5 (billion yen)
Total Asset Turnover	1.13 times	1.14 times	-0.01

5. Capital Expenditure

(billion yen)

	FY2005 First Half	FY2004 First Half	Difference
Housing	3.2	2.9	0.3
Urban Infrastructure & Environmental Products	2.3	2.1	0.2
High performance plastics	5.2	4.9	0.2
Other businesses	0.7	1.3	-0.5
Eliminations or unallocatable accounts	0	0	-0
Total	11.8	11.5	0.2

Breakdown of capital expenditures:

Establishment of new factory in Europe (Holland) to produce interlayer film

6. Depreciation

(billion yen)

	FY2005 First Half	FY2004 First Half	Change
Housing	2.5	2.8	-0.3
Urban Infrastructure & Environmental Products	2.4	2.6	-0.2
High Performance Plastics	5.7	5.0	0.6
Other businesses	0.7	0.8	0
Eliminations or unallocatable accounts	0.5	0.5	0
Consolidated	12.0	12.0	0

7. Research & Development Expenses

(billion yen)

	FY2005 First Half	FY2004 First Half	Change
Housing	2.7	2.2	0.5
Urban Infrastructure & Environmental Products	2.5	2.6	0
High Performance Plastics	4.4	4.0	0.3
Other Businesses	1.6	2.4	-0.8
Total	11.3	11.4	-0.1

8. Sales and Operating Income per Region

(billion yen)

		Japan	U.S.	Europe	Asia	Others	Eliminated	Total
Sales	FY2005 1st Half	403.0	11.3	15.5	15.0	1.3	-13.7	432.6
	FY2004 1st Half	387.1	10.2	14.1	11.8	1.2	-11.6	413.0
	Difference	15.9	1.0	1.4	3.1	0.1	-2.1	19.5
Operating Income	FY2005 1st Half	13.5	0.6	1.6	0.7	0.1	0	16.6
	FY2004 1st Half	12.2	0.6	1.8	0.5	0.1	0	15.2
	Difference	1.2	0	-0.2	0.2	0	0	1.4

1. Consolidated Balance Sheets (1st Half)

(Millions of Yen)

Term Item	FY 2005 (1st Half)		FY 2004		Difference	FY 2004(1st Half)	
	As of 30 Sep. 2005		As of 31 Mar. 2005			As of 30 Sep. 2004	
	Amount	%	Amount	%		Amount	%
(Assets)							
1) Current Assets							
1. Cash and time deposits	64,300		31,157		33,143	24,547	
2. Trade notes receivable	51,944		55,690		-3,745	48,502	
3. Accounts receivable	87,291		77,243		10,047	71,931	
4. Securities	0		11		-11	1,079	
5. Inventories	34,416		32,457		1,958	31,443	
6. Land for sale	12,027		10,541		1,485	9,090	
7. Other inventories	47,952		44,829		3,122	44,574	
8. Advances	939		807		131	1,123	
9. Prepaid expenses	1,713		1,200		513	1,610	
10. Deferred tax assets	14,882		15,244		-361	10,354	
11. Short-term loans	2,642		3,586		-944	4,041	
12. Other	13,526		15,949		-2,422	23,441	
13. Allowance for doubtful accounts	-1,513		-1,745		231	-1,084	
Total current assets	330,124	42.4	286,975	38.3	43,149	270,657	36.1
2) Fixed assets							
1. Tangible fixed assets							
(1) Buildings & structures	83,070		84,356		-1,285	87,445	
(2) Machinery, equipment and tools	60,431		57,989		2,442	59,752	
(3) Land	63,960		72,420		-8,459	73,276	
(4) Construction in progress	6,825		6,893		-68	7,840	
(5) Other	7,801		7,246		554	7,446	
Total tangible fixed assets	222,089	28.5	228,906	30.6	-6,816	235,761	31.5
2. Intangible fixed assets							
(1) Software	4,396		4,450		-54	4,714	
(2) Consolidation adjustment account	3,208		3,145		62	3,274	
(3) Other	2,113		1,792		321	1,904	
Total intangible assets	9,718	1.2	9,388	1.3	330	9,892	1.3
3. Investments and other assets							
(1) Investment securities	196,306		188,668		7,637	185,699	
(2) Long-term loans	4,505		3,410		1,095	3,638	
(3) Long-term prepaid expenses	1,282		1,256		25	1,347	
(4) Deferred income taxes	5,483		21,259		-15,775	32,704	
(5) Other	10,958		10,760		197	11,110	
(6) Allowance for doubtful accounts	-2,496		-1,827		-669	-1,491	
Total investments and other assets	216,039	27.8	223,528	29.9	-7,488	233,008	31.1
Total fixed assets	447,847	57.6	461,823	61.7	-13,975	478,662	63.9
Total assets	777,972	100.0	748,798	100.0	29,174	749,320	100.0

(Millions of Yen)

Term Item	FY 2005(1st Half)		FY 2004		Difference	FY 2004(1st Half)	
	As of 30 Sep. 2005		As of 31 Mar. 2005			As of 30 Sep. 2004	
	Amount	%	Amount	%		Amount	%
(Liabilities)							
1) Current liabilities							
1. Trade notes payable	14,708		15,742		-1,033	17,031	
2. Accounts payable	113,457		113,464		-7	107,433	
3. Short-term loans	42,488		34,544		7,943	25,166	
4. Bonds due within one year	-		-		-	97	
5. Accrued expenses	25,869		25,238		630	25,901	
6. Accrued income taxes	3,907		4,491		-584	6,607	
7. Deferred tax liabilities	96		407		-311	47	
8. Provision for bonuses	11,877		11,335		542	10,813	
9. Provision for compensation for completing construction	944		918		25	836	
10. Advances received	38,682		38,917		-234	39,789	
11. Other	27,075		27,958		-883	31,494	
Total current liabilities	279,108	35.9	273,020	36.5	6,088	265,221	35.4
2) Fixed liabilities							
1. Bonds	25,000		25,000		-	25,108	
2. Long-term loans	51,465		59,998		-8,533	79,335	
3. Deferred tax liabilities	3,549		3,390		158	3,223	
4. Provision for retirement allowances	63,752		64,513		-761	64,909	
5. Other	5,833		5,016		816	4,638	
Total fixed liabilities	149,600	19.2	157,920	21.1	-8,319	177,214	23.6
Total liabilities	428,709	55.1	430,940	57.6	-2,231	442,436	59.0
(Minority shareholders' interest)	10,358	1.3	7,661	1.0	2,697	7,722	1.0
(Shareholders' equity)							
1) Common stock	100,002	12.9	100,002	13.4	-	100,002	13.3
2) Capital surplus	109,569	14.1	109,266	14.6	302	109,279	14.6
3) Retained earnings	107,850	13.9	97,641	13.0	10,209	89,852	12.0
4) Unrealized gain on land revaluation	406	0.1	349	0.0	57	347	0.0
5) Unrealized holding gain (loss) on securities	29,003	3.7	6,666	0.9	22,336	4,928	0.7
6) Foreign currency translation adjustments	-1,139	-0.1	-601	-0.1	-538	-2,043	-0.3
7) Treasury stock	-6,786	-0.9	-3,128	-0.4	-3,658	-3,206	-0.4
Total shareholders' equity	338,904	43.6	310,196	41.4	28,708	299,161	39.9
Total liabilities, minority shareholders' interest, and shareholders' equity	777,972	100.0	748,798	100.0	29,174	749,320	100.0

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

(Millions of Yen)

Term Item	FY 2005 (1st Half)		FY 2004 (1st Half)		Difference	FY 2004				
	From 1 Apr.2005 to 30 Sep.2005		From 1 Apr. 2004 to 30 Sep.2004			From 1 Apr.2004 to 31 Mar. 2005				
	Amount	%	Amount	%		Amount	%			
1) Net sales	432,643	100.0	413,071	100.0	19,571	856,935	100.0			
2) Cost of sales	307,102	71.0	290,146	70.2	16,955	605,671	70.7			
Gross profit	125,541	29.0	122,925	29.8	2,616	251,263	29.3			
3) Selling, general & administrative expenses	108,861	25.2	107,701	26.1	1,160	214,818	25.1			
Operating income	16,679	3.9	15,223	3.7	1,456	36,445	4.3			
4) Non-operating income										
1. Interest income	630		420		884	884				
2. Dividend income	2,506		224		323	323				
3. Investment income by equity method	747		4,156		4,745	4,745				
4. Miscellaneous income	2,946	6,831	1.6	2,698	7,500	1.8	-669	5,631	11,584	1.4
5) Non-operating expenses										
1. Interest expenses	1,114		1,274		2,483	2,483				
2. Discounts on commercial paper	-		0		0	0				
3. Sales discounts	163		161		332	332				
4. Miscellaneous expenses	2,494	3,771	0.9	3,214	4,650	1.1	-878	7,227	10,043	1.2
Ordinary income	19,739	4.6	18,073	4.4	1,666	37,986	4.4			
6) Extraordinary income										
1. Gain on change in equity	5,155		2,059		2,420	2,420				
2. Gain on transfer	-	5,155	1.2	440	2,499	0.6	2,656	440	2,860	0.3
7) Extraordinary expenses										
1. Loss on asset impairment	11,880		-		4,059	4,059				
2. Structural improvement expenses	1,790		1,218		4,678	4,678				
3. Loss on sales or disposal of fixed assets	593	14,264	3.3	2,261	3,479	0.8	10,784	4,678	8,737	1.0
Income before income taxes and minority interests	10,630	2.5	17,093	4.1	-6,462	32,109	3.7			
Income taxes	3,803	0.9	5,545	1.3	-1,742	4,481	0.5			
Deferred taxes	-	-	-	0.0	-	5,752	0.7			
Minority interests	365	0.1	-251	-0.1	617	-412	-0.0			
Net income	6,461	1.5	11,799	2.9	-5,337	22,286	2.6			

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

(Millions of Yen)

Term Item	FY 2005 (1st Half) From 1 Apr. 2005 to 30 Sep. 2005		FY 2004 (1st Half) From 1 Apr. 2004 to 30 Sep. 2004		Difference	FY 2004 From 1 Apr. 2004 to 31 Mar. 2005	
	Amount		Amount			Amount	
(Capital surplus)							
1) Capital reserve at beginning of term		109,266		109,243	23		109,243
2) Increase in capital surplus							
Disposal of treasury stock	302	302	35	35	267	23	23
3) Capital reserve at end of term		109,569		109,279	289		109,266
(Retained earnings)							
1) Retained earnings at beginning of term		97,641		80,792	16,848		80,792
2) Increase in retained earnings							
1. Net income	6,461		11,799			22,286	
2. Increase due to exclusion of affiliates accounted for by equity method	6,945	13,407	-	11,799	1,607	-	22,286
3) Decrease in retained earnings							
1. Dividends	2,680		2,144			4,825	
2. Directors' bonuses	209		159			159	
3. Decrease due to inclusion of consolidated subsidiaries	307		435			435	
4. Decrease due to exclusion of subsidiaries from consolidation	-	3,197	-	2,739	458	17	5,438
4) Retained earnings at end of term		107,850		89,852	17,997		97,641

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

(Millions of Yen)

Term Item	FY 2005 (1st Half)	FY 2004 (1st Half)	FY 2004
	From 1 Apr. 2005 to 30 Sep. 2005	From 1 Apr. 2004 to 30 Sep. 2004	From 1 Apr. 2004 to 31 Mar. 2005
1) Operating activities			
1. Income (loss) before income taxes and minority interests	10,630	17,093	32,109
2. Depreciation and amortization	12,097	12,088	26,344
3. Loss on asset impairment	11,880	-	-
4. Gain on change in equity	-5,155	-2,059	-2,420
5. Loss on sales or disposal of fixed assets	593	2,261	4,678
6. Reversal of retirement benefits, net of payments	-876	-194	-579
7. Interest and dividend income	-3,137	-645	-1,207
8. Interest expense	1,277	1,436	2,816
9. Equity in (earnings) losses of affiliates	-747	-4,156	-4,745
10. Decrease in notes and accounts receivable	-3,023	-4,457	-16,584
11. Decrease in inventories	-5,019	-4,067	-6,663
12. Decrease in notes and accounts payable	-3,673	-1,184	2,462
13. Increase (decrease) in advances received	-252	7,218	6,347
14. Directors' bonuses paid	-209	-159	-159
15. Other	404	2,223	8,324
Subtotal	14,788	25,397	50,722
16. Interest and dividends received	3,426	3,508	4,198
17. Interest paid	-1,308	-1,516	-2,917
18. Income taxes paid	-3,721	-1,648	-3,308
Net cash (used in) provided by operating activities (1)	13,185	25,740	48,694
2) Investment activities			
1. Purchases of fixed assets	-10,048	-10,397	-24,027
2. Proceeds from sales of fixed assets	1,662	931	9,141
3. Increase in investments in securities	-2,798	-2,083	-2,082
4. Proceeds from sales of investment securities	46,196	13,586	15,532
5. Purchases of shares in subsidiaries accompanying change in consolidation	-1,498	-	-
6. Purchases of intangible assets and other assets	-1,287	-1,243	-2,350
7. Net (increase) decrease in short-term loans	733	1,271	1,622
8. Other	-1,160	82	558
Net cash (used in) provided by investing activities (2)	31,799	2,146	-1,605
3) Financial activities			
1. (Decrease) increase in short-term debt, net	-2,883	-12,130	-16,660
2. (Decrease) increase in commercial paper	-	-5,000	-5,000
3. Proceeds from long-term debt	209	1,137	1,572
4. Repayment of long-term debt	-3,618	-7,370	-13,485
5. Repayment of bonds	-	-	-204
6. Cash dividends paid	-2,680	-2,128	-4,818
7. Cash dividends paid to minority shareholders of consolidated subsidiaries	-211	-20	-205
8. Purchase of treasury stock	-10,873	-900	-962
9. Proceeds from sale of treasury stock	5,532	1	7
10. Other	1,305	486	758
Net cash (used in) provided by financing activities (3)	-13,218	-25,924	-38,996
4) Effect of exchange rate changes on cash and cash equivalents (4)	-140	-144	319
5) Net increase (decrease) in cash and cash equivalents (1) + (2) + (3) + (4)	31,625	1,818	8,412
6) Cash and cash equivalents at beginning of term	30,927	22,535	22,535
7) Increase in cash and cash equivalents from inclusion of consolidated subsidiaries	1,662	27	27
8) Decrease in cash and cash equivalents from exclusion of consolidated subsidiaries	-	-45	-47
9) Cash and cash equivalents at end of term	64,215	24,335	30,927

5. Segment Information

(1. Business segments)

First half of fiscal 2005 (Apr. 1, 2005 to Sep. 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	217,073	91,654	102,339	21,576	432,643	-	432,643
(2) Intersegment	189	5,901	3,772	3,091	12,954	-12,954	-
Total	217,262	97,556	106,112	24,667	445,598	-12,954	432,643
Operating expenses	209,233	95,293	98,393	26,085	429,006	-13,042	415,963
Operating income (loss)	8,029	2,262	7,718	-1,418	16,591	88	16,679
II. Assets	181,876	145,288	178,457	44,401	550,023	227,949	777,972
Depreciation and amortization	2,574	2,471	5,771	773	11,591	505	12,097
Capital expenditures	3,275	2,374	5,291	795	11,738	91	11,829

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

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

(Note) Company-wide assets included under eliminations or unallocatable accounts in assets were 282,171 million yen for the interim period under review, 253,187 million yen for the previous interim period, and 252,004 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 2005 (Apr. 1, 2005 to Sep. 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	391,644	10,742	14,672	14,295	1,287	432,643	-	432,643
(2)Intersegment	11,440	574	926	723	76	13,741	-13,741	-
Total	403,085	11,317	15,598	15,018	1,363	446,384	-13,741	432,643
Operating expenses	389,573	10,704	13,998	14,219	1,195	429,691	-13,727	415,963
Operating income	13,512	612	1,600	799	168	16,692	-13	16,679
II. Assets	461,417	14,658	27,967	28,236	3,389	535,669	242,302	777,972

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

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

(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.