

Consolidated Earnings Report for the Nine Months Ended December 31, 2005

Company Name: Sekisui Chemical Co., Ltd.

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

Code No.: 4204

Stock Listings: Tokyo and Osaka stock exchanges (First Section)

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1. Matters Pertaining to Preparation of 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 used previously in the preparation of interim financial statements.

(2) Changes in accounting methods from the most-recent consolidated fiscal year: Yes

From the current consolidated accounting period, Sekisui Chemical has adopted the accounting standard for impairment of fixed assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the implementation guidance for the accounting standard for impairment of fixed assets (the Financial Accounting Standard Implementation Guidance No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003). As a result of this change, income before income taxes and minority interests for the third quarter has been reduced by 11,880 million yen. The accumulated impairment losses will be deducted directly from the amounts of each asset in accordance with standards for the preparation of the revised consolidated interim financial statements.

(3) Changes in the scope of consolidation and affiliates accounted for under the equity method: Yes

Consolidated subsidiaries: New 15; Excluded 11; Affiliates accounted for under equity method: New 0;

Excluded 1

2. Financial and Operating Results for the Nine Months Ended December 31, 2005 (April 1, 2005 to December 31, 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	%
Nine months ended December 31, 2005	649,428	2.6	24,820	-7.3	28,529	-4.4	11,250	-42.0
Nine months ended December 31, 2004	633,209	5.6	26,761	88.5	29,841	-87.1	19,396	142.4
(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
Nine months ended December 31, 2005	21.30	21.29
Nine months ended December 31, 2004	36.44	36.30
(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.

(2) Consolidated financial position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	millions of yen	millions of yen	%	yen
Nine months ended December 31, 2005	776,422	349,863	45.1	660.64
Nine months ended December 31, 2004	762,363	305,739	40.1	574.62
(Ref.) Year ended March 31, 2005	748,798	310,196	41.4	582.42

(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
Nine months ended December 31, 2005	2,256	25,922	-25,774	35,039
Nine months ended December 31, 2004	26,908	-1,161	-23,560	24,741
(Ref.) Year ended March 31, 2005	48,694	-1,605	-38,996	30,927

3. Qualitative information about consolidated business results and changes in consolidated financial position

(1) Consolidated business results for the three months ended December 31, 2005

Consolidated net sales in the third quarter were on a par with the same period a year earlier due to firm sales of IT and automobile-related products, despite a drop in housing orders in the first half of the fiscal year.

Operating income, recurring income and net income were all lower year on year due to a fall in housing segment sales.

(2) Business results by company in the three months ended December 31, 2005

<Housing>

In the housing segment, order unit prices rose 5% over the same period in the previous year. This was due to the Company's efforts to develop the advanced functionality of its products, centered on "houses with no heating and lighting expenses;" the launch of sales in October 2005 of "Parfait Warm Airly", incorporating Sekisui's own all-building heating system; and the strengthening of sales of wood-based unit housing, "Grand To You." To appropriately market advanced functionality housing, the Company further developed its concept of displaying the performance of individual residences underscored by differentiated unit construction techniques, and aiming to increase visitors to exhibition places and sales opportunities, made progress on rebuilding show home sites. However, because these qualitative marketing reforms are still being implemented, orders received for housing units declined 13% year on year. In the home remodeling business, meanwhile, sales declined 4%.

Cumulative sales for this segment for the nine months to December 31 were 319.3 billion yen, down 2.6 billion yen year on year. Operating income was 9.7 billion yen, or 3.2 billion yen lower.

<Urban Infrastructure & Environmental Products>

In core businesses, sales of PVC pipes were firm as additional price mark-ups in October 2005 won acceptance. These mark-ups were initiated in response to higher costs for raw materials driven by rising oil prices. Housing materials, meanwhile, struggled overall. Sales and earnings both declined compared to tough comparatives a year earlier, when strong buying by customers in anticipation of price markups in construction materials also played a factor. In growth areas, the piping restoration business made steady progress in the U.S. and Korea. In the U.S., a sales and engineering company was established in August 2005 and Sekisui intends to establish a manufacturing base there in spring 2006. In China, Xinjiang Yongchang Sekisui Composite Co., Ltd., a company manufacturing and selling fiberglass-reinforced plastic mortar (FRPM) pipes, is expanding its business by operating a new manufacturing plant in the Xinjiang Weiwuerzu Autonomous Region. In October 2005, Sekisui opened a Beijing Representative Office to implement product awareness activities for the whole of China and strengthen and promote design development and specification proposals.

Cumulative segment sales for the nine months to December 31 were 151.0 billion yen, an increase of 4.5 billion yen year on year. Operating income was 4.9 billion yen, or 0.4 billion yen lower.

<High Performance Plastics>

Sales of IT materials were firm, centered on fine particles for liquid crystal displays, as were those for automotive materials, including interlayer film for laminated glass for automobiles and polyolefin foam.

In January 2006, Sekisui formulated the AT1000 Plan, which targets net sales of 100 billion yen in the priority automotive materials field in fiscal 2010, five years from now. To expand current operations, the Company will build new manufacturing bases in China, the Netherlands and the U.S. by the end of fiscal 2007, thereby advancing production in regions of demand. Moreover, aiming to enter new business areas, the Company plans to establish a center for developing automotive materials during fiscal 2006.

Cumulative sales for this segment in the first nine months of the year rose 14.1 billion yen to 160.9 billion yen, and operating income increased 1.0 billion yen year on year to 12.1 billion yen.

(3) Consolidated financial position

Financial position for the nine months to December 31, 2005

Total assets as of December 31, 2005 were 27.6 billion yen higher than March 31, 2005 at 776.4 billion yen. Among total assets, current assets rose 30.6 billion yen, mainly due to increases in accounts receivable and inventories accompanying increased sales. This was partially offset by a drop of 6.4 billion yen in property, plant and equipment, chiefly due to the booking of impairment losses that outweighed increases in property, plant and equipment from newly consolidated subsidiaries.

Shareholders' equity increased 39.6 billion yen to 349.8 billion yen. The shareholders' equity ratio was 45.1%.

Cash flows for the nine months to December 31, 2005

Net cash provided by operating activities was 2.2 billion yen. This was mainly due to cash inflows of 19.2 billion yen in income before income taxes and minority interests, as well as add-back charges such as a loss on asset impairment of 11.8 billion yen and 18.6 billion yen in depreciation and amortization, both of which do

not use cash. Cash outflows included 32.4 billion yen for increases in operating capital, 4.7 billion yen in income taxes paid and 5.1 billion yen in dilution gain, an item which does not generate cash.

Net cash provided by investing activities was 25.9 billion yen. This mainly reflected 46.8 billion yen in proceeds from sales of investment securities, including some of the Company's shareholdings in Sekisui House, Ltd., which outweighed investments of 21.9 billion yen that were concentrated overseas and in growth areas.

Net cash used by financing activities was 25.7 billion yen. This largely stemmed from a net outflow of 5.3 billion yen from the purchase and sale of treasury stock, dividend payments of 5.4 billion yen and a net outflow of 16.5 billion yen in loans and debt.

As a result, cash and cash equivalents at the end of the nine-month period ended December 31, 2005 totaled 35.0 billion yen.

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

In light of weak orders for housing, the Company has marginally revised downwards both its consolidated and non-consolidated full-year forecasts for net sales and earnings announced on October 27, 2005 with interim earnings.

1. Consolidated Outlook for Fiscal 2005 (April 1, 2005 to March 31, 2006)

	Net Sales	Recurring Income	Net Income	Net Income Per Share
Revised Forecast	millions of yen 885,000	millions of yen 42,000	millions of yen 20,000	yen 37.77
Previous Forecast	890,000	44,000	21,000	39.67

2. Non-Consolidated Outlook for Fiscal 2005 (April 1, 2005 to March 31, 2006)

	Net Sales	Recurring Income	Net Income	Net Income Per Share
Revised Forecast	millions of yen 375,000	millions of yen 24,500	millions of yen 6,000	yen 11.33
Previous Forecast	380,000	25,000	8,000	15.10

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	3rd Qtr. FY 2005		FY 2004		Difference	3rd Qtr. FY 2004	
	As of 31 Dec. 2005		As of 31 Mar. 2005			As of 31 Dec. 2004	
	Amount	%	Amount	%		Amount	%
(Assets)							
I Current Assets							
1. Cash and deposits	34,125		31,157		2,968	24,961	
2. Trade notes receivable	66,370		55,690		10,679	62,926	
3. Accounts receivable	83,974		77,243		6,730	69,244	
4. Securities	1,000		11		989	10	
5. Inventories	35,196		32,457		2,739	32,883	
6. Land for sale	12,206		10,541		1,664	9,368	
7. Other inventories	48,996		44,829		4,166	45,706	
8. Advances	1,150		807		342	1,420	
9. Prepaid expenses	2,532		1,200		1,332	2,578	
10. Deferred tax assets	14,938		15,244		-305	10,610	
11. Short-term loans	2,501		3,586		-1,085	4,013	
12. Other	16,217		15,949		267	23,167	
13. Allowance for doubtful accounts	-1,540		-1,745		205	-1,379	
Total current assets	317,670	40.9	286,975	38.3	30,695	285,511	37.5
II Fixed assets							
1. Tangible fixed assets							
(1) Buildings & structures	82,606		84,356		-1,749	86,927	
(2) Machinery, equipment and tools	60,151		57,989		2,162	59,554	
(3) Land	64,102		72,420		-8,317	73,345	
(4) Construction in progress	7,788		6,893		895	6,681	
(5) Other	7,772		7,246		525	7,431	
(Total tangible fixed assets)	(222,422)	(28.6)	(228,906)	(30.6)	(-6,484)	(233,940)	(30.7)
2. Intangible fixed assets							
(1) Software	4,086		4,450		-363	4,493	
(2) Consolidation adjustment	3,162		3,145		17	3,209	
(3) Other	2,095		1,792		303	1,803	
(Total intangible assets)	(9,344)	(1.2)	(9,388)	(1.3)	(-43)	(9,506)	(1.2)
3. Investments and other assets							
(1) Investments in securities	209,004		188,668		20,336	186,705	
(2) Long-term loans	5,048		3,410		1,638	3,544	
(3) Long-term prepaid expenses	1,272		1,256		15	1,321	
(4) Deferred income taxes	3,262		21,259		-17,996	32,291	
(5) Other	10,876		10,760		115	10,786	
(6) Allowance for doubtful	-2,478		-1,827		-651	-1,244	
(Total investment and other assets)	(226,985)	(29.2)	(223,528)	(29.9)	(3,457)	(233,404)	(30.6)
Total fixed assets	458,752	59.1	461,823	61.7	-3,070	476,851	62.5
Total assets	776,422	100.0	748,798	100.0	27,624	762,363	100.0

(Millions of Yen)

Term Item	3rd Qtr. FY 2005		FY 2004		Difference	3rd Qtr. FY 2004	
	As of 31 Dec. 2005		As of 31 Mar. 2005			As of 31 Dec. 2004	
	Amount	%	Amount	%		Amount	%
(Liabilities)							
I Current liabilities							
1. Trade notes payable	16,527		15,742		784	19,010	
2. Accounts payable	112,089		113,464		-1,374	112,610	
3. Short-term loans	33,784		34,544		-760	35,714	
4. Commercial paper	-		-		-	5,000	
5. Bonds due within one year	-		-		-	111	
6. Accrued expenses	23,612		25,238		-1,626	24,131	
7. Accrued income taxes	6,271		4,491		1,780	10,068	
8. Deferred tax liabilities	141		407		-266	48	
9. Provision for bonuses	6,999		11,335		-4,336	6,107	
10. Provision for compensation for completed construction	947		918		28	866	
11. Advances received	34,200		38,917		-4,716	36,131	
12. Other	29,685		27,958		1,727	31,953	
Total current liabilities	264,260	34.0	273,020	36.5	-8,760	281,754	37.0
II Fixed liabilities							
1. Bonds	25,000		25,000		-	25,000	
2. Long-term loans	50,292		59,998		-9,706	69,138	
3. Deferred tax liabilities	6,432		3,390		3,041	3,328	
4. Provision for retirement allowance	64,096		64,513		-417	65,018	
5. Other	5,873		5,016		857	4,599	
Total fixed liabilities	151,695	19.5	157,920	21.1	-6,224	167,084	21.9
Total liabilities	415,955	53.6	430,940	57.6	-14,984	448,838	58.9
(Minority shareholders' interests)	10,604	1.4	7,661	1.0	2,943	7,785	1.0
(Shareholders' equity)							
I Common stock	100,002	12.9	100,002	13.4	-	100,002	13.1
II Capital surplus	109,502	14.1	109,266	14.6	236	109,275	14.3
III Retained earnings	109,991	14.2	97,641	13.0	12,350	94,705	12.4
IV Unrealized gain on land revaluation	406	0.1	349	0.0	57	347	0.0
V Unrealized holding gain (loss) on securities	36,768	4.7	6,666	0.9	30,101	5,607	0.7
VI Foreign currency translation adjustments	-62	-0.0	-601	-0.1	538	-998	-0.1
VII Treasury stock	-6,745	-0.9	-3,128	-0.4	-3,617	-3,200	-0.4
Total shareholders' equity	349,863	45.1	310,196	41.4	39,666	305,739	40.1
Total liabilities, minority shareholders interests, and shareholders' equity	776,422	100.0	748,798	100.0	27,624	762,363	100.0

2. Consolidated Statements of Income for the Quarter

(Millions of Yen)

Term Item	3rd Qtr. FY 2005		3rd Qtr. FY 2004		Difference	FY 2004				
	Nine months from 1 Apr. 2005		Nine months from 1 Apr. 2004			From 1 Apr. 2004				
	to 31 Dec. 2005		to 31 Dec. 2004			to 31 Mar. 2005				
	Amount	%	Amount	%		Amount	%			
I Net sales	649,428	100.0	633,209	100.0	16,218		856,935	100.0		
II Cost of sales	459,986	70.8	444,476	70.2	15,509		605,671	70.7		
Gross income	189,441	29.2	188,732	29.8	708		251,263	29.3		
III Selling, general & administrative expenses	164,621	25.3	161,970	25.6	2,650		214,818	25.1		
Operating income	24,820	3.8	26,761	4.2	-1,941		36,445	4.3		
IV Non-operating income										
1. Interest income	832		653				884			
2. Dividend income	2,623		317				323			
3. Investment income by equity method	1,185		4,504				4,745			
4. Miscellaneous income	3,947	8,589	1.3	3,835	9,312	1.5	-722	5,631	11,584	1.4
V Non-operating expenses										
1. Interest expenses	1,627		1,912				2,483			
2. Discount on commercial paper	-		0				0			
3. Sales discounts	245		248				332			
4. Miscellaneous expenses	3,006	4,879	0.8	4,071	6,232	1.0	-1,352	7,227	10,043	1.2
Recurring income	28,529	4.4	29,841	4.7	-1,311		37,986	4.4		
VI Extraordinary income										
1. Dilution gain	5,155		2,059				2,420			
2. Gain on transfer of business	-	5,155	0.8	440	2,499	0.4	2,656	440	2,860	0.3
VII Extraordinary expenses										
1. Loss on asset impairment	11,880		-				-			
2. Structural improvement expenses	1,799		1,218				4,059			
3. Loss on sales or disposal of property, plant and equipment	746	14,426	2.2	2,554	3,773	0.6	10,653	4,678	8,737	1.0
Income before income taxes and minority interests for the quarter	19,259	3.0	28,568	4.5	-9,308		32,109	3.7		
Income taxes	7,491	1.2	9,380	1.5	-1,889		4,481	0.5		
Deferred taxes	-	-	-	-	-		5,752	0.7		
Minority interests	516	0.1	-208	-0.0	725		-412	-0.0		
Net income for the quarter	11,250	1.7	19,396	3.1	-8,145		22,286	2.6		

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

(Millions of Yen)

Term Item	3rd Qtr. FY 2005		3rd Qtr. FY 2004		Difference	FY 2004	
	Nine months from 1 Apr. 2005		Nine months from 1 Apr. 2004			From 1 Apr. 2004	
	to 31 Dec. 2005		to 31 Dec. 2004			to 31 Mar. 2005	
	Amount		Amount			Amount	
(Capital surplus)							
I Capital surplus at beginning of term		109,266		109,243	23		109,243
II Increase in capital surplus							
Disposal of treasury stock	236	236	31	31	205	23	23
III Capital surplus at end of term		109,502		109,275	227		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. 3rd qtr. net income	11,250		19,396			22,286	
2. Increase due to exclusion of subsidiaries from consolidation	6,945	18,196	-	19,396	-1,199	-	22,286
III Decrease in retained earnings							
1. Dividends	5,329		4,825			4,825	
2. Directors' bonuses	209		159			159	
3. Decrease due to increase in consolidated subsidiaries	307		435			435	
4. Decrease due to exclusion of subsidiaries from consolidation	-	5,846	64	5,483	362	17	5,438
IV Retained earnings at end of term		109,991		94,705	15,286		97,641

4. Consolidated Statements of Cash Flows for the Quarter

(Millions of Yen)

Item	Term	3rd Qtr. FY 2005	3rd Qtr. FY 2004	FY 2004
		Nine months from 1 Apr. 2005	Nine months from 1 Apr. 2004	From 1 Apr. 2004
		to 31 Dec. 2005	to 31 Dec. 2004	to 31 Mar. 2005
I. Operating activities				
1. Income (loss) before income taxes and minority interests		19,259	28,568	32,109
2. Depreciation and amortization		18,678	18,766	26,344
3. Loss on asset impairment		11,880	-	-
4. Dilution gain		-5,155	-2,059	-2,420
5. Loss on sales or disposal of property, plant and equipment		746	2,554	4,678
6. Reversal of (provision for) bonuses		-4,313	-3,758	1,461
7. Reversal of retirement benefits, net of payments		-543	-99	-579
8. Interest and dividend income		-3,455	-971	-1,207
9. Interest expense		1,873	2,160	2,816
10. Equity in (earnings) losses of affiliates		-1,185	-4,504	-4,745
11. Decrease in accounts receivable		-13,617	-15,704	-16,584
12. Decrease (increase) in inventories		-6,786	-6,721	-6,663
13. Increase (decrease) in accounts payable		-5,384	3,779	2,462
14. Decrease (increase) in advances received		-4,737	3,957	6,347
15. Directors' bonuses paid		-209	-159	-159
16. Other		-1,931	1,431	6,863
Subtotal		5,116	27,239	50,722
17. Interest and dividends received		3,879	3,995	4,198
18. Interest paid		-2,004	-2,291	-2,917
19. Income taxes paid		-4,735	-2,035	-3,308
Net cash provided by operating activities (1)		2,256	26,908	48,694
II. Investing activities				
1. Purchases of property, plant and equipment		-16,035	-15,131	-24,027
2. Proceeds from sales of property, plant and equipment		1,631	1,050	9,141
3. Purchases of investment securities		-2,883	-2,241	-2,082
4. Proceeds from sales of investment securities		46,871	15,359	15,532
5. Purchases of shares in subsidiaries accompanying change in consolidation		-1,498	-	-
6. Purchases of intangible assets and other assets		-1,560	-1,562	-2,350
7. Decrease (increase) in short-term loans, net		314	30	1,622
8. Proceeds from recovery of long-term loans		142	126	670
9. Long-term loans		-1,367	-33	-398
10. Other		308	1,239	285
Net cash provided by (used in) investing activities (2)		25,922	-1,161	-1,605
III. Financing activities				
1. Increase (decrease) in short-term debt, net		-1,702	-9,974	-16,660
2. Increase (decrease) in commercial paper, net		-	-	-5,000
3. Proceeds from long-term loans		281	1,548	1,572
4. Repayment of long-term loans		-15,102	-9,969	-13,485
5. Repayment of bonds		-	-99	-204
6. Dividends paid		-5,179	-4,790	-4,818
7. Cash dividends paid to minority shareholders of consolidated subsidiaries		-221	-20	-205
8. Purchase of treasury stock		-10,892	-900	-962
9. Proceeds from sale of treasury stock		5,532	1	7
10. Other		1,508	644	758
Net cash used in financing activities (3)		-25,774	-23,560	-38,996
IV. Effect of exchange rate changes on cash and cash equivalents (4)		45	39	319
V. Net increase (decrease) in cash and cash equivalents (1)+(2)+(3)+(4)		2,449	2,225	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		1,662	27	27
VIII. Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation		-	-47	-47
IX. Cash and cash equivalents at end of term		35,039	24,741	30,927

5. Segment Information

(Business segments)

First nine months of fiscal 2005 (Apr. 1, 2005 to Dec. 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.	319,035	142,501	155,353	32,537	649,428	-	649,428
(2) Intersegment	286	8,549	5,610	4,706	19,152	-19,152	-
Total	319,321	151,050	160,963	37,244	668,580	-19,152	649,428
Operating expenses	309,584	146,093	148,841	39,248	643,767	-19,159	624,607
Operating income (loss)	9,737	4,957	12,122	-2,004	24,813	7	24,820
II. Assets	172,652	155,983	182,890	45,145	556,671	219,751	776,422
Depreciation and amortization	3,979	3,950	8,767	1,221	17,918	760	18,678
Capital expenditures	4,322	3,912	8,545	1,174	17,954	112	18,067

First nine months of fiscal 2004 (Apr. 1, 2004 to Dec. 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.	321,812	137,551	142,116	31,729	633,209	-	633,209
(2) Intersegment	199	8,943	4,652	6,666	20,462	-20,462	-
Total	322,012	146,494	146,768	38,395	653,671	-20,462	633,209
Operating expenses	309,016	141,068	135,702	41,001	626,788	-20,340	606,447
Operating income (loss)	12,995	5,426	11,066	-2,605	26,883	-121	26,761
II. Assets	188,799	148,153	173,099	48,562	558,614	203,749	762,363
Depreciation and amortization	4,373	4,175	8,024	1,311	17,885	881	18,766
Capital expenditures	4,157	3,161	6,964	1,618	15,902	152	16,055

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 (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 nine months of fiscal 2005 (Apr. 1, 2005 to Dec. 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	587,161	16,542	21,141	22,512	2,069	649,426	-	649,428
(2) Intersegment	17,574	803	1,409	1,116	100	21,004	-21,004	-
Total	604,735	17,346	22,551	23,628	2,169	670,431	-21,004	649,428
Operating expenses	584,457	16,333	20,179	22,406	1,922	645,298	-20,690	624,607
Operating income (loss)	20,278	1,012	2,372	1,222	247	25,133	-312	24,820
II. Assets	473,958	15,452	28,373	29,756	3,454	550,994	225,427	776,422

First nine months of fiscal 2004 (Apr. 1, 2004 to Dec. 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	578,516	14,518	20,710	17,685	1,778	633,209	-	633,209
(2) Intersegment	15,519	1,017	568	603	89	17,798	-17,798	-
Total	594,035	15,535	21,279	18,288	1,868	651,007	-17,798	633,209
Operating expenses	571,405	14,708	18,857	17,438	1,674	624,083	-17,636	606,447
Operating income (loss)	22,630	827	2,421	850	193	26,924	-162	26,761
II. Assets	479,530	13,405	27,839	16,994	2,675	540,445	221,918	762,363

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 (loss)	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

(Overseas net sales)

First nine months of fiscal 2005 (Apr. 1, 2005 to Dec. 31, 2005)

	United States of America	Europe	Asia	Others	Total
I Overseas net sales (millions of yen)	16,680	21,537	27,833	2,786	68,838
II Consolidated net sales (millions of yen)					649,428
III Overseas net sales as a ratio of consolidated net sales (%)	2.6	3.3	4.3	0.4	10.6

First nine months of fiscal 2004 (Apr. 1, 2004 to Dec. 31, 2004)

Overseas net sales have been shown because they represent more than 10% of consolidated net sales for the interim period.

	United States of America	Europe	Asia	Others	Total
I Overseas net sales (millions of yen)	17,521	19,585	26,760	2,344	66,212
II Consolidated net sales (millions of yen)					633,209
III Overseas net sales as a ratio of consolidated net sales (%)	2.8	3.1	4.2	0.4	10.5

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

Overseas net sales have been shown because they represent more than 10% of consolidated net sales for the interim period.

	United States of America	Europe	Asia	Others	Total
I Overseas net sales (millions of yen)	20,169	28,842	29,820	2,415	81,247
II Consolidated net sales (millions of yen)					856,935
III Overseas net sales as a ratio of consolidated net sales (%)	2.4	3.4	3.5	0.3	9.5

Notes: 1. Country and regional segments are classified on the basis of geographic proximity.

2. Principal countries and regions:

U.S. --- The United States of America

Europe --- Germany, UK, the Netherlands, Switzerland, Italy, Spain and France

Asia --- Thailand, Korea, Singapore and China

Other --- Mexico and Australia

6. Housing Business Orders

	Balance of Orders	
	Millions of Yen	%
FY 2005 Third Qtr.	272,155	-8.0
FY 2004 Third Qtr.	295,721	4.7

(Note) Balance of orders is cumulative to the end of the quarter under review.

Percentages indicate year-on-year changes.