

Consolidated Financial Results for the 1st Half of Fiscal Year ending March 31, 2006

(Six months ended September 30, 2005)

(All financial information has been prepared in accordance with generally accepted accounting principles in Japan)
English translation from the original Japanese document

November 7, 2005

Company name : JFE Holdings, Inc.
 Stock exchange on which the shares are listed : Tokyo, Osaka, and Nagoya
 Stock Exchanges in Japan
 Code number : 5411
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Date of the board meeting for the financial results of the six months ended Sept. 30, 2005 : November 7, 2005

1. Highlights of Consolidated Results for the Six months ended Sept. 30, 2005

(1) Statements of Income

	Net sales	(% of change from previous year)	Operating income	(% of change from previous year)	Ordinary income	(% of change from previous year)
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Six months ended Sept. 30, 2005	1,453,200	17.5	264,288	42.0	267,812	44.2
Six months ended Sept. 30, 2004	1,237,004	10.4	186,110	69.2	185,737	100.2
Fiscal Year ended March 31, 2005	2,803,699		467,237		460,684	

	Net income	(% of change from previous year)	Net income per share	Net income per share (fully diluted)
	(Millions of yen)	%	(yen)	(yen)
Six months ended Sept. 30, 2005	170,271	398.5	290.64	276.44
Six months ended Sept. 30, 2004	34,158	(24.2)	58.95	57.05
Fiscal Year ended March 31, 2005	160,057		273.97	262.90

Note1: Equity in earnings of affiliates (Millions of Yen) Six months ended Sept. 30, 2005 9,381
 Six months ended Sept. 30, 2004 7,560
 Fiscal Year ended March 31, 2005 14,325

Note2: Weighted average number of shares of common stock outstanding during
 Six months ended Sept. 30, 2005 585,839,948
 Six months ended Sept. 30, 2004 579,405,734
 Fiscal Year ended March 31, 2005 582,364,749

(2) Balance Sheets

	Total assets	Shareholders' equity	Ratio of shareholders' equity	Shareholders' equity per share
	(Millions of yen)	(Millions of yen)	%	(yen)
Six months ended Sept. 30, 2005	3,622,662	1,134,033	31.3	1,936.07
Six months ended Sept. 30, 2004	3,597,848	774,844	21.5	1,329.73
Fiscal Year ended March 31, 2005	3,656,389	968,614	26.5	1,652.31

Note: Number of shares of common stock outstanding as of September 30, 2005 585,740,900
 September 30, 2004 582,707,925
 March 31, 2005 585,908,711

(3) Statements of Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of this period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Six months ended Sept. 30, 2005	167,826	(65,327)	(125,163)	39,036
Six months ended Sept. 30, 2004	128,446	(44,863)	(89,600)	71,442
Fiscal Year ended March 31, 2005	462,535	(109,518)	(369,873)	59,866

(4) Scope of consolidation and equity method

Number of consolidated subsidiaries	223 companies
Number of unconsolidated subsidiaries accounted for by the equity method	1 company
Number of affiliates accounted for by the equity method	41 companies

2. Forecast of Consolidated Financial Results for Fiscal Year ending March 31, 2006

	Net sales	Operating income	Ordinary income	Net income
Fiscal Year ending March 31, 2006	(Millions of yen) 3,050,000	(Millions of yen) 520,000	(Millions of yen) 500,000	(Millions of yen) 310,000

	Dividend per share	
	year-end	
Fiscal Year ending March 31, 2006	(yen) 100.00	(yen) 100.00

Reference: Estimated net income per share 529.24 yen

Above forecast is our best estimate based upon currently available information and includes uncertain factors.

Therefore, please be advised to refrain from investment decisions by depending solely on these figures.

2. Management Policy

1. Basic Management Policy

The JFE Group's corporate vision is to contribute to society with the world's most innovative technology. The Group seeks to achieve the highest standards of global competitiveness by capitalizing on its strong customer base, advanced technology and state-of-the-art steelworks and manufacturing plants, while creating an innovative corporate culture with a spirit of challenge. Specific objectives include responding better and faster to global customer needs, enhancing credibility among shareholders and capital markets worldwide, providing employees with more challenges and opportunities, and contributing to local communities and global environmental conservation. Through these efforts the Group seeks to become an excellent and highly sustainable organization.

2. Basic Guidelines on Profit Distribution

JFE Holdings considers the return of profits to shareholders to be among its top management priorities and has a policy of distributing dividends in light of financial results trends and the need to bolster the operational base of the Group as a whole.

3. Medium- and Long-Term Management Strategies and Tasks

In January 2003, the JFE Group formulated its First Medium-Term Business Plan, which sets strategic guidelines for the entire Group through the fiscal year ending March 2006. The major goals of the plan include establishing a stable earnings base as quickly as possible, expanding free cash flow by trimming assets, carefully selecting capital expenditure programs, and aggressively reducing outstanding debt, the Group's most pressing financial burden.

The JFE Group is working to build a robust business structure by strengthening the competitiveness of each sector through appropriate execution of operations in light of the specific challenges and requirements of individual business sectors.

During the fiscal year ended March 2005, JFE met all major consolidated financial targets in the First Medium-Term Business Plan (ordinary income, return on sales, return on assets, outstanding debt and shareholders' equity) a year ahead of schedule. Going forward, JFE will continue to pursue an even sounder financial footing and a most robust business structure.

JFE is now in the process of formulating a medium-term business plan that will extend from April 2006 through March 2009.

Programs will be formulated and implemented for each business sector according to the nature of its operations. Below are the highlights.

Principal Policies and Programs for Individual Business Sectors

Steel business

JFE's goal is to become a global player by strengthening its capability to generate stable earnings regardless of the business environment. Accordingly, JFE is focusing on improving the efficiency of its management resource utilization and adding value by creating Only One and Number One products and technologies. JFE Steel's subsidiaries will improve their profitability by further enhancing competitiveness in core businesses and creating new business methods to provide a solid earnings base for the JFE Group as a whole. In international operations, the steel business will further deepen mutually beneficial strategic alliances and actively explore new possibilities for iron- and steel-making operations taking into consideration both market and resource locations. Finally, the steel business will actively seek out investments and partnerships with overseas raw materials suppliers to ensure stable, long-term procurement.

Engineering business

Conditions are severe in the engineering business partly because of changes in markets and increases in materials costs. The engineering unit is meeting these challenges and striving to maximize Group profitability by making operations more efficient, reducing fixed expenses, strengthening new private-sector and overseas projects, expediting commercial sales of new products, and establishing an optimum business structure and systems for the Group at large.

Urban development business

The urban development business will work to achieve stable earnings from condominium sales. In the Yokohama Yamanouchi Development Project, it is moving steadily forward with housing development, while also formulating a scheme for the non-housing portion of the project.

LSI business

Product prices for the digital home electronics market are falling rapidly. To meet this challenge and continue to generate earnings, the LSI business will strengthen its price competitiveness and diversify its product lineup to lay the groundwork for sustainable growth.

In March 2005, JFE Steel received an improvement order from the City of Chiba under the Water Pollution Prevention Law because of problems with drain water at the East Japan Works Chiba Area. In October, three company employees were issued summary orders by the Chiba Summary Court for violations of the Water Pollution Prevention Law.

In September, JFE Engineering Corp. and Toyohira Steel Corp. and Kawatetsu Bridge and Steel Structure Corp., JFE Steel's subsidiaries, were issued cease-and-desist orders by Japan's Fair Trade Commission, alleging violations of the anti-monopoly law regarding bidding on steel bridge superstructure projects ordered by the Ministry of Land, Infrastructure and Transport and the former Japan Highway Public Corp. They complied with this order in October.

In October, JFE Holdings established a JFE Group CSR Council to promote business activities grounded in the corporate social responsibility (CSR) that is at the heart of management. Under its new management system the JFE Group will be seeking rigorous compliance in all of its corporate activities and will also be strengthening efforts to deal with environmental and safety issues so that the JFE Group can emerge as one of the truly excellent companies of the 21st century.

4. Corporate Governance Concepts and Programs

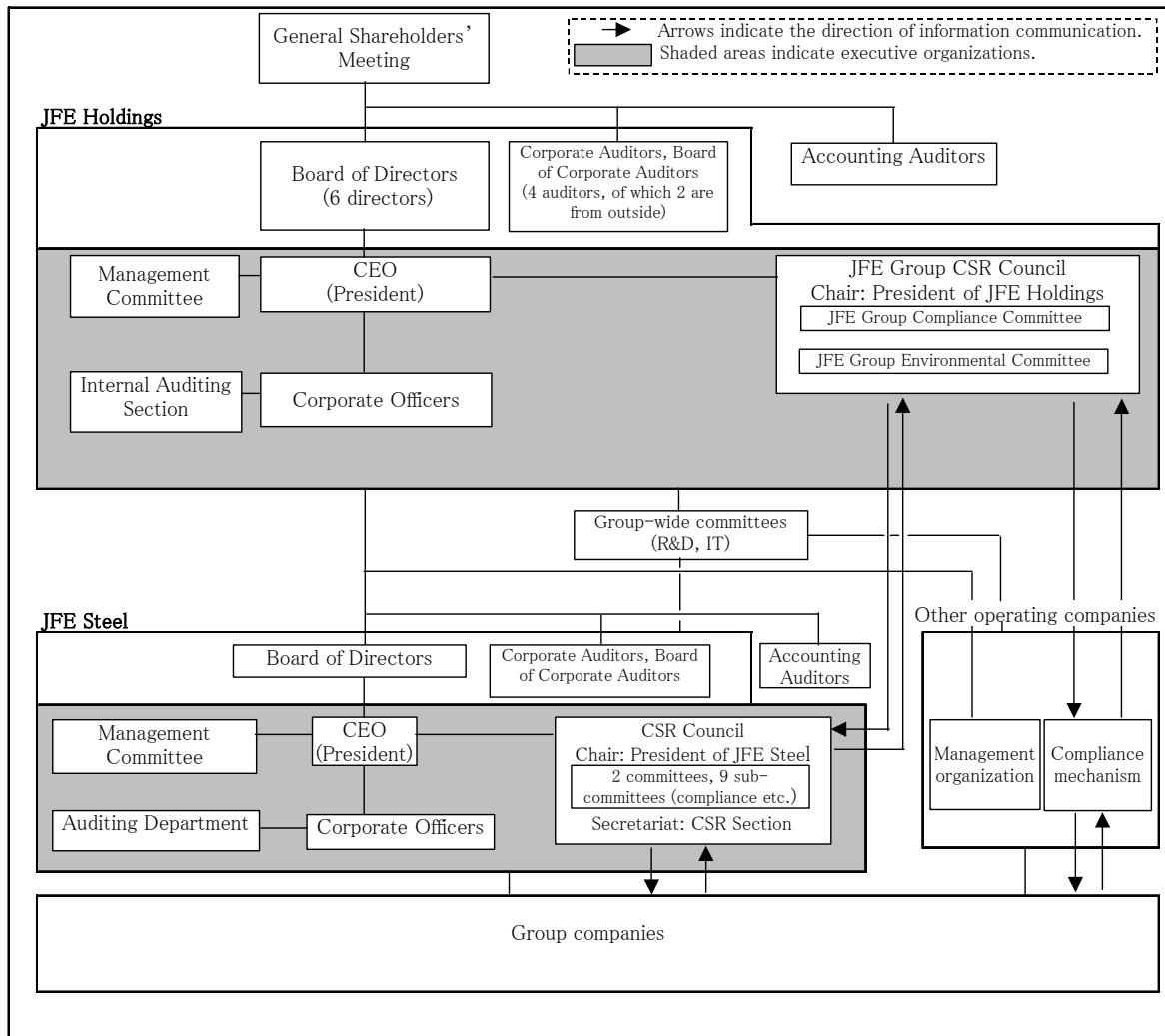
1) Concepts

JFE uses a holding-company structure for consolidated management of the Group through centralized governance and compliance management, while at the same time, the operating companies manage their own businesses in the manner required by their respective markets.

JFE Holdings, the Group holding company, is responsible for group-wide strategy, risk management and external accountability, thereby streamlining Group head office functions.

2) Programs

a) Management and CSR Promotion Organizations



b) Management Organization and Internal Governance

Corporate institutions

JFE Holdings and each of its group companies have adopted an auditor system. JFE Holdings currently has six directors and four corporate auditors (of which two are outside auditors). The board of directors comprises members who are well versed in JFE's businesses, which enables them to oversee business effectively and efficiently. All members of the board of corporate auditors, including outside auditors, monitor JFE business and work to improve its soundness.

JFE Holdings, Inc., JFE Steel Corp., JFE Engineering Corp. and Kawasaki Microelectronics, Inc. employ "corporate officer" systems to separate decision-making and execution, clarify lines of authority and responsibility and accelerate the execution process itself.

Decision-making on important issues

The rules and bylaws of the companies comprising the JFE Group contain clear decision-making procedures covering substantive issues. JFE Holdings has the final review and decision-making authority for major issues that affect the management of the entire Group.

Within each operating company of the Group, substantive issues affecting the respective company and its group companies are considered by its management committee and approved by its board of directors. JFE Holdings' management committee and board of directors are responsible for decisions that affect this company and/or operating companies and other companies of the Group overall. JFE Holdings, Inc., JFE Steel Corp. and JFE Engineering Corp. hold management committee meetings approximately twice a month and their boards of directors meet one or two times a month.

Internal governance and risk management mechanisms

JFE Steel Corp. uses a product-based management system and JFE Engineering Corp. uses a consolidated division (“virtual companies”) system to optimize strategic planning and earnings management of products and businesses. Group-wide committees discuss common issues, such as R&D and IT.

JFE Group companies have formulated internal rules and clear lines of authority and accountability to vouchsafe the appropriateness of their management and the accuracy of their financial reports.

In risk management, corporate officers are tasked with identifying potential risk management issues for each division they oversee. Important issues are brought before the Management Committee and other bodies for deliberation.

Each group company has standards for determining the degree of confidentiality for specific information and applying corresponding levels of security management. These standards determine how information is handled within the company and the conditions under which it can be shared with other companies. The JFE Group is also taking steps to strengthen the management and security of its information systems, including more robust measures to prevent unauthorized access from outside. The Group has clearly articulated rules and policies for the protection of personal information, which were formulated under the spirit of the Law concerning the Protection of Personal Information.

Internal audits and audits by corporate auditors

All principal members of the JFE Group have internal auditing organizations, including JFE Holdings and its major operating companies (total staff of 17) and all other important Group companies. These organizations audit the operations and

management of their respective companies and share information to enhance internal auditing of the Group as a whole.

The Board of Corporate Auditors has four members, of which two are outside auditors. These auditors attend meetings of the Board of Directors and Management Committee, hear regular reports on operations from directors and other officers, and when necessary receive reports on the operations of subsidiaries and affiliates, as they audit the execution of business by the Board. The corporate auditors of JFE Holdings, its operating companies and other Group companies exchange auditing information and coordinate auditing efforts.

The internal auditing section, Board of Corporate Auditors and accounting auditors exchange information and coordinate efforts as needed, including through regular discussions of auditing plans and findings.

c) Promotion of CSR

The JFE Group is aware of its responsibilities as a member of society and considers CSR to be at the very heart of management. It is taking steps to further strengthen efforts in this area. In October 2005, JFE Holdings established a JFE Group CSR Council (chaired by the president, to be convened once every three months) to review a wide range of compliance, environmental, personnel, labor, safety, disaster-prevention and social-contribution issues and to supervise efforts to strengthen CSR throughout the JFE Group. Given the fundamental importance of compliance to CSR, the existing JFE Group Compliance Committee (chaired by the president, convened once every three months) has been made part of the CSR Council. Likewise, the Group Environmental Council that provided group-wide administration of environmental programs has also been incorporated into the Group CSR Council as a new Group Environmental Committee (chaired by the president) that will be tasked with strengthening environmental programs from CSR perspectives.

All of the operating companies are strengthening their CSR programs. JFE Steel established a CSR Section in April 2005 and a CSR Council (chaired by the president) in July. Underneath the CSR Council are 11 committees and subcommittees to deal with compliance, global environment, personnel and labor, safety and disaster, customer satisfaction, social contribution and other issues. In addition to proactive programs in each of these areas, the Council also works to raise awareness of CSR throughout group companies. JFE Engineering and other operating companies have similar Compliance Committees, and these committees will be further strengthened in the future.

In February 2005, JFE Steel enhanced its environmental management programs and systems by establishing an independent environmental management department and providing for internal environmental audits.

The JFE Group has also introduced a system called the Corporate Ethics Hotline that enables employees at all levels to communicate compliance-related information directly to top management.

The JFE Group, through its new CSR systems and organizations, is committed to educating all executives and employees regarding the corporate vision and code of conduct in the JFE Group Standards of Business Conduct, and to acting in a socially responsible manner.

3. Business Results and Financial Position

1. Performance in the first half of fiscal year ending March 31, 2006

Private capital spending increased and consumer spending grew in the first half of the fiscal year, leading to a modest recovery in business conditions in the Japanese economy.

In this environment, the JFE Group moved steadily forward in enacting measures to ensure sustainable growth and increase earnings.

Below is an outline of the results for the first half, broken down by business segment.

The steel business experienced a decline in export production and soaring raw materials prices, but demand remained high from the domestic automotive and shipbuilding industries and improvements were made in both domestic and export sales prices enabling steel to record net sales of 1,338.1 billion yen for ordinary income of 272.3 billion yen, both year-on-year increases.

The engineering business posted a slight year-on-year decline in net sales to 100.7 billion yen, resulting in an ordinary loss of 5.7 billion yen. This occurred despite strong efforts to reduce costs, particularly fixed costs, amid the persistently severe business environment.

The urban development business reported a decline in the number of condominiums delivered, which resulted in year-on-year declines in both net sales and ordinary income to 8.0 billion yen and 0.3 billion yen, respectively.

The LSI business saw strong sales volumes to the liquid crystal display (LCD) panel market, but product prices for both the digital camera and LCD panel markets declined, leading to a year-on-year rise in net sales to 20.7 billion yen but a year-on-year decline in ordinary income to 0.7 billion yen.

Overall, consolidated results for the first half were net sales of 1,453.2 billion yen and ordinary income of 267.8 billion yen, both up on a year-on-year basis.

Factoring in the extraordinary loss posted by the steel business chiefly for polychlorinated biphenyl (PCB) treatment expenses, the company recorded interim net income before income taxes and minority interests of 258.1 billion yen and net income of 170.2 billion yen.

In light of these results, the company has decided to forgo an interim dividend payment.

Turning to cash flow for the first half, cash revenue from operating activities amounted to 167.8 billion yen, with net cash used in investing activities, primarily for the acquisition of fixed assets, totaling 65.3 billion yen. Aggregate free cash flow was revenues of 102.4 billion yen.

This free cash flow and a portion of cash and deposits on hand were used to repay borrowings and pay dividends, resulting in cash flow from financing activities of 125.1 billion yen in expenditures.

Outstanding debt at the end of the first half came to 1,349.9 billion yen, down 96.8 billion yen from the end of the previous fiscal year. Outstanding cash and cash equivalents decreased by 20.8 billion yen from the previous fiscal year-end to 39.0 billion yen.

2. Full-year forecast

JFE anticipates continued recovery in the Japanese economy supported by private-sector demand, but also notes much uncertainty due in particular to rising raw materials and fuels prices.

In light of these circumstances, JFE's full-year forecast for the steel business projects year-on-year increases in sales and income. While the company anticipates an impact from the substantial rises of raw materials prices, it is also adjusting its production to keep pace with demand and taking steps to improve sales prices and reduce costs. The full-year forecast for the engineering business sees declines in sales and income due to the suspension from bidding and also due to declining profitability triggered by higher materials costs. The urban development business forecasts a decline in sales because of lower condominium delivery volumes, but cost reductions will enable this sector to record a slight income increase. The LSI business anticipates year-on-year gains in sales due to strong shipping volumes to the LCD panel industry, but falling product prices will result in only a slight increase in income.

JFE's consolidated full-year forecast projects net sales of 3,050.0 billion yen and ordinary income of 500.0 billion yen, both year-on-year gains. Factoring in the extraordinary loss of 15.0 billion yen from PCB treatment expenses etc., the company forecasts net income of 310.0 billion yen, significantly higher than the previous year.

The full-year non-consolidated results forecast calls for full-year operating revenue, including dividends received from operating companies, of 115.0 billion yen for ordinary income and net income of 105.0 billion yen.

The forecast for consolidated outstanding debt sees declines of approximately 250.0 billion yen from the end of the previous year to reach 1,200.0 billion yen.

Now in the final year of its current medium-term business plan, JFE has been achieving targets faster than initially projected. Record ordinary income of 500.0 billion yen forecast for the full year would double the original target of 250.0 billion yen. In addition to flow-side earnings, JFE is also aggressively maximizing cash flow through the disposal and trimming of assets. This is forecast to result in a substantial improvement in the company's financial position, including a reduction of

consolidated outstanding debt to 1,200.0 billion yen and an increase of shareholders' equity to 1,250.0 billion yen by the year-end.

In light of these results and forecasts, the company aims to declare a year-end dividend of 100 yen per share.

(Reference) Consolidated financial targets for fiscal year ending March 31, 2006

(Billion yen)			
	Medium-term plan (target)	Current full-year forecast	Difference
Ordinary income	250.0	500.0	250.0
Outstanding debt	1,600.0	1,200.0	(400.0)
Shareholders' equity	830.0	1,250.0	420.0

Note: The forecasts in this document are based upon management's conclusions in light of information available at the date of publication. Actual results may differ materially from these forecasts.

3. Cash flow and other financial indicators

	FY ended March 2002	FY ended March 2003	FY ended March 2004	FY ended March 2005	First half of FY ending Mar. 2006
Return on sales (ROS)		4.3%	8.8%	16.4%	18.4%
Return on assets (ROA)		3.7%	6.5%	13.1%	15.2%
Outstanding debt		2,057.1 bil. yen	1,837.4 bil. yen	1,446.7 bil. yen	1,349.9 bil. yen
D/E ratio		346.0%	246.2%	149.4%	119.0%
Shareholders' equity ratio		15.5%	20.0%	26.5%	31.3%
Shareholders' equity ratio at market prices		22.5%	44.2%	47.9%	59.7%
Debt redemption years		8.5 years	5.1 years	3.1 years	-
Interest coverage ratio		5.9 times	11.9 times	20.1 times	19.3 times

Notes:

- Return on sales (ROS) = Ordinary income/Net sales
- Return on assets (ROA) = (Ordinary income + Interest expense)/Total assets¹⁾
(ROA for the interim period is annualized.)
- Outstanding debt = Total amount of borrowings, bonds and commercial paper
- D/E ratio = Outstanding debt/Shareholders' equity
- Shareholders' equity ratio = Shareholders' equity/Total assets
- Shareholders' equity ratio at market prices = Market capitalization²⁾/Total assets
- Debt redemption years = Outstanding debt/Operating cash flow³⁾
(Not available for the interim period.)
- Interest coverage ratio = Operating cash flow³⁾/Interest expense⁴⁾

¹⁾ (Total assets at beginning of term + Total assets at end of term)/2

- 2) Market capitalization is calculated as term-end market prices multiplied by term-end outstanding shares.
- 3) Operating cash flow corresponds to cash flow from operating activities on the consolidated cash flow statement.
- 4) Interest expense corresponds to interest payments on the consolidated cash flow statement.

No indicators are available prior to the fiscal year ended March 2002 because the company was established on September 27, 2002.

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Consolidated Statements of Income

	Six months ended Sept. 30, 2004	Six months ended Sept. 30, 2005	(Millions of Yen) Fiscal Year ended Mar. 31, 2005
Net sales	1,237,004	1,453,200	2,803,699
Cost of sales	(906,709)	(1,045,489)	(2,042,751)
Selling, general and administrative expenses	(144,184)	(143,422)	(293,710)
Operating income	186,110	264,288	467,237
Non-operating income(loss):			
Interest income and dividends received	3,922	3,923	7,322
Equity in earnings of affiliates	7,560	9,381	14,325
Interest expense	(11,433)	(8,126)	(21,767)
Other, net	(422)	(1,654)	(6,433)
Ordinary income	185,737	267,812	460,684
Extraordinary profit:			
Profit on sales of investments in securities	9,708	3,913	13,430
Total	9,708	3,913	13,430
Extraordinary loss:			
Loss on sales of property, plant and equipment	(8,944)	-	(6,787)
Loss on disposal of property, plant and equipment, etc.	(17,041)	-	(19,071)
Loss on impairment of property, plant and equipment, etc.	(74,010)	-	(75,383)
Write-down of investments in securities	(1,500)	-	(11,308)
Loss on liquidation of affiliates	-	-	(27,852)
Provision for loss on investments and other assets, etc.	-	-	(2,092)
Amortization of transitional obligation on accrued retirement benefits	(11,077)	-	(22,148)
Loss on settlement	(1,160)	-	(1,160)
Loss on soil decontamination of subsidiaries	-	-	(4,645)
Cost of treatment of PCB waste	-	(10,965)	-
Surcharge on violation of the Antimonopoly Act	-	(2,578)	-
Total	(113,733)	(13,543)	(170,449)
Income before income taxes and minority interests	81,712	258,181	303,665
Income taxes:			
Current	(64,938)	(79,858)	(166,515)
Deferred	17,229	(6,263)	24,915
Minority interests	155	(1,789)	(2,007)
Net income	34,158	170,271	160,057

Consolidated Balance Sheets

(Millions of Yen)

(Assets)	As of Mar. 31, 2005	As of Sept. 30, 2005	As of Sept. 30, 2004
Current assets:			
Cash and deposits	60,085	39,166	71,665
Notes and accounts receivable	519,722	412,933	401,960
Inventories	509,608	603,532	530,530
Deferred tax assets	57,942	38,724	38,896
Other current assets	64,710	68,456	86,575
Allowance for doubtful accounts	(1,375)	(1,232)	(1,457)
Total current assets	1,210,693	1,161,581	1,128,171
Property, plant and equipment, net:			
Buildings and structures	496,060	486,640	513,426
Machinery and equipment	778,692	778,110	810,827
Land	522,096	521,053	524,783
Construction in progress	49,258	53,685	30,321
Total property, plant and equipment, net	1,846,109	1,839,490	1,879,360
Intangible assets	64,849	70,154	60,442
Investments and other assets:			
Investments in securities	390,381	414,929	341,849
Deferred tax assets	51,964	53,079	87,230
Other assets	110,797	101,210	120,866
Allowance for doubtful accounts	(18,511)	(18,224)	(20,134)
Total investments and other assets	534,631	550,995	529,811
Deferred assets	105	440	62
Total assets	3,656,389	3,622,662	3,597,848
(Liabilities and shareholders' equity)			
Current liabilities:			
Notes and accounts payable	438,460	386,673	372,028
Short-term borrowings	333,157	366,432	382,934
Commercial paper	-	49,000	79,000
Current portion of corporate bonds	101,000	71,000	100,000
Accrued income taxes	157,773	83,103	70,572
Other current liabilities	313,811	331,984	307,278
Total current liabilities	1,344,202	1,288,194	1,311,813
Long-term liabilities:			
Corporate bonds	480,000	470,000	511,000
Long-term borrowings	532,628	393,500	666,793
Accrued retirement benefits	150,495	155,399	137,987
Reserve for rebuilding furnaces	44,585	456,765	46,724
Other liabilities	98,307	100,833	112,426
Total long-term liabilities	1,306,016	1,165,497	1,474,932
Minority interests	37,555	34,936	36,257
Shareholders' equity:			
Common stock	100,000	100,000	100,000
Capital surplus	610,384	610,391	606,363
Retained earnings (Deficit)	196,806	340,144	72,856
Revaluation reserve for land, net of tax	14,281	14,116	14,331
Net unrealized gains on securities	75,754	97,113	38,592
Translation adjustments	(25,620)	(24,231)	(51,901)
Treasury stock ,at cost	(2,992)	(3,499)	(5,398)
Total shareholders' equity	968,614	1,134,033	774,844
Total liabilities and shareholders' equity	3,656,389	3,622,662	3,597,848

Consolidated Statements of Cash Flows

	Six months ended Sept. 30, 2004	Six months ended Sept. 30, 2005	(Millions of Yen) Fiscal Year ended Mar. 31, 2005
Cash flows from operating activities:			
Income before income taxes and minority interests	81,712	258,181	303,665
Adjustments for:			
Depreciation and amortization	86,806	85,089	179,770
Changes in reserves	1,672	6,628	14,942
Interest and dividend income	(3,922)	(3,923)	(7,322)
Interest expense	11,433	8,126	21,767
Profit on sales of investments in securities	(9,708)	(3,913)	(13,430)
Loss on sales of property, plant and equipment	8,944	-	6,787
Loss on disposal of property, plant and equipment, etc.	17,041	-	19,071
Loss on impairment of property, plant and equipment, etc.	74,010	-	75,383
Write-down of investments in securities	1,500	-	11,308
Loss on liquidation of affiliates	-	-	27,852
Provision for loss on investments and other assets, etc.	-	-	2,092
Loss on settlement	1,160	-	1,160
Loss on soil decontamination of subsidiaries	-	-	4,645
Cost of treatment of PCB waste	-	10,965	-
Surcharge on violation of the Antimonopoly Act	-	2,578	-
Changes in operating receivables and trade liabilities	(31,692)	80,645	(110,314)
Changes in inventories	(73,354)	(90,721)	(47,661)
Other, net	(10,054)	(47,529)	3,898
Sub total	155,548	306,129	493,615
Interest and dividend income received	6,001	8,134	9,505
Interest paid	(11,497)	(8,692)	(22,988)
Income taxes paid	(17,135)	(152,085)	(31,982)
Other, net	(4,471)	14,340	14,384
Net cash provided by operating activities	128,446	167,826	462,535
Cash flows from investing activities:			
Payments for purchase of property, plant and equipment	(83,059)	(91,002)	(171,915)
Proceeds from sales of property, plant and equipment	6,690	2,103	16,544
Payments for purchase of investments in securities	(264)	(4,763)	(797)
Proceeds from sales of investments in securities	28,180	20,741	38,229
Other, net	3,589	7,594	8,420
Net cash used in investing activities	(44,863)	(65,327)	(109,518)
Cash flows from financing activities:			
Net change in short-term borrowings and commercial paper	67,608	52,618	(17,080)
Proceeds from long-term borrowings	-	56,396	30,000
Repayments of long-term borrowings	(207,403)	(166,063)	(415,954)
Issuance of corporate bond	102,500	29,854	102,500
Redemption of corporate bonds	(40,500)	(70,000)	(70,500)
Payments for dividends by parent company	(17,221)	(26,204)	(17,255)
Other, net	5,415	(1,764)	18,418
Net cash used in financing activities	(89,600)	(125,163)	(369,873)
Effect of exchange rate change on cash and cash equivalents	1,379	1,787	569
Net decrease in cash and cash equivalents	(4,637)	(20,877)	(16,286)
Cash and cash equivalents at beginning of this period	77,178	59,866	77,178
Changes in cash and cash equivalents at beginning of the period by newly consolidated or deconsolidated subsidiaries	(1,098)	47	(1,025)
Cash and Cash equivalents at end of this period	71,442	39,036	59,866